

Edgar Filing: UNIVERSAL FOREST PRODUCTS INC - Form 8-K

UNIVERSAL FOREST PRODUCTS INC
Form 8-K
January 28, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report: January 28, 2002

Universal Forest Products, Inc.
(Exact name of registrant as specified in its charter)

Michigan (State or other jurisdiction of Incorporation)	00-22684 (Commission File Number)	38-1465835 (IRS Employer Identification No.)
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2801 East Beltline, NE Grand Rapids, Michigan (Address of principal executive offices)	49525 (Zip Code)
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(616) 364-6161
(Registrant's telephone number,
including area code)

Item 5 OTHER EVENTS

On January 28, 2002, Universal Forest Products, Inc., issued the press release attached as Exhibit 99.1 to this Form 8-K.

Item 7 FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION, AND EXHIBITS

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(c) Exhibits

99.1 Press Release dated January 28, 2002.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNIVERSAL FOREST PRODUCTS, INC.
(Registrant)

Dated: January 28, 2002

By /s/ Michael R. Cole

Michael R. Cole, Chief Financial Officer
and Treasurer

EXHIBIT INDEX

Exhibit Number	Document
99.1	Press Release dated January 28, 2002.

news release

-----AT THE COMPANY-----

Michael R. Cole
Chief Financial Officer
616/364-6161

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 28, 2002

-----Fleishman Hillard-----

Jim Ankner
Vice President
212/453-2198

Universal Forest Products, Inc. Posts Record 2001 Results
Reports 25% Increase in Fourth Quarter Earnings

Grand Rapids, MI, January 28, 2002 - Universal Forest Products, Inc. (Nasdaq: UFPI) today announced record fourth quarter net earnings of \$4.1 million or \$0.20 per share (diluted), a 25% increase over net earnings of \$3.3 million or \$0.16 per share (diluted) reported for the fourth quarter of 2000. Net sales for the quarter were \$326.4 million, an increase of 16.4% over net sales of \$280.4 million reported for the same quarter last year.

For the year ended December 29, 2001, net earnings were \$33.1 million or \$1.63 per share (diluted) compared to \$30.4 million or \$1.49 per share (diluted) a

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year ago. Net sales for the year were \$1.53 billion, a 10.3% increase over net sales of \$1.39 billion in 2000.

"We are pleased to have achieved such strong results in a year when the economy and many of our markets presented so many challenges," said William G. Currie, UFPI's chief executive officer. "Our diversity, commitment to serving our customers, and sound acquisitions have allowed us to continue to grow despite price deflation in the wood fiber market, a soft manufactured housing market, and a depressed economy. Our performance this year is a tribute to the incredible employees of Universal, who remain focused on our goals and who exhibit a strong work ethic and sense of perseverance."

Currie added that favorable weather conditions in the fourth quarter helped drive strong sales to the Do-It-Yourself ("D-I-Y") market in many areas of the United States.

By market, Universal posted annual sales of:

- |X| \$738.9 million in retail D-I-Y, up 11.9% from 2000;
- |X| \$308.7 million in site-built construction, an increase of 26.6% over 2000;

MORE...

- |X| \$280.5 million in manufactured housing, down only 3.8% from 2000, despite a decrease in industry production of almost 25%; and
- |X| \$201.9 million in industrial/agricultural, up 5.5% over 2000.

OUTLOOK

In January 2002, Universal completed the previously announced redemption of shares from its chairman of the board, Peter F. Secchia. Universal purchased two million shares from Chairman Secchia at a price of \$18.00 per share. This transaction gave the Company the opportunity to acquire shares at an attractive purchase price and was consistent with the objectives of its previously announced share repurchase program.

The stock buy back is expected to redirect financial resources from acquisitions, which have been a key component to the Company's growth strategy, for most of 2002. Other key assumptions with respect to the Company's 2002 outlook include:

- |X| A commodity lumber market that remains stabilized;
- |X| A manufactured housing market that has already reached its low point for shipments and will experience a slight recovery; |X| A D-I-Y market that shows slow to moderate growth; and
- |X| A site-built housing market that will be soft for at least the first six months of the year.

With the factors expressed above in mind, the Company has targeted the following for 2002:

- |X| An increase in sales of 6% to 10%;
- |X| An increase in EPS of 18% to 22%, which includes the effect of changes in accounting for goodwill, other intangible assets and related amortization.

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UNIVERSAL HONORED BY FORBES

In early January, Universal was named to Forbes magazine's Platinum 400, an annual ranking of the 400 best-performing U.S. companies with more than \$1 billion in annual revenue. "We are honored to be chosen by Forbes magazine as one of the top companies in 2001, which is a reflection of the talents of our management team," said Peter F. Secchia, UFPI's chairman of the board.

MORE...

Universal Forest Products will conduct a conference call to discuss information in this news release and related matters at 11:00 a.m. EDT on Tuesday, January 29, 2002. The conference call will be hosted by William G. Currie and Michael R. Cole and will be available for analysts and institutional investors domestically at (800) 482-2239 or internationally at (303) 267-1002. Use conference call I.D. #1439502. The conference call will be available simultaneously, and in its entirety, to all interested investors and news media through a webcast at www.ufpi.com. Click on "investor relations" then "live webcast."

Universal Forest Products markets, manufactures, and engineers products for D-I-Y retail home centers, structural lumber products for the manufactured housing industry, engineered wood components for the site-built construction market and specialty wood packaging for various industries. For information about Universal Forest Products on the Internet, please contact the Company's web site at www.ufpi.com, or call 888-Buy-UFPI.

Included in this report are certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on the beliefs of the Company's management as well as on assumptions made by and information currently available to the Company at the time such statements were made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially are the following: Adverse lumber market trends, competitive activity, negative economic trends, government regulations, and weather. These risk factors and additional information are included in the Company's reports on Form 10K and 10Q on file with the Securities and Exchange Commission.

FINANCIAL HIGHLIGHTS TO FOLLOW

CONSOLIDATED STATEMENTS OF EARNINGS FOR THE TWELVE MONTHS ENDED DECEMBER 2001/2000

	Quarter Period				Year to Date	
(In thousands, except per share data)	2001		2000		2001	
NET SALES	\$326,356	100%	\$280,393	100%	\$1,530,031	100%
COST OF GOODS SOLD	280,575	85.97	240,016	85.60	1,318,552	86.18
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GROSS PROFIT	45,781	14.03	40,377	14.40	211,479	13.82
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	37,055	11.35	33,143	11.82	145,722	9.52
EARNINGS FROM OPERATIONS	8,726	2.67	7,234	2.59	65,757	4.30
INTEREST EXPENSE	2,357	0.72	2,381	0.85	12,043	0.79
INTEREST REVENUE	(118)	-0.04	(176)	-0.06	(586)	-0.04
	2,239	0.69	2,205	0.78	11,457	0.74
EARNINGS BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN EARNINGS (LOSS) OF INVESTEE	6,487	1.98	5,029	1.80	54,300	3.56
INCOME TAXES	2,058	0.63	1,525	0.54	19,612	1.28
EARNINGS BEFORE MINORITY INTEREST AND EQUITY IN EARNINGS OF INVESTEE	4,429	1.35	3,504	1.26	34,688	2.28
MINORITY INTEREST	(313)	-0.10	(276)	-0.10	(1,792)	-0.12
EQUITY IN EARNINGS OF INVESTEE	3	0.01	64	0.02	246	0.01
NET EARNINGS	\$4,119	1.26	\$3,292	1.17	\$33,142	2.17
EARNINGS PER SHARE - BASIC	\$0.21		\$0.17		\$1.68	
EARNINGS PER SHARE - DILUTED	\$0.20		\$0.16		\$1.63	
WEIGHTED AVERAGE SHARES OUTSTANDING	19,788		19,942		19,774	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	20,428		20,400		20,377	

SUPPLEMENTAL SALES DATA

Market Classification	Quarter Period				Year to Date	
	2001	%	2000	%	2001	%
Do-It-Yourself	\$ 136,415	42%	\$114,266	41%	\$ 738,906	48%
Site-Built Construction	74,091	23%	65,457	23%	308,730	20%
Manufactured Housing	70,074	21%	57,222	20%	280,461	19%

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Industrial and Other	45,776	14%	43,448	16%	201,934	13%
Total	\$ 326,356	100%	\$280,393	100%	\$1,530,031	100%

CONSOLIDATED BALANCE SHEETS
DECEMBER 2001/2000

(In thousands)

ASSETS	2001	2000	LIABILITIES AND SHAREHOLDERS' EQUITY
CURRENT ASSETS			CURRENT LIABILITIES
Cash and cash equivalents	\$ 22,887	\$ 2,392	Notes payable
Restricted cash equivalents	-	1,364	Accounts payable and accrued liabilities
Accounts receivable	86,256	64,386	Current portion of long-term debt and capital lease
Inventories	120,769	123,191	
Other current assets	5,054	9,026	
TOTAL CURRENT ASSETS	234,966	200,359	TOTAL CURRENT LIABILITIES
OTHER ASSETS	11,585	11,392	LONG-TERM DEBT AND CAPITAL LEASES, less current portion
GOODWILL AND NON-COMPETE	122,996	105,579	OTHER LIABILITIES
PROPERTY, PLANT AND EQUIPMENT, NET	181,662	167,990	TEMPORARY SHAREHOLDERS' EQUITY
			SHAREHOLDERS' EQUITY
TOTAL ASSETS	\$ 551,209	\$ 485,320	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED
DECEMBER 2001/2000

(In thousands)

2001

CASH FLOWS FROM OPERATING ACTIVITIES:

Net earnings	\$33,142
Adjustments to reconcile net earnings to net cash from operating activities:	
Depreciation	20,101
Amortization of non-compete agreements and goodwill	4,375
Loss on sale or impairment of property, plant and equipment	1,445
Changes in:	

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Accounts receivable	(9,163)
Inventories	7,461
Accounts payable	9,891
Accrued liabilities and other	10,804

NET CASH FROM OPERATING ACTIVITIES	78,056
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant, and equipment	(22,748)
Acquisitions, net of cash received	(49,534)
Proceeds from sale of property, plant and equipment	2,497
Other	1,291

NET CASH FROM INVESTING ACTIVITIES	(68,494)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net borrowings under revolving credit facilities and notes payable	23,129
Proceeds from issuance of long-term debt	2,500
Repayment of long-term debt	(10,696)
Proceeds from issuance of common stock	870
Distributions to minority shareholder	(1,650)
Dividends paid to shareholders	(1,683)
Repurchase of common stock	(1,537)

NET CASH FROM FINANCING ACTIVITIES	10,933
NET CHANGE IN CASH AND CASH EQUIVALENTS	20,495
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,392

CASH AND CASH EQUIVALENTS, END OF YEAR	\$22,887
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