

BIOMET INC
Form 424B3
April 03, 2014

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-188262

PROSPECTUS SUPPLEMENT

(to prospectus dated June 21, 2013 and the prospectus supplements dated July 11, 2013, July 18, 2013, August 29, 2013, August 29, 2013, October 1, 2013, October 8, 2013, October 8, 2013, October 11, 2013, November 4, 2013, January 8, 2014, January 14, 2014, February 4, 2014, February 21, 2014 and March 7, 2014)

BIOMET, INC.

\$1,825,000,000 6.500% Senior Notes due 2020

\$800,000,000 6.500% Senior Subordinated Notes due 2020

This prospectus supplement updates and supplements the prospectus dated June 21, 2013 and the prospectus supplements dated July 11, 2013, July 18, 2013, August 29, 2013, August 29, 2013, October 1, 2013, October 8, 2013, October 8, 2013, October 11, 2013, November 4, 2013, January 8, 2014, January 14, 2014, February 4, 2014, February 21, 2014 and March 7, 2014.

See the “Risk Factors” section beginning on page 6 of the prospectus, the “Risk Factors” section in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 29, 2013 and the “Risk Factors” section in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on October 11, 2013 for a discussion of certain risks that you should consider before investing in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

This prospectus supplement and the accompanying prospectus have been prepared for and may be used by Goldman, Sachs & Co. and any affiliates of Goldman, Sachs & Co. in connection with offers and sales of the notes related to market-making transactions in the notes affected from time to time. Goldman, Sachs & Co. or its affiliates may act as principal or agent in such transactions, including as agent for the counterparty when acting as principal or as agent for both counterparties, and may receive compensation in the form of discounts and commissions, including from both counterparties, when it acts as agents for both. Such sales will be made at prevailing market prices at the time of sale, at prices related thereto or at negotiated prices. We will not receive any proceeds from such sales.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this prospectus supplement and the accompanying prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us. This prospectus supplement and the accompanying prospectus does not offer to sell nor ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement and the accompanying prospectus or the date of any document incorporated by reference herein.

The date of this prospectus supplement is April 3, 2014.

THIRD QUARTER OF FISCAL 2014 FINANCIAL RESULTS

Third Quarter Financial Results

Consolidated net sales increased 6.6% worldwide to approximately \$823 million

Knee sales grew 8.4% worldwide, with U.S. growth of 7.7%

S.E.T. sales increased 4.7% worldwide and grew 10.0% in the U.S.

Consolidated net sales increased 6.6% to \$822.5 million worldwide during the third quarter of fiscal year 2014, compared to net sales of \$771.5 million during the third quarter of fiscal year 2013. U.S. net sales increased 7.6% during the third quarter to \$508.9 million, while Europe net sales increased 8.1% to \$199.8 million and International (primarily Canada, Latin America and the Asia Pacific region) net sales decreased 0.1% to \$113.8 million.

Consolidated net sales reflect the combined net benefit of approximately 1.2% from additional revenue related to the acquisition of Lanx, Inc., lower revenue as a result of the bracing divestiture and certain decreased royalties. We had an additional selling day in most of our businesses in the third quarter of fiscal year 2014, compared to the prior year quarter.

Reported operating income was \$0.2 million during the third quarter of fiscal year 2014, compared to operating loss of \$237.4 million during the third quarter of fiscal year 2013.

Reported net loss in the quarter was \$65.9 million, compared to a net loss of \$304.5 million during the third quarter of the prior year.

Reported cash flow from operations totaled \$154.7 million during the third quarter of fiscal year 2014, compared to reported cash flow from operations of \$145.2 million for the third quarter of fiscal year 2013.

At February 28, 2014, reported gross debt was \$5,831.7 million, and cash and cash equivalents, as defined in the Company's Amended and Restated Credit Agreement dated August 2, 2012, totaled \$212.4 million.

About Biomet

Biomet, Inc. and its subsidiaries design, manufacture and market surgical and non-surgical products used primarily by orthopedic surgeons and other musculoskeletal medical specialists. Biomet's product portfolio includes hip and knee reconstructive products; sports medicine, extremities and trauma products; spine, bone healing and microfixation products; dental reconstructive products; and cement, biologics and other products. Headquartered in Warsaw, Indiana, Biomet and its subsidiaries currently distribute products in approximately 90 countries.

Financial Schedule Presentation

The Company's unaudited condensed consolidated financial statements as of and for the three and nine months ended February 28, 2014 and 2013 and other financial data included in this press release have been prepared in a manner that complies, in all material respects, with generally accepted accounting principles in the United States and reflects purchase accounting adjustments related to the Merger referenced below and acquisitions.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current presentation. The current presentation aligns with how the Company presently reports sales and markets its products. The Company also reclassified instrument depreciation from cost of sales to selling, general and administrative expense.

The Merger

Biomet, Inc. finalized the merger with LVB Acquisition Merger Sub, Inc., a wholly-owned subsidiary of LVB Acquisition, Inc.,

which we refer to in this press release as the "Merger", on September 25, 2007. LVB Acquisition, Inc. is indirectly owned by investment partnerships directly or indirectly advised or managed by The Blackstone Group, Goldman

Sachs & Co., Kohlberg Kravis Roberts & Co. and TPG Global.

Rounding

Amounts may not recalculate due to rounding.

Biomet, Inc.

Product Net Sales

Three Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

| | Three Months Ended February 28, 2014 | Three Months Ended February 28, 2013 | Reported Growth % | United States Growth % |
|---------------------------------------|--------------------------------------------|--------------------------------------------|----------------------|------------------------------|
| Knees | \$254.2 | \$234.7 | 8.4 | % 7.7 |
| Hips | 162.9 | 158.5 | 2.8 | % 4.6 |
| Sports, Extremities, Trauma (S.E.T.) | 169.0 | 161.4 | 4.7 | % 10.0 |
| Spine, Bone Healing and Microfixation | 115.9 | 99.6 | 16.4 | % 13.0 |
| Dental | 64.4 | 64.4 | 0.1 | % (2.3) |
| Cement, Biologics and Other | 56.1 | 52.9 | 5.7 | % 3.3 |
| Net Sales | \$822.5 | \$771.5 | 6.6 | % 7.6 |

Biomet, Inc.

Product Net Sales

Nine Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

| | Nine Months Ended February 28, 2014 | Nine Months Ended February 28, 2013 | Reported Growth % | United States Growth % |
|---------------------------------------|-------------------------------------------|-------------------------------------------|----------------------|------------------------------|
| Knees | \$743.3 | \$699.8 | 6.2 | % 7.0 |
| Hips | 480.3 | 469.5 | 2.3 | % 3.6 |
| Sports, Extremities, Trauma (S.E.T.) | 478.8 | 440.9 | 8.6 | % 11.1 |
| Spine, Bone Healing and Microfixation | 322.4 | 311.0 | 3.7 | % 0.3 |
| Dental | 188.8 | 188.5 | 0.1 | % 3.5 |
| Cement, Biologics and Other | 165.3 | 159.3 | 3.7 | % 0.1 |
| Net Sales | \$2,378.9 | \$2,269.0 | 4.8 | % 5.4 |

Biomet, Inc.
 Geographic Net Sales
 Three Months Ended February 28, 2014 and 2013
 (in millions, except percentages, unaudited)

| | Three Months Ended February 28, 2014 | Three Months Ended February 28, 2013 | Reported Growth % | |
|-------------------|--------------------------------------------|--------------------------------------------|----------------------|----|
| Geographic Sales: | | | | |
| United States | \$508.9 | \$472.9 | 7.6 | % |
| Europe | 199.8 | 184.7 | 8.1 | % |
| International | 113.8 | 113.9 | (0.1) |)% |
| Net Sales | \$822.5 | \$771.5 | 6.6 | % |

Biomet, Inc.
 Geographic Net Sales
 Nine Months Ended February 28, 2014 and 2013
 (in millions, except percentages, unaudited)

| | Nine Months Ended February 28, 2014 | Nine Months Ended February 28, 2013 | Reported Growth % | |
|-------------------|-------------------------------------------|-------------------------------------------|----------------------|----|
| Geographic Sales: | | | | |
| United States | \$1,471.9 | \$1,395.9 | 5.4 | % |
| Europe | 563.1 | 521.5 | 8.0 | % |
| International | 343.9 | 351.6 | (2.2) |)% |
| Net Sales | \$2,378.9 | \$2,269.0 | 4.8 | % |

Biomet, Inc.

Consolidated Statements of Operations

Three and Nine Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

| | Three Months Ended February | | Nine Months Ended February | | |
|---------------------------------------------|-----------------------------|------------|----------------------------|------------|---|
| | 28, 2014 | 2013 | 28, 2014 | 2013 | |
| Net sales | \$822.5 | \$771.5 | \$2,378.9 | \$2,269.0 | |
| Cost of sales | 326.9 | 238.5 | 790.0 | 646.7 | |
| Gross profit | 495.6 | 533.0 | 1,588.9 | 1,622.3 | |
| Selling, general and administrative expense | 366.4 | 327.2 | 1,020.1 | 976.0 | |
| Research and development expense | 42.5 | 35.0 | 121.4 | 107.2 | |
| Amortization | 86.5 | 74.1 | 237.2 | 230.2 | |
| Goodwill impairment charge | — | 233.0 | — | 233.0 | |
| Intangible assets impairment charge | — | 101.1 | — | 101.1 | |
| Operating income (loss) | 0.2 | (237.4 |) 210.2 | (25.2 |) |
| Interest expense | 81.1 | 88.8 | 274.4 | 310.8 | |
| Other (income) expense | (0.5 |) 10.9 | 5.4 | 172.4 | |
| Income (loss) before income taxes | (80.4 |) (337.1 |) (69.6 |) (508.4 |) |
| Benefit for income taxes | (14.5 |) (32.6 |) (39.7 |) (106.2 |) |
| Net income (loss) | \$(65.9 |) \$(304.5 |) \$(29.9 |) \$(402.2 |) |

Biomet, Inc.
Condensed Consolidated Balance Sheets
(in millions, unaudited)

| | (Preliminary) February 28, 2014 | May 31, 2013 |
|--------------------------------------------|------------------------------------|--------------|
| Assets | | |
| Cash and cash equivalents | \$212.4 | \$355.6 |
| Accounts receivable, net | 582.9 | 531.8 |
| Inventories | 684.4 | 624.0 |
| Current deferred income taxes | 151.6 | 119.9 |
| Prepaid expenses and other | 135.0 | 141.3 |
| Property, plant and equipment, net | 690.9 | 665.2 |
| Intangible assets, net | 3,458.8 | 3,630.2 |
| Goodwill | 3,656.8 | 3,600.9 |
| Other assets | 124.0 | 125.8 |
| Total Assets | \$9,696.8 | \$9,794.7 |
| Liabilities and Shareholder's Equity | | |
| Current liabilities, excluding debt | \$611.2 | \$523.8 |
| Current portion of long-term debt | 33.2 | 40.3 |
| Long-term debt, net of current portion | 5,798.5 | 5,926.1 |
| Deferred income taxes, long-term | 1,058.4 | 1,129.8 |
| Other long-term liabilities | 194.6 | 206.1 |
| Shareholder's equity | 2,000.9 | 1,968.6 |
| Total Liabilities and Shareholder's Equity | \$9,696.8 | \$9,794.7 |

Biomet, Inc.
Consolidated Statement of Cash Flows
(in millions, unaudited)

| | (Preliminary) Nine Months Ended February 28, 2014 | Nine Months Ended February 28, 2013 | |
|---------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------|---|
| CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | |
| Net income (loss) | \$ (29.9 |) \$(402.2 |) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | |
| Depreciation and amortization | 378.4 | 364.8 | |
| Amortization and write off of deferred financing costs | 18.6 | 27.3 | |
| Stock-based compensation expense | 13.6 | 32.3 | |
| Loss on extinguishment of debt | — | 155.2 | |
| Recovery of doubtful accounts receivable | — | (0.4 |) |
| Realized gain on investments | — | (0.2 |) |
| Goodwill and intangible assets impairment charge | — | 334.1 | |
| Deferred income taxes | (126.5 |) (165.4 |) |
| Other | (6.2 |) 5.9 | |
| Changes in operating assets and liabilities, net of acquired assets: | | | |
| Accounts receivable | (30.9 |) (53.1 |) |
| Inventories | (18.8 |) (33.6 |) |
| Prepaid expenses | 4.4 | (7.9 |) |
| Accounts payable | (18.2 |) (28.0 |) |
| Income taxes | 18.8 | 5.5 | |
| Accrued interest | (20.9 |) (12.6 |) |
| Accrued expenses and other | 143.2 | 52.1 | |
| Net cash provided by operating activities | 325.6 | 273.8 | |
| CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES: | | | |
| Proceeds from sales/maturities of investments | 19.0 | 5.5 | |
| Purchases of investments | (19.8 |) (6.4 |) |
| Proceeds from sale of assets | 0.8 | 14.0 | |
| Capital expenditures | (158.8 |) (149.7 |) |
| Acquisitions, net of cash acquired - 2012 Trauma Acquisition | — | (280.0 |) |
| Acquisitions, net of cash acquired - 2013 Spine Acquisition | (148.8 |) — | |
| Other acquisitions, net of cash acquired | (1.3 |) (17.2 |) |
| Net cash used in investing activities | (308.9 |) (433.8 |) |
| CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES: | | | |
| Debt: | | | |
| Payments under European facilities | (2.3 |) (1.0 |) |

Edgar Filing: BIOMET INC - Form 424B3

| | | | |
|-----------------------------------------------------------|----------|------------|---|
| Payments under senior secured credit facilities | (22.6 |) (25.2 |) |
| Proceeds under revolvers | 159.3 | 80.0 | |
| Payments under revolvers | (63.0 |) (80.0 |) |
| Proceeds from senior notes due 2020 and term loans | 870.5 | 3,396.2 | |
| Tender/retirement of senior notes due 2017 and term loans | (1,091.6 |) (3,423.0 |) |
| Payment of fees related to refinancing activities | (15.5 |) (77.8 |) |
| Equity: | | | |
| Repurchase of LVB Acquisition, Inc. shares | — | (0.1 |) |
| Option exercises | 0.6 | — | |
| Net cash used in financing activities | (164.6 |) (130.9 |) |
| Effect of exchange rate changes on cash | 4.7 | 15.9 | |
| Increase (decrease) in cash and cash equivalents | (143.2 |) (275.0 |) |
| Cash and cash equivalents, beginning of period | 355.6 | 492.4 | |
| Cash and cash equivalents, end of period | \$212.4 | \$217.4 | |
| Supplemental disclosures of cash flow information: | | | |
| Cash paid during the period for: | | | |
| Interest | \$287.0 | \$315.5 | |
| Income taxes | \$69.7 | \$49.0 | |