

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) **October 23, 2018**

REPRO MED SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

0-12305
(Commission
File Number)

13-3044880
(IRS Employer
Identification No.)

24 Carpenter Road, Chester, New York
(Address of principal executive offices)

10918
(Zip Code)

Registrant's telephone number, including area code **(845) 469-2042**

not applicable
(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 (see General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 October 23, 2018, Rebro Med Systems, Inc. dba RMS Medical Products (“RMS”) issued a press release announcing its operating and financial results for the quarter ended September 30, 2018 and a related conference call to be held on October 24, 2018 at 9:00 AM ET.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | <u>Press release dated October 23, 2018</u> |

SIGNATURES

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.

REPRO MED SYSTEMS, INC.
(Registrant)

Date: October 23, 2018

By: /s/ Daniel S. Goldberger
Daniel S. Goldberger
Interim President and Chief Executive Officer



RMS Medical Products Announces Second Straight Record Quarterly Net Sales and Net Income

- Net Sales for the quarter ended September 30, 2018 increased 18.1% over the same period last year
- Gross Profit increased 21.6% over third quarter 2017 to \$2.9 million, or 63.6% of Net Sales
- Net Income increased 45% over third quarter 2017 to \$386,553, or 8.5% of Net Sales
- Conference call to discuss results October 24, 2018 at 9:00am EST

CHESTER, NY / October 23, 2018, Rebro Med Systems, Inc. dba RMS Medical Products (OTCQX: REPR) today announced financial results for the third quarter ended September 30, 2018.

Net sales grew to \$4.5 million, an 18.1% increase over the third quarter of 2017. The increase in net sales was driven by market expansion and gains in needle sets, tubing and pump sales.

Gross Profit grew to \$2.9 million, or 63.6% of net sales, a 21.6% increase over third quarter 2017 Gross Profit of \$2.4 million, or 61.8% of net sales. The increase in Gross Profit was mostly driven by the increase in net sales and operating efficiencies.

Selling, General and Administrative expenses and Research and Development costs for the third quarter of 2018 totaled \$2.3 million, or 51.3% of net sales, compared to \$1.9 million, or 49.6% of net sales during the third quarter of 2017. The increase was driven by higher legal fees related to the previously disclosed litigation with EMED and matters now under the purview of the Special Committee of the Board, and higher Research and Development and Regulatory expenditures as we invest in product development efforts. These increases were partially offset by lower salary and related benefit expenses, however, we are actively seeking to add talent to our Product Development and Commercial teams and these expenses may increase in the future.

Net income for the period increased to \$386,553, or 8.5% of net sales, an increase of 45% compared with \$265,754, or 6.9% of net sales, reported during the third quarter of 2017. Higher net sales, improved gross margin and the impact of the new lower income tax rate were contributors to the increase in net income.

“The third quarter saw continued momentum from the positive trends in home use of Subcutaneous Immunoglobulin Therapy driving the growth of RMS Medical Products,” stated Dan Goldberger, Chairman and interim CEO. “We are thrilled to have Don Pettigrew, an experienced infusion industry executive, as our new President and Chief Commercial Officer. Don is leading our strategic planning efforts as well as overseeing all sales and marketing activities at the company, and has hit the ground running. Our focus remains on our mission to improve the quality of life of patients around the world through the design, development and delivery of the highest quality innovative therapeutic solutions. Patient safety, product efficacy, customer service, and shareholder value continue to be our highest priorities.”

Mr. Goldberger continued, “The addition of Don Pettigrew and our increased investments to support R&D and clinical trial activity should lay the foundation for long term success. We are starting to see leverage in our income statement from expanding gross margins and control of operating expenses. Our balance sheet shows substantial cash resources and zero debt. All of this bodes well for future, profitable growth.”

Conference Call

An accompanying conference call will be led by Dan Goldberger, Chairman and interim Chief Executive Officer, Karen Fisher, Chief Financial Officer and Don Pettigrew, President and Chief Commercial Officer. The call will be held at 9:00AM ET, on Wednesday, October 24, 2018. Please refer to the information below for conference call dial-in information and webcast registration.

Conference date: October 24, 2018, 9:00 AM ET

Conference dial-in: 877-269-7756

International dial-in: 201-689-7817

Conference Call Name: RMS Medical Products (OTCQX: REPR) Third Quarter 2018 Results Call

Webcast Registration: [Click Here](#)

Following the live call, a replay will be available on the Company's website, www.rmsmedicalproducts.com, under "Investor Relations" for six months.

About RMS Medical Products

The Company develops, manufactures and commercializes medical products used for home infusions and suctioning. The FREEDOM Syringe Infusion System currently includes the FREEDOM60[®] and FreedomEdge[®] Syringe Infusion Drivers, RMS Precision Flow Rate Tubing[™] and RMS HighFlo Subcutaneous Safety Needle Sets[™]. These devices are used for infusions administered in professional healthcare settings as well as at home. The Company's RESQVAC[®] line of medical suctioning products is used by emergency medical service providers in addition to a variety of other healthcare providers. For more information about RMS Medical Products, please visit www.rmsmedicalproducts.com.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believe", "should," "may" and "bodes well" to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission. The results of operations for the periods presented herein are not necessarily indicative of the results to be expected in the future.

Contact

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REPRO MED SYSTEMS, INC.
BALANCE SHEETS

| | <u>September 30, 2018</u> | <u>December 31, 2017</u> |
|---|-------------------------------|------------------------------|
| | <u>(Unaudited)</u> | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 3,649,332 | \$ 3,974,536 |
| Certificates of deposit | 1,671,004 | 263,269 |
| Accounts receivable less allowance for doubtful accounts of \$77,067 at September 30, 2018 and \$77,067 at December 31, 2017 | 1,510,630 | 1,861,949 |
| Inventory | 1,949,403 | 1,658,681 |
| Prepaid expenses | 348,085 | 170,739 |
| TOTAL CURRENT ASSETS | 9,128,454 | 7,929,174 |
| Property and equipment, net | 821,313 | 836,283 |
| Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and December 31, 2017, respectively | 595,754 | 483,821 |
| Other assets | 31,582 | 31,582 |
| TOTAL ASSETS | \$ 10,577,103 | \$ 9,280,860 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Deferred capital gain - current | \$ 9,383 | \$ 22,481 |
| Accounts payable | 591,919 | 454,398 |
| Accrued expenses | 627,237 | 658,060 |
| Accrued payroll and related taxes | 121,203 | 334,903 |
| Accrued tax liability | 55,002 | 115,854 |
| TOTAL CURRENT LIABILITIES | 1,404,744 | 1,585,696 |
| Deferred capital gain – long term | — | 3,762 |
| Deferred tax liability | 32,509 | 21,675 |
| TOTAL LIABILITIES | 1,437,253 | 1,611,133 |
| STOCKHOLDERS' EQUITY | | |
| Common stock, \$0.01 par value; 75,000,000 shares authorized, 40,932,445 and 40,731,529 shares issued, 38,195,214 and 37,994,298 shares outstanding at September 30, 2018 and December 31, 2017, respectively | 409,324 | 407,315 |
| Additional paid-in capital | 4,419,129 | 4,216,718 |
| Retained earnings | 4,655,601 | 3,389,898 |
| | 9,484,054 | 8,013,931 |
| Less: Treasury stock, 2,737,231 shares at September 30, 2018 and December 31, 2017 | (344,204) | (344,204) |
| TOTAL STOCKHOLDERS' EQUITY | 9,139,850 | 7,669,727 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 10,577,103 | \$ 9,280,860 |

REPRO MED SYSTEMS, INC.
STATEMENTS OF OPERATIONS (UNAUDITED)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|--|-------------------|---|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| NET SALES | \$ 4,547,187 | \$ 3,849,338 | \$ 13,082,737 | \$ 11,317,231 |
| Cost of goods sold | 1,655,619 | 1,470,680 | 4,985,761 | 4,539,320 |
| Gross Profit | <u>2,891,568</u> | <u>2,378,658</u> | <u>8,096,976</u> | <u>6,777,911</u> |
| OPERATING EXPENSES | | | | |
| Selling, general and administrative | 2,203,614 | 1,893,911 | 6,106,514 | 5,674,357 |
| Research and development | 126,923 | 14,852 | 160,735 | 85,598 |
| Depreciation and amortization | 78,345 | 77,517 | 228,900 | 229,178 |
| Total Operating Expenses | <u>2,408,882</u> | <u>1,986,280</u> | <u>6,496,149</u> | <u>5,989,133</u> |
| Net Operating Profit | <u>482,686</u> | <u>392,378</u> | <u>1,600,827</u> | <u>788,778</u> |
| Non-Operating (Expense)/Income | | | | |
| (Loss)/Gain on currency exchange | (5,842) | 10,419 | (16,256) | 62,164 |
| Gain on sale of fixed asset | 6,000 | — | 6,000 | — |
| Interest and other income | 6,972 | 361 | 13,088 | 2,427 |
| TOTAL OTHER (EXPENSE)/INCOME | <u>7,130</u> | <u>10,780</u> | <u>2,832</u> | <u>64,591</u> |
| PROFIT BEFORE TAXES | 489,816 | 403,158 | 1,603,659 | 853,369 |
| Income Tax Expense | <u>(103,263)</u> | <u>(137,404)</u> | <u>(337,956)</u> | <u>(312,192)</u> |
| NET INCOME | <u>\$ 386,553</u> | <u>\$ 265,754</u> | <u>\$ 1,265,703</u> | <u>\$ 541,177</u> |
| NET INCOME PER SHARE | | | | |
| Basic | <u>\$ 0.01</u> | <u>\$ 0.01</u> | <u>\$ 0.03</u> | <u>\$ 0.01</u> |
| Diluted | <u>\$ 0.01</u> | <u>\$ 0.01</u> | <u>\$ 0.03</u> | <u>\$ 0.01</u> |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | | |
| Basic | <u>38,194,682</u> | <u>37,898,357</u> | <u>38,104,393</u> | <u>37,833,133</u> |
| Diluted | <u>38,985,684</u> | <u>38,072,425</u> | <u>38,875,737</u> | <u>37,934,851</u> |

REPRO MED SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Nine Months Ended
September 30,

| | 2018 | 2017 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Income | \$ 1,265,703 | \$ 541,177 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Amortization of deferred compensation cost | — | 7,000 |
| Stock based compensation expense | 154,925 | 87,271 |
| Depreciation and amortization | 228,900 | 229,178 |
| Gain on sale of fixed asset | (6,000) | — |
| Deferred capital gain - building lease | (16,860) | (16,860) |
| Deferred taxes | 10,834 | 8,843 |
| Provision for returns and doubtful accounts | — | 58,339 |
| Changes in operating assets and liabilities: | | |
| Decrease/(Increase) in accounts receivable | 351,319 | (243,428) |
| Increase in inventory | (290,722) | (225,177) |
| (Increase)/Decrease in prepaid expense and other assets | (177,346) | 37,753 |
| Increase/(Decrease) in accounts payable | 137,521 | (409,171) |
| Decrease in accrued payroll and related taxes | (213,700) | (17,253) |
| (Decrease)/Increase in accrued expense | (30,823) | 136,045 |
| (Decrease)/Increase in accrued tax liability | (60,852) | 303,349 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,352,899 | 497,066 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for capital expenditures | (188,006) | (160,946) |
| Purchase of certificate of deposit | (1,500,000) | — |
| Proceeds on sale of fixed assets | 6,000 | — |
| Payments for patents | (137,858) | (70,556) |
| Proceeds/(reinvested earnings) from certificates of deposit | 92,266 | (1,196) |
| NET CASH USED IN INVESTING ACTIVITIES | (1,727,598) | (232,698) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Stock issuances | 51,250 | — |
| Payment for cancelled shares | (1,755) | (19,360) |
| Purchase of treasury stock | — | (484) |
| NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES | 49,495 | (19,844) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (325,204) | 244,524 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 3,974,536 | 3,417,183 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | \$ 3,649,332 | \$ 3,661,707 |
| Supplemental Information | | |
| Cash paid during the periods for: | | |
| Interest | \$ — | \$ — |
| Taxes | \$ 378,000 | \$ — |
| NON-CASH FINANCING AND INVESTING ACTIVITIES | | |
| Issuance of common stock as compensation | \$ 103,333 | \$ 101,250 |