
iRHYTHM[®]

iRhythm Technologies First Quarter 2023 Results

May 4, 2023

Safe harbor statement

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These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Risk Factors” in our most recent 10-K and 10-Q filed with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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The accompanying presentation contains non-GAAP financial measures. The appendix reconciles the non-GAAP financial measures to the most directly comparable financial measure prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measure include non-GAAP operating expenses, non-GAAP net income (loss), non-GAAP net income (loss) per share, and adjusted EBITDA. iRhythm reports non-GAAP financial measures in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. We believe that non-GAAP financial measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP financial measures. Other companies, including other companies in our industry, may not use this measure or may calculate this measures differently than as presented. We encourage investors to carefully consider our results under GAAP as well as our supplemental non-GAAP information and reconciliations between these presentations to more fully understand our business.

6+ Million

Patients served

~25%

Penetration in core
U.S. ambulatory cardiac
monitoring market



>30%

Five-year revenue
CAGR

~1.5 Million

Patients served
annually and growing



35+

Peer-reviewed
publications

1.5 Billion

Hours of curated
ECG data



66

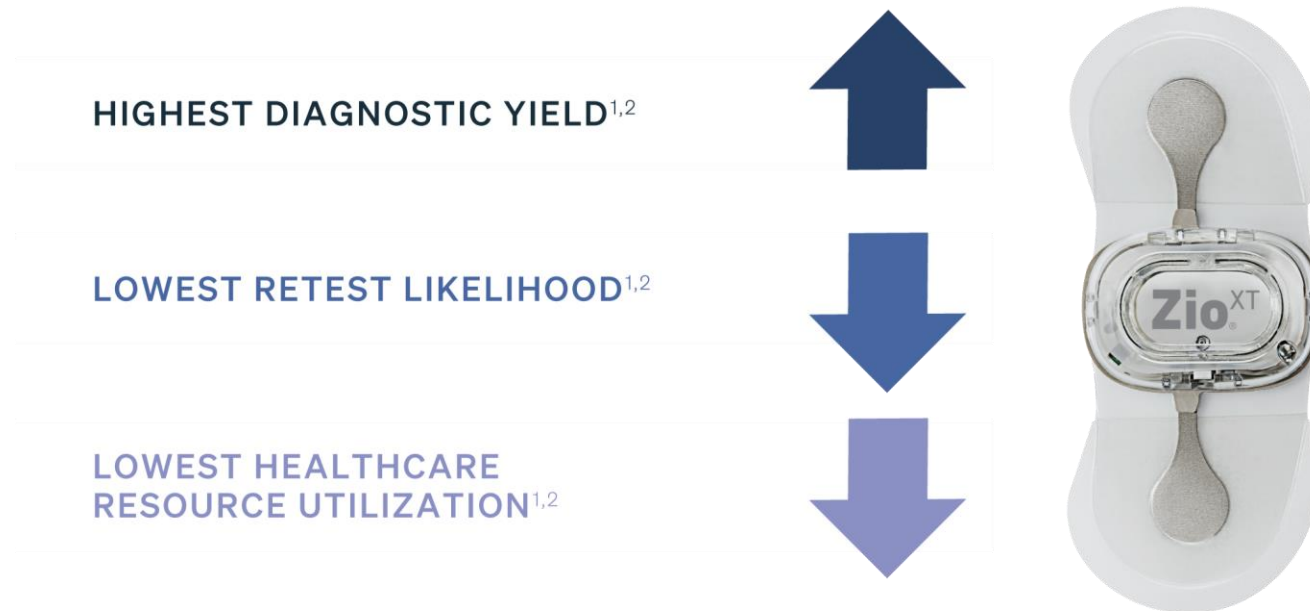
Countries and states where we
have employees

~1,800

Global employees

CAMELOT: The Cardiac Ambulatory Monitor EvaLuation of Outcomes and Times to events

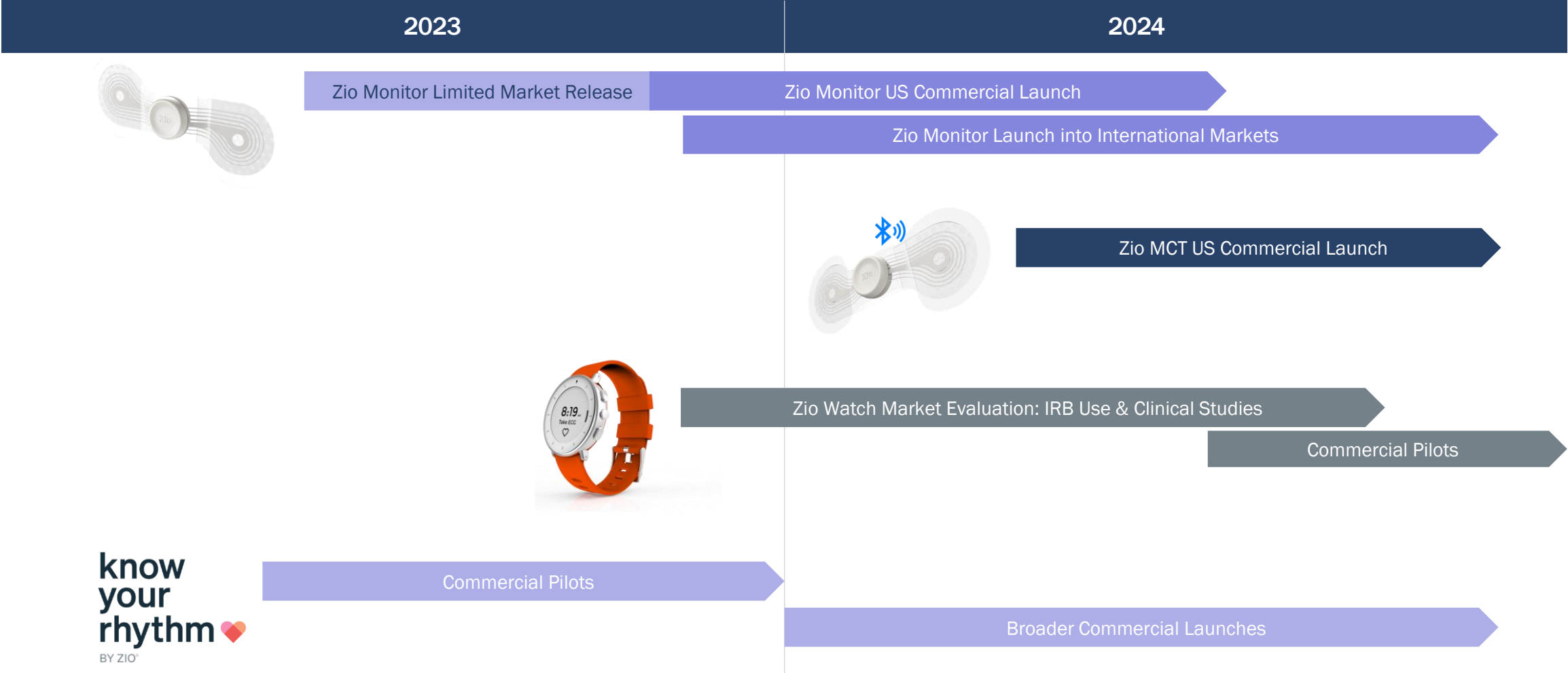
The real-world evidence in the CAMELOT study
associates Zio XT with these positive outcomes



1. Reynolds et al. Comparative effectiveness of ambulatory monitors for arrhythmia diagnosis: A retrospective analysis of Medicare beneficiaries managed with ambulatory cardiac monitors between 2017 and 2019. Accepted for ACC.23 presentation, presented in New Orleans, LA.

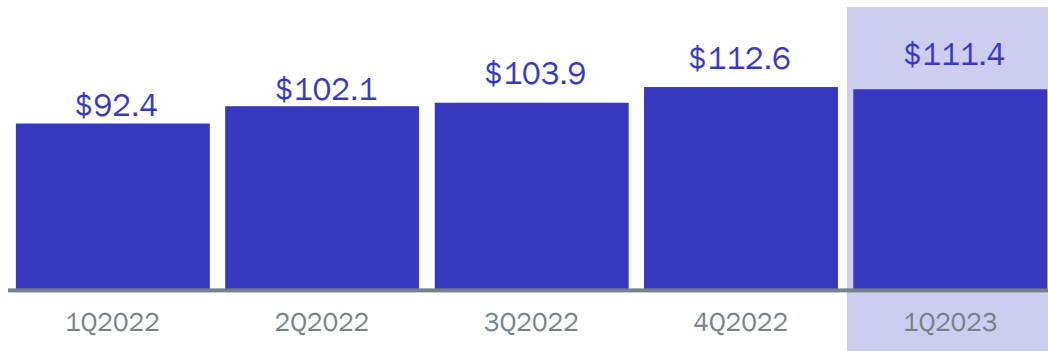
2. Specified arrhythmias defined by HCC 96.

Differentiated platform technology with catalyst-rich pipeline

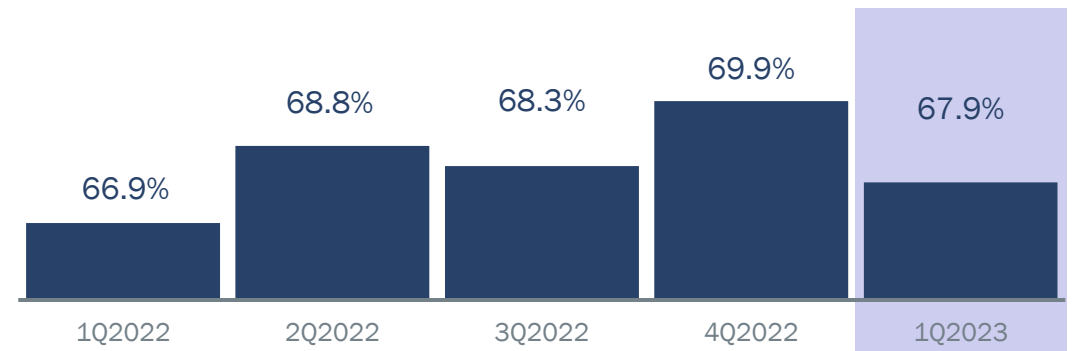


First quarter 2023 financial performance

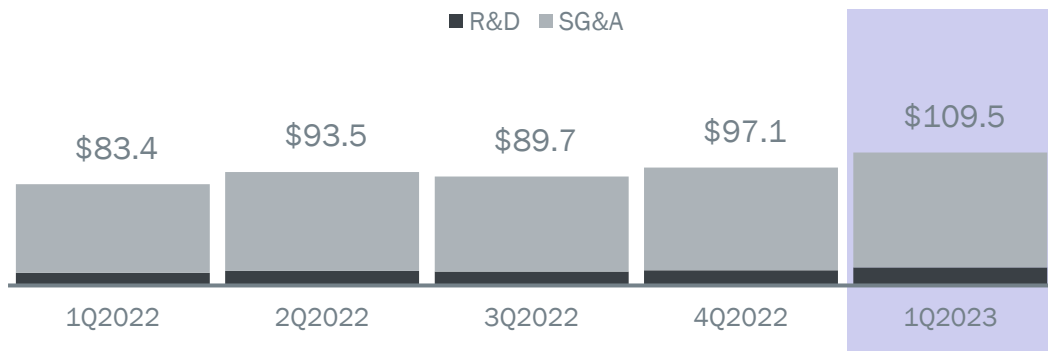
**GLOBAL NET REVENUE
(USD, MILLIONS)**



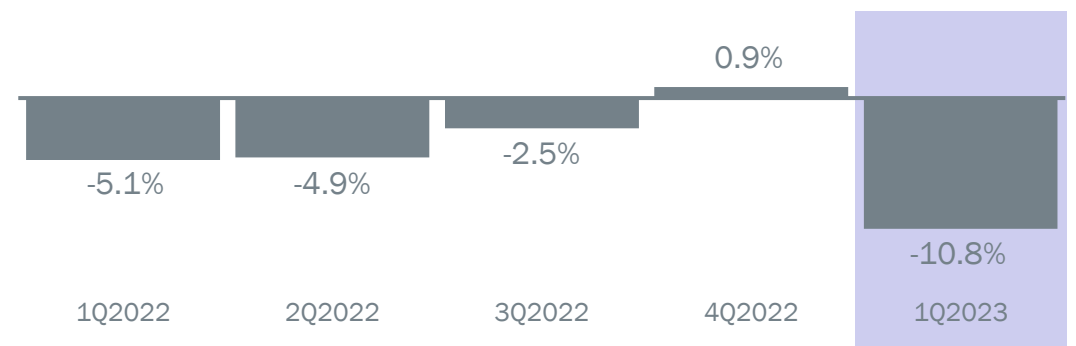
GROSS PROFIT MARGIN



**ADJUSTED OPERATING EXPENSES
(USD, MILLIONS)**



ADJUSTED EBITDA MARGIN



Adjusted EBITDA calculated as net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs. See appendix for reconciliations to GAAP metrics.

2023 annual revenue and profitability guidance

**NET REVENUE
(USD, MILLIONS)**

\$480 -
\$490
million

GROSS MARGIN

69 - 70%
of
revenues

**ADJUSTED OPERATING
EXPENSES (USD, MILLIONS)**

\$417 -
\$427
million

**ADJUSTED EBITDA
MARGIN**

(0.5)%-
0.5% of
revenues

Adjusted operating expenses exclude impact from non-GAAP business transformation and restructuring costs. Adjusted EBITDA will continue to exclude restructuring costs, transformation costs, and stock-based compensation expense. Adjusted EBITDA calculated as net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs.



Addressing
the future focus
of healthcare



Expanding
existing markets
while extending into
adjacent markets



Out-paced
revenue growth
from massive
underpenetrated
markets on a global
scale



Delivering
meaningful
improvements in
financial profile

iRHYTHM®

Appendix

GAAP Reconciliations

Reconciliation of net loss to adjusted EBITDA

Adjusted EBITDA is a non-GAAP measurement of net loss or income excluding interest, taxes, depreciation and amortization, stock-based compensation expense, impairment and restructuring charges, and transformation costs. We believe that adjusted EBITDA is a useful metric for investors in evaluating our operating performance because it helps compare the results of our operations between periods by removing the impact of earnings attributable to our capital structure, tax rate, and material non-cash items.

	THREE MONTHS ENDED MARCH 31,	
ADJUSTED EBITDA RECONCILIATION	2023	2022
Net loss	\$ (39,109)	\$ (50,609)
Income tax provision	87	47
Depreciation and amortization	3,576	3,143
Interest expense	950	2,029
Interest income	(1,434)	(132)
Stock-based compensation	18,251	13,903
Impairment and restructuring charges	—	26,608
Transformation costs	5,686	258
Adjusted EBITDA	\$ (11,993)	\$ (4,753)

Reconciliation of GAAP to Non-GAAP financial information

THREE MONTHS ENDED MARCH 31,

ADJUSTED NET LOSS RECONCILIATION

	2023	2022
Net loss, as reported	\$ (39,109)	\$ (50,609)
Impairment and restructuring charges	—	26,608
Transformation costs	5,686	258
Adjusted net loss	\$ (33,423)	\$ (23,743)

THREE MONTHS ENDED MARCH 31,

ADJUSTED NET LOSS PER SHARE RECONCILIATION

	2023	2022
Net loss per share, as reported	\$ (1.29)	\$ (1.71)
Impairment and restructuring charges per share	—	0.90
Transformation costs per share	0.19	0.01
Adjusted net loss per share	\$ (1.10)	\$ (0.80)
Weight-average shares, basic and diluted	30,297	29,596

THREE MONTHS ENDED MARCH 31,

ADJUSTED OPERATING EXPENSE RECONCILIATION

	2023	2022
Operating expense, as reported	\$ 115,185	\$ 110,308
Impairment and restructuring charges	—	(26,608)
Transformation costs	(5,686)	(258)
Adjusted operating expense	\$ 109,499	\$ 83,442