Section 1: 8-K/A (8-K/A)

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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 2, 2018

Ryerson Holding Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-34735
(Commission File Number)

26-1251524
(IRS Employer Identification No.)

227 West Monroe, 27th Floor, Chicago, IL 60606
(312) 292-5000
(Address of principal executive offices and telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Explanatory Note

On July 2, 2018, Joseph T. Ryerson & Son, Inc. ("***JTR***"), a Delaware corporation and wholly-owned subsidiary of Ryerson Holding Corporation ("***Ryerson***"), completed its previously announced acquisition of Central Steel & Wire Company, a Delaware corporation ("***Central Steel & Wire***"), pursuant to the terms of the previously announced Agreement and Plan of Merger (the "***Merger Agreement***"), dated as of June 4, 2018, by and among JTR, Hunter MergerCo, Inc., a Delaware corporation and wholly-owned subsidiary of JTR ("***Merger Sub***"), Central Steel & Wire, and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as the representative of Central Steel & Wire's stockholders thereunder. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Central Steel & Wire (the "***Merger***"), with Central Steel & Wire surviving the Merger and continuing as a wholly-owned subsidiary of JTR.

On July 2, 2018, Ryerson filed a Current Report on Form 8-K (the "***Original Report***") with the Securities and Exchange Commission (the "***SEC***") to report the completion of the Merger. This Amendment No. 1 to Current Report on Form 8-K amends Item 9.01 of the Original Report to present certain historical audited financial statements and certain unaudited pro forma financial information in connection with the Merger that are required by Items 9.01(a) and 9.01(b) of Form 8-K, respectively.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

The audited consolidated balance sheets of Central Steel & Wire as of December 31, 2017 and 2016 and the related consolidated statements of operations and earnings reinvested in business, cash flows, and comprehensive income (loss) for the three years ended December 31, 2017, the related notes thereto, and the Independent Auditor's Report, dated February 26, 2018, are filed herewith as Exhibit 99.1 and are incorporated into this Item 9.01(a) by reference.

The unaudited consolidated balance sheet of Central Steel & Wire as of March 31, 2018 and the unaudited consolidated statements of operations and earnings reinvested in business, cash flows, and comprehensive loss for the three months ended March 31, 2018 and 2017, and the notes thereto are filed herewith as Exhibit 99.2 and incorporated into this Item 9.01(a) by reference.

(b) Pro forma Financial Information.

The following unaudited pro forma combined financial information is filed herewith as Exhibit 99.3 and incorporated into this Item 9.01(b) by reference:

(i) Unaudited pro forma combined balance sheet as of March 31, 2018;

(ii) Unaudited pro forma combined statement of operations for the year ended December 31, 2017;

(iii) Unaudited pro forma combined statement of operations for the three months ended March 31, 2018; and

(iv) Notes to unaudited pro forma combined financial statements.

(d) Exhibits

The following exhibits are being filed with this Current Report on Form 8-K:

23.1	Consent of KPMG LLP.
99.1	Audited consolidated balance sheets of Central Steel and Wire Company as of December 31, 2017 and 2016 and the audited consolidated statements of operations and earnings reinvested in business, cash flows, and comprehensive income (loss) for the three years ended December 31, 2017, the related notes thereto, and the Independent Auditor's Report, dated February 26, 2018.
99.2	Unaudited consolidated balance sheet of Central Steel and Wire Company as of March 31, 2018 and the unaudited consolidated statements of operations and earnings reinvested in business, cash flows, and comprehensive loss for the three months ended March 31, 2018 and 2017, and the notes thereto.
99.3	Unaudited pro forma combined balance sheet as of March 31, 2018; unaudited pro forma combined statement of operations for the year ended December 31, 2017; and unaudited pro forma combined statement of operations for the three months ended March 31, 2018.

SIGNATURE

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

Dated: July 31, 2018

RYERSON HOLDING CORPORATION

By: */s/ Erich S. Schnaufer*
Name: Erich S. Schnaufer
Title: Chief Financial Officer

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Section 2: EX-23.1 (EX-23.1)

Exhibit 23.1

Consent of Independent Auditors

The Board of Directors and Stockholders
Central Steel and Wire Company:

We consent to the incorporation by reference, in the registration statements (No. 333-215381 and No. 333-211966) on Form S-3 and the registration statement (No. 333-202816) on Form S-8 of Ryerson Holding Corporation, of our report dated February 26, 2018, with respect to the consolidated balance sheets of Central Steel and Wire Company as of December 31, 2017 and 2016, and the related consolidated statements of operations and earnings reinvested in business, cash flows and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the "consolidated financial statements"), which report appears in the Form 8-K of Ryerson Holding Corporation dated July 31, 2018.

/s/ KPMG LLP

Chicago, Illinois
July 27, 2018

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Section 3: EX-99.1 (EX-99.1)

Exhibit 99.1

Central Steel & Wire Company

OFFICERS AND DIRECTORS

STEPHEN E. FUHRMAN	*Chairman of the Board, President, Chief Executive Officer and Director*
KEVIN G. POWERS	*Vice President, Chief Financial Officer, Treasurer and Director*
HUGH J. BARGER III.	*Vice President and Director*
RONALD V. KAZMAR	*Director*
MICHAEL J. SULLIVAN	*Director*
GREGORY J. SHUNK	*President, Fabrication Division and Chief Operating Officer, CS&W*

TIMOTHY D. HITCHCOCK	*Corporate Controller and Secretary*

PLANTS AND OFFICES

CHICAGO
3000 West 51st Street
(773) 471-3800
•
DETROIT
13400 Mt. Elliott Avenue
•
CINCINNATI
525 Township Avenue
•
MILWAUKEE
4343 South Sixth Street
•
GREENSBORO
2015 East Bessemer Avenue
•
PORTAGE
501 George Nelson Drive

Transfer Agent and Registrar	Computershare Trust Company, N.A.
Independent Auditors	KPMG LLP

CENTRAL STEEL AND WIRE COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS
AND EARNINGS REINVESTED IN BUSINESS

	Year ended December 31		
	2017	2016	2015
		(In millions)	
Net sales	$600.8	$514.0	$599.1
Cost of merchandise sold	484.1	405.7	460.8
Operating, selling, and administrative expenses	131.8	126.6	135.3
Interest income, net	(0.4)	(0.5)	(0.2)
	615.5	531.8	595.9
Earnings (loss) before income taxes	(14.7)	(17.8)	3.2
Income taxes:			
Federal	1.3	(5.8)	1.2
State	(1.1)	(1.3)	0.8
	0.2	(7.1)	2.0
Net earnings (loss) — ($59.84) per share in 2017, ($42.71) in 2016, and $4.80 in 2015	(14.9)	(10.7)	1.2
Earnings reinvested in business at beginning of year	159.6	174.5	177.7
Dividends paid ($10.00 per share in 2017, 2016, and 2015)	(2.5)	(2.5)	(2.5)
Repurchase and retirement of common stock	(1.9)	(1.7)	(1.9)
Earnings reinvested in business at end of year	$140.3	$159.6	$174.5

See accompanying notes to consolidated financial statements.

CENTRAL STEEL AND WIRE COMPANY

CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2016
	(In millions)	
ASSETS		
CURRENT ASSETS:		
Cash and cash-equivalents	$ 36.9	$ 47.9
Receivables, less allowance for doubtful accounts ($0.9 in 2017 and 2016)	55.0	42.5
Inventories	36.3	43.3
Income taxes	0.3	2.3
Other	0.5	0.6
Total current assets	129.0	136.6
DEFERRED INCOME TAXES	13.8	13.6
PROPERTY, PLANT, AND EQUIPMENT, at cost:		
Land and improvements	14.8	14.8
Buildings and improvements	89.8	89.8
Machinery and equipment	112.1	117.6
	216.7	222.2
Less accumulated depreciation	(179.1)	(181.2)
Property, plant, and equipment, net	37.6	41.0
	$ 180.4	$ 191.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 17.5	$ 12.8
Accrued expenses	7.3	5.1
Total current liabilities	24.8	17.9
ACCRUED PENSION AND POSTRETIREMENT HEALTH BENEFITS	30.3	27.3
STOCKHOLDERS' EQUITY:		
Common stock, $5 par value per share. Authorized 287,000 shares in 2017 and 2016; issued and outstanding 245,954 shares in 2017 and 250,560 in 2016	1.2	1.3
Capital in excess of par value	0.7	0.7
Accumulated other comprehensive loss	(16.9)	(15.6)
Earnings reinvested in business	140.3	159.6
Total stockholders' equity	125.3	146.0
	$ 180.4	$ 191.2

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31		
	2017	2016	2015
		(In millions)	
OPERATING ACTIVITIES:	Cash increase (decrease)		
Net earnings (loss)	$ (14.9)	$ (10.7)	$ 1.2
Adjustments to reconcile net earnings (loss) to cash from (for) operations:			
Depreciation and amortization	4.1	4.8	5.2
(Gain) loss on sale of assets	0.2	(0.7)	0.2
Changes in assets and liabilities:			
Deferred income taxes	0.7	(6.0)	—
Receivables, net	(12.5)	1.0	9.7
Inventories	7.0	12.5	10.4
Accounts payable	4.7	(3.3)	0.7
Accrued expenses	(1.7)	(2.7)	(1.5)
Income taxes	2.0	(0.5)	1.2
Other	4.7	6.8	3.3
Cash from (for) operations	(5.7)	1.2	30.4
FINANCING ACTIVITIES:			
Cash dividends paid	(2.5)	(2.5)	(2.5)
Repurchase and retirement of common stock	(1.9)	(1.7)	(1.9)
Cash for financing	(4.4)	(4.2)	(4.4)
INVESTING ACTIVITIES:			
Additions to property, plant, and equipment	(1.2)	(0.7)	(3.8)
Proceeds from sale of property, plant, and equipment	0.3	1.1	0.2
Cash from (for) investing	(0.9)	0.4	(3.6)
Net increase (decrease) in cash and cash-equivalents	$ (11.0)	$ (2.6)	$ 22.4
Income taxes paid	$ 0.2	$ 1.8	$ 3.1

See accompanying notes to consolidated financial statements.

CENTRAL STEEL AND WIRE COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year ended December 31		
	2017	2016	2015
		(In millions)	
Net earnings (loss)	$(14.9)	$(10.7)	$ 1.2
Other comprehensive income (loss), net of tax Pension and postretirement health plans:			
Prior service benefit (cost) arising in period	—	3.4	0.9
Net actuarial gain (loss) arising in period	(4.1)	(1.9)	1.0
Settlement charge	2.1	2.0	1.2
Amortization of prior service benefit	(0.6)	(0.5)	(1.9)
Amortization of actuarial (gain) loss	1.3	1.3	2.0
Total other comprehensive income (loss)	(1.3)	4.3	3.2
Comprehensive income (loss)	$(16.2)	$ (6.4)	$ 4.4

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Central Steel and Wire Company (the Company) is primarily engaged in a single line of business, the distribution of processed and unprocessed ferrous and nonferrous metals. These metals are generally obtained from rolling mills in many forms and distributed from the Company's warehouses, which are primarily located and serving customers in the Midwest. The Company has a diversified customer base, and its sales are not significantly concentrated with any single customer.

A substantial majority of the Company's common stock is owned by the Conserve School Trust and the Company Profit Sharing Plan, for which the Company officers serve as trustees.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Cash-equivalents are highly liquid investments that have original maturities within three months.

Trade accounts receivable are recorded at the invoiced amount and are typically non-interest bearing. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable. In evaluating the adequacy of the allowance, the Company takes into account current economic conditions, historical experience, and specific customer risks. Amounts are written off against the allowance in the period the Company determines the receivable is uncollectible. Bad debt expense was approximately \$0.1 million, \$0.2 million, and \$0.8 million for 2017, 2016, and 2015, respectively.

Inventories are valued at cost, using the last-in, first-out method (LIFO), which is lower than market. The excess of current cost over LIFO value amounted to approximately \$102.8 million at December 31, 2017 and \$96.3 million at December 31, 2016. The liquidation of LIFO inventory layers resulted in an increase in net earnings of \$2.1 million, or \$8.40 per share, in 2017, and decreases in net earnings of \$2.5 million, or \$9.74 per share, in 2016, and \$0.4 million, or \$1.60 per share, in 2015.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company recognizes revenue when title to the product, ownership and risk of loss transfer to the customer. Revenue is reported net of sales taxes collected on behalf of governmental authorities. Freight costs related to net sales for the years ended December 31, 2017, 2016, and 2015 of $30.6 million, $28.2 million, and $30.7 million, respectively, are included in operating, selling, and administrative expenses.

Property, plant, and equipment are stated at cost. Depreciation is calculated using accelerated methods over the estimated lives of the assets which range from 5 to 40 years, with the exception of approximately $30.4 million of equipment in service at Central Coil Processing, which is depreciated under the straight-line method over a 20 year period.

On February 13, 2012, the Company entered into a line of credit with Wells Fargo Bank (the Facility), which provided for a maximum of $30.0 million of additional liquidity. The Facility expired on June 30, 2017.

Earnings per share are calculated based on weighted average shares outstanding, which were 248,398, 251,791, and 256,163 in 2017, 2016, and 2015, respectively.

The Company’s management has made certain estimates and assumptions in order to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Where practical, the Company may use derivative instruments, specifically forward contracts, to manage the risk associated with volatility of inventory purchase prices. The impact of derivative activity was not material to the financial statements in any of the periods presented.

(2) COMMITMENTS

The Company leases land under an operating lease arrangement. Rental expense for the operating lease was $0.2 million during each of the years 2017, 2016, and 2015. Future minimum lease payments for noncancelable leases with terms of one year or more are $0.2 million annually for the years 2018 through 2022, and $1.1 million in the aggregate for the 7 years thereafter.

(3) BENEFIT PLANS

The Company's defined benefit pension plan, covering substantially all personnel, provides benefits based on five-year-average compensation and years of service. Contributions are made when allowable under ERISA. The Company also currently provides postretirement health benefits for retired employees. The cost of providing these benefits is recognized over the employees' service periods.

The following table sets forth the plans' benefit obligation, fair value of plan assets, and funded status at December 31, 2017 and 2016:

	Pension Plan		Postretirement Health Plan	
	2017	2016	2017	2016
	(In millions)			
Accumulated benefit obligation	$57.1	$58.0	$ 13.2	$ 11.7
Projected benefit obligation	$66.4	$66.3	$ —	$ —
Fair value of plan assets	48.1	49.6	—	—
Accrued benefit cost	$18.3	$16.7	$ 13.2	$ 11.7

The measurement date used to determine the obligations and assets of the pension plan and postretirement health plan is December 31st.

Weighted average assumptions used to determine benefit obligations and/or net periodic benefit cost were as follows:

	Pension Plan			Postretirement Health Plan		
	2017	2016	2015	2017	2016	2015
Discount rate (benefit obligation)	4.07%	4.75%	5.02%	3.96%	4.28%	4.45%
Discount rate (net periodic benefit cost)	4.75%	5.02%	4.67%	4.28%	4.45%	4.05%
Expected long-term rate of return on assets	7.50%	7.50%	7.50%	NA	NA	NA
Expected increases in compensation levels	3.00%	3.00%	3.00%	NA	NA	NA

The assumed health care cost trend rate used to measure the expected cost for health care benefits is 6.5% in 2017, which is graded down to an ultimate trend rate of 4.5% to be achieved in the year 2025.

(3) BENEFIT PLANS (continued)

Substantially all pension plan assets are invested in either managed funds or mutual funds, in accordance with the Company's investment policy. Such policy requires investment diversification with a moderate risk profile so as to achieve a relative return objective that outperforms a custom blend of benchmark indices. The plan's investments consisted of approximately 55% fixed income investments and 45% equity investments. The expected long-term rate of return on plan assets is determined based on historical returns, investment mix, and anticipated market factors, such as inflation and interest rates.

Net periodic pension benefit costs of $6.3 million, $5.8 million, and $5.3 million were recognized in 2017, 2016, and 2015, respectively. Net periodic pension benefit costs include settlement charges of $3.5 million, $3.3 million, and $2.0 million in 2017, 2016, and 2015, respectively.

Net postretirement health benefit costs of $1.0 million, $2.1 million, and $0.2 million were recognized in 2017, 2016, and 2015, respectively.

Employer contributions to the pension plan were $5.0 million, $5.0 million, and $2.5 million in 2017, 2016, and 2015, respectively. Employer contributions to the postretirement health plan were $1.5 million, $0.7 million, and $1.6 million in 2017, 2016, and 2015, respectively. Participant contributions to the postretirement health plan were $0.3 million, $0.3 million, and $0.2 million in 2017, 2016, and 2015, respectively. Benefits paid by the pension plan were $11.1 million, $10.7 million, and $6.6 million in 2017, 2016, and 2015, respectively. Benefits paid by the postretirement health plan were $1.8 million, $1.0 million, and $1.9 million in 2017, 2016, and 2015, respectively.

In 2018, the Company expects to contribute $3.7 million to the plans. The benefits expected to be paid in each year 2018-2022 are $10.5 million, $9.6 million, $9.3 million, $8.3 million, and $8.5 million, respectively. The aggregate benefits expected to be paid in the five years from 2023-2027 are $32.4 million.

The Company maintains a long term incentive plan (LTIP) for certain officers of the Company. Awards under the LTIP are granted annually as a fixed number of Stock Performance Units (SPUs). The SPUs vest at the end of 5-year periods and are payable in cash based upon stock price and dividend performance thresholds over those periods. The estimated value of outstanding awards was not material to the financial statements in any of the periods presented.

Profit sharing expense was $0.4 million in 2015. There was no profit sharing expense in 2017 or 2016.

(4) COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive loss includes unrecognized prior service costs of ($4.8) million, net of deferred income taxes of ($1.8) million, and unrecognized actuarial loss of $25.3 million, net of deferred income taxes of $9.4 million. The Company expects ($0.9) million of prior service costs and $2.3 million of unrecognized actuarial loss to be recognized in comprehensive income during 2018.

Amounts reclassified out of accumulated other comprehensive loss as pension and postretirement health costs totaled $4.6 million and $4.7 million in 2017 and 2016, respectively, and are included in operating, selling, and administrative expenses.

(5) FAIR VALUE MEASUREMENTS

FASB provisions establish a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2—Inputs to the valuation methodology may include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(5) FAIR VALUE MEASUREMENTS (continued)

Money market funds, mutual funds, equity securities, exchange traded funds, and government securities are valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of December 31, 2017 and 2016:

	Investments at fair value as determined by quoted prices in active market *(Level 1)*	Investments at estimated fair value: Valuation techniques based on observable market data *(Level 2)*	Investments at estimated fair value: Valuation techniques incorporating information other than observable market data *(Level 3)*	Total
		(In millions)		
December 31, 2017				
Short-term investments	$ 3.4	—	—	$ 3.4
Common stocks	7.4	—	—	7.4
Exchange traded funds	10.1	—	—	10.1
Government securities	8.5	—	—	8.5
Registered investment companies	18.7	—	—	18.7
Total investments	$ 48.1	—	—	$ 48.1
December 31, 2016				
Short-term investments	$ 2.3	—	—	$ 2.3
Common stocks	7.5	—	—	7.5
Exchange traded funds	10.0	—	—	10.0
Government securities	9.2	—	—	9.2
Registered investment companies	20.6	—	—	20.6
Total investments	$ 49.6	—	—	$ 49.6

(6) INCOME TAXES

The components of the Company's provision (benefit) for income taxes are as follows:

	2017	2016	2015
		(In millions)	
Current provision (benefit)			
Federal	$ (0.7)	$ (1.0)	$ 1.6
State and local	0.2	(0.1)	0.4
Total current	$ (0.5)	$ (1.1)	$ 2.0
Deferred provision (benefit)			
Federal	2.0	(4.8)	(0.4)
State and local	(1.3)	(1.2)	0.4
Total deferred	$ 0.7	$ (6.0)	$ —
Total provision (benefit)	$ 0.2	$ (7.1)	$ 2.0

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

	2017	2016	2015
Income tax at U.S. federal statutory tax rate	35.0%	35.0%	35.0%
State income tax, net of federal tax effect	5.7	4.7	20.4
Nondeductible expenses	(0.9)	(1.0)	7.2
Change to U.S. federal statutory tax rate	(40.9)	—	—
Other, net	—	1.0	(0.5)
	(1.1)%	39.7%	62.1%

(6) INCOME TAXES (continued)

Temporary differences resulted in deferred tax assets and liabilities of $16.5 million and $2.7 million, respectively, at December 31, 2017 compared to $18.7 million and $5.1 million, respectively, at December 31, 2016. Temporary differences that give rise to significant portions of deferred tax assets and liabilities include postretirement benefits; pension benefits; and property, plant, and equipment. The deferred tax balances also contain $6.1 million and $4.4 million, respectively, relating to federal and state net operating losses at December 31, 2017 and 2016. These balances are net of valuation allowances of $0.3 million and $0.3 million, respectively, which were provided against a portion of the state net operating losses due to uncertainty regarding future utilization of these benefits within the available carryforward period. In determining the necessity of a valuation allowance on deferred tax assets, the Company considered the estimated results of future operations, along with other possible sources of income that may be available under tax law. Based on consideration of both positive and negative evidence, the Company believes it is more likely than not that the remaining deferred tax assets will result in a future tax benefit.

The Company and its subsidiaries file consolidated and separate income tax returns for U.S. federal purposes and in various state and local jurisdictions. The Company is no longer subject to U.S. federal, state, and local tax examinations for years prior to 2013.

The Company has not recorded any reserves for uncertain tax positions.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was enacted which significantly revises the corporate income tax structure, including lowering the U.S. federal corporate income tax rate from 35% to 21%. As a result, the Company recorded income tax expense of $6.0 million in 2017 due to the re-measurement of deferred tax assets and liabilities at the lower enacted federal rate.

(7) SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through February 26, 2018, the date at which the consolidated financial statements were available to be issued, and determined there are no other items that would require adjustments or disclosure to the financial statements.

Independent Auditors Report

KPMG

200 East Randolph Drive
Chicago, IL 60601-6436

The Board of Directors and Stockholders
CENTRAL STEEL AND WIRE COMPANY:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Central Steel and Wire Company and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations and earnings reinvested in business, cash flows, and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2017, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Steel and Wire Company and its subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2017, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

February 26, 2018

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Section 4: EX-99.2 (EX-99.2)

Exhibit 99.2

CENTRAL STEEL AND WIRE COMPANY

Condensed Consolidated Financial Statements

March 31, 2018

CENTRAL STEEL AND WIRE COMPANY

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CENTRAL STEEL AND WIRE COMPANY

Condensed Consolidated Balance Sheets

March 31, 2018 and December 31, 2017

	2018	2017
	(unaudited, in millions)	
Assets		
Current assets:		
Cash and cash-equivalents	$ 20.1	$ 36.9
Receivables, less allowance for doubtful accounts of $0.9 in 2018 and 2017	71.7	55.0
Inventories	46.6	36.3
Income taxes	1.2	0.3
Other	0.6	0.5
Total current assets	140.2	129.0
Deferred income taxes	13.5	13.8
Property, plant, and equipment, at cost	214.5	216.7
Less accumulated depreciation	(177.5)	(179.1)
Property, plant, and equipment, net	37.0	37.6
Total assets	$ 190.7	$ 180.4
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 28.5	$ 17.5
Accrued expenses	7.7	7.3
Total current liabilities	36.2	24.8
Accrued pension and postretirement health benefits	30.9	30.3
Stockholders' equity:		
Common stock, $5 par value per share:		
Authorized, 287,000 shares in 2018 and 2017; issued and outstanding, 245,784 in 2018 and 245,954 in 2017	1.2	1.2
Capital in excess of par value	0.7	0.7
Accumulated other comprehensive loss	(16.1)	(16.9)
Earnings reinvested in business	137.8	140.3
Total stockholders' equity	123.6	125.3
Total liabilities and stockholders' equity	$ 190.7	$ 180.4

See accompanying notes to condensed consolidated financial statements.

CENTRAL STEEL AND WIRE COMPANY

Condensed Consolidated Statements of Operations

Three months ended March 31, 2018 and 2017

	2018	2017
	(unaudited, in millions)	
Net sales	$ 172.4	$ 146.6
Cost of merchandise sold	141.0	117.5
Operating, selling, and administrative expenses	34.6	32.9
Interest income, net	(0.1)	(0.1)
	175.5	150.3
Loss before income taxes	(3.1)	(3.7)
Income taxes:		
Federal	(0.7)	(1.2)
State	(0.2)	(0.3)
	(0.9)	(1.5)
Net loss	$ (2.2)	$ (2.2)

See accompanying notes to condensed consolidated financial statements.

CENTRAL STEEL AND WIRE COMPANY

Condensed Consolidated Statements of Comprehensive Loss

Three months ended March 31, 2018 and 2017

	2018	2017
	(unaudited, in millions)	
Net loss	$ (2.2)	$ (2.2)
Other comprehensive loss, net of tax:		
Pension and postretirement health plans:		
Amortization of prior service benefit	(0.2)	(0.2)
Amortization of actuarial loss	0.4	0.3
Settlement charge	0.6	0.5
Comprehensive loss	$ (1.4)	$ (1.6)

See accompanying notes to condensed consolidated financial statements.

CENTRAL STEEL AND WIRE COMPANY

Condensed Consolidated Statements of Cash Flows

Three months ended March 31, 2018 and 2017

	2018	2017
	(unaudited, in millions)	
Cash flows of operating activities:		
Net loss	$ (2.2)	$ (2.2)
Depreciation	1.0	1.0
Loss on sale of equipment	—	0.1
Changes in assets and liabilities	(15.0)	(1.6)
Cash for operating activities	(16.2)	(2.7)
Cash flows of financing activities:		
Dividends paid	(0.1)	(0.1)
Repurchase and retirement of common stock	(0.1)	(0.2)
Cash for financing activities	(0.2)	(0.3)
Cash flows of investing activities:		
Additions to property, plant, and equipment	(0.4)	(0.3)
Cash for investing activities	(0.4)	(0.3)
Net decrease in cash and cash-equivalents	$ (16.8)	$ (3.3)
Income taxes paid	$ —	$ —

See accompanying notes to condensed consolidated financial statements.

CENTRAL STEEL AND WIRE COMPANY

Notes to Condensed Consolidated Financial Statements

(1) Summary of Significant Accounting Policies

Inventories are valued at cost, using the last-in, first-out method (LIFO), which is lower than market. The excess of current cost over LIFO value amounted to approximately $109.2 million at March 31, 2018 and $102.8 million at December 31, 2017. The liquidation of LIFO inventory layers had no material impact on the periods ended March 31, 2018 and March 31, 2017.

Property, plant, and equipment are stated at cost. Depreciation is calculated using accelerated methods with the exception of approximately $30.4 million at March 31, 2018 and December 31, 2017, respectively, of equipment placed into service at Central Coil Processing, which is depreciated under the straight-line methods.

On February 13, 2012, the Company entered into a line of credit with Wells Fargo Bank ("the Facility"), which provided for a maximum of $30.0 million of additional liquidity. There were no borrowings against the Facility at any time during its term. The Facility required the Company to maintain certain financial and nonfinancial covenants. The Facility expired on June 30, 2017.

Results of operations for any interim period are not necessarily indicative of results of any other periods or for the year. The condensed consolidated financial statements as of March 31, 2018 and for the three-month period ended March 31, 2018 are unaudited, but in the opinion of management, include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of results for such periods. The year-end condensed consolidated balance sheet data contained in this report was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's financial statements included in Exhibit 99.1 of this Form 8-K for the year ended December 31, 2017.

(2) Benefit Plans

The Company's defined benefit pension plan, covering substantially all personnel, provides benefits based on five-year average compensation and years of service. Contributions are made when allowable under ERISA. The Company has not made any contributions to the pension plan fund through the three months ended March 31, 2018 and anticipates that it will have a minimum pension contribution funding of approximately $2.5 million for the remaining nine months of 2018.

Pension and profit sharing expenses amount to $1.6 million and $1.5 million for the three months ended March 31, 2018 and 2017, respectively.

Postretirement health benefit expense amounted to $0.3 million for the three-month periods ended March 31, 2018 and 2017.

(3) Stockholders' Equity

Average number of shares outstanding was 245,839 and 250,318 at March 31, 2018 and 2017, respectively.

(4) Comprehensive Income

Amounts reclassified out of accumulated other comprehensive loss as pension and postretirement health costs totaled $1.1 million and $1.0 million for the three months ended March 31, 2018 and 2017, respectively. These costs are included in operating, selling, and administrative expenses.

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Section 5: EX-99.3 (EX-99.3)

Exhibit 99.3

RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
March 31, 2018
(in millions)

	Historical Ryerson	Historical Central Steel & Wire	Ryerson & Central Steel & Wire Combined	Pro Forma Adjustments	Footnotes	Pro Forma Combined
Assets						
Current assets:						
Cash and cash equivalents	$ 67.7	$ 20.1	$ 87.8	$ (3.5)	(a)	$ 84.3
Restricted cash	1.1	—	1.1	—		1.1

Receivables less provision for allowances, claims, and doubtful accounts	473.6	71.7	545.3	0.4	(b)	545.7
Inventories	669.5	46.7	716.2	114.6	(c)	830.8
Prepaid expenses and other current assets	37.5	1.6	39.1	1.5	(d)	40.6
Total current assets	1,249.4	140.1	1,389.5	113.0		1,502.5
Property, plant, and equipment, at cost	752.9	214.5	967.4	(149.4)	(e)	818.0
Less: Accumulated depreciation	330.5	177.5	508.0	(177.5)	(e)	330.5
Property, plant and equipment, net	422.4	37.0	459.4	28.1		487.5
Deferred income taxes	13.7	13.6	27.3	(27.3)	(f)	—
Other intangible assets	45.3	—	45.3	24.1	(g)	69.4
Goodwill	115.3	—	115.3	—	(h)	115.3
Deferred charges and other assets	6.0	(0.5)	5.5	0.5	(m)	6.0
Total assets	$ 1,852.1	$ 190.2	$ 2,042.3	$ 138.4		$ 2,180.7
Liabilities						
Current liabilities:						
Accounts payable	$ 402.5	$ 28.5	$ 431.0	$ (0.5)	(i)	$ 430.5
Salaries, wages, and commissions	37.2	3.0	40.2	3.0	(n)	43.2
Accrued liabilities	84.6	2.9	87.5	0.1	(d)	87.6
Long-term debt payable within one year	30.3	—	30.3	—		30.3
Current portion of deferred employee benefits	7.7	—	7.7	—		7.7
Total current liabilities	562.3	34.4	596.7	2.6		599.3
Long-term debt	1,004.2	—	1,004.2	168.2	(j)	1,172.4
Deferred employee benefits	233.0	32.1	265.1	3.8	(k)	268.9
Deferred income taxes	—	—	—	13.9	(f) (m)	13.9
Other noncurrent liabilities	47.4	—	47.4	0.5	(m)	47.9
Total liabilities	1,846.9	66.5	1,913.4	189.0		2,102.4
Stockholders' Equity:						
Common stock	0.4	1.2	1.6	(1.2)	(l)	0.4
Capital in excess of par value	378.3	0.7	379.0	(0.7)	(l)	378.3
Retained earnings (accumulated deficit)	(81.4)	137.9	56.5	(64.8)	(a) (h) (l) (n)	(8.3)
Treasury stock, at cost	(6.6)	—	(6.6)	—		(6.6)
Accumulated other comprehensive loss	(288.3)	(16.1)	(304.4)	16.1	(l)	(288.3)
Total Ryerson Holding Corporation stockholders' equity (deficit)	2.4	123.7	126.1	(50.6)		75.5
Noncontrolling interest	2.8	—	2.8	—		2.8
Total equity (deficit)	5.2	123.7	128.9	(50.6)		78.3
Total liabilities and stockholders' equity	$ 1,852.1	$ 190.2	$ 2,042.3	$ 138.4		$ 2,180.7

See accompanying notes to the unaudited proforma combined financial statements.

RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended December 31, 2017
(in millions)

	Historical Ryerson	Historical Central Steel & Wire	Ryerson & Central Steel & Wire Combined	Pro Forma Adjustments	Footnotes	Pro Forma Combined
Net sales	$ 3,364.7	$ 600.8	$ 3,965.5	$ (4.2)	(a)	$ 3,961.3
Cost of materials sold	2,782.2	484.1	3,266.3	7.1	(a) (b) (c) (d)	3,273.4
Gross profit	582.5	116.7	699.2	(11.3)		687.9
Operating expenses	472.5	131.8	604.3	(10.6)	(b) (c) (d) (e) (f)	593.7
Operating profit	110.0	(15.1)	94.9	(0.7)		94.2
Other income and (expense), net	(2.3)	—	(2.3)	—		(2.3)
Interest and other expense on debt	(91.0)	0.4	(90.6)	(4.6)	(g)	(95.2)
Income (loss) before income taxes	16.7	(14.7)	2.0	(5.3)		(3.3)
Provision (benefit) for income taxes	(1.3)	0.2	(1.1)	(2.1)	(h)	(3.2)
Net income (loss)	18.0	(14.9)	3.1	(3.2)		(0.1)
Less: Net income attributable to noncontrolling interest	0.9	—	0.9	—		0.9
Net income (loss) attributable to Ryerson Holding Corporation	$ 17.1	$ (14.9)	$ 2.2	$ (3.2)		$ (1.0)
Basic and diluted earnings per share	$ 0.46					$ (0.03)

See accompanying notes to the unaudited proforma combined financial statements.

RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the three months ended March 31, 2018
(in millions)

	Historical Ryerson	Historical Central Steel & Wire	Ryerson & Central Steel & Wire Combined	Pro Forma Adjustments	Footnotes	Pro Forma Combined
Net sales	$ 941.3	$ 172.4	$ 1,113.7	$ (1.4)	(a) (i)	$ 1,112.3
Cost of materials sold	776.4	141.0	917.4	1.3	(a) (b) (c) (d) (i)	918.7
Gross profit	164.9	31.4	196.3	(2.7)		193.6
Operating expenses	130.5	36.0	166.5	(1.4)	(b) (c) (d) (e) (f) (j)	165.1
Operating profit (loss)	34.4	(4.6)	29.8	(1.3)		28.5
Other income and (expense), net	3.6	—	3.6	0.1	(k)	3.7
Interest and other expense on debt	(23.3)	0.1	(23.2)	(1.3)	(g)	(24.5)
Income (loss) before income taxes	14.7	(4.5)	10.2	(2.5)		7.7
Provision (benefit) for income taxes	4.1	(0.9)	3.2	(0.6)	(h)	2.6
Net income (loss)	10.6	(3.6)	7.0	(1.9)		5.1
Less: Net income attributable to noncontrolling interest	0.2	—	0.2	—		0.2
Net income (loss) attributable to Ryerson Holding Corporation	$ 10.4	$ (3.6)	$ 6.8	$ (1.9)		$ 4.9
Basic and diluted earnings per share	$ 0.28					$ 0.13

See accompanying notes to the unaudited proforma combined financial statements.

Notes to Unaudited Pro Forma Condensed Combined Financial Information
(in millions, except per share information)

Note 1 — Basis of presentation

The unaudited pro forma condensed combined financial statements are prepared in accordance with Generally Accepted Accounting Principles and are based on Ryerson Holding Corporation's ("Ryerson" or "the Company") and Central Steel & Wire Company's ("Central Steel & Wire") historical consolidated financial statements as adjusted to give effect to the acquisition of Central Steel & Wire and the additional debt necessary to finance the acquisition. The pro forma adjustments are described in Note 3. The pro forma adjustments are based on preliminary assumptions and information available at the time of the preparation of this document.

The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2018 and the twelve months ended December 31, 2017 give effect to the Central Steel & Wire acquisition as if it had occurred on January 1, 2017. The unaudited pro forma combined balance sheet as of March 31, 2018 gives effect to the Central Steel & Wire acquisition as if it had occurred on March 31, 2018.

The historical consolidated financial statements have been adjusted in the pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the business combination, (2) factually supportable, and (3) with respect to the pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results following the business combination.

The business combination was accounted for under the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, "Business Combinations". As the acquirer for accounting purposes, the Company has estimated the fair value of Central Steel & Wire's assets acquired and liabilities assumed and conformed the accounting policies of Central Steel & Wire to its own accounting policies.

The unaudited pro forma condensed combined financial information presented is for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have been realized if the acquisition had been completed on the dates indicated, nor is it indicative of future operating results or financial position. The unaudited pro forma condensed combined financial information does not reflect any cost savings, operating synergies, or revenue enhancements that the combined company may achieve as a result of the acquisition, the costs to integrate the operations of Ryerson and Central Steel & Wire, or the costs necessary to achieve these cost savings, operating synergies, and revenue enhancements.

Note 2 — Preliminary purchase price allocation

On July 2, 2018, Ryerson acquired Central Steel & Wire for total consideration of approximately $168.2 million. We financed the acquisition through additional borrowings under our existing revolving credit facility. The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of Central Steel & Wire based on management's best estimates of fair value. The final purchase price allocation may vary materially based on final appraisals, valuations, and analyses of the fair value of the acquired assets and assumed liabilities. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

The determination of fair value used in the pro forma adjustments presented herein are preliminary and based on management estimates of the fair value and useful lives of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the Merger. The final determination of the purchase price allocation, will be based on Central Steel & Wire's net assets acquired as of the date of acquisition and will depend on a number of factors that cannot be predicted with certainty at this time. Therefore, the actual allocations will differ from the pro forma adjustments presented. The allocation is dependent upon certain valuation and other studies that have not yet been completed. Accordingly, the pro forma purchase price allocation is subject to further adjustment as additional information becomes available and as additional analyses and final valuations are completed. There can be no assurances that these additional analyses and final valuations will not result in significant changes to the estimates of fair value set forth below.

The following table shows the preliminary allocation of the purchase price for Central Steel & Wire to the acquired identifiable assets, assumed liabilities, and pro forma goodwill:

Total purchase price	$168.2
Cash and cash equivalents	20.1
Receivable, less provision for allowance, claims, and doubtful accounts	72.1
Inventories	161.3
Prepaid expenses, and other current assets	3.1
Property, plant, and equipment, net	65.1
Other intangibles	24.1
Total identifiable assets	345.8
Accounts payable	(28.0)
Salaries, wages, and commissions	(3.0)
Accrued liabilities	(3.0)
Deferred income taxes	(28.4)
Deferred employee benefits	(35.9)
Other noncurrent liabilities	(0.5)
Total liabilities assumed	(98.8)
Total pro forma excess of fair value over purchase price	$ (78.8)

Note 3 — Pro forma adjustments

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

Adjustments to the unaudited pro forma condensed combined balance sheet

(a) Total costs of $3.9 million in transaction fees have been incurred. $3.5 million of transaction fees were incurred between March 31, 2018 and the acquisition close date and $0.4 million were expensed as of March 31, 2018.

(b) Reflects the fair value adjustment of $0.9 million for the receivables acquired offset by the elimination of $0.5 million of historical intercompany balances between Ryerson and Central Steel & Wire.

(c) Reflects an adjustment of $115.8 million to fair value inventory based on the current replacement cost of raw materials and work in process inventory. There is no continuing impact of the acquired inventory on the combined operating results as it turns approximately four times per year, and as such, no adjustment was included in the unaudited pro forma combined statements of operations. Also reflects a credit of $1.2 million to reflect the impact of applying ASC Topic 606 "*Revenue from Contracts with Customers*" ("ASC 606") to the historical Central Steel & Wire financial statements.

(d) Reflects the application of ASC 606 to the historical Central Steel & Wire financial statements.

(e) Reflects $28.1 million of adjustments to reflect the estimated fair value of the acquired property and equipment. The fair value calculation is preliminary and subject to final appraisals. The estimated useful lives range from 1 to 23 years.

(f) The recognition of deferred tax liabilities represents the expected future tax consequences of temporary differences between the fair values of the assets acquired and liabilities assumed and their tax bases. The valuation of deferred tax liabilities is preliminary and is subject to change based upon management's final determination of the fair value of tangible and identifiable intangible assets acquired and liabilities assumed by jurisdiction.

(g) Reflects the estimated fair value of an identifiable intangible trademark of $24.1 million. The preliminary fair value was determined using the income approach which requires a forecast of all expected cash flows. The useful life assigned to the trademark is 10 years.

(h) Adjustment to record $78.8 million as the preliminary estimate of the excess of the fair value of the assets acquired and liabilities assumed as shown in Note 2 over the purchase price resulting from the acquisition. As the acquisition resulted in a bargain purchase gain, the balance has been reflected within retained earnings. The bargain purchase gain is not reflected in the unaudited pro forma condensed combined statement of operations as this gain is not expected to have a continuing effect on the operating results of the combined company.

(i) Adjustment to eliminate intercompany balances recorded in the historical results attributable to transactions between Ryerson and Central Steel & Wire.

(j) Reflects the increase in revolving line of credit borrowings of $168.2 million necessary to finance the acquisition.

(k) Reflects the fair value adjustment for the pension liability assumed.

(l) Adjustment to eliminate $1.2 million, $0.7 million, $137.9 million and $(16.1) million of Central Steel & Wire's historical book value of common stock, capital in excess of par value, retained earnings, and accumulated other comprehensive income, respectively.

(m) Reflects a reporting adjustment to reclass a credit in an asset account to a liability account.

(n) Adjustment to record the $3.0 million liability for accelerated vesting of the benefits under the long-term incentive program for Central Steel & Wire employees per the terms of the acquisition.

Adjustments to the unaudited pro forma condensed combined statements of operations for the fiscal year ended December 31, 2017 and the three months ended March 31, 2018

(a) Adjustments to eliminate $4.2 million and $1.3 million of intercompany sales and cost of materials sold recorded in the historical results attributable to transactions between Ryerson and Central Steel & Wire in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively.

(b) To reclass $2.3 million and $0.7 million of purchase discounts in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively, from operating expenses to cost of material sold for the historical Central Steel & Wire results.

(c) To reclass $0.5 million and $0.1 million of inbound freight costs in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively, from operating expenses to cost of materials sold for the historical Central Steel & Wire results.

(d) To reclass $13.1 million and $3.3 million of processing costs in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively, from operating expenses to cost of materials sold for the historical Central Steel & Wire results.

(e) Adjustments reflect benefits of $4.0 million and $0.3 million in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively, to record the pro forma adjustments to the Central Steel & Wire historical net periodic benefit expense.

(f) Reflects the estimated $2.3 million and $0.7 million of incremental depreciation and amortization expense in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively, related to the acquired property, equipment, and intangible assets discussed within the footnotes 3(e) and 3(g), respectively, of the unaudited pro forma condensed combined balance sheet.

(g) Adjustment reflects the additional $4.6 million and $1.3 million of interest expense in the twelve-month period ending December 31, 2017 and the three-month period ending March 31, 2018, respectively, related to the additional revolving line of credit borrowings of $168.2 million with a variable interest rate.

(h) Adjustment reflects the income tax effect of pro forma adjustments based on the estimated combined statutory tax rate of 38.7% in 2017 and 27.0% for 2018.

(i) Reflects adjustments to decrease both sales and cost of materials sold by $0.1 million to reflect the application of ASC 606 to the historical Central Steel & Wire financial statements.

(j) Reflects an adjustment of $0.3 million to the historical Central Steel & Wire financial statements for vacation accruals in accordance with Ryerson accounting policies.

(k) The adjustment to other income and expense, net of $0.1 million in the three-month period ending March 31, 2018 is made to reflect the adoption of ASU 2017-07, "*Compensation – Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post Retirement Benefit Cost*" to the historical Central Steel & Wire financial statements.

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