

HAEMONETICS CORP

Form 10-Q

February 06, 2017

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 quarter ended: December 31, 2016

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.)

400 Wood Road, Braintree, MA 02184

(Address of principal executive offices)

Registrant's telephone number, including area code: (781) 848-7100

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) (2.) has been subject to the filing requirements for at least the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes No

The number of shares of \$0.01 par value common stock outstanding as of February 2, 2017: 52,004,300

HAEMONETICS CORPORATION
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ITEM 1. FINANCIAL STATEMENTS

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Unaudited in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
Net revenues	\$227,841	\$ 233,384	\$658,050	\$ 666,490
Cost of goods sold	126,762	124,529	361,667	349,799
Gross profit	101,079	108,855	296,383	316,691
Operating expenses:				
Research and development	8,462	10,942	28,235	33,816
Selling, general and administrative	70,956	78,940	228,639	240,946
Impairment of assets	449	85,048	1,384	85,048
Contingent consideration income	—	(4,898)	—	(4,727)
Total operating expenses	79,867	170,032	258,258	355,083
Operating income (loss)	21,212	(61,177)	38,125	(38,392)
Interest and other expense, net	(2,275)	(2,141)	(6,414)	(6,756)
Income (loss) before provision (benefit) for income taxes	18,937	(63,318)	31,711	(45,148)
Provision (benefit) for income taxes	3,544	(3,878)	6,839	1,696
Net income (loss)	\$15,393	\$ (59,440)	\$24,872	\$ (46,844)
Net income (loss) per share - basic	\$0.30	\$ (1.17)	\$0.48	\$ (0.92)
Net income (loss) per share - diluted	\$0.30	\$ (1.17)	\$0.48	\$ (0.92)
Weighted average shares outstanding				
Basic	51,708	50,741	51,369	50,927
Diluted	52,103	50,741	51,671	50,927
Comprehensive income (loss)	\$13,084	\$ (62,316)	\$20,888	\$ (66,469)

The accompanying notes are an integral part of these consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	December 31, 2016	April 2, 2016 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 129,639	\$ 115,123
Accounts receivable, less allowance of \$2,656 at December 31, 2016 and \$2,253 at April 2, 2016	150,557	157,093
Inventories, net	188,489	187,028
Prepaid expenses and other current assets	27,877	28,842
Total current assets	496,562	488,086
Property, plant and equipment, net	335,957	337,634
Intangible assets, less accumulated amortization of \$206,444 at December 31, 2016 and \$190,816 at April 2, 2016	185,427	204,458
Goodwill	267,314	267,840
Deferred tax asset, long-term	7,575	7,055
Other long-term assets	13,586	14,055
Total assets	\$ 1,306,421	\$ 1,319,128
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$ 66,271	\$ 43,471
Accounts payable	48,848	