

Clear Course for Profitable Growth

4Q and Full-Year 2024 Earnings Call

February 25, 2025

ORTHOFIX

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, relating to our business and financial outlook, which are based on our current beliefs, assumptions, intentions, plans, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “intends,” “predicts,” “potential,” or “continue” or other comparable terminology. Forward-looking statements in this presentation include the Company's expectations regarding net sales, adjusted EBITDA, and free cash flow for the year ended December 31, 2025, and its three-year financial targets for 2025 through 2027. Forward-looking statements are not guarantees of our future performance, are based on our current expectations and assumptions regarding our business, the economy and other future conditions, and are subject to risks, uncertainties and changes in circumstances that are difficult to predict, including the risks described in Part I, Item 1A under the heading Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024. Factors that could cause future results to differ from those expressed by forward-looking statements include, but are not limited to, (i) our ability to maintain operations to support our customers and patients in the near-term and to capitalize on future growth opportunities, (ii) risks associated with acceptance of surgical products and procedures by surgeons and hospitals, (iii) development and acceptance of new products or product enhancements, (iv) clinical and statistical verification of the benefits achieved via the use of our products, (v) our ability to adequately manage inventory, (vi) our ability to recruit and retain management and key personnel, (vii) our success in defending legal proceedings brought against us, and (viii) the other risks and uncertainties more fully described in our periodic filings with the Securities and Exchange Commission (the “SEC”). As a result of these various risks, our actual outcomes and results may differ materially from those expressed in these forward-looking statements.

Further, any forward-looking statement speaks only as of the date hereof, unless it is specifically otherwise stated to be made as of a different date. We undertake no obligation to update, and expressly disclaim any duty to update, our forward-looking statements, whether as a result of circumstances or events that arise after the date hereof, new information, or otherwise, except as required by law.

The Company is unable to provide expectations of GAAP net income (loss), the closest comparable GAAP measures to adjusted EBITDA (which is a non-GAAP measure), on a forward-looking basis because the Company is unable to predict, without unreasonable efforts, the ultimate outcome of matters (including acquisition-related expenses, accounting fair value adjustments, and other such items) that will determine the quantitative amount of the items excluded in calculating adjusted EBITDA, which items are further described in the reconciliation tables and related descriptions below. These items are uncertain, depend on various factors, and could be material to the Company’s results computed in accordance with GAAP.

Non-GAAP Financial Measures

Management uses certain non-GAAP financial measures in this presentation, most specifically Adjusted EBITDA, Adjusted Gross Margin, Adjusted Net Income and Free Cash Flow, as a supplement to GAAP financial measures to further evaluate the company's operating performance period over period, analyze the underlying business trends, assess performance relative to competitors and establish operational objectives.

Management believes it is important to provide investors with the same non-GAAP metrics it uses to evaluate the performance and underlying trends of the company's business operations to facilitate comparisons to its historical operating results and evaluate the effectiveness of its operating strategies. Disclosure of these non-GAAP financial measures also facilitates comparisons of the Company's underlying operating performance with other companies in the industry that also supplement their GAAP results with non-GAAP financial measures.

Unless noted otherwise, full-year guidance is based on the current foreign currency exchange rates and does not take into account any additional potential exchange rate changes that may occur this year.

These non-GAAP financial measures should not be considered in isolation from, or as replacements for, the most directly comparable GAAP financial measures, as these measures are not prepared in accordance with U.S. GAAP. Reconciliations between GAAP and non-GAAP results are included at the end of this presentation and represent the most comparable GAAP measure(s) to the applicable non-GAAP measure(s) shown in the table. For further information regarding the nature of these exclusions, why the Company believes that these non-GAAP financial measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the Company's Current Report on Form 8-K regarding this press release filed today with the SEC available on the SEC's website at www.sec.gov and on the "Investors" page of the Company's website at www.orthofix.com.

Amounts may not add due to rounding.

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VISION

The unrivaled partner in Med Tech, delivering exceptional experiences and life-changing solutions.

VALUES



Q4 2024 Financial Highlights

$215.7M

Net Sales
8% Growth YoY as reported and constant currency[1]

$23.9M

Non-GAAP Adjusted EBITDA[2]
$4.3M YoY increase and ~130 bps margin expansion

$15.2M

Free Cash Flow[2]
Significant improvement in cash usage compared to previous quarters

12%

U.S. Spine Fixation[3] YoY Net Sales Growth
Driven by distribution expansion and penetration in existing accounts

9%

Bone Growth Therapies YoY Net Sales Growth
10% Growth in BGT Fracture

21%

U.S. Orthopedics YoY Net Sales Growth
U.S. Orthopedics delivered a record quarter, benefiting from strong execution

71.1%

Non-GAAP Adjusted Gross Margin[2]
Compared to 72.2% for Q4 2023

"We are pleased with the performance of the Orthofix team to serve our surgeons and patients and successfully execute our plans throughout 2024. Our fourth quarter results reflect outstanding performance across all three major product lines, providing further evidence that Orthofix's balanced and complementary product mix offers a differentiated advantage across multiple markets. We enter 2025 with great momentum as two integrated organizations. The entire team remains focused on executing our priorities, and I look forward to leveraging our unique portfolio platform to drive value creation through profitable growth in 2025 and beyond."



Massimo Calafiore
President & Chief Executive Officer

[1] Constant Currency is calculated by applying foreign currency rates applicable to the comparable, prior-year period to present the current period net sales at comparable rates. Constant currency can be presented for numerous GAAP measures, but is commonly used by management to analyze net sales excluding the impact of changes in foreign currency rates. [2] The reasons for and nature of non-GAAP disclosures by the Company, descriptions of the adjustments used to calculate those non-GAAP financial measures, and reconciliations of those non-GAAP financial measures to the most comparable GAAP financial measure, are provided in the Company's press release issued and Annual Report on Form 10-K filed on February 25, 2025. [3] Spine fixation is comprised of the Company's Spinal Implants product category, excluding motion preservation product offerings.

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Q4 and Full-Year 2024 Key Messages

01 **Record Q4 net sales results reflect strong execution across all three major product lines** where performance was led by strength in our U.S. markets

02 **Solid operational execution** – Achieved profitability objectives, including **$15.2M in free cash flow for Q4**, much earlier than originally anticipated

03 **Company entered into record number of 7D FLASH™ Navigation System placements** for full-year 2024

04 **Prudently deploying capital and prioritizing investment in profitable growth opportunities** and increased penetration of our technology and product platforms in areas where we can win

05 **Executing toward three-year financial targets and building on positive momentum** – Company increases long-term net sales CAGR target to 6.5% to 7.5% from previous 6% to 7%

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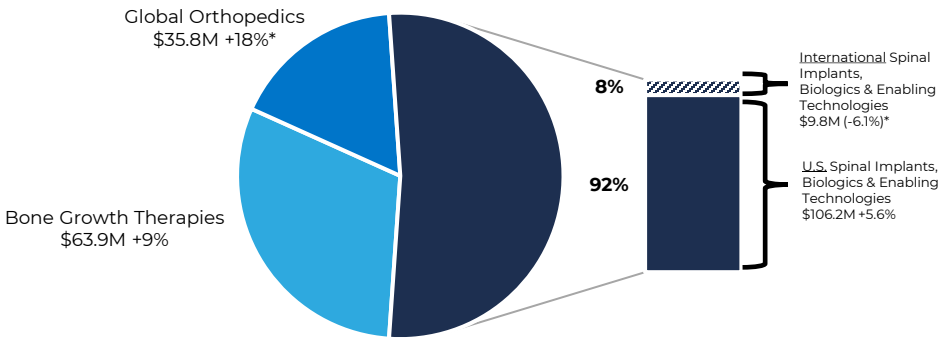
Q4 2024 Results Summary

Fourth Quarter 2024 Results Summary (in millions)	Q4 2024	Q4 2023	Constant Currency Change
Bone Growth Therapies	$ 63.9	$ 58.8	8.6%
Spinal Implants, Biologics, and Enabling Technologies	116.0	111.0	4.5%
Global Spine	179.9	169.8	6.0%
Global Orthopedics	35.8	30.6	18.1%
Total Net Sales	$ 215.7	$ 200.4	7.8%
Non-GAAP Adjusted Gross Margins	71.1%	72.2%	-110 bps
Non-GAAP Adjusted EBITDA	$ 23.9	$ 19.6	22.3%

Q4 2024 Total Revenues $215.7M +8% YoY*



Global Spinal Implants, Biologics, & Enabling Technologies
$116.0M +4.5%*

Q4 Total Net Sales: $215.7M;
7.8% YoY constant currency growth

Q4 Non-GAAP Adjusted EBITDA: $23.9M; 11.1% of net sales
vs $19.6M in 4Q23; 9.8% of net sales

Q4 Non-GAAP Adjusted Gross Margin: 71.1%
vs 72.2% in 4Q23

Q4 Non-GAAP Sales & Marketing: $101.1M; 46.9% of net sales
vs $96.8M in 4Q23; 48.3% of net sales

Q4 Non-GAAP R&D: $17.5M; 8.1% of net sales
vs $16.6M in 4Q23; 8.3% of net sales

* YoY Growth on Constant Currency basis

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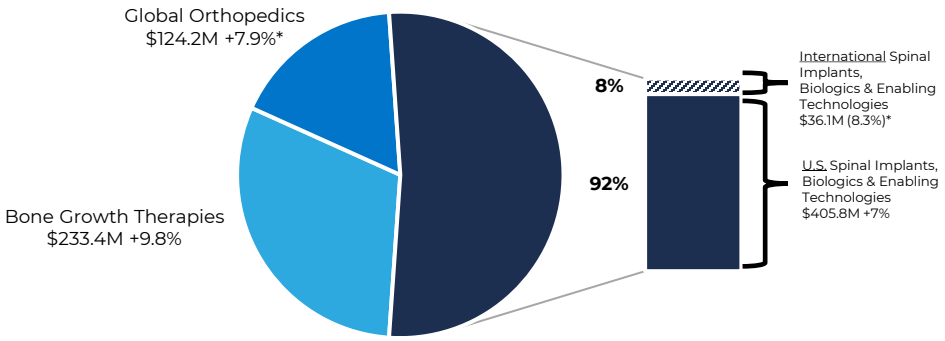
Full-Year 2024 Results Summary

Full-Year 2024 Results Summary (in millions)						
		FY 2024		FY 2023		Constant Currency Change
Bone Growth Therapies	$	233.4	$	212.5		9.8%
Spinal Implants, Biologics, and Enabling Technologies		441.9		418.8		5.5%
Global Spine		675.3		631.3		7.0%
Global Orthopedics		124.2		115.3		7.9%
Total Net Sales	$	799.5	$	746.6		7.1%
Non-GAAP Adjusted Gross Margins		71.0%		71.4%		-40 bps
Non-GAAP Adjusted EBITDA	$	67.4	$	46.2		46.0%

FY 2024 Total Revenues $799.5M +7% YoY*



FY24 Total Net Sales: $799.5M;
7.1% YoY constant currency growth

FY24 Non-GAAP Adjusted EBITDA: $67.4M; 8.4% of net sales
vs $46.2M in FY23; 6.2% of net sales

FY24 Non-GAAP Adjusted Gross Margin: 71.0%
vs 71.4% in FY23

FY24 Non-GAAP Sales & Marketing: $394.5M; 49.3% of net sales
vs $378.3M in FY23; 50.7% of net sales

FY24 Non-GAAP R&D: $71.7M; 9.0% of net sales
vs $68.3M in FY23; 9.1% of net sales

* YoY Growth on Constant Currency basis

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Q4 2024 Business Segment Highlights

Bone Growth Therapies

BGT net sales grew 9% and BGT Fracture grew 10%

- Successful cross-selling
- Continued focus on adding new surgeons and competitive surgeon conversions
- BGT Fracture with AccelStim™ bone growth therapy device continuing to outperform the market

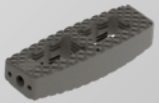




Spine

U.S. Spine Fixation grew 12%, more than 2x the market rate

- Healthy double-digit growth across all three franchises: Cervical Fusion, Interbodies and Thoracolumbar Fixation
- Ongoing limited market release of Reef™ L Lateral Lumbar Interbody and WaveForm™ A Interbody





Orthopedics

U.S. Orthopedics delivered record net sales and grew 21%

- Growth led by combination of TrueLok™ and Fitbone™ products and growth in GALAXY™ fixation product family
- 510(k) clearance and first patient surgeries with TrueLok™ Elevate TBT System – limited launch in progress





TBT = Transverse Bone Transport

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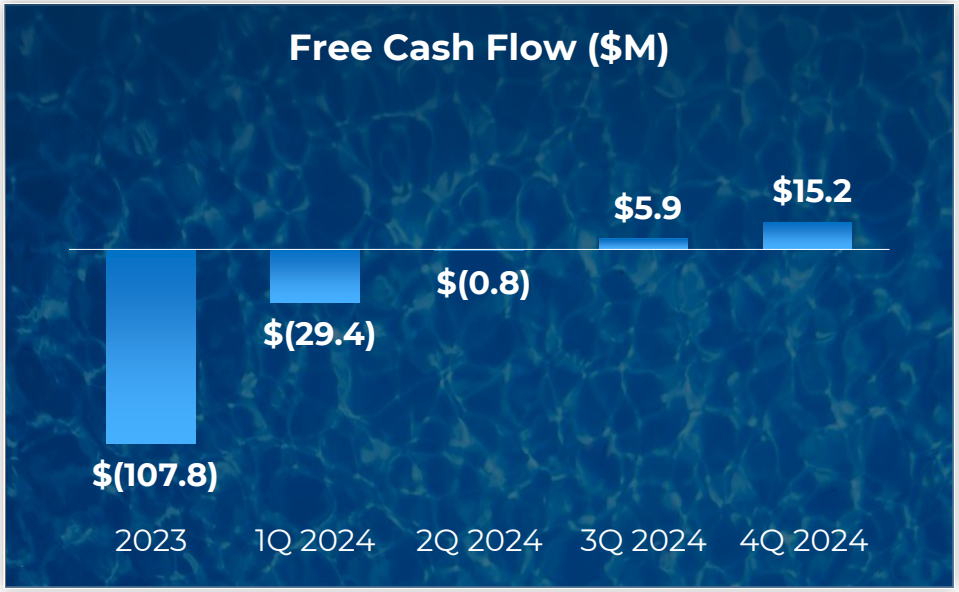
Improving Financial Strength and Driving Strong, Positive Free Cash Flow

Driving Positive Free Cash Flow

- Expect to be **free cash flow positive for full-year 2025**[1]
  - Drop-through to EBITDA of incremental revenue
  - Working Capital improvements

Efficient Working Capital Management

- Reduction in Inventory Days on Hand (DOH) and Instrument Efficiency
- Continued improvement in Days Sales Outstanding (DSO)



Strong Execution and Positive Momentum Towards Free Cash Flow

[1] Excluding impact of restructuring charges related to the discontinuation of the M6-C artificial cervical and M6-L artificial lumbar disc product lines, which we expect to be a headwind to 2025 free cash flow

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Building on a Strong Foundation – Transformation Focused on Accelerating Excellence

RECENT ACCOMPLISHMENTS AND TRANSFORMATIVE ACTIONS

- Building on **clear competitive advantages**
- Delivering consistent execution – **reached profitability objectives**, including positive free cash flow (FCF) for 2H24
- Supporting profitable growth with **disciplined capital deployment**
- Continuing on track with SeaSpine integration and **capturing synergies**
- Driving a **culture of execution and accountability** through new, **world-class management team**

CONTINUED LEADERSHIP FOCUS AREAS – MULTIPLE LEVERS FOR PROFITABLE GROWTH

Innovation Focus
Continued development of differentiated products to meet diverse surgeon preferences

Commercial Strategy Enhancement
Deeper market penetration through comprehensive portfolio offerings

Technology Leadership
Harnessing advanced systems for improved surgical outcomes and efficiency

Growth Sustainability
Emphasis on high-quality revenue streams and operational excellence

Cash Flow Management
Strategic financial planning to sustain positive FCF



At an Inflection Point in Our Journey Focused on Strategic, Operational, and Financial Discipline

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Capitalizing on Clear Competitive Advantages

Comprehensive Portfolio of Transformative Solutions

Established **Distribution Channels** and Extensive Global **Commercial Reach**

World-Class, Visionary Leadership Team with Deep Sector Expertise

Improved Clinical Efficiencies and **Economic Value** with 7D Enabling Technology

Large Addressable Markets with High-Growth Opportunities Across Continuum of Care



Expanding and Deepening Customer Relationships

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Addressable Markets ~$15B within Full Continuum of Care

	Total Addressable Market	2025 – 2027 Expected Market Growth Rate
Spinal Implants	~$10.1B	~3% – 4%
Bone Growth Therapies	~$0.6B	~2% – 3%
Biologics	~$2.1B	~2% – 3%
Orthopedics	~$1.7B	~5% – 6%
Enabling Technologies	~$0.4B	~10% – 12%

Well-Positioned for Favorable Macro Trends



Significant Runway Ahead for Further Above-Market Growth

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Spinal Implants

Executing Innovation and Taking Share

- Comprehensive, best-in-class spinal implants designed to work in concert with 7D Navigation and biologics to support improved clinical outcomes
- Focus on deformity correction and experts in cervical fixation and material science

Select Product Examples



Shoreline™ ACS



NorthStar™ OCT

Cervical



Mariner™ Deformity



Phoenix™ MIS



Wayfinder™

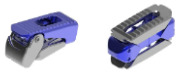
Thoracolumbar Fixation



WaveForm™ (3D Printed)



Reef™ (IBDs)



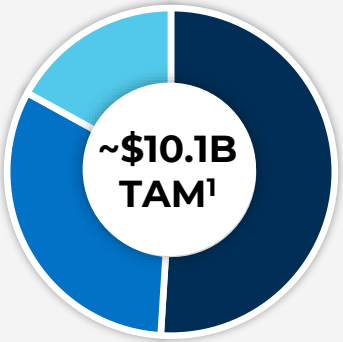
Explorer™ (Expandable)



Meridian™

Interbody

Market Overview



Thoracolumbar Fixation

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

Interbody

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

Cervical

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

OFIX Growth Drivers

- Sales channel optimization for growth, cross-selling, and OPEX leverage
- Pull through from lateral, cervical, and 7D earnouts
- Best-in-class implants to improve patient outcomes

Supporting Clinicians and Patients through Continuous Innovation of Procedure Solutions

[1] U.S. Total Addressable Market. Sources: iData Research Inc.; U.S. Market Report for Spinal Implants and VCF; SmartTrak US Spine Market Report; Internal OFIX estimates

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Bone Growth Therapies

Maximizing #1 Market Position

- Safe, effective, non-surgical alternative to aid in bone healing of fracture management and high-risk spine fusions
- Most comprehensive portfolio of bone growth stimulation devices
- Most indications on the market to aid in bone healing solutions

#1 prescribed bone growth stimulator

First to offer free recycling for patients to properly dispose their devices

PEMF technology approved since 1986

1,100,000+

Prescribed devices

Select Product Examples



PhysioStim™



AccelStim™

Complex Foot & Ankle Reconstruction and Fracture Management



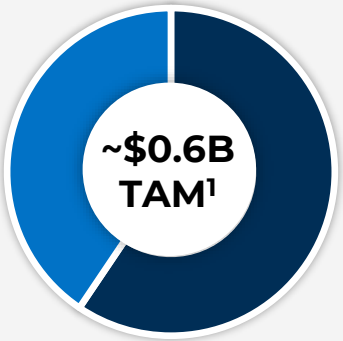
CervicalStim™



SpinalStim™

Spine Fusion Therapy

Market Overview



Spine

- #1 Position
- ~2% – 3% market growth rate (2025 – 2027)

Fracture

- #2 Position
- ~2% – 3% market growth rate (2025 – 2027)

OFIX Growth Drivers

- Procedural selling focused on cross-selling with orthopedics and spine
- New market channels with established sales representatives
- AccelStim growth to penetrate Fracture market

Growing Above Market through Innovation and Expansion

Note: PEMF = Pulsed Electromagnetic Field. [1] U.S. Total Addressable Market.

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Biologics

Growing from a Position of Strength

- Full spectrum of biologic solutions to enhance fusion process and promote bone repair and growth
- Provide industry leading, best-in-class products in each of the major bone grafting categories

Select Product Examples





OsteoStrand™ Plus **OsteoSurge™ 300**

Demineralized Bone Matrix



Trinity Elite™

Cellular Allograft



OsteoCove™

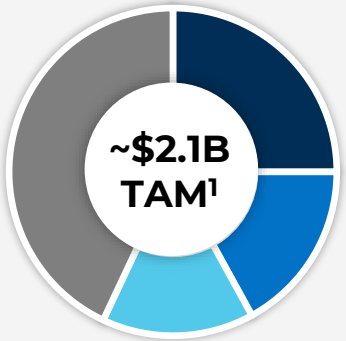
Synthetic



OsteoBallast™

Procedure-Specific

Market Overview



Demineralized Bone Matrix
- #2 Position
- ~2% – 3% market growth rate (2025 – 2027)

Cellular Allograft
- #2 Position
- ~2% – 3% market growth rate (2025 – 2027)

Synthetic
- Significant share capture opportunity
- ~2% – 3% market growth rate (2025 – 2027)

Growth Factors, Other
- Do not participate

OFIX Growth Drivers

- Opportunities in current portfolio and spine
- Product innovation with clinical research
- Disc regeneration, channel expansion options

Strategically Introducing New Products to Capture Additional Market Share

[1] Global Total Addressable Market, including Growth Factors.

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Orthopedics

Redefining Limb Reconstruction

- Unique portfolio of limb reconstruction solutions, addressing the most challenging orthopedic conditions in patients of all ages

Select Product Examples



TL-HEX™

Extremity Deformity Correction



TrueLok Elevate™ TBT

Limb Preservation



Fitbone™

Limb Lengthening



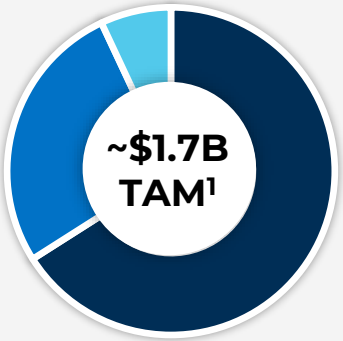
Galaxy Gemini™

Complex Fracture Management



Enabling Technologies - OrthoNext™

Market Overview



Extremity Deformity Correction & Limb Restoration

- Significant share capture opportunity
- ~5% – 6% market growth rate (2025 – 2027)

Limb Lengthening

- Significant share capture opportunity
- ~7% – 8% market growth rate (2025 – 2027)

Complex Fracture Management

- Significant share capture opportunity
- ~3% – 4% market growth rate (2025 – 2027)

OFIX Growth Drivers

- Accelerating U.S. growth and expanding position
- Global sales channel optimization through execution and focused distribution
- New product platforms with next-gen digital capabilities

Proven Leader with Room to Grow through Innovation of Hardware and Digital Solutions

[1] Global Total Addressable Market.

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Enabling Technologies

Empowering Excellence with Real-Time, Integrated Smart Technologies

- FLASH™ Navigation with 7D Technology, world's leading, zero-radiation[1] spine image-guided surgery system
- Allows surgeons to perform **fast, cost-effective, and radiation-free** surgery
- Pacesetting leader for open spine procedures and deformity correction

Product Example



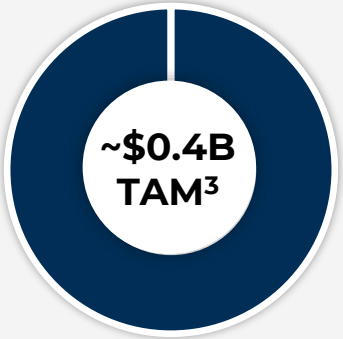
FLASH™ Navigation with 7D Technology

Significant Focus in Spine



Open and Percutaneous Spine Modules[2]

Market Overview



Spinal Navigation

- Significant share capture opportunity
- ~10% – 12% market growth rate (2025 – 2027)

OFIX Growth Drivers

- 7D deployments through commercial financing structures and product pull through
- Product integration with spinal implant portfolio
- Digital ecosystem expansion (pre-op planning, intra-op navigation, and post-op care)

Capturing Significant Opportunity to Leverage Technology and Expand Share in Spine

[1] Based on a pre-op CT or MRI, no intra-op radiation is required using Open Spine Module, eliminating exposure to surgeons, staff, and patients. Intra-op radiation is required for Percutaneous Module. [2] ~40% of U.S. installed base has cranial module. [3] Global Total Addressable Market.

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Innovation Spotlight – FLASH™ Navigation with 7D Technology



First and only image-guided surgery system featuring 7D's machine-vision technology, allowing surgeons to perform **fast, cost-effective, radiation-free IGS**



Revolutionizing Spinal Navigation

Created Meaningful Advantages with FLASH™ Navigation with 7D Technology

97.8% reduction in intraoperative radiation during adult degenerative spinal fusions[1]*

61% reduction in intraoperative radiation during complex pediatric deformity spinal fusions[2]*

98.8% accurate with no pedicle breach[1]*

94% faster than intraoperative CT-based systems[3]*

63.6 minutes saved per case[4]*

Flexible Selling Models to Meet Unique Needs of Facility

- **Capital Purchase**
- **Lease**
- **Voyager Earnout Program**

"Earnout" through purchase of spine hardware and/or biologics; creating recurring revenue stream and stronger customer relationships

Technology Differentiates Portfolio While Enabling Service to Full Continuum of Surgical Care

*Not an Orthofix sponsored clinical study. [1] Malham GM, Munday NR. Comparison of novel machine vision spinal image guidance system with existing 3D fluoroscopy-based navigation system: a randomized prospective study. Spine J. 2022 Apr;22(4):561-569. doi: 10.1016/j.spinee.2021.10.002. Epub 2021 Oct 16. PMID: 34666179. [2] Comstock, Christopher P. MD; Wait, Eric MD. Novel Machine Vision Image Guidance System Significantly Reduces Procedural Time and Radiation Exposure Compared With 2-dimensional Fluoroscopy-based Guidance in Pediatric Deformity Surgery. Journal of Pediatric Orthopaedics ():10.1097/BPO.0000000000002377, March 6, 2023. | DOI: 10.1097/ BPO.0000000000002377 [3] Jakubovic R, Guha D, Gupta S, et al. High speed, high density intraoperative 3D optical topographical imaging with efficient registration to MRI and CT for craniospinal surgical navigation. Sci Rep. 2018;8:14894. doi:10.1038/s41598-018-32424-z. [4] Lim KBL, Yeo ISX, Ng SWL, Pan WJ, Lee NKL. The machine-vision image guided surgery system reduces fluoroscopy time, ionizing radiation and intraoperative blood loss in posterior spinal fusion for scoliosis. Eur Spine J. 2023 Jul 10. doi: 10.1007/s00586-023-07848-5. Epub ahead of print. PMID: 37428212.Stewart G. Visible Light Navigation in Spine Surgery: My Experience With My First 150 Cases. Int J Spine Surg. 2022 Oct;16(S2):S28-S36. doi: 10.14444/8274. Epub 2022 Aug 5. PMID: 36456113; PMCID: PMC9808787.

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Significant Cross-Portfolio Commercial Opportunities



Spine

- Maximize procedural selling opportunity with Biologics, 7D, and BGT

Bone Growth Therapies (BGT)

- Combined portfolio with Biologics to target Trauma surgeons
- Combine with select Orthopedics product lines
- Expanding domestically through legacy SeaSpine distribution and orthopedics
- Expand internationally via Orthopedics Channels

Biologics

- Expand cross-selling with U.S. Orthopedics channels



Orthopedics

- Maximize procedural selling opportunity with Biologics, BGT, and Enabling Technologies

Enabling Technologies (ET)

- Focus on 7D equipment placements to drive recurring implant usage
- Leverage investment and drive synergistic approach across the portfolio

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Looking Forward – Accelerating Our Profitable Growth Engine

Invest in **Differentiated Technologies** in Areas Where We Can Win and Lead Innovation

Capitalize on **Multiple Access Points** to Grow Business at Sustained, Above-Market Rates

Operate with Discipline for **Margin Expansion**

Improve Financial Strength and Drive **Strong, Positive Cash Flow**

Advancing Toward Our Goals for Consistent Above-Market Growth, Improved Profitability, and Positive Free Cash Flow

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Full-Year 2025 Guidance[1]



$818M – $826M
Net Sales

Positive
Free Cash Flow for 2025[2]

$82M – $86M
Adjusted EBITDA

[1] As of the Company's Q4 2024 Earnings Call hosted on 2/25/2025. Inclusion of this information in this presentation is not a confirmation or an update of, and should not be construed or otherwise assumed to reflect any confirmation or update of, that guidance by Orthofix leadership as of any date other than 2/25/2025. Net sales range of $818 million to $826 million excludes sales from the discontinued M6 artificial disc product lines and includes a negative impact from foreign currency of approximately $4 million, or 50 basis points, on a reported basis, as compared to the full-year 2024. The Company's expected net sales represent implied constant currency growth of 6.5% year-over-year at midpoint of the range. This guidance range is based on current foreign currency exchange rates and does not take into account any additional potential exchange rate changes that may occur this year.

[2] Excluding impact of restructuring charges related to the discontinuation of the M6-C artificial cervical and M6-L artificial lumbar disc product lines, which we expect to be a headwind to 2025 free cash flow

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Strategy is Driving Long-Term Profitable Growth – Increased Net Sales CAGR in 2027 Financial Goals

2027 Financial Targets	****6.5% – 7.5%****	**Mid-Teens**	**Positive**
	Net Sales CAGR	**Adj. EBITDA**	**Free Cash Flow Generation[1]**
	(2025 – 2027)	(Full-year 2027)	(2025 – 2027)
Growth Engine Pillars	Differentiated Technologies; Multiple Access Points	Margin Expansion	Strong Cash Flow
Assumptions	• Sustained market demand: weighted average market growth of ~4% – 5% • Includes negative pricing impact of 1% to 2% • No material change in reimbursement or regulatory environment	• ~300 bps of Gross Margin expansion over period • Capture remaining merger synergies • Fixed cost leverage, moderating expense growth	• Driven by continued Adj. EBITDA improvement • Reduction in inventory DOH • Improved instrument utilization

Increased from 6% - 7%

[1] Excluding impact of restructuring charges related to the discontinuation of the M6-C artificial cervical and M6-L artificial lumbar disc product lines, which we expect to be a headwind to 2025 free cash flow

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Investment Summary – Why Invest in Orthofix?



01 **Strong fundamentals with profitable growth opportunity** and compelling value proposition across diverse portfolio

02 **More focused commercial strategy** with robust innovation pipeline complemented by successful cross-selling

03 **New leadership team** well-positioned to implement strategic vision and achieve sustainable, profitable growth across portfolio

04 **Improved operational execution**; achieved profitability objectives, including positive free cash flow for second half of 2024, much earlier than originally anticipated

05 **New 2027 financial targets** reflect confidence in sustainable growth trends and commercial strategy and execution

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Appendix

Financial and Non-GAAP Reconciliation Tables

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Net Sales by Major Product Category by Reporting Segment

(Unaudited, U.S. Dollars, in millions)	Three Months Ended December 31, 2024	2023	Change	Constant Currency Change
Bone Growth Therapies	$ 63.9	$ 58.8	8.6%	8.6%
Spinal Implants, Biologics, and Enabling Technologies	116.0	111.0	4.5%	4.5%
Global Spine	179.9	169.8	5.9%	6.0%
Global Orthopedics	35.8	30.6	16.8%	18.1%
Net sales	$ 215.7	$ 200.4	7.6%	7.8%

(Unaudited, U.S. Dollars, in millions)	Year Ended December 31, 2024	2023	Change	Constant Currency Change
Bone Growth Therapies	$ 233.4	$ 212.5	9.8%	9.8%
Spinal Implants, Biologics, and Enabling Technologies	441.9	418.8	5.5%	5.5%
Global Spine	675.3	631.3	7.0%	7.0%
Global Orthopedics	124.2	115.3	7.7%	7.9%
Net sales	$ 799.5	$ 746.6	7.1%	7.1%

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Condensed Consolidated Balance Sheets

(U.S. Dollars, in thousands, except par value data)	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 83,238	$ 33,107
Restricted cash	2,500	4,650
Accounts receivable, net of allowances of $7,418 and $7,130, respectively	134,713	128,098
Inventories	189,452	222,166
Prepaid expenses and other current assets	23,382	32,422
Total current assets	433,285	420,443
Property, plant, and equipment, net	139,804	159,060
Intangible assets, net	98,803	117,490
Goodwill	194,934	194,934
Other long-term assets	26,468	33,388
Total assets	**$ 893,294**	**$ 925,315**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	$ 48,803	$ 58,357
Current portion of long-term debt	—	1,250
Current portion of finance lease liability	755	708
Other current liabilities	119,070	104,908
Total current liabilities	168,628	165,223
Long-term debt	157,015	93,107
Long-term portion of finance lease liability	17,835	18,532
Other long-term liabilities	46,692	49,723
Total liabilities	390,170	326,585
Contingencies		
Shareholders' equity		
Common shares $0.10 par value; 100,000 shares authorized; 38,486 and 37,165 issued and outstanding as of December 31, 2024 and 2023, respectively	3,849	3,717
Additional paid-in capital	779,718	746,450
Accumulated deficit	(276,141)	(150,144)
Accumulated other comprehensive loss	(4,302)	(1,293)
Total shareholders' equity	503,124	598,730
Total liabilities and shareholders' equity	**$ 893,294**	**$ 925,315**

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Condensed Consolidated Statements of Operations

(U.S. Dollars, in thousands, except share and per share data)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
	(Unaudited)			
Net sales	$ 215,657	$ 200,415	$ 799,491	$ 746,641
Cost of sales	66,816	63,785	253,606	260,368
Gross profit	148,841	136,630	545,885	486,273
Sales, general, and administrative	136,479	132,284	532,525	530,395
Research and development	18,807	18,941	73,643	80,231
Acquisition-related amortization and remeasurement	5,031	3,720	24,336	14,757
Operating loss	(11,476)	(18,315)	(84,619)	(139,110)
Interest expense, net	(14,920)	(4,500)	(29,631)	(8,631)
Other income (expense), net	(3,315)	766	(9,625)	(938)
Loss before income taxes	(29,711)	(22,049)	(123,875)	(148,679)
Income tax benefit (expense)	564	(125)	(2,122)	(2,716)
Net loss	**$ (29,147)**	**$ (22,174)**	**$ (125,997)**	**$ (151,395)**
Net loss per common share:				
Basic	$ (0.75)	$ (0.59)	$ (3.30)	$ (4.12)
Diluted	(0.75)	(0.59)	(3.30)	(4.12)
Weighted average number of common shares (in millions):				
Basic	38.7	37.3	38.1	36.7
Diluted	38.7	37.3	38.1	36.7

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Adjusted Gross Profit and Adjusted Gross Margin

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Gross profit	$ 148,841	$ 136,630	$ 545,885	$ 486,273
Share-based compensation expense	477	462	2,068	1,878
SeaSpine merger-related costs	660	214	6,239	6,861
Strategic investments	32	125	192	389
Acquisition-related fair value adjustments	3,047	7,037	12,188	36,044
Amortization/depreciation of acquired long-lived assets	313	372	1,153	1,196
Medical device regulation	—	(72)	—	604
Adjusted gross profit	**$ 153,370**	**$ 144,768**	**$ 567,725**	**$ 533,245**
Adjusted gross margin	71.1%	72.2%	71.0%	71.4%

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Adjusted EBITDA

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Net loss	$ (29,147)	$ (22,174)	$ (125,997)	$ (151,395)
Income tax expense (benefit)	(564)	125	2,122	2,716
Interest expense, net	14,920	4,500	29,631	8,631
Depreciation and amortization	15,994	13,969	60,061	53,063
Share-based compensation expense	7,165	3,167	32,455	35,707
Foreign exchange impact	3,133	(2,638)	4,395	(1,581)
SeaSpine merger-related costs	1,493	2,261	14,485	36,577
Strategic investments	440	389	910	2,272
Acquisition-related fair value adjustments	3,737	6,486	19,088	33,393
(Gain) loss on investments	—	1,781	5,120	1,781
Litigation and investigation costs	5,452	8,842	15,770	14,453
Succession charges	1,315	1,006	9,376	1,176
Medical device regulation	—	1,927	—	9,492
Adjusted EBITDA	$ 23,938	$ 19,641	$ 67,416	$ 46,285
Adjusted EBITDA as % of net sales	*11.1%*	*9.8%*	*8.4%*	*6.2%*

Adjusted Net Income

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Net loss	$ (29,147)	$ (22,174)	$ (125,997)	$ (151,395)
Share-based compensation expense	7,165	3,167	32,455	35,707
Foreign exchange impact	3,132	(2,637)	4,395	(1,581)
SeaSpine merger-related costs	4,430	2,029	17,864	37,609
Strategic investments	470	405	1,036	2,037
Acquisition-related fair value adjustments	3,737	6,486	19,088	33,393
Amortization/depreciation of acquired long-lived assets	4,837	5,023	19,323	19,994
Litigation and investigation costs	5,452	8,842	15,770	14,453
Succession charges	1,315	1,007	9,376	1,176
Medical device regulation	—	1,954	—	9,493
Interest and loss on investments	—	1,759	5,070	2,098
Long-term income tax rate adjustment	(796)	(1,551)	1,981	1,120
Adjusted net income	**$ 595**	**$ 4,310**	**$ 361**	**$ 4,104**

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Cash Flow and Free Cash Flow

(U.S. Dollars, in thousands)	Year Ended December 31, 2024	2023
Net cash provided by (used in) operating activities	$ 25,790	$ (45,753)
Net cash used in investing activities	(27,580)	(33,131)
Net cash provided by financing activities	50,709	65,322
Effect of exchange rate changes on cash	(938)	619
Net change in cash, cash equivalents, and restricted cash	$ 47,981	$ (12,943)

(Unaudited, U.S. Dollars, in thousands)	Year Ended December 31, 2024	2023
Net cash from operating activities	$ 25,790	$ (45,753)
Capital expenditures	(34,876)	(62,050)
Free cash flow	**$ (9,086)**	**$ (107,803)**

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