

ORGANOGENESIS

Organogenesis Holdings Inc. Reports Fourth Quarter 2024 Financial Results

February 27, 2025

CANTON, Mass., Feb. 27, 2025 (GLOBE NEWSWIRE) -- Organogenesis Holdings Inc. (Nasdaq: ORGO), a leading regenerative medicine and tissue innovations company focused on empowering healing through the development, manufacturing, and sale of products for the advanced wound care, and surgical and sports medicine markets, today reported financial results for the fourth quarter and the year ended December 31, 2024.

Fourth Quarter 2024 Financial Results Summary:

- Net revenue of \$126.7 million for the fourth quarter of 2024, an increase of \$27.0 million compared to net revenue of \$99.7 million for the fourth quarter of 2023. Net revenue for the fourth quarter of 2024 consists of:
 - Net revenue from Advanced Wound Care products of \$118.6 million, an increase of 27% from the fourth quarter of 2023.
 - Net revenue from Surgical & Sports Medicine products of \$8.1 million, an increase of 24% from the fourth quarter of 2023.
- Net income of \$7.7 million for the fourth quarter of 2024, compared to net loss of \$0.6 million for the fourth quarter of 2023, an increase in net income of \$8.3 million.
- Adjusted EBITDA of \$18.2 million for the fourth quarter of 2024, compared to Adjusted EBITDA of \$7.5 million for the fourth quarter of 2023, an increase of \$10.7 million.
- Adjusted net income of \$8.8 million for the fourth quarter of 2024, compared to adjusted net income of \$1.9 million for the fourth quarter of 2023, an increase of \$6.8 million.

Fiscal Year 2024 Financial Results Summary:

- Net revenue of \$482.0 million for the year ended December 31, 2024, an increase of \$48.9 million compared to net revenue of \$433.1 million for the year ended December 31, 2023. Net revenue for the year ended December 31, 2024 consists of:
 - Net revenue from Advanced Wound Care products of \$453.6 million, an increase of 12% year over year.
 - Net revenue from Surgical & Sports Medicine products of \$28.4 million, an increase of 3% year over year.
- Net income of \$0.9 million for the year ended December 31, 2024, compared to net income of \$4.9 million for the year ended December 31, 2023, a decrease of \$4.0 million.
- Adjusted EBITDA of \$49.8 million for the year ended December 31, 2024, compared to Adjusted EBITDA of \$42.6 million for the year ended December 31, 2023, an increase of \$7.2 million.
- Adjusted net income of \$20.5 million for the year ended December 31, 2024, compared to adjusted net income of \$12.7 million for the year ended December 31, 2023, an increase of \$7.8 million.

"Our 2024 results exceeded expectations in a difficult environment, underscoring our strong execution, brand equity and the trust of our customers to help them navigate this complex market," said Gary S. Gilheeny, Sr., President, Chief Executive Officer and Chair of the Board for Organogenesis. "In 2025, we will continue to focus on our customers while we collaborate with policy and law makers to craft a solution that addresses spending while ensuring access to safe and effective therapies for all patients."

Mr. Gilheeny, Sr. continued: "We expect to meet a key strategic milestone in 2025 by delivering the ReNu BLA submission by the end of the year. We believe this is a transformational opportunity for Organogenesis in that, if approved, ReNu will potentially address an unmet clinical need for all patients suffering from knee OA."

Fourth Quarter 2024 Financial Results:

| | Three Months Ended December 31, | | Change | |
|----------------------------|--|-----------|-----------|-----|
| | 2024 | 2023 | \$ | % |
| | (in thousands, except for percentages) | | | |
| Advanced Wound Care | \$ 118,585 | \$ 93,165 | \$ 25,420 | 27% |
| Surgical & Sports Medicine | 8,071 | 6,486 | 1,585 | 24% |
| Net revenue | \$ 126,656 | \$ 99,651 | \$ 27,005 | 27% |

Net revenue for the fourth quarter of 2024 was \$126.7 million, compared to \$99.7 million for the fourth quarter of 2023, an increase of \$27.0 million, or 27%. The increase in net revenue was driven by an increase of \$25.4 million, or 27%, in net revenue for Advanced Wound Care products, and an increase of \$1.6 million, or 24%, in net revenue for Surgical & Sports Medicine products.

Gross profit for the fourth quarter of 2024 was \$95.6 million, or 75% of net revenue, compared to \$71.9 million, or 72% of net revenue for the fourth quarter of 2023, an increase of \$23.7 million, or 33%.

Operating expenses for the fourth quarter of 2024 were \$85.4 million compared to \$73.2 million for the fourth quarter of 2023, an increase of \$12.2 million, or 17%. R&D expense was \$11.5 million for the fourth quarter of 2024, compared to \$11.8 million for the fourth quarter of 2023, a decrease of \$0.3 million, or 3%. Selling, general and administrative expenses were \$73.9 million for the fourth quarter of 2024, compared to \$61.4 million for the fourth quarter of 2023, an increase of \$12.5 million, or 20%.

Operating income for the fourth quarter of 2024 was \$10.2 million, compared to an operating loss of \$1.3 million for the fourth quarter of 2023, an increase in operating income of \$11.5 million, or 905%.

Total other expense, net, for the fourth quarter of 2024 was less than \$0.1 million, compared to \$0.5 million for the fourth quarter of 2023, a decrease of \$0.5 million, or 95%.

Net income for the fourth quarter of 2024 was \$7.7 million, or \$0.05 per share, compared to a net loss of \$0.6 million, or \$0.00 per share, for the fourth quarter of 2023, an increase in net income of \$8.3 million, or \$0.05 per share.

Adjusted EBITDA was \$18.2 million for the fourth quarter of 2024, compared to \$7.5 million for the fourth quarter of 2023, an increase of \$10.7 million, or 143%.

Adjusted net income was \$8.8 million for the fourth quarter of 2024, compared to \$1.9 million for the fourth quarter of 2023, an increase of \$6.8 million, or 354%.

As of December 31, 2024, the Company had \$136.2 million in cash, cash equivalents and restricted cash and no outstanding debt obligations, compared to \$104.3 million in cash, cash equivalents and restricted cash and \$66.2 million in net debt obligations as of December 31, 2023.

Fiscal Year 2024 Financial Results:

| | Year Ended December 31, | | Change | |
|----------------------------|--|------------|-----------|-----|
| | 2024 | 2023 | \$ | % |
| | (in thousands, except for percentages) | | | |
| Advanced Wound Care | \$ 453,639 | \$ 405,514 | \$ 48,125 | 12% |
| Surgical & Sports Medicine | 28,404 | 27,626 | 778 | 3% |
| Net revenue | \$ 482,043 | \$ 433,140 | \$ 48,903 | 11% |

Net revenue for the year ended December 31, 2024 was \$482.0 million, compared to \$433.1 million for the year ended December 31, 2023, an increase of \$48.9 million, or 11%. The increase in net revenue was driven by an increase of \$48.1 million, or 12%, in net revenue for Advanced Wound Care products and an increase of \$0.8 million, or 3%, in net revenue for Surgical & Sports Medicine products.

Gross profit for the year ended December 31, 2024 was \$366.3 million, or 76% of net revenue, compared to \$326.7 million, or 75% of net revenue for the year ended December 31, 2023, an increase of \$39.6 million, or 12%.

Operating expenses for the year ended December 31, 2024 were \$367.6 million compared to \$314.1 million for the year ended December 31, 2023, an increase of \$53.5 million or 17%. R&D expense was \$50.3 million for the year ended December 31, 2024, compared to \$44.4 million for the year ended December 31, 2023, an increase of \$5.9 million, or 13%. Selling, general and administrative expenses were \$294.5 million for the year ended December 31, 2024, compared to \$269.8 million for the year ended December 31, 2023, an increase of \$24.8 million, or 9%. For the year ended December 31, 2024, the Company recorded impairment and write down expenses of \$18.8 million and \$4.0 million, respectively.

Operating loss for the year ended December 31, 2024 was \$1.3 million, compared to operating income of \$13.8 million for the year ended December 31, 2023, a decrease in operating income of \$13.8 million, or 110%.

Total other expense, net, for the year ended December 31, 2024, was \$1.5 million, compared to \$2.1 million for the year ended December 31, 2023, a decrease of \$0.6 million, or 29%.

Net income for the year ended December 31, 2024 was \$0.9 million, or \$(0.01) per share, compared to net income of \$4.9 million or \$0.04 per share, for the year ended December 31, 2023, a decrease in net income of \$4.0 million, or \$(0.05) per share.

Adjusted EBITDA was \$49.8 million for the year ended December 31, 2024, compared to \$42.6 million for the year ended December 31, 2023, an increase of \$7.2 million, or 17%.

Adjusted net income was \$20.5 million for the year ended December 31, 2024, compared to \$12.7 million for the year ended December 31, 2023, an increase in adjusted net income of \$7.8 million, or 61%.

As of December 31, 2024, the Company had \$136.2 million in cash, cash equivalents and restricted cash and no outstanding debt obligations, compared to \$104.3 million in cash, cash equivalents and restricted cash and \$66.2 million in net debt obligations as of December 31, 2023.

Fiscal Year 2025 Guidance:

For the year ending December 31, 2025, the Company expects:

- Net revenue between \$480.0 million and \$535.0 million, representing a range of roughly flat to an increase of approximately 11% year-over-year, as compared to net revenue of \$482.0 million for the year ended December 31, 2024.
 - The 2025 net revenue guidance range assumes:
 - Net revenue from Advanced Wound Care products between \$450.0 million and \$500.0 million, a decrease of 1% to an increase of 10% year-over-year as compared to net revenue of \$453.6 million for the year ended December 31, 2024.
 - Net revenue from Surgical & Sports Medicine products between \$30.0 million and \$35.0 million, an increase of 6% to 23% year-over-year as compared to net revenue of \$28.4 million for the year ended December 31, 2024.
- Net income between \$9.5 million and \$38.8 million and adjusted net income between \$15.3 million and \$44.6 million.
- EBITDA between \$27.0 million and \$66.6 million and Adjusted EBITDA between \$43.6 million and \$83.2 million.

Fourth Quarter Earnings Conference Call:

Management will host a conference call at 5:00 p.m. Eastern Time today to discuss the results of the quarter and fiscal year, and to provide a corporate update with a question and answer session. Those who would like to participate may access the live webcast [here](#), or access the teleconference [here](#). The live webcast can also be accessed via the company's website at [investors.organogenesis.com](#). The webcast will be archived on the company website for approximately one year.

ORGANOGENESIS HOLDINGS INC. UNAUDITED CONSOLIDATED BALANCE SHEETS (amounts in thousands, except share and per share data)

| Assets | December 31, | |
|--|--------------|------------|
| | 2024 | 2023 |
| Current assets: | | |
| Cash and cash equivalents | \$ 135,571 | \$ 103,840 |
| Restricted cash | 580 | 498 |
| Accounts receivable, net of allowance for credit losses of \$9,576 and \$6,860 | 109,861 | 81,999 |
| Inventories, net | 26,219 | 28,253 |
| Prepaid expenses and other current assets | 13,710 | 10,454 |
| Total current assets | 285,941 | 225,044 |
| Property and equipment, net | 89,128 | 116,228 |
| Intangible assets, net | 12,468 | 15,871 |
| Goodwill | 28,772 | 28,772 |
| Operating lease right-of-use assets, net | 37,110 | 40,118 |
| Deferred tax asset, net | 39,462 | 28,002 |
| Other assets | 5,005 | 5,990 |
| Total assets | \$ 497,886 | \$ 460,025 |

Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Equity

| | | | | |
|---|----|---------|----|---------|
| Current liabilities: | | | | |
| Current portion of term loan | \$ | — | \$ | 5,486 |
| Current portion of finance lease obligations | | 1,170 | | 1,081 |
| Current portion of operating lease obligations - related party | | 3,671 | | 8,413 |
| Current portion of operating lease obligations | | 4,272 | | 4,731 |
| Accounts payable | | 28,911 | | 30,724 |
| Accrued expenses and other current liabilities | | 39,453 | | 30,074 |
| Total current liabilities | | 77,477 | | 80,500 |
| Term loan, net of current portion | | — | | 60,745 |
| Finance lease obligations, net of current portion | | 718 | | 1,888 |
| Operating lease obligations, net of current portion - related party | | 8,283 | | 11,954 |
| Operating lease obligations, net of current portion | | 25,198 | | 25,053 |
| Other liabilities | | 894 | | 1,213 |
| Total liabilities | | 112,570 | | 181,362 |

Commitments and contingencies (Note 20)

Series A redeemable convertible preferred stock, \$0.0001 par value; 130,000 and 0 shares authorized, issued and outstanding at December 31, 2024 and 2023, respectively; liquidation preference of \$131,367 and \$0 at December 31, 2024 and 2023, respectively.

122,419 —

Stockholders' equity:

| | | | | |
|--|--|----------|--|----------|
| Preferred stock, \$0.0001 par value; 670,000 and 1,000,000 shares authorized at December 31, 2024 and 2023, respectively; none issued or outstanding | | — | | — |
| Common stock, \$0.0001 par value; 400,000,000 shares authorized; 126,458,784 and 132,044,944 shares issued; 125,730,236 and 131,316,396 shares outstanding at December 31, 2024 and 2023, respectively | | 13 | | 13 |
| Additional paid-in capital | | 302,994 | | 319,621 |
| Accumulated deficit | | (40,110) | | (40,971) |
| Total stockholders' equity | | 262,897 | | 278,663 |
| Total liabilities, redeemable convertible preferred stock, and stockholders' equity | | 497,886 | | 460,025 |

ORGANOGENESIS HOLDINGS INC.
UNAUDITED CONSOLIDATED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(amounts in thousands, except share and per share data)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---------------------------------|-------------|-------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net revenue | \$ 126,656 | \$ 99,651 | \$ 482,043 | \$ 433,140 |
| Cost of goods sold | 31,051 | 27,759 | 115,741 | 105,481 |
| Gross profit | 95,605 | 71,882 | 366,302 | 326,659 |
| Operating expenses: | | | | |
| Selling, general and administrative | 73,856 | 61,381 | 294,513 | 269,754 |
| Research and development | 11,530 | 11,770 | 50,271 | 44,380 |
| Impairment of property and construction | — | — | 18,942 | — |
| Write down of capitalized internal-use software costs | — | — | 3,959 | — |
| Total operating expenses | 85,386 | 73,151 | 367,585 | 314,134 |
| Income (loss) from operations | 10,219 | (1,269) | 98,717 | 12,525 |
| Other expense, net: | | | | |
| Interest expense, net | 61 | (502) | (1,544) | (2,190) |
| Other income (expense), net | (27) | (25) | 20 | 57 |
| Total other income (expense), net | 34 | (527) | (1,524) | (2,133) |
| Net income (loss) before income taxes | 10,253 | (1,796) | (2,807) | 10,392 |
| Income tax (expense) benefit | (2,580) | 1,228 | 3,668 | (5,447) |
| Net income (loss) and comprehensive income (loss) | \$ 7,673 | \$ (568) | \$ 861 | \$ 4,945 |
| Accretion of redeemable convertible preferred stock to redemption value | (412) | — | (412) | — |
| Cumulative dividend on redeemable convertible preferred stock | (1,386) | — | (1,386) | — |
| Net income (loss) attributable to common stockholders | 5,875 | (568) | (937) | 4,945 |
| Net income (loss), per share: | | | | |
| Basic | \$ 0.05 | \$ 0.00 | \$ (0.01) | \$ 0.04 |
| Diluted | \$ 0.04 | \$ 0.00 | \$ (0.01) | \$ 0.04 |
| Weighted-average common shares outstanding | | | | |
| Basic | 129,679,843 | 130,916,950 | 131,673,278 | 131,231,317 |
| Diluted | 132,162,370 | 131,857,509 | 131,673,278 | 132,746,727 |

ORGANOGENESIS HOLDINGS INC.
UNAUDITED CONSOLIDATED
STATEMENT OF CASH FLOWS
(amounts in thousands, except share and per share data)

| | Year Ended December 31, | | Year Ended December 31, | |
|---|-------------------------|------------|-------------------------|------------|
| | 2024 | 2023 | 2022 | 2021 |
| Cash flows from operating activities: | | | | |
| Net income | \$ 861 | \$ 4,945 | \$ 15,532 | \$ 15,532 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 13,623 | 10,448 | 5,845 | 5,845 |
| Amortization of intangible assets | 3,403 | 4,918 | 4,883 | 4,883 |
| Reduction in the carrying value of right-of-use assets | 8,348 | 8,083 | 7,303 | 7,303 |
| Non-cash interest expense | 394 | 427 | 434 | 434 |
| Deferred interest expense | 305 | 490 | 501 | 501 |
| Deferred tax expense (benefit) | (10,719) | 2,012 | 1,980 | 1,980 |
| Loss on disposal of property and equipment | 1,140 | 235 | 4,482 | 4,482 |
| Loss on lease termination | — | 559 | — | — |
| Loss on extinguishment of term loan | 215 | — | — | — |
| Provision recorded for credit losses | 3,938 | 1,297 | 1,781 | 1,781 |
| Adjustment for excess and obsolete inventories | 8,210 | 6,580 | 9,648 | 9,648 |
| Stock-based compensation | 10,578 | 8,906 | 6,552 | 6,552 |
| Impairment of property and construction (Note 8) | 18,842 | — | — | — |
| Write down of capitalized internal-use software costs (Note 8) | 3,959 | — | — | — |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | (31,800) | 5,539 | (8,770) | (8,770) |
| Inventories | (6,204) | (8,179) | (9,410) | (9,410) |
| Prepaid expenses and other current and other assets | (2,549) | (10,115) | (378) | (378) |
| Operating leases | (14,066) | (8,439) | (7,006) | (7,006) |
| Accounts payable | (2,372) | (108) | 3,260 | 3,260 |
| Accrued expenses and other current liabilities | 9,164 | 3,138 | (11,850) | (11,850) |
| Other liabilities | (1,062) | 91 | 72 | 72 |
| Net cash provided by operating activities | 14,208 | 30,917 | 24,859 | 24,859 |
| Cash flows from investing activities: | | | | |
| Purchases of property and equipment | (10,032) | (24,364) | (33,898) | (33,898) |
| Net cash used in investing activities | (10,032) | (24,364) | (33,898) | (33,898) |
| Cash flows from financing activities: | | | | |
| Term loan repayments under the 2021 Credit Agreement | (66,563) | (4,688) | (2,813) | (2,813) |
| Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs | 120,888 | — | — | — |
| Payments for the repurchase of common stock | (25,479) | — | — | — |
| Principal repayments of finance lease obligations | (1,081) | (485) | (20) | (20) |
| Proceeds from the exercise of stock options | 1,247 | — | 2,070 | 2,070 |
| Payments of withholding taxes in connection with RSUs vesting | (1,175) | (332) | (648) | (648) |
| Payments of deferred acquisition consideration | — | (608) | — | — |
| Net cash provided by (used in) financing activities | 27,837 | (5,505) | (2,199) | (2,199) |
| Change in cash, cash equivalents and restricted cash | 31,813 | 1,048 | (11,238) | (11,238) |
| Cash, cash equivalents, and restricted cash, beginning of year | 104,338 | 103,290 | 114,528 | 114,528 |
| Cash, cash equivalents, and restricted cash, end of year | \$ 136,151 | \$ 104,338 | \$ 103,290 | \$ 103,290 |
| Supplemental disclosure of cash flow information: | | | | |
| Cash paid for interest | \$ 4,970 | \$ 5,436 | \$ 2,649 | \$ 2,649 |
| Cash paid for income taxes | \$ 6,965 | \$ 3,052 | \$ 1,201 | \$ 1,201 |
| Supplemental disclosure of non-cash investing and financing activities: | | | | |
| Cumulative effect adjustment for adoption of ASU No. 2016-13 | \$ (61) | \$ 615 | \$ — | \$ — |
| Deferred acquisition consideration and earnout liability recorded for business acquisition | \$ — | \$ — | \$ 828 | \$ 828 |
| Change in purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities | \$ (432) | \$ 841 | \$ 1,928 | \$ 1,928 |
| Right-of-use assets obtained through operating lease obligations | \$ 5,109 | \$ 5,869 | \$ 1,350 | \$ 1,350 |
| Right-of-use assets obtained through finance lease obligations | \$ — | \$ 3,454 | \$ — | \$ — |
| Redeemable convertible preferred stock issuance costs included in accrued expenses | \$ 67 | \$ — | \$ — | \$ — |
| Prepaid rent reclassified to right-of-use assets | \$ 230 | \$ — | \$ — | \$ — |
| Accretion to redemption value and cumulative dividends on redeemable convertible preferred stock | \$ 1,798 | \$ — | \$ — | \$ — |

Non-GAAP Financial Measures

Our management uses financial measures that are not in accordance with generally accepted accounting principles in the United States, or GAAP. In addition to financial measures in accordance with GAAP to evaluate our operating results. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with GAAP. Our management uses Adjusted EBITDA and Adjusted net income to evaluate our operating performance and trends and make planning decisions. Our management believes Adjusted EBITDA and Adjusted net income help identify underlying trends in our business that could otherwise be masked by the effect of the items that we exclude. Accordingly, we believe that Adjusted EBITDA and Adjusted net income provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and prospects, and allowing for greater transparency with respect to key financial metrics used by our management in its financial and operational decision-making.

Adjusted EBITDA

Adjusted EBITDA consists of GAAP net income excluding: (i) interest expense, net, (ii) income tax expense, (iii) depreciation and amortization, (iv) amortization of intangible assets, (v) stock-based compensation expense, and (vi) additional infrequently occurring adjustments described in more detail below.

The following table presents a reconciliation of GAAP net income to non-GAAP EBITDA and non-GAAP Adjusted EBITDA, for the periods presented:

| | Three Months Ended December 31, | | Year Ended December 31, | |
|-----------------------|---------------------------------|----------|-------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income (loss) | \$ 7,673 | \$ (568) | \$ 861 | \$ 4,945 |
| Interest expense, net | (61) | 502 | 1,544 | 2,190 |
| Income tax expense | 2,580 | (1,228) | (3,668) | 5,447 |

| | | | | |
|---|-----------|----------|-----------|-----------|
| Depreciation and amortization | 3,615 | 2,982 | 13,623 | 10,448 |
| Amortization of intangible assets | 834 | 1,229 | 3,403 | 4,918 |
| EBITDA | 14,641 | 2,917 | 15,763 | 27,948 |
| Stock-based compensation expense | 2,891 | 2,366 | 10,576 | 8,066 |
| Restructuring charge (1) | — | 1,918 | — | 3,796 |
| Legal fees (2) | — | — | — | 1,182 |
| Sales retention (3) | — | 272 | — | 694 |
| Impairment of property and construction (4) | — | — | 18,842 | — |
| Write down of capitalized internal-use software costs (5) | — | — | 3,959 | — |
| Disposal of construction in progress (6) | 645 | — | 645 | — |
| Adjusted EBITDA | \$ 18,177 | \$ 7,473 | \$ 49,787 | \$ 42,616 |

- (1) Amounts reflect employee retention and benefits as well as other exit costs associated with our restructuring activities.
(2) Amount reflects the legal and consulting fees incurred related to the published and subsequently withdrawn 2023 local coverage determinations, or LCDs.
(3) Amount reflects the compensation expenses related to retention for those sales employees impacted by the published and subsequently withdrawn 2023 LCDs.
(4) Amount reflects the impairment of a purchased building and associated unfinished construction work.
(5) Amount reflects the write-down of costs previously capitalized as construction in progress in the development of internal-use software, that we determined have no future value.
(6) Amount reflects construction in progress terminated and disposed of at one of our Canton, Massachusetts facilities, resulting from our decision to move certain operations to the Smithfield Facility.

Adjusted net income

Adjusted net income is defined as GAAP net income (loss) plus (i) amortization of intangible assets and (ii) additional infrequently occurring adjustments described in more detail below, less the estimated tax on these adjustments.

The following table presents a reconciliation of GAAP net income (loss) to non-GAAP Adjusted net income, for the periods presented:

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---------------------------------|----------|-------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| (\$, in thousands) | | | | |
| Net income (loss) | \$ 7,673 | \$ (568) | \$ 861 | \$ 4,945 |
| Amortization of intangible assets | 834 | 1,229 | 3,403 | 4,918 |
| Restructuring charge (1) | — | 1,918 | — | 3,796 |
| Legal fees (2) | — | — | — | 1,182 |
| Sales retention (3) | — | 272 | — | 694 |
| Impairment of property and construction (4) | — | — | 18,842 | — |
| Write down of capitalized internal-use software costs (5) | — | — | 3,959 | — |
| Disposal of construction in progress (6) | 645 | — | 645 | — |
| Tax on above | (399) | (923) | (7,249) | (2,859) |
| Adjusted net income | \$ 8,753 | \$ 1,928 | \$ 20,461 | \$ 12,676 |

- (1) Amounts reflect employee retention and benefits as well as other exit costs associated with our restructuring activities.
(2) Amount reflects the legal and consulting fees incurred related to the published and subsequently withdrawn 2023 LCDs.
(3) Amount reflects the compensation expenses related to retention for those sales employees impacted by the published and subsequently withdrawn 2023 LCDs.
(4) Amount reflects the impairment of a purchased building and associated unfinished construction work.
(5) Amount reflects the write-down of costs previously capitalized as construction in progress in the development of internal-use software, that we determined have no future value.
(6) Amount reflects construction in progress terminated and disposed of at one of our Canton, Massachusetts facilities, resulting from our decision to move certain operations to the Smithfield Facility.

Projected EBITDA and Adjusted EBITDA

The following table presents a reconciliation of projected GAAP net income (loss) to projected non-GAAP EBITDA and projected non-GAAP Adjusted EBITDA included in our guidance for the year ending December 31, 2025:

| | Year Ended December 31, | |
|-----------------------------------|-------------------------|-----------|
| | 2025L | 2025H |
| (\$, in thousands) | | |
| Net income | \$ 9,500 | \$ 38,800 |
| Interest income | (4,000) | (4,000) |
| Income tax expense | 3,400 | 13,600 |
| Depreciation and amortization | 14,800 | 14,800 |
| Amortization of intangible assets | 3,300 | 3,300 |
| EBITDA | 27,000 | 66,600 |
| Stock-based compensation expense | 12,000 | 12,000 |
| BLA submission fee to the FDA | 4,600 | 4,600 |
| Adjusted EBITDA | 43,600 | 83,200 |

Note: Numbers may not foot or recalculate due to rounding.

Projected Adjusted Net Income (Loss)

The following table presents a reconciliation of projected GAAP net loss to projected non-GAAP adjusted net income included in our guidance for the year ending December 31, 2025:

| | Year Ended December 31, | |
|-----------------------------------|-------------------------|-----------|
| | 2025L | 2025H |
| (\$, in thousands) | | |
| Net income | \$ 9,500 | \$ 38,800 |
| Amortization of intangible assets | 3,300 | 3,300 |
| BLA submission fee to the FDA | 4,600 | 4,600 |
| Tax on above | (2,100) | (2,100) |
| Adjusted net (loss) income | \$ 15,300 | \$ 44,600 |

Note: Numbers may not foot or recalculate due to rounding.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to expectations or forecasts of future events. Forward-looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include statements relating to the Company's expected revenue, net income (loss), Adjusted net income, EBITDA, and Adjusted EBITDA for fiscal 2024 and the breakdown of expected revenue in both its Advanced Wound Care and Surgical & Sports Medicine categories. Forward-looking statements with respect to the operations of the Company, strategies, prospects, and other aspects of the business of the Company are based on current expectations that are subject to known and unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from expectations expressed or implied by such forward-looking statements. These factors include, but are not limited to: (1) the impact of any changes to the coverage and reimbursement levels for the Company's products (including as a result of the recently proposed LCDs scheduled to take effect in April 2025); (2) the Company faces significant and continuing competition, which could adversely affect its business, results of operations and financial condition; (3) rapid technological change could cause the Company's products to become obsolete and if the Company does not enhance its product offerings through its research and development efforts, it may be unable to effectively compete; (4) to be commercially successful, the Company must convince physicians that its products are safe and effective alternatives to existing treatments and that its products should be used in their procedures; (5) the Company's ability to raise funds to expand its business; (6) the Company has incurred losses in the current period and prior periods and may incur losses in the future; (7) changes in applicable laws or regulations; (8) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (9) the Company's ability to maintain production or obtain supply of its products in sufficient quantities to meet demand; (10) the impact of the suspension of commercialization of: (a) ReNu and NuCel in connection with the expiration of the FDAs enforcement grace period for HCT/Ps on May 31, 2021 and (b) Dermagraf in the second quarter of 2022 pending transition of manufacturing to a new manufacturing facility or a third-party manufacturer; (11) whether the Company is able to obtain regulatory approval for and successfully commercialize ReNu; and (12) other risks and uncertainties described in the Company's filings with the Securities and Exchange Commission, including Item 1A (Risk Factors) of the Company's Form 10-K for the year ended December 31, 2024 and its subsequently filed periodic reports. You are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Although it may voluntarily do so from time to time, the Company undertakes no commitment to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

About Organogenesis Holdings Inc.

Organogenesis Holdings Inc. is a leading regenerative medicine company focused on the development, manufacture, and commercialization of solutions for the advanced wound care and surgical and sports medicine markets. Organogenesis offers a comprehensive portfolio of innovative regenerative products to address patient needs across the continuum of care. For more information, visit www.organogenesis.com.

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