TICKER | SYNOPSIS + LATEST UPDATE

*MedDev is a billed business and observed visits to its manufacturing plants is aligned with reported volume / revenue; however, vs. other mfring industries, stagged inventory, and the payer system lead to a lower R2 and higher MAPE. Importantly, Advan does not observe or measure pricing, mix, FX, inventory shifts, and idiosyncratic events on revenue. We sell **our data** by the ticker, sector, and in bulk.*

Our healthcare coverage: BDX, BSX, MDT, ZBH, SYK, A, DHR, TMO, and DGX (we don't sell research, only data).

SYK

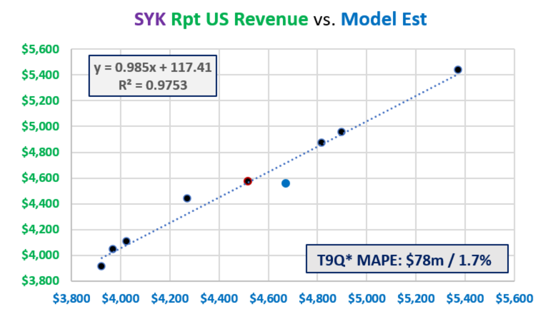
In line as previewed

QTD ahead

46 US facilities are observed vs. no disclosure in 10-K. Advan is ranked **#1** of AltD vendors on Maiden Century for **US Revenue**.

As should have been expected, SYK was able to recover from the discombobulation from Q1's cyber attack; Q2 US OSG was above both consensus and the Advan+MC estimate. That suggests that some of the volume was produced in Q1 and it used to refill depleted inventory levels downstream, with revenue recognized in Q2. OSV for the period was +9.1% +700 bps QoQ. The quarterly cadence in observed activity showed nice acceleration.

The Q3-QTD Advan+MC estimate is currently trending at +9.2% OSG; thus, there is no evidence (yet) to support the sector's bear thesis.



US Revenue *$-millions*	FQ4'26		Org %
Reported		$4,868	7.0%
Adj MC+Advan Model	$4,710 -	$4,804	4.6%
Consensus (FactSet)		$4,772	4.9%
Prior-qtr Organic Sales			**6.0%**
QoQ Ch			**104 bps**
QoQ observed activity			**290 bps**

ZBH

Beat delivered as previewed

QTD ahead

20 US facilities are observed; Advan is ranked **#10** of AltD vendors on Maiden Century for **US Revenue** *(however, that statistic is in error)*

Per the MC model estimate, we needed to clean up the anniversary of LY's acquisitions.

We previewed that OSG would be materially stronger QoQ, which it was. Moreover, the acceleration shows favorable early indications for the salesforce restructuring (100% exclusive).

The US Knee business segment underperformed the other segments. Google says that the product category is manufactured in Warsaw, but it doesn't know which Warsaw facility (we have five); however, taken as a whole, observed activity at the five facilities underperformed the total by -100bps, indicating that we have a way of observing relative intra-quarter performance.

July's and Aug MTD observed activity is trending above Q2's activity. That supports the +125bps increase in the guidance for OSG to +2.75% enterprise-wide for the year.

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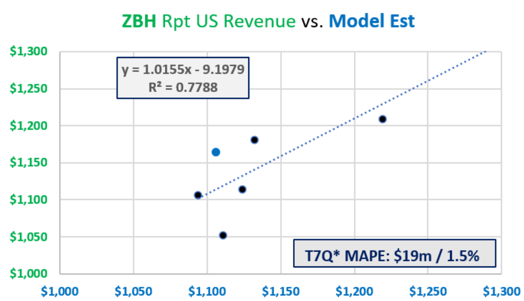

US Revenue *$-millions*	CQ2'26		Org %
Adj MC+Advan Model	$1,203 -	$1,301	5.6%
Consensus (FactSet)		$1,219	2.8%
Reported		$1,240	4.6%
Prior-qtr Organic Sales			**3.2%**
QoQ Ch			**242 bps**
QoQ observed activity			**380 bps**

The MC+Advan model is Maiden Century's ML model that maps reported KPIs such as revenue, volume, admissions, nights, rentals, etc. to observed activity in the US. Advan also has CN and EU data.

We generally use FactSet as our measure of "consensus." For the FactSet US revenue with take the proportion of US to total and apply that to the FactSet total revenue estimate.

Produced by Advan's Head of Market Insights**, Thomas Paulson**. Previously, he served as Director of Research and Business Development at Placer.ai, prior to that was two decades as a buysider at AllianceBernstein, Cornerstone, and others