

May 13, 2026



Shoulder Innovations Reports First Quarter 2026 Financial Results and Raises Full Year Outlook

Generates First Quarter Net Revenue Growth of 65% Year-Over-Year

GRAND RAPIDS, Mich., May 13, 2026 /PRNewswire/ -- Shoulder Innovations, Inc. (Shoulder Innovations, or the company) (NYSE: SI), a commercial-stage medical technology company exclusively focused on transforming the shoulder surgical care market, today reported financial results for the first quarter ended March 31, 2026.



First Quarter Financial Highlights

- Generated net revenue of \$16.7 million in the first quarter, a 65% increase over the first quarter of 2025
- Achieved gross margin of 77.7% for the first quarter compared to 76.9% for the first quarter of 2025
- Increased average selling price of our implant systems to \$7,650 in the first quarter, a 9% increase over the first quarter of 2025
- Increased full year 2026 net revenue guidance to \$65 million to \$68 million, representing growth of approximately 37% to 44% over full year 2025 net revenue

Recent Business Highlights

- Sold 2,184 total implant systems in the first quarter, a 51% increase over the first quarter of 2025
- Initiated full commercial launch of the InSet™ I-135RFX Humeral Stem following a successful limited user release and FDA clearance of additional fracture indications
- Expanded commercial organization in the first quarter to support increased business scale

"We are very pleased with our first quarter performance, which reflects accelerating revenue growth and intensifying commercial momentum across our entire organization," said Rob Ball, CEO of Shoulder Innovations. "Net revenue growth of 65%, implant volume growth of 51%, and continued improvement in gross margin demonstrate the strength and efficiency of our rapidly expanding ecosystem."

Mr. Ball continued, "Building on this traction, recent product portfolio milestones, including the full commercial launch of our InSet™ I-135RFX Humeral Stem, meaningfully extend the comprehensive suite of solutions we offer surgeons and their patients. This disciplined financial and operational execution to start the year provides us with increased confidence in the trajectory of the business and enables us to increase our full year 2026 revenue guidance."

First Quarter 2026 Financial Results

Net revenue in the first quarter of 2026 increased 65% to \$16.7 million, compared to \$10.1 million in the first quarter of 2025. The increase was due to an increase in the number of implant systems sold, as well as an increase in the number of customers.

Gross margin in the first quarter of 2026 was 77.7%, compared to 76.9% in the first quarter of 2025.

Selling, general and administrative expenses in the first quarter of 2026 increased 73% to \$18.2 million, compared to \$10.5 million in the first quarter of 2025. The increase was primarily due to investments in the commercial organization, higher variable selling expenses, and increased costs associated with becoming a public company.

Research and development expenses in the first quarter of 2026 increased 137% to \$3.8 million, compared to \$1.6 million in the first quarter of 2025. The increase was due to investment in new product development efforts, including a milestone payment and development related to the robotic platform strategic partnership.

Operating loss in the first quarter of 2026 was \$9.0 million, compared to a loss of \$4.3 million in the first quarter of 2025. Net loss in the first quarter of 2026 was \$8.4 million, compared to a net loss of \$4.7 million in the first quarter of 2025. The increase in operating loss and net loss was primarily related to increased operating expenses.

Adjusted EBITDA in the first quarter of 2026 was a loss of \$7.0 million, compared to a loss of \$3.5 million in the first quarter of 2025. The increase in loss was primarily due to the aforementioned increased operating expenses.

As of March 31, 2026, cash and cash equivalents, and marketable securities totaled \$108.5 million.

2026 Financial Outlook

Shoulder Innovations expects net revenue for the full year 2026 to be in the range of \$65 million to \$68 million, representing growth of approximately 37% to 44% over full year 2025 net revenue. This compares to prior guidance of \$62 million to \$65 million, representing growth of approximately 31% to 37% over full year 2025 net revenue.

Conference Call

Management will host a conference call today, May 13, 2026, at 4:30 p.m. ET / 1:30 p.m. PT to discuss the company's first quarter 2026 financial results. Those interested in listening to the conference call may do so by dialing (877) 407-8216 for domestic callers or (412) 902-1015 for international callers and providing access code 13759613. A live and archived webcast of the event will be available in the "Investor Relations" section of the Shoulder Innovations website at <https://ir.shoulderinnovations.com>.

Use of Non-GAAP Financial Measures and Key Business Metrics

In addition to our results and measures of performance determined in accordance with U.S.

GAAP, we believe that non-GAAP financial measures can be useful in evaluating and comparing our financial and operational performance over multiple periods, identifying trends affecting our business, formulating business plans and making strategic decisions. We use and present Adjusted EBITDA for this purpose. We define Adjusted EBITDA as net loss before interest (income) expense, net, income tax expense, depreciation and amortization, and stock-based compensation expense. We have reconciled our historic non-GAAP financial measures to the applicable most comparable GAAP measures in this press release.

We believe that Adjusted EBITDA, together with a reconciliation to net loss, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our financial results as reported under U.S. GAAP. Some of these potential limitations include: (i) other companies, including companies in our industry which have similar business arrangements, may report Adjusted EBITDA, or similarly titled measures but calculate them differently, which reduces their usefulness as comparative measures; (ii) although depreciation and amortization expenses are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditures for such replacements or for new capital expenditure requirements; (iii) Adjusted EBITDA also does not reflect changes in, or cash requirements for, our working capital needs or the potentially dilutive impact of stock-based compensation; and (iv) Adjusted EBITDA does not reflect the interest (income) expense, net, or the cash requirements necessary to service interest or principal payments, on existing or future debt that we may incur. Because of these and other limitations, you should consider Adjusted EBITDA only as supplemental to other GAAP-based financial measures.

In addition, we believe that the number of implant systems sold is a key business metric and a useful indicator of our ability to drive demand for our implant systems, generate net revenue and expand our business. We regularly review a number of operating and financial metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate our business plan and make strategic decisions.

About Shoulder Innovations

Shoulder Innovations is a commercial-stage medical technology company exclusively focused on transforming the shoulder surgical care market, with a current offering of advanced implant systems for shoulder arthroplasty. These systems are a core element of Shoulder Innovations' ecosystem, which is designed to improve core components of shoulder surgical care – preoperative planning, implant design and procedural efficiency – to benefit each stakeholder in the care chain. Shoulder Innovations' ecosystem is also comprised of enabling technologies, efficient instrument systems, specialized support and surgeon-to-surgeon collaboration. Together, these elements seek to address the long-standing clinical and operational challenges in the shoulder surgical care market by delivering predictable outcomes, procedural simplicity, and efficiency across all sites of care.

Forward-Looking Statements

This press release contains, and other communications of the company may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast," "target," "trend,"

"plan," "goal," or other words of comparable meaning or future-tense or conditional verbs such as "may," "will," "should," "would," or "could."

Statements concerning the company's future are forward-looking statements, and are based on management's current expectations, assumptions and beliefs about the company's business, financial performance, creation of long-term shareholder value, operating results, the industry in which we operate and possible future events. These statements include, but are not limited to, statements regarding the company's anticipated growth prospects and future operating and financial performance. Forward-looking statements convey the company's expectations, intentions, or forecasts about future events, circumstances, results, or aspirations. Forward-looking statements are not guarantees of future results and are subject to risks, uncertainties, assumptions and other important factors, which may change over time and many of which are beyond the company's control, and which could cause the company's actual results to materially and adversely differ from those expressed in any forward-looking statement, including (i) our history of significant net losses; (ii) failure to manage the growth of our business; (iii) our inability to compete successfully against our existing or potential competitors; (iv) failure to develop, retain, or expand an effective dedicated commercial leadership team; (v) risks associated with litigation; (vi) our dependence upon the adoption of our implant systems by hospitals, ambulatory surgery centers, surgeons and patients; (vii) our ability to enhance our implant systems, expand our indications and develop and commercialize additional products in a timely manner; (viii) risks associated with our third-party manufacturers and suppliers; (ix) demand forecasts for our implant systems; (x) our ability to demonstrate to shoulder specialists or key opinion leaders the merits of our implant systems; (xi) federal and state healthcare laws and government regulation and oversight over our devices and operations; (xii) our ability to obtain and maintain patent and other intellectual property protection over our products; (xiii) risks associated with our common stock; and (xiv) the other important factors described in our most recently filed Annual Report on Form 10-K and subsequent other filings with the Securities and Exchange Commission.

These documents are available in the Investor Relations section of the company's website at www.shoulderinnovations.com (information on the website is not incorporated by reference into this press release and should not be considered part of this document).

You should not place undue reliance on forward-looking statements. The information in this press release is provided as of today's date only, and, except as required by federal securities law, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or for any other reason after today.

Contact

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Shoulder Innovations, Inc.

Condensed Statements of Operations and Comprehensive Loss

(Unaudited)

(in thousands, except share and per share amounts)

Three Months Ended

	March 31, 2026	March 31, 2025
Net revenue	\$ 16,708	\$ 10,132
Cost of goods sold	<u>3,722</u>	<u>2,341</u>
Gross profit	12,986	7,791
Selling, general and administrative expenses	18,208	10,502
Research and development expenses	<u>3,754</u>	<u>1,583</u>
Operating loss	<u>(8,976)</u>	<u>(4,294)</u>
Other (income) expense		
Interest (income) expense, net	(436)	367
Other (income) expense, net	<u>(161)</u>	<u>1</u>
Total other (income) expense	<u>(597)</u>	<u>368</u>
Loss before income tax expense	(8,379)	(4,662)
Income tax expense	<u>—</u>	<u>—</u>
Net loss	<u>(8,379)</u>	<u>(4,662)</u>
Other comprehensive loss, net		
Unrealized loss on marketable securities	<u>(181)</u>	<u>(116)</u>
Total other comprehensive loss, net	<u>(181)</u>	<u>(116)</u>
Comprehensive loss	<u>(8,560)</u>	<u>(4,778)</u>
Net loss per share attributed to common stock – basic and diluted:		
Net loss per share	\$ (0.41)	\$ (52.13)
Weighted average shares outstanding:		
Weighted average common shares outstanding – basic and diluted	<u>20,653,035</u>	<u>89,438</u>

Shoulder Innovations, Inc.
Condensed Balance Sheets
(Unaudited)

(in thousands, except share and per share amounts)

	March 31, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 11,492	\$ 26,871
Marketable securities	97,046	97,434
Trade accounts receivable, net of allowance for credit losses	10,546	8,268
Inventories, net	21,829	21,591
Prepaid expenses	1,705	1,518
Other current assets	<u>3,158</u>	<u>1,483</u>
Total current assets	<u>145,776</u>	<u>157,165</u>
Property and equipment, net	14,470	12,532
Operating lease right-of-use asset	90	110
Intangible assets, net	<u>25</u>	<u>100</u>
Total assets	<u>160,361</u>	<u>169,907</u>
Liabilities, convertible preferred stock, and stockholders' equity		
Current liabilities		

Accounts payable	5,924	8,874
Current operating lease obligations	50	62
Accrued liabilities	6,366	5,259
Total current liabilities	12,340	14,195
Long-term liabilities		
Long-term debt	14,961	14,911
Other long-term liabilities	43	51
Total long-term liabilities	15,004	14,962
Total liabilities	27,344	29,157
Commitments and contingencies		
Stockholders' equity		
Common stock, \$0.001 par value, 730,000,000 shares authorized and 20,703,159 and 20,623,457 shares issued and outstanding as of March 31, 2026 and of December 31, 2025, respectively	21	21
Preferred stock, \$0.001 par value, 20,000,000 and authorized and no shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	—	—
Additional paid-in capital	238,839	238,012
Accumulated deficit	(105,779)	(97,400)
Accumulated other comprehensive income	(64)	117
Total stockholders' equity	133,017	140,750
Total liabilities, convertible preferred stock, and stockholders' equity	\$ 160,361	\$ 169,907

Shoulder Innovations, Inc.
Reconciliation of Reported Net Loss to Adjusted EBITDA
(Unaudited)
(in thousands)

	Three Months Ended	
	March 31,	
	2026	2025
Net loss	\$ (8,379)	\$ (4,662)
Interest (income) expense, net	(436)	367
Income tax expense	—	—
Depreciation and amortization expense	1,132	668
Stock-based compensation expense	726	127
Adjusted EBITDA	<u>\$ (6,957)</u>	<u>\$ (3,500)</u>

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