

RETRACTABLE TECHNOLOGIES INC
Form 10-Q
August 14, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2017

or

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

For the transition period from to

Commission file number: 001-16465

Retractable Technologies, Inc.

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(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

75-2599762
(I.R.S. Employer Identification No.)

511 Lobo Lane
Little Elm, Texas
(Address of principal executive offices)

75068-5295
(Zip Code)

(972) 294-1010

(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether 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 of 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, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company
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.

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 31,666,454 shares of Common Stock, no par value, outstanding as of August 1, 2017.

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RETRACTABLE TECHNOLOGIES, INC.

FORM 10-Q

For the Quarterly Period Ended June 30, 2017

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	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,472,553	\$ 16,199,043
Accounts receivable, net	3,471,523	3,267,838
Inventories, net	8,049,399	7,017,224
Other current assets	448,407	192,548
Total current assets	27,441,882	26,676,653
Property, plant, and equipment, net	11,819,588	12,092,037
Other assets	8,095	10,289
Total assets	\$ 39,269,565	\$ 38,778,979
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 4,445,649	\$ 4,471,756
Current portion of long-term debt	440,971	430,393
Accrued compensation	814,604	536,456
Dividends payable	55,113	55,113
Accrued royalties to shareholder	635,554	659,443
Insurance proceeds	1,004,960	
Other accrued liabilities	893,395	1,019,283
Total current liabilities	8,290,246	7,172,444
Long-term debt, net of current maturities	3,270,235	3,498,244
Total liabilities	11,560,481	10,670,688
Commitments and contingencies	see Note 6	
Stockholders' equity:		
Preferred stock, \$1 par value:		
Series I, Class B	98,500	98,500
Series II, Class B	171,200	171,200
Series III, Class B	129,245	129,245
Series IV, Class B	342,500	342,500
Series V, Class B	40,000	40,000

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Common stock, no par value			
Additional paid-in capital	61,430,417		59,290,333
Accumulated deficit	(34,502,778)		(31,963,487)
Total stockholders' equity	27,709,084		28,108,291
Total liabilities and stockholders' equity	\$ 39,269,565	\$	38,778,979

See accompanying notes to condensed unaudited financial statements

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	Three Months		Six Months	
	Ended		Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Sales, net	\$ 7,646,117	\$ 7,575,053	\$ 14,569,797	\$ 13,497,035
Cost of sales				
Cost of manufactured product	4,801,495	4,274,010	8,812,408	7,500,607
Royalty expense to shareholders	635,554	682,402	1,223,398	1,187,777
Total cost of sales	5,437,049	4,956,412	10,035,806	8,688,384
Gross profit	2,209,068	2,618,641	4,533,991	4,808,651