
Section 1: 8-K (8-K)

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 1, 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
(I.R.S. Employer
Identification No.)

227 W. Monroe St., 27th Floor, Chicago, IL 60606
(Address of principal executive offices and zip code)

(312) 292-5000
(Registrant's telephone number, including area code)

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.

Item 2.02. Results of Operations and Financial Condition.

The information contained within Item 2.02 of this Form 8-K and the Exhibits attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On November 1, 2018, Ryerson Holding Corporation issued a press release announcing its financial results for the quarter ended September 30, 2018. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

d) Exhibits

The following exhibit is furnished with this report:

Exhibit Number	Exhibit Title or Description
99.1	Ryerson Holding Corporation press release dated November 1, 2018.

SIGNATURE

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

Dated: November 1, 2018

RYERSON HOLDING CORPORATION

By: /s/ Erich S. Schnauffer

Name: Erich S. Schnauffer

Title: Chief Financial Officer

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

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Ryerson Reports Third Quarter 2018 Results

Strong Financial Performance with Early and Impactful Contributions from Central Steel & Wire Company

Third Quarter 2018 Highlights:

- Acquired Central Steel & Wire Company on July 2nd, contributing \$178.2 million in revenue to our third quarter results and generating Adjusted EBITDA, excluding LIFO of \$8.9 million.
- Achieved net income attributable to Ryerson Holding Corporation of \$77.5 million, or \$2.06 per diluted share. Net income attributable to Ryerson Holding Corporation, excluding the gain on bargain purchase of \$73.2 million from the acquisition of Central Steel & Wire Company and restructuring and other charges was \$6.3 million in the third quarter of 2018, or \$0.17 per diluted share compared to \$1.7 million, or \$0.05 per diluted share in the year-ago quarter.
- Generated Adjusted EBITDA, excluding LIFO of \$88.7 million, compared to \$37.7 million in the third quarter of 2017, and \$106.6 million in the second quarter of 2018.
- Grew revenues by 18.2 percent compared to the second quarter of 2018 with 14.5 percent higher tons shipped and 3.2 percent higher average selling prices per ton. On a same-store basis, revenues grew by 1.4 percent as average selling price was 4.3 percent higher, partially offset by a 2.8 percent decline in tons sold driven by one fewer shipping day and normal third quarter seasonality.

CHICAGO — November 1, 2018 — Ryerson Holding Corporation (NYSE: RYI), a leading value-added processor and distributor of industrial metals, today reported results for the third quarter ended September 30, 2018.

Eddie Lehner, Ryerson's President and Chief Executive Officer said, "Ryerson had an excellent quarter, generating significant shareholder returns of over \$2 per share and Adjusted EBITDA, excluding LIFO of \$88.7 million. We are delighted to expand our product offerings to our customers through our acquisition of Central Steel & Wire Company. The addition of Central's complimentary product offering, especially their enhanced long & tubular products portfolio, coupled with our strength in stainless, aluminum, and carbon sheet and plate products, provides even greater selection and value to our customers. Since we closed the Central Steel & Wire Company acquisition on July 2nd, I commend and recognize the outstanding efforts of both our Ryerson and Central Steel & Wire team members in getting off to an exceptional start together. We look forward to the realization of all we can accomplish as we offer great customer experiences across our intelligent and connected service center network. The Central Steel & Wire acquisition is another important step in our Company's strategic plan toward creating growing shareholder value. Looking closely at the larger picture, Ryerson is making notable strides in building an organization focused on the customer experience that consistently outperforms the industry cycle."

Third Quarter 2018 Financial Results

Revenues were \$1,250.0 million for the third quarter of 2018, up 44.6 percent compared to the third quarter of 2017 driven by higher volume of 20.8 percent and an increase in average selling price per ton of 19.8 percent. On a same-store basis, revenues grew by 24.0 percent as average selling prices increased 21.0 percent and tons sold increased by 2.5 percent. Compared to the second quarter of 2018, revenues increased 18.2 percent due to 14.5 percent higher volume and 3.2 percent higher average selling prices. On a same-store basis, revenues grew by 1.4 percent as average selling prices increased 4.3 percent, partially offset by a decline in tons sold of 2.8 percent driven by one fewer shipping day, normal third quarter seasonality, and storm impacts from tornado damage to long-time customers in the Midwestern U.S.

Gross margin of 16.7 percent for the third quarter of 2018 was 10 basis points lower than the year-ago period and fell by 80 basis points compared to the second quarter of 2018. Included in cost of materials sold was LIFO expense of \$32.1 million and purchase accounting adjustments of \$4.7 million for the third quarter of 2018, LIFO expense of \$43.9 million for the second quarter of 2018, and LIFO income of \$1.7 million for the year-ago period. Gross margin, excluding LIFO and purchase accounting adjustments was 19.6 percent for the third quarter of 2018, compared to 21.7 percent in the second quarter of 2018, and 16.6 percent in the third quarter of 2017. Compared to the second quarter of 2018, gross margin, excluding LIFO and purchase accounting adjustments was down 210 basis points due to the cost of materials increasing by more than average selling prices. A reconciliation of gross margin to gross margin, excluding LIFO and purchase accounting adjustments is included below in this news release.

Warehousing, delivery, selling, general, and administrative expense increased by \$35.1 million, or 25.3 percent, for the third quarter of 2018. Ryerson demonstrated expense leverage on a same-store basis as warehousing, delivery, selling, general, and administrative expenses was 13.1 percent of sales in the third quarter of 2018, down from 14.1 percent in the third quarter of 2017 and flat with the second quarter of 2018. Erich Schnauffer, Ryerson's Chief Financial Officer, noted, "Ryerson maintained strong same-store expense metrics, capitalizing on the operating leverage in our business, as volumes increased through the first three quarters of 2018."

Net income attributable to Ryerson Holding Corporation was \$77.5 million, or \$2.06 per diluted share, for the third quarter of 2018 compared to net income of \$1.7 million, or \$0.05 per diluted share in the year-ago quarter and \$17.5 million, or \$0.46 per diluted share, in the second quarter of 2018. Net income attributable to Ryerson Holding Corporation, excluding the gain on bargain purchase of \$73.2 million from the acquisition of Central Steel & Wire Company and restructuring and other charges, was \$6.3 million in the third quarter of 2018, or \$0.17 per diluted share.

Adjusted EBITDA, excluding LIFO, was \$88.7 million in the third quarter of 2018 or \$79.8 million on a same-store basis, more than double the \$37.7 million of earnings in the year-ago period. A reconciliation of Adjusted EBITDA, excluding LIFO and net income attributable to Ryerson Holding Corporation is included below in this news release.

Nine Months Ended September 30, 2018, Financial Results

Revenues in the first nine months of 2018 were \$3,248.4 million, an increase of 27.2 percent compared to the first nine months of 2017, as average selling prices increased 15.1 percent and tons shipped increased 10.5 percent. On a same-store basis, revenues were \$3,070.2 million in the first nine months of 2018, with volumes up 4.4 percent and prices up 15.2 percent.

Net income attributable to Ryerson Holding Corporation was \$105.4 million, or \$2.80 per diluted share, in the first nine months of 2018 compared to \$17.1 million, or \$0.46 per diluted share, for the same period of 2017. Net income attributable to Ryerson Holding Corporation, excluding the gain on bargain purchase, restructuring and other charges, and impairment charges on assets was \$34.2 million for the year-to-date period of 2018, or \$0.91 per diluted share compared to \$17.2 million, or \$0.46 per share in the year-ago period. Adjusted EBITDA, excluding LIFO increased almost 80 percent to \$257.5 million in the first nine months of 2018 compared to \$143.5 million in the first nine months of 2017. A reconciliation of Adjusted EBITDA, excluding LIFO and net income attributable to Ryerson Holding Corporation is included below in this news release.

Third Quarter 2018 Balance Sheet, Cash Flow, and Liquidity

Ryerson's third quarter inventory days of supply was 80 days, or 74 days on a same-store basis, compared to 74 days in the third quarter of 2017. Additionally, Ryerson maintained ample liquidity in the third quarter of 2018. As of September 30, 2018, borrowings were \$589 million on our primary revolving credit facility with additional availability of \$396 million. Including cash, marketable securities, and availability from foreign sources, Ryerson's total liquidity was \$446 million as of September 30, 2018 compared to \$414 million as of June 30, 2018.

Cash used in operating activities was \$62.4 million for the first nine months of 2018, primarily due to higher valued inventory and receivables compared to year-end. In the first nine months of 2017, cash used in operating activities was \$93.3 million.

Ryerson's strong income generation through the first nine months of 2018 has increased our equity to \$102.1 million as of September 30, 2018 compared to an equity deficit of \$7.4 million as of December 31, 2017.

Central Steel & Wire Company

In July 2018, Ryerson completed the acquisition of Central Steel & Wire Company. The addition of Central Steel & Wire Company has enhanced Ryerson's combined commercial, processing, and operational strengths to provide a greater breadth of products and services for our customers. Eddie Lehner noted, "In its first quarter as a part of Ryerson, Central's performance has exceeded our expectations with highly complementary product offerings that have contributed to strong customer retention. The acquisition increased our market share to approximately 5 percent from just over 4 percent, and enhanced our position in long products, which pairs well with our growth investments and strategic acquisitions in long product value-added processing equipment."

Ryerson is implementing post-close optimization actions to generate expense leverage and free cash flow from the acquisition of Central Steel & Wire Company, while focused foremost on customer relationships. In the third quarter of 2018, Ryerson realized expense savings of approximately \$10 million on an annualized basis through operating expense reductions and improved working capital management to increase free cash flows by approximately \$20 million, while noting the excellent work done retaining Central Steel & Wire Company's valued customer base. Further, Ryerson continues to evaluate its assets in the Midwest region, and expects to receive approximately \$10.5 million in aggregate proceeds from the sale of two facilities whose operations are being consolidated into existing Ryerson locations.

Overall, Central Steel & Wire Company generated Adjusted EBITDA, excluding LIFO of \$8.9 million in the third quarter of 2018 compared to the \$12.3 million earned in the first six months of 2018 prior to the acquisition by Ryerson. The long-term, mid-cycle, objective is for Central Steel & Wire brand to generate \$600 million in revenue and \$50 million in Adjusted EBITDA, excluding LIFO for Ryerson Holding Corporation on an annual basis following our post-closing optimization work.

Fourth Quarter 2018 Commentary

Ryerson management anticipates continued good demand conditions in the U.S. for the fourth quarter of 2018, as economic indicators on balance remain favorable in the manufacturing economy. The U.S. industrial production index, as measured by the Federal Reserve, has remained elevated through September registering year-over-year monthly growth of 5.1 percent, the highest growth attained since December 2010. Overall, Ryerson expects tons shipped in the fourth quarter of 2018 to decline less than the 7 percent average decline from the third quarter to the fourth quarter experienced during the past 5 years, as measured by the MSCI.

Same-store Key Financial Metrics Reconciliation

(Dollars in millions, tons in thousands)	Central Steel & Wire Company	Central Steel & Wire Company	Ryerson Same Store	Ryerson Holding Corporation
	Six Months Ended June 30, 2018	Third Quarter 2018		
Tons Shipped	218	94	528	622
Net Sales	\$ 362.2	\$ 178.2	\$ 1,071.8	\$ 1,250.0
Gross margin, excluding LIFO expense and purchase accounting adjustments	21.9%	22.7%	19.1%	19.6%
Warehousing, delivery, selling, general, and administrative expenses	\$ 68.9	\$ 34.0	\$ 140.0	\$ 174.0
Expense % of sales	19.0%	19.1%	13.1%	13.9%
Adjusted EBITDA, excluding LIFO	\$ 12.3	\$ 8.9	\$ 79.8	\$ 88.7
Adjusted EBITDA, excluding LIFO % of sales	3.4%	5.0%	7.4%	7.1%

Third Quarter 2018 Business Metrics

	Third Quarter 2018	Second Quarter 2018	Third Quarter 2017	Sequential Quarter Change	Year-Over-Year Change
Tons shipped (In thousands)	622	543	515	14.5%	20.8%
Average selling price/ton	\$ 2,010	\$ 1,947	\$ 1,678	3.2%	19.8%
Average cost/ton	1,675	1,606	1,396	4.3%	20.0%
Average cost/ton, excluding LIFO	1,623	1,525	1,399	6.4%	16.0%

Third Quarter 2018 Major Product Metrics

	Tons Shipped (Tons in thousands)				Average Selling Price per Ton Shipped		
	Third Quarter 2018	Second Quarter 2018	Third Quarter 2017	Sequential Quarter Change	Year-Over-Year Change	Sequential Quarter Change	Year-Over-Year Change
Carbon steel	465	410	387	13.4%	20.2%	10.3%	26.3%
Aluminum	66	54	53	22.2%	24.5%	(9.3%)	9.5%
Stainless steel	85	76	73	11.8%	16.4%	(2.0%)	17.1%

	Net Sales (Dollars in millions)				
	Third Quarter 2018	Second Quarter 2018	Third Quarter 2017	Sequential Quarter Change	Year-Over-Year Change
Carbon steel	\$ 666	\$ 532	\$ 439	25.2%	51.7%
Aluminum	266	240	195	10.8%	36.4%
Stainless steel	296	270	217	9.6%	36.4%

Nine Months Ended September 30, 2018 Business Metrics

	<u>Nine Months Ended September 30, 2018</u>	<u>Nine Months Ended September 30, 2017</u>	<u>Year-Over-Year Change</u>
Tons shipped (In thousands)	1,691	1,530	10.5%
Average selling price/ton	\$ 1,921	\$ 1,669	15.1%
Average cost/ton	1,591	1,377	15.5%
Average cost/ton, excluding LIFO	1,538	1,369	12.3%

Nine Months Ended September 30, 2018 Major Product Metrics

	<i>Tons Shipped (Tons in thousands)</i>			<i>Average Selling Price per Ton Shipped</i>
	<u>Nine Months Ended September 30, 2018</u>	<u>Nine Months Ended September 30, 2017</u>	<u>Year-Over-Year Change</u>	<u>Year-Over-Year Change</u>
Carbon steel	1,269	1,151	10.3%	17.0%
Aluminum	176	155	13.5%	13.3%
Stainless steel	235	218	7.8%	12.9%

	<i>Net Sales (Dollars in millions)</i>		
	<u>Nine Months Ended September 30, 2018</u>	<u>Nine Months Ended September 30, 2017</u>	<u>Year-Over-Year Change</u>
Carbon steel	\$ 1,663	\$ 1,289	29.0%
Aluminum	728	566	28.6%
Stainless steel	806	662	21.8%

