
**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): August 24, 2016

HEICO Corporation

(Exact Name of Registrant as Specified in Charter)

Florida
(State or Other Jurisdiction of Incorporation)

1-4604
(Commission File Number)

65-0341002
(I.R.S. Employer Identification Number)

3000 Taft Street, Hollywood, Florida 33021
(Address of Principal Executive Offices) (Zip Code)

(954) 987-4000
(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))
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Item 2.02. Results of Operations and Financial Condition.

On August 24, 2016, the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated August 24, 2016

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.

HEICO Corporation

Date: August 24, 2016

By: /s/ Carlos L. Macau, Jr. _____

Carlos L. Macau, Jr.

Executive Vice President - Chief Financial Officer and Treasurer

HEICO Corporation Reports Record Net Sales, Operating Income and Net Income for the Third Quarter of Fiscal 2016; Full Year Fiscal 2016 Net Income Growth Estimates Raised

3rd Quarter Net Income up 22% on Net Sales and Operating Income Increases of 19%

HOLLYWOOD, Fla. and MIAMI, Aug. 24, 2016 (GLOBE NEWSWIRE) -- HEICO CORPORATION (NYSE:HEI.A) (NYSE:HEI) today reported that net income increased 22% to a record \$42.0 million, or 62 cents per diluted share, in the third quarter of fiscal 2016, up from \$34.4 million, or 51 cents per diluted share, in the third quarter of fiscal 2015. In the first nine months of fiscal 2016, net income increased 18% to a record \$111.9 million, or \$1.64 per diluted share, up from \$95.1 million, or \$1.40 per diluted share, in the first nine months of fiscal 2015.

Net sales increased 19% to a record \$356.1 million in the third quarter of fiscal 2016, up from \$300.4 million in the third quarter of fiscal 2015. In the first nine months of fiscal 2016, net sales increased 18% to a record \$1,013.0 million, up from \$860.0 million in the first nine months of fiscal 2015.

Operating income increased 19% to a record \$69.9 million in the third quarter of fiscal 2016, up from \$58.5 million in the third quarter of fiscal 2015. In the first nine months of fiscal 2016, operating income increased 18% to a record \$189.3 million, up from \$160.7 million in the first nine months of fiscal 2015.

The Company's consolidated operating margin was 19.6% and 19.5% in the third quarter of fiscal 2016 and 2015, respectively. The Company's consolidated operating margin was 18.7% in both the first nine months of fiscal 2016 and 2015.

Consolidated Results

Laurans A. Mendelson, HEICO's Chairman and CEO, commented on the Company's third quarter results stating, "Our record quarterly results in consolidated net sales, operating income and net income reflect the impact of our profitable fiscal 2016 and 2015 acquisitions, as well as organic growth within both the Flight Support Group and Electronic Technologies Group.

Cash flow provided by operating activities was very strong, increasing 42% to \$172.4 million in the first nine months of fiscal 2016, representing 154% of net income, as compared to \$121.3 million in the first nine months of fiscal 2015.

Our net debt to shareholders' equity ratio was 47.7% as of July 31, 2016, with net debt (total debt less cash and cash equivalents) of \$482.7 million principally incurred to fund acquisitions in fiscal 2016 and 2015. We have no significant debt maturities until fiscal 2019 and plan to utilize our financial flexibility to aggressively pursue high quality acquisition opportunities to accelerate growth and maximize shareholder returns.

As we look ahead to the remainder of fiscal 2016, we anticipate organic growth within our commercial aviation aftermarket replacement parts and specialty products product lines moderated by softer demand for certain component repair and overhaul parts and services. Further, we foresee modest full year organic growth within the Electronic Technologies Group based on current forecasted product demand. During the remainder of fiscal 2016, we plan to continue our focus on new product development, further market penetration, executing our acquisition strategies and maintaining our financial strength.

Based on our current economic visibility, we are increasing our estimated consolidated fiscal 2016 year-over-year growth in net income to 13% - 15%, up from our prior growth estimate of 12% - 14%. In addition, we continue to estimate consolidated fiscal 2016 year-over-year growth in net sales to approximate 15% - 17%, our consolidated operating margin to approximate 18.5% - 19.0%, depreciation and amortization expense of approximately \$62 million, capital expenditures to approximate \$32 million and cash flow from operations to approximate \$220 million."

Flight Support Group

Eric A. Mendelson, HEICO's Co-President and President of HEICO's Flight Support Group, commented on the Flight Support Group's third quarter results stating, "Our record quarterly results in net sales reflect strong growth contributions from our fiscal 2015 acquisitions and organic growth across all of the Flight Support Group's product lines.

The Flight Support Group's net sales increased 8% to a record \$222.6 million in the third quarter of fiscal 2016, up from \$206.6 million in the third quarter of fiscal 2015. The Flight Support Group's net sales increased 9% to a record \$647.4 million in the first nine months of fiscal 2016, up from \$591.4 million in the first nine months of fiscal 2015. The increase in the third quarter and first nine months of fiscal 2016 reflects net sales contributed by our fiscal 2015 acquisitions as well as organic growth of 4% and 3%, respectively. The organic growth in the third quarter and first nine months of fiscal 2016 is principally attributed to increased demand and new product offerings within our aftermarket replacement parts and specialty products product lines. The increase in the first nine months of fiscal 2016 was partially offset by lower organic net sales from our repair and overhaul parts and services product line, principally resulting from the mix of products repaired, which required less extensive repair and overhaul services, as well as softer demand from our South American market. The Flight Support Group experienced organic revenue growth of 5% and 6% in the third quarter and first nine months of fiscal 2016, excluding our repair and overhaul parts and services product line.

The Flight Support Group's operating income increased 7% to \$42.0 million in the third quarter of fiscal 2016, up from \$39.3 million in the third quarter of fiscal 2015. The Flight Support Group's operating margin was 18.9% and 19.0% in the third quarter

of fiscal 2016 and 2015, respectively. The Flight Support Group's operating income increased 10% to a record \$118.8 million in the first nine months of fiscal 2016, up from \$107.5 million in the first nine months of fiscal 2015. The Flight Support Group's operating margin was 18.3% and 18.2% in the first nine months of fiscal 2016 and 2015, respectively.

The increase in the Flight Support Group's operating income in the third quarter and first nine months of fiscal 2016 is mainly attributed to the previously mentioned net sales growth and a gross profit margin impact from favorable net sales volumes and product mix within our aftermarket replacement parts and specialty products product lines. These increases were partially offset by a less favorable product mix within our repair and overhaul parts and services product line, higher performance-based compensation expense and changes in the estimated fair value of accrued contingent consideration associated with a prior year acquisition. Additionally, the first nine months of fiscal 2016 reflects an increase in amortization expense of intangible assets.

With respect to the remainder of fiscal 2016, we continue to estimate the Flight Support Group's full year net sales growth to be between 8% - 10% and the full year Flight Support Group operating margin to approximate that of fiscal year 2015."

Electronic Technologies Group

Victor H. Mendelson, HEICO's Co-President and President of HEICO's Electronic Technologies Group, commented on the Electronic Technologies Group's third quarter results stating, "Our record quarterly results in net sales and operating income were driven principally by strong financial contributions from our fiscal 2016 and 2015 acquisitions and increased customer demand for certain products.

The Electronic Technologies Group's net sales increased 40% to a record \$136.2 million in the third quarter of fiscal 2016, up from \$97.2 million in the third quarter of fiscal 2015. The Electronic Technologies Group's net sales increased 34% to a record \$372.9 million in the first nine months of fiscal 2016, up from \$277.4 million in the first nine months of fiscal 2015. The increase in the third quarter and first nine months of fiscal 2016 reflects net sales contributed by our fiscal 2016 and 2015 acquisitions, as well as organic growth of 1% and 6%, respectively. The organic growth in the third quarter and first nine months of fiscal '16 resulted mainly from higher net sales of certain space and medical products, with organic growth in the third quarter of fiscal 2016 moderated by lower net sales of certain defense products.

The Electronic Technologies Group's operating income increased 38% to a record \$33.6 million in the third quarter of fiscal 2016, up from \$24.4 million in the third quarter of fiscal 2015. The Electronic Technologies Group's operating margin was 24.7% and 25.1% in the third quarter of fiscal 2016 and 2015, respectively. The Electronic Technologies Group's operating income increased 35% to a record \$89.3 million in the first nine months of fiscal 2016, up from \$66.0 million in the first nine months of fiscal 2015. The Electronic Technologies Group's operating margin was 23.9% and 23.8% in the first nine months of fiscal 2016 and 2015, respectively. The increase in the Electronic Technologies Group's operating income in the third quarter and first nine months of fiscal 2016 is mainly attributed to the previously mentioned net sales growth, partially offset by an increase in amortization expense of intangible assets and higher performance-based compensation expense.

With respect to the remainder of fiscal 2016, we continue to estimate the Electronic Technologies Group's full year net sales growth to be between 29% - 32% and our full year operating margin to approximate 24%."

(NOTE: HEICO has two classes of common stock traded on the NYSE. Both classes, the Class A Common Stock (HEIA) and the Common Stock (HEI), are virtually identical in all economic respects. The only difference between the share classes is the voting rights. The Class A Common Stock (HEIA) has 1/10 vote per share and the Common Stock (HEI) has one vote per share.)

There are currently approximately 40.3 million shares of HEICO's Class A Common Stock (HEIA) outstanding and 27.0 million shares of HEICO's Common Stock (HEI) outstanding. The stock symbols for HEICO's two classes of common stock on most websites are HEIA and HEI. However, some websites change HEICO's Class A Common Stock trading symbol (HEIA) to HEI/A or HEIa.

As previously announced, HEICO will hold a conference call on Thursday, August 25, 2016 at 9:00 a.m. Eastern Daylight Time to discuss its third quarter results. Individuals wishing to participate in the conference call should dial: U.S. and Canada (877) 586-4323, International (706) 679-0934, wait for the conference operator and provide the operator with the Conference ID 60346184. A digital replay will be available two hours after the completion of the conference for 14 days. To access, dial: (404) 537-3406, and enter the Conference ID 60346184.

HEICO Corporation is engaged primarily in the design, production, servicing and distribution of products and services to certain niche segments of the aviation, defense, space, medical, telecommunications and electronics industries through its Hollywood, Florida-based Flight Support Group and its Miami, Florida-based Electronic Technologies Group. HEICO's customers include a majority of the world's airlines and overhaul shops, as well as numerous defense and space contractors and military agencies worldwide, in addition to medical, telecommunications and electronics equipment manufacturers. For more information about HEICO, please visit our website at <http://www.heico.com>.

Certain statements in this press release constitute forward-looking statements, which are subject to risks, uncertainties and contingencies. HEICO's actual results may differ materially from those expressed in or implied by those forward-looking statements as a result of factors including: lower demand for commercial air travel or airline fleet changes or airline purchasing decisions, which could cause lower demand for our goods and services; product specification costs and requirements, which could cause an increase to our costs to complete contracts; governmental and regulatory demands, export policies and restrictions,

reductions in defense, space or homeland security spending by U.S. and/or foreign customers or competition from existing and new competitors, which could reduce our sales; our ability to introduce new products and services at profitable pricing levels, which could reduce our sales or sales growth; product development or manufacturing difficulties, which could increase our product development costs and delay sales; our ability to make acquisitions and achieve operating synergies from acquired businesses; customer credit risk; interest, foreign currency exchange and income tax rates; economic conditions within and outside of the aviation, defense, space, medical, telecommunications and electronics industries, which could negatively impact our costs and revenues; and defense budget cuts, which could reduce our defense-related revenue. Parties receiving this material are encouraged to review all of HEICO's filings with the Securities and Exchange Commission, including, but not limited to filings on Form 10-K, Form 10-Q and Form 8-K. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

HEICO CORPORATION

Condensed Consolidated Statements of Operations (Unaudited)

(in thousands, except per share data)

| | Three Months Ended July 31, | |
|---|------------------------------------|------------------|
| | 2016 | 2015 |
| Net sales | \$ 356,084 | \$ 300,370 |
| Cost of sales | 222,501 | 192,278 |
| Selling, general and administrative expenses | 63,729 | 49,582 |
| Operating income | 69,854 | 58,510 |
| Interest expense | (2,294) | (1,088) |
| Other income (expense) | 16 | (184) |
| Income before income taxes and noncontrolling interests | 67,576 | 57,238 |
| Income tax expense | 20,600 | 18,300 |
| Net income from consolidated operations | 46,976 | 38,938 |
| Less: Net income attributable to noncontrolling interests | 4,974 | 4,569 |
| Net income attributable to HEICO | <u>\$ 42,002</u> | <u>\$ 34,369</u> |

Net income per share attributable to HEICO shareholders:

| | | |
|---------|--------|--------|
| Basic | \$.63 | \$.51 |
| Diluted | \$.62 | \$.51 |

Weighted average number of common shares outstanding:

| | | |
|---------|--------|--------|
| Basic | 67,126 | 66,813 |
| Diluted | 68,278 | 67,901 |

| | Three Months Ended July 31, | |
|--------------------------------|------------------------------------|-------------------|
| | 2016 | 2015 |
| Operating segment information: | | |
| Net sales: | | |
| Flight Support Group | \$ 222,553 | \$ 206,599 |
| Electronic Technologies Group | 136,215 | 97,223 |
| Intersegment sales | (2,684) | (3,452) |
| | <u>\$ 356,084</u> | <u>\$ 300,370</u> |
| Operating income: | | |
| Flight Support Group | \$ 41,969 | \$ 39,250 |
| Electronic Technologies Group | 33,609 | 24,372 |
| Other, primarily corporate | (5,724) | (5,112) |
| | <u>\$ 69,854</u> | <u>\$ 58,510</u> |

HEICO CORPORATION

Condensed Consolidated Statements of Operations (Unaudited)

(in thousands, except per share data)

Nine Months Ended July 31,

| | 2016 | 2015 |
|---|-----------------------|------------------|
| Net sales | \$ 1,012,959 | \$ 859,976 |
| Cost of sales | 633,151 | 552,593 |
| Selling, general and administrative expenses | 190,539 | 146,679 |
| Operating income | 189,269 (a) | 160,704 |
| Interest expense | (6,194) | (3,346) |
| Other income | 154 | 375 |
| Income before income taxes and noncontrolling interests | 183,229 | 157,733 |
| Income tax expense | 56,600 | 48,200 |
| Net income from consolidated operations | 126,629 | 109,533 |
| Less: Net income attributable to noncontrolling interests | 14,699 | 14,419 |
| Net income attributable to HEICO | <u>\$ 111,930 (a)</u> | <u>\$ 95,114</u> |

Net income per share attributable to HEICO shareholders:

| | | |
|---------|-------------|---------|
| Basic | \$ 1.67 (a) | \$ 1.43 |
| Diluted | \$ 1.64 (a) | \$ 1.40 |

Weighted average number of common shares outstanding:

| | | |
|---------|--------|--------|
| Basic | 66,975 | 66,706 |
| Diluted | 68,082 | 67,790 |

| | Nine Months Ended July 31, | |
|--------------------------------|-----------------------------------|-------------------|
| | 2016 | 2015 |
| Operating segment information: | | |
| Net sales: | | |
| Flight Support Group | \$ 647,419 | \$ 591,431 |
| Electronic Technologies Group | 372,933 | 277,439 |
| Intersegment sales | (7,393) | (8,894) |
| | <u>\$ 1,012,959</u> | <u>\$ 859,976</u> |
| Operating income: | | |
| Flight Support Group | \$ 118,757 | \$ 107,498 |
| Electronic Technologies Group | 89,280 | 65,996 |
| Other, primarily corporate | (18,768) | (12,790) |
| | <u>\$ 189,269</u> | <u>\$ 160,704</u> |

HEICO CORPORATION

Footnotes to Condensed Consolidated Statements of Operations (Unaudited)

(a) During the first nine months of fiscal 2016, the Company incurred \$3.1 million of acquisition costs in connection with a fiscal 2016 acquisition. These are one-time nonrecurring costs. These expenses, net of tax, decreased net income attributable to HEICO by \$2.0 million, or \$.03 per basic and diluted share.

HEICO CORPORATION

Condensed Consolidated Balance Sheets (Unaudited)

(in thousands)

| | July 31, 2016 | October 31, 2015 |
|---|----------------------|-------------------------|
| Cash and cash equivalents | \$ 27,191 | \$ 33,603 |
| Accounts receivable, net | 189,617 | 181,593 |
| Inventories, net | 286,679 | 243,517 |
| Prepaid expenses and other current assets | 50,181 | 44,899 |
| Total current assets | 553,668 | 503,612 |
| Property, plant and equipment, net | 118,935 | 105,670 |
| Goodwill | 865,533 | 766,639 |
| Intangible assets, net | 376,828 | 272,593 |
| Other assets | 102,356 | 87,873 |
| Total assets | <u>\$ 2,017,320</u> | <u>\$ 1,736,387</u> |

| | | |
|---|---------------------|---------------------|
| Current maturities of long-term debt | \$ 335 | \$ 357 |
| Other current liabilities | 185,922 | 168,030 |
| Total current liabilities | 186,257 | 168,387 |
| Long-term debt, net of current maturities | 509,570 | 367,241 |
| Deferred income taxes | 107,687 | 110,588 |
| Other long-term liabilities | 113,630 | 105,618 |
| Total liabilities | 917,144 | 751,834 |
| Redeemable noncontrolling interests | 87,906 | 91,282 |
| Shareholders' equity | 1,012,270 | 893,271 |
| Total liabilities and equity | <u>\$ 2,017,320</u> | <u>\$ 1,736,387</u> |

HEICO CORPORATION

Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

| | Nine Months Ended July 31, | |
|---|-----------------------------------|------------------|
| | 2016 | 2015 |
| Operating Activities: | | |
| Net income from consolidated operations | \$ 126,629 | \$ 109,533 |
| Depreciation and amortization | 44,603 | 35,066 |
| Employer contributions to HEICO Savings and Investment Plan | 5,219 | 4,482 |
| Share-based compensation expense | 4,905 | 4,394 |
| Increase (decrease) in accrued contingent consideration | 2,635 | (412) |
| Foreign currency transaction adjustments, net | 876 | (3,981) |
| Deferred income tax benefit | (6,053) | (4,909) |
| Tax benefit from stock option exercises | 867 | 1,404 |
| Excess tax benefit from stock option exercises | (880) | (1,404) |
| (Increase) decrease in accounts receivable | (2,974) | 4,482 |
| Increase in inventories | (13,914) | (10,653) |
| Increase (decrease) in current liabilities | 14,776 | (14,948) |
| Other | (4,273) | (1,765) |
| Net cash provided by operating activities | <u>172,416</u> | <u>121,289</u> |
| Investing Activities: | | |
| Acquisitions, net of cash acquired | (263,811) | (56,198) |
| Capital expenditures | (23,113) | (13,767) |
| Other | (3,005) | 171 |
| Net cash used in investing activities | <u>(289,929)</u> | <u>(69,794)</u> |
| Financing Activities: | | |
| Borrowings (payments) on revolving credit facility, net | 142,000 | (26,304) |
| Distributions to noncontrolling interests | (16,156) | (7,414) |
| Cash dividends paid | (10,724) | (9,343) |
| Payment of contingent consideration | (6,960) | — |
| Acquisitions of noncontrolling interests | (3,599) | — |
| Proceeds from stock option exercises | 4,831 | 3,258 |
| Excess tax benefit from stock option exercises | 880 | 1,404 |
| Other | (272) | (295) |
| Net cash provided by (used in) financing activities | <u>110,000</u> | <u>(38,694)</u> |
| Effect of exchange rate changes on cash | <u>1,101</u> | <u>(1,333)</u> |
| Net (decrease) increase in cash and cash equivalents | (6,412) | 11,468 |
| Cash and cash equivalents at beginning of year | 33,603 | 20,229 |
| Cash and cash equivalents at end of period | <u>\$ 27,191</u> | <u>\$ 31,697</u> |

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