

AngioDynamics

Fourth Quarter 2020 Earnings Presentation

July 16, 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 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 the 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.

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 before goodwill impairment; adjusted earnings per share before goodwill impairment; adjusted net income; adjusted earnings per share, free cash flow and net sales on an organic basis, excluding acquired assets and 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.

Fourth Quarter and FY2020 Highlights

Financial Performance			
(in millions)	Q4 FY20	Q4 FY19	Change
Revenue	\$58.3	\$71.2	(18.1%)
Revenue Excluding Asclera	\$58.3	\$70.1	(16.8%)
Gross Margin	51.8%	58.1%	(630 bps)
Adjusted EPS	(\$0.06)	\$0.07	(\$0.13)
Adjusted EBITDA	\$0.6	\$8.5	(\$7.9)
Cash Provided by (Used in) Operations	\$3.9	\$25.0	
Free Cash Flow	\$2.4	\$24.2	

Product Family Year-over-Year Sales Growth		
Vascular Interventions and Therapies	Q4	FY20
AngioVac®	(11%)	28%
Thrombolytic	12%	10%
Core Peripheral	(24%)	(4%)
Venous Insufficiency	(60%)*	(27%)*
Vascular Access	Q4	FY20
Midlines	14%	9%
PICCs	7%	1%
Ports	(17%)	(7%)
Dialysis	(7%)	1%
Oncology	Q4	FY20
NanoKnife®	26%	26%
Solero® Microwave	(30%)	(8%)
BioSentry	(32%)	8%
Alatus and IsoLoc Balloons	(26%)	30%
RadioFrequency Ablation	(33%)	(24%)

* Excluding Asclera, Venous Insufficiency was down 55% FY20 Q4 and 14% YTD.

Corporate Developments

- Procedural volumes troughed in April and began to rebound in early-to-mid May with steady improvement through May and June.
- Carefully monitored balance sheet and managed expenses, remaining cash flow positive despite lower procedural volumes.
- Continued investment in three key technology platforms: NanoKnife, AngioVac, and Auryon.
- NanoKnife DIRECT study: 21 sites have secured IRB approval, compared to 19 at end of third quarter.

Fourth Quarter and YTD FY2020 Results (unaudited)

<i>\$ in thousands (except per share data)</i>	FY2020 Q4	FY2019 Q4	Change	FY2020 YTD	FY2019 YTD	Change
Revenue	\$58,332	\$71,182	(18.1%)*	\$264,157	\$270,634	(2.4%)*
Vascular Interventions and Therapies	22,090	31,030	(28.8%)*	112,706	119,901	(6.0%)*
Vascular Access	23,714	24,869	(4.6%)	94,299	94,730	(0.5%)
Oncology	12,528	15,283	(18.0%)	57,152	56,003	2.1%
United States	44,599	55,761	(20.0%)*	207,980	216,957	(4.1%)*
International	13,733	15,421	(10.9%)	56,177	53,677	4.7%
Net Income (Loss) from Continuing Operations	(\$156,067)	\$2,753		(\$165,787)	(\$11,146)	
Adjusted Net Income (Loss) Before Goodwill Impairment	\$1,511	\$2,753		(\$8,209)	(\$11,146)	
Adjusted Net Income (Loss)	(\$2,147)	\$2,796		\$3,540	\$8,243	
GAAP EPS	(\$4.10)	\$0.07		(\$4.37)	(\$0.30)	
Excluding Goodwill Impairment	\$0.04	\$0.07		(\$0.22)	(\$0.30)	
Non-GAAP Adjusted EPS	(\$0.06)	\$0.07		\$0.09	\$0.22	
Gross Margin	51.8%	58.1%		56.9%	57.6%	
Adjusted EBITDA	\$553	\$8,536		\$18,033	\$30,563	
Free Cash Flow	\$2,401	\$24,197		(\$21,789)	\$34,322	
Cash	\$54,435	\$227,641**		\$54,435	\$227,641**	
Debt	\$40,000	\$132,500**		\$40,000	\$132,500**	

* When excluding Asclera:

AngioDynamics was down 16.8% FY20 Q4 and 0.2% YTD.

Vascular Interventions and Therapies was down 26.2% FY20 Q4 and 1.2% YTD.

U.S. was down 18.4% FY20 Q4 and 1.5% YTD.

⁴ ** Balances reflect amounts at May 31, 2019.



GAAP to Non-GAAP Reconciliation

Reconciliation of GAAP to Non-GAAP Net Income (Loss) and EPS Before Goodwill Impairment*

Amounts in thousands	Three months ended		Twelve months ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
	(unaudited)		(unaudited)	
Net income (loss) from continuing operations	\$ (156,067)	\$ 2,753	\$ (165,787)	\$ (11,146)
Goodwill impairment	157,578	—	157,578	—
Net income (loss) adjusted for goodwill impairment*	<u>\$ 1,511</u>	<u>\$ 2,753</u>	<u>\$ (8,209)</u>	<u>\$ (11,146)</u>
	Three months ended		Twelve months ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
	(unaudited)		(unaudited)	
Diluted earnings (loss) per share from continuing operations	\$ (4.10)	\$ 0.07	\$ (4.37)	\$ (0.30)
Goodwill impairment	4.14	—	4.15	—
Diluted earnings (loss) per share adjusted for goodwill impairment*	<u>\$ 0.04</u>	<u>\$ 0.07</u>	<u>\$ (0.22)</u>	<u>\$ (0.30)</u>
Adjusted diluted sharecount	38,072	38,285	38,105	38,147

*This does not include the Company's customary adjustments included on the next page.

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

Amounts in thousands	Three months ended		Twelve months ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
	(unaudited)		(unaudited)	
Net income (loss) from continuing operations	\$ (156,067)	\$ 2,753	\$ (165,787)	\$ (11,146)
Amortization of intangibles	4,704	4,457	18,121	17,056
Goodwill impairment	157,578	—	157,578	—
Change in fair value of contingent consideration	(11,647)	(7,641)	(11,531)	(6,776)
Dosimetry inventory write-off ⁽¹⁾	958	—	958	—
Acquisition, restructuring and other items, net ⁽²⁾	1,528	5,427	6,014	15,127
Write-off of deferred financing fees ⁽³⁾	—	—	593	—
Tax effect of non-GAAP items ⁽⁴⁾	799	(2,200)	(2,406)	(6,018)
Adjusted net income (loss)	\$ (2,147)	\$ 2,796	\$ 3,540	\$ 8,243

	Three months ended		Twelve months ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
	(unaudited)		(unaudited)	
Diluted earnings (loss) per share from continuing operations	\$ (4.10)	\$ 0.07	\$ (4.37)	\$ (0.30)
Amortization of intangibles	0.12	0.12	0.48	0.45
Goodwill impairment	4.14	—	4.14	—
Change in fair value of contingent consideration	(0.31)	(0.20)	(0.30)	(0.18)
Dosimetry inventory write-off ⁽¹⁾	0.03	—	0.03	—
Acquisition, restructuring and other items, net ⁽²⁾	0.04	0.14	0.16	0.40
Write-off of deferred financing fees ⁽³⁾	—	—	0.02	—
Tax effect of non-GAAP items ⁽⁴⁾	0.02	(0.06)	(0.07)	(0.15)
Adjusted diluted earnings (loss) per share	\$ (0.06)	\$ 0.07	\$ 0.09	\$ 0.22
Adjusted diluted sharecount	38,072	38,285	38,105	38,147

- (1) Write-off of raw materials and existing dosimetry inventory associated with OARtrac that was purchased pursuant to the Company's acquisition of RadiaDyne. These inventory items were deemed unmarketable absent subsequent design and development activities.
- (2) Includes costs related to merger and acquisition activities, restructurings, and unusual items, including asset impairments and write-offs, certain litigation, and other items.
- (3) Deferred financing fees related to the old credit agreement were written off during the first quarter of fiscal year 2020.
- (4) 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 May 31, 2020 and 2019.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Amounts in thousands	Three months ended		Twelve months ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
	(unaudited)		(unaudited)	
Net income (loss) from continuing operations	\$ (156,067)	\$ 2,753	\$ (165,787)	\$ (11,146)
Income tax expense (benefit)	158	(1,365)	(1,348)	(3,556)
Interest expense, net	235	1,410	907	5,099
Depreciation and amortization	6,216	5,830	23,650	22,597
Goodwill impairment	157,578	—	157,578	—
Change in fair value of contingent consideration	(11,647)	(7,641)	(11,531)	(6,776)
Stock based compensation	1,594	2,122	7,592	9,218
Dosimetry inventory write-off ⁽¹⁾	958	—	958	—
Acquisition, restructuring and other items, net ⁽²⁾	1,528	5,427	6,014	15,127
Adjusted EBITDA	<u>\$ 553</u>	<u>\$ 8,536</u>	<u>\$ 18,033</u>	<u>\$ 30,563</u>
Per diluted share:				
Adjusted EBITDA	\$ 0.01	\$ 0.22	\$ 0.47	\$ 0.80

(1) Write-off of raw materials and existing dosimetry inventory associated with OARtrac that was purchased pursuant to the Company's acquisition of RadiaDyne. These inventory items were deemed unmarketable absent subsequent design and development activities.

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

Growth *through*

Focus | Execution | Accountability