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MISONIX INC
Form 8-K
October 31, 2003

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): October 30, 2003

MISONIX, INC.

(Exact name of registrant as specified in its charter)

New York

1-10986

11-2148932

(State or other jurisdiction of
incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

1938 New Highway, Farmingdale, NY

11735

(Address of principal executive offices)

(Zip Code)

(631) 694-9555

(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

None.

(b) Pro Forma Financial Information.

None.

(c) Exhibits.

99.1 Press Release, dated October 30, 2003, issued by MISONIX, INC.

ITEM 9. REGULATION FD DISCLOSURE (PURSUANT TO ITEM 12).

The following information is furnished pursuant to Item 12, "Results of Operations and Financial Condition" in accordance with SEC Release No. 33-8216.

On October 30, 2003, MISONIX, INC. issued a press release announcing its financial results for the quarter ended September 30, 2003. A copy

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of this press release is furnished as Exhibit 99.1 to this report.

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.

Date: October 31, 2003

MISONIX, INC.

By: /s/ Richard Zaremba

Richard Zaremba
Vice President, Chief Financial
Officer, Treasurer and Secretary

EXHIBIT INDEX

The following is a list of Exhibits furnished with this report.

Exhibit No.	Description
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99.1	Press Release, dated October 30, 2003, issued by MISONIX, INC.

MISONIX

[GRAPHIC OMITTED]

Company Contact

Michael A. McManus, Jr.
President and CEO
Misonix, Inc.
(631) 694-9555

www.misonix.com

Investor Relations Contacts

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MISONIX REPORTS FINANCIAL RESULTS FOR FIRST QUARTER OF FISCAL 2004 WITH INCREASED REVENUES AND EARNINGS

FARMINGDALE, N.Y., (OCTOBER 30, 2003) - MISONIX, INC. (NASDAQ NM: MSON) today reported financial results for the three months ended September 30, 2003. Highlights for the first quarter of fiscal 2004 include:

- Revenue increased 23% from the prior year driven by a 45% increase in Medical Device revenue

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- Net Income of \$394,000 represented a seven-fold gain from the year earlier period
- Backlog of unfilled orders increased 88% to \$10.5 million
- Initiated sales of our neuroaspirator in Europe and Africa
- Executed key agreement with Focus Surgery to develop and market products using High Intensity Focused Ultrasound (HIFU) for Liver and Kidney ablation on a global basis

Revenues for the three months ended September 30, 2003 were \$8.6 million, a 23% increase when compared with \$7.0 million for the same period in fiscal 2003. The Company recorded net income for the quarter of \$394,000, or \$.06 per fully diluted share, compared to net income of \$51,000, or \$.01 per fully diluted share for the same period in fiscal 2003. Medical device revenues increased 45% to \$4.6 million and industrial revenues increased 5% to \$4.0 million. The increase in medical device revenues was attributable to a 39% increase in diagnostic medical device revenue to \$2.2 million and a 51% increase in therapeutic medical device revenue to \$2.4 million. The increase in industrial product revenue was mainly attributable to a 16% increase in sales for

Labcaire's endoscopic cleaning and disinfecting units, a 3% increase in industrial ultrasonic laboratory equipment sales, which were partially offset by a 12% decrease in fume enclosures sales and a 40% decrease in wet scrubber sales.

Gross profit, as a percentage of sales, increased to 42.5% for the first fiscal quarter of 2004 from 42.2% for the same period in the prior fiscal year. The increase was the result of a combination of volume efficiencies from increased revenues and cost reductions implemented during the prior fiscal year.

General and Administrative expenses were higher during the first quarter of fiscal 2004 as compared to the same period in the prior fiscal year due to severance payments to several individuals, an increase in administrative staff and a personnel shift from selling to administration, all of which were incurred at Labcaire. The Company does not anticipate further material severance payments at Labcaire.

Royalty income for the three months ended September 30, 2003 increased as compared to the same period as the prior fiscal year due to the payment of royalties of \$410,000 owed from prior fiscal periods. These royalties were not recorded until realized.

At September 30, 2003, the backlog of unfilled orders was \$10.5 million, compared with \$5.6 million as of June 30, 2003. Medical device products backlog was \$7.9 million, a 161% increase and industrial products backlog increased 2% to \$2.6 million.

Michael A. McManus, Jr., President and Chief Executive Officer commented, "We are pleased with our continued growth in both revenues and earnings. Our whole team is particularly enthused that we have reached the point where the majority of our sales and the greatest growth, are in medical devices. Just four years ago we were only selling one medical device. Sonora, FibraSonics and our core therapeutic medical devices continue to perform at impressive rates. We enter our second fiscal quarter of 2004 with a backlog of unfilled orders at a level we have not seen in a long time."

Mr. McManus continued, "We are disappointed with the progress made in Hearing Innovations and have made a corporate decision to cease funding future operations. The technology provides a benefit to patients but the products require more improvement, market development and cash."

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"We continue to see Focus Surgery's SB-500 be successful in Europe and Asia and have begun the development of products for kidney and liver using HIFU (High Intensity Focused Ultrasound). We believe the investment in Focus Surgery will deliver future incremental income. We also continue to look for strategic transactions and partnerships to enhance shareholders value."

"The Company continues to expect, for fiscal 2004, to increase revenues 8% and diluted earnings per share to be \$0.20 to \$0.22 on core products. This does not include the incremental benefit from any development projects or products."

As previously announced, the Company has scheduled a conference call to discuss this announcement beginning at 4:30 p.m. Eastern Time today. To participate in the call, a few minutes prior to the start time, please dial 888-803-7638 in the U.S. or 706-634-1218 for international callers. Those unable to participate are invited to listen to a recording of the call and Question and Answer session immediately following the conclusion of the call and the two days following

until November 1, 2003 at 11:59 p.m. by dialing (800) 642-1687 in the U.S. or (706) 645-9291 for international callers, and entering reservation code 3718639. Alternatively, individuals may listen to the call by visiting the investor relations section of the Company's website at www.misonix.com. To listen to the live call, please go to the website 15 minutes prior to its start to register, download, and install the necessary audio software. A recording of the call will be available for 14 days on the site beginning on October 30, 2003.

Misonix develops, manufactures, and/or markets medical, scientific and industrial ultrasonic and air pollution control systems and maintains minority equity positions in Focus Surgery as its exclusive manufacturer of the Sonoblate 500.

Forward Looking Statements: Statements in this news release looking forward in time are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties, including general economic conditions, delays and risks associated with the performance of contracts, uncertainties as a result of research and development, potential acquisitions, consumer and industry acceptance, litigation and/or court proceedings, and regulatory risks including approval of pending and/or contemplated 510K filings.

(Tables to follow)

MISONIX, INC. CONSOLIDATED BALANCE SHEETS

	SEPTEMBER 30, 2003 Unaudited -----	JUNE 30, 2003 Audited -----
ASSETS		

Current Assets:		
Cash and cash equivalents	\$ 4,674,972	\$
Accounts receivable, net of allowance for doubtful accounts of \$738,190 and		

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\$644,157, respectively	6,492,919	
Inventories	9,286,604	
Deferred income taxes	482,345	
Prepaid expenses and other current assets	868,446	
Total current assets	21,805,286	2
Property, plant and equipment, net	3,645,368	
Deferred income taxes	860,320	
Goodwill	4,473,713	
Other assets	319,419	
Total assets	\$ 31,104,106	\$ 2
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current liabilities:		
Revolving credit facilities	949,363	
Accounts payable	3,609,910	
Accrued expenses and other current liabilities	1,810,104	
Income tax payable	775,031	
Current maturities of long-term debt and capital lease obligations	314,582	
Total current liabilities	7,458,990	
Long-term debt and capital lease obligations	1,260,867	
Deferred income	343,326	
Minority interest	277,477	
Stockholders' equity:		
Capital stock, \$0.01 par - shares authorized 10,000,000; 6,733,665 issued and 6,655,865 outstanding	67,337	
Additional paid-in capital	22,712,511	2
Retained deficit	(659,742)	(
Treasury stock, 77,800 shares	(412,424)	
Accumulated other comprehensive income	55,764	
Total stockholders' equity	21,763,446	2
Total liabilities and stockholders' equity	\$ 31,104,106	\$ 2

MISONIX, INC.
Consolidated Statements of Operations
Unaudited

	Three Months Ended	
	September 30,	
	2003	2002

Net sales	\$8,619,898	\$7,010,322

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Cost of goods sold	4,954,203	4,053,104
	-----	-----
Gross profit	3,665,695	2,957,218
Selling expenses	956,533	935,603
General and administrative expenses	2,055,768	1,519,873
Research and development expenses	488,480	539,326
Litigation (recovery) settlement expenses	-	(127,302)
	-----	-----
Total operating expenses	3,500,781	2,867,500
	-----	-----
Income from operations	164,914	89,718
Total other income	511,949	15,111
	-----	-----
Income before minority interest and income taxes	676,863	104,829
Minority interest in the net income of consolidated subsidiaries	(14,026)	(6,717)
	-----	-----
Income before income taxes	662,837	98,112
Income tax expense	269,095	46,955
	-----	-----
Net income	\$ 393,742	\$ 51,157
	=====	=====
Net income per share-basic	\$ 0.06	\$ 0.01
	=====	=====
Net income per share-diluted	\$ 0.06	\$ 0.01
	=====	=====
Weighted average common shares-basic	6,655,865	6,105,865
	=====	=====
Weighted average common shares-diluted	6,725,580	6,510,746
	=====	=====