SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission File Number 0-18592

MERIT MEDICAL SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

| Utah | 87-0447695 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

1600 West Merit Park Way, South Jordan, Utah, 84095

(Address of Principal Executive Offices)

(801) 253-1600

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

| Common Stock | 13,706,687 |
|---|---|
| TITLE OR CLASS | Number of shares Outstanding at August 12, 2002 |

MERIT MEDICAL SYSTEMS, INC.

INDEX TO FORM 10-Q

PART I - FINANCIAL INFORMATION

ITEM 1:

FINANCIAL STATEMENTS

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2002 AND DECEMBER 31, 2001 (Unaudited)

| | June 30, 2002 | December 31, 2001 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 3,656,071 | $ 341,690 |
| Short-term investments | 223,956 | 85,286 |
| Trade receivables - net | 15,986,060 | 14,748,021 |
| Employee and related party receivables | 105,011 | 266,905 |
| Irish Development Agency grant receivable | | 98,081 |
| Inventories | 20,006,704 | 20,823,616 |
| Prepaid expenses and other assets | 865,839 | 514,786 |
| Deferred income tax assets | 723,299 | 723,299 |
| Total current assets | 41,566,940 | 37,601,684 |
| PROPERTY AND EQUIPMENT: | | |
| Land | 1,252,066 | 1,252,066 |
| Building | 1,500,000 | 1,500,000 |
| Manufacturing equipment | 24,096,212 | 23,289,880 |
| Automobiles | 87,536 | 91,573 |
| Furniture and fixtures | 10,460,550 | 9,963,045 |
| Leasehold improvements | 5,872,659 | 5,659,457 |
| Construction-in-progress | 2,556,782 | 1,738,540 |
| Total | 45,825,805 | 43,494,561 |
| Less accumulated depreciation and amortization | (23,788,721) | (21,671,501) |
| Property and equipment - net | 22,037,084 | 21,823,060 |
| OTHER ASSETS: | | |
| Intangible assets - net | 2,154,435 | 2,434,632 |
| Deposits | 34,978 | 34,843 |
| Cost in excess of the fair value of assets acquired-net | 4,764,596 | 4,764,596 |
| Total other assets | 6,954,009 | 7,234,071 |
| TOTAL ASSETS | $ 70,558,033 | $ 66,658,815 |

Continued on Page 2
See Notes to Consolidated Financial Statements



MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS (Continued)
JUNE 30, 2002 AND DECEMBER 31, 2001 (Unaudited)

| | June 30, 2002 | December 31, 2001 |
|---|---|---|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Current portion of long-term debt | $ 495,463 | $ 598,086 |
| Trade payables | 4,715,390 | 4,659,295 |
| Accrued expenses | 6,941,030 | 4,817,595 |
| Advances from employees | 168,967 | 128,624 |
| Income taxes payable | 290,427 | 486,763 |
| Total current liabilities | 12,611,277 | 10,690,363 |
| DEFERRED INCOME TAX LIABILITIES | 1,732,723 | 1,654,383 |
| LONG-TERM DEBT | 199,192 | 5,727,381 |
| DEFERRED CREDITS | 845,897 | 928,280 |
| Total Liabilities | 15,389,089 | 19,000,407 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock- 5,000,000 shares authorized as of June 30, 2002 and December 31, 2001, respectively, no shares issued | | |
| Common stock- no par value; 20,000,000 shares authorized; 13,696,098 and 13,377,020 shares issued at June 30, 2002 and December 31, 2001, respectively | 28,350,049 | 25,958,295 |
| Retained earnings | 27,381,774 | 22,353,053 |
| Accumulated other comprehensive loss | (562,879) | (652,940) |
| Total stockholders' equity | 55,168,944 | 47,658,408 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 70,558,033 | $ 66,658,815 |

See Notes to Consolidated Financial Statements



MERIT MEDICAL SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2002 and 2001 (Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| NET SALES | $ 28,789,370 | $ 26,264,015 | $ 57,461,538 | $ 53,052,388 |
| COST OF SALES | 16,756,292 | 16,837,858 | 34,276,680 | 34,406,857 |
| GROSS PROFIT | 12,033,078 | 9,426,157 | 23,184,858 | 18,645,531 |

| | | | | |
|---|---|---|---|---|
| OPERATING EXPENSES: | | | | |
| Selling, general and administrative | 6,984,180 | 6,158,130 | 13,689,428 | 12,164,203 |
| Research and development | 944,879 | 1,090,791 | 1,908,168 | 2,220,863 |
| TOTAL OPERATING EXPENSES | 7,929,059 | 7,248,921 | 15,597,596 | 14,385,066 |
| INCOME FROM OPERATIONS | 4,104,019 | 2,177,236 | 7,587,262 | 4,260,465 |
| GAIN ON SALE OF LAND | | (786,279) | | (786,279) |
| OTHER EXPENSE - NET | 26,098 | 318,787 | 86,460 | 754,854 |
| INCOME BEFORE INCOME TAXES | 4,077,921 | 2,644,728 | 7,500,802 | 4,291,890 |
| INCOME TAX EXPENSE | 1,376,107 | 785,935 | 2,472,081 | 1,246,672 |
| NET INCOME | $ 2,701,814 | $ 1,858,793 | $ 5,028,721 | $ 3,045,218 |
| EARNINGS PER COMMON SHARE - | | | | |
| Basic | $ 0.20 | $ 0.15 | $ 0.37 | $ 0.25 |
| Diluted | $ 0.18 | $ 0.14 | $ 0.34 | $ 0.24 |
| AVERAGE COMMON SHARES - | | | | |
| Basic | 13,535,651 | 12,336,344 | 13,476,275 | 12,258,742 |
| Diluted | 14,750,259 | 12,880,073 | 14,631,076 | 12,607,819 |

See Notes to Consolidated Financial Statements



MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001 (Unaudited)

| | June 30, 2002 | June 30, 2001 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 5,028,721 | $ 3,045,218 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,247,503 | 2,248,160 |
| Bad debt expense | 127,182 | 124,558 |
| Losses (gains) on sales and abandonment of property, equipment and land | 888 | (786,279) |
| Amortization of deferred credits | (93,221) | (68,912) |
| Abandonment of certain patents and trademarks | 177,816 | |
| Deferred income taxes | 78,340 | 84,824 |
| Changes in operating assets and liabilities: | | |
| Trade receivables | (1,365,221) | (1,217,353) |
| Employee and related party receivables | 161,894 | 14,405 |
| Short-term investments | (138,670) | |
| Irish Development Agency grant receivable | 108,919 | 173,415 |
| Inventories | 816,912 | 2,968,792 |
| Prepaid expenses and other assets | (351,053) | (26,721) |
| Deposits | (135) | 2,285 |
| Trade payables | 56,095 | (36,911) |
| Accrued expenses | 2,123,435 | 1,407,533 |
| Advances from employees | 40,343 | 13,743 |
| Income taxes payable | (196,336) | 1,393,280 |
| Total adjustments | 3,794,691 | 6,294,819 |
| Net cash provided by operating activities | 8,823,412 | 9,340,037 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures for: | | |
| Property and equipment | (2,089,241) | (1,693,544) |
| Intangible assets | | (129,743) |
| Proceeds from sale of property, equipment and land | 376 | 938,303 |

| | | |
|---|---|---|
| Net cash used in investing activities | (2,088,865) | (884,984) |

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2002 AND 2001 (Unaudited)

| | June 30, 2002 | June 30, 2001 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issuance of common stock | $ 2,391,754 | $ 1,378,251 |
| Principal payments on long-term debt | (5,901,981) | (9,830,435) |
| Net cash used in financing activities | (3,510,227) | (8,452,184) |
| EFFECT OF EXCHANGE RATES ON CASH | 90,061 | (56,510) |
| NET INCREASE (DECREASE) IN CASH | 3,314,381 | (53,641) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 341,690 | 412,384 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ 3,656,071 | $ 358,743 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for interest (including capitalized interest of $17,282 and $44,738, respectively) | $ 78,614 | $ 804,396 |
| Income taxes | $ 1,099,649 | $ 120,565 |

SUPPLEMENTAL DISCLOSURE OF NONCASH
INVESTING AND FINANCING ACTIVITIES:

During the six months ended June 30, 2001, the Company issued notes payable totaling $271,169, for manufacturing equipment and furniture and fixtures.

See Notes to Consolidated Financial Statements

MERIT MEDICAL SYSTEMS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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1. Basis of Presentation. In the opinion of management, the accompanying consolidated financial statements contain all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of financial position of the Company as of June 30, 2002 and December 31, 2001, and the results of its operations and cash flows for the three and six months ended June 30, 2002 and 2001. The results of operations for the three and six months ended June 30, 2002 and 2001 are not necessarily indicative of the results for a full-year period.

2. Inventories. Inventories at June 30, 2002 and December 31, 2001 consisted of the following:

| | June 30, 2002 | December 31, 2001 |
|---|---|---|
| Raw materials | $ 7,174,627 | $ 7,501,253 |
| Work-in-process | 4,332,097 | 3,001,250 |
| Finished goods | 12,263,900 | 13,716,474 |
| Less reserve for obsolete inventory | (3,763,920) | (3,395,361) |
| Total | $ 20,006,704 | $ 20,823,616 |

3. Income Taxes. The Company has not fully allocated income tax expense between current and deferred for the quarters and six months ended June 30, 2002 and 2001. The effective tax rates for the three and six months ended June 30, 2002 and 2001 were below the 35% federal statutory rate as the result of increased research tax credits and the Company's profitable operations in Ireland which are taxed at a tax rate that is lower than the Company's U.S. overall effective tax rate.

4. Reporting Comprehensive Income - The Company determined that the only transaction considered to be an additional component of comprehensive income is the cumulative effect of foreign currency translation adjustments. As of June 30, 2002 and December 31, 2001, the cumulative effect of such transactions reduced stockholders' equity by $562,879 and $652,940, respectively. Comprehensive income for the three and six months ended June 30, 2002 and 2001 has been computed as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Net income | $ 2,701,814 | $ 1,858,793 | $ 5,028,721 | $ 3,045,218 |
| Foreign currency translation | 87,655 | (13,619) | 90,061 | (56,510) |
| Comprehensive income | $ 2,789,469 | $ 1,845,174 | $ 5,118,782 | $ 2,988,708 |

5. Goodwill and Other Intangible Assets. The Company has adopted, effective January 1, 2002, Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. Under SFAS No. 142, the Company will no longer amortize goodwill from past business acquisitions and will review annually the impairment of goodwill, or more frequently if impairment indicators arise. The Company has completed its initial testing of goodwill and has determined that there is no impairment. The unamortized amount of goodwill at December 31, 2001, was $4.8 million.

With the adoption of SFAS No. 142, the Company reassessed the useful lives and residual values of all acquired intangible assets to make any necessary amortization period adjustments. Based on that assessment, no adjustments were made to the amortization period or residual values of other intangible assets.

The following table reconciles net income and earnings per share information for the three and six months ended June 30, 2002 and 2001, for the non amortization provision of goodwill for SFAS No. 142:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Reported net income | $2,701,814 | $1,858,793 | $5,028,721 | $3,045,218 |
| Add back: goodwill amortization, net of tax | -- | 53,615 | -- | 107,230 |
| Adjusted net income | $2,701,814 | $1,912,408 | $5,028,721 | $3,152,448 |
| Basic earnings per share: | | | | |
| Reported earnings per common share | $0.20 | $0.15 | $0.37 | $0.25 |
| Add back: goodwill amortization, net of tax | | 0.01 | | 0.01 |
| Adjusted earnings per common share | $0.20 | $0.16 | $0.37 | $0.26 |
| Diluted earnings per share: | | | | |
| Reported earnings per common share | $0.18 | $0.14 | $0.34 | $0.24 |
| Add back: goodwill amortization, net of tax | | 0.01 | | 0.01 |
| Adjusted earnings per common share | $0.18 | $0.15 | $0.34 | $0.25 |

The following table reflects the components of intangible assets as of June 30, 2002:

| | Gross Carrying Amount | Accumulated Amortization | Net |
|---|---|---|---|
| Amortized Intangible Assets: | | | |
| Patents | $ 2,335,287 | $ (603,470) | $ 1,731,817 |
| Trademarks | 341,409 | (167,012) | 174,397 |
| Licenses | 591,005 | (342,784) | 248,221 |
| Total | $ 3,267,701 | $(1,113,266) | $ 2,154,435 |
| Unamortized Intangible Assets: | | | |
| Goodwill | $ 5,477,356 | $ (712,760) | $ 4,764,596 |

MERIT MEDICAL SYSTEMS, INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

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Estimated amortization expense for the intangible assets for the current year and five succeeding fiscal years is as follows:

| Aggregate Amortization Expense: | |
|---|---|
| For year ended 12/31/2002 | $235,596 |

| Estimated Amortization Expense: | |
|---|---|
| For year ended 12/31/2003 | $203,940 |
| For year ended 12.31/2004 | 183,385 |
| For year ended 12/31/2005 | 177,286 |
| For year ended 12/31/2006 | 174,496 |
| For year ended 12/31/2007 | $172,283 |

6. Accounting for the Impairment or Disposal of Long-Lived Assets. In August of 2001, SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, was issued which addresses accounting and financial reporting for the impairment of disposal of long-lived assets. This statement was effective for the Company beginning January 1, 2002. The effect on the Company's financial statements of adopting this statement was not significant.

7. Stock Split. On March 28, 2002, the Company announced a five-for-four stock forward split effective April 8, 2002. The stock split entitled each stockholder of record to receive an additional share for every four shares of common stock held. All earnings per share and share data have been adjusted to reflect the split.

ITEM 2:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Overview

Merit Medical Systems, Inc. is happy to report its best quarter and six months in history, with record revenues and earnings. Company sales increased over 10% for the second quarter 2002 compared to the second quarter of 2001, across all product lines, including kits, stand-alone devices, inflation devices and catheters. The Company is pleased to report a continued positive momentum in manufacturing efficiencies and the resulting drop in costs per unit, particularly in our Salt Lake operations. This increase in both sales volume and manufacturing efficiencies has resulted in very favorable labor and overhead utilization compared to the first few months of 2001. Management believes that this trend toward lower costs per unit and higher gross margins will continue, although not in so dramatic a manner.

Merit is pleased to announce a significant reduction in its inventory of over $8.6 million since January 2000, along with the associated benefits of lower inventory carrying costs. The Company's cash flow from operations continues to be strong (over $8.6 million in cash flow from operations for the first six months of 2002), resulting in a decline of the Company's line of credit balance from $30.4 million at August 24, 2000 to $0 as of March 31, 2002. The Company has since built cash balances of over $3.7 million. Therefore, the Company has paid back the bank $30 million in less than twenty months. This lower debt, combined with falling interest rates, has resulted in a significant decrease in interest expense.

Management is pleased to report that the fundamental financial performance of the Company has dramatically improved over the last year in almost every area. Sales are up, productivity has increased, gross margins are improving, and interest costs are down, resulting in much improved cash flow, net income and earnings per share.

Operations. The Company enjoyed its best quarter and six months in history, experiencing record revenues and earnings. The following table sets forth certain operational data as a percentage of sales for the three and six months ended June 30, 2002 and 2001:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Sales | 100.0 % | 100.0% | 100.0% | 100.0% |
| Gross profit | 41.8 | 35.9 | 40.3 | 35.1 |
| Selling, general and administrative | 24.3 | 23.4 | 23.8 | 22.9 |
| Research and development | 3.3 | 4.2 | 3.3 | 4.2 |
| Income from operations | 14.3 | 8.3 | 13.2 | 8.0 |
| Other expense (income) | (1.8) | .2 | (.1) | |
| Net Income | 9.4 | 7.1 | 8.8 | 5.7 |

Sales. Sales for the three months ended June 30, 2002 were a record $28.8 million, compared to $26.3 million for the same period last year, representing an increase of 10%. Merit's increased sales were fueled by growth in sales of custom kits, which rose by 13%, stand-alone products which grew by 10% and inflation device and catheter sales, each of which grew by 8%. For the six-month period ended June 30, 2002, total sales were a record $57.5 million compared with $53.1 million for the same period in 2001, an increase of 8%. Growth in sales for the six-month period was attributable to growth in sales of inflation devices, catheters and custom kits, all of which grew by 9%, as well as sales of stand-alone products which grew by 7%.

Gross Margin. For the three months ended June 30, 2002, gross margin as a percentage of sales was 41.8% compared to 35.9% for the same period in 2001. For the six months ended June 30, 2002, gross margin was 40.3%, as compared to 35.1% for the same period in 2001. The significant rise in gross margin is the greatest contributing factor to the large rises in both operating income and net income. The increase in gross margin for the three and six months ended June 30, 2002 was primarily the result of lower costs per unit for both labor and overhead. The Company is benefiting from an almost 20% reduction in head count and a 10% reduction in inventory, while growing the top line by over 14% in 2001 and over 8% so far in 2002.

Operating Expenses. Operating expenses remained constant as a percentage of sales at 27.5% and 27.1% for the three and six months ended June 30, 2002 respectively, compared to 27.5% and 27.1% for the three months and six months, respectively, ended June 30, 2001. Selling, general and administrative expenses increased as a percentage of sales to 24.3% and 23.8% for the three and six months ended June 30, 2002, respectively, compared to 23.4% and 22.9%, respectively, for the comparable periods in 2001. The S,G&A expense was higher in 2002 than it would have been because of an unusual write off of some high maintenance cost international intellectual property that the Company has chosen not to continue. Research and development costs declined to 3.3% of sales for the three months ended June 30, 2002, compared to 4.2% for the same period in 2001. For the six months ended June 30, 2002, research and development expenditures decreased to 3.3% of sales, down from 4.2% of sales for the six months ended June 30, 2001.

Operating Income. During the three months ended June 30, 2002, the Company reported income from operations of $4.1 million compared to $2.2 million, an increase of 88%, for the comparable period in 2001. Operating income for the first six months of 2002 was $7.6 million compared to $4.3 million in 2001, an increase of 78%.

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Net income for the three months ended June 30, 2002 increased to a record $2.7 million from $1.9 million for the same three-month period of 2001, and net income for the six months ended June 30, 2002, grew to a record $5.0 million compared to $3.0 million for the first half of 2001. The comparison of net income for the second quarter of 2002 would have grown by 107% if not for the sale of land in June of 2001.

Liquidity and Capital Resources. At June 30, 2002, the Company's working capital was $29.0 million, which represented a current ratio of 3.3 to 1. At June 30, 2002, the outstanding balance under the line of credit was $0. Historically, the Company has incurred significant expenses in connection with product development and introduction of new products. The Company's principal sources of funding for these and other expenses has been the cash generated from operations, secured loans on equipment and bank lines of credit and the sale of equity. Now that the Company's debt has been eliminated we believe that the cash flow from operations will be sufficient for its current operations.

Critical Accounting Policies and Estimates. In December 2001, the SEC requested that all registrants discuss their most critical accounting policies. The SEC indicated that a "critical accounting policy" is one which is both important to the representation of the Company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company bases estimates on past experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following are the Company's most critical accounting policies:

Inventory Obsolescence Reserve: The Company writes down its inventory for estimated obsolescence for unmarketable and slow moving products that may expire prior to being sold. If market conditions become less favorable than those projected by management, additional inventory write-downs may be required. The Company's obsolescence reserve was $3.8 million on June 30, 2002.

Allowance for Doubtful Accounts: The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. The allowance is based upon historical experience and current customer information. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company's bad debt reserve was $533,621 at June 30, 2002, in line with its historical experience with collection of receivables.

Forward-Looking Statements. This Report includes "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purpose of these provisions, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to Merit as of such date. Merit assumes no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although the Company believes that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including market acceptance of the Company's products, timing and acceptance of product introductions, potential product recalls, delays in obtaining regulatory approvals, cost increases, fluctuations in and obsolescence of inventory, price and product competition, availability of labor and materials, decrease in productivity, increase in interest costs, development of new products and techniques that render the Company's products obsolete, foreign currency fluctuation,

changes in health care markets related to health care reform initiatives and other factors referred to in the Company's press releases and reports filed with the Securities and Exchange Commission. All subsequent Forward-Looking Statements attributable to the Company or person acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Item 3:

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company principally hedges the EURO. The Company enters into forward foreign exchange contracts to protect the Company from the risk that the eventual net dollar cash flows resulting from transactions with foreign customers and suppliers may be adversely affected by changes in currency exchange rates. Such contracts are not significant to financial results of the Company.

PART II - OTHER INFORMATION

Item: 4:

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Shareholders (the "Annual Meeting") on May 23, 2002 in South Jordan, Utah. The following items of business were considered at the Annual Meeting:

A: Election of Directors

Two persons were elected as members of the Board of Directors to serve three-year terms. They are as follows:

| | Shares Voted For | Shares Abstained |
|---|---|---|
| Rex C. Bean | 11,136,779 | 88,161 |
| Richard W. Edelman | 11,136,216 | 88,724 |

Each of the following persons' term of office continued after the meeting: Fred P. Lampropoulos, Kent W. Stanger, James J. Ellis and Michael E. Stillabower, M.D.

B. Selection of Auditors.

A proposal to ratify the appointment of Deloitte & Touche LLP as the independent auditor of the Company for fiscal 2002 was presented at the Annual Meeting and such proposal was approved by the shareholders of the Company. The number of shares voted for the proposal was 11,031,725. The number of shares voted against such proposal was 145,457 The number of shares abstaining from voting was 47,758.

MERIT MEDICAL SYSTEMS, INC.

PART II - OTHER INFORMATION

ITEM 6: Exhibits and Reports on Form 8-K

(a) Exhibits - None
(b) Reports on Form 8-K - none

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 thereunto duly authorized.

MERIT MEDICAL SYSTEMS, INC.

REGISTRANT

Date: AUGUST 12, 2002 /s/: FRED P. LAMPROPOULOS

FRED P. LAMPROPOULOS
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Date: AUGUST 12, 2002 /s/: KENT W. STANGER

KENT W. STANGER
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

CERTIFICATION

In connection with the accompanying Form 10-Q of Merit Medical Systems, Inc. for the quarter ended June 30, 2002, the following officers of Merit Medical Systems, Inc. hereby certify that, to the best of their knowledge and belief:

1- such Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2- the information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of Merit Medical Systems, Inc.

By: /s/: Fred P. Lampropoulos

Fred P. Lampropoulos
President and Chief Executive Officer

/s/: Kent W. Stanger

Kent W. Stanger
Chief Financial Officer

Date: August 13, 2002