

MANAGEMENT'S USE OF NON-GAAP MEASURES

The following tables contain financial measures which are considered “non-GAAP” financial measures under applicable U.S. Securities and Exchange Commission rules and regulations. Management uses non-GAAP measures to monitor the financial performance of the business, make informed business decisions, establish budgets, and forecast future results. Performance targets for management are also based on certain non-GAAP financial measures. 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. In the following tables, supplemental non-GAAP measures have been provided to assist investors in evaluating the performance of Haemonetics Corporation’s (the “Company’s”) core operations.

When used in the following tables and provide a baseline for analyzing trends in our underlying businesses, we strongly encourage investors to review our financial statements and publicly-filed reports in their entirety and not rely on any single financial measure. Organic revenue growth excludes the impact of currency fluctuation, product end-of-life activities and divestitures. Adjusted gross profit, adjusted operating expenses, adjusted operating income, adjusted net income and adjusted earnings per share exclude restructuring and turnaround costs, accelerated device depreciation and related costs, asset impairments, deal amortization expenses, costs related to compliance with the new European Union Medical Device Regulation, impacts of U.S. tax reform, certain legal and other expenses, gains and losses on asset dispositions and the tax impact of the excluded items. Reconciliations of those measures to their most comparable GAAP measure for the third quarters ended December 28, 2019 and December 29, 2018 are included at the end of the financial sections of the Company’s February 4, 2020 earnings release for the third quarter of fiscal 2020 (a link to which is available below), which qualifies the following tables in their entirety.

[Click here for link to the Company's earnings release \(Q3 FY 20\) dated February 4, 2020](#)

Analytical Table 1: Year-over-Year Revenue growth rate by business unit ¹

| (\$ million) REVENUE | Q3FY20 | Q3FY19 | Inc/(Dec) | | YTD FY20 | YTD FY19 | Inc/(Dec) | |
|---|----------|----------|-----------|--------|----------|----------|-----------|--------|
| Plasma | \$ 120.4 | \$ 112.7 | \$ 7.8 | 6.9% | \$ 346.8 | \$ 318.8 | \$ 27.9 | 8.8% |
| <i>Currency effect</i> | | | | 0.4% | | | | 0.4% |
| <i>Effect of dispositions and product end of life</i> | | | | 5.6% | | | | 5.3% |
| Organic Growth ² | | | | 12.9% | | | | 14.5% |
| No. America Organic | | | | 13.3% | | | | 15.0% |
| No. America disposables (excl. liquids) | | | | 9.5% | | | | 11.4% |
| Hospital | \$ 50.3 | \$ 47.2 | \$ 3.0 | 6.4% | \$ 147.7 | \$ 142.2 | \$ 5.5 | 3.8% |
| <i>Currency effect</i> | | | | 0.7% | | | | 1.1% |
| <i>Effect of dispositions and product end of life</i> | | | | 4.3% | | | | 5.0% |
| Organic Growth | | | | 11.4% | | | | 9.9% |
| Hemostasis Management | \$ 24.8 | \$ 20.9 | \$ 3.9 | 18.6% | \$ 73.9 | \$ 64.0 | \$ 9.9 | 15.4% |
| <i>Currency effect</i> | | | | 1.2% | | | | 1.8% |
| <i>Effect of dispositions and product end of life</i> | | | | 0.0% | | | | 0.0% |
| Organic Growth | | | | 19.8% | | | | 17.2% |
| Cell Salvage & Transfusion Management | \$ 25.5 | \$ 26.4 | \$ (0.8) | -3.2% | \$ 73.7 | \$ 78.2 | \$ (4.4) | -5.6% |
| <i>Currency effect</i> | | | | 0.6% | | | | 0.9% |
| <i>Effect of dispositions and product end of life</i> | | | | 7.1% | | | | 8.5% |
| Organic Growth | | | | 4.5% | | | | 3.8% |
| Blood Center | \$ 83.4 | \$ 82.8 | \$ 0.6 | 0.7% | \$ 241.2 | \$ 243.9 | \$ (2.7) | -1.1% |
| <i>Currency effect</i> | | | | -0.1% | | | | 0.6% |
| <i>Effect of dispositions and product end of life</i> | | | | 0.0% | | | | 0.0% |
| Organic Growth | | | | 0.6% | | | | -0.5% |
| Whole Blood | \$ 24.3 | \$ 24.4 | \$ (0.1) | -0.6% | \$ 70.0 | \$ 72.9 | \$ (2.9) | -4.0% |
| <i>Currency effect</i> | | | | 0.4% | | | | 0.6% |
| <i>Effect of dispositions and product end of life</i> | | | | 0.0% | | | | 0.0% |
| Organic Growth | | | | -0.2% | | | | -3.4% |
| Apheresis³ | \$ 55.4 | \$ 53.7 | \$ 1.6 | 3.0% | \$ 160.0 | \$ 157.6 | \$ 2.4 | 1.5% |
| <i>Currency effect</i> | | | | -0.2% | | | | 0.7% |
| <i>Effect of dispositions and product end of life</i> | | | | 0.0% | | | | 0.0% |
| Organic Growth | | | | 2.8% | | | | 2.2% |
| Software & Other | \$ 3.8 | \$ 4.7 | \$ (0.9) | -19.7% | \$ 11.2 | \$ 13.4 | \$ (2.2) | -16.5% |
| <i>Currency effect</i> | | | | 0.0% | | | | 0.4% |
| <i>Effect of dispositions and product end of life</i> | | | | 0.0% | | | | 0.0% |
| Organic Growth | | | | -19.7% | | | | -16.1% |
| Net business unit revenues | \$ 254.1 | \$ 242.7 | \$ 11.4 | 4.7% | \$ 735.6 | \$ 705.0 | \$ 30.7 | 4.4% |
| <i>Currency effect</i> | | | | 0.3% | | | | 0.6% |
| <i>Effect of dispositions and product end of life</i> | | | | 3.3% | | | | 3.3% |
| Organic Growth | | | | 8.2% | | | | 8.2% |
| Service | \$ 4.9 | \$ 4.6 | \$ 0.3 | 5.5% | \$ 14.4 | \$ 13.3 | \$ 1.0 | 7.7% |
| <i>Currency effect</i> | | | | 1.1% | | | | 2.4% |
| <i>Effect of dispositions and product end of life</i> | | | | 0.0% | | | | 0.0% |
| Organic Growth | | | | 6.6% | | | | 10.1% |
| Total net revenues | \$ 259.0 | \$ 247.4 | \$ 11.6 | 4.7% | \$ 750.0 | \$ 718.3 | \$ 31.7 | 4.4% |
| <i>Currency effect</i> | | | | 0.3% | | | | 0.7% |
| <i>Effect of dispositions and product end of life</i> | | | | 3.2% | | | | 3.2% |
| Organic Growth | | | | 8.2% | | | | 8.3% |

1. All numbers are rounded to the nearest tenth of a million

2. Organic growth excludes the impact of currency fluctuation, excludes fiscal 2019 OrthoPAT revenue due to the product end of life in Hospital, and reflects adjustments to fiscal 2019 and fiscal 2020 Plasma revenue related to the divestiture of the Company's Union, SC liquid solutions operations.

3. Apheresis includes Plasma, Platelet and Red Cell disposables and equipment

Analytical Table 2: GAAP and Adjusted results referenced during Q3 FY 20 Earnings call

| | Q3 FY20 | Q3 FY19 | Inc/(Dec) | | YTD FY20 | YTD FY19 | Inc/(Dec) | |
|--------------------------------------|--------------|---------|-----------|-----|----------|----------|-----------|-----|
| Gross Margin - GAAP | 49.4% | 44.9% | 450 bps | | 49.5% | 42.6% | 690 bps | |
| Gross Margin - Adjusted | 52.1% | 47.3% | 480 bps | | 52.0% | 47.6% | 440 bps | |
| | (\$ million) | | | | | | | |
| Operating Expenses - GAAP | \$ 87.1 | \$ 82.9 | \$ 4.3 | 5% | \$ 293.6 | \$ 246.6 | \$ 47.0 | 19% |
| Operating Expenses - Adjusted | \$ 73.4 | \$ 74.2 | \$ (0.8) | -1% | \$ 220.1 | \$ 219.4 | \$ 0.7 | 0% |
| | (\$ million) | | | | | | | |
| Operating Income - GAAP | \$ 40.9 | \$ 28.3 | \$ 12.6 | 44% | \$ 77.3 | \$ 59.7 | \$ 17.7 | 30% |
| Operating Income - Adjusted | \$ 61.6 | \$ 42.7 | \$ 18.9 | 44% | \$ 170.8 | \$ 122.3 | \$ 48.5 | 40% |

Reconciliations of these non-GAAP measures to their most comparable GAAP measures are included at the end of the financial sections of the February 4, 2020 earnings release for the Third quarter and year to date fiscal 2020 as well as on Company's website at www.haemonetics.com.