

Ryerson Holding Corp  
Form 10-Q  
August 12, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 001-34735

RYERSON HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE 26-1251524  
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

227 W. Monroe St., 27<sup>th</sup> Floor

Chicago, Illinois 60606

(Address of principal executive offices)

Edgar Filing: Ryerson Holding Corp - Form 10-Q

(312) 292-5000

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of August 5, 2015 there were 32,037,500 shares of Common Stock, par value \$0.01 per share, outstanding.

RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES

INDEX

	PAGE NO.
<u>Part I. Financial Information:</u>	
Item 1. <u>Financial Statements:</u>	
<u>Condensed Consolidated Statements of Comprehensive Income (Unaudited)—Three and Six Months Ended June 30, 2015 and 2014</u>	3
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)—Six Months Ended June 30, 2015 and 2014</u>	4
<u>Condensed Consolidated Balance Sheets—June 30, 2015 (Unaudited) and December 31, 2014</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	28
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	36
Item 4. <u>Controls and Procedures</u>	37
<u>Part II. Other Information:</u>	
Item 1. <u>Legal Proceedings</u>	38
Item 1A. <u>Risk Factors</u>	38
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	38
Item 3. <u>Defaults Upon Senior Securities</u>	38
Item 4. <u>Mine Safety Disclosures</u>	38
Item 5. <u>Other Information</u>	38
Item 6. <u>Exhibits</u>	38
<u>Signature</u>	40

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES

## Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In millions, except per share data)

	Three Months		Six Months Ended	
	Ended June 30, 2015	2014	June 30, 2015	2014
Net sales	\$840.4	\$931.5	\$1,708.4	\$1,805.9
Cost of materials sold	674.6	777.1	1,392.6	1,503.8
Gross profit	165.8	154.4	315.8	302.1
Warehousing, delivery, selling, general and administrative	114.2	120.2	230.6	238.0
Impairment charges on fixed assets	1.4	—	1.4	—
Operating profit	50.2	34.2	83.8	64.1
Other income and (expense), net	(0.6 )	(1.7 )	(11.9 )	0.3
Interest and other expense on debt	(23.8 )	(27.5 )	(49.1 )	(54.9 )
Income before income taxes	25.8	5.0	22.8	9.5
Provision for income taxes	10.2	2.5	10.0	5.6
Net income	15.6	2.5	12.8	3.9
Less: Net loss attributable to noncontrolling interest	(0.2 )	(0.1 )	(0.5 )	(0.3 )
Net income attributable to Ryerson Holding Corporation	\$15.8	\$2.6	\$13.3	\$4.2
Comprehensive income	\$20.1	\$5.9	\$11.0	\$0.3
Less: Comprehensive loss attributable to noncontrolling interest	(0.3 )	(0.1 )	(0.6 )	(0.3 )
Comprehensive income attributable to Ryerson Holding Corporation	\$20.4	\$6.0	\$11.6	\$0.6
Basic and diluted earnings per share	\$0.49	\$0.13	\$0.41	\$0.20

See Notes to Condensed Consolidated Financial Statements.

## RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES

## Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)

	Six Months Ended June 30,	
	2015	2014
Operating activities:		
Net income	\$12.8	\$3.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22.2	22.4
Deferred income taxes	10.8	6.4
Provision for allowances, claims and doubtful accounts	2.0	1.3
Loss on retirement of debt	0.7	—
Other-than-temporary impairment charge on available-for-sale investments	12.3	—
Impairment charges on fixed assets	1.4	—
Other items	(0.7 )	0.1
Change in operating assets and liabilities:		
Receivables	4.8	(81.9)
Inventories	80.0	10.1
Other assets	3.1	6.8
Accounts payable	53.0	64.7
Accrued liabilities	(8.5 )	7.2
Accrued taxes payable/receivable	(2.8 )	(1.0 )
Deferred employee benefit costs	(28.2 )	(30.5)
Net adjustments	150.1	5.6
Net cash provided by operating activities	162.9	9.5
Investing activities:		