

CONMED Corporation Announces First Quarter 2002 Results

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- First Quarter Sales Up 7% to \$113.2 Million - - EPS Increases 35% to \$0.35

CONMED Corporation (Nasdaq: CNMD) today announced financial results for the quarter ended March 31, 2002.

Sales for the first quarter increased 7% to \$113.2 million from \$105.9 million in the comparable quarter last year. Net income was \$9.1 million, 51% above the \$6.0 million reported in last years first quarter. Earnings per diluted share grew 35% to \$0.35 from \$0.26 in the same quarter in 2001. On January 1, 2002, the Company adopted the provisions of FAS 142 relative to the cessation of goodwill amortization. This change caused net income to increase \$1.4 million and earnings per share to increase \$.05.

Arthroscopy sales increased 3% to \$41.3 million from \$40.2 million in the same period last year. Powered instrument sales declined 7% to \$28.4 million compared to \$30.6 million in the first quarter of 2001. Sales of powered surgical instruments have been stable since the second quarter of 2001 at approximately \$28 million per quarter. As previously announced, the Company introduced its PowerPro(TM) Battery Powered Instrument line of powered surgical instruments in February 2002, replacing its older versions of battery powered instruments. First shipments of the product line were made in March 2002. Accordingly, sales of Powered Surgical Instruments for the quarter were in line with expectations.

Electrosurgery revenues were \$16.8 million, a 12% increase from the \$15.0 million recorded in first quarter 2001. Endoscopy revenues grew significantly to \$9.4 million from \$2.5 million in the same period last year, reflecting a better than anticipated performance from the Imagyn product line acquired in July 2001. Sales of Patient Care Products were \$17.3 million compared to \$17.6 million in the first quarter 2001.

In the three months ended March 31, 2002, the Company reduced its balance sheet debt by \$10 million from operating cash flows. EBITDA amounted to \$25.8 million for the quarter.

Joseph J. Corasanti, President and Chief Operating Officer, commented, "I am very pleased with the strong performance of the electrosurgery products and the endoscopy products in the first quarter of 2002. Arthroscopy sales for the quarter were at record levels, exceeding first quarter 2001 amounts and showing sequential growth over an especially strong fourth quarter of 2001. In addition, I am encouraged by the feedback we have received from the medical community regarding our new PowerPro(TM) Battery Powered Instrument Line and expect it to fuel revenue growth in our Powered Surgical Instruments business going forward."

Mr. Corasanti continued, "Looking ahead, we continue to believe that new product launches and market growth in our existing product lines will produce total revenue growth of 8% in 2002 over 2001, including the full year effects of the Imagyn acquisition. We expect operating efficiencies to generate earnings per share growth of 35% to 40% over 2001, including the elimination of goodwill amortization which will add \$0.22 per share to our 2002 earnings. For the second quarter, we anticipate revenues to be in the range of \$108 to \$112 million with diluted earnings per share of \$0.32 to \$0.35."

CONMED is a medical technology company specializing in instruments, implants, and video equipment for arthroscopic sports medicine, and powered surgical instruments (drills and saws) for orthopedic, ENT, neuro-surgery, and other surgical specialties. The Company is also a leading developer, manufacturer and supplier of RF electrosurgery systems used routinely to cut and cauterize tissue in over ninety percent of all surgical procedures worldwide, endoscopy products such as trocars, clip appliers, scissors, and surgical staplers, and a full line of ECG electrodes for heart monitoring and other patient care products. Headquartered in Utica, Now York, the Company's 2,500 employees distribute its products worldwide from eight manufacturing locations.

This press release contains forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this

press release involve risks and uncertainties which could cause actual results, performance or trends, including the above mentioned anticipated revenues and earnings, to differ materially from those expressed in the forward-looking statements herein or in previous disclosures. The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this press release include, but are not limited to: (i) the failure of any one or more of the assumptions stated above, to prove to be correct; (ii) the risks relating to forward-looking statements discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001; (iii) cyclical purchasing patterns from customers, end-users and dealers; (iv) timely release of new products, and acceptance of such new products by the market; (v) the introduction of new products by competitors and other competitive responses; (vi) the possibility that any new acquisition or other transaction may require the Company to reconsider its financial assumptions and goals/targets; and or (vii) the Company's ability to devise and execute strategies to respond to market conditions.

CONMED CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 2001 and 2002
(In thousands except per share amounts)
(unaudited)

	2001	2002
Net sales	\$105,909	\$113,205
Cost of sales	49,674	54,104
Selling and administrative expense	34,829	34,468
Research and development expense	3,696	3,824
	88,199	92,396
Income from operations	17,710	20,809
Interest expense, net	8,331	6,628
Income before income taxes	9,379	14,181
Provision for income taxes	3,376	5,105
Net income	\$6,003	\$9,076
Per share data		
Net income		
Basic	\$.26	\$.36
Diluted	.26	.35
Weighted average common shares		
Basic	23,057	25,397
Diluted	23,307	25,969

CONMED CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	(unaudited)	
	December	March
	2001	2002
Current assets:		
Cash and cash equivalents	\$1,402	\$2,634
Accounts receivable, net	51,188	50,893
Inventories	107,390	109,951
Other current assets	4,569	4,803
Total current assets	164,549	168,281
Property, plant and equipment, net	91,026	92,028
Goodwill and other assets, net	446,033	446,641
Total assets	\$701,608	\$706,950

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt	\$73,429	\$73,914
Accrued interest	4,954	1,573
Other current liabilities	41,454	45,360
Total current liabilities	119,837	120,847
Long-term debt	262,500	252,077
Other long-term liabilities	35,637	38,815
Total liabilities	417,974	411,739
Shareholders' equity:		
Capital accounts	160,591	162,576
Retained earnings	128,240	137,316
Accumulated other comprehensive loss	(5,197)	(4,681)
Total equity	283,634	295,211
Total liabilities and shareholders' equity	\$701,608	\$706,950

OTHER FINANCIAL INFORMATION
(unaudited, in thousands)

	Three months ended	
	March	
	2001	2002
EBITDA	\$24,922	\$25,795
Depreciation	2,185	2,206
Amortization	5,027	2,780
Capital expenditures	3,867	3,208

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