WRIGHT MEDICAL GROUP INC
Form 425
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Investor Presentation
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Cautionary Note Regarding Forward-Looking Statements
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This
presentation
includes
forward-looking
statements.
These

forward-looking statements generally can be identified by the use of words such as anticipate, expect, plan, could, may, will, believe, estimate, forecast, goal, project, and other words of similar meaning. Forward-looking statements in this presentation include, but are not limited to, statements about our outlook for our expected financial results

for the fourth quarter and full year 2014; statements about the approvable status and anticipated final PMA approval of Augment® Bone Graft and the anticipated positive effects of such; and statements about the timing and anticipated benefits of the previously announced merger with Tornier. Each forward-looking statement contained in

this presentation is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others, quarter end closing adjustments that could cause actual financial results to differ from anticipated results; uncertainties as to the

timing of the Tornier transaction; uncertainties as to whether Tornier shareholders and Wright shareholders will approve the transaction; the risk that competing offers will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or

refuse to grant approval for the consummation of the transaction, or the terms of such approval; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, customers, vendors and other business partners; the risk that shareholder litigation in connection with the transaction may result

in
significant
costs
of
defense,
indemnification
and
liability;
other
business
effects,
including
the
effects
of
industry,
economic
or
political
conditions
outside
of
Wright s
or
Tornier s
control;
the
failure
to
realize
synergies
and
cost-savings
from
the
transaction
or
delay
in
realization
thereof;
the
businesses
of
Wright
and
Tornier
may
not
be

combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; operating costs and business disruption following completion of the transaction, including adverse effects on employee retention and on Wright s and Tornier s respective business relationships with third parties; transaction costs; actual or contingent

liabilities; the adequacy of the combined company s capital resources; failure or delay in ultimately obtaining FDA approval of Wright s Augment ® Bone Graft for commercial sale in the United States, failure to achieve the anticipated benefits from approval of Augment ® Bone Graft, and the risks identified under the heading

Risk Factors in Wright s Annual Report on Form 10-K, filed with the SEC on February 27, 2014, and Tornier s Annual Report on Form 10-K, filed with the SEC on February 21, 2014, as well as both companies subsequent Quarterly Reports on Form 10-Q and other information filed by each company

with the SEC. Investors should not place considerable reliance on the forward-looking statements contained in this presentation. You are encouraged to read Wright s and Tornier s filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. The forward-looking statements in this presentation speak only

as of the date of this release, and Wright undertakes no obligation to update or revise any of these statements. Wright s business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

Wright and Tornier use non-GAAP financial measures, including

EBITDA, as adjusted. Their respective management teams believe that the presentation of these measures provides useful information to investors and that these measures may assist investors in evaluating their respective company s operations, period over period. EBITDA is calculated by adding back to net income charges for interest, income taxes and

depreciation and amortization expenses. While it is not possible to reconcile the adjusted EBITDA forecast in this presentation to the nearest metric under U.S. generally accepted accounting principles (GAAP) of the combined business without unreasonable effort, the adjusted EBITDA forecast excludes non-cash stock based compensation expense and non-operating income and

expense, as well as the expected impact of such items as transaction and transition costs, impacts from the sale of Wright s OrthoRecon business and costs associated with distributor conversions and non-competes, all of which may be highly variable, difficult to predict and of a size that could have substantial impact

on
the
combined
company s
reported
results
of
operations
for
a
period.
Investors
should
consider
these
non-
GAAP
measures
only
as
a
supplement
to,
not
as
a
substitute
for
or
as
superior
to,
measures
of
financial
performance
prepared
in
accordance
with
GAAP.
Note on Non-GAAP Financial Measures
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In connection with the proposed merger, Tornier has

filed with the U.S. Securities and Exchange Commission (SEC) a registration statement on Form S-4 that includes a preliminary joint proxy statement of Wright and Tornier that also constitutes a preliminary prospectus of Tornier. The registration statement is not complete and will be further amended. Wright and Tornier will make

the final joint proxy statement/prospectus available to their respective shareholders. Investors are urged to read the final joint proxy statement/prospectus when it becomes available, because it will contain important information. The registration statement, definitive joint proxy statement/prospectus and other documents filed by Tornier and Wright with the SEC will be

available free of charge at the SEC s website (www.sec.gov) and from Tornier and Wright. Requests for copies of the joint proxy statement/prospectus and other documents filed by Wright with the SEC may be made by contacting Julie D. Tracy, Senior Vice President and Chief Communications Officer by phone at (901)

290-5817 or by email at julie.tracy@wmt.com, and request for copies of the joint proxy statement/prospectus and other documents filed by Tornier may be made by contacting Shawn McCormick, Chief Financial Officer by phone at (952) 426-7646 or by email at shawn.mccormick@tornier.com. Wright, Tornier, their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies

from Wright s and Tornier s respective shareholders in connection with the proposed transaction. Information about the directors and executive officers of Wright and their ownership of Wright stock is set forth in Wright s annual report on Form 10-K for the fiscal year ended December 31, 2013, which was filed with the

SEC on February 27, 2014 and its proxy statement for its 2014 annual meeting of stockholders, which was filed with the SEC on March 31, 2014. Information regarding Tornier s directors and executive officers is contained in Tornier s annual report on Form 10-K for the fiscal year ended December 29, 2013,

which was filed with the SEC on February 21, 2014, and its proxy statement for its 2014 annual general meeting of shareholders, which was filed with the SEC on May 16, 2014. These documents can be obtained free of charge from the sources indicated above. Certain directors, executive officers and

employees of Wright and Tornier may have direct or indirect interest in the transaction due to securities holdings, vesting of equity awards and rights to severance payments. Additional information regarding the participants in the solicitation of Wright and Tornier shareholders will be included in the joint proxy statement/prospectus.

Important Additional Information and Where To Find It

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Wright Medical Group, Inc. Announces Preliminary Fourth
Quarter and Full Year 2014 Revenue

Full year 2014 sales expected to increase ~23% to $298M

Gross margin for 4Q 14 expected to be ~77%

U.S. foot and ankle business grew ~39% as reported, up significantly from 28%

in 3Q 14

U.S. foot and ankle grew ~16.5% pro forma same sales day basis in 4Q 14, up from ~11.5% in 3Q 14

Global total ankle growth expected to be ~38% for 4Q 14, driven primarily by ongoing launch of INFINITY
®
total ankle

Achieved U.S. sales force productivity goal of exiting 2014 at over $1M per rep

Some progress in increasing visibility into the international supply chain

Continued to experience some negative impact in distributor markets while direct markets performed well

Total company growth rate negatively impacted by softness in Upper Extremity and Biologics business, which is expected to be addressed by pending merger with Tornier and anticipated final FDA approval of Augment
®
Bone Graft
Continue to focus on improving execution
5

The New Wright Medical:
Global Leader in Extremities-Biologics
6
Global
Extremities-
Biologics
market
~$8B

Wright Medical
position in
Extremities market
post Tornier merger
Wright Medical
growth rate
vs. the market
#1
~2X

Agenda
Strong Performance Record
Augment
®
Approval: A Game Changer
Pending Transaction Creates Premier
High-Growth Extremities-Biologics Company

The Future: Outperforming
in Growth Markets
7

Entering a New Growth Era
2012
2014
Future
2011
Multiple markets,
slow growth

Repositioned as
high growth, pure
play in Extremities
Transformational merger,
global powerhouse in
Extremities-Biologics
8

Strategy We Have Been Executing
Global leader
in
Extremities
On track to meet all our goals
Improve sales force productivity
Optimize customer conversion

process
International expansion
World class supply chain
(cost & inventory)
Pricing
Targeted M&A
Leverage corporate costs
Leverage U.S. sales and
marketing investments
Execute an effective compliance program and
continue to successfully execute CIA
= 2014 Vital Few Initiative
1.
Accelerate
Global
Revenue
Growth
2.
Improve
Gross
Margin and
Inventory
3.
Improve
EBITDA
Key Priorities
9

Strong Record of Execution
10
Transformational Initiatives
Transitioned U.S. Foot & Ankle sales force to 80+% direct
Expanded global distribution network with 2 acquisitions in Europe
-
WG Healthcare (United Kingdom)
-

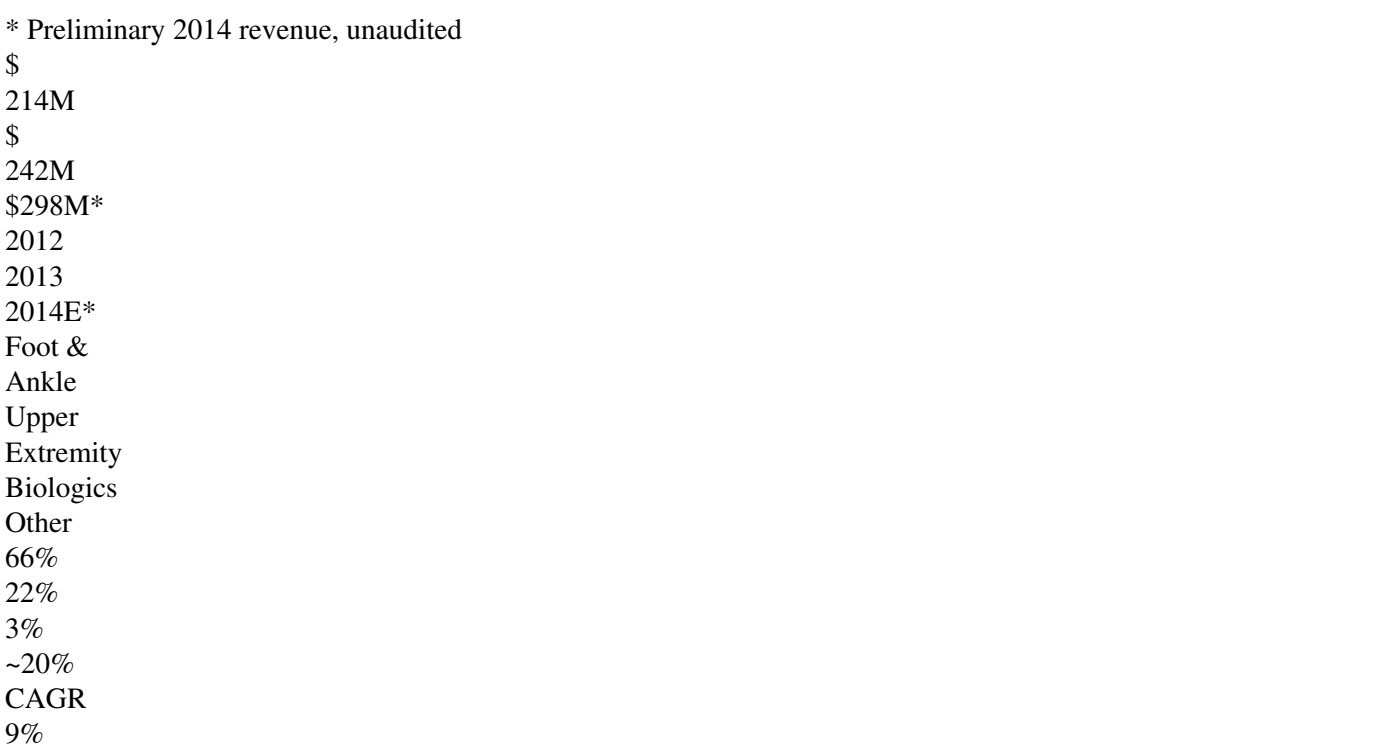
Biotech International (France)
Expanded Extremities product / technology portfolio with 2 U.S. acquisitions
-
Solana Surgical
-
OrthoPro
Divested slow growing OrthoRecon business
Acquired
breakthrough
Biologics
platform
and
pipeline

Augment
®
Bone
Graft
-
BioMimetic Therapeutics
Received approvable letter from FDA for Augment
®
Bone Graft

RESULTS:
Focused on Higher Growth Segments of the
Orthopedics Market
11
Source: 2014 iData Research Inc., 2013 Millennium Research Group, 2012 Life Science Intelligence, Management Estimates
10%
7-8%
7%

8-9%
6%
3-4%
3%
2-3%
Foot &
Ankle
Sports
Medicine
Biologics
Upper
Extremities
Trauma
Knee
Spine
Hip
Wright Medical focus
Tornier

RESULTS:
Created Extremities Pure Play with Strong Momentum
12
Primary Focus: Foot & Ankle
(Breakdown of 2014 Sales*)
Growth in line with goals
Strong Sales Momentum
(Continuing Operations)


* Preliminary 2014 revenue, unaudited
$
214M
$
242M
$298M*
2012
2013
2014E*
Foot &
Ankle
Upper
Extremity
Biologics
Other
66%
22%
3%
~20%
CAGR
9%

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Strong Performance Record
Augment
®
Approval: A Game Changer
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The Future: Outperforming
in Growth Markets

Augment
®
Bone Graft
A Breakthrough Product
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First clinically proven, cost-effective alternative
to autograft for ankle and/or hindfoot fusion indications

Demonstrates equivalent safety & efficacy with less pain

Only synthetic growth factor to market in last 10 years

Bone repair

Soft tissue indications
(tennis elbow & rotator cuff repair)

Recombinant human platelet-derived growth factor
(rh-PDGF) stimulates bone formation

Provides a scaffold for new bone growth

Avoids unwanted bone formation in surrounding tissues
observed with BMP-based products
Unique
Solution
Breakthrough
Biologic
Platform for
Future
Growth

Augment
®
Delivers Unmatched Advantages
Augment
®
Bone Graft
Bone
Morphogenetic

Protein (BMP)
Stem
Cells
Demineralized
Bone Matrix
(DBM)
FDA approvable for ankle and/or
hindfoot fusion indications
YES
Level I evidence
YES
Demonstrated safety
YES
?
Reliable / consistent quality
YES
?
?
Available off-the-shelf
YES
Cost effective
(relative to autograft)
YES
15

Augment
®

A High Potential Platform Technology
16
Bone
Soft Tissue
Market potential (US)

$300M
Market potential (US)
$1B+

Ankle Fusion

Hindfoot Fusion

Chronic
Tendinopathy
(Tennis Elbow)

Rotator Cuff
Repair
1
st
Target
Market

Two pre-approval facility inspections indicated necessary by
FDA
for
final
Augment
®
approval

One inspection complete with no 483 by inspectors; one inspection in process. Final audit reports pending.

Based
on
this,
final
FDA
approval
for
Augment
®
could
potentially
come as early as late 1Q 2015
Future
rh-PDGF
Clinical
Study
Opportunities

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Strong Performance Record
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The Future: Outperforming
in Growth Markets

Transaction Overview

All stock
combined equity value of ~$3.3B at announcement

combined entity will be incorporated in the Netherlands

combined company ownership: 52% Wright / 48% Tornier

Transaction is subject to customary closing conditions

Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended

Wright and Tornier shareholder approval

Expected to close in first half of 2015

Tornier at A Glance
19

Extremities company with leadership
position in Upper Extremities

NASDAQ: TRNX

HQ in Netherlands; operations run out of
U.S., France and Ireland

2014E revenue*: ~$345M

Products sold in 45 countries

~42% of revenue outside U.S.

1,076 employees globally
Aequalis Ascend
Flex Shoulder System
Latitude EV Elbow
Prosthesis
Salto Talaris Total
Ankle Prosthesis
CannuLink Intraosseous
Fixation System
Primary Focus: Upper Extremity
(Breakdown of 2014 Sales*)
* Preliminary 2014 revenue, unaudited
Sports Med
& Biologics
Upper
Extremity
62%
17%
17%
4%
Lower
Extremity
Large
Joint

ADVANTAGE #1
Combination Creates Most Comprehensive
Upper and Lower Extremity Product Portfolio
20
* Preliminary 2014 revenue, unaudited
9%
of revenue*
62%

of revenue*
66%
of revenue*
17%
of revenue*
Complementary Product
Portfolios
Market leading
positions
in high-growth
markets
Upper Extremities
Lower Extremities

ADVANTAGE #2
Combining Two Innovative Companies Enhances
Future Growth Prospects
21
INFINITY
®
Total Ankle
Replacement System

Recent
Product
Launches
PRO-TOE
®
offering for Hammertoe
correction
Recent
Product
Launches
Aequalis
Ascend Flex
convertible shoulder
platform
Phantom Fiber
high strength
resorbable suture
Reverse
Threaded
Baseplate
Dedicated R&D will power innovation across combined portfolio

ADVANTAGE #3
Accelerates Growth Opportunities in Three Large,
Fast Growing Markets
22
Augment
®
Bone Graft launch;

Cross-sell Biologics across expanded Extremities portfolio
Leverage scale across geographies and categories
Expanded Opportunities
Wright Medical enters Upper Extremities market with leadership position in shoulder
2014
2018
Market Growth (2014 -2018 CAGR)
Upper Extremity
Lower Extremity
Biologics
~$7.9B
$5.5B
8-9%
8-10%
5-6%

ADVANTAGE
#4
Creates Mid-Size Growth Company with Stronger Financial Profile
23
Scale and scope to accelerate path to profitability
Once integrated:
Solid Financial Profile

*
Excludes
Augment
®
Bone
Graft
Upper
Extremity
Lower
Extremity
Biologics &
Sports Med
Large Joints
& Other
~$298M
~$345M
Combined Sales
$600M+
37%
Upper
Extremity
40%
Lower
Extremity
12%
Bio*
11%
Lg Joints
Revenue Breakdown
(Preliminary 2014 revenue, unaudited)

Mid-teens revenue growth

High 70s% gross margin

Adj. EBITDA margins
approaching 20% in
3-4 years

Annual cost synergies of
$40M-$45M by year 3

Accretive to combined
adj.
EBITDA
in
2
nd
full
year

post merger

Unique Positioning Will Continue to Sets Us Apart
V I S I O N
Premier High-Growth Extremities-Biologics Company
Dedicated to serving the needs of specialty surgeons
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SPECIALIZED
SALESFORCES
TECHNOLOGY

LEADER
GLOBAL
FOOTPRINT

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Strong Performance Record
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The Future: Outperforming
in Growth Markets

Longer Term
Continue to Execute Proven Strategy
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Completely focused:
Extremities-Biologics technology leader
1
Specialized sales forces:
Drive productivity

2
International expansion:
Key market focus, drive adoption
3
New product launches:
Augment
®
breakthrough product
4
Time
$
Sustainable, high-growth
Extremities market growing
in 8-10% range

Priorities Next 1-2 years
Close merger with Tornier

anticipated 1
st
Half of 2015
Ensure smooth integration

integration planning is underway
Continue to execute our operating initiatives

including sales productivity, new product
launches, medical education
Launch Augment
®
Bone Graft in U.S.

anticipated 1
st
Half of 2015
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A CLOSER LOOK AT KEY INITIATIVES
Strong Pipeline of New Product Introductions
28
AUGMENT
®
Bone Graft

Proven therapeutic option

$300M U.S. market opportunity

Pending FDA approval
2014
2015
2016
INFINITY
®
Total Ankle System

Third generation design

Further penetrate end-stage ankle
arthritis market opportunity
SIMPLICITI

Will be first minimally invasive shoulder
option in U.S.

$200M-$250M market opportunity
In rollout
2017
Launch Date
INVISION
Revision System

Physician testing anticipated in 2015

Pending FDA clearance

A CLOSER LOOK AT MERGER:
Clear Line of Sight to Deliver Cost Synergies from Merger

Public company expenses

Overlapping support functions

Overlapping systems

Vendor consolidation

Process improvement
Key Synergy Areas
Year 3
Annual Cost
Synergies:
$40M-$45M
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Advancing Toward Our Goals
30
Adj. EBITDA margin
Gross Margin
Sales growth
Mid teens
Adj. EBITDA margins approaching

20% in 3 to 4 years
Goals
Once Integrated With Tornier
High 70s% range

IN SUMMARY
The New Wright Medical: Global Leader in Extremities
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Solid Performance Record
Augment
®
Approval:
A Game Changer

Pending Transaction
Creates Premier Extremities-
Biologics Company
The Future: Outperforming
in Growth Markets

Unmatched capabilities,
unique mid-cap growth asset

Built market leader

Multiple growth drivers,
accelerated path to profitability

High potential platform technology

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