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PRESENTATION

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

All right, good morning. Why don't we get started? My name is Jeff Johnson. I'm the senior medical technology analyst at Baird. And our next presentation this morning is from Wright Medical, a global leader in foot and ankle products, and a company that has also recently become a leading provider of upper extremity products following its merger with Tornier late last year.

With us today from Wright Medical is Senior Vice President and Chief Financial Officer, Lance Berry. And I see Julie Tracy, who is Senior VP -- and she's not Chief Operating Officer. She is head of IR. Sorry, I've got a typo there.

So Lance, I'm going to turn it over to you for a few minutes if you have some prepared remarks. And then we'll move right into the Q&A. But the podium is yours.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Thanks, Jeff. Good morning, everyone. Thanks for investing a little bit of your time today to learn about Wright Medical. We will be making some forward-looking statements and using some non-GAAP measures, so I'll refer you to the disclosures on the screen regarding both of those.

Not quite a year ago, Wright Medical had entered into a merger with Tornier, creating the premier extremities and biologics company -- a company completely focused on the lower and upper extremities markets as well as biologics for those markets, some of the fastest-growing markets in orthopedics.

The merger so far -- we are almost a year in -- has gone very well. We are very pleased. We are ahead of schedule on our cost synergies, and we've fully integrated the sales and distribution networks for our international business and our lower extremities business. And those have gone well also. So we are off to a great start and we are very pleased with where we are so far in the merger.

Combined, we are completely focused on upper and lower extremities, and that provides us some specific advantages. First of all, we have completely focused sales forces, which is -- we are one of the few companies in these markets that have those. And we also have, we believe, is the best product portfolio and the leading technology, and we do have a global footprint.

You can see here, the upper and lower extremities and biologics markets. These are the areas where we are focused, some of the fastest-growing areas in all of orthopedics. Some of our key products. I won't go through all of these. I think the big thing to understand is, in addition to having a comprehensive portfolio for lower extremities and upper extremities, we also have some highly differentiated products in upper and lower and biologics that allow us to maintain our lead and also to gain new customers, as well as continue to be leaders in that market.

Our goal is to take this leadership position in these high-growth markets and turn it into a highly profitable company. We have a stated goal to get our EBITDA margins in the range of 20%, three to four years post the close of our merger, and really, we have three steps to do that.

First is to sustain our high revenue growth. We plan to grow this business, excluding dyssynergies, in the midteens. We have very high gross margins which will allow us to turn that revenue growth into lots of leverage down to the bottom line. And additionally we do have opportunities to deliver costs synergies. We have a stated goal of delivering $40 million to $45 million of cost synergies year-three post-close.

So we think this makes really a unique asset. The Company is extremely focused but has meaningful size in high-growth markets. We have leadership positions, focused sales forces, and leading technology, and really a unique leverage opportunity to turn that into really a high EBITDA margin company as well.

That's just a little bit on Wright Medical. And then I'll turn it over to Jeff to start with questions.

QUESTIONS AND ANSWERS

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes, that's great. Thanks, Lance. So I've got a list of questions here I'm happy to run through. If anybody from the audience would like to ask a question, feel free to raise your hand or you can also email to session2 -- that's the number 2 -- session2@RWBaird.com -- and it will come through on the little iPad here as well.

So that's a lot of change since I think you and I sat here a year ago. Obviously you've got AUGMENT launched at this point; a Tornier merger, as you said, is closed on October 1. And that's the Tornier large joint business. Got some clarity around metal on metal, and a lot of things have changed.

So let's -- I think the biggest thing that has surprised me over the last few quarters has been on the EBITDA side. Obviously we went into the beginning of this year thinking your EBITDA was going to be close to flat, and now the guidance is, what, $40 million to $45 million this year, I believe. So, obviously a big jump up.

Some of it is cost synergies and maybe we'll come back to costs synergies. But operationally, things have to just be going well, as well, I would assume. So maybe just operationally, has it been topline? Has it been things just come together better with Tornier? There has been better profitability than you would --? What's driving kind of the EBITDA jump that a lot of us I don't think saw coming six months ago?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Well, definitely, we are a little ahead of schedule on cost synergies, so that helps. But I think the big thing is how well the underlying business has performed while we've been going through the integration. We've had really strong topline growth, really better than expected. We've raised our topline guidance.

If you take out the impact of the moving the hip and knee businesses to discontinued ops, we've raised that topline. And we've done that while maintaining the underlying expenses more in line with what we were really thinking with those lower topline. Really shown the leverage opportunity we have in this business.

So we really think we can maintain this strong revenue growth. We've got good underlying market growth, and we have great products and focused sales forces. And we've really made a lot of investments in the past couple of years that have allowed us to generate that growth. And where we are with a product cycle standpoint, we really feel like we can keep that going, and then really start leveraging our expenses really strong over the next couple of years.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes. And again, maybe we'll come back to the cost synergies or some revenue dyssynergies discussions we could have on that. But one of the questions I get most I think from investors right now on your stock is just, how do we get comfortable with maybe a multiyear midteens growth? If the upper extremities market is growing 8% to 10%, maybe a little bit less than that, but somewhere in that 8% to 10%? Lower extremities probably a good solid, right at double digits, maybe a little bit better.

What's going to be the path? You are in a good cycle right now with SIMPLICITI. You are in a good cycle with SALVATION and some of these others. Is it just going to be products -- cadence of product flow in that? What makes you confident in that midteens growth once we get past some of the revenue dyssynergies?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Well, first of all, we have a lot of confidence in the underlying market growing in that 8% to 10% range that you talked about. We feel like the markets, both upper and lower, early on in their life cycles, lots of opportunities for innovation to continue to drive growth for the market overall.

And then from there, we look in the next one to three years, we have a high level of confidence in our ability to grow faster than the market. Products have a lot to do with it. We have a really good product cycle going on now, and we have key products that have launched in all three parts of our business.

And you really have -- on the total ankle side, continue to have really strong growth there. You have SALVATION, which is just early on and is going to continue to be a growth driver. On the upper extremity side, you have SIMPLICITI. And we have really a pipeline of products behind that to continue to drive growth. And then AUGMENT is early on in its life.

So you have a good product cycle going on. And then you combine that really just with the focus of our sales force. So we feel like we have the best products, but then we also have the most focused sales force. And that together is going to allow us to, we think, outpace the market.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Any questions in the audience? I want to come back and pretty much you hit on all the products I do want to come back and maybe talk about in a second. But one other high-level question I guess to kind of begin our discussion is we like to think about extremities, the upper and lower, and play that against hips and knees.

It's an area that you've been getting out of and largely will be out of with the divestiture of Tornier's legacy lower hip and knee business. But there are some things going on in hips and knees commoditization, whether or not we are going to go back to kind of lower tech technology. There are some things going on from a bundling standpoint.

You know, talk to me, how far away are we from those kind of risks in upper and lower extremities? Is that a three to five-year risk that we move through some of this stuff on hips and knees, and then get into it in extremities? Is it 5 to 10? Or it's just hard to imagine it's anywhere on the horizon?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Me, personally, I see it as pretty far out. So I've been at Wright for 14 years. Most of Wright's revenue was in hips and knees when I first started with the Company. I would say from a technology and efficacy standpoint -- this is my personal opinion -- I think as an industry, hips and knees were further along the curve 14 years ago than either shoulders or ankles are today.

Now, that's not to say the pace of change may not be faster for these markets, but that gives you just some indication, in my opinion, how far away we are. Hips and knees, they work really, really, really well and they have for a really long time.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Fair enough. All right. Just keep moving on here. I want to go back to the cost synergies, like I said. So you are guiding to $40 million to $45 million in three-year cost synergies. I think on the last quarter there, you are now expecting kind of $20 million of those synergies in the first year from

October 1 to October 1, up from $10 million to $15 million previously in the guidance. What's going right on the cost synergy? What's allowing you to pull those forward?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

You know, Honestly, the execution by the integration team has just been fantastic. We've really plowed a lot of ground here in almost a year. And we had plans; we laid them all out. You try and give yourself some cushion just because it's so many things and you know that everything is not going to go perfectly.

But overall, the teams have just executed according to plan, and we haven't needed that cushion really. And it's really been great to see the Company come together, execute so well, deliver those costs synergies. And I think the big thing is, at the same time, really drive the revenue growth in the core business to keep the day-to-day going, servicing our customers and driving products into the market while we are doing all those integrated activities.

And that's really -- everything has not gone perfect and definitely could pick a few things that we wished had gone better, but overall, the integration has just gone in total better than planned and allowed us to get those cost synergies quicker than we would've anticipated. Really, a lot of the things we've done this year have been further away from the customer and a lot of the G&A things have been done.

And then, as we are moving forward into the second half of this year, we're going to start addressing things more with the distribution network really to get the next wave of synergies. And we are excited about getting to that part of the process.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes. And as things have gone so well, these synergies come sooner, and then, to a greater extent, in the first nine months than you expected. Does that make you feel more comfortable on that total number? Does it uncover more synergies? Just how do you think about that $40 million to $45 million number?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Yes, it makes me feel more comfortable about our ability to deliver the $40 million to $45 million; not really necessarily that we've identified any additional beyond the $40 million to $45 million. It's a lot more confidence in our ability to deliver that level in the timeframe that we talked about.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Okay. And then on the revenue side, talk about some dyssynergies to expect as you always get when you integrate a orthopedic company or a lot of these medtech companies that are sales-force-driven. We expect to see those synergies.

Starting to see about $5 million run rate on the lower extremities last quarter. Is the $5 million quarterly run rate -- do we think of that as a floor? And the $5 million could lessen a little bit on the lower extremities side as we go forward over each of the next few quarters? Or does it take a full year to get through kind of that quarterly run rate?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

So I don't think I threw out the $5 million --

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

(multiple speakers)

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

I'm going to claim that as your number, not my number.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

That's mine -- okay, fair enough.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

So we didn't quantify that. Qualitatively what we talked about is we definitely started to see the dyssynergies. You absolutely see it in the numbers in Q2 and that was what we anticipated. And have really been for a while now pointing to kind of this Q3 earnings call as the point in time when we think we'll have really good visibility on the dyssynergies.

We'll be kind of far enough out from the completion of the lower extremity sales force integration completion that we should know what business we are going to lose and then what we are going to retain. And then we'll be a quarter in on the upper extremity integration., which we expect to be a lot less risk there than the lower. And we should have some good visibility.

So, it's absolutely possible that we could see some additional dyssynergies in Q3 beyond what we saw in Q2. And then as far as how do we think about coming out from there? You've really just got to think about that is, that business is lost and we're just going to have to grow our base of business in there.

And we think we have great opportunities for growth, and not necessarily the customers we lost but just the ability to just attract new customers with our products and our sales force and grow from there. So the dyssynergies will be a drag on the growth rate until we start to annualize them getting into next year, which is what we've always anticipated.

We've talked about being a midteens growth company, really excluding the dyssynergies impact. We have to fully annualize those before you get past it on a growth rate standpoint.

On the upper side is really where we are now is what we are focused on. And the reason we see that as a lot less risky is actually more of a handoff from a foot and ankle rep that's spending some very small portion of their time servicing some upper extremity accounts, and really just hand that off to a rep who is completely focused on the upper business. So, longer-term actually we think that could be an opportunity.

We could get more focus on those products than we've had in the past. Definitely expect to see a little bit of friction on that in the near-term, and we'd see that in the second half of the year. And then hopefully, as we move into next year, start to see that actually grow from that point moving forward.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Okay. So to be clear on the upper extremities, just as you described it in that handoff there, it's not necessarily that you are losing or cutting or reducing the size of your sales force there. It's more of refocusing some of the lower guys purely on lower, and then they hopefully can transition some of that business to somebody on the upper extremities side conceptually?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Correct, correct. So there are still relationships there and you are changing their relationship, so that creates some risk. And then coverage won't match perfectly. So we expect there to be some friction there, but not nearly to the extent where we saw with the foot and ankle where you truly were merging two sales forces. And that's a much more risky proposition.

So, we feel like we've gotten the tougher integration behind us. The upper is really important, so we'd get complete focus and we can start growing those legacy Wright products. And we think there is a good opportunity for that as we move on into next year.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes. And just to clarify one other thing you said. You talked about the synergy or the dyssynergies could grow a little bit in 3Q over 2Q. Is that -- when you put the lower and upper extremity dyssynergies together? Or do you think even the lower extremity dyssynergies could grow a little bit in the third quarter? Just trying to think through our model on how we've got that gating.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Yes. We talked about, on our last earnings call, that you can see additional dyssynergies in the lower --

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Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Even in the lower.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

-- in Q3.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Okay, fair enough. Another question I think I've been getting here recently from investors is just utilization overall. And it's probably hard for you guys in a rapidly growing kind of still developing market to really see distinct changes or seasonality or other kind of modest changes here and there from a utilization standpoint.

But anything you are seeing over the summer from a volume standpoint or a utilization standpoint, just on how the market has developed, patients have been coming into the hospital, things like that?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Yes, I mean I think, first, I'd say you are right in that in growing markets like this, it's harder to pick up on minor fluctuations that you might pick up on, on a really mature steady market. I would say nothing to highlight has jumped out to us as any changes from what we would typically see from a seasonality standpoint.

Definitely the summer is slower for all procedures. I mean, almost all of our procedures are elective. You know, we have very few pharma products. Our products are really more somewhat elective surgery, and you always see those slow down every summer.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes, fair enough. Any questions from the audience? All right. Let me just move on now to a couple maybe product categories and thinking more about the Tornier merger, especially you know -- maybe it's not a product question, I guess, but Tornier, nine months into the merger, what's the customer response been just from a hospital and surgeon feedback? Any update there?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

So, from a hospital standpoint, it's been pretty invisible to them. So, for the most part, hospital is not impacted. Longer-term, I think there is an opportunity for us to bring a bigger portfolio of products to the hospital customer, because that could be an advantage that neither company had standalone. But really too early for that at this point and really pretty invisible at the hospital level.

At the surgeon level, not big changes for them but the most part. They have all the same sales force. And all the same people that were at legacy Tornier, for the most part, are in this upper extremity division of the new Company. And they are still servicing those customers and we are still driving innovation with the same engineers and marketing people.

So there's some changes, things like the brand and things like that. You know, merging is one way of doing certain things. There have been a little bit of change to really more you would say probably design surgeons but not the overall customer base. The overall customer base, the merger really has been fairly, fairly small change for them. And -- which I think is great.

We have -- you obviously want to put your customers through as little change as possible. And the big thing is, we just want to keep that upper extremity sales force R&D group, marketing group, continuing doing what they were doing, which is driving innovation and really with the clinically-focused sales force, getting adoption in surgery.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Any progress you had on taking -- I think one of the things I've always appreciated about Wright over the years has been your medical education, kind of the multiple training centers, training sites, things like that. And I make a joke with clients a lot of times, it seems like every airport I fly into I'm taking a taxi into the city and I see a Wright semi or two sitting in the hospital parking lot somewhere.

You guys are very good at having those mobile training sites out there. Have you been able to take that to the upper extremity side yet? is that a driver that we can still look forward to? Just how to think about that.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Yes, I think that's a driver you can look forward to. And I think this is one of the areas where we are trying to leverage best practices of the two companies. I would say Wright was probably -- legacy Wright a little more focused on surgeon education.

I think it's probably a combination of two things. One, having a larger number of products on the foot and ankle side as opposed to the shoulder side, and then also trying to drive adoption of a new technology. Those things kind of lend you to very surgeon education focus. And that's a real core competency that legacy Wright had.

On the legacy Tornier side, they really had a big focus and were outstanding at sales force education -- sales force training, and made that a big focus. And talk about being a clinically proficient sales force. I think you're seeing in, from the legacy Tornier sales trend side, that we can drive through the legacy Wright Medical. So that's an example of kind of best practice in the two companies and maybe going forward, and I don't think we've seen benefit from either one of those yet.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes. Great. And one product question on Tornier, just with the SIMPLICITI shoulder, you know these canal sparing devices have been used in Europe for a while. I think you guys have a good first mover advantage here in the US. How big do you think your first mover advantage -- or how long do you think that lasts? Any updates there? I'm sure you'll tell me to just ask the competition, but I'll ask you. And then on top of that, just how has the surgeon response been to these canal sparing devices?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

So, as far as how big, it is really tough. You know things are working through the regulatory process, these other companies. If we're lucky, maybe another year we could have -- we'll see. We're certainly assuming we're going to have competition and we are going to have it sooner rather than later, and trying to push adoption as best we can.

Surgeon reaction has been really good. It is obviously a big patient benefit; concerns more bone. But it's -- also it's great for the surgeon. It really is a simpler, easier procedure. Surgeons can do it quicker, get reproducible results. And it's been on the market in Europe for a while, so I think also gives people comfort the technology works.

So it's an exciting product. A really great door opener for us with new accounts, and it's gone great so far. And we're going to continue to find leverage that we need there.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes. All right. Well, I've got a lot more product questions. I'm just going to ask one more and then move on to margins and the hip side, but on AUGMENT. So you guys kind of telegraphed on last quarter call that maybe you see a little step-down in the summer. I think when we look at the data, it looks like there was up maybe just a little slowdown there.

Again, you guys fully telegraphed that with the summer seasonality. Anything else to think about with AUGMENT other than seasonality there for the July reading that we got recently? And then how to think about injectables? Tennis elbow, kind of all these other indications? Any clarity yet on the FDA or internally on how you are thinking about pursuing some of those indications?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Sure, so let's take AUGMENT first. It's not immune to seasonality to have the underlying procedure slowdown. So that's going to impact the sales there. We've always talked about AUGMENT as something that we expected to have really a steady build as we continue to work through regarding Analysis Committees to get the product, able to come into the hospitals.

And then even from there, the adoption curve at the surgeon level, we'd expect them to do a few procedures, watch the patient. If they are pleased with the outcome, they would increase their utilization. And that's what we've been seeing. And that's kind of resulted in this steady increase that we've seen.

You know, underlying -- we don't break out the details on AUGMENT. But Q3 we have 50% growth in biologics in the US, which we're very pleased with that. It's a great performance and shows just what AUGMENT is doing for that line.

As far as future indications and the injectables in particular, so we are right now working and we really are focused on the injectable, and what can we do on the regulatory path there? Don't know the answer to that yet. Obviously we are trying to find a way we can get that done, hopefully do a PMA supplement as opposed to a full-blown PMA. And that's really where our attention is right now.

Once we get that answer and get that figured out, we can start turning our attention to what do we want to do next? Do we want to try and tackle something in the soft tissue area? Or do we want to tackle another bone infusion, something in the spine? So we are working through all those things now. It's really our first priority to figure out --.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

What would the FDA's issue be, I guess, as I think about -- there's been a lot of putties out there that have eventually gone to injectable. I think if memory serves, a decent number of those have gone PMA supplement. You are not changing the formulation, I don't believe, much. Is the FDA hesitant for some reason on moving this to an injectable or allowing you to go the PMA supplement route?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Well, a lot of these other products actually were just (technical difficulty) products and so they were just leveraging off somewhat different packaging or slightly different handling characteristics. Any time the first product is a PMA, there's just going to be more regulatory scrutiny. There's going to be more questions with the FDA. We obviously think a PMA supplement is the right way and what would make sense, but you've just got to work through it with the FDA and until you get the answer, you never know for sure.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Any questions? Just on the hip reliability side, I mean, last quarter, you kind of came out and actually accrued and talked about kind of putting some goal posts around that $150 million to $198 million range. Any update on when you think we might see a natural settlement? And I'll ask one other question after that, I guess.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

No updates. So we had the information we disclose on the last call and that's really all the information that's out there. Hard to predict timing. Any time you have negotiation, you really don't know about anything. It's hard to predict timing. Obviously it's a big focus and we want to get it -- something finalized as soon as we can. But until we have something done, it's really hard to say.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes. And one other question I've been getting from investors -- and maybe I'm just conceptually not thinking about this the right way -- but I know you have insurance coverage, the $150 million to $198 million is kind of what you think will be your component liability yourself after the insurance proceeds.

But I've heard numbers out there that the settlement could be north of $1 billion, things like that. Maybe insurance would cover $700 million, $800 million. I mean ballpark, is that anywhere near accurate? That just seems big to me when I look at the number of revisions you guys have had in some of those things.

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Yes, I mean, I would just say we have an agreement in principle with three of our insurers, and that based on that, and where our negotiations were to date as of our Q2 call with the plaintiff, we said we've got a range of liabilities for a substantial portion of revision cases moved to $150 million to $198 million.

We have three other insurers that we continue to negotiate with. All that can do is give us more money. But that's not -- the negotiation with the insurers in no way changes the liability. And so, if -- we think the net is $150 million to $198 million for a substantial portion of the -- of known revision cases, I would agree $1 billion seems like a really big number to try and --.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Yes, I mean it's not like you have $700 million, $800 million, $900 million in insurance coverage, right?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

We have not disclosed that number, but no, we don't have, so.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

All right. That's -- I just wanted to make sure. And then last minute here, I mean you know EBITDA we can kind of come back to where we started. EBITDA is coming through sooner rather than later [to] a $1 billion company at 20% EBITDA margins generate maybe proxy for somewhere around a couple-hundred-million-dollars a year in free cash flow. If you can get to that point, how do you allocate that cash going forward?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Well, first of all, it would be great to get there. And you know if you think about allocating cash, I guess first the question is for a company our size, would be what are you thinking about M&A? You know post the divestiture of the legacy Wright hip and knee business, we were very clear that we had a strategy of growth in M&A.

And we really needed to get bigger. We needed more scale if we were going to get the profitability levels like we were talking about now. With the Tornier merger, we feel like we've solved that problem. We don't need to growth through acquisitions just for the sake of scale. Now --

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Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Tuck-ins, things like that?

Lance Berry - *Wright Medical Group N.V. - SVP and CFO*

Well, I'd say you always have to be on the lookout for is differentiated technologies. And we're going to be always scanning the landscape, and if we see something that we think is differentiated in any of our markets, we're going to be willing to do what we need to do from an M&A standpoint to have that.

We are trying to be leaders in these markets and stay leaders in these markets. And there's a lot of innovation opportunities still left in these markets. And if someone else comes up with something differentiated, then we are definitely going to take a look at it.

Jeff Johnson - *Robert W. Baird & Company, Inc. - Analyst*

Fair enough, all right. Well, I think our time is up. So please join me in thanking Lance for a great overview here of Wright Medical. And, as a reminder, the next presentation is set to begin at 10:50 a.m.; includes Diplomat Pharmacy in this room, Acadia Healthcare in the Bullard Ballroom; Acciday and Sciences and Homes one up on the fourth floor, and Vocera Communications and Homes too up on the fourth floor. Thank you.