

NOBILITY HOMES INC

FORM 10-Q (Quarterly Report)

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Address	3741 S W 7TH ST OCALA, FL, 34474
Telephone	3527325157
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Symbol	NOBH
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Industry	Homebuilding
Sector	Consumer Cyclical
Fiscal Year	11/05

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
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 February 1, 2025
Commission File number 000-06506**

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

Florida
(State or other jurisdiction of
incorporation or organization)

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

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

34474
(Zip Code)

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

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 February 1, 2025
Common Stock	3,268,829

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NOBILITY HOMES, INC.
Condensed Consolidated Balance Sheets

	February 1, 2025 (Unaudited)	November 2, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,291,084	\$ 13,521,296
Certificates of deposit	12,648,261	13,021,839
Short-term investments at fair value	677,101	680,017
Accounts receivable - trade	1,922,015	2,935,517
Mortgage notes receivable	4,029	4,505
Inventories	20,274,265	21,039,344
Prepaid expenses and other current assets	1,689,525	1,727,034
Total current assets	53,506,280	52,929,552
Property, plant and equipment, net	8,355,317	8,280,695
Mortgage notes receivable, less current portion	141,728	141,728
Other investments	489,438	463,633
Property held for resale	26,590	26,590
Deferred income taxes	60,628	60,628
Cash surrender value of life insurance	4,590,813	4,539,813
Other assets	156,287	156,287
Total assets	<u>\$ 67,327,081</u>	<u>\$ 66,598,926</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 768,291	\$ 753,317
Accrued compensation	623,834	800,013
Accrued expenses and other current liabilities	1,503,417	1,826,042
Income taxes payable	616,093	692,303
Customer deposits	5,198,247	5,930,728
Total current liabilities	8,709,882	10,002,403
Commitments and contingencies		
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; 3,268,829 shares outstanding, respectively	536,491	536,491
Additional paid in capital	11,180,941	11,140,687
Retained earnings	76,658,205	74,677,783
Less treasury stock at cost, 2,095,832 shares, respectively	(29,758,438)	(29,758,438)
Total stockholders' equity	58,617,199	56,596,523
Total liabilities and stockholders' equity	<u>\$ 67,327,081</u>	<u>\$ 66,598,926</u>

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 1, 2025	February 3, 2024
Net sales	\$ 12,241,742	\$ 14,767,998
Cost of sales	(8,270,957)	(10,033,652)
Gross profit	3,970,785	4,734,346
Selling, general and administrative expenses	(1,676,650)	(2,032,330)
Operating income	2,294,135	2,702,016
Other income (expense):		
Interest income	285,278	297,999
Undistributed earnings in joint venture - Majestic 21	25,805	22,174
Proceeds received under escrow arrangement	38,152	—
(Decrease) Increase in fair value of short term investments	(2,916)	50,799
Miscellaneous	8,759	50,541
Total other income	355,078	421,513
Income before provision for income taxes	2,649,213	3,123,529
Income tax expense	(668,791)	(785,092)
Net income	\$ 1,980,422	\$ 2,338,437
Weighted average number of shares outstanding:		
Basic	3,268,829	3,268,829
Diluted	3,277,204	3,277,565
Net income per share:		
Basic	\$ 0.61	\$ 0.72
Diluted	\$ 0.60	\$ 0.71

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 1, 2025 and February 3, 2024
(Unaudited)

	Common Stock Shares	Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock	Total
Balance at November 2, 2024	3,268,829	\$ 536,491	\$ 11,140,687	\$ 74,677,783	\$ (29,758,438)	\$ 56,596,523
Stock-based compensation	—	—	40,254	—	—	40,254
Net income	—	—	—	1,980,422	—	1,980,422
Balance at February 1, 2025	<u>3,268,829</u>	<u>\$ 536,491</u>	<u>\$ 11,180,941</u>	<u>\$ 76,658,205</u>	<u>\$ (29,758,438)</u>	<u>\$ 58,617,199</u>

	Common Stock Shares	Common Stock	Additional Paid-in-Capital	Retained Earnings	Treasury Stock	Total
Balance at November 4, 2023	3,269,075	\$ 536,491	\$ 10,964,985	\$ 70,969,764	\$ (29,754,942)	\$ 52,716,298
Stock-based compensation	(246)	—	36,716	—	(3,496)	33,220
Net income	—	—	—	2,338,437	—	2,338,437
Balance at February 3, 2024	<u>3,268,829</u>	<u>536,491</u>	<u>11,001,701</u>	<u>73,308,201</u>	<u>(29,758,438)</u>	<u>55,087,955</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 1, 2025	February 3, 2024
Cash flows from operating activities:		
Net income	\$ 1,980,422	\$ 2,338,437
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	42,576	39,255
Undistributed earnings in joint venture - Majestic 21	(25,805)	(22,174)
Return on investment in joint venture-Majestic 21	—	1,600,889
Increase (decrease) in fair market value of equity investments	2,916	(50,799)
Stock-based compensation	40,254	33,220
Decrease (increase) in:		
Accounts receivable - trade	1,013,502	595,448
Inventories	765,079	1,456,452
Prepaid expenses and other current assets	37,509	70,948
Interest receivable	(146,066)	(137,759)
(Decrease) increase in:		
Accounts payable	14,974	(134,981)
Accrued compensation	(176,179)	(13,757)
Accrued expenses and other current liabilities	(322,625)	(35,013)
Income taxes payable	(76,210)	110,092
Customer deposits	(732,481)	(3,050,498)
Net cash provided by operating activities	2,417,866	2,799,760
Cash flows from investing activities:		
Purchase of property, plant and equipment	(117,198)	(122,444)
Purchase of certificates of deposit	(1,500,000)	(2,882,000)
Proceeds from certificates of deposit	1,920,000	1,434,000
Collections on interest receivable	99,644	77,339
Collections on mortgage notes receivable	476	45
Increase in cash surrender value of life insurance	(51,000)	(44,025)
Net cash provided by (used in) investing activities	351,922	(1,537,085)
Increase in cash and cash equivalents	2,769,788	1,262,675
Cash and cash equivalents at beginning of period	13,521,296	13,879,358
Cash and cash equivalents at end of period	\$ 16,291,084	\$ 15,142,033
Supplemental disclosure of cash flows information:		
Income taxes paid	\$ 745,000	\$ 675,000

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 consolidated financial statements for the three months ended February 1, 2025 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 1, 2025, 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 2, 2024.

Note 2 Recently Issued Accounting Standards

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The update will be effective for fiscal years beginning after December 15, 2023 (fiscal 2025) and interim periods with fiscal years beginning after December 15, 2024 (fiscal 2026). We are assessing the effect of this update on our consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid to the U.S. Government. The update will be effective for annual periods beginning after December 15, 2024 (fiscal 2026). We are assessing the effect of this update on our consolidated financial statement disclosures.

Note 3 Inventories

New home inventory is carried at a lower of cost or net realizable value. Capitalized manufacturing costs on retail manufactured homes built by the company are valued at manufacturing cost, including materials, labor, and manufacturing overhead, or net purchase price if acquired from unaffiliated third parties. 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. 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 21st Mortgage Corporation. 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 21st Mortgage Corporation. This arrangement assists 21st 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 21st 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 21st Mortgage. Any shortfall from the proceeds to cover these amounts is paid by 21st 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.

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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 1, 2025 and November 2, 2024 is as follows:

	February 1, 2025 (unaudited)	November 2, 2024
Raw materials	\$ 1,225,301	\$ 1,180,659
Work-in-process	136,529	144,959
Finished homes - Nobility	12,191,647	12,126,215
Finished homes - Other	5,395,298	6,349,717
Pre-owned homes	1,070,400	962,209
Model home furniture	255,090	275,585
Inventories	<u>\$ 20,274,265</u>	<u>\$ 21,039,344</u>

Note 4 Short-term Investments

The following is a summary of short-term investments at February 1, 2025 and November 2, 2024.

	February 1, 2025 (unaudited)			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Equity securities in a public company	<u>\$ 167,930</u>	<u>\$ 509,171</u>	<u>\$ —</u>	<u>\$ 677,101</u>

	November 2, 2024			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Equity securities in a public company	<u>\$ 167,930</u>	<u>\$ 512,087</u>	<u>\$ —</u>	<u>\$ 680,017</u>

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

Note 5 Fair Value of Financial Instruments

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

The Company accounts for the fair value of financial instruments 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.

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- Level 3 - Valuations are based on prices or valuation techniques that require inputs that are both observable 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 at February 1, 2025 and November 2, 2024.

	February 1, 2025		
	Level 1	(unaudited) Level 2	Level 3
Equity securities in a public company	\$ 677,101	\$ —	\$ —

	November 2, 2024		
	Level 1	Level 2	Level 3
Equity securities in a public company	\$ 680,017	\$ —	\$ —

Note 6 Net Income per Share

These condensed consolidated 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, which are the result of outstanding stock options.

Note 7 Revenues by Products and Services

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 for the three months ended February 1, 2025 and February 3, 2024 are as follows.

	(unaudited) Three Months Ended	
	February 1, 2025	February 3, 2024
Manufactured housing		
Homes sold through Company owned sales centers	\$ 10,648,928	\$ 12,633,133
Homes sold to independent dealers and through manufactured home parks, net	1,534,440	2,057,582
	12,183,368	14,690,715
Insurance agent commissions	58,374	77,283
Total net sales	<u>\$ 12,241,742</u>	<u>\$ 14,767,998</u>

Note 8 Subsequent Event

The Board of Directors on March 14, 2025 declared a one-time cash dividend of \$1.25 per common share for the fiscal year 2024. The cash dividend is payable on April 14, 2025, to stockholders of record as of March 31, 2025.

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 2025 were \$12,241,742 compared to \$14,767,998 in the first quarter of 2024. The Company reported net income of \$1,980,422 in the first quarter of 2025, compared to a net income of \$2,338,437 in the first quarter of 2024. Net sales decreased in first quarter of 2025 as compared to the prior year because of the decrease in the number of retail homes sold and manufactured. We believe the higher interest rates on mortgages are negatively impacting sales as compared to the prior year. There also remain delays in the receipt of certain key production materials from suppliers, back orders, price increases and labor shortages which continue to cause delays in the completion of the homes at our manufacturing facility and the set-up process of retail homes in the field. Our inability to timely deliver and set up homes to customers has negatively impacted sales and earnings. We expect these challenges will continue into fiscal year 2025. The Company also continues to experience inflation in several building products resulting in increases in our material and labor costs which may increase the wholesale and retail selling prices of our homes. We believe that potential customers have delayed or deferred purchasing decisions when considering the interest rate environment.

The current demand for affordable manufactured housing in Florida and the U.S. has slowed due to the interest rate environment and increased costs associated with mortgages. According to the Florida Manufactured Housing Association, shipments for the industry in Florida for the period from November 2024 through January 2025 declined by approximately 15% from the same period last year.

The following table summarizes certain key sales statistics and percentage of gross profit for the three months ended February 1, 2025 and February 3, 2024.

	(unaudited) Three Months Ended	
	February 1, 2025	February 3, 2024
New homes sold through Company owned sales centers	67	80
Pre-owned homes sold through Company owned sales centers	0	3
Homes sold to independent dealers	31	44
Total new factory built homes produced	87	99
Average new manufactured home price - retail	\$ 154,016	\$ 154,513
Average new manufactured home price - wholesale	\$ 69,095	\$ 68,064
As a percent of net sales:		
Gross profit from the Company owned retail sales centers	22 %	23 %
Gross profit from the manufacturing facilities -including intercompany sales	25 %	25 %

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, 2024, we celebrated our 57th anniversary in business specializing in the design and production of quality, affordable manufactured and modular homes. With multiple retail sales centers in Florida for over 34 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 2025 were \$58,374 compared to \$77,283 in the first quarter of 2024. Revenues are generated by new and renewal policies being written which affect 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 1, 2025 and November 2, 2024.

Gross profit as a percentage of net sales was 32% in the first quarter of 2025 and in the first quarter of 2024. The gross profit in the first quarter of 2025 was \$3,970,785 compared to \$4,734,346 in the first quarter of 2024. The gross profit is dependent on the sales mix of wholesale and retail homes and number of pre-owned homes sold. The gross profit as a percentage of net sales remained consistent 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.

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Selling, general and administrative expenses as a percentage of net sales was 14% in the first quarter of 2025 and in the first quarter of 2024. Selling, general and administrative expenses in the first quarter of 2025 were \$1,676,650 compared to \$2,032,330 in the first quarter of 2024.

The Company earned interest income of \$285,278 for the first quarter of 2025 compared to \$297,999 for the first quarter of 2024. The decrease in interest income for the first three months of 2025 is primarily due to the lower interest rates.

Our earnings from Majestic 21 in the first quarter of 2025 were \$25,807 compared to \$22,174 for the first quarter of 2024. 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 vary quarter to quarter, but overall, the earnings will decrease due to the amortization, maturity and payoff of the loans.

We received a distribution from 21st Mortgage Corporation in the first quarter of 2025 in the amount of \$38,152 and no distribution in the first quarter of 2024. The distributions are from an escrow arrangement related to a Finance Revenue Sharing Agreement (FRSA) between 21st Mortgage Corporation and the Company. The distributions from the escrow arrangement, relating to certain loans financed by 21st Mortgage Corporation, are recorded as income by the Company when received. The earnings from the FRSA loan portfolio will vary quarter to quarter but will continue to decrease due to the amortization and payoff of the loans.

The Company realized pre-tax income in the first quarter of 2025 of \$2,649,213 as compared to \$3,123,529 in the first quarter of 2024.

The Company recorded an income tax expense in the amount of \$668,791 in the first quarter of 2025 as compared to \$785,092 in the first quarter of 2024.

We reported net income of \$1,980,422 for the first quarter of 2025 or \$0.61 per share (\$0.60 diluted), compared to \$2,338,437 or \$0.72 per share (\$0.71 diluted), for the first quarter of 2024.

Liquidity and Capital Resources

Cash and cash equivalents were \$16,291,084 at February 1, 2025 compared to \$13,521,296 at November 2, 2024. Certificates of deposit were \$12,648,261 at February 1, 2025 compared to \$13,021,839 at November 2, 2024. Short-term investments were \$677,101 at February 1, 2025 compared to \$680,017 at November 2, 2024. Working capital was \$44,796,398 at February 1, 2025 as compared to \$42,927,149 at November 2, 2024. The Company received approximately \$1.6 million in the first quarter of 2024, from 21st Mortgage Corporation, representing our 50% of the excess capital in the portfolio. Prestige new home inventory was \$17,586,945 at February 1, 2025 compared to \$18,475,931 at November 2, 2024. Prestige has sixty six (66) (\$5.2 million) compared to first quarter last year of sixty (60) (\$4.7 million) new homes 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 for its operations. The Company also has approximately \$4.6 million of cash surrender value of life insurance which it would be able to access as an additional source of liquidity though the Company has not currently viewed this to be necessary. As of February 1, 2025, the Company continued to report a strong balance sheet which included total assets of approximately \$67.3 million which was funded primarily by stockholders' equity of approximately \$58.6 million.

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 competitive pricing pressures at both the wholesale and retail levels, inflation, tariffs, 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, the impact of higher interest rates on mortgage financing, 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 attacks, or other events such as a pandemic, 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 1, 2025.

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 2025 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, 3 and 4.

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 1, 2025.

Item 5. Other Information

During the three months ended February 1, 2025 no director or Section 16 officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in item 408(a) of Regulation S-K.

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 Data 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 17, 2025	By: <u>/s/ Terry E. Trexler</u> Terry E. Trexler, Chairman, President and Chief Executive Officer
DATE: March 17, 2025	By: <u>/s/ Thomas W. Trexler</u> Thomas W. Trexler, Executive Vice President, and Chief Financial Officer
DATE: March 17, 2025	By: <u>/s/ Lynn J. Cramer, Jr.</u> 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 17, 2025

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 17, 2025

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 1, 2025 (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 17, 2025

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 1, 2025 (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 17, 2025

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