



LeMaitre Q4 2016 Record Sales \$23.3 mm (+14%), Op. Income \$3.9 mm (+27%)

February 21, 2017

BURLINGTON, Mass., Feb. 21, 2017 (GLOBE NEWSWIRE) -- LeMaitre Vascular, Inc. (Nasdaq:LMAT), a provider of vascular devices, implants and services, today reported Q4 2016 results, provided guidance, and announced a 22% dividend increase to \$0.055/share.

Q4 2016 Results

- Record sales of \$23.3mm, +14% vs. Q4 2015
- Operating income of \$3.9mm vs. \$3.1mm, +27%
- Net income of \$2.6mm vs. \$2.5mm, +3%
- Earnings of \$0.13 per diluted share vs. \$0.13
- EBITDA of \$4.8mm vs. \$4.0mm, +18%

Q4 2016 sales of \$23.3mm increased 14% (+11% organic) vs. Q4 2015. XenoSure and AnastoClip led growth. Sales in the Americas were up 17% while international sales increased 9%.

Gross margin decreased to 69.5% in Q4 2016 from 70.3% in Q4 2015 primarily due to product and geographic mix.

Operating expenses in Q4 2016 were \$12.3mm, a 9% increase vs. the year-earlier quarter. The Company ended the quarter with 96 sales reps vs. 86 at the end of Q4 2015.

Full Year 2016 Results

- Sales of \$89.2mm, +14% reported (+12% organic) vs. 2015
- Operating income of \$16.3mm vs. \$11.5mm, +42%
- Net income of \$10.6mm vs. \$7.8mm, +37%
- EPS of \$0.55 per diluted share vs. \$0.42, +30%
- Dividends paid of \$0.18 per share vs \$0.16, +13%
- EBITDA of \$19.8mm vs. \$14.8mm, +34%

George W. LeMaitre, Chairman and CEO said, "Sales increased 14% in 2016, while operating income was up 42%. We continue to pursue 10% annual reported sales growth and 20% annual operating income growth."

Business Outlook

Guidance Summary

| | | |
|--------------------------|-------------------------------|---|
| Q1 2017 Sales | \$23.5mm | |
| | (+16% reported, +12% organic) | |
| Q1 2017 Gross Margin | 71.0 | % |
| Q1 2017 Operating Income | \$3.9mm | |
| | (+18%, 17% op. margin) | |
| 2017 Sales | \$99.0mm | |
| | (+11% reported, +9% organic) | |
| 2017 Gross Margin | 71.5 | % |
| 2017 Operating Income | \$20.0mm | |
| | (+22%, 20% op. margin) | |

Acquisition of Restore Flow Allografts

On November 10, 2016, the Company acquired the assets of Restore Flow Allografts, LLC for \$14.0 million, of which \$12.0 million was paid at closing and \$2.0 million is expected to be paid in May 2018. Additional earnout payments may be paid through 2018 based on performance.

Restore Flow derives revenue from human tissue preservation services, in particular the cryopreservation of peripheral vascular veins and arteries. Prior to the acquisition, last twelve months' revenue for Restore Flow was \$3.7mm, all within the United States. Last twelve months' operating income for Restore Flow was approximately break-even.

Quarterly Dividend

On February 16, 2017, the Company's Board of Directors approved an increased quarterly dividend of \$0.055/share of common stock. The dividend will be paid April 6, 2017 to shareholders of record on March 22, 2017.

Conference Call Reminder

Management will conduct a conference call at 5:00pm ET today to review the Company's financial results and discuss its business outlook for the remainder of the year. The conference call will be broadcast live over the Internet. Individuals who are interested in listening to the webcast should log on to the Company's website at www.lemaitre.com/investor. The conference call may also be accessed by dialing 844-239-5284 (+1 512-961-6497 for international callers), using passcode 66556990. For individuals unable to join the live conference call, a replay will be available on the Company's website.

A reconciliation of GAAP to non-GAAP results is included in the tables attached to this release.

About LeMaitre Vascular

LeMaitre Vascular is a provider of devices, implants and services for the treatment of peripheral vascular disease, a condition that affects more than 20 million people worldwide. The Company develops, manufactures and markets disposable and implantable vascular devices to address the needs of its core customer, the vascular surgeon.

LeMaitre and the LeMaitre Vascular logo are registered trademarks of LeMaitre Vascular, Inc. This press release contains other trademarks and trade names of the Company.

For more information about the Company, please visit <http://www.lemaitre.com>.

Use of Non-GAAP Financial Measures

LeMaitre Vascular management believes that in order to better understand the Company's short-term and long-term financial trends, investors may wish to consider certain non-GAAP financial measures as a supplement to financial performance measures prepared in accordance with GAAP. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles and do not have standardized meanings. These non-GAAP measures result from facts and circumstances that may vary in frequency and/or impact on continuing operations. Non-GAAP measures should be considered in addition to, and not as a substitute for, financial performance measures in accordance with GAAP. In addition to the description provided below, reconciliation of GAAP to non-GAAP results is provided in the financial statement tables included in this press release.

In this press release, the Company has reported non-GAAP sales growth percentages after adjusting for the impact of foreign currency exchange, business development transactions, and/or other events as well as EBITDA or earnings before interest, taxes, depreciation and amortization. The Company refers to the calculation of non-GAAP sales percentages as "organic." The Company analyzes non-GAAP sales on a constant currency basis, net of acquisitions and other non-recurring events, and EBITDA to better measure the comparability of results between periods. Because changes in foreign currency exchange rates have a non-operating impact on net sales, and acquisitions, product discontinuations, and other strategic transactions are episodic in nature and are highly variable to the reported sales results, the Company believes that evaluating growth in sales on a constant currency basis net of such transactions provides an additional and meaningful assessment of sales to management. The Company believes that evaluating EBITDA provides an approximation of the cash generating ability of its operations.

Forward-Looking Statements

The Company's current financial results, as discussed in this release, are preliminary and unaudited, and subject to adjustment. This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements in this press release regarding the Company's business that are not historical facts may be "forward-looking statements" that involve risks and uncertainties. Specifically, forward-looking statements in this release include, but are not limited to, statements about the Company's expectations regarding Q1 2017 and 2017 sales, gross margin and operating income levels. Forward-looking statements are based on management's current, preliminary expectations and are subject to risks and uncertainties that could cause actual results to differ from the results expected, including, but not limited to, the risk that the Company may not realize the anticipated benefits of its strategic activities; the risk that assumptions about the market for the Company's products and services and the productivity of the Company's direct sales force and distributors may not be correct; risks related to the integration of acquisition targets; the risk that a recall of our products and other offerings could result in significant costs or negative publicity; risks related to product and service demand and market acceptance of the Company's products, services and pricing; the risk that the Company is not successful in transitioning to a direct-selling model in new territories; adverse or fluctuating conditions in the general domestic and global economic markets and other risks and uncertainties included under the heading "Risk Factors" in our most recent Annual Report on Form 10-K, as updated by our subsequent filings with the SEC, all of which are available on the Company's investor relations website at <http://www.lemaitre.com> and on the SEC's website at <http://www.sec.gov>. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update publicly any forward-looking statements to reflect new information, events, or circumstances after the date they were made, or to reflect the occurrence of unanticipated events.

LEMAITRE VASCULAR, INC (NASDAQ: LMAT)

CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands)

| | December 31, 2016 | December 31, 2015 |
|------------------------------------|-------------------|-------------------|
| | (unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 24,288 | \$ 27,451 |
| Accounts receivable, net | 13,191 | 11,971 |
| Inventory and other deferred costs | 19,578 | 15,205 |

| | | |
|---|------------|-----------|
| Prepaid expenses and other current assets | 1,970 | 3,557 |
| Total current assets | 59,027 | 58,184 |
| Property and equipment, net | 8,012 | 7,022 |
| Goodwill | 23,426 | 17,789 |
| Other intangibles, net | 9,897 | 6,336 |
| Deferred tax assets | 1,399 | 1,205 |
| Other assets | 163 | 168 |
| Total assets | \$ 101,924 | \$ 90,704 |

Liabilities and stockholders' equity

Current liabilities:

| | | |
|---------------------------------|----------|----------|
| Accounts payable | \$ 1,217 | \$ 1,366 |
| Accrued expenses | 8,804 | 8,837 |
| Acquisition-related obligations | 461 | 165 |
| Total current liabilities | 10,482 | 10,368 |

| | | |
|-----------------------------|--------|--------|
| Deferred tax liabilities | 1,941 | 1,678 |
| Other long-term liabilities | 2,001 | 774 |
| Total liabilities | 14,424 | 12,820 |

Stockholders' equity

| | | |
|--------------------------------------|----------|----------|
| Common stock | 200 | 197 |
| Additional paid-in capital | 85,378 | 82,094 |
| Retained earnings | 15,335 | 8,161 |
| Accumulated other comprehensive loss | (4,583) | (4,049) |
| Treasury stock | (8,830) | (8,519) |
| Total stockholders' equity | 87,500 | 77,884 |

| | | |
|--|------------|-----------|
| Total liabilities and stockholders' equity | \$ 101,924 | \$ 90,704 |
|--|------------|-----------|

LEMAITRE VASCULAR, INC (NASDAQ: LMAT)

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(amounts in thousands, except per share amounts)

(unaudited)

| | For the three months ended | | For the year ended | |
|----------------------------|----------------------------|-------------------|--------------------|-------------------|
| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| Net sales | \$ 23,288 | \$ 20,483 | \$ 89,151 | \$ 78,352 |
| Cost of sales | 7,094 | 6,080 | 26,215 | 24,186 |
| Gross profit | 16,194 | 14,403 | 62,936 | 54,166 |
| Operating expenses: | | | | |
| Sales and marketing | 6,753 | 5,914 | 26,105 | 22,780 |
| General and administrative | 4,011 | 3,635 | 14,354 | 14,010 |
| Research and development | 1,521 | 1,575 | 6,141 | 5,479 |
| Gain on divestiture | - | - | - | (360) |
| Medical device excise tax | - | 190 | - | 744 |

| | | | | |
|--|----------|----------|-----------|----------|
| Total operating expenses | 12,285 | 11,314 | 46,600 | 42,653 |
| Income from operations | 3,909 | 3,089 | 16,336 | 11,513 |
| Other income: | | | | |
| Other income (loss), net | (75) | 46 | (94) | (89) |
| Income before income taxes | 3,834 | 3,135 | 16,242 | 11,424 |
| Provision for income taxes | 1,237 | 605 | 5,652 | 3,666 |
| Net income | \$ 2,597 | \$ 2,530 | \$ 10,590 | \$ 7,758 |
| Earnings per share of common stock | | | | |
| Basic | \$ 0.14 | \$ 0.14 | \$ 0.57 | \$ 0.44 |
| Diluted | \$ 0.13 | \$ 0.13 | \$ 0.55 | \$ 0.42 |
| Weighted - average shares outstanding: | | | | |
| Basic | 18,585 | 18,175 | 18,485 | 17,764 |
| Diluted | 19,558 | 18,781 | 19,241 | 18,316 |
| Cash dividends declared per common share | \$ 0.045 | \$ 0.040 | \$ 0.180 | \$ 0.160 |

LEMAITRE VASCULAR, INC (NASDAQ: LMAT)

SELECTED NET SALES INFORMATION

(amounts in thousands)

(unaudited)

| | For the three months ended | | | For the year ended | | |
|-------------------------------|----------------------------|-------|-------------------|--------------------|-----------|-------------------|
| | December 31, 2016 | | December 31, 2015 | December 31, 2016 | | December 31, 2015 |
| | \$ | % | \$ | \$ | % | \$ |
| Net Sales by Geography | | | | | | |
| Americas | \$ 14,116 | 61 % | \$ 12,105 | 59 % | \$ 53,710 | 60 % |
| International | 9,172 | 39 % | 8,378 | 41 % | 35,441 | 40 % |
| Total Net Sales | \$ 23,288 | 100 % | \$ 20,483 | 100 % | \$ 89,151 | 100 % |

LEMAITRE VASCULAR, INC (NASDAQ: LMAT)

NON-GAAP FINANCIAL MEASURES

(amounts in thousands)

(unaudited)

Reconciliation between GAAP and Non-GAAP sales growth:

For the three months ended December 31, 2016

| | |
|---|-----------|
| Net sales as reported | \$ 23,288 |
| Impact of currency exchange rate fluctuations | 150 |
| Net impact of acquisitions excluding currency | (770) |
| Adjusted net sales | \$ 22,668 |

For the three months ended December 31, 2015

| | |
|-----------------------|-----------|
| Net sales as reported | \$ 20,483 |
|-----------------------|-----------|

| | | | | |
|--|----|---|----|--------|
| Net impact of divestitures excluding currency | (7 |) | | |
| Adjusted net sales | | | \$ | 20,476 |
| Adjusted net sales increase for the three months ended December 31, 2016 | | | \$ | 2,192 |
| | | | | 11 |
| | | | | % |

Reconciliation between GAAP and Non-GAAP sales growth:

For the year ended December 31, 2016

| | | | | |
|---|--------|--------|----|--------|
| Net sales as reported | \$ | 89,151 | | |
| Impact of currency exchange rate fluctuations | | 177 | | |
| Net impact of acquisitions excluding currency | (1,684 |) | | |
| Adjusted net sales | | | \$ | 87,644 |

For the year ended December 31, 2015

| | | | | |
|---|-----|--------|----|--------|
| Net sales as reported | \$ | 78,352 | | |
| Net impact of divestitures excluding currency | (30 |) | | |
| Adjusted net sales | | | \$ | 78,322 |

| | | | | |
|--|--|--|----|-------|
| Adjusted net sales increase for the year ended December 31, 2016 | | | \$ | 9,322 |
| | | | | 12 |
| | | | | % |

Reconciliation between GAAP and Non-GAAP sales growth:

For the three months ended March 31, 2017

| | | | | |
|---|--------|--------|----|--------|
| Net sales per guidance | \$ | 23,500 | | |
| Impact of currency exchange rate fluctuations | | 332 | | |
| Net impact of acquisitions excluding currency | (1,195 |) | | |
| Adjusted net sales | | | \$ | 22,637 |

For the three months ended March 31, 2016

| | | | | |
|---|----|--------|----|--------|
| Net sales as reported | \$ | 20,258 | | |
| Net impact of divestitures excluding currency | - | | | |
| Adjusted net sales | | | \$ | 20,258 |

| | | | | |
|---|--|--|----|-------|
| Adjusted net sales increase for the three months ended March 31, 2017 | | | \$ | 2,379 |
| | | | | 12 |
| | | | | % |

Reconciliation between GAAP and Non-GAAP sales growth:

For the year ended December 31, 2017

| | | | | |
|---|--------|--------|----|--------|
| Net sales per guidance | \$ | 99,000 | | |
| Impact of currency exchange rate fluctuations | | 1,605 | | |
| Net impact of acquisitions excluding currency | (3,520 |) | | |
| Adjusted net sales | | | \$ | 97,085 |

For the year ended December 31, 2016

| | | | | |
|---|----|--------|----|--------|
| Net sales as reported | \$ | 89,151 | | |
| Net impact of divestitures excluding currency | - | | | |
| Adjusted net sales | | | \$ | 89,151 |

| | | | | |
|--|--|--|----|-------|
| Adjusted net sales increase for the year ended December 31, 2017 | | | \$ | 7,934 |
| | | | | 9 |
| | | | | % |

For the three months ended

For the year ended

| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
|---|----------------------|----------------------|----------------------|----------------------|
| Reconciliation between GAAP and Non-GAAP EBITDA | | | | |
| Net income as reported | \$ 2,597 | \$ 2,530 | \$ 10,590 | \$ 7,758 |
| Interest (income) expense, net | (12) | (6) | (67) | (13) |
| Amortization and depreciation expense | 933 | 897 | 3,591 | 3,394 |
| Provision for income taxes | 1,237 | 605 | 5,652 | 3,666 |
| EBITDA | \$ 4,755 | \$ 4,026 | \$ 19,766 | \$ 14,805 |
| EBITDA percentage increase | | 18 % | | 34 % |

CONTACT: J.J. Pellegrino, CFO
LeMaitre Vascular
781-425-1691
jjpellegrino@lemaitre.com

 [Primary Logo](#)

LeMaitre Vascular, Inc.