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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**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 1, 2020**

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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)

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.01 par value	CRY	NYSE

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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 April 1, 2020, CryoLife, Inc. (“CryoLife” or the “Company”) issued a press release announcing preliminary financial results for the quarter ended March 31, 2020. CryoLife hereby incorporates by reference herein the information set forth in its press release dated April 1, 2020, 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.

### **Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

As previously disclosed, on December 1, 2017, CryoLife, Inc. entered into the Credit and Guaranty Agreement (the “Credit Agreement”), which includes a \$30,000,000 secured revolving credit facility (the “Revolver”), the material terms of which are described in the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on December 1, 2017, which description is incorporated herein by reference.

On March 26, 2020, the Company borrowed the entire available amount under the Revolver, resulting in a total of \$30.0 million that is currently outstanding under the Revolver. The Company borrowed this amount under the Revolver as a precautionary measure to increase cash and maintain maximum financial flexibility during the current uncertainty in global markets resulting from the COVID-19 pandemic.

The Revolver matures on December 1, 2022, at which time all outstanding principal and interest must be repaid. The loans under the Revolver currently bear interest at LIBOR plus a margin of 4.25%. In addition, because the principal amount of loans outstanding under the Revolver is expected to be in excess of \$7.5 million, or 25% of the total amount of the Revolver, on the last day of the fiscal quarter ending March 31, 2020, the Credit Agreement requires the Company to comply with a maximum first lien net leverage ratio of 5.25x bank EBITDA as of the end of such fiscal quarter and any subsequent fiscal quarter if the principal amount of the loans remains in excess of such threshold as of the last day of such fiscal quarter. A breach of the 5.25x leverage ratio would become an event of default only to the extent that this leverage level occurs when the Revolver balance exceeds \$7.5 million at the end of a test period.

As of March 31, 2020, the Company has over \$60 million in cash and cash equivalents. We may repay 75% of the Revolver balance from our available cash, at our sole discretion, to eliminate all maintenance covenant requirements under the Credit Agreement and eliminate the possibility of a covenant breach related to our first lien net leverage ratio covenant.

**Section 9**            **Financial Statements and Exhibits.**

**Item 9.01(d)**        **Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a> *	Press Release dated April 1, 2020

\*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.

Date: April 1, 2020

CRYOLIFE, INC.

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



Life Restoring Technologies®

N E W S R E L E A S E

**FOR IMMEDIATE RELEASE**

**Contacts:**

**CryoLife**

D. Ashley Lee  
Executive Vice President, Chief Financial Officer and Chief  
Operating Officer  
Phone: 770-419-3355

**Gilmartin Group LLC**

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

**CryoLife Provides Business Update in Response to COVID-19 Pandemic**

**ATLANTA, GA – (April 1, 2020) – CryoLife, Inc. (NYSE: CRY)**, a leading cardiac and vascular surgery company focused on aortic disease, announced today it has taken multiple steps to focus on the health and welfare of its employees, patients, and customers.

“We remain fully committed to supporting our employees while maintaining the demand and support for our products for customers and patients worldwide,” commented Pat Mackin, Chairman, President, and Chief Executive Officer. “While the full short term impact on us of the pandemic is not known, we believe we are well positioned for the long term given that we have broad geographic and product diversification as we sell into over 100 countries. In addition, the conditions our products treat are progressive in nature and eventually must be addressed. For example, in the United States, CMS has identified four categories of procedures that should not be postponed during the coronavirus crisis, two of which are treated by CryoLife’s product portfolio. Finally, we have a strong leadership team and we have acted quickly to protect our employees, minimize business disruption and create additional financial flexibility to serve the institutions and caregivers that depend on our products and technical support.”

During March 2020, CryoLife implemented several initiatives in response to the potential impact of COVID-19 on its operations. These are:

- **Health and Safety:** To reduce the risk to CryoLife’s employees and their families to potential exposure to COVID-19, CryoLife has required that all employees, with the exception of those related to manufacturing, order fulfillment and select others, to work from home. CryoLife has also restricted non-essential business travel, and urged employees to restrict personal travel, to protect the health and safety of its employees, patients and customers.
- **Continuing to manufacture and support patients:** Currently, pursuant to its designation as an essential business under federal guidelines, CryoLife is operating all three of its manufacturing sites at near full production and its materials supply chain is enabling the Company to supply its customers. Specific protocols have been designed and implemented in order to minimize contact among employees working on site.

**Operating Expenses:** At least until the Company has more clarity on the full impact of COVID-19 on its business, which the Company currently believes will depend in part on the duration and variable geographic spread of COVID-19 and on government mandates to address the pandemic, CryoLife has taken pre-emptive steps to curtail spending, including implementing hiring restrictions, deferring management merit increases, reducing most discretionary spending, reducing capital expenditures, and delaying certain R&D and clinical research projects that are not expected to generate revenues before 2023 but continuing to pursue those that will.

**Working Capital:** On March 26, 2020, CryoLife borrowed the entire available amount under its \$30 million revolving credit facility as a precautionary measure to increase cash and maintain maximum financial flexibility during the current uncertainty in global markets resulting from the COVID-19 pandemic. As of March 31, 2020 CryoLife has over \$60 million in cash and cash equivalents. Terms of CryoLife's credit facility are described in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 1, 2017.

### **Update to Financial Guidance**

CryoLife expects first quarter 2020 revenues to be approximately \$65.5 million compared to first quarter 2020 revenue guidance of \$67 million to \$69 million. Due to the continued uncertainties from the impact of COVID-19, CryoLife is withdrawing its previously announced first quarter and full year 2020 financial guidance which was issued on February 13, 2020. CryoLife plans to provide additional information during its earnings call regarding first quarter results.

### **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 the unknown current short term impact on us of the pandemic; our beliefs that we are well-positioned for the long term given that we have broad geographic and product diversification as we sell into over 100 countries, the conditions our products treat are progressive in nature and eventually must be addressed, two categories of CMS's "do not postpone procedures" are treated by CryoLife's product portfolio; and that we have a strong leadership team that has acted quickly to protect our employees, minimize business disruption and create additional financial flexibility to serve the institutions and caregivers that depend on our products and technical support. They also include our planned hiring restrictions, deferral of management merit increases, reduction to most discretionary spending and to capital expenditures, and our delay of certain R&D and clinical research projects that are not expected to generate revenue before 2023 but the continued pursuit of those that will; our expectation that first quarter 2020 revenues will be approximately \$65.5 million; and our plans to provide additional information during the Company's earnings call regarding the first quarter 2020 results. 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, including the effects of COVID—19 and government mandates implemented to address the pandemic. 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, 2019. CryoLife does not undertake to update its forward-looking statements, whether as a result of new information, future events, or otherwise.*