

**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 27, 2018**

**AngioDynamics, Inc.**  
(Exact Name of Registrant as Specified in Charter)

|  |   |   |
|--|---|---|
| <b>Delaware</b><br><br>(State or Other Jurisdiction<br>of Incorporation) | <b>000-50761</b><br><br>(Commission File<br>Number) | <b>11-3146460</b><br><br>(IRS Employer<br>Identification No.) |
|--|---|---|

|  |                                |
|--|--------------------------------|
| <b>14 Plaza Drive Latham, New York</b><br><br>(Address of Principal Executive Offices) | <b>12110</b><br><br>(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.

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## Item 2.02 – Results of Operations and Financial Condition.

On September 27, 2018, AngioDynamics, Inc. (“AngioDynamics”) issued a press release announcing financial results for the fiscal first quarter ended August 31, 2018. A copy of the press release is being 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 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, 2018. 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>                                      |
|----------------------|---|
| <a href="#">99.1</a> | <a href="#">Press Release dated September 27, 2018.</a> |

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**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 27, 2018

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

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## PRESS RELEASE

Investor Contact:

AngioDynamics, Inc.  
Michael C. Greiner, Executive Vice President & CFO  
(518) 795-1821

# AngioDynamics Reports Fiscal 2019 First Quarter Financial Results

### *Fiscal 2019 First Quarter Highlights*

- **Net sales of \$85.3 million, flat versus prior year**
- **Gross margin expanded 380 basis points year over year to 52.1%**
- **GAAP EPS of \$(0.01) per share; adjusted EPS of \$0.16 per share**
- **Cash used in operations of \$8.9 million; capital expenditures of \$0.7 million**
- **Announced two acquisitions as part of the Company's strategic focus on building a continuum of care within the oncology space;**
  - **BioSentry Tract Sealant System technology from Surgical Specialties, LLC**
  - **Subsequent to quarter end, RadiaDyne and its proprietary OARtrac<sup>®</sup> radiation dose monitoring platform**

**Latham, New York, September 27, 2018** – 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 first quarter of fiscal year 2019, which ended August 31, 2018.

“Our operating and financial accomplishments during the first quarter reflect our ongoing commitment to building a more cohesive, patient-focused product portfolio. As evidenced by our two recent acquisitions, we are making progress on our portfolio optimization efforts with a focus on the continuum of care within oncology, as well as on disruptive and differentiated technologies,” commented Jim Clemmer, President and Chief Executive Officer of AngioDynamics, Inc. “Our first quarter results give us continued confidence in meeting our financial goals for fiscal 2019.”

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## First Quarter 2019 Financial Results

Net sales for the first quarter of fiscal 2019 were \$85.3 million, compared to \$85.4 million a year ago. During the quarter, growth in the Company's Vascular Access business was offset by declines in its Oncology business, while Vascular Interventions and Therapies (VIT) sales were flat.

Currency did not have a significant impact on the Company's sales in the quarter.

- Oncology net sales were \$11.6 million, a decrease of 6.1% from \$12.3 million a year ago, as NanoKnife disposable growth was more than offset by decreases in sales of Radiofrequency Ablation and timing effects of Microwave products. The comparison of year-over-year results within the Company's Oncology business was negatively impacted by the timing of the prior-year Acculis Microwave ablation system market withdrawal. Excluding the impact of this transition from the Company's Acculis Microwave product to its Solero Microwave product, the Oncology business grew 7.5% year over year.
- VIT net sales in the first quarter of fiscal 2019 were \$50.0 million, compared to \$49.9 million a year ago, as growth in Fluid Management, Angiographic Catheters, and AngioVac was offset by declines in the Venous Insufficiency business.
- Vascular Access net sales were \$23.8 million, an increase of 2.4% from \$23.2 million a year ago, as growth in Ports, Dialysis, and Midline products was partially offset by a decline in sales of PICCs.

U.S. net sales in the first quarter of fiscal 2019 were \$67.7 million, a decrease of 1.8% from \$68.9 million a year ago, and International net sales were \$17.7 million, an increase of 7.1% from \$16.5 million a year ago.

Gross margin for the first quarter of fiscal 2019 expanded 380 basis points to 52.1% from 48.3% a year ago, largely as a result of ongoing operational improvements, the recently completed facility consolidation, and the expiration of a royalty arrangement in the second quarter of fiscal 2018.

The Company recorded a net loss of \$0.5 million, or \$(0.01) per share, in the first quarter of fiscal 2019. This compares to a net loss of less than \$100,000, or \$0.00 per share, a year ago.

Excluding the items shown in the non-GAAP reconciliation table below, adjusted net income for the first quarter of fiscal 2019 was \$6.2 million, or \$0.16 per share, compared to adjusted net income of \$5.0 million, or \$0.13 per share, in the first quarter of fiscal 2018.

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Adjusted EBITDAS in the first quarter of fiscal 2019, excluding the items shown in the reconciliation table below, was \$12.6 million, compared to \$11.3 million in the first quarter of fiscal 2018.

In the first quarter of fiscal 2019, the Company used \$8.9 million in operating cash flow and had capital expenditures of \$0.7 million. As of August 31, 2018, the Company had \$24.8 million in cash and cash equivalents and \$91.3 million in debt, excluding the impact of deferred financing costs.

### **Fiscal Year 2019 Financial Guidance**

The Company is updating its previously announced financial guidance to reflect the BioSentry and RadiaDyne acquisitions, as well as the payment made to the DOJ for previously disclosed legal matters. The Company now expects fiscal year 2019 net sales in the range of \$354 to \$359 million and free cash flow in the range of \$26 to \$31 million. Additionally, the Company continues to expect its adjusted earnings per share in the range of \$0.82 to \$0.86.

### **Conference Call**

The Company's management will host a conference call today at 8:00 a.m. ET to discuss its first quarter 2019 results.

To participate in the conference call, dial 1-877-407-0784 (domestic) or 1-201-689-8560 (international) and refer to the passcode 13683219.

This conference call will also be webcast and can be accessed from the "Investors" section of the AngioDynamics website at [www.angiodynamics.com](http://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 Thursday, September 27, 2018, until 11:59 p.m. ET on Thursday, October 4, 2018. To hear this recording, dial 1-844-512-2921 (domestic) or 1-412-317-6671 (international) and enter the passcode 13683219.

### **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 EBITDAS, adjusted net income, adjusted earnings per share and free

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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, 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, fluid management systems, vascular access products, angiographic products and accessories, drainage products, thrombolytic products and venous products. For more information, visit [www.angiodynamics.com](http://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 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

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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.

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**ANGIODYNAMICS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
(in thousands, except per share data)

|  | Three months ended |                    |
|--|--------------------|--------------------|
|  | August 31,<br>2018 | August 31,<br>2017 |
|  | (unaudited)        |                    |
| Net sales  | \$ 85,340          | \$ 85,411          |
| Cost of sales (exclusive of intangible amortization) | 40,873             | 44,182             |
| Gross profit   | 44,467             | 41,229             |
| % of net sales                                       | 52.1%              | 48.3%              |
| Operating expenses                                   |                    |                    |
| Research and development                             | 7,662              | 6,441              |
| Sales and marketing                                  | 19,433             | 19,402             |
| General and administrative                           | 8,496              | 8,056              |
| Amortization of intangibles                          | 4,116              | 4,096              |
| Change in fair value of contingent consideration     | 12                 | 105                |
| Acquisition, restructuring and other items, net      | 4,422              | 2,989              |
| Total operating expenses                             | 44,141             | 41,089             |
| Operating income                                     | 326                | 140                |
| Interest expense, net                                | (917)              | (723)              |
| Other income, net                                    | 114                | 567                |
| Total other expense, net                             | (803)              | (156)              |
| Loss before income taxes                             | (477)              | (16)               |
| Income tax expense (benefit)                         | (8)                | 19                 |
| Net loss   | \$ (469)           | \$ (35)            |
| Earnings per share                                   |                    |                    |
| Basic  | \$ (0.01)          | \$ (0.00)          |
| Diluted  | \$ (0.01)          | \$ (0.00)          |
| Weighted average shares outstanding                  |                    |                    |
| Basic  | 37,323             | 36,919             |
| Diluted  | 37,323             | 36,919             |

**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 |                    |
|---|--------------------|--------------------|
|   | August 31,<br>2018 | August 31,<br>2017 |
|   | (unaudited)        |                    |
| Net Loss  | \$ (469)           | \$ (35)            |
| Amortization of intangibles                         | 4,116              | 4,096              |
| Change in fair value of contingent consideration    | 12                 | 105                |
| Acquisition, restructuring and other items, net (1) | 4,422              | 2,989              |
| Tax effect of non-GAAP items (2)                    | (1,865)            | (2,178)            |
| Adjusted net income                                 | <u>\$ 6,216</u>    | <u>\$ 4,977</u>    |

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

|   | Three months ended |                    |
|---|--------------------|--------------------|
|   | August 31,<br>2018 | August 31,<br>2017 |
|   | (unaudited)        |                    |
| Diluted earnings per share                          | \$ (0.01)          | \$ (0.00)          |
| Amortization of intangibles                         | 0.11               | 0.11               |
| Change in fair value of contingent consideration    | 0.00               | 0.00               |
| Acquisition, restructuring and other items, net (1) | 0.12               | 0.08               |
| Tax effect of non-GAAP items (2)                    | (0.06)             | (0.06)             |
| Adjusted diluted earnings per share                 | <u>\$ 0.16</u>     | <u>\$ 0.13</u>     |
| <br>  |                    |                    |
| Adjusted diluted share count                        | 38,096             | 37,230             |

(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 August 31, 2018. For August 31, 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.

**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,<br>2018 | August 31,<br>2017 |
|   | (unaudited)        |                    |
| Net loss  | \$ (469)           | \$ (35)            |
| Income tax expense                                    | (8)                | 19                 |
| Interest expense, net                                 | 917                | 723                |
| Depreciation and amortization                         | 5,599              | 5,793              |
| Stock-based compensation                              | 2,150              | 1,797              |
| EBITDAS   | \$ 8,189           | \$ 8,297           |
| Change in fair value of contingent consideration      | \$ 12              | \$ 105             |
| Acquisition, restructuring and other items, net (1,2) | 4,422              | 2,881              |
| Adjusted EBITDAS                                      | \$ 12,623          | \$ 11,283          |
| Per diluted share:                                    |                    |                    |
| EBITDAS   | \$ 0.21            | \$ 0.22            |
| Adjusted EBITDAS                                      | \$ 0.33            | \$ 0.30            |

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

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

|                                      | Three months ended                |                    |             |                                 |                                |
|--------------------------------------|-----------------------------------|--------------------|-------------|---------------------------------|--------------------------------|
|                                      | August 31,<br>2018<br>(unaudited) | August 31,<br>2017 | %<br>Growth | Currency<br>Impact<br>(Pos) Neg | Constant<br>Currency<br>Growth |
| <b>Net Sales by Product Category</b> |                                   |                    |             |                                 |                                |
| Vascular Interventions and Therapies | \$ 49,995                         | \$ 49,865          | 0.3%        |                                 |                                |
| Vascular Access                      | 23,790                            | 23,238             | 2.4%        |                                 |                                |
| Oncology                             | 11,555                            | 12,308             | (6.1)%      |                                 |                                |
| Total                                | <u>\$ 85,340</u>                  | <u>\$ 85,411</u>   | (0.1)%      | (0.0)%                          | (0.1)%                         |
| <b>Net Sales by Geography</b>        |                                   |                    |             |                                 |                                |
| United States                        | \$ 67,684                         | \$ 68,931          | (1.8)%      | (0.0)%                          | (1.8)%                         |
| International                        | 17,656                            | 16,480             | 7.1%        | (0.0)%                          | 7.3%                           |
| Total                                | <u>\$ 85,340</u>                  | <u>\$ 85,411</u>   | (0.1)%      | (0.0)%                          | (0.1)%                         |

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

|  | <u>August 31,</u><br>2018 | <u>May 31,</u><br>2018 |
|--|---------------------------|------------------------|
|  | (unaudited)               | (audited)              |
| <b>Assets</b>                                    |                           |                        |
| <b>Current Assets</b>                            |                           |                        |
| Cash and cash equivalents                        | \$ 24,762                 | \$ 74,096              |
| Marketable securities                            | 1,350                     | 1,317                  |
| Total cash and investments                       | <u>26,112</u>             | <u>75,413</u>          |
| Accounts receivable, net                         | 40,164                    | 39,401                 |
| Inventories                                      | 49,721                    | 48,916                 |
| Prepaid expenses and other                       | 4,888                     | 4,302                  |
| Total current assets                             | <u>120,885</u>            | <u>168,032</u>         |
| Property, plant and equipment, net               | 42,163                    | 42,461                 |
| Other assets                                     | 3,637                     | 3,417                  |
| Intangible assets, net                           | 144,194                   | 130,310                |
| Goodwill   | 382,992                   | 361,252                |
| Total Assets                                     | <u>\$ 693,871</u>         | <u>\$ 705,472</u>      |
| <b>Liabilities and Stockholders' Equity</b>      |                           |                        |
| <b>Current Liabilities</b>                       |                           |                        |
| Accounts payable                                 | \$ 16,916                 | \$ 15,775              |
| Accrued liabilities                              | 19,900                    | 34,426                 |
| Current portion of long-term debt                | 5,000                     | 5,000                  |
| Current portion of contingent consideration      | 3,973                     | 2,100                  |
| Total current liabilities                        | <u>45,789</u>             | <u>57,301</u>          |
| Long-term debt, net of current portion           | 85,444                    | 86,621                 |
| Deferred income taxes                            | 17,154                    | 17,173                 |
| Contingent consideration, net of current portion | -                         | 1,161                  |
| Other long-term liabilities                      | 595                       | 621                    |
| Total Liabilities                                | <u>148,982</u>            | <u>162,877</u>         |
| Stockholders' equity                             | 544,889                   | 542,595                |
| Total Liabilities and Stockholders' Equity       | <u>\$ 693,871</u>         | <u>\$ 705,472</u>      |

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

|   | Three months ended |                    |
|---|--------------------|--------------------|
|   | August 31,<br>2018 | August 31,<br>2017 |
|   | (unaudited)        |                    |
| <b>Cash flows from operating activities:</b>                                      |                    |                    |
| Net loss  | \$ (469)           | \$ (35)            |
| Adjustments to reconcile net income to net cash provided by operating activities: |                    |                    |
| Depreciation and amortization   | 5,599              | 5,793              |
| Stock-based compensation  | 2,150              | 1,797              |
| Change in fair value of contingent consideration                                  | 12                 | 105                |
| Deferred income taxes   | (10)               | (82)               |
| Change in accounts receivable allowance   | (228)              | 278                |
| Other   | 25                 | (567)              |
| Changes in operating assets and liabilities:                                      |                    |                    |
| Accounts receivables  | (562)              | 3,103              |
| Inventories   | (761)              | (781)              |
| Prepaid expenses and other  | (1,200)            | 620                |
| Accounts payable, accrued and other liabilities                                   | (13,429)           | (7,195)            |
| Net cash provided by (used in) operating activities                               | (8,873)            | 3,036              |
| <b>Cash flows from investing activities:</b>                                      |                    |                    |
| Additions to property, plant and equipment  | (682)              | (501)              |
| Cash paid for acquisition   | (37,000)           | -                  |
| Net cash used in investing activities   | (37,682)           | (501)              |
| <b>Cash flows from financing activities:</b>                                      |                    |                    |
| Repayment of long-term debt   | (1,250)            | (1,250)            |
| Payment of acquisition related contingent consideration                           | (2,100)            | (2,100)            |
| Proceeds from exercise of stock options and employee stock purchase plan          | 705                | 812                |
| Net cash used in financing activities   | (2,645)            | (2,538)            |
| Effect of exchange rate changes on cash and cash equivalents                      | (134)              | 659                |
| Increase (decrease) in cash and cash equivalents                                  | (49,334)           | 656                |
| Cash and cash equivalents at beginning of period                                  | 74,096             | 47,544             |
| Cash and cash equivalents at end of period  | \$ 24,762          | \$ 48,200          |

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

**Reconciliation of Free Cash Flows:**

|   | Three months ended |                    |
|---|--------------------|--------------------|
|   | August 31,<br>2018 | August 31,<br>2017 |
|   | (unaudited)        |                    |
| Net cash provided by (used in) operating activities | \$ (8,873)         | \$ 3,036           |
| Additions to property, plant and equipment          | (682)              | (501)              |
| Free Cash Flow                                      | <u>\$ (9,555)</u>  | <u>\$ 2,535</u>    |

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