



BRAD MASON – PRESIDENT & CEO

June 2018



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SAFE HARBOR STATEMENT AND USE OF NON-GAAP MEASURES



ORTHOFIX IS A GLOBAL MEDICAL DEVICE
COMPANY FOCUSED ON
MUSCULOSKELETAL HEALING PRODUCTS
AND VALUE-ADDED SERVICES

OUR MISSION IS TO IMPROVE PATIENTS'
LIVES BY PROVIDING SUPERIOR
RECONSTRUCTION AND REGENERATIVE
MUSCULOSKELETAL SOLUTIONS TO
PHYSICIANS WORLDWIDE



ORTHOFIX TODAY



Global presence in over 60 countries



TTM Adj. EBITDA of \$85.6 M



Four Strategic Business Units (SBUs)



\$77.1 M Cash (3/31/18)



TTM Net Sales of \$439.8 M



No debt (3/31/18)



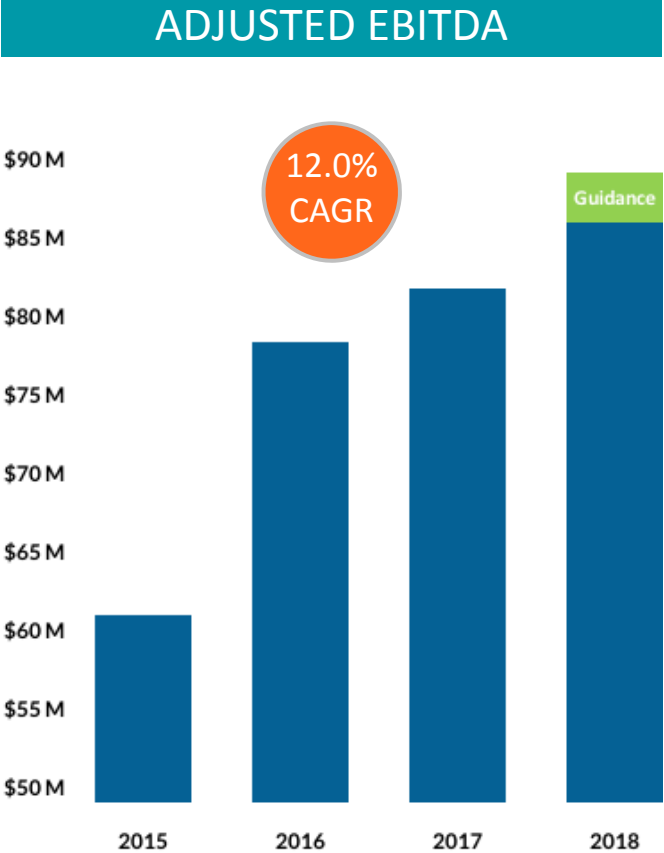
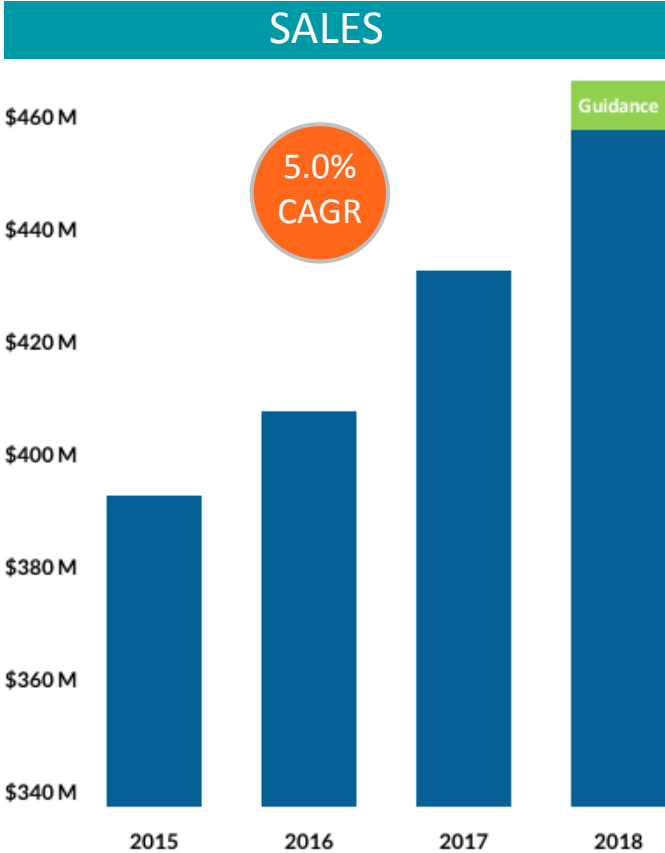
TTM Gross Margin of 78.7%



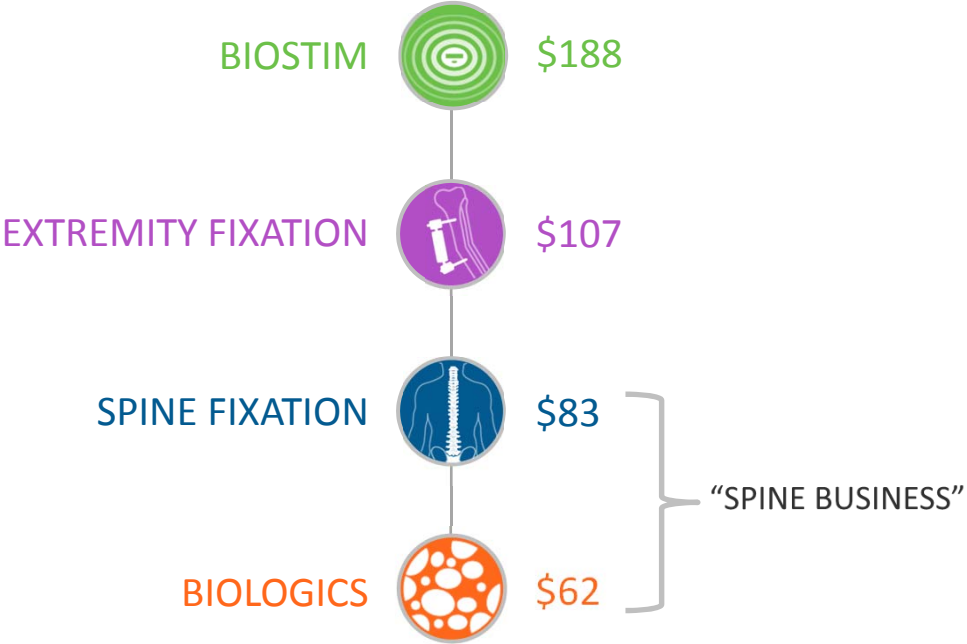
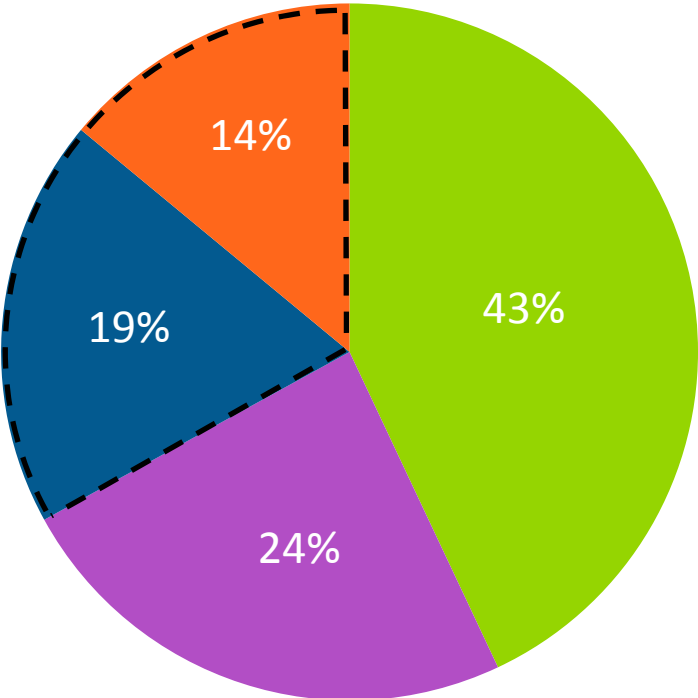
TTM Adj. ROIC of 12.9%



CONSTANT CURRENCY PERFORMANCE



FOUR STRATEGIC BUSINESS UNITS



TTM SALES = \$440 M



BIOSTIM



Summary

- Bone growth stimulation products using Pulsed Electromagnetic Field Technology (PEMF)
- PMA Class III devices with strong clinical data and only FDA-approved device for cervical spine
- STIM onTrack™ - 2017 annual Spine Technology Award winner
- ~40% market share in the bone growth stimulation market
- Sales CAGR of 6% over the last 5 years

Strategy

- Promote competitive advantages of our recently launched products and STIM onTrack mobile app
- Support adoption and reimbursement with:
 - North American Spine Society's (NASS) Coverage Policy Recommendation
 - Post-market clinical research
- Continue to invest in expanding our sales force
- Bring to market new PEMF products addressing unmet clinical needs



EXTREMITY FIXATION



Summary

- Leader in pediatric, adolescent and adult external fixation devices for:
 - Fracture repair
 - Deformity correction
 - Bone reconstruction
- Portfolio of selected internal fixation products for upper extremities, lower extremities and pediatric indications
- ~ 35% of revenue from pediatric procedures
- U.S. – 25% of sales, fastest growing geography worldwide

Strategy

- Geographic market & product focus on:
 - Pediatrics & deformity correction worldwide
 - Foot & ankle in the U.S.
 - Trauma in selected geographies
- Promote the advantages of our JuniOrtho™ pediatric portfolio and support tools
- Leverage the market acceptance of TL-Hex™
- Continue the strong pace of new product launches
- Acquire or license products, technologies and companies to support these market opportunities



SPINE FIXATION



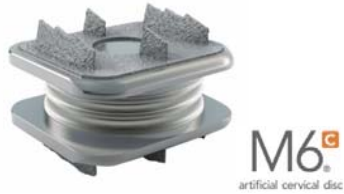
Summary

- Implants and instruments for spine surgeries
- Strong sales growth trajectory
- Full line of proven products for:
 - Cervical, Thoracic and Lumbar spine
 - Degenerative Disc Disease
 - Minimally Invasive Surgeries
 - Deformity Correction
 - Artificial Disc Replacement
- Robust pipeline of new products
- Recent acquisition of Spinal Kinetics

Strategy

- Leverage Spinal Kinetics M6 artificial disc reputation and differentiation with sales force and surgeons
- Continue to engage and expand global sales force
- Cultivate independent sales force vs. direct reps in U.S.
- Provide exceptional training and education programs for reps and surgeons
- Acquire or license products, technologies and companies to increase the scale of this business





ACQUISITION OF SPINAL KINETICS



- Positions Orthofix for mid to high single-digit growth
- Cervical disc replacement is a high growth segment of the spine market
- Proven cervical and lumbar discs with over 54,000 implanted since launch in 2006
- Stand-alone acquisition with low integration risk
- Fills the most significant product gap in the Orthofix Spine Fixation portfolio
- No product or sales force duplication
- Motivates the current sales force and attracts new sales talent
- Leverages current momentum, management team, sales force and balance sheet

BIOLOGICS



Summary

- Human cellular and tissue-based business - originated with Orthofix
- Long-term partnership with MTF Biologics™
 - Partners since 2008; current agreement runs to 2027
 - MTF develops, processes and ships tissue to hospitals
 - Orthofix receives a marketing service fee from MTF on invoiced hospital sales
- Trinity ELITE™ allograft tissue has surgeon preference advantages
- Growing and strong base of clinical evidence of efficacy

Strategy

- Increase sales force coverage in the spine market and continue to expand into other orthopedic procedures
- Cultivate independent sales force vs. direct reps in the U.S.
- Continue to leverage the surgeon-preferred Trinity ELITE characteristics and clinical evidence
- Accelerate new tissue development projects with MTF Biologics





WELL POSITIONED FOR THE FUTURE



DELIVERING SHAREHOLDER VALUE



Topline Growth

Opportunity to significantly exceed industry growth rates

- Salesforce investments
- New products & services
- Post-market clinical research



Mid to High Single-Digit Sales Growth

Operating Leverage

Deliver margin expansion in legacy business through operational excellence

- Supply chain & inventory mgt.
- G & A expense reductions
- S & M efficiency improvements



Adj. EBITDA Margin Expansion Opportunity

Value-Accretive Capital Allocation

Utilize capital prudently to drive shareholder value

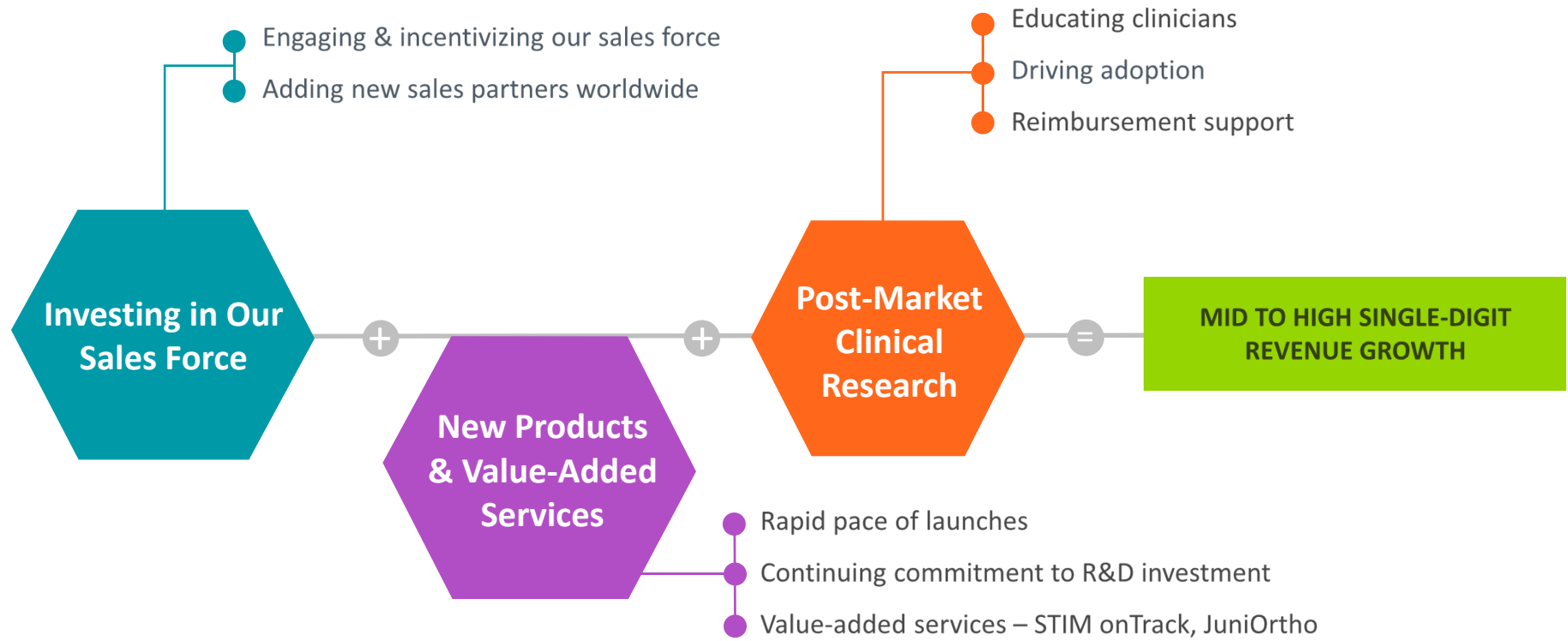
- Disciplined approach to M & A
- Use balance sheet & free cash flow
- Leverage core strengths



Growth Acceleration



DELIVERING TOPLINE ORGANIC GROWTH

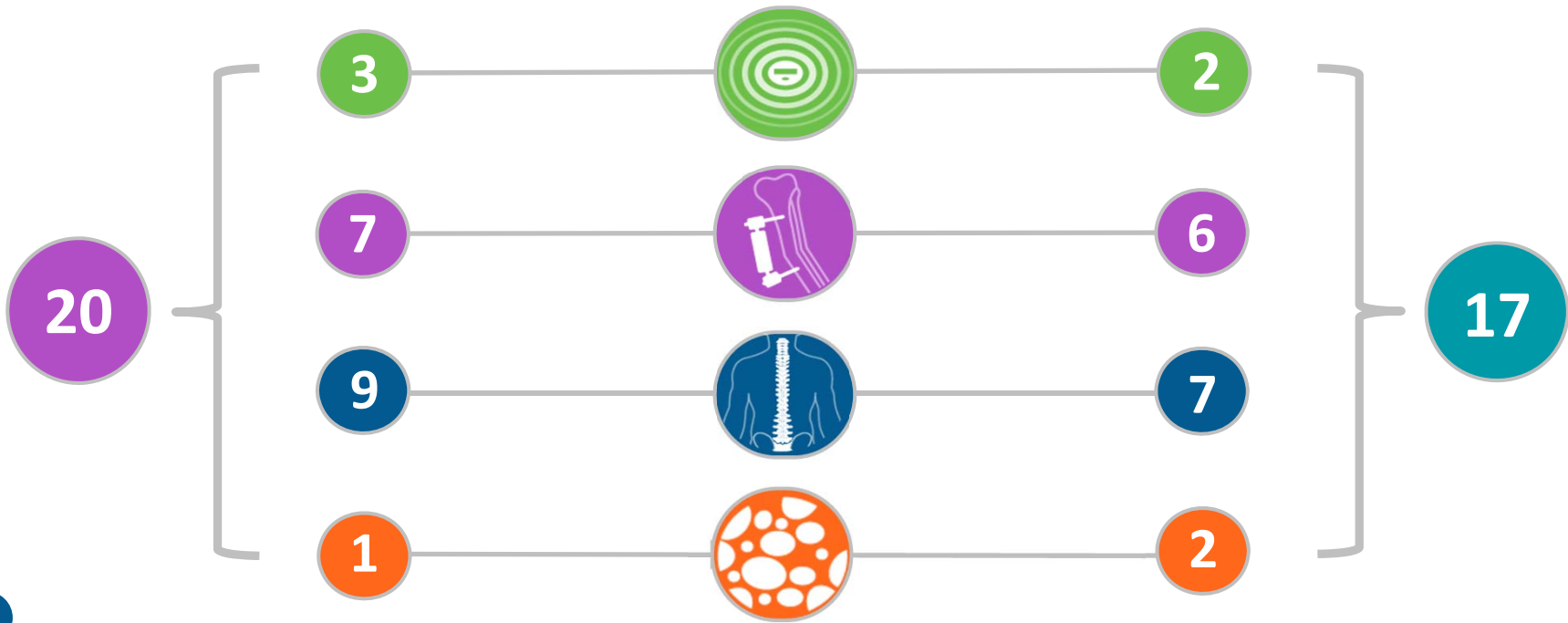


DELIVERING TOPLINE GROWTH – NEW PRODUCTS

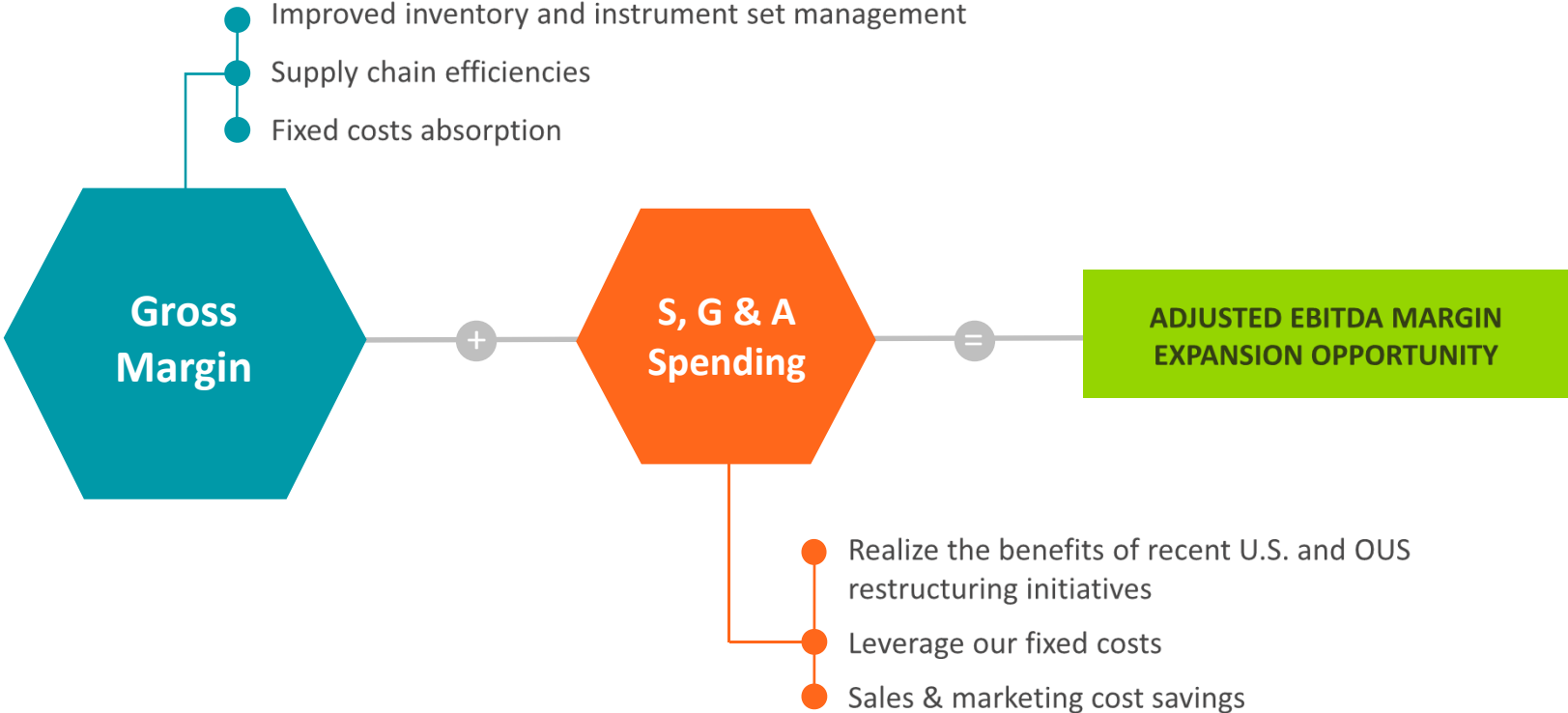


2017 Products Launched

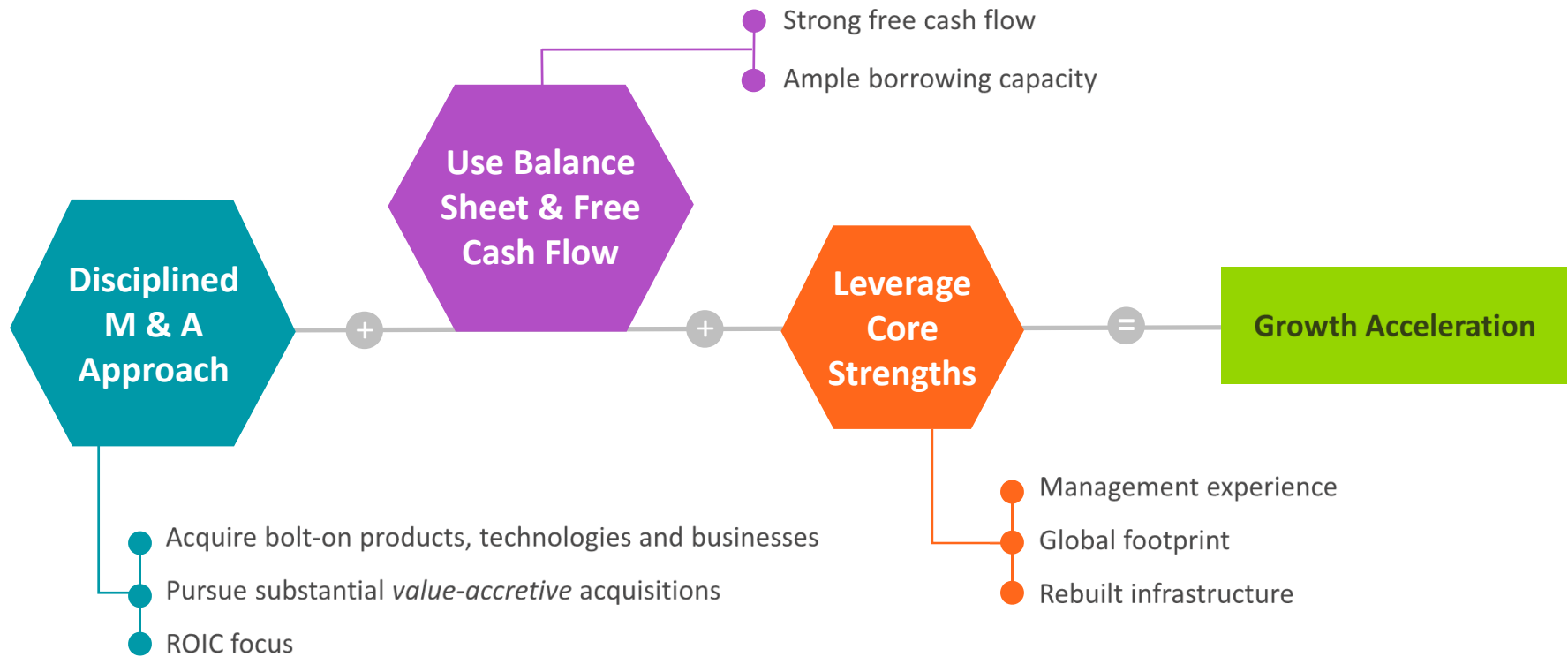
2018 Scheduled Launches



DELIVERING OPERATING LEVERAGE IN LEGACY BUSINESS



DELIVERING VALUE THROUGH STRATEGIC CAPITAL ALLOCATION



OTHER LONG-TERM INVESTMENTS



New Indications for PEMF Class III PMA Pathway IDEs

Treatment of Osteoarthritis of the Knee

- Large unmet clinical need to treat the disease, not just the symptoms
- 150 patient feasibility study with endpoints of pain score reduction, cartilage volume changes and synovial fluid biomarkers
- Currently enrolled 97 patients

Adjunct Treatment for Rotator Cuff Repair

- Large unmet clinical need – high rate of post-op failures
- Published positive pre-clinical data
- 538 patient pivotal trial with primary endpoint of a reduction in failure rates
- Initiating enrollment and opening 25 - 30 sites



SUMMARY OF INVESTMENT HIGHLIGHTS





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