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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): October 31, 2018

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CRYOLIFE, INC.

(Exact name of registrant as specified in its charter)

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**Florida**  
(State or Other Jurisdiction  
of Incorporation)

**1-13165**  
(Commission File Number)

**59-2417093**  
(IRS Employer  
Identification No.)

**1655 Roberts Boulevard, N.W., Kennesaw, Georgia 30144**  
(Address of principal executive office) (zip code)  
**Registrant's telephone number, including area code: (770) 419-3355**

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

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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 (see General Instruction A.2. below):

- 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 check mark whether the registrant 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 (§240.12b-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.

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## Section 2 Financial Information

### Item 2.02 Results of Operations and Financial Condition.

On October 31, 2018, CryoLife, Inc. (“CryoLife” or the “Company”) issued a press release announcing its financial results for the quarter ended September 30, 2018. CryoLife hereby incorporates by reference herein the information set forth in its press release dated October 31, 2018, a copy of which is attached hereto as Exhibit 99.1. Except as otherwise provided in the press release, the press release speaks only as of the date of such press release and it shall not create any implication that the affairs of CryoLife have continued unchanged since such date.

The information provided pursuant to this Item 2.02 is to be considered “furnished” pursuant to Item 2.02 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended, nor shall it be deemed incorporated by reference into any of CryoLife’s reports or filings with the Securities and Exchange Commission, whether made before or after the date hereof, except as expressly set forth by specific reference in such report or filing.

Except for the historical information contained in this report, the statements made by CryoLife are forward-looking statements that involve risks and uncertainties. All such statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. CryoLife’s future financial performance could differ significantly from the expectations of management and from results expressed or implied in the press release. Please refer to the last paragraph of the text portion of the press release for further discussion about forward-looking statements. For further information on risk factors, please refer to “Risk Factors” contained in CryoLife’s most recently filed Form 10-K and its subsequent filings with the Securities and Exchange Commission, as well as in the press release attached as Exhibit 99.1 hereto. CryoLife disclaims any obligation or duty to update or modify these forward-looking statements.

## Section 9 Financial Statements and Exhibits.

### Item 9.01(d) Exhibits.

- (a) Financial Statements.  
Not applicable.
- (b) Pro Forma Financial Information.  
Not applicable.
- (c) Shell Company Transactions.  
Not applicable.
- (d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a> *	Press release dated October 31, 2018

\* This exhibit is furnished, not filed.

## SIGNATURES

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

CRYOLIFE, INC.

Date: October 31, 2018

By: /s/ D. Ashley Lee  
Name: D. Ashley Lee  
Title: Executive Vice President, Chief  
Operating Officer and Chief  
Financial Officer

**FOR IMMEDIATE RELEASE**

**Contacts:**

**CryoLife**

D. Ashley Lee  
Executive Vice President, Chief Financial Officer and  
Chief Operating Officer  
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**Gilmartin Group LLC**

Greg Chodaczek / Lynn Lewis  
Phone: 646-924-1769  
investors@cryolife.com

**CryoLife Reports Third Quarter 2018 Results**

**Third Quarter and Recent Business Highlights:**

- Total revenues increased 47 percent to \$64.6 million in the third quarter of 2018 compared to the third quarter of 2017
- Non-GAAP total revenues increased 17 percent in the third quarter of 2018 compared to the third quarter of 2017; Non-GAAP total revenues increased 17 percent on a constant currency basis
- On-X® revenues increased 36 percent in the third quarter of 2018 compared to the third quarter of 2017
- JOTEC® revenues were \$15.0 million in the third quarter of 2018, a 32 percent increase on a Non-GAAP basis compared to the third quarter of 2017
- Net income was \$1.6 million or \$0.04 per fully diluted common share; Non-GAAP net income was \$3.1 million, or \$0.08 per fully diluted common share

**ATLANTA, GA – (October 31, 2018) – CryoLife, Inc. (NYSE: CRY)**, a leading cardiac and vascular surgery company focused on aortic disease, announced today its financial results for the third quarter ended September 30, 2018.

“We had a very successful third quarter which included strong revenue growth, market share gains, new account growth and progress on our clinical and R&D programs,” said Pat Mackin, Chairman, President, and Chief Executive Officer. “Our On-X and JOTEC products continue to gain momentum as our direct salesforce is effectively conveying the differentiating attributes of these products. We expect our business momentum to continue and we are therefore updating our full year guidance. Looking ahead, we have many internal initiatives that we believe can drive substantial future growth. Given our highly experienced leadership team, we are confident we can deliver on our goals and objectives for 2018.”

**Third Quarter 2018 Financial Results**

Total revenues for the third quarter of 2018 increased 47 percent to \$64.6 million, compared to \$44.0 million for the third quarter of 2017. The increase was primarily driven by \$15.0 million in revenues from JOTEC and strong revenue growth from On-X and tissue processing. Non-

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GAAP total revenues for the third quarter of 2018 increased 17 percent, compared to the third quarter of 2017, a 17 percent increase on a constant currency basis.

Net income for the third quarter of 2018 was \$1.6 million, or \$0.04 per fully diluted common share, compared to net income of \$1.3 million, or \$0.04 per fully diluted common share for the third quarter of 2017. Non-GAAP net income for the third quarter of 2018 was \$3.1 million, or \$0.08 per fully diluted common share, compared to non-GAAP net income of \$3.1 million, or \$0.09 per fully diluted common share for the third quarter of 2017.

### 2018 Financial Outlook

The Company is updating its full-year 2018 financial guidance, as summarized below, and expects total revenues in the fourth quarter of 2018 to be between \$66.5 million and \$67.5 million.

	Previous	Revised
Total Revenues	\$256.0 million - \$260.0 million	\$261.5 million - \$262.5 million
Gross Margins	65.5% - 66.5% (includes \$3.5 million non-cash charges related to acquired JOTEC inventory and distributor inventory buy backs)	65.5% - 66.5% (includes \$2.8 million non-cash charges related to acquired JOTEC inventory and distributor inventory buy backs)
R&D Expenses	\$23.0 million - \$25.0 million	\$22.0 million - \$23.0 million
Non-GAAP Tax Rate	Mid 20% (excludes effect of nondeductible transaction costs and the tax effect of stock compensation expenses)	same
Non-GAAP EPS	\$0.29 - \$0.32 (assumes approximately 37.5 million fully diluted shares outstanding and 25% effective tax rate)	\$0.30 - \$0.33 (assumes approximately 37.5 million fully diluted shares outstanding and 25% effective tax rate)

All numbers are presented on a GAAP basis except where expressly referenced as non-GAAP. The Company does not provide GAAP income per common share on a forward-looking basis because the Company is unable to predict with reasonable certainty business development and acquisition-related expenses, purchase accounting fair value adjustments, and any unusual gains and losses without unreasonable effort. These items are uncertain, depend on various factors, and could be material to results computed in accordance with GAAP.

The Company's financial guidance for 2018 is subject to the risks identified below.

### Non-GAAP Financial Measures

This press release contains non-GAAP financial measures. Investors should consider this non-GAAP information in addition to, and not as a substitute for, financial measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial information may not be the same as similar measures presented by other companies. The Company's non-GAAP revenues include JOTEC revenues for the same nine-month period in 2017 prior to the closing of the acquisition of JOTEC on December 1, 2017. The Company did not own JOTEC during the nine-month period ended September 30, 2017, so the Company is unable to report its GAAP revenue

growth for the nine-month period ended September 30, 2018 compared to the same period in 2017.

The Company's other non-GAAP results exclude (as applicable) business development and integration expenses, amortization expense, and inventory basis step-up expense. The Company believes that these non-GAAP presentations provide useful information to investors regarding unusual non-operating transactions, and the operating expense structure of the Company's existing and recently acquired operations, without regard to its on-going efforts to acquire additional complementary products and businesses and the transaction and integration expenses incurred in connection with recently acquired and divested product lines. The Company believes it is useful to exclude certain expenses because such amounts in any specific period may not directly correlate to the underlying performance of its business operations or can vary significantly between periods as a result of factors such as acquisitions, or non-cash expense related to amortization of previously acquired tangible and intangible assets. The Company does, however, expect to incur similar types of expenses in the future, and this non-GAAP financial information should not be viewed as a statement or indication that these types of expenses will not recur.

#### **Webcast and Conference Call Information**

The Company will hold a teleconference call and live webcast tomorrow, November 1, 2018 at 8:30 a.m. ET to discuss the results followed by a question and answer session. To listen to the live teleconference, please dial 201-689-8261. A replay of the teleconference will be available through November 8, 2018 and can be accessed by calling (toll free) 877-660-6853 or 201-612-7415. The Conference ID for the replay is 13684106.

The live webcast and replay can be accessed by going to the Investor Relations section of the CryoLife website at [www.cryolife.com](http://www.cryolife.com) and selecting the heading Webcasts & Presentations.

#### **About CryoLife, Inc.**

Headquartered in suburban Atlanta, Georgia, CryoLife is a leader in the manufacturing, processing, and distribution of medical devices and implantable tissues used in cardiac and vascular surgical procedures focused on aortic repair. CryoLife markets and sells products in more than 100 countries worldwide. For additional information about CryoLife, visit our website, [www.cryolife.com](http://www.cryolife.com).

#### **Forward Looking Statements**

*Statements made in this press release that look forward in time or that express management's beliefs, expectations, or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made. These statements include our forecasted revenues, gross margins, R&D expenses, non-GAAP income tax rate and non-GAAP earnings per share; and our beliefs that our On-X and JOTEC products continue to gain momentum as our direct salesforce is effectively conveying the differentiating attributes of these products, that we expect our business momentum to continue, that we have many internal initiatives that we believe can drive substantial future growth and that we are confident we can deliver on our goals and objectives for 2018. These forward-looking statements are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These risks and uncertainties include the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K for year ended December*

31, 2017. CryoLife does not undertake to update its forward-looking statements, whether as a result of new information, future events, or otherwise.

**CRYOLIFE, INC. AND SUBSIDIARIES**  
**Financial Highlights**  
(In thousands, except per share data)

	(Unaudited) Three Months Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Products	\$ 45,152	\$ 27,029	\$ 138,063	\$ 84,519
Preservation services	19,446	16,970	56,979	52,357
<b>Total revenues</b>	<b>64,598</b>	<b>43,999</b>	<b>195,042</b>	<b>136,876</b>
<b>Cost of products and preservation services:</b>				
Products	12,459	6,220	40,166	21,196
Preservation services	9,425	7,917	27,083	23,401
<b>Total cost of products and preservation services</b>	<b>21,884</b>	<b>14,137</b>	<b>67,249</b>	<b>44,597</b>
<b>Gross margin</b>	<b>42,714</b>	<b>29,862</b>	<b>127,793</b>	<b>92,279</b>
<b>Operating expenses:</b>				
General, administrative, and marketing	32,871	24,756	104,946	71,016
Research and development	5,225	4,277	16,314	13,098
<b>Total operating expenses</b>	<b>38,096</b>	<b>29,033</b>	<b>121,260</b>	<b>84,114</b>
<b>Operating income</b>	<b>4,618</b>	<b>829</b>	<b>6,533</b>	<b>8,165</b>
Interest expense	4,104	851	11,863	2,486
Interest income	(52)	(64)	(141)	(159)
Other (income) expense, net	(1,542)	21	(257)	(70)
<b>Income (loss) before income taxes</b>	<b>2,108</b>	<b>21</b>	<b>(4,932)</b>	<b>5,908</b>
Income tax expense (benefit)	543	(1,304)	(2,868)	(803)
<b>Net income (loss)</b>	<b>\$ 1,565</b>	<b>\$ 1,325</b>	<b>\$ (2,064)</b>	<b>\$ 6,711</b>
<b>Income (loss) per common share:</b>				
Basic	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ (0.06)</b>	<b>\$ 0.20</b>
Diluted	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ (0.06)</b>	<b>\$ 0.19</b>
<b>Weighted-average common shares outstanding:</b>				
Basic	36,526	32,887	36,331	32,665
Diluted	37,610	34,057	36,331	33,851



**CRYOLIFE, INC. AND SUBSIDIARIES**  
**Financial Highlights**  
(In thousands)

	(Unaudited)		(Unaudited)	
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Products:</b>				
BioGlue and BioFoam	\$ 15,646	\$ 15,730	\$ 48,685	\$ 48,094
JOTEC	15,004	--	46,669	--
On-X	11,298	8,326	33,495	27,048
CardioGenesis cardiac laser therapy	1,590	1,489	4,514	5,130
PerClot	882	886	2,822	2,641
PhotoFix	732	598	1,878	1,606
<b>Total products</b>	<b>45,152</b>	<b>27,029</b>	<b>138,063</b>	<b>84,519</b>
<b>Preservation services:</b>				
Cardiac tissue	9,502	7,932	26,660	23,911
Vascular tissue	9,944	9,038	30,319	28,446
<b>Total preservation services</b>	<b>19,446</b>	<b>16,970</b>	<b>56,979</b>	<b>52,357</b>
<b>Total revenues</b>	<b>\$ 64,598</b>	<b>\$ 43,999</b>	<b>\$ 195,042</b>	<b>\$ 136,876</b>
<b>Revenues:</b>				
U.S.	\$ 36,516	\$ 32,208	\$ 108,123	\$ 100,454
International	28,082	11,791	86,919	36,422
<b>Total revenues</b>	<b>\$ 64,598</b>	<b>\$ 43,999</b>	<b>\$ 195,042</b>	<b>\$ 136,876</b>

	(Unaudited) September 30, 2018	December 31, 2017
Cash, cash equivalents, and restricted securities	\$ 35,311	\$ 40,753
Total current assets	173,952	179,280
Total assets	569,695	589,693
Total current liabilities	30,749	42,940
Total liabilities	292,888	312,635
Shareholders' equity	276,807	277,058

**CRYOLIFE, INC. AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP**  
**Net Income (Loss) and Diluted Income (Loss) per Common Share**  
(In thousands, except per share data)

	(Unaudited) Three Months Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>GAAP:</b>				
<b>Income (loss) before income taxes</b>	\$ 2,108	\$ 21	\$ (4,932)	\$ 5,908
Income tax expense (benefit)	543	(1,304)	(2,868)	(803)
<b>Net income (loss)</b>	<b>\$ 1,565</b>	<b>\$ 1,325</b>	<b>\$ (2,064)</b>	<b>\$ 6,711</b>
<b>Diluted income (loss) per common share:</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ (0.06)</b>	<b>\$ 0.19</b>
<b>Diluted weighted-average common shares outstanding</b>	37,610	34,057	36,331	33,851
<b>Reconciliation of income (loss) before income taxes, GAAP to adjusted net income, non-GAAP:</b>				
<b>Income (loss) before income taxes, GAAP</b>	\$ 2,108	\$ 21	\$ (4,932)	\$ 5,908
Adjustments:				
Business development and integration expenses	1,917	2,998	6,933	4,380
Amortization expense	2,707	1,140	8,195	3,423
Gain on On-X escrow settlement	(2,675)	--	(2,675)	--
Inventory basis step-up expense	62	32	2,805	2,144
<b>Adjusted income before income taxes, non-GAAP</b>	<b>4,119</b>	<b>4,191</b>	<b>10,326</b>	<b>15,855</b>
Income tax expense calculated at 25% pro forma tax rate	1,030	1,048	2,582	3,964
<b>Adjusted net income, non-GAAP</b>	<b>\$ 3,089</b>	<b>\$ 3,143</b>	<b>\$ 7,744</b>	<b>\$ 11,891</b>
<b>Reconciliation of diluted income (loss) per common share, GAAP to adjusted diluted income per common share, non-GAAP:</b>				
<b>Diluted income (loss) per common share, GAAP:</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ (0.06)</b>	<b>\$ 0.19</b>
Adjustments:				
Amortization expense	0.08	0.04	0.22	0.10
Business development and integration expenses	0.05	0.09	0.19	0.13
Gain on On-X escrow settlement	(0.07)	--	(0.07)	--
Inventory basis step-up expense	--	--	0.07	0.06
Tax effect of non-GAAP adjustments	(0.02)	(0.04)	(0.10)	(0.07)
Effect of 25% pro forma tax rate	--	(0.04)	(0.04)	(0.07)
<b>Adjusted diluted income per common share, non-GAAP:</b>	<b>\$ 0.08</b>	<b>\$ 0.09</b>	<b>\$ 0.21</b>	<b>\$ 0.34</b>
<b>Diluted weighted-average common shares outstanding</b>	37,610	34,057	37,351	33,851

**CRYOLIFE, INC. AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP**  
**Revenues; Gross Margin; General, Administrative, and Marketing**  
(In thousands, except per share data)

	(Unaudited) Three Months Ended September 30,			(Unaudited) Nine Months Ended September 30,		
	2018	2017	Growth Rate	2018	2017	Growth Rate
	<b>Reconciliation of total revenues, GAAP to total revenues, non-GAAP:</b>					
Total revenues, GAAP	\$ 64,598	\$ 43,999	47%	\$ 195,042	\$ 136,876	42%
Plus: JOTEC pre-acquisition revenues	--	11,339		--	36,439	
<b>Total revenues, non-GAAP</b>	<b>\$ 64,598</b>	<b>\$ 55,338</b>	<b>17%</b>	<b>\$ 195,042</b>	<b>\$ 173,315</b>	<b>13%</b>
Impact of changes in currency exchange	--	(203)		--	3,625	
<b>Total constant currency revenues, non-GAAP</b>	<b>\$ 64,598</b>	<b>\$ 55,135</b>	<b>17%</b>	<b>\$ 195,042</b>	<b>\$ 176,940</b>	<b>10%</b>
<b>Reconciliation of gross margin %, GAAP to gross margin %, non-GAAP:</b>						
Total revenues, GAAP	\$ 64,598	\$ 43,999		\$ 195,042	\$ 136,876	
Gross margin, GAAP	\$ 42,714	\$ 29,862		\$ 127,793	\$ 92,279	
Gross margin %, GAAP	66%	68%		66%	67%	
Gross margin, GAAP	\$ 42,714	\$ 29,862		\$ 127,793	\$ 92,279	
Plus: Inventory basis step-up expense	62	32		2,805	2,144	
<b>Gross margin, non-GAAP</b>	<b>\$ 42,776</b>	<b>\$ 29,894</b>		<b>\$ 130,598</b>	<b>\$ 94,423</b>	
<b>Gross margin %, non-GAAP</b>	<b>66%</b>	<b>68%</b>		<b>67%</b>	<b>69%</b>	
<b>Reconciliation of general, administrative, and marketing, GAAP to general, administrative, and marketing, non-GAAP:</b>						
General, administrative, and marketing, GAAP	\$ 32,871	\$ 24,756		\$ 104,946	\$ 71,016	
Less: Business development and integration expenses	(1,917)	(2,998)		(6,933)	(4,380)	
<b>General, administrative, and marketing, non-GAAP</b>	<b>\$ 30,954</b>	<b>\$ 21,758</b>		<b>\$ 98,013</b>	<b>\$ 66,636</b>	



**CRYOLIFE, INC. AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP**  
**Net Income (Loss) to Adjusted EBITDA**  
(In thousands)

	(Unaudited)		(Unaudited)	
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Reconciliation of net income (loss), GAAP to adjusted EBITDA, non-GAAP:</b>				
Net income (loss), GAAP	\$ 1,565	\$ 1,325	\$ (2,064)	\$ 6,711
Adjustments:				
Interest income	(52)	(64)	(141)	(159)
Interest expense	4,104	851	11,863	2,486
Income tax expense (benefit)	543	(1,304)	(2,868)	(803)
Depreciation and amortization expense	4,530	2,331	13,636	6,683
Loss (gain) on foreign currency revaluation	683	21	2,141	(78)
Business development and integration expenses	1,917	2,998	6,933	4,380
Gain on On-X escrow settlement	(2,675)	--	(2,675)	--
Inventory basis step-up expense	62	32	2,805	2,144
Stock-based compensation expense	1,565	1,856	4,685	5,652
<b>Adjusted EBITDA, non-GAAP</b>	<b>\$ 12,242</b>	<b>\$ 8,046</b>	<b>\$ 34,315</b>	<b>\$ 27,016</b>