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PRESENTATION

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Good morning, everyone. Welcome to another session at the Morgan Stanley Healthcare Conference. I'm Drew Ranieri, one of the medical device analysts here. Before we jump into it, just an important disclosure, please see Morgan Stanley Research Disclosure website at morganstanley/research disclosures. If you have any questions, please reach out to your Morgan Stanley sales reps. But I'm thrilled to have the CEO of Treace Medical here, John Treace. It's great to finally meet really or see each other in person. But before we kind of kick it off to get the -- share your disclosure.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure. Well, first of all, Drew, thanks for having us. It's a real pleasure to be here. We're very excited. I did want to refer everybody to our forward-looking statement disclosures available on our website and in our filings.

QUESTIONS AND ANSWERS

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

I'd like to talk a lot about strategy today, but it's tough to ignore kind of macro commentary for right now. But as we've kind of heard from other ortho/spine companies this week and last week, they talked about kind of June, July volumes being a bit weaker, even into August, with kind of some vacation and seasonality.

But maybe what's the Treace Medical perspective there? What are you kind of seeing in terms of that procedure flow? And maybe your kind of confidence in the outlook that you've kind of set up for 2022?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure. Well, in regards to that, I think we're certainly not immune to all those factors that you've heard about from other companies. I think the way that we've approached this, our market is extremely large, and there are 1.1 million patients that need bunion surgery in the U.S. every year, only 450,000 are getting it. So it's a big, big market. We've got a lot of growth-driving initiatives underway.

So our program has been more to build a stronger offense that can weather and push through these types of headwinds. We were very successful back in Q3 of last year moving through Delta with the same initiatives, and we were able to handle Omicron at the end of last year. So we're not denying that they're impacting us in some ways, but we find ways to win through that.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Okay. But there's nothing that's really specific to Treace that would be more of a headwind in the third quarter.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Not that we're aware of or we would see outside of the things that have already been cited by other companies.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

What confidence that you're able to kind of grow through that?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

We feel good about our guide for the back half.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Maybe just kind of moving to strategy for a moment. I mean, you've kind of just talked about the market opportunity, 400,000 patients. You're at 20% penetration right now for surgeons, and it sounds like there's maybe even some room for that to move up higher, 5% procedure penetration. But at the end of the day, kind of what are the steps for you to close that gap between 20% penetration surgeons and 5% in procedures?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. Great question. So part of this is temporal because we know from 6 years of user cohort data that these users start out in their first year doing around 6, 6.5 cases. And by year 3, they're doing over 13; and by year 4 and 5, they're approaching 20 cases. So some of it's just working the surgeons through the time line.

We've got about 60% of our total user surgeons that are less than 2 years tenured. So as they advance further through the different years of experience with the product, we expect natural utilization lift to occur. We also know from surveying our surgeon base that we're missing about 30% of their case potential because we don't have approvals at every facility that they operate at. In other words, we may have approvals at 2 facilities, but we don't have an approval yet to use Lapiplasty at the third facility.

So we've been working diligently, not only investing in our sales channel -- direct sales channel, and we'll talk about that more later, but also corporate accounts people that can help open up these new accounts and try to accelerate that. And then beyond that, to drive further procedure adoption, we have our commercial initiatives that we talked about.

We're investing heavily in our direct sales channel. We're investing more in our patient awareness, DTC initiatives and our R&D innovation pipeline, make the product quicker, easier to use. And then you underpin that with our really nice, unique portfolio of clinical evidence. And our advanced surgeon training programs, those advanced strength training programs are ways that our reps can take doctors into events where surgeons are using Lapiplasty for 100% of their procedures, not just half maybe or 1/3. And they leave those meetings feeling more confident, more comfortable.

So those are the different things we're doing. We've got a pretty good formula in place to drive continued growth and utilization going forward.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

So on the kind of missing 30% of cases because of the facility approval, I don't think I really appreciated that aspect and kind of that potential.

So I'd like to talk about the sales force, but maybe just spend a little bit more time on kind of that corporate account driver for you. And just how are you kind of thinking about that really kind of playing out into -- you're going to reduce that by half over the next couple of years? Just any more details on how you're thinking about that.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. We're just focused on identifying those accounts where we aren't capturing cases and trying to get the approvals in place there as well as opening up completely new IDNs or networks where surgeons that were training today can access Lapiplasty for the first time. So without giving detailed metrics and targets, that's just what we're going to be working on going forward and trying to accelerate those approvals versus keeping it the status quo pace.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

So you were just kind of talking about the first-year surgeon is maybe like 4 cases. And you've had this technology commercialized, you're adding more to it. You have data coming out. There's more trainings. As you're kind of looking at where the utilization is for those surgeons today, I mean, are you seeing them maybe more rapidly utilized in the first year? So is that 4 cases really holding true? Or are they now kind of in that 6 to 7 or something? It's like are you seeing just maybe quicker utilization in some of the younger reps -- younger surgeons.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes, I know where you're going. Yes, it's a great question. And we benefit from having 6 years now of data looking at these different surgeon cohorts. And we can slice that data a lot of different ways. And I can tell you, they are adopting more aggressively in this past year than they've ever adopted before. So first year cases are -- of the most recent 1-year cohorts, are higher than they've ever been historically. And we think that's attributed to a lot of factors.

Obviously, the direct sales people we've been building up over time, and now it really accelerating this year that have a closer bond with those surgeons and pay more attention to them. That certainly helps. There's more clinical evidence around the product. The product is much more refined. It's faster to use, easier to use, less steps, so surgeons can embrace it more aggressively in their practice.

And then finally, Lapiplasty now, after 6 years of clinical use, it has a reputation. And there's a lot of 6 degree of separation going on with surgeons that are adopting it today and a respected surgeon across town that they know. So it's a real viable operation. They don't have to question anymore. So I think that's playing into it a little bit as well. Not to mention the DTC patient awareness campaigns that are funneling more patients into these doctors' practices asking specifically for Lapiplasty.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

So maybe just on surgeon penetration for a moment. Again, it's about 20%. There could be more beyond maybe the 10,000 that you've kind of laid out. I guess the way that we've kind of have it modeled is maybe like 500 surgeons a year, you're adding as active surgeons. I mean, is there kind of a right number? It's -- maybe what's the limiting factor from you even being able to do more than just getting the direct sales force you didn't build out further? Just any idea on how we should be thinking about that.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure. Yes, we added approximately 500 new surgeons last year. If you look at year-to-date through Q2, we've added 264 surgeons. So there's a seasonal impact here that happens, where we get a lot more new users in the fourth quarter, we call it bunion season. This is when a large percentage of patients choose to have their elective cases done due to deductibles being met, more paid time off work and more family around to recover. So we see a lot of compression there, and we see a lot of our new users coming on.

So I think with our direct sales channel, the DTC awareness, the product improvements we've made, we're seeing all that culminate, along with our training programs, to a higher rate of new surgeons this year than we've probably ever seen before.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

And with the trainings that you're doing beginner and maybe more on the advanced techniques, can you share any metrics on like what utilization looks like after, maybe even in advanced training? Just to kind of get us a better sense of really where utilization goes as they get more accustomed to using the portfolio.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. I think this combination. We've got great training events, introductory and then these advanced courses, where a sales rep, and it's great having these direct sales reps because they pay 100% attention to the doctor and they want to move them through to higher utilization. And when they get to a point where they're hitting a bottleneck in utilization, maybe it's stalling out, they can bring them to one of our advanced training courses, where they're surrounded by doctors and faculty, using it for 100% of their cases, learn advanced techniques and tips and tricks, learn about adductoplasty and other products. And they do tend to feel more comfortable going back and expanding their indications in general. Avoiding any specific numbers there, but that's what we tend to see.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Got it. And maybe just to go to the sales force for a moment. 2022 kind of seems like an investment year. I mean, it sounds like you're getting to 150 direct reps by year-end. I mean, are you thinking about these reps just casting kind of wider nets across surgeons? Or is it really about going deep at maybe existing accounts or splitting territories? Just how are you kind of thinking about that aspect of the sales force build?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure, and great question. We've been building our direct sales channel for the last 4 years now. So we've got a lot of good history. We know how they ramp, what cost of sales starts to look like when they're at full maturity, and we're very happy with all that.

But we started off this year with roughly 81 sales reps, direct sales reps. At the end of Q2, we were already at 123. We had a target of 150. So we feel really confident we're going to be beyond that 150. We also mentioned at the beginning of the year, we had a goal of achieving 70% of our revenue mix at year-end from our direct sales channel. We were 68% in Q3, and -- in Q2. And I can tell you early on here in Q3, we're already north of 70%. So we're going to be beyond that by the end of the year.

We're really pleased with what we're seeing there. We know the direct reps penetrate their markets faster. They sell at a higher blended ASP. And in general, they have higher utilization than our more legacy -- independent sales agencies.

So really, what we're doing, Drew, is trying to take the doctor per rep count down, cut it kind of in half this year. And then as we go into next year, we'll find out what's that next right ratio? Is it 50 doctors per rep? Is it 30 doctors per rep? And where does it go from there?

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Got it. So as we're kind of thinking about it for this year and next year, I mean, again, this is kind of an investment year, but you would expect -- and may be this is kind of like a leverage question, but there's kind of a bit more focus on not only growth, but on profitability for high-growth companies. Should we be thinking more operating leverage in 2023?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. When we talked about guidance this year and these big investments we were making, we said this is our big investment year. We're really doubling down on tried and true proven drivers of the top line. The R&D innovations, the direct-to-consumer, DTC, and the direct sales channel. Those 3, we know move the needle through years of experience and watching it happen.

So it wasn't a big leap of faith we took this year to say, although it may be an unpopular year to drive a bigger net loss, for the goal that we want to achieve, 20% market penetration out at some point in time in bunion procedures, this is the right thing to do right now in this market with where we are. So as we go into 2023, yes, I think you're going to see nice leverage on the P&L. This is the big investment year.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Got it. And you're -- at least from an investing perspective -- investment perspective, tilting viewing more towards growth and then really profitability, though, like you want to be this high-growth company.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

We do, and we are. We're not going to forgo what we're trying to get to in the future and the mission of this company. It started out as a mission-driven business. We only exist to improve surgical outcomes for bunion patients. They're not good overall. And we believe we have a procedure that's demonstratively showing superior results of the status quo. And it's the right thing to do for the patients long term, for the shareholders and the employees of the company, to make sure that we maximize our market penetration. But like you said, with an eye on profitability. And we do take that into account.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Maybe to stick on sales force or go back there for a moment. But just curious about kind of the productivity you are seeing, kind of your sales force develop. Can you share any type of metrics or productivity rates for your more tenured reps? Or just how should we kind of be thinking about the ramp up there? I mean, as I kind of look at, maybe some other ortho/spine mid-cap companies, it could be $1 million to $1.5 million. But just how are you kind of thinking about that as your rep tenure increases.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. Great question. So the new reps we bring on, and we brought on a lot this year obviously already, there's about a 60- to 90-day period where they're just in intensive training. So they really haven't started impacting their market. But in their first 6 months, we already start to see some productivity. So we're seeing that now. And we like what we're seeing.

I wouldn't say that we set a specific productivity target 2 years out, but we're watching very closely how the productivity is going with these reps. And we're really concerned about what's the right number of doctors per rep? What can they stabilize and support? Because that's what we're most tasked with. That's what's most important to us, is how do we make sure we have the right number of reps to cover the right number of doctors on a per territory basis? So probably some more information coming out in the future in terms of productivity and metrics around that. But at this point, that's the way we're approaching it.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Got it. And just as you're looking at the 400,000 procedures annually, I mean, I would imagine there's probably pockets across the country that have maybe more of that SKU -- more weight for that procedure. I mean, what data do you have to maybe target the markets that you're approaching? It's like what do you kind of look for specifically as you're building up or adding a new rep into a territory?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure. Well, we kind of are approaching it by a number of doctors per rep. We're at a certain point at the beginning of the year, and we want to get to 0.5x by the end of the year. So we look at that ratio. If we had 100 doctors per rep at the beginning of the year, we want to be at 50 by the end of the year. So we're making adjustments to some of our independent agencies and the amount of territory that they have. And then we're looking at open spots in the area and we're putting direct reps in.

And then we're also splitting direct rep territories where reps have just way too many doctors. They're not getting around to half the doctors in their territory. They may be doing business with 12 or 15, and they've got 60. So it's a pretty easy conversation to have with those direct reps to say, this is for the best of the company and the business and your lifestyle.

And we find ways to bridge them financially. Some of them, we actually offer equity in the company because we believe that this is the way to drive long-term value. So they become stakeholders. So that's kind of how we're approaching it. It's just looking at the right number of docs, the right amount of revenue potential based on that number of docs, and then align the territories around that.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Got it. And in some of those cases where you have a rep that has 100 docs in their territory, they're only able to get to 15 or 20, and then you're adding another like -- can you share any type of like success stories? Or like are there specific regions that you're seeing that being better suited for?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. Basically, every territory that we've made one of these, we call a split, and turned it from a 1-rep territory to a 2-rep territory, we see accelerated growth coming out of that. And it just makes common sense. Now you have another person who has to make their living calling on the other half of the doctors that, that other rep wasn't getting to.

So -- and it pairs beautifully with our surgeon education programs because now you have these new reps in an area making new relationships with doctors, and they're bringing them to our beginner training courses, and then later on, our advanced training courses. And we're seeing that happen, and we're really pleased with the growth we're seeing out of that.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Maybe to touch on the ASP for a moment. So it's actually been kind of remarkable that your ASP has been moving up and not down. So maybe -- and clearly, it's been kind of tracking above our expectations. But how should investors kind of be thinking about your ASP looking ahead? Do some of the -- how do you like the newer product launches really kind of factor into that? And maybe offsetting any type of pricing discounting that you might have to do with like GPOs or IDNs?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes, great point. And just to kind of clarify. So we have a base Lapiplasty kit. And in Q2, we had a blended, what we call a blended ASP, and that's all the products that are used/consumed in the surgical case. And it could be the base Lapiplasty kit, and it could be 1 or 2 or 3 other what we call our complementary ancillary products. They service other procedures that are done within that same bunion surgical case.

One example of that would be adductoplasty, a very impactful one where you add on another $3,000 to $4,000 per Lapiplasty case. So we've got a really active R&D pipeline developing not only next-generation Lapiplasty implant systems, like we just announced a launch of our S4, that's our third-generation plating system. Those tend to carry a higher premium as does our Mini-Incision System. But then we have a pretty strong pipeline of further complementary ancillary products coming behind that.

So what we believe will continue to happen is, over time, a modest upward and to the right trend in our blended ASP because there's so much power with these other products filtering on top of the base Lapiplasty kit that it does overcome any softness that might occur with the base Lapiplasty kit.

Concessions we might have to make to get into a large IDN network, for example, or if we were to work with another GPO. We're very selective and very careful with that component. But we feel pretty confident it should be upward and to the right. It may oscillate quarter-to-quarter. But over a year period, Q2, we were up 5% over last year. So some type of forward movement there is expected.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

And I mean, you're dealing with foot deformity at the end of the day. And you talked about your base Lapiplasty procedure and add-on like for more difficult, more challenging procedures. I mean, kind of what's the wallet share procedure, total procedure dollars that you could actually hit for some of the more challenging cases?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes. It's really hard to say where that ceiling is because -- and then you start to weigh reimbursement as well. That's something we pay very close attention to. We work collaboratively back and forth with CMS, trying to make sure they understand our position and agendas each year before they set out their recommended reimbursement adjustments for facilities.

But it's hard to say where the ceiling is because these are new procedures we're developing and they're not commoditized and they're typically supported with additional reimbursement codes. So we'll just have to see longer term where that plays out. But right now, we don't see anything that's of concern to us and would put a ceiling on where we're heading with these new products.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Is there any way to think about where your blended ASP could go in the next 3 or 4 years? And maybe this is kind of going into like a product kind of cadence question. But I mean, the $6,000, $7,000 per procedure kind of the right way to think about it? Or -- and maybe just talk about kind of the cadence that you have of innovative new products and building that even further.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure. Again, it's hard to predict. We've had 5 or 6 years of incrementally increasing reimbursement rates supporting our products and then the combination of our products with other procedures. So we feel really good that, that's a sustainable trend. We don't see anything that would reverse that now. But it's a little hard to predict several years out where Medicare is going to be making their assessments and putting reimbursement at. And it's a little hard to predict what all new opportunities we will develop to treat problems that haven't been optimized.

I mean, adductoplasty never existed. That completely facilitated a way for doctors to do a procedure that they would look at every day -- a deformity they look at every day, and affects up to 30% of bunion patients and scratch their heads and not deal with. Now they got a way to deal with it. So those are the kinds of things and breakthroughs that we're looking to make as a company, and we'll continue to work on them and launch them in a cadence that makes sense. But a lot of them are developed from scratch, so it's a little hard to say exactly when the next one is going to pop.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Yes. Got it. Maybe just to go to guidance and actually the bunion season comment that you had earlier. I mean, over the past couple of years. I mean, I think investors have been a bit concerned about the back half ramp and into the fourth quarter. I mean, a lot of your revenue kind of hits in the fourth quarter. I mean, it looks like that's kind of coming down as a percentage of your total sales.

But I mean, what gives you confidence that you're able to get to the -- your guidance this year? And I mean, it is a pretty significant ramp in the fourth quarter. But what underlying trends give you kind of that confidence to achieve your target?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure. Great question. And that bunion season affect is real. And for the past 5 years, we've seen this, where it's anywhere between mid-30s and low 40s percent of our revenue. And it's pretty darn predictable. And what we do is work the rest of the year, Q1, Q2, Q3, training all our doctors, getting our reps on board, launching the incremental products we need so that we have that high confidence level that we'll be able to make that Q4 seasonality and service all the doctors that have been trained that now have floods of patients coming in asking for their procedures.

So I would say that the doubling down on the investments we've made this year gives us further confidence, even than in prior years, we'll be ready for that Q4. In Q4 last year, we managed through. It was no different than prior years. We had Omicron in December. It would have dampened things, but we had a lot of accelerators that we've been investing in last year as well, got us through that, so.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Got it. As you're looking at building up the sales force, and this is maybe more of a longer-term question, but the plan to get to 150 by the end of this year, maybe a little bit more, from what you're saying. But as you're kind of building out this direct sales force focused on Lapiplasty on bunion procedures. I mean, will you always kind of just be focused on this? Or just how do you kind of see the company evolving over time or maybe pivoting to other foot and ankle types of procedures, if that is kind of the longer-term strategy?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes, totally fair question. We get it a lot. Are you going to just stick to bunions? Or are you going to become a diversified player in foot and ankle?

And I think the way we look at it, we've got such an enormous opportunity here, Drew, with 1.1 million patients every year that need surgery and less than half of them are getting it done. If we can influence that through our DTC patient awareness and being able to use the clinical data that we're getting out of our studies, like our ALIGN3D, and show these patients that they don't have to be as concerned about getting bunion surgery as they did in the past.

Their long-term results being maintained is no longer a coin toss. We're showing recurrence rates that are in the 1.5% range out of 2 years through ALIGN3D. So there's tremendous opportunity to expand this, more R&D innovations.

We don't have to have every bunion. We get 20% of the 450,000 procedures annually with a little bit of growth in our blended ASP. This is a $600 million business, and this is real. So we have a lot of conviction for sticking to that bunion call point and servicing other procedures that need to be done, other pathologies that exist along with the bunion and just keeping that focus.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

And you touched on not having to win every case to see growth, but maybe just comment kind of briefly on what you are seeing on the competitive side? I mean, it sounds like some of the larger, more diversifieds have been more active in the foot and ankle space and acquiring, but just anything that you're seeing that you'd highlight?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Sure, sure. I'll talk about that. I think -- but first and foremost, I think the way we look at our competition, it's the metatarsal osteotomy that's 70% of the procedure base today. Results are very mixed, and we believe, don't stack up and will not stack up to Lapiplasty. So that's what we're focused on converting day in, day out, is the surgeon's mindset through decades that you should apply the metatarsal osteotomy to the majority of your bunion patients. So that's where we really focus our time now.

When it comes to other players, there are other companies that have entered the space. We -- when we started this business out and started to see success, we knew that day would come, right? So we do see a few players out there. Keep in mind, these are diversified companies, some large, some small, with huge bags of products, largely distracted sales forces. And they're going up against a product that is so highly refined, has so much clinical evidence around it, so much training benefit that we provide around the customer base.

This product is really sticky. We've got a tremendous first-mover advantage. And I'm not disregarding competitors that might enter the space, but it's really hard for them to compete with a highly focused company that's doing nothing but this every single day that iterates so rapidly.

And I'll give you an anecdotal. About 2.5 years ago, a large company launched a product to compete with us, targeting us. To this day, that product is about exactly the same as it was when it launched. We've iterated our implant and instrumentation designs 3 times during that period alone. So surgeons see it, they respect it. They want to be using the best equipment that, at the surgeon-patient interface, works as advertised. And to this day, nothing matches Lapiplasty on that front. So...

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

We only have a minute left. But just kind of curious about how you're thinking about the company longer term from a growth profile. And with Mark not being here today, I figured I could ask you this.

But you're growing 40% this year from your guidance. I mean, how are you kind of thinking about the top line growth profile of the company over the next few years? 30%, 35%? How sustainable is your growth, just given kind of all these factors, all these tailwinds that you've kind of discussed and laid out today?

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Yes, we're really pleased with, I think, our growth today, 65% last year and 50% year-to-date through Q2 of this year and our guidance for the rest of the year, as you mentioned. But we're just focused on investing in and maximizing that long-term opportunity. We know the levers to pull to drive the top line, and we're focused on continuing to invest in those. And I think if we do that right, we'll be able to grow really nicely for the next several years.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Great. We'll have to cut it there. But John, thanks for joining us today.

John T. Treace - *Treace Medical Concepts, Inc. - CEO, Founder & Director*

Thank you, Andrew. It's been a pleasure.

Andrew Christopher Ranieri - *Morgan Stanley, Research Division - Equity Analyst*

Thank you. All right.