

## KEY FINANCIALS

<b>Revenue (ttm):</b>	\$40.8M	<b>Share Price (10/31/18):</b>	\$3.50
<b>Shares Outstanding:</b>	16.1M	<b>Market Cap:</b>	\$58M
<b>Insider Ownership:</b>	21%	<b>Analyst Coverage:</b>	Barrington Research, Craig-Hallum, First Analysis, Stifel

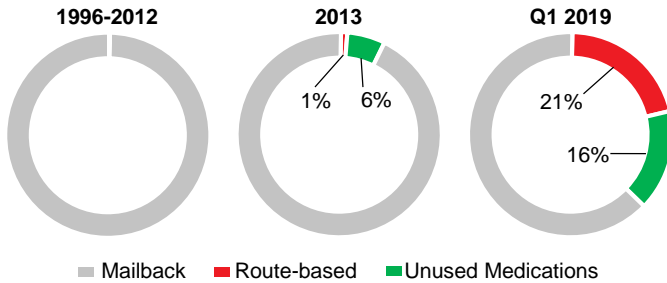
## BUSINESS OVERVIEW

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

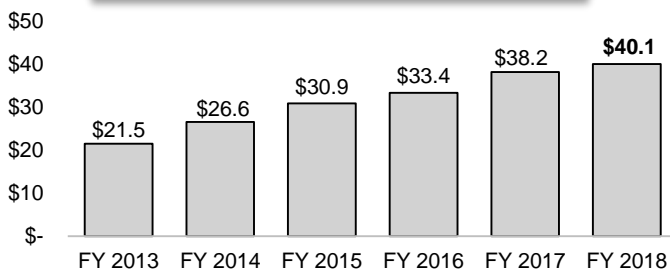
### Strategic Transformation

- 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; 2,700+ installed receptacles spanning all 50 states

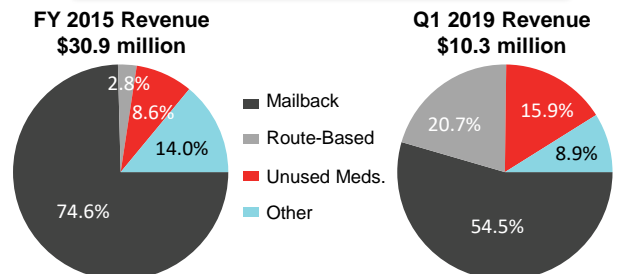
### Attractive Business Model

- 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

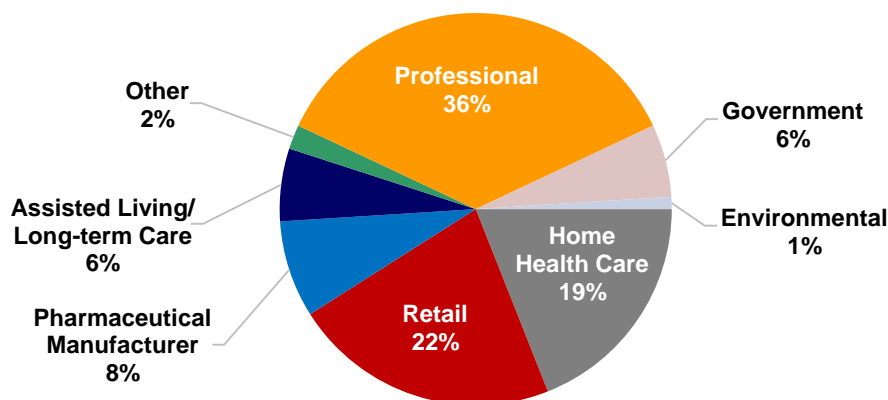


## BREAKDOWN BY SOLUTION



## DIVERSE END MARKETS

Q1 2019 Billings: \$10.3 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

	Three Months Ended September 30,		Year Ended June 30,	
	2018	2017	2018	2017
<i>In \$ thousands, except per share data</i>				
REVENUES	\$ 10,293	\$ 9,683	\$ 40,141	\$ 38,188
Cost of revenues	6,941	6,655	28,739	26,351
GROSS PROFIT	3,352	3,028	11,402	11,837
Selling, general and administrative	3,026	2,725	11,168	12,223
Depreciation and amortization	201	202	811	801
OPERATING INCOME (LOSS)	125	101	(577)	(1,187)
Operating Margin	1.2%	1.0%	(1.4%)	(3.1%)
NET INCOME (LOSS)	\$ 70	\$ 75	\$ (672)	\$ (1,293)
Net Income (Loss) Per Share – diluted	\$ 0.00	\$ 0.00	\$ (0.04)	\$ (0.08)
WEIGHTED AVERAGE SHARES OUTSTANDING - diluted	16,089	16,093	16,055	15,949

## STRONG BALANCE SHEET

	September 30, 2018
Cash	\$5.1M
Working Capital	\$10.9M
Debt	\$1.9M
Shareholders' Equity	\$25.7M

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This document contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of unforeseen factors. A discussion of factors that may cause actual results to differ from management's projections, forecasts, estimates and expectations is available in the Company filings with the SEC. Those factors may include changes in general economic conditions, increases in costs, changes in regulation and other competitive factors.