Supplemental Financials
1Q24 Earnings

May 7, 2024

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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, 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 communication include the Company's expectations regarding net sales and adjusted EBITDA for the year ended December 31, 2024. 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, 2023 (the “2023 Form 10-K”), and in Part II, Item 1A under the heading *Risk Factors* in our Quarterly Report on Form 10-Q for the quarter ended March 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) global economic instability and potential supply chain disruption caused by Russia’s invasion of Ukraine and resulting sanctions, 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.

This list of risks, uncertainties, and other factors is not complete. We discuss some of these matters more fully, as well as certain risk factors that could affect our business, financial condition, results of operations, and prospects, in reports we file from time-to-time with the SEC, which are available to read at www.sec.gov. Any or all forward-looking statements that we make may turn out to be wrong (due to inaccurate assumptions that we make or otherwise), and our actual outcomes and results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any of 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 income (loss) before income taxes, 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.

Q1 2024 Results Summary

First Quarter 2024 Results Summary (in millions)	Q1 2024	Q1 2023	Constant Currency Change
Bone Growth Therapies	$ 52.5	$ 47.7	10.0%
Spinal Implants, Biologics, and Enabling Technologies	$ 108.8	$ 101.5	7.2%
Global Spine	$ 161.3	$ 149.2	8.1%
Global Orthopedics	$ 27.3	$ 26.0	3.8%
Total Net Sales	$ 188.6	$ 175.2	7.5%
Adjusted Gross Margins	70.3%	70.7%	(5.7)%
Adjusted EBITDA	$ 7.7	$ 3.2	139.0%

Q1 Total Net Sales: $188.6M; 7.5% y/y growth

Q1 Adjusted EBITDA: $7.7M; 4.1% of sales
vs $3.2M in 1Q23; 1.8% of sales

Q1 Adjusted Gross Margin: 70.3%
vs 70.7% in 1Q23

Q1 Sales & Marketing: $100.0M; 53.0% of sales
vs $93.8M in 1Q23; 53.5% of sales

Q1 R&D: $19.5M; 10.3% of sales
vs $23.3M in 1Q23; 13.3% of sales

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Q1 2024 Key Messages

- Strong fundamentals with compelling growth opportunity and value proposition across diverse portfolio
- Merger thesis remains intact
- Broad product portfolio driving penetration of new and existing customers
- Solid operational execution with >200 basis points adjusted EBITDA expansion
- Prioritization of profitable growth; free cash flow positive in 4Q24

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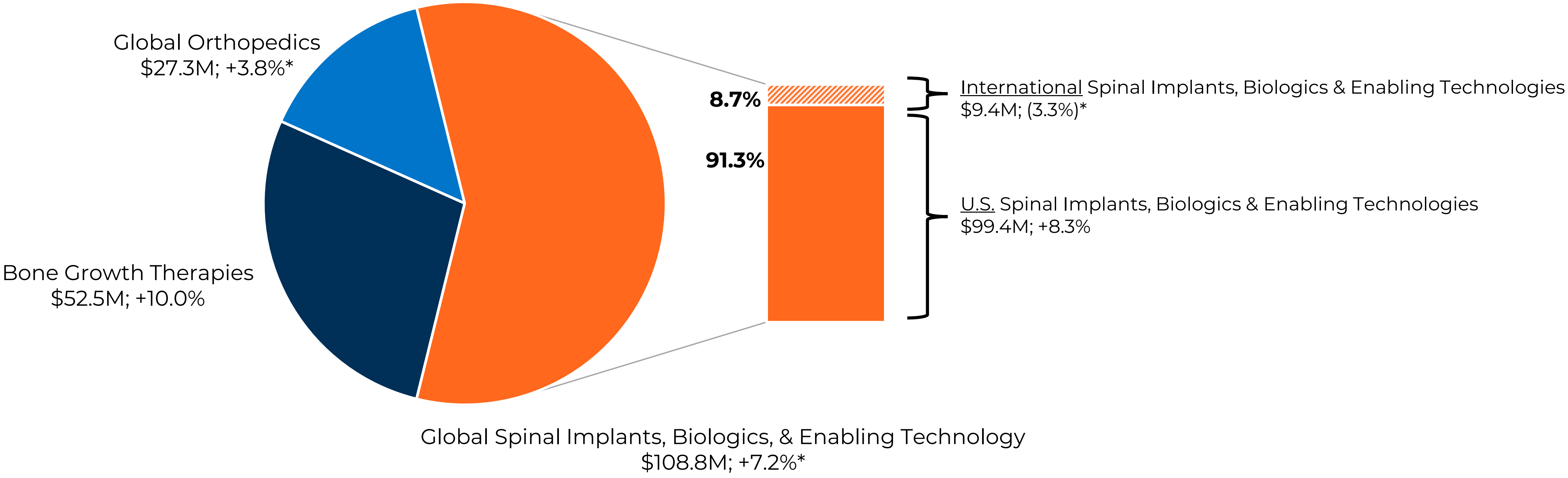
First Quarter Revenues

Diversified and complementary portfolio platform with broad clinical reach

Q1 Total Revenues $188.6M ; +7.5% y/y*



* Y/Y Growth (Decline) on Constant Currency basis

Complementary Portfolios

$7B of Focused High-Growth Market Segments* | 6.1% CAGR

Spinal Implants

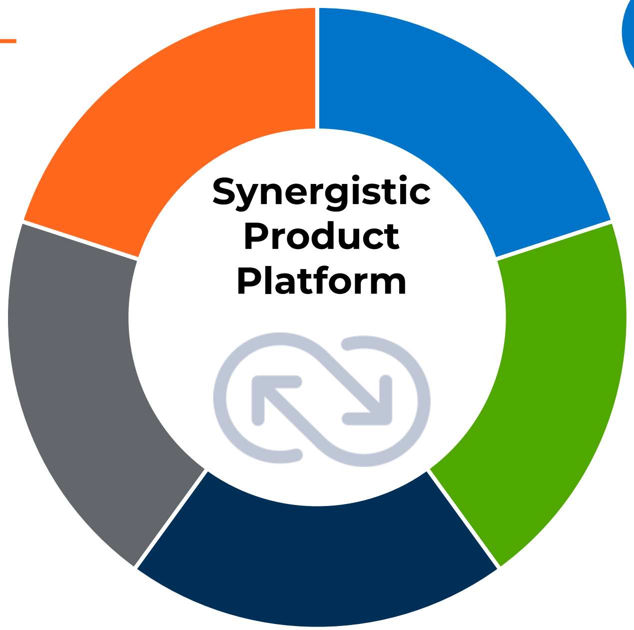
Motion Preservation

Spinal Fixation

Orthopedics

Limb Reconstruction

Deformity Correction



Biologics

Cellular Allograft

Demineralized Bone Matrices

Synthetic Bone Grafts

Bone Growth Therapies

Bone Growth Stimulation

Non-Surgical Alternative

Regenerative Technology

Enabling Technologies

Machine-vision 7D FLASH™ Navigation

SmartTRAK® 2022 – 2026 U.S. Estimates

*Focused growth segments include Enabling Technologies, Motion Preservation, Interbody, DBM, LLIF/OLIF, MIS and Long Bone Stimulation

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2024

Full Year Guidance*

$790 – 795M Revenue

$62 – 67M Adjusted EBITDA

Cash Flow Positive for Q4 2024

Revenue ranges above represent 6% to 7% year-over-year growth

Guidance information is as of May 7, 2024, based on guidance provided by Orthofix leadership on that date. 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 ay confirmation or update of, that guidance by Orthofix leadership as of any date other than May 7, 2024.

*As of the Company's Q1 2024 Earnings Call hosted on May 7, 2024

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2024 Key Priorities

Profitable Growth

- Sustainable differentiated growth engine
- Adjusted EBITDA improvements
- Effective management of cash flow
- Optimization of cost synergies
- Cash flow positive for Q4 2024
- Avoid "growth at all cost"
- Efficient working capital management

Synergistic Product Platform

- Leverage technologies and sales channels across all product segments
- Diversified portfolio with complementary multifunctional applications
- Continuum of musculoskeletal care integrated by enabling technologies
- Cross selling opportunities

Innovation

- Continued innovation as a growth driver
- Allocation of resources to high value businesses
- Product development that enables market share gain
- Extension of existing product pipeline

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Condensed Consolidated Balance Sheets

(U.S. Dollars, in thousands, except par value data)	March 31, 2024	December 31, 2023
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 26,964	$ 33,107
Restricted cash	2,500	4,650
Accounts receivable, net of allowances of $8,398 and $7,130, respectively	125,617	128,098
Inventories	219,076	222,166
Prepaid expenses and other current assets	24,821	32,422
Total current assets	398,978	420,443
Property, plant, and equipment, net	158,132	159,060
Intangible assets, net	112,761	117,490
Goodwill	194,934	194,934
Other long-term assets	41,245	33,388
Total assets	**$ 906,050**	**$ 925,315**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	$ 57,147	$ 58,357
Current portion of long-term debt	3,125	1,250
Current portion of finance lease liability	724	708
Other current liabilities	89,625	104,908
Total current liabilities	150,621	165,223
Long-term debt	115,071	93,107
Long-term portion of finance lease liability	18,345	18,532
Other long-term liabilities	51,698	49,723
Total liabilities	335,735	326,585
Contingencies		
Shareholders' equity		
Common shares $0.10 par value; 100,000 shares authorized; 37,410 and 37,165 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	3,741	3,717
Additional paid-in capital	753,398	746,450
Accumulated deficit	(186,164)	(150,144)
Accumulated other comprehensive loss	(660)	(1,293)
Total shareholders' equity	570,315	598,730
Total liabilities and shareholders' equity	**$ 906,050**	**$ 925,315**

Condensed Consolidated Statements of Operations

(U.S. Dollars, in thousands, except share and per share data)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(Unaudited)	
Net sales	$ 188,608	$ 175,204
Cost of sales	61,366	64,875
Gross profit	127,242	110,329
Sales and marketing	100,043	93,791
General and administrative	31,648	48,811
Research and development	19,492	23,307
Acquisition-related amortization and remeasurement	5,396	4,134
Operating loss	(29,337)	(59,714)
Interest expense, net	(4,558)	(1,289)
Other income (expense), net	(1,274)	676
Loss before income taxes	(35,169)	(60,327)
Income tax expense	(851)	(611)
Net loss	**$ (36,020)**	**$ (60,938)**
Net loss per common share:		
Basic	$ (0.95)	$ (1.71)
Diluted	(0.95)	(1.71)
Weighted average number of common shares (in millions):		
Basic	37,741	35,734
Diluted	37,741	35,734

Net Sales by Major Product Category (as reported)

(Unaudited, U.S. Dollars, in millions)	Three Months Ended March 31, 2024	2023	Change	Constant Currency Change
Bone Growth Therapies	$ 52.5	$ 47.7	10.0%	10.0%
Spinal Implants, Biologics, & Enabling Technologies	108.8	101.5	7.2%	7.2%
Global Spine	161.3	149.2	8.1%	8.1%
Global Orthopedics	27.3	26.0	5.1%	3.8%
Net sales	$ 188.6	$ 175.2	7.7%	7.5%

Non-GAAP Financial Measures

Adjusted Gross Margin

($ in millions)	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Total revenue, net	$	188,608	$	175,204
Gross profit	$	127,242	$	110,329
Add back:				
Share-based compensation expense		537		471
SeaSpine merger-related costs		1,303		703
Strategic investments		65		180
Acquisition-related fair value adjustments		3,047		11,636
Amortization/depreciation of acquired long-lived assets		318		—
Medical device regulation		—		629
Adjusted gross profit	$	132,512	$	123,948
Adjusted gross margin (Adjusted gross profit / Total revenue, net)		**70.3%**		**70.7%**

Adjusted EBITDA

($ in millions)	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Loss before income taxes	**$**	**(35,169)**	**$**	**(60,327)**
Non-GAAP adjustments				
Interest expense, net	$	4,558	$	1,289
Depreciation and amortization		14,862		12,670
Share-based compensation expense		8,800		13,020
Foreign exchange impact		1,588		(583)
SeaSpine merger-related expenses		4,520		20,740
Strategic investments		120		661
Acquisition-related fair value adjustments		4,217		11,636
Litigation and investigation costs		2,260		469
Succession charges		2,210		—
Medical device regulation		—		3,629
All other		(301)		—
Adjusted EBITDA	**$**	**7,665**	**$**	**3,204**
Adjusted EBITDA as a percentage of net sales		**4.1%**		**1.8%**

Adjusted Net Income

($ in millions)	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Net loss	$	(36,020)	$	(60,938)
Share-based compensation expense		8,800		13,020
Foreign exchange impact		1,588		(583)
SeaSpine merger-related costs		4,887		22,304
Strategic investments		126		698
Acquisition-related fair value adjustments		4,217		11,636
Amortization/depreciation of acquired long-lived assets		4,792		4,134
Litigation and investigation costs		2,260		469
Succession charges		2,210		—
Medical device regulation		—		3,634
All other		(301)		—
Long-term income tax rate adjustment*		2,696		2,014
Adjusted net income (loss)	**$**	**(4,745)**	**$**	**(3,612)**

* *Long-term income tax rate adjustment* – Reflects management's expectation of a long-term normalized effective tax rate of 28% for 2024 and 2023 results, which is based on current tax law and current expected adjusted income; actual reported tax expense will ultimately be based on GAAP earnings and may differ from the expected long-term normalized effective tax rate due to a variety of factors, including the resolutions of issues arising from tax audits with various tax authorities, the ability to realize deferred tax assets, and the tax impact of certain reconciling items that are excluded in determining Adjusted Net Income (Loss).

On the Company's Q1 2024 earnings call held on May 7, 2024, Orthofix management presented Adjusted EBITDA and Adjusted Gross Margin, both of which are non-GAAP financial measures, for the 1st quarter of 2024. The following tables present reconciliations of various financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), to various non-GAAP financial measures that exclude (or in the case of free cash flow, include) items specified in the tables. The GAAP measures shown in the tables below represent the most comparable GAAP measure 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

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