

METALS USA HOLDINGS CORP.

Form 424B7

August 09, 2012

**Table of Contents**

Filed Pursuant to Rule 424(b)(7)  
Registration No. 333-180102

**PROSPECTUS SUPPLEMENT**

(To prospectus dated April 2, 2012)

**4,000,000 Shares**

**Metals USA Holdings Corp.**

**Common Stock**

The selling stockholders, who beneficially own a majority of the shares of Metals USA Holdings Corp.'s common stock, are offering to sell 4,000,000 shares of our common stock. We will not receive any of the proceeds from this offering, including upon the exercise, if any, by the underwriters of their option to purchase additional shares, as discussed below. We will bear all of the offering expenses other than the underwriting discount.

Our common stock is listed on the New York Stock Exchange (the "NYSE") under the symbol "MUSA". The closing sale price of our common stock on August 8, 2012 was \$14.87 per share.

**Investing in our common stock involves risk. See the Risk Factors section beginning on page S-4 of this prospectus supplement for a discussion of certain risks you should consider before investing in our common stock.**

	Per Share	Total
Initial price to public	\$ 14.75000	\$ 59,000,000
Underwriting discount	\$ 0.66375	\$ 2,655,000
Proceeds, before expenses, to the selling stockholders	\$ 14.08625	\$ 56,345,000

The underwriters have the option to purchase up to an additional 600,000 shares from the selling stockholders at the initial price to the public less the underwriting discount within 30 days from the date of this prospectus supplement. We will not receive any proceeds from the sale of the additional shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on August 14, 2012.

*Joint Book-Running Managers*

**Goldman, Sachs & Co.  
Credit Suisse**

**BofA Merrill Lynch**

**Deutsche Bank Securities**

**Morgan Stanley**

**UBS Investment Bank**

*Co-Managers*

**Moelis & Company**

**Lazard Capital Markets**

**Macquarie Capital**

**Davenport & Company LLC**

*Syndicate*

**Apollo Global Securities, LLC**

**The date of this prospectus supplement is August 8, 2012.**

**Table of Contents**

**TABLE OF CONTENTS**

**Prospectus Supplement**

	Page
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	ii
<u>INDUSTRY AND MARKET DATA</u>	iii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	iii
<u>INFORMATION INCORPORATED BY REFERENCE</u>	iv
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	vi
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-1
<u>RISK FACTORS</u>	S-4
<u>USE OF PROCEEDS</u>	S-9
<u>DIVIDEND POLICY</u>	S-9
<u>PRICE RANGE OF COMMON STOCK</u>	S-9
<u>SELLING STOCKHOLDERS</u>	S-10
<u>SHARES ELIGIBLE FOR FUTURE SALE</u>	S-12
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS</u>	S-13
<u>UNDERWRITING (CONFLICTS OF INTEREST)</u>	S-17
<u>LEGAL MATTERS</u>	S-23
<u>EXPERTS</u>	S-23

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering. The second part is the prospectus, which describes more general information, some of which may not apply to the offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading **Where You Can Find More Information** in this prospectus supplement and the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference into this prospectus supplement.

When we refer to the **Company**, **we**, **our**, and **us** in this prospectus, we mean Metals USA Holdings Corp. ( **Metals USA Holdings** ) and its wholly-owned subsidiaries, Flag Intermediate Holding Corp. ( **Flag Intermediate** ) and Metals USA, Inc. ( **Metals USA** ), together with the wholly-owned subsidiaries of Metals USA. When we refer to the **common stock**, we refer to all shares of our common stock, par value \$0.01 per share, offered pursuant to this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. Neither we, the underwriters, nor the selling stockholders have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement and the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters or any agents, to subscribe for and purchase, any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

**Table of Contents**

**INDUSTRY AND MARKET DATA**

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference may include industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe these sources are reliable, we have not independently verified the information. Statements as to our market position are based on market data currently available to us. Our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a Registration Statement on Form S-3 with the Securities and Exchange Commission (the "SEC") regarding the securities offered hereby. This prospectus supplement and the accompanying prospectus, which are part of the registration statement, do not contain all of the information included in the registration statement, and you should refer to the registration statement and its exhibits to read that information. We file annual, quarterly, and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at [www.sec.gov](http://www.sec.gov) and on the investor relations page of our corporate website at [www.metalsusa.com](http://www.metalsusa.com). Except for those SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus, none of the other information on our website is part of this prospectus supplement and the accompanying prospectus. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of the documents upon the payment of a duplicating fee to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

**Table of Contents**

**INFORMATION INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus supplement much of the information we file with it, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference is an important part of this prospectus supplement and the accompanying prospectus. Some information contained in this prospectus supplement and the accompanying prospectus updates the information incorporated by reference, and information that we file in the future with the SEC will automatically modify, supersede, or update this prospectus supplement and the accompanying prospectus. In other words, in the case of a conflict or inconsistency between information in this prospectus supplement and the accompanying prospectus and/or information incorporated by reference into this prospectus supplement and the accompanying prospectus, you should rely on the information contained in the document that was filed later.

This prospectus supplement incorporates by reference the documents listed below and any filings we make with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act ) (other than documents or information furnished to and not filed with the SEC) after the initial filing of this prospectus supplement until the termination of the offering under this prospectus supplement:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on March 14, 2012;

our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012 and June 30, 2012, filed with the SEC on May 9, 2012 and August 6, 2012, respectively;

our Current Report on Form 8-K, filed with the SEC on May 17, 2012;

our Proxy Statement on Schedule 14A, filed with the SEC on April 11, 2012; and

the description of our common stock contained in our registration statement on Form 8-A filed with the SEC on April 6, 2010, including any subsequent amendment thereto or report filed for the purpose of updating such description.

Documents incorporated by reference are available without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this document. You can obtain documents incorporated by reference in this document by requesting them in writing or by telephone from us at the following address:

**Metals USA Holdings Corp.**

2400 E. Commercial Blvd., Suite 905

Fort Lauderdale, Florida 33308

Attn: Investor Relations

Telephone: (954) 202-4000

**You should rely only on the information contained in or incorporated by reference in this prospectus supplement, and the accompanying prospectus or in any free writing prospectuses we have prepared. We have not authorized anyone to provide you with different information. We, and not the underwriters, have ultimate authority over the statements contained or incorporated by reference in this prospectus and in any free writing prospectuses we have prepared, including the content of those statements and whether and how to communicate them. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front cover of the applicable document.**

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Any statement contained in a document incorporated by reference, or deemed to be incorporated by reference, in this prospectus supplement and the accompanying prospectus shall be deemed to be modified or

- iv -

**Table of Contents**

superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement and the accompanying prospectus or in any other subsequently filed document which also is incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

Statements contained in this prospectus supplement or the accompanying prospectus as to the contents of any contract or other document referred to in this prospectus supplement or the accompanying prospectus do not purport to be complete, and where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document. We will provide without charge to each person to whom a copy of this prospectus supplement and the accompanying prospectus has been delivered, on the written or oral request of such person, a copy of any or all of the documents which have been or may be incorporated in this prospectus supplement or the accompanying prospectus by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference in any such documents) and a copy of any or all other contracts or documents which are referred to in this prospectus supplement or the accompanying prospectus. You may request a copy of these filings at the address and telephone number set forth above.

In reviewing any agreements incorporated by reference, please remember that they are included to provide you with information regarding the terms of such agreements and are not intended to provide any other factual or disclosure information about Metals USA Holdings. The agreements may contain representations and warranties by Metals USA Holdings or other parties, which should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate. The representations and warranties were made only as of the date of the relevant agreement or such other date or dates as may be specified in such agreement and are subject to more recent developments. Accordingly, these representations and warranties alone may not describe the actual state of affairs as of the date they were made or at any other time.

- v -



**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference contain statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements represent our reasonable judgment on the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as anticipate, believe, estimate, expect, forecast, may, should, plan, project and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

projected operating or financial results, including anticipated cash flows from operations and asset sale proceeds;

expectations regarding capital expenditures, interest expense and other payments;

projected working capital needs;

our beliefs and assumptions relating to our liquidity position, including our ability to adapt to changing market conditions; and

our ability to compete effectively for market share with industry participants.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are discussed under Risk Factors and elsewhere in this prospectus supplement and the accompanying prospectus and our reports filed from time to time with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. All forward-looking information in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

supply, demand, prices and other market conditions for steel and other commodities;

the timing and extent of changes in commodity prices;

the effects of competition in our business lines;

the condition of the steel and metal markets generally, which will be affected by interest rates, foreign currency fluctuations and general economic conditions;

the ability of our counterparties to satisfy their financial commitments;

tariffs and other government regulations relating to our products and services;

adverse developments in our relationship with both our key employees and unionized employees;

operational factors affecting the ongoing commercial operations of our facilities, including catastrophic weather-related damage, regulatory approvals, permit issues, unscheduled blackouts, outages or repairs, unanticipated changes in fuel costs or availability of fuel emission credits or workforce issues;

our ability to operate our businesses efficiently, manage capital expenditures and costs (including general and administrative expenses) and generate earnings and cash flow;

- vi -

**Table of Contents**

restrictive covenants in our indebtedness that may adversely affect our operational flexibility;

general political conditions and developments in the United States and in foreign countries whose affairs affect supply, demand and markets for steel, metals and metal products;

our ability to retain key employees; and

our expectations with respect to our acquisition activity.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, investors should not place undue reliance on those statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, or to reflect events or circumstances after the date of this prospectus supplement, except as otherwise required by law.

- vii -

**Table of Contents**

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights certain information contained elsewhere in this prospectus supplement. Please read the entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein, and the section entitled "Risk Factors" in this prospectus supplement, the accompanying prospectus and our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, before you decide to invest. In addition, this prospectus includes forward-looking information that involves risks and uncertainties. See "Cautionary Statement Concerning Forward-Looking Statements."*

**The Company**

**Overview**

As one of the largest metal service center businesses in the United States, we believe that we are a leading provider of value-added processed carbon steel, stainless steel, aluminum, red metals, manufactured metal components and inventory management services. We believe that we serve an important function as an intermediary between primary metal producers that generally sell large volumes in limited sizes and configurations and end-users that generally require more services and smaller quantities of customized products. Operating 46 facilities comprising approximately 5.9 million square feet of industrial space, our metal service center business sold more than 1,396 thousand tons of metal products in 2011 and more than 816 thousand tons of metal products in the six months ended June 30, 2012. We sell our products and services to a diverse customer base and broad range of end-user markets, including the aerospace, automotive industry manufacturing, defense, heavy equipment, marine transportation, commercial construction, office furniture manufacturing, and energy and oilfield services industries, among several others, throughout the United States. We strive to earn a margin over the cost of metal. Management's strategy, manifested through organic growth initiatives and our acquisitions of metal service center businesses, focuses on maximizing the margin we earn over the cost of metal by offering additional value-added processing services and diversifying our product mix. We believe our growth and acquisition strategy, in combination with management's demonstrated ability to manage metal purchasing and inventories to consistently meet our customers' high expectations for service and reliability, serves as a foundation for future revenue growth and stable operating profit per ton through the economic cycle.

We operate in three reportable business segments: Plates and Shapes Group, Flat Rolled and Non-Ferrous Group, and Building Products Group. Our Plates and Shapes and Flat Rolled and Non-Ferrous Groups perform customized, value-added processing services to unimproved steel and other metals required to meet specifications provided by our customers in addition to offering inventory management and just-in-time delivery services, among others. These services are designed to enable our customers to reduce material costs, decrease capital required for raw materials inventory and processing equipment, and save time, labor, warehouse space and other expenses. The customers of our Plates and Shapes and Flat Rolled and Non-Ferrous Groups are in the aerospace, automotive industry manufacturing, defense, heavy equipment, marine transportation, commercial construction, office furniture manufacturing, and energy and oilfield services industries. Our Building Products Group manufactures finished building products for distributors and contractors engaged in the residential remodeling industry.

**Risk Factors**

Participating in this offering involves substantial risk. Our ability to execute our strategy also is subject to certain risks. The risks described under the heading "Risk Factors" immediately following this summary may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Before you participate in this offering, you should carefully consider all the information in

## **Table of Contents**

this prospectus supplement, the accompanying prospectus and the other information incorporated by reference, including matters set forth under the heading **Risk Factors** in this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which is incorporated by reference herein.

### **Principal Stockholders**

Our principal stockholders are investment funds (the **Apollo Funds**) affiliated with or managed by Apollo Management V, L.P. and its affiliated investment vehicles. The Apollo Funds and Apollo Management V, L.P. are affiliates of Apollo Global Management, LLC (together with its subsidiaries, **Apollo**). Founded in 1990, Apollo is a leading global alternative asset manager with offices in New York, Los Angeles, Houston, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. As of June 30, 2012, Apollo had assets under management of approximately \$105 billion in its private equity, capital markets and real estate businesses.

As of August 1, 2012, the Apollo Funds beneficially owned approximately 64.0% of our outstanding common stock. Following completion of this offering, the Apollo Funds will beneficially own 53.2% of our common stock, or 51.6% if the underwriters' option to purchase additional shares is fully exercised.

### **Additional Information**

Metals USA Holdings Corp., formerly named Flag Holdings Corporation, was incorporated in Delaware on May 9, 2005. Our principal executive offices are located at 2400 E. Commercial Blvd., Suite 905, Fort Lauderdale, Florida 33308, and our telephone number is (954) 202-4000. Our website is located at [www.metalsusa.com](http://www.metalsusa.com). We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus supplement or the accompanying prospectus or the registration statement of which this prospectus supplement forms a part, and you should not rely on any such information in making your decision whether to purchase our securities.

**Table of Contents**

**The Offering**

**Common stock offered by selling stockholders** 4,000,000 shares (4,600,000 shares if the underwriters exercise the option to purchase additional shares in full).

**Common stock to be outstanding after the offering** 37,102,523 shares.

**Listing** Our common stock is listed on the NYSE under the symbol MUSA.

**Option to purchase additional shares** The selling stockholders have granted the underwriters an option to purchase up to an additional 600,000 shares of common stock from them, within 30 days from the date of this prospectus supplement.

**Dividends** We have not paid dividends on our common stock, and we do not currently anticipate paying any dividends on our common stock in the foreseeable future. See Dividend Policy.

**Use of proceeds** We will not receive any proceeds from this offering, including upon any sales pursuant to an exercise of the option to purchase additional shares.

**Conflicts of interest** Apollo Global Securities, LLC, which is an underwriter, is an affiliate of the Apollo Funds, and such selling stockholders own more than 10% of our outstanding shares of common stock. Because Apollo Global Securities, LLC is an underwriter and its affiliates beneficially own more than 10% of our shares, Apollo Global Securities, LLC is deemed to have a conflict of interest under the applicable provisions of Rule 5121 ( Rule 5121 ) of the Financial Industry Regulatory Authority ( FINRA ). Furthermore, because Apollo Global Securities, LLC is an affiliate of the Apollo Funds and such selling stockholders own more than 10% of our shares, Apollo Global Securities, LLC or its affiliates will receive more than five percent of the net proceeds from this offering as a result of their sale of shares of common stock in this offering. Thus, Apollo Global Securities, LLC is deemed to have a conflict of interest under the applicable provisions of Rule 5121 of FINRA. Pursuant to Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering because the offering is of a class of equity securities for which a bona fide public market (as defined by FINRA Rule 5121(f)(3)) exists. See Underwriting (Conflicts of Interest) Conflicts of Interest.

Except as otherwise indicated, all information in this prospectus supplement and the accompanying prospectus:

assumes no exercise of the underwriters option to purchase up to 600,000 additional shares of common stock from the selling stockholders;

does not give effect to approximately 1.6 million shares of our common stock issuable upon the exercise of outstanding options or the vesting of restricted stock outstanding as of the date of this prospectus supplement; and

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does not give effect to approximately 2.8 million shares of common stock collectively reserved for future issuance under our Amended and Restated 2005 Stock and Incentive Plan and our 2010 Long-Term Incentive Plan as of the date of this prospectus supplement.

S-3

**Table of Contents**

**RISK FACTORS**

An investment in our common stock involves a high degree of risk. You should carefully consider the risk factors described in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our other reports filed from time to time with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. Before making any investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus supplement and the accompanying prospectus. The risks and uncertainties described in this prospectus supplement and the documents we incorporate by reference into this prospectus supplement and the accompanying prospectus are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we believe are not material at the time could also materially adversely affect our business, financial condition or results of operations. In any case, the value of our securities could decline, and you could lose all or part of your investment. See also the information contained under the heading Cautionary Statement Regarding Forward-Looking Statements above.

In addition, you should carefully consider the additional risks related to an investment in our common stock and this offering, as set forth below:

***The price of our common stock may fluctuate significantly and you could lose all or part of your investment.***

Volatility in the market price of our common stock may prevent you from being able to sell your common stock at or above the price you paid for your common stock. The market price for our common stock could fluctuate significantly for various reasons, including:

our operating and financial performance and prospects;

our quarterly or annual earnings or those of other companies in our industry;

conditions that impact demand for our products and services;

future announcements concerning our business or our competitors' businesses;

the public's reaction to our press releases, other public announcements and filings with the SEC;

changes in earnings estimates or recommendations by securities analysts who track our common stock;

market and industry perception of our success, or lack thereof, in pursuing our growth strategy;

strategic actions by us or our competitors, such as acquisitions or restructurings;

changes in government and environmental regulation;

general market, economic and political conditions;



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changes in accounting standards, policies, guidance, interpretations or principles;

arrival and departure of key personnel;

the number of shares to be publicly traded after this offering;

sales of common stock by us, the Apollo Funds or members of our management team;

adverse resolution of new or pending litigation against us;

changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events; and

material weakness in our internal controls over financial reporting.

S-4

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## **Table of Contents**

In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with Metals USA Holdings, and these fluctuations could materially reduce our share price.

### ***Apollo controls us and its interests may conflict with or differ from your interests as a stockholder.***

After the consummation of this offering, Apollo will beneficially own approximately 53.2% of our common stock, assuming the underwriters do not exercise the option to purchase additional shares. If the underwriters exercise in full their option to purchase additional shares, Apollo will beneficially own approximately 51.6% of our common stock immediately after the consummation of this offering. In either case, Apollo will continue to have the power to elect all of our directors and will have the ability to prevent any transaction that requires the approval of our Board of Directors or stockholders, including the approval of significant corporate transactions such as mergers and the sale of substantially all of our assets.

The amended and restated investors rights agreement, dated as of April 13, 2010, that we entered into with the Apollo Funds and each of our management members, which we refer to as the amended and restated investors rights agreement, provides that, except as otherwise required by applicable law, Apollo will have the right to nominate (a) four directors as long as Apollo owns (including shares of common stock issuable under the terms of any exchangeable securities issued by us) at least 30% but less than 50% of our outstanding common stock, (b) three directors as long as Apollo owns (including shares of common stock issuable under the terms of any exchangeable securities issued by us) at least 20% but less than 30% of our outstanding common stock and (c) two directors as long as Apollo owns (including shares of common stock issuable under the terms of any exchangeable securities issued by us) at least 10% but less than 20% of our outstanding common stock. In the event that the Board of Directors increases its size beyond nine members, Apollo's nomination rights will be proportionately increased, rounded up to the nearest whole number. Thus, even after Apollo ceases to own a majority of our common stock, Apollo will continue to be able to significantly influence or effectively control our decisions.

The interests of Apollo could conflict with or differ from your interests as a holder of our common stock. For example, the concentration of ownership held by Apollo could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination that you as a stockholder may otherwise view favorably. Apollo is in the business of making or advising on investments in companies and holds, and may from time to time in the future acquire, interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. They may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. Further, Apollo will realize substantial benefits from the sale of their shares in this offering. A sale of a substantial number of shares of stock in the future by funds affiliated with Apollo could cause our stock price to decline.

### ***We are a controlled company within the meaning of NYSE corporate governance rules and, as a result, will continue to rely on exemptions from certain corporate governance requirements.***

Upon the closing of this offering, Apollo will continue to control a majority of our voting common stock. As a result, we will remain a controlled company within the meaning of NYSE corporate governance standards. Under NYSE corporate governance rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including:

the requirement that a majority of the Board of Directors consists of independent directors;

the requirement that we have a nominating/governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;

## **Table of Contents**

the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and

the requirement for an annual performance evaluation of the nominating/governance and compensation committees.

We utilize the exemptions from NYSE corporate governance requirements, including the foregoing, and we intend to continue to utilize these exemptions following this offering. As a result, we will not have a majority of independent directors nor will our nominating/governance and compensation committees consist entirely of independent directors and we will not be required to have an annual performance evaluation of the nominating/governance and compensation committees. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of NYSE governance requirements.

### ***We have no plans to pay regular dividends on our common stock, which could reduce the return on your investment.***

We have no plans to pay regular dividends on our common stock. Any payment of future dividends will be at the discretion of our Board of Directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our Board of Directors deems relevant. Metals USA's amended and restated senior secured asset-based credit facility due 2015 (the "ABL facility") and the indenture governing Metals USA's 1 1/2% senior notes due 2015 (the "Metals USA Notes") also include limitations on the ability of our subsidiaries to pay dividends to us, which limits our ability to pay dividends to our stockholders. Accordingly, any return on your investment must come from an increase in the trading price of our common stock.

### ***Future sales of a substantial amount of our common stock, the possibility of future sales or the perception in the public markets that future sales may occur may depress the price of shares of our common stock.***

Future sales or the availability for sale of substantial amounts of our common stock in the public market or the perception that these sales can occur could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

Our amended and restated certificate of incorporation authorizes us to issue 140,000,000 shares of common stock, of which 37,102,523 shares will be outstanding upon consummation of this offering. This number includes 11,426,315 shares that were sold in connection with our initial public offering, and the 4,000,000 shares offered by the selling shareholders in this offering, which are freely transferable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"). The remaining 21,676,208 shares of our common stock outstanding (other than a small amount of shares sold from vested equity awards by our employees in market transactions since our initial public offering), including the shares of common stock owned by the Apollo Funds and certain members of our management, will be restricted from immediate resale under the lock-up agreements between our current stockholders and the underwriters, but may be sold in the near future. See

Underwriting (Conflicts of Interest). Following the expiration of the applicable lock-up period, all these shares of our common stock will be eligible for resale under Rule 144 of the Securities Act, subject to volume limitations and applicable holding period requirements. In addition, the Apollo Funds will have the ability to cause us to register the resale of their shares, and certain of our management members who hold shares will have the ability to include their shares in the registration. See Shares Eligible for Future Sale for a discussion of the shares of our common stock that may be sold into the public market in the future.

We may issue shares of our common stock or other securities from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We also may grant registration rights covering those shares of our common

## **Table of Contents**

stock or other securities in connection with any such acquisitions and investments. Any such issuance of shares or grant of registration rights in connection with acquisitions or investments may result in additional dilution to you.

As of the date of this prospectus supplement, there are approximately 1.6 million shares of our common stock issuable upon the exercise of outstanding stock options or the vesting of restricted stock, including approximately 747 thousand stock options which are vested and exercisable.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares of our common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

***Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.***

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our Board of Directors. These provisions include:

the ability of our Board of Directors to designate one or more series of preferred stock and issue shares of preferred stock without stockholder approval;

a classified Board of Directors;

the sole power of a majority of the Board of Directors to fix the number of directors;

limitations on the removal of directors;

the sole power of our Board of Directors to fill any vacancy on our board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise; and

advance notice requirements for nominating directors or introducing other business to be conducted at stockholder meetings.

The foregoing factors, as well as the significant common stock ownership by the Apollo Funds, could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for our common stock, which could affect the price some investors are willing to pay for our common stock. See [Description of Capital Stock](#) in the accompanying prospectus.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.***

Our amended and restated certificate of incorporation authorizes us to issue up to 10,000,000 shares of one or more series of preferred stock. Our Board of Directors has the authority to determine the preferences, limitations and relative rights of shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium over the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our common stock.

S-7

**Table of Contents**

*Metals USA Holdings is a holding company and relies on dividends and other payments, advances and transfers of funds from its subsidiaries to meet its financial obligations.*

Metals USA Holdings has no direct operations and derives all of its cash flow from Flag Intermediate and Metals USA. Because Metals USA Holdings conducts its operations through its subsidiaries, Metals USA Holdings depends on those entities for dividends and other payments to generate the funds necessary to meet its financial obligations and to pay dividends with respect to our common stock. Legal and contractual restrictions in the ABL facility, the indenture governing the Metals USA Notes and other agreements governing current and future indebtedness of Metals USA Holdings subsidiaries, as well as the financial condition and operating requirements of Metals USA Holdings subsidiaries, currently limit and may, in the future, limit Metals USA Holdings ability to obtain cash from its subsidiaries. The earnings from, or other available assets of, Metals USA Holdings subsidiaries may not be sufficient to pay dividends or make distributions or loans to enable Metals USA Holdings to pay dividends on our common stock.

**Table of Contents****USE OF PROCEEDS**

We will not receive any proceeds from this offering. The selling stockholders will receive all of the net proceeds from the sale of their shares of our common stock. See [Selling Stockholders](#).

**DIVIDEND POLICY**

We have not paid dividends on our common stock, and we do not currently anticipate paying any dividends on our common stock in the foreseeable future. Any future determination as to our dividend policy will be made at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, legal requirements, restrictions in our debt agreements and other factors our Board of Directors deems relevant. The terms of the indebtedness of Metals USA, our subsidiary, may also restrict it from paying cash dividends to us under some circumstances. See [Risk Factors](#). We have no plans to pay regular dividends on our common stock, which could reduce the return on your investment.

**PRICE RANGE OF COMMON STOCK**

Our common stock began trading on the NYSE under the symbol [MUSA](#) following our initial public offering in April 2010. Before then, there was no public market for our common stock. The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported by the NYSE:

	<b>High</b>	<b>Low</b>
Second quarter 2010	\$21.52	\$ 13.75
Third quarter 2010	\$15.60	\$ 10.96
Fourth quarter 2010	\$15.36	\$ 11.46
First quarter 2011	\$16.65	\$ 13.96
Second quarter 2011	\$17.14	\$ 13.67
Third quarter 2011	\$16.01	\$ 8.81
Fourth quarter 2011	\$11.81	\$ 7.77
First quarter 2012	\$14.49	\$ 11.49
Second quarter 2012	\$15.97	\$ 13.32
Third quarter 2012 (through August 8, 2012)	\$17.35	\$ 14.76

On August 8, 2012, the closing price as reported on the NYSE of our common stock was \$14.87 per share. As of August 3, 2012, we had approximately 51 holders of record of our common stock.

**Table of Contents**

**SELLING STOCKHOLDERS**

The following table sets forth (i) the selling stockholders, (ii) as of August 1, 2012, the number of shares of common stock that the selling stockholders beneficially owned before this offering, (iii) the number of shares of common stock to be sold in this offering by the selling stockholders, and (iv) the number of shares of our common stock that will be beneficially owned by the selling stockholders after this offering. The following table assumes no exercise of the underwriters' option to purchase up to 600,000 additional shares of common stock from the selling stockholders. The number of shares of our common stock outstanding as of August 1, 2012 was 37,102,523. See Prospectus Supplement Summary Principal Stockholders and Underwriting (Conflicts of Interest) in this prospectus supplement and Certain Relationships and Related Transactions and Director Independence incorporated by reference into this prospectus supplement from our Annual Report on Form 10-K for our fiscal year ended December 31, 2011, for a discussion of the relationship between us and the selling stockholders.

The amounts and percentage of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A p