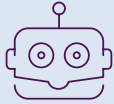




CORPORATE FINANCE

OCTOBER 2025 INSIGHTS PAPER: ORTHOPAEDIC PRODUCTS

Navigating the Orthopaedic Products M&A Landscape



Advances in robotics and surgical accuracy are enhancing patient outcomes and increasing competition among orthopaedic device makers



A growing elderly population and rising obesity is leading to an increased number of musculoskeletal (MSK) disorders causing a rise in demand for joint replacements and trauma treatments



The growing preference for Minimally Invasive Surgeries (MIS) is driving an increase in orthopaedic surgeries to outpatient and ambulatory surgical centres



Market leaders are reshaping the competitive landscape by pursuing focused acquisitions to scale globally in high-growth niches and divesting mature segments



Ongoing R&D in biomaterials and regenerative orthobiologics is creating more lasting, personalised, and biologically compatible patient solutions

Orthopaedic Product Market Overview



Orthopaedics is the branch of medicine focused on the MSK system (the bones, joints, ligaments, tendons and muscles) and addresses conditions ranging from fractures and arthritis to spinal deformities and sports injuries. Orthopaedic products refer to the devices that restore stability, alignment and function of the MSK system. These can include: joint replacement implants, plates and screws for trauma fixation, spinal cages and rods, arthroscopy tools, orthobiologics, braces, and custom orthotics.

Once a narrow surgical-device niche, the orthopaedic products sector has evolved into a global, technological market, which is driven by an ageing population with higher chronic joint disease and innovation with breakthroughs in materials, robotics, 3D printing and patient-specific design.

The orthopaedics market can be broken down into sub-sectors as shown in Figure 1, with each of the segments defined below:

Arthroplasty – a dominant subsector involving procedures for the replacement or remodelling of damaged joints to restore function or reduce pain.

Spine – focuses on the diagnosis, treatment, and prevention of disorders and structural abnormalities affecting the spine, including deformities, traumatic injuries, and degenerative conditions.

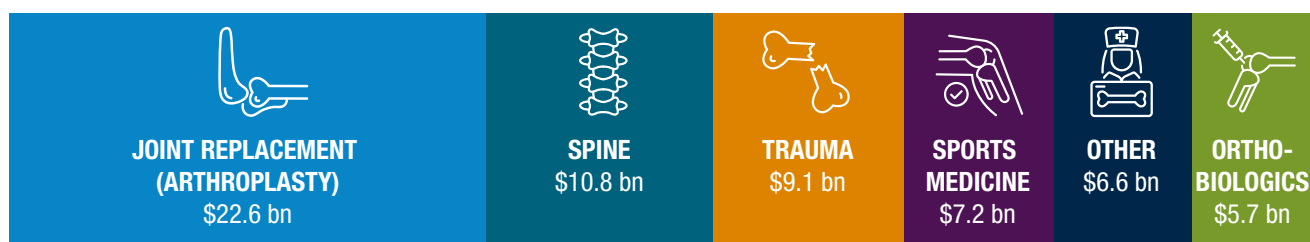
Trauma – the treatment and surgical management of severe injuries to the MSK system arising from accidents, high-impact events, or other acute physical trauma.

Sports Medicine – the treatment of MSK structures affected by sports or training.

Orthobiologics – the development of treatments made from biological substances that can promote faster healing, a key example of this being regenerative tissue treatment.

Other – includes enabling technology or digital orthopaedics that provide pre-op and intra-op guidance, through personalised, simulation-driven treatment planned in conjunction with artificial intelligence and the bespoke 3D printing of implants.

Figure 1 – Current Global Orthopaedic Product Sector Breakdown¹



Source:

1 Mike Evers, "State of the Orthopedic Industry" Bonezone, May 30, 2025.



Orthopaedic Products Market Growth



The orthopaedics market is substantial, valued at \$62 billion globally and projected to grow to \$80.8 billion by 2030, at a 4.3% CAGR.¹ The UK market is anticipated to grow faster than the global market, currently estimated at \$1.9 billion and growing to \$2.6 billion by 2030, a 6.5% CAGR as illustrated by Figure 2.²

Market growth is driven primarily by two factors:

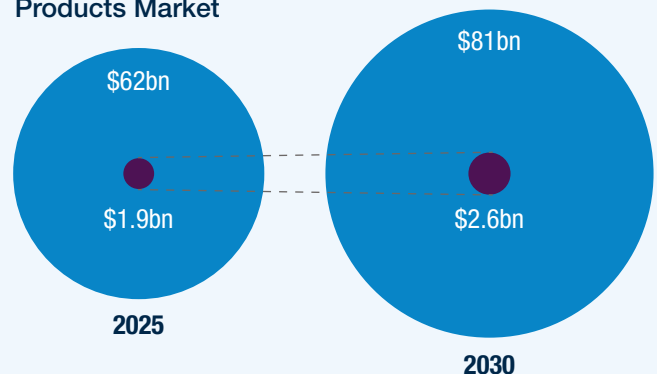
- 1. Aging and obesity:** An ageing population and rising obesity rates are fuelling the demand for joint replacements. By 2030, over 20% of the UK population will be 65 or older,³ and obesity is expected to affect 36% of men and 33% of women.⁴
- 2. Technological advancement:** Rapid advances in orthopaedic technology are improving patient outcomes and experiences, expanding patient eligibility and encouraging greater adoption of surgical interventions.

Key areas to watch include:

- **Robotics:** Surgical robotics are supporting enhanced surgical precision and have been conditionally approved by the National Institute for Health and Care Excellence (NICE). Eleven robot-assisted surgical systems are listed, including six for orthopaedics, marking a path toward wider clinical adoption.⁵
- **3D Printing:** Advances in additive manufacturing enable patient-specific implants designed to support better anatomical fit and individualised motion. For example, the **Paragon 28** 3D-printed porous ankle implants are developed to mimic natural movement and enhance mobility.⁶
- **Orthobiologics:** These innovations are driving the development of treatments that support faster healing, reduce the extent of invasive surgery, and advance regenerative treatment options. For example, the **CartiHeal** cartilage-regeneration implant (acquired by **Smith & Nephew** in early 2024) is designed to attract stem cells and support new tissue growth.⁷
- **Product digitalisation:** Smart, tech-enabled tools are improving surgical precision by providing real-time assistance. **Eventum Orthopaedic's QuadSense** surgical device provides real-time data on joint force, helping surgeons optimise their procedures.

In the UK, there is a substantial backlog for orthopaedic care: the NHS waiting list in England for orthopaedic surgery totals around 858,000 people, of whom only 58.9%⁸ have been waiting less than 18 weeks (versus the 92% target).⁹ This backlog has fuelled record levels of private healthcare admissions as patients seek faster treatment. Meanwhile, innovations in MIS are enabling more complex procedures to be performed in ambulatory centres, improving outcomes, freeing up capacity, and boosting demand for advanced devices.

Figure 2 – Global and UK Orthopaedic Products Market



Sources:

- 1 "Orthopedic Devices Market (2024-2030)", Grand View Research, October 10, 2025.
- 2 "Orthopedic Devices – United Kingdom", Statista, October 9, 2025.
- 3 Age UK, [Later life in the United Kingdom](#) (Age UK, 2019) 3.
- 4 James Meikle, "WHO report: 74% of men and 64% of women in UK to be overweight by 2030" *The Guardian*, May 6, 2015.
- 5 NICE, ["Cutting-edge robotic surgery gets greenlight as 11 systems are recommended"](#) National Institute for Health and Care Excellence, April 17, 2025
- 6 "Paragon 28 announces FDA clears APEX 3D system", July 15, 2020.
- 7 "Smith+Nephew swoops in with \$330M offer for CartiHeal after Bioventus bows out", Fierce Biotech, November 22, 2024.
- 8 Debbie Moon, ["NHS referral to treatment \(RTT\) waiting times data July 2025"](#), (NHS England 2025), 7.
- 9 Moon, ["NHS referral to treatment \(RTT\) waiting times data July 2025"](#), 8.

Historically, spine-focused companies have dominated, but over the past four years orthobiologics and digital orthopaedics have considerably narrowed the gap.



Orthopaedic Products M&A Summary



High-growth segments of the orthopaedics market, particularly those leading in technological innovation, continue to be most attractive in terms of M&A. Historically, spine-focused companies have dominated, but over the past four years orthobiologics and digital orthopaedics have considerably narrowed the gap (see Figure 3).

This focused M&A activity reflects the strategic priorities of major original equipment manufacturers (OEMs) – including **Zimmer Biomet**, **Stryker**, **DePuy Synthes**, **Smith+Nephew** and **Medtronic** – which are increasingly focussing on acquiring high-growth, technology-driven assets to build and lead specialised sub-sector platforms offering end-to-end services through the care continuum. For example, **Medtronic** is focused on dominating the spine vertical.

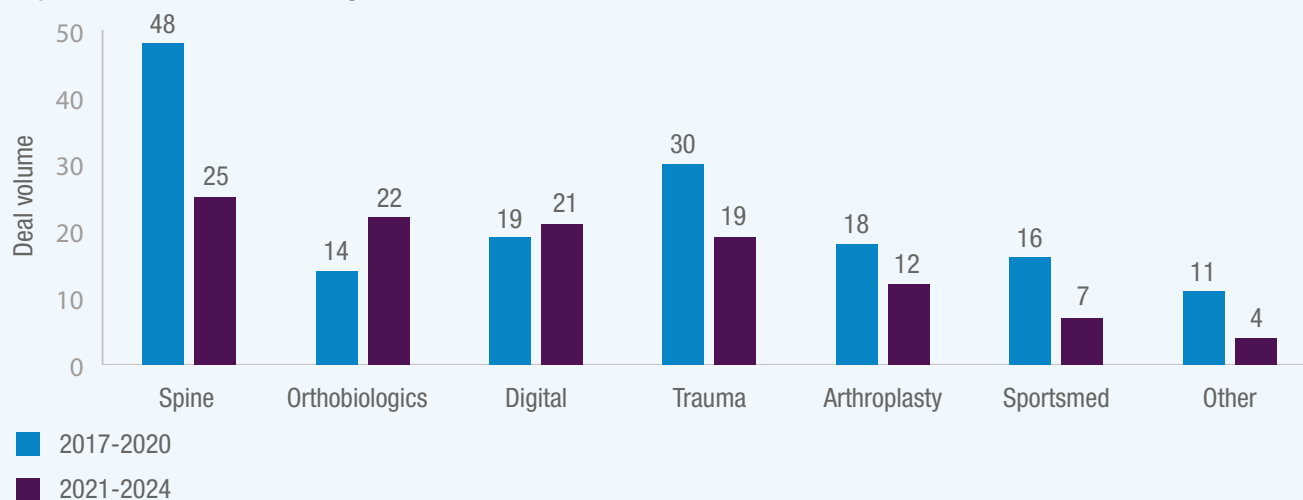
Considering these dynamics, and the sustained demand for high-quality manufacturing assets that improve patient outcomes, the following UK and Ireland-based businesses stand out as companies to watch in the space:

- **Blatchford (backed by CBPE Capital)** – A leading provider of prosthetics, custom-made braces, and rehabilitation services to

the NHS. Operating as a scaled O&P original equipment manufacturer (OEM) and service provider, Blatchford announced a £15m investment in a new centre of excellence for operations in May 2025.¹

- **Corin Group** – An orthopaedic implant OEM specialising in hip, knee, and shoulder reconstruction systems. Its flagship innovation, ApolloKnee, a robotic platform focused on efficient bone resection,² positions **Corin** as an attractive acquisition for buyers seeking portfolio depth or PE platform opportunities.
- **Croom Precision Medical (backed by BGF)** – An orthopaedic CDMO partnering with both established and emerging companies in the sector to drive innovation and manufacturing efficiency,³ making it a notable company to watch.
- **4D Medicine** – A developer of a resorbable biomaterial for orthopaedic implants. The company recently raised £3.4 million in funding to advance product development.⁴
- **Eventum Orthopaedics** – Targeting the 400,000 people dissatisfied with knee replacements, the company recently raised £3.8 million in further funding (led by Mercia Ventures) to support its QuadSense product launch in UK, US, and New Zealand and invest in new product lines.⁵

Figure 3 – Tracked M&A Segment Breakdown⁶



Source:

1 "Blatchford invests £15m in new Basingstoke operations centre" May 9, 2025.

2 "Corin Announces Worldwide Launch of ApolloKnee" June 27, 2024.

3 "State-backed BGF invests in Croom Precision Medical" October 7, 2020.

4 "4D Medicine raises £3.4m for biomaterial platform, July 26, 2024.

5 "Eventum Orthopaedics secures £3.8m to improve knee replacement surgery success" March 18, 2025.

6 Mike Evers *Takeaways from the 2025 Orthopaedic Industry Annual Report* (BoneZone, 2025)



Recent Orthopaedic Products Transactions



Target	Acquiror	Date	Rationale
		Sep-25	Keensight plans to use its network and capital to fuel growth, both organically and through acquisitions, building on Isto's position as a leading provider of regenerative and Orthobiologic solutions. ⁷
		Jul-25	Graham Partners , an experienced investor in medical device CDMOs, acquired Ireland-based CDMO, Smithstown Light Engineering for its differentiated manufacturing capabilities, operational expertise, and new product development capabilities. ⁸
		Jul-25	SK Capital aims to boost automation and expand production capacity at Lisi , a precision manufacturer of orthopaedic implants, while driving revenue growth both organically and through M&A. ⁹
		Jun-25	G Square will support G21 , a biomaterials provider for orthopaedic and spine applications, in expanding internationally, strengthening its distribution network, and advancing its R&D pipeline. ¹⁰
		Apr-25	AddLife , a niche MedTech and diagnostics company, acquired Edge Medical , a distributor of specialty orthopaedic products, to strengthen its position in the fast-growing orthopaedic surgery space – a strategic focus for the AddLife group of companies. ¹¹
		Jan-25	The acquisition aims to expand the reach of implant provider OrthoSolutions , deepening the sector expertise through Meshworks' speciality in foot and ankle custom implants. ¹²
		Sep-24	After initially investing in 2022, Biocomposites acquired the remaining shares in Synimed and Subiton , acquiring their technologies and leveraging Biocomposites' global distribution network to grow product reach. ¹³

Sources:

7 "Keensight Capital acquires majority stake in Isto Biologics, a leading orthobiologics player, from Thompson Street Capital Partners", Keensight Capital, September 17, 2025.

8 "Graham Partners acquires Smithstown Light Engineering", RDJ, August 1, 2025

9 "SK Capital has entered into exclusive negotiations to acquire LSI Group's Medical division", SK Capital, July 9, 2025.

10 "G Square partners with G21 to support growth and expansion ambitions", G Square Capital, June 26, 2025.

11 "AddLife acquires Edge Medical Ltd" AddLife, April 1, 2025.

12 "Ortho Solutions acquires custom orthopaedic implant manufacturer Meshworks" Metal AM, January 21, 2025.

13 "Biocomposites acquires remaining shares in manufacturers of SYNICEM™ and Sution products", Biocomposites, September 18, 2024.



£	Market cap	EV	Revenue (LFY)	EBITDA	EV/EBITDA	EBITDA%	Revenue growth*
Large-cap							
Stryker	108.6 bn	119.5 bn	17.7 bn	4.7 bn	25.4x	26.6%	9.2%
Zimmer Biomet	15.2 bn	20.5 bn	6.0 bn	2.0 bn	10.3x	33.7%	6.1%
Smith & Nephew	11.5 bn	13.5 bn	4.5 bn	1.0 bn	13.5x	23.0%	5.3%
Globus Medical	6.2 bn	6.1 bn	2.0 bn	544.0 m	3.7x	27.6%	10.0%
Small / Mid-cap							
Ottobock	3.5 bn	4.6 bn	1.4 bn	191.8 m	24.0x	14.1%	n.a.
Medacta	2.8 bn	3.0 bn	500.2 m	120.4 m	24.9x	24.1%	16.4%
Embla Medical	1.6 bn	2.0 bn	669.1 m	108.0 m	6.2x	16.1%	10.4%
Enovis	1.4 bn	2.4 bn	1.6 bn	265.3 m	9.0x	16.1%	6.5%
Conmed	1.1 bn	1.7 bn	1.0 bn	179.8 m	5.6x	17.6%	5.6%
Medartis	949.0 m	952.0 m	200.0 m	23.9 m	39.8x	12.0%	22.8%
Orthofix	459.5 m	563.2 m	625.7 m	8.1 m	69.5x	1.3%	4.4%
Carlsmed	279.8 m	349.2 m	21.3 m	n.a.	n.a.	n.a.	56.4%
Shoulder Innovations	188.0 m	265.7 m	24.8 m	n.a.	n.a.	n.a.	39.9%

*Revenue Growth represents the CAGR based on revenue forecasts over the next 2 years.

IPOs and Large-cap Activity



After several years of limited activity, the orthopaedics sector has recently seen a resurgence in IPOs, including the following notable listings during 2025:

- **Ottobock** – Designer and manufacturer of prosthetics, orthotics, and mobility solutions, recently debuted on the Frankfurt Stock Exchange – marking Germany's largest listing of the year.²
- **Carlsmed** – US-based orthopaedic technology company that specialises in patient-specific spinal fusion solutions using 3D printed implants and AI-driven surgical planning.³
- **Shoulder Innovations** – Developer of advanced implant systems for the shoulder, designed support to joint stability and reduce the likelihood of complications.⁴

Collectively, these recent IPOs underscore strong investor confidence in the orthopaedics sector and reaffirm the market's continued trajectory of innovation, specialisation, and growth.

Sources:

¹ CapitalIQ

² "Ottobock gains on debut after 4.2 billion euro Frankfurt IPO", October 9, 2025.

³ "Carlsmed Announces Pricing of Initial Public Offering", Carlsmed, July 22, 2025.

⁴ "Shoulder Innovations Announces Pricing of Initial Public Offering", July 30, 2025.

⁵ "Stryker completes sale of US spinal implants business", Stryker, April 1, 2025.

⁶ "Johnson & Johnson announces intent to separate its Orthopaedics business", Johnson&Johnson, October 14, 2025.

Exposure to higher growth segments and superior margins from premium product lines tend to be the principal drivers of trading multiples in the orthopaedics sector. With this rationale in mind, several large-cap Med-Tech players have undertaken strategic divestments and spin-outs of their more mature business units. Notably, **Stryker** completed the divestment of its US spine implants division early in 2025 to focus on areas where it has a strong competitive edge, such as the foot and ankle sector.⁵ Similarly, **J&J** recently announced the spin-out of its orthopaedics division into a standalone public entity, seeking to improve **J&J's** overall revenue growth and margins. The new standalone public entity, **DePuy Synthes**,⁶ already has a mature product portfolio, and will be the largest orthopaedics company globally following the spin-out.

Driven by rising investor appetite for orthopaedics IPOs and reinforced by successful listings from major industry players, the public markets are presenting an opportunity for private company shareholders to exit and raise growth capital.

UK Regulatory Insights



Regulations on orthopaedic products are constantly evolving to remain relevant to emerging sector innovations. Currently in the UK, all orthopaedic devices require a UK Conformity Assessed (UKCA) mark, adhering to the Medical Devices Regulations 2002.

These regulations have recently been updated with the aim of promoting faster and clearer vigilance and communications. For example, manufacturers must now report any anticipated serious health deterioration within 15 days instead of 30 days and keep their post-market surveillance plans updated at least every three years to align with stricter regulatory standards.¹

Furthermore, the NHS updated its national procurement agreement (TOS3), which will operate until January 2028, after which new terms will be negotiated. The agreement provides a centralised route for trusts to access over 169,000 approved products from 102 vetted suppliers.² For the NHS, it simplifies purchasing and supports cost efficiencies, while offering national coverage for the orthopaedic products companies.

In a period of accelerated technological development, regulations must adapt to remain relevant, underscoring the importance of robust risk planning and controls for companies in the sector, as well as diligence on regulatory risk as part of any transaction.

Sector Outlook



The orthopaedic products market is experiencing strong and sustained growth, fuelled by a combination of demographic and technological advancements. An ageing population and rising obesity rates are expanding the pool of patients requiring MSK interventions, while technological innovations are broadening patient eligibility and increasing surgical capacity.

Globally, the number of people living with MSK disorders has more than doubled, from around 221 million in 1990 to almost 500 million in 2020,³ with research suggesting it is likely to surpass 1 billion by 2050. Within the UK, the impact is evident; osteoarthritis alone accounts for approximately 90%⁴ of primary hip replacements and 99% of primary knee replacements,⁵ underpinning the critical link between ageing, obesity, and the expanding orthopaedics market.

Promising sub-sectors that enhance precision, personalisation, and patient outcomes, such as robotics, 3D-printed implants, orthobiologics, and digital surgical technologies, are attracting strong investment interest. High-growth sub-sectors within orthopaedics - particularly those just mentioned which are driven by rapid technological advancement - are attracting the most volume of M&A activity as investors seek scalable, innovative companies.

Investor appetite is further reflected in the strong performance of recent orthopaedics IPOs, which is expected to accelerate both new market entrants and bolt-on acquisitions. Activity is likely to intensify as large strategics and sponsors continue to focus on building end-to-end procedural platforms within core therapy verticals, consolidating capabilities and improving patient outcomes and experiences.

Sources:

- 1 "[Implementation of the future regulations](#)", Gov.uk, February 26, 2025.
- 2 "[Total Orthopaedic Solutions 3](#)", NHS Supply Chain, February 1, 2024
- 3 Tiffany K Gill, Manasi Mittinty et al., "[Global, regional, and national burden of other musculoskeletal disorders, 1990-2020, and projections to 2050: a systematic analysis of the Global Burden of Disease Study of 2021](#)" ScienceDirect 5, 11 (2023).
- 4 Jose Leal, Jacqueline Murphy et al., "[Costs of joint replacement in osteoarthritis: a study using the National Joint Registry and Clinical Practice Research Datalink datasets](#)", (University of Oxford, 2022) 5.
- 5 Murphy et al. "[Costs of joint replacement in osteoarthritis: a study using the National Joint Registry and Clinical Practice Research Datalink datasets](#)", 5.



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