

**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): **April 7, 2020**

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 April 7, 2020, AngioDynamics, Inc. (“AngioDynamics”) issued a press release announcing financial results for the fiscal third quarter ended February 29, 2020. 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 third quarter ended February 29, 2020 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,” “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, 2019 and its Quarterly Reports on Form 10-Q for the fiscal period ended August 31, 2019 and November 30, 2019. 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 April 7, 2020.
99.2	Presentation, dated April 7, 2020.

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: April 7, 2020

By: /s/ Stephen A. Trowbridge
Stephen A. Trowbridge
Executive Vice President, General Counsel
and Chief Financial Officer

**PRESS RELEASE**

Investor Contact:

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

AngioDynamics Reports Fiscal 2020 Third Quarter Financial Results

Fiscal 2020 Third Quarter Highlights

- **Net sales of \$69.8 million increased 6.5% compared to the prior-year quarter**
- **Gross margin declined 40 basis points to 57.8% year over year**
- **GAAP loss per share of \$0.15; adjusted earnings per share of \$0.01**
- **Launched PATHFINDER I Registry to evaluate performance and clinical outcomes of the AURYON™ Atherectomy System**
- **As a result of the uncertainty created by the COVID-19 pandemic, management is withdrawing its fiscal year 2020 financial guidance**

Latham, New York, April 7, 2020 – AngioDynamics, Inc. (NASDAQ: ANGO), a leading provider of innovative, minimally invasive medical devices for vascular access, peripheral vascular disease, and oncology, today announced financial results for the third quarter of fiscal year 2020, which ended February 29, 2020.

“The health and safety of the team is our top priority, and I want to thank each of our team members for the resiliency they have shown. We are very pleased with our third quarter results, as increases across all three of our businesses drove solid ex-Asclera top-line growth of 9.3%,” commented Jim Clemmer, President and Chief Executive Officer of AngioDynamics, Inc. “Looking ahead, we are operating in a very dynamic macro environment, and the coming months are likely to present further challenges. However, our healthy balance sheet and world-class team leave us well-prepared to weather those challenges. We experienced strong momentum during the third quarter, and we look forward to building on that momentum once the environment begins to normalize, as we believe that the long-term fundamentals and growth drivers of our

business remain intact. All of us at AngioDynamics remain steadfastly focused on the health and safety of our employees and patients and ensuring that our physicians and customers have uninterrupted access to our innovative product portfolio in order to deliver the highest quality care possible.”

Third Quarter 2020 Financial Results

Net sales for the third quarter of fiscal 2020 were \$69.8 million, an increase of 6.5% compared to the prior-year quarter. Excluding the impact of Asclera sales, which were discontinued during fiscal year 2019, net sales grew 9.3% year over year. Foreign currency translation did not have a significant impact on the Company’s sales in the quarter.

- Oncology net sales were \$14.6 million, an increase of 5.1% from \$13.9 million a year ago, led by strong NanoKnife sales.
- Vascular Interventions and Therapies (“VIT”) net sales were \$30.6 million, an increase of 4.3%, compared to \$29.3 million a year ago. Excluding last year’s Asclera sales of \$1.7 million in the third quarter, VIT grew 10.5%, driven by higher sales of the Company’s AngioVac, Thrombolytic, and core VIT products.
- Vascular Access net sales were \$24.6 million, an increase of 10.3% from \$22.3 million a year ago, due primarily to higher sales of PICCs, Ports, and Midline products.

Excluding Asclera, U.S. net sales in the third quarter of fiscal 2020 were \$54.9 million, an increase of 6.1% from \$51.7 million a year ago, and International net sales were \$14.9 million, an increase of 22.8% from \$12.1 million a year ago.

Gross margin for the third quarter of fiscal 2020 was 57.8%, a decrease of 40 basis points compared to the third quarter of fiscal 2019, primarily due to product mix.

The Company recorded a net loss from continuing operations of \$5.7 million, or a loss of \$0.15 per share, in the third quarter of fiscal 2020. This compares to a net loss from continuing operations of approximately \$4.6 million, or a loss of \$0.12 per share, a year ago.

Excluding the items shown in the non-GAAP reconciliation table below, adjusted net income for the third quarter of fiscal 2020 was \$0.4 million, or \$0.01 per share, compared to adjusted net income of \$1.9 million, or \$0.05 per share, in the third quarter of fiscal 2019.

Adjusted EBITDA in the third quarter of fiscal 2020, excluding the items shown in the reconciliation table below, was \$3.8 million, compared to \$7.7 million in the third quarter of fiscal 2019.

In the third quarter of fiscal 2020, the Company used \$17.8 million in operating cash and had capital expenditures of \$1.7 million. As of February 29, 2020, the Company had \$27.2 million in cash and cash equivalents and \$15.0 million in debt outstanding.

Nine Months Financial Results

For the nine months ended February 29, 2020:

- Net sales were \$205.8 million, an increase of 3.2%, compared to \$199.5 million for the same period a year ago. Excluding the impact of Asclera, sales of which were discontinued during fiscal year 2019, net sales grew 5.7% year over year.
- The Company's net loss from continuing operations was \$9.7 million, or a loss of \$0.26 per share, compared to a net loss from continuing operations of \$13.9 million, or a loss of \$0.37 per share, a year ago.
- Gross margin improved 80 basis points to 58.3% from 57.5% a year ago.
- Excluding the items shown in the non-GAAP reconciliation table below, adjusted net income was \$5.7 million, or \$0.15 per share, compared to adjusted net income of \$5.4 million, or \$0.14 per share, a year ago.
- Adjusted EBITDA, excluding the items shown in the reconciliation table below, was \$17.5 million, compared to \$22.0 million for the same period a year ago.

Fiscal Year 2020 Financial Guidance

As a result of the ongoing pandemic, health systems throughout the country, many of which are AngioDynamics customers, are currently prioritizing the care of COVID-19 patients. Consequently, certain of the procedures that the Company supports have been, and will continue to be, impacted. Given the uncertainty surrounding the magnitude and duration of these impacts, management is withdrawing its fiscal year 2020 financial guidance.

Conference Call

The Company's management will host a conference call today at 8:00 a.m. ET to discuss its fiscal 2020 third quarter results.

To participate in the conference call, dial 1-877-407-0784 (domestic) or +1-201-689-8560 (international) and refer to the passcode 13700177.

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 Tuesday, April 7, 2020, until 11:59 p.m. ET on Tuesday, April 14, 2020. To hear this recording, dial 1-844-512-2921 (domestic) or +1-412-317-6671 (international) and enter the passcode 13700177.

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 adjusted EBITDA, adjusted net income, adjusted earnings per share, free cash flow and net sales excluding Asclera. 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, Inc. is a leading provider of innovative, minimally invasive medical devices used by professional healthcare providers for vascular access, peripheral vascular disease, and oncology. AngioDynamics' diverse product lines include market-leading ablation systems, vascular access products, angiographic products and accessories, drainage products, thrombolytic products and venous products. 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," "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 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, 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 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, 2019 and its Quarterly Report on Form 10-Q for the period ended February 29, 2020. 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		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Net sales	\$ 69,780	\$ 65,524	\$ 205,825	\$ 199,451
Cost of sales (exclusive of intangible amortization)	29,481	27,361	85,765	84,783
Gross profit	40,299	38,163	120,060	114,668
% of net sales	57.8 %	58.2 %	58.3 %	57.5 %
Operating expenses				
Research and development	8,395	6,915	22,450	21,365
Sales and marketing	20,934	18,385	60,427	56,054
General and administrative	10,203	8,718	29,651	26,414
Amortization of intangibles	5,019	4,660	13,417	12,599
Change in fair value of contingent consideration	419	609	116	865
Acquisition, restructuring and other items, net	1,565	2,550	4,486	9,700
Total operating expenses	46,535	41,837	130,547	126,997
Operating loss	(6,236)	(3,674)	(10,487)	(12,329)
Interest expense, net	(166)	(1,442)	(672)	(3,689)
Other expense, net	(131)	(266)	(67)	(72)
Total other expense, net	(297)	(1,708)	(739)	(3,761)
Loss from continuing operations before income tax benefit	(6,533)	(5,382)	(11,226)	(16,090)
Income tax benefit	(824)	(773)	(1,506)	(2,191)
Net loss from continuing operations	(5,709)	(4,609)	(9,720)	(13,899)
Income from discontinued operations, net of income tax	—	5,405	—	16,366
Net income (loss)	\$ (5,709)	\$ 796	\$ (9,720)	\$ 2,467
Loss per share - continuing operations				
Basic	\$ (0.15)	\$ (0.12)	\$ (0.26)	\$ (0.37)
Diluted	\$ (0.15)	\$ (0.12)	\$ (0.26)	\$ (0.37)
Income per share - discontinued operations				
Basic	\$ —	\$ 0.14	\$ —	\$ 0.44
Diluted	\$ —	\$ 0.14	\$ —	\$ 0.44
Income (loss) per share				
Basic	\$ (0.15)	\$ 0.02	\$ (0.26)	\$ 0.07
Diluted	\$ (0.15)	\$ 0.02	\$ (0.26)	\$ 0.07
Weighted average shares outstanding				
Basic	37,999	37,518	37,924	37,446
Diluted	37,999	37,518	37,924	37,446

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

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

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Net loss from continuing operations	\$ (5,709)	\$ (4,609)	\$ (9,720)	\$ (13,899)
Amortization of intangibles	5,019	4,660	13,417	12,599
Change in fair value of contingent consideration	419	609	116	865
Acquisition, restructuring and other items, net (1)	1,565	2,550	4,486	9,700
Write-off of deferred financing fees (2)	—	—	593	—
Tax effect of non-GAAP items (3)	(932)	(1,334)	(3,205)	(3,818)
Adjusted net income	<u>\$ 362</u>	<u>\$ 1,876</u>	<u>\$ 5,687</u>	<u>\$ 5,447</u>

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

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Diluted loss per share	\$ (0.15)	\$ (0.12)	\$ (0.26)	\$ (0.37)
Amortization of intangibles	0.13	0.12	0.35	0.33
Change in fair value of contingent consideration	0.01	0.02	—	0.02
Acquisition, restructuring and other items, net (1)	0.04	0.07	0.12	0.25
Write-off of deferred financing fees (2)	—	—	0.02	—
Tax effect of non-GAAP items (3)	(0.02)	(0.04)	(0.08)	(0.09)
Adjusted diluted earnings per share	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.15</u>	<u>\$ 0.14</u>
Adjusted diluted sharecount	38,094	38,338	38,111	38,350

(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) Deferred financing fees related to the old credit agreement were written off during the first quarter of fiscal year 2020.

(3) 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 February 29, 2020 and February 28, 2019.

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

Reconciliation of Net Loss to Adjusted EBITDA

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Net loss from continuing operations	\$ (5,709)	\$ (4,609)	\$ (9,720)	\$ (13,899)
Income tax benefit	(824)	(773)	(1,506)	(2,191)
Interest expense, net	166	1,442	672	3,689
Depreciation and amortization	6,401	6,066	17,434	16,767
Change in fair value of contingent consideration	419	609	116	865
Stock based compensation	1,772	2,370	5,998	7,096
Acquisition, restructuring and other items, net ⁽¹⁾	1,565	2,550	4,486	9,700
Adjusted EBITDA	<u>\$ 3,790</u>	<u>\$ 7,655</u>	<u>\$ 17,480</u>	<u>\$ 22,027</u>
Per diluted share:				
Adjusted EBITDA	\$ 0.10	\$ 0.20	\$ 0.46	\$ 0.57

(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					Nine months ended				
	Feb 29, 2020	Feb 28, 2019	% Growth	Currency Impact	Constant Currency Growth	Feb 29, 2020	Feb 28, 2019	% Growth	Currency Impact	Constant Currency Growth
	(unaudited)					(unaudited)				
Net Sales by Product Category										
Vascular Interventions & Therapies	\$ 30,552	\$ 29,298	4.3%			\$ 90,616	\$ 88,870	2.0%		
Vascular Access	24,642	22,348	10.3%			70,585	69,861	1.0%		
Oncology	14,586	13,878	5.1%			44,624	40,720	9.6%		
	<u>\$ 69,780</u>	<u>\$ 65,524</u>	6.5%	0.0%	6.5%	<u>\$ 205,825</u>	<u>\$ 199,451</u>	3.2%	0.0%	3.4%
Net Sales by Geography										
United States	\$ 54,889	\$ 53,400	2.8%	0.0%	2.8%	\$ 163,381	\$ 161,195	1.4%	0.0%	1.4%
International	14,891	12,124	22.8%	0.0%	23.1%	42,444	38,256	10.9%	1.0%	11.8%
	<u>\$ 69,780</u>	<u>\$ 65,524</u>	6.5%	0.0%	6.5%	<u>\$ 205,825</u>	<u>\$ 199,451</u>	3.2%	0.0%	3.4%

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

	Feb 29, 2020 (unaudited)	May 31, 2019 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 27,160	\$ 227,641
Accounts receivable, net	35,619	43,577
Inventories	54,898	40,071
Prepaid expenses and other	11,369	4,003
Total current assets	<u>129,046</u>	<u>315,292</u>
Property, plant and equipment, net	28,182	24,258
Other assets	13,684	3,835
Intangible assets, net	201,956	145,387
Goodwill	359,093	347,666
Total assets	<u>\$ 731,961</u>	<u>\$ 836,438</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 18,304	\$ 22,829
Accrued liabilities	27,445	38,338
Current portion of long-term debt	—	7,500
Current portion of contingent consideration	889	4,635
Other current liabilities	2,074	—
Total current liabilities	<u>48,712</u>	<u>73,302</u>
Long-term debt, net of current portion	14,341	124,407
Contingent consideration, net of current portion	26,405	8,851
Deferred income taxes	24,013	14,542
Other long-term liabilities	8,015	521
Total liabilities	<u>121,486</u>	<u>221,623</u>
Stockholders' equity	610,475	614,815
Total Liabilities and Stockholders' Equity	<u>\$ 731,961</u>	<u>\$ 836,438</u>

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

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Cash flows from operating activities:				
Net income (loss)	\$ (5,709)	\$ 796	\$ (9,720)	\$ 2,467
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	6,440	6,867	17,550	19,158
Non-cash lease expense	663	—	1,567	—
Stock based compensation	1,772	2,378	5,998	7,119
Change in fair value of contingent consideration	419	609	116	865
Deferred income taxes	(872)	138	(1,606)	633
Change in accounts receivable allowances	(13)	(24)	186	(99)
Fixed and intangible asset impairments and disposals	26	677	395	689
Write-off of other assets	—	—	593	—
Other	97	12	70	(5)
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	(1,630)	(785)	7,834	(3,853)
Inventories	(4,027)	(1,747)	(14,036)	(2,702)
Prepaid expenses and other	(5,834)	(325)	(9,378)	(1,508)
Accounts payable, accrued and other liabilities	(9,169)	(254)	(18,003)	(10,336)
Net cash provided by (used in) operating activities	(17,837)	8,342	(18,434)	12,428
Cash flows from investing activities:				
Additions to property, plant and equipment	(1,742)	(887)	(5,756)	(2,303)
Acquisition of intangibles	—	—	(350)	—
Cash paid in acquisition	(10,000)	—	(55,760)	(84,920)
Proceeds from sale of marketable securities	—	1,350	—	1,350
Net cash provided by (used in) investing activities	(11,742)	463	(61,866)	(85,873)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	15,000	—	15,000	55,000
Repayment of long-term debt	—	(11,250)	(132,500)	(13,750)
Deferred financing costs on long-term debt	(34)	—	(775)	—
Payment of acquisition related contingent consideration	—	—	(1,208)	(2,100)
Proceeds (outlays) from exercise of stock options and employee stock purchase plan	594	1,169	(706)	2,023
Net cash provided by (used in) financing activities	15,560	(10,081)	(120,189)	41,173
Effect of exchange rate changes on cash and cash equivalents	(68)	160	8	(120)
Decrease in cash and cash equivalents	(14,087)	(1,116)	(200,481)	(32,392)
Cash and cash equivalents at beginning of period	41,247	42,820	227,641	74,096
Cash and cash equivalents at end of period	\$ 27,160	\$ 41,704	\$ 27,160	\$ 41,704

ANGIODYNAMICS, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION
(in thousands)

Reconciliation of Free Cash Flows:

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Net cash provided by (used in) operating activities	\$ (17,837)	\$ 8,342	\$ (18,434)	\$ 12,428
Additions to property, plant and equipment	(1,742)	(887)	(5,756)	(2,303)
Free Cash Flow	\$ (19,579)	\$ 7,455	\$ (24,190)	\$ 10,125

AngioDynamics

Third Quarter 2020 Earnings Presentation

April 7, 2020

Forward-Looking Statements

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 operations, cash flows, business strategy, budgets, projected costs, capital expenditures, products, competitive positions, growth opportunities, plans and other forward-looking statements that include the words such as “expects,” “reaffirms,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “optimistic,” or variations of these words 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 results may differ materially from the expectations. Factors that may affect the actual results achieved by AngioDynamics include, without limitation, the scale and scope of the COVID-19 pandemic, the impact of the pandemic on the global economy, new products, technological advances and patents attained by competitors, infringement of AngioDynamics’ technology or assertions that AngioDynamics cannot or will not be able to effectively compete against competitors that have substantially greater resources, future actions by the FDA or other regulatory agencies, changes in regulations, results of pending or future clinical trials, overall economic conditions, the results of on-going litigation, challenges with respect to third-party sales efforts, the effects of product recalls and product liability claims, changes in key personnel, the ability of AngioDynamics to execute on strategic initiatives, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from group purchasing organization contracts, changes in the pricing of AngioDynamics’ products, changes in the mix of AngioDynamics’ 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 period ended February 29, 2020. AngioDynamics does not assume any obligation to publicly update or revise any forward-looking statements.

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. The NanoKnife System has not been cleared for use in 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 performance of the company. Management asks investors to 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 (income before interest, taxes, depreciation and amortization and stock-based compensation); adjusted net income; adjusted earnings per share; free cash flow; and operating margin. Management uses these measures in its internal analysis and review of operational performance. Management believes that these measures provide a better picture of the company’s performance over different periods. By using these non-GAAP measures, management believes that investors get a better picture of the performance of the company. Management asks investors to review AngioDynamics’ financial results prepared in accordance with GAAP to understand AngioDynamics’ performance taking into account the impact of these non-GAAP measures, which may have a material impact on AngioDynamics’ financial results. Please see the tables that follow for a reconciliation of non-GAAP measures to GAAP.

Third Quarter FY2020 Highlights

Financial Performance			
(in millions)	Q3 FY20	Q3 FY19	Change
Revenue	\$69.8	\$65.5	6.5%
Revenue Excluding Asclera	\$69.8	\$63.9	9.3%
Gross Margin	57.8%	58.2%	(40 bps)
Adjusted EPS	\$0.01	\$0.05	(\$0.04)
Adjusted EBITDA	\$3.8	\$7.7	(\$3.9)
Cash Used in Operations	(\$17.8)	\$8.3	
Free Cash Flow	(\$19.6)	\$7.5	

Product
Vascular Interventions and
AngioVac
Thrombo
Core Peri
Venous In
Vascular Access
Midlines
PICCs
Ports
Dialysis
Oncology
NanoKnif
Solero® M
BioSentry
Alatus an
RadioFre

* Excluding Asclera, Venous Ins

Corporate Developments
<ul style="list-style-type: none"> Monitoring sales, liquidity, procedural volume and third party spend in light of COVID-19. Please refer to "Risk Factors" in Operational modifications in light of COVID-19 – Field based and office based personnel working remotely: Manuf NanoKnife DIRECT study: 19 sites have secured IRB approval. Acquisition of the C3 Wave PICC tip location system in December 2019. As a result of the ongoing COVID-19 pandemic and the resulting uncertain impact on the healthcare system, the C

Third Quarter FY2020 Results (unaudited)

<i>\$ in thousands (except per share data)</i>	FY2020 Q3 Results	FY2019 Q3 Results	Change
Revenue	\$69,780	\$65,524	6.5%*
Vascular Interventions and Therapies	30,552	29,298	4.3%*
Vascular Access	24,642	22,348	10.3%
Oncology	14,586	13,878	5.1%
United States	54,889	53,400	2.8%*
International	14,891	12,124	22.8%
Net Loss from Continuing Operations	(\$5,709)	(\$4,609)	
Adjusted Net Income	\$362	\$1,876	
GAAP Loss Per Share	(\$0.15)	(\$0.12)	
Non-GAAP Adjusted EPS	\$0.01	\$0.05	
Gross Margin	57.8%	58.2%	
Adjusted EBITDA	\$3,790	\$7,655	
Free Cash Flow	(\$19,579)	\$7,455	
Cash	\$27,160	\$227,641**	
Debt	\$15,000	\$132,500**	

* When excluding Asclera:

AngioDynamics growth was 9.3% FY20 Q3 and 5.7% YTD

Vascular Interventions and Therapies growth was 10.5% FY20 Q3 and 7.8% YTD

U.S. growth was 6.1% FY20 Q3 and 4.5% YTD

** Balances reflect amounts at May 31, 2019.

COVID-19 Risk Factor (included in the February 29, 2020 10-Q)

We are dependent on the proper functioning of our critical facilities, our supply chain and distribution networks and our sales force as well as the financial stability of our customers, all of which may be materially adversely affected by the coronavirus.

Our ability to manufacture products may be materially adversely impacted by the coronavirus.

The Novel Coronavirus Disease 2019 (COVID-19) ("coronavirus") is impacting worldwide economic activity. Estimates for economic growth have been reduced as a result of the coronavirus, and globally, has been declared a pandemic by the World Health Organization and has spread to over 100 countries, including the United States. The impact of this pandemic has been and will likely continue to result in significant disruptions to the global economy, as well as businesses and capital markets around the world. With the spread of the coronavirus to the United States and other countries on a worldwide basis. Many employers in the United States are requiring their employees to work from home or not come into their offices or facilities. We manufacture primarily out of one facility. The manufacturing capabilities of these two sites are impacted as a result of the coronavirus, it may not be possible for us to timely manufacture relevant products at required levels or at all. A reduction in demand for our products, results of operations, financial condition and cash flows.

We also might be unable to obtain products, product components, or sterilized products from our suppliers and vendors due to the additional constraints on suppliers created by the coronavirus, which may delay manufacturing of our products and result in the cancellation of orders for our products.

Our sales may be materially adversely impacted by the coronavirus.

Our sales force functions by meeting in person with physicians and health care providers to discuss our products. The coronavirus may negatively affect demand for our products by limiting the time period of time. We may also find that distributors will have to prioritize their work load and may be forced to slow their activities as a result of the coronavirus. As a result, we cannot assure you that we will be able to increase or maintain our current unit pricing, which, in turn, could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, there may be a reduction in demand for our products in their respective countries.

We may also experience significant and unpredictable reductions in demand for certain products as our health care customers re-prioritize the treatment of patients and divert resources away from certain products, which will negatively impact the usage of certain products, including, without limitation, our EVLT and core products and certain Oncology products. As a result of coronavirus, our customers and vendors may be unable to purchase our products or pay for our products on a timely basis, if at all.

The execution of our clinical studies may be materially adversely impacted by the coronavirus.

Our future business prospects are highly dependent on generating, collecting and disseminating data pursuant to clinical trials. Clinical trials, including, without limitation, our DIRECT Study, which is dependent on data on the use of our Atherectomy laser, may be materially impacted by the coronavirus as hospitals prioritize treating coronavirus patients and creating capacity. Delays in the initiation of clinical trials may have a material adverse effect on our results of operations and future business prospects.

Our ability to raise capital may be materially adversely impacted by the coronavirus.

Any sustained disruption in the capital markets from the COVID-19 pandemic could negatively impact our ability to raise capital. As of the end of our third fiscal quarter we have a strong balance sheet. We cannot predict when the macro-economic disruption stemming from the coronavirus will ebb or when the economy will return to pre-coronavirus levels, if at all. If the macro-economic disruption continues, we may not be able to raise capital on acceptable terms, or at all.

The impact of the coronavirus on economic activity, and its effect on our manufacturing facility, supply chain and distribution networks, our sales force and our customers are uncertain at this time and the effects may persist or exacerbate over an extended period of time.

Value of our goodwill and other long lived intangible assets may be materially impaired as a result of COVID-19.

A significant portion of our assets consists of goodwill, intangible assets and fixed assets, the carrying value of which may be reduced if we determine that those assets are impaired.

Most of our intangible and fixed assets have finite useful lives and are amortized or depreciated over their useful lives on either a straight-line basis or over the expected period of benefit or over the useful lives of these intangible assets are reviewed quarterly and more often if an event or circumstance occurs making it likely that the carrying value of the assets may be impaired. Whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable we test intangible assets for impairment based on estimates of future cash flows. A reduction in demand for our products may be materially negative impacts the assumptions we made with respect to our goodwill and other long lived intangible assets and could result in an impairment of such assets.



GAAP to Non-GA

Reconciliation of GAAP to Non-GAAP Net Income

Amounts in thousands	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Net loss from continuing operations	\$ (5,709)	\$ (4,609)	\$ (9,720)	\$ (13,899)
Amortization of intangibles	5,019	4,660	13,417	12,599
Change in fair value of contingent consideration	419	609	116	865
Acquisition, restructuring and other items, net ⁽¹⁾	1,565	2,550	4,486	9,700
Write-off of deferred financing fees ⁽²⁾	—	—	593	—
Tax effect of non-GAAP items ⁽³⁾	(932)	(1,334)	(3,205)	(3,818)
Adjusted net income	<u>\$ 362</u>	<u>\$ 1,876</u>	<u>\$ 5,687</u>	<u>\$ 5,447</u>

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
	(unaudited)		(unaudited)	
Diluted loss per share	\$ (0.15)	\$ (0.12)	\$ (0.26)	\$ (0.37)
Amortization of intangibles	0.13	0.12	0.35	0.33
Change in fair value of contingent consideration	0.01	0.02	—	0.02
Acquisition, restructuring and other items, net ⁽¹⁾	0.04	0.07	0.12	0.25
Write-off of deferred financing fees ⁽²⁾	—	—	0.02	—
Tax effect of non-GAAP items ⁽³⁾	(0.02)	(0.04)	(0.08)	(0.09)
Adjusted diluted earnings per share	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.15</u>	<u>\$ 0.14</u>
Adjusted diluted sharecount	38,094	38,338	38,111	38,350

Reconciliation of Net Loss to Adjusted EBI

Amounts in thousands

	Three months ended		Nine mon
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020
	(unaudited)		(unau)
Net loss from continuing operations	\$ (5,709)	\$ (4,609)	\$ (9,720)
Income tax benefit	(824)	(773)	(1,506)
Interest expense, net	166	1,442	672
Depreciation and amortization	6,401	6,066	17,434
Change in fair value of contingent consideration	419	609	116
Stock based compensation	1,772	2,370	5,998
Acquisition, restructuring and other items, net ⁽¹⁾	1,565	2,550	4,486
Adjusted EBITDA	<u>\$ 3,790</u>	<u>\$ 7,655</u>	<u>\$ 17,480</u>
Per diluted share:			
Adjusted EBITDA	\$ 0.10	\$ 0.20	\$ 0.46

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

Growth *THROUGH*

Focus | Execution | Accountability
