

**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): July 25, 2019

HARVARD BIOSCIENCE, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-33957
(Commission File Number)

04-3306140
(I.R.S. Employer Identification Number)

84 October Hill Road, Holliston, MA 01746
(Address of Principal Executive Offices) (Zip Code)

(508) 893-8999
(Registrant's telephone number, including area code)

(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:

- 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, \$0.01 par value | HBIO | The NASDAQ Stock Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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 July 25, 2019, Harvard Bioscience, Inc. issued a press release announcing financial results for the three and six months ended June 30, 2019 and the details of a related conference call to be held at 4:30 PM EST on July 25, 2019. The press release is furnished as Exhibit 99.1 and incorporated herein by reference.

The information in Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Title</u> |
|-----------------------|--|
| 99.1 | Press release of Harvard Bioscience, Inc. issued on July 25, 2019. |

SIGNATURE

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.

HARVARD BIOSCIENCE, INC.

Date: July 25, 2019

By: /s/ James Green
James Green
Chief Executive Officer

Harvard Bioscience Announces Quarter Ended June 30, 2019 Financial Results

- GAAP and adjusted non-GAAP revenue of \$29.6 million
- GAAP and adjusted non-GAAP earnings per share of \$(0.01) and \$0.04, respectively
- 2019 guidance remains unchanged

HOLLISTON, Mass., July 25, 2019 (GLOBE NEWSWIRE) -- Harvard Bioscience, Inc. (Nasdaq: HBIO) (the "Company"), today announced financial results for the three and six months ended June 30, 2019.

Jim Green, Chairman and CEO said, "Although our performance for the quarter was in the range expected, we can do better. Our focus is to improve the underlying performance of our business, including revenue and gross margin growth, lowering operating expenses and reducing interest expense. We are putting acquisitions on hold for the near-term while we finish consolidating and integrating our previous acquisitions and demonstrate we can efficiently operate our business on an organic basis. In the next couple months, we will outline our updated strategy, including targets for gross margins and operating margins, against which our shareholders can measure our performance."

Green concluded, "I am encouraged by the opportunities we have for improvement. I expect with the actions we are taking that our performance for this year will be in line with our previous commentary and significantly stronger in the next fiscal year."

Second Quarter Reported Results

Revenue, as measured under generally accepted accounting principles, or GAAP, for the three months ended June 30, 2019 was \$29.6 million, a decrease of (6%), or \$(1.9) million, compared to revenue of \$31.5 million for the three months ended June 30, 2018.

Revenue, on a non-GAAP basis, which excludes purchase accounting adjustments, was \$29.6 million for the three months ended June 30, 2019, a decrease of approximately (6%), or \$(2.0) million, compared to revenue of \$31.6 million for the three months ended June 30, 2018.

Net loss, as measured under GAAP, was \$(0.2) million, or \$(0.01) per diluted share, for the three months ended June 30, 2019 compared to a net loss of \$(1.5) million, or \$(0.04) per diluted share, for the same quarter in 2018. The net loss for the three months ended June 30, 2018 was comprised of a \$(1.5) million loss from continuing operations and income of less than \$0.1 million from discontinued operations.

Net income, on a non-GAAP basis, was \$1.6 million, or \$0.04 per diluted share, for the three months ended June 30, 2019, compared to \$2.3 million, or \$0.07 per diluted share, for the three months ended June 30, 2018.

For a reconciliation between GAAP and non-GAAP revenue and changes in revenue, refer to Exhibit 4 below. For a reconciliation between GAAP and non-GAAP net income, and between GAAP and non-GAAP diluted earnings per share, refer to Exhibits 7 and 8 below, respectively.

Webcast and Conference Call Details

Harvard Bioscience will be hosting a conference call and webcast today at 4:30 pm ET. You can access the live conference call by dialing the following phone numbers: toll-free 1 (800) 708-4540 or international (847) 619-6397 and referencing the conference ID# 48854528.

The conference call will be simultaneously webcast and can be accessed through the Harvard Bioscience website. To listen to the webcast, log on to the webcast at: <http://investor.harvardbioscience.com/> and click on the Earnings Call icon. The webcast will be available on the website through August 1, 2019.

Use of Non-GAAP Financial Information

In this press release, we have included non-GAAP financial information including adjusted revenue, adjusted gross profit, adjusted operating income, adjusted net income and adjusted earnings per diluted share. We believe that this non-GAAP financial information provides investors with an enhanced understanding of the underlying operations of the business. For the periods presented, these non-GAAP financial measures of revenue and income have excluded certain revenue and expenses and income primarily resulting from purchase accounting or events that we do not believe are related to the underlying operations of the business such as currency translation, amortization of intangibles related to acquisitions, costs related to acquisition, disposition and integration initiatives, impairment charges, gains or losses from divestitures, forensic investigation and remediation costs, severance and restructuring expenses, and stock-based compensation expense. They also exclude the tax impact of the reconciling items. This non-GAAP financial information approximates information used by our management to internally evaluate the operating results of the Company. Tabular reconciliations of our non-GAAP adjusted revenue, non-GAAP adjusted gross profit, non-GAAP adjusted operating income, non-GAAP adjusted net income and non-GAAP adjusted earnings per diluted share for the three and six months ended June 30, 2019 and 2018 are included as exhibits below in this press release.

The non-GAAP financial information provided in this press release should be considered in addition to, not as a substitute for, the financial information provided and presented in accordance with GAAP, and may be different than other companies' non-GAAP financial information.

About Harvard Bioscience

Harvard Bioscience is a global developer, manufacturer and marketer of a broad range of solutions to advance life science. Our products are sold to thousands of researchers in over 100 countries through our global sales organization, websites, catalogs, and through distributors. We have sales and manufacturing operations in the United States, the United Kingdom, Germany, Sweden, Spain, France, Canada and China. For more information, please visit our website at www.harvardbioscience.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. You can identify these statements by our use of such words as "will," "guidance," "objectives," "optimistic," "potential," "future," "expects," "plans," "estimates," "continue," "drive," "strategy," "potential," "potentially," "growth," "long-term," "projects," "projected," "intends," "believes," "goals," "sees," "seek," "develop" "possible" "new," "emerging," "opportunity," "pursue" and similar expressions that do not relate to historical matters. Forward-looking statements in this press release or that may be made during our conference call may include, but are not limited to, statements or inferences about the Company's or management's beliefs or expectations, the Company's anticipated future revenues and earnings, the strength of the Company's market position and business model, industry outlook; the Company's business strategy, the positioning of the Company for growth, the market demand and opportunity for the Company's current products, or products it is developing or intends to develop, and the Company's plans, objectives and intentions that are not historical facts. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Investors should note that many factors, as more fully described under the caption "Risk Factors" in our Form 10-K, including our Form 10-K for the year ended December 31, 2018, Form 10-Q and Form 8-K filings with the Securities and Exchange Commission and as otherwise enumerated herein or therein may cause the Company's actual results to differ materially from those in the forward-looking statements. The forward-looking statements in this press release are qualified by these risk factors. The Company's results may also be affected by factors of which the Company is not currently aware. The Company may not update these forward-looking statements, even though its situation may change in the future, unless it has obligations under the federal securities laws to update and disclose material developments related to previously disclosed information.

For investor inquiries, please contact Michael Rossi, Chief Financial Officer at (508) 893-8999. Press releases may be found on the Harvard Bioscience website.

Exhibit 1

HARVARD BIOSCIENCE, INC.
Condensed Consolidated Balance Sheet Information
(unaudited, in thousands)

| | June 30, 2019 | December 31, 2018 |
|---|--------------------------|------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 4,934 | \$ 8,173 |
| Trade receivables | 18,388 | 21,463 |
| Inventories | 25,288 | 25,087 |
| Property, plant and equipment | 5,359 | 5,898 |
| Goodwill and other intangibles | 99,139 | 103,068 |
| Other assets | 13,163 | 4,924 |
| Total assets | \$ 166,271 | \$ 168,613 |
| Liabilities and Stockholders' Equity | | |
| Total liabilities | \$ 85,908 | \$ 85,889 |
| Stockholders' equity | 80,363 | 82,724 |
| Total liabilities and stockholders' equity | \$ 166,271 | \$ 168,613 |

Exhibit 2

HARVARD BIOSCIENCE, INC.

Consolidated Statements of Operations
(unaudited, in thousands, except per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-------------------|------------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues | \$ 29,584 | \$ 31,522 | \$ 57,786 | \$ 58,281 |
| Cost of revenues | 13,629 | 16,167 | 25,677 | 29,657 |
| Gross profit | <u>15,955</u> | <u>15,355</u> | <u>32,109</u> | <u>28,624</u> |
| Sales and marketing expenses | 5,770 | 6,309 | 12,076 | 11,955 |
| General and administrative expenses | 4,809 | 5,258 | 10,612 | 10,642 |
| Research and development expenses | 2,771 | 2,758 | 5,506 | 5,160 |
| Amortization of intangible assets | 1,436 | 1,412 | 2,866 | 2,515 |
| Impairment charges | 941 | - | 941 | - |
| Total operating expenses | <u>15,727</u> | <u>15,737</u> | <u>32,001</u> | <u>30,272</u> |
| Operating income (loss) | <u>228</u> | <u>(382)</u> | <u>108</u> | <u>(1,648)</u> |
| Other expense: | | | | |
| Foreign exchange | 86 | 345 | (93) | (2) |
| Interest expense, net | (1,376) | (1,483) | (2,781) | (2,377) |
| Other expense, net | (70) | (347) | (160) | (3,085) |
| Other expense, net | <u>(1,360)</u> | <u>(1,485)</u> | <u>(3,034)</u> | <u>(5,464)</u> |
| Loss from continuing operations before income taxes | (1,132) | (1,867) | (2,926) | (7,112) |
| Income tax (benefit) expense | (885) | (369) | (309) | 236 |
| Loss from continuing operations | <u>(247)</u> | <u>(1,498)</u> | <u>(2,617)</u> | <u>(7,348)</u> |
| Discontinued operations | | | | |
| Income from discontinued operations | - | 24 | - | 937 |
| Income tax benefit | - | (10) | - | (883) |
| Income from discontinued operations, net of tax | <u>-</u> | <u>34</u> | <u>-</u> | <u>1,820</u> |
| Net loss | <u>\$ (247)</u> | <u>\$ (1,464)</u> | <u>\$ (2,617)</u> | <u>\$ (5,528)</u> |
| (Loss) earnings per share: | | | | |
| Basic loss per common share from continuing operations | \$ (0.01) | \$ (0.04) | \$ (0.07) | \$ (0.21) |
| Discontinued operations | - | - | - | 0.05 |
| Basic loss per common share | <u>\$ (0.01)</u> | <u>\$ (0.04)</u> | <u>\$ (0.07)</u> | <u>\$ (0.15)</u> |
| Diluted loss per common share from continuing operations | \$ (0.01) | \$ (0.04) | \$ (0.07) | \$ (0.21) |
| Discontinued operations | - | - | - | 0.05 |
| Diluted loss per common share | <u>\$ (0.01)</u> | <u>\$ (0.04)</u> | <u>\$ (0.07)</u> | <u>\$ (0.15)</u> |
| Weighted average common shares: | | | | |
| Basic | <u>37,736</u> | <u>36,082</u> | <u>37,683</u> | <u>35,774</u> |
| Diluted | <u>37,736</u> | <u>36,082</u> | <u>37,683</u> | <u>35,774</u> |

Exhibit 3

HARVARD BIOSCIENCE, INC.
Condensed Consolidated Cash Flow Information
(unaudited, in thousands)

| | Six Months Ended June 30, | |
|--|------------------------------|-----------------|
| | 2019 | 2018 |
| Cash flows from operations: | | |
| Net loss | \$ (2,617) | \$ (5,528) |
| Changes in assets and liabilities | (888) | 2,623 |
| Other adjustments to operating cash flows | 5,936 | 4,630 |
| Net cash provided by operating activities | <u>2,431</u> | <u>1,725</u> |
| Investing activities: | | |
| Additions to property, plant and equipment | (188) | (634) |
| Acquisitions, net of cash acquired | - | (68,008) |
| Dispositions, net of cash sold | 1,020 | 15,754 |
| Other investing activities | (9) | (24) |
| Net cash provided by (used in) investing activities | <u>823</u> | <u>(52,912)</u> |
| Financing activities: | | |
| Proceeds from issuance of debt | - | 68,500 |
| Repayments of debt | (6,203) | (17,247) |
| Other financing activities | (333) | (548) |
| Net cash provided by (used in) financing activities | <u>(6,536)</u> | <u>50,705</u> |
| Effect of exchange rate changes on cash | 43 | 373 |
| Decrease in cash and cash equivalents | (3,239) | (109) |
| Cash and cash equivalents at the beginning of period | 8,173 | 5,733 |
| Cash and cash equivalents at the end of period | <u>\$ 4,934</u> | <u>\$ 5,624</u> |

Exhibit 4

HARVARD BIOSCIENCE, INC.
Reconciliation of GAAP Revenue to Non-GAAP Adjusted Revenue
(unaudited, in thousands)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|--------------------------------|------------------|---------------|------------------------------|------------------|---------------|
| | 2019 | 2018 | Change (%) | 2019 | 2018 | Change (%) |
| GAAP revenue | \$ 29,584 | \$ 31,522 | -6% | \$ 57,786 | \$ 58,281 | -1% |
| Adjustments: | | | | | | |
| Denville revenue reported within discontinued operations | - | - | | - | 893 | |
| Deferred revenue valuation adjustments on acquisition | - | 77 | | 26 | 129 | |
| Non-GAAP adjusted revenue | <u>\$ 29,584</u> | <u>\$ 31,599</u> | -6% | <u>\$ 57,812</u> | <u>\$ 59,303</u> | -3% |
| Foreign exchange effect on Non-GAAP adjusted revenue | | | -2% | | | -2% |

Exhibit 5

HARVARD BIOSCIENCE, INC.
Reconciliation of GAAP Gross Profit to Non-GAAP Adjusted Gross Profit

(unaudited, in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------------|------------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| GAAP gross profit | \$ 15,955 | \$ 15,355 | \$ 32,109 | \$ 28,624 |
| Adjustments: | | | | |
| Denville Non-GAAP adjusted gross profit | - | - | - | 360 |
| Deferred revenue valuation charges on acquisition | - | 77 | 26 | 129 |
| Inventory valuation step-up charges on acquisition | - | 2,238 | - | 3,729 |
| Depreciation of fixed asset step-up on acquisition | - | - | 52 | - |
| Severance and restructuring charges | 84 | 7 | 85 | 20 |
| Stock-based compensation expense | 9 | 15 | 23 | 26 |
| Non-GAAP adjusted gross profit | <u>\$ 16,048</u> | <u>\$ 17,692</u> | <u>\$ 32,295</u> | <u>\$ 32,888</u> |
| GAAP gross profit percentage | <u>53.9%</u> | <u>48.7%</u> | <u>55.6%</u> | <u>49.1%</u> |
| Non-GAAP adjusted gross profit percentage | <u>54.2%</u> | <u>56.0%</u> | <u>55.9%</u> | <u>55.5%</u> |

Exhibit 6

HARVARD BIOSCIENCE, INC.
Reconciliation of GAAP Operating Income (Loss) to Non-GAAP Adjusted Operating Income
(unaudited, in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|----------|------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| GAAP operating income (loss) | \$ 228 | \$ (382) | \$ 108 | \$ (1,648) |
| Adjustments: | | | | |
| Amortization of intangible assets | 1,436 | 1,412 | 2,866 | 2,515 |
| Impairment of intangible assets | 941 | - | 941 | - |
| Denville Non-GAAP adjusted operating income | - | - | - | 17 |
| Deferred revenue valuation charges on acquisition | - | 77 | 26 | 129 |
| Inventory valuation step-up charges on acquisition | - | 2,238 | - | 3,729 |
| Severance and restructuring charges | 107 | 226 | 449 | 447 |
| Stock-based compensation expense | 615 | 734 | 1,202 | 1,596 |

| | | | | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Non-GAAP adjusted operating income | <u>\$ 3,327</u> | <u>\$ 4,305</u> | <u>\$ 5,592</u> | <u>\$ 6,785</u> |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|

Exhibit 7

HARVARD BIOSCIENCE, INC.
Reconciliation of GAAP Net Income (Loss) to Non-GAAP Adjusted Net Income
(unaudited, in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-----------------|------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| GAAP net loss | \$ (247) | \$ (1,464) | \$ (2,617) | \$ (5,528) |
| Adjustments: | | | | |
| Amortization of intangible assets | 1,436 | 1,412 | 2,866 | 2,515 |
| Impairment of intangible assets | 941 | - | 941 | - |
| Denville Non-GAAP adjustments included in discontinued operations (A) | - | (24) | - | (920) |
| Deferred revenue valuation charges on acquisition | - | 77 | 26 | 129 |
| Inventory valuation step-up charges on acquisition | - | 2,238 | - | 3,729 |
| Depreciation of fixed asset step-up on acquisition | 60 | - | 154 | - |
| Severance and restructuring charges | 107 | 226 | 449 | 447 |
| Acquisition, disposition and integration costs | - | 170 | - | 2,845 |
| Stock-based compensation expense | 615 | 734 | 1,202 | 1,596 |
| Income taxes (B) | (1,352) | (1,022) | (953) | (1,534) |
| Non-GAAP adjusted net income | <u>\$ 1,560</u> | <u>\$ 2,347</u> | <u>\$ 2,068</u> | <u>\$ 3,279</u> |

(A) For the three months ended June 30, 2018, the Non-GAAP adjustments reported in discontinued operations related to the sale of Denville included a \$24 gain on sale. For the six months ended June 30, 2018, the Non-GAAP adjustments reported in discontinued operations related to the sale of Denville included a \$1,251 gain on sale, \$47 in amortization of intangible assets, \$134 in disposition costs, and \$150 in stock-based compensation expense.

(B) Income taxes includes the tax effect of adjusting for the reconciling items using the calculated effective tax rate, including the post-2017 impact of tax reform, in the jurisdictions in which the reconciling items arise.

Exhibit 8

HARVARD BIOSCIENCE, INC.
Reconciliation of GAAP Diluted Loss Per Common Share to Non-GAAP Adjusted Diluted Earnings Per Common Share
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|------------------------------------|--------------------------------|-----------|------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| GAAP diluted loss per common share | \$ (0.01) | \$ (0.04) | \$ (0.07) | \$ (0.15) |

Adjustments:

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Amortization of intangible assets | 0.04 | 0.04 | 0.08 | 0.08 |
| Impairment of intangible assets | 0.03 | - | 0.03 | - |
| Denville Non-GAAP adjustments included in discontinued operations | - | - | - | (0.03) |
| Inventory valuation step-up charges on acquisition | - | 0.06 | - | 0.10 |
| Severance and restructuring charges | - | 0.01 | 0.01 | 0.01 |
| Acquisition, disposition and integration costs | - | - | - | 0.08 |
| Stock-based compensation expense | 0.02 | 0.03 | 0.03 | 0.04 |
| Income taxes (A) | (0.04) | (0.03) | (0.03) | (0.04) |
| Non-GAAP adjusted diluted earnings per common share | <u>\$ 0.04</u> | <u>\$ 0.07</u> | <u>\$ 0.05</u> | <u>\$ 0.09</u> |

(A) Income taxes includes the tax effect of adjusting for the reconciling items using the calculated effective tax rate for the consolidated entity and any changes to valuation allowances.

Exhibit 9

HARVARD BIOSCIENCE, INC.

Reconciliation of Guidance for 2019 GAAP Diluted Earnings per Common Share to Non-GAAP Adjusted Diluted Earnings per Common Share (unaudited)

| | |
|---|-----------------------|
| GAAP diluted earnings per common share (A) | \$ 0.00 - 0.02 |
| Adjustments: | |
| Amortization of intangible assets | 0.15 |
| Depreciation of fixed asset step-up on acquisition | 0.01 |
| Severance and restructuring charges | 0.01 |
| Stock-based compensation expense | 0.07 |
| Income taxes (B) | (0.05) |
| Non-GAAP adjusted diluted earnings per common share (A) | <u>\$ 0.19 - 0.21</u> |

(A) This guidance excludes, among other things, the impact of future acquisitions, acquisition costs, restructuring charges, or other one time charges.

(B) Income taxes includes the tax effect of adjusting for the reconciling items using the calculated effective tax rate, including the post-2017 impact of tax reform, in the jurisdictions in which the reconciling items arise and any changes to valuation allowances.