

KEY FINANCIALS

Revenue (ttm):	\$42.0M	Share Price (1/29/19):	\$4.00
Shares Outstanding:	16.1M	Market Cap:	\$64M
Insider Ownership:	21%	Analyst Coverage:	Barrington Research, First Analysis, Stifel, William Blair

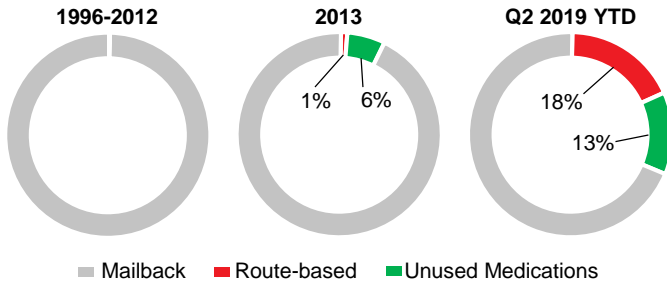
BUSINESS OVERVIEW

Sharps Compliance is the second largest provider of comprehensive route-based and mailback solutions for small to medium sized medical waste generators, and the number one provider of ultimate user unused medication management solutions in the country.

- Focus on high margin sector of U.S. medical waste market
- 10.8% 4-year CAGR

SHIFT TO FULL-SERVICE

Route-Based is Growing as a Percentage of Medical Waste Revenues



COVERAGE MAP

■ Mailback & Route-based service ■ Company-owned route-based



Service to 24 states & 55% of U.S. population

COMPANY HIGHLIGHTS

Market Opportunity: ~\$2B

- \$1B+ market for comprehensive medical waste management solutions (mailback & route-based) growing at 5.5%
 - Core customers: Clinics/Retail Pharmacies, Urgent Care Centers, Home Health Care and Assisted Living/Long-Term Care Centers
- \$1B+ market for unused medications management solutions (MedSafe & TakeAway envelopes) growing at 4.2%
 - Core customers: Pharmacies (Retail & Hospital), Long-Term Care & Narcotic Treatment Facilities, and Law Enforcement Agencies
 - 250 million pounds of unused medication waste generated per year; Sharps' solutions are a preventive measure in the battle against opioid abuse
 - Company has properly disposed of more than 2.7 million pounds to date

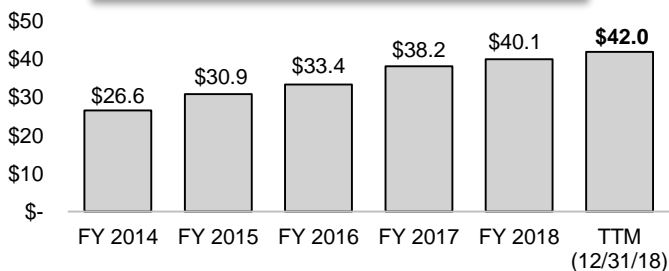
Strategic Transformation

- Enhanced comprehensive solutions drive more stable and predictable recurring revenue
 - Decreased reliance on unpredictable flu shot business
- Establishing route-based in densely populated markets
- Growing installed base of MedSafe receptacles addresses unused medications market; 3,000 installed receptacles spanning all 50 states

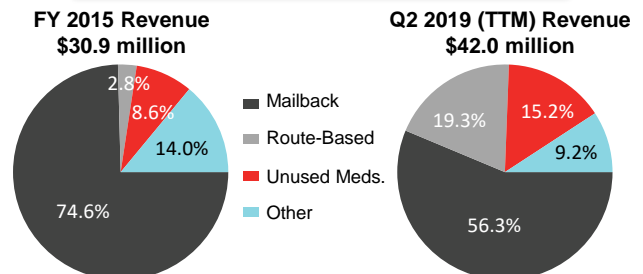
Attractive Business Model

- Customizable solutions with competitive contract pricing and terms; high customer retention rates
- Costs are relatively fixed; operating infrastructure in place to grow 2-3X

ANNUAL REVENUES

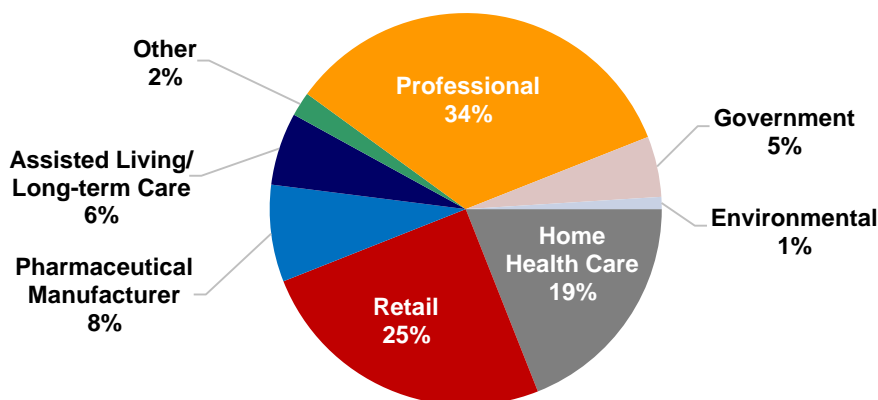


BREAKDOWN BY SOLUTION



DIVERSE END MARKETS

Q2 2019 (TTM) Billings: \$42.0 Million



GROWTH STRATEGY

Drive Organic Growth

- Focused on increasing revenue contribution from higher-margin, more predictable route-based and unused medications services
- Heightened focus on marketing activities, new solutions and cross-selling

Pursue Complementary Acquisitions

- Focus primarily on route-based business and expanding service footprint in densely populated areas
 - 200+ small private local and regional providers in the small to medium quantity generator market

Introduce New and Value-Added Products and Services

- Address customers needs and save costs; recent launch of TakeAway Recycle System for single-use devices gaining significant traction

INCOME STATEMENT HIGHLIGHTS

(in thousands, except per share data)

	Three-Months Ended December 31,		Six-Months Ended December 31,	
	2018	2017	2018	2017
Revenue	\$ 12,394	\$ 11,119	\$ 22,687	\$ 20,802
Cost of revenue	8,403	7,988	15,344	14,643
Gross profit	3,991	3,131	7,343	6,159
<i>Gross margin</i>	32.2 %	28.2 %	32.4 %	29.6 %
Selling, general and administrative	2,959	2,821	5,985	5,546
Depreciation and amortization	205	203	406	405
Operating Income	827	107	952	208
<i>Operating margin</i>	6.7 %	1.0 %	4.2 %	1.0 %
Net Income	<u>\$ 779</u>	<u>\$ 156</u>	<u>\$ 849</u>	<u>\$ 231</u>
Net Income Per Share				
Basic and diluted	<u>\$ 0.05</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.01</u>
Weighted Average Shares Outstanding - Diluted	16,106	16,068	16,098	16,081

STRONG BALANCE SHEET

	December 31, 2018
Cash	\$6.4M
Working Capital	\$11.8M
Debt	\$1.7M
Shareholders' Equity	\$26.6M

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