

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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) **November 29, 2022**

TACTILE SYSTEMS TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

<p>Delaware (State or other jurisdiction of incorporation)</p>	<p>001-37799 (Commission File Number)</p>	<p>41-1801204 (I.R.S. Employer Identification No.)</p>
<p>3701 Wayzata Blvd, Suite 300, Minneapolis, MN 55416 (Address of principal executive offices) (Zip Code)</p>		
<p>(612) 355-5100 (Registrant's telephone number, including area code)</p>		

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:

- 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, Par Value \$0.001 Per Share	TCMD	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.

Item 7.01. Regulation FD Disclosure.

Tactile Systems Technology, Inc. will be posting an updated version of its investor presentation on its website. A copy of the presentation is attached hereto as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in that filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT INDEX

Exhibit No.	Description
99.1	Investor Presentation, November 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 29, 2022

TACTILE SYSTEMS TECHNOLOGY, INC.

By: */s/ Brent A. Moen*

Brent A. Moen
Chief Financial Officer





Investor Presentation

November 2022

NASDAQ: TCMD

Forward-Looking Statements Disclosure

This presentation contains forward-looking statements. Forward-looking statements are generally identifiable by the use of words like "may," "will," "should," "could," "expect," "anticipate," "estimate," "believe," "intend," "continue," "confident," "outlook," "guidance," "project," "goals," "look forward," "poised," "designed," "plan," "return," "focused," "positioned," "prospects," or "remain" or the negative of these words or other variations on these words or comparable terminology. All statements other than statements of historical or current fact are, or may be deemed to be, forward-looking statements. The reader is cautioned not to put undue reliance on these forward-looking statements, as these statements are based upon the current beliefs and expectations of management and are subject to numerous risks and uncertainties outside of the Company's control that can cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to: the impacts of the COVID-19 pandemic on the Company's business, financial condition and results of operations, and the Company's inability to mitigate such impacts; the adequacy of the Company's liquidity to pursue its business objectives; the Company's ability to obtain reimbursement from third party payers for its products; loss or retirement of key executives, including prior to identifying a successor; adverse economic conditions or intense competition; loss of a key supplier; entry of new competitors and products; adverse federal, state and local government regulation; technological obsolescence of the Company's products; technical problems with the Company's research and products; the Company's ability to expand its business through strategic acquisitions; the Company's ability to integrate acquisitions and related businesses; wage and component price inflation; the effects of current and future U.S. and foreign trade policy and tariff actions; or the inability to carry out research, development and commercialization plans. In addition, other factors that could cause actual results to differ materially are discussed in the Company's filings with the SEC. Investors and security holders are urged to read these documents free of charge on the SEC's web site at <http://www.sec.gov>. The Company undertakes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

This presentation includes the non-GAAP financial measures of Adjusted EBITDA, Adjusted EBITDA margin and free cash flow, which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). These non-GAAP financial measures are presented because we believe they are useful indicators of our operating performance. Management uses these measures principally as measures of our operating performance and for planning purposes, including the preparation of our annual operating budget and financial projections. We believe these non-GAAP financial measures are useful to investors as supplemental information because they are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe these non-GAAP financial measures are useful as measures of comparative operating performance from period to period. In addition, Adjusted EBITDA is used as a performance metric in our compensation program.

Set forth in the Appendix to this presentation, we have provided reconciliations of historical Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure. Investors and other readers are encouraged to review the related GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth in the Appendix.

Guidance for Adjusted EBITDA for fiscal year 2022 and the goals for Adjusted EBITDA and Adjusted EBITDA margin for fiscal year 2025 are forward-looking and we cannot reconcile these non-GAAP measures to expected net income (loss) and net income (loss) margin without unreasonable effort because certain items that impact net income (loss) and other reconciling metrics are out of our control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on our GAAP financial results. In addition, our goal for cumulative free cash flow, which is cash flows from operations less capital expenditures, cumulative over the three-year period ended December 31, 2025, cannot be reconciled to expected cash flows from operations without unreasonable effort because certain items that impact such metric and other reconciling metrics are out of our control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on our financial results.

Investors and other readers should consider non-GAAP measures only as supplements to, and not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with GAAP.

Tactile Medical At a Glance

Our Mission:

To reveal and treat patients with underserved chronic conditions and help them care for themselves at home

FOUNDED	1995
HEADQUARTERS	Minneapolis
TOTAL EMPLOYEES	1,000+
2021 REVENUE	\$208M
PATIENTS SERVED IN 2021	>65,000
2021 GROSS MARGIN	71%

At a Glance

\$5B+
Current addressable market

LYMPHEDEMA

1.4M¹
Diagnosed lymphedema

20M+^{2,3}
Undiagnosed in the U.S.

Total \$10B+
U.S. current addressable market

BRONCHIECTASIS

\$5B+
Current addressable market

500K⁴
Diagnosed bronchiectasis

4.4M^{5,6}
Undiagnosed in the U.S.

1. Data on file at Tactile Medical. 2. Includes data on breast, head and neck melanoma and other cancers, pleural lymphedema, primary lymphedema and lymphedema/spedema. 3. Dvorak S, Volpert E, Hock K, LePrier J, Compston A, Abraham W. The clinical characteristics of lower extremity lymphedema in 442 patients. *Journal of Vascular Medicine & Biology*. Published 08/2020. 4. Reynolds C, et al. Prevalence and incidence of bronchiectasis in young US adults in 2013. *Chest*. Published 04/2015. 5. Korman L, et al. Bronchiectasis in patients with COPD: Assessment using CT. *Clinical Respiratory Journal*. 2014; 18(4):394-400. 6. Lambert AA, Dransfield MF. COPD Overlap Syndrome: Asthma and Beyond. *Chest*. *Chest* Pulm Dis. 2018;151(4):69-85. Published 2018 Jan 15. doi:10.1093/cjph/1.1.3015.070

Key Market Drivers

Drivers for continued expansion in both lymphedema and bronchiectasis include:

Aging population

Growing awareness of the disease states

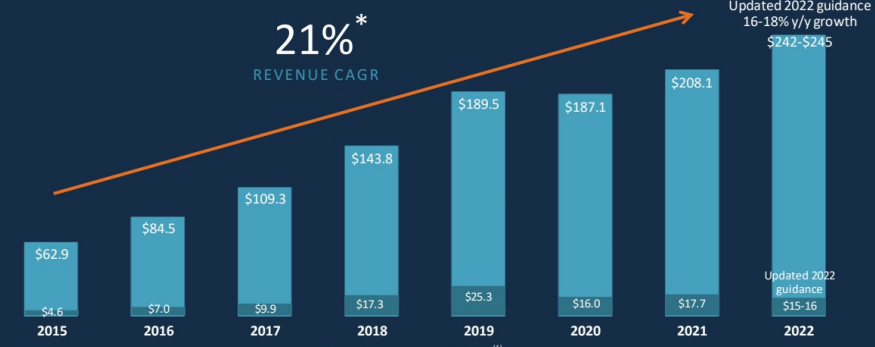
The Affordable Care Act penalizes for readmission of patients within certain timeframes after discharge

Healthcare reform driving greater accountability through moving from fee-for-service to fee-for-outcomes

Trend toward preventative healthcare

Treatment moving to lower cost sites of care

Strong Revenue Growth



(In \$ millions)
Trading 6-yr CAGR from FY15 to FY21
* Includes COVID-19 impacted FY20 and FY21
(1) Non-GAAP measure. See Appendix for a reconciliation to the directly comparable GAAP measure.

Significant Recent Progress Achieved

Major accomplishments and milestones:

2021

- ✓ Crossed \$200M revenue threshold
- ✓ Treated >65,000 patients
- ✓ Initiated largest-ever Head and Neck-related lymphedema Randomized Clinical Trial
- ✓ Completed largest acquisition in company history
- ✓ Bolstered leadership team

YTD 2022

- ✓ AffloVest integration completed
- ✓ Launch of ComfortEase™ garments
- ✓ Launch of Kylee™ mobile application
- ✓ New IP protecting Head and Neck therapy
- ✓ Enhanced board experience/diversity

Strategies to Unlock Profitable Growth + Strong Cash Generation

Clear priorities to optimize business performance

- 1 Portfolio Optimization**
Patient centric, connected and digital
- 2 Improve Payor Policy**
Simplify coverage criteria
- 3 Operational Efficiency**
Create leverageable infrastructure

FY 2025 GOALS

\$350M+ REVENUE
3-year CAGR of 13%*

\$50M+ ADJ. EBITDA
14%+ Adj. EBITDA Margin

\$75M+ CUMULATIVE FREE
CASH FLOW**
Strengthening balance sheet

*Implied 3-year revenue CAGR based on FY25 revenue vs. FY22 revenue guidance range of \$242 - \$245 million.
**Non-GAAP measure. Free Cash Flow defined as cash flow from operations less capital expenditures. Cumulative free cash flow generation target based on 3-year period ending 12/31/2025.

Portfolio Optimization

1

PATIENT CENTERED DESIGN

Continuous product innovation that fits easily into the patient's lifestyle.



2

CONNECTIVITY

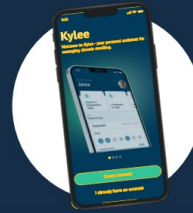
Launch patient engagement app to provide educational content and improve user experience during order process, onboarding and therapy usage.



3

DIGITAL PLATFORM

Develop digital and therapeutic solutions that lead to earlier patient engagement and optimized experience and outcomes.



Improve Payor Policy

PRIORITY:

GOAL:

1 CONTINUE INVESTMENTS IN CLINICAL RESEARCH

- Complete enrollment of our Head & Neck RCT
- Publish Therapist/Flexitouch comparative pressure study
- Support investigator initiated studies

2 IMPROVE PATIENT ACCESS

- More than 275 million US lives have coverage for our therapies but barriers to access still exist
- Focused on simplifying these coverages to ensure our patients have access

3 ENHANCE PROCESS

- Streamline the order process to improve efficiency to shorten the time it takes for a patient to begin therapy
- Focus on billing and collections process improvement to improve days outstanding and cash collections

Operational Efficiency

OPERATIONS



ORDER PROCESS



PATIENT EDUCATION & TRAINING



PATIENT SUPPORT



TECHNOLOGY

PROGRESS TOWARD DESIRED STATE

Low/no touch automated processing, ease of referral for clinicians, and informed patient experience

Patient driven training experience, highly virtual, supported with digital tools, and new products

Digital patient engagement, with omni-channel and self-serve options

Flow enabled, supported by AI, ML, automated payer policies, reduced manual intervention

Yields better patient, provider, and business outcomes while lowering our cost to serve

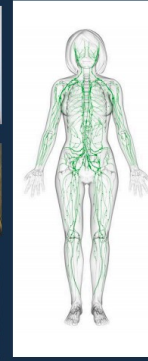
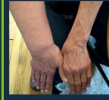
Lymphedema: Chronic, Progressive, Underserved Market

The lymphatic system enables the transport of fluids containing infection-fighting white blood cells that rid the body of toxins and waste throughout the body.

Sources of lymphedema include chronic venous insufficiency, cancer treatment, obesity, trauma, surgery and infection.

Lymphedema symptoms and consequences include:

- Cellulitis Fibrosis
- Swelling
- Hard-to-heal wounds
- Limb heaviness
- Fibrosis
- Skin changes
- Dysphagia
- Pain & tightness
- Ability to swallow
- Limited range of motion



Lymphedema: Growing Body of Clinical Evidence

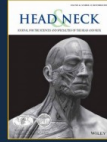
ESTABLISHED SUPPORT

- 20 clinical studies
- 28 peer reviewed articles
- 37% reduction in total lymphedema-related costs per a study of 718 lymphedema patients published in *(JAMA) Dermatology*, Oct. 2015
- >HCPCS code (E0651/E0652)

NEW/EMERGING SUPPORT

“The American Venous Forum, American Vein and Lymphatic Society and the Society for Vascular Medicine Expert Opinion Consensus on Lymphedema Diagnosis and Treatment;” published in *Phlebology*, May 2022

“Advanced Pneumatic Compression for Treatment of Lymphedema of the Head and Neck: a Randomized Wait-List Controlled Trial;” published in *Supportive Care in Cancer*, June 2020



Lymphedema: Positioned to Win

#1
MARKET
SHARE

\$5B+
TOTAL
ADDRESSABLE
MARKET

- CLINICALLY PROVEN FLEXITOUCH AND ENTRE PNEUMATIC COMPRESSION DEVICES
- EXPANDING CLINICAL EVIDENCE
- DIRECT SALES FORCE
- BACK OFFICE SUPPORT
- BROAD INSURANCE COVERAGE
- 275M U.S. LIVES UNDER COVERAGE

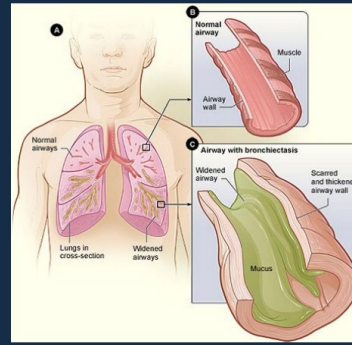


Bronchiectasis: Chronic, Progressive, Underserved Market

Bronchiectasis (BE) is permanent scarring and dilation of the airways with excessive mucus production

Recurring lung infections, pneumonias, lead to progressive damage of airway wall

Bronchiectasis identified in nearly 1 in 4 (23%) smokers¹



1. Cai Q, Triphuridat N, Zhu Y, et al. Bronchiectasis in Low-Dose CT Screening for Lung Cancer [published online ahead of print, 2022 Apr 19]. *Radiology*. 2022;212547. doi:10.1148/radiol.212547

Current Treatment Paradigm

1

LEFT UNTREATED

- Commonly missed diagnosis due to overlap with COPD; BE occurs in up to 42% of COPD patients.^{1,2}
- Inability to clear mucus leads to a cycle of infection, inflammation and worsening damage

2

BASIC APPROACH

- Antibiotics for commonly-occurring infections
- Airway clearance foundational; common methods:
 - Huff coughing
 - PEP devices

3

STANDARD OF CARE

- Chest physiotherapy (CPT)
- Administered by care provider with manual positioning and clapping the lungs to thin and mobilize secretions

4

AFFLOVEST®

- High frequency chest wall oscillation (HFCWO)
- Mimics manual CPT
- Can be used with other treatments, independent of a caregiver
- Fully mobile during use; designed to improve adherence

1. Kosmas E, et al., Bronchiectasis in Patients with COPD: An Irrelevant Imaging Finding or a Clinically Important Phenotype? *CHEST*. 2016;150(4):894A.
2. Alkamil, T, et al., Bronchiectasis and Chronic Airway Disease: It Is Not Just About Asthma and COPD. *CHEST*. 2018;154(4):737-739.

Airway Clearance: Positioned to Win

#2

MARKET
SHARE
(based on units)

\$5B+

TOTAL
ADDRESSABLE
MARKET

- PORTABLE DESIGN
- BROAD DME CHANNEL REACH
- MEETS RESPIRATORY PATIENTS' COMPLEX NEEDS
- STRONG REIMBURSEMENT
- COMPELLING ECONOMICS FOR DME PARTNERS



Long Term Objectives For Profitable Growth

FUTURE: FY 2025 GOALS

\$350M+ REVENUE
3-year CAGR of 13%*

\$50M+ ADJ. EBITDA
14%+ Adj. EBITDA Margin

**\$75M+ CUMULATIVE FREE
CASH FLOW****
Strengthening balance sheet

KEY DRIVERS

Growing, underserved markets with enhanced product portfolio

Creating a leverageable infrastructure enabled by improved payor policy and digital strategy

Continuous improvement to capital efficiency and working capital requirements

*Implied 3-year revenue CAGR based on FY25 revenue vs. FY22 revenue guidance range of \$442 - \$485 million.

**Non-GAAP measure. Free Cash Flow defined as cash flow from operations less capital expenditures. Cumulative free cash flow generation target based on 3-year period ending 12/31/2025.

Compelling Investment Highlights

ATTRACTIVE END MARKETS

- Large, growing and underserved patient segments
- Broad payer adoption
- Expanding clinical education/awareness

UNIQUE ASSETS

- Clinically proven therapies
- Large, well-developed distribution channels
- Comprehensive back-office capabilities
- Development focused on innovation and digital roadmap

VALUE CREATION

- Building a more leverageable and efficient infrastructure
- Gross margins >70%
- Improving profitability and strong free cash flow* generation

*Non-GAAP measure. Free Cash Flow defined as cash flow from operations less capital expenditures.

Thank You

Q3'22 Financial Results and FY'22 Financial Outlook

\$ Millions	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Lymphedema products	\$54.2	\$51.6	\$146.5	\$145.5
Airway clearance products	\$11.0	\$0.9	\$26.4	\$0.9
Total revenues	\$65.3	\$52.5	\$172.9	\$146.3
Gross profit	\$46.8	\$37.0	\$123.9	\$103.4
<i>Gross margin</i>	71.7%	70.4%	71.7%	70.7%
<i>Non-GAAP gross margin</i>	72.2%	71.8%	72.2%	71.2%
Total operating expenses	\$48.4	\$38.3	\$144.5	\$108.9
Operating income/(loss)	(\$1.6)	(\$1.4)	(\$20.6)	(\$5.5)
Net income/(loss)	(\$2.3)	(\$3.4)	(\$22.5)	(\$4.3)
Adjusted EBITDA*	\$7.2	\$4.1	\$6.2	\$8.2

*Non-GAAP measure. See Appendix for a reconciliation to the directly comparable GAAP measure.

UPDATED FULL-YEAR
2022 FINANCIAL OUTLOOK:

REVENUE
~\$242-\$245M

ADJ EBITDA
~\$15-16M

Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA

(\$ Millions)	Years ended December 31						
	2021	2020	2019	2018	2017	2016	2015
Net (loss) income	\$ (11.8)	\$ (0.6)	\$ 11.0	\$ 6.6	\$ 5.9	\$ 2.9	\$ 1.4
Interest expense (income), net	0.5	(0.1)	(0.3)	(0.4)	(0.4)	(0.0)	0.2
Income tax (benefit) expense	9.5	(1.6)	0.2	(3.1)	(1.7)	1.4	1.9
Depreciation and amortization	3.7	2.8	3.5	3.7	1.8	0.8	0.8
Stock-based compensation	10.2	10.7	9.8	8.0	4.2	1.9	0.3
Loss on termination of lease	—	—	1.1	—	—	—	—
Impairment charges and inventory write-offs	0.6	4.0	—	2.5	—	—	—
Acquisition costs	1.1	—	—	—	—	—	—
CARES Act funding	—	(1.2)	—	—	—	—	—
Change in fair value of earn-out	(0.2)	—	—	—	—	—	—
Litigation defense costs	3.7	1.0	—	—	—	—	—
Executive transition costs	0.5	1.0	—	—	—	—	—
Adjusted EBITDA	\$ 17.7	\$ 16.0	\$ 25.3	\$ 17.3	\$ 9.9	\$ 7.0	\$ 4.6

Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA

(Dollars in Millions)	Three Months Ended September 30,		Increase (Decrease)		Nine Months Ended September 30,		Increase (Decrease)	
	2022	2021	\$	%	2022	2021	\$	%
Net loss	\$ (2.3)	\$ (3.4)	\$ 1	(32) %	\$ (22.5)	\$ (4.3)	\$ (18)	N.M. %
Interest expense, net	0.7	0.1	1	N.M. %	1.8	0.1	2	N.M. %
Income tax (benefit) expense	(0.1)	1.9	(2)	(104) %	0.1	(1.4)	1	(108) %
Depreciation and amortization	1.7	0.9	1	92 %	4.7	2.2	3	117 %
Stock-based compensation	2.6	2.6	(0)	(1) %	7.7	7.7	(0)	(0) %
Impairment charges and inventory write-offs	—	0.6	(1)	(100) %	—	0.6	(1)	(100) %
Acquisition costs	—	0.8	(1)	(100) %	—	0.8	(1)	(100) %
Change in fair value of earn-out	3.3	—	3	—	10.9	—	11	—
Litigation defense costs	0.9	0.6	0	47 %	3.3	2.4	1	39 %
Executive transition costs	0.3	—	0	— %	0.3	0.2	0	56 %
Adjusted EBITDA	\$ 7.2	\$ 4.1	\$ 3.1	74 %	\$ 6.2	\$ 8.2	\$ (2.0)	(25) %