Metals USA Hopes To Raise $200 Million In IPO

NEW YORK (AP) — Metal processor Metals USA Holdings Corp. wants to raise about $200 million in an initial public offering this week.

The Fort Lauderdale, Fla., company is being taken public by private equity firm Apollo Management LP, which owns more than 90 percent of the company. After the IPO, Apollo would own more than 60 percent of Metals USA.

Metals USA plans to use the proceeds from the offering, which it estimates at about $182 million, to repurchase debt.

Metals USA is a provider of processed carbon steel, stainless steel, aluminum and roofing products to companies in various industries, including industrial machinery, appliance manufacturing, construction, energy and aerospace. It is an intermediary between primary metal producers such as Nucor Corp. and its customers, who want smaller amounts of customized metals.

The company expects to offer 10.5 million shares this week, which it hopes will fetch $18 to $20 each. Underwriters led by Goldman Sachs can purchase another 1.6 million shares from Apollo if there is strong demand for the IPO.

In 2009, Metals USA earned $3.5 million, compared to $72.6 million the previous year. Revenue dropped in half to $1.1 billion from $2.2 billion.

It expects a loss from $400,000 to $1.2 million in the first quarter of 2010.

Metals USA plans to list on the New York Stock Exchange next week under the symbol "MUSA."

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