

AK Steel Projects Larger-Than-Expected 1Q Loss

The Associated Press

WEST CHESTER, Ohio (AP) — AK Steel Holding Corp. on Friday projected a larger-than-expected first-quarter loss, saying that a previously expected seasonal increase in spot demand for steel hasn't materialized.

The West Chester, Ohio based company produces flat-rolled carbon, stainless and electrical steel products for a range of industries, including automotive, construction and infrastructure, manufacturing and electricity. It projected a first-quarter loss of 9 cents to 13 cents per share, while analysts polled by FactSet expect a loss of 8 cents per share.

Though larger-than-expected, the loss would be significantly smaller than the one the company posted for the fourth-quarter. Excluding one-time charges, its loss for that period totaled 30 cents per share.

AK Steel said it expects its first quarter shipments to total between 1.28 million and 1.3 million tons, down from 1.41 million tons in the fourth quarter, hurt by the weaker-than-expected spot market shipments. At the same time, shipments to the automotive market are expected to rise from fourth-quarter levels, the company said.

But AK Steel said it expects its average selling price per-ton for the quarter to increase by about 5 percent from fourth-quarter levels, to about \$1,060 per ton, helped by a pricier mix of products.

Costs are also expected to fall from fourth-quarter levels, mainly as a result of lower raw material costs, the company said.

AK Steel shares fell 6 cents, or 1.7 percent, to \$3.41 in morning trading after dropping as low as \$3.37 earlier in the session. That is its lowest price in almost a decade, according to FactSet.

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