



November 7, 2017

(\$ million)	Q218	Q217	<u>Inc/(Dec)</u>		YTD18	YTD17	<u>Inc/(Dec)</u>		<u>Commentary</u>
<u>REVENUE</u>									
<b>Plasma</b>	109.8	\$ 103.6	\$ 6.2	6.0%	\$ 211.3	\$ 201.2	\$ 10.1	5.0%	Negatively impacted by \$1.8M in 2Q18 and \$3.0M in 1H18 by Sebra divestiture.
- Constant currency				5.7%				5.0%	
No. America				8.7%				7.3%	
No. America disposables (incl. liquids)				7.4%				6.6%	
<b>Hospital</b>	\$ 43.9	\$ 42.4	\$ 1.5	3.5%	\$ 87.8	\$ 83.8	\$ 4.0	4.8%	Strong U.S. and China revenue growth partly offset by by weak EMEA and other Asia Pacific.
- Constant currency				3.4%				5.1%	
<b>Hemostasis Mgmt.</b>	\$ 18.1	\$ 16.5	\$ 1.7	10.1%	\$ 35.7	\$ 31.8	\$ 3.9	12.4%	Customer order timing favors 2H18 growth.
- Constant currency				10.4%				13.4%	
Disposables				10.0%				12.0%	
- Constant currency				10.1%				13.0%	
<b>Cell Processing</b>	\$ 25.8	\$ 26.0	\$ (0.2)	-0.7%	\$ 52.1	\$ 52.0	\$ 0.1	0.1%	Strong BloodTrack / Hospital software growth offset by OrthoPAT and Cell Saver declines.
- Constant currency				-0.8%				0.4%	
<b>Blood Center</b>	\$ 71.7	\$ 74.3	\$ (2.6)	-3.4%	\$ 137.3	\$ 145.2	\$ (7.9)	-5.5%	Rates of decline considerably moderated vs. 14% rate in FY17.
- Constant currency				-3.8%				-5.4%	
Platelets disposables	\$ 28.4	\$ 30.9	\$ (2.5)	-8.1%	\$ 54.2	\$ 57.9	\$ (3.7)	-6.3%	Continued shift toward competitor's double dose collection technique in Japan.
- Constant currency				-8.6%				-6.0%	
Red Cell disposables	\$ 6.6	\$ 7.4	\$ (0.8)	-11.4%	\$ 13.6	\$ 15.4	\$ (1.7)	-11.2%	Lower pricing inherent in previously-announced US customer contracts and customer consolidations.
- Constant currency				-11.7%				-11.3%	
Whole Blood disposables	\$ 28.4	\$ 26.5	\$ 2.0	7.5%	\$ 53.3	\$ 53.1	\$ 0.2	0.4%	Growth results from comparison to 2Q17 in which filter recall negatively affected revenue.
- Constant currency				6.8%				0.1%	
Software, Equipment & Service	\$ 8.3	\$ 9.5	\$ (1.2)	-12.7%	\$ 16.1	\$ 18.9	\$ (2.7)	-14.5%	
- Constant currency				-12.7%				-14.4%	

Constant currency measures the change in revenue using a constant currency conversion rate. Note: percentages were calculated using \$ thousands.



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	Q218	Q217	Inc/(Dec)		YTD18	YTD17	Inc/(Dec)		Commentary
<b>Gross Margin - GAAP</b>	46.4%	47.3%	(90) bps		45.0%	45.4%	(40) bps		Operations performance issues and delays in expansion of liquid solutions production capacity.
<b>Gross Margin - Adjusted</b>	46.5%	47.4%	(90) bps		45.0%	45.7%	(70) bps		
	(\$ million)								
<b>Operating Expenses - GAAP</b>	\$ 80.3	\$ 79.5	\$ 0.9	1%	\$ 155.4	\$ 178.4	\$ (23.0)	-13%	Benefits of ongoing productivity, including reduced R&D spending in selective areas, outpaced investments in Plasma and Hospital growth areas.
<b>Operating Expenses - Adjusted</b>	\$ 68.2	\$ 70.9	\$ (2.7)	-4%	\$ 134.4	\$ 143.7	\$ (9.4)	-7%	
	(\$ million)								
<b>Operating Income - GAAP</b>	\$ 24.3	\$ 24.8	\$ (0.5)	-2%	\$ 40.9	\$ 16.9	\$ 24.0	n/m	2Q18 adjusted OM of 16.2% is +100 bps vs. 2Q17. 1H18 adjusted OM of 14.2% is +190 bps vs. 1H17.
<b>Operating Income - Adjusted</b>	\$ 36.5	\$ 33.4	\$ 3.1	9%	\$ 62.1	\$ 52.8	\$ 9.4	18%	

Reconciliations of these non-GAAP measures to their most comparable GAAP measure are included at the end of the financial sections of the November 7, 2017 earnings release as well as on Company's website at [www.haemonetics.com](http://www.haemonetics.com).