

The following tables update Haemonetics Corporation's (the "Company's") fiscal 2020 guidance as provided in its May 7, 2019 earnings release for the fourth quarter and fiscal year ended March 30, 2019 following the Company's announcement on May 14, 2019 that it has entered into an agreement to transfer ownership of its Union, SC manufacturing facility and operating assets to CSL Plasma, Inc. Please refer to the Company's press release issued on May 14, 2019 and the Form 8-K filed on May 14, 2019 for further details about the transaction.

FORWARD LOOKING STATEMENTS

Any statements contained in the following guidance tables and the Company's May 7, 2019 earnings release to which they supplement that do not describe historical facts may constitute forward-looking statements. Forward-looking statements may include, without limitation, statements regarding (i) plans and objectives of management for operations of the Company, including plans or objectives related to the development and commercialization of, and regulatory approvals related to, the Company's products, and plans or objectives related to the Complexity Reduction Initiative, (ii) estimates or projections of financial results, financial condition, capital expenditures, capital structure or other financial items, including with respect to U.S. tax reform and the share repurchase program, (iii) the consummation of the agreement to transfer ownership of the Company's Union, SC manufacturing facility and operating assets, (iv) the Company's future financial performance and (v) the assumptions underlying or relating to any statement described in points (i), (ii), (iii) or (iv) above. Such forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances and may not be realized because they are based upon the Company's current projections, plans, objectives, beliefs, expectations, estimates and assumptions and are subject to a number of risks and uncertainties and other influences.

Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, our ability to implement the Complexity Reduction Initiative as planned, on the anticipated timeline and at the anticipated cost, our ability to realize the estimated savings from the Complexity Reduction Initiative, delays in consummation of the transaction relating to the transfer of our Union, SC manufacturing facility and operating assets or the transaction having an unanticipated impact, the impact of share repurchases on our stock price and volatility, as well as the effect of short-term price fluctuations on the program's effectiveness, technological advances in the medical field and standards for transfusion medicine and our ability to successfully offer products that incorporate such advances and standards, product quality, market acceptance, regulatory uncertainties, including in the receipt or timing of regulatory approvals, the effect of economic and political conditions, the impact of competitive products and pricing, blood product reimbursement policies and practices, and the effect of industry consolidation as seen in the plasma market. These and other factors are identified and described in more detail in the Company's periodic reports and other filings with the SEC. The Company does not undertake to update these forward-looking statements.

MANAGEMENT’S USE OF NON-GAAP MEASURES

The following guidance tables contain financial measures that are considered “Non-GAAP” financial measures under applicable Securities and Exchange Commission rules and regulations. Management uses Non-GAAP financial measures to monitor the financial performance of the business, make informed business decisions, establish budgets and forecast future results. These Non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with U.S. GAAP. There are material limitations to the usefulness of Non-GAAP measures on a standalone basis, including the lack of comparability to the GAAP financial results of other companies. In the following table, supplemental Non-GAAP measures have been provided to assist investors in evaluating the performance of the Company’s core operations.

When used in the following tables, constant currency measures the change in revenue using a constant currency conversion rate. Adjusted gross profit, adjusted operating expenses, adjusted operating income, adjusted net income and adjusted earnings per share exclude restructuring and turnaround costs, impairment of assets, accelerated depreciation, deal amortization expenses, impacts of U.S. tax reform and certain legal and other expenses. Adjusted net income and adjusted earnings per share also exclude gains and losses on asset dispositions. Free cash flow before restructuring and turnaround is defined as cash provided by operating activities less capital expenditures, net of the proceeds from the sale of property, plant and equipment. Reconciliations of these measures to their most comparable GAAP measures for the fourth quarter and year ended March 30, 2019 are included at the end of the financial sections of the Company’s May 7, 2019 earnings release, a link to which is available below.

The Company calculates forward-looking Non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For instance, forward-looking organic revenue growth guidance excludes the impact of foreign currency fluctuations and forward-looking adjusted earnings per share guidance excludes potential charges or gains that would be recorded as Non-GAAP adjustments to earnings during the fiscal year. The Company does not attempt to provide reconciliations of forward-looking adjusted earnings per share guidance to projected GAAP earnings per share guidance because the combined impact and timing of recognition of certain potential charges or gains is inherently uncertain and difficult to predict and is unavailable without unreasonable efforts. In addition, we believe such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

[Click here for link to Earnings Release for the fourth quarter and year ended March 30, 2019.](#)



The Company has updated its fiscal 2020 guidance provided on May 7, 2019 to reflect the anticipated impact of the pending transfer of ownership of its Union, SC manufacturing facility and operating assets, which is expected to close during the first quarter of fiscal 2020 subject to the satisfaction of customary closing conditions.

The Company changes its Earnings Per Diluted Share EPS (GAAP) and Revenue (Reported) Guidance and Reaffirms Other Fiscal 2020 Guidance.

(\$ Millions, except per Share Data)

	<u>FY19 Results</u>	<u>FY20 - Guidance As Of May 7, 2019</u>	<u>FY20 - Guidance As Of May 14, 2019</u>
Revenue:			
<u>Reported</u>			
Plasma	\$502	11-13%	6-8%
Hospital	\$197	6-8%	6-8%
Blood Center	\$269	(6-8%)	(6-8%)
HAE Reported Revenue	\$968	5-7%	3-5%
<u>Organic</u>			
Plasma	\$491	(a) 11-13%	11-13% (b)
Hospital	\$186	11-13%	11-13% (c)
Blood Center	\$268	(6-8%)	(6-8%)
HAE Organic Revenue	\$944	6-8%	6-8%
Profitability:			
Operating Margin	\$84M; 8.6% of Revenue	13-15% of Revenue	13-15% of Revenue
Adjusted Operating Margin	\$165M; 17.1% of Revenue	19-21% of Revenue	19-21% of Revenue
Earnings per Diluted Share (EPS)	\$1.04	\$1.90 - \$2.10	\$1.25 - \$1.45
Adjusted Earnings per Diluted Share (Adj'd EPS)	\$2.39	\$2.80 - \$3.00	\$2.80 - \$3.00
Cash Flow:			
Cash Flow From Operating Activities	\$159	\$150-\$175	\$150-\$175
Free Cash Flow, Before Restructuring & Turnaround Expenses	\$71	\$100-\$125	\$100-\$125

(a) Organic Revenue is adjusted for Currency, EOL (mainly OrthoPat) and Divestiture of the Union, SC manufacturing facility and operating assets.

For a reconciliation of FY'19 Revenue results from Reported to Organic basis please refer to "Reconciliation of FY'19 Revenue from Reported to Organic basis (as it relates to FY'20 Guidance)".

(b) Plasma guidance includes 14-16% Organic Revenue growth in North America.

(c) Hospital guidance includes Hemostasis Management Organic Revenue growth, which is consistent with the revenue growth seen in Fiscal 19.

Reconciliation of FY19 Revenue from Reported to Organic basis (as it relates to FY'20 Guidance)

1Q 2019 REVENUE	<u>Reported \$</u>	<u>Currency \$</u>	<u>EOL \$</u>	<u>Divestiture \$</u>	<u>Organic \$</u>
Plasma	\$ 116.9	\$ 1.7	\$ -	\$ (3.5)	\$ 115.1
Hospital	\$ 48.0	\$ (1.1)	\$ (2.3)	\$ -	\$ 44.5
Blood Center	\$ 64.5	\$ (0.7)			\$ 63.8
Total HAE	<u>\$ 229.3</u>	<u>\$ (0.1)</u>	<u>\$ (2.3)</u>	<u>\$ (3.5)</u>	<u>\$ 223.5</u>
2Q 2019 REVENUE	<u>Reported \$</u>	<u>Currency \$</u>	<u>EOL \$</u>	<u>Divestiture \$</u>	<u>Organic \$</u>
Plasma	\$ 124.4	\$ 1.9	\$ -	\$ (5.3)	\$ 120.9
Hospital	\$ 49.0	\$ (0.5)	\$ (2.3)	\$ -	\$ 46.1
Blood Center	\$ 68.2	\$ (0.4)	\$ -	\$ -	\$ 67.8
Total HAE	<u>\$ 241.6</u>	<u>\$ 1.0</u>	<u>\$ (2.3)</u>	<u>\$ (5.3)</u>	<u>\$ 234.9</u>
3Q 2019 REVENUE	<u>Reported \$</u>	<u>Currency \$</u>	<u>EOL \$</u>	<u>Divestiture \$</u>	<u>Organic \$</u>
Plasma	\$ 131.8	\$ 2.4	\$ -	\$ (5.6)	\$ 128.7
Hospital	\$ 48.4	\$ 0.2	\$ (1.8)	\$ -	\$ 46.8
Blood Center	\$ 67.2	\$ (0.2)	\$ -	\$ -	\$ 67.0
Total HAE	<u>\$ 247.4</u>	<u>\$ 2.4</u>	<u>\$ (1.8)</u>	<u>\$ (5.6)</u>	<u>\$ 242.4</u>
4Q 2019 REVENUE	<u>Reported \$</u>	<u>Currency \$</u>	<u>EOL \$</u>	<u>Divestiture \$</u>	<u>Organic \$</u>
Plasma	\$ 128.8	\$ 2.4	\$ -	\$ (5.0)	\$ 126.1
Hospital	\$ 51.2	\$ 0.1	\$ (3.3)	\$ -	\$ 48.1
Blood Center	\$ 69.3	\$ (0.3)	\$ -	\$ -	\$ 69.0
Total HAE	<u>\$ 249.3</u>	<u>\$ 2.2</u>	<u>\$ (3.3)</u>	<u>\$ (5.0)</u>	<u>\$ 243.2</u>
FY 2019 REVENUE	<u>Reported \$</u>	<u>Currency \$</u>	<u>EOL \$</u>	<u>Divestiture \$</u>	<u>Organic \$</u>
Plasma	\$ 501.8	\$ 8.4	\$ -	\$ (19.4)	\$ 490.8
Hospital	\$ 196.5	\$ (1.3)	\$ (9.7)	\$ -	\$ 185.5
Blood Center	\$ 269.2	\$ (1.6)	\$ -	\$ -	\$ 267.6
Total HAE	<u>\$ 967.6</u>	<u>\$ 5.5</u>	<u>\$ (9.7)</u>	<u>\$ (19.4)</u>	<u>\$ 944.0</u>

Notes:

All values are rounded to the nearest one tenth of a million

EOL or End of Life includes OrthoPat

Divestitures include the sale of Union, SC manufacturing facility and operating assets. This transaction impacts Plasma, North America Plasma, and Total HAE Revenue

Projected Fiscal 2020 GAAP and Organic Revenue Growth Rates

	GAAP Revenue Growth	Disposition of Plasma Liquid Solutions Operation	End-of-Life Products	Organic Revenue Growth
Plasma	6 - 8%	5%	—	11 - 13%
Hospital	6 - 8%	—	5%	11 - 13%
Blood Center	(6 - 8%)	—	—	(6 - 8%)
Net revenues	3 - 5%	2%	1%	6 - 8%

Projected Fiscal 2020 GAAP and Adjusted Operating Margin

	FY 2020
Operating margin (GAAP)	13 - 15%
Deal amortization	2%
PCS2 accelerated depreciation and related costs	2%
Restructuring and turnaround costs	1%
European medical device regulation	1%
Adjusted operating margin	19 - 21%