



2022 Investor Presentation



Disclaimer

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of U.S. federal securities laws. You can identify forward-looking statements by the use of words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "believe," "estimate," "project," "target," "predict," "intend," "future," "goals," "potential," "objective," "would" and other similar expressions. Forward-looking statements involve risks and uncertainties, many of which are beyond OrthoPediatics' control. Important factors could cause actual results to differ materially from those in the forward-looking statements, including, among others: the risks related to COVID-19, the impact such pandemic may have on the demand for our products, and our ability to respond to the related challenges; and the risks, uncertainties and factors set forth under "Risk Factors" in OrthoPediatics' Annual Report on Form 10-K filed with the SEC on March 3, 2022, as updated and supplemented by our other SEC reports filed from time to time. Forward-looking statements speak only as of the date they are made. OrthoPediatics assumes no obligation to update forward-looking statements to reflect actual results, subsequent events, or circumstances or other changes affecting such statements except to the extent required by applicable securities laws.

Use of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures such as organic revenue, adjusted diluted earnings (loss) per share and Adjusted EBITDA, which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Sales on an organic basis excludes from our reported net revenue growth the impacts of revenue from any acquired business that have been owned for less than one year. We believe that providing the non-GAAP organic revenue is useful as a way to measure and evaluate our underlying performance consistently across the periods presented. Adjusted earnings (loss) per share in this presentation represents diluted earnings (loss) per share on a GAAP basis, plus the accreted interest attributable to acquisition installment payables, the fair value adjustment of contingent consideration, trademark impairment, acquisition related costs, non-recurring professional fees, accrued legal settlement costs and minimum purchase commitment costs. The fair value adjustment of contingent consideration is associated with our estimates of the value of earn-outs in connection with certain acquisitions and the non-recurring professional fees are related to our response to a previously disclosed SEC review. We believe that providing the non-GAAP diluted earnings (loss) per share excluding these expenses, as well as the GAAP measures, assists our investors because such expenses are not reflective of our ongoing operating results. Adjusted EBITDA in this release represents net loss, plus interest expense, net plus other expense, provision for income taxes (benefit), depreciation and amortization, trademark impairment, stock-based compensation expense, fair value adjustment of contingent consideration, acquisition related costs, nonrecurring professional fees, accrued legal settlements costs, and the cost of minimum purchase commitments. The Company believes the non-GAAP measures provided in this earnings release enable it to further and more consistently analyze the period-to-period financial performance of its core business operating performance. Management uses these metrics as a measure of the Company's operating performance and for planning purposes, including financial projections. The Company believes these measures are useful to investors as supplemental information because they are frequently used by analysts, investors and other interested parties to evaluate companies in its industry. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to, or superior to, net income or loss as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed to imply that the Company's future results will be unaffected by unusual or non-recurring items. In addition, the measure is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect certain cash requirements such as debt service requirements, capital expenditures and other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and other potential cash requirements. In evaluating these non-GAAP measures, you should be aware that in the future the Company may incur expenses that are the same or similar to some of the adjustments in this presentation. The Company's presentation of non-GAAP diluted earnings (loss) per share or Adjusted EBITDA should not be construed to imply that its future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on the Company's GAAP results in addition to using these adjusted measures on a supplemental basis. The Company's definition of these measures is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation. The schedules below contain reconciliations of reported GAAP net revenue to non-GAAP organic revenue, GAAP diluted earnings (loss) per share to non-GAAP diluted earnings (loss) and net loss to non-GAAP Adjusted EBITDA.



OrthoPediatrics was founded on the **cause** of impacting the lives of children with orthopedic conditions

610,000+

pediatric patients treated since inception¹

Re-Purposed Adult Plate

Screws through growth plate



- 01 Children's **unique clinical conditions**
- 02 Existing solutions are **re-purposed from adult implants**
- 03 Limited development of **new technologies**
- 04 No **specialized sales force** in Pediatric Orthopedics
- 05 Limited industry support of clinical **education**

PediLoc Femur

Screws parallel to growth plate



- ✓ Enhance surgeon confidence
- ✓ Increase surgical efficiency
- ✓ Improve surgical accuracy

01 **Product development focused** exclusively on pediatric patients

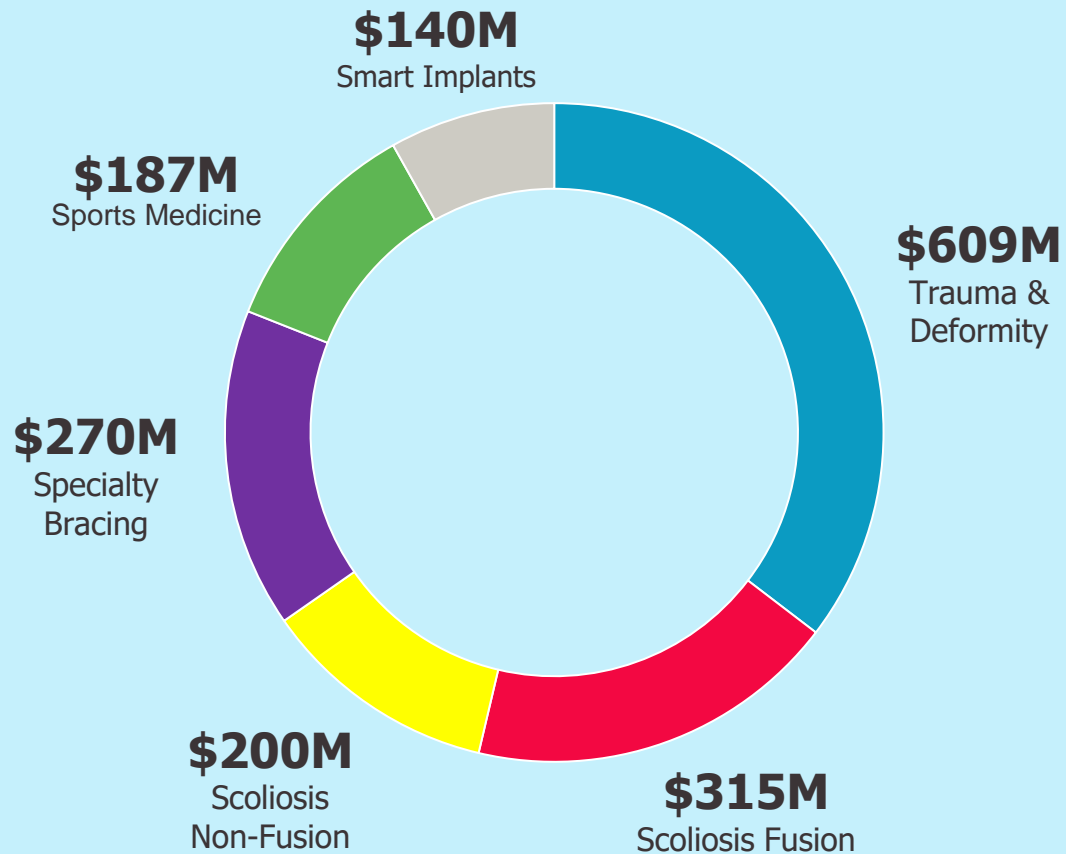
02 **Broadest pediatric specific portfolio** in the industry

03 Delivering first in market **novel surgical solutions**

04 Only global **commercial channel to market**

05 Leading provider of surgeon **clinical education**

U.S. Addressable Market¹ — \$1.7B



¹ Management's Mar 2022 updates to IMS data from 2016

Competitive Dynamics

- 01 Large incumbents repurpose adult implants
- 02 Require specialized sales force
- 03 Lack of focus on pediatric conditions





Innovative Technology

46 unique surgical systems

Consistent **cadence** of innovative product launches

Expanding suite of **enabling** technologies

Internal **R&D**, acquisitions, and partnerships



Commercial Execution

Only global sales & distribution channel

Serve **100% of top children's hospitals** in the U.S.

201 domestic field representatives

Sell in **over 70¹** countries around the world



Clinical Education

Commitment to clinical education

Leading **sponsor** of critical pediatric medical societies

>300 clinical product/education events per year

Founder of Foundation of Advancing Pediatric Orthopedics

**Consistent
20%+
Growth
Since Inception²**

01



Laser focus on high-volume Children's Hospitals that treat majority of pediatric patients

02



Provide a **broad product portfolio** uniquely designed to treat children, surround pediatric orthopedic surgeons covering their needs

03



Deploy instrument sets and provide unparalleled sales support

04



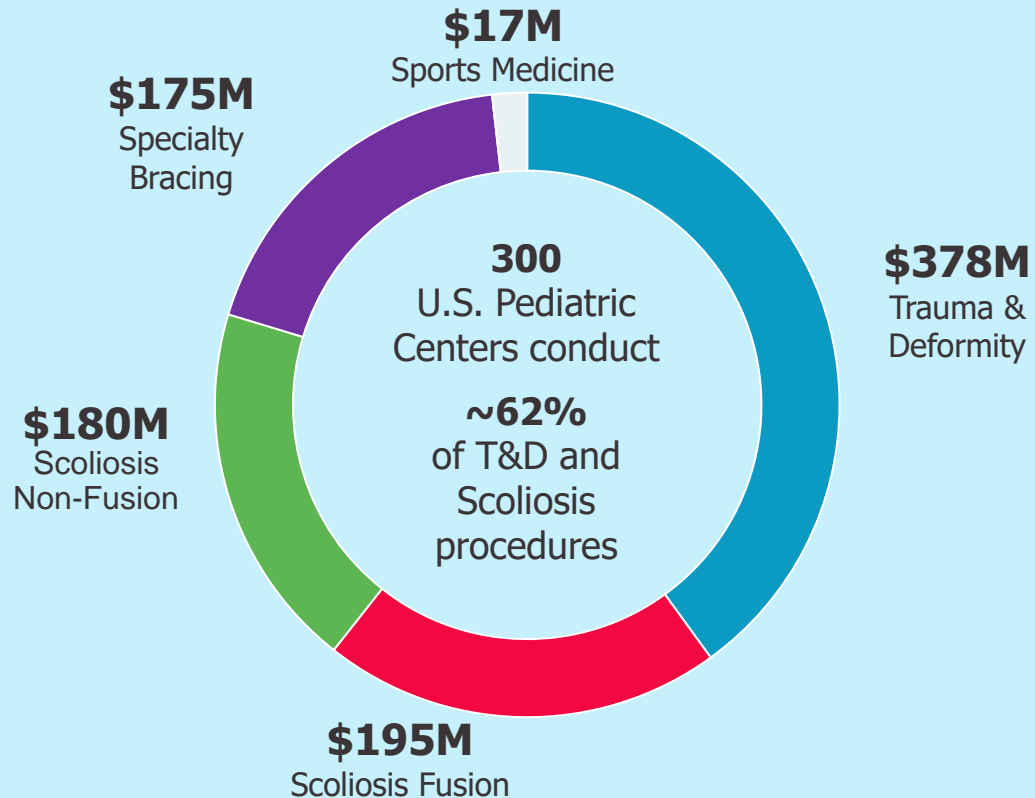
Expand addressable market through aggressive investment in **R&D and select M&A opportunities**

05



Train next generation of pediatric orthopedic surgeons

U.S. Current Target Market¹ — \$0.9B



Comments

- 01 ~1,400 Fellowship Trained Pediatric Surgeons
- 02 Majority of Pediatric Centers are Teaching Hospitals
- 03 Centers Treat Most Complex Pediatric Conditions

¹ Management's Mar 2022 updates to IMS data from 2016



**Cannulated
Screws**

2008



PediPlate
Physcal
Tethering

2009



PediNail
System

2012



Hip Systems
LCB / LPF

2013



ACL
System

2014



Response
5.5/6.0mm
Fusion System

2015



BandLoc
5.5/6.0mm
Banding

2016



**Clavicle
Plating**
System

2017

Spica Table



PediLoc Femur



PediFlex



Locking
Proximal
Femur
LPF Plate



PediLoc
Tibia



PAO



PediFrag

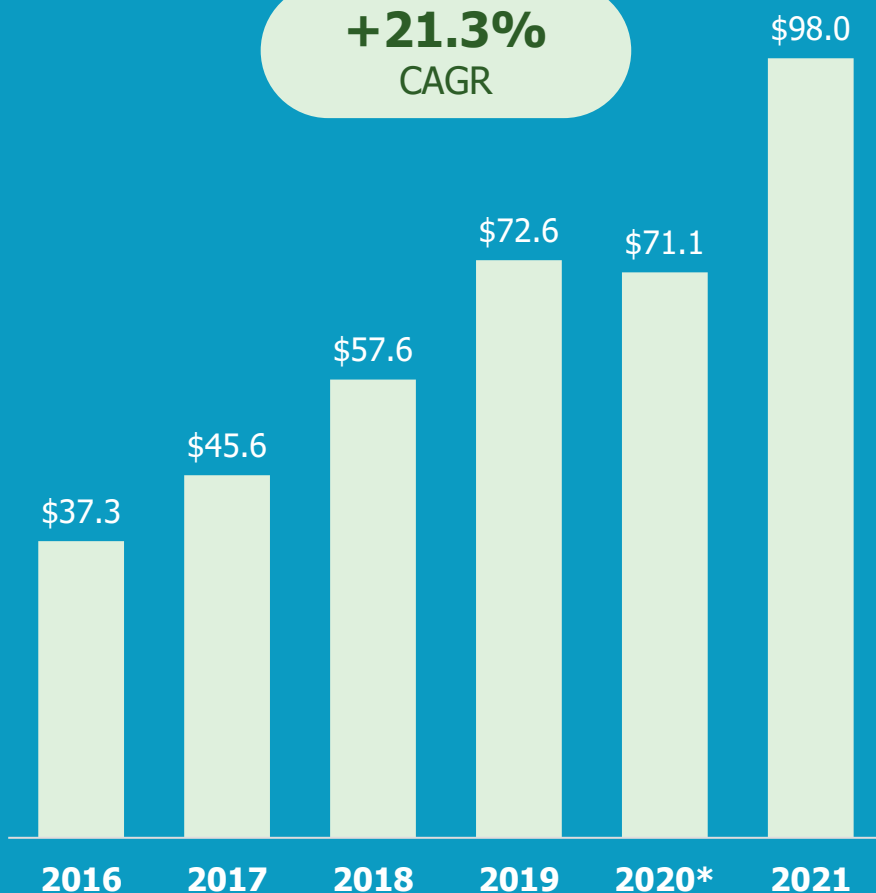


Distal
Femoral
Osteotomy
System
DFOS



Total Revenue (\$M)

+21.3%
CAGR



*Impacted by COVID

Accelerating Sales Growth Post-IPO Through Strategic Investment and Innovation

	2016	2021	CAGR
U.S. Independent Sales Consultants	90	190	16%
Instrument Set Deployments	\$7M	\$14M	15%
Unique Surgical Systems	17	37	17%
Intl. Independent Sales Agencies	0	14	Fav



Accelerate Revenue Growth



Increase hospital penetration



Improve Profitability



Leverage Balance Sheet



FireFly
Patient
Specific
Navigation
Guides



**Wrist
Fusion**
Plates



PNP
Pediatric
Nailing
Platform



Orthex
External
Fixation
Systems



PediFoot
System



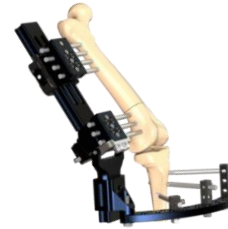
ApiFix
Non-Fusion



7D
Intraoperative
Navigation
Enabling
Technology



MD Ortho
Ponseti™
Specialty
Clubfoot
Bracing



Drive Rail
External Fixation
System

2017

2018

2019

2020

2021

2022

DFOS
Distal
Femoral
Osteotomy
System

MPFL
System

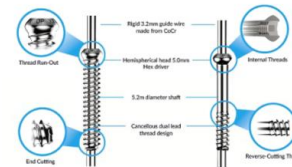
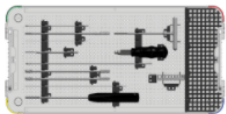
Response
4.5/5.0mm
Fusion System

QuickPack
System

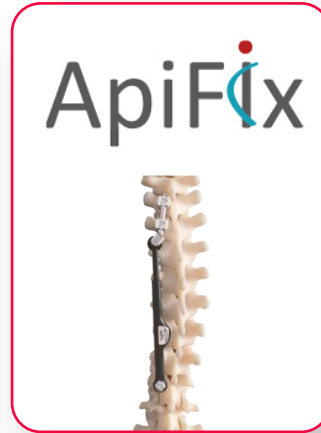
SCFE
System

Neuromuscular
Scoliosis System

PediFlex™
Advanced
Interlock
Clamp System



Mini Rail
System



2017

2019

2020

2021

2022

Partnership

Acquisition

MD Orthopaedics

- Develops, manufactures and sells the patented Mitchell Ponseti Ankle-Foot Orthosis (AFO) to treat clubfoot
- Dr. Ignacio Ponseti developed the gold standard for treating clubfoot which has >90% success rate
- Casting is used from 0-3mos then bracing from 3mos–4 years. Requires multiple sizes as child grows creating repeat revenue.
- Products sold in 90 countries including e-commerce platform direct to consumers
- Approximately 80% of a pediatric surgeon's treatment time is non-surgical
- Creates a profitable platform business for OP to develop and manufacture best-in-class specialty bracing with speed to market (class 1 device) as well as no consignment inventory required to grow the business

Terms:

- Closed April 1, 2022
- \$8.2M cash, \$8.9M shares, \$2.5M RSA



Pega Medical

- Developed the Fassier-Duval Telescopic Intramedullary Nail System (FD Nail)
- FD Nail is cutting-edge implant designed to treat bone deformities in children with Osteogenesis Imperfecta without disrupting their normal growth
- Pega offers 7 products in total, 6 of which focus on limb deformity correction, and 1 trauma
- Products sold in 70 countries including e-commerce platform direct to consumers
- Approximately 35,000 children suffer from Osteogenesis Imperfecta in the U.S.

Terms:

- Closed July 5, 2022
- \$31M cash, \$2M stock



Pega Medical

Fassier-Duval



Telescopic IM System™

The Fassier-Duval
Telescopic IM
System™

The nail that grows
with your patient!



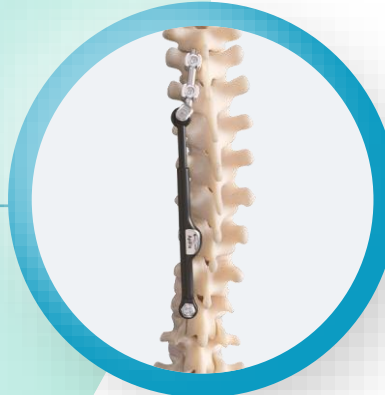
Orthex

- Disruptive software complements ex-fix frame
- Expands addressable market
- Serve 85% of procedures, up from 65%
- Significantly simplifies surgical planning and alignment
- Enables participation in most complex surgeries



ApiFix

- Disruptive non-fusion technology
- Viable alternative to failed bracing & spinal fusion
- Posterior, minimally invasive approach
- Motion preserving capabilities
- Granted FDA HDE approval



Acquired Innovative Technologies

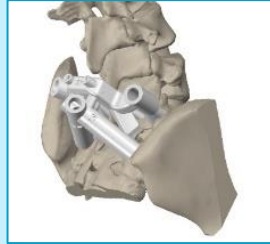
- ✓ Acquired software-based and non-fusion technologies
- ✓ Significant sales synergies with legacy portfolio
- ✓ Expands critical KOL network
- ✓ Provides surgeons broadest product portfolio



FIREFLY® Pedicle Screw Navigation Guides



FireFly S2/Alar



Unique patient specific 3D printed bone models and drill guides, can be used with any Spinal Deformity Correction system.

- 99.7% screw placement accuracy
- Preoperative concierge surgical planning drives intraoperative efficiency
- Minimal intraoperative radiation
- Simplifies S2AI approach

7D Surgical Intraoperative Navigation



Eliminates Radiation exposure to staff & patients



Cuts Registration from 30 min to < 30 sec



Improves Accuracy to improve surgical outcomes



Reduces Costs & improve hospital economic value

Chris Comstock, MD & Eric Wait, MD

Driscoll Children's Hospital

First Pediatric Deformity Installation in US



“

I have noticed we are seeing **shorter stays** for our patients with complex spinal surgeries since we have started using the 7D technology. **It used to be children would stay 3-5 days at Driscoll following surgery. Now what we are seeing is most of them are going home after 3 days.** And that is better for kids and their families

What we are seeing with this technology is surgeries which might have **taken up to 5-6 hours are often being reduced to 3.5 hours**

”

Dr. Eric Wait

Driscoll Children's Hospital

“As a surgeon educator, I have always appreciated and valued OrthoPediatrics’ commitment to education.

Ryan Goodwin, MD, MBA, FAOA
The Cleveland Clinic

”



01

OP Hands-on sales training and support

- Annually invests 3% of sales on clinical education
- Conducts >300 product/training sessions per year

02

Market development

- Fosters early relationships with young surgeons and fellows to drive sustainable growth

03

Continuous education

- Major Sponsor of the prominent pediatric orthopedic societies



T&D

- Expanding intramedullary nailing portfolio
- Solutions for rare bone disease
- Expansion of external fixation portfolio

Scoliosis

- Advancing non-fusion treatment
- Early-onset scoliosis innovations
- Innovation in highly-complex fusion
 - Manual growing, rib based, etc.

Enabling Technologies

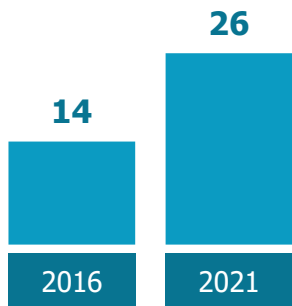
- Orthex surgical software
- Firefly patient-specific planning/guides
- 7D spinal interoperative navigation
- PediPortal app





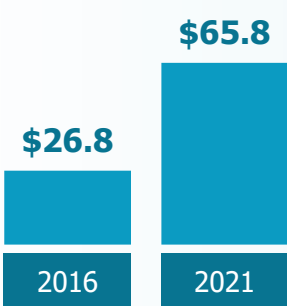
Trauma & Deformity

Surgical Systems



+13% CAGR

Revenue



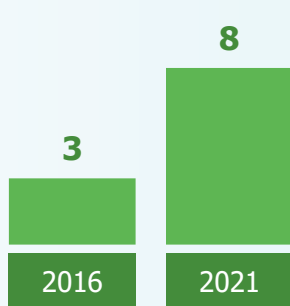
+19% CAGR

67% of Revenue



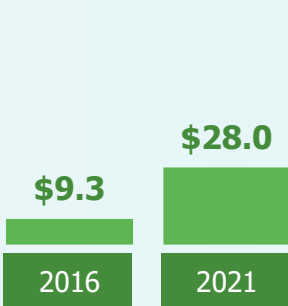
Scoliosis

Surgical Systems



>2X Growth

Revenue

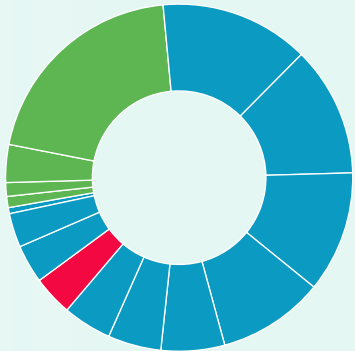


>3.2X Growth

29% of Revenue

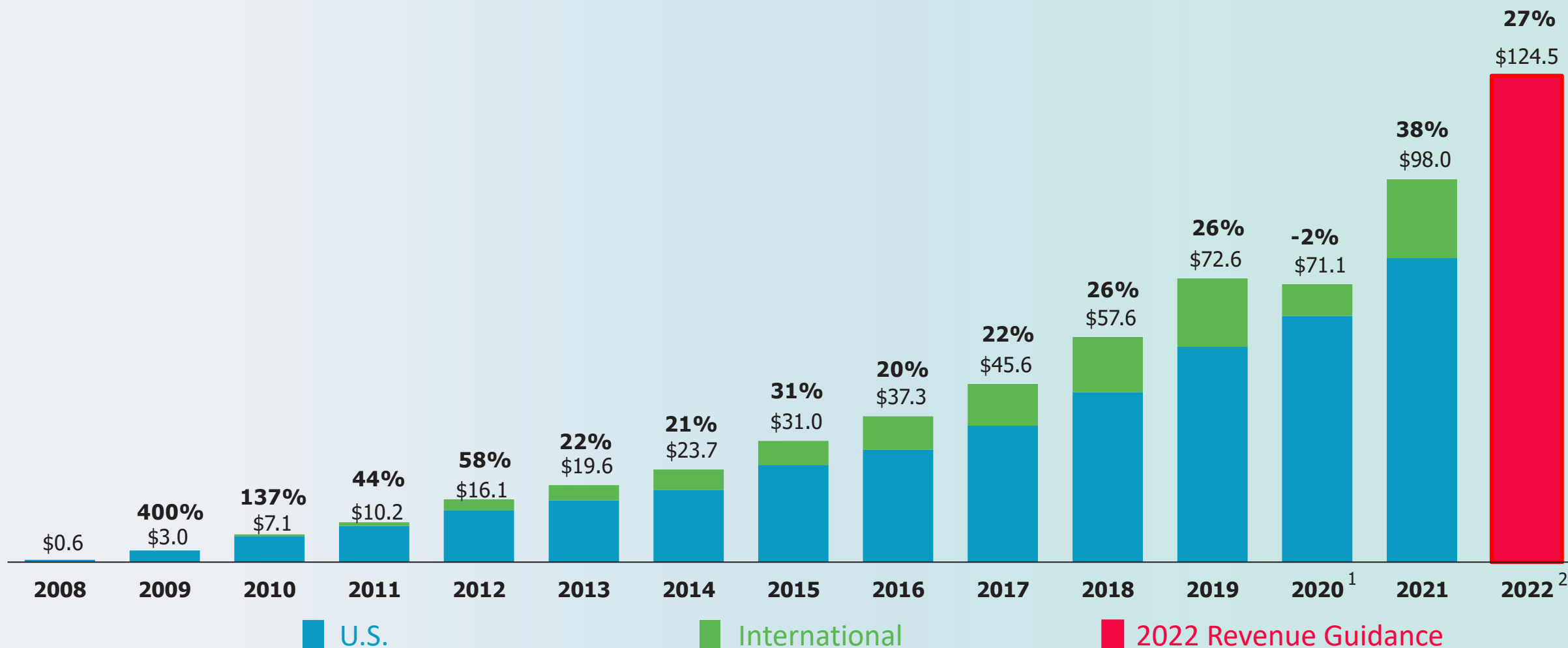


2021 Revenue by Product Family



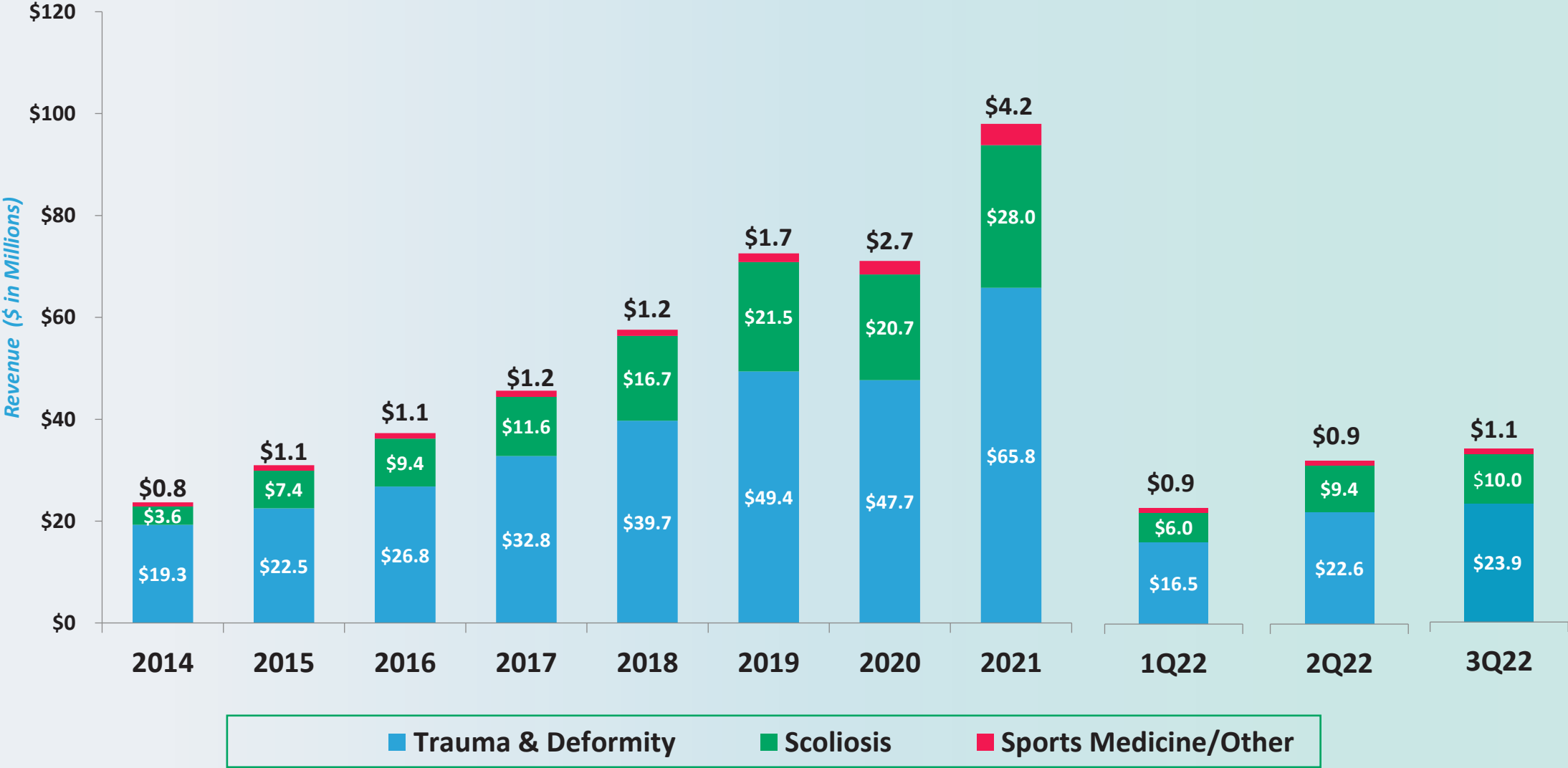
- Trauma & Deformity
- Scoliosis
- Sports Medicine

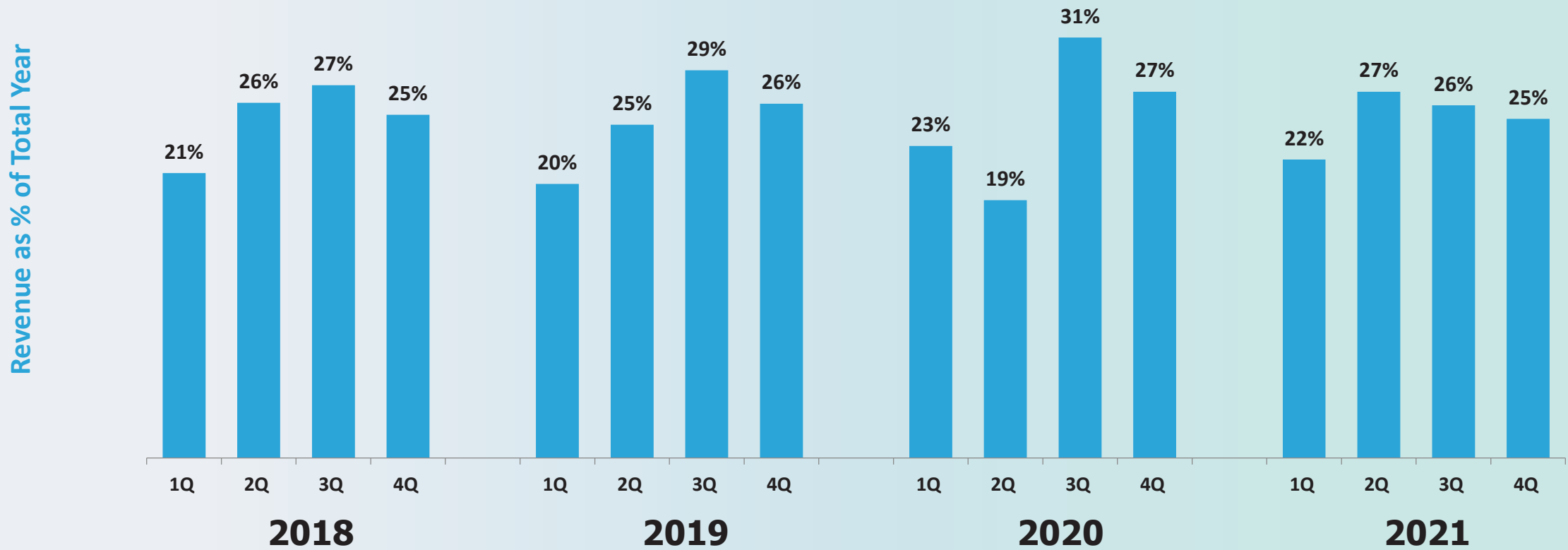
Strong History of Y/Y Growth (\$M)



(1) Impacted by COVID

(2) Represents the midpoint of the company's 2022 revenue guidance range of \$124 to 125 million



Seasonality Drives Stronger Performance in Summer Months and Holiday Periods

(\$ in Millions)

	FY 2018	FY 2019	FY 2020	FY 2021
Revenue	\$57.6	\$72.6	\$71.1	\$98.0
Growth %	26%	26%	(2%)	38%
Gross profit	\$42.7	\$54.6	\$55.0	\$73.4
Margin %	74%	75%	77%	75%
Operating expenses	\$52.2	\$63.7	\$81.8	\$91.4
Operating loss	(\$9.5)	(\$9.1)	(\$26.8)	(\$18.0)
Net (loss) income	(\$12.0)	(\$13.7)	(\$32.9)	(\$16.2)
Net loss per share¹	(\$0.96)	(\$0.94)	(\$1.82)	(\$0.84)

3Q 2022	3Q 2021
\$35.0	\$25.1
39%	13%
\$25.9	\$18.6
74%	74%
\$32.9	\$22.2
(\$7.0)	(\$3.6)
\$18.5	(\$2.2)
\$0.88	(\$0.11)

(\$ in Millions)

	Three Months Ended September 30,	
Product Sales by geography	2022	2021
As reported:		
U.S.	\$26.6	\$19.4
International	\$8.4	\$5.7
Less impact from acquisitions:		
U.S.	\$2.3	-
International	\$2.1	-
Organic revenue:		
U.S.	\$24.3	\$19.4
International	\$6.3	\$5.7
Total Organic Revenue	\$30.6	\$25.1

Organic Revenue Reconciliation

	Three Months Ended September 30,	
Product Sales by category	2022	2021
As reported:		
Trauma and deformity	\$23.9	\$16.8
Scoliosis	\$10.0	\$7.3
Sports medicine/other	\$1.1	\$1.0
Less: impact from acquisitions		
Trauma and deformity	\$4.4	-
Scoliosis	-	-
Sports medicine/other	-	-
Organic revenue:		
Trauma and Deformity	\$19.5	\$16.8
Scoliosis	\$10.0	\$7.3
Sports medicine/other	\$1.1	\$1.0
Total Organic Revenue	\$30.6	\$25.1

Adjusted EBITDA Reconciliation

(\$ in Millions)

	Three Months Ended September 30,	
	2022	2021
Net loss	\$18.5	(\$2.2)
Interest expense, net	\$0.7	\$0.5
Other income	\$0.9	(\$0.3)
Provision for income tax (benefit)	(\$4.1)	(\$0.3)
Depreciation and amortization	\$3.3	\$2.7
Trademark impairment	\$3.6	-
Stock-based compensation	\$1.8	\$1.4
Fair value adjustment of contingent consideration	(\$23.0)	(\$1.4)
Acquisition related costs	\$0.05	-
Non-recurring professional fees	-	-
Accrued legal settlement costs	-	-
Minimum purchase commitment cost	\$0.1	-
Adjusted EBITDA	\$1.9	\$0.5

Adjusted EPS Reconciliation

	Three Months Ended September 30,	
	2022	2021
Earnings (loss) per share, diluted (GAAP)	\$0.87	(\$0.11)
Accretion of interest attributable to acquisition installment payments	\$0.02	\$0.03
Fair value adjustment of contingent consideration	(\$1.12)	(\$0.07)
Trademark impairment	\$0.18	
Acquisition related costs	-	-
Nonrecurring professional fees	-	-
Accrued legal settlement costs	-	-
Minimum purchase commitment cost	-	-
Earnings (loss) per share, diluted (non-GAAP)	(\$0.05)	(\$0.15)

(\$ in Millions)
As of September 30, 2022

Assets	
Cash & short-term investments	\$121.6
Account receivable	\$26.2
Inventory (net)	\$74.0
Other current assets	\$2.8
Total Current Assets	\$224.6
PP&E (net)	\$36.3
Intangibles and goodwill	\$169.2
Total Assets	\$430.1

Liabilities	
Accounts payable	\$10.9
Debt	\$0.9
Accrued comp. & other liab.	\$16.0
Acquisition pay. & cont. consideration	\$18.9
Paid-in capital	\$559.3
Accumulated deficit (net)	(\$168.9)
Accumulated other comprehensive income	(\$7.1)
Total Liabilities / Equity	\$430.1



- 01 Only diversified company focused exclusively on pediatric orthopedics
- 02 Large, underpenetrated market opportunity in pediatrics
- 03 Highly concentrated customer base with targeted commercial strategy
- 04 Broad product portfolio with innovative solutions
- 05 Only provider committed to pediatric clinical education
- 06 Dynamic, award-winning corporate culture
- 07 Proven commercial execution and attractive financial profile

