

Central Steel & Wire Company

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FOR IMMEDIATE RELEASE

CENTRAL STEEL & WIRE COMPANY (CSTW.PK), a Chicago-based steel service center, reports the following financial information for the nine months ended September 30:

	<u>2017</u>	<u>2016</u>
Net Loss Per Share	(\$29.75)	(\$21.31)
Net Sales	\$451,808,000	\$391,928,000
Net Loss	(\$7,414,000)	(\$5,373,000)
Average Number of Common Shares Outstanding	249,243	252,138

Net sales for the third quarter of 2017 were \$153.1 million, an increase of 20.0% from \$127.5 million in the third quarter of 2016 and up 0.6% from \$152.2 million in the second quarter of 2017. Tons shipped during the third quarter of 2017 were 12.4% above the same quarter last year and 0.5% above the second quarter of 2017. The average selling price per ton increased 6.8% compared to the third quarter of last year and was level with the second quarter of 2017. On a year-to-date basis, net sales of \$451.8 million are 15.3% above the first nine months of 2016 with tons shipped higher by 4.8% and average selling price per ton higher by 10.0%.

The rise in steel prices that has contributed to increased average selling prices has also increased cost of goods sold, which are valued using the LIFO method. Cost of goods sold includes a LIFO inventory valuation charge, or expense, of \$9.1 million for the first nine months compared to an expense of \$8.0 million in the first nine months of 2016. Also impacting the year-to-date results, as noted in the second quarter earnings release, were the higher costs incurred during the first half of the year to process coils at third-party service centers while maintenance was performed on the company's cut-to-length line. The company estimates the incremental costs at \$2.3 million.

The result for the first nine months was a net loss of \$7.4 million compared to a net loss of \$5.4 million for the first nine months of 2016, while for the third quarter the result was a net loss of \$1.9 million versus a net loss of \$4.6 million in the third quarter of 2016.

“We are pleased to see that the year-over-year increase in sales, which started in the first quarter, has accelerated in the most recent quarter,” said Steve Fuhrman, Chief Executive Officer. “We were able to accommodate the increased demand while continuing to pursue targeted cost reduction initiatives. For this achievement, I must acknowledge our employees who have always been the underpinning for our success. They have again shown their commitment to providing outstanding service to our customers as we work toward a return to higher sales levels, employing a more efficient and lower cost operating model.