

SUPERIOR GROUP OF COMPANIES, INC.
Form 10-Q
October 25, 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

OR

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:
001-05869

Exact name of
registrant as
specified in its
charter:
SUPERIOR
GROUP OF
COMPANIES,
INC.

State or other jurisdiction of incorporation or organization: I.R.S. Employer Identification No.:
Florida 11-1385670

Address of principal executive offices:
10055 Seminole Boulevard
Seminole, Florida
33772-2539

Registrant's telephone number, including area code:
727-397-9611

Former name, former address and former fiscal year, if changed since last report:

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, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller Reporting Company
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.

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

Yes No

As of October 22, 2018, the registrant had 15,272,807 shares of common stock outstanding, which is the registrant's only class of common stock.

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

SUPERIOR GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**THREE MONTHS ENDED SEPTEMBER 30,**
(Unaudited)

(In thousands, except shares and per share data)

	2018	2017
Net sales	\$95,870	\$67,773
Costs and expenses:		
Cost of goods sold	62,070	42,984
Selling and administrative expenses	25,482	17,386
Other periodic pension costs	96	348
Interest expense	940	213
	88,588	60,931
Income before taxes on income	7,282	6,842
Income tax expense	1,160	1,880
Net income	\$6,122	\$4,962
Weighted average number of shares outstanding during the period		
(Basic)	15,010,660	14,573,813
(Diluted)	15,499,894	15,229,722
Per Share Data:		
Basic		
Net income	\$0.41	\$0.34
Diluted		
Net income	\$0.39	\$0.33
Other comprehensive income, net of tax:		
Defined benefit pension plans:		
Recognition of net losses included in net periodic pension costs	216	277
Loss on cash flow hedging activities	(3) (5
Foreign currency translation adjustment	(180) 66
Other comprehensive income	33	338

Comprehensive income	\$6,155	\$5,300
Cash dividends per common share	\$0.100	\$0.095

See accompanying notes to consolidated interim financial statements.

SUPERIOR GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NINE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

(In thousands, except shares and per share data)

	2018	2017
Net sales	\$251,349	\$194,365
Costs and expenses:		
Cost of goods sold	163,396	123,987
Selling and administrative expenses	69,991	51,809
Other periodic pension costs	289	1,046
Interest expense	1,974	593
	235,650	177,435
Gain on sale of property, plant and equipment	-	1,018
Income before taxes on income	15,699	17,948
Income tax expense	3,310	4,810
Net income	\$12,389	\$13,138
Weighted average number of shares outstanding during the period		
(Basic)	14,929,513	14,475,311
(Diluted)	15,505,642	15,066,616
Per Share Data:		
Basic		
Net income	\$0.83	\$0.91
Diluted		
Net income	\$0.80	\$0.87
Other comprehensive income, net of tax:		
Defined benefit pension plans:		
Recognition of net losses included in net periodic pension costs	647	773
Gain (loss) on cash flow hedging activities	209	(185)
Foreign currency translation adjustment	(637)	73
Other comprehensive income	219	661
Comprehensive income	\$12,608	\$13,799

Cash dividends per common share	\$0.290	\$0.270
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See accompanying notes to consolidated interim financial statements.

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SUPERIOR
GROUP OF
COMPANIES,
INC. AND
SUBSIDIARIES
CONSOLIDATED
BALANCE
SHEETS

(In thousands,
except share and
par value data)

	September 30, 2018 (Unaudited)	December 31, 2017
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,296	\$ 8,130
Accounts receivable, less allowance for doubtful accounts of \$1,810 and \$ 1,382, respectively	65,023	50,569