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EDITED TRANSCRIPT

NVRO - Nevro Corp at Morgan Stanley Global Healthcare Conference

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CORPORATE PARTICIPANTS

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CONFERENCE CALL PARTICIPANTS

David Lewis *Morgan Stanley - Analyst*

PRESENTATION

David Lewis - *Morgan Stanley - Analyst*

All right, let's go ahead and get started here as we press on into lunch. I see most of you have gotten your lunches. I've heard the quinoa is lovely. Anyway, I had the turkey.

Anyway, this is David Lewis, Morgan Stanley's Medical Device Analyst. Thanks for joining us here. We're happy to have Nevro with us. Nevro is a [split-cap] company under coverage. That was a Morgan Stanley IPO, obviously has done quite well since the time of the IPO, and we're going to talk about this morning exactly why we think they're doing so well.

We have two members of management, both President and CEO Rami Elghandour, as well as Andrew Galligan, the CFO. We're not going to have any preamble. We're going to jump right into Q&A.

Before I begin, though, please go to the Morgan Stanley website and check out Research Disclosures to see fun, interesting facts about me and the firm. So, Rami, with that, thanks for being here.

QUESTIONS AND ANSWERS

David Lewis - *Morgan Stanley - Analyst*

So, look, this year the stock is really reacting to two dynamics, right? It's reacting to better-than-expected share gains, and to a lesser extent market expansion. I personally think it's more about share capture.

So, you've raised your guidance this year 40% since the beginning of the year. That does not happen often. So, what do you think is contributing to faster-than-expected share gains?

Rami Elghandour - *Nevro Corp. - President and CEO*

Sure. Thanks, David, and thanks for having us today.

So, I would say that our goal heading into the US launch was -- frankly, it wasn't necessarily maximize revenue here in the near-term, in the first 12 months, but it was lay the appropriate foundation for this therapy for the long-term adoption of the therapy. And I think we've done a really great job in doing that primarily by hiring the right people and having the right commercial strategy.

So, our focus on hiring, I think obviously it all starts with talent. We've managed to not just initially, but continually throughout our launch phase to attract the appropriate level of talent that's necessary to compete in a highly competitive market like this space. And we've really focused on demonstrating the superiority of this technology to physicians, which in turn has really created a buzz in this space that's driving demand to the point where really our gating factor on a go-forward basis is our ability to continue to hire and train our sales force.



So, we feel like it really comes down to our focus on patient outcomes, delivering those patient outcomes and demonstrating the superiority of this therapy, which in turn has generated significant demand for the product in the US marketplace.

David Lewis - Morgan Stanley - Analyst

Andrew, I think about guidance, and I appreciate the importance of managing expectations for any aggressive growth story. But, as I think about the back half of the year, you have taken up guidance 40%. You took it up again obviously on the quarter. As I think about your guidance in the back half, it still sort of implies you hire at the 60 rep number or a little lower. It also implies kind of revenue per rep may fall towards the back half of the year. And in light of the trend we've seen the last couple quarters, that hasn't happened.

So, it does appear the back half guidance is conservative. Is there anything you can point to in the back half? [Whether it's the] momentum changes, revenue per rep numbers would actually go down, or you're not able to hire the kind of reps that you want to hire?

Andrew Galligan - Nevro Corp. - CEO

So, I think there are two parts to that question. The first is, over the year, we've been increasing guidance. And what you have to remember is at the beginning of the year, when we gave guidance, what we had was a number of models that had inputs into the models where they were our best estimate of what might happen. They weren't based upon prior experience.

So, as we've gone through the year and our confidence level around the inputs into our internal models, and we use a number of them to come up with guidance, has got better and better. So, that's what I think has allowed us to have more confidence as we went through the year in setting guidance.

Then, specifically to the question about the back half of the year, back in August when we issued that guidance, I think we were very clear in saying that, number one, if you look at our international business, historically international sequentially has down quarters Q3 versus Q2 of the same year. Year-on-year, the growth is fine, but it is a down quarter. So, you take -- that's based upon our experience.

Then, when you look at the US, you look at models like yours, historic models, and they say actually sequentially Q3 tends to be flattish on Q2. It's not really a quarter in which you have much in the way of sequential growth.

So, you put those together, and it suggests that Q3 typically would be, on a sequential basis, perhaps a less robust growth, in a way, sequentially, right? So, that's really one of the factors that you have to put in place for Q3.

And then you go on to Q4, and you've got to say in Q4 there's once again a reasonably high level of uncertainty. It typically is the largest quarter of the year, but we've only had one quarter in the US, and it was our second quarter in the market, so it's really hard to take learnings from that quarter and apply it to the following quarter. And then, that goes back to our philosophy in setting guidance, which is we want a reasonable level of conservatism around the expectations that we set.

David Lewis - Morgan Stanley - Analyst

Okay, very clear. So, Rami, you [plan to capture] 10% of the US market. I don't think investors are pricing in you're going to capture 10% of the US market, right, so there's some gap between what you have captured and what you will capture. And I want to play a little game called "Actual Share Versus Implied Share," okay?

So, if I take your 10% share that you actually have captured, and I think about some things about that, and that seems interesting to think about that, you did not have a (inaudible) [lead] in the market, right? That's 30%, 40% of the market. You're obviously a rechargeable company, not a primary cell company. And that's not much in the US, but that's something.

So, to me, it feels like your 10% share in truth is probably a number that's in excess of 20% share of your addressable market today, and then you're kind of fighting with one hand tied behind your back because you probably have half the reps of a Medtronic, a Boston, or a St. Jude. So, why is it sort of flawed logic to say to myself you have 10% actual share, but the implied share number probably is 30% or 40%?

Rami Elghandour - Nevro Corp. - President and CEO

Sure. Great question. So, obviously without somehow giving future guidance, what I will say is you can look at a couple of things, David. So, one, you can -- while it's not really apples-to-apples, you can look at our international experience, particularly on Australia where we have good numbers, where we have about a third of that market. So, we're certainly capable of getting to those sorts of share numbers.

I mean, what I would argue are actually harder markets to compete in. I think, generally speaking, you've seen a lot of companies that do well in the United States, and have trouble internationally. I think in a lot of respects, what we've done internationally is actually more difficult than what we're doing in the United States.

So, we're certainly confident, and we have our own -- like I said, from the very get-go here, we've been optimizing for peak share. We have our own aspirations on what we think we can do in the United States, and they're certainly supported by some of the logic that you outlined.

David Lewis - Morgan Stanley - Analyst

Okay. So, if we take this down to a unit basis, I mean, there is -- you have a trial process with these doctors, and they go through kind of a 10- or 15-unit trial process, and they go to some share. I mean, how often are you finding situations that a doctor will complete a 10- to 15-unit trial and not adopt the Senza system for more than 25 -- or less than 25% of their business.

Rami Elghandour - Nevro Corp. - President and CEO

Honestly, that's by definition a fairly rare occurrence, right? Because on top of everything else that you mentioned, David, we're also limiting our reps in terms of the number of accounts that they can go to, right? So, that's another factor in this whole equation.

So, by definition, if we're not targeting well, we're not going to do well. We're not going to put up the kind of numbers that we're putting up, because we really focus a lot of our efforts on a small number of accounts. So, by definition, for us to be successful, [those] accounts have to adopt and do well.

David Lewis - Morgan Stanley - Analyst

Okay. Andrew or Rami, we talked about this, the beginning days of the launch, and in terms of everyone wants inflection points and catalysts. Are you starting to get to a tipping point type of situation? I mean, now you have a dramatic number of referenceable users. You have some sense of critical market share in the business. Where are we on, quote, "tipping point?"

Rami Elghandour - Nevro Corp. - President and CEO

Sure. I mean, in some respects, it feels like we're in a great place, right? So, we go to conferences. The demand for the therapy, the interest, even from physicians that probably a year ago wouldn't have considered it is definitely there. And again, that's the thing that I'm most proud of when I look back on what we've accomplished, is we've really set up the Company, the brand, the foundation of the therapy in the right place.

Having said that, it is a highly competitive market, and our competitors, they're quite capable. And so, we expect that they're not giving up, and I haven't seen any white flags emerge from anywhere around the country. So, they're going to continue to compete. And so, you kind of have to take those two factors together in balance. I don't know if you'd add anything to that, Andrew.

Andrew Galligan - Nevro Corp. - CEO

Yes, and I think tipping points are really hard to talk about if you don't even know if one exists, or when you might actually get to one. What we can say is that we've reached the point where we have enough doctors that have been incredibly successful with patient outcomes where they independently of us are talking about our technology to their friends and colleagues.

So, that's one indication that I think that we've really been successful, because a truly successful product will be where your customers become your biggest advocates. And I think that's what we've concentrated on creating over the last year. So, we're trying to set the stage for, if such a thing as a tipping point does exist, that we can get there, but you [can] say that there is one, but to the extent we can create the conditions for such a thing to happen, I think we're working on it.

David Lewis - Morgan Stanley - Analyst

[One of] the metrics that would give investors some comfort that you're reaching some type of inflection was your revenue per rep guidance, right? You initially said it would take us 18 months to get to \$1.3 million to \$1.5 million per rep. Now you're saying it's 12 to 15. So, the question is what does that tell us about the relative level of inflection? I guess the better question is why not let these reps get to \$1.5 million to \$2 million? And if you're getting to revenue per rep to \$1.3 million to \$1.5 million faster, why aren't you adding a lot more reps?

Rami Elghandour - Nevro Corp. - President and CEO

We're in the process of doing that.

Andrew Galligan - Nevro Corp. - CEO

We're trying.

Rami Elghandour - Nevro Corp. - President and CEO

So, I think one of the things that we've certainly seen is that both the uptake is, as you mentioned, David, faster than I think even we had anticipated, and we're seeing certainly -- we're validating that there is a market growth due to the superiority of the therapy. And the combination of those two things says that we need to continue to add reps at a pretty significant scale.

So, we are definitely doing that. That's a trend that we saw not this past month but earlier in the year, and we've adjusted accordingly. And I think you're seeing that reflected in the number of hires that we've had.

David Lewis - Morgan Stanley - Analyst

Yes. So, what happens next year? I mean, there's different ways of -- as some people look at the paddle lead opportunity as sort of an expansion of your TAM, it really is the same TAM. It's the accessibility of that TAM. So, that's 30%, 40% of the market you weren't playing around with in 2016. You're certainly going to be there in 2017. So, two questions. One, the timing and confidence to actually deliver the paddle lead, you made some comments on the second quarter call, [so let's make sure this thing's] actually going to happen, and when you're confident it will happen.

And then, obviously, number two, what happens next year? Is this just a bolus of the market's now available and you're going to go after it, or do you simply continue to build the business the way you built it, which is we're actually going after doctors, the doctors we want, and we're going to convert the doctors, not [really think] so much about paddle lead. But, I sort of feel like there's a bolus of sort of neurosurgeon specialist paddle lead people that now open up, and that drives a relative inflection in the business.

Rami Elghandour - Nevro Corp. - President and CEO

Yes. So, I'll take the second part first. So, I think you nailed it, David. We're not deviating from our commercial strategy. It's clearly been very effective. It's been going to the right physicians who are motivated by evidence and innovation, and making sure that we provide the therapy to them, and provide the appropriate level of service required to earn their business.

So, that's not going to really change. In fact, what we've said is, if we have the paddle available at launch, it really wouldn't have changed our commercial strategy, or the net results that you all are seeing very much, because we would have just substituted some of those accounts in place of the accounts that we're currently going after.

In terms of the paddle, as we talked about, we're comfortable. I'm not going to revise guidance. We've said it's the first half of next year, and we're continuing to make progress towards making that a reality.

David Lewis - Morgan Stanley - Analyst

The real concern with people will be a technical feasibility problem. Are you confident we're over the technical feasibility issue, and this is simply just a matter of time?

Rami Elghandour - Nevro Corp. - President and CEO

Yes. I'm confident that we're going to work through making the appropriate adjustments to get to our target.

David Lewis - Morgan Stanley - Analyst

Okay, and that target still remains first half next year?

Rami Elghandour - Nevro Corp. - President and CEO

Yes.

David Lewis - Morgan Stanley - Analyst

Okay. And you're also very confident that the lack of access to paddle leads in the earlier part of 2017 is somewhat irrelevant to the prior launch plan you had?

Rami Elghandour - Nevro Corp. - President and CEO

Correct, yes. There's enough of a market opportunity there that, irrespective of the availability of the paddle, I think we're more limited by our ability to continue to hire reps and build out the sales force and meet demand than we are by the availability of this one particular part of our portfolio.

David Lewis - Morgan Stanley - Analyst

So, one of your competitors, St. Jude, has a couple things going for them. One, they have a lot of primary [sell] devices. They have a lot of paddle lead, and they had Burst therapy. One innovated algorithm the other competitors didn't have. So, on one hand you say that's why St. Jude has not



donated as much share as some of the other players, but because they had these things and because they had Burst, I mean, have they been able to build a competitive moat that's going to be harder for you to access 2017 and 2018, once you have a paddle lead?

Rami Elghandour - Nevro Corp. - President and CEO

That's a good question. I think maybe I'll ask Andrew to talk about our international experience, because all those factors, with the exception of paddle, played out internationally, and then I'll come back and talk about the US.

Andrew Galligan - Nevro Corp. - CEO

So, Burst has been available internationally for over a year, probably a year to 18 months. And I think you can find -- what you'll see internationally is it really didn't have any impact on our international growth rate. It makes them a little harder, and they've got a better defense, perhaps, than other people. But, at the end of the day, our product is vastly superior over Burst, and that's a win, in the end, with doctors. It's what kind of outcomes can I bring my patients. We win.

Rami Elghandour - Nevro Corp. - President and CEO

Yes. So, I think with that, I think had the Burst data been more compelling, certainly there'd be more of an argument for a bigger moat, if you will. But, we're fairly confident in our ability to continue to take share and to provide this therapy to more physicians and more patients based on the superiority of the product and our ability to actually deliver on the promise of that superiority.

David Lewis - Morgan Stanley - Analyst

Okay. The other [dynamic] that took people by surprise kind of middle part of the year was payers. A few payers, Cigna, and multiple Blue payers came out and said non-coverage decisions. I think non-coverage decisions for an emerging technology would not have surprised anybody. I think non-coverage decisions for a technology with now one- and two-year randomized pure view data, a superiority label from the FDA and CMS pass-through payment expansion.

So, for all those things, I think people said this is an emerging technology I didn't think would suffer in these type of non-coverage decisions. So, help us understand, when these things happened, what your dialogue has been with those payers, and your level of concern around being able to overturn these non-coverage decisions, and when the Street could get a sense of when that's going to happen.

Rami Elghandour - Nevro Corp. - President and CEO

Sure. So, first of all, let's put it into context, right? This is down to two particular payers, right, Cigna and some regional Blue Cross/Blue Shield plans. So, largely speaking, the product is covered. In fact, it's in a sense preferentially covered by CMS, which accounts for about 40% of covered lives in the United States, and is largely covered by most commercial carriers, as well.

Why those two particular carriers decided to take this stance and issue this designation, obviously they've got their own reasons that they've communicated to us. We're working through those on the Blue Cross side, as we talked about on our last earnings call. We've had a lot of success overturning a number of those regional decisions, and we continue to work with some others.

On a Cigna front, that's obviously a bigger organization. We are having a dialogue with them, as well. But, likely we'll probably not move as rapidly as some of these other plans might. So, we're obviously very confident that it's going to get resolved. I think the question is one of timeline. And in the interim, I think as evidenced by the guidance we issued on our earnings call, it's certainly not impacting us from a day-to-day business perspective in any sort of meaningful way.

Andrew Galligan - Nevro Corp. - CEO

Yes. I think the subtlety there is just because they call you experimental doesn't mean that they're not going to pay. What it means is the doctor has to jump through additional hoops in order to get the patient covered.

David Lewis - Morgan Stanley - Analyst

Yes. And do you think you can overturn some of the regional Blues this year?

Andrew Galligan - Nevro Corp. - CEO

It's so hard to call these, as you know, David. I don't want to kind of commit to any particular timeline with any one or two particular carriers, but we certainly continue to work through them. And again, we're confident in ultimately resolving this in a positive way for us.

David Lewis - Morgan Stanley - Analyst

Okay. So, things are pretty rosy here in the near-term. You're taking a bunch of share. Let's assume I'm right, and your actual share versus implied share is a pretty wide gap, and you can take 30%, 40% share. That's going to get you through 2017. It may get you through 2018. But at some point, this has to come back to market expansion. So, what I want to spend some time on now is how this market can expand. And you've been more open about one component of market expansion, which is back pain. Maybe talk to us about why you're so confident. I mean, the market clearly is growing faster. It's growing twice as fast now as it was just a year ago, so something's happened.

But, on back pain, that's when you've been very focused. Why are you so confident that back pain is the driver of market expansion today? What in your data is telling you you are expanding into back pain, and why do you think it's a \$1.2 billion market?

Rami Elghandour - Nevro Corp. - President and CEO

So, the last point is why -- so, obviously we believe it's greater than \$1.2 billion market, right? Why do we believe it's back pain? And I think you can see it. You can go out and speak to customers. We're a very field-based organization. We spent a lot of time meeting with our customers, whether it's at their offices and trade shows, et cetera, and we can hear directly from them that they are finding that they can help a lot more patients with this therapy than they could previously do.

And very specifically, we also track the type of patients that we're treating, and so we know the mix of patients that our physicians are implanting, and we know that mix has a significant back pain component. So, the combination of live feedback, as well as the data that we're collecting on our commercial experience, both says that the patients that are being treated today -- there are more patients being helped by this therapy than could be helped by traditional spinal cord stimulation.

David Lewis - Morgan Stanley - Analyst

Okay. And just [a little more] clear, your contention is that if a \$1.2 billion, \$1.3 billion market back pain alone, the expansion to back pain could basically double that market. And how are you arriving at that number?

Rami Elghandour - Nevro Corp. - President and CEO

So, from our own market research, which led into the US launch as well as our commercial experience so far in the United States, which very much corroborates or mirrors that research, there's about three times as many back pain patients as there are predominant leg pain patients. And again,

that was driven by our research, and now the reason we have this increased confidence that you reference, David, is we're actually seeing that play out one year into the US launch.

David Lewis - Morgan Stanley - Analyst

Okay. So, the second market that you've been a little more reserved on is this sort of non-surgical market. And for the audience, back pain, we talk about patients who are refractory to multiple therapies. These are patients who've largely had surgery. It's just a better device for treating their back pain versus leg pain or mixed pain.

But, for non-surgical patients, we're talking about patients who are pre-surgical. What's interesting is your clinical trial, both US and ex-US, had 10%, 15% of the patient population was non-surgical patients. You theoretically have coverage by CMS, but yet you're not really pushing this market. And I guess I understood that before you had the paddle lead, right, because there's channel conflict. You're not talking to the neurosurgeon. You [can] play it easy. I don't get it as much anymore. Help me understand why you don't be more aggressive on the non-surgical patient population, and what are sort of the commercial data necessary to do so?

Rami Elghandour - Nevro Corp. - President and CEO

Yes. So, I mean, I think you hit the nail on the head, though. I think once we have the paddle and we have a broader footprint in the neurosurgical community, I think that will be something that naturally happens, is neurosurgeons have a tool at their disposal that allows them to make a decision, do I want to operate on this patient, or do I want to give them this alternative therapy. I think doing it within the context of the market that we're in today becomes more difficult because there's kind of a whole referral network effect that doesn't really facilitate this sort of adoption.

So, I think on the one hand, that's kind of the commercial dynamic. And on the other hand, we certainly -- I mean, you addressed it correctly, that from a CMS perspective, this isn't necessarily an impediment, but from a commercial payer perspective, we need health economic data to help support reimbursement for this particular patient population, and really underlying that is a better definition of who these candidates are, who these patients actually are, how do you categorize them, how do you identify them so that there's a greater degree of specificity around what exactly payers are going to be paying for.

David Lewis - Morgan Stanley - Analyst

So, you could come back to us in 2017 and tell us what commercial data you're going to be delivering to third party payers? And can you deliver that data to them in 2017, or is it really more of a 2018 catalyst?

Rami Elghandour - Nevro Corp. - President and CEO

Honestly, for us, this is a longer-term play in this particular segment. I think what we're going to try to address in 2017 is more of a prioritization of our pipeline and where we want to go with this technology based on the clinical work that we've done over the last couple of years beyond back and leg pain.

David Lewis - Morgan Stanley - Analyst

Okay. And that's a good segueway into upper extremity pain, where you have a couple of preliminary studies, preclinical studies going on now, I think two specifically. So, this is things like neck, shoulder, arm pain. Those studies theoretically should read out -- and they're very small studies -- kind of mid-2017. So, by the back half of 2017, will we have a sense of whether you're going to move forward with pivotal studies in shoulder, arm, neck?

Rami Elghandour - Nevro Corp. - President and CEO

Yes. Like I said, more broadly by the back half of 2017. We hope and plan to have elucidated our pipeline from a progression perspective and where we want to put resource against larger order trials.

David Lewis - Morgan Stanley - Analyst

Just on an order of magnitude, you've got a \$1.2 billion business today, a market today. You add \$1.2 billion on top of that for back pain. For non-surgical pain, do you have any sense of what framework you can provide people how big that market is?

Rami Elghandour - Nevro Corp. - President and CEO

Yes, that's a hard one. Obviously I think everyone can agree it's a meaningful market, but to actually put hard numbers around it would be difficult.

Andrew Galligan - Nevro Corp. - CEO

Yes, it's hard to do that without actually knowing specifically what indications you're going to use it for. So, that's part of what we really have to discover, is what specific indications, then you can extract from, okay, we're talking about that indication. What's the population around that indication? So, not enough data.

David Lewis - Morgan Stanley - Analyst

Do you think it's roughly (inaudible) to back pain, or it's hard to say if it's bigger than back pain?

Rami Elghandour - Nevro Corp. - President and CEO

I think it's hard to say, honestly, at this point. As you know, we like to be precise when we can be, and we just don't have the precision with which we can really directly answer that question.

David Lewis - Morgan Stanley - Analyst

And in terms of upper extremity, kind of same question, (inaudible) kind of rough sense of upper extremity relative to back pain?

Rami Elghandour - Nevro Corp. - President and CEO

Yes. Upper extremity, I think I could say with more certainty because we've done market research on it, is not as -- it's not as large, right? So, in our initial US launch research, it can certainly be a double-digit percentage of the US market, but it's certainly not going to have the magnitude.

Honestly, if you step back and look at it, there's not a lot of things that are going to be as big as back pain, right? I mean, we're talking about literally a patient population that's three times the size of an existing worldwide \$1.7 billion market. So, I think if we're going to use that measuring stick, it's going to be really hard, but there's certainly a lot--.

Andrew Galligan - Nevro Corp. - CEO

--There's meaningful markets.



Rami Elghandour - Nevro Corp. - President and CEO

There's meaningful markets that, one, can help a lot of patients, but two, when we add them together, can over time and with more market development, can become meaningful over longer periods of time.

David Lewis - Morgan Stanley - Analyst

Okay. So, let's talk about the competitive response. It feels like so far, and I want to quote Dan Starks, the former CEO of St. Jude, when he said all of our competitors are doing is just calling us ugly. And I feel like some of that describes how the competitive response has been in the first year of launch, meaning there's not a lot of hard data to say your data's not any good, but there's recently some talk that data's not any good.

So, let's talk about the competitive response right now. We kind of know what the response has been from St. Jude. What do you think of two upcoming technologies, one, High Density from Medtronic, and of course the ACCELERATE trial, the only company going after high frequency [processor] program really is Boston Scientific. So, help us understand what you think about Medtronic High Density and what impact that could have. And is it better than Burst, or worse than Burst? How would that compare? And then, we can talk about ACCELERATE thereafter.

Rami Elghandour - Nevro Corp. - President and CEO

Sure. First, I want to state that we honestly are very nice people, so as people get to know us, we certainly dispel the ugly rumors that are sprung by our competitor.

Look, I guess I'll try to address those separately. Frankly, on Medtronic's High Density, I'm not sure they know what they have, so it'd be hard for me to comment on what they have. There's really no evidence to suggest that there was anything there. And until it's proven otherwise, I think we'll just continue to monitor.

As far as accelerate, we've made it very clear both in terms of our communication, as well as our defense of the IPR filed by Boston Scientific, that we fully intend to vigorously defend our intellectual property. And whether or not that study is successful I think remains to be seen. Certainly we developed this technology over a long period of time, and there's enough nuance in our understanding that we have some questions around study design and execution and things of that nature. But, I think in either case, we'll be prepared certainly to defend our intellectual property.

David Lewis - Morgan Stanley - Analyst

So, [let's just game through] really quickly around ACCELERATE because it's in upcoming catalogs. We don't know whether Boston will present ACCELERATE at the upcoming NANS meeting in January. They're being relatively coy about that particular topic. I've heard it proposed to me that somehow, if ACCELERATE loses, it's bad for Nevro. And by the way, (inaudible) about that is, is that it doesn't make a whole bunch of sense, but can you think about a [wave] where the ACCELERATE study was negative, or it's going to impact what physicians think about HF10 therapy?

Rami Elghandour - Nevro Corp. - President and CEO

Yes. to be honest with you, I think the challenge is, if that study -- if you could have pulled it in another year or two where it happens simultaneous with our launch, then you could make sort of a more reasonable argument that hey, two studies on the same frequency hit the market at the same time, and there's confusion around does it work, does it not work.

The reality is [we all] have been on the market so long, and as you said, we have been so successful from a share and a buzz and everything else perspective, I think it'll be difficult for that to have a broad adverse impact. Now, could it in some accounts where we probably wouldn't go anyhow because they're incredibly tied in with Boston? Will that give them reason to further have an objection and say, look, Boston tried it, it doesn't really work? I'm sure on the margin there could be that. But, I think, from a broad basis, I think we've more than demonstrated that HF10 therapy is a

superior clinical option for patients with chronic pain. And I just -- I would have a hard time believing that a failed study by a competitor that didn't seem to have all their ducks in a row would meaningfully impact that.

Andrew Galligan - Nevro Corp. - CEO

I'd go back to the kind of earlier tipping point question about -- I mean, our launch was based upon selling on clinical data and making the outcomes from the RCT replicate in an everyday doctor's hands. And we've got to the point where our doctors, the people who use the therapy, are some of our biggest proponents. That's really part of the defense against whatever Boston comes up with, is it won't be as much us defending our technology. It'll be the doctors, the vast majority of whom have done really well with the technology, who will be saying that's nonsense.

David Lewis - Morgan Stanley - Analyst

So, if they're successful and they move for a US commercial launch, will you file for preliminary injunction?

Rami Elghandour - Nevro Corp. - President and CEO

Like I said, we will certainly vigorously defend our intellectual property.

David Lewis - Morgan Stanley - Analyst

Okay. Well, we'll end on "vigorously defend." Thank you so much, guys, for being here. Thank you all for listening.

Andrew Galligan - Nevro Corp. - CEO

Thank you.

Rami Elghandour - Nevro Corp. - President and CEO

Thanks, David.

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