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# EDITED TRANSCRIPT

GMED.N - Q4 2025 Globus Medical Inc Earnings Call

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## OVERVIEW:

Company Summary

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**Brian Kearns** *Globus Medical Inc - Investor Relations*

**Keith Pfeil** *Globus Medical Inc - President, Chief Executive Officer*

**Kyle Kline** *Globus Medical Inc - Chief Financial Officer*

## CONFERENCE CALL PARTICIPANTS

**Shagun Singh** *RBC Capital Markets Inc - Analyst*

**Richard Newitter** *Truist Securities - Analyst*

**Travis Steed** *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

**Matthew Blackman** *TD Cowen - Analyst*

**Matthew Miksic** *Barclays Services Corp - Analyst*

**Caitlin Cronin** *Canaccord Genuity LLC - Equity Analyst*

**David Saxon** *Needham & Company LLC - Equity Analyst*

**Ryan Zimmerman** *BTIG LLC - Analyst*

**Keith Hinton** *Freedom Capital Markets - Senior Analyst*

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## PRESENTATION

### Operator

Welcome to Globus Medical's fourth quarter and full year 2025 earnings call. (Operator Instructions)

I will now turn the call over to Brian Kearns, Senior Vice President of Business Development and Investor Relations. Mr. Kearns, please go ahead.

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### Brian Kearns - *Globus Medical Inc - Investor Relations*

Thank you, Dana, and thank you, everyone, for being with us today. Joining today's call from Globus Medical will be Keith Pfeil, President and CEO; and Kyle Kline, Chief Financial Officer. This review is being made available via webcast accessible through the Investor Relations section of the Globus Medical website at [www.globusmedical.com](http://www.globusmedical.com).

Before we begin, let me remind you that some of the statements made during this review are or may be considered forward-looking statements. Our Form 10-K for the 2025 fiscal year and our subsequent filings with the Securities and Exchange Commission identify certain factors that could cause our actual results to differ materially from those projected in any forward-looking statements made today. Our SEC filings, including the 10-K, are available on our website.

We do not undertake to update any forward-looking statements as a result of new information or future events or developments. Our discussion today will also include certain financial measures that are not calculated in accordance with generally accepted accounting principles or GAAP. We believe these non-GAAP financial measures provide additional information pertinent to our business performance. These non-GAAP financial measures should be -- should not be considered replacements for and should be read together with the most directly comparable GAAP financial measures.

Reconciliations to the most directly comparable GAAP measures are available on the schedules accompanying the press release and on the Investor Relations section of the Globus Medical website. With that, I will now turn the call over to Keith Pfeil, our President and CEO.

**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Thanks, Brian, and good afternoon, everyone. Momentum seen coming out of our second quarter continued and accelerated as we progressed through 2025, resulting in a record Q4 performance. Our team delivered, showing great poise and determination during a period of growth and change. I'm proud of our team, and I'm thrilled to be here today discussing these results as well as provide insights into the future.

Focusing first on our top level financial performance for the full year 2025, Globus delivered \$2.939 billion of revenue and \$3.98 of fully diluted non-GAAP earnings per share, growing 16.7% and 30.8% as reported, respectively. Full year 2025 base business revenue, excluding the contributions from Nevro, grew 5% as reported, with Nevro adding \$293.6 million in revenue for the full year.

Shifting into Q4. Revenue totaled \$826.4 million, growing 25.7% versus the prior year quarter, while non-GAAP EPS finished at \$1.28, growing 52.1% versus Q4 2024. Digging into this further, our base business revenue of \$726.7 million grew 10.6% versus the prior year quarter and included double-digit US Spine growth as well as record enabling technologies revenue for the quarter. This performance serves to underscore my opening comments on the growing momentum in our business.

Looking at the second half of 2025 versus the second half of 2024, our consolidated base business grew organically at 8.8%. This, coupled with continued back-end execution, helps propel us to our sixth consecutive quarter of adjusted gross margin rate expansion as well as returning the base business to a mid-30s adjusted EBITDA finishing at 35.7% in Q4 '25 and 33.4% for the full year. When we announced an evasive merger, we emphasized its compelling financial profile for shareholders and specifically cited our focus on delivering mid- to high-single-digit sales growth as well as a mid-30s adjusted EBITDA profile by the end of the third year.

Our Q4 and full year 2025 results demonstrates our performance against those objectives. Our US Spine business grew 10% in Q4 as compared to the prior year quarter, coming off a third quarter where US Spine also grew 10% versus the prior year third quarter. We see this trend continue and now sit at 48 weeks of consecutive growth with this momentum continuing thus far into our first quarter of 2026. We remain encouraged by this early look into the new year.

Top to bottom, our Spine business is executing. Commercially, we are meeting the needs of our customers while remaining aggressive on the recruiting front. Operationally, we've leaned into inventory and set production to feed this growth instilling confidence in the sales force while ensuring we can meet the needs of our customers and the patients they serve. Looking across our US Spine product portfolio, growth was seen in the quarter across substantially all of our product categories, demonstrating the broad nature of this momentum.

However, I do want to highlight the continued success for our expandable TLIF products, including products such as SABLE, RISE, ALTERA, TLX, Modulus and CALIBER, our MIS pedicle screws, including CREO MIS, Reline MAS, CREO ONE, Reline O and REVOLVE and our line of power tools, including DuraPro. Surgeons continue to provide positive feedback on DuraPro, specifically highlighting the ability to cut and remove bone around the neural elements allowing them to feel more confident in the safety for their patients.

Features such as proprietary brushes are helping to facilitate the removal of degenerated disks and a safer more controlled fashion compared to the traditional methods and allowing them to perform these removals in less time. Overall, our investment in sets and inventory around these key products has fostered their continued growth and positions us well to use these products to springboard additional growth in 2026. We launched a total of six products in spine during 2026 with four of those launches occurring in Q4, which are CREO traction, Reline 3D towers, AMS Freehand Instruments and HEDRON C-MIS.

CREO traction is a reduction instrument system used with CREO Screws and deformity correction. Reline 3D towers are part of the Reline 3D pedicle screw system and our use for deformity and MIS fixation cases and enable MIS rod placement. AMS Freehand is a software and instrumentation systems to use all of our AMS spacer portfolio with the EGPS and e-hub systems. This completes the core NUVA products to be used with our EGPS, EHUB and E3D ecosystem. HEDRON C-MIS is a 3D printed cervical fusion spacer designed to stabilize cervical

vertebra and promote bone growth infusion, which uses a biomimetic lattice designed to promote bone growth on to and through the implant.

Spine product development remains a focal point moving forward as we step up our investment to bring new and exciting products to market aligning with our reputation of leading with innovation. Q4 enabling technology sales were \$55.6 million, growing 18.5% versus the prior year quarter driven by increased sales of EGPS systems. We saw pipeline deals closed during the quarter, which has been part of the elongation that we had experienced during the year.

Examining further, the deal composition of capital sales during the quarter were primarily cash deals with immediate revenue recognition. Consistent with my comments last quarter, we remain nimble in how capital deals are structured and are [quoting] new pipeline deals with greater flexibility. We are positioned well and remain positive on this business as we enter 2026.

The Excelsius platform, which delivers a single vendor spine ecosystem across capital, implants and software provides for consistent workflow, data continuity, and training across the OR. When stepping back and looking at the broadening competitive INR landscape, Globus continues to stand alone when it comes to effortlessly pairing imaging, navigation, and robotics together. Recent competitive offerings cleared only served to reinforce the workflow of ExcelsiusGPS, which was introduced in 2017 as a floor-mounted, navigation-based robotic approach. If a surgeon desires robotic navigation imaging, they compare an EGPS within E3D, bringing together best-in-class robotic functionality and state-of-the-art intra-op imaging capabilities working seamlessly together.

If the surgeon desires freehand navigation, they can combine the ExcelsiusHub and the XR augmented reality headset with the E3D imaging system. The features and benefits of these products working seamlessly together is second to none.

In a continually evolving market, ExcelsiusGPS remains one of a kind. As a reminder, ExcelsiusGPS is on mobile unit with all of its technologies contained within a native, unified platform. In addition to Spine, the EGPS robot has cranial applications and other orthopedic indications, utilizing IP-protected, advanced navigation features essential for safety, including surveillance markers, deflection and offset meters as well as a track and defector. EGPS remain stand-alone, and that it is a surgeon controlled system via our [drapes touch] screen monitor, which is in the surgical field. All of this pairs with our industry-leading and continually refreshed implant portfolio.

Pairing the features of the Excelsius suite of technologies, along with pricing and deal flexibility, our team is unbridled to aggressively go after market share and drive adoption. A key focal point in 2026 is to penetrate and launch new programs and foster utilization and service excellence across the info base. To date, we've seen over 120,000 procedures and will continue to drive adoption as we move forward. Enabling technologies have and will remain a vital part of our ecosystem as we view it as execution layer helping to achieve improved surgical outcomes. We will continue to innovate with focus, speed, and execution, leveraging our resources to efficiently deliver solutions to address unmet clinical needs.

Our Trauma business delivered approximately 27% growth in Q4 versus the prior year quarter, driven by continued uptake of our legacy trauma line as well as our precise limb-lengthening products. Looking back on 2025, our strategy of focusing on Level 1 and Level 2 trauma centers has shown results coupled with meaningful product launches, including our ANTHEM Elbow plating system, which was launched in the third quarter of 2025. This product has exceeded our expectations thus far in both revenue and sheer demand. While this helps to further fill our bag, increasing our ability to bid on primary or preferred vendor contracts, it is also a perfect example of Globus driving innovation in an established category. We will capitalize on this demand and continue to launch new products as we enter into 2026.

The Nevro business delivered \$99.7 million of revenue during the quarter and adjusted EBITDA of 21.2%. Looking ahead, we remain positive on this business as we finalize its integration to ultimately drive profitable sales growth. This path to growth may not be lean in the short term, but our expectations are high over the long term. We will focus on developing new SCS products provide mechanical solutions, cross-sell with legacy Globus products, while researching other types of neuromodulation devices.

This, coupled with our new focus on competitive recruiting are steps that will be taken over the medium to long term. Overall, we are thrilled to have this technology in our portfolio as it provides us with the ability to enter a market adjacency while expanding our continuum of care.

As I reflect on Globus, I looked at 2025 and its past, as well as what I see ahead. What started as a small company focused on spine, gradually morphed into a broader muscular skeletal company, and now is leaning with deliberate intensity into a broadening technology platform, with a leading spinal implant portfolio and adjacent orthopedic implant solutions. We are moving past the M&A digestion of the past several years and see a path to meaningful and expanded product development investment, continued above-market sales growth, and sustainable operating leverage.

Our adjacency expansion with the Nevro acquisition gives us a proof point into pain while continuing to drive differentiation in our legacy businesses. Our moats of innovation, vertical integration, a high-touch sales force, a scalable platform, and financial discipline allow us to move fast to address our long-term goals of improving outcomes and solving unmet clinical needs.

We sit here today with the ability to focus and invest where we see fit to expand our core Spine business while growing others and see ourselves as a procedure-enabling med tech platform that integrates imaging, navigation, robotics and implants in a more thoughtful way to foster continuous learning and continuous improvement for ourselves as well as our surgeons. How do we get there, you ask? It's bringing together patient selection, surgical techniques and complementary implants with technology to drive the proceduralization while creating a closed loop system.

Simply stated, it's an exciting time to be at Globus. We want to bring meaningful improvements to patient care and win in the marketplace, and we have the team to do it. Thank you to all the Globus team members for successful 2025 and for our prospects looking into the new year.

I will now turn the call over to Kyle for his prepared remarks.

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**Kyle Kline** - *Globus Medical Inc - Chief Financial Officer*

Thanks, Keith, and good afternoon, everyone. To expand on Keith's comments, we've had a truly exceptional finish to 2025 with a record-setting quarter in both top and bottom line results. Operationally, we continue to execute our integrations of the recent merger and acquisition of both NuVasive and Nevro. Our revenue growth was driven by our domestic Spine business growing 10% over the fourth quarter of 2024 and continuing to build upon the trend of above-market growth seen in Q2 and Q3 of this year. Our Enabling Technologies business also saw record growth, achieving over \$55 million of revenue in the quarter while posting record sales in terms of dollars and units.

As we've mentioned in our Q3 earnings call, we updated our guidance to indicate our expectation was that Nevro would be accretive to earnings in the first nine months post acquisition, and today, I'm affirming that the Nevro business was EPS accretive within the first nine months post acquisition. This is a phenomenal achievement by the Broad Globus and Nevro teams, beating initial guidance by 15 months. Today's discussion will focus on providing insights into our quarterly and annual business performance, including the impacts of Nevro, a look back on synergy execution against our two most recent acquisitions and an update on guidance for 2026.

Full year 2025 revenue was \$2.939 billion, growing 16.7% on an as-reported basis and 16.2% on a constant currency basis. Net income was \$537.9 million, resulting in \$3.92 of fully diluted earnings per share. Non-GAAP net income was \$545.6 million, delivering \$3.98 of fully diluted non-GAAP earnings per share or 30.8% of non-GAAP EPS growth over the prior year. Full year adjusted EBITDA was 31.3%.

Focusing on our fourth quarter results, revenue was \$826.4 million growing 25.7% on an as-reported basis and 24.7% on a constant currency basis as compared to the fourth quarter of 2024. GAAP net income in the fourth quarter of '25 was \$140.6 million, and GAAP fully diluted earnings per share was \$1.03. Non-GAAP net income was \$174.6 million compared to \$117.4 million in the prior year quarter, growing 48.7%. Our fully diluted non-GAAP earnings per share were \$1.28, growing 52.1% over the prior year quarter and consolidated adjusted EBITDA margin was 33.9%. Our Q4 2025 base business Globus adjusted EBITDA margin was 35.7%.

Stand-alone Nevro adjusted EBITDA margin was 21.2% for the quarter, further expanding from the 16.2% adjusted EBITDA margin achieved in the third quarter of this year. Our fourth quarter net sales of \$826.4 million reflect base business Globus sales totaling \$726.7 million, growing 10.6% as reported and on a day adjusted basis with the same number of selling days in the US and International and Japan compared

to the prior year. The growth in our legacy Globe sales was primarily driven by US Spine, which achieved 9.7% as reported growth, enabling technologies, which achieved 18.5% as reported growth and trauma, which achieved 26.8% as reported growth.

Nevro contributed \$99.7 million of revenue during the quarter. Musculoskeletal revenue was \$770.8 million growing 26.3% over Q4 2024. Legacy Globus Musculoskeletal revenue was \$671.1 million, growing 9.9% as reported. Enabling technologies revenue was \$55.6 million, growing 18.5% as reported. As mentioned in my opening statements, Enabling Technologies achieved record sales in terms of dollars and units for both the total capital portfolio and our ExcelsiusGPS robotic system.

US revenue during the fourth quarter of 2025 was \$665.3 million, growing 27.5% as reported. Legacy Globus US revenue during the fourth quarter of 2025 was \$576.6 million, growing 10.5% versus the prior year quarter. Our legacy Globus US growth was primarily driven by our US Spine, Neuromonitoring, Trauma and Enabling Tech businesses. Our US Spine business continued the trend of above-market growth for the third straight quarter, achieving 9.7% as reported growth after notching 9.6% as reported growth in the third quarter and 7.4% day adjusted growth in the second quarter of this year.

Q4 2025 International revenue was \$161.1 million, growing 19% as reported and 14.2% on a constant currency basis. International revenue for the Legacy Globus business was \$150.1 million, growing 10.9% as reported and 6.5% on a constant currency basis compared to the prior year quarter. International growth was seen across the board, led by our Enabling Technologies and International Spine businesses, headlined by United Kingdom, Australia, Germany, Brazil, Mexico, and Poland.

As previously mentioned in 2025, our International Spine business was impacted by supply chain shortages early in the year. Despite these challenges and the above market growth in the US, which was prioritized from a supply chain perspective, we saw incremental improvement in each sequential quarter within the Legacy Globus International Spine business, culminating with a record sales quarter in the fourth quarter of 2025.

GAAP gross profit margin in the quarter was 65.7% compared to 57.2% in the prior year quarter, with the resulting improvement driven primarily by lower inventory step-up amortization. Adjusted gross profit margin was 69.2% compared to 67.1% in the prior year quarter, primarily driven by favorable sales mix, sales leverage, and the impacts of synergy execution. Our Legacy Globus adjusted gross profit margin was 68.7%. Full year GAAP gross profit margin was 64.3% compared to 55.6% in 2024. Full year adjusted gross profit margin was 68.1% compared to 67.4% in 2024.

We've seen improvement in adjusted gross profit metrics over each of the prior six sequential quarters as we've leaned into manufacturing initiatives, driving improvement quarter after quarter as we build back to a mid-70 adjusted gross profit target. We've seen impacts in cash spending on inventory and lower inventory on our balance sheet and have steadily seen the impacts in our adjusted gross profit margin. As we look ahead to 2026, we expect at least a 100 basis point improvement on adjusted gross profit with our full year adjusted gross margin landing in the range of 69% to 70% as we continue to benefit from actioning manufacturing initiatives. We reiterate our long-term goal for mid-70s adjusted gross profit percentage, noting that the foundation has been laid over the past year to achieve this goal.

Research and development expenses in Q4 2025 were \$36.2 million, or 4.4% of sales compared to \$33.4 million or 5.1% of sales in the prior year quarter. Legacy Globus R&D expenses totaled \$32.1 million or 4.4% of sales. The resulting decline in legacy Globus R&D, both in dollars and as a percentage of sales is attributable to synergy capture, resulting in lower headcount and leverage from higher sales volume. Nevro R&D was \$4.1 million or 4.1% of Nevro sales.

Full year research and development expenses in 2025 were \$147.2 million or 5% of sales compared to \$163.8 million or 6.5% of sales in 2024. Recall that 2024 R&D costs included an acquisition of in-process research and development worth \$12.6 million. Without this charge, research and development expenses were \$151.1 million or 6% of sales. As we look ahead to 2026, we expect R&D expense to be in the range of 5% to 6% of net sales as we ramp spend to further invest in innovation and technological advances in the spine, orthopedic, robotic, and the broader musculoskeletal market.

SG&A expenses in the fourth quarter of 2025 were \$318.5 million or 38.5% of sales compared to \$253.2 million or 38.5% of sales in the prior year quarter. Legacy Globus SG&A expenses were \$268.7 million or 37% of sales. Current period SG&A expenses included onetime net charges for estimated litigation of \$13.4 million. Excluding these onetime charges, which we adjust out of our non-GAAP reporting, our consolidated SG&A expenses were \$305.1 million or 36.9% of sales, and our Legacy Globus SG&A expenses were \$255.3 million, or 35.1% of sales.

For Legacy Globus SG&A, the slight increase in spend after removing the onetime estimated litigation charge is attributable to increased sales compensation costs from higher volume, partially offset by decreased employee-related costs from synergy actions and lower employee benefit costs. Nevro contributed \$49.8 million of SG&A expenses in the quarter or 49.9% of Nevro sales. Full year 2025 SG&A expenses were \$1.178 billion or 40% of sales compared to \$981.4 million or 39% of sales in 2024.

Excluding the impacts of onetime net charges for estimated litigation in 2025, our consolidated SG&A expenses were \$1.141 billion or 38.8% of sales. As we look ahead to 2026, we expect SG&A expense to be in the range of 38% to 39% of net sales.

Q4 2025 net interest income was \$3.3 million compared to \$0.8 million of net interest income in the prior year quarter. The \$2.5 million favorable change is being driven by a decline in interest expense from the paydown of the remaining \$450 million outstanding convertible debt in Q1 of 2025 that was assumed from the NuVasive merger. The GAAP tax rate for Q4 2025 was 16.9% compared to negative 7.4% in the prior year quarter. The prior year rate was impacted by stock option windfall benefit and favorable tax credits. The current period rate includes impacts from a valuation allowance release for R&D credits.

Our non-GAAP tax rate for the quarter was 26.6% compared to 20.5% in the prior year quarter. Full year 2025 non-GAAP tax rate was 24%, compared to 23.4% in 2024. As we look ahead to 2026, we expect our non-GAAP tax rate to be in the range of 24% to 25%.

Cash, cash equivalents and marketable securities were \$629.1 million at December 31, 2025, compared to \$956.2 million at December 31, 2024. The decline in cash is driven by three main factors: one, as mentioned previously, in March, we fully repaid in cash, the remaining \$450 million outstanding convertible debt assumed from the NuVasive merger; two, in April, we acquired Nevro for a purchase price of \$252.5 million; and three, during 2025, we've spent \$300.5 million to repurchase approximately 4.3 million shares.

In Q2 2025, we announced a new share repurchase program of \$500 million. During the fourth quarter, we repurchased \$45 million or 0.8 million shares and have \$390 million of authorization remaining under this program at December 31, 2025.

While share repurchases remain a part of our capital allocation strategy, we continue to first prioritize internal investment in innovative product development efforts, build sets for our sales personnel across the globe, and increase our manufacturing footprint through CapEx. As we look ahead to 2026, we expect CapEx to be in the range of 5% to 6% of net sales. As a final priority, we will continue to evaluate complementary M&A while focusing the use of our capital on driving investment for long-term profitable growth.

As a segue from some of Keith's prepared remarks, I wanted to take a moment to highlight the success of our recent acquisitions and integrations of both NuVasive and Nevro. First and foremost, in order for both of these deals to be successful, it was imperative that we grow revenue. 2024 was a year focused on sales retention for the Legacy Globus and NuVasive businesses. As we enter 2025, we pivoted our attention to sales growth, with 2025 showing an acceleration between the middle and late quarters of the year.

Our focus for the Nevro business in 2025 was retaining sales and stabilizing the business through changes that come with an acquisition. To date, we've been successful in the first three quarters. While we are not ready to put integration risk behind us for Nevro, we do believe that a strong first 12 to 18 months will set us up to capitalize on future growth opportunities.

From a synergy execution standpoint, starting with NuVasive, in Q4 2023, we communicated an expectation of achieving \$170 million of synergies over a three-year period, with 40% being recognized in the first full year post merger close, another 30% being realized in year two, and the final 30% being realized in year three. Through December 31, 2025, two years, one quarter into our three-year time line, we have actioned \$200 million of NuVasive synergies, beating our target by \$30 million and nearly an entire year ahead of plan.

Turning to Nevro. In our Q4 2024 earnings call, we announced our plan to have Nevro be accretive to earnings in the second year of operations, meaning that we expected to achieve \$0.01 or more of non-GAAP fully diluted earnings per share accretion by the end of Q1 2027. Recall that Nevro had generated a \$113 million net loss on \$409 million of revenue in fiscal year 2024. As I mentioned in my opening remarks, the business is accretive to earnings in fiscal year 2025, 15 months sooner than initially expected.

Synergy actions related to both the NuVasive and Nevro acquisitions have primarily impacted SG&A expenses and cost of goods sold, with a smaller amount impacting R&D costs. These synergy actions have been seen throughout the P&L and cash spending with adjusted gross profit margin improving from 65.5% in Q4 of 2023, the first full quarter post merger to 69.2% in the recently completed Q4 2025. Selling, general and administrative costs improving from 39.7% of sales in Q4 2023 to 38.5% of sales in Q4 2025. And free cash flow generation increasing nearly 150% from \$81.8 million in Q4 of 2023 to \$202.4 million in Q4 2025.

Pivoting to financial guidance. Globus Medical reaffirms its full year 2026 revenue guidance of \$3.18 billion to \$3.22 billion, and we are increasing our guidance for non-GAAP fully diluted earnings per share to be in the range of \$4.40 to \$4.50 from a previous range of \$4.30 to \$4.40. The revenue guidance implies growth over 2025 ranging from 8.2% to 9.6%. The revised fully diluted non-GAAP earnings per share guidance implies growth over 2025 ranging from 10.6% to 13.1%. The upward revision of fully diluted non-GAAP earnings per share guidance reflects our confidence in sustained margin expansion as we seek to drive above-market profitable growth.

In closing, I'd like to extend my thanks and appreciation to the entire Globus team for another year of exceptional execution. Together, we've reached milestones above and beyond our initial expectations. The momentum seen in revenue, earnings, and cash flow generation in the back half of 2025 has set the stage for 2026. We are well positioned to further penetrate our markets, expand margins and accelerate innovation in the upcoming years, while we continue to drive long-term profitable growth and value for our shareholders as the leading musculoskeletal technology company in the industry.

Operator, we will now open the call for questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Shagun Singh, RBC Capital Markets.

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### Shagun Singh - RBC Capital Markets Inc - Analyst

Congratulations on a great end to the year. I guess just two sets of questions from me. First, on the base business, can you bridge us from your 9% second half 2025 and 9.4% [ex-OpEx] growth, exiting the year to, I guess, mid- to high-single-digits in '26. Is that conservative?

And then can you maybe put a final point on margins. It seems like you delivered a really strong quarter you're talking about long-term mid-70s outlook and above-market profitable growth. So how should we think about margins over time?

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### Keith Pfeil - Globus Medical Inc - President, Chief Executive Officer

Thanks, Shagun. This is Keith. Thanks for giving us the call or sending these questions over. So I think, first of all, when I think about our sales growth, really, when I think about 2025, it was really a tale of two halves.

The first half of the year, we got off to a slow start. We had a really a disappointing Q1 that really moved forward in Q2, led by some disappointing results in enabling tech. But one of the things that we start to see in Q2, which carry forward into Q3 and Q4 was US Spine come back to life.

As I look at the year, we did a really nice job growing our sales force with competitive rep conversions. We think about the products that we've launched. We launched nine products in Spine in 2024 and another six in 2025, those really helped drive some of that growth. And on top of that, like I said in my prepared remarks, really leaned into inventory and set production, all of that really start to come online as we go through the year, which allowed our momentum to continue.

As I think about how we close the year, we saw a normal seasonal bump in Spine. And as you get into Q1, the thing I'm encouraged by, and really ties back to my prepared remarks, is that we're still seeing momentum in our US Spine business. Our Trauma business, again, that performed better as we go throughout the year. I was very encouraged by that.

As it relates to margins, Kyle will give you a couple of brief comments on margins.

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**Kyle Kline** - *Globus Medical Inc - Chief Financial Officer*

Yeah. From a margin perspective, obviously, we ended the year here at 69.2% from a gross profit perspective. Next year, what I said in my prepared remarks is we expect at least a 100 basis point improvement in gross profit, somewhere ranging from the 69% to 70% for the full year, compare that back to the 68.1% we did for full year 2025. As you step through the year, I think as Keith commented on the Q4 results from a revenue perspective, we always have that seasonal lift in Q4 and then you typically see a sequential slowdown as you go from Q4 into Q1.

We feel positive on what we're seeing in terms of US Spine, but we tend to still see from a base business perspective, a little bit of step down in Q1, building up into a little bit higher of a Q2 and Q3 and then stepping up again seasonally into Q4. We think that our gross profit margin will follow that similar cadence that we've seen in the past.

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**Operator**

Our next question comes from the line of Vik Chopra of Wells Fargo.

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**Unidentified Participant**

This is Namrita on for Vik. Could you please share your thoughts on how you paint your debt from a market share perspective? And also talk about the general strength of the Spine market?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

This is Keith. Thank you for the question. As I think about our US Spine business, I continue to believe that we're growing above market. I think that's evidenced in basically achieving 10% growth in Q3 and Q4 and really seeing some of that momentum continue as we get into the first quarter.

We don't really comment a ton on the overall market. But I guess from my standpoint, I view this in my market as being relatively healthy.

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**Operator**

Richard Newitter, Truist Securities.

**Richard Newitter** - *Truist Securities - Analyst*

Maybe just for me, look at the -- congrats on a lot of aspects to your performance. But one of the things that really struck me outside of the margin was the Enabling Technologies performance, and how that bounced back. Just wondering if you can characterize the environment a little bit what changed, if anything, from earlier in the year. Clearly something I think got better for you guys or maybe it's just lumpy and it played out the way you thought.

And then as you're answering that, if you could talk a little bit about an operating lease strategy or more of a placement strategy as you go forward. I think you had alluded to more of those types of situations on a go-forward basis. What's contemplated in your guidance for '26 on that front? And how should we think about that?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Hey, Rich, this is Keith. Thanks for the question. So Enabling Tech was, I would say, a very lumpy year. As I commented earlier, with Sagun's earlier question, we saw a disappointing Q1, a nice bounce back in Q2, again, a disappointing third quarter. And really when we got to the fourth quarter, the thing that we saw is our pipeline -- I spoke a lot about during the year about an elongation of pipeline deals taking longer to actually just close.

We saw those deals come to fruition in the fourth quarter. And it really ties back to what I was saying throughout the year is that I didn't see us losing deals, but the deals were taking longer to close for one reason or another. And as I look into 2026, I still see a pipeline that I feel is robust. And as I look at where we're at in the quarter, I'm pleased with where we are thus far. Obviously, there's still more work to do in the quarter, but I'm pleased with what I see.

And as it relates to getting more flexible with our deals, yes, operating leases are one of the things or one of the options that we could provide to our customers. As I noted in my prepared remarks, we're absolutely going to be more aggressive because really what we're trying to drive is placement of that capital to drive really the implant pull-through. That's the focus and really ties back to saying that, look, we want to make sure these capital units get placed, and we're driving successful launches of the programs to generate strong implant pull-through. You should expect us to be aggressive in the marketplace as we get into 2026.

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**Kyle Kline** - *Globus Medical Inc - Chief Financial Officer*

Yeah. The only comment that I would add, Rich, from a guidance perspective, is right, our contemplation in terms of where we have our guidance is based on some mix of sales as well as fair market value leases, placements, et cetera. We're going to continue to make every single one of those options available, and we do think that there will be some mix in 2026.

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**Richard Newitter** - *Truist Securities - Analyst*

I guess just higher mix than 25%. Is that fair?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Yeah. I would say that the mix of lease approaches will be higher this year -- in 2026 and in 2025. Because we really got more aggressive quoting them as we got to the back half of the year.

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**Operator**

Travis Steed, BofA Securities.

**Travis Steed** - *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

A couple of questions for me. One, over the last couple of quarters, US Spine growth has really accelerated. And a question we get from investors a lot is how sustainable is that US Spine growth? And so I just would love to kind of get a sense on your ability to kind of understand how sustainable this kind of growth rate is in US Spine.

And then one of your competitors recently launched a new enabling tech robot navigation system, if you will. I'm just kind of curious how you're contemplating that if you see that as a competitive portion of the market or not.

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

So thanks, Travis. This is Keith. So number one, as I think about spine and the growth, yeah, we see that growth for our business is durable and something that we look to sustain as we move forward. I think back to some of the things I spoke about, we've continued to launch products in spine. We've continued to grow our sales force. It is fair to assume that we are aggressive in bringing competitive reps into the business.

And more importantly, like I said in my prepared remarks, we're really looking to get some of the M&A noise behind us and get back to focusing on really what make Globus great: that's launching new products, driving competitive rep conversions and driving implant pull-through. As I think about the leadership team, we're all focused around those specific areas to drive the business as we get into 2026. And do you want to repeat your second part of your question, please?

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**Travis Steed** - *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

One of your large spine competitors just got approval for a new robot navigation system, and I didn't know if you -- how you're looking at that in the marketplace?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Yeah. No, I mean, competition is continuing to evolve, and we still view that Excelsius is a great option for us and for our customers. I commented in my prepared remarks, what we brought to market in 2017 was a floor-mounted, navigated based robotic system. I think some of the competitive offerings that have recently come out only served to reinforce what we came out with back in 2017.

As I think about the features that we have providing best-in-class features and technology, I believe we are well positioned to really weather any competitive threats that we see. I think that combining the technology along with us getting more aggressive in how we get robots into the accounts, positions us well for 2026.

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**Operator**

Matthew Blackman, TD Cowen.

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**Matthew Blackman** - *TD Cowen - Analyst*

Can you hear me okay?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Yes.

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**Matthew Blackman** - *TD Cowen - Analyst*

Great. A couple of questions, and I apologize, I was bouncing around calls. So you may have touched on this a little bit. But just thinking about Nevro and really think bigger picture beyond 2026. Just help us think through when that business drop starts recalibrating to at least sort of corporate type levels of growth. And to get there, do you need more stuff in the bag portfolio enhancements, whether they're organic or inorganic?

And then I just got one follow-up.

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Okay. It's a great question. I mean as I commented earlier, Nevro allowed us have a pain point in our portfolio. We are excited to bring that business in. And as we see it in 2026, we'll work through some lumpiness as we recast our go-to-market approach.

But I think as you look at the business, one of the things that we want to drive is consistency, and we want folks to get back to the basics. I just came back from the Nevro sales meeting this past weekend. And I was really encouraged by the team, the team getting fired up, understanding that we're going to market as one company. And from my perspective, getting that mindset across the team is infectious, number one. But number two, the team knows that they're with a company that's going to drive investment and really look to foster continued product development.

Your comment on do we need new products, we're going to continue to evolve and bring new products to market. I think over time, you're going to see us look at other neuromod options such as peripheral nerve. But as time passes, we want to drive to cross-sell with legacy GMED products. We want to develop new spinal cord stimulation products. We want to look at mechanical solutions.

And like I said earlier, we want to get back to the basics of running that business. And lastly, but most importantly, we want to drive competitive recruiting. I think that is something that we think will be a catalyst for this business as we move forward.

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**Matthew Blackman** - *TD Cowen - Analyst*

Okay. I appreciate all that. And then my follow-up question is International. It's been a heavy lift in International even before the NuVasive initiation and some supply constraints you're working through today. So could you maybe just take a step back (technical difficulty) headwinds are (technical difficulty) in the International. I think about that business returning to -- I think you've talked about double-digit growth.

How do we get there? And I guess the last piece of that is, are there specific geographies where there's a heavier lift ahead Japan, Latin America, Europe, or do those sort of extra attention to get you back to sort of that double-digit type growth rate? Or is it more broad-based than that?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Yahs. Thanks for the question. So as we talked about our international business historically, we think that, that is something that can grow 12% to 15% over the long term. When I look back the last 12 months, International was a bit more of a challenge. But what we've sought to do is go deeper in the countries that we operate in.

We're not looking to suddenly add more countries to drive growth rate because we see ample ways to grow deeper where we're at. As I think about geographically, when I look at 2025, EMEA, specifically Western Europe and also some of the countries that Kyle commented on, we're really integral to helping drive growth. We saw some more challenges, it was in the APAC region.

You mentioned Japan. We have to get -- drive some continued growth there and drive some sustainability. LatAm, as I think about the LatAm region, there was some choppiness there. But I think as we exited 2025, looking at the International business overall. I think we're well poised going into 2026 to start to get back on track of that business. As I look ahead in 2026, I see that we have the ability to grow, but I think our growth will get better as we get further into the year.

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**Operator**

Matt Miksic, Barclays.

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**Matthew Miksic** - *Barclays Services Corp - Analyst*

Congrats again on a really strong finish to this year and strong guide. So one question on some of the leverage that you've been delivering. Maybe if you could talk a little bit about where that's coming from? Helping us understand that a little bit better.

And then second, just on competition and some of the strategic moves that other companies have made in the space. Anything you're feeling yet in terms of changing momentum around the Stryker divestiture or the planned J&J divestiture or anything you call out that tells you that sort of the tenor of competition is changing a little bit. But thanks so much for the questions, and congrats again.

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**Kyle Kline** - *Globus Medical Inc - Chief Financial Officer*

Thanks, Matt. This is Kyle. I'll take the first question and then pass it over to Keith for the second one. But just thinking about leverage and thinking about how our businesses are structured, we've historically said that or US Spine, right, as that business goes the rest of the business and down through the bottom line goes as well, and what we've seen as we've accelerated growth starting in Q2 and then Q3 and Q4, you've seen that business grow, and you've been able to see the margins come along with it.

If you've gone back, and you take a look at what we're seeing from a gross profit perspective, what we're seeing from an EBITDA and from an earnings per share perspective, you'll see it go as the base spine business grows. We have fixed cost leverage that we can get throughout COGS. You also see some of that within our G&A and then some of our non-variable commercial-type structures, et cetera. But you really see it top to bottom across the board, and it really kind of follows as that US Spine business grows.

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Matt, the second part of the question, really the competitive landscape. I mean we've seen the competitive landscape evolved over the last year, you commented Stryker and some of the recent news with J&J and (inaudible). As I think about that, we remain aware. But what's important to me is that our team stays focused on our internal objectives.

When you think about Globus, we're continuing to invest in our Spine portfolio, that's first and foremost. We still think we have best-in-class technology, and we want to drive successful robotic programs. Those things, I believe, make us hugely marketable as we go out and try to bring in competitive reps. And as I think about some of the changes that have occurred or are occurring, that, to me, creates opportunity for us to drive our business.

But as I think about the leadership team and where we are, I want the team focused on the things that we need to accomplish because I believe if we accomplish them, the results will speak for themselves. I'm not seeing any, I would say, challenges as it relates to some of the

competitive threats that are out there or competitive changes, but we continue to monitor it. But again, I want us to stay focused on the things that we need to do to drive our business because I believe that we're well positioned looking ahead.

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**Operator**

Our next question comes from the line of Matt O'Brien of Piper Sandler.

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**Unidentified Participant**

This is Ana here for Matt. Wanted to touch on never again. I mean really impressed with the cost reductions we've seen. I'm just wondering how much more wood there is left to chop there? And how much more, I guess, optimization there is from a synergy perspective, and if it's possible that we see more synergies than originally anticipated like we did with NuVasive.

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**Kyle Kline - Globus Medical Inc - Chief Financial Officer**

Thanks for the question. This is Kyle. So as we think about the Nevro business, and where we expect to take it from here, right? We've been very active here over the first three quarters, nine months or so from a synergy perspective. We focused mainly on the G&A bucket removing those redundant costs that we could identify, whether through headcount or non-headcount-related costs.

Those actions largely have taken place over a nine-month period here. As we move forward into 2026 and beyond, we're really pivoting towards how do we maintain the sales force and ultimately grow our sales volume as we're able to grow the sales volume. We expect to get incremental leverage and see that profitability grow further. Something we have not focused on yet, but it is something that we want to continue to evaluate is just the manufacturing aspects of the business as well.

Their COGS are about 68%, 69%, or gross profit 68% to 69% on average here over the past nine months. That's somewhere where we think we can get some improvement on, not dramatic as making little tweaks here and there, but I don't see any large synergies really that we have out there to execute on the Nevro side.

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**Operator**

Caitlin Cronin, Canaccord Genuity.

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**Caitlin Cronin - Canaccord Genuity LLC - Equity Analyst**

Just starting with Enable and tech, you already touched on it, but just wondering if you're still seeing elongated deals or time lines compressing there? And then just thinking about Nevro, which gives you access to the pain call point, how are you really thinking about your broader strategy to access lower acuity settings as more spine procedures move into these sites of care?

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**Keith Pfeil - Globus Medical Inc - President, Chief Executive Officer**

This is Keith. I appreciate the questions. So I think about -- I'll answer the second part of your question first, Nevro and really the expansion. So Nevro brings us into smaller centers, more pain. I commented earlier that one of the things that we're going to focus on is driving the cross-sell of Legacy Globus products with Nevro and pain.

As we think about surgeons, pain surgeons that we've had come through Globus and really learned the business and really learned Nevro. There's been a lot of excitement to see that Nevro was paired with us because there's excitement on driving that cross-sell. I think that only

bodes well for us as procedures migrate out of the hospital setting more into an ASC setting or as procedures morph into a pain center. So we think that we're well positioned there. But as we think about 2026, the first point is really getting the business further stabilized and allowing us to drive the business forward with the products that they have in their core bag.

Do you want to repeat the first part of your question, again, Enabling Tech?

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**Caitlin Cronin** - *Canaccord Genuity LLC - Equity Analyst*

Yeah, sure. Just on enabling tech, are you still seeing long-dated deals, or are the time lines contracting there?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

I would say as we got to the back end of the year, especially in Q4, some of those deals are out there from a pipeline perspective closed and starting to rebuild that pipeline going into Q1. The deals that we've started to work through from a quoting perspective in Q3 and Q4 is still there. As I look at Q1 where we're at, I'm encouraged by where we're at in the quarter. But consistent with history, the majority of capital deals closed towards the last couple of weeks of the month.

I'm not hearing some of the concerns that I heard last year regarding spending. But I remain cautiously optimistic that we won't see quite a long of elongation as we did last year, especially given the fact that we're getting more flexible in how we're quoting the deals.

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**Operator**

David Saxon, Needham & Company.

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**David Saxon** - *Needham & Company LLC - Equity Analyst*

Congrats on the quarter. I wanted to ask about gross margins. You talked about the path to mid-70s in '26 round numbers, you're looking at 1 to 2 points of gross margin expansion. So is that a good annual run rate to get to mid-70s or any dynamics in '26 that's driving more of an accelerated benefit?

And then just a question or two, you talked about Nevro manufacturing. Do you need to do anything to that footprint to get to the mid-70s or would that be side?

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**Kyle Kline** - *Globus Medical Inc - Chief Financial Officer*

Thanks, David. This is Kyle. I'll take your question. As we think about what we kind of stepped out and messaged back in 2024 into 2025, and what our expectation was in terms of growing that margin, we thought by working through some of our manufacturing initiatives, right, we place the order for CapEx. We'd bring in and in-source some of our manufacturing and we'd see a bump here at the tail end of 2025 and through 2026 from a gross profit perspective.

What we've actually seen is that that process has been sequentially better quarter after quarter, and you go back to our prepared remarks, we both touched on six sequential quarters in terms of gross profit improvement. And you can see it's kind of steady as you go, as you work your way through quarter after quarter. We're seeing those improvements come through. We're seeing different things that we're attacking and driving in order to make those improvements.

But I think 2026 is going to be more of the same where we see a little bit of incremental benefit as you kind of work through the year. Ultimately, working your way into that 69% to 70% range for the full year. My expectation is as you get to the back half of the year, you'll

touch that 70 range and get into the low 70s. And then I think it's beyond that when you see the step into that mid-70s, which we've always kind of classified as starting at the 72% range.

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

As it relates to Nevro and manufacturing, I don't see any large-scale changes that we need to make specifically as you think about bringing them into the fold with Globus, really, we're focused number one on spending. So it gets back to very basic things of how you're doing your four-wall spending? Are there ways to drive efficiencies on the manufacturing footprint how do you really monitor output? How do you monitor efficiency. Those are ways to get better fixed cost coverage.

And then secondly, how are we buying? You think about making sure that you're bringing raw materials into the business, are we buying smart in a way that allows us to produce most effectively in our production facilities. We see opportunity to expand the gross margin, which touches on some of what Kyle said earlier, but I wouldn't say that you need a massive scale change on that business to get that improved profitability.

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**David Saxon** - *Needham & Company LLC - Equity Analyst*

Great. (inaudible) thanks. And then my second question, just on ExcelsiusFlex, I would love to get an update there. how replacements going if you've made any? And then how are you thinking about the StelKast implant portfolio and potential growth of that part of the business?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Thank you. So as I think about 2026, I'm not expecting EFlex to be a major contributor to revenue. As I think about the portfolio from a joint perspective. We have the knee and the [Uni] as it relates to primary joints. We have a hip except for tri-taper.

I want to think about revision joints, we're expecting to have hip and knee at the end of 2026. So we're still continuing to modernize the portfolio. But as we modernize that the portfolios, we're coming to market with the robot, and I think that will bode well really as we get later into the year.

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**Operator**

(Operator Instructions) Ryan Zimmerman, BTIG.

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**Ryan Zimmerman** - *BTIG LLC - Analyst*

Congrats, guys, on a strong end of the year. Maybe when we think about the composition of guidance, I'm wondering if you could speak a little bit to, Keith and Kyle. I mean if I think about Nevro kind of being in a similar vein to the way it was running and Enabling Tech doing the way it's been going, which has been stronger in the back half of 2025, it does suggest kind of a slowdown in kind of legacy musculoskeletal growth.

Relative to what we've seen so far in 2025, I think implied around mid-single-digits. And I think Shagun was asking this question as well, but why would it slow down if you're not seeing necessarily that slowdown anecdotally into Q1, or why guide to that extent? Because I guess by my math, it implies kind of a mid-single-digit growth rate on Legacy musco, ExNevro and ExEnabling Tech.

**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Thanks, Ryan. This is Keith. So as I think about the Nevro business, I commented that in the short term, you could see additional lumpiness in that business. So I don't expect that business just to suddenly drive growth in a linear fashion as we move forward. I'm still expecting chopiness as we get into 2026.

As it relates to Enabling Tech, Kyle commented on earlier, as you think about us getting more aggressive with how we place capital. Some of those deals may be an operating lease in nature, which might not have the immediate rev rec pop right upfront. So you might be moving units but not seeing the same sales dollars if you're trying to look at this apples-to-apples. So that's something that we will -- that we contemplated and guide for 2026.

As you think about the core business, the core spine business, I remain very optimistic about where this business is. We've had really two strong quarters coming off the back half of 2025. I'm encouraged by what I see in 2026.

International, I think, is a story that gets better throughout the year, and our Trauma business continues to perform. So as I think about how the business came together from an overall guide, I'm comfortable. I believe our numbers are achievable. We maintain global conservatism, but I feel that our numbers are achievable given what we see coming at us.

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**Ryan Zimmerman** - *BTIG LLC - Analyst*

Yeah. Okay. And then maybe for Kyle, we've talked -- you guys Legacy Globus EBITDA margins are second to none, right? They're very strong. When I think about that, though, in the context of the need to invest more in R&D, I appreciate that gross margins are moving higher, which helped to offset some of that.

But maybe, Kyle, you can speak to kind of how you think about potentially taking those adjusted EBITDA margins higher, if you can, or is this kind of the steady state where we should think about adjusted EBITDA margins and some of the components are moving around to get you to that point going forward?

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**Kyle Kline** - *Globus Medical Inc - Chief Financial Officer*

Yeah. And I think it's in our prepared remarks where we were calling out the plan to invest heavier in R&D. So we see the benefit in terms of what's come through from an EBITDA perspective, working our way back to that mid-30s EBITDA that Globus has always been known for. But as you saw in our prepared remarks, R&D for the year is down to 5%. We want to ramp up spend there, get back into that 5% into the 6% in terms of range of spend.

And really, we want to invest kind of across the board, all of our businesses, whether that's spine, whether that's capital, et cetera, really invest back into the business. That's really the main reason that we've always prided ourselves on those margins is so that we could take that cash and invest it back in ourselves.

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**Operator**

Keith Hinton, Freedom Capital Markets.

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**Keith Hinton** - *Freedom Capital Markets - Senior Analyst*

Just one high-level question and then kind of a housekeeping one. Starting off with Enabling Tech, when we think about more leases or pay per use or kind of creative financing, maybe this year, that results in somewhat of a hiccup. But as we start to think more longer term,

do you see an increase in those leases or pay-per-use contracts resulting in that revenue starting to smooth out, become less lumpy, start to track seasonality more in line with the MSK business? Or would you expect that to still continue to be a business that is quite lumpy?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Thanks for the question, Keith. So as I think about that, the first year that you're really pushing operating leases, you're going to definitely see lumpiness until you get a base underneath you. But as that business looks to move forward, you should expect to see some of that smoothing out, number one.

But number two, as I commented on earlier, I expect to see the flywheel effect because when we have greater robots out there in an operating lease format, the offset to that is really driving spine implant pull-through. So it's important that as we increase the volume of placements out there of robots, it's important those programs get launched and that we're continually driving and sustaining those programs because the offshoot should be stronger implant growth.

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**Keith Hinton** - *Freedom Capital Markets - Senior Analyst*

Great. That's helpful. And then more on housekeeping side. Just any -- and apologies if I missed this in the prepared remarks, but any expected changes in any working capital metrics, CapEx, things like that, that might meaningfully sort of changed the relationship between EBITDA and free cash flow over the next couple of years? And any thoughts on plans to deploy the increase in cash balance.

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

No. Yeah, no changes to what we've been historically be in the range of 5% to 6% of sales that's right in line with what we did this year. We continue to prioritize cash spend on product development as well as inventory in sets for our field and manufacturing in terms of being able to continue to vertically integrate within the business. We'll continue to look at share repurchases when the time is right, and we'll also continue to look at tuck-in M&A here and there if we find the right technology out there, but no changes to that.

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**Operator**

Tom Stephan, Stifel.

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**Thomas Stephan** - *Stifel Nicolaus & Company Inc - Equity Analyst*

Apologies if these have been asked jumping around calls, but I wanted to ask about the 2026, call it, US Spine surgery environment. A lot of changes with CMS, reimbursement side of care, et cetera, that may or may not impact surgical volumes here in the US. So Keith, can you maybe flesh out for us the main, call it, market-related headwinds and tailwinds that we should be cognizant of? And how would you characterize your general outlook on US surgical volumes in this year in this year, in '26?

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**Keith Pfeil** - *Globus Medical Inc - President, Chief Executive Officer*

Thanks for the question. As I think about the overall market, I think the market is growing low-single-digits. So I still continue to believe that we're growing well above the market. Dynamics of the -- competitive dynamics, obviously, are out there. We still feel that we have the ability to address and find ways to grow.

As I think about just the general landscape of the market and how the market continues to evolve, I believe that we're really well positioned as I think about some of the initiatives that are out there. I see some of them, but I don't really see them having an impact on the business

longer term. And as we think about as the business starts to migrate maybe further out of the hospital into the ASC setting, I think we have the portfolio to be able to respond to that and really come at this really with a complete suite of products, not only just the Spine implants, but also the Enabling Technologies.

So all in all, I think we're well positioned, and I still think we're well positioned to grow above market.

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**Operator**

With no further questions, that concludes the Globus Medical earnings call. Thank you for participating. You may now disconnect.

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