

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

SMITH MIDLAND CORP

Form: 8-K

Date Filed: 2019-03-26

Corporate Issuer CIK: 924719

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 26, 2019

SMITH-MIDLAND CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-13752
(Commission File Number)

54-1727060
(I.R.S. Employer Identification Number)

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

(504) 439-3266
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth 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. ☐

ITEM 2.02 Results of Operations and Financial Condition

On March 26, 2019 Smith-Midland Corporation issued a press release announcing its financial results for the quarter and year ended December 31, 2018.

A copy of the press release is attached hereto as Exhibit 99.1.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit No</u>	<u>Exhibit Description</u>
99.1	Press release, dated March 26, 2019

The information filed as an exhibit to this Form 8-K is being furnished in accordance with Item 2.02 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 26, 2019

SMITH-MIDLAND CORPORATION

By: /s/ Adam J. Krick

Adam J. Krick

Chief Financial Officer

Smith-Midland Announces Fourth Quarter and Full Year 2018 Results

Fourth Quarter 2018 Highlights

- Revenues of \$11.7 million
 - ☐ Increase of \$1.7 million, or 17%, over the fourth quarter 2017
 - ☐ \$1.2 million increase in deferred buy-back revenue (not included in revenues)
 - ☐ \$1.0 million increase in deferred buy-back asset (not included in expenses)
- Gross Margin of \$3.5 million, or 29.8%
- Net Income of \$0.9 million
 - ☐ Increase of \$0.5 million, or 145%, over the fourth quarter 2017
- EPS \$0.17 per share
 - ☐ Increase of \$0.10 per share over the fourth quarter 2017

Full Year 2018 Highlights

- Revenues of \$40.2 million
 - ☐ \$6.6 million increase in deferred buy-back revenue (not included in revenues)
 - ☐ \$5.3 million increase in deferred buy-back asset (not included in expenses)
- Gross Margin of \$10.5 million, or 26.1%
- Net Income of \$1.7 million
- EPS \$0.33 per share
- Total Assets \$41.4 million
 - ☐ Increase of \$12.2 million, or 41.8%, over December 31, 2017
- Current Backlog of \$31.1 million
 - ☐ Increase of \$1.6 million, or 5.4%, over same time last year

MIDLAND, VA. – Smith-Midland Corporation (the Company) (OTCQX: SMID), which develops, manufactures, licenses, rents, and sells a broad array of precast concrete products for use primarily in the construction, transportation and utilities industries, today announced results for the quarter and full year ended December 31, 2018.

Fourth Quarter 2018 Results

The Company reported fourth quarter revenues of \$11.7 million for 2018 and \$10.0 million for 2017, an increase of \$1.7 million, or 17%. The pre-tax income for the fourth quarter of 2018 was \$1.2 million compared to pre-tax income of \$0.1 million in 2017, an increase of \$1.1 million. The Company had net income for the fourth quarter of 2018 in the amount of \$0.9 million compared to net income of \$0.4 million in 2017, an increase of \$0.5 million. The basic and diluted income per share was \$0.17 for the fourth quarter 2018, while the basic and diluted income per share was \$0.07 for the fourth quarter 2017.

Full Year 2018 Results

The Company reported total revenue of \$40.2 million for 2018 compared to \$41.7 million for 2017, a decrease of \$1.5 million, or 3.6%. The Company reported pre-tax income of \$2.3 million for 2018 compared to pre-tax income of \$3.7 million for 2017, a decrease of \$1.4 million. The Company reported net income of \$1.7 million in 2018, compared to net income of \$2.7 million in 2017, a decrease of \$1.0 million. The basic and diluted income per share was \$0.33 for 2018, while the basic and diluted income per share was \$0.53 for 2017.

CEO Commentary

Ashley Smith, CEO stated, “The Company had significant earnings improvement in the fourth quarter 2018 of \$0.17 per share. The guaranteed buy-back deferral on our largest barrier order ever continues to impact current earnings as the deferred buy-back revenue balance increased to \$6.6 million and the deferred buy-back asset balance increased to \$5.3 million, which impacted pre-tax net income for the year by \$1.3 million. Moving forward, the Company will be recognizing the deferred income through 2022, increasing bottom line profits each year.

“During the fourth quarter the Company received a new barrier rental order, in which the Company produced and started delivering 47,004 linear foot of rental barrier for a large infrastructure project in southeastern Virginia. This job is expected to be fully delivered in the first quarter of 2019, with revenue and earnings being recognized over the 36 month leasing period. The Company continues to grow the barrier rental fleet while adding product offerings, such as barrier installation and resetting, crash cushions, and safety accessories to provide a full-service safety barrier rental package to highway contractors. To support the additional barrier rental fleet, the Company has built a 4 acre storage and repair yard near the Midland, VA plant where the rental division, Concrete Safety Systems, operates the barrier rental fleet.

“Total Assets for the Company grew this year to \$41.4 million at December 31, 2018 from \$29.2 million at December 31, 2017, an increase of \$12.2 million, or 41.8%, while only increasing outstanding debt on notes payable by \$1 million. The continued reinvestment back into the Company prepares for the expected year over year sales growth with the high probability of accelerated infrastructure projects in our markets.

“Construction of our newest manufacturing facility in North Carolina is slightly behind schedule due to construction and weather delays, as it continues to remain within the \$3.3 million budget. We now expect production to begin at the new facility in the third quarter 2019. With plant capacity in North Carolina more than doubling, we continue to bid on larger contracts to be manufactured in the new plant.”

Balance Sheet and Liquidity

As of December 31, 2018, the Company had cash and investments totaling \$3.1 million. Accounts receivable increased to \$12.3 million at December 31, 2018 with large billings occurring near the end of the fourth quarter, all of which are expected to be collected in the normal payment cycle. Total outstanding debt on notes payable was \$4.5 million, which includes debt associated with the North Carolina expansion of \$1.0 million. The increase in total outstanding debt on notes payable is mainly attributed to our execution of the North Carolina expansion strategy to support the growing demand in our markets.

About Smith-Midland

Smith-Midland develops, manufactures, licenses, rents, and sells a broad array of precast concrete products for use primarily in the construction, transportation and utilities industries.

Forward-Looking Statements

This announcement contains forward-looking statements, which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors which might cause such a difference include, but are not limited to, product demand, the impact of competitive products and pricing, capacity and supply constraints or difficulties, general business and economic conditions, out debt exposure, the effect of the Company's accounting policies and other risks detailed in the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission.

For more complete information on Smith-Midland Corporation, visit the Company's web site at SMITHMIDLAND.com. The "Investor Relations" area will include the Company's Form 10-K.

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