**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, 2019**



**LANTHEUS HOLDINGS, INC.**

**(Exact name of registrant as specified in its charter)**



**Delaware**

**001-36569**

**35-2318913**

**(State or other jurisdiction**

**of incorporation)**

**(Commission**

**File Number)**

**(IRS Employer**

**Identification No.)**

**331 Treble Cove Road, North Billerica, MA**

**01862**

**(Address of principal executive offices)**

**(Zip Code)**

**Registrant’s telephone number, including area code: (978) 671-8001**

**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 (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)) Securities registered pursuant to Section 12(b) of the Act:

|  |  |  |
| --- | --- | --- |
| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|  |  |  |
| Common stock, par value $0.01 per share | LNTH | The Nasdaq Global Market |
|  |  |  |

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. ☑



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

On October 31, 2019, Lantheus Holdings, Inc. (the “Company”) announced via press release its financial results as of and for the three and nine months ended September 30, 2019. A copy of that press release is being furnished as Exhibit 99.1 and is hereby incorporated by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01.** **Financial Statements and Exhibits.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (d) Exhibits | |  |  |  |  |
| **Exhibit No.** | |  |  | **Description** | |
|  |  |  |  |  |  |
| 99.1\* |  |  | [Press release of Lantheus Holdings, Inc. dated October 31, 2019, entitled "Lantheus Holdings, Inc. Reports Third Quarter 2019](#page5) | | |
|  |  |  | [Financial Results"](#page5) | |  |
|  |  |  |  |  |  |

* Exhibit 99.1 attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**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 hereunto duly authorized.

**LANTHEUS HOLDINGS, INC.**

|  |  |  |
| --- | --- | --- |
| By: | /s/ Michael P. Duffy |  |
| Name: |  |  |
| Michael P. Duffy |  |
| Title: | Senior Vice President and General Counsel |  |

Date: October 31, 2019

**Exhibit 99.1**

331 Treble Cove Road 800.362.2668



North Billerica, MA 01862 www.lantheus.com

**Lantheus Holdings, Inc. Reports Third Quarter 2019 Financial Results**

* **Worldwide revenue of $85.8 million for the third quarter 2019, representing a decrease of 3.5% from the prior year period ($88.9 million, which includes $7.5 million of opportunistic TechneLite® sales to ANSTO)**
* **Net income of $4.9 million for the third quarter 2019, representing a decrease of 47.6% from the prior year period**
* **GAAP diluted EPS of $0.12 for the third quarter 2019, representing a decrease of 48.8% from the prior year period; adjusted diluted EPS of $0.28 for the third quarter 2019, representing a decrease of 4.5% from the prior year period**
* **The Company updates 2019 full year revenue and adjusted diluted earnings per share guidance**

NORTH BILLERICA, Mass., October 31, 2019 - Lantheus Holdings, Inc. (the “Company”) (NASDAQ: LNTH), parent company of Lantheus Medical Imaging, Inc. (“LMI”), a global leader in the development, manufacture and commercialization of innovative diagnostic imaging agents and products, today reported financial results for its third quarter ended September 30, 2019.

The Company’s worldwide revenue for the third quarter of 2019 totaled $85.8 million, compared with $88.9 million for the third quarter of 2018, representing a decrease of 3.5% over the prior year period, which included $7.5 million received from the manufacture and sale of TechneLite® to an international partner on an opportunistic basis. Revenue results reflect nearly 20% year-over-year growth of DEFINITY® and higher than expected TechneLite sales.

The Company’s third quarter 2019 net income was $4.9 million, or $0.12 per fully diluted share, as compared to $9.3 million, or $0.24 per fully diluted share for the third quarter of 2018, representing a decrease of 47.6% from the prior year period. The reduction from prior year, for both net income and fully diluted earnings per share results, is due mainly to the aforementioned opportunistic $7.5 million of sales of TechneLite not repeated this year.

The Company’s third quarter 2019 adjusted fully diluted earnings per share were $0.28, as compared to $0.29 for the third quarter of 2018, representing a decrease of 4.5% from the prior year period.

Lastly, Free Cash Flow was $23.1 million, as compared to $19.3 million for the third quarter of 2018, representing an increase of approximately $3.8 million, or 19.9% from the prior year period.

“Once again, an impressive DEFINITY performance of nearly 20% year-over-year growth drove solid third quarter results. Additionally, TechneLite sales performed ahead of expectations realized by leveraging our expertise in radiopharmaceuticals,” said Mary Anne Heino, President and CEO of Lantheus. “Earlier this month, we announced the signing of an agreement to acquire Progenics Pharmaceuticals. The combination will form a leading precision diagnostics and oncology therapeutics company, bringing a diversified and sustainable revenue model, accretion in year three, and enhanced free cash flows over longer term.”

**Outlook**

The Company offers the following guidance for the fourth quarter as well as updating its guidance for full year 2019.

**Q4 Guidance Issued October 31, 2019**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Q4 FY 2019 Revenue Growth | | | |  | 3.2% | - 5.5% |
| Q4 | FY 2019 | | Revenue | | $89 million | - $91 million |
|  |  | |  |  |  |  |
| Q4 | FY 2019 | | Adjusted Fully Diluted EPS | | $0.27 | - $0.30 |
|  |  |  |  |  | **FY Guidance Updated October 31, 2019** | |
|  | | | |  |  |  |
| FY 2019 Revenue Growth | | | | | 1.1% | - 1.6% |
| FY 2019 | | Revenue | | | $347 million | - $349 million |
|  | |  | |  |  |  |
| FY 2019 | | Adjusted Fully Diluted EPS | | | $1.10 | - $1.13 |
|  |  |  |  |  |  |  |

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Previously stated guidance for full year 2019 was revenue growth of 0.8% to 1.9%, revenue of $346 million to $350 million, and adjusted fully diluted earnings per share of $1.09 to $1.12.

On a forward-looking basis, the Company does not provide GAAP income per common share or a reconciliation of adjusted diluted EPS to GAAP income per common share because the Company is unable to predict with reasonable certainty business development and acquisition-related expenses, purchase accounting fair value adjustments, and any one-time, non-recurring charges. These items are uncertain, depend on various factors, and could be material to results computed in accordance with GAAP. As a result, it is the Company’s view that a quantitative reconciliation of adjusted diluted EPS on a forward-looking basis is not available without unreasonable effort.

**Internet Posting of Information**

The Company routinely posts information that may be important to investors in the “Investors” section of its website at www.lantheus.com. The Company encourages investors and potential investors to consult its website regularly for important information about the Company.

**Conference Call and Webcast**

As previously announced, the Company will host a conference call on Thursday, October 31, 2019 at 8:00 a.m. ET. To access the live conference call via telephone, please dial 1-866-498-8390 (U.S. callers) or 1-678-509-7599 (international callers) and provide passcode 1865819. A live audio webcast of the call also will be available in the Investors section of the Company’s website at www.lantheus.com.

A replay of the audio webcast will be available in the Investors section of our website at www.lantheus.com approximately two hours after completion of the call and will be archived for 30 days.

The conference call will include a discussion of non-GAAP financial measures. Reference is made to the most directly comparable GAAP financial measures, the reconciliation of the differences between the two financial measures, and the other information included in this press release, our Form 8-K filed with the SEC today, or otherwise available in the Investor Relations section of our website located at www.lantheus.com.

The conference call may include forward-looking statements. See the cautionary information about forward-looking statements in the safe-harbor section of this press release.

**About Lantheus Holdings, Inc. and Lantheus Medical Imaging, Inc.**

Lantheus Holdings, Inc. is the parent company of LMI, a global leader in the development, manufacture and commercialization of innovative diagnostic imaging agents and products. LMI provides a broad portfolio of products, including the echocardiography contrast agent DEFINITY® Vial for (Perflutren Lipid Microsphere) Injectable Suspension and TechneLite® (Technetium Tc99m Generator), a technetium-based generator that provides the essential medical isotope used in nuclear medicine procedures. The Company is headquartered in North Billerica, Massachusetts with offices in Puerto Rico and Canada. For more information, visit www.lantheus.com.

**Non-GAAP Financial Measures**

The Company uses non-GAAP financial measures, such adjusted net income and its line components; adjusted net income per share - diluted; and free cash flow. The Company’s management believes that the presentation of these measures provides useful information to investors. These measures may assist investors in evaluating the Company’s operations, period over period. The measures may exclude such items which may be highly variable, difficult to predict and of a size that could have substantial impact on the Company’s reported results of operations for a period. Management uses these and other non-GAAP measures internally for evaluation of the performance of the business, including the allocation of resources and the evaluation of results relative to employee performance compensation targets. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP.

This press release includes forward-looking non-GAAP guidance for 2019 adjusted diluted EPS. No reconciliation of this forward-looking non-GAAP guidance was included in this press release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information and the fact that some of the excluded information is not readily ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

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**Safe Harbor for Forward-Looking and Cautionary Statements**

*This press release contains “forward-looking statements” as defined under U.S. federal securities laws, including statements about our 2019 outlook. Forward-looking statements may be identified by their use of terms such as anticipate, believe, confident, could, estimate, expect, intend, may, plan, predict, project, target, will and other similar terms. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to materially differ from those described in the forward-looking statements. Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. Risks and uncertainties that could cause our actual results to materially differ from those described in the forward-looking statements are discussed in our filings with the Securities and Exchange Commission (including those described in the Risk Factors section in our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q).*

- Tables Follow -

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**Lantheus Holdings, Inc.**

**Consolidated Statements of Operations**

(in thousands, except per share data – unaudited)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** | | | | |  | **Nine Months Ended** | | | |  |
|  |  | **September 30,** | | |  |  |  | **September 30,** | | |  |  |
|  |  | **2019** |  |  | **2018** |  |  | **2019** |  |  | **2018** |  |
| Revenues | $ | 85,776 |  | $ | 88,900 |  | $ | 257,991 |  | $ | 257,103 |  |
| Cost of goods sold |  | 44,187 |  |  | 44,015 |  |  | 127,745 |  |  | 126,063 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit |  | 41,589 |  |  | 44,885 |  |  | 130,246 |  |  | 131,040 |  |
| Operating expenses |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sales and marketing |  | 10,151 |  |  | 10,478 |  |  | 31,496 |  |  | 33,248 |  |
| General and administrative |  | 18,061 |  |  | 13,609 |  |  | 43,943 |  |  | 37,727 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Research and development |  | 4,860 |  |  | 4,316 |  |  | 15,584 |  |  | 12,520 |  |
| Total operating expenses |  | 33,072 |  |  | 28,403 |  |  | 91,023 |  |  | 83,495 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating income |  | 8,517 |  |  | 16,482 |  |  | 39,223 |  |  | 47,545 |  |
| Interest expense |  | 2,356 |  |  | 4,446 |  |  | 11,491 |  |  | 12,794 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loss on extinguishment of debt |  | — | |  | — | |  | 3,196 |  |  | — |  |
| Other expense (income) |  | 804 |  |  | (799) |  |  | (1,695) |  |  | (2,055) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income before income taxes |  | 5,357 |  |  | 12,835 |  |  | 26,231 |  |  | 36,806 |  |
| Income tax expense |  | 501 |  |  | 3,566 |  |  | 5,014 |  |  | 9,581 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income | $ | 4,856 |  | $ | 9,269 |  | $ | 21,217 |  | $ | 27,225 |  |
| Net income per common share: |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic | $ | 0.12 |  | $ | 0.24 |  | $ | 0.55 |  | $ | 0.71 |  |
| Diluted |  |  |  |  |  |  |  |  |  |  |  |  |
| $ | 0.12 |  | $ | 0.24 |  | $ | 0.53 |  | $ | 0.69 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted-average common shares outstanding: |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic |  | 39,123 |  |  | 38,342 |  |  | 38,901 |  |  | 38,155 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Diluted |  | 40,286 |  |  | 39,402 |  |  | 40,123 |  |  | 39,467 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

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**Lantheus Holdings, Inc.**

**Consolidated Segment Revenues Analysis**

(in thousands – unaudited)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **Three Months Ended** | | | | |  |  |  |  | **Nine Months Ended** | | | |  |
|  |  |  |  |  |  |  |  |  | **September 30,** | | |  |  |  |  |  |  | **September 30,** | |  |
|  |  |  |  |  |  | **2019** |  |  | **2018** |  |  | **% Change** | |  | **2019** |  |  | **2018** |  | **% Change** |
|  | United States | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | DEFINITY | | | | $ | 50,917 | $ | | 42,472 |  |  | 19.9 % |  | $ | 154,099 | $ | | 131,081 |  | 17.6 % |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | TechneLite | | | |  | 18,281 |  |  | 19,374 |  |  | (5.6)% |  |  | 55,204 |  |  | 56,780 |  | (2.8)% |
|  | Other nuclear | | | |  | 9,355 |  |  | 11,436 |  |  | (18.2)% |  |  | 28,006 |  |  | 37,284 |  | (24.9)% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Rebates and allowances | | | |  | (3,903) |  |  | (3,027) |  |  | 28.9 % |  |  | (12,035) |  |  | (9,316) |  | 29.2 % |
|  | Total United States | | | |  | 74,650 |  |  | 70,255 |  |  | 6.3 % |  |  | 225,274 |  |  | 215,829 |  | 4.4 % |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | International | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | DEFINITY | | | |  | 1,478 |  |  | 1,283 |  |  | 15.2 % |  | $ | 4,036 | $ | | 3,427 |  | 17.8 % |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | TechneLite | | | |  | 3,466 |  |  | 11,244 |  |  | (69.2)% |  |  | 10,794 |  |  | 18,711 |  | (42.3)% |
|  | Other nuclear | | | |  | 6,186 |  |  | 6,119 |  |  | 1.1 % |  |  | 17,901 |  |  | 19,138 |  | (6.5)% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Rebates and allowances | | | |  | (4) |  |  | (1) |  |  | 300.0 % |  |  | (14) |  |  | (2) |  | 600.0 % |
|  | Total International | | | |  | 11,126 |  |  | 18,645 |  |  | (40.3)% |  |  | 32,717 |  |  | 41,274 |  | (20.7)% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Worldwide |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | DEFINITY | | | |  | 52,395 |  |  | 43,755 |  |  | 19.7 % |  |  | 158,135 |  |  | 134,508 |  | 17.6 % |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | TechneLite | | | |  | 21,747 |  |  | 30,618 |  |  | (29.0)% |  |  | 65,998 |  |  | 75,491 |  | (12.6)% |
|  | Other nuclear | | | |  | 15,541 |  |  | 17,555 |  |  | (11.5)% |  |  | 45,907 |  |  | 56,422 |  | (18.6)% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Rebates and allowances | | | |  | (3,907) |  |  | (3,028) |  |  | 29.0 % |  |  | (12,049) |  |  | (9,318) |  | 29.3 % |
|  | Total Revenues | | | | $ | 85,776 |  | $ | 88,900 |  |  | (3.5)% |  | $ | 257,991 |  | $ | 257,103 |  | 0.3 % |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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**Lantheus Holdings, Inc.**

**Reconciliation of GAAP to Non-GAAP Financial Measures**

(in thousands, except per share data – unaudited)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** | | | | |  | **Nine Months Ended** | | | |
|  |  | **September 30,** | | |  |  |  | **September 30,** | | |  |
|  |  | **2019** |  |  | **2018** |  |  | **2019** |  |  | **2018** |
| Net income | $ | 4,856 |  | $ | 9,269 |  | $ | 21,217 |  | $ | 27,225 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Stock and incentive plan compensation |  | 3,423 |  |  | 2,639 |  |  | 9,580 |  |  | 7,015 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Amortization of acquired intangible assets |  | 451 |  |  | 689 |  |  | 1,353 |  |  | 2,067 |
| Campus consolidation costs |  | — | |  | 84 |  |  | — | |  | 1,154 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Extinguishment of debt |  | — | |  | — | |  | 3,196 |  |  | — |
| Strategic collaboration and license costs |  | — | |  | — | |  | 300 |  |  | — |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisition-related costs |  | 5,176 |  |  | — | |  | 5,176 |  |  | — |
| Income tax effect of non-GAAP adjustments(a) |  | (2,653) |  |  | (1,153) |  |  | (7,449) |  |  | (4,003) |
| Adjusted net income | $ | 11,253 |  | $ | 11,528 |  | $ | 33,373 |  | $ | 33,458 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Adjusted net income, as a percentage of revenues |  | 13.1% |  |  | 13.0% |  |  | 12.9% |  |  | 13.0% |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** | | | | |  | **Nine Months Ended** | | | |
|  |  | **September 30,** | | |  |  |  | **September 30,** | | |  |
|  |  | **2019** |  |  | **2018** |  |  | **2019** |  |  | **2018** |
| Net income per share - diluted | $ | 0.12 |  | $ | 0.24 |  | $ | 0.53 |  | $ | 0.69 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Stock and incentive plan compensation |  | 0.08 |  |  | 0.06 |  |  | 0.24 |  |  | 0.17 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Amortization of acquired intangible assets |  | 0.01 |  |  | 0.02 |  |  | 0.03 |  |  | 0.06 |
| Campus consolidation costs |  | — | |  | — | |  | — | |  | 0.03 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Extinguishment of debt |  | — | |  | — | |  | 0.08 |  |  | — |
| Strategic collaboration and license costs |  | — | |  | — | |  | 0.01 |  |  | — |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisition-related costs |  | 0.13 |  |  | — | |  | 0.12 |  |  | — |
| Income tax effect of non-GAAP adjustments(a) |  | (0.06) |  |  | (0.03) |  |  | (0.18) |  |  | (0.10) |
| Adjusted net income per share - diluted | $ | 0.28 |  | $ | 0.29 |  | $ | 0.83 |  | $ | 0.85 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted-average common shares outstanding - diluted |  | 40,286 |  |  | 39,402 |  |  | 40,123 |  |  | 39,467 |
|  |  |  |  |  |  |  |  |  |  |  |  |

1. The income tax effect of the adjustments between GAAP net income and non-GAAP adjusted net income takes into account the tax treatment and related tax rate that apply to each adjustment in the applicable tax jurisdiction.

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**Lantheus Holdings, Inc.**

**Reconciliation of Free Cash Flow**

(in thousands – unaudited)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** | | | | |  | **Nine Months Ended** | | | |
|  |  | **September 30,** | | |  |  |  | **September 30,** | | |  |
|  |  | **2019** |  |  | **2018** |  |  | **2019** |  |  | **2018** |
| Net cash provided by operating activities | $ | 26,442 |  | $ | 24,277 |  | $ | 57,963 |  | $ | 43,887 |
| Capital expenditures |  | (3,336) |  |  | (5,005) |  |  | (17,320) |  |  | (12,766) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Free cash flow | $ | 23,106 |  | $ | 19,272 |  | $ | 40,643 |  | $ | 31,121 |
|  |  |  |  |  |  |  |  |  |  |  |  |

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**Lantheus Holdings, Inc.**

**Condensed Consolidated Balance Sheets**

(in thousands – unaudited)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **September 30,** | |  | **December 31,** |  |
|  |  | **2019** |  |  | **2018** |  |
| **Assets** |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Cash and cash equivalents | $ | 78,062 |  | $ | 113,401 |  |
| Accounts receivable, net |  | 40,632 |  |  | 43,753 |  |
|  |  |  |  |  |  |  |
| Inventory |  | 30,596 |  |  | 33,019 |  |
| Other current assets |  | 5,096 |  |  | 5,242 |  |
|  |  |  |  |  |  |  |
| **Total current assets** |  | 154,386 |  |  | 195,415 |  |
| Property, plant and equipment, net |  | 113,531 |  |  | 107,888 |  |
|  |  |  |  |  |  |  |
| Intangibles, net |  | 7,786 |  |  | 9,133 |  |
| Goodwill |  | 15,714 |  |  | 15,714 |  |
|  |  |  |  |  |  |  |
| Deferred tax assets, net |  | 77,745 |  |  | 81,449 |  |
| Other long-term assets |  | 33,247 |  |  | 30,232 |  |
|  |  |  |  |  |  |  |
| **Total assets** | $ | 402,409 |  | $ | 439,831 |  |
| **Liabilities and stockholders’ equity** |  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |
| Current portion of long-term debt and other borrowings | $ | 10,166 |  | $ | 2,750 |  |
|  |  |  |  |  |  |  |
| Accounts payable |  | 16,492 |  |  | 17,955 |  |
| Accrued expenses and other liabilities |  | 32,928 |  |  | 32,050 |  |
|  |  |  |  |  |  |  |
| **Total current liabilities** |  | 59,586 |  |  | 52,755 |  |
| Asset retirement obligations |  | 12,560 |  |  | 11,572 |  |
|  |  |  |  |  |  |  |
| Long-term debt, net and other borrowings |  | 186,373 |  |  | 263,709 |  |
| Other long-term liabilities |  | 42,724 |  |  | 40,793 |  |
|  |  |  |  |  |  |  |
| **Total liabilities** |  | 301,243 |  |  | 368,829 |  |
| **Total stockholders’ equity** |  | 101,166 |  |  | 71,002 |  |
|  |  |  |  |  |  |  |
| **Total liabilities and stockholders’ equity** | $ | 402,409 |  | $ | 439,831 |  |
|  |  |  |  |  |  |  |

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