

# J.P. Morgan Healthcare Conference AngioDynamics Investor Presentation

Jim Clemmer, President and CEO

January 8, 2019

# 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 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 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, 2018. AngioDynamics does not assume any obligation to publicly update or revise any forward-looking statements for any reason.

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

## Notice Regarding Non-GAAP Financial Measures

Management uses non-GAAP measures to establish operational goals, and believes that non-GAAP measures may assist investors in analyzing the underlying trends in AngioDynamics' business over time. Investors should consider these non-GAAP measures in addition to, not as a substitute for or as superior to, financial reporting measures prepared in accordance with GAAP. In this presentation, AngioDynamics has reported adjusted EBITDAS (income before interest, taxes, depreciation and amortization and stock-based compensation); adjusted net income; adjusted earnings per share and free cash flow. 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.

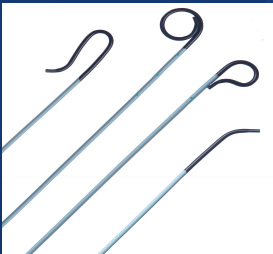
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## FOCUS | EXECUTION | ACCOUNTABILITY

30 YEARS

Since its founding, AngioDynamics has earned the trust of the medical community. It's a trust built by being a committed partner with a continuous focus on the development of innovative medical devices that address unmet patient needs and a supporter of the medical community's mission to deliver improved patient outcomes.



Benefiting from a rich history that's deeply rooted in the heart of "Catheter Valley" in upstate New York, AngioDynamics has grown through its many phases to become an industry-leading provider of high-quality medical devices used by physicians for the treatment of cancer and peripheral vascular disease around the world.



1,200+

EMPLOYEES

200+

GLOBAL SALES TEAM

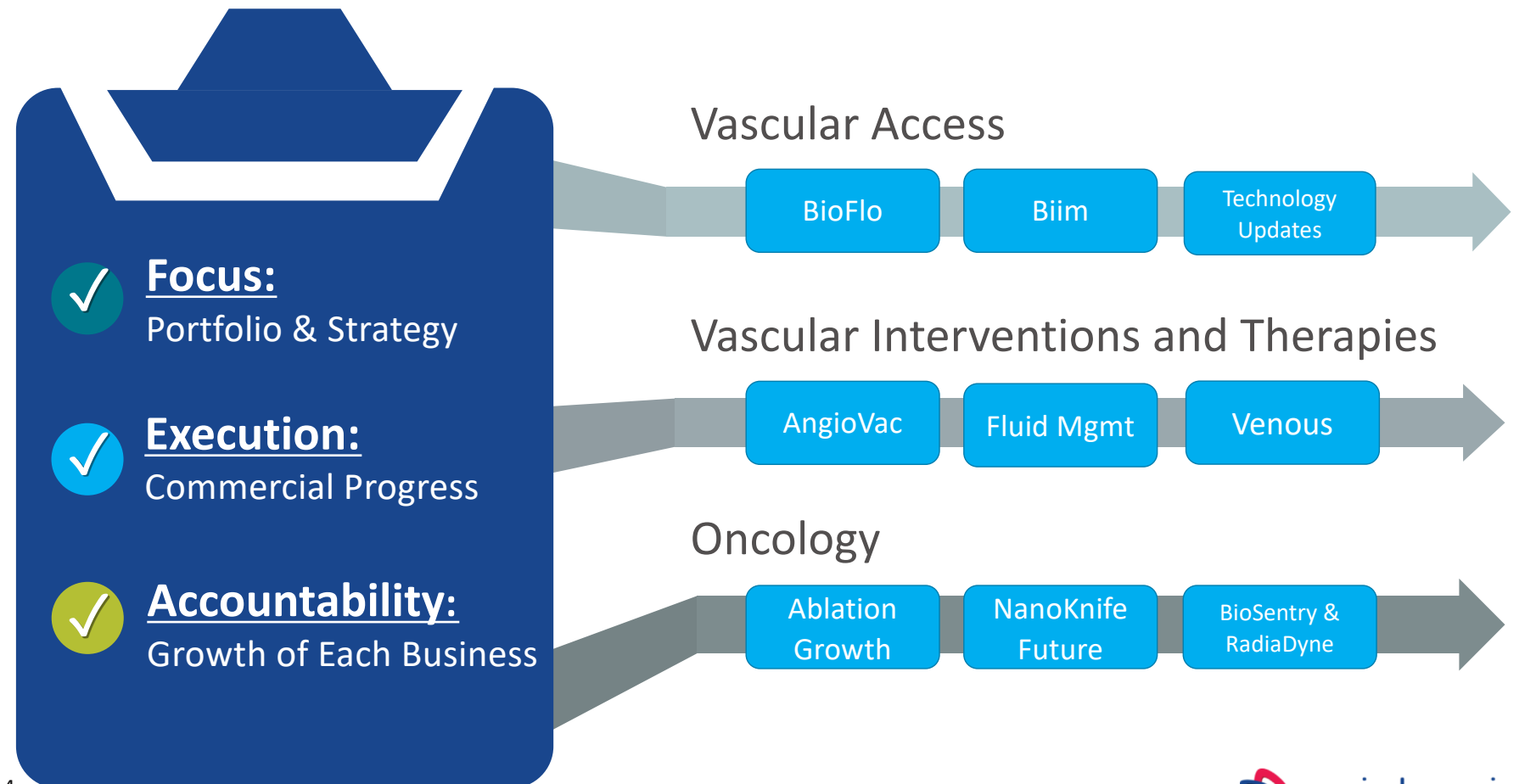
60+

INT'L MARKET PRESENCE

9

OPERATING LOCATIONS

## AngioDynamics' Global Business Units



# AngioDynamics' FY2019 Framework for Growth



## Operational Excellence

- Deliver sustainable and improved margins
- Focus investments on growth and innovation
- Continue commitment to quality and compliance
- Generate strong free cash flow



## Value Creation

- Practice dispassionate portfolio optimization
- Focus on areas of compelling unmet needs: patient-centric/evidence-based
- Increase focus on high-growth markets
- Target global expansion opportunities

**AngioVac**  
Cannula and Circuit

**BioFlo**

**NanoKnife**

**RADIADYNE**  
REDEFINING PATIENT MONITORING

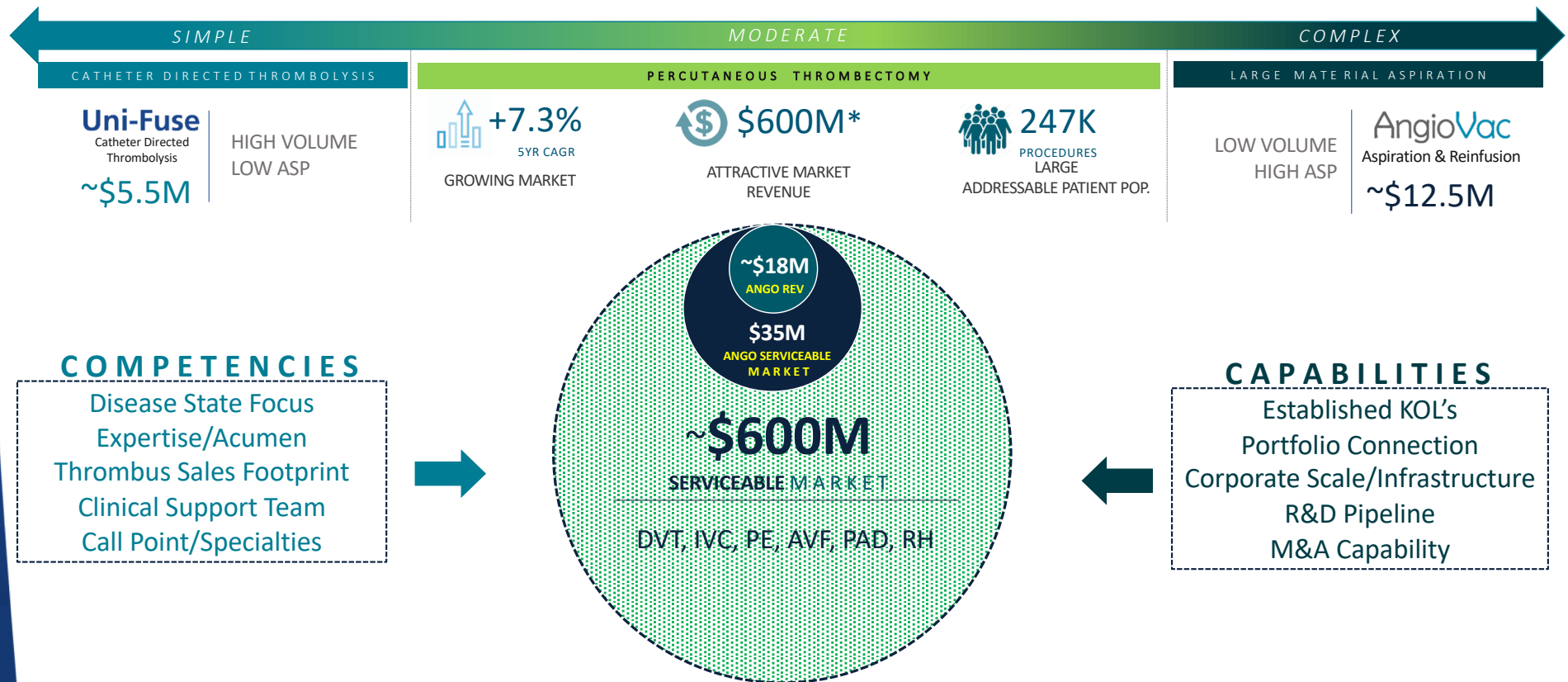
**Solero**  
Microwave Tissue Ablation System

**VenaCure EVLT**

**namic**  
fluid management

# Core Strategic Investments

# Thrombus Management Opportunity



*Our market presence & resources afford us opportunities to increase access*

## OPPORTUNITY: Comprehensive Thrombus Management Portfolio

CURRENT  
PORTFOLIO

**Uni-Fuse**  
**AngioVac**

*Through R&D + M&A we will build a competitive portfolio to capture more procedures in an attractive market*

ORGANIC  
R&D

**AngioVac**  
GENERATION 3  
STEERABLE CAPABILITIES

**AngioVac**  
GENERATION 4  
EXPANDED INDICATIONS

IN-ORGANIC  
M&A

**Acquisition**  
Mechanical Retrievable

**Acquisition**  
Mechanical Thrombectomy

ANGIO REVENUE	~\$18M	~\$50-60M	~\$90-100M
SERVICEABLE MARKET	\$35M	\$300M	\$600M

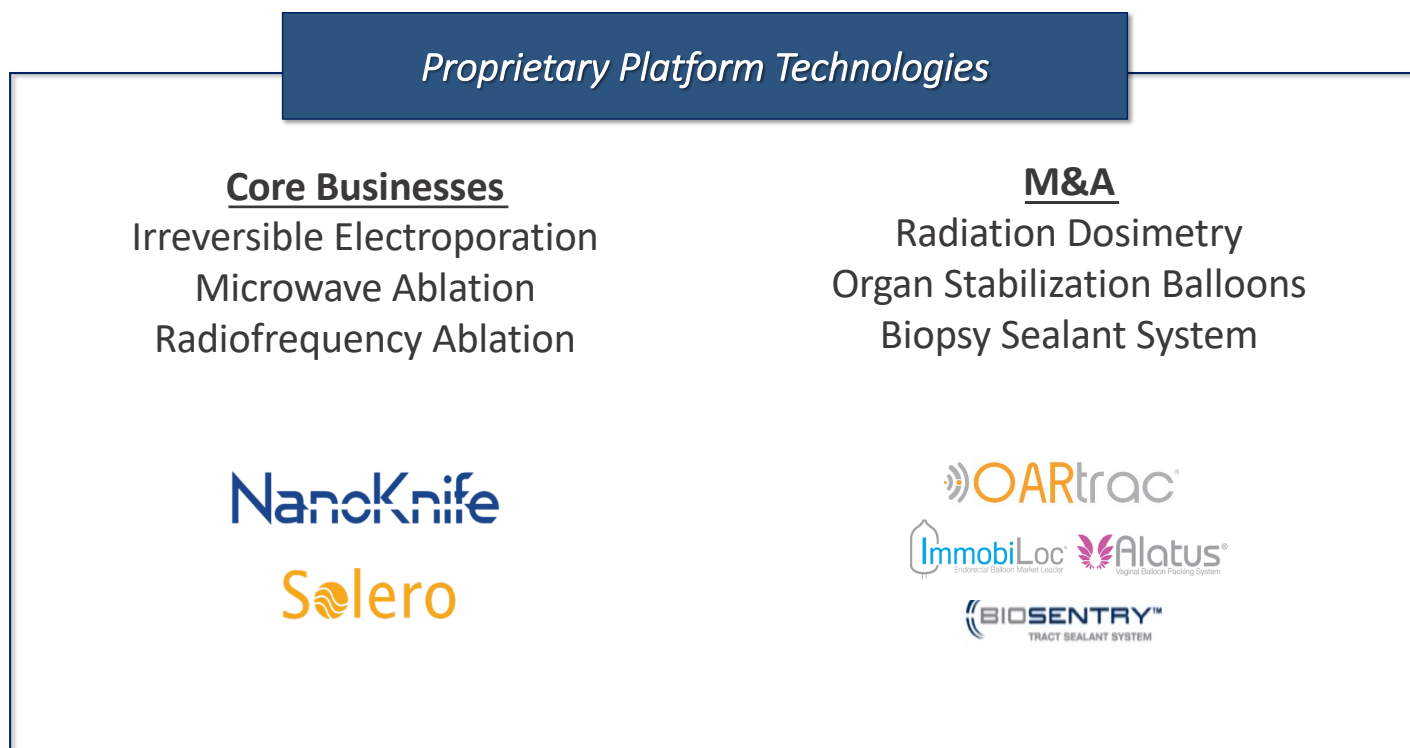
CURRENT

~3 YRS

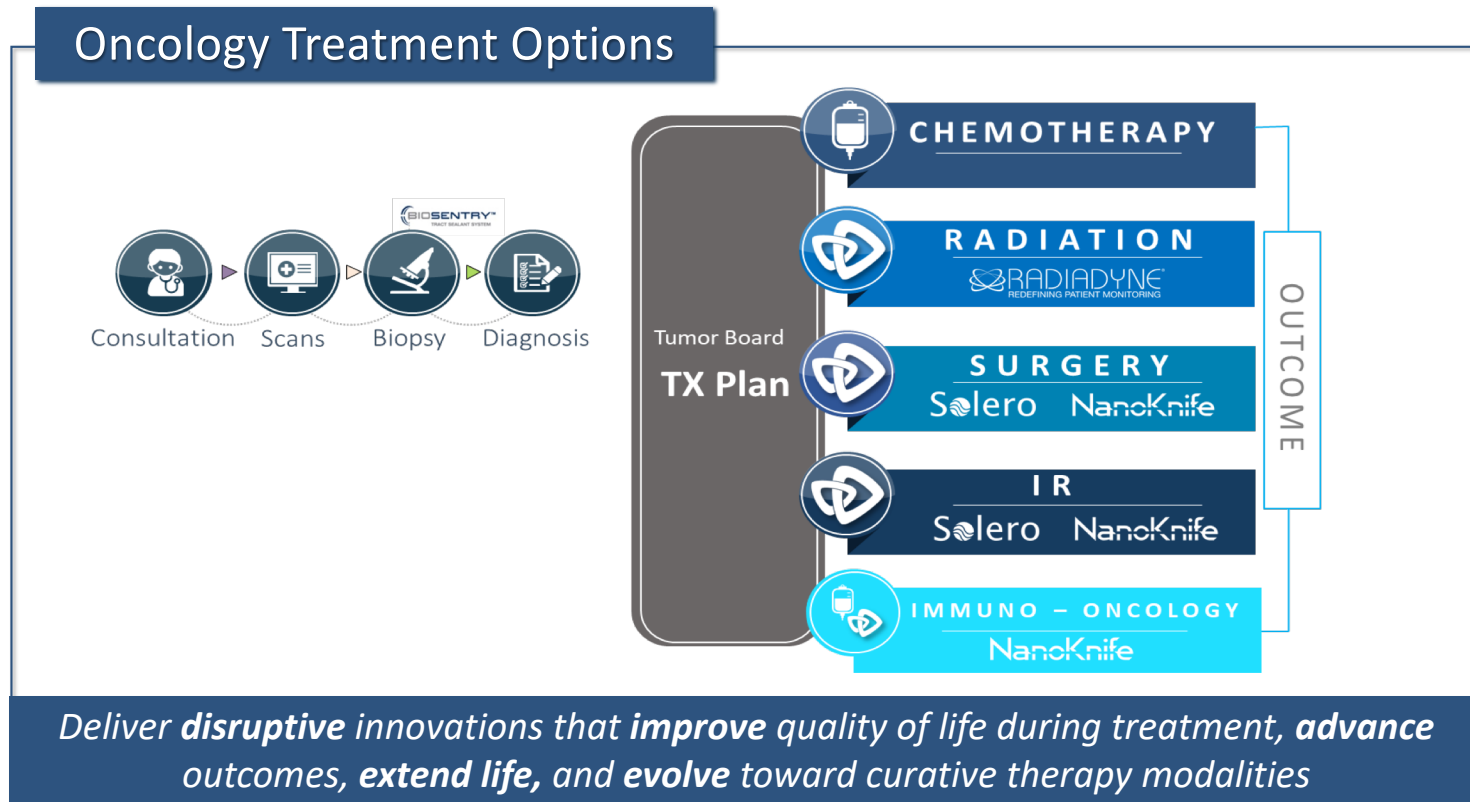
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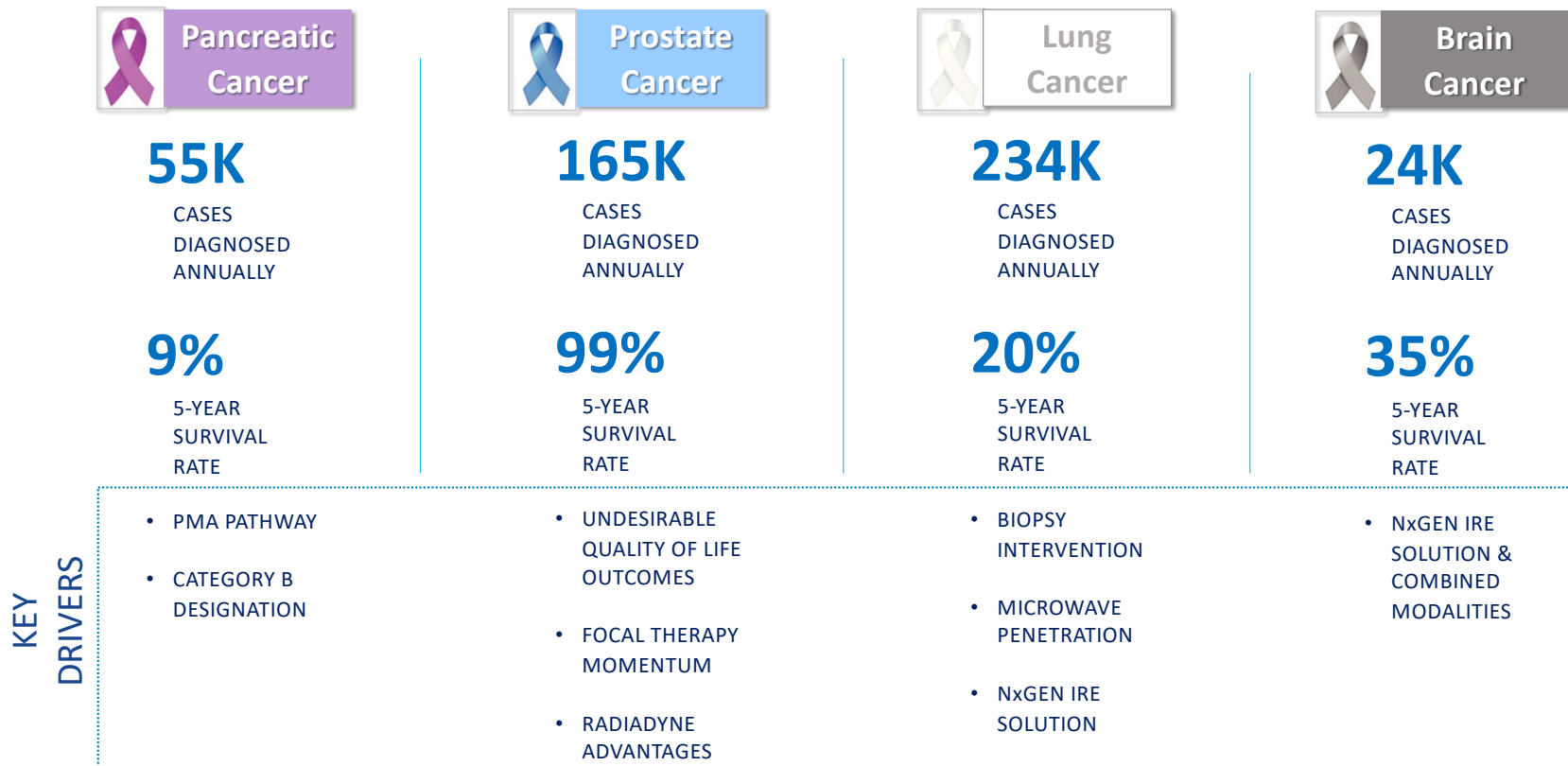
## Expanding Global Oncology Portfolio



# Redefining Caregiver and Patient Journey



# Addressing Attractive Market Segments with Significant Unmet Needs



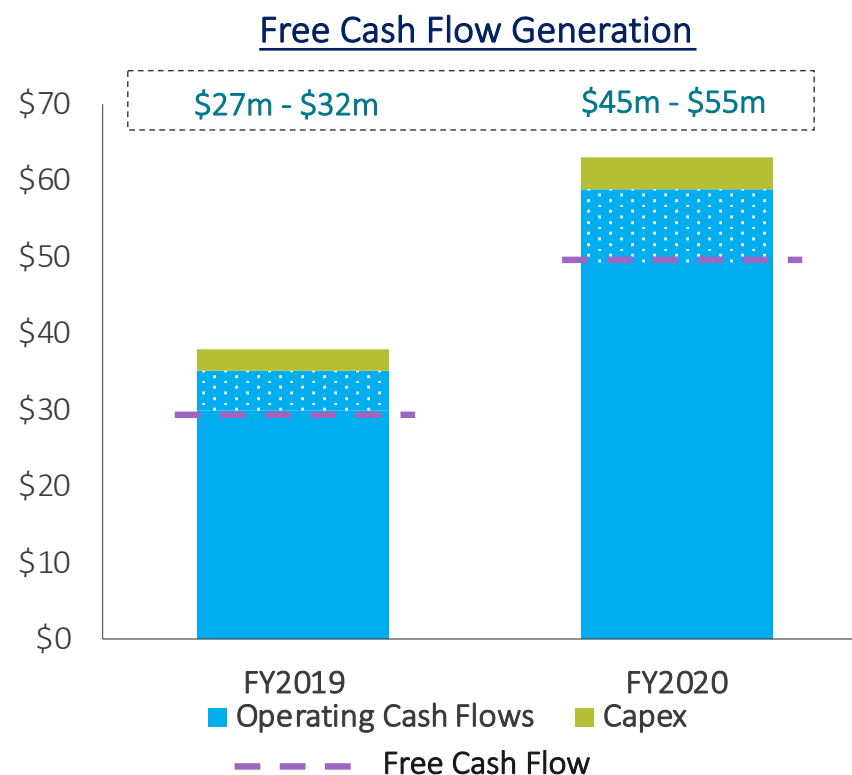
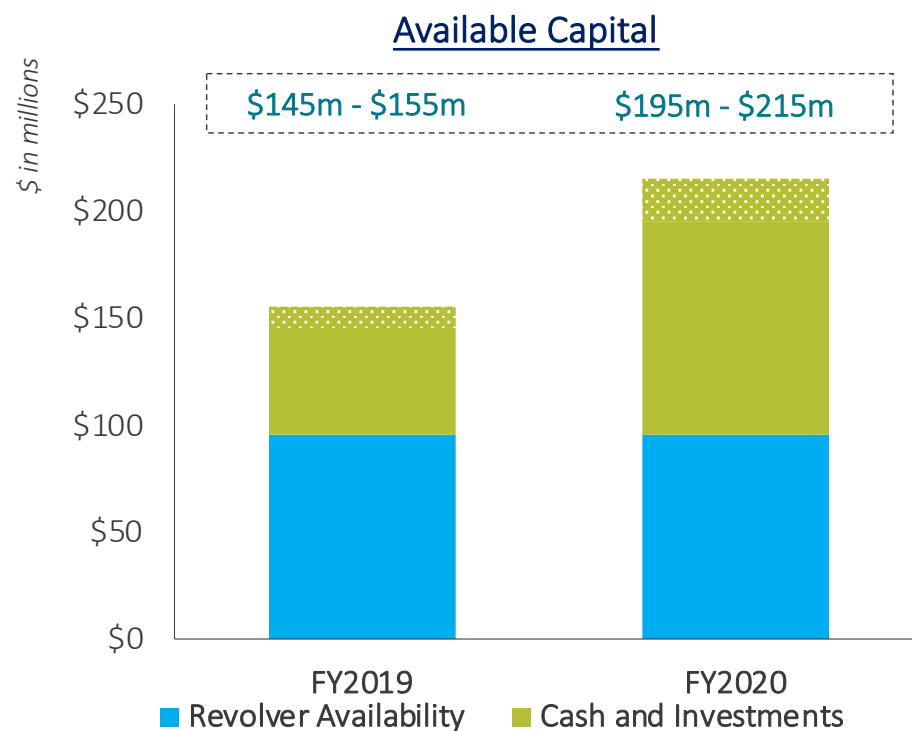
# Financial Update

## FY 2019 Six-Month Actuals and Full-Year Expectations

	FY2019 First Half Results	FY2019 FY Expectations
Revenue	\$176.8M	\$354M – \$359M
GAAP Earnings Per Share	\$0.04	\$0.21 – \$0.26
Non-GAAP Adjusted EPS†	\$0.38	\$0.82 – \$0.86
Gross Margin	52.9%	54% - 55%
Adjusted EBITDAS†	\$28.9M	\$55M+
Free Cash Flow	\$2.7M	\$26M - \$31M
Cash and Cash Equivalents	\$42.8M	\$60M+
Debt	\$145.0M	\$142.5M

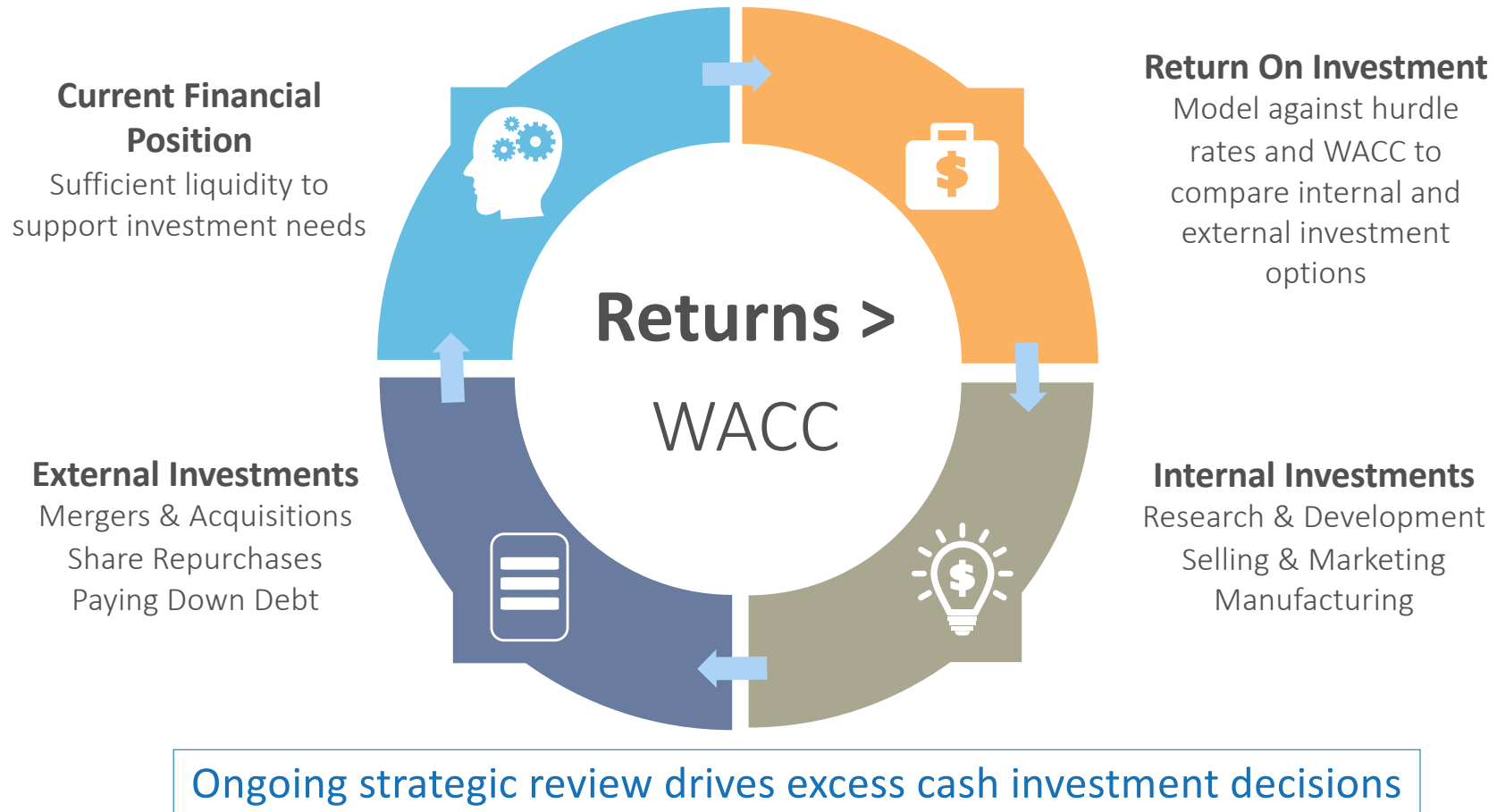
† Adjusted EBITDAS is defined as Net Income (loss) before interest, taxes, depreciation, amortization and stock based compensation adjusted for any one time/unusual and non-cash items, as well as legal costs related to litigation that is not in the ordinary course of business. Adjusted EPS is defined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

## Significant Liquidity Drives Capital Allocation Strategy



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

## Focus on Return on Invested Capital



## Our Vision for AngioDynamics

1

Be recognized as a  
consistent, high-  
performing  
MedTech company

2

Partner with  
providers and  
caregivers to  
deliver superior  
care to patients

3

Increase our value  
to each of our  
stakeholders



# Reconciliation Tables

# Reconciliation Tables

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

	Three months ended		Six months ended	
	November 30, 2018	November 30, 2017	November 30, 2018	November 30, 2017
	(unaudited)		(unaudited)	
Net income	\$ 2,140	\$ 249	\$ 1,671	\$ 214
Amortization of intangibles	5,188	4,146	9,304	8,242
Change in fair value of contingent consideration	244	82	256	187
Acquisition, restructuring and other items, net (1)	2,728	4,766	7,150	7,755
Tax effect of non-GAAP items (2)	(1,914)	(2,945)	(3,779)	(5,123)
Adjusted net income	<u>\$ 8,386</u>	<u>\$ 6,298</u>	<u>\$ 14,602</u>	<u>\$ 11,275</u>

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

	Three months ended		Six months ended	
	November 30, 2018	November 30, 2017	November 30, 2018	November 30, 2017
	(unaudited)		(unaudited)	
Diluted earnings per share	\$ 0.06	\$ 0.01	\$ 0.04	\$ 0.01
Amortization of intangibles	0.14	0.11	0.24	0.22
Change in fair value of contingent consideration	0.01	0.00	0.01	0.01
Acquisition, restructuring and other items, net (1)	0.07	0.13	0.19	0.21
Tax effect of non-GAAP items (2)	(0.06)	(0.08)	(0.10)	(0.15)
Adjusted diluted earnings per share	<u>\$ 0.22</u>	<u>\$ 0.17</u>	<u>\$ 0.38</u>	<u>\$ 0.30</u>

Adjusted diluted share count                      38,117      37,383                      38,131      37,322

(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 our U.S. deferred tax assets and an effective tax rate of 23% for November 30, 2018. For November 30, 2017 the effective tax rate i) has been calculated using a blended rate of 30.62% for the year ended May 31, 2018 due to the enactment of the Tax Cuts and Jobs Act (the "Act") that reduced the federal corporate tax rate to 21%; ii) excludes the benefit recorded in Q3 fiscal 2018 resulting from remeasurement of our deferred tax assets from the Act; iii) tax effects the non-GAAP adjustment shown above and iv) assumes the Company does not have a valuation allowance on its U.S. deferred tax assets.

## Reconciliation of Net Income to EBITDAS and Adjusted EBITDAS:

	Three months ended		Six months ended	
	November 30, 2018	November 30, 2017	November 30, 2018	November 30, 2017
	(unaudited)		(unaudited)	
Net income	\$ 2,140	\$ 249	\$ 1,671	\$ 214
Income tax expense (benefit)	591	(166)	583	(147)
Interest expense, net	1,330	760	2,247	1,483
Depreciation and amortization	6,692	5,884	12,291	11,677
Stock-based compensation	2,591	1,966	4,741	3,763
EBITDAS	<u>\$ 13,344</u>	<u>\$ 8,693</u>	<u>\$ 21,533</u>	<u>\$ 16,990</u>
Change in fair value of contingent consideration	\$ 244	\$ 82	256	187
Acquisition, restructuring and other items, net (1)	2,728	4,560	7,150	7,441
Adjusted EBITDAS	<u>\$ 16,316</u>	<u>\$ 13,335</u>	<u>\$ 28,939</u>	<u>\$ 24,618</u>
Per diluted share:				
EBITDAS	\$ 0.35	\$ 0.23	\$ 0.56	\$ 0.46
Adjusted EBITDAS	\$ 0.43	\$ 0.36	\$ 0.76	\$ 0.66

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