

NOBILITY HOMES, INC.

Consolidated Balance Sheets

	May 5, 2018 (Unaudited)	November 4, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 29,737,699	\$ 27,910,504
Short-term investments	564,400	627,087
Accounts receivable - trade	1,782,248	2,934,300
Note receivable	-	500,000
Mortgage notes receivable	14,399	13,495
Income tax receivable	-	-
Inventories	7,889,404	7,505,681
Pre-owned homes, net	859,843	1,141,863
Prepaid expenses and other current assets	1,408,142	820,224
Deferred income taxes	-	609,629
Total current assets	42,256,135	42,062,783
Property, plant and equipment, net	4,714,517	4,304,771
Pre-owned homes, net	691,295	815,358
Interest receivable	-	101,301
Note receivable, less current portion	109,935	1,134,086
Mortgage notes receivable, less current portion	238,393	240,297
Other investments	1,521,344	1,471,029
Property held for sale	213,437	599,455
Cash surrender value of life insurance	3,352,849	3,262,848
Other assets	156,287	156,287
Total assets	\$ 53,254,192	\$ 54,148,215
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 963,763	\$ 849,782
Accrued compensation	636,539	624,989
Accrued expenses and other current liabilities	1,163,357	1,127,397
Income taxes payable	448,379	260,416
Customer deposits	3,744,823	2,796,827
Total current liabilities	6,956,861	5,659,411
Deferred income taxes	59,434	1,074,507
Total liabilities	7,016,295	6,733,918
Commitments and contingent liabilities		
Stockholders' equity:		
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; 3,874,069 and 3,997,569 outstanding, respectively	536,491	536,491
Additional paid in capital	10,670,113	10,669,231
Retained earnings	47,540,755	46,167,528
Accumulated other comprehensive income	366,724	412,233
Less treasury stock at cost, 1,490,838 shares in 2018 and 1,367,338 shares in 2017	(12,876,186)	(10,371,186)
Total stockholders' equity	46,237,897	47,414,297
Total liabilities and stockholders' equity	\$ 53,254,192	\$ 54,148,215

NOBILITY HOMES, INC.

Consolidated Statements of Income and Comprehensive Income Unaudited

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	May 5, 2018	May 6, 2017	May 5, 2018	May 6, 2017
Net sales	\$ 8,922,264	\$ 10,046,071	\$ 18,568,082	\$ 18,619,471
Cost of goods sold	<u>(6,610,958)</u>	<u>(7,647,187)</u>	<u>(14,039,837)</u>	<u>(14,196,523)</u>
Gross profit	2,311,306	2,398,884	4,528,245	4,422,948
Selling, general and administrative expenses	<u>(1,119,359)</u>	<u>(1,122,286)</u>	<u>(2,246,141)</u>	<u>(2,089,873)</u>
Operating income	<u>1,191,947</u>	<u>1,276,598</u>	<u>2,282,104</u>	<u>2,333,075</u>
Other income:				
Interest income	81,446	31,357	117,383	71,804
Undistributed earnings in joint venture - Majestic 21	27,266	28,123	50,315	56,721
Proceeds received under escrow arrangement	55,640	225,956	55,640	225,956
Gain on property held for resale	203,512	-	203,512	-
Miscellaneous	<u>6,850</u>	<u>9,891</u>	<u>12,584</u>	<u>14,662</u>
Total other income	<u>374,714</u>	<u>295,327</u>	<u>439,434</u>	<u>369,143</u>
Income before provision for income taxes	1,566,661	1,571,925	2,721,538	2,702,218
Income tax expense	<u>(431,056)</u>	<u>(464,416)</u>	<u>(569,697)</u>	<u>(891,386)</u>
Net income	1,135,605	1,107,509	2,151,841	1,810,832
Other comprehensive income (loss)				
Unrealized investment gain (loss), net of tax effect	<u>(67,857)</u>	<u>13,457</u>	<u>(45,510)</u>	<u>128,624</u>
Comprehensive income	<u>\$ 1,067,748</u>	<u>\$ 1,120,966</u>	<u>\$ 2,106,331</u>	<u>\$ 1,939,456</u>
Weighted average number of shares outstanding:				
Basic	3,903,904	4,004,840	3,950,638	4,004,539
Diluted	3,906,077	4,006,047	3,952,650	4,005,793
Net income per share:				
Basic	\$ 0.29	\$ 0.28	\$ 0.54	\$ 0.45
Diluted	\$ 0.29	\$ 0.28	\$ 0.54	\$ 0.45