

Lawson Products To Cut Jobs, Gets Credit Deal

The Associated Press

CHICAGO (AP) — Lawson Products Inc. said Thursday that it will eliminate 100 jobs as part of a restructuring and reached a deal with its lender for a new five-year, \$40 million credit facility.

Chicago-based Lawson, which makes components for manufacturing and other industries, said the restructuring is designed to help it better compete and boost its financial results. When fully in place, the moves are expected to save the company about \$20 million a year.

It plans to take a \$40 million second-quarter charge related to the moves.

Lawson said the job cuts, which represent about 11 percent of its workforce, are needed to help balance the company's costs with its revenue. During the first quarter ended in March, Lawson reported an 8 percent decline in revenue, to \$76 million, and a loss of \$1.8 million, or 21 cents per share, reversing a year-earlier profit.

The cuts include several senior executive positions, including the company's open chief operating officer position, and will result in one-time severance charges of about \$7 million.

Besides the job cuts, Lawson said it will take additional cost-cutting actions related to inventories and reduce controllable costs such as travel, marketing and freight expenses. It also will make efforts to boost efficiency and increase its revenue.

Meanwhile, the new credit facility will give the company increased flexibility to meet its financial commitments, Lawson said.

Lawson shares rose 16 cents to \$9.11 in midday trading. Over the past year, shares have traded between \$8.38 and \$21.27.

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