

REFINITIV

DELTA REPORT

10-Q

UTMD - UTAH MEDICAL PRODUCTS INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	938
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 CHANGES	90
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 DELETIONS	440
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 ADDITIONS	408
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2023 March 31, 2024
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 No. 001-12575

UTAH MEDICAL PRODUCTS INC
(Exact name of Registrant as specified in its charter)

Utah
(State or other jurisdiction of incorporation or organization)

87-0342734
(I.R.S. Employer Identification No.)

7043 South 300 West
Midvale, Utah 84047
(Address of principal executive offices) (Zip Code)

(801) 566-1200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section
12(b) of the Act:

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common stock, \$0.01 par value	UTMD	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of **November 10, 2023** **May 9, 2024**:
3,629,525. **3,528,426**.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES					CONSOLIDATED CONDENSED BALANCE SHEETS AS OF	
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022						
MARCH 31, 2024 AND DECEMBER 31, 2023			MARCH 31, 2024 AND DECEMBER 31, 2023			
(in thousands)						
	(unaudited)	(audited)	(unaudited)	(audited)		
	SEPTEMBER	DECEMBER				
	30, 2023	31, 2022				
	MARCH 31, 2024		DECEMBER 31, 2023			
ASSETS						
Current assets:						
Cash & investments	\$ 88,209	\$ 75,052				
Cash & Investments			\$ 93,808	\$ 92,868		
Accounts & other receivables, net	3,487	5,538	3,591	3,391		
Inventories	9,709	8,814	9,240	9,582		
Other current assets	442	515	510	428		
Total current assets	101,847	89,919	107,149	106,269		
Property and equipment, net	10,346	10,224	10,266	10,551		
Goodwill	13,424	13,354	13,638	13,692		
Other intangible assets	53,042	52,755	54,029	54,296		
Other intangible assets - accumulated amortization	(47,416)	(42,378)	(49,641)	(49,350)		
Other intangible assets, net	5,626	10,377	4,388	4,946		
Total assets	\$ 131,243	\$ 123,874	\$ 135,441	\$ 135,458		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	\$ 511	\$ 1,218	\$ 998	\$ 769		

Accrued expenses	3,666	4,742	4,476	3,941
Total current liabilities	4,177	5,960	5,474	4,710
Deferred tax liability – Femcare IIA	1,196	1,514	986	1,120
Other long term liabilities	1,256	1,256	698	698
Operating lease liability	305	341		
Long-term lease liability			285	295
Deferred income taxes	607	549	256	322
Total liabilities	7,541	9,620	7,699	7,145
Stockholders' equity:				
Common stock - \$0.01 par value; authorized - 50,000 shares; issued - September 30, 2023, 3,629 shares and December 31, 2022, 3,628 shares	36	36		
Accumulated other comprehensive income (loss)	(11,999)	(12,039)		
Common stock - \$0.01 par value; authorized - 50,000 shares; issued and outstanding - March 31, 2024, 3,588 shares and December 31, 2023, 3,628 shares			36	36
Accumulated other comprehensive loss			(11,289)	(10,658)
Additional paid-in capital	521	251	0	594
Retained earnings	135,144	126,006	138,995	138,341
Total stockholders' equity	123,702	114,254	127,742	128,313
Total liabilities and stockholders' equity	\$ 131,243	\$ 123,874	\$ 135,441	\$ 135,458
see notes to consolidated condensed financial statements				

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UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES				CONSOLIDATED CONDENSED STATEMENTS OF INCOME FOR THE
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022				
THREE MONTHS ENDED MARCH 31, 2024 AND MARCH 31, 2023			THREE MONTHS ENDED MARCH 31, 2024 AND MARCH 31, 2023	
(in thousands, except per share amounts - unaudited)				

					THREE MONTHS ENDED MARCH 31,	
	Three Months Ended		Nine Months Ended			
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022		
	2024				2023	
Sales, net	\$ 12,505	\$ 12,955	\$ 37,891	\$ 38,707	\$ 11,340	\$ 12,520
Cost of goods sold	5,146	4,769	14,951	14,838	4,574	4,677
Gross profit	7,359	8,186	22,940	23,869	6,766	7,843
Operating expense						
Selling, general and administrative	3,252	2,933	9,693	8,779	2,617	3,260
Research & development	138	112	414	370	266	144
Total operating expense	3,390	3,045	10,107	9,149		
Total operating expenses					2,883	3,404
Operating income	3,969	5,141	12,833	14,720	3,883	4,439
Other income	812	198	2,239	348	915	680
Income before provision for income taxes	4,781	5,339	15,072	15,068	4,798	5,119
Provision for income taxes	846	1,059	2,723	3,150	842	905
Net income	\$ 3,935	\$ 4,280	\$ 12,349	\$ 11,918	\$ 3,956	\$ 4,214
Earnings per common share (basic)	\$ 1.08	\$ 1.18	\$ 3.40	\$ 3.27	\$ 1.09	\$ 1.16
Earnings per common share (diluted)	\$ 1.08	\$ 1.18	\$ 3.39	\$ 3.26	\$ 1.09	\$ 1.16
Shares outstanding - basic	3,629	3,625	3,629	3,641		
Shares outstanding (basic)					3,618	3,628
Shares outstanding - diluted	3,639	3,634	3,638	3,650		

Shares outstanding (diluted)					3,618	3,636
Other comprehensive income (loss):						
Foreign currency translation net of taxes of \$0 in all periods	\$ (1,012)	\$ (2,572)	\$ 41	\$ (5,377)	\$ (631)	\$ 549
Total comprehensive income	\$ 2,923	\$ 1,708	\$ 12,390	\$ 6,541	\$ 3,325	\$ 4,763

see notes to consolidated condensed financial statements

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UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022 (in thousands - unaudited)		
	Nine Months Ended September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 12,349	\$ 11,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	465	454
Amortization	4,824	4,837
Provision for (recovery of) losses on accounts receivable	(31)	21
Amortization of right-of-use assets	39	39
Deferred income taxes	(284)	(409)
Stock-based compensation expense	153	121
Tax benefit attributable to exercise of stock options	12	-
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	2,133	(1,059)
Inventories	(925)	(2,065)
Prepaid expenses and other current assets	19	(5)
Accounts payable	(712)	540
Accrued expenses	(1,093)	1,075
Total adjustments	4,600	3,549
Net cash provided by operating activities	16,949	15,467
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures for:		
Property and equipment	(549)	(771)

Intangible assets	-	(9)
Net cash used in investing activities	(549)	(780)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock - options	117	43
Common stock purchased and retired	-	(2,495)
Payment of dividends	(3,211)	(2,112)
Net cash used in financing activities	(3,094)	(4,564)
Effect of exchange rate changes on cash	(149)	(1,586)
Net increase in cash and cash equivalents	13,157	8,537
Cash at beginning of period	75,052	60,974
Cash at end of period	\$ 88,209	\$ 69,511
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for income taxes	\$ 3,489	\$ 3,502
Cash paid during the period for interest	-	-

see notes to consolidated condensed financial statements

UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND MARCH 31, 2023
(in thousands - unaudited)

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,956	\$ 4,214
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	156	155
Amortization	513	1,596
Provision for losses on/(recovery of) accounts receivable	(8)	1
Amortization of right-of-use assets	14	13
Deferred income taxes	(192)	(3)
Stock-based compensation expense	79	50
Tax benefit attributable to exercise of stock options	9	2
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(214)	1,789
Inventories	271	(1,084)
Prepaid expenses and other current assets	(87)	25
Accounts payable	230	(193)
Accrued expenses	549	350
Total adjustments	1,320	2,701
Net cash provided by operating activities	5,276	6,915
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures for:		

Property and equipment	(22)	(43)
Proceeds from sale of equipment	27	-
Net cash provided by/(used in) investing activities	5	(43)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock - options	96	21
Common stock purchased and retired	(2,990)	-
Payment of dividends	(1,089)	(1,070)
Net cash used in financing activities	(3,983)	(1,049)
Effect of exchange rate changes on cash	(358)	37
Net increase in cash and cash equivalents	940	5,860
Cash at beginning of period	92,868	75,052
Cash at end of period	\$ 93,808	\$ 80,912
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for income taxes	\$ 105	\$ 129
Cash paid during the period for interest	-	-

see notes to consolidated condensed financial statements

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UTAH MEDICAL PRODUCTS, INC. CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022 (In thousands - unaudited)							
	Common Stock		Additional	Accumulated	Retained	Total	
	Shares	Amount	Paid-in	Other	Earnings	Stockholders'	
			Capital	Comprehensive		Equity	
				Income			
Balance at June 30, 2023	3,629	\$ 36	\$ 432	\$ (10,986)	\$ 132,279	\$ 121,762	
Shares issued upon exercise of employee stock options for cash	1	-	36	-	-	36	
Stock option compensation expense	-	-	53	-	-	53	
Foreign currency translation adjustment	-	-	-	(1,012)	-	(1,012)	
Common stock dividends	-	-	-	-	(1,071)	(1,071)	
Net income	-	-	-	-	3,935	3,935	

Balance at September 30, 2023	3,630	\$ 36	\$ 521	\$ (11,999)	\$ 135,144	\$ 123,702
Balance at December 31, 2022	3,628	\$ 36	\$ 251	\$ (12,039)	\$ 126,006	\$ 114,254
Shares issued upon exercise of employee stock options for cash	2	-	117	-	-	117
Stock option compensation expense	-	-	153	-	-	153
Foreign currency translation adjustment	-	-	-	41	-	41
Common stock dividends	-	-	-	-	(3,212)	(3,212)
Net income	-	-	-	-	12,349	12,349
Balance at September 30, 2023	3,630	\$ 36	\$ 521	\$ (11,999)	\$ 135,144	\$ 123,702
Balance at June 30, 2022	3,625	\$ 36	\$ -	\$ (11,858)	\$ 119,293	\$ 107,471
Shares issued upon exercise of employee stock options for cash	-	-	20	-	-	20
Stock option compensation expense	-	-	38	-	-	38
Foreign currency translation adjustment	-	-	-	(2,572)	-	(2,572)
Common stock dividends	-	-	-	-	(1,051)	(1,051)
Net income	-	-	-	-	4,280	4,280
Balance at September 30, 2022	3,625	\$ 36	\$ 58	\$ (14,431)	\$ 122,521	\$ 108,185
Balance at December 31, 2021	3,655	\$ 37	\$ 841	\$ (9,054)	\$ 115,314	\$ 107,138

Shares issued upon exercise of employee stock options for cash	1	-	43	-	-	43
Stock option compensation expense	-	-	121	-	-	121
Common stock purchased and retired	(30)	(1)	(947)	-	(1,548)	(2,495)
Foreign currency translation adjustment	-	-	-	(5,377)	-	(5,377)
Common stock dividends	-	-	-	-	(3,162)	(3,162)
Net income	-	-	-	-	11,918	11,918
Balance at September 30, 2022	3,625	\$ 36	\$ 58	\$ (14,431)	\$ 122,521	\$ 108,185

see notes to consolidated condensed financial statements

UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY FOR THE
THREE MONTHS ENDED MARCH 31, 2024 AND MARCH 31, 2023
(in thousands - unaudited)

	Common Stock		Additional	Accumulated		Total
	Shares	Amount	Paid-in Capital	Other Comprehensive Income	Retained Earnings	Stockholders' Equity
Balance at December 31, 2023	3,630	\$ 36	\$ 593	\$ (10,658)	\$ 138,341	\$ 128,313
Shares issued upon exercise of employee stock options for cash	2	-	96	-	-	96
Stock option compensation expense	-	-	79	-	-	79
Common stock purchased and retired	(43)	-	(769)	-	(2,221)	(2,990)
Foreign currency translation adjustment	-	-	-	(631)	-	(631)
Common stock dividends	-	-	-	-	(1,081)	(1,081)
Net income	-	-	-	-	3,956	3,956
Balance at March 31, 2024	3,588	\$ 36	\$ -	\$ (11,289)	\$ 138,995	\$ 127,742
Balance at December 31, 2022	3,628	\$ 36	\$ 251	\$ (12,039)	\$ 126,006	\$ 114,254

Shares issued upon exercise of employee stock options for cash	-	-	21	-	-	21
Stock option compensation expense	-	-	50	-	-	50
Foreign currency translation adjustment	-	-	-	549	-	549
Common stock dividends	-	-	-	-	(1,070)	(1,070)
Net income	-	-	-	-	4,214	4,214
Balance at March 31, 2023	3,628	\$ 36	\$ 322	\$ (11,491)	\$ 129,150	\$ 118,018

see notes to consolidated condensed financial statements

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UTAH MEDICAL PRODUCTS, INC. NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (unaudited)

(1) The unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States. These statements should be read in conjunction with the financial statements and notes included in the Utah Medical Products, Inc. ("UTMD" or "the Company") annual report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. In the opinion of management, the accompanying financial statements include all adjustments (consisting only of normal recurring adjustments) necessary to summarize fairly the Company's financial position and results of operations. Currency amounts are in thousands except per-share amounts and where noted.

(2) Recent Accounting Standards.

The Company has determined that **other** recently issued accounting standards will either have no material impact on its consolidated financial position, results of operations or cash flows, or will not apply to its operations.

(3) Inventories at **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023** consisted of the following:

	September 30, 2023		December 31, 2022	
Finished goods	\$	2,338	\$	1,896
Work-in-process		1,654		1,193
Raw materials		5,717		5,725
Total	\$	9,709	\$	8,814

	March 31, 2024		December 31, 2023	
Finished goods	\$	1,634	\$	1,685
Work-in-process		1,302		1,503
Raw materials		6,304		6,394
Total	\$	9,240	\$	9,582

(4) Stock-Based Compensation. At September 30, 2023 March 31, 2024, the Company has stock-based employee compensation plans which authorize the grant of stock options to eligible employees and directors. The Company accounts for stock compensation under FASB Accounting Standards Codification (“ASC”) 718, *Compensation - Stock Compensation*. This statement requires the Company to recognize compensation cost based on the grant date fair value of options granted to employees and directors. In the quarters ended September 30, 2023, March 31, 2024 and 2022, March 31, 2023, the Company recognized \$53 \$79 and \$38, \$50, respectively, in stock based stock-based compensation cost. In the nine months ended September 30, 2023, and 2022, the Company recognized \$153 and \$121, respectively, in stock based compensation cost.

(5) Warranty Reserve. The Company’s published warranty is: “UTMD warrants its products to conform in all material respects to all published product specifications in effect on the date of shipment, and to be free from defects in material and workmanship for a period of thirty (30) days for supplies, or twenty-four (24) months for equipment, from date of shipment. During the warranty period UTMD shall, at its option, replace any products shown to UTMD's reasonable satisfaction to be defective at no expense to the Purchaser or refund the purchase price.”

UTMD maintains a warranty reserve to provide for estimated costs which are likely to occur. The amount of this reserve is adjusted, as required, to reflect its actual experience. Based on its analysis of historical warranty claims and its estimate that existing warranty obligations were immaterial, no warranty reserve was made at December 31, 2022, December 31, 2023 or September 30, 2023 March 31, 2024.

(6) Global 3Q 2023 1Q 2024 global revenues (USD) by product category:

	Domestic	Outside US	Total	Domestic	Outside US	Total
Labor & Delivery	\$ 1,066	\$ 357	\$ 1,423			
Obstetrics				\$ 803	\$ 222	\$ 1,025
Gynecology/Electrosurgery/Urology	2,600	2,772	5,372	2,353	3,108	5,461
Neonatal	1,363	521	1,884	1,247	395	1,642
Blood Pressure Monitoring and Accessories	2,236	1,590	3,826	1,788	1,424	3,212
Total:	\$ 7,265	\$ 5,240	\$ 12,505			
Total				\$ 6,191	\$ 5,149	\$ 11,340

Global 9M 2023 revenues (USD) by product category:

	Domestic	Outside US	Total
Labor & Delivery	\$ 2,725	\$ 788	\$ 3,513
Gynecology/Electrosurgery/Urology	7,805	9,076	16,881
Neonatal	3,892	1,150	5,042
Blood Pressure Monitoring and Accessories	7,045	5,410	12,455
Total:	\$ 21,467	\$ 16,424	\$ 37,891

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(7) Exclusive U.S. Filshie Distribution Agreement Purchase. UTMD completed the purchase of exclusive U.S. distribution and use of intellectual property rights for the Filshie Filshie® Clip System from CooperSurgical, Inc. (CSI) as of effective February 1, 2019. The \$21,000 purchase price represented an identifiable intangible asset which is being was straight-line amortized and recognized as part of G&A expenses over a the 4.75 year remaining one month of life as of September 30, 2023 of the prior CSI distribution agreement Agreement with Femcare Ltd. ended in October 2023.

(8) Earnings Per Share. Basic earnings per share is were calculated by dividing net income attributable to the common stockholders of the company by the weighted average number of common shares outstanding during the each applicable period. Diluted earnings per

share **is** were calculated by assuming the exercise of stock options at the closing price of stock at the end of **3rd first** quarter **2023, 2024** and 2023, as applicable.

The following table reconciles the numerator and the denominator used to calculate basic and diluted earnings per share:

(in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Numerator				
Net income	3,935	4,280	12,349	11,918
Denominator				
Weighted average shares, basic	3,629	3,625	3,629	3,641
Dilutive effect of stock options	10	9	9	9
Diluted shares	<u>3,639</u>	<u>3,634</u>	<u>3,638</u>	<u>3,650</u>
Earnings per share, basic	1.08	1.18	3.40	3.27
Earnings per share, diluted	1.08	1.18	3.39	3.26

(in thousands)	Three months ended March 31,	
	2024	2023
<u>Numerator</u>		
Net income	3,956	4,214
<u>Denominator</u>		
Weighted average shares, basic	3,618	3,628
Dilutive effect of stock options	-	8
Diluted shares	<u>3,618</u>	<u>3,636</u>
Earnings per share, basic	\$ 1.09	\$ 1.16
Earnings per share, diluted	\$ 1.09	\$ 1.16

(9) Subsequent Events. UTMD has evaluated subsequent events through the date the financial statements were issued, and concluded there were no other events or transactions during this period that required recognition or disclosure in its **March 31, 2024** financial statements. After **March 31, 2024** through **May 3, 2024**, the Company made additional repurchases of 63,985 shares of its stock in the open market for \$4,323, at an average price of \$67.57 per share.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Utah Medical Products, Inc. (UTMD) manufactures and markets a well-established range of specialty medical devices. The Company's Form 10-K Annual Report for the year ended **December 31, 2022, December 31, 2023** provided a detailed description of products, technologies, markets, regulatory issues, business initiatives, resources and business risks, among other details, and should be read in conjunction with this report. Because of the relatively short span of time, results for any given three-month period in comparison with a previous three-month period may not be indicative of comparative results for the year as a whole.

Currency amounts in the report are in thousands, except per share amounts or where otherwise noted. Currencies in this report are denoted as \$ or USD = U.S. Dollars; A\$ or AUD = Australia Dollars; £ or GBP = UK Pound Sterling; C\$ or CAD = Canadian Dollars; and € or EUR = Euros.

Analysis of Results of Operations

a) Overview

Income statement results in 3Q and 9M 2023 the first quarter (1Q) of 2024 compared to the same periods of 2022 1Q 2023 were as follows::

	3Q 2023	3Q 2022	change	9M 2023	9M 2022	change	1Q 2024	1Q 2023	change
Net Sales	\$ 12,505	\$ 12,955	(3.5%)	\$ 37,891	\$ 38,707	(2.1%)	\$ 11,340	\$ 12,520	(9.4%)
Gross Profit	7,359	8,186	(10.1%)	22,940	23,869	(3.9%)	6,766	7,843	(13.7%)
Operating Income	3,969	5,141	(22.8%)	12,833	14,720	(12.8%)	3,883	4,439	(12.5%)
Income Before Tax	4,781	5,339	(10.5%)	15,072	15,068	-	4,798	5,119	(6.3%)
Net Income (NI)	3,935	4,280	(8.1%)	12,349	11,918	3.6%			
Earnings per Diluted Share (EPS)	1.081	1.178	(8.2%)	3.394	3.265	4.0%			
Net Income							3,956	4,214	(6.1%)
Earnings per Share (diluted)							\$ 1.093	\$ 1.159	(5.7%)

Worldwide (WW) consolidated Profit margins in 1Q 2024 compared to 1Q 2023 follow:

	1Q 2024 (JAN – MAR)	1Q 2023 (JAN – MAR)
Gross Profit Margin (Gross Profit/ sales):	59.7%	62.6%
Operating Income Margin (Operating Income/ sales):	34.2%	35.5%
EBT Margin (Profits before Income Taxes/ sales):	42.3%	40.9%
Net Income Margin (Profit after Taxes/ sales):	34.9%	33.7%

Domestic sales in 3Q 2023 1Q 2024 were \$450 14% lower than in 3Q 2022, and sales outside the U.S. (OUS) were \$816 3% lower, in 9M 2023 USD terms, compared to 9M 2022. This essentially was because 3Q 2023 biopharmaceutical OEM sales were \$1,217 lower than in 3Q 2022, and were \$1,847 lower in 9M 2023 compared to 9M 2022. Sales invoiced in foreign currencies, which did not include any biopharmaceutical OEM sales, represented 25% of total WW consolidated 3Q 2023 sales (when expressed in USD) and 29% of 9M 2023 total WW consolidated sales. Constant currency sales, U.S. dollar sales using 1Q 2023. Using the same foreign currency exchange (FX) rates as for sales not invoiced in USD, i.e. in “constant currency” terms, OUS sales were 4% lower. Although 31% of consolidated USD sales were invoiced in foreign currencies, the prior year’s change in FX rates for OUS sales had a minor impact on period-to-period relative financial results. FX rates for income statement purposes are transaction-weighted averages. The average FX rates from the applicable foreign currency to USD during 1Q 2024 and 1Q 2023 follow:

	1Q 2024	1Q 2023	Change
GBP	1.267	1.215	4.3%
EUR	1.083	1.078	0.4%
AUD	0.658	0.685	(4.1%)
CAD	0.742	0.739	0.4%

The weighted-average positive impact on foreign currency sales was 1.2%, increasing reported USD sales \$40 relative to the same periods, foreign currency sales in 1Q 2023. In constant currency terms, total consolidated 1Q 2024 sales were \$155 higher \$1,220 (9.7%) lower than in 3Q 1Q 2023.

UTMD’s 1Q 2024 Gross Profit at \$6,766 was \$1,077 lower than 1Q 2023 Gross Profit of \$7,843. The 13.7% lower Gross Profit was the result of 9.4% lower sales combined with a Gross Profit Margin (GPM), Gross Profit/revenues, almost three percentage points lower than in 1Q 2023. The lower GPM was due to manufacturing overhead costs which did not decline proportionately to the sales decline. However, the decline in GPM was less than expected due to a favorable product mix and improved direct labor productivity.

Consolidated Operating Income, which is Gross Profit less Operating Expense, in 1Q 2024 at \$3,883 (34.2% of sales) was \$556 lower than 1Q 2023 Operating Income of \$4,439 (35.5% of sales). The Operating Income decline was less than the Gross Profit decline as a result of a stronger EUR the favorable impact in general & administrative (G&A) expenses of having the CooperSurgical Inc (CSI) Identifiable Intangible Asset (IIA) fully amortized in 4Q 2023. The CSI IIA amortization expense was \$1,105 in 1Q 2023 (and zero in 1Q 2024). Offsetting the lower CSI IIA amortization expense in G&A expenses were \$342 higher litigation expenses. Combining the changes in CSI IIA amortization and GBP litigation costs with other G&A expense increases, total consolidated G&A expenses were just \$668 lower in 1Q 2024 than in 1Q 2023. The other components of Operating Expense, Product Development (R&D) expenses and Sales & Marketing (S&M) expenses, were \$122 and \$25 higher in 1Q 2024 than in 1Q 2023, respectively. The higher R&D expense was related to certification of UTMD's own biopharma manufacturing pressure sensors. In sum, Operating Expenses were \$522 lower in 1Q 2024 than in 1Q 2023.

Income Before Tax (EBT) benefitted again from higher interest income on UTMD's cash reserves. Non-operating income in 1Q 2024, in which interest income is captured, was \$915 compared to 3Q 2022, but \$33 \$681 in 1Q 2023. Combining the \$555 lower for 9M 2023 Operating Income with \$234 higher Non-operating income yielded 1Q 2024 EBT just \$321 (6.3%) lower than in 1Q 2023. In contrast to a lower GPM and Operating Income margin, UTMD's EBT margin (EBT/sales) improved to 42.3% in 1Q 2024 compared to 40.9% in 1Q 2023.

UTMD's consolidated income tax provision rate in 1Q 2024 was 17.6% compared to 17.7% in 1Q 2023. As a result, 1Q 2024 Net Income was 6.1% lower than in 1Q 2023. During 1Q 2024 UTMD repurchased 43,108 of its shares in the open market at an average cost of \$69.37/ share. UTMD did not repurchase shares in 2023. Also, because of a weaker AUS and CAD, despite a stronger EUR, lower stock price at the end of 1Q 2024, there was no dilution from outstanding employee stock options for 9M 2023 year-to-date.

Profit margins in 3Q and 9M 2023 purposes of calculating diluted Earnings per Share (EPS), compared to 3Q and 9M 2022 follow:

	3Q 2023	3Q 2022	9M 2023	9M 2022
	(Jul – Sep)	(Jul – Sep)	(Jan – Sep)	(Jan – Sep)
Gross Profit Margin (GP/ sales):	58.8%	63.2%	60.5%	61.7%
Operating Income Margin (OI/ sales):	31.7%	39.7%	33.9%	38.0%
EBT Margin (EBT/ sales):	38.2%	41.2%	39.8%	38.9%
Net Income Margin (NI/ sales):	31.5%	33.0%	32.6%	30.8%

EBT = Income Before Taxes = (Operating Income + Non-Operating Income)

In 9M 2023, UTMD achieved its targeted GP margin (GPM), although somewhat 8,456 in share dilution in 1Q 2023. Because of the benefit of lower time-weighted diluted shares, UTMD's EPS in 1Q 2024 were 5.7% lower than in 9M 2022 due to planned higher manufacturing overhead costs with less absorption because of lower sales. Because of the relatively short span of time, results for any given three-month period in comparison with a previous three-month period may not be indicative of comparative results for the year as a whole. The lower 3Q 2023 GPM was a good example of this. In addition to the lower absorption of higher overhead costs, the Company had an unfavorable product mix due to much higher foreign distributor sales compared to 3Q 2022, and experienced higher than normal medical expenses in its self-funded U.S. health care plan. International distributor prices are lower than prices of products sold directly to medical facilities WW. 1Q 2023.

In addition to the 4.4 percentage-point lower 3Q 2023 GPM and the 1.2 percentage-point lower 9M 2023 GPM, the Operating Income margins in both periods were reduced another 2.8 percentage points by 2023 litigation expenses captured in General & Administrative (G&A) expenses. The Operating Income margins are Operating Income in the applicable time period divided by sales in the same period. Due primarily to interest earned on cash balances which are included in Non-operating income, UTMD was able to achieve higher Income Before Tax, Net Income and Earnings per Diluted Share in 9M 2023 compared to 9M 2022.

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UTMD's September 30, 2023 March 31, 2024 Balance Sheet, in the absence of debt, continued to strengthen with total assets up \$0.8 million from the end of 2022, remained strong. Ending Cash and Investments were \$88.2 million \$93.8 million on September 30, 2023 March 31, 2024 compared to \$75.1 million \$92.9 million three months earlier on December 31, 2022 December 31, 2023, after paying \$3.2 million in despite use of \$4.1 million cash during 1Q 2024 to pay for stockholder dividends to stockholders and purchasing \$0.5 million in new Property and Equipment in 9M 2023. UTMD's cash balance increased \$3.62/ outstanding share repurchases. Stockholders' Equity remained about the same at September 30, 2023 from the end of 2022 with a 4% increase 1Q 2024 as at the end

of 2023, as \$4.1 million in dividends and share repurchases which reduced Stockholders' Equity offset the \$4.0 million in 1Q 2024 Net Income while the stock price declined \$14.53/ share, which increased Stockholders' Equity (SE) increased \$9.4 million in the nine-month period from December 31, 2022 despite the fact that \$3.2 million in dividends reduced SE. Foreign currency exchange (FX) Equity. FX rates for Balance Sheet purposes are the applicable rates at the end of each reporting period. The FX rates from the applicable foreign currency to USD for assets and liabilities at the end of 3Q 2023 compared to the end of calendar year 2022 1Q 2024 and the end of 3Q 2022 1Q 2023 follow:

	9-30-23	12-31-22	Change	9-30-22	Change	3-31-24	3-31-23	Change
GBP	1.22134	1.20771	1.1%	1.11303	9.7%	1.263	1.237	2.1%
EUR	1.05841	1.06940	(1.0%)	0.97878	8.1%	1.079	1.087	(0.7%)
AUD	0.64494	0.68050	(5.2%)	0.64366	0.2%	0.652	0.670	(2.7%)
CAD	0.73873	0.73899	-	0.72722	1.6%	0.739		-

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b) Revenues (sales)

Terms of sale are established in advance of UTMD's acceptance of customer orders. For In the U.S., Ireland, UK, France, Canada, Australia and New Zealand, UTMD generally accepts accepted orders directly from and ships shipped directly to end user clinical facilities, as well as third party medical/surgical distributors, under UTMD's Standard Terms and Conditions (T&C) of Sale. About 14% of UTMD's domestic end user sales, excluding Filshie device sales, go through third party med/surg distributors which contract separately with clinical facilities to provide purchasing, storage Sale during both 1Q 2024 and scheduled delivery functions for the applicable facility. UTMD's T&C of Sale to end user facilities are substantially the same for customers in the U.S. and outside the U.S. (OUS).

1Q 2023. UTMD may have separate discounted pricing agreements with a specific clinical facility or group of affiliated facilities based on volume of purchases. Pricing agreements which are documented arrangements with clinical facilities, or groups of affiliated facilities, if applicable, are established in advance of orders accepted or shipments made. For existing customers, past actual shipment volumes typically determine the fixed price by part number for the next agreement period of one year or less. year. For new customers, the customer's best estimate of volume is usually accepted by UTMD for determining the ensuing fixed prices for the agreement period. Prices are not adjusted after an order is accepted. For the sake of clarity, the separate pricing agreements with clinical facilities based on volume of purchases disclosure is not inconsistent with UTMD's disclosure that the selling price is fixed prior to the acceptance of a specific customer order.

Total WW consolidated 1Q 2024 UTMD consolidated 3Q 2023 sales were \$450 (3.0%) \$1,180 (9.4%) lower than in 3Q 2022. WW constant 1Q 2023. Constant currency sales were \$605 (4.7%) \$1,220 (9.7%) lower. U.S. domestic sales were 15.7% 13.8% lower (obviously without any FX impact), and outside the U.S. (OUS) sales were 20.8% higher. Without the benefit of a weaker USD in converting foreign currency sales, 3Q 2023 OUS sales were 17.2% higher. 3.5% lower. Because of the relatively short span of time, results for any given three-month period in comparison with a previous three-month period may not be indicative of comparative results for the year as a whole. Worldwide sales to UTMD's largest OEM customer, which had grown rapidly in previous years, were \$1,046 lower in 1Q 2024 compared to 1Q 2023, which explains most of the sales decline. Looking forward, the current backlog for 2Q 2024 shipments to this customer, including shipments from UTMD Ireland, is \$1.7 million lower than shipments in 2Q 2023. With the absence of any new orders in 2024, worldwide sales to this customer may be another \$5.4 million lower during the remainder of 2024 compared to the last three quarters of 2023.

Domestic U.S. sales in 3Q 2023 1Q 2024 were \$7,265 \$6,192 compared to \$8,615 \$7,185 in 3Q 2022. Domestic sales are invoiced in USD and not subject to FX rate fluctuations. 1Q 2023. The components of domestic sales include 1) "direct other device sales" of UTMD's medical devices to user facilities (and med/surg stocking distributors for hospitals), excluding Filshie device sales, 2) "OEM sales" of components and other products manufactured by UTMD for other medical device and non-medical device companies, and 3) "direct Filshie "Filshie device sales". UTMD separates Filshie device sales from other medical device sales direct to medical facilities because of their significance, manufactured by Femcare and acquisition history. Domestic direct other device distributed in the U.S. by UTMD.

- 1) Direct sales, representing 56% 57% of total domestic sales, were \$9 (+0.2%) \$106 (2.9%) higher lower in 3Q 2023 1Q 2024 than in 3Q 2022. Domestic 1Q 2023. This was due to \$139 lower NICU device sales as a result of not yet recapturing business lost in late 2023 from continuing supply chain disruption for raw material components.
- 2) OEM sales, representing 28% 26% of total domestic sales, were \$1,019 (33.4%) \$691 (29.9%) lower. U.S. sales to UTMD's largest OEM customer, which had grown rapidly in previous years, were \$735 lower including \$1,103 lower U.S. biopharmaceutical OEM sales. Direct in 1Q 2024 compared to 1Q 2023.
- 3) Domestic Filshie device sales representing 16% of total domestic sales, were \$341 (23.0%) \$197 (15.6%) lower in 3Q 2023 1Q 2024 compared to 3Q 2022.

1Q 2023. Misinformation on social media from unresolved product liability lawsuits seems to be having a negative effect.

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OUS sales in 3Q 2023 1Q 2024 were 20.8% higher at \$5,240 \$5,149 compared to \$4,340 \$5,335 in 3Q 2022. The increase in USD-denominated 1Q 2023. OUS sales was leveraged as a result of a weaker USD relative to the EUR and GBP, which added \$155 to OUS sales that were invoiced in GBP, EUR, AUD and CAD foreign currencies were increased \$40 as a result of changes in FX rates resulting primarily from a 4.3% stronger GBP. In other words, constant currency terms. FX rates for income statement purposes are transaction-weighted averages. OUS sales were \$5,109, which was 4.2% lower than in 1Q 2023. The weighted-average FX rates from the applicable foreign currency to USD during 3Q 2023 and 3Q 2022 for revenue purposes follow:

	3Q 2023	3Q 2022	Change
GBP	1.2669	1.1760	+7.7%
EUR	1.0711	1.0040	+6.7%
AUD	0.6572	0.6828	(3.7%)
CAD	0.7462	0.7663	(2.6%)

The weighted average favorable FX rate difference impact on 3Q 2023 foreign currency OUS sales in 1Q 2024 were \$3,487, which was 5.2%, increasing reported USD sales by \$155 relative to the same foreign currency sales in 3Q 2022. In constant currency terms, foreign currency sales in 3Q 2023 were 17.2% higher than in 3Q 2022. The portion 68% of OUS sales invoiced in foreign currencies in USD terms were 25.0% and 31% of total 1Q 2024 consolidated 3Q 2023 sales compared to 19.3% in 3Q 2022.

OUS sales invoiced in foreign currencies are due to direct end-user sales in Ireland, the UK, France, Canada, Australia and New Zealand, and to shipments to OUS distributors of products manufactured by UTMD subsidiaries in Ireland and the UK. Export sales from the U.S. to OUS distributors are invoiced in USD. Direct to end-user foreign sales. Foreign currency OUS 3Q 2023 sales in USD terms were 19.6% higher in Ireland, 21.6% lower in Canada, 8.2% higher in France, 30.8% lower in AUS/NZ and 17.2% higher in the UK than in 3Q 2022. Sales to OUS distributors/ international OEM (including biopharmaceutical) customers were 35.5% higher in 3Q 2023 than in 3Q 2022. Total consolidated 9M 2023 UTMD WW consolidated sales were \$816 (2.1%) lower than in 9M 2022. Constant currency 9M 2023 sales were \$33 (+0.1%) lower due to a slightly stronger USD year-to-date. U.S. domestic sales were 12.1% lower and OUS sales were 15.0% higher.

Domestic U.S. sales in 9M 2023 were \$21,467 compared to \$24,429 in 9M 2022. Direct other device sales, representing 53% of total domestic sales, were \$689 (5.7%) lower in 9M 2023 than in 9M 2022. The lower direct other device sales year-to-date resulted from continued supply chain disruption. Domestic OEM sales, representing 30% of total domestic sales, were \$1,919 (22.8%) lower. The biopharmaceutical portion of domestic OEM sales were \$1,963 (28.2%) lower. Direct domestic Filshie device sales, representing 17% of total domestic sales, were \$354 (9.0%) lower in 9M 2023 compared to 9M 2022 due to lower demand.

OUS sales in 9M 1Q 2023 were 15.0% higher at \$16,424 compared to \$14,278 in 9M 2022. The increase in 9M 2023 USD-denominated OUS sales \$3,558, which was only slightly diminished as a result of a stronger USD which subtracted \$33 from OUS sales that were invoiced in GBP, EUR, AUD and CAD foreign currencies (in constant currency terms). FX rates for income statement purposes are transaction-weighted averages. The weighted-average FX rates from the applicable foreign currency to USD during 9M 2023 and 9M 2022 for revenue purposes follow:

	9M 2023	9M 2022	Change
GBP	1.2434	1.2488	(0.4%)
EUR	1.0790	1.0672	+1.1%
AUD	0.6708	0.7058	(5.0%)

CAD 0.7432 0.7797 (4.7%)

The weighted-average unfavorable impact on 9M 2023 foreign currency OUS sales was just 0.3%, reducing reported USD sales by \$33 relative to the same foreign currency sales in 9M 2022. In constant currency terms, OUS sales in 9M 2023 were 15.3% higher than in 9M 2022. The portion 67% of OUS sales invoiced in foreign currencies in USD terms was 28.8% and 28% of total consolidated 9M 2023 sales compared to 23.9% in 9M 2022. Direct to end-user foreign currency OUS 9M 2023 sales in USD terms were 5.3% higher in Ireland, 14.1% lower in Canada, 9.5% higher in France, 21.7% higher in the UK and 18.2% lower in AUS/NZ. Sales to OUS distributors/OEM (including biopharmaceutical) customers were 21.2% higher in 9M 2023 than in 9M 2022. Since shipments to OEM customers and OUS distributors typically have long lead times, the current order backlog added to 9M 2023 sales results for those segments provides a fair estimate for 2023 sales as a whole, barring new unresolved raw material supply constraints and further third-party sterilization capacity limits. Based on the current backlog, management expects that WW biopharmaceutical OEM sales to its largest customer will be about \$3 million lower in 2023 than in 2022, representing about 17% of 2023 total consolidated sales compared to 22% in 2022. This projection is consistent with management's beginning of year 2023 sales estimates, and suggests a net total annual 1Q 2023 consolidated sales decline of about \$2 million. UTMD segments sales into the following general product categories: gynecology/ electrosurgery, labor & delivery, neonatal critical care, and miscellaneous including blood pressure monitoring kits and accessories as well as related OEM products. In 3Q 2023 compared to 3Q 2022, WW gynecology/ electrosurgery sales were 6% lower, WW neonatal device sales were 3% higher, WW labor & delivery device sales were 12% higher and WW blood pressure monitoring and related OEM product sales were 8% lower. In 9M 2023 compared to 9M 2022, WW gynecology/ electrosurgery device sales were 4% higher, WW labor & delivery device sales were about the same, WW neonatal device sales were 10% lower and WW blood pressure monitoring and related OEM product sales were 7% lower. sales.

The following table provides USD consolidated sales amounts divided into general product categories for total worldwide sales and the subset of OUS sales. Sales to UTMD's largest OEM customer are included in the Blood Pressure Monitoring product category:

Global 3Q 2023 WW revenues (USD) by product category:

	<u>Domestic</u>	<u>Outside US</u>	<u>Total</u>	
Labor & Delivery	\$ 1,066	\$ 357	\$ 1,423	
Gynecology/Electrosurgery/Urology	2,600	2,772	5,372	
Neonatal	1,363	521	1,884	
<u>Blood Pressure Monitoring and Accessories*</u>	<u>2,236</u>	<u>1,590</u>	<u>3,826</u>	
Total:	\$ 7,265	\$ 5,240	\$ 12,505	
	<u>1Q 2024</u>	<u>%</u>	<u>1Q 2023</u>	<u>%</u>
Obstetrics	\$ 1,025	9	\$ 1,015	8
Gynecology/ Electrosurgery/ Urology	5,461	48	5,593	45
Neonatal	1,642	15	1,762	14
Blood Pressure Monitoring and Accessories*	<u>3,212</u>	<u>28</u>	<u>4,150</u>	<u>33</u>
Total:	\$ 11,340	100	\$ 12,520	100

Global 9M 2023 OUS revenues (USD) by product category:

	Domestic	Outside US	Total	
Labor & Delivery	\$ 2,725	\$ 788	\$ 3,513	
Gynecology/Electrosurgery/Urology	7,805	9,076	16,881	
Neonatal	3,892	1,150	5,042	
<u>Blood Pressure Monitoring and Accessories*</u>	<u>7,045</u>	<u>5,410</u>	<u>12,455</u>	
Total:	\$ 21,467	\$ 16,424	\$ 37,891	
	1Q 2024	%	1Q 2023	%
Obstetrics	\$ 222	4	\$ 209	4
Gynecology/ Electrosurgery/ Urology	3,108	60	3,073	58
Neonatal	395	8	377	7
Blood Pressure Monitoring and Accessories*	<u>1,424</u>	<u>28</u>	<u>1,676</u>	<u>31</u>
Total:	\$ 5,149	100	\$ 5,335	100

*includes molded components sold to OEM customers.

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c) Gross Profit

Gross Profit results from subtracting the costs of manufacturing products, including quality assurance and freight for receiving raw materials from suppliers/vendors, from revenues. UTMD's Gross Profit was \$827 (10.1%) \$1,077 (13.7%) lower in 3Q 2023 1Q 2024 than in 3Q 2022, and \$929 (3.9%) 1Q 2023. Gross Profit declined more than revenues due to lower in 9M 2023 than in 9M 2022. UTMD price increases to customers since early 2022 were substantially lower than its continued cost increases, with continued "sticky" inflation. Although direct labor productivity in 3Q 2023 remained consistent with the past, raw material costs continued to increase and higher absorption of manufacturing overhead costs which were less absorbed by 3.6% lower revenues. About half when sales were 9.4% lower. Because management expects revenues to decline further during the remainder of the 4.4 percentage-point lower 2024, taken together with manufacturing overhead expenses not declining, management has projected a greater percentage decline in Gross Profit margin (GPM) in 3Q 2023 compared to 3Q 2022 was due to \$1,039 (+52%) higher sales to OUS distributors, for the year as a whole.

d) Operating Income

Operating Income results from subtracting Operating Expenses from Gross Profit. Operating Income in 3Q 2023 was \$3,969 compared to \$5,141 in 3Q 2022, a \$1,171 (22.8%) decline; and was \$12,833 in 9M 2023 compared to \$14,720 in 9M 2022, a \$1,887 (12.8%) decline.

Operating Expenses are comprised of Sales general and Marketing administrative (G&A) expenses, sales and marketing (S&M) expenses General and Administrative (G&A) product development (R&D) expenses. Consolidated Operating Expenses were \$2,882 in 1Q 2024 (25.4% of sales) compared to \$3,404 in 1Q 2023 (27.2% of sales). Ignoring the portion of Operating Expenses that were litigation expenses and Product Development (R&D) expenses. The following table summarizes non-cash IIA amortization expenses, Operating Expenses in 3Q and 9M 2023 1Q 2024 were 14.4% of consolidated sales compared to 11.2% of sales in 1Q 2023. As noted above, the same periods main FX rate differences in 2022 by 1Q 2024 compared to 1Q 2023 were a stronger GBP and a weaker AUD relative to the USD. The net FX impact on OUS Operating Expense (OE) category:

OE Category	3Q 2023	% of sales	3Q 2022	% of sales	9M 2023	% of sales	9M 2022	% of sales
S&M:	\$ 417	3.3	\$ 373	2.9	\$ 1,209	3.2	\$ 1,066	2.7
G&A:	2,835	22.7	2,560	19.8	8,484	22.4	7,713	19.9
R&D:	138	1.1	112	0.8	414	1.1	370	1.0
Total OE:	\$ 3,390	27.1	\$ 3,045	23.5	\$ 10,107	26.7	\$ 9,149	23.6

was minor. A stronger GBP in 1Q 2024 compared to 1Q 2023 increased IIA amortization expense captured in the G&A category in the UK by \$21. All other OUS Operating Expenses were increased by \$7.

Changes Consolidated G&A expenses were \$2,205 (19.4% of sales) in foreign currency exchange 1Q 2024 compared to \$2,873 (22.9% of sales) in 1Q 2023. G&A expenses include litigation costs which were \$751 in 1Q 2024 compared to \$409 in 1Q 2023. G&A expenses in 1Q 2024 included \$504 (4.4% of sales) of non-cash expense from the amortization of IIA resulting from the 2011 Femcare acquisition, which were \$483 (3.9% of sales) in 1Q 2023. The increase was the result of a stronger GBP as the Femcare GBP-denominated expense was the same in both periods. The major G&A expense change was the \$1,105 IIA amortization expense in 1Q 2023 which was zero in 1Q 2024. That prior expense had resulted from UTMD's purchase in 2019 of the CSI remaining U.S. exclusive Filshie intangible and distribution rights, and represented 8.8% of 1Q 2023 sales. Excluding litigation costs and non-cash Filshie-related IIA amortization expenses, G&A expenses were \$950 (8.4% of sales) in 1Q 2024 compared to \$876 (7.0% of sales) in 1Q 2023. The change in FX rates did not have a significant impact on consolidated financial results in 2023. A stronger EUR and GBP in 3Q2023 helped increase increased 1Q 2024 OUS S&M G&A expenses by \$27, comprised of increasing IIA amortization expense by \$3 \$21 and OUS all other G&A expenses by \$6. UTMD's Operating Income margin (Operating Income/ sales), excluding IIA amortization and litigation expense, by \$51. An average slightly stronger USD for 9M 2023, reduced was 45.3% in 1Q 2024 compared to 51.4% in 1Q 2023.

S&M expenses were \$412 (3.6% of sales) in 1Q 2024 compared to \$387 (3.1% of sales) in 1Q 2023. The change in FX rates increased 1Q 2024 OUS S&M expenses by \$4, OUS G&A \$1. The additional \$24 increase was primarily due to increases in S&M salaries and benefits for employees on board in both periods.

R&D expenses by \$26 and in 1Q 2024 were \$266 (2.3% of sales) compared to \$144 (1.1% of sales) in 1Q 2023. There were no OUS R&D expenses. The \$122 increase was primarily due to testing and certification of materials required for biopharma manufacturing OEM customers.

In summary, Operating Income in 1Q 2024 was \$3,883 (34.2% of sales) compared to \$4,439 (35.5% of sales) in 1Q 2023. The only slightly lower 1Q 2024 Operating Income margin of 34.2% compared to 35.5% in 1Q 2023 was due to lower Gross Profit and higher litigation and R&D expenses being offset by \$1. The following table summarizes “constant currency” the expiration of CSI IIA amortization expense.

A summary comparison of (USD) consolidated Operating Expenses in 3Q and 9M 2023 compared to the same periods in 2022 by Operating Expense (OE) category: follows:

OE Category	3Q 2023 const FX	3Q 2022	9M 2023 const FX	9M 2022
S&M:	\$ 414	\$ 373	\$ 1,213	\$ 1,066
G&A:	2,784	2,560	8,510	7,713
R&D:	138	112	415	370
Total OE:	\$ 3,336	\$ 3,045	\$ 10,138	\$ 9,149

	1Q 2024	1Q 2023
S&M Expense	\$ 412	\$ 387
R&D Expense	266	144
G&A Expense:		
CSI IIA amortization	-	1,105
Femcare IIA amortization	504	483
Litigation Expense	743	409
All Other G&A Expenses	957	876
Total Operating Expenses:	\$ 2,882	\$ 3,404

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S&M and R&D expenses were higher primarily as a result of cost-of-living adjustments to employee salaries.

A division of G&A expenses by location follows. G&A expenses include non-cash expenses from the amortization of Identifiable Intangible Assets (IIA) associated with the Filshie Clip System, which is also separated out below:

G&A Expense Category	3Q 2023	% of sales	3Q 2022	% of sales	9M 2023	% of sales	9M 2022	% of sales
IIA Amort– UK:	\$ 504	4.0	\$ 467	3.6	\$ 1,484	3.9	\$ 1,497	3.9
IIA Amort– CSI:	1,105	8.8	1,105	8.5	3,316	8.8	3,316	8.6
Other– UK:	171		132		498		428	
Other– US:	912		710		2,752		2,018	
IRE:	74		73		227		224	
AUS:	38		39		107		124	
CAN:	31		34		100		106	
Total G&A:	\$ 2,835	22.7	\$ 2,560	19.8	\$ 8,484	22.4	\$ 7,713	19.9

Although the IIA amortization expense in either USD or GBP, depending on the location where expensed, was the same as in the prior year’s same periods, the 3Q 2023 Operating Income margin was diluted by 0.7 percentage points, and the 9M 2023 Operating Income margin was diluted by 0.2 percentage points, due to a lower sales denominator and the GBP FX rate difference. Non-cash IIA

amortization expense was 57% of total G&A expenses in both 3Q 2023 and 9M 2023. Litigation expenses, included in the Other-US G&A Expense category above, were about 2.8% of sales in both 3Q 2023 and 9M 2023. Litigation expenses were 1.4% of sales in 3Q 2022 and 1.1% of sales in 9M 2022. In other words, higher litigation expenses reduced UTMD's Operating Income margin by another 1.4 percentage-points in 3Q 2023, and another 1.7 percentage-points in 9M 2023.

OUS G&A expenses in USD terms were \$818 in 3Q 2023 compared to \$745 in 3Q 2022. OUS G&A expenses were \$2,416 in 9M 2023 compared to \$2,379 in 9M 2022. The constant currency table below shows how the changes in FX rates affected reported OUS G&A expenses for 3Q 2023 (\$51 higher) and 9M 2023 (\$26 lower):

G&A Expense Category	3Q 2023 const FX	3Q 2022	9M 2023 const FX	9M 2022
IIA Amort– UK:	\$ 468	\$ 467	\$ 1,471	\$ 1,497
Other– UK:	159	132	494	428
IRE:	69	73	230	224
AUS:	39	39	101	124
CAN:	<u>32</u>	<u>34</u>	<u>94</u>	<u>106</u>
Total OUS G&A:	\$ 767	\$ 745	\$ 2,390	\$ 2,379

In summary, UTMD's Operating Income margin in 3Q 2023 was 31.7% of sales compared to 39.7% of sales in 3Q 2022; and was 33.9% of sales in 9M 2023 compared to 38.0% of sales in 9M 2022. An explanation for changes in 3Q and 9M 2023 Operating Income margins from the prior year's same periods follows:

Expense Category	3Q Pct-Point Reduction	9M Pct-Point Reduction
GPM difference:	4.4	1.2
Litigation Expense (G&A)	1.4	1.7
IIA Amortization Expense (G&A)	0.8	0.3
All Other Operating Expenses	<u>1.4</u>	<u>0.9</u>
Reduction in Operating Income margin:	8.0	4.1

Because of the significance of the IIA amortization expenses, and to remind stockholders of the history, the initial IIA amount of the 2011 Femcare UK purchase was £23,998. After 12.5 years of amortization, the IIA balance is £3,915 as of the end of 3Q 2023. For both 3Q 2023 and 3Q 2022 in GBP terms, the IIA amortization expenses were £397. For both 9M 2023 and 9M 2022, the IIA amortization expenses were £1,192. The converted USD amortization expense in each period then varied according to the USD/GBP FX rate, which explains the difference in IIA amortization expense in IIA Amort-UK row in the table above.

The initial amount of IIA for the 2019 acquisition of 4.75 years' remaining exclusive U.S. Filshie device distribution and intellectual property rights from CooperSurgical Inc (CSI) was \$21,000. The straight-line amortization of the IIA is \$1,105/ calendar quarter over the remaining 4.75 years of the prior distribution agreement at the time of acquisition. After 4.67 years of amortization, the CSI IIA balance as of September 30, 2023 is \$368. The CSI IIA amortization expenses were the same in both 2023 and 2022 3Q and 9M periods.

Because the non-cash IIA amortization expenses represent a majority of UTMD's Operating Expenses, UTMD provides the following table that separates the IIA amortization expenses from all other Operating Expenses:

	3Q 2023	3Q 2022	9M 2023	9M 2022
IIA amortization expense	\$ 1,609	\$ 1,573	\$ 4,800	\$ 4,813
All other Operating expense	<u>1,781</u>	<u>1,472</u>	<u>5,307</u>	<u>4,336</u>
Total Operating Expenses:	\$ 3,390	\$ 3,045	\$ 10,107	\$ 9,149
Percent of Sales:	<u>3Q 2023</u>	<u>3Q 2022</u>	<u>9M 2023</u>	<u>9M 2022</u>
IIA amortization expense	12.9%	12.1%	12.7%	12.4%
All other G&A expense	<u>14.2%</u>	<u>11.4%</u>	<u>14.0%</u>	<u>11.2%</u>
Total G&A Expenses:	27.1%	23.5%	26.7%	23.6%

Therefore, when the two Filshie-related IIA balances are fully amortized, stockholders can look forward to a substantial increase in EBT. The Femcare acquisition IIA amortization expense has just 2.5 more years to run at about \$503 per quarter using the same USD/GBP FX rate as in 3Q 2023. The CSI IIA amortization expense will be fully amortized in 4Q 2023 with just a \$368 remaining expense.

e) Non-operating expense/ Non-operating income

Net Non-operating expense, includes or net Non-operating income, results from the combination of 1) expenses from loan interest and bank fees; 2) expenses or income from losses or gains from remeasuring the value of EUR cash bank balances in the UK, and GBP

cash balances in Ireland, in USD terms; and 3) losses from disposition of assets. Non-operating income includes 1) investment income from cash balances; 2) rent of underutilized property; 3) property, investment income, royalties received from licensing the Company's technology; 4) gains from dispositions of assets; technology and 5) gains from remeasuring the value of EUR cash bank balances other miscellaneous income. Net Non-operating income in the UK, and GBP 1Q 2024 was \$915 compared to \$681 in 1Q 2023. The primary difference was due to higher average cash balances in Ireland, 1Q 2024 compared to 1Q 2023 with higher interest rates, which resulted in USD terms.

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UTMD's net \$283 higher interest income. UTMD received \$43 lower Non-operating income in 3Q 2023 was \$811 1Q 2024 from renting underutilized property in Ireland compared to \$198 1Q 2023, and the same \$5 in 3Q 2022. Net non-operating Non-operating income from royalties. UTMD realized a \$1 loss in 9M 2023 was \$2,239 1Q 2024 compared to \$348 in 9M 2022. In 3Q a slight gain at the end of 1Q 2023 a gain of \$1 resulted from remeasurement of the value of foreign currency bank balances compared to a \$2 loss in 3Q 2022. UTMD recognized a \$6 loss from remeasurement of the value of foreign currency bank balances in both 9M 2023 and 9M 2022. Royalties received were \$0 in 3Q 2023 compared to \$5 in 3Q 2022, and \$10 in 9M 2023 compared to \$15 in 9M 2022. Interest earned on cash balances were \$743 and \$2,038 in 3Q and 9M 2023 respectively, compared to interest of \$152 and \$211 in 3Q and 9M 2022 respectively. balances.

f) Income Before Income Taxes (EBT)

EBT results from adding net Non-operating income or subtracting net Non-operating expense to or adding net Non-operating income from or to, Operating Income, as applicable, Operating Income, applicable. Consolidated 3Q 2023 1Q 2024 EBT was \$4,781 (38.2% \$4,798 (42.3% of sales) compared to \$5,339 (41.2% \$5,119 (40.9% of sales) in 3Q 2022. Consolidated 9M 2023 1Q 2023. The \$321 (6.3%) lower 1Q 2024 EBT was \$15,072 (39.8% of sales) compared to \$15,068 (38.9% 1Q 2023 was the result of sales) \$555 lower Operating Income offset in 9M 2022, part by \$234 higher net Non-operating income.

The EBT of Utah Medical Products, Inc. in the U.S. was \$7,955 \$2,806 in 9M 2023 1Q 2024 compared to \$9,607 \$2,562 in 9M 2022. 1Q 2023. The EBT of Utah Medical Products, Ltd (Ireland) was EUR 6,279 1,640 in 9M 2023 1Q 2024 compared to EUR 5,074 1,962 in 9M 2022. 1Q 2023. The US GAAP EBT of Femcare Group Ltd (Femcare Ltd., UK and Femcare Australia Pty Ltd) was GBP (53) (101) in 9M 2023 1Q 2024 compared to GBP (279) 23 in 9M 2022. 1Q 2023. The 1Q 2024 EBT of Utah Medical Products Canada, Inc. (dba Femcare Canada) was CAD 474 66 in 9M 2023 1Q 2024 compared to CAD 443 158 in 9M 2022. The EBT of UTMD's manufacturing subsidiaries varies as a result of intercompany shipments which are eliminated in the consolidation of financial results. 1Q 2023.

EBITDA is a non-US GAAP metric that measures profitability performance without factoring in effects of financing, accounting decisions regarding non-cash expenses, capital expenditures or tax environments. Excluding the noncash effects of depreciation, amortization of intangible assets and stock option expense, 3Q 2023 1Q 2024 consolidated EBT excluding the remeasured bank balance currency gain or loss and interest expense ("adjusted consolidated 1Q 2024 EBITDA") was \$6,604 were \$5,547 compared to \$7,111 \$6,919 in 3Q 2022. Adjusted consolidated EBITDA was \$20,520 in 9M 2023 compared to \$20,487 in 9M 2022. Adjusted consolidated EBITDA for the previous four calendar quarters (TTM) was \$27,924 as of September 30, 2023. UTMD's adjusted consolidated EBITDA as a percentage of sales was 52.8% in 3Q 2023 compared to 54.9% in 3Q 2022, reflecting the lower 3Q 2023 GPM. UTMD's adjusted consolidated EBITDA as a percentage of sales was 54.2% in 9M 2023 compared to 52.9% in 9M 2022. 1Q 2023. Management believes that this non-US GAAP the 1Q 2024 EBITDA operating performance metric provides meaningful supplemental information to both management and investors and confirms represents a start in 2024 that is consistent with projections provided in its 2023 SEC 10-K Report. UTMD's ongoing excellent financial operating performance during a difficult economic period of time, trailing last twelve-month EBITDA was \$25,262.

UTMD's non-US GAAP adjusted consolidated EBITDA is the sum of the elements in the following table, each element of which is a US GAAP number:

3Q 2023	3Q 2022	9M 2023	9M 2022	1Q 2024	1Q 2023
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EBT	\$ 4,781	\$ 5,339	\$ 15,072	\$ 15,068	\$ 4,798	\$ 5,119
Depreciation Expense	155	152	465	454	156	154
Femcare IIA Amortization Expense	503	467	1,484	1,497	504	483
CSI IIA Amortization Expense		1,105	3,316	3,316	-	1,105
Other Non-Cash Amortization Expense		8	24	24	10	8
Stock Option Compensation Expense	53	38	152	121	78	50
Interest Expense		-	-	-		-
Remeasured Foreign Currency Balances	(1)	2	7	7	1	-
UTMD non-US GAAP EBITDA:	\$ 6,604	\$ 7,111	\$20,520	\$20,487	\$ 5,547	\$ 6,919

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g) Net Income

Net Income is EBT minus a provision for income taxes. Net Income in 3Q 2023 1Q 2024 of \$3,935 (31.5% of sales) \$3,956 was 8.1% 6.1% lower than the Net Income of \$4,280 (33.0% of sales) \$4,214 in 3Q 2022. 1Q 2023. UTMD's Net Income in 9M 2023 of \$12,349 (32.6% of sales) was 3.6% higher than margin, Net Income of \$11,918 (30.8% of sales) divided by consolidated sales, was 34.9% in 9M 2022.

1Q 2024 and 33.7% in 1Q 2023. The average consolidated income tax provisions provision rates (as a % of the same period EBT) were 17.6% in 3Q 2023 1Q 2024 and 3Q 2022 were 17.7% and 19.8% respectively, and were 18.1% and 20.9% in 9M 2023 and 9M 2022 respectively. The consolidated income tax provision rate varies as the mix in taxable income among U.S. and foreign subsidiaries with differing income tax rates differs from period to period. The lower 2023 tax provision rates resulted from the EBT of Utah Medical Products, Ltd (Ireland), with the lowest sovereignty corporate income tax rate, growing disproportionately more than UTMD's EBT from other sovereign entities, and a portion of UTMD's 2023 Non-operating Income generated from interest on high grade tax-exempt municipal bonds. UTMD has consistently paid millions of dollars in income taxes annually. The basic corporate income tax rates in each of the sovereignties were the same as in the prior year, except for the UK. The UK corporate income rate changed from 19% to 25% on April 1, 2023.

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1Q 2023.

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h) Earnings Per Share (EPS)

EPS are consolidated Net Income divided by the weighted average number of shares of stock outstanding (diluted to take into consideration stock option awards which are "in the money," i.e., have exercise prices below the applicable period's weighted average market value).

Diluted EPS in 3Q 2023 1Q 2024 at \$1.093 were \$1.081 5.7% lower than the \$1.159 in 1Q 2023. UTMD's smaller decline in EPS relative to Net Income was a result of 18,118 fewer diluted shares used to calculate EPS in 1Q 2024 compared to \$1.178 in 3Q 2022, an 8.2% decrease. Diluted EPS in 9M 2023 were \$3.394 compared to diluted EPS of \$3.265 in 9M 2022, a 4.0% increase. 1Q 2023. Diluted shares were 3,638,723 3,618,168 in 3Q 2023 1Q 2024 compared to 3,634,235 3,636,286 in 3Q 2022. The higher diluted 1Q 2023. Outstanding shares in 3Q 2023 were 3,588,336 at the result end of exercise of employee options.

1Q 2024. The number of shares used for calculating 3Q 2023 EPS was higher than September 30, 2023 actual outstanding ending shares because of a time-weighted calculation of average outstanding shares plus for option shares exercised and for shares which were repurchased during the quarter. There was no dilution from unexercised employee and director options. Outstanding shares at However, the end of 3Q 2023 were 3,629,525 compared to 3,627,767 at the end of calendar year 2022. The difference was due to 1,758 shares in employee option exercises during 9M 2023. For comparison, actual outstanding shares were 3,625,195 at the end of 3Q

2022. The total number of outstanding unexercised employee and outside director options at September 30, 2023 March 31, 2024 was 65,301 81,995 at an average exercise price of \$73.83, \$75.10, including shares awarded but not yet vested. This compares to 49,895 84,301 unexercised option shares at the end of 3Q 2022 2023 at an average exercise price of \$69.00/ \$74.56/ share, including shares awarded but not vested.

There were no shares added for 1Q 2024 EPS dilution from options because the average exercise price was higher than the 1Q 2024 ending share price of \$71.11. The number of shares added as a dilution factor for 3Q in 1Q 2023 was 9,309 compared to 9,220 8,456. No options were awarded in 3Q 2022. The number 1Q 2024 or 1Q 2023. During the remainder of shares added as a dilution factor for 9M 2023 was 9,918 compared to 9,424 in 9M 2022. In October 2022, 20,600 (after 1Q 2023), 19,000 non-qualified option shares were awarded to 40 48 employees at an exercise price of \$82.60. No options have been awarded in 2023. UTMD paid \$1,071 (\$0.295/share) in dividends to stockholders in 3Q 2023 compared to \$1,051 (\$0.290/ share) paid in 3Q 2022. Dividends paid to stockholders during 3Q 2023 were 27% of 3Q 2023 Net Income. UTMD paid \$3,211 (\$0.295/share) in dividends to stockholders in 9M 2023 compared to \$2,111 (\$0.290/ share) paid in 9M 2022. The difference was due to an earlier payment of a special dividend \$77.07.

Outstanding shares at the end of 2021 instead 1Q 2024 were 3,588,336 compared to 3,629,525 at the end of calendar year 2023 and 3,628,067 at the end of 1Q 2023. The difference in outstanding shares at the end of 1Q 2022. No UTMD 2024 compared to the end of 2023 resulted from 43,108 shares have been purchased repurchased in the open market in 2023. In 2Q 2022, the Company purchased 30,105 and 1,919 employee options exercised during 1Q 2024. UTMD repurchased 43,108 of its shares at an average cost price of \$82.88/ share. \$69.37 during 1Q 2024. Because of a time-weighted calculation, the full antidilution impact of 1Q 2024 repurchases won't be felt until 2Q 2024. The Company retains the strong desire and financial ability for repurchasing its shares at a price it believes is attractive for remaining stockholders. There were no stock repurchases in 2023.

UTMD paid \$1,089 (\$0.300/share) in cash dividends to stockholders in 1Q 2024. UTMD paid \$1,070 (\$0.295/share) in cash dividends to stockholders in 1Q 2023.

UTMD's closing share price at the end of 1Q 2024 was \$71.11, down 16% from the \$84.22 closing price at the end of 2023. The closing share price at the end of 1Q 2023 was \$94.77.

i) Return on Stockholder Equity (ROE) and Stock Value

ROE is the portion of Net Income retained by UTMD to internally finance its growth, divided by the average accumulated stockholders' equity Stockholders' Equity for the applicable time period. After payment of cash dividends to stockholders, annualized Annualized ROE (before stockholder dividends) in 1Q 2024 was 12% and in 1Q 2023 was 15%. The higher ROE in 9M 2023 was 10% compared to annualized ROE of 12% in 9M 2022. Before the payment of dividends, annualized ROE in 9M 2023 was 14% compared to 15% in 9M 2022. The lower ROE in 9M 1Q 2023 was due to an 11% increase in average accumulated stockholders' equity divided into 7% higher Net Income that grew only 4%. The larger increase in divided by 9% lower average stockholders' equity was due to accumulation of cash. Stockholders' Equity. Targeting a high ROE of 20% (before dividends) remains a key financial objective target for UTMD management.

UTMD paid \$1,071 (\$0.295/share) in ROE can be increased by increasing Net Income, and/or by reducing Stockholders' Equity by paying cash dividends to stockholders in 3Q 2023 compared to \$1,051 (\$0.290/ share) paid in 3Q 2022. Dividends paid to stockholders during 3Q 2023 were 27% of 3Q 2023 Net Income. UTMD paid \$3,211 (\$0.295/share) in dividends to stockholders in 9M 2023 compared to \$2,111 (\$0.290/ share) paid in 9M 2022. The main difference was due to an earlier payment of a special dividend at the end of 2021 instead of in 1Q 2022. Dividends paid to stockholders during 9M 2023 were 26% of 9M 2023 Net Income.

UTMD's closing share price at the end of 3Q 2023 was \$86.00, down from the closing price of \$93.20 three months earlier at the end of 2Q 2023, and the closing price of \$100.53 nine months earlier at the end of 2022. UTMD's closing share price at the end of 3Q 2022 was \$85.31, or by repurchasing shares.

Liquidity and Capital Resources

j) Cash flows

Net cash provided by operating activities, including adjustments for depreciation and amortization and other non-cash expenses along with changes in working capital, totaled \$16,949 \$5,276 in 9M 2023 1Q 2024 compared to \$15,467 \$6,915 in 9M 2022. The \$1,483 higher 1Q 2023. Net Income provided \$258 less to cash in 1Q 2024 than in 1Q 2023. Other differences in cash provided by operating activities in 9M 2023 was due to \$431 during the two periods were a \$1,355 higher Net Income and to working capital differences source of cash from 1) a \$1,141 smaller increase reduction in inventories in 9M 2023 compared to 9M 2022 along with \$422 and 2) a \$2,133 decrease in trade accounts receivable in 9M 2023 instead \$199 higher sources of a \$1,071 increase in 9M 2022, which were offset by 1) a \$711 decrease cash from increases in accounts payable instead and accrued expenses, respectively, offset by a

\$2,027 higher use of cash for accounts receivable, a \$540 \$1,082 lower increase in 9M 2022 amortization expense and 2) a \$1,093 \$189 greater decrease in accrued expenses instead of a \$1,075 increase in 9M 2022. deferred income taxes.

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Capital expenditures for property and equipment (PP&E) netting disposal were \$549 \$(5) in 9M 2023 1Q 2024 compared to \$771 \$43 in 9M 2022. The capital expenditures 1Q 2023. Depreciation of PP&E was \$156 in both years were due to expansion in manufacturing equipment in both Utah and Ireland. Capital expenditures for intangible assets were none in 9M 2023 1Q 2024 compared to \$9 \$155 in 9M 2022. 1Q 2023.

UTMD made cash dividend payments of \$3,211 Cash dividends paid to stockholders in 9M 2023 1Q 2024 were \$1,089 compared to \$2,111 \$1,070 in 9M 2022. A special dividend declared 1Q 2023. UTMD spent \$2,990 in 4Q 2021 was paid earlier 1Q 2024 to repurchase 43,108 of its shares. No shares were repurchased in December 2021 instead of January 2022. There were \$2,495 in share repurchases in 9M 2022 compared to no share repurchases in 9M 1Q 2023.

In 9M 2023 the Company 1Q 2024, UTMD received \$117 \$96 and issued 1,758 1,919 shares of its stock on upon the exercise of employee and director stock options. Option exercises in 9M 1Q 2024 were at an average price of \$50.15 per share. In comparison, 1Q 2023 UTMD received \$21 and issued 300 shares of its stock upon the exercise of employee stock options. Option exercises in 1Q 2023 were at an average price of \$66.40 per share. In comparison, in 9M 2022 the Company received \$43 and issued 563 shares of stock on the exercise of employee and director stock options. Option exercises in 9M 2022 were at an average price of \$75.98 \$69.83 per share.

Management believes that current cash balances, income from operations and effective management of working capital will provide the liquidity needed to finance internal meet the challenges of the current economic environment in achieving operating objectives, to maintain the capability to make opportunistic investments that will provide for growth plans. The in future profits and to continue to allocate capital in a way that will maximize stockholder value over time.

During the remainder of 2024 the Company may utilize cash not needed to support normal operations in one or a combination of the following: 1) in general, to continue to invest at an opportune time in ways that will enhance future profitability; 2) to make additional investments in new technology and/or processes; and/or 3) to acquire a product line or company that will augment revenue and EPS growth and better utilize UTMD's existing infrastructure. If there are no better strategic uses for UTMD's cash, the Company will continue to return cash to stockholders in the form of dividends and share repurchases when the stock appears undervalued.

k) Assets and Liabilities

September 30, 2023 UTMD's March 31, 2024 Balance Sheet, in the absence of debt, continued to be strong.

At March 31, 2024 total consolidated assets were \$131,243, practically the same as at December 31, 2023, but were \$7.7 million higher from a net increase year earlier at March 31, 2023. At March 31, 2024 compared to three months earlier at the end of \$7,369 2023, UTMD's cash and investments increased \$939 to \$93.8 million. Compared to a year earlier at March 31, 2023, cash and investments increased \$12.9 million. Inventories declined \$342 from December 31, 2022.

Consolidated Current Assets alone increased \$11,928, the end of 2023, and \$0.7 million from a year earlier. Working capital at the end of 1Q 2024 remained about the same as cash increased \$13,157 and inventories increased \$895, while receivables declined by \$2,051. The smaller total asset increase at the end of 2023, but was due to an offsetting \$4,559 decrease in long term assets, Net Intangible Assets and Property, Plant & Equipment (PP&E). Net Intangible Assets declined \$4,682 as a result of amortization but combined with a stronger GBP for remaining Femcare IIA. OUS PP&E decreased \$199, \$12.6 million higher than at March 31, 2023, primarily as a result of \$179 the increase in USD-denominated depreciation, but also, except for the GBP, weaker quarter-ending foreign currencies for remaining OUS PP&E assets.

cash. UTMD's Ireland subsidiary EUR-denominated assets and liabilities on September 30, 2023 were translated into USD strong current ratio improved to 19.6 at an FX rate 1.0% lower (weaker EUR relative to the USD) than the FX rate March 31, 2024 from 15.7 at March 31, 2023. The current ratio at the end of 2022. UTMD's UK subsidiary GBP-denominated assets were translated into USD 2023 was 22.6. Consolidated Accounts Receivable (net of allowances) increased \$201 at an FX rate 1.1% higher (stronger GBP) than March 31, 2024 from the FX rate end of 2023, but declined \$0.2 million compared to March 31, 2023. On a rolling sales quarter basis, the aging of receivables remained at a healthy 28.5 days at the end of 2022. UTMD's Australia subsidiary AUD-denominated

assets were translated into USD at an FX rate 5.2% lower (weaker AUD) than the FX rate 1Q 2024 compared to 24.3 days at the end of 2022. UTMD's Canada subsidiary CAD-denominated assets were translated into USD at an FX rate about the same as the FX rate 2023, and 27.3 days at the end of 2022. The net book value March 2023.

Net fixed assets at March 31, 2024 compared to December 31, 2023 declined \$286 from \$156 in depreciation, \$(5) in capital expenditures and the impact of WW consolidated PP&E increased \$123 the period-to-period foreign currency exchange (FX) rates for assets OUS. FX rates for Balance Sheet purposes are the applicable rates at September 30, 2023 from the end of 2022 due to the period-ending changed each reporting period. The FX rates above, \$549 in new asset purchases and \$465 in depreciation.

Working capital (Current Assets minus Current Liabilities) was \$97,670 at September 30, 2023 compared to \$83,959 at December 31, 2022. The primary sources of the \$13,711 working capital increase were from consolidated increases of \$13,157 in cash and \$895 in inventories together with decreases of \$707 in Accounts Payable and \$1,076 in Accrued Liabilities, offset by a \$2,051 decline in receivables. In other words, independently from the change in cash, a \$1,783 decrease in consolidated Current Liabilities together with the \$895 inventory increase offset the \$2,051 decrease in receivables. Management believes that UTMD's working capital remains sufficient applicable foreign currency to meet normal operating needs, as well as providing a cushion USD for unpredictable short-term negative events, new capital expenditures assets and continued cash dividend payments to stockholders.

September 30, 2023 Net Intangible Assets (goodwill plus other intangible assets, less amortization) declined \$4,682 from liabilities at the end of 2022. No new intangible assets were acquired in 9M 2023. 1Q 2024 and the end of 2023 follow:

	3-31-24	12-31-23	Change
GBP	1.263	1.274	(0.8%)
EUR	1.079	1.106	(2.4%)
AUD	0.652	0.682	(4.4%)
CAD	0.739	0.757	(2.5%)

At September 30, 2023 March 31, 2024, Net net Intangible Assets including goodwill were less than 15% declined \$611 to 13.3% of total consolidated Total assets from 13.8% on December 31, 2023, as a result of \$513 in amortization and the impact of an FX rate change in the GBP. The decline in net Intangible Assets from a year earlier was \$4.4 million, as the Intangible Asset associated with the purchase of CSI use of intangible and exclusive U.S. distribution rights was fully amortized in October 2023.

A \$765 increase in current liabilities at March 31, 2024 compared to 19% December 31, 2023 was a result of a \$535 increase in accrued liabilities and a \$230 increase in accounts payable. But current liabilities at year-end 2022, and 20% one March 31, 2024 were \$599 lower from a year ago earlier. The current liability changes resulted from normal business fluctuations. Long-term liabilities at September 30, 2022.

The long-term March 31, 2024 compared to December 31, 2023 declined \$211 primarily as a result of a \$135 reduction in the deferred tax liability (DTL) balance for the Femcare Ltd GBP IIA (\$9,084 to \$986 from \$1,121 at the end of 2023. The Femcare deferred tax liability was \$1,456 at March 31, 2023, and \$9,084 on the date of the acquisition) was \$1,195 (£979) at September 30, 2023, compared to \$1,513 (£1,253) at December 31, 2022, and \$1,479 (£1,328) at September 30, 2022. 2011 acquisition. This long-term liability will be fully amortized in March 2026. Reduction of the DTL deferred tax liability occurs as the book/tax difference of IIA amortization is eliminated over the remaining useful life of the Femcare IIA (because the amortization expense is not tax deductible Ltd IIA. There was also a 1Q 2024 \$67 decline in deferred income taxes in the UK). The DTL declined \$318 at September 30, 2023 from December 31, 2022, as a result of 9M 2023 amortization expense of \$1,484, which reduced the DTL balance by \$371 (using UK tax rate = 25%). The remaining difference was due to the FX rate when converting the GBP to USD at September 30, 2023.

U.S. and Ireland. UTMD's total debt ratio (Total Liabilities/ Total Assets) (total liabilities/total assets) as of September 30, 2023 March 31, 2024 was less than 6%, including a remaining \$1,675 Repatriation Tax liability from the 2017 "Tax Cuts and Jobs Act" payable over another two years. UTMD's total debt ratio 5.7% compared to 5.3% as of December 31, 2022 was 8% December 31, 2023, and as of September 30, 2022 was 9% 7.6% on March 31, 2023.

The \$7,369 increase in Total Liabilities and As of March 31, 2024, Stockholders' Equity (same as (SE) increased \$9.7 million compared to a year earlier at March 31, 2023 despite a reduction in SE from the increase \$7.3 million combination of share repurchases and (\$1.19/ share) in Total Assets) at September 30, 2023 stockholder cash dividends paid during the last twelve months. During 1Q 2024, SE decreased \$570 from December 31, 2022 was due to an increase in Stockholders' Equity, as Total Liabilities declined \$2,079. Stockholders' Equity increased \$9,448 at September 30, 2023 from December 31, 2022. Stockholders' equity increased during 9M the end of 2023 from \$12,349 in Net Profit, but was reduced by \$3,211 while the company paid \$1,089 in dividends paid to stockholders. and repurchased \$2,990 in stock, which reduced SE by \$4.1 million.

l) Management's Outlook

As outlined The first quarter of 2024 results were consistent with management projections for 2024 as described in UTMD's 2023 Form SEC 10-K. But to be clear, the projections included a progressive decline in financial results during the remainder of the year. The major projected change in 2024 financial results compared to 2023 has to do with losing UTMD's largest biopharma pressure sensor OEM customer. We understand that they have moved their sensor manufacturing work in-house, to their own non-U.S. facility. In 1Q 2024 WW sales to this customer were \$1.0 million lower than in 1Q 2023, accounting for 89% of the period-to-period quarterly revenue decline. Assuming no new orders from this customer will be received by UTMD, which is consistent with experience to date in 2024, OEM sales to this customer will be \$1.7, \$2.0 and \$1.8 million lower in 2Q, 3Q and 4Q 2024 respectively. In addition, UTMD's largest distributor of blood pressure monitoring medical devices in China has postponed its December 31, 2022 SEC 10-K report, UTMD's plan 4Q 2024 shipments, which were \$1.2 million in 4Q 2023 revenues. In other words, the total decline projected in financial results becomes greater as the current year progresses.

Objectives for 2023 was 2024 remain to

- 1) exploit UTMD's pre-qualified status to introduce a line of high-pressure process control transducer configurations directly to biopharmaceutical manufacturers;
- 2) continue to leverage OUS distribution and manufacturing synergies by further integrating capabilities and resources in UTMD's multinational operations;
- 2) expand manufacturing capacity at a time when resources are scarce;
- 3) focus on effectively differentiating defending the benefits proven safety and effectiveness of the Filshie Clip System in the U.S.;
- 4) introduce additional products helpful to clinicians through product development;
- 5) continue to achieve excellent overall financial operating performance; performance despite a contraction in revenues;
- 6) utilize positive cash generation to continue providing cash dividends to stockholders and make open market share repurchases if/when the UTMD share price seems undervalued; and
- 7) remain vigilant for affordable accretive acquisition opportunities which may be brought about by difficult burdens economic conditions on small, innovative companies.

Generally, the Company continues to execute its 2023 plan outlined above. In 9M 2023, UTMD achieved higher Net Income and EPS, achieving continued excellent overall financial performance. As expected, 2023 OEM revenues substantially declined and "sticky" inflation on manufacturing costs challenged UTMD's GPM. But the increase in Non-operating Income from higher interest on cash reserves more than offset the decline in Operating Income from a lower GPM combined with inflation in Operating Expenses including higher litigation expenses.

m) Accounting Policy Changes

None

None.

Forward-Looking Information. This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by management based on information currently available.

When used in this document, the words "anticipate," "believe," "project," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company respecting future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties stated throughout the document. Although the Company has attempted to identify important factors that could cause the actual results to differ materially, there may be other factors that cause the forward statement not to come true as anticipated, believed, projected, expected, or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those described herein as anticipated, believed, projected, estimated, expected or intended. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results, and the Company assumes no obligation to update or disclose revisions to those estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

UTMD has manufacturing and trading operations, including related assets, in the U.S. denominated in the U.S. Dollar (USD), in Ireland denominated in the Euro (EUR), in England denominated in the British Pound (GBP), in Australia denominated in the Australia Dollar (AUD), and starting in 2017, in Canada denominated in the Canadian Dollar (CAD). The currencies are subject to exchange rate fluctuations that are beyond the control of UTMD. The exchange rates were .9448, .9351, .9267, .9042 and 1.0217, .9198 EUR per USD as of September 30, 2023, March 31, 2024, December 31, 2022, December 31, 2023 and September 30, 2022, March 31, 2023, respectively. Exchange rates were .8188, .8280, .7915, .7850, and .8984, .8085 GBP per USD as of September 30, 2023, March 31, 2024, December 31, 2022, December 31, 2023 and September 30, 2022, March 31, 2023, respectively. Exchange rates were 1.5505, 1.5332, 1.4652 and 1.4695 and 1.5536 AUD per USD on September 30, 2023, March 31, 2024, December 31, 2022, December 31, 2023 and September 30, 2022, March 31, 2023, respectively. Exchange rates were 1.3537, 1.3539, 1.3204, and 1.3532 and 1.3751 CAD per USD on September 30, 2023, March 31, 2024, December 31, 2022, December 31, 2023, and September 30, 2022, March 31, 2023, respectively. UTMD manages its foreign currency risk without separate hedging transactions by either invoicing customers in the local currency where costs of production were incurred, by converting currencies as transactions occur, and by optimizing global account structures through liquidity management accounts.

Item 4. Controls and Procedures

The Company's management, under the supervision and with the participation of the Chief Executive Officer and the Principal Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2023, March 31, 2024. Based on this evaluation, the Chief Executive Officer and Principal Financial Officer concluded that, as of September 30, 2023, March 31, 2024, the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal controls over financial reporting that occurred during the nine months quarter ended September 30, 2023, March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company UTMD is currently a party from time to time in litigation incidental to its business related to business. Presently, except for Filshie clip product liability lawsuits in discovery, there is no litigation or threatened litigation. The Company does not expect the safety outcome of the Filshie Clip System, which remains approved under a PMA by the U.S. FDA as safe and effective, clip litigation will be material to consolidated financial results.

Item 1A. Risk Factors

In addition to the other information set forth in this report, investors should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in UTMD's Annual Report on Form 10-K for the year ended December 31, 2022, December 31, 2023, which could materially affect its business, financial condition or future results. The risks described in the Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to UTMD or currently deemed to be immaterial also may materially adversely affect the Company's business, financial condition and/or operating results.

Legislative or executive order healthcare interference in the United States renders the U.S. medical device marketplace unpredictable. A fully government-run healthcare system would likely eliminate healthcare consumer choice as well as commercial incentives for innovation. Restrictions on "nonessential" medical procedures during a pandemic reduce the demand for certain of UTMD's medical devices.

Increasing regulatory burdens, including premarketing approval delays, may result in significant loss of revenue, unpredictable costs and loss of management focus on developing and marketing products that improve the quality of healthcare:

Thousands of small focused medical device manufacturers including UTMD that do not have the overhead structure that the few large medical device companies can afford are increasingly burdened with bureaucratic and underqualified regulator demands that are not reasonably related to assuring the safety or effectiveness of the devices that they provide. Premarketing submission administrative burdens, and substantial “user fees” or notified body review fees, represent a significant non-clinical and/or non-scientific barrier to new product introduction, resulting in lack of investment or delays to revenues from new or improved devices. The risks associated with such circumstances relate not only to substantial out-of-pocket costs, including potential litigation in millions of dollars, but also loss of business and a diversion of attention of key employees for an extended period of time from managing their normal responsibilities, particularly in new product development and routine quality assurance activities.

Group Purchasing Organizations (GPOs) in the U.S. add non-productive costs, weaken the Company’s marketing and sales efforts and cause lower revenues by restricting access:

GPOs, theoretically acting as bargaining agents for member hospitals, but actually collecting revenues from the companies that they are negotiating with, have made a concerted effort to turn medical devices that convey special patient safety advantages and better health outcomes, like UTMD’s, into undifferentiated commodities. GPOs have been granted an antitrust exemption by the U.S. Congress. Otherwise, their business model based on “kickbacks” would be a violation of law. Despite rhetoric otherwise, these bureaucratic entities do not recognize or understand the overall cost of care as it relates to safety and effectiveness of devices, and they create a substantial administrative burden that is primarily driven by collection of their administrative fees.

The Company’s business strategy may not be successful in the future:

As the level of complexity and uncertainty in the medical device industry increases, evidenced, for example, by the unpredictable and overly cumbersome regulatory environment, the Company’s views of the future and product/ market strategy may not yield financial results consistent with the past.

As the healthcare industry becomes increasingly bureaucratic it puts smaller companies like UTMD at a competitive disadvantage:

An aging population is placing greater burdens on healthcare systems, particularly hospitals. The length of time and number of administrative steps required in adopting new products for use in hospitals has grown substantially in recent years. Smaller companies like UTMD typically do not have the administrative resources to deal with broad new administrative requirements, resulting in either loss of revenue or increased costs. As UTMD introduces new products it believes are safer and more effective, it may find itself excluded from certain clinical users because of the existence of long term supply agreements for preexisting products, particularly from competitors which offer hospitals a broader range of products and services. Restrictions used by hospital administrators to limit clinician involvement in device purchasing decisions makes communicating UTMD’s clinical advantages more difficult.

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A product liability lawsuit could result in significant legal expenses and a large award against the Company:

UTMD’s devices are frequently used in inherently risky situations to help physicians achieve a more positive outcome than what might otherwise be the case. In any lawsuit where an individual plaintiff suffered permanent physical injury, the possibility of a large award for damages exists whether or not a causal relationship exists.

The Company’s reliance on third party distributors in some markets may result in less predictable revenues:

UTMD’s distributors have varying expertise in marketing and selling specialty medical devices. They also sell other devices that may result in less focus on the Company’s products. In some countries, notably China, Pakistan and India not subject to similarly rigorous standards, a distributor of UTMD’s products may eventually become a competitor with a cheaper but lower quality version of UTMD’s devices.

The loss of one or more key employees could negatively affect UTMD performance:

In a small company with limited resources, the distraction or loss of key personnel at any point in time may be disruptive to performance. The Company’s benefits programs are key to recruiting and retaining talented employees. An increase in UTMD’s employee healthcare plan costs, for example, may cause the Company to have to reduce coverages which in turn represents a risk to retaining key employees.

Fluctuations in foreign currencies relative to the USD can result in significant differences in period-to-period financial results:

Since a significant portion of UTMD’s sales are invoiced in foreign currencies and consolidated financial results are reported in USD terms, a stronger USD can have negative revenue effects. Conversely, a weaker USD would increase foreign subsidiary operating costs in USD terms. For the portion of sales to foreign entities made in fixed USD terms, a stronger USD makes the devices more expensive

and weakens demand. For the portion invoiced in a foreign currency, not only USD-denominated sales are reduced, but also gross profits may be reduced because finished distributed devices and/or U.S. made raw materials and components are likely being purchased in fixed USD.

Trade restrictions and /or tariffs resulting from changing government trade policies have the potential to disrupt UTMD’s supply chain. The COVID-19 pandemic could continue to disrupt UTMD’s supply chain or interfere with normal business operations due to the loss of employee availability and rapidly rising input costs.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table details purchases by UTMD did not purchase any of its own securities during 1Q 2024.

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	(a) Total number of shares purchased (1)	(b) Average price paid per share (1)	(c) Total number of shares purchased as part of publicly announced plans or programs (1)	(d) Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs (1)
01/01/24 – 01/31/24	-	-	N/A	N/A
02/01/24 – 02/29/24	16,365	70.37	N/A	N/A
03/01/24 – 03/31/24	26,743	68.76	N/A	N/A
Total	43,108	69.37	N/A	N/A

1) None of the shares were purchased as part of a publicly announced plan and all were purchased on the open market. The frequency of UTMD’s open market share repurchases depends on the availability of sellers and the price of the stock. The board of directors has not established an expiration date or a maximum dollar or share limit for UTMD’s continuing and long-term pattern of open market share repurchases since 1992. The purpose of UTMD’s ongoing share repurchases is to maximize the value of the Company for its continuing stockholders, and maximize its return on stockholder equity by employing excess cash generated by effectively managing its business. UTMD does not intend to repurchase shares that would result in 9M 2023. During 2Q 2022/ 9M 2022 UTMD purchased 30,105 of terminating its shares Nasdaq Global Market listing. Please see item 9) Subsequent Events in the open market Notes to Financial Statements for \$2,495 including commissions and fees (\$82.88/ share.) shares repurchased in April 2024.

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Item 6. Exhibits

Exhibit #	Title of Document
31.1	Certification of CEO pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of CEO pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from the Utah Medical Products, Inc. quarterly report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 , formatted in Inline Extensible Business Reporting Language (iXBRL): (i) Consolidated Condensed Balance Sheets, (ii) Consolidated Condensed Statements of Income, (iii) Consolidated Condensed Statements of Cash Flows, (iv) Consolidated Condensed Statements of Stockholders' Equity, and (v) related Notes to the Consolidated Condensed Financial Statements, tagged in detail.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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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.

UTAH MEDICAL PRODUCTS, INC.
REGISTRANT

Date: **11/13/23** **5/10/24**

By: /s/ Kevin L. Cornwell

Kevin L. Cornwell
CEO

Date: **11/13/23** **5/10/24**

By: /s/ Brian L. Koopman

Brian L. Koopman
Principal Financial Officer

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Exhibit 31.1

CERTIFICATION OF CEO
PURSUANT TO RULE 13a-14(a) AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin L. Cornwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Utah Medical Products, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023 May 10, 2024

/s/ Kevin L. Cornwell
Kevin L. Cornwell
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian L. Koopman, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Utah Medical Products, Inc.;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023 May 10, 2024

/s/ Brian L. Koopman

Brian L. Koopman
Principal Financial Officer

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Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Utah Medical Products, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin L. Cornwell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report 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 the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kevin L. Cornwell
Kevin L. Cornwell
Chief Executive Officer
November 13, 2023 May 10, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Utah Medical Products, Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian L. Koopman, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report 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 the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Brian L. Koopman
Brian L. Koopman
Principal Financial Officer
November 13, 2023 May 10, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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