

Zimmer Biomet (ZBH)

\$94.08 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$96.00**

Long Term: 6-12 Months	Zacks Recommendation:	Neutral
	(Since: 08/08/25)	
	Prior Recommendation: Underperform	
Short Term: 1-3 Months	Zacks Rank: (1-5)	3-Hold
	Zacks Style Scores:	VGM: C
	Value: A	Growth: D
		Momentum: F

Summary

Zimmer Biomet is strategically expanding its global presence to address the huge demand in the musculoskeletal space. The implementation of three strategic priorities is expected to drive pricing stability, mix benefit and competitive conversions. Strong adoption of new knee solutions and steady traction in emerging markets further strengthen the company's growth outlook. Our model expects 5.2% CAGR in the company's revenues from 2025 to 2027. Yet, Zimmer Biomet faces a volatile macroeconomy, marked by geopolitical tensions and staffing shortages, fueling cost pressures. Zimmer Biomet now anticipates about a \$40 million tariff impact on its operating profit this year, principally in the second half. A debt-laden balance sheet as well as a fierce competitive landscape concern us.

Data Overview

52 Week High-Low	\$114.44 - \$85.33
20 Day Average Volume (sh)	1,642,633
Market Cap	\$18.6 B
YTD Price Change	4.6%
Beta	0.62
Dividend / Div Yld	\$0.96 / 1.0%
Industry	Medical - Products
Zacks Industry Rank	Bottom 32% (165 out of 244)

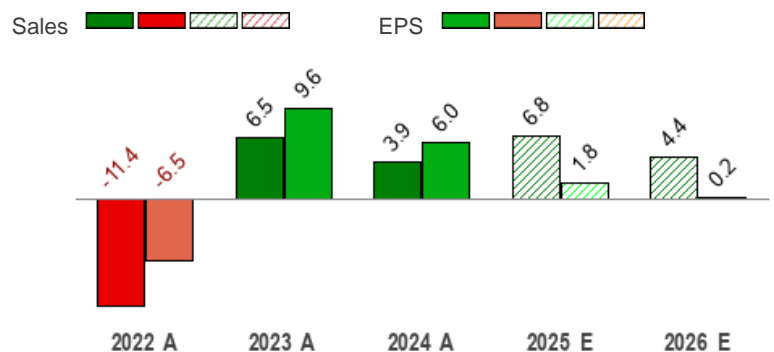
Last EPS Surprise	1.1%
Last Sales Surprise	-0.4%
EPS F1 Est- 4 week change	-0.2%
Expected Report Date	02/05/2026
Earnings ESP	0.4%

P/E TTM	11.6
P/E F1	11.6
PEG F1	11.6
P/S TTM	2.3

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2,038 E	2,179 E	2,078 E	2,270 E	8,564 E
2025	1,909 A	2,077 A	2,001 A	2,216 E	8,203 E
2024	1,889 A	1,942 A	1,824 A	2,023 A	7,679 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.86 E	2.10 E	1.92 E	2.28 E	8.16 E
2025	1.81 A	2.07 A	1.90 A	2.36 E	8.14 E
2024	1.94 A	2.01 A	1.74 A	2.31 A	8.00 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/23/2025.

Overview

Headquartered in Warsaw, IN, Zimmer Biomet is a leading musculoskeletal healthcare company that designs, manufactures and markets orthopedic reconstructive products; sports medicine, biologics, extremities and trauma products; spine, bone healing, craniomaxillofacial and thoracic products; dental implants; and related surgical products. With operations in over 25 countries, Zimmer markets products in more than 100 countries.

In 2015, Zimmer Holdings, Inc. (the legacy company) acquired Biomet, Inc. to form a new consolidated company.

Zimmer Biomet's Product Portfolio

Four Zimmer product categories has been retained post the merger. These are:

Knees (comprising 41.3% of total revenues in 2024; up 5.2% at constant exchange rate from 2023): Major products include Persona personalized knee system, NexGen complete knee solution, Vanguard Knee, Oxford Partial Knee

Hips (26%; up 3%): Significant hip brands include Zimmer M/L Taper Hip Prosthesis, Taperloc Hip System, Arcos Modular Hip System, Continuum Acetabular System, G7 Acetabular System

S.E.T. (24.3%; up 7.1%): This product category has been created comprising Surgical, Sports Medicine, Foot and Ankle, Extremities and Trauma. The brands include Intellicart System, A.T.S. Tourniquet Systems, JuggerKnot Soft Anchor System, Gel-One 1 Cross-linked Hyaluronate, Trabecular Metal TM Reverse Shoulder System , Comprehensive Shoulder among others.

In addition, there is **Technology & Data, Bone Cement and Surgical** (historically referred to as "Other") category (8.3%, up 1.9%) that includes bone cement and office based technology products.

In November 2023, Zimmer Biomet completed the acquisition of a privately-held technology company. This acquisition expands the company's technology and data capabilities and solutions across multiple product categories to better serve its customers.

Zimmer Biomet's geographic segments are the Americas, Europe, Middle East & Africa (EMEA) and Asia Pacific.



As of 12/23/2025



As of 01/08/2026

Reasons To Buy:

▲ **Strong Prospects in Knee Business:** Zimmer Biomet is sharpening its focus on accelerating growth in its Knee portfolio, driven by the expanding adoption of the Persona OsseoTi Cementless Knee, the Oxford Partial Cementless Knee, and continued strength in its ROSA Robotic Platform. According to the company, this combination is validating its innovation cycle and is expected to meaningfully increase both robotics utilization and cementless penetration over the coming years.

In the third quarter of 2025, the U.S. knee business accelerated sequentially, growing 3.5%, supported by robust uptake of its cementless offerings. Persona OsseoTi now represents nearly 30% of all U.S. total knee implants, with the company maintaining its target of exceeding 50% penetration by 2027. Adoption of the Oxford Partial Cementless Knee is also outperforming internal expectations, with strong post-training adoption rates.

Robotics continues to be a major growth driver. ROSA utilization increased further, with U.S. ROSA accounts now performing over half of their knee procedures robotically. Internationally, knee growth of 7.8% in Q3 benefited from new products and favorable order timing in EMEA. Going by our model, the company's Knee business is expected to grow at a CAGR of roughly 3.5% through 2027, supported by expanding cementless adoption, continued robotic momentum, and new product introductions.

▲ **Solid Market Expansion Strategies:** Zimmer Biomet continues to execute solid market strategies focusing on its three core pillars - People and Culture, Operational Excellence and Innovation and Diversification. The company recently appointed Kevin Thornal as the new Group President for the U.S. and Americas. This move aligns with Zimmer Biomet's goal of strengthening leadership as it focuses on developing people and culture, which is essential for effective strategy execution.

Under Operational Excellence, the company has been steadily improving its free cash flow and working capital management through sustained efforts to reduce inventory levels. In Q3 2025, revenue growth accelerated in the U.S., with 5.6% growth in the quarter, supported by strong adoption of recently launched products.

One of the significant highlights under the Innovation and Diversification pillar is Zimmer Biomet's acquisition of Monogram Orthopaedics in the orthopedic surgery space. This acquisition expands its leadership in the surgical robotics arena, adding semi-autonomous and future fully autonomous robotic systems to its portfolio. These new technologies are expected to be commercialized with Zimmer Biomet implants by early 2027. The company's "Magnificent Seven" new product wave also continues to perform well, strengthening adoption across knees, hips, and surgical solutions.

▲ **Innovation and diversification:** Zimmer Biomet is advancing a disciplined four-pillar expansion strategy designed to support a 5% weighted average market growth rate by 2027.

First, the company is expanding patient awareness. The "This, You Can Do" direct-to-patient initiative is now active across major U.S. markets, encouraging earlier recognition of mobility limitations and educating patients on modern knee replacement options. Management views patient activation as a key lever for accelerating knee market recovery and boosting engagement across primary and partial procedures.

Second, Zimmer Biomet is elevating safety, precision and reproducibility through continued investment in robotics, digital tools, and AI. ROSA saw improved capital placement and multi-module utilization in the third quarter, while Orthogrid's AI-guided alignment support is gaining adoption without increasing workflow burden. The planned acquisition of Monogram Technologies adds the mBô's robotics platform- initially semi-autonomous with a path to full autonomy, broadening the company's reach across all surgical complexity levels and complementing ROSA.

Third, Zimmer Biomet is driving efficiency via product and channel innovation. Smart implants, ASC-focused execution, and a growing S.E.T. pipeline are central to reducing variability and improving throughput. The ASC strategy continues to deliver procedural efficiencies, while disciplined R&D investment supports robotics, shoulder innovation, and cementless knees in line with long-term innovation goals.

Finally, Zimmer Biomet is improving outcomes and accelerating share gains. The Oxford Partial Cementless Knee is outperforming expectations with strong 2025 surgeon adoption and competitive conversions. Persona Revision continues to scale in Europe, and new shoulder and upper-extremity launches are contributing meaningful growth despite restorative therapy softness.

Selective acquisitions remain key to diversification. The April 2025 Paragon 28 acquisition expanded Zimmer Biomet's footprint in the high-growth foot and ankle market. Integration is progressing on schedule, commercial alignment is accelerating and the business contributed meaningfully to third-quarter results, keeping it on track for its anticipated 2025 revenue uplift.

▲ **Gradually Stabilizing Market:** Despite challenging market conditions in the form of pricing pressure, the last few quarters witnessed gradual stability in the global musculoskeletal market with better-than-expected sales growth in certain geographies, banking on improved procedural volume. This was driven by favorable demographics and growing utilization of musculoskeletal healthcare in emerging markets and under-penetrated developed markets. The focused execution of the company's global sales teams amid a stable global musculoskeletal market also helped accelerate global sales for Persona, the personalized knee system.

In line with this, in the third quarter of 2025, the company witnessed solid growth driven by continued procedure growth, strong execution and solid momentum with the new innovation cycle. The company saw another positive quarter of year-over-year momentum in large joints, with

Zimmer Biomet's strategic priorities, new product launches, focus on international expansion and stabilizing market trends bolstered our confidence in this stock.

the overall global Knees, Hips and S.E.T. business growing 5.3%, 3.8% and 18.2% respectively at constant exchange rate.

▲ **Promising Opportunities:** The global orthopedic implants market is poised for significant growth, projected to reach a CAGR of 6.2% from 2023 to 2030 (a Grand View Research report). Factors such as increasing prevalence of musculoskeletal disorders, advancements in healthcare infrastructure and rising awareness about minimally invasive surgical techniques are driving this growth. Additionally, the surge in sports injuries contributes to the demand for orthopedic implants. Further, the preference for minimally invasive surgeries, leading to shorter recovery times and reduced hospital costs, remains a key driver for market expansion.

Zimmer Biomet is diligently working to strengthen its foothold in international developed and emerging markets that provide long-term opportunities for growth. The company's strategic investments in these regions over the past several quarters to improve operational and sales performance are yielding results. The company's business is particularly benefitted from its strong presence in emerging markets with an extended portfolio that includes upper and lower joints. According to the company, this will help develop the extremities and trauma business going forward. Going by our model, International business revenues are expected to grow 8.8% year over year in the fourth quarter of 2025, further growing 5.8% in full-year 2025.

Within emerging market, we note that strength in Asia Pacific market continued to drive strong revenue growth so far. Banking on a cadence of product launches and strong customer adoptions, Zimmer Biomet is successfully expanding its presence in the emerging market.

Reasons To Sell:

▼ **Macroeconomic Concerns:** The ongoing industry-wide trend of staffing shortages and supply chain-related hazards continues to pose risks for Zimmer Biomet. Deteriorating international trade and geopolitical complications create pressure on raw material and labor costs as well as freight charges. Added to this, high policy rates to fight inflation, along with the gradual withdrawal of fiscal policies amid high debt, continue to dent economic growth, impacting the overall market situation for Zimmer Biomet. Our model expects adjusted cost of goods sold to surge 6% in 2025.

Concerning the ongoing tariff issue, Zimmer Biomet expects about a \$40 million impact on 2025 operating profit, principally in the second half. Combined with the Paragon 28 acquisition, this is expected to reduce full-year adjusted operating margins by around 100 basis points versus 2024.

▼ **Leveraged Capital Structure:** Zimmer Biomet exited the third quarter of 2025 with cash and cash equivalents of \$1.29 billion compared with \$557 million at the end of the second quarter. Meanwhile, total debt came up to \$8.11 billion, as compared to \$7.57 billion at the end of the second quarter. The reported quarter's total debt was much higher than the corresponding cash and cash equivalent level, indicating a tough solvency position. This is a matter of concern for the investors. At the end of the third quarter, Zimmer Biomet's debt-to-capital of 37.7% stands at a moderately high level. This ratio was up from 38.9% at the end of the second quarter.

▼ **Competitive Landscape:** The presence of a large number of players has made the medical devices market intensely competitive. The orthopedic industry in particular is highly competitive with the presence of players like Stryker, Johnson & Johnson's DePuy, Smith & Nephew and Medtronic. Zimmer Biomet needs to constantly introduce or acquire new products to withstand the competitive pressure and maintain its market share.

▼ **Exposed to Currency Movement:** A substantial portion of Zimmer Biomet's foreign revenues is generated in Europe and Japan. In recent times, significant increases in the value of the U.S. Dollar relative to the Euro, the Japanese Yen, the Swiss Franc, or other currencies accordingly had an adverse effect on the company's results of operations. In the third quarter of 2025, however, foreign exchange was a tailwind, contributing approximately 50 to 100 basis points of growth to Zimmer Biomet's full-year outlook.

Factors like macroeconomic uncertainties, pricing pressure and unfavorable currency fluctuations continues to adversely impact Zimmer Biomet's sales.

Last Earnings Report

Zimmer Biomet Q3 Earnings Beat, Revenues Miss Estimates

Zimmer Biomet posted third-quarter 2025 adjusted earnings per share of \$1.90, which beat the Zacks Consensus Estimate by 1.06%. The adjusted figure rose 9.2% year over year.

The quarter's adjustments included certain amortization, restructuring and other cost reduction initiatives, inventory and manufacturing-related charges and European Union Medical Device Regulation-related charges, among others.

On a reported basis, the company registered earnings of \$1.16 per share compared with \$1.23 in the year-ago period.

Q3 Revenues

Third-quarter net sales of \$2.00 billion increased 9.7% (up 8.6% at constant exchange rate or CER) year over year. The figure missed the Zacks Consensus Estimate by 0.4%.

Revenues by Geography

During the third quarter, sales generated in the United States totaled \$1.16 billion (up 10.6% year over year), while International sales grossed \$837.3 million (up 8.5% year over year on a reported basis and 5.9% at CER).

Our model projected revenues of \$1.16 billion from the United States and \$834 million from International.

Segmental Analysis of Revenues

The company currently reports under four product categories — Knees, Hips, S.E.T. (Sports Medicine, Extremities, Trauma, Craniomaxillofacial and Thoracic) and Technology & Data, Bone Cement and Surgical.

Sales in the **Knees** unit improved 5.3% year over year at CER to \$792.4 million. Our model estimate was pegged at \$820.5 million.

Hips sales grew 3.8% year over year at CER to \$506.2 million. Our model estimate was \$512.2 million for the same.

Revenues in the **S.E.T.** unit rose 18.2% year over year at CER to \$541.5 million. Our model estimate was \$498.3 million.

Technology & Data, Bone Cement and Surgical (historically referred to as "Other") revenues rose 11.3% to \$161.3 million at CER in the third quarter. Our model estimate was \$166.5 million.

Margin Performance

Adjusted gross margin, after excluding the impact of intangible asset amortization, was 72.1%, an expansion of 158 basis points (bps) year over year. Selling, general and administrative expenses rose 14.3% to \$811.4 million. Research and development expenses rose 3.9% to \$115.9 million. Adjusted operating margin expanded 27 bps to 25.7%.

Cash Position

Zimmer Biomet exited the third quarter with cash and cash equivalents of \$1.29 billion compared with \$525.5 million at the end of the second quarter of 2025.

Cumulative net cash provided by operating activities at the end of the third quarter was \$1.18 billion compared with \$993.1 million in the year-ago period.

Updated 2025 Outlook

Zimmer Biomet updated its financial guidance for 2025.

Reported revenue growth guidance was reiterated in the band of 6.7-7.7%. The upper limit of 2025 constant currency revenue growth was reduced. The new range is 6.2% - 6.7% (earlier range was 6.2% - 7.2%). The Zacks Consensus Estimate for revenues is pegged at \$8.22 billion.

Adjusted earnings per share guidance for the full year was reiterated in the range of \$8.10-\$8.30.

The Zacks Consensus Estimate for 2025 adjusted earnings per share is pegged at \$7.95.

FY Quarter Ending **12/31/2025**

Earnings Reporting Date	Nov 05, 2025
Sales Surprise	-0.42%
EPS Surprise	1.06%
Quarterly EPS	1.90
Annual EPS (TTM)	8.09

Recent News

Zimmer Biomet Secures FDA Clearance for Enhanced ROSA Knee System: Nov 14, 2025

Zimmer Biomet announced FDA 510(k) clearance for ROSA Knee with Optimize, an enhanced version of its robotic-assisted knee replacement system designed to improve surgical accuracy and reproducibility.

Zimmer Biomet Earns FDA Breakthrough Status for First Iodine-Treated Hip Replacement System: Oct 28, 2025

Zimmer Biomet announced that the FDA has granted Breakthrough Device Designation for its first-to-world iodine-treated total hip replacement system. The system, already approved by Japan's PMDA, uses controlled-release iodine to inhibit bacterial adhesion and address the high-risk complication of periprosthetic joint infections.

Zimmer Biomet Launches Two New Foot and Ankle Solutions: Oct. 8, 2025

Zimmer Biomet recently commercially launched two innovative solutions – Gorilla Pilon Fusion Plating System and the Phantom TTC Trauma Nail for complex foot and ankle trauma, to offer surgeons advanced tools to address challenging pilon fractures and hindfoot injuries with precision and efficiency.

Zimmer Biomet Acquires Monogram: Oct. 7, 2025

Zimmer Biomet completed the acquisition of Monogram Technologies Inc. - an AI-driven, next-generation orthopedic robotics company. The acquisition expands Zimmer Biomet's extensive suite of orthopedic robotics, enabling solutions and analytics to address the needs of surgeons pre-, intra- and post-operatively.

Zimmer Biomet Gains PMDA Nod For Taperloc Complete and iG7 Hip System: Sep. 25, 2025

Zimmer Biomet received Pharmaceutical and Medical Devices Agency (PMDA) approval in Japan for its iTaperloc Complete and iG7 Hip System, the world's first approved orthopedic implants with Iodine Technology that inhibits bacterial adhesion on the implant surface.

Valuation

Zimmer Biomet shares are down 2.8% in the past six-months period and down 16.3% in the trailing 12-month periods, respectively. Stocks in the Zacks sub-industry are down 4.5% and Zacks Medical sector is up 11.3% in the past six-months period. Over the past year, the sub-industry is down 0.1% and sector is up 3.8%.

The S&P 500 index is up 14.9% in the past six-months period and up 15.1% in the past year.

The stock is currently trading at 10.7X Forward 12-months earnings, which compares to 20.0X for the Zacks sub-industry, 21.0X for the Zacks sector and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 22.5X and as low as 10.5X, with a 5-year median 15.6X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$96 price target reflects 11.4X forward 12-months earnings.

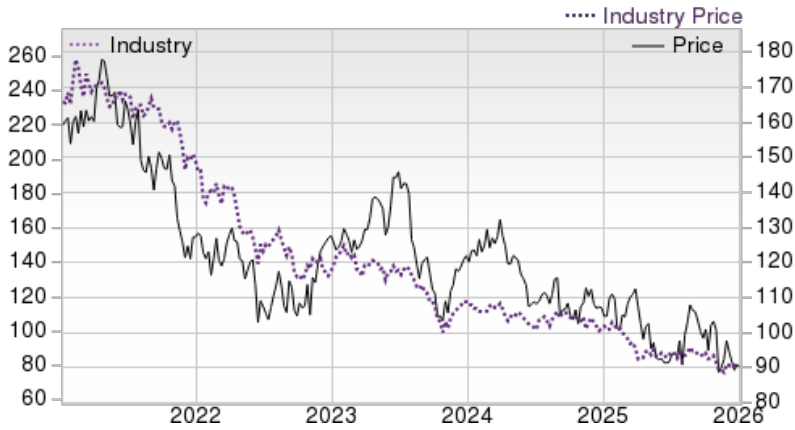
The table below shows summary valuation data for ZBH.

Valuation Multiples - ZBH					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	10.69	20.01	21.03	23.27
	5-Year High	22.46	27.44	23.59	23.78
	5-Year Low	10.45	17.84	17.84	15.73
	5-Year Median	15.64	21.98	20.62	21.22
P/S F12M	Current	2.07	2.86	2.16	5.25
	5-Year High	4.61	4.50	3.41	5.50
	5-Year Low	2.02	2.57	2.02	3.82
	5-Year Median	3.29	3.23	2.65	5.04
P/B TTM	Current	1.39	2.89	4.00	8.48
	5-Year High	2.99	4.50	6.09	9.15
	5-Year Low	1.36	2.45	3.58	6.69
	5-Year Median	2.00	3.14	4.54	8.04

As of 12/22/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 32% (165 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Baxter International...(BAX)	Neutral	4
Boston Scientific Co...(BSX)	Neutral	2
Medtronic PLC (MDT)	Neutral	2
ResMed Inc. (RMD)	Neutral	2
Smith & Nephew SNATS...(SNN)	Neutral	4
Stryker Corporation (SYK)	Neutral	3
Perrigo Company plc (PRGO)	Underperform	5

Industry Comparison ⁽¹⁾ Industry: Medical - Products				Industry Peers	
	ZBH	X Industry	S&P 500	MDT	SYK
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	2	3
VGM Score	C	-	-	D	C
Market Cap	18.64 B	238.72 M	40.73 B	126.52 B	140.43 B
# of Analysts	10	3	22	11	10
Dividend Yield	1.02%	0.00%	1.37%	2.88%	0.96%
Value Score	A	-	-	B	C
Cash/Price	0.07	0.17	0.04	0.07	0.03
EV/EBITDA	11.05	4.35	15.01	15.83	33.45
PEG Ratio	11.41	1.75	2.04	2.60	2.35
Price/Book (P/B)	1.46	1.73	3.44	2.59	6.45
Price/Cash Flow (P/CF)	7.13	10.42	15.54	12.73	24.34
P/E (F1)	11.41	20.62	18.81	17.49	24.51
Price/Sales (P/S)	2.33	1.52	3.07	3.64	5.76
Earnings Yield	8.94%	2.89%	5.30%	5.71%	4.08%
Debt/Equity	0.59	0.17	0.57	0.57	0.68
Cash Flow (\$/share)	13.19	0.05	8.98	7.75	15.08
Growth Score	D	-	-	F	B
Hist. EPS Growth (3-5 yrs)	5.00%	-0.52%	8.24%	3.56%	11.21%
Proj. EPS Growth (F1/F0)	1.75%	22.78%	9.21%	2.73%	11.24%
Curr. Cash Flow Growth	3.57%	4.06%	7.00%	3.92%	12.88%
Hist. Cash Flow Growth (3-5 yrs)	-0.57%	8.49%	7.49%	2.31%	7.98%
Current Ratio	2.43	2.40	1.19	2.42	1.85
Debt/Capital	37.05%	21.24%	38.14%	36.17%	40.53%
Net Margin	10.05%	-7.30%	12.77%	13.71%	12.07%
Return on Equity	12.85%	-2.54%	17.03%	14.86%	24.07%
Sales/Assets	0.36	0.57	0.53	0.38	0.53
Proj. Sales Growth (F1/F0)	6.80%	7.09%	5.30%	7.50%	11.00%
Momentum Score	F	-	-	D	C
Daily Price Chg	1.52%	0.00%	0.01%	-1.08%	-0.15%
1 Week Price Chg	-0.83%	-0.49%	1.11%	-0.49%	-1.71%
4 Week Price Chg	1.76%	1.76%	0.30%	-1.06%	4.03%
12 Week Price Chg	-5.84%	-5.46%	4.41%	3.84%	-0.55%
52 Week Price Chg	-7.35%	-7.35%	16.95%	19.36%	0.85%
20 Day Average Volume	1,642,633	227,643	2,445,854	5,426,838	1,544,739
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	-0.01%
(F1) EPS Est 4 week change	-0.15%	0.00%	0.00%	-0.06%	-0.09%
(F1) EPS Est 12 week change	-0.09%	-0.09%	0.47%	0.48%	0.17%
(Q1) EPS Est Mthly Chg	0.41%	0.00%	0.00%	-0.20%	0.43%

Analyst Earnings Model⁽²⁾

Zimmer Biomet Holdings, Inc. (ZBH)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Total Revenue	\$6,939.9	\$7,394.2	\$7,678.6	\$1,909.1	\$2,077.3	\$2,001.4	\$2,215.5	\$8,203.3	\$2,037.9	\$2,178.5	\$2,078.0	\$2,269.7	\$8,564.2	\$8,945.2
Constant Currency	6.6%	7.5%	4.8%	2.3%	5.4%	8.6%	8.4%	6.2%	6.7%	4.9%	3.8%	2.4%	4.4%	4.4%
FX Impact	(5.0%)	(1.0%)	(1.0%)	(1.2%)	1.6%	1.1%	1.1%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Products Sold, Adjusted	\$2,001.4	\$2,065.4	\$2,172.0	\$543.6	\$575.2	\$548.5	\$628.1	\$2,295.4	\$589.6	\$620.0	\$599.5	\$617.7	\$2,426.8	\$2,508.6
Cost of Products Sold, GAAP	\$2,019.5	\$2,083.8	\$2,191.2	\$549.8	\$592.2	\$559.3	\$626.5	\$2,327.8	\$584.2	\$620.7	\$589.0	\$653.4	\$2,447.3	\$2,556.2
Amortization of Intangible Assets	\$526.8	\$561.5	\$591.9	\$151.0	\$160.6	\$176.5	\$178.6	\$666.7	\$165.7	\$178.3	\$172.5	\$185.4	\$701.9	\$734.1
Gross Profit, Adjusted	\$4,938.5	\$5,328.8	\$5,506.7	\$1,365.5	\$1,502.1	\$1,452.9	\$1,587.5	\$5,908.0	\$1,448.4	\$1,558.5	\$1,478.5	\$1,652.0	\$6,137.3	\$6,436.6
Gross Profit, GAAP	\$4,393.6	\$4,748.9	\$4,895.5	\$1,208.3	\$1,324.5	\$1,265.6	\$1,410.4	\$5,208.8	\$1,288.1	\$1,379.5	\$1,316.5	\$1,430.9	\$5,415.0	\$5,654.9
SG&A, Adjusted	\$2,691.8	\$2,839.4	\$2,902.4	\$758.8	\$814.5	\$810.8	\$806.9	\$3,191.0	\$802.2	\$846.9	\$814.2	\$890.4	\$3,353.7	\$3,485.5
SG&A, GAAP	\$2,761.7	\$2,838.9	\$2,929.8	\$758.8	\$814.8	\$811.4	\$866.4	\$3,251.4	\$808.1	\$863.4	\$825.7	\$897.3	\$3,394.5	\$3,544.9
R&D, Adjusted	\$352.9	\$402.6	\$408.8	\$106.2	\$109.0	\$111.1	\$124.1	\$450.4	\$117.5	\$120.7	\$122.5	\$129.4	\$490.1	\$512.7
R&D, GAAP	\$406.0	\$458.7	\$437.4	\$110.6	\$113.3	\$115.9	\$126.5	\$466.3	\$120.5	\$124.6	\$126.2	\$132.9	\$504.2	\$527.4
Goodwill Impairment	\$292.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring and Other Cost Reduction Initiatives	\$191.6	\$151.9	\$219.0	\$36.0	\$17.5	\$21.4	\$23.7	\$98.6	\$21.8	\$23.3	\$22.2	\$24.3	\$91.6	\$95.6
Quality Remediation	\$33.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisition, Integration, Divestiture and Related	\$11.4	\$21.7	\$23.6	\$10.6	\$78.9	(\$34.4)	\$18.3	\$73.4	\$17.6	\$20.5	\$4.8	\$16.3	\$59.2	\$57.2
Total Operating Expenses, Adjusted	\$5,046.1	\$5,307.3	\$5,483.2	\$1,408.6	\$1,498.8	\$1,470.4	\$1,559.1	\$5,936.9	\$1,509.3	\$1,587.6	\$1,536.2	\$1,637.5	\$6,270.6	\$6,506.8
Total Operating Expenses, GAAP	\$6,243.6	\$6,116.5	\$6,392.9	\$1,616.8	\$1,777.3	\$1,650.1	\$1,840.1	\$6,884.3	\$1,718.0	\$1,830.8	\$1,740.3	\$1,909.4	\$7,198.6	\$7,515.5
Adjusted EBITDA	\$2,820.2	\$3,038.6	\$3,191.7	\$754.9	\$850.3	\$814.6	\$953.3	\$3,373.1	\$803.7	\$885.8	\$825.4	\$939.1	\$3,454.1	\$3,651.4
Depreciation	\$399.6	\$390.2	\$404.4	\$103.4	\$111.2	\$107.1	\$118.3	\$440.0	\$109.3	\$116.6	\$111.2	\$121.5	\$458.6	\$478.9
Depreciation and Amortization	\$926.4	\$951.7	\$996.3	\$254.4	\$271.8	\$283.6	\$296.9	\$1,106.7	\$275.0	\$294.9	\$283.7	\$306.9	\$1,160.5	\$1,213.0
Operating Income, Adjusted	\$1,893.8	\$2,086.9	\$2,195.4	\$500.5	\$578.5	\$531.0	\$656.4	\$2,266.4	\$528.7	\$590.9	\$541.8	\$632.2	\$2,293.5	\$2,438.4
Operating Income, GAAP	\$696.3	\$1,277.7	\$1,285.7	\$292.3	\$300.0	\$351.3	\$375.4	\$1,319.0	\$319.9	\$347.7	\$337.7	\$360.3	\$1,365.6	\$1,429.7
Interest Expense, net, Adjusted				\$61.4	\$78.5	\$75.4	\$76.2	\$291.5	\$72.3	\$79.2	\$74.7	\$80.7	\$306.9	\$320.6
Interest Expense, net, GAAP	\$164.8	\$201.2	\$218.0	\$66.2	\$79.3	\$75.4	\$71.9	\$292.8	\$72.8	\$78.5	\$73.7	\$79.3	\$304.3	\$316.9
Other (Income) Expense, Net, Adjusted	(\$7.2)	(\$7.4)	(\$11.3)	(\$2.9)	(\$3.4)	(\$3.4)	(\$2.6)	(\$12.3)	(\$3.1)	(\$3.3)	(\$3.0)	(\$3.2)	(\$12.6)	(\$13.0)
Other (Income) Expense, Net, GAAP	\$128.0	\$9.3	\$31.1	(\$2.9)	(\$3.9)	(\$3.3)	\$6.9	(\$3.2)	(\$1.0)	(\$0.5)	\$0.4	\$1.5	\$0.4	\$1.6
Loss on Early Extinguishment of Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pre-Tax Income, Adjusted	\$1,736.2	\$1,892.9	\$1,988.9	\$442.1	\$503.5	\$459.0	\$582.8	\$1,987.4	\$459.4	\$515.0	\$470.1	\$554.7	\$1,999.2	\$2,130.8
Pre-Tax Income, GAAP	\$403.5	\$1,067.3	\$1,036.6	\$229.0	\$224.6	\$279.2	\$296.6	\$1,029.4	\$248.1	\$269.8	\$263.6	\$279.5	\$1,061.0	\$1,111.2
Income Tax, Adjusted	\$286.0	\$307.6	\$357.2	\$80.3	\$91.7	\$81.7	\$103.7	\$357.4	\$82.6	\$92.6	\$84.5	\$99.7	\$359.4	\$383.1
Income Tax, GAAP	\$112.3	\$42.2	\$131.4	\$46.5	\$71.2	\$48.0	\$51.0	\$216.7	\$42.7	\$46.4	\$45.3	\$48.1	\$182.5	\$191.1
Tax Rate, Adjusted	16.5%	16.3%	18.0%	18.2%	18.2%	17.8%	17.8%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Tax Rate, GAAP	27.9%	4.0%	12.7%	20.3%	31.7%	17.2%	17.2%	21.1%	17.2%	17.2%	17.2%	17.2%	17.2%	17.2%
Non-Controlling Interest	(\$1.0)	(\$1.1)	(\$1.5)	(\$0.6)	(\$0.6)	(\$0.3)	(\$0.3)	(\$1.8)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)	(\$1.3)	(\$1.3)
Net Income from Continuing Operations, Adjusted	\$1,449.2	\$1,584.2	\$1,630.2	\$361.2	\$411.2	\$377.0	\$478.7	\$1,628.1	\$376.5	\$422.1	\$385.2	\$454.7	\$1,638.5	\$1,746.4
Net Income from Continuing Operations, GAAP	\$290.2	\$1,024.0	\$903.8	\$182.0	\$152.8	\$230.9	\$245.3	\$811.0	\$205.1	\$223.0	\$217.9	\$231.1	\$877.2	\$918.8
Earnings (Loss) from Discontinued Operations	(\$58.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income, GAAP	\$231.4	\$1,024.0	\$903.8	\$182.0	\$152.8	\$230.9	\$245.3	\$811.0	\$205.1	\$223.0	\$217.9	\$231.1	\$877.2	\$918.8
Diluted Shares Outstanding	210.3	209.7	203.9	199.7	198.3	198.8	202.8	199.9	202.0	201.2	200.4	199.6	200.8	197.6
Diluted EPS from Continuing Operations, Adjusted	\$6.89	\$7.55	\$8.00	\$1.81	\$2.07	\$1.90	\$2.36	\$8.14	\$1.86	\$2.10	\$1.92	\$2.28	\$8.16	\$8.84
Diluted EPS from Continuing Operations, GAAP	\$1.38	\$4.88	\$4.43	\$0.91	\$0.77	\$1.16	\$1.21	\$4.05	\$1.02	\$1.11	\$1.09	\$1.16	\$4.37	\$4.65
Diluted EPS, GAAP	\$1.10	\$4.88	\$4.43	\$0.91	\$0.77	\$1.16	\$1.21	\$4.05	\$1.02	\$1.11	\$1.09	\$1.16	\$4.37	\$4.65
Dividend per Share	\$0.96	\$0.96	\$0.96	\$0.24	\$0.24	\$0.24	\$0.24	\$0.96	\$0.24	\$0.24	\$0.24	\$0.24	\$0.96	\$0.96

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Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	A
Growth Score	D
Momentum Score	F
VGM Score	C

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