

GREATBATCH, INC.
Form 8-K
January 11, 2016

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) January 11, 2016

GREATBATCH, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|--------------------------|--------------------------------------|
| Delaware | 1-16137 | 16-1531026 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|------------|
| 2595 Dallas Parkway, Suite 310, Frisco, Texas | 75034 |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code (716) 759-5600

Not Applicable
(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)).

Item 2.02 Results of Operations and Financial Condition

On January 11, 2016, Greatbatch, Inc. (“Greatbatch” or the “Company”) issued a press release and posted two investor presentations to its website, which will be the basis for analyst and investor meetings at the J.P. Morgan Healthcare Conference in San Francisco, California. This press release and investor presentations provide 2015 preliminary results and 2016 guidance, and provide historical pro forma information after adjusting the Company’s results for its acquisition of Lake Region Medical Holdings, Inc. (“Lake Region Medical”) and its proposed spin-off of a portion of its QiG segment, which will be known as Nuvectra Corporation (“Nuvectra”). The Company’s press release and investor presentations are attached as Exhibits 99.1, 99.2, and 99.3 hereto, and are also available on the Company’s website at www.greatbatch.com and are incorporated into this Item by reference.

Item 7.01 Regulation FD Disclosure

The information set forth under Item 2.02 of this report is incorporated into this Item by reference.

NON-GAAP FINANCIAL MEASURES

The attached press release and investor presentations contain non-GAAP financial measures. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company’s reported results prepared in accordance with GAAP. In this press release and investor presentations adjusted net income and adjusted earnings per diluted share consist of GAAP amounts adjusted for the following to the extent occurring during the period: (i) acquisition-related charges, (ii) amortization of intangible assets, (iii) facility consolidation, optimization, manufacturing transfer and system integration charges, (iv) asset write-down and disposition charges, (v) charges in connection with corporate realignments or a reduction in force, (vi) certain litigation expenses, charges and gains, (vii) unusual or infrequently occurring items, (viii) gain/loss on cost and equity method investments, (ix) the income tax (benefit) related to these adjustments and (x) certain tax items related to the Federal research and development tax credit that are outside the normal benefit received. Adjusted earnings per diluted share is calculated by dividing adjusted net income by adjusted diluted weighted average shares outstanding. Adjusted EBITDA consists of GAAP net income plus (i) the same adjustments as listed above except for (ix) and (x), (ii) GAAP stock-based compensation, interest expense, depreciation and amortization (less adjustments already excluded in the items listed above), (iii) GAAP provision (benefit) for income taxes and (iv) cash gains received from cost and equity method investments. The reconciliation to GAAP amounts are not yet available for 2015 preliminary results or 2016 guidance and will be provided by the Company when available. In the press release and investor presentations “Pro Forma” amounts consist of historical GAAP amounts (or forecasted GAAP amounts) adjusted for the impact of i) the Lake Region Medical acquisition, ii) the proposed spin-off of Nuvectra, and iii) the financing transactions that occurred in connection with the Lake Region Medical acquisition. We believe that reporting these amounts provides important supplemental information to our investors and creditors seeking to understand the financial and business trends relating to our financial condition and results of operations. A reconciliation of these non-GAAP measures to the nearest appropriate GAAP measure is contained in this press release and investor presentations when available.

CAUTIONARY STATEMENT

Some of the information provided in this press release and investor presentations and other written and oral statements made from time to time by us and our representatives are not statements of historical or current fact. As such, they are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current expectations, and these statements are subject to known and unknown risks, uncertainties and assumptions. Forward-looking statements include statements relating to:

- future sales and adjusted EBITDA;
- future development and expected growth of our business and industry;
- our ability to execute our business model and our business strategy; and
- our ability to identify trends within our industries and to offer products and services that meet the changing needs of those markets.

You can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “intends,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or “variations” or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially from those stated or implied by these forward-looking statements. In evaluating these statements and our prospects, you should carefully consider the factors set forth below. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary factors and to others contained throughout this report. We are under no duty to update any of the forward-looking statements after the date of this filing or to conform these statements to actual results.

Although it is not possible to create a comprehensive list of all factors that may cause actual results to differ from the results expressed or implied by our forward-looking statements or that may affect our future results, some of these factors include the following: our high level of indebtedness following the acquisition of Lake Region Medical, our inability to pay principal and interest on this high level of outstanding indebtedness, and the risk that this high level of indebtedness limits our ability to invest in our business and overall financial flexibility; our dependence upon a limited number of customers; customer ordering patterns; product obsolescence; our inability to market current or future products; pricing pressure from customers; our ability to timely and successfully implement cost reduction and plant consolidation initiatives; our reliance on third party suppliers for raw materials, products and subcomponents; fluctuating operating results; our inability to maintain high quality standards for our products; challenges to our intellectual property rights; product liability claims; product field actions or recalls; our inability to successfully consummate and integrate acquisitions, including the acquisition of Lake Region Medical, and to realize synergies and benefits from these acquisitions and to operate these acquired businesses in accordance with expectations; our unsuccessful expansion into new markets; our failure to develop new products including system and device products; the timing, progress and ultimate success of pending regulatory actions and approvals, risks associated with the proposed spin-off of Nuvectra, including our ability to execute the spin-off successfully, the timing and taxable nature of the spin-off, and the performance of Nuvectra after completion of the spin-off; our inability to obtain licenses to key technology; regulatory changes, including Health Care Reform, or consolidation in the healthcare industry; global economic factors, including currency exchange rates and interest rates; the resolution of various legal actions brought

against the Company; and other risks and uncertainties that arise from time to time and are described in Item 1A “Risk Factors” of the Company’s Annual Report on Form 10-K and in other periodic filings with the Securities and Exchange Commission. The Company assumes no obligation to update these forward-looking statements whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.

99.1 Press Release dated January 11, 2016

99.2 Greatbatch, Inc. Investor Presentation dated January 12, 2016

99.3 Greatbatch, Inc. Investor Presentation - Historical Pro Forma Information

SIGNATURES

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, thereunto duly authorized.

Dated: January 11, 2016 GREATBATCH, INC.

By: /s/ Michael Dinkins
Michael Dinkins
Executive Vice President and
Chief Financial Officer