**AtriCure Inc. (Q3 2025 Earnings)**
**October 29, 2025**

**Corporate Speakers:**

- Marissa Bych; Gilmartin Group; Principal
- Michael Carrel; AtriCure Inc.; President and Chief Executive Officer
- Angela Wirick; AtriCure Inc.; Chief Financial Officer

**Participants:**

- John Young; Canaccord; Analyst
- Lilia-Celine Lozada; JPMorgan; Analyst
- Marie Thibault; BTIG; Analyst
- John McAulay; Stifel; Analyst
- Joseph Conway; Needham; Analyst
- Danielle Antalffy; UBS; Analyst
- Unidentified Participant; Unknown; Unknown

## PRESENTATION

Operator^ Good afternoon. Welcome to AtriCure's Third Quarter 2025 Earnings Conference Call. This call is being recorded for replay purposes. (Operator Instructions)

I would now like to turn the call over to Marissa Bych from the Gilmartin Group, for a few introductory comments.

Marissa Bych^ Thank you. By now you should have received a copy of the earnings press release. If you have not received a copy, please call (513) 644-4484 to have one e-mailed to you.

Before we begin today let me remind you that the company's remarks include forward-looking statements. Forward-looking statements are subject to numerous risks and uncertainties, many of which are beyond AtriCure's control including risks and uncertainties described from time to time in AtriCure's SEC filings. These statements include, but are not limited to financial expectations and guidance, expectations regarding the potential market opportunity for AtriCure's franchises and growth initiatives, future product approvals and clearances, competition, reimbursement, and clinical trial outcomes. AtriCure's results may differ materially from those projected. AtriCure undertakes no obligation to publicly update any forward-looking statements.

Additionally, we refer to non-GAAP financial measures, specifically constant currency revenue, adjusted EBITDA and adjusted loss per share. A reconciliation of these non-GAAP financial measures with the most directly comparable GAAP measures is included in our press release, which is available on our website.

With that, I would like to turn the call over to Mike Carrel, President and Chief Executive Officer.

Michael Carrel^  Great. And good afternoon, everyone. Thank you for joining us today. We had a very strong third quarter with total revenue of $134 million, reflecting a 16% increase year-over-year. Our growth was driven across key franchises globally, demonstrating the expanding adoption of our therapies and breadth of market opportunities. We also substantially improved profitability and cash generation with nearly $18 million of adjusted EBITDA and over $30 million in cash generated in the third quarter.

Overall, our revenue growth and profitability exceeded expectations for the quarter, and we will once again raise guidance for the year. Product innovation and clinical science initiatives continue to flourish at AtriCure, and that is evident in the success of our recent product launches. The AtriClip FLEX-Mini and cryoSPHERE MAX devices are propelling outstanding growth in appendage and pain management in the United States. The launch of our EnCompass Clamp is driving accelerated growth in Europe while continuing to fuel steady growth in the United States many years after launch.

We are building on surgeon interest in this product with our PFA platform development program and further expanding our market opportunity with the initiation of our BoxX-NoAF clinical trial. Additionally, our cryoXT device, launched this quarter, will set a new standard for managing pain in lower limb amputation procedures. Each initiative reflects our commitment to delivering innovative therapies to address unmet clinical needs for patients around the world.

Now on to updates from each of our franchises. Starting with appendage management, where worldwide revenue grew over 20%, continuing the acceleration realized in the first half of 2025. This is a direct result of increasing adoption of our AtriClip FLEX-Mini and PRO-Mini devices. Both devices leveraged our third-generation AtriClip platform technology, featuring a smaller profile clip, which improves visibility in procedures. These devices are the smallest surgical LAA implants available, and build on more than a decade of outstanding results for the over 700,000 patients treated on our AtriClip platform. Related to the AtriClip, early in the third quarter, we completed enrollment of over 6,500 patients across 137 sites globally in our landmark clinical trial, LeAAPS. The success of enrollment is a reflection of the strong interest from trial investigators, of which over 500 surgeons participated and are now focused on patient follow-up.

As most of you know the LeAAPS trial is designed to evaluate the use of AtriClip devices for stroke prevention in cardiac surgery patients who do not have prior Afib diagnosis. This is a significant underserved patient population with more than 70% of the nearly 2 million patients who undergo cardiac surgery annually not having a prior Afib diagnosis, and we are very excited about the potential ahead. While we await the results of the trial, we are driving physician awareness and expanding access to AtriClip devices globally. To that end, we are pleased to announce the recent approvals of our AtriClip Flex-V, PRO-V and FLEX-Mini devices in Japan.

In addition to the groundbreaking clinical evidence from LeAAPS, we intend to stay leaders in this market with continuous innovation and have turned our research and development efforts towards delivering the next generation of AtriClip devices, and we look forward to sharing our progress over the coming year.

Within our ablation franchises, open ablation growth accelerated to over 18% for the quarter. Sales of our EnCompass Clamp continue to drive growth in the United States, and the launch in Europe boosted our international results. As I commented last quarter, the durability of the EnCompass Clamp's growth is a clear testament to our ability to deliver meaningful and consistent innovation, providing clinicians with effective and time-saving solutions.

We expect to further advance concomitant ablation procedures with our platform development of an EnCompass Clamp enabled with PFA. We are making progress with robust preclinical testing and expect first-in-human use over the coming months. Beyond technical innovation, we are also moving forward with our BoxX-NoAF clinical trial and are excited to share that the first patient was treated. BoxX-NoAF trial is another foundational study at AtriCure, aimed at reducing the onset of postoperative Afib in cardiac surgery patients who do not have a pre-existing Afib condition. This trial will significantly expand the opportunity to use our ablation technologies in this broader patient population, multiplying our cardiac surgery market opportunity overall.

Adding to the momentum from our LeAAPS trial, we believe BoxX-NoAF will transform the standard of care in cardiac surgery towards preventative approaches. In our minimally invasive hybrid therapy, market dynamics remained challenging in the U.S. due to increased adoption of PFA catheter technology. Nonetheless, we continue to see substantial unmet need for patients with long-standing persistent Afib and believe that our hybrid AF therapy is uniquely positioned to address this need.

Finally, turning to our pain management franchise, which grew 28% in the quarter and was driven by sales of our latest product innovations, the cryoSPHERE MAX and cryoSPHERE+ probes. These product launches have shown the value of reducing procedure times, allowing us to increase market penetration in thoracic surgery and gain traction in the sternotomy market. Another reason for optimism in our pain management business is the launch of cryoXT, which improves recovery and quality of life in patients following extremity amputation. Feedback already from surgeons using the cryoXT device has been encouraging. And we are even more excited by the reports of rapid patient recovery in the days following the procedure.

As is the case with new therapy development, it will take time to ramp the cryoXT use. But we are confident that the benefit for patients, physicians and hospital economics are significant. We recently launched the vanish registry to track patient outcomes with cryoXT, and expect this data to demonstrate acute and phantom limb pain reduction with our Cryo Nerve Block therapy in patients undergoing extremity amputation. CryoXT

unlocks a meaningful expansion opportunity in pain management and is another example of our ongoing commitment to innovation across all of our franchises.

Going forward, we will also continue to invest in comprehensive clinical and economic data to support the value of Cryo Nerve Block therapies. A non-opioid pain management -- but as non-opioid pain management becomes an increasing priority across healthcare, these efforts are helping drive broader awareness and adoption.

In closing, I want to express my gratitude to our entire AtriCure team for another successful quarter. Your work demonstrates an unrelenting focus on patients. We are executing well on our growth and profitability objectives including record cash generation this quarter, providing a strong foundation as we end the year and go into 2026. I am confident that our shared determination to deliver exceptional patient outcomes and executing on our strategic priorities will transform standards of care in each of our markets.

With that, I'll turn the call over to Angie Wirick, our Chief Financial Officer. Angie?

Angela Wirick^  Thank you, Mike. Our third quarter 2025 worldwide revenue of $134.3 million increased 15.8% on a reported basis and 15.1% on a constant currency basis when compared to the third quarter of 2024, reflecting healthy adoption across key product lines and markets. On a sequential basis, we experienced normal procedure seasonality with a 1.4% decline from the second quarter to the third quarter of 2025. Third quarter 2025 U.S. revenue was $109.3 million, a 14.5% increase from the third quarter of 2024. While we experienced a decline in our minimally invasive ablation sales to $7.4 million for the quarter, all other U.S. franchises drove robust growth from the continued adoption of our innovative technologies.

Open ablation product sales in the U.S. were $35.6 million, up 16.3% over 2024, driven by expanding use of our EnCompass Clamp. Through the third quarter, total accounts purchasing Encompass reached 740 this year, surpassing the 700 accounts purchasing during the entire fiscal year 2024. U.S. sales of appendage management products were $45.4 million, up 21.5% over the third quarter of 2024, led by ramping adoption of our recently launched AtriClip FLEX-Mini device. Growth in open LAA devices was over 26% for the quarter, while our minimally invasive LAA devices were up slightly on conversions to AtriClip PRO-Mini, which launched earlier this year.

Finally, pain management product sales were $20.8 million, up 27.7% over the third quarter of 2024, reflecting increasing application of our cryoSPHERE MAX and cryoSPHERE+ probes, primarily in thoracic procedures. International revenue totaled $25 million, up 22% on a reported basis and 17.9% on a constant currency basis as compared to the third quarter of 2024. European sales contributed $15.2 million in the quarter, representing 24.2% growth. Sales in Asia Pacific and other international markets grew 18.8% to $9.8 million from the third quarter of 2024.

Our gross margin was 75.5%, an increase of 59 basis points from the third quarter of 2024, driven primarily by more favorable product mix globally, stemming in part from new product launches in the United States. Operating expenses for the quarter totaled $101.1 million, an increase of $6.9 million or 7.4% from the third quarter of 2024. Research and development expenses rose 9.2% from the third quarter of 2024, reflecting a slower pace of spending in the quarter as we transition between projects after completing enrollment in LeAAPS and multiple new product launches over the last 12 months. SG&A expenses increased 6.8%, well below revenue growth for the quarter, demonstrating continued leverage as we further scale our operations.

As a result of our strong revenue growth and disciplined approach to investing, we recognized $17.8 million in adjusted EBITDA, roughly $10 million above the third quarter of 2024. We expanded our adjusted EBITDA margin to 13.3% for the quarter, showing continued progress throughout 2025 and achieving profitable growth. Our basic and diluted net loss per share as well as the adjusted loss per share was $0.01 in the third quarter of 2025 as compared to $0.17 in the third quarter of 2024. Our balance sheet continues to strengthen as we ended the third quarter with $147.9 million in cash and investments, representing positive cash generation of $30.1 million for the quarter. This quarter, we had a onetime cash inflow of approximately $6 million from a sale-leaseback transaction as we began the expansion of our Ohio campus. We continue to expect positive cash generation in the first quarter, further elevating an already sound capital position.

Now turning to our outlook for the remainder of the year. We now expect to achieve approximately $532 million to $534 million in full year 2025 revenue, reflecting approximately 14% to 15% growth compared to 2024. We are confident in the long-term growth trajectory for the large underpenetrated markets we serve globally. Year-to-date, gross margin is pacing 20 basis points above 2024 due to shifting product mix.

We now expect our full year 2025 gross margin to be slightly higher than 2024 with the potential for varying impacts from geographic and product mix. Next, our priorities for capital allocation continue to focus on cultivating future catalysts for our business through meaningful investments in clinical science, product development, and therapy awareness. While we make these investments, we are also committed to driving expanded profitability.

With that in mind, we are raising our positive adjusted EBITDA outlook to approximately $55 million to $57 million for the full year 2025, corresponding to an adjusted loss per share of approximately $0.23 to $0.26. I would also like to thank our extended AtriCure team for driving exceptional overall financial performance this quarter. As we make great strides in our mission to reduce the burden of Afib and postoperative pain, we are meaningfully improving the sustainability of our business through continued revenue and margin expansion.

At this point, I will turn the call back to Mike.

Michael Carrel^ Thank you, Angie. Our third quarter performance underpinned by strong revenue growth and increasing profitability highlights our team's persistence and commitment to our patients, partners, and our shareholders. I'm especially proud as we celebrate AtriCure's 25th anniversary this week. These same values of patients, people and partners have guided our company over the past 2.5 decades, building to the incredible opportunity that sits in front of us today. Our trajectory is truly exciting. And I look forward to sharing further progress as we end the year and begin 2026.

With that, we will turn it over to questions.

## QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from John Young with Canaccord.

John Young^ Mike and Angie, congrats on a great quarter. First, I just wanted to ask on the CMS proposal for ablations to possibly move into the ASC setting. Do you believe that the decrease in strain on hospital cath labs can actually lead to a rebound in the EPi-Sense business?

Michael Carrel^ I mean it's a good question, John. I don't know that that's going to have a material effect on the overall EPi-Sense business because we're not -- that's not really our business per se. I think it will just lead to more efficiency in the cath labs for sure. I think what's going to drive the EPi-Sense business is going to be as they have non-responders to PFA and they go through one or two nonresponding PFA techniques with the different catheters are out there. Then, they're going to look for, well how am I going to treat this patient when I've done everything possible with the catheters at that point in time.

So what we're seeing now is we're starting to see some breakthroughs at a couple of sites. It's more than a couple, but several sites where they're starting to refer some patients, not enough to drive that revenue growth yet. But we are definitely starting to see that where they are seeing non-responders. They've typically gone through two different catheter ablations at that point in time. So that that's going to be really kind of a leading indicator for us more so than the change in the ASC.

John Young^ Is there any way to quantify the opportunity in Japan given those approvals that you got there?

Michael Carrel^ Yes. Right now I mean there's about 40,000 or so cardiac surgeries in Japan in totality. So obviously with the LeAAPS trial and others, you've got the possibility of getting that entire area to cover that. Today we don't sell that many clips. We do have our AtriClip on the market today. We're the leading player in the market relative to that. Obviously now bringing in our newer technology, hopefully, will help accelerate that overall. We don't anticipate getting any revenue in the near term from it as we kind of prep the market over the course of the next six months. But we did just get the

approval. We actually got it earlier than we expected and we'll be rolling it out sometime next year.

Operator^ Our next question comes from Lilly Lozada with JPMorgan.

Lilia-Celine Lozada^ Maybe I'll start with one on open and then I have a follow-up on guidance. In the open business, 19% growth is really impressive and well ahead of what the segment had done historically. Obviously EnCompass has done really well but what do you think is driving the acceleration at this point? I know you said you've already basically seen full conversion from the legacy product over to EnCompass and that it's really adoption in new accounts and CABG doctors who historically hadn't been customers that have been driving growth. So where do you think you stand in penetrating that population? And how long do you think we can see this level of growth in the open business?

Michael Carrel^ I think you hit it. You could have answered the question right there, Lilly. It is primarily CABG patients because those surgeons have typically not done a good job of actually doing any kind of ablation on these patient population. They don't get behind the heart as we've talked about before. So that's really what you're seeing. More and more surgeons are actually doing ablations that weren't doing it before. We believe, obviously EnCompass has really helped them get there, both from ease of use of the technology and the speed at which -- because it cut out about 30 minutes out of the procedure time.

So it really dramatically improved it from both ease of use and speed to actually get a really good ablation done during that. So yes, that's what's driving it right now. We're still severely underpenetrated in the CABG market. And we're maybe at approaching 10% of the CABG patients that have -- Afib are getting treated.

Then when you look at all CABG patients -- and CABG patients tend to be the ones that go into most post-op Afib. With BoxX-NoAF, we also see that as another really big opportunity. We feel good about obviously enrolling our first patient in that, that we're going to enroll in that pretty quickly. You saw what we did on the LeAAPS side. We'll enroll in this very quickly and then hopefully get those results in the coming years.

Angela Wirick^ Yes. Maybe one thing to add, Lilly, on the growth. It was a little over 16% in the U.S. in our open ablation franchise and 26% in our international business. A big part of that was the uptick that we're seeing on adoption in Europe for our EnCompass Clamp, where our European open growth was over 30% for the quarter. So I think we're excited, obviously for the long-term prospects here, as Mike said, seeing additional adoption and treatment within CABG patients in particular.

Lilia-Celine Lozada^ Just a clarification on guidance, on profitability specifically. You put up really nice results on adjusted EBITDA. So first, can you talk a bit about the strength that you're seeing from a margin perspective? And second, guidance, I think implies a sequential step down on adjusted EBITDA. So what's driving that? Is that just

conservatism? Or is there something else at play in the fourth quarter that we should be thinking about?

Angela Wirick^ Sure. Touching on margins first, I'd say starting with gross margin, we obviously saw some strength in the quarter with the shifting mix here. A portion of that is our international business with distributors, a more favorable mix. New product launches, which we've talked about contributing to margin accretion over the year as those continue to build as a percentage of the overall revenue.

Then the third thing I would point out is we are starting to realize some efficiency from our manufacturing, specifically with the EnCompass Clamp. This is a project we had talked about a couple of quarters ago. We're starting to see that show up in the numbers as well. So expansion on the gross margin side. Within operating expenses, a lighter quarter in R&D spend. This is transitioning from -- within clinical trials from our LeAAPS clinical trial, which enrolled early in the first quarter to now starting to ramp up with our BoxX-NoAF trial. That will start to contribute to spend as you think about the fourth quarter, which is part of what went into the fourth quarter guide and then continued leverage within SG&A.

So to the guide side on the bottom line, really pleased with the progress that we've made so far this year and the progress that we'll continue to make each quarter going forward. A bit of conservatism on the bottom line, but then also starting to ramp up some of the R&D initiatives in the fourth quarter.

Operator^ Our next question comes from Marie Thibault with BTIG.

Marie Thibault^ I wanted to talk a little bit about the appendage management business. Noticed that this is another quarter of high 20s growth in the Open Clip segment of that business. I wanted to understand, I think the majority of this is driven by a volume uptick. Just how sustainable is some of this high 20s growth? FLEX-Mini, how far along would you say we are in that rollout? Just some understanding of what that segment can do going forward.

Michael Carrel^ We think there's a tremendous opportunity. I'm not going to commit to any specific numbers. But from an overall market dynamic standpoint, we're still in less than 30% of all sites in the United States with that product today. So we feel like there's a lot of upside just getting in sites, let alone getting to all the physicians that could use them at each one of those sites in addition to being used on a lot of patients. So we feel like there's a lot of upside in that opportunity, not to mention the longer term with the LeAAPS trial and hopefully expanding the market opportunity in general. So we think that there's a great deal of opportunity without giving specifics on like what each quarter revenue growth is going to look like, but the opportunity is very large there.

Angela Wirick^ I was just going to add, Marie, from a revenue contribution, FLEX-Mini was around 30% of our U.S. Open Clip growth or Open Clip revenue for the quarter.

Obviously continue to see really nice uplift each quarter following launch and a long runway as Mike said.

Marie Thibault^ Yes. Okay. Another sequential uptick. Great to hear. Then I guess a follow-up on the adjusted EBITDA metric. And my question is more kind of focused on the long-range plan that you set out earlier on that metric. Clearly ahead of schedule on those goals. So how would you think about the cadence now the trajectory, where this metric can go very long term?

Angela Wirick^ Thanks, Marie. At this point, we're not ready to guide for 2026 yet. We are extremely pleased with the progress that we're making on the bottom line and the trajectory that we're on. I would expect continued improvement as we operate into 2026. I think relative to our LRP metrics that we put out at our Analyst and Investor Day earlier in the year, we are ahead of schedule. And our goal all along, both top and bottom line is to continue to outperform.

Operator^ Our next question comes from John McAulay with Stifel.

John McAulay^ First one for me, I just want to sort of follow up on Lilly's question about the fourth quarter. In terms of EBITDA, I understand the reasoning typical sort of conservatism for the step down. I just wanted to get a better sense of revenue. It seems like sort of 12% implied in the fourth quarter. We've been doing to mid-teens all year. Just any dynamics in the fourth quarter we should be thinking about puts and takes for performance there?

Angela Wirick^ John, I'd say we're really confident in the guide for the fourth quarter and for the full year. It's worth repeating our philosophy around guidance, which is to put numbers out there that we feel really confident in achieving with a pathway to beating. So the totality of our business, you can see almost every area is firing on good cylinders here. Hybrid, we will expect continued softness, but that's a very small portion of our business overall. So just pleased with the trajectory there, really along the philosophy of our guide for the year. In terms of comps, fourth quarter last year, you did have a couple of the new product launches hitting there, saw nice results overall, but that's really the only thing to take into consideration when you think about the comps for 2024.

John McAulay^ One follow-up. Just curious, I may missed it. I didn't see anything specifically calling out in the press release. But any update on the PFA program, timelines there, progress there? Just be curious to know next steps and what we should be looking ahead for.

Michael Carrel^ Yes. On the PFA, we've done all the preclinical testing on our products at this point. We are going into first in human by the end of this year, early part of next year. Then the next step after that, as we talked about the Analyst Day is to go into clinical trials likely in the early part of 2027. So no change on that. And we've made great progress on that front and are getting really, really good results in all the work that we're doing.

Operator^ Our next question comes from Mike Matson with Needham.

Joseph Conway^ Mike, Angie, it's Joseph on for Mike. Maybe just a couple around pain management. I'm trying and just all ask them together. I guess with cryoXT, is that in a limited launch right now? I don't necessarily know if you said that in the prepared remarks? Or is that more pedal down launch just given the success with + and MAX? Is there going to be any contribution to pain management growth of that project -- product in 2025? Then, I guess just the pain management portfolio, how much of that is available in Europe?

Michael Carrel^ Sure. On the -- related to the XT launch, I don't know that I'd call it a limited launch, but definitely a very focused launch at this point in time. So we won't see a lot of contribution. Typically with our launches, you don't start to see a lot of contribution until about three to six months after the launch after we've kind of worked it out, gone to the site, seen a lot of success and kind of built upon that.

So I guess you could call it limited. We just don't call it that internally. But -- so we don't anticipate much revenue coming this quarter, but we do anticipate in obviously next year that it will be a meaningful contributor to our overall business in 2026. As it relates to Europe, we do have our cryoSPHERE over there. So it's being used and there's a lot of -- it's throughout Europe and then also in Australia.

Joseph Conway^ I'll just ask another one on pain management. I did see a video on AtriCure's website. I guess this was on XT just interviewing a surgeon. And he said this quote that just caught me. I'm just kind of [curious you guys'] opinion. He said, utilizing Cryo Nerve Block for 10 to 15 minutes can add a lifetime of benefit to the patient and the absence or need for secondary procedures. So obviously it seems like a very positive comment. I'm just kind of curious what kind of discussions are you having physicians or maybe physicians having with each other or their own colleagues to looking for alternatives to opioids or reduce opioid use. What are you hearing from them?

Michael Carrel^ Well I mean what we're seeing from the market in general, I mean I think what the physician on our website was talking about is that you can see the dramatic benefit is unlike our Afib franchise, where when they -- when you don't necessarily solve the Afib per se right then and there. It's got a long-term effect of it. You really want to affect that long-term aspect of it. With the pain management, you literally see it they recover that much more quickly. They don't have pain when you're in the step-down units and they're going through recovery. So it's quite remarkable to see that.

That's why you're hearing that kind of benefit because they can -- like, for example, on an amputation case, they can begin to walk faster. They can get the prosthetics fit more quickly. They can begin to get out of the hospital a lot faster. They don't feel that general pain right away after the surgery. So that's an example of where the cryo nerve block can help. Then obviously long term, what he's referring to is that in his practice because he was one of the early adopters in this area. He was practicing and seeing actually that

there's not just the original post-op pain that he's saving, but also longer term phantom limb pain that he's seeing. Those are studies that we have ongoing and that we're looking at to see how we can get those published, et cetera.

Operator^ Our next question comes from Danielle Antalffy with UBS.

Danielle Antalffy^ So just two questions for me. One, Mike and Angie, this is now gosh, I mean I don't know like the -- it's multiple years in a row now of mid to high teens open ablation growth. I'm just curious if you can talk about the sustainability of that growth. I know you guys talked about it at your Analyst Day. But -- maybe remind us what's most important in driving sustainability of growth there? Is it new modalities like PFA? Is it training more surgeons? Is it same-store utilization growth? Is it just iterating on the products like EnCompass, et cetera? Because it's been a few years now and it just does not seem to be losing steam.

Michael Carrel^ Yes. I mean the biggest thing right there, quite frankly, is awareness for the product because EnCompass right now we have the products today. That's what's going to drive the overall growth, both in Afib patients. Then as you look out longer term, like we talked about at our Analyst Day in the non-Afib patients as well. We think that prophylactic treatment to reduce post-op Afib as with this clinical trial we just kicked off is going to have meaningful benefit and helpful with the existing technology we have today.

So the technology works incredibly well. It's very fast to utilize it and get a robust box lesion and then you add the AtriClip to it, and it's incredibly robust from that standpoint. We're already seeing papers get published that show incredible results with that BoxX and the box lesion. The BoxX being the box, and then the X being the exclusion of the appendage, which is exactly what we're seeing in there.

So the two big things right now are awareness within the community that this works and is incredibly robust and more papers out. And two is expanding that opportunity for post-op Afib patients because that obviously more than doubles, if not triples, the overall patient population. So that's really where you're going to see the growth, but no new technology per se.

Danielle Antalffy^ I'm curious about -- so my second question is on the appendage management business. I'm actually curious, we have a pretty major clinical trial coming for the minimally invasive approach -- or I should say for WATCHMAN, the stand-alone approach. I'm curious as to whether you think that is going to be a boon for the entire market and help actually your appendage management business? Because if I recall back in the days of -- early days of WATCHMAN data, what we actually saw was a class increase across the board for appendage management. So I'd love to hear your views on how that could impact your appendage management business.

Michael Carrel^ Yes. I'd love to say that the data coming out of WATCHMAN, at this point, I think the awareness is out there on appendage management and the importance of

managing it, both from what WATCHMAN did. If you recall the LAAOS III trial for Afib patients was incredibly positive to reducing stroke and the AtriClip was used in that trial as well. So I'd say that -- and the guidelines have now changed. So there's been a lot of that already in existence in the open kind of, call it, concomitant use of the AtriClip during open heart surgery.

I think the bigger move is going to be with LeAAPS because LeAAPS is really going to open up that market, much like I just mentioned with BoxX-NoAF. This is the prophylactic treatment of that appendage, I think is going to be once we get that data out, which is obviously going to take a little while. So we're all going to be patient on it. That's going to really move the market and quite frankly, move our volumes quite dramatically at that point in time.

Operator^ Our next question comes from Matthew O'Brien with Piper Sandler.

Unidentified Participant^ Mike and Angie, this is [Anna] on for Matt. Just if I could ask a question on competition, specifically for AtriClip. There's been some concern around future entrants disrupting your position in the space. So if you could speak maybe to the moat around AtriClip and the differentiation of the device based on the competition you've seen in the past, that would be super helpful.

Michael Carrel^ Sure. I mean competition is inevitable in medical devices. As I've mentioned on this call before, we believe competition is good because it means. It validates the space that we're in as being a very large market, especially when very large strategics decide that they're going to make some level of investment even if it's small and with inferior products. We do believe that they're going to come into the market and compete against us and create validation that managing the appendage is the right thing to do and create that kind of awareness.

We feel like we've got the best products in the market. We continue to innovate. The FLEX-Mini device and our FLEX-V device are the best products in the market. We just had clinical data that was published on the V that showed 100% closure using the V clip in 150 patients that was just peer-reviewed and published just recently. That's on top of over 95 peer-reviewed papers and 16,000 patients that have been studied to date in peer-reviewed articles showing exceptional closure of that product, which obviously is incredibly important.

The level of evidence that is already out there on top of that and on top of the innovation like the FLEX-Mini, which is the smallest product on the market, creating better visibility, easier to use for physicians when they're using the product. You've also got the LeAAPS trial that is expanding the market and will be the only product in the -- or the only trial in the market that is going to demonstrate stroke reduction prophylactically and it will be only using the AtriClip. So I think that there's a lot of things over the coming years that are going to be out there to help us benefit and show the AtriClip is obviously the best product in the market. But in addition to that, I do welcome competition. I think

it's good. It's validated. It shows this is a big market that matters and one that others are very interested in.

Unidentified Participant^ Then I guess just on the hybrid business, there's obviously been some softness in that segment for a while now. When do you think you'll reach a bottom there and sort of see that growth inflect a bit?

Michael Carrel^ Yes. I mean as I mentioned in my comments, I mean obviously there's been a lot of pressure on that with the PFA technologies out there specifically. We're not hiding from that in any way. We know that that's the case. As I mentioned earlier, kind of what -- when John asked the question about progression, we do see people doing multiple ablations before they move on to hybrid.

I do think you're going to start to see some breakthroughs on that. I'm not ready to give a here's the bottom and -- but you're starting to see definitely more cases coming through from sites that used to do a lot, then went to almost zero and are now starting to do some cases again not back to their old numbers. But they're definitely starting to see patients that have failed one or usually two catheters with the PFA and the different technologies that are out there.

So we do anticipate that we will eventually see growth coming back to this market because there are just so many patients in this market. And just sheer math on it, if there are 600,000 catheter ablations, about 10% of those that are being ablated every year our long-standing persistent patients, which is like 60,000 patients. And those are the patients where the catheters don't work very well and have the highest rate of reds or having to go back in. So we anticipate that, that fall-through is going to eventually happen for us. That they're going to have no other choice but to look for another technology that can help them out epicardial like ours.

Operator^ Our next question comes from Suraj Kalia with Oppenheimer. (Operator Instructions) I'm showing no further questions at this time. I would now like to turn it back to Mike Carrel for closing remarks.

Michael Carrel^ Sure. Again everyone, thank you for joining us today on the call. We really do appreciate all of the support and are looking forward to closing the year incredibly strong and having an incredible 2026. Have a wonderful evening. Bye now.

Operator^ This concludes today's conference call. Thanks for participating. You may now disconnect.