

Edgar Filing: UNIVERSAL STAINLESS & ALLOY PRODUCTS INC - Form 10-Q

(Address of principal executive offices, including zip code)

(412) 257-7600

(Registrant's telephone number, including area code)

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 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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 20, 2018, there were 8,689,340 shares of the Registrant's common stock outstanding.

Universal Stainless & Alloy Products, Inc.

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Part I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in Thousands, Except Per Share Information)

(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Net sales	\$66,071	\$52,607	\$129,808	\$101,482
Cost of products sold	54,376	45,441	108,841	90,071
Gross margin	11,695	7,166	20,967	11,411
Selling, general and administrative expenses	5,849	4,499	11,056	9,228
Operating income (loss)	5,846	2,667	9,911	2,183
Interest expense and other financing costs	1,268	1,084	2,474	2,087
Other (income) expense, net	(599)	(14)	(642)	(20)
Income (loss) before income taxes	5,177	1,597	8,079	116
Provision (benefit) for income taxes	1,139	369	1,916	107
Net income (loss)	\$4,038	\$1,228	\$6,163	\$9
Net income (loss) per common share - Basic	\$0.52	\$0.17	\$0.82	\$0.00
Net income (loss) per common share - Diluted	\$0.50	\$0.17	\$0.79	\$0.00
Weighted average shares of common stock outstanding				
Basic	7,817,628	7,219,423	7,541,332	7,217,943
Diluted	8,076,108	7,360,137	7,784,403	7,333,106

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

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Dollars in Thousands)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Net income (loss)	\$ 4,038	\$ 1,228	\$ 6,163	\$ 9
Other comprehensive income (loss), net of tax				
Unrealized income (loss) on foreign currency contracts	166	(22)	108	(53)
Comprehensive income (loss)	\$ 4,204	\$ 1,206	6,271	(44)

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

CONSOLIDATED BALANCE SHEETS

(Dollars in Thousands, Except Per Share Information)

(Unaudited)

	June 30, 2018	December 31, 2017 (Derived from audited (Unaudited) statements)
ASSETS		
Current assets:		
Cash	\$ 263	\$ 207
Accounts receivable (less allowance for doubtful accounts of \$456 and \$456, respectively)	35,812	24,990
Inventory, net	125,615	116,663
Other current assets	4,165	4,404
Total current assets	165,855	146,264
Property, plant and equipment, net	173,227	174,444
Other long-term assets	6,656	523
Total assets	\$ 345,738	\$ 321,231
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 35,885	\$ 34,898
Accrued employment costs	5,891	4,075
Current portion of long-term debt	6,742	4,707
Other current liabilities	1,233	1,268
Total current liabilities	49,751	44,948
Long-term debt, net	50,386	75,006
Deferred income taxes	11,520	9,605
Other long-term liabilities, net	2,841	4
Total liabilities	114,498	129,563
Stockholders' equity:		
Senior preferred stock, par value \$0.001 per share; 1,980,000 shares authorized; 0 shares issued and outstanding	-	-
Common stock, par value \$0.001 per share; 20,000,000 shares authorized; 8,979,500 and 7,550,642 shares issued, respectively	9	8

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Additional paid-in capital	91,814	58,514
Other comprehensive income (loss)	15	(93)
Retained earnings	141,692	135,529
Treasury stock, at cost; 292,855 common shares held	(2,290)	(2,290)
Total stockholders' equity	231,240	191,668
Total liabilities and stockholders' equity	\$ 345,738	\$