

# Shockwave Medical Reports Fourth Quarter and Full Year 2023 Financial Results

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SANTA CLARA, Calif., Feb. 15, 2024 (GLOBE NEWSWIRE) -- Shockwave Medical, Inc. (Nasdaq: SWAV), a pioneer in the development and commercialization of transformational technologies for the treatment of cardiovascular disease, today reported financial results for the three months and full year ended December 31, 2023.

# **Recent Highlights**

- Recognized revenue of \$203.0 million for the fourth quarter of 2023 and \$730.2 million for the full year 2023, representing increases of 41% and 49%, respectively, from the same periods in 2022
- Initiated the full U.S. commercial launch of the Shockwave C<sup>2+</sup> Coronary Intravascular Lithotripsy (IVL) catheter
- Granted new physician and hospital reimbursement for coronary IVL in the United States. Three newly created MS-DRGs specific to coronary IVL for hospital payment in the inpatient setting became effective October 1, 2023. A new Category I CPT add-on code that provides physicians with remuneration for the additional work associated with performing coronary IVL became effective January 1, 2024

"The team ended 2023 with solid performances across our business and geographies," said Doug Godshall, President and Chief Executive Officer of Shockwave Medical. "Our record revenue is a testament to the continued clinical need for our innovative products and our ability to grow the Shockwave organization to meet those needs as we pursue our mission to improve outcomes for patients suffering from cardiovascular disease."

#### Fourth Quarter 2023 Financial Results

Revenue for the fourth quarter of 2023 was \$203.0 million, an increase of \$59.0 million, or 41%, compared to the corresponding prior year period. Revenue growth was primarily driven by increased adoption of Shockwave products in both the United States and internationally.

Gross profit for the fourth quarter of 2023 was \$177.7 million compared to \$126.5 million for the corresponding prior year period. Gross margin for the fourth quarter of 2023 was 88%, consistent with 88% for the corresponding prior year period.

Operating expenses for the fourth quarter of 2023 were \$134.4 million, compared to \$84.1 million for the corresponding prior year period, representing a 60% increase, primarily driven by increases in headcount to support the growth of the business and Reducer spend resulting from the Neovasc acquisition that closed in 2023.

Net income was \$44.3 million in the fourth quarter of 2023, as compared to a net income of \$140.9 million in the corresponding prior year period. In the fourth quarter of 2022, we released our valuation allowance, which resulted in a tax benefit of \$99.0 million in that quarter. Basic net income per share was \$1.20 in the fourth quarter of 2023. Diluted net income per share was \$1.16 in the fourth quarter of 2023.

Adjusted EBITDA was \$68.2 million in the fourth quarter of 2023, a 20% increase compared to adjusted EBITDA of \$56.6 million in the fourth quarter of 2022. Adjusted EBITDA is a non-GAAP measure. For additional information regarding non-GAAP financial measures, see "Use of Non-GAAP Financial Measures" and "Reconciliation of GAAP Net Income to Adjusted EBITDA" below.

## Full Year 2023 Financial Results

Revenue for the full year 2023 was \$730.2 million, an increase of \$240.5 million, or 49%, compared to the full year 2022. The growth was primarily driven by an increase in the purchase volume of our products in the United States and increased adoption of our products internationally.

Gross profit for the full year 2023 was \$634.8 million compared to \$424.7 million for the full year 2022. Gross margin for the full year 2023 was 87%, consistent with 87% for the full year 2022.

Operating expenses were \$475.7 million for the full year 2023, compared to \$300.6 million for the full year 2022, an increase of 58% primarily driven by increases in headcount to support the growth of the business and Reducer spend resulting from the Neovasc acquisition that closed in 2023.

Net income was \$147.3 million for the full year 2023, compared to \$216.0 million for the full year 2022. Net income in 2022 included a \$99.0 million tax benefit from the release of our valuation allowance in that year. Basic net income per share was \$4.01 for the full year 2023. Diluted net income per share was \$3.85 for the full year 2023.

Adjusted EBITDA was \$242.7 million for the full year 2023, a 40% increase compared to adjusted EBITDA of \$173.9 million for the full year 2022. Adjusted EBITDA is a non-GAAP measure.

Cash, cash equivalents and short-term investments totaled \$990.6 million as of December 31, 2023.

## 2024 Financial Guidance

Shockwave Medical projects revenue for the full year 2024 to range from \$910 million to \$930 million, which represents 25% to 27% growth over the full year 2023 revenue.

#### **Conference Call**

Shockwave Medical will host a conference call at 1:30 p.m. Pacific Time / 4:30 p.m. Eastern Time on Thursday, February 15, 2024, to discuss its fourth quarter and full year 2023 financial results. The call may be accessed by dialing 877-704-4453 for domestic callers or 201-389-0920 for international callers, using conference ID: 13742096. A live and archived webcast of the event will be available at <a href="https://ir.shockwavemedical.com/">https://ir.shockwavemedical.com/</a>.

#### About Shockwave Medical, Inc.

Shockwave Medical is a leader in the development and commercialization of innovative products that are transforming the treatment of cardiovascular disease. Its first-of-its-kind Intravascular Lithotripsy (IVL) technology has transformed the treatment of atherosclerotic cardiovascular disease by safely using sonic pressure waves to disrupt challenging calcified plaque, resulting in significantly improved patient outcomes. Shockwave Medical has also recently acquired the Reducer, which is under clinical investigation in the United States and is CE Marked in the European Union and the United Kingdom. By redistributing blood flow within the heart, the Reducer is designed to provide relief to the millions of patients worldwide suffering from refractory angina. Learn more at <a href="https://www.shockwavemedical.com">www.shockwavemedical.com</a>.

## **Forward-Looking Statements**

This press release contains statements relating to our expectations, projections, beliefs, and prospects, which are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," and similar expressions, and the negative of these terms. Forward-looking statements in this press release include, but are not limited to, statements regarding our anticipated future operating results and financial position, including for the full year ending December 31, 2024, our business strategy and plans, our objectives for future operations and financial performance and other matters. You are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are only predictions based on our current expectations, estimates, and assumptions, valid only as of the date they are made, and subject to risks and uncertainties, some of which we are not currently aware.

Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others: the impact of global business, political, and macroeconomic conditions, including inflation, rising interest rates, uncertainty with respect to the federal budget and the related potential for government shutdowns, instability in the global banking system, volatile market conditions, supply chain disruptions, cybersecurity events and global events, including regional conflicts around the world, on our operations, financial results, liquidity, capital resources, expenses, supply chain, manufacturing, research and development activities, clinical trials, and employees; our ability to successfully execute our business and growth strategies; our ability to develop, manufacture, obtain and maintain regulatory approvals for, and market and sell, our products; our expected future growth, including the size and growth potential of the markets for our products; our ability to obtain coverage and reimbursement for procedures performed using our products; our ability to scale our organizational culture; the impact of the development, regulatory approval, efficacy and commercialization of competing products; the loss of key scientific or management personnel; our ability to develop and maintain our corporate infrastructure, including our internal controls; our financial performance and capital requirements; the success of any acquisitions that we make; and our ability to obtain and maintain intellectual property protection for our products, as well as our ability to operate our business without infringing the intellectual property rights of others. These factors, as well as others, are discussed in our fillings with the Securities and Exchange Commission (SEC), including in the sections titled "Risk Factors" in our most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q, and in our other reports filed with the SEC. Except to the extent required by law, we do not undertake to update any of these forward-looking statements after the date hereof to conform these statements to actual results or revised expectations.

## **Use of Non-GAAP Financial Measures**

This press release contains supplemental financial information determined by methods other than in accordance with accounting principles generally accepted in the United States (GAAP), including references to adjusted EBITDA, a non-GAAP financial measure that excludes from net income the effects of income tax (benefit) provision, other income, interest expense, loss from equity method investment, depreciation and amortization, and stock-based compensation expense. We believe the presentation of adjusted EBITDA is useful as it provides visibility to our underlying continuing operating performance by excluding the impact of certain items that are non-cash in nature or not related to our core business operations.

Our definition of adjusted EBITDA may differ from similarly titled measures used by others. Adjusted EBITDA should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP. Because adjusted EBITDA excludes the effect of items that increase or decrease our reported results of operations, management strongly encourages investors to review, when they become available, our consolidated financial statements and publicly filed reports in their entirety. A reconciliation of adjusted EBITDA to net income has been provided in the financial statement tables included in this press release, and investors are encouraged to review the reconciliation.

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ASSETS         CURRENT ASSETS:         Case and cash equivalents         \$ 328,422         \$ 156,588         \$ 167,000         \$ 147,900         \$ 147,		December 31, 2023		December 31, 2022		
CURRENT ASSETS:         328,422         156,884           Cash and cash equivalents         662,132         147,907           Accounts receivable, net         114,552         71,368           Inventory         107,587         75,112           Prepaid expenses and other current assets         12,567         8,293           Total current assets         29,707         32,365           Operating lease right-of-use assets         29,707         32,365           Property and equipment, net         68,923         46,152           Equity method investment         1,643         3,512           Intangible assets, net         99,169         97,588           Other assets         99,169         97,588           Other assets         9,169         97,588           Other assets         9,169         9,588           Other assets         9,169         5,229           Accounts payable         8,888         6,721           Accounts payable         8,888         6,721           Accounts payable         9,89         5,375           Lease liability, current portion         3,10         3,49           Ease liability, current portion         1,27         6,37           Edet, noncurrent portion		(Unaudited)		_		
Cash and cash equivalents         \$328,422         \$156,586           Short-term investments         662.2         147,907           Accounts receivable, net         114,552         7,366           Inventory         107,587         8,292           Prepaid expense and other current assets         12,25,260         48,292           Total current assets         29,707         32,366           Operating lease right-of-use assets         29,707         32,366           Property and equipment, net         1,643         3,152           Equity method investment         1,643         3,512           Intangible assets, net         93,568         6           Goodwill         39,568         9,768           Other assets         99,169         9,7568           Other assets         99,169         9,7568           Other assets         8,868         8,6729           TOTAL ASSETS         8,888         8,6721           Account payable         8,888         8,6721           Accounts payable         8,888         8,6721           Accounts payable         8,888         1,278           Lease liability, concurrent portion         3,61         1,278           Det, concurrent portion	ASSETS					
Short-term investments         662,132         147,907           Accounts receivable, net Inventory         107,587         75,112           Prepaid expenses and other current assets         12,567         8,292           Total current assets         12,256         459,263           Operating lease right-of-use assets         29,707         32,365           Property and equipment, net         68,923         48,152           Equity method investment         9,2857         —           Intangible assets, net         92,857         —           Goodwill         39,568         —           Deferred tax assets         9,436         5,229           TOTAL ASSETS         9,436         5,229           TOTAL ASSETS         9,436         5,229           CURRENT LIABILITIES         8,868         6,672           Accourts payable         8,868         6,721           Accourted liabilities         9,436         5,375           Lease liability, current portion         3,641         2,72           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         3,641         2,273           Related party contract liability, noncurrent portion         2,73         2,273	CURRENT ASSETS:					
Accounts receivable, net         114,552         71,368           Inventory         107,587         75,112           Prepaid expenses and other current assets         12,567         8,292           Total current assets         29,707         32,365           Operating lease right-of-use assets         29,707         32,365           Froperty and equipment, net         68,923         48,152           Equity method investment         1,643         3,512           Intangible assets, net         92,857            Goodwill         39,568            Deferred tax assets         9,469         97,568           Other assets         9,436         5,229           TOTAL ASSETS         \$1,566,53         66,089           CURRENT LIABILITIES         \$1,566,53         67,212           Accounts payable         \$8,86         \$7,212           Accounts payable         \$8,86         \$7,212           Lease liability, current portion         3,61         1,273           Lease liability, current portion         3,61         1,273           Convertible debt, noncurrent portion         73,86            Related party contract liability, oncurrent portion         12,273         12,273	Cash and cash equivalents	\$ 328,42	2 \$	156,586		
Inventory         107.587         75.112           Preparid expenses and other current assets         12,256         6,282           Total current assets         12,25,260         459,263           Operating lease right-of-use assets         29,707         32,365           Property and equipment, net         68,923         46,152           Equity method investment         1,643         3,512           Equity method investment         99,857         -           Equity method investment         99,169         7,568           Deferred tax assets         99,169         5,229           Deferred tax assets         9,436         5,229           Other assets         9,436         5,229           TOTAL ASSETS         8,868         8         6,721           CURRENT LIABILITIES         8         8         6,721           Accounts payable         8,868         8         6,721           Accounts payable         8,868         8         6,721           Lease liability, current portion         3,641         1,278           Lease liability, current portion         3,641         1,278           Convertible debt, noncurrent portion         71,823         2,418           Related party contract li	Short-term investments	662,13	2	147,907		
Prepaid expenses and other current assets         12,567         8,292           Total current assets         1,29,508         459,683           Operating lease right-of-use assets         2,305         48,162           Property and equipment, net         68,933         48,152           Equity method investment         1,643         3,512           Intangible assets, net         99,857         -           Goodwill         99,169         97,568           Other assets         99,169         97,568           Other assets         99,169         96,608           TOTAL ASSETS         9,156,656         56,008           TOTAL ASSETS         8,156,656         56,008           Accord spayable         8,868         8,672           According labilities         91,666         55,375           Lease liability, current portion         3,614         1,278           Convertible debt, noncurrent portion         3,134         2           Lease liability, concurrent portion         3,292         4           Related party contract liability on current portion         12,273         2           Convertible debt, noncurrent portion         2,273         4           Related party contract liability         3,00 <t< td=""><td>Accounts receivable, net</td><td>114,55</td><td>2</td><td>71,366</td></t<>	Accounts receivable, net	114,55	2	71,366		
Total current assets         1,225,260         459,263           Operating lease right-of-use assets         29,707         32,365           Property and equipment, net         68,923         48,152           Equity method investment         1,643         3,512           Intangible assets, net         92,857         —           Goodwill         39,568         —           Deferred tax assets         99,169         97,568           Other assets         9,436         5,229           TOTAL ASSETS         \$1,566,563         \$640,089           CURRENT LIABILITIES AND STOCKHOLDERS' EQUITY         **         **           CURRENT LIABILITIES (**         **         **         **           Accounts payable         \$8,868         \$6,721         **	Inventory	107,58	7	75,112		
Operating lease right-of-use assets         29,707         32,365           Property and equipment, net         68,923         48,152           Equity method investment         1,643         3,512           Intangible assets, net         92,857         —           Godwill         39,568         —           Deferred tax assets         99,169         97,568           Other assets         99,436         5,229           TOTAL ASSETS         \$ 1,566,563         \$ 646,089           LIABILITIES AND STOCKHOLDERS' EQUITY           CURRENT LIABILITIES           Accounds payable         \$ 8,868         \$ 6,721           Accrued liabilities         91,699         55,375           Lease liability, current portion         3,641         1,278           Lease liability, uncourrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         35,031         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability, noncurrent portion         9,307         —           Deferred tax liabilities         9,307         —           Long-term income tax liability <td>Prepaid expenses and other current assets</td> <td>12,56</td> <td>7</td> <td>8,292</td>	Prepaid expenses and other current assets	12,56	7	8,292		
Property and equipment, net         68,923         48,152           Equity method investment         1,643         3,512           Intangible assets, net         92,857         —           Goodwill         39,568         —           Deferred tax assets         99,169         97,568           Other assets         9,436         5,229           TOTAL ASSETS         \$1,566,563         6,640,893           CURRENT LIABILITIES           CURRENT LIABILITIES:           Accounts payable         \$8,868         \$6,721           Accrued liabilities         91,696         55,375           Lease liability, current portion         36,104         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         12,273         12,273           Debt, noncurrent portion         12,273         12,273           Debt, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Long-term income tax liability         1,526	Total current assets	1,225,26	0	459,263		
Equity method investment         1,643         3,512           Intangible assets, net         92,857         —           Goodwill         39,568         —           Deferred tax assets         99,169         97,588           Other assets         9,436         5,229           TOTAL ASSETS         \$1,566,533         \$646,089           LIMILITIES AND STOCKHOLDERS' EQUITY           CURRENT LIABILITIES           Accounds payable         \$8,868         \$6,721           Accounds payable         \$91,696         \$5,375           Lease liability, current portion         3,611         1,278           Total current liabilities         91,696         \$5,375           Lease liability, noncurrent portion         3,614         1,278           Total current portion         35,103         34,928           Convertible debt, noncurrent portion         73,1863         —           Related party contract liability         12,273         12,273           Related party contract liability, noncurrent portion         3,809         —           Deferred tax liabilities         3,809         —           Related party contract liability         3,809         —           Total LIABILITIES         3,809<	Operating lease right-of-use assets	29,70	7	32,365		
Intangible assets, net         92,857         —           Goodwill         39,568         —           Deferred tax assets         99,168         97,568           Other assets         9,436         5,229           TOTAL ASSETS         \$ 1,566,563         \$ 646,089           LABILITIES AND STOCKHOLDERS' EQUITY           CACcounts payable         \$ 8,868         \$ 6,721           Accounts payable         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         731,863         —           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,866         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock	Property and equipment, net	68,92	3	48,152		
Goodwill         39,568         —           Deferred tax assets         99,168         97,568           Other assets         9,436         5,229           TOTAL ASSETS         \$1,566,563         \$646,089           LABILITIES AND STOCKHOLDERS' EQUITY         USTOCK TOURNED T	Equity method investment	1,64	3	3,512		
Deferred tax assets         99,169         97,568           Other assets         9,436         5,229           TOTAL ASSETS         \$ 1,566,563         646,089           LIABILITIES AND STOCKHOLDERS' EQUITY           CURRENT LIABILITIES:           Accounts payable         \$ 8,668         \$ 6,721           Accound liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         ——           Debt, noncurrent portion         731,863         ——           Related party contract liability, noncurrent portion         12,273         12,273           Related party contract liability, noncurrent portion         15,266         ——           Other liabilities         3,609         ——           Cong-term income tax liability         9,376         ——           Other liabilities         397,886         134,773           STOCKHOLDERS' EQUITY:         ——         ——           Preferred stock         ——         ——           Common	Intangible assets, net	92,85	7	_		
Other assets         9,436         5,229           TOTAL ASSETS         \$ 1,566,563         646,089           LABILITIES AND STOCKHOLDERS' EQUITY           CURRENT LIABILITIES:           Accounts payable         \$ 8,868         6,721           Accrued liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         35,103         34,928           Convertible appry contract liability, noncurrent portion         12,273         12,273           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         -           Cony, eterm income tax liability         9,307         -           Other liabilities         9,375         -           STOCKHOLDERS' EQUITY:         -         -           Preferred stock         37         36           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comp	Goodwill	39,56	8	_		
TOTAL ASSETS         \$ 1,566,563         \$ 646,089           LIABILITIES AND STOCKHOLDERS' EQUITY           CURRENT LIABILITIES:           Accounts payable         \$ 8,868         \$ 6,721           Accured liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         50,103         34,928           Lease liability, noncurrent portion         731,863         —           Convertible debt, noncurrent portion         731,863         —           Pebt, noncurrent portion         731,863         —           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         3,509         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         3,50         548,960           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)	Deferred tax assets	99,16	9	97,568		
LIABILITIES AND STOCKHOLDERS' EQUITY           CURRENT LIABILITIES:           Accounts payable         \$ 8,868         \$ 6,721           Accrued liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         12,273         12,273           Deferred tax liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         3,609         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated defici	Other assets	9,43	6	5,229		
CURRENT LIABILITIES:           Accounts payable         \$ 8,868         \$ 6,721           Accrued liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,866         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (ac	TOTAL ASSETS	\$ 1,566,56	3 \$	646,089		
Accounts payable         \$ 8,868         6,721           Accrued liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863            Debt, noncurrent portion          24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609            Long-term income tax liability         1,526            Other liabilities         9,307            Other liabilities         897,886         134,773           STOCKHOLDERS' EQUITY:             Preferred stock             Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY: <t< td=""><td>LIABILITIES AND STOCKHOLDERS' EQUITY</td><td></td><td></td><td></td></t<>	LIABILITIES AND STOCKHOLDERS' EQUITY					
Accrued liabilities         91,696         55,375           Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	CURRENT LIABILITIES:					
Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Accounts payable	\$ 8,86	8 \$	6,721		
Lease liability, current portion         3,641         1,278           Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Accrued liabilities	91,69	6	55,375		
Total current liabilities         104,205         63,374           Lease liability, noncurrent portion         35,103         34,928           Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Lease liability, current portion	3,64	1			
Convertible debt, noncurrent portion         731,863         —           Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Total current liabilities	104,20	5	63,374		
Debt, noncurrent portion         —         24,198           Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Lease liability, noncurrent portion	35,10	3	34,928		
Related party contract liability, noncurrent portion       12,273       12,273         Deferred tax liabilities       3,609       —         Long-term income tax liability       1,526       —         Other liabilities       9,307       —         TOTAL LIABILITIES       897,886       134,773         STOCKHOLDERS' EQUITY:       —       —         Preferred stock       —       —         Common stock       37       36         Additional paid-in capital       557,882       548,960         Accumulated other comprehensive income (loss)       293       (867)         Retained earnings (accumulated deficit)       110,465       (36,813)         TOTAL STOCKHOLDERS' EQUITY       668,677       511,316	•	·		· <del>-</del>		
Related party contract liability, noncurrent portion         12,273         12,273           Deferred tax liabilities         3,609         —           Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Debt, noncurrent portion		_	24,198		
Long-term income tax liability         1,526         —           Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         —         —           Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	•	12,27	3	12,273		
Other liabilities         9,307         —           TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Deferred tax liabilities	3,60	9	· —		
TOTAL LIABILITIES         897,886         134,773           STOCKHOLDERS' EQUITY:         -         -           Preferred stock         -         -           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Long-term income tax liability	1,52	6	_		
STOCKHOLDERS' EQUITY:         —	Other liabilities	9,30	7	_		
Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	TOTAL LIABILITIES	897,88	6	134,773		
Preferred stock         —         —           Common stock         37         36           Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	STOCKHOLDERS' EQUITY:			· · · · · · · · · · · · · · · · · · ·		
Additional paid-in capital         557,882         548,960           Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Preferred stock		_	_		
Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	Common stock	3	7	36		
Accumulated other comprehensive income (loss)         293         (867)           Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316		557.88	2			
Retained earnings (accumulated deficit)         110,465         (36,813)           TOTAL STOCKHOLDERS' EQUITY         668,677         511,316	·	·		•		
TOTAL STOCKHOLDERS' EQUITY 668,677 511,316				` ,		
	,					
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 1,566,563 \$ 646,089	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			646,089		

# SHOCKWAVE MEDICAL, INC. Statement of Operations Data (Unaudited)

(in thousands, except share and per share data)

	 Three Months Ended December 31,				Year Ended December 31,				
	 2023		2022		2023		2022		
Revenue:									
Product revenue	\$ 202,979	\$	144,026	\$	730,230	\$	489,733		
Cost of revenue:									
Cost of product revenue	 25,316		17,502		95,388		64,996		
Gross profit	 177,663		126,524		634,842		424,737		

Operating expenses:

Research and development	42,321	23,723	145,647	81,679
Sales and marketing	67,181	43,437	234,837	161,995
General and administrative	 24,879	 16,941	 95,265	 56,929
Total operating expenses	 134,381	84,101	 475,749	 300,603
Income from operations	43,282	42,423	159,093	124,134
Loss from equity method investment	(167)	(1,061)	(1,869)	(2,475)
Interest expense	(2,950)	(969)	(6,905)	(1,886)
Other income, net	 15,295	 4,261	 23,962	1,055
Net income before taxes	55,460	44,654	174,281	120,828
Income tax (benefit) provision	 11,155	 (96,257)	 27,003	 (95,168)
Net income	\$ 44,305	\$ 140,911	\$ 147,278	\$ 215,996
Net income per share, basic	\$ 1.20	\$ 3.89	\$ 4.01	\$ 6.02
Net income per share, diluted	\$ 1.16	\$ 3.71	\$ 3.85	\$ 5.70
Shares used in computing net income per share, basic	36,930,055	36,178,112	36,706,060	35,900,738
Shares used in computing net income per share, diluted	38,158,637	37,994,698	38,206,269	37,881,590

# SHOCKWAVE MEDICAL, INC. Reconciliation of GAAP Net Income to Adjusted EBITDA (Unaudited) (in thousands)

		Three Months Ended December 31,			Year Ended				
						1,			
		2023		2022		2023		2022	
GAAP Net Income	\$	44,305	\$	140,911	\$	147,278	\$	215,996	
Non-GAAP Adjustments									
Income tax (benefit) provision		11,155		(96,257)		27,003		(95,168)	
Other income		(15,295)		(4,261)		(23,962)		(1,055)	
Interest expense		2,950		969		6,905		1,886	
Loss from equity method investment		167		1,061		1,869		2,475	
Depreciation and amortization		3,075		1,538		10,358		4,856	
Stock-based compensation expense		21,811		12,643		73,234		44,890	
Adjusted EBITDA	\$	68,168	\$	56,604	\$	242,685	\$	173,880	



Source: Shockwave Medical, Inc.