

**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): **September 28, 2017**

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 **12110**
(Address of Principal Executive Offices) (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))

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 September 28, 2017, AngioDynamics, Inc. (“AngioDynamics”) issued a press release announcing financial results for the fiscal first quarter ended August 31, 2017. A copy of the press release is attached hereto 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 incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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, 2017. 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 September 28, 2017. |

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: September 28, 2017

By: /s/ Stephen A. Trowbridge
Stephen A. Trowbridge
Senior Vice President and General Counsel

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press Release dated September 28, 2017.



FOR IMMEDIATE DISTRIBUTION

Company Contact:

AngioDynamics Inc.
Caitlin Stefanik
(518) 795-1418
cstefanik@angiodynamics.com

Investor Relations Contacts:

FTI Consulting
Jim Polson
(312) 553-6730
Jim.Polson@fticonsulting.com,
Kotaro Yoshida
(212) 850-5690
Kotaro.Yoshida@fticonsulting.com

Media Contact:

FTI Consulting
Kimberly Ha
(212) 850-5612
kimberly.ha@fticonsulting.com

AngioDynamics Reports Fiscal 2018 First Quarter Results

- Q1 net sales of \$85.4 million, down 3% year-over-year
- Q1 GAAP earnings per share of \$0.00; adjusted EPS of \$0.12
- Q1 operating cash generation of \$3.0 million; free cash flow generation of \$2.5 million
- Company reaffirms fiscal 2018 guidance

ALBANY, N.Y., September 28, 2017 (GLOBE NEWSWIRE) – AngioDynamics (NASDAQ:ANGO), a leading provider of innovative, minimally invasive medical devices for vascular access, surgery, peripheral vascular disease and oncology, today reported first quarter financial results for the 2018 fiscal year ended August 31, 2017.

“The first quarter of fiscal 2018 reflects early results of our commitment to improving our core operational efficiency and strengthening our business,” said Jim Clemmer, President and Chief Executive Officer of AngioDynamics. “Sales for our Oncology/Surgery business saw an 11 percent increase over last year, primarily driven by Solero, which received FDA clearance during the fiscal 2017 fourth quarter. In addition, we saw strong sales from other areas of our business, including Fluid Management, Thrombus Management, the BioFlo family of products and NanoKnife disposables. We remain committed to our strategic plan and will continue to invest in the right areas to drive sustainable, long-term growth.”

First Quarter 2018 Financial Results

Net sales for the fiscal first quarter were \$85.4 million, down 3 percent compared to \$88.1 million a year ago. Currency did not have an impact in the quarter.

Of the decline, \$1.6 million is related to the Core/Angiographic Catheter business. During the same period of the 2017 fiscal year, we saw a \$4.0 million increase in sales as a result of the inventory build by our customers related to a previously disclosed competitor product recall.

Peripheral Vascular net sales in the first quarter were \$49.9 million, down from \$52.0 million in the fiscal year 2017 first quarter as a result of declines in the Venous and Core businesses, offset by growth in Fluid Management and Thrombus Management. Vascular Access net sales were \$23.2 million in the first quarter, down from \$25.0 million a year ago as a result of declines of

non-BioFlo products, offset by growth in the BioFlo family of products. First quarter Oncology/Surgery net sales were \$12.3 million, up from \$11.1 million in the fiscal year 2017 first quarter, primarily due to sales related to the recently launched Solero Microwave Tissue Ablation System.

Overall U.S. net sales in the first quarter were \$68.9 million, down from \$72.2 million a year ago due to declines in Venous and Core businesses, offset by growth in the Oncology portfolio. Overall International net sales in the first quarter were \$16.5 million, up from \$15.9 million a year ago due to increased sales across the Oncology/Surgery business.

The Company recorded a net loss of less than one hundred thousand dollars, or \$0.00 on a per share basis in the first quarter of fiscal 2018. The Company recorded net income of \$1.3 million, or \$0.04 on a per share basis, in the first quarter of fiscal 2017.

Gross margins for the first quarter of 2018 were 48.3 percent, compared to 51.1 percent a year ago. The decline in gross margin is primarily driven by a recall and voluntary market withdrawal of the Acculis Microwave Tissue Ablation System which was initiated in the fourth quarter of fiscal 2017.

Excluding the items shown in the attached quarterly non-GAAP reconciliation table, adjusted net income for the first quarter of fiscal 2018 was \$4.6 million, or \$0.12 per share, compared to an adjusted net income of \$6.4 million, or \$0.17 per share, in the first quarter of fiscal 2017. Adjusted EBITDAS in the first quarter of fiscal 2018, excluding the items shown in the attached reconciliation table, was \$10.6 million compared to \$14.2 million in the first quarter of fiscal 2017.

In the first quarter of fiscal 2018, the Company generated \$3.0 million in operating cash flow and \$2.5 million in free cash flow. As of August 31, 2017, cash and cash equivalents were \$48.2 million and debt was \$96.3 million.

"There were a couple of factors that impacted our financial results during the first quarter when compared to prior year, including decisions we made to address the recall and voluntary market withdrawal of Acculis and the inventory build in our Core/Angiographic Catheter business," said Michael C. Greiner, Executive Vice President and Chief Financial Officer of AngioDynamics, adding that. "Our results for the first quarter were in-line with our expectations and given the strength of our overall execution we are reaffirming our fiscal 2018 guidance to reflect that confidence."

Fiscal Year 2018 Financial Guidance

The Company reaffirmed its FY2018 financial guidance of a net sales range of \$352 to \$359 million, adjusted earnings per share (EPS) of \$0.64 to \$0.68 and free cash flow of greater than \$35 million.

Conference Call

AngioDynamics will host a conference call and webcast today at 8:00am ET to discuss its first quarter results and answer questions. To participate in the live call by telephone, please call 800-263-8506 and reference the Conference ID: 9276207. In addition, a live webcast and archived

replay of the call will be available at investors.angiodynamics.com/events. To access the live webcast, please go to the website 15-minutes prior to its start to register, download and install the necessary software.

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 net sales excluding a supply agreement; adjusted EBITDAS; 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.

About AngioDynamics

AngioDynamics Inc. is a leading provider of innovative, minimally invasive medical devices used by professional healthcare providers for vascular access, surgery, peripheral vascular disease and oncology. AngioDynamics' diverse product lines include market-leading ablation systems, fluid management systems, vascular access products, angiographic products and accessories drainage products, thrombolytic products and venous products. More information is available at AngioDynamics.com.

Trademarks

AngioDynamics, the AngioDynamics logo, and Solero are trademarks and/or registered trademarks of AngioDynamics Inc., an affiliate or a subsidiary.

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 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 fourth 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 fourth-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, 2017. 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 | |
|--|--------------------|--------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Net sales | \$ 85,411 | \$ 88,098 |
| Cost of sales (exclusive of intangible amortization) | 44,182 | 43,066 |
| Gross profit | 41,229 | 45,032 |
| % of net sales | 48.3% | 51.1% |
| Operating expenses | | |
| Research and development | 6,441 | 6,709 |
| Sales and marketing | 19,402 | 19,455 |
| General and administrative | 8,056 | 8,201 |
| Amortization of intangibles | 4,096 | 4,235 |
| Change in fair value of contingent consideration | 105 | 443 |
| Acquisition, restructuring and other items, net | 2,989 | 2,417 |
| Total operating expenses | 41,089 | 41,460 |
| Operating income | 140 | 3,572 |
| Other (expense), net | (156) | (669) |
| Income (loss) before income taxes | (16) | 2,903 |
| Income tax expense | 19 | 1,603 |
| Net income (loss) | \$ (35) | \$ 1,300 |
| Earnings (loss) per share | | |
| Basic | \$ (0.00) | \$ 0.04 |
| Diluted | \$ (0.00) | \$ 0.04 |
| Weighted average shares outstanding | | |
| Basic | 36,919 | 36,319 |
| Diluted | 36,919 | 36,698 |

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

Reconciliation of Gross Profit to non-GAAP Adjusted Gross Profit

| | Three months ended | |
|--|--------------------|--------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Gross profit | \$ 41,229 | \$ 45,032 |
| Inventory charge included in cost of sales | - | (1) |
| Adjusted gross profit | <u>\$ 41,229</u> | <u>\$ 45,031</u> |
| Adjusted gross profit % of sales | 48.3% | 51.1% |

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

| | Three months ended | |
|---|--------------------|--------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Net income (loss) | \$ (35) | \$ 1,300 |
| Inventory charge included in cost of sales | - | (1) |
| Amortization of intangibles | 4,096 | 4,235 |
| Change in fair value of contingent consideration | 105 | 443 |
| Acquisition, restructuring and other items, net (1) | 2,989 | 2,417 |
| Tax effect of non-GAAP items (2) | (2,564) | (1,996) |
| Adjusted net income | <u>\$ 4,591</u> | <u>\$ 6,398</u> |

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

| | Three months ended | |
|---|--------------------|--------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Diluted earnings (loss) per share | \$ (0.00) | \$ 0.04 |
| Amortization of intangibles | 0.11 | 0.11 |
| Change in fair value of contingent consideration | 0.00 | 0.01 |
| Acquisition, restructuring and other items, net (1) | 0.08 | 0.06 |
| Tax effect of non-GAAP items (2) | (0.07) | (0.05) |
| Adjusted diluted earnings per share | <u>\$ 0.12</u> | <u>\$ 0.17</u> |
| Adjusted diluted sharecount | 37,230 | 36,698 |

(1) Includes costs related to mergers and acquisition activities, integrations, restructurings, asset impairments and write-offs, litigation, and other items.

(2) Represents the net tax effect of non-GAAP adjustments. Based on our historical non-GAAP earnings, our tax effect of non-GAAP items has been calculated assuming no valuation allowance on our deferred tax assets and an effective tax rate of 36%.

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

Reconciliation of Net Income to EBITDAS and Adjusted EBITDAS:

| | Three months ended | |
|---|--------------------|--------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Net income (loss) | \$ (35) | \$ 1,300 |
| Income tax expense | 19 | 1,603 |
| Interest expense | 759 | 723 |
| Depreciation and amortization | 5,716 | 6,042 |
| Stock-based compensation | 1,797 | 1,684 |
| EBITDAS | \$ 8,256 | \$ 11,352 |
| Inventory charge included in cost of sales | - | (1) |
| Change in fair value of contingent consideration | 105 | 443 |
| Acquisition, restructuring and other items, net (1,2) | 2,881 | 2,417 |
| Other expense, net | (603) | (54) |
| Adjusted EBITDAS | \$ 10,639 | \$ 14,157 |
| Per diluted share: | | |
| EBITDAS | \$ 0.22 | \$ 0.31 |
| Adjusted EBITDAS | \$ 0.29 | \$ 0.39 |

(1) Includes costs related to mergers and acquisition activities, integrations, restructurings, asset impairments and write-offs, litigation, and other items.

(2) Excludes depreciation expense captured in the depreciation and amortization component of the reconciliation.

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

| | Three months ended | | | | |
|-------------------------------|--------------------|--------------------|-------------|---------------------------------|--------------------------------|
| | August 31, 2017 | August 31, 2016 | % Growth | Currency Impact (Pos) Neg | Constant Currency Growth |
| Net Sales by Product Category | | | | | |
| Peripheral Vascular | \$ 49,865 | \$ 52,029 | -4% | | |
| Vascular Access | 23,238 | 25,005 | -7% | | |
| Oncology/Surgery | 12,308 | 11,064 | 11% | | |
| Total | <u>\$ 85,411</u> | <u>\$ 88,098</u> | -3% | 0% | -3% |
| Net Sales by Geography | | | | | |
| United States | \$ 68,931 | \$ 72,208 | -5% | 0% | -5% |
| International | \$ 16,480 | \$ 15,890 | 4% | 0% | 4% |
| Total | <u>\$ 85,411</u> | <u>\$ 88,098</u> | -3% | 0% | -3% |

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

| | August 31, 2017 (unaudited) | May 31, 2017 |
|--|-----------------------------------|-----------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 48,200 | \$ 47,544 |
| Marketable securities | 1,215 | 1,215 |
| Total cash and investments | 49,415 | 48,759 |
| Accounts receivable, net | 41,283 | 44,523 |
| Inventories | 55,425 | 54,506 |
| Prepaid income taxes | 312 | 336 |
| Prepaid expenses and other | 4,287 | 5,790 |
| Total current assets | 150,722 | 153,914 |
| Property, plant and equipment, net | 44,353 | 45,234 |
| Other non-current assets | 2,431 | 1,886 |
| Intangible assets, net | 141,583 | 145,675 |
| Goodwill | 361,252 | 361,252 |
| Total Assets | \$ 700,341 | \$ 707,961 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 17,421 | \$ 18,087 |
| Accrued liabilities | 32,264 | 38,804 |
| Current portion of long-term debt | 5,000 | 5,000 |
| Current portion of contingent consideration | 9,638 | 9,625 |
| Total current liabilities | 64,323 | 71,516 |
| Long-term debt, net of current portion | 90,147 | 91,320 |
| Deferred income taxes, long-term | 26,030 | 26,112 |
| Contingent consideration, net of current portion | 1,128 | 3,136 |
| Other long-term liabilities | 829 | 850 |
| Total Liabilities | 182,457 | 192,934 |
| Stockholders' equity | 517,884 | 515,027 |
| Total Liabilities and Stockholders' Equity | \$ 700,341 | \$ 707,961 |

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

| | Three months ended | |
|--|--------------------|--------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ (35) | \$ 1,300 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 5,793 | 6,153 |
| Stock-based compensation | 1,797 | 1,684 |
| Change in fair value of contingent consideration | 105 | 443 |
| Deferred income taxes | (82) | 1,565 |
| Change in accounts receivable allowance | 278 | (197) |
| Write-off of other assets | - | 45 |
| Other | (567) | 18 |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Receivables | 3,103 | 2,822 |
| Inventories | (781) | (3,049) |
| Prepaid and other assets | 620 | (869) |
| Accounts payable and accrued liabilities | (7,195) | (2,475) |
| Net cash provided by operating activities | 3,036 | 7,440 |
| Cash flows from investing activities: | | |
| Additions to property, plant and equipment | (501) | (481) |
| Net cash used in investing activities | (501) | (481) |
| Cash flows from financing activities: | | |
| Repayment of long-term debt | (1,250) | (2,500) |
| Payment of contingent consideration | (2,100) | (2,100) |
| Proceeds from exercise of stock options and ESPP | 812 | 2,803 |
| Net cash provided by (used in) financing activities | (2,538) | (1,797) |
| Effect of exchange rate changes on cash | 659 | (84) |
| Increase in cash and cash equivalents | 656 | 5,078 |
| Cash and cash equivalents | | |
| Beginning of period | 47,544 | 32,333 |
| End of period | \$ 48,200 | \$ 37,411 |

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

Reconciliation of Free Cash Flows:

| | Three months ended | |
|--|-----------------------|-----------------------|
| | August 31, 2017 | August 31, 2016 |
| | (unaudited) | |
| Net cash provided by operating activities | \$ 3,036 | \$ 7,440 |
| Additions to property, plant and equipment | (501) | (481) |
| Free Cash Flow | <u>\$ 2,535</u> | <u>\$ 6,959</u> |
