

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-06-13** | Period of Report: **1995-04-30**
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FILER

UNIFLEX INC

CIK: **100740** | IRS No.: **112008652** | State of Incorpor.: **DE** | Fiscal Year End: **0131**
Type: **10-Q** | Act: **34** | File No.: **001-13114** | Film No.: **95546662**
SIC: **2673** Plastics, foil & coated paper bags

Mailing Address
383 WEST JOHN STREET
HICKSVILLE NY 11802

Business Address
383 W JOHN ST
HICKSVILLE NY 11802
5169322000

SECURITIES AND EXCHANGE COMMISSIONS
WASHINGTON, D.C. 20549

FORM 10-Q

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

For The Quarterly Period Ended April 30, 1995

Commission File Number: 1-6339

UNIFLEX, INC.
(Exact Name of Registrant As Specified In Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11-2008652
(I.R.S. employer
identification no.)

383 West John Street, Hicksville, New York
(Address of principal executive offices)

11802
(Zip code)

Registrant's telephone number, including area code: 516 - 932 - 2000

Indicate by check mark whether the registrant (1) has filed all report required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during 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 /X/ No / /

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 2,240,332 shares of the Company's common stock - \$.10 par value - were outstanding as of June 1, 1995.

UNIFLEX, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

UNIFLEX, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

<TABLE>

<CAPTION>

| ASSETS | April 30, 1995 ---- | January 31, 1995 ---- |
|---|---------------------------|-----------------------------|
| | (Unaudited) | |
| <S> | <C> | <C> |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,070,270 | \$ 527,725 |
| Accounts receivable | 4,339,323 | 4,187,063 |
| Inventory | 3,063,181 | 3,081,291 |
| Prepaid expenses | 409,034 | 438,192 |
| Other current assets | 208,081 | 272,035 |
| Deferred tax asset | 299,000 | 301,000 |
| | ----- | ----- |
| Total Current Assets | 9,388,889 | 8,806,206 |
| Property and Equipment | 6,108,423 | 5,641,333 |
| Intangible Assets | 177,743 | 138,588 |
| Other Assets | 548,320 | 730,330 |
| | ----- | ----- |
| Total Assets | \$ 16,223,375 | \$ 15,318,457 |
| | ===== | ===== |
| LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Current maturities of long-term debt | \$ 136,469 | \$ 110,940 |
| Acquisition note payable | 60,000 | 60,000 |
| Accounts payable and accrued expenses | 2,391,416 | 2,815,095 |
| | ----- | ----- |
| Total Current Liabilities | 2,587,885 | 2,986,035 |
| Long-Term Debt | 4,539,655 | 3,847,077 |
| Deferred Rent | 100,000 | 88,746 |
| Deferred Compensation and Postretirement Medical Benefits | 1,136,460 | 1,111,478 |
| | ----- | ----- |
| Total Liabilities | 8,364,000 | 8,033,336 |
| | ----- | ----- |
| Minority Interest | 192,500 | -- |
| | ----- | ----- |
| Stockholders' Equity | | |
| Common stock - par value \$.10 per share | | |
| 10,000,000 shares authorized, 2,240,332 shares | | |
| issued and outstanding | 224,033 | 224,033 |
| Additional paid-in capital | 424,695 | 424,695 |
| Retained earnings | 7,095,450 | 6,720,821 |
| | ----- | ----- |
| Less note receivable - stock purchase | 7,744,178 | 7,369,549 |
| | (77,303) | (84,428) |
| | ----- | ----- |
| Total Stockholders' Equity | 7,666,875 | 7,285,121 |
| | ----- | ----- |

</TABLE>

The condensed consolidated balance sheet at January 31, 1995 has been derived from the audited financial statements at that date.

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

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UNIFLEX, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended April 30, | |
|---|---------------------------------|--------------|
| | 1995 | 1994 |
| | ---- | ---- |
| <S> | <C> | <C> |
| Net sales | \$ 7,960,409 | \$ 6,922,139 |
| Cost of sales | 5,026,669 | 4,344,966 |
| Gross profit | 2,933,740 | 2,577,173 |
| Shipping and selling expenses | 1,486,626 | 1,260,158 |
| General and administrative expenses | 706,665 | 674,778 |
| | 2,193,291 | 1,934,936 |
| Income before other expenses | 740,449 | 642,237 |
| Other expenses: | | |
| Deferred compensation and postretirement medical benefits | -- | 23,163 |
| Interest - net | 121,820 | 88,478 |
| | 121,820 | 111,641 |
| Income before provision for income taxes | 618,629 | 530,596 |
| Provision for income taxes: | | |
| Current | 280,000 | 255,000 |
| Deferred | (36,000) | (38,000) |
| | 244,000 | 217,000 |
| Net income | \$ 374,629 | \$ 313,596 |
| Earnings per share | \$.14 | \$.12 |

</TABLE>

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

UNIFLEX, INC. AND SUBSIDIARIES
 CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
 (Unaudited)

INCREASE (DECREASE) IN CASH

| | Three Months Ended April 30, | |
|---|---------------------------------|---------------------|
| | 1995 ---- | 1994 ---- |
| <S> | <C> | <C> |
| Net cash provided by operating activities | \$ 259,910 ----- | \$ 34,453 ----- |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (279,949) | (177,791) |
| Purchase of intangibles | (56,261) ----- | (10,401) ----- |
| Net cash used in investing activities | (336,210) ----- | (188,192) ----- |
| Cash flows from financing activities: | | |
| Minority interest contributed | 27,500 | -- |
| Proceeds from long-term debt | 624,900 | -- |
| Payment of long-term debt | (33,555) ----- | (177,735) ----- |
| Net cash provided by (used in) financing activities | 618,845 ----- | (177,735) ----- |
| Net increase (decrease) in cash | 542,545 | (331,474) |
| Cash - beginning of period | 527,725 ----- | 692,196 ----- |
| Cash - end of period | \$ 1,070,270 ===== | \$ 360,722 ===== |

</TABLE>

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

UNIFLEX, INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
 (Unaudited)

NOTE 1. BASIS OF PRESENTATION:

In the opinion of management of the Company, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of the Company and its Subsidiaries as of April 30, 1995 and the consolidated results of operations and cash flows for the three months ended April 30, 1995 and 1994 and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial

statements be read in conjunction with the audited financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended January 31, 1995.

The results of operations for the three months ended April 30, 1995 are not necessarily indicative of the operating results for the full year.

NOTE 2. INVENTORY:

A summary of inventory follows:

| | April 30, 1995 ---- | January 31, 1995 ---- |
|----------------------------|---------------------------|-----------------------------|
| | (Unaudited) | |
| Raw materials and supplies | \$ 1,974,668 | \$ 2,101,460 |
| Work in process | 269,058 | 356,888 |
| Finished products | 819,455 | 622,943 |
| | ----- | ----- |
| | \$ 3,063,181 | \$ 3,081,291 |
| | ===== | ===== |

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NET SALES:

Net sales for the quarter ended April 30, 1995, compared to the quarter ended April 30, 1994, increased \$1,038,000, or 15.0%, to \$7,960,000. The increase in net sales was largely attributable to increased net sales of approximately \$600,000 in the Registrant's Advertising Specialty Division and approximately \$350,000 in the Registrant's Medical Products Division.

Net sales for the quarter ended April 30, 1995, as compared to the immediately preceding quarter ended January 31, 1995, decreased by approximately \$103,000, or 1.3%, to \$7,960,000.

The Registrant's backlog at April 30, 1995, was \$4,433,000 compared to \$3,624,000 for the quarter ended April 30, 1994, an increase of \$809,000 or 22.3%.

COST OF SALES AND EXPENSES:

Cost of sales for the quarter ended April 30, 1995, compared to the quarter ended April 30, 1994, increased approximately \$682,000, or 15.7%, to \$5,027,000 from \$4,345,000. Cost of sales, as a percentage of net sales for the quarter ended April 30, 1995, compared to the same quarter in the prior year increased from 62.8% to 63.2%. This nominal percentage increase was primarily due to an increase in raw materials prices.

Cost of sales for the quarter ended April 30, 1995, as compared to the immediately preceding quarter ended January 31, 1995, decreased \$304,000, or 5.7%, from \$5,331,000 to \$5,027,000. This decrease was primarily attributable to increased manufacturing efficiencies.

Shipping, Selling, General and Administrative expenses for the quarter ended April 30, 1995, compared to the quarter ended April 30, 1994, increased \$258,000, or 13.4%, from \$1,935,000 to \$2,193,000. This increase was primarily due to increased commissions as a direct result of increased net sales.

INTEREST EXPENSE:

Interest expense for the quarter ended April 30, 1995, compared to the quarter ended April 30, 1994, increased \$33,000, or 37.7%, from \$88,000 to \$121,000. This increase was attributable to the increased borrowings required to fund the start-up of the Registrant's Cycle Plastics subsidiary and higher interest rates.

WORKING CAPITAL AND LIQUIDITY:

Working capital increased to \$6,801,000 at April 30, 1995, compared to \$5,303,000 at April 30, 1994, an increase of \$1,498,000. This was a direct result of the profitability of the Registrant during the preceding quarters. The Registrant believes it has sufficient working capital and unused lines of credit to meet its expected liquidity and capital reserve requirements for the foreseeable future.

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PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 27; Financial Data Schedule

(b) Report on Form 8-K - The Company filed no reports on Form 8-K during the quarter ended April 30, 1995.

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S I G N A T U R E S

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

UNIFLEX, INC.
(Registrant)

/s/ Herbert Barry

Herbert Barry (Chairman Of The Board)

/s/ Robert Gugliotta

Robert Gugliotta (VP Finance)

Date: June 13, 1995

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<TABLE> <S> <C>

<ARTICLE>

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<LEGEND>

This schedule contains summary financial information extracted from the Company's Form 10-Q for the quarter ended April 30, 1995 and is qualified in its entirety by reference to such financial statements.

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