

August 7, 2023



**Q2 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 six months ended June 30, 2023 and June 30, 2022, and for fiscal years ended December 31, 2022, 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					2023		Y/Y Growth
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	
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	12.6	18.3	63.0%
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	19.0	23.3	(37.8)%
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	24.3	26.8	(34.1)%
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	55.9	68.4	(23.5)%
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	16.3	15.3	8.6%
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	72.2	83.6	(19.1)%
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	72.2	83.6	(18.5)%

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

# Q2 2023 Results

## Revenue by region and category



Total by Category	Q2 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$18.3 million	63.0%	21.8%
Business-to-business international sales	\$23.3 million	(37.8)%	27.9%
Direct-to-consumer domestic sales	\$26.8 million	(34.1)%	32.0%
Rental revenue	\$15.3 million	8.6%	18.3%
<b>Total revenue</b>	<b>\$83.6 million</b>	<b>(19.1)%</b>	<b>100%</b>
Total constant currency revenue	\$83.7 million	(18.5)%	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 June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Operating expense</b>				
Research and development	\$ 4,293	\$ 6,064	\$ 9,637	\$ 11,428
Sales and marketing	26,906	30,388	55,347	58,427
General and administrative	14,613	12,682	33,476	27,871
<b>Total operating expense</b>	<b>45,812</b>	<b>49,134</b>	<b>98,460</b>	<b>97,726</b>
<b>Loss from operations</b>	<b>(11,768)</b>	<b>(2,876)</b>	<b>(33,683)</b>	<b>(16,462)</b>
<b>Other income (expense)</b>				
Interest income	1,646	225	3,171	254
Other income (expense)	337	(722)	574	(1,155)
<b>Total other income (expense), net</b>	<b>1,983</b>	<b>(497)</b>	<b>3,745</b>	<b>(901)</b>
<b>Loss before provision for income taxes</b>	<b>(9,785)</b>	<b>(3,373)</b>	<b>(29,938)</b>	<b>(17,363)</b>
<b>Provision for income taxes</b>	<b>41</b>	<b>69</b>	<b>237</b>	<b>293</b>
<b>Net loss</b>	<b>\$ (9,826)</b>	<b>\$ (3,442)</b>	<b>\$ (30,175)</b>	<b>\$ (17,656)</b>

# Reconciliation of GAAP to Non-GAAP



Adjusted EBITDA *(in thousands)*

Non-GAAP EBITDA and Adjusted EBITDA	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net loss (GAAP)	\$ (9,826)	\$ (3,442)	\$ (30,175)	\$ (17,656)
Non-GAAP adjustments:				
Interest income	(1,646)	(225)	(3,171)	(254)
Provision for income taxes	41	69	237	293
Depreciation and amortization	4,308	5,848	8,394	11,608
EBITDA (non-GAAP)	(7,123)	2,250	(24,715)	(6,009)
Stock-based compensation	3,263	3,020	6,705	5,685
Acquisition-related expenses	467	—	1,021	—
Restructuring-related and other charges <sup>(1)</sup>	201	—	2,010	—
Change in fair value of earnout liability	—	(2,041)	—	(1,411)
Adjusted EBITDA (non-GAAP)	<u>\$ (3,192)</u>	<u>\$ 3,229</u>	<u>\$ (14,979)</u>	<u>\$ (1,735)</u>

(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 Income (Loss) *(in thousands)*

### Three months ended June 30,

Non-GAAP Adjusted Net Loss and Diluted EPS	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (9,826)	\$ (3,442)	\$ (0.42)	\$ (0.15)
Non-GAAP adjustments:				
Amortization of intangibles	53	2,150		
Stock-based compensation	3,263	3,020		
Acquisition-related expenses	467	—		
Restructuring-related and other charges <sup>(1)</sup>	201	—		
Change in fair value of earnout liability	—	(2,041)		
Income tax impact of adjustments <sup>(2)</sup>	—	(53)		
Adjusted	<u>\$ (5,842)</u>	<u>\$ (366)</u>	<u>\$ (0.25)</u>	<u>\$ (0.02)</u>

### Six months ended June 30,

Non-GAAP Adjusted Net Loss and Diluted EPS	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (30,175)	\$ (17,656)	\$ (1.31)	\$ (0.77)
Non-GAAP adjustments:				
Amortization of intangibles	79	4,297		
Stock-based compensation	6,705	5,685		
Acquisition-related expenses	1,021	—		
Restructuring-related and other charges <sup>(1)</sup>	2,010	—		
Change in fair value of earnout liability	—	(1,411)		
Income tax impact of adjustments <sup>(2)</sup>	—	(146)		
Adjusted	<u>\$ (20,360)</u>	<u>\$ (9,231)</u>	<u>\$ (0.88)</u>	<u>\$ (0.40)</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 -1.7% for 2022, which is due to the recording of a valuation allowance.

# Reconciliation of GAAP to Non-GAAP



Constant Currency *(in thousands)*

			Three months Ended June 30, 2023				
			% Change from Prior Period				
	Three months Ended June 30,						
	2022	2023	FX Effect	Constant Currency Revenues	As Reported	Less FX Effect	Constant Currency Revenues
Business-to-business domestic sales	\$ 11,212	\$ 18,272	—	\$ 18,272	63.0%	0.0%	63.0%
Business-to-business international sales	36,835	23,292	106	23,398	-36.8%	0.3%	-36.5%
Direct-to-consumer domestic sales	40,638	26,779	—	26,779	-34.1%	0.0%	-34.1%
Direct-to-consumer domestic rentals	14,085	15,292	—	15,292	8.6%	0.0%	8.6%
Revenues, excluding hedging effect	102,770	83,635	106	83,741	-18.6%	0.1%	-18.5%
Hedging gains (losses)	606	-		-			
Total Revenues <sup>(1)</sup>	\$ 103,376	\$ 83,635		\$ 83,741	-19.1%		
			Six months Ended June 30, 2023				
			% Change from Prior Period				
	Six months Ended June 30,						
	2022	2023	FX Effect	Constant Currency Revenues	As Reported	Less FX Effect	Constant Currency Revenues
Business-to-business domestic sales	\$ 16,313	\$ 30,857	—	\$ 30,857	89.2%	0.0%	89.2%
Business-to-business international sales	64,176	42,264	966	43,230	-34.1%	1.5%	-32.6%
Direct-to-consumer domestic sales	74,998	51,109	—	51,109	-31.9%	0.0%	-31.9%
Direct-to-consumer domestic rentals	27,068	31,567	—	31,567	16.6%	0.0%	16.6%
Revenues, excluding hedging effect	182,555	155,797	966	156,763	-14.7%	0.5%	-14.1%
Hedging gains (losses)	1,206	—		-			
Total Revenues <sup>(1)</sup>	\$ 183,761	\$ 155,797		\$ 156,763	-15.2%		

(1) Total constant currency revenues of \$83,741 for the three months ended June 30, 2023 decreased \$19,029 compared to \$102,770 in revenues, excluding hedging effect for the three months ended June 30, 2022. Total constant currency revenues of \$156,763 for the six months ended June 30, 2023 decreased \$25,792 compared to \$182,555 in revenues, excluding hedging effect for the six months ended June 30, 2022.



# 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

Three months ended June 30,		Six months ended June 30,	
2023	2022	2023	2022
\$ 3,177	\$ 2,891	\$ 6,482	\$ 5,359
86	129	223	326
<u>\$ 3,263</u>	<u>\$ 3,020</u>	<u>\$ 6,705</u>	<u>\$ 5,685</u>

Cost of revenue

Research and development

Sales and marketing

General and administrative

Total stock-based compensation expense

Three months ended June 30,		Six months ended June 30,	
2023	2022	2023	2022
\$ 153	\$ 303	\$ 237	\$ 536
376	412	834	796
658	766	1,432	1,357
2,076	1,539	4,202	2,996
<u>\$ 3,263</u>	<u>\$ 3,020</u>	<u>\$ 6,705</u>	<u>\$ 5,685</u>



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