

J.P. Morgan Healthcare Conference – AngioDynamics Investor Presentation

January 10, 2018

Forward-Looking Statement

Notice Regarding Forward Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements regarding AngioDynamics' expected future financial position, results of operations, cash flows, business strategy, budgets, projected costs, capital expenditures, products, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include the words such as "expects," "reaffirms," "intends," "anticipates," "plans," "believes," "seeks," "estimates," "optimistic," or variations of such words and similar expressions, are forward-looking statements. These forward looking statements are not guarantees of future performance and are subject to risks and uncertainties. Investors are cautioned that actual events or results may differ from AngioDynamics' expectations. Factors that may affect the actual results achieved by AngioDynamics include, without limitation, the ability of AngioDynamics to develop its existing and new products, technological advances and patents attained by competitors, infringement of AngioDynamics' technology or assertions that AngioDynamics' technology infringes the technology of third parties, the ability of AngioDynamics to effectively compete against competitors that have substantially greater resources, future actions by the FDA or other regulatory agencies, domestic and foreign health care reforms and government regulations, results of pending or future clinical trials, overall economic conditions, the results of on-going litigation, challenges with respect to third-party distributors or joint venture partners or collaborators, the results of sales efforts, the effects of product recalls and product liability claims, changes in key personnel, the ability of AngioDynamics to execute on strategic initiatives, the effects of economic, credit and capital market conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from group purchasing organizations and competition, the ability of AngioDynamics to integrate purchased businesses, as well as the risk factors listed from time to time in AngioDynamics' SEC filings, including but not limited to its Annual Report on Form 10-K for the year ended May 31, 2017 and its quarterly reports on Form 10-Q for the fiscal periods ended August 31, 2017 and November 30, 2017. AngioDynamics does not assume any obligation to publicly update or revise any forward-looking statements for any reason.

In the United States, the NanoKnife System has received a 510(k) clearance by the Food and Drug Administration for use in the surgical ablation of soft tissue, and is similarly approved for commercialization in Canada, the European Union and Australia. The NanoKnife System has not been cleared for the treatment or therapy of a specific disease or condition.

Notice Regarding Non-GAAP Financial Measures

Management uses non-GAAP measures to establish operational goals, and believes that non-GAAP measures may assist investors in analyzing the underlying trends in AngioDynamics' business over time. Investors should consider these non-GAAP measures in addition to, not as a substitute for or as superior to, financial reporting measures prepared in accordance with GAAP. In this news release, AngioDynamics has reported adjusted EBITDAS (income before interest, taxes, depreciation and amortization and stock-based compensation); free cash flow and adjusted earnings per share. Management uses these measures in its internal analysis and review of operational performance. Management believes that these measures provide investors with useful information in comparing AngioDynamics' performance over different periods. By using these non-GAAP measures, management believes that investors get a better picture of the performance of AngioDynamics' underlying business. Management encourages investors to review AngioDynamics' financial results prepared in accordance with GAAP to understand AngioDynamics' performance taking into account all relevant factors, including those that may only occur from time to time but have a material impact on AngioDynamics' financial results. Please see the tables that follow for a reconciliation of non-GAAP measures to measures prepared in accordance with GAAP.

Trademarks

AngioDynamics, the AngioDynamics logo, BioFlo, the BioFlo logo, NanoKnife, the NanoKnife logo, VenaCureEVL, the VenaCureEVL logo, AngioVac, the AngioVac logo, Solero, the Solero logo, Uni-Fuse, the Uni-Fuse logo, NAMIC, and the NAMIC logo are trademarks and/or registered trademarks of AngioDynamics, Inc., an affiliate or subsidiary. Endexo is a trademark and/or registered trademark of Interface Biologics. Habib is a trademark and/or registered trademark of Emcision. ASCLERA is a registered trademark of Chemische Fabrik Kreussler & Co., GmbH. All other marks are property of their respective owner.

AngioDynamics Today

3

Operating franchises in growing, strategic markets



Patient Focus



Focus on serving undertreated patient populations, improving patient outcomes and offering economic value to healthcare providers



Industry Leader



Leading provider of innovative medical devices used by physicians for treatment of cancer and peripheral vascular disease



Growth Strategy



Growth strategy to optimize product portfolio, focus on operational efficiencies and expand internationally



\$350 MILLION

FY'17 Revenue

\$0.73

FY'17 Adjusted EPS

\$62 MILLION

FY'17 Adjusted EBITDAS

\$53 MILLION

FY'17 Free Cash Flow



Growth *through*

Focus | Execution | Accountability

AngioDynamics' Framework For Growth

Driving Efficiencies

Delivering sustainable and improved margins



Investing in Disruptive Technology

Focused investments on growth and innovation



Strengthening Global Platform

Increased focus in high growth markets



Driving Performance

Strong cash flow generation



AngioVac
Cannula and Circuit

BioFlo

NanoKnife

Solero
Microwave Tissue Ablation System


VenaCure EVLT[®]

namic
fluid management




 angiodynamics

2017: Strengthening Operations

Commercial Improvements




-  Defined and implemented a new corporate strategy
-  Revised compensation structure to align to industry best practices
-  More disciplined Product Development process

Operational Improvements




-  Strengthened balance sheet and financial operations
-  Improved our supply chain
-  Simplified our footprint

2018: Driving Transformation





Expanding Growth Opportunities

-  Commercial discipline
-  Global Business Unit structure strengthens international reach
-  Innovative technologies that serve patient needs

Accelerating Performance

-  Strategic capital allocation
-  Operational excellence to drive efficiencies
-  Strong cash flow generation to drive investment in growth products

Three Global Business Units with Unique Growth Opportunities

Peripheral Vascular	Vascular Access	Oncology/Surgery
Categories Fluid Management Venous Insufficiency Thrombus Management Drainage Angiographic Catheters <u>Key Growth Drivers</u>  	Categories PICCs Ports Dialysis <u>Key Growth Drivers</u> 	Categories Non-Thermal Ablation Microwave Ablation Radiofrequency Ablation Surgical Resection <u>Key Growth Drivers</u> 

Invest where we can win

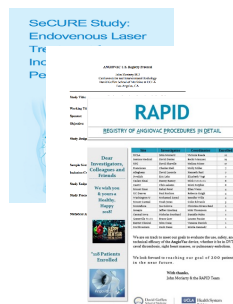
Strengthening Clinical Evidence

Peripheral Vascular



AngioVac (RAPID) Registry – More than 110 patients enrolled

Enrollment completed in perforator (Secure) trial

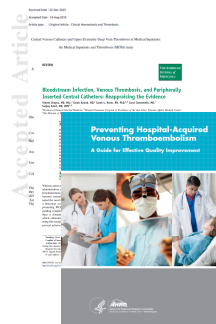


Vascular Access



6 research studies ongoing

6 peer reviewed articles published



Oncology/Surgery



More than 300 articles published to date. Additional research is being collected across disease states



Financial Update

FY 2018 Six-Month Actuals and Full-Year Expectations

	FY2018 First Half Results	FY2018 FY Expectations
Revenue	\$172.1M	\$345M – \$350M
GAAP Earnings Per Share	\$0.01	\$0.00 – \$0.04
Non-GAAP Adjusted EPS†	\$0.28	\$0.64 – \$0.68
Gross Margin	48.8%	~52%
Adjusted EBITDAS†	\$24.6M	\$55M+
Free Cash Flow	\$12.0M	\$30M – \$35M*
Cash and Cash Equivalents	\$49.9M	\$50M+
Debt	\$95.0M	\$92.5M

* Excludes any amounts payable in connection to matters related to two DOJ subpoenas

† Adjusted EBITDAS is defined as Net Income (loss) before interest, taxes, depreciation, amortization and stock based compensation adjusted for any one time/unusual and non-cash items, as well as legal costs related to litigation that is not in the ordinary course of business. Adjusted EPS is defined as Net Income adjusted for amortization, contingent consideration adjustments, and any one time/unusual and non-cash items, as well as legal costs related to litigation that is not in the ordinary course of business



FY 2018 Gross Margin Walk

	FY2018
FY 2018 First-Half Gross Margin	\$48.8%
Price	(50 bps)
Volume	70 bps
Royalty	80 bps
Revaluation of standard cost	170 bps
Plant consolidations	170 bps
Inventory provision for discontinued product	100 bps
Acculis to Solero transition	40 bps
Other (OH Reduction, Freight Expense)	30 bps
FY 2018 Second-Half Gross Margin	54%-55%

FY 2018 Tax Reform Act Impact – Adjusted EPS Impact

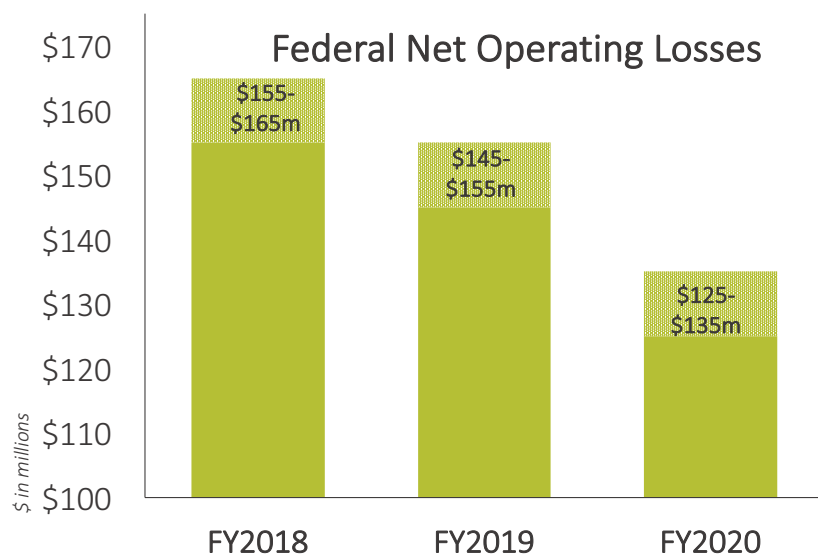
FY2018 Adjusted EPS Pre-Tax Reform	
Current Statutory Tax Rate	36%*
Adjusted Net Income	\$24 – 26M
Non-GAAP Adjusted EPS range	\$0.64-\$0.68
FY2018 Adjusted EPS Post-Tax Reform	
<u>Tax Reform Act Impact</u>	
214 Days before Enactment	36%*
151 Days post Enactment	23%*
Blended Statutory Tax Rate	30.6%*
Impact to Adjusted Net Income	\$1-2M
Impact to Non-GAAP Adjusted EPS range	\$0.02-\$0.04**

*Rates include both Federal and State

** The \$0.02-\$0.04 is not reflected in the current guidance range

FY 2018 Tax Reform Act Impact – Cash Taxes and NOL's

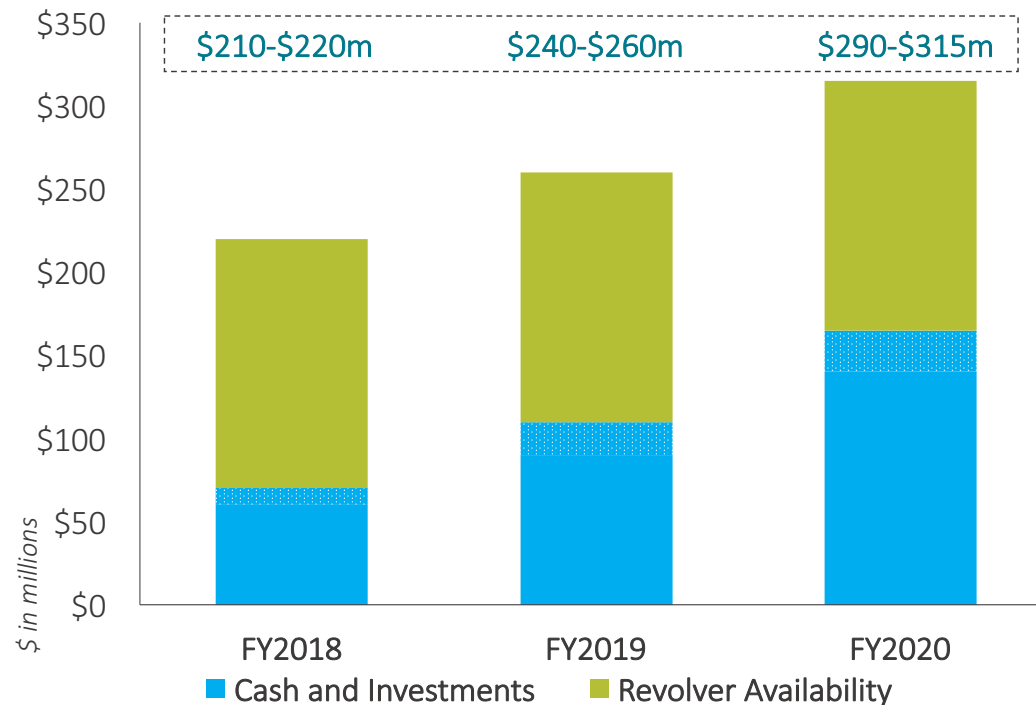
	FY2018	FY2019	FY2020
US GAAP Taxes	\$4-5m	\$4-5m	\$5-6m
Effective GAAP Tax Rate	60%	30%	15%
Cash Taxes	\$0.5-1m	\$0.5-1m	\$1-2m
Effective Cash Tax Rate	6%	5%	5%



- **Federal income tax rate reduction (35% to 21%):** Ample Federal net operating losses, therefore, rate reduction will not impact cash taxes for the foreseeable future. No GAAP impact for re-measurement due to rate reduction, except the re-measurement of a deferred tax liability for a long-lived intangible resulting in approximately 9.3M tax benefit (non-cash) to be recorded in Q3 2018 (period of enactment)
- **Deemed Repatriation:** Previously untaxed foreign earnings and profits will be offset by federal and state net operating losses and will not result in a cash tax liability.
- **Business Interest Deduction limitation:** Provision is not expected to have an impact in the foreseeable future based on current debt levels. There is an indefinite carryforward for disallowed amounts.
- **Executive Compensation:** Repeal of performance based compensation exception for \$1M deduction limitation; CFO now included as covered employee; status of covered employee continues for all subsequent years.
- **AMT Repealed:** Repeal of AMT will allow full use of Federal net operating losses in the future without incurring cash tax liability due to AMT NOL limitation rules.

No cash tax impact expected in the foreseeable future; Federal and State net operating losses will offset any potential non-deductible expenditures or additional income resulting from tax reform.

Significant Liquidity Drives Capital Allocation Strategy



Uses of Cash Priorities

1. Invest internally
2. Opportunistically evaluate M&A
3. Execute share buyback program authorized up to \$25 million

Significant cash generation and available debt capital support range of allocation options to capitalize on growth opportunities

Our Vision for AngioDynamics

1

Be recognized as a
consistent, high-
performing
MedTech company

2

Partner with
providers and
caregivers to
deliver superior
care to patients

3

Increase our value
to each of our
stakeholders

Reconciliation Tables

Reconciliation of Net Income to non-GAAP Adjusted Net Income:

	Three months ended		Six months ended	
	November 30,	November 30,	November 30,	November 30,
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Net income (loss)	\$ 249	\$ 13,734	\$ 214	\$ 15,034
Inventory charge included in cost of sales	-	202	-	201
Amortization of intangibles	4,146	4,291	8,242	8,526
Change in fair value of contingent consideration	82	(15,951)	187	(15,508)
Acquisition, restructuring and other items, net (1)	4,766	7,861	7,755	10,278
Tax effect of non-GAAP items (2)	(3,434)	(3,213)	(5,997)	(5,209)
Adjusted net income	<u>\$ 5,809</u>	<u>\$ 6,924</u>	<u>\$ 10,401</u>	<u>\$ 13,322</u>

Reconciliation of Diluted Earnings Per Share to non-GAAP Adjusted Diluted Earnings Per Share:

	Three months ended		Six months ended	
	November 30,	November 30,	November 30,	November 30,
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Diluted earnings (loss) per share	\$ 0.01	\$ 0.37	\$ 0.01	\$ 0.41
Inventory charge included in cost of sales	-	0.01	-	0.01
Amortization of intangibles	0.11	0.12	0.22	0.23
Change in fair value of contingent consideration	0.00	(0.43)	0.01	(0.42)
Acquisition, restructuring and other items, net (1)	0.13	0.21	0.21	0.27
Tax effect of non-GAAP items (2)	(0.09)	(0.09)	(0.17)	(0.14)
Adjusted diluted earnings per share	<u>\$ 0.16</u>	<u>\$ 0.19</u>	<u>\$ 0.28</u>	<u>\$ 0.36</u>
Adjusted diluted sharecount	37,383	37,146	37,322	37,000

- (1) Includes costs related to mergers and acquisition activities, integrations, restructurings, asset impairments and write-offs, litigation, and other items.
(2) Represents the net tax effect of non-GAAP adjustments. Based on our historical non-GAAP earnings, our tax effect of non-GAAP items has been calculated assuming no valuation allowance on our deferred tax assets and an effective tax rate of 36%.

Reconciliation of Net Income to EBITDAS and Adjusted EBITDAS:

	Three months ended		Six months ended	
	November 30,	November 30,	November 30,	November 30,
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Net income (loss)	\$ 249	\$ 13,734	\$ 214	\$ 15,034
Income tax expense	(166)	681	(147)	2,284
Interest expense, net	760	810	1,483	1,529
Depreciation and amortization	5,884	6,133	11,677	12,286
Stock-based compensation	1,966	1,701	3,763	3,385
EBITDAS	<u>\$ 8,693</u>	<u>\$ 23,059</u>	<u>\$ 16,990</u>	<u>\$ 34,518</u>
Inventory charge included in cost of sales	-	202	-	201
Change in fair value of contingent consideration	82	(15,951)	187	(15,508)
Acquisition, restructuring and other items, net (1,2)	4,560	7,861	7,441	10,278
Adjusted EBITDAS	<u>\$ 13,335</u>	<u>\$ 15,171</u>	<u>\$ 24,618</u>	<u>\$ 29,489</u>
Per diluted share:				
EBITDAS	\$ 0.23	\$ 0.62	\$ 0.46	\$ 0.93
Adjusted EBITDAS	\$ 0.36	\$ 0.41	\$ 0.66	\$ 0.80

- (1) Includes costs related to mergers and acquisition activities, integrations, restructurings, asset impairments and write-offs, litigation, and other items.
(2) Excludes depreciation expense captured in the depreciation and amortization component of the reconciliation.