
Worthington Industries announces Q1 financial results

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Worthington Industries Inc has reported net sales of USD 417.5 million and net earnings of USD 6.7 million for the fiscal 2010 first quarter ended August 31st 2009, showing improvement from fourth quarter results when the company reported a net loss of USD 13.7 million. In last year's first quarter, it posted record sales of USD 913.2 million and record net earnings of USD 68.6 million.

Operating income for the first quarter included USD 3.6 million in pre tax restructuring charges, primarily related to the announced facility closures in Metal Framing. Results for the first quarter of the prior year included USD 8.8 million in restructuring charges, which had a negative impact of USD 0.08 on earnings per share.

In the Steel Processing segment, volumes continue to be down substantially, 47% lower than last fiscal year's first quarter. This year's quarterly net sales of USD 181.6 million are down compared to the record USD 459.9 million from the same quarter in fiscal 2009, when volumes and pricing were substantially higher. Net sales were up slightly from the fourth quarter, helped by increased demand from the Cash for Clunkers program and customers advancing orders ahead of announced steel price increases.

In Metal Framing, quarterly net sales were USD 95.4 million as compared to USD 232.9 million in last year's first quarter, as volumes were down 46%. Demand remains weak and, despite price increase announcements to keep up with rising material costs, the average selling price is down 24% from the year ago quarter, primarily due to higher steel costs in the prior year. The selling price in this low demand environment remains very competitive. As a result, the Metal Framing segment reported a USD 4.3 million operating loss compared to a USD 3.5 million operating loss in the previous quarter.

In the Pressure Cylinders segment, net sales declined 32% to USD 101.3 million from a record USD 148.4 million in the comparable quarter of fiscal 2009. Units shipped increased 15% due in part to the addition of the high volume, low priced products from the Piper acquisition. While 16.4 ounces camping cylinders and LPG cylinders were strong performers, net sales declined due to significantly lower industrial and refrigerant gas cylinder volumes resulting from the steep declines in these global markets.

Mr John P McConnell chairman & CEO of Worthington Industries said that "I am pleased to see improvements in our performance as we begin to move forward from a difficult and challenging period. Despite lower volumes in Steel Processing and Metal Framing, we are benefiting from our work to increase operational efficiencies and from new selling strategies. The Steel Processing business received a temporary lift from the Cash for Clunkers program, and the Pressure Cylinders business saw strength in many of its business lines. Metal Framing is focused on keeping costs in line with low demand which is a condition we expect to continue into 2010."

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