



Kestra Medical Technologies Reports First Quarter Fiscal 2026 Financial Results

September 11, 2025

KIRKLAND, Wash., Sept. 11, 2025 (GLOBE NEWSWIRE) -- Kestra Medical Technologies, Ltd. (Nasdaq: KMTS), a wearable medical device and digital healthcare company, today reported financial results for the first quarter fiscal 2026, which ended July 31, 2025.

Financial Highlights

- Generated revenue of \$19.4 million in Q1 FY26, an increase of 52% compared to the prior year period.
- Expanded gross margin to 45.7% in Q1 FY26 compared to 32.9% in the prior year period.
- Increased FY26 revenue guidance to \$88 million, representing growth of 47% compared to FY25.

"We had a strong start to fiscal 2026, with our sustained commercial momentum generating revenue growth of over 50% in the first quarter," said Brian Webster, President and CEO. "We also continued to make progress on several key operational objectives, including growing the commercial organization, enhancing our revenue cycle management capabilities, and expanding gross margin. As we progress on our journey to category leadership, we remain focused on both market share capture and growing the wearable defibrillator market, while executing on our commitments to patients and their prescribers."

First Quarter Fiscal 2026 Financial Results

- Total revenue was \$19.4 million, an increase of 52% compared to the prior year period.
 - 4,205 prescriptions were written for the ASSURE[®] system, an increase of 51% compared to the prior year period.
 - Revenue growth was driven by higher market share with existing customers and activation of new accounts. Revenue also benefited from a higher mix of in-network patients and improvements in revenue cycle management capabilities.
- Gross profit was \$8.9 million compared to \$4.2 million in the prior year period.
 - Gross margin expanded to 45.7% compared to 32.9% in the prior year period, driven by volume leverage and a higher mix of in-network patients.
- GAAP operating expenses were \$37.7 million and included \$2.9 million of non-recurring new public company costs. GAAP operating expenses were \$22.6 million in the prior year period.
 - Excluding non-recurring new public company costs and share-based compensation expense, operating expenses were \$30.3 million in Q1 FY26. The increase was attributable to growth in expenses related to commercial and revenue cycle resources.
- GAAP net loss and comprehensive loss was \$25.8 million compared to GAAP net loss and comprehensive loss of \$20.3 million in the prior year period.
 - Adjusted EBITDA* loss was \$19.4 million compared to an adjusted EBITDA loss of \$15.7 million in the prior year period.
- Cash and cash equivalents totaled \$201.2 million as of July 31, 2025.

**Adjusted EBITDA is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" below for additional information. A reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure is included in this press release.*

Fiscal Year 2026 Revenue Guidance

Kestra is increasing its FY26 revenue guidance to \$88 million, representing growth of 47% compared to FY25. This compares to prior FY26 revenue guidance of \$85 million.

Webcast and Conference Call

Kestra will host a conference call today at 4:30 p.m. ET to discuss first quarter fiscal 2026 financial results. A live and archived webcast of the event will be available in the "Events" section of the investor relations [website](#).

Use of Non-GAAP Financial Measures

This press release contains certain financial information that is not presented in conformity with U.S. generally accepted

accounting principles (“GAAP”), including Adjusted EBITDA. The non-GAAP financial measures are provided as supplemental information to Kestra’s financial measures presented in this press release that are calculated and presented in accordance with GAAP.

Adjusted EBITDA, which is calculated as net income (loss), as adjusted to exclude other income/expense (including interest), income tax expense (benefit), depreciation and amortization expense, share-based compensation expense, and non-recurring new public company costs, is presented because management believes it allows investors to view the Company’s performance in a manner similar to the method used by management to evaluate the Company’s performance for both strategic and annual operating planning. Management believes that in order to properly understand short-term and long-term financial trends, it is helpful for investors to understand the impact of the items excluded from the calculation of Adjusted EBITDA, in addition to considering the Company’s GAAP financial measures. The excluded items vary in frequency and/or impact on our results of operations and management believes that the excluded items are not reflective of our ongoing core business operations and financial condition. Excluding such items allows investors and analysts to compare our operating performance to other companies in our industry and to compare our period-over-period results.

The non-GAAP financial measures used by Kestra may not be the same or calculated in the same manner as those used and calculated by other companies. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for Kestra’s financial results prepared and reported in accordance with GAAP. We urge investors to review the reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures included in this press release, and not to rely on any single financial measure to evaluate our business. A reconciliation of Adjusted EBITDA reported in this press release to the most comparable GAAP measure for the respective periods appears in the table captioned “Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA” later in this release. Within the accompanying financial tables presented, certain columns and rows may not add due to the use of rounded numbers.

Forward-Looking Statements

Except where otherwise noted, the information contained in this press release is as of September 11, 2025. Statements in this press release and on the related teleconference that express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements. Except as required by law, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about, among other topics, our anticipated operating and financial performance, including financial guidance and projections; business plans, strategy, goals and prospects; and expectations for our products. Given their forward-looking nature, these statements involve substantial risks, uncertainties and potentially inaccurate assumptions, and we cannot ensure that any outcome expressed in these forward-looking statements will be realized in whole or in part. You can identify these statements by the fact that they use future dates or use words such as “will,” “may,” “could,” “likely,” “ongoing,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “assume,” “target,” “forecast,” “guidance,” “goal,” “objective,” “aim,” “seek,” “potential,” “hope” and other words and terms of similar meaning. Kestra’s financial guidance is based on estimates and assumptions that are subject to significant uncertainties. Among the factors that could cause actual results to differ materially from past results and future plans and projected future results are the following: risks related to our limited operating history and history of net losses; our ability to successfully achieve substantial market adoption of our products; competitive pressures; our ability to adapt our manufacturing and production capacities to evolving patterns of demand, governmental actions and customer trends; product defects or complaints and related liability; our ability to obtain and maintain adequate coverage and reimbursement levels for our products; our ability to comply with changing laws and regulatory requirements and resulting costs; our dependence on a limited number of suppliers; and other risks and uncertainties, including those described under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended April 30, 2025 and other filings filed or to be filed with the U.S. Securities and Exchange Commission (“SEC”). These filings, when made, are available on the Investor Relations section of our website at <https://investors.kestramedical.com/> and on the SEC’s website at <https://sec.gov/>.

About Kestra

Kestra Medical Technologies, Ltd. is a commercial-stage wearable medical device and digital healthcare company focused on transforming patient outcomes in cardiovascular disease using monitoring and therapeutic intervention technologies that are intuitive, intelligent, and connected. For more information, visit www.kestramedical.com.

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended July 31,	
	2025	2024
Revenue	\$ 19,371	\$ 12,782
Cost of revenue	10,520	8,582

Gross profit	8,851	4,200
Operating expenses:		
Research and development	4,001	3,404
Selling, general and administrative	33,728	19,227
Total operating expenses	37,729	22,631
Loss from operations	(28,878)	(18,431)
Other expense (income):		
Interest expense	1,912	1,874
Interest income	(2,167)	(37)
Other expense (income)	(2,830)	48
Net loss before provision for income taxes	(25,793)	(20,316)
Provision for income taxes	33	7
Net loss and comprehensive loss	(25,826)	(20,323)
Net loss attributable to non-controlling interest	—	(439)
Net loss and comprehensive loss attributable to Kestra Medical Technologies, Ltd.	(25,826)	(19,884)
Less: Undeclared preferred stock dividends	—	2,383
Net loss attributable to common shareholders, basic and diluted	<u>\$ (25,826)</u>	<u>\$ (22,267)</u>
Net loss per share attributable to common shareholders, basic and diluted	\$ (0.50)	\$ (1.12)
Weighted-average shares of common shares outstanding, basic and diluted	<u>51,304,599</u>	<u>19,885,382</u>

RECONCILIATION OF GAAP NET LOSS AND COMPREHENSIVE LOSS TO ADJUSTED EBITDA

(in thousands)
(unaudited)

	Three Months Ended July 31,	
	2025	2024
GAAP Net loss and comprehensive loss	\$ (25,826)	\$ (20,323)
Non-GAAP Adjustments:		
Interest expense	1,912	1,874
Interest income	(2,167)	(37)
Other expense (income)	(2,830)	48
Provision for income taxes	33	7
Depreciation expense	2,028	2,375
Share-based compensation expense	4,579	377
Non-recurring new public company costs	2,866	—
Adjusted EBITDA	<u>\$ (19,405)</u>	<u>\$ (15,679)</u>

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)
(unaudited)

	July 31, 2025	April 30, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 201,214	\$ 237,595
Accounts receivable, net	9,246	8,081
Disposable medical equipment supplies	6,802	6,572
Prepaid expenses and other current assets	<u>3,429</u>	<u>3,080</u>

Total current assets	220,691	255,328
Right-of-use assets	2,046	2,078
Deposits	1,787	2,021
Restricted cash	334	334
Property and equipment, net	40,376	34,830
Other long-term assets	1,062	1,153
Total assets	<u>\$ 266,296</u>	<u>\$ 295,744</u>

Liabilities and Shareholders' Equity

Current liabilities

Accounts payable	\$ 18,570	\$ 23,961
Accrued liabilities	13,650	13,829
Operating lease liabilities, current portion	<u>36</u>	<u>187</u>
Total current liabilities	32,256	37,977

Operating lease liabilities, net of current portion	3,067	3,026
Warrant liabilities	5,188	8,097
Other long-term liabilities	140	140
Long-term debt, net	<u>41,486</u>	<u>41,098</u>
Total liabilities	<u>82,137</u>	<u>90,338</u>

Commitments and contingencies

Shareholders' equity

Common shares, \$1.00 par value; 100,000,000 shares authorized as of July 31, 2025 and April 30, 2025; 51,348,656 shares issued and outstanding as of July 31, 2025 and April 30, 2025	51,349	51,349
Additional paid-in capital	678,885	674,306
Accumulated deficit	<u>(546,075)</u>	<u>(520,249)</u>
Total shareholders' equity	<u>184,159</u>	<u>205,406</u>
Total liabilities and shareholders' equity	<u>\$ 266,296</u>	<u>\$ 295,744</u>

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