

November 7, 2023



Q3 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 nine months ended September 30, 2023 and September 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 impairment charges and 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	Q3	
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	17.3	(59.4)%
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	25.6	69.9%
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	25.1	(24.1)%
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	68.0	(25.0)%
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	16.0	8.7%
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	84.0	(20.3)%
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	84.0	(21.5)%

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

Q3 2023 Results

Revenue by region and category



Total by Category	Q3 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$17.3 million	(59.4)%	20.6%
Business-to-business international sales	\$25.6 million	69.9%	30.5%
Direct-to-consumer domestic sales	\$25.1 million	(24.1)%	29.9%
Rental revenue	\$16.0 million	8.7%	19.0%
Total revenue	\$84.0 million	(20.3)%	100%
Total constant currency revenue	\$84.0 million	(21.5)%	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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Operating expense				
Research and development	\$ 4,489	\$ 4,581	\$ 14,126	\$ 16,009
Sales and marketing	26,091	33,734	81,438	92,161
General and administrative	17,011	14,775	50,487	42,646
Impairment charges	32,894	—	32,894	—
Total operating expense	80,485	53,090	178,945	150,816
Loss from operations	(46,721)	(10,292)	(80,404)	(26,754)
Other income (expense)				
Interest income, net	1,801	868	4,972	1,122
Other income (expense)	(398)	(12)	176	(1,167)
Total other income (expense), net	1,403	856	5,148	(45)
Loss before provision for income taxes	(45,318)	(9,436)	(75,256)	(26,799)
Provision for income taxes	401	70	638	363
Net loss	\$ (45,719)	\$ (9,506)	\$ (75,894)	\$ (27,162)

Reconciliation of GAAP to Non-GAAP



Adjusted EBITDA *(in thousands)*

Non-GAAP EBITDA and Adjusted EBITDA	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net loss (GAAP)	\$ (45,719)	\$ (9,506)	\$ (75,894)	\$ (27,162)
Non-GAAP adjustments:				
Interest income, net	(1,801)	(868)	(4,972)	(1,122)
Provision for income taxes	401	70	638	363
Depreciation and amortization	4,614	5,928	13,008	17,536
EBITDA (non-GAAP)	(42,505)	(4,376)	(67,220)	(10,385)
Stock-based compensation	1,779	3,500	8,484	9,185
Acquisition-related expenses	960	—	1,981	—
Restructuring-related and other charges ⁽¹⁾	1,416	—	3,426	—
Impairment charges	32,894	—	32,894	—
Change in fair value of earnout liability	—	(288)	—	(1,699)
Adjusted EBITDA (non-GAAP)	<u>\$ (5,456)</u>	<u>\$ (1,164)</u>	<u>\$ (20,435)</u>	<u>\$ (2,899)</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 Loss *(in thousands)*

Non-GAAP Adjusted Net Loss and Diluted EPS	Three months ended September 30,			
	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (45,719)	\$ (9,506)	\$ (1.97)	\$ (0.42)
Non-GAAP adjustments:				
Amortization of intangibles	205	2,150		
Stock-based compensation	1,779	3,500		
Acquisition-related expenses	960	—		
Restructuring-related and other charges ⁽¹⁾	1,416	—		
Impairment charges	32,894	—		
Change in fair value of earnout liability	—	(288)		
Income tax impact of adjustments ⁽²⁾	—	—		
Adjusted	<u>\$ (8,465)</u>	<u>\$ (4,144)</u>	<u>\$ (0.36)</u>	<u>\$ (0.18)</u>
Non-GAAP Adjusted Net Loss and Diluted EPS	Nine months ended September 30,			
	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (75,894)	\$ (27,162)	\$ (3.28)	\$ (1.19)
Non-GAAP adjustments:				
Amortization of intangibles	284	6,447		
Stock-based compensation	8,484	9,185		
Acquisition-related expenses	1,981	—		
Restructuring-related and other charges ⁽¹⁾	3,426	—		
Impairment charges	32,894	—		
Change in fair value of earnout liability	—	(1,699)		
Income tax impact of adjustments ⁽²⁾	—	—		
Adjusted	<u>\$ (28,825)</u>	<u>\$ (13,229)</u>	<u>\$ (1.25)</u>	<u>\$ (0.58)</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.

Reconciliation of GAAP to Non-GAAP



Constant Currency *(in thousands)*

		Three months ended September 30, 2023					
		% Change from Prior Period					
Three months ended September 30,							
	2022	2023	FX Effect	Constant Currency Revenues	As Reported	Less FX Effect	Constant Currency Revenues
Business-to-business domestic sales	\$ 42,546	\$ 17,288	\$ —	\$ 17,288	-59.4%	0.0%	-59.4%
Business-to-business international sales	15,078	25,600	(1,181)	24,419	69.8%	-7.8%	62.0%
Direct-to-consumer domestic sales	33,048	25,072	—	25,072	-24.1%	0.0%	-24.1%
Direct-to-consumer domestic rentals	14,717	15,994	—	15,994	8.7%	0.0%	8.7%
Revenues, excluding hedging effect	\$ 105,389	\$ 83,954	\$ (1,181)	\$ 82,773	-20.3%	-1.2%	-21.5%
Hedging gains	—	13	—	—	—	—	—
Total revenues ⁽¹⁾	\$ 105,389	\$ 83,967	—	\$ 82,773	-20.3%	—	—

		Nine months ended September 30, 2023					
		% Change from Prior Period					
Nine months ended September 30,							
	2022	2023	FX Effect	Constant Currency Revenues	As Reported	Less FX Effect	Constant Currency Revenues
Business-to-business domestic sales	\$ 58,859	\$ 48,145	\$ —	\$ 48,145	-18.2%	0.0%	-18.2%
Business-to-business international sales	79,254	67,864	(215)	67,649	-14.4%	-0.2%	-14.6%
Direct-to-consumer domestic sales	108,046	76,181	—	76,181	-29.5%	0.0%	-29.5%
Direct-to-consumer domestic rentals	41,785	47,561	—	47,561	13.8%	0.0%	13.8%
Revenues, excluding hedging effect	\$ 287,944	\$ 239,751	\$ (215)	\$ 239,536	-16.7%	0.1%	-16.8%
Hedging gains	1,206	13	—	—	—	—	—
Total revenues ⁽¹⁾	\$ 289,150	\$ 239,764	—	\$ 239,536	-17.1%	—	—

(1) Total constant currency revenues of \$82,773 for the three months ended September 30, 2023 decreased \$22,616 compared to \$105,389 in revenues, excluding hedging effect for the three months ended September 30, 2022. Total constant currency revenues of \$239,536 for the nine months ended September 30, 2023 decreased \$48,408 compared to \$287,944 in revenues, excluding hedging effect for the nine months ended September 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 September 30,		Nine months ended September 30,	
2023	2022	2023	2022
\$ 1,682	\$ 3,389	\$ 8,164	\$ 8,748
97	111	320	437
<u>\$ 1,779</u>	<u>\$ 3,500</u>	<u>\$ 8,484</u>	<u>\$ 9,185</u>

Cost of revenue

Research and development

Sales and marketing

General and administrative

Total stock-based compensation expense

Three months ended September 30,		Nine months ended September 30,	
2023	2022	2023	2022
\$ 164	\$ 327	\$ 401	\$ 863
358	409	1,192	1,205
(255)	754	1,177	2,111
1,512	2,010	5,714	5,006
<u>\$ 1,779</u>	<u>\$ 3,500</u>	<u>\$ 8,484</u>	<u>\$ 9,185</u>



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