

MSC Industrial Direct Co., Inc. Reports Results for its Fiscal 2009 Third Quarter

Melville, NY, July 2, 2009 - MSC INDUSTRIAL DIRECT CO., INC. (NYSE: MSM) , “MSC” or the “Company,” one of the premier distributors of Metalworking and Maintenance, Repair and Operations (“MRO”) supplies to industrial customers throughout the United States, today reported financial results for its fiscal 2009 third quarter ended May 30, 2009.

For the fiscal 2009 third quarter, net sales were \$350.5 million, compared with \$457.2 million in the third quarter of fiscal 2008. Fiscal 2009 third quarter operating income was \$45.2 million, or 12.9% of net sales, compared with \$84.8 million, or 18.5% of net sales, in the prior year period. Net income for the fiscal 2009 third quarter was \$27.8 million, compared with net income of \$51.4 million in the third quarter of fiscal 2008. Diluted earnings per share in the fiscal 2009 third quarter were \$0.44 (based on 62.6 million diluted shares outstanding), compared to \$0.81 (based on 63.7 million diluted shares outstanding) in the third quarter of fiscal 2008.

Net sales for the first nine months of fiscal 2009 were \$1.135 billion, compared with net sales of \$1.331 billion in the first nine months of fiscal 2008. For the first nine months of fiscal 2009, operating income was \$162.9 million, or 14.3% of net sales, compared with \$241.4 million, or 18.1% of net sales, in the first nine months of fiscal 2008. Net income for the first nine months of fiscal 2009 was \$99.1 million compared with \$145.7 million in the prior year period. Diluted earnings per share for the first nine months of fiscal 2009 were \$1.59 (based on 62.5 million diluted shares outstanding), compared to \$2.23 (based on 65.2 million diluted shares outstanding) a year ago.

“Our performance in the fiscal third quarter represents solid execution in the face of ongoing difficult market conditions,” said David Sandler, President and Chief Executive Officer. “During the quarter, we continued to provide our customers with industry-leading service levels and total cost reduction solutions, maintaining our focus on market share gains throughout the period. We also realized significant benefits from the cost savings measures we have implemented, and executed on protecting our gross margins in what continued to be a highly competitive environment. As a result, we were able to achieve greater profitability than originally anticipated, and built on our already strong levels of free cash flow in the quarter. We continue to believe that the current environment creates a significant opportunity for us to invest in the growth of our business and position ourselves for the future. We used our strong cash flows to make prudent investments in our future growth, by adding to our sales team, improving our operational efficiency, further enhancing our service model, and expanding our geographic presence. We believe that our investments through this cycle are widening the gap between MSC and its smaller competitors and that this period represents the greatest market share gain opportunity in our history.”

“We are very pleased with our financial performance in the fiscal third quarter,” said Chuck Boehlke, Executive Vice President and Chief Financial Officer. “By carefully controlling our costs, we were able to achieve margins that were above our expectations, despite the soft sales environment. Our balance sheet and cash management continues to be outstanding. By successfully managing our working capital, we were able to convert over 300% of our net income into operating cash flow, exceeding third quarter 2008 levels and resulting in free cash flow (see Note 1) of \$86.0 million. Based on our strong balance sheet and liquidity position, we remain confident in our ability to strategically invest in our future and take advantage of growth opportunities as they arise.”

Mr. Sandler concluded, “While our performance in the fiscal third quarter was better than anticipated, visibility remains limited as we continue to operate in one of the most severe economic downturns our industry has ever experienced. Feedback from our customers indicates that market conditions have remained weak without any expected near-term improvement. As a result, we are anticipating summer shutdowns that will be more prevalent and longer in duration than last year. Although these factors will likely impact sales in the coming months, we continue to believe that a larger proportion of customer business is being shifted to MSC, as our unmatched customer service, product offering, and value-added solutions make us a partner our customers can trust to support their supply chain needs. Despite these challenging times, our business continues to perform well and we believe that the steps we are taking will position us for robust growth in revenues and earnings when our markets improve.”

For the fiscal 2009 fourth quarter, the Company currently expects net sales of between \$336.0 million and \$348.0 million, and expects diluted earnings per share to be between \$0.33 and \$0.37. Expectations are based on MSC’s financial performance in the first several weeks of the fourth quarter of fiscal 2009. The Company cautioned that its guidance should be viewed in the context of the unprecedented market conditions and the resulting variability in actual results versus expectations.

The management of MSC will host a conference call today, at 11:00 a.m. Eastern Time, to review the Company's results for the fiscal 2009 third quarter, and to comment on current operations. The call may be accessed via the Internet in the Investor Relations section (under "About MSC") of MSC's website located at: www.mscdirect.com. A replay of the conference call will be available on the Company's website through July 16, 2009.

Note 1 - Free cash flow is defined as net cash provided by operating activities less expenditures for property, plant and equipment as shown on the Company's condensed consolidated statements of cash flows. Net cash provided by operating activities during the fiscal 2009 third quarter was \$91.3 million. Expenditures for property, plant and equipment during the fiscal 2009 third quarter were \$5.3 million. Management considers free cash flow to be an important indicator of the Company's financial strength and the ability to generate liquidity because it reflects cash generated from operations that can be used for strategic initiatives, dividends, debt repayment and repurchases of the Company's stock. Free cash flow is not a measure determined in accordance with U.S. generally accepted accounting principles ("GAAP"), and may not be defined and calculated by other companies in the same manner. Free cash flow should not be considered a substitute for "Operating income," "Net income," "Net cash flows provided by operating activities" or any other measure determined in accordance with GAAP.

About MSC Industrial Direct Co., Inc.

MSC Industrial Direct Co., Inc. is one of the premier distributors of Metalworking and Maintenance, Repair and Operations ("MRO") supplies to industrial customers throughout the United States. MSC distributes approximately 590,000 industrial products from approximately 3,000 suppliers to approximately 350,000 customers. In-stock availability is approximately 99%, with next day standard delivery to the contiguous United States on qualifying orders up until 8:00 p.m. Eastern Time. MSC reaches its customers through a combination of approximately 27 million direct-mail catalogs and CD-ROMs, 96 branch sales offices, 927 sales people, the Internet and associations with some of the world's most prominent B2B e-commerce portals. For more information, visit the Company's website at <http://www.mscdirect.com>.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. Statements in this Press Release may constitute "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. Any statements contained herein which are not statements of historical facts and that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including statements about future expected net sales and diluted earnings per share, shall be deemed to be forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events, actual results and performance, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The inclusion of any statement in this release does not constitute an admission by MSC or any other person that the events or circumstances described in such statement are material. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation, current economic, political and social conditions, changing customer and product mixes, financial restrictions on outstanding borrowings, industry consolidation, competition, general economic conditions in the markets in which the Company operates, volatility in commodity and energy prices, credit risk of our customers, risk of cancellation or rescheduling of orders, work stoppages or other business interruptions (including those due to extreme weather conditions) at transportation centers or shipping ports, the risk of war, terrorism and similar hostilities, dependence on the Company's information systems and on key personnel, and the outcome of potential government or regulatory proceedings or future litigation relating to pending or future claims, inquiries or audits. Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's reports on Forms 10-K, 10-Q and 8-K that the Company files with the U.S. Securities and Exchange Commission. The forward-looking statements in this press release are based on current expectations and the Company assumes no obligation to update these forward-looking statements.

See financial tables in attachment.

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