



Lantheus Holdings, Inc. Reports 2016 Second Quarter Financial Results

August 4, 2016

Lantheus posts second quarter net income of \$7.4 million and Adjusted EBITDA of \$21.4 million;

Second quarter worldwide DEFINITY® revenue increased 18% annually

NORTH BILLERICA, Mass.--(BUSINESS WIRE)--Aug. 4, 2016-- [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 second quarter ended June 30, 2016.

The Company's worldwide revenue for the second quarter of 2016 totaled \$78.0 million, representing an increase of 6% as-reported compared to \$73.3 million reported for the second quarter of 2015. Second quarter worldwide revenue results reflect continued strong sales of DEFINITY® and stable revenues from the nuclear products portfolio driven by contracts with key radiopharmacy customers.

Net income for the second quarter of 2016 totaled \$7.4 million or \$0.24 per diluted share, an improvement of \$31.8 million compared to a net loss of \$24.4 million or \$(1.29) per diluted share in the second quarter of 2015. The second quarter net income results also reflect a decrease in the amount of interest expense due to debt refinancing in June of 2015.

The Company's second quarter 2016 Adjusted EBITDA, as defined in the GAAP to non-GAAP reconciliation provided later in this release, was \$21.4 million, or 27.5% of reported revenue, compared to \$18.0 million, or 24.5% of reported revenue, in the second quarter of 2015. The increase in Adjusted EBITDA reflects the impact of DEFINITY revenue growth.

Mary Anne Heino, President and CEO commented, "We are very pleased with our second quarter results, which delivered 6% year over year growth and exceeded both our second quarter revenue and Adjusted EBITDA guidance. During the second quarter, we saw continued strong performance of DEFINITY with 18% year over year growth in a competitive ultrasound contrast market and higher than forecasted sales of our nuclear products, demonstrating that our commercial strategy is working."

Ms. Heino continued, "We are also very pleased to be raising our annual revenue and Adjusted EBITDA guidance which reflects the overall strength of our product portfolio and the firm contracts we have with key nuclear products customers."

Outlook

The Company is increasing its outlook for worldwide revenue for full year 2016 to a range of \$291 million to \$295 million. For the third quarter of 2016, the Company expects worldwide revenue in the range of \$68 million to \$70 million.

The Company is also increasing its outlook for full year 2016 Adjusted EBITDA, as described in the GAAP to non-GAAP reconciliation provided later in this release, to a range of \$70 million to \$73 million. For the third quarter of 2016, the Company expects Adjusted EBITDA in the range of \$14 million to \$16 million.

The Company's guidance for worldwide revenue and Adjusted EBITDA are forward-looking statements. They are subject to various risks and uncertainties that could cause the Company's actual results to differ materially from the anticipated targets. The anticipated targets are not predictions of the Company's actual performance. See the cautionary information about forward-looking statements in the "Safe-Harbor Statement" section of this press release.

Internet Posting of Information

The Company routinely posts information that may be important to investors in the "Investor Relations" 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 starting at 4:30 p.m. (Eastern Time) today. 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 47799009. A live audio webcast of the call also will be available on the homepage of the Company's website at www.lantheus.com.

A replay of the telephone conference call and audio webcast will be available from approximately 8:30 p.m. ET on August 4, 2016 through midnight on August 18, 2016. To access a replay of the conference call, dial 1-855-859-2056 (U.S. callers) or 1-404-537-3406 (international callers), and provide passcode 47799009. A replay of this conference call will also be available in the Investor Relations section of our website located at www.lantheus.com.

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, which are primarily used for the diagnosis of cardiovascular diseases. LMI's key products include the echocardiography contrast agent DEFINITY[®] Vial for (Perflutren Lipid Microsphere) Injectable Suspension; Technelite[®] (Technetium Tc99m Generator), a technetium-based generator that provides the essential medical isotope used in nuclear medicine procedures; and Xenon (Xenon Xe 133 Gas), an inhaled radiopharmaceutical imaging agent used to evaluate pulmonary function and for imaging the lungs. The Company is headquartered in North Billerica, Massachusetts with offices in Puerto Rico, Canada and Australia. For more information, visit www.lantheus.com.

Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, such as net sales excluding the impact of foreign currency; operating income, as adjusted; net income, as adjusted; Adjusted EBITDA; net income, as adjusted, per diluted share; Adjusted EBITDA per diluted share; 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.

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 2016 outlook. These statements reflect management's current knowledge, assumptions, beliefs, estimates and expectations and express management's current view of future performance, results and trends. 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 –

Lantheus Holdings, Inc. and subsidiaries
Condensed Consolidated Statements of Operations
(dollars in thousands, except share and per share data—unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|--------------------|------------------|--------------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Revenues | \$ 77,966 | \$ 73,314 | \$ 154,440 | \$ 148,137 |
| Cost of goods sold | 42,215 | 40,647 | 84,988 | 79,701 |
| Gross profit | 35,751 | 32,667 | 69,452 | 68,436 |
| Operating expenses | | | | |
| Sales and marketing expenses | 9,843 | 9,229 | 19,150 | 18,301 |
| General and administrative expenses | 9,238 | 15,444 | 18,751 | 24,567 |
| Research and development expenses | 2,608 | 2,638 | 5,644 | 8,834 |
| Total operating expenses | 21,689 | 27,311 | 43,545 | 51,702 |
| Gain on sale of assets | 117 | — | 5,945 | — |
| Operating income | 14,179 | 5,356 | 31,852 | 16,734 |
| Interest expense, net | (6,978) | (13,876) | (13,996) | (24,499) |
| Loss on extinguishment of debt | — | (15,528) | — | (15,528) |
| Other income, net | 396 | 800 | 454 | 417 |
| Income (loss) before income taxes | 7,597 | (23,248) | 18,310 | (22,876) |
| Provision for income taxes | 247 | 1,175 | 637 | 1,172 |
| Net income (loss) | <u>\$ 7,350</u> | <u>\$ (24,423)</u> | <u>\$ 17,673</u> | <u>\$ (24,048)</u> |
| Net income (loss) per weighted average common share outstanding | | | | |
| Basic and diluted | \$ 0.24 | \$ (1.29) | \$ 0.58 | \$ (1.30) |
| Weighted average common shares outstanding | | | | |
| Basic | 30,377,562 | 18,898,003 | 30,372,901 | 18,489,451 |
| Diluted | 30,542,728 | 18,898,003 | 30,453,776 | 18,489,451 |

Lantheus Holdings, Inc. and subsidiaries
Consolidated Revenue Analysis
(dollars in thousands—unaudited)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|----------------------------|--------------------------------|-----------------|----------------|------------------------------|------------------|----------------|
| | 2016 | 2015 | % change | 2016 | 2015 | % change |
| U.S. | | | | | | |
| DEFINITY | 32,698 | 27,828 | 17.5% | 63,491 | 53,010 | 19.8% |
| TechneLite | 21,643 | 14,637 | 47.9% | 43,376 | 32,810 | 32.2% |
| Xenon | 6,773 | 12,038 | (43.7)% | 14,945 | 25,224 | (40.8)% |
| Other | 4,020 | 3,875 | 3.7% | 8,255 | 8,001 | 3.2% |
| Total U.S. | \$65,134 | \$58,378 | 11.6% | \$130,067 | \$119,045 | 9.3% |
| International | | | | | | |
| DEFINITY | 776 | 600 | 29.3% | 1,405 | 1,084 | 29.6% |
| TechneLite | 3,609 | 2,725 | 32.4% | 6,712 | 5,411 | 24.0% |
| Xenon | 1 | 10 | (90.0)% | 3 | 19 | (84.2)% |
| Other | 8,446 | 11,601 | (27.2)% | 16,253 | 22,578 | (28.0)% |
| Total International | \$12,832 | \$14,936 | (14.1)% | \$ 24,373 | \$ 29,092 | (16.2)% |
| Worldwide | | | | | | |
| DEFINITY | 33,474 | 28,428 | 17.8% | 64,896 | 54,094 | 20.0% |
| TechneLite | 25,252 | 17,362 | 45.4% | 50,088 | 38,221 | 31.0% |
| Xenon | 6,774 | 12,048 | (43.8)% | 14,948 | 25,243 | (40.8)% |
| Other | 12,466 | 15,476 | (19.4)% | 24,508 | 30,579 | (19.9)% |
| Total Revenues | \$77,966 | \$73,314 | 6.3% | \$154,440 | \$148,137 | 4.3% |

Lantheus Holdings, Inc. and subsidiaries
Supplemental Revenue Information
(unaudited)

| | June 30, 2016 Quarter to Date Sales Growth/(Decline) | | | | |
|-----------------------|--|-------------------------------|----------------------|-------------------------------|----------------------|
| | Domestic As Reported | Int'l Constant Currency | Int'l As Reported | Total Constant Currency | Total As Reported |
| Products | | | | | |
| DEFINITY | 17.5% | 35.3% | 29.3% | 17.9% | 17.8% |
| TechneLite | 47.9% | 38.1% | 32.4% | 46.3% | 45.4% |
| Xenon | (43.7)% | (90.0)% | (90.0)% | (43.7)% | (43.8)% |
| Other | 3.7% | (26.6)% | (27.2)% | (19.0)% | (19.4)% |
| Total Revenues | 11.6% | (12.4)% | (14.1)% | 6.7% | 6.3% |

| | June 30, 2016 Year to Date Sales Growth/(Decline) | | | | |
|-----------------------|---|-------------------------------|----------------------|-------------------------------|----------------------|
| | Domestic As Reported | Int'l Constant Currency | Int'l As Reported | Total Constant Currency | Total As Reported |
| Products | | | | | |
| DEFINITY | 19.8% | 38.7% | 29.6% | 20.2% | 20.0% |
| TechneLite | 32.2% | 32.5% | 24.0% | 32.2% | 31.0% |
| Xenon | (40.8)% | (84.2)% | (84.2)% | (40.8)% | (40.8)% |
| Other | 3.2% | (26.0)% | (28.0)% | (18.3)% | (19.9)% |
| Total Revenues | 9.3% | (12.7)% | (16.2)% | 4.9% | 4.3% |

Lantheus Holdings, Inc. and subsidiaries
Reconciliation of Revenues to Revenues Excluding the Impact of Foreign Currency
(dollars in thousands—unaudited)

| | <u>Three Months Ended June 30, 2016</u> | | <u>Six Months Ended June 30, 2016</u> | |
|--|---|------------------------|---------------------------------------|------------------------|
| | <u>International Net Sales</u> | <u>Total Net Sales</u> | <u>International Net Sales</u> | <u>Total Net Sales</u> |
| Net sales, as reported | \$ 12,832 | \$ 77,966 | \$ 24,373 | \$ 154,440 |
| Currency impact as compared to prior period | 256 | 256 | 1,021 | 1,021 |
| Net sales, excluding the impact of foreign currency | <u>\$ 13,088</u> | <u>\$ 78,222</u> | <u>\$ 25,394</u> | <u>\$ 155,461</u> |

Lantheus Holdings, Inc. and subsidiaries
Reconciliations of As Reported Results to Non-GAAP Financial Measures
(dollars in thousands, except share and per share data—unaudited)

| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
|--|---------------------------|------------------|-------------------------|------------------|
| | <u>June 30,</u> | | <u>June 30,</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Operating Income | | | | |
| Operating Income, as reported | \$ 14,179 | \$ 5,356 | \$ 31,852 | \$ 16,734 |
| <i>Reconciling items impacting</i> | | | | |
| <i>Operating Income:</i> | | | | |
| Campus Consolidation Costs | — | — | — | 3,630 |
| Sponsor Termination Costs | — | 6,527 | — | 6,527 |
| Gain on Sale of Assets | (117) | — | (5,945) | — |
| Operating income, as adjusted | <u>\$ 14,062</u> | <u>\$ 11,883</u> | <u>\$ 25,907</u> | <u>\$ 26,891</u> |
| Operating Income, as adjusted, as a percentage of net sales | <u>18.0%</u> | <u>16.2%</u> | <u>16.8%</u> | <u>18.2%</u> |

Lantheus Holdings, Inc. and subsidiaries
Reconciliation of As Reported Results to Non-GAAP Financial Measures
(dollars in thousands, except share and per share data—unaudited)

| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
|--|---------------------------|---------------|-------------------------|-----------------|
| | <u>June 30,</u> | | <u>June 30,</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Net income (loss) | | | | |
| Net income (loss), as reported | \$ 7,350 | \$ (24,423) | \$ 17,673 | \$ (24,048) |
| <i>Reconciling items impacting</i> | | | | |
| <i>Gross Profit:</i> | | | | |
| Campus Consolidation Costs | — | — | — | 77 |
| <i>Reconciling items impacting</i> | | | | |
| <i>Operating Expenses:</i> | | | | |
| Campus Consolidation Costs | — | — | — | 3,553 |
| Sponsor Termination Costs | — | 6,527 | — | 6,527 |
| Gain on Sale of Assets | (117) | — | (5,945) | — |
| <i>Reconciling items impacting</i> | | | | |
| <i>Non-operating Expenses:</i> | | | | |
| Loss on Debt Extinguishment | — | 15,528 | — | 15,528 |
| Interest Upon Redemption of Senior Notes | — | 3,250 | — | 3,250 |
| Net income, as adjusted | <u>\$ 7,233</u> | <u>\$ 882</u> | <u>\$ 11,728</u> | <u>\$ 4,887</u> |
| Net income, as adjusted, as a percentage of net sales | <u>9.3%</u> | <u>1.2%</u> | <u>7.6%</u> | <u>3.3%</u> |

| | | | | | |
|--|----|------------|----|------------|-----------------------|
| Net income, as adjusted, per weighted average common share outstanding | | | | | |
| Basic | \$ | 0.24 | \$ | 0.05 | \$ 0.39 \$ 0.26 |
| Diluted | \$ | 0.24 | \$ | 0.05 | \$ 0.39 \$ 0.26 |
| Weighted average common shares outstanding | | | | | |
| Basic | | 30,377,562 | | 18,898,003 | 30,372,901 18,489,451 |
| Diluted | | 30,542,728 | | 19,259,161 | 30,453,776 18,843,088 |

Lantheus Holdings, Inc. and subsidiaries
Reconciliation of As Reported Results to Non-GAAP Financial Measures
(dollars in thousands—unaudited)

| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
|---|---------------------------|------------------|-------------------------|------------------|
| | <u>June 30,</u> | | <u>June 30,</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| EBITDA | | | | |
| Net income (loss), as reported | \$ 7,350 | \$ (24,423) | \$ 17,673 | \$ (24,048) |
| Interest expense, net | 6,978 | 13,876 | 13,996 | 24,499 |
| Provision for income taxes | 107 | 394 | 201 | 395 |
| Depreciation | 2,222 | 2,021 | 4,229 | 7,709 |
| Amortization of intangible assets | 2,089 | 1,894 | 4,195 | 3,790 |
| EBITDA | <u>18,746</u> | <u>(6,238)</u> | <u>40,294</u> | <u>12,345</u> |
| <i>Reconciling items impacting</i> | | | | |
| <i>EBITDA:</i> | | | | |
| Stock and incentive plan compensation | 916 | 656 | 1,488 | 933 |
| Legal fees relating to business interruption claim | 5 | 46 | 9 | 63 |
| Asset write-off | 349 | 371 | 846 | 551 |
| Severance and recruiting costs | 762 | 122 | 1,431 | 219 |
| Sponsor fee and other | — | 6,747 | — | 7,318 |
| Extinguishment of debt | — | 15,528 | — | 15,528 |
| Gain on sale of assets | (117) | — | (5,945) | — |
| New manufacturer costs | 746 | 753 | 1,646 | 1,615 |
| Adjusted EBITDA | <u>\$ 21,407</u> | <u>\$ 17,985</u> | <u>\$ 39,769</u> | <u>\$ 38,572</u> |
| Adjusted EBITDA as a percentage of net sales | <u>27.5%</u> | <u>24.5%</u> | <u>25.8%</u> | <u>26.0%</u> |

Lantheus Holdings, Inc. and subsidiaries
Reconciliation of Free Cash Flow
(dollars in thousands—unaudited)

| | <u>Three Months Ended</u> | | <u>Six Months Ended</u> | |
|---|---------------------------|----------------------|-------------------------|----------------------|
| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
| Net cash provided by (used in) operating activities | \$ 17,635 | \$ (11,438) | \$ 21,415 | \$ 3,719 |
| Capital expenditures | (736) | (2,614) | (2,388) | (6,112) |
| Free cash flow | <u>\$ 16,899</u> | <u>\$ (14,052)</u> | <u>\$ 19,027</u> | <u>\$ (2,393)</u> |

Lantheus Holdings, Inc. and subsidiaries
Condensed Consolidated Balance Sheets
(dollars in thousands—unaudited)

June 30, 2016 December 31, 2015

Assets

| | | | |
|---------------------------|----|----------------|---------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ | 54,851 | \$ 28,596 |
| Accounts receivable, net | | 39,457 | 37,293 |
| Inventory | | 14,433 | 15,622 |
| Other current assets | | 4,282 | 3,851 |
| Assets held for sale | | — | 4,644 |
| Total current assets | | <u>113,023</u> | <u>90,006</u> |

| | | | |
|---|----|----------------|-------------------|
| Property, plant and equipment, net | | 84,422 | 86,517 |
| Capitalized software development costs, net | | 8,121 | 9,137 |
| Intangibles, net | | 17,949 | 20,496 |
| Goodwill | | 15,714 | 15,714 |
| Other long-term assets | | 20,038 | 20,509 |
| Total assets | \$ | <u>259,267</u> | \$ <u>242,379</u> |

Liabilities and stockholders' deficit

| | | | |
|---|----|------------------|-------------------|
| Current liabilities: | | | |
| Current portion of long-term debt | \$ | 3,650 | \$ 3,650 |
| Line of credit | | — | — |
| Accounts payable | | 12,778 | 11,657 |
| Accrued expenses and other liabilities | | 17,664 | 18,502 |
| Liabilities held for sale | | — | 1,715 |
| Total current liabilities | | <u>34,092</u> | <u>35,524</u> |
| Asset retirement obligation | | 8,650 | 8,145 |
| Long-term debt, net | | 348,838 | 349,858 |
| Other long-term liabilities | | 34,055 | 34,141 |
| Total liabilities | | <u>425,635</u> | <u>427,668</u> |
| Stockholders' deficit | | <u>(166,368)</u> | <u>(185,289)</u> |
| Total liabilities and stockholders' deficit | \$ | <u>259,267</u> | \$ <u>242,379</u> |

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Source: Lantheus Holdings, Inc.

Lantheus Holdings, Inc.
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