

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): March 2, 2020

TransMedics Group, Inc.
(Exact Name of Registrant as Specified in Charter)

Massachusetts
(State or Other Jurisdiction of Incorporation)

001-38891
(Commission File Number)

83-2181531
(I.R.S. Employer Identification No.)

200 Minuteman Road
Andover, Massachusetts 01810
(Address of Principal Executive Offices, and Zip Code)

(978) 552-0900
Registrant's Telephone Number, Including Area Code

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 communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication 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, no par value per share	TMDX	The Nasdaq Stock Market LLC (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 March 2, 2020, TransMedics Group, Inc. (the “Company”) issued a press release announcing the Company’s financial results for the quarter and year ended December 28, 2019. A copy of this press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

The information in this Form 8-K (including 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 (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing by the Company, under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by TransMedics Group, Inc. on March 2, 2020

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.

TRANSMEDICS GROUP, INC.

Date: March 4, 2020

By: /s/ Stephen Gordon

Name: Stephen Gordon

Title: Chief Financial Officer, Treasurer and Secretary



TransMedics Reports Fourth Quarter and Full Year 2019 Financial Results

Andover, Mass. – March 2, 2020 – TransMedics Group, Inc. (“TransMedics”) (Nasdaq: TMDX), a medical technology company that is transforming organ transplant therapy for patients with end-stage lung, heart and liver failure, today reported financial results for the quarter and year ended December 28, 2019.

Recent Highlights

- Net revenue of \$6.1 million in the fourth quarter of 2019, representing 71% growth compared to the fourth quarter of 2018
- OCS Heart FDA Panel scheduled for April 16, 2020
- Initiated the OCS Heart DCD program enabling patients access to a broader pool of donor hearts

“2019 was a momentum building year for TransMedics in which we built a solid foundation for growth and made meaningful progress across our three OCS products,” said Waleed Hassanein, M.D., President and Chief Executive Officer. “Through 2020 and beyond, we look forward to building on this momentum to catalyze our growth with accelerated commercial traction and the continued advancement of our clinical programs.”

Fourth Quarter 2019 Financial Results

Net revenue for the fourth quarter of 2019 was \$6.1 million, a 71% increase compared to \$3.5 million in the fourth quarter of 2018. The increase in revenue was driven by OCS Lung adoption and ongoing OCS Heart EXPAND CAP and DCD Heart trials.

Gross margin for the fourth quarter of 2019 was 62% as compared to 42% in the fourth quarter of 2018. The continued improvement in gross margin was largely due to the increasing numbers of commercial sales and a higher percentage of domestic sales.

Operating expenses for the fourth quarter of 2019 were \$12.4 million compared to \$7.9 million in the fourth quarter of 2018. The increase in operating expenses was primarily driven by higher SG&A costs stemming from investments in our commercial team and costs associated with being a public company. In addition, costs associated with supporting clinical trials and product development drove R&D expenses as compared to the fourth quarter of 2018.

Net loss for the fourth quarter of 2019 was \$9.2 million compared to \$7.6 million in the fourth quarter of 2018.

Cash, cash equivalents and marketable securities were \$80.7 million as of December 28, 2019.

Full Year 2019 Financial Results

Net revenue for the full year 2019 was \$23.6 million, an 81% increase compared to \$13.0 million in full year 2018.

Gross margin for the full year 2019 was 59% as compared to 44% in full year 2018.

Operating expenses for the full year 2019 were \$43.5 million compared to \$26.0 million in full year 2018.

Net loss for the full year 2019 was \$33.5 million compared to \$23.8 million in full year 2018.

2020 Financial Outlook

TransMedics expects net revenue for the full-year 2020 to be in the range of \$40 million to \$43 million, which represents 69% to 82% growth compared to the company's prior year net revenue.

Webcast and Conference Call Details

The TransMedics management team will host a conference call beginning at 4:30 p.m. ET / 1:30 p.m. PT on Monday, March 2, 2020. Investors interested in listening to the conference call may do so by dialing (866) 221-1172 for domestic callers or (270) 215-9603 for international callers, followed by Conference ID: 9496143. A live and archived webcast of the event will be available on the "Investors" section of the TransMedics website at www.transmedics.com.

About TransMedics Group, Inc.

TransMedics is the world's leader in portable ex-vivo warm perfusion and assessment of donor organs for transplantation. Headquartered in Andover, Massachusetts, the company was founded to address the unmet need for more and better organs for transplantation and has developed technologies to preserve organ quality, assess organ viability prior to transplant, and potentially increase the utilization of donor organs for the treatment of end-stage heart, lung and liver failure.

Forward-Looking Statements

This press release contains forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, including statements about our results of operations, commercial opportunity and the rate of adoption and benefits of the OCS. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include those related to our anticipation that we will continue to incur losses in the future; our potential need to raise additional funding; our existing and any future indebtedness, including our ability to comply with affirmative and negative covenants under our credit agreement, and our ability to obtain additional financing on favorable terms or at all; the fluctuation of our financial results from quarter to quarter; our ability to use net operating losses and research and development credit carryforwards; our dependence on the success of the OCS; the rate and degree of market acceptance of the OCS; our ability to educate patients, surgeons, transplant centers and private payors of benefits offered by the OCS; our ability to improve the OCS platform; our dependence on a limited number of customers for a significant portion of our net revenue; the timing of and our ability to obtain and maintain regulatory approvals or clearances for our OCS products; our ability to adequately respond to FDA follow-up inquiries in a timely manner; the performance of our third-party suppliers and manufacturers; the timing or results of clinical trials for the OCS; our manufacturing, sales, marketing and clinical support capabilities and strategy; attacks against our information technology infrastructure; the economic, political and other risks associated with our foreign operations; our ability to attract and retain key personnel; our ability to protect, defend, maintain and enforce our intellectual property rights relating to the OCS and avoid allegations that our products infringe, misappropriate or otherwise violate the intellectual property rights of third parties; our expectations for the pricing of the OCS, as well as the reimbursement coverage for the OCS in the United States and internationally; regulatory developments in the United States, European Union and other jurisdictions; the extent and success of competing products that are or may become available; the impact of any product recalls or improper use of our products; our estimates regarding revenues, expenses and needs for additional financing; and the risks identified under the heading "Risk Factors" and elsewhere in the final prospectus dated May 1, 2019 related to our initial public offering, and in our quarterly report on Form 10-Q for the quarter ended September 28, 2019, which are available on the SEC's website at www.sec.gov. Additional information will be made available by our annual and quarterly reports and other filings that we make from time to time with the SEC. These forward-looking statements (except as otherwise noted) speak only as of the date of this presentation. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update any forward-looking

statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.

Investor Contact:

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TransMedics Group, Inc.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands except shares and per share information)
(unaudited)

	<u>Fiscal Three Months Ended</u>		<u>Fiscal Twelve Months Ended</u>	
	<u>December 28, 2019</u>	<u>December 29, 2018</u>	<u>December 28, 2019</u>	<u>December 29, 2018</u>
Net revenue	\$ 6,057	\$ 3,544	\$ 23,604	\$ 13,017
Cost of revenue	2,316	2,045	9,741	7,283
Gross profit	<u>3,741</u>	<u>1,499</u>	<u>13,863</u>	<u>5,734</u>
Gross Margin	62%	42%	59%	44%
Operating expenses:				
Research, development and clinical trials	6,262	3,486	19,870	13,656
Selling, general and administrative	6,173	4,374	23,596	12,315
Total operating expenses	<u>12,435</u>	<u>7,860</u>	<u>43,466</u>	<u>25,971</u>
Loss from operations	<u>(8,694)</u>	<u>(6,361)</u>	<u>(29,603)</u>	<u>(20,237)</u>
Other income (expense):				
Interest expense	(1,063)	(1,073)	(4,353)	(2,720)
Change in fair value of preferred stock warrant liability	—	(122)	(341)	(545)
Other income (expense), net	590	(61)	790	(213)
Total other expense, net	<u>(473)</u>	<u>(1,256)</u>	<u>(3,904)</u>	<u>(3,478)</u>
Loss before income taxes	<u>(9,167)</u>	<u>(7,617)</u>	<u>(33,507)</u>	<u>(23,715)</u>
Provision for income taxes	(10)	(18)	(40)	(41)
Net loss	<u>\$ (9,177)</u>	<u>\$ (7,635)</u>	<u>\$ (33,547)</u>	<u>\$ (23,756)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.43)</u>	<u>\$ (5.48)</u>	<u>\$ (2.36)</u>	<u>\$ (17.48)</u>
Weighted average common shares outstanding, basic and diluted	<u>21,170,330</u>	<u>1,393,950</u>	<u>14,204,787</u>	<u>1,358,694</u>

* Reconciliation of Gross to Net revenue for certain payments made to customers (in thousands)

	<u>Fiscal Three Months Ended</u>		<u>Fiscal Twelve Months Ended</u>	
	<u>December 28, 2019</u>	<u>December 29, 2018</u>	<u>December 28, 2019</u>	<u>December 29, 2018</u>
Gross revenue from sales to customers	\$ 6,463	\$ 3,881	\$ 25,844	\$ 14,657
Less: clinical trial payments reducing revenue	406	337	2,240	1,640
Total Net Revenue	<u>\$ 6,057</u>	<u>\$ 3,544</u>	<u>\$ 23,604</u>	<u>\$ 13,017</u>

TransMedics Group, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	<u>December 28, 2019</u>	<u>December 29, 2018</u>
Current assets:		
Cash and cash equivalents	\$ 20,092	\$ 20,241
Marketable securities	60,596	—
Accounts receivable	6,559	3,438
Inventory	11,216	9,277
Prepaid expenses and other current assets	1,538	1,838
Total current assets	100,001	34,794
Property and equipment, net	4,792	3,474
Deferred offering costs	—	3,383
Restricted cash and other long-term assets	506	506
Total Assets	\$ 105,299	\$ 42,157
Current liabilities:		
Accounts payable	\$ 7,247	\$ 4,720
Accrued expenses and other current liabilities	8,332	7,178
Deferred revenue	166	306
Current portion of deferred rent	370	349
Total current liabilities	16,115	12,553
Preferred stock warrant liability	—	898
Long-term debt, net of discount	34,146	33,670
Deferred rent, net of current portion	389	759
Total liabilities	50,650	47,880
Total Preferred Stock and Stockholder's Equity (Deficit)	54,649	(5,723)
Total Liabilities and Equity	\$ 105,299	\$ 42,157