

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): February 28, 2024**

**MIMEDX GROUP, INC.**  
(Exact name of registrant as specified in charter)

**Florida**  
(State or other jurisdiction  
of incorporation)

**001-35887**  
(Commission  
File Number)

**26-2792552**  
(IRS Employer  
Identification No.)

**1775 West Oak Commons Ct., NE, Marietta GA 30062**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (770) 651-9100**

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 per share	MDXG	The Nasdaq Stock Market LLC

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.

### **Important Cautionary Statement**

This report includes forward-looking statements. Statements regarding: (i) future sales or sales growth; (ii) our 2024 financial goals and expectations for future financial results, including levels of net sales, Adjusted EBITDA, Adjusted EBITDA margin, corporate expenses and cash; (iii) our expectations regarding our new products, including EPIEFFECT; and (iv) demand for our products. Additional forward-looking statements may be identified by words such as “believe,” “expect,” “may,” “plan,” “goal,” “outlook,” “potential,” “will,” “preliminary,” and similar expressions, and are based on management’s current beliefs and expectations.

Forward-looking statements are subject to risks and uncertainties, and the Company cautions investors against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ from expectations include: (i) future sales are uncertain and are affected by competition, access to customers, patient access to healthcare providers, the reimbursement environment and many other factors; (ii) the Company may change its plans due to unforeseen circumstances; (iii) the results of scientific research are uncertain and may have little or no value; (iv) our ability to sell our products in other countries depends on a number of factors including adequate levels of reimbursement, market acceptance of novel therapies, and our ability to build and manage a direct sales force or third party distribution relationship; (v) the effectiveness of amniotic tissue as a therapy for particular indications or conditions is the subject of further scientific and clinical studies; and (vi) we may alter the timing and amount of planned expenditures for research and development based regulatory developments. The Company describes additional risks and uncertainties in the Risk Factors section of its most recent annual report and quarterly reports filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this report and the Company assumes no obligation to update any forward-looking statement.

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

On February 28, 2024, MiMedx Group, Inc. (the “*Company*”), issued a press release (the “*Earnings Press Release*”) announcing its results for the fourth quarter and full year ended December 31, 2023. A copy of the Earnings Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The foregoing information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition”, including Exhibit 99.1 attached hereto, and 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. It may only be incorporated by reference into another filing under the Exchange Act or Securities Act of 1933, as amended (the “*Securities Act*”), if such subsequent filing specifically references this Form 8-K. All information in the Earnings Press Release speaks as of the date thereof and the Company does not assume any obligation to update said information in the future. In addition, the Company disclaims any inference regarding the materiality of such information which otherwise may arise as a result of its furnishing such information under Item 2.02 of this report on Form 8-K.

### **Item 7.01 Regulation FD Disclosure.**

On February 28, 2024, at 5 p.m. Eastern Daylight Time, the Company intends to host a conference call and webcast (the “*Earnings Call*”) to discuss its financial and operating results for the fourth quarter and full year ended December 31, 2023. A copy of the slide presentation to be used by the Company in connection with the Earnings Call is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The foregoing information is furnished pursuant to Item 7.01, including Exhibit 99.2 attached hereto, and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or Securities Act if such subsequent filing specifically references this Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
99.1	<a href="#">Earnings Press Release dated February 28, 2024.</a>
99.2	<a href="#">Earnings Call Presentation, dated February 28, 2024.</a>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

**SIGNATURES**

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

**MIMEDX GROUP, INC.**

Date: February 28, 2024

By: /s/ Doug Rice  
Doug Rice  
Chief Financial Officer

**MIMEDX Announces Fourth Quarter and Full Year 2023 Operating and Financial Results**

*Net Sales Grew 17% Year-Over-Year for the Fourth Quarter and 20% for the Full Year*

*Fourth Quarter Net Income was \$53 million, Inclusive of a \$40 million One-Time Non-Cash Tax Benefit*

*Fourth Quarter Adjusted EBITDA of \$21 million, or 24% of Net Sales*

*Management to Host Conference Call Today, February 28, 2024, at 4:30 PM ET*

**MARIETTA, Ga., February 28, 2024** — MiMedx Group, Inc. (Nasdaq: MDXG) (“MIMEDX” or the “Company”), today announced operating and financial results for the fourth quarter and full year 2023.

**Recent Operating and Financial Highlights:**

- Fourth quarter and full year 2023 net sales of \$87 million and \$321 million, reflecting 17% and 20% year-over-year growth, respectively.
- GAAP Net Income for the fourth quarter and full year 2023 of \$53 million and \$58 million, respectively. GAAP Net income margin for the fourth quarter and full year 2023 were also 62% and 18%, respectively.
- Adjusted EBITDA<sup>1</sup> and Adjusted EBITDA Margin for the fourth quarter 2023 of \$21 million and 24%, respectively.
- Launched EPIEFFECT®, the latest addition to the Company’s broad portfolio of Advanced Wound Care products.
- Announced conversion of outstanding Series B convertible preferred stock to common stock.
- Announced new senior secured credit facilities and debt refinancing in January 2024 and repaid \$30 million revolving credit facility portion with cash on hand earlier this week.

Joseph H. Capper, MIMEDX Chief Executive Officer, commented, “We are once again pleased to report on another impressive quarter of top-line growth, profitability and cash flow generation as we closed out a transformative 2023, driven by the improved alignment and focus of the Company. Moreover, the 20% top-line growth we achieved for the full-year 2023 exceeded expectations and provides solid momentum going forward. Additionally, in a very short period of time, the team has successfully unlocked robust cash flow generation that should continue to improve with scale over time.”

Mr. Capper continued, “Given the commercial strength of the organization, we expect 2024 to be another noteworthy year with low double-digit net sales percentage growth and Adjusted EBITDA margin above 20%. Our improved cash flow generation and balance sheet enhancements also provide the necessary support to accelerate our growth plan as we capitalize on the opportunities before us.”

<sup>1</sup> Adjusted EBITDA and related margins, Adjusted Net Income and Adjusted EPS are non-GAAP financial measures. See “Reconciliation of Non-GAAP Measures” for a reconciliation of Adjusted EBITDA and Adjusted Net Income to Net income (loss) and Adjusted EPS to Diluted earnings per share, located in “Selected Unaudited Financial Information” of this release.

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net Income (loss)	\$ 53,476	\$ (415)	\$ 58,228	\$ (30,197)
Non-GAAP Adjustments:				
Depreciation expense	611	796	2,665	3,345
Amortization of intangible assets	192	182	762	701
Interest expense, net	1,593	1,450	6,457	5,016
Income tax provision (benefit) expense	(40,349)	28	(39,780)	206
Investigation, restatement and related expenses	524	3,406	5,176	12,177
Share-based compensation	4,385	1,868	17,178	12,666
Expenses related to disbanding of Regenerative Medicine business unit	785	—	6,384	—
Reorganization expenses	—	—	1,412	3,105
Adjusted EBITDA	\$ 21,217	\$ 7,315	\$ 58,482	\$ 7,019
Adjusted EBITDA margin	24.4%	9.8%	18.2%	2.6%

#### Fourth Quarter and Full Year 2023 Results Discussion<sup>2</sup>

##### Net Sales

MIMEDX reported net sales for the three months ended December 31, 2023, of \$87 million, compared to \$74 million for the three months ended December 31, 2022, an increase of 17%. Net sales growth came from solid contributions in both the Wound & Surgical end markets and across each of our main sites of service.

For the full year 2023, MIMEDX reported net sales of \$321 million, compared to \$268 million in the prior year period, reflecting growth of 20%, which was also driven by a combination of contributions in Wound & Surgical and across our sites of service.

##### Gross Profit and Margin

Gross profit for the three months ended December 31, 2023, was \$73 million, an increase of \$13 million as compared to the prior year period. Gross margin for the three months ended December 31, 2023 was 84.1%, compared to 80.7% in the prior year period. The year-over-year improvement in gross margin was driven by favorable product mix and our continued execution on yield improvement projects.

For the full year 2023, gross profit was \$267 million, reflecting an increase of \$47 million compared to the prior year period. Additionally, gross margin for the full year 2023 was 83.0%, compared to 82.0% for the full year 2022 and the improvement was also driven by improved yields and a favorable product mix.

<sup>2</sup> The following discussion of the Company's fourth quarter and full year 2023 results are made on a "continuing operations basis" and exclude the historical costs of the Regenerative Medicine business unit, which was disbanded beginning in June 2023. For a full discussion of the impact of these discontinued operations, please refer to our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2023.

**Operating Expenses**

Selling, general and administrative (“SG&A”) expenses for the three months ended December 31, 2023, were \$54 million compared to \$50 million for the three months ended December 31, 2022. SG&A expense during the fourth quarter 2023 included increased sales commissions due to higher sales volumes.

For the full year 2023, SG&A expenses totaled \$211 million, compared to \$209 million for the prior year period, reflecting year over year growth of 1.1%. The increase was driven by higher levels of sales commissions due to higher sales volumes, as well as increases in stock-based compensation in 2023. These increases were partially offset by a decrease in professional services related to certain administrative expenses, including severance expenses associated with the departure of our former CEO in 2022.

Research and development expenses were \$2 million for the three months ended December 31, 2023, compared to \$3 million for the three months ended December 31, 2022. For the full year 2023, research and development expenses remained essentially flat at \$13 million compared to 2022. Our R&D expenses in 2022 and 2023 were primarily driven by the development and launches of our newest products in the portfolio - AMNIOEFFECT, AXIOFILL and EPIEFFECT - along with additional early-stage Wound & Surgical products in development.

Investigation, restatement and related expense for the three months ended December 31, 2023 was \$1 million, compared to \$3 million for the three months ended December 31, 2022. For the full year 2023, investigation, restatement and related expenses totaled \$5 million compared to \$12 million in 2022. The decrease was related to negotiated reductions in legal fees previously incurred. In addition, following the end of a legal proceeding, expenses under our last material proceeding involving indemnification of former officers and directors substantially ceased in 2023.

Net income from continuing operations for the three months and full year ended December 31, 2023, were \$51 million and \$67 million, respectively, compared to a net income from continuing operations of \$2 million for the three months ended December 31, 2022 and a net loss from continuing operations of \$20 million for the year ended December 31, 2022. Net income from continuing operations for the three months and full year ended December 31, 2023 were positively impacted by a \$37 million income tax provision benefit, reflecting a non-cash reversal of a valuation allowance that was previously recorded against the deferred tax asset balance. The reversal was a result of an analysis following the Company’s conclusion that the Company’s disbanded Regenerative Medicine segment qualified as a discontinued operation, in concert with the Company’s operating results.

**Cash and Cash Equivalents**

As of December 31, 2023, the Company had \$82 million of cash and cash equivalents compared to \$66 million as of December 31, 2022 and \$81 million as of September 30, 2023. The increase during the year ended December 31, 2023 was primarily a result of year-over-year increases in net sales, which drove increases in collections from customers, as well as year-over-year decreases in operating

expenses, partially offset by the \$9.5 million repurchase of a portion of the shares of Series B Convertible Preferred Stock, held by certain funds managed by Hayfin Capital Management, LLP in October 2023.

#### **Financial Goals**

The Company's goal is to deliver net sales percentage growth in the low double-digits annually.

In 2024, the Company expects to see continued growth in both the Wound and Surgical end markets, despite more difficult prior year growth comparisons. In particular, the Company continues to anticipate solid growth in the private office setting driven by the recent launch of EPIEFFECT and ongoing changes in purchasing behaviors related to Medicare reimbursement. Additionally, the Company expects to continue to drive growth across a variety of Surgical use cases as the body of evidence for utilization of its Surgical products, such as AMNIOEFFECT, continues to grow.

For the full year 2024, the Company expects its Adjusted EBITDA as a percent of net sales to be above 20%.

#### **Conference Call and Webcast**

MIMEDX will host a conference call and webcast to review its fourth quarter and full year 2023 results on Wednesday, February 28, 2024, beginning at 4:30 p.m., Eastern Time. The call can be accessed using the following information:

Webcast: [Click here](#)

U.S. Investors: 877-407-6184

International Investors: 201-389-0877

Conference ID: 13743067

A replay of the webcast will be available for approximately 30 days on the Company's website at [www.mimedx.com](http://www.mimedx.com) following the conclusion of the event.

#### **Important Cautionary Statement**

This press release includes forward-looking statements. Statements regarding: (i) future sales or sales growth; (ii) our 2024 financial goals and expectations for future financial results, including levels of net sales, Adjusted EBITDA, and Adjusted EBITDA margin; (iii) our cash flows; (iv) our expectations regarding the use of our products, including EPIEFFECT and AMNIOEFFECT; and (v) continued growth in different care settings. Additional forward-looking statements may be identified by words such as "believe," "expect," "may," "plan," "goal," "outlook," "potential," "will," "preliminary," and similar expressions, and are based on management's current beliefs and expectations.

Forward-looking statements are subject to risks and uncertainties, and the Company cautions investors against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ from expectations include: (i) future sales are uncertain and are affected by competition, access to customers,



patient access to healthcare providers, the reimbursement environment and many other factors; (ii) the Company may change its plans due to unforeseen circumstances; (iii) the results of scientific research are uncertain and may have little or no value; (iv) our ability to sell our products in other countries depends on a number of factors including adequate levels of reimbursement, market acceptance of novel therapies, and our ability to build and manage a direct sales force or third party distribution relationship; (v) the effectiveness of amniotic tissue as a therapy for particular indications or conditions is the subject of further scientific and clinical studies; and (vi) we may alter the timing and amount of planned expenditures for research and development based on regulatory developments. The Company describes additional risks and uncertainties in the Risk Factors section of its most recent annual report and quarterly reports filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this press release and the Company assumes no obligation to update any forward-looking statement.

**About MIMEDX**

MIMEDX is a pioneer and leader focused on helping humans heal. With more than a decade of helping clinicians manage chronic and other hard-to-heal wounds, MIMEDX is dedicated to providing a leading portfolio of products for applications in the wound care, burn, and surgical sectors of healthcare. The Company's vision is to be the leading global provider of healing solutions through relentless innovation to restore quality of life. For additional information, please visit [www.mimedx.com](http://www.mimedx.com).

**Contact:**

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**MiMedx Group, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands) Unaudited

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 82,000	\$ 65,950
Accounts receivable, net	53,871	43,084
Inventory	21,021	13,183
Prepaid expenses	5,624	7,315
Current assets of discontinued operations	—	1,331
Other current assets	1,745	3,335
Total current assets	164,261	134,198
Property and equipment, net	6,974	7,856
Right of use asset	2,132	3,400
Goodwill	19,441	19,441
Intangible assets, net	5,257	5,852
Deferred tax asset	40,777	—
Other assets	205	148
Noncurrent assets of discontinued operations	—	535
<b>Total assets</b>	<b>\$ 239,047</b>	<b>\$ 171,430</b>
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$ 9,048	\$ 8,454
Accrued compensation	22,353	20,856
Accrued expenses	9,361	10,934
Current liabilities of discontinued operations	1,352	1,479
Other current liabilities	3,894	1,834
Total current liabilities	46,008	43,557
Long term debt, net	48,099	48,594
Other liabilities	2,223	4,773
Total liabilities	96,330	96,924
Convertible preferred stock	—	92,494
Total stockholders' equity (deficit)	142,717	(17,988)
<b>Total liabilities, convertible preferred stock, and stockholders' equity (deficit)</b>	<b>\$ 239,047</b>	<b>\$ 171,430</b>

**MiMedx Group, Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share amounts) Unaudited

	Three Months Ended		Year Ended December 31,	
	2023	2022	2023	2022
Net sales	\$ 86,832	\$ 74,375	\$ 321,477	\$ 267,841
Cost of sales	13,841	14,369	54,634	48,316
Gross profit	72,991	60,006	266,843	219,525
Operating expenses:				
Selling, general and administrative	54,352	49,922	211,124	208,673
Research and development	2,434	2,955	12,665	12,701
Investigation, restatement and related	524	3,406	5,176	12,177
Amortization of intangible assets	192	182	762	701
Operating income (loss)	15,489	3,541	37,116	(14,727)
Other expense, net				
Interest expense, net	(1,593)	(1,450)	(6,457)	(5,016)
Other income (expense), net	16	(3)	(26)	(4)
Income (loss) from continuing operations before income tax provision	13,912	2,088	30,633	(19,747)
Income tax provision benefit (expense)	37,375	(28)	36,806	(206)
Net income (loss) from continuing operations	\$ 51,287	\$ 2,060	\$ 67,439	\$ (19,953)
Income (loss) from discontinued operations, net of tax	2,189	(2,475)	(9,211)	(10,244)
Net income (loss)	\$ 53,476	\$ (415)	\$ 58,228	\$ (30,197)
Net income (loss) from continuing operations available to common shareholders	\$ 44,829	\$ 390	\$ 55,796	\$ (26,533)
Basic net income (loss) per common share:				
Continuing operations	\$ 0.38	\$ 0.00	\$ 0.48	\$ (0.24)
Discontinued operations	\$ 0.02	\$ (0.02)	\$ (0.08)	\$ (0.09)
Basic net income (loss) per common share:	\$ 0.40	\$ (0.02)	\$ 0.40	\$ (0.33)
Diluted net income (loss) per common share:				
Continuing operations	\$ 0.31	\$ 0.00	\$ 0.43	\$ (0.24)
Discontinued operations	\$ 0.01	\$ (0.02)	\$ (0.06)	\$ (0.09)
Diluted net income (loss) per common share:	\$ 0.32	\$ (0.02)	\$ 0.37	\$ (0.33)
Weighted average common shares outstanding - basic	119,367,482	113,676,496	116,495,810	112,909,266
Weighted average common shares outstanding - diluted	148,076,079	114,233,567	145,962,462	112,909,266

MiMedx Group, Inc.

Condensed Consolidated Statements of Cash Flows

(in thousands) Unaudited

	Three Months Ended December 31		Year Ended December 31	
	2023	2022	2023	2022
Net cash flows provided by (used in) operating activities	10,257	(5,624)	26,775	(17,893)
Net cash flows used in investing activities	(481)	(1,709)	(2,155)	(2,660)
Net cash flows used in financing activities	(8,940)	66	(8,570)	(580)
Net change in cash	\$ 836	\$(7,267)	\$ 16,050	\$(21,133)

**Reconciliation of Non-GAAP Measures**

In addition to our GAAP results, we provide certain non-GAAP metrics including Adjusted EBITDA, related margins, Free Cash Flow, Adjusted Net Income, and Adjusted Earnings Per Share ("Adjusted EPS"). We believe that the presentation of these measures provides important supplemental information to management and investors regarding our performance. These measurements are not a substitute for GAAP measurements. Company management uses these Non-GAAP measurements as aids in monitoring our ongoing financial performance from quarter-to-quarter and year-to-year on a regular basis and for benchmarking against comparable companies.

These non-GAAP financial measures reflect the exclusion of the following items:

- Share-based compensation expense - expense recognized related to awards to various employees pursuant to our share-based compensation plans. This expense is reflected amongst cost of sales, research and development expense, and selling, general, and administrative expense in the unaudited condensed consolidated statements of operations. Refer to Note 11, *Equity*, in our Form 10-K for the year ended December 31, 2023 for details.
- Investigation, restatement, and related (benefit) expense - expenses incurred toward the legal defense of certain former officers and directors, net of negotiated reductions and settlements of amounts previously advanced. This expense is reflected in the line of the same name in our unaudited condensed consolidated statements of operations.
- Expenses related to the Disbanding of Regenerative Medicine - incremental expenses recognized or incurred directly as a result of our announcement to disband our Regenerative Medicine segment. This reflects (i) write-downs of clinical trial assets, (ii) charges associated with the wind-down of contracts associated with our clinical trial program, (iii) severance expenses incurred which were directly attributable to the disbanding, and (iv) impairment of goodwill. Severance expenses are reflected in research and development expense on the unaudited condensed consolidated statements of operations. All other charges are reflected in restructuring expense in the unaudited condensed consolidated statements of operations.

- Reorganization expense - expenses incurred toward the realignment of our operating strategy. These expenses primarily relate to severance expenses related to certain officers. These expenses are reflected as a component of selling, general, and administrative expense in the unaudited condensed consolidated statements of operations.
- Effects of antidilution - reflects the impact of reflecting certain transactions which are dilutive for purposes of calculating EPS on a GAAP basis, but are antidilutive for purposes of calculating Adjusted EPS. For Q4 and FY 2023, this reflects the adjustment for dividends on the Company's Series B Preferred Stock to the numerator and incremental shares which would have been issued if the Series B Preferred Stock were converted at the beginning of the relevant period, weighted for the portion of the period that the shares were not converted, to the denominator. The reflection of this reduced the denominator by 26.8 million and 27.5 million shares, respectively.
- Income Tax Adjustment - for purposes of calculating Adjusted Net Income (Loss) and Adjusted Earnings Per Share, reflects our expectation of a long-term effective tax rate, which is normalized and balance sheet-agnostic. Actual reporting tax expense will be based on GAAP earnings, and may differ from the expected long-term effective tax rate due to a variety of factors, including the tax treatment of various transactions included in GAAP net income and other reconciling items that are excluded in determining Adjusted Net Income (Loss) and Adjusted EPS. The long-term normalized effective tax rate was 25% for each of the years ended December 31, 2023 and 2022.

*Adjusted EBITDA and Adjusted EBITDA margin*

Adjusted EBITDA consists of GAAP net income (loss) excluding: (i) depreciation, (ii) amortization of intangibles, (iii) interest expense, net, (iv) income tax provision, (v) investigation, restatement and related expenses, (vi) reorganization expenses related to severance charges for certain officers (vii) expenses related to disbanding of the Regenerative Medicine business unit and (viii) share-based compensation.

Please refer to the tables at the beginning of this press release for reconciliation to GAAP net income (loss).

*Adjusted Net Income (Loss)*

Adjusted Net Income (Loss) provides a view of our operating performance, exclusive of certain items which are non-recurring or not reflective of our core operations. Management uses Adjusted Net Income to assess Company financial performance.

Adjusted Net Income is defined as GAAP net income (loss) plus (i) investigation restatement and related expenses, (ii) expenses related to disbanding our Regenerative Medicine business unit, (iii) reorganization expenses related to severance charges for certain officers, and (iv) the long-term adjusted effective income tax rate.

A reconciliation of GAAP Net Income to Adjusted Net Income appears in the table below (in thousands):

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ 53,476	\$ (415)	\$ 58,228	\$ (30,197)
Investigation, restatement and related expenses	524	3,406	5,176	12,177
Expenses related to disbanding of Regenerative Medicine business unit	785	—	6,384	—
Reorganization expenses	—	—	1,412	3,105
Long-term adjusted effective income tax rate	(43,958)	(726)	(47,635)	3,883
Adjusted net income (loss)	<u>\$ 10,827</u>	<u>\$ 2,265</u>	<u>\$ 23,565</u>	<u>\$ (11,032)</u>

*Adjusted Earnings Per Share*

Adjusted Earnings Per Share is intended to provide a normalized view of earnings per share by removing items that may be irregular, one-time, or non-recurring from net income. This enables us to identify underlying trends in our business that could otherwise be masked by such items. Adjusted Earnings Per Share consists of GAAP diluted earnings per share including adjustments for: (i) effects of antidilution, (ii) investigation, restatement and related expenses, (iii) reorganization expenses related to severance charges for certain officers and (iv) long-term adjusted effective income tax rate.

A reconciliation of GAAP diluted earnings per share to Adjusted Earnings Per Share appears in the table below (per diluted share):

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2023	2022	2023	2022
GAAP net income (loss) per common share - diluted	\$ 0.32	\$ (0.02)	\$ 0.37	\$ (0.33)
Effects of antidilution	\$ 0.07	\$ 0.00	\$ 0.03	\$ 0.00
Investigation, restatement and related (benefit) expense	\$ 0.00	\$ 0.03	\$ 0.04	\$ 0.11
Reorganization expenses	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.03
Expenses related to disbanding of Regenerative Medicine business unit	\$ 0.01	\$ 0.00	\$ 0.05	\$ 0.00
Long-term adjusted effective income tax rate	\$ (0.36)	\$ 0.00	\$ (0.40)	\$ 0.03
Adjusted Earnings Per Share	<u>\$ 0.04</u>	<u>\$ 0.01</u>	<u>\$ 0.10</u>	<u>\$ (0.16)</u>
Weighted average common shares outstanding - adjusted (in millions)	122.7	114.2	118.5	112.9

*Free Cash Flow*

Free Cash Flow is intended to provide a measure of our ability to generate cash in excess of capital investments. It provides management with a view of cash flows which can be used to finance operational and strategic investments.

Free Cash Flow is defined as net cash provided by (used in) operating activities less capital expenditures, including purchases of equipment.

A reconciliation of GAAP net cash flows provided by (used in) operating activities to Free Cash Flow appears in the table below (in thousands):

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2023	2022	2023	2022
Net cash flows provided by (used in) operating activities	10,257	(5,624)	26,775	(17,893)
Capital expenditures, including purchases of equipment	(427)	(667)	(1,987)	(1,514)
Free Cash Flow	<u>\$ 9,830</u>	<u>\$ (6,291)</u>	<u>\$ 24,788</u>	<u>\$ (19,407)</u>



# MIMEDX

## Q4 & Full Year 2023 Results Conference Call

February 28, 2024

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## Disclaimer & Cautionary Statements

This presentation includes forward-looking statements. Forward-looking statements are subject to risks and uncertainties, and the Company cautions investors against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Such forward-looking statements include statements regarding:

- Future sales or sales growth;
- Estimates of potential market size and demand for the Company's current and future products;
- Plans for expansion outside of the U.S.;
- The effectiveness of amniotic tissue as a therapy for any particular indication or condition;
- Expected spending on research and development;
- The Company's long-term strategy and goals for value creation, the status of its pipeline products, expectations for future products, and expectations for future growth and profitability

## ➤ Disclaimer & Cautionary Statements

Additional forward-looking statements may be identified by words such as "believe," "expect," "may," "plan," "potential," "will," "preliminary," and similar expressions, and are based on management's current beliefs and expectations. Forward-looking statements are subject to risks and uncertainties, and the Company cautions investors against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ from expectations include:

- Future sales are uncertain and are affected by competition, access to customers, patient access to hospitals and healthcare providers, the reimbursement environment and many other factors;
- The future market for the Company's products can depend on regulatory approval of such products, which might not occur at all or when expected, and is based in part on assumptions regarding the number of patients who elect less acute and more acute treatment than the Company's products, market acceptance of the Company's products, and adequate reimbursement for such therapies;
- The process of obtaining regulatory clearances or approvals to market a biological product or medical device from the FDA or similar regulatory authorities outside of the U.S. is costly and time consuming, and such clearances or approvals may not be granted on a timely basis, or at all, and the ability to obtain the rights to market additional, suitable products depends on negotiations with third parties which may not be forthcoming; and
- The Company describes additional risks and uncertainties in the Risk Factors section of its most recent annual report and quarterly reports filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this presentation and the Company assumes no obligation to update any forward-looking statement.

# Joe Capper

Chief Executive Officer



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## Q4:23 & Full Year 2023 Highlights



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<sup>1</sup> – EBITDA, Adjusted EBITDA and related margins are non-GAAP financial measures. See our Earnings Release for the quarter and year ended December 31, 2023 for a reconciliation to the nearest GAAP measure.



## ➤ Continuing to Execute on Strategic Priorities

### ➤ Build leadership position in Wound & Surgical

- Growth in all sites-of-service
- Strong start for EPIEFFECT® - helping drive continued momentum in Private Office
- Continued progress in building business in Japan

### ➤ Develop opportunities in adjacent markets

- Working internally and externally to expand our skin substitute portfolio beyond amniotic tissue
- Expansion would increase addressable market and round out our product portfolio

### ➤ Demonstrate corporate discipline around expenses

- Strong Gross Margin and Adjusted EBITDA to close out 2023, positioning us well for 2024
- Balance sheet improvements in late-2023 and early-2024 simplify and strengthen our position to invest for growth



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# Doug Rice

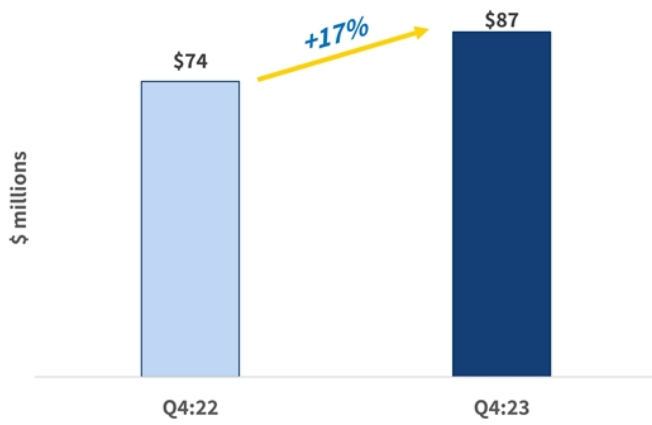
Chief Financial Officer



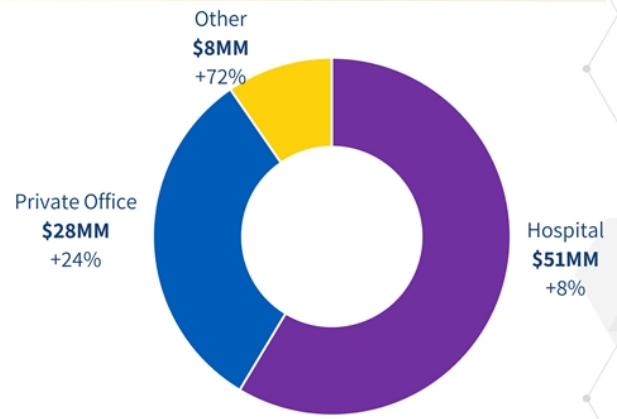
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# Q4:23 Net Sales Demonstrate Continued Commercial Momentum

## Total



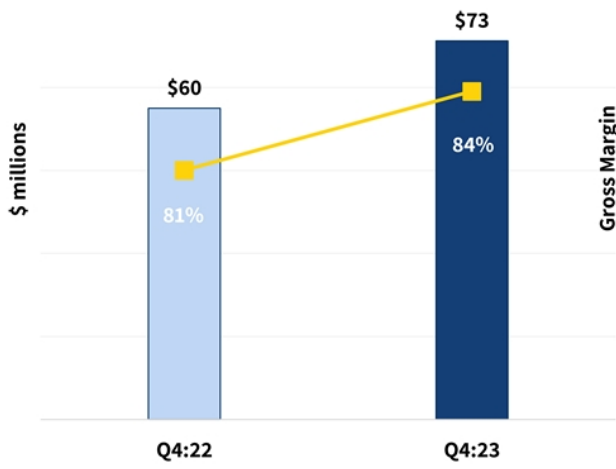
## By Site of Service



**Fifth consecutive quarter of double-digit year-over-year net sales growth**

## Q4:23 Gross Profit & Gross Margin

Mix & Ongoing Improvements in Operations Driving Gross Margin Expansion



Q4:23 gross profit improvement driven by higher net sales

Improvement in Q4:23 gross margins led by product mix and production yield improvements



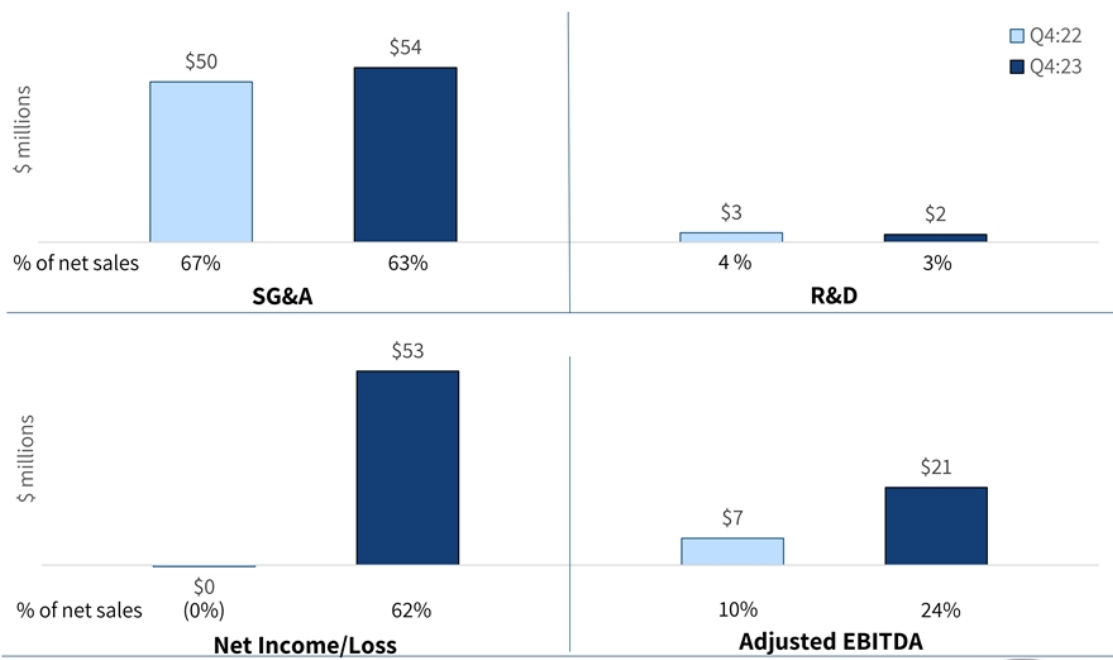


## Q4:23 Operating Expenses

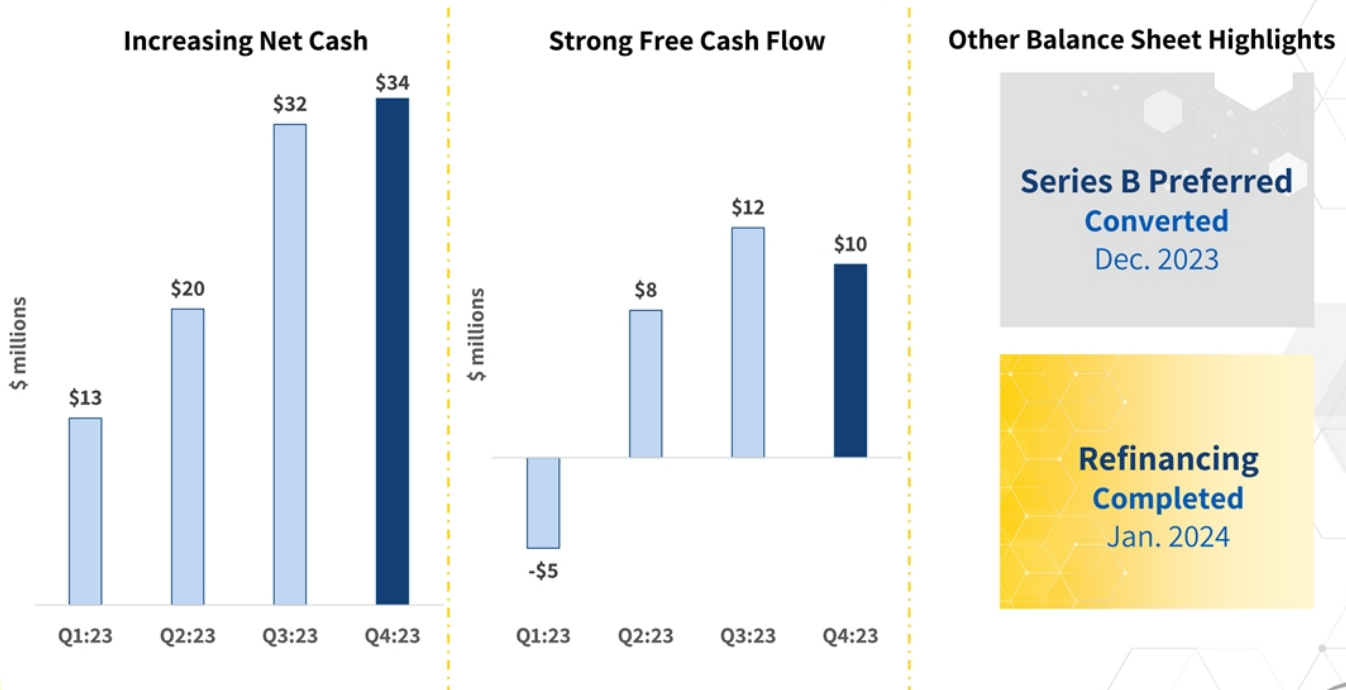
Ongoing operating expense leverage as cost controls offset higher commission spend

Q4:23 GAAP net income favorably impacted by one-time tax benefit

Second consecutive quarter achieving Adjusted EBITDA margin above 20%



# Improving Balance Sheet & Cash Flows Unlock Opportunities for Growth



\*Free Cash Flow is defined as net cash provided by (used in) operating activities less capital expenditures, including purchases of equipment. See our Earnings Release for the quarter and year ended December 31, 2023 for a reconciliation to the nearest GAAP measure.

## 2023 In Summary

**+20%**  
**Net Sales Growth**

**+110 basis point**  
**Gross Margin**  
**Expansion**

**\$58MM**  
**Net Income**

**Free Cash Flow**  
**\$25MM**

**\$58MM**  
**Adjusted EBITDA**  
*18% of net sales*

**Cash**  
**\$82MM**



**helping humans heal.**

# Joe Capper

Chief Executive Officer



helping humans heal.

## Summary

### Closing Out a Seminal Year at MIMEDX!

**Q4:23 & 2023 Year-Over-Year Net Sales Growth of 17% and 20%, Respectively**

**Q4:23 Gross Profit Margin Increased to 84%**

**Q4:23 Adjusted EBITDA of \$21 Million (24% of Net Sales)**

**Cash Balance Increased Nearly 25% in 2023**

**Simplified and Strengthened our Balance Sheet**

**Full Commercial Launch of EPIEFFECT Well Underway**

## ➤ 2024 Outlook as of February 28, 2024\*

### Revenue Growth

➤ Anticipate Full Year 2024 Revenue Growth Percentage in the Low Double-Digits

### Profitability

➤ Expect Adjusted EBITDA Margin for Full Year 2024 to be Above 20%

\*2024 Outlook provided as of February 28, 2024. Actual results may differ.

We are not able to provide a reconciliation of our Adjusted EBITDA margin expectation to the corresponding GAAP measure without unreasonable effort because of the uncertainty and variability of the nature and amount of the non-recurring and other items that are excluded from such non-GAAP financial measures. Such adjustments in future periods are generally expected to be similar to the kinds of charges excluded from such non-GAAP financial measures in prior periods. The exclusion of these charges and costs in future periods could have a significant impact on our non-GAAP financial measures.



**Closing Remarks, Q&A**

