

datapoints

Forward's report on industry numbers and statistics

A SLOW RECOVERY

While metals service centers' stock prices have yet to return to pre-recession levels, they continue to

trend upward.

SERVICE CENTER	STOCK NAME AND EXCHANGE	STOCK PRICE DURING BOOM***	STOCK PRICE DURING BUST****	CURRENT STOCK PRICE*****	PERCENT CHANGE
A. M. Castle & Co.	CAS: NYSE	\$27.68	\$5.89	\$13.37	127%
Klöckner USA Holdings*	KLKNF: OTC	\$60.95	\$10.00	\$12.50	25%
Metals USA Holdings Corp.**	MUSA: NYSE	N/A	N/A	\$10.45	N/A
Olympic Steel, Inc.	ZEUS: NASDAQ	\$74.72	\$11.21	\$22.38	100%
Reliance Steel & Aluminum Co.	RS: NYSE	\$76.89	\$22.44	\$44.07	96%
Russel Metals, Inc.	RUS: TSE	\$30.55	\$9.77	\$23.48	140%
Worthington Industries, Inc.	WOR: NYSE	\$21.49	\$7.27	\$16.37	125%

*Dates are April 23, 2008; March 3, 2009; and Nov. 17, 2011

**Metals USA Holdings Corp. went public on April 9, 2010

***June 27, 2008

****March 6, 2009

*****Nov. 18, 2011; most current at press time

AN ANALYST'S VIEW

"For a metals service center that is taking an inventory and selling it in some kind of delayed time frame, when prices go up, that can really **increase earnings quickly**. When prices go down, **[service centers] get slaughtered**. So that's been the biggest challenge across the board."



*"[Expanding into emerging markets has] got to make sense for the **business model**. When you're looking at a sector that's already so fragmented, and most of the players are already extremely small, what makes sense for them is to consolidate regionally, rather than working to acquire or open new centers in Asia or South America."*



We're seeing steel price cycles much shorter than they were in the past. That's really challenging from the earnings perspective, given the volatility and the inventory valuation. Most service centers [will continue to] keep very lean inventories, especially given that [no one] has any direction on when our consumption levels in the U.S. are going to get back to pre-recession levels.

