# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-K

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2023**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _______ to _______**

**Commission file number: 001-13122**

Reliance

**Reliance, Inc.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware**<br>(State or other jurisdiction of incorporation or organization) | **95-1142616**<br>(I.R.S. Employer Identification No.) |

**16100 N. 71st Street, Suite 400**
**Scottsdale, Arizona 85254**
(Address of principal executive offices, including zip code)
**(480) 564-5700**
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, $0.001 par value** | **RS** | **New York Stock Exchange** |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the closing price on the New York Stock Exchange on June 30, 2023 was approximately $15,790,000,000. For purposes of this computation, it is assumed that the shares of voting stock held by directors and officers would be deemed to be stock held by affiliates. As of February 23, 2024, 57,425,425 shares of the registrant's common stock, $0.001 par value, were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement for the 2024 annual meeting of stockholders to be held on May 15, 2024 are incorporated by reference in Part III.

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## FORWARD-LOOKING STATEMENTS

In February 2024, we changed our corporate name from Reliance Steel & Aluminum Co. to Reliance, Inc. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout this Annual Report on Form 10-K. Unless otherwise indicated or required by the context, as used in this Annual Report on Form 10-K, the terms "Company," "Reliance," "we," "our," and "us" refer to Reliance, Inc. (formerly Reliance Steel & Aluminum Co.) and all of its subsidiaries that are consolidated in accordance with U.S. generally accepted accounting principles. This Annual Report on Form 10-K and the information incorporated by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We may also provide oral or written forward-looking information in other materials we release to the public. Our forward-looking statements may include, but are not limited to, discussions of our industry and end markets, our business strategies and our expectations concerning future demand and major commodity product pricing and our results of operations, margins, profitability, taxes, liquidity, macroeconomic conditions, including inflation and slowing macroeconomic growth, litigation matters and capital resources. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "explore," "estimate," "predict," "potential," "preliminary," "range," "intend" and "continue," the negative of these terms, and similar expressions. All statements contained in this report that are not statements of historical fact are forward-looking statements. These forward-looking statements are based on management's estimates, projections and assumptions as of the date of such statements. These risks and other factors include those described in "*Risk Factors*" (Part I, Item 1A of this Form 10-K) and "*Quantitative and Qualitative Disclosures about Market Risk*" (Part II, Item 7A). In addition, other factors of which the Company is not currently aware may affect the accuracy of our forward-looking information and may cause actual results to differ from those discussed.

Forward-looking statements involve known and unknown risks and uncertainties and are not guarantees of future performance. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements as a result of various important factors, including, but not limited to, actions taken by us, as well as developments beyond our control, including, but not limited to, the impacts of labor constraints and supply chain disruptions and changes in domestic and worldwide political and economic conditions such as inflation, a prolonged higher interest rate environment and slowing macroeconomic growth that could materially impact us, our customers and suppliers and demand for our products and services. Risks and uncertainties related to the proposed American Alloy Steel, Inc. transaction include, but are not limited to, delays in or failure to obtain any required governmental and regulatory approvals. Deteriorations in economic conditions, as a result of inflation, elevated interest rates, economic recession, slowing growth, outbreaks of infectious disease, conflicts such as the war in Ukraine and the evolving events in Israel and Gaza or otherwise, could lead to a decline in demand for our products and services and negatively impact our business, and may also impact financial markets and corporate credit markets which could adversely impact our access to financing, or the terms of any financing.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events, or for any other reason, except as may be required by law. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. You should review any additional disclosures we make in our press releases and other documents we file or furnish with the United States Securities and Exchange Commission (the "SEC"), including our Forms 10-Q and 8-K.

This Annual Report on Form 10-K includes registered trademarks, trade names and service marks of the Company and its subsidiaries.

## PART I

### Item 1. Business

We are a network of companies providing diversified metal solutions and the largest metals service center company in North America (U.S. and Canada) based on revenues, with 2023 net sales of $14.81 billion.

We have been in business 85 years since our original organization on February 3, 1939, operating a single metals service center in Los Angeles, California fabricating steel reinforcing bar. We reincorporated in the State of Delaware in 2015. In February 2024, we changed our corporate name to Reliance, Inc. from Reliance Steel & Aluminum Co. Our common stock has traded on the New York Stock Exchange ("NYSE") under the symbol "RS" for approximately 30 years since our September 16, 1994 initial public offering.

We believe we have a unique and sustainable business model predicated on the following key attributes:

- ***Diversity of Products, Customers and Services***
  As of December 31, 2023, we operated through a network of over 315 locations in 40 U.S. states and 12 foreign countries. We distribute a full line of over 100,000 metal products, including alloy, aluminum, brass, copper, carbon steel, stainless steel, titanium and other specialty steel products.

  We have more than 125,000 customers in a variety of industries, including general manufacturing, non-residential construction (including infrastructure and renewable energy), transportation (rail, truck trailer and shipbuilding), aerospace (commercial; military, defense and space), energy (oil and natural gas), electronics and semiconductor fabrication, and heavy industry (agricultural, construction and mining equipment). We also service the auto industry, primarily through our toll processing operations where we process the metal for a fee, without taking ownership of the metal.

  We believe that our diversification by product, end market and geography helps mitigate volatility in metals pricing and changing end market conditions. We are not dependent on any particular customer or industry because we process and distribute a variety of metals. This diversity of product type and material reduces our exposure to fluctuations or other weaknesses in the financial stability of particular customers or industries. We are also less dependent on any particular suppliers as a result of our product diversification. As a result, we have remained profitable every year, even during recessionary periods and a global pandemic, since our initial public offering in 1994.

- ***Customer Relationships***
  We believe that our focus on servicing customers with small order sizes and quick turnaround, along with our growth and diversification strategy, has been instrumental in our ability to produce industry-leading operating results among publicly traded metals service center companies in North America. In 2023, approximately 98% of our orders were from repeat customers and we delivered approximately 40% of our orders within 24 hours.

- ***Value-Added Solutions Provider***
  We provide a wide variety of processing services to meet our customers' specifications and deliver products to fabricators, manufacturers and other end users. We believe that few other metals service centers offer the broad range of processing services and metals that we provide. Our primary processing services range from cutting, leveling or sawing to more complex processes such as machining or electropolishing. We generally only process specific metals to non-standard sizes pursuant to customer purchase order specifications. In addition, we typically acquire standard size and grade products that can be processed into many different sizes to meet the needs of many different customers.

  We have increased the amount of value-added processing services we provide through recent acquisitions and significant investments in new equipment over the past several years. Expanding our value-added capabilities (including toll processing) and increasing the percentage of our total sales represented by the higher margin orders generated from those capabilities, helps reduce the volatility in our profitability ratios during periods of unfavorable metals demand and/or pricing.

- ***Industry leader***
  According to the Metals Service Center Institute ("MSCI") reporting of industry tons sold in the U.S., our 2023 tons sold from our U.S. locations represented 14.5% of the total tons sold by the U.S. metals service center industry compared to 14.2% for 2022. We believe our relatively low level of market share leaves significant opportunity for further strategic growth within the industry.

- ***Pricing Power***
  We primarily operate in the spot market for both the purchase and sale of our products. We have the ability to quickly pass on raw material price increases to our customers and maintain consistency in our gross profit margin as only a small portion of our business is subject to long-term contractual arrangements.

- ***Purchasing Power***
  We strategically source the vast majority of our metal purchases from domestic producers and believe we are one of the largest customers of the North American primary metals producers ("mills"). We believe that our significant scale and relationships with suppliers enable significant purchasing power and product availability in all market conditions and allows for effective management of our inventories.

- ***Collaboration***
  While Reliance has a decentralized structure with many different models operating independently from each other, we are now exploring commercial opportunities for our companies to work together and leverage the larger Reliance resources and capabilities to pursue and grow sales opportunities, better manager our inventory, provide opportunities to our employees, and share best practices.

Our business is relationship-based, and we operate under the following trade names:

| Trade Name | No. of Locations |
|---|---|
| ***Reliance Divisions*** | |
| *Bralco Metals* | |
| *Bralco Metals* | *6* |
| *Affiliated Metals* | *1* |
| *MetalCenter* | *1* |
| *Olympic Metals* | *1* |
| *Central Plains Steel Co.* | *1* |
| *Reliance Metalcenter* | *1* |
| *Reliance Metals Group* | |
| *Reliance Metalcenter* | *5* |
| *Smith Pipe & Steel Company* | *1* |
| *Reliance Steel Company* | *2* |
| *Tube Service Co.* | *6* |
| ***Admiral Metals Servicenter Company, Incorporated*** | *7* |
| ***All Metal Services*** | |
| *All Metal Services Limited (United Kingdom)* | *4* |
| *All Metal Services France* | *1* |
| *All Metal Services India Private Limited* | *1* |
| *All Metal Services Ltd. (Xi'an, China)* | *1* |
| *All Metal Services (Malaysia) Sdn. Bhd.* | *1* |
| ***Allegheny Steel Distributors, Inc.*** | *1* |
| ***American Metals Corporation*** | |
| *American Metals* | *2* |
| *American Steel* | *2* |
| *Alaska Steel Company* | *3* |
| *Haskins Steel Company* | *1* |
| *Lampros Steel* | *1* |
| *LSI Plate* | *1* |

| Trade Name | No. of Locations |
|---|---|
| *Plate Sales* | *1* |
| ***AMI Metals, Inc.*** | |
| *AMI Metals* | *6* |
| *AMI Metals Aero Services Ankara Havacılık Anonim Şirketi (Turkey)* | *1* |
| *AMI Metals Europe SPRL (Belgium)* | *1* |
| *AMI Metals UK Limited* | *1* |
| ***Best Manufacturing, Inc.*** | *1* |
| ***CCC Steel, Inc.*** | |
| *CCC Steel* | *1* |
| *IMS Steel Co.* | *1* |
| ***Chapel Steel Corp.*** | |
| *Chapel Steel Corp.* | *6* |
| *Chapel Steel Canada, Ltd.* | *1* |
| ***Chatham Steel Corporation*** | *5* |
| ***Clayton Metals, Inc.*** | *2* |
| ***Continental Alloys & Services*** | |
| *Continental Alloys & Services Limited (UK)* | *2* |
| *Continental Alloys & Services Middle East FZE (Dubai)* | *1* |
| *Continental Alloys & Services (Malaysia) Sdn. Bhd.* | *1* |
| *Continental Alloys & Services Pte. Ltd. (Singapore)* | *1* |
| ***Crest Steel Corporation*** | *1* |
| ***Diamond Manufacturing Company*** | |
| *Diamond Manufacturing* | *2* |
| *Ferguson Perforating Company* | *2* |
| *McKey Perforating Co.* | *1* |
| *Perforated Metals Plus* | *1* |
| ***DuBose*** | |
| *DuBose National Energy Fasteners & Machined Parts, Inc.* | *1* |
| *DuBose National Energy Services, Inc.* | *1* |
| ***Durrett Sheppard Steel Co., Inc.*** | *1* |
| ***Earle M. Jorgensen Company*** | |
| *Earle M. Jorgensen* | *30* |
| *Steel Bar* | *1* |
| ***Feralloy Corporation*** | |
| *Feralloy* | *4* |
| *Acero Prime Feralloy Sinton Processing Center* | *1* |
| *Acero Prime S. de R.L. de C.V.* | *4* |
| *All Metals Processing & Logistics, Inc.* | *2* |
| *Feralloy Processing Company* | *1* |
| *GH Metal Solutions* | *4* |
| *Indiana Pickling and Processing Company (56%-owned)* | *1* |
| *Oregon Feralloy Partners (40%-owned)* | *1* |
| ***Fox Metals and Alloys, Inc.*** | *1* |
| ***Fry Steel Company*** | *2* |
| ***Infra-Metals Co.*** | |
| *Infra-Metals* | *5* |
| *Delta Steel* | *4* |
| *Infra-Metals / IMS Steel / Georgia Steel Company* | *2* |
| ***KMS, Inc.*** | *2* |
| ***Liebovich Bros., Inc.*** | |
| *Liebovich Steel & Aluminum Company* | *4* |
| *Custom Fab Company* | *1* |
| *Good Metals Company* | *1* |

| Trade Name | No. of Locations |
|---|---|
| *Hagerty Steel & Aluminum Company* | *1* |
| ***Metals USA, Inc.*** | |
| *Metals USA* | *22* |
| *Cooksey Steel* | *3* |
| *Gregor Technologies* | *1* |
| *i-Solutions* | *1* |
| *Lynch Metals* | *2* |
| *Port City Metal Services* | *1* |
| *The Richardson Trident Company, LLC* | *2* |
| *Altair Electronics, LLC* | *1* |
| ***Metalweb Limited*** | *3* |
| ***National Specialty Alloys, Inc.*** | |
| *National Specialty Alloys* | *2* |
| *Aleaciones Especiales de Mexico, S. de R.L. de C.V.* | *1* |
| ***Northern Illinois Steel Supply Co.*** | *2* |
| ***Nu-Tech Precision Metals Inc.*** | *1* |
| ***Pacific Metal Company*** | *5* |
| ***PDM Steel Service Centers, Inc.*** | |
| *PDM Steel Service Centers* | *8* |
| *Feralloy PDM Steel Service* | *1* |
| ***Phoenix Corporation*** | |
| *Phoenix Metals Company* | *15* |
| *Reliance Metalcenter* | *2* |
| ***Precision Flamecutting and Steel, Inc.*** | *1* |
| ***Precision Strip Inc.*** | *15* |
| ***Reliance Aerospace Solutions*** | *1* |
| ***Reliance Metalcenter Asia Pacific Pte. Ltd. (Singapore)*** | *1* |
| ***Reliance Metals Canada Limited*** | |
| *Earle M. Jorgensen (Canada)* | *7* |
| *Encore Metals* | *7* |
| ***Service Steel Aerospace Corp.*** | |
| *Service Steel Aerospace* | *3* |
| *Dynamic Metals International* | *1* |
| *United Alloys Aircraft Metals* | *1* |
| ***Siskin Steel & Supply Company, Inc.*** | |
| *Siskin Steel* | *4* |
| *East Tennessee Steel Supply Company* | *1* |
| *Southern Steel Supply* | *1* |
| *The Steel Store* | *1* |
| ***Sugar Steel Corporation*** | *3* |
| ***Tubular Steel, Inc.*** | |
| *Tubular Steel* | *4* |
| *Metalcraft Enterprises* | *1* |
| ***United Pipe & Steel Corp.*** | *12* |
| ***Valex Corp.*** | |
| *Valex* | *2* |
| *Valex Semiconductor Materials (Zhejiang) Co., Ltd.* | *1* |
| *Valex Korea Co., Ltd. (96%-owned)* | *1* |
| ***Viking Materials, Inc.*** | *2* |
| ***Yarde Metals, Inc.*** | |
| *Yarde Metals* | *8* |
| *FastMetals* | *1* |
| *Rotax Metals* | *1* |

We have one operating and reportable segment—*metals service centers*. Further information about our reportable segment, including geographic information, appears in *Note 18—"Segment Information"* to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data."*

**Industry Overview**

Metals service centers acquire carbon steel, aluminum, stainless and alloy steel and other metal products from mills, and then process and distribute these materials to meet customer specifications.

Customers purchase metal products from metals service centers for a variety of reasons, including the ability to obtain value-added metals processing, readily available inventory, reliable and timely delivery, flexible minimum order size, and quality control. Many customers deal exclusively with service centers because the quantities of metal products that they purchase are smaller than the minimum order sizes specified by mills or because those customers require intermittent deliveries over long or irregular periods. Metals service centers respond to a niche market created because of the focus on as-needed inventory management and materials management outsourcing in the capital goods and related industries. In general, metals service center customers have placed increased emphasis on carrying lower amounts of inventory, especially during declining price environments.

The processing services we provide save our customers time, labor, and expense, reducing their overall manufacturing costs. Specialized metals processing equipment requires high utilization to be cost effective. We believe many manufacturers and their suppliers are not able or willing to invest in the necessary technology, equipment, and warehousing of inventory to perform efficient and effective metal processing themselves for their own operations. Accordingly, we believe industry dynamics have created a niche in the market for metals service centers. We believe that metals service centers purchase, process and deliver metals to end-users in a more efficient and cost-effective manner than the end-user could achieve by dealing directly with the primary producer.

According to IBISWorld Inc.'s October 2023 report, the U.S. metals wholesale industry (comprised of metals service centers of the MSCI and other metal wholesaling distributors) revenues were expected to decline approximately 11% from $331 billion in 2022 to approximately $296 billion in 2023, primarily due to lower metals prices. Our 2023 and 2022 U.S. revenues of approximately $14 billion and $16 billion, respectively, represented about 5% of the entire U.S. metals wholesaling market based on IBISWorld Inc.'s estimated 2023 and 2022 industry revenues. However, the measurement of our market share based on the shipment levels of the metals service center industry published by the MSCI, who does not also publish estimated industry revenues, was 14.5% in 2023, which we believe is due to the inclusion of non-metals service center companies in the broader metals wholesaling industry as defined by IBISWorld Inc. Regardless of the measurement of our market share through our tons sold via MSCI industry shipments or our sales relative to what we believe to be the broader metals wholesaling industry, our relatively low market share provides us significant opportunity for growth.

We believe that metals service centers are generally less susceptible to market cycles than metals producers because service centers are generally able to pass on all or a portion of increases in metal costs to their customers. As we have a limited long-term contractual business and focus on rapid inventory turnover, we believe that we are generally less vulnerable to changing metals prices than metals producers. However, fluctuations in metals pricing have a significant impact on our revenue and profit.

**Operational Strategy**

Our primary business strategy is to provide the highest levels of quality and service to our customers in the safest, most efficient operational manner, allowing us to maximize our financial results. The core tenets of our differentiated approach include:

- Our **commitment to safety** which is our top priority and an important element of our culture and day-to-day operational focus. Our executive team supports a safety management system that includes policies, standard practices and goals at our facilities. In addition, our safety professionals monitor compliance with regulatory requirements and conduct safety assessments and training to improve safety practices.

- **Organic growth and innovation** through industry-leading investments in state-of-the-art value-added processing equipment to better service our customers. We have made significant investments in our businesses in recent years, including investments in advanced, state-of-the-art value-added processing equipment that enhance our diversification.

- We believe our **diversification** of products, end markets and geography reduces volatility. We maintain a wide variety of products in inventory and believe this differentiates us from all other North American service center companies. Our product mix has become more diverse mainly as a result of our targeted growth strategy that includes acquiring companies that distribute mainly specialty products and provide increased levels of value-added processing services.

- Our **decentralized operating** structure puts decision making and resources close to the customer. Due to our focus on small orders, our decentralized operating structure and the diversity of the markets we serve, customer concentrations are not significant.

- A focus on **as-needed inventory management** and small orders with quick turnaround and increasing levels of value-added processing which generate higher profit margins as compared to a focus on large volume orders. We seek to ensure as-needed logistics through our customer service, operational efficiencies, innovation and inventory management. In 2023, our average order size was $3,210 and we delivered approximately 40% of orders within 24 hours. We believe that this provides a competitive advantage to us, and, for the remainder of our orders we typically have shorter lead times than our competitors given our decentralized structure and investments in processing equipment.

- **Strong pricing discipline** by our managers in the field allows us to appropriately price the value provided to customers. We believe our focus on maintaining pricing discipline related to our processing services coupled with our investments in state-of-the-art equipment and advanced technology were significant contributors to substantial increases in gross profit margin compared to our historical range.

- **Minimal contractual sales** help us effectively manage working capital and minimize the impact of changing metal prices.

**Growth Strategy**

Our growth strategy is based on increasing our operating results through organic growth activities and strategic acquisitions that enhance our product, customer and geographic diversification. We believe our focused growth strategy and increasing the level of value-added services we provide our customers makes us less vulnerable to regional or industry-specific economic volatility and somewhat lessens the negative impact of volatility experienced in commodity pricing and cyclicality of our customer end markets, as well as general economic trends.

We expect to continue growing our business through acquisitions and internal growth initiatives, particularly those that diversify our product mix, customer base and geographic locations and increase our sales of high-margin specialty products and value-added processing services.

**Sales and Marketing**

Sales personnel are organized by division or subsidiary and are divided into two groups. Outside sales personnel travel throughout a specified geographic territory and maintain relationships with our existing customers and develop new customers. Inside sales personnel remain at the facilities to price and write orders. Outside sales personnel generally receive incentive compensation based on the gross profit from their particular geographic territories. Inside sales personnel generally receive incentive compensation based on the gross profit and/or pretax income of their particular location.

We endeavor to acquire well-run businesses with strong customer relationships and solid reputations within the marketplace. Because of this, we find value in the acquired trade name and continue to use the business name and maintain the customer relationships.

**Customers**

Although we have many large original equipment manufacturer customers, the majority of our sales are to small machine shops and fabricators, in small quantities with frequent deliveries, ensuring as-needed logistics and helping them manage their working capital and credit needs more efficiently. Our metals service centers wrote and delivered over 4.6 million orders during 2023 or an average of 18,280 per day, with an average price of approximately $3,210 per order. Most of our metals service center customers are located within 200 miles of the metals service center serving them. The proximity of our service centers to our customers helps reduce total road miles and carbon emissions, promote efficient routing and provide quick delivery. With our fleet of approximately 1,750 trucks (some of which are leased), we are able to service many smaller customers and provide quick turnaround deliveries with approximately 40% of our orders delivered within 24 hours. We believe that maintaining our own fleet of trucks and drivers provides a competitive advantage as there has been a shortage of qualified drivers and third-party freight costs have been at elevated levels in recent years. Moreover, our order entry systems and flexible production scheduling enable us to meet customer requirements for short lead times and quick delivery. We believe long-term relationships with many of our customers significantly contribute to the success of our business with approximately 98% of our 2023 orders being from repeat customers. Providing prompt and efficient services and quality products at reasonable prices are important factors in maintaining and expanding these relationships.

We have built and opened international locations to service specific industries, typically making limited investments to support existing key U.S. customers that also operate in those international markets. Accordingly, our exposure to risks associated with such investments is minimal. Sales from our foreign operations were 7% of our net sales for the year ended December 31, 2023, or $1.02 billion. However, sales to international customers (based on the shipping destination) were approximately 9% of our consolidated 2023 net sales, or $1.38 billion, with approximately 27%, or $372.2 million, to Canadian customers.

Customer demand changes from time to time based on, among other things, general economic conditions and industry capacity. Many of the industries in which our customers compete are cyclical in nature. Because we sell to a wide variety of customers in a wide variety of industries, we believe that we are able to somewhat mitigate earnings volatility. In addition, many of our customers are small job shops and fabricators who also have a diverse customer base and the versatility to service different end markets when an existing market slows.

Due to our focus on small orders, decentralized operating structure and the diversity of the markets we serve, customer concentrations are not significant. Our largest customer represented only 1.0% of our net sales in 2023. In 2023, we generated sales greater than $30 million from only 31 customers.

**Suppliers**

We strategically purchase the majority of our inventory from the major domestic metals producers. Our U.S. operations do, however, also purchase minimal amounts of certain products from foreign producers. We have multiple suppliers for all of our products.

Because of our total volume of purchases and our long-term relationships with our suppliers, we believe that we are generally able to purchase inventory at the most competitive prices offered by our suppliers. We believe that these relationships provide us with an advantage in sourcing product to be available for our customers in accelerated timeframes when needed, and also allow us to more efficiently manage our inventory. We believe both our size and our long-term relationships with our suppliers continue to be important because mill consolidation has reduced the number of suppliers.

**Seasonality**

Some of our customers are in seasonal businesses, especially customers in the construction industry and related businesses. Our overall operations have not shown any material seasonal trends as a result of our geographic, product and customer diversity. Typically, revenues in the months of July, November and December have been lower than in other months because of a reduced number of working days for shipments of our products, resulting from holidays observed by the Company as well as vacation and extended holiday closures at some of our customers. The number of shipping days in each quarter also has an impact on our quarterly sales and profitability. Results of any one or more quarters are therefore not necessarily indicative of annual results.

**Competition**

The metals service center industry is highly fragmented and competitive within localized areas or regions. Many of our competitors operate single, stand-alone service centers. According to IBISWorld Inc., there were approximately 11,200 metal wholesaling locations operated by approximately 8,800 companies in the U.S. in 2023. According to the MSCI reporting of U.S. metals service center industry shipments, our 2023 tons sold from our U.S. locations represented approximately 14.5% of the industry total compared to 14.2% in 2022. The significant number of metals service centers that exist in this fragmented market creates opportunities for us to expand by making acquisitions.

We have numerous competitors in each of our product lines and geographic locations, and competition is most frequently local or regional. Our domestic service center competitors are generally smaller than we are, but we also face strong competition from national, regional and local independent metals distributors and the mills themselves, some of which have greater resources than we do.

We compete with other companies on price, service, quality, processing capability and availability of products and services. We maintain relationships with our major suppliers at the executive and local levels. We believe that this division of responsibility has increased our ability to obtain competitive prices of metals by leveraging our total size and to provide more responsive service to our customers by allowing our local management teams to make the purchasing decisions. In addition, we believe that the size of our inventory, the diversity of metals products we have available, and the wide variety of processing services we provide distinguish us from our competition. We believe our competitors are generally unable to offer the same high-quality products and services we provide using state-of-the-art equipment and advanced technology as they do not have the financial ability or risk tolerance to grow their businesses at the same rate as Reliance. We believe our industry-leading financial results in recent years were due to our strong financial condition, the high quality of products and services we are able to offer as a result of our significant investments in our acquired businesses, facilities and equipment, as well as our continued focus on small order sizes with quick turnaround.

**Human Capital**

At December 31, 2023, we employed approximately 15,000 persons worldwide, of which approximately 13,400 were employed in the U.S. Our total workforce of approximately 15,500 persons at December 31, 2023 includes approximately 500 contract and temporary workers. We manage to align our workforce levels with the pace of business and management believes it has sufficient human capital to operate our business successfully.

As of December 31, 2023, approximately 12% of our employees were represented by unions under collective bargaining agreements. We have entered into collective bargaining agreements with 41 union locals at 52 of our locations. These collective bargaining agreements have not had a material impact on our revenues or profitability. From time to time, our collective bargaining agreements expire and come up for renegotiation. Approximately 700 employees are covered by 19 different collective bargaining agreements that expire in 2024 unless renewed.

We seek to create an environment that values the health, safety and wellbeing of our employees, their families and the communities in which we live and do business. We strive to equip our employees with the knowledge, skills and resources to maintain or improve their personal health, develop professionally and operate safely within our businesses. A highlight of our commitment to our employees is the inclusion of “People” as one of our six core values that represent key areas of focus for our company. For more information on the Company’s core values, see the Company’s Code of Conduct available at *https://investor.reliance.com*.

Among the critical elements included in the People category are the following:

- ***Focus on Safety***
  The health and safety of our employees, customers, suppliers and communities is our most important core value. Our safety programs are designed around recognized standards with appropriate variations addressing the multiple jurisdictions and regulations, specific hazards and unique working environments of our operations. Our SMART Safety program focuses on embedding our culture of safety across all of our operations. We strive to have zero fatalities and no life-threatening or life-altering injuries and illnesses from working at our facilities.

  Our executive team supports a safety management system that includes policies, standard practices and goals at our facilities, including:

  - conducting regular safety assessments;
  - monitoring best practices and compliance with regulatory requirements;
  - training our employees to improve safety practices;
  - integrating video-based technology and safety programs into substantially all Company-operated trucks; and
  - maintaining emergency preparedness and response plans.

  We utilize a mixture of indicators to assess the health and safety performance of our domestic operations. Lagging indicators include the Occupational Safety & Health Administration ("OSHA") Total Recordable Incident Rate ("TRIR") and average Department of Transportation Recordable Accident Rate per million miles ("DOT Rate").

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Safety Indicator:** | | | |
| TRIR | 1.96 | 1.61 | 2.12 |
| DOT Rate | 0.64 | 0.55 | 0.54 |

  Our focus on safety is evident in our 2023 TRIR, which is lower than the MSCI average of 3.5 as reported in their most recent survey conducted in 2020. A lower TRIR means that fewer people are injured, and fewer lives are negatively impacted. We have not identified a universally accepted and annually updated benchmarking standard for DOT Rate.

- ***Diversity, Equity and Inclusion***
  We believe that superior Company performance requires contributions from a diverse workforce that includes a variety of employee experiences, backgrounds, and characteristics. We are committed to providing fair and unbiased opportunities and hiring, developing and supporting a diverse and inclusive workplace. Our commitment to diversity and inclusion is also reinforced by our Code of Conduct, which prohibits employment discrimination or harassment based on race, color, sex (including pregnancy, childbirth and related medical conditions), national origin, religion, age, disability, genetic information, veteran status, sexual orientation, marital status, or any other characteristic protected by applicable law.

- ***Employee Health, Wellness and Wellbeing***
  The health, wellness and wellbeing of our employees is critical to our success. We are committed to providing our employees with resources to help them achieve their personal health, wellness, and wellbeing goals. As part of our comprehensive benefits offering, we provide employees and their covered spouses/domestic partners with a robust employee assistance program, individualized assessments, access to lab or on-site health screenings and personalized wellness coaching. Our customizable program integrates web-based tools, phone and mail-based

communications, local activities and is designed to support the diverse and individualized needs of our employees in order to help them improve or maintain their health status and ongoing engagement in healthy behaviors.

- ***Compensation and Benefits***
  To help attract and retain the best employees, we strive to offer competitive compensation and best-in-class benefits. In addition to base salaries, our compensation programs can include annual bonuses, stock-based compensation awards, a 401(k) plan with employee matching opportunities, healthcare insurance and welfare benefits, health savings and flexible spending accounts. We believe that we provide industry-leading healthcare benefits to our employees and funded approximately 85% of the costs associated with our domestic employees' health insurance coverage in 2023.

- ***Employee Development***
  We believe employees should have an opportunity for ongoing development through challenging daily contributions and structured development programs. We launched an annual evolving leaders program focused on the continued training of selected employees, encouraging the development in several areas of our business, leadership and communication, along with opportunities for enterprise-wide collaboration to drive an approach to innovative problem solving and solutions. We continue to expand our talent management initiatives to pursue the significant long-term potential for our continued success. Our success is dependent on the knowledge, skills and abilities of our current and future leaders.

**Quality Control**

Procuring high-quality metal from suppliers on a consistent basis is critical to our business. We maintain strict quality control measures to assure that the quality of purchased raw materials will enable us to meet our customers' specifications and to reduce the costs of production interruptions. In certain instances, we perform physical and chemical analyses on selected raw materials, typically through a third-party testing lab, to verify that mechanical and dimensional properties, cleanliness and surface characteristics meet our requirements and our customers' specifications. We also conduct certain analyses of surface characteristics on selected processed metal before delivery to the customer. We believe that maintaining high standards for accepting metals ultimately results in reduced return rates from our customers.

We maintain various quality certifications throughout our operations. Approximately 55% of our operating locations have earned International Organization for Standardization (ISO 9001:2015) certifications. Many of our locations maintain additional certifications specific to the industries they serve, such as aerospace, auto, nuclear, and others, including certain international certifications.

**Government Regulation**

Beyond our compliance requirements with environmental regulations, compliance with government regulations has not had and, based on laws and regulations currently in effect, is not expected to have a material effect on the Company's capital expenditures, earnings or competitive position.

Our operations are also subject to laws and regulations relating to workplace safety and worker health, principally the OSHA and related regulations, which, among other requirements, establish noise, dust and safety standards. We maintain comprehensive health and safety policies and train employees to follow established safety practices.

We are subject to the conflict mineral provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. We are required to undertake due diligence, disclose and report whether the products we sell originate from the Democratic Republic of Congo and adjoining countries. We verify with our suppliers the origins of all metals used in our products.

We sell metals to foreign customers from our domestic locations and operate metals service centers in 12 foreign countries, subjecting us to various countries' trade regulations concerning the import and export of materials and finished products. Our operations are subject to the laws and regulations of the jurisdictions in which we conduct our business that seek to prevent corruption and bribery in the marketplace, including the U.S. Foreign Corrupt Practices Act (the "FCPA") and the United Kingdom's Bribery Act 2010. We have developed and implemented company-wide export and anti-corruption policies designed to provide our employees clear statements of our compliance requirements and to ensure compliance with applicable export and anti-corruption regulations. For information about risks related to government regulation, please see the risk factors set forth under the caption *Item 1A. "Risk Factors*" including the Risk Factors captioned *"We are subject to various environmental, employee safety and health, and customs and export laws and regulations, which could subject us to significant liabilities and compliance expenditures;"* and *"We operate internationally and are subject to exchange rate fluctuations, exchange controls, political risks and other risks relating to international operations."*

**Environmental**

We are not a metals producer or mill – we operate metals service centers. We believe that circularity and low emissions are key attributes of our business model. As a distributor and "first-stage" processor of metal products, our operations, by their nature, have a limited environmental impact as we do not emit significant amounts of carbon dioxide or other greenhouse gases.

The overwhelming majority of our operations involve the processing and distribution of inherently sustainable aluminum and steel products that we believe (i) are some of the most commonly-recycled materials on the planet—more than plastic, paper, and glass combined each year and (ii) can be 100% recycled without loss of quality. We reintroduced over 221,900 tons of recycled scrap material into the manufacturing life cycle in 2023.

We continue to evaluate and implement energy conservation and other initiatives to reduce the environmental impact of our business. However, enactment of more stringent environmental regulations could have an adverse impact on our financial results. In addition, the manufacture and production of the materials we source from mills can be a carbon-intensive activity, and adoption of more stringent carbon regulations or policies may increase the prices of these materials.

As a processor and distributor of metals, and not a producer, we acknowledge and embrace our role in protecting the environment and continue to assess our impacts. Our strong desire is to identify and prioritize areas of improvement. In order to align our environmental initiatives with our broader strategy, we completed a materiality assessment to determine the environmental matters that are most critical to our business and our stakeholders. As a result of the materiality assessment, we determined that the most material environmental issues to our business are: (i) emissions from company-owned trucks that deliver our products; and (ii) our overall energy usage. We expect to update this materiality assessment on a periodic basis to ensure it reflects changes in our business and the external environment.

In addition, prolonged disruption in the supply and/or distribution of metals due to weather, climate change or, natural disasters connected to climate change could increase costs, limit the availability of materials critical to our operations and have a significant impact on operating results.

**Available Information**

We file annual, quarterly and current reports, proxy statements and other documents with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The SEC maintains a website that contains reports, proxy statements and other information regarding issuers, including our Company, that file reports electronically with the SEC. The public can obtain any reports that we file with the SEC at *https://sec.gov*.

Our Investor Relations website is located at *https://investor.reliance.com*. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act are made available, free of charge, through our website as soon as reasonably practical after we electronically file or furnish the reports to the SEC. Information about Reliance's ESG-related programs and initiatives is available under the "ESG" section of the Company's website. Additional corporate governance information, including our restated certificate of incorporation, amended and restated bylaws, principles of corporate governance, Board committee charters, code of conduct and anti-bribery and anti-corruption policy, is available under *Corporate Governance* in the "Investors" section of the Company's website. We encourage investors to visit our website.

The website addresses presented above and elsewhere in this Annual Report on Form 10-K are not intended to function as hyperlinks, and the information contained in our website and in the SEC's website is not intended to be a part of this filing.

## Item 1A. Risk Factors

*Set forth below are the risks that we believe are material to our investors. Our business, results of operations and financial condition may be materially adversely affected due to any of the following risks. The risks described below are not the only ones we face. Additional risks of which we are not presently aware or that we currently believe are immaterial may also harm our business.*

### Risks Related to Our Business and Industry

***The costs that we pay for metals fluctuate due to a number of factors beyond our control, and such fluctuations could adversely affect our operating results, particularly decreases in metals prices.***

We purchase large quantities of aluminum, carbon, stainless and alloy steel and other metals, which we sell to a variety of customers. Our profitability is largely dependent upon the prices of the steel, aluminum and other metals we sell our customers. The price of metals we purchase and the price we charge our customers for the products we sell fluctuate based on many factors outside of our control, including general economic conditions (both domestic and international), competition, production levels, raw material costs, customer demand levels, import duties and other trade restrictions, currency fluctuations and surcharges imposed by our suppliers.

Pricing for our products generally has a much more significant impact on our results of operations than customer demand levels. If pricing declines, we will typically generate lower levels of gross profit and pretax income dollars. In addition, changes in metals prices that lower our gross profit margin can adversely affect our operating results. When metal prices decrease, we often cannot replace our higher cost inventory with the lower cost metal at a rate that would allow us to maintain a consistent gross profit margin, which would reduce our profitability during that interim period.

Metal prices are volatile due to, among other things, fluctuations in foreign and domestic production capacity, raw material availability and related pricing, metals consumption, tariffs, import levels into the U.S., governmental regulations, and the strength of the U.S. dollar relative to other currencies. Future changes in global general economic conditions or in production, consumption or export of metals could cause fluctuations in metal prices globally, which could adversely affect our profitability and cash flows. We generally do not enter into long-term agreements with our suppliers or hedging arrangements that could lessen the impact of metal price fluctuations.

We maintain substantial inventories of metal to accommodate the short lead times and delivery requirements of our customers. Our customers typically purchase products from us pursuant to purchase orders and typically do not enter into long-term purchase agreements or arrangements with us. Accordingly, we purchase metal in quantities we believe to be appropriate to satisfy the anticipated needs of our customers based on information derived from customers, market conditions, historic usage and industry research. Commitments for metal purchases are generally at prevailing market prices in effect at the time orders are placed or at the time of shipment. During periods of rising metal costs, our results may be negatively impacted by increases in the costs of the metals we purchase if we are unable to make equivalent increases in the selling prices of the products we sell. In addition, when metal prices decline, our selling prices generally decline and, as we sell inventory purchased at higher costs, results in lower gross profit margins and gross profit. Consequently, during periods in which we sell this existing inventory, the effects of changing metal prices could adversely affect our operating results.

***Global economic conditions, including inflation, elevated interest rates, infectious disease and supply chain disruptions, have adversely affected, and could continue to adversely affect, our operations.***

Our financial condition and results of operations are impacted by global markets and economic conditions over which we do not have control. A general global economic downturn or other adverse macroeconomic trends, including heightened inflation, capital markets volatility, currency rate fluctuations, an economic slowdown or recession, or a slowing or stalled recovery therefrom, have in the past resulted in and may in the future result in unfavorable conditions that negatively affect demand and selling prices for our products and exacerbate some of the other risks that affect our business, financial condition and results of operations.

In addition, the Federal Reserve in the U.S. and other central banks in various countries have raised interest rates in response to concerns about inflation, which, coupled with volatility in financial markets and the possibility that such rates may remain elevated for longer than expected, has had and may continue to have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation have resulted in recessionary pressures in many parts of the world.

We believe recent inflationary pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and our operations. If such pressures increase our operating costs and we are unable to increase our gross profit at a similar rate due to decreases in demand, lack of mill price increases, our inability to pass any increases in metals replacement costs to our customers, or otherwise, our operating income margins would decline and our business, financial condition and results of operations could be adversely affected.

The war in Ukraine has led, is currently leading, and for an unknown period of time will continue to lead to disruptions in local, regional, national, and global markets and economies affected thereby, including in the global steel market. These disruptions caused by the invasion have included, and may continue to include, political, social, and economic disruptions and uncertainties and material increases in certain commodity prices that may affect our business operations. In addition, the duration and impact of the evolving conflict surrounding Israel and Gaza is unknown but is likely to have global economic and political ramifications.

In 2020, our operations were adversely affected by the impacts of the COVID-19 pandemic and related macroeconomic effects. Other outbreaks of contagious diseases, or other adverse public health developments in countries where we operate or our customers are located, could similarly adversely affect our business, results of operations and financial condition in the future.

***Excess capacity and over-production by foreign metal producers or decreases in tariffs could increase the level of metal imports into the U.S., resulting in lower domestic prices, which would adversely affect our sales, margins and profitability.***

Global metal-making capacity exceeds demand for metal products in some regions around the world. Rather than reducing employment by rationalizing capacity with consumption, we believe metal manufacturers in many countries (often with government assistance or subsidies in various forms) have periodically exported metal at prices which may not reflect their costs of production or capital. Excessive imports of metal into the U.S. have exerted, and may continue to exert, downward pressure on U.S. metal prices.

On March 1, 2018, the U.S. announced a plan to indefinitely impose a 25 percent tariff on certain imported steel products and a 10 percent tariff on certain imported aluminum products under Section 232 of the Trade Expansion Act of 1962 (the “Section 232”) tariffs. These Section 232 tariffs were imposed on national security grounds and addressed imported steel that was being unfairly traded by certain foreign competitors at artificially low prices. In retaliation against the Section 232 tariffs, the European Union subsequently imposed its own tariffs against certain steel products and other goods imported from the U.S. In recent years, negotiations between the U.S. government and other governments have resulted in revisions to these measures. To the extent these tariffs and other trade actions result in a decrease in international demand for steel and aluminum produced in the U.S. or otherwise negatively impact demand for our products, our business may be adversely impacted.

We expect that these tariffs, while in effect, will discourage metal imports from non-exempt countries. These tariffs have had a favorable impact on the prices of the products we sell and our results of operations. If these or other tariffs or duties expire or if others are relaxed or repealed, or if relatively higher U.S. metal prices make it attractive for foreign metal producers to export their products to the U.S., despite the presence of duties or tariffs, the resurgence of substantial imports of foreign metal could create downward pressure on U.S. metal prices. In recent years, the U.S. government agreed to modified tariff rate quota systems with each of the European Union, Japan and the United Kingdom that allow more imports from those trading partners to enter the U.S. market free of Section 232 tariffs. The U.S. government may also negotiate reductions or eliminations of Section 232 duties with other trading partners. If the Section 232 measures are further removed or substantially lessened, whether through legal challenge, legislation, executive action or otherwise, imports of foreign metals would likely increase and metal prices in the U.S. would likely fall, which could materially adversely affect our revenues, financial results and cash flows.

***We operate in an industry that is subject to cyclical fluctuations and any downturn in general economic conditions or in our customers' specific industries could negatively impact our profitability and cash flows.***

The metals service center industry is cyclical and impacted by both market demand and metals supply. Periods of economic slowdown (such as global or regional recessions) decrease the demand for our products and adversely affect our pricing. If either demand or pricing were to decline from the current levels, this could reduce our profitability and cash flows.

We sell many products to industries that are cyclical, such as the non-residential construction, semiconductor, energy, automotive, aerospace and heavy equipment industries. Although many of our direct sales are to sub-contractors or job shops that may serve many customers and industries, the demand for our products is directly related to, and quickly impacted by, demand for the finished goods manufactured by customers in these industries, which may change as a result of changes in the general U.S. or worldwide economy, inflation, domestic exchange rates, energy prices or other factors beyond our control.

***We compete with a large number of companies in the metals service center industry, and, if we are unable to compete effectively, our profitability and cash flows may decline.***

We compete with a large number of other general-line distributors and processors, and specialty distributors in the metals service center industry. Competition is based principally on price, inventory availability, timely delivery, customer service, quality and processing capabilities. Competition in the various markets in which we participate comes from companies of various sizes, some of which have more established brand names in the local markets that we serve. To compete for customer sales, we may lower prices or offer increased services at a higher cost, which could reduce our profitability and cash flows. Rapidly declining prices and/or demand levels may escalate competitive pressures, with service centers selling at substantially reduced prices, and sometimes at a loss, in an effort to reduce their high-cost inventory and generate cash. Any increased and/or sustained competitive pressure could cause our share of industry sales to decline along with our profitability and cash flows.

***If we were to lose any of our primary suppliers or otherwise be unable to obtain sufficient amounts of necessary metals on a timely basis, we may not be able to meet our customers' needs and may suffer reduced sales.***

We have few long-term contracts to purchase metals. Therefore, our primary suppliers of aluminum, carbon, stainless and alloy steel or other metals could curtail or discontinue their delivery of these metals to us in the quantities we need with little or no notice. Our ability to meet our customers' needs and provide value-added inventory management services depends on our ability to maintain an uninterrupted supply of high-quality metal products from our suppliers. If our suppliers experience production problems, lack of capacity or transportation disruptions, the lead times for receiving our supply of metal products could be extended and the cost of our inventory may increase. If, in the future, we are unable to obtain sufficient amounts of the necessary metals at competitive prices and on a timely basis from our customary suppliers, we may not be able to obtain these metals from acceptable alternative sources at competitive prices to meet our delivery schedules. Even if we do find acceptable alternative suppliers, the process of locating and securing these alternatives may be disruptive to our business, which could have an adverse impact on our ability to meet our customers' needs and reduce our profitability and cash flows. In addition, if a significant domestic supply source is discontinued and we cannot find acceptable domestic alternatives, we may need to find foreign sources of supply. Using foreign sources of supply could result in longer lead times, increased price volatility, less favorable payment terms, increased exposure to foreign currency movements and certain tariffs and duties and require greater levels of working capital. Alternative sources of supply may not maintain the quality standards that are in place with our current suppliers that could impact our ability to provide the same quality of products to our customers that we have provided in the past, which could cause our customers to move their business to our competitors or to file claims against us, and such claims may be more difficult to pass through to foreign suppliers.

There has been significant consolidation at the metal producer level both globally and within the U.S. This consolidation has reduced the number of suppliers available to us, which may limit our ability to obtain the necessary metals to service our customers. The number of available suppliers may be further reduced if the general economy enters into another recession.

***We rely upon our suppliers as to the specifications of the metals we purchase from them.***

We rely on mill certifications that attest to the physical and chemical specifications of the metal received from our suppliers for resale and generally, consistent with industry practice, we do not undertake independent testing of such metals unless independent tests are required by customers. We rely on customers to notify us of any metal that does not conform to the specifications certified by the supplying mill. Although our primary sources of products have been domestic mills, we have and will continue to purchase product from foreign suppliers when we believe it is appropriate. In the event that metal purchased from domestic suppliers is deemed to not meet quality specifications as set forth in the mill certifications or customer specifications, we generally have recourse against these suppliers for both the cost of the products purchased and possible claims from our customers. However, such recourse will not compensate us for the damage to our reputation that may arise from substandard products and possible losses of customers. Moreover, there is a greater level of risk that similar recourse will not be available to us in the event of claims by our customers related to products from foreign suppliers that do not meet the specifications set forth in the mill certifications. In such circumstances, we may be at greater risk of loss for claims for which we do not carry, or carry insufficient, insurance.

***Climate change might adversely impact our supply chain or our operations.***

Concern about climate change might result in new legal and regulatory requirements to reduce or mitigate the effects of climate change. While we believe our operations do not emit significant amounts of carbon dioxide or other greenhouse gases, legal or regulatory changes related to climate change may result in higher prices for metal, higher prices for utilities required to run our facilities, higher fuel costs for us and our suppliers, increased compliance costs and other adverse impacts. To the extent that new legislation or regulations increase our costs, we may not be able to fully pass these costs on to our customers without a resulting decline in sales and adverse impact to our profits.

Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure in the U.S. and elsewhere have the potential to disrupt our business, the business of our third-party suppliers, and the business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations.

There is also increased focus by governmental and non-governmental entities on sustainability matters. Any perception that we have failed to act responsibly regarding climate change could result in negative publicity and adversely affect our business and reputation.

There also has been increased stakeholder focus, including by U.S. and foreign governmental authorities, investors, customers, media and nongovernmental organizations, on environmental sustainability matters, such as climate change, the reduction of greenhouse gases and water consumption. Legislative, regulatory or other efforts to combat climate change or other environmental concerns could result in future increases in taxes, restrictions on or increases in the costs of supplies, transportation and utilities, any of which could increase our operating costs, and necessitate future investments in facilities and equipment. Further, our customers may impose emissions reduction or other environmental standards and requirements. As a result, we may experience increased compliance burdens and the sourcing of our products may be adversely affected. These risks also include the increased pressure to make commitments, set targets, or establish additional goals to take actions to meet them, which could expose us to market, operational, execution and reputational costs or risks.

Developing and acting on initiatives within the scope of social and environmental sustainability, and collecting, measuring and reporting environmental sustainability-related information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards. Further, statements about our social and environmental sustainability-related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. If our social and environmental sustainability-related data, processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our goals within the scope of social and environmental sustainability on a timely basis, or at all, our reputation, business, financial performance and growth could be adversely affected.

***We face increased competition from alternative materials and risks concerning innovation, new technologies, products and increasing customer requirements.***

As a result of increasingly stringent regulatory requirements, designers, engineers and industrial manufacturers, especially those in the automotive industry, may be increasing their use of lighter weight and alternative materials, such as composites, plastics, glass and carbon fiber. In addition, higher sustained market prices of metal products could cause new alternative material producers to enter the market. New or increased use of such materials could reduce the demand for metal products, which may reduce our profitability and cash flow.

***If metals prices increase compared to certain substitute materials, the demand for our products could be negatively impacted, which could have an adverse effect on our financial results.***

In certain applications, metal products compete with other materials, such as composites, glass, carbon fiber, wood and plastic. Prices of all of these materials fluctuate widely, and differences between the prices of these materials and the price of metal products may adversely affect demand for our products and/or encourage material substitution, which could adversely affect the prices of and demand for metal products. The higher cost of metal relative to certain other materials may make material substitution more attractive for certain uses.

***Our insurance coverage, customer indemnifications or other liability protections may be unavailable or inadequate to cover all of our significant risks or our insurers may deny coverage of or be unable to pay for material losses we incur, which could adversely affect our profitability and overall financial position.***

We strive to obtain insurance agreements from financially solid, highly rated counterparties in established markets to cover significant risks and liabilities. Not every risk or liability can be insured, and for risks that are insurable, the policy limits and terms of coverage reasonably obtainable in the market may not be sufficient to cover all actual losses or liabilities incurred. Even if insurance coverage is available, we may not be able to obtain it at a price or on terms acceptable to us. Disputes with insurance carriers, including over policy terms, reservation of rights, the applicability of coverage (including exclusions), compliance with provisions (including notice) and/or the insolvency of one or more of our insurers may significantly affect the amount or timing of recovery.

In some circumstances we may be entitled to certain legal protections or indemnifications from our customers through contractual provisions, laws, regulations or otherwise. However, these protections are not always available, are typically subject to certain terms or limitations, including the availability of funds, and may not be sufficient to cover all losses or liabilities incurred.

If insurance coverage, customer indemnifications and/or other legal protections are not available or are not sufficient to cover our risks or losses, it could have a material adverse effect on our financial position, results of operations and/or cash flows.

***If we do not successfully implement our growth strategy, our ability to grow our business could be impaired.***

We may not be able to identify suitable acquisition candidates or successfully complete any acquisitions or integrate any other businesses into our operations. If we cannot identify suitable acquisition candidates or are otherwise unable to complete acquisitions, we may not be able to continue to grow our business as expected and, if we cannot successfully integrate recently acquired businesses, we may incur increased or redundant expenses. Moreover, any additional indebtedness we incur to pay for these acquisitions could adversely affect our liquidity and financial condition.

We have invested a significant amount of capital in new locations and new processing capabilities. We may not be able to identify sufficient opportunities for internal growth to be able to sustain growth at similar levels. In addition, we may not realize the expected returns from these investments.

***Acquisitions present many risks, and we may not realize the financial and strategic goals that were contemplated at the time of each transaction.***

Since our initial public offering in September 1994, we have successfully purchased 73 businesses. We continue to evaluate acquisition opportunities and expect to continue to grow our business through acquisitions in the future. Risks we may encounter in acquisitions include:

- the acquired company may not perform as anticipated or expected strategic benefits may not be realized, which could result in an impairment charge or otherwise impact our results of operations;
- we may not realize the anticipated increase in our revenues if a larger than predicted number of customers decline to continue purchasing products from us;
- we may have to delay or not proceed with a substantial acquisition if we cannot obtain the necessary regulatory approval or funding to complete the acquisition in a timely manner;
- we may significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or assume existing debt of an acquired company, which, among other things, may result in a downgrade of our credit ratings;
- we may have increased inventory exposure for a short time period if the acquired company has significant amounts of material on order;
- our relationship with current and new employees, customers and suppliers could be impaired;
- our safety performance may decline, and our incidence rates increase;
- our due diligence process may fail to identify risks that could negatively impact our financial condition;
- we may lose anticipated tax benefits or have additional legal or tax exposures if we have prematurely or improperly combined entities;
- we may face contingencies related to product liability, intellectual property, financial disclosures, environmental issues, violations of regulations/policies, tax positions and accounting practices or internal controls;
- the acquisition may result in litigation from terminated employees or third parties;
- our management's attention may be diverted by transition or integration issues;
- costs and investments in excess of our expectations may be required to implement necessary compliance processes and related systems, including IT systems, accounting systems and internal controls over financial reporting;
- we may pay more than the acquired company is worth;
- we may assume substantial additional environmental exposures, commitments, contingencies and remediation and reclamation projects; and

- we may undertake acquisitions financed in part through public offerings or private placements of debt or equity securities, or other arrangements. Such acquisition financing could result in a decrease in our earnings and adversely affect other leverage measures. If we issue equity securities or equity-linked securities, the issued securities may have a dilutive effect on the interests of the holders of our common stock.

These factors could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the case of a larger acquisition or the completion of a number of acquisitions in any short period of time.

In addition, most of the acquisition agreements we have entered into require the former owners to indemnify us against certain liabilities related to the operation of those companies before we acquired them. In most of these agreements, however, the liability of the former owners is limited, and certain former owners may be unable to meet their indemnification responsibilities. Similarly, the purchasers of our non-core businesses may from time to time agree to indemnify us for operations of such businesses after the closing. We cannot be assured that any of these indemnification provisions will fully protect us, and as a result we may face unexpected liabilities that adversely affect our consolidated results of operations, financial condition and cash flows.

***We are a decentralized company, which presents certain risks.***

With a diverse geographic footprint in both North America and internationally, we believe our decentralized structure has catalyzed our growth and enabled us to remain responsive to opportunities and to our customers' needs by leaving significant control and decision-making authority and accountability in the hands of local management. Because we are decentralized, we may be slower to detect compliance-related problems (e.g., a rogue employee undertaking activities that are prohibited by applicable law or by our internal policies) and "company-wide" business initiatives, such as the integration of disparate information technology systems, are often more challenging and costly to implement than they would be in a more centralized environment. Depending on the nature of the problem or initiative in question, such failure could materially adversely affect our business, financial condition or results of operations.

***We are subject to various environmental, employee safety and health, and customs and export laws and regulations, which could subject us to significant liabilities and compliance expenditures.***

We are subject to foreign, federal, state and local environmental laws and regulations concerning air emissions, wastewater discharges, underground storage tanks and solid and hazardous waste disposal at or from our facilities. Our operations are also subject to various employee safety and health laws and regulations, including those concerning occupational injury and illness, employee exposure to hazardous materials and employee complaints. We are also subject to customs and export laws and regulations for international shipment of our products. Environmental, employee safety and health, and customs and export laws and regulations are comprehensive, complex and frequently changing. Some of these laws and regulations are subject to varying and conflicting interpretations. We are subject from time to time to administrative and/or judicial proceedings or investigations brought by private parties or governmental agencies with respect to environmental matters, employee safety and health issues or customs and export issues. Proceedings and investigations with respect to environmental matters, any employee safety and health issues or customs and export issues could result in substantial costs to us, divert our management's attention and result in significant liabilities, fines or the suspension or interruption of our operating activities. Some of our current properties are located in industrial areas with histories of heavy industrial use. The location of these properties may require us to incur environmental expenditures and to establish accruals for environmental liabilities that arise from causes other than our operations. In addition, we are currently remediating contamination in connection with a certain property related to activities at former manufacturing operations of a subsidiary we acquired. Future events, such as changes in existing laws and regulations or their enforcement, new laws and regulations or the discovery of conditions not currently known to us, could result in material environmental or export compliance or remedial liabilities and costs, constrain our operations or make such operations more costly.

***We operate internationally and are subject to changes in tax rates, exchange rate fluctuations, exchange controls, political risks and other risks relating to international operations.***

Seven percent of our 2023 consolidated net sales were from operations outside the U.S., subjecting us to the risks of doing business on a global level. These risks include changes in tax rates, fluctuations in currency exchange rates, economic instability and disruptions, restrictions on the transfer of funds and the imposition of duties and tariffs. Additional risks from our multinational business include transportation delays and interruptions, war, terrorist activities, epidemics, pandemics, political instability, import and export controls, local regulation, changes in governmental policies, inflation, labor unrest and current and changing regulatory environments. International political and military conflict, such as the war in Ukraine, increasing tensions between Taiwan and China, or evolving events in Israel and Gaza could materially adversely affect the global economy. In addition, government policies on international trade and investment such as import quotas, tariffs, and capital controls, whether adopted by individual governments or addressed by regional trade blocs, can affect the demand for our customers' products and services. The implementation of more restrictive trade policies, such as higher tariffs or new barriers to entry, in countries in which our customers sell large quantities of products and services could negatively impact our business, results of operations and financial condition. The Organization for Economic Cooperation and Development ("OECD") has created a framework among 140 countries with the objective of implementing a global minimum effective tax rate of 15%. While we do not anticipate a material impact to our effective income tax rate under these changes, as additional jurisdictions adopt this legislation and the rules continue to evolve, our effective income tax rate and income taxes paid could increase in future years.

Our operating results could be negatively affected by the global laws, rules and regulations, as well as political environments in the jurisdictions in which we operate. For example, we are subject to the FCPA, and similar worldwide anti-bribery laws in non-U.S. jurisdictions such as the United Kingdom's Bribery Act 2010, which generally prohibit companies and their intermediaries from corruptly paying, offering to pay, or authorizing the payment of money, a gift, or anything of value, to a foreign official or foreign political party, for purposes of obtaining or retaining business. A company can be held liable under these anti-bribery laws not just for its own direct actions, but also for the actions of its foreign subsidiaries or other third parties, such as agents or distributors. In addition, we could be held liable for actions taken by employees or third parties on behalf of a company that we acquire. If we fail to comply with the requirements under these laws and regulations, we may face possible civil and/or criminal penalties, which could have a material adverse effect on our business or financial results.

***We rely on information management systems and any damage, interruption or compromise of our information technology management systems, networks or data could disrupt and harm our business.***

We rely upon information technology systems and networks in connection with the operation of our business, some of which are managed by third parties, to process, transmit and store electronic information. These systems and networks may include operational technology systems that we use to operate and manage our equipment and inventory. Additionally, we collect and store data that is sensitive to our company, including proprietary business information and the personal information of our employees, customers or others. Operating these information technology systems and networks and processing and maintaining this data, in a secure manner, is critical to our business operations and strategy. Our information management systems and the data contained therein are vulnerable to threats and disruption, including interruption due to power loss, system and network failures, operator negligence and similar causes.

In addition, our systems and data are susceptible to cybersecurity incidents, such as viruses, malware, ransomware and other cybersecurity attacks. Cybersecurity attacks are increasing in frequency and sophistication. Cybersecurity attacks may range from random attempts to coordinated and targeted attacks, including sophisticated computer crime and advanced threats. These threats pose a risk to the security of our information technology systems and networks and the confidentiality, availability and integrity of our data. We have experienced cybersecurity events such as viruses and attacks on our IT systems. To date, none of these events has had a material impact on our operations or financial results.

Despite our efforts to protect our systems, networks and data, we cannot guarantee protection from all cybersecurity incidents, including theft, misplaced or lost data, programming errors, or employee errors that could potentially lead to the compromise of such data, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions. Furthermore, data protection laws and regulations around the world often require “reasonable,” “appropriate” or “adequate” technical and organizational security measures, and the interpretation and application of those laws and regulations are often uncertain and evolving; there can be no assurance that our security measures will be deemed adequate, appropriate or reasonable by a regulator or court. Moreover, even security measures that are deemed appropriate, reasonable, and/or in accordance with applicable legal requirements may not be able to protect the information we maintain.

Given the unpredictability of the timing, nature and scope of security incidents such as cybersecurity attacks or potential disruptions, we are subject to production downtimes, operational delays, other detrimental impacts on our operations or ability to provide products and services to our customers, the compromising, misappropriation, destruction or corruption of data, unauthorized access to or acquisition of data, other manipulation or improper use of our systems or networks, financial losses from remedial actions, loss of business or potential liability, and/or damage to our reputation, any of which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition. Any significant compromise of our information management systems and networks or data could impede or interrupt our business operations and may result in negative consequences including loss of revenue, fines, penalties, litigation, reputational damage, regulatory actions or increased regulatory scrutiny, inability to accurately and/or timely complete required filings with government entities including the SEC and the Internal Revenue Service, unavailability or disclosure of confidential information (including personal data), negative impact on our stock price, environmental damage, and personal injury or death. Furthermore, we may be required to expend significant attention and financial resources to protect against physical or security incidents that could result in the misappropriation of our information or the information of our employees and customers.

While we have purchased cybersecurity insurance, there are no assurances that the coverage would be adequate in relation to any incurred losses. Moreover, as cyber-attacks increase in frequency and magnitude, we may be unable to obtain cybersecurity insurance in amounts and on terms we view as adequate for our operations.

***Our enterprise data practices, including the collection, use, sharing, and security of the personal identifiable information of our customers, employees, or suppliers are subject to increasingly complex, restrictive, and punitive regulations in all key market regions.***

Various federal, state, and foreign laws and regulations as well as industry standards and contractual obligations govern the collection, use, retention, protection, disclosure, cross-border transfer, localization, sharing, and security of the data we receive from and about our customers, employees, suppliers, and other individuals. The regulatory environment for the collection and use of personal information for companies is evolving in the U.S. and internationally.

Under global data privacy and data protection regulations, the failure to maintain compliant data practices could result in consumer complaints, regulatory inquiry, civil or criminal penalties, litigation, legal liability, as well as brand impact or other harm to our business. In addition, increased consumer sensitivity to real or perceived failures in maintaining acceptable data practices could damage our reputation and deter current and potential users or customers from using our products and services. Because many of these laws are new, there is little clarity as to their interpretation, as well as a lack of precedent for the scope of enforcement. Other foreign, state and local jurisdictions have adopted and are considering adopting, laws and regulations imposing obligations regarding personal data. In some cases, these laws provide a private right of action that would allow customers to bring suit directly against us for mishandling their data or security incidents involving their personal information. The cost of compliance with these laws and regulations will be high and is likely to increase in the future.

***Our financial results may be affected by various legal and regulatory proceedings, including those involving antitrust, tax, environmental, or other matters.***

We are subject to a variety of litigation and legal compliance risks. These risks include, among other things, possible liability relating to product liability, personal injuries, intellectual property rights, contract-related claims, government contracts, taxes, environmental matters and compliance with U.S. and foreign laws, including competition laws and laws governing improper business practices. We or one of our subsidiaries could be charged with wrongdoing as a result of such matters. If convicted or found liable, we could be subject to significant fines, penalties, repayments, or other damages (in certain cases, treble damages). As a global business, we are subject to complex laws and regulations in the U.S. and other countries in which we operate. Those laws and regulations may be interpreted in different ways. They may also change from time to time and so may their related interpretations. Changes in laws or regulations could result in higher expenses and payments, and uncertainty relating to laws or regulations may also affect how we conduct our operations and structure our investments and could limit our ability to enforce our rights.

***The volatility of the stock market could result in a material impairment of goodwill or indefinite-lived intangible assets.***

We review the recoverability of goodwill and indefinite-lived intangible assets annually or whenever significant events or changes in circumstances occur that might impair the recovery of recorded costs. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill or indefinite-lived intangible assets may not be recoverable, include a decline in stock price and market capitalization, declines in the market conditions for our products, viability of end markets, loss of customers, reduced future cash flow estimates, and slower growth rates in our industry. If prices for the products our customers sell fall substantially or remain low for a sustained period, we may be (i) unable to realize a profit from businesses that service such customers, (ii) required to record additional impairments, or (iii) required to suspend or reorganize operations that service such customers. An impairment charge, if incurred, could be material.

***Our business operations and financial performance could be adversely affected by changes in our relationship with our employees or changes to U.S. or foreign employment regulations.***

We had approximately 15,000 employees worldwide as of December 31, 2023. This means we have a significant exposure to changes in domestic and foreign laws governing our relationships with our employees, including wage and hour laws and regulations, fair labor standards, minimum wage requirements, overtime pay, unemployment tax rates, workers' compensation rates, citizenship requirements and payroll taxes, which likely would have a direct impact on our operating costs. A significant increase in minimum wage or overtime rates in jurisdictions where we have employees could have a significant impact on our operating costs and may require that we relocate those operations or take other steps to mitigate such increases, all of which may cause us to incur additional costs, expend resources responding to such increases and lower our profitability.

***We face certain risks associated with potential labor disruptions.***

Approximately 12% of our employees are covered by collective bargaining agreements and/or are represented by unions or workers' councils. Approximately 700 employees are covered by 19 different collective bargaining agreements that expire in 2024 unless renewed. While we believe that our relations with our employees are generally good, we cannot provide assurances that we will be completely free of labor disruptions such as work stoppages, work slowdowns, union organizing campaigns, strikes, lockouts or that any existing labor disruption will be favorably resolved. We could incur additional costs and/or experience work stoppages that could adversely affect our business operations through a loss of revenue and strained relationships with customers.

**Risks Related to our Indebtedness**

***Our indebtedness could impair our financial condition or cause a downgrade of our credit rating and reduce the funds available to us for other purposes and our failure to comply with the covenants contained in our debt instruments could result in an event of default that could adversely affect our operating results.***

We have substantial debt service obligations. As of December 31, 2023, we had aggregate outstanding indebtedness of approximately $1.15 billion. This indebtedness could adversely affect us in the following ways:

- additional financing may not be available to us in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes and, if available, may be considerably more costly than our current debt service costs;
- a significant portion of our cash flow from operations must be dedicated to the payment of interest and principal on our debt, which reduces the funds available to us for our operations, dividends and share repurchases or other purposes;

- our leverage may increase our vulnerability to economic downturns and limit our ability to withstand adverse events in our business by limiting our financial alternatives; and

- our ability to capitalize on significant business opportunities, including potential acquisitions, and to plan for, or respond to, competition and changes in our business may be limited due to our indebtedness.

Our existing debt agreements contain financial and restrictive covenants that limit the total amount of debt that we may incur and may limit our ability to engage in other activities that we may believe are in our long-term best interests. Our failure to comply with these covenants may result in an event of default, which, if not cured or waived, could accelerate the maturity of our indebtedness or prevent us from accessing additional funds under our revolving credit facility. If the maturity of our indebtedness is accelerated, we may not have sufficient cash resources to satisfy our debt obligations and we may not be able to continue our operations as planned. See discussion regarding our financial covenants in the "*Liquidity and Capital Resources*" section of *Item 7* "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

***Our acquisition strategy and growth-related capital expenditures may require access to external capital, and limitations on our access to external financing sources could impair our ability to grow.***

We may have to rely on external financing sources, including commercial borrowings and issuances of debt and equity securities, to fund our acquisitions and growth-related capital expenditures. Limitations on our access to external financing sources, whether due to tightened capital markets, available capital with unfavorable interest rates or otherwise, could impair our ability to execute our growth strategy.

***Because all of our available borrowing capacity on our revolving credit facility bears interest at rates that fluctuate with changes in certain prevailing short-term interest rates, if we increase our leverage in the future, we are vulnerable to increases in interest rates.***

As of December 31, 2023, we had an insignificant amount of variable interest rate debt outstanding. However, as of December 31, 2023, we had approximately $1.5 billion available for borrowing on our revolving credit facility at variable interest rates. We currently do not use derivative financial instruments to manage the potential impact of interest rate risk. Accordingly, if we borrow on our revolving credit facility, our interest expense will fluctuate based on the Secured Overnight Financing Rate and other variable interest rates.

## Item 1B. Unresolved Staff Comments

None.

## Item 1C. Cybersecurity

### Risk Management and Strategy

Reliance has implemented processes for assessing, identifying and managing material risks from cybersecurity threats, which are integrated into the Company's overall enterprise risk management systems and processes. The Company's cybersecurity risk program is largely based on the U.S. National Institute for Standards and Technology ("NIST") cybersecurity framework and other applicable industry frameworks. The Company regularly assesses the threat landscape and takes a holistic view of cybersecurity risks, with a layered cybersecurity strategy based on prevention, detection and containment. The Company has also engaged third parties in connection with the assessment and advancement of its cybersecurity risk management processes. We undertake regular vulnerability scanning, periodic penetration testing and maturity assessments with the support of third parties; vulnerabilities are subsequently addressed based on risk/benefit analyses.

To support our preparedness, we have constituted a Cybersecurity Review Committee ("CRC") and adopted a written cybersecurity incident response plan ("CIRP"). In the event of a cybersecurity incident, our CRC refers to our CIRP and existing management internal controls processes. Pursuant to these prescribed processes, designated personnel are responsible for assessing the severity of the incident and any associated threats, containing and resolving the incident as quickly as possible, managing any damage to the Company's systems and networks, minimizing the impact on the Company's stakeholders, analyzing and executing upon reporting obligations, escalating information about the incident to senior management and potentially representatives from the Board, as appropriate, and performing post-incident analysis and program enhancements, as needed. We perform tabletop exercises to test our incident response procedures, identify cybersecurity gaps and vulnerabilities and improvement opportunities and exercise team preparedness.

Reliance mandates regular cybersecurity training for employees and applicable contractors and considers this a critical step in safeguarding the Company's data and assets. The training is designed to provide employees and contractors with a baseline understanding of cybersecurity fundamentals to prevent security breaches and safely identify potential threats. The course includes enhancements to strengthen our defensive stance against the increasing number and sophistication of cyberattacks worldwide and also includes interactive modules covering various cyberattack methodologies, including insider attacks, phishing and other email attacks, malware attacks, data protection, data handling, password protections, cloud and internet security and cybersecurity fundamentals for mobile devices. We take a risk-based approach with respect to our use and oversight of third-party service providers, using a number of means to assess cyber risks related to our third-party service providers, including vendor questionnaires, conducting due diligence in connection with onboarding new vendors, and negotiating for cybersecurity-related terms in vendor agreements as appropriate. We also seek to collect and assess cybersecurity audit reports and other supporting documentation when available.

**Cybersecurity Risks**

Like other complex corporations, Reliance is the target of cyber-attacks from time to time. However, since January 1, 2021 (the first date covered by the financial statements presented in this Form 10-K) we have not experienced any cybersecurity incident that has materially affected or is reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. For additional information about risks related to cybersecurity, please see the risk factor set forth under the caption *Item 1A. "Risk Factors"* the Risk Factor captioned "*We rely on information management systems and any damage, interruption or compromise of our information technology management systems, networks or data could disrupt and harm our business.*"

**Governance**

*Roles and Responsibilities*

Cybersecurity is an important element of our risk management processes and an area of particular focus for Reliance's Board of Directors and management. The Company's Sr. Director, Information Security ("ISD") serves as single point of communication and coordination for protecting the Company and its digital information. The ISD performs an initial assessment of each reported cyber incident and escalates all non-trivial cybersecurity incidents and risks to the CRC. The CRC is primarily responsible for assessing and managing material risks from cybersecurity threats and is comprised of a cross-functional team including the ISD, the Chief Information Officer ("CIO") as well as senior representatives from the Company's risk management, finance and legal functions. The ISD has 17 years of cybersecurity experience, including 6 years with Reliance. The ISD maintains industry recognized credentials relevant to his role.

The Board, acting through its committee structure, is responsible for overseeing management's implementation and execution of the enterprise risk management processes and for coordinating the outcome of reviews by Committees in their respective risk areas. Although each Committee is responsible for overseeing the management of certain risks, the full Board is regularly informed by the Committees about these risks. This helps enable the Board and the Committees to coordinate risk oversight and the relationships among the various risks faced by the Company, including cybersecurity risk. Directors with experience overseeing and managing risk management processes play a critical role in the Board's oversight of our enterprise risk management processes.

The full Board has designated the Audit Committee to be responsible for oversight of cybersecurity risk. The Audit Committee receives regular reports from the CIO and the ISD that may discuss topics such as prior assessments, cybersecurity trends, prior cybersecurity events, and planned enhancements. In addition, the Audit Committee also receives regular periodic reports regarding information technology general controls in connection with its oversight of internal control over financial reporting. The Chair of the Audit Committee regularly briefs the full Board on these matters.

### Item 2. Properties

As of December 31, 2023, we operated a network of over 315 locations in 40 U.S. states and 12 foreign countries. In the opinion of management, all of our facilities are in good condition and are adequate for our existing operations. These facilities currently operate at about 50-60% of capacity based upon a 24-hour seven-day week, with each location averaging approximately two shifts operating at full capacity for a five-day work week. We have the ability to increase our operating capacity significantly without further investment in facilities or equipment if demand levels increase.

We leased 86 of our metals service center facilities as of December 31, 2023. In addition, we have ground leases and other leased spaces, such as depots, sales offices and storage, totaling 6.0 million square feet. Total square footage on all company-owned properties is approximately 31.0 million and represents approximately 84% of the aggregate square footage of our operating facilities. Our leases of facilities and other spaces expire at various times through 2045 and certain ground leases expire at various times through 2068.

### Item 3. Legal Proceedings

The information contained under the captions "Legal Matters" and "Environmental Contingencies" in *Note 16*—"*Commitments and Contingencies*" to our consolidated financial statements in *Part II, Item 8* "*Financial Statements and Supplementary Data*" is incorporated herein by reference.

### Item 4. Mine Safety Disclosures

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is owned by 163 stockholders of record as of February 23, 2024. Our common stock has traded on the New York Stock Exchange ("NYSE") under the symbol "RS" for approximately 30 years since our September 16, 1994 initial public offering. Our stockholders of record exclude those stockholders whose shares are held for them in street name through banks, brokers or other nominee accounts.

We have paid quarterly cash dividends on our common stock for 64 consecutive years and have never reduced or suspended our regular quarterly dividend. In February 2024, our Board of Directors increased the regular quarterly dividend amount 10.0% to $1.10 per share from $1.00 per share. We have increased our regular quarterly dividend rate 31 times since our IPO in 1994. Further increases in the quarterly dividend rate will be evaluated by the Board based on conditions then existing, including our earnings, cash flows, financial condition and capital requirements, or other factors the Board may deem relevant. We expect to continue to declare and pay dividends in the future, if earnings are available to pay dividends, but we also intend to continue to retain a portion of earnings for reinvestment in our operations and expansion of our businesses. We cannot assure you that any dividends will be paid in the future or that, if paid, the dividends will be at the same amount or frequency as paid in the past. Our payment of dividends in the future will depend on business conditions, our financial condition, earnings, liquidity and capital requirements and other factors.

On October 24, 2023, our Board of Directors renewed our then existing share repurchase program to increase the remaining repurchase authorization from $261.5 million to $1.5 billion effective October 30, 2023. The share repurchase program does not obligate us to repurchase any specific number of shares, does not have a specific expiration date and may be suspended or discontinued at any time. We repurchase shares of our common stock from time to time pursuant to a combination of one or more open market repurchases and transactions structured through investment banking institutions in reliance upon Rule 10b5-1 and/or Rule 10b-18 under the Exchange Act.

During 2023, we repurchased approximately 1.9 million shares of our common stock under our repurchase program at an average cost of $255.30 per share, for a total of $479.5 million. As of December 31, 2023, we had remaining authorization under the program to repurchase $1.44 billion of shares of our common stock.

Our share repurchase activity during the three months ended December 31, 2023 was as set forth below:

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plan | Maximum Dollar Value That May Yet Be Purchased Under the Plan (in millions) |
|---|---|---|---|---|
| October 1 - October 31, 2023 | 811,380 | $ 253.78 | 811,380 | $ 1,474.2 |
| November 1 - November 30, 2023 | 118,717 | $ 262.75 | 118,717 | $ 1,443.0 |
| December 1 - December 31, 2023 | 12,310 | $ 264.61 | 12,310 | $ 1,439.7 |
| Total | 942,407 | $ 255.05 | 942,407 | |

The table above excludes taxes paid for shares withheld to settle employees' tax withholding obligations related to net share settlements upon the vesting of restricted stock units.

Information relating to compensation plans under which our equity securities are authorized for issuance will be included in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be held on May 15, 2024 and is incorporated herein by reference.

**Stock Performance Graph**

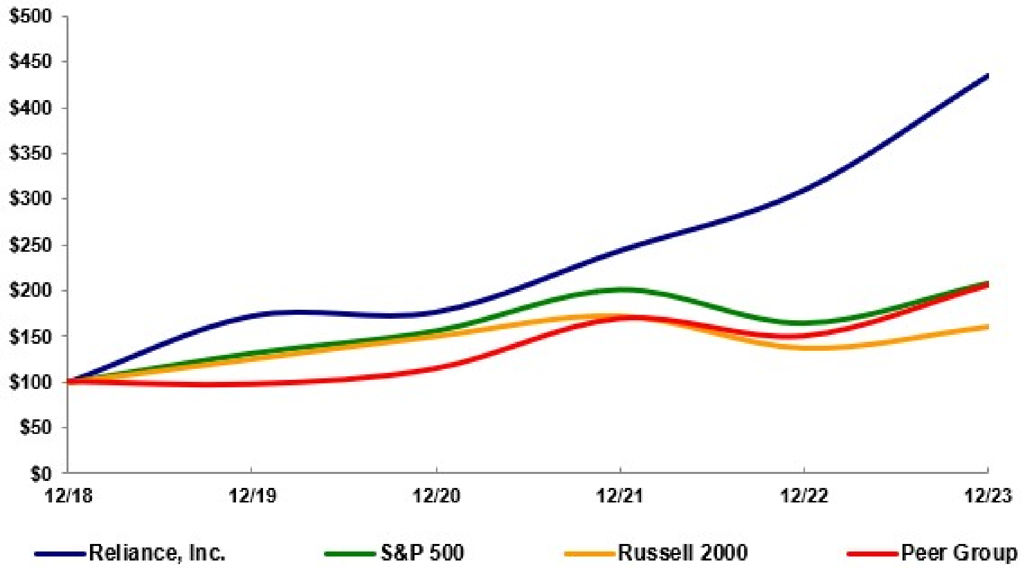
This graph is not deemed to be "filed" with the United States Securities and Exchange Commission ("SEC") or subject to the liabilities of Section 18 of the Exchange Act and should not be deemed to be incorporated by reference into any of our prior or subsequent filings under the Securities Act of 1933 or the Exchange Act.

The following graph compares the performance of our common stock with that of the S&P 500, the Russell 2000 and an industry peer group consisting of publicly-traded metals service center companies (the "industry peer group") for the five-year period from December 31, 2018 through December 31, 2023. The graph assumes, in each case, that an initial investment of $100 is made at the beginning of the five-year period. The cumulative total return reflects market prices at the end of each year and the reinvestment of dividends. Since there is no nationally-recognized industry index consisting of metals service center companies to be used as a peer group index, Reliance constructed the industry peer group. As of December 31, 2023, the industry peer group consisted of Olympic Steel Inc., which has securities listed for trading on NASDAQ; Ryerson Holding Corporation, Worthington Enterprises, Inc., each of which has securities listed for trading on the NYSE; and Russel Metals Inc., which has securities listed for trading on the Toronto Stock Exchange. The returns of each member of the industry peer group are weighted according to that member's stock market capitalization.

In December 2023, Worthington Industries, Inc., which was included in the industry peer group at December 31, 2022, split into Worthington Enterprises, Inc. and Worthington Steel, Inc. The newly traded Worthington Steel, Inc. common stock received by the holders of Worthington Enterprises, Inc. common stock at the distribution date is not included in the cumulative total return of the industry peer group.

The stock price performance shown on the graph below is not necessarily indicative of future price performance.

**Comparison of 5 Year Cumulative Total Return Among Reliance, Inc., the S&P 500 Index, the Russell 2000 Index and an Industry Peer Group**






| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Reliance, Inc. | $ 100.00 | $ 172.25 | $ 176.56 | $ 243.33 | $ 309.10 | $ 433.66 |
| S&P 500 | 100.00 | 131.49 | 155.68 | 200.37 | 164.08 | 207.21 |
| Russell 2000 | 100.00 | 125.52 | 150.58 | 172.90 | 137.56 | 160.85 |
| Industry Peer Group | 100.00 | 97.06 | 114.15 | 169.33 | 149.98 | 205.95 |

**Item 6. [Reserved]**

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the other sections of this Annual Report on Form 10-K, including the consolidated financial statements and related notes contained in Item 8, and the discussion of cautionary statements and significant risks to the Company's business under *Item 1A. "Risk Factors"* of this Annual Report on Form 10-K.

**Overview**

In 2023, our earnings per diluted share of $22.64 and operating cash flow of $1.67 billion were the second highest in our history.

Tons sold increased 3.7% in 2023 compared to 2022 due to healthy demand in our key end markets, including non-residential construction (our largest end market), automotive and aerospace, as well as contributions from our organic growth activities. The increase in our tons sold in 2023 significantly outperformed the 1.5% increase in shipments for the industry as reported by the Metals Service Center Institute ("MSCI").

Our net sales of $14.81 billion declined 13.0% in 2023 compared to record levels of $17.03 billion in 2022 due to a decline in our average selling price per ton sold of 16.4% that was partially offset by an increase in our tons sold.

We believe record metals pricing in 2022 was largely driven by supply chain disruptions caused by the onset of the conflict between Russia and Ukraine, labor supply and microchip shortages, and impacts of the COVID-19 pandemic, including the omicron variant surge and lockdowns in China.

Gross profit margin of 30.7% in 2023 compared to 30.8% in 2022.

Second highest annual earnings per diluted share of $22.64 in 2023 compared to record earnings per diluted share of $29.92 in 2022. Lower gross profit, driven by lower metals prices that outweighed an increase in tons sold, contributed to a decrease in earnings per share from our 2022 record.

Cash flow from operations of $1.67 billion in 2023, also the second highest in our history, decreased from a record $2.12 billion in 2022 due to lower profitability, partially offset by lower working capital needs.

Organic growth activities were substantially comprised of capital expenditures of $468.8 million in 2023 compared to $341.8 million in 2022. We also acquired Southern Steel Supply, LLC ("Southern Steel") in May 2023.

Returns to stockholders totaled $717.6 million in 2023, comprised of $238.1 million of cash dividends and $479.5 million of share repurchases.

***Effect of Demand and Pricing Changes on our Operating Results***

Customer demand can have a significant impact on our results of operations. When volume increases, our revenue dollars generally increase, which contributes to increased gross profit dollars. Conversely, when volume declines, we typically produce fewer revenue dollars, which can reduce our gross profit dollars. Variable costs also increase with volume, primarily our warehouse, delivery, selling, general and administrative expenses. We can reduce certain variable expenses when volumes decline, but we cannot easily reduce our fixed costs.

Pricing for our products generally has a much more significant impact on our results of operations than customer demand levels. As discussed above, our record profitability in 2022 was mainly driven by increases in metals prices to record levels and to a lesser extent the moderate increase in our tons sold. Our revenues generally increase as a result of pricing increases as overall customer demand is not usually impacted by typical mill pricing increases, although customer buying patterns may change. Our selling prices generally increase when the cost of the metals we purchase increase as we are typically able to pass higher prices on to our customers. If prices increase and we maintain the same gross profit percentage, we generate higher levels of gross profit and pretax income dollars for the same operational efforts. Conversely, if pricing declines, we will typically generate lower levels of gross profit and pretax income dollars. For more information, see *Item 1A. "Risk Factors*".

In addition, when volume or pricing increases, our working capital requirements typically increase which decreases operating cash flow. Conversely, when customer demand falls, our working capital needs typically decrease which has the effect of increasing operating cash flow.

***Acquisitions***

*2024 Acquisitions*

On February 1, 2024, we acquired Cooksey Iron & Metal Company ("Cooksey Steel"), a metals service center that processes and distributes finished steel products, including tubing, beams, plates and bars, with cash on hand. Headquartered in Tifton, Georgia, Cooksey Steel operates three locations, servicing a diverse range of customers in Georgia, Florida, Alabama and South Carolina.

On February 14, 2024, we announced that we had entered into a definitive agreement to acquire American Alloy Steel, Inc. ("American Alloy") subject to regulatory approval and other customary closing conditions, which have not yet occurred. American Alloy is headquartered in Houston, Texas and is a distributor of specialty carbon and alloy steel plate and round bar, including pressure vessel quality (PVQ) material.

Combined unaudited revenues for Cooksey Steel and American Alloy for the twelve months ended December 31, 2023 were approximately $400 million.

*2023 Acquisition*

On May 1, 2023, we acquired Southern Steel with cash on hand. Southern Steel is headquartered in Memphis, Tennessee and offers merchant and structural steel, pipe and tube, steel plate, ornamental products and laser cut and fabricated parts. Included in our net sales for the year ended December 31, 2023 were net sales of $30.6 million from Southern Steel.

*2021 Acquisitions*

In the fourth quarter of 2021, we acquired each of United Pipe & Steel Corp. (formerly known as Merfish United, Inc.), Admiral Metals Servicenter Company, Incorporated, Nu-Tech Precision Metals Inc. and Rotax Metals Inc. with cash on hand for a combined transaction value of $440.3 million. Included in our net sales for the year ended December 31, 2023 were combined net sales of $722.1 million from our 2021 acquisitions.

***Internal Growth Activities***

We continued to maintain our focus on internal growth by building new facilities, expanding existing facilities, replacing leased facilities with those we own and adding to our processing capabilities, upgrading processing equipment, improving the safety and energy efficiency of our operations and enhancing the working environments of our employees. Our capital expenditure budgets have been at historically high levels in recent years. Our 2024 capital expenditure budget is approximately $425 million.

We have made significant capital expenditure investments totaling approximately $2.2 billion over the past nine years. These significant investments have expanded our value-added processing capabilities that our managers in the field have successfully leveraged to increase the percentage of our orders with value-added processing, which has significantly contributed to increased gross profit margins compared to our historical range. In 2023 and 2022, we performed value-added processing on approximately 50% to 51% of the orders we shipped, significantly higher than our historical range of 40% to 45%, with a gross profit margin of 30.7% in 2023 that was approximately 400 basis points higher than our historical range of 25% to 27%. For reference, in 2014 and 2013, our value-added processing percentages/gross profit margins were 45%/25.1% and 40%/26.0%, respectively.

We believe that our ability to make significant investments in processing equipment and facilities provides a competitive advantage for us, as we can provide our customers with a higher quality product and expand our services to them. We believe many metals service center company competitors do not have the ability to expand their processing services in response to their customers' needs as quickly and at the same scale as Reliance.

**Results of Operations**

The following sets forth certain income statement data for each of the last three years ended December 31, 2023 (dollars are shown in millions, except per share amounts, and certain percentages may not calculate due to rounding):

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | 2021 | |
| | $ | % of Net Sales | $ | % of Net Sales | $ | % of Net Sales |
| Net sales | $ 14,805.9 | 100.0 % | $ 17,025.0 | 100.0 % | $ 14,093.3 | 100.0 % |
| Cost of sales (exclusive of depreciation and amortization expense shown below)(1) | 10,258.6 | 69.3 | 11,773.7 | 69.2 | 9,603.0 | 68.1 |
| Gross profit(2) | 4,547.3 | 30.7 | 5,251.3 | 30.8 | 4,490.3 | 31.9 |
| Warehouse, delivery, selling, general and administrative expense ("SG&A") | 2,562.4 | 17.3 | 2,504.2 | 14.7 | 2,306.5 | 16.4 |
| Depreciation and amortization expense | 245.4 | 1.7 | 240.2 | 1.4 | 230.2 | 1.6 |
| Impairment of intangible assets | — | — | — | — | 4.7 | — |
| Operating income | $ 1,739.5 | 11.7 % | $ 2,506.9 | 14.7 % | $ 1,948.9 | 13.8 % |
| | | | | | | |
| Net income attributable to Reliance | $ 1,335.9 | 9.0 % | $ 1,840.1 | 10.8 % | $ 1,413.0 | 10.0 % |
| Diluted earnings per share attributable to Reliance stockholders | $ 22.64 | | $ 29.92 | | $ 21.97 | |

(1) Cost of sales included $8.1 million and $13.7 million of amortization of inventory step-up to fair value adjustments in 2022 and 2021, respectively, relating to our 2021 acquisitions.

(2) Gross profit, calculated as net sales less cost of sales, and gross profit margin, calculated as gross profit divided by net sales, are non-GAAP financial measures as they exclude depreciation and amortization expense associated with the corresponding sales. About half of our orders are basic distribution with no processing services performed. For the remainder of our sales orders, we perform "first-stage" processing, which is generally not labor intensive as we are simply cutting the metal to size. Because of this, the amount of related labor and overhead, including depreciation and amortization, is not significant and is excluded from cost of sales. Therefore, our cost of sales is substantially comprised of the cost of the material we sell. We use gross profit and gross profit margin as shown above as measures of operating performance. Gross profit and gross profit margin are important operating and financial measures as their fluctuations can have a significant impact on our earnings. Gross profit and gross profit margin, as presented, are not necessarily comparable with similarly titled measures for other companies.

**Year Ended December 31, 2023 Compared to Year Ended December 31, 2022**

*Net Sales*

| | Year Ended December 31, | | Change | Percentage Change |
|---|---|---|---|---|
| | 2023 | 2022 | | |
| | (dollars in millions; tons in thousands) | | | |
| Net sales | $ 14,805.9 | $ 17,025.0 | $ (2,219.1) | (13.0)% |
| Tons sold | 5,779.2 | 5,570.8 | 208.4 | 3.7 % |
| Average selling price per ton sold | $ 2,570 | $ 3,073 | $ (503) | (16.4)% |

Our tons sold and average selling price per ton sold exclude our tons toll processed. Our average selling price per ton sold includes intercompany transactions that are eliminated from our consolidated net sales.

Our 2023 net sales declined from 2022 record levels due to declines in our average selling price per ton sold that were partially offset by increases in tons sold. The increases in our tons sold were due to healthy demand in our key end markets, including non-residential construction (our largest end market), aerospace, and automotive as well as contributions from our organic growth activities.

Our average selling price per ton sold peaked in the second quarter of 2022 and subsequently declined thereafter, including throughout 2023. We believe record metals pricing in 2022 was largely driven by supply chain disruptions caused by the onset of the conflict between Russia and Ukraine, labor supply and microchip shortages, and impacts of the COVID-19 pandemic, including the omicron variant surge and lockdowns in China.

Since we primarily purchase and sell our inventories in the spot market, our average selling prices generally fluctuate similarly with the changes in the costs of the various metals we purchase; the mix of products sold can also have an impact on our overall average selling price per ton sold. As carbon steel sales represented 53% of our gross sales in 2023, changes in carbon steel prices have the most significant impact on changes in our overall average selling price per ton sold. Year-over-year changes in the selling prices of our major commodity products and related mix of our tons sold are presented below:

| | Change in Average Selling Price Per Ton Sold | Change in Percentage of Total Tons Sold |
|---|---|---|
| Carbon steel | (19.0)% | 1.0 % |
| Aluminum | (6.6)% | (0.3)% |
| Stainless steel | (10.6)% | (0.7)% |
| Alloy | 5.1 % | (0.3)% |

*Cost of Sales and Gross Profit*

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | | |
| | $ | % of Net Sales | $ | % of Net Sales | Dollar Change | Percentage Change |
| | (dollars in millions) | | | | | |
| Cost of sales | $ 10,258.6 | 69.3 % | $ 11,773.7 | 69.2 % | $ (1,515.1) | (12.9)% |
| Gross profit | $ 4,547.3 | 30.7 % | $ 5,251.3 | 30.8 % | $ (704.0) | (13.4)% |
| LIFO income | $ (164.5) | (1.1)% | $ (76.6) | (0.4)% | $ (87.9) | |

Gross profit in 2023 decreased from 2022 mainly due to lower sales as a result of a decrease in average selling price per ton sold that exceeded the increase in tons sold.

In addition, we record in cost of sales non-cash adjustments to our LIFO method inventory valuation reserve that, in effect, reflects cost of sales at current replacement costs. The inventory caption of our consolidated balance sheet included a LIFO method inventory valuation reserve of $579.3 million at December 31, 2023.

Furthermore, cost of sales in 2022 included $8.1 million of non-recurring amortization of inventory step-up to fair value adjustments related to our 2021 acquisitions that decreased gross profit margin by 10 basis points.

We were able to achieve stable gross profit margins despite the significantly different metals pricing environments in 2023 and 2022, with our year-over-year average selling price per ton sold declining 16.4% in 2023 compared to an 18.5% increase in 2022. We believe that our gross profit margins are supported by our product diversity, small order sizes, investments in value-added processing capabilities and healthy demand in the majority of end markets we serve.

See *"Net Sales"* above for further discussion on product pricing trends.

*Expenses*

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | | |
| | $ | % of Net Sales | $ | % of Net Sales | Dollar Change | Percentage Change |
| | (dollars in millions) | | | | | |
| SG&A expense | $ 2,562.4 | 17.3 % | $ 2,504.2 | 14.7 % | $ 58.2 | 2.3 % |
| Depreciation & amortization expense | $ 245.4 | 1.7 % | $ 240.2 | 1.4 % | $ 5.2 | 2.2 % |

Our SG&A expense is made up largely of compensation costs (approximately 60-65% historically), which fluctuate based on changes in our headcount levels in response to demand levels and general inflation, and the level of incentive-based compensation.

The increase in our SG&A expense in 2023 compared to 2022 was mainly due to higher variable costs associated with an increase in our tons sold, including increased headcount, and inflationary impacts on wages, which were partially offset by lower incentive-based compensation.

Our 2023 SG&A expense as a percentage of sales increased compared to 2022 mainly due to lower sales levels.

*Operating Income*

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | | |
| | $ | % of Net Sales | $ | % of Net Sales | Dollar Change | Percentage Change |
| | (dollars in millions) | | | | | |
| Operating income | $ 1,739.5 | 11.7 % | $ 2,506.9 | 14.7 % | $ (767.4) | (30.6)% |

The decrease in our operating income in 2023 as compared to 2022 was mainly a result of lower gross profit, driven by a lower average selling price per ton sold that outweighed an increase in tons sold, along with moderate increases in volume-related SG&A expenses and inflationary impacts on wages.

Our 2023 gross profit margin was generally consistent with 2022 and consequently the decrease in our operating income margin in 2023 from a record level in 2022 was mainly due to lower net sales that decreased operating leverage of our SG&A expense.

See *"Net Sales"* above for discussion of trends in demand and product costs and "*Expenses*" for trends in our operating expenses.

*Other (Income) Expense, Net*

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2023 | | 2022 | | |
| | $ | % of Net Sales | $ | % of Net Sales | Dollar Change |
| | (dollars in millions) | | | | |
| Other (income) expense, net | $ (41.3) | (0.3)% | $ 14.2 | 0.1 % | $ (55.5) |

The change in other (income) expense, net in 2023 compared to 2022 was mainly due to an increase in interest income as a result of higher cash and cash equivalent balances and interest earned thereon. See *Note 15—"Other (Income) Expense, Net"* to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data"* for further information on other (income) expense, net.

*Income Tax Rate*

Our effective income tax rate in 2023 was 23.0%, compared to 24.1% in 2022. The decrease in our effective income tax rate was mainly due to the effects of company-owned life insurance policies and lower income taxes on our foreign earnings.

The difference between our 2023 effective income tax rate and the U.S. federal statutory rate of 21.0% was mainly due to state income taxes partially offset by the effects of company-owned life insurance policies. See *Note 11—"Income Taxes"* to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data"* for further information on the differences between our effective income tax rates and the U.S. federal statutory rate.

**Year Ended December 31, 2022 Compared to Year Ended December 31, 2021**

See discussion in the *"Results of Operations"* and *"Liquidity and Capital Resources"* section of *Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations"* of our Annual Report on Form 10-K for the year ended December 31, 2022.

**Financial Condition**

*Operating Activities*

Net cash provided by operations of $1.67 billion in 2023 decreased from $2.12 billion in 2022. The impact of lower profitability on operating cash flow was partially offset by lower working capital needs. To manage our working capital, we focus on our days sales outstanding and on our inventory turnover rate as receivables and inventory are the two most significant elements of our working capital. Our average days sales outstanding rate was 40.5 days in 2023 compared to 39.9 days in 2022. Our inventory turnover rate (based on tons) during 2023 was 4.7 times (or 2.6 months on hand) compared to 4.4 times (or 2.7 months on hand) in 2022.

Income taxes paid were $386.3 million in 2023, a significant decrease from $692.4 million in 2022, mainly due to our lower pretax income.

*Investing Activities*

Net cash used in investing activities of $483.9 million in 2023 compared to $348.5 million in 2022 was substantially comprised of capital expenditures and the purchase price for an acquisition in 2023. Capital expenditures were $468.8 million in 2023 compared to $341.8 million in 2022. The majority of our capital expenditures in 2023 and 2022 were related to growth initiatives.

*Financing Activities*

Net cash used in financing activities was $1.28 billion in 2023 compared to $892.6 million in 2022, mainly due to the redemption of $500.0 million aggregate outstanding principal amount of senior notes in January 2023 offset by decreased share repurchases. In 2023, we repurchased $479.5 million of our common stock, which reduced our common shares 3.2%, compared to $630.3 million of share repurchases in 2022. Our other stockholder returns in 2023 included an increase in our quarterly dividend rate of 14.3% with total dividend payments of $238.1 million compared to $217.1 million in 2022.

We have paid regular quarterly dividends to our stockholders for 64 consecutive years and increased the quarterly dividend on our common stock 31 times since our IPO in 1994, with the most recent increase of 10.0% from $1.00 per share to $1.10 per share effective in the first quarter of 2024. We have never reduced or suspended our regular quarterly dividend.

*Share Repurchases*

See *Note 14—"Equity*" to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data"* for further information on our 2023 share repurchases.

On October 24, 2023, our Board of Directors renewed our share repurchase program to increase the remaining repurchase authorization to $1.5 billion effective October 30, 2023. As of December 31, 2023, we had remaining authorization under the plan to repurchase $1.44 billion of shares of our common stock. The share repurchase program does not obligate us to repurchase any specific number of shares, does not have a specific expiration date and may be suspended or discontinued at any time.

During the last five years, we reduced our issued and outstanding shares of common stock by 17.6% through the repurchase of approximately 11.8 million shares at an average cost of $154.59 per share, for a total of $1.82 billion.

*Purchase Obligations*

We had $235.1 million of operating lease obligations as of December 31, 2023 for processing and distribution facilities, equipment, automobiles, trucks and trailers, ground leases and other leased spaces, such as depots, sales offices, storage and data centers. Our expected payments over the next 12 months under these operating leases are $64.9 million. See *Note 10—"Leases*" to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data"* for information regarding the maturities of our operating lease obligations.

We have obligations pursuant to pension and postretirement benefit plans. A total of $16.4 million of net liabilities was recognized on the balance sheet at December 31, 2023 and the Company expects to make plan contributions and benefit payments totaling $0.8 million over the next 12 months. See *Note 13—"Employee Benefits*" to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data"* for information regarding our expected payments under these plans.

Our capital expenditures have been at elevated levels in recent years and our 2024 capital expenditure budget is $425 million. As of December 31, 2023, we had entered into contracts related to capital expenditures in the amount of $126.3 million, of which $111.1 million is expected to be paid over the next 12 months. Our actual capital expenditure spending over the next 12 months is ultimately dependent on market conditions, lead times and availability of property, plant and equipment when the capital project is initiated.

We primarily purchase and sell in the spot market and consequently our purchase orders are based on our current needs and are typically fulfilled by our vendors within short time periods (lead times). In addition, some of our purchase orders represent authorizations to purchase rather than binding agreements. We do not have significant agreements for the purchase of goods specifying minimum quantities and set prices that exceed our expected requirements for three months. The total amount of commitments under long-term inventory purchase agreements is estimated at approximately $301.4 million, with amounts in 2024, 2025 and thereafter being $195.7 million, $54.7 million and $51.0 million, respectively.

We have other contractual commitments under long-term service agreements, totaling $24.6 million at December 31, 2023, with amounts in 2024, 2025 and thereafter being $12.9 million, $6.9 million and $4.8 million, respectively.

*Debt*

We have a $1.5 billion unsecured revolving credit facility with no outstanding borrowings at December 31, 2023 under our Amended and Restated Credit Agreement (as amended, the "Credit Agreement"). We also had an aggregate of $1.15 billion principal amount of senior unsecured note obligations with various maturities through 2036 issued under indentures as of December 31, 2023.

See *Note 9—"Debt*" to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data"* for further information on our amended credit agreement, debt maturities and indentures governing our debt securities.

*Liquidity and Capital Resources*

We believe our primary sources of liquidity, including funds generated from operations, cash and cash equivalents and our Credit Agreement, will be sufficient to satisfy our cash requirements and stockholder return activities over the next 12 months and beyond. As of December 31, 2023, we had $1.1 billion in cash and cash equivalents and our net debt-to-total capital ratio (net debt-to-total capital is calculated as carrying amount of debt, net of cash, divided by total Reliance stockholders' equity plus carrying amount of debt, net of cash) was 0.8%, down from 6.3% as of December 31, 2022.

As of December 31, 2023, we had $400.3 million of debt obligations coming due before our Credit Agreement matures on September 3, 2025.

We believe that we will continue to have sufficient liquidity to fund our future operating needs and to repay our debt obligations as they become due. In addition to funds generated from operations and approximately $1.5 billion available under our revolving credit facility, we expect to continue to be able to access the capital markets to raise funds, if desired. We believe our sources of liquidity will continue to be adequate to maintain operations, make necessary capital expenditures, finance strategic growth through acquisitions and internal initiatives, pay dividends and repurchase shares. Additionally, we believe our investment grade credit ratings enhance our ability to effectively raise capital, if desired.

*Covenants*

The Credit Agreement and indentures governing our debt securities include customary representations, warranties, covenants and events of default provisions. The covenants under the Credit Agreement include, among other things, two financial maintenance covenants that require us to comply with a minimum interest coverage ratio and a maximum leverage ratio. Our interest coverage ratio for the twelve-month period ended December 31, 2023 was 45.9 times compared to the debt covenant minimum requirement of 3.0 times (interest coverage ratio is calculated as earnings before interest and taxes ("EBIT"), as defined in the Credit Agreement, divided by interest expense). Our leverage ratio as of December 31, 2023, calculated in accordance with the terms of the Credit Agreement, was 11.4% compared to the debt covenant maximum amount of 60% (leverage ratio is calculated as total debt, inclusive of finance lease obligations and outstanding letters of credit, minus the lesser of cash held by our domestic subsidiaries and $200.0 million, divided by Reliance stockholders' equity plus total debt).

We were in compliance with all financial maintenance covenants under our Credit Agreement at December 31, 2023.

**Goodwill and Other Intangible Assets**

We have one operating segment and also one reporting unit for goodwill impairment purposes. There have been no changes in our reportable segments; we have one reportable segment – *metals service centers*.

Goodwill, which represents the excess of cost over the fair value of net assets acquired, amounted to $2.11 billion at December 31, 2023, or approximately 20% of total assets and 27% of total equity. Additionally, other intangible assets, net amounted to $1.0 billion at December 31, 2023, or approximately 9% of total assets and 13% of total equity. Goodwill and other intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests and further evaluation when certain events occur. Other intangible assets with finite useful lives are amortized over their useful lives. We review the recoverability of our long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Refer to *Critical Accounting Estimates* for further information regarding judgments involved in testing for recoverability of our goodwill and other intangible assets.

**Critical Accounting Estimates**

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The Company's significant accounting policies, including recently issued accounting pronouncements, are fully described in *Note 1—"Summary of Significant Accounting Policies*" to our consolidated financial statements in *Part II, Item 8 "Financial Statements and Supplementary Data."* When we prepare these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of our accounting policies are critical due to the fact that they involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. Our most critical accounting estimates include those related to the recoverability of goodwill and other indefinite-lived intangible assets and long-lived assets. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting estimates, as discussed with our Audit Committee, affect our more significant judgments and estimates used in preparing our consolidated financial statements. There have been no material changes made to the critical accounting estimates during the periods presented in the consolidated financial statements.

*Goodwill and Other Indefinite-Lived Intangible Assets*

We test for impairment of goodwill and intangible assets deemed to have indefinite lives annually and, between annual tests, whenever significant events or changes occur based on an assessment of qualitative factors to determine if it is more likely than not that the fair value is less than the carrying value. The qualitative factors we review include a decline in our stock price and market capitalization, a decline in the market conditions of our products and viability of end markets, and developments in our business and the overall economy. We make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets, including calculating the fair value of a reporting unit using the discounted cash flow method, as necessary. We perform the required annual goodwill and indefinite-lived intangible asset impairment test as of November 1 of each year. No impairment of goodwill was determined to exist during the periods presented in the consolidated financial statements. We recorded $4.7 million of impairment losses on our intangible assets with indefinite lives in 2021. No impairment of intangible assets with indefinite lives was recognized in 2023 and 2022.

*Long-Lived Assets*

We periodically review the recoverability of our other long-lived assets, primarily property, plant and equipment and intangible assets subject to amortization. The evaluation is performed at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other assets. An impairment loss may be recognized if the estimated undiscounted cash flows are less than the carrying amount of the assets. We must make assumptions regarding estimated future cash flows and other factors to estimate the fair value of the respective assets to determine the amount of the impairment loss. If these estimates or their related assumptions change in the future, we may be required to record impairment charges. No impairment of long-lived assets was recognized during the periods presented in the consolidated financial statements.

Impairment tests inherently involve judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Additionally, considerable declines in the market conditions for our products from current levels as well as in the price of our common stock could also significantly impact our impairment analyses. An impairment charge, if incurred, could be material.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of business, we are exposed to various market risk factors, including changes in general economic conditions, domestic and foreign competition, foreign currency exchange rates, and metals pricing, demand and availability.

### Commodity price risk

Metals prices are volatile due to, among other things, fluctuations in foreign and domestic production capacity, raw material availability, metals consumption, import levels into the U.S., global economic factors and foreign currency exchange rates. We do not currently use financial derivatives to hedge our exposure to metal price volatility. Decreases in metal prices could adversely affect our revenues, gross profit and net income. We primarily purchase and sell in the spot market and consequently are generally able to react quickly to changes in metals pricing. This strategy also limits our exposure to commodity prices to our inventories on hand. In an environment of increasing material costs, our selling prices usually increase, and we typically generate higher levels of gross profit and pretax income dollars for the same operational efforts. Conversely, if metals pricing declines, we will typically generate lower levels of gross profit and pretax income dollars. In periods where demand deteriorates rapidly and metal prices are declining significantly in a compressed period of time, a portion of our inventory on hand may be at higher costs than our selling prices, causing a significant adverse effect on our gross profit and pretax income margins. However, when prices stabilize and our inventories on hand reflect more current prices, our gross profit margins tend to return to more normalized levels.

**Foreign exchange rate risk**

Some of our sales transactions with international customers are denominated in foreign currencies that are different than the primary economic environment of the Reliance metals service center serving them, which exposes our operations to foreign currency transaction gains and losses. The currency effects of translating the financial statements of our foreign subsidiaries, which operate in local currency environments, are included in accumulated other comprehensive loss and do not impact earnings unless there is a liquidation or sale of those foreign subsidiaries. We do not currently hedge our net investments in foreign subsidiaries due to the long-term nature of the investments.

Total foreign currency transaction losses included in our 2023, 2022, and 2021 earnings were $1.3 million, $6.2 million and $4.0 million, respectively.

**Interest rate risk**

We are exposed to market risk related to our fixed-rate and variable-rate long-term debt. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. Changes in interest rates may affect the market value of our fixed-rate debt. Under our current policies, we do not use interest rate derivative instruments to manage exposure to interest rate changes and we do not currently anticipate repayment of our fixed-rate long-term debt prior to scheduled maturities.

Market risk related to our variable-rate debt is estimated as the potential decrease in pretax earnings resulting from an increase in interest rates. As of December 31, 2023, we had an insignificant amount of variable interest rate debt outstanding. However, as of December 31, 2023, we had approximately $1.5 billion available for borrowing on our revolving credit facility at variable interest rates. Consequently, any future borrowings on our revolving credit facility will increase market risk resulting from potential interest rate volatility.

**Item 8. Financial Statements and Supplementary Data**

**RELIANCE, INC.**
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**



**FINANCIAL STATEMENT SCHEDULE:**



All other schedules are omitted because either they are not applicable, not required or the information required is included in the Consolidated Financial Statements, including the notes thereto.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Reliance, Inc.:

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Reliance, Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule II of valuation and qualifying accounts (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 29, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Recoverability of Long-Lived Assets and Indefinite-Lived Intangible Assets*

As discussed in Notes 1 and 7 to the consolidated financial statements, property, plant and equipment, net and intangible assets, net as of December 31, 2023 were $2,248.4 million and $981.1 million, respectively. The Company reviews the recoverability of property, plant and equipment, net and amortizable intangible assets (long-lived assets) whenever significant events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other assets (asset groups). The Company tests the recoverability of indefinite-lived intangible assets annually or whenever significant events or changes in circumstances occur based on an analysis of qualitative factors to determine if it is more likely than not that the fair value is less than the carrying value.

We identified the assessment of the recoverability of long-lived assets and indefinite-lived intangible assets as a critical audit matter. Evaluating the Company's identification of significant events or changes in circumstances, which indicate these assets may not be recoverable, involved subjective auditor judgment. The judgments included consideration of factors that are external and internal to the Company, such as declines in the market of the Company's products or plans to close a physical location.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the identification of significant events or changes in circumstances indicating the long-lived and indefinite-lived intangible assets may not be recoverable. We evaluated the Company's identification of significant events or changes in circumstances that have occurred indicating the underlying long-lived assets and indefinite-lived intangible assets may not be recoverable by performing an independent assessment. The independent assessment included analyzing the historical operating performance of the asset groups and evaluating other events or changes in circumstances based on our knowledge of the Company and experience of the industry in which it operates. This included reading and evaluating industry articles, public information related to competitor activity, Company press releases and board of director minutes.

/s/ KPMG LLP

We have served as the Company's auditor since 2008.

Los Angeles, California
February 29, 2024

**RELIANCE, INC.**
**CONSOLIDATED BALANCE SHEETS**
**(in millions, except number of shares which are reflected in thousands and par value)**

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,080.2 | $ 1,173.4 |
| Accounts receivable, less allowance for credit losses of $24.9 at December 31, 2023 and $26.1 at December 31, 2022 | 1,472.4 | 1,565.7 |
| Inventories | 2,043.2 | 1,995.3 |
| Prepaid expenses and other current assets | 140.4 | 115.6 |
| Income taxes receivable | 35.6 | 36.6 |
| Total current assets | 4,771.8 | 4,886.6 |
| Property, plant and equipment: | | |
| Land | 281.7 | 262.7 |
| Buildings | 1,510.9 | 1,359.3 |
| Machinery and equipment | 2,700.4 | 2,446.9 |
| Accumulated depreciation | (2,244.6) | (2,094.3) |
| Property, plant and equipment, net | 2,248.4 | 1,974.6 |
| Operating lease right-of-use assets | 231.6 | 216.4 |
| Goodwill | 2,111.1 | 2,105.9 |
| Intangible assets, net | 981.1 | 1,019.6 |
| Cash surrender value of life insurance policies, net | 43.8 | 42.0 |
| Other long-term assets | 92.5 | 84.8 |
| Total assets | $ 10,480.3 | $ 10,329.9 |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 410.3 | $ 412.4 |
| Accrued expenses | 118.5 | 118.8 |
| Accrued compensation and retirement benefits | 213.9 | 240.0 |
| Accrued insurance costs | 44.4 | 43.4 |
| Current maturities of long-term debt and short-term borrowings | 0.3 | 508.2 |
| Current maturities of operating lease liabilities | 56.2 | 52.5 |
| Total current liabilities | 843.6 | 1,375.3 |
| Long-term debt | 1,141.9 | 1,139.4 |
| Operating lease liabilities | 178.9 | 165.2 |
| Long-term retirement benefits | 25.1 | 26.1 |
| Other long-term liabilities | 64.0 | 51.4 |
| Deferred income taxes | 494.0 | 476.6 |
| Total liabilities | 2,747.5 | 3,234.0 |
| Commitments and contingencies | | |
| Equity: | | |
| Preferred stock, $0.001 par value: 5,000 shares authorized; none issued or outstanding | — | — |
| Common stock and additional paid-in capital, $0.001 par value and 200,000 shares authorized | | |
| Issued and outstanding shares—57,271 at December 31, 2023 and 58,787 at December 31, 2022 | 0.1 | 0.1 |
| Retained earnings | 7,798.9 | 7,173.6 |
| Accumulated other comprehensive loss | (76.7) | (86.3) |
| Total Reliance stockholders' equity | 7,722.3 | 7,087.4 |
| Noncontrolling interests | 10.5 | 8.5 |
| Total equity | 7,732.8 | 7,095.9 |
| Total liabilities and equity | $ 10,480.3 | $ 10,329.9 |

See accompanying notes to consolidated financial statements.

**RELIANCE, INC.**
**CONSOLIDATED STATEMENTS OF INCOME**
**(in millions, except number of shares which are reflected in thousands and per share amounts)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| Net sales | $ 14,805.9 | $ 17,025.0 | $ 14,093.3 |
| | | | |
| Costs and expenses: | | | |
| Cost of sales (exclusive of depreciation and amortization shown below) | 10,258.6 | 11,773.7 | 9,603.0 |
| Warehouse, delivery, selling, general and administrative | 2,562.4 | 2,504.2 | 2,306.5 |
| Depreciation and amortization | 245.4 | 240.2 | 230.2 |
| Impairment of intangible assets | — | — | 4.7 |
| | 13,066.4 | 14,518.1 | 12,144.4 |
| | | | |
| Operating income | 1,739.5 | 2,506.9 | 1,948.9 |
| | | | |
| Other (income) expense: | | | |
| Interest expense | 40.1 | 62.3 | 62.7 |
| Other (income) expense, net | (41.3) | 14.2 | 3.1 |
| Income before income taxes | 1,740.7 | 2,430.4 | 1,883.1 |
| Income tax provision | 400.6 | 586.2 | 465.7 |
| Net income | 1,340.1 | 1,844.2 | 1,417.4 |
| Less: net income attributable to noncontrolling interests | 4.2 | 4.1 | 4.4 |
| Net income attributable to Reliance | $ 1,335.9 | $ 1,840.1 | $ 1,413.0 |
| | | | |
| Earnings per share attributable to Reliance stockholders: | | | |
| Basic | $ 22.90 | $ 30.39 | $ 22.35 |
| Diluted | $ 22.64 | $ 29.92 | $ 21.97 |
| | | | |
| Shares used in computing earnings per share: | | | |
| Basic | 58,328 | 60,559 | 63,217 |
| Diluted | 59,015 | 61,495 | 64,327 |

See accompanying notes to consolidated financial statements.

**RELIANCE, INC.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(in millions)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| Net income | $ 1,340.1 | $ 1,844.2 | $ 1,417.4 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation gain (loss) | 8.3 | (28.8) | (2.5) |
| Pension and postretirement benefit adjustments, net of tax | 1.3 | 11.4 | 11.5 |
| Total other comprehensive income (loss) | 9.6 | (17.4) | 9.0 |
| Comprehensive income | 1,349.7 | 1,826.8 | 1,426.4 |
| Less: comprehensive income attributable to noncontrolling interests | 4.2 | 4.1 | 4.4 |
| Comprehensive income attributable to Reliance | $ 1,345.5 | $ 1,822.7 | $ 1,422.0 |

See accompanying notes to consolidated financial statements.

**RELIANCE, INC.**
**CONSOLIDATED STATEMENTS OF EQUITY**
**(in millions, except per share amounts)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Total equity, beginning balances | $ 7,095.9 | $ 6,093.7 | $ 5,122.7 |
| | | | |
| Common stock and additional paid-in capital: | | | |
| Beginning balances | 0.1 | 0.1 | 0.1 |
| Stock-based compensation | 65.0 | 65.3 | 70.8 |
| Taxes paid related to net share settlement of restricted stock units | (54.1) | (39.7) | (21.2) |
| Repurchase of common shares | (7.0) | (25.6) | (49.6) |
| Excise tax on repurchase of common shares | (3.9) | — | — |
| Ending balances | 0.1 | 0.1 | 0.1 |
| | | | |
| Retained earnings: | | | |
| Beginning balances | 7,173.6 | 6,155.3 | 5,193.2 |
| Net income attributable to Reliance | 1,335.9 | 1,840.1 | 1,413.0 |
| Cash dividends and dividend equivalents | (238.1) | (217.1) | (177.0) |
| Repurchase of common shares | (472.5) | (604.7) | (273.9) |
| Ending balances | 7,798.9 | 7,173.6 | 6,155.3 |
| | | | |
| Accumulated other comprehensive loss: | | | |
| Beginning balances | (86.3) | (68.9) | (77.9) |
| Other comprehensive income (loss) | 9.6 | (17.4) | 9.0 |
| Ending balances | (76.7) | (86.3) | (68.9) |
| | | | |
| Total Reliance stockholders' equity, ending balances | 7,722.3 | 7,087.4 | 6,086.5 |
| | | | |
| Noncontrolling interests: | | | |
| Beginning balances | 8.5 | 7.2 | 7.3 |
| Comprehensive income | 4.2 | 4.1 | 4.4 |
| Capital contribution | — | 0.3 | — |
| Dividends paid | (2.2) | (3.1) | (4.5) |
| Ending balances | 10.5 | 8.5 | 7.2 |
| | | | |
| Total equity, ending balances | $ 7,732.8 | $ 7,095.9 | $ 6,093.7 |
| | | | |
| Cash dividends declared per common share | $ 4.00 | $ 3.50 | $ 2.75 |

See accompanying notes to consolidated financial statements.

**RELIANCE, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in millions)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Operating activities:** | | | |
| Net income | $ 1,340.1 | $ 1,844.2 | $ 1,417.4 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization expense | 245.4 | 240.2 | 230.2 |
| Impairment of intangible assets | — | — | 4.7 |
| Provision for credit losses | 3.5 | 3.4 | 9.8 |
| Deferred income tax provision (benefit) | 16.2 | (6.7) | (23.8) |
| Stock-based compensation expense | 65.0 | 65.3 | 70.8 |
| Net (gain) loss on life insurance policies and deferred compensation plan assets | (0.5) | 22.4 | 5.0 |
| Other | (0.3) | 4.8 | (5.0) |
| Changes in operating assets and liabilities (excluding effect of businesses acquired): | | | |
| Accounts receivable | 95.6 | 105.7 | (656.1) |
| Inventories | (41.5) | 58.9 | (505.9) |
| Prepaid expenses and other assets | 37.3 | 17.4 | 26.2 |
| Accounts payable and other liabilities | (89.5) | (237.0) | 226.1 |
| Net cash provided by operating activities | 1,671.3 | 2,118.6 | 799.4 |
| **Investing activities:** | | | |
| Acquisitions, net of cash acquired | (24.0) | — | (439.3) |
| Purchases of property, plant and equipment | (468.8) | (341.8) | (236.6) |
| Proceeds from sales of property, plant and equipment | 11.1 | 10.9 | 36.0 |
| Other | (2.2) | (17.6) | (12.4) |
| Net cash used in investing activities | (483.9) | (348.5) | (652.3) |
| **Financing activities:** | | | |
| Net short-term debt repayments | (2.2) | (2.2) | (0.8) |
| Proceeds from long-term debt borrowings | — | — | 20.0 |
| Principal payments on long-term debt | (506.1) | (0.3) | (20.7) |
| Cash dividends and dividend equivalents | (238.1) | (217.1) | (177.0) |
| Share repurchases | (479.5) | (630.3) | (323.5) |
| Taxes paid related to net share settlement of restricted stock units | (54.1) | (39.7) | (21.2) |
| Other | (2.3) | (3.0) | (5.7) |
| Net cash used in financing activities | (1,282.3) | (892.6) | (528.9) |
| Effect of exchange rate changes on cash and cash equivalents | 1.7 | (4.6) | (1.2) |
| (Decrease) increase in cash and cash equivalents | (93.2) | 872.9 | (383.0) |
| Cash and cash equivalents at beginning of year | 1,173.4 | 300.5 | 683.5 |
| Cash and cash equivalents at end of year | $ 1,080.2 | $ 1,173.4 | $ 300.5 |
| **Supplemental cash flow information:** | | | |
| Interest paid during the year | $ 41.8 | $ 59.7 | $ 59.1 |
| Income taxes paid during the year, net | $ 386.3 | $ 692.4 | $ 444.4 |

See accompanying notes to consolidated financial statements.

## Note 1. Summary of Significant Accounting Policies

### Principles of Consolidation

In February 2024, we changed our corporate name from Reliance Steel & Aluminum Co. to Reliance, Inc. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout the financial statements. The accompanying financial statements include the accounts of Reliance, Inc. (formerly Reliance Steel & Aluminum Co.) and its subsidiaries (collectively "Reliance", "the Company", "we", "our" or "us"). Our consolidated financial statements include the assets, liabilities and operating results of majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. The ownership of the other interest holders of consolidated subsidiaries is reflected as noncontrolling interests. Investments in unconsolidated subsidiaries are recorded under the equity method of accounting.

### Business

As a global diversified metal solutions provider, we operated a network of more than 315 locations in 40 U.S. states and 12 foreign countries (Belgium, Canada, China, France, India, Malaysia, Mexico, Singapore, South Korea, Turkey, the United Arab Emirates and the United Kingdom) at December 31, 2023 that provides value-added metals processing services and distributes a full line of more than 100,000 metal products.

### Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, such as allowances for credit losses, net realizable values of inventories, fair values and/or impairment of goodwill and other indefinite-lived intangible assets and long-lived assets, the amount of unrecognized tax benefits and other contingencies; the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

### Accounts Receivable and Concentrations of Credit Risk

Trade receivables are typically non-interest bearing and are recorded at amortized cost. Sales to our recurring customers are generally made on open account terms while sales to occasional customers may be made on a collect on delivery basis. Past due status of customer accounts is determined based on how recently payments have been received in relation to payment terms granted. Credit is generally extended based upon an evaluation of each customer's financial condition, with terms consistent in the industry and no collateral required. The allowance for credit losses reflects the expected losses on our trade receivables and is determined based on customer-specific facts and the consideration of historical loss information, current conditions and reasonable and supportable forecasts using a loss-rate approach. Amounts are written-off against the allowance in the period we determine the receivable is uncollectible.

Concentrations of credit risk with respect to trade receivables are limited due to the geographically diverse customer base, with limited exposure to any single customer account, and various industries into which our products are sold. We do not consider ourselves to have any significant concentrations of credit risk.

### Inventories

The majority of our inventory is valued using the last-in, first-out ("LIFO") method, which is not in excess of market. Under this method, older costs are included in inventory, which may be higher or lower than current costs. This method of valuation is subject to year-to-year fluctuations in cost of material sold, which is influenced by the inflation or deflation existing within the metal wholesaling industry as well as fluctuations in our product mix and on-hand inventory levels.

**Fair Values of Financial Instruments**

Fair values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, other current liabilities and current maturities of operating lease liabilities approximate carrying values due to the short period of time to maturity. Fair values of long-term debt, which have been determined based on borrowing rates currently available to us or to other companies with comparable credit ratings, for loans with similar terms or maturity, approximate the carrying amounts in the consolidated financial statements, with the exception of our publicly traded senior unsecured notes with aggregate face values of $1.15 billion and $1.65 billion as of December 31, 2023 and 2022, respectively. The aggregate fair values of these senior unsecured notes based on quoted market prices were $1.07 billion and $1.53 billion at December 31, 2023 and 2022, respectively, compared to their aggregate carrying values of $1.14 billion and $1.64 billion, respectively. The estimated fair values of our senior unsecured notes are based on Level 2 inputs, including benchmark yields, reported trades and broker/dealer quotes. Fair values of our other financial instruments, which include deferred compensation plan assets held within grantor trusts, are comprised of marketable securities that are generally based on quoted market prices for identical instruments that trade in active markets.

**Cash Equivalents**

We consider all highly liquid instruments with an original maturity of three months or less when purchased to be cash equivalents. We maintain cash and cash equivalents with high credit quality financial institutions. The Company, by policy, limits the amount of credit exposure to any one financial institution.

**Goodwill and Other Indefinite-Lived Intangible Assets**

Goodwill is the excess of purchase price over the fair value of identified assets and liabilities of businesses acquired. Other indefinite-lived intangible assets include amounts allocated to the trade names of businesses acquired. Goodwill and other indefinite-lived intangible assets are not amortized but are tested for impairment at least annually.

We test for impairment of goodwill and intangible assets deemed to have indefinite lives annually and, between annual tests, whenever significant events or changes occur based on an assessment of qualitative factors to determine if it is more likely than not that the fair value is less than the carrying value. We have one operating segment and one reporting unit for goodwill impairment purposes. We calculate the fair value of the reporting unit using our market capitalization or the discounted cash flow method, as necessary, and compare the fair value to the carrying value of the reporting unit to determine if impairment exists. We perform our annual impairment evaluations of goodwill and other indefinite-lived intangible assets on November 1 of each year. No impairment of goodwill was determined to exist in any of the years presented. No impairment losses were recognized related to our other intangible assets with indefinite lives in 2023 and 2022. We recognized impairment losses of $4.7 million related to our other intangible assets with indefinite lives in 2021.

**Long-Lived Assets**

Property, plant and equipment is recorded at cost (or at fair value for assets acquired in connection with business combinations) and the provision for depreciation of these assets is generally computed on the straight-line method at rates designed to distribute the cost of assets over the useful lives, estimated as follows: buildings, including leasehold improvements, over five to 50 years and machinery and equipment over three to 20 years.

As of December 31, 2023, 2022 and 2021, noncash investing activity included $15.2 million, $6.3 million and $3.2 million of capital expenditures, respectively, included in accounts payable/accrued expenses.

Intangible assets with finite useful lives are amortized over their useful lives. We periodically review the recoverability of our property, plant and equipment and intangible assets subject to amortization whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We didn't recognize any impairment losses for long-lived assets in any of the years presented.

**Leases**

We determine if an arrangement is a lease at inception. Our lease agreements generally contain only lease components. Our lease payments are generally fixed with certain leases containing variable payments related to Consumer Price Index ("CPI") annual adjustments.

Right-of-use assets and lease liabilities are recognized on the balance sheet at the present value of the future lease payments at the lease commencement date. Certain of our lease terms include periods under renewal options when it is reasonably certain that we will exercise that option. We generally include optional renewal periods when determining our lease terms and future lease payments. The interest rate used to determine the present value of future lease payments is our incremental borrowing rate that is estimated to approximate the interest rate on a collateralized basis with similar terms and payments.

Operating lease cost is recognized on a straight-line basis over the lease term.

**Revenue Recognition**

We recognize revenue when control of metal products or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Sales and value-added taxes collected from customers are excluded from our reported sales. There are no significant judgments or estimates made to determine the amount or timing of our reported revenues. The amount of transaction price associated with unperformed performance obligations is not significant as of December 31, 2023 and 2022.

*Metal Sales*

We have minimal long-term contract sales with our customers as we primarily transact in the spot market under fixed price sales orders. The majority of our metal product sales orders generally have only one performance obligation: sale of processed or unprocessed metal product. Control of the metal products we sell transfers to our customers upon delivery for orders with free on board ("FOB") destination terms or upon shipment for orders with FOB shipping point terms. Shipping and handling charges to our customers are included in net sales. We account for all shipping and handling of our products as fulfillment activities and not as a promised good or service. Costs incurred in connection with the shipping and handling of our products are typically included in operating expenses whether we use a third-party carrier or our own trucks. In 2023, 2022 and 2021, shipping and handling costs included in Warehouse, delivery, selling, general and administrative ("SG&A") expenses were $525.9 million, $509.7 million and $424.6 million, respectively. Shipment and delivery of our orders generally occur on the same day due to the close proximity of our customers and our metals service center locations.

*Toll Processing and Logistics*

Toll processing services relate to the processing of customer-owned metal. Logistics services primarily include transportation and storage services for metal we toll process. Revenue for these services is recognized over time as the toll processing or logistics services are performed. The toll processing services are generally short-term in nature with the service being performed in less than one day.

*Seasonality*

Some of our customers are in seasonal businesses, especially customers in the construction industry and related businesses. Our overall operations have not shown any material seasonal trends as a result of our geographic, product and customer diversity. Typically, revenues in the months of July, November and December have been lower than in other months because of a reduced number of working days for shipments of our products, resulting from holidays observed by the Company as well as vacation and extended holiday closures at some of our customers. The number of shipping days in each quarter also has an impact on our quarterly sales and profitability. We cannot predict whether period-to-period fluctuations will be consistent with historical patterns. Results of any one or more quarters are therefore not necessarily indicative of annual results.

**Stock-Based Compensation**

All of our stock-based compensation plans are considered equity plans. The fair value of stock awards and restricted stock units is determined based on the fair value of our common stock on the grant date. The fair value of stock awards and restricted stock units is expensed on a straight-line basis over their respective vesting periods, net of forfeitures when they occur. Stock-based compensation expense was $65.0 million, $65.3 million and $70.8 million in 2023, 2022 and 2021, respectively, and is included in the Warehouse, delivery, selling, general and administrative caption of our consolidated statements of income.

**Environmental Remediation Costs**

We accrue for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remediation feasibility study. Such accruals are adjusted as further information develops or circumstances change. Recoveries of environmental remediation costs from insurance policies and other parties are recorded as assets when their receipt is deemed probable. We are not aware of any environmental remediation obligations that would materially affect our operations, financial position or cash flows. See *Note 16—"Commitments and Contingencies"* for further discussion of our environmental remediation matters.

**Income Taxes**

We file a consolidated U.S. federal income tax return with our wholly owned domestic subsidiaries. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax reporting bases of assets and liabilities using the enacted tax rates expected to be in effect when such differences are realized or settled. The effect on deferred taxes from a change in tax rates is recognized in income in the period that includes the enactment date of the change. The provision for income taxes reflects the taxes to be paid for the period and the change during the period in the deferred tax assets and liabilities. We evaluate on a quarterly basis whether, based on all available evidence, it is probable that the deferred income tax assets are realizable. Valuation allowances are established when it is estimated that it is more likely than not that the tax benefit of the deferred tax asset will not be realized.

We perform a comprehensive review of our uncertain tax positions on a quarterly basis. Tax benefits are recognized when it is more likely than not that a tax position will be sustained upon examination. The benefit from a position that has surpassed the more-likely-than-not threshold is measured as the largest amount of benefit that is more than 50% likely to be realized upon settlement. We recognize interest and penalties accrued related to unrecognized tax benefits as a component of income tax expense.

**Foreign Currencies**

The currency effects of translating into U.S. dollars the financial statements of our foreign subsidiaries, which typically use the local currency of the countries in which they are located, are included in the Accumulated other comprehensive loss caption in the consolidated balance sheets. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of income in the Other (income) expense, net caption and amounted to $1.3 million, $6.2 million and $4.0 million of losses in 2023, 2022 and 2021, respectively.

**Impact of Recently Issued Accounting Standards—Not Yet Adopted**

*Segment Reporting*—In November 2023, the Financial Accounting Standards Board ("FASB") issued changes that require disclosure of significant expenses and other segment items included in the measure of segment profitability that the chief operating decision maker uses to assess segment performance and make decisions about resource allocation. Under these changes, companies like Reliance with a single reportable segment are required to provide the same disclosures as companies with multiple segments. These changes will be effective for our fiscal years beginning January 1, 2024 and quarterly periods beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect these changes will have on our consolidated financial statement disclosures.

*Improvement to Income Tax Disclosures*—In December 2023, the FASB issued changes to expand the disclosure requirements for income taxes. The changes require disaggregated information about our effective tax rate reconciliation and income taxes paid. These changes will be effective for our fiscal years beginning January 1, 2025, with early adoption permitted. We are currently evaluating the potential effect these changes will have on our consolidated financial statement disclosures.

**Note 2. Acquisitions**

In the fourth quarter of 2021, we acquired each of United Pipe & Steel Corp. (formerly known as Merfish United, Inc.), Admiral Metals Servicenter Company, Incorporated, Nu-Tech Precision Metals Inc. and Rotax Metals Inc. with cash on hand. Included in our net sales for the year ended December 31, 2023 were combined net sales of $722.1 million from our 2021 acquisitions.

**Unaudited Pro forma financial information for 2021 acquisitions**

The following unaudited pro forma summary financial results present the consolidated results of operations as if our 2021 acquisitions had occurred as of January 1, 2020, after the effect of certain adjustments, including non-recurring acquisition-related costs, amortization of inventory step-up to fair value adjustments included in cost of sales, depreciation and amortization of certain identifiable property, plant and equipment and intangible assets, and lease cost fair value adjustments. The pro forma summary financial results for the year ended December 31, 2021 excluded $7.7 million of acquisition-related costs.

The pro forma results have been presented for comparative purposes only and are not indicative of what would have occurred had the 2021 acquisitions been made as of January 1, 2020, or of any potential results which may occur in the future (dollars are shown in millions, except per share amounts):

| | Year Ended December 31, 2021 (in millions) |
|---|---|
| **Pro forma:** | |
| Net sales | $ 14,820.5 |
| Net income attributable to Reliance | $ 1,518.0 |
| | |
| **Earnings per share attributable to Reliance stockholders:** | |
| Basic | $ 24.01 |
| Diluted | $ 23.60 |

**Note 3. Joint Ventures and Noncontrolling Interests**

The equity method of accounting is used where our investment in voting stock gives us the ability to exercise significant influence over the investee, generally 20% to 50%. The financial results of investees are generally consolidated when the ownership interest is greater than 50%.

Operations that are majority owned by us are as follows: Indiana Pickling and Processing Company in which our wholly-owned subsidiary, Feralloy Corporation, has a 56% ownership interest and Valex Corp.'s operations in South Korea, in which our wholly-owned subsidiary, Valex Corp., has a 96% ownership interest. The results of these majority-owned operations are consolidated in our financial results. The portion of the earnings related to the noncontrolling shareholder interests has been reflected in the Net income attributable to noncontrolling interests caption in the accompanying consolidated statements of income.

**Note 4. Inventories**

Our inventories are primarily stated on the LIFO method, which is not in excess of market. We use the LIFO method of inventory valuation because it results in a better matching of costs and revenues. The cost of inventories stated on the first-in, first-out ("FIFO") method is not in excess of net realizable value.

Inventories consisted of the following:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| | (in millions) | |
| LIFO inventories—cost on FIFO method | $ 2,087.3 | $ 2,257.9 |
| Cost on FIFO method higher than LIFO value | (579.3) | (743.8) |
| Inventories—stated on LIFO method | 1,508.0 | 1,514.1 |
| Inventories—stated on FIFO method | 535.2 | 481.2 |
| | $ 2,043.2 | $ 1,995.3 |

The changes in the LIFO inventory valuation reserve were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| LIFO inventory valuation reserve (income) expense | $ (164.5) | $ (76.6) | $ 704.8 |

Cost decreases for the majority of our products were the primary cause of the 2023 and 2022 LIFO inventory valuation reserve change resulting in a credit, or income. Cost increases for the majority of our products were the primary cause of the 2021 LIFO inventory valuation reserve change resulting in a charge, or expense. There were insignificant liquidations of LIFO inventory quantities for all years presented.

**Note 5. Revenues**

The following table presents our sales disaggregated by product and service:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| Carbon steel | $ 8,071.8 | $ 9,487.7 | $ 8,532.0 |
| Aluminum | 2,456.4 | 2,658.7 | 2,050.9 |
| Stainless steel | 2,336.7 | 2,877.4 | 2,267.0 |
| Alloy | 704.9 | 741.0 | 547.5 |
| Toll processing and logistics | 610.6 | 554.2 | 470.7 |
| Copper and brass | 304.6 | 336.7 | 112.2 |
| Other and eliminations | 320.9 | 369.3 | 113.0 |
| Total | $ 14,805.9 | $ 17,025.0 | $ 14,093.3 |

**Note 6. Goodwill**

The changes in the carrying amount of goodwill are as follows:

| | (in millions) |
|---|---|
| Balance at January 1, 2022 | $ 2,107.6 |
| Purchase price allocation adjustments | 5.3 |
| Effect of foreign currency translation | (7.0) |
| Balance at December 31, 2022 | 2,105.9 |
| Acquisition | 2.5 |
| Effect of foreign currency translation | 2.7 |
| Balance at December 31, 2023 | $ 2,111.1 |

We had no accumulated impairment losses related to goodwill at December 31, 2023 and 2022.

**Note 7. Intangible Assets, Net**

Intangible assets, net, consisted of the following:

| | | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|---|
| | Weighted Average Amortizable Life in Years | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| | | (in millions) | | | |
| **Intangible assets subject to amortization:** | | | | | |
| Customer lists/relationships | 14.2 | $ 716.0 | $ (520.5) | $ 713.6 | $ (479.3) |
| Backlog of orders | 7.9 | 22.9 | (6.0) | 22.3 | (3.1) |
| Other | 9.4 | 10.0 | (9.5) | 9.9 | (9.5) |
| | | 748.9 | (536.0) | 745.8 | (491.9) |
| **Intangible assets not subject to amortization:** | | | | | |
| Trade names | | 768.2 | — | 765.7 | — |
| | | $ 1,517.1 | $ (536.0) | $ 1,511.5 | $ (491.9) |

Amortization expense for intangible assets amounted to $43.8 million, $48.1 million and $38.7 million in 2023, 2022 and 2021, respectively. Foreign currency translation gains were $1.4 million in 2023 compared to losses of $4.0 million in 2022.

As part of the purchase price allocation of our acquisition of Southern Steel Supply, LLC on May 1, 2023, we allocated a total of $3.9 million to the intangible assets acquired.

During 2021, we recognized impairment losses of $4.7 million on our trade name intangible assets.

The following is a summary of estimated future amortization expense:

| | (in millions) |
|---|---|
| 2024 | $ 40.4 |
| 2025 | 36.3 |
| 2026 | 26.8 |
| 2027 | 26.1 |
| 2028 | 24.6 |
| Thereafter | 58.7 |
| | $ 212.9 |

**Note 8. Cash Surrender Value of Life Insurance Policies, Net**

The cash surrender value of all life insurance policies held by us, net of loans and related accrued interest, was $43.8 million and $42.0 million as of December 31, 2023 and 2022, respectively.

Our wholly owned subsidiary, Earle M. Jorgensen Company ("EMJ"), is the owner and beneficiary of life insurance policies on all former nonunion employees of a predecessor company, including certain current employees of EMJ. These policies, by providing payments to EMJ upon the death of covered individuals, were designed to provide cash to EMJ in order to repurchase shares held by employees in EMJ's former employee stock ownership plan and shares held individually by employees upon the termination of their employment. Reliance is also the beneficiary of key person life insurance policies held by a grantor trust for the benefit of participants of the Reliance Supplemental Executive Retirement Plan.

Cash surrender value of life insurance policies, net increases by a portion of premiums paid and from interest and investment earnings and decreases by cost of insurance charges, investment losses and interest on policy loans, as applicable.

Annually, we borrow against the cash surrender value of policies to pay a portion of the premiums and accrued interest owed on loans against those policies. We borrowed $75.6 million, $73.1 million and $68.0 million, respectively, against the cash surrender value of certain policies, which was used to partially pay premiums and accrued interest owed of $96.5 million, $93.0 million and $86.3 million in 2023, 2022 and 2021, respectively. The interest rate on outstanding borrowings under the EMJ life insurance policies is fixed at 11.76% and the portion of the policy cash surrender value that the borrowings relate to earns interest and dividend income at 11.26%. The unborrowed portion of the policy cash surrender value earns income at a rate commensurate with certain risk-free U.S. Treasury bond yields but not less than 4.0%. All other life insurance policies earn investment income or incur losses based on the performance of the underlying investments held by the policies.

As of December 31, 2023 and 2022, loans and accrued interest outstanding on EMJ's life insurance policies were $897.9 million and $849.5 million, respectively.

Income earned on our life insurance policies and redemptions, interest expense on borrowings against cash surrender values and cost of insurance charges are included in the Other (income) expense, net caption in the accompanying consolidated statements of income as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| Investment income from life insurance policies | $ (97.5) | $ (85.2) | $ (84.6) |
| Interest expense on life insurance policy loans | 98.4 | 91.6 | 85.5 |
| Life insurance policy cost of insurance | 16.9 | 15.7 | 14.4 |
| Income from life insurance policy redemptions | (11.7) | (6.6) | (6.2) |
| Life insurance policy expense, net | $ 6.1 | $ 15.5 | $ 9.1 |

**Note 9. Debt**

Debt consisted of the following:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| | (in millions) | |
| Unsecured revolving credit facility maturing September 3, 2025 | $ — | $ — |
| Senior unsecured notes, interest payable semi-annually at 4.50%, effective rate of 4.63%, redeemed on January 15, 2023 | — | 500.0 |
| Senior unsecured notes, interest payable semi-annually at 1.30%, effective rate of 1.53%, maturing August 15, 2025 | 400.0 | 400.0 |
| Senior unsecured notes, interest payable semi-annually at 2.15%, effective rate of 2.27%, maturing August 15, 2030 | 500.0 | 500.0 |
| Senior unsecured notes, interest payable semi-annually at 6.85%, effective rate of 6.91%, maturing November 15, 2036 | 250.0 | 250.0 |
| Other notes and revolving credit facilities | 1.4 | 9.6 |
| Total | 1,151.4 | 1,659.6 |
| Less: unamortized discount and debt issuance costs | (9.2) | (12.0) |
| Less: amounts due within one year and short-term borrowings | (0.3) | (508.2) |
| Total long-term debt | $ 1,141.9 | $ 1,139.4 |

The weighted average interest rate on the Company's outstanding borrowings as of December 31, 2023 and 2022 was 2.88% and 3.37%, respectively.

**Unsecured Credit Facility**

On September 3, 2020, we entered into a $1.5 billion unsecured five-year Amended and Restated Credit Agreement that amended and restated our then-existing $1.5 billion unsecured revolving credit facility. On January 12, 2023, the agreement was amended to change the reference rate from the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR") (as amended, the "Credit Agreement"). As of December 31, 2023, borrowings under the Credit Agreement were available at variable rates based on SOFR plus 1.10% or the bank prime rate and we currently pay a commitment fee at an annual rate of 0.175% on the unused portion of the revolving credit facility. The applicable margins over SOFR and base rate borrowings, along with commitment fees, are subject to adjustment every quarter based on our leverage ratio, as defined in the Credit Agreement. All borrowings under the Credit Agreement may be prepaid without penalty.

As of December 31, 2023 and 2022, we had no outstanding borrowings on the revolving credit facility. As of December 31, 2023 and 2022, we had $1.4 million and $7.7 million of letters of credit outstanding, respectively, under the revolving credit facility.

**Senior Unsecured Notes**

On January 15, 2023, we redeemed in full the $500.0 million aggregate outstanding principal amount of our 4.50% senior notes due April 15, 2023 using cash on hand.

Under the indentures for each series of our senior notes (the "indentures"), the notes are senior unsecured obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations. If we experience a change in control accompanied by a downgrade in our credit rating, we will be required to make an offer to repurchase each series of the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest.

**Other Notes, Revolving Credit and Letter of Credit/Letters of Guarantee Facilities**

A revolving credit facility with a credit limit of $7.7 million is in place for an operation in Asia with no outstanding balance as of December 31, 2023 and $2.2 million outstanding as of December 31, 2022.

Various industrial revenue bonds had combined outstanding balances of $1.4 million and $7.4 million as of December 31, 2023 and 2022, respectively, and have maturities through 2027.

We have a $50.0 million standby letters of credit/letters of guarantee agreement with one of the lenders under our Credit Agreement. As of December 31, 2023 and 2022, a total of $40.9 million and $18.7 million were outstanding under this facility, respectively.

**Covenants**

The Credit Agreement and the indentures include customary representations, warranties, covenants and events of default provisions. The covenants under the Credit Agreement include, among other things, two financial maintenance covenants that require us to comply with a minimum interest coverage ratio and a maximum leverage ratio. We were in compliance with all financial maintenance covenants under our Credit Agreement at December 31, 2023.

**Debt Maturities**

The following is a summary of aggregate maturities of long-term debt for each of the next five years and thereafter:

| | (in millions) |
|---|---|
| 2024 | $ 0.3 |
| 2025 | 400.3 |
| 2026 | 0.4 |
| 2027 | 0.4 |
| 2028 | — |
| Thereafter | 750.0 |
| | $ 1,151.4 |

**Note 10. Leases**

Our metals service center leases are comprised of processing and distribution facilities, equipment, automobiles, trucks and trailers, ground leases and other leased spaces, such as depots, sales offices, storage and data centers. We also lease various office spaces. Our leases of facilities and other spaces expire at various times through 2045 and our ground leases expire at various times through 2068. Nearly all of our leases are operating leases; we have recognized finance right-of-use assets and obligations of less than $1.0 million.

The following is a summary of our lease cost:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| Operating lease cost | $ 97.4 | $ 91.4 | $ 82.2 |

Supplemental cash flow and balance sheet information is presented below:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| **Supplemental cash flow information:** | | | |
| Cash payments for operating leases | $ 95.2 | $ 86.9 | $ 81.7 |
| Right-of-use assets obtained in exchange for operating lease obligations | $ 74.7 | $ 52.4 | $ 46.8 |

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Other lease information:** | | |
| Weighted average remaining lease term—operating leases | 5.8 years | 6.6 years |
| Weighted average discount rate—operating leases | 4.3% | 3.8% |

The following is a summary of aggregate maturities of operating lease liabilities for each of the next five years and thereafter:

| | (in millions) |
|---|---|
| 2024 | $ 64.9 |
| 2025 | 52.1 |
| 2026 | 39.1 |
| 2027 | 29.6 |
| 2028 | 22.6 |
| Thereafter | 65.1 |
| Total operating lease payments | 273.4 |
| Less: imputed interest | (38.3) |
| Total operating lease liabilities | $ 235.1 |

**Note 11. Income Taxes**

Reliance and its subsidiaries file numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many state and foreign jurisdictions. We are no longer subject to U.S. federal tax examinations for years before 2020 and state and local tax examinations before 2019. Significant components of the provision for income taxes attributable to continuing operations were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| **Current:** | | | |
| Federal | $ 277.0 | $ 418.9 | $ 362.9 |
| State | 73.8 | 112.9 | 98.0 |
| Foreign | 33.6 | 61.1 | 28.6 |
| | 384.4 | 592.9 | 489.5 |
| **Deferred:** | | | |
| Federal | 18.0 | (3.7) | (20.2) |
| State | 0.3 | (2.0) | (4.0) |
| Foreign | (2.1) | (1.0) | 0.4 |
| | 16.2 | (6.7) | (23.8) |
| | $ 400.6 | $ 586.2 | $ 465.7 |

Components of U.S. and international income before income taxes were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| U.S. | $ 1,579.4 | $ 2,199.2 | $ 1,778.5 |
| International | 161.3 | 231.2 | 104.6 |
| Income before income taxes | $ 1,740.7 | $ 2,430.4 | $ 1,883.1 |

The reconciliation of income tax at the U.S. federal statutory tax rate to income tax expense is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Income tax at U.S. federal statutory tax rate | 21.0 % | 21.0 % | 21.0 % |
| State income tax, net of federal tax effect | 3.4 | 3.5 | 3.8 |
| Foreign earnings taxed at (lower) higher rates | (0.1) | 0.5 | 0.4 |
| Net effect of life insurance policies | (1.1) | (0.6) | (0.8) |
| Net effect of changes in unrecognized tax benefits | — | — | 0.1 |
| Stock-based compensation | — | — | 0.3 |
| Other, net | (0.2) | (0.3) | (0.1) |
| Effective tax rate | 23.0 % | 24.1 % | 24.7 % |

Significant components of our deferred tax assets and liabilities are as follows:

| | December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (in millions) | |
| **Deferred tax assets:** | | |
| Allowance for doubtful accounts | $ 6.8 | $ 6.6 |
| Inventory costs capitalized for tax purposes | 13.1 | 12.0 |
| LIFO inventories | — | 0.7 |
| Accrued expenses not currently deductible for tax | 32.0 | 29.2 |
| Stock-based compensation | 12.7 | 11.1 |
| Net operating loss carryforwards | 2.5 | 3.2 |
| Tax credits carryforwards | 0.4 | 0.7 |
| Total deferred tax assets | 67.5 | 63.5 |
| **Deferred tax liabilities:** | | |
| Property, plant and equipment, net | (208.4) | (196.8) |
| Goodwill and other intangible assets | (342.8) | (340.9) |
| LIFO inventories | (6.3) | — |
| Other | (4.0) | (2.4) |
| Total deferred tax liabilities | (561.5) | (540.1) |
| Net deferred tax liabilities | $ (494.0) | $ (476.6) |

As of December 31, 2023, we had $3.0 million of state and $0.1 million of acquired federal net operating loss carryforwards (“NOLs”), which are available to offset future income taxes. The state and federal NOLs expire in various years from 2024 through 2043, if not utilized. We believe that it is more likely than not that we will be able to realize these NOLs within their respective carryforward periods.

The Company believes it is more likely than not that it will generate sufficient future taxable income to realize its deferred tax assets.

### Unrecognized Tax Benefits

We are under audit by a state jurisdiction for years 2018 through 2021, but do not anticipate any material adjustments from these examinations. Reconciliation of the beginning and ending balances of the total amounts of unrecognized tax benefits is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| Unrecognized tax benefits at January 1 | $ 1.4 | $ 1.9 | $ 1.0 |
| (Decreases) increases in tax positions for prior years | (0.2) | 0.8 | — |
| Increases in tax positions for current year | 0.6 | — | 1.0 |
| Settlements | (0.2) | (0.8) | — |
| Lapse of statute of limitations | (0.4) | (0.5) | (0.1) |
| Unrecognized tax benefits at December 31 | $ 1.2 | $ 1.4 | $ 1.9 |

As of December 31, 2023, $1.2 million of unrecognized tax benefits would impact the effective tax rate if recognized. Accrued interest and penalties, net of applicable tax effect, related to uncertain tax positions were $0.1 million and $0.3 million as of December 31, 2023 and 2022, respectively. Although the timing, settlement or closure of audits is not certain, we do not anticipate our unrecognized tax benefits will increase or decrease significantly over the next twelve months.

### Note 12. Stock-Based Compensation Plans

We make annual grants of long-term equity incentive awards to officers and key employees under our Second Amended and Restated 2015 Incentive Award Plan in the forms of service-based restricted stock units (“RSUs”) and performance-based restricted stock units (“PSUs”) that each have approximately 3-year vesting periods. We also grant the non-management members of our Board of Directors fully vested stock awards under our Directors Equity Plan. The fair values of the RSUs, PSUs and stock awards are determined based on the closing stock price of our common stock on the grant date.

At December 31, 2023, an aggregate of 1,539,738 shares were authorized for future grant under our various stock-based compensation plans. Awards that expire or are canceled without delivery of shares of our common stock and shares withheld related to net share settlements of vested restricted stock units generally become available for issuance under the plans. As RSUs and PSUs vest, we issue new shares of Reliance common stock.

### Restricted Stock Units

We granted to key employees equity awards consisting of RSUs and PSUs in aggregate amounts as follows:

| | RSUs | PSUs | RSU and PSU Aggregate Units | Grant Date Fair Value | RSUs Vesting December 1, and PSUs Vesting December 31, |
|---|---|---|---|---|---|
| 2023 | 109,683 | 84,129 | 193,812 | $ 247.90 | 2025 |
| 2022 | 192,798 | 112,451 | 305,249 | $ 187.31 | 2024 |
| 2021 | 191,139 | 127,356 | 318,495 | $ 141.41 | 2023 |

Each RSU and PSU includes a service-based condition and consists of a right to receive shares of our common stock and dividend equivalent rights, subject to forfeiture, equal to the accrued cash or stock dividends where the record date for such dividends is after the grant date but before the award is settled. The RSUs provide the right to receive one share of our common stock and cliff vest on December 1 upon satisfaction of an approximately 3-year service-based condition. The PSUs include performance goals and the right to receive a maximum of two shares of our common stock and vest only upon the satisfaction of the service-based condition and certain performance targets for 3-year periods ending December 31.

A summary of the status of our unvested RSUs and PSUs as of December 31, 2023 and changes during the year then ended is as follows:

| | RSU and PSU Aggregate Units | Weighted Average Grant Date Fair Value |
|---|---|---|
| Unvested at January 1, 2023 | 582,012 | $ 164.60 |
| Granted | 193,812 | 247.90 |
| Vested | (310,485) | 146.27 |
| Cancelled or forfeited | (28,100) | 187.55 |
| Unvested at December 31, 2023 | 437,239 | $ 213.06 |
| Shares reserved for future grants (all plans) | 1,539,738 | |

The fair values as of the respective vesting dates of RSUs and PSUs vested during 2023, 2022 and 2021 were $123.8 million, $147.2 million and $126.0 million, respectively. PSUs totaling 132,787 units that vested on December 31, 2023 were settled in February 2024 through the issuance of 265,574 equivalent shares of our common stock.

**Stock Awards**

In 2023, 2022 and 2021, we granted 4,305, 6,136 and 6,248 stock awards, in total, respectively, to the non-employee members of the Board of Directors that were fully vested on the grant date. The fair values of the stock awards granted in 2023, 2022 and 2021, were $243.61 per share, $182.41 per share and $166.39 per share, respectively, determined based on the closing price of our common stock on the respective grant dates.

**Unrecognized Compensation Cost and Tax Benefits**

As of December 31, 2023, there was $64.7 million of total unrecognized compensation cost related to unvested RSUs and PSUs that is expected to be recognized, net of actual forfeitures and cancellations, over a weighted average period of 1.6 years.

The tax benefit realized from our stock-based compensation plans in 2023, 2022 and 2021 was $7.7 million, $8.0 million and $6.8 million, respectively.

## Note 13. Employee Benefits

**Defined Contribution Plans**

Effective in 1998, the Reliance Steel & Aluminum Co. Master 401(k) Plan (the “Master 401(k) Plan”) was established, which combined several of the various 401(k) and profit-sharing plans of the Company and its subsidiaries into one plan. Salaried and certain hourly employees of the Company and its participating subsidiaries are covered under the Master 401(k) Plan. Eligibility occurs after 30 days of service and the Company contribution vests at 25% per year. We have other defined contribution plans that include the Precision Strip Retirement and Savings Plan and plans at certain domestic and foreign subsidiaries that have not merged their plans into the Master 401(k) Plan as of December 31, 2023 (collectively, the “Other Defined Contribution Plans”).

We also sponsor the Reliance Steel & Aluminum Co. Employee Stock Ownership Plan, a tax-qualified noncontributory employee stock ownership plan, for certain salaried and hourly employees of the Company. The plan is closed to new enrollees and the Company is not currently making annual contributions to the plan.

**Supplemental Executive Retirement Plans**

Effective January 1996, we adopted the Supplemental Executive Retirement Plan (“Reliance SERP”), which is a nonqualified pension plan that provides postretirement pension benefits to certain key officers of the Company. The

Reliance SERP is administered by the Compensation Committee of the Board. Benefits are based upon the employees' earnings. We recognized settlement losses of $2.3 million in the year ended December 31, 2022 related to the payment of benefits under the Reliance SERP.

Life insurance policies were purchased for most individuals covered by the Reliance SERP and held within a grantor trust. See *Note 8—"Cash Surrender Value of Life Insurance Policies, Net"* for further discussion of our life insurance policies. Separate supplemental executive retirement plans exist for certain wholly owned subsidiaries of the Company (together with the Reliance SERP, the "SERPs"), each of which provides postretirement pension benefits to certain former key employees. All SERPs have been frozen to new participants since 2009.

**Deferred Compensation Plan**

In December 2008, the Reliance Deferred Compensation Plan (the "DCP") was established for certain officers and key employees of the Company. Account balances from various compensation plans of subsidiaries were contributed and consolidated into this new deferred compensation plan. Plan participants may contribute a portion of their eligible compensation to the plan and Reliance currently makes contributions to the plan for certain participants.

During 2021, we established a grantor trust to fund our obligations under the DCP. The grantor trust is an irrevocable grantor trust to which we may contribute assets for the purpose of funding the DCP. Although we may not use the assets of the grantor trust for any purpose other than meeting our obligations under the DCP, the assets of the grantor trust remain subject to the claims of our creditors. The aggregate fair value of the marketable securities held by the grantor trust as of December 31, 2023 and 2022 were $51.0 million and $41.2 million, respectively, and the amount of our obligations to the participants under the DCP on those dates were also $51.0 million and $41.2 million, respectively. The grantor trust assets and our liability under the DCP are included in the Other long-term assets and Other long-term liabilities captions of our consolidated balance sheets. The Company expects to contribute $2.4 million to the plan during 2024.

**Multiemployer Plans**

Certain of our union employees participate in plans collectively bargained and maintained by multiple employers and a labor union. We do not recognize on our balance sheet any amounts relating to these plans. For 2023, 2022 and 2021 our contributions to these plans were $5.4 million, $5.4 million and $4.8 million, respectively. Some of the plans we participate in are in endangered, critical or critical and declining status and have adopted rehabilitation plans. If we were to withdraw our participation from these plans, we would be required to recognize a liability on our balance sheet and the amount could be significant.

**Defined Benefit Plan**

Our wholly owned subsidiary, EMJ, maintains a qualified defined benefit pension plan (the "Defined Benefit Plan") for certain union employees. The plan generally provides benefits of stated amounts for each year of service or provides benefits based on the participant's hourly wage rate and years of service. The plan permits the sponsor, at any time, to amend or terminate the plan.

We use a December 31 measurement date for our plans. The following is a summary of the status of the funding of the SERPs and Defined Benefit Plan:

| | SERPs | | Defined Benefit Plan | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | (in millions) | | (in millions) | |
| **Change in benefit obligation:** | | | | |
| Benefit obligation at beginning of year | $ 18.8 | $ 36.4 | $ 55.0 | $ 74.5 |
| Service cost | 0.3 | 0.4 | 1.3 | 2.0 |
| Interest cost | 0.9 | 0.7 | 2.7 | 2.0 |
| Actuarial loss (gain)(1) | 1.0 | (5.6) | 1.0 | (21.0) |
| Benefits paid | (0.8) | (0.8) | (2.5) | (2.5) |
| Plan amendment | — | — | 2.5 | — |
| Plan settlement | — | (12.3) | — | — |
| Benefit obligation at end of year | $ 20.2 | $ 18.8 | $ 60.0 | $ 55.0 |
| **Change in plan assets:** | | | | |
| Fair value of plan assets at beginning of year | N/A | N/A | $ 56.7 | $ 70.9 |
| Actual return on plan assets | N/A | N/A | 9.6 | (11.7) |
| Benefits paid | N/A | N/A | (2.5) | (2.5) |
| Fair value of plan assets at end of year | N/A | N/A | $ 63.8 | $ 56.7 |
| **Funded status:** | | | | |
| Funded status of the plans | $ (20.2) | $ (18.8) | $ 3.8 | $ 1.7 |
| **Items not yet recognized as component of net periodic pension expense:** | | | | |
| Unrecognized net actuarial losses (gains) | $ 2.9 | $ 1.9 | $ (4.7) | $ 0.5 |
| Unamortized prior service cost | — | — | 4.8 | 2.8 |
| | $ 2.9 | $ 1.9 | $ 0.1 | $ 3.3 |

(1) Actuarial gains in 2022 were primarily due to increases in the discount rate used to measure the obligations.

As of December 31, 2023 and 2022, the following amounts were recognized on the balance sheet:

| | SERPs | | Defined Benefit Plan | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | (in millions) | | (in millions) | |
| **Amounts recognized in the statement of financial position:** | | | | |
| Noncurrent assets | $ — | $ — | $ 3.8 | $ 1.7 |
| Current liabilities | (0.8) | (0.8) | — | — |
| Noncurrent liabilities | (19.4) | (18.0) | — | — |
| Accumulated other comprehensive loss | 2.9 | 1.9 | 0.1 | 3.3 |
| Net amount recognized | $ (17.3) | $ (16.9) | $ 3.9 | $ 5.0 |

The accumulated benefit obligation for the SERPs was $18.2 million and $17.1 million as of December 31, 2023 and 2022, respectively.

Details of net periodic benefit cost related to the SERPs and Defined Benefit Plan are presented below:

| | SERPs | | | Defined Benefit Plan | | |
|---|---|---|---|---|---|---|
| | Year Ended December 31, | | | Year Ended December 31, | | |
| | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| | | (in millions) | | | (in millions) | |
| Service cost | $ 0.3 | $ 0.4 | $ 1.0 | $ 1.3 | $ 2.0 | $ 2.2 |
| Interest cost | 0.9 | 0.7 | 0.6 | 2.7 | 2.0 | 1.8 |
| Expected return on plan assets | — | — | — | (3.3) | (4.2) | (3.9) |
| Settlement loss | — | 2.3 | — | — | — | — |
| Prior service cost | — | — | — | 0.5 | 0.5 | 0.6 |
| Amortization of net loss | — | 0.6 | 1.8 | — | — | 0.8 |
| | $ 1.2 | $ 4.0 | $ 3.4 | $ 1.2 | $ 0.3 | $ 1.5 |

Net periodic benefit cost related to the SERPs and the Defined Benefit Plan is presented in our consolidated statements of income, as summarized below:

| | SERPs | | | Defined Benefit Plan | | |
|---|---|---|---|---|---|---|
| | Year Ended December 31, | | | Year Ended December 31, | | |
| | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| | | (in millions) | | | (in millions) | |
| **Amounts recognized in the statement of income:** | | | | | | |
| Warehouse, delivery, selling, general and administrative expense | $ 0.3 | $ 0.4 | $ 1.0 | $ 1.3 | $ 2.0 | $ 2.2 |
| Other expense (income), net | 0.9 | 3.6 | 2.4 | (0.1) | (1.7) | (0.7) |
| | $ 1.2 | $ 4.0 | $ 3.4 | $ 1.2 | $ 0.3 | $ 1.5 |

Assumptions used to determine net periodic benefit cost are detailed below:

| | SERPs | | | Defined Benefit Plan | | |
|---|---|---|---|---|---|---|
| | Year Ended December 31, | | | Year Ended December 31, | | |
| | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| **Weighted average assumptions to determine net cost:** | | | | | | |
| Discount rate | 4.58 % | 2.17 % | 1.64 % | 5.00 % | 2.70 % | 2.40 % |
| Expected long-term rate of return on plan assets | N/A | N/A | N/A | 6.00 % | 6.00 % | 6.25 % |
| Rate of compensation increase | 6.00 % | 6.00 % | 6.00 % | N/A | N/A | N/A |

Assumptions used to determine the benefit obligation are detailed below:

| | SERPs | | Defined Benefit Plan | |
|---|---|---|---|---|
| | December 31, | | December 31, | |
| | 2023 | 2022 | 2023 | 2022 |
| **Weighted average assumptions to determine benefit obligations:** | | | | |
| Discount rate | 4.35 % | 4.51 % | 4.80 % | 5.00 % |
| Expected long-term rate of return on plan assets | N/A | N/A | 6.00 % | 6.00 % |
| Rate of compensation increase | 6.00 % | 6.00 % | N/A | N/A |

Employer contributions of $0.8 million are expected during 2024 to the SERPs and none for the Defined Benefit Plan.

### Plan Assets and Investment Policy

The weighted-average asset allocations of our Defined Benefit Plan by asset category were as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Plan assets:** | | |
| Equity securities | 62 % | 58 % |
| Debt securities | 37 | 38 |
| Cash and cash equivalents | 1 | 4 |
| Total | 100 % | 100 % |

Plan assets are invested in various asset classes that are expected to produce a sufficient level of diversification and investment return over the long term. The investment goal is a return on assets that is at least equal to the assumed actuarial rate of return over the long-term within reasonable and prudent levels of risk. We establish our estimated long-term return on plan assets assumption considering various factors including the targeted asset allocation percentages, historic returns and expected future returns.

The fair value measurements of the investments held by our Defined Benefit Plan fall within the following levels of the fair value hierarchy as of December 31, 2023 and 2022:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (in millions) | | |
| **December 31, 2023** | | | | |
| Common stock[1] | $ 37.8 | $ — | $ — | $ 37.8 |
| U.S. government, state and agency | — | 8.3 | — | 8.3 |
| Corporate debt securities[2] | — | 3.8 | — | 3.8 |
| Mutual funds[3] | 13.4 | — | — | 13.4 |
| Interest bearing cash | 0.5 | — | — | 0.5 |
| Total investments at fair value | $ 51.7 | $ 12.1 | $ — | $ 63.8 |
| | | | | |
| **December 31, 2022** | | | | |
| Common stock[1] | $ 31.4 | $ — | $ — | $ 31.4 |
| U.S. government, state and agency | — | 6.0 | — | 6.0 |
| Corporate debt securities[2] | — | 4.6 | — | 4.6 |
| Mutual funds[3] | 12.6 | — | — | 12.6 |
| Interest bearing cash | 2.1 | — | — | 2.1 |
| Total investments at fair value | $ 46.1 | $ 10.6 | $ — | $ 56.7 |

(1) Comprised primarily of securities of large domestic and foreign companies. Valued at the closing price reported on the active market on which the individual securities are traded on national exchanges.

(2) Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing values on a combination of inputs, including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

(3) Mutual funds held are registered with the United States Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

**Summary Disclosures—SERPs and Defined Benefit Plan**

The following is a summary of benefit payments under the SERPs and the Defined Benefit Plan, which reflect expected future employee service, as appropriate, expected to be paid in the periods indicated:

| | SERPs | Defined Benefit Plan |
|---|---|---|
| | (in millions) | |
| 2024 | $ 0.8 | $ 2.7 |
| 2025 | 0.8 | 3.0 |
| 2026 | 0.8 | 3.2 |
| 2027 | 1.2 | 3.4 |
| 2028 | 0.6 | 3.6 |
| 2029-2033 | 22.1 | 19.7 |

**Contributions to Reliance Sponsored Retirement Plans**

Our expense for Reliance-sponsored retirement plans was as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| Master 401(k) Plan | $ 29.3 | $ 28.1 | $ 25.6 |
| Precision Strip Retirement and Savings Plan | 10.9 | 9.2 | 8.0 |
| Deferred Compensation Plan | 2.4 | 2.0 | 2.5 |
| Other Defined Contribution Plans | 2.0 | 2.0 | 2.0 |
| Defined Benefit Plan | 1.2 | 0.3 | 1.5 |
| Supplemental Executive Retirement Plans | 1.2 | 4.0 | 3.4 |
| | $ 47.0 | $ 45.6 | $ 43.0 |

**Note 14. Equity**

**Common Stock**

We have paid regular quarterly cash dividends on our common stock for 64 consecutive years. Our Board of Directors increased the quarterly dividend to $0.6875 per share in February 2021 from $0.625 per share, to $0.875 per share in February 2022, to $1.00 per share in February 2023 and to $1.10 per share in February 2024. The holders of Reliance common stock are entitled to one vote per share on each matter submitted to a vote of stockholders.

**Shares Outstanding**

Issued and outstanding common shares were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in thousands) | |
| Issued and outstanding common shares, beginning balances | 58,787 | 61,806 | 63,600 |
| Issued to settle RSUs and PSUs, net of withheld shares | 362 | 506 | 313 |
| Repurchased | (1,878) | (3,525) | (2,107) |
| Issued and outstanding common shares, ending balances | 57,271 | 58,787 | 61,806 |

**Share Repurchases**

On October 24, 2023, our Board of Directors renewed our share repurchase program to increase the remaining repurchase authorization to $1.5 billion effective October 30, 2023. Our $1.0 billion share repurchase program authorized by our Board of Directors on July 26, 2022 had remaining repurchase authorization of $261.5 million as of the date of the renewal. The share repurchase program does not obligate us to repurchase any specific number of shares, does not have a specific expiration date and may be suspended or discontinued at any time. Repurchased and subsequently retired shares are restored to the status of authorized but unissued shares. As of December 31, 2023, we had remaining authorization under the plan to repurchase $1.44 billion of our common shares. We repurchase shares of our common stock from time to time pursuant to a combination of one or more open market repurchases and transactions structured through investment banking institutions in reliance upon Rule 10b5-1 and/or Rule 10b-18 under the Exchange Act.

Our share repurchase activity for the past three years consisted of the following:

| | Shares (in thousands) | Average Cost Per Share | Amount (in millions) |
|---|---|---|---|
| 2023 | 1,878 | $ 255.30 | $ 479.5 |
| 2022 | 3,525 | $ 178.81 | $ 630.3 |
| 2021 | 2,107 | $ 153.55 | $ 323.5 |

The table above excludes taxes paid for shares withheld to settle employees' tax withholding obligations related to net share settlements upon the vesting of restricted stock units of $54.1 million, $39.7 million and $21.2 million for 2023, 2022 and 2021, respectively. Additionally, our share repurchases exclude excise tax due under the Inflation Reduction Act of 2022.

**Preferred Stock**

We are authorized to issue 5,000,000 shares of preferred stock, par value $0.001 per share. No shares of our preferred stock are issued and outstanding. Our restated articles of incorporation provide that shares of preferred stock may be issued from time to time in one or more series by the Board. The Board can fix the preferences, conversion and other rights, voting powers, restrictions and limitations as to dividends, qualifications and terms and conditions of redemption of each series of preferred stock. The rights of preferred stockholders may supersede the rights of common stockholders.

**Accumulated Other Comprehensive Loss**

Accumulated other comprehensive loss included the following:

| | Foreign Currency Translation (Loss) Gain | Pension and Postretirement Benefit Plan Adjustments, Net of Tax | Accumulated Other Comprehensive (Loss) Income |
|---|---|---|---|
| | | (in millions) | |
| Balance as of January 1, 2023 | $ (84.0) | $ (2.3) | $ (86.3) |
| Current-year change | 8.3 | 1.3 | 9.6 |
| Balance as of December 31, 2023 | $ (75.7) | $ (1.0) | $ (76.7) |

Foreign currency translation adjustments have not been adjusted for income taxes. Pension and postretirement benefit plan adjustments are amortized over service periods and reflected in the amortization of net loss component of our net periodic benefit cost or are otherwise recognized as a loss as a result of plan settlements.

Pension and postretirement benefit adjustments are net of taxes of $0.7 million and $1.3 million as of December 31, 2023 and 2022, respectively. The income tax effects are released from accumulated other comprehensive loss and included in our income tax provision as obligations under our pension and postretirement plans are settled. In 2022, $0.3 million of income tax effects were released related to the partial settlement of the Reliance SERP. See *Note 13—"Employee Benefits"* for further information on our 2022 plan settlement.

**Note 15. Other (Income) Expense, Net**

Significant components of Other (income) expense, net are as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (in millions) | |
| Interest income | $ (35.2) | $ (9.3) | $ (1.1) |
| (Income) loss on deferred compensation plan assets | (6.6) | 6.9 | (4.1) |
| Life insurance policy expense, net | 6.1 | 15.5 | 9.1 |
| Foreign currency transaction losses | 1.3 | 6.2 | 4.0 |
| All other, net | (6.9) | (5.1) | (4.8) |
| | $ (41.3) | $ 14.2 | $ 3.1 |

**Note 16. Commitments and Contingencies**

**Purchase Commitments**

As of December 31, 2023, we had commitments to purchase minimum quantities of certain metal products, which we entered into to secure material for corresponding long-term sales commitments with our customers. The total amount of the minimum commitments based on current pricing is estimated at approximately $301.4 million, with amounts in 2024, 2025 and thereafter being $195.7 million, $54.7 million and $51.0 million, respectively.

**Collective Bargaining Agreements**

As of December 31, 2023, approximately 1,850, or 12%, of our total employees were covered by 60 collective bargaining agreements at 52 of our different locations, which expire at various times over the next five years. Approximately 700 of our employees are covered by 19 different collective bargaining agreements that will expire during 2024.

**Environmental Contingencies**

We are subject to extensive and changing federal, state, local and foreign laws and regulations designed to protect the environment, including those relating to the use, handling, storage, discharge and disposal of hazardous substances and the remediation of environmental contamination. Our operations use minimal amounts of such substances.

We believe we are in material compliance with environmental laws and regulations; however, we are from time to time involved in administrative and judicial proceedings and inquiries relating to environmental matters. Some of our owned or leased properties are located in industrial areas with histories of heavy industrial use. We may incur some environmental liabilities because of the location of these properties. In addition, we are currently involved with an environmental remediation project related to activities at former manufacturing operations of EMJ, our wholly owned subsidiary, that were sold many years prior to our acquisition of EMJ in 2006. Although the potential cleanup costs could be significant, EMJ maintained insurance policies during the time it owned the manufacturing operations that have covered costs incurred to date and are expected to continue to cover the majority of the related costs. We do not expect that this obligation will have a material adverse impact on our consolidated financial position, results of operations or cash flows.

**Legal Matters**

From time to time, we are named as a defendant in legal actions. These actions generally arise in the ordinary course of business. We are not currently a party to any pending legal proceedings other than routine litigation incidental to the business. We expect that these matters will be resolved without having a material adverse impact on our consolidated financial condition, results of operations or cash flows. We maintain general liability insurance against risks arising in the ordinary course of business.

**Note 17. Earnings Per Share**

The following table sets forth the computation of basic and diluted earnings per share:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | (in millions, except number of shares which are reflected in thousands and per share amounts) | | |
| **Numerator:** | | | |
| Net income attributable to Reliance | $ 1,335.9 | $ 1,840.1 | $ 1,413.0 |
| **Denominator:** | | | |
| Weighted average shares outstanding | 58,328 | 60,559 | 63,217 |
| Dilutive effect of stock-based awards | 687 | 936 | 1,110 |
| Weighted average diluted shares outstanding | 59,015 | 61,495 | 64,327 |
| **Earnings per share attributable to Reliance stockholders:** | | | |
| Basic | $ 22.90 | $ 30.39 | $ 22.35 |
| Diluted | $ 22.64 | $ 29.92 | $ 21.97 |

The computations of diluted earnings per share using the treasury stock method for 2023, 2022 and 2021 do not include 51,409, 83,857 and 116,206 weighted average shares, respectively, in respect of outstanding RSUs and PSUs, because their inclusion would have been anti-dilutive.

**Note 18. Segment Information**

We have one operating and reportable segment—*metals service centers*. Although a variety of products or services are sold at our various locations, in total, gross sales were comprised of the following in each of the three years ended December 31:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Carbon steel | 53 % | 54 % | 58 % |
| Aluminum | 16 | 15 | 14 |
| Stainless steel | 15 | 17 | 16 |
| Alloy | 5 | 4 | 4 |
| Toll processing and logistics | 4 | 3 | 3 |
| Copper and brass | 2 | 2 | 1 |
| Other | 5 | 5 | 4 |
| Total | 100 % | 100 % | 100 % |

The following table summarizes consolidated financial information of our U.S. and foreign operations:

| | United States | Foreign Countries | Total |
|---|---|---|---|
| | | (in millions) | |
| **Year Ended December 31, 2023:** | | | |
| Net sales | $ 13,786.8 | $ 1,019.1 | $ 14,805.9 |
| Long-lived assets | 5,288.4 | 420.1 | 5,708.5 |
| **Year Ended December 31, 2022:** | | | |
| Net sales | 15,978.6 | 1,046.4 | 17,025.0 |
| Long-lived assets | 5,051.9 | 391.4 | 5,443.3 |
| **Year Ended December 31, 2021:** | | | |
| Net sales | 13,371.7 | 721.6 | 14,093.3 |
| Long-lived assets | 4,971.2 | 404.7 | 5,375.9 |

**Note 19. Subsequent Events**

In February 2024, we completed the acquisition of Cooksey Iron & Metal Company (“Cooksey Steel”) and entered into a definitive agreement to acquire American Alloy Steel, Inc. (“American Alloy”) subject to regulatory approval and other customary closing conditions.

The allocation of the total purchase price for our acquisition of Cooksey Steel to the fair values of the assets acquired and liabilities assumed is not presented as the accounting is incomplete due to the recency of the acquisition.

**RELIANCE, INC.**
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**
**(in millions)**

| | Balance at Beginning of Year | Additions Charged to Costs and Expenses | Deductions[(1)] | Amounts Charged to Other Accounts | Balance at End of Year |
|---|---|---|---|---|---|
| **Year Ended December 31, 2023:** | | | | | |
| Allowance for credit losses | $ 26.1 | $ 3.5 | $ 4.7 | $ — | $ 24.9 |
| **Year Ended December 31, 2022:** | | | | | |
| Allowance for credit losses | $ 26.7 | $ 3.4 | $ 4.0 | $ — | $ 26.1 |
| **Year Ended December 31, 2021:** | | | | | |
| Allowance for credit losses | $ 19.0 | $ 9.8 | $ 2.8 | $ 0.7 | $ 26.7 |

(1) Uncollectible accounts written off.

See accompanying report of independent registered public accounting firm.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

### Disclosure Controls and Procedures

We maintain disclosure controls and procedures, which are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported within time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer, or CEO, and chief financial officer, or CFO, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of the Company's management, including our CEO and CFO, an evaluation was performed on the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were effective as of December 31, 2023 at a reasonable assurance level.

### Changes in Internal Control over Financial Reporting

An evaluation was also performed under the supervision and with the participation of our management, including our CEO and CFO, of any change in our internal control over financial reporting that occurred during our last fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. That evaluation did not identify any change in our internal control over financial reporting that occurred during our last fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control—Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their audit report, which is included in Item 9A.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Reliance, Inc.:

*Opinion on Internal Control Over Financial Reporting*

We have audited Reliance, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule II of valuation and qualifying accounts (collectively, the consolidated financial statements), and our report dated February 29, 2024 expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Los Angeles, California
February 29, 2024

**Item 9B. Other Information**

During the fourth quarter ended December 31, 2023, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of Regulation S-K).

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

# PART III

## Item 10.  Directors, Executive Officers and Corporate Governance

Information about our Code of Conduct, which applies to our executive officers and senior management, our directors, including our audit committee and audit committee financial experts and the procedures by which stockholders can recommend director nominees, and our executive officers will be in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be held on May 15, 2024 (the "Proxy Statement") and is incorporated herein by reference.

## Item 11.  Executive Compensation

Information relating to our executive officer and director compensation and the compensation committee of the Board of Directors will be included in the Proxy Statement and is incorporated herein by reference (excluding the information contained under the heading "Executive Compensation Tables—Pay Versus Performance Disclosure").

## Item 12.  Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to security ownership of certain beneficial owners of our common stock and information relating to the security ownership of our management will be included in the Proxy Statement and is incorporated herein by reference.

## Item 13.  Certain Relationships and Related Transactions, and Director Independence

The Information regarding certain relationships and related transactions and director independence will be included in the Proxy Statement and is incorporated herein by reference.

## Item 14.  Principal Accountant Fees and Services

Information regarding principal accountant fees and services will be included in the Proxy Statement and is incorporated herein by reference.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Financial Statements (included in Item 8).



(2) Financial Statement Schedules



All other schedules have been omitted since the required information is not significant or is included in the consolidated financial statements or notes thereto or is not applicable.

(3) Exhibits

| | | Incorporated by Reference | | |
|---|---|---|---|---|
| **Exhibit Number** | **Description** | **Form** | **Exhibit** | **Filing Date/ Period End Date** |
| 3.01 | Registrant's Restated Certificate of Incorporation. | 8-K | 3.1 | 6/1/2015 |
| 3.02 | Certificate of Amendment to Registrant's Restated Certificate of Incorporation, dated February 14, 2024. | 8-K | 3.1 | 2/15/2024 |
| 3.03 | Registrant's Amended and Restated Bylaws. | 8-K | 3.2 | 2/15/2024 |
| 4.01 | Exchange Notes under the Indenture dated November 20, 2006 by and among Registrant, the Subsidiary Guarantors party thereto, and Wells Fargo Bank, National Association, as Trustee. | 8-K | 10.01 | 11/20/2006 |
| 4.02 | Forms of the Notes and the Exchange Notes under the Indenture. | 8-K | 10.02 | 11/20/2006 |
| 4.03 | Indenture dated April 12, 2013 by and among Registrant, the Subsidiary Guarantors party thereto, and Wells Fargo Bank, National Association, as Trustee. | 8-K | 4.1 | 4/12/2013 |
| 4.04 | First Supplemental Indenture dated April 12, 2013 by and among Registrant, the Subsidiary Guarantors party thereto, and Wells Fargo Bank, National Association, as Trustee. | 8-K | 4.2 | 4/12/2013 |
| 4.05 | Description of Registrant's Securities Registered Pursuant to Section 12 of the Exchange Act. | 10-K | 4.05 | 12/31/2019 |
| 4.06 | Indenture, dated August 3, 2020, among Reliance Steel & Aluminum Co. and Wells Fargo Bank, National Association, as trustee. | 8-K | 4.1 | 8/3/2020 |

| Exhibit Number | Description | Incorporated by Reference Form | Exhibit | Filing Date/ Period End Date |
|---|---|---|---|---|
| 4.07 | First Supplemental Indenture, dated August 3, 2020, among Reliance Steel & Aluminum Co. and Wells Fargo Bank, National Association, as trustee (including forms of note for the 1.300% Senior Notes due 2025 and 2.150% Senior Notes due 2030). | 8-K | 4.2 | 8/3/2020 |
| 10.01† | Registrant's Supplemental Executive Retirement Plan (Amended and Restated effective as of January 1, 2009). | 10-K | 10.15 | 12/31/2008 |
| 10.02† | Registrant's Directors Equity Plan. | DEF 14A | Appendix A | 4/1/2011 |
| 10.03† | Registrant's Amended and Restated Deferred Compensation Plan effective January 1, 2013. | 10-K | 10.09 | 12/31/2012 |
| 10.04† | Registrant's Amendment No. 1 to Amended and Restated Stock Option and Restricted Stock Plan. | 8-K | 4.1 | 5/15/2013 |
| 10.05† | Registrant's Form of Indemnification Agreement for officers and directors. | 8-K | 10.1 | 2/16/2016 |
| 10.06† | Form of Restricted Stock Unit Award Agreement – ROA Performance. | 10-Q | 10.3 | 3/31/2016 |
| 10.07† | Form of Restricted Stock Unit Award Agreement – Service. | 10-Q | 10.4 | 3/31/2016 |
| 10.08† | Registrant's Second Amended and Restated 2015 Incentive Award Plan. | 8-K | 10.1 | 5/22/2020 |
| 10.09† | Amendment No. 1 to Registrant's Directors Equity Plan. | 8-K | 10.2 | 5/22/2020 |
| 10.10 | Amended and Restated Credit Agreement dated as of September 3, 2020, among Reliance Steel & Aluminum Co., as Borrower, Bank of America N.A., as the Administrative Agent, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as Co-Syndication Agents, PNC Bank, National Association and TD Bank, N.A., as Co-Documentation Agents, and the other lenders party thereto. | 8-K | 10.1 | 9/10/2020 |
| 10.11† | Registrant's First Amendment to Deferred Compensation Plan effective December 22, 2020. | 10-K | 10.15 | 12/31/2020 |
| 10.12 | Amendment No.1 dated as of January 12, 2023 to Amended and Restated Credit Agreement dated as of September 3, 2020, among Reliance Steel & Aluminum Co., as Borrower, Bank of America N.A., as the Administrative Agent, and each of the lenders party thereto. | 10-K | 10.12 | 12/31/2022 |
| 10.13† | Registrant's Second Amendment to Deferred Compensation Plan (Amended and Restated Effective January 1, 2013) dated as of February 14, 2023. | 10-Q | 10.1 | 3/31/2023 |
| 21* | Subsidiaries of Registrant. | | | |
| 23* | Consent of Independent Registered Public Accounting Firm—KPMG LLP. | | | |
| 24* | Power of Attorney. | | | |
| 31.1* | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended. | | | |
| 31.2* | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended. | | | |
| 32** | Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | |
| 97.1* | Registrant's Amended and Restated Compensation Recovery Policy. | | | |
| 101* | The following financial information from Reliance, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income and Comprehensive Income, (iii) the Consolidated Statements of Equity, (iv) the Consolidated Statements of Cash Flows, and (v) related notes to these consolidated financial statements. | | | |

| Exhibit Number | Description | Incorporated by Reference | | |
|---|---|---|---|---|
| | | Form | Exhibit | Filing Date/ Period End Date |
| 104* | The cover page from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included in Exhibit 101). | | | |

* Filed herewith.
** Furnished herewith.
† Indicates management contract or compensatory plan or arrangement.

**Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on February 29, 2024.

**RELIANCE, INC.**

By: /s/ Arthur Ajemyan
Arthur Ajemyan
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

## POWER OF ATTORNEY

The officers and directors of Reliance, Inc. whose signatures appear below hereby constitute and appoint Karla R. Lewis and Arthur Ajemyan, or any of them, to act severally as attorneys-in-fact and agents, with power of substitution and resubstitution, for each of them in any and all capacities, to sign any amendments to this report and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons in the capacities and on the dates indicated.

| Signatures | Title | Date |
|---|---|---|
| /s/ Mark V. Kaminski<br>Mark V. Kaminski | Chair of the Board; Director | February 29, 2024 |
| /s/ Karla R. Lewis<br>Karla R. Lewis | President and Chief Executive Officer (Principal Executive Officer); Director | February 29, 2024 |
| /s/ Lisa L. Baldwin<br>Lisa L. Baldwin | Director | February 29, 2024 |
| /s/ Karen W. Colonias<br>Karen W. Colonias | Director | February 29, 2024 |
| /s/ Frank J. Dellaquila<br>Frank J. Dellaquila | Director | February 29, 2024 |
| /s/ James D. Hoffman<br>James D. Hoffman | Director | February 29, 2024 |
| /s/ Robert A. McEvoy<br>Robert A. McEvoy | Director | February 29, 2024 |
| /s/ David W. Seeger<br>David W. Seeger | Director | February 29, 2024 |
| /s/ Douglas W. Stotlar<br>Douglas W. Stotlar | Director | February 29, 2024 |

**EXHIBIT 21**

The Company's principal affiliates are listed below. All other affiliates, if considered in the aggregate as a single affiliate, would not constitute a significant subsidiary.

**SUBSIDIARIES OF REGISTRANT**
(As of February 29, 2024)

Admiral Metals Servicenter Company, Incorporated, a Massachusetts corporation
Acero Prime, S. de R.L. de C.V., a limited liability company formed under the laws of Mexico
Aleaciones Especiales de Mexico, S. de R.L. de C.V., a limited liability company formed under the laws of Mexico
Allegheny Steel Distributors, Inc., a Pennsylvania corporation
All Metal Services Limited, a private limited company formed under the laws of the United Kingdom
All Metal Services Ltd. (Xi'an), a limited liability company formed under the laws of the People's Republic of China
All Metal Services (Malaysia) Sdn. Bhd., a private company limited by shares formed under the laws of Malaysia
American Metals Corporation, a California corporation
AMI Metals, Inc., a Tennessee corporation
AMI Metals Aero Services Ankara Havacılık Anonim Şirketi, a joint stock company formed under the laws of Turkey
AMI Metals Europe SPRL, a private limited liability company formed under the laws of Belgium
AMI Metals UK Limited, a private limited company formed under the laws of the United Kingdom
Best Manufacturing, Inc., an Arkansas corporation
CCC Steel, Inc., a Delaware corporation
Chapel Steel Corp., a Pennsylvania corporation
Chapel Steel Canada, Ltd., a corporation formed under the federal laws of Canada
Chatham Steel Corporation, a Georgia corporation
Clayton Metals, Inc., an Illinois corporation
Continental Alloys & Services Limited, a private limited company formed under the laws of the United Kingdom
Continental Alloys & Services (Malaysia) Sdn. Bhd., a private company limited by shares formed under the laws of Malaysia
Continental Alloys & Services Pte. Ltd., a private company limited by shares formed under the laws of Singapore
Continental Alloys Middle East FZE, a free zone establishment formed under the laws of the United Arab Emirates
Cooksey Iron & Metal Company, a Georgia corporation
Crest Steel Corporation, a California corporation
Diamond Manufacturing Company, a Pennsylvania corporation
DuBose National Energy Fasteners & Machined Parts, Inc., a North Carolina corporation
DuBose National Energy Services, Inc., a North Carolina corporation
Durrett Sheppard Steel Co., Inc., a California corporation
Earle M. Jorgensen Company, a Delaware corporation
Feralloy Corporation, a Delaware corporation
Fox Metals and Alloys, Inc., a Texas corporation
Fry Steel Company, a California corporation
Infra-Metals Co., a Georgia corporation
KMS, Inc., a South Carolina corporation
Liebovich Bros., Inc., an Illinois corporation
Metals USA, Inc., a Delaware corporation
Metalweb Limited, a private limited company formed under the laws of the United Kingdom
National Specialty Alloys, Inc., a Delaware corporation
Northern Illinois Steel Supply Co., an Illinois corporation
Nu-Tech Precision Metals Inc., a corporation formed under the laws of Ontario, Canada
Pacific Metal Company, an Oregon corporation
PDM Steel Service Centers, Inc., a California corporation
Phoenix Corporation, a Georgia corporation
Precision Flamecutting and Steel, Inc., a Texas corporation
Precision Strip Inc., an Ohio corporation
Reliance Metalcenter Asia Pacific Pte. Ltd., a private company limited by shares formed under the laws of Singapore
Reliance Metals Canada Limited, a corporation formed under the federal laws of Canada
Rotax Metals Inc., a New York corporation
Service Steel Aerospace Corp., a Delaware corporation
Siskin Steel & Supply Company, Inc., a Tennessee corporation
Southern Steel Supply, LLC, a Tennessee limited liability company
Sugar Steel Corporation, an Illinois corporation
Tubular Steel, Inc., a Missouri corporation
United Pipe & Steel Corp., a Delaware corporation
Valex Corp., a California corporation
Valex Korea Co., Ltd., a corporation formed under the laws of the Republic of South Korea
Valex Semiconductor Materials (Zhejiang) Co., Ltd., a limited liability company formed under the laws of the People's Republic of China
Viking Materials, Inc., a Minnesota corporation
Yarde Metals, Inc., a Connecticut corporation

**EXHIBIT 23**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements on Form S-3 (Nos. 333-187666 and 333-240139), Form S-4 (No. 333-139790), and Form S-8 (Nos. 333-136290, 333-147226, 333-202783, 333-204295, 333-204670 and 333-251300) of our reports dated February 29, 2024, with respect to the consolidated financial statements and financial statement schedule of valuation and qualifying accounts of Reliance, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Los Angeles, California
February 29, 2024

**EXHIBIT 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Karla R. Lewis, hereby certify that:

1. I have reviewed this annual report on Form 10-K of Reliance, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2024

/s/ Karla R. Lewis
Karla R. Lewis
*President and Chief Executive Officer*

**EXHIBIT 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Arthur Ajemyan, hereby certify that:

1. I have reviewed this annual report on Form 10-K of Reliance, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I and 15d-15I) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 29, 2024

/s/ Arthur Ajemyan
Arthur Ajemyan
*Senior Vice President and Chief Financial Officer*

**EXHIBIT 32**

**Certification**
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
**(Subsections (a) and (b) of Section 1350, Chapter 63 of title 18, United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of title 18, United States Code) (the "Act"), each of the undersigned officers of Reliance, Inc., a Delaware corporation (the "Company"), does hereby certify that:

The Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report") of the Company fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)) and information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Karla R. Lewis
Karla R. Lewis
*President and Chief Executive Officer*

/s/ Arthur Ajemyan
Arthur Ajemyan
*Senior Vice President and Chief Financial Officer*

Date: February 29, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 97.1**

**RELIANCE STEEL & ALUMINUM CO.**

**AMENDED & RESTATED COMPENSATION RECOVERY POLICY**

This Policy shall apply to any Incentive Compensation received on or after October 2, 2023. This Policy amends, restates and supersedes any prior corporate policy addressing recoupment of compensation from corporate officers following an Accounting Restatement.

**STATEMENT OF POLICY**

Subject to the exceptions set forth below, following an Accounting Restatement, Reliance Steel & Aluminum Co. (the "***Company***") shall recover reasonably promptly the amount of Incentive Compensation received during the Recoupment Period by any Covered Executive that exceeds the Incentive Compensation that would have been received by such Covered Executive taking into account the Accounting Restatement (calculated on a pre-tax basis).

This Policy, as may be amended from time to time by the Board, will apply to all Incentive Compensation received during the Recoupment Period by a person (a) after beginning service as a Covered Executive, (b) who served as a Covered Executive at any time during the performance period for that Incentive Compensation and (c) while the Company has a class of securities listed on the New York Stock Exchange ("***NYSE***") or another national securities exchange or a national securities association. Accordingly, this Policy can apply to a person that is no longer a Company employee or a Covered Executive at the time of recovery.

Incentive Compensation is deemed "received" for purposes of this Policy in the fiscal period during which the measure specified in the Incentive Compensation award is attained, even if the payment or issuance of such Incentive Compensation occurs after the end of that period. For example, if the performance target for an award is based on total stockholder return for the year ended December 31, 2023, the award will be deemed to have been received in 2023 even if paid in 2024.

*Exceptions*

The Company shall not be required to recover Incentive Compensation pursuant to this Policy if the Compensation Committee (the "***Committee***") has made a determination that recovery would be impracticable and at least one of the following conditions are met:

(a) after making a reasonable and documented attempt to recover erroneously awarded Incentive Compensation, the Committee determines that the direct expenses that would be paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered; or

(b) based on a legal opinion of counsel acceptable to the NYSE, the Committee determines that recovery would violate a home country law adopted prior to November 28, 2022; or

(c) the Committee determines that recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

**ADMINISTRATION**

This Policy is intended to comply with the listing requirements of the NYSE and related SEC rules and shall be interpreted in a manner consistent with those requirements. The Committee has full authority to interpret and administer this policy. The Committee's determinations under the policy shall be final and binding on all persons and shall be given the maximum deference permitted by law. If the Committee cannot determine the amount of excess Incentive Compensation received by a Covered Executive directly from the information in the Accounting Restatement, such as in the case of Incentive Compensation tied to stock price or total stockholder return, then it shall make its determination based on a reasonable estimate of the effect of the Accounting Restatement and shall maintain documentation of such determination.

**NO INDEMNIFICATION OR ADVANCEMENT OF LEGAL FEES**

The Company shall not indemnify any Covered Executives against, nor pay the premiums for any insurance policy to cover, any amounts recovered under this Policy or any expenses that a Covered Executive incurs in opposing Company efforts to recoup amounts pursuant to the Policy.

**NON-EXCLUSIVE REMEDY**

Recoupment of Incentive Compensation pursuant to this Policy shall not in any way limit or affect the rights of the Company to pursue disciplinary, legal, or other action or pursue any other remedies available to it. This Policy shall be in addition to any rights of the Company to recoup Incentive Compensation from Covered Executives under applicable laws and regulations, including but not limited to the Sarbanes-Oxley Act of 2002, as amended, or pursuant to the terms of any employment agreement, equity award agreement, or similar agreement with a Covered Executive.

**CERTAIN DEFINITIONS**

"***Accounting Restatement***" means the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. For the avoidance of doubt, a restatement resulting solely from the retrospective application of a change in generally accepted accounting principles is not an Accounting Restatement.

"***Covered Executive***" shall mean the Company's Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function, any other officer who performs a policy-making function for the Company, any other person who performs similar policy-making functions for the Company, and any other employee who may from time to time be deemed subject to this Policy by the Committee.

"***Incentive Compensation***" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. For purposes of this definition, a "*financial reporting measure*" is (i) a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements or derived wholly or in part from such measures, or (ii) the Company's stock price or total stockholder return.

"***Recoupment Period***" means the three completed fiscal years preceding the Trigger Date.

"***Trigger Date***" means the earlier to occur of: (a) the date the Board of Directors, the Audit Committee, or the officer or officers of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

***Approved and Adopted by the Compensation Committee of the Board of Directors on October 4, 2023.***