

TILE SHOP HOLDINGS, INC.
Form 10-Q
August 01, 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 June 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: 001-35629

TILE SHOP HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware 45-5538095
(State or other jurisdiction of incorporation) (I.R.S. Employer Identification No.)

14000 Carlson Parkway
Plymouth, Minnesota 55441
(Address of principal executive offices) (Zip Code)

(763) 852-2950

(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 (§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, 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 Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller Emerging growth company
reporting 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 registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 30, 2018, there were 52,705,343 shares of the registrant's common stock, par value \$0.0001 per share, outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Tile Shop Holdings, Inc. and Subsidiaries

Consolidated Balance Sheets

(dollars in thousands, except share and per share data)

| | June 30, 2018 (unaudited) | December 31, 2017 (audited) |
|--------------------------------------|---------------------------------|--------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 9,907 | \$ 6,621 |
| Restricted cash | 835 | 855 |
| Receivables, net | 3,217 | 2,381 |
| Inventories | 100,426 | 85,259 |
| Income tax receivable | 3,477 | 5,726 |
| Other current assets, net | 5,798 | 4,717 |
| Total Current Assets | 123,660 | 105,559 |
| Property, plant and equipment, net | 150,505 | 151,405 |
| Deferred tax assets | 10,636 | 11,654 |
| Other assets | 1,861 | 2,107 |
| Total Assets | \$ 286,662 | \$ 270,725 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 33,577 | \$ 30,771 |
| Current portion of long-term debt | 6,958 | 8,833 |
| Income tax payable | 50 | 17 |
| Other accrued liabilities | 27,137 | 22,413 |
| Total Current Liabilities | 67,722 | 62,034 |
| Long-term debt, net | 22,498 | 18,182 |
| Capital lease obligation, net | 509 | 576 |
| Deferred rent | 42,938 | 41,290 |
| Other long-term liabilities | 4,205 | 4,769 |

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| | | |
|--|---------|---------|
| Total Liabilities | 137,872 | 126,851 |
| Commitments and Contingencies (see Note 11) | | |
| Stockholders' Equity: | | |
| Common stock, par value \$0.0001; authorized: 100,000,000 shares; issued and outstanding: 52,508,090 and 52,156,850 shares, respectively | 5 | 5 |
| Preferred stock, par value \$0.0001; authorized: 10,000,000 shares; issued and outstanding: 0 shares | | |