AngioDynamics

Second Quarter 2018 Earnings Presentation

January 4th, 2018

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Forward-Looking Statement

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 purchased businesses, as well as the risk factors listed from time to time in AngioDynamics' SEC filings, including but not limited to its Annual Report on Form 10-K for the year ended May 31, 2017. AngioDynamics does not assume any obligation to publicly update or revise any forward-looking statements for any reason.

In the United States, the NanoKnife System has received a 510(k) clearance by the Food and Drug Administration for use in the surgical ablation of soft tissue, and is similarly approved for commercialization in Canada, the European Union and Australia. The NanoKnife System has not been cleared for the treatment or therapy of a specific disease or condition.

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 news release, AngioDynamics has reported net sales excluding a supply agreement; adjusted sales growth; adjusted EBITDAS (income before interest, taxes, depreciation and amortization and stock-based compensation); adjusted gross profit; 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.

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Q2 FY2018 Highlights

Financial Performance

- Revenue of $86.7 million, down 2.6% year-over-year (Excluding impact of Cook Recall: Revenue down 1% year-over-year)
- Adjusted EPS of $0.16, compared to $0.19 in Q2 FY17
- Adjusted EBITDAS of $13.3 million, compared to $15.2 million a year ago
- Generated operating cash flow of $10.2 million and free cash flow of $9.4 million
- **Company reduced full-year revenue guidance to $345 – $350 million from $352 – $359 million and Free Cash Flow guidance to $30-$35 million from $35+ million**
- **Reconfirmed Adjusted EPS guidance of $0.64 - $0.68, excluding any positive impact from the Tax Reform Act**

Peripheral Vascular

Strength in fluid management and thrombus management portfolios

Vascular Access

Continued growth in BioFlo product family

Oncology/Surgery

Launch of Solero well received by market

Corporate Developments

- Continued execution on operational efficiencies across the business
- Launch of Solero, first product from revised Product Development Process, showed early marketplace acceptance
- Tax reform will have positive impact on Adjusted EPS calculations due to statutory rate change from 35% to 21% (impact not included in Adjusted EPS guidance)

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Second Quarter 2018 Results

$ in millions (except per share)	FY2018 Q2 Results	FY2017 Q2 Results	Change
Revenue	**$86.7**	**$89.0**	**(3)%**
- Peripheral Vascular	51.4	53.7	(4)%
- Vascular Access	22.6	23.6	(4)%
- Oncology/Surgery	12.8	11.8	8%
- United States	68.3	71.4	(4)%
- International	18.4	17.6	5%
Net Income	$0.3	$13.7	
Adjusted Net Income	$5.8	$6.9	
GAAP Earnings Per Share	$0.01	$0.37	
Non-GAAP Adjusted EPS†	$0.16	$0.19	
Gross Margin	49.3%*	50.6%	
Adjusted EBITDAS†	$13.3	$15.2	
Free Cash Flow	$9.4	$13.6	
Cash and Cash Equivalents	$49.9	$35.7	
Debt	$95.0	$116.5	

* Adjusted gross margin in the quarter was 51.2% when excluding the impact of a $1.7 million inventory write-off related to Company's RF ablation product Volta, which was previously sold in Japan

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Revised FY2018 Guidance

	Previous Guidance	Revised Guidance
Revenue	$352-$359m	$345-$350m
Adjusted EPS *	$0.64-$0.68	$0.64-$0.68
Free Cash Flow **	$35m+	$30m-$35m

* Excludes positive impact of statutory tax rate change from 35% to 21%.
** Excludes the potential cash payment related to the DOJ legal matters disclosed previously.

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GAAP to Non-GAAP Reconciliation

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Reconciliation of GAAP to Non-GAAP Gross Profit, Net Income and EPS

Reconciliation of Gross Profit to non-GAAP Adjusted Gross Profit

	Three months ended		Six months ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	(unaudited)		(unaudited)	
Gross profit	$ 42,731	$ 45,010	$ 83,960	$ 90,042
Inventory charge included in cost of sales	-	202	-	201
Adjusted gross profit	$ 42,731	$ 45,212	$ 83,960	$ 90,243
Adjusted gross profit % of sales	49.3%	50.8%	48.8%	50.9%

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

	Three months ended		Six months ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	(unaudited)		(unaudited)	
Net income (loss)	$ 249	$ 13,734	$ 214	$ 15,034
Inventory charge included in cost of sales	-	202	-	201
Amortization of intangibles	4,146	4,291	8,242	8,526
Change in fair value of contingent consideration	82	(15,951)	187	(15,508)
Acquisition, restructuring and other items, net (1)	4,766	7,861	7,755	10,278
Tax effect of non-GAAP items (2)	(3,434)	(3,213)	(5,997)	(5,209)
Adjusted net income	$ 5,809	$ 6,924	$ 10,401	$ 13,322

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

	Three months ended		Six months ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	(unaudited)		(unaudited)	
Diluted earnings (loss) per share	$ 0.01	$ 0.37	$ 0.01	$ 0.41
Inventory charge included in cost of sales	-	0.01	-	0.01
Amortization of intangibles	0.11	0.12	0.22	0.23
Change in fair value of contingent consideration	0.00	(0.43)	0.01	(0.42)
Acquisition, restructuring and other items, net (1)	0.13	0.21	0.21	0.27
Tax effect of non-GAAP items (2)	(0.09)	(0.09)	(0.17)	(0.14)
Adjusted diluted earnings per share	$ 0.16	$ 0.19	$ 0.28	$ 0.36
Adjusted diluted sharecount	37,383	37,146	37,322	37,000

(1) Includes costs related to mergers and acquisition activities, integrations, restructurings, asset impairments and write-offs, litigation, and other items.
(2) Represents the net tax effect of non-GAAP adjustments. Based on our historical non-GAAP earnings, our tax effect of non-GAAP items has been calculated assuming no valuation allowance on our deferred tax assets and an effective tax rate of 36%.

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Reconciliation of Net Income to EBITDAS to Adjusted EBITDAS

Reconciliation of Net Income to EBITDAS and Adjusted EBITDAS:

	Three months ended		Six months ended	
	November 30, 2017	November 30, 2016	November 30, 2017	November 30, 2016
	(unaudited)		(unaudited)	
Net income (loss)	$ 249	$ 13,734	$ 214	$ 15,034
Income tax expense	(166)	681	(147)	2,284
Interest expense, net	760	810	1,483	1,529
Depreciation and amortization	5,884	6,133	11,677	12,286
Stock-based compensation	1,966	1,701	3,763	3,385
EBITDAS	$ 8,693	$ 23,059	16,990	34,518
Inventory charge included in cost of sales	-	202	-	201
Change in fair value of contingent consideration	82	(15,951)	187	(15,508)
Acquisition, restructuring and other items, net (1,2)	4,560	7,861	7,441	10,278
Adjusted EBITDAS	$ 13,335	$ 15,171	$ 24,618	$ 29,489
Per diluted share:				
EBITDAS	$ 0.23	$ 0.62	$ 0.46	$ 0.93
Adjusted EBITDAS	$ 0.36	$ 0.41	$ 0.66	$ 0.80

(1) Includes costs related to mergers and acquisition activities, integrations, restructurings, asset impairments and write-offs, litigation, and other items.
(2) Excludes depreciation expense captured in the depreciation and amortization component of the reconciliation.

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