

SMITH-MIDLAND CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

ASSETS	March 31, 2023 (Unaudited)	December 31, 2022
Current assets		
Cash	\$ 3,936	\$ 6,726
Accounts receivable, net		
Trade - billed (less allowances of approximately \$937 and \$781, respectively), including contract retentions	17,867	16,223
Trade - unbilled	2,534	990
Inventories, net		
Raw materials	2,705	1,776
Finished goods	2,286	2,042
Prepaid expenses	776	706
Refundable income taxes	476	477
Total current assets	30,580	28,940
Property and equipment, net	25,676	25,124
Other assets	243	249
Total assets	\$ 56,499	\$ 54,313

SMITH-MIDLAND CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

(continued)

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 2023 (Unaudited)	December 31, 2022
Current liabilities		
Accounts payable - trade	\$ 6,440	\$ 5,816
Accrued expenses and other liabilities	745	799
Deferred revenue	2,001	2,243
Accrued compensation	640	788
Accrued income taxes	168	146
Operating lease liabilities	64	77
Current maturities of notes payable	636	618
Customer deposits	2,494	737
Total current liabilities	13,188	11,224

Deferred revenue	2,475	2,174
Operating lease liabilities	34	45
Notes payable - less current maturities	5,558	5,730
Deferred tax liability	2,087	2,085
Total liabilities	23,342	21,258
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; 5,345,189 and 5,345,189 issued and 5,256,413 and 5,256,413 outstanding, respectively	53	53
Additional paid-in capital	7,525	7,440
Treasury stock, at cost, 40,920 shares	(102)	(102)
Retained earnings	25,681	25,664
Total stockholders' equity	33,157	33,055
Total liabilities and stockholders' equity	\$ 56,499	\$ 54,313

SMITH-MIDLAND CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Unaudited)

(in thousands, except per share data)

	Three Months Ended March	
	31,	
	2023	2022
Revenue		
Product sales	\$ 8,242	\$ 5,851
Barrier rentals	1,120	1,485
Royalty income	411	427
Shipping and installation revenue	3,069	2,672
Total revenue	12,842	10,435
Cost of goods sold	10,676	8,787
Gross profit	2,166	1,648
Operating expenses		
General and administrative expenses	1,350	1,159
Selling expenses	762	662
Total operating expenses	2,112	1,821
Operating income (loss)	54	(173)
Other income (expense)		
Interest expense	(64)	(48)
Interest income	6	3
Gain on sale of assets	82	39

Other income	25	20
Total other income (expense)	49	14
Income (loss) before income tax expense (benefit)	103	(159)
Income tax expense (benefit)	23	(40)
Net income (loss)	\$ 80	\$ (119)
Basic and diluted earnings (loss) per common share	\$ 0.02	\$ (0.02)
Weighted average number of common shares outstanding:		
Basic	5,256	5,230
Diluted	5,290	5,230

SMITH-MIDLAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in thousands)

	Three Months Ended	
	March 31,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ 80	\$ (119)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	594	703
(Gain) loss on sale of property and equipment	(82)	(39)
Provision for bad debts	92	30
Stock compensation	85	126
Deferred taxes	1	5
(Increase) decrease in		
Accounts receivable - billed	(1,800)	(2,064)
Accounts receivable - unbilled	(1,544)	(24)
Inventories	(1,173)	(480)
Prepaid expenses and other assets	(70)	90
Refundable income taxes	2	-
Increase (decrease) in		
Accounts payable - trade	624	1,454
Accrued expenses and other liabilities	(54)	(365)
Deferred revenue	59	(11)
Accrued compensation	(148)	(129)
Accrued income taxes	22	(43)
Deferred buy-back lease obligation	-	(314)
Customer deposits	1,757	(13)
Net cash provided by (used in) operating activities	<u>(1,555)</u>	<u>(1,193)</u>
Cash flows from investing activities:		

Purchases of property and equipment	(1,164)	(196)
Proceeds from the sale of property and equipment	<u>82</u>	<u>39</u>
Net cash provided by (used in) investing activities	<u>(1,082)</u>	<u>(157)</u>
Cash flows from financing activities:		
Proceeds from long-term borrowings	-	2,805
Repayments of long-term borrowings	<u>(153)</u>	<u>(129)</u>
Net cash provided by (used in) financing activities	<u>(153)</u>	<u>2,676</u>
Net increase (decrease) in cash	(2,790)	1,326
Cash		
Beginning of period	<u>6,726</u>	<u>13,492</u>
End of period	<u>\$ 3,936</u>	<u>\$ 14,818</u>
Supplemental Cash Flow Information:		
Cash payments for interest	\$ 64	\$ 48
Cash payments for income taxes	\$ -	\$ -

SOURCE: Smith-Midland Corporation