
Keystone reports profit of USD 5.9 million in Q3

Monday, 09 Nov, 2009

Keystone Consolidated Industries Inc has announced that it continued to stay in black ink during the third quarter as it continues to control costs during the recession.

Keystone Consolidated, parent of Bartonville based Keystone Steel & Wire Co, reported a profit of USD 5.9 million for the third quarter ended September 30th 2009. Although well below the USD 24 million profit recorded in the third quarter of 2008, the company is pleased it made a profit, considering sales were way down.

Mr Bert Downing Jr VP & CFO of Keystone Consolidated said that "We were profitable, and in relation to a lot of our competitors, that is positive. Are we where we want to be? No, we are not. But we are OK with where we are."

He said that he believes Keystone has been able to stay profitable in light of the economic downturn and lower sales because of cost cutting and controlling measures it had taken earlier, including the elimination of nonunion positions and rolling layoffs as dictated by demand rather than long-term layoffs. He added that "We had already made a lot of the hard decisions some companies, including some of our competitors, are just now making. So, in a way, we are reaping the benefits of already having gone through tough times. We will continue to make strong efforts to control our costs going forward."

Through the first 3 quarters of 2009, Keystone Consolidated had a profit of USD 2.49 million as compared with a profit of USD 59.5 million through the first three quarters of 2008. The chief reason for the decline is a drop in sales, by more than half through the first 3 quarters.

Keystone posted sales of USD 100.4 million in the third quarter as compared with USD 183.2 million in the same period in 2008. For the first nine months of the year sales were USD 231.3 million as compared with USD 495.4 million for the same period in 2008.

It said that "Throughout the third quarter of 2009 customers continued just-in-time order philosophies, which resulted in the lower shipment volumes and additional production costs due to frequent mill changes as customers ordered much smaller quantities of Keystone's many different products."

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