

**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): July 23, 2016



Merit Medical Systems, Inc.

(Exact name of registrant as specified in its charter)

Utah

(State or other jurisdiction of
incorporation or organization)

0-18592

(Commission
File Number)

87-0447695

(I.R.S. Employer
Identification No.)

**1600 West Merit Parkway
South Jordan, Utah**

(Address of principal executive offices)

84095

(Zip Code)

(801) 253-1600

(Registrant's telephone number, including area code)

N/A

(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 July 27, 2016, Merit Medical Systems, Inc. (the "Company") issued a press release announcing its operating and financial results for the quarter ended June 30, 2016. The full text of the Company's press release, including unaudited financial information, is furnished herewith as Exhibit 99.1.

The information in this Section 2.02 (including Exhibit 99.1 attached hereto) is furnished pursuant to General Instruction B.2. 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 (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 23, 2016, the Board of Directors (the "Board") of the Company adopted resolutions increasing the number of directors of the Company to nine, and appointing Dr. David M. Liu, Fellow of the Royal College of Physicians of Canada, diplomate of the American Board of Radiology, and Fellow of the Society of Interventional Radiology, to fill the resulting vacancy. Dr. Liu holds the current appointment of Clinical Associate Professor, Faculty of Medicine, at the University of British Columbia and is in active clinical practice with board certification in both Canada and the U.S. Pursuant to the Company's Amended and Restated Bylaws, Dr. Liu was appointed to serve as a director of the Company until the next election of directors by the Company's shareholders, at which time the Board anticipates that he would be eligible for re-election.

As a director of the Company, Dr. Liu will be entitled to receive annual director fees consistent with the Company's then-current director compensation practices. For the period commencing upon his appointment as a director and continuing through the next annual meeting of the Company's shareholders, Dr. Liu will be entitled to receive a pro-rated portion of the annual director fee, which will be approximately \$50,500. Dr. Liu will also be eligible to participate as a non-employee director in the Company's benefit plans, consistent with the Company's director compensation practices. At the time of his appointment, Dr. Liu was awarded an option to acquire 21,000 shares of the Company's common stock, with an exercise price of \$21.71 per share. The option has a term of seven years and is scheduled to become exercisable in five equal annual increments, commencing in July 2017. There were no arrangements or understandings between Dr. Liu and any other person pursuant to which Dr. Liu was appointed as a director of the Company.

In August 2014, the Company, Dr. Liu and an unrelated third party entered into a Technology License Agreement, pursuant to which the Company acquired the exclusive right to make, use, have made, lease, sell, offer to sell, import, export and sublicense certain intellectual property developed by Dr. Liu and the third party (collectively, the "Licensors"). Pursuant to the terms of that license agreement, the Company paid to the Licensors an initial license fee of \$150,000 and subsequently paid to the Licensors an additional license fee of \$100,000. The Company is also obligated to pay royalties, and may pay additional license fees, to the Licensors, based on future sales of products utilizing the licensed intellectual property. As of the date of this Current Report on Form 8-K, the Company has not paid any royalties to the Licensors.

Item 7.01. Regulation FD Disclosure.

On July 27, 2016, the Company hosted a conference call for the purpose of discussing its operating and financial results for the quarter ended June 30, 2016. In connection with that call, the Company posted a slide presentation to its website. The presentation discusses the Company's operating and financial results for the quarter ended June 30, 2016, as well as the Company's outlook for its future operations. A copy of the presentation is attached herewith as Exhibit 99.2.

The Company is furnishing the information in this Item 7.01 (including Exhibit 99.2 attached hereto) pursuant to Regulation FD promulgated under the Exchange Act. Such information shall not be deemed "filed" for purposes of the Exchange Act or otherwise subject to the liabilities of that section, and is not deemed incorporated by reference into any filing under the Securities Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release issued by the Company, dated July 27, 2016, entitled "Merit Medical Reports Sales Up 9.4% for the Quarter Ended June 30, 2016," including unaudited financial statements.

99.2 Conference Call Presentation.

SIGNATURES

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

MERIT MEDICAL SYSTEMS, INC.

Date: July 27, 2016

By: /s/ Brian G. Lloyd
Brian G. Lloyd
Chief Legal Officer and Corporate Secretary

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release, dated July 27, 2016, entitled "Merit Medical Reports Sales Up 9.4% for the Quarter Ended June 30, 2016," including unaudited financial information.
99.2	Conference Call Presentation.



PRESS RELEASE

1600 West Merit Parkway,
South Jordan, Utah 84095
Telephone +1 801.253.1600
Fax +1 801.253.1688

FOR IMMEDIATE RELEASE

Date: July 27, 2016
Contact: Anne-Marie Wright, Vice President, Corporate Communications
Phone: (801) 208-4167 e-mail: awright@merit.com Fax: (801) 253-1688

MERIT MEDICAL REPORTS SALES UP 9.4%
FOR THE QUARTER ENDED JUNE 30, 2016

- Q2 revenue of \$151.1 million (\$151.7 million in constant currency), up 9.4% as reported, up 9.9% on a comparable, constant currency basis, over Q2 2015
- YTD revenue of \$289.1 million (\$291.7 million in constant currency), up 8.0% as reported, up 9.0% on a comparable, constant currency basis, over YTD 2015
- Q2 non-GAAP EPS was \$0.26; Q2 GAAP EPS was \$0.16
- YTD non-GAAP EPS was \$0.44, compared to \$0.42 for same period in 2015
- Q2 2016 non-GAAP gross margin was 46.4%, compared to 46.1% in Q2 2015; Q2 2016 GAAP gross margin was 44.3%, compared to 44.1% for Q2 2015
- YTD 2016 non-GAAP gross margin was 46.1%, compared to 45.5% for same period in 2015; YTD 2016 GAAP gross margin was 43.9%, compared to 43.4% for same period in 2015

SOUTH JORDAN, UTAH- Merit Medical Systems, Inc. (NASDAQ: MMSI), a leading manufacturer and marketer of proprietary disposable devices used in interventional, diagnostic and therapeutic procedures, particularly in cardiology, radiology and endoscopy, today announced sales of \$151.1 million for the quarter ended June 30, 2016, an increase of 9.4% over sales of \$138.1 million for the quarter ended June 30, 2015. On a constant currency basis, sales for the quarter ended June 30, 2016 would have been up 9.9% over sales for the comparable quarter of 2015.

For the six months ended June 30, 2016, Merit's sales were \$289.1 million, an increase of 8.0% over sales of \$267.7 million, for the six months ended June 30, 2015. On a constant currency basis, sales for the six months ended June 30, 2016 would have been up 9.0% over sales for the comparable period of 2015.

Merit's non-GAAP net income for the quarter ended June 30, 2016 was \$11.5 million, or \$0.26 per share, up 5.5% compared to \$10.9 million, or \$0.25 per share, for the quarter ended June 30, 2015. Merit's GAAP net income for the second quarter of 2016 was \$7.3 million, or \$0.16 per share, compared to \$7.4 million, or \$0.17 per share, for the second quarter of 2015.

Merit's non-GAAP net income for the six months ended June 30, 2016 was \$19.8 million, or \$0.44 per share, up 5.4% compared to \$18.8 million, or \$0.42 per share, for the six months ended June 30, 2015. Merit's GAAP net income for the six months ended June 30, 2016 was \$11.6 million, or \$0.26 per share, compared to \$12.6 million, or \$0.28 per share, for the comparable period of 2015.

Merit's sales by category for the three and six-month periods ended June 30, 2016, compared to the corresponding periods in 2015, were as follows:

	% Change	Three Months Ended June 30,		% Change	Six Months Ended June 30,	
		2016	2015		2016	2015
Cardiovascular						
Stand-alone devices	17.5%	\$ 46,394	\$39,496	17.0%	\$89,726	\$76,674
Custom kits and procedure trays	—%	30,065	30,067	2.1%	58,944	57,753
Inflation devices *	-0.1%	18,691	18,701	-2.6%	36,403	37,391
Catheters	19.5%	28,846	24,139	10.8%	52,745	47,596
Embolization devices	3.0%	11,948	11,603	3.3%	22,731	21,995
CRM/EP	9.1%	9,581	8,783	8.5%	17,520	16,143
Total	9.6%	145,525	132,789	8.0%	278,069	257,552
Endoscopy						
Endoscopy devices	4.8%	5,546	5,293	9.6%	11,079	10,107
Total	9.4%	\$151,071	\$138,082	8.0%	\$289,148	\$267,659

* The year-over-year sales decrease in inflation devices can be attributed primarily to reduced sales to a large OEM customer and two large distributors.

“The second quarter was packed with opportunity and activity,” said Fred P. Lampropoulos, Merit's Chairman and Chief Executive Officer. “We hired more than 50 production and support personnel to ramp up production of various catheters and access products. This effort involved training, sourcing and manufacturing, and we estimate that approximately \$3.6 million of new revenue was derived from the sale of those products. We

have also acquired additional production equipment that is now coming on line for what we anticipate to be a larger than expected opportunity for the sale of such products.”

“Our new direct operations in Canada and Australia have exceeded our initial expectations, and we believe they will continue to provide exceptional growth,” Lampropoulos said. “We have also completed the transition of production for our HeRO® product line to our South Jordan, Utah facility and have reduced our initial cost estimates. Additionally, we anticipate that we will introduce two new HeRO® products during the third quarter.”

“Finally, substantial due diligence and planning relating to DFINE, Inc. resulted in the previously announced acquisition,” Lampropoulos continued. “During the upcoming quarters, we expect to complete the restructuring and integration of the DFINE operations, which we believe will enhance our business prospects going forward. I appreciate my staff and all those who accomplished so much in just 90 days.”

CONFERENCE CALL

Merit will hold its investor conference call (conference ID 49502894) today, Wednesday, July 27, 2016, at 5:00 p.m. Eastern (4:00 p.m. Central, 3:00 p.m. Mountain, and 2:00 p.m. Pacific). The domestic telephone number is (844) 578-9672, and the international number is (508) 637-5656. A live webcast will also be available for the conference call at merit.com.

BALANCE SHEET
(In thousands)

	June 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 10,487	\$ 4,177
Trade receivables, net	76,792	70,292
Employee receivables	165	217
Other receivables	4,742	6,799
Inventories	109,858	105,999
Prepaid expenses	7,829	5,634
Prepaid income taxes	3,044	2,955
Deferred income tax assets	7,017	7,025
Income tax refunds receivable	43	905
Total Current Assets	219,977	204,003
Property and equipment, net	276,486	267,778
Intangibles, net	116,698	109,354
Goodwill	187,034	184,472
Other assets	14,770	13,121
Total Assets	\$814,965	\$778,728
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade payables	31,286	37,977
Accrued expenses	40,196	37,846
Current portion of long-term debt	10,000	10,000
Advances from employees	473	589
Income taxes payable	3,138	1,498
Total Current Liabilities	85,093	87,910
Deferred income tax liabilities	11,024	10,985
Liabilities related to unrecognized tax benefits	768	768
Deferred compensation payable	9,103	8,500
Deferred credits	2,635	2,721
Long-term debt	221,719	197,593
Other long-term obligations	4,633	4,148
Total Liabilities	334,975	312,625
Stockholders' Equity		
Common stock	200,015	197,826
Retained earnings	285,405	273,764
Accumulated other comprehensive loss	(5,430)	(5,487)
Total stockholders' equity	479,990	466,103
Total Liabilities and Stockholders' Equity	\$814,965	\$778,728

INCOME STATEMENT
(Unaudited, in thousands except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
SALES	\$ 151,071	\$ 138,082	\$ 289,148	\$ 267,659
COST OF SALES	84,217	77,196	162,193	151,390
GROSS PROFIT	66,854	60,886	126,955	116,269
OPERATING EXPENSES				
Selling, general and administrative	43,653	39,321	85,358	76,206
Research and development	11,529	9,202	22,116	18,874
Contingent consideration expense	91	121	193	243
Total	55,273	48,644	107,667	95,323
INCOME FROM OPERATIONS	11,581	12,242	19,288	20,946
OTHER INCOME (EXPENSE)				
Interest income	16	79	25	132
Interest (expense)	(1,768)	(1,713)	(3,097)	(3,287)
Other income (expense)	33	(85)	(447)	195
Total other (expense) - net	(1,719)	(1,719)	(3,519)	(2,960)
INCOME BEFORE INCOME TAXES	9,862	10,523	15,769	17,986
INCOME TAX EXPENSE	2,572	3,122	4,128	5,411
NET INCOME	\$ 7,290	\$ 7,401	\$ 11,641	\$ 12,575
EARNINGS PER COMMON SHARE-				
Basic	\$ 0.16	\$ 0.17	\$ 0.26	\$ 0.29
Diluted	\$ 0.16	\$ 0.17	\$ 0.26	\$ 0.28
AVERAGE COMMON SHARES-				
Basic	44,308	44,055	44,297	43,880
Diluted	44,703	44,517	44,647	44,332

Although Merit's financial statements are prepared in accordance with accounting principles which are generally accepted in the United States of America ("GAAP"), Merit's management believes that certain non-GAAP financial measures provide investors with useful information regarding the underlying business trends and performance of Merit's ongoing operations and can be useful for period-over-period comparisons of such operations. The following table sets forth supplemental financial data and corresponding reconciliations to GAAP financial statements for the three and six-month periods ended June 30, 2016 and 2015. Readers should consider these non-GAAP measures in addition to, not as a substitute for, financial reporting measures prepared in accordance with GAAP. These non-GAAP financial measures exclude some, but not all, items that may affect Merit's net income. Additionally, these calculations may not be comparable with similarly titled measures of other companies. The constant currency revenue adjustment of \$0.6 million and \$2.5 million for the three and six-month periods ended June 30, 2016, respectively, was calculated using the average foreign exchange rates for the three and six-month periods ended June 30, 2015. The non-GAAP income adjustments referenced in the following table do not reflect stock-based compensation expense of approximately \$786,000 and approximately \$565,000 for the three-month periods ended June 30, 2016 and 2015, respectively, and approximately \$1.4 million and approximately \$1.1 million for the six-month periods ended June 30, 2016 and 2015, respectively.

MERIT MEDICAL SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS - NON-GAAP
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015 (Unaudited)

In thousands, except per share data

	Three Months Ended			Per Share Impact
	June 30, 2016			
	Pre-Tax	Tax Impact (a)	After-Tax	
GAAP net income	\$9,862	(2,572)	7,290	\$0.16
<i>Non-GAAP adjustments:</i>				
Cost of Sales				
Amortization of intangibles	\$3,169	(1,162)	2,007	\$0.04
Inventory mark-up related to acquisition	\$61	(24)	37	\$0.00
Selling, General & Administrative				
Severance	\$560	(218)	342	\$0.01
Acquisition-related (c)	\$1,637	(637)	1,000	\$0.02
Fair value adjustment to contingent consideration (d)	\$91	(35)	56	\$0.00
Long-term asset impairment charge (b)	\$88	(34)	54	\$0.00
Acquired in-process research & development	\$100	(39)	61	\$0.00
Amortization of intangibles	\$847	(323)	524	\$0.01
Other Income				
Amortization of long-term debt issuance costs	\$264	(103)	161	\$0.00
Adjusted net income	\$16,679	(5,147)	11,532	\$0.26
Diluted shares				44,703

	Three Months Ended			Per Share Impact
	June 30, 2015			
	Pre-Tax	Tax Impact (a)	After-Tax	
GAAP net income	\$10,523	(3,122)	7,401	\$0.17
<i>Non-GAAP adjustments:</i>				
Cost of Sales				
Amortization of intangibles	\$2,797	(1,063)	1,734	\$0.04
Selling, General & Administrative				
Severance	\$785	(298)	487	\$0.01
Acquisition-related (c)	\$64	(24)	40	\$0.00
Fair value adjustment to contingent consideration (d)	\$121	(46)	75	\$0.00
Amortization of intangibles	\$878	(334)	544	\$0.01
Termination fee (e)	\$800	(304)	496	\$0.01
Other Income				
Amortization of long-term debt issuance costs	\$247	(94)	153	\$0.00
Adjusted net income	\$16,215	(5,285)	10,930	\$0.25
Diluted shares				44,517

In thousands, except per share data

	Six Months Ended			Per Share Impact
	June 30, 2016			
	Pre-Tax	Tax Impact (a)	After-Tax	
GAAP net income	\$15,769	(4,128)	11,641	\$0.26
Non-GAAP adjustments:				
Cost of Sales				
Amortization of intangibles	\$6,242	(2,285)	3,957	\$0.09
Inventory mark-up related to acquisition	\$207	(80)	127	\$0.00
Selling, General & Administrative				
Severance	\$1,778	(692)	1,086	\$0.02
Acquisition-related (c)	\$2,403	(935)	1,468	\$0.03
Fair value adjustment to contingent consideration (d)	\$162	(63)	99	\$0.00
Long-term asset impairment charge (b)	\$88	(34)	54	\$0.00
Acquired in-process research & development	\$100	(39)	61	\$0.00
Amortization of intangibles	\$1,646	(627)	1,019	\$0.02
Other Income				
Amortization of long-term debt issuance costs	\$521	(203)	318	\$0.01
Adjusted net income	\$28,916	(9,086)	19,830	\$0.44
Diluted shares				44,647

	Six Months Ended			Per Share Impact
	June 30, 2015			
	Pre-Tax	Tax Impact (a)	After-Tax	
GAAP net income	\$17,986	(5,411)	12,575	\$0.28
Non-GAAP adjustments:				
Cost of Sales				
Amortization of intangibles	\$5,568	(2,117)	3,451	\$0.08
Selling, General & Administrative				
Severance	\$1,115	(424)	691	\$0.02
Acquisition-related (c)	\$64	(24)	40	\$0.00
Fair value adjustment to contingent consideration (d)	\$243	(92)	151	\$0.00
Long-term asset impairment charge (b)	\$14	(5)	9	\$0.00
Amortization of intangibles	\$1,756	(667)	1,089	\$0.02
Termination fee (e)	\$800	(304)	496	\$0.01
Other Income				
Amortization of long-term debt issuance costs	\$494	(188)	306	\$0.01
Adjusted net income	\$28,040	(9,232)	18,808	\$0.42
Diluted shares				44,332

(a) Reflects the tax effect of the non-GAAP adjustments.

(b) Represents abandoned patents.

(c) Represents non-recurring costs related to acquisitions.

- (d) Represents changes in the fair value of contingent consideration liabilities and contingent receivables as a result of acquisitions.
- (e) Costs associated with the termination of our agreement with a third-party contract manufacturer in Tijuana, Mexico

ABOUT MERIT

Founded in 1987, Merit Medical Systems, Inc. is engaged in the development, manufacture and distribution of proprietary disposable medical devices used in interventional, diagnostic and therapeutic procedures, particularly in cardiology, radiology and endoscopy. Merit serves client hospitals worldwide with a domestic and international sales force totaling approximately 200 individuals. Merit employs approximately 4,000 people worldwide with facilities in South Jordan, Utah; Pearland, Texas; Richmond, Virginia; Malvern, Pennsylvania; Rockland, Massachusetts; San Jose, California; Maastricht and Venlo, The Netherlands; Paris, France; Galway, Ireland; Beijing, China; Tijuana, Mexico; Joinville, Brazil; Markham, Ontario, Canada; Melbourne, Australia and Mannheim, Germany.

Statements contained in this release which are not purely historical, including, without limitation, statements regarding Merit's forecasted plans, revenues, net income, financial results or anticipated acquisitions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties such as those described in Merit's Annual Report on Form 10-K for the year ended December 31, 2015. Such risks and uncertainties include risks relating to Merit's potential inability to successfully manage growth through acquisitions, including the inability to commercialize assets or technology acquired through completed, proposed or future transactions (including the recently completed acquisition of DFINE, Inc.); product recalls and product liability claims; expenditures relating to research, development, testing and regulatory approval or clearance of Merit's products and risks that such products may not be developed successfully or approved for commercial use; greater governmental scrutiny and regulation of the medical device industry; reforms to the 510(k) process administered by the U.S. Food and Drug Administration; compliance with governmental regulations and administrative procedures; potential restrictions on Merit's liquidity or its ability to operate its business in compliance with its current debt agreements; possible infringement of Merit's technology or the assertion that Merit's technology infringes the rights of other parties; the potential of fines, penalties or other adverse consequences if Merit's employees or agents violate the U.S. Foreign Corrupt Practices Act or other laws and regulations; laws targeting fraud and abuse in the healthcare industry; potential for significant adverse changes in, or failure to comply with, governing regulations; the effect of changes in tax laws and regulations in the United States or other countries; increases in the prices of commodity components; negative changes in economic and industry conditions in the United States and other countries; termination or interruption of relationships with Merit's suppliers, or failure of such suppliers to perform; fluctuations in Euro and GBP exchange rates; Merit's need to generate sufficient cash flow to fund its debt obligations, capital expenditures, and ongoing operations; concentration of Merit's revenues among a few products and procedures; development of new products and technology that could render Merit's existing products obsolete; market acceptance of new products; volatility in the market price of Merit's common stock; modification or limitation of governmental or private insurance reimbursement policies; changes in health care markets related to health care reform initiatives; failure to comply with applicable environmental laws; changes in key personnel; work stoppage or transportation risks; uncertainties associated with potential healthcare policy changes which may have a materially adverse effect on Merit; introduction of products in a timely fashion; price and product competition; availability of labor and materials; cost increases; fluctuations in and obsolescence of inventory; and other factors referred to in Merit's Annual Report on Form 10-K for the year ended December 31, 2015 and other materials filed with the Securities and Exchange Commission. All subsequent forward-looking statements attributable to Merit or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Actual results will likely differ, and may differ materially, from anticipated

results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results, and Merit assumes no obligation to update or disclose revisions to those estimates.

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VISION. GROWTH. PROFITABILITY.

2nd Quarter 2016 Results

FRED LAMPROPOULOS
Chairman & CEO

BERNARD BIRKETT
CFO



DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes "forward-looking statements" as defined within applicable securities laws and regulations. All statements in this presentation, other than statements of historical fact, are "forward-looking statements", including projections of earnings, revenues or other financial items, any statements regarding our plans and objectives for future operations, any statements concerning proposed new products or services, any statements regarding the integration, development or commercialization of our business or any business, assets or operations we may acquire, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All forward-looking statements, including financial projections, included in this presentation are made as of the date of this presentation, and are based on information available to us as of such date. We assume no obligation to update or disclose revisions to any forward-looking statement. In some cases, forward-looking statements can be identified by the use of terminology such as "may," "will," "likely," "expects," "plans," "anticipates," "intends," "believes," "estimates," "projects," "forecast," "potential," "plan" or "continue," or other comparable terminology. Forward-looking statements are based on our current beliefs, expectations and assumptions regarding our business, domestic and global economies, regulatory and competitive environments and other future conditions. There can be no assurance that such beliefs, expectations or assumptions or any of the forward-looking statements will prove to be correct. Actual results will likely differ, and may differ materially, from those projected or assumed in the forward-looking statements. Our future financial and operating results and condition, as well as any forward-looking statements, are subject to inherent risks and uncertainties such as those described in our Annual Report on Form 10-K for the year ended December 31, 2015 and other filings with the U.S. Securities and Exchange Commission. Such risks and uncertainties include risks relating to our potential inability to successfully manage growth through acquisitions; product recalls and product liability claims; expenditures relating to research, development, testing and regulatory approval of our products and risks that such products may not be developed successfully or approved for commercial use; regulation of the medical device industry; restrictions on our liquidity or our ability to operate our business in compliance with our current debt agreements; possible infringement of our technology or the assertion that our technology infringes the rights of other parties; potential fines, penalties or other adverse consequences if our employees or agents violate the U.S. Foreign Corrupt Practices Act or other laws and regulations; changes in tax laws and regulations in the United States or other countries; changes in the prices or supply of commodity components; changes in economic and industry conditions in the United States and other countries; termination or interruption of relationships with our suppliers, or failure of such suppliers to perform; fluctuations in exchange rates; our need to generate sufficient cash flow to fund our debt obligations, capital expenditures, and ongoing operations; development of new products and technology that could render our existing products obsolete; market acceptance of new products; modification or limitation of governmental or private insurance reimbursement policies; changes in health care markets related to health care reform initiatives; changes in key personnel; work stoppage or transportation risks; uncertainties associated with potential healthcare policy changes; introduction of products in a timely fashion; price and product competition; availability of labor and materials; cost increases; and fluctuations in and obsolescence of inventory. All subsequent forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements.

The financial projections set forth in this presentation are based on a number of assumptions, estimates and forecasts. The inaccuracy of any one of those assumptions, estimates or forecasts could materially impact our actual financial results. Inevitably, some of those assumptions, estimates or forecasts will not occur and unanticipated events and circumstances will occur subsequent to the date of this presentation. In addition to changes in the underlying assumptions, our future performance is subject to a number of risks and uncertainties with respect to our existing and proposed business, and other factors that may cause our actual results or performance to be materially different from any predicted or implied. Although we have attempted to identify important assumptions in the financial projections, there may be other factors that could materially affect our actual financial performance, and no assurance can be given that all material factors have been considered in the preparation of the financial projections. Accordingly, you should not place undue reliance on such projections. Future operating results are, in fact, impossible to predict.

Financial Summary

Non-GAAP

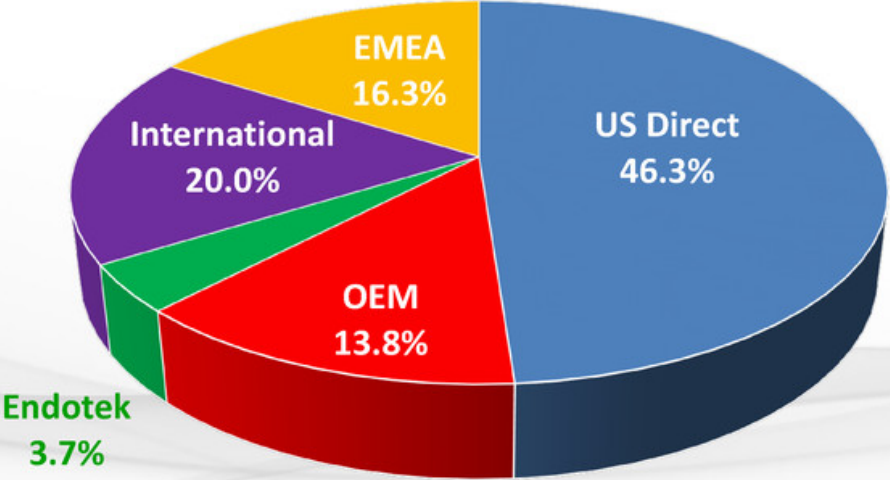
	2016 YTD	2015 YTD	Q2 2016	Q2 2015
Revenue (Constant Currency)	\$291.7M	\$267.7M	\$151.7M	\$138.1M
Revenue (Reported)	\$289.1M	\$267.7M	\$151.1M	\$138.1M
Gross Margin	46.1%	45.5%	46.4%	46.1%
Net Income	\$19.8M	\$18.8M	\$11.5M	\$10.9M
EPS	\$0.44	\$0.42	\$0.26	\$0.25

Financial Summary

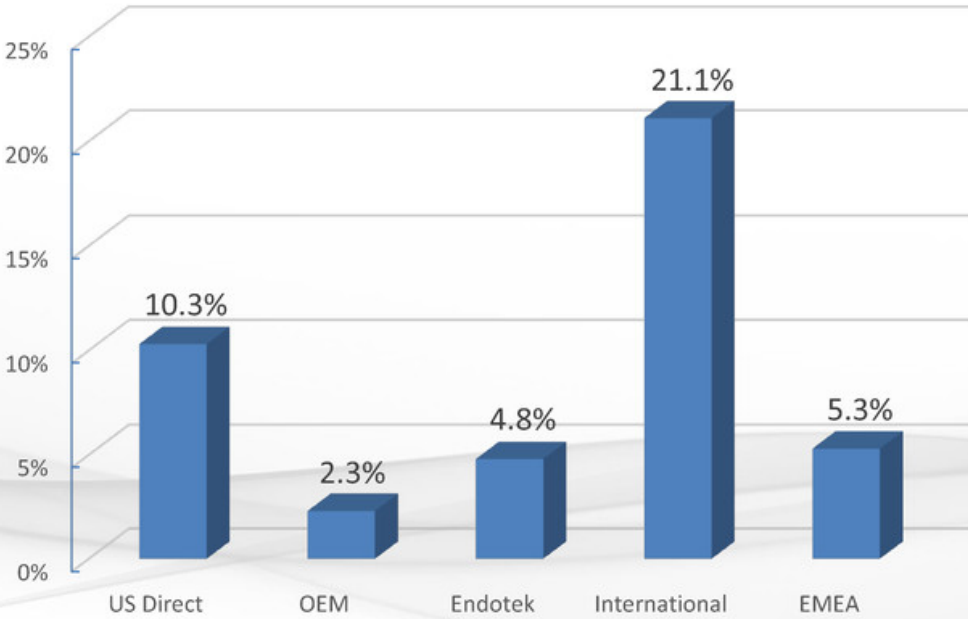
GAAP

	2016 YTD	2015 YTD	Q2 2016	Q2 2015
Revenue	\$289.1M	\$267.7M	\$151.1M	\$138.1M
Gross Margin	43.9%	43.4%	44.3%	44.1%
Net Income	\$11.6M	\$12.6M	\$7.3M	\$7.4M
EPS	\$0.26	\$0.28	\$0.16	\$0.17

Sales by Category Q2 2016

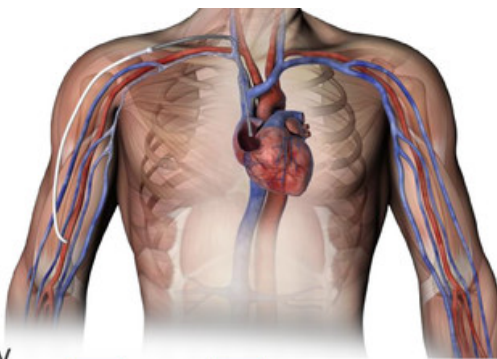


Q2 2016 Revenue Growth in Constant Currency Compared to Q2 2015

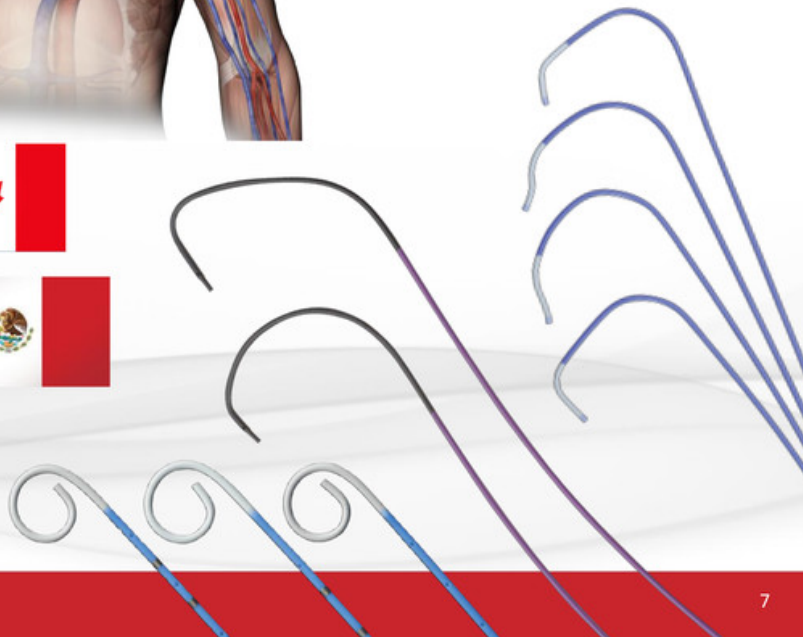


Q2 2016 Highlights

- Transferred production of HeRO®Graft product line to Utah
- FDA and CE approval of Corvocet™ Biopsy System
- Ramped up catheter capacity in Pearland, Texas
- Negotiated acquisition of DFINE, Inc. (closed July 6, 2016)
- Canada office and warehouse operational
- Mexico facility surpassed break-even point



Targeted Vertebral Solutions



2016 Growth Drivers

- New Products

- HeRO® Graft
- Corvocet™ Biopsy Device
- SwiftNINJA® Steerable Microcatheter
- Pedal Access
- Micropuncture
- Centesis Catheters
- Amplatz Guide Wires
- 40 ATM BasixTouch™ Inflation Device
- Prelude® SNAP Hydrophilic
- Wire Guided & Pulmonary Balloons

- Wholesale to Retail

- Australia – January 1
- Canada – April 1



- ThinkRadial™ & Think HeRO® Graft Programs

- DFINE, Inc. Integration



2016 Guidance

Revenues	\$603.5M - \$613.5M
Gross Margin GAAP	44.5% - 45.5%
Gross Margin Non-GAAP	46.5% - 47.5%
EPS GAAP	\$0.74 - \$0.80
EPS Non-GAAP	\$0.97 - \$1.03

VISION. GROWTH. PROFITABILITY.

1

Enhance growth and profitability

Through R&D, sales model optimization, cost discipline, and operational focus

2

Optimize operational capability

Through lean processes, cost effective environments, and asset utilization

3

Target high-growth, high-return opportunities

Through understanding, innovating, and delivering in peripheral, cardiac, OEM, and endoscopy business lines

4

Disciplined, customer-focused enterprise

Guided by strong core values to globally address unmet or underserved healthcare needs



Understand. Innovate. Deliver.™
