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Orthofix Medical, Inc. (OFIX)

Q2 2025 Earnings Call

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CORPORATE PARTICIPANTS

Julie Dewey
Chief Investor Relations and Communications Officer, Orthofix Medical, Inc.

Julie B. Andrews
Chief Financial Officer, Orthofix Medical, Inc.

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.

OTHER PARTICIPANTS

Michael John Petusky
Analyst, Barrington Research Associates, Inc.

Jeffrey S. Cohen
Analyst, Ladenburg Thalmann & Co., Inc.

Caitlin Cronin
Analyst, Canaccord Genuity LLC

Jason Wittes
Analyst, ROTH Capital Partners LLC

MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. My name is Kayla and I will be your conference operator today. At this time, I'd like to welcome everyone to the Orthofix Second Quarter 2025 Earnings Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

I would now like to turn the call over to Julie Dewey. You may begin.

Julie Dewey
Chief Investor Relations and Communications Officer, Orthofix Medical, Inc.

Thank you, operator, and good morning, everyone. Welcome to Orthofix' second quarter 2025 earnings call. We appreciate you joining us. I'm Julie Dewey, Orthofix's Chief IR and Communications Officer. Joining me on the call today are President and Chief Executive Officer, Massimo Calafiore; and Chief Financial Officer, Julie Andrews.

Before we get started, please note that our earnings release and the supplemental presentation accompanying this call are available on the Events and Presentations page of the Investors section of our corporate website at orthofix.com. Also, this call is being broadcast live over the Internet to all interested parties and an archived copy of this webcast will be available in the Investors section of our corporate website shortly after the conclusion of this call.

During this call, we will be making forward-looking statements that involve risks and uncertainties. All statements, other than those of historical facts are forward-looking statements. We do not undertake any obligation to revise or update such forward-looking statements. Factors that could cause actual results to differ materially are discussed in our most recent filings with the SEC and may be included in our future filings with the SEC.

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In addition, on today's call, we will refer to various non-GAAP financial measures. Please refer to today's news release announcing our second quarter 2025 results for information regarding our non-GAAP results, including our reconciliations of these non-GAAP financial measures to our U.S. GAAP results.

Additionally, and unless otherwise stated, all net sales percentage changes discussed will be on a pro forma constant currency, year-over-year basis, excluding the impact from the discontinuation of the M6 artificial disc product lines, and all results of operations that we will refer to will be on a non-GAAP as adjusted basis. As we announced on our Q4 earnings call, we are discontinuing the M6 artificial disc product lines. We have posted a pro forma P&L excluding M6 on our website to assist you with updating your models. We will update it on a quarterly basis for the remainder of 2025.

Moving to today's agenda, Massimo will open with comments on our performance and business updates, Julie Andrews will then review the specifics of our second quarter results and our 2025 financial guidance.

With that, I'll now turn the call over to Massimo.

Massimo Calafiore

President, Chief Executive Officer & Director, Orthofix Medical, Inc.

Thank you, Julie. Good morning, everyone, and thank you for joining us for our second quarter earnings call. I'll spend some time providing business updates and information about our key initiatives before I turn it over to Julie Andrews to cover the specifics of our Q2 results and 2025 guidance.

During the second quarter, we continue to execute the priorities that we outlined in our three-year plan to transform our businesses and deliver on our commitment to drive profitable growth. Our second quarter pro forma net sales of $200.7 million, represents year-over-year constant currency growth of 4%. Our disciplined approach led to strong adjusted EBITDA margin growth and positive free cash flow generation, underscoring our ability to grow the business responsibly.

Strategic initiatives like accelerating Spine distributor transition in certain underpenetrated USA territories are gaining traction and creating a powerful foundation for a stronger, more scalable commercial organization to drive our next phase of growth. We expect to benefit from our recent product launches and deliver meaningful product innovation that improves outcomes and efficiencies for our surgeons and their patients. I am confident the Company is well positioned to deliver sustainable, long-term shareholder value throughout the second half of 2025 and beyond.

Now, I would like to provide additional detail for each of our businesses. Our USA Spinal Fixation net sales grew 5.4% and procedure volume grew 7%, both of which were consistent with our expectation. Importantly, we are off to a strong start accelerating targeted distributor transition in certain USA territories that we announced the last quarter.

Collectively, these distributors represent a potentially sizable book of business, which we believe will support the above market CAGR of 6.5% to 7.5% reflected in our three-year financial plan. We expect this distributor transition will result in a more robust and scalable commercial organization paving the way for future growth.

In addition to this distributor transition, we continue to gain share in our U.S. Anterior Lumbar and Cervical Fusion portfolios, which both grew in excess of 15%, significantly outperforming the market. We launched our Reef L Lateral Lumbar Interbody system in the USA, the newest addition to our lateral Spine portfolio and the final piece in our comprehensive Reef Interbody System.

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At the same time, we continue to leverage our differentiated 7D FLASH Navigation system to create longstanding relationships with our surgeon partners. Total 7D unit placements in the U.S. grew by 66% in the first half of 2025, compared to the same prior year period, representing total revenue commitment of about $12 million over the life of the contract, which are typically three to four year commitments.

7D earnouts in the first half of this year were ahead of the first half of last year, and our focus on driving 7D placements through our Voyager Earnout Program is delivering sales results with earnout customer exceeding their contracted spinal hardware and biologic purchase commitment by over 50% on average. We believe this demonstrates our ability to drive incremental product pull-through with surgeon, a stickier relationship with surgeons and hospital accounts.

As we look at the enabling technology driving procedural adoption, we are very excited to announce that we received FDA clearance and initiated the limited market release of our new VIRATA Spinal Fixation System in the U.S. Designed to seamlessly integrate with the 7D FLASH Navigation System, VIRATA exemplifies our commitment to developing implant solutions with enabling technology as a core principle. This level of compatibility optimizes surgical workflows, boosts the surgeon confidence, and accelerates procedural adoption, all key differentiators that we fully intend to capitalize on.

Every aspect of VIRATA, from our proprietary screw design to intuitive instrumentation, is engineered for unrivaled ease of use and performance. VIRATA is more than just another thoracolumbar fixation option. It's a fully integrated procedural solution designed to empower surgical teams and elevate outcomes in demanding accounts.

The limited launch has already generated impressive early traction, with over 80% of surgeons participating in the limited launch representing new or incremental business. These results validates our strategic focus on surgeon-driven innovation powered by cutting edge 7D FLASH technology, reinforces our ability to drive successful market penetration beyond the current customer base. We expect this positive trajectory to continue throughout the limited launch period and look forward to VIRATA being a meaningful contributor to our growth next year.

With continued investment, we expect that our next generation advancements in enabling technology and our hardware portfolio will build upon this unique foundation and established us as a partner of choice for surgeons seeking real-time, data-driven intraoperative solution in the OR.

USA Orthopedics grew 28%, benefiting from strong execution and the launch of our new TrueLok Elevate Transverse Bone Transport system, which is now in full market release globally. This is the fourth consecutive quarter of double-digit USA Orthopedics growth, validating our strategy to become the market leader in the category of complex limb reconstruction. Since receiving FDA clearance and CE Mark registration earlier this year, over 200 TrueLok Elevate Transverse Bone Transport procedures have been completed, making this is one of the most exciting product launches in Orthofix history.

The success of the TrueLok Elevate system advances our strategy to become the leading limb reconstruction company in the market, and in particular expands our presence in the growing diabetic wound market with an innovative solution designed to improve blood circulation, support wound healing in diabetic feet, and lower amputation risk in a challenging patient population.

Building on the success of TrueLok Elevate, orthopedic growth in the second half of 2025 is expected to be fueled by a number of new product introductions that we anticipate will capture additional market share with new and

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existing customers. These innovations include the exclusive FITBONE Bone Transport and Lengthening Nail and FITBONE Trochanteric nail. Our unique position as the only company in the U.S. offering a complete suite of internal and external limb reconstruction solution is yielding substantial results.

This dedicated focus on limb reconstruction is expected to be a crucial growth engine for Orthofix for many years to come as we aim to become the global leader in this $1.7 billion market. The BGT team continues to deliver consistent results growing twice the market, solidifying our leadership position in Spine and capitalizing on the promising opportunity in fracture. Julie will provide further insights into the performance of the segment.

Building on recent product launch successes across the business, we are ideally positioned to deliver transformative innovation that benefits surgeons and patients by optimizing outcomes and efficiencies. We have a healthy commercial pipeline that we believe would provide a clear path to achieving sustained growth that outperforms the market.

We remain focused on three strategic priorities: first, further sharpening our commercial execution to drive deeper market penetration through our comprehensive portfolio offering, including the adoption of our 7D FLASH navigation system; second, implementing projects to improve our gross margin; and finally, focusing on disciplined capital allocation, adjusted EBITDA expansion, and positive free cash flow generation. I believe we are favorably situated to create long-term value for our shareholders and to deliver life-changing innovation to our patients and surgeons in 2025 and beyond.

As we move forward, I am confident we are well-positioned for profitable growth as our efforts to further optimize our Spine commercial channel begin to bear fruit. And we continue to build on our financial foundation and prudently deploy capital to create long-term value for our shareholders. Our momentum continues to build in our Orthopedics business. With the groundbreaking opportunity, we have to define the limb reconstruction category. As well as prospect we have in our bone growth therapy business to further capitalize on cross-selling opportunities and drive penetration in the fracture market with AccelStim.

With that, I'll now turn the call over to Julie to review our second quarter financial results and our 2025 guidance.

Julie B. Andrews

Chief Financial Officer, Orthofix Medical, Inc.

Thank you, Massimo, and good morning, everyone. As we get started, all net sales growth rates, that I refer to in my prepared comments, will be on a pro forma constant currency basis over the prior year quarter and exclude the impact of net sales related to the discontinuation of the M6 artificial cervical and lumbar disc that we previously announced.

These pro forma comparisons are non-GAAP financial measures as described by Julie during the introduction of our call. Please refer to the non-GAAP reconciliations in our press release and I strongly encourage you to review the information posted on our website. This information includes pro forma results through the second quarter of 2025 to assist you with your modeling efforts.

During the second quarter, we prioritized investment in Spine and Biologics distribution expansion and investment in surgeon-driven innovation. Through rigorous resource allocation efforts, we are focusing on higher return opportunities to further sustain our share capture in U.S. Spine and U.S. Orthopedics, improve margins and generate free cash flow. These investments are expected to position the company for both near and long-term profitable growth.

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With that context, let me walk you through our financial results for the quarter. In the second quarter, total global net sales reached $200.7 million, up 4% over the prior year. I will now take you through the net sales results by product segment. Global Spinal Implants, Biologics and Enabling Technologies' second quarter pro forma net sales were $104.8 million with year-over-year growth of 2%. These results were in line with our expectations due to the anticipated short-term impact from targeted distributor transitions in key geographies impacting both our U.S. Spine and Biologics businesses.

In our U.S. Spine Fixation business, procedure volume increased by 7%. However, this growth was partially offset by an outsized impact from a price decrease at a major account that we mentioned during our first quarter call. We will be working through this for the remainder of the year. We continue to see strong adoption of our 7D FLASH navigation system with total U.S. unit placements in the first half of 2025 growing by 66% over the same period of the prior year.

Moving to Bone Growth Therapies, BGT continues to achieve strong net sales growth exceeding market performance in the second quarter. Total net sales reached $62.6 million, reflecting 6% growth. This expansion was supported by strong results in both the Spine and Fracture channels. Fracture growth within BGT was 7%, attributed to investments in the Fracture sales channel that have led to new surgeon conversions.

We do expect our BGT growth to remain at or above market growth rate currently estimated to be 2% to 3%. We will continue to focus on adding new surgeons and competitive surgeon conversions in BGT Spine and continue our commercial focus in the BGT Fracture market where we currently have lower market penetration and see a substantial opportunity to drive new business with orthopedic surgeons.

The Global Orthopedics business grew 5% to $33.3 million in the second quarter, led by 28% growth in the U.S. as a result of the limited market release of TrueLok Elevate and the full market launch of the FITBONE Bone Transport Nail. The International Orthopedics business declined at 2%, in line with our expectations due to several large NGO orders that occurred in 2024 that did not repeat in 2025. As we previously commented, due to the nature of this business, particularly around the timing and volume of stocking distributor and tender orders, we expect to see variability in the growth rate from quarter-to-quarter.

Moving down the P&L, pro forma non-GAAP adjusted gross margin, which excludes the impact of the M6 discontinuation, reached 72.7%, representing an approximate 140 basis point increase compared to the reported non-GAAP adjusted gross margin for the second quarter of 2024 of 71.3%. This improvement was primarily driven by the discontinuation of M6 and favorable product mix. Pro forma non-GAAP adjusted EBITDA, excluding the impact of the discontinuation of M6, was $20.6 million, or 10.3% of net sales. Pro forma adjusted EBITDA margin expanded approximately 190 basis points compared to reported non-GAAP adjusted EBITDA margin for the second quarter of 2024 of 8.4%.

The discontinuation of M6, which has been a negative drag on our profitability in prior periods, drove about one-half of this improvement with the remaining gains resulting from favorable product mix and the actions to optimize our shared service functions announced in Q1 accounting for the remaining half. We are pleased by these margin expansion results as we see our ability to drive leverage on sales growth materializing as we continue to focus on disciplined profitable growth.

From a cash standpoint, our total cash balance at the end of Q2, including restricted cash, increased to $68.7 million, driven by positive free cash flow of $4.5 million for the second quarter. Overall, we continue to be confident in our ability to drive profitable revenue growth moving forward. We remain focused on pursuing the vital few initiatives in our long-range plan and prudently deploying capital and resources to areas where we have a

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differentiated advantage, all of which we believe will support the achievement of our three-year financial targets and propel our business forward.

Moving on to 2025 full-year guidance. First, regarding tariffs, we have exposure to tariffs in the EU, Canada, China and Taiwan. We estimate our annual exposure to be in the range of $3 million to $4 million consistent with our comments in Q1. This estimate includes currently applicable U.S. tariffs that took effect on August 1st and assumes such tariffs remain in place. This exposure is very manageable, primarily reflected in cost of goods sold and already contemplated in our guidance.

We maintain our expectation of full-year pro forma net sales between $808 million and $816 million, excluding revenue from the discontinued M6 product line. We expect third quarter 2025 net sales to be similar to the second quarter with new distributor partners helping to counter usual seasonal declines in procedure volumes. These projections are based on current foreign currency exchange rates and do not assume any additional changes to exchange rates during the remainder of the year.

We continue to expect full year 2025 pro forma non-GAAP adjusted EBITDA of $82 million to $86 million. This range includes the anticipated impact from the discontinuation of the M6 product line that was previously announced in February 2025 and represents 190 basis points of EBITDA margin expansion at the midpoint of the range compared to 2024. We also continue to expect to generate positive free cash flow for the full year 2025, excluding the impact of restructuring charges related to the discontinuation of M6 product line. Additionally, we expect to generate positive free cash flow for the second half of 2025.

Now for some specifics on individual line items for the P&L for 2025. We expect our gross margins to be approximately 72% for the remainder of the year. We continue to expect our operating expenses to improve by approximately 200 basis points this year versus 2024. We now expect stock-based compensation of approximately $28 million to $29 million, and adjusted depreciation and amortization of approximately $37 million for the full year and interest and other expenses of approximately $5 million per quarter.

Finally, building on a resilient financial foundation and delivering long-term shareholder value will continue to be paramount in 2025 and beyond, driven by our heightened focus on disciplined profitable growth, positive cash flow generation, and strategic capital deployment.

Now, before we open up the call for questions, let me turn it back to Massimo for concluding comments. Massimo?

Massimo Calafiore

President, Chief Executive Officer & Director, Orthofix Medical, Inc.

Thanks, Julie. I want to thank our Orthofix team and our committed commercial partners for their efforts in Q2. In the back half of the year, we have a significant opportunity to drive profitable growth and leverage positive momentum. We executed two of the most exciting product introductions in Orthofix history, with VIRATA in its early stage evaluation period and TrueLok Elevate now fully launched. We remain committed to our focused commercial strategy, our surgeon-centric innovation pipeline, and a clear trajectory toward expanded margins. I believe we're poised to achieve our financial goals and generate sustainable long-term value for our shareholders.

Operator, let's now open the line for questions.

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QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from the line of Mike Petusky with Barrington Research. Your line is open.

Michael John Petusky
Analyst, Barrington Research Associates, Inc.

Q

Hey. Good morning. I guess, I wanted to start just asking about the U.S. Orthopedics result. I mean, is that being driven by just deeper utilization of the products, sort of, among the existing customer base? Or are you guys adding new accounts, new surgeons in U.S. Orthopedics? Just curious what's the driver there primarily?

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.

A

Yeah. Hi. Good morning, Mike. I think that the driver is both. We can keep trade deeper in the account where – that we already do in business given our stronger and wider product portfolio. But most importantly, I think that the introduction of TrueLok Elevate, or TBT, is helping us to enter on a market where we were not participating. TrueLok Transverse is a unique product that helps us to participate at this $1.7 billion diabetes foot market and the result that you are seeing is very remarkable, awarding amputation to all of the patients that we treated so far.

So, we had over 200 cases just done and a very high demand out there. So, we are very pleased about the – what we are gaining from our new focus strategy on complex limb reconstruction that is creating a unique position for us in the marketplace. Because also you need to remember that on top of the TBT with our FITBONE product line, we are the only company in the world right now, the only company in the United States, sorry, that can provide the internal and external solution also for bone transport. So, again, I'm very pleased of these new product launches, I am very pleased of the strategy and the results are speaking by itself.

Michael John Petusky
Analyst, Barrington Research Associates, Inc.

Q

Terrific. If I could just sneak a quick one in there for Julie as well. Julie, on the free cash flow, obviously, a good number. I'm just curious CapEx was a little bit lighter than we had anticipated. Is there – and I may have missed this, but is there a guide for CapEx for the back half? And then is there any reason you shouldn't see sequential improvements in free cash for the remainder of the year? Thanks.

Julie B. Andrews
Chief Financial Officer, Orthofix Medical, Inc.

A

Hi, Mike. So I'll start with kind of your last part of your question first. Our comments are specific that H2 will be free cash flow positive, but not necessarily each quarter. And generally speaking, Q4 will be cash flow positive and we may see a little bit slowdown in Q3. We don't have a specific guide for CapEx, but it's probably going to – it was a little bit lighter this quarter, probably still a little bit heavier in Q3, but overall approximately flat to last year.

Michael John Petusky
Analyst, Barrington Research Associates, Inc.

Q

Thank you.

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Operator: And your next question comes from the line of Caitlin Cronin with Canaccord. Your line is open.

Caitlin Cronin
Analyst, Canaccord Genuity LLC

Q

Hi. Congrats on a good quarter and thanks for taking the questions. Just to talk about the U.S. Spine distributor transition, some more color on how that's going? I mean any changes to the strategy or the timing versus last quarter, particularly given the Q3 guidance commentary and when you expect to see accelerated growth?

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.

A

I guess we said, first of all, we believe we are very pleased about the interest that you have that we are seeing on our company and I'm very pleased about how the commercial is executing all of the transition that we start to talk about in Q1. You saw already some acceleration on this quarter, but I'm very – let's say, I'm very excited about the effect that it's going to have on our company in the – from Q3 and beyond. I think that this is going to – all of these work that we are doing is going to help us to bring the company back to the more – above market CAGR that we discussed in our three-year financial plan.

So where we are today and why I feel very confident about the business is because all of these initiatives are creating a much stronger foundation. So besides our commercial – besides the commercial side of the equation, as you see, our innovation pipeline is very strong. VIRATA is going to be a great contributor for our – the growth of our company from now on for the next few years. The demand for 7D is very high. I think that having this highly differentiable product enabling technology platform is helping the team to keep recruiting the talent that we want. So all in all, between our commercial execution and our focus on innovation, I feel very confident about what is going to – what we can achieve from now on.

Caitlin Cronin
Analyst, Canaccord Genuity LLC

Q

That's great. And then strong BGT growth, AccelStim 2.0, have you launched that yet, and any contribution expected from that launch in the second half?

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.

A

Yes, as we're going to – it was FDA approved and we are planning to launch it in the second half of the year. We're going to see some contribution of the product, but most importantly, the fact that is going to connect in a seamless way with our post-op platform. We see a lot of interest on the surgeon, given the ability to follow patient when – during the healing journey.

So I cannot be more proud about what the BGT team is doing. If you think about being the market leader and posting quarter-over-quarter this substantial growth, is just a testament about commercial excellence, but also our ability to leverage the cross selling opportunities that are appearing both in Spine and in Orthopedics. Because the fact that our Orthopedics business is growing so fast in the United States is going just accelerate also our opportunity to cross-sell into BGT. So I can firmly say that our strategy also on the BGT is working.

Caitlin Cronin
Analyst, Canaccord Genuity LLC

Q

Great. Thanks for taking the questions.

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Operator: And your next question comes from the line of Jeffrey Cohen with Ladenburg. Your line is open.

Jeffrey S. Cohen
Analyst, Ladenburg Thalmann & Co., Inc.

Q

Hi, good morning, Massimo and Julie. Thanks for taking our questions. I wondered if firstly you could talk about 7D and geographically speaking some of the traction that you're seeing now and what you anticipate in the back half from a geographical standpoint.

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.

A

We are not talking about 7D from the geographic point of view. I think that we are – the results of 7D right now are very compelling, are demonstrating the quality of our strategy. The 7D unit placement grew 66% in the first half of 2025, but most importantly is giving us a revenue commitment of around $12 million over the lifetime of the contract. Think about normally this commitment at three or four years, but what really – what is really great for us is that over that the majority of our placement are on average 50% on top of what the commitment – the purchase commitment for hardware biologic. So, again, we are not talking about where we place 7D geographically, but thinking about United States, very pleased with the success of our Voyager in our program.

Jeffrey S. Cohen
Analyst, Ladenburg Thalmann & Co., Inc.

Q

Thank you. That's helpful. And then secondly for us, could you talk about, was there any pricing that you were able to take during the second quarter? Is there any pricing anticipated for the back half of the year?

Julie B. Andrews
Chief Financial Officer, Orthofix Medical, Inc.

A

Yeah. I mean, there weren't any pricing changes in the quarter compared to our comments in Q1. We did talk in Q1 about we had a pricing contract that went into effect on an account that is having a sizable impact on our Spine Fixation business, but that's not new. That'll continue for the rest of the year. But other than that, pricing was pretty stable.

Jeffrey S. Cohen
Analyst, Ladenburg Thalmann & Co., Inc.

Q

Got it. Okay. Perfect. Thanks for taking our questions.

Operator: [Operator Instructions] Your next question comes from the line of Jason Wittes with ROTH. Your line is open.

Jason Wittes
Analyst, ROTH Capital Partners LLC

Q

Hi. Thanks for taking the questions. Just looking at the growth over the last few quarters and even the outlook, it seems like you have a very big opportunity in specialized ortho. If you look forward, is that kind of where you think you're going to continue to see outsized growth for the business?

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.

A

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Yeah. I think that look, i.e., we are working very hard, of course, to balance the growth within all our business units, but it's clear that the strategy that we implemented around the Orthopedics, especially in the United States, is paying off. We are redefining the category of limb reconstruction is under several market that comprehensive limb preservation, deformity correction, limb lengthening and complex fracture management and the combination of TBT and FITBONE and our legacy product is creating a unique position that we are going to try, that we are working very hard to fully capitalize.

And I don't see the business and the growth in the United States is slowing down in the foreseeable future. So, very excited to participate on this $1.7 billion market with our product line. But again, the success of the organization is going to come from the combination of our growth in spine, the investment that we are making on our distribution is paving and is creating a stronger foundation for us. The growth that we're experiencing in BGT quarter-over-quarter is amazing. So very confident about the ability to this organization to deliver in the foreseeable future.

Jason Wittes
Analyst, ROTH Capital Partners LLC
Q

Okay. That's helpful. And then also looking at bone growth therapies, that's also continuing to grow above market, at least kind of where – even you guys see where the market is growing. How much is that product-driven, and how much of that is cross-selling, which I think initially was a big part of the growth we saw when you first merged with SeaSpine?

Massimo Calafiore
President, Chief Executive Officer & Director, Orthofix Medical, Inc.
A

Yeah, well, we will continue to focus on cross-selling with Orthopedics and Spine. The growth in Orthopedics is also helping to capitalize to this opportunity even farther. We are driving – we are helping to – we are planning to drive penetration in the BGT Fracture in the second half with AccelStim. But again I think that the majority of our success is coming from our ability to execute commercially quarter-over-quarter, giving also the highly differentiable back office that we have that creates a very unique and easy to – and a very unique seamless opportunity for our patients and surgeons that prescribe and use BGTs.

Jason Wittes
Analyst, ROTH Capital Partners LLC
Q

Okay. Great. Maybe just one last one. The large customer that impacted pricing in the first quarter, I don't know if that's something you can quantitate going forward, and I assume that will anniversary, I guess, first quarter next year. Just your thoughts on that.

Julie B. Andrews
Chief Financial Officer, Orthofix Medical, Inc.
A

Yeah. So, Jason, we said our volume growth was 7% and overall growth was 5.4%. So that's, basically the difference is the pricing.

Jason Wittes
Analyst, ROTH Capital Partners LLC
Q

So, but it's all due to that single customer or that's, I assume, pricing across the board?

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Julie B. Andrews
Chief Financial Officer, Orthofix Medical, Inc.

A

The vast majority of it is due to that customer.

Jason Wittes
Analyst, ROTH Capital Partners LLC

Q

Okay. Thank you. I'll jump back in queue.

Operator: And there are no further questions at this time. Julie Dewey, I turn the call back over to you.

Julie Dewey
Chief Investor Relations and Communications Officer, Orthofix Medical, Inc.

Great. Thank you, Kayla. And thanks, everybody, for joining us today. Your time and interest in Orthofix is appreciated. If you have questions, please reach out. We'll look forward to talking to you next quarter. This concludes our call.

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