

Reliance Steel & Aluminum Co. Reports First Quarter Results

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LOS ANGELES--([BUSINESS WIRE](#))--Reliance Steel & Aluminum Co. (NYSE:RS) reported today its financial results for the first quarter ended March 31, 2012. For the 2012 first quarter, Reliance reported net income of \$116.2 million, up 26% from 2011 first quarter net income of \$92.3 million, and up 71% from \$67.9 million in the 2011 fourth quarter. Earnings per diluted share were \$1.54 in the 2012 first quarter, up 25% from 2011 first quarter earnings per diluted share of \$1.23 and up 69% from \$.91 for the 2011 fourth quarter. Sales for the 2012 first quarter were \$2.29 billion, up 20% from 2011 first quarter sales of \$1.91 billion, and up 13% from 2011 fourth quarter sales of \$2.03 billion. The 2012 first quarter financial results include in cost of sales a pre-tax LIFO charge, or expense, of \$7.5 million, compared with a pre-tax LIFO charge of \$20.0 million for the 2011 first quarter and \$17.8 million for the 2011 fourth quarter. The LIFO adjustments, in effect, reflect cost of sales at current replacement costs.

Reliance's tons sold for the 2012 first quarter were up 13.8% from the 2011 first quarter and up 11.2% from the 2011 fourth quarter. Average prices per ton sold in the 2012 first quarter were up 5.3% compared to the 2011 first quarter and up 1.3% compared to the 2011 fourth quarter. For the 2012 first quarter, carbon steel sales were 52% of net sales; aluminum sales were 15%; stainless steel sales were 15%; alloy sales were 12%; toll processing sales were 2%; and other sales were 4%.

David H. Hannah, Chairman and CEO of Reliance said, "As we indicated in our earnings guidance update last week, the quarter, overall was better than we originally anticipated. Demand was stronger, especially in January and February, aided in part by a more favorable pricing environment for most of our products. Sales dollars per day in March were down slightly from February due to a drop in tons sold per day, as the direction of carbon steel pricing became a little uncertain and stainless steel surcharges decreased."

"Once again, the markets that continued to provide the most growth during the quarter were energy (oil and gas), aerospace, farm and heavy equipment, and auto through our toll processing businesses. Semiconductor and general manufacturing also remained strong. We have seen improvements in our non-residential construction related businesses, but it still lags the growth seen in other areas. We are very fortunate that Reliance has such a broad range of products and substantial customer diversification. Those attributes have helped our operating results to be less volatile than if we had a more narrow range of products sold into fewer industries," Hannah continued.

"Our balance sheet is in excellent shape, with net debt-to-total capital at 29% and only \$745 million borrowed on our \$1.5 billion credit facility at March 31, 2012. The liquidity available on our credit facility provides ample room for continued growth both organically and through acquisitions, where we have seen increased activity recently," Hannah further commented.

"We expect real demand to continue its steady improvement from existing levels for most of our products with larger improvements in the aerospace and energy-related industries during the second quarter. There is still some uncertainty regarding the direction of prices for some of the metals we sell, with prices currently moving in different directions for different of our products, but all within manageable ranges. Given these expectations, we currently estimate earnings per diluted share in a range of \$1.40 to \$1.50 for the 2012 second quarter," concluded Hannah.

Effective April 3, 2012, Reliance acquired all the outstanding limited liability company interests of National Specialty Alloys, LLC ("NSA"), a global specialty alloy processor and distributor of premium stainless steel and nickel alloy bars and shapes, headquartered in Houston, Texas. NSA was founded in 1985 and has additional locations in Anaheim, California; Buford, Georgia; and Tulsa, Oklahoma. NSA had net sales of approximately \$96 million for the twelve months ended October 31, 2011. NSA's primary end market is the energy market, with aerospace, power generation, petrochemical and other major end markets.

Reliance recently announced that it has signed an agreement to acquire substantially all the assets of the Worthington Steel Vonore, Tennessee plant, a processing facility owned by Worthington Industries, Inc. (NYSE:WOR). The transaction has not yet

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closed however, upon completion, the Vonore plant is expected to operate as a Precision Strip, Inc. (a wholly-owned subsidiary of Reliance) location that will process and deliver carbon steel, aluminum and stainless steel products on a “toll” basis, processing the metal for a fee without taking ownership of the metal.

On April 24, 2012, the Board of Directors declared a regular quarterly cash dividend of \$.15 per share of common stock. The dividend is payable on June 22, 2012 to shareholders of record June 1, 2012. The Company has increased its dividend 17 times since the IPO in 1994 and has paid regular quarterly dividends for 53 consecutive years.

Reliance will host a conference call that will be broadcast live over the Internet (listen only mode) regarding the first quarter financial results for the period ended March 31, 2012. All interested parties are invited to listen to the web cast on **April 26, 2012 at 11:00 a.m. Eastern Time** at: <http://www.rsac.com> on the **Investor Information** section or <http://www.streetevents.com>. Player format: Windows Media and RealPlayer. The web cast will remain on the Reliance web site at: www.rsac.com on the **Investor Information** section through **May 25, 2012** and a printed transcript will be posted on the Reliance web site after the completion of the conference call.

Reliance Steel & Aluminum Co., headquartered in Los Angeles, California, is the largest metals service center company in North America. Through a network of more than 220 locations in 38 states and Belgium, Canada, China, Malaysia, Mexico, Singapore, South Korea, the U.A.E. and the United Kingdom, the Company provides value-added metals processing services and distributes a full line of over 100,000 metal products to more than 125,000 customers in a broad range of industries.

Reliance Steel & Aluminum Co.’s press releases and additional information are available on the Company’s web site at www.rsac.com. The Company was named to the 2011 “Fortune 500” List and the 2012 Fortune List of “The World’s Most Admired Companies.”

This release may contain forward-looking statements. Actual results and events may differ materially as a result of a variety of factors, many of which are outside of Reliance Steel & Aluminum Co.’s control. Risk factors and additional information are included in Reliance Steel & Aluminum Co.’s reports on file with the Securities and Exchange Commission, including Reliance Steel & Aluminum Co.’s Annual Report on Form 10-K for the year ended December 31, 2011.

[View entire release with tables](#)

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