

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

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### FILER

#### SHARPS COMPLIANCE CORP

CIK: **898770** | IRS No.: **742657168** | State of Incorporation: **DE** | Fiscal Year End: **0630**  
Type: **8-K** | Act: **34** | File No.: **000-22390** | Film No.: **05788826**  
SIC: **3842** Orthopedic, prosthetic & surgical appliances & supplies

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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): May 2, 2005 (May 2, 2005)

Sharps Compliance Corp.  
(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	000-22390 (Commission File Number)	74-2657168 (IRS Employer Identification No.)
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9350 Kirby Drive, Suite 300, Houston, Texas (Address of Principal Executive Offices)	77054 (Zip Code)
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Registrant's telephone number, including area code: (713) 432-0300

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Item 2.02. Disclosure of Results of Operations and Financial Condition

On May 2, 2005, the Company announced its results of operations for the three months and nine months ended March 31, 2005. A copy of the earnings release is attached as Exhibit 99.1.

The information in this Current Report is being furnished pursuant to Item 12 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Act of 1934, as amended, and Section 11 of the Securities Act of 1933, as amended, or otherwise subject to the liabilities of those sections. This Current Report will not be deemed an admission by the Company as to the materiality of any information in this report that is not required to be disclosed solely by Item 12. The Company does not undertake a duty to update the information in this Current Report and cautions that the information included in this Current Report is current only as of May 2, 2005 and may change thereafter.

Item 9.01. Financial Information, Pro Forma Financial Information and Exhibits

(a) Financial Information

Not applicable.

(b) Pro Forma Financial Information

Not applicable.

(c) Exhibits

Exhibit	Description
99.1	Press Release, dated May 2, 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this current report to be signed on its behalf by the undersigned hereunto duly authorized.

SHARPS COMPLIANCE CORP.

Date: May 2, 2005

By: /s/ DAVID P. TUSA

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Name: David P. Tusa

Title: Senior Vice President and  
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit  
Number

Description

99.1

Press Release, dated May 2, 2005.

## Sharps Compliance Corp. Announces Results for the Third Quarter Ended March 31, 2005

HOUSTON--(BUSINESS WIRE)--May 2, 2005--Sharps Compliance Corp. and subsidiaries (OTCBB:SCOM) ("Sharps" or the "Company"), leading providers of cost-effective medical waste disposal solutions for industry and consumers, today announced its operating results for the third quarter of fiscal year 2005.

For the three-months ended March 31, 2005, the Company reported revenues of \$2.2 million versus revenues for the corresponding quarter of the prior fiscal year of \$2.1 million, an increase of 7%. For the nine-months ended March 31, 2005, the Company generated revenues of \$6.9 million versus revenues for the prior year corresponding quarter of \$6.1 million, a 12% increase.

The Company generated gross margins of 37% and 40% for the three and nine months ended March 31, 2005, respectively. The Company's S, G & A expenses increased by 5% for the nine months ended March 31, 2005 when compared to the corresponding period of the prior year.

The Company reported a net loss of \$0.1 million, or \$0.01 per share, for each of the quarters ended March 31, 2005 and 2004. For the nine months ended March 31, 2005, the company generated break-even results versus a net loss of \$0.2 million, or \$0.02 per share, for the prior year corresponding nine-month period.

In December 2004, the U.S. Environmental Protection Agency ("EPA") issued its new guidelines for the proper disposal of medical sharps (see [www.epa.gov/epaoswer/other/medical/sharps.htm](http://www.epa.gov/epaoswer/other/medical/sharps.htm)). Among the recommended methods of disposal are mail-back programs such as the Company's.

Commenting on the third quarter, Dr. Burton J. Kunik, Chairman, Chief Executive Officer and President of Sharps Compliance Corp. stated, "The opportunities for growth have been significantly enhanced as a result of the recent change in the EPA guidelines regarding proper disposal of medical sharps and the increased public awareness of the issue. In addition to our traditional healthcare, hospitality and professional markets, we are seeing additional opportunities in the pharmaceutical, commercial and residential markets. We are focused on closing sales in these additional markets."

The Company recently launched a new website. You are invited to visit the Company at [www.sharpsinc.com](http://www.sharpsinc.com).

Headquartered in Houston, Texas, Sharps is a leading developer of superior solutions for improving safety, efficiency and costs related to the proper disposal of medical waste by industry and consumers. Sharps primary markets include healthcare, agriculture, hospitality, professional, industrial, commercial and retail. The Company's products and services represent cutting edge solutions for a variety of industries dealing with the complexity of managing regulatory compliance, environmental sensitivity, employee and customer safety,

corporate risk and operating costs related to medical waste disposal. Sharps is a leading proponent and participant in the development of public awareness and solutions for the safe disposal of needles, syringes and other sharps in the community setting.

Sharps Compliance Corp. is the exclusive supplier of Sharps Disposal by Mail systems to the Consumer Health Care division of Becton, Dickinson and Company. The Company also maintains an exclusive sales and marketing arrangement with Waste Management, Inc. whereby Sharps provides safe disposal systems and related services for Waste Management's residential and commercial customers.

The Company also has a mutually exclusive joint marketing agreement with McKesson Health Solutions ("McKesson"), a subsidiary of McKesson Corporation, to co-market and sell the Sharps Disposal by Mail System(TM) products and services to pharmaceutical manufacturers and biotechnology companies. McKesson is a leader in the design, implementation and management of marketing programs, specialty pharmaceutical services and patient support centers that help pharmaceutical and biotechnology manufacturers successfully commercialize their products.

Sharps Compliance Corp.'s common stock trades on the OTC Bulletin Board under the symbol SCOM.

The information made available in this press release contains certain forward-looking statements which reflect Sharps Compliance Corp.'s current view of future events and financial performance. Wherever used, the words "estimate," "expect," "plan," "anticipate," "believe," "may" and similar expressions identify forward-looking statements. Any such forward-looking statements are subject to risks and uncertainties and the company's future results of operations could differ materially from historical results or current expectations. Some of these risks include, without limitation, the company's ability to educate its customers, development of public awareness programs to educate the identified consumer, managing regulatory compliance and/or other factors that may be described in the company's annual report on Form 10-K and/or other filings with the Securities and Exchange Commission. Future economic and industry trends that could potentially impact revenues and profitability are difficult to predict. The company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results express or implied therein will not be realized.

(Financial Highlights Follow)

SHARPS COMPLIANCE CORP. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended		Nine Months Ended	
March 31,		March 31,	
-----		-----	
2005	2004	2005	2004

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUES	\$2,232,645	\$2,079,946	\$6,881,074	\$6,151,378
COSTS AND EXPENSES:				
Cost of revenues	1,398,140	1,234,515	4,116,631	3,703,825
Selling, general and administrative	892,496	864,047	2,621,418	2,498,772
Depreciation and amortization	37,798	40,253	121,054	118,501
Operating income (loss)	(95,789)	(58,869)	21,971	(169,720)
INTEREST EXPENSE	(5,123)	(10,296)	(18,411)	(38,383)
Net Income (loss) before Income Taxes	(\$100,912)	(\$69,165)	(\$9,465)	(\$208,103)
Income Taxes	4,693	-	-	-
Net Income (Loss)	(\$96,219)	(\$69,165)	3,560	(\$208,103)
NET LOSS PER SHARE				
Basic	(\$0.01)	(\$0.01)	-	(\$0.02)
Diluted	(\$0.01)	(\$0.01)	-	(\$0.02)
SHARES USED IN COMPUTING NET INCOME (LOSS) PER SHARE				
Basic	10,538,144	10,538,256	10,538,144	10,345,074
Diluted	10,538,144	10,538,256	10,980,340	10,345,074

SHARPS COMPLIANCE CORP. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2005	June 30, 2004
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$255,302	\$242,803
Restricted cash	10,010	14,678

Accounts receivable, net	776,915	981,408
Inventory	426,388	393,238
Prepaid and other assets	87,669	138,798
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Total current assets	1,556,284	1,770,925
Property and equipment, net	447,972	539,800
Intangible assets, net	9,592	10,051
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Total assets	\$2,013,848	\$2,320,776
	=====	=====
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$480,200	\$592,943
Accrued liabilities	245,456	338,153
Deferred revenue - pump return	59,980	110,702
Current portion of deferred revenue - incineration	96,247	108,299
Current portion of deferred revenue - transportation	696,870	553,938
Notes payable and current portion of long-term debt	-	185,932
Current maturities of capital lease obligations	46,324	37,513
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Total current liabilities	1,625,077	1,927,480
Long-term deferred revenue - incineration, net of current portion	22,180	30,408
Long-term deferred revenue - transportation, net of current portion	203,630	179,506
Long-term debt, net of current portion	-	10,826
Obligations under capital leases, net of current maturities	55,043	84,446
Other	61,750	45,500
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Total liabilities	1,967,680	2,278,166
Stockholders' equity:		
Total stockholders' equity	46,168	42,610
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Total liabilities and stockholders' equity	\$2,013,848	\$2,320,776
	=====	=====

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