

Omega Flex, Inc.  
Form 10-Q  
November 06, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the quarterly period ended **September 30, 2018**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **000-51372**

**Omega Flex, Inc.**

(Exact name of registrant as specified in its charter)

**Pennsylvania**

**23-1948942**

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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

**451 Creamery Way, Exton, PA**

**19341**

(Address of principal executive offices) (Zip Code)

**(610) 524-7272**

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, non-accelerated filer, or a smaller reporting company filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of The Exchange Act).

Yes  No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS.**

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Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 12 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by the courts.

The number of shares of the registrant's common stock outstanding as of September 30, 2018 was 10,091,822.

**OMEGA FLEX, INC.**

**QUARTERLY REPORT ON FORM 10-Q**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

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**PART I - FINANCIAL INFORMATION****Item 1 - Financial Statements****OMEGA FLEX, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2018 (unaudited)	December 31, 2017 (unaudited)
	(Dollars in thousands)	
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$6,445	\$ 37,938
Accounts Receivable - less allowances of \$1,061 and \$920, respectively	17,480	15,636
Investments	34,897	-
Inventories-Net	7,620	8,007
Other Current Assets	2,411	1,895
<b>Total Current Assets</b>	<b>68,853</b>	<b>63,476</b>
Property and Equipment-Net	7,681	6,998
Goodwill-Net	3,526	3,526
Deferred Taxes	12	12
Other Long Term Assets	1,343	3,079
<b>Total Assets</b>	<b>\$81,415</b>	<b>\$ 77,091</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts Payable	\$2,554	\$ 2,598
Accrued Compensation	3,763	4,851
Accrued Commissions and Sales Incentives	4,063	4,284
Dividends Payable	2,422	2,220
Taxes Payable	-	568
Other Liabilities	3,791	3,583
<b>Total Current Liabilities</b>	<b>16,593</b>	<b>18,104</b>

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Deferred Taxes	348	209
Long Term Taxes Payable	-	761
Other Long Term Liabilities	1,706	1,948
<b>Total Liabilities</b>	<b>18,647</b>	<b>21,022</b>
<b>Commitments and Contingencies (Note 5)</b>		
<b>Shareholders' Equity:</b>		
Omega Flex, Inc. Shareholders' Equity:		
Common Stock – par value \$0.01 Shares: authorized 20,000,000, issued 10,153,633 and outstanding 10,091,822 at both September 30, 2018 and December 31, 2017	102	102
Treasury Stock	(1 )	(1 )
Paid-in Capital	10,808	10,808
Retained Earnings	52,508	45,457
Accumulated Other Comprehensive Loss	(879 )	(908 )
<b>Total Omega Flex, Inc. Shareholders' Equity</b>	<b>62,538</b>	<b>55,458</b>
Noncontrolling Interest	230	611
<b>Total Shareholders' Equity</b>	<b>62,768</b>	<b>56,069</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$81,415</b>	<b>\$ 77,091</b>

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**OMEGA FLEX, INC.****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(unaudited)**

	For the three-months ended September 30, 2018		For the nine-months ended September 30, 2018	
	2017	2018	2017	2018
				<b>2017</b>
	(Amounts in Thousands, except earnings per Common Share)			
Net Sales	\$27,199	\$24,923	\$79,443	\$74,335
Cost of Goods Sold	10,652	9,716	31,649	29,650
Gross Profit	16,547	15,207	47,794	44,685
Selling Expense	4,265	4,004	12,960	12,356
General and Administrative Expense	4,385	4,495	12,939	13,312
Engineering Expense	1,221	798	3,361	2,468
Operating Profit	6,676	5,910	18,534	16,549
Interest Income	130			