ATEC Reports Second Quarter 2025 Financial Results And Raises Full-Year Guidance

- Surgical revenue grew 29% to $168 million
- Total revenue grew $40 million or 27.5%
- Full-year revenue and profitability guidance increased

CARLSBAD, Calif., July 31, 2025 – Alphatec Holdings, Inc. (Nasdaq: ATEC), a spine-focused provider of innovative solutions dedicated to revolutionizing the approach to spine surgery, today announced financial results for the quarter ended June 30, 2025, and recent corporate highlights.

Second Quarter 2025 Financial Results

	Quarter Ended June 30, 2025
Total revenue	$186 million
GAAP gross margin	70%
Non-GAAP gross margin	70%
GAAP operating expenses	$142 million
Non-GAAP operating expenses	$122 million
GAAP net income / (loss)	($41) million
Non-GAAP net income / (loss)	$3 million
Adjusted EBITDA	$23 million
Adjusted EBITDA margin	13%
Ending cash balance	$157 million

Recent Highlights

- Surgical revenue of $168 million grew by 29% on continued momentum of PTP™ and LTP™
- Achieved 21% growth in new surgeon adoption, a key leading indicator of future growth
- Delivered adjusted EBITDA margin of 13% expanding by 880 bps YoY in the quarter through disciplined execution
- Trailing twelve months of adjusted EBITDA improved to $62 million
- Inflected to non-GAAP net income profitability
- Generated $5 million of free cash flow

"I'm proud of the ATEC Family for executing yet another strong quarter," said Pat Miles, Chairman and Chief Executive Officer. "Six years of uninterrupted industry-leading growth has demonstrated that the spine market needs ATEC. While much of the industry wrestles with disruption and distraction, we continue to relentlessly architect procedural solutions that drive clinical distinction and more predictable surgical outcomes. The ecosystem we've invested in is only beginning to show its influence, but its impact is unmistakable: durable growth, at multiples of the market, leading to a clear financial inflection. At ATEC, we're not just participating in this market; we're revolutionizing it."

Financial Outlook for the Full Year 2025

For the fiscal year ending December 31, 2025, the Company now expects total revenue to grow 21% to $742 million compared to the previous expectation of $734 million. This includes surgical revenue of $666 million and EOS revenue of $76 million. The Company now expects non-GAAP adjusted EBITDA of approximately $83 million compared to the previous expectation of $78 million.

Financial Results Webcast

ATEC will present these results via a live webcast today at 1:30 p.m. PT / 4:30 p.m. ET. The live webcast can be accessed by visiting the Investor Relations Section of ATEC's Corporate Website.

To dial into the live webcast please register at this link. Access details will be shared via email.

A replay of the webcast will remain available through the Investor Relations Section of ATEC's Corporate Website for twelve months.

Non-GAAP Financial Information

To supplement the Company's financial statements presented in accordance with generally accepted accounting principles in the United States of America (GAAP), the Company reports certain non-GAAP financial measures listed below under "Non-GAAP Financial Measures". The Company believes that these non-GAAP financial measures provide investors with an additional tool for evaluating the Company's core performance, which management uses in its own evaluation of continuing operating performance, and a baseline for assessing the Company's future earnings potential. The Company's non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies in the industry may calculate non-GAAP financial measures differently, particularly related to non-recurring, unusual items. Non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. We have not reconciled our non-GAAP financial measures for the full year 2025 because certain items that impact these figures are either uncertain or outside our control and cannot be reasonably predicted. Accordingly, a reconciliation of forward-looking non-GAAP financial measures is not available. Included below are definitions of the non-GAAP financial measures the Company uses:

Non-GAAP Financial Measures

Free cash flow: Calculated by subtracting capital expenditures from cash flow provided by or used in operating activities. Management uses free cash flow to measure progress on its capital efficiency and cash flow initiatives.

Non-GAAP Gross Profit and Non-GAAP Gross Margin: Non-GAAP gross profit represents GAAP gross profit with adjustments to exclude the impact of certain items recorded to cost of goods sold. Such potential adjustments are described within the section below under "Non-GAAP Adjustments" and included in the non-GAAP reconciliation attached below. Non-GAAP gross margin represents non-GAAP gross profit as a percentage of GAAP net sales.

Non-GAAP Operating Expenses: Non-GAAP operating expenses represent GAAP operating expenses, such as sales, general, and administrative expense, and research and development expense, with adjustments to exclude the impact of certain items recorded in GAAP operating expenses. Such potential adjustments are described within the section below under "Non-GAAP Adjustments" and included in the non-GAAP reconciliation attached below.

Non-GAAP Net Income (Loss) and Non-GAAP EPS: Non-GAAP net income (loss) represents GAAP net loss with adjustments to exclude the impact of certain items recorded in GAAP net loss. Such potential adjustments are described within the sections below under "Non-GAAP Adjustments" and included in the non-GAAP reconciliation attached below. Non-GAAP EPS represents non-GAAP net income (loss) divided by weighted average shares outstanding.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin: EBITDA represents earnings before non-operating income/expense, taxes, depreciation and amortization. Adjusted EBITDA consists of EBITDA with adjustments to exclude certain items described within the section below under "Non-GAAP Adjustments" and included in the non-GAAP reconciliation attached below. Adjusted EBITDA margin represents adjusted EBITDA as a percentage of GAAP net sales.

Non-GAAP Adjustments

The Company's non-GAAP financial measures reflect the exclusion of the following items:

Amortization of acquired intangible assets: Represents amortization expense associated with intangible assets including, but not limited to customer relationships, intellectual property, and trade names acquired in business combinations and asset acquisitions. This adjustment does not include amortization from other intangibles.

Litigation-related expenses: We are involved in various litigation matters that from time-to-time result in settlements. Litigation matters can vary in their characteristics, frequency and significance to our operating results and core business operations. We review litigation matters from both a qualitative and quantitative perspective to determine whether such matters are a normal and recurring part of our business. We include in our GAAP financial statements litigation fees and settlement expenses that we determine to be normal, recurring and routine to our business. When we determine that certain litigation matters are not normal and recurring to our core business operations, we believe excluding these expenses will provide our management and investors with useful incremental information. Litigation fees and settlement expenses excluded from our non-GAAP financial measures in the periods presented relate primarily to patent litigation and other litigation matters that relate directly to the business transformation that we started in 2018 and are discussed more fully in our periodic reports filed with the Securities and Exchange Commission.

Purchase accounting adjustments on acquisitions: Includes non-cash expenses incurred as a result of fair value step-ups associated with tangible assets acquired in business combinations or asset acquisitions.

Restructuring expenses: From time-to-time, in order to realign the Company's operations or to realize synergies from acquisitions, the Company may eliminate roles or restructure its operations and footprint. In such cases the Company may incur one-time severance and personnel costs associated with workforce reductions, or costs associated with exiting and/or relocating facilities. We exclude these costs as we do not consider such amounts to be part of the ongoing operations.

Stock-based compensation: Stock-based compensation is charged to cost of revenue and operating expenses. We exclude stock-based compensation from certain of our non-GAAP financial measures because we believe that excluding these non-cash expenses provides meaningful supplemental information regarding operational performance. Because of the variety of equity awards used by companies, the varying methodologies for determining stock-based compensation expense, the subjective assumptions involved in those determinations, and the volatility in valuations that can be driven by market conditions outside the Company's control, the Company believes excluding stock-based compensation expense enhances the ability of management and investors to understand and assess the underlying performance of its business over time.

Transaction-related expenses: Represent one-time costs incurred in connection with business combinations, asset acquisitions, or debt financing and modification activities. These expenses may include, but are not limited to, legal and advisory fees, due diligence costs, contract termination charges, and other third-party expenses directly related to the planning or execution of these transactions. We exclude these costs because they can vary significantly from period to period and are not indicative of the underlying trends in our core business.

Foreign currency exchange impact: Gains and losses related to foreign currency transactions, which are recorded as other income (expense), net. Management excludes these items when evaluating the Company's operating results as they are primarily non-cash and non-operating in nature.

Loss on debt extinguishment: Represents charges recognized in connection with the early repayment, refinancing, or settlement of debt, including write-offs of unamortized debt discounts, premiums, or deferred financing costs, and any associated prepayment penalties. We exclude these items from non-GAAP results because they are non-recurring in nature, not indicative of ongoing operating performance, and can vary significantly from period to period based on financing activity.

Loss (gain) on derivative liability: Represents non-cash fair value adjustments associated with embedded derivative features related to our convertible debt. These mark-to-market changes are driven by fluctuations in our stock price and other valuation inputs, and do not reflect current operating performance. We exclude these amounts from non-GAAP results because they are non-cash, volatile, and unrelated to the company's core business operations.

Non-cash interest expense: Consists primarily of interest expense related to the amortization of debt discounts, deferred financing costs, and other non-cash components associated with our convertible notes and other long-term debt instruments. We exclude this item from non-GAAP net income because it is non-cash in nature and does not reflect our core operating performance or current period cash expenditures.

Long-term income tax rate adjustment: The Company employs a structural long-term projected non-GAAP income tax rate of 26% for greater consistency across reporting periods. This long-term projected non-

GAAP tax rate reflects historical and expected tax positions and excludes any benefit from deferred tax assets or valuation allowance changes. The long-term rate considers various factors, including the Company's anticipated tax structure, its tax positions in different jurisdictions, and current impacts from key U.S. legislation where the Company operates. We will reevaluate this tax rate, as necessary, for events such as major changes in the U.S. tax environment, substantial changes in the Company's geographic earnings mix due to acquisition activity, or other shifts in the Company's strategy or business operations.

Other non-recurring expenses: These represent items that are unusual or infrequent in nature and that we believe are not indicative of our ongoing operating performance. Examples may include discrete costs associated with tax strategy implementation or one-time expenses related to customer restructuring or reorganization events. We evaluate such items based on their nature and significance and disclose material adjustments in our non-GAAP reconciliations.

About Alphatec Holdings, Inc.

ATEC, through its wholly owned subsidiaries, Alphatec Spine, Inc., EOS imaging S.A.S. and SafeOp Surgical, Inc., is a medical device company dedicated to revolutionizing the approach to spine surgery through clinical distinction. ATEC's Organic Innovation Machine™ is focused on developing new approaches that integrate seamlessly with the Company's expanding InformatiX™ platform to better inform surgery and more safely and reproducibly achieve the goals of spine surgery. ATEC's vision is to be the Standard Bearer in Spine. For more information, visit us at www.atecspine.com.

Forward-Looking Statements

This press release 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; and the Company's ability to compel surgeon adoption and drive procedural growth. 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 and the form of such 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 U.S. 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.

Investor/Media Contact:
Robert Judd
Investor Relations
(760) 494-6790
investorrelations@atecspine.com

Company Contact:
J. Todd Koning
Chief Financial Officer
investorrelations@atecspine.com

Alphatec Holdings, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited)		*(unaudited)*	
Revenue from products and services	$ 185,544	$ 145,573	$ 354,724	$ 284,050
Cost of sales	56,443	42,979	109,627	84,105
Gross profit	129,101	102,594	245,097	199,945
Operating expenses:				
Research and development	18,276	19,105	35,308	37,117
Sales, general and administrative	118,507	112,731	245,524	226,341
Litigation-related expenses	1,593	2,090	13,807	6,518
Amortization of acquired intangible assets	3,803	3,836	7,456	7,690
Restructuring expenses	7	139	378	927
Total operating expenses	142,186	137,901	302,473	278,593
Operating loss	(13,085)	(35,307)	(57,376)	(78,648)
Other expense, net:				
Cash interest expense, net	(5,289)	(4,754)	(10,645)	(9,037)
Noncash interest expense, net	(7,020)	(1,061)	(9,505)	(2,119)
Loss on debt extinguishment	—	—	(17,576)	—
(Loss) gain on derivative liability	(16,780)	—	620	—
Other income (expense) , net	993	156	1,330	274
Total other expense, net	(28,096)	(5,659)	(35,776)	(10,882)
Net loss before taxes	(41,181)	(40,966)	(93,152)	(89,530)
Income tax benefit	(37)	(286)	(101)	(355)
Net loss	$ (41,144)	$ (40,680)	$ (93,051)	$ (89,175)
Net loss per share, basic and diluted	$ (0.27)	$ (0.29)	$ (0.63)	$ (0.63)
Weighted average shares outstanding, basic and diluted	149,907	142,687	148,337	141,845
Stock-based compensation included in:				
Cost of sales	$ 553	$ 554	$ 3,596	$ 1,037
Research and development	4,159	5,614	7,803	9,929
Sales, general and administrative	10,912	10,792	26,543	23,316
	$ 15,624	$ 16,960	$ 37,942	$ 34,282

Alphatec Holdings, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

		June 30, 2025		December 31, 2024
		(unaudited)		
ASSETS				
Current assets:				
Cash and cash equivalents	$	157,063	$	138,840
Accounts receivable, net		95,919		82,987
Inventories		169,760		175,264
Prepaid expenses and other current assets		20,584		20,308
Total current assets		443,326		417,399
Property and equipment, net		139,729		156,394
Right-of-use assets		33,921		34,701
Goodwill		75,218		70,976
Intangible assets, net		95,593		93,518
Other assets		2,506		2,722
Total assets	$	790,293	$	775,710
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Accounts payable	$	47,240	$	52,984
Accrued expenses and other current liabilities		87,013		81,466
Contract liabilities		11,497		10,467
Short-term debt		1,929		1,656
Current portion of operating lease liabilities		6,505		6,453
Total current liabilities		154,184		153,026
Total long-term liabilities		588,735		613,250
Redeemable preferred stock		23,603		23,603
Stockholders' equity (deficit)		23,771		(14,169)
Total liabilities and stockholders' equity (deficit)	$	790,293	$	775,710

Alphatec Holdings, Inc.
Reconciliation of Non-GAAP Financial Measures
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(unaudited)				
Gross profit, GAAP	$ 129,101	$ 102,594	$ 245,097	$ 199,945
Add: amortization of intangible assets	64	307	114	614
Add: stock-based compensation	553	554	3,596	1,037
Add: purchase accounting adjustments on acquisitions	—	197	—	197
Non-GAAP gross profit	$ 129,718	$ 103,652	$ 248,807	$ 201,793
Gross margin, GAAP	69.6%	70.5%	69.1%	70.4%
Add: amortization of acquired intangible assets	0.0%	0.2%	0.0%	0.2%
Add: stock-based compensation	0.3%	0.4%	1.0%	0.4%
Add: purchase accounting adjustments on acquisitions	0.0%	0.1%	0.0%	0.1%
Non-GAAP gross margin	69.9%	71.2%	70.1%	71.0%

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(unaudited)				
Operating expenses, GAAP	$ 142,186	$ 137,901	$ 302,473	$ 278,593
Adjustments:				
Stock-based compensation	(15,071)	(16,406)	(34,346)	(33,245)
Litigation-related expenses	(1,593)	(2,090)	(13,807)	(6,518)
Amortization of acquired intangible assets	(3,803)	(3,836)	(7,456)	(7,690)
Transaction-related expenses	—	—	—	117
Restructuring expenses	(7)	(139)	(378)	(927)
Other non-recurring expenses	—	(1,608)	—	(1,608)
Non-GAAP operating expenses	$ 121,712	$ 113,822	$ 246,486	$ 228,722

Alphatec Holdings, Inc.
Reconciliation of Non-GAAP Financial Measures
(in thousands)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
(unaudited)				
Net loss, GAAP	$ (41,144)	$ (40,680)	$ (93,051)	$ (89,175)
Cash interest expense, net	5,289	4,754	10,645	9,037
Noncash interest expense, net	7,020	1,061	9,505	2,119
Loss on debt extinguishment	—	—	17,576	—
Gain on derivative liability	16,780	—	(620)	—
Other expense (income), net	(993)	(156)	(1,330)	(274)
Income tax benefit	(37)	(286)	(101)	(355)
Depreciation	15,012	15,735	30,766	29,459
Amortization expense	4,316	4,143	8,469	8,304
EBITDA	6,243	(15,429)	(18,141)	(40,885)
Add back significant items:				
Stock-based compensation	15,624	16,960	37,942	34,282
Purchase accounting adjustments on acquisitions	—	197	—	197
Litigation-related expenses	1,593	2,090	13,807	6,518
Transaction-related expenses	—	—	—	(117)
Restructuring expenses	7	139	378	927
Other non-recurring expenses	—	1,608	—	1,608
Adjusted EBITDA	$ 23,467	$ 5,565	$ 33,986	$ 2,530
Adjusted EBITDA margin	12.6%	3.8%	9.6%	0.9%
Adjusted EBITDA margin expansion	880 bps		870 bps	

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
(unaudited)				
Net loss, GAAP	$ (41,144)	$ (40,680)	$ (93,051)	$ (89,175)
Stock-based compensation	15,624	16,960	37,942	34,282
Amortization of acquired intangible assets	3,867	4,143	7,570	8,304
Restructuring expenses	7	139	378	927
Transaction-related expenses	—	—	—	(117)
Litigation-related expenses	1,593	2,090	13,807	6,518
Loss on debt extinguishment	—	—	17,576	—
Loss (gain) on derivative liability	16,780	—	(620)	—
Non-cash interest expense	7,020	1,061	9,505	2,119
Foreign currency exchange impact	(308)	(44)	(619)	(163)
Long-term income tax rate adjustment	(848)	4,606	2,080	10,054
Non-GAAP net income (loss)	$ 2,591	$ (11,725)	$ (5,432)	$ (27,251)
Non-GAAP net income (loss) per share	$ 0.02	$ (0.08)	$ (0.04)	$ (0.19)
Weighted average shares outstanding, basic and diluted	149,907	142,687	148,337	141,845