

UNITED STATES 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

February 19, 2004  
(date of earliest event reported)

MERIT MEDICAL SYSTEMS, INC.  
(Exact name of registrant as specified in its charter)

Utah	0-18592	87-0447695
----- (State or other jurisdiction of incorporation)	----- (Commission File No.)	----- (IRS Employer Identification No.)

1600 West Merit Parkway  
South Jordan, Utah 84095

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(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (801) 253-1600  
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Item 7. Financial Statements and Exhibits  
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(c) Exhibits

99.1 Press Release Issued by Merit Medical Systems, Inc., dated February 19, 2004, entitled "MERIT MEDICAL REPORTS RECORD NET INCOME AND SALES FOR THE YEAR ENDED DECEMBER 31, 2003," together with related unaudited financial statements.

Item 12. Results of Operations and Financial Condition  
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On February 19, 2004, Merit Medical Systems, Inc. ("Merit") issued a press release announcing its financial results for the fourth quarter of 2003, as well as its results for the 2003 year. The full text of Merit's press release, together with related unaudited financial statements, is furnished herewith as Exhibit 99.1.

The information in this Current Report on Form 8-K (including the exhibit) is furnished pursuant to Item 12 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Forward-Looking Statements  
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Statements contained in this release which are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Act of 1995 and are subject to risks and uncertainties such as those described in Merit's Annual Report on Form 10-K for the year ended December 31, 2002. Such risks and uncertainties include introduction of products in a timely fashion, market acceptance of new products, cost increases, fluctuations in and obsolescence of inventory, price and product competition, availability of labor and materials, development of new third-party products and techniques that render the Company's products obsolete, delays in obtaining regulatory

approvals, potential product recalls, foreign currency fluctuations, changes in health care markets related to health care reform initiatives, litigation and other factors referred to in the Company's 10-K and other reports filed with the Securities and Exchange Commission. All subsequent forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Actual results may differ materially from anticipated results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results, and Merit assumes no obligation to update or disclose revisions to those estimates.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned thereunto duly authorized.

MERIT MEDICAL SYSTEMS, INC.

By: /s/ Kent W. Stanger

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Kent W. Stanger, Chief Financial Officer,  
Secretary and Treasurer

February 19, 2004

EXHIBIT INDEX

EXHIBIT

NUMBER DESCRIPTION

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with related unaudited financial statements.

[logo/logotype]MERIT MEDICAL  
1600 West Merit Parkway o South Jordan, UT 84095  
Telephone: 801-253-1600 o Fax: 801-253-1688  
PRESSRELEASE

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FOR IMMEDIATE RELEASE

Date: February 19, 2004  
Contact: Anne-Marie Wright, Director, Corporate Communications  
Phone: (801) 208-4167 e-mail: awright@merit.com Fax: (801) 253-1681  
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MERIT MEDICAL REPORTS RECORD NET INCOME AND SALES  
FOR THE YEAR ENDED DECEMBER 31, 2003

SOUTH JORDAN, UTAH - Merit Medical Systems, Inc. (NASDAQ:NMS:MMSI), a manufacturer and marketer of proprietary disposable products used in cardiology and radiology procedures, reported record net income of \$17.3 million, or \$0.64 per share, for the year ended December 31, 2003, compared with \$11.3 million, or \$0.43 per share for the 2002 year, an increase of almost 53%. Net income for 2003 includes a non-recurring gain from the settlement of a legal dispute and sale of land of approximately \$627,000 (net of tax), or \$0.02 per share, which occurred in the first and second quarters of 2003.

Merit's revenues for the year ended December 31, 2003 were a record \$136 million, compared with \$116.2 million for the same period in 2002, an increase of approximately 17%. Revenues for the quarter ended December 31, 2003 were a record \$35.1 million, up 19.4% compared with \$29.4 million for the fourth quarter of 2002.

Net income for the quarter ended December 31, 2003 was a record \$4.7 million, or \$0.17 per share, compared with \$3.2 million, or \$0.12 per share, in the fourth quarter of 2002, an increase of 49%.

Sales of every category of Merit's products grew in 2003, compared to 2002. Custom kit sales and stand-alone product sales increased by approximately 19%; inflation device sales grew by 17%; and catheter sales rose by 9%.

Increases in revenue for the fourth quarter of 2003, compared to the fourth quarter of 2002, resulted primarily from across-the-board growth in sales of Merit's medical devices, as follows: custom kit sales rose 27%; catheter sales increased 20%; inflation device sales grew 17%; and stand-alone sales rose 14%.

"We are pleased to report a record quarter and a record year," said Fred P. Lampropoulos, Chairman and CEO of Merit. "We continued to generate higher sales over a relatively fixed expense base with increased efficiencies and employee productivity gains. Our earnings rose 53%, while our cash balance at December 31, 2003 rose to \$30.2 million, an increase of 212% from \$9.7 million at December 31, 2002.

"In 2004, we anticipate that we will benefit from new product introductions and productivity gains," Lampropoulos added. "We are also planning to break ground on an 180,000 square foot facility that would increase our manufacturing space by approximately 50%."

Merit's gross margin improved to 44.7% in 2003, compared to 41.7% in 2002. Gross margin for the fourth quarter of 2003 improved to 46.4%, compared with 43.4% for the fourth quarter of 2002. This improvement was largely due to higher production volumes, employee productivity improvements and cost-saving programs, which were achieved during 2003.

Total operating expenses for 2003 decreased as a percentage of sales to 25.8%, compared to 27.3% in 2002. For the fourth quarter of 2003, total operating expenses decreased as a percentage of sales to 25.8%, compared to 27.9% for the same period in 2002. Selling, general and administrative expenses declined as a percentage of sales to 22.4% for the three and twelve months ended December 31, 2003, compared to 24.1% and 23.9% for the three and twelve months ended December 31, 2002, respectively.

Research and development expenditures were 3.4% of sales for the three and twelve months ended December 31, 2003, compared to 3.8% of sales for the fourth quarter of 2002 and 3.4% of sales for the year 2002.

Income before income tax expense rose by 61% to a record \$27.0 million in 2003, compared to \$16.8 million in 2002. For the fourth quarter of 2003, income before income tax expense rose by 59% to a record \$7.4 million, compared to \$4.6 million for the fourth quarter of 2002. The Company's overall effective tax rate increased to 36.0% in 2003, compared to 32.5% in 2002. For the fourth quarter of 2003 the Company's effective tax rate was 36.4%, compared to 31.8% for the comparable period of 2002. The increase in the effective tax rate was primarily the result of lower taxable income for the three and twelve months ended December 31, 2003, for the Company's Irish operations, which are taxed at a lower rate than U.S. operations.

Merit said it currently expects revenues and earnings per share for the year ending December 31, 2004 to be in the range of \$152-155 million, and \$0.70-0.73, respectively.

INCOME STATEMENT

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	3 Mos. Ended 12/31		12 Mos. Ended 12/31	
	2003	2002	2003	2002
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	(in thousands except share data)			
REVENUE	\$ 35,128	\$ 29,425	\$ 135,954	\$ 116,227
COST OF SALES	18,833	16,651	75,230	67,712
GROSS PROFIT	16,295	12,774	60,724	48,515
OPERATING EXPENSES:				
Selling, General and Administration	7,861	7,078	30,468	27,732
Research and Development	1,205	1,132	4,627	4,008
TOTAL OPERATING EXPENSES	9,066	8,210	35,095	31,740
OPERATING INCOME	7,229	4,564	25,629	16,775
OTHER EXPENSE-(INCOME)	(142)	(63)	(1,394)	13
PRETAX INCOME	7,371	4,627	27,023	16,762
INCOME TAX EXPENSE	2,685	1,471	9,728	5,452
NET INCOME	4,686	3,156	17,295	11,310
EARNINGS PER COMMON SHARES:				
BASIC	\$ 0.18	\$ 0.13	\$ 0.68	\$ 0.47
DILUTED	\$ 0.17	\$ 0.12	\$ 0.64	\$ 0.43
AVERAGE COMMON SHARES:				
BASIC	25,844,394	24,582,720	25,401,445	24,226,095
DILUTED	27,615,738	26,585,140	27,033,964	26,238,449

BALANCE SHEET

12/31/03 12/31/02  
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 (in thousands)

ASSETS

CASH	\$ 30,204	\$ 9,684
TRADE RECEIVABLES (NET)	17,728	15,247
INVENTORIES	21,269	18,699
OTHER CURRENT ASSETS	2,260	2,538
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TOTAL CURRENT ASSETS	71,461	46,168
PROPERTY & EQUIPMENT (NET)	29,197	25,412
OTHER ASSETS	6,643	6,725
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TOTAL ASSETS	\$107,301	\$ 78,305
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

TOTAL CURRENT LIABILITIES	\$ 14,530	\$ 11,586
OTHER LIABILITIES	4,527	3,303
LONG-TERM DEBT	0	17
STOCKHOLDERS' EQUITY	88,244	63,399
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TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	\$107,301	\$ 78,305
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CONFERENCE CALL

Merit Medical Systems, Inc. invites all interested parties to join its officers in their quarterly and year-end earnings conference call and 2004 guidance to be held today, February 19, 2004, at 5:00 p.m. Eastern Time (4:00 p.m. Central, 3:00 p.m. Mountain, and 2:00 p.m. Pacific). During the conference



call, the results of operations for the year and quarter ended December 31, 2003, will be discussed in more detail, along with the Company's expectations for 2004 and trends that may affect its future results.

The telephone numbers are: Domestic: (800) 218-0204, and International: (303) 205-0033. A rebroadcast will be available through February 19, 2005, on the Internet by accessing the CCBN logo under "Webcasts" at [www.merit.com](http://www.merit.com) or at [www.ccbn.com](http://www.ccbn.com).

#### ABOUT MERIT

Founded in 1987, Merit Medical Systems, Inc. is a publicly traded company engaged in the development, manufacture and distribution of proprietary disposable

medical products used in interventional and diagnostic procedures, particularly in cardiology and radiology. Merit serves client hospitals worldwide with a domestic and international sales force totaling approximately 70 individuals. Merit employs approximately 1,240 people worldwide, with manufacturing facilities in South Jordan and Salt Lake City, Utah; Santa Clara, California; Angleton, Texas; and Galway, Ireland. For more information about Merit, visit [www.merit.com](http://www.merit.com).

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