



# Q3 2022 Supplemental Financial Information

November 2, 2022



# 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, 2022, and for fiscal years ended December 31, 2020, and 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 acquisition-related costs, that may be incurred in the future.

# Total Revenue and Constant Currency Revenue

(in \$ millions)	2020					2021					2022			Y/Y Growth
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
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	(9.1)%
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	86.7%
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	(30.9)%
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	12.0%
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	21.3%
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	13.2%
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	-	-
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	13.2%
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	-
Total constant currency revenue	88.9	71.8	74.3	73.6	308.6	86.1	100.5	92.6	75.7	355.5	81.2	105.4	106.5	14.5%

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

## Q3 2022 Results

### Revenue by region and category

Total by Category	Q3 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$42.5 million	86.7%	40.4%
Business-to-business international sales	\$15.1 million	(30.9)%	14.3%
Direct-to-consumer domestic sales	\$33.1 million	(9.1)%	31.3%
Rental revenue	\$14.7 million	21.3%	14.0%
<b>Total revenue</b>	<b>\$105.4 million</b>	<b>13.2%</b>	<b>100%</b>
Total constant currency revenue	\$106.5 million	14.5%	100%

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

# 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,	
	2022	2021	2022	2021
Net income (loss) (GAAP)	\$ (9,506)	\$ 12,174	\$ (27,162)	\$ 16,544
Non-GAAP adjustments:				
Interest income	(868)	(21)	(1,122)	(107)
Provision (benefit) for income taxes	70	(6,245)	363	(996)
Depreciation and amortization	5,928	5,522	17,536	15,861
EBITDA (non-GAAP)	(4,376)	11,430	(10,385)	31,302
Stock-based compensation	3,500	2,792	9,185	8,547
Change in fair value of earnout liability	(288)	(2,052)	(1,699)	(9,869)
Adjusted EBITDA (non-GAAP)	<u>\$ (1,164)</u>	<u>\$ 12,170</u>	<u>\$ (2,899)</u>	<u>\$ 29,980</u>

# Reconciliation of GAAP to Non-GAAP

## Net income (loss) *(in thousands, except per share amounts)*

Non-GAAP Adjusted Net Income (Loss) and Diluted EPS	Three months ended September 30,			
	Net Income (Loss)		Diluted EPS	
	2022	2021	2022	2021
Financial Results (GAAP)	\$ (9,506)	\$ 12,174	\$ (0.42)	\$ 0.53
Non-GAAP adjustments:				
Amortization of intangibles	2,150	2,155		
Stock-based compensation	3,500	2,792		
Change in fair value of earnout liability	(288)	(2,052)		
Income tax impact of adjustments <sup>(1)</sup>	(80)	695		
Adjusted	<u>\$ (4,224)</u>	<u>\$ 15,764</u>	<u>\$ (0.18)</u>	<u>\$ 0.63</u>

Non-GAAP Adjusted Net Income (Loss) and Diluted EPS	Nine months ended September 30,			
	Net Income (Loss)		Diluted EPS	
	2022	2021	2022	2021
Financial Results (GAAP)	\$ (27,162)	\$ 16,544	\$ (1.19)	\$ 0.73
Non-GAAP adjustments:				
Amortization of intangibles	6,447	6,622		
Stock-based compensation	9,185	8,547		
Change in fair value of earnout liability	(1,699)	(9,869)		
Income tax impact of adjustments <sup>(1)</sup>	-	(1,272)		
Adjusted	<u>\$ (13,229)</u>	<u>\$ 20,572</u>	<u>\$ (0.58)</u>	<u>\$ 0.90</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 24% for 2021.





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