

SMITH MIDLAND CORP
Form 10-Q
August 02, 2018

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
p 1934
For the quarterly period ended June 30, 2018

or
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
o 1934

For the transition period from _____ to _____

Commission File Number 1-13752

Smith-Midland Corporation
(Exact name of Registrant as specified in its charter)
Delaware 54-1727060
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5119 Catlett Road, P.O. Box 300
Midland, VA 22728
(Address, zip code of principal executive offices)

(540) 439-3266
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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. (Check one):

Large accelerated filer Accelerated filer Emerging growth company

Non-accelerated filer Smaller reporting 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 the latest practicable date.

Common Stock, \$.01 par value, outstanding as of August 1, 2018 : 5,080,395 shares, net of treasury shares

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PART I — FINANCIAL INFORMATION

ITEM 1. Financial Statements

SMITH-MIDLAND CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands, except share and per share data)

ASSETS	June 30, 2018 (Unaudited)	December 31, 2017
Current assets		
Cash and cash equivalents	\$ 839	\$ 3,390
Investment securities, available-for-sale, at fair value	1,097	1,098
Accounts receivable, net		
Trade - billed (less allowance for doubtful accounts of \$211 and \$208)	11,262	8,967
Trade - unbilled	1,272	251
Inventories, net		
Raw materials	904	819
Finished goods (less reserves of \$39)	2,188	2,696
Prepaid expenses and other assets	441	452
Refundable income taxes	1,325	1,359
Total current assets	19,328	19,032
Property and equipment, net	10,434	9,867
Deferred buy-back lease asset, net	2,986	—
Other assets	269	326
Total assets	\$ 33,017	\$ 29,225

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands, except share and per share data)

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 2018 (Unaudited)	December 31, 2017
Current liabilities		
Accounts payable - trade	\$ 2,986	\$ 3,059
Accrued expenses and other liabilities	588	588
Deferred revenue	1,198	1,144
Accrued compensation	687	1,231
Income taxes payable	80	—
Dividend payable	—	256
Current maturities of notes payable	693	637
Customer deposits	1,227	919
 Total current liabilities	 7,459	 7,834
Deferred buy-back lease obligation	3,733	—
Notes payable - less current maturities	2,878	2,896
Deferred tax liability	1,287	1,290
 Total liabilities	 15,357	 12,020
Stockholders' equity		
Preferred stock, \$.01 par value; authorized 1,000,000 shares, none issued and outstanding	—	—
Common stock, \$.01 par value; authorized 8,000,000 shares; 5,225,648 and 5,214,148 issued and 5,080,395 and 5,047,895 outstanding, respectively	51	51
Additional paid-in capital	5,917	5,719
Treasury stock, at cost, 40,920 shares	(102) (102
Accumulated other comprehensive loss	(32) (19
Retained earnings	11,826	11,556
 Total stockholders' equity	 17,660	 17,205
 Total liabilities and stockholders' equity	 \$ 33,017	 \$ 29,225

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share data)

	Three Months Ended June 30, 2018 2017	
Revenue		
Product sales	\$6,943	\$7,611
Barrier rentals	340	302
Royalty income	506	473
Shipping and installation revenue	2,044	2,342