angiodynamics

AngioDynamics

First Quarter 2024 Earnings Presentation

October 4, 2023

Forward-Looking Statement

Notice Regarding Forward-Looking Statements

This presentation 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," "projects," "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 materially from AngioDynamics' expectations, expressed or implied. Factors that may affect the actual results achieved by AngioDynamics include, without limitation, the scale and scope of the COVID-19 global pandemic, 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 (including inflation, labor shortages and supply chain challenges including the cost and availability of raw materials), 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 obtain regulatory clearances or approval of its products, or to integrate acquired 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, 2023. 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 presentation, AngioDynamics has reported pro-forma results, adjusted EBITDA (income before interest, taxes, depreciation and amortization and stock-based compensation); adjusted net income 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.

Corporate Developments – Q1 FY24

Continued focused investment in our 3 key Med Tech platforms: Auryon, Thrombus Management & NanoKnife

Q1

Pro-Forma Revenue

$78.0 mil

Pro-Forma Revenue Growth*

5.7%

Med Tech up 13.3%
Med Device up 2.3%*

$11.1 million in **Auryon** sales; growth of 25.7% YOY

Mechanical Thrombectomy down 5.8% YOY
$1.8 million in AlphaVac sales
AngioVac sales declined 7.7% YOY; up 3.6% sequentially

34.5% YOY growth in **NanoKnife** disposables

* On a pro-forma basis, excluding the sale of Dialysis and BioSentry

IDE Clinical Studies and Pathway Expansion

PRESERVE study for the treatment of prostate cancer with NanoKnife **completed enrollment** in July 2023

APEX AV study for the treatment of pulmonary embolism with AlphaVac F18

- **More than 75% enrolled**
- **On track** to complete enrollment in early calendar 2024

Received **FDA Breakthrough** designation for AngioVac for the non-surgical removal of right heart vegetation

Q1 Highlights and Operational Developments

Divested the Dialysis and BioSentry tract sealant system businesses for **$100.0 million**

$50.1 million of proceeds used to **extinguish outstanding debt**

U.S. District Court for the District of Delaware entered a judgement as a matter of law **in favor of AngioDynamics** in the litigation with C.R. Bard

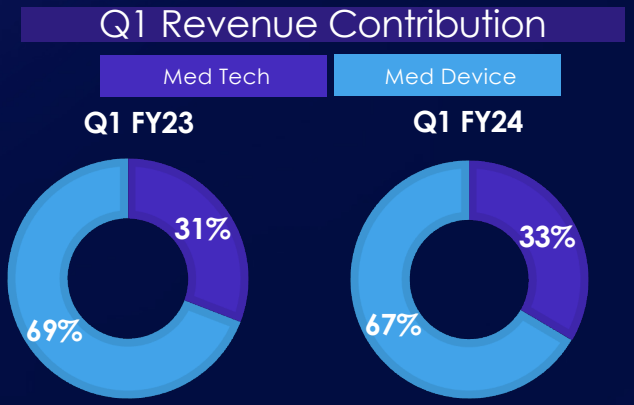
Continued gross margin headwinds in raw material and labor inflation

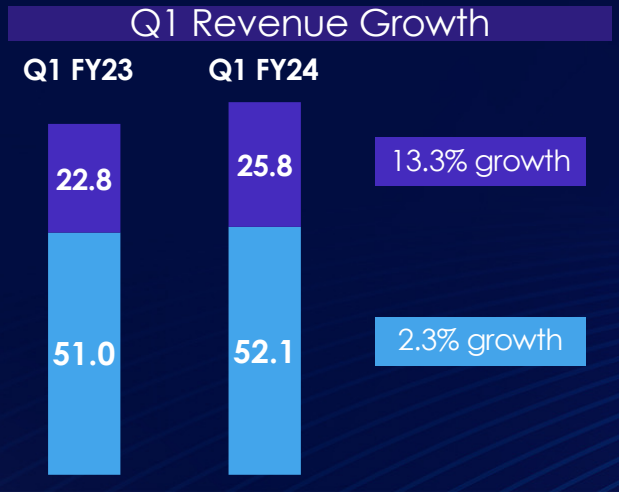
Q1 FY24 Results (unaudited)

$ in thousands (except per share data)	Q1 FY24 As Reported	Q1 FY23 As Reported	Change	Q1 FY24 Pro-Forma	Q1 FY23 Pro-Forma	Change
Revenue	**$78,679**	**$81,537**	**(3.5%)**	**$78,008**	**$73,791**	**5.7%**
Med Tech	$25,860	$22,817	13.3%	$25,860	$22,817	13.3%
Med Device	$52,819	$58,720	(10.0%)	$52,148	$50,974	2.3%
United States	$64,399	$69,023	(6.7%)	$63,749	$62,447	2.1%
International	$14,280	$12,514	14.1%	$14,259	$11,344	25.7%
Gross Margin	**50.9%**	**51.9%**	**(100 bps)**	**50.8%**	**51.0%**	**(20 bps)**
Med Tech	64.7%	63.2%	150 bps	64.7%	63.2%	150 bps
Med Device	44.2%	47.5%	(330 bps)	43.9%	45.6%	(170 bps)
Net Income (Loss)	**$45,884**	**($13,004)**	**$58,888**	**$45,462**	**($17,060)**	**$62,522**
Non-GAAP Adjusted Net Loss	($4,831)	($2,486)	($2,345)	($5,156)	($5,994)	$838
GAAP EPS	**$1.15**	**($0.33)**	**$1.48**	**$1.14**	**($0.43)**	**$1.57**
Non-GAAP Adjusted EPS	($0.12)	($0.06)	($0.06)	($0.13)	($0.15)	$0.02
Adjusted EBITDA	**$814**	**$2,961**	**($2,147)**	**$392**	**($1,602)**	**$1,994**

$ in thousands	Q1 FY24	Q4 FY23	Change
Cash	**$57,586**	**$44,620**	**$12,966**
Debt	**$0**	**$50,000**	**($50,000)**
Revolving Facility	$0	$25,000	($25,000)
Delayed-Draw Term Loan	$0	$25,000	($25,000)
Net Cash (Debt)	**$57,586**	**($5,380)**	**$62,966**

Q1 FY24 Results (pro-forma)





Med Tech Gross Margin 64.7%

Med Device Gross Margin 43.9%

Sales Comparison to Prior-Year Period

Med Tech	Q1 FY24
Auryon	25.7%
Thrombus Management*	(6.7%)
AngioVac	(7.7%)
AlphaVac	1.8%
NanoKnife® Disposables	34.5%
NanoKnife® Capital	41.4%

* Thrombus Management includes AngioVac, AlphaVac and Thrombolytics

Med Device	Q1 FY24
Core Peripheral	(0.4%)
Venous	(5.8%)
PICCs	(9.9%)
Midlines	9.7%
Ports	22.4%
Solero® Microwave	25.1%
RadioFrequency Ablation	(26.1%)
Alatus and IsoLoc Balloons	7.3%

FY24 Guidance Reaffirmed

	Guidance*
Revenue	$328 - $333 million
Gross Margin	50.0% - 52.0%
Med Tech	63.0% – 65.0%
Med Device	43.0% - 45.0%
Adjusted EPS	($0.28) – ($0.34)

* FY23 pro-forma results excluding the divested assets were $306.3 million for revenue, 50.5% for gross margin and adjusted loss per share of $0.43.

GAAP to Non-GAAP Reconciliation

Reconciliation of GAAP to Non-GAAP Pro Forma Results for the Consolidated Income Statements

(in thousands, except per share data)	Three Months Ended			Three Months Ended		
	Actual [1] Aug 31, 2023	Pro Forma Adjustments [2] Aug 31, 2023 (unaudited)	Pro Forma Aug 31, 2023	As Reported [1] Aug 31, 2022	Pro Forma Adjustments [2] Aug 31, 2022 (unaudited)	Pro Forma Aug 31, 2022
Net sales	$ 78,679	(671)	$ 78,008	$ 81,537	$ (7,746)	$ 73,791
Cost of sales (exclusive of intangible amortization)	38,619	(218)	38,401	39,232	(3,108)	36,124
Gross profit	40,060	(453)	39,607	42,305	(4,638)	37,667
% of net sales	50.9 %		50.8 %	51.9 %		51.0 %
Operating expenses						
Research and development	7,941	(29)	7,912	8,333	(62)	8,271
Sales and marketing	27,368	—	27,368	26,543	(19)	26,524
General and administrative	10,856	(2)	10,854	10,101	(1)	10,100
Amortization of intangibles	3,625	—	3,625	4,837	(483)	4,354
Change in fair value of contingent consideration	(130)	—	(130)	211	—	211
Acquisition, restructuring and other items, net	3,212	—	3,212	5,581	(17)	5,564
Total operating expenses	52,872	(31)	52,841	55,606	(582)	55,024
Gain on sale of assets	47,842	—	47,842	—	—	—
Operating income (loss)	35,030	(422)	34,608	(13,301)	(4,056)	(17,357)
Interest income (expense), net	119	—	119	(381)	—	(381)
Other expense, net	(288)	—	(288)	(175)	—	(175)
Total other expense, net	(169)	—	(169)	(556)	—	(556)
Income (loss) before income tax benefit	34,861	(422)	34,439	(13,857)	(4,056)	(17,913)
Income tax benefit	(11,023)	—	(11,023)	(853)	—	(853)
Net income (loss)	$ 45,884	$ (422)	$ 45,462	$ (13,004)	$ (4,056)	$ (17,060)
Earnings (loss) per share						
Basic	$ 1.15		$ 1.14	$ (0.33)		$ (0.43)
Diluted	$ 1.15		$ 1.14	$ (0.33)		$ (0.43)
Weighted average shares outstanding						
Basic	39,842		39,842	39,302		39,302
Diluted	39,968		39,968	39,302		39,302

(1) Reflects the Company's US GAAP consolidated financial statements before pro forma adjustments related to the sale of the Dialysis and BioSentry Businesses ("the Businesses") for the three months ended August 31, 2023 and 2022.

(2) Reflects the elimination of revenues and expenses representing the operating results from the sale of the Businesses.

Reconciliation of GAAP to Non-GAAP Pro Forma Results for Sales and Gross Margin by Product Category

(in thousands)	Three Months Ended			Three Months Ended			Actual			Pro Forma		
	Actual [1] Aug 31, 2023	Pro Forma Adj. [2] Aug 31, 2023 (unaudited)	Pro Forma Aug 31, 2023	As Reported [1] Aug 31, 2022	Pro Forma Adj. [2] Aug 31, 2022 (unaudited)	Pro Forma Aug 31, 2022	% Growth	Currency Impact	Constant Currency Growth	% Growth	Currency Impact	Constant Currency Growth
Net Sales												
Med Tech	$ 25,860	$ —	$ 25,860	$ 22,817	$ —	$ 22,817	13.3%			13.3%		
Med Device	52,819	(671)	52,148	58,720	(7,746)	50,974	(10.0)%			2.3%		
	$ 78,679	$ (671)	$ 78,008	$ 81,537	$ (7,746)	$ 73,791	(3.5)%	0.0%	(3.5)%	5.7%	0.1%	5.8%
Net Sales												
United States	$ 64,399	$ (650)	$ 63,749	$ 69,023	$ (6,576)	$ 62,447	(6.7)%			2.1%		
International	14,280	(21)	14,259	12,514	(1,170)	11,344	14.1%	0.3%	14.4%	25.7%		
	$ 78,679	$ (671)	$ 78,008	$ 81,537	$ (7,746)	$ 73,791	(3.5)%	0.0%	(3.5)%	5.7%	0.1%	5.8%

(1) Reflects the Company's US GAAP consolidated financial statements before pro forma adjustments related to the sale of the Dialysis and BioSentry Businesses ("the Businesses") for the three months ended August 31, 2023 and 2022.

(2) Reflects the elimination of revenues and expenses representing the operating results from the sale of the Businesses.

GROSS PROFIT BY PRODUCT CATEGORY

(in thousands)

	Three Months Ended			Three Months Ended			Actual	Pro Forma
	Actual [1] Aug 31, 2023	Pro Forma Adj. [2] Aug 31, 2023 (unaudited)	Pro Forma Aug 31, 2023	As Reported [1] Aug 31, 2022	Pro Forma Adj. [2] Aug 31, 2022 (unaudited)	Pro Forma Aug 31, 2022	% Change	% Change
Med Tech	$ 16,727	$ —	$ 16,727	$ 14,429	$ —	$ 14,429	15.9 %	15.9 %
Gross profit % of sales	64.7 %		64.7 %	63.2 %		63.2 %		
Med Device	$ 23,333	$ (453)	$ 22,880	$ 27,876	$ (4,638)	$ 23,238	(16.3)%	(1.5)%
Gross profit % of sales	44.2 %		43.9 %	47.5 %		45.6 %		
Total	$ 40,060	$ (453)	$ 39,607	$ 42,305	$ (4,638)	$ 37,667	(5.3)%	5.2 %
Gross profit % of sales	50.9 %		50.8 %	51.9 %		51.0 %		

(1) Reflects the Company's US GAAP consolidated financial statements before pro forma adjustments related to the sale of the Dialysis and BioSentry Businesses ("the Businesses") for the three months ended August 31, 2023 and 2022.

(2) Reflects the elimination of revenues and expenses representing the operating results from the sale of the Businesses.

Reconciliation of GAAP to Non-GAAP Adjusted Net Income (Loss) and EPS

(in thousands, except per share data)	Three Months Ended	
	Aug 31, 2023	Aug 31, 2022
	(unaudited)	
Net income (loss) from continuing operations	$ 45,884	$ (13,004)
Amortization of intangibles	3,625	4,837
Change in fair value of contingent consideration	(130)	211
Acquisition, restructuring and other items, net (1)	3,212	5,581
Gain on sale of assets	(47,842)	—
Tax effect of non-GAAP items (2)	(9,580)	(111)
Adjusted net loss	$ (4,831)	$ (2,486)

	Three Months Ended	
	Aug 31, 2023	Aug 31, 2022
	(unaudited)	
Diluted earnings (loss) per share	$ 1.15	$ (0.33)
Amortization of intangibles	0.09	0.12
Change in fair value of contingent consideration	—	0.01
Acquisition, restructuring and other items, net (1)	0.08	0.14
Gain on sale of assets	(1.20)	—
Tax effect of non-GAAP items (2)	(0.24)	—
Adjusted diluted loss per share	$ (0.12)	$ (0.06)
Adjusted diluted sharecount (3)	39,842	39,302

(1) Includes costs related to merger and acquisition activities, restructurings, and unusual items, including asset impairments and write-offs, certain litigation, and other items.
(2) Adjustment to reflect the income tax provision on a non-GAAP basis has been calculated assuming no valuation allowance on the Company's U.S. deferred tax assets and an effective tax rate of 23% for the periods ended August 31, 2023 and August 31, 2022.
(3) Diluted shares may differ for non-GAAP measures as compared to GAAP due to a GAAP loss.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

(in thousands)	Three Months Ended	
	Aug 31, 2023	Aug 31, 2022
	(unaudited)	
Net income (loss) from continuing operations	$ 45,884	$ (13,004)
Income tax benefit	(11,023)	(853)
Interest expense, net	(119)	381
Depreciation and amortization	6,688	7,621
Change in fair value of contingent consideration	(130)	211
Stock based compensation	4,144	3,024
Acquisition, restructuring and other items, net (1)	3,212	5,581
Gain on sale of assets	(47,842)	—
Adjusted EBITDA	$ 814	$ 2,961

(1) Includes costs related to merger and acquisition activities, restructurings, and unusual items, including asset impairments and write-offs, certain litigation, and other items.

Reconciliation of Non-GAAP Pro Forma Net Income (Loss) to Adjusted Pro Forma Net Loss and EPS

(in thousands, except per share data)	Pro Forma Three Months Ended Aug 31, 2023	Pro Forma Three Months Ended Aug 31, 2022
	(unaudited)	
Pro forma net income (loss) from continuing operations	$ 45,462	$ (17,060)
Amortization of intangibles	3,625	4,354
Change in fair value of contingent consideration	(130)	211
Acquisition, restructuring and other items, net (1)	3,212	5,564
Gain on sale of assets	(47,842)	—
Tax effect of non-GAAP items (2)	(9,483)	937
Adjusted pro forma net loss	$ (5,156)	$ (5,994)

	Pro Forma Three Months Ended Aug 31, 2023	Pro Forma Three Months Ended Aug 31, 2022
	(unaudited)	
Pro forma diluted earnings (loss) per share	$ 1.14	$ (0.43)
Amortization of intangibles	0.09	0.11
Change in fair value of contingent consideration	—	0.01
Acquisition, restructuring and other items, net (1)	0.08	0.14
Gain on sale of assets	(1.20)	—
Tax effect of non-GAAP items (2)	(0.24)	0.02
Adjusted pro forma diluted loss per share	$ (0.13)	$ (0.15)
Adjusted diluted sharecount (3)	39,842	39,302

(1) Includes costs related to merger and acquisition activities, restructurings, and unusual items, including asset impairments and write-offs, certain litigation, and other items.
(2) Adjustment to reflect the income tax provision on a non-GAAP basis has been calculated assuming no valuation allowance on the Company's U.S. deferred tax assets and an effective tax rate of 23% for the periods ended August 31, 2023 and August 31, 2022.
(3) Diluted shares may differ for non-GAAP measures as compared to GAAP due to a GAAP loss.

Reconciliation of Non-GAAP Pro Forma Net Income (Loss) to Adjusted Pro Forma EBITDA

(in thousands)	Pro Forma Three Months Ended Aug 31, 2023	Pro Forma Three Months Ended Aug 31, 2022
	(unaudited)	
Pro forma net income (loss) from continuing operations	$ 45,462	$ (17,060)
Income tax benefit	(11,023)	(853)
Interest expense, net	(119)	381
Depreciation and amortization	6,688	7,131
Change in fair value of contingent consideration	(130)	211
Stock based compensation	4,144	3,024
Acquisition, restructuring and other items, net (1)	3,212	5,564
Gain on sale of assets	(47,842)	—
Pro forma adjusted EBITDA	$ 392	$ (1,602)

(1) Includes costs related to merger and acquisition activities, restructurings, and unusual items, including asset impairments and write-offs, certain litigation, and other items.

Thank You