Insulet

Insulet Corporation

Q1 2024 Earnings

May 9, 2024



Forward Looking Statement

This presentation contains forward-looking statements regarding, among other things, future operating and financial performance, product success and efficacy, the outcome of studies and trials and the approval of products by regulatory bodies. These forward-looking statements are based on management's current beliefs, assumptions and estimates and are not intended to be a guarantee of future events or performance. If management's underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by the forward-looking statements.

Risks and uncertainties include, but are not limited to our dependence on a principal product platform; the impact of competitive products, technological change and product innovation; our ability to maintain an effective sales force and expand our distribution network; our ability to maintain and grow our customer base; our ability to scale the business to support revenue growth; our ability to secure and retain adequate coverage or reimbursement from third-party payors; the impact of healthcare reform laws; our ability to design, develop, manufacture and commercialize future products; unfavorable results of clinical studies, including issues with third parties conducting any studies, or future publication of articles or announcement of positions by diabetes associations or other organizations that are unfavorable; our ability to protect intellectual property and other proprietary rights; potential conflicts with the intellectual property of third parties; our inability to maintain or enter into new license or other agreements with respect to continuous glucose monitors, data management systems or other rights necessary to sell our current product and/or commercialize future products; worldwide macroeconomic and geopolitical uncertainty as well as risks associated with public health crises and pandemics, including government actions and restrictive measures implemented in response, supply chain disruptions, delays in clinical trials, and other impacts to the business, our customers, suppliers, and employees; international business risks, including regulatory, commercial and logistics risks; the potential violation of anti-bribery/anti-corruption laws; the concentration of manufacturing operations and storage of inventory in a limited number of locations; supply problems or price fluctuations with sole source or third-party suppliers on which we are dependent; failure to retain key suppliers or other manufacturing issues; challenges to the future development of our non-insulin drug delivery product line; failure of our contract manufacturer or component suppliers to comply with the U.S. Food and Drug Administration's quality system regulations; extensive government regulation applicable to medical devices as well as complex and evolving privacy and data protection laws; adverse regulatory or legal actions relating to current or future Omnipod products; potential adverse impacts resulting from a recall, discovery of serious safety issues, or product liability lawsuits relating to off-label use; breaches or failures of our product or information technology systems, including by cyberattack; loss of employees or inability to identify and recruit new employees; risks associated with potential future acquisitions or investments in new businesses; ability to generate sufficient cash to service our indebtedness or raise additional funds on acceptable terms or at all; the volatility of the trading price of our common stock; risks related to the conversion of outstanding Convertible Senior Notes; and potential limitations on our ability to use our net operating loss carryforwards.

For a further list and description of these and other important risks and uncertainties that may affect our future operations, see Part I, Item 1A - Risk Factors in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A - Risk Factors in Quarterly Reports on Form 10-Q we have filed or will file hereafter. Any forward-looking statement made in this presentation speaks only as of the date of this presentation. Insulet does not undertake to update any forward-looking statement, other than as required by law.

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Non-GAAP Financial Measures

The Company uses the following non-GAAP financial measures:

- Constant currency revenue growth, which represents the change in revenue between current and prior year periods using the exchange rate in effect during the applicable prior year period. Insulet presents constant currency revenue growth because management believes it provides meaningful information regarding the Company's results on a consistent and comparable basis. Management uses this non-GAAP financial measure, in addition to financial measures in accordance with generally accepted accounting principles in the United States (GAAP), to evaluate the Company's operating results. It is also one of the performance metrics that determines management incentive compensation.

- Adjusted gross margin, adjusted gross margin as a percentage of revenue, adjusted operating income, and adjusted operating income as a percentage of revenue, exclude the impact of certain significant transactions or events, such as legal settlements and medical device corrections, that affect the period-to-period comparability of our operating performance, as applicable.

Insulet presents the above non-GAAP financial measures because management uses them as supplemental measures in assessing the Company's performance, and the Company believes they are helpful to investors, and other interested parties as measures of comparative operating performance from period to period. They also are commonly used measures in determining business value and the Company uses them internally to report results.

These non-GAAP financial measures should be considered supplemental to, and not a substitute for, the Company's reported financial results prepared in accordance with GAAP. Furthermore, the Company's definition of these non-GAAP measures may differ from similarly titled measures used by others. Because non-GAAP financial measures exclude the effect of items that will increase or decrease the Company's reported results of operations, Insulet strongly encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety.

Financial Highlights

Revenue Performance - Q1'24[1]

- Total Company - $441.7 million, an increase of 23.3%, or 22.8% in constant currency
- Total Omnipod - $433.0 million, an increase of 21.1%, or 20.5% in constant currency
- U.S. Omnipod - $317.7 million, an increase of 22.7%
- International Omnipod - $115.3 million, an increase of 16.9%, or 14.8% in constant currency

Other Financial Highlights - Q1'24

- Gross margin of 69.5%, up 230 basis points, compared to gross margin of 67.2% in the prior year and up 460 basis points compared to adjusted gross margin[2] of 64.9% in the prior year
- Operating margin of 12.9%, up 520 basis points, compared to 7.7% in the prior year and up 740 basis points compared to adjusted operating margin[2] of 5.5% in the prior year



Carly
Podder
since
2023

1. Growth rates are on a year-over-year basis.
2. Q1'23 adjusted margins exclude income of $8.0 million associated with the voluntary medical device correction (MDC) notices issued in 2022. See description of non-GAAP financial measures contained in this presentation.

Recent Strategic Highlights



Shepherd & Emmett
Podders since 2023

Expand Access & Awareness

- Launched U.S. limited market release (LMR) of Omnipod 5 integrated with Dexcom's G7
- Majority of U.S. customers have a monthly co-pay of <$50 in the pharmacy channel
- Increased number of HCPs writing scripts for Omnipod 5 to >20K, up from >18.5K in Q4'23
- Advanced sustainability across the Company, as detailed in Insulet's 2023 Sustainability Report[1]



Eloise
Podder since 2023

International

- >50% of new customer starts in Q1 were Omnipod 5
- Entered Omnipod 5 LMRs with 'Sensor of Choice' in the U.K. and Netherlands with Dexcom's G6 and Abbott's Freestyle Libre 2 Plus sensors
- With expected G6 launch in France this summer (recently secured reimbursement), will have Omnipod 5 available for the majority of our European customers
- Final stages of validating our manufacturing lines in Malaysia



John
Podder since 2019

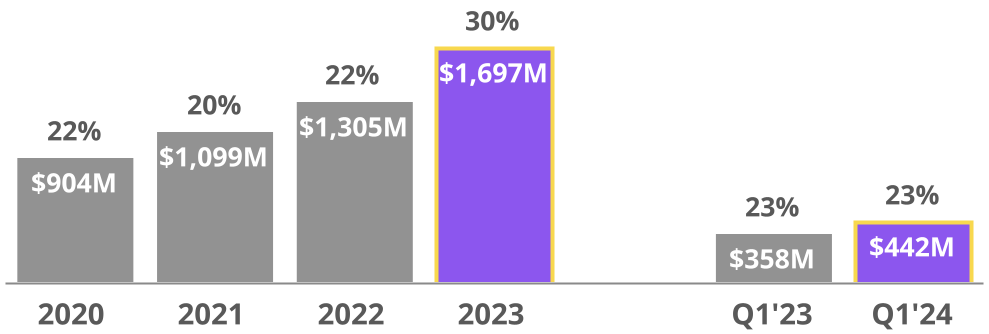
Innovation & Clinical

- On track for U.S. full market release (FMR) of Omnipod 5 with G7 and LMR of our iOS app, both this summer
- Last patient completed the SECURE T2D pivotal trial; on track for FDA submission by end of '24
- Completed participant enrollment in the RADIANT study (with Libre)
- Presented real-world data on a population of >100K people with type 1 diabetes at ATTD

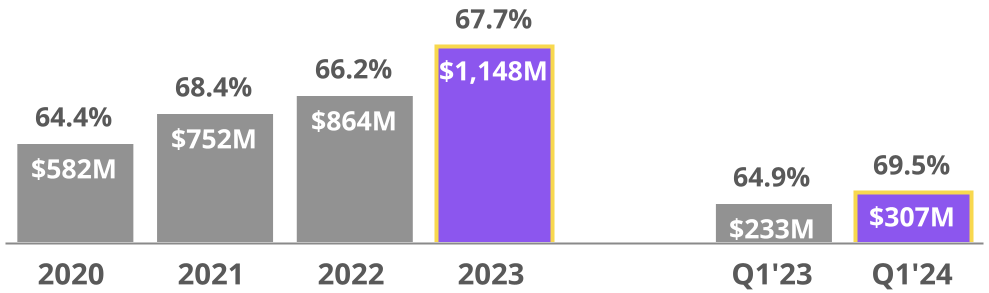
1. Insulet's 2023 Sustainability Report can be found at: 2023 Sustainability Report.

Financial Performance

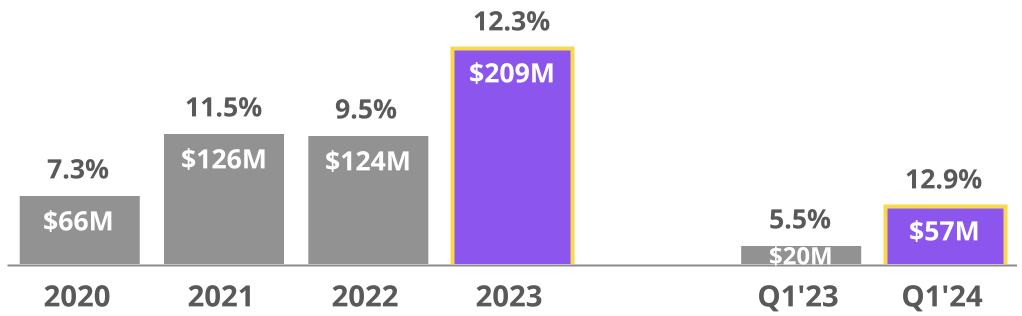
Total Revenue & Growth Rates[1]



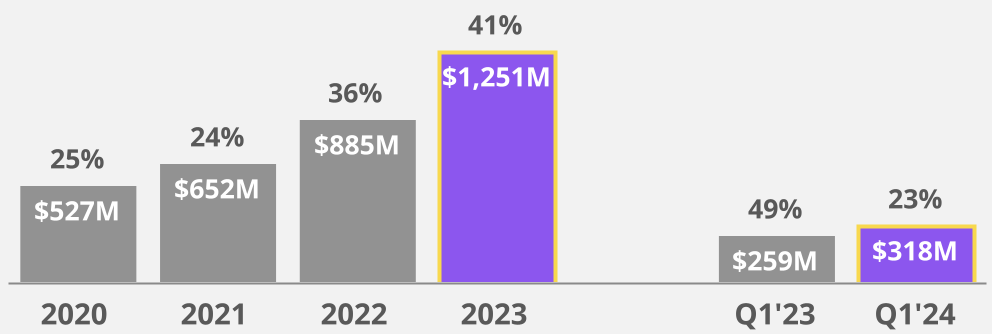
Adjusted Gross Profit and Margin[2]



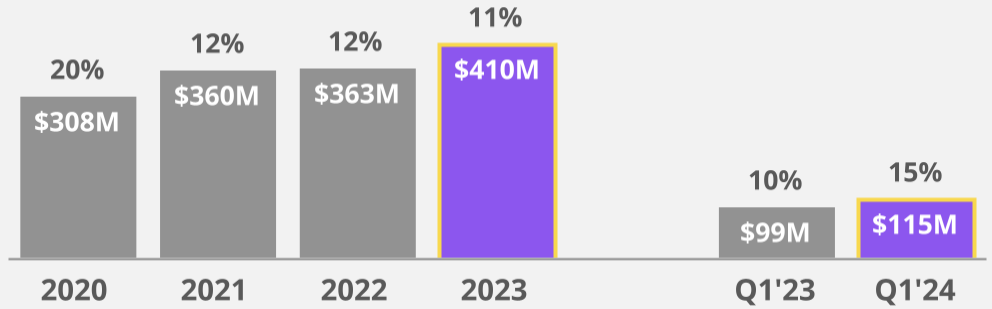
Adjusted Operating Income and Margin[2]



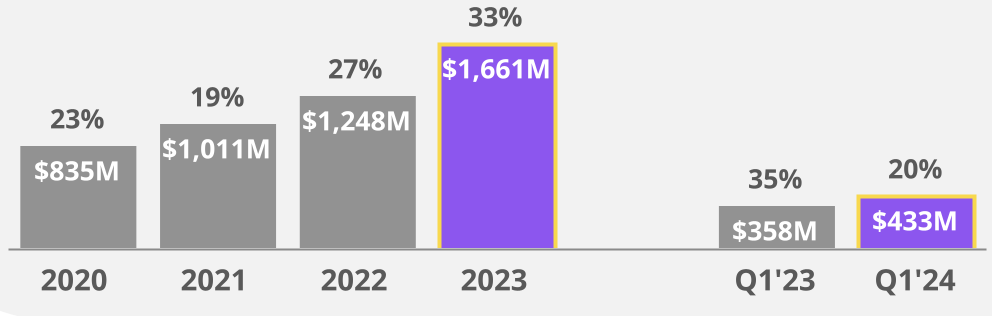
U.S. Omnipod Revenue and Growth Rates[1]



Int'l Omnipod Revenue and Growth Rates[1]



Total Omnipod Revenue and Growth Rates[1]



1. Growth rates are on a year-over-year basis and are in constant currency. See description of non-GAAP measures contained in this presentation.
2. Adjusted gross profit and adjusted operating income in years prior to 2024 exclude certain MDC, litigation and other costs. Refer to non-GAAP reconciliation in appendix.

Key Commercial Metrics – Q1 2024

~85%

of U.S. New Customer Starts (NCS) were MDI

>50%

of International NCS were Omnipod 5

~25%

of U.S. NCS were Type 2

Significant Increase

in International NCS due to Omnipod 5

Vast Majority

of U.S. Volume through Pharmacy

Sensor of Choice

in First Two European Markets (G6 and Libre 2 Plus)

Note: All commercial metrics are directional estimates derived from various internal and external data sources.

Product Development Status - Q1 2024

Legend
U.S.
International

	Commercial Strategy	Regulatory	Product Development
 Classic Omnipod			
 Omnipod DASH			
 Omnipod 5 w/ G6	*U.S. FMR August 2022* *U.K. FMR in June 2023* *Germany FMR in August 2023* ***Netherlands LMR in April 2024*** ***France planned FMR in summer 2024***	*CE Mark September 2022*	
 Omnipod GO	*Launched U.S. commercial pilot 2023*	*510(k) FDA clearance April 2023*	
 iOS Phone Control	***U.S. planned LMR in summer 2024***		
 Omnipod 5 w/ Libre 2+ w/ Libre 3	***U.K. LMR in March 2024*** ***Netherlands LMR in April 2024***	*CE Mark approval February 2024*	
 Omnipod 5 w/ G7	***Launched U.S. LMR in February 2024*** ***U.S. planned FMR in summer 2024***		

Innovation Pipeline



Data products

Next-generation algorithms

Next-generation hardware

Artificial intelligence / machine learning-based data products

Guidance Highlights - 2024

Revenue Guidance Raise[1,2]

Q2'24 Revenue

15% to 18%

21% to 24%
U.S. Omnipod

12% to 15%
International Omnipod

18% to 21%
Total Omnipod

FY'24 Revenue

14% to 18%

Previously 12% to 17%

17% to 21%
U.S. Omnipod
(Previously 16% to 21%)

12% to 15%
International Omnipod
(Previously 7% to 10%)

15% to 19%
Total Omnipod
(Previously 13% to 18%)

Margin Guidance Raise[1]

FY'24 Gross Margin

68% to 69%
Closer to mid-point

Unchanged

FY'24 Operating Margin

~13.5%

Previously ~13%

Assumptions & Drivers[1]

- Continued **strong Omnipod 5 adoption globally**
- Expect NCS and revenue ramp in 2H'24 driven by **cascade of innovations**
- **Market-leading** NCS from MDI and competitive switches
- Strong growth in both the **type 1 and type 2** diabetes markets
- **Increased commitment to margin expansion**

1. Growth rates are on a year-over-year basis and in constant currency. See description of non-GAAP measures contained in this presentation.
2. See additional guidance metrics in Revenue Guidance Reconciliation contained in this presentation.

Revenue Guidance Reconciliation

	FY 2024			Q2 2024		
	Revenue Growth GAAP	Currency Impact	Constant Currency	Revenue Growth GAAP	Currency Impact	Constant Currency
U.S. Omnipod	17% to 21%	—%	17% to 21%	21% to 24%	—%	21% to 24%
International Omnipod	11% to 14%	(1)%	12% to 15%	10% to 13%	(2)%	12% to 15%
Total Omnipod	**15% to 19%**	**—%**	**15% to 19%**	**17% to 20%**	**(1)%**	**18% to 21%**
Drug Delivery	(60)% to (50)%	—%	(60)% to (50)%	(75)% to (70)%	—%	(75)% to (70)%
Total Revenue	**14% to 18%**	**—%**	**14% to 18%**	**14% to 17%**	**(1)%**	**15% to 18%**

Note: Growth rates are on a year-over-year basis. See description of non-GAAP measures contained in this presentation.

Reconciliation of Non-GAAP Measures

	FY 2023	% of Revenue	FY 2022	% of Revenue	FY 2021	% of Revenue	FY 2020	% of Revenue	Q1'2024	% of Revenue	Q1'2023	% of Revenue
Total Revenue												
GAAP Growth Rate	30.0%		18.8%		21.5%		22.5%		23.3%		21.2%	
Less: Currency Impact	0.4%		(3.7)%		1.8%		0.6%		0.5%		(2.1)%	
Constant Currency	**29.6%**		**22.5%**		**19.7%**		**21.9%**		**22.8%**		**23.3%**	
Total Omnipod Revenue												
GAAP Growth Rate	33.1%		23.4%		21.1%		24.0%		21.1%		32.7%	
Less: Currency Impact	0.4%		(4.0)%		1.9%		0.7%		0.6%		(2.2)%	
Constant Currency	**32.7%**		**27.4%**		**19.2%**		**23.3%**		**20.5%**		**34.9%**	
International Omnipod Revenue												
GAAP Growth Rate	13.0%		0.9%		16.9%		21.7%		16.9%		3.4%	
Less: Currency Impact	1.6%		(11.2)%		5.3%		1.8%		2.1%		(6.2)%	
Constant Currency	**11.4%**		**12.1%**		**11.6%**		**19.9%**		**14.8%**		**9.6%**	
Gross Profit	$ 1,159.9	68.3%	$ 805.6	61.7%	$ 752.1	68.4%	$ 582.3	64.4%	$ 306.8	69.5%	$ 240.5	67.2%
Voluntary MDCs[1]	(11.5)		57.9		—		—		—		(8.0)	
Adjusted Gross Profit	**$ 1,148.4**	**67.7%**	**$ 863.5**	**66.2%**	**$ 752.1**	**68.4%**	**$ 582.3**	**64.4%**	**$ 306.8**	**69.5%**	**$ 232.5**	**64.9%**
Operating Income	$ 220.0	13.0%	$ 37.6	2.9%	$ 126.0	11.5%	$ 51.5	5.7%	$ 56.9	12.9%	$ 27.7	7.7%
Voluntary MDCs[1]	(11.5)		57.9		—		—		—		(8.0)	
Legal Costs[2]	—		25.2		—		—		—		—	
CEO Transition Costs[3]	—		3.4		—		—		—		—	
Cumulative Amortization[4]	—		—		—		14.6		—		—	
Adjusted Operating Income	**$ 208.5**	**12.3%**	**$ 124.1**	**9.5%**	**$ 126.0**	**11.5%**	**$ 66.1**	**7.3%**	**$ 56.9**	**12.9%**	**$ 19.7**	**5.5%**

1. Represents estimated cost/income associated with the voluntary MDC notices, which are included in cost of revenue.
2. Includes a $20.0 million charge to settle patent infringement litigation, associated legal fees, and a charge to settle a contract dispute.
3. Represents costs associated with the retirement and advisory services of the former CEO, including $2.3 million of accelerated stock-based compensation expense.
4. Represents cumulative amortization expense related to the resolution of a purchase price contingency with a former European distributor.