

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 1, 2019

LeMaitre Vascular, Inc.
(Exact name of registrant as specified in its charter)

Commission File Number: 001-33092

Delaware
(State or other jurisdiction of
incorporation)

04-2825458
(IRS Employer
Identification No.)

63 Second Avenue
Burlington, MA 01803
(Address of principal executive offices, including zip code)

781-221-2266
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by checkmark whether the company is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (240.12c-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 1, 2019, LeMaitre Vascular, Inc. (the "Company") issued a press release regarding its financial and operational results for the quarter ended March 31, 2019. A copy of the press release is furnished as Exhibit 99.1 to this Report.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

The following exhibits are furnished or filed as part of this Report, as applicable:

- (d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by LeMaitre Vascular, Inc. on May 1, 2019.

Exhibit Index

Exhibit No.	Description
99.1	<u>Press release issued by LeMaitre Vascular, Inc. on May 1, 2019.</u>

Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LeMaitre Vascular, Inc.

Date: May 1, 2019

By: Joseph P. Pellegrino, Jr.
/s/ JOSEPH P. PELLEGRINO, JR.
Joseph P. Pellegrino, Jr.
Chief Financial Officer

LeMaitre Vascular Announces Q1 2019 Financial Results

BURLINGTON, MA, May 1, 2019 - LeMaitre Vascular, Inc. (Nasdaq:LMAT), a provider of vascular devices, implants and services, today reported Q1 2019 results, provided guidance, and announced a \$0.085/share dividend.

Q1 2019 Results

- Record sales of \$28.5mm, +10% (+7% organic) vs. Q1 2018
- Operating income of \$4.4mm vs. \$4.9mm, -9%
- Net income of \$3.5mm vs. \$3.9mm, -9%
- Earnings of \$0.17 per diluted share vs. \$0.19, -9%
- EBITDA of \$5.6mm vs. \$5.9mm, -4%

The Company posted record Q1 2019 sales in both Europe/Middle East/Africa (+14%) and Asia/Pac (+52%). Sales in the Americas were up 3%. Sales were driven by embolectomy catheters, OEM, polyester grafts and carotid shunts.

Gross margin decreased to 68.3% in Q1 2019 from 71.1% in Q1 2018, primarily due to the two recent acquisitions and the strong US dollar.

Operating expenses in Q1 2019 were \$15.0mm (+10% vs. Q1 2018) driven by more reps (to 109) and R&D (8% of sales).

George W. LeMaitre, Chairman and CEO said, "Based on 10% Q1 sales growth, we're increasing our full year guidance. Q1 growth was due to our increasing international footprint and the two recent acquisitions."

Business Outlook

	Previous Guidance (2/19/2019)	Current Guidance
Q2 2019 Sales	N/A	\$28.4mm - \$29.2mm (Midpoint: +7% reported, +4% organic)
Q2 2019 Gross Margin	N/A	68.3%
Q2 2019 Operating Income	N/A	\$5.1mm - \$5.7mm (Midpoint: -53%) (Midpoint Ex-Special Items: +1%)
Q2 2019 Earnings Per Share	N/A	\$0.20 - \$0.22 (Midpoint: -50%) (Midpoint Ex-Special Items: +6%)
2019 Sales	\$113.0mm - \$114.4mm (Midpoint: +8% reported, +5% organic)	\$113.5mm - \$114.7mm (Midpoint: +8% reported, +6% organic)
2019 Gross Margin	69.5%	68.5%
2019 Operating Income	\$22.1mm - \$23.1mm (Midpoint: -20%) (Midpoint Ex-Special Items: +9%)	\$20.9mm - \$21.7mm (Midpoint: -25%) (Midpoint Ex-Special Items: +4%)
2019 Earnings Per Share	\$0.82 - \$0.86 (Midpoint: -26%) (Midpoint Ex-Special Items: +1%)	\$0.82 - \$0.86 (Midpoint: -26%) (Midpoint Ex-Special Items: +2%)

Quarterly Dividend

On April 29, 2019, the Company's Board of Directors approved a quarterly dividend of \$0.085/share of common stock. The dividend will be paid on June 6, 2019 to shareholders of record on May 22, 2019.

Share Repurchase Program

On February 14, 2019, the Company's Board of Directors authorized the repurchase of up to \$10.0mm of the Company's common stock. The repurchase program may be suspended or discontinued at any time and will conclude on February 14, 2020, unless extended by the Board.

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 6398939. 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 200 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.

The Company has also identified the percentage change in its projected Q2 2019 and full year 2019 operating income and earnings per share excluding "special items." Those special items excluded from Q2 2018 and full year 2018 operating income are the gains on the Company's 2018 acquisitions and divestitures and those special items excluded from projected Q2 2019 and full year 2019 operating income are 2019 restructuring charges. Those special items excluded from Q2 2018 and full year 2018 earnings per share are the gains on the Company's 2018 acquisitions and divestitures, net of tax, and those special items excluded from projected Q2 2019 and full year 2019 earnings per share are 2019 restructuring charges, net of tax. Because acquisitions, divestitures and restructurings are episodic in nature and are highly variable to the Company's results, the Company believes that evaluating its profitability net of such transactions and events provides an additional and meaningful assessment of profitability to management.

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 Q2 2019 and 2019 sales, gross margin, operating income and earnings per share. 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 of significant fluctuations in our quarterly and annual results due to numerous factors including the acceleration or deceleration of product growth rates; the risk that we may not be able to maintain our recent levels of profitability; 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 the productivity of the Company's direct sales force and distributors may not be correct; risks related to the integration of acquisition targets; risks related to the Company's ability to attain or maintain regulatory approvals for its products; product demand and market acceptance of the Company's products and pricing; the risk that a recall of our products could result in significant costs or negative publicity; the risk that the Company is not successful in transitioning to a direct-selling model in new territories; 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, which are all 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.

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LeMaitre Vascular

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LEMAITRE VASCULAR, INC (NASDAQ: LMAT)
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands)

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,766	\$ 26,318
Short-term marketable securities	32,691	21,668
Accounts receivable, net	15,460	15,721
Inventory and other deferred costs	29,408	27,388
Prepaid expenses and other current assets	3,093	2,922
Total current assets	<u>95,418</u>	<u>94,017</u>
Property and equipment, net	14,109	14,102
Right-of-use leased assets	6,266	-
Goodwill	29,880	29,868
Other intangibles, net	13,179	13,692
Deferred tax assets	1,190	1,215
Other assets	210	194
Total assets	<u>\$ 160,252</u>	<u>\$ 153,088</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 2,381	\$ 1,732
Accrued expenses	13,372	15,847
Acquisition-related obligations	2,194	2,179
Lease liabilities - short-term	1,438	-
Total current liabilities	<u>19,385</u>	<u>19,758</u>
Lease liabilities - long-term	5,263	-
Deferred tax liabilities	484	484
Other long-term liabilities	2,032	2,611
Total liabilities	<u>27,164</u>	<u>22,853</u>
Stockholders' equity		
Common stock	212	211
Additional paid-in capital	99,666	98,442
Retained earnings	47,672	45,831
Accumulated other comprehensive loss	(4,092)	(3,900)
Treasury stock	(10,370)	(10,349)
Total stockholders' equity	<u>133,088</u>	<u>130,235</u>
Total liabilities and stockholders' equity	<u>\$ 160,252</u>	<u>\$ 153,088</u>

LEMAITRE VASCULAR, INC (NASDAQ: LMAT)
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(amounts in thousands, except per share amounts)
(unaudited)

	For the three months ended	
	March 31, 2019	March 31, 2018
Net sales	\$ 28,479	\$ 25,994
Cost of sales	9,015	7,520
Gross profit	19,464	18,474
Operating expenses:		
Sales and marketing	7,845	7,090
General and administrative	4,944	4,697
Research and development	2,240	1,825
Total operating expenses	15,029	13,612
Income from operations	4,435	4,862
Other income:		
Other income (loss), net	78	54
Income before income taxes	4,513	4,916
Provision for income taxes	1,000	1,063
Net income	\$ 3,513	\$ 3,853
Earnings per share of common stock		
Basic	\$ 0.18	\$ 0.20
Diluted	\$ 0.17	\$ 0.19
Weighted - average shares outstanding:		
Basic	19,640	19,283
Diluted	20,205	20,181
Cash dividends declared per common share	\$ 0.085	\$ 0.070

LEMAITRE VASCULAR, INC (NASDAQ: LMAT)
SELECTED NET SALES INFORMATION
(amounts in thousands)
(unaudited)

	For the three months ended			
	March 31, 2019		March 31, 2018	
	\$	%	\$	%
Net Sales by Geography				
Americas	\$ 16,375	58%	\$ 15,860	61%
Europe/Middle East/Africa	10,013	35%	8,755	34%
Asia/Pacific Rim	2,091	7%	1,379	5%
Total Net Sales	\$ 28,479	100%	\$ 25,994	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 March 31, 2019

Net sales as reported	\$	28,479	
Impact of currency exchange rate fluctuations		910	
Net impact of acquisitions excluding currency		<u>(2,272)</u>	
Adjusted net sales	\$		27,117

For the three months ended March 31, 2018

Net sales as reported	\$	25,994	
Net impact of divestitures excluding currency		<u>(736)</u>	
Adjusted net sales	\$		<u>25,258</u>

Adjusted net sales increase for the three months ended March 31, 2019	\$	<u>1,859</u>	<u>7%</u>
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Reconciliation between GAAP and Non-GAAP projected sales growth:

For the three months ended June 30, 2019

Net sales per guidance	\$	28,840	
Impact of currency exchange rate fluctuations		693	
Net impact of acquisitions excluding currency		<u>(1,500)</u>	
Adjusted projected net sales	\$		28,033

For the three months ended June 30, 2018

Net sales as reported	\$	27,020	
Net impact of divestitures excluding currency		<u>(51)</u>	
Adjusted net sales	\$		<u>26,969</u>

Adjusted projected net sales increase for the three months ended June 30, 2019	\$	<u>1,064</u>	<u>4%</u>
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Reconciliation between GAAP and Non-GAAP projected sales growth:

For the year ended December 31, 2019

Net sales per guidance	\$	114,100	
Impact of currency exchange rate fluctuations		2,088	
Net impact of acquisitions excluding currency		<u>(5,417)</u>	
Adjusted net sales	\$		110,771

For the year ended December 31, 2018

Net sales as reported	\$	105,568	
Net impact of divestitures excluding currency		<u>(787)</u>	
Adjusted net sales	\$		<u>104,781</u>

Adjusted projected net sales increase for the year ended December 31, 2019	\$	<u>5,990</u>	<u>6%</u>
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Reconciliation between GAAP and Non-GAAP operating income:

For the three months ended June 30, 2019

Operating income per guidance	\$	5,398	
Add back restructuring charge		<u>300</u>	
Adjusted projected operating income	\$		5,698

For the three months ended June 30, 2018

Operating income as reported	\$	11,541	
Impact of gains on acquisitions and divestitures		<u>(5,876)</u>	
Adjusted operating income	\$		<u>5,665</u>

Adjusted projected operating income increase for the three months ended June 30, 2019	\$	<u>33</u>	<u>1%</u>
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Reconciliation between GAAP and Non-GAAP projected operating income:

For the year ended December 31, 2019

Operating income per guidance	\$	21,267	
Add back restructuring charge		<u>300</u>	
Adjusted projected operating income	\$		21,567

For the year ended December 31, 2018

Operating income as reported	\$	28,209	
Impact of gains on acquisitions and divestitures		<u>(7,474)</u>	
Adjusted operating income	\$		<u>20,735</u>

Adjusted projected operating income increase for the year ended December 31, 2019	\$	<u>832</u>	<u>4%</u>
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Reconciliation between GAAP and Non-GAAP projected earnings per share:

For the three months ended June 30, 2019

Earnings per share per guidance	\$	0.21	
Add back earnings per share from restructuring charge, net of tax		<u>0.01</u>	
Adjusted earnings per share	\$		<u>0.23</u>

For the three months ended June 30, 2018

Earnings per share as reported	\$	0.43	
Less earnings per share from gains on acquisitions and divestitures, net of tax		<u>(0.22)</u>	
Adjusted earnings per share	\$		<u>0.21</u>

Adjusted projected earnings per share increase for the three months ended June 30, 2019	\$	<u>0.01</u>	<u>6%</u>
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Reconciliation between GAAP and Non-GAAP projected earnings per share:

For the year ended December 31, 2019

Earnings per share per guidance	\$	0.84	
Add back earnings per share from restructuring charge, net of tax		<u>0.01</u>	
Adjusted earnings per share	\$		<u>0.85</u>

For the year ended December 31, 2018

Earnings per share as reported	\$	1.13	
Less earnings per share from gains on acquisitions and divestitures, net of tax		<u>(0.30)</u>	
Adjusted earnings per share	\$		<u>0.84</u>

Adjusted projected earnings per share increase for the year ended December 31, 2019	\$	<u>0.01</u>	<u>2%</u>
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Reconciliation between GAAP and Non-GAAP EBITDA

	For the three months ended		For the twelve months ended
	March 31, 2019	March 31, 2018	March 31, 2019
Net income as reported	\$ 3,513	\$ 3,853	\$ 22,603
Interest (income) expense, net	(157)	(95)	(691)
Amortization and depreciation expense	1,284	1,036	4,572
Provision for income taxes	<u>1,000</u>	<u>1,063</u>	<u>5,438</u>

EBITDA	\$ <u>5,640</u>	\$ <u>5,857</u>	\$ <u>31,922</u>
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EBITDA percentage increase		<u>-4%</u>	
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