

DIXIE GROUP INC
Form 10-Q
May 07, 2014

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 March 29, 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: 0-2585

THE DIXIE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Tennessee

62-0183370

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

104 Nowlin Lane, Suite 101, Chattanooga, TN 37421

(423) 510-7000

(Address of principal executive offices) (zip code)

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 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, or a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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The number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date.

Class	Outstanding as of April 25, 2014
Common Stock, \$3 Par Value	12,536,062 shares
Class B Common Stock, \$3 Par Value	898,884 shares
Class C Common Stock, \$3 Par Value	0 shares

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THE DIXIE GROUP, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE DIXIE GROUP, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(dollars in thousands, except share data)

	March 29, 2014 (Unaudited)	December 28, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$355	\$255
Receivables, net	50,017	44,063
Inventories	106,826	93,219
Prepaid expenses	7,563	5,630
Deferred income taxes	7,433	6,622
Assets held for sale	3,250	—
TOTAL CURRENT ASSETS	175,444	149,789
PROPERTY, PLANT AND EQUIPMENT, NET	82,843	74,485
OTHER ASSETS	28,110	24,592
TOTAL ASSETS	\$286,397	\$248,866
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$24,618	\$21,679
Accrued expenses	30,500	26,202
Current portion of long-term debt	12,330	6,229
TOTAL CURRENT LIABILITIES	67,448	54,110
LONG-TERM DEBT	120,277	101,759
DEFERRED INCOME TAXES	6,421	4,072
OTHER LONG-TERM LIABILITIES	18,467	18,154
TOTAL LIABILITIES	212,613	178,095
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common Stock (\$3 par value per share): Authorized 80,000,000 shares, issued and outstanding - 12,522,462 shares for 2014 and 12,441,356 shares for 2013	37,567	37,324
Class B Common Stock (\$3 par value per share): Authorized 16,000,000 shares, issued and outstanding - 898,884 shares for 2014 and 870,287 shares for 2013	2,697	2,611
Additional paid-in capital	137,135	137,170
Accumulated deficit	(103,282)	(106,550)
Accumulated other comprehensive income (loss)	(333)	216
TOTAL STOCKHOLDERS' EQUITY	73,784	70,771
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$286,397	\$248,866

See accompanying notes to the consolidated condensed financial statements.

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THE DIXIE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

(dollars in thousands, except per share data)

	Three Months Ended	
	March 29, 2014	March 30, 2013
NET SALES	\$85,313	\$75,440
Cost of sales	67,306	57,028
GROSS PROFIT	18,007	18,412
Selling and administrative expenses	20,251	16,895
Other operating (income) expense, net	152	(160)
Facility consolidation expenses	73	—
OPERATING INCOME (LOSS)	(2,469)) 1,677
Interest expense	1,012	995
Other (income) expense, net	10	8
Gain on purchase of business	(8,744)) —
INCOME FROM CONTINUING OPERATIONS BEFORE TAXES	5,253	674
Income tax provision	1,945	23
INCOME FROM CONTINUING OPERATIONS	3,308	651
Loss from discontinued operations, net of tax	(40)) (15)
NET INCOME	\$3,268	\$636
BASIC EARNINGS (LOSS) PER SHARE:		
Continuing operations	\$0.25	\$0.05
Discontinued operations	(0.00)	