

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):

July 22, 2014



MUELLER INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

1-6770
(Commission File
Number)

25-0790410
(IRS Employer
Identification No.)

8285 Tournament Drive
Suite 150
Memphis, Tennessee
(Address of principal executive offices)

38125
(Zip Code)

Registrant's telephone number, including area code:

(901) 753-3200

Registrant's Former Name or Address, if changed since last report:

N/A

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 (see General Instruction A.2. below):

- 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))
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Item 2.02. Results of Operations and Financial Condition.

On July 22, 2014, the Registrant issued a press release announcing earnings for the quarter ended June 28, 2014. A copy of the press release announcing the second quarter 2014 earnings is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release, dated July 22, 2014 reporting second quarter 2014 earnings.

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.

MUELLER INDUSTRIES, INC.

By: /s/ Jeffrey A. Martin
Name: Jeffrey A. Martin
Title: Chief Financial Officer and Treasurer

Date: July 22, 2014

Exhibit Index

| Exhibit No. | Description |
|-------------|-------------------------------------|
| 99.1 | Press release, dated July 22, 2014. |

Mueller Industries, Inc. Reports Second Quarter 2014 Earnings

MEMPHIS, Tenn., July 22, 2014 -- Mueller Industries, Inc. (NYSE: MLI) announced today net income of \$35.0 million, or 62 cents per diluted share, for the second quarter of 2014. This compares with net income from normal operations in the second quarter of 2013 of \$25.5 million, or 45 cents per diluted share. During the second quarter of 2013, the Company also recognized an after-tax gain of \$65.6 million, or \$1.17 per diluted share, on the settlement of an insurance claim. Diluted earnings per share for 2013 have been adjusted to reflect a 2-for-1 stock split that was effected during the first quarter of 2014.

Net sales for the second quarter were \$649.7 million compared with \$582.3 million for the same quarter of the prior year representing an increase of 11.6 percent. Sales were positively impacted by a 15.9 percent increase in unit volumes, partially offset by a 4.6 percent reduction in copper prices in the second quarter of 2014 compared with the same period of the prior year. Copper prices averaged \$3.10 per pound in the second quarter of 2014 compared with \$3.25 per pound in the same period of 2013.

Financial highlights for the second quarter of 2014:

- Acquired businesses contributed 10.8 percent of the overall 15.9 percent increase in unit volumes.
- The effective tax rate for the quarter reflects a reduction in valuation allowances previously recorded against certain state tax credits.
- Results include \$2.4 million of severance and other charges related to the U.K. copper tube business acquired in the first quarter of 2014.
- Quarter end cash totaled \$242.2 million equal to \$4.27 per share.
- Stockholders' equity was \$760.8 million, which equates to a book value per share of \$13.42.
- Debt to total capitalization ratio was 25.1 percent and the current ratio was 3.5 to 1.

Regarding the outlook, Greg Christopher, CEO said, "Despite the lack of supportive market conditions, we are pleased with how our businesses continue to improve. Although there are fluctuations in building construction metrics the overall direction seems to be improving and we anticipate the same will continue into the second half of the year."

Mueller Industries, Inc. is a leading manufacturer of copper tube and fittings; brass and copper alloy rod, bar and shapes; aluminum and brass forgings; aluminum and copper impact extrusions; plastic fittings and valves; refrigeration valves and fittings; and fabricated tubular products. Mueller's operations are located throughout the United States and in Canada, Mexico, Great Britain, and China. Mueller's business is importantly linked to: (1) the construction of new homes; (2) the improvement and reconditioning of existing homes and structures; and (3) the commercial construction market that includes office buildings, factories, hotels, hospitals, etc.

Statements in this release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties. These include economic and currency conditions, continued availability of raw materials and energy, market demand, pricing, competitive and technological factors, and the availability of financing, among others, as set forth in the Company's SEC filings. The words "outlook," "estimate," "project," "intend," "expect," "believe," "target," and similar expressions are intended to identify forward-looking statements. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. The Company has no obligation to publicly update or revise any forward-looking statements to reflect events after the date of this report.

CONTACT

Jeffrey A. Martin

(901)753-3226

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | For the Quarter Ended | | For the Six Months Ended | |
|---|-----------------------|-------------------|--------------------------|---------------------|
| | June 28, 2014 | June 29, 2013 | June 28, 2014 | June 29, 2013 |
| <i>(In thousands, except per share data)</i> | | | | |
| Net sales | \$ 649,691 | \$ 582,282 | \$ 1,224,065 | \$ 1,141,972 |
| Cost of goods sold | 557,775 | 501,125 | 1,053,552 | 983,975 |
| Depreciation and amortization | 8,592 | 8,328 | 16,699 | 16,482 |
| Selling, general, and administrative expense | 35,120 | 34,814 | 67,303 | 66,157 |
| Insurance settlement | — | (106,332) | — | (106,332) |
| Operating income | 48,204 | 144,347 | 86,511 | 181,690 |
| Interest expense | (1,457) | (1,101) | (2,483) | (1,697) |
| Other income, net | 127 | 319 | 215 | 3,482 |
| Income before income taxes | 46,874 | 143,565 | 84,243 | 183,475 |
| Income tax expense | (11,665) | (51,723) | (24,080) | (65,199) |
| Consolidated net income | 35,209 | 91,842 | 60,163 | 118,276 |
| Net income attributable to noncontrolling interest | (164) | (692) | (412) | (924) |
| Net income attributable to Mueller Industries, Inc. | <u>\$ 35,045</u> | <u>\$ 91,150</u> | <u>\$ 59,751</u> | <u>\$ 117,352</u> |
| Weighted average shares for basic earnings per share | 55,973 | 55,681 | 55,946 | 55,663 |
| Effect of dilutive stock-based awards | <u>747</u> | <u>740</u> | <u>800</u> | <u>744</u> |
| Adjusted weighted average shares for diluted earnings per share | <u>56,720</u> | <u>56,421</u> | <u>56,746</u> | <u>56,407</u> |
| Basic earnings per share | <u>\$ 0.63</u> | <u>\$ 1.64</u> | <u>\$ 1.07</u> | <u>\$ 2.11</u> |
| Diluted earnings per share | <u>\$ 0.62</u> | <u>\$ 1.62</u> | <u>\$ 1.05</u> | <u>\$ 2.08</u> |
| Dividends per share | <u>\$ 0.075</u> | <u>\$ 0.0625</u> | <u>\$ 0.150</u> | <u>\$ 0.125</u> |
| Summary Segment Data: | | | | |
| Net sales: | | | | |
| Plumbing & Refrigeration Segment | \$ 397,190 | \$ 328,673 | \$ 735,217 | \$ 640,487 |
| OEM Segment | 255,409 | 257,044 | 495,439 | 510,831 |
| Elimination of intersegment sales | <u>(2,908)</u> | <u>(3,435)</u> | <u>(6,591)</u> | <u>(9,346)</u> |
| Net sales | <u>\$ 649,691</u> | <u>\$ 582,282</u> | <u>\$ 1,224,065</u> | <u>\$ 1,141,972</u> |
| Operating income: | | | | |
| Plumbing & Refrigeration Segment | \$ 32,330 | \$ 129,810 | \$ 56,215 | \$ 152,437 |
| OEM Segment | 23,216 | 20,939 | 44,502 | 41,262 |
| Unallocated expenses | <u>(7,342)</u> | <u>(6,402)</u> | <u>(14,206)</u> | <u>(12,009)</u> |
| Operating income | <u>\$ 48,204</u> | <u>\$ 144,347</u> | <u>\$ 86,511</u> | <u>\$ 181,690</u> |

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands)

| | June 28, 2014 | December 28, 2013 |
|---|------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 242,199 | \$ 311,800 |
| Accounts receivable, net | 367,299 | 271,847 |
| Inventories | 291,138 | 251,716 |
| Other current assets | 45,410 | 39,354 |
| Total current assets | 946,046 | 874,717 |
| Property, plant, and equipment, net | 245,441 | 244,457 |
| Other assets | 158,371 | 128,593 |
| | \$ 1,349,858 | \$ 1,247,767 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current portion of debt | \$ 60,328 | \$ 29,083 |
| Accounts payable | 101,671 | 80,897 |
| Other current liabilities | 106,154 | 109,276 |
| Total current liabilities | 268,153 | 219,256 |
| Long-term debt | 205,750 | 206,250 |
| Pension and postretirement liabilities | 26,818 | 27,426 |
| Environmental reserves | 21,661 | 22,144 |
| Deferred income taxes | 33,226 | 35,975 |
| Other noncurrent liabilities | 1,306 | 849 |
| Total liabilities | 556,914 | 511,900 |
| Total Mueller Industries, Inc. stockholders' equity | 760,823 | 703,405 |
| Noncontrolling interest | 32,121 | 32,462 |
| Total equity | 792,944 | 735,867 |
| | \$ 1,349,858 | \$ 1,247,767 |

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | For the Six Months Ended | |
|---|--------------------------|------------------|
| | June 28, 2014 | June 29, 2013 |
| <i>(In thousands)</i> | | |
| Cash flows from operating activities | | |
| Consolidated net income | \$ 60,163 | \$ 118,276 |
| Reconciliation of consolidated net income to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | 16,840 | 16,649 |
| Stock-based compensation expense | 3,526 | 3,326 |
| Insurance settlement | — | (106,332) |
| Insurance proceeds – noncapital related | — | 32,395 |
| Gain on disposal of properties | (1,225) | (2,984) |
| Deferred income taxes | (6,523) | 12,468 |
| Income tax benefit from exercise of stock options | (316) | (95) |
| Changes in assets and liabilities, net of business acquired | | |
| Receivables | (100,413) | (35,095) |
| Inventories | (20,619) | 4,705 |
| Other assets | (8,886) | (306) |
| Current liabilities | 7,373 | 6,150 |
| Other liabilities | (893) | (423) |
| Other, net | 92 | 420 |
| | (50,881) | 49,154 |
| Net cash (used in) provided by operating activities | | |
| Cash flows from investing activities | | |
| Capital expenditures | (18,833) | (21,687) |
| Business acquired, net of cash acquired | (30,137) | — |
| Insurance proceeds for property and equipment | — | 29,910 |
| Net withdrawals from (deposits into) restricted cash balances | 1,815 | (4,721) |
| Proceeds from the sales of properties | 4,874 | 3,016 |
| | (42,281) | 6,518 |
| Net cash (used in) provided by investing activities | | |
| Cash flows from financing activities | | |
| Repayments of long-term debt | (500) | (500) |
| Dividends paid to stockholders of Mueller Industries, Inc. | (8,394) | (6,960) |
| Debt issuance cost | — | (50) |
| Issuance of debt | 22,635 | — |
| Issuance (repayment) of debt by joint venture, net | 8,903 | 15,544 |
| Net cash received to settle stock-based awards | 296 | 260 |
| Repurchase of common stock | (58) | — |
| Income tax benefit from exercise of stock options | 316 | 95 |
| | 23,198 | 8,389 |
| Net cash provided by financing activities | | |
| Effect of exchange rate changes on cash | 363 | (1,328) |
| (Decrease) increase in cash and cash equivalents | (69,601) | 62,733 |
| Cash and cash equivalents at the beginning of the period | 311,800 | 198,934 |
| | \$ 242,199 | \$ 261,667 |
| Cash and cash equivalents at the end of the period | | |

MUELLER INDUSTRIES, INC.
Reconciliation of Net Income as Reported to Pro forma Without Insurance Settlement
(Unaudited)

Earnings attributable to normal operations without the insurance settlement is a measurement not derived in accordance with generally accepted accounting principles (GAAP). Excluding the insurance settlement is useful as it measures the operating results that are the outcome of daily operating decisions made in the normal course of business. The insurance settlement was related to a 2011 claim at the Company's Wynne, Arkansas, manufacturing operations. Reconciliation of earnings attributable to normal operations without the insurance settlement to net income as reported is as follows:

| | For the Quarter Ended June 29, 2013 | | |
|---|--|--------------------------------------|---|
| | As Reported | Impact of Insurance Settlement | Pro forma Without Insurance Settlement |
| <i>(In thousands, except per share data)</i> | | | |
| Operating income | \$ 144,347 | \$ 106,332 | \$ 38,015 |
| Interest expense | (1,101) | — | (1,101) |
| Other income, net | 319 | — | 319 |
| Income before income taxes | 143,565 | 106,332 | 37,233 |
| Income tax expense | (51,723) | (40,723) | (11,000) |
| Consolidated net income | 91,842 | 65,609 | 26,233 |
| Net income attributable to noncontrolling interest | (692) | — | (692) |
| Net income attributable to Mueller Industries, Inc. | <u>\$ 91,150</u> | <u>\$ 65,609</u> | <u>\$ 25,541</u> |
| Diluted earnings per share | <u>\$ 1.62</u> | <u>\$ 1.17</u> | <u>\$ 0.45</u> |

