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

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2024

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, Inc.

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**95-1142616**

(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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock, \$0.001 par value</b>	<b>RS</b>	<b>New York Stock Exchange</b>

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   
Non-accelerated filer

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 25, 2024, 54,120,264 shares of the registrant's common stock, \$0.001 par value, were outstanding.

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**SIGNATURE**

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**PART I — FINANCIAL INFORMATION****Item 1. Financial Statements**

<b>RELIANCE, INC.</b> <b>UNAUDITED CONSOLIDATED STATEMENTS OF INCOME</b> (in millions, except number of shares which are reflected in thousands and per share amounts)				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 3,420.3	\$ 3,623.0	\$ 10,708.4	\$ 11,468.6
Costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown below)	2,414.0	2,546.0	7,487.9	7,942.9
Warehouse, delivery, selling, general and administrative	665.0	626.9	2,004.2	1,928.8
Depreciation and amortization	67.9	60.6	198.1	182.5
	<u>3,146.9</u>	<u>3,233.5</u>	<u>9,690.2</u>	<u>10,054.2</u>
Operating income	273.4	389.5	1,018.2	1,414.4
Other (income) expense:				
Interest expense	10.9	9.7	30.3	30.3
Other expense (income), net	2.0	( 8.2 )	( 18.5 )	( 23.3 )
Income before income taxes	260.5	388.0	1,006.4	1,407.4
Income tax provision	60.6	92.0	234.4	340.7
Net income	199.9	296.0	772.0	1,066.7
Less: net income attributable to noncontrolling interests	0.7	1.0	2.1	3.5
Net income attributable to Reliance	<u>\$ 199.2</u>	<u>\$ 295.0</u>	<u>\$ 769.9</u>	<u>\$ 1,063.2</u>
Earnings per share attributable to Reliance stockholders:				
Basic	\$ 3.64	\$ 5.05	\$ 13.68	\$ 18.13
Diluted	\$ 3.61	\$ 4.99	\$ 13.55	\$ 17.92
Shares used in computing earnings per share:				
Basic	54,691	58,427	56,297	58,648
Diluted	55,182	59,124	56,813	59,333

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2024	2023	September 30, 2024	2023
Net income	\$ 199.9	\$ 296.0	\$ 772.0	\$ 1,066.7
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	19.3	(11.9)	(3.8)	(10.7)
Postretirement benefit plan adjustments, net of tax	(0.9)	(0.9)	(2.6)	(2.4)
Total other comprehensive income (loss)	18.4	(12.8)	(6.4)	(13.1)
Comprehensive income	218.3	283.2	765.6	1,053.6
Less: comprehensive income attributable to noncontrolling interests	0.7	1.0	2.1	3.5
Comprehensive income attributable to Reliance	\$ 217.6	\$ 282.2	\$ 763.5	\$ 1,050.1

See accompanying notes to unaudited consolidated financial statements.

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

	September 30, 2024	December 31, 2023*
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 314.6	\$ 1,080.2
Accounts receivable, less allowance for credit losses of \$26.6 at September 30, 2024 and \$ 24.9 at December 31, 2023	1,566.7	1,472.4
Inventories	2,205.8	2,043.2
Prepaid expenses and other current assets	123.5	140.4
Income taxes receivable	1.9	35.6
Total current assets	<u>4,212.5</u>	<u>4,771.8</u>
Property, plant and equipment:		
Land	294.3	281.7
Buildings	1,648.1	1,510.9
Machinery and equipment	2,902.1	2,700.4
Accumulated depreciation	(2,341.5)	(2,244.6)
Property, plant and equipment, net	2,503.0	2,248.4
Operating lease right-of-use assets	271.0	231.6
Goodwill	2,170.9	2,111.1
Intangible assets, net	1,031.5	981.1
Cash surrender value of life insurance policies, net	29.8	43.8
Other long-term assets	82.1	92.5
Total assets	<u><u>\$ 10,300.8</u></u>	<u><u>\$ 10,480.3</u></u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 440.9	\$ 410.3
Accrued expenses	132.8	118.5
Accrued compensation and retirement benefits	194.1	213.9
Accrued insurance costs	45.1	44.4
Current maturities of long-term debt	399.5	0.3
Current maturities of operating lease liabilities	60.1	56.2
Total current liabilities	<u>1,272.5</u>	<u>843.6</u>
Long-term debt	867.8	1,141.9
Operating lease liabilities	210.8	178.9
Long-term retirement benefits	29.1	25.1
Other long-term liabilities	57.6	64.0
Deferred income taxes	501.8	494.0
Total liabilities	<u>2,939.6</u>	<u>2,747.5</u>
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—54,119 at September 30, 2024 and 57,271 at December 31, 2023	0.1	0.1
Retained earnings	7,433.5	7,798.9
Accumulated other comprehensive loss	(83.1)	(76.7)
Total Reliance stockholders' equity	<u>7,350.5</u>	<u>7,722.3</u>
Noncontrolling interests	10.7	10.5
Total equity	<u><u>\$ 7,361.2</u></u>	<u><u>\$ 7,732.8</u></u>
Total liabilities and equity	<u><u>\$ 10,300.8</u></u>	<u><u>\$ 10,480.3</u></u>

\* Derived from audited financial statements.

See accompanying notes to unaudited consolidated financial statements

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

	Nine Months Ended September 30,	
	2024	2023
<b>Operating activities:</b>		
Net income	\$ 772.0	\$ 1,066.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	198.1	182.5
Stock-based compensation expense	43.0	48.4
Other	5.0	7.5
Changes in operating assets and liabilities (excluding effect of businesses acquired):		
Accounts receivable	( 51.9 )	( 102.0 )
Inventories	( 52.3 )	( 113.5 )
Prepaid expenses and other assets	105.7	91.1
Accounts payable and other liabilities	( 63.1 )	( 35.0 )
Net cash provided by operating activities	<u>956.5</u>	<u>1,145.7</u>
<b>Investing activities:</b>		
Acquisitions, net of cash acquired	( 366.7 )	( 24.1 )
Purchases of property, plant and equipment	( 319.7 )	( 358.6 )
Other	<u>13.0</u>	<u>14.9</u>
Net cash used in investing activities	<u>( 673.4 )</u>	<u>( 367.8 )</u>
<b>Financing activities:</b>		
Net short-term debt repayments	—	( 2.2 )
Proceeds from long-term debt borrowings	663.0	—
Principal payments on long-term debt	( 538.0 )	( 505.7 )
Cash dividends and dividend equivalents	( 188.5 )	( 179.3 )
Share repurchases	( 951.3 )	( 239.2 )
Taxes paid related to net share settlement of restricted stock units	( 29.6 )	( 41.3 )
Other	<u>( 4.3 )</u>	<u>( 3.0 )</u>
Net cash used in financing activities	<u>( 1,048.7 )</u>	<u>( 970.7 )</u>
Effect of exchange rate changes on cash and cash equivalents	—	( 3.7 )
Decrease in cash and cash equivalents	( 765.6 )	( 196.5 )
Cash and cash equivalents at beginning of year	<u>1,080.2</u>	<u>1,173.4</u>
Cash and cash equivalents at end of the period	<u>\$ 314.6</u>	<u>\$ 976.9</u>
<b>Supplemental cash flow information:</b>		
Interest paid during the period	\$ 27.7	\$ 32.5
Income taxes paid during the period, net	\$ 197.1	\$ 305.2

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2024	2023	September 30, 2024	2023
<b>Total equity, beginning balances</b>	<b>\$ 7,633.0</b>	<b>\$ 7,625.5</b>	<b>\$ 7,732.8</b>	<b>\$ 7,095.9</b>
<b>Common stock and additional paid-in capital:</b>				
Beginning balances	0.1	0.1	0.1	0.1
Stock-based compensation	16.1	16.8	43.0	48.4
Taxes paid related to net share settlement of restricted stock units	( 5.3 )	( 4.0 )	( 18.5 )	( 11.5 )
Repurchase of common shares	( 10.8 )	( 12.8 )	( 24.5 )	( 36.9 )
Ending balances	0.1	0.1	0.1	0.1
<b>Retained earnings:</b>				
Beginning balances	7,724.4	7,702.1	7,798.9	7,173.6
Net income attributable to Reliance	199.2	295.0	769.9	1,063.2
Cash dividends and dividend equivalents	( 60.6 )	( 58.7 )	( 188.5 )	( 179.3 )
Taxes paid related to net share settlement of restricted stock units	( 0.2 )	—	( 11.1 )	( 29.8 )
Repurchase of common shares	( 421.2 )	( 113.6 )	( 926.8 )	( 202.3 )
Excise tax on repurchase of common shares	( 8.1 )	( 1.2 )	( 8.9 )	( 1.8 )
Ending balances	7,433.5	7,823.6	7,433.5	7,823.6
<b>Accumulated other comprehensive loss:</b>				
Beginning balances	( 101.5 )	( 86.6 )	( 76.7 )	( 86.3 )
Other comprehensive income (loss)	18.4	( 12.8 )	( 6.4 )	( 13.1 )
Ending balances	( 83.1 )	( 99.4 )	( 83.1 )	( 99.4 )
<b>Total Reliance stockholders' equity, ending balances</b>	<b>7,350.5</b>	<b>7,724.3</b>	<b>7,350.5</b>	<b>7,724.3</b>
<b>Noncontrolling interests:</b>				
Beginning balances	10.0	9.9	10.5	8.5
Comprehensive income	0.7	1.0	2.1	3.5
Acquisition	—	—	0.3	—
Dividends paid	—	—	( 2.2 )	( 1.1 )
Ending balances	10.7	10.9	10.7	10.9
<b>Total equity, ending balances</b>	<b>\$ 7,361.2</b>	<b>\$ 7,735.2</b>	<b>\$ 7,361.2</b>	<b>\$ 7,735.2</b>
<b>Cash dividends declared per common share</b>	<b>\$ 1.10</b>	<b>\$ 1.00</b>	<b>\$ 3.30</b>	<b>\$ 3.00</b>

See accompanying notes to unaudited consolidated financial statements.

**RELIANCE, INC.**  
**NOTES TO UNAUDITED 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 this Quarterly Report on Form 10-Q. The accompanying unaudited consolidated financial statements include the accounts of Reliance, Inc. (formerly Reliance Steel & Aluminum Co.) and its subsidiaries (collectively "Reliance", the "Company", "we", "our" or "us"). These financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, the consolidated financial statements reflect all material adjustments, which are of a normal recurring nature, necessary for presentation of financial statements for interim periods in accordance with U.S. GAAP. Interim results are not necessarily indicative of the results for a full year. 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. These consolidated financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and accompanying notes included in Reliance's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in our consolidated financial statements and the accompanying notes. 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.

We have recast certain prior period amounts in the statement of equity for the third quarter and nine months ended September 30, 2023, to conform to the current presentation. The recasting of the prior period information did not have an impact on the ending balances presented.

**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. We estimate the effect of LIFO on interim periods by allocating the projected year-end LIFO calculation to interim periods on a pro rata basis.

**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. As the guidance only requires additional disclosure, there will be no impact to our results of operations, financial condition or cash flows .

*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

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permitted. As the guidance only requires additional disclosure, there will be no impact to our results of operations, financial condition or cash flows.

### **Note 2. Acquisitions**

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

On April 1, 2024, we acquired American Alloy Steel, Inc. ("American Alloy") with cash on hand. American Alloy, headquartered in Houston, Texas, operates five metals service centers and a plate fabrication business in the U.S. American Alloy is a distributor of specialty carbon and alloy steel plate and round bar, including pressure vessel quality (PVQ) material.

On April 1, 2024, we acquired, with cash on hand, Mid-West Materials, Inc. ("MidWest Materials"), a flat-rolled steel service center that primarily services North American original equipment manufacturers. Headquartered in Perry, Ohio, MidWest Materials provides steel products including hot-rolled, high strength hot-rolled, coated, and cold-rolled products that are sold into the trailer manufacturing, agriculture, metal fabrication, and building products markets.

On August 16, 2024, with cash on hand, we completed the acquisition of certain assets of the FerrouSouth division of Ferragon Corporation ("FerrouSouth"). FerrouSouth is a toll processing operation headquartered in Iuka, Mississippi, which provides flat-roll steel processing, logistics and warehousing services.

Included in our net sales for the nine months ended September 30, 2024 were combined net sales of \$ 203.9 million from our 2024 acquisitions.

Our 2024 acquisitions have increased our capacity and enhanced our product, customer and geographic diversification. We have not diversified outside our core business of providing metal distribution and processing solutions since our inception.

The preliminary allocations of the purchase prices for our 2024 acquisitions to the fair values of the assets acquired and liabilities assumed were as follows:

	(in millions)
Cash	\$ 5.6
Accounts receivable	44.9
Inventories	109.9
Prepaid expenses and other current assets	1.0
Property, plant and equipment	106.7
Operating lease right-of-use assets	19.2
Goodwill	59.3
Intangible assets subject to amortization	39.5
Intangible assets not subject to amortization	41.4
Total assets acquired	<u>427.5</u>
Deferred income taxes	7.0
Operating lease liabilities	15.1
Other current and long-term liabilities	32.8
Total liabilities assumed	<u>54.9</u>
Noncontrolling interest	0.3
Net assets acquired	<u><u>\$ 372.3</u></u>

The completion of the purchase price allocations for our 2024 acquisitions are pending the completion of certain purchase price adjustments based on intangible asset valuations and various pre-acquisition period income tax returns.

**Summary purchase price allocation information for all acquisitions**

All of the acquisitions discussed in this note have been accounted for under the acquisition method of accounting and, accordingly, each purchase price has been allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of each acquisition. The accompanying consolidated statements of income include the revenues and expenses of each acquisition since its respective acquisition date. The consolidated balance sheets reflect the allocations of each acquisition's purchase price as of September 30, 2024. The measurement periods for purchase price allocations do not exceed 12 months from the acquisition date.

As part of the purchase price allocations for the 2024 acquisitions, we allocated \$ 41.4 million to the trade names acquired. We determined that each of the trade names acquired in connection with these acquisitions had indefinite lives since their economic lives are expected to approximate the life of each company acquired. We recorded other identifiable intangible assets related to customer relationships for the 2024 acquisitions of \$ 39.3 million with weighted average lives of 13.1 years and non-compete agreements of \$ 0.2 million with lives of 5.0 years. The goodwill arising from our 2024 acquisitions predominantly consists of expected strategic benefits, including enhanced financial and operational scale, as well as expansion of acquired product and processing know-how across our enterprise. Goodwill of \$ 34.1 million from our 2024 acquisitions is expected to be deductible for income tax purposes.

**Pro forma financial information for all acquisitions**

The pro forma summary financial results present the consolidated results of operations as if our 2024 acquisitions had occurred as of January 1, 2023, after the effect of certain adjustments, including lease cost fair value adjustments, amortization of inventory step-down to fair value adjustments included in cost of sales, depreciation and amortization of certain identifiable property, plant and equipment and intangible assets.

The pro forma results have been presented for comparative purposes only and are not indicative of what would have occurred had the 2024 acquisitions been made as of January 1, 2023, or of any potential results which may occur in the future.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions, except per share amounts)				
<b>Pro forma:</b>				
Net sales	\$ 3,422.4	\$ 3,744.0	\$ 10,816.9	\$ 11,874.4
Net income attributable to Reliance	\$ 197.9	\$ 304.6	\$ 769.7	\$ 1,090.1
<b>Earnings per share attributable to Reliance stockholders:</b>				
Basic	\$ 3.62	\$ 5.21	\$ 13.67	\$ 18.59
Diluted	\$ 3.59	\$ 5.15	\$ 13.55	\$ 18.37

**Note 3. Revenues**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Carbon steel	\$ 1,856.2	\$ 1,996.9	\$ 5,894.8	\$ 6,266.6
Aluminum	576.3	592.6	1,760.2	1,902.5
Stainless steel	513.9	557.5	1,595.6	1,818.8
Alloy	155.9	174.4	494.6	552.6
Toll processing and logistics	157.1	154.3	476.1	464.2
Copper and brass	78.4	72.2	240.7	232.1
Other and eliminations	82.5	75.1	246.4	231.8
Total	<u>\$ 3,420.3</u>	<u>\$ 3,623.0</u>	<u>\$ 10,708.4</u>	<u>\$ 11,468.6</u>

**Note 4. Goodwill**

The change in the carrying amount of goodwill is as follows:

	(in millions)
Balance at January 1, 2024	\$ 2,111.1
Acquisitions	59.3
Purchase price allocation adjustments	2.1
Effect of foreign currency translation	(1.6)
Balance at September 30, 2024	<u>\$ 2,170.9</u>

We had no accumulated impairment losses related to goodwill at September 30, 2024 and December 31, 2023.

**Note 5. Intangible Assets, Net**

Intangible assets, net consisted of the following:

	Weighted Average Amortizable Life in Years	September 30, 2024		December 31, 2023	
		Gross Carrying Amount	Accumulated Amortization (in millions)	Gross Carrying Amount	Accumulated Amortization
<b>Intangible assets subject to amortization:</b>					
Customer lists/relationships	14.0	\$ 755.1	\$ (550.5)	\$ 716.0	\$ (520.5)
Backlog of orders	7.9	22.4	(8.0)	22.9	(6.0)
Other	9.3	10.2	(9.6)	10.0	(9.5)
		<u>787.7</u>	<u>(568.1)</u>	<u>748.9</u>	<u>(536.0)</u>
<b>Intangible assets not subject to amortization:</b>					
Trade names		811.9	—	768.2	—
		<u>\$ 1,599.6</u>	<u>\$ (568.1)</u>	<u>\$ 1,517.1</u>	<u>\$ (536.0)</u>

Intangible assets recorded in connection with our 2024 acquisitions were \$ 80.9 million, including \$ 41.4 million allocated to the trade names acquired, which are not subject to amortization. See Note 2—“Acquisitions” for further discussion of intangible assets recorded in the preliminary purchase price allocations for our 2024 acquisitions.

Amortization expense for intangible assets was \$ 32.1 million and \$ 33.6 million for the nine months ended September 30, 2024 and 2023, respectively. Foreign currency translation loss on Intangible assets, net was \$ 0.6 million for the nine

months ended September 30, 2024 compared to foreign currency translation gain of \$ 0.1 million for the same period in 2023.

The following is a summary of estimated future amortization expense:

	(in millions)
2024 (remaining three months)	\$ 10.6
2025	39.3
2026	29.8
2027	29.2
2028	27.7
Thereafter	83.0
	<u><u>\$ 219.6</u></u>

#### **Note 6. Debt**

Debt consisted of the following:

	September 30, 2024	December 31, 2023
	(in millions)	
Unsecured revolving credit facility maturing September 10, 2029	\$ 125.0	\$ —
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	1.4	1.4
Total	1,276.4	1,151.4
Less: unamortized discount and debt issuance costs	( 9.1 )	( 9.2 )
Less: amounts due within one year	( 399.5 )	( 0.3 )
<b>Total long-term debt</b>	<b>\$ 867.8</b>	<b>\$ 1,141.9</b>

The weighted average effective interest rate on the Company's outstanding borrowings as of September 30, 2024 and December 31, 2023 was 3.32 % and 3.02 %, respectively.

#### **Unsecured Credit Facility**

On September 10, 2024, we entered into a \$ 1.5 billion unsecured five-year Second Amended and Restated Credit Agreement ("Credit Agreement") that amended and restated our then-existing \$ 1.5 billion unsecured revolving credit facility. As of September 30, 2024, borrowings under the Credit Agreement were available at variable rates based on the Secured Overnight Financing Rate ("SOFR") plus 1.00 % or the bank prime rate and we currently pay a commitment fee at an annual rate of 0.10 % 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.

The interest rate on the \$ 125.0 million outstanding borrowing under the revolving credit facility as of September 30, 2024 was 6.01 %. We had no outstanding borrowings under the revolving credit facility as of December 31, 2023. We had \$ 1.4 million of letters of credit outstanding under the revolving credit facility as of September 30, 2024 and December 31, 2023.

### **Senior Unsecured Notes**

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 wholly owned subsidiary in China has a revolving credit facility with a credit limit of \$ 7.8 million as of September 30, 2024 with no outstanding balance as of September 30, 2024 and December 31, 2023.

Various industrial revenue bonds had combined outstanding balances of \$ 1.4 million as of September 30, 2024 and December 31, 2023 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. A total of \$ 42.7 million and \$ 40.9 million were outstanding under this facility as of September 30, 2024 and December 31, 2023, 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, a financial maintenance covenant that requires us to comply with a maximum total net leverage ratio. We were in compliance with the financial maintenance covenant in our Credit Agreement at September 30, 2024.

### **Note 7. 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 an insignificant amount of recognized finance right-of-use assets and obligations.

The following is a summary of our lease cost:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
(in millions)				
Operating lease cost	\$ 27.4	\$ 25.0	\$ 78.5	\$ 72.0

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Supplemental cash flow and balance sheet information is presented below:

	Nine Months Ended September 30,	
	2024	2023
	(in millions)	
<b>Supplemental cash flow information:</b>		
Cash payments for operating leases	\$ 78.0	\$ 70.6
Right-of-use assets obtained in exchange for operating lease obligations	\$ 66.3	\$ 55.6
 <b>Other lease information:</b>		
Weighted average remaining lease term—operating leases	5.9 years	5.8 years
Weighted average discount rate—operating leases	4.5 %	4.3 %

Maturities of operating lease liabilities as of September 30, 2024 are as follows:

	(in millions)
2024 (remaining three months)	\$ 18.7
2025	68.2
2026	55.6
2027	44.8
2028	36.7
Thereafter	93.6
Total operating lease payments	317.6
Less: imputed interest	(46.7)
Total operating lease liabilities	\$ 270.9

### **Note 8. Income Taxes**

Our effective income tax rate for each of the third quarter and nine months ended September 30, 2024 was 23.3 %, compared to 23.7 % and 24.2 % for the third quarter and nine months ended September 2023, respectively. The differences between our effective income tax rates and the U.S. federal statutory rate of 21.0 % were mainly due to state income taxes.

### **Note 9. Equity**

#### **Stock-Based Compensation Plans**

We make annual grants of long-term equity incentive awards to officers and key employees 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. Each PSU includes the right to receive, based on a sliding scale, up to a maximum of two shares of our common stock for each vested PSU, that is tied to achieving a return on assets target over a 3-year measurement period and continued service. We also grant the non-management members of our Board of Directors fully vested stock awards. 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.

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A summary of the status of our unvested RSUs and PSUs as of September 30, 2024 and changes during the nine months then ended is as follows:

	RSU and PSU Aggregate Units	Weighted Average Grant Date Fair Value Per Unit
Unvested at January 1, 2024	437,239	\$ 213.06
Granted(1)	170,611	289.07
Vested	( 6,527 )	207.83
Cancelled or forfeited	( 33,708 )	227.78
Unvested at September 30, 2024	<u>567,615</u>	<u>\$ 235.10</u>
Shares reserved for future grants (all plans)	<u>1,357,738</u>	

(1) Comprised of 100,669 RSUs and 69,942 PSUs granted in February 2024. The RSUs cliff vest on December 1, 2026 and the PSUs vest upon the completion of a 3 -year performance period ending December 31, 2026.

As of September 30, 2024, there was \$ 72.9 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 1.7 years.

#### Common Stock

We have paid regular quarterly cash dividends on our common stock for 65 consecutive years. Our Board of Directors increased the quarterly dividend from \$ 0.875 per share 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.

On October 22, 2024 , our Board of Directors declared the 2024 fourth quarter cash dividend of \$ 1.10 per share of common stock, payable on December 6, 2024 to stockholders of record as of November 22, 2024 .

#### Share Repurchases

Our share repurchase activity during the nine months ended September 30, 2024 and 2023 was as follows:

	2024			2023		
	Shares	Average Cost Per Share	Amount (in millions)	Shares	Average Cost Per Share	Amount (in millions)
First quarter	—	\$ —	\$ —	160,224	\$ 242.86	\$ 38.9
Second quarter	1,804,180	287.81	519.3	308,454	239.55	73.9
Third quarter	1,535,266	281.37	432.0	467,213	270.49	126.4
	<u>3,339,446</u>	<u>\$ 284.85</u>	<u>\$ 951.3</u>	<u>935,891</u>	<u>\$ 255.56</u>	<u>\$ 239.2</u>

Our share repurchase amounts do not include shares withheld related to net share settlements upon the vesting of RSUs and PSUs to settle our employees' estimated tax withholding obligations of \$ 29.6 million and \$ 41.3 million during the nine months ended September 30, 2024 and 2023, respectively.

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. On October 22, 2024, our Board of Directors amended our share repurchase program to replenish the repurchase authorization to \$ 1.5 billion.

**Accumulated Other Comprehensive Loss**

Accumulated other comprehensive loss included the following:

	Foreign Currency Translation Loss	Pension and Postretirement Benefit Plan Adjustments, Net of Tax (in millions)	Accumulated Other Comprehensive Loss
Balance as of January 1, 2024	\$ (75.7)	\$ (1.0)	\$ (76.7)
Current-period change	(3.8)	(2.6)	(6.4)
Balance as of September 30, 2024	\$ (79.5)	\$ (3.6)	\$ (83.1)

Foreign currency translation adjustments have not been adjusted for income taxes. Pension and postretirement benefit plan adjustments are net of taxes of \$ 0.7 million as of September 30, 2024 and December 31, 2023. 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 recognized as a non-operating gain or loss as result of plan settlements. As our pension and postretirement benefit plan obligations are settled, the related income tax effect is released from accumulated other comprehensive loss and included in our income tax provision.

**Note 10. Commitments and Contingencies****Environmental Contingencies**

We are currently involved with an environmental remediation project related to activities at former manufacturing operations of Earle M. Jorgensen Company ("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 position, results of operations or cash flows. We maintain general liability insurance against risks arising in the ordinary course of business.

**Note 11. Earnings Per Share**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions, except number of shares which are reflected in thousands and per share amounts)			
<b>Numerator:</b>				
Net income attributable to Reliance	\$ 199.2	\$ 295.0	\$ 769.9	\$ 1,063.2
<b>Denominator:</b>				
Weighted average shares outstanding	54,691	58,427	56,297	58,648
Dilutive effect of stock-based awards	491	697	516	685
Weighted average diluted shares outstanding	<u>55,182</u>	<u>59,124</u>	<u>56,813</u>	<u>59,333</u>
<b>Earnings per share attributable to Reliance stockholders:</b>				
Basic	\$ 3.64	\$ 5.05	\$ 13.68	\$ 18.13
Diluted	\$ 3.61	\$ 4.99	\$ 13.55	\$ 17.92

The computations of diluted earnings per share using the treasury stock method for the nine months ended September 30, 2024 and 2023 do not include 39,716 and 68,453 weighted average shares, respectively, in respect of outstanding RSUs and PSUs, because their inclusion would have been anti-dilutive.

**Note 12. Employee Benefits**

Certain of our union employees participate in plans collectively bargained and maintained by multiple employers and a labor union. During the nine months ended September 30, 2024, we recognized estimated withdrawal liabilities of \$ 4.8 million based on our anticipated withdrawal from certain multiemployer pension plans.

RELIANCE, INC.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The terms "Company," "Reliance," "we," "our," and "us" refer to Reliance, Inc. and all its subsidiaries that are consolidated in accordance with U.S. generally accepted accounting principles, unless otherwise indicated.*

*This report contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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, interest rates and economic 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," "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. We caution readers not to place undue reliance on forward-looking statements.*

*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 and policies such as inflation, a prolonged higher interest rate environment, slowing macroeconomic growth or changes in tax or tariff policy that could materially impact us, our customers and suppliers, metals pricing, and demand for our products and services. Deteriorations in economic conditions, as a result of inflation, elevated interest rates, economic recession, slowing growth, outbreaks of infectious disease, conflicts in Ukraine, the Middle East 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. Other factors which could cause actual results to differ materially from our forward-looking statements include those disclosed in this report and in other reports we have filed with the United States Securities and Exchange Commission (the "SEC"). Important risks and uncertainties about our business can be found elsewhere in this Quarterly Report on Form 10-Q and in Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC and in other documents Reliance files or furnishes with the SEC.*

*The statements contained in this quarterly report on Form 10-Q speak only as of the date that they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Except as required by law, we disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in assumptions, beliefs, or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based. You should review any additional disclosures we make in any subsequent press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC.*

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 and other sections of this quarterly report on Form 10-Q, including the consolidated financial statements and related notes contained in Item 1.

## Overview

In the third quarter and nine months ended September 30, 2024, demand was relatively healthy in the majority of our end markets with increases in our same-store tons sold compared to prior year periods. However, our operating results declined from the comparable 2023 periods, despite earnings contributions from four acquisitions completed in the first three quarters of 2024, mainly due to lower metals prices.

Our same-store and total tons sold increases of 3.7% and 7.1%, respectively, in the third quarter of 2024 compared to the third quarter of 2023 benefited from one additional shipping day and outperformed the 1.2% decline in industry shipments reported by the Metals Service Center Institute. We believe our outperformance of industry peers is supported by our organic growth activities along with our service levels.

Our third quarter of 2024 same-store net sales decreased 8.0% compared to the third quarter of 2023 as a result of a 11.4% decline in average selling price per ton sold, which was partially offset by a 3.7% increase in tons sold discussed above. Same-store net sales for the nine months ended September 30, 2024 were down 8.5% from the same period in 2023, reflecting a 9.2% decrease in average selling price per ton sold, which was partially offset by a 0.4% increase in tons sold. Declines in carbon steel product prices had the most significant impact on our selling price per ton as carbon steel product sales represent over 50% of our sales.

Gross profit margins for the third quarter and nine months ended September 30, 2024 were 29.4% and 30.1%, respectively, compared to 29.7% and 30.7% for the respective 2023 periods. Our gross profit margins remained strong, but were impacted from declines in metals pricing. We believe the declines in metals pricing was mitigated by effective inventory management, our focus on orders with quick turnaround and value-added processing.

Earnings per diluted share were \$3.61 and \$13.55 for the third quarter and nine months ended September 30, 2024, respectively, compared to \$4.99 and \$17.92 for the respective 2023 periods. Our lower earnings per share year-over-year are mainly due to lower metals prices despite increases in same-store and total tons sold, and share repurchases.

Cash flow from operations of \$956.5 million for the nine months ended September 30, 2024 decreased from \$1.15 billion for the same period in 2023 mainly due to lower net income partially offset by a decrease in working capital investment.

Returns to stockholders in the nine months ended September 30, 2024 of \$1.14 billion were comprised of \$951.3 million of share repurchases and \$188.5 million of cash dividends.

Organic growth activities were substantially comprised of capital expenditures of \$319.7 million for the nine months ended September 30, 2024 compared to \$358.6 million for the same period in 2023. We completed four acquisitions in the nine months ended September 30, 2024 for \$366.7 million.

## Acquisitions

### 2024 Acquisitions

To further our growth strategy, in addition to our organic growth activities, we have completed four acquisitions so far in 2024. Our acquisition strategy enhances our product breadth and value-added processing capabilities, with a continued focus on the diversification of our products, end markets and geographies. Our 2024 acquisitions fit our strategy by extending the geographic reach of certain of our existing operations and expanding our product breadth and processing capacity.

- On February 1, 2024, we acquired, with cash on hand, Cooksey Iron & Metal Company ("Cooksey Steel"), a metals service center that processes and distributes finished steel products, including tubing, beams, plates and bars. Headquartered in Tifton, Georgia, Cooksey Steel operates three locations, servicing a diverse range of customers.
- On April 1, 2024, we acquired American Alloy Steel, Inc. ("American Alloy") with cash on hand. American Alloy, headquartered in Houston, Texas, operates five metals service centers and a plate fabrication business in the U.S. American Alloy is a distributor of specialty carbon and alloy steel plate and round bar, including pressure vessel quality (PVQ) material.
- On April 1, 2024, we acquired, with cash on hand, Mid-West Materials, Inc. ("MidWest Materials"), a flat-rolled steel service center that primarily services North American original equipment manufacturers. Headquartered in Perry, Ohio, MidWest Materials provides steel products including hot-rolled, high strength hot-rolled, coated, and cold-rolled products that are sold into the trailer manufacturing, agriculture, metal fabrication, and building products markets.
- On August 16, 2024, with cash on hand, we completed the acquisition of certain assets of the FerrouSouth division of Ferragon Corporation ("FerrouSouth"). FerrouSouth is a toll processing operation headquartered in Iuka, Mississippi, which provides flat-roll steel processing, logistics and warehousing services.

Included in our net sales for the nine months ended September 30, 2024 were combined net sales of \$203.9 million from our 2024 acquisitions.

*2023 Acquisition*

On May 1, 2023, we acquired, with cash on hand, Southern Steel Supply, LLC ("Southern Steel"). 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 nine months ended September 30, 2024 and 2023 were net sales of \$28.8 million and \$20.2 million, respectively, from Southern Steel.

## Results of Operations

The following sets forth certain income statement data for the third quarter and nine months ended September 30, 2024 and 2023 (dollars are shown in millions, except per share amounts, and certain percentages may not calculate due to rounding):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	\$	% of Net Sales	\$	% of Net Sales	\$	% of Net Sales	\$	% of Net Sales
Net sales	\$ 3,420.3	100.0 %	\$ 3,623.0	100.0 %	\$ 10,708.4	100.0 %	\$ 11,468.6	100.0 %
Cost of sales (exclusive of depreciation and amortization expense shown below)	2,414.0	70.6	2,546.0	70.3	7,487.9	69.9	7,942.9	69.3
Gross profit <sup>(1)</sup>	1,006.3	29.4	1,077.0	29.7	3,220.5	30.1	3,525.7	30.7
Warehouse, delivery, selling, general and administrative expense ("SG&A")	665.0	19.4	626.9	17.3	2,004.2	18.7	1,928.8	16.8
Depreciation and amortization expense	67.9	2.0	60.6	1.7	198.1	1.8	182.5	1.6
Operating income	\$ 273.4	8.0 %	\$ 389.5	10.8 %	\$ 1,018.2	9.5 %	\$ 1,414.4	12.3 %
Net income attributable to Reliance	\$ 199.2	5.8 %	\$ 295.0	8.1 %	\$ 769.9	7.2 %	\$ 1,063.2	9.3 %
Diluted earnings per share attributable to Reliance stockholders	\$ 3.61		\$ 4.99		\$ 13.55		\$ 17.92	

(1) 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.

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**Third Quarter and Nine Months Ended September 30, 2024 Compared to Third Quarter and Nine Months Ended September 30, 2023**

*Net Sales*

	September 30,		Dollar Change	Percentage Change
	2024	2023		
	(dollars in millions)			
Net sales (three months ended)	\$ 3,420.3	\$ 3,623.0	\$(202.7)	(5.6)%
Net sales, same-store (three months ended)	\$ 3,322.8	\$ 3,611.7	\$(288.9)	(8.0)%
Net sales (nine months ended)	\$ 10,708.4	\$ 11,468.6	\$(760.2)	(6.6)%
Net sales, same-store (nine months ended)	\$ 10,475.7	\$ 11,448.4	\$(972.7)	(8.5)%
	September 30,		Tons Change	Percentage Change
	2024	2023		
	(tons in thousands)			
Tons sold (three months ended)	1,521.4	1,420.8	100.6	7.1 %
Tons sold, same-store (three months ended)	1,465.2	1,413.6	51.6	3.7 %
Tons sold (nine months ended)	4,568.9	4,425.0	143.9	3.3 %
Tons sold, same-store (nine months ended)	4,431.2	4,412.6	18.6	0.4 %
	September 30,		Price Change	Percentage Change
	2024	2023		
Average selling price per ton sold (three months ended)	\$ 2,246	\$ 2,552	\$ (306)	(12.0)%
Average selling price per ton sold, same-store (three months ended)	\$ 2,266	\$ 2,557	\$ (291)	(11.4)%
Average selling price per ton sold (nine months ended)	\$ 2,345	\$ 2,602	\$ (257)	(9.9)%
Average selling price per ton sold, same-store (nine months ended)	\$ 2,365	\$ 2,604	\$ (239)	(9.2)%

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. Same-store amounts exclude the results of our 2024 and 2023 acquisitions.

Our same-store net sales declined from the comparable 2023 periods mainly due to declines in carbon steel pricing that lowered our average selling price per ton sold despite increases in same-store and total tons sold. Demand remained relatively healthy in the majority of end markets we serve supported by same-store growth in tons sold from the prior year periods.

Since we primarily purchase and sell our inventories in the spot market, our average selling prices generally fluctuate 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 for the nine months ended September 30, 2024, changes in carbon steel prices have the most significant impact on changes in our overall average selling price per ton sold.

The mix of our total sales by major commodity products and year-over-year changes in selling prices are presented below:

	Three Months Ended September 30, 2024		Nine Months Ended September 30, 2024	
	Gross Sales % of Total Sales	Average Selling Price Per Ton Sold	Gross Sales % of Total Sales	Average Selling Price Per Ton Sold
Carbon steel	53%	(14.2)%	53%	(9.6)%
Aluminum	16%	(5.0)%	16%	(5.9)%
Stainless steel	15%	(11.9)%	14%	(13.8)%
Alloy	4%	(7.7)%	5%	(4.6)%

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Our 2024 acquisitions did not significantly impact the year-over-year changes in our major commodity products.

*Cost of Sales and Gross Profit*

	September 30,					
	2024		2023		Dollar Change	Percentage Change
	\$	% of Net Sales (dollars in millions)	\$	% of Net Sales		
Cost of sales (three months ended)	\$ 2,414.0	70.6 %	\$ 2,546.0	70.3 %	\$ (132.0)	(5.2)%
Cost of sales (nine months ended)	\$ 7,487.9	69.9 %	\$ 7,942.9	69.3 %	\$ (455.0)	(5.7)%
Gross profit (three months ended)	\$ 1,006.3	29.4 %	\$ 1,077.0	29.7 %	\$ (70.7)	(6.6)%
Gross profit (nine months ended)	\$ 3,220.5	30.1 %	\$ 3,525.7	30.7 %	\$ (305.2)	(8.7)%
LIFO income, included in cost of sales (three months ended)	\$ (50.0)	(1.5)%	\$ (45.0)	(1.2)%	\$ (5.0)	
LIFO income, included in cost of sales (nine months ended)	\$ (150.0)	(1.4)%	\$ (105.0)	(0.9)%	\$ (45.0)	

The decreases in cost of sales in the third quarter and nine months ended September 30, 2024 compared to the same periods in 2024 were due to lower average costs per ton sold, mainly due to declines in replacement costs for carbon steel products, partially offset by increases in tons sold. See "Net Sales" above for trends in both demand and costs of our products.

Gross profit in the third quarter and nine months ended September 30, 2024 decreased from the same periods in 2023 mainly due to lower net sales as a result of decreases in average selling price per ton sold partially offset by gross profit contributions from our acquisitions.

Our gross profit margins remained strong, but were pressured from declines in metals pricing which we believe were mitigated by effective inventory management, our focus on orders with quick turnaround and value-added processing.

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 includes a LIFO method inventory valuation reserve of \$429.3 million at September 30, 2024.

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

*Expenses*

	September 30,					
	2024		2023		Dollar Change	Percentage Change
	\$	% of Net Sales (dollars in millions)	\$	% of Net Sales		
SG&A expense (three months ended)	\$ 665.0	19.4 %	\$ 626.9	17.3 %	\$ 38.1	6.1 %
SG&A expense, same-store (three months ended)	\$ 642.3	19.3 %	\$ 625.0	17.3 %	\$ 17.3	2.8 %
SG&A expense (nine months ended)	\$ 2,004.2	18.7 %	\$ 1,928.8	16.8 %	\$ 75.4	3.9 %
SG&A expense, same-store (nine months ended)	\$ 1,955.8	18.7 %	\$ 1,925.5	16.8 %	\$ 30.3	1.6 %
Depreciation & amortization expense (three months ended)	\$ 67.9	2.0 %	\$ 60.6	1.7 %	\$ 7.3	12.0 %
Depreciation & amortization expense (nine months ended)	\$ 198.1	1.8 %	\$ 182.5	1.6 %	\$ 15.6	8.5 %

Our same-store SG&A expense for each of the third quarter and nine months ended September 30, 2024 increased due to higher costs associated with wage inflation and increased headcounts related to our organic growth activities offset

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by lower incentive-based compensation resulting from lower profitability. SG&A expense as a percentage of sales mainly increased due to lower net sales levels.

Our same-store SG&A expense for the nine months ended September 30, 2024 includes \$5.1 million of non-recurring settlement expenses, mainly related to our anticipated withdrawal from certain multiemployer pension plans.

*Operating Income*

	September 30,					
	2024		2023		Dollar Change	Percentage Change
	\$	% of Net Sales (dollars in millions)	\$	% of Net Sales		
Operating income (three months ended)	\$ 273.4	8.0 %	\$ 389.5	10.8 %	\$ (116.1)	(29.8)%
Operating income (nine months ended)	\$ 1,018.2	9.5 %	\$ 1,414.4	12.3 %	\$ (396.2)	(28.0)%

Operating income declined for the third quarter and nine months ended September 30, 2024 as compared to the same periods in 2023 as a result of lower same-store gross profit, driven by lower net sales and gross profit margin, partially offset by contributions to operating income from our acquisitions. Our operating income margins in the third quarter and nine months ended September 30, 2024 were lower than in the comparable 2023 periods mainly due to lower gross profit margins and decreased operating leverage of our SG&A expense due to lower sales levels.

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

*Income Tax Rate*

Our effective income tax rate for each of the third quarter and nine months ended September 30, 2024 was 23.3%, compared to 23.7% and 24.2% for the third quarter and nine months ended September 30, 2023, respectively. The differences between our effective income tax rates and the U.S. federal statutory rate of 21.0% were mainly due to state income taxes.

**Financial Condition**

*Operating Activities*

Net cash provided by operations of \$956.5 million in the nine months ended September 30, 2024 decreased \$189.2 million from \$1.15 billion in the same period in 2023. The year-over-year decrease was mainly due to a decline of \$294.7 million in net income offset by lower working capital investment. To manage our working capital, we focus on our days sales outstanding and inventory turnover rate as receivables and inventory are the two most significant elements of our working capital. As of September 30, 2024 and 2023, our days sales outstanding rates were 41.4 days and 40.3 days, respectively. Our inventory turnover rate (based on tons) during the nine months ended September 30, 2024 was 4.6 times (or 2.6 months on hand), compared to 4.7 times (or 2.6 months on hand) for the same period in 2023.

*Investing Activities*

Net cash used in investing activities of \$673.4 million for the nine months ended September 30, 2024 increased \$305.6 million from \$367.8 million in the same period in 2023. The significant increase was mainly due to \$366.7 million spent on acquisitions in the 2024 nine-month period compared to \$24.1 million in the same period in 2023, partially offset by \$38.9 million less of capital expenditures. The majority of our capital expenditures in the nine months ended September 30, 2024 and 2023 were related to growth activities.

#### *Financing Activities*

Net cash used in financing activities of \$1.05 billion for the nine months ended September 30, 2024 increased \$78.0 million from \$970.7 million in the same period in 2023. The increase was mainly the result of increased share repurchases partially offset by increased net debt borrowings. Net debt borrowings were \$125.0 million in the nine months ended September 30, 2024 compared to net debt repayments of \$507.9 million in the same period in 2023, which included the redemption of \$500.0 million of senior notes. In the nine months ended September 30, 2024, we repurchased \$951.3 million of our common stock compared to \$239.2 million in the same period in 2023. Our returns to stockholders also included an increase in our quarterly dividend rate of 10% in February 2024 with total dividend payments of \$188.5 million in the nine months ended September 30, 2024 compared to \$179.3 million in the same period in 2023.

On October 22, 2024, our Board of Directors declared the 2024 fourth quarter cash dividend of \$1.10 per share. We have increased our quarterly dividend 31 times since our IPO in 1994, with the most recent increase of 10.0% from \$1.00 to \$1.10 per share effective in the first quarter of 2024. We have paid quarterly cash dividends on our common stock for 65 consecutive years and have never reduced or suspended our regular quarterly dividend.

#### *Share Repurchase Plan*

See Note 9—“Equity” to our consolidated financial statements for information on our 2024 and 2023 share repurchases.

On October 22, 2024, our Board of Directors amended our share repurchase program to replenish the repurchase authorization to \$1.5 billion. 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.

#### *Debt*

On September 10, 2024, we entered into a \$1.5 billion unsecured five-year Second Amended and Restated Credit Agreement (“Credit Agreement”) that amended and restated our then-existing \$1.5 billion unsecured revolving credit facility with \$125.0 million of outstanding borrowings at September 30, 2024. 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 September 30, 2024.

See Note 6—“Debt” to our consolidated financial statements for further information on our amended credit agreement 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 \$1.5 billion revolving credit facility, will be sufficient to satisfy our cash requirements and stockholder return activities over the next 12 months and beyond. As of September 30, 2024, we had \$314.6 million in cash and cash equivalents and our net debt-to-total capital ratio was 11.5%, up from 0.8% as of December 31, 2023.

As of September 30, 2024, we had \$401.4 million of debt obligations coming due before our \$1.5 billion revolving credit facility matures on September 10, 2029.

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 \$1.37 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 investment grade credit ratings enhance our ability to effectively raise capital. 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 our common stock.

### **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, a financial maintenance covenant that requires us to comply with a maximum total net leverage ratio.

We were in compliance with the financial maintenance covenant in our Credit Agreement at September 30, 2024.

### **Seasonality**

Some of our customers are in seasonal businesses, especially customers in the construction industry and related businesses. However, 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.

### **Goodwill and Other Intangible Assets**

Goodwill, which represents the excess of cost over the fair value of net assets acquired, amounted to \$2.17 billion at September 30, 2024, or approximately 21% of total assets and 29% of total equity. Additionally, other intangible assets, net amounted to \$1.03 billion at September 30, 2024, or approximately 10% of total assets and 14% 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 estimated 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.

### **Critical Accounting Estimates**

*Management's Discussion and Analysis of Financial Condition and Results of Operations* discusses our Unaudited Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. 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.

During the quarter ended September 30, 2024, there were no material changes to our critical accounting estimates as compared to the critical accounting estimates disclosed in *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in *Part II, Item 7* of our Annual Report on Form 10-K for the year ended December 31, 2023.

### **Website Disclosure**

The Company may use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company's website at [www.reliance.com](http://www.reliance.com), and our investors relations website, <https://investor.reliance.com>. In addition, you may automatically

receive email alerts and other information about the Company when you enroll your email address by visiting the "Email Alerts" section at <https://investor.reliance.com>. The website is for informational purposes only and is not intended for use as a hyperlink. The Company is not incorporating any material on its website into this quarterly report on Form 10-Q.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

For the Company's disclosures about market risk, please see *Item 7A "Quantitative and Qualitative Disclosures About Market Risk"* in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to the Company's exposures to market risk as disclosed in *Part II—Item 7A* of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 4. Controls and Procedures**

Under the supervision and with the participation of the Company's management, including the Company's chief executive officer ("CEO") and chief financial officer ("CFO"), an evaluation was performed on the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to and as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our management, including the CEO and the CFO, concluded that, as of the end of the period covered in this report, the Company's disclosure controls and procedures were effective to ensure information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that it is accumulated and communicated to our management, including the CEO and our CFO, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the third quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II — OTHER INFORMATION**

**Item 1. Legal Proceedings**

The information contained under the captions "Legal Matters" and "Environmental Contingencies" in [Note 10 —"Commitments and Contingencies"](#) to our Unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q is incorporated by reference into this Item 1.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

Our share repurchase activity for the third quarter of 2024 was as follows:

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 <sup>(1)</sup> (in millions)
July 1 - July 31, 2024	637,669	\$ 285.36	637,669	\$ 738.5
August 1 - August 31, 2024	520,528	\$ 282.94	520,528	\$ 591.2
September 1 - September 30, 2024	377,069	\$ 272.47	377,069	\$ 488.5
Total	<u>1,535,266</u>	\$ 281.37	<u>1,535,266</u>	

<sup>(1)</sup> All repurchases were made under our \$1.5 billion share repurchase program authorized by our Board of Directors effective October 30, 2023. On October 22, 2024, our Board of Directors amended our share repurchase program to

replenish the remaining repurchase authorization to \$1.5 billion. 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. Under the share repurchase plan, shares may be repurchased through a variety of methods including, but not limited to, open market purchases, accelerated share repurchases, negotiated block purchases and transactions structured through investment banking institutions under plans relying on Rule 10b5-1 and/or Rule 10b-18 under the Exchange Act.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

During the third quarter of 2024, 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 6. Exhibits**

Exhibit Number	Description
10.1	<a href="#">Second Amended and Restated Credit Agreement dated as of September 10, 2024, among Reliance, Inc., 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 Toronto-Dominion Bank, New York Branch, as Co-Documentation Agents, and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Reliance, Inc. on September 16, 2024).</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>
32**	<a href="#">Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101*	The following unaudited financial information from Reliance, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 formatted in iXBRL (Inline eXtensible Business Reporting Language) includes: (i) the Consolidated Statements of Income and Comprehensive Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Equity, and (v) related notes to these consolidated financial statements.
104*	Cover Page Interactive Data File (formatting as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RELIANCE, INC.  
(Registrant)

Date: October 30, 2024

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

**Certification of Principal Executive Officer  
Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934**

I, Karla R. Lewis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reliance, Inc.;
2. Based on my knowledge, this 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 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 functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control 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: October 30, 2024

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

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**Certification of Principal Financial Officer  
Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934**

I, Arthur Ajemyan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Reliance, Inc.;
2. Based on my knowledge, this 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 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 functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control 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: October 30, 2024

/s/ Arthur Ajemyan

Arthur Ajemyan  
*Senior Vice President and Chief Financial Officer*

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**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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Periodic Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and information contained in the Periodic 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: October 30, 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.

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