

TILE SHOP HOLDINGS, INC.  
Form 10-Q  
August 08, 2014

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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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(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, 2014**

**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**

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**TILE SHOP HOLDINGS, INC.**

**(Exact name of registrant as specified in its charter)**

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

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

**(763) 852-2988**

**(Registrant's telephone number, including area code)**

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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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company



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 August 6, there were 51,245,537 shares of the registrant's common stock, par value \$0.0001 per share, outstanding.

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**TILE SHOP HOLDINGS, INC.**

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**PART I. FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS****Tile Shop Holdings, Inc. and Subsidiaries**

## Condensed Consolidated Balance Sheets

(in thousands, except per share amounts)

	June 30, 2014	December 31, 2013
	(unaudited)	(audited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,526	\$ 1,761
Trade receivables, net	2,004	1,198
Inventories	63,892	72,067
Income tax receivable	6,029	9,528
Deferred tax and other current assets, net	5,330	7,150
Total Current Assets	80,781	91,704
Property, plant and equipment, net	137,922	125,317
Deferred taxes and other assets	25,335	25,748
<b>TOTAL ASSETS</b>	<b>\$ 244,038</b>	<b>\$ 242,769</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 10,164	\$ 22,867
Other accrued liabilities	17,309	17,118
Total Current Liabilities	27,473	39,985
Long-term debt, net	91,275	91,646
Capital lease obligation, net	996	1,161
Deferred rent	30,159	25,560
Other long-term liabilities	4,103	4,554
<b>TOTAL LIABILITIES</b>	<b>154,006</b>	<b>162,906</b>
Stockholders' equity:		
Common stock, par value \$0.0001; authorized: 100,000,000 shares; issued: 51,242,537, and 51,229,720 shares	5	5
Preferred stock, par value \$0.0001; authorized: 10,000,000 shares; issued: 0 shares	-	-
Additional paid-in-capital	172,350	169,719

Retained (deficit) earnings	(82,323 )	(89,861 )
Total stockholders' equity	90,032	79,863
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 244,038</b>	<b>\$ 242,769</b>

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



**Tile Shop Holdings, Inc. and Subsidiaries**

## Condensed Consolidated Statements of Income

(in thousands, except per share amounts)

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Net sales	\$66,665	\$58,123	\$131,044	\$114,958
Cost of sales	20,163	17,257	39,609	33,719
Gross profit	46,502	40,866	91,435	81,239
Selling, general and administrative expenses	39,382	30,390	77,355	58,744
Income from operations	7,120	10,476	14,080	22,495
Interest expense	735	495	1,445	1,089
Change in fair value of warrants	-	2,374	-	54,219
Other expense	4	8	72	41
Income (loss) before income taxes	6,381	7,599	12,563	