

## Masimo Reports First Quarter 2016 Financial Results



### Q1 2016 Highlights (compared to Q1 2015):

- Total revenue, including royalties, rose 10.8% to \$171.2 million
- Product revenue rose 10.8% to \$163.3 million
- Masimo rainbow® revenue rose 39.2% to \$16.9 million
- SET® and rainbow® SET® units shipments were 46,300
- GAAP net income of \$27.6 million, or \$0.53 per diluted share versus \$20.5 million, or \$0.38 per diluted share in the year-ago period

[Masimo](#) (NASDAQ: MASI) has announced its financial results for the first quarter ended April 2, 2016.

First quarter 2016 product revenues rose 10.8% to \$163.3 million, compared to \$147.4 million for the first quarter of fiscal year 2015, and total revenue, including royalties, rose 10.8% to \$171.2 million, up from \$154.5 million for the first quarter of fiscal year 2015.

The company's worldwide direct product revenue in the first quarter of 2016 rose by 12.7% compared to the same period in 2015 and represented 86.3% of product revenue. OEM sales, which accounted for 13.7% of product revenue, rose by 0.2% to \$22.3 million in the first quarter of 2016 compared to the same period in 2015. Revenue from sales of Masimo rainbow® products rose by 39.2% to \$16.9 million in the first quarter of 2016, compared to the same period in 2015.

GAAP net income for the first quarter of 2016 was \$27.6 million, or \$0.53 per diluted share, compared to GAAP net income of \$20.5 million, or \$0.38 per diluted share, in the first quarter of 2015. During the first quarter of 2016, the company shipped 46,300 SET® pulse oximeters and rainbow® pulse CO-Oximeters, excluding handheld units. Masimo estimates its worldwide installed base as of April 2, 2016 to be 1,438,000 units, up 7.3% from 1,340,000 units as of April 4, 2015.

Joe Kiani, Chairman and Chief Executive Officer of Masimo, said, "We are happy to report results for the first quarter exceeded our expectations. Our strong revenue growth is the result of increasing demand for both our SET® Pulse Oximetry and rainbow SET™ Pulse CO-Oximetry™ technologies, as well as increasing demand from our new products. Given the strong Q1 results and our continued optimism about the rest of the year, we are happy to be in a position to raise our full year 2016 financial guidance."

During the first quarter of 2016, the company generated \$18.8 million in cash from operations and as of April 2, 2016, total cash and cash investments were \$139.9 million compared to \$132.3 million as of January 2, 2016. Also, during the first quarter of 2016, the company repurchased approximately 1.1 million shares of stock for \$42.9 million.

### 2016 Financial Guidance

Masimo today is updating its 2016 financial guidance. Masimo now expects fiscal 2016 total revenues to be approximately \$677 million, up from \$670 million. Total fiscal 2016 product revenues are now expected to be approximately \$647 million, up from \$640 million, while royalty revenue expectations have not changed from the previous estimate of approximately \$30 million. Masimo now also expects its fiscal 2016 GAAP earnings per diluted share to be \$1.83, up from \$1.69. Masimo will provide additional financial information during the conference call today. Each of the components of Masimo's guidance set forth above is an estimate only and actual performance could differ.

### Conference Call

Masimo will hold a conference call today at 1:30 p.m. PT (4:30 p.m. ET) to discuss the results. A live webcast of the call will be available online from the investor relations page of the company's website at [www.masimo.com](http://www.masimo.com). The dial-in numbers are (888) 520-7182 for domestic callers and +1 (706) 758-3929 for international callers. The reservation code for both dial-in numbers is 95558540. After the live webcast, the call will be available on Masimo's website through May 18, 2016. In addition, a telephonic replay of the call will be available through June 3, 2016. The replay dial-in numbers are (855) 859-2056 for domestic callers and +1 (404) 537-3406 for international callers. Please use reservation code 95558540.

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