



First Quarter 2023 Financial Results

Supplemental information to Q1 2023 earnings press release

May 10, 2023

Cautionary notes on forward-looking statements

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “may,” “target,” and similar expressions and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about NuVasive’s net sales outlook for 2023 and expectations regarding longer-term financial performance, and the consummation of the proposed transaction with Globus Medical and the anticipated benefits thereof. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements, including the failure to consummate the proposed transaction or to make any filing or take other action required to consummate such transaction in a timely matter or at all. Important risk factors that may cause such a difference include, but are not limited to: (i) the impact of the COVID-19 pandemic on NuVasive’s business and financial results; (ii) further deterioration of general macroeconomic conditions, including inflationary pressures, disruptions to the global supply chain, fluctuations in currency exchange rates, higher freight and labor costs, and weakness in economic conditions generally; (iii) NuVasive’s ability to maintain operations to support its customers and patients in the near-term and to capitalize on future growth opportunities; (iv) risks associated with acceptance of NuVasive’s surgical products and procedures by spine surgeons and hospitals, (v) development and acceptance of new products or product enhancements, (vi) clinical and statistical verification of the benefits achieved via the use of NuVasive’s products, (vii) NuVasive’s ability to adequately manage inventory as it continues to release new products, (viii) the remaining conditions to closing of the transaction with Globus Medical may not be satisfied on a timely basis or at all, including obtaining regulatory approval, (ix) the anticipated tax treatment of the transaction may not be obtained, (x) the potential impact of unforeseen liabilities, future capital expenditures, revenues, costs, expenses, earnings, synergies, economic performance, indebtedness, financial condition and losses on the future prospects, business and management strategies for the management, expansion and growth of the combined business after the consummation of the transactions, (xi) potential litigation relating to the proposed transaction that could be instituted against Globus Medical, NuVasive or their respective directors, (xii) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transactions, (xiii) any negative effects of the announcement, pendency or consummation of the transactions on the market price of Globus Medical’s or NuVasive’s common stock and on Globus Medical’s or NuVasive’s businesses or operating results, (xiv) risks associated with third party contracts containing consent and/or other provisions that may be triggered by the proposed transaction, (xv) the risks and costs associated with the integration of, and the ability of Globus Medical and NuVasive to integrate, their businesses successfully and to achieve anticipated synergies, (xvi) the risk that disruptions from the proposed transaction will harm Globus Medical’s or NuVasive’s business, including current plans and operations, (xvii) the ability of Globus Medical or NuVasive to retain and hire key personnel and uncertainties arising from leadership changes, (xviii) legislative, regulatory and economic developments, and (xix) the other risks described in Globus Medical’s and NuVasive’s most recent annual reports on Form 10-K and quarterly reports on Form 10-Q. In addition, this communication contains selected financial results for NuVasive for the period ended March 31, 2023 which are prior to the completion of review and audit procedures by NuVasive’s external auditors and are subject to adjustment. NuVasive’s projections for 2023 net sales 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.

These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus included in the registration statement on Form S-4 initially filed by Globus Medical with the U.S. Securities and Exchange Commission (“SEC”) on March 10, 2023, as amended on March 24, 2023, in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the registration statement on Form S-4 are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Globus Medical’s or NuVasive’s consolidated financial condition, results of operations, credit rating or liquidity. Neither Globus Medical nor NuVasive assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

Legal disclaimers

No Offer

This communication is for informational purposes only and is not intended to and does not constitute an offer to subscribe for, buy or sell, or the solicitation of an offer to subscribe for, buy or sell, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, sale or solicitation would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Important Information About the Transaction and Where To Find It

This communication references the proposed business combination of NuVasive and Globus Medical. In connection with the proposed transaction, Globus Medical filed a registration statement on Form S-4 with the SEC on March 10, 2023, which was amended on March 24, 2023, and that includes a joint proxy statement/prospectus. The registration statement on Form S-4, including the joint proxy statement/prospectus, provides details of the proposed transaction and the attendant benefits and risks. The registration statement was declared effective on March 28, 2023, and NuVasive filed a definitive proxy statement on March 28, 2023. Globus Medical and NuVasive commenced mailing of the definitive joint proxy statement/prospectus to their respective stockholders on March 29, 2023. Globus Medical and NuVasive may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the joint proxy statement/prospectus or the registration statement on Form S-4 or any other document which Globus Medical or NuVasive may file with the SEC. INVESTORS AND SECURITY HOLDERS OF GLOBUS MEDICAL AND NUVASIVE ARE URGED TO READ THE REGISTRATION STATEMENT, INCLUDING THE JOINT PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The documents filed by Globus Medical or NuVasive with the SEC will be available free of charge at the SEC's website (www.sec.gov) and from Globus Medical and NuVasive, as applicable. Requests for copies of the joint proxy statement/ prospectus and other documents filed by Globus Medical with the SEC may be made by contacting Keith Pfeil, Chief Financial Officer, by phone at (610) 930-1800 or by email at kpfeil@globusmedical.com, and request for copies of the joint proxy statement/prospectus and other documents filed by NuVasive may be made by contacting Matt Harbaugh, Chief Financial Officer, by phone at (858) 210-2129 or by email at investorrelations@nuvasive.com.

Non-GAAP financial measures

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, costs related to the proposed merger with Globus Medical, 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, costs related to the proposed merger with Globus Medical, 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 earnings release 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. Set forth below in the financial tables accompanying this press release are reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measure.

This presentation is intended to accompany and serve as a supplement to the Company's first quarter 2023 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.

Globus Medical and NuVasive to Combine in All-Stock Transaction

Announced on February 9, 2023



Complementary global footprint to support more patients and surgeons



Comprehensive and innovative portfolio in spine and orthopedics



Continued commitment to product development and surgeon education



Expands operational capabilities



Compelling upside revenue potential

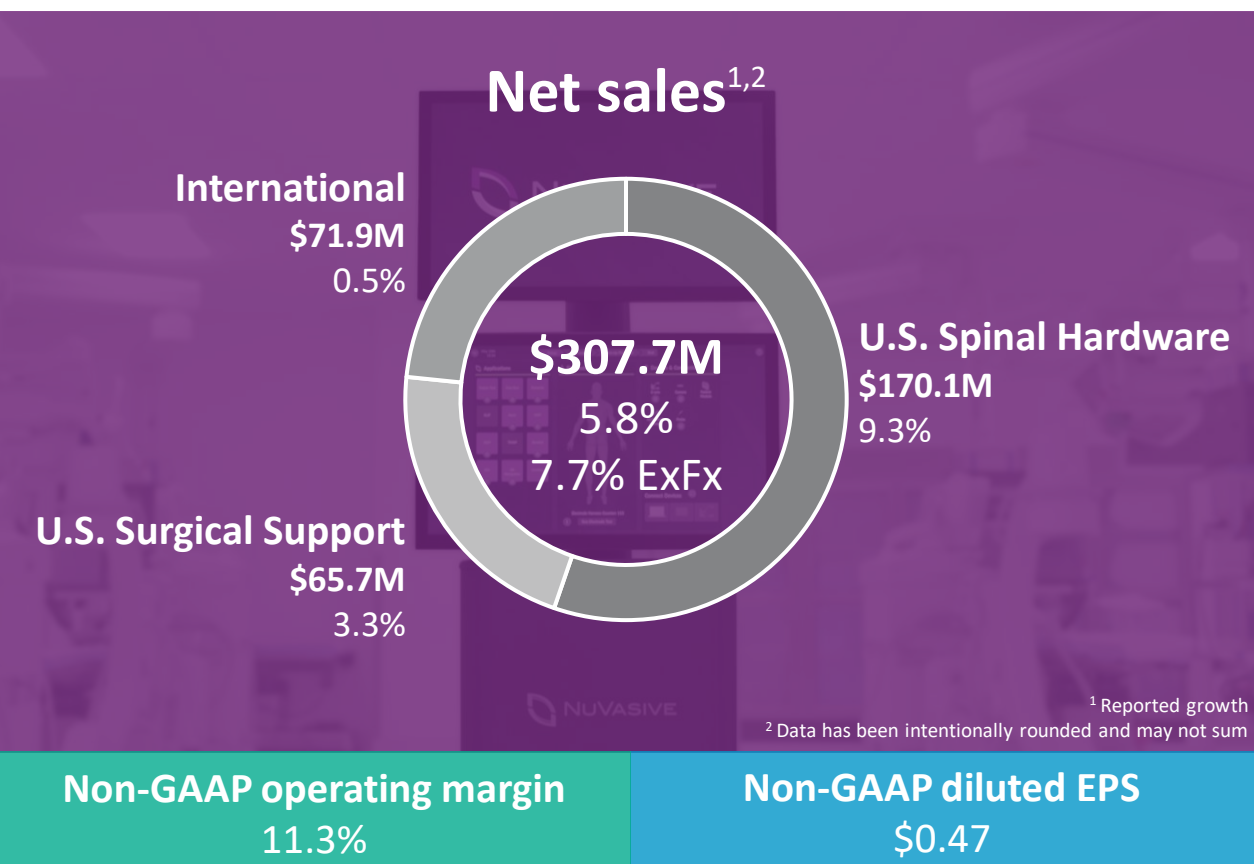


Strong financial profile and value creation opportunity for shareholders



First quarter 2023 overview

Financial results and highlights for the quarter ended March 31, 2023



Key first quarter 2023 highlights

- **Continued above-market worldwide net sales growth**, driven by further adoption of new products and higher procedural volumes in the U.S.
- **U.S. cervical** delivers sixth consecutive quarter of greater than 20% growth, driven by C360 and the Simplify Cervical Disc
- **International** growth of 8.3% on a constant currency basis

First quarter 2023 GAAP to non-GAAP select financial information

In thousands except per share data

	Non-GAAP Adjustments							Q1 2023 Non-GAAP	Q1 2022 Non-GAAP	Year-Over-Year Increase / (Decrease)
	Q1 2023 GAAP	Amortization of intangible assets	Litigation ¹	Business transition ²	European medical device regulation ³	Net gain on strategic investments	Other adjustments			
Net sales \$	307,711	—	—	—	—	—	—	307,711	290,762	5.8%
Cost of sales	86,370	—	—	—	—	—	—	86,370	78,540	10.0%
Gross profit	221,341	—	—	—	—	—	—	221,341	212,222	4.3%
Gross margin	71.9%							71.9%	73.0%	(110 bps)
Operating expenses										
Selling, general and administrative	176,192	—	(10,402)	—	(379)	—	—	165,411	156,639	5.6%
<i>% of net sales</i>	<i>57.3%</i>	—	—	—	—	—	—	<i>53.8%</i>	<i>53.9%</i>	<i>(10 bps)</i>
Research and development	24,573	—	—	—	(3,375)	—	—	21,198	21,608	(1.9%)
<i>% of net sales</i>	<i>8.0%</i>	—	—	—	—	—	—	<i>6.9%</i>	<i>7.4%</i>	<i>(50 bps)</i>
Amortization of intangible assets	8,796	(8,796)	—	—	—	—	—	—	—	—
Business transition costs	4,614	—	—	(4,614)	—	—	—	—	—	—
Operating profit	7,166	8,796	10,402	4,614	3,754	—	—	34,732	33,975	2.2%
Operating margin	2.3%							11.3%	11.7%	(40 bps)
Interest and other (income) expense, net	6,986	—	—	(5,183)	—	310	—	2,113	(2,590)	(181.6%)
Income tax expense ⁴	1,193	—	—	—	—	—	6,669	7,862	8,409	(6.5%)
Consolidated net (loss) income	(1,013)	8,796	10,402	9,797	3,754	(310)	(6,669)	24,757	28,156	(12.1%)
Diluted EPS \$	(0.02)							0.47	0.54	(13.0%)
WASO⁵	52,242						536	52,778	52,410	

¹ Represents expenses and settlements associated with certain ongoing litigation matters.

² Costs related to acquisition, integration and business transition activities which include severance, relocation, consulting, leasehold exit costs, costs related to the proposed merger with Globus Medical, third-party acquisition costs, contingent consideration fair value adjustments, and other costs directly associated with such activities, as well as non-cash adjustments to acquisition-related intercompany balances and contingent consideration liabilities held in a foreign currency.

³ Represents costs specific to updating our quality system, product labeling, asset write-offs and product remanufacturing to comply with European medical device regulation.

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.

First quarter 2022 GAAP to non-GAAP select financial information

In thousands except per share data

	Non-GAAP Adjustments						Q1 2022 Non-GAAP	Q1 2021 Non-GAAP	Year-Over-Year Increase / (Decrease)
	Q1 2022 GAAP	Amortization of intangible assets	Litigation ¹	Business transition ²	European medical device regulation ³	Other adjustments			
Net sales \$	290,762	—	—	—	—	—	290,762	271,249	7.2%
Cost of sales	79,097	—	—	(557)	—	—	78,540	71,625	9.7%
Gross profit	211,665	—	—	557	—	—	212,222	199,624	6.3%
Gross margin	72.8%						73.0%	73.6%	(60 bps)
Operating expenses									
Selling, general and administrative	160,281	—	(3,201)	—	(441)	—	156,639	143,515	9.1%
<i>% of net sales</i>	<i>55.1%</i>	—	—	—	—	—	<i>53.9%</i>	<i>52.9%</i>	<i>100 bps</i>
Research and development	23,358	—	—	—	(1,750)	—	21,608	20,827	3.7%
<i>% of net sales</i>	<i>8.0%</i>	—	—	—	—	—	<i>7.4%</i>	<i>7.7%</i>	<i>(30 bps)</i>
Amortization of intangible assets	13,032	(13,032)	—	—	—	—	—	—	—
Business transition costs	3,060	—	—	(3,060)	—	—	—	—	—
Operating profit	11,934	13,032	3,201	3,617	2,191	—	33,975	35,282	(3.7%)
Operating margin	4.1%						11.7%	13.0%	(130 bps)
Interest and other (income) expense, net	(11,908)	—	—	9,318	—	—	(2,590)	10,621	(124.4%)
Income tax expense ⁴	4,641	—	—	—	—	3,768	8,409	5,631	49.3%
Consolidated net income	19,201	13,032	3,201	(5,701)	2,191	(3,768)	28,156	19,030	48.0%
Diluted EPS \$⁵	0.35						0.54	0.37	45.9%
WASO⁵	62,579					(10,169)	52,410	52,069	

¹ Represents expenses and settlements 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 inventory and contingent consideration fair market value adjustments, severance, relocation, consulting, leasehold exit costs, third-party merger and acquisitions costs, and other costs directly associated with such activities, as well as non-cash adjustments to acquisition-related intercompany balances and contingent consideration liabilities held in a foreign currency.

³ Represents costs specific to updating our quality system, product labeling, asset write-offs and product remanufacturing to comply with European medical device regulation.

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

⁵ Reported GAAP diluted EPS is calculated using Net Income plus interest and debt issuance costs on senior convertible notes whose effect is dilutive, net of tax divided by diluted WASO. Adjusted non-GAAP diluted WASO excludes the impact of dilutive convertible notes for which the Company is economically hedged through its anti-dilutive bond hedge arrangements.

Net sales supplemental information*

Financial results for the quarter ended March 31, 2023; Growth rates as compared to 2022.

Net sales trend (\$)

(\$ in millions)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
U.S. Spinal Hardware	155.6	165.1	163.5	167.8	652.1	170.1
U.S. Surgical Support	63.6	71.8	63.0	69.2	267.5	65.7
International	71.5	73.6	68.8	68.4	282.3	71.9
Total Net Sales	290.8	310.5	295.3	305.4	1,201.9	307.7

Net Sales year-over-year growth (%)

	First quarter 2023		
	Reported	FX	ExFx
U.S. Spinal Hardware	9.3%	-	9.3%
U.S. Surgical Support	3.3%	-	3.3%
International	0.5%	7.8%	8.3%
Total Net Sales	5.8%	1.9%	7.7%

* Data has been intentionally rounded and may not sum

For questions, please contact:

Juliet Cunningham

Vice President of Investor Relations

investorrelations@nuvasive.com