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: September 30, 2023
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 October 31, 2023: 50,742,477

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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		Six Months Ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net revenues	$ 318,183	$ 297,485	$ 629,515	$ 558,943
Cost of goods sold	147,673	139,607	291,740	258,802
Gross profit	170,510	157,878	337,775	300,141
Operating expenses:				
Research and development	12,665	10,896	25,313	21,798
Selling, general and administrative	104,901	92,029	198,386	184,256
Amortization of acquired intangible assets	7,222	8,221	14,695	16,588
Impairment of intangible assets	10,419	—	10,419	—
Total operating expenses	135,207	111,146	248,813	222,642
Operating income	35,303	46,732	88,962	77,499
Interest and other expense, net	(2,471)	(5,673)	(4,540)	(10,946)
Income before provision for income taxes	32,832	41,059	84,422	66,553
Provision for income taxes	7,924	7,862	18,472	13,479
Net income	**$ 24,908**	**$ 33,197**	**$ 65,950**	**$ 53,074**
Net income per share - basic	$ 0.49	$ 0.65	$ 1.30	$ 1.04
Net income per share - diluted	$ 0.48	$ 0.64	$ 1.28	$ 1.03
Weighted average shares outstanding				
Basic	50,727	50,953	50,634	51,089
Diluted	51,396	51,558	51,368	51,620
Comprehensive income	$ 21,721	$ 25,659	$ 63,626	$ 38,773

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)

	September 30, 2023	April 1, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 351,005	$ 284,466
Accounts receivable, less allowance for credit losses of $5,044 at September 30, 2023 and $4,932 at April 1, 2023	174,249	179,142
Inventories, net	285,830	259,379
Prepaid expenses and other current assets	54,660	46,735
Total current assets	865,744	769,722
Property, plant and equipment, net	307,766	310,885
Intangible assets, less accumulated amortization of $433,092 at September 30, 2023 and $417,422 at April 1, 2023	250,504	275,771
Goodwill	465,405	466,231
Deferred tax asset	4,745	5,241
Other long-term assets	117,111	106,975
Total assets	**$ 2,011,275**	**$ 1,934,825**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 13,566	$ 11,784
Accounts payable	80,160	63,929
Accrued payroll and related costs	45,638	64,475
Other current liabilities	124,851	111,628
Total current liabilities	264,215	251,816
Long-term debt, net of current maturities	748,662	754,102
Deferred tax liability	34,807	36,195
Other long-term liabilities	69,931	74,715
Stockholders' equity:		
Common stock, $0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 50,740,389 shares at September 30, 2023 and 50,448,519 shares at April 1, 2023	507	504
Additional paid-in capital	616,960	594,706
Retained earnings	308,898	253,168
Accumulated other comprehensive loss	(32,705)	(30,381)
Total stockholders' equity	893,660	817,997
Total liabilities and stockholders' equity	**$ 2,011,275**	**$ 1,934,825**

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)/Income	Total Stockholders' Equity
	Shares	Par Value				
Balance, April 1, 2023	**50,449**	**$ 504**	**$ 594,706**	**$ 253,168**	**$ (30,381)**	**$ 817,997**
Employee stock purchase plan	40	—	2,871	—	—	2,871
Exercise of stock options	145	2	5,858	(5,233)	—	627
Issuance of restricted stock, net of cancellations	140	2	(2)	—	—	—
Tax withholding on employee equity awards	(68)	(1)	(812)	(4,960)	—	(5,773)
Share-based compensation expense	—	—	6,989	—	—	6,989
Net income	—	—	—	41,042	—	41,042
Other comprehensive income	—	—	—	—	863	863
Balance, July 1, 2023	**50,706**	**$ 507**	**$ 609,610**	**$ 284,017**	**$ (29,518)**	**$ 864,616**
Exercise of stock options	12	—	655	37	—	692
Issuance of restricted stock, net of cancellations	22	—	—	—	—	—
Tax withholding on employee equity awards	—	—	(11)	(64)	—	(75)
Share-based compensation expense	—	—	6,706	—	—	6,706
Net income	—	—	—	24,908	—	24,908
Other comprehensive loss	—	—	—	—	(3,187)	(3,187)
Balance, September 30, 2023	**50,740**	**$ 507**	**$ 616,960**	**$ 308,898**	**$ (32,705)**	**$ 893,660**

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	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**
Exercise of stock options	50	1	2,191	—	—	2,192
Shares repurchased	(786)	(8)	(23,891)	(51,101)	—	(75,000)
Issuance of restricted stock, net of cancellations	26	—	—	—	—	—
Share-based compensation expense	—	—	5,735	—	—	5,735
Net income	—	—	—	33,197	—	33,197
Other comprehensive loss	—	—	—	—	(7,538)	(7,538)
Balance, October 1, 2022	**50,605**	**$ 506**	**$ 564,394**	**$ 204,364**	**$ (40,255)**	**$ 729,009**

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)

	Six Months Ended	
	September 30, 2023	**October 1, 2022**
Cash Flows from Operating Activities:		
Net income	$ 65,950	$ 53,074
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	46,045	45,883
Share-based compensation expense	13,695	11,034
Impairment of assets	10,419	94
Amortization of deferred financing costs	1,610	313
Inventory reserve adjustment	2,559	(1,529)
Other non-cash operating activities	(1,836)	(2,072)
Change in operating assets and liabilities:		
Change in accounts receivable	2,857	(17,043)
Change in inventories	(30,654)	35,990
Change in prepaid income taxes	(906)	2,145
Change in other assets and other liabilities	(10,291)	(7,724)
Change in accounts payable and accrued expenses	18,762	8,867
Net cash provided by operating activities	118,210	129,032
Cash Flows from Investing Activities:		
Capital expenditures	(34,317)	(81,424)
Acquisition	—	(2,850)
Proceeds from divestiture	—	850
Proceeds from sale of property, plant and equipment	921	7,537
Other investments	(7,000)	(13,395)
Net cash used in investing activities	(40,396)	(89,282)
Cash Flows from Financing Activities:		
Term loan borrowings	—	280,000
Term loan redemption	—	(280,000)
Proceeds from revolving facility	—	50,000
Repayment of term loan borrowings	(5,250)	(6,125)
Debt issuance costs	—	(1,118)
Share repurchases	—	(75,000)
Contingent consideration payments	(849)	(21,593)
Proceeds from employee stock purchase plan	2,871	2,459
Proceeds from exercise of stock options	1,319	2,319
Cash used to net share settle employee equity awards	(5,842)	—
Other financing activities	(19)	(23)
Net cash used in financing activities	(7,770)	(49,081)
Effect of exchange rates on cash and cash equivalents	(3,505)	(8,965)
Net Change in Cash and Cash Equivalents	66,539	(18,296)
Cash and Cash Equivalents at Beginning of Period	284,466	259,496
Cash and Cash Equivalents at End of Period	**$ 351,005**	**$ 241,200**
Supplemental Disclosures of Cash Flow Information:		
Non-Cash Investing and Financing Activities:		
Transfers from inventory to fixed assets for placement of Haemonetics equipment	$ 17,523	$ 66,452

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 six months ended September 30, 2023 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 30, 2024 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 1, 2023.

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 six months ended September 30, 2023, except for those discussed in Note 3, *Acquisitions and Strategic Investments*.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Standards Implemented

There are currently no recent accounting pronouncements that the Company expects to have a material impact on its financial position and results of operations.

3. ACQUISITIONS AND STRATEGIC INVESTMENTS

As part of the Company's business development activities, it holds strategic investments in certain entities. During fiscal 2024, the Company made strategic investments totaling $7.0 million. During fiscal year 2023, the Company made investments in Vivasure Medical LTD ("Vivasure"), totaling €30 million. The investments in Vivasure include both preferred stock and a special share that allows the Company to acquire Vivasure in accordance with an agreement between the parties. The Company's strategic investments are classified as other long-term assets on the Company's Condensed Consolidated Balance Sheets and the Company has not recorded any adjustments to the carrying value of the strategic investments during three and six months ended September 30, 2023.

Agreement to acquire OpSens, Inc.

On October 10, 2023, the Company announced it has entered into a definitive agreement to acquire all of the issued and outstanding common shares of OpSens, Inc. ("OpSens") for CAD $2.90 per share in an all-cash transaction, representing a fully diluted equity value of approximately USD $253.0 million at the exchange rate on the date of announcement. Completion of the acquisition is subject to the approval of OpSens shareholders, receipt of court and regulatory approval, as well as certain other closing conditions customary for transactions of this nature. The transaction is expected to close by the end of January 2024.

OpSens offers commercially and clinically validated optical technology for use primarily in interventional cardiology. OpSens' core products include the SavvyWire® that acts as pacing and pressure monitoring wire advancing the workflow of the procedure and enabling potentially shorter hospital stays for patients, and the OptoWire®, a pressure guidewire that aims to improve clinical outcomes by accurately and consistently measuring Fractional Flow Reserve (FFR) and diastolic pressure ratio (dPR) to aid clinicians in the diagnosis and treatment of patients with coronary artery disease. OpSens also manufactures a range of fiber optic sensor solutions used in medical devices and other critical industrial applications. The addition of OpSens will expand the Hospital business unit portfolio in the interventional cardiology market.

4. 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 September 30, 2023, the Company had $22.0 million of 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 78% of this amount as revenue within the next twelve months and the remaining balance thereafter.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables and contract assets, as well as customer advances, customer deposits and deferred revenue (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 September 30, 2023 and April 1, 2023, the Company had contract liabilities of $31.7 million and $30.2 million, respectively. During the three and six months ended September 30, 2023, the Company recognized $7.0 million and $20.5 million of revenue, respectively, that was included in the above April 1, 2023 contract liability balance. Contract liabilities are classified as other current liabilities on the condensed consolidated balance sheet. As of September 30, 2023 and April 1, 2023, the Company's contract assets were immaterial.

5. 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 expects to incur aggregate charges between $95 million and $105 million by the end of fiscal 2025 under the program. 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 and six months ended September 30, 2023, the Company incurred $2.0 million and $4.2 million, respectively, of restructuring and restructuring related costs under this program. During the three and six months ended October 1, 2022, the Company incurred $3.1 million and $6.6 million, respectively, of restructuring and restructuring related costs under this program. Total cumulative charges under this program are $71.4 million.

The following table summarizes the activity for restructuring reserves related to the 2020 Program and prior programs for the six months ended September 30, 2023, substantially all of which relates to employee severance and other employee costs:

(In thousands)	2020 Program	Prior Programs	Total
Balance at April 1, 2023	$ 1,810	$ 340	$ 2,150
Costs incurred, net of reversals	57	18	75
Payments	(721)	(27)	(748)
Balance at September 30, 2023	$ 1,146	$ 331	$ 1,477

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

	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Cost of goods sold	$ 58	$ 29	$ 264	$ (177)
Selling, general and administrative expenses	28	136	(189)	298
Total	$ 86	$ 165	$ 75	$ 121

As of September 30, 2023, the Company had a restructuring liability of $1.5 million, of which approximately $1.1 million is payable within the next twelve months.

In addition to the restructuring expenses included in the table above, the Company also incurred costs that do not constitute restructuring costs 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.

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

Restructuring costs	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Plasma	$ 59	$ —	$ (197)	$ (211)
Hospital	—	—	242	—
Corporate	27	165	30	332
Total	$ 86	$ 165	$ 75	$ 121

Restructuring related costs	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Plasma	$ 74	$ 108	$ 243	$ 748
Blood Center	28	16	73	18
Hospital	98	111	147	200
Corporate	1,747	2,794	3,688	5,585
Total	$ 1,947	$ 3,029	$ 4,151	$ 6,551
Total restructuring and restructuring related costs	**$ 2,033**	**$ 3,194**	**$ 4,226**	**$ 6,672**

6. 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 and six months ended September 30, 2023, the Company reported income tax expense of $7.9 million and $18.5 million, respectively, representing effective tax rates of 24.1% and 21.9%, respectively. The effective tax rate for the three months ended September 30, 2023 includes $0.1 million of discrete tax benefit primarily related to stock compensation windfalls. The effective tax rate for the six months ended September 30, 2023, includes $1.3 million of discrete tax benefit primarily related to stock compensation windfalls.

For the three and six months ended October 1, 2022, the Company reported income tax expense of $7.9 million and $13.5 million, respectively, representing effective tax rates of 19.1% and 20.3%, respectively. The effective tax rate for the three months ended October 1, 2022 include a discrete tax benefit of $0.5 million related to tax rate changes enacted in the quarter and $0.3 million of discrete tax benefit relating to stock compensation windfalls. The effective tax rate for the six months ended October 1, 2022, includes a discrete tax benefit of $0.5 million related to tax rate changes enacted in the period and $0.3 million of discrete tax expense relating to stock compensation shortfalls.

7. 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		Six Months Ended	
(In thousands, except per share amounts)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Basic EPS				
Net income	$ 24,908	$ 33,197	$ 65,950	$ 53,074
Weighted average shares	50,727	50,953	50,634	51,089
Basic income per share	**$ 0.49**	**$ 0.65**	**$ 1.30**	**$ 1.04**
Diluted EPS				
Net income	$ 24,908	$ 33,197	$ 65,950	$ 53,074
Basic weighted average shares	50,727	50,953	50,634	51,089
Net effect of common stock equivalents	669	605	734	531
Diluted weighted average shares	51,396	51,558	51,368	51,620
Diluted income per share	**$ 0.48**	**$ 0.64**	**$ 1.28**	**$ 1.03**

Basic earnings per share is calculated using the Company's weighted-average outstanding common shares. Diluted earnings per share is calculated using its weighted-average outstanding common shares 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 and six months ended September 30, 2023, weighted average shares outstanding, assuming dilution, excludes the impact of 0.7 million and 0.6 million anti-dilutive shares, respectively. For the three and six months ended October 1, 2022, weighted average shares outstanding, assuming dilution, excludes the impact and 0.7 million and 0.8 million anti-dilutive shares, respectively.

Share Repurchase Program

In August 2022, the Company announced that its Board of Directors had approved a three-year share repurchase program authorizing the repurchase of up to $300.0 million of Haemonetics common stock, based on market conditions, through August 2025. 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 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.

In fiscal 2023, the Company completed a $75.0 million repurchase of its common stock pursuant to an accelerated share repurchase agreement entered into with Citibank N.A. in August 2022. As of September 30, 2023, the total remaining authorization for repurchases of the Company's common stock under the share repurchase program was $225.0 million.

8. 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)	September 30, 2023	April 1, 2023
Raw materials	$ 132,002	$ 115,016
Work-in-process	15,258	12,572
Finished goods	138,570	131,791
Total inventories	**$ 285,830**	**$ 259,379**

In August 2023, the Company issued a voluntary recall of certain products within the Whole Blood portion of our Blood Center business unit sold to customers in the U.S. and certain foreign jurisdictions. As of September 30, 2023, the Company has recorded charges of $4.3 million related to inventory.

9. PROPERTY, PLANT AND EQUIPMENT

(In thousands)	September 30, 2023	April 1, 2023
Land	$ 5,443	$ 5,358
Building and building improvements	116,541	127,634
Plant equipment and machinery	195,990	194,539
Office equipment and information technology	125,521	123,611
Haemonetics equipment	470,449	463,706
Construction in progress	36,051	29,367
Total	949,995	944,215
Less: accumulated depreciation	(642,229)	(633,330)
Property, plant and equipment, net	**$ 307,766**	**$ 310,885**

During the three and six months ended September 30, 2023, depreciation expense was $13.6 million and $26.9 million, respectively. During the three and six months ended October 1, 2022, depreciation expense was $12.9 million and $24.6 million, respectively.

In the second quarter of fiscal 2024, $4.3 million of the Company’s property, plant and equipment met held for sale accounting criteria and was reclassed to Prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets.

10. 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.

11. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill by operating segment for fiscal 2024 are as follows:

(In thousands)	Plasma	Blood Center	Hospital	Total
Carrying amount as of April 1, 2023	$ 29,043	$ 33,855	$ 403,333	$ 466,231
Currency translation	—	(364)	(462)	(826)
Carrying amount as of September 30, 2023	**$ 29,043**	**$ 33,491**	**$ 402,871**	**$ 465,405**

The gross carrying amount of intangible assets and the related accumulated amortization as of September 30, 2023 and April 1, 2023 is as follows:

(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net
As of September 30, 2023			
Amortizable:			
Patents	$ 18,504	$ 11,301	$ 7,203
Capitalized software	79,431	65,028	14,403
Other developed technology	349,091	163,571	185,520
Customer contracts and related relationships	202,659	188,041	14,618
Trade names	9,508	5,151	4,357
Total	**$ 659,193**	**$ 433,092**	**$ 226,101**
Non-amortizable:			
In-process software development	$ 7,275		
In-process research and development	13,667		
In-process patents	3,461		
Total	**$ 24,403**		

(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net
As of April 1, 2023			
Amortizable:			
Patents	$ 18,504	$ 10,831	$ 7,673
Capitalized software	78,962	60,776	18,186
Other developed technology	362,506	153,099	209,407
Customer contracts and related relationships	203,240	187,774	15,466
Trade names	9,508	4,942	4,566
Total	**$ 672,720**	**$ 417,422**	**$ 255,298**
Non-amortizable:			
In-process software development	$ 3,841		
In-process research and development	13,667		
In-process patents	2,965		
Total	**$ 20,473**		

Refer to Note 3, *Acquisitions and Strategic Investments,* for additional information regarding acquisitions.

Intangible assets include the value assigned to license rights and other developed technology, patents, customer contracts and relationships and trade names. The estimated useful lives for all of these intangible assets are approximately 5 to 15 years.

In the second quarter of fiscal 2024, the Company recorded an intangible asset impairment charge of $10.4 million related to the intangibles acquired as part of the enicor GmbH acquisition completed in fiscal 2021 within the Hospital business unit.

During the three and six months ended September 30, 2023, amortization expense was $9.4 million and $19.2 million, respectively. During the three and six months ended October 1, 2022, amortization expense was $10.6 million and $21.3 million, respectively.

Future annual amortization expense on intangible assets is estimated to be as follows:

(In thousands)		
Remainder of Fiscal 2024	$	18,345
Fiscal 2025	$	29,705
Fiscal 2026	$	24,023
Fiscal 2027	$	22,066
Fiscal 2028	$	20,294

12. NOTES PAYABLE AND LONG-TERM DEBT

Convertible Senior Notes

The Company has $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 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 second quarter of fiscal 2024, the conditions allowing holders of the 2026 Notes to convert have not been met. The 2026 Notes were therefore not convertible as of September 30, 2023 and were classified as long-term debt on the Company’s Condensed Consolidated Balance Sheets.

As of September 30, 2023, the $500.0 million principal balance was netted down by the $6.5 million of remaining debt issuance costs, resulting in a net convertible note payable of $493.5 million. Interest expense related to the 2026 Notes was $0.6 million and $1.3 million for the three and six months ended September 30, 2023, respectively, 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 credit facility (together with the term loan, as amended from time to time, the “2018 Credit Facilities”) that were each scheduled to mature on June 15, 2023.

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 $280.0 million senior unsecured term loan, the proceeds of which have been used to settle the balance of the term loan under the 2018 Credit Facilities, and a $420.0 million senior unsecured revolving credit facility (together, the “Revised Credit Facilities”). Loans under the Revised Credit Facilities 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 applied modification accounting for the credit facility refinancing. For the term loan under the Revised Credit Facilities, for fiscal 2023, the Company recognized interest expense of $0.5 million for third party fees incurred and capitalized $0.2 million of lender fees related to the term loan. For fiscal 2023, the Company capitalized $1.1 million of lender fees and third-party costs incurred in the refinancing related to the revolving credit facility under the Revised Credit Facilities.

At September 30, 2023, $269.5 million was outstanding under the term loan with an effective interest rate of 6.7%. The Company has scheduled principal payments of $14.0 million required during the 12 months following September 30, 2023. There were no outstanding borrowings under the revolving credit facility at September 30, 2023. The Company also had $19.0 million of uncommitted operating lines of credit to fund its global operations under which there were no outstanding borrowings as of September 30, 2023.

The Company was in compliance with the leverage and interest coverage ratios specified in the Revised Credit Facilities as well as all other bank covenants as of September 30, 2023.

13. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The Company manufactures, markets and sells its products globally. During the three and six months ended September 30, 2023, 25.7% and 24.8%, respectively, 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 Japanese Yen and Euro, and to a lesser extent, Swiss Franc and 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 September 30, 2023 and April 1, 2023 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 $50.5 million as of September 30, 2023 and $51.8 million as of April 1, 2023. At September 30, 2023, a gain of $2.7 million, net of tax, will be reclassified to earnings within the next twelve months. All currency cash flow hedges outstanding as of September 30, 2023 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 $27.1 million as of September 30, 2023 and $44.7 million as of April 1, 2023.

Interest Rate Swaps

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.

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. In August 2018, the Company entered into two interest rate swap agreements to pay an average fixed rate of 2.80% plus the applicable rate on a total notional value of $241.9 million of debt, or 70% of the notional value of the unsecured term loan. As a result of the Company’s refinancing of the 2018 Credit Facilities in July 2022, as discussed below, the 2018 interest rate swaps were amended in September 2022 to align with the Term Secured Overnight Financing Rate (“SOFR”) rate rather than LIBOR (the “Amended Swaps”). In order to avoid dedesignation, the Company elected certain practical expedients under ASC 848. As a result, the Company's earnings and cash flows are exposed to interest rate risk from changes to SOFR. The Amended Swaps matured on June 15, 2023.

On July 26, 2022, the Company entered into an amended and restated credit agreement to refinance the 2018 Credit Facilities and extend their maturity date through June 2025. The Revised Credit Facilities include a $280.0 million senior unsecured term loan and a $420.0 million senior unsecured revolving credit facility. Loans under the Revised Credit Facilities bear interest at an annual rate equal to the 1-month USD Term SOFR plus 0.10% and an applicable rate ranging from 1.125% to 1.750% based on the Company's consolidated net leverage ratio. In September 2022, the Company entered into four additional interest rate swaps, which when combined with the Amended Swaps, resulted in an average blended fixed interest rate of 3.57% plus the applicable rate on 70% of the notional value of the unsecured term loan until mid-June 2023 and 4.12% plus the applicable rate thereafter on 80% of the notional value until the maturity date in June 2025. On June 15, 2023, two of the Company's interest rate swaps entered into during September 2022 matured concurrently with the Amended Swaps. The Company has concluded that the two remaining interest rate swaps entered into during September 2022, which cover 80% of the notional value of the unsecured term loan through maturity in June 2025, are effective and qualify for hedge accounting treatment.

The Company held the following interest rate swaps as of September 30, 2023:

Hedged Item	Original Notional Amount	Notional Amount as of September 30, 2023	Designation Date	Effective Date	Termination Date	Fixed Interest Rate	Estimated Fair Value Assets (Liabilities)
(In thousands)							
1-month USD Term SOFR	109,900	109,200	9/23/2022	6/15/2023	6/15/2025	4.08%	1,601
1-month USD Term SOFR	109,900	107,800	9/23/2022	6/15/2023	6/15/2025	4.15%	1,501
Total	$ 219,800	$ 217,000					$ 3,102

For the six months ended September 30, 2023, the Company recorded a gain of $3.2 million, net of tax, in accumulated other comprehensive loss to recognize the effective portion of the fair value of the swaps that qualify as cash flow hedges.

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 roll forward of the allowance for credit losses:

	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Beginning balance	**$ 5,047**	**$ 2,495**	**$ 4,932**	**$ 2,475**
Credit loss	30	59	181	204
Write-offs	(33)	(59)	(69)	(184)
Ending balance	**$ 5,044**	**$ 2,495**	**$ 5,044**	**$ 2,495**

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 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 six months ended September 30, 2023:

Derivative Instruments	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
(In thousands)					
Designated foreign currency hedge contracts, net of tax	$ 2,657	$ (1,552)	Net revenues, COGS and SG&A	$ 671	Interest and other expense, net
Non-designated foreign currency hedge contracts	$ —	$ —		$ 1,670	Interest and other expense, net
Designated interest rate swaps, net of tax	$ 3,231	$ 1	Interest and other expense, net	$ —	

The Company did not have fair value hedges or net investment hedges outstanding as of September 30, 2023 or April 1, 2023. As of September 30, 2023, 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, the Company 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 September 30, 2023, 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 September 30, 2023 and April 1, 2023:

(In thousands)	Location in Condensed Consolidated Balance Sheets	As of September 30, 2023	As of April 1, 2023
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$ 2,941	$ 1,401
Non-designated foreign currency hedge contracts	Other current assets	52	302
Designated interest rate swaps	Other current assets	2,576	1,110
Designated interest rate swaps	Other long-term assets	526	—
		$ 6,095	**$ 2,813**
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	$ 430	$ 24
Non-designated foreign currency hedge contracts	Other current liabilities	11	58
Designated interest rate swaps	Other long-term liabilities	—	1,807
		$ 441	**$ 1,889**

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 September 30, 2023 and April 1, 2023.

	As of September 30, 2023			
(In thousands)	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 161,623	$ —	$ —	$ 161,623
Designated foreign currency hedge contracts	—	2,941	—	2,941
Non-designated foreign currency hedge contracts	—	52	—	52
Designated interest rate swaps	—	3,102	—	3,102
	$ 161,623	**$ 6,095**	**$ —**	**$ 167,718**
Liabilities				
Designated foreign currency hedge contracts	$ —	$ 430	$ —	$ 430
Non-designated foreign currency hedge contracts	—	11	—	11
	$ —	**$ 441**	**$ —**	**$ 441**

	As of April 1, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 132,341	$ —	$ —	$ 132,341
Designated foreign currency hedge contracts	—	1,401	—	1,401
Non-designated foreign currency hedge contracts	—	302	—	302
Designated interest rate swaps	—	1,110	—	1,110
	$ 132,341	**$ 2,813**	**$ —**	**$ 135,154**
Liabilities				
Designated foreign currency hedge contracts	$ —	$ 24	$ —	$ 24
Non-designated foreign currency hedge contracts	—	58	—	58
Designated interest rate swaps	—	1,807	—	1,807
Contingent consideration	—	—	863	863
	$ —	**$ 1,889**	**$ 863**	**$ 2,752**

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.

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 September 30, 2023 was $434.1 million, which was determined by using the market price on the last trading day of the reporting period.

14. 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 requested 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 has fully cooperated with this inquiry. On August 16, 2022, the U.S. Department of Justice ("DOJ") filed a motion on behalf of the United States and 31 states reflecting their decision to not intervene in the underlying *qui tam* action captioned *United States ex rel. Berthelot et al. v. Haemonetics Corp.*, 1:20-cv-11062-ADB, pending in the U.S. District Court for the District of Massachusetts, indicating that the DOJ had completed its investigative activity based on then available information. The *qui tam* case was unsealed by order dated August 18, 2022. The Company currently has a loss contingency recorded for this matter and did not record any adjustments during the second quarter of fiscal 2024.

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. The Company removed the case to the United States District Court for the Northern District Illinois. 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 fingerprint on a finger scanner that stored her fingerprint 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 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. In March 2023, the Company filed a second motion to dismiss the complaint, which is pending before the court. During the second quarter of fiscal 2024, the Company entered into a Memorandum of Understanding providing terms that would resolve the litigation and recorded an additional loss contingency related to this matter, resulting in a total accrual of approximately $8.7 million within Other current liabilities in its condensed consolidated balance sheets.

Product Recall

In August 2023, the Company issued a voluntary recall of certain products within the Whole Blood portion of our Blood Center business unit sold to customers in the U.S. and certain foreign jurisdictions. As of September 30, 2023, the Company has recorded cumulative charges of $6.5 million related to inventory, returns and customer claims associated with this recall. The Company continues to evaluate the impact of this recall and may record additional incremental charges in future periods.

15. 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 1, 2023	**$ (33,935)**	**$ 4,075**	**$ (521)**	**$ (30,381)**
Other comprehensive income (loss) before reclassifications[1]	(6,661)	—	5,888	(773)
Amounts reclassified from accumulated other comprehensive income[1]	—	—	(1,551)	(1,551)
Net current period other comprehensive income (loss)	(6,661)	—	4,337	(2,324)
Balance as of September 30, 2023	**$ (40,596)**	**$ 4,075**	**$ 3,816**	**$ (32,705)**

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

16. 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 and operating 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, amortization of acquired intangible assets, restructuring costs, restructuring related costs, digital transformation costs related to the upgrade of our enterprise resource planning system, 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:

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Six Months Ended September 30, 2023	Six Months Ended October 1, 2022
Net revenues				
Plasma	$ 141,748	$ 128,888	$ 280,230	$ 231,930
Blood Center	68,912	75,652	136,218	142,225
Hospital	103,358	92,562	202,894	181,746
Net revenues by business unit	314,018	297,102	619,342	555,901
Service [1]	5,045	5,409	10,809	10,546
Effect of exchange rates	(880)	(5,026)	(636)	(7,504)
Net revenues	**$ 318,183**	**$ 297,485**	**$ 629,515**	**$ 558,943**

[1] Reflects revenue for service, maintenance and parts

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Six Months Ended September 30, 2023	Six Months Ended October 1, 2022
Segment operating income				
Plasma	$ 78,042	$ 71,607	$ 153,740	$ 126,733
Blood Center	27,307	37,328	53,590	67,705
Hospital	41,834	38,483	82,777	73,205
Segment operating income	147,183	147,418	290,107	267,643
Corporate expenses [1]	(75,750)	(86,769)	(151,059)	(168,353)
Effect of exchange rates	(3,091)	(51)	(478)	6,194
Amortization of acquired intangible assets	(7,222)	(8,221)	(14,695)	(16,588)
Integration and transaction costs	(1,784)	(46)	(2,899)	712
Restructuring costs	(86)	(165)	(75)	(121)
Restructuring related costs	(1,947)	(3,029)	(4,151)	(6,551)
Digital transformation costs	(3,592)	—	(7,297)	—
Impairment of assets and PCS2 related charges	(552)	(83)	(411)	267
MDR and IVDR costs	(1,988)	(2,506)	(3,154)	(5,692)
Litigation-related charges	(5,449)	(198)	(6,507)	(394)
Impairment of intangible assets	(10,419)	—	(10,419)	—
Gains on divestiture	—	382	—	382
Operating income	**$ 35,303**	**$ 46,732**	**$ 88,962**	**$ 77,499**

[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.

Net revenues by business unit are as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Plasma	**$ 141,900**	**$ 127,893**	**$ 280,510**	**$ 230,274**
Whole Blood	14,683	19,893	34,724	39,488
Apheresis	53,415	53,790	100,714	99,889
Blood Center	**68,098**	**73,683**	**135,438**	**139,377**
Hemostasis Management	36,998	34,320	74,818	67,816
Vascular Closure	38,541	29,575	76,162	59,143
Other[1]	27,604	26,961	51,771	52,390
Hospital	**103,143**	**90,856**	**202,751**	**179,349**
Net business unit revenues	**313,141**	**292,432**	**618,699**	**549,000**
Service	5,042	5,053	10,816	9,943
Net revenues	**$ 318,183**	**$ 297,485**	**$ 629,515**	**$ 558,943**

[1] Other includes the Cell Salvage and Transfusion Management product lines of the Hospital business unit.

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

	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
United States	$ 236,345	$ 211,724	$ 473,418	$ 393,720
Japan	15,011	15,129	26,784	29,007
Europe	38,666	41,850	78,053	82,307
Rest of Asia	27,735	27,861	49,775	52,285
Other	426	921	1,485	1,624
Net revenues	**$ 318,183**	**$ 297,485**	**$ 629,515**	**$ 558,943**

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 1, 2023. 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, Vascular Closure, Cell Salvage and Transfusion Management products, includes devices and methodologies for measuring coagulation characteristics of blood, vascular closure devices, specialized blood cell processing systems and disposables, surgical blood salvage systems and blood transfusion management software.

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

Agreement to Acquire OpSens, Inc.

On October 10, 2023, the Company announced it has entered into a definitive agreement to acquire all of the issued and outstanding common shares of OpSens, Inc. ("OpSens") for CAD $2.90 per share in an all-cash transaction, representing a fully diluted equity value of approximately USD $253.0 million at the exchange rate on the date of announcement. Completion of the acquisition is subject to the approval of OpSens shareholders, receipt of court and regulatory approval, as well as certain other closing conditions customary for transactions of this nature. The transaction is expected to close by the end of January 2024.

OpSens offers commercially and clinically validated optical technology for use primarily in interventional cardiology. OpSens' core products include the SavvyWire® that acts as pacing and pressure monitoring wire advancing the workflow of the procedure and enabling potentially shorter hospital stays for patients, and the OptoWire®, a pressure guidewire that aims to improve clinical outcomes by accurately and consistently measuring Fractional Flow Reserve (FFR) and diastolic pressure ratio (dPR) to aid clinicians in the diagnosis and treatment of patients with coronary artery disease. OpSens also manufactures a range of fiber optic sensor solutions used in medical devices and other critical industrial applications. The addition of OpSens will expand the Hospital business unit portfolio in the interventional cardiology market.

Portfolio Rationalization Initiatives

In November 2023, the Company announced its plans to end of life the ClotPro system within the Hospital business unit and whole blood inline collection products within the Blood Center business unit, and the associated manufacturing operations. We do not envision these product rationalization initiatives to materially impact our fiscal 2024 results.

Financial Summary

(In thousands, except per share data)	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	% Increase/ (Decrease)	Six Months Ended September 30, 2023	Six Months Ended October 1, 2022	% Increase/ (Decrease)
Net revenues	$ 318,183	$ 297,485	*7.0 %*	$ 629,515	$ 558,943	*12.6 %*
Gross profit	$ 170,510	$ 157,878	*8.0 %*	$ 337,775	$ 300,141	*12.5 %*
% of net revenues	*53.6 %*	*53.1 %*		*53.7 %*	*53.7 %*	
Operating expenses	$ 135,207	$ 111,146	*21.6 %*	$ 248,813	$ 222,642	*11.8 %*
Operating income	$ 35,303	$ 46,732	*(24.5)%*	$ 88,962	$ 77,499	*14.8 %*
% of net revenues	*11.1 %*	*15.7 %*		*14.1 %*	*13.9 %*	
Interest and other expense, net	$ (2,471)	$ (5,673)	*(56.4)%*	$ (4,540)	$ (10,946)	*(58.5)%*
Income before provision for income taxes	$ 32,832	$ 41,059	*(20.0)%*	$ 84,422	$ 66,553	*26.8 %*
Provision for income taxes	$ 7,924	$ 7,862	*0.8 %*	$ 18,472	$ 13,479	*37.0 %*
% of pre-tax income	*24.1 %*	*19.1 %*		*21.9 %*	*20.3 %*	
Net income	$ 24,908	$ 33,197	*(25.0)%*	$ 65,950	$ 53,074	*24.3 %*
% of net revenues	*7.8 %*	*11.2 %*		*10.5 %*	*9.5 %*	
Net income per share - basic	$ 0.49	$ 0.65	*(24.6)%*	$ 1.30	$ 1.04	*25.0 %*
Net income per share - diluted	$ 0.48	$ 0.64	*(25.0)%*	$ 1.28	$ 1.03	*24.3 %*

Net revenues increased 7.0% and 12.6% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, net revenues increased 7.6% and 13.6% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Revenue increases in our Plasma and Hospital businesses, primarily related to volume and price benefits, drove the overall increase in revenue during the three and six months ended September 30, 2023.

Operating income decreased 24.5% and during the three months ended September 30, 2023 and increased 14.8% during the six months ended September 30, 2023 as compared with the same periods of fiscal 2023. The decrease during the three months ended September 30, 2023 was primarily due to continuous growth investments, impairments of intangible assets and digital transformation costs related to the upgrade of our enterprise resource planning system, partially offset by increased revenues in Plasma and Hospital. The increase during the six months ended September 30, 2023 was due to increased revenues in Plasma and Hospital and operating leverage, partially offset by continuous growth investments, impairments of intangible assets and digital transformation costs.

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)	September 30, 2023	October 1, 2022	Reported growth	Currency impact	Constant currency growth [1]
United States	$ 236,345	$ 211,724	11.6 %	— %	11.6 %
International	81,838	85,761	(4.6)%	(2.2)%	(2.4)%
Net revenues	$ 318,183	$ 297,485	7.0 %	(0.6)%	7.6 %

	Six Months Ended				
(In thousands)	September 30, 2023	October 1, 2022	Reported growth	Currency impact	Constant currency growth [1]
United States	$ 473,418	$ 393,720	20.2 %	— %	20.2 %
International	156,097	165,223	(5.5)%	(3.0)%	(2.5)%
Net revenues	$ 629,515	$ 558,943	12.6 %	(1.0)%	13.6 %

[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 United States, 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 and independent distributors and agents. During the three and six months ended September 30, 2023 our revenue generated outside the U.S. was 25.7% and 24.8% of total net revenues, respectively, as compared with 28.8% and 29.6%, respectively, during the three and six months ended October 1, 2022. International sales are generally conducted in local currencies, primarily Japanese Yen, Euro and Chinese Yuan. Our results of operations are impacted by changes in foreign exchange rates, particularly in the value of the Yen and Euro relative to the U.S. Dollar. We have placed foreign currency hedges on certain foreign currencies 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

(In thousands)	Three Months Ended September 30, 2023	October 1, 2022	Reported growth	Currency impact	Constant currency growth[1]
Plasma	**$ 141,900**	**$ 127,893**	**11.0 %**	**0.3 %**	**10.7 %**
Whole Blood	14,683	19,893	(26.2) %	(0.7) %	(25.5) %
Apheresis	53,415	53,790	(0.7) %	(3.2) %	2.5 %
Blood Center	**68,098**	**73,683**	**(7.6)%**	**(2.5)%**	**(5.1)%**
Hemostasis Management	36,998	34,320	7.8 %	(0.6) %	8.4 %
Vascular Closure	38,541	29,575	30.3 %	(0.2) %	30.5 %
Other[2]	27,604	26,961	2.4 %	(0.5) %	2.9 %
Hospital	**103,143**	**90,856**	**13.5 %**	**(0.5)%**	**14.0 %**
Net business unit revenues	**313,141**	**292,432**	**7.1 %**	**(0.7)%**	**7.8 %**
Service	5,042	5,053	(0.2) %	1.1 %	(1.3) %
Net revenues	**$ 318,183**	**$ 297,485**	**7.0 %**	**(0.6)%**	**7.6 %**

(In thousands)	Six Months Ended September 30, 2023	October 1, 2022	Reported growth	Currency impact	Constant currency growth [1]
Plasma	**$ 280,510**	**$ 230,274**	**21.8 %**	**0.1 %**	**21.7 %**
Whole Blood	34,724	39,488	(12.1) %	(1.1) %	(11.0) %
Apheresis	100,714	99,889	0.8 %	(3.6) %	4.4 %
Blood Center	**135,438**	**139,377**	**(2.8)%**	**(2.8)%**	**— %**
Hemostasis Management	74,818	67,816	10.3 %	(1.1) %	11.4 %
Vascular Closure	76,162	59,143	28.8 %	(0.1) %	28.9 %
Other[2]	51,771	52,390	(1.2) %	(1.3) %	0.1 %
Hospital	**202,751**	**179,349**	**13.0 %**	**(0.9)%**	**13.9 %**
Net business unit revenues	**618,699**	**549,000**	**12.7 %**	**(1.0)%**	**13.7 %**
Service	10,816	9,943	8.8 %	0.1 %	8.7 %
Net revenues	**$ 629,515**	**$ 558,943**	**12.6 %**	**(1.0)%**	**13.6 %**

[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] Other includes the Cell Salvage and Transfusion Management product lines of the Hospital business unit.

Plasma

Plasma revenue increased 11.0% and 21.8% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, Plasma revenue increased 10.7% and 21.7% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and six months ended September 30, 2023 were primarily driven by volume and price.

During the third quarter of fiscal 2023, we amended our supply agreement with CSL, which was scheduled to expire in December 2023, to extend the term through December 2025. CSL has a minimum purchase commitment under the non-exclusive supply agreement that slightly exceeds $100.0 million in fiscal 2024, and we expect that CSL will continue to provide a meaningful contribution to our Plasma business revenue in fiscal 2025.

Blood Center

Blood Center revenue decreased 7.6% and 2.8% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, Blood Center revenue decreased 5.1% during the three months ended September 30, 2023 as compared with the same period of fiscal 2023 and was flat for the six months ended September 30, 2023 as compared with the same period of fiscal 2023. The decreases during the three and six months ended September 30, 2023 were primarily driven by declines in our Whole Blood business.

Hospital

Hospital revenue increased 13.5% and 13.0% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, Hospital revenue increased 14.0% and 13.9% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and six months ended September 30, 2023 were primarily attributable to increased Vascular Closure and Hemostasis Management revenue.

Gross Profit

	Three Months Ended			Six Months Ended		
(In thousands)	September 30, 2023	October 1, 2022	% Increase	September 30, 2023	October 1, 2022	% Increase
Gross profit	$ 170,510	$ 157,878	8.0 %	$ 337,775	$ 300,141	12.5 %
% of net revenues	*53.6 %*	*53.1 %*		*53.7 %*	*53.7 %*	

Gross profit increased 8.0% and 12.5% for the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, gross profit increased 10.2% and 14.5% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and six months ended September 30, 2023 were primarily driven by price, volume and geographic and product mix, partially offset by increases in inventory reserves, investments in operations and increased depreciation expense.

Operating Expenses

	Three Months Ended			Six Months Ended		
(In thousands)	September 30, 2023	October 1, 2022	% Increase/ (Decrease)	September 30, 2023	October 1, 2022	% Increase/ (Decrease)
Research and development	$ 12,665	$ 10,896	*16.2 %*	$ 25,313	$ 21,798	*16.1 %*
% of net revenues	*4.0 %*	*3.7 %*		*4.0 %*	*3.9 %*	
Selling, general and administrative	$ 104,901	$ 92,029	*14.0 %*	$ 198,386	$ 184,256	*7.7 %*
% of net revenues	*33.0 %*	*30.9 %*		*31.5 %*	*33.0 %*	
Amortization of acquired intangible assets	$ 7,222	$ 8,221	*(12.2)%*	$ 14,695	$ 16,588	*(11.4)%*
% of net revenues	*2.3 %*	*2.8 %*		*2.3 %*	*3.0 %*	
Impairment of intangible assets	$ 10,419	$ —	*n/m*	$ 10,419	$ —	*n/m*
% of net revenues	*3.3 %*	*— %*		*1.7 %*	*— %*	
Total operating expenses	$ 135,207	$ 111,146	*21.6 %*	$ 248,813	$ 222,642	*11.8 %*
% of net revenues	*42.5 %*	*37.4 %*		*39.5 %*	*39.8 %*	

Research and Development

Research and development expenses increased 16.2% and 16.1% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, research and development expenses increased 15.5% and 15.6% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and six months ended September 30, 2023 were due to increased investments into product innovation across our product portfolio.

Selling, General and Administrative

Selling, general and administrative expenses increased 14.0% and 7.7% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. Without the effects of foreign exchange, selling, general, and administrative expenses increased 13.9% and 7.7% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. The increases during the three and six months ended September 30, 2023 were primarily driven by higher investments in sales and marketing, costs associated with the upgrade of our enterprise resource planning system and litigation-related charges, partially offset by operating leverage.

Amortization of Acquired Intangible Assets

We recognized amortization expense related to our acquired intangible assets of $7.2 million and $14.7 million during the three and six months ended September 30, 2023, respectively, and $8.2 million and $16.6 million during the three and six months ended October 1, 2022, respectively. The decreases were primarily the result of intangible assets that became fully amortized during fiscal 2023.

Impairment of Intangible Assets

We recognized a $10.4 million impairment of intangible assets in the second quarter of fiscal 2024 related to the enicor GmbH acquisition completed in fiscal 2021 within our Hospital business unit.

Interest and Other Expense, Net

Interest and other expenses decreased 56.4% and 58.5% during the three and six months ended September 30, 2023, respectively, as compared with the same periods of fiscal 2023. The decreases were primarily driven by increased interest income on investments due to higher interest rates and foreign currency impact due to market and rate volatility, partially offset by higher 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 and six months ended September 30, 2023, the Company reported income tax expense of $7.9 million and $18.5 million, respectively, representing effective tax rates of 24.1% and 21.9%, respectively. The effective tax rate for the three months ended September 30, 2023, includes $0.1 million of discrete tax benefit primarily related to stock compensation windfalls. The effective tax rate for the six months ended September 30, 2023 includes $1.3 million of discrete tax benefit primarily related to stock compensation windfalls.

For the three and six months ended October 1, 2022, the Company reported income tax expense of $7.9 million and $13.5 million, respectively, representing effective tax rates of 19.1% and 20.3%, respectively. The effective tax rate for the three months ended October 1, 2022, include a discrete tax benefit of $0.5 million related to tax rate changes enacted in the quarter and $0.3 million of discrete tax benefit relating to stock compensation windfalls. The effective tax rate for the six months ended October 1, 2022 includes a discrete tax benefit of $0.5 million related to tax rate changes enacted in the period and $0.3 million of 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)		September 30, 2023		April 1, 2023
Cash and cash equivalents	$	351,005	$	284,466
Working capital	$	601,529	$	517,906
Current ratio		3.3		3.1
Net debt position[1]	$	(411,223)	$	(481,420)
Days sales outstanding (DSO)		49		53
Inventory turnover		1.8		1.8

[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 and our revolving credit facility. We believe these sources are sufficient to fund our cash requirements over at least the next twelve months. In addition to the approximately $253.0 million acquisition of OpSens expected to close by January 2024, our expected cash outlays relate primarily to additional acquisitions, investments, capital expenditures, including enhancements to our North American manufacturing facilities, share repurchases and cash principal and interest payments under our revised credit agreement.

The Company has $500.0 million aggregate principal amount of 0% convertible senior notes due in 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 September 30, 2023.

As of September 30, 2023, we had $351.0 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 July 26, 2022, we entered into an amended and restated credit agreement with certain lenders to refinance our prior credit agreement entered into on June 15, 2018, which consisted of a $350.0 million term loan and a $350.0 million revolving credit facility (together, as amended from time to time, the "2018 Credit Facilities"), and extend the maturity date through June 2025. Our Revised Credit Facilities include a $280.0 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 $420.0 million senior unsecured revolving credit facility. Loans under the Revised Credit Facilities 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 of September 30, 2023, $269.5 million was outstanding under the term loan with an effective interest rate of 6.7%. There were no borrowings outstanding on the revolving credit facility. We also had $19.0 million of uncommitted operating lines of credit to fund our global operations under which there were no outstanding borrowings as of September 30, 2023. 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 September 30, 2023.

The Company has scheduled principal payments of $7.0 million required during the remainder of fiscal 2024.

During fiscal 2022, our Board of Directors approved a revised Operational Excellence Program. We estimate that we will incur aggregate charges between $95 million and $105 million in connection with the Operational Excellence 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 and six months ended September 30, 2023, we incurred $2.0 million and $4.2 million, respectively, of restructuring and restructuring related costs under this program.

Cash Flows

(In thousands)	Six Months Ended September 30, 2023	Six Months Ended October 1, 2022
Net cash provided by (used in):		
Operating activities	$ 118,210	$ 129,032
Investing activities	(40,396)	(89,282)
Financing activities	(7,770)	(49,081)
Effect of exchange rate changes on cash and cash equivalents[1]	(3,505)	(8,965)
Net change in cash and cash equivalents	$ 66,539	$ (18,296)

[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 eliminated 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 decreased by $10.8 million during the six months ended September 30, 2023, as compared with the six months ended October 1, 2022. The decrease in cash provided by operating activities was primarily the result of an increase in inventory, partially offset by a decrease in accounts receivable and an increase in net income.

Net cash used in investing activities decreased by $48.9 million during the six months ended September 30, 2023, as compared with the six months ended October 1, 2022. The decrease in cash used in investing activities was primarily the result of lower capital expenditures driven by NexSys PCS device placements that occurred during fiscal 2023 and decreased other investments compared to the six months ended October 1, 2022.

Net cash used in financing activities decreased by $41.3 million during the six months ended September 30, 2023, as compared with the six months ended October 1, 2022, primarily due to share repurchases and higher contingent consideration payments in fiscal 2023, which were partially offset by the draw down on the revolving credit facility during the six months ended October 1, 2022.

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 trade accounts or other 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 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. 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 and six months ended September 30, 2023, 25.7% and 24.8%, respectively, 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 Japanese Yen, Euro and Chinese Yuan. 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 and Yuan 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 and Yuan sales exceed the foreign currency denominated costs, whenever the U.S. Dollar strengthens relative to the Yen, Euro or Yuan, there is an adverse effect on our results of operations and, conversely, whenever the U.S. Dollar weakens relative to the Yen, Euro or Yuan, 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 Franc and Mexican Peso. 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; the Company’s strategy for growth; product development, commercialization and anticipated performance and benefits; regulatory approvals; impacts of acquisitions or dispositions; and 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.

- Our ability 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;
- 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 the Company's pending acquisition of OpSens and any other planned or completed 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 the U.S. Foreign Corrupt Practices Act, European Union Medical Device Regulation and In Vitro Diagnostic Regulation 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;
- The impact of actual or threatened public health emergencies;
- Our ability to retain and attract key personnel;
- 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; and
- Our ability to achieve against our corporate responsibility initiatives and meet evolving stakeholder expectations concerning corporate responsibility matters.

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 exposures relative to market risk are 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.

In October 2023, we entered into a foreign currency option contract in connection with the pending OpSens transaction to mitigate the risk of foreign currency fluctuations. The foreign currency option contract is for the purchase of CAD $345.0 million at a protection rate of CAD $1.3570 to USD $1.00 and expires on January 10, 2024.

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 September 30, 2023, 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 $2.9 million increase in the fair value of the forward contracts, whereas a 10% weakening of the U.S. Dollar would result in a $3.4 million decrease in 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 Revised Credit Facilities as of September 30, 2023 was $269.5 million with an effective interest rate of 6.7% based on prevailing Term SOFR rates. An increase of 100 basis points in Term SOFR rates would result in additional annual interest expense of $0.5 million. As of September 30, 2023, the notional amount on our two active interest rate swap agreements to effectively convert borrowings under our Credit Facilities from a variable rate to a fixed rate were $217 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.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, as of September 30, 2023, 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 under the Securities Exchange Act of 1934. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the second quarter of fiscal 2024, we implemented the first phase of a new global enterprise resource planning (“ERP”) system, which will continue to be implemented in phases through fiscal 2025. The ERP will replace existing financial systems we have historically relied on. As each phase of the implementation occurs, we will reassess our processes and procedures, which may result in changes to 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 14, *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 1, 2023.

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

During the three months ended September 30, 2023, certain of our directors and officers (as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934) adopted or terminated trading arrangements for the sale of shares of our common stock as follows:

			Trading Arrangement			
Name and Title	**Action**	**Date[(1)]**	**Rule 10b5-1***	**Non-Rule 10b5-1****	**Number of Shares to be Sold[(2)]**	**Expiration Date[(3)]**
Josep Llorens, EVP, Global Manufacturing and Supply Chain	Adoption	8/31/2023	X		8,857	8/16/2024

* Intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934.

** Not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934.

(1) Reflects the fully-executed date of each trading arrangement, which may differ from the date of first execution by an officer or director.

(2) The number of shares of common stock sold under each trading arrangement, if any, will be net of shares withheld for applicable tax obligations upon the vesting and/or exercise of covered securities as well as for payment of the exercise price upon the exercise of stock options, which amounts are not yet determinable.

(3) Except as otherwise indicated by footnote, each trading arrangement expires upon the earlier of (a) completion of all authorized transactions thereunder and (b) the expiration date listed above.

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	Haemonetics Corporation Amended and Restated 2019 Long-Term Incentive Compensation Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 7, 2023 and incorporated herein by reference) (1).
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) 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

November 2, 2023	By:	/s/ Christopher A. Simon
		Christopher A. Simon, President and Chief Executive Officer (Principal Executive Officer)
November 2, 2023	By:	/s/ James C. D'Arecca
		James C. D'Arecca, Executive Vice President, Chief Financial Officer (Principal Financial Officer)

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.

November 2, 2023

/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.

November 2, 2023

/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 September 30, 2023 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.

November 2, 2023

/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 September 30, 2023 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.

November 2, 2023

/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.