



Fourth Quarter-FY21 Financial Results and 2022 Financial Guidance

Supplemental information

February 23, 2022

Forward-looking statements

NuVasive, Inc. (“NuVasive” or the “Company”) cautions you that statements included in this presentation that are not a description of historical facts are forward-looking statements that involve risks, uncertainties, assumptions and other factors which, if they do not materialize or prove correct, could cause NuVasive's results to differ materially from historical results or those expressed or implied by such forward-looking statements.

In addition, this presentation contains selected financial results from the fourth quarter and full year 2021, as well as projections for 2022 financial guidance and expectations regarding longer-term financial performance. The Company's projections for 2022 financial guidance and expectations regarding longer-term financial performance represent initial estimates, and are subject to the risk of being inaccurate because of the preliminary nature of the forecasts, the risk of further adjustment, or unanticipated difficulty in selling products or generating expected profitability. The potential risks and uncertainties which contribute to the uncertain nature of these statements include, among others, the impact of the COVID-19 pandemic on the Company's business and financial results; the Company's ability to maintain operations to support its customers and patients in the near-term and to capitalize on future growth opportunities; risks associated with acceptance of the Company's surgical products and procedures by spine surgeons and hospitals, development and acceptance of new products or product enhancements, clinical and statistical verification of the benefits achieved via the use of NuVasive's products, the Company's ability to adequately manage inventory as it continues to release new products, its ability to recruit and retain management and key personnel, and the other risks and uncertainties more fully described in the Company's news releases and periodic filings with the Securities and Exchange Commission.

NuVasive's public filings with the Securities and Exchange Commission are available at www.sec.gov. NuVasive assumes no obligation to update any forward-looking statement to reflect events or circumstances arising after the date on which it was made.

Non-GAAP financial measures

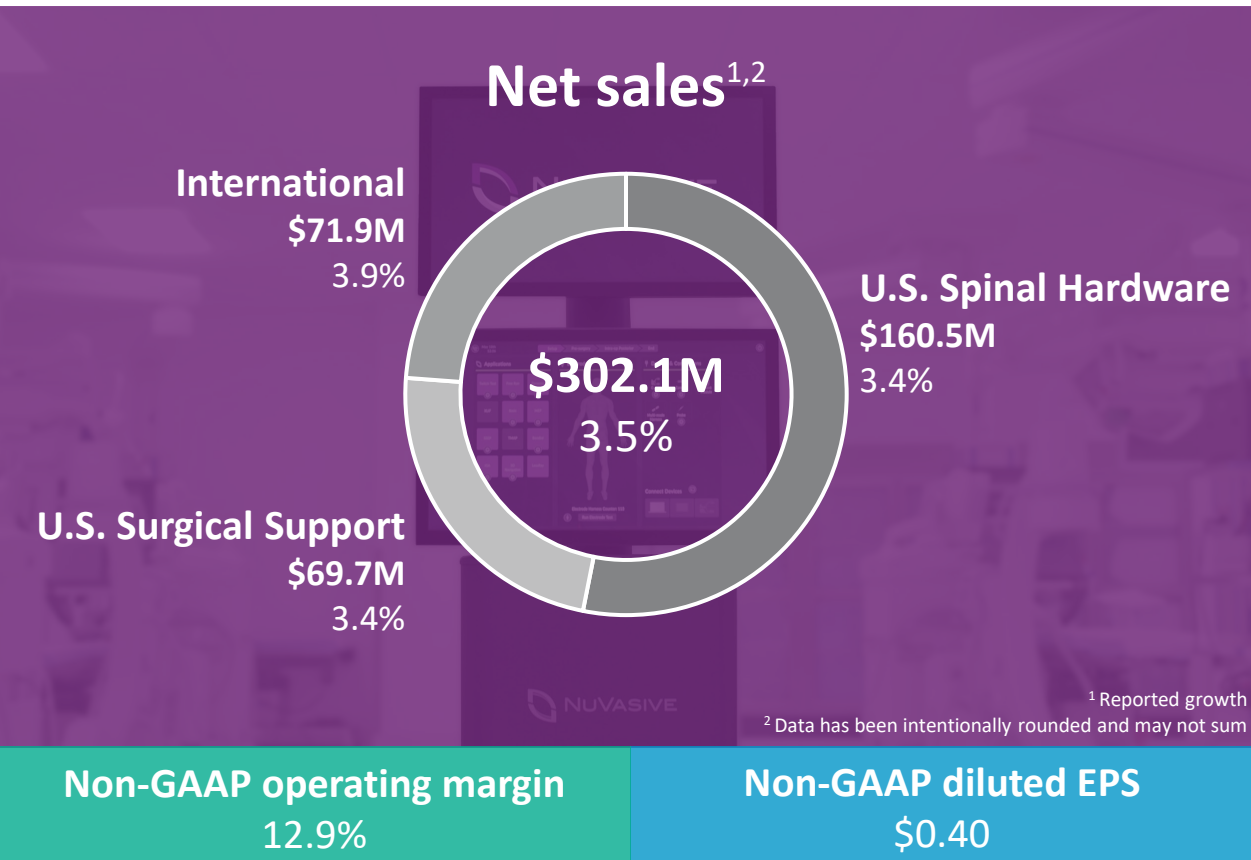
Management uses certain non-GAAP financial measures such as non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating margin, non-GAAP net income (loss), and non-GAAP diluted earnings (loss) per share. These non-GAAP financial measures exclude amortization of intangible assets, business transition costs, purchased in-process research and development, one-time restructuring charges, non-cash purchase accounting adjustments, inventory charges associated with product withdrawals, certain foreign currency impacts and related items in connection with acquisitions, investments and divestitures, certain litigation expenses and settlements, certain European medical device regulation costs, gains and losses from strategic investments, gains and losses from changes in fair value of derivatives, non-cash interest expense (excluding debt issuance cost) and other significant one-time items. Management also uses certain non-GAAP measures which are intended to exclude the impact of foreign exchange currency fluctuations. The measure constant currency utilizes an exchange rate that eliminates fluctuations when calculating financial performance numbers.

The Company also uses measures such as free cash flow, which represents cash flow from operations less cash used in the acquisition and disposition of capital. Additionally, the Company uses an adjusted EBITDA measure which represents earnings before interest, taxes, depreciation and amortization and excludes the impact of stock-based compensation, business transition costs, purchased in-process research and development, one-time restructuring charges, non-cash purchase accounting adjustments, inventory charges associated with product withdrawals, certain foreign currency impacts and related items in connection with acquisitions, investments and divestitures, certain litigation expenses and settlements, certain European medical device regulation costs, gains and losses on strategic investments, gains and losses from changes in fair value of derivatives and other significant one-time items. Management calculates the non-GAAP financial measures provided in this presentation excluding these costs and uses these non-GAAP financial measures to enable it to further and more consistently analyze the period-to-period financial performance of its core business operations. Management believes that providing investors with these non-GAAP measures gives them additional information to enable them to assess, in the same way management assesses, the Company's current and future continuing operations. These non-GAAP measures are not in accordance with, or an alternative for, GAAP, and may be different from non-GAAP measures used by other companies.

This presentation is intended to accompany and serve as a supplement to the Company's fourth quarter and full year 2021 earnings announcement, which includes financial results reported on a GAAP and non-GAAP basis. For reconciliations of non-GAAP financial measures to the comparable GAAP financial measure, please refer to the earnings announcement, as well as supplemental financial information included herein, both of which are posted on the Investor Relations section of the Company's corporate website at www.nuvasive.com.

Q4 2021 overview

Financial results and highlights for the quarter ended December 31, 2021



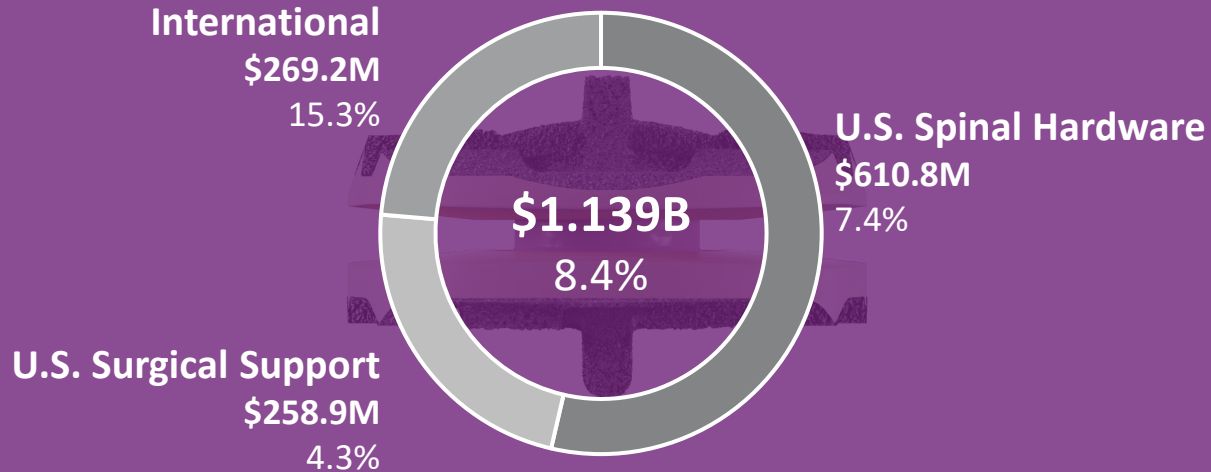
Key Q4 2021 highlights

- Company performs first commercial **Pulse platform** cases
- **C360 portfolio** delivers **double-digit growth**
- Company opens and completes first labs at **East Coast Experience Center** in New York metropolitan area

Full year 2021 overview

Financial results and highlights for the year ended December 31, 2021

Net sales^{1,2}



¹ Reported growth

² Data has been intentionally rounded and may not sum

Non-GAAP operating margin
12.8%

Non-GAAP diluted EPS
\$1.68

Key full year 2021 highlights

- **Pulse** platform demonstrates **strong performance** in early adoption
- NuVasive **Simplify Cervical Disc** exceeds expectations in first year
- NuVasive is now the **market leader in ALIF**
- **International** delivers **double-digit net sales growth**

Full year 2022 financial guidance

NuVasive financial performance guidance as of February 23, 2022

	GAAP	Non-GAAP
Net sales growth (reported)*	5.0%-8.0%	5.0%-8.0%
Net sales growth (constant currency)*		6.0%-9.0%
Operating margin	6.7%-8.2%	13.0%-14.5%
Diluted earnings per share	\$0.71-\$1.01	\$2.05-\$2.35

* Reflects expectations for net sales growth in 2022 compared to 2021. Net sales growth on a constant currency basis excludes year over year currency fluctuations, which the Company expects will create a negative impact of approximately 100 bps in 2022.



Q4 2021 GAAP to non-GAAP select financial information

in thousands except per share data

	Non-GAAP Adjustments								Q4 2021 non-GAAP	Q4 2020 non-GAAP	Year-Over-Year Increase / (Decrease)
	Q4 2021 GAAP	Amortization of intangible assets	Litigation ¹	Business transition ²	Inventory charges associated with product withdrawals	European medical device regulation ³	Net gain on strategic investments	Other adjustments			
Net sales \$	302,074	—	—	—	—	—	—	—	302,074	291,807	3.5%
Cost of sales	83,534	—	—	(556)	—	—	—	—	82,978	82,922	0.1%
Gross profit	218,540	—	—	556	—	—	—	—	219,096	208,885	4.9%
Gross margin	72.3%								72.5%	71.6%	90 bps
Operating expenses											
Selling, general and administrative	160,678	—	(2,874)	—	—	—	(645)	—	157,159	142,509	10.3%
<i>% of net sales</i>	<i>53.2%</i>	—	—	—	—	—	—	—	<i>52.0%</i>	<i>48.8%</i>	<i>320 bps</i>
Research and development	25,233	—	—	—	—	—	(2,141)	—	23,092	20,304	13.7%
<i>% of net sales</i>	<i>8.4%</i>	—	—	—	—	—	—	—	<i>7.6%</i>	<i>7.0%</i>	<i>60 bps</i>
Amortization of intangible assets	14,079	(14,079)	—	—	—	—	—	—	—	—	—
Business transition costs	47,031	—	—	(47,031)	—	—	—	—	—	—	—
Operating (loss) profit	(28,481)	14,079	2,874	47,587	—	—	2,786	—	38,845	46,072	(15.7%)
Operating margin	(9.4%)								12.9%	15.8%	(290 bps)
Interest and other expense, net	5,397	—	—	2,471	—	—	981	—	8,849	6,337	39.6%
Income tax expense ⁴	2,858	—	—	—	—	—	—	6,443	9,301	9,361	(0.6%)
Consolidated net (loss) income	(36,736)	14,079	2,874	45,116	—	—	2,786	(981)	20,695	30,374	(31.9%)
Diluted EPS \$	(0.71)								0.40	0.59	(32.2%)
WASO ⁵	51,735							593	52,328	51,870	

¹ Represents expenses associated with certain ongoing litigation matters, including infringement of the Company's intellectual property.

² Costs related to acquisition, integration and business transition activities which include severance, relocation, consulting, leasehold exit costs, third-party merger and acquisitions costs, contingent consideration fair value adjustments, and other costs directly associated with such activities.

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⁴ Represents the impact from tax affecting the adjustments above at their statutory tax rate.

⁵ Adjusted non-GAAP diluted WASO excludes the impact of dilutive convertible notes for which Company is economically hedged through its anti-dilutive bond hedge arrangements.

Full year 2021 GAAP to non-GAAP select financial information

in thousands except per share data

	Non-GAAP Adjustments							Full year 2021 non-GAAP	Full year 2020 non-GAAP	Year-Over-Year Increase / (Decrease)
	Full year 2021 GAAP	Amortization of intangible assets	Litigation ¹	Business transition ²	Inventory charges associated with product withdrawals ³	European medical device regulation ⁴	Net gain on strategic investments			
Net sales \$	1,138,988	—	—	—	—	—	—	1,138,988	1,050,582	8.4%
Cost of sales	322,278	—	—	(1,855)	(14,215)	—	—	306,208	319,925	(4.3%)
Gross profit	816,710	—	—	1,855	14,215	—	—	832,780	730,657	14.0%
Gross margin	71.7%							73.1%	69.5%	360 bps
Operating expenses										
Selling, general and administrative	610,085	—	(6,884)	—	—	(2,383)	—	600,818	538,469	11.6%
<i>% of net sales</i>	<i>53.6%</i>	—	—	—	—	—	—	<i>52.8%</i>	<i>51.3%</i>	<i>150 bps</i>
Research and development	92,626	—	—	—	—	(6,098)	—	86,528	75,581	14.5%
<i>% of net sales</i>	<i>8.1%</i>	—	—	—	—	—	—	<i>7.6%</i>	<i>7.2%</i>	<i>40 bps</i>
Amortization of intangible assets	57,309	(57,309)	—	—	—	—	—	—	—	—
Business transition costs	68,719	—	—	(68,719)	—	—	—	—	—	—
Operating (loss) profit	(12,029)	57,309	6,884	70,574	14,215	8,482	—	145,435	116,607	24.7%
Operating margin	(1.1%)							12.8%	11.1%	170 bps
Interest and other expense, net	46,355	—	—	(21,202)	—	—	3,082	28,235	32,413	(12.9%)
Income tax expense ⁵	5,702	—	—	—	—	—	—	29,414	20,431	44.0%
Consolidated net (loss) income	(64,086)	57,309	6,884	91,776	14,215	8,482	(3,082)	87,786	63,763	37.7%
Diluted EPS \$	(1.24)							1.68	1.23	36.6%
WASO ⁶	51,589						631	52,220	51,992	

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⁶ Adjusted non-GAAP diluted WASO excludes the impact of dilutive convertible notes for which Company is economically hedged through its anti-dilutive bond hedge arrangements.

Q4 2020 GAAP to non-GAAP select financial information

in thousands except per share data

	Non-GAAP Adjustments									Q4 2020 non-GAAP	Q4 2019 non-GAAP	Year-Over-Year Increase / (Decrease)
	Q4 2020 GAAP	Amortization of intangible assets	Litigation ¹	Business transition ²	Purchase of in-process research and development	European medical device regulation ³	Non-cash interest expense on convertible notes	Net gain on strategic investments	Other adjustments			
Net sales \$	291,807	—	—	—	—	—	—	—	—	291,807	310,354	(6.0%)
Cost of sales	84,628	—	—	—	—	(1,706)	—	—	—	82,922	83,256	(0.4%)
Gross profit	207,179	—	—	—	—	1,706	—	—	—	208,885	227,098	(8.0%)
Gross margin	71.0%									71.6%	73.2%	(160 bps)
Operating expenses												
Selling, general and administrative	144,260	—	(1,310)	—	—	(441)	—	—	—	142,509	158,005	(9.8%)
<i>% of net sales</i>	<i>49.4%</i>	—	—	—	—	—	—	—	—	<i>48.8%</i>	<i>50.9%</i>	<i>(210 bps)</i>
Research and development	21,771	—	—	—	—	(1,467)	—	—	—	20,304	18,267	11.2%
<i>% of net sales</i>	<i>7.5%</i>	—	—	—	—	—	—	—	—	<i>7.0%</i>	<i>5.9%</i>	<i>110 bps</i>
Amortization of intangible assets	12,576	(12,576)	—	—	—	—	—	—	—	—	—	—
Business transition costs	8,337	—	—	(8,337)	—	—	—	—	—	—	—	—
Purchase of in-process research and development	—	—	—	—	—	—	—	—	—	—	—	—
Operating profit	20,235	12,576	1,310	8,337	—	3,614	—	—	—	46,072	50,826	(9.4%)
Operating margin	6.9%									15.8%	16.4%	(60 bps)
Interest and other expense, net	19,171	—	—	—	—	—	(12,844)	10	—	6,337	4,527	40.0%
Income tax (benefit) expense ⁴	(628)	—	—	—	—	—	—	—	9,989	9,361	7,784	20.3%
Consolidated net income	1,692	12,576	1,310	8,337	—	3,614	12,844	(10)	(9,989)	30,374	38,515	(21.1%)
Diluted EPS \$	0.03									0.59	0.73	(19.2%)
WASO ⁵	51,870									51,870	52,979	

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Full Year 2020 GAAP to non-GAAP select financial information

in thousands except per share data

	Non-GAAP Adjustments									Full year 2020 non-GAAP	Full year 2019 non-GAAP	Year-Over-Year Increase / (Decrease)
	Full year 2020 GAAP	Amortization of intangible assets	Litigation ¹	Business transition ²	Purchase of in-process research and development	European medical device regulation ³	Non-cash interest expense on convertible notes	Net gain on strategic investments	Other adjustments			
Net sales \$	1,050,582	—	—	—	—	—	—	—	—	1,050,582	1,168,070	(10.1%)
Cost of sales	321,631	—	—	—	—	(1,706)	—	—	—	319,925	312,357	2.4%
Gross profit	728,951	—	—	—	—	1,706	—	—	—	730,657	855,713	(14.6%)
Gross margin	69.4%									69.5%	73.3%	(380 bps)
Operating expenses												
Selling, general and administrative	547,195	—	(6,996)	—	—	(1,730)	—	—	—	538,469	599,896	(10.2%)
<i>% of net sales</i>	<i>52.1%</i>	—	—	—	—	—	—	—	—	<i>51.3%</i>	<i>51.4%</i>	<i>(10 bps)</i>
Research and development	79,838	—	—	—	—	(4,257)	—	—	—	75,581	70,802	6.8%
<i>% of net sales</i>	<i>7.6%</i>	—	—	—	—	—	—	—	—	<i>7.2%</i>	<i>6.1%</i>	<i>110 bps</i>
Amortization of intangible assets	51,726	(51,726)	—	—	—	—	—	—	—	—	—	—
Business transition costs	10,878	—	—	(10,878)	—	—	—	—	—	—	—	—
Purchase of in-process research and development	1,011	—	—	—	(1,011)	—	—	—	—	—	—	—
Operating profit	38,303	51,726	6,996	10,878	1,011	7,693	—	—	—	116,607	185,015	(37.0%)
Operating margin	3.7%									11.1%	15.8%	(470 bps)
Interest and other expense, net	85,848	—	—	—	—	—	(40,866)	(268)	(12,301)	32,413	20,149	60.9%
Income tax (benefit) expense ⁴	(10,392)	—	—	—	—	—	—	—	30,823	20,431	35,065	(41.7%)
Consolidated net (loss) income	(37,153)	51,726	6,996	10,878	1,011	7,693	40,866	268	(18,522)	63,763	129,801	(50.9%)
Diluted EPS \$	(0.72)									1.23	2.47	(50.2%)
WASO ⁵	51,416								576	51,992	52,629	

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Net sales supplemental information*

Financial results for the quarter and full year ended December 31, 2021; Growth rates below include net sales versus 2019 and 2020, as 2019 provides a more normalized baseline for comparison given the variability in net sales results over 2020 and 2021 due to impacts from the COVID-19 pandemic.

Net sales trend

(\$ in millions)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
U.S. Spinal Hardware	147.8	160.2	160.0	168.9	637.0	138.5	113.8	161.2	155.2	568.7	145.2	160.1	145.1	160.5	610.8
U.S. Surgical Support	72.2	73.9	71.9	77.3	295.3	64.3	47.2	69.5	67.4	248.3	61.2	67.6	60.5	69.7	258.9
International	54.8	57.9	59.0	64.1	235.8	57.1	42.6	64.6	69.2	233.6	64.8	67.2	65.3	71.9	269.2
Total Net Sales	274.8	292.1	290.8	310.4	1,168.1	259.9	203.6	295.3	291.8	1,050.6	271.2	294.8	270.8	302.1	1,139.0

Q4 2021 net sales growth overview

	From 2020			From 2019		
	Reported	Fx	ExFx	Reported	Fx	ExFx
U.S. Spinal Hardware	3.4%	—	3.4%	(5.0%)	—	(5.0%)
U.S. Surgical Support	3.4%	—	3.4%	(9.9%)	—	(9.9%)
International	3.9%	4.0%	7.9%	12.2%	0.9%	13.2%
Total Net Sales	3.5%	0.9%	4.5%	(2.7%)	0.2%	(2.5%)

Full year 2021 net sales growth overview

	From 2020			From 2019		
	Reported	Fx	ExFx	Reported	Fx	ExFx
U.S. Spinal Hardware	7.4%	—	7.4%	(4.1%)	—	(4.1%)
U.S. Surgical Support	4.3%	—	4.3%	(12.3%)	—	(12.3%)
International	15.3%	(1.5%)	13.7%	14.2%	(1.6%)	12.5%
Total Net Sales	8.4%	(0.3%)	8.1%	(2.5%)	(0.3%)	(2.8%)

* Data has been intentionally rounded and may not sum

Full year 2022 financial guidance reconciliation of GAAP to Non-GAAP EPS

Full year 2022 financial guidance reconciliation of GAAP to non-GAAP EPS

	2021 Actuals ¹		2022 Guidance range ^{1,2}	
GAAP diluted earnings (loss) per share	\$	(1.24)	\$	0.71 – 1.01
Impact of change to diluted share count ³		0.02		~0.15
Amortization of intangible assets		1.10		~1.05
European medical device regulation ⁴		0.16		~0.30
Inventory charges associated with product withdrawals ⁵		0.27		-
Other ⁶		1.83		~0.14
Tax effect of adjustments ⁷		(0.45)		~(0.30)
Non-GAAP diluted earnings per share	\$	1.68	\$	2.05 – 2.35

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² Guidance reflects the range provided February 23, 2022.

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⁶ Includes costs primarily associated with litigation related expenses and settlements, non-cash acquisition-related foreign currency impacts, non-cash purchase accounting adjustments on acquisitions, net gain on strategic investments and business transition costs. See Reconciliation of GAAP to Non-GAAP Financial Measures tables within respective earnings releases for further detail.

⁷ Represents the impact from tax affecting the adjustments above at their statutory tax rate.

Full year 2022 financial guidance reconciliation of GAAP to Non-GAAP operating margin %

Full year 2022 financial guidance reconciliation of GAAP to non-GAAP operating margin %

	2021 Actuals ¹	2022 Guidance range ^{1, 2}
GAAP operating margin %	(1.1%)	6.7% - 8.2%
Amortization of intangible assets	5.0%	~4.5%
European medical device regulation ³	0.7%	~1.3%
Inventory charges associated with product withdrawals ⁴	1.3%	-
Other ⁵	6.8%	~0.5%
Non-GAAP operating margin %	12.8%	13.0% - 14.5%

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⁵ Includes costs primarily associated with litigation related expenses and settlements, non-cash purchase accounting adjustments on acquisitions, and business transition costs. See Reconciliation of GAAP to Non-GAAP Financial Measures tables within respective earnings releases for further detail.

For questions, please contact:

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