Central Steel & Wire Company

OFFICES & PLANTS
Chicago - Detroit - Cincinnati
Milwaukee - Greensboro

P.O. BOX 5100
CHICAGO, ILLINOIS 60680-5100

3000 West 51st Street
Chicago, Illinois 60632-2122
1-773-471-3800

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CENTRAL STEEL & WIRE COMPANY (CSTW.PK), a Chicago-based steel service center, reports the following financial information highlights for the three months ended March 31:

- Net sales for the first quarter of 2018 were $172.4 million, an increase of 17.6% from $146.6 million in the first quarter of 2017 and up 15.7% from $149.0 million in the fourth quarter of 2017.

- Tons shipped during the first quarter of 2018 were 110,000, an increase of 6% above the same quarter last year and 8.8% above the fourth quarter of 2017, while the average selling price per ton increased 10.8% compared to the first quarter of last year and 6.4% from the fourth quarter.

- Gross profit for the first quarter was $31.4 million, an increase of $2.3 million, or 8%, from the first quarter of 2017 and $533 thousand, or 1.7% from the fourth quarter.

- Total operating expenses declined as a percentage of sales to 20.1% from 22.4% as the company was successful in leveraging its infrastructure on the higher shipping volumes.

- First quarter EBITDA excluding LIFO was $4.2 million, an increase of $2.1 million over the first quarter of 2017 and $8.5 million compared to the fourth quarter.

- LIFO inventory valuation charge of $6.4 million pre-tax compared with a $4.8 million charge in the first quarter of 2017.

- The net result for the first quarter was a loss of $2.2 million ($9.14 per share) which is consistent with the loss of $2.2 million ($8.70 per share) from the first quarter of 2017.

“The improved demand environment that started in mid-year 2017 continued in the first quarter” said Steve Fuhrman, Chief Executive Officer. “Current indications suggest that the market will continue to be supportive in terms of end customer demand. Deregulation, steel duties, steel and aluminum tariffs, and the high levels of mill capacity utilization continue to support pricing and a positive market outlook. With this foundation and the potential additional benefits to the industry that could come from sources such as meaningful infrastructure spending, we are optimistic about what lies ahead in the form of improved cash flows and shareholder return.”