

AZZ INC  
Form 8-K  
October 07, 2009

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 6, 2009

AZZ incorporated  
(Exact name of Registrant as specified in its charter)

TEXAS  
(State or Other  
Jurisdiction of  
Incorporation or  
Organization)

1-12777  
Commission File No.

75-0948250  
(I.R.S. Employer  
Identification Number)

One Museum Place, Suite 500  
3100 W. 7th Street  
Fort Worth, TX 76107  
(Address of principal executive  
offices, including zip code)

Registrant's Telephone Number, including Area Code: (817) 810-0095

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Section 7-Regulation FD

Item 7.01 Regulation FD Disclosure.

Attached hereto as Exhibit 99.1 are materials to be used by representatives of AZZ incorporated, a Texas corporation (the “Company”), in future presentations to the financial community.

Pursuant to General Instruction B.2 of Form 8-K, the information in Item 7.01 of this Form 8-K, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

The information contained herein is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time.

The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although the Company may do so from time to time as management of the Company believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

In connection with such future presentations to the financial community, reconciliations between EBITDA (as defined below) and net income and between Free Cash Flow (as define below) to cash provided by operating activities are provided as follows. As used by the Company, these terms may differ from similarly captioned measures used by other companies.

“EBITDA”, a non-GAAP financial measure, is defined as net income before interest, taxes, depreciation and amortization. The Company presents EBITDA because it considers such information an important supplemental measure of its performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies with comparable market capitalization, many of which present EBITDA when reporting their results. The Company also uses EBITDA for the following purposes: (1) the Company’s credit agreement uses EBITDA to measure compliance with covenants, such as fixed charge coverage and debt incurrence; (2) EBITDA is also used by potential lenders to evaluate potential transactions with the Company; and (3) EBITDA is also used by the Company to evaluate and price potential acquisition candidates.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Company’s results as reported under GAAP. Some of these limitations are: (a) EBITDA does not reflect changes in, or cash requirements for, the Company’s working capital needs, (b) EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments on the Company’s debts; and (c) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, EBITDA should not be considered as a principal indicator of the Company’s performance. The Company compensates for these limitations by relying primarily on the Company’s GAAP results and using EBITDA only on a supplemental basis.

Free Cash Flow (“FCF”), also a non-GAAP financial measure, is defined as cash provided by operating activities less cash disbursed for capital expenditures excluding acquisitions. The Company presents FCF because it considers such information an important supplemental measure of performance and believes it is frequently used by securities

analysts, investors and other interested parties in the evaluation of companies with comparable market capitalization to the Company, many of which present FCF when reporting their results.

FCF has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Company's results as reported under GAAP. These limitations include that FCF excludes significant cash flows, such as principal payments on debt. Because of these limitations, FCF should not be considered as a principal indicator of the Company's performance. The Company compensates for these limitations by relying primarily on the Company's GAAP results and using FCF only on a supplemental basis.

(Financial tables follow.)

---

EBITDA  
Reconciliation

The reconciliation of EBITDA with net income is as follows (in thousands):

	Actual Year Ended					Projected Year Ended 2/28/10	
	2/28/05	2/28/06	2/28/07	2/29/08	2/28/09	(Range)	
Net Income	\$ 4,812	\$ 7,827	\$ 21,604	\$ 27,688	\$ 42,206	\$ 37,300	to \$ 38,500
Plus:							
Income Tax Expense	\$ 2,594	\$ 4,204	\$ 12,859	\$ 16,145	\$ 24,704	\$ 22,400	to \$ 23,100
Interest Expense	\$ 1,637	\$ 1,689	\$ 1,495	\$ 1,495	\$ 6,170	\$ 6,600	to \$ 6,600
Depreciation and Amortization	\$ 5,653	\$ 5,720	\$ 6,660	\$ 8,199	\$ 14,542	\$ 14,600	to \$ 14,600
EBITDA	\$ 14,696	\$ 19,440	\$ 42,618	\$ 53,527	\$ 87,622	\$ 80,900	to \$ 82,800

Free Cash Flow  
Reconciliation

The reconciliation of cash flows provided by (used in) operations with free cash flow is as follows (in thousands):

	Actual Year Ended					Projected Year Ended 2/28/10	
	2/28/05	2/28/06	2/28/07	2/29/08	2/28/09	(Range)	
Cash Provided by Operating Activities	\$ 6,471	\$ 12,794	\$ 6,928	\$ 38,926	\$ 60,196	\$ 61,500	to \$ 67,500
Less:							
Fixed Asset Purchase for Cash	\$ 6,649	\$ 6,602	\$ 10,659	\$ 9,926	\$ 20,009	\$ 14,000	to \$ 14,000
Free Cash Flow	\$ (178 )	\$ 6,192	(3,731 )	\$ 29,000	\$ 40,187	\$ 47,500	to \$ 53,500

## ITEM 8.01 OTHER EVENTS

Attached is Exhibit 99.2, Financial and Other Statistical Information, which contains guidance and selected financial projections for the fiscal year ending February 28, 2010. The guidance contained in the attached exhibits consists of a projected range or management's estimate of most likely results. These projections involve risk and uncertainties, the outcome of which cannot be foreseen at this time and, therefore, actual results will vary from these forecasts. The Company undertakes no obligation to affirm, publicly or revise any forward-looking statements, whether as a result of information, future events or otherwise.

## SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

### ITEM 9.01 EXHIBITS

The following exhibits are filed as part of this report.

Exhibit AZZ incorporated Presentation.  
99.1

Exhibit Projected Financial and Other Statistical Information for Fiscal Year 2010.  
99.2

### FORWARD LOOKING STATEMENTS

This report may contain “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 (the “Exchange Act”). These statements are generally identified by the use of words such as “anticipate,” “expect,” “estimate,” “intend,” “should,” “may,” “believe,” and terms with similar meanings. Although the Company believes that the current views and expectations reflected in these forward-looking statements are reasonable, those views and expectations, and the related statements, are inherently subject to risks, uncertainties, and other factors, many of which are not under the Company’s control. Those risks, uncertainties, and other factors could cause the actual results to differ materially from those in the forward-looking statements. Those risks, uncertainties, and factors include, but are not limited to: the level of customer demand for and response to products and services offered by the Company, including demand by the power generation markets, electrical transmission and distribution markets, the general industrial market, and the hot dip galvanizing markets; prices and raw material cost, including the cost of zinc and natural gas, which are used in the hot dip galvanizing process; changes in economic conditions of the various markets the Company serves, both foreign and domestic; customer requested delays of shipments; acquisition opportunities or lack thereof; currency exchange rates, adequacy of financing; availability of experienced management employees to implement the Company’s growth strategy; a downturn in market conditions in any industry relating to the products we inventory or sell or the services that we provide; the effects and duration of continuing economic recession in the U.S. and other markets in which we operate; and acts of war or terrorism inside the United States or abroad. The Company expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements to reflect any change in its views or expectations. The Company can give no assurances that such forward-looking statements will prove to be correct. We undertake no obligation to affirm, publicly or revise any forward-looking statements, whether as a result of information, future events or otherwise.

SIGNATURES

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 hereunto duly authorized.

AZZ incorporated

DATE: 10/6/09

By: /s/ Dana Perry  
Dana Perry  
Senior Vice President Finance  
Chief Financial Officer

---