

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 21, 2022

GLOBUS MEDICAL, INC.

(Exact name of registrant as specified in charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-35621
(Commission
File Number)

04-3744954
(IRS Employer
Identification No.)

2560 GENERAL ARMISTEAD AVENUE, AUDUBON, PA 19403
(Address of principal executive offices) (Zip Code)

(610) 930-1800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of exchange on which registered
Class A Common Stock, par value \$.001 per share	GMED	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 21, 2022, Globus Medical, Inc. (the “Company”) issued a press release including preliminary sales results for the first quarter ending March 31, 2022 and other information described in Item 5.02 below. A copy of the press release is furnished as Exhibit 99.1 to this report.

In accordance with general instruction B.2 to Form 8-K, the information included in this Item 2.02, and the exhibits attached hereto, shall be deemed to be “furnished” and shall not be deemed to be “filed” with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(b)

On April 20, 2022, David M. Demski notified the Chairman of the Board of Directors (the “Board”) of the Company of his resignation from the Board effective April 20, 2022. Mr. Demski’s resignation was not due to any disagreement on any matter relating to the Company’s operations, policies, or practices. On April 20, 2022, Mr. Demski also notified the Board of his resignation as President and Chief Executive Officer of the Company, effective April 21, 2022.

Mr. Demski has agreed to continue to be an employee of the Company through June 30, 2022 to assist the Company with transition, and during such time will continue to receive his current compensation as provided in his existing employment agreement.

(c)

On April 21, 2022, the Board of Directors of the Company approved the appointment of Daniel T. Scavilla as President and Chief Executive Officer, effective April 21, 2022. Mr. Scavilla, 57, has served as the Company’s Executive Vice President and Chief Commercial Officer since February 2019 and as President of Trauma since March 2020. Mr. Scavilla previously served as the Company’s Chief Financial Officer from May 2015 to August 2019. Prior to joining the Company, Mr. Scavilla spent 28 years in various positions with Johnson & Johnson, including serving as Chief Financial Officer, Global Vice President Finance & Business Operations of Johnson & Johnson Vision Care from February 2012 to December 2015, and previously as Chief Financial Officer, Worldwide Vice President Finance of Advanced Sterilization Products, the infection prevention branch of J&J Medical Devices from October 2007 to January 2012. Mr. Scavilla earned a B.S. degree from LaSalle University and an M.B.A. from Temple University. Mr. Scavilla’s extensive leadership and experience at our Company and knowledge of our finances and operations, including as our former Chief Financial Officer and Chief Commercial Officer, will add financial, commercial and operations experience to our Board of Directors and qualify him to serve as one of our directors.

There is no arrangement or understanding between Mr. Scavilla and any other persons pursuant to which Mr. Scavilla was appointed President and Chief Executive Officer. There are no relationships, family or otherwise, between Mr. Scavilla and the Company or any director or executive officer of the Company that would require disclosure pursuant to Items 401(d) or 404(a) of Regulation S-K, as applicable.

(d)

On April 21, 2022, the Board appointed Mr. Scavilla to serve as a member of the Board and as a member of the Nominating and Corporate Governance Committee with a term expiring at the Company’s annual meeting in 2023 to fill the vacancy created by the resignation of Mr. Demski.

See Item (c) above for background information regarding Mr. Scavilla. There is no arrangement or understanding between Mr. Scavilla and any other persons pursuant to which Mr. Scavilla was appointed as a member of the Board. There are no relationships between Mr. Scavilla and the Company that would require disclosure pursuant to Item 404(a) of Regulation S-K.

(e)

In connection with Mr. Scavilla’s appointment as President and Chief Executive Officer, the Compensation Committee of the Board (the “Compensation Committee”) approved certain changes to his compensation.

Mr. Scavilla’s base salary will increase from \$407,470 to \$450,000 and his target amount under our annual non-equity incentive program will increase from \$591,360 to \$900,000, both increases prorated for the portion of the year he serves as President and Chief Executive Officer. In addition, the Compensation Committee approved a grant to Mr. Scavilla of an option to buy 60,000 shares of Class A Common Stock pursuant to the Company’s 2021 Equity Compensation Plan. The grant was made pursuant to the Company’s customary form of option grant and will vest over a four-year period with one-fourth of the options vesting on April 21, 2023, the first

anniversary of the vesting commencement date, and the balance of the options granted vesting ratably on a monthly basis over the following 36 months. Other than the aforementioned changes, Mr. Scavilla's compensation and the terms and conditions of his existing employment agreement remain unchanged.

Item 7.01. Regulation FD Disclosure

On April 21, 2022, the Company issued a press release announcing Mr. Scavilla's appointment as a member of the Board, President and Chief Executive Officer and preliminary sales results for the first quarter ending March 31, 2022, a copy of which is attached as Exhibit 99.1 hereto.

In accordance with general instruction B.2 to Form 8-K, the information included in this Item 7.01, and the exhibits attached hereto, shall be deemed to be "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and is not to be incorporated by reference into any filing of the Company.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Press Release dated April 21, 2022
104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL. *This exhibit is furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GLOBUS MEDICAL, INC.

(Registrant)

Dated: April 21, 2022

/s/ KELLY G. HULLER

Kelly G. Huller

Senior Vice President, General Counsel & Corporate Secretary

EXHIBIT LIST

<u>Exhibit No.</u>	<u>Description</u>
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99.1*

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[Press Release dated April 21, 2022](#)

The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

*This exhibit is furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act.

Globus Medical Reports CEO Transition and Preliminary First Quarter 2022 Sales Results

AUDUBON, PA, April 21, 2022: Globus Medical, Inc. (NYSE: GMED), a leading musculoskeletal solutions company, today announced the resignation of President and Chief Executive Officer, Dave Demski, after nearly 20 years with the company, with the last four and a half years as its CEO. The Board of Directors has named Daniel T. Scavilla as the Company's President and Chief Executive Officer, effective immediately.

Globus Medical Founder and Executive Chairman, David C. Paul stated, "Dave has been a great partner to me and a truly integral part of Globus, from its humble beginnings in 2003 to a global, publicly-traded medical device company with annual revenue approaching \$1 billion. I want to personally thank him for his countless contributions over the years and wish him well as he pursues other opportunities. Dave will remain with the Company to assist with the transition through June 30, 2022."

"It has been a privilege to be part of the executive leadership of Globus Medical since its inception, working with talented and dedicated team members for almost two decades to improve the lives of patients", said Dave Demski. "This departure allows me to pursue other opportunities with the confidence that I am leaving Globus in good hands and well positioned for the future."

"Globus is fortunate to have a strong executive leadership team, and we are pleased to announce that Dan has agreed to lead Globus in executing on our strategy of becoming the pre-eminent musculoskeletal technology company in the world", said Mr. Paul. "Dan began his career with Globus in 2015 as Chief Financial Officer. In 2019, he was named Executive Vice President, Chief Commercial Officer and in 2020 also became President of Trauma. Dan came to Globus after 28 years with Johnson & Johnson, holding various positions in Finance, including CFO of Vision Care, a multi-billion dollar a year company. Over the past 7 years, Dan has become an integral part of Globus' executive team, providing steady and committed leadership that will now extend to the entire organization to drive our strategic goals."

"I'm grateful to the Board of Directors and David Paul for this opportunity. I want to thank Dave for his leadership and support of me over the past 7 years through various roles in Globus", commented Dan Scavilla, President and CEO. "I look forward to shaping the future of Globus using our cultural values, innovation engine, strong sales force and dedicated employee base worldwide to continue solving unmet clinical needs and supporting our surgeons. These are exciting times for Globus and we are well positioned to continue impacting our markets."

Globus Medical, Inc. also announced today its preliminary sales results for the first quarter ending March 31, 2022. The Company anticipates first quarter 2022 sales to be approximately \$230.5 million, an increase of 1.4% over the first quarter of 2021.

"We're pleased to deliver year on year growth against a strong comp coupled with lingering COVID impacts and softer capital purchasing in Q1," commented Dan Scavilla, President and CEO. "As we progressed through March and entered April, we've seen procedural volumes continue to increase and we remain extremely excited about our Enabling Technologies business moving ahead. Entering Q2, our robotics pipeline is robust, while our first imaging systems prepare for shipment."

2022 Annual Guidance

The Company today reaffirmed its full year 2022 guidance with expected net sales of \$1.025 billion and non-GAAP diluted earnings per share of \$2.10.

The financial results for the first quarter ended March 31, 2022 will be announced after the market close on Tuesday, May 10, 2022.

A copy of the release will be available on the Globus Medical website at www.globusmedical.com/investors.

Conference Call Information

Globus Medical will hold a teleconference to discuss its CEO transition with the investment community at 5:00 p.m. Eastern Time today. Globus invites all interested parties to join the call by dialing:

1-877-313-2501 United States Participants

1-929-517-0907 International Participants

There should be no pass code required for the teleconference, but the conference call id number is 279-1094.

For interested parties who do not wish to ask questions, the teleconference will be webcast live and may be accessed through a link on the Globus Medical website at www.globusmedical.com/investors.

The call will be archived until Thursday, April 28, 2022. The audio archive can be accessed by calling 1-855-859-2056 in the U.S. or 1-404-537-3406 from outside the U.S. The passcode for the audio replay is 279-1094.

About Globus Medical, Inc.

Based in Audubon, Pennsylvania, Globus Medical, Inc. was founded in 2003 by an experienced team of professionals with a shared vision to create products that enable surgeons to promote healing in patients with musculoskeletal disorders. Additional information can be accessed at www.globusmedical.com.

Non-GAAP Financial Measures

To supplement our financial statements prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), management uses certain non-GAAP financial measures. For example, non-GAAP Adjusted EBITDA, which represents net income before interest income, net and other non-operating expenses, provision for income taxes, depreciation and amortization, stock-based compensation expense, provision for litigation, acquisition related costs/licensing, and acquisition of in-process research and development, is useful as an additional measure of operating performance, and particularly as a measure of comparative operating performance from period to period, as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance, and it removes the effect of our capital structure, asset base, income taxes and interest income and expense. Our management also uses non-GAAP Adjusted EBITDA for planning purposes, including the preparation of our annual operating budget and financial projections. Provision for litigation represents costs incurred for litigation settlements or unfavorable verdicts when the loss is known or considered probable and the amount can be reasonably estimated, or in the case of a favorable settlement, when income is realized. Acquisition related costs/licensing represents the change in fair value of business-acquisition-related contingent consideration; costs related to integrating recently acquired businesses, including but not limited to costs to exit or convert contractual obligations, severance, and information system conversion; and specific costs related to the consummation of the acquisition process such as banker fees, legal fees, and other acquisition related professional fees, as well as one-time licensing fees. Acquisition of in-process research and development represents the expensing of acquired assets with no alternative future use and related fees.

In addition, for the period ended December 31, 2021 and for other comparative periods, we are presenting non-GAAP net income and non-GAAP Diluted Earnings Per Share, which represent net income and diluted earnings per share excluding the provision for litigation, amortization of intangibles, acquisition related costs/licensing, acquisition of in-process research and development, and the tax effects of all of the foregoing adjustments. The tax effect adjustment represents the tax effect of the pre-tax non-GAAP adjustments excluded from non-GAAP net income. The tax impact of the non-GAAP adjustments is calculated based on the consolidated effective tax rate on a GAAP basis, applied to the non-GAAP adjustments, unless the underlying item has a materially different tax treatment, in which case the estimated tax rate applicable to the adjustment is used. We believe these non-GAAP measures are also useful indicators of our operating performance, and particularly as additional measures of comparative operating performance from period to period as they remove the effects of litigation, amortization of intangibles, acquisition related costs/licensing, acquisition of in-process research and development, and the tax effects of all of the foregoing adjustments, which we believe are not reflective of underlying business trends. Additionally, for the period ended December 31, 2021 and for other comparative periods, we also define the non-GAAP measure of free cash flow as the net cash provided by operating activities, adjusted for the impact of restricted cash, less the cash impact of purchases of property and equipment. We believe that this financial measure provides meaningful information for evaluating our overall financial performance for comparative periods as it facilitates an assessment of funds available to satisfy current and future obligations and fund acquisitions. Furthermore, the non-GAAP measure of constant currency net sales growth is calculated by translating current year net sales at the same average exchange rates in effect during the applicable prior year period. We believe constant currency net sales growth provides insight to the comparative increase or decrease in period net sales, in dollar and percentage terms, excluding the effects of fluctuations in foreign currency exchange rates.

Non-GAAP adjusted EBITDA, non-GAAP net income, non-GAAP diluted earnings per share, free cash flow and constant currency net sales growth are not calculated in conformity with U.S. GAAP. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for financial measures prepared in accordance with U.S. GAAP. These measures do not include certain expenses that may be necessary to evaluate our liquidity or operating results. Our definitions of non-GAAP

adjusted EBITDA, non-GAAP net income, non-GAAP diluted earnings per share, free cash flow and constant currency net sales growth may differ from that of other companies and therefore may not be comparable.

Safe Harbor Statements

All statements included in this press release other than statements of historical fact are forward-looking statements and may be identified by their use of words such as “believe,” “may,” “might,” “could,” “will,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “plan” and other similar terms. These forward-looking statements are based on our current assumptions, expectations and estimates of future events and trends. Forward-looking statements are only predictions and are subject to many risks, uncertainties and other factors that may affect our businesses and operations and could cause actual results to differ materially from those predicted. These risks and uncertainties include, but are not limited to, health epidemics, pandemics and similar outbreaks, including the COVID-19 pandemic, factors affecting our quarterly results, our ability to manage our growth, our ability to sustain our profitability, demand for our products, our ability to compete successfully (including without limitation our ability to convince surgeons to use our products and our ability to attract and retain sales and other personnel), our ability to rapidly develop and introduce new products, our ability to develop and execute on successful business strategies, our ability to comply with laws and regulations that are or may become applicable to our businesses, our ability to safeguard our intellectual property, our success in defending legal proceedings brought against us, trends in the medical device industry, general economic conditions, and other risks. For a discussion of these and other risks, uncertainties and other factors that could affect our results, you should refer to the disclosure contained in our most recent annual report on Form 10-K filed with the Securities and Exchange Commission, including the sections labeled “Risk Factors” and “Cautionary Note Concerning Forward-Looking Statements,” and in our Forms 10-Q, Forms 8-K and other filings with the Securities and Exchange Commission. These documents are available at www.sec.gov. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for us to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements contained in this press release speak only as of the date of this press release. We undertake no obligation to update any forward-looking statements as a result of new information, events or circumstances or other factors arising or coming to our attention after the date hereof.

Contact:

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