

DIXIE GROUP INC
Form 10-Q
November 09, 2012

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 September 29, 2012
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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Class	Outstanding as of October 22, 2012
Common Stock, \$3 Par Value	12,173,961 shares
Class B Common Stock, \$3 Par Value	952,784 shares
Class C Common Stock, \$3 Par Value	0 shares

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)

	September 29, 2012 (Unaudited)	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 114	\$ 298
Receivables, net	31,990	29,173
Inventories	70,991	63,939
Deferred income taxes	5,292	5,860
Other current assets	3,454	1,729
TOTAL CURRENT ASSETS	111,841	100,999
PROPERTY, PLANT AND EQUIPMENT	186,332	183,816
Less accumulated depreciation and amortization	(123,066)	(116,275)
NET PROPERTY, PLANT AND EQUIPMENT	63,266	67,541
OTHER ASSETS	14,617	14,403
TOTAL ASSETS	\$ 189,724	\$ 182,943
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 15,726	\$ 14,668
Accrued expenses	16,147	17,185
Current portion of long-term debt	3,058	2,729
TOTAL CURRENT LIABILITIES	34,931	34,582
LONG-TERM DEBT		
Senior indebtedness	58,808	52,806
Mortgage note payable	9,588	10,141
Equipment notes payable	1,847	2,061
Capital lease obligations	2,483	349
TOTAL LONG-TERM DEBT	72,726	65,357
DEFERRED INCOME TAXES	3,547	4,804
OTHER LONG-TERM LIABILITIES	14,328	13,815
TOTAL LIABILITIES	125,532	118,558
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Common Stock (\$3 par value per share): Authorized 80,000,000 shares, issued - 16,200,801 shares for 2012 and 15,998,937 shares for 2011	48,602	47,997
Class B Common Stock (\$3 par value per share): Authorized 16,000,000 shares, issued - 952,784 shares for 2012 and 882,644 shares for 2011	2,858	2,648

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Additional paid-in capital	138,053		138,118	
Accumulated deficit	(66,276))	(65,764))
Accumulated other comprehensive loss	(320))	(88))
	122,917		122,911	
Less Common Stock in treasury at cost - 4,026,840 shares for 2012 and 3,976,396 shares for 2011	(58,725))	(58,526))
TOTAL STOCKHOLDERS' EQUITY	64,192		64,385	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$189,724		\$182,943	

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		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
NET SALES	\$65,822	\$69,607	\$195,238	\$204,761
Cost of sales	49,265	53,834	147,260	155,695
GROSS PROFIT	16,557	15,773	47,978	49,066
Selling and administrative expenses	15,785	14,493	46,530	44,830
Other operating (income) expense, net	(48) 102	48	