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<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Good afternoon, everyone, and thanks for joining us at this year's Canaccord Genuity Musculoskeletal Conference. My name is Caitlin Cronin, and I am one of the medical device analysts here at Canaccord Genuity. I'm pleased to be joined this afternoon by Globus Medical, a medical device company focused on solutions in the musculoskeletal space, spanning implants and enabling technologies, primarily spine related, but also with a growing portfolio of orthopedic and trauma offerings. So we'll begin with a fireside chat, and I'll try to leave a couple of minutes at the end for any questions from the audience. With me today is Brian Kearns, SVP of Corporate Development and Investor Relations; as well as Kyle Kline, VP of Finance. And before we begin, I want to remind everyone of any relevant disclosures, which can be found on our conference and our firm website.

With that, let's start with a little overview. I think it'd be great to get a brief intro to just Globus and where you guys are now post the NuVa merger?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Sure. Thanks, Caitlin. Globus Medical, as you said, is a leading global provider of musculoskeletal technology solutions and our goal is to help solve unmet clinical needs and help make patients' lives better. And that's really what our focus was when we decided to merge with a very similar company, NuVasive, and that deal closed in September of 2023, so a couple of years now. And the reason why we did that deal was basically to reinforce our mission, help patients. And it did that in several ways.

Both companies were innovators. Both companies have been around about 20 years, starting with basically nothing and growing to something substantial, helping a lot of patients along the way. If you took each of the company individual bags, there was a lot of innovation, there's a lot of technology that was very unique and, in some cases, innovative that didn't exist before. On our side, it was the expandable cages and a few other things on their side. It was most notably a lateral approach, which has helped a lot of folks. When you put those two bags together and basically allow someone to pick the best of both and create a new bag, we believe that gave a significant competitive advantage in the marketplace, very difficult to compete in spine market as well as giving the individual surgeons a better choice of products. Now they didn't just have to pick the best Globus or the best NuVasive. It was the best of both.

In addition to that, it allowed us to double our reach. We're, overnight, able to basically approach twice as many surgeons in the United States and double down and get more penetration internationally as well. So taking that best bag and allowing more surgeons to have access to it was important to us. And then third, spreading enabling technologies. We have a surgical robotic system that we believe is the best on the market. But it's not only that, it's an ecosystem. We also

have an imaging system and a navigation system on top of that. All of the NuVasive surgeons are now going to have access to that.

And then finally, and I would say this is at the bottom of the list in terms of the strategic priorities. This would allow us to unlock some significant cash flow with cost savings synergies that would allow us to basically double or better our cash flow. And why is that important? Not just for investors, it's important for patients because we'll be able to use that cash to be the premier acquirer of unique technologies to advance spine care going forward. So we've been doing that. We've been going upstream. Now we'll be able to do even bigger and better deals going forward. So we're very excited about that. So that's who Globus is today.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Great. And you just released earnings recently. I mean, what do you want investors to really understand coming out of the earnings call?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes. I think from 2024, I think it was really, for us, a year of execution. So bringing these two companies together, we had to maintain sales force. We ultimately wanted to grow. We did have some risk for sales dissynergies as we work through territory by territory. We were able to kind of work through that. We ended up with a 5% pro forma growth for the year despite those sales headwinds that we might have had. And then number two is really synergy execution. So we went out. We identified \$170 million worth of synergies that we'd expected to achieve over a three-year period. We were able to achieve over \$94 million of synergies here in the first full year since acquiring NuVasive. So really, it's been about execution for us here in 2024.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

And then just talk through your 2025 guidance. I mean, what assumptions are built into that? And where could there be room for upside?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes. From a guidance perspective, we've recently announced that we're looking to acquire Nevro. We expect that deal to close late in Q2 here. So from a standalone basis, we issued guidance of \$2.66 billion to \$2.69 billion and \$3.40 to \$3.50 of non-GAAP EPS. Including Nevro in our results, based on closing them in the back half of Q2, our assumption is that we'd have \$2.8 billion to \$2.9 billion worth of sales as well as \$3.10 to \$3.40 worth of non-GAAP EPS. We laid out on the earnings call, we expect gross profit to be in the 67.5% to 68.5% range. R&D, we still expect to continue to invest roughly at about 6% to 7%. And then from a CapEx perspective, we expect to invest about 5% to 6% in CapEx each year.

Yes, sorry. The one piece I did want to call out in terms of looking at revenue and the seasonality, we got some questions in after hours as well as in the live call regarding the seasonality of our business. So what we typically tend to see is that Q4 is our peak. It then has a

sequential dip into Q1 and then a little bit of growth into Q2. Q2 and Q3 are roughly about similar in terms of revenue with a little bit of dip in Q3 as we hit holidays and vacations. And then Q4, really our harvest season and as well as capital pull-through there in Q4.

So big thing to kind of call out is just that seasonality and what that means. If you were to go back and look at our historical sales, if you took out the COVID-impacted years of 2020 and 2021 as well as this most recent partial merger year of 2023, you'd see a cadence where we had about 23% to 23.5% of our full year sales occurred in Q1. Q2 and Q3 were about 25% with Q2 being a little bit higher with our capital sales happening in Q2. And then Q4 typically our largest with the remainder.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Got it. And you briefly touched on this, but you announced your intent to acquire Nevro. I mean just give the audience a brief rationale behind this acquisition. And then any kind of early plans you have for keeping the team and the sales force intact.

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Sure. So from a strategic perspective, Nevro provides spinal cord stimulation. The technology they have is differentiated and unique clinically. They have a Level 1 clinical study that basically proves superiority over low-frequency spinal cord stem. It's basically twice as good. In terms of strategically, why is that important? Well, this is a patient population of spine patients who are suffering, in a lot of pain, and we haven't been able to do anything to help them up until now. Now going forward, we will. This opens up about a \$2 billion market that we otherwise had that we weren't able to address.

It gives us a very solid technology as a foundation for potentially expanding a business into international spine. They have a direct sales force that addresses these interventional pain physicians. And we think there's a lot of things we can do with this technology going forward. Some of that was planned by Nevro management. Some of that is what we have in mind that would have otherwise not have happened, a little bit more spine focused in that technology. But we think it's a very solid technology platform to grow from. Their sales force is extremely valuable. We are not going to get any cost synergies out of the sales force. We're looking to keep them. We view that as a big asset in this deal. We also view their technology patent protection as very valuable. It's been battle tested in the courts. They have a very unique technology, but it's also protected. So for all of those reasons, this was a very good opportunity for us.

There will be some cost saving synergies as part of this. They've operated at a pretty meaningful loss in the past, and that's something that doesn't really fit in the Globus way. We're very financially focused. We believe an important business model is sustainable and will support itself. When necessary, we will invest heavily into technology to get it on its feet. We saw the opportunity here to do a lot of good things and get into, not only the spinal cord stem market, but also potentially use that same technology to get into deep brain stimulation, which is another \$1 billion market in some other areas as well.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

That's great. And maybe just turning to the pipeline, I think, and vitality, you launched 18 new products globally in 2024 throughout your business. I mean, can you highlight what you think were the most important impactful parts of those 18?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Sure. There are several. I think the most exciting one from my perspective is a – it's a power drill technology called DuraPro. It started as an acquisition. But if you ask any of the engineers in our company, they wouldn't even know that because it was so early stage. They basically designed the remaining product that went out there. What this technology does? It's a power drill that it's an oscillating drill that is a soft tissue-sparing mechanism. So basically, you could drill hard bone, get bony resection, do any type of bony anatomy work that you'd want. And if you, by chance, happen to hit a neural element or a soft tissue, it would not do any damage.

The demo we have that we'll be showing on the floor is basically if you were to take this and when we were first talking to the guy that invented it. He ran it, did a cut on a saw bones and then put it on his tongue. That gives you an example of there's no better way to demo or something like that. And for – and that's confidence in your technology. I'll tell you that. When you're doing spine surgery, an accidental nick on the dura is something that causes a lot of problems and it's a devastating situation. One more thing that people don't have to worry about. So that's one. There is a few other technologies we have out there, but I'm afraid we'll run out of time.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Yes. No worries. What are your plans for launches this year and kind of the focus for them?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes. So another thing we're excited to see the response on is EFlex is our surgical knee robotic system, and we're going to have that on the floor as well. The feedback we've gotten early on is extremely encouraging. Although in fairness, the surgeons I've spoken to have been mostly either design team or helped us test it. So they're not exactly objective. So very curious how the surgeons respond this week, and we'll see how that goes.

There's some other – expandable technologies has always been a big deal. But another thing I'd like to highlight that surgeons really seem to like is the NuVasive pedicle screw system called Reline. We now have that cleared through the FDA for navigation, so it can now be integrated fully with our Excelsius spine robotic system. And that's something that a lot of NuVasive surgeons have been waiting for, and that's now finally cleared. So they'll have the ability to use that going forward.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Great. And then I guess, just moving on to enabling tech since you mentioned it in your last response. I mean with EFlex, what's kind of the go-to-market strategy for this year?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes. I think it's – see how the market responds. We now have a full bag of hip-and-knee replacement technology. It is – our goal initially was to get into the market with basically clinically similar technology, a bag that is basically able to compete clinically with the other big four players, and then bring differentiated enabling technology to see how that would work. I think we have a couple of things that we need to do to round out that bag to make it a little bit more powerful. And I think that will be done maybe by third or fourth quarter of this year, but we're very excited to see with that combination to see how it works. I don't think 2025 is going to be a meaningful year in terms of material growth or business, but I think it will set us up well for next year.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Great. And then turning to Excelsius, has the warning letter that was issued last summer by the FDA, has that been resolved?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

It has not been resolved in terms of the FDA coming out and saying everything's fine. If they ever say that, I don't think I've ever heard them say those words. But we have changed our standard operating procedures very quickly, in fact, we did. And we provided all the information which we already had. We just weren't previously providing it to them, packaged up all the information, provided it to them and encouraged them or welcomed them to come back out and review all of the work that we had been doing and check out and verify that everything we said that we're doing is in fact what we're doing.

There is no requirement that they have to come out within a certain period of time. It's entirely up to them. But the door is open and we're welcoming them to come back and see what we've done.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

And it seems like the market within spine enabling tech and robotics has really only gotten more competitive recently with J&J and Stryker. And how do you think you guys are positioned from enabling tech perspective to really win here going forward?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes, I would say that's the one thing if I were to point to a strategic advantage that we have currently, I would say that is it. So when we launched the Excelsius robotic system, it's now seven years, I guess, going on eight years ago, we were talking about it in that three to five years from then, looking into the future, we thought everybody would have that technology by now.

And now it's just starting to happen. I happen to believe that as these new robotic systems by other really good companies come out, it's going to basically standardized that concept. When we started, when we first launched it, there was almost no surgeon that said, finally you did something we were waiting for forever, it was like, I don't need this.

And now there's very few surgeons that if they had the ability to use them, would pass. There is increasingly the concept of this technology just makes their jobs easier, they are allowed to focus on what matters.

I was meeting with one surgeon, and this was relatively new and it was not part of the design, or at least I had never heard it discussed. But he said, I used to operate all day, come home and lay down on the sofa and fall asleep. Now I come home and I can play with my kids. I'm not exhausted. The burden that I had all on my shoulders has been lifted. I get to focus on the things that really matter. That's a big deal. So we're starting to study that the cognitive benefits of reduced cognitive load and helping surgeons focus on what needs to be done.

Another thing I've noticed is if you look on LinkedIn, you never used to see all these de-identified before and after shots of patients that otherwise possibly would not have been treatable. Maybe a couple of dozen surgeons in the world could have done some of these. And now you see these cases all the time and they're beautiful constructs.

Now the next thing we have to do as an industry is prove that, is this in fact clinically beneficial? What we think intuitively is this is helping patients. Is it really? So that we're working on that. And I think a lot of things are being studied now that otherwise haven't been studied in spine. Our job and everybody's job is to really make spine surgery safer and better with better outcomes.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Just turning to the NuVa integration, I think, as you embarked on your year two of the integration this past fall, you noted certain initiatives. Have you begun to make progress on insourcing and what else is kind of on the docket for year two?

<<Kyle Kline, Vice President, Finance>>

Yes, so insourcing would be number one, that's our primary focus in terms of generating synergies here year two and beyond. We've ordered machines, we started receiving some of those machines here in Q1, we expect them to be set up and manufacturing here and as we close the first half of the year. We'll see those synergies start to come through in terms of cash spend for inventory. That will mostly be hung up on our balance sheet in 2025, but you will see that benefit late 2025 and into 2026 through our COGS and gross profit.

Number two would be from an international integration perspective. So year one was focused on the U.S. bring our systems together, bring processes together; year two now is focusing on the international space, a lot of countries, a lot of overlap, each one will be a small integration

essentially that we need to work through. But ultimately, as you stack throughout the year, we'll gain efficiency there and be able to generate synergies as well.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

And you also noted Reline and Modulus being approved. What's really the tailwind here? How big is that for the cross selling of Excelsius to the NuVa surgeons?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes, that's built-in whatever tailwind there is, I don't think Modulus has been cleared yet any day. I think whatever tailwind is built into our annual guidance that Kyle mentioned earlier. Is there upside? Potentially, yes. But every day you go out there, it's a battle to get these cases done and there is really good competitors out in the space. So I would say that our guidance includes that.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Okay. May be just turning to the commercial team, I think, you noted on the Q4 call the high retention rate at all levels of your field sales team, I mean, how did retention really trend over last year and where do you kind of stand today?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes, our retention, I mean, when we announced this deal in February of 2023, I don't think there was any stock analyst or investor who called up and said, congratulations, what a great idea. Not a very well received announcement. Looking back, I think, am I surprised that we knew what we were doing? I don't know. I'm not going to say that I'm happy that it worked out the way it did. There was a downside scenario that we were prepared for. We didn't have to deal with that.

I think one of the side benefits that is occurring that occurred last year that we did not expect was the potential for other company tenured, very successful sales reps to all of a sudden knock on our door. Folks that we were never able to talk to before, they weren't interested in moving all of a sudden. Now they are. I think part of it has to do with enabling technologies. They see the value of partnering with a company with a very solid robotic and technology platform.

I think part of it is the fact that we've never reduced our commission rates. Our commission rates are among the most competitive in the space, which might be surprising for a company that's so cost conscious and focused on disciplined expense control. Well, we believe that the sales force is one of the best assets that we have and we invest in it.

So the opportunity for a sales rep to potentially move to a place with a great robotic system, best bag in the industry, paying among the best commission rates is appealing and I think we're benefiting from that.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

And maybe just turning to capital allocation, you plan to pay off the new debt as you exit this quarter. What are your plans for capital allocation once you're delevered?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes. So there's \$450 million due on convertible debt that we acquired from NuVasive that's actually due in the next week here. And then we have an assumption for \$250 million plus some closing costs for Nevro as well. Beyond that, we're going to do what we've always done, essentially invest in our product development teams internally, we're going to invest in inventory and sets for our field and then we will consider what we can do in terms of strategic M&A space. We've always kind of been keeping our ear to what's out there in the market and assessing what's there and we'll continue to be aggressive when we see something that we like.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

And maybe just turning Great. And you also noted on the Q4 call a focus on gross margin goals for mid-70s focusing on EPS rather than necessarily adjusted EBITDA margin as you grow. But with that said, what are your expectations for the timing of returning to mid-30s adjusted EBITDA margins?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

Yes, I think the public comment from us was yes, we're going to focus on EPS externally. That doesn't mean internally we're not focused on EBITDA anymore. That's something that we pride ourselves in and having best-in-class EBITDA so that it will be continue something that we focus on. We expect it to grow, ultimately EBITDA. Gross profit will come a little bit quicker for us because when we look at Nevro, their gross profit margin is roughly similar to what ours is right now. We have that insourcing that I was mentioning that's going to help us here at the end of 2025 and into 2026. And when we think about synergies and working on that Nevro deal, if you took a look at their financials and our financials, you'll see they're a little bit higher in the SG&A spend. So that's really where we need to attack as we kind of move and push EBITDA up over time.

<<Kyle Kline, Vice President, Finance>>

Well, just to add on to that, the work we need to do on the NuVasive side on the Dayton, Ohio plant, bringing up there roughly 30% internal manufactured up to 75% to 80%, there is a lot of work involved in that, there's a lot of investment to get there, but it's all things that we've done before. Ten years ago we had zero internal manufacturing, now we're there already. So that's a lot of heavy lifting and a lot of work, but it's nothing that we haven't already done.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

And then you touched on it briefly earlier. But what will you be showcasing at AAOS this week that you're excited about?

<<Brian Kearns, Senior Vice President, Business Development and Investor Relations>>

So we will have that EFlex knee robot. I think that'll be exciting and get a lot of attention. The DuraPro oscillating drill so folks can see that. We also have a Precice limb lengthening nail, which is technology that is helping a lot of folks and NuVasive acquired that in an acquisition several years ago that I was frustrated by because they outbid us. And now we have it anyway. So there. Yes, so those three things.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Great. Any questions from the audience?

Q&A

<Q>: [Question Inaudible]

<A – Brian Kearns>: So the question was on the trauma side, how do we see that going forward?

<Q>: [Question Inaudible]

<A – Brian Kearns>: Yes, I'll say our goal there, when we first started looking at the space, the reason why we were interested in getting into a space that otherwise might be viewed as a commodity was we said, look, there is not a lot of innovation in this space. Outcomes are generally good, but we can do better. And there are two large players in this space not doing much. And it reminded us a lot about what spine was when we started 20 years ago. And we have the infrastructure of engineering innovation, the process we have that helps make things a little bit better as well as everything else you need to build a business, in manufacturing, regulatory, very strong patent place.

So we said, each system, we went and looked at a bunch of companies and we didn't see anybody that we thought was worth buying. So, we decided we were going to do it or not. We decided to roll out a bag that was very similar to what was out there, but each system had to have one or two things that was better, that was the goal. Not dramatic. We're now at a place where we have about 75% of a full bag.

We think we can go into a level one trauma center and have a credible debate as to whether we belong on the shelf or not. Once we get on there, it's our job to have a sales force that is better than the competition, providing a service that justifies us being there and really convinces that hospital that we belong there long-term.

So we're working on that. I would say seven years to get where we are is too long. But sometimes things don't work out exactly as you plan. The technologies that we have, including that precise limb lengthening nail and things like that that we're working on or will potentially pick up, is what makes us feel we have a good opportunity in front of us.

<Q – Caitlin Cronin>: Any other questions?

<Q>: I just have one. So you are post-closing with Nevro, do you guys plan to add to that bag with that direct rep?

<A – Brian Kearns>: Absolutely, that's a big part of one – well, that's one of the efficiencies we think we can bring to the table. It's very difficult for a company to be sustainable with one or two products in that market. The goal is to have the individual sales reps spending most of their time doing things that are generating top line activity, not on things that are potentially helping people, but aren't generating revenue. And there is a few things we have that we could pretty quickly, and there's a few things we had in development that we could add. And we have some thoughts about relatively modest, nothing huge, but relatively modest things we might be able to pick up that would add value to that interventional spine strategy.

<<Caitlin Cronin, Analyst, Canaccord Genuity>>

Okay, well, I think, our time is up. Thank you, everyone.