

METALS USA INC
Form 8-K
July 30, 2003

FORM 8-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

Date of Report: **July 30, 2003**

Commission File Number **1-13123**

METALS USA, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

Three Riverway, Suite 600
Houston, Texas
(Address of Principal Executive Offices)

76-0533626
(I.R.S. Employer
Identification Number)

77056
(Zip Code)

Registrant's telephone number, including area code: **(713) 965-0990**

METALS USA, INC.

FORM 8-K

ITEM 5. OTHER EVENTS

Text of Press Release Dated July 28, 2003

METALS USA REPORTS PROFITABLE SECOND QUARTER

July 28, 2003 HOUSTON, TEXAS Metals USA, Inc. (AMEX: MLT), a leader in the metals processing and distribution industry, today announced results for the three and six months ended June 30, 2003.

Sales for the second quarter of 2003 were \$242.3 million, compared to sales for the predecessor company of \$249.2 million reported for the second quarter of 2002, and above sales of \$226.3 million reported in the first quarter of 2003. Gross margin for the second quarter of 2003 was 24.0%, compared to a gross margin for 2002 of 24.8%, and up 110 basis points from gross margin of 22.9% reported in the first quarter of 2003. Operating income for the second quarter of 2003 was \$5.0 million, compared to operating income for the predecessor company of \$2.7 million reported in the second quarter of 2002, and better than the operating income of \$1.5 million reported in the first quarter of 2003. Net income in the second quarter of 2003 was \$2.3 million, or \$0.11 per share, compared to a net loss for the predecessor company of \$7.2 million, or \$0.20 per share, for the second quarter of 2002, and a \$0.2 million, or \$0.01 loss per share reported in the first quarter of 2003.

Our efforts this year are directed toward building a solid foundation so that, regardless of the state of the economy, Metals USA remains competitive and profitable, said C. Lourenco Goncalves, president and chief executive officer of Metals USA, Inc. We are evaluating and challenging every aspect of the Company and I view our results this quarter as a positive sign that our actions are approaching the desired results, continued Mr. Goncalves.

Sales for the first six months of 2003 were \$468.6 million, compared to sales for the predecessor company of \$494.0 million reported for the first six months of 2002. The net income in the first half of 2003 was \$2.1 million, or \$0.10 per share, compared to a net loss of \$14.2 million or \$0.39 per share for the first half of 2002.

Metals USA has scheduled a web simulcast of its earnings conference call for Tuesday, July 29, 2003 at 2:00 p.m. central time. To listen to the live call please visit the Company's website at www.metalsusa.com approximately 15 minutes prior to the call to register and download any software that may be necessary. A replay of the call will be available until August 28, 2003 either on the Company's website or by dialing (888) 203-1112 and entering the pass code 147636.

Edgar Filing: METALS USA INC - Form 8-K

Metals USA, Inc. is a leading metals processor and distributor in North America. Metals USA provides a wide range of products and services in the heavy carbon steel, flat-rolled steel, specialty metals, and building products markets. For more information, visit the company's website at www.metalsusa.com.

The information contained in this release is limited and the Company encourages interested parties to read the Company's Form 10-K and 10-Qs which are on file with the Securities and Exchange Commission for more complete information. Additionally, copies of

the Company's filings with the Securities and Exchange Commission together with press releases and other information investors may find of benefit can be found at the Company's website at www.metalsusa.com.

This press release contains certain forward-looking statements which involve known and unknown risks, uncertainties or other factors not under the Company's control which may cause the actual results, performance or achievement of the Company to be materially different from the results, performance or other expectations implied by these forward-looking statements. These factors include, but are not limited to, those disclosed in the Company's periodic filings with the Securities and Exchange Commission.

-Tables follow-

Metals USA, Inc.

Unaudited Consolidated Statements of Operations

(In millions, except per share amounts and shipments)

	Three Months Ended			Six Months Ended		
	June 30,		March 31,	June 30,		
	2003 Successor Company	2002 Predecessor Company	2003 Successor Company	2003 Successor Company	2002 Predecessor Company	
Revenues:						
Net sales	\$ 242.3	\$ 249.2	\$ 226.3	\$ 468.6	\$ 494.0	
Cost of sales	184.1	187.4	174.4	358.5	372.7	
Gross profit	58.2	61.8	51.9	110.1	121.3	
Operating cost and expenses:						
Operating and delivery	30.4	30.3	28.9	59.3	63.8	
Selling, general and administrative	22.7	22.9	21.5	44.1	48.9	
Depreciation and amortization	0.1	2.4		0.1	4.3	
Asset impairments		3.5			3.5	
Operating income	5.0	2.7	1.5	6.6	0.8	
Other (income) expense:						
Interest expense	1.6	5.1	1.7	3.3	10.4	
Other (income) expense, net	(0.2)	0.2	(0.1)	(0.2)	(0.4)	
Reorganization expense		6.1			9.1	
Income (loss) before income taxes and discontinued operations	3.6	(8.7)	(0.1)	3.5	(18.3)	
Provision (benefit) for income taxes	1.3	(1.9)		1.3	(3.7)	
Income (loss) before discontinued operations	2.3	(6.8)	(0.1)	2.2	(14.6)	
Discontinued operations, net of taxes		(0.4)	(0.1)	(0.1)	0.4	
Net income (loss)	\$ 2.3	\$ (7.2)	\$ (0.2)	\$ 2.1	\$ (14.2)	
Net income (loss) per share - basic and diluted:						
Before discontinued operations	\$ 0.11	\$ (0.19)	\$ (0.01)	\$ 0.11	\$ (0.40)	
Discontinued operations		0.01	0.00	(0.01)	0.01	
Total	\$ 0.11	\$ (0.20)	\$ (0.01)	\$ 0.10	\$ (0.39)	
Shares used in earnings per share calculations:						
Earnings per share	20.2	36.5	20.2	20.2	36.5	
Earnings per share - assuming dilution	20.3	36.5	20.2	20.3	36.5	
Non GAAP Financial and Other Information						
Shipments (a)	323	344				