Investor Presentation

October 2016

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President and CEO

A **HIGHER** STANDARD®

Forward Looking Statement

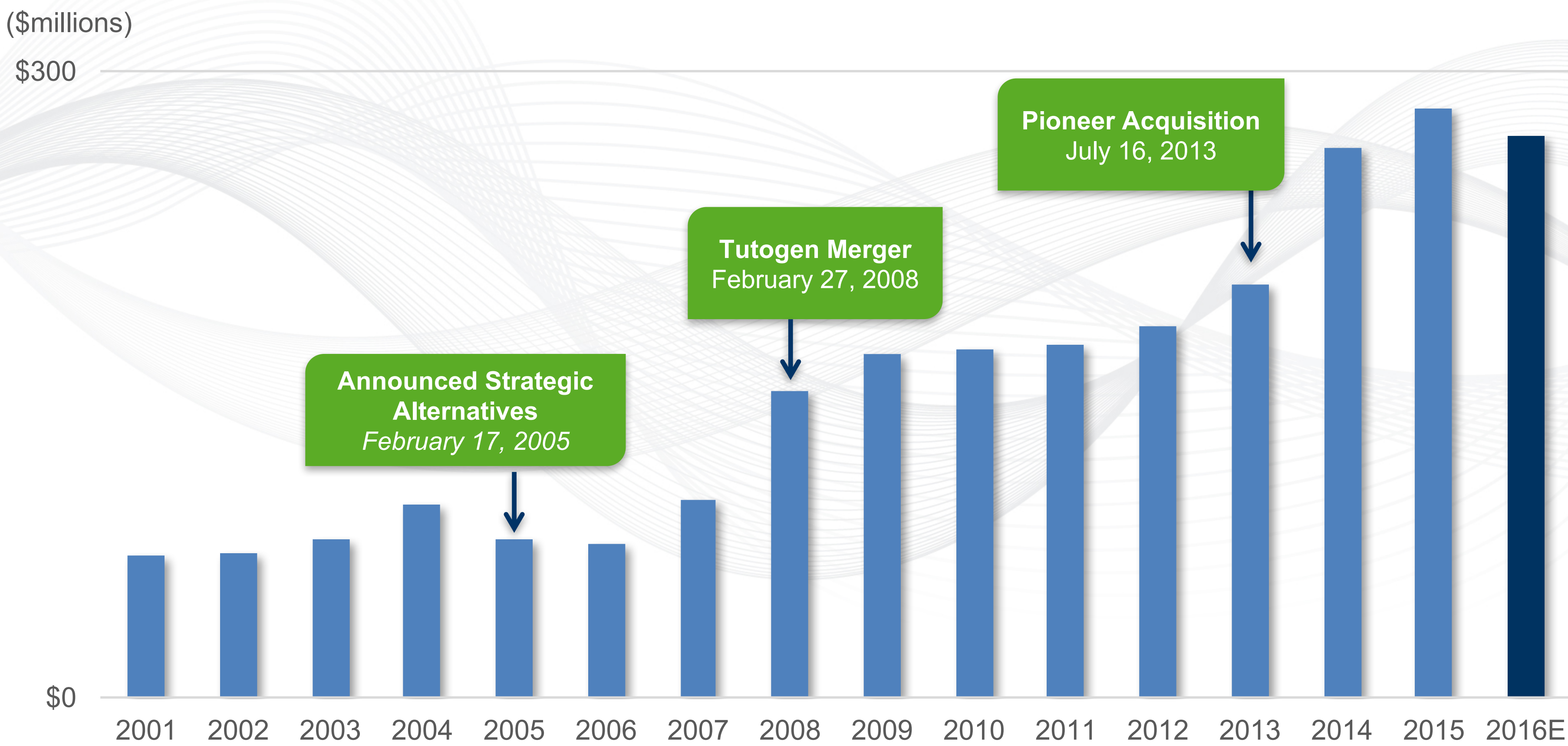
The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. The forward-looking statements contained in this presentation document are subject to certain risks and uncertainties, such as our ability to maintain our existing strategic relationships, rapid technological changes, intense competition, negative publicity concerning our industry and/or significantly greater regulation by the FDA. Actual results could differ materially from current expectations.

The information contained herein is not a prospectus and does not constitute an offer to sell nor a solicitation of an offer to buy any security.

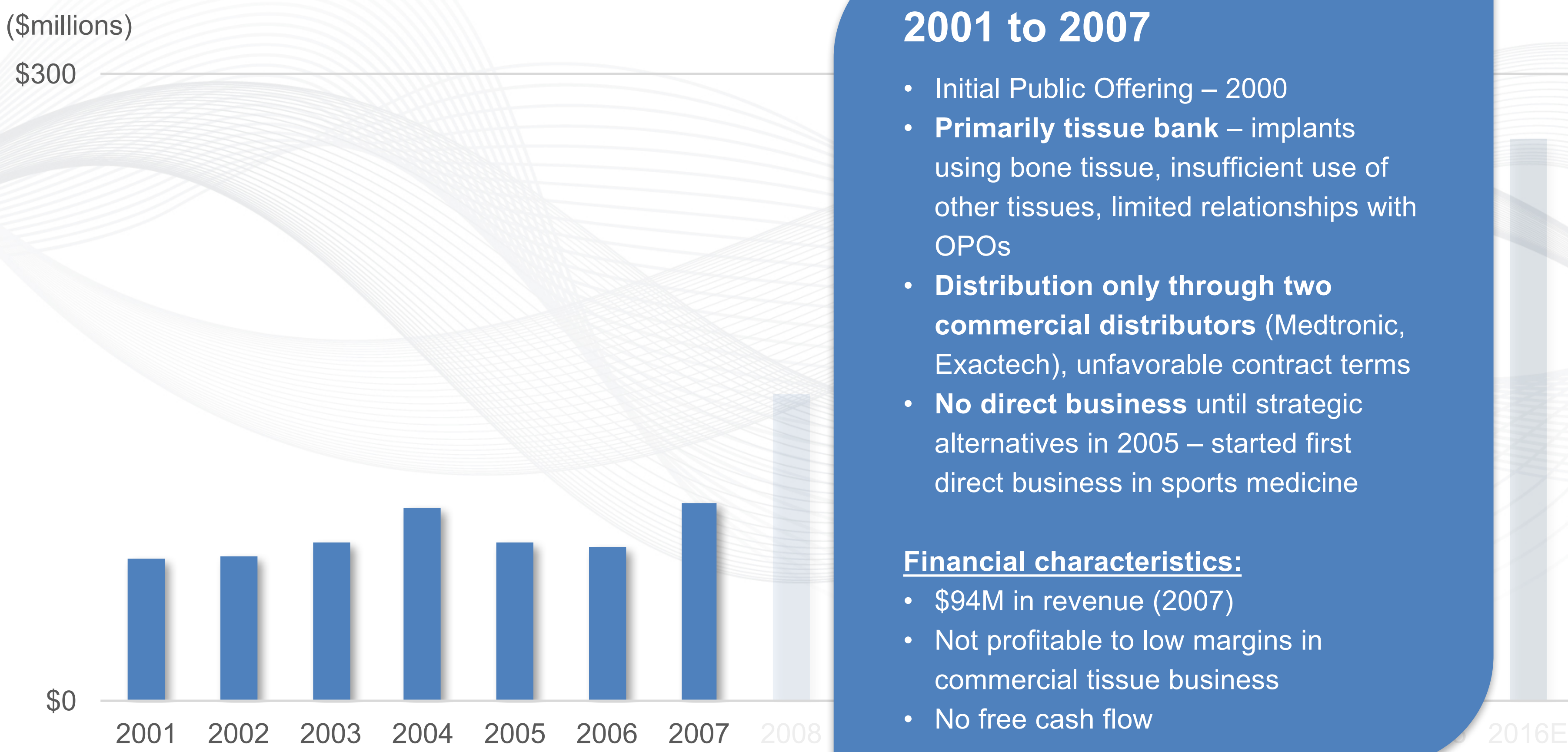
Copies of the Company's SEC filings may be obtained by contacting the Company or the SEC or by visiting RTI's website at www.rtix.com or the SEC's website at www.sec.gov.

RTI Surgical is a leading global surgical implant company providing surgeons with a broad portfolio of safe biologic, metal, synthetic and synthetic-based implants.

Annual Revenues



Changing the Paradigm: Phase 1



2001 to 2007

- Initial Public Offering – 2000
- **Primarily tissue bank** – implants using bone tissue, insufficient use of other tissues, limited relationships with OPOs
- **Distribution only through two commercial distributors** (Medtronic, Exactech), unfavorable contract terms
- **No direct business** until strategic alternatives in 2005 – started first direct business in sports medicine

Financial characteristics:

- $94M in revenue (2007)
- Not profitable to low margins in commercial tissue business
- No free cash flow

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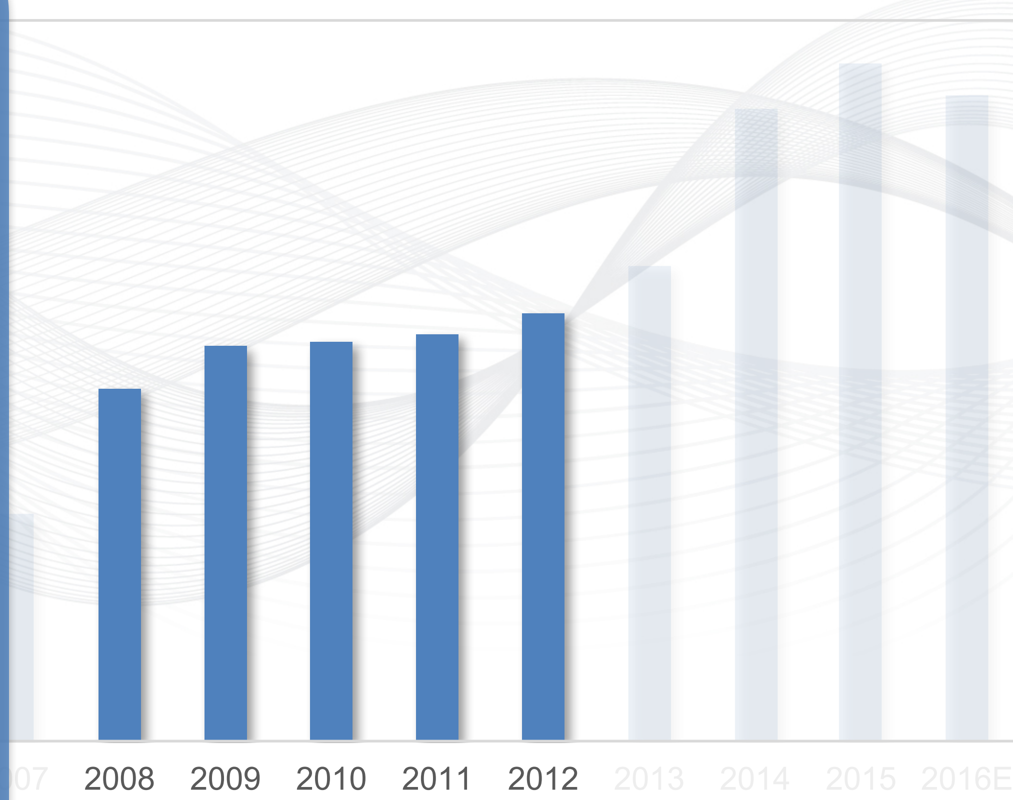
Changing the Paradigm: Phase 2

2008 to 2012

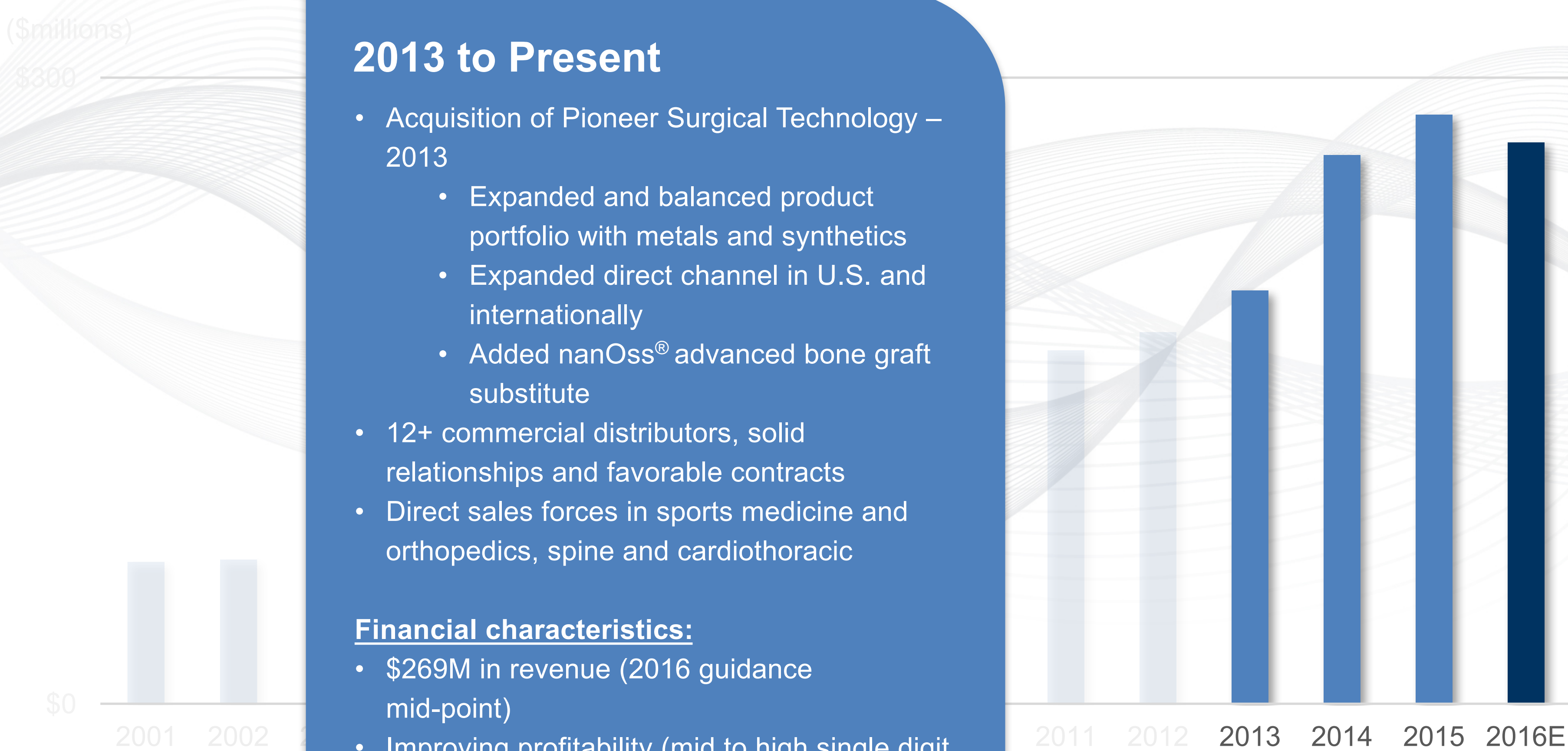
- Merger with Tutogen Medical – 2008
  - Expansion into additional tissue applications
  - Helped strengthen OPO/tissue bank relationships
- 12+ commercial distributors, more favorable contract terms
- **No. 2 player in the market for tissue-based implants.** Achieved growth, but limited by rate of donation.
- Foreseeing changing healthcare dynamics, set strategy to **expand direct distribution** and **position company long term for GPO/IDN contracts**

Financial characteristics:

- $178M in revenue (2012)
- Modest profitability (low to mid-single digit operating margins)
- Low to modest free cash flow



Changing the Paradigm: Phase 3



2013 to Present

- Acquisition of Pioneer Surgical Technology – 2013
  - Expanded and balanced product portfolio with metals and synthetics
  - Expanded direct channel in U.S. and internationally
  - Added nanOss® advanced bone graft substitute
- 12+ commercial distributors, solid relationships and favorable contracts
- Direct sales forces in sports medicine and orthopedics, spine and cardiothoracic

Financial characteristics:
- $269M in revenue (2016 guidance mid-point)
- Improving profitability (mid to high single digit operating margin)
- Improving free cash flow

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RTI Today

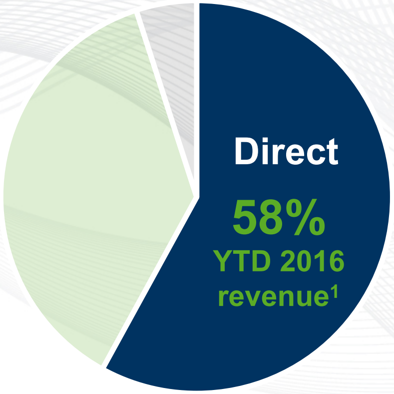
- Headquarters in Alachua, Fla.
- Manufacturing and distribution locations in Alachua, Fla; Marquette, Mich.; Greenville, NC; Neunkirchen, Germany; Houten, and the Netherlands
- Approximately 1,100 employees worldwide
- Diversified market approach through direct organization and commercial distributors
- Leading biologics business
  - Strong tissue recovery relationships
  - Clinically proven, industry-leading tissue sterilization processes: BioCleanse® process, Tutoplast® process and Cancelle® SP process
- Significant player in metals and synthetics
- Strong international presence; implants distributed in nearly 50 countries

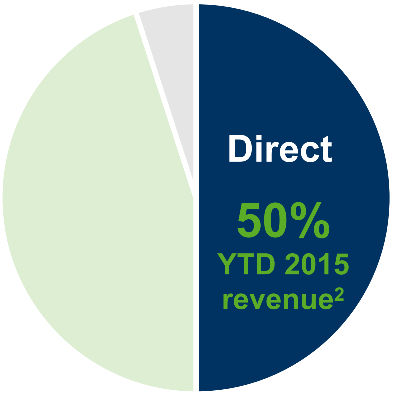
Key Value Drivers

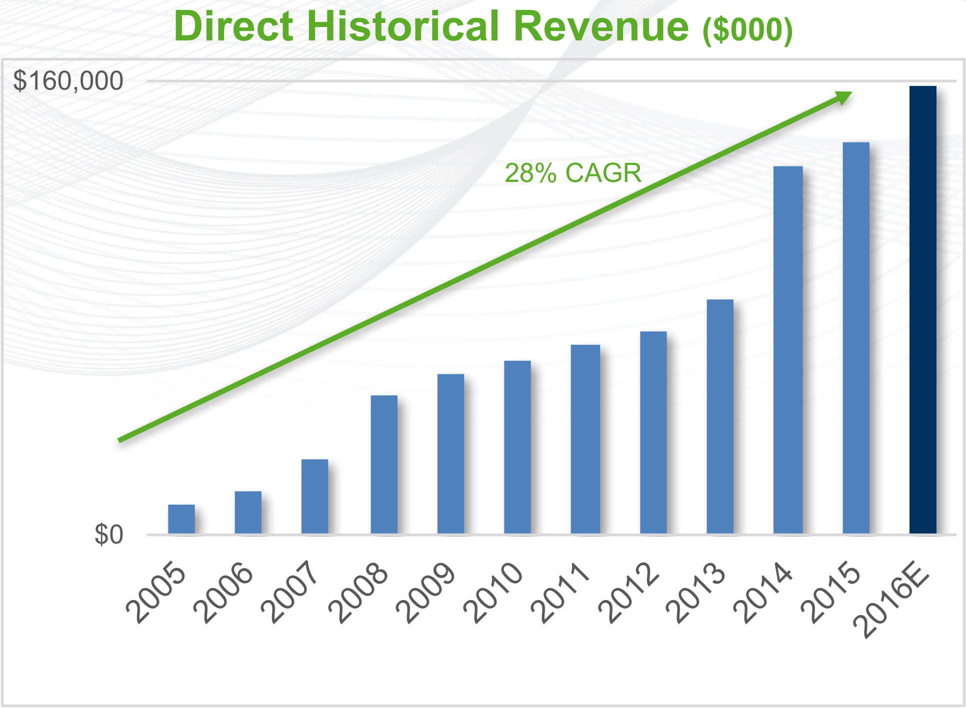
- Grow direct businesses faster than market
  - Drive growth in focused products (map3® cellular allogeneic bone graft, nanOss® advanced bone graft substitute, U.S. direct surgical specialties)
  - Strategically add to direct distribution
  - Continue to innovate and bring new products to market
  - Increase international footprint
- Optimize commercial business
- Improve gross and operating margin by capitalizing on direct mix shift opportunities and controlling spending
- Drive free cash flow
- Opportunistically pursue M&A

Direct Business

Direct business is the fastest growing segment of our business and is increasing as a percent of overall revenue







1 First nine months ending September 30, 2016
2 First nine months ending September 30, 2015

Spine (Hardware/Biologics)

Biologic, metal and synthetic-based implants and instruments for use in spinal surgery (cervical, thoracolumbar, lateral procedures)

U.S. Market opportunity: $6B

5-year CAGR: 5%*

LTM revenue: $68.1M

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** Data for 2014-2019 sourced from SmartTrak*

Sports Medicine and Orthopedics

Biologic options for ligament reconstruction, meniscus transplantation, bone void defects and osteochondral resurfacing

U.S. Market opportunity: $2.4B

5-year CAGR: 6%*

LTM revenue: $50.0M

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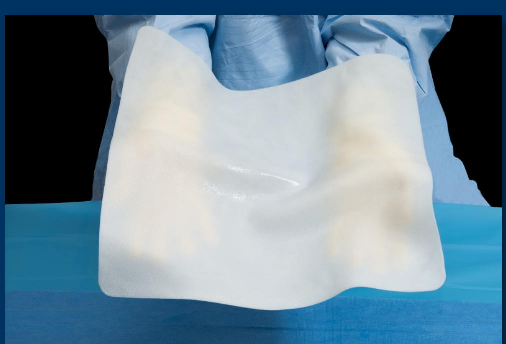
** Data for 2014-2019 sourced from SmartTrak*

Surgical Specialties

Cortiva™ Allograft Dermis

Tutomesh® Fenestrated Bovine Pericardium



Fortiva® Porcine Dermis

Biologic implants for hernia or other complex abdominal wall repair cases and post mastectomy breast reconstruction

U.S. Market opportunity: $610M

5-year CAGR: 2%*

LTM revenue: $4.0M

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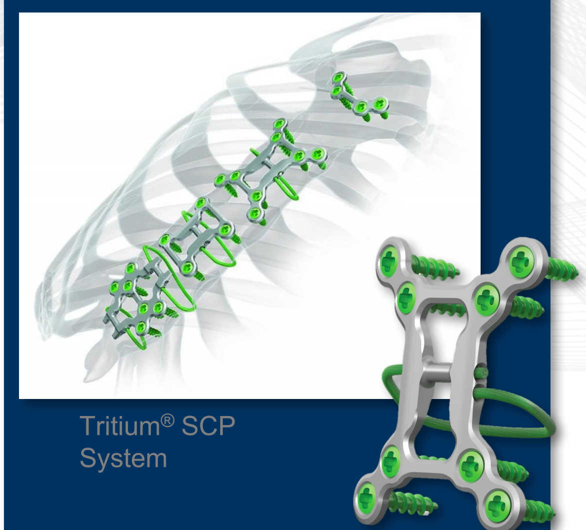
** Data for 2014-2019 sourced from SmartTrak*

Cardiothoracic

Sternal Cable System



Tritium® SCP System

Tutopatch® ECM Extracellular Matrix

Metal implants for sternal closure and biologic implants for repair of pericardial structures

U.S. Market opportunity: $225M

5-year CAGR: 10%*

LTM revenue: $10.6M

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** Data for 2014-2019 sourced from SmartTrak*

International

- New management team in place Q4 2015
- Optimizing EMEA sales team
- 2016 focus on APAC and SALA
- Entering new markets, obtaining regulatory approval

Direct Business Growth Drivers

- Drive growth in focused products
- Controlled, targeted expansion of sales force
  - Independent distributors
  - Direct reps
- Continue to launch innovative new products and line extensions

Focused Products

nanOss® Advanced Bone Graft Substitute

- nanOss ABGS combines an engineered extracellular matrix bioscaffold and osteoconductive nano-structured hydroxyapatite (HA) providing a natural bone growth solution
- $452M market opportunity

map3® Cellular Allogeneic Bone Graft

- A natural and safe alternative to autograft that supports the body's innate healing mechanisms and provides the scaffold and signals to support the bone healing process.
- $252M market opportunity

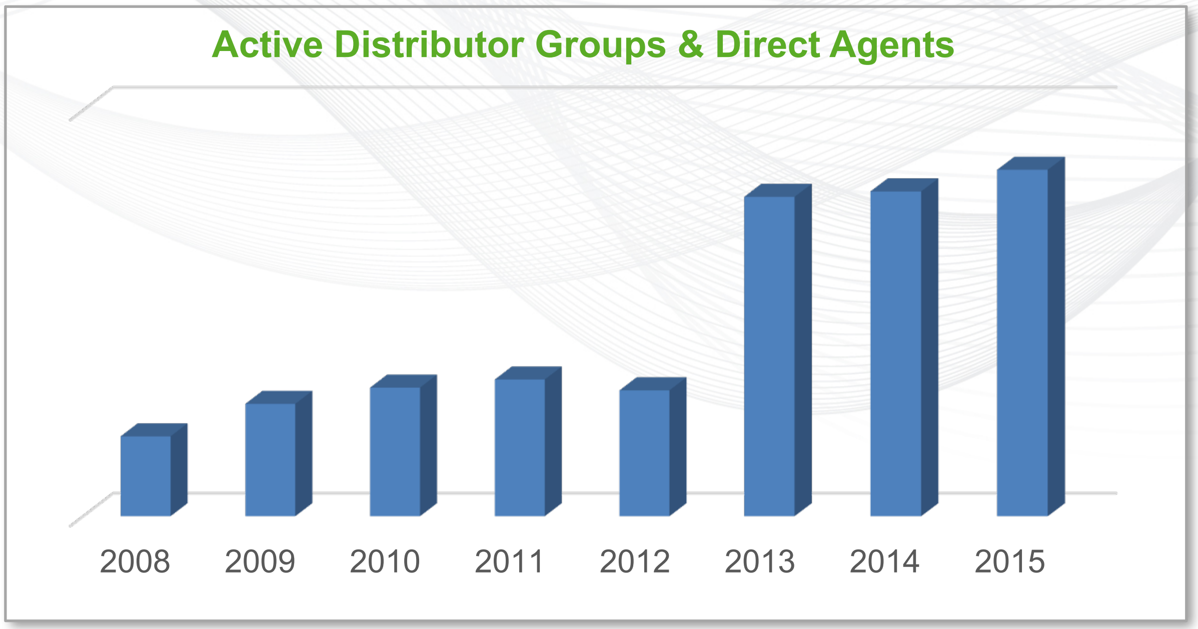
Surgical Specialties Biologic Portfolio

- Complete biologics portfolio featuring donated human dermis, bovine pericardium and porcine dermis
- $2.4B market opportunity

- Nearly **11%** of revenue today
- Growing approximately **<u>50%</u>** annually

Direct Sales Force Expansion

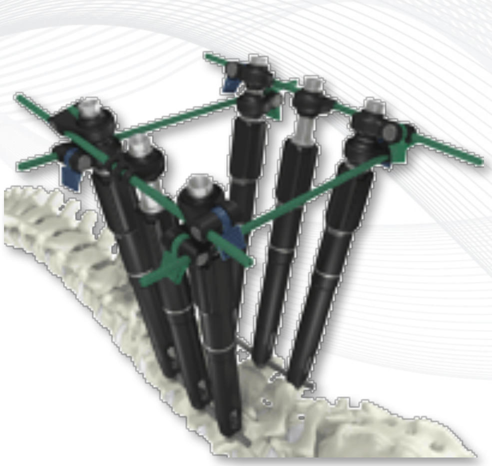
- Controlled, targeted expansion of sales force
  - Independent distributors
  - Direct reps



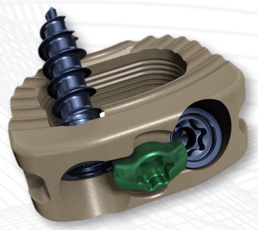
New Product Development

2015 – 15 new products and line extensions

YTD 2016 introductions –

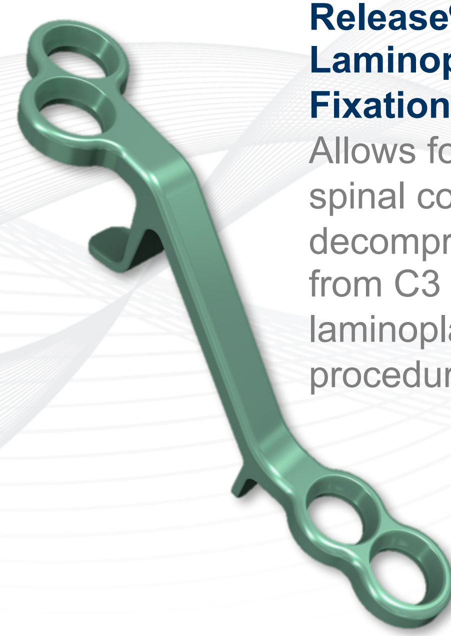


Streamline® TL Spinal Fixation System – Deformity Instrumentation Expansion of existing system that provides surgeons with the instruments necessary in challenging adult deformity cases



Unison™-C Anterior Cervical Fixation System
Standalone device for the interbody market

map3® 1cc Chips Allograft
Ideal for filling bone voids in applications such as small joint repair or small defects

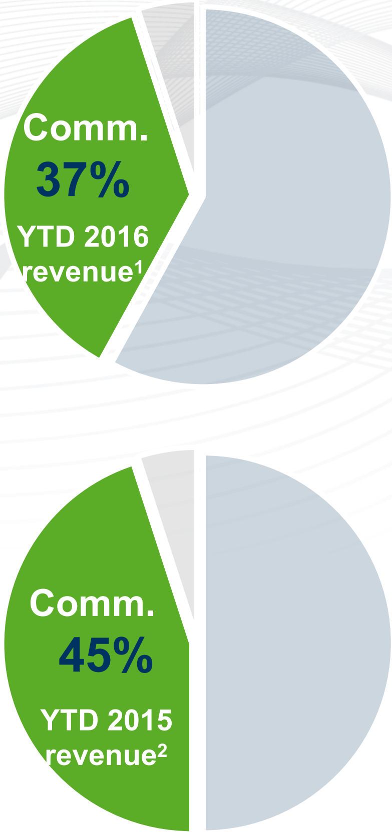


Release® Laminoplasty Fixation System
Allows for central spinal cord decompression from C3 to T3 in laminoplasty procedures

Commercial Business

- Commercial distributors are an important contribution to revenue, but declining as part of total revenue
- Revenue is cyclical but trends to growth
- Expect low single digit growth over long term

Commercial Historical Revenue ($000)



1 First nine months ending September 30, 2016
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Commercial Business

- Zimmer Biomet
- Medtronic
- Davol
- Synthes
- Aesculap
- Cerepedics
- Coloplast
- Stryker
- Exactech
- Integra
- Wright Medical
- Orthofix
- IOP

- Long-term contracts, sustainability
- Important for tissue utilization
- Focused on customer service and maintaining relationships
- Looking for growth opportunities that make sense
- Drives cash flow

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Financial Data

Income Statement	9 months ended September 30, 2016*		9 months ended September 30, 2015	
Direct Revenue	116.3	58%	102.4	50%
Commercial and Other Revenue	85.2	42%	103.8	50%
Total Revenues	**$201.5**	**100%**	**$206.2**	**100%**
Cost of processing & distribution	97.3	48%	96.7	47%
Gross Profit	**104.2**	**52%**	**109.5**	**53%**
M,G&A	84.7	42%	80.1	39%
R&D	12.0	6%	11.5	6%
Adjusted Operating Income	**7.5**	**4%**	**17.9**	**9%**
Adjusted EBITDA	23.7	12%	32.2	16%
Adjusted net income applicable to common shares	1.6		8.3	
Adjusted EPS – FD	$0.03		$0.14	

- Direct revenue represents 58% of total revenue
- Investment in direct distribution channel driving direct growth
- Commercial business declining due to consolidation of large commercial partners; revenue has stabilized through the first three quarters

Balance Sheet	9/30/2016	12/31/2015
Cash	$11.6	$12.6
Total Debt	$83.4	$79.2
Preferred stock, including accumulated, but unpaid dividends	$59.1	$56.3

- Strong balance sheet & adequate liquidity to support growth plans

* *Excludes pre-tax $0.7M in strategic review costs, $4.1M in CEO retirement and transition costs, 0.3M in Severance costs, and $1.2M foreign tax valuation reserve*

2016 Guidance

FY 2016 Guidance	
Revenue	$268 to $270 million
Adjusted Fully Diluted EPS*	$0.01 to $0.03

* The above excludes pre-tax charges of $5.1 million associated with costs for CEO retirement and transition, strategic review and severance and a foreign net operating loss valuation reserve of $1.2 million.

RTI Surgical

Nasdaq: RTIX

www.rtix.com

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