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Inogen, Inc. (INGN)

Q4 2024 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Welcome to Inogen's Fourth Quarter 2024 Earnings Conference Call. At this time, all participants are in a listen-only mode. Following management's prepared remarks, we will hold a Q&A session. [Operator Instructions] As a reminder, this conference is being recorded today, February 25, 2025.

I would now like to turn the call over to Ryan Peterson, Investor Relations.

Ryan Peterson

Associate Director-Investor Relations, Inogen, Inc.

Thank you, all for participating in today's call. Joining me, our President and CEO, Kevin Smith; and CFO, Mike Bourque. Earlier today, Inogen released financial results for the fourth quarter and full-year 2024. The earnings release is available in the Investor Relations section of the company's website, along with the supplemental financial package.

As a reminder, the information presented today will include forward-looking statements, including without limitation statements about our growth prospects and strategy for 2025 and beyond. Expectations related to our financial results for the first quarter and full-year 2025, progress of our strategic initiatives, including innovation, our expectations regarding the market for our products and our business and supply and demand for our products in both the short-term and long-term. The forward-looking statements in this call are based on information currently available to us as of today's date, February 25, 2025. These forward-looking statements are only predictions and involve risks and uncertainties that are set forth in more detail in our most recent periodic reports filed with the Securities and Exchange Commission. Actual results may vary, and we disclaim any obligations to update these forward-looking statements except as may be required by law.

During the call, we will also present certain financial information on a non-GAAP basis. Management believes that non-GAAP financial measures, taken in conjunction with US GAAP financial measures, provide useful information

for both management and investors by excluding certain non-cash items and other expenses that are not indicative of Inogen's core operating results. Management uses non-GAAP measures internally to understand, manage and evaluate our business and make operating decisions. Reconciliations between US GAAP and non-GAAP results are presented in tables within our earnings release.

With that, I will turn the call over to Inogen's President and CEO, Kevin Smith.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

Good afternoon and thank you for joining our fourth quarter 2024 conference call. During today's call, I will review our fourth quarter and full-year performance and provide an update on our progress towards our three strategic priorities; driving top-line growth, advancing our path to profitability, and expanding our innovation pipeline. I will then turn the line to Mike for a full review of our financials and outlook.

2024 was year of progress for Inogen. We made significant steps forward on our strategic initiatives. We returned our company to growth, advanced toward profitability, launched our latest POC, the Rove 4 and received FDA clearance for the Simeox device in the United States.

Before I share more on our 2024 achievements, I'd like to highlight an exciting recent announcement, a collaboration and investment from Yuwell Medical, a leader in the global respiratory care market. We entered into this collaboration in January 2025. As part of the agreement, Yuwell would distribute Inogen portable oxygen concentrators under the Inogen brand in China, expediting our entry into the large and fast growing Chinese respiratory market. In addition, we will distribute their stationary oxygen concentrators under the Inogen brand in the United States. We are happy to announce the transaction closed on February 21, 2025, alongside our commercial collaboration. A wholly owned subsidiary of Yuwell, invested approximately \$27 million in the Inogen, representing a 9.9% ownership stake. This is valuable additional capital for our use in support of our growth objectives. Over time, we believe this collaboration and investment will allow us to broaden our product portfolio and meaningfully expand our global reach in support of long-term growth and profitability.

Turning back to our 2024 accomplishments, for the full-year, we delivered over \$335 million in revenue, representing 6.4% growth over the prior year. In the fourth quarter, we achieved over \$80 million in revenue, reflecting 5.5% year-over-year growth. Our growth in both time periods was primarily driven by our business-to-business channels, where we continue to make progress with current and new customers. This was somewhat offset by pressures in our DTC channel related to our downsized sales force. Improving the performance of our DTC channel remains a key focus going forward, and I am confident that we are well positioned to return to continued growth in the next one year to two years.

Now shifting to our second strategic objective, advancing efforts to reach sustained profitability where we have made significant steps forward. In 2024, we were able to generate two quarters of adjusted EBITDA profitability, a product of commercial execution and operational diligence. In 2025, we expect to continue driving growth in our organization while carefully managing spend. Mike will detail our financial outlook later in the call, but we expect improved adjusted EBITDA in 2025 relative to 2024. These improvements will be driven by organic efforts in support of our Yuwell collaboration.

Finally, I would like to share updates on our innovation pipeline. In December, we received FDA 510(k) clearance for a Simeox airway clearance device. This milestone marks the culmination of the significant effort by our clinical and regulatory teams. Our focus has now turned to pursuing reimbursement for the device in the United States, and we are planning a limited launch in targeted US sites in 2025. As a reminder, Simeox expands our product

portfolio to include patients suffering from lung diseases associated with mucus hypersecretion and retention such as bronchiectasis, COPD and cystic fibrosis. Simeox provides a more mobile and less time consuming alternative to traditional vest based therapies and we believe offers a significant improvement over the current standard of care.

Simeox also represents a sizable commercial opportunity for us by expanding the addressable patient population for our devices with limited commercial investment. [ph] Simeox's same (00:07:06) call point is our existing POCs and has the potential of being sold through each of our commercial channels without investment in a new sales force. Additionally, we intend to commercialize Simeox through an initial capital sale, followed by ongoing sales of disposables, which should provide us with an attractive recurring revenue stream. We will begin efforts to submit Simeox for reimbursements in the first quarter of 2025.

Turning back to our POC platform, we launched our latest POC, the Rove 4 in October of 2024. We have already received positive feedback from patients and providers on this new device. Patients appreciate that it's lightweight four flow setting and nearly six hours of battery life allow them to remain mobile. Meanwhile, we have made significant advancements in our digital health offerings to support patients, distributors and providers with enhanced device connectivity and remote accessibility. We are in the process of launching several updates that will provide our patients and partners with the ability to remotely monitor device health and usage.

The core principle of our digital solutions is to increase accessibility for patients while saving our B2B partners time and money. To fulfill this principle, we are including new features in our Inogen connected app, such as the ability for patients to receive important software updates, check battery life and receive device health summaries all from their phones. For our B2B partners, they will now be able to remotely diagnose device issues, removing the need for costly repeat service visits.

Before I pass the line to Mike, I would like to thank the entire Inogen team for their diligence, focus and commitment to our partners and patients during the year of change. I am thrilled to move into 2025 with our new leadership team fully in place and I am confident we have positioned Inogen for success going forward.

With that, I will turn it to Mike to provide an update on our financials. Mike?

Michael J. Bourque

Executive Vice President & Chief Financial Officer, Inogen, Inc.

Thank you, Kevin, and good afternoon, everyone. Unless otherwise noted, all financial comparisons are to the prior year comparable period. Total revenue for the fourth quarter of 2024 was \$80.1 million, an increase of 5.5% compared to the prior year. The increase was primarily driven by higher demand and new customers in international and domestic business-to-business sales, partially offset by lower direct to consumer sales and rental revenue. For the fourth quarter, foreign exchange had a positive 90 basis points impact on total revenue and a positive 330 basis points impact on international revenue. Looking at fourth quarter revenue on a more detail basis, domestic business-to-business revenue increased 24.1% to \$22.4 million versus \$18.1 million in the comparable period, driven by increased demand from new customers and resellers. International business-to-business revenue increased 31.5% to \$28.3 million, compared to \$21.5 million in the prior year period, primarily driven by an increase in demand from our partners in Europe and new customers.

Direct to consumer sales decreased 21.3% to \$15.6 million from \$19.8 million in the prior year period, as we continue to operate with a smaller and more efficient team to drive profitability in this channel. As a reminder, we significantly reduced the size of our DTC sales force in early 2024. The effect of this reduction will not be reflected in our year-over-year comparisons until mid-2025. Rental revenue decreased 16.5% to \$13.8 million, from \$16.5

million in the prior period, primarily driven by continued lower average billing rates due to the mix shift to private payers.

Now I want to discuss fourth quarter gross margins. Total gross margin was 45.3%, increasing 821 basis points from the same period in the prior year, primarily driven by lower raw material cost and operational efficiencies. Sales revenue gross margin was 46.5%, an increase of 1,369 basis points, driven primarily by lower raw material cost and operational efficiencies, partially offset by a change in sales mix to an increased business-to-business sales. Rental revenue gross margin was 39.8%, a decline of 1,290 basis points, driven by a higher mix shift of private payer reimbursement and lower net revenue per rental patient as a result of a decrease in the percentage of patients billed compared to total patients on service.

Moving on to operating expense, in the fourth quarter, total operating expense decreased to \$47.7 million, compared to \$57.1 million in the prior period, representing a decrease of 16.6%. This decrease was primarily related to changes in fair value of the earn out liabilities and certain onetime costs related to the CEO transition in the fourth quarter of 2023 and lower consulting expenses as a result of cost saving initiatives taken by the company. In the fourth quarter of 2024, we reported a GAAP net loss of \$9.8 million compared to \$26.6 million in the fourth quarter of 2023, and a loss per diluted share of \$0.41 in the fourth quarter of 2024, versus a loss of \$1.14 in the fourth quarter of 2023.

On an adjusted basis, we had a net loss of \$5.8 million, compared to a loss of \$19.4 million in the comparable period and an adjusted loss per diluted share of \$0.24 compared to a loss of \$0.83 in the fourth quarter of 2023. Adjusted EBITDA was negative \$3.6 million in the fourth quarter of 2024, compared to a negative \$17.3 million in the prior year period.

Moving on to our balance sheet. As of December 31, 2024, we had cash, cash equivalents and restricted cash of \$117.4 million with no debt outstanding. As Kevin mentioned in his remarks as part of our collaboration with Yuwell, they have invested \$27.2 million in Inogen, further strengthening our balance sheet.

Now to touch on full-year performance. Total revenue for the full-year of 2024 was \$335.7 million, an increase of 6.4% compared to the prior year. The increase was driven by an increase in international and domestic business-to-business sales, partially offset by lower direct to consumer sales in rental revenue. For the full-year, foreign exchange had a positive 30 basis points impact on total revenue and a positive 90 basis points impact on international revenue.

Total gross margin was 46.1%, increasing 596 basis points from the prior year, primarily driven by lower raw material costs and operational efficiencies, including some onetime adjustments amounted to about 50 basis points and that was partially offset by sales channel mix. Channel mix will continue to impact overall gross margins given our sales channel performance.

For the full-year, total operating expense decreased to \$197.3 million, compared to \$236.1 million for the full-year 2023, representing a decrease of 16.4%. Excluding the one-time non-cash impairment charge of \$32.9 million in 2023, operating expense decreased 2.9%. For the full-year, we reported a GAAP net loss of \$35.9 million compared to \$102.4 million for the full-year 2023 and loss per diluted share of \$1.52 in the full-year 2024, versus a loss of \$4.42 in the full-year 2023. On an adjusted basis, we had a net loss of \$20.4 million compared to a loss of \$48.3 million for the full-year 2023 and an adjusted loss per diluted share of \$0.86 compared to a loss of \$2.08 in 2023.

Adjusted EBITDA was a negative \$9.5 million for the full-year, compared to a negative \$37.8 million for the full-year of 2023. We are very pleased with the year over year progress we demonstrated on GAAP net loss, adjusted net loss and adjusted EBITDA in 2024 and we will maintain a diligent approach to spending going forward.

On that note, I will now discuss our first quarter and full-year 2025 financial outlook. For the first quarter 2025, we expect revenue to be in the range of \$79 million to \$81 million, reflecting 1% to 4% reported growth relative to the first quarter 2024. For the full-year 2025, we expect revenue to be in the range of \$352 million to \$355 million, reflecting 5% to 6% reported growth relative to the full-year of 2024.

Turning to margins, based on our strategy to drive profitable growth, positive trends in our business-to-business channel and costs associated with the introduction of Simeox and Yuwell into our product lines, we expect gross margins to be in the range of 43% to 45% for the full-year 2025. Also, as a result of this strategy, our goal for full-year 2025 is to approach adjusted EBITDA breakeven, as we continue to manage expenses diligently and generate leverage in our business. We expect future improvements to profitability to be driven by top-line growth and operating expense management, while we leverage our existing cost structure.

Before I turn the line back to Kevin, I would like to make a note regarding recently proposed tariffs. Our team has been closely monitoring government commentary and actions and we have been diligent in conducting a comprehensive analysis of the situation. Given that our primary manufacturing facilities are located in Plano, Texas, we believe any possible headwinds will be manageable. We will continue to follow communications from the US Federal and other government entities on this front and keep our stakeholders informed as appropriate.

To conclude my remarks, I would like to share my optimism for the year ahead. We have a great team and product portfolio with Inogen and with a diligent approach to management and spending, we believe we will achieve an attractive, sustainable financial profile as well.

And with that, I will pass the call back to Kevin for closing remarks.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

Thank you, Mike. I'm very proud of our 2024 performance. Our results with a product of remarkable dedication and resilience by our team, we drove significant growth while continuing to innovate and deliver for respiratory patients around the world. I am confident that we will carry our momentum into 2025 and beyond and look forward to sharing our future progress.

With that, I will open it up for questions. Operator?

QUESTION AND ANSWER SECTION

Operator: Thank you. We will now be conducting a question-and-answer session. [Operator Instructions] And our first question comes from Margaret Kaczor with William Blair. Please proceed with your question.

Q

Hey, guys. It's [ph] Max (00:19:50) on for Margaret tonight. Thanks for taking the question. I just wanted to start on the guide. What's contemplated in the guide in terms of the Yuwell agreement throughout 2025? Any puts and takes on the guide overall would be helpful in that sense. And then my second part, I'll just ask right up front. I know you guys said that Yuwell would be a headwind to gross margin, but [ph] I believe (00:20:09) you had mentioned some greater leverage in terms of operating margin. Can you just talk through some of the synergies you're expecting there? Any color would be great. Thanks.

Michael J. Bourque

Executive Vice President & Chief Financial Officer, Inogen, Inc.

A

Hi, [ph] Max (00:20:19). This is Mike. I'll take that first part of that question, at least in terms of the Yuwell gross margin impacts [ph] we've had (00:20:25) in our guidance. Our expectation is that Yuwell will have a significant impact in our results for 2025. We do have some revenue in there, but keep in mind, we just closed this deal last week, so it's going to take us a while to get up and running now, but we don't have a lot in there.

The comment that I made in my prepared remarks about the gross margin impact to Yuwell really relates to – let me add something this might be helpful. So there's a couple of items that are – we're looking at in terms of having a one-time impact on our gross margins in 2025. And they don't amount [ph] a lot (00:21:03), but everything adds up. So the reference to the comment I made in terms of the Yuwell impact is really Yuwell and Simeox introductions and kind of laying the groundwork for those products to be implemented and then rolled into our other product lines. That, in addition to some premiums of raw material purchases made in previous years, that we're still sitting on our balance sheet, both of those [ph] amount to (00:21:29) in combination about 100 basis points, not significant amounts, but we felt it was important to mention those in terms of our guidance impact. So that's the guidance impact that we would see in terms of Yuwell again in terms of 2025, not a lot of revenue [ph] in the year (00:21:45) built into our guidance.

Q

Great. Thanks for taking the questions.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

A

Yeah. I think just the other thing I'd add on to that, yeah, sorry [ph] Max (00:21:54), it's Kevin, is just – you'd also asked a bit about the supply chain, I think you'd asked about that as well. And there's some potential for us as we continue to mature the relationship here with leveraging their purchasing power with our purchasing power, where we are purchasing in our respective businesses and similar components, raw materials.



That's great. Thanks, guys.

Operator: Thank you. And our next question comes from Robbie Marcus with JPMorgan. Please proceed with your question.

Allen Gong

Analyst, JPMorgan Securities LLC



Hi. This is Alan on for Robbie. I had another question on the guide, specifically Yuwell, okay, modest contribution, but how should we think about the breakdown between the different segments? How much of the guide is being driven by DTC, B2B, US, OUS, et cetera?

Michael J. Bourque

Executive Vice President & Chief Financial Officer, Inogen, Inc.



Yeah. I think the best way to answer that question, first of all, we haven't guided to gross margin – I mean, sorry, by revenue channel. We have done [indiscernible] (00:23:04) intended on doing that now. But I think again to give you a general feel for what – how we approach the guidance in terms of revenue for the year. So in 2024, we saw a lot of growth in our B2B business, I think combined of around 30%. So we see that continuing in terms of the B2B business being a major part of our growth, but not at that rate. The other thing that kind of factors into our revenue guidance for the year, when you look at the DTC business, we had talked in the past about how the DTC business – we've made a conscious decision to make that channel more profitable. How we did that? We took a lot of cost out in terms of reps. So the rep count is significantly lower than we've had in previous years. So as a result of that, you're seeing the reduction in revenue. That we expect to continue through the first half of 2025 in a similar way that we saw in 2024 payout.

So in other words, until we get to the point where that rep count is consistent on a year-over-year basis, we'll continue to be challenged on the DTC revenue lines. So that's what we'll see in the first-half of the year. So those are a few things that we looked at in terms of and how do we build out that revenue guidance number.

The other piece of that that I did mention in this part of our business is the rental business. So when you look at the rental business, there's a lot of things that we're doing to try to improve that business. But in terms of looking at [ph] either (00:24:31) going to be anticipating like significant changes in that business in the near-term, we don't see any significant changes in the near term. Again, we're working on a lot of things to make that revenue – that channel more profitable and generate more revenue. But in terms of the short-term, we don't see any significant needle movers. So that's how we approach our revenue guidance.

Allen Gong

Analyst, JPMorgan Securities LLC



Got it. Thank you. And then second question. You gave us the first quarter guide, but how should we think about the cadence kind of through the rest of the year? It kind of seems like your seasonally maybe flattish from fourth quarter to the first. And then how do we get to the balance of the guide from a cadence perspective? Thank you.

Michael J. Bourque

Executive Vice President & Chief Financial Officer, Inogen, Inc.



So yeah, in terms of Q1, we did provide that, I think if you look at we're not – I don't expect any significant, I guess, changes. If you look at our previous years and you look at traditionally you'll see Q2 and Q3 as strongest revenue quarters and also our strongest quarters from a DTC perspective. We do have seasonality challenges in Q1 and Q4. So in terms of the cadence, I would say that that would probably be – would be a good way to look at it in terms of nothing significant, in terms of continue to expect to see Q2 and Q3 as our stronger quarters, and Q1 to be in the lower quarters and again challenged by seasonality in those quarters.

Operator: Thank you. And our next question comes from Mathew Blackman with Stifel. Please proceed with your question.

Colin Clark

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Hey, guys. This is Colin on for Matt. I wanted to start with a quick one on Yuwell and their portfolio, and how you're going to introduce it to the US? Is that going to be similar to Simeox in that you can sell it across all channels and leverage the same call points or are you going to be selective about the channels and is there incremental investment involved there? Anything on that would be helpful.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

A

Sure. So that is similar in the sense that we do see opportunities for the Yuwell products to be able to go across our channels. We're starting off with the stationary oxygen concentrator, which we will have branded as Inogen. There's opportunities for us both on the – when you look at the rental segments, the B2B, where we see significant opportunities, where today we don't have a stationary oxygen concentrator offering for B2B. So that gives us the potential to sell both of those components. It'll have an impact on our rental business and have a positive margin impact on our rental business. And that you may or may not know or maybe people don't broadly know that every time when we place a POC, a portable concentrator in Inogen with a patient through the rental channel, we also need to supply a stationary concentrator. And it's a similar thing with others in our B2B network or partners, so it's an opportunity to be able to package these up and have both of those in the rental and the B2B. And there's also the opportunity for us to sell for cash in our DTC channel. So leveraging the existing sales organization, not having to add additional salespeople or sales functions, if you will, so more throughput, more productivity per run.

Colin Clark

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Got you. And a quick follow-up on rentals in particular. You guys talked about the payer mix shift towards private payer. Is that a dynamic you see changing anytime soon and what's really behind that movement, if you don't mind me asking? Thank you.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

A

Yeah. Certainly. So the – really when we look at that dynamic on the mix shift, it's more of that shift from traditional Medicare towards Medicare Advantage. And we're seeing patients have been moving into the Medicare Advantage plans. Some of that – how that's going to continue in the future is going to be dependent on the current administration and how they view Medicare Advantage versus traditional Medicare. But that is something that we anticipate seeing that continue on in the near future.

Operator: Our next question comes from Mike Matson with Needham. Please proceed with your question.

Q

Hey, guys. This is [ph] Joseph (00:29:25) on for Mike. Maybe just the first couple around Simeox. Just trying to understand a little bit more the pathway towards the eventual launch. I guess, just looking at maybe like a data readout in the future, is there anything that you can kind of frame up for us? I mean, you guys I think have – are generating some clinical evidence out in Europe. So, if there's something coming down the pipe, it'd be good to know about. And then I guess maybe just more broadly around KOL engagement with Simeox. Can you just maybe give us another brief explanation of how you're kind of framing up the strategy of engaging private insurers before you get to Medicare reimbursement? And then I'll have one after that. Thank you, guys.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

A

So, the – and I'll start with that, [ph] Mike (00:30:22). So, on the Simeox, we do have data that has – that we've been generating and PhysioAssist had been generated prior to the acquisition in Europe, typically, small datasets on patient populations, mostly single center studies in Europe. We do have some additional work that is going to be ongoing in Europe. We're expanding out some of those clinical trials including reimbursement trial, which would be multi-centers, multi-countries aim towards reimbursement in Europe. Particularly for the US, the timing on that – and going towards reimbursement, part of that is going to be determined by the communications discussions that we have with one or key opinion leaders as well as the early engagement with CMS. Our goal is to make sure that we maximize reimbursement for Simeox in the US marketplace. So we're more concerned with ensuring that we maximize that then getting as quick as possible a response from CMS. So by that, I mean we have two opportunities in a calendar year to submit for reimbursement. We have January 1 and we have July 1.

So we are engaging with key opinion leaders. We've identified the thought leaders in the country. Our medical team and our marketing teams are engaging with the physicians talking about Simeox, talking about some of the data that's relevant and available from Europe, talking about the patient populations here, how we could impact those patients and what data, both thought leaders would like to have, as well as what we believe is going to be necessary for reimbursement ultimately with CMS. So, that's been mapped out. That's a process that our Chief Medical Officer and our teams are in the process of engaging.

On the private side, the private side, we've – we will be starting engagement with the private insurers to also start to look at what is that needs to happen there in order for us to get reimbursement from private payers. In private payers, prior to having CMS reimbursement and some sort of a foundation there, you typically have to go through the process of getting physicians to give the prescriptions. Those are submitted to the insurance company. Those are denied. You go through an appeals process and there's a series of those. But it is a bit of a – it's a bit of a sequence [ph] in advance (00:32:52) to make sure that we're doing the right things, not putting the overall reimbursement with CMS at risk. But again, as I'll point back to wanting to make sure that we maximize that reimbursement.

Q

Okay. Great. Yeah, that all makes sense. And then maybe just, I guess, around the prescriber sales force, I was just curious if you can kind of talk about any referral trends that you guys are seeing here, at the start of the year? I guess more broadly, just on the sales force, the size of it, whether you could put some numbers on it or just look at it big picture. What is that sales force look like, at the start of 2025 versus the same time last year? And it

sounded like in your guys comments that there's still some rightsizing to do there. So I'm just curious here in the first-half of 2025, what are you looking at in terms of like, I guess, some more pruning that needs to be done?

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

A

Well, it's – one thing – just to make sure that it's clear and then let me see if I've missed something on the question [indiscernible] (00:34:03). But the – when we – there's two aspects that we talked about. One is on the DTP channel, or the DTC channel, that is the direct to patients, direct to customers. That channel is reduced in head count from where we started at the beginning of 2025. That was a rebaseline year that we had in 2024. So, the first-half of 2025 compared to the first-half of 2024 will be an unfavorable comparison, meaning that we have fewer reps in the first half compared to prior year. The back half of the year is where that will be more of an equivalent year-on-year comparison in the DTC channel. In the prescriber channel, that is – the sales reps that are calling on the physicians' offices [ph] do a pull (00:34:53) from a prescription referral standpoint. Those sales reps we did downsize at the beginning of the year. We had a third-party relationship. It was like a sales force for hire that we did away with that relationship at the beginning of the year. We brought a much smaller team in-house of effective reps have been going out and building those referrals directly with the physicians. So I just want make sure that [indiscernible] (00:35:22) we're talking about two different things there.

Q

Yeah, absolutely. Thanks for separating that out. That's really helpful. Yeah. Thanks for taking our questions.

Kevin R. Smith

President, Chief Executive Officer & Director, Inogen, Inc.

A

Thank you.

Operator: And with that, there are no further questions at this time. And this does conclude today's teleconference. We thank you for your participation, and you may disconnect your lines at this time. Thank you.

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