

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”) 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, as well as acquisition and divestiture activities.

Adjusted gross profit, adjusted operating expenses, adjusted operating income, adjusted net income and adjusted earnings per share exclude restructuring and turnaround costs, deal amortization expenses, impacts of U.S. tax reform, certain legal and other expenses, and impairment of assets. Adjusted net income and adjusted earnings per share also exclude gains and losses on asset dispositions. Free cash flow is defined as cash provided by operating activities less capital expenditures, net of the proceeds from the sale of property, plant and equipment. Reconciliations of those measures to their most comparable GAAP measure for the fourth quarter and fiscal year ended March 31, 2018 are included at the end of the financial sections of the Company’s May 8, 2018 earnings release for the fourth quarter of fiscal 2018, which qualifies the following tables in their entirety.

[Click here for link to 4Q18 / FY18 earnings release dated May 8, 2018.](#)

(\$ million)	Q418	Q417	<u>Inc/(Dec)</u>		YTD18	YTD17	<u>Inc/(Dec)</u>	
<u>REVENUE</u>								
Plasma	111.6	\$ 100.9	\$ 10.7	10.6%	\$ 436.0	\$ 410.7	\$ 25.2	6.1%
- Currency effect				<u>-1.7%</u>				<u>-0.6%</u>
- Constant currency				8.9%				5.5%
Hospital	\$ 48.6	\$ 44.9	\$ 3.7	8.2%	\$ 183.1	\$ 171.5	\$ 11.6	6.7%
- Currency effect				<u>-3.3%</u>				<u>-1.3%</u>
- Constant currency				4.9%				5.4%
Hospital - Hemostasis Mgmt.	\$ 19.9	\$ 17.5	\$ 2.5	14.2%	\$ 75.5	\$ 66.1	\$ 9.4	14.2%
- Currency effect				<u>-2.3%</u>				<u>-0.6%</u>
- Constant currency				11.9%				13.6%
Hospital - Cell Processing	\$ 28.6	\$ 27.4	\$ 1.2	4.4%	\$ 107.6	\$ 105.4	\$ 2.2	2.1%
- Currency effect				<u>-3.7%</u>				<u>-1.6%</u>
- Constant currency				0.7%				0.5%
Blood Center	\$ 73.4	\$ 82.3	\$ (8.9)	-10.8%	\$ 284.9	\$ 303.9	\$ (19.0)	-6.2%
- Currency effect				<u>-2.5%</u>				<u>-1.3%</u>
- Constant currency				<u>-13.3%</u>				<u>-7.5%</u>
Platelets disposables	\$ 31.1	\$ 31.0	\$ 0.1	0.3%	\$ 114.4	\$ 118.4	\$ (3.9)	-3.3%
- Currency effect				<u>-4.3%</u>				<u>-2.0%</u>
- Constant currency				<u>-4.0%</u>				<u>-5.3%</u>
Red Cell disposables	\$ 7.2	\$ 7.6	\$ (0.3)	-4.5%	\$ 27.5	\$ 30.4	\$ (2.9)	-9.4%
- Currency effect				<u>-0.9%</u>				<u>-0.4%</u>
- Constant currency				<u>-5.4%</u>				<u>-9.8%</u>
Whole Blood disposables	\$ 25.8	\$ 33.5	\$ (7.7)	-23.0%	\$ 108.5	\$ 115.8	\$ (7.3)	-6.3%
- Currency effect				<u>-1.0%</u>				<u>-0.6%</u>
- Constant currency				<u>-24.0%</u>				<u>-6.9%</u>
Software, Equipment & Service	\$ 9.3	\$ 10.2	\$ (1.0)	-9.6%	\$ 34.4	\$ 39.4	\$ (4.9)	-12.5%
- Currency effect				<u>-2.5%</u>				<u>-1.1%</u>
- Constant currency				<u>-12.1%</u>				<u>-13.6%</u>

Constant currency measures the change in revenue using a constant currency conversion rate.



May 8, 2018

	Q418	Q417	Inc/(Dec)	YTD18	YTD17	Inc/(Dec)
Gross Margin - GAAP	44.7%	36.0%	870 bps	45.6%	42.7%	290 bps
Gross Margin - Adjusted	45.6%	43.0%	260 bps	45.9%	44.7%	120 bps
(\$ million)						
Operating Expenses - GAAP	\$ 90.1	\$ 139.6	\$ (49.5) -35%	\$ 355.8	\$ 397.9	\$ (42.1) -11%
Operating Expenses - Adjusted	\$ 79.3	\$ 70.0	\$ 9.3 13%	\$ 283.3	\$ 280.5	\$ 2.8 1%
(\$ million)						
Operating Income - GAAP	\$ 14.3	\$ (57.5)	\$ 71.8 125%	\$ 56.2	\$ (19.4)	\$ 75.5 390%
Operating Income - Adjusted	\$ 27.3	\$ 27.9	\$ (0.7) -2%	\$ 131.2	\$ 115.4	\$ 15.8 14%

Reconciliations of these non-GAAP measures to their most comparable GAAP measure are included at the end of the financial sections of the May 8, 2018 earnings release as well as on Company's website at www.haemonetics.com.

Historical Product Category Revenue in Reported Currency

(\$ Millions)

	Q117	Q217	Q317	Q417	FY17	Q118	Q218	Q318	Q418	FY18
Total Revenue	\$ 210	\$ 220	\$ 228	\$ 228	\$ 886	\$ 211	\$ 225	\$ 234	\$ 234	\$ 904
<i>By Product Category:</i>										
Plasma	\$ 98	\$ 104	\$ 108	\$ 101	\$ 411	\$ 101	\$ 110	\$ 113	\$ 112	\$ 436
Hospital	\$ 41	\$ 42	\$ 43	\$ 45	\$ 171	\$ 44	\$ 44	\$ 47	\$ 49	\$ 183
Hemostasis Management	\$ 15	\$ 16	\$ 17	\$ 18	\$ 66	\$ 18	\$ 18	\$ 20	\$ 20	\$ 76
Cell Processing	\$ 26	\$ 26	\$ 26	\$ 27	\$ 105	\$ 26	\$ 26	\$ 27	\$ 29	\$ 108
Blood Center	\$ 71	\$ 74	\$ 77	\$ 82	\$ 304	\$ 66	\$ 72	\$ 74	\$ 73	\$ 285

Deal Related Amortization

Supplemental Information - Deal Related Amortization
 (\$ Millions, except per Share Data)

	FY17	Q118	Q218	Q318	Q418
Deal Amortization	\$ 27	\$ 6	\$ 7	\$ 7	\$ 7
Tax Effect of Deal Amortization	\$ (8)	\$ (2)	\$ (2)	\$ (1)	\$ (2)
Adjusted EPS Effect of Deal Amortization	\$ 0.38	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.09

FY18 Product Category Growth Rates in Reported and Constant Currency

	Q1 % Growth - Reported Currency	Q1 % Growth - Constant Currency (1)	Q2 % Growth - Reported Currency	Q2 % Growth - Constant Currency (2)	Q3 % Growth - Reported Currency	Q3 % Growth - Constant Currency (3)	Q4 % Growth - Reported Currency	Q4 % Growth - Constant Currency (4)
Plasma	4.0%	4.3%	6.0%	5.7%	4.1%	3.4%	10.6%	8.9%
Hospital	6.1%	6.9%	3.5%	3.4%	9.1%	6.3%	8.2%	4.9%
Hemostasis Mgmt	14.8%	16.7%	10.1%	10.4%	17.6%	15.7%	14.2%	11.9%
Cell Processing	1.0%	1.5%	(0.7%)	(0.8%)	3.5%	0.6%	4.4%	0.7%
Blood Center	(7.6%)	(7.1%)	(3.4%)	(3.8%)	(2.8%)	(5.1%)	(10.8%)	(13.3%)
Total Revenue	0.5%	1.0%	2.3%	2.1%	2.7%	1.1%	2.4%	0.2%

1. Reconciliation of this measure to its most comparable GAAP measure is included at the end of the financial sections of the Company's August 7, 2017 earnings release for the first quarter of fiscal 2018, which qualifies the above in its entirety [\(click here for link\)](#).
2. Reconciliation of this measure to its most comparable GAAP measure is included at the end of the financial sections of the Company's November 7, 2017 earnings release for the second quarter of fiscal 2018, which qualifies the above in its entirety [\(click here for link\)](#).
3. Reconciliation of this measure to its most comparable GAAP measure is included at the end of the financial sections of the Company's February 6, 2018 earnings release for the third quarter of fiscal 2018, which qualifies the above in its entirety [\(click here for link\)](#).
4. Reconciliation of this measure to its most comparable GAAP measure is included at the end of the financial sections of the Company's May 8, 2018 earnings release for the fourth quarter of fiscal 2018, which qualifies the above in its entirety [\(click here for link\)](#).