

SHARPS COMPLIANCE CORP
Form 10-Q
May 03, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____ .

Commission File Number: 001-34269

SHARPS COMPLIANCE CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

74-2657168

(I.R.S. Employer Identification No.)

9220 Kirby Drive, Suite 500, Houston, Texas 77054

(Address of principal executive offices) (Zip Code)

(713) 432-0300

(Registrant's telephone number, including area code)

Indicate by check mark if the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of

the Securities Exchange Act of 1934.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer
(Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act).
Yes No

As of May 2, 2016, there were 15,444,843 outstanding shares of the Registrant's common stock, par value \$0.01 per share.

SHARPS COMPLIANCE CORP. AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SHARPS COMPLIANCE CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share and par value)

	March 31, 2016	June 30, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,446	\$ 15,157
Accounts receivable, net of allowance for doubtful accounts of \$58 and \$34, respectively	3,976	6,647
Inventory	4,137	2,738
Prepaid and other current assets	812	733
TOTAL CURRENT ASSETS	22,371	25,275
PROPERTY, PLANT AND EQUIPMENT, net	4,532	3,810
GOODWILL	1,039	-
INTANGIBLE ASSETS, net of accumulated amortization of \$467 and \$385, respectively	1,164	666
TOTAL ASSETS	\$ 29,106	\$ 29,751
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,508	\$ 1,770
Accrued liabilities	1,238	1,917
Deferred revenue	2,173	1,877
TOTAL CURRENT LIABILITIES	4,919	5,564
LONG-TERM DEFERRED REVENUE, net of current portion	495	483
OTHER LONG-TERM LIABILITIES	235	118
TOTAL LIABILITIES	5,649	6,165
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, \$0.01 par value per share; 20,000,000 shares authorized; 15,740,458 and 15,575,041 shares issued, respectively and 15,444,843 and 15,383,791 shares outstanding, respectively	158	156
Treasury stock, at cost, 295,615 and 191,250 shares repurchased, respectively	(1,554)	(809)
Additional paid-in capital	25,165	24,344
Accumulated deficit	(312)	(105)
TOTAL STOCKHOLDERS' EQUITY	23,457	23,586

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 29,106	\$29,751
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per-share data)

	Three-Months Ended March 31,	
	2016	2015
REVENUE	\$6,652	\$6,171
Cost of revenue	4,959	4,511
GROSS PROFIT	1,693	1,660
Selling, general and administrative	2,709	2,411
Depreciation and amortization	88	57
OPERATING LOSS	(1,104)	(808)
INTEREST INCOME	8	9
LOSS BEFORE INCOME TAXES	(1,096)	(799)
INCOME TAX (BENEFIT) EXPENSE - Current	(54)	13
TOTAL INCOME TAX (BENEFIT) EXPENSE	(54)	13
NET LOSS	\$(1,042)	\$(812)
NET LOSS PER COMMON SHARE		
Basic	\$(0.07)	\$(0.05)
Diluted	\$(0.07)	\$(0.05)
WEIGHTED AVERAGE SHARES USED IN COMPUTING NET LOSS PER COMMON SHARE:		
Basic		