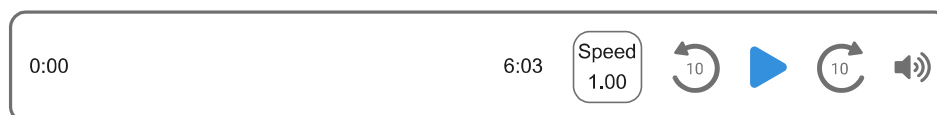


Zimmer Biomet deal reflects strong medtech M&A activity, attorneys and analysts say

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High profile mergers and acquisitions involving medical technology companies such as Indiana-based Zimmer Biomet kept a steady pace during the first part of 2025.

Market observers and M&A attorneys are keeping a close eye to see if that continues for the rest of the year and into 2026.

J.P. Morgan reported in May that the first quarter of 2025 and fourth quarter of 2024 showed the highest acquisition activity in medtech since the first quarter of 2022.

There were 57 M&A MedTech transactions announced in this year's opening quarter, totaling more than \$9.2 billion for companies developing medical devices, diagnostics, therapeutic digital health and commercial research tools.

This compares to 62 transactions totaling \$2.7 billion in the fourth quarter of 2024..

J.P. Morgan listed notable MedTech M&A deals in this year's first quarter that included Stryker/Inari Medical for \$4.9 billion and Zimmer Biomet/Paragon 28 for \$1.2 billion.

Dave Sheppard and Florence Joffroy-Black of MedWorld Advisors also wrote about both mergers in March, with the duo reporting Zimmer aimed to bolster its offerings in fracture, trauma, and joint replacement for foot and ankle conditions with the acquisition.

Howard Bobrow, a Taft Stettinius & Hollister LLP partner whose practice is primarily devoted to mergers and acquisitions, private equity and venture capital, said based on his experiences this year, M&A deals are definitely a go with medtech companies.

"I think it's a pretty good market," Bobrow said.

Bobrow said the market has been a little tougher for companies at the beginning of medtech's corporate finance ecosystem. He said that since



Howard Bobrow

2023, acquisitions of early-growth stage medtech companies had slowed down.

But big medtech deals are still happening, Bobrow said.

PwC Global's 2025 mid-year outlook for global M&A trends in health industries reported that deal volumes and values have dropped in the first half of 2025.

The professional services firm noted that, in early January, Johnson & Johnson announced a \$14.6 billion acquisition of Intra-Cellular Therapies that sparked optimism for a broader rebound in the sector of deals valued at more than \$10 billion.

"But this optimism has largely faded—with larger deals now expected to be in the \$1bn–\$10bn range in the second half of 2025," PwC Global reported.

Zimmer Biomet acquisition

Zimmer BioMet announced its acquisition of Paragon 28 in January and completion of the deal in April.

According to a Zimmer Biomet release, Paragon 28 has an extensive suite of surgical offerings and product systems spanning all major foot and ankle segments, including fracture and trauma, deformity correction and joint replacement and had been singularly focused on bringing to market innovative solutions to address areas of unmet need in the foot and ankle segment.

"This proposed transaction further diversifies Zimmer Biomet's portfolio outside of core orthopedics and positions us well in one of the highest growth specialized segments in musculoskeletal care, while creating cross-selling opportunities in the rapidly growing ASC space," Ivan Tornos, President and Chief Executive Officer of Zimmer Biomet, said in a news release. "Paragon 28's broad and innovative foot and ankle portfolio, robust product pipeline and dedicated and highly trained sales force, combined with Zimmer Biomet's global reach and capabilities, will uniquely position us to address the unmet patient needs of this highly complex anatomy."

Zimmer Biomet also announced in July it had entered into a definitive agreement to acquire all outstanding shares of stock of Austin, Texas-based Monogram Technologies Inc. for an upfront payment of \$4.04 per share in cash, corresponding to an equity value of approximately \$177 million and an enterprise value of approximately \$168 million.

In that announcement, the Warsaw-based company touted Monogram's development of a CT-based, semi-autonomous, AI-navigated total knee arthroplasty robotic technology, which received FDA clearance in March 2025 and is expected to be commercialized with Zimmer Biomet implants in early 2027.

Medtech M&A outlook

Bobrow said regulatory and future reimbursement uncertainty are economic factors that are currently affecting the medtech M&A market, with borrowing costs still high compared to previous years.

He said sellers may need to adjust expectations on the exit values they get from a sale.

PwC Global noted that healthcare providers are working through “regulatory uncertainty about MFN, Medicare and Medicaid reimbursement in the US, and tariff-related cost pass-throughs, which has made diligence and revenue modelling more complex, slowing some transactions.”

Bobrow said he expects the medtech M&A market to remain roughly the same or even see slight improvement through the remainder of the year and into 2026.

Intellectual property can also play a key part in some MedTech mergers.



Justin Sage

Justin Sage, an IP and patent attorney with Krieg DeVault's Indianapolis office, said he thinks IP is a factor in quite a bit of MedTech M&A deals.

Acquiring companies need to look at a target company's IP assets during the due diligence phase and see if it's a good fit, Sage said.

Within the pharmaceutical industry, a lot of times acquiring companies target smaller startups involved with molecule studies and look at the likelihood of those studies getting FDA approval and the strength of the company's patents.

“If they don't have the patents that protect the investment, that could be a deal breaker,” Sage said.

Sage said the amount of due diligence involved with IP in a medtech deal depends on the portfolio of a target company and how much time companies want to take to close a transaction. •