



UNITED-GUARDIAN, INC.

Corporate Divisions
GUARDIAN LABORATORIES

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Press Release

FOR IMMEDIATE RELEASE

UNITED-GUARDIAN REPORTS 1st QUARTER INCREASE IN SALES

Hauppauge, NY, May 13, 2020 – United-Guardian, Inc. (NASDAQ:UG) reported today that net sales for the first quarter of 2020 increased by 4% over the same quarter last year, increasing from \$3,180,318 in 2019 to \$3,322,914 in this year’s first quarter. Net income decreased from \$1,222,694 (\$0.27 per share) in 2019 to \$790,307 (\$0.17 per share) this year primarily due to the decrease in value of the company’s marketable securities.

Ken Globus, President of United-Guardian, stated, “Despite the impact on the economy of the coronavirus, our first quarter sales remained strong, and continued to be strong in April. As an “essential business” we have remained in operation during this coronavirus pandemic, albeit on a reduced and staggered schedule, and we have been able to maintain production and continue to fill orders. The decrease in net income that we experienced was due to the decrease in the market value of our investments, which resulted from the substantial stock market decline that occurred during the first quarter. As a result of a change in accounting rules in 2018, we are now required to include in net income any fluctuations in the market value of our marketable securities, even though we did not experience any actual gains or losses. Had it not been for that accounting change, our earnings would have been significantly higher. In fact, our net income from operations actually increased from \$1,246,352 to \$1,310,576. However, in the coming months we may see a decline in sales as the global impact of the coronavirus continues.”

United-Guardian is a manufacturer of cosmetic ingredients, personal and health care products, pharmaceuticals, and specialty industrial products.

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NOTE: This press release contains both historical and “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements about the company’s expectations or beliefs concerning future events, such as financial performance, business prospects, and similar matters, are being made in reliance upon the “safe harbor” provisions of that Act. Such statements are subject to a variety of factors that could cause our actual results or performance to differ materially from the anticipated results or performance expressed or implied by such forward-looking statements. For further information about the risks and uncertainties that may affect the company’s business please refer to the company’s reports and filings with the Securities and Exchange Commission.

RESULTS FOR THE QUARTERS ENDED
MARCH 31, 2020 and MARCH 31, 2019*

STATEMENTS OF INCOME
(UNAUDITED)

	THREE MONTHS ENDED	
	MARCH 31,	
	<u>2020</u>	<u>2019</u>
Net Sales	\$ <u>3,322,914</u>	\$ <u>3,180,318</u>
Costs and expenses:		
Cost of sales	1,389,331	1,288,345
Operating expenses	515,275	546,962
Research and development	<u>107,732</u>	<u>98,659</u>
Total costs and expenses	<u>2,012,338</u>	<u>1,933,966</u>
Income from operations	<u>1,310,576</u>	<u>1,246,352</u>
Other (expense) income:		
Investment income	44,067	44,167
Net (loss) gain on marketable securities	<u>(356,595)</u>	<u>257,194</u>
Total other (expense) income	<u>(312,528)</u>	<u>301,361</u>
Income before provision for income taxes	998,048	1,547,713
Provision for income taxes	<u>207,741</u>	<u>325,019</u>
Net income	\$ <u><u>790,307</u></u>	\$ <u><u>1,222,694</u></u>
Earnings per common share (basic and diluted)	\$ <u><u>0.17</u></u>	\$ <u><u>0.27</u></u>
Weighted average shares – basic and diluted	<u>4,594,319</u>	<u>4,594,319</u>

* Additional financial information can be found at the company's web site at www.u-g.com.