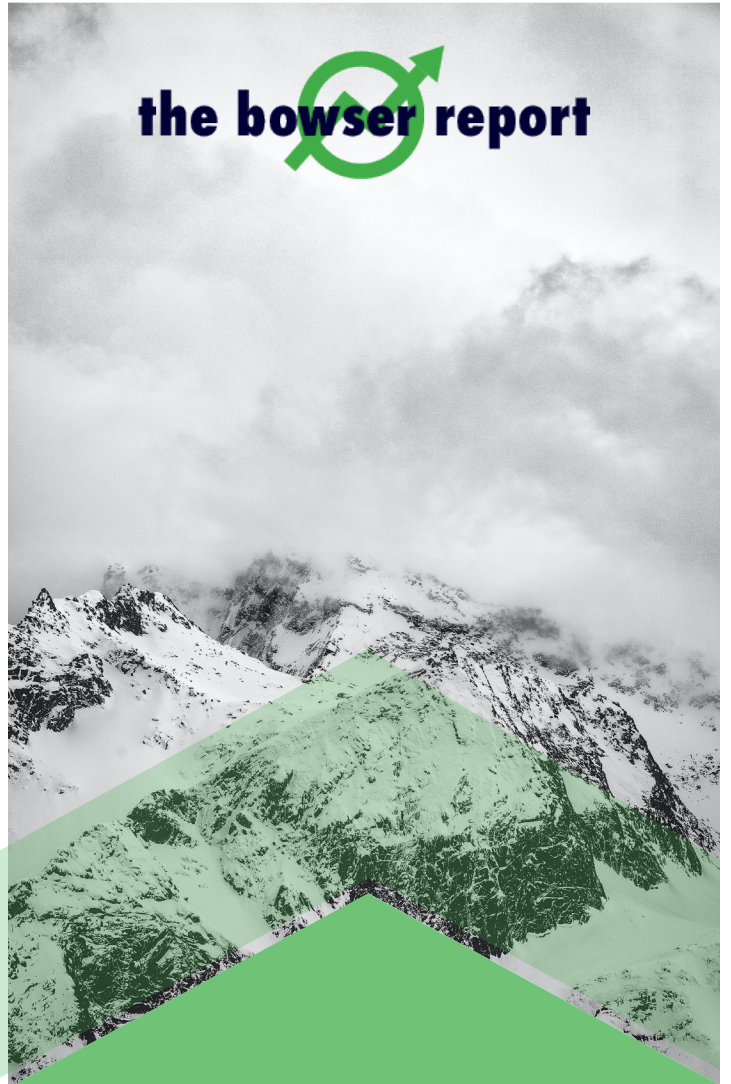




**the bowser report**



# Stock of the Year

## 2020

Please be sure to read our Disclaimer\* on page 4.

Photo by eberhard grossgasteiger from Pexels

# Retractable Technologies (RVP)



**Retractable Technologies (RVP)**, incorporated in 1994, designs, develops, manufactures and markets safety syringes and other medical products for the healthcare industry. It principally offers VanishPoint® safety products comprising tuberculin, insulin, autodisable and allergy antigen syringes; IV catheters; blood collection tube holders; blood collection sets; and Patient Safe® safety medical products, including syringes and Luer caps. The company also engages in developing retractable needles and syringes, glass syringes, dental syringes, IV catheter introducers, and blood collection sets, as well as EasyPoint® needles. (Yahoo! Finance)

Address: 511 Lobo Lane, Little Elm, TX 75068-5295, Tel: (972) 294-1010, [www.retractable.com](http://www.retractable.com)

Unlike last year's top pick [Repro Med Systems (KRMD)], Retractable Technologies is a recent addition to the newsletter, named Company of the Month in January 2020. At the time, RVP was trading at \$1.48.

Just a couple of months after recommendation, the world and financial markets were shocked by the COVID-19 pandemic, which forced lockdowns, quarantines and stay-at-home orders. While this worldwide event was unforeseen, Retractable Technologies was positioned to and did succeed. As a result, RVP is 2020's Stock of the Year.

## Original Recommendation

*The Bowser Report's* original recommendation for Retractable Technologies was based on three major factors:

1. Differentiated products
2. Strong fundamental foundation
3. Insider ownership increases

### 1. Differentiated Products

RVP's injection device solutions have provided

numerous advantages to healthcare providers. VanishPoint® syringes are the gold standard for retractable needle syringes, virtually eliminating any exposure to contaminated needles and reducing the risk of needlestick injury. RVP also recently extended the patent life for these syringes to avoid expiration in 2020.

Two other exceptional products are Patient Safe® syringes, which reduce the risk of bloodstream infections, and EasyPoint® needles, which have stolen the spotlight more recently.

### 2. Strong Fundamental Foundation

Retractable Technologies' balance sheet at the time of recommendation provided a solid foundation for expansion. The company had \$18.2 million in working capital with only a small amount of long-term debt, which had been steadily declining.

### 3. Insider Ownership

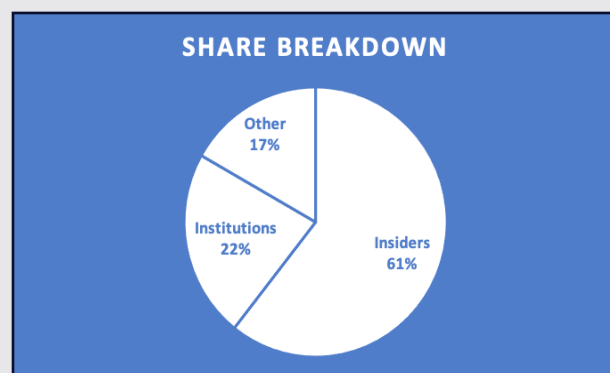
CEO Thomas Shaw was acquiring shares regularly, which provided a strong catalyst for our recommendation. He made multiple large

## Insider Transactions

We mentioned CEO Thomas Shaw's purchases as a strength upon recommendation. Over the last twelve months, the total number of insider buys has outweighed the number of sales (75 to 4). However, the share purchased (120,648) are fewer than those sold (546,000).

To the right is a chart showing the current share breakdown.

*Data obtained from Yahoo! Finance.*



purchases in 2017 and numerous smaller purchases since. At the time of *The Bowser Report's* writeup, Shaw owned 83% of insider shares, with his position alone outweighing the company's float (9.5 million shares).

### Response to the Pandemic

When the COVID-19 pandemic took hold, investors flocked to sympathy stocks after the initial sell-off. With its healthcare solutions, Retractable Technologies was well-positioned to respond to the global pandemic.

The first step RVP took was to ensure its supply chain was stable. In its Fiscal 2019 press release (issued March 31, 2020), the company commented on its supply chain, noting solid inventories and the resumption of their Chinese manufacturers' operations.

To date, Retractable Technologies has not experienced a material impact on its financials related to the pandemic. In fact, sales have risen considerably over the first nine months of Fiscal 2020, primarily as a result of a contract with the U.S. Department of Health and Human Services (HSS). The company commented in its second quarter results press release that it believes recent HSS orders are related to the pandemic.

### Financial Explosion

Over the nine months ended September 30, 2020, Retractable Technologies' sales are up 71% and net income is up 1,840%, year-over-year.

While a good portion (\$14.3 million) is

related to the aforementioned HHS contract, RVP has increased sales by \$6.4 million elsewhere, mainly through existing customers but also through the addition of several small customers.

In addition, RVP reported a \$53.7 million Technology Investment Agreement with the U.S. government in the second quarter.

### Share Performance

Retractable Technologies' positioning and response to the COVID-19 pandemic drew a lot of attention from investors, and shares skyrocketed following the bottom in March as a result.

RVP came close to a new all-time high in July, hitting \$13.65 (an 822% gain from our price in the January 2020 newsletter) before pulling back below \$6.

Shares rallied again beginning in September to set a new all-time high of \$15.79 (a 967% gain from our pick) earlier this month. Since then, shares have once again settled down. At the time of this writing, the stock is currently trading in the high \$10s.

### Conclusion

While Retractable Technologies' momentum has cooled off more recently, the stock is still in its upward trend with potential for more growth as the COVID-19 vaccine rolls out.

Bowser subscribers following the Game Plan should have sold out of their positions, but not before cashing in on an exceptional gain. Congratulations to all those who did!





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