

JORGENSEN EARLE M CO /DE/  
Form 10-Q  
August 11, 2005  
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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## FORM 10-Q

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

For the fiscal quarter ended June 29, 2005.

OR

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

Commission file number: 1-7537

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## EARLE M. JORGENSEN COMPANY

(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

10650 Alameda, Lynwood, California  
(Address of principal executive offices)

95-0886610  
(I.R.S. Employer  
Identification No.)

90262  
(Zip Code)

Registrant's telephone number: (323) 567-1122

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 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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 31, 2005, 50,237,094 shares of the registrant's common stock, par value \$.001 per share, were outstanding.

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**EARLE M. JORGENSEN COMPANY**

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**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****EARLE M. JORGENSEN COMPANY****CONSOLIDATED CONDENSED BALANCE SHEETS**

(in thousands, except share data)

	<b>June 29, 2005</b>	<b>March 31, 2005</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,005	\$ 19,994
Accounts receivable, less allowance for doubtful accounts of \$1,532 and \$1,099 at June 29, 2005 and March 31, 2005, respectively	191,902	177,298
Inventories	265,954	252,222
Deferred income taxes	30,800	30,800
Other current assets	10,097	10,989
<b>Total current assets</b>	<b>507,758</b>	<b>491,303</b>
Property, plant and equipment, net of accumulated depreciation of \$94,836 and \$92,239 at June 29, 2005 and March 31, 2005, respectively	123,392	118,271
Net cash surrender value of life insurance policies	44,729	38,639
Debt issue costs, net of accumulated amortization	6,871	7,158
Other assets	2,612	3,470
<b>Total assets</b>	<b>\$ 685,362</b>	<b>\$ 658,841</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$ 173,774	\$ 199,630
Accrued employee compensation and related taxes	10,475	21,991
Accrued employee benefits	15,870	14,040
Accrued interest	17,985	29,323
Accrued stock bonus plan special contribution	14,138	13,527
Accrued income taxes	7,448	16,849
Other accrued liabilities	7,409	8,969
Current portion of long-term debt	3,108	1,215
<b>Total current liabilities</b>	<b>250,207</b>	<b>305,544</b>
Long-term debt	325,118	515,674
Deferred income taxes	2,645	2,645
Other long-term liabilities	16,369	21,151
Commitment and contingencies		
Stockholders equity (deficit):		

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Holding preferred and common stock subject to redemption in certain circumstances, stated at redemption price		78,119
Holding series A preferred stock, \$.01 par value, 13% cumulative (liquidation value of \$24,755); 600,000 shares authorized; 247,546 shares issued (214,495 shares at stated value not subject to redemption at March 31, 2005 and none at June 29, 2005)		21,449
Holding series B preferred stock, \$.01 par value, variable rate cumulative (liquidation value of \$30,018); 100,000 shares authorized; 30,018 shares issued (3,152 shares at stated value not subject to redemption at March 31, 2005 and none at June 29, 2005)		3,152
Holding common stock, \$.01 par value, 19,500,000 shares authorized; 13,338,536 shares issued (10,790,324 shares at stated value not subject to redemption at March 31, 2005 and none at June 29, 2005)		108
Common stock, \$.001 par value; 80,000,000 shares authorized; 48,517,094 shares issued at June 29, 2005 and none at March 31, 2005		49
Capital in excess of par value	345,968	77,909
Reclassification to value preferred and common stock subject to redemption in certain circumstances to its redemption price		(20,868)
Accumulated other comprehensive loss		
Foreign currency translation adjustment	883	1,150
Additional minimum pension liability	(2,738)	(2,738)
Accumulated deficit	(253,139)	(275,721)
Treasury stock		(68,733)
Total stockholders' equity (deficit)	91,023	(186,173)
Total liabilities and stockholders' equity (deficit)	\$ 685,362	\$ 658,841

See accompanying notes to consolidated condensed financial statements.

**Table of Contents****EARLE M. JORGENSEN COMPANY****CONSOLIDATED CONDENSED STATEMENTS OF INCOME**

(in thousands, except share and per share data)

	<b>Three Months Ended</b>	
	<b>June 29, 2005</b>	<b>June 30, 2004</b>
	(Unaudited)	
Revenues	\$ 443,972	\$ 361,636
Cost of sales	328,374	256,075
Gross profit	115,598	105,561
Expenses:		
Warehouse and delivery	40,083	38,073
Selling	10,238	13,390
General and administrative	17,894	14,432
Total expenses	68,215	65,895
Income from operations	47,383	39,666
Interest expense, net	13,638	23,365
Income before income taxes	33,745	16,301
Income tax expense	11,163	4,598
Net income	22,582	11,703
Preferred dividends		2,733
Net income available to common stockholders	\$ 22,582	\$ 8,970
Net income available to common stockholders per share:		
Basic	\$ 0.50	\$ 0.79
Diluted	\$ 0.48	\$ 0.58
Number of shares used in net income available to common stockholders per share:		
Basic	45,028,000	11,405,000
Diluted	47,319,000	15,467,000

See accompanying notes to consolidated condensed financial statements.



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## EARLE M. JORGENSEN COMPANY

## CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)

(in thousands, except share data)

	Common Shares	Common Stock	Preferred and common stock subject to redemption in certain circumstances	Holding Series A preferred stock	Holding Series B preferred stock	Holding common stock	Capital in excess of par value	Reclassification to value preferred and common stock subject to redemption in certain circumstances	Accumulated other comprehensive loss	Accumulated deficit	Treasury Stock	Total
<b>Balance at March 31, 2004</b>		\$	\$ 95,525	\$ 20,902	\$ 14	\$ 106	\$ 77,188	\$ (34,735)	\$ (2,698)	\$ (370,953)	\$ (58,644)	\$ (273,295)
Comprehensive income:												
Net income										11,703		11,703
Foreign currency translation adjustment									(135)			(135)
Comprehensive income												11,568
Stock Dividend on Series B 1,114 issued shares					1,114					(1,114)		
Reclassification of stock dividend on Series B for shares subject to redemption			1,113		(1,113)							
<b>Balance at June 30, 2004 (unaudited)</b>		\$	\$ 96,638	\$ 20,902	\$ 15	\$ 106	\$ 77,188	\$ (34,735)	\$ (2,833)	\$ (360,364)	\$ (58,644)	\$ (261,727)
<b>Balance at March 31, 2005</b>		\$	\$ 78,119	\$ 21,449	\$ 3,152	\$ 108	\$ 77,909	\$ (20,868)	\$ (1,588)			