
**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): April 26, 2017**

CRYOLIFE, INC.

(Exact name of registrant as specified in its charter)

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

(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 (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))
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Section 2 Financial Information

Item 2.02 Results of Operations and Financial Condition.

On April 26, 2017, CryoLife, Inc. (“CryoLife” or the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2017. CryoLife hereby incorporates by reference herein the information set forth in its press release dated April 26, 2017, 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 Form 10-K filed for the year ended December 31, 2016 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>
99.1*	Press release dated April 26, 2017

* 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: April 27, 2017

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

Phone: 770-419-3355

The Ruth Group

Nick Laudico / Zack
Kubow

646-536-7030 / 7020

nlaudico@theruthgroup.com

zkubow@theruthgroup.com

CryoLife Reports First Quarter 2017 Financial Results

First Quarter Highlights:

- **Revenues Increased Five Percent Year-over-Year to \$45.1 Million; Non-GAAP Revenues Increased Five Percent Year-over-Year**
- **Gross Margins were 65 Percent; Non-GAAP Gross Margins were 70 Percent**
- **GAAP Net Income was \$2.2 Million, or \$0.06 Per Fully Diluted Common Share; Non-GAAP Net Income was \$3.2 Million, or \$0.09 Per Fully Diluted Common Share**

ATLANTA, GA – (April 26, 2017) – CryoLife, Inc. (NYSE: CRY), a leading medical device and tissue processing company focused on cardiac surgery, announced today its results for the first quarter of 2017.

J. Patrick Mackin, Chairman, President, and Chief Executive Officer, said, “We are very pleased with the many positive factors that contributed to our successful first quarter. We made considerable progress on the items that impacted our prior quarter and we continue to benefit from our decision to focus on select markets. We posted solid first quarter financial results driven by our On-X and tissue products. Non-GAAP On-X revenues were up 12 percent excluding the OEM business. Our tissue processing business was strong as revenues increased 10 percent year-over-year due to robust demand for our cardiac tissues and our increased focus on re-engaging vascular tissue customers. Our growth in medical device and tissue processing revenues contributed to non-GAAP gross margin of 70 percent. Given our strong performance in the first quarter, we remain confident in our ability to achieve our 2017 strategic and financial goals.”

Revenues for the first quarter of 2017 increased five percent to \$45.1 million, compared to \$43.0 million for the first quarter of 2016. The increase was primarily driven by increases in On-X and tissue processing revenues, partially offset by the absence of HeRO and ProCol revenues, and a decrease in TMR revenues. Non-GAAP revenues for the first quarter of 2017 increased five percent compared to the first quarter of 2016. A reconciliation of GAAP to non-GAAP financial metrics is included as part of this press release.

GAAP net income for the first quarter of 2017 was \$2.2 million, or \$0.06 per fully diluted common share, compared to net income of \$2.5 million, or \$0.08 per fully diluted common share, for the first quarter of 2016. Non-GAAP net income for the first quarter of 2017 was \$3.2 million,

or \$0.09 per fully diluted common share, compared to non-GAAP net income of \$3.2 million, or \$0.10 per fully diluted common share for the first quarter of 2016.

With the exception of our income tax rate, the Company is reiterating its full year 2017 financial guidance, as summarized below, and expects revenues in the second quarter of 2017 to be between \$46.5 million and \$47.0 million.

2017 Financial Guidance Summary	
Total revenues	\$188 Million - \$192 Million
Product revenues	Year-over-year mid-single digits % non-GAAP revenue increase
Tissue processing revenues	Year-over-year mid-single digits % revenue increase
Gross margins	Between 68% - 69%
R&D expenses	\$17.0 Million - \$19.0 Million
Income tax rate	Mid to Upper 20%
Non-GAAP income per common share	\$0.40 - \$0.43

All numbers in the table above are GAAP 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 2017 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 (as applicable) On-X revenues for the period in 2016 prior to the closing of the acquisition and excludes revenues for the HeRO Graft and ProCol product lines for 2016. The Company's other non-GAAP results exclude (as applicable) business development expenses; gain on sale of business components; amortization expenses; 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 new 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 at 8:00 a.m. Eastern Time to discuss the results followed by a question and answer session hosted by Mr. Mackin.

To listen to the live teleconference, please dial 201-689-8261 a few minutes prior to 8:00 a.m. A replay of the teleconference will be available April 27 through May 3 and can be accessed by calling (toll free) 877-660-6853 or 201-612-7415. The conference number for the replay is 13659245.

The live webcast and replay can be accessed by going to the Investor Relations section of the CryoLife website at 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 surgical procedures. CryoLife markets and sells products in more than 80 countries worldwide. For additional information about CryoLife, visit our website, www.cryolife.com.

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 those regarding our financial guidance for 2017, the benefits from our decision to focus on select markets on our 2017 results and beyond and our confidence in our ability to achieve our 2017 strategic and financial goals. 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 that the expected benefits of our focus on select markets may be incorrect or may not be achieved; we may not achieve the growth in On-X sales that we expect; we may not continue to make progress at all or as quickly as we would like on certain items that negatively impacted our prior quarter; we may not achieve the financial benefits of transitioning our sales channels in Canada, Belgium and the Netherlands from a distributor to direct model; and our business development efforts may not be successful. These risks and uncertainties include the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K for the year ended December 31, 2016, and our subsequent filings with the SEC. CryoLife does not undertake to update its forward-looking statements.

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

	Three Months Ended March 31,	
	2017	2016
Revenues:		
Products	\$ 27,396	\$ 27,018
Preservation services	17,663	15,998
Total revenues	45,059	43,016
Cost of products and preservation services:		
Products	8,017	7,003
Preservation services	7,530	8,392
Total cost of products and preservation services	15,547	15,395
Gross margin	29,512	27,621
Operating expenses:		
General, administrative, and marketing	22,871	26,274
Research and development	4,093	2,609
Total operating expenses	26,964	28,883
Gain on sale of business components	-	(7,915)
Operating income	2,548	6,653
Interest expense	801	717
Interest income	(40)	(12)
Other expense (income), net	43	(109)
Income before income taxes	1,744	6,057
Income tax (benefit) expense	(479)	3,516
Net income	\$ 2,223	\$ 2,541
Income per common share:		
Basic	\$ 0.07	\$ 0.08
Diluted	\$ 0.06	\$ 0.08
Weighted-average common shares outstanding:		
Basic	32,439	31,029
Diluted	33,604	31,771

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

	Three Months Ended	
	March 31,	
	2017	2016
Products:		
BioGlue and BioFoam	\$ 15,681	\$ 15,316
On-X	8,860	6,715
CardioGenesis cardiac laser therapy	1,585	1,984
PerClot	819	991
PhotoFix	451	381
HeRO Graft	-	1,413
ProCol	-	218
Total Products	27,396	27,018
Preservation services:		
Cardiac tissue	7,502	6,428
Vascular tissue	10,161	9,570
Total preservation services	17,663	15,998
Total revenues	\$ 45,059	\$ 43,016
Revenues:		
U.S.	\$ 33,534	\$ 32,238
International	11,525	10,778
Total revenues	\$ 45,059	\$ 43,016

	March 31, 2017	December 31, 2016
Cash, cash equivalents, and restricted securities	\$ 59,595	\$ 57,341
Total current assets	149,187	147,233
Total assets	319,366	316,140
Total current liabilities	28,147	30,102
Total liabilities	105,932	107,157
Shareholders' equity	213,434	208,983

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

	Three Months Ended March 31,	
	2017	2016
GAAP:		
Income before income taxes	\$ 1,744	\$ 6,057
Income tax (benefit) expense	(479)	3,516
Net income	\$ 2,223	\$ 2,541
Diluted income per common share:	\$ 0.06	\$ 0.08
Reconciliation of income before income taxes, GAAP to adjusted net income, non-GAAP:		
Income before income taxes, GAAP	\$ 1,744	\$ 6,057
Adjustments:		
Business development expenses	288	5,568
Gain from sale of business components	--	(7,915)
Amortization expense	1,142	962
Inventory basis step-up expense	2,049	565
Adjusted income before income taxes, non-GAAP	5,223	5,237
Income tax expense calculated at a pro forma tax rate of 38%	1,985	1,990
Adjusted net income, non-GAAP	\$ 3,238	\$ 3,247
Reconciliation of diluted income per common share, GAAP to adjusted diluted income per common share, non-GAAP:		
Diluted income per common share – GAAP	\$ 0.06	\$ 0.08
Adjustments:		
Business development expenses	0.01	0.17
Gain from sale of business components	--	(0.24)
Amortization expense	0.03	0.03
Inventory basis step-up expense	0.06	0.02
Tax effect of non-GAAP adjustments	(0.04)	--
Effect of 38% pro forma tax rate	(0.03)	0.04
Adjusted diluted income per common share, non-GAAP:	\$ 0.09	\$ 0.10
Diluted weighted-average common shares outstanding:	33,604	31,771

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

	Three Months Ended March 31,		Growth Rate
	2017	2016	
Reconciliation of total revenues, GAAP to total revenues, non-GAAP:			
Total revenues, GAAP	\$ 45,059	\$ 43,016	5%
Plus: On-X pre-acquisition revenues	--	1,627	
Less: HeRO revenues	--	(1,413)	
Less: ProCol revenues	--	(218)	
Total revenues, non-GAAP	\$ 45,059	\$ 43,012	5%

	Three Months Ended March 31,	
	2017	2016
Reconciliation of gross margin %, GAAP to gross margin %, non-GAAP:		
Total revenues, GAAP	\$ 45,059	\$ 43,016
Gross margin, GAAP	\$ 29,512	\$ 27,621
Gross margin %, GAAP	65%	64%
Gross margin, GAAP	\$ 29,512	\$ 27,621
Plus: Inventory basis step-up expense	2,049	565
Gross margin, non-GAAP	\$ 31,561	\$ 28,186
Gross margin %, non-GAAP	70%	66%
