

February 23, 2023



Q4 2022

Supplemental Financial Information



Use of Non-GAAP Financial Measures



Inogen has presented certain financial information in accordance with U.S. GAAP and also on a non-GAAP basis for the three and twelve months ended December 31, 2022, and for fiscal years ended December 31, 2021, and December 31, 2020. Management believes that non-GAAP financial measures, taken in conjunction with U.S. GAAP financial measures, provide useful information for both management and investors by excluding certain non-cash and other expenses that are not indicative of Inogen's core operating results. Management uses non-GAAP measures to compare Inogen's performance relative to forecasts and strategic plans, to benchmark Inogen's performance externally against competitors, and for certain compensation decisions. Non-GAAP information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of Inogen's operating results as reported under U.S. GAAP. Inogen encourages investors to carefully consider its results under U.S. GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between U.S. GAAP and non-GAAP results are presented in the accompanying tables of this release. For future periods, Inogen is unable to provide a reconciliation of non-GAAP measures without unreasonable effort as a result of the uncertainty regarding, and the potential variability of, the amounts of interest income, interest expense, depreciation and amortization, stock-based compensation, provision for income taxes, and certain other infrequently occurring items, such as acquisition-related costs, that may be incurred in the future.

Total Revenue and Constant Currency Revenue



(in \$ millions)	2020					2021					2022					Q/Q Growth	Y/Y Growth
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY		
B2B domestic	27.6	21.6	23.1	24.2	96.4	30.7	27.6	22.8	10.3	91.4	5.1	11.2	42.5	27.2	86.0	164.6%	(5.8)%
B2B international	20.1	13.9	14.6	13.6	62.1	15.7	21.8	21.8	20.1	79.5	27.9	37.4	15.1	20.7	101.2	3.1%	27.3%
DTC sales	35.5	30.2	29.2	26.8	121.6	30.6	40.9	36.3	33.0	140.9	34.4	40.6	33.0	25.3	133.3	(23.4)%	(5.4)%
Subtotal sales revenue	83.1	65.6	66.8	64.6	280.2	77.1	90.3	80.9	63.4	311.7	67.4	89.3	90.7	73.2	320.5	15.5%	2.8%
Rental revenue	5.3	6.1	7.5	9.4	28.3	9.9	11.3	12.1	13.0	46.3	13.0	14.1	14.7	14.9	56.7	14.4%	22.5%
Total revenue	88.5	71.7	74.3	74.0	308.5	86.9	101.6	93.1	76.4	358.0	80.4	103.4	105.4	88.1	377.2	15.3%	5.4%
Hedging gains (losses)	0.0	0.2	(0.3)	(0.2)	(0.3)	(0.3)	(0.2)	0.1	0.4	0.0	0.6	0.6	-	0.8	2.0		
Revenues, excluding hedging effect	88.5	71.5	74.6	74.2	308.8	87.2	101.8	93.0	76.0	358.0	79.8	102.8	105.4	87.3	375.2		
Exchange rate effect	0.4	0.3	(0.3)	(0.6)	(0.2)	(1.1)	(1.3)	(0.4)	0.3	(2.5)	1.4	2.6	1.1	2.1	7.3		
Total constant currency revenue	88.9	71.8	74.3	73.6	308.6	86.1	100.5	92.6	76.3	355.4	81.2	105.4	106.5	89.4	382.5	17.7%	6.9%

Due to rounding, numbers presented may not add up precisely to the totals provided.

Q4 2022 Results

Revenue by region and category



Total by Category	Q4 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$27.2 million	164.6%	30.9%
Business-to-business international sales	\$20.7 million	3.1%	23.5%
Direct-to-consumer domestic sales	\$25.3 million	(23.4)%	28.7%
Rental revenue	\$14.9 million	14.4%	16.9%
Total revenue	\$88.1 million	15.3%	100%
Total constant currency revenue	\$89.4 million	17.7%	100%

Due to rounding, numbers presented may not add up precisely to the totals provided.

Full Year 2022 Results

Revenue by region and category



Total by Category	2022 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$86.0 million	(5.8)%	22.8%
Business-to-business international sales	\$101.2 million	27.3%	26.8%
Direct-to-consumer domestic sales	\$133.3 million	(5.4)%	35.4%
Rental revenue	\$56.7 million	22.5%	15.0%
Total revenue	\$377.2 million	5.4%	100%
Total constant currency revenue	\$382.5 million	6.9%	100%

Due to rounding, numbers presented may not add up precisely to the totals provided.

Operating Expenses

Income statement *(in thousands)*



	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Operating expense				
Research and development	\$ 5,934	4,684	\$ 21,943	\$ 16,576
Sales and marketing	28,606	29,706	120,767	112,815
General and administrative	1,259	10,871	43,905	37,852
Loss on disposal of intangible asset	52,161	—	52,161	—
Total operating expense	87,960	45,261	238,776	167,243
Income (loss) from operations	(58,489)	(6,673)	(85,243)	9,240
Other income (expense)				
Interest income	1,715	22	2,837	129
Other income (expense)	305	(238)	(862)	(710)
Total other income (expense), net	2,020	(216)	1,975	(581)
Income (loss) before provision for income taxes	(56,469)	(6,889)	(83,268)	8,659
Provision for income taxes	141	15,988	504	14,992
Net loss	\$ (56,610)	\$ (22,877)	\$ (83,772)	\$ (6,333)

The current period expenses include a one-time loss on disposal of intangible asset of \$52.2 million. Excluding this loss, operating expenses decreased 20.9%, primarily due to the change in fair value of the New Aera earnout liability.

Reconciliation of GAAP to Non-GAAP



Adjusted EBITDA *(in thousands)*

Non-GAAP EBITDA and Adjusted EBITDA	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Net loss (GAAP)	\$ (56,610)	\$ (22,877)	\$ (83,772)	\$ (6,333)
Non-GAAP adjustments:				
Interest income	(1,715)	(22)	(2,837)	(129)
Provision for income taxes	141	15,988	504	14,992
Depreciation and amortization	5,978	5,767	23,514	21,628
EBITDA (non-GAAP)	(52,206)	(1,144)	(62,591)	30,158
Stock-based compensation	3,098	2,396	12,283	10,943
Change in fair value of earnout liability	(13,687)	(1,727)	(15,386)	(11,596)
Loss on disposal of intangible asset	52,161	—	52,161	—
Adjusted EBITDA (non-GAAP)	\$ (10,634)	\$ (475)	\$ (13,533)	\$ 29,505

Reconciliation of GAAP to Non-GAAP



Net income (loss) *(in thousands)*

Non-GAAP Adjusted Net Loss and Diluted EPS	Three months ended December 31,			
	Net Loss		Diluted EPS	
	2022	2021	2022	2021
Financial Results (GAAP)	\$ (56,610)	\$ (22,877)	\$ (2.47)	\$ (1.01)
Non-GAAP adjustments:				
Amortization of intangibles	2,022	2,153		
Stock-based compensation	3,098	2,396		
Change in fair value of earnout liability	(13,687)	(1,727)		
Loss on disposal of intangible asset	52,161	—		
Income tax impact of adjustments ⁽¹⁾	—	—		
Adjusted	<u>\$ (13,016)</u>	<u>\$ (20,055)</u>	<u>\$ (0.57)</u>	<u>\$ (0.88)</u>

Non-GAAP Adjusted Net Income (Loss) and Diluted EPS	Twelve months ended December 31,			
	Net Income (Loss)		Diluted EPS	
	2022	2021	2022	2021
Financial Results (GAAP)	\$ (83,772)	\$ (6,333)	\$ (3.67)	\$ (0.28)
Non-GAAP adjustments:				
Amortization of intangibles	8,469	8,775		
Stock-based compensation	12,283	10,943		
Change in fair value of earnout liability	(15,386)	(11,596)		
Loss on disposal of intangible asset	52,161	—		
Income tax impact of adjustments ⁽¹⁾	—	—		
Adjusted	<u>\$ (26,245)</u>	<u>\$ 1,789</u>	<u>\$ (1.15)</u>	<u>\$ 0.08</u>

(1) Income tax impact of adjustments represents the tax impact related to the non-GAAP adjustments listed above and reflects an effective tax rate of 0% for 2022 and 2021, which is due to the recording of a valuation allowance.

Reconciliation of GAAP to Non-GAAP

Constant currency *(in thousands)*



	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Non-GAAP constant currency revenue				
Business-to-business domestic sales	\$ 27,190	\$ 10,277	\$ 86,049	\$ 91,371
Business-to-business international sales	20,703	20,083	101,163	79,460
Direct-to-consumer domestic sales	25,291	33,011	133,337	140,899
Direct-to-consumer domestic rentals	14,907	13,032	56,692	46,273
Total revenue (GAAP)	88,091	76,403	377,241	358,003
Hedging gains	784	414	1,990	62
Total revenue, excluding hedging effect (non-GAAP)	87,307	75,989	375,251	357,941
Exchange rate impact	2,111	331	7,279	(2,524)
Constant currency revenues (non-GAAP)	<u>\$ 89,418</u>	<u>\$ 76,320</u>	<u>\$ 382,530</u>	<u>\$ 355,417</u>
Revenue growth (GAAP)		15.3%		5.4%
Constant currency revenue growth (non-GAAP)		17.7%		6.9%



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