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<<Mike Kratky, Analyst, Leerink Partners>>

Yes, I mean, we could probably get started. So, yes, my name is Mike Kratky. I'm Senior Med Tech Analyst over here at Leerink, and very pleased to be joined by Angie Wirick at AtriCure.

So, yes, the floor is yours.

<<Angie Wirick, Chief Financial Officer>>

Thank you. Good morning. I am Angie Wirick, the Chief Financial Officer at AtriCure. And on behalf of our CEO, Mike Carrel, we wanted to say that we appreciate the opportunity to be at the conference today. I wanted to thank everybody for their interest in listening to AtriCure.

Perfect. So, AtriCure was founded over two decades ago with a mission to advance the treatment of Afib in cardiac surgery patients by creating innovative technology in our RF clamps, studying the benefit of this ablation technology in a robust clinical trial, and surrounding both of that with our physician training and awareness programs. Our goal was really simple, to make treatment of Afib accessible to more physicians, and therefore more patients in cardiac surgery.

This strategy of combining innovation, clinical science and education has been a foundation for our company and has led to a pretty dramatic expansion of our addressable markets over the last two decades. We specialize in selecting markets where there is a significant unmet need, and yet the potential with this combination of what we call our pillars, to make treatment not only possible, but a standard of care. So the takeaway here for AtriCure is that our business operates in very large markets and that are complementary markets.

Our current penetration in each market is very low, and the addressable patient population in each is growing. Through many years of innovation, we have established a really robust pipeline of technology, as well as clinical science that has delivered consistent growth as a company. And it leads to a really compelling opportunity for our business, both today and into the future, with multiple vectors for growth.

So I think we would agree Afib is probably one of the most exciting areas in med tech today, and that's for a good reason. This is a very serious disease. Afib is often under diagnosed and untreated, which leads of a progression of Afib from paroxysmal or intermittent, where a patient impacted by Afib for a period of seven days or less, to advancing on to longstanding persistent Afib, which is where you've experienced Afib for more than a year.

And as you can see from the statistics on this slide, Afib is tied to a lot of really damaging health conditions, a higher risk of stroke, higher risk of heart failure, dementia and many other serious health issues. Over time, the impact of this irregular heartbeat on your heart and overall health is

very serious, which is why Afib is more than just a quality of life concern. The impact that it has on an individual patient as well as our healthcare system is really profound.

I think another reason why this market is so exciting today is just the sheer opportunity ahead of us. So some statistics on diagnosis and prevalence of Afib today, and most of this data is older. So I'd say the one consensus area amongst all of the predictions is that Afib is a market that will continue to grow. So 37 million people worldwide today, this is expected to grow north of 50 million in the near-term and it's clear that this is not shrinking. And with increased diagnosis, as well as an aging world population, we expect these numbers to grow.

In AtriCure's largest market today, which is the United States, it's estimated that more than 8 million people have Afib have been diagnosed. As I said earlier, we focus on the most difficult to treat patients with advanced Afib, which is roughly 45% of this market, or 3.5 million patients today. I mean, these numbers are very large, but I think what hits home is statistic that you see on the far right. One in four adults over the age of 40 in their lifetime will be impacted by Afib. So you or someone that you know at some point in time will develop this disease and have an impact in your life.

So this compelling opportunity, we've got two differentiated focus on patients with advanced Afib. I'd like to walk through how patients present in our two primary markets focused on Afib and how we serve each of these markets. So, first, what you see to the far left is the patients undergoing open heart surgery. This is where the company originally began. The primary concern for this patient is a structural heart issue. It's not their Afib, but their Afib gets treated at the time of the primary procedure.

So think about having a valve repair or replacement, having a bypass procedure, but approximately a third of the patients who undergo open heart surgery go into that procedure with already having an Afib diagnosis. And the combination of our RF clamps and cryoablation tools, along with our appendage management device, the AtriClip, we created a procedure to help these patients and treat their Afib concomitant to the open heart procedure. And this is a really important market to us and is still a sizable opportunity today. But not every patient is going to present for open heart surgery, which is what led the company to expand to standalone or minimally invasive treatment options where there is not a structural heart issue. Your primary concern is just treating the Afib and the patient today, but you wouldn't open up someone's chest to do that. So finding a way to do that in a minimally invasive setting is where the company focused.

So in this patient population, the standard of care for intervention today is catheter ablation. Hundreds of thousands of catheter ablations occur each year in the United States and even more globally. Catheters can be highly successful for early stage Afib patients, but as the disease progresses, catheters are not as successful in treating longstanding persistent Afib. They're less effective in treating this area of the patient population. We developed a solution that's very complementary to catheter ablations, combining our RF ablation technology as well as our AtriClip devices used by a surgeon in a minimally invasive procedure that we call a hybrid therapy. This is done in conjunction with the EP performing the catheter ablation for those patients as well. And this multidisciplinary approach to treatment has been proven through

multiple clinical trials to be significantly more effective for advanced Afib patients than a catheter alone.

So what does this all lead to? Today what you see in the orange box, you can see the market opportunity for AtriCure is over \$5 billion globally. On the previous slide, I touched on our cardiac surgery opportunity. In this market, patients have a structural heart issue and Afib is treated secondary to the procedure with a combination of our ablation and appendage management devices. This is a very steady market and we've seen continued growth as we penetrate this opportunity, which is denoted by the darker blue triangle in the bottom corner of that box. I also discussed our hybrid therapy option, combining existing standard of care of catheter ablations with our ablation and appendage management devices used by a surgeon to treat the longstanding persistent Afib patients.

This market is massive and continues to expand. And as you can see by the penetration denoted there, we're in very early innings for this market. Interestingly enough though, our expertise in cardiac surgery with cryoablation, as well as a desire in our Hybrid AF ablation procedures to reduce pain in those procedures, which are done through a thoracic port, that led to the organic development of our pain management franchise, which launched in early 2019. Pain management uses cryoablation to ablate the intercostal nerves in a broad array of thoracic procedures and it's resulted in the generation of over \$1 billion market opportunity for the company today.

We've had really great success in adoption of thoracic procedures given the benefit that you see in managing the postoperative pain in patients. So you can see the company's progression unlocking new markets with our innovation, clinical science and education and awareness efforts. And while the current opportunity is very exciting, we continue to unfold new markets, which is also represented on this slide. In pain management, we're expanding into sternotomy procedures, so applying the same devices used in a thoracic program to an open chest procedure and we're also studying new uses of technology beyond the chest area.

In hybrid therapy, we're studying the treatment of inappropriate sinus tachycardia, or IST, a procedure that leveraged the relationships between our EPs and surgeons, as well as our expertise with ablation technology. And in cardiac surgery, we're studying the impact of prophylactically managing the appendage with our AtriClip devices for the patients who undergo cardiac surgery, but do not have a pre-op Afib diagnosis, chances are they'll develop Afib in their lifetime. And while you're there in an open chest setting, we're saying go ahead and manage the appendage. There's a great benefit to those patients. AtriCure continues to drive the expansion of our addressable markets for our business, and this builds a continued opportunity for sustained growth in the future.

So now I'd like to touch on each one of the markets and some of the areas of focus or interest within each of our core markets and then wrap up with financials and our outlook for the company. Starting with cardiac surgery ablation and appendage management, this area of our business has seen a bit of renewed interest given a competitor, who recently joined the market. We want to be clear we view competition as a great validation of the overall opportunity of our

market. They would not be entering this space if they didn't believe there was a sizable opportunity left for growth.

We've also seen a resurgence in this business for our ENCOMPASS clamp, which is new technology we developed and launched in early 2022. The ENCOMPASS clamp made treatment of cardiac tissue ablation in an open chest setting much easier to do, which, if you recall, that's the construct of our mission, to make treatment more accessible to a broader base of physicians and therefore patients. The growth that we've seen from this product has been absolutely outstanding, and we look forward to continuing to see the adoption continue in the United States and more broadly throughout the world as we introduce the device.

We are also excited for the expansion of our AtriClip platform with new technology, the AtriClip FLEX Mini, which we – expect to be cleared and launched later into the market this year. We've had several previous iterations of our AtriClip platform, and with each device iteration that we've launched, it's been more successful than the last.

And through all of this, the most consistent feedback that we hear from physicians is the size, reduced the size of the AtriClip device in the chest setting. This is a device that stays within the patient, but reduced the size. And we're excited that the AtriClip FLEX Mini, in addition to the unrivaled performance of our AtriClip platform of devices, will be the lowest profile appendage management device in cardiac surgery when it launches.

Within our clinical science efforts you can see I mentioned studying the benefits of prophylactic management of the appendage and this is the LeAAPS clinical trial. LeAAPS is the largest clinical trial in cardiac surgery with 6,500 patients. This randomized study is looking at the benefits of managing the appendage with our AtriClip devices in patients who do not have a pre-op Afib diagnosis but are undergoing cardiac surgery. With the LeAAPS trial, we expect to prove stroke prevention in patients who are treated with an AtriClip device.

And as you can see from the bottom right hand corner of the slide, this is a market that we know incredibly well. Over 500,000 AtriClip devices sold globally live to date, over 400,000 ablations. These are numbers at the end of 2023.

We've also been instrumental in physician training and awareness programs, as well as building a body of evidence that has supported guidelines that recommend both surgical ablation and appendage management in these patients today.

All right, next, which is a big, exciting opportunity, you saw on the kind of overall addressable market slide that this took up quite a bit of real estate given the overall market opportunity. And this is our hybrid therapy franchise, combining both ablation as well as appendage management. Again, this is a standalone treatment for patients who have Afib.

So what matters most is what you see in the middle box here, understanding the clinical science of treating patients with longstanding persistent Afib. Why does this matter? Today, these patients are in the hand of an EP who does catheter ablation, which again is great for earlier forms of the disease. But as the disease progresses and gets to a more complex state, which is

longstanding persistent Afib, you need more than just catheter ablation to effectively treat these patients. So, showing data that proves that combining an epicardial approach using AtriCure's devices with the catheter ablation, so existing procedure is a better solution to patients and that's been a key driver within this market.

I will touch on our CONVERGE clinical trial because if you know the AtriCure name, you've probably heard the word CONVERGE. Our CONVERGE clinical trial compared catheter ablation so standard of care today to a hybrid convergent procedure, and it showed over 100% improvement at long standing persistent patients at 18 months, as well as freedom from Afib at 12 months. These are just two data points teased out from the study results. This shows the effective and durability of the procedure in advanced Afib patients.

CONVERGE also saw that there was an improvement to EP lab efficiency. CONVERGE emphasizes the value of a treatment approach for advanced AF treatment, again targeting the two trigger areas, both epicardial and endocardial spots in the heart where AF begins.

And the data that you see on this page is only a sample of what is available. Evidence continues to prove that a hybrid approach combining an EP and a surgeon is the best treatment for these patients, and we are also focusing on driving awareness of this data, driving awareness of hybrid procedures, as well as building programs within hospital systems that are scalable to help accelerate growth for the company.

So, taking a step back, this is an extremely large market when you think about standalone treatment for Afib. And I think another reason why the market is so excited is the introduction of PFA technology. I really like this slide because what it does is show maps, clinical trials, company sponsored clinical trials to the disease state of Afib. And as you can see, there is a significant amount of focus on earlier stage Afib patients. But AtriCure has a unique position in this market as the only company studying the benefits of treatment for longstanding persistent Afib patients. That was our CONVERGE clinical trial, as well as results from our CEASE-AF and DEEP-AF clinical trials. This puts us in a very unique position in this market, and AtriCure has continued to be committed to these patients who often are left behind.

And finally, our pain management franchise. As I mentioned earlier, this was an organic opportunity that AtriCure started, and it started with the development of a cryoSPHERE device, a purpose-driven probe which was an adaptation of our cryoICE devices used in cardiac surgery to help prevent pain management of patients who undergo cardio – undergo thoracic surgery. That probe launched in 2019, and we're happy that this quarter we're launching our cryoSPHERE+ probe, followed later this year by the launch of our cryoSPHERE MAX probe.

Both devices are improvements over the original cryoSPHERE device, our original technology. And the cryoSPHERE+ and cryoSPHERE MAX are expected to lead to time reduction in procedures, taking a two-minute per nerve freeze down to 90 seconds with the cryoSPHERE+ and even 60 seconds with the cryoSPHERE MAX probe. But technology in this market is not enough to help drive adoption. We're surrounding this therapy with a number of investigator-led studies, so a broad base of clinical evidence that shows the value of this procedure in a variety of

different patients, and we expect this growing base of clinical data to help support continued adoption and expansion of this therapy.

So naturally, you might expect that this is my favorite slide in the deck. If I am a numbers person, this is what I'm drawn to and you can see a great trajectory for this company. Earlier this month, we announced our first quarter results and started the year with a strong quarter and reaffirmed our outlook for 2024 for growth of approximately 15% to 17% in improving adjusted EBITDA from \$20 million in 2023 to \$26 million to \$29 million in 2024.

2024 follows an excellent track record of growth at the company. As you can see, coming out of COVID with many catalysts in our business, we saw an acceleration of our growth from low to mid-teens to above 20% in the past three years. This growth has been driven by a combination of products in each one of our markets, and each franchise is contributing to the success of the company and as you saw from our earlier opportunities, still significant potential within each of our markets to continue this growth.

Also a landmark year in 2023 where we crossed over into profitability. Our commitment last year was to generate breakeven adjusted EBITDA and to make improvements annually thereafter. We obviously moved past the breakeven threshold, but the commitment to continue to improve annually thereafter remains today and is what drives us as we walk into the future. We are managing the company to continue to expand profitability despite pretty significant investments within research and development to continue to help drive adoption and expansion of our markets. And doing this requires what you see on this slide, strong top line growth, excellent gross margins in our business, and continued leverage of SG&A.

So I'd like to leave with this. The work that AtriCure has done over the past two decades, has built a really robust pipeline of products, surrounded by compelling clinical evidence. We are driving adoption of our products with training and awareness programs in each one of our markets, and we've also expanded our addressable markets, leading to a massive opportunity in front of AtriCure today. Our work has developed multiple vectors of growth for the company. And as you just saw, we've not only achieved growth – significant growth historically in the past, but expect this to continue as we operate this year and into the future.

And as we stand here today, I would like to give a shout out to our team in Cincinnati, Ohio. As we are here today, the team back in Cincinnati is celebrating our 9th Top Workplace designation, a real point of pride for us as a company. And I think whether you work in our Cincinnati office, our Minneapolis office, our Pleasanton office, or Amsterdam office, or one of the hundreds of people who are in the field, there is such a significant alignment across the company and a desire to treat each one of the patients in the markets that we serve. We are excited for the work that we're doing, excited for the future ahead.

And with that, I would say thank you and appreciate your time.