

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): **October 3, 2019**

**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:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 October 3, 2019, AngioDynamics, Inc. (“AngioDynamics”) issued a press release announcing financial results for the fiscal first quarter ended August 31, 2019. 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 (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 first quarter ended August 31, 2019 are being furnished herewith as Exhibit 99.2. The slides are being furnished pursuant to Item 7.01 and the information contained therein 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 information in Exhibit 99.2 shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

**Item 8.01 – Other Events.**

On October 3, 2019, AngioDynamics issued a press release announcing the acquisition of Eximo Medical, Ltd. A copy of the press release is attached hereto as Exhibit 99.3.

**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. 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="#"><u>99.1</u></a>	<a href="#"><u>Financial Results Press Release dated October 3, 2019.</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Financial Results Presentation dated October 3, 2019.</u></a>
<a href="#"><u>99.3</u></a>	<a href="#"><u>Acquisition Press Release dated October 3, 2019.</u></a>

---

**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: October 3, 2019

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

---

**PRESS RELEASE**

Investor Contact:

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

**AngioDynamics Reports Fiscal 2020 First Quarter Financial Results*****Fiscal 2020 First Quarter Highlights***

- **Net sales of \$66.0 million, an increase of 3.3% year over year**
- **Gross margin increased 170 basis points year over year to 57.9%**
- **GAAP loss per share of \$0.03; adjusted earnings per share of \$0.08**

**Latham, New York, October 3, 2019** – 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 2020, which ended August 31, 2019.

“Our top-line and gross-margin performance in the quarter was in line with our expectations,” commented Jim Clemmer, President and Chief Executive Officer of AngioDynamics, Inc. “We continue to build momentum and remain focused on driving growth by creating a suite of disruptive and differentiated technology. The divestiture of the NAMIC Fluid Management business allowed us to begin the year with a strong balance sheet, enabling strategic acquisitions like Eximo Medical, Ltd., which we announced this morning. Additionally, we continue to make steady progress with site initiation in our NanoKnife DIRECT study for pancreatic cancer.”

**First Quarter 2020 Financial Results**

Net sales for the first quarter of fiscal 2020 were \$66.0 million, an increase of 3.3%, compared to \$63.9 million a year ago and representing a decline of 1.0% organically. Excluding the impact of Asclera, sales of which were discontinued during fiscal year 2019, net sales grew 5.6% year over year and grew 1.3% organically. Foreign currency translation did not have a significant impact on the Company’s sales in the quarter.

---

- Oncology net sales were \$14.0 million, an increase of 20.9% from \$11.6 million a year ago, led by sales of the Company's BioSentry Tract Sealant System, the Alatus and IsoLoc balloon products, NanoKnife, and Solero.
- Vascular Interventions and Therapies ("VIT") net sales were \$28.9 million, an increase of 1.1%, compared to \$28.6 million a year ago. Excluding last year's Asclera Sales of \$1.4 million in the first quarter, VIT grew 6.4%, as strong growth in sales of the Company's AngioVac and Thrombolytic product line offerings was partially offset by a decline in the overall Core VIT business.
- Vascular Access net sales were \$23.2 million, a decrease of 2.7% from \$23.8 million a year ago, as lower sales of Ports and PICCs negatively offset growth in the Midlines and Dialysis businesses.

U.S. net sales in the first quarter of fiscal 2020 were \$52.9 million, an increase of 2.8% from \$51.5 million a year ago, and International net sales were \$13.1 million, an increase of 5.3% from \$12.4 million a year ago.

Gross margin for the first quarter of fiscal 2020 was 57.9%, an increase of 170 basis points compared to the first quarter of fiscal 2019, driven primarily by productivity and supply chain improvements as well as positive product mix.

The Company recorded a net loss from continuing operations of \$1.3 million, or a loss of \$0.03 per share, in the first quarter of fiscal 2020. This compares to a net loss from continuing operations of approximately \$5.7 million, or a loss of \$0.15 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 2020 was \$3.2 million, or \$0.08 per share, compared to adjusted net income of \$0.7 million, or \$0.02 per share, in the first quarter of fiscal 2019.

Adjusted EBITDAS in the first quarter of fiscal 2020, excluding the items shown in the reconciliation table below, was \$7.3 million, compared to \$5.4 million in the first quarter of fiscal 2019.

In the first quarter of fiscal 2020, the Company used \$6.5 million in operating cash flow and had capital expenditures of \$1.4 million. As of August 31, 2019, the Company had \$83.6 million in cash and cash equivalents and no debt outstanding.

#### **Fiscal Year 2020 Financial Guidance**

The Company continues to expect fiscal year 2020 net sales to be in the range of \$280 to \$286 million and gross margin to be in the range of 58% to 59%, inclusive of the Eximo acquisition.

---

Separately, the Company is updating its expectations for full-year adjusted earnings per share to account for investments related to the full-market launch of the products acquired from Eximo, anticipated in the second half of fiscal year 2020, and now expects adjusted earnings per share in the range of \$0.10 to \$0.15.

#### **Conference Call**

The Company's management will host a conference call today at 8:00 a.m. ET to discuss its fiscal 2020 first 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 13694372.

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, October 3, 2019, until 11:59 p.m. ET on Thursday, October 10, 2019. To hear this recording, dial 1-844-512-2921 (domestic) or +1-412-317-6671 (international) and enter the passcode 13694372.

#### **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, 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.

---

## **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](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 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. 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, 2019	August 31, 2018
	(unaudited)	
Net sales	\$ 66,042	\$ 63,943
Cost of sales (exclusive of intangible amortization)	27,825	27,990
Gross profit	<u>38,217</u>	<u>35,953</u>
% of net sales	57.9%	56.2%
Operating expenses		
Research and development	6,292	7,374
Sales and marketing	19,380	18,405
General and administrative	8,453	8,435
Amortization of intangibles	3,868	3,434
Change in fair value of contingent consideration	(448)	12
Acquisition, restructuring and other items, net	1,500	4,422
Total operating expenses	<u>39,045</u>	<u>42,082</u>
Operating income	(828)	(6,129)
Interest expense, net	(465)	(917)
Other income (expense), net	(98)	114
Total other expense, net	(563)	(803)
Loss from continuing operations before income taxes	(1,391)	(6,932)
Income tax benefit	(116)	(1,228)
Net loss from continuing operations	<u>(1,275)</u>	<u>(5,704)</u>
Net Income from discontinued operations	<u>—</u>	<u>5,235</u>
Net loss	<u>\$ (1,275)</u>	<u>\$ (469)</u>
Loss per share - continuing operations		
Basic	\$ (0.03)	\$ (0.15)
Diluted	\$ (0.03)	\$ (0.15)
Income per share - discontinued operations		
Basic	\$ —	\$ 0.14
Diluted	\$ —	\$ 0.14
Loss per share		
Basic	\$ (0.03)	\$ (0.01)
Diluted	\$ (0.03)	\$ (0.01)
Weighted average shares outstanding		
Basic	37,783	37,323
Diluted	37,783	37,323

**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, 2019	August 31, 2018
	(unaudited)	
Net loss from continuing operations	\$ (1,275)	\$ (5,704)
Amortization of intangibles	3,868	3,434
Change in fair value of contingent consideration	(448)	12
Acquisition, restructuring and other items, net (1)	1,500	4,422
Write-off of deferred financing fees (2)	593	—
Tax effect of non-GAAP items (3)	(1,064)	(1,443)
Adjusted net income	<u>\$ 3,174</u>	<u>\$ 721</u>

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

	Three months ended	
	August 31, 2019	August 31, 2018
	(unaudited)	
Diluted loss per share	\$ (0.03)	\$ (0.15)
Amortization of intangibles	0.10	0.09
Change in fair value of contingent consideration	(0.01)	0.00
Acquisition, restructuring and other items, net (1)	0.04	0.12
Write-off of deferred financing fees (2)	0.02	—
Tax effect of non-GAAP items (3)	(0.04)	(0.04)
Adjusted diluted earnings per share	<u>\$ 0.08</u>	<u>\$ 0.02</u>
Adjusted diluted sharecount	38,158	38,096

(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 August 31, 2019 and 2018.

**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, 2019	August 31, 2018
	(unaudited)	
Net loss from continuing operations	\$ (1,275)	\$ (5,704)
Income tax expense (benefit)	(116)	(1,228)
Interest expense, net	465	917
Depreciation and amortization	5,170	4,812
Stock based compensation	1,984	2,143
EBITDAS	\$ 6,228	\$ 940
Change in fair value of contingent consideration	\$ (448)	\$ 12
Acquisition, restructuring and other items, net (1)	1,500	4,422
Adjusted EBITDAS	\$ 7,280	\$ 5,374
Per diluted share:		
EBITDAS	\$ 0.16	\$ 0.02
Adjusted EBITDAS	\$ 0.19	\$ 0.14

(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				
	Aug 31, 2019	Aug 31, 2018	% Growth	Currency Impact	Constant Currency Growth
<b>Net Sales by Product Category</b>					
Vascular Interventions & Therapies	\$ 28,913	\$ 28,598	1.1%		
Vascular Access	23,159	23,790	(2.7)%		
Oncology	13,970	11,555	20.9%		
<b>Total</b>	<b>\$ 66,042</b>	<b>\$ 63,943</b>	<b>3.3%</b>	<b>1.0%</b>	<b>3.5%</b>
<b>Net Sales by Geography</b>					
United States	\$ 52,937	\$ 51,496	2.8%	0.0%	2.8%
International	13,105	12,447	5.3%	1.0%	6.4%
<b>Total</b>	<b>\$ 66,042</b>	<b>\$ 63,943</b>	<b>3.3%</b>	<b>1.0%</b>	<b>3.5%</b>

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

	August 31, 2019 (unaudited)	May 31, 2019 (audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 83,649	\$ 227,641
Total cash and investments	83,649	227,641
Accounts receivable, net	32,540	43,577
Inventories	45,229	40,071
Prepaid expenses and other	4,939	4,003
Total current assets	166,357	315,292
Property, plant and equipment, net	25,334	24,258
Other assets	9,352	3,835
Intangible assets, net	141,655	145,387
Goodwill	347,666	347,666
Total assets	\$ 690,364	\$ 836,438
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 16,870	\$ 22,829
Accrued liabilities	22,693	38,338
Current portion of long-term debt	—	7,500
Current portion of contingent consideration	878	4,635
Other current liabilities	6,731	—
Total current liabilities	47,172	73,302
Long-term debt, net of current portion	—	124,407
Deferred income taxes	14,367	14,542
Contingent consideration, net of current portion	10,952	8,851
Other long-term liabilities	3,800	521
Total liabilities	76,291	221,623
Stockholders' equity	614,073	614,815
Total Liabilities and Stockholders' Equity	\$ 690,364	\$ 836,438

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

	Three months ended	
	August 31, 2019	August 31, 2018
	(unaudited)	
<b>Cash flows from operating activities:</b>		
Net loss from continuing operations	\$ (1,275)	\$ (469)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	5,207	5,599
Stock based compensation	1,984	2,150
Change in fair value of contingent consideration	(448)	12
Deferred income taxes	(175)	(10)
Change in accounts receivable allowances	(453)	(228)
Fixed and intangible asset impairments and disposals	99	—
Write-off of other assets	593	—
Other	(8)	25
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	11,474	(562)
Inventories	(5,153)	(761)
Prepaid expenses and other	(746)	(1,200)
Accounts payable, accrued and other liabilities	(17,633)	(13,429)
<b>Net cash used in operating activities</b>	<b>(6,534)</b>	<b>(8,873)</b>
<b>Cash flows from investing activities:</b>		
Additions to property, plant and equipment	(1,391)	(682)
Acquisition of intangibles	(150)	—
Cash paid in acquisition	—	(37,000)
<b>Net cash used in investing activities</b>	<b>(1,541)</b>	<b>(37,682)</b>
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt	(132,500)	(1,250)
Deferred financing costs on long-term debt	(741)	—
Payment of contingent consideration previously established in purchase accounting	(1,208)	(2,100)
Proceeds (outlays) from exercise of stock options and employee stock purchase plan	(1,300)	705
<b>Net cash used in financing activities</b>	<b>(135,749)</b>	<b>(2,645)</b>
Effect of exchange rate changes on cash and cash equivalents	(168)	(134)
<b>Decrease in cash and cash equivalents</b>	<b>(143,992)</b>	<b>(49,334)</b>
Cash and cash equivalents at beginning of period	227,641	74,096
<b>Cash and cash equivalents at end of period</b>	<b>\$ 83,649</b>	<b>\$ 24,762</b>

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

**Reconciliation of Free Cash Flows:**

	Three months ended	
	August 31, 2019	August 31, 2018
	(unaudited)	
Net cash used in operating activities	\$ (6,534)	\$ (8,873)
Additions to property, plant and equipment	(1,391)	(682)
Free Cash Flow	<u>\$ (7,925)</u>	<u>\$ (9,555)</u>

---



# AngioDynamics

First Quarter 2020 Earnings Presentation  
October 3, 2019



angiodynamic

---

# 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, 2019. 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, 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.

# First Quarter FY2020 Highlights

## Financial Performance

(in millions)	Q1 FY20	Q1 FY19	Change
Revenue	\$66.0	\$63.9	3.3%
Organic Revenue	\$62.9	\$63.6	(1.0%)
Revenue Excluding Asclera	\$66.0	\$62.5	5.6%
Organic Revenue Excluding Asclera	\$62.9	\$62.2	1.3%
Gross Margin	57.9%	56.2%	170 bps
Adjusted EPS	\$0.08	\$0.02	\$0.06
Adjusted EBITDAS	\$7.3	\$5.4	\$1.9
Cash Used in Operations	(\$6.5)	(\$8.9)	
Free Cash Flow	(\$7.9)	(\$9.6)	

## Product Family Year-over-Year Sales Growth

Vascular Interventions and Therapies	
AngioVac®	33%
Thrombolytic	16%
Core Peripheral	(1%)
Venous Insufficiency	(15%)*
Vascular Access	
Midlines	5%
PICCs	(9%)
Ports	(9%)
Dialysis	11%
Oncology	
NanoKnife®	4%
Solero® Microwave	3%
RadioFrequency Ablation	(18%)

\* Excluding Asclera, Venous Insufficiency growth was 1.2%.

## Corporate Developments

- NanoKnife DIRECT study: 7 sites have IRB approval to begin patient enrollment; anticipate approximately up to 10 more site approvals by end of FY.
- Paid down all existing outstanding debt and entered into a new revolver-only credit facility of \$125.0 million on June 3, 2019.
- Eximo Medical, Ltd. acquisition completed for upfront consideration of \$46.0 million plus up to \$20.0 of consideration for future earnouts.

# First Quarter FY2020 Results (unaudited)

<i>\$ in thousands (except per share data)</i>	FY2020 Q1 Results	FY2019 Q1 Results	Change
<b>Revenue</b>	<b>\$66,042</b>	<b>\$63,943</b>	<b>3.3%</b>
Vascular Interventions and Therapies	28,913	28,598	1.1%
Vascular Access	23,159	23,790	(2.7%)
Oncology	13,970	11,555	20.9%
United States	52,937	51,496	2.8%
International	13,105	12,447	5.3%
<b>Net Loss from Continuing Operations</b>	<b>(\$1,275)</b>	<b>(\$5,704)</b>	
<b>Adjusted Net Income</b>	<b>\$3,174</b>	<b>\$721</b>	
<b>GAAP Loss Per Share</b>	<b>(\$0.03)</b>	<b>(\$0.15)</b>	
<b>Non-GAAP Adjusted EPS</b>	<b>\$0.08</b>	<b>\$0.02</b>	
<b>Gross Margin</b>	<b>57.9%</b>	<b>56.2%</b>	
<b>Adjusted EBITDAS</b>	<b>\$7,280</b>	<b>\$5,374</b>	
<b>Free Cash Flow</b>	<b>(\$7,925)</b>	<b>(\$9,555)</b>	
<b>Cash</b>	<b>\$83,649</b>	<b>\$227,641*</b>	
<b>Debt</b>	<b>\$0</b>	<b>\$132,500*</b>	

\* Balances reflect amounts at May 31, 2019.

4



# Balance Sheet Position

## Use of Cash in Q1 FY20

(in millions)	
Cash at May 31, 2019	\$227.6
Pay down Credit Facility	(132.5)
Variable Compensation Payment*	(8.7)
Third Party Closing Costs Related to the Fluid Management Sale	(3.7)
Merz Settlement Payment	(2.5)
Contingent Consideration Payment	(1.2)
Net Cash Provided by Operations	4.6
<b>Cash at August 31, 2019</b>	<b>\$83.6</b>

\* Includes annual bonus and year-end commission payments.

## New Credit Facility

(in millions)	
Debt at May 31, 2019	\$132.5
Pay down Credit Facility	(132.5)
Draw on Revolver	0.0
<b>Debt at August 31, 2019</b>	<b>\$0.0</b>

- Paid down all existing debt during Q1 FY20.
- New credit agreement consists of a \$125.0 million revolving facility.

## Balance Sheet Impact of Eximo Acquisition

(in millions)	
Approximate Cash at October 2, 2019	\$84.5
Cash Used in Eximo Acquisition	45.8
<b>Cash Post Acquisition</b>	<b>\$38.7</b>
Debt at August 31, 2019	\$0.0
Draw on Revolver for Eximo Acquisition	0.0
<b>Debt Post Acquisition</b>	<b>\$0.0</b>

## Available Capacity Post Eximo Acquisition

(in millions)	
Total Revolver	\$125.0
Available to Draw*	\$100.0
Available to Draw with Extended Leverage Ratio**	\$118.0
<b>Total Cash</b>	<b>\$38.7</b>
Cash for Operations	20.0
<b>Available Cash</b>	<b>\$18.7</b>
<b>Total Available Capacity with Extended Leverage Ratio</b>	<b>\$136.7</b>

\* Based on current EBITDAs, as defined by the Credit Agreement.

\*\* Option to extend leverage ratio for a period of 4 consecutive fiscal quarters to 3.50 after an acquisition that exceeds \$35 million.

## FY2020 Guidance

	<u>Previous Guidance</u>	<u>Current Guidance</u>
Revenue	\$280 - \$286m	\$280 - \$286m
Adjusted EPS	\$0.25 - \$0.30	\$0.10 - \$0.15*
Gross Margin	58% - 59%	58% - 59%

\* Current guidance to account for investments related to a full-market launch of the products acquired from Eximo Medical Ltd.

# GAAP to Non-GAAP Reconciliation

# Reconciliation of GAAP to Non-GAAP Net Income and EPS

Amounts in thousands	Three months ended	
	August 31,	August 31,
	2019	2018
	(unaudited)	
Net loss from continuing operations	\$ (1,275)	\$ (5,704)
Amortization of intangibles	3,868	3,434
Change in fair value of contingent consideration	(448)	12
Acquisition, restructuring and other items, net <sup>(1)</sup>	1,500	4,422
Write-off of deferred financing fees <sup>(2)</sup>	593	—
Tax effect of non-GAAP items <sup>(3)</sup>	(1,064)	(1,443)
Adjusted net income	<u>\$ 3,174</u>	<u>\$ 721</u>

	Three months ended	
	August 31,	August 31,
	2019	2018
	(unaudited)	
Diluted loss per share	\$ (0.03)	\$ (0.15)
Amortization of intangibles	0.10	0.09
Change in fair value of contingent consideration	(0.01)	0.00
Acquisition, restructuring and other items, net <sup>(1)</sup>	0.04	0.12
Write-off of deferred financing fees <sup>(2)</sup>	0.02	—
Tax effect of non-GAAP items <sup>(3)</sup>	(0.04)	(0.04)
Adjusted diluted earnings per share	<u>\$ 0.08</u>	<u>\$ 0.02</u>
Adjusted diluted sharecount	38,158	38,096

- (1) Includes costs related to merger and acquisition activities, restructurings, and unusual items, including asset impairment 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 August 31, 2019 and 2018.



# Reconciliation of Net Income to EBITDAS to Adjusted EBITDAS

Amounts in thousands	Three months ended	
	August 31,	August 31,
	2019	2018
	(unaudited)	
Net loss from continuing operations	\$ (1,275)	\$ (5,704)
Income tax expense (benefit)	(116)	(1,228)
Interest expense, net	465	917
Depreciation and amortization	5,170	4,812
Stock based compensation	1,984	2,143
EBITDAS	<u>\$ 6,228</u>	<u>\$ 940</u>
Change in fair value of contingent consideration	\$ (448)	\$ 12
Acquisition, restructuring and other items, net <sup>(1)</sup>	1,500	4,422
Adjusted EBITDAS	<u>\$ 7,280</u>	<u>\$ 5,374</u>
Per diluted share:		
EBITDAS	\$ 0.16	\$ 0.02
Adjusted EBITDAS	\$ 0.19	\$ 0.14

(1) 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

**NEWS RELEASE****Investor Relations Contact:**

AngioDynamics, Inc.  
Michael Greiner  
518-795-1821  
[mgreiner@angiodynamics.com](mailto:mgreiner@angiodynamics.com)

**Media Contact:**

AngioDynamics, Inc.  
Saleem Cheeks  
518-795-1174  
[scheeks@angiodynamics.com](mailto:scheeks@angiodynamics.com)

**AngioDynamics Acquires Eximo Medical, Ltd. and its Innovative 355nm Laser Atherectomy Technology**

**Latham, New York, October 3, 2019** – AngioDynamics, Inc. (NASDAQ: ANGO), a leading provider of innovative, minimally invasive medical devices for vascular access, peripheral vascular disease, and oncology, today announced that it has acquired Eximo Medical, Ltd., an early commercial stage, medical device company, and its proprietary 355nm wavelength laser-technology platform for \$46 million in up-front consideration with up to \$20 million of contingent consideration related to certain technical and revenue milestones. The transaction is being funded exclusively through the use of cash on hand.

This transaction expands AngioDynamics' existing Vascular Interventions and Therapies (VIT) product portfolio by adding Eximo's proprietary laser technology, which has received 510(k) clearance for use in the treatment of Peripheral Artery Disease (PAD). The Eximo technology complements AngioDynamics' leading thrombus management and venous insufficiency technologies.

"The acquisition of Eximo brings a remarkable, foundational technology to our portfolio that will change the way caregivers deliver treatment to patients with PAD," said Jim Clemmer, President and Chief Executive Officer of AngioDynamics, Inc. "The market is ripe for disruption, and the level of precision, safety, and efficiency offered to physicians by this laser technology creates a substantially differentiated alternative to legacy atherectomy devices."

Physicians provide atherectomy treatment to over 200,000 Americans annually<sup>1</sup>, and Eximo's laser technology represents a technological breakthrough among medical devices used in atherectomy procedures to treat PAD today. In acquiring Eximo and its laser technology, AngioDynamics enters a growing \$500+ million market with an innovative medical solution that offers greater versatility, a wider range of treatments, and strong clinical data to support its efficacy.

Differentiated from other legacy medical devices, Eximo's laser technology is the only system capable of delivering short, high-powered pulsed-laser energy in 355nm wavelength without compromising the integrity of its fiber optic cables during atherectomy procedures. The technology addresses the risk of perforation through tissue selectivity, addresses the risk of embolization to the patient through the availability of aspiration and is indicated to provide

---

<sup>1</sup> Medtech 360 Peripheral Vascular Devices Market Analysis 2017

treatment for In-Stent Restenosis (ISR), which is the gradual re-narrowing of the artery after a blockage has been previously treated with a stent.

Additionally, Eximo's laser technology advances patient treatment options and care by treating a variety of PAD lesion types both above- and below-the-knee. The technology is a safe, fast, and effective system that clinical studies have shown to be effective in treating lesions ranging from soft plaque to severely calcified<sup>23</sup>.

"We are very happy to join AngioDynamics", said Yoel Zabar, Chief Executive Officer of Eximo Medical, Ltd. "We believe that AngioDynamics' existing resources and commercial acumen will enable a large number of patients to benefit from Eximo's laser technology, and we look forward to extending its utility into other indications within vascular and elsewhere. We would also like to thank the number of physicians that have already partnered with us during our journey, and we look forward to continuing our work together as we expand our physician base."

AngioDynamics management will discuss the transaction during its scheduled FY2020 First Quarter Financial Results Conference Call, Thursday, October 3, 2019, at 8:00 a.m. EST. For more information about Eximo, visit [www.angiodynamics.com/eximo](http://www.angiodynamics.com/eximo).

#### **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](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

---

<sup>2</sup> Rundback, J, Chandra, P, Brodmann, M, et al. Catheter Cardiovasc Interv. 2019; 1– 8. <https://doi.org/10.1002/ccd.28435>

<sup>3</sup> Nicolas W. Shammam, Pradeep Chandra, Marianne Brodmann, et al. Cardiovascular Revascularization Medicine, 2018, ISSN 1553-8389, <https://doi.org/10.1016/j.carrev.2018.11.022>

---

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

---