

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **August 29, 2013**

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**Quanex Building Products Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-33913**  
(Commission File Number)

**26-1561397**  
(IRS Employer Identification No.)

**1800 West Loop South, Suite 1500, Houston, Texas**  
(Address of principal executive offices)

**77027**  
(Zip Code)

Registrant's telephone number, including area code: **713-961-4600**

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(Former name or former address, if changed since last report)

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))
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## **Item 2.02. Results of Operations and Financial Condition.**

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On September 4, 2013, Quanex Building Products Corporation issued a press release (the "Press Release") reporting its earnings for the third quarter of fiscal year 2013. The foregoing is qualified by reference to the Press Release which is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

## **Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Pursuant to the Certificate of Incorporation and Amended and Restated Bylaws (the "*Bylaws*") of Quanex Building Products Corporation (the "*Company*"), and consistent with the provisions of Delaware law related to staggered boards, the Company's directors are elected to serve staggered terms and are divided into three classes, with each class being as nearly equal in number as possible, and with the term of office of one class expiring each year. Due to previous changes to the composition of the Company's Board of Directors, as of August 29, 2013, the Company's Board consisted of three Class I directors (with a term expiring at the Company's 2014 annual meeting), one Class II director (with a term expiring at the Company's 2015 annual meeting), and two Class III directors (with a term expiring at the Company's 2016 annual meeting).

In order to comply with the New York Stock Exchange's listing requirements and the Bylaws, which require that the Company's Board of Directors consist of three classes divided as evenly as possible, Joseph D. Rupp, a Class I director of the Company, agreed to resign as a Class I director, effective as of August 29, 2013, subject to the Board of Directors' agreement to appoint Mr. Rupp as a Class II director. On August 29, 2013, the Board of Directors accepted the resignation of Mr. Rupp as a Class I director of the Company with a term expiring at the Company's Annual Meeting of Shareholders in 2014, and immediately appointed Mr. Rupp as a Class II director of the Company to serve for a term expiring at the Company's Annual Meeting of Shareholders in 2015. The foregoing events, which resulted in Mr. Rupp's appointment as a Class II director, enabled the Company to have three evenly divided classes, as required by its Bylaws.

Mr. Rupp remains the Lead Director and continues as Chairman of the Nominating and Corporate Governance Committee. Mr. Rupp has been a director of the Company, and its predecessor, Quanex Corporation, since 2007.

## **Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1. Press Release dated September 4, 2013 announcing the Company's third quarter 2013 earnings results.

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## SIGNATURE

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.

**Quanex Building Products Corporation**

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(Registrant)

/s/ **BRENT L. KORB**

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**September 4, 2013**

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(Date)

Brent L. Korb  
*Senior Vice President - Finance and Chief Financial Officer*

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**Exhibit Index**

99.1 Press release dated September 4, 2013

## Quanex Building Products Corporation Reports Third Quarter 2013 Results

Consolidated Net Income of \$5.0 Million or \$0.13 Per Diluted Share  
 EPG Net Sales Increase 17.0%; Operating Income Improves to \$18.6 Million  
 ERP Project Stopped; Company to Focus on Revenue and Profit Growth Initiatives

HOUSTON, Sept. 4, 2013 (GLOBE NEWSWIRE) -- **Quanex Building Products Corporation** (NYSE:NX), a leading manufacturer of fenestration products for the global window and door industry, today released fiscal 2013 third quarter results for the period ended July 31, 2013.

- Consolidated third quarter 2013 net sales increased 8.9 percent to \$259.2 million, compared to \$237.9 million a year ago.
- Third quarter 2013 net income was \$5.0 million, or \$0.13 per diluted share compared to net income of \$1.5 million, or \$0.04 per diluted share in the year ago quarter.
- Consolidated third quarter EBITDA, a non-GAAP measure, was \$19.3 million, compared to \$10.6 million a year ago.
- Year-to-date consolidated 2013 net sales were \$677.3 million, compared to \$593.9 million a year ago.
- Year-to-date consolidated net loss was \$10.5 million compared to a loss of \$17.5 million a year ago.
- Consolidated year-to-date EBITDA, a non-GAAP measure, was \$17.4 million, compared to \$2.5 million a year ago.

The 2013 year-to-date results, when measured against comparable prior year periods, benefitted from the inclusion of sales related to the Aluminite acquisition completed in December 2012 and the elimination of 2012 strike-related costs at Nichols Aluminum. Adjusting for these items, third quarter and year-to-date results improved as a result of higher sales across all divisions under the Engineered Products Group (EPG) segment and cost savings associated with the company's insulating glass systems facility consolidation that occurred in 2012. This was partially offset by higher information technology and Enterprise Resource Planning (ERP) implementation costs.

### Dividend Declared

On August 29, 2013, the Board of Directors declared a quarterly cash dividend of \$0.04 per share on the company's common stock, payable September 30, 2013, to shareholders of record on September 16, 2013.

**Engineered Products Group** (EPG) is focused on providing window and door OEMs with fenestration components, products, and systems. Key end markets are residential repair & remodel (R&R) and new home construction.

(in millions)

	<u>Q3 2013</u>	<u>Q3 2012</u>	<u>YTD 2013</u>	<u>YTD 2012</u>
Net sales	\$156.8	\$134.1	\$388.1	\$342.2
Operating income	18.6	13.1	27.3	14.9
EBITDA	26.6	20.0	50.9	35.9

- Global EPG sales for the 12 months ended July 31, 2013 were up 11.2%. EPG's North American domestic fenestration sales, the most comparable sales figure to those reported by Ducker, increased 11.5% (3.4% excluding Aluminite) from the previous 12 months.
- Preliminary U.S. window shipments as reported by Ducker increased 10.1% over the 12 months ended June 30, 2013, driven by a 27.6% increase in new construction units. U.S. window shipments to the residential R&R market as reported by Ducker increased 1.3% for the 12 month period ended June 30, 2013. A greater portion of EPG's sales are tied to R&R versus new construction.
- EPG sales results continue to be negatively impacted by lower vinyl pricing, higher industry sales of lower performance windows typically installed in new construction and continued weak R&R sales.

**Aluminum Sheet Products Group** is a leading provider of aluminum sheet coil through its Nichols Aluminum operation. Key end markets are residential R&R, new home construction and transportation.

(in millions, except for spread)

	<u>Q3 2013</u>	<u>Q3 2012</u>	<u>YTD 2013</u>	<u>YTD 2012</u>
Net sales	\$105.2	\$107.0	\$299.5	\$261.0
Operating loss	(0.5)	(3.2)	(5.2)	(16.2)
EBITDA	1.3	(1.5)	(0.0)	(10.1)
Shipped pounds	77	75	213	180
Spread per pound	0.39	0.38		

- The improvement in shipped pounds was primarily due to increased seasonal demand for aluminum sheet product.
- Profitability was negatively impacted by product mix, with increased demand for mill finished product, which commands a lower price when compared to painted sheet.

- Spread improved \$0.01 per pound to \$0.39 per pound compared to \$0.38 per pound in the year ago quarter, but was down sequentially when compared to the \$0.42 per pound result achieved in the second quarter of 2013.
- Spread at Nichols remains challenging primarily due to a larger reduction in aluminum prices compared to the reduction in scrap aluminum prices, as well as a tight scrap supply market.
- Nichols Aluminum's shipments for the 12 months ended July 31, 2013, increased 16.5%.
- Industry shipments as reported by the Aluminum Association decreased 0.6% over the same period.

## Corporate and Other Items

- Corporate expenses in the quarter were \$11.0 million compared to \$8.4 million in the year ago quarter primarily due to higher ERP expenses of \$2.0 million, (including \$1.7 million of higher depreciation) and \$1.1 million in higher IT-related costs, partially offset by \$0.6 million in lower stock-based compensation costs.
- In August 2013, following a management recommendation, the company's board of directors voted to cease the implementation of the ERP project. The proposal was made based on management's belief that investments made in initiatives that will drive greater revenue growth and profitability will be more impactful to increasing shareholder value than continuing to invest in the ERP system.
- Total cash of \$16.1 million.
- No outstanding borrowings against the revolving credit facility.
- Cash provided by operating activities for the first nine months of 2013 was \$6.6 million.
- Available capacity under the company's revolving credit facility was approximately \$82.5 million.

## Conference Call Information

Quanex will host its conference call today, September 4, 2013 at 9:00 a.m. (Eastern) to discuss its results and outlook. The call will be available via webcast at [www.quanex.com](http://www.quanex.com) in the Investors section.

## Forward Looking Statement

Statements that use the words "estimated," "expect," "could," "should," "believe," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The forward-looking statements include, but are not limited to, future operating results of Quanex, the financial condition of Quanex, future uses of cash and other expenditures, expenses and tax rates, expectations relating to the company's ERP project, expectations relating to the company's industry, and the company's future growth. The statements in this release are based on current expectations. Actual results or events may differ materially from this release. Factors that could impact future results may include, without limitation, the effect of both domestic and global economic conditions, the impact of competitive products and pricing, the availability and cost of raw materials, and customer demand. For a more complete discussion of factors that may affect the company's future performance, please refer to the company's Form 10-K filing on December 31, 2012, under the Securities Exchange Act of 1934 ("Exchange Act"), in particular the section titled, "Private Securities Litigation Reform Act" contained therein.

**For additional information, please visit [www.quanex.com](http://www.quanex.com)**

### QUANEX BUILDING PRODUCTS CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

(Unaudited)

<u>Three Months Ended July 31,</u>			<u>Nine Months Ended July 31,</u>	
<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>
\$ 259,174	\$ 237,905	<b>Net sales</b>	\$ 677,345	\$ 593,928
215,182	200,663	Cost of sales	576,835	510,542
24,683	26,659	Selling, general and administrative	83,063	80,936
12,193	9,131	Depreciation and amortization	33,389	28,381
7,116	1,452	<b>Operating income (loss)</b>	(15,942)	(25,931)
(182)	(108)	Interest expense	(495)	(348)
(46)	21	Other, net	(128)	199
6,888	1,365	<b>Income (loss) before income taxes</b>	(16,565)	(26,080)
(1,919)	166	Income tax benefit (expense)	6,068	8,578
<u>\$ 4,969</u>	<u>\$ 1,531</u>	<b>Net income (loss)</b>	<u>\$ (10,497)</u>	<u>\$ (17,502)</u>
		<b>Earnings (loss) per common share:</b>		
\$ 0.13	\$ 0.04	Basic	\$ (0.28)	\$ (0.48)
\$ 0.13	\$ 0.04	Diluted	\$ (0.28)	\$ (0.48)

**Weighted average common shares outstanding:**

<b>36,856</b>	36,637	Basic	<b>36,838</b>	36,584
<b>37,413</b>	37,163	Diluted	<b>36,838</b>	36,584
<b>\$ 0.04</b>	\$ 0.04	Cash dividends per share	<b>\$ 0.12</b>	\$ 0.12

**QUANEX BUILDING PRODUCTS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

(Unaudited)

	<u>July 31, 2013</u>	<u>October 31, 2012</u>
<b>Assets</b>		
Cash and equivalents	\$ 16,073	\$ 71,255
Accounts receivable, net	99,051	85,644
Inventories, net	67,839	65,904
Deferred income taxes	24,497	20,439
Prepaid and other current assets	6,592	7,628
Total current assets	<u>214,052</u>	<u>250,870</u>
Property, plant and equipment, net	176,033	168,877
Deferred income taxes	12,381	8,911
Goodwill	71,302	68,331
Intangible assets, net	80,757	78,380
Other assets	17,036	14,169
<b>Total assets</b>	<u><u>\$ 571,561</u></u>	<u><u>\$ 589,538</u></u>
<b>Liabilities and stockholders' equity</b>		
Accounts payable	\$ 78,479	\$ 80,985
Accrued liabilities	45,357	46,459
Current maturities of long-term debt	375	368
Total current liabilities	<u>124,211</u>	<u>127,812</u>
Long-term debt	753	1,033
Deferred pension and postretirement benefits	5,862	6,873
Liability for uncertain tax positions	5,416	6,736
Non-current environmental reserves	9,037	9,827
Other liabilities	13,008	15,430
Total liabilities	<u>158,287</u>	<u>167,711</u>
Total stockholders' equity	<u>413,274</u>	<u>421,827</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 571,561</u></u>	<u><u>\$ 589,538</u></u>

**QUANEX BUILDING PRODUCTS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(In thousands)

(Unaudited)

	<u>Nine Months Ended July 31,</u>	
	<u>2013</u>	<u>2012</u>
<b>Operating activities:</b>		
Net loss	\$ (10,497)	\$ (17,502)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	33,389	28,381
Stock-based compensation	3,856	3,180
Deferred income tax benefit	(6,862)	(9,437)
Excess tax benefit from share-based compensation	(172)	(413)
Restructuring charges	—	1,206
Other, net	698	2,133
Changes in assets and liabilities, net of effects from acquisitions and dispositions:		
Increase in accounts receivable	(9,642)	(7,114)
Decrease (increase) in inventory	3,095	(7,515)

Decrease (increase) in other current assets	241	(757)
Increase (decrease) in accounts payable	(2,990)	10,242
Increase (decrease) in accrued liabilities	(6,883)	5,789
Increase (decrease) in income taxes	1,622	(771)
Decrease in deferred pension and postretirement benefits	(1,011)	(1,572)
Increase in other long-term liabilities	1,229	488
Other, net	504	(351)
Cash provided by operating activities	6,577	5,987
<b>Investing activities:</b>		
Acquisitions, net of cash acquired	(22,096)	—
Capital expenditures	(34,517)	(31,710)
Proceeds from disposition of capital assets	335	36
Proceeds from property insurance claim	—	479
Cash used for investing activities	(56,278)	(31,195)
<b>Financing activities:</b>		
Borrowings under credit facility	23,500	—
Repayments of credit facility borrowings	(23,500)	—
Repayments of other long-term debt	(364)	(339)
Common stock dividends paid	(4,446)	(4,413)
Issuance of common stock	909	2,501
Excess tax benefit from share-based compensation	172	413
Debt issuance costs	(1,163)	—
Purchase of treasury stock	—	(1,284)
Cash used for financing activities	(4,892)	(3,122)
Effect of exchange rate changes on cash and equivalents	(589)	1,003
Decrease in cash and equivalents	(55,182)	(27,327)
Cash and equivalents at beginning of period	71,255	89,619
Cash and equivalents at end of period	\$ 16,073	\$ 62,292

## QUANEX BUILDING PRODUCTS CORPORATION

### SEGMENT INFORMATION

(In thousands)

(Unaudited)

<u>Three Months Ended July 31,</u>			<u>Nine Months Ended July 31,</u>	
<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>
<b>Net Sales:</b>				
\$ 156,823	\$ 134,060	Engineered Products	\$ 388,099	\$ 342,223
105,198	107,024	Aluminum Sheet Products	299,493	261,017
262,021	241,084	Building Products	687,592	603,240
(2,847)	(3,179)	Eliminations	(10,247)	(9,312)
<u>\$ 259,174</u>	<u>\$ 237,905</u>	Net Sales	<u>\$ 677,345</u>	<u>\$ 593,928</u>
<b>Operating Income (Loss)</b>				
\$ 18,561	\$ 13,063	Engineered Products	\$ 27,303	\$ 14,949
(490)	(3,162)	Aluminum Sheet Products	(5,187)	(16,213)
18,071	9,901	Building Products	22,116	(1,264)
(10,955)	(8,449)	Corporate & Other	(38,058)	(24,667)
<u>\$ 7,116</u>	<u>\$ 1,452</u>	Operating Income (Loss)	<u>\$ (15,942)</u>	<u>\$ (25,931)</u>

## QUANEX BUILDING PRODUCTS CORPORATION

### NON-GAAP FINANCIAL MEASURE DISCLOSURE



