angiodynamics

# Needham & Company

**22nd Annual Virtual Healthcare Conference**

**April 17, 2023**

Jim Clemmer, President & CEO

Stephen Trowbridge, Executive Vice President & CFO

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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, 2022. 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 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.

# AngioDynamics

A medical technology platform company focused on a select group of large, high growth markets where meaningful treatment gaps exist in current standard of care.  Our technologies positively impact treatment options and patients' quality of life.

# Angiodynamics

A medical technology platform company focused on a select group of large, high growth markets where meaningful treatment gaps exist in current standard of care. Our technologies positively impact treatment options and patients' quality of life.

## Cardiovascular disease and cancer have the highest morbidity and mortality worldwide

### Global Cardiovascular Disease Burden[1]

523M diagnosed in 2020
~19 million deaths

**Cardiovascular Disease causes 1 in 3 deaths globally**

### Global Cancer Burden[2]

19.3M diagnosed in 2020
~10 million deaths

**Cancer causes 1 in 6 deaths globally**

1. https://professional.heart.org/-/media/PHD-Files-2/Science-News/2/2022-Heart-and-Stroke-Stat-Update/2022-Stat-Update-factsheet-Global-Burden-of-Disease.pdf; https://www.cdc.gov/pcd/issues/2022/22_0347.htm
2. https://acsjournals.onlinelibrary.wiley.com/doi/10.3322/caac.21660#:~:text=Worldwide%2C%20an%20estimated%2019.3%20million,skin%20cancer)%20occurred%20in%202020.

# AngioDynamics

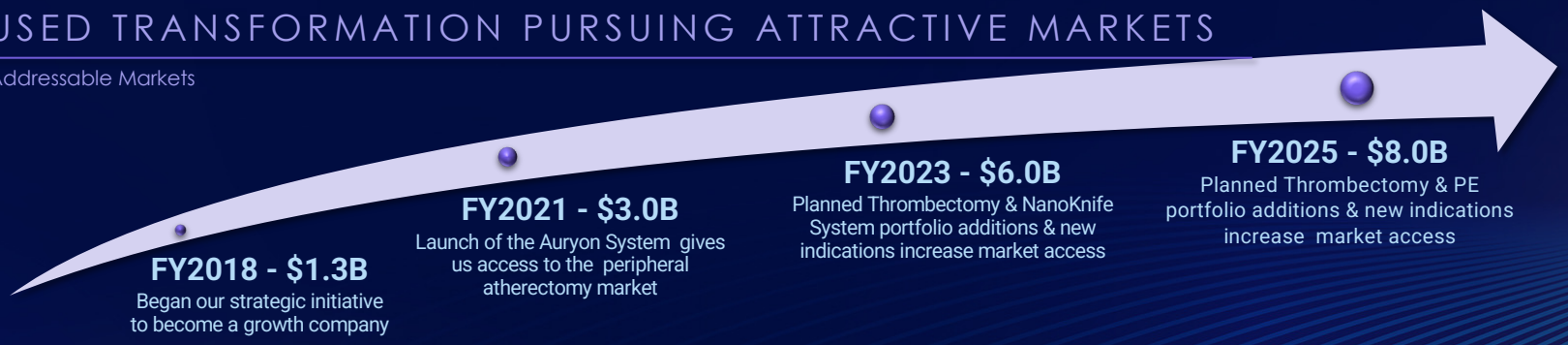
## Investments in our Med Tech platforms are funded by operating cash flows from our Med Device portfolio

| **Med Tech:** Invest for Growth |
|---|
| Peripheral Arterial Disease |
| Venous Thromboembolism |
| Cardiac Thrombus & Emboli |
| Solid Tumor |

| **Med Device:** Maintain Positioning | |
|---|---|
| Vascular Access Catheters & Accessories | Microwave & Radiofrequency Ablation |
| Diagnostic Catheters, Guidewires & Kits | Lung Biopsy Safety |
| Endovenous Laser Treatment | Radiation Treatment Stabilization Balloons |

## FOCUSED TRANSFORMATION PURSUING ATTRACTIVE MARKETS

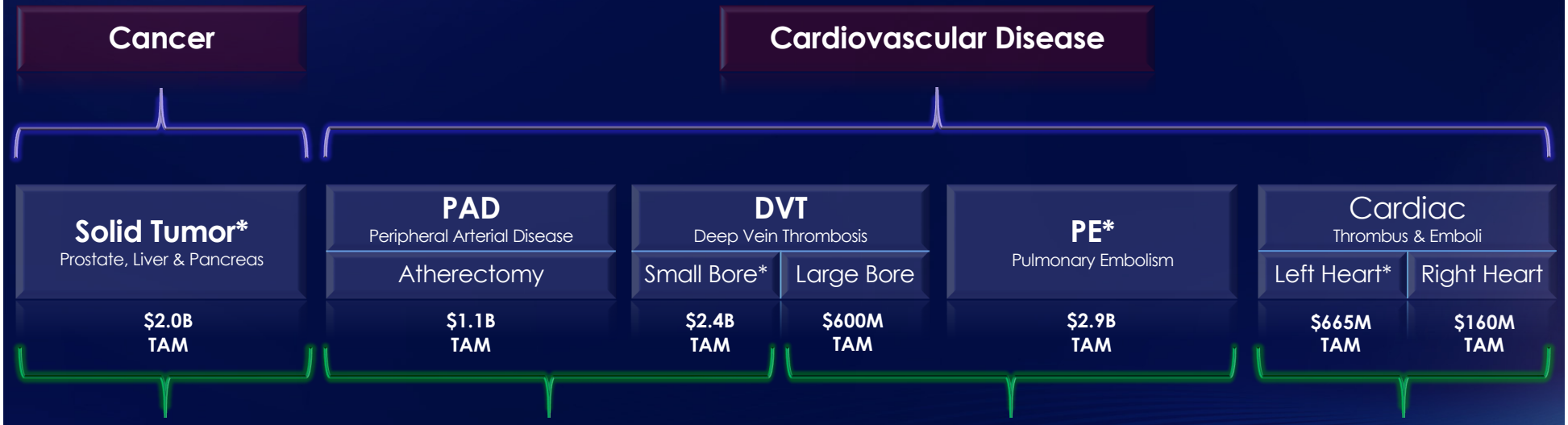
U.S. Total Addressable Markets






The planned portfolio additions and new indications are based on management estimates and industry sources as of July 2022 and are not guarantees of future performance and are subject to risks and uncertainties including FDA clearance. Investors are cautioned that actual events or results may differ from AngioDynamics' expectations.

# AngioDynamics




*AlphaVac PE, Auryon Venous Thrombectomy/DVT, AngioVac Left Heart are not cleared by the US Food and Drug Administration (FDA) for these indications
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# AngioDynamics

Focused technology platforms targeting attractive markets with meaningful treatment gaps, where our differentiated technologies can address unmet needs

| Disease State | Platform | Treatment | Status |
|---|---|---|---|
| PAD<br>Peripheral Arterial Disease | AURYON | Atherectomy | Launched |
| Thrombus<br>Venous Thromboembolism & Cardiac Thrombus & Emboli | ALPHAVAC | Pulmonary Embolism* | APEX study currently enrolling<br>Targeted launch 2H calendar 2024 |
| | | Large Vessel Thrombectomy | Launched |
| | AURYON | Small Vessel Thrombectomy* | Targeted 510K approval end of calendar 2024 |
| | ANGIOVAC | Right Heart | Launched |
| | | Left Heart* | In Development |
| Solid Tumor | NanoKnife | Prostate Tissue* | PRESERVE study >70% enrolled<br>Launch targeted end of calendar 2024 |



*AlphaVac PE, Auryon Venous Thrombectomy/DVT, AngioVac Left Heart & NanoKnife Prostate are not cleared by the US Food and Drug Administration (FDA) for these indications.

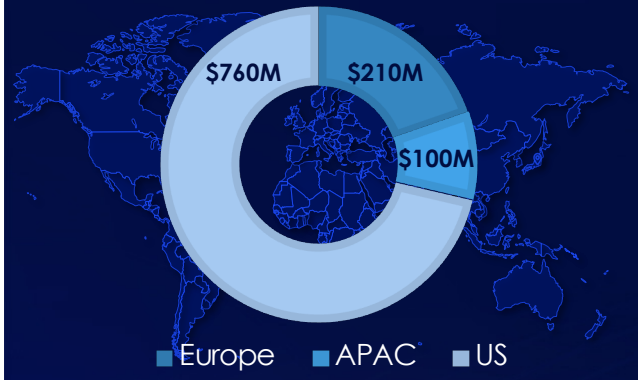
# PAD

With over 35,000 cases performed, the Auryon Atherectomy System is the only atherectomy solution with the safety profile and versatility to treat every lesion location and morphology

## THE MARKET

2022 TAM

**$1.1B**




## OUR SOLUTION

AURYON

- Peripheral Atherectomy


## WHY IT MATTERS

**Treat all levels of calcification** [a-c]

- Indicated for in-stent restenosis*
- Treats above and below the knee (inc. below the ankle)

*2.0mm and 2.35mm catheters are indicated for ISR.

**Protective of vessel wall** [c-e]

- Targeted biological reactions to address risk of perforations
- Built-in aspiration to address risk of embolization†

†Built-in aspiration available with the 2.0-and 2.35-mm catheters.

**Designed for hospital and lab** [a-c, f]

- Portable, 110V outlet, low noise, touch screen
- Debulk in fewer passes

a-f See reference page

***"We've always known that Auryon's technology is one-of-a-kind and unmatched. With the new [hydrophilic coating], we should be able to prove this – case after case after case"***

*– Dr. Curtis Anderson, Vascular & Interventional Radiologist*

Source: Management estimate & industry sources as of July 2022.

# Thrombus Management

Our differentiated technology platforms offer potential treatment solutions across multiple disease states

## THE MARKET

**VTE**

**PE**
Pulmonary Embolism
**DVT**
Deep Vein Thrombosis

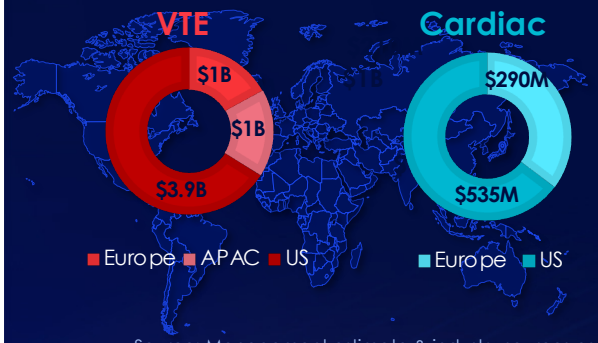
+

**Cardiac**

**TVIE**
Tricuspid Valve Endocarditis
**LV**
Lead Vegetation
**RA**
Right Atrial Thrombus

2022 TAM

$6.7B




## OUR SOLUTION

**ANGIOVAC**

- Right Heart and Left Heart removal of cardiac thrombus

**ALPHAVAC**

- Large Vessel Venous Thrombectomy/DVT
- Pulmonary Embolism*

**AURYON**

- Small Vessel Venous Thrombectomy/DVT*

## WHY IT MATTERS

- Only solution on the market with *continuous aspiration* and *simultaneous reinfusion* of filtered blood
- Aspirates large clot burden

- Controlled aspiration
- Aspirates large clot burden
- APEX-AV study for PE

- Auryon's low profile + laser + aspiration, make it a compelling and simple technology to effectively ablate& remove thrombus with the legs.

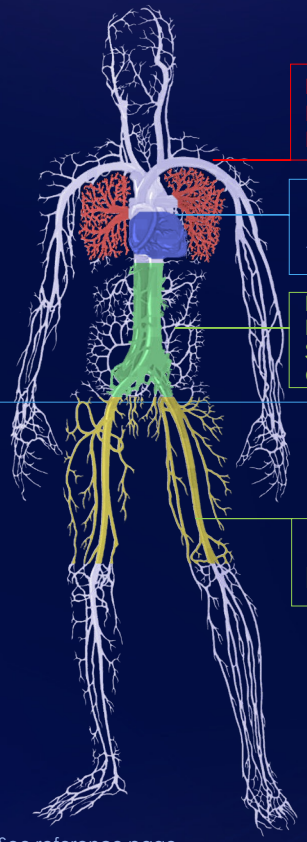
Source: Management estimate & industry sources as of July 2022.
*AlphaVac PE, Auryon Venous Thrombectomy/DVT, and AngioVac Left Heart are not cleared by the US FDA for these indications.

# Thrombus Management

## Technology portfolio targeted at peripheral and cardiovascular thrombolytic events, including small and large vessels

Large Vessel

Small Vessel



**PE**
Pulmonary Embolism

ALPHAVAC

**CARDIAC**
RH/LH Thrombus

ANGIOVAC

**IVC/SVC**
Inferior & Superior Vena Cava

ALPHAVAC

**DVT**
Ilio-Fem

AURYON

355 nm laser is designed to deliver an optimized wavelength, pulse width, and amplitude to restore flow in occluded vessels [c, d, g]

- Larger vessels can accommodate large devices (>18FR)
- Larger the vessel the larger the clot
- Bigger is better (inner lumen)
- Funnel matters – dehydrate clot

- Smaller devices needed for smaller vessels and access sites (<14FR)
- Laser will "break-up" thrombus while the aspiration pump will remove
- Laser safety profile is effective in arteries and veins
- Simple, intuitive and safe for DVT

c-g See reference page

*AlphaVac PE, Auryon Venous Thrombectomy/DVT, and AngioVac Left Heart are not cleared by the US FDA for these indications.

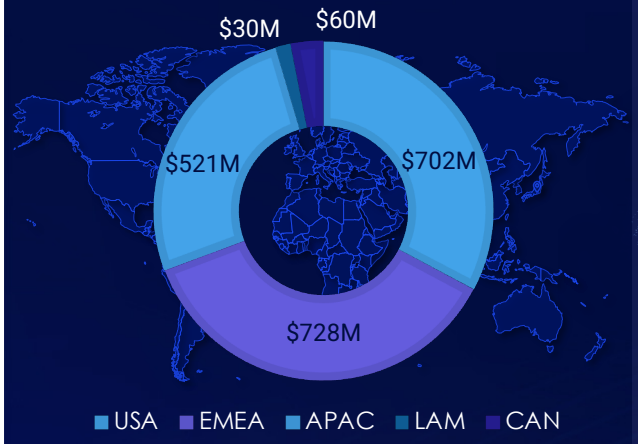
# Prostate Initiative*

Over 505,000 men with prostate cancer could be treated with this technology

## THE MARKET

2023 Global TAM

**$2B**




## OUR SOLUTION

NanoKnife

- Focal Therapy

## WHY IT MATTERS

**Targeted:** Short electric pulses destroy cells without relying on extreme heat or cold and spare vital structures within the ablation zone

**Quality of Life:** Better preserves urinary control and erectile function

**Versatile:** Can be used in all segments of the prostate for primary and recurrent disease

**Fast:** Minimally invasive treatment that is delivered in a single session

**Preserves future treatment options**



*IDE Study in progress

Market Source: Management estimate & industry sources as of July 2022.

# International Expansion Plan

## Expanding our business reach in targeted regions & countries

Aligning our Go-to-Market strategy to the different regions and markets, utilizing new partnerships where appropriate to maximize growth

Preparing for EU and selected OUS launches of both the Auryon Atherectomy Product line, and the AlphaVac large bore Thrombectomy product Line

- Targeted launch date Auryon: 1H of calendar 2024
- Targeted launch date AlphaVac: 1H of calendar 2024

Continue to increase our global presence through our series of life symposiums which has attracted interest from global key opinion leaders who are gaining more access of our technologies

# Medical Device

| **Med Device:** Maintain Positioning | |
|---|---|
| Vascular Access Catheters & Accessories | Microwave & Radiofrequency Ablation |
| Diagnostic Catheters, Guidewires & Kits | Lung Biopsy Safety |
| Endovenous Laser Treatment | Radiation Treatment Stabilization Balloons |

## PORTFOLIO

- Optimizing our commercial approach by re-aligning Core portfolio into new VA - Device centric commercial team

## MARKET ACCESS

- Broader Med Device bag allows deeper customer engagement
- Maximize clinical differentiation & secure committed customers through targeted GPO/IDN contracting

## PERFORMANCE

- Maintain a strong culture of execution and collaboration through disciplined sales & marketing plans
- Develop & export key talent throughout the organization

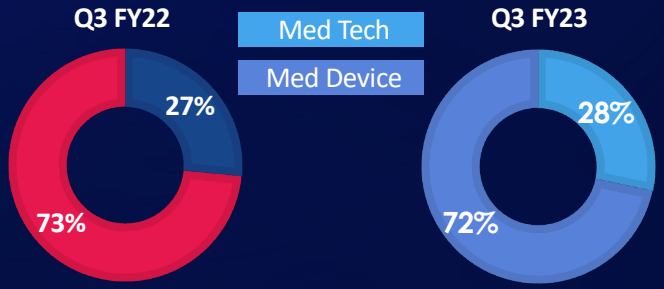
# Q3 and YTD FY23 Results
(unaudited)

| $ in thousands (except per share data) | Q3 FY23 | Q3 FY22 | Change | YTD FY23 | YTD FY22 | Change |
|---|---|---|---|---|---|---|
| **Revenue** | **$80,712** | **$73,970** | **9.1%** | **$247,678** | **$229,221** | **8.1%** |
| Med Tech | $22,874 | $19,612 | 16.6% | $70,193 | $56,106 | 25.1% |
| Med Device | $57,838 | $54,358 | 6.4% | $177,485 | $173,115 | 2.5% |
| United States | $67,620 | $62,445 | 8.3% | $208,274 | $192,259 | 8.3% |
| International | $13,092 | $11,525 | 13.6% | $39,404 | $36,962 | 6.6% |
| **Gross Margin** | **50.2%** | **52.2%** | **(200 bps)** | **51.6%** | **52.0%** | **(40 bps)** |
| Med Tech | 64.6% | 66.1% | (150 bps) | 63.8% | 66.1% | (230 bps) |
| Med Device | 44.5% | 47.1% | (260 bps) | 46.8% | 47.5% | (70 bps) |
| **Net Loss** | **($9,485)** | **($4,958)** | **($4,527)** | **($30,975)** | **($20,281)** | **($10,694)** |
| Non-GAAP Adjusted Net Income (Loss) | ($1,023) | $1,307 | ($2,330) | ($3,153) | ($436) | ($2,717) |
| **GAAP EPS** | **($0.24)** | **($0.13)** | **($0.11)** | **($0.79)** | **($0.52)** | **($0.27)** |
| Non-GAAP Adjusted EPS | ($0.03) | $0.03 | ($0.06) | ($0.08) | ($0.01) | ($0.07) |
| **Adjusted EBITDA** | **$4,258** | **$6,695** | **($2,437)** | **$14,674** | **$14,687** | **($13)** |

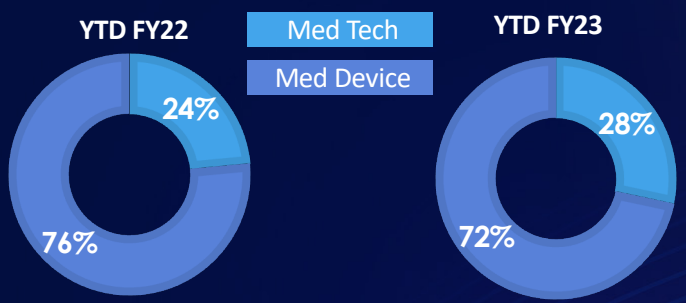
| $ in thousands | Q3 FY23 | Q4 FY22 | Change |
|---|---|---|---|
| **Cash** | **$30,111** | **$28,825** | **$1,286** |
| **Debt** | **$50,000** | **$25,000** | **$25,000** |
| Revolving Facility | $25,000 | $25,000 | $0 |
| Delayed-Draw Term Loan | $25,000 | $0 | $25,000 |
| **Net (Debt) Cash** | **($19,889)** | **$3,825** | **($23,714)** |

# Q3 and YTD FY23 Results

## Q3 Revenue Contribution

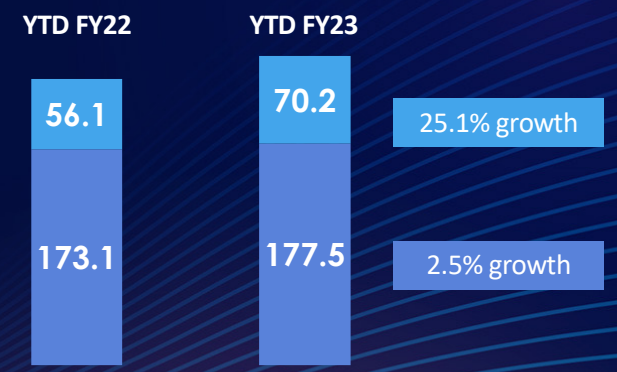



## YTD Revenue Contribution




## Q3 Revenue Growth


## YTD Revenue Growth



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## April 17, 2023

Jim Clemmer, President & CEO

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# Auryon References


**a**. Rundback J, Chandra P, Brodmann M, Weinstock B, Sedillo G, Cawich I, et al. Novel laser-based catheter for peripheral atherectomy: 6-month results from the Eximo Medical B-Laser™ IDE study. Catheter Cardiovasc Interv. 2019;1-8.

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**c**. Auryon. Instructions for use. AngioDynamics; 2019.

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**e**. Herzog A, Steinberg I, Gaisenberg E, Nomberg R, Ishaaya AA. A route to laser angioplasty in the presence of fluoroscopy contrast media, using a nanosecond-pulsed 355-nm laser. IEEE J Sel Top Quantum Electron. 2016;22(3):342-347.

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g. Vogel A, Venugopalan V. Mechanisms of pulsed laser ablation of biological tissues. Chem Rev. 2003;103(2):577-644.