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

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**FORM 10-Q**

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**Quarterly Report Pursuant to Section 13 or 15 (d)  
of the Securities Exchange Act of 1934**

For the quarterly period ended February 4, 2023

Commission File number 000-06506

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**NOBILITY HOMES, INC.**  
(Exact name of registrant as specified in its charter)

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**Florida**  
(State or other jurisdiction of  
incorporation or organization)

**3741 S.W. 7th Street**  
**Ocala, Florida**  
(Address of principal executive offices)

**59-1166102**  
(I.R.S. Employer  
Identification No.)

**34474**  
(Zip Code)

**(352) 732-5157**  
(Registrant's telephone number, including area code)

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**Securities registered pursuant to Section 12(b) of the Act: None**

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ; No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended 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 registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ; No .

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Title of Class	Shares Outstanding on March 20, 2023
<b>Common Stock</b>	<b>3,370,912</b>

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NOBILITY HOMES, INC.  
Condensed Consolidated Balance Sheets

	February 4, 2023 (Unaudited)	November 5, 2022
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 17,849,343	\$ 16,653,449
Certificates of deposit	5,853,611	3,903,888
Short-term investments	571,129	589,071
Accounts receivable - trade	1,923,352	1,288,645
Note receivable	23,905	23,905
Mortgage notes receivable	4,197	16,191
Inventories	23,319,061	23,457,493
Prepaid expenses and other current assets	1,925,767	2,172,675
Total current assets	51,470,365	48,105,317
Property, plant and equipment, net	8,102,965	7,915,695
Note receivable, less current portion	10,898	16,599
Mortgage notes receivable, less current portion	143,320	131,514
Other investments	1,871,719	1,848,893
Deferred income taxes	43,778	43,778
Cash surrender value of life insurance	4,187,060	4,143,035
Other assets	156,287	156,287
Total assets	\$ 65,986,392	\$ 62,361,118
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 798,894	\$ 1,119,188
Accrued compensation	1,054,664	1,132,423
Accrued expenses and other current liabilities	1,873,724	1,742,696
Income taxes payable	1,161,041	229,200
Customer deposits	10,082,580	10,214,078
Total current liabilities	14,970,903	14,437,585
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Preferred stock, \$.10 par value, 500,000 shares authorized; none issued and outstanding	—	—
Common stock, \$.10 par value, 10,000,000 shares authorized; 5,364,907 shares issued; 3,370,912 shares outstanding, respectively	536,491	536,491
Additional paid in capital	10,884,676	10,849,687
Retained earnings	66,498,779	63,441,812
Less treasury stock at cost, 1,993,995 shares	(26,904,457)	(26,904,457)
Total stockholders' equity	51,015,489	47,923,533
Total liabilities and stockholders' equity	\$ 65,986,392	\$ 62,361,118

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

NOBILITY HOMES, INC.  
Condensed Consolidated Statements of Income  
(Unaudited)

	Three Months Ended	
	February 4, 2023	February 5, 2022
Net sales	\$ 17,164,753	\$10,808,270
Cost of sales	(11,293,157)	(8,080,042)
Gross profit	5,871,596	2,728,228
Selling, general and administrative expenses	(2,035,477)	(1,416,543)
Operating income	<u>3,836,119</u>	<u>1,311,685</u>
Other income (loss):		
Interest income	140,033	74,680
Undistributed earnings in joint venture - Majestic 21	22,826	12,557
Proceeds received under escrow arrangement	—	118,045
Decrease in fair value of equity investment	(17,942)	(4,093)
Miscellaneous	<u>7,772</u>	<u>13,556</u>
Total other income	<u>152,689</u>	<u>214,745</u>
Income before provision for income taxes	3,988,808	1,526,430
Income tax expense	(931,841)	(369,396)
Net income	<u>\$ 3,056,967</u>	<u>\$ 1,157,034</u>
Weighted average number of shares outstanding:		
Basic	3,370,912	3,532,803
Diluted	3,371,418	3,544,584
Net income per share:		
Basic	\$ 0.91	\$ 0.33
Diluted	\$ 0.91	\$ 0.33

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

NOBILITY HOMES, INC.  
Condensed Consolidated Statements of Changes in Stockholders' Equity  
For the three months ended February 4, 2023 and February 5, 2022  
(Unaudited)

	Common Stock Shares	Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock	Total
Balance at November 5, 2022	3,370,912	\$536,491	\$10,849,687	\$63,441,812	\$(26,904,457)	\$47,923,533
Stock-based compensation	—	—	34,989	—	—	34,989
Net income	—	—	—	3,056,967	—	3,056,967
Balance at February 4, 2023	<u>3,370,912</u>	<u>\$536,491</u>	<u>\$10,884,676</u>	<u>\$66,498,779</u>	<u>\$(26,904,457)</u>	<u>\$51,015,489</u>
	Common Stock Shares	Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock	Total
Balance at November 6, 2021	3,532,100	\$536,491	\$10,766,253	\$59,742,759	\$(21,731,198)	\$49,314,305
Stock-based compensation	180	—	33,218	—	2,135	35,353
Exercise of employee stock options	966	—	(17,452)	—	17,452	—
Treasury stock purchase	(270)	—	—	—	(9,197)	(9,197)
Net income	—	—	—	1,157,034	—	1,157,034
Balance at February 5, 2022	<u>3,532,976</u>	<u>\$536,491</u>	<u>\$10,782,019</u>	<u>\$60,899,793</u>	<u>\$(21,720,808)</u>	<u>\$50,497,495</u>

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

NOBILITY HOMES, INC.  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	Three Months Ended	
	February 4, 2023	February 5, 2022
<b>Cash flows from operating activities:</b>		
Net income	\$ 3,056,967	\$ 1,157,034
Adjustments to reconcile net income to net cash provide by operating activities:		
Depreciation	39,279	43,227
Undistributed earnings in joint venture - Majestic 21	(22,826)	(12,557)
Decrease in fair market value of equity investments	17,942	4,093
Stock-based compensation	34,989	35,353
Amortization of operating lease right of use assets	—	1,597
Decrease (increase) in:		
Accounts receivable - trade	(634,707)	186,724
Inventories	138,432	(193,311)
Prepaid expenses and other current assets	246,908	202,697
Interest receivable	(33,723)	—
(Decrease) increase in:		
Accounts payable	(320,294)	58,905
Accrued compensation	(77,759)	37,776
Accrued expenses and other current liabilities	131,028	(88,108)
Income taxes payable	931,841	369,396
Customer deposits	(131,498)	(877,796)
Net cash provided by operating activities	<u>3,376,579</u>	<u>925,030</u>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(226,549)	(118,783)
Purchase of certificates of deposit	(1,916,000)	—
Proceeds from certificates of deposit	—	2,087,936
Collections on interest receivable	—	5,079
Collections on mortgage notes receivable	188	627
Collections on equipment and other notes receivable	5,701	14,443
Issuance of mobile home park note receivable	—	(63,778)
Increase in cash surrender value of life insurance	(44,025)	(42,759)
Net cash (used in) provided by investing activities	<u>(2,180,685)</u>	<u>1,882,765</u>
<b>Cash flows from financing activities:</b>		
Reduction of operating lease obligation	—	(1,597)
Net cash (used in) financing activities	<u>—</u>	<u>(1,597)</u>
Increase in cash and cash equivalents	1,195,894	2,806,198
Cash and cash equivalents at beginning of year	16,653,449	36,126,059
Cash and cash equivalents at end of quarter	<u>\$17,849,343</u>	<u>\$38,932,257</u>
<b>Supplemental financing activity:</b>		
Noncash exercise of employee stock options	<u>\$ —</u>	<u>\$ (9,197)</u>

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

Nobility Homes, Inc.  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 1 Basis of Presentation and Accounting Policies

The accompanying unaudited condensed financial statements for the three months ended February 4, 2023 and February 5, 2022 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-Q. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

The unaudited financial information included in this report includes all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary to reflect a fair statement of the results for the interim periods. The results of operations for the three months ended February 4, 2023 and February 5, 2022 are not necessarily indicative of the results of the full fiscal year.

The condensed consolidated financial statements included in this report should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended November 5, 2022.

Note 2 Inventories

New home inventory is carried at a lower of cost or net realizable value. The cost of finished home inventories determined on the specific identification method is removed from inventories and recorded as a component of cost of sales at the time revenue is recognized. In addition, an allocation of depreciation and amortization is included in the cost of goods sold. Under the specific identification method, if finished home inventory can be sold for a profit there is no basis to write down the inventory below the lower of cost or net realizable value.

Other pre-owned homes are acquired (Repossessions Inventory) as a convenience to the Company's joint venture partner, 21st Mortgage Corporation. This inventory has been repossessed by 21<sup>st</sup> Mortgage Corporation or through mortgage foreclosure. The Company acquired this inventory at the amount of the uncollected balance of the financing at the time of the foreclosure/repossessions by 21st Mortgage Corporation. The Company records this inventory at a cost determined by the specific identification method. All of the refurbishment costs are paid by 21<sup>st</sup> Mortgage Corporation. This arrangement assists 21<sup>st</sup> Mortgage Corporation with liquidation of their repossessed inventory. The timing of these repurchases by the Company is unpredictable as it is based on the repossessions 21<sup>st</sup> Mortgage Corporation incurs in the portfolio. When the home is sold, the Company retains the cost of the home, an interest factor on the cost of the home and a sales commission, from the sales proceeds. Any additional proceeds are paid to 21<sup>st</sup> Mortgage. Any shortfall from the proceeds to cover these amounts is paid by 21<sup>st</sup> Mortgage to the Company. As the Company has no risk of loss on the sale, there is no valuation allowance necessary for repossessions inventory.

Inventory held at consignment locations by affiliated entities is included in the Company's inventory on the Company's consolidated balance sheets. Consigned inventory was \$126,953 and \$318,590 as of February 4, 2023 and November 5, 2022, respectively.

Pre-owned homes are also taken as trade-ins on new home sales (Trade-in Inventory). This inventory is recorded at estimated actual wholesale value, which is generally lower than market value, determined on the specific identification method, plus refurbishment costs incurred to date to bring the inventory to a more saleable state. The Trade-in Inventory amount is reduced where necessary on a unit specific basis by a valuation reserve, which management believes results in inventory being valued at net realizable value.



Other inventory costs are determined on a first-in, first-out basis.

A breakdown of the elements of inventory at February 4, 2023 and November 5, 2022 is as follows:

	February 4, 2023 (unaudited)	November 5, 2022
Raw materials	\$ 1,628,321	\$ 2,199,372
Work-in-process	134,762	135,513
Inventory consigned to affiliated entities	126,953	318,590
Finished homes - Nobility	8,994,169	9,583,095
Finished homes - Other	11,441,369	10,432,998
Pre-owned homes	794,133	682,254
Model home furniture	199,354	185,671
Inventories	<u>\$23,319,061</u>	<u>\$23,537,493</u>

#### Note 3 Short-term Investments

The following is a summary of short-term investments (available for sale):

	February 4, 2023 (unaudited)			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Equity securities in a public company	<u>\$167,930</u>	<u>\$403,199</u>	<u>\$ —</u>	<u>\$571,129</u>

  

	November 5, 2022			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Equity securities in a public company	<u>\$167,930</u>	<u>\$421,141</u>	<u>\$ —</u>	<u>\$589,071</u>

The fair values were estimated based on quoted market prices in active markets at each respective period end.

#### Note 4 Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, accounts and notes receivable, accounts payable and accrued expenses approximates fair value because of the short maturity of those instruments.

The Company accounts for the fair value of financial investments in accordance with FASB Accounting Standards Codification (ASC) No. 820 "Fair Value Measurements" (ASC 820).

ASC 820 defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability (i.e. exit price) in an orderly transaction between market participants at the measurement date. ASC 820 requires disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e. inputs) used in the valuation. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The ASC 820 fair value hierarchy is defined as follows:

- Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management’s best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The following tables represent the Company’s financial assets and liabilities which are carried at fair value.

	<u>February 4, 2023</u> (unaudited)		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities in a public company	<u>\$571,129</u>	<u>\$ —</u>	<u>\$ —</u>

  

	<u>November 5, 2022</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities in a public company	<u>\$589,071</u>	<u>\$ —</u>	<u>\$ —</u>

#### Note 5 Net Income per Share

These financial statements include “basic” and “diluted” net income per share information for all periods presented. The basic net income per share is calculated by dividing net income by the weighted-average number of shares outstanding. The diluted net income per share is calculated by dividing net income by the weighted-average number of shares outstanding, adjusted for dilutive common shares.

Note 6 Revenues by Products and Service

The Company operates in one business segment, which is manufactured housing and ancillary services.

Revenues by net sales from manufactured housing homes and insurance agent commissions are as follows:

	(unaudited) Three Months Ended	
	February 4, 2023	February 5, 2022
<b>Manufactured housing</b>		
Homes sold through Company owned sales centers	\$15,279,220	\$ 9,839,992
Homes sold to independent dealers and through manufactured home parks, net	1,809,925	901,290
	<u>\$17,089,145</u>	<u>\$10,741,282</u>
<b>Insurance agent commissions</b>	75,608	66,988
Total net sales	<u>\$17,164,753</u>	<u>\$10,808,270</u>

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Results of Operations

Total net sales in the first quarter of 2023 were up 59% to \$17,164,753 compared to \$10,808,270 in the first quarter of 2022. The Company reported an increase of 164% in net income to \$3,056,967 in the first quarter of 2023, compared to a net income of \$1,157,034 in the first quarter 2022. The primary reason that sales increased was due to the supply chain challenges a year ago which affected sales in the first quarter of fiscal 2022, while in the first quarter of fiscal 2023 we were able to complete more retail customers homes resulting in an increase in sales. The current demand for affordable manufactured housing in Florida and the U.S. is slowing as a result of the increased interest rate environment driven by the Federal Reserve. Although net sales increased during the three months ended February 4, 2023, as compared to the same period last year, we continued to experience some limitations being placed on certain key production materials from suppliers, the delay or lack of key components from vendors as well as back orders, delayed shipments, price increases and labor shortages. These supply chain issues have caused delays in the completion of the homes at the manufacturing facility and the set-up process of retail homes in the field, resulting in decreased net sales due to our inability to timely deliver and setup homes to customers. We expect that these challenges will continue for most of the fiscal year 2023 or until the industry supply chain normalizes. The Company has continued to experience inflation in some building products resulting in increases to our material and labor costs which may increase the wholesale and retail selling prices of our homes. In addition, potential customers may delay or defer purchasing decisions in light of the rising interest rate environment. According to the Florida Manufactured Housing Association, shipments for the industry in Florida for the period from November 2022 through January 2023 were approximately a breakeven from the same period last year.

The following table summarizes certain key sales statistics and percentage of gross profit.

	(unaudited) Three Months Ended	
	February 4, 2023	February 5, 2022
New homes sold through Company owned sales centers	105	87
Pre-owned homes sold through Company owned sales centers	2	6
Homes sold to independent dealers	36	10
Total new factory built homes produced	117	92
Average new manufactured home price - retail	\$ 144,178	\$ 107,281
Average new manufactured home price - wholesale	\$ 75,350	\$ 63,781
As a percent of net sales:		
Gross profit from the Company owned retail sales centers	23%	18%
Gross profit from the manufacturing facilities -including intercompany sales	26%	13%

Maintaining our strong financial position is vital for future growth and success. Our many years of experience in the Florida market, combined with home buyers' increased need for more affordable housing, should serve the Company well in the coming years. Management remains convinced that our specific geographic market is one of the best long-term growth areas in the country.

On June 5, 2022, the Company celebrated its 55th anniversary in business specializing in the design and production of quality, affordable manufactured homes. With multiple retail sales centers in Florida for over 32 years and an insurance agency subsidiary, we are the only vertically integrated manufactured home company headquartered in Florida.

Insurance agent commission revenues in the first quarter of 2023 were \$75,608 compared to \$66,988 in the first quarter of 2022. Revenues are generated by new and renewal policies being written which affects agent commission earned. The Company establishes appropriate reserves for policy cancellations based on numerous factors, including past transaction history with customers, historical experience and other information, which is periodically evaluated and adjusted as deemed necessary. In the opinion of management, no reserve was deemed necessary for policy cancellations at February 4, 2023, and November 5, 2022.

Gross profit as a percentage of net sales was 34% in the first quarter of 2023 compared to 25% for the first quarter of 2022. The gross profit in the first quarter of 2023 was up 115% to \$5,871,596 compared to \$2,728,228 in the first quarter of 2022. The gross profit is dependent on the sales mix of wholesale and retail homes and number of pre-owned homes sold. The increase in gross profit as a percentage of net sales is primarily due to increases in our selling prices to offset the higher inflation costs of building products and labor cost on each home and the increase in the average gross profit at our retail sales centers.

Selling, general and administrative expenses as a percent of net sales was 12% in the first quarter of 2023 compared to 13% in the first quarter of 2022. Selling, general and administrative expenses in the first quarter of 2023 were \$2,035,477 compared to \$1,416,543 in the first quarter of 2022. The dollar increases in expenses in the first quarter of 2023 were due to the increase in variable expenses which were a direct result of employee sales compensation due to the increase in sales.

We earned interest income of \$140,033 for the first quarter of 2023 compared to \$74,680 for the first quarter of 2022. The increase in interest income for the first three months of 2023 is primarily due to the interest earned from the increase in the investment rates and the increase in the monies invested.

Our earnings from Majestic 21 in the first quarter of 2023 were \$22,826 compared to \$12,557 for the first quarter of 2022. The earnings from Majestic 21 represent the allocation of profit and losses which are owned 50% by 21st Mortgage Corporation and 50% by the Company. The earnings from the Majestic 21 loan portfolio could vary quarter to quarter, but overall, the earnings will decrease due to the amortization, maturity and payoff of the loans.

We received no distributions from 21<sup>st</sup> Mortgage Corporation in the first quarter of 2023 compared to \$118,045 in the first quarter of 2022. The distributions are from an escrow arrangement related to a Finance Revenue Sharing Agreement (FRSA) between 21<sup>st</sup> Mortgage Corporation and the Company. The distributions from the escrow arrangement, relates to certain loans financed by 21<sup>st</sup> Mortgage Corporation, are recorded as income by the Company when received. The decrease in distributions in the first three months of 2023 is due to the timing of the reserve balances. The earnings from the FRSA loan portfolio will decrease due to the amortization and payoff of the loans.

The Company realized pre-tax income in the first quarter of 2023 of \$3,988,808 as compared to \$1,526,430 in the first quarter of 2022.

The Company recorded an income tax expense in the amount of \$931,841 in the first quarter of 2023 as compared to \$369,396 in first quarter of 2022.

We reported net income of \$3,056,967 for the first quarter of 2023 or \$0.91 per share, compared to \$1,157,034 or \$0.33 per share, for the first quarter of 2022.

### **Liquidity and Capital Resources**

Cash and cash equivalents were \$17,849,343 at February 4, 2023 compared to \$16,653,449 at November 5, 2022. Certificates of deposit were \$5,853,611 at February 4, 2023 compared to \$3,903,888 at November 5, 2022. Short-term investments were \$571,129 at February 4, 2023 compared to \$589,071 at November 5, 2022. Working capital was \$36,499,462 at February 4, 2023 as compared to \$33,667,732 at November 5, 2022. Prestige purchased during the first quarter of 2023 from other manufacturers 26 (\$2,419,865) new homes to help eliminate the backlog from Nobility. Prestige new home inventory was \$20,435,538 at February 4, 2023 compared to \$20,016,093 at November 5, 2022. Prestige has 84 (\$7,436,333) new homes from Nobility and other manufacturers that are included in inventory and are in the field waiting to be completed and closed. We own the entire inventory for our Prestige retail sales centers, which includes new and pre-owned homes, and do not incur any third-party floor plan financing expenses.

The Company currently has no line of credit facility and no debt and does not believe that such a facility is currently necessary to its operations. The Company also has approximately \$4.2 million of cash surrender value of life insurance which can be accessed as an additional source of liquidity though the Company has not currently viewed this to be necessary. As of February 4, 2023, the Company continued to report a strong balance sheet which included total assets of approximately \$66 million which was funded primarily by stockholders' equity of approximately \$51 million.

The Board of Directors declared a one-time cash dividend of \$1.00 per common share for the fiscal year 2022. The cash dividend is payable on April 3, 2023, to stockholders of record as of March 20, 2023.

### **Critical Accounting Policies and Estimates**

In Item 7 of our Form 10-K, under the heading "Critical Accounting Policies and Estimates," we have provided a discussion of the critical accounting policies and estimates that management believes affect its more significant judgments and estimates used in the preparation of our Consolidated Financial Statements. No significant changes have occurred since that time.

### **Forward-Looking Statements**

Certain statements in this report are unaudited or forward-looking statements within the meaning of the federal securities laws. Although Nobility believes that the amounts and expectations reflected in such forward-looking statements are based on reasonable assumptions, there are risks and uncertainties that may cause actual results to differ materially from expectations. These risks and uncertainties include, but are not limited to, the potential adverse impact on our business caused by the COVID-19 pandemic or other health pandemics, competitive pricing pressures at both the wholesale and retail levels, inflation, increasing material costs (including forest based products) or availability of materials due to supply chain interruptions (such as current inflation with forest products and supply issues with vinyl siding and PVC piping), changes in market demand, increase in interest rates, availability of financing for retail and wholesale purchasers, consumer confidence, adverse weather conditions that reduce sales at retail centers, the risk of manufacturing plant shutdowns due to storms or other factors, the impact of marketing and cost-management programs, reliance on the Florida economy, impact of labor shortage, impact of materials shortage, increasing labor cost, cyclical nature of the manufactured housing industry, impact of rising fuel costs, catastrophic events impacting insurance costs, availability of insurance coverage for various risks to Nobility, market demographics, management's ability to attract and retain executive officers and key personnel, increased global tensions, market disruptions resulting from terrorist or other attack, any armed conflict involving the United States and the impact of inflation.

#### **Item 4. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures.* The Company's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report (the "Evaluation Date"). Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of February 4, 2023.

*Changes in Internal Control over Financial Reporting.* There were no changes in our internal controls over financial reporting that occurred during the first quarter of fiscal 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## Part II. OTHER INFORMATION AND SIGNATURES

There were no reportable events for Item 1 and Items 3 through 5.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The Company did not repurchase any shares of its common stock during the first quarter ended February 4, 2023.

In September 2022, the Company's Board of Directors authorized the Company to repurchase up to 200,000 shares of the Company's common stock during fiscal year 2023 on the open market.

### Item 6. Exhibits

- 31. (a) [Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14\(a\) or 15d-14\(a\) under the Securities Exchange Act of 1934](#)
- (b) [Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14\(a\) or 15d-14\(a\) under the Securities Exchange Act of 1934](#)
- 32. (a) [Written Statement of Chief Executive Officer Pursuant to 18 U.S.C. §1350](#)
- (b) [Written Statement of Chief Financial Officer Pursuant to 18 U.S.C. §1350](#)
- 101. Interactive data filing formatted in XBRL
- 104. Cover Page Interactive Date File (formatted as inline XBRL and contained in Exhibit 101).



## 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, thereunto duly authorized.

NOBILITY HOMES, INC.

DATE: March 20, 2023

By: /s/ Terry E. Trexler  
Terry E. Trexler, Chairman,  
President and Chief Executive Officer

DATE: March 20, 2023

By: /s/ Thomas W. Trexler  
Thomas W. Trexler, Executive Vice President,  
and Chief Financial Officer

DATE: March 20, 2023

By: /s/ Lynn J. Cramer, Jr.  
Lynn J. Cramer, Jr., Treasurer  
and Principal Accounting Officer

**Certification of Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)  
or 15d-14(a) under the Securities Exchange Act of 1934**

I, Terry E. Trexler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nobility Homes, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: March 20, 2023

By: /s/ Terry E. Trexler  
Terry E. Trexler, Chairman,  
President and Chief Executive Officer

**Certification of Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)  
or 15d-14(a) under the Securities Exchange Act of 1934**

I, Thomas W. Trexler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nobility Homes, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: March 20, 2023

By: /s/ Thomas W. Trexler

Thomas W. Trexler, Executive Vice President,  
and Chief Financial Officer

**Written Statement of the Chief Executive Officer  
Pursuant to 18 U.S.C. §1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chairman and Chief Executive Officer of Nobility Homes, Inc. (the “Company”), hereby certify that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended February 4, 2023 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

DATE: March 20, 2023

By: /s/ Terry E. Trexler

Terry E. Trexler, Chairman,  
President and Chief Executive Officer

**Written Statement of the Chief Financial Officer  
Pursuant to 18 U.S.C. §1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Executive Vice President and Chief Financial Officer of Nobility Homes, Inc. (the "Company"), hereby certify that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended February 4, 2023 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

DATE: March 20, 2023

By: /s/ Thomas W. Trexler

Thomas W. Trexler, Executive Vice President,  
and Chief Financial Officer