

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

FORM 10-K

- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended March 31, 2025
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File No. 1-7521

FRIEDMAN INDUSTRIES, INCORPORATED
(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

74-1504405
(I.R.S. Employer
Identification No.)

1121 Judson Road Suite 124, Longview, TX
(Address of principal executive offices)

75601
(Zip Code)

Registrant's telephone number, including area code: **(903) 758-3431**

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 Par Value	FRD	Nasdaq Global Select

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

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

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

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

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

Yes No

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the Common Stock held by non-affiliates of the registrant as of September 30, 2024 (based upon the closing price on the NYSE American on September 30, 2024) was approximately \$103.3 million.

The number of shares of the registrant's Common Stock outstanding at June 12, 2025 was 7,059,440 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Shareholders of Friedman Industries, Incorporated for the fiscal year ended March 31, 2025, filed as Exhibit 13.1 to this Annual Report on Form 10-K, are incorporated by reference into Part II and Part III of this Annual Report on Form 10-K. Portions of the Company's definitive proxy statement relating to its 2025 Annual Meeting of Shareholders to be filed within 120 days after March 31, 2025 are incorporated by reference into Part III of this Annual Report on Form 10-K.

PART I

Item 1. Business

General

Friedman Industries, Incorporated (the "Company"), a Texas corporation incorporated in 1965, is a manufacturer and processor of steel products and operates in two reportable segments: flat-roll products and tubular products. Significant financial information relating to the Company's business segments for the last two years is contained in Note 12 of the Consolidated Financial Statements included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, which financial statements are incorporated herein by reference in Item 8 hereof.

Flat-Roll Products

The flat-roll product segment consists of the operation of five hot-rolled coil processing facilities located in Hickman, Arkansas; Decatur, Alabama; East Chicago, Indiana; Granite City, Illinois and Sinton, Texas. The Hickman, Granite City and East Chicago facilities operate temper mills and cut-to-length lines. The Decatur and Sinton facilities operate stretcher leveler cut-to-length lines. The equipment at all locations improve the flatness and surface quality of the coils and cut the coils into sheet and plate of prescribed lengths. On a combined basis, the facilities are capable of cutting sheet and plate with thicknesses ranging from 16 gauge to 1" thick in widths ranging from 36" wide to 96" wide. The vast majority of flat-roll product segment revenue is generated from sales of Company owned inventory but the segment also generates revenue from the processing or storage of customer owned coils on a fee basis.

The coil processing facilities are substantially similar with respect to products produced. The Company makes shipments of products based on which facility offers the desired product or, if the product is available at multiple facilities, based on other factors, such as customer location, freight conditions and the ability of the facility to fulfill the order on a timely basis. Flat-roll products are sold on a wholesale, rapid-delivery basis in competition with other processors of hot-rolled steel coils. Shipments are made via unaffiliated truckers or by rail.

The flat-roll segment purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

Tubular Products

The tubular product segment consists of the Company's Texas Tubular Products division ("TTP") located in Lone Star, Texas. TTP operates two electric resistance welded pipe mills with a combined outside diameter ("OD") size range of 2 3/8" OD to 8 5/8" OD. Both pipe mills are American Petroleum Institute ("API") licensed to manufacture line pipe and oil country pipe and also manufacture pipe for structural purposes that meets other recognized industry standards. All of the tubular segment's revenue is generated from sales of Company owned inventory.

TTP purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

Marketing

The following table sets forth the approximate percentage of total sales contributed by each group of products and services during each of the Company's last two fiscal years:

Product and Service Groups	Fiscal 2025	Fiscal 2024
Flat-Roll Products	91%	92%
Tubular Products	9%	8%

Flat-Roll Products. The Company sells flat-roll products and processing or storage services to approximately 442 customers located primarily in the midwestern, southwestern and southeastern regions of the United States. The Company's principal customers for these products and services are steel distributors and customers manufacturing steel products such as steel buildings, railroad cars, barges, tanks and containers, trailers, component parts and other fabricated steel products. Sales of flat-roll products to O'Neal Steel accounted for approximately 16% of the Company's total sales for both fiscal years 2025 and 2024. No other individual flat-roll products customer accounted for 10% or more of the Company's total sales for either of the two fiscal years.

The Company sells all of its flat-roll products through its own sales force. At March 31, 2025, the sales force was comprised of the Vice President of Sales – Flat Roll Division and 28 sales personnel.

Tubular Products. The Company sells its tubular products nationally to approximately 82 customers. The Company's principal customers for these products are steel and pipe distributors. In fiscal years 2025 and 2024, no individual tubular customer accounted for 10% or more of the Company's total sales.

The Company sells all of its tubular products through its own sales force. At March 31, 2025, the sales force was comprised of the Vice President and General Manager – Tubular Division and two sales personnel.

Competition

The Company is engaged in a non-seasonal, highly-competitive business. The Company competes with other processors of hot-rolled steel coils, tubular manufacturers, steel distributors and brokers.

The Company believes that, generally, its ability to compete is dependent upon its ability to offer products at prices competitive with or below those of other steel suppliers, as well as its ability to provide products meeting customer specifications on a rapid-delivery basis.

Human Capital

Employee Base

At March 31, 2025, the Company had 271 full-time employees, all based in the United States.

Talent Management and Diversity

The Company's success and growth depend in large part on our ability to attract, develop, and retain a diverse population of talented employees at all levels of our organization. Our goal is to foster an inclusive and respectful work environment where employees are comfortable to express ideas and openly communicate throughout the organization with the goal of continuously improving our company. Our compensation programs are designed to ensure that we attract and retain the right talent and are focused on rewarding employees based on their individual performance as well as company performance that is made possible by their efforts. Our employee benefits programs are structured to provide competitive benefits that are effective in attracting and retaining talent and that address the needs of a diverse employee base.

Safety and Wellness

The health and safety of our workforce is fundamental to the success of our company. We have established policies and work procedures aimed at ensuring the safety of our employees. We seek to have our employees actively engaged in the safety process through initial trainings and ongoing regular meetings. We believe safety is a shared responsibility of everyone within our organization. The Company recognizes the importance of our employees' wellness and provides industry leading benefit programs and employee policies that help ensure employees' physical, mental and work-life balance needs are met.

Information About Our Executive Officers

The following table sets forth as of March 31, 2025, for each executive officer of the Company, the name, age, officer positions and arrangements with other persons regarding his selection as an officer, if any, and the period during which such officer has served in such capacity:

Name	Age	Position, Offices with the Company and Other Arrangements, if any
Michael J. Taylor	66	President and Chief Executive Officer since September 2019; formerly Interim President and Interim Chief Executive Officer since February 2019; Chairman of the Board of Directors since June 2017; member of the Board of Directors since December 2016
Alex LaRue	39	Chief Financial Officer – Secretary and Treasurer since March 2018; formerly Vice President — Secretary and Treasurer since 2014; formerly Assistant Vice President — Secretary and Treasurer since 2013; formerly Controller — Texas Tubular Products since 2011

Item 1A. Risk Factors

Not required.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity**Cybersecurity Governance**

The Board of Directors (the “Board”) of the Company is responsible for the oversight of the Company’s cybersecurity program and recognizes the risks that cybersecurity threats may impose on the Company, its business partners, employees and investors. The Company’s IT Director is responsible for overall IT governance, risk and compliance including the Company’s cybersecurity program. The Audit Committee of the Board collaborates with the full Board and the IT Director to facilitate alignment of overall IT related controls and processes. We have a formalized IT Security Incident Report process which provides a method to document and communicate details of security incidents to appropriate stakeholders. The Board and the Audit Committee receive periodic briefings on cybersecurity and help set priorities and strategic direction. As part of continuous improvement, our cybersecurity program is being aligned with the NIST Cybersecurity Framework 2.0 to help ensure comprehensive controls and oversight.

Cybersecurity Controls

We have implemented a modern, comprehensive set of controls that restrict access to systems using a combination of firewalls, virtual private networks, multi-factor authentication and enforced use of corporate controlled compliant devices. We utilize automated intrusion prevention, detection and response systems which constantly monitor activity, build usage patterns and respond or alert when unusual activity is detected. We have experienced staff who perform root cause analysis, respond to any immediate threat, and implement improved controls for future prevention. Our cybersecurity tools are fully integrated and collect data from various sources to build relationships and detect more complex multi-channel attack strategies. Application controls are role-based and designed to protect data confidentiality and provide overall data integrity. A risk-based approach is taken regarding third-party systems utilized in our business.

We have controls specifically focused on E-mail phishing including impersonation attempts. Although our automated controls prevent most phishing attempts, some can be delivered to employees. To mitigate this risk, we provide training to employees using various methods including E-mail phishing campaigns which send phishing-style E-mails, monitors user responses and automatically assigns further training as appropriate. Employees have been trained to send any suspicious activity to a central IT Service Desk for evaluation and appropriate timely action.

All critical systems have rigorous data backups and are designed for disaster recovery, ensuring business continuity in the event of a catastrophic incident. As part of continuous improvement, disaster recovery testing is being conducted and documented.

We are not aware of any unmitigated risk or any prior incident that may have materially affected the Company’s data integrity, confidentiality, operations, business strategy or financial reporting. Given our reliance on modern systems, we are aware a significant incident could impact the Company’s overall goals so we strive to provide modern counter measures to manage this risk.

Item 2. Properties

The principal real properties of the Company are described in the following table:

<u>Location</u>	<u>Approximate Size</u>	<u>Ownership</u>
Lone Star, Texas		
Plant — Texas Tubular Products	118,260 sq. feet	Owned(1)
Offices — Texas Tubular Products	10,500 sq. feet	Owned(1)
Land — Texas Tubular Products	81.7 acres	Owned(1)
Longview, Texas		
Offices — Administrative	5,100 sq. feet	Leased(2)
Hickman, Arkansas		
Plant and Warehouse — Flat Roll Products	64,600 sq. feet	Owned(1)
Offices — Flat Roll Products	2,500 sq. feet	Owned(1)
Land — Flat Roll Products	26.2 acres	Owned(1)
Decatur, Alabama		
Plant and Warehouse — Flat Roll Products	48,000 sq. feet	Owned(1)
Offices — Flat Roll Products	2,000 sq. feet	Owned(1)
Land — Flat Roll Products	47.3 acres	Owned(1)
Sinton, Texas		
Plant and Warehouse — Flat Roll Products		Leasehold Improvement (3)
	70,000 sq. feet	
Offices — Flat Roll Products		Leasehold Improvement (3)
	3,100 sq. feet	
Land — Flat Roll Products		Leased (3)
	26.5 acres	
East Chicago, Indiana		
Plant and Warehouse — Flat Roll Products	150,900 sq. feet	Owned (1)
Offices — Flat Roll Products	3,200 sq. feet	Owned (1)
Land — Flat Roll Products	5.0 acres	Owned (1)
Granite City, Illinois		
Plant and Warehouse — Flat Roll Products		Leasehold Improvement (4)
	321,000 sq. feet	
Offices — Flat Roll Products		Leasehold Improvement (4)
	4,400 sq. feet	
Land — Flat Roll Products		Leased (4)
	31.1 acres	
The Woodlands, Texas		
Offices — Administrative	5,000 sq. feet	Leased (5)

- (1) All of the Company's owned real properties, plants and offices are held in fee and are not subject to any mortgage or deed of trust.
- (2) The office lease is with a non-affiliated party, expires on April 30, 2027, and requires a monthly rental payment of approximately \$5,000.
- (3) The associated lease is a 99 year lease with Steel Dynamics Inc. that calls for an annual rental payment of \$1 and has an expiration date of February 19, 2120.
- (4) The associated lease is with America's Central Port District. The lease expires on August 31, 2028 and requires a monthly rental payment of approximately \$13,300.
- (5) The office lease is with a non-affiliated party, expires on February 28, 2029, requires a monthly rental payment of approximately \$11,600 and a monthly payment of proportionate operating costs of approximately \$4,800.

Item 3. Legal Proceedings

The Company is not, and during fiscal year 2025 was not, a party to, nor is its property the subject of, any material pending legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

The Company's Common Stock was traded principally on the NYSE - American (Symbol: FRD) during the fiscal year ended March 31, 2025.

The Company's Common Stock is currently traded principally on the Nasdaq Global Select (Symbol: FRD).

Reference is hereby made to the sections of the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, entitled "Description of Business — Range of High and Low Sales Prices of Common Stock" and "Description of Business — Cash Dividends Declared Per Share of Common Stock", which sections are hereby incorporated herein by reference.

The approximate number of shareholders of record of Common Stock of the Company as of April 25, 2025 was 150. Because many of the Company's common shares are held by brokers and other institutions on behalf of shareholders, the Company is unable to estimate the total number of individual shareholders represented by these record holders.

Item 6. [Reserved]

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

Information with respect to Item 7 is hereby incorporated herein by reference from the section of the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not required.

Item 8. Financial Statements and Supplementary Data

The following financial statements and notes thereto of the Company included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, are hereby incorporated herein by reference:

Consolidated Balance Sheets — March 31, 2025 and 2024

Consolidated Statements of Operations — Years ended March 31, 2025 and 2024

Consolidated Statements of Comprehensive Income — Years ended March 31, 2025 and 2024

Consolidated Statements of Stockholders' Equity — Years ended March 31, 2025 and 2024

Consolidated Statements of Cash Flows — Years ended March 31, 2025 and 2024

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

The following supplementary schedule for the Company for the years ended March 31, 2025 and 2024, is incorporated herein by reference above in this Item 8 from the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025.

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

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

None.

Item 9A. Controls and Procedures

Information with respect to Item 9A is hereby incorporated herein by reference from the sections of the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, entitled "Evaluation of Disclosure Controls and Procedures" and "Management's Report on Internal Control Over Financial Reporting".

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Except as otherwise set forth below, information with respect to Item 10 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2025 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2025 fiscal year.

Information with respect to Item 10 regarding executive officers is hereby incorporated by reference from the information set forth under the caption "Information About Our Executive Officers" in Item 1 of this Annual Report on Form 10-K.

The Company has adopted the Friedman Industries, Incorporated Code of Conduct and Ethics (the "Code"), which applies to the Company's employees, directors and officers, including its principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. A copy of the Code is filed as an exhibit hereto.

Item 11. Executive Compensation

Information with respect to Item 11 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2025 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2025 fiscal year.

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

Equity Compensation Plan Information

The disclosure required pursuant to Item 201(d) of Regulation S-K is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2025 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2025 fiscal year.

Additional information with respect to Item 12 regarding equity compensation plan information relating to the Company is hereby incorporated herein by reference from Note 2 — Equity Compensation Plans and Capital Stock included in the Notes to Consolidated Financial Statements of the Company included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025.

Security Ownership Information

The additional information with respect to Item 12 regarding the security ownership of certain beneficial owners and management, and related matters, is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2025 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2025 fiscal year.

Item 13. Certain Relationships, Related Transactions and Director Independence

Information with respect to Item 13 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2025 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2025 fiscal year.

Item 14. Principal Accountant Fees and Services

Information with respect to Item 14 is hereby incorporated herein by reference from the Company's proxy statement in respect of the 2025 Annual Meeting of Shareholders, definitive copies of which are expected to be filed with the SEC on or before 120 days after the end of the Company's 2025 fiscal year.

The Company's independent public accounting firm is Moss Adams LLP, Houston, Texas, PCAOB ID: 659.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents included in this report

1. Financial Statements

The following financial statements and notes thereto of the Company are included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, which is incorporated herein by reference:

Consolidated Balance Sheets — March 31, 2025 and 2024

Consolidated Statements of Operations — Years ended March 31, 2025 and 2024

Consolidated Statements of Comprehensive Income — Years ended March 31, 2025 and 2024

Consolidated Statements of Stockholders' Equity — Years ended March 31, 2025 and 2024

Consolidated Statements of Cash Flows — Years ended March 31, 2025 and 2024

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

2. Financial Statement Schedules

The following financial statement schedule is included in the Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025, which is incorporated herein by reference:

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

3. Exhibits

Exhibit No.	Description
3.1	— Articles of Incorporation of the Company, as amended (incorporated by reference from Exhibit 3.1 to the Company's Form S-8 filed on December 21, 2016).
3.2	— Articles of Amendment to the Articles of Incorporation of the Company, as filed with the Texas Secretary of State on September 22, 1987 (incorporated by reference from Exhibit 3.1 to the Company's Form S-8 filed on December 21, 2016).
3.3	— Amended and Restated Bylaws of the Company, as amended on November 8, 2021 (incorporated by reference from Exhibit 3.3 to the Company's Form 10-Q filed on November 19, 2021).
10.1	— Friedman Industries, Incorporated 2016 Restricted Stock Plan (incorporated by reference from Exhibit 4.2 to the Company's Form S-8 filed on December 21, 2016).
10.2	— Form of Friedman Industries, Incorporated Restricted Stock Award Agreement (incorporated by reference from Exhibit 4.3 to the Company's Form S-8 filed on December 21, 2016).
10.3	— First Amendment to the Friedman Industries, Incorporated 2016 Restricted Stock Plan (incorporated by reference from Appendix C to the Company's Form DEF 14A filed on July 26, 2019).
10.4	— Amended and Restated Credit Agreement dated May 19, 2021 (incorporated by reference from Exhibit 10.9 to the Company's Form 10-K for the fiscal year ended March 31, 2021 filed on July 7, 2021).
10.5	— Pledge and Security Agreement dated May 19, 2021 (incorporated by reference from Exhibit 10.10 to the Company's Form 10-K for the fiscal year ended March 31, 2021 filed on July 7, 2021).
10.6	— First Amendment to Amended and Restated Credit Agreement (incorporated by reference from Exhibit 10.6 to the Company's Form 10-K for the fiscal year ended March 31, 2022 filed on August 2, 2022).
10.7	— Second Amendment to Amended and Restated Credit Agreement (incorporated by reference from Exhibit 10.7 to the Company's Form 10-K for the fiscal year ended March 31, 2022 filed on August 2, 2022).
10.8	— Third Amendment to Amended and Restated Credit Agreement (incorporated by reference from Exhibit 10.12 to the Company's Form 10-K for the fiscal year ended March 31, 2022 filed on August 2, 2022).
**10.9	Fourth Amendment to Amended and Restated Credit Agreement (referenced in the Company's Form 8-K filed on May 9, 2025)
**13.1	— The Company's Annual Report to Shareholders for the fiscal year ended March 31, 2025.
**14.1	— Friedman Industries, Incorporated Code of Conduct and Ethics.
**19.1	Insider Trading Policy.
**21.1	— List of Subsidiaries.
**23.1	— Consent of Moss Adams LLP.
**31.1	— Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed by Michael J. Taylor.
**31.2	— Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed by Alex LaRue.
**32.1	— Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Michael J. Taylor.
**32.2	— Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Alex LaRue.
**97.1	Clawback Policy
**101.INS	— Inline XBRL Instance Document.
**101.SCH	— Inline XBRL Taxonomy Schema Document.
**101.CAL	— Inline XBRL Calculation Linkbase Document.
**101.DEF	— Inline XBRL Definition Linkbase Document.
**101.LAB	— Inline XBRL Label Linkbase Document.
**101.PRE	— Inline XBRL Presentation Linkbase Document.
**104	— Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

** Filed herewith.

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This **FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT** (this "Amendment"), dated as of May 6, 2025, is by and among **FRIEDMAN INDUSTRIES, INCORPORATED**, a Texas corporation (the "Borrower"), **JPMORGAN CHASE BANK, N.A.**, a national banking association, as a Lender, Issuing Bank and Swingline Lender (as each is defined in the below-referenced Credit Agreement) and as Administrative Agent (the "Administrative Agent") and the other lenders party to the Credit Agreement (defined below)(the "Lenders"). Capitalized terms used in this Amendment, to the extent not otherwise defined herein, shall have the same meaning as in the Credit Agreement, as amended hereby.

RECITALS:

WHEREAS, the Borrower, the other Loan Parties, the Lenders and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement, dated as of May 19, 2021 (as the same has been amended as of the date hereof and as may be further amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower and the other Loan Parties have requested that the Lenders and Administrative Agent amend certain provisions of the Credit Agreement in the manner and on the terms and conditions provided for herein; and

NOW, THEREFORE, in consideration of the foregoing and the agreements, promises and covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1: Amendments to Credit Agreement. Effective as of the Effective Date, the Credit Agreement is hereby amended as follows:

(a) Amendment to Section 1.01 of the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of "Maturity Date" in its entirety to read as follows:

""Maturity Date" means August 19, 2026 or any earlier date on which the Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof."

SECTION 2: No Waiver. Nothing contained in this Amendment shall be construed as a waiver by the Administrative Agent of any covenant or provision of the Credit Agreement, the other Loan Documents, this Amendment, or of any other contract or instrument between any Loan Party and the Administrative Agent, and the failure of the Administrative Agent at any time or times hereafter to require strict performance by any Loan Party of any provision thereof shall not waive, affect or diminish any rights of the Administrative Agent to thereafter demand strict compliance therewith. The Administrative Agent hereby reserves all rights granted under the Credit Agreement, the other Loan Documents, this Amendment and any other contract or instrument between any Loan Party and the Administrative Agent.

SECTION 3: Representations and Warranties. To induce the Administrative Agent to enter into this Amendment, each Loan Party represents and warrants that:

(a) No Default. After giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing as of the date hereof;

(b) Representations and Warranties. As of the Effective Date and, after giving effect to this Amendment and the transactions contemplated hereby, the representations and warranties of the Loan Parties contained in the Loan Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of such date except to the extent such representations and warranties specifically relate to an earlier date; and

(c) Authority. (i) The execution, delivery and performance by each Loan Party of this Amendment are within its respective organizational powers and have been duly authorized by all necessary corporate or limited liability company action on the part of such Person, (ii) this Amendment is the legal, valid and binding obligation of each Loan Party enforceable against such Person in accordance with its terms and (iii) neither the execution, delivery or performance by each Loan Party of this Amendment (1) violates any law or regulation, or any order or decree of any governmental authority, (2) conflicts with or results in the breach or termination of, constitutes a default under or accelerates any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Person is a party or by which such Person or any of its property is bound, (3) results in the creation or imposition of any Lien upon any of the Collateral (other than any Lien in favor of the Administrative Agent or a Lender), (4) violates or conflicts with the organizational or governing documentation of such Person, or (5) requires the consent, approval or authorization of, or declaration or filing with, any other Person, except for those already duly obtained.

(d) Organizational Documents. No amendment, restatement, supplement or other modification has been made to the certificate or articles of incorporation or organization of the Borrower or to the by-laws or operating, management or partnership agreement, or any other organizational or governing documents of the Borrower since May 19, 2021.

SECTION 4: Conditions Precedent. This Amendment shall become effective only upon the satisfaction in full, in a manner satisfactory to the Administrative Agent, of the following conditions precedent (the first date upon which all such conditions have been satisfied being herein called the ("Effective Date")):

(a) Documentation. The Administrative Agent shall have received each of the following, each in form and substance satisfactory to the Administrative Agent, in its sole discretion, and, where applicable, each duly executed by each party thereto, other than the Administrative Agent (each of which shall be deemed to constitute a "Loan Document" pursuant to the Credit Agreement):

(i) this Amendment or counterparts hereof;

(ii) such other documents, instruments, and agreements as the Administrative Agent may reasonably request in connection with the transactions contemplated by this Amendment and the other Loan Documents, each in form and substance reasonably satisfactory to the Administrative Agent.

(b) Payment of Fees. Borrower shall have paid to Administrative Agent and Lenders, any fees and expenses owing to the Administrative Agent or the Lenders pursuant to Section 9.03(a) of the Credit Agreement.

SECTION 5: Ratification; Reference to and Effect on Loan Documents.

(a) Ratification. Except as specifically amended above, the Credit Agreement and the other Loan Documents shall remain in full force and effect. Notwithstanding anything contained herein, the terms of this Amendment are not intended to and do not effect a novation of the Credit Agreement or any other Loan Document. Each of the Loan Parties hereby ratifies and reaffirms each of the terms and conditions of the Loan Documents to which it is a party and all of its obligations thereunder. Each of the Loan Parties hereby agrees that all liens and security interests securing payment of the Obligations under the Credit Agreement and each of the other Loan Documents are hereby collectively renewed, ratified and brought forward as security for the payment and performance of the Obligations.

(b) References. Upon the effectiveness of this Amendment, each of the Loan Documents, including the Credit Agreement, and any and all other agreements, documents or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement, as amended hereby, are hereby amended so that any reference in such Loan Documents to the Credit Agreement shall mean a reference to the Credit Agreement, as amended hereby.

SECTION 6: Miscellaneous.

(a) Successors and Assigns. This Amendment shall be binding on and shall inure to the benefit of the Loan Parties, the Administrative Agent and their respective successors and assigns.

(b) Entire Agreement. This Amendment constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the subject matter hereof.

(c) Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(d) Severability. Wherever possible, each provision of this Amendment shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

(e) Counterparts. This Amendment may be executed in any number of separate original counterparts (or telecopied counterparts with original execution copy to follow) and by the different parties on separate counterparts, each of which shall be deemed to be an original, but all of such counterparts shall together constitute one agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

(f) Incorporation of Credit Agreement Provisions. The provisions contained in Section 9.09 (Governing Law; Jurisdiction; Consent to Service of Process) and Section 9.10 (Waiver of Jury Trial) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety.

(g) RELEASE. FOR AND IN CONSIDERATION OF LENDERS' AGREEMENTS CONTAINED HEREIN, BORROWER, TOGETHER WITH ITS PARENTS, DIVISIONS, SUBSIDIARIES, AFFILIATES, MEMBERS, MANAGERS, PARTICIPANTS, PREDECESSORS, SUCCESSORS AND ASSIGNS, AND ITS CURRENT AND FORMER OFFICERS, SHAREHOLDERS, MEMBERS, MANAGERS, PARTNERS, AGENTS AND EMPLOYEES, AND ITS PREDECESSORS, SUCCESSORS, HEIRS AND ASSIGNS (INDIVIDUALLY AND COLLECTIVELY, "**RELEASORS**") HEREBY VOLUNTARILY AND KNOWINGLY RELEASES AND FOREVER WAIVES AND DISCHARGES LENDERS AND EACH OF THEIR PARENTS, DIVISIONS, SUBSIDIARIES, AFFILIATES, MEMBERS, MANAGERS, PARTICIPANTS, PREDECESSORS, SUCCESSORS AND ASSIGNS, AND EACH OF ITS CURRENT AND FORMER DIRECTORS, OFFICERS, SHAREHOLDERS, MEMBERS, MANAGERS, PARTNERS, AGENTS AND EMPLOYEES, AND EACH OF THEIR RESPECTIVE PREDECESSORS, SUCCESSORS, HEIRS AND ASSIGNS (INDIVIDUALLY AND COLLECTIVELY, THE "**RELEASED PARTIES**") FROM ALL POSSIBLE CLAIMS, COUNTERCLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, SUSPECTED OR UNSUSPECTED, FIXED, CONTINGENT OR CONDITIONAL OR AT LAW OR IN EQUITY, IN ANY CASE ORIGINATING IN WHOLE OR IN PART ON OR BEFORE THE DATE THIS AMENDMENT IS EXECUTED THAT ANY OF THE RELEASORS MAY NOW OR HEREAFTER HAVE AGAINST THE RELEASED PARTIES, IF ANY, IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR REGULATIONS OR OTHERWISE, INCLUDING WITHOUT LIMITATION ARISING DIRECTLY OR INDIRECTLY FROM ANY LAWSUIT, ANY PRIOR OR EXISTING LOANS BETWEEN RELEASORS AND RELEASED PARTIES, ANY OF THE LOAN DOCUMENTS, THE EXERCISE OF ANY RIGHTS AND REMEDIES UNDER ANY OF THE LOAN DOCUMENTS AND/OR NEGOTIATION FOR AND EXECUTION OF THIS AMENDMENT, INCLUDING, WITHOUT LIMITATION, ANY CONTRACTING FOR, CHARGING, TAKING, RESERVING, COLLECTING OR RECEIVING INTEREST IN EXCESS OF THE HIGHEST LAWFUL RATE APPLICABLE. EACH OF THE RELEASORS WAIVES THE BENEFITS OF ANY LAW, WHICH MAY PROVIDE IN SUBSTANCE: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE DEBTOR." EACH OF THE RELEASORS UNDERSTANDS THE FACTS IT BELIEVES TO BE TRUE AT THE TIME OF MAKING THE RELEASE PROVIDED FOR HEREIN MAY LATER TURN OUT TO BE DIFFERENT THAN IT NOW BELIEVES, AND INFORMATION NOT NOW KNOWN OR SUSPECTED MAY LATER BE DISCOVERED. EACH OF THE RELEASORS ACCEPTS THIS POSSIBILITY, AND EACH OF THEM ASSUMES THE RISK OF THE FACTS TURNING OUT TO BE DIFFERENT AND NEW INFORMATION BEING DISCOVERED AND EACH OF THEM FURTHER AGREES THE RELEASE PROVIDED FOR HEREIN SHALL IN ALL RESPECTS CONTINUE TO BE EFFECTIVE AND NOT SUBJECT TO TERMINATION OR RESCISSION BECAUSE OF ANY DIFFERENCE IN SUCH FACTS OR ANY NEW INFORMATION.

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IN WITNESS WHEREOF, this Amendment has been executed on the date first written above, to be effective upon satisfaction of the conditions set forth herein.

BORROWER:

FRIEDMAN INDUSTRIES, INCORPORATED

By: /s/ Alex LaRue _____

Name: Alex LaRue

Title: Chief Financial Officer

[SIGNATURE PAGE TO FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS:

JPMORGAN CHASE BANK, N.A.,

individually and as Administrative Agent, Issuing Bank and
Swingline Lender

By: /s/ Andrew Bae _____

Name: Andrew Bae

Title: Authorized Officer

BMO HARRIS BANK N.A.

By: /s/ Quinn Heiden _____

Name: Quinn Heiden

Title: Managing Director

[SIGNATURE PAGE TO FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

**THE COMPANY'S ANNUAL
REPORT TO SHAREHOLDERS FOR
THE FISCAL YEAR ENDED MARCH 31, 2025**



2025
ANNUAL REPORT

FINANCIAL HIGHLIGHTS

(In thousands, except per share data)

	Fiscal 2025	Fiscal 2024
Net sales	\$ 444,600	\$ 516,251
Net earnings	\$ 6,085	\$ 17,345
Net earnings per share (Basic)	\$ 0.87	\$ 2.39
Cash dividends per share	\$ 0.16	\$ 0.10
Stockholders' equity	\$ 132,425	\$ 127,475
Working capital	\$ 128,143	\$ 115,957

TO OUR SHAREHOLDERS:

We are pleased to report \$6.1 million of net earnings for fiscal 2025 in a year that presented challenging steel price trends combined with complex economic and political factors. This year highlights the benefit of our hedging capabilities as we successfully overcame price volatility to expand profitable results. We remained in a strong financial position at year-end and able to capitalize on both short-term and long-term growth opportunities.

Our sales volume of Company owned inventory for the year was steady compared to the prior year at approximately 500,000 tons. We are pleased with our volume stability given the adverse impact of downtime for equipment upgrades, challenging conditions for some of our customers and political uncertainty leading up to the presidential election. We are also happy to report that our newest facility in Sinton, Texas reached full capacity during the year and contributed the highest profit margin among all our facilities.

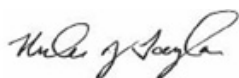
Fiscal 2025 was a challenging year for margins due to the trend of hot-rolled coil ("HRC") prices. The year started with HRC prices on a downward trend that continued until August. Prices remained stable at the bottom of the price cycle until February with prices then increasing through the end of the fiscal year. As a result, our first three quarters experienced challenging physical margins offset by hedging gains and we ended with a strong fourth quarter supported by improved physical margins.

We moved our stock exchange listing to Nasdaq's highest listing tier, the Nasdaq Global Select Market, shortly after fiscal year-end. As we grow, we need to increase our market visibility and attract more investor capital. We believe listing on Nasdaq aligns with our goal of building Friedman's long-term equity value by providing more potential for improved trading liquidity, as well as increased institutional ownership and capital inflows.

I continue to see value in Friedman today along with significant opportunities for growth in the future. Thank you for your support and investment in our Company.

You are invited to attend the Annual Meeting of Shareholders scheduled to start at 9:00 a.m. (Central Time) on Thursday, September 18, 2025, in the offices of Norton Rose Fulbright US LLP, 1550 Lamar, Suite 2000, Houston, Texas 77010.

Sincerely,



Michael J. Taylor
President and Chief Executive Officer
Chairman of the Board of Directors

OFFICERS

Michael J. Taylor
President and Chief Executive Officer

Jonathan Holcomb
Vice President of Sales — Flat Roll Divisions and Vice President of Purchasing

Alex LaRue
Chief Financial Officer — Secretary and Treasurer

Paul Rottmann
Vice President of Operations — Flat Roll Divisions

Steve Teeter
Vice President of Operations — Southeast Flat Roll Divisions

Michael Thompson
Vice President and General Manager — Tubular Division

COMPANY OFFICES AND WEBSITES

CORPORATE OFFICE & FLAT ROLL PRODUCTS SALES OFFICE
1121 Judson Road, Suite 124
Longview, Texas 75601
903-758-3431

TUBULAR PRODUCTS SALES OFFICE
3681 FM 250
Lone Star, Texas 75668
903-639-2511

WEBSITES*
www.friedmanindustries.com
www.texastubular.com

COUNSEL
Norton Rose Fulbright US LLP
1550 Lamar, Suite 2000
Houston, Texas 77010

AUDITORS
Moss Adams LLP
500 Dallas Street, Suite 1900
Houston, TX 77002

TRANSFER AGENT AND REGISTRAR
Equiniti Trust Company LLC
48 Wall Street, 23rd Floor
New York, NY 10043

* Information on our websites is expressly not incorporated by reference into this document.

DIRECTORS

Durga D. Agrawal
President, Piping Technology & Products, Inc. (pipe fabrication)
Houston, Texas

Michael Hanson
Retired, formerly, Vice President of Sales and Marketing for North Star BlueScope Steel LLC (steel mill)
Ottawa Hills, Ohio

Max Reichenthal
President, Texas Iron and Metal (steel product sales)
Houston, Texas

Sandy Scott
Retired, formerly, Chief Executive Officer of Sprint Industrial Holdings (rental equipment and transportation company), currently serving on the boards of directors of Terra Nova Solutions, Rowland Inc., CEDA International, DWD International, LLC and Goodwill of Houston
Houston, Texas

Tim Stevenson
Chief Executive Officer and Founder, Metal Edge Partners (metals price risk management and strategic advisory services)
Plymouth, Minnesota

Michael J. Taylor, *Chairman of the Board*
President and Chief Executive Officer of the Company
Houston, Texas

Sharon Taylor
Executive Vice President and Chief Financial Officer, Martin Midstream Partners L.P. and Martin Resource Management Corporation (terminalling, processing, transportation, storage and packaging services for petroleum products and by-products)
Kilgore, Texas

Joe L. Williams
Partner, Pozmantier, Williams and Stone Insurance Consultants, LLC (insurance and risk management consultants)
Houston, Texas

ANNUAL REPORT ON FORM 10-K

Shareholders may obtain without charge a copy of the Company's Annual Report on Form 10-K for the year ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission. Written requests should be addressed to: Alex LaRue, Chief Financial Officer — Secretary and Treasurer, Friedman Industries, Incorporated, P.O. Box 2192, Longview, Texas 75606.

DESCRIPTION OF BUSINESS

Friedman Industries, Incorporated (the "Company") is a manufacturer and processor of steel products and operates in two product segments: flat-roll products and tubular products.

Flat-Roll Products

The flat-roll product segment consists of the operation of five hot-rolled coil processing facilities located in Hickman, Arkansas; Decatur, Alabama; East Chicago, Indiana; Granite City, Illinois and Sinton, Texas. The Hickman, Granite City and East Chicago facilities operate temper mills and cut-to-length lines. The Decatur and Sinton facilities operate stretcher leveler cut-to-length lines. The equipment at all locations improve the flatness and surface quality of the coils and cut the coils into sheet and plate of prescribed lengths. On a combined basis, the facilities are capable of cutting sheet and plate with thicknesses ranging from 16 gauge to 1" thick in widths ranging from 36" wide to 96" wide. The vast majority of flat-roll product segment revenue is generated from sales of Company owned inventory but the segment also generates revenue from the processing or storage of customer owned coils on a fee basis.

The processing facilities are substantially similar with respect to products produced. The Company makes shipments of flat-roll products based on which facility offers the desired product or, if the product is available at multiple facilities, based on other factors, such as customer location, freight conditions and the ability of the facility to fulfill the order on a timely basis. Flat-roll products are sold on a wholesale, rapid-delivery basis in competition with other processors of hot-rolled steel coils. Shipments are made via unaffiliated truckers or by rail.

The flat-roll segment purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

The Company sells flat-roll products and processing services to approximately 442 customers located primarily in the midwestern, southwestern and southeastern regions of the United States. The Company's principal customers for these products and services are steel distributors and customers manufacturing steel products such as steel buildings, railroad cars, barges, tanks and containers, trailers, component parts and other fabricated steel products.

Tubular Products

The tubular product segment consists of the Company's Texas Tubular Products division ("TTP") located in Lone Star, Texas. TTP operates two electric resistance welded pipe mills with a combined outside diameter ("OD") size range of 2 3/8" OD to 8 5/8" OD. Both pipe mills are American Petroleum Institute ("API") licensed to manufacture line pipe and oil country pipe and also manufacture pipe for structural purposes that meets other recognized industry standards. All of the tubular segment's revenue is generated from sales of Company owned inventory.

The Company sells its tubular products nationally to approximately 82 customers. The Company's principal customers for these products are steel and pipe distributors.

TTP purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

Significant financial information relating to the Company's two product groups, flat-roll and tubular products, is contained in Note 12 of the Notes to the Company's Consolidated Financial Statements appearing herein.

RANGE OF HIGH AND LOW SALES PRICES OF COMMON STOCK

	Fiscal 2025		Fiscal 2024	
	High	Low	High	Low
First Quarter	\$ 19.52	\$ 13.78	\$ 12.70	\$ 9.53
Second Quarter	19.12	13.71	18.31	11.97
Third Quarter	18.48	13.40	16.48	9.50
Fourth Quarter	17.80	13.93	19.33	15.01

CASH DIVIDENDS DECLARED PER SHARE OF COMMON STOCK

	Fiscal 2025	Fiscal 2024
First Quarter	\$ 0.04	\$ 0.02
Second Quarter	0.04	0.02
Third Quarter	0.04	0.02
Fourth Quarter	0.04	0.04

The Company's Common Stock is traded principally on the Nasdaq Global Select (trading symbol FRD).

The approximate number of shareholders of record of Common Stock of the Company as of April 25, 2025 was 150. Because many of the Company's common shares are held by brokers and other institutions on behalf of shareholders, the Company is unable to estimate the total number of individual shareholders represented by these record holders.

CONSOLIDATED BALANCE SHEETS

(In thousands, except for share data)

ASSETS

	March 31,	
	2025	2024
CURRENT ASSETS:		
Cash	\$ 3,686	\$ 2,891
Accounts receivable, net of allowances for credit losses and cash discounts of \$147 and \$97 at March 31, 2025 and 2024, respectively	47,476	47,329
Inventories	113,689	115,804
Current portion of derivative assets	636	74
Other current assets	980	3,966
TOTAL CURRENT ASSETS	166,467	170,064
PROPERTY, PLANT AND EQUIPMENT:		
Land	1,572	1,670
Buildings and yard improvements	30,393	30,900
Machinery and equipment	57,970	53,607
Construction in process	135	1,977
Less accumulated depreciation	(33,819)	(31,396)
	56,251	56,758
OTHER ASSETS:		
Operating lease right-of-use asset	2,841	2,841
Other assets	1,263	356
TOTAL ASSETS	\$ 226,822	\$ 230,019

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31,	
	2025	2024
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 35,304	\$ 43,886
Income taxes payable	647	2,213
Dividends payable	279	279
Employee compensation and related expenses	1,807	5,989
Current portion of financing lease	—	54
Current portion of derivative liability	287	1,686
TOTAL CURRENT LIABILITIES	38,324	54,107
POSTRETIREMENT BENEFITS OTHER THAN PENSIONS	115	105
DEFERRED INCOME TAX LIABILITY	5,478	5,257
NON-CURRENT LEASE LIABILITIES	2,752	2,782
ASSET BASED LENDING FACILITY	47,728	40,293
TOTAL LIABILITIES	94,397	102,544
COMMITMENTS AND CONTINGENCIES (SEE NOTE 11)		
STOCKHOLDERS' EQUITY:		
Common stock, par value \$1:		
Authorized shares — 10,000,000		
Issued shares — 8,877,229 shares and 8,873,203 shares at March 31, 2025 and 2024, respectively	8,877	8,873
Additional paid-in capital	35,394	35,247
Treasury stock at cost (1,906,693 shares and 1,896,892 shares at March 31, 2025 and 2024, respectively)	(13,100)	(12,929)
Retained earnings	101,254	96,284
TOTAL STOCKHOLDERS' EQUITY	132,425	127,475
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 226,822	\$ 230,019

See accompanying notes.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Year Ended March 31,	
	2025	2024
Net Sales	\$ 444,600	\$ 516,251
Costs and expenses:		
Cost of materials sold (excludes items shown separately below)	365,648	412,395
Processing and warehousing expense	33,477	31,438
Delivery expense	23,228	23,791
Selling, general and administrative	16,171	21,039
Depreciation and amortization	3,291	3,070
	441,815	491,733
Gain on disposal of property, plant and equipment	258	—
EARNINGS FROM OPERATIONS	3,043	24,518
Gain on economic hedges of risk	7,598	1,848
Interest expense	(2,953)	(3,072)
Other income	5	20
EARNINGS BEFORE INCOME TAXES	7,693	23,314
Provision for income taxes:		
Current	1,387	5,175
Deferred	221	794
	1,608	5,969
NET EARNINGS	\$ 6,085	\$ 17,345
Net earnings per share:		
Basic	\$ 0.87	\$ 2.39
Diluted	\$ 0.87	\$ 2.39
Cash dividends declared per common share	\$ 0.16	\$ 0.10

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended March 31,	
	2025	2024
Net earnings	\$ 6,085	\$ 17,345
Other comprehensive income:		
Cash flow hedges, net of tax	—	317
	—	317
Comprehensive income	\$ 6,085	\$ 17,662

See accompanying notes.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share data)

	Common Stock	Accumulated Other Comprehensive Income, Net of Tax	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Total
BALANCE AT MARCH 31, 2023	\$ 8,869	\$ (317)	\$ 35,005	\$ (7,778)	\$ 79,653	\$ 115,432
Net earnings	—	—	—	—	17,345	17,345
Other comprehensive income	—	317	—	—	—	317
Issuance of restricted stock	4	—	(4)	—	—	—
Paid in capital – restricted stock units	—	—	246	—	—	246
Repurchase of shares	—	—	—	(5,151)	—	(5,151)
Cash dividends (\$0.10 per share)	—	—	—	—	(714)	(714)
BALANCE AT MARCH 31, 2024	\$ 8,873	\$ —	\$ 35,247	\$ (12,929)	\$ 96,284	\$ 127,475
Net earnings	—	—	—	—	6,085	6,085
Issuance of restricted stock	4	—	(4)	—	—	—
Paid in capital – restricted stock units	—	—	151	—	—	151
Repurchase of shares	—	—	—	(171)	—	(171)
Cash dividends (\$0.16 per share)	—	—	—	—	(1,115)	(1,115)
BALANCE AT MARCH 31, 2025	\$ <u>8,877</u>	\$ <u>—</u>	\$ <u>35,394</u>	\$ <u>(13,100)</u>	\$ <u>101,254</u>	\$ <u>132,425</u>

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended March 31,	
	2025	2024
OPERATING ACTIVITIES		
Net earnings	\$ 6,085	\$ 17,345
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:		
Depreciation and amortization	3,291	3,070
Deferred taxes	221	794
Compensation expense for restricted stock	151	246
Change in post-retirement benefits	10	9
Gain recognized on open derivatives not designated for hedge accounting	(1,961)	(64)
Deferred realized loss on derivatives	—	418
Gain on disposal of property, plant and equipment	(258)	—
Right-of-use asset	30	41
Decrease (increase) in operating assets:		
Accounts receivable	(147)	2,038
Inventories	2,115	(29,558)
Other current assets	442	1,173
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(8,641)	7,039
Income taxes payable	(1,566)	1,439
Employee compensation and related expenses	(4,182)	1,339
Contribution to retirement plan	—	(350)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,410)	4,979
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,002)	(5,792)
Proceeds from sale of assets	1,575	—
Deposit on steel processing equipment	(1,000)	—
Increase in cash surrender value of officers' life insurance	(7)	(13)
NET CASH USED IN INVESTING ACTIVITIES	(3,434)	(5,805)
FINANCING ACTIVITIES		
Cash dividends paid	(1,115)	(581)
Cash paid for principal portion of finance lease	(54)	(107)
Cash paid for share repurchases	(171)	(5,151)
Borrowings on asset based lending facility	649,494	831,436
Repayments on asset based lending facility	(642,059)	(824,260)
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,095	1,337
INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(1,749)	511
CASH AND RESTRICTED CASH AT BEGINNING OF PERIOD	5,897	5,386
CASH AND RESTRICTED CASH AT END OF PERIOD	\$ 4,148	\$ 5,897

Cash and restricted cash at March 31, 2025 and 2024 included approximately \$0.5 million and \$3.0 million, respectively, of cash required to collateralize open derivative positions. These amounts are reported in "Other current assets" on the Company's consolidated balance sheets at March 31, 2025 and 2024.

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION: The consolidated financial statements include the accounts of Friedman Industries, Incorporated and its subsidiary (collectively, the "Company"). All material intercompany amounts and transactions have been eliminated.

RECLASSIFICATIONS: The consolidated financial statements for the previous fiscal year may include certain reclassifications to conform to the current presentation. To conform with the current year presentation, the reporting classification of certain accounts and transactions was reclassified between "Cost of materials sold" and "Processing and warehousing expense". The total impact of this reclassification was a \$4.7 million decrease to "Cost of materials sold" and a \$4.7 million increase to "Processing and warehousing expense". This reclassification had no impact on previously reported, earnings from operations, net earnings or stockholder's equity.

REVENUE RECOGNITION: Revenue is generated primarily from contracts to manufacture or process steel products and is recognized when performance obligations are complete. Generally, the Company's performance obligations are satisfied, control of our products is transferred, and revenue is recognized at a single point in time, when title transfers to our customer for product shipped or when services are provided. Revenue is recorded in an amount that reflects the consideration expected to be received in exchange for those goods or services. See Note 13 for further information.

TRADE RECEIVABLES: The Company's receivables are recorded when billed, advanced or accrued and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for credit losses and cash discounts allowed, represents their estimated net realizable value. The Company estimates its allowance for credit losses based on historical collection trends, the age of outstanding receivables and existing economic conditions. Trade receivables are generally considered past due after 30 days from invoice date. Past-due receivable balances are written-off when the Company's internal collection efforts have been unsuccessful in collecting the amount due. The balance of the Company's allowance for doubtful accounts was approximately \$0.1 million at both March 31, 2025 and 2024.

INVENTORIES: Both flat-roll segment and tubular segment inventories consist of raw material and finished goods. Cost for substantially all of the Company's inventory is determined using the average cost method. All inventories are valued at the lower of cost or net realizable value. The Company did not have any lower of cost or net realizable value adjustments during fiscal 2025 or fiscal 2024. Obsolete or slow-moving inventories are not significant based on the Company's review of inventories. Accordingly, no allowance has been provided for such items. Flat-roll raw material inventory consists of steel coils the Company will process into sheet and plate. Flat-roll finished goods consists of processed sheet and plate inventory. Tubular raw material inventory consists of hot-rolled steel coils that the Company will manufacture into pipe. Tubular finished goods inventory consists of pipe the Company has manufactured.

The following is a summary of inventory by product group (in thousands):

	March 31,	
	2025	2024
Flat-Roll raw material	\$ 85,865	\$ 85,483
Flat-Roll finished goods	15,737	17,030
Tubular raw material	7,055	4,185
Tubular finished goods	5,032	9,106
	<u>\$ 113,689</u>	<u>\$ 115,804</u>

DERIVATIVE INSTRUMENTS: From time to time, the Company may use futures contracts to partially manage exposure to price risk. All of the futures contracts entered into during fiscal 2025 and fiscal 2024 were classified as economic hedges of risk with mark-to-market ("MTM") accounting treatment. In prior fiscal years, the Company elected hedge accounting for some of its derivatives. For derivatives designated for hedge accounting and classified as cash flow hedges, changes in fair value are recognized as a component of other comprehensive income and reclassified into earnings during the period in which the hedged transaction affects earnings. For derivatives designated for hedge accounting and classified as fair value hedges, changes in fair value are recognized in the same balance sheet line as the hedged item until the hedged item affects earnings. For derivatives where hedge accounting is not elected, changes in fair value are immediately recognized in earnings. The Company has forward physical purchase supply agreements in place for a portion of its monthly physical steel needs. These supply agreements are not subject to mark-to-market accounting due to the Company electing the normal purchase normal sales exclusion provided in Accounting Standards Codification 815 - Derivatives and Hedging. See Note 6 for further information about the Company's derivative instruments.

PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment is stated at cost except for assets acquired through business combination which are stated at their acquisition date fair value. Depreciation is calculated primarily by the straight-line method over the estimated useful lives of the various classes of assets as follows:

Buildings (in years)	15 to 40
Machinery and equipment (in years)	10 to 30
Land improvements (in years)	5 to 15
Furniture (in years)	5 to 10
Equipment - Technology (in years)	2 to 5
Buildings - Small Remodel/Furnace/HVAC (in years)	10 to 15

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The Company assesses recoverability by comparing the carrying amount of the asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If an asset or asset group is considered impaired, the impairment loss to be recognized is measured as the amount by which the asset's or asset group's carrying amount exceeds its estimated fair value. The Company did not identify any indicators of impairment during fiscal 2025 or fiscal 2024.

When property, plant and equipment is sold or otherwise disposed of, any gains or losses are reflected in income. If a loss on disposal is expected, such losses are recognized when the assets are reclassified as assets held for sale.

Maintenance and repairs are expensed as incurred.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS: The Company maintains life insurance policies on each officer. From time to time and in its discretion, the Board of Directors of the Company has approved the transfer of the applicable policy to an officer upon their retirement. The Company's accrued liability for these potential future transfers was approximately \$0.1 million at both March 31, 2025 and 2024.

SHIPPING COSTS: Sales are increased for freight billed to customers and freight costs are a component of cost of products sold and shown discretely as "Delivery expense" on the consolidated statements of operations.

SUPPLEMENTAL CASH FLOW INFORMATION: The Company paid interest of approximately \$3.0 million in both fiscal 2025 and fiscal 2024. The Company paid income taxes of approximately \$3.2 million and \$3.9 million in fiscal 2025 and fiscal 2024, respectively.

INCOME TAXES: The Company accounts for income taxes under the liability method, whereby the Company recognizes deferred tax assets and liabilities, which represent differences between the financial and income tax reporting bases of its assets and liabilities. Deferred tax assets and liabilities are determined based on temporary differences between income and expenses reported for financial reporting and tax reporting. The Company has assessed, using all available positive and negative evidences, the likelihood that the deferred tax assets will be recovered from future taxable income.

The Company has also analyzed tax positions taken on tax returns filed and does not believe that any are more likely than not to be overturned by the respective tax jurisdiction. Therefore, no liability for uncertain tax positions has been recognized.

USE OF ESTIMATES: The preparation of financial statements in conformity with U.S. generally accepted accounting principles may require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from any estimates. The Company did not identify any significant estimates or judgements related to the consolidated financial statements and accompanying notes presented in this annual report.

FINANCIAL INSTRUMENTS: Since the Company's financial instruments are considered short-term in nature, their carrying values approximate fair value.

EARNINGS PER SHARE: The Company uses the two-class method of calculating earnings per share, which determines earnings per share for each class of common stock and participating security as if all earnings of the period had been distributed. As the holders of restricted stock are entitled to receive non-forfeitable dividends during the restriction period, unvested shares of restricted stock qualify as participating securities. Unvested restricted shares participate on an equal basis with common shares; therefore, there is no difference in undistributed earnings allocated to each participating security. Unvested restricted stock is forfeitable until earned and therefore not considered outstanding for basic earnings per share. Net income per basic common share is computed using the weighted average number of common shares outstanding during the period and net income attributable to common stockholders is adjusted to allocate dividends paid to unvested shares as well as undistributed earnings. Net income per diluted common share is computed using the weighted average number of common shares and participating securities outstanding during the period.

ECONOMIC RELATIONSHIP: The Company purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company.

Flat-roll segment sales to O'Neal Steel accounted for approximately 16% of total Company sales in both fiscal 2025 and fiscal 2024. No other customers accounted for 10% or more of total Company sales for either fiscal year.

The Company's sales are concentrated primarily in the midwestern, southwestern, and southeastern regions of the United States and are primarily to customers in the steel distributing and fabricating industries. The Company performs periodic credit evaluations of the financial conditions of its customers and generally does not require collateral. Generally, receivables are due within 30 days.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS: In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses ("ASU 2024-03"). ASU 2024-03 will require more detailed information about the types of expenses in commonly presented income statement captions such as "Cost of sales" and "Selling, general and administrative expenses". The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027 with early adoption permitted. The Company is evaluating the impact that adoption of the provisions of ASU 2024-03 will have on its consolidated financial statements.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 requires that an entity disclose specific categories in the rate reconciliation, provide additional information for reconciling items that are greater than 5 percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate, and provide income taxes paid by jurisdiction that are greater than 5 percent of total income taxes paid. The standard also requires that entities disclose income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) each disaggregated between domestic and foreign operations. ASU 2023-09 is effective for annual periods beginning

after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 is to be applied on a prospective basis, but retrospective application is permitted. The Company is evaluating the impact that adoption of the provisions of ASU 2023-09 will have on its consolidated financial statements.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS: In November 2023, the FASB issued Accounting Standards Update No. 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 includes requirements that an entity disclose the title of the chief operating decision maker (CODM) and on an interim and annual basis, significant segment expenses and the composition of other segment items for each segment's reported profit. The standard also permits disclosure of additional measures of segment profit. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted this guidance retrospectively on March 31, 2025. As a result, our segment disclosures now include presentation of significant segment expenses and disclosure of our CODMs. The adoption of this guidance affect only our disclosures, with no impacts to our financial condition and results of operations.

2. EQUITY COMPENSATION PLANS AND CAPITAL STOCK

The Company maintains the Friedman Industries, Incorporated 2016 Restricted Stock Plan (the "Plan"). The Plan is administered by the Compensation Committee (the "Committee") of the Board of Directors (the "Board") and continues indefinitely until terminated by the Board or until all shares allowed by the Plan have been awarded and earned. The aggregate number of shares of the Company's Common Stock eligible for award under the Plan is 500,000 shares. Subject to the terms and provisions of the Plan, the Committee may, from time to time, select the employees, directors or consultants to whom awards will be granted and shall determine the amount and applicable restrictions of each award. Restricted awards entitle recipients to vote and receive non-forfeitable dividends during the restriction period. Because dividends are non-forfeitable, they are reflected in retained earnings. Forfeitures are accounted for upon their occurrence. Because the Company accounts for forfeitures as they occur, the non-forfeitable dividends are reclassified from retained earnings to additional stock compensation for the actual forfeitures that occurred.

The following table summarizes the activity related to restricted stock units ("RSUs") for the two years ended March 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Unvested at March 31, 2023	100,366	\$ 6.08
Granted	4,487	15.61
Vested	<u>(40,366)</u>	<u>6.27</u>
Unvested at March 31, 2024	64,487	\$ 6.62
Granted	4,026	14.90
Vested	<u>(50,487)</u>	<u>7.12</u>
Unvested at March 31, 2025	<u>18,026</u>	<u>\$ 7.07</u>

We measure compensation expense for RSUs at the market price of our common stock as of the grant date. Compensation expense is recognized over the requisite service period applicable to each award. The Company recorded compensation expense of approximately \$0.2 million in both fiscal 2025 and fiscal 2024 relating to the RSUs issued under the Plan.

At both March 31, 2025 and 2024, unrecognized compensation expense related to unvested RSUs was approximately \$0.1 million with recognition over a weighted average period of approximately 0.8 years.

As of March 31, 2025, a total of 113,972 shares were still available to be issued under the Plan.

The Company has 1,000,000 authorized shares of Cumulative Preferred Stock with a par value of \$1 per share. The stock may be issued in one or more series, and the Board of Directors is authorized to fix the designations, preferences, rights, qualifications, limitations and restrictions of each series, except that any series must provide for cumulative dividends and must be convertible into Common Stock. There were no shares of Cumulative Preferred Stock issued as of March 31, 2025 or March 31, 2024.

On December 13, 2023, the Company repurchased 400,041 shares of the Company's common stock from Metal One Corporation for an aggregate repurchase of approximately \$5.1 million. Also on December 13, 2023, the Board of Directors authorized the repurchase, for retirement, of up to 1,045,774 additional shares of our common stock in open-market transactions or otherwise with the authorization expiring December 13, 2026. The Company did not repurchase any shares through the open market during fiscal 2025 or fiscal 2024 but did acquire 9,801 shares and 3,723 shares during fiscal 2025 and fiscal 2024, respectively, as employee withholding taxes paid on vested restricted stock.

3. DEBT

The Company has a \$150 million asset-based lending facility ("ABL Facility") in place with JPMorgan Chase Bank, N.A. as the arranging agent and BMO Harris Bank, N.A. as a one-third syndicated participant. On May 6, 2025, the Company executed the fourth amendment to the credit agreement which extended the maturity date of the ABL Facility to August 19, 2026. The ABL Facility is secured by substantially all of the assets of the Company. The Company can elect borrowings on a floating rate basis or a term basis. Floating rate borrowings accrue interest at a rate equal to the prime rate minus 1% per annum. Term rate borrowings accrue interest at a rate equal to the SOFR rate applicable to the selected term plus 1.8% per annum. Availability of funds under the ABL Facility is subject to a borrowing base calculation determined as the sum of (a) 90% of eligible accounts receivable, plus (b) the product of 85% multiplied by the net orderly liquidating value percentage identified in the most recent inventory appraisal multiplied by eligible inventory. The ABL Facility contains a springing financial covenant whereby the financial covenant is only tested when availability falls below the greater of 15% of the revolving commitment or \$22.5 million. The financial covenant restricts the Company from allowing its fixed charge coverage ratio to be, as of the end of any calendar month, less than 1.10 to 1.00 for the trailing twelve-month period then ending. The fixed charge coverage ratio is calculated as the ratio of (a) EBITDA, as defined in the ABL Facility, minus unfinanced capital expenditures to (b) cash interest expense plus scheduled principal payments on indebtedness plus taxes paid in cash plus restricted payments paid in cash plus capital lease obligation payments plus cash contributions to any employee pension benefit plans. The ABL Facility contains other representations and warranties and affirmative and negative covenants that are usual and customary. If certain conditions precedent are satisfied, the ABL facility may be increased by up to an aggregate of \$25 million, in minimum increments of \$5 million. At March 31, 2025, the Company had a balance of approximately \$47.7 million under the ABL Facility with an applicable interest rate of 6.5%. At March 31, 2025, the Company's applicable borrowing base calculation supported access to approximately \$114.0 million of the ABL Facility.

The Company incurred debt issuance costs of approximately \$0.4 million in connection with the ABL Facility. The Company recorded these debt issuance costs as non-current other assets and is amortizing these costs on an equal monthly basis over the remaining term of the ABL facility.

4. LEASES

The Company has an operating lease for the Granite City, IL facility with an expiration date of August 31, 2028 and optional renewal provisions for up to 4 renewal terms of five years each. The lease calls for monthly rental payments that adjust on an annual basis. The monthly rental payment in place at March 31, 2025 and remaining in place until adjustment in September 2025 is approximately \$13,000 per month. The anticipated execution of renewal options for this lease is included in the ROU asset and lease liability calculation. The Company has an operating lease for administrative office space in The Woodlands, TX with an expiration date of February 28, 2029 and a renewal option for one additional 60 month term. The lease calls for monthly rental payments that adjust on an annual basis. The monthly rental payment in place at March 31, 2025 and remaining in place until adjustment in March 2026 is approximately \$12,000 per month. The Company's lease of its office space in Longview, Texas is the only other operating lease included in the Company's ROU assets and lease liabilities. This lease expires on April 30, 2027 and calls for monthly rental payments of approximately \$5,000. The Company's other operating leases for items such as IT equipment and storage space are either short-term in nature or immaterial.

In October 2019, the Company received a new heavy-duty forklift under a 5-year finance lease arrangement with a financed amount of approximately \$0.5 million and a monthly payment of approximately \$9,000. The last payment under this lease was made in October 2024.

The components of expense related to leases were as follows for the fiscal years ended March 31, 2025 and 2024 (in thousands):

	Fiscal 2025	Fiscal 2024
Finance lease – amortization of ROU asset	\$ 54	\$ 106
Finance lease – interest on lease liability	—	3
Operating lease expense	384	234
	<u>\$ 438</u>	<u>\$ 343</u>

The following table illustrates the balance sheet classification for ROU assets and lease liabilities as of March 31, 2025 and 2024 (in thousands):

	March 31, 2025	March 31, 2024	Balance Sheet Classification
Assets			
Operating lease right-of-use asset	\$ 2,841	\$ 2,841	Operating lease right-of-use asset
Finance lease right-of-use asset	378	404	Property, plant & equipment
Total right-of-use assets	<u>\$ 3,219</u>	<u>\$ 3,245</u>	
Liabilities			
Operating lease liability, current	\$ 160	\$ 101	Accrued expenses
Finance lease liability, current	—	54	Current portion of finance lease
Operating lease liability, non-current	2,752	2,782	Non-current lease liabilities
Total lease liabilities	<u>\$ 2,912</u>	<u>\$ 2,937</u>	

As of March 31, 2025, the weighted-average remaining lease term was 19.3 years for operating leases. The weighted average discount rate was 7.5% for operating leases.

Maturities of lease liabilities as of March 31, 2025 were as follows (in thousands):

	Operating Leases	Finance Leases
Fiscal 2026	363	—
Fiscal 2027	371	—
Fiscal 2028	324	—
Fiscal 2029	303	—
Fiscal 2030 and beyond	4,740	—
Total undiscounted lease payments	\$ 6,101	\$ —
Less: imputed interest	(3,189)	—
Present value of lease liability	\$ 2,912	\$ —

5. PROPERTY, PLANT AND EQUIPMENT

At March 31, 2025, the Company's construction in process balance of approximately \$0.1 million consisted primarily of smaller projects among our facilities. During fiscal 2025, the Company's tubular segment sold some unutilized land, buildings and equipment for \$1.6 million resulting in a gain of approximately \$0.5 million. During fiscal 2025, a processing line upgrade at the Decatur, AL facility was placed into service at a cost of approximately \$1.9 million and a loss of approximately \$0.2 million was recognized for disposal of the replaced equipment.

Depreciation expense was approximately \$3.2 million and \$3.0 million for fiscal 2025 and fiscal 2024, respectively.

6. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time, we expect to utilize derivative financial instruments to minimize our exposure to commodity price risk that is inherent in our business. During fiscal 2025, all of the Company's hedging activities were classified as economic hedges of risk with mark-to-market ("MTM") accounting treatment. During fiscal 2024, the Company had hedging activities classified as cash flow hedges with hedge accounting treatment according to the requirements of ASC 815– Derivatives and Hedging and hedging activities classified as economic hedges of risk with MTM accounting treatment. By using derivatives, the Company is exposed to credit and market risk. The Company's exposure to credit risk includes the counterparty's failure to fulfill its performance obligations under the terms of the derivative contract. The Company attempts to minimize its credit risk by entering into transactions with high quality counterparties, and uses exchange-traded derivatives when available. Market risk is the risk that the value of the financial instrument might be adversely affected by a change in commodity prices. The Company manages market risk by continually monitoring exposure within its risk management strategy and portfolio. For any transactions designated as hedging instruments, we document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking the various hedge transactions. We also assess, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows or fair value of hedged items.

The Company has forward physical purchase supply agreements in place for a portion of its monthly physical steel needs. These supply agreements are not subject to mark-to-market accounting due to the Company electing the normal purchase normal sale exclusion provided in ASC 815.

At March 31, 2025 and 2024, the Company did not have any hot-rolled coil futures contracts designated as hedging instruments and classified as cash flow or fair value hedges.

The following table summarizes the fair value of the Company's derivative financial instruments and the respective line in which they were recorded in the Consolidated Balance Sheet as of March 31, 2025 (in thousands):

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments:				
Hot-rolled coil steel contracts	Current portion of derivative assets	\$ 636	Current portion of derivative liability	\$ 287

The following table summarizes the fair value of the Company's derivative financial instruments and the respective line in which they were recorded in the Consolidated Balance Sheet as of March 31, 2024 (in thousands):

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments:				
Hot-rolled coil steel contracts	Current portion of derivative assets	\$ 74	Current portion of derivative liability	\$ 1,686

All derivatives are presented on a gross basis on the Consolidated Balance Sheet.

During fiscal 2025 and fiscal 2024, the Company also entered into hot-rolled coil futures contracts that were not designated as hedging instruments for accounting purposes. Accordingly, the change in fair value related to these instruments was immediately recognized in earnings for these periods. During fiscal 2025 and fiscal 2024, the Company did not designate any transactions as hedging instruments for accounting purposes. During fiscal 2024, the Company reclassified the loss associated with previously designated cash flow hedges into earnings during the period.

The following table summarizes the pre-tax gain (loss) recognized in other comprehensive income and the loss reclassified from accumulated other comprehensive income into earnings for derivative financial instruments designated as cash flow hedges for the fiscal year ended March 31, 2024 (in thousands):

	Pre-Tax Gain (Loss)	Location of Loss	Pre-Tax
	Recognized in OCI	Reclassified from AOCI into Net Earnings	Loss Reclassified from AOCI into Net Earnings
For the fiscal year ended March 31, 2024			
Hot-rolled coil steel contracts	\$ —	Sales	\$ (418)
Total	\$ —		\$ (418)

The following table summarizes the gain recognized in earnings for derivative instruments not designated as hedging instruments during fiscal 2025 (in thousands):

	Location of Gain Recognized in Earnings	Gain Recognized in Earnings for Fiscal Year Ended March 31, 2025
Hot-rolled coil steel contracts	Gain on economic hedges of risk	\$ 7,598

The following table summarizes the gain recognized in earnings for derivative instruments not designated as hedging instruments during fiscal 2024 (in thousands):

	Location of Gain Recognized in Earnings	Gain Recognized in Earnings for Fiscal Year Ended March 31, 2024
Hot-rolled coil steel contracts	Gain on economic hedges of risk	\$ 1,848

The notional amount (quantity) of our derivative instruments not designated as hedging instruments at March 31, 2025 consisted of 17,800 tons of short positions with maturity dates ranging from June 2025 to December 2025 and 5,860 tons of long positions with maturity dates ranging from April 2025 to May 2025.

The following table reflects the change in accumulated other comprehensive income (loss), net of tax, for the fiscal year ended March 31, 2024 (in thousands):

	Gain (Loss) on Derivatives
Balance at March 31, 2023	(317)
Other comprehensive loss, net of income, before reclassification	—
Total loss reclassified from AOCI (1)	317
Net current period other comprehensive income	317
Balance at March 31, 2024	\$ —

(1) The loss reclassified from AOCI is presented net of taxes of approximately \$0.1 million which are included in the provision for income taxes on the Company's Consolidated Statement of Operations for the fiscal year ended March 31, 2024.

At March 31, 2025 and 2024, cash of approximately \$0.5 million and \$3.0 million, respectively, was held by our clearing agent to collateralize our open derivative positions. These cash requirements are included in "Other current assets" on the Company's Consolidated Balance Sheets at March 31, 2025 and 2024.

7. FAIR VALUE MEASUREMENTS

Accounting standards provide a comprehensive framework for measuring fair value and sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. Levels within the hierarchy are defined as follows:

- Level 1 – Quoted prices for identical assets and liabilities in active markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities, either directly or indirectly.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Recurring Fair Value Measurements

At March 31, 2025, our financial assets, net, measured at fair value on a recurring basis were as follows (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Commodity futures – financial assets, net	\$ 349	\$ —	\$ —	\$ 349
Total	<u>\$ 349</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 349</u>

At March 31, 2024, our financial liabilities, net, measured at fair value on a recurring basis were as follows (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Commodity futures – financial liabilities, net	\$ (1,612)	\$ —	\$ —	\$ (1,612)
Total	<u>\$ (1,612)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1,612)</u>

At March 31, 2025 and 2024, the Company did not have any fair value measurements on a non-recurring basis.

8. EARNINGS PER SHARE

Basic and dilutive net earnings per share is computed based on the following information (in thousands, except for share data):

	Year Ended March 31,	
	2025	2024
Numerator (basic and diluted)		
Net earnings	\$ 6,085	\$ 17,345
Less: Allocation to unvested restricted stock units	\$ 21	\$ 177
Net earnings attributable to common shareholders	<u>6,064</u>	<u>17,168</u>
Denominator (basic and diluted)		
Weighted average common shares outstanding	<u>6,944,602</u>	<u>7,183,702</u>

For fiscal 2025 and fiscal 2024, the Company allocated dividends and undistributed earnings to the unvested restricted stock units.

As the restricted stock qualifies as participating securities, the following restricted stock units were not accounted in the computation of weighted average diluted common shares outstanding under the two-class method:

	Year Ended March 31,	
	2025	2024
Restricted Stock Units	12,400	48,049

9. INCOME TAXES

Components of tax expense are as follows (in thousands):

	Year Ended March 31,	
	2025	2024
Federal		
Current	\$ 1,234	\$ 4,248
Deferred	112	473
	<u>1,346</u>	<u>4,721</u>
State		
Current	153	927
Deferred	109	321
	<u>262</u>	<u>1,248</u>
Total	<u>\$ 1,608</u>	<u>\$ 5,969</u>

The U.S. federal statutory income tax rate is reconciled to the effective rate as follows:

	Year Ended March 31,	
	2025	2024
Income tax expense at U.S. federal statutory rate	21.0%	21.0%
Current year state and local income taxes net of federal income tax benefit	2.7	4.3
Other	(2.8)	0.3
Provision for income taxes	<u>20.9%</u>	<u>25.6%</u>

The Company's tax returns may be subject to examination by the Internal Revenue Service for the fiscal years ended March 31, 2022 through March 31, 2024. State and local returns may be subject to examination for fiscal years ended March 31, 2021 through March 31, 2024.

Deferred income taxes are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's consolidated deferred tax assets (liabilities) are as follows (in thousands):

	March 31,	
	2025	2024
Deferred tax liabilities:		
Depreciation	\$ (6,199)	\$ (6,451)
Unrealized gain - mark to market derivatives	(87)	—
Total deferred tax liabilities	<u>(6,286)</u>	<u>(6,451)</u>
Deferred tax assets:		
Inventory capitalization	537	552
Interest expense limitation	140	—
Postretirement benefits other than pensions	29	26
Restricted stock compensation	23	77
Unrealized Loss - mark to market derivatives	—	403
Other	79	136
Total deferred tax assets	<u>808</u>	<u>1,194</u>
Net deferred tax liability	<u>\$ (5,478)</u>	<u>\$ (5,257)</u>

10. OTHER COMPREHENSIVE INCOME

The following table summarizes the tax effects on each component of Other Comprehensive Income for the fiscal year ended March 31, 2024 (in thousands):

	Fiscal Year Ended March 31, 2024		
	Before-Tax	Tax Provision	Net-of-Tax
Cash flow hedges	\$ 418	\$ (101)	\$ 317
Other comprehensive income	<u>\$ 418</u>	<u>\$ (101)</u>	<u>\$ 317</u>

11. RETIREMENT PLAN

The Company maintains the Friedman Industries, Inc. Employees' Retirement and 401(k) Plan (the "Plan"). Employees fully vest in the Plan upon six years of service.

Employees may elect to participate in the 401(k) portion of the Plan. Employees are eligible to participate in the Plan when the employee has completed sixty calendar days of service. Under the Plan, participating employees may defer a portion of their earnings up to certain limits prescribed by the Internal Revenue Service. The Company provides matching contributions under the provisions of the Plan. Contribution expense related to the 401(k) portion of the Plan was approximately \$0.5 million and \$0.5 million for the years ended March 31, 2025 and 2024, respectively.

The retirement portion of the Plan covers substantially all employees, including officers. Any contributions are determined at the discretion of the Board of Directors in an amount not to exceed 15% of the total compensation paid during the year to all eligible employees. The Company did not make a contribution to the retirement portion of the Plan in fiscal 2025 or fiscal 2024. Contributions, plan earnings and forfeitures of non-vested accounts of terminated participants are allocated to the remaining individual accounts determined by a point schedule based on years of employment with the Company.

12. INDUSTRY SEGMENT DATA

The Company is engaged in the steel processing, pipe manufacturing and processing and steel and pipe distribution business. Within the Company, there are two product groups: flat-roll and tubular. The Company's flat-roll operations consist primarily of converting steel coils into flat sheet and plate steel cut to customer specifications. Through its tubular operations, the Company purchases, processes, manufactures and markets tubular products.

Segment results are reviewed regularly by the Company's Chief Operating Decision Makers ("CODMs"). The Company's CODMs are comprised of the Chief Executive Officer and the Chief Financial Officer. The CODMs assess segment performance and allocate resources based on a number of factors with the most emphasis placed on earnings from operations.

The following is a summary of significant financial information relating to the product groups (in thousands):

	Year Ended March 31, 2025			
	Flat-roll	Tubular	Other	Total
Net Sales	\$ 404,644	\$ 39,956	—	\$ 444,600
Cost and expenses:				
Cost of materials sold	334,426	31,222	—	365,648
Processing and warehousing expense	24,544	8,933	—	33,477
Delivery expense	22,563	665	—	23,228
Commercial expense	6,301	755	—	7,056
Depreciation and amortization	2,869	304	118	3,291
General corporate expenses	—	—	9,115	9,115
	390,703	41,879	9,233	441,815
Gain (loss) on disposal of property, plant and equipment	(222)	480	—	258
EARNINGS (LOSS) FROM OPERATIONS:	13,719	(1,443)	(9,233)	3,043
Gain on economic hedges of risk				7,598
Interest expense				(2,953)
Other income				5
EARNINGS BEFORE INCOME TAXES				\$ 7,693

	Year Ended March 31, 2024			
	Flat-roll	Tubular	Other	Total
Net Sales	\$ 472,774	\$ 43,477	—	\$ 516,251
Cost and expenses:				
Cost of materials sold	381,591	30,804	—	412,395
Processing and warehousing expense	23,300	8,138	—	31,438
Delivery expense	23,194	597	—	23,791
Commercial expense	8,857	644	—	9,501
Depreciation and amortization	2,637	317	116	3,070
General corporate expenses	—	—	11,538	11,538
	439,548	40,497	11,688	491,733
EARNINGS (LOSS) FROM OPERATIONS:	33,226	2,980	(11,688)	24,518
Gain on economic hedges of risk				1,848
Interest expense				(3,072)
Other income				20
EARNINGS BEFORE INCOME TAXES				\$ 23,314

	Year Ended March 31,	
	2025	2024
IDENTIFIABLE ASSETS:		
Flat-roll	\$ 204,890	\$ 205,797
Tubular	16,792	19,589
	221,682	225,386
General corporate assets	5,140	4,633
TOTAL ASSETS	\$ 226,822	\$ 230,019

CAPITAL EXPENDITURES:		
Flat-roll	\$ 3,823	\$ 5,176
Tubular	179	510

Corporate and other	—	106
TOTAL CAPITAL EXPENDITURES	<u>\$ 4,002</u>	<u>\$ 5,792</u>

General corporate expenses reflect general and administrative expenses not directly associated with segment operations and consist primarily of corporate and accounting salaries, professional fees and services, retirement plan contribution expense, corporate insurance expenses, restricted stock plan compensation expense and office supplies. At March 31, 2025 and 2024, corporate assets consisted primarily of cash, restricted cash, leased administrative office right-of-use assets, unamortized debt issuance costs and the cash value of officers' life insurance. Although inventory is transferred at cost between product groups, there are no sales between product groups.

13. REVENUE

Revenue is generated primarily from contracts to manufacture or process steel products. Most of the Company's revenue is generated by sales of material out of the Company's inventory but a portion of the Company's revenue is derived from processing or storage of customer owned material. Generally, the Company's performance obligations are satisfied, control of our products is transferred, and revenue is recognized at a single point in time, when title transfers to our customer for product shipped or when services are provided. Revenues are recorded net of any sales incentives. Shipping and other transportation costs charged to customers are treated as fulfillment activities and are recorded in both revenue and cost of sales at the time control is transferred to the customer. Costs related to obtaining sales contracts are incidental and expensed when incurred. Because customers are invoiced at the time title transfers and the Company's rights to consideration are unconditional at that time, the Company does not maintain contract asset balances. Additionally, the Company does not maintain contract liability balances, as performance obligations are satisfied prior to customer payment for product. The Company offers industry standard payment terms.

The Company has two reportable segments: Flat-Roll and Tubular. Flat-roll primarily generates revenue from cutting to length hot-rolled steel coils. Flat-roll segment revenue consists of two product types: Company Owned Flat-Roll Products and Processing or Storage of Customer Owned Coil. Tubular primarily generates revenue from selling steel pipe it has manufactured resulting in a single product type: Manufactured Pipe.

The following table disaggregates our revenue by product for each of our reportable business segments for the fiscal years ended March 31, 2025 and 2024, respectively (in thousands):

	Fiscal Year Ended March 31,	
	2025	2024
Flat-Roll Segment:		
Company Owned Flat-Roll Products	\$ 399,853	\$ 467,510
Processing or Storage of Customer Owned Coil	4,791	5,264
	<u>\$ 404,644</u>	<u>\$ 472,774</u>
Tubular Segment:		
Manufactured Pipe	\$ 39,956	\$ 43,477
	<u>\$ 39,956</u>	<u>\$ 43,477</u>

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
FRIEDMAN INDUSTRIES, INCORPORATED
(In thousands)

Description	Balance at Beginning of Period	Additions (A)	Deductions (B)	Balance at End of Period
Year ended March 31, 2025				
Allowance for credit losses and cash discounts (deducted from related asset account)	\$ 97	\$ 50	—	\$ 147
Year ended March 31, 2024				
Allowance for credit losses and cash discounts (deducted from related asset account)	\$ 183	\$ —	(86)	\$ 97

(A) Additions consist of charges to bad debt expense of approximately \$50 in fiscal 2025.

(B) Deductions consist of accounts receivable written off of approximately \$38, accompanied with collections of previously reserved accounts of \$48 for fiscal 2024.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Friedman Industries, Incorporated

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Friedman Industries, Incorporated and subsidiary (the “Company”) as of March 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, stockholders’ equity, and cash flows for each of the years then ended, and the related notes and schedule (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of March 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated June 12, 2025 expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Moss Adams LLP

Houston, Texas
June 12, 2025

We have served as the Company’s auditor since 2017.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Friedman Industries, Incorporated

Opinion on Internal Control Over Financial Reporting

We have audited Friedman Industries, Incorporated and subsidiary's (the "Company") internal control over financial reporting as of March 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of Friedman Industries, Incorporated and subsidiary as of March 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes and schedule (collectively referred to as the "consolidated financial statements") and our report dated June 12, 2025 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Moss Adams LLP

Houston, Texas
June 12, 2025

We have served as the Company's auditor since 2017.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We have established disclosure controls and procedures designed to ensure that material information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC and that any material information relating to us is recorded, processed, summarized and reported to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, our management recognizes that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving desired control objectives. In reaching a reasonable level of assurance, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and procedures were effective as of the evaluation date.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as is defined in the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP.

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

Our management conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, our management concluded that our internal control over financial reporting was effective at March 31, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially effect, our internal control over financial reporting.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPANY OVERVIEW

Friedman Industries, Incorporated is a manufacturer and processor of steel products and operates in two reportable segments: flat-roll products and tubular products.

The flat-roll product segment consists of the operation of five hot-rolled coil processing facilities located in Hickman, Arkansas; Decatur, Alabama; East Chicago, Indiana; Granite City, Illinois and Sinton, Texas. The Hickman, Granite City and East Chicago facilities operate temper mills and cut-to-length lines. The Decatur and Sinton facilities operate stretcher leveler cut-to-length lines. The equipment at all locations improve the flatness and surface quality of the coils and cut the coils into sheet and plate of prescribed lengths. On a combined basis, the facilities are capable of cutting sheet and plate with thicknesses ranging from 16 gauge to 1" thick in widths ranging from 36" wide to 96" wide. The vast majority of flat-roll product segment revenue is generated from sales of Company owned inventory but the segment also generates revenue from the processing or storage of customer owned coils on a fee basis.

The tubular product segment consists of the Company's Texas Tubular Products division ("TTP") located in Lone Star, Texas. TTP operates two electric resistance welded pipe mills with a combined outside diameter ("OD") size range of 2 3/8" OD to 8 5/8" OD. Both pipe mills are American Petroleum Institute ("API") licensed to manufacture line pipe and oil country pipe and also manufacture pipe for structural purposes that meets other recognized industry standards. All of the tubular segment's revenue is generated from sales of Company owned inventory.

RESULTS OF OPERATIONS

Year ended March 31, 2025 compared to year ended March 31, 2024

During the year ended March 31, 2025 ("fiscal 2025"), sales, costs of materials sold and adjusted gross profit decreased approximately \$71.7 million, \$46.7 million and \$25.0 million, respectively, from the comparable amounts recorded during the year ended March 31, 2024 ("fiscal 2024"). Adjusted gross profit is a non-GAAP measure calculated as sales minus cost of materials sold. The decrease in sales was primarily related to a decline in the average selling price per ton accompanied by a decrease in sales volume. Sales volume for fiscal 2025 consisted of approximately 503,000 tons from inventory and another 76,500 tons of toll processing customer owned material compared to fiscal 2024 volume consisting of approximately 509,000 tons from inventory and 101,000 tons of toll processing. The decline in sales volume for the fiscal 2025 period was related to a combination of challenging conditions for some of our customers, extended planned downtime for equipment upgrades, and political uncertainty leading up to the presidential election. Adjusted gross profit decreased from approximately \$103.9 million for fiscal 2024 to approximately \$79.0 million for fiscal 2025. Adjusted gross profit as a percentage of sales decreased from approximately 20.1% in fiscal 2024 to approximately 17.8% in fiscal 2025.

Our operating results are significantly impacted by the market price of hot-rolled steel coil ("HRC"). Entering fiscal 2025, HRC prices were on a predominately declining trend dropping approximately 40% from January 2024 through the middle of August 2024. Prices remained relatively stable at the bottom of the price cycle until February 2025 with prices then increasing approximately 37% by the end of fiscal 2025. As a result, the Company experienced compressed physical margins for the first three quarters of fiscal 2025 followed by margin improvement in the fourth quarter. Entering fiscal 2024, HRC prices had increased approximately 95% from November 2022 to April 2023. HRC prices then declined approximately 45% until October 2023 with prices then increasing by approximately 63% by the end of January 2024 and then entering the downward trend that continued into fiscal 2025. As a result, fiscal 2024 benefitted from strong physical margins for the first fiscal quarter followed by compressed margins during the second and third fiscal quarters with margin improvement during the fourth fiscal quarter. The Company utilizes HRC futures to partially manage exposure to commodity price risk. The Company recognized hedging related gains of approximately \$7.6 million and \$1.4 million in fiscal 2025 and fiscal 2024, respectively.

Flat-Roll Segment

Flat-roll product segment sales for fiscal 2025 totaled approximately \$404.6 million compared to approximately \$472.8 million for fiscal 2024. For a more complete understanding of the average selling prices of goods sold, it is helpful to exclude any sales generated from processing or storage of customer owned material. Sales generated from processing or storage of customer owned material totaled approximately \$4.8 million for fiscal 2025 compared to approximately \$5.3 million for fiscal 2024. Sales generated from flat-roll segment inventory totaled approximately \$399.8 million for fiscal 2025 compared to approximately \$467.5 million for fiscal 2024. The average per ton selling price related to these shipments decreased from approximately \$987 per ton in fiscal 2024 to approximately \$859 per ton in fiscal 2025. Flat-roll segment sales volume for fiscal 2025 consisted of approximately 465,500 tons from inventory and another 76,500 tons of toll processing customer owned material compared to fiscal 2024 volume consisting of approximately 474,000 tons from inventory and 101,000 tons of toll processing. The decline in sales volume for fiscal 2025 was related to a combination of challenging conditions for some of our customers, extended downtime for equipment upgrades, and political uncertainty leading up the presidential election. The flat-roll segment recorded earnings from operations of approximately \$13.7 million and \$33.2 million in fiscal 2025 and fiscal 2024, respectively.

The Company's flat-roll segment purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

Tubular Segment

Tubular product segment sales for fiscal 2025 totaled approximately \$40.0 million compared to approximately \$43.5 million for fiscal 2024. Sales decreased primarily due to a decline in the average selling price per ton, offset by a slight increase in the volume sold. The average per ton selling price decreased from approximately \$1,239 per ton for fiscal 2024 to approximately \$1,059 per ton for fiscal 2025. Tons sold increased from approximately 35,000 tons in fiscal 2024 to approximately 37,500 tons in fiscal 2025. Tubular segment operations recorded a loss from operations of approximately \$1.4 million for fiscal 2025 compared to earnings from operations of approximately \$3.0 million in fiscal 2024.

The tubular segment purchases its inventory from a limited number of suppliers. Loss of any of these suppliers could have a material adverse effect on the Company's business.

Selling, General and Administrative Costs

During fiscal 2025, selling, general and administrative costs decreased approximately \$4.9 million compared to fiscal 2024. This decrease is primarily related to lower incentive compensation expense due to lower earnings for fiscal 2025.

Income Taxes

Income taxes decreased from a provision for fiscal 2024 of approximately \$6.0 million to a provision for fiscal 2025 of approximately \$1.6 million. This decrease was related primarily to lower earnings before tax for fiscal 2025 compared to fiscal 2024.

Non-GAAP Information

The non-GAAP measure adjusted gross profit is used in this Management's Discussion and Analysis. Adjusted gross profit is calculated as sales minus cost of materials sold. Cost of materials sold is a discrete line on our statements of operations and represents the cost associated with purchased steel, inbound freight, transfer freight and certain external processing costs. To provide financial statement users with a better understanding of the Company's expenses, cost of sales is disaggregated on our statements of operations into the line items cost of materials sold, processing and warehousing expense, delivery expense and depreciation and amortization. The Company believes adjusted gross profit is a meaningful measure because our cost structure and operating results are significantly impacted by the fluctuating costs associated with purchased steel.

The following table reconciles the GAAP measure for gross profit to the non-GAAP measure adjusted gross profit (in thousands):

	Year Ended March 31,	
	2025	2024
Gross profit (GAAP measure)	18,956	45,557
Processing and warehousing expense	33,477	31,438
Delivery expense	23,228	23,791
Depreciation and amortization	3,291	3,070
Adjusted gross profit (non-GAAP measure presented)	\$ 78,952	\$ 103,856

FINANCIAL CONDITION, LIQUIDITY AND SOURCES OF CAPITAL

The Company's current ratio was 4.3 and 3.1 at March 31, 2025 and 2024, respectively. Working capital was approximately \$128.1 million at March 31, 2025 and \$116.0 million at March 31, 2024.

During the year ended March 31, 2025, the Company maintained assets and liabilities at levels it believed were commensurate with operations. Changes in balance sheet amounts occurred in the ordinary course of business. Cash and restricted cash decreased due to cash used in operating activities and investing activities exceeding cash provided by financing activities. The Company expects to continue to monitor, evaluate and manage balance sheet components depending on changes in market conditions and the Company's operations.

The Company has a \$150 million asset-based lending facility ("ABL Facility") in place with JPMorgan Chase Bank, N.A. as the arranging agent and BMO Harris Bank, N.A. as a one-third syndicated participant. On May 6, 2025, the Company executed the fourth amendment to the credit agreement which extended the maturity date of the ABL Facility to August 19, 2026. The ABL Facility is secured by substantially all of the assets of the Company. The Company can elect borrowings on a floating rate basis or a term basis. Floating rate borrowings accrue interest at a rate equal to the prime rate minus 1% per annum. Term rate borrowings accrue interest at a rate equal to the SOFR rate applicable to the selected term plus 1.8% per annum. Availability of funds under the ABL Facility is subject to a borrowing base calculation determined as the sum of (a) 90% of eligible accounts receivable, plus (b) the product of 85% multiplied by the net orderly liquidating value percentage identified in the most recent inventory appraisal multiplied by eligible inventory. The ABL Facility contains a springing financial covenant whereby the financial covenant is only tested when availability falls below the greater of 15% of the revolving commitment or \$22.5 million. The financial covenant restricts the Company from allowing its fixed charge coverage ratio to be, as of the end of any calendar month, less than 1.10 to 1.00 for the trailing twelve-month period then ending. The fixed charge coverage ratio is calculated as the ratio of (a) EBITDA, as defined in the ABL Facility, minus unfinanced capital expenditures to (b) cash interest expense plus scheduled principal payments on indebtedness plus taxes paid in cash plus restricted payments paid in cash plus capital lease obligation payments plus cash contributions to any employee pension benefit plans. The ABL Facility contains other representations and warranties and affirmative and negative covenants that are usual and customary. If certain conditions precedent are satisfied, the ABL facility may be increased by up to an aggregate of \$25 million, in minimum increments of \$5 million. At March 31, 2025, the Company had a balance of approximately \$47.7 million under the ABL Facility with an applicable interest rate of 6.5%. At March 31, 2025, the Company's applicable borrowing base calculation supported access to approximately \$114.0 million of the ABL Facility. As of the filing date of this Form 10-K, the Company had borrowings of approximately \$34.2 million outstanding under the ABL Facility and the Company's most recent borrowing base calculation provided access to approximately \$112.3 million of the ABL Facility.

The Company believes that its current cash position along with cash flows from operations and borrowing capability due to its financial position are adequate to fund its expected cash requirements for the next 12 months.

HEDGING ACTIVITIES

The Company utilizes hot-rolled coil futures to manage price risk on unsold inventory and longer-term fixed price sales agreements. The Company has elected hedge accounting for some of its hedging activities previously but most recently the Company has classified its hedging activities as economic hedges of risk with mark-to-market ("MTM") accounting treatment. Hedging decisions are intended to protect the value of the Company's inventory and produce more consistent financial results over price cycles. The Company recognized a loss related to futures designated for hedge accounting of approximately \$0.4 million for fiscal 2024 with all of this recognition occurring during the first fiscal quarter ended June 30, 2023. The Company recognized gains related to economic hedges of risk of approximately \$7.6 million and \$1.8 million during fiscal 2025 and fiscal 2024, respectively. With MTM accounting treatment it is possible that hedging related gains or losses might be recognized in a different fiscal quarter or fiscal year than the corresponding improvement or contraction in our physical margins. See Note 6 for additional information related to the Company's hedging activities.

OUTLOOK

For the first quarter of fiscal 2026, the Company expects sales volume to be slightly lower than the sales volume for the fourth quarter of fiscal 2025 due primarily to equipment downtime encountered during the quarter. The Company expects improved margins for the first quarter of fiscal 2026 compared to the fourth quarter of fiscal 2025.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

INFLATION

During fiscal 2025 and fiscal 2024, the Company believes that the general level of inflation did not have a material effect on the Company's operations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles may require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from any estimates. The Company did not identify any significant estimates or judgements related to the consolidated financial statements and accompanying notes presented in this annual report.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Company may make certain statements that contain forward-looking information (as defined in the Private Securities Litigation Reform Act of 1996, as amended) and that involve risk and uncertainty. Such statements may include those risks disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this report. These forward-looking statements may include, but are not limited to, future changes in the Company's financial condition or results of operations, future production capacity, product quality and proposed expansion plans. Forward-looking statements may be made by management orally or in writing including, but not limited to, this Management's Discussion and Analysis of Financial Condition and Results of Operations and other sections of the Company's filings with the SEC under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the Company's Annual Report on Form 10-K and its other Quarterly Reports on Form 10-Q. Forward-looking statements include those preceded by, followed by or including the words "will," "expect," "intended," "anticipated," "believe," "project," "forecast," "propose," "plan," "estimate," "enable," and similar expressions, including, for example, statements about our business strategy, our industry, our future profitability, growth in the industry sectors we serve, our expectations, beliefs, plans, strategies, objectives, prospects and assumptions, and estimates and projections of future activity. These forward-looking statements are not guarantees of future performance. These statements are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Although forward-looking statements reflect our current beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Actual results and trends in the future may differ materially depending on a variety of factors including, but not limited to, changes in the demand for and prices of the Company's products, changes in government policy regarding steel, changes in the demand for steel and steel products in general and the Company's success in executing its internal operating plans, changes in and availability of raw materials, unplanned shutdowns of our production facilities due to equipment failures or other issues, increased competition from alternative materials and risks concerning innovation, new technologies, products and increasing customer requirements. Accordingly, undue reliance should not be placed on our forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except to the extent law requires.

TEN YEAR FINANCIAL SUMMARY (Unaudited)

(In thousands, except for share, per share and percentage data)

	Year Ended March 31							2018		
	2025	2024	2023	2022	2021	2020	2019	As Adjusted	2017*	2016*
Net sales	\$ 444,600	\$ 516,251	\$ 547,542	\$ 285,235	\$ 126,103	\$ 142,102	\$ 187,154	\$ 121,157	\$ 77,756	\$ 81,631
Net earnings (loss)	\$ 6,085	\$ 17,345	\$ 21,344	\$ 14,066	\$ 11,424	\$ (5,249)	\$ 5,100	\$ 3,934	\$ (2,679)	\$ 294
Current assets	\$ 166,467	\$ 170,064	\$ 143,656	\$ 125,362	\$ 77,535	\$ 65,212	\$ 74,456	\$ 67,269	\$ 45,433	\$ 49,702
Current liabilities	\$ 38,324	\$ 54,107	\$ 45,088	\$ 60,811	\$ 29,072	\$ 9,645	\$ 12,365	\$ 11,031	\$ 2,357	\$ 2,866
Working capital	\$ 128,143	\$ 115,957	\$ 98,568	\$ 64,551	\$ 48,462	\$ 55,566	\$ 62,091	\$ 56,239	\$ 43,076	\$ 46,836
Total assets	\$ 226,822	\$ 230,019	\$ 199,312	\$ 159,275	\$ 95,009	\$ 77,344	\$ 86,602	\$ 81,653	\$ 63,263	\$ 66,890
Stockholders' equity	\$ 132,425	\$ 127,475	\$ 115,432	\$ 79,687	\$ 65,340	\$ 66,865	\$ 72,482	\$ 68,575	\$ 60,356	\$ 63,239
Net earnings (loss) as a percentage of Net sales	1.4	3.4	3.9	4.9	9.1	(3.7)	2.7	3.2	(3.4)	0.4
Weighted average number of common shares outstanding:										
Basic	6,944,602	7,183,702	7,216,142	6,623,769	7,027,707	7,000,403	7,010,266	7,009,444	6,851,944	6,799,444
Per share										
Net earnings (loss) per share:										
Basic	\$ 0.87	\$ 2.39	\$ 2.91	\$ 2.04	\$ 1.63	\$ (0.75)	\$ 0.73	\$ 0.56	\$ (0.39)	\$ 0.04
Cash dividends per common share	\$ 0.16	\$ 0.10	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.10	\$ 0.19	\$ 0.05	\$ 0.04	\$ 0.04

* The figures for fiscal years 2016 and 2017 have not been adjusted for a change in accounting principle where the Company changed its valuation method for prime coil inventory from the LIFO method to the average cost method. The change in accounting principle was effective for fiscal 2019 and fiscal 2018 figures were adjusted to meet comparative financial statement reporting requirements. The impact of the change in accounting principle on fiscal years 2016 and 2017 has not been quantified by the Company and could be material, therefore, the figures may not be comparable to fiscal years 2018 to 2025.

FRIEDMAN INDUSTRIES, INCORPORATED
CODE OF CONDUCT AND ETHICS

It is the policy of Friedman Industries, Incorporated (the “Company”) to endeavor to conduct business with the highest standards of honesty and integrity and in compliance with all applicable laws. In view thereof, the Company’s Board of Directors has adopted this Code of Conduct and Ethics (the “Code”).

In addition to other Company policies, all Company employees, directors and officers are expected to:

- Carry out their duties honestly and with the highest degree of integrity.
- Avoid actual or apparent conflicts of interest between personal and professional relationships.
- Report promptly any transaction or relationship that could compromise one’s ability to (i) adhere fully to the Code, other Company policies or applicable laws or (ii) make business decisions without regard to personal gain or benefit.
- Seek, at all times, to provide information to Company officials and its outside professionals (e.g. accountants, counsel, insurance providers, etc.) that is accurate, relevant, complete, objective, timely and understandable, and encourage others within the Company to do the same.
- Use reasonable efforts to assure full, fair, accurate, timely and understandable disclosure of information related to the Company’s business and financial operations in Company reports and documents filed with the U.S. Securities and Exchange Commission (the “SEC”) or the Nasdaq Global Select or in other public communications made by the Company.
- Use reasonable efforts to cause the Company to comply fully with the letter and spirit of all laws, rules and regulations applicable to the Company or its business.
- Promptly report to the Audit Committee of the Board of Directors (the “Audit Committee”) (i) any weakness or deficiency in the design or operation of the Company’s internal controls or (ii) any fraud involving Company management or other employees having significant roles in the Company’s operations, financial reporting, disclosures or internal controls.

The Board of Directors is responsible for applying and interpreting the Code. Any questions relating to how the Code should be interpreted or applied should be addressed to a supervisor, the Chief Executive Officer, the President or the Chief Financial Officer. Any employee, officer or director who becomes aware of any existing or potential violation of laws, rules, regulations or the Code should promptly notify the Chief Executive Officer, the President, the Chief Financial Officer or the Chairman of the Audit Committee. Reports may be made orally or in writing and may be made anonymously and will be kept confidential to the extent permitted. Written reports should be sent to the attention of the Chief Executive Officer, the President or the Chief Financial Officer, at P.O. Box 2192, Longview, Texas 75606. In addition, reports may be made to the Chair of the Audit Committee by calling (903) 983-6227 or sent to Sharon Taylor, Friedman Industries Audit Committee Chair, 4200 B Stone Road, Kilgore, TX 75662.

Failure to notify the Chief Executive Officer, the President, the Chief Financial Officer or the Chairman of the Audit Committee of any violation or potential violation is in itself a violation of the Code. To encourage employees to report any violations, the Company will not allow retaliation for reports made hereunder in good faith. In addition, the Company may not retaliate against any employee for providing information or assisting in the investigation of any law enforcement agency, regulatory agency or other governmental body relating to the Company.

Observance of the provisions of the Code is of extreme importance to the Company. A violation of the Code will be regarded as a serious offense and may constitute grounds for disciplinary action, including, but not limited to, demotion, suspension (with or without pay), discharge, or, in the case of directors, removal from the Board of Directors and legal proceedings.

From time to time, the Company may waive some provisions of the Code. Any employee, officer or director who believes that a waiver may be called for should contact the Chief Financial Officer. Any waiver of the Code for directors and executive officers of the Company must be approved by the Company’s Board of Directors and will be promptly reported in such manner as may be required by the SEC or Nasdaq Global Select.

FRIEDMAN INDUSTRIES, INCORPORATED

Policy: Insider Trading Policy

1. Purpose

The purpose of this Policy is (i) to prohibit use of material nonpublic information by officers, directors and employees (which includes temporary employees) in connection with buying or selling securities of Friedman Industries, Incorporated (the “Company” or “FRD”) or third-parties with respect to whom the Restricted Person has acquired such information and (ii) to establish procedures applicable to securities transactions by certain Restricted Persons (as defined below) to enable the Company and such Restricted Persons to comply with the applicable rules and regulations in these regards. The prohibitions in this Policy are intended to apply to trading, tipping and making recommendations to trade by virtually any person, including all persons associated with the Company, if the information involved is “material” and “nonpublic”. These terms are defined below. Failure to comply with this Policy may result in civil or criminal penalties or disciplinary action with respect to the Company.

2. Policy

A. It is the policy of the Company to avoid even the appearance that its officers, directors and employees (and any other persons controlled by the Company) have engaged in transactions in the Company’s securities on the basis of material nonpublic information. To implement such Policy, the Company has adopted certain rules with respect to the manner in which officers, directors and employees may engage in certain securities transactions covered by the Policy.

B. The Policy guidelines set forth in Sections C.1 and C.2 below apply to all officers, directors and employees of the Company. Officers, directors and employees are required to ensure compliance with this Policy by their family members and other members of such person’s household. The Policy guidelines set forth in Sections C.3 and C.4 below apply to all executive officers and directors of the Company. Such persons are referred to in this Policy as “Restricted Persons”. Each of the Chief Executive Officer, the Chairman of the Board, the President and the Principal Financial Officer of the Company shall be authorized to designate additional person as Restricted Persons for purposes of this Policy. For all purposes of implementing this Policy, the term “family member” means as to any person, regardless of whether residing in the same household, such person’s spouse, child (minor or adult), stepchildren, grandchildren, parents, step-parents, grandparents, siblings, in-laws, and any other person who lives in such Restricted Person’s household. Further, for all purposes of implementing this Policy, any transaction in securities by a trust, partnership or corporation with respect to which a Restricted Person is a fiduciary, beneficiary, general partner, officer or director, or any other entity with respect to which the Restricted Person exercises control, may be deemed a transaction by such person.

C.1 No officer, director or other employee shall purchase or sell securities of the Company, or engage in transactions involving put, call or other options or derivatives, gifts, loans, pledges, or, in some cases, contribute securities to a trust, with respect to the Company's securities, while in possession of material nonpublic information regarding the Company, or otherwise use such information for their personal benefit or pass it on, directly or indirectly, to others who engage in such transactions. For purposes of this policy, information is considered "nonpublic" if that information has not been disclosed to the public; however, to be "public" under the securities regulations, it must have been widely disseminated. Whether information has been widely disseminated is a facts and circumstances analysis. Generally, news releases, radio or television programs, or well-known internet news sources are considered "material" for purposes of this Policy, if there is a substantial likelihood that a reasonable investor would consider it important in arriving at a decision to buy, hold, or sell securities or if such information would otherwise be deemed material under applicable federal securities laws. Examples of information that might be considered material include but are not limited to planned dividend increases or decreases, earnings estimates or information (or changes in previously disclosed estimates or information), unusual or significant borrowings or securities offerings, unscheduled downtime at principal operating units, the initiation of or significant developments in major litigation, liquidity problems, extraordinary management developments or purchases or sales of substantial assets, pending or proposed mergers, acquisitions, business combinations, or tender offers. Any information that could be expected to affect the Company's stock price, whether in a positive or negative manner, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the relevant facts and circumstances. Accordingly, any employee who has any question about whether he or she is in possession of material nonpublic information should contact the Chief Financial Officer ("CFO") of the Company, **before** trading and should err on the side of caution in transacting in Company securities or disclosing any material nonpublic information.

C.2 No officer, director or other employee who, by virtue of his or her position, acquires material nonpublic information regarding another publicly-traded entity shall purchase or sell securities of such other entity, or otherwise use such information for their personal benefit or pass it on, directly or indirectly (including by recommendations to trade or hold), to others who engage in such transactions. Unlawful passing on of such information, referred to as "tipping", is prohibited by this Policy. "Tipping" generally means communicating material nonpublic information to persons who might be expected to trade while in possession of that information, and unlawful "tipping" does not necessarily require the tipper to receive a pecuniary benefit from the tippee.

C.3 No Restricted Person shall engage at any time in transactions involving put, call or other options or derivatives with respect to the Company's securities (other than options or other securities issued under the Company's own equity plans.)

C.4 No Restricted Person that is subject to the Company's Blackout Policy shall place an order to purchase, sell or otherwise transfer any security (including a transaction such as an option exercise, a gift, a loan or pledge or hedge, a contribution to a trust or any other transfer of the Company's securities) issued by the Company without notifying the CFO not less than two full trading days prior to placing such order, specifying the security to be purchased, sold or otherwise transferred and the date on which the order is to be placed.

Prior to the opening of the principal trading market for such security on the specified date, the CFO shall notify the Restricted Person that such transaction has either been approved or disapproved. Any such approval shall remain valid for a period not to exceed five calendar days, but any such approval may be for a shorter period or be qualified or revoked at any time.

The CFO shall consult with the Chief Executive Officer, the Chairman of the Board, the President and the Company's legal counsel or their designated representatives regarding the possible existence of material nonpublic information regarding the Company that is or may be known by the applicable Restricted Person. If, to the knowledge of such persons, no such information exists, the CFO shall promptly grant such approval to the Restricted Person making such request. The Chief Executive Officer, the Vice Chairman of the Board, the President and the Company's legal counsel shall advise the CFO regarding the existence of material nonpublic information regarding the Company, and the CFO shall revoke any outstanding approvals under this Policy when he subsequently becomes aware that any such material nonpublic information is known by the Restricted Person at issue. Such revocation shall be immediately communicated by the CFO to any party who has received approval to place an order to purchase, sell or otherwise transfer any securities of the Company, and such order, to the extent not already executed, shall be unobtrusively withdrawn.

The CFO shall maintain a log of all requests for approval of securities transactions under this Section and the disposition thereof.

The approval of a transaction pursuant to the procedures set forth in this Section C.4 shall not relieve a Restricted Person of his or her obligations under Section C.1; if, notwithstanding such approval, the Restricted Person is in possession of material nonpublic information, he or she may not transact in the Company's securities.

In addition, to the pre-clearance procedure described in this Section C.4, all Restricted Persons shall be required to inform the CFO immediately following the consummation of any transaction involving the Company's securities and provide information regarding such transaction as requested by the CFO, so that the CFO may assist such Restricted Person in complying with all applicable reporting requirements, including any reporting under Section 16 of the Securities Exchange Act of 1934, as amended ("Exchange Act") and related rules and regulations. Note however, that compliance with Section 16 and its related rules and regulations is ultimately the responsibility of each individual Section 16 insider.

C.5 Each director or officer is required to comply with the Company's Blackout and Trading Window Policy (the "Blackout Policy"). Further, each employee that has been designated by management of the Company required to comply with the Blackout Policy must comply with that policy until such time as they are removed from the list of such designated employees. The Blackout Policy is designed to restrict directors and officers and certain other employees that are most likely to have material nonpublic information from trading during times when they are most likely to have such information. The fact that the Company is within an "open trading window" is not, by itself, sufficient to ensure that transactions are not restricted by this Policy, and all transactions (other than those specifically exempted from this Policy) are subject to the restrictions and preclearance requirements contained in this Policy.

C.6 Restricted Persons are also prohibited from trading in the securities of another company if the Restricted Person is in possession of material nonpublic information about that other company gained through their employment or relationship with FRD.

C.7 Restricted Persons are required to comply with the Company's policies and procedures, as well as applicable laws and regulations, regarding the treatment of confidential information and restrictions on actions prohibited by Section 16 of the Exchange Act, such as short selling. Compliance with these policies and procedures (including policies and procedures with respect to Regulation FD) will aid compliance with insider trading regulations.

C.8 Transactions under 10b5-1 plans, if properly established and executed, shall be exempt from the restrictions under this Policy and the Blackout Policy. In all cases, each 10b5-1 plan must be pre-cleared by the CFO of the Company. The Company reserves the ability to restrict any Restricted Person from implementing a 10b5-1 plan at its discretion.

Finally, each Restricted Person is responsible for their own conduct and actions with respect to refraining from insider trading, regardless of the results of pre-clearance under this Policy.

SUBSIDIARIES

FRIEDMAN/DECATUR, L.L.C.

Alabama Limited Liability Company

100% owned

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-215223) of Friedman Industries, Incorporated (the "Company"), of our reports dated June 12, 2025, relating to the consolidated financial statements and schedule of the Company and the effectiveness of internal control over financial reporting of the Company, appearing in this Annual Report on Form 10-K of the Company for the year ended March 31, 2025.

/s/ Moss Adams LLP

Houston, Texas
June 12, 2025

I, Michael J. Taylor, certify that:

1. I have reviewed this report on Form 10-K of Friedman Industries, Incorporated;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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.

Dated: June 12, 2025

/S/ MICHAEL J. TAYLOR

President and Chief Executive Officer

I, Alex LaRue, certify that:

1. I have reviewed this report on Form 10-K of Friedman Industries, Incorporated;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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.

Dated: June 12, 2025

/S/ ALEX LARUE

Chief Financial Officer — Secretary and Treasurer

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906
of The Sarbanes-Oxley Act of 2002**

Not Filed Pursuant to the Securities Exchange Act of 1934

In connection with the Annual Report of Friedman Industries, Incorporated (the "Company") on Form 10-K for the fiscal year ended March 31, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Taylor, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /S/ MICHAEL J. TAYLOR
President and Chief Executive Officer

Dated: June 12, 2025

FRIEDMAN INDUSTRIES, INC.

EXECUTIVE COMPENSATION CLAWBACK POLICY

Introduction

The Board of Directors (the “Board”) of Friedman Industries, Inc. (the “Company”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “Policy”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the “Exchange Act”), Rule 10D-1 promulgated under the Exchange Act and Nasdaq listing requirements (“Listing Standards”).

Administration

The Board has delegated administration of this Policy to the Compensation Committee of the Board (the “Committee”). Any determinations made by the Committee shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company's current and former executive officers, as determined by the Committee in accordance with Section 10D of the Exchange Act and the Listing Standards, and such other senior executives or employees who may from time to time be deemed subject to the Policy by the Committee (“Covered Executives”). The following are examples of persons who may be deemed executive officers:

- Chief Executive Officer;
- President;
- Chief Financial Officer or principal financial officer;
- Principal accounting officer or controller;
- Any vice president in charge of a principal business unit, division or function, such as sales administration or finance;
- Any other officer who performs a policy-making function; and
- Any other person (such as an executive officer of a subsidiary or parent entity) who performs similar policy-making functions for the company.

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Committee will require reimbursement or forfeiture of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement. However, no reimbursement or forfeiture will apply to Incentive Compensation received by a Covered Executive before such Covered Executive began providing services as a Covered Executive.

Incentive Compensation

For purposes of this Policy, Incentive Compensation means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive Compensation is “received” for purposes of this Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of such Incentive Compensation occurs after the end of that period. The following are examples of Incentive Compensation that may be based on a Financial Reporting Measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.

A “Financial Reporting Measure” is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure. A Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the Securities Exchange Commission. Examples of Financial Reporting Measures may include:

- Company stock price;
- Total shareholder return;
- Revenues;
- Net income;
- Earnings before interest, taxes, depreciation, and amortization (EBITDA);
- Funds from operations;
- Liquidity measures such as working capital or operating cash flow;
- Return measures such as return on invested capital or return on assets; or
- Earnings measures such as earnings per share.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Committee.

If the Committee cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Committee will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- requiring reimbursement of cash Incentive Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding vested or unvested equity awards; and
- taking any other remedial and recovery action permitted by law, as determined by the Committee.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

Effective Date

This Policy has been adopted by the Committee effective as of December 1, 2023 (the "Effective Date") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

Amendment; Termination

The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect further regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act or rules or interpretations promulgated thereunder and to comply with any Listing Standards. The Committee may terminate this Policy at any time.

Other Recoupment Rights

The Committee intends that this Policy will be applied to the fullest extent of the law. The Committee may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Committee shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Committee in accordance with Rule 10D-1 of the Exchange Act and the Listing Standards.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit Filing Requirement

A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed as an exhibit to the Company's annual report on Form 10-K.