



AtriCure Inc

AtriCure Inc presentation delivered at the 41st Annual J.P. Morgan Healthcare Conference on Monday, January 09, 2023 at 7:30 AM

Robbie Marcus: Morning, everyone. Welcome to the 2023 J.P. Morgan conference. I'm Robbie Marcus, the med tech analyst here. I'm very happy to kick off the conference with our first session, AtriCure. I'll be calling up CEO Mike Carrel for the presentation. After about 20 minutes or so we'll shift over to some Q&A. Mike?

Michael Carrel: Thanks, Robbie. Thank you, JP Morgan for having us here today. It's kind of fun to be one of the first people to actually kick off the meeting. I think it's our second year in a row to do it. When you're at JP Morgan, you're going to get this sense, and I'm going to go through and hit on, you're going to see a lot of amazing companies. JP Morgan is basically here to create, show, and emphasize all the great technologies that are going on out in the world.

What you'll also hear a lot of is looking at the markets. One of the biggest markets that everybody is talking about is atrial fibrillation.

Atrial fibrillation is a large under-parented pandemic that is going on in the world today. We are dealing with 37 million people around the world, 37 million today. That number is expected to grow to well over 60 million over the next decade that have serious forms of atrial fibrillation.

This is all AtriCure does. This is one of the differentiating factors for us is that we are in a market that is growing at about 10, 15, 20 percent per year. All we do is sit around and talk about and think about, how do we solve this epidemic that's going on in the United States today?

In the US, it's 8 million patients. It's about 37 to 50 million or so around the globe. One in four people are going to get atrial fibrillation in their lifetime. Think about that.

Many of you know, your grandparents, and others, and people that...Maybe it's your parents, their friends. They're probably calling you, and asking you, "Wait, you're involved in healthcare? Do you know anything about atrial fibrillation?" I get these calls every single day.

The reason for it is it is a big disease. That's what differentiates AtriCure in the sense that we're 100 percent focused in this area, but why? Why does it matter? In addition to people feeling

terrible when they get atrial fibrillation, you've got a five times more likely chance of getting a stroke.

You always hear everybody, the first thing that they do is they put you on drugs, which is the right thing to do. Are they going to manage you? Are they going to be able to manage you medically, allow you to take the anticoagulants or the antiarrhythmics, reduce that stroke risk? A lot of those drugs, people can't tolerate.

As the disease progresses, it gets worse and gets more difficult to, quite frankly, take care of the disease. At AtriCure, we're focused on the more complicated forms of those diseases.

In addition to that, people often think of atrial fibrillation, say, "Oh, it's just a stroke risk, so put them on the anticoagulants, and that's gonna work." The reality of atrial fibrillation is that you've got about a 46 percent more chance leading to mortality. You don't live as long.

There's a great chart that I've seen recently that shows that if you get atrial fibrillation, you will live a shorter lifespan than most people that get cancer, given the investments that have been made in cancer over the last 25 to 30 years.

The reason for that is that it's not just the Afib. It's what Afib leads to -- heart failure, dementia, and many other diseases. When you're not getting enough oxygen to support the organs of your body, atrial fibrillation has an awful impact on the longevity and quality of life for those individuals. That's what AtriCure is all about.

There's a reason that it is growing so fast. Let me take a little step back and say AtriCure and the foundation that we've built over the last 10-plus years at AtriCure to ensure that we're successful over the next decades -- not just over the next year, but over the next decades.

We've always had a dedication as a business to three main areas, which is that we believe that you have to invest and think forward on innovation. You've got to be thinking creatively about what's coming around the corner over the next several years. What's going to matter in 2030, in 2035? You've got to put those pieces in place.

What I'm going to show you today is that we've got a history of great innovation over the last 10 years, and we're continuing to put our money where our mouth is in terms of new products that'll be coming out over the next several years as well.

In addition to that, you've got to invest. Having great technology, if you don't have great clinical science behind it, doesn't matter. You have to make the investments to have incredible differentiation to show that what you're doing is actually going to have positive impact on the patient lives.

We make significant investments in the clinical science area, and we're done so over the last several years. We made great progress in 2022, which I'll talk about in a moment.

Finally, you've got to build out a platform. If you get great science that proves out that this works, you've got to have an infrastructure in place to be able to expand and grow not only in the US but globally. We've built out that expansion mechanism over the last several years as well, and we're really confident that builds a nice foundation for our growth going forward.

Finally, you've got to build durable growth. 2022, if you saw our press release today, we had over 20 percent growth. Prior to COVID, we had 29 straight quarters of double-digit revenue growth, incredibly durable growth. We committed to the street and everybody that we are going to be north of that 15 percent growth for a long period to come after we came out of COVID.

Last year, we did 33 percent growth. We're a solid 20 percent this year. On a constant currency growth number, that is over 21 percent growth. A really solid year impacting over 100,000 patients around the globe in 2022 alone. In addition to that, we also had major clinical trials that we got approved that really set us up for the next decade and more. I'm going to dive into this a little bit more.

Let's talk a little bit about the innovation side of our business. You can see on this slide the impact we've had in the products. We've got ablation and left atrial appendage products on here. We've not stopped innovating. Just on this slide alone, we've got three products that drove most of our growth in 2022.

On the top line, you'll see the cryoSPHERE. The cryoSPHERE is for pain management. It's to reduce pain management for post-operative surgery. That has been growing, as you saw in the third quarter, at about 70-plus percent. It's been a great product for us that we organically developed and built. We invested in the science, and now we're actually seeing the fruits of those investments come to fruition.

Next to that, you see the EnCompass Clamp, which we rolled out in the middle of last year for open concomitant business. When I presented J.P. Morgan five, six years ago, I used to get

pressure from people saying, "Open cardiac surgery is never going to take off."

We were at 25 percent penetration, maybe just over 20 percent penetration, of the patients that had Afib that were undergoing cardiac surgery that were getting treated. Yet, today, with the EnCompass Clamp, one of the biggest things that was in the way was that we needed technology to make it easier.

What we're seeing with EnCompass, we invested in the technology, we got it onto the market, and now we're starting to see great growth and expansion within where we've got relationships today, which is pretty much every cardiac surgery hospital in the United States.

Then, on top of that, if you look down below on the left atrial appendage, the FLEX*V, which is all the way over to the right. The FLEX*V is the open-ended clip. We put that out about three years ago, and you begin to see that it started to gain traction and then really gained traction over the course of the last several years. Now it represents almost 50 percent of all of our clip revenue.

On the clinical side, you have to continue to differentiate as well. We're continuing to invest, and we anticipate more such products coming out in 2023, 2024, and 2025. We've got a rich pipeline of products in each one of our portfolio areas.

In addition to that, you've got to have great clinical science. The clinical science that we have here, the Isolator Clamp, was the first and only approved product for the treatment of atrial fibrillation cardiac surgery. We then did a FROST study for a cryo nerve block. We've also done the CONVERGE trial, which I'll get into a little bit more details of the success there.

We're going to continue to invest in expanding new markets by investing in new trials like LeAAPS, which is expanding into the prophylactic use of the clip, and the HEAL-IST, which is a new hybrid form to help patients that have inappropriate sinus tachycardia, another terrible arrhythmia that patients suffer with.

With that, I'll give you a brief overview of the size of each one of these markets. These are large markets, and they are all expanding. The first market is the cardiac surgery market. This is when you're undergoing cardiac surgery and you're getting treated with atrial fibrillation. The market is only 30 percent penetrated today. That means 70 percent of the patients are not getting treated.

In addition to that, they put a clip on every one of those patients. We've done the HEAL-IST trial. If you saw this slide a year ago, you saw a slide that said about \$450 million market. Now with the

LeAAPS trial, we've been able to expand that because we are going after patients that do not have Afib but have the likely chance of getting Afib in their lifetime.

Those patients are really going to be supported with by getting a clip. That LeAAPS trial is the largest cardiac surgery trial ever done. It's 6,500 patients, and it's going to be the only trial to show for that concomitant use of the clip for someone to reduce stroke. A large market opportunity investing.

In addition to that, our hybrid business. The hybrid business is when you have a electrophysiologist working in concert with the cardiac surgeon. We talk about converge. There's been lots of questions about converge over the last year. Why isn't it taking off faster? Why isn't it growing faster? This market is a massive market opportunity and really under-penetrated.

Just to give you a quick view on the numbers. In the United States, there are 350,000 cardiac catheter procedures for atrial fibrillation every year. 45 percent of the patients that have atrial fibrillation have long-standing persistent atrial fibrillation.

AtriCure is the only company in the world that has a label to treat long-standing persistent atrial fibrillation, the only company. Yet, of those 350,000 patients, we're in less than 3,000, less than one percent. The market opportunity is large and the data shows that it works.

Our CONVERGE trial demonstrated an over 110 percent improvement that if you added the surgical portion of it with CONVERGE to the catheter portion, you had tremendous impact on that patient population. The big work we've got to do today is not to convince people that this works or that it's safe. It's about the logistics and getting them to work closely together.

If you think about others, you think about how TAVR developed and other markets developed, getting them together is really the work we've got in front of us right now. It's not about does this work. This is the only product that is not only on the market, but there are no products even being studied for that 45 percent of the patients that are out there.

This is our differentiation. This is why we've got decades' worth of growth in front of us. On top of that, we're not just an ablation company for cardiac surgery. It is a huge focus of ours, but we've extended that understanding in the cryo nerve block, and cryo nerve block is for reducing pain when you're undergoing any thoracic surgery.

This market has been growing very fast. We've got unique product and differentiation here, we're

the only product on the market to treat this area, and we're over 10 percent penetrated today. That's from zero, just three or so years ago. If you ever hear these patients and patients that undergo thoracotomy, it's incredibly painful.

We believe that we are going to become, not only a market leader, but we're going to be able to get over 50, 60, 70 percent penetrated over the years in the thoracic area. We're not just sticking there. We're going to grow that market by getting into sternotomy, which is almost one and a half times the size of the market of the thoracic procedure market that we're already seeing the growth in.

When you add it all up, this is a five billion dollar plus global market opportunity that we are going after, and the areas that we're in, we are number one in the world. Number one. There's not one other company. We've got clinical differentiation, we've got innovation, and we've got a team that's going to be able to execute over the next decade to do that.

When you look at 2023 and you look at the growth that we've seen, we're a durable growth story. We're continuing with our commitment of 15 to 17 percent growth in 2023. After coming off a year of \$330 million, we've estimated \$380 to \$387 million this coming year, and we're going to break through and become profitable this year.

We get questions from investors. I know that's on top of minds. We've improved four million dollars every single year. We anticipate will improve another four million dollars this year. It could be greater, except for the fact that we've made decisions to invest in those items I talked about before.

We do believe we've got differentiation for decades to come, and that we're going to come through that period of breakeven, and then we're going to grow profitably from there on out.

On top of that, we're proud to say that we are committed to sustainability in many different ways. Most recently, I had the opportunity to present at the NACD meeting where we were the one small-cap company that won for diversity, equity inclusion for all publicly traded companies. Our board is 60 percent women with a female chair, and we're incredibly diverse across the board.

We're committed to that and much more from a sustainability standpoint as well. We feel really good about the commitments that we've made in those areas. Getting out the ESG report in advance of many companies. We don't view this as an obligation. We view this as important for society, and it's something that we should be doing and we have no problem making these types

of investments.

Hopefully, you walk away from today, thinking to yourself, AtriCure has huge market opportunity. They're differentiated both on technology. On top of that, with the clinical science that they've put behind it, we've got decades' worth of growth in front of us to attack and penetrate and win in those markets. We've got a really strong portfolio and that our future is bright.

With that, I'll welcome Robbie up for questions.

[background sounds only]

Robbie: Great. Thanks, Mike. There's a lot to talk about here. I want to start first with the fourth quarter pre-announcement and the 2023 guidance. Fourth quarter beat by a little bit versus the street. Any color you could give us on what were some of the better product drivers, anything that under-performed your expectations, and how that trend geographically?

Michael: Without getting into too much details about each of the different areas, which I know everybody wants to know, what was happening within cardiac surgery versus cyber, we had a strong year and I believe overall cryo nerve block continues to be a great driver for us and so does the EnCompass Clamp as I mentioned in the rollout, and we're still making progress on hybrid.

From a hybrid standpoint, we're going to see a great 2023 and 2024. We feel really good about the future of that business, as I mentioned, and we're getting really good sites up and running in our board.

Robbie: CONVERGE obviously is one of the big focuses. It's one of the big potential growth drivers, really exciting technology, good data. Anything you could tell us on fourth quarter and what's assumed in guidance for 2023 for CONVERGE?

Michael: I won't give too much color on fourth quarter, but what I can tell you is that we still feel really strong about that part of our business. I know there's a lot of questions about is it going to actually meet its end goal of being a high-growth driver for AtriCure.

I can tell you and look at you, everybody in the eye and say, "Absolutely, this is going to be a strong growth driver." The data is compelling, and people are looking at this business. We're getting that new sites every single quarter, and we're starting to see case volumes go up.

Robbie: Just thinking fourth quarter, procedure volume trends is one of the big items that people are looking, not just for AtriCure, but across medical devices. How do you think cardiac procedure volumes trended across fourth quarter? Is there any backlog you're seeing, and any difference US versus out-of-US?

Michael: We didn't see much change on the volume side of things. From an overall standpoint, I'd say that it was consistent volume throughout the quarter. There wasn't a lot of disruption. What we saw was the beginning of last year, you got really hit with Omicron. That continued a little bit into the second quarter.

Then, as the year went on, it more normalized. I wouldn't say it got to normal volumes that it was pre-COVID on the cardiac surgery. You're still a little bit light of that overall. It's normalized in the sense that they're having regular case volume every week and you're not seeing a lot of case cancellations as much anymore in the fourth quarter.

Robbie: Maybe instead of just thinking of volume perspective, more your returning to normal market growth trends off of prior quarter rather than necessarily absolute volumes pre-COVID.

Michael: I hadn't thought about it from that perspective. In general, you got a more normal quarter. There wasn't a lot of disruption on the macro side of it.

Robbie: You have a smaller international business, but any difference you're seeing US versus international?

Michael: Not as much. I'd say that, overall, with the one exception of China. China's been impacted the most, but other than China, most of the other markets around the world are pretty consistent at this point.

Robert: Remind us. How big is your China business as a percentage of overall sales?

Michael: It's less than...It's one percent or so. It's a very, very small portion of our business.

Robert: As we move to 2023, your guidance definitely caught consensus at the low end of it. It caught me in the middle. Maybe talk to some of the assumptions behind that. Are we assuming normal procedure volume growth? Any color you could give on CONVERGE versus AtriClip, Cryo, open? I'll leave it there.

Michael Carrel: What we're seeing, when you look at 2023, and you look at the investments, I talked about some of the areas that we've got. I'll start with our different franchises. When you look at the open franchise, we anticipate EnCompass to continue to get into more and more sites and get deeper penetration in those sites.

We've seen great traction with it. It's been one of the best rollouts of products I've ever been a part of in my entire career. It's been received incredibly well, and we've got great deep relationships. We anticipate really strong growth out of our EnCompass business in 2023 and beyond as we improve the penetration in that market.

Cryo Nerve Block continues to be a very strong player for us. We anticipate that's going to happen, and we're going to open up the sternotomy market at the end of the year. Anticipate the back half in the fourth quarter or so. We anticipate that sternotomy might be able to have some impact as we roll into 2024. That's a huge market expansion opportunity for us.

On the Clip side of things, it's obviously larger numbers, but it continues to be a very strong growth product for us overall as a business. I think the LeAAPS trial is going to create a nice halo effect overall with people talking about managing those patients. We believe Hybrid is going to come back and have a really strong and solid year.

Robert: Got it. Top line definitely looked better than consensus today. I would say where it came in a little lower was on the bottom line. You committed to getting to break-even for next year. Typically, we've always seen fourth quarter a lot better than first quarter, and second, third in the middle.

Maybe talk to some of the investments you're making for 2023, how to think about the cadence of that, and maybe just why the spending is still on the high-ish side.

Michael Carrel: The reason for it is we think really long term. We believe we're going to be profitable. We know that's an important commitment. We need to get to that break-even point. We don't need to go out and raise any capital to run our business and operate it.

We also committed, if you saw our press release, that we're going to not only get the profitability, but we're going to grow profitability from here on out. That's a commitment that we're making. We do believe we've got enough areas to invest that can drive high growth for a really long period of time. It's why we're making investments.

That LeAAPS trial was obviously a big clinical trial that cost many millions of dollars a year that adds, obviously, to the cost structure this year, but will, I believe, expand our market by almost a billion-dollar expansion when you think about it on a global basis.

That trial enrolled 6,500 in 250 sites around the globe, and that market opportunity is for almost two million cardiac surgery procedures around the globe every single year. We think that is an investment worth making. That impacts a little bit on the profitability side.

As we expand in other new areas, HEAL-IST is going after inappropriate sinus tachycardia, which is a terrible disease, typically for women who are ages 20 to 40, who have elevated heart level. It affects about a million people around the globe every year.

I didn't get into much detail on that, but HEAL-IST trial is all about helping those patients out. You need a hybrid approach to do that, and HEAL-IST is adding a little bit of cost this year. It isn't driving revenue, but we do think, when you think about the back half of this decade, we're going to be able to help tens of thousands of patients every single year with HEAL-IST as well.

Robert: Are there any timelines you could provide us on those trials, maybe when you might complete enrollment, and then how long it'll take to maybe get through to approval?

Michael: The LeAAPS trial, it's a long trial because these are patients that don't have Afib, and you're looking at them over the five years. That's an investment in, call it, the back half of the decade in terms of starting to see some traction relative to that.

I'd say HEAL-IST is a little bit earlier. It's probably the middle part of the decade that you'll start to see some effect of that, but we're starting to get sites up and running. Right now, nobody's doing it, but we're now up to five sites that are enrolling in that trial. We anticipate adding more throughout the year as well.

Robert: I want to open it up for questions if anybody has raised their hand. We have a mic runner.

[pause]

Robert: No? I will keep going then. Cryo Nerve Block. Over the past few years, I would say this is probably one of the standout business lines that was least expected and has been one of your

biggest product successes. Maybe talk about the trends you're seeing there, the penetration you're seeing there.

Then sternotomy you talked about in the presentation can pretty much double the opportunity. Think about the ramp-up there and how we should be thinking about sales building.

Michael: We anticipate continued growth in the Cryo Nerve Block area. We're just over 10 percent penetrated in the United States today. There's about 150,000 or so procedures on the thoracic space in the US that happen every single year. We're at just over 10 percent. We anticipate that number growing. Why? It works. It works incredibly well. These patients do not feel much pain after they undergo thoracic surgery.

We're up to over 60 people on the sales team today. We're adding clinicals and specialists to have coverage throughout the United States. We've now started to expand in Australia and in Europe as well. We anticipate strong growth for many years to come just on thoracic.

There's no reason they shouldn't be using this device. It's a reasonably cost device, and they get a significant reduction in pain. These patients can go home faster. They can recover more quickly. It's been a great product on that front.

We're continuing to look for other areas to grow. Thoracic procedures are not the only procedures that are painful when someone undergoes surgery. Sternotomy's the most natural because I've got a sales force and clinical team of 150 people already in those operating rooms every day today that have deep relationships.

We know that it works there, but we're going to do a slow rollout, much like what we did with EnCompass, where we took our time to make sure we do it right, that we get the therapy completely right. By the back half of this year, we anticipate expanding and growing that market.

We're already getting people wanting to use it in that area. We're slow-playing it a little bit, but we do anticipate the back half of the year beginning to start to see some traction there. I think this is going to be a strong part of our portfolio for many years to come.

Robert: This isn't a product that has direct reimbursement, right? This is a cost off of the procedure code. What are the doctors looking for out of this product to justify the added cost?

Michael: What they see is how fast these patients recover more quickly. In some cases, we can

reduce hospital stays. We've done a bunch of studies to reduce hospital stay, which definitely shows a reduction in the cost. You can pay for it that way.

The other one is that they recover more quickly. Therefore, they can get up, they can start walking around when in the intensive care unit. That is something that these patients need, and that helps them recover from whatever surgery they just had. That's what they're looking for first and foremost.

Secondly, they want to send them home taking fewer narcotics. We don't have a label to reduce narcotics, but you don't need narcotics with our product. As a result, they want to start to see some of that. Some areas and some centers are beginning to study, "Can they reduce their narcotics?" There's a bunch of studies that are out that show that you can.

We are also looking at possibly doing a study at some point in time to show narcotic reduction both at the hospital but also post-hospital stay as well.

Robert: That would likely be a very short-term endpoint trial, I would imagine.

Michael: That's correct. You always have to look at things over a six-month period to make sure somebody doesn't go back on to something or pain didn't come back. I would say that a trial like that is going to be a more short-term effort.

Robert: As we think about 2023, you talked about a second-half contribution. You talked about a limited rollout or controlled rollout. Should we think of this as fairly limited sales in the second half, more of a 2024 impact from sternotomy?

Michael: Absolutely. We're beginning to roll it out at very select sites right now, so exactly what you said. It'll be mostly 2024.

Robert: I'll check again. Any questions?

[pause]

Robert: Currency has moved since the third-quarter call. How should we be thinking about that in relation to your '23 guidance? How much benefit is there?

Michael: We're trying to be conservative relative to the overall currency aspect of it. Our

business is only about 15 percent international. Of that, I'll call it 8 percent or so gets impacted by it. It's a little, small portion of our business overall that has any kind of currency impact to it.

Robert: I want to come back to CONVERGE because that's obviously such an important growth driver and a big investor focus. You had a really helpful analyst event. I believe it was September. You went through and talked to doctors about how great it is and how it helps patients, but there are a lot of steps involved to get it up and running.

Maybe you could talk about if you've made any progress over the end of 2022 and help level expectations for 2023. Is that something we're going to see more of an uptick in centers and sales?

Michael: I think we'll see a strong year out of Hybrid in 2023. We've learned a lot, as you said. I think we've all been surprised. It obviously hasn't met our own internal expectations relative to where we want to be with that. I do feel, with that, we've made a lot of progress.

The things that we have to overcome are things that are overcomeable, which is mostly logistics and workflow at a hospital, and making sure that these patients that are not getting treated today are getting the time that they need. I think there's a lot of macro effects that are going to help us over the next several years.

I hit upon it briefly in there, but also reduce the amount of time they have to spend on these patients. With a lot of the cuts happening to the EP world, where they're seeing that they've got to be more efficient in the lab, I think that's going to provide a nice benefit towards CONVERGE. They're going to be looking for ways that they can spend less time per patient in the lab.

CONVERGE not only proved clinically that it works really well, but we can reduce, significantly, that amount of time. We anticipate that word is starting to get out. That'll, I think, have some impact on 2023. We'll see some uptick there. Also, as we look forward, I think that's going to have a big uptick on our long-term growth driver in this area.

Robert: Maybe a way from AtriCure a bit, one of the big focuses in 2023 for atrial fibrillation are new catheter technologies with pulsed-field ablation. We're seeing one from Medtronic probably in the first half, Boston Scientific in the second half.

How should investors think about pulsed field ablation relative to AtriCure? Is it a threat to your business in the short, medium, long term?

Michael: We look at it as complementary. I think it's great. I love the fact there are companies who are making major investments in technologies to, quite frankly, deal with the same issue I was just talking about, which is to reduce the time they need to spend.

If you think about pulsed field ablation, why are they doing it? It's supposedly safer, faster, and as efficacious. What they're seeing is that they're definitely getting that reduction in time when they're doing that. I think that's really good. When they do the PVIs and they manage these patients, they still have to manage it from the outside in as well to have a more durable long-term.

To me, that's incredibly complementary. The PFA, it's right now all being studied, if you look at it, in the pulmonary veins or in the persistent patients. We anticipate that's again going to be complementary. I think it's going to grow the market, and you're going to get a lot more patients that are going to get treated.

The efficacious nature of it is about the same. What they've seen over in Europe is about the same as what they've seen with RF and cryo, which means that there's still going to be a lot of failures and a lot of need for that long-standing persistent that is in chronic Afib where you're going to have to come and leverage the cardiac surgeon to complement that.

Robert: The trials this year, to be clear, are just in paroxysmal?

Michael: That's correct.

Robert: It'll be some time before we see any trials looking at long-standing or long-standing persistence.

Michael: I don't think you'll have trials by themselves for long-standing persistent. I don't think any of the technologies today can deal with the complication of trying to ablate on a beating heart, epicardial and endocardially, and get full, durable transmural lesions.

We're not competitive against them. We think they can do a little bit of work on the endocardial side, and we do the epicardial side, which is what makes for the really durable lesion long term. I don't think you're going to see something in any near future on that front.

Robert: Yeah? If you don't mind, wait for the mic.

[pause]

Audience Member: Mike, I wanted to follow up on CONVERGE. Can you talk a little bit about what the cadence for new account adds has been for you exiting the year and relative to the capacity that you guys have to train the new accounts? Do you expect new account adds for CONVERGE to accelerate in 2023?

Michael: We do expect some growth on the number of accounts, but 2023, as much as anything else for us, is to get those accounts that have been trained...We've trained a lot of accounts, hundreds of accounts on the CONVERGE procedure.

How do we get them from doing a couple and then getting that into their exact workflow and getting a deep patient flow going on, on a regular basis? That's the work. There's a lot of work within the accounts that we have today.

I think that's going to be one of the major focuses. They've done cases, they've seen some success, they've gotten really busy. How do we make sure that we get them to have that 1 coordinated care between their surgeon, their EP, and their departments? A lot of the focus that we've got right now is on those existing accounts.

We're going to be adding some new accounts, but the focus is to get those accounts that have already been trained, already believe, to now get a real patient flow going on in 2023 and 2024.

Audience Member: A follow-up on that. Maybe the better question is how you drive the same-store sales growth in those CONVERGE accounts. You talked about the logistics being an issue.

Michael: Yep.

Audience Member: Do you yet have a boilerplate logistics that you can industrialize across your accounts or is that still a work in process?

Michael: We do have one. I would love to say that every site works the exact same way, but some of it does come down to how are they working. Where is the EP lab versus the cardiac surgery room? Do they communicate and work together today? Do they have reverse referrals that they have in place?

We do have that. We've got many templates for different types of sites. A community site's going

to be different than an academic site. We do have those types of templates in place. It's getting them to consistently apply it. Our team's got to make sure they're there to help hand-hold them at the beginning of those processes.

Robert: Any other questions? Mike, maybe one last question. We could wrap it up here. I would say the past few years have been exciting. I think it's great to see a lot of data, a lot of investment for the future here. What are you most excited about for 2023 for AtriCure?

Michael: I think 2023's going to show the consistency within our portfolio and durability of it. When you look at our overall portfolio, we've got three really high-growth engines going on within our franchises. I think you're going to see all three of them come together and set a foundation that's going to be difficult for others to catch up with us on.

I think it's going to be a great year for AtriCure in 2023 and continuing to build towards our 2030 vision of impacting over 3.5 million patients around the globe.

Robert: Great, look forward to it. Maybe we could end it there. Thanks, everyone.

Michael: Sounds great. Thank you.



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