

Globus Medical

**September 4, 2025
12:45 p.m. EDT**

Vik Chopra: OK, good afternoon, everyone. My name is Vik Chopra. I am part of the medical device equity research team here at Wells Fargo. I am pleased to announce management from Globus Medical for this session. Joining us for the company are Keith Pfeil, president and CEO, and Brian Kearns, SVP Business Development and Investor Relations. Thank you both for being here.

Keith Pfeil: Thanks for the invite. We're happy to be here.

Vik Chopra: Keith, congrats on the promotion and the new role. Looking forward to working with you.

Keith Pfeil: Likewise, tomorrow will be the end of the seventh week and it's been a fast and furious seven weeks.

Vik Chopra: I'm sure it has, you know, just maybe talk about sort of your vision for the company over the next five-ish years.

Keith Pfeil: Yeah, so over the next five years, I would say, you know, Globus, you know, the change in me taking over as CEO does a signal, a broad shift in strategy. As I think about the next 5 years, I want us to become a further diversified musculoskeletal player. Number one, focus still is on spine. We have been a spine company. We started as a spine company. We will remain predominantly spine. But I want to see us start to scale our trauma business and our points business, as well as our newly acquired Nevro, interventional pain, as well some other things that we're going to be researching with that business. So a further diversified musculoskeletal player, that's a clear number one. But a business that's also really doing more to double down on technology, bringing technology to market and really figuring out what data we can gather and take that data and really help to transform procedures and improve spinal care, that it really goes back to our mission. Those are kind of the key drivers.

And then lastly, a thing I would also focus on is when you think about Globus and its founding 20-plus years ago, the business has grown tremendously. I think when I joined the business in 2019, Globus had come off 2018 being about a little over \$700 million in sales. This year we're going to do a touch under \$3 billion. So the business has really scaled. And one of the things I really want to focus on as we move forward is further investing in people. People are our number one asset and I think that as we grow, especially as we get further diversified, it's important that we have people from the standpoint of bringing them into business, letting them learn all different aspects of the business to create the leaders of tomorrow.

Vik Chopra: Okay, great. You know, you were CFO at the company before you got promoted to the CEO role. Maybe just talk about what you'll do more of and what you will do less of, maybe differently than your predecessor did.

Keith Pfeil: So I'd say first and foremost, the transition from Dan to me, Dan and I had a wonderful relationship. He was the first person that I actually ever met when I came to Globus. But as

he's moved on, I think the first thing I'm looking to do is really calm the organization from the standpoint of the M&A activity. You think about since on September 1st, we closed the Nuvasive deal two years ago, so two years have gone by very quickly. We've been active with integration activities, insourcing activities. And on top of that, we did Nevro not too long ago. My number one goal in the near term is to finalize all these integration activities, get them done and behind us because I want the business to generate some calm to focus on new product development, expanding the sales force, and an investment in technology.

As I think about that moving forward, one of the things that I also want to spend time on is really all of the integration activities that have occurred over the last two years have caused us to go really fast. And just you're working to get things done. But one of the things that I want to double down on is really focus on, especially with my direct reports, driving more live interaction and setting broader expectations as we think about not only the year in front of us, the next one to three years out. I think it's important that there's more expectations as it comes to how the business is going to grow organically.

I think lastly, over the next, I would say, 12 to 18 months, I will say the M&A activity you've seen for the business will likely come down significantly. Again, it's about driving calm in the business. We're still going to be looking for complementary pieces of technology to add to the portfolio. But I would say any large-scale M&A, that's greater than 18 months out. That's how I feel today. And as I think about doing all of that, it's also getting back to Globus's historical financial profile. No debt, which we've already achieved. We want to grow that cash balance a little bit more. We want really focus on driving additional free cash flow growth.

Vik Chopra: Okay, great. Talk about procedure volumes in the spine market and how you're thinking about the performance for your company, for the base business specifically.

Keith Pfeil: So procedures, I think the spine market has performed well. You know, I don't technically spend a ton of time or money on market research, but I would say that generally speaking over the last two years, the spine has performed better. And what I've seen, you know, especially coming out of our business, and I would fall back to some of my comments on the second quarter earnings call, is we've started to see sustained momentum in our U.S. spine business. I still stand by those comments. And as I think about that and think about the things that we have going on, I see us being able to return to a higher single-digit growth rate for the U.S. spine business. I feel very confident about that. There's a lot of activities going on, not only with the new product launches, but also competitive rep conversions. That's something I would say we had a softer first quarter. We had a good second quarter, but as I've stepped into the role, one of the things that I want to focus on is being aggressive there. I think there's been some recent market disruption. I think that there's an ability for us to really work to take more share in the market. I want the commercial team very much focused on that.

Internationally, as I think across the portfolio, I want to say give or take we're probably 60, 65 countries total. If I break that out into chunks, EMEA, APAC, and LATAM. EMEA is our largest overall market. Japan is our larger individual country. It's really focusing on getting the integration activities done from the businesses, legacy Globus, legacy Nuvasive, and then going deeper in the markets that we operate in. Not necessarily looking to add new countries, but we, you know, similar to the U.S., we want to do better in territories that we can control and go deep in. So I want to have a moat in specific countries and have a direct sales force to help drive it.

Vik Chopra: OK< great. Can you put a finer point around when you expect to get back to high single-digit spine growth?

Keith Pfeil: As I think about how we exited Q2 with 7.5% they adjusted, I feel that that trend can continue as we move forward in the U.S. Internationally, we've talked about some of the challenges we had from a supply chain perspective in the first quarter. A lot of those challenges subsided in the second quarter. What I expect, and again, falls back on what I said on the earnings call, I really see Q2 as a small improvement internationally versus Q1. I expect to see those small improvements as we get into Q3 and Q4. The hope as you get into 2026 is that you return to an internationally more of a double-digit grower.

- Vik Chopra: Okay, let's talk about overall guidance. You know, you provided guidance in your second quarter call, but just how should we think about the back half cadence and is there anything unique from a seasonal perspective we should be aware of this year?
- Keith Pfeil: So I think about the back half. First and foremost, we feel comfortable with our overall guidance out there for the full year. We reconfirmed it during the earnings call. But as you think about Q3 and Q4, you expect your normal spine seasonal bump that you would see in Q4. And typically, Q4 is your highest enabling tech, so I expect that normal seasonality to occur. Separate of that, I would say the business to me is getting back on the road to recovery from the supply chain challenges that we talked about, that we experienced in Q1, saw improvement in Q2. I expect to see continued improvement across things like trauma, which we had spoke about previously.
- Vik Chopra: OK, great. I know you don't get to EBITDA, but just talk about at a high level your EBITTA margin assumptions this year.
- Keith Pfeil: I would say overall, you know, as we think about the year, our base business, we feel comfortable that that business is in the 30s, low 30s. You know, adding Nevro creates a little bit of a drag for us. But as we about the business moving forward, our overall goal is to be a mid-30s business, and I don't see- I don't see anything that really stops us from getting there. I think we have a very good understanding of our cost structure in the base business, as well as we're learning Nevro. Every day we learn a little bit more. But I feel good about our long-term growth projections as it relates to profitability.
- Vik Chopra: OK. You know, September, I'm sure you're planning for 2026, any sort of high-level potential headwinds and tailwinds that we should keep an eye out for next year?
- Keith Pfeil: Yeah, so I'm not going to provide, I would say, full 2026 guidance or anything like that at this point. But as I think about going into next year, I think first and foremost, you're not going expect to repeat some of the supply chain challenges that you saw in the first quarter of this year. So I think that will be a positive. You're always going to have price erosion in the business. I think price erosion for us, I'm going to say, is about negative one. When I think of general price erosion offset by new product development, I think that that trend continues for us. But as look into next, year you're to be further along on your insourcing journey. So that's going to be a positive of the gross margin. So as I think about getting into the year, as we get through each quarter, I would expect our margin rates to expand in the base business. Now, if I think of about Nevro, Nevro had a fairly good gross margin there in the mid-60s, I want to say 67. That business, I think, over time will work to drive some expansion there. But on a gross margin rate going into '26, separate of the base, that's a little bit of a headwind on the gross profit rate.
- Vik Chopra: You've also talked about a return to mid-70s gross margin profile. You know, over what time frame should we think about that, and what are the interim targets that Globus aims to achieve in its journey towards its mid-70s adjusted gross profit profile?
- Keith Pfeil: As I think about getting into 2026, I would expect our gross margin rate to increase as you get through the year. But I would call attention that typically your Q2 and Q4 are your highest seasonal quarters for capital that have a little bit of a drag. But generally speaking, as I think about musculoskeletal, I would expect the cadence of that business to continue to increase profitability, pulling up the overall gross profit rate of the business. So it's basically a step forward each quarter as you get into the year
- Vik Chopra: Okay. And again, you know, I know you're not guiding for '26 or, but just, you know, how should we think about EBITDA margins for '26? Like, should we expect that they would improve next year?
- Keith Pfeil: Absolutely. We've talked about our goal with, especially with Nevro bringing that in, because that business was about \$100 million operating loss last year. We said that by the second year, that business would be accretive test from an earnings perspective. With that comes along

improved EBITDA. We're very encouraged by what we saw in the first full quarter with Nevro. As we talked about, we got it to a near break-even EBITTA in the first quarter of owning it.

Vik Chopra: Okay, great. Let's talk about robotics. I think Q1 was lighter, Q2 you saw a sequential improvement. You know, you said you still see a path to double-digit growth for robotics in 2025. This obviously implies a pretty heavy lift in the third quarter and the fourth quarter. How far do you have visibility into the order pipeline, and what's your confidence in achieving double-digit growth in '25?

Keith Pfeil: Yes, so the order pipeline, I've said before, is that our pipeline still remains robust. What I see in terms of the check downs that we do when we develop the pipeline of identifying the surgeon champion, making sure they've seen a case, making that they've been in for a visit, all of those things we still see happening. And what I saw from Q1 and Q2, even though the pipeline elongated, I was able to see deals from Q1 that I would have expected to close, closing to Q2 which spoke to the bounce back. Now the business in the second quarter is essentially flat. So it didn't really drive the growth. As I look at the third quarter, I still see those deals on the table that we're working to close. The majority of the sales really happened in the last two weeks of the quarter. But as I think about the pipeline and where we're at and some of the offerings that we put out there, the double-digit growth for the full year, it's absolutely an aggressive target. But as think back to, if I even look back to last year, I want to say in the third and fourth quarter of last year we grew about \$25 million over the previous year. To get to an implied 10% growth, we need to grow about \$27 million over the prior year. So it's achievable, aggressive absolutely, but it is achievable. Really the focal point as we get through the remainder of this quarter is trying to close the deals that we see on the pipeline.

Vik Chopra: Okay. You've also talked about an elongated sales cycle. I'm curious if this is due to the macro environment, the trade environment, or does it have to do with competition?

Keith Pfeil: So I'm going to say it's a little bit of both. I would say that, especially in the first quarter, I feel the macro environment was a bigger headwind to the quarter. But I think the advent of competition. Historically, it's been Globus, Medtronic. Medtronic, Globus has been the offerings, I think, over the last couple of months with the advent of Stryker and their robotic application for spine, as well as J&J with their Vellis robot, I think that's created more competition. Not to the standpoint that I feel like I'm losing deals. But what I see is the elongation that I believe that we're seeing is, you know, before it was just 1 in 1A, Globus and Medtronic. Now I feel that the hospitals are having basically a full review of all the competitive offerings out there, which is what's driving some of that elongation. You know, as I think about how do we work to close that, I want to take deals off the table, get these closed. You know the majority of our robots that we place out in the world, they're full sales and we sell them, you know, net 30 terms. There's some incentives that we've put out there to help drive some of those sales. We want to see how the next really three to four weeks happen for us to close the third quarter.

Vik Chopra: Okay. And just on that point, you know, I think you previously said that you've seen an increase in the rental program of your robots. Maybe just talk about, you know, what percent of your robot are rented versus sold outright, and should we expect the proportion of systems placed under lease agreements or rentals to grow over time?

Keith Pfeil: So I would say the vast majority, and that's greater than 80% of our robots are outright purchases. Rentals, I would still say, are probably in the 5% range. That's growing. But one of the things that we focus on with the rentals or leases is we want to make sure those programs get off successfully, because selling the capital just to sell the capital isn't really a great end result. We want to make sure we're driving pull through. So it's super important that you're launching a successful robotics program. So especially with the rentals, the number one thing we want to drive after the rental is actually placed at the facility is to make sure the program is launched successfully, make sure people are trained, because a couple months after that rental happens, I want the sales force in there talking about converting that to a sale. So I would see rentals growing as our business moves forward greater than the five, give or take 5% of the seat to that.

- Vik Chopra: Okay. And, you know, as you close these deals for the outright capital sales, are hospital customers asking for more alternative sources of financing?
- Keith Pfeil: They're asking, but there's really nothing that we haven't offered, whether it was outright sale, rental, lease, third-party financing, or carrying stuff on book. We have the ability to do all of that. There's some questions on doing pay-per-click as well. But at the end of the day, it's really still an operating lease. We want to think about how we sell those in, but however the market has asked us, we've responded.
- Vik Chopra: OK. Let's talk about Nevro. Can you- I mean, I know the deal has not been that long since you closed the deal, but I would love to get a sense of how the integration efforts are going relative to your initial expectations?
- Keith Pfeil: So integration, I think, as evidenced by the first quarter results, I mean, integration, it's early. I was encouraged by, really, the bottom line result that we saw from an EBITDA perspective, getting it to near break-even, given what we had seen with that business over the past couple of years. When you think about what we've done in this first couple of months, it's really the integration activities of making broad scale changes to people or locations or things like that, like that's not been the area of focus. It's really our initial area of focus was understanding product development pipeline, how those dollars are getting spent, where they're getting spent, and really overlaying what I would call the Globus culture on spending. And I think that we've been able to get our arms around that very quickly. Integration of systems, processes, that's all underway. We're working to get all of those things done as we move through the remainder of this year and hope to be in a place as we get into next year where the systems are fully integrated, and we can continue to drive the business forward.
- Vik Chopra: And then how should we think about contribution of revenues from Nevro in the back half of the year?
- Keith Pfeil: I mean, we've talked previously about Nevro give or take being, what, \$300 million run rate business. I still think that's a good way to think about it, because as we bring the business in and drive some of the changes to the business, we want to make sure you're obviously not impacting the commercial side of the business. But as I think about where we're at, we want to take a cautious approach to how that business performs within the overall larger umbrella.
- Vik Chopra: OK. What are the next steps and areas of focus for additional cost optimization within Nevro and how will you ensure that these actions do not inadvertently impact sales?
- Keith Pfeil: It's a cost optimization. Number one, like I spoke about product development earlier, it's getting focused on legacy Globus is really focused on internally-generated product development, a period expense that we run through the business. And we're not spending a lot on the outside. We're overlaying that, but we're doing that in a manner where we've taken the projects they've worked on and really focused what are your sustaining projects and what is truly your new product development to drive greater focus and really set expectations is on timing, understanding the white space of the market, who your competitors are and how you're going after the space, and really getting down some of the things that I would say that legacy Globus is focused on. That's one.
- Two, as you think about OpEx, that really is overlaying our process and our approach. All of those will happen in nature as we work to integrate.
- Thirdly, Nevro had a fairly good gross margin profile, in the mid-60s. I think there's some things that we can do there over time to tweak that. But in the near term, focus is on maintaining continuity of supply, so that the sales force has product to sell, A. B, when I think about the sales course, it's making sure, number one, that they're, again, brought into what I would call the Globus culture. Good target quota, driving growth, getting them thinking about how they're going to grow their own sales force, similar to how we do with our legacy spine business. But most importantly, bringing a sense of calm to that business. I think over the last several years, that sales force has seen a lot of different directions in terms of going to market

and I think that coupled with the fact of some of the financial challenges that were perceived by the market, though we want to kind of have those go in the rear view mirror. As I think about sales reps engaging with them, to think about paying docs as they've come to Globus or as we've talked to them, we've taken now off the table the idea that Nevro is not going to be around because of that financial profile. So it's really, again, driving calm and then getting these reps to be aggressive, to be successful in the Globus portfolio, the reps have to, I call it, they eat what they kill. We want to get that mindset across the business.

Vik Chopra: You've also talked about not cutting reps in a meaningful way at Nevro. Is that still the case?

Keith Pfeil: Yes, yeah, because we view that sales force as an asset. And again, you think about all of our other businesses, our US buying business, direct sales force. Trauma, direct sale force. Joints, as that business grows, will be a direct sales force. Nevro will we see that being a direct sales force, as well.

Vik Chopra: What do you think you can do with Nevro that they couldn't do before?

Brian Kearns: I think we have, number one, the ability to drive, I would say, more aggressive timelines as it relates to defining what the space is for product development, how we're going bring things to market and you know, Nevro, the deal wasn't just for the business that it is today, pain. We were interested in their patent portfolio and the high-frequency technology. We saw room to operate within those patents and some design freedom. That's something that we're going to look to work to develop other products in the coming years, things to think about. You think about Parkinson's. You think gait control. Think about how you can bring together some of the products in the Globus portfolio. When you think about our cranial application, there's other things to think about with that business versus just what it is today.

Vik Chopra: OK. What concerns do you have in being able to take on the other competitors in the field?

Keith Pfeil: What concerns we have? You know, from my perspective, we have to have a key understanding of what the market's doing. So as new products are developed, we need to understand what's the addressable market we're going after and why. But as I think about us versus competition, we have, obviously, to learn more about this space. But I think over time, we want to apply the Globus approach to developing product, driving rapid innovation. We want to take what we've done in spine and really start to emulate that in the space.

Vik Chopra: And when will we hear more about some of these new projects-

Keith Pfeil: I would say you'll start to hear more and none of these projects, I would say, are immanent here, they're still probably two to three years away at least. But as time passes, we'll provide updates as we feel- as we feel that we've moved along a cadence for the development phase.

Vik Chopra: Okay, you also acquired about 140-ish plus million dollars in NOL through the acquisition. Can you talk about how these cash tax savings will be realized and over what time period?

Keith Pfeil: Yes, so there's a limitation on what you can use every year. So honestly, you're going to basically realize about \$2 million a year over the next 40 years, 40 to 50 years. So it's not a lot, but it is something that will drive lower cash tax savings. As we think about that coming in, you never had, obviously, a lot of net NOLs. Bringing that into a business that's generating profit could help us drive tax savings, number one. But number two, as you think about just the overall international org structure and entity placement, as we think of bringing new bases in, it's part of a tax planning strategy we think about longer term.

Vik Chopra: Okay, so it obviously factors into your overall capital allocation priorities and long-range financial planning.

Keith Pfeil: Yes, absolutely.

- Vik Chopra: OK, let's talk about your new Recon robot system. You know, you have FDA approval for your ortho robot. Talk about your approach to market and what you plan to do differently here, given it's a fairly crowded market already.
- Keith Pfeil: It's a crowded space. The robot has been approved and is out. I still candidly don't see it being a material part of revenue as we get through here 2025 and even into 2026. The acquisition for the joints portfolio was back in 2019. That was done based on a business that had a long history of safety. The process we're working through right now is really modernizing those implants. Brian, can you talk a little bit about some of those implants that we're working' through?
- Brian Kearns: Yeah, I'd say we're pretty close to having a full bag that's comparable on the technology side in terms of a refresh. We've done a lot of things already in that period since we've acquired that business. We have a couple of things left. I think they largely should be done middle of next year, I'd say. Revision knee is something that they do have, but modernizing that a bit would be helpful to round out the bag and make it more competitive with the big four out there.
- Keith Pfeil: I think as time passes, we see the ability of the joint business to scale. It is an absolutely crowded market, but we believe bringing technology and a new implant bag to the mix will help us break in. Again, it's not going to be something where, you know, in two years that suddenly I have a 10 share. It's going to a slow walk forward, but see the ability to drive incremental revenue here in a meaningful way. And honestly, as time passes and you get the implant portfolio really finalized, that business can scale quick and be quicker than spine.
- Vik Chopra: OK. Remind us what indications you have in the robot?
- Brian Kearns: Right now it's just focused on knee, but there's potential to use it for other joints in anatomy as well, but right now it focuses on the knee.
- Vik Chopra: And then how should we think about additional indications? I assume that's further down the road?
- Keith Pfeil: Yeah, I would say it's further down the run. I mean, right now, it's getting, we want to, we basically want to first start with a knee, get that off the run, and really start to scale that and bring hip in. I would, I wouldn't caution on bringing any indications at this point.
- Vik Chopra: Okay, and you know, how do we think about ASP? Is it comparable to the other players out there? Is it cheaper?
- Keith Pfeil: ASPs will be comparable to the players that are out there. As I think about the go-to-market, there's going to be multiple ways for a customer to acquire the capital. And again, we will make sure that we can address the needs of the market by having a multiple selling opportunity, or multiple ways for them to buy it.
- Vik Chopra: Okay, so it could be either a capital sales model or a placement model or, okay, as you explore that down there.
- You know, I just want to go back and just have one more quick question for you, and this sort of ties into the robotics. You also recently received FDA approval for your augmented reality headset. Can you talk about how the introduction of ExcelsiusXR will be integrated with enabling tech for both your traditional customer base as well as Nuvasive accounts?
- Keith Pfeil: Yeah, so I guess XR, as I think about that and the placement, especially early on, because I think about Excelsior E-Hub and E3D, that compares to Stealth and ORM. As I think that and selling features, what I want to put over top of that is XR. So you have really what I would use a best-in-class offering of imaging, navigation, and also this augmented reality. Augmented reality is going to, you know, prevent the surgeon from potentially breaching the sterile field, being able to keep their line of sight on the patient as well as understanding what's in front of them from a screens perspective. That business or that what I would call evolutionary step is

another item that we have in the bag of enabling technology. What was the second part of your question there?

Vik Chopra: Just are you selling the robot, you know, I guess, to existing accounts versus new?

Keith Pfeil: Yeah, so with Nuvasive, I don't necessarily think about XR and Nuvasive as much as I think about the legacy EGPS and getting Nuvasive products approved to use on the robot. So we had Reline approved. We're working on Modulus as well as some other products. What we were able to see as we were selling last year, we sold robots into legacy Nuvasive accounts. They may have started with Creo, but they might have been a Reline user. As soon as Reline was approved to be used, you see them- they want to switch back over to Reline. So, as time passes, I would expect to see further penetration of EGPS in legacy Nuvasive accounts, especially as more products are approved to put on the robot.

Vik Chopra: And what's the sales model for the augmented reality headset? Is it sort of standalone, or does it sort of come with a robot?

Keith Pfeil: We have the ability to quote it, really - if they want it on our other capital, they could buy it. But it's going to pair with our devices. So buying XR just by itself isn't going to get you there. You're going to need the hub or robot over time to have it fully work.

Vik Chopra: And I guess I'm assuming you're looking at different placement models for that as well?

Keith Pfeil: Absolutely, yes.

Vik Chopra: Okay. And what do you think about competition in the augmented reality space, I mean, relative to other players? I know it's pretty new in its infancy. So-

Keith Pfeil: I feel that we're coming out with a near-best-in-class product. As I think about the near-term, I feel that there's a lot of investment going into the market, and we have to stay on our toes. And as you think through the evolution of technology, the robot was introduced in 2017. It's now 2025. We've had some evolutionary steps with interbody and you have cranial. We've launched revolutionary stuff with the U3D. Up came out. Now you have XR. Of the suite of products is growing. We want to be more important in the OR space and it's fair to assume we're continuing to develop new and exciting technologies to bring to market as time passes.

Vik Chopra: And does XR position you better to compete in the ASC, you know, I mean, I know fewer spine cases are done in ASC versus large joint reconstruction, but how do you think about the shift to the ASCs?

Brian Kearns: Yeah, I think the headset navigation extended reality provides additional navigation capabilities without the capital requirements of acquiring an entire robotic system. So, getting an EHUB with the XR very well could be a great solution for an ASC.

Vik Chopra: And what are your expectations for shift of spine procedures to the ASD?

Keith Pfeil: I think you're going to continue to see shift to the ASC procedures, probably two hours or less, I would say more straightforward procedures. I think that you're going to continue to see that in the future. And as I think about selling capital, right now I think my view is that hub with imaging and XR is a better ASC product versus a robot because, you know, as the cases get more complex, the frequency of those cases, I believe, in an ASC setting is going to be less so. And I think to justify the cost of a robot, I think, that's still going to be more in a hospital setting.

Vik Chopra: Do you have a separate ASC salesforce?

Keith Pfeil: We do not, no.

Vik Chopra: Any plans to go down that route?

Keith Pfeil: No, because I think what we see is many of the surgeons that operate in hospitals are now part of ASCs. And as you work to grow in those areas, you're still dealing with the same surgeons, really the same call point. So the implant rep that has that relationship, I think, is important to be able to sell also in ASCs

Vik Chopra: Okay. We've got a few minutes left, so just talk about some other important topics. Talk about what your hiring trends were like in the second quarter of the year and how do you see your recruiting and retention efforts shaking out for the year?

Keith Pfeil: So recruiting efforts in the second quarter were absolutely better than the first quarter. Me coming into my role, one of the things that I've stressed with the commercial leaders is I want us to be aggressive, bringing and adding in competitive sales reps. So as I think about looking ahead to Q3 and Q4, and even into next year, I want to team out scouring the business to see what opportunities exist for us to grow our sales force. From my perspective, it really gets back to an earlier statement of getting the integration noise to calm, getting back to launching new products and growing our sales force. Those are two very big priorities of mine, because I think we're at a place right now, especially coming out of Q1 into Q2, seeing some of the momentum we saw in spine. I think it's important that we sustain that growth and drive it forward, because I still think we are best positioned to drive and lead in spine, so I want the team very, very focused on competitive recruiting and bring product to market.

Vik Chopra: And competitive recruiting, is that larger players that you're sort of getting them from, or smaller players across the board?

Keith Pfeil: It's fair to assume you see them from all the players out there, but yeah, the larger players. Where you've seen some disruption or where you see some other seeding share, it's fair to assume that we target some of those.

Vik Chopra: Okay. And I know when you closed the Nevro acquisition- the Nuvasive acquisition, sorry, there was concern about you, you know, Globus losing sales reps to competitors. Has that stabilized or are you still seeing, you know, more reps sort of exploring opportunities given the Nevro acquisition now?

Keith Pfeil: I think that the major noise of that is really behind us. Not to say nothing could happen tomorrow, but I feel that we're two years out. I think after year one and even year two, we've retained sales and we actually saw sales growth. I think as reps turn these days, I think it's more of a function of what's more going on in the general market versus just Globus and Nuvasive. You know, a lot of time was spent early on bringing those teams together and I think we did a pretty good job of holding the sales force together and now from my perspective, I want us to focus on growth. I don't want us talking anymore about, you know, Johnny is here and Sam is there. I want us focusing on how we're going to grow the business, to position us well, because I still feel everything that we have going on in the continuum of product, both whether it was implants or enabling tech, and growing that sales force, I want to drive to that number one position in spine.

Vik Chopra: Okay, earlier on in the conversation, you talked about ramping trauma sales. You know, I guess I think it's fair to say that it hasn't been as successful as some of your other businesses. What's your strategy on ramping trauma sales in 2025 and in 2026?

Keith Pfeil: It's a great question. So our legacy trauma businesses grew, I believe, 33%, 34%, I talked about on the second quarter earnings call. We had some of the supply chain challenges with insourcing, not insourcing but transferring the manufacturing facility for a Nuvasive's former [growing rod], that we experienced in Q1. That got better in Q2 when we came out of the second quarter and is now in a much better place. So I now expect to see that business return to overall growth and drive into next year.

As I think about the how and where, I would say number one, we have what I would call a full bag. So if I want to go quote a level one or level two trauma center, we can be taken seriously in an RFP and actually compete on product. As I about how we grow, growing trauma is different than growing spine because many of the spine procedures are planned. Trauma you

have to be there. So to me, it's more of a density model as you think about your sets and your invested capital. So you want to focus on level one, level two trauma centers as your beachhead. And then as you move sets around, you want move sets to other smaller facilities in that area. But I want to make sure that my capital is focused on a density model. So suddenly you're not having capital kind of all over the place that's not turning. So as we grow the business, those are the things that we're going to be focused on. That's going to be in those Level 1, Level 2 centers.

Vik Chopra: Okay, you said you have a full bag now.

Keith Pfeil: I'll do it again.

Vik Chopra: Any portfolio gaps?

Keith Pfeil: Elbow modest, elbow, there's some work we're doing there, but I think that for the most part, I think we're in a good spot. Like now, that thing, it's time to grow.

Brian Kearns: We're beyond the point at which we needed to get to the next step to compete at a level one. We're there now.

Vik Chopra: OK. I want to ask about the FDA warning letter, what's the latest on that, what are the next steps?

Keith Pfeil: So we finalized our submission, because we've had back and forth with the FDA, we finalize our submission on August 15th. You know, again, the warning letter was not around patient safety. It's really more about how complaints are reported, statistical analyzes, and the mod database. We're at a point now where we've answered all of their questions. We've had some back and forth. It's been fairly fair back and fourth. We've submitted, and now we're just waiting for a final response, because from our perspective, we've done everything we need to do.

Vik Chopra: Okay, so we got the last couple of minutes here. You know, I want to end with a high-level question. You know you've been at a conference I think like five years now. If we're sitting here next year, 12 months from now, what does success look like for you, Keith?

Keith Pfeil: Success looks like a business that's seeing our spine business grow back to the high single digits, US spine. Enabling tech bounce back, those two are major successes. And being able to sit here and talk to you about in-sourcing success and gross margin expansion while we've integrated Nevro and have that business on a path towards growth.

Vik Chopra: Thank you so much. Thank you.