UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: July 2, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-14041

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts	**04-2882273**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
125 Summer Street **Boston, Massachusetts**	**02110**
(Address of principal executive offices)	(Zip Code)

(781) 848-7100
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, $.01 par value per share	HAE	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐No x

The number of shares of $0.01 par value common stock outstanding as of August 8, 2022: 51,316,543

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ITEM 1. FINANCIAL STATEMENTS

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited in thousands, except per share data)

	Three Months Ended	
	July 2, 2022	July 3, 2021
Net revenues	$ 261,458	$ 228,528
Cost of goods sold	119,195	120,443
Gross profit	142,263	108,085
Operating expenses:		
Research and development	10,902	12,701
Selling, general and administrative	92,227	91,218
Amortization of intangible assets	8,367	12,379
Gains on divestitures and sale of assets	—	(9,603)
Total operating expenses	111,496	106,695
Operating income	30,767	1,390
Interest and other expense, net	(5,273)	(4,398)
Income (loss) before provision for income taxes	25,494	(3,008)
Provision for income taxes	5,617	1,446
Net income (loss)	**$ 19,877**	**$ (4,454)**
Net income (loss) per share - basic	$ 0.39	$ (0.09)
Net income (loss) per share - diluted	$ 0.38	$ (0.09)
Weighted average shares outstanding		
Basic	51,224	50,939
Diluted	51,683	50,939
Comprehensive income (loss)	$ 13,114	$ (4,007)

The accompanying notes are an integral part of these condensed consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited in thousands, except share data)

	July 2, 2022	April 2, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 214,948	$ 259,496
Accounts receivable, less allowance of $2,495 at July 2, 2022 and $2,475 at April 2, 2022	146,463	159,376
Inventories, net	277,887	293,027
Prepaid expenses and other current assets	48,485	44,132
Total current assets	687,783	756,031
Property, plant and equipment, net	288,321	258,482
Intangible assets, less accumulated amortization of $386,235 at July 2, 2022 and $376,552 at April 2, 2022	302,710	310,261
Goodwill	466,115	467,287
Deferred tax asset	4,552	4,468
Other long-term assets	71,045	63,205
Total assets	**$ 1,820,526**	**$ 1,859,734**
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 6,853	$ 214,148
Accounts payable	57,907	58,371
Accrued payroll and related costs	30,422	48,540
Other current liabilities	85,305	121,207
Total current liabilities	180,487	442,266
Long-term debt, net of current maturities	763,141	559,441
Deferred tax liability	32,622	28,727
Other long-term liabilities	73,853	79,876
Total stockholders’ equity		
Common stock, $0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 51,315,653 shares at July 2, 2022 and 51,124,240 shares at April 2, 2022	513	511
Additional paid-in capital	580,359	572,476
Retained earnings	222,268	202,391
Accumulated other comprehensive loss	(32,717)	(25,954)
Total stockholders’ equity	770,423	749,424
Total liabilities and stockholders’ equity	**$ 1,820,526**	**$ 1,859,734**

The accompanying notes are an integral part of these condensed consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY
(Unaudited in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders’ Equity
	Shares	Par Value				
Balance, April 2, 2022	**51,124**	**$ 511**	**$ 572,476**	**$ 202,391**	**$ (25,954)**	**$ 749,424**
Employee stock purchase plan	57	—	2,459	—	—	2,459
Exercise of stock options	3	1	126	—	—	127
Issuance of restricted stock, net of cancellations	131	1	(1)	—	—	—
Share-based compensation expense	—	—	5,299	—	—	5,299
Net income	—	—	—	19,877	—	19,877
Other comprehensive loss	—	—	—	—	(6,763)	(6,763)
Balance, July 2, 2022	**51,315**	**$ 513**	**$ 580,359**	**$ 222,268**	**$ (32,717)**	**$ 770,423**

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders’ Equity
	Shares	Par Value				
Balance, April 3, 2021	**50,869**	**$ 509**	**$ 602,727**	**$ 157,981**	**$ (29,547)**	**$ 731,670**
Employee stock purchase plan	39	—	2,210	—	—	2,210
Exercise of stock options	14	—	500	—	—	500
Issuance of restricted stock, net of cancellations	91	1	(1)	—	—	—
Cumulative effect of change in accounting standards	—	—	(61,156)	1,035	—	(60,121)
Share-based compensation expense	—	—	6,828	—	—	6,828
Net loss	—	—	—	(4,454)	—	(4,454)
Other comprehensive income	—	—	—	—	447	447
Balance, July 3, 2021	**51,013**	**$ 510**	**$ 551,108**	**$ 154,562**	**$ (29,100)**	**$ 677,080**

The accompanying notes are an integral part of these condensed consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited in thousands)

	Three Months Ended	
	July 2, 2022	**July 3, 2021**
Cash Flows from Operating Activities:		
Net income (loss)	$ 19,877	$ (4,454)
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	22,447	25,033
Impairment of assets	94	5,144
Share-based compensation expense	5,299	6,828
Amortization of deferred finance costs	797	1,019
Benefit for losses on inventory	(2,075)	(544)
Gains on divestitures and sale of assets	—	(9,603)
Contingent consideration expense	(504)	9,774
Other non-cash operating activities	1,602	4,940
Change in operating assets and liabilities:		
Change in accounts receivable	10,358	(5,342)
Change in inventories	15,240	(8,553)
Change in prepaid income taxes	2,118	2,121
Change in other assets and other liabilities	(6,079)	1,256
Change in accounts payable and accrued expenses	(27,181)	(29,299)
Net cash provided by (used in) operating activities	41,993	(1,680)
Cash Flows from Investing Activities:		
Capital expenditures	(45,467)	(13,919)
Acquisition	(2,850)	(2,500)
Proceeds from sale of property, plant and equipment	498	568
Other investments	(10,395)	—
Net cash used in investing activities	(58,214)	(15,851)
Cash Flows from Financing Activities:		
Repayment of term loan borrowings	(4,375)	(4,375)
Contingent consideration payments	(21,593)	—
Proceeds from employee stock purchase plan	2,459	2,210
Proceeds from exercise of stock options	127	500
Other	(13)	31
Net cash used in financing activities	(23,395)	(1,634)
Effect of exchange rates on cash and cash equivalents	(4,932)	322
Net Change in Cash and Cash Equivalents	(44,548)	(18,843)
Cash and Cash Equivalents at Beginning of Period	259,496	192,305
Cash and Cash Equivalents at End of Period	**$ 214,948**	**$ 173,462**
Supplemental Disclosures of Cash Flow Information:		
Non-Cash Investing and Financing Activities:		
Transfers from inventory to fixed assets for placement of Haemonetics equipment	$ 38,022	$ 3,203

The accompanying notes are an integral part of these condensed consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Haemonetics Corporation (“Haemonetics” or the “Company”) presented herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of the Company’s management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. All intercompany transactions have been eliminated. Operating results for the three months ended July 2, 2022 are not necessarily indicative of the results that may be expected for the full fiscal year ending April 1, 2023 or any other interim period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes included in the Annual Report on Form 10-K for the fiscal year ended April 2, 2022.

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated as required. There were no material recognized or unrecognized subsequent events as of or for the three months ended July 2, 2022, except for those discussed in Note 5, *Earnings Per Share* and Note 9, *Notes Payable and Long-term Debt*.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Standards Implemented

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) Update No. 2019-12 — Income Taxes (Topic 740). The new guidance improves consistent application of and simplifies the accounting for income taxes by removing certain exceptions to the general principals in Topic 740. The Company adopted ASC Update No. 2019-12 effective April 4, 2021. The adoption did not have a material impact on the Company’s financial position or results of operations.

In August 2020, the FASB issued ASC Update No. 2020-06 — Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity’s Own Equity (Subtopic 815-40). The amendments simplify the complexity associated with applying U.S. GAAP for certain financial instruments with characteristics of liabilities and equity. Update No. 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company early adopted ASC Update No. 2020-06 effective April 4, 2021 using the modified retrospective method, which resulted in a decrease of $61.2 million to additional paid-in capital, a decrease to non-current deferred tax liabilities of $20.0 million, and an increase of $80.3 million to non-current convertible notes, net, on the condensed consolidated balance sheets. Additionally, retained earnings was adjusted to remove amortization expense recognized in prior periods related to the debt discount and the convertible notes no longer have a debt discount that will be amortized, net of taxes. The impact to retained earnings on the condensed consolidated balance sheets as of April 4, 2021 is an increase of $1.0 million.

In July 2021, the FASB issued ASC Update No. 2021-05 — Leases (Topic 842). The new guidance requires a lessor to classify a lease with variable lease payments that do not depend on an index or rate as an operating lease at lease commencement if the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria of ASC 842 and the lessor would have otherwise recognized a day-one loss. The Company prospectively adopted ASC Update No. 2021-05 effective in the second quarter of fiscal year 2022. The adoption did not have a material impact on the Company’s financial position or results of operations.

Standards to be Implemented

In March 2020, the FASB issued ASU 2020-04 — Reference Rate Reform (Topic 848). The new guidance allows companies to elect certain practical expedients to ease the financial reporting burden during the transition period of reference rate reform. The Company is evaluating the impact of this ASU and the related practical expedients allowed under ASU 848 on the Company's financial position and results of operations.

3. RESTRUCTURING

On an ongoing basis, the Company reviews the global economy, the healthcare industry, and the markets in which it competes to identify opportunities for efficiencies, enhance commercial capabilities, align its resources and offer its customers better solutions. In order to realize these opportunities, the Company undertakes restructuring-type activities to transform its business.

In July 2019, the Board of Directors of the Company approved the Operational Excellence Program (the "2020 Program") and delegated authority to the Company's management to determine the detail of the initiatives that will comprise the program. During fiscal 2022, the Company revised the program to improve product and service quality, reduce cost principally in its manufacturing and supply chain operations and ensure sustainability while helping to offset impacts from a previously announced customer loss, rising inflationary pressures and effects of the COVID-19 pandemic. The Company now expects to incur aggregate charges between $95 million and $105 million by the end of fiscal 2025. The majority of charges will result in cash outlays, including severance and other employee costs, and will be incurred as the specific actions required to execute these initiatives are identified and approved. During the three months ended July 2, 2022 and July 3, 2021, the Company incurred $3.5 million and $9.9 million, respectively, of restructuring and restructuring related costs under this program. Total cumulative charges under this program are $59.2 million.

The following table summarizes the activity for restructuring reserves related to the 2020 Program and prior programs for the three months ended July 2, 2022, substantially all of which relates to employee severance and other employee costs:

(In thousands)	2020 Program	Prior Programs	Total
Balance at April 2, 2022	$ 2,460	$ 345	$ 2,805
Costs incurred, net of reversals	(44)	—	(44)
Payments	(703)	(20)	(723)
Balance at July 2, 2022	$ 1,713	$ 325	$ 2,038

The following presents the restructuring costs by line item within our accompanying unaudited Condensed Consolidated Statements of Income and Comprehensive Income:

	Three Months Ended	
(In thousands)	July 2, 2022	July 3, 2021
Cost of goods sold	$ (206)	$ 2,253
Research and development	—	105
Selling, general and administrative expenses	162	1,062
	$ (44)	$ 3,420

As of July 2, 2022, the Company had a restructuring liability of $2.0 million, of which $1.7 million is payable within the next twelve months.

In addition to the restructuring costs included in the table above, the Company also incurred costs that do not constitute restructuring under ASC 420, *Exit and Disposal Cost Obligations*, and which the Company instead refers to as restructuring related costs. These costs consist primarily of expenditures directly related to the restructuring actions and include program management costs associated with the implementation of outsourcing initiatives and recent accounting standards.

The tables below present restructuring and restructuring related costs by reportable segment:

Restructuring costs	Three Months Ended	
(In thousands)	July 2, 2022	July 3, 2021
Plasma	$ (211)	$ 2,288
Blood Center	—	3
Hospital	—	(38)
Corporate	167	1,167
Total	$ (44)	$ 3,420

Restructuring related costs	Three Months Ended	
(In thousands)	July 2, 2022	July 3, 2021
Plasma	$ 640	$ 1,738
Blood Center	2	490
Hospital	89	133
Corporate	2,791	4,274
Total	$ 3,522	$ 6,635
Total restructuring and restructuring related costs	**$ 3,478**	**$ 10,055**

4. INCOME TAXES

The Company conducts business globally and reports its results of operations in a number of foreign jurisdictions in addition to the United States. The Company's reported tax rate is impacted by the jurisdictional mix of earnings in any given period as the foreign jurisdictions in which it operates have tax rates that differ from the U.S. statutory tax rate.

For the three months ended July 2, 2022, the Company reported income tax expense of $5.6 million representing an effective tax rate of 22.0%. The effective tax rate for the three months ended July 2, 2022 includes $0.6 million of discrete tax expense relating to stock compensation shortfalls.

For the three months ended July 3, 2021, the Company reported income tax expense of $1.4 million representing an effective tax rate of (48.1)%. The effective tax rate for the three months ended July 3, 2021 includes $0.8 million of discrete tax expense relating to stock compensation shortfalls.

5. EARNINGS PER SHARE

The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations.

	Three Months Ended	
(In thousands, except per share amounts)	July 2, 2022	July 3, 2021
Basic EPS		
Net income (loss)	$ 19,877	$ (4,454)
Weighted average shares	51,224	50,939
Basic income (loss) per share	**$ 0.39**	**$ (0.09)**
Diluted EPS		
Net income (loss)	$ 19,877	$ (4,454)
Basic weighted average shares	51,224	50,939
Net effect of common stock equivalents	459	—
Diluted weighted average shares	51,683	50,939
Diluted income (loss) per share	**$ 0.38**	**$ (0.09)**

Basic earnings per share is calculated using the Company’s weighted-average outstanding common stock. Diluted earnings per share is calculated using its weighted-average outstanding common stock including the dilutive effect of stock awards as determined under the treasury stock method and the convertible senior notes as determined under the net share settlement method. From the time of the issuance of the convertible senior notes, the average market price of the Company's common shares has been less than the initial conversion price, and consequently no shares have been included in diluted earnings per share for the conversion value of the convertible senior notes. For the three months ended July 2, 2022, weighted average shares outstanding, assuming dilution, excludes the impact of 0.9 million anti-dilutive shares. For the three months ended July 3, 2021, the Company recognized a net loss; therefore it excluded the impact of outstanding stock awards from the diluted loss per share calculation as its inclusion would have an anti-dilutive effect.

In August 2022, the Company announced that its Board of Directors had authorized the repurchase of up to $300 million of Haemonetics common shares over the next three years. Under the share repurchase program, the Company is authorized to repurchase, from time to time, outstanding shares of common stock in accordance with applicable laws on the open market, including under trading plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, and in privately negotiated transactions. The actual timing, number and value of shares repurchased will be determined by the Company at its discretion, with the intent of beginning activity under the program during fiscal 2023, and will depend on a number of factors, including market conditions, applicable legal requirements and compliance with the terms of loan covenants. The share repurchase program may be suspended, modified or discontinued at any time, and the Company has no obligation to repurchase any amount of its common stock under the program.

6. REVENUE

The Company’s revenue recognition policy is to recognize revenues from product sales, software and services in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; this occurs with the transfer of control of the Company’s goods or services. The Company considers revenue to be earned when all of the following criteria are met: it has a contract with a customer that creates enforceable rights and obligations; promised products or services are identified; the transaction price, or the consideration it expects to receive for transferring goods or providing services, is determinable and it has transferred control of the promised items to the customer. A promise in a contract to transfer a distinct good or service to the customer is identified as a performance obligation. A contract’s transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Some of the Company’s contracts have multiple performance obligations. For contracts with multiple performance obligations, the Company allocates the contract’s transaction price to each performance obligation based on the estimated standalone selling prices of the good or service in the contract. For goods or services for which observable standalone selling prices are not available, the Company uses an expected cost plus a margin approach to estimate the standalone selling price of each performance obligation.

As of July 2, 2022, the Company had $24.7 million of its transaction price allocated to remaining performance obligations related to executed contracts with an original duration of one year or more. The Company expects to recognize approximately 76% of this amount as revenue within the next twelve months and the remaining balance thereafter.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Condensed Consolidated Balance Sheets. The difference in timing between billing and revenue recognition primarily occurs in software licensing arrangements, resulting in contract assets and contract liabilities.

As of July 2, 2022 and April 2, 2022, the Company had contract assets of $6.4 million and $5.5 million, respectively. Contract assets are classified as other current assets and other long-term assets on the Condensed Consolidated Balance Sheets.

As of July 2, 2022 and April 2, 2022, the Company had contract liabilities of $25.4 million and $26.8 million, respectively. During the three months ended July 2, 2022, the Company recognized $11.7 million of revenue, respectively, that was included in the above April 2, 2022 contract liability balance.

7. INVENTORIES

Inventories are stated at the lower of cost or net realizable value and include the cost of material, labor and manufacturing overhead. Cost is determined with the first-in, first-out method.

(In thousands)	**July 2, 2022**	**April 2, 2022**
Raw materials	$ 92,416	$ 88,886
Work-in-process	18,234	17,187
Finished goods	167,237	186,954
Total inventories	**$ 277,887**	**$ 293,027**

8. LEASES

Lessor Activity

Assets on the Company’s balance sheet classified as Haemonetics equipment primarily consist of medical devices installed at customer sites but owned by Haemonetics. These devices are leased to customers under contractual arrangements that typically include an operating or sales-type lease as well as the purchase and consumption of a certain level of disposable products. Sales-type leases are not significant. Contract terms vary by customer and may include options to terminate the contract or options to extend the contract. Where devices are provided under operating lease arrangements, a substantial majority of the entire lease revenue is variable and subject to subsequent non-lease component (disposable products) sales. The allocation of revenue between the lease and non-lease components is based on stand-alone selling prices. Operating lease revenue represents approximately 3 percent of the Company’s total net sales.

9. NOTES PAYABLE AND LONG-TERM DEBT

Convertible Senior Notes

In March 2021, the Company issued $500.0 million aggregate principal amount of 0% convertible senior notes due 2026 (the “2026 Notes”). The 2026 Notes are governed by the terms of the Indenture between the Company and U.S. Bank National Association, as trustee (the “Indenture”). The total net proceeds from the sale of the 2026 Notes, after deducting the initial purchasers’ discounts and debt issuance costs, were approximately $486.7 million. The 2026 Notes will mature on March 1, 2026, unless earlier converted, redeemed or repurchased.

During the first quarter of fiscal 2023, the conditions allowing holders of the 2026 Notes to convert have not been met. The 2026 Notes were therefore not convertible as of July 2, 2022 and were classified as long-term debt on the Company’s Condensed Consolidated Balance Sheets.

On April 4, 2021, the Company adopted ASC Update No. 2020-06 using the modified retrospective method, which resulted in a decrease of $61.2 million to additional paid-in capital, a decrease to non-current deferred tax liabilities of $20.0 million, and an increase of $80.3 million to non-current convertible notes, net, on the Condensed Consolidated Balance Sheets. Additionally, retained earnings was adjusted to remove amortization expense recognized in prior periods related to the debt discount and the convertible notes no longer have a debt discount that will be amortized, net of taxes. The impact to retained earnings on the Condensed Consolidated Balance Sheets as of April 4, 2021 is an increase of $1.0 million.

As of July 2, 2022, the $500.0 million principal balance was netted down by $9.9 million of remaining debt issuance costs, resulting in a net convertible note payable of $490.1 million. Interest expense related to the 2026 Notes was $0.7 million, which is entirely attributable to the amortization of the debt issuance costs. The debt issuance costs are amortized at an effective interest rate of 0.5%.

Credit Facilities

On June 15, 2018, the Company entered into a credit agreement with certain lenders that provided for a $350.0 million term loan and a $350.0 million revolving loan (together with the term loan, as amended from time to time, the "2018 Credit Facilities") that mature on June 15, 2023. Interest on the 2018 Credit Facilities is established using LIBOR plus 1.13% - 1.75%, depending on the Company's leverage ratio. Under the 2018 Credit Facilities, the Company is required to maintain certain leverage and interest coverage ratios specified in the credit agreement as well as other customary non-financial affirmative and negative covenants. At July 2, 2022, $280.0 million was outstanding under the term loan with an effective interest rate of 3.4%. There were no borrowings outstanding on the revolving loan. The Company also has $20.9 million of uncommitted operating lines of credit to fund its global operations under which there were no outstanding borrowings as of July 2, 2022.

The Company was in compliance with the leverage and interest coverage ratios specified in the 2018 Credit Facilities as well as all other bank covenants as of July 2, 2022.

On July 26, 2022, the Company entered into an amended and restated credit agreement with certain lenders to refinance the 2018 Credit Facilities and extend their maturity date through June 2025. The amended and restated credit agreement provides for a $280 million senior unsecured term loan, the proceeds of which have been used to retire the balance of the term loan under the 2018 Credit Facilities, and a $420 million senior unsecured revolving credit facility (together, the "Revised Credit Facilities"). Loans under the Revised Credit Facilities will initially bear interest at an annual rate equal to the Adjusted Term SOFR Rate (as specified in the amended and restated credit agreement), which is subject to a floor of 0%, plus an applicable rate ranging from 1.125% to 1.750% based on the Company's consolidated net leverage ratio (as specified in the amended and restated credit agreement) at the applicable measurement date. Adjusted Term SOFR Rate loans are also subject to a credit spread adjustment of 0.10% per annum. The revolving credit facility carries an unused fee that ranges from 0.125% to 0.250% annually based on the Company's consolidated net leverage ratio at the applicable measurement date. Under the Revised Credit Facilities, the Company is required to maintain certain leverage and interest coverage ratios specified in the amended and restated credit agreement as well as other customary non-financial affirmative and negative covenants. The Revised Credit Facilities mature on June 15, 2025. The principal amount of the term loan under the Revised Credit Facilities is repayable quarterly through the maturity date at a rate of 2.5% for the first year and 5% thereafter, with the unpaid balance due at maturity.

As a result of the Company's entry into the Revised Credit Facilities, the Company has reclassified short term debt to long term on the condensed consolidated balance sheet accordance with ASC 470.

The Company has required scheduled principal payments of $5.3 million during the remainder of fiscal 2023.

10. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The Company manufactures, markets and sells its products globally. During the three months ended July 2, 2022, 30.4% of the Company's sales were generated outside the U.S. in local currencies. The Company also incurs certain manufacturing, marketing and selling costs in international markets in local currency.

Accordingly, earnings and cash flows are exposed to market risk from changes in foreign currency exchange rates relative to the U.S. Dollar, the Company's reporting currency. The Company has a program in place that is designed to mitigate the exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize, for a period of time, the impact on its financial results from changes in foreign exchange rates. The Company utilizes foreign currency forward contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily the Japanese Yen and the Euro, and to a lesser extent the Swiss Franc, Chinese Yuan and the Mexican Peso. This does not eliminate the impact of the volatility of foreign exchange rates. However, because the Company generally enters into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation.

Designated Foreign Currency Hedge Contracts

All of the Company's designated foreign currency hedge contracts as of July 2, 2022 and April 2, 2022 were cash flow hedges under ASC 815, *Derivatives and Hedging* ("ASC 815"). The Company records the effective portion of any change in the fair value of designated foreign currency hedge contracts in other comprehensive income until the related third-party transaction occurs. Once the related third-party transaction occurs, the Company reclassifies the effective portion of any related gain or loss on the designated foreign currency hedge contracts to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, the Company will reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. The Company had designated foreign currency hedge contracts outstanding in the contract amount of $49.8 million as of July 2, 2022 and $67.3 million as of April 2, 2022. At July 2, 2022, a gain of $0.9 million, net of tax, will be reclassified to earnings within the next twelve months. Substantially all currency cash flow hedges outstanding as of July 2, 2022 mature within twelve months.

Non-Designated Foreign Currency Contracts

The Company manages its exposure to changes in foreign currency on a consolidated basis to take advantage of offsetting transactions and balances. It uses foreign currency forward contracts as a part of its strategy to manage exposure related to foreign currency denominated monetary assets and liabilities. These foreign currency forward contracts are entered into for periods consistent with currency transaction exposures, generally one month. They are not designated as cash flow or fair value hedges under ASC 815. These forward contracts are marked-to-market with changes in fair value recorded to earnings. The Company had non-designated foreign currency hedge contracts under ASC 815 outstanding in the contract amount of $44.1 million as of July 2, 2022 and $39.5 million as of April 2, 2022.

Interest Rate Swaps

On June 15, 2018, the Company entered into the 2018 Credit Facilities, which provided for a $350.0 million term loan and a $350.0 million revolving credit facility. Under the terms of the 2018 Credit Facilities, interest is established using LIBOR plus 1.13% - 1.75%. As a result, the Company's earnings and cash flows are exposed to interest rate risk from changes to LIBOR. Part of the Company's interest rate risk management strategy includes the use of interest rate swaps to mitigate its exposure to changes in variable interest rates. The Company's objective in using interest rate swaps is to add stability to interest expense and to manage and reduce the risk inherent in interest rate fluctuations.

In August 2018, the Company entered into two interest rate swap agreements (the "Swaps") to pay an average fixed rate of 2.80% on a total notional value of $241.9 million of debt. As a result of the Swaps, 70% of the Term Loan previously exposed to interest rate risk from changes in LIBOR is now fixed at a rate of 4.05%. The Swaps mature on June 15, 2023. As of July 2, 2022, the notional value was $196.0 million. The Company designated the Swaps as cash flow hedges of variable interest rate risk associated with $345.6 million of indebtedness. For the three months ended July 2, 2022, a gain of $3.1 million, net of tax, was recorded in accumulated other comprehensive loss to recognize the effective portion of the fair value of the Swaps that qualify as cash flow hedges.

On July 26, 2022, the Company entered into an amended and restated credit agreement to refinance the 2018 Credit Facilities and extend the maturity date to June 15, 2025. The Company is in the process of evaluating additional interest rate swap protection that would extend beyond June 2023.

Trade Receivables

In the ordinary course of business, the Company grants trade credit to its customers on normal credit terms. In an effort to reduce its credit risk, the Company (i) establishes credit limits for all customers, (ii) performs ongoing credit evaluations of customers' financial condition, (iii) monitors the payment history and aging of customers' receivables, and (iv) monitors open orders against an individual customer's outstanding receivable balance.

The Company's allowance for credit losses is maintained for trade accounts receivable based on the expected collectability, the historical collection experience, the length of time an account is outstanding, the financial position of the customer and information provided by credit rating services. To date, the Company has not experienced significant customer payment defaults, or identified other significant collectability concerns.

The following is a rollforward of the allowance for credit losses:

	Three Months Ended	
(In thousands)	July 2, 2022	July 3, 2021
Beginning balance	**$ 2,475**	**$ 2,226**
Credit (gain) loss	146	27
Write-offs	(126)	(17)
Ending balance	**$ 2,495**	**$ 2,236**

Fair Value of Derivative Instruments

The following table presents the effect of the Company's derivative instruments designated as cash flow hedges and those not designated as hedging instruments under ASC 815 in its unaudited Condensed Consolidated Statements of Income and Comprehensive Income for the three months ended July 2, 2022:

(In thousands)	Amount of Gain Recognized in Accumulated Other Comprehensive Loss	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Location in Condensed Consolidated Statements of Income and Comprehensive Income	Amount of Gain Excluded from Effectiveness Testing	Location in Condensed Consolidated Statements of Income and Comprehensive Income
Designated foreign currency hedge contracts, net of tax	$ 900	$ 1,242	Net revenues, COGS and SG&A	$ 101	Interest and other expense, net
Non-designated foreign currency hedge contracts	$ —	$ —		$ 925	Interest and other expense, net
Designated interest rate swaps, net of tax	$ 2,350	$ (799)	Interest and other expense, net	$ —	

The Company did not have fair value hedges or net investment hedges outstanding as of July 2, 2022 or April 2, 2022. As of July 2, 2022, no material deferred taxes were recognized for designated foreign currency hedges.

ASC 815 requires all derivative instruments to be recognized at their fair values as either assets or liabilities on the balance sheet. The Company determines the fair value of its derivative instruments using the framework prescribed by ASC 820, *Fair Value Measurements and Disclosures*, by considering the estimated amount it would receive or pay to sell or transfer these instruments at the reporting date and by taking into account current interest rates, currency exchange rates, current interest rate curves, interest rate volatilities, the creditworthiness of the counterparty for assets, and its creditworthiness for liabilities. In certain instances, the Company may utilize financial models to measure fair value. Generally, it uses inputs that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other observable inputs for the asset or liability; and inputs derived principally from, or corroborated by, observable market data by correlation or other means. As of July 2, 2022, the Company has classified its derivative assets and liabilities within Level 2 of the fair value hierarchy prescribed by ASC 815, as discussed below, because these observable inputs are available for substantially the full term of its derivative instruments.

The following tables present the fair value of the Company's derivative instruments as they appear in its Condensed Consolidated Balance Sheets as of July 2, 2022 and April 2, 2022:

(In thousands)	**Location in Condensed Consolidated Balance Sheets**	**As of July 2, 2022**	**As of April 2, 2022**
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$ 4,528	$ 3,133
Non-designated foreign currency hedge contracts	Other current assets	110	99
Designated interest rate swaps	Other current assets	49	—
		$ 4,687	**$ 3,232**
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	$ 282	$ 56
Non-designated foreign currency hedge contracts	Other current liabilities	196	25
Designated interest rate swaps	Other current liabilities	—	1,813
		$ 478	**$ 1,894**

Other Fair Value Measurements

Fair value is defined as the exit price that would be received from the sale of an asset or paid to transfer a liability, using assumptions that market participants would use in pricing an asset or liability. The fair value guidance establishes the following three-level hierarchy used for measuring fair value:

- Level 1 — Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.
- Level 2 — Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 — Inputs to the valuation methodology are unobservable inputs based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

The Company's money market funds carried at fair value are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

Fair Value Measured on a Recurring Basis

Financial assets and financial liabilities measured at fair value on a recurring basis consist of the following as of July 2, 2022 and April 2, 2022.

	As of July 2, 2022			
(In thousands)	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 44,030	$ —	$ —	$ 44,030
Designated foreign currency hedge contracts	—	4,528	—	4,528
Non-designated foreign currency hedge contracts	—	110	—	110
Designated interest rate swaps	—	49	—	49
	$ 44,030	**$ 4,687**	**$ —**	**$ 48,717**
Liabilities				
Designated foreign currency hedge contracts	$ —	$ 282	$ —	$ 282
Non-designated foreign currency hedge contracts	—	196	—	196
Contingent consideration	—	—	877	877
	$ —	**$ 478**	**$ 877**	**$ 1,355**

	As of April 2, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 97,425	$ —	$ —	$ 97,425
Designated foreign currency hedge contracts	—	3,133	—	3,133
Non-designated foreign currency hedge contracts	—	99	—	99
	$ 97,425	**$ 3,232**	**$ —**	**$ 100,657**
Liabilities				
Designated foreign currency hedge contracts	$ —	$ 56	$ —	$ 56
Non-designated foreign currency hedge contracts	—	25	—	25
Designated interest rate swaps	—	1,813	—	1,813
Contingent consideration	—	—	33,675	33,675
	$ —	**$ 1,894**	**$ 33,675**	**$ 35,569**

Foreign currency hedge contracts - The fair value of foreign currency hedge contracts was measured using significant other observable inputs and valued by reference to over-the-counter quoted market prices for similar instruments. The Company does not believe that the fair value of these derivative instruments differs significantly from the amount that could be realized upon settlement or maturity, or that the changes in fair value will have a significant effect on its results of operations, financial condition or cash flows.

Interest rate swaps - The fair values of interest rate swaps are measured using the present value of expected future cash flows using market-based observable inputs, including credit risk and interest rate yield curves. The Company does not believe that the fair values of these derivative instruments differ significantly from the amounts that could be realized upon settlement or maturity, or that the changes in fair value will have a significant effect on its results of operations, financial condition or cash flows.

Contingent consideration - The fair value of contingent consideration liabilities is based on significant unobservable inputs, including management estimates and assumptions, and is measured based on the probability-weighted present value of the payments expected to be made. Accordingly, the fair value of contingent consideration has been classified as level 3 within the fair value hierarchy. The recurring level 3 fair value measurements of contingent consideration liabilities include the following significant unobservable inputs:

(In thousands)	Fair Value at July 2, 2022	Valuation Technique	Unobservable Input	Range
Revenue-based payments	$ 877	Discounted cash flow	Discount rate	8.5%
			Projected year of payment	2022 - 2023

The fair value of contingent consideration associated with acquisitions was $0.9 million at July 2, 2022 and was included in other liabilities. A reconciliation of the change in the fair value of contingent consideration is included in the following table:

(In thousands)	
Balance at April 2, 2022	$ 33,675
Change in fair value	(504)
Payments	(32,293)
Currency translation	(1)
Balance at July 2, 2022	**$ 877**

Other Fair Value Disclosures

The Term Loan, which is carried at amortized cost, accounts receivable and accounts payable approximate fair value. The fair value of the 2026 Notes as of July 2, 2022 was $396.1 million, which was determined by using the market price on the last trading day of the reporting period.

11. COMMITMENTS AND CONTINGENCIES

The Company is a party to various legal proceedings and claims arising out of the ordinary course of its business. The Company believes that, except for those matters described below, there are no other proceedings or claims pending against it the ultimate resolution of which could have a material adverse effect on its financial condition or results of operations. At each reporting period, management evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*, for all matters. Legal costs are expensed as incurred.

During the third quarter of fiscal 2021, the Company received a subpoena from the U.S. Attorney's Office for the District of Massachusetts. The subpoena requests certain documents regarding the Company's apheresis and autotransfusion devices and disposables, including documents relating to product complaints and adverse event reporting, regulatory clearances and product design changes, among other matters. The Company is fully cooperating with this inquiry.

In the fourth quarter of fiscal 2021, a putative class action complaint was filed against the Company in the Circuit Court of Cook County, Illinois by Mary Crumpton, on behalf of herself and similarly situated individuals. See *Mary Crumpton v. Haemonetics Corporation, Case No. 1:21-cv-1402*. In her complaint, the plaintiff asserts that between June 2017 and August 2018 she donated plasma at a center operated by one of the Company's customers, that the center required her to scan her finger print in a scanner that stored her finger print to identify her prior to plasma donation, and that the Company's eQue donor management software sent her biometric information to a Company-owned server to be collected and stored in a manner that violated her rights under the Illinois Biometric Information Privacy Act ("BIPA"). The plaintiff seeks statutory damages, attorneys' fees, and injunctive and equitable relief. In March 2021, the Company moved to dismiss the complaint for lack of personal jurisdiction and concurrently filed a motion to dismiss for failure to state a claim and a motion to stay. In late March 2022, the court denied the Company's motion to dismiss for lack of personal jurisdiction but did not address the merits of the Company's other positions. The Company believes the allegations in this lawsuit are without merit and will defend vigorously against them. The case is still in an early stage and the Company cannot reasonably estimate a range of potential loss and expense at this time.

12. SEGMENT AND ENTERPRISE-WIDE INFORMATION

The Company determines its reportable segments by first identifying its operating segments, and then by assessing whether any components of these segments constitute a business for which discrete financial information is available and where segment management regularly reviews the operating results of that component. The Company's reporting structure aligns with its operating structure of three global business units and the information that is regularly reviewed by the Company's chief operating decision maker.

The Company's reportable segments are as follows:

- Plasma
- Blood Center
- Hospital

Management measures and evaluates the operating segments based on operating income. Management excludes certain corporate expenses from segment operating income. In addition, certain amounts that management considers to be non-recurring or non-operational are excluded from segment operating income because management evaluates the operating results of the segments excluding such items. These items include integration and transaction costs, deal amortization, restructuring and restructuring related costs, impairments, accelerated device depreciation and related costs, costs related to compliance with the European Union Medical Device Regulation ("MDR") and In Vitro Diagnostic Regulation ("IVDR"), unusual or infrequent and material litigation-related charges and gains and losses on dispositions and sale of assets. Although these amounts are excluded from segment operating income, as applicable, they are included in the reconciliations that follow. Management measures and evaluates the Company's net revenues and operating income using internally derived standard currency exchange rates that remain constant from year to year; therefore, segment information is presented on this basis.

Selected information by reportable segment is presented below:

	Three Months Ended	
(In thousands)	**July 2, 2022**	**July 3, 2021**
Net revenues		
Plasma	$ 103,042	$ 71,803
Blood Center	66,573	71,736
Hospital	89,184	77,607
Net revenues by business unit	258,799	221,146
Service [1]	5,137	5,268
Effect of exchange rates	(2,478)	2,114
Net revenues	**$ 261,458**	**$ 228,528**

[1] Reflects revenue for service, maintenance and parts

(In thousands)	Three Months Ended July 2, 2022	Three Months Ended July 3, 2021
Segment operating income		
Plasma	$ 55,126	$ 35,346
Blood Center	30,377	33,882
Hospital	34,722	31,597
Segment operating income	120,225	100,825
Corporate expenses [1]	(81,584)	(68,731)
Effect of exchange rates	6,245	5,812
Integration and transaction costs	758	(16,733)
Deal amortization	(8,367)	(12,379)
Restructuring and restructuring related costs	(3,478)	(10,055)
Impairment of assets and PCS2 related charges	350	(3,643)
MDR and IVDR costs	(3,186)	(2,371)
Litigation-related charges	(196)	(938)
Gains on divestitures and sale of assets	—	9,603
Operating income	**$ 30,767**	**$ 1,390**

[1] Reflects shared service expenses including quality and regulatory, customer and field service, research and development, manufacturing and supply chain, as well as other corporate support functions.

Management reviews revenue based on the reportable segments noted above. Although these reportable segments are primarily product-based, they differ from the Company's product line revenues for Plasma products and services and Blood Center products and services. Specifically, the Blood Center reportable segment includes plasma products utilized for collection in blood centers primarily for transfusion purposes. Additionally, product line revenues also include service revenues which are excluded from the reportable segments.

Net revenues by product line are as follows:

(In thousands)	Three Months Ended July 2, 2022	Three Months Ended July 3, 2021
Plasma products and services	$ 118,352	$ 90,509
Blood Center products and services	52,918	57,747
Hospital products and services	90,188	80,272
Net revenues	**$ 261,458**	**$ 228,528**

Net revenues generated in the Company's principle operating regions on a reported basis are as follows:

(In thousands)	Three Months Ended July 2, 2022	Three Months Ended July 3, 2021
United States	$ 181,996	$ 141,028
Japan	13,878	17,221
Europe	40,457	43,335
Asia	24,424	25,952
Other	703	992
Net revenues	**$ 261,458**	**$ 228,528**

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of Accumulated Other Comprehensive Loss are as follows:

(In thousands)	Foreign Currency	Defined Benefit Plans	Net Unrealized Gain/(Loss) on Derivatives	Total
Balance as of April 2, 2022	**$ (27,919)**	**$ 1,619**	**$ 346**	**$ (25,954)**
Other comprehensive income (loss) before reclassifications[1]	(9,570)	—	3,250	(6,320)
Amounts reclassified from Accumulated Other Comprehensive Income[1]	—	—	(443)	(443)
Net current period other comprehensive income (loss)	(9,570)	—	2,807	(6,763)
Balance as of July 2, 2022	**$ (37,489)**	**$ 1,619**	**$ 3,153**	**$ (32,717)**

[1] Presented net of income taxes, the amounts of which are insignificant.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with both our interim condensed consolidated financial statements and notes thereto which appear elsewhere in this Quarterly Report on Form 10-Q and our annual consolidated financial statements, notes thereto and the MD&A contained in our Annual Report on Form 10-K for the fiscal year ended April 2, 2022. The following discussion may contain forward-looking statements and should be read in conjunction with the "Cautionary Statement Regarding Forward-Looking Information" in this discussion.

Introduction

Haemonetics Corporation is a global healthcare company dedicated to providing a suite of innovative medical products and solutions for customers to help them improve patient care and reduce the cost of healthcare. Our technology addresses important medical markets: blood and plasma component collection, the surgical suite and hospital transfusion services. When used in this report, the terms "we," "us," "our", "Haemonetics" and the "Company" mean Haemonetics Corporation.

We view our operations and manage our business in three principal reporting segments: Plasma, Blood Center and Hospital. For that purpose, "Plasma" includes plasma collection devices and disposables, plasma donor management software, and anticoagulant and saline sold to plasma customers. "Blood Center" includes blood collection and processing devices and disposables for red cells, platelets and whole blood. "Hospital", which is comprised of Hemostasis Management, Cell Salvage, Transfusion Management and Vascular Closure products, includes devices and methodologies for measuring coagulation characteristics of blood, surgical blood salvage systems, specialized blood cell processing systems and disposables, blood transfusion management software and vascular closure devices.

We believe that Plasma and Hospital have growth potential, while Blood Center competes in challenging markets that require us to manage the business differently, including reducing costs, shrinking the scope of the current product line, and evaluating opportunities to exit unfavorable customer contracts.

Recent Developments

Share Repurchase Program

In August 2022, we announced that our Board of Directors had authorized the repurchase of up to $300 million of Haemonetics common shares over the next three years. This new share repurchase program will help to offset the dilutive impact of recent and future employee equity grants. The timing and amounts of activity under the repurchase program will be at the Company's discretion with the intent of beginning activity under the program during fiscal 2023.

Debt Issuance and Repayment

On July 26, 2022, we entered into an amended and restated credit agreement with certain lenders to refinance the credit facilities under our 2018 credit agreement (as amended from time to time) and extend the applicable maturity date through June 2025. The amended and restated credit agreement provides for a $280 million senior unsecured term loan, the proceeds of which have been used to retire the balance of the term loan under our 2018 credit agreement, and a $420 million senior unsecured revolving credit facility.

Operational Excellence Program

During fiscal 2022, our Board of Directors approved the revised Operational Excellence Program (the "2020 Program"). The revised program is designed to improve product and service quality, reduce cost principally in our manufacturing and supply chain operations and ensure sustainability while helping to offset impacts from a previously announced customer loss, rising inflationary pressures and effects of the COVID-19 pandemic. We now expect to incur aggregate charges between $95 million and $105 million by the end of fiscal 2025 and to achieve total gross savings of $115 million to $125 million on an annualized basis once the program is completed. The majority of charges will result in cash outlays, including severance and other employee costs, and will be incurred as the specific actions required to execute these initiatives are identified and approved. During the three months ended July 2, 2022 and July 3, 2021, the Company incurred $3.5 million and $9.9 million, respectively, of restructuring and restructuring related costs under this program. Total cumulative charges under this program are $59.2 million as of July 2, 2022.

Financial Summary

	Three Months Ended		
(In thousands, except per share data)	**July 2, 2022**	**July 3, 2021**	**% Increase/ (Decrease)**
Net revenues	$ 261,458	$ 228,528	*14.4 %*
Gross profit	$ 142,263	$ 108,085	*31.6 %*
% of net revenues	*54.4 %*	*47.3 %*	
Operating expenses	$ 111,496	$ 106,695	*4.5 %*
Operating income	$ 30,767	$ 1,390	*2,113.5 %*
% of net revenues	*11.8 %*	*0.6 %*	
Interest and other expense, net	$ (5,273)	$ (4,398)	*19.9 %*
Income (loss) before provision for income taxes	$ 25,494	$ (3,008)	*n/m*
Provision for income taxes	$ 5,617	$ 1,446	*288.5 %*
% of pre-tax income	*22.0 %*	*(48.1)%*	
Net income (loss)	$ 19,877	$ (4,454)	*n/m*
% of net revenues	*7.6 %*	*(1.9)%*	
Net income (loss) per share - basic	$ 0.39	$ (0.09)	*n/m*
Net income (loss) per share - diluted	$ 0.38	$ (0.09)	*n/m*

Net revenues increased 14.4% during the three months ended July 2, 2022, respectively, as compared with the same periods of fiscal 2022. Without the effect of foreign exchange, net revenues increased 16.6% during the three months ended July 2, 2022, respectively, as compared with the same periods of fiscal 2022. Revenue increases including both volume and price in our Plasma and Hospital businesses drove the overall increase in revenue during the three months ended July 2, 2022.

Operating income increased during the three months ended July 2, 2022 as compared with the same period of fiscal 2022, primarily due to increased revenues in Plasma and Hospital and savings from the 2020 Program, as well as decreased spending on acquisition costs in the current year, partially offset by lower revenues in Blood Center, increased freight costs in our global supply chain and increased sales and marketing expense.

Management's Use of Non-GAAP Measures

Management uses non-GAAP financial measures, in addition to financial measures in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), to monitor the financial performance of the business, make informed business decisions, establish budgets and forecast future results. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with U.S. GAAP. Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency conversion rate. We have provided this non-GAAP financial measure because we believe it provides meaningful information regarding our results on a consistent and comparable basis for the periods presented.

RESULTS OF OPERATIONS

Net Revenues by Geography

	Three Months Ended				
(In thousands)	July 2, 2022	July 3, 2021	Reported growth	Currency impact	Constant currency growth [1]
United States	$ 181,996	$ 141,028	29.0 %	— %	29.0 %
International	79,462	87,500	(9.2)%	(5.2)%	(4.0)%
Net revenues	$ 261,458	$ 228,528	14.4 %	(2.2)%	16.6 %

[1] Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency. See "*Management's Use of Non-GAAP Measures.*"

Our principal operations are in the U.S, Europe, Japan and other parts of Asia. Our products are marketed in approximately 90 countries around the world through a combination of our direct sales force, independent distributors and agents. During the three months ended July 2, 2022 our revenue generated outside the U.S. was 30.4% of total net revenues, as compared with 38.3% during the three months ended July 3, 2021, respectively. International sales are generally conducted in local currencies, primarily Japanese Yen, Euro, Chinese Yuan and Australian Dollars. Our results of operations are impacted by changes in foreign exchange rates, particularly in the value of the Yen, Euro and Australian Dollar relative to the U.S. Dollar. We have placed foreign currency hedges to mitigate our exposure to foreign currency fluctuations.

Please see the section entitled "Foreign Exchange" in this discussion for a more complete explanation of how foreign currency affects our business and our strategy for managing this exposure.

Net Revenues by Business Unit

	Three Months Ended				
(In thousands)	July 2, 2022	July 3, 2021	Reported growth	Currency impact	Constant currency growth [1]
Plasma	$ 102,381	$ 71,844	42.5 %	(1.0)%	43.5 %
Blood Center	65,694	72,945	(9.9)%	(2.7)%	(7.2)%
Hospital [2]	88,494	78,494	12.7 %	(2.2)%	14.9 %
Service	4,889	5,245	(6.8)%	(4.3)%	(2.5)%
Net revenues	$ 261,458	$ 228,528	14.4 %	(2.2)%	16.6 %

[1] Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency. See "*Management's Use of Non-GAAP Measures.*"
[2] Hospital revenue includes Hemostasis Management revenue of $33.5 million and $32.2 million during the three months ended July 2, 2022 and July 3, 2021, respectively. Hemostasis Management revenue increased 4.1% in the first quarter of fiscal 2023, as compared with the same period of fiscal 2022. Without the effect of foreign exchange, Hemostasis Management revenue increased 5.8% in the first quarter of fiscal 2023, as compared with the same period of fiscal 2022. Vascular Closure revenue increased 35.9% in the first quarter of fiscal 2023 as compared with the same period of fiscal 2022.

Plasma

Plasma revenue increased 42.5% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. Without the effect of foreign exchange, Plasma revenue increased 43.5% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. The increase during the three months ended July 2, 2022, as compared with the same period of fiscal 2021 was driven by volume and price.

In early April 2021, CSL Plasma, Ltd. ("CSL") informed us of its intent not to renew its supply agreement for the use of PCS2 plasma collection system devices and the purchase of disposable plasmapheresis kits that was initially set to expire in June 2022. In fiscal 2022, revenue under this Supply Agreement was $102.4 million. During the third quarter of fiscal 2022, we amended the supply agreement to allow CSL to continue to use our PCS2 devices and purchase disposables through December 2023. The extension provides CSL the ability to utilize our devices and disposables in their collection centers on a non-exclusive basis, and CSL has committed to a minimum of $88.0 million of disposable purchases in fiscal 2023.

Blood Center

Blood Center revenue decreased 9.9% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. Without the effect of foreign exchange, Blood Center revenue decreased 7.2% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. The decrease during the three months ended July 2, 2022 as compared with the same periods of fiscal 2022 was primarily driven by a decline in the volume of apheresis disposables.

Hospital

Hospital revenue increased 12.7% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. Without the effect of foreign exchange, Hospital revenue increased 14.9% during the three months ended July 2, 2022, as compared with the same periods of fiscal 2022. The increase during the three months ended July 2, 2022 was primarily attributable to Vascular Closure revenue, as well as increases in TEG disposables revenue in the U.S. and Transfusion Management revenue.

Gross Profit

	Three Months Ended		
(In thousands)	July 2, 2022	July 3, 2021	% Increase
Gross profit	$ 142,263	$ 108,085	31.6 %
% of net revenues	*54.4 %*	*47.3 %*	

Gross profit increased 31.6% during the three months ended July 2, 2022 as compared with the same periods of fiscal 2022. Without the effect of foreign exchange, gross profit increased 34.4% during the three months ended July 2, 2022, as compared with the same period of fiscal 2022. The increase during the three months ended July 2, 2022 was primarily driven by volume and mix, price and productivity savings from the Operational Excellence Program, partially offset by inflationary pressures in our global manufacturing and supply chain and increased depreciation expense.

Operating Expenses

	Three Months Ended		
(In thousands)	July 2, 2022	July 3, 2021	% Increase/ (Decrease)
Research and development	$ 10,902	$ 12,701	*(14.2)%*
% of net revenues	*4.2 %*	*5.6 %*	
Selling, general and administrative	$ 92,227	$ 91,218	*1.1 %*
% of net revenues	*35.3 %*	*39.9 %*	
Amortization of intangible assets	$ 8,367	$ 12,379	*(32.4)%*
% of net revenues	*3.2 %*	*5.4 %*	
Gains on divestitures and sale of assets	$ —	$ (9,603)	*n/m*
% of net revenues	*— %*	*(4.2)%*	
Total operating expenses	$ 111,496	$ 106,695	*4.5 %*
% of net revenues	*42.6 %*	*46.7 %*	

Research and Development

Research and development expenses decreased 14.2% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. Without the effect of foreign exchange, research and development expenses decreased 13.6% during the three months ended July 2, 2022, as compared with the same period of fiscal 2022. This decrease was primarily due to the timing of investments across quarters and cost savings related to the 2020 Program.

Selling, General and Administrative

Selling, general and administrative expenses increased 1.1% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. Without the effect of foreign exchange, selling, general, and administrative expenses increased 2.3% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. The increase during the three months ended July 2, 2022 was primarily driven by inflationary pressures and higher freight costs in our global supply chain, and higher investments in sales and marketing, partially offset by cost savings related to the 2020 Program and decreased spend on acquisitions in the current year.

Amortization of Intangible Assets

We recognized amortization expense of $8.4 million during the three months ended July 2, 2022 and $12.4 million during the three months ended July 3, 2021. The decrease is primarily the result of intangible assets that became fully amortized during fiscal 2022.

Gains on Divestitures

We recognized gains on divestitures of $9.6 million during the three months ended July 3, 2021, with no gains on divestitures during the three months ended July 2, 2022.

Interest and Other Expense, Net

Interest and other expenses increased 19.9% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. Without the effects of foreign exchange, interest and other expenses increased 18.2% during the three months ended July 2, 2022 as compared with the same period of fiscal 2022. The increase was primarily driven by higher interest rates which impacted the interest incurred on our term loan.

Income Taxes

We conduct business globally and report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is impacted by the jurisdictional mix of earnings in any given period as the foreign jurisdictions in which we operate have tax rates that differ from the U.S. statutory tax rate.

For the three months ended July 2, 2022, we reported income tax expense of $5.6 million representing an effective tax rate of 22.0%. The effective tax rate for the three months ended July 2, 2022 includes $0.6 million discrete tax expense relating to stock compensation shortfalls.

For the three months ended July 3, 2021, we reported income tax expense of $1.4 million representing an effective tax rate of (48.1)%. The effective tax rate for the three months ended July 3, 2021 includes $0.8 million discrete tax expense relating to stock compensation shortfalls.

Liquidity and Capital Resources

The following table contains certain key performance indicators we believe depict our liquidity and cash flow position:

(Dollars in thousands)	July 2, 2022	April 2, 2022
Cash & cash equivalents	$ 214,948	$ 259,496
Working capital	$ 507,296	$ 313,765
Current ratio	3.8	1.7
Net debt[1]	$ (555,046)	$ (514,093)
Days sales outstanding (DSO)	50	54
Inventory turnover	1.5	1.4

[1]Net debt position is the sum of cash and cash equivalents less total debt.

Our primary sources of liquidity are cash and cash equivalents, internally generated cash flow from operations, our revolving credit line and proceeds from employee stock option exercises. We believe these sources are sufficient to fund our cash requirements over at least the next twelve months. Our expected cash outlays relate primarily to acquisitions, investments, capital expenditures, including enhancements to our North American manufacturing facilities, cash payments under our credit agreement and restructuring initiatives.

In March 2021, the Company issued $500.0 million aggregate principal amount of 0% convertible senior notes due 2026, or the 2026 Notes. The 2026 Notes are governed by the terms of the Indenture between the Company and U.S. Bank National Association, as trustee. The total net proceeds from the sale of the 2026 Notes, after deducting the initial purchasers' discounts and debt issuance costs, were approximately $486.7 million. The 2026 Notes will mature on March 1, 2026, unless earlier converted, redeemed or repurchased. The 2026 Notes have an effective interest rate of 0.5% as of July 2, 2022.

As of July 2, 2022, we had $214.9 million in cash and cash equivalents, the majority of which is held in the U.S. or in countries from which it can be repatriated to the U.S. On June 15, 2018, we entered into a credit agreement with certain lenders that provided for a $350.0 million term loan and a $350.0 million revolving loan (together with the term loan, as amended from time to time, the "2018 Credit Facilities") that mature on June 15, 2023. Interest on the 2018 Credit Facilities is established using LIBOR plus 1.13% - 1.75%, depending on our leverage ratio. Under the 2018 Credit Facilities, we are required to maintain certain leverage and interest coverage ratios specified in the credit agreement as well as other customary non-financial affirmative and negative covenants. As of July 2, 2022, $280.0 million was outstanding under the term loan with an effective interest rate of 3.4%. There were no borrowings outstanding on the revolving loan. We also had $20.9 million of uncommitted operating lines of credit to fund our global operations under which there were no outstanding borrowings as of July 2, 2022. Additionally, the Company was in compliance with the leverage and interest coverage ratios specified in the credit agreement as well as all other bank covenants as of July 2, 2022.

On July 26, 2022, the Company entered into an amended and restated credit agreement with certain lenders to refinance the 2018 Credit Facilities and extend the maturity date through June 2025. The amended and restated credit agreement provides for a $280 million senior unsecured term loan, the proceeds of which have been used to retire the balance of the term loan under the 2018 Credit Facilities, and a $420 million senior unsecured revolving credit facility (together, the "Revised Credit Facilities"). Loans under the Revised Credit Facilities will initially bear interest at an annual rate equal to the Adjusted Term SOFR Rate (as specified in the amended and restated credit agreement), which is subject to a floor of 0%, plus an applicable rate ranging from 1.125% to 1.750% based on the Company's consolidated net leverage ratio (as specified in the amended and restated credit agreement) at the applicable measurement date. Adjusted Term SOFR Rate loans are also subject to a credit spread adjustment of 0.10% per annum. The revolving credit facility carries an unused fee that ranges from 0.125% to 0.250% annually based on the Company's consolidated net leverage ratio at the applicable measurement date. Under the Revised Credit Facilities, the Company is required to maintain certain leverage and interest coverage ratios specified in the amended and restated credit agreement as well as other customary non-financial affirmative and negative covenants. The Revised Credit Facilities mature on June 15, 2025. The principal amount of the term loan under the Revised Credit Facilities is repayable quarterly through the maturity date at a rate of 2.5% for the first year and 5% thereafter, with the unpaid balance due at maturity.

The Company has scheduled principal payments of $5.3 million and $12.3 million required during the remainder of fiscal 2023 and during fiscal 2024, respectively.

During fiscal 2022, our Board of Directors approved a revised 2020 Program. We now estimate that we will incur aggregate charges between $95 million and $105 million in connection with the 2020 Program. These charges, the majority of which will result in cash outlays, including severance and other employee costs, will be incurred as the specific actions required to execute these initiatives are identified and approved and are expected to be substantially completed by the end of fiscal 2025. During the three months ended July 2, 2022, we incurred $3.5 million of restructuring and restructuring related costs under this program.

Cash Flows

(In thousands)	Three Months Ended July 2, 2022	Three Months Ended July 3, 2021
Net cash provided by (used in):		
Operating activities	$ 41,993	$ (1,680)
Investing activities	(58,214)	(15,851)
Financing activities	(23,395)	(1,634)
Effect of exchange rate changes on cash and cash equivalents[1]	(4,932)	322
Net change in cash and cash equivalents	$ (44,548)	$ (18,843)

[1]The balance sheet is affected by spot exchange rates used to translate local currency amounts into U.S. Dollars. In accordance with U.S. GAAP, we have removed the effect of foreign currency throughout our cash flow statement, except for its effect on our cash and cash equivalents.

Net cash provided by operating activities increased by $43.7 million during the three months ended July 2, 2022, as compared with the three months ended July 3, 2021. The increase in cash provided by operating activities was primarily the result of an increase in net income, higher collections of accounts receivable and a decrease in inventories driven by NexSys PCS device placements.

Net cash used in investing activities increased by $42.4 million during the three months ended July 2, 2022, as compared with the three months ended July 3, 2021. The increase in cash used in investing activities was primarily the result of an increase in capital expenditures, driven by NexSys PCS device placements, and other investments in the current year.

Net cash used in financing activities increased by $21.8 million during the three months ended July 2, 2022, as compared with the three months ended July 3, 2021, primarily due to acquisition-related contingent consideration payments made in the current year.

Concentration of Credit Risk

Concentrations of credit risk with respect to trade accounts receivable are generally limited due to our large number of customers and their diversity across many geographic areas. Certain markets and industries, however, can expose us to concentrations of credit risk. For example, in the Plasma business unit, sales are concentrated with several large customers. As a result, accounts receivable extended to any one of these biopharmaceutical customers can be significant at any point in time. In addition, a portion of our trade accounts receivable outside the U.S. include sales to government-owned or supported healthcare systems in several countries, which are subject to payment delays and local economic conditions. Payment is dependent upon the financial stability and creditworthiness of those countries' national economies.

We have not incurred significant losses on receivables. We continually evaluate all receivables for potential collection risks associated with the availability of government funding and reimbursement practices. If the financial condition of customers or the countries' healthcare systems deteriorate such that their ability to make payments is uncertain, allowances may be required in future periods.

Inflation

We experienced rising inflationary pressures in our global supply chain that had an impact on our results of operations during the three months ended July 2, 2022. We continue to monitor inflationary pressures generally and raw materials indices that may affect our procurement and production costs. Increases in the price of petroleum derivatives could result in corresponding increases in our costs to procure plastic raw materials. We expect the inflationary pressures we have experienced in our global supply chain to continue throughout fiscal 2023. Historically, we have been able to limit the impact of the effects of inflation by improving our manufacturing and purchasing efficiencies, by increasing employee productivity and by adjusting the selling prices of products, but we may not be able to fully mitigate these increases in our operational costs in the future.

Foreign Exchange

During the three months ended July 2, 2022, 30.4% of our sales were generated outside the U.S., generally in foreign currencies, yet our reporting currency is the U.S. Dollar. We also incur certain manufacturing, marketing and selling costs in international markets in local currency. Our primary foreign currency exposures relate to sales denominated in Euro, Japanese Yen, Chinese Yuan and Australian Dollars. We also have foreign currency exposure related to manufacturing and other operational costs denominated in Swiss Francs, Canadian Dollars, Mexican Pesos and Malaysian Ringgit. The Yen, Euro, Yuan and Australian Dollar sales exposure is partially mitigated by costs and expenses for foreign operations and sourcing products denominated in foreign currencies.

Since our foreign currency denominated Yen, Euro, Yuan and Australian Dollar sales exceed the foreign currency denominated costs, whenever the U.S. Dollar strengthens relative to the Yen, Euro, Yuan or Australian Dollar, there is an adverse effect on our results of operations and, conversely, whenever the U.S. Dollar weakens relative to the Yen, Euro, Yuan or Australian Dollar, there is a positive effect on our results of operations. For Swiss Francs, Canadian Dollars Mexican Pesos and Malaysian Ringgit our primary cash flows relate to product costs or costs and expenses of local operations. Whenever the U.S. Dollar strengthens relative to these foreign currencies, there is a positive effect on our results of operations. Conversely, whenever the U.S. Dollar weakens relative to these currencies, there is an adverse effect on our results of operations.

We have a program in place that is designed to mitigate our exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize, for a period of time, the unforeseen impact on our financial results from changes in foreign exchange rates. We utilize forward foreign currency contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily Japanese Yen and Euro, and to a lesser extent Swiss Francs, Chinese Yuan and Mexican Pesos. This does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation. These contracts are designated as cash flow hedges. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

Recent Accounting Pronouncements

There are currently no recent accounting pronouncements that we expect to have a material impact on our financial position and results of operations.

Cautionary Statement Regarding Forward-Looking Information

Certain statements that we make from time to time, including statements contained in this Quarterly Report on Form 10-Q and incorporated by reference into this report, constitute “forward looking-statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements do not relate strictly to historical or current facts and reflect management’s assumptions, views, plans, objectives and projections about the future. Forward-looking statements may be identified by the use of words such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “foresees,” “potential” and other words of similar meaning in conjunction with, among other things: discussions of future operations; expected operating results and financial performance; impacts of the COVID-19 pandemic; the Company’s strategy for growth; product development, commercialization and anticipated performance and benefits; regulatory approvals; impacts of acquisitions or dispositions; market position and expenditures.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to uncertainties, risks and changes that are difficult to predict and many of which are outside of the Company’s control. Investors should realize that if underlying assumptions prove inaccurate, or known or unknown risks or uncertainties materialize, the Company’s actual results and financial condition could vary materially from expectations and projections expressed or implied in its forward-looking statements. Investors are therefore cautioned not to rely on these forward-looking statements.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of these and other factors, see Item 1A. Risk Factors in our most recent Annual Report on Form 10-K.

- The effect of the ongoing COVID-19 pandemic, or outbreaks of communicable diseases, on our business, financial conditions and results of operations, including the time it will take for vaccines to be broadly distributed and administered worldwide, and the effectiveness of such vaccines in slowing or stopping the spread of COVID-19 and its variants and mitigating the economic effects of the pandemic, including inflationary pressures and higher freight costs in our global supply chain;

- Failure to achieve our long-term strategic and financial-improvement goals;

- Demand for and market acceptance risks for new and existing products, including material reductions in purchasing from or loss of a significant customer;

- Our ability to develop, manufacture and market new products and technologies successfully and in a timely manner and the ability of our competitors and other third parties to develop products or technologies that render our products or technologies noncompetitive or obsolete;

- Product quality or safety concerns, leading to product recalls, withdrawals, regulatory action by the FDA (or similar non-U.S. regulatory agencies), reputational damage, declining sales or litigation;

- Our ability to retain and attract key personnel;

- Security breaches of our information technology systems or our products, which could impair our ability to conduct business or compromise sensitive information of the Company or its customers, suppliers and other business partners, or of customers' patients;

- Pricing pressures resulting from trends toward healthcare cost containment, including the continued consolidation among healthcare providers and other market participants;

- The continuity, availability and pricing of plastic and other raw materials, finished goods and components used in the manufacturing of our products (including those purchased from sole-source suppliers) and the related continuity of our manufacturing, sterilization, supply and distribution;

- Our ability to obtain the anticipated benefits of restructuring programs that we have or may undertake, including the Operational Excellence Program;

- The potential that the expected strategic benefits and opportunities from completed or planned acquisitions, divestitures or other strategic investments by the Company may not be realized or may take longer to realize than expected;

- The impact of enhanced requirements to obtain regulatory approval in the U.S. and around the world and the associated timing and cost of product approval;

- Our ability to comply with established and developing U.S. and foreign legal and regulatory requirements, including FCPA, EU MDR/EU IVDR and similar laws in other jurisdictions, as well as U.S. and foreign export and import restrictions and tariffs;

- Our ability to meet our debt obligations and raise additional capital when desired on terms reasonably acceptable to us;

- The potential impact of our convertible senior notes and related capped call transactions;

- Geopolitical and economic conditions in China, Russia and other foreign jurisdictions where we do business;

- Our ability to execute and realize anticipated benefits from our investments in emerging economies;

- The potential effect of foreign currency fluctuations and interest rate fluctuations on our net sales, expenses, and resulting margins;

- The impact of changes in U.S. and international tax laws;

- Our ability to protect intellectual property and the outcome of patent litigation;

- Costs and risks associated with product liability and other litigation claims we may be subject to now or in the future; and

- Market conditions impacting our stock price and/or our share repurchase program, and the possibility that such share repurchase program may be delayed, suspended or discontinued.

Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above and in Item 1A. Risk Factors in our Annual Report on Form 10-K to be a complete statement of all potential risks and uncertainties. The Company does not undertake to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information or future events or developments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure relative to market risk is due to foreign exchange risk and interest rate risk.

Foreign Exchange Risk

See the section above entitled Foreign Exchange for a discussion of how foreign currency affects our business. It is our policy to minimize, for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge anticipated cash flows from forecasted foreign currency denominated sales and costs. We do not use the financial instruments for speculative or trading activities.

We estimate the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. Dollar relative to all other major currencies. As of July 2, 2022, in the event of a 10% strengthening of the U.S. Dollar, the change in fair value of all forward contracts would result in a $4.1 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. Dollar would result in a $4.7 million decrease of the fair value of the forward contracts.

Interest Rate Risk

Our exposure to changes in interest rates is associated with borrowings under our Credit Facilities, all of which is variable rate debt. Total outstanding debt under our Credit Facilities as of July 2, 2022 was $280.0 million with an interest rate of 3.4% based on prevailing LIBOR rates. An increase of 100 basis points in LIBOR rates would result in additional annual interest expense of $0.9 million.

On July 26, 2022, we entered into an amended and restated credit agreement to refinance the 2018 Credit Facilities and extend the applicable maturity date to June 15, 2025. As of July 26, 2022, total outstanding debt under our Revised Credit Facilities was $280.0 million with an interest rate of 4.2% based on prevailing Term SOFR rates and as otherwise specified under the terms of the amended and restated credit agreement. An increase of 100 basis points in Term SOFR rates would result in an additional annual interest expense of $1.6 million.

As of July 2, 2022, the notional amount on our two interest rate swap agreements to effectively convert borrowings under our 2018 Credit Facilities from a variable rate to a fixed rate were $196.0 million. These interest rate swaps are intended to mitigate the exposure to fluctuations in interest rates and qualify for hedge accounting treatment as cash flow hedges and expire in June 2023. In connection with the Company's entry in the Revised Credit Facilities, the Company is in the process of evaluating additional interest rate swap protection that would extend beyond June 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, as of July 2, 2022, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 of the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of July 2, 2022.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended July 2, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this Item may be found in Note 11, *Commitments and Contingencies* to the Unaudited Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

There are no material changes from the Risk Factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended April 2, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

3.1	Restated Articles of Organization of the Company, reflecting Articles of Amendment dated August 23, 1993, August 21, 2006, July 26, 2018 and July 25, 2019 (filed as Exhibit 3.1 to the Company's Form 8-K dated July 29, 2019 and incorporated herein by reference).
3.2	By-Laws of the Company, as amended through June 29, 2020 (filed as Exhibit 3.1 to the Company's Form 8-K dated June 30, 2020 and incorporated herein by reference).
10.1*	Second Amendment to Lease Agreement effective December 3, 2007, made as of June 17, 2022 between Mrs. Blanca Estela Colunga Santelices and Haemonetics Mexico Manufacturing, S. de R.L. de C.V. (1).
10.2*	Retention and Transition Agreement, dated as of June 14, 2022, by and between the Company and Michelle L. Basil (2).
31.1*	Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002, of Christopher A. Simon, President and Chief Executive Officer of the Company.
31.2*	Certification pursuant to Section 302 of Sarbanes-Oxley of 2002, of James C. D'Arecca, Executive Vice President, Chief Financial Officer of the Company.
32.1**	Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Christopher A. Simon, President and Chief Executive Officer of the Company.
32.2**	Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of James C. D'Arecca, Executive Vice President, Chief Financial Officer of the Company.
101*	The following materials from Haemonetics Corporation on Form 10-Q for the quarter ended July 2, 2022 formatted in inline Extensible Business Reporting Language (XBRL) includes: (i) Condensed Consolidated Statements of Income and Comprehensive Income, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statement of Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

*	Document filed with this report.
**	Document furnished with this report.
(1)	Certain portions of this exhibit are considered confidential and have been omitted as permitted under SEC rules and regulations.
(2)	Agreement, plan or arrangement related to the compensation of officers or directors.

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 thereunto duly authorized.

	HAEMONETICS CORPORATION	
August 10, 2022	By:	/s/ Christopher A. Simon
		Christopher A. Simon, President and Chief Executive Officer (Principal Executive Officer)
August 10, 2022	By:	/s/ James C. D'Arecca
		James C. D'Arecca, Executive Vice President, Chief Financial Officer (Principal Financial Officer)

CERTAIN INFORMATION HAS BEEN OMITTED FROM THIS DOCUMENT BECAUSE IT IS (I) NOT MATERIAL, AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. OMISSIONS ARE MARKED [***].

Exhibit 10.1

SECOND AMENDMENT TO LEASE AGREEMENT	**SEGUNDO CONVENIO MODIFICATORIO AL CONTRATO DE ARRENDAMIENTO**
This Second Amendment to Lease Agreement (this “Second Amendment”) is entered into as of this 17th day of June, 2022, by and between Mrs. Blanca Estela Colunga Santelices (“Mrs. Colunga”) and Haemonetics Mexico Manufacturing, S. de R.L. de C.V. (“Haemonetics”).	Este Segundo Convenio Modificatorio al Contrato de Arrendamiento (el "Segundo Convenio Modificatorio"), se celebra este día 17 de junio del 2022, por y entre la Sra. Blanca Estela Colunga Santelices (la "Sra. Colunga") y Haemonetics Mexico Manufacturing, S. de R.L. de C.V. (“Haemonetics").
WHEREAS, Mrs. Colunga and Haemonetics are parties to a certain Lease dated December 3, 2007 together with any and all amendments, modifications, extensions, etc. (collectively, the “Lease Agreement”) entered into with respect to the land and buildings, located at Calle Colinas No. 11731, Parque Industrial El Florido, Seccion Colinas, Delegacion la Presa, Tijuana, B.C. 22244, (the "Leased Premises"), which is described in the Lease Agreement and Schedule 1 to such Lease Agreement; and	CONSIDERANDO que la Sra. Colunga y Haemonetics son partes de un cierto Contrato de Arrendamiento, de fecha 3 de diciembre de 2007 junto con todas y cada una de las enmiendas, modificaciones, extensiones, etc. (colectivamente, el "Contrato de Arrendamiento") celebrado respecto del terreno y edificaciones, ubicadas en la Calle Colinas No. 11731, Parque Industrial El Florido, Sección Colinas, Delegación la Presa, Tijuana, B.C. 22244, (el "Inmueble Arrendado"), mismo que se describe de forma más detallada en el Contrato de Arrendamiento y en el Anexo 1 a dicho Contrato de Arrendamiento; y
WHEREAS, Mrs. Colunga and Haemonetics desire to amend and extend the Lease Agreement terms.	CONSIDERANDO que la Sra. Colunga y Haemonetics desean modificar y ampliar los términos del Contrato de Arrendamiento.
NOW, THEREFORE, in consideration of the mutual covenants herein contained and further good and valuable consideration, the parties agree to the following CLAUSES:	AHORA, POR LO TANTO, en consideración de los acuerdos mutuos aquí contenidos y otras buenas y valiosas consideraciones, las partes acuerdan las siguientes CLÁUSULAS:

1. All capitalized terms used herein and not expressly defined in this Second Amendment shall have the meanings ascribed to them in the Lease Agreement. The term of the Lease Agreement is hereby extended by six (6) years, commencing January 1, 2023 and terminating on December 31, 2028 (the “Second Additional Term”). The Second Additional Term shall be compulsory for both parties.

1. Todos los términos en mayúsculas utilizados en el presente documento y no definidos expresamente en este Segundo Convenio Modificatorio tendrán el significado que se les atribuye en el Contrato de Arrendamiento. El término del Contrato de Arrendamiento se amplía por seis (6) años, comenzando el 1 de enero de 2023 y terminando el 31 de diciembre de 2028 (el "Segundo Término Adicional"). El Segundo Término Adicional será obligatorio para ambas partes.

2. During the Second Additional Term, Haemonetics shall pay a monthly rent to Mrs. Colunga for the Leased Premises in the fixed amounts indicated below (“Rent”), plus the corresponding value added tax as follows:

Dates (From/To) Fixed Monthly Rent Annual Rent
January 1, 2023 - December 31, 2023 $[***] $[***]
January 1, 2024 - December 31, 2024 $[***] $[***]
January 1, 2025 - December 31, 2025 $[***] $[***]
January 1, 2026 - December 31, 2026 $[***] $[***]
January 1, 2027 - December 31, 2027 $[***] $[***]
January 1, 2028 - December 31, 2028 $[***] $[***]

2. Durante el Segundo Término Adicional, Haemonetics pagará una renta mensual a la Sra. Colunga por el Inmueble Arrendado en las cantidades fijas que se indican a continuación (la "Renta"), más el correspondiente impuesto al valor agregado de la siguiente manera:

Fechas (Desde/Hasta) Renta Fija Mensual Renta Anual
1 de enero de 2023 - 31 de diciembre de 2023 $[***] $[***]
1 de enero de 2024 - 31 de diciembre de 2024 $[***] $[***]
1 de enero de 2025 - 31 de diciembre de 2025 $[***] $[***]
1 de enero de 2026 - 31 de diciembre de 2026 $[***] $[***]
1 de enero de 2027 - 31 de diciembre de 2027 $[***] $[***]
1 de enero de 2028 - 31 de diciembre de 2028 $[***] $[***]

3. Haemonetics’ right to extend the Initial Term of the Lease for an additional three (3) years as provided in Clause Second of the First Amendment is hereby deleted and replaced with the following:

3. El derecho Haemonetics a ampliar el Término Inicial del Arrendamiento por tres (3) años adicionales, tal y como se establece en la Cláusula Segunda del Primer Convenio Modificatorio, queda eliminado y sustituido por lo siguiente:

Mrs. Colunga hereby grants to Haemonetics two (2) options to extend the Second Additional Term of this Lease (each an “Extension Right”) as provided below. Each Extension Right may be exercised only by written notice delivered by Haemonetics to Mrs. Colunga no later than one hundred eighty (180) days prior to the expiration of the then current term (the “Notice of Extension”).

La Sra. Colunga por la presente otorga a Haemonetics dos (2) opciones para ampliar el Segundo Término Adicional de este Contrato de Arrendamiento (cada una de ellas un "Derecho de Prórroga") como se establece a continuación. Cada Derecho de Prórroga podrá ejercerse únicamente mediante una notificación por escrito entregada por Haemonetics a la Sra. Colunga a más tardar ciento ochenta (180) días antes del vencimiento del término vigente en ese momento (la "Notificación de Prórroga").

Such Notice of Extension must include a document executed by a duly authorized officer, by which Haemonetics Corporation express its agreement and consent in order for the terms and conditions of the Absolute Guaranty of Lease to remain valid during the Second Additional Term or the respective Extension Right Term. The signature(s) of such documents must be notarized and apostilled.

Dicha Notificación de Prórroga debe incluir un documento firmado por un funcionario debidamente autorizado, mediante el cual Haemonetics Corporation exprese su acuerdo y consentimiento para que los términos y condiciones de la Garantía Absoluta de Arrendamiento sigan siendo válidos durante el Segundo Término Adicional o el respectivo Término del Derecho de Prórroga. La(s) firma(s) de dichos documentos deberá(n) ser notariada(s) y apostillada(s).

Once Haemonetics delivers in due time and form, the Notice of Extension and the document referred to above to Mrs. Colunga, the term of the Lease Agreement will be automatically extended without requiring additional formality, same that shall commence as of the date that the Second Additional Term or the respective Extension Right Term concludes, adjusting the amount of Rent (as such term is defined below), as specified in the following paragraphs.

Una vez que Haemonetics entregue en tiempo y forma, la Notificación de Prórroga y el documento antes referido a la Sra. Colunga, el término del Contrato de Arrendamiento se prorrogará automáticamente sin requerir formalidad adicional, mismo que iniciará a partir de la fecha en que concluya el Segundo Término Adicional o el respectivo Término del Derecho de Prórroga, ajustando el monto de la Renta (como dicho término se define más adelante), según se especifica en los párrafos siguientes.

The first Extension Right’s Term shall be for a period of five (5) years (the “First Renewal Term”) and the Second Extension Right’s Term shall be for a period of four (4) years (the “Second Renewal Term”), in both cases compulsory for both parties. The monthly Rent payable to Mrs. Colunga for the First and Second Renewal Terms shall be in the fixed amounts indicated below plus the corresponding value added tax:

El primer Término del Derecho de Prórroga será por un período de cinco (5) años (el "Primer Periodo de Prórroga") y el Segundo Periodo de Prórroga será por un período de cuatro (4) años (el "Segundo Periodo de Prórroga"), en ambos casos obligatorio para ambas partes. La Renta mensual a pagar a la Sra. Colunga por el Primer y Segundo Periodo de Prórroga será en las cantidades fijas que se indican a continuación más el correspondiente impuesto al valor agregado:

<u>First Renewal Term:</u>

<u>Primer Período de Prórroga:</u>

Dates (From/To) Fixed Monthly Rent Annual Rent
January 1, 2029 - December 31, 2029 $[***] $[***]
January 1, 2030 - December 31, 2030 $[***] $[***]
January 1, 2031 - December 31, 2031 $[***] $[***]
January 1, 2032 - December 31, 2032 $[***] $[***]
January 1, 2033 - December 31, 2033 $[***] $[***]

Fechas (Desde/Hasta) Renta Fija Mensual Renta Anual
1 de enero de 2029 - 31 de diciembre de 2029 $[***] $[***]
1 de enero de 2030 - 31 de diciembre de 2030 $[***] $[***]
1 de enero de 2031 - 31 de diciembre de 2031 $[***] $[***]
1 de enero de 2032 - 31 de diciembre de 2032 $[***] $[***]
1 de enero de 2033 - 31 de diciembre de 2033 $[***] $[***]

Second Renewal Term:

Segundo Período de Prórroga

Dates (From/To) Fixed Monthly Rent Annual Rent
January 1, 2034 - December 31, 2034 $[***] $[***]
January 1, 2035 - December 31, 2035 $[***] $[***]
January 1, 2036 - December 31, 2036 $[***] $[***]
January 1, 2037 - December 31, 2037 $[***] $[***]

Fechas (Desde/Hasta) Renta Fija Mensual Renta Anual
1 de enero de 2034 - 31 de diciembre de 2034 $[***] $[***]
1 de enero de 2035 - 31 de diciembre de 2035 $[***] $[***]
1 de enero de 2036 - 31 de diciembre de 2036 $[***] $[***]
1 de enero de 2037 - 31 de diciembre de 2037 $[***] $[***]

Haemonetics, at its sole expense, shall repair the sinkhole at the hill on the back side of the Leased Premises in accordance with the work scope described in the attached Exhibit A no later than October 31, 2022. Provided Haemonetics completes the sinkhole repair by October 31, 2022, in the terms specified in Exhibit A, Haemonetics shall not be obligated to pay (and Mrs. Colunga shall have no right to claim payment of) Rent for the month of January 2023.

4. Haemonetics, a sus expensas exclusivas, deberá reparar el socavón en la colina en la parte trasera del Inmueble Arrendado de acuerdo con el alcance del trabajo descrito en el Anexo A adjunto, a más tardar el 31 de octubre de 2022. Siempre que Haemonetics complete la reparación del socavón antes del 31 de octubre de 2022, en los términos especificados en el Anexo A, Haemonetics no estará obligada a pagar (y la Sra. Colunga no tendrá derecho a reclamar el pago) la Renta correspondiente al mes de enero de 2023.

5. Haemonetics, at its sole expense, shall perform the following:

5. Haemonetics, exclusivamente a su cargo, deberá realizar lo siguiente:

- Resurface and restripe the parking areas.
- Repair, repaint and replace (as needed) the white metal fencing along the front (street side) of the Leased Premises.
- Repair, but not replace unless beyond repair, the chain link fence along the back side of the Leased Premises along the hill. Repairs include re-setting the footings so all vertical posts are upright and replacing any sections that are rusted beyond repair.

- Volver a pavimentar y pintar las zonas de estacionamiento.
- Reparar, repintar y sustituir (según sea necesario) la valla metálica blanca de la parte delantera (lado de la calle) del inmueble arrendado.
- Reparar, pero no reemplazar a menos que sea irreparable, la valla de eslabones a lo largo de la parte trasera del Inmueble Arrendado junto a la colina. Las reparaciones incluyen el restablecimiento de las zapatas para que todos los postes verticales estén en posición vertical y la sustitución de cualquier sección que esté oxidada sin posibilidad de reparación.

Upon Haemonetics completion of all of the above work, Haemonetics shall notify Mrs. Colunga in writing of said completion and Haemonetics shall not be obligated to pay (and Mrs. Colunga shall have no right to claim payment of) Rent for the month following said notice of completion. If the notice is delivered to Mrs. Colunga in the month of December 2022, then Haemonetics shall not be obligated to pay (and Mrs. Colunga shall have no right to claim payment of) Rent for the month of February 2023.

Una vez que Haemonetics haya completado todos los trabajos mencionados, Haemonetics deberá notificar a la Sra. Colunga por escrito de dicha finalización y a Haemonetics no estará obligado a pagar (y la Sra. Colunga no tendrá derecho a reclamar el pago) la Renta correspondiente al mes siguiente a dicha notificación de finalización. Si la notificación se entrega a la Sra. Colunga en el mes de diciembre de 2022, entonces Haemonetics no estará obligada a pagar (y la Sra. Colunga no tendrá derecho a reclamar el pago) la Renta del mes de febrero del 2023.

The possibility of not claiming the Rent referred to in this Clause and in Clause 4 constitutes an incentive that Ms. Colunga grants in favor of Haemonetics as a consequence of the long-term term agreed in this Second Amendment. However, such incentive shall be subject to the performance and completion, in due time and form, of the work described in both this Clause and Clause 4, and to Mrs. Colunga confirming the execution of all such work in writing to Haemonetics.

La posibilidad de no reclamar la Renta a que se hace referencia en esta Cláusula y en la Cláusula 4 constituyen un incentivo que la Sra. Colunga otorga a favor de Haemonetics como consecuencia del término de larga duración, acordado en este Segundo Convenio Modificatorio. No obstante, dicho incentivo estará sujeto a la realización y conclusión, en debido tiempo y forma, de los trabajos descritos tanto en esta cláusula como en la cláusula 4, y a que la Sra. Colunga confirme la ejecución de todos ellos por escrito a Haemonetics.

6. Haemonetics shall continue to have a Right of First Refusal to buy the Leased Premises as described in Clause Sixteenth of the Lease Agreement. Said Right of First Refusal shall apply during the time in which the Lease Agreement is in effect.

6. Haemonetics continuará teniendo el Derecho de Primera Denegación para comprar el Inmueble Arrendado como se describe en la Cláusula Decimosexta del Contrato de Arrendamiento. Dicho Derecho de Primera Denegación se aplicará durante el tiempo de vigencia del Contrato de Arrendamiento.

7. Clause Seventeenth of the Lease Agreement is hereby deleted in its entirety and replaced with the following:

7. La Cláusula Decimoséptima del Contrato de Arrendamiento se suprime en su totalidad y se sustituye por la siguiente:

"For all legal effects derived from this Lease Agreement, the parties designate the following as their addresses; in reserve of any other future domicile designated by them.

If to Mrs. Colunga:

Calle Praga No. 4113
Torre A PH-1Col. Chapultepec EsteTijuana, B.C., 22020
Mexico

If to Haemonetics:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V.
At the Leased Premises

With a copy to:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V. w/c Haemonetics Corporation
125 Summer Street
Boston, MA 02110
Attention: Executive Vice President, General Counsel and Executive Vice President, Global Manufacturing and Supply Chain.

If to Guarantor:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V. w/c Haemonetics Corporation
125 Summer Street
Boston, MA 02110
Attention: Executive Vice President, General Counsel and Executive Vice President, Global Manufacturing and Supply Chain.

Any notice or request to be delivered under the terms of the Lease Agreement must be made in writing and delivered personally to the other party, or sent through certified mail, prepaid postage stamp, or overnight courier, to the address established above, in which case the corresponding notice will be considered delivered fifteen (15) days after it is sent.

"Para todos los efectos legales derivados del Contrato de Arrendamiento, las partes designan como sus domicilios los siguientes; en reserva de cualquier otro domicilio futuro que designen.

Si a la Sra. Colunga:

Calle Praga No. 4113
Torre A PH-1Col. Chapultepec Este
Tijuana, B.C., 22020
Mexico

Si a Haemonetics:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V.
En el Inmueble Arrendado

Con copia a:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V. c/c Haemonetics Corporation
125 Summer Street
Boston, MA 02110
Atención a: Vicepresidente Ejecutivo, Asesor Jurídico y Vicepresidente Ejecutivo de Fabricación Global y Cadena de Suministro.

Si al Garante:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V. c/c Haemonetics Corporation
125 Summer Street
Boston, MA 02110
Atención a: Vicepresidente Ejecutivo, Asesor Jurídico y Vicepresidente Ejecutivo de Fabricación Global y Cadena de Suministro.

Cualquier notificación u requerimiento que deba ser entregado bajo los términos del Contrato de Arrendamiento deberá hacerse por escrito y ser entregada personalmente a la otra parte, o enviada a través de correo certificado, con sello postal prepagado, o mensajería urgente, a la dirección establecida anteriormente, en cuyo caso la notificación correspondiente se considerará entregada quince (15) días después de su envío.

8. As a condition to the effectiveness of this Second Amendment, Haemonetics Corporation (“Guarantor”) hereby reaffirms, ratifies, and confirms all of the terms of its Absolute Guaranty of Lease, dated October 5, 2012 and hereby acknowledges and confirms that all of the obligations of the Guarantor under the Absolute Guaranty of Lease are presently owing without defense or offset and are not subject to any counterclaim; and Guarantor acknowledges, reaffirms, and agrees that the Absolute Guaranty of Lease continues in full force and effect and guaranties repayment of all existing and future indebtedness and obligations of Haemonetics to Mrs. Colunga arising under the Lease Agreement as hereby amended, including any further renewals, extensions, or modifications thereof.

8. Como condición para la efectividad de este Segundo Convenio Modificatorio, Haemonetics Corporation ("Garante") por la presente reafirma, ratifica y confirma todos los términos de su Garantía Absoluta del Arrendamiento, de fecha 5 de octubre de 2012 y por la presente reconoce y confirma que todas las obligaciones del Garante bajo la Garantía Absoluta del Arrendamiento se deben actualmente sin defensa ni compensación y no están sujetas a ninguna reconvención; y el Garante reconoce, reafirma y acepta que la Garantía Absoluta del Arrendamiento continúa en pleno vigor y efecto y garantiza el pago de todas las deudas y obligaciones existentes y futuras de Haemonetics con la Sra. Colunga que surjan en virtud del Contrato de Arrendamiento modificado por el presente, incluyendo cualquier renovación, extensión o modificación posterior del mismo.

The contents of this Clause in its English version shall form an integral part of the Absolute Guaranty of Lease and, therefore, shall be subject to the laws and courts referred to in such Guaranty.

El contenido de esta Cláusula en su versión en inglés pasará a formar parte integral de la Garantía Absoluta del Arrendamiento y, por lo tanto, quedará sujeta a las leyes y tribunales a que se hace referencia en dicha Garantía.

9. This Second Amendment may be executed in any number of separate counterparts, each of which shall be deemed an original and shall together constitute one and the same instrument. A PDF copy of this Second Amendment containing a PDF copy of the signatures of any party shall be deemed an original signature and such execution and delivery shall be considered valid, binding and effective for all purposes.

9. Este Segundo Convenio Modificatorio puede ser ejecutado en cualquier número de copias separadas, cada una de las cuales se considerará un original y constituirá en conjunto un mismo instrumento. Una copia en PDF de este Segundo Convenio Modificatorio que contenga una copia en PDF de las firmas de cualquiera de las partes se considerará una firma original y dicha ejecución y entrega se considerará válida, vinculante y efectiva a todos los efectos.

Notwithstanding the above, Mrs. Colunga and Haemonetics agree to execute, no later than July 15, 2022, a copy of this Second Amendment for each party, duly signed in original, in which the signatures of the legal representatives of Haemonetics and Haemonetics Corporation are duly notarized and apostilled, as well as the signature on the Certifications of the Secretary of the Board of Haemonetics Corporation certifying the legal capacity of its representative to sign this Second Amendment. Compliance with this requirement shall give full validity to this Second Amendment.

No obstante lo plasmado en el párrafo inmediato anterior, la Sra. Colunga y Haemonetics se comprometen a producir, a más tardar el día 15 de Julio de 2022 un ejemplar del presente Segundo Convenio Modificatorio para cada parte, debidamente firmado en original, en el que las firmas de los representantes legales de Haemonetics y Haemonetics Corporation estén debidamente notariadas y apostilladas, al igual que la firma en las Certificaciones del Secretario del Consejo de Haemonetics Corporation que certifiquen la capacidad legal de su representante para firmar este Segundo Convenio Modificatorio. El cumplimiento a este requisito le dará validez plena a este Segundo Convenio Modificatorio.

10. Except as provided in Clause 8 above, for the interpretation and compliance of this Second Amendment, the parties agree that the provisions of the Civil Code of the State of Baja California shall apply and hereby expressly submit themselves to the jurisdiction of the competent courts of the City of Tijuana, State of Baja California, Mexico, irrevocably waiving the right to any other jurisdiction to which they may be entitled to by reason of their present or future domicile or for any other reason.

10. A excepción de lo previsto en la Cláusula 8 de este instrumento, para la interpretación y cumplimiento de este Segundo Convenio Modificatorio, las partes acuerdan que se aplicarán las disposiciones del Código Civil del Estado de Baja California y se someten expresamente a la jurisdicción de los tribunales competentes de la Ciudad de Tijuana, Estado de Baja California, México, renunciando irrevocablemente a cualquier otro fuero que les corresponda por razón de su domicilio presente o futuro o por cualquier otro motivo.

11. This Second Amendment shall be interpreted together with the Lease Agreement, in the understanding that they constitute a single contractual unit.

11. Este Segundo Convenio Modificatorio deberá interpretarse conjuntamente con el Contrato de Arrendamiento, en el entendido de que éstos constituyen una sola unidad contractual.

With the exception of the modifications contained in this Second Amendment, each and every provision of the Lease Agreement remains in full force and effect.

Con excepción de las modificaciones contenidas en este Segundo Convenio Modificatorio, todas y cada una de las disposiciones del Contrato de Arrendamiento permanecen en vigor, surtiendo todos sus efectos y fuerza legales.

IN WITNESS WHEREOF, Mrs. Colunga and Haemonetics have executed this Second Amendment in Tijuana State of Baja California, Mexico, on the day and year first above written.

EN TESTIMONIO DE LO CUAL, la Sra. Colunga y Haemonetics han firmado este Segundo Convenio Modificatorio en Tijuana, Baja California, México, en el día y el año antes mencionados.

MRS. COLUNGA/LA SRA. COLUNGA:

Blanca Estela Colunga Santelices

By / Por: /s/ Blanca Estela Colunga Santelices

HAEMONETICS:

Haemonetics Mexico Manufacturing, S. de R.L. de C.V.

By / Por: /s/ William Burke
Name / Nombre: William Burke
Title / Cargo: Legal Representative / Representante Legal

By / Por: /s/ Dan Goldstein
Name / Nombre: Dan Goldstein
Title / Cargo: Legal Representative / Representante Legal

GUARANTOR/GARANTE:

Haemonetics Corporation

By / Por:	/s/ James D'Arecca
Name / Nombre:	James D'Arecca
Title / Cargo:	Executive Vice President, Chief Financial Officer

Exhibit 10.2

June 14, 2022

Michelle Basil
c/o Haemonetics Corporation
125 Summer Street
Boston, MA 02110

RE: Executive Vice President and General Counsel Retention and Transition Agreement

Dear Michelle:

This Retention and Transition Agreement (this "**Agreement**") sets forth the understanding between you and Haemonetics Corporation (the "**Company**") regarding your continued employment as Executive Vice President and General Counsel of the Company and your planned resignation from the Company and transition. On behalf of the Board of Directors of the Company, I want to thank you for your willingness to provide continued service as Executive Vice President and General Counsel in order to ensure a seamless and successful transition to the next Executive Vice President and General Counsel of the Company.

1. Continued Service and Transition as Executive Vice President and General Counsel. Your service as Executive Vice President and General Counsel of the Company will continue until October 31, 2022 (the "**Retention Date**"). Your service as an employee with the Company will end on the Retention Date. For avoidance of doubt, the termination of your employment on the Retention Date, under the terms of this Agreement, is not a Qualifying Termination under the Executive Severance Agreement between you and the Company dated November 7, 2017 (the "**Executive Severance Agreement**").

2. Compensation and Retention Payment.

    a. Salary. From now until the Retention Date (the "**Transition Period**"), you will continue to receive your current salary, provided that your employment does not earlier terminate.

    b. Annual Bonus. You will not be eligible to receive an annual bonus for fiscal 2023 as you will no longer be an employee of the Company subsequent to the Retention Date.

    c. Equity Incentive Awards. All of your outstanding equity incentive awards, including stock options, restricted stock units, and performance-based restricted stock units, will continue to vest (and, for stock options, to be exercisable) subject to and in accordance with their current terms. You will not receive any further equity incentive awards under the Company's long-term incentive plans.

    d. Benefit Plans and Programs. During the Transition Period, subject to your continued service, you will continue to remain eligible to participate in the Company employee benefit plans and programs in which you currently participate on the same terms and conditions as other senior executives of the Company, except as otherwise set forth in this Agreement.

    e. Retention Bonus.
    In addition, if you (1) do not resign (for any reason) and are not terminated by the Company for Cause (as defined in your Executive Severance Agreement) prior to the

Retention Date, (2) cooperate fully in transitioning your job, (3) agree to the terms of this Agreement and timely sign, return, and do not revoke such Agreement, and (4) timely sign, return, and do not revoke the Supplemental Release attached hereto as **Exhibit A**, the Company will provide you with a retention bonus totaling $500,000 (the "**Retention Bonus**"). The Retention Bonus will be paid to you in one lump sum payment after the Retention Date. The Retention Bonus will be paid to you on the first regularly scheduled payroll date of the Company following the date on which the Supplemental Release becomes effective in accordance with its terms. The Company will pay the Retention Bonus only after you have timely executed the Supplemental Release, attached hereto as **Exhibit A**, that is not revoked as provided herein. The Retention Bonus payment is not considered compensation for purposes of the Company's 401(k) or other retirement plans.

For avoidance of doubt, in the event that you are terminated without Cause before the Retention Date, you are entitled to the Retention Bonus, and your Executive Severance Agreement will govern the terms of your departure from the Company.

The Company may withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

3. Release of Claims. You voluntarily release and discharge the Company and its current and former predecessors, successors, assigns, parent companies, subsidiaries, affiliates, and other related entities, as well as all of their current and former agents, officers, directors, employees, representatives, attorneys, and all persons acting by, through, under, or in concert with any of them (any and all of which are referred to as "**Releasees**"), from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, causes of action, damages, losses, expenses, and debts of any nature whatsoever, known or unknown ("**Claims**"), which you have, claim to have, ever had, or ever claimed to have had against Releasees. This general release of Claims includes, without implication of limitation, all Claims relating to your employment and separation from employment with the Company; all Claims of discrimination, harassment and retaliation prohibited by any federal, state, or local statute, regulation, or ordinance, including without implication of limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans With Disabilities Act, Massachusetts General Laws chapter 151B, the Massachusetts Wage Act (including but not limited to paid time off, overtime and other wages), the Family and Medical Leave Act, and the Employee Retirement Income Securities Act; and all other statutory and common law Claims. You also waive any Claim for reinstatement, attorney's fees, interest, or costs, and all Claims for wages or other compensation (including but not limited to those under the Massachusetts Wage Act), *provided that* this Release shall not be construed to impair your right to enforce the terms of this Agreement or to waive any claims that may not by law be waived.

Notwithstanding the foregoing, this Agreement will not be construed to (i) impair your right to enforce the terms of this Agreement, (ii) waive any Claims that may not by law be waived, (iii) impair your rights under any equity or equity award agreement, any subscription agreement, any stockholders' agreement, or any other written agreement between you and the Company, insofar as you have continuing rights under any such agreement after the effective date of this Agreement, (iv) release or discharge any rights you may have to indemnification as a current or former manager, director, officer or employee under the organizational documents of the Company, under applicable law, by contract, or otherwise, or to protection under any insurance policy maintained by the Company, or (v) impair any rights that you may have to vested retirement benefits.

In addition, nothing in this Agreement (including but not limited to the release of claims, confidentiality, cooperation, and non-disparagement provisions) shall be construed to prevent you from communicating or filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission ("**SEC**"), or any other any federal, state or local agency charged with the enforcement of any laws, or from exercising rights under Section 7 of the National Labor Relations Act to engage in joint activity with other employees, although by signing this Agreement you are waiving and hereby do waive any and all rights to individual relief (monetary or otherwise) based on claims asserted in such a charge or complaint, or asserted by any third-party on your behalf, except where such a waiver of individual relief is prohibited (such as, for example in connection with an award for information provided to the SEC).

4. Professional Transition. For the period during which you are receiving payments of the Retention Bonus, you agree (i) to cooperate with the Company and its accountants and legal counsel, as reasonably requested by the Company, with respect to legal and business issues of which you have personal or corporate knowledge and (ii) to make yourself available at reasonable times and upon reasonable notice to answer questions or provide information within your possession as requested by the Company relating to the Company, its subsidiaries and/or their respective operations; provided, however, the Company shall, to the extent practicable, accommodate your personal and professional schedule in making such requests. You acknowledge that the Company's obligations under this Agreement are expressly contingent on such cooperation and assistance, and on your dealing with any issues relating to your employment with or separation from the Company in a responsible, positive and professional manner.

5. Confidential Information. You agree that during your employment with the Company and at all times thereafter:

   a. You will not at any time, directly or indirectly, disclose or divulge any Confidential Information (as hereinafter defined), except as required in connection with your work for the Company or requested in writing by the Company, and except to the extent required by law, subpoena or court order (but only after you have provided the Company with reasonable notice and opportunity to take action against any legally required disclosure to the extent permitted by law). As used herein, "**Confidential Information**" means all trade secrets and all other proprietary information of a business, financial, marketing, technical or other nature relating to the business of the Company including, without limitation, any customer or vendor lists, financial statements and projections, know-how, pricing policies, operational methods, methods of doing business, technical processes, formulae, designs and design projects, inventions, computer hardware, software programs, business strategy, plans and projects (actual or prospective) pertaining to the Company and including any information of others that the Company has agreed to keep confidential; provided that Confidential Information shall not include any information that has entered or enters the public domain through no fault of you.

   b. You shall make no use whatsoever, directly or indirectly, of any Confidential Information at any time except as may be required in connection with your work for the Company.

   c. Prior to the Retention Date, or upon the Company's request at any time and for any reason, you shall immediately deliver to the Company all materials (including all soft and hard copies) in your possession that contain or relate to Confidential Information (including without limitation copies of contracts, contract analyses, and product development plans and product marketing and sales plans related to the Company's business) and all other Company documents and property (including without limitation Company laptop computer and telephone).

d. All Developments made by you, either alone or in conjunction with others, at any time or at any place during your employment with the Company, whether or not reduced to writing or practice during such period of employment, shall be and hereby are the exclusive property of the Company without any further compensation to you. In addition, without limiting the generality of the prior sentence, all Developments which are copyrightable work by you are intended to be "work made for hire" as defined in Section 101 of the Copyright Act of 1976, as amended, and shall be and hereby are the property of the Company. "**Developments**" means any and all inventions, modifications, discoveries, designs, developments, improvements, processes, software programs, works of authorship, documentation, formulae, data, techniques, know-how, secrets or intellectual property rights or any interest therein that (i) relate to the business in which the Company is engaged or in which the Company intended to engage in during your employment with the Company, (ii) are or were created or improved in whole or in part by using any Company resources, data, facilities or equipment, or (iii) are or were created or improved within the scope of your employment.

e. You have promptly disclosed any Developments to the Company. If any Development is not the property of the Company by operation of law, this Agreement or otherwise, you will, and hereby do, assign to the Company all right, title and interest in such Development, without further consideration, and will assist the Company and its nominees in every way, at the Company's expense, to secure, maintain and defend the Company's rights in such Development. You shall sign all instruments necessary for the filing and prosecution of any applications for, or extension or renewals of, letters patent (or other intellectual property registrations or filings) of the United States or any foreign country in which the Company desires to file and that relate to any Development. You hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as your agent and attorney-in-fact (which designation and appointment shall be deemed coupled with an interest and shall survive your death or incapacity), to act for and in your behalf to execute and file any such applications, extensions or renewals and to do all other lawfully permitted acts to further the prosecution and issuance of such letters patent, other intellectual property registrations or filings or such other similar documents with the same legal force and effect as if executed by you. You waive all claims to moral rights in the Developments.

6. Restrictive Covenants. You acknowledge that (i) the services performed by you while employed by the Company were of a special, unique, unusual, extraordinary, and intellectual character, (ii) the provisions of this Section 6 are reasonable and necessary to protect the Company's business, goodwill and Confidential Information, and (iii) the Retention Bonus and other consideration provided herein constitute adequate consideration for this Section 6. You therefore agree that for a period of one (1) year after the Retention Date:

a. You will not, directly or indirectly, individually or as a consultant to, or an employee, officer, director, manager, stockholder, partner, member, investor, lender or other owner or participant in any business entity, other than the Company, engage in, or assist any other person or entity to engage in, any business which competes with any business in which the Company is engaging as of the Retention Date or in which the Company planned to engage as of the Retention Date and with respect to which planned activities you worked directly or indirectly during your employment by the Company or about which you obtained material Confidential Information during the course of your employment, anywhere in the United States or anywhere else in the world where the Company does business or planned to do business during your employment; provided that this Section 6(a) shall not apply to ownership of less than 5% of the outstanding stock of a publicly-traded corporation;

b. You will not, directly or indirectly, (i) solicit, divert or take away, or attempt to solicit, divert or take away, the business or relationship of the Company with any of its customers, clients, distributors, dealers, referral sources, business partners, suppliers, vendors, service providers, consultants, lenders, investors, landlords, licensors or attorneys or any other person or entity with whom the Company does business (collectively, "**Business Partners**"), or (ii) otherwise interfere with the Company's business relationship with any of its Business Partners;

c. You will not, directly or indirectly, solicit, recruit, hire or engage, or otherwise interfere with the business relationship of the Company with, any current or former employee of the Company, other than any person who ceased to be employed by the Company for a period of at least three (3) months;

d. You will give notice to the Company of each new business activity you plan to undertake, no later than ten (10) business days after beginning any such activity. The notice shall state the name and address of the person, corporation, association or other entity or organization (each, an "**Entity**") for whom such activity is undertaken and the nature of your business relationship or position with the Entity. You further agree to provide the Company with other pertinent information concerning such business activity as you may reasonably request in order to determine your continued compliance with your obligations under this Agreement. However, in all cases, your obligation to notify the Company shall be limited to information that is public and non-confidential and that subsequently becomes public and non-confidential during the one (1) year following the Retention Date. You consent to notification by the Company to your new employer or its agents regarding your rights and obligations under this Agreement or any other agreement or understanding with the Company; and

e. You will not, directly or indirectly, assist any person or entity in performing any activity prohibited by Sections 6(a), 6(b), or 6(c).

f. Nothing in this Agreement is intended to be or shall serve as a restriction on your conduct that would violate the Massachusetts Rules of Professional Conduct (or similar rules of professional conduct in any other state where you may be qualified to practice law) relating to your right to practice law.

g. As used in this Section 6, "Company" shall mean the Company and its current or future direct and indirect subsidiaries.

7. <u>Non-Disparagement</u>. Other than as permitted in Section 3 or Section 6(f) above, you agree that you will not make any public statement or issue any press release that disparages the Company, the Company's products or services, or any of the Company's directors, officers or executives. The Company agrees that neither it, the members of its Board of Directors, nor its executive officers will make any public statement or issue any press release that disparages you or your employment with the Company. Notwithstanding anything in this Section 7 or elsewhere in this Agreement, nothing in this Agreement shall prohibit (a) either party (and, in the case of the Company, its Board of Directors or executive officers) from making truthful statements that are required by applicable law, regulation or legal process or (b) you from making statements to any of the Company's officers, directors or employees in the course of your carrying out your duties as General Counsel of the Company.

8. <u>Litigation Cooperation</u>. You agree to cooperate in good faith with the Company in the defense or prosecution of any claims, arbitration or regulatory proceedings or action which already have been brought or which may be brought in the future against or on behalf of the Company or any of its directors, officers, employees, or agents which relate to events or occurrences that

transpired during your employment with the Company. Your full cooperation in connection with such claims or actions shall include, without implication of limitation, being available to meet with counsel to prepare for discovery or trial and to testify truthfully as a witness when reasonably requested by the Company at reasonable times designated in good faith by the Company (all such services referred to herein as "**Litigation Cooperation**"), provided, that, subsequent to the Retention Date, Litigation Cooperation shall not include any requirement of you to serve as legal counsel to the Company or to otherwise provide the Company with legal advice. Except as required by law or as you determine necessary or appropriate in the performance of your duties as General Counsel of the Company, you agree that you will not voluntarily disclose any Confidential Information to any person or party that is adverse to the Company and you will maintain the attorney-client privileges of the Company. The Company agrees to reimburse you for any reasonable and customary out-of-pocket expenses that you incur in connection with such Litigation Cooperation, subject to reasonable documentation. The Company further agrees that if such Litigation Cooperation occurs more than six (6) months after the Retention Date, the Company will in good faith negotiate with you for reasonable payment for his services, at an hourly rate commensurate with your salary as of the Retention Date, provided that the Company and you acknowledge and agree that you shall not be entitled to compensation for time spent actually testifying under oath in any proceeding. The Company will try, in good faith, to exercise its rights under this Section so as not to unreasonably interfere with your ability to engage in gainful employment.

9. Limited Disclosure. Until such time as the Company disclosures the existence and terms of this Agreement, you agree not to disclose the substance of this Agreement, except to your spouse, tax advisor, an attorney with whom you choose to consult regarding your consideration of this Agreement, and/or to any federal, state or local government agency. You agree and acknowledge that the Company will disclose this Agreement, as required by applicable law.

10. Effect of Breach. You recognize and agree that the compensation and benefits offered to you hereunder are in consideration for your full and complete compliance with the covenants and provisions of this Agreement. Accordingly, you agree that if you willfully violate this Agreement, including but not limited to the terms of Sections 4 through 9, and fail to remedy such violation within the period of ten (10) days following your receipt of written notice from the Company, the Company may immediately terminate payment of further compensation or benefits otherwise owed to you hereunder, and may recover the full value of any such compensation and benefits already provided to you to the maximum extent permitted by law. You acknowledge that a breach of any of the covenants continued in Sections 4 through 9 of this Agreement could result in irreparable injury to the Company for which there might be no adequate remedy at law, and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or preliminary injunction and a permanent injunction restraining you from engaging in any activities prohibited by Sections 4 through 9 herein, or such other equitable relief as may be required to enforce specifically any covenants of Sections 4 through 9. In the event the Company prevails in any action against you arising from such a breach, the Company shall be entitled to recover from you all reasonable attorneys' fees and costs incurred by it in connection with such breach. In the event that you prevail in any action involving the enforcement of the provisions of this Agreement, you shall be entitled to recover from the Company all reasonable attorneys' fees and costs incurred by you in such action. Any event of a breach by you will not affect the release set forth or any other of your continuing obligations under this Agreement.

11. Tax Withholding; Section 409A.

   a. All payments made by the Company to you or your dependents, beneficiaries or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

b. The parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code (the "**Code**"). Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify you for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code. Each payment or installment under this Agreement is intended to be a "separate payment" for purposes of Section 409A.

12. Governing Law and Interpretation. This Agreement, and any dispute arising under or relating to this Agreement, will in all respects, be governed by and construed in accordance with the internal substantive and procedural laws of the Commonwealth of Massachusetts, without regard to any conflicts of laws principles. The parties irrevocably and unconditionally (a) submit to the exclusive jurisdiction of the Commonwealth of Massachusetts, in any court therein as may be permitted by applicable law (the "**Courts**") for the purpose of any suit, action or other proceeding arising under or relating to this Agreement, (b) agree not to commence any suit, action or other proceeding arising under or relating to this Agreement except in the Courts, and (c) waive, and agree not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such suit, action or proceeding, any claim that such party is not subject personally to the jurisdiction of the Courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by the Courts.

13. WAIVER OF JURY TRIAL. EACH PARTY AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER OR OTHERWISE RELATES TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT.

14. Non-admission of Wrongdoing. The parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Releasees of wrongdoing or evidence of any liability or unlawful conduct of any kind.

15. Amendment. This Agreement may not be modified, altered or changed except in writing and signed by both parties wherein specific reference is made to this Agreement.

16. Entire Agreement. This Agreement (including its Exhibits) constitutes the entire agreement between you and the Company regarding the subject matter hereof, including regarding your termination of employment with the Company. You acknowledge that you have not relied on any representations, promises, or agreements of any kind made to you in connection with your decision to accept this Agreement (including its Exhibits). For avoidance of doubt, each of the Executive Severance Agreement, the Change in Control Agreement dated November 7, 2017 between the Company and you, and the Indemnification Agreement dated November 6, 2018 between the Company and you remain in full force and effect notwithstanding the execution of this Agreement.

17. Severability; Counterparts. The provisions of this Agreement will be deemed severable, and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof. This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instruments.

YOU ARE ADVISED THAT YOU HAVE UP TO TWENTY-ONE (21) CALENDAR DAYS TO CONSIDER THIS AGREEMENT AND GENERAL RELEASE IN WHICH YOU WAIVE IMPORTANT RIGHTS, INCLUDING THOSE UNDER THE ADEA. YOU ARE ALSO ADVISED TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT AND GENERAL RELEASE CONCERNING THE RIGHTS BEING WAIVED AS WELL AS ALL OTHER TERMS OF THIS AGREEMENT AND GENERAL RELEASE.

THE SIGNED AGREEMENT MUST BE RETURNED TO: LAURIE MILLER, HAEMONETICS, CORPORATION, 125 SUMMER STREET, BOSTON MA, 02110.

YOU MAY REVOKE THIS AGREEMENT AND GENERAL RELEASE FOR A PERIOD OF SEVEN (7) BUSINESS DAYS FOLLOWING THE DAY YOU SIGN THIS AGREEMENT. ANY REVOCATION WITHIN THIS PERIOD MUST BE SUBMITTED, IN WRITING, TO LAURIE MILLER, AND MUST STATE, “I HEREBY REVOKE MY ACCEPTANCE OF OUR AGREEMENT AND GENERAL RELEASE.” THE REVOCATION MUST BE PERSONALLY DELIVERED OR MAILED TO LAURIE MILLER, HAEMONETICS CORP., 125 SUMMER STREET, BOSTON, MA 02110. IF MAILED THE REVOCATION MUST BE POSTMARKED WITHIN SEVEN (7) BUSINESS DAYS AFTER YOU SIGN THIS AGREEMENT. YOU AGREE THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT AND GENERAL RELEASE DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL UP TO TWENTY-ONE (21) CALENDAR DAY CONSIDERATION PERIOD.

YOU VOLUNTARILY, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS, INCLUDING ADEA CLAIMS, YOU HAVE OR MIGHT HAVE AGAINST THE COMPANY AND ANY RELATED PERSONS OR ENTITIES.

Thank you again for your dedicated leadership and your continued service.

To indicate agreement with the foregoing, please sign and return this Agreement to me.

On behalf of the Company:

By:	/s/ Christopher A. Simon
Name:	Christopher A. Simon
Title:	President Chief Executive Officer

Accepted and Agreed:

/s/ Michelle Basil
Name: Michelle Basil

Date: June 14, 2022

Exhibit A

SUPPLEMENTAL RELEASE OF CLAIMS

This Release of Claims (this "**Release**") is entered into as of the last date indicated on the signature page of this Release by and between Haemonetics Corporation (the "**Company**") and Michelle Basil ("**you**") in connection with that certain Retention and Transition Agreement (the "**Agreement**") entered into by and between the Company and you dated June [__], 2022. Capitalized terms used herein that are not otherwise defined shall have the meaning ascribed thereto in the Agreement. You and the Company agree as follows:

1. Release of Claims. You voluntarily release and discharge the Company and its current and former predecessors, successors, assigns, parent companies, subsidiaries, affiliates, and other related entities, as well as all of their current and former agents, officers, directors, employees, representatives, attorneys, and all persons acting by, through, under, or in concert with any of them (any and all of which are referred to as "**Releasees**"), from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, causes of action, damages, losses, expenses, and debts of any nature whatsoever, known or unknown ("**Claims**"), which you have, claim to have, ever had, or ever claimed to have had against Releasees. This general release of Claims includes, without implication of limitation, all Claims relating to your employment and separation from employment with the Company; all Claims of discrimination, harassment and retaliation prohibited by any federal, state, or local statute, regulation, or ordinance, including without implication of limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans With Disabilities Act, Massachusetts General Laws chapter 151B, the Massachusetts Wage Act (including but not limited to paid time off, overtime and other wages), the Family and Medical Leave Act, and the Employee Retirement Income Securities Act; and all other statutory and common law Claims. You also waive any Claim for reinstatement, attorney's fees, interest, or costs, and all Claims for wages or other compensation (including but not limited to those under the Massachusetts Wage Act), *provided that* this Release shall not be construed to impair your right to enforce the terms of this Agreement or to waive any claims that may not by law be waived.

Notwithstanding the foregoing, this Release will not be construed to (i) impair your right to enforce the terms of this Release or the Agreement, (ii) waive any Claims that may not by law be waived, (iii) impair your rights under any equity or equity award agreement, any subscription agreement, any stockholders' agreement, or any other written agreement between you and the Company, insofar as you have continuing rights under any such agreement after the effective date of this Release, (iv) release or discharge any rights you may have to indemnification as a current or former manager, director, officer or employee under the organizational documents of the Company, under applicable law, or otherwise, or to protection under any insurance policy maintained by the Company, or (v) impair any rights that you may have to vested retirement benefits**.**

In addition, nothing in this Agreement (including but not limited to the release of claims, confidentiality, cooperation, and non-disparagement provisions) shall be construed to prevent you from communicating or filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission ("**SEC**"), or any other any federal, state or local agency charged with the enforcement of any laws, or from exercising rights under Section 7 of the National Labor Relations Act to engage in joint activity with other employees, although by signing this Agreement you are waiving and hereby do waive any and all rights to individual relief (monetary or otherwise) based on claims asserted in such a charge or complaint, or asserted by any third-party on your behalf, except where such a waiver of individual relief is prohibited (such as, for example in connection with an award for information provided to the SEC).

2. **Consideration**. In consideration of your execution of this Release, the Company will provide you with the Retention Bonus, which consideration you would not otherwise be entitled to receive. For purposes of clarity, you are entitled to the benefits set forth in Section 2(a)-(d) of the Agreement whether or not you execute this Release. This Release shall not supersede any continuing obligations you may have under the terms of the Agreement.

3. **Non-Filing of Complaint or Charges**. By signing this Release, you represent and warrant that you have not filed any complaints, charges or claims for relief against any of the Releasees with any local, state or federal court or administrative agency. You further acknowledge and agree that you have waived any relief available to you (including with limitation, monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action released by you in Section 1 of this Release.

4. **Voluntary Waiver and Acknowledgement.** You acknowledge that you have been advised to and given the opportunity to consult with the attorney of your choice in connection with executing this Release, and that you have been given the opportunity, if so desired, to consider this Release for twenty-one (21) days before executing it. If you sign this Release prior to the Retention Date, or later than twenty-one (21) days following the Retention Date, it will not be valid. The Company acknowledges that, for a period of seven (7) days from the date that you sign this Release (the "**Revocation Period**"), you will retain the right to revoke this Release by written notice to Human Resources Department at the Company, received before the end of the Revocation Period, and that this Release will not become effective or enforceable until the expiration of the Revocation Period.

5. **Other Terms.** You and the Company acknowledge that the performance of the promises of each is contingent upon the fulfillment of the obligations of the other party as set forth in this Release and the Agreement. You and the Company agree that this Release is not, and shall not be construed to be, an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by either party. This Release shall take effect as an instrument under seal and shall be governed and construed in accordance with the law of Massachusetts, without regard for its choice of law principles. If any provision of this Release is deemed invalid, the remaining provisions shall not be affected and shall be enforced to the maximum extent permitted by law.

IN WITNESS WHEREOF, you and the Company have executed this Release as of the date last written below.

Michelle Basil	**Haemonetics Corporation**
________	By: ________ Name: Title:
Date:______________________	Date: ________

EXHIBIT 31.1

CERTIFICATION

I, Christopher A. Simon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2022

/s/ Christopher A. Simon

Christopher A. Simon, President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, James C. D'Arecca, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

August 10, 2022

/s/ James C. D'Arecca

James C. D'Arecca, Executive Vice President, Chief Financial Officer

(Principal Financial Officer)

EXHIBIT 32.1

Certification Pursuant To
18 USC. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended July 2, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher A. Simon, President and Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2022

/s/ Christopher A. Simon
Christopher A. Simon,
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification Pursuant To
18 USC. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the “Company”) on Form 10-Q for the period ended July 2, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James C. D'Arecca, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2022

/s/ James C. D'Arecca
James C. D'Arecca,
Executive Vice President, Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.