angiodynamics

AngioDynamics

First Quarter Fiscal Year 2025 Earnings Presentation

October 3, 2024

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," "projects," "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 materially from AngioDynamics' expectations, expressed or implied. Factors that may affect the actual results achieved by AngioDynamics include, without limitation, the scale and scope of the COVID-19 global pandemic, the ability of AngioDynamics to develop its existing and new products, technological advances and patents attained by competitors, infringement of AngioDynamics' technology or assertions that AngioDynamics' technology infringes the technology of third parties, the ability of AngioDynamics to effectively compete against competitors that have substantially greater resources, future actions by the FDA or other regulatory agencies, domestic and foreign health care reforms and government regulations, results of pending or future clinical trials, overall economic conditions (including inflation, labor shortages and supply chain challenges including the cost and availability of raw materials), 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 obtain regulatory clearances or approval of its products, or 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, 2024. 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 pro forma results, adjusted EBITDA (income before interest, taxes, depreciation and amortization and stock-based compensation); adjusted net income and adjusted earnings per share. 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.

FY Q1 2025 Key Takeaways

Continued commercial and operational execution positions AngioDynamics to drive accelerated, profitable growth moving forward

CONTINUED COMMERCIAL EXECUTION

- +1.1% YoY pro forma revenue growth
- MedTech segment pro forma revenue growth of 8.7% YoY
- Auryon sales of $13.7 million, +24.9% YoY
- AlphaVac sales of $2.2 million, +21.1% YoY

ACHIEVED KEY CLINICAL & REGULATORY MILESTONES

- CE Mark approval in Europe for the Auryon System
- Filed FDA submission for NanoKnife prostate indication
- Initiated RECOVER-AV clinical trial

PROGRESSED TOWARDS PROFITABILITY

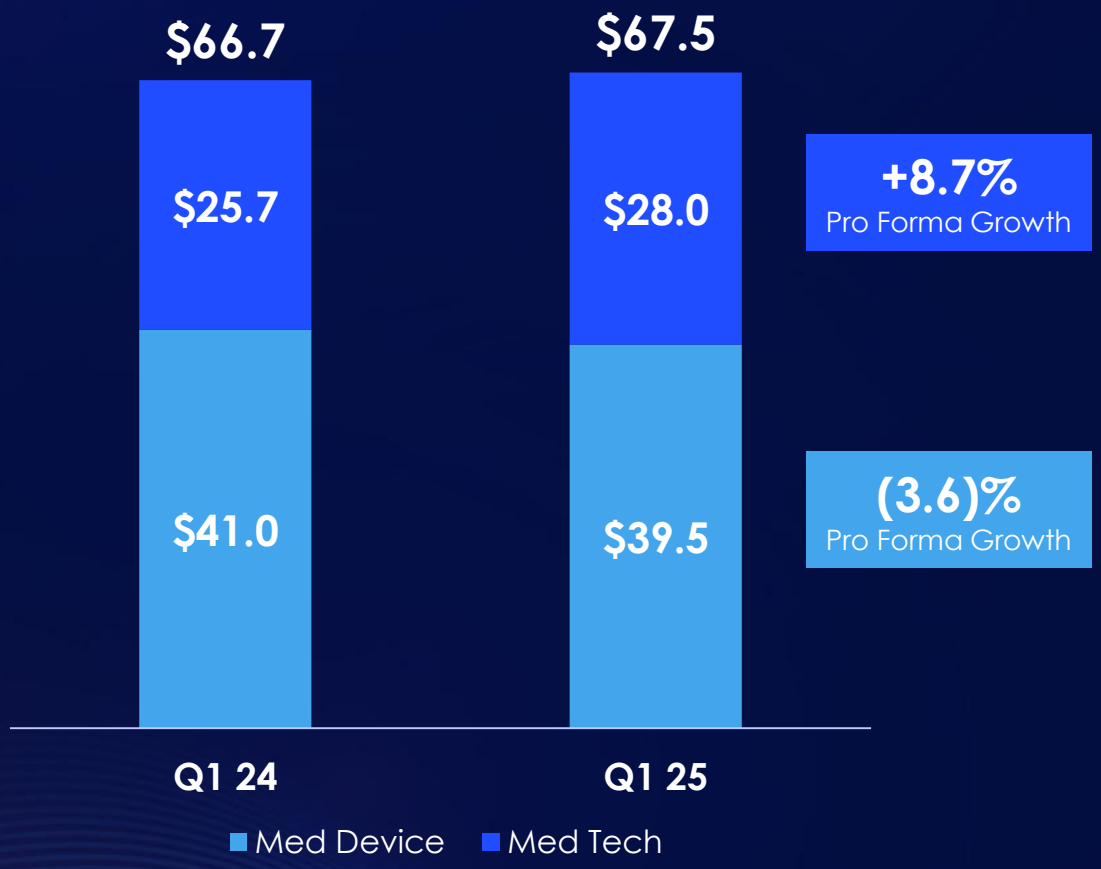
- Reported pro forma Adj. EBITDA loss of ($0.2)M, improving from ($1.1)M in Q1 FY24

SHIFT TO OUTSOURCED MANUFACTURING REMAINS ON TRACK

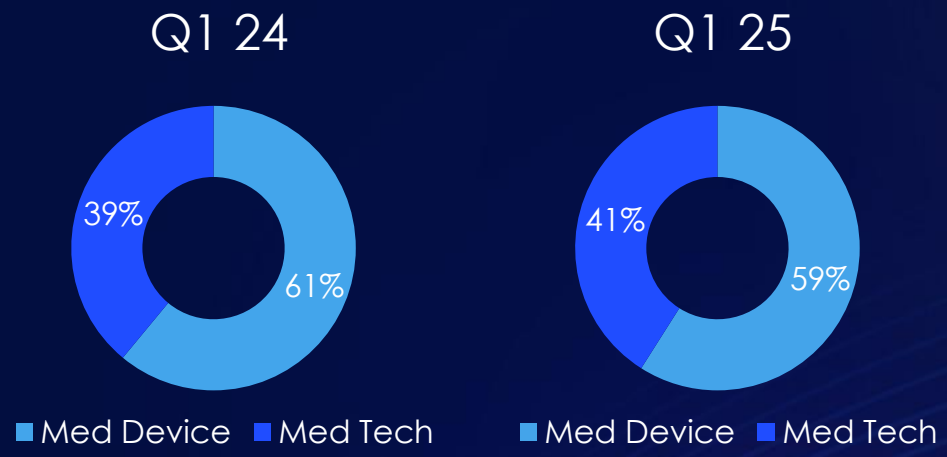
- Process expected to generate $15 million in annual cost savings in FY 2027

Q1 FY 2025 Pro Forma Financial Snapshot

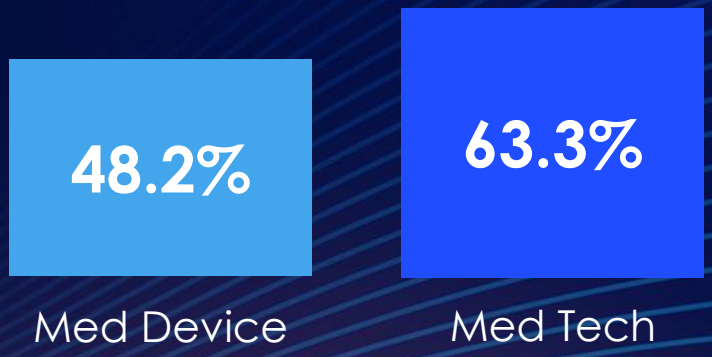
Net Sales



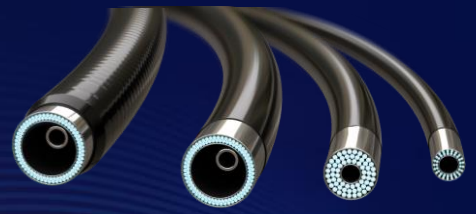
Segment Revenue Contribution



Segment Gross Margin



Med Tech - Auryon



Period	Sales	YoY Growth
Q1 2025	$13.7M	24.9%

- Cumulative sales of over $140M since launch in Sept 2020
- Launched Auryon XL Radial Catheter in FY24
- Launched 1.7mm Catheter in Q1 FY25
- European CE Mark approval in Q1 FY25

Med Tech - Thrombus Management

1Q 2025	Sales	YoY Growth
AngioVac	$5.8M	(8.0%)
AlphaVac	$2.2M	21.1%
Total Mech Thromb.	**$8.0M**	**(1.6%)**
Unifuse	$1.2	1.3%
Total Thrombus Mgmt.	**$9.2**	**(1.3%)**

AlphaVac

- Completed APEX-AV IDE study in Pulmonary Embolism (PE) in Q3 FY24
- Received FDA 510(k) & CE Mark for PE in Q4 FY24
- Delivered sequential growth of 13% in Q1 FY25 over Q4 FY24
- Initiated RECOVER-AV clinical trial in Europe in Q2 FY25

Med Tech - NanoKnife

1Q 2025	Sales	YoY Growth
Disposables	$4.1M	(4.6)%
Capital	$1.0M	(15.0)%
Total	**$5.1M**	**(6.9)%**

- Completed enrollment of PRESERVE trial in July of 2023, designed to prove that NanoKnife is a safe and effective treatment for men diagnosed with intermediate risk prostate cancer
- Completed 12-month patient follow up in July 2024
- Filed for FDA clearance in September 2024, in line with expectations and expect to receive an expanded indication for use in the treatment of prostate tissue by the end of calendar 2024

Med Device

1Q 2025	Sales	YoY Growth
Core Peripheral	$18.4M	(0.9%)
Venous / EVLT	$6.1M	0.5%
Ports	$9.4M	4.5%
Solero Microwave	$4.1M	(27.1%)
Alatus and Isoloc Balloons	$1.1M	(11.6%)
Other Med Device	$0.4M	(16.8%)
Total	**$39.5M**	**(3.6)%**

Fiscal Year 2025 Guidance

Reiterated all guidance components introduced on July 16, 2024

Metric	Guidance
Full Year Net Sales	**$282 - $288 million**
Med Tech Net Sales	*10 – 12% YoY growth*
Med Device Net Sales	*1 – 3% YoY growth*
Gross Margin	**52 - 53%**
Adjusted EBITDA	**($2.5) - $0 million**
Adjusted EPS	**($0.38) – ($0.42)**

Fiscal Year 2025 Catalysts

Auryon

- *Received CE Mark in Q1 FY2025*
- **Conducting limited market release in EU before transitioning to full market release**
- **Continuing to increase penetration in the hospital setting in the U.S.**

AlphaVac

- **Executing full commercial launch of PE indication in U.S. and CE Marked countries**
- **Launch new products to refine and enhance usability**

NanoKnife

- *Completed 12-month patient follow up in PRESERVE study*
- *Filed FDA submission for prostate indication in September 2024*
- **Expect FDA approval for prostate the end of calendar year 2024**
- **Commercial launch for prostate following approval**
- **Pursuing a specific prostate CPT code to add clarity to the reimbursement pathway**

Appendix

Reconciliation of GAAP to Non-GAAP Pro Forma Results for the Consolidated Income Statements

(in thousands, except per share data)	Three Months Ended			Three Months Ended		
	Actual [1]	Pro Forma Adjustments [2]	Pro Forma	As Reported [1]	Pro Forma Adjustments [2]	Pro Forma
	Aug 31, 2024	Aug 31, 2024	Aug 31, 2024	Aug 31, 2023	Aug 31, 2023	Aug 31, 2023
		(unaudited)			(unaudited)	
Net sales	$ 67,491	9	$ 67,500	$ 78,679	(11,935)	$ 66,744
Cost of sales (exclusive of intangible amortization)	30,767	(2)	30,765	38,619	(8,482)	30,137
Gross profit	36,724	11	36,735	40,060	(3,453)	36,607
% of net sales	54.4 %		54.4 %	50.9 %		54.8 %
Operating expenses						
Research and development	6,285	—	6,285	7,941	(207)	7,734
Sales and marketing	25,605	—	25,605	27,368	(1,487)	25,881
General and administrative	10,975	—	10,975	10,856	(1)	10,855
Amortization of intangibles	2,570	—	2,570	3,625	(964)	2,661
Change in fair value of contingent consideration	76	—	76	(130)	—	(130)
Acquisition, restructuring and other items, net	4,311	154	4,465	3,212	(22)	3,190
Total operating expenses	49,822	154	49,976	52,872	(2,681)	50,191
Gain on sale of assets	—	—	—	47,842	(47,842)	—
Operating income (loss)	(13,098)	(143)	(13,241)	35,030	(48,614)	(13,584)
Interest income, net	606	—	606	119	—	119
Other expense, net	(173)	—	(173)	(288)	—	(288)
Total other income (expense), net	433	—	433	(169)	—	(169)
Income (loss) before income tax benefit	(12,665)	(143)	(12,808)	34,861	(48,614)	(13,753)
Income tax expense (benefit)	133	—	133	(11,023)	—	(11,023)
Net income (loss)	$ (12,798)	$ (143)	$ (12,941)	$ 45,884	$ (48,614)	$ (2,730)
Earnings (loss) per share						
Basic	$ (0.31)		$ (0.32)	$ 1.15		$ (0.07)
Diluted	$ (0.31)		$ (0.32)	$ 1.15		$ (0.07)
Weighted average shares outstanding						
Basic	40,653		40,653	39,842		39,842
Diluted	40,653		40,653	39,968		39,842

(1) Reflects the Company's US GAAP consolidated financial statements before pro forma adjustments related to the sale of the Dialysis and BioSentry Businesses on June 8, 2023, the sale of the PICCs and Midlines Businesses on February 15, 2024 and the discontinuation of the Radiofrequency Ablation and Syntrax products ("the Businesses") as of February 29, 2024, for the three months ended August 31, 2024 and 2023.

(2) Reflects the elimination of revenues and expenses representing the operating results from the sales and discontinuation of the Businesses.

Reconciliation of GAAP to Non-GAAP Adjusted Net Loss and EPS

(in thousands, except per share data)	Three Months Ended	
	Aug 31, 2024	Aug 31, 2023
	(unaudited)	
Net income (loss)	$ (12,798)	$ 45,884
Amortization of intangibles	2,570	3,625
Change in fair value of contingent consideration	76	(130)
Acquisition, restructuring and other items, net [1]	4,311	3,212
Gain on sale of assets	—	(47,842)
Tax effect of non-GAAP items [2]	1,446	(9,580)
Adjusted net loss	$ (4,395)	$ (4,831)

	Three Months Ended	
	Aug 31, 2024	Aug 31, 2023
	(unaudited)	
Diluted earnings (loss) per share	$ (0.31)	$ 1.15
Amortization of intangibles	0.06	0.09
Change in fair value of contingent consideration	0.00	0.00
Acquisition, restructuring and other items, net [1]	0.10	0.08
Gain on sale of assets	—	(1.20)
Tax effect of non-GAAP items [2]	0.04	(0.24)
Adjusted diluted loss per share	$ (0.11)	$ (0.12)
Adjusted diluted sharecount [3]	40,653	39,842

(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) 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 the periods ended August 31, 2024 and 2023.

(3) Diluted shares may differ for non-GAAP measures as compared to GAAP due to a GAAP loss.

Reconciliation of Net Loss to Adjusted EBITDA

(in thousands, except per share data)	Three Months Ended	
	Aug 31, 2024	Aug 31, 2023
	(unaudited)	
Net income (loss)	$ (12,798)	$ 45,884
Income tax expense (benefit)	133	(11,023)
Interest income, net	(606)	(119)
Depreciation and amortization	6,785	6,688
Change in fair value of contingent consideration	76	(130)
Stock based compensation	3,205	4,144
Acquisition, restructuring and other items, net [1]	3,042	3,212
Gain on sale of assets	—	(47,842)
Adjusted EBITDA	$ (163)	$ 814
Per diluted share:		
Adjusted EBITDA	$ 0.00	$ 0.02

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

Reconciliation of Non-GAAP Pro Forma Net Loss to Adjusted Pro Forma Net Loss and EPS

(in thousands, except per share data)	Pro Forma Three Months Ended Aug 31, 2024 (unaudited)	Pro Forma Three Months Ended Aug 31, 2023 (unaudited)
Pro forma net loss	$ (12,941)	$ (2,730)
Amortization of intangibles	2,570	2,661
Change in fair value of contingent consideration	76	(130)
Acquisition, restructuring and other items, net [1]	4,465	3,190
Tax effect of non-GAAP items [2]	1,443	(9,176)
Adjusted pro forma net loss	$ (4,387)	$ (6,185)

	Pro Forma Three Months Ended Aug 31, 2024 (unaudited)	Pro Forma Three Months Ended Aug 31, 2023 (unaudited)
Pro forma diluted loss per share	$ (0.32)	$ (0.07)
Amortization of intangibles	0.06	0.07
Change in fair value of contingent consideration	0.00	0.00
Acquisition, restructuring and other items, net [1]	0.11	0.08
Tax effect of non-GAAP items [2]	0.04	(0.24)
Adjusted pro forma diluted loss per share	$ (0.11)	$ (0.16)
Adjusted diluted sharecount [3]	40,653	39,842

(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) 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 the periods ended August 31, 2024 and 2023.

(3) Diluted shares may differ for non-GAAP measures as compared to GAAP due to a GAAP loss.

Reconciliation of Non-GAAP Pro Forma Net Loss to Adjusted Pro Forma EBITDA

(in thousands, except per share data)	Pro Forma Three Months Ended Aug 31, 2024 (unaudited)	Pro Forma Three Months Ended Aug 31, 2023 (unaudited)
Pro forma net loss	$ (12,941)	$ (2,730)
Income tax expense (benefit)	133	(11,023)
Interest income, net	(606)	(119)
Depreciation and amortization	6,785	5,682
Change in fair value of contingent consideration	76	(130)
Stock based compensation	3,205	4,058
Acquisition, restructuring and other items, net [1]	3,196	3,190
Adjusted EBITDA	$ (152)	$ (1,072)
Per diluted share:		
Adjusted EBITDA	$ 0.00	$ (0.03)

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

Detail of "Acquisition, Restructuring and Other Items, net"

(in thousands)	Three Months Ended Aug 31, 2024	Aug 31, 2023
Legal [1]	$ 507	$ 1,817
Plant closure [2]	3,589	—
Transition service agreement [3]	(507)	(145)
Manufacturing relocation [4]	—	587
Other	722	953
Total	$ 4,311	$ 3,212

(1) Legal expenses related to litigation that is outside the normal course of business.
(2) Plant closure expense, related to the restructuring of our manufacturing footprint which was announced on January 5, 2024.
(3) Transition services agreements that were entered into with Merit and Spectrum.
(4) Expenses to relocate certain manufacturing lines out of Queensbury, NY.

Reconciliation of GAAP to Non-GAAP Pro Forma Results for Sales and Gross Margin by Product Category

(in thousands)	Three Months Ended			Three Months Ended			Actual			Pro Forma		
	Actual [1]	Pro Forma Adj. [2]	Pro Forma	As Reported [1]	Pro Forma Adj. [2]	Pro Forma						
	Aug 31, 2024	Aug 31, 2024	Aug 31, 2024	Aug 31, 2023	Aug 31, 2023	Aug 31, 2023	% Growth	Currency Impact	Constant Currency Growth	% Growth	Currency Impact	Constant Currency Growth
	(unaudited)			(unaudited)								
Net Sales												
Med Tech	$ 27,969	$ —	$ 27,969	$ 25,860	$ (131)	$ 25,729	8.2%			8.7%		
Med Device	39,522	9	39,531	52,819	(11,804)	41,015	(25.2)%			(3.6)%		
	$ 67,491	$ 9	$ 67,500	$ 78,679	$ (11,935)	$ 66,744	(14.2)%	0.0%	(14.2)%	1.1%	0.0%	1.1%
Net Sales												
United States	$ 59,481	$ 10	$ 59,491	$ 64,399	$ (8,395)	$ 56,004	(7.6)%			6.2%		
International	8,010	(1)	8,009	14,280	(3,540)	10,740	(43.9)%	0.0%	(43.9)%	(25.4)%		
	$ 67,491	$ 9	$ 67,500	$ 78,679	$ (11,935)	$ 66,744	(14.2)%	0.0%	(14.2)%	1.1%	0.0%	1.1%

	Three Months Ended			Three Months Ended			Actual	Pro Forma
	Actual [1]	Pro Forma Adj. [2]	Pro Forma	As Reported [1]	Pro Forma Adj. [2]	Pro Forma		
	Aug 31, 2024	Aug 31, 2024	Aug 31, 2024	Aug 31, 2023	Aug 31, 2023	Aug 31, 2023	% Change	% Change
	(unaudited)			(unaudited)				
Med Tech	$ 17,697	$ —	$ 17,697	$ 16,727	$ (39)	$ 16,688	5.8 %	6.0 %
Gross profit % of sales	63.3 %		63.3 %	64.7 %		64.9 %		
Med Device	$ 19,027	$ 11	$ 19,038	$ 23,333	$ (3,414)	$ 19,919	(18.5)%	(4.4)%
Gross profit % of sales	48.1 %		48.2 %	44.2 %		48.6 %		
Total	$ 36,724	$ 11	$ 36,735	$ 40,060	$ (3,453)	$ 36,607	(8.3)%	0.3 %
Gross profit % of sales	54.4 %		54.4 %	50.9 %		54.8 %		

(1) Reflects the Company's US GAAP consolidated financial statements before pro forma adjustments related to the sale of the Dialysis and BioSentry Businesses on June 8, 2023, the sale of the PICCs and Midlines Businesses on February 15, 2024 and the discontinuation of the RadioFrequency Ablation and Syntrax products ("the Businesses") as of February 29, 2024, for the three months ended August 31, 2024 and 2023.

(2) Reflects the elimination of revenues and expenses representing the operating results from the sales and discontinuation of the Businesses.