

Vascular Solutions 3Q profit up slightly on sales

The Associated Press

Medical device maker Vascular Solutions Inc. said Wednesday its third-quarter net income rose slightly as higher revenue outpaced higher costs.

Profit rose to just under \$1.5 million, or 9 cents per share, from just over \$1.4 million, or 9 cents per share, during the same period a year prior. Revenue rose 15 percent to \$19.9 million from \$17.2 million.

Analysts polled by Thomson Reuters expected profit of 10 cents per share on \$19.8 million in revenue.

"Due to unusual scheduling, this year both our worldwide sales meeting and our largest medical meeting occurred in the third quarter, resulting in an additional \$130,000 in sales and marketing expenses compared to the previous year," the company said.

Meanwhile, research and development expenses were higher and general expenses included litigation expenses.

Gross margin fell to 64.7 percent in the latest quarter, from 66.0 percent in the prior year quarter. The company cited the temporary purchase of finished SmartNeedle product from the former manufacturer during its transition to the sale of internally manufactured products. The company expects to complete the process in the fourth quarter.

Also a factor was a higher than expected selling mix in international markets, which caused a reduction in gross margin due to distributor pricing, the company said.

Looking ahead, the company expects adjusted fourth-quarter net income between 20 cents and 22 cents per share on revenue between \$20.8 million and \$21.2 million.

The company said including an income tax benefit of between 83 cents and 87 cents per share, and transaction and amortization expense of a penny per share, net income is projected at 94 cents to \$1 per share.

Analysts expect fourth-quarter profit of 16 cents per share on \$21.8 million in revenue.

Shares of Vascular Solutions fell 4 cents to \$11.65 in afterhours trading after rising 30 cents to close at \$11.69 during the regular trading session.

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