

February 27, 2024



Q4 2023

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 30, 2023 and December 31, 2022, and for fiscal year ended December 31, 2021. 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 impairment charges and acquisition-related costs, that may be incurred in the future.

Q4 2023 Results

Revenue by region and category



Total by Category	Q4 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$18.1 million	(33.6)%	23.8%
Business-to-business international sales	\$21.5 million	4.0%	28.4%
Direct-to-consumer domestic sales	\$19.8 million	(21.6)%	26.1%
Rental revenue	\$16.5 million	10.6%	21.7%
Total revenue	\$75.9 million	(13.8)%	100%
Total constant currency revenue	\$74.8 million	(14.3)%	100%

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

Full Year 2023 Results

Revenue by region and category



Total by Category	2023 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$66.2 million	(23.1)%	21.0%
Business-to-business international sales	\$89.4 million	(11.6)%	28.3%
Direct-to-consumer domestic sales	\$96.0 million	(28.0)%	30.4%
Rental revenue	\$64.1 million	13.0%	20.3%
Total revenue	\$315.7 million	(16.3)%	100%
Total constant currency revenue	\$314.4 million	(16.4)%	100%

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

Operating Expense and Net Loss

(in thousands)



	Three months ended December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
Operating expense				
Research and development	\$ 6,714	\$ 5,934	\$ 20,840	\$ 21,943
Sales and marketing	25,653	28,606	107,091	120,767
General and administrative	24,773	1,259	75,260	43,905
Loss on disposal of intangible asset	—	52,161	—	52,161
Impairment charges	—	—	32,894	—
Total operating expense	<u>57,140</u>	<u>87,960</u>	<u>236,085</u>	<u>238,776</u>
Loss from operations	<u>(28,982)</u>	<u>(58,489)</u>	<u>(109,386)</u>	<u>(85,243)</u>
Other income (expense)				
Interest income, net	1,602	1,715	6,574	2,837
Other income (expense)	292	305	468	(862)
Total other income (expense), net	<u>1,894</u>	<u>2,020</u>	<u>7,042</u>	<u>1,975</u>
Loss before provision for income taxes	<u>(27,088)</u>	<u>(56,469)</u>	<u>(102,344)</u>	<u>(83,268)</u>
Provision for income taxes	<u>(533)</u>	<u>141</u>	<u>105</u>	<u>504</u>
Net loss	<u>\$ (26,555)</u>	<u>\$ (56,610)</u>	<u>\$ (102,449)</u>	<u>\$ (83,772)</u>

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,	
	2023	2022	2023	2022
Net loss (GAAP)	\$ (26,555)	\$ (56,610)	\$ (102,449)	\$ (83,772)
Non-GAAP adjustments:				
Interest income, net	(1,602)	(1,715)	(6,574)	(2,837)
Provision for income taxes	(533)	141	105	504
Depreciation and amortization	5,144	5,978	18,152	23,514
EBITDA (non-GAAP)	(23,546)	(52,206)	(90,766)	(62,591)
Stock-based compensation	(1,057)	3,098	7,427	12,283
Acquisition-related expenses	432	—	2,413	—
Restructuring-related and other charges ⁽¹⁾	—	—	3,426	—
Impairment charges	—	—	32,894	—
Change in fair value of earnout liability	6,822	(13,687)	6,822	(15,386)
Loss on disposal of intangible asset	—	52,161	—	52,161
Adjusted EBITDA (non-GAAP)	\$ (17,349)	\$ (10,634)	\$ (37,784)	\$ (13,533)

(1) Charges represent the costs associated with workforce reductions and associated costs and other restructuring-related activities.

Reconciliation of GAAP to Non-GAAP



Adjusted Net Loss *(in thousands)*

Non-GAAP Adjusted Net Loss and Diluted EPS	Three months ended December 31,			
	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (26,555)	\$ (56,610)	\$ (1.14)	\$ (2.47)
Non-GAAP adjustments:				
Amortization of intangibles	918	2,022		
Stock-based compensation	(1,057)	3,098		
Acquisition-related expenses	432	—		
Change in fair value of earnout liability	6,822	(13,687)		
Loss on disposal of intangible asset	—	52,161		
Income tax impact of adjustments ⁽²⁾	—	—		
Adjusted	<u>\$ (19,440)</u>	<u>\$ (13,016)</u>	<u>\$ (0.83)</u>	<u>\$ (0.57)</u>
Non-GAAP Adjusted Net Loss and Diluted EPS	Twelve months ended December 31,			
	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (102,449)	\$ (83,772)	\$ (4.42)	\$ (3.67)
Non-GAAP adjustments:				
Amortization of intangibles	1,202	8,469		
Stock-based compensation	7,427	12,283		
Acquisition-related expenses	2,413	—		
Restructuring-related and other charges ⁽¹⁾	3,426	—		
Impairment charges	32,894	—		
Change in fair value of earnout liability	6,822	(15,386)		
Loss on disposal of intangible asset	—	52,161		
Income tax impact of adjustments ⁽²⁾	—	—		
Adjusted	<u>\$ (48,265)</u>	<u>\$ (26,245)</u>	<u>\$ (2.08)</u>	<u>\$ (1.15)</u>

(1) Charges represent the costs associated with workforce reductions and associated costs and other restructuring-related activities.

(2) 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 2023 and 2022, which is due to the recording of a valuation allowance.

Stock-Based Compensation

(in thousands)



Stock-based compensation expense by type of award:

Restricted stock units and restricted stock awards
Employee stock purchase plan
Total stock-based compensation expense

Years ended December 31,		
2023	2022	2021
\$ 7,037	\$ 11,748	\$ 10,229
390	535	714
<u>\$ 7,427</u>	<u>\$ 12,283</u>	<u>\$ 10,943</u>

Cost of revenue
Research and development
Sales and marketing
General and administrative
Total stock-based compensation expense

Years ended December 31,		
2023	2022	2021
\$ 540	\$ 1,127	\$ 1,106
1,592	1,591	1,276
1,598	2,785	2,388
3,697	6,780	6,173
<u>\$ 7,427</u>	<u>\$ 12,283</u>	<u>\$ 10,943</u>



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