

Smith - Midland Corporation Finds A Warm Welcome On Wall Street

By Raymond L. Finefrock

Ideas are the fuel that fire the engine of the well documented American free enterprise system.

In Central Virginia, the Smith-Midland Corporation is living proof of that axiom.

Carefully developed and competently marketed creative concepts have moved the unique organization from the privately-held Smith Cattleguard Company at its beginning in 1960, to the multi-million dollar corporation that held its initial public offering (IPO) to stockholders on Dec. 13, 1995.

Thirty-six years ago, founder David G. Smith saw a need and met it with the first concrete Smith cattleguard. A company was born with Smith's inventive response to his own belief that



Smith - Midland Executives
The company is proud of its local roots

"there must be a better way."

That same passion for research and development burns within Smith's son Rodney, the

See "Smith - Midland" on page 7

Cattleguard Innovator Offers Numerous Pre - Cast Products

Continued from cover story

current president of Smith-Midland.

"It is a clear and unmistakable fact that if my dad had not invented that first cattleguard, Smith-Midland would not exist today," Rodney Smith says. "We are consistently introducing new products out of our research and development capability that have been quite successful and highly visible."

Funds Increase Muscle

The desire to provide a continuous stream of new ideas while taking full advantage of current products led Smith to take the company public, he says.

"The situation developed in 1993 that we had two of the best products in the history of our company available," Smith recalls. "To properly take advantage of our J-J Hooks safety barriers and our Slenderwall pre-fabricated exterior wall system, we needed more money to promote the products and to expand our production capability.

"The IPO gives us more marketing muscle. If we didn't take the company public to get the additional money, we might lose the advantage of these products."

Smith-Midland offered one-third of the company, 1 million shares, at an initial price of \$3.50 per share and 10 cents for warrants. In late March the NASDAQ exchange listed stock at \$5.75 and warrants at \$2.38. The company is also listed on the Boston Stock Exchange.

"The value of the shares and warrants together has almost doubled," Smith says. "It is very gratifying to see that kind of value. We now have a market for our stock that reflects the real value of the company."

Revenues Near \$10 Million

In 1995, Smith-Midland had total revenues of approximately \$10 million in the United States and internationally. There are 110 employees at its Midland headquarters and 30 more at Smith-Carolina, according to Smith, a 57-year-old Fauquier County native.

When not busy running the company that bears the family name, Smith enjoys boating and jogging. He says he has logged over 16,500 miles in 32 years of running.

David and Rodney were originally partners in the company, Rodney Smith says. David Smith passed away in 1991 at the age of 86.

"The 10th year he sold out his portion to me," says Rodney. "He remained a very active advisor, however, and had a great deal of interest in the company throughout the following 25 years until his death."

Varied Product Line

In addition to the J-J Hooks safety barriers and Slenderwall lines, the company also manufactures Sierra

Wall noise absorbing concrete panels and, through its subsidiary, EASI-SET Industries, markets and secures licenses for its complete line of pre-cast concrete buildings.

EASI-SET now has more than two dozen licenses in the United States and several foreign countries. It is the only full-service, multi-product licensing system in pre-casting, says Smith.

EASI-SET Industries was included in the initial public offering," says Smith. "Now we will be able to gear up its marketing and technical support for that, J-J Hooks and Slenderwall both nationally and internationally."

The unique interlocking system of J-J Hooks barriers and their quick installation time led to their being chosen to provide added security in front of the White House on Pennsylvania Avenue last May, says Smith-Midland Vice President of Sales and Marketing Ashley Smith, Rodney's son.

The barriers have been certified by the Federal Highway Administration to withstand a 62 mph, 20 degree impact. They are used on roadways in 27 states.

More states are expected to approve the barriers this year, says Smith, who points out that "almost overnight" Smith-Midland went from a 5 percent share of the market

to a 95 percent share in some of the states where it was introduced.

"I enjoy seeing people not only in this country, but in other parts of the world, benefiting from products originated right here in Midland, Va.," he adds, "People are safer, homes are quieter. It's a worthwhile contribution to others' well-being."

The company has a 16,000 square foot environmentally-controlled casting area, a steel shop and a form fabrication facility at its 16-acre headquarters.

Constant Innovation

"The pre-cast business is often called 'boring,'" says 33-year-old Ashley Smith. "But we like to create innovative new products that keep us ahead of the competition and in the forefront of the industry. At any one time our research and development group has six to 12 products in various stages of design.

"We're always bringing new products on line and getting rid of old products or redesigning them."

The company has a long history of inventiveness. "We were first on the East Coast to do pre-cast concrete electric utility vaults," Ashley Smith says. "Prior to that they were cast in the field and it was often a week-long process. We cut that down to one hour.

"We were the first to develop an 'off the shelf' pre-cast concrete building. All we need is a gravel base and we can set the building on the base and hand over the keys."

Continued on the next page