

GLOBUS MEDICAL INC  
Form 10-Q  
November 02, 2012  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2012  
Or  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-35621

GLOBUS MEDICAL, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation or organization)

04-3744954  
(I.R.S. Employer Identification No.)

2560 General Armistead Avenue, Audubon, PA 19403  
(Address of principal executive offices) (Zip Code)

(610) 930-1800  
(Registrant's telephone number, including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:  
Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files):  
Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act):  
Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  (Do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):  
Yes  No

The number of shares outstanding of the issuer's Common Stock (par value \$0.001 per share) as of October 30, 2012 was 91,136,285 shares.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

GLOBUS MEDICAL, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(In thousands, except par value)	September 30, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$195,156	\$142,668
Accounts receivable, net of allowances of \$931 and \$602, respectively	51,863	46,727
Inventories	57,038	47,369
Prepaid expenses and other current assets	3,180	2,515
Income taxes receivable	6,346	3,336
Deferred income taxes	19,849	16,160
Total current assets	333,432	258,775
Property and equipment, net	56,892	52,394
Intangible assets, net	9,746	7,433
Goodwill	15,342	9,808
Other assets	630	980
Total assets	\$416,042	\$329,390
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$5,963	\$5,323
Accounts payable to related party	4,837	1,178
Accrued expenses	20,510	21,268
Income taxes payable	1,389	302
Business acquisition liabilities, current	1,375	1,200
Total current liabilities	34,074	29,271
Business acquisition liabilities, net of current portion	10,126	9,089
Deferred income taxes	4,395	5,755
Other liabilities	3,185	2,799
Total liabilities	51,780	46,914
Commitments and contingencies (Note 10)		
Equity:		
Convertible preferred stock; \$0.001 par value. Authorized 50,961 shares; issued and outstanding 0 and 50,961 shares at September 30, 2012 and December 31, 2011	—	51
Common stock; \$0.001 par value. Authorized 785,000 and 679,178 shares; issued and outstanding 91,127 and 72,529 shares at September 30, 2012 and December 31, 2011	91	73
Additional paid-in capital	135,076	106,708
Accumulated other comprehensive loss	(815	) (1,202
Retained earnings	229,910	176,846
Total equity	364,262	282,476
Total liabilities and equity	\$416,042	\$329,390

See accompanying notes to consolidated financial statements.

GLOBUS MEDICAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(unaudited)

(In thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Sales	\$94,764	\$84,270	\$285,458	\$243,485
Cost of goods sold	18,872	17,141	55,642	49,309
Gross profit	75,892	67,129	229,816	194,176
Operating expenses:				
Research and development	7,022	5,916	20,698	17,691
Selling, general and administrative	41,780			