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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 13, 2020**

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**INOGEN, INC.**

(Exact name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-36309**

(Commission File Number)

**33-0989359**  
(IRS Employer  
Identification No.)

**326 Bollay Drive,  
Goleta, CA**  
(Address of Principal Executive Offices)

**93117**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (805) 562-0500**

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	INGN	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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**Item 2.02. Results of Operations and Financial Condition.**

On January 13, 2020, Inogen, Inc. (the “Company”) issued a press release reporting preliminary, unaudited revenue results for the fourth quarter and full year ended December 31, 2019. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report 8-K.

**Item 7.01. Regulation FD Disclosure.*****Investor Conferences***

The chief executive officer and chief financial officer of the Company will participate in the 2020 J.P. Morgan Healthcare Conference in San Francisco, which begins on Monday, January 13, 2020 at 8:00 a.m. PT. The chief executive officer and chief financial officer are scheduled to present at the conference on Thursday, January 16, 2020 at 8:30 a.m. PT. During the conference and in separate sessions with analysts and investors, the Company’s officers will refer to an updated slide presentation. A copy of this updated slide presentation is attached hereto as Exhibit 99.2 and is incorporated herein by reference. Included in this updated slide presentation is an updated inside sales representative headcount of 329 as of December 31, 2019. Interested parties can access the live audio webcast of this conference presentation from the Events section of the Investor Relations page on the Company’s website at [www.inogen.com](http://www.inogen.com).

The information furnished pursuant to this Current Report on Form 8-K, including Exhibit 99.1 and 99.2 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit</b>	<b>Description</b>
99.1	<a href="#">Press Release dated January 13, 2020</a>
99.2	<a href="#">Investor Presentation</a>
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL

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## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **INOGEN, INC.**

Date: January 13, 2020

By: /s/ Alison Bauerlein

Alison Bauerlein

Executive Vice President, Finance,

Chief Financial Officer, Secretary and Treasurer

NewsRelease



FOR IMMEDIATE RELEASE

**Inogen Announces Preliminary, Unaudited Full Year and Fourth Quarter 2019 Revenue Results**

*– Q4 2019 Total Preliminary Revenue of \$78.4 to \$79.4 million –  
– Updates 2020 Guidance –*

**Goleta, California, January 13, 2020** — Inogen, Inc. (NASDAQ: INGN), a medical technology company offering innovative respiratory products for use in the homecare setting, today reported preliminary unaudited revenue results for the three-month and twelve-month periods ended December 31, 2019.

**Preliminary Unaudited Revenue Summary:**

- Total full year 2019 revenue is expected to be in the range of \$361.4 to \$362.4 million based on preliminary, unaudited financial data, up 0.9% to 1.2% from 2018
- Total fourth quarter 2019 revenue is expected to be in the range of \$78.4 to \$79.4 million based on preliminary, unaudited financial data, down 8.2% to 9.4% from the same period in 2018

“We believe that portable oxygen concentrators will become the standard of care for oxygen therapy patients worldwide over time, and we believe we can return to solid growth in 2020. However, we had softer than expected demand primarily in our direct-to-consumer and international channels in the fourth quarter of 2019, and we also had some manufacturing challenges that contributed to unshipped orders as of December 31, 2019,” said Scott Wilkinson, Inogen’s President and Chief Executive Officer. “The introduction of the Inogen One G5 product continues to have strong adoption across all of our channels, and we believe this will be our dominant product purchased in 2020 which should, at scale, improve our cost position while also differentiating us from our competition.”

**Preliminary, Unaudited Fourth Quarter 2019 Revenue**

Total preliminary, unaudited revenue for the three months ended December 31, 2019 declined to approximately \$78.9 million at the mid-point of the range from \$86.5 million in the same period in 2018. The Company experienced some manufacturing challenges in the fourth quarter of 2019, which led to certain booked orders not shipped in the same quarter as the scheduled shipment date, primarily in domestic business-to-business orders. The primary driver of these delayed shipments was certain component part shortages, which are also expected to impact the first quarter of 2020. In the fourth quarter of 2019, the Inogen One G5 is expected to represent over 40% of total units sold and over 55% of domestic units sold, continuing to show strong customer demand for the Company’s latest product.

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Direct-to-consumer sales are expected to have declined to approximately \$35.8 million in the fourth quarter of 2019 versus \$36.8 million in the same period in 2018. While sales representative productivity increased versus the comparative period, the decline was primarily due to an approximate 31% reduction in sales representative headcount and lower average selling prices compared to the same period in 2018. The Company remains optimistic in its ability to grow direct-to-consumer sales in 2020 by continuing the more measured, planned expansion of its sales and rental intake teams.

Domestic business-to-business sales are expected to be approximately \$20.6 million in the fourth quarter of 2019 compared to \$25.4 million in the same period in 2018, primarily due to unfulfilled orders as of December 31, 2019.

International business-to-business sales are expected to be approximately \$17.1 million in the fourth quarter of 2019 compared to \$18.5 million in the comparative period in 2018. As seen in the third quarter of 2019, the decline was primarily driven by continued tender uncertainty in various European regions and currency headwinds. The Company believes that when the tender issues are resolved, demand will normalize for Inogen products in those countries.

Rental revenue in the fourth quarter of 2019 is expected to be approximately \$5.4 million compared to \$5.8 million in the fourth quarter of 2018, primarily due to a 5.9% decrease in patients on service.

The Company also had a limited launch of the Tidal Assist® Ventilator (TAV®) product in December 2019 in its domestic channels. The Company is currently performing a limited trial of various sales methods and pricing in its direct-to-consumer channel, and expects full rollout in 2020.

### **Sales Representative Headcount Update**

Inogen's total inside sales representative headcount was 329 as of December 31, 2019, compared to 446 as of December 31, 2018, a decline of approximately 26%. The Company re-started hiring new inside sales representatives in August 2019 and had a net increase in headcount in the fourth quarter of 2019. The Company expects to hire net incremental sales representatives across all three facilities in 2020.

### **Medicare Reimbursement Rates for Oxygen Effective January 1, 2020**

Medicare announced that the reimbursement rates for oxygen therapy increased effective January 1, 2020 through December 31, 2020 by approximately 1.5% in rural areas, 1.5% in former competitive bidding areas, and 3.5% in non-rural, non-former competitive bidding areas. The Company believes this rate increase should modestly increase its 2020 rental revenue and improve the ability of domestic home medical equipment providers to restructure their businesses towards portable oxygen concentrators. Round 2021 competitive bidding rates effective January 1, 2021 through December 31, 2023 are not expected to be announced until summer 2020.

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## **Financial Outlook for 2020**

The Company is updating its full year 2020 guidance range for total revenue of \$385 to \$400 million, representing 6.4% to 10.5% growth over the 2019 preliminary revenue mid-point of \$361.9 million. The Company expects direct-to-consumer sales to be its fastest growing channel and expects domestic business-to-business and international business-to-business channels to have solid growth rates. The Company expects rental revenue to be up modestly compared to 2019 and minimal contribution in 2020 from sales of the TAV. The Company also expects manufacturing challenges to continue in the first quarter of 2020 where certain component part shortages may delay shipments.

The Company is currently reviewing its full year 2020 net income and Adjusted EBITDA guidance and expects to provide additional updated guidance when it reports its full financial results for the year ended December 31, 2019.

## **Inogen to Present Thursday at J.P. Morgan Healthcare Conference**

Inogen's management will present on Thursday, January 16<sup>th</sup>, 2020, at the J.P. Morgan Healthcare Conference at 8:30 a.m. Pacific Time. During the conference and in separate sessions with analysts and investors, the Company's officers will refer to an updated slide presentation. A copy of this updated slide presentation is available on Inogen's corporate website.

A live audio webcast of the conference presentation and the Q&A session will also be available on Inogen's corporate website. To listen to a live webcast, please visit the Investor Relations section of Inogen's website at: <http://investor.inogen.com/>. A webcast replay will be available approximately one hour after the conclusion of the live presentation and will remain available for 90 days.

Inogen has used, and intends to continue to use, its Investor Relations website, <http://investor.inogen.com/>, as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. For more information, visit <http://investor.inogen.com/>.

## **About Inogen**

Inogen is innovation in oxygen therapy. We are a medical technology company that develops, manufactures and markets innovative oxygen concentrators used to deliver supplemental long-term oxygen therapy to patients suffering from chronic respiratory conditions.

For more information, please visit [www.inogen.com](http://www.inogen.com).

## **Cautionary Note Concerning Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding anticipated growth opportunities; Inogen's expectations regarding its preliminary, unaudited revenue in all channels for full year and fourth quarter 2019; financial guidance for 2020, including revenue; expectations for all revenue channels for 2020; expectations regarding international sales and tender activity; expectations regarding the Inogen One G5; expectations

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with respect to the rollout and sales of the TAV; and Inogen's plans for net incremental inside sales representative hires. Any statements contained in this communication that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will," "intends," "potential," "possible," and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from currently anticipated results, including but not limited to, risks arising from the possibility that Inogen will not realize anticipated revenue; the impact of reduced reimbursement rates; the possible loss of key employees, customers, or suppliers; risks relating to Inogen's limited experience in acquiring and integrating new businesses; risks relating to the integration of New Aera's business and operations within those of Inogen; risks relating to reimbursement coding of the TAV; the possibility that Inogen will not realize anticipated revenue or that expenses and costs will exceed Inogen's expectations; the possible loss of key employees, customers, or suppliers in connection with the acquisition; intellectual property risks if Inogen is unable to secure and maintain patent or other intellectual property protection for the intellectual property used in its products, including risks related to Inogen's ongoing litigation with Breathe Technologies. In addition, Inogen's business is subject to numerous additional risks and uncertainties, including, among others, risks relating to market acceptance of its products; competition; its sales, marketing and distribution capabilities; its planned sales, marketing, and research and development activities; seasonal variations; unanticipated increases in costs or expenses; litigation risks; and risks associated with international operations. Information on these and additional risks, uncertainties, and other information affecting Inogen's business operating results are contained in its Quarterly Report on Form 10-Q for the period ended September 30, 2019, and in its other filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. Inogen disclaims any obligation to update these forward-looking statements except as may be required by law.

The amounts set forth above are preliminary estimates. Inogen is in the process of finalizing its results of operations for the year ended December 31, 2019, and therefore, final results are not yet available. These preliminary, unaudited estimates are based solely upon information available to management as of the date of this press release. Inogen's actual results may differ from these estimates due to the completion of its year-end closing procedures, final adjustments and developments that may arise between now and the time its financial results for the year ended December 31, 2019 are finalized. You should read Inogen's audited consolidated financial statements for the year ended December 31, 2019 once they become available.

**Investor Relations Contact:**

Matt Bacso, CFA  
[mbacso@inogen.net](mailto:mbacso@inogen.net)

**Media Contact:**

Byron Myers  
805-562-0503



# Company Overview

January 2020

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# Notice regarding forward-looking statements

These slides and the accompanying oral presentation (the "Presentation") include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on current expectations, estimates and projections based on information currently available to management. These forward-looking statements include, among others, statements relating to our preliminary, unaudited financial results as of January 13, 2020 and our guidance as of January 13, 2020, including our estimates of 2020 revenue; our expectations regarding decreasing reimbursement rates on both our rental revenue and the oxygen therapy market generally; the size and estimates of growth in the oxygen therapy market; our estimates concerning market penetration; our expectation regarding market headwinds and the impact on HME providers; our hiring expectations; product development; our expectations for positive cash flow and our needs for additional capital; and our expectations related to our recent acquisition of New Aera and the TAV technology. All statements other than statements of historical facts contained in this Presentation, including statements regarding our future results of operations and financial position, business strategy, prospective products, plans and objectives of management for future operations, and future results of current and anticipated products are forward-looking statements. Forward-looking statements are typically identified by words like "believe," "anticipate," "could," "should," "estimate," "expect," "intend," "plan," "project," "will," "forecast," "budget," "pro forma," and similar terms. Forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from currently anticipated results, including but not limited to, risks arising from the possibility that we will not realize anticipated revenue; the impact of reduced reimbursement rates; the possible loss of key employees, customers, or suppliers; and intellectual property risks if we are unable to secure and maintain patent or other intellectual property protection for the intellectual property used in our products. In addition, our business is subject to numerous additional risks and uncertainties, including, among others, risks relating to market acceptance of our products; our ability to successfully launch new products and applications; competition; our sales, marketing and distribution capabilities; our planned sales, marketing, and research and development activities; interruptions or delays in the supply of components or materials for, or manufacturing of, our products; seasonal variations; unanticipated increases in costs or expenses; and risks associated with international operations. The known risks and uncertainties are described in detail under the caption "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2018. Additional information is also set forth in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 and our subsequent reports filed with the Securities and Exchange Commission, or SEC. Accordingly, our actual results may materially differ from our current expectations, estimates and projections. Unless otherwise specified herein, forward-looking statements represent our management's beliefs and assumptions only as of our January 13, 2020 press release, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. For more complete information about Inogen, Inc., please read our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other documents that we have filed and may file from time to time with the SEC. These documents can be obtained by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov).

Certain financial data for 2019 included in this Presentation is based off our preliminary, unaudited estimates. Inogen is in the process of finalizing its results of operations for the year ended December 31, 2019, and therefore, final results are not yet available. These preliminary estimates are based solely upon information available to management as of the date of this Presentation. Inogen's actual results may differ from these estimates due to the completion of its year-end closing procedures, final adjustments and developments that may arise between now and the time its financial results for the year ended December 31, 2019 are finalized. You should read Inogen's audited consolidated financial statements for the year ended December 31, 2019 once they become available.

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# Inogen POC offers freedom and mobility

## Delivery Model

Stationary oxygen concentrator



Regular oxygen tank delivery



## Inogen Model

Portable oxygen concentrator (POC)



Inogen One G4®



- 2.8 pounds (single battery)
- Run time up to 5 hours with a double battery
- A/C adaptable
- Conforms to all applicable FAA requirements
- Suitable for overnight use

Inogen® offers a single solution, freedom and independence

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# Traditional O<sub>2</sub> therapy challenged by market dynamics

	Traditional O <sub>2</sub>	Inogen	Relevance today
Enables quality of life	✗	✓	<ul style="list-style-type: none"> <li>Baby boomer expectations</li> <li>↑ Consumer involvement in healthcare decisions</li> <li>Enables travel and mobility</li> </ul>
Cost effective	✗	✓	<ul style="list-style-type: none"> <li>&gt;50% reduction to Medicare reimbursement rates</li> <li>Oxygen delivery has high infrastructure and variable costs</li> </ul>
Maximizes mobility	✗	✓	<ul style="list-style-type: none"> <li>Ambulatory O<sub>2</sub> → 2x survival; 60% fewer hospital days<sup>1</sup></li> <li>Utilizers of oxygen therapy have lower deaths, hospitalizations, and days in the hospital than those who have a health condition that would support oxygen but do not use it<sup>2</sup></li> </ul>

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Note 1: Retrospective Review of the 1980 Nocturnal Oxygen Therapy Trial Group led by Dr. Tom Petty published in 2000

Note 2: [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/Monitoring.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/Monitoring.html)

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# Product performance drives leadership position

		Inogen One G5 <sup>®</sup>	Inogen One G4 <sup>®</sup>	Inogen One G3 <sup>®</sup>
Design Effectiveness	Launch Date	April 2019	May 2016	September 2012
	Minimum Advertised Retail Price	\$2,395	\$2,295	\$2,295
	O <sub>2</sub> capacity	1,260 ml/min	630 ml/min	1,050 ml/min
	Overnight	✓	✓	✓
	Single Solution	✓	✓	✓
	User Replaceable Batteries	✓	✓	✓
	Sieve Life Extending Technology	✓	✓	✓
Convenience	Weight (lbs)	4.7 (single battery) 5.7(double battery)	2.8 (single battery) 3.3 (double battery)	4.8 (single battery) 5.8 (double battery)
	Battery duration	Up to 13 hours on a double battery	Up to 5 hours on a double battery	Up to 10 hours on a double battery
	Sound level (on flow setting 2)	38 dBA	40 dBA	39 dBA

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# Building the Inogen brand

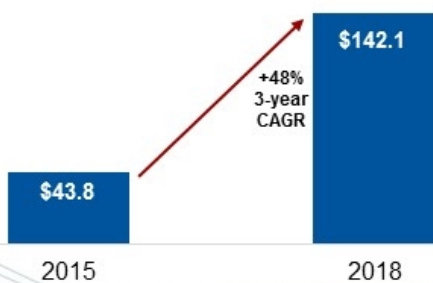
## Targeted advertising



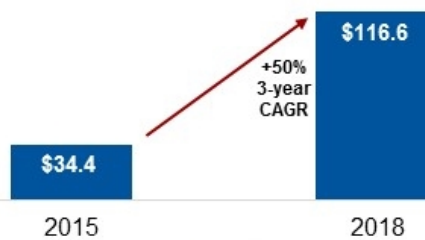
## Consumer preference



## Domestic direct-to-consumer sales (\$M)



## Domestic business-to-business sales (\$M)



Founded in patient preference

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# U.S. market dynamics continue to favor POC adoption by traditional HME providers

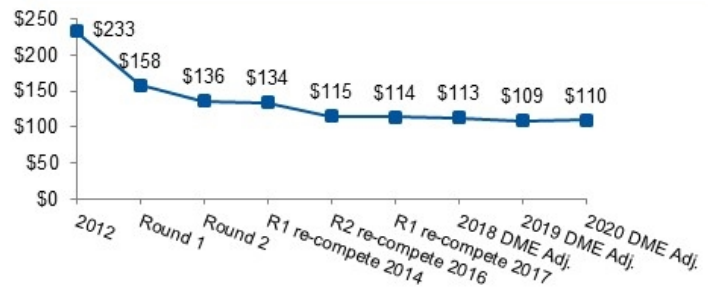
## Estimated Penetration of POCs<sup>1</sup>



Note 1: Based on 2018 U.S. Medicare claims data and our estimates of the ratio of the Medicare market to the total market. Value excludes Medicare Advantage, Medicaid, cash pay and private insurance.  
 Note 2: Based on 2018 U.S. Medicare claims data, ambulatory patients account for 76% of total patients. Inogen estimates a full POC penetration rate of up to 90% of the existing ambulatory patient population based on Inogen's analysis of the patients who have contacted the Company and their clinical needs.

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## Average total monthly Medicare reimbursement in CBAs



## Market Dynamics

- Lower monthly reimbursement will continue to challenge the oxygen delivery model and favor POC adoption
- HME restructuring challenges, capital constraints, and limited cash flow lead to lumpy order activity

## Tidal Assist<sup>®</sup> Ventilator (TAV<sup>®</sup>)

- Non-invasive ventilator (NIV) for select patients with chronic lung diseases (Rx required)
- Compatible with certain oxygen concentrators, oxygen cylinders, wall gas, and certain medical air sources
- Delivers higher flow and pressure versus traditional oxygen therapy
- Proprietary micro nasal pillow design with built-in entrainment for maximum flow
- New Aera has 12 issued patents and 18 pending patent applications\*
- Limited trial launch in December 2019



\* Patents and trademarks as of September 30, 2019

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## Strategic value of New Aera Acquisition



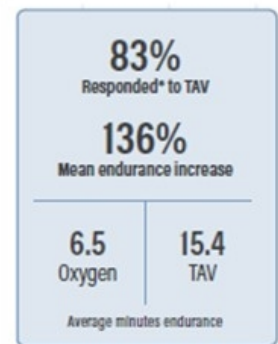
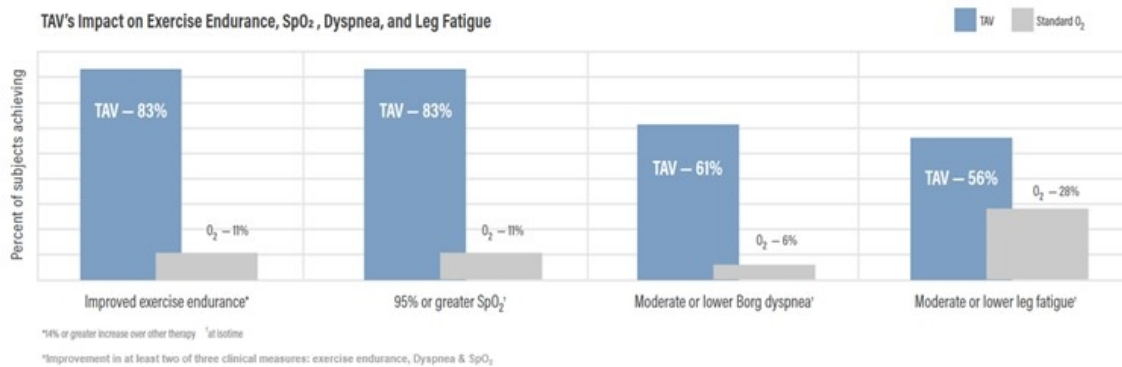
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# Benefits of TAV<sup>®</sup> vs standard oxygen

Patients exercised longer, with markedly better oxygenation and less dyspnea and leg fatigue, on TAV therapy than on oxygen therapy alone.



- The trial was a randomized, open-label crossover study comparing TAV vs. standard oxygen for its impact on exercise endurance, oxygen saturation, and Borg dyspnea
- 18 subjects included moderate to very severe COPD or interstitial lung disease patients studied at a pulmonary rehabilitation site
- Primary endpoint was exercise endurance, secondary endpoints included SpO<sub>2</sub>, Borg dyspnea scores, leg fatigue scores, and heart rate

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# Globally diversified revenue

## Sales in 47 countries



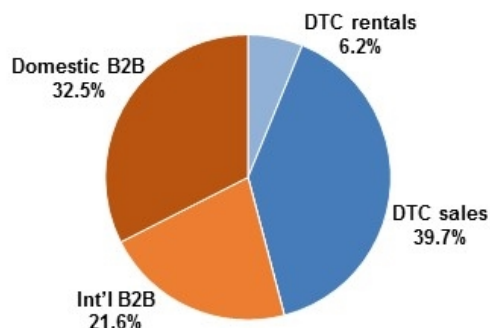
**2018 Revenue:** \$358.1M  
**2019 Preliminary Unaudited Revenue<sup>1</sup>:** \$361.9M

<sup>1</sup>2019 estimated revenue of \$361.9M based on the midpoint of preliminary, unaudited revenue range provided in the Company's press release dated January 13, 2020 of \$361.4M - \$362.4M. This outlook represents the Company's guidance only as of that date.

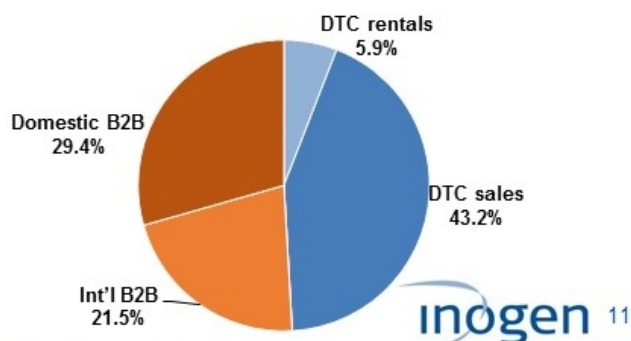
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## Growing worldwide revenue

### 2018 Revenue Breakdown



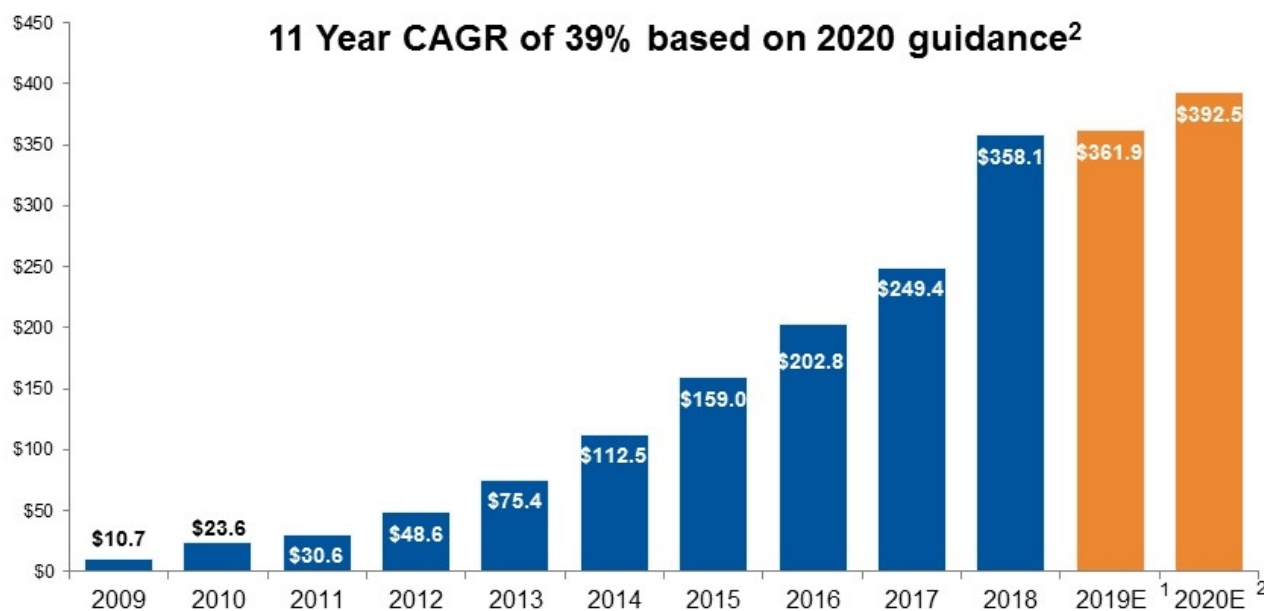
### Estimated Twelve Months Ended December 31, 2019 Preliminary Unaudited Revenue Breakdown<sup>1</sup>



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# Historical Revenue

Revenue (\$M)



<sup>1</sup>2019 estimated revenue of \$361.9M based on the midpoint of preliminary, unaudited revenue range provided in the Company's press release dated January 13, 2020 of \$361.4M - \$362.4M. This outlook represents the Company's guidance only as of that date.

<sup>2</sup>2020 estimated revenue of \$392.5M based on the midpoint of guidance provided in the Company's press release dated January 13, 2020 of \$385M - \$400M. This outlook represents the Company's guidance only as of that date.

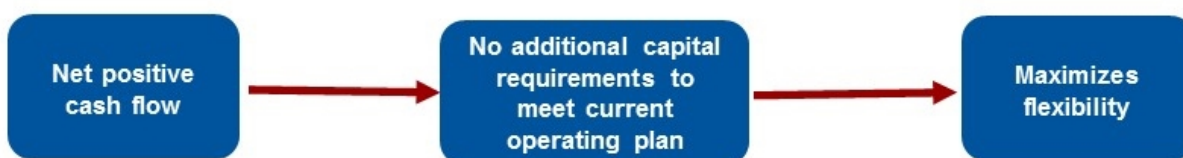
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# Balance sheet overview

Summary as of September 30, 2019	
Cash, cash equivalents & marketable securities on hand	\$200.6M
Debt	\$0.0M

## 2020 Expectations<sup>1</sup>



<sup>1</sup>2020 expectations are based on guidance provided in the Company's press release dated January 13, 2020. This outlook represents the Company's guidance only as of that date.

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# Multiple avenues to drive future revenue growth

## Direct-to-consumer expansion

- 329 inside sales reps\*
- 20 outside physician sales & support team members\*
- Focusing on sales rep productivity & scaling sales and rental intake teams

## Increase domestic & international B2B adoption

- 9 U.S. B2B sales & support team\*
- Inogen Capital, an HME financing platform
- Strong private label partnership
- Distribution in 46 international countries
- 11 Int'l B2B sales & support team members\*
- Developing regulatory & sales pathways to capture opportunities in emerging markets

## New products

- Inogen One G5 launched in 2019
- TAV<sup>®</sup> limited launch in December 2019
- TAV technology opens up adjacent NIV and early-stage cash-pay COPD markets & we plan to integrate TAV technology into our concentrators
- Focused on disruptive products and evaluating potential acquisition targets that offer unique solutions

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\*Headcount provided as of December 31, 2019

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## Company highlights

**Market leader in large, global, underpenetrated market**

**DTC model enables innovation and customer access**

**Differentiated product portfolio with commitment to R&D**

**Seasoned management team with proven track record**

**Attractive financial profile**

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# Supplemental Information

January 2020

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# High standards of compliance and regulations

## Accredited home care provider



- Accredited Home Medical Equipment Provider by the Accreditation Commission for Health Care (ACHC)

## Billing / DTC



- Licensed to provide directly to patients & bill Medicare in 50 states & District of Columbia
- State by state licensure requirements
- Advanced Beneficiary Notices (ABNs) are not required when selling directly to patients for cash as purchase of oxygen equipment is statutorily non-covered
- Bid in 129 of 130 competitive bid areas in Round 2021

## Key regulatory approvals



- 510(k) clearance by the FDA
- FDA registered manufacturing facilities
- Conforms to all applicable FAA requirements for use on commercial aircraft
- Quality Management System certified to comply with ISO 13485 for the design, development, manufacture, distribution and service of oxygen concentrators, non-invasive ventilators and accessories

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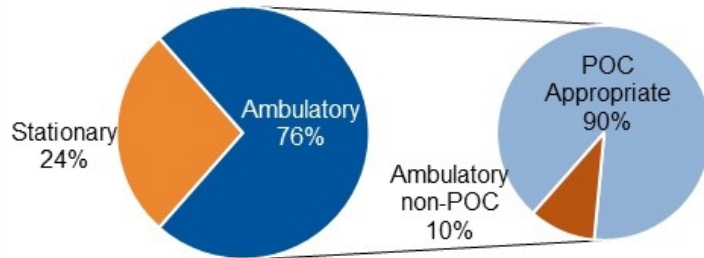
**inogen** 18

# Estimated U.S. Medicare penetration of portable oxygen concentrators

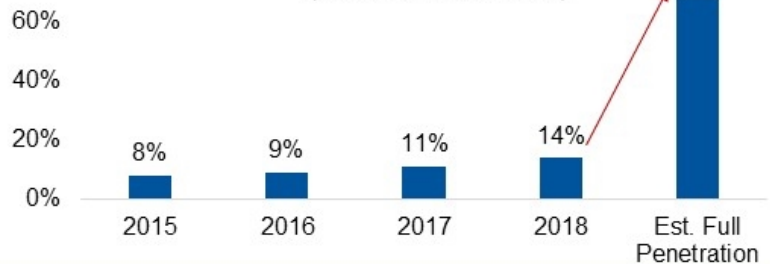
## We believe POCs remain under penetrated

- Based on 2018 U.S. Medicare claims data, ambulatory patients account for 76% of total LTOT patients. Inogen estimates a full POC penetration rate to be 90% of the existing ambulatory patient population, or ~68% of the total<sup>1</sup>
- Based on 2018 U.S. Medicare claims data, we estimate the penetration rate for POCs was ~14%<sup>2</sup>
- Inogen estimates the U.S. oxygen therapy market to reach full POC penetration in 5+ years
- Inogen's POC useful life is 5 years

## Estimated Full POC Penetration Rate<sup>1</sup>



## Estimated Penetration of POCs<sup>1</sup> (based on Medicare)



Note 1: Based on 2018 U.S. Medicare claims data, ambulatory patients account for 76% of total patients. Inogen estimates a full POC penetration rate of up to 90% of the existing ambulatory patient population based on Inogen's analysis of the patients who have contacted the Company and their clinical needs.

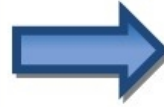
Note 2: 2018 U.S. Medicare claims data does not include Medicaid, cash sales, private insurance or Medicare Advantage patients

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# Design expertise & intellectual property

- Trade secrets & know-how
  - Automation
  - Connectivity
  - Compressor design & air separation
  - Encoded software
  - Ventilation & air entrainment



- Increase functionality
- Improve design
- Ease-of-use
- Reduce production costs

- 46 patents issued
  - System design and assembly
  - Control systems for oxygen concentrators and ventilators
  - Nasal interface designs
  - Sieve bed designs and life prediction
- 26 pending patent applications
  - POC design improvements
  - Ventilation interface design
  - Design features for improved manufacturability



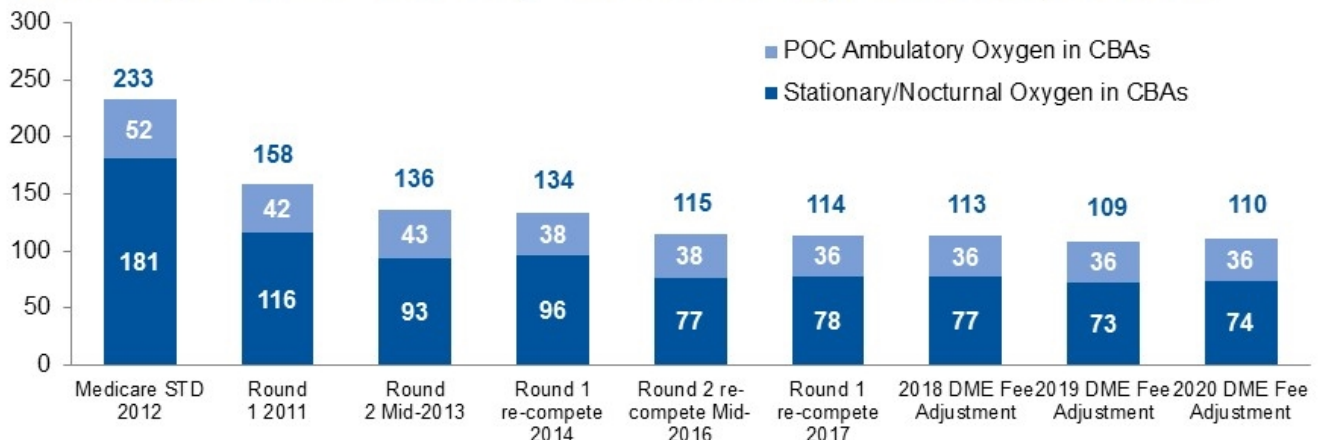
- Product differentiation
- Long-term protection of existing portfolio
- Design features for patient preference
- Reduced service costs
- Reduced part count and ease of assembly

Patents and pending patents as of September 30, 2019

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# Average non-delivery ambulatory monthly rates



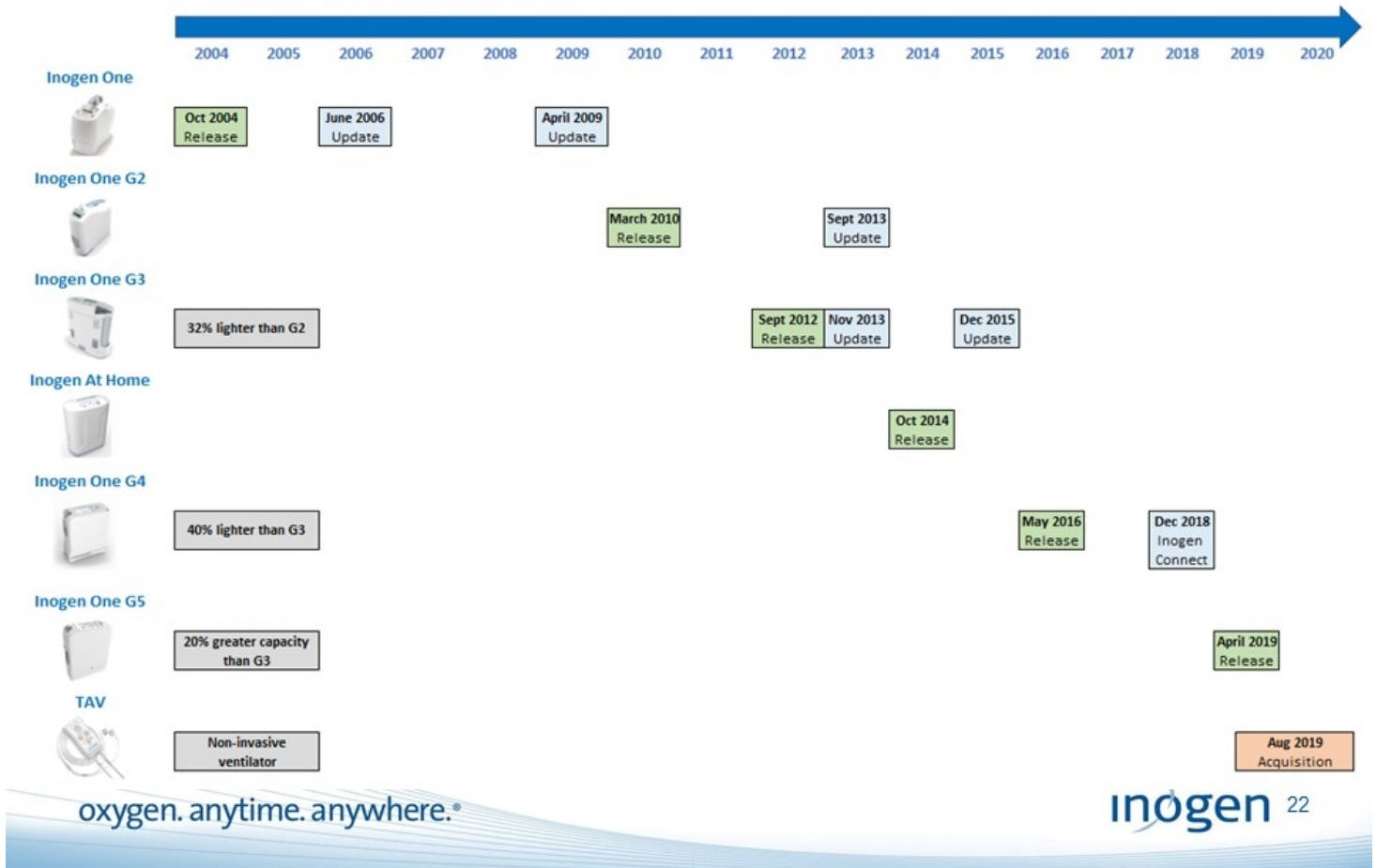
- We believe lower reimbursement rates will drive conversion to non-delivery solutions, although there are challenges to HME provider adoption short-term
- POC reimbursement rates are an 18% premium compared to stationary+tanks in 36-mo rental period
- Competitive Bidding Round 2021 will set reimbursement rates based on maximum winning bid for lead items, compared to median rate of a composite – expected to be announced in summer 2020
- Competitive Bidding contracts expired at the end of 2018. Beneficiaries may currently receive DME equipment from any Medicare enrolled supplier until new contracts go into effect 1/1/21
- **2020 Medicare rates increased 1.5% in rural and former CBA areas, and 3.5% in non-rural (non-former CBA) areas**

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# Continuous innovation to stay at the forefront of customer preference



# A proven team built for success

**Scott Wilkinson**

President, Chief Executive Officer,  
BOD Member

- 30+ years of leadership with Johnson & Johnson, Kimberly-Clark, Invacare in operations, R&D, product management, sales & marketing

**Ali Bauerlein**

Chief Financial Officer, Executive  
Vice President, Finance, Corporate  
Secretary & Corporate Treasurer

- Co-founder of Inogen with over 18 years experience in treasury, finance, accounting, risk management as well as strategic and tactical cost analysis and forecasting

**Byron Myers**

Executive Vice President,  
Sales & Marketing

- Co-founder of Inogen with over 18 years experience with direct responsibility for sales, marketing and product management operations
- MBA, UCSD Rady School of Management

**Brenton Taylor**

Executive Vice President,  
Engineering

- Co-founder of Inogen with over 18 years of experience in medical device product development and manufacturing
- Successfully obtained 26 issued U.S. patents for POC development

**Bart Sanford**

Executive Vice President,  
Operations

- 30+ years of manufacturing and operations leadership experience, with 18 years in Danaher Corporation (Cepheid, Molecular Devices, Fluke Corporation)

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