

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 4, 2023**

AngioDynamics, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-50761

(Commission File Number)

11-3146460

(IRS Employer Identification No.)

14 Plaza Drive, Latham, New York

(Address of Principal Executive Offices)

12110

(Zip Code)

(518) 795-1400

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	ANGO	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 – Results of Operations and Financial Condition.

On October 4, 2023, AngioDynamics, Inc. (“AngioDynamics”) issued a press release announcing financial results for the fiscal first quarter ended August 31, 2023. A copy of the press release is furnished herewith as Exhibit 99.1.

The information set forth in Item 2.02 of this Form 8-K (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section. Furthermore, such information shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 – Regulation FD Disclosure.

Presentation slides discussing AngioDynamics and its fiscal first quarter ended August 31, 2023 are furnished herewith as Exhibit 99.2.

The presentation slides furnished pursuant to Item 7.01 of this Form 8-K (including Exhibit 99.2) shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section. Furthermore, the presentation slides shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

Forward-Looking Statements

This document and its attachments contain 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,” “projects,” “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.

Item 9.01 – Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated October 4, 2023.
99.2	Presentation, dated October 4, 2023.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANGIODYNAMICS, INC.
(Registrant)

Date: October 4, 2023

By: /s/ Stephen A. Trowbridge
Name: Stephen A. Trowbridge
Title: Executive Vice President and Chief Financial Officer

**PRESS RELEASE**

Investor Contact:

AngioDynamics, Inc.
Stephen Trowbridge, Executive Vice President & CFO
(518) 795-1408

**AngioDynamics Reports Fiscal Year 2024 First Quarter Financial Results;
Reaffirms Fiscal Year 2024 Guidance***Fiscal Year 2024 First Quarter Highlights*

- **Net sales of \$78.7 million as reported**
 - Includes \$0.7 million of Dialysis and BioSentry Biopsy Tract Sealant System sales
 - Net sales increased 5.7% on a pro-forma basis when excluding Dialysis and BioSentry, compared to the prior-year quarter
 - Med Tech net sales of \$25.9 million increased 13.3%
 - Med Device net sales of \$52.8 million as reported
 - Med Device net sales increased 2.3% on a pro-forma basis
 - **Gross margin of 50.9%**
 - Declined 20 basis points on a pro-forma basis year over year
 - **Completed the sale of the Dialysis and BioSentry Biopsy Tract Sealant System businesses to Merit Medical Systems, Inc. for \$100.0 million in cash**
 - **GAAP earnings per share of \$1.15**
 - **As reported adjusted loss per share of \$0.12**
 - **Cash and cash equivalents at August 31, 2023 were \$57.6 million**
 - **Completed enrollment in the PRESERVE study for the use NanoKnife to treat prostate tissue**
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Latham, New York, October 4, 2023 – AngioDynamics, Inc. (NASDAQ: ANGO), a leading and transformative medical technology company focused on restoring healthy blood flow in the body’s vascular system, expanding cancer treatment options and improving quality of life for patients, today announced financial results for the first quarter of fiscal year 2024, which ended August 31, 2023.

“We started Fiscal Year 2024 with strong performance across both businesses, driven by continued strength from NanoKnife and our International markets,” commented Jim Clemmer, President and Chief Executive Officer of AngioDynamics, Inc. “We remain focused on bringing innovative new products to market, expanding the approved indications for our existing products, and continuing to build a body of compelling clinical evidence in support of these indications and products.”

First Quarter 2024 Financial Results

Net sales for the first quarter of fiscal year 2024 were \$78.7 million, including \$0.7 million of Dialysis and BioSentry Tract Sealant System sales. On a pro forma basis, excluding sales of Dialysis and BioSentry, net sales increased 5.7% compared to the prior-year quarter. Foreign currency translation did not have a significant impact on the Company’s net sales in the quarter.

Med Tech net sales were \$25.9 million, a 13.3% increase from \$22.8 million in the prior- year period. Med Tech includes the Auryon peripheral atherectomy platform, the thrombus management platform and the NanoKnife irreversible electroporation platform. Year-over-year growth was driven by Auryon sales during the quarter of \$11.1 million, which increased 25.7%, NanoKnife disposable sales of \$4.3 million, which grew 34.5%, and AlphaVac sales of \$1.8 million, which grew 1.8%. AngioVac sales were \$6.3 million in the quarter, a decline of 7.7% year over year and up 3.6% sequentially from the fourth fiscal quarter of FY23.

Med Device net sales were \$52.8 million. When excluding sales of Dialysis and BioSentry, Med Device net sales increased 2.3% compared to \$51.0 million in the prior-year period.

U.S. net sales in the first quarter of fiscal 2024 were \$64.4 million. When excluding sales of Dialysis and BioSentry, U.S. net sales increased 2.1% from \$62.4 million a year ago. International net sales were \$14.3 million. When excluding sales of Dialysis and BioSentry, International net sales increased 25.7%, compared to \$11.3 million a year ago.

Gross margin for the first quarter of fiscal 2024 was 50.9%. On a pro forma basis, excluding Dialysis and BioSentry, gross margin of 50.8% decreased 20 basis points compared to the first quarter of fiscal 2023. Gross margin for the Med Tech business was 64.7%, an increase of 150 basis points from the first quarter of fiscal 2023. Gross margin for the Med Device business was 44.2%. On a pro forma basis, excluding Dialysis and BioSentry, Med Device gross margin of 43.9% decreased 170 basis points compared to the first quarter of fiscal 2023. Gross margin continued to be impacted by inflationary pressures including increased costs for labor and raw materials as well as geographic mix.

The Company recorded net income of \$45.9 million, or earnings per share of \$1.15, in the first quarter of fiscal 2024. This includes a gain on the sale of the Company's Dialysis and BioSentry Tract Sealant System products of \$47.8 million in connection with the transaction announced on June 8, 2023.

Excluding the items shown in the non-GAAP reconciliation table below, adjusted net loss for the first quarter of fiscal 2024 was \$4.8 million, and adjusted loss per share was \$0.12. When excluding Dialysis and BioSentry, on a pro-forma basis, adjusted net loss in the first quarter of fiscal 2024 was \$5.2 million, or an adjusted net loss of \$0.13 per share, compared to adjusted net loss of \$6.0 million, or an adjusted net loss of \$0.15 per share compared to the prior-year period. During the first quarter of fiscal 2024, the Company revised its annual equity grant practice for non-employee directors, moving from granting shares with a one-year vesting term to granting immediately vested shares. The target grant value was not changed from the prior year. This change resulted in cumulative expense totaling approximately \$0.02 shifting into the first quarter instead of being ratably expensed over the remainder of fiscal year 2024.

Adjusted EBITDA in the first quarter of fiscal 2024, excluding the items shown in the reconciliation table below, was \$0.8 million. When excluding Dialysis and BioSentry, on a pro-forma basis, adjusted EBITDA was \$0.4 million compared to negative adjusted EBITDA of \$1.6 million in the first quarter of fiscal 2023.

In the first quarter of fiscal 2024, the Company used \$25.9 million in operating cash, had capital expenditures of \$0.8 million and \$0.8 million in Auryon placement and evaluation units. As stated in July, the Company expects to finish fiscal year 2024 with cash balances in the range of \$65.0 to \$70.0 million.

At August 31, 2023, the Company had \$57.6 million in cash and cash equivalents compared to \$44.6 million in cash and cash equivalents at May 31, 2023. During the first quarter, the Company used the proceeds from the divestiture of its Dialysis and BioSentry Tract Sealant System Biopsy businesses to extinguish its debt.

Fiscal Year 2024 Financial Guidance

The Company continues to expect its fiscal year 2024 net sales to be in the range of \$328 to \$333 million, gross margin to be approximately 50% to 52% and adjusted loss per share in the range of \$0.28 to \$0.34. For comparison, pro forma revenue, gross margin, and adjusted loss per share for FY23 when excluding the assets divested to Merit Medical were \$306.3 million, 50.5%, and \$0.43, respectively.

Conference Call

The Company's management will host a conference call today at 8:00 a.m. ET to discuss its first quarter 2024 results.

To participate in the conference call, dial 1-877-407-0784 (domestic) or +1-201-689-8560 (international) and refer to the passcode 13741149.

This conference call will also be webcast and can be accessed from the "Investors" section of the AngioDynamics website at www.angiodynamics.com. The webcast replay of the call will be available at the same site approximately one hour after the end of the call.

A recording of the call will also be available from 11:00 a.m. ET on Wednesday, October 4, 2023, until 11:59 p.m. ET on Wednesday, October 11, 2023. To hear this recording, dial 1-844-512-2921 (domestic) or +1-412-317-6671 (international) and enter the passcode 13741149.

Use of Non-GAAP 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 pro-forma results, adjusted EBITDA, 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.

About AngioDynamics, Inc.

AngioDynamics is a leading and transformative medical technology company focused on restoring healthy blood flow in the body's vascular system, expanding cancer treatment options and improving quality of life for patients.

The Company's innovative technologies and devices are chosen by talented physicians in fast-growing healthcare markets to treat unmet patient needs. For more information, visit www.angiodynamics.com.

Safe Harbor

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," "projects", "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.

ANGIODYNAMICS, INC. AND SUBSIDIARIES
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.

ANGIODYNAMICS, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION
(in thousands, except per share data)

Reconciliation of Net Income (Loss) to non-GAAP Adjusted Net Loss:

	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)

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

	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, restructuring, 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 2022.

(3) Diluted shares may differ for non-GAAP measures as compared to GAAP due to a GAAP loss.

ANGIODYNAMICS, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION (Continued)
(in thousands, except per share data)

Reconciliation of Net Income (Loss) to Adjusted EBITDA:

	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	<u>\$ 814</u>	<u>\$ 2,961</u>
Per diluted share:		
Adjusted EBITDA	\$ 0.02	\$ 0.08

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

ANGIODYNAMICS, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION
(in thousands, except per share data)

Reconciliation of Pro Forma Net Income (Loss) to Pro Forma Adjusted Net Loss:

	Pro Forma	
	Three Months Ended	
	Aug 31, 2023	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	<u>\$ (5,156)</u>	<u>\$ (5,994)</u>

Reconciliation of Pro Forma Diluted Earnings (Loss) Per Share to Pro Forma Adjusted Diluted Loss Per Share:

	Pro Forma	
	Three Months Ended	
	Aug 31, 2023	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	<u>\$ (0.13)</u>	<u>\$ (0.15)</u>
Adjusted diluted sharecount (3)	39,842	39,302

(1) Includes costs related to merger and acquisition activities, restructuring, 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 2022.

(3) Diluted shares may differ for non-GAAP measures as compared to GAAP due to a GAAP loss.

ANGIODYNAMICS, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION (Continued)
(in thousands, except per share data)

Reconciliation of Pro Forma Net Income (Loss) to Pro Forma Adjusted EBITDA:

	Pro Forma Three Months Ended	
	Aug 31, 2023	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	<u>\$ 392</u>	<u>\$ (1,602)</u>
Per diluted share:		
Adjusted EBITDA	\$ 0.01	\$ (0.04)

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

ANGIODYNAMICS, INC. AND SUBSIDIARIES
NET SALES BY PRODUCT CATEGORY AND BY GEOGRAPHY
(in thousands)

	Three Months Ended			Three Months Ended			% Growth	Actual Currency Impact	Constant Currency Growth	Pro Forma					
	Actual (1)	Pro Forma Adj. (2)	Pro Forma	As Reported (1)	Pro Forma Adj. (2)	Pro Forma				% Growth	Currency Impact	Constant Currency Growth	% Growth	Currency Impact	Constant Currency Growth
	Aug 31, 2023	Aug 31, 2023 (unaudited)	Aug 31, 2023	Aug 31, 2022	Aug 31, 2022 (unaudited)	Aug 31, 2022									
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%				
	<u>\$ 78,679</u>	<u>\$ (671)</u>	<u>\$ 78,008</u>	<u>\$ 81,537</u>	<u>\$ (7,746)</u>	<u>\$ 73,791</u>	(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%					
	<u>\$ 78,679</u>	<u>\$ (671)</u>	<u>\$ 78,008</u>	<u>\$ 81,537</u>	<u>\$ (7,746)</u>	<u>\$ 73,791</u>	(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)	Pro Forma Adj. (2)	Pro Forma	As Reported (1)	Pro Forma Adj. (2)	Pro Forma			% Change	% Change
	Aug 31, 2023	Aug 31, 2023 (unaudited)	Aug 31, 2023	Aug 31, 2022	Aug 31, 2022 (unaudited)	Aug 31, 2022				
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.

ANGIODYNAMICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	Aug 31, 2023 (unaudited)	May 31, 2023 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,586	\$ 44,620
Accounts receivable, net	49,755	52,826
Inventories	59,972	55,325
Prepaid expenses and other	8,162	4,617
Current assets held for sale	—	6,154
Total current assets	175,475	163,542
Property, plant and equipment, net	43,356	44,384
Other assets	9,430	10,676
Intangible assets, net	106,671	111,144
Goodwill	159,017	159,238
Non-current assets held for sale	—	43,653
Total assets	\$ 493,949	\$ 532,637
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 24,807	\$ 40,445
Accrued liabilities	26,079	26,617
Current portion of contingent consideration	4,729	14,761
Other current liabilities	1,837	2,002
Total current liabilities	57,452	83,825
Long-term debt	—	49,818
Deferred income taxes	1,279	12,813
Contingent consideration	4,438	4,535
Other long-term liabilities	2,976	3,350
Total liabilities	66,145	154,341
Stockholders' equity	427,804	378,296
Total Liabilities and Stockholders' Equity	\$ 493,949	\$ 532,637

ANGIODYNAMICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended	
	Aug 31, 2023	Aug 31, 2022
	(unaudited)	
Cash flows from operating activities:		
Net income (loss)	\$ 45,884	\$ (13,004)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	6,688	7,660
Non-cash lease expense	476	621
Stock based compensation	4,144	3,024
Gain on disposal of assets	(47,842)	—
Transaction costs for disposition	(2,427)	—
Change in fair value of contingent consideration	(130)	211
Deferred income taxes	(11,415)	(907)
Change in accounts receivable allowances	(78)	45
Fixed and intangible asset impairments and disposals	65	87
Write-off of other assets	869	—
Other	(9)	(96)
Changes in operating assets and liabilities:		
Accounts receivable	3,157	(1,425)
Inventories	(4,574)	(6,238)
Prepaid expenses and other	(4,168)	(5,733)
Accounts payable, accrued and other liabilities	(16,539)	(8,990)
Net cash used in operating activities	(25,899)	(24,745)
Cash flows from investing activities:		
Additions to property, plant and equipment	(791)	(809)
Additions to placement and evaluation units	(767)	(2,227)
Acquisition of intangibles	—	(540)
Proceeds from sale of assets	100,000	—
Net cash provided by (used in) investing activities	98,442	(3,576)
Cash flows from financing activities:		
Repayment of long-term debt	(50,000)	(45,000)
Proceeds from borrowings on long-term debt	—	70,000
Deferred financing costs on long-term debt	—	(706)
Payment of acquisition related contingent consideration	(10,000)	—
Proceeds from exercise of stock options and employee stock purchase plan	410	82
Net cash (used in) provided by financing activities	(59,590)	24,376
Effect of exchange rate changes on cash and cash equivalents	13	(316)
Increase (decrease) in cash and cash equivalents	12,966	(4,261)
Cash and cash equivalents at beginning of period	44,620	28,825
Cash and cash equivalents at end of period	\$ 57,586	\$ 24,564



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

AlphaVac 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 AlphaVac 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)



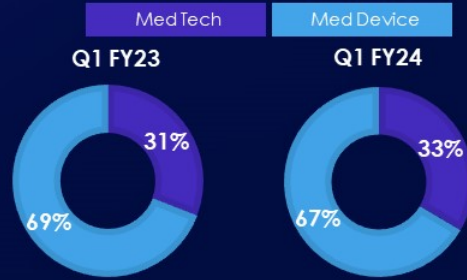
\$ in thousands (except per share data)	Q1 FY24 As Reported	Q1 FY23 As Reported	Change	Q1 FY24 Pro-Forma	Q1 FY23 Pro-Forma	Change
Revenue	\$78,679	\$81,537	(3.5%)	\$78,008	\$73,791	5.7%
Med Tech	\$25,860	\$22,817	13.3%	\$25,860	\$22,817	13.3%
Med Device	\$52,819	\$58,720	(10.0%)	\$52,148	\$50,974	2.3%
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)



Q1 Revenue Contribution



Med Tech
Gross Margin
64.7%

Q1 Revenue Growth



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

	Three Months Ended			Three Months Ended		
	Actual ⁽¹⁾	Pro Forma Adjustments ⁽²⁾	Pro Forma	As Reported ⁽¹⁾	Pro Forma Adjustments ⁽²⁾	Pro Forma
	Aug 31, 2023	Aug 31, 2023	Aug 31, 2023	Aug 31, 2022	Aug 31, 2022	Aug 31, 2022
		(unaudited)			(unaudited)	
Net sales	\$ 78,679	\$(671)	\$ 78,008	\$ 81,537	\$(7,746)	\$ 73,791
Cost of sales (exclusive of intangible amortization)	38,619	(216)	38,401	39,232	(3,106)	36,124
Gross profit	40,060	(455)	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	(39)	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	(13,877)	(4,056)	(17,913)
Income tax benefit	(11,025)	—	(11,025)	(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



	Three Months Ended			Three Months Ended			Actual			Pro Forma		
	Actual ⁽¹⁾	Pro Forma Adj. ⁽²⁾	Pro Forma	As Reported ⁽¹⁾	Pro Forma Adj. ⁽²⁾	Pro Forma	% Growth	Currency Impact	Constant Currency Growth	% Growth	Currency Impact	Constant Currency Growth
	Aug 31, 2023	Aug 31, 2023	Aug 31, 2023	Aug 31, 2022	Aug 31, 2022	Aug 31, 2022						
		(unaudited)			(unaudited)							
Net Sales	\$ 25,860	\$ —	\$ 25,860	\$ 22,817	\$ —	\$ 22,817	13.3%			13.3%		
Med Tech	52,819	(671)	52,148	58,720	(7,746)	50,974	10.5%			2.3%		
Med Device	\$ 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

	Three Months Ended			Three Months Ended			Actual		Pro Forma	
	Actual ⁽¹⁾	Pro Forma Adj. ⁽²⁾	Pro Forma	As Reported ⁽¹⁾	Pro Forma Adj. ⁽²⁾	Pro Forma	% Change	% Change		
	Aug 31, 2023	Aug 31, 2023	Aug 31, 2023	Aug 31, 2022	Aug 31, 2022	Aug 31, 2022				
		(unaudited)			(unaudited)					
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	\$(455)	\$ 22,880	\$ 27,876	\$(4,638)	\$ 23,238	(16.5)%	(1.5)%		
Gross profit % of sales	44.2%		43.9%	47.5%		45.6%				
Total	\$ 40,060	\$(455)	\$ 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	<u>\$ (4,831)</u>	<u>\$ (2,486)</u>
	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	<u>\$ (0.12)</u>	<u>\$ (0.06)</u>
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	<u>\$ 814</u>	<u>\$ 2,961</u>

(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	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	<u>\$ (5,156)</u>	<u>\$ (5,994)</u>

	Pro Forma	
	Three Months Ended	
	Aug 31, 2023	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	<u>\$ (0.13)</u>	<u>\$ (0.15)</u>

Adjusted diluted sharecount (1)

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	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	<u>\$ 392</u>	<u>\$ (1,602)</u>

(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



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