# Reliance Steel & Aluminum (RS)

*Updated April 23rd, 2026, by Aristofanis Papadatos*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $360 | **5 Year CAGR Estimate:** | -2.4% | **Market Cap:** | $18 B |
| **Fair Value Price:** | $238 | **5 Year Growth Estimate:** | 4.0% | **Ex-Dividend Date:** | 5/22/26 |
| **% Fair Value:** | 151% | **5 Year Valuation Multiple Estimate:** | -8.0% | **Dividend Payment Date:** | 6/5/26 |
| **Dividend Yield:** | 1.4% | **5 Year Price Target** | $289 | **Years Of Dividend Growth:** | 16 |
| **Dividend Risk Score:** | C | **Sector:** Materials | | **Rating:** | Hold |

## Overview & Current Events

Reliance Steel & Aluminum (RS) is a diversified metal solutions provider and metal services company. It was founded in 1939 and offers over 100,000 metal products (including alloy, aluminum, brass, copper, steel, titanium, etc.) across its ~315 locations. The company has a degree of recession resiliency, as it has remained profitable every year since its IPO in 1994, and is well positioned to benefit from global supply shortages. The revenues of the company are diversified across regions and commodities, with the 3 largest regions being the Midwest (35%), West/Southwest (21%), and the Southeast (20%), and the 3 largest products being carbon steel (55%), stainless steel (17%) and aluminum (15%). Some investors may consider this company to be a play on the steel markets, since ~72% of revenues come from steel. Reliance Steel & Aluminum has consistently enhanced its gross margins, from 25%-27% in the past to 29%-31%, which management considers sustainable in the long run. The stock has a market capitalization of $18 billion.

In late April, Reliance Steel & Aluminum reported (4/22/26) results for the first quarter of 2026. Revenue grew 16% over the prior year's quarter thanks to record sales volumes amid strong demand. The average realized price grew 13%. Earnings-per-share grew 39%, from $3.77 to $5.16, and exceeded the analysts' consensus by $0.50. The company provided strong guidance for the second quarter of 2026. It expects earnings-per-share of $5.15-$5.35 thanks to sustained demand and favorable prices. It also expects to improve the gross margin in the full year. Thanks to markedly strong demand for steel, we have raised our forecast for this year from $17.80 to $18.30.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $4.16 | $5.47 | $8.75 | $10.34 | $7.19 | $21.97 | $30.03 | $22.62 | $15.92 | $14.26 | ***$18.30*** | ***$22.26*** |
| **DPS** | $1.65 | $1.80 | $2.00 | $2.20 | $2.50 | $2.75 | $3.50 | $4.00 | $4.40 | $4.80 | ***$5.00*** | ***$6.24*** |
| **Shares** | 73 | 73 | 67 | 67 | 64 | 62 | 60 | 58 | 55 | 52 | ***51*** | ***48*** |

As a commodity producer, Reliance Steel & Aluminum has exhibited a somewhat volatile performance record. Nevertheless, thanks to favorable commodity prices in the last four years, the company has grown its earnings-per-share at an average annualized rate of 14.7% over the last decade. Commodity prices have trended upwards lately and hence it is prudent not to assume significant growth of prices for the upcoming years, especially given their historical wild swings. We thus expect the earnings-per-share of Reliance Steel & Aluminum to grow by 4.0% per year on average beyond this year, mostly thanks to production growth.

Reliance Steel & Aluminum has not cut its dividend for 66 consecutive years and has raised its dividend for 16 years in a row. It has grown its dividend by 12.6% per year on average over the past decade. Given the markedly low payout ratio of 27% and the rock-solid balance sheet of the company, we expect it to keep raising its dividend for many more years.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 17.1 | 14.1 | 9.9 | 9.3 | 14.5 | 6.9 | 6.3 | 11.4 | 18.7 | 20.4 | ***19.7*** | ***13.0*** |
| **Avg. Yld.** | 2.3% | 2.3% | 2.3% | 2.3% | 2.4% | 1.8% | 1.8% | 1.6% | 1.5% | 1.6% | ***1.4%*** | ***2.2%*** |

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Reliance Steel & Aluminum has traded at an average price-to-earnings ratio of 12.9 over the past decade. We assume a fair price-to-earnings ratio of 13.0 for this stock, which is currently trading at an earnings multiple of 19.7. If the stock trades at our assumed fair valuation level in five years, it will incur an -8.0% annualized drag in its returns.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

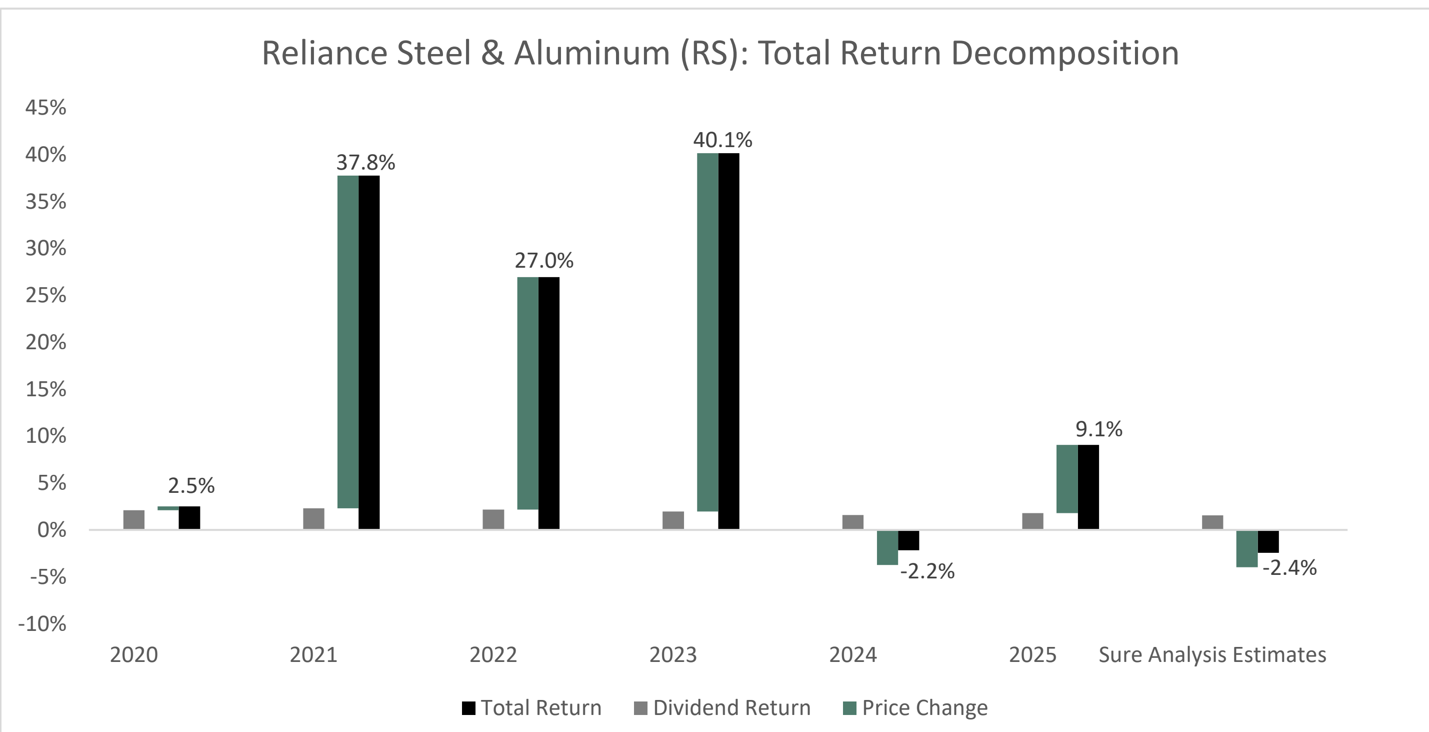
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 40% | 33% | 23% | 21% | 35% | 13% | 12% | 18% | 28% | 34% | ***27%*** | ***28%*** |

Reliance Steel & Aluminum faces competition from other producers, such as Steel Dynamics and Nucor, but it has maintained a meaningful moat in its business thanks to its broad product portfolio. It has averaged a payout ratio of 25% over the past decade. Thanks to a low payout ratio of 27% and an essentially debt-free balance sheet, the dividend is safe for the foreseeable future. The strong balance sheet is paramount in this cyclical business, as it helps the company endure downturns without any problem. Reliance Steel & Aluminum has a competitive advantage as the largest metals service company in North America. It has also proved fairly resilient to recessions, as it has remained profitable through every recession since its IPO in 1994.

## Final Thoughts & Recommendation

Reliance Steel & Aluminum offers investors an opportunity to invest in a company that is currently benefiting from a strong steel market. Although the business is likely to benefit from a booming demand for steel from the semiconductor industry in the long run, we consider the stock unattractive due to its cyclical nature and its rich valuation. The stock could offer a -2.4% average annual total return over the next five years, as 4.0% annual growth of earnings-per-share and a 1.4% dividend may be offset by an -8.0% annualized valuation headwind. We rate the stock as a hold. While the stock may remain richly valued for a considerable period, we find it prudent to maintain a cautious long-term perspective due to the high cyclicality of this business.

## Total Return Breakdown by Year




*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 8,613 | 9,721 | 11,535 | 10,974 | 8,812 | 14,093 | 17,025 | 14,806 | 13,835 | 14,294 |
| Gross Profit | 2,590 | 2,788 | 3,282 | 3,329 | 2,775 | 4,490 | 5,251 | 4,547 | 4,107 | 3,829 |
| Gross Margin | 30.1% | 28.7% | 28.4% | 30.3% | 31.5% | 31.9% | 30.8% | 30.7% | 29.7% | 26.8% |
| SG&A Exp. | 1,809 | 1,914 | 2,104 | 2,108 | 1,887 | 2,321 | 2,504 | 2,562 | 2,666 | 2,807 |
| D&A Exp. | 222 | 218 | 215 | 219 | 227 | 230 | 240 | 245 | 269 | 278 |
| Operating Profit | 559 | 655 | 962 | 1,002 | 660 | 1,939 | 2,507 | 1,740 | 1,172 | 1,023 |
| Op. Margin | 6.5% | 6.7% | 8.3% | 9.1% | 7.5% | 13.8% | 14.7% | 11.8% | 8.5% | 7.2% |
| Net Profit | 304 | 613 | 634 | 702 | 369 | 1,413 | 1,840 | 1,336 | 875 | 742 |
| Net Margin | 3.5% | 6.3% | 5.5% | 6.4% | 4.2% | 10.0% | 10.8% | 9.0% | 6.3% | 5.2% |
| Free Cash Flow | 472 | 237 | 425 | 1,059 | 1,001 | 563 | 1,777 | 1,203 | 999 | 503 |
| Income Tax | 120 | (37) | 209 | 223 | 106 | 466 | 586 | 401 | 262 | 228 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 7,411 | 7,751 | 8,045 | 8,131 | 8,107 | 9,536 | 10,330 | 10,480 | 10,022 | 10,373 |
| Cash & Equivalents | 123 | 154 | 128 | 174 | 684 | 301 | 1,173 | 1,080 | 318 | 217 |
| Acc. Receivable | 960 | 1,087 | 1,242 | 1,068 | 926 | 1,683 | 1,566 | 1,472 | 1,342 | 1,540 |
| Inventories | 1,533 | 1,726 | 1,817 | 1,646 | 1,420 | 2,065 | 1,995 | 2,043 | 2,027 | 2,188 |
| Goodwill & Int. | 2,979 | 2,955 | 2,943 | 3,035 | 2,882 | 3,185 | 3,126 | 3,092 | 3,169 | 3,130 |
| Total Liabilities | 3,232 | 3,051 | 3,365 | 2,917 | 2,984 | 3,442 | 3,234 | 2,748 | 2,791 | 3,194 |
| Accounts Payable | 302 | 347 | 339 | 275 | 259 | 454 | 412 | 410 | 362 | 375 |
| Long-Term Debt | 1,929 | 1,901 | 2,204 | 1,589 | 1,645 | 1,647 | 1,648 | 1,142 | 1,143 | 1,671 |
| Total Equity | 4,149 | 4,667 | 4,672 | 5,207 | 5,115 | 6,087 | 7,087 | 7,722 | 7,220 | 7,170 |
| LTD/E Ratio | 0.47 | 0.41 | 0.47 | 0.31 | 0.32 | 0.27 | 0.23 | 0.15 | 0.16 | 0.24 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 4.2% | 8.1% | 8.0% | 8.7% | 4.5% | 16.0% | 18.5% | 12.8% | 8.5% | 7.2% |
| Return on Equity | 7.5% | 13.9% | 13.6% | 14.2% | 7.2% | 25.2% | 27.9% | 18.0% | 11.7% | 10.3% |
| ROIC | 5.1% | 9.7% | 9.4% | 10.3% | 5.4% | 19.5% | 22.3% | 15.2% | 10.1% | 8.4% |
| Shares Out. | 73 | 73 | 67 | 67 | 64 | 62 | 61 | 59 | 56 | 53 |
| Revenue/Share | 117.8 | 132.2 | 159.2 | 161.7 | 135.0 | 219.1 | 276.85 | 250.88 | 245.97 | 270.34 |
| FCF/Share | 6.45 | 3.23 | 5.86 | 15.61 | 15.34 | 8.75 | 28.89 | 20.38 | 17.76 | 9.50 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*