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# Inogen, Inc. (INGN)

Q3 2025 Earnings Call

## CORPORATE PARTICIPANTS

**Lorna Williams**

*Senior Vice President-Investor Relations & Strategy, Inogen, Inc.*

**Michael J. Bourque**

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

**Kevin R.M. Smith**

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

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## OTHER PARTICIPANTS

**Anderson Schock**

*Analyst, B. Riley Securities, Inc.*

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Welcome to Inogen's Third Quarter 2025 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, November 5, 2025.

I'd now like to turn the call over to Lorna Williams, Senior Vice President of Investor Relations and Strategic Planning. Please go ahead.

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**Lorna Williams**

*Senior Vice President-Investor Relations & Strategy, Inogen, Inc.*

Thank you all for participating in today's call. Joining me are President and CEO, Kevin Smith; and CFO, Mike Bourque. Earlier today, Inogen released financial results for the third quarter of 2025. The earnings release is available in the Investor Relations section of the company's website, along with a 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 fourth 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 November 5, 2025. These forward-looking statements are only predictions and involve risks and uncertainties that are set forth in more details in our most recent periodic reports filed with the Security and Exchange Commission (sic) [Securities and Exchange Commission] (00:02:01). Actual results may vary, and we disclaim any obligation to update these forward-looking statements except as that 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 in 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.

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## Kevin R.M. Smith

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

Good afternoon, and thank you for joining our third quarter 2025 conference call. Today, I'll share more detail on our progress across our three strategic priorities driving top line growth, advancing profitability, and expanding our innovation pipeline. Afterwards, Mike will provide further financial details and our updated outlook.

Our first strategic priority is to drive top line growth, and I am pleased to report that this quarter marked our seventh consecutive period of mid-single digit revenue growth as we delivered over \$92 million in total revenue. Continued market conversion from Portable Oxygen Tanks to POCs fueled year-over-year unit growth of more than 15%, reflecting steady execution and increasing market adoption. Our domestic B2B channel delivered strong performance with 7% year-over-year growth driven by disciplined commercial execution and the differentiated market leading product portfolio. International B2B was a standout contributor achieving 19% year-over-year growth as we advanced our strategy to expand into high opportunity global markets.

The team has continued to do a great job deepening DME relationships and securing international tenders. These efforts are enhancing our brand visibility, expanding our reach and reinforcing our position as a trusted global oxygen therapy partner. International expansion remains a key pillar of our long-term growth strategy. The global COPD market is large and growing, and the need for long-term oxygen therapy is underdiagnosed. And we see significant opportunity to leverage our portfolio [ph] breadth (00:04:39), brand reputation and local partnerships to reach more patients outside the US. As health systems continue shifting care into the home, we believe the international market will be a sustained growth driver for Inogen in the years ahead.

Collectively, these results bolster confidence as we execute our turnaround strategy. With seven consecutive quarters of mid-single digit growth, we are establishing a track record of consistent execution and delivery. We are reiterating revenue guidance for the year. Looking ahead, we remain focused on accelerating growth within the large and underpenetrated COPD market, which represents a \$600 million long-term conversion opportunity.

Building on our commitment to top line growth, we are more focused than ever on advancing our path to profitability, our second key priority. Through a combination of operational excellence and disciplined cost management, we continue to strengthen our financial foundation this quarter. In the third quarter, we delivered meaningful operating leverage with operating expenses down 1.4% year-over-year and adjusted EBITDA of \$2.3 million. This marks our third consecutive quarter of adjusted EBITDA profitability and the fifth adjusted EBITDA profitable quarter out of the last six, highlighting the durability of our model and consistency of execution.

We also generated positive operating cash flow of \$2.2 million or \$4.6 million, excluding one-time legal and settlement expenses, demonstrating improved working capital efficiency and prudent cost control. Given this inflection point, we now expect full year adjusted EBITDA to be approximately \$2 million compared to our prior expectation of breakeven. This upward revision reflects sustained revenue growth, operating discipline and continued progress towards sustainable profitability.

We have made all of this progress while continuing to prioritize our R&D and expand our innovation pipeline, our last strategic priority. In the third quarter, this included our work to launch the Voxi 5 demonstrating that our

partnership with Yuwell Medical continues to enable portfolio expansion and drive our broader respiratory care ambitions.

Let me share more about Voxi 5, our newest stationary oxygen concentrator. This product launch is progressing well and we're seeing positive early market reception, particularly in our B2B channel where we previously did not have a stationary offering. This is an important milestone as our DME partners typically provide new patients with both stationary and portable oxygen concentrators. Having two strong products in the portfolio allows us to reach new customers and deepen relationships with existing partners.

As a reminder, Voxi 5 is a meaningful extension of our oxygen therapy portfolio, complementing our portable solutions and enabling us to serve a broader range of patients in the home care setting. This product reflects the strength of our innovation pipeline and our ability to deliver high quality, cost effective solutions. The device provides 1 liter to 5 liters per minute of continuous flow oxygen in a compact, quiet and durable design, making it an excellent option for patients who need a reliable and affordable second unit for use in multiple rooms.

Lastly, turning to SIMEOX, our solution for effective and fatigue free bronchial decongestion. We recently began our limited market release of SIMEOX in the US as communicated earlier this year. It is the first step in our process to build support for reimbursement and advance our efforts towards broad commercialization. We are thoughtfully laying the groundwork for a scalable and sustainable commercial launch. Over time, this could position SIMEOX as a differentiated solution that enhances patient outcomes, deepens our engagement with clinicians, and expands our participation across the broader respiratory care continuum.

To conclude, the innovation we delivered this quarter reflects our ongoing commitments to advancing respiratory care through meaningful product developments, greater affordability and better outcomes for patients who rely on oxygen therapy every day.

With that, I will pass the call over to Mike for an overview of our financial results. Mike?

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## Michael J. Bourque

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

Thank you, Kevin, and good afternoon, everyone. Unless otherwise stated, all financial comparisons presented refer to the prior year comparable period. I will now walk you through the results, starting with the income statement, cash flow and then ending with guidance. Total revenue for the third quarter of 2025 was \$92.4 million, an increase of 4% on a reported basis. The increase was primarily driven by a higher demand from our international and domestic business-to-business sales.

Looking at third quarter revenue on a more detailed basis, domestic business-to-business revenue increased 6.6% to \$24.9 million versus \$23.4 million in the prior period, driven by increased demand. International business-to-business revenue increased 18.8% to \$38.4 million, compared to \$32.3 million in the prior period, primarily driven by higher demand and the successful expansion into new geographies.

Direct-to-consumer sales decreased 17.9% to \$15.8 million from \$19.2 million in the prior period. As a reminder, we have intentionally shifted this channel towards a leaner operating model. Over the past 12 to 24 months, we have taken meaningful steps to streamline DTC operations, prioritizing efficiency, productivity and profitability. We anticipate that DTC performance will stabilize over the next few quarters as we establish a foundation for broadening our product portfolio in this channel. We believe that these initiatives will serve as catalysts for long-term growth. Rental revenue decreased 4.4% to \$13.3 million, from \$13.9 million in the prior period, primarily driven by a higher mix of lower private payer reimbursement rates.

Now I want to discuss third quarter gross margins. Total gross margin was 44.7% in the third quarter of 2025, decreasing 182 basis points from the same period in the prior year, primarily driven by increased business-to-business sales as a percentage of total revenue.

Moving on to operating expense in the third quarter of 2025, total operating expense decreased to \$48.4 million, compared to \$49.1 million in the prior period, representing a decrease of 1.4%, reflecting effective cost structure management and ongoing savings initiatives. Due to the timing of planned expenses for the advancement of clinical trials related to SIMEOX commercialization, we continue to expect ongoing operating expenses in the second half to be slightly higher than the first half of the year, reflecting investments in product development and commercialization.

In the third quarter of 2025, we reported a GAAP net loss of \$5.3 million that included one-time legal and settlement expenses of approximately \$1.8 million compared to a loss of \$6 million in the prior period. This resulted in a loss per diluted share of \$0.20 in the third quarter of 2025, versus a loss of \$0.25 per share in the prior period. On an adjusted basis, we had a net loss of \$0.5 million in the third quarter of 2025, compared to a loss of \$2.6 million in the prior period and an adjusted loss per diluted share of \$0.02 in the third quarter of 2025, compared to a loss of \$0.11 in the prior period. Adjusted EBITDA was a positive \$2.3 million in the third quarter of 2025, compared to a positive \$0.5 million in the prior period.

Moving on to our balance sheet, as of September 30, 2025, we had cash, cash equivalents, marketable securities and restricted cash of \$124.5 million with no debt outstanding. We generated positive operating cash flow of \$2.2 million or \$4.6 million when excluding the one-time legal settlement of \$1.8 million and related legal expenses of \$0.6 million. This performance reflects the overall health of our business, and as a result of our commitment to financial discipline and effective expense management.

Kevin mentioned earlier, I will outline our financial outlook for the full year 2025 and Q4. Remember Q2 and Q3 are typically our strongest quarters. We are reiterating our full year revenue guidance of \$354 million to \$357 million for the year, reflecting approximately 6% year-over-year growth at the midpoint of the range. This reflects potential puts and takes this quarter, including the pace of stabilization in our DTC business, the timing of some sizable customer orders in our international B2B channel and the continued execution of the Voxi launch. For the full year 2025, we are now raising adjusted EBITDA to approximately \$2 million.

For the fourth quarter of 2025, we expect reported revenue to be in the range of \$87 million to \$90 million, reflecting approximately 10% growth at the midpoint relative to the fourth quarter of 2024. Given current exemptions for certain medical devices, we continue to expect no material impact from tariffs on our gross margin and adjusted EBITDA. However, we will closely monitor developments and we'll share updates as appropriate. As Kevin mentioned, we are progressing well on our three strategic priorities and are in a great position to finish the year out strong with an estimated 6% revenue growth at the midpoint of our guidance range and adjusted EBITDA of approximately \$2 million.

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

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## Kevin R.M. Smith

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

Thank you, Mike. We are pleased to report strong progress this quarter. Our focus on operational excellence has resulted in the successful launch of new products and meaningful advancements in our innovation strategy. The release of Voxi 5 significantly enhances our respiratory care portfolio and broadens our presence in stationary

oxygen therapy. Concurrently, our investments in digital health, product development and global growth ensure sustained success over the long-term. With this strong foundation in place, we're entering the fourth quarter with confidence, focus and a clear path toward delivering growth and creating lasting value for patients, partners and shareholders alike.

With that operator, please open the call for questions.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. We will now be conducting a question-and-answer session. [Operator Instructions] Thank you. Our first question comes from the line of Mike Matson with Needham & Company. Please go ahead.

Q

Hi, guys. This is [ph] Joseph (00:16:42) on for Mike. Thanks for taking our questions. I guess maybe just start out with just congrats on the continued improvement in turnaround. I guess focusing on international B2B, is it safe to say that I guess there's a maybe a larger tender in the quarter that drove the market growth? Any help – any color on that would be helpful. But as well as just maybe if you could expand on some of the market dynamics you guys have talked about in POCs internationally, what are you seeing there? And then I believe you guys mentioned additional geographies, so if you could just maybe give a little bit of color on that, if it's – is there more planned international expansion? Is it more expanding within the countries you already in or expanding into brand new countries? Thanks very much.

**Kevin R.M. Smith**

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

A

Hey, [ph] Joseph (00:17:42), this is Kevin. Thank you for your question indeed. When we look at the international we have there's not a one-off a one tender that was contributing to the growth there. We're continuing to build the momentum with our international team. They've done an excellent job on executing our plan, building relationships. The growth is coming from growing larger share, certainly within the – within our customer base, as well as expanding into individual markets, primarily this quarter coming from growth within the existing markets, primarily being out of the Europe.

Now we have also been opening up new markets. We have new markets that will be impacting us going forward, which gives us confidence that we can continue to grow via the international business. This quarter was a 19% growth it's – in the future we see the ability to continue this to [indiscernible] (00:18:38) stay in that upper single digit, double digit range, but perhaps not at the same 19% level, although there are upside opportunities when we think about large markets that will be opening. We've talked before about China, we're not yet in China.

We're working through that process. But that represents a very significant opportunity, especially working with our partner Yuwell, who knows that market quite well and does exceptionally well with the SOC business in China. We have other significant markets. I won't go into the details parsing out individual ones, but we have high confidence both in being able to grow the POC internationally as well as continue the work towards getting reimbursement for SIMEOX internationally, which will contribute to high margin growth for us in the future as well.



Q

Okay, great. That's all very helpful. Thank you for that, Kevin. And then maybe, I guess just the Voxi 5, have sales started there. I know you guys said you're getting into deeper conversations or relationships and I know this product is going to help that. But I'm just wondering, are there any B2B sales with Voxi 5 this quarter, do you expect it to be in fourth quarter or really more in 2026?

**Kevin R.M. Smith**

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

A

Yeah. So with the Voxi 5, we've been pretty consistent that this is more of a 2026 event from a revenue line versus 2025. But we've been building that foundation as we will continue through the second half of this year into the – into this fourth quarter. We're happy with the results that we've seen so far, the feedback that we've had, both from customers as well as patients. And we see this as something that's going to continue to build and scale. So we've started some of the scaling process here in the back end of this year that's already begun.

We've had some initial sales coming from and although it's not a material impact yet, we see that coming in 2026 and contributing to growth beyond 2026 as well. But it's also when we think of Voxi, Voxi is not just the – not just the play in the B2B market, but we really need to think about Voxi addressing roughly 90% of the oxygen therapy market. So when you think about patients that are on long-term oxygen therapy, there is somewhere in the mid 20%, we've [indiscernible] (00:21:06) around 23% of patients that have a portable oxygen concentrator, but around 90% of those patients have a stationary oxygen concentrator. So that expands our TAM considerably.

Q

Yeah, absolutely massive opportunity there. Well, I guess just based on the guide, it looks like fourth quarter's going to see some meaningful revenue growth. So congrats on this quarter and the continued progress.

**Kevin R.M. Smith**

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

A

Thanks, [ph] Joseph (00:21:34).

**Operator:** Our next question comes from the line of Anderson Schock with B. Riley Securities. Please go ahead.

**Anderson Schock**

*Analyst, B. Riley Securities, Inc.*

Q

Hey, good morning. Thank you for taking our questions and congrats on a strong quarter. So first, you've talked about the gross margin decline from the growth in the B2B revenue mix, but could you talk about the decline in rental gross margin this quarter? What's driving this? And I guess should we expect to see continued pressure on margins in this business going forward?

**Michael J. Bourque**

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

A

Hey, Anderson, this is Mike. You're right, we talked about gross margin in total, as we talked about continue to grow the business in B2B. So we're selling a lot more units, right? If you look at units sales, I think they're up 20% on a year-to-date basis units that we put up in the market. So that is the main driver. And we look at that the total

gross margin being slightly lower. But in terms of your specific question on the rental, I think if you look at Q3, you probably see more likely good comparatives on the rental gross margin. But I'll talk a little bit about the – I'm talking to year-to-date basis, when we look at Q3 by itself, I think it's a 470 basis point lower gross margin than we had last year.

The main driver of that was a true up adjustment. We had logistic related that we posted in the quarter that represents, I'm going to say, roughly 350 basis points of those 427 basis points. But the remainder of that is really what we've been talking about with the rental business. Some of the headwinds we've had that we actually are seeing those headwinds stabilize a little bit. And those are being – when we look at total patient service and the percent of those patients that are on Medicare that continues to go down and Medicare having a higher reimbursement rate. So that's impacting not only the top line, it's impacting our gross margin as well.

And the second item that's been – a headwind that we've been talking about, again that one as well is stabilizing a bit is when we look at capitation. So for example, Medicare patients capped at 36 months, we continue to service those patients for the next 24 months until we can start billing again. That is also starting to level off a little bit. So if you look at it at the total gross margin, say from the rental perspective, most of the Q3 basis point reduction is related to that, that true up adjustment we booked in the quarter, one-time adjustment and the rest of that is really related to those headwinds that we've been talking about for the last few quarters.

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**Anderson Schock**

*Analyst, B. Riley Securities, Inc.*

Q

Okay. Got it. Thank you. And then can you share any updates on the progress towards achieving reimbursement for SIMEOX and the timing of a full commercial launch?

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**Kevin R.M. Smith**

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

A

Yeah, with SIMEOX, we are – we're happy with the progress that we've been making. And if we think about this on a global scale, we've been enrolling patients in a European trial that is geared towards advancing the – that pathway to reimbursement in Europe. We've also been enrolling patients in the trial in China that is working towards the commercialization efforts for the Chinese market, once we have the registration approved. In the United States, we started our limited marketing release, the first phase of our LMR, and that LMR is working through the prescriber channel, calling on physicians, building those first experiences with SIMEOX here in the United States, which is important for us to inform the clinical trial and help make sure that we're able to maximize the reimbursement level there.

So although we're not guiding to that specific timeline as to when we'll have reimbursement here in the US, we're happy with the progress. We're excited about the opportunity, the feedback that we've had from the first patients using SIMEOX as well as the KOLs that are involved with our – building the market and putting those initial blocks in place have been exceptionally positive, which gives us a favorable outlook. So that's something that is exciting. And at the right time, we'll give you some more clarity on timelines.

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**Anderson Schock**

*Analyst, B. Riley Securities, Inc.*

Q

Okay. Got it. Thank you for taking our questions and congrats again on all the progress.

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**Kevin R.M. Smith**

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

A



Thanks, Anderson.

**Operator:** This now concludes our question-and-answer session. I would like to turn the floor back over to Kevin Smith for closing comments.

## Kevin R.M. Smith

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

Thank you, operator. So the third quarter was another strong step forward in executing our strategy and advancing Inogen's transformation. We continue to deliver consistent mid-single digit top line growth, marking our seventh consecutive quarter of progress driven by strength across both our domestic and international B2B channels. At the same time, we achieved meaningful improvement in profitability and strategically we took important steps to expand and diversify our portfolio.

As we look to the remainder of the year and beyond, our focus is clear to drive sustained revenue growth, expand margins and build a stronger, more diversified respiratory platform. We have significant opportunities ahead and we are confident in our ability to capture them through continued execution and operational excellence. I want to close by expressing my deep appreciation for our team at Inogen, your dedication, passion and belief in our mission to improve the lives of respiratory patients worldwide are what makes our progress possible. Thank you for your commitments and your contribution to another successful quarter. We're proud of the momentum we've built and energized by what lies ahead. Thank you.

**Operator:** Ladies and gentlemen, thank you for your participation. This does conclude today's teleconference. You may disconnect your lines and have a wonderful day.

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