

Omega Flex, Inc.
Form 10-Q
November 13, 2012

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, 2012**

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**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

451 Creamery Way, Exton, PA
(Address of principal executive offices)

19341
(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.

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 issued and outstanding as of September 30, 2012 was 10,091,822.

OMEGA FLEX, INC.

**QUARTERLY REPORT ON FORM 10-Q
FOR THE NINE-MONTHS ENDED SEPTEMBER 30, 2012**

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

	September 30, 2012	December 31, 2011
	(unaudited)	
	(Dollars in thousands)	
ASSETS		
Current Assets	\$	\$
Cash and Cash Equivalents	9,206	3,476
Accounts Receivable - less allowances of \$677 and \$624, respectively	11,124	9,052
Inventories-Net	6,425	6,465
Deferred Taxes	645	714
Other Current Assets	1,662	1,240
Total Current Assets	29,062	20,947
Property and Equipment - Net	4,935	5,270
Goodwill-Net	3,526	3,526
Other Long Term Assets	1,951	1,748
	\$	\$
Total Assets	39,474	31,491
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:	\$	\$
Accounts Payable	1,498	1,019
Accrued Compensation	1,962	1,470
Accrued Commissions and Sales Incentives	2,634	2,098
Other Liabilities	2,581	2,143
Total Current Liabilities	8,675	6,730

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Deferred Taxes	978	1,037
Other Long Term Liabilities	715	807
Total Liabilities	10,368	8,574
Shareholders' Equity:		
Omega Flex, Inc. Shareholders' Equity:		
Common Stock par value \$0.01 Share: authorized 20,000,000 Shares:		
10,153,633 shares issued and 10,091,822 outstanding at September		
30, 2012 and December 31, 2011, respectively	102	102
Treasury Stock	(1)	(1)
Paid-in Capital	10,808	10,808
Retained Earnings	18,499	12,397
Accumulated Other Comprehensive Loss	(420)	(502)
Total Omega Flex, Inc. Shareholders' Equity	28,988	22,804
Noncontrolling Interest	118	113
Total Shareholders' Equity	29,106	22,917
	\$	\$
Total Liabilities and Shareholders' Equity	39,474	31,491

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

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

	For the three-months ended		For the nine-months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
	(Amounts in Thousands, except earnings per Common Share)			
	\$	\$	\$	\$
Net Sales	16,786	13,690	45,590	38,575
Cost of Goods Sold	8,096	6,734	22,358	18,848
Gross Profit	8,690	6,956	23,232	19,727
Selling Expense	3,035	2,777	9,049	7,825
General and Administrative Expense	2,402	2,197	7,667	5,618
Insurance Legal Recovery	---	---	(4,700)	---
Engineering Expense	700	618	1,930	1,854
Operating Profit	2,553	1,364	9,286	4,430
Interest Income	10	1	18	7
Other Income (Expense)	45	(12)	90	40
Income Before Income Taxes	2,608	1,353	9,394	4,477
Income Tax Expense	900	399	3,292	1,552
Net Income	1,708	954	6,102	2,925
Less: Net (Income) Loss attributable to the Noncontrolling				
Interest, Net of Tax	(3)	1	---	14
	\$	\$	\$	\$
Net Income attributable to Omega Flex, Inc.	1,705	955	6,102	2,939
Basic Earnings per Common Share:				
Earnings per Share	\$	\$	\$	\$

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	0.17	0.09	0.60	0.29
Basic Weighted-Average Shares Outstanding	10,092	10,092	10,092	10,092
Diluted Earnings per Common Share:				
	\$	\$	\$	\$
Earnings per Share	0.17	0.09	0.60	0.29
Diluted Weighted-Average Shares Outstanding	10,092	10,092	10,092	10,092

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

OMEGA FLEX, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	For the three-months ended September 30,		For the nine-months ended September 30,	
	2012	2011	2012	2011
	(Amounts in Thousands)		(Amounts in Thousands)	
	\$	\$	\$	\$
Net Income	1,708	954	6,102	2,925
Other Comprehensive Income (Loss), Net of Tax:				
Foreign Currency Translation Adjustment, Net of Taxes	71	(59)	87	30
Other Comprehensive Income	71	(59)	87	30
Comprehensive Income	1,779	895	6,189	2,955
Less: Comprehensive Income (Loss) Attributable to the Noncontrolling Interest, Net of Taxes	(7)	5	(5)	13
	\$	\$	\$	\$
Total Other Comprehensive Income	1,772	900	6,184	2,968

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

OMEGA FLEX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the nine-months ended	
	September 30,	
	2012	2011
	(Dollars in thousands)	
Cash Flows from Operating Activities:		\$
Net Income	\$ 6,102	2,925
Adjustments to Reconcile Net Income to		
Net Cash Provided By (Used In) Operating Activities:		
Non-Cash Compensation Expense	9	28
Depreciation and Amortization	455	482
Provision for Losses on Accounts Receivable, net of write-offs and recoveries	55	(32)
Changes in Assets and Liabilities:		
Accounts Receivable	(2,070)	(1,483)
Inventory	81	(182)
Other Assets	(605)	(1,659)