



ateco™

INFORMED BY EOS

# Q2 2024 FINANCIAL RESULTS

PAT MILES, CHAIRMAN & CEO | TODD KONING, EVP & CFO

JULY 31, 2024

# FORWARD LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Such statements are based on management's current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Forward-looking statements include, but are not limited to: references to the Company's revenue, balance sheet, growth, and financial outlook and commitments; planned product launches, introductions, regulatory submissions or clearances; efforts to transform sales channel; the Company's ability to compel surgeon adoption; and the Company's ability to finance its operations and sufficiency of its cash runway. Important factors that could cause actual operating results to differ significantly from those expressed or implied by such forward-looking statements include, but are not limited to: the uncertainty of success in developing new products or products currently in the pipeline; the uncertainties in the Company's ability to execute upon its strategic operating plan; the uncertainties regarding the ability to successfully license or acquire new products, and the commercial success of such products; failure to achieve acceptance of the Company's products by the surgeon community; failure to obtain FDA or other regulatory clearance or approval or unexpected or prolonged delays in the process; continuation of favorable Third-party reimbursement; unanticipated expenses or liabilities or other adverse events affecting cash flow or the Company's ability to achieve profitability; uncertainty of additional funding; product liability exposure; an unsuccessful outcome in any litigation; patent infringement claims; claims related to the Company's intellectual property; and the Company's ability to meet its financial obligations. A further list and description of these and other factors, risks and uncertainties can be found in the Company's most recent annual report, and any subsequent quarterly and current reports, filed with the Securities and Exchange Commission. ATEC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

# Q2 2024 HIGHLIGHTS

**FULFILLING COMMITMENT TO PROFITABLE SALES GROWTH**

**\$146M**  
Total revenue

**25%**  
Total revenue growth with 27% surgical revenue growth

**20%**  
Growth in new surgeon users

**15%**  
Surgical volume growth

**10%**  
Growth in average surgical revenue/ case

**\$5.6M**  
Adjusted EBITDA

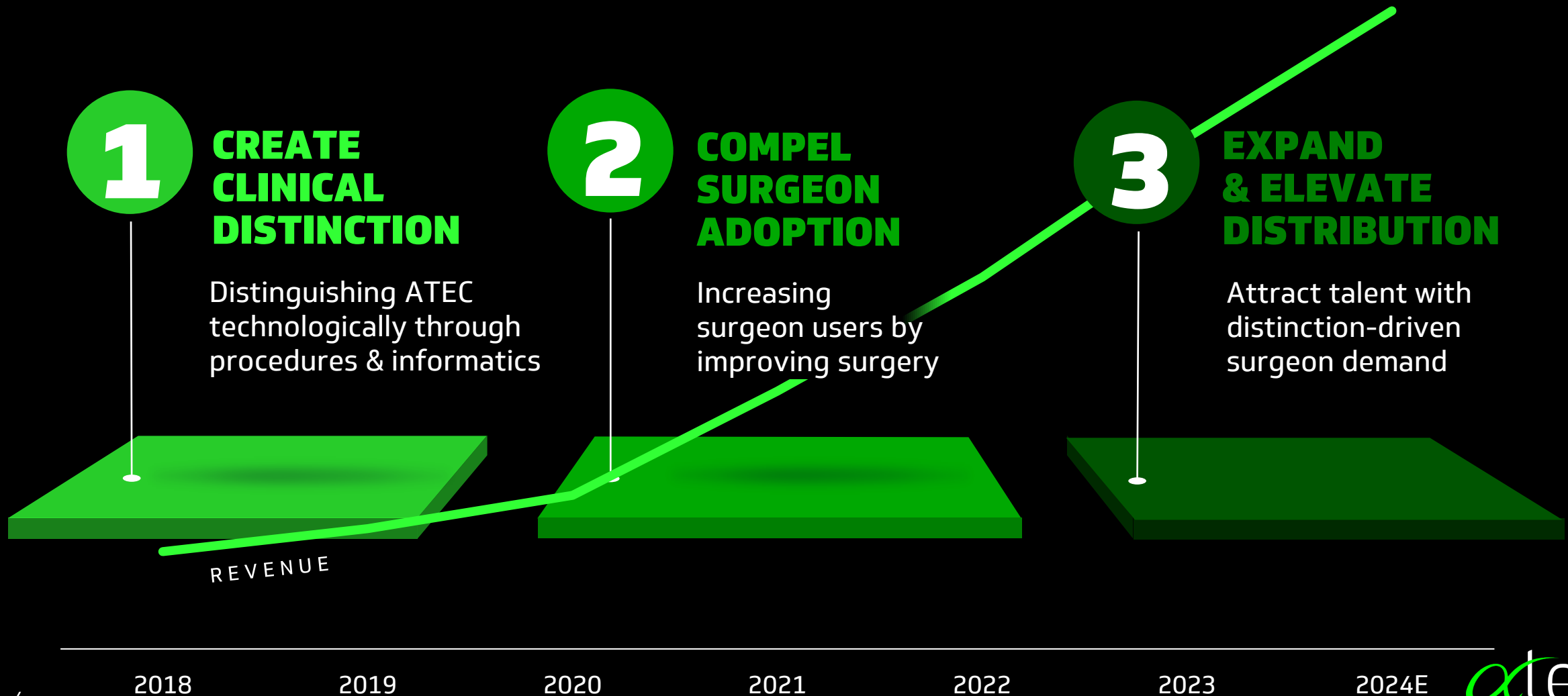
**244 SURGEON**  
Training engagements fueled by footprint expansion

**>\$50M INVESTED**  
Enabling expanded footprint to support growth in new users

**EOS INSIGHT**  
Launched ON TIME – initial installs and cases underway

# CREATING VALUE BY ADVANCING SPINE

## COMMITTED TO A DELIBERATE, SPINE-FOCUSED LONG GAME





# STEEPED IN A HISTORY OF VALUE CREATION VIA INFORMATIC INTEGRATION

Mitigating clinical variables to improve surgery



**SAFEOP**  
NEURAL INFORMATIX SYSTEM

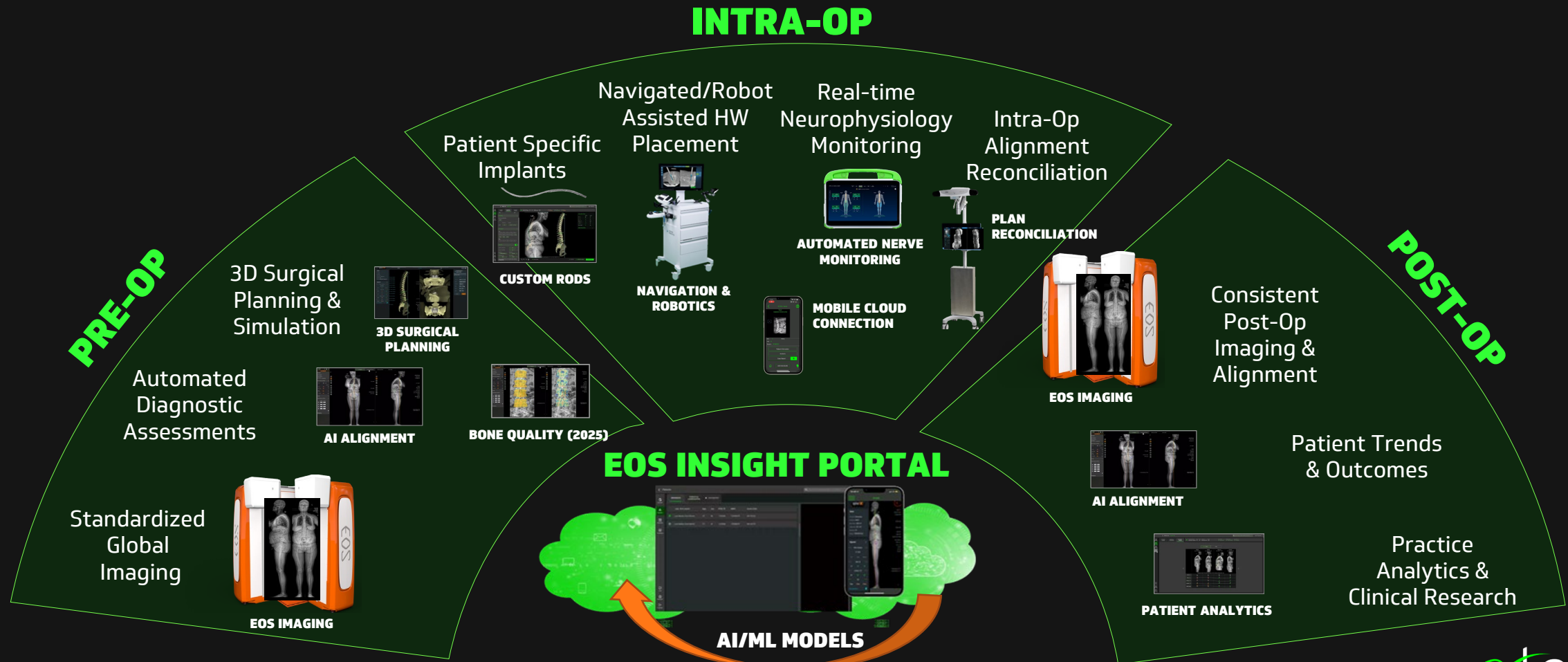
100% proprietary automation of EMGs, SSEPs, and MEPs

**PTP**  
PRONE TRANSPONSAS

**LTP**  
LATERAL TRANSPONSAS

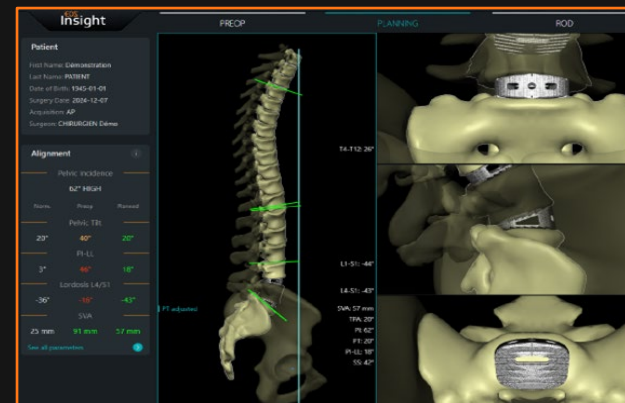
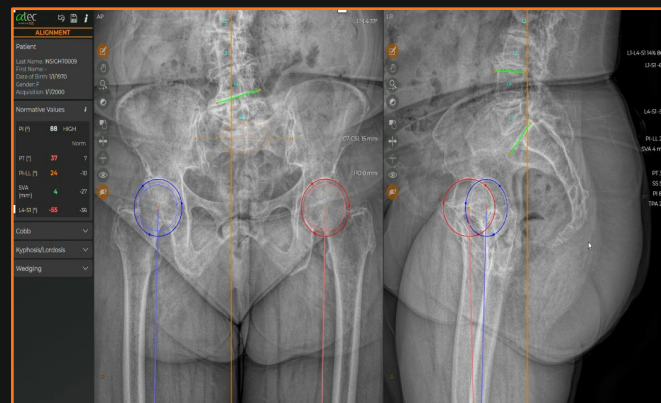
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# THE MOST EXTENSIVE INFORMATIC ECOSYSTEM



# PRE-OP SOPHISTICATION:

EOS imaging + AI-automated alignment inform surgical plan & patient-specific implants



## AI-AUTOMATED ALIGNMENT

Automated, fast, workflow-integrated, precise alignment measures

## 3D-SURGICAL PLAN

Objective, AI-created, custom surgical plan optimizes alignment with ATEC implants & applies learnings to influence future surgeries

## PATIENT-SPECIFIC RODS

Custom-bent rod created by 3D-surgical plan, delivered prior to surgery



# LATERAL INTRA-OP SOPHISTICATION

Surgical precision, nerve location & health, alignment reconciliation

## INFORMATICS



**SAFEOP**  
NEURAL INFORMATIK SYSTEM

**Neural information**  
Location & health of nerves,  
spinal cord monitoring

**VALENCE™**  
ROBOTIC NAVIGATION SYSTEM

**Navigation-enabled robotics**  
Precise trajectory,  
minimized radiation  
exposure

**EOS-10A**

**Intra-operative  
reconciliation  
to plan**



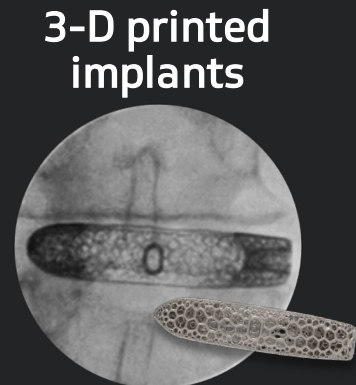
## PROCEDURE-SPECIFIC TOOLS



**Positioner**



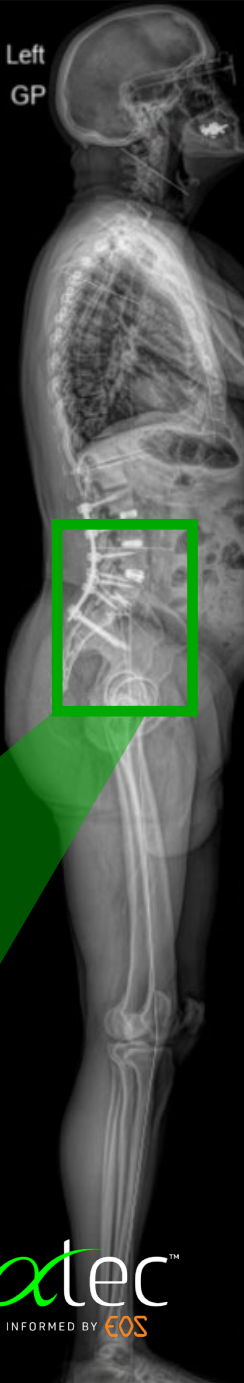
**Corpectomy**



**3-D printed  
implants**



**Expandable  
implants**



Left  
GP

# DEFORMITY INTRA-OP SOPHISTICATION

Surgical precision, spinal cord monitoring, alignment reconciliation

## INFORMATICS

## ADULT & ADOLESCENT IDIOPATHIC SCOLIOSIS - SPECIFIC TOOLS



**SAFEOP**  
NEURAL INFORMATICS SYSTEM

Neural information  
Spinal cord monitoring

**VALENCE**  
ROBOTIC NAVIGATION SYSTEM

Navigation-enabled robotics  
Precise trajectory,  
minimized radiation  
exposure

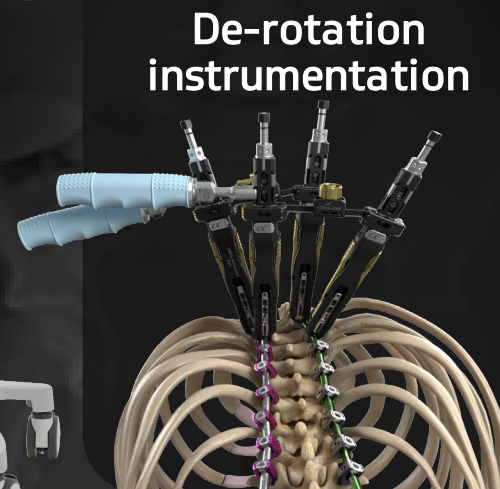
**EOS-10A**

Intra-operative  
reconciliation  
to plan



Positioner

Small-stature  
positioner,  
instruments and  
implants



De-rotation  
instrumentation

Patient-specific  
implants





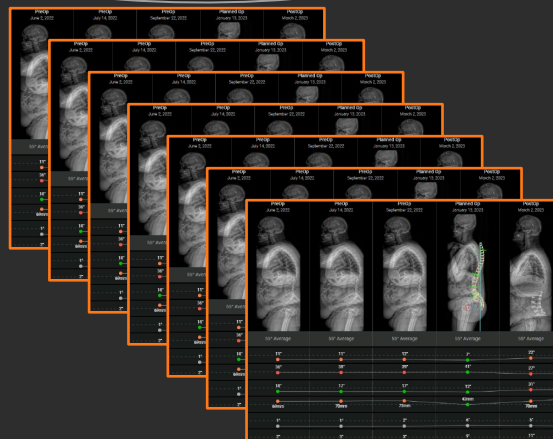
# POST-OP SOPHISTICATION:

Variable mitigation through patient & practice insights, evolution through learning

## AUTOMATED DATA COLLECTION



**PATIENT**



**PRACTICE**



**LEARNING > EVOLUTION**

**INSIGHTS TO IMPROVE FUTURE SURGERIES**

# EOS INSIGHT LAUNCH

Integrating the power of EOS imaging, automation & AI into the O.R.



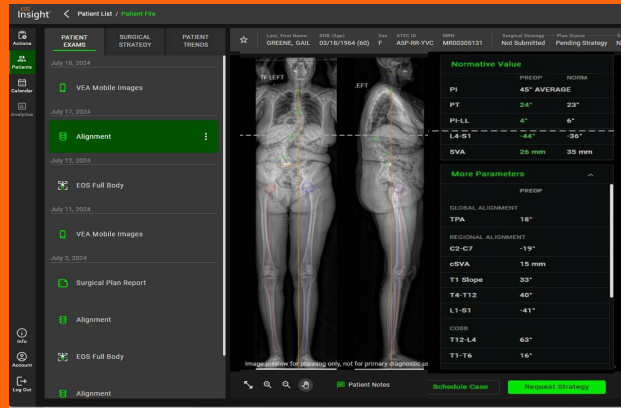
CRAIG MCMAINS, MD DAVID SCHWARTZ, MD

## PRE-OP

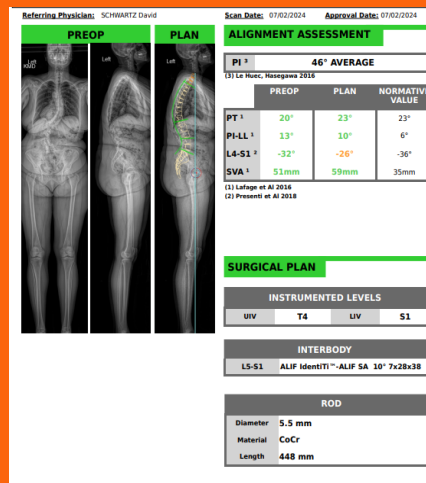
## INTRA-OP

## POST-OP

### AI-AUTOMATED ALIGNMENT



### CUSTOM SURGICAL PLAN



### 3D SURGICAL PLANNING



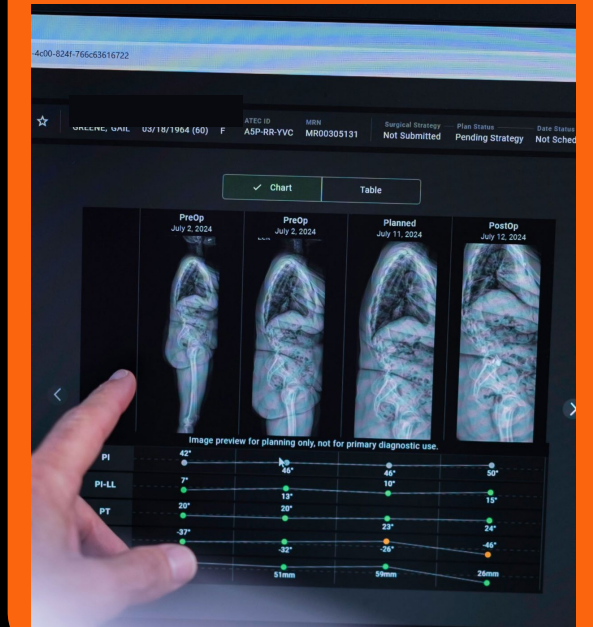
### PATIENT-SPECIFIC, PRE-BENT ROD



### RECONCILIATION



### OBJECTIVE DATA





# COMPEL SURGEON ADOPTION

Record-breaking surgeon training reflects adoption where we're investing

Long-term momentum building

**244**

Surgeons trained in Q2 – record-setting interest



Territory investments accelerating surgeon training

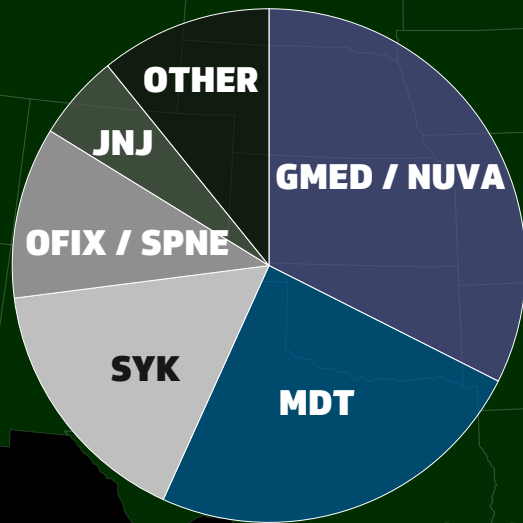
**20%**

Growth in surgeon users

# RECRUITMENT IS ELEVATING OUR ABILITY TO MEET SURGEON DEMAND

Disruption is industry-wide – we continue to strategically capitalize

## RECRUITMENT ATEC CLASS OF 2024 \*



- Strong funnel of experienced talent to expand & upgrade footprint
- Disruption is a multi-year tailwind
- Contribution will be non-linear
- 23% growth in established territories^ – powerful recruitment tool

# EXECUTING WELL AGAINST LONG-TERM COMMITMENTS

**2023**

**2027**

Revenue \$482M

**\$1B**

**20%**  
REVENUE CAGR

Adjusted EBITDA\* (\$9M)

**\$180M**

**2,000**  
BPS MARGIN EXPANSION

Adjusted EBITDA Margin\* (2%)

**18%**

Free Cash Flow (\$159M)

**\$65M**

**CASH FLOW  
BREAK-EVEN  
2025**





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**FINANCIALS**



# Q2'24 REVENUE

Continued strong growth from lateral + accelerated adoption of expandables

	Q2 2024	YOY	QOQ
Surgical Revenue	\$130M	<b>27%</b>	6%
EOS Revenue	\$16M	6%	(2%)
<b>TOTAL REVENUE</b>	<b>\$146M</b>	<b>25%</b>	<b>5%</b>

**15%**

YoY surgical  
volume growth

**10%**

YoY growth in  
avg revenue/  
case

# NON-GAAP P&L HIGHLIGHTS\*

Revenue growth fueling significant operating leverage

	Q2 2024	YOY
Total Revenue \$	\$146M	+25%
Gross margin %	71%	+190 bps
R&D %	9%	(190) bps
SG&A %	69%	(20) bps
Total Operating Expense	78%	(210) bps
<b>OPERATING MARGIN %</b>	<b>(7%)</b>	<b>+400 bps</b>

	Q2 2024	YOY
<b>ADJUSTED EBITDA \$</b>	<b>+\$5.6M</b>	<b>+\$8.7M</b>
% of sales	4%	<b>+650 bps</b>

- Gross margin % increased with EOS margin improvement and Memphis distribution center leverage
- R&D leveraging while furthering innovation
- SG&A leveraging with expected drivers, offset by 250 bps of YoY depreciation related to investment in revenue-generating assets
- 30% drop through of YoY growth in revenue to AEBITDA
- AEBITDA leverage of 650bps driven by:
  - 270 bps of SG&A leverage (ex depreciation)
  - 190 bps of R&D leverage
  - 190 bps of GM% improvement

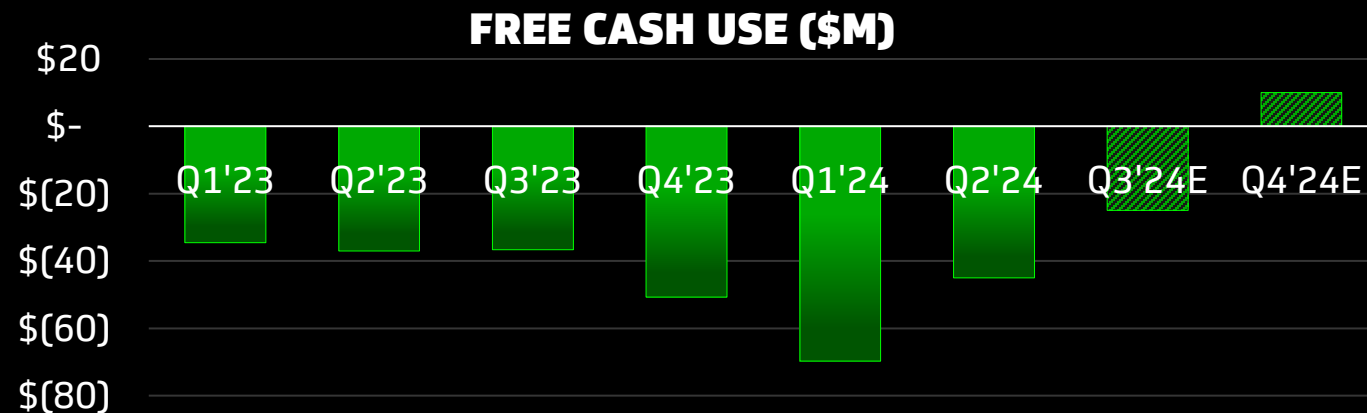
# BALANCE SHEET

Linear path to cash generation in 2024

CASH & DEBT	Q2 2024
Cash	\$100M
Debt (at face value) <sup>1</sup>	\$531M

CASH USE	Q2 2024
Inventory & capex	\$57M
Free cash use <sup>2</sup>	\$45M

- Free cash use \$45M including >\$50M investment in revenue-generating assets
- Expect FY'24 cash use of \$125 to \$135M due to working capital needs
- Continue to expect to end FY'24 with ~\$100M cash including fully drawn revolver
- Inflection to positive cash flow Q4'24



# INCREASED 2024 GUIDANCE

Strong surgeon adoption driving sector-leading growth & operating leverage

	FY 2024 PREVIOUS	FY 2024 UPDATED	YOY
Surgical Revenue	\$536M	\$537M	27%
EOS Revenue	\$65M	\$65M	9%
<b>TOTAL REVENUE</b>	<b>\$601M</b>	<b>\$602M</b>	<b>25%</b>
<b>ADJUSTED EBITDA</b>	<b>\$23.0M</b>	<b>\$25.5M</b>	<b>+ 610 bps</b>

**HIGH TEENS %**  
Surgical volume growth

**HSD%**  
Rev / surgery growth

Growth momentum fueling AEBITDA progress

Drop through of YoY sales growth accelerating to 29% vs 22% in 2023



# DELIBERATE PROGRESS TOWARD VALUE CREATION

Clear line of sight to profit-driven cash-flow generation



- Sustainable inflection to profitability driven by expected levers
- Profitability progress will fuel free cash inflection in Q4 and self-funded growth in 2025

# TRACK RECORD OF EXECUTION

**A DELIBERATE, SPINE-FOCUSED, LONG GAME**

- ✓ Procedural strategy
- ✓ Ecosystem to inform better spine surgery
- ✓ Advancing the field of spine

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**APPENDIX**

# ABOUT EOS INSIGHT FEATURES



## AI-AUTOMATED ALIGNMENT

## 3D-SURGICAL PLAN

## PATIENT-SPECIFIC RODS

## INTRA-OP RECONCILIATION

## POST-OP DATA

### WHAT NEED IS BEING MET?

Automated, fast, workflow-integrated, precise alignment measures

Objective, AI-created, custom surgical plan optimizes alignment with ATEC implants & evolves with learning

Custom bent rod created by 3D-surgical plan, delivered before surgery

Real-time validation of execution to custom surgical plan

Aggregated insights to improve predictability

### ALTERNATIVES

Hours-long, imprecise, manual calculation, infrequently utilized

**NONE**  
(gestalt)

Medicrea/ MDT's iterative process or bend manually in O.R.

**NONE**

**NONE**

# SUPPLEMENTAL FINANCIAL INFORMATION



## HISTORICAL GAAP P&L TREND - CONSOLIDATED (\$000's)

	2020	2021	Q122	Q222	Q322	Q422	2022	Q123	Q223	Q323	Q423	2023	Q124	Q224
<b>Revenues:</b>														
Revenue from products and services	141,079	242,258	70,918	84,151	89,839	105,944	350,852	109,110	116,920	118,262	137,970	482,262	138,477	145,573
Revenue from Int'l supply agreement	3,782	954	15	-	-	-	15	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>144,861</b>	<b>243,212</b>	<b>70,933</b>	<b>84,151</b>	<b>89,839</b>	<b>105,944</b>	<b>350,867</b>	<b>109,110</b>	<b>116,920</b>	<b>118,262</b>	<b>137,970</b>	<b>482,262</b>	<b>138,477</b>	<b>145,573</b>
Cost of revenue	42,360	85,450	21,717	28,675	30,323	37,093	117,808	38,685	52,379	38,215	42,780	172,059	41,126	42,979
<b>Total gross profit</b>	<b>102,501</b>	<b>157,762</b>	<b>49,216</b>	<b>55,476</b>	<b>59,516</b>	<b>68,851</b>	<b>233,059</b>	<b>70,425</b>	<b>64,541</b>	<b>80,047</b>	<b>95,190</b>	<b>310,203</b>	<b>97,351</b>	<b>102,594</b>
<b>Operating expenses (GAAP):</b>														
Research & development	18,745	32,015	9,722	10,596	12,111	11,604	44,033	13,260	14,571	20,000	22,284	70,115	18,012	19,105
Sales, general & administrative	129,156	229,271	69,471	72,668	75,954	81,920	300,013	91,262	87,287	91,411	104,120	374,080	113,727	112,731
Litigation-related	8,552	11,123	7,532	5,495	3,602	7,314	23,943	3,192	6,908	2,715	9,472	22,287	4,428	2,090
Amortization of acquired intangible assets	688	5,348	2,230	2,177	2,774	2,934	10,115	2,883	3,705	3,873	3,823	14,284	3,854	3,836
Transaction-related expenses	4,223	6,365	120	-	-	-	120	-	1,900	278	(65)	2,113	(117)	-
Restructuring expenses	-	1,697	1,370	289	45	106	1,810	175	29	129	386	719	788	139
<b>Total operating expenses (GAAP)</b>	<b>161,364</b>	<b>285,819</b>	<b>90,445</b>	<b>91,225</b>	<b>94,486</b>	<b>103,878</b>	<b>380,034</b>	<b>110,772</b>	<b>114,400</b>	<b>118,406</b>	<b>140,020</b>	<b>483,598</b>	<b>140,692</b>	<b>137,901</b>
<b>TOTAL OPERATING LOSS</b>	<b>(58,863)</b>	<b>(128,057)</b>	<b>(41,229)</b>	<b>(35,749)</b>	<b>(34,970)</b>	<b>(35,027)</b>	<b>(146,975)</b>	<b>(40,347)</b>	<b>(49,859)</b>	<b>(38,359)</b>	<b>(44,830)</b>	<b>(173,395)</b>	<b>(43,341)</b>	<b>(35,307)</b>
<b>Other income (expense):</b>														
Interest and other income (expense), net	(12,374)	(8,671)	(1,486)	(1,368)	(1,900)	(280)	(5,034)	(3,168)	(1,568)	(4,412)	(4,372)	(13,520)	(5,223)	(5,659)
Loss on debt extinguishment	(7,612)	(7,434)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other income (expense), net</b>	<b>(19,986)</b>	<b>(16,105)</b>	<b>(1,486)</b>	<b>(1,368)</b>	<b>(1,900)</b>	<b>(280)</b>	<b>(5,034)</b>	<b>(3,168)</b>	<b>(1,568)</b>	<b>(4,412)</b>	<b>(4,372)</b>	<b>(13,520)</b>	<b>(5,223)</b>	<b>(5,659)</b>
<b>Income (loss) from continuing operations (GAAP)</b>	<b>(78,849)</b>	<b>(144,162)</b>	<b>(42,715)</b>	<b>(37,117)</b>	<b>(36,870)</b>	<b>(35,307)</b>	<b>(152,009)</b>	<b>(43,515)</b>	<b>(51,427)</b>	<b>(42,771)</b>	<b>(49,202)</b>	<b>(186,915)</b>	<b>(48,564)</b>	<b>(40,966)</b>
Income tax provision	145	(1,130)	(99)	(16)	(77)	(524)	(716)	14	(50)	(117)	(124)	(277)	(69)	(286)
<b>Net loss</b>	<b>(78,994)</b>	<b>(143,032)</b>	<b>(42,616)</b>	<b>(37,101)</b>	<b>(36,793)</b>	<b>(34,783)</b>	<b>(151,293)</b>	<b>(43,529)</b>	<b>(51,377)</b>	<b>(42,654)</b>	<b>(49,078)</b>	<b>(186,638)</b>	<b>(48,495)</b>	<b>(40,680)</b>
<b>Net loss per share</b>	<b>(1.18)</b>	<b>(1.49)</b>	<b>(0.43)</b>	<b>(0.36)</b>	<b>(0.35)</b>	<b>(0.33)</b>	<b>(1.46)</b>	<b>(0.40)</b>	<b>(0.43)</b>	<b>(0.35)</b>	<b>(0.37)</b>	<b>(1.54)</b>	<b>(0.34)</b>	<b>(0.29)</b>
<b>Weighted average shares outstanding, basic and diluted</b>	<b>67,020</b>	<b>96,197</b>	<b>99,978</b>	<b>102,849</b>	<b>104,804</b>	<b>105,835</b>	<b>103,373</b>	<b>109,751</b>	<b>118,719</b>	<b>122,468</b>	<b>133,750</b>	<b>121,243</b>	<b>140,980</b>	<b>142,687</b>



# SUPPLEMENTAL FINANCIAL INFORMATION

Access this file at  
<https://investors.alphatecspine.com/quarterly-results/default.aspx>



## NON-GAAP RECONCILIATION - CONSOLIDATED (\$000's)

NON-GAAP GROSS PROFIT & GROSS MARGIN	2020	2021	Q122	Q222	Q322	Q422	2022	Q123	Q223	Q323	Q423	2023	Q124	Q224
<b>Gross Profit, GAAP</b>	102,501	157,762	49,216	55,476	59,516	68,851	233,059	70,425	64,541	80,047	95,190	310,203	97,351	102,594
+ Amortization of intangible assets	1,075	1,075	-	9	28	27	64	220	220	221	278	939	307	307
+ Stock-based compensation	512	737	256	449	735	1,157	2,597	6,006	16,226	2,369	481	25,082	483	554
+ Purchase accounting adjustments on acquisitions	-	6,423	-	437	347	565	1,349	195	-	-	198	393	-	197
<b>Non-GAAP Gross Profit</b>	<b>104,088</b>	<b>165,997</b>	<b>49,472</b>	<b>56,371</b>	<b>60,626</b>	<b>70,600</b>	<b>237,069</b>	<b>76,846</b>	<b>80,987</b>	<b>82,637</b>	<b>96,147</b>	<b>336,617</b>	<b>98,141</b>	<b>103,652</b>
<b>Gross Margin, GAAP</b>	<b>70.8%</b>	<b>64.9%</b>	<b>69.4%</b>	<b>65.9%</b>	<b>66.2%</b>	<b>65.0%</b>	<b>66.4%</b>	<b>64.5%</b>	<b>55.2%</b>	<b>67.7%</b>	<b>69.0%</b>	<b>64.3%</b>	<b>70.3%</b>	<b>70.5%</b>
+ Amortization of intangible assets	0.7%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
+ Stock-based compensation	0.4%	0.3%	0.4%	0.5%	0.8%	1.1%	0.7%	5.5%	13.9%	2.0%	0.3%	5.2%	0.3%	0.4%
+ Purchase accounting adjustments on acquisitions	0.0%	2.6%	0.0%	0.5%	0.4%	0.5%	0.4%	0.2%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%
<b>Non-GAAP Gross Margin</b>	<b>71.9%</b>	<b>68.3%</b>	<b>69.7%</b>	<b>67.0%</b>	<b>67.5%</b>	<b>66.6%</b>	<b>67.6%</b>	<b>70.4%</b>	<b>69.3%</b>	<b>69.9%</b>	<b>69.7%</b>	<b>69.8%</b>	<b>70.9%</b>	<b>71.2%</b>
<b>NON-GAAP OPERATING EXPENSES</b>	<b>2020</b>	<b>2021</b>	<b>Q122</b>	<b>Q222</b>	<b>Q322</b>	<b>Q422</b>	<b>2022</b>	<b>Q123</b>	<b>Q223</b>	<b>Q323</b>	<b>Q423</b>	<b>2023</b>	<b>Q124</b>	<b>Q224</b>
<b>Research &amp; Development, GAAP</b>	<b>18,745</b>	<b>32,015</b>	<b>9,722</b>	<b>10,596</b>	<b>12,111</b>	<b>11,604</b>	<b>44,033</b>	<b>13,260</b>	<b>14,571</b>	<b>20,000</b>	<b>22,284</b>	<b>70,115</b>	<b>18,012</b>	<b>19,105</b>
- Stock-based compensation in R&D	2,074	4,056	972	1,362	1,653	1,029	5,016	1,317	1,480	6,790	9,154	18,741	4,315	5,614
<b>Non-GAAP R&amp;D</b>	<b>16,671</b>	<b>27,959</b>	<b>8,750</b>	<b>9,234</b>	<b>10,458</b>	<b>10,575</b>	<b>39,017</b>	<b>11,943</b>	<b>13,091</b>	<b>13,210</b>	<b>13,130</b>	<b>51,374</b>	<b>13,697</b>	<b>13,491</b>
<b>Sales General &amp; Administrative, GAAP</b>	<b>129,156</b>	<b>229,271</b>	<b>69,471</b>	<b>72,668</b>	<b>75,954</b>	<b>81,920</b>	<b>300,013</b>	<b>91,262</b>	<b>87,287</b>	<b>91,411</b>	<b>104,120</b>	<b>374,080</b>	<b>113,727</b>	<b>112,731</b>
- Stock-based compensation in SG&A	15,073	31,657	8,956	7,392	8,689	7,906	32,943	9,139	6,488	10,914	10,880	37,421	12,524	10,792
+ Other non-recurring expenses	-	-	-	-	-	-	-	1,349	-	-	-	1,349	-	1,608
<b>Non-GAAP SG&amp;A</b>	<b>114,083</b>	<b>197,614</b>	<b>60,515</b>	<b>65,276</b>	<b>67,265</b>	<b>74,014</b>	<b>267,070</b>	<b>80,774</b>	<b>80,799</b>	<b>80,497</b>	<b>93,240</b>	<b>335,310</b>	<b>101,203</b>	<b>100,331</b>
<b>Other Operating Expense, GAAP</b>	<b>13,463</b>	<b>24,533</b>	<b>11,252</b>	<b>7,961</b>	<b>6,421</b>	<b>10,354</b>	<b>35,988</b>	<b>6,250</b>	<b>12,542</b>	<b>6,995</b>	<b>13,616</b>	<b>39,403</b>	<b>8,953</b>	<b>6,065</b>
- Litigation-related expenses	8,552	11,123	7,532	5,495	3,602	7,314	23,943	3,192	6,908	2,715	9,472	22,287	4,428	2,090
- Amortization of intangible assets	688	5,348	2,230	2,177	2,774	2,934	10,115	2,883	3,705	3,873	3,823	14,284	3,854	3,836
- Transaction-related expenses	4,223	6,365	120	-	-	-	120	-	1,900	278	(65)	2,113	(117)	-
- Restructuring expenses	-	1,697	1,370	289	45	106	1,810	175	29	129	386	719	788	139
<b>Non-GAAP Other Operating Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Non-GAAP Operating Expenses</b>	<b>130,754</b>	<b>225,573</b>	<b>69,265</b>	<b>74,510</b>	<b>77,723</b>	<b>84,589</b>	<b>306,087</b>	<b>92,717</b>	<b>93,890</b>	<b>93,707</b>	<b>106,370</b>	<b>386,684</b>	<b>114,900</b>	<b>113,822</b>
<b>Non-GAAP Operating Expenses as a % of Revenue</b>														
Research & development	11.5%	11.5%	12.3%	11.0%	11.6%	10.0%	11.1%	10.9%	11.2%	11.2%	9.5%	10.7%	9.9%	9.3%
Sales, general & administrative	78.8%	81.3%	85.3%	77.6%	74.9%	69.9%	76.1%	74.0%	69.1%	68.1%	67.6%	69.5%	73.1%	68.9%
<b>Total Non-GAAP Operating Expenses as a % of Revenue</b>	<b>90.3%</b>	<b>92.8%</b>	<b>97.6%</b>	<b>88.5%</b>	<b>86.5%</b>	<b>79.9%</b>	<b>87.2%</b>	<b>84.9%</b>	<b>80.3%</b>	<b>79.2%</b>	<b>77.1%</b>	<b>80.2%</b>	<b>83.0%</b>	<b>78.2%</b>
<b>ADJUSTED EBITDA</b>	<b>2020</b>	<b>2021</b>	<b>Q122</b>	<b>Q222</b>	<b>Q322</b>	<b>Q422</b>	<b>2022</b>	<b>Q123</b>	<b>Q223</b>	<b>Q323</b>	<b>Q423</b>	<b>2023</b>	<b>Q124</b>	<b>Q224</b>
Net loss, GAAP	(78,994)	(143,032)	(42,616)	(37,101)	(36,793)	(34,783)	(151,293)	(43,529)	(51,377)	(42,654)	(49,078)	(186,638)	(48,495)	(40,680)
Interest Expense	12,374	8,671	1,486	1,368	1,900	280	5,034	3,168	1,568	4,412	4,372	13,520	5,223	5,659
Loss on debt extinguishment	7,612	7,434	-	-	-	-	-	-	-	-	-	-	-	-
Income tax provision (benefit)	145	(1,130)	(99)	(16)	(77)	(524)	(716)	14	(50)	(117)	(124)	(277)	(69)	(286)
Depreciation	9,186	20,332	7,085	7,506	8,010	8,388	30,989	8,589	9,758	10,651	11,918	40,916	13,724	15,735
Amortization of intangible assets	1,763	6,424	2,230	2,186	2,802	2,961	10,179	3,103	3,925	4,094	4,101	15,223	4,161	4,143
<b>Total EBITDA</b>	<b>(47,914)</b>	<b>(101,301)</b>	<b>(31,914)</b>	<b>(26,057)</b>	<b>(24,158)</b>	<b>(23,678)</b>	<b>(105,807)</b>	<b>(28,655)</b>	<b>(36,176)</b>	<b>(23,614)</b>	<b>(28,811)</b>	<b>(117,256)</b>	<b>(25,456)</b>	<b>(15,429)</b>
+ Stock-based compensation	17,659	36,450	10,184	9,203	11,077	10,092	40,556	16,462	24,194	20,073	20,515	81,244	17,322	16,960
+ Purchase accounting adjustments on acquisitions	-	6,423	-	437	347	565	1,349	195	-	-	198	393	-	197
+ Litigation-related expenses	8,552	11,123	7,532	5,495	3,602	7,314	23,943	3,192	6,908	2,715	9,472	22,287	4,428	2,090
+ Transaction-related expenses	4,223	6,365	120	-	-	-	120	-	1,900	278	(65)	2,113	(117)	-
+ Restructuring expenses	-	1,697	1,370	289	45	106	1,810	175	29	129	386	719	788	139
+ Other non-recurring expenses	-	-	-	-	-	-	-	1,349	2	-	-	1,349	-	1,608
<b>Total Adjusted EBITDA</b>	<b>(17,480)</b>	<b>(39,243)</b>	<b>(12,708)</b>	<b>(10,633)</b>	<b>(9,087)</b>	<b>(5,601)</b>	<b>(38,029)</b>	<b>(7,282)</b>	<b>(3,145)</b>	<b>(419)</b>	<b>1,695</b>	<b>(9,151)</b>	<b>(3,035)</b>	<b>5,565</b>
<b>Adjusted EBITDA as a % of Revenue</b>	<b>-12.1%</b>	<b>-16.1%</b>	<b>-17.9%</b>	<b>-12.6%</b>	<b>-10.1%</b>	<b>-5.3%</b>	<b>-10.8%</b>	<b>-6.7%</b>	<b>-2.7%</b>	<b>-0.4%</b>	<b>1.2%</b>	<b>-1.9%</b>	<b>-2.2%</b>	<b>3.8%</b>

<sup>1</sup> Non-recurring net charges on assets and liabilities associated with customer plan of reorganization

<sup>2</sup> Non-recurring consulting fees associated with implementation of state tax planning strategy

# SUPPLEMENTAL FINANCIAL INFORMATION

Access this file at  
<https://investors.alphatecspine.com/quarterly-results/default.aspx>



## NON-GAAP P&L TREND - CONSOLIDATED (\$000's)

	2020	2021	Q122	Q222	Q322	Q422	2022	Q123	Q223	Q323	Q423	2023	Q124	Q224
<b>Revenue</b>	144,861	243,212	70,933	84,151	89,839	105,944	350,867	109,110	116,920	118,262	137,970	482,262	138,477	145,573
Non-GAAP cost of sales	40,773	77,215	21,461	27,780	29,213	35,344	113,798	32,264	35,933	35,625	41,823	145,645	40,336	41,921
<b>Non-GAAP gross profit</b>	<b>104,088</b>	<b>165,997</b>	<b>49,472</b>	<b>56,371</b>	<b>60,626</b>	<b>70,600</b>	<b>237,069</b>	<b>76,846</b>	<b>80,987</b>	<b>82,637</b>	<b>96,147</b>	<b>336,617</b>	<b>98,141</b>	<b>103,652</b>
<i>Non-GAAP Gross Margin</i>	71.9%	68.3%	69.7%	67.0%	67.5%	66.6%	67.6%	70.4%	69.3%	69.9%	69.7%	69.8%	70.9%	71.2%
<b>Operating expenses (Non-GAAP):</b>														
Research & development, Non-GAAP	16,671	27,959	8,750	9,234	10,458	10,575	39,017	11,943	13,091	13,210	13,130	51,374	13,697	13,491
Sales, general & administrative, Non-GAAP	114,083	197,613	60,515	65,276	67,265	74,014	267,070	80,774	80,799	80,497	93,240	335,310	101,203	100,331
<b>Total operating expenses (Non-GAAP)</b>	<b>130,754</b>	<b>225,572</b>	<b>69,265</b>	<b>74,510</b>	<b>77,723</b>	<b>84,589</b>	<b>306,087</b>	<b>92,717</b>	<b>93,890</b>	<b>93,707</b>	<b>106,370</b>	<b>386,684</b>	<b>114,900</b>	<b>113,822</b>
<i>R&amp;D as % of revenue</i>	11.5%	11.5%	12.3%	11.0%	11.6%	10.0%	11.1%	10.9%	11.2%	11.2%	9.5%	10.7%	9.9%	9.3%
<i>SG&amp;A as % of revenue</i>	78.8%	81.3%	85.3%	77.6%	74.9%	69.9%	76.1%	74.0%	69.1%	68.1%	67.6%	69.5%	73.1%	68.9%
<i>Total OPEX as % of revenue</i>	90.3%	92.7%	97.6%	88.5%	86.5%	79.8%	87.2%	84.9%	80.3%	79.2%	77.1%	80.2%	83.0%	78.2%
<b>Non-GAAP operating loss</b>	<b>(26,666)</b>	<b>(59,575)</b>	<b>(19,793)</b>	<b>(18,139)</b>	<b>(17,097)</b>	<b>(13,989)</b>	<b>(69,018)</b>	<b>(15,871)</b>	<b>(12,903)</b>	<b>(11,070)</b>	<b>(10,223)</b>	<b>(50,067)</b>	<b>(16,759)</b>	<b>(10,170)</b>
<i>Op loss as % of revenue</i>	-18.4%	-24.5%	-27.9%	-21.6%	-19.0%	-13.2%	-19.7%	-14.5%	-11.0%	-9.4%	-7.4%	-10.4%	-12.1%	-7.0%
Less: Depreciation	9,186	20,332	7,085	7,506	8,010	8,388	30,989	8,589	9,758	10,651	11,918	40,916	13,724	15,735
<b>Adjusted EBITDA</b>	<b>(17,480)</b>	<b>(39,243)</b>	<b>(12,708)</b>	<b>(10,633)</b>	<b>(9,087)</b>	<b>(5,601)</b>	<b>(38,029)</b>	<b>(7,282)</b>	<b>(3,145)</b>	<b>(419)</b>	<b>1,695</b>	<b>(9,151)</b>	<b>(3,035)</b>	<b>5,565</b>
<i>Adj EBITDA as % of revenue</i>	-12.1%	-16.1%	-17.9%	-12.6%	-10.1%	-5.3%	-10.8%	-6.7%	-2.7%	-0.4%	1.2%	-1.9%	-2.2%	3.8%

## REVENUE SUPPLEMENT

	2020	2021	Q122	Q222	Q322	Q422	2022	Q123	Q223	Q323	Q423	2023	Q124	Q224
<b>Revenues:</b>														
Products and services - Surgical	141,079	212,240	60,649	72,343	78,727	91,322	303,041	94,040	102,306	103,823	122,594	422,763	122,617	130,028
Products and services - Imaging	-	30,018	10,269	11,808	11,112	14,622	47,811	15,070	14,614	14,439	15,376	59,499	15,860	15,545
Revenue from products and services	141,079	242,258	70,918	84,151	89,839	105,944	350,852	109,110	116,920	118,262	137,970	482,262	138,477	145,573
Revenue from Int'l supply agreement	3,782	954	15	-	-	-	15	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>144,861</b>	<b>243,212</b>	<b>70,933</b>	<b>84,151</b>	<b>89,839</b>	<b>105,944</b>	<b>350,867</b>	<b>109,110</b>	<b>116,920</b>	<b>118,262</b>	<b>137,970</b>	<b>482,262</b>	<b>138,477</b>	<b>145,573</b>
<b>Constant currency adjustments:</b>														
Products and services - Surgical	-	-	-	-	-	-	-	17	(6)	4	42	57	15	22
Products and services - EOS	-	-	292	618	746	1,012	2,668	363	15	(319)	(266)	(207)	(88)	42
Revenue from products and services	-	-	293	615	807	1,012	2,668	380	9	(315)	(224)	(150)	(73)	64
Revenue from Int'l supply agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ADJUSTMENTS</b>	<b>-</b>	<b>-</b>	<b>293</b>	<b>615</b>	<b>807</b>	<b>1,012</b>	<b>2,668</b>	<b>380</b>	<b>9</b>	<b>(315)</b>	<b>(224)</b>	<b>(150)</b>	<b>(73)</b>	<b>64</b>
<b>Revenues at constant currency:</b>														
Products and services - Surgical	141,079	212,240	60,649	72,343	78,727	91,322	303,041	94,087	102,300	103,827	122,636	422,820	122,632	130,050
Products and services - EOS	-	30,019	10,561	12,426	11,858	15,634	50,479	15,403	14,629	14,120	15,110	59,292	15,772	15,586
Revenue from products and services	141,079	242,259	71,210	84,769	90,585	106,956	353,520	109,490	116,929	117,947	137,746	482,112	138,404	145,637
Revenue from Int'l supply agreement	3,782	954	15	-	-	-	15	-	-	-	-	-	-	-
<b>TOTAL REVENUE AT CONSTANT CURRENCY</b>	<b>144,861</b>	<b>243,213</b>	<b>71,225</b>	<b>84,769</b>	<b>90,585</b>	<b>106,956</b>	<b>353,535</b>	<b>109,490</b>	<b>116,929</b>	<b>117,947</b>	<b>137,746</b>	<b>482,112</b>	<b>138,404</b>	<b>145,637</b>
<b>YOY GROWTH %</b>														
Products and services - Surgical	30.3%	50.4%	38.7%	29.7%	52.6%	49.3%	42.8%	55.1%	41.4%	31.9%	34.2%	39.5%	30.4%	27.1%
Products and services - Imaging	-	-	-	93.1%	-0.2%	14.5%	59.3%	46.5%	23.8%	29.9%	5.2%	24.4%	5.2%	6.4%
Revenue from products and services	30.3%	71.7%	62.2%	36.0%	43.2%	43.3%	44.8%	53.9%	38.9%	31.6%	30.2%	37.5%	26.9%	24.5%
Revenue from Int'l supply agreement	-27.1%	-74.8%	-96.3%	-100.0%	-100.0%	-100.0%	-98.4%	-100.0%	0.0%	0.0%	0.0%	-100.0%	0.0%	0.0%
<b>TOTAL REVENUE</b>	<b>27.7%</b>	<b>67.9%</b>	<b>60.8%</b>	<b>35.2%</b>	<b>42.9%</b>	<b>43.2%</b>	<b>44.3%</b>	<b>53.8%</b>	<b>38.9%</b>	<b>31.6%</b>	<b>30.2%</b>	<b>37.4%</b>	<b>26.9%</b>	<b>24.5%</b>
<b>YOY growth % at constant currency:</b>														
Products and services - Surgical	30.3%	50.4%	38.7%	29.7%	52.6%	49.3%	42.8%	55.1%	41.4%	31.9%	34.3%	39.5%	30.3%	27.1%
Products and services - EOS	-	-	-	103.2%	6.5%	22.4%	68.2%	45.9%	17.7%	19.1%	-3.4%	17.5%	2.4%	6.5%
Revenue from products and services	30.3%	71.7%	62.9%	37.0%	44.4%	44.7%	45.9%	53.8%	37.9%	30.2%	28.8%	36.4%	26.4%	24.6%
Revenue from Int'l supply agreement	-27.1%	-74.8%	-96.3%	-100.0%	-100.0%	-100.0%	-98.4%	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL REVENUE GROWTH % AT CONSTANT CURRENCY</b>	<b>27.7%</b>	<b>67.9%</b>	<b>61.4%</b>	<b>36.2%</b>	<b>44.1%</b>	<b>44.6%</b>	<b>45.4%</b>	<b>53.7%</b>	<b>37.9%</b>	<b>30.2%</b>	<b>28.8%</b>	<b>36.4%</b>	<b>26.4%</b>	<b>24.6%</b>
<b>PRODUCT CATEGORIES PER CASE</b>														
Product Categories per Case (inclusive of bulk orders)	1.9	2.1	2.1	2.2	2.3	2.3	2.2	2.3	2.4	2.4	2.4	2.4	2.4	2.5