

HAEMONETICS CORP

Form 10-Q

August 01, 2016

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: July 2, 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 July 28, 2016: 51,297,382

HAEMONETICS CORPORATION
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ITEM 1. FINANCIAL STATEMENTS

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited in thousands, except per share data)

	Three Months Ended	
	July 2, 2016	June 27, 2015
Net revenues	\$209,956	\$213,413
Cost of goods sold	118,900	110,874
Gross profit	91,056	102,539
Operating expenses:		
Research and development	11,437	11,321
Selling, general and administrative	87,500	87,612
Total operating expenses	98,937	98,933
Operating (loss) income	(7,881)	3,606
Interest and other expense, net	(2,177)	(2,009)
(Loss) income before provision for income taxes	(10,058)	1,597
Provision for income taxes	288	1,864
Net loss	\$(10,346)	\$(267)
Net loss per share - basic	\$(0.20)	\$(0.01)
Net loss per share - diluted	\$(0.20)	\$(0.01)
Weighted average shares outstanding		
Basic	51,021	51,360
Diluted	51,021	51,360
Comprehensive loss	\$(11,233)	\$(2,627)

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	July 2, 2016	April 2, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 118,248	\$ 115,123
Accounts receivable, less allowance of \$2,351 at July 2, 2016 and \$2,253 at April 2, 2016	149,668	157,093
Inventories, net	189,431	187,028
Prepaid expenses and other current assets	32,248	28,842
Total current assets	489,595	488,086
Property, plant and equipment, net	339,666	337,634
Intangible assets, less accumulated amortization of \$190,638 at July 2, 2016 and \$190,816 at April 2, 2016	198,121	204,458
Goodwill	268,589	267,840
Deferred tax asset, long term	7,572	7,055
Other long-term assets	13,848	14,055
Total assets	\$ 1,317,391	\$ 1,319,128
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$ 46,804	\$ 43,471
Accounts payable	36,799	39,674
Accrued payroll and related costs	44,330	35,798
Other liabilities	71,040	66,608
Total current liabilities	198,973	185,551
Long-term debt, net of current maturities	352,908	364,529
Long-term deferred tax liability	21,416	21,377
Other long-term liabilities	28,534	26,106
Total stockholders' equity:		
Common stock, \$0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding 51,059,107 shares at July 2, 2016 and 50,932,348 shares at April 2, 2016	511	509
Additional paid-in capital	445,138	439,912
Retained earnings	305,838	316,184
Accumulated other comprehensive loss	(35,927)	(35,040)
Total stockholders' equity:	715,560	721,565
Total liabilities and stockholders' equity	\$ 1,317,391	\$ 1,319,128

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited in thousands)

	Three Months Ended	
	July 2, 2016	June 27, 2015
Cash Flows from Operating Activities:		
Net loss	\$(10,346)	\$(267)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	22,544	22,255
Asset impairments	1,766	—
Stock compensation expense	1,840	3,164
Unrealized gain from hedging activities	(907)	(186)
Provision for losses on accounts receivable and inventory	2,571	1,742
Other non-cash operating activities	257	271
Change in operating assets and liabilities:		
Change in accounts receivable, net	8,239	