

ZimVie Zimmer Biomet Spin-Off: Searching For Value In Small-Cap Event-Driven Equities

May 10, 2020 | By Alex Gavrish, Etalon Capital Ltd; author of "Story Investing"

On March 1st 2022, Zimmer Biomet Holdings [completed](#) the [spin-off](#) of [ZimVie](#), Zimmer Biomet's former Dental and Spine business.

Shareholders received 1 share of [ZimVie](#) for every 10 shares of Zimmer Biomet. Zimmer Biomet distributed 80.3% percent of ZimVie while remaining 19.7% will be owned by Zimmer Biomet.

[ZimVie](#) is a global life sciences leader in the dental and spine markets that develops, manufactures, and delivers a comprehensive portfolio of products and solutions designed to treat a wide range of spine pathologies and support dental tooth replacement and restoration procedures.

Based on company's guidance for FY 2022, ZimVie aims to achieve annual revenues of approximately \$1 billion with an Adjusted EBITDA margin of ~13.4% percent, which should provide Adjusted EBITDA of about \$134 million.

Based on current market share price of \$20.27, company has a market cap of \$529 mil and is valued at an EV/EBITDA valuation multiple of x7.32 (FY 2022 est).

ZimVie is a small capitalization company so risks are larger compared to mid or large cap companies, but we believe that company shares could provide large potential upside, especially in case of an acquisition by strategic buyer of part or all of ZimVie business.

