

Edgar Filing: Wheeler Real Estate Investment Trust, Inc. - Form 10-Q

Wheeler Real Estate Investment Trust, Inc.  
Form 10-Q  
November 07, 2018  
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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 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 001-35713

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland 45-2681082  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)

2529 Virginia Beach Blvd., Suite 200 23452  
Virginia Beach, Virginia  
(Address of Principal Executive Offices) (Zip Code)  
(757) 627-9088  
(Registrant's Telephone Number, Including Area Code)

N/A

(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 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) 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 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  (do not check if a smaller reporting company) Smaller reporting company

Emerging growth 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

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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 ý

As of November 7, 2018, there were 9,453,250 common shares, \$0.01 par value per share, outstanding.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets  
(in thousands, except par value and share data)

	September 30, 2018	December 31, 2017
	(unaudited)	
<b>ASSETS:</b>		
Investment properties, net	\$ 426,972	\$ 375,199
Cash and cash equivalents	3,638	3,677
Restricted cash	16,708	8,609
Rents and other tenant receivables, net	4,675	5,619
Notes receivable, net	6,739	6,739
Goodwill	5,486	5,486
Assets held for sale	22,111	9,135
Above market lease intangible, net	7,945	8,778
Deferred costs and other assets, net	32,814	34,432
<b>Total Assets</b>	<b>\$ 527,088</b>	<b>\$ 457,674</b>
<b>LIABILITIES:</b>		
Loans payable, net	\$ 354,093	\$ 307,375
Liabilities associated with assets held for sale	12,423	792
Below market lease intangible, net	10,948	9,616
Accounts payable, accrued expenses and other liabilities	12,707	10,579
Dividends payable	3,037	5,480
<b>Total Liabilities</b>	<b>393,208</b>	<b>333,842</b>
Series D Cumulative Convertible Preferred Stock (no par value, 4,000,000 shares authorized, 3,600,636 and 2,237,000 shares issued and outstanding; \$90.02 million and \$55.93 million aggregate liquidation preference, respectively)	74,838	53,236
<b>EQUITY:</b>		
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding)	453	453
Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 1,875,748 and 1,875,848 shares issued and outstanding, respectively; \$46.90 million aggregate liquidation preference)	40,978	40,915
Common Stock (\$0.01 par value, 18,750,000 shares authorized, 9,401,936 and 8,744,189 shares issued and outstanding, respectively)	94	87
Additional paid-in capital	233,001	226,978
Accumulated deficit	(218,498	) (204,925 )
<b>Total Shareholders' Equity</b>	<b>56,028</b>	<b>63,508</b>
Noncontrolling interests	3,014	7,088
<b>Total Equity</b>	<b>59,042</b>	<b>70,596</b>
<b>Total Liabilities and Equity</b>	<b>\$ 527,088</b>	<b>\$ 457,674</b>
See accompanying notes to condensed consolidated financial statements.		

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries  
 Condensed Consolidated Statements of Operations  
 (in thousands, except share and per share data)  
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>REVENUE:</b>				
Rental revenues	\$12,755	\$11,109	\$38,363	\$33,265
Asset management fees	48	145	143	807
Commissions	52	449	102	758
Tenant reimbursements	3,150	2,711	9,337	8,127
Development and other revenues	217	784	1,697	1,282
Total Revenue	16,222	15,198	49,642	44,239
<b>OPERATING EXPENSES:</b>				
Property operations	4,687	3,726	13,804	11,467
Non-REIT management and leasing services	23	618	59	1,525
Depreciation and amortization	6,045	7,746	20,943	20,455
Provision for credit losses	149	23	335	443
Corporate general & administrative	1,703	1,306	6,479	4,855
Other operating expenses	250	—	250	—
Total Operating Expenses	12,857	13,419	41,870	38,745