

MANAGEMENT'S USE OF NON-GAAP MEASURES

The following tables contain financial measures which are considered “non-GAAP” financial measures under applicable U.S. Securities and Exchange Commission rules and regulations. Management uses non-GAAP 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. In the following tables, supplemental non-GAAP measures have been provided to assist investors in evaluating the performance of Haemonetics Corporation’s (the “Company”) core operations. When used in the following tables, constant currency measures the change in revenue between the current and prior year periods 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 those measures to their most comparable GAAP measure for the third quarters ended December 29, 2018 and December 30, 2017 are included at the end of the financial sections of the Company’s February 5, 2019 earnings release for the third quarter and year-to-date fiscal 2019 (a link to which is available below), which qualifies the following tables in their entirety.

[Click here for link to the Company's earnings release \(Q3 FY2019\) dated February 5, 2019.](#)

(\$ million)	Q319	Q318	Inc/(Dec)		YTD19	YTD18	Inc/(Dec)	
REVENUE								
Plasma	\$ 131.8	\$ 113.1	\$ 18.7	16.6%	\$ 373.1	\$ 324.4	\$ 48.7	15.0%
- Currency effect				<u>-0.6%</u>				<u>-0.5%</u>
- Constant currency				16.0%				14.5%
No. America				20.7%				18.3%
No. America disposables (excl. liquids)				19.2%				17.0%
Hospital	\$ 48.4	\$ 46.7	\$ 1.7	3.6%	\$ 145.3	\$ 134.5	\$ 10.8	8.1%
- Currency effect				<u>0.9%</u>				<u>-0.8%</u>
- Constant currency				4.5%				7.3%
Hospital - Hemostasis Mgmt.	\$ 21.3	\$ 19.9	\$ 1.5	7.3%	\$ 65.4	\$ 55.6	\$ 9.8	17.6%
- Currency effect				<u>1.7%</u>				<u>-0.6%</u>
- Constant currency				9.0%				17.0%
Hospital - Cell Processing	\$ 27.0	\$ 26.8	\$ 0.2	0.8%	\$ 80.0	\$ 78.9	\$ 1.0	1.3%
- Currency effect				<u>0.6%</u>				<u>-0.5%</u>
- Constant currency				1.4%				0.8%
Blood Center	\$ 67.2	\$ 74.2	\$ (7.1)	-9.5%	\$ 199.9	\$ 211.5	\$ (11.6)	-5.5%
- Currency effect				<u>0.3%</u>				<u>-0.3%</u>
- Constant currency				-9.2%				-5.8%
Platelets disposables	\$ 28.2	\$ 29.1	\$ (0.9)	-3.0%	\$ 83.5	\$ 83.3	\$ 0.1	0.1%
- Currency effect				<u>0.7%</u>				<u>-0.3%</u>
- Constant currency				-2.3%				-0.2%
Red Cell disposables	\$ 6.8	\$ 6.6	\$ 0.2	2.9%	\$ 20.7	\$ 20.3	\$ 0.4	2.2%
- Currency effect				<u>-0.4%</u>				<u>-0.5%</u>
- Constant currency				2.5%				1.7%
Whole Blood disposables	\$ 24.4	\$ 29.4	\$ (5.0)	-17.1%	\$ 73.0	\$ 82.7	\$ (9.8)	-11.8%
- Currency effect				<u>0.4%</u>				<u>0.0%</u>
- Constant currency				-16.7%				-11.8%
Software, Equipment & Service	\$ 7.7	\$ 9.0	\$ (1.4)	-15.0%	\$ 22.8	\$ 25.2	\$ (2.4)	-9.6%
- Currency effect				<u>0.7%</u>				<u>-0.2%</u>
- Constant currency				-14.3%				-9.8%

Constant currency measures the change in revenue using a constant currency conversion rate.

	Q319	Q318	Inc/(Dec)		YTD19	YTD18	Inc/(Dec)	
Gross Margin - GAAP	44.9%	47.6%	(270) bps		42.6%	45.9%	(330) bps	
Gross Margin - Adjusted	47.3%	47.6%	(30) bps		47.6%	45.9%	170 bps	
	(\$ million)							
Operating Expenses - GAAP	\$ 82.9	\$ 110.3	\$ (27.4)	-25%	\$ 246.6	\$ 265.6	\$ (19.0)	-7%
Operating Expenses - Adjusted	\$ 74.2	\$ 69.7	\$ 4.5	7%	\$ 219.4	\$ 204.0	\$ 15.4	8%
	(\$ million)							
Operating Income - GAAP	\$ 28.3	\$ 1.0	\$ 27.3	N/M	\$ 59.7	\$ 41.9	\$ 17.8	43%
Operating Income - Adjusted	\$ 42.7	\$ 41.8	\$ 0.9	2%	\$ 122.3	\$ 104.0	\$ 18.3	18%

Reconciliations of these non-GAAP measures to their most comparable GAAP measure are included at the end of the financial sections of the February 5, 2019 earnings release as well as on Company's website at www.haemonetics.com.



February 5, 2019

Historical Product Category Revenue in Reported Currency

(\$ Millions)

	Q118	Q218	Q318	Q418	FY18	Q119	Q219	Q319
Total Revenue	\$ 211	\$ 225	\$ 234	\$ 234	\$ 904	\$ 229	\$ 242	\$ 247
<i>By Product Category:</i>								
Plasma	\$ 101	\$ 110	\$ 113	\$ 112	\$ 436	\$ 117	\$ 124	\$ 132
Hospital	\$ 44	\$ 44	\$ 47	\$ 49	\$ 183	\$ 48	\$ 49	\$ 48
Hemostasis Management	\$ 18	\$ 18	\$ 20	\$ 20	\$ 76	\$ 22	\$ 22	\$ 21
Cell Processing	\$ 26	\$ 26	\$ 27	\$ 29	\$ 108	\$ 26	\$ 27	\$ 27
Blood Center	\$ 66	\$ 72	\$ 74	\$ 73	\$ 285	\$ 64	\$ 68	\$ 67

Deal Related Amortization
Supplemental Information - Deal Related Amortization
(\$ Millions, except per Share Data)

	Q118	Q218	Q318	Q418	FY18	Q119	Q219	Q319
Deal Amortization	\$ 6	\$ 7	\$ 7	\$ 7	\$ 26	\$ 6	\$ 6	\$ 6
Tax Effect of Deal Amortization	\$ (2)	\$ (2)	\$ (1)	\$ (2)	\$ (6)	\$ (1)	\$ (1)	\$ (1)
Adjusted EPS Effect of Deal Amortization	\$ 0.09	\$ 0.09	\$ 0.10	\$ 0.09	\$ 0.37	\$ 0.10	\$ 0.10	\$ 0.10

FY19 Product Category Growth Rates in Reported and Constant Currency

	Q1 % Growth - Reported Currency	Q1 % Growth - Constant Currency	Q2 % Growth - Reported Currency	Q2 % Growth - Constant Currency	Q3 % Growth - Reported Currency	Q3 % Growth - Constant Currency (1)
Plasma	15.2%	14.0%	13.3%	13.3%	16.6%	16.0%
Hospital	9.3%	6.3%	11.6%	11.3%	3.6%	4.5%
Hemostasis Mgmt	24.0%	20.6%	22.7%	22.3%	7.3%	9.0%
Cell Processing	-0.5%	-2.8%	3.8%	3.9%	0.8%	1.4%
Blood Center	-1.7%	-3.1%	-4.8%	-4.7%	-9.5%	-9.2%
Total Revenue	8.7%	7.2%	7.2%	7.2%	5.7%	5.9%

1. Reconciliation of this measure to its most comparable GAAP measure is included at the end of the financial sections of the Company's February earnings release for the third quarter of fiscal 2019 (a link to which is available below), which qualifies the above in its entirety.

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