

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. 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, constant currency measures the change in revenue between the current and prior year periods using a constant currency conversion rate. Organic revenue growth excludes the impact of currency, product end-of-life activities and divestitures. Adjusted gross profit, adjusted operating expenses and adjusted operating income exclude restructuring and turnaround costs, accelerated device depreciation and related costs, asset impairments, deal amortization expenses, 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 second quarters ended September 28, 2019 and September 29, 2018 are included at the end of the financial sections of the Company’s November 1, 2019 earnings release for the second 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 \(Q2 FY2020\) dated November 1, 2019](#)

Analytical Table 1: Year-over-Year Revenue

(\$ million) REVENUE	Q2FY20	Q2FY19	Inc/(Dec)		YTD FY20	YTD FY19	Inc/(Dec)	
Plasma	\$ 115.9	\$ 106.8	\$ 9.1	8.5%	\$ 226.3	\$ 206.2	\$ 20.2	9.8%
<i>Currency effect</i>				0.4%				0.4%
<i>Effect of dispositions and product end of life</i>				5.7%				5.2%
Organic Growth				14.6%				15.4%
No. America Organic				14.7%				16.0%
No. America disposables (excl. liquids)				11.0%				12.4%
Hospital	\$ 49.7	\$ 48.0	\$ 1.7	3.6%	\$ 97.4	\$ 95.0	\$ 2.4	2.6%
<i>Currency effect</i>				1.1%				1.2%
<i>Effect of dispositions and product end of life</i>				5.4%				5.4%
Organic Growth				10.1%				9.2%
Hemostasis Management	\$ 24.8	\$ 21.8	\$ 3.0	13.7%	\$ 49.2	\$ 43.2	\$ 6.0	13.9%
<i>Currency effect</i>				2.3%				2.0%
<i>Effect of dispositions and product end of life</i>				0.0%				0.0%
Organic Growth				16.0%				15.9%
Cell Salvage & Transfusion Management	\$ 24.9	\$ 26.2	\$ (1.3)	-4.9%	\$ 48.2	\$ 51.8	\$ (3.6)	-6.9%
<i>Currency effect</i>				0.6%				1.2%
<i>Effect of dispositions and product end of life</i>				9.2%				9.1%
Organic Growth				4.9%				3.4%
Blood Center	\$ 82.0	\$ 82.3	\$ (0.3)	-0.3%	\$ 157.8	\$ 161.1	\$ (3.3)	-2.1%
<i>Currency effect</i>				0.5%				1.1%
<i>Effect of dispositions and product end of life</i>				0.0%				0.0%
Organic Growth				0.2%				-1.0%
Whole Blood	\$ 23.1	\$ 24.7	\$ (1.6)	-6.5%	\$ 45.8	\$ 48.5	\$ (2.8)	-5.7%
<i>Currency effect</i>				0.8%				0.8%
<i>Effect of dispositions and product end of life</i>				0.0%				0.0%
Organic Growth				-5.7%				-4.9%
Apheresis¹	\$ 55.6	\$ 53.4	\$ 2.3	4.3%	\$ 104.6	\$ 103.9	\$ 0.7	0.7%
<i>Currency effect</i>				0.4%				1.2%
<i>Effect of dispositions and product end of life</i>				0.0%				0.0%
Organic Growth				4.7%				1.9%
Software & Other	\$ 3.3	\$ 4.2	\$ (1.0)	-22.8%	\$ 7.4	\$ 8.7	\$ (1.3)	-14.7%
<i>Currency effect</i>				0.5%				0.5%
<i>Effect of dispositions and product end of life</i>				0.0%				0.0%
Organic Growth				-22.3%				-14.2%
Net business unit revenues	\$ 247.6	\$ 237.1	\$ 10.5	4.4%	\$ 481.5	\$ 462.2	\$ 19.3	4.2%
<i>Currency effect</i>				0.6%				0.8%
<i>Effect of dispositions and product end of life</i>				3.5%				3.3%
Organic Growth				8.5%				8.2%
Service	\$ 5.0	\$ 4.5	\$ 0.4	9.7%	\$ 9.5	\$ 8.7	\$ 0.8	8.9%
<i>Currency effect</i>				1.7%				3.0%
<i>Effect of dispositions and product end of life</i>				0.0%				0.0%
Organic Growth				11.4%				11.9%
Total net revenues	\$ 252.6	\$ 241.6	\$ 11.0	4.5%	\$ 491.0	\$ 470.9	\$ 20.1	4.3%
<i>Currency effect</i>				0.6%				0.8%
<i>Effect of dispositions and product end of life</i>				3.4%				3.2%
Organic Growth				8.6%				8.3%

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

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

Analytical Table 2: GAAP and Adjusted results referenced during Q2 FY20 Earnings call

	Q2 FY20	Q2 FY19	Inc/(Dec)		YTD FY20	YTD FY19	Inc/(Dec)	
Gross Margin - GAAP	50.3%	46.3%	400 bps		49.5%	41.4%	810 bps	
Gross Margin - Adjusted	52.6%	48.2%	440 bps		51.9%	47.7%	420 bps	
	(\$ million)							
Operating Expenses - GAAP	\$ 77.3	\$ 85.8	\$ (8.6)	-10%	\$ 206.5	\$ 163.8	\$ 42.7	26%
Operating Expenses - Adjusted	\$ 75.2	\$ 77.6	\$ (2.4)	-3%	\$ 146.7	\$ 145.2	\$ 1.5	1%
	(\$ million)							
Operating Income - GAAP	\$ 49.7	\$ 26.1	\$ 23.7	91%	\$ 36.4	\$ 31.4	\$ 5.1	16%
Operating Income - Adjusted	\$ 57.8	\$ 38.9	\$ 18.9	49%	\$ 109.2	\$ 79.6	\$ 29.6	37%

Reconciliations of these non-GAAP measures to their most comparable GAAP measures are included at the end of the financial sections of the November 1, 2019 earnings release for the Second quarter of fiscal 2020 as well as on Company's website at www.haemonetics.com.