

Allied Healthcare Products Reports Loss On Sales Decline

Written by Australian Business

ST. LOUIS, Sept. 27, 2013 /PRNewswire/ -- Continuing weakness in domestic markets for hospital equipment and a decline in international sales caused a loss for Allied Healthcare Products (NASDAQ: [AHPI](#)) in its fourth quarter and for the full fiscal year 2013.

The net loss for the fourth quarter ending June 30 was about \$98,000, or a negative 1 cent per basic and diluted share, compared to a net loss of about \$156,000, or a negative 2 cents per share, for the prior year. Sales for the fourth quarter declined from about \$10.7 million to about \$10.1 million, or about 6 percent, from the previous year.

For the fiscal year, the net loss for Allied was about \$1.3 million, or a negative 16 cents per basic and diluted share, versus a net loss of about \$424,000, or a negative 5 cents per basic and diluted share, for the prior year. Sales for the fiscal year fell about 11 percent, from about \$43.4 million to about \$38.6 million.

International sales dipped in the year. The decrease in international sales was concentrated in Venezuela. The Company believes this decrease in sales to Venezuela was a result of the

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change in the political leadership of that country.

A bright spot in sales came from Allied's new carbon dioxide absorbent Litholyme®, used in anesthesia procedures. Absorbent sales, including Litholyme®, increased about 38 percent in the fiscal year, totaling \$2.4 million. "We will continue to add to the growing base of hospitals that we have converted to Litholyme® in future quarters, further increasing sales," said Earl Refsland, Allied president and chief executive officer.

In a one-time event, Allied booked about \$516,000 in income in January 2013 from the demutualization and sale of its product liability insurer.

In what will be a recurring expense, Allied paid a new excise tax on medical devices levied as part of the Affordable Care Act. The tax is 2.3 percent on certain devices and cost Allied \$150,000 during the six-months since the tax was implemented on January 1, 2013.

Allied Healthcare Products manufactures a variety of respiratory products used in the healthcare industry in a range of hospital and alternate care settings including sub-acute facilities, home healthcare and emergency medical care. Allied products lines include respiratory care products, medical gas equipment and emergency medical products. Allied products are marketed to hospitals, hospital equipment dealers, hospital construction contractors, home healthcare dealers and emergency medical product dealers.

"SAFE HARBOR" STATEMENT: Statements contained in this release that are not historical facts or information are "forward-looking statements." Words such as "believe," "expect," "intend," "will," "should," and other expressions that indicate future events and trends identify such forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause the outcome and future results of operations and financial condition to be materially different than stated or anticipated based on the forward-looking statements. Such risks and uncertainties include both general economic risks and uncertainties, risks and uncertainties affecting the demand for and economic factors affecting the delivery of health care services, and specific matters which relate directly to the Company's operations and properties as discussed in its periodic filings with the Securities and Exchange Commission.

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The Company cautions that any forward-looking statement contained in this report reflects only the belief of the Company or its management at the time the statement was made. Although the Company believes such forward-looking statements are based upon reasonable assumptions, such assumptions may ultimately prove inaccurate or incomplete. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement was made.

ALLIED HEALTHCARE PRODUCTS, INC.

STATEMENT OF OPERATIONS

(UNAUDITED)

Three months ended,

Twelve months ended,

June 30,

June 30,

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2013

2012

2013

2012

Net sales

\$10,132,892

\$10,666,797

\$38,551,774

\$43,445,621

Cost of sales

7,655,063

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8,171,756

30,309,484

33,484,512

Gross profit

2,477,829

2,495,041

8,242,290

9,961,109

Selling General and administrative expenses

2,600,191

2,727,227

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10,735,806

10,610,858

Loss from operations

(122,362)

(232,186)

(2,493,516)

(649,749)

Interest income

(2,458)

(5,384)

(12,006)

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(27,368)

Interest expense

-

-

-

336

Other, net

7,865

11,183

(484,699)

47,629

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5,407

5,799

(496,705)

20,597

Loss before provision for

benefit from income taxes

(127,769)

(237,985)

(1,996,811)

(670,346)

Benefit from income taxes

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(29,802)

(81,623)

(740,038)

(245,920)

Net loss

(\$97,967)

(\$156,362)

(\$1,256,773)

(\$424,426)

Net loss per share - Basic

(\$0.01)

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(\$0.02)

(\$0.16)

(\$0.05)

Net loss per share - Diluted

(\$0.01)

(\$0.02)

(\$0.16)

(\$0.05)

Weighted average common shares outstanding - Basic

8,027,147

8,124,386

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8,070,645

8,124,386

Weighted average common shares outstanding - Diluted

8,027,147

8,124,386

8,070,645

8,124,386

ALLIED HEALTHCARE PRODUCTS, INC.

BALANCE SHEET

(UNAUDITED)

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June 30, 2013

June 30, 2012

ASSETS

Current assets:

Cash and cash equivalents

\$ 3,687,919

\$ 5,284,543

Accounts receivable, net of allowances

of \$170,000

4,221,970

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4,973,593

Inventories, net

9,338,343

10,001,226

Income tax receivable

36,766

46,042

Other current assets

420,978

400,677

Total current assets

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17,705,976

20,706,081

Property, plant and equipment, net

9,722,344

9,603,556

Deferred income taxes

1,667,699

867,422

Other assets, net

242,712

300,010

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Total assets

\$ 29,338,731

\$ 31,477,069

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable

\$ 1,317,202

\$ 1,797,144

Other accrued liabilities

1,861,241

1,985,579

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Deferred income taxes

845,539

802,961

Deferred revenue

-

114,700

Total current liabilities

4,023,982

4,700,384

Commitments and contingencies

Stockholders' equity:

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Preferred stock; \$0.01 par value; 1,500,000 shares

-

-

authorized; no shares issued and outstanding

Series A preferred stock; \$0.01 par value; 200,000 shares

-

-

authorized; no shares issued and outstanding

Common stock; \$0.01 par value; 30,000,000 shares

authorized; 10,427,878 shares issued at June 30,

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2013 and June 30, 2012; 8,027,147 and 8,124,386 shares

outstanding at June 30, 2013 and June 30, 2012, respectively

104,279

104,279

Additional paid-in capital

48,584,999

48,540,802

Accumulated deficit

(2,393,741)

(1,136,968)

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Less treasury stock, at cost; 2,400,731 and 2,303,492 shares at

June 30, 2013 and June 30, 2012

(20,980,788)

(20,731,428)

Total stockholders' equity

25,314,749

26,776,685

Total liabilities and stockholders' equity

\$ 29,338,731

\$ 31,477,069

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