

HAEMONETICS CORP

Form 10-Q

February 02, 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: December 26, 2015

Commission File Number: 001-14041

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts

(State or other jurisdiction

of incorporation or organization)

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 January 23, 2016: 50,847,663

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HAEMONETICS CORPORATION  
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## ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Net revenues	\$233,384	\$231,827	\$666,490	\$683,895
Cost of goods sold	124,529	120,166	349,799	357,842
Gross profit	108,855	111,661	316,691	326,053
Operating expenses:				
Research and development	10,942	10,643	33,816	36,962
Selling, general and administrative	78,940	82,512	240,946	259,383
Impairment of goodwill and intangible assets	85,048	—	85,048	—
Contingent consideration (income) expense	(4,898)	) 246	(4,727)	) 706
Total operating expenses	170,032	93,401	355,083	297,051
Operating (loss) income	(61,177)	) 18,260	(38,392)	) 29,002
Interest and other expense, net	(2,141)	) (2,308)	) (6,756)	) (7,496)
(Loss) income before (benefit from) provision for income taxes	(63,318)	) 15,952	(45,148)	) 21,506
(Benefit from) provision for income taxes	(3,878)	) (36)	) 1,696	) 1,679
Net (loss) income	\$(59,440)	) \$15,988	\$(46,844)	) \$19,827
Net (loss) income per share - basic	\$(1.17)	) \$0.31	\$(0.92)	) \$0.38
Net (loss) income per share - diluted	\$(1.17)	) \$0.31	\$(0.92)	) \$0.38
Weighted average shares outstanding				
Basic	50,741	51,432	50,927	51,521
Diluted	50,741	51,962	50,927	52,024
Comprehensive (loss) income	\$(62,316)	) \$8,346	\$(66,469)	) \$10,841

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 26, 2015 (Unaudited)	March 28, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 105,167	\$ 160,662
Accounts receivable, less allowance of \$2,251 at December 26, 2015 and \$1,749 at March 28, 2015	148,774	145,827
Inventories, net	203,863	211,077
Deferred tax asset, net	11,995	12,608
Prepaid expenses and other current assets	31,564	40,103
Total current assets	501,363	570,277
Property, plant and equipment, net	332,772	321,948
Intangible assets, less accumulated amortization of \$177,424 at December 26, 2015 and \$133,175 at March 28, 2015	214,809	244,588
Goodwill	266,945	334,310
Deferred tax asset, long term	5,290	3,023
Other long-term assets	15,243	11,271
Total assets	\$1,336,422	\$1,485,417
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$46,293	