

Wayside Technology Group, Inc.  
Form 10-Q  
May 08, 2015

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2015

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 No. 000-26408

## Wayside Technology Group, Inc.

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**13-3136104**  
(I.R.S. Employer Identification No.)

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1157 Shrewsbury Avenue, Shrewsbury, New Jersey 07702

(Address of principal executive offices)

(732) 389-8950

Registrant's Telephone Number

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 and 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

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

There were 4,820,324 outstanding shares of common stock, par value \$.01 per share, ( Common Stock ) as of May 4, 2015, not including 464,176 shares classified as treasury stock.

**PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****Wayside Technology Group, Inc. and Subsidiaries****Condensed Consolidated Balance Sheets**

(Amounts in thousands, except share and per share amounts)

|   | March 31,<br>2015<br>(Unaudited) | December 31,<br>2014 |
|---|----------------------------------|----------------------|
| <b>ASSETS</b>   |                                  |                      |
| Current assets  |                                  |                      |
| Cash and cash equivalents   | \$ 21,365                        | \$ 23,124            |
| Accounts receivable, net of allowances of \$1,474 and \$1,819, respectively   | 57,648                           | 60,782               |
| Inventory, net  | 2,198                            | 1,491                |
| Prepaid expenses and other current assets   | 1,341                            | 933                  |
| Deferred income taxes   | 244                              | 245                  |
| Total current assets  | 82,796                           | 86,575               |
| Equipment and leasehold improvements, net   | 392                              | 412                  |
| Accounts receivable-long-term   | 5,280                            | 7,660                |
| Other assets  | 111                              | 152                  |
| Deferred income taxes   | 182                              | 182                  |
|   | \$ 88,761                        | \$ 94,981            |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>  |                                  |                      |
| Current liabilities   |                                  |                      |
| Accounts payable and accrued expenses   | \$ 51,208                        | \$ 55,414            |
| Total current liabilities   | 51,208                           | 55,414               |
| Commitments and contingencies   |                                  |                      |
| Stockholders' equity  |                                  |                      |
| Common Stock, \$.01 par value; 10,000,000 shares authorized, 5,284,500 shares issued;<br>4,803,904 and 4,890,756 shares outstanding, respectively | 53                               | 53                   |
| Additional paid-in capital  | 31,267                           | 31,013               |
| Treasury stock, at cost, 480,596 and 393,744 shares, respectively   | (8,301)                          | (6,166)              |
| Retained earnings   | 15,701                           | 15,225               |
| Accumulated other comprehensive loss  | (1,167)                          | (558)                |
| Total stockholders' equity  | 37,553                           | 39,567               |
|   | \$ 88,761                        | \$ 94,981            |

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



**Wayside Technology Group, Inc. and Subsidiaries**

**Condensed Consolidated Statements of Earnings**

**(Unaudited)**

**(Amounts in thousands, except per share data)**

|  | <b>Three months ended<br/>March 31,</b> |             |        |
|--|---|-------------|--------|
|  | <b>2015</b>                             |             |        |
|  |   | <b>2014</b> |        |
| Net sales  | \$ 92,691                               |             | 71,730 |
| Cost of sales                                      |   | 86,335      | 66,192 |
| Gross profit                                       |   | 6,356       | 5,538  |
| Selling, general and administrative expenses       |   | 4,466       | 4,045  |
| Income from operations                             |   | 1,890       | 1,493  |
| Other income:                                      |   |             |        |
| Interest, net                                      |   | 98          | 123    |
| Foreign currency transaction loss                  |   | (1)         | (12)   |
| Income before provision for income taxes           |   | 1,987       | 1,604  |
| Provision for income taxes                         |   | 684         | 545    |
| Net income   | \$ 1,303                                | \$ 1,059    |        |
| Income per common share Basic                      | \$ 0.28                                 | \$ 0.23     |        |
| Income per common share Diluted                    | \$ 0.28                                 | \$ 0.23     |        |
| Weighted average common shares outstanding Basic   |   | 4,690       | 4,538  |
| Weighted average common shares outstanding Diluted |   | 4,718       | 4,615  |
| Dividends paid per common share                    | \$ 0.17                                 | \$ 0.17     |        |

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

**Wayside Technology Group, Inc. and Subsidiaries**

**Condensed Consolidated Statements of Comprehensive Income**

**(Unaudited)**

**(Amounts in thousands)**

**Three months ended  
March 31,  
2015**