

OCEAN BIO CHEM INC
Form 10-Q
November 12, 2010

U.S. 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 September 30, 2010

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 0-11102

OCEAN BIO-CHEM, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of incorporation or
organization)

59-1564329
(I.R.S. Employer Identification Number)

4041 SW 47 Avenue, Ft. Lauderdale, Florida 33314-4023
(Address of principal executive offices)

954-587-6280
(Registrant's telephone number, including area code)

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 during the preceding 12 months (or such shorter period that the registrant has been required to submit and post such files). Yes No .

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|-------------------------|-----------------------|---------------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/> | Accelerated filer | <input type="radio"/> |
| Non-accelerated filer | <input type="radio"/> | Smaller reporting company | <input checked="" type="radio"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of shares of the Registrant's common stock outstanding as of November 12, 2010, was 7,853,613.

OCEAN BIO-CHEM, INC. AND SUBSIDIARIES
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PART I - FINANCIAL INFORMATION

Item 1. – Financial Statements

OCEAN BIO-CHEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| | September 30, 2010 (Unaudited) | December 31, 2009 |
|--|--------------------------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$642,977 | \$494,973 |
| Trade accounts receivable net of allowance for doubtful accounts of approximately \$131,800 and \$61,700 at September 30, 2010 and December 31, 2009, respectively | 5,209,540 | 2,144,265 |
| Inventories, net | 8,096,231 | 6,663,246 |
| Prepaid expenses and other current assets | 385,565 | 504,384 |
| Total Current Assets | 14,334,313 | 9,806,868 |
| Property, plant and equipment, net | 5,480,672 | 5,464,356 |
| Other Assets: | | |
| Trademarks, trade names and patents, net | 947,814 | 330,439 |
| Due from affiliated companies, net | 310,865 | 237,172 |
| Other assets | 82,314 | 153,224 |
| Total Other Assets | 1,340,993 | 720,835 |
| Total Assets | \$21,155,978 | \$15,992,059 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable - trade | \$2,137,644 | \$1,741,309 |
| Revolving line of credit | 2,450,000 | 250,000 |
| Current portion of long term debt | 492,435 | 513,053 |
| Income taxes payable | 683,977 | 222,055 |
| Accrued expenses payable | 1,087,256 | 969,932 |
| Total Current Liabilities | 6,851,312 | 3,696,349 |
| Long term debt, less current portion | 2,633,721 | 2,937,206 |
| Total Liabilities | 9,485,033 | 6,633,555 |
| Commitments and contingencies | - | - |
| Shareholders' Equity: | | |
| Common stock - \$.01 par value, 10,000,000 shares authorized; 8,205,116 and 8,053,816 shares issued at September 30, 2010 and December 31, 2009, respectively | 82,051 | 80,538 |
| Additional paid in capital | 8,567,104 | 8,194,917 |
| Less cost of common stock in treasury, 351,503 shares at September 30, 2010 and December 31, 2009, respectively | (288,013) | (288,013) |
| Foreign currency translation adjustment | (272,505) | (277,025) |
| Retained earnings | 3,265,811 | 1,648,087 |
| Total Shareholders' Equity of Ocean Bio-Chem., Inc. and Subsidiaries | 11,354,448 | 9,358,504 |

| | | |
|--|--------------|--------------|
| Noncontrolling interest | 316,497 | - |
| Total Shareholders' Equity | 11,670,945 | 9,358,504 |
| Total Liabilities and Shareholders' Equity | \$21,155,978 | \$15,992,059 |

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

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OCEAN BIO-CHEM, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------|-------------------|--------------|
| | September 30, | | September 30, | |
| | 2010 | 2009 | 2010 | 2009 |
| Gross sales | \$9,530,210 | \$9,629,794 | \$22,621,021 | \$19,940,251 |
| Less: discounts, returns, and allowances | 511,188 | 723,942 | 1,050,706 | 1,209,047 |
| Net sales | 9,019,022 | 8,905,852 | 21,570,315 | 18,731,204 |