

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

Wheeler Real Estate Investment Trust, Inc.
Form 10-Q
May 05, 2016
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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 March 31, 2016

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. 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

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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 May 4, 2016, there were 66,403,669 common shares, \$0.01 par value per share, outstanding.

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Condensed Consolidated Balance Sheets

	March 31, 2016 (unaudited)	December 31, 2015
ASSETS:		
Investment properties, net	\$237,543,972	\$238,764,631
Cash and cash equivalents	7,029,642	10,706,185
Restricted cash	7,180,925	7,364,375
Rents and other tenant receivables, net	3,060,825	3,452,700
Goodwill	5,485,823	5,485,823
Assets held for sale	1,682,526	1,692,473
Above market lease intangible, net	5,981,123	6,517,529
Deferred costs and other assets, net	33,982,124	35,259,526
Total Assets	\$301,946,960	\$309,243,242
LIABILITIES:		
Loans payable	\$184,970,426	\$184,629,082
Liabilities associated with assets held for sale	1,981,136	1,992,318
Below market lease intangible, net	7,256,541	7,721,335
Accounts payable, accrued expenses and other liabilities	6,522,190	7,533,769
Total Liabilities	200,730,293	201,876,504
Commitments and contingencies		
EQUITY:		
Series A preferred stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding, respectively)	452,971	452,971
Series B convertible preferred stock (no par value, 3,000,000 shares authorized, 729,119 shares issued and outstanding, respectively)	17,173,672	17,085,147
Common stock (\$0.01 par value, 150,000,000 and 75,000,000 shares authorized, 66,314,380 and 66,259,673 shares issued and outstanding, respectively)	663,143	662,596
Additional paid-in capital	220,171,165	220,370,984
Accumulated deficit	(147,526,640)	(140,306,846)
Total Shareholders' Equity	90,934,311	98,264,852
Noncontrolling interests	10,282,356	9,101,886
Total Equity	101,216,667	107,366,738
Total Liabilities and Equity	\$301,946,960	\$309,243,242
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
(Unaudited)

	Three Months Ended March 31,	
	2016	2015
REVENUE:		
Rental revenues	\$6,742,193	\$3,789,277
Asset management fees	254,891	212,298
Commissions	152,846	108,893
Tenant reimbursements and other revenues	1,988,732	1,043,284
Total Revenue	9,138,662	5,153,752
OPERATING EXPENSES:		
Property operations	2,675,025	1,553,674
Non-REIT management and leasing services	377,408	369,775
Depreciation and amortization	4,880,087	3,000,978
Provision for credit losses	87,526	47,198
Corporate general & administrative	2,281,108	2,308,964
Total Operating Expenses	10,301,154	7,280,589
Operating Loss	(1,162,492)	(2,126,837)
Interest expense	(2,419,815)	(2,142,719)
Net Loss from Continuing Operations	(3,582,307)	(4,269,556)
Net Income from Discontinued Operations	20,525	46,367
Net Loss	(3,561,782)	(4,223,189)
Less: Net loss attributable to noncontrolling interests	(332,876)	(462,376)
Net Loss Attributable to Wheeler REIT	(3,228,906)	(3,760,813)
Preferred stock dividends	(511,300)	(2,502,223)
Net Loss Attributable to Wheeler REIT Common Shareholders	\$(3,740,206)	\$(6,263,036)
Loss per share from continuing operations (basic and diluted):	\$(0.06)	\$(0.81)
Income per share from discontinued operations:	—	0.01
	\$(0.06)	\$(0.80)
Weighted-average number of shares:		
Basic and Diluted	66,272,926	7,806,467
Dividends declared per common share	\$0.05	\$0.09
See accompanying notes to condensed consolidated financial statements.		

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Condensed Consolidated Statement of Equity
(Unaudited)