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<<Matthew Aspro, Analyst, Jefferies>>

Good morning everyone. My name is Matt Aspro. I'm filling in for Matt Taylor for a little bit this morning. With us today, we have Kyle Kline, CFO; and Brian Kearns, SCP of Corp Dev for Globus Medical. So we'll just probably start this off a little bit high level to set the stage. So maybe if you can help give the audience the current status of the spine market, the U.S. and globally. Growth has been a little bit more substantial than before COVID. So, maybe if you can let us know what's fueling this increase and how sustainable it is?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. Thanks, Matt. My name is Kyle Kline. Nice to meet everybody. I would look at the market and kind of say we think the market is generally growing in about the 3% to 5% range, domestically and internationally as well. We think really the strength in what we've seen from a Globus perspective is really trying to outpace that market, really focusing on our competitive rep recruiting, as well as enabling tech and pull through from that, and product development engine and making sure that we have products out there. Ultimately, that our surgeon counterparts will go out and purchase and utilize.

<<Matthew Aspro, Analyst, Jefferies>>

Great. That's helpful. So, maybe now let's narrow down into the recent quarter where it was really an exceptional result and I think the stock kind of showed that. And with U.S. Spine growth surpassing your expectations of like 10% and then along with EPS beat, which went from like flat to plus 20%. Maybe if you can help kind of expand on that.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. So, top line, we grew by about 23%. That is with the acquisition of Nevro in our results. Organically, we grew 7%. As you mentioned, U.S. Spine was the key driver, growing about 9.6% for the quarter, so phenomenal growth there. EPS was a record of \$1.18 and free cash flow a record of \$214 million.

<<Matthew Aspro, Analyst, Jefferies>>

Great. And then I think now we want to lean into Nevro and how that's settling into the business because expectations have kind of ebbed and flowed since that's gone through. So, maybe talk about 2026. And I think The Street now has you at 365 million. And how do you feel about that?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. So, Nevro, we had a really strong quarter. It's only our second quarter of actually owning Nevro. So, the first quarter was Q2 of this year and we had about \$93.5 million worth of revenue as well as about breakeven on the EBITDA line. Q3 was really a step up. We saw a growth of 4.9% sequentially from Q2 to Q3 in terms of top line revenue. And then bottom line actually posted a 16% EBITDA. So, we feel strong about the cadence and the growth in that business. However, we want to be cautious as we're only two quarters into owning the business.

As we look forward, I think you mentioned 365 from The Street perspective. I think that's a fair assumption based on where we're at now. I wouldn't have anything to tell you that we would be dramatically higher or lower than that number at this point.

<<Matthew Aspro, Analyst, Jefferies>>

Great. So, maybe sticking with Nevro, can we talk about how the integration is going and how the synergy have progressed whether it's ahead or behind your expectations? And then, I guess, maybe let's walk into a little bit of the sales force and R&D. And then I have a few more follow-ups on that.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Sure. From a synergy perspective, as with any of our acquisitions, we like to be aggressive and go out and really start to evaluate where they're spending, what we can do to impact that spending. So, right away, we noticed that G&A was one of the areas that there was redundant spend both from a headcount perspective as well as ancillary spend on consulting software, et cetera. So, we went to go and attack that right away, made a majority of the first round of cuts at the end of Q2. So, we saw those impacting Q3 with that higher profitability.

We also wanted to go out and evaluate how they approached R&D, bring them over to our method of the product development cycle, meaning really focusing the team on what are the projects, what are the timelines, who is assigned to those projects and timelines, and how do we ultimately drive to completion. On the sales side, we really didn't want to impact the sales force dramatically. Ultimately, with this acquisition, our goal is to grow top-line revenue.

So, as we looked at it, we tried to stay away from the sales force as we move forward and think about synergy actions going forward and how to really kind of drive that business forward. Because the focus is on growth, we're going to be working with that sales force to redefine how they're compensated, ultimately looking to get them to more of a variable model that highlights growth.

<<Matthew Aspro, Analyst, Jefferies>>

Great. So, what are some of the major milestones that investors should be looking forward to, whether it's over the next year or two? Is it further channel alignment or other goals?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Specifically for Nevro.

<<Matthew Aspro, Analyst, Jefferies>>

For Nevro, yeah.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. I think it's really – as we look forward, as we align that sales force, as we focus them on growth, really what we want to do is kind of drive that top line. We want to continue to be efficient. There is more room from an SG&A perspective. Their percentage is somewhere around 49% to 50% base Globus is more in the 37% to 38% range. So, really trying to right size that as we work through that alignment with the sales force team as well as continue to go after other G&A type cuts.

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

Great. Well, just to be clear, one of the biggest assets of that acquisition is the sales force. And there was some, or there may be some misunderstanding. We're not going to combine the sales force of Nevro in the interventional pain space with our spine reps, who have a different call point. They'll remain separate. There may be some synergies between the two, warm handoffs here and there, but it's not going to be an integration type of situation.

<<Matthew Aspro, Analyst, Jefferies>>

That's great. So, you'd say there is a decent amount to be desired beyond the 16% margin you guys disclosed in 3Q?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

From a gross profit perspective or EBITDA.

<<Matthew Aspro, Analyst, Jefferies>>

EBITDA.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Oh, sorry. I thought you said 60%.

<<Matthew Aspro, Analyst, Jefferies>>

Oh, no, 16%.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

16%. Oh, yeah. Yeah, we think there's ultimately opportunity to grow above and beyond there as we get into 2026.

<<Matthew Aspro, Analyst, Jefferies>>

Great. I'll stop talking about Nevro, and maybe we'll talk to the spine market as a whole and some of the competitive undercurrents happening there. So, I think, in global spine, you guys have around 23% share. And considering all the changes we've seen with some of your competitors, selling, spinning, maybe you can help elaborate on what you're seeing on the ground from doctors and what the puts and takes are and opportunities are for you guys.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. And I think with Stryker and the VB spinoff happening, as well as the recent announcement for J&J and their ortho business, it has created disruption in the market. We ultimately want to be opportunistic with that disruption and take advantage where we do see disruption. One of those key areas that we focus on historically, as well as now, is from a competitive rep recruiting perspective. So, we continue to focus on trying to make sure that with our products and having the best reps in the industry that we are ultimately out at the forefront of the industry.

<<Matthew Aspro, Analyst, Jefferies>>

So, keeping on some of this competitive rep hiring, is there any change in your hiring patterns from historically to now? Are you feeling like you're taking kind of larger reps, different types of reps or...

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. I wouldn't say there is anything dramatically different now. If I kind of took you back pre-NuVasive acquisition, we were always focused on competitive reps and competitive rep recruiting. As we acquired NuVasive in September of 2023, we pivoted our focus to retention of our existing sales force, both on the Globus and NuVasive side. That continued for about 12 months until we got later into 2024 and early 2025, where we refocused our efforts back on competitive rep recruiting. We do see that there is more opportunity out there with some of this disruption in the market. However, I think, our approach has been that we see competitive reps coming from various different competitors. It wouldn't only be from Stryker and from J&J. We continue to see rep interest from Medtronic, Alphatec, et cetera.

<<Matthew Aspro, Analyst, Jefferies>>

Great. So, this may be a little bit of a loaded question, but given your history with R&D and innovation, I wanted to ask a little bit about which emerging categories in tech are probably most credible from even smaller competitors, whether it's AR, AI, ASC-focused capital models, or some navigation enhancements.

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

Yeah, I think there is – to start off the answer to that question, I think it's important to point out that the success rate in the spine industry and with spine surgeries just isn't good enough right now. If you're looking at a lower back surgery, a multi-level lumbar, success rate is somewhere in between 60% and 70%. And basically what that means is you could have a lot of pain relief and functionality gain initially, but within 10 years, three or four of those cases will need some type of reoperation. That's not good enough. That's where hips and knees were 35 years ago, and now they're 85%, 90% plus success.

We're going through that same pattern, but in a delayed manner. Some of the things that are being done and focused on to help improve minimally invasive procedures, everywhere else that you'll have surgery, minimally invasive surgery is really the focus. We're just getting there. It's fine. It's still a minority of the cases done. We will improve. And one of the things that we're doing to get that percentage higher is using computer-assisted technology. Surgical robotics is one way to go, navigation, but there are other areas as well.

So I'd say the general high-level imaging, navigation, robotics, or computer-assisted technology is one of the areas we're going to focus on to allow minimally invasive surgeries to become more frequent. Other technologies will be the devices, the instruments, and how do you work together in a more procedural manner instead of having them as separate, coming together, and really looking at what NuVasive was extremely good at historically, which is teaching and educating surgeons on an entire procedure. They did a great job with the lateral procedure there, and we're really adapting some of those methods of education and training regarding a holistic procedural approach in spine.

And then there is other areas where you're looking at more and more clinical support to assist the surgeon with preoperative planning, looking at a number of cases with similar pathologies, and looking for the good outcomes of those cases that are similar to the one that the surgeons looking at, what other patients had similar dynamics and then had good outcomes, and what were the procedures that were used, what were the devices, what was the approach, and really duplicating that as a starting point. And increasingly, what our technology is doing is recommending a preoperative plan that the surgeon can review.

As we get more and more supporting data to feed into that preoperative plan, the surgeon will then have more and more comfort that it's clinically supportive, and then they can make whatever adjustments they feel is appropriate for that one individual case. But all of those things are examples of where we're going. That eventually will take a less experienced surgeon or potentially a less talented surgeon and make them much more like the best we have in the space, democratizing the care among all the surgeons out there.

<<Matthew Aspro, Analyst, Jefferies>>

Great. I think those are very helpful. So looking at your strategy, you would be open to all forms of building, partnering, or even buying other technologies and competitors in order to kind of tackle what you mentioned?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah, we've ultimately always been active in the market in terms of smaller M&A and tuck-ins of technology pre-FDA approval, so that would continue to be part of our capital allocation strategy as we move forward.

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

We historically haven't partnered much. We're pretty control-focused.

<<Matthew Aspro, Analyst, Jefferies>>

Thought I'd ask. Maybe I would like to talk a little bit now about robotic penetration, just to kind of size the market and share where you're at now. So it would be helpful if you can maybe say U.S. and even worldwide what your penetration is, I guess, by procedure type, and then how you see that progressing over the next three years.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. And I think it's not perfect, but the best way we can kind of estimate it seems to be about 10% of all spine surgery uses some type of robotics in it. So in general, we would say it's rather underpenetrated. I think internationally it's probably even less than that 10%. So when you think about the runway that we have with our Excelsius platform and where we think we can go, we think there's a lot of opportunity there. Today, it's primarily used for screw placement. As you get into the more complex surgeries, the robots not used – utilized today, right, that's where ultimately we want to go to be able to develop the robot further to actually assist and handle some of those more intensive surgeries.

<<Matthew Aspro, Analyst, Jefferies>>

Great. So what would you say, what functional or economic changes would need to happen in order for adoption to expand beyond these kind of early adopters, or even if we're in the third or fourth inning here?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah, ultimately I think it's continuing to train new surgeons coming out of med school, ultimately getting it so that the tool is just the same as any of their instruments in their instrument sets. So as we go and try to make sure that we have a training program, make sure that we bring surgeons in to understand and utilize our robot, our technology, make it part of their operating room the same as they would look to, the nurse right next to them or the rep in the OR with them. We want to make sure that our platform fills out their OR and really kind of makes that OR smaller and so they have their hands around the full thing.

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

I'd say when we launched our robotic system eight years ago, there were very few spine surgeons that said, oh, finally, we really need this. The immediate appreciation was not there. I'd say now we're at a place where there are probably a few spine surgeons that would say, no, I have no interest in that, nor would that be the future of spine surgery. That change has occurred, but still a minority of the surgeons are actually using it, some of it is cost-constrained, so as costs come down on the systems, that will be more available.

But also more companies providing the systems and alternatives, that will help rise utilization overall. I think we're still in the early innings, and as – just like with the cell phone industry, there are a couple of major players that dominated it for quite a while, and then a whole bunch of players came in, and now you can get a cell phone, a really good smartphone for free with a cell phone plan, but a lot of people wind up going with a certain one that costs \$1,000 because it's a little bit better than everything else. I think it's going to be the same dynamic playing out over time, but one thing I'm very comfortable with is spine surgery will involve robotics and other computer-assisted going forward, and anyone, any hospital, any surgeon that does not adopt it will be behind the curve.

<<Matthew Aspro, Analyst, Jefferies>>

Great. Maybe a little bit more on your particular platform, especially with more competitors entering the space, I was hoping you could maybe elaborate on what you feel sets your offering apart from the others, and maybe some key enhancements you've made that like help widen that gap.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Do you take that?

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

This is on the robotic system or...

<<Matthew Aspro, Analyst, Jefferies>>

Yes.

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

So one of the things we did when we first evaluated the system was we didn't want to disrupt the surgeon's workflow. How do they normally do a case? We spent a lot of time evaluating that and working with surgeons to understand that. And we tried to create a system that allowed them to do as much of what they used to do without interrupting it or without training or learning a new way to do things. And I think we were pretty successful with that. That's going to be one of the design form factors that we always consider, patient workflow, surgeon workflow.

In addition to that, the feedback we got was rigidity of the robotic arm was a really big deal. They didn't like any prototypes that allowed any movement of the arm as they're doing the surgery, so we designed and created one that was specific for that requirement. There was nothing available that we could buy from any robotic system or company at the time. And now we can basically have 150-pound weight applied to that robotic arm with minimal millimeter movement, and that's something that we get a lot of feedback is appreciated. Ease of use is another one. Mobility, ease of bringing it in, bringing it out. These are all the things that surgeons have commented.

The training required to get up and running, to get the pre-surgical planning set up, to allow that the surgeon to see exactly what they're doing is rather intuitive, so making it as simple and easy to use is part of the design that we looked at. Some other – I mentioned a cell phone company. Can everything come out of the box and work well together? That's an example of what we tried to do with all our different systems. With our Excelsius robotic system, we have an E3D imaging system and an EHub navigation system that all communicate very well together without having to stitch together or to create any connections that other companies might have to do.

<<Matthew Aspro, Analyst, Jefferies>>

Great. Maybe sticking on enabling tech, I wanted to kind of – not diagnose, but understand a little bit more of the economics of it and how it impacts your financials. So maybe if you can help elaborate on what proportion of your current ET is now non-traditional CapEx, so like a leasing versus subscription?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. So overall, the way we place our capital historically has primarily been from a cash sale perspective. We've continued – we launched the robot back in Q4 of 2017. So over the years, we've continued to offer all different types of ways for our hospital partners to acquire the capital, whether that is short-term rental, a lease, a placement-type model, a cash sale, et cetera, but a vast majority have historically been cash sales. That has continued in 2025. However, what we're starting to see is more of the non-cash CapEx model, so more of the operating lease-type structures start to come in.

That has evolved and grown throughout the year, but it's still higher on the cash placement perspective. One of the comments that we made publicly during our Q3 call was that we see that the market is moving more to that operating expense-type model and that we are going to be aggressive out there to make sure that we're placing our capital in a way that our hospitals are looking to acquire it.

<<Matthew Aspro, Analyst, Jefferies>>

Great. Now that you have probably seven years of contracting under your belt with robotics, I kind of wanted to understand what sort of pull-through KPIs per system you typically target or how you see that evolving. And then maybe looking to 4Q, do you think there is a potential there for that to be exceedingly strong on the enabling tech side?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yes. So internally, obviously, yeah, we do have KPIs. And what we're targeting in terms of what we think that robotic implant pull-through can be, we don't disclose that publicly. But as we're looking at potential capital placements, that's part of the evaluation. We don't necessarily want to place a piece of capital just to get a one-time sale and not have the utilization. The entire point is the implant pull-through. So we evaluate that. We think about that as we work with our surgeon partners as well as our hospital customers to place the right robot in the right place to take advantage of that. What was the second question?

<<Matthew Aspro, Analyst, Jefferies>>

4Q.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Oh, 4Q, yeah. Q4 is typically for us the highest sales in terms of capital. Q4 followed by Q2 and then Q1 and Q3 are lighter. This year, I expect that same dynamic to play out. However, we continue to see lumpiness in the capital market in general. Specifically with us this year, it's taken a little bit longer in terms of closing deals in the enabling technology space. So it's hard to say at this point, but we feel positive going into the quarter right now that the same seasonality will take place.

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

Pretty good pipeline.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah, yes, super strong pipeline. We've been able to turn and close certain deals throughout the year and refill that pipeline, a high level of quoting out there right now and a high level of interest. It's all about closing the deals at this point.

<<Matthew Aspro, Analyst, Jefferies>>

Great. Well, I think we have a few minutes left, and I wanted to ask one on trauma, just given how well it's been doing. So maybe you can help elaborate on your confidence looking into 2026 and maybe the cadence of growth going into next year.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah. No, it's a good question. And what we saw this past quarter was trauma grew at about 17%. That business is still small in the grand scheme of our roughly \$2.9 billion business. But we do think that we have the opportunity for that to keep growing in the double-digit range in 2026 and beyond. Ultimately, we have a very, very strong base portfolio. And then when you

add PRECICE, which is the legacy and NuVasive specialized orthopedics growing rod technology in there, we really think we can compete with anybody in the market and have opportunity to continue to grow well above market here in 2026.

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

It's taking us longer to get where we wanted to be in trauma, but we really like the place we're at now, and we think we're very well positioned with our existing bag to compete in the space that's otherwise pretty tough.

<<Matthew Aspro, Analyst, Jefferies>>

Great. And then maybe I'll just throw one out there on some capital allocation. Given you've had a lot of moving parts with NuVasive and Nevro, how are you going to balance sort of your CapEx and returning capital or allocating capital over the next few years? Is that a priority kind of into 2026? Or is that something we should look forward to further and beyond when things stabilize?

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah, so our focus and our capital allocation priorities have always been internal investment first. So we really try to feed that product development engine, make sure that we're coming out with the next and the latest innovative technologies to really help our patients. So that's first and foremost. Second is we are vertically integrated, so we have multiple manufacturing facilities across the U.S. We want to continue to feed CapEx, so that we can make sure that we can produce our own products on time at a sustainable cost. Third priority has been share repurchases. So there's been a higher level of share repurchases as you look here over the past couple of years.

I think our first share repurchase plan was put in place back in 2020 during the COVID time period. In 2023, post the acquisition of NuVasive, we saw some opportunity to go out and make some share repurchases while our share price was low. We've continued to do that up through – throughout 2023, 2024, and into 2025. And then fourth is really focusing on that M&A. We've publicly commented that we're not going to do any large deals here in the next 12 months or so, but we continue to evaluate small tuck-ins, technology-based M&A to see where there's opportunity for us.

<<Matthew Aspro, Analyst, Jefferies>>

Great. Well, thank you very much for your time and I look forward to talking to you.

<<Kyle Kline, Senior Vice President and Chief Financial Officer>>

Yeah, thanks, Matt.

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

Thanks.