

Ryerson Holding Corp
Form 10-K
March 09, 2016

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 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 No. 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., 27th Floor

Chicago, Illinois 60606

(Address of principal executive offices)

(312) 292-5000

(Registrant's telephone number, including area code)

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

Title of each class	Name of exchange on which registered
Common Stock - \$0.01 par value	New York Stock Exchange

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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 the definitions 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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of a share of the registrant's common stock on June 30, 2015 as reported by the New York Stock Exchange on such date was approximately \$98,389,000. Shares of the registrant's common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are

affiliates of the registrant for any other purpose.

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

As of February 29, 2016, there were 32,099,700 shares of our Common Stock, par value \$0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required to be furnished pursuant to Part III of this Form 10-K will be set forth in, and incorporated by reference from, the registrant's definitive proxy statement for the annual meeting of stockholders (the "2015 Proxy Statement"), which will be filed with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year ended December 31, 2015.

TABLE OF CONTENTS

	Page
<u>Special Note Regarding Forward-Looking Statements</u>	
<u>PART I</u>	
Item 1. <u>Business</u>	4
Item 1A. <u>Risk Factors</u>	12
Item 1B. <u>Unresolved Staff Comments</u>	19
Item 2. <u>Properties</u>	20
Item 3. <u>Legal Proceedings</u>	22
Item 4. <u>Mine Safety Disclosures</u>	22
<u>Executive Officers of the Registrant</u>	23
<u>PART II</u>	
Item 5. <u>Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	24
Item 6. <u>Selected Financial Data</u>	26
Item 7. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	28
Item 7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	41
Item 8. <u>Financial Statements and Supplementary Data</u>	43
<u>Report of Independent Registered Public Accounting Firm</u>	45
<u>Notes to Consolidated Financial Statements</u>	52
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	97
Item 9A. <u>Controls and Procedures</u>	97
Item 9B. <u>Other Information</u>	97
<u>PART III</u>	
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	98

Item 11. <u>Executive Compensation</u>	98
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	98
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	99
Item 14. <u>Principal Accounting Fees and Services</u>	99
<u>PART IV</u>	
Item 15. <u>Exhibits and Financial Statement Schedules</u>	100
<u>Signatures</u>	101

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains “forward-looking statements.” Such statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “estimates,” “will,” “should,” “plans” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. Among the factors that significantly impact the metals distribution industry and our business are:

- cyclical nature of our business, due to the cyclical nature of our customers’ businesses;
- impairment of goodwill that could result from, among other things, volatility in the markets in which we operate;
- remaining competitive and maintaining market share in the highly fragmented metals distribution industry, in which price is a competitive tool and in which customers who purchase commodity products are often able to source metals from a variety of sources;
- managing the costs of purchased metals relative to the price at which we sell our products during periods of rapid price escalation, when we may not be able to pass through pricing increases fully to our customers quickly enough to maintain desirable gross margins, or during periods of generally declining prices, when our customers may demand that price decreases be passed fully on to them more quickly than we are able to obtain similar discounts from our suppliers;
- our substantial indebtedness and the covenants in instruments governing such indebtedness;
- the failure to effectively integrate newly acquired operations;
- regulatory and other operational risks associated with our operations located outside of the United States (or “U.S.”);
- fluctuating operating results depending on seasonality;
- potential damage to our information technology infrastructure;
- work stoppages;
- certain employee retirement benefit plans are underfunded and the actual costs could exceed current estimates;
- future funding for postretirement employee benefits may require substantial payments from current cash flow;
- prolonged disruption of our processing centers;
- ability to retain and attract management and key personnel;
- ability of management to focus on North American and foreign operations;
- termination of supplier arrangements;
- the incurrence of substantial costs or liabilities to comply with, or as a result of violations of, environmental laws;
- the impact of new or pending litigation against us;
- a risk of product liability claims;
- our risk management strategies may result in losses;
- currency fluctuations in the U.S. dollar versus the Canadian dollar and the Chinese renminbi;
- management of inventory and other costs and expenses; and
- consolidation in the metals producer industry in which we purchase products, which could limit our ability to effectively negotiate and manage costs of inventory or cause material shortages, either of which would impact profitability.

These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should, therefore, be considered in light of various factors, including those set forth in this Annual Report under “Risk Factors” and the caption “Industry and Operating Trends” included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Annual Report. Moreover, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. BUSINESS.

Ryerson Holding Corporation (“Ryerson Holding”), a Delaware corporation, is the parent company of Joseph T. Ryerson & Son, Inc. (“JT Ryerson”), a Delaware corporation. On December 17, 2014, Ryerson Inc., formerly a direct, wholly-owned subsidiary of Ryerson Holding, merged with and into JT Ryerson, which was previously an indirect, wholly-owned subsidiary of Ryerson Holding, with JT Ryerson as the surviving corporation. As a result of such merger, from and after December 17, 2014, JT Ryerson has been a direct, wholly-owned subsidiary of Ryerson Holding. Affiliates of Platinum Equity, LLC (“Platinum”) own approximately 21,037,500 shares of our common stock, which is approximately 66% of our issued and outstanding common stock.

Ryerson conducts materials distribution operations in the United States through JT Ryerson, in Canada through its indirect wholly-owned subsidiary Ryerson Canada, Inc., a Canadian corporation (“Ryerson Canada”), and in Mexico through its indirect wholly-owned subsidiary Ryerson Metals de Mexico, S. de R.L. de C.V., a Mexican corporation (“Ryerson Mexico”). In addition to our North American operations, we conduct materials distribution operations in China through Ryerson China Limited (“Ryerson China”), a company in which we have a 100% ownership percentage, and in Brazil through Açofran Aços e Metais Ltda (“Açofran”), a company in which we have a 50% direct ownership percentage. Unless the context indicates otherwise, Ryerson Holding, JT Ryerson, Ryerson Canada, Ryerson China, Ryerson Mexico and Açofran, together with their subsidiaries (including Ryerson Inc. prior to its dissolution through merger), are collectively referred to herein as “Ryerson,” “we,” “us,” “our,” or the “Company.”

Our Company

We believe we are one of the largest processors and distributors of metals in North America measured in terms of sales, with operations in North America, China and Brazil. Our industry is highly fragmented with the largest companies accounting for only a small percentage of total market share. Our customer base ranges from local, independently owned fabricators and machine shops to large, international original equipment manufacturers. We process and distribute a full line of over 65,000 products in stainless steel, aluminum, carbon steel and alloy steels and a limited line of nickel and red metals in various shapes and forms. More than 75% of the products we sell are processed to meet customer requirements. We use various processing and fabricating techniques to process materials to a specified thickness, length, width, shape and surface quality pursuant to customer orders. For the year ended December 31, 2015, we purchased 1.8 million tons of materials from suppliers throughout the world.

We operate over 90 facilities across North America, six facilities in China and one facility in Brazil. Our service centers are strategically located in close proximity to our customers, which allows us to quickly process and deliver our products and services, often within the next day of receiving an order. We own, lease or contract a fleet of tractors and trailers, allowing us to efficiently meet our customers’ delivery demands. In addition, our scale enables us to maintain low operating costs. Our operating expenses as a percentage of sales for the years ended December 31, 2015 were 14.5%.

We track the processing operations, if any, performed on sold material for over 95% of our total revenues. The activities we track broadly fall into four main processing categories: (1) sheet processing (excludes fabrication activities), (2) as-is long and plate, (3) cut long and plate, and (4) fabrication. A key metric that we track is the percentage mix of revenue that comes from our fabrication capabilities. In 2010, the mix of revenue from fabrication activities was 6.7% of our sales, while in 2015, our mix of revenue from fabrication activities rose to 10.4% of our sales largely due to the strategic investments we have made in value-added processing capital expenditures.

In addition to providing a wide range of flat and long metals products, we offer numerous value-added processing and fabrication services such as sawing, slitting, blanking, cutting to length, leveling, flame cutting, laser cutting, edge

trimming, edge rolling, roll forming, tube manufacturing, polishing, shearing, forming, stamping, punching, rolling shell plate to radius and beveling to process materials to a specified thickness, length, width, shape and surface quality pursuant to specific customer orders. Our value proposition also includes providing a superior level of customer service and responsiveness, technical services and inventory management solutions. Our breadth of services allows us to create long-term partnerships with our customers and enhances our profitability.

We serve approximately 40,000 customers across a wide range of manufacturing end markets. We believe the diverse end markets we serve reduce the volatility of our business in the aggregate. Our geographic network and broad range of products and services allow us to serve large, international manufacturing companies across multiple locations.

4

Industry Overview

Metals service centers serve as key intermediaries between metal producers and end users of metal products. Metal producers offer commodity products and typically sell metals in the form of standard-sized coils, sheets, plates, structurals, bars and tubes. Producers, mostly steel and aluminum mills, prefer large order quantities, longer lead times and limited inventory in order to maximize capacity utilization across their typically higher capital-intensive structure. End users of metal products seek to purchase metals with customized specifications, including value-added processing. End-market customers look for “one-stop” suppliers that can offer processing services along with lower order volumes, shorter lead times, and more reliable delivery. As an intermediary, metals service centers aggregate end-users’ demand, purchase metal in bulk to take advantage of economies of scale and then process and sell metal that meets specific customer requirements. The end markets for metals service centers are highly diverse and include machinery, manufacturing, construction and transportation.

The metals service center industry is comprised of many companies, the majority of which have limited product lines and inventories, with customers located in a specific geographic area. The industry is highly fragmented, with a large number of small companies and few relatively large companies. In general, competition is based on quality, service, price and geographic proximity.

The metals service center industry typically experiences cash flow trends that are counter-cyclical to the revenue and volume growth of the industry. Companies that participate in the industry have assets that are composed primarily of working capital. During an industry downturn, companies generally reduce working capital investments and generate cash as inventory and accounts receivable balances decline. As a result, operating cash flow and liquidity tend to increase during a downturn, which typically facilitates industry participants’ ability to cover fixed costs and repay outstanding debt.

The industry is divided into three major groups: general line service centers, specialized service centers, and processing centers, each of which targets different market segments. General line service centers handle a broad line of metals products and tend to concentrate on distribution rather than processing. General line service centers range in size from a single location to a nationwide network of locations. For general line service centers, individual order size in terms of dollars and tons tends to be small relative to processing centers, while the total number of orders is typically high. Specialized service centers focus their activities on a narrower range of product and service offerings than do general line companies. Such service centers provide a narrower range of services to their customers and emphasize product expertise and lower operating costs, while maintaining a moderate level of investment in processing equipment. Processing centers typically process large quantities of metals purchased from primary producers for resale to large industrial customers, such as the automotive industry. Because orders are typically large, operation of a processing center requires a significant investment in processing equipment.

We compete with many other general line service centers, specialized service centers and processing centers on a regional and local basis, some of which may have greater financial resources and flexibility than us. We also compete to a lesser extent with primary metal producers. Primary metal producers typically sell to very large customers that require regular shipments of large volumes of steel. Although these large customers sometimes use metals service centers to supply a portion of their metals needs, metals service center customers typically are consumers of smaller volumes of metals than are customers of primary steel producers. Although we purchase from foreign steelmakers, some of our competitors purchase a higher percentage of metals from foreign steelmakers than we do. Such competitors may benefit from favorable exchange rates or other economic or regulatory factors that may result in a competitive advantage. This competitive advantage may be offset somewhat by higher transportation costs and less dependable delivery times associated with importing metals into North America.

Competitive Strengths

Leading Market Position in North America

We believe we are one of the largest service center companies for carbon and stainless steel as well as aluminum based on sales in the North American market where we have a broad geographic presence with over 90 locations.

Our service centers are located near our customer locations, enabling us to provide timely delivery to customers across numerous geographic markets. Additionally, our widespread network of locations in the United States, Canada and Mexico helps us to utilize our expertise to more efficiently serve customers with complex supply chain requirements across multiple manufacturing locations. We believe this is a key differentiator among customers who need a supplier that can reliably and consistently support them. Our ability to transfer inventory among our facilities better enables us to more timely and profitably source and process specialized items at regional locations throughout our network than if we were required to maintain inventory of all products and specialized equipment at each location.

We believe with our significant footprint in the North American market, combined with our significant scale and operating leverage, a cyclical recovery of the service center industry supported by long-term growth trends in our end markets should allow us to

experience higher growth rates relative to North American economic improvement, but there can be no guarantee that we will experience such higher growth rates.

Broad Geographic Reach across Attractive End Markets.

Our operations cover a diverse range of industries, including commercial ground transportation manufacturing, metal fabrication and machine shops, industrial machinery and equipment manufacturing, consumer durable production, HVAC manufacturing, construction equipment manufacturing, food processing and agricultural equipment manufacturing and oil and gas. We believe the industries we serve will provide demand for our products and services as the North American manufacturing economy continues to grow. We also believe that the continued trend of moving manufacturing to the United States from overseas should benefit us with our broad North American platform. In addition, we expect to benefit from continued growth in international markets that will help spur demand at domestic manufacturing facilities that sell into the global market. We believe that our ability to quickly adjust our offering based on regional and industry specific trends creates stability while also providing the opportunity to access specific growth markets.

Established Platform for Organic and Acquisition Growth.

Since 2011, we have opened ten new service centers in previously underserved North American regions. We have acquired another twelve facilities to complement our existing locations and expanded the product offering in many locations based on customer demand. A significant portion of our capital expenditures since 2011 have been made to expand our long and plate processing capabilities. We believe that our expanded presence in select regions and products positions us well to capture further growth in these regions and products.

Although there can be no guarantee of growth, we believe a number of our other strategies, such as improving our product mix, pricing our products and services based on the value we provide our customers, growing our large national network, and expanding our diverse operating capabilities, will provide us with growth opportunities.

Given the highly fragmented nature of the service center industry, we believe there are numerous additional opportunities to acquire businesses and incorporate them into our existing infrastructure. Given our large scale and geographic reach, we believe we can add value to these businesses in a number of ways, including providing greater purchasing power, access to additional end markets and broadening product mix. Although we do not have any current plans to engage in any specific acquisitions, from time to time and in the ordinary course of business, we regularly evaluate potential acquisition opportunities.

Lean Operating Structure Providing Operating Leverage.

Since 2007, we have transformed our operating model by decentralizing our operations and reducing our cost base, improving our operating efficiency while also providing the flexibility for further growth in our target markets. In 2015, warehousing, delivery, selling, general and administrative expenses decreased \$58.4 million or 11.5% from 2014. After excluding one-time IPO-related expenses of \$32.7 million in 2014, warehousing, delivery, selling, general and administrative expenses declined 5.4% in 2015.

We have also focused on process improvements in inventory management. Average inventory days excluding LIFO decreased from 82 days in 2014 to 80 days in 2015. Our average inventory days have improved on an overall basis from 100 days in 2006. This reduction has decreased our exposure to metals price movements as well as increased capacity in our facilities to devote to higher margin products. These organizational and operating changes have improved our operating structure, working capital management and efficiency.

As a result of our initiatives, we have increased our financial flexibility and believe we have a favorable cost structure compared to many of our peers. This will provide significant operating leverage if or when demand and/or pricing improve.

Extensive Breadth of Products and Services for Diverse Customer Base.

We carry a full range of over 65,000 products, including aluminum, carbon, stainless and alloy steels and a limited line of nickel and red metals. In addition, we provide a broad range of processing and fabrication services to meet the needs of our approximately 40,000 customers and typically fulfill more than 1,000,000 orders per year. We also provide supply chain solutions, including just-in-time delivery, and value-added components to many original equipment manufacturers.

We believe our broad product mix and marketing approach provides customers with a “one-stop shop” solution few other service center companies are able to offer.

For the year ended December 31, 2015, no single customer accounted for more than 2% of our sales, and our top 10 customers accounted for less than 12% of our sales.

Strong Relationships with Suppliers.

We are among the largest purchasers of metals in North America and have long-term relationships with many of our North American suppliers. We believe we are frequently one of the largest customers of our suppliers and that concentrating our orders among a core group of suppliers is an effective method for obtaining favorable pricing and service. We believe we have the opportunity to further leverage this strength through continued focus on price and volume using an analytics-driven approach to procurement. In addition, we view our strategic suppliers as supply chain partners. Our coordinated effort focused on logistics, lead times, rolling schedules, and scrap return programs ultimately results in value-based buying that is advantageous for us. Metals producers worldwide are consolidating, and large, geographically diversified customers, such as Ryerson, are desirable partners for these larger suppliers. Our relationships with suppliers often provide us with access to metals when supply is constrained. Through our knowledge of the global metals marketplace and capabilities of specific mills we believe we have developed a global purchasing strategy that allows us to secure favorable prices across our product lines.

Experienced Management Team with Deep Industry Knowledge.

Our senior management team has extensive industry and operational experience and has been instrumental in optimizing and implementing our strategy in the last four years. Our senior management has an average of more than 20 years of experience in the metals or service center industries. The senior executive team's extensive experience in international markets and outside the service center industry provides perspective to drive profitable growth. Our CEO, Mr. Edward Lehner, who joined the Company in August 2012 as CFO and became CEO in June 2015, has nearly 30 years of experience, predominantly in the metals industry. Mr. Erich Schnauffer, who joined the Company in 2005 and became CFO in January 2016, has over 25 years of financial and accounting experience and over 10 years with Ryerson. Under their leadership, we have increased our focus on positioning the Company for growth and enhanced profitability.

Industry Outlook

We believe that the United States economy has grown since the recession that began in 2008. According to the Institute for Supply Management, the Purchasing Managers' Index ("PMI") was above 50% for 53 of the last 60 months, which indicates that the U.S. manufacturing economy was generally expanding over the last five years. However, the PMI index was below 50% for each of the last three months of 2015, indicating a contracting manufacturing economy toward the end of 2015. The PMI measures the economic health of the manufacturing sector and is a composite index based on five indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. PMI readings can be a good indicator of industrial activity and general economic growth.

Additionally, the overall U.S. economy is projected to continue growing as evidenced by the Federal Reserve's midrange forecasted real GDP growth rates of 2.4%, 2.2%, and 2.0% for 2016, 2017, and 2018, respectively.

Steel demand in North America is largely dependent on growth of the automotive, industrial equipment, consumer appliance and construction end markets. One of our key end markets is within the industrial equipment sector and according to the latest Livingston Survey, published by the Federal Reserve Bank of Philadelphia, U.S. industrial production grew by 1.5% in 2015 and is expected to grow by 1.5% in 2016 and 2.7% in 2017.

China continues to be a key driver in the growth of global metals demand. According to the International Monetary Fund, China's GDP grew 6.9% in 2015 and is projected to grow 6.3% in 2016 and 6.0% in 2017.

Products and Services

We carry a full line of carbon steel, stainless steel, alloy steels and aluminum, and a limited line of nickel and red metals. These materials are inventoried in a number of shapes, including coils, sheets, rounds, hexagons, square and flat bars, plates, structurals and tubing.

7

The following table shows our percentage of sales by major product lines for 2015, 2014 and 2013:

Product Line	2015	2014	2013
Carbon Steel Flat	25 %	25 %	26 %
Carbon Steel Plate	11	12	11
Carbon Steel Long	16	15	15
Stainless Steel Flat	16	16	16
Stainless Steel Plate	4	4	4
Stainless Steel Long	3	4	3
Aluminum Flat	16	15	15
Aluminum Plate	3	3	3
Aluminum Long	4	4	4
Other	2	2	3
Total	100 %	100 %	100 %

More than 75% of the materials sold by us are processed. We use processing and fabricating techniques such as sawing, slitting, blanking, cutting to length, leveling, flame cutting, laser cutting, edge trimming, edge rolling, polishing and shearing to process materials to specified thickness, length, width, shape and surface quality pursuant to specific customer orders. Among the most common processing techniques used by us are slitting, which involves cutting coiled metals to specified widths along the length of the coil, and leveling, which involves flattening metals and cutting them to exact lengths. We also use third-party fabricators to outsource certain processes that we are not able to perform internally (such as pickling, painting, forming and drilling) to enhance our value-added services.

The plate burning and fabrication processes are particularly important to us. These processes require sophisticated and expensive processing equipment. As a result, rather than making investments in such equipment, manufacturers have increasingly outsourced these processes to metals service centers.

As part of securing customer orders, we also provide services to our customers to assure cost effective material application while maintaining or improving the customers' product quality. Our services include: just-in-time inventory programs, production of kits containing multiple products for ease of assembly by the customer, consignment arrangements and the placement of our employees at a customer's site for inventory management and production and technical assistance. We also provide special stocking programs in which products that would not otherwise be stocked by us are held in inventory to meet certain customers' needs. These services are designed to reduce customers' costs by minimizing their investment in inventory and improving their production efficiency.

Additional financial information is presented in Item 8. "Financial Statements and Supplementary Data" of this Form 10-K and is incorporated herein by reference.

Customers

Our customer base is diverse, numbering approximately 40,000 and includes most metal-consuming industries, most of which are cyclical. For the year ended December 31, 2015, no single customer accounted for more than 2% of our sales, and the top 10 customers accounted for less than 12% of our sales. Substantially all of our sales are attributable to our U.S. operations and substantially all of our long-lived assets are located in the United States. The following table shows the Company's percentage of sales by end-market customer for 2015, 2014 and 2013:

End-Market Customer	Percentage of Sales		
	2015	2014	2013
Commercial ground transportation	18 %	17 %	16 %
Metal fabrication and machine shops	18	18	18
Industrial machinery and equipment	17	18	19
Consumer durable	10	11	12
HVAC	8	7	7
Construction equipment	8	7	8
Food processing and agricultural equipment	7	7	7
Oil & gas	7	9	8
Other	7	6	5
Total	100%	100 %	100 %

Some of our largest customers have procurement programs with us, typically ranging from three months to one year in duration. Pricing for these contracts is generally based on a pricing formula rather than a fixed price for the program duration. However, certain customer contracts are at fixed prices; in order to minimize our financial exposure, we generally match these fixed-price sales programs with fixed-price supply programs. In general, sales to customers are priced at the time of sale based on prevailing market prices. In 2015, we reviewed our categorization of customers by end market. As a result, the percentages by end-market customer in the table above for 2013 and 2014 have been reclassified to conform to the 2015 presentation.

Suppliers

For the year ended December 31, 2015, our top 25 suppliers accounted for approximately 74% of our purchase dollars. We purchase the majority of our inventories at prevailing market prices from key suppliers with which we have established relationships to obtain improvements in price, quality, delivery and service. We are generally able to meet our materials requirements because we use many suppliers, because there is a substantial overlap of product offerings from these suppliers, and because there are a number of other suppliers able to provide identical or similar products. Because of the competitive nature of the business, when metal prices increase due to product demand, mill surcharges, supplier consolidation or other factors that in turn lead to supply constraints or longer mill lead times, we may not be able to pass our increased material costs fully to customers. In recent years, there have been significant consolidations among suppliers of carbon steel, stainless steel, and aluminum. Continued consolidation among suppliers could lead to disruptions in our ability to meet our material requirements as the sources of our products become more concentrated from fewer producers. We believe we will be able to meet our material requirements because we believe that we have good relationships with our suppliers and believe we will continue to be among the largest customers of our suppliers.

Sales and Marketing

We maintain our own sales force. In addition to our office sales staff, we market and sell our products through the use of our field sales force that we believe has extensive product and customer knowledge and through a comprehensive catalog of our products. Our office and field sales staffs, which together consist of approximately 700 employees, include technical and metallurgical personnel.

A portion of our customers experience seasonal slowdowns. Our sales, as measured in terms of tonnage, in the months of July, November and December traditionally have been lower than in other months because of a reduced number of shipping days and holiday or vacation closures for some customers. Consequently, our sales in the first two quarters of the year are usually higher than in the third and fourth quarters.

Capital Expenditures

In recent years we have made capital expenditures to maintain, improve and expand processing capabilities. Additions by us to property, plant and equipment, together with retirements for the five years ended December 31, 2015, excluding the initial purchase

price of acquisitions and the initial effect of fully consolidating a joint venture, are set forth below. The net capital change during such period aggregated to an increase of \$90.1 million.

Retirements

	Additions	Sales	Net
	(In millions)		
2015	\$22.3	\$ 9.1	\$13.2
2014	21.6	6.3	15.3
2013	20.2	13.5	6.7
2012	40.8	18.0	22.8
2011	47.0	14.9	32.1

We currently anticipate capital expenditures, excluding acquisitions, of up to approximately \$20 million for 2016. We expect capital expenditures will be funded from cash generated by operations and available borrowings.

Employees

As of December 31, 2015, we employed approximately 3,200 persons in North America, 350 persons in China, and 50 persons in Brazil. Our North American workforce was comprised of approximately 1,500 office employees and approximately 1,700 plant employees. Twenty-five percent of our plant employees were members of various unions, including the United Steel Workers and the International Brotherhood of Teamsters. Our relationship with the various unions has generally been good.

Eight renewal contracts covering approximately 182 employees were successfully negotiated in 2015. We also were successful in negotiating the effects of the plant closure of our unionized facility in Etobicoke, Ontario, Canada in 2015. Three contracts covering 66 employees are currently scheduled to expire in 2016.

Environmental, Health and Safety Matters

Our facilities and operations are subject to many foreign, federal, state and local laws and regulations relating to the protection of the environment and to health and safety. In particular, our operations are subject to extensive requirements relating to waste disposal, recycling, air and water emissions, the handling of regulated materials, remediation, underground storage tanks, asbestos-containing building materials, workplace exposure and other matters. We believe that our operations are currently in substantial compliance with all such laws and do not presently anticipate substantial expenditures in the foreseeable future in order to meet environmental, workplace health or safety requirements or to pay for any investigations, corrective action or claims. Claims, enforcement actions, or investigations regarding personal injury, property damage, or violation of environmental laws could result in substantial costs to us, divert our management's attention and result in significant liabilities, fines, or the suspension or interruption of our facilities.

We continue to analyze and implement safeguards to mitigate any environmental, health and safety risks we may face. As a result, additional costs and liabilities may be incurred to comply with future requirements or to address newly discovered conditions, which costs and liabilities could have a material adverse effect on the results of operations, financial condition or cash flows. For example, there is increasing likelihood that additional regulation of greenhouse gas emissions will occur at the foreign, federal, state and local level, which could affect us, our suppliers, and our

customers. While the costs of compliance could be significant, given the uncertain outcome and timing of future action by the U.S. federal government and states on this issue, we cannot accurately predict the financial impact of future greenhouse gas regulations on our operations or our customers at this time. We do not currently anticipate any new programs disproportionately impacting us compared to our competitors.

Some of the properties currently or previously owned or leased by us are located in industrial areas or have a long history of heavy industrial use. We may incur environmental liabilities with respect to these properties in the future including cost of investigations, corrective action, claims for natural resource damages, claims by third parties relating to property damages or claims relating to contamination at sites where we have sent waste for treatment or disposal. Based on currently available information we do not expect any investigation or remediation matters or claims related to properties presently or formerly owned or operated or to which we have sent waste for treatment or disposal would have a material adverse effect on our financial condition, results of operations or cash flows.

In October 2011, the United States Environmental Protection Agency (the “EPA”) named us as one of more than 100 businesses that may be a potentially responsible party for the Portland Harbor Superfund Site (“Portland Harbor”). On February 9, 2016, we received correspondence from the EPA stating that its initial Remedial Investigation and Feasibility Study will be completed in “early 2016,” a Proposed Plan for the site should be released in April 2016, and a final cleanup decision for the site should be published in

the Record of Decision by December 31, 2016. We do not currently have sufficient information available to us to determine the total cost of any required investigation or remediation of the Portland Harbor site and therefore, management cannot predict the ultimate outcome of this matter or estimate a range of potential loss at this time.

Excluding any potential additional remediation costs resulting from any corrective action for the properties described above, we expect spending for pollution control projects to remain at historical levels below \$500,000 per year.

Our United States operations are also subject to the Department of Transportation Federal Motor Carrier Safety Regulations. We operate a private trucking motor fleet for making deliveries to some of our customers. Our drivers do not carry any material quantities of hazardous materials. Our foreign operations are subject to similar regulations. Future regulations could increase maintenance, replacement, and fuel costs for our fleet. These costs could have a material adverse effect on our results of operations, financial condition or cash flows.

Intellectual Property

We own several U.S. and foreign trademarks, service marks and copyrights. Certain of the trademarks are registered with the U.S. Patent and Trademark Office and, in certain circumstances, with the trademark offices of various foreign countries. We consider certain other information owned by us to be trade secrets. We protect our trade secrets by, among other things, entering into confidentiality agreements with our employees regarding such matters and implementing measures to restrict access to sensitive data and computer software source code on a need-to-know basis. We believe that these safeguards adequately protect our proprietary rights and vigorously defend these rights. While we consider all of our intellectual property rights as a whole to be important, we do not consider any single right to be essential to our operations as a whole. The \$570 million outstanding under the 9% Senior Secured Notes due 2017 (the "2017 Notes") is secured by our intellectual property.

Foreign Operations

Our foreign operations as a percentage of total sales for the years ended December 31, 2015, 2014 and 2013 were as follows:

Foreign Location	Year Ended December 31,		
	2015	2014	2013
Canada	8%	8%	9%
China	4	4	4
Mexico	< 1	< 1	< 1
Brazil	< 1	< 1	< 1

Our foreign assets as a percentage of consolidated assets at December 31, 2015, 2014, and 2013 were as follows:

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Foreign Location	At December 31,		
	2015	2014	2013
Canada	10%	9 %	10 %
China	5	5	5
Mexico	1	1	< 1
Brazil	< 1	< 1	< 1

See Note 14 "Segment Information" of Part II, Item 8 "Financial Statements and Supplementary Data" for further information on U.S. and foreign revenues and long-lived assets.

Ryerson Canada

Ryerson Canada, an indirect wholly-owned Canadian subsidiary of Ryerson Holding, is a metals service center and processor. Ryerson Canada has facilities in Calgary (AB), Edmonton (AB), Richmond (BC), Winnipeg (MB), Saint John (NB), Brampton (ON), Burlington (ON) (includes Canadian headquarters), Vaudreuil (QC) and Saskatoon (SK), Canada.

Ryerson China

In 2006, Ryerson Inc., formerly the direct subsidiary of Ryerson Holding, and VSC and its subsidiary, CAMP BVI, formed Ryerson China to enable us, through this foreign operation, to provide metals distribution services in China. We invested \$28.3

million in Ryerson China for a 40% equity interest. We increased ownership of Ryerson China from 40% to 80% in the fourth quarter of 2008 for a total purchase cost of \$18.5 million. We consolidated the operations of Ryerson China as of October 31, 2008. On July 12, 2010, we acquired VSC's remaining 20% equity interest in Ryerson China for \$17.5 million. As a result, Ryerson China is now an indirect wholly owned subsidiary of Ryerson. Ryerson China is based in Kunshan and operates six processing and service centers in Guangzhou, Dongguan, Kunshan and Tianjin.

Ryerson Mexico

Ryerson Mexico, an indirect wholly owned subsidiary of Ryerson Holding, operates as a metals service center and processor. Ryerson Holding formed Ryerson Mexico in 2010 to expand operations into the Mexican market. Ryerson Mexico has service centers in Monterrey, Tijuana, and Hermosillo.

Brazil

In February 2012, we acquired 50% of the issued and outstanding capital stock of Açofran. As of such date, we, through Açofran, lease one service center in São Paulo, Brazil.

Available Information

All periodic and current reports and other filings that we are required to file with the Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant Section 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge from the SEC's website (<http://www.sec.gov>) or public reference room at 100 F Street N.E., Washington, D.C. 20549 (1-800-SEC-0330) or through our website at <http://www.ryerson.com>. Such documents are available as soon as reasonably practicable after electronic filing of the material with the SEC. Copies of these reports (excluding exhibits) may also be obtained free of charge, upon written request to: Investor Relations, Ryerson Holding Corporation, 227 W. Monroe St., 27th Floor, Chicago, Illinois 60606.

The Company also posts its Code of Ethics on the website. See "Directors, Executive Officers and Corporate Governance—Code of Ethics" for more information regarding our Code of Ethics.

Our website address is included in this report for information purposes only. Our website and the information contained therein or connected thereto are not incorporated into this annual report on Form 10-K.

ITEM 1A. RISK FACTORS.

Our business faces many risks. You should carefully consider the risks and uncertainties described below, together with the other information in this report, including the consolidated financial statements and notes to consolidated financial statements. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition and cash flows.

We service industries that are highly cyclical, and any downturn in our customers' industries could reduce our sales and profitability.

Many of our products are sold to industries that experience significant fluctuations in demand based on economic conditions, energy prices, seasonality, consumer demand and other factors beyond our control. These industries include manufacturing, electrical production and transportation. We do not expect the cyclical nature of our industry to change.

The volatility of the market could result in a material impairment of goodwill.

We evaluate goodwill annually on October 1 and whenever events or changes in circumstances indicate potential impairment. Events or changes in circumstances that could trigger an impairment review include significant underperformance relative to our historical or projected future operating results, significant changes in the manner or the use of our assets or the strategy for our overall business, and significant negative industry or economic trends. We test for impairment of goodwill by calculating the fair value of a reporting unit using a combination of an income approach based on discounted future cash flows and a market approach at the date of valuation. Under the discounted cash flow method, the fair value of each reporting unit is estimated based on expected future economic benefits discounted to a present value at a rate of return commensurate with the risk associated with the investment. Projected cash flows are discounted to present value using an estimated weighted average cost of capital, which considers both returns to equity and debt investors. Significant changes in any one of the assumptions made as part of our analysis, which could occur as a

result of actual events, or further declines in the market conditions for our products, could significantly impact our impairment analysis. An impairment charge, if incurred, could be material.

A substantial decline in the value of our available-for-sale security may result in additional “other than temporary” impairment charges.

We recognized an other-than-temporary impairment charge of \$12.3 million in the first quarter of 2015 related to our investment in one available-for-sale security. This investment has continued to decline in value and has unrealized losses of \$2.9 million as of December 31, 2015. We may be required to record additional impairment charges on our investment if further declines in value are considered other-than-temporary. Such other-than-temporary impairment charges would adversely affect our earnings. Considerations used to determine other-than-temporary impairment status to investment securities available-for-sale include, but are not limited to, an increase in the severity of the unrealized loss on a particular security, an increase in the length of time unrealized losses continue without an improvement in value, a change in our intent or ability to hold the security for a period of time sufficient to allow for the forecasted recovery, or changes in market conditions or industry or issuer specific factors that would render us unable to forecast a full recovery in value.

The metals distribution business is very competitive and increased competition could reduce our revenues and gross margins.

The principal markets that we serve are highly competitive. The metals distribution industry is fragmented and competitive, consisting of a large number of small companies and a few relatively large companies. Competition is based principally on price, service, quality, production capabilities, inventory availability and timely delivery. Competition in the various markets in which we participate comes from companies of various sizes, some of which have greater financial resources than we have and some of which have more established brand names in the local markets served by us. Increased competition could reduce our market share, force us to lower our prices or to offer increased services at a higher cost, which could reduce our profitability.

The economic downturn within the metals industry has reduced metals prices. Changing metals prices may have a significant impact on our liquidity, net sales, gross margins, operating income and net income.

The metals industry as a whole is cyclical and, at times, pricing and availability of metal can be volatile due to numerous factors beyond our control, including general domestic and international economic conditions, labor costs, sales levels, competition, levels of inventory held by other metals service centers, consolidation of metals producers, higher raw material costs for the producers of metals, import duties and tariffs and currency exchange rates. This volatility can significantly affect the availability and cost of materials for us.

We, like many other metals service centers, maintain substantial inventories of metal to accommodate the short lead times and just-in-time delivery requirements of our customers. Accordingly, we purchase metals in an effort to maintain our inventory at levels that we believe to be appropriate to satisfy the anticipated needs of our customers based upon historic buying practices, contracts with customers and market conditions. When metals prices decline, as they did in 2015, customer demands for lower prices and our competitors’ responses to those demands result in lower sale prices and, consequently, lower margins as we use existing metals inventory. Metal prices may further decline in 2016, and declines in those prices or further reductions in sales volumes could adversely impact our ability to maintain our liquidity and to remain in compliance with certain financial covenants under our \$1.0 billion revolving credit facility (the “Ryerson Credit Facility”), as well as result in us incurring inventory or goodwill impairment charges. Changing metals prices therefore could significantly impact our liquidity, net sales, gross margins, operating income and net income.

We have a substantial amount of indebtedness, which could adversely affect our financial position and prevent us from fulfilling our financial obligations.

We currently have a substantial amount of indebtedness. As of December 31, 2015, our total indebtedness was approximately \$1,034.5 million and we had approximately \$185 million of unused capacity under the Ryerson Credit Facility. Our substantial indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on our outstanding notes and our other indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions and general corporate and other purposes;
- limit our ability to use our cash flow for future working capital, capital expenditures, acquisitions or other general corporate purposes;

13

- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

We may also incur additional indebtedness in the future. The terms of the Ryerson Credit Facility and the indentures governing our outstanding notes restrict but do not prohibit us from doing so, and the indebtedness incurred in compliance with these restrictions could be substantial. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

The covenants in the Ryerson Credit Facility and the indentures governing our notes impose, and covenants contained in agreements governing indebtedness that we incur in the future may impose, restrictions that may limit our operating and financial flexibility.

The Ryerson Credit Facility and the indentures governing our outstanding notes contain a number of significant restrictions and covenants that limit our ability and the ability of our restricted subsidiaries, including JT Ryerson, to:

- incur additional debt;
- pay dividends on our capital stock or repurchase our capital stock;
- make certain investments or other restricted payments;
- create liens or use assets as security in other transactions;
- merge, consolidate or transfer or dispose of substantially all of our assets; and
- engage in transactions with affiliates.

The terms of the Ryerson Credit Facility require that, in the event availability under the facility declines to a certain level, we maintain a minimum fixed charge coverage ratio at the end of each fiscal quarter. Total credit availability is limited by the amount of eligible accounts receivable, inventory, and qualified cash pledged as collateral under the agreement insofar as the Company is subject to a borrowing base comprised of the aggregate of these two amounts, less applicable reserves. As of December 31, 2015, total credit availability was \$185 million.

Additionally, subject to certain exceptions, the indentures governing the outstanding notes restrict JT Ryerson's ability to pay Ryerson Holding dividends to the extent of 50% of future net income, once prior losses are offset. Future net income is defined in the indenture governing the notes as net income adjusted for, among other things, the inclusion of dividends from joint ventures actually received in cash by JT Ryerson, and the exclusion of: (i) all extraordinary gains or losses; (ii) a certain portion of net income allocable to minority interest in unconsolidated persons or investments in unrestricted subsidiaries; (iii) gains or losses in respect of any asset sale on an after tax basis; (iv) the net income from any disposed or discontinued operations or any net gains or losses on disposed or discontinued operations, on an after-tax basis; (v) any gain or loss realized as a result of the cumulative effect of a change in accounting principles; (vi) any fees and expenses paid in connection with the issuance of the notes; (vii) non-cash compensation expense incurred with any issuance of equity interest to an employee; and (viii) any net after-tax gains or losses attributable to the early extinguishment of debt. Our future indebtedness may contain covenants more restrictive in certain respects than the restrictions contained in the Ryerson Credit Facility and the indentures governing the notes. Operating results below current levels or other adverse factors, including a significant increase in interest rates, could result in our being unable to comply with financial covenants that are contained in the Ryerson Credit Facility or that may be contained in any future indebtedness. In addition, complying with these covenants may also cause us to take actions that are not favorable to holders of our notes and may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

We may not be able to generate sufficient cash to service all of our indebtedness.

Our ability to make payments on our indebtedness depends on our ability to generate cash in the future. Our outstanding notes, the Ryerson Credit Facility and our other outstanding indebtedness are expected to account for significant cash interest expenses. Accordingly, we will have to generate significant cash flows from operations to meet our debt service requirements. If we do not generate sufficient cash flow to meet our debt service and working capital requirements, we may be required to sell assets, seek additional capital, reduce capital expenditures, restructure or refinance all or a portion of our existing indebtedness, or seek additional financing. Moreover, insufficient cash flow may make it more difficult for us to obtain financing on terms that are acceptable to us, or at all.

We may not be able to refinance our 2017 Notes and 2018 Notes on acceptable terms, or at all.

As of December 31, 2015, we had \$569.9 million outstanding principal of our 2017 Notes and \$170.4 million outstanding principal of our 11 ¼% Senior Notes due 2018 (the “2018 Notes”). Our ability to refinance, restructure, extend the maturities of or otherwise enter into transactions to satisfy our obligations under our 2017 Notes and 2018 Notes will be affected by various factors existing at the relevant time, such as the state of the capital markets, our financial condition, the terms of our debt agreements that may restrict us from pursuing certain refinancing transactions, and business, economic and other factors, many of which we cannot control. In order to refinance the 2017 Notes and 2018 Notes, we may be required to reduce or delay investments, capital expenditures or potentially accretive acquisitions, to sell assets or issue equity or equity rights to raise funds, or to borrow more funds, which could have an adverse effect on our financial condition, liquidity or business operations.

We may not be able to accomplish a refinancing of the 2017 Notes or 2018 Notes on terms as favorable as the current terms of the 2017 Notes or 2018 Notes, on other terms acceptable to us, or at all. If we are unable to fulfill our payment or other obligations on the 2017 Notes or 2018 Notes, defaults under, or acceleration of, our other existing debt may occur. If we are unable to accomplish a refinancing of the 2017 Notes and 2018 Notes, we may be forced to consider alternative options. For additional information about the 2017 Notes and 2018 Notes, refer to Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Total Debt—2017 and 2018 Notes” and the notes to the consolidated financial statements located in Part II, Item 8 of this Annual Report on Form 10-K.

Because a portion of our indebtedness bears interest at rates that fluctuate with changes in certain prevailing short-term interest rates, we are vulnerable to interest rate increases.

A portion of our indebtedness, including the Ryerson Credit Facility, bears interest at rates that fluctuate with changes in certain short-term prevailing interest rates. As of December 31, 2015, we had approximately \$272.2 million of outstanding borrowings under the Ryerson Credit Facility, with an additional \$185 million available for borrowing under such facility. Assuming a consistent level of debt, a 100 basis point change in the interest rate on our floating rate debt effective from the beginning of the year would increase or decrease our interest expense under the Ryerson Credit Facility by approximately \$3.8 million on an annual basis. If interest rates increase dramatically, we could be unable to service our debt, which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

We may not be able to successfully consummate and complete the integration of future acquisitions, and if we are unable to do so, we may be unable to increase our growth rates.

We have grown through a combination of internal expansion, acquisitions and joint ventures. We intend to continue to grow through selective acquisitions, but we may not be able to identify appropriate acquisition candidates, obtain financing on satisfactory terms, consummate acquisitions or integrate acquired businesses effectively and profitably into our existing operations. Restrictions contained in the agreements governing our notes, the Ryerson Credit Facility or our other existing or future debt may also inhibit our ability to make certain investments, including acquisitions and participations in joint ventures.

Our future success will depend on our ability to complete the integration of these future acquisitions successfully into our operations. After any acquisition, customers may choose to diversify their supply chains to reduce reliance on a single supplier for a portion of their metals needs. We may not be able to retain all of our and an acquisition’s customers, which may adversely affect our business and sales. Integrating acquisitions, particularly large acquisitions, requires us to enhance our operational and financial systems and employ additional qualified personnel, management and financial resources, and may adversely affect our business by diverting management away from day-to-day

operations. Further, failure to successfully integrate acquisitions may adversely affect our profitability by creating significant operating inefficiencies that could increase our operating expenses as a percentage of sales and reduce our operating income. In addition, we may not realize expected cost savings from acquisitions, which may also adversely affect our profitability.

We may not be able to retain or expand our customer base if the North American manufacturing industry continues to erode through moving offshore or through acquisition and merger or consolidation activity in our customers' industries.

Our customer base primarily includes manufacturing and industrial firms. Some of our customers operate in industries that are undergoing consolidation through acquisition and merger activity; some are considering or have considered relocating production operations overseas or outsourcing particular functions overseas; and some customers have closed as they were unable to compete successfully with overseas competitors. Our facilities are predominately located in the United States and Canada. To the extent that our customers cease U.S. operations, relocate or move operations overseas to regions in which we do not have a presence, we could lose their business. Acquirers of manufacturing and industrial firms may have suppliers of choice that do not include us, which could impact our customer base and market share.

Certain of our operations are located outside of the United States, which subjects us to risks associated with international activities.

Certain of our operations are located outside of the United States, primarily in Canada, China, Mexico and Brazil. We are subject to the Foreign Corrupt Practices Act (“FCPA”), which generally prohibits U.S. companies and their intermediaries from making corrupt payments or otherwise corruptly giving any other thing of value to foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment, and requires companies to maintain adequate record-keeping and internal accounting practices. The FCPA applies to covered companies, individual directors, officers, employees and agents. Under the FCPA, U.S. companies may be held liable for some actions taken by strategic or local partners or representatives. If we or our intermediaries fail to comply with the requirements of the FCPA, governmental authorities in the United States could seek to impose civil and/or criminal penalties.

The Chinese government exerts substantial influence over the manner in which we must conduct our business activities, particularly with regards to the land our facilities are located on.

The Chinese government has exercised and continues to exercise substantial control over the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in its laws and regulations, including those relating to taxation, import and export tariffs, environmental regulations, land use rights, property and other matters. We believe that our operations in China are in material compliance with all applicable legal and regulatory requirements. However, the central or local governments of the jurisdictions in which we operate may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. Moreover, the Chinese court system does not provide the same property and contract right guarantees as do courts in the United States and, accordingly, disputes may be protracted and resolution of claims may result in significant economic loss.

Additionally, although in recent years the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, there is no private ownership of land in China and all land ownership is held by the government of China, its agencies, and collectives, which issue land use rights that are generally renewable. We lease the land where our Chinese facilities are located from the Chinese government. Although we believe our relationship with the Chinese government is sound, if the Chinese government decided to terminate our land use rights agreements, our assets could become impaired and our ability to meet customer orders could be impacted.

Our revenue and operating results may fluctuate, which could result in a decline in our profitability and make it more difficult for us to grow our business.

Our revenue and operating results have historically varied from quarter to quarter. Periods of decline could result in an overall decline in profitability and make it more difficult for us to make payments on our indebtedness and grow our business. We expect our quarterly results to continue to fluctuate in the future due to a number of factors, including:

- general economic conditions in the markets where we operate; and
- the cyclical nature of our customers’ business

Damage to our information technology infrastructure could harm our business.

The unavailability of any of our computer-based systems for any significant period of time could have a material adverse effect on our operations. In particular, our ability to manage inventory levels successfully largely depends on the efficient operation of our computer hardware and software systems. We use management information systems to track inventory information at individual facilities, communicate customer information and aggregate daily sales,

margin and promotional information. Difficulties associated with upgrades, installations of major software or hardware, and integration with new systems could have a material adverse effect on results of operations. We will be required to expend substantial resources to integrate our information systems with the systems of companies we have acquired. The integration of these systems may disrupt our business or lead to operating inefficiencies. In addition, these systems are vulnerable to, among other things, damage or interruption from fire, flood, tornado and other natural disasters, power loss, computer system and network failures, operator negligence, physical and electronic loss of data, or security breaches and computer viruses.

Any significant work stoppages can harm our business.

As of December 31, 2015, we employed approximately 3,200 persons in North America, 350 persons in China, and 50 persons in Brazil. Our North American workforce was comprised of approximately 1,500 office employees and approximately 1,700 plant employees. Twenty-five percent of our plant employees were members of various unions, including the United Steel Workers and the International Brotherhood of Teamsters. Our relationship with the various unions has generally been good.

Eight renewal contracts covering approximately 182 employees were successfully negotiated in 2015. We also were successful in negotiating the effects of the plant closure of our unionized facility in Etobicoke, Ontario, Canada in 2015. Three contracts covering 66 employees are currently scheduled to expire in 2016.

Certain employee retirement benefit plans are underfunded and the actual cost of those benefits could exceed current estimates, which would require us to fund the shortfall.

As of December 31, 2015, our pension plan had an unfunded liability of \$238 million. Our actual costs for benefits required to be paid may exceed those projected and future actuarial assessments to the extent that those costs exceed the current assessment. Under those circumstances, the adjustments required to be made to our recorded liability for these benefits could have a material adverse effect on our results of operations and financial condition and cash payments to fund these plans could have a material adverse effect on our cash flows. We may be required to make substantial future contributions to improve the plan's funded status.

Future funding for postretirement employee benefits other than pensions also may require substantial payments from current cash flow.

We provide postretirement life insurance and medical benefits to eligible retired employees. Our unfunded postretirement benefit obligation as of December 31, 2015 was \$82 million. Our actual costs for benefits required to be paid may exceed those projected and future actuarial assessments to the extent that those costs exceed the current assessment. Under those circumstances, adjustments will be required to be made to our recorded liability for these benefits.

Any prolonged disruption of our processing centers could harm our business.

We have dedicated processing centers that permit us to produce standardized products in large volumes while maintaining low operating costs. We may suffer prolonged disruption in the operations of any of these facilities, whether due to labor or technical difficulties, destruction or damage to any of the facilities or otherwise.

If we are unable to retain and attract management and key personnel, it may adversely affect our business.

We believe that our success is due, in part, to our experienced management team. Losing the services of one or more members of our management team such as our CEO, Edward J. Lehner, could adversely affect our business and possibly prevent us from improving our operational, financial and information management systems and controls. In the future, we may need to retain and hire additional qualified sales, marketing, administrative, operating and technical personnel, and to train and manage new personnel. Our ability to implement our business plan is dependent on our ability to retain and hire a large number of qualified employees each year.

Our existing international operations and potential joint ventures may cause us to incur costs and risks that may distract management from effectively operating our North American business, and such operations or joint ventures may not be profitable.

We maintain foreign operations in Canada, China, Mexico and Brazil. International operations are subject to certain risks inherent in conducting business in, and with, foreign countries, including price controls, exchange controls, export controls, economic sanctions, duties, tariffs, limitations on participation in local enterprises, nationalization, expropriation and other governmental action, and changes in currency exchange rates. While we believe that our current arrangements with local partners provide us with experienced business partners in foreign countries, events or issues, including disagreements with our partners, may occur that require attention of our senior executives and may result in expenses or losses that erode the profitability of our foreign operations or cause our capital investments

abroad to be unprofitable.

Lead time and the cost of our products could increase if we were to lose one of our primary suppliers.

If, for any reason, our primary suppliers of aluminum, carbon steel, stainless steel or other metals should curtail or discontinue their delivery of such metals in the quantities needed and at prices that are competitive, our business could suffer. The number of available suppliers could be reduced by factors such as industry consolidation and bankruptcies affecting steel and metal producers. For the year ended December 31, 2015, our top 25 suppliers represented approximately 74% of our purchases. We could be significantly and adversely affected if delivery were disrupted from a major supplier. If, in the future, we were unable to obtain sufficient amounts of the necessary metals at competitive prices and on a timely basis from our traditional suppliers, we may not be able to obtain such metals from alternative sources at competitive prices to meet our delivery schedules, which could have a material adverse effect on our sales and profitability.

17

We could incur substantial costs related to environmental, health and safety laws.

Our operations are subject to increasingly stringent environmental, health and safety laws. These include laws that impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of regulated materials and the investigation and remediation of contaminated soil, surface water and groundwater. Failure to maintain or achieve compliance with these laws or with the permits required for our operations could result in substantial increases in operating costs and capital expenditures. In addition, we may be subject to fines and civil or criminal sanctions, third party claims for property damage or personal injury, worker's compensation or personal injury claims, cleanup costs or temporary or permanent discontinuance of operations. Certain of our facilities are located in industrial areas, have a history of heavy industrial use and have been in operation for many years and, over time, we and other predecessor operators of these facilities have generated, used, handled and disposed of hazardous and other regulated wastes. Environmental liabilities could exist, including cleanup obligations at these facilities or at off-site locations where materials from our operations were disposed of, which could result in future expenditures that cannot be currently quantified and which could have a material adverse effect on our financial position, results of operations or cash flows. Such liabilities may be imposed without regard to fault or the legality of a party's conduct and may, in certain circumstances, be joint and several. Future changes to environmental, health and safety laws, including those related to climate change, could result in material liabilities and costs, constrain operations or make such operations more costly for us, our suppliers and our customers. In October 2011, the EPA named us as one of more than 100 businesses that may be a potentially responsible party for the Portland Harbor Superfund Site. We do not currently have sufficient information available to us to determine the total cost of any required investigation or remediation of the Portland Harbor site and therefore, management cannot predict the ultimate outcome of this matter or estimate a range of potential loss at this time.

Regulations related to conflict-free minerals may force us to incur additional expenses and place us at a competitive disadvantage.

On August 22, 2012, under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), the United States Securities and Exchange Commission ("SEC") adopted new requirements for reporting companies that use certain minerals and metals, known as "conflict minerals", in their products, whether or not these products are manufactured by third parties. These requirements require companies to diligence, disclose and report whether or not such minerals originate from the Democratic Republic of Congo and adjoining countries. Since our supply chain is complex, we may not be able to conclusively verify the origins for all metals used in our products and we may face reputational challenges with our customers. Additionally, as there may be only a limited number of suppliers offering "conflict free" metals, we cannot be sure that we will be able to obtain necessary metals from such suppliers in sufficient quantities or at competitive prices. Accordingly, we could incur significant cost related to the compliance process, including potential difficulty or added costs in satisfying the disclosure requirements. Moreover, we may encounter challenges to satisfy those customers who require that all of the components of our products be certified as conflict free which could place us at a competitive disadvantage if we are unable to do so.

We are subject to litigation that could strain our resources and distract management.

From time to time, we are involved in a variety of claims, lawsuits and other disputes arising in the ordinary course of business. These suits concern issues including product liability, contract disputes, employee-related matters and personal injury matters. It is not feasible to predict the outcome of all pending suits and claims, and the ultimate resolution of these matters as well as future lawsuits could have a material adverse effect on our business, financial condition, results of operations or cash flows or reputation.

We may face product liability claims that are costly and create adverse publicity.

If any of the products that we sell cause harm to any of our customers, we could be exposed to product liability lawsuits. If we were found liable under product liability claims, we could be required to pay substantial monetary damages. Further, even if we successfully defended ourselves against this type of claim, we could be forced to spend a substantial amount of money in litigation expenses, our management could be required to spend valuable time in the defense against these claims and our reputation could suffer.

Our risk management strategies may result in losses.

From time to time, we may use fixed-price and/or fixed-volume supplier contracts to offset contracts with customers. Additionally, we may use foreign exchange contracts and interest rate swaps to hedge Canadian dollar and floating rate debt exposures. These risk management strategies pose certain risks, including the risk that losses on a hedge position may exceed the amount invested in such instruments. Moreover, a party in a hedging transaction may be unavailable or unwilling to settle our obligations, which could cause us to suffer corresponding losses. A hedging instrument may not be effective in eliminating all of the risks inherent in any particular position. Our profitability may be adversely affected during any period as a result of use of such instruments.

We may be adversely affected by currency fluctuations in the U.S. dollar versus the Canadian dollar and the Chinese renminbi.

We have significant operations in Canada which incur the majority of their metal supply costs in U.S. dollars but earn the majority of their sales in Canadian dollars. Additionally, we have significant assets in China. We may from time to time experience losses when the value of the U.S. dollar strengthens against the Canadian dollar or the Chinese renminbi, which could have a material adverse effect on our results of operations. In addition, we will be subject to translation risk when we consolidate our Canadian and Chinese subsidiaries' net assets into our balance sheet. Fluctuations in the value of the U.S. dollar versus the Canadian dollar or Chinese renminbi could reduce the value of these assets as reported in our financial statements, which could, as a result, reduce our stockholders' equity.

We are subject to cybersecurity risks and may incur increasing costs in an effort to minimize those risks.

We depend on the proper functioning and availability of our information technology platform, including communications and data processing systems, in operating our business. These systems include software programs that are integral to the efficient operation of our business. We have established security measures, controls and procedures to safeguard our information technology systems and to prevent unauthorized access to such systems and any data processed or stored in such systems, and we periodically evaluate and test the adequacy of such systems, measures, controls and procedures; however, there can be no guarantee that such systems, measures, controls and procedures will be effective. Security breaches could expose us to a risk of loss or misuse of our information, litigation and potential liability. In addition, cyber incidents that impact the availability, reliability, speed, accuracy or other proper functioning of these systems could have a significant impact on our operations, and potentially on our results. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. A significant cyber incident, including system failure, security breach, disruption by malware or other damage could interrupt or delay our operations, result in a violation of applicable privacy and other laws, damage our reputation, cause a loss of customers or give rise to monetary fines and other penalties, which could be significant.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

As of December 31, 2015, the Company's facilities are set forth below:

Operations in the United States

JT Ryerson maintains 82 operational facilities, including 6 locations that are dedicated to administration services. All of our metals service center facilities are in good condition and are adequate for JT Ryerson's existing operations. Approximately 48% of these facilities are leased. The lease terms expire at various times through 2025. Owned properties noted as vacated below have been closed and are in the process of being sold. JT Ryerson's properties and facilities are adequate to serve its present and anticipated needs.

Location	Own/Lease
Birmingham, AL	Owned
Mobile, AL	Owned
Fort Smith, AR	Owned
Hickman, AR**	Leased
Little Rock, AR	Owned
Little Rock, AR	Owned/Vacated
Phoenix, AZ	Owned
Dos Palos, CA	Leased
Fresno, CA	Leased
Livermore, CA	Leased
Vernon, CA	Owned
Commerce City, CO	Owned
South Windsor, CT	Leased/Vacated
Wilmington, DE	Leased
Wilmington, DE	Owned
Jacksonville, FL	Owned
Tampa Bay, FL	Owned
Norcross, GA	Leased
Norcross, GA	Owned
Des Moines, IA	Owned
Eldridge, IA	Leased
Marshalltown, IA	Owned
Boise, ID	Leased
Chicago, IL (Headquarters)*	Leased
Chicago, IL(2)	Leased
Dekalb, IL	Leased
Elgin, IL	Leased
Lisle, IL*	Leased
Burns Harbor, IN	Owned
Indianapolis, IN	Owned
Wichita, KS	Leased
Shelbyville, KY**	Owned
Shreveport, LA	Owned
St. Rose, LA	Owned
Devens, MA	Owned

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Grand Rapids, MI*	Leased
Jenison, MI	Owned/Vacated
Lansing, MI	Leased
Minneapolis, MN	Owned
Plymouth, MN	Owned
Maryland Heights, MO	Leased
North Kansas City, MO	Owned
Jackson, MS	Owned

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Charlotte, NC	Owned
Charlotte, NC	Owned/Vacated
Charlotte, NC	Leased
Greensboro, NC	Owned
Pikeville, NC	Leased
Youngsville, NC	Leased
Omaha, NE	Owned
Lancaster, NY	Owned
Columbus, OH	Leased
Hamilton, OH*	Leased
Streetsboro, OH	Leased
Strongsville, OH	Owned
Warren, OH	Leased
Oklahoma City, OK	Owned
Tulsa, OK	Owned
Tigard, OR	Leased
Ambridge, PA**	Owned
Fairless Hills, PA	Leased
Pittsburgh, PA*	Leased
Charleston, SC	Owned
Greenville, SC	Owned
Chattanooga, TN	Owned
Chattanooga, TN	Leased
Gallatin, TN	Leased
Knoxville, TN*	Leased
Memphis, TN	Owned
Cooper, TX	Leased
Dallas, TX	Owned
El Paso, TX	Leased
Houston, TX	Owned
Houston, TX(2)	Leased
McAllen, TX	Leased
Odessa, TX	Leased/Vacated
Salt Lake City, UT	Leased
Pounding Mill, VA	Owned
Richmond, VA	Owned
Renton, WA	Owned
Spokane, WA	Owned
Baldwin, WI	Leased
Green Bay, WI	Leased
Green Bay, WI	Owned
Milwaukee, WI	Owned

*Office space only

**Processing centers

Operations in Canada

Ryerson Canada, a wholly-owned indirect Canadian subsidiary of Ryerson Holding, has 10 operational facilities in Canada. All of the metals service center facilities are in good condition and are adequate for Ryerson Canada's existing and anticipated operations. Four facilities are leased. The lease terms expire at various times through 2025.

Location	Own/Lease
Calgary, AB	Owned
Edmonton, AB	Owned
Richmond, BC	Owned
Winnipeg, MB	Owned
Winnipeg, MB	Leased
Saint John, NB	Owned
Brampton, ON	Leased
Burlington, ON (includes Canadian Headquarters)	Leased
Laval, QC	Leased/Vacated
Vaudreuil, QC	Leased
Saskatoon, SK	Owned

Operations in China

Ryerson China, an indirect wholly owned subsidiary of Ryerson Holding, has six service and processing centers in China, at Guangzhou, Dongguan, Kunshan and Tianjin, performing coil processing, sheet metal fabrication and plate processing. Ryerson China's headquarters office building is located in Kunshan. We own three buildings in China and have purchased the related land use rights. The remainder of our facilities are leased. All of the facilities are in good condition and are adequate for Ryerson China's existing and anticipated operations.

Operations in Mexico

Ryerson Mexico, an indirect wholly owned subsidiary of Ryerson Holding, has three facilities in Mexico. We have service centers in Monterrey, Tijuana, and Hermosillo, all of which are leased. The facilities are in good condition and are adequate for Ryerson Mexico's existing and anticipated operations.

Operations in Brazil

On February 17, 2012, we acquired 50% of the issued and outstanding capital stock of Açofran. We, through Açofran, lease one service center in São Paulo, Brazil. The facility is in good condition and is adequate for its existing and anticipated operations.

ITEM 3. LEGAL PROCEEDINGS.

Information concerning our legal proceedings is set forth in Note 12, "Commitments and Contingencies" of the Notes to Consolidated Financial Statements in Item 8.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

22

EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers are elected by the Board of Directors and hold office until a successor is chosen or qualified or until their earlier resignation or removal. The following lists our executive officers and gives a brief description of their business experience as of February 29, 2016:

Edward J. Lehner, 50, has been our President and Chief Executive Officer since June 2015. Previously, he had served as our Executive Vice President and Chief Financial Officer since August 2012. Prior to joining the Company, he served as chief financial officer and chief administrative officer for PSC Metals, Inc. from 2009 to 2012. PSC Metals is a North American ferrous and non-ferrous scrap processor. Mr. Lehner earned a bachelor's degree in accounting from the University of Cincinnati.

Erich S. Schnauffer, 48, has been our Chief Financial Officer since January 2016. From August 2015 until that time, he had served as our Interim Chief Financial Officer & Chief Accounting Officer. Previously, he had served the Company as its Interim Chief Financial Officer, Controller & Chief Accounting Officer from June 2015 until August 2015, and as its Controller and Chief Accounting Officer from 2007 until June 2015. Mr. Schnauffer received a bachelor's degree in accounting from the University of Illinois and an MBA from DePaul University.

Michael J. Burbach, 55, has been our President, North-West Region since October 2013. Prior to that time he had served the Company as its President, Midwest Region since 2007. Mr. Burbach began his metals career as an inside sales representative at Vincent Metals in 1984 and has held procurement, sales and product management roles in the metals industry as well as roles in operations and senior management. Mr. Burbach received his Bachelor of Science degree from the University of Wisconsin-La Crosse.

Roger W. Lindsay, 59, is our Chief Human Resources Officer, a position he has held since August 2013. From August 2013 until June 2015 he also served as our President, Canada Region. Previously, Mr. Lindsay served the Company as its Senior Vice President, Human Resources from October 2011 until August 2013. Prior to joining the Company, Mr. Lindsay was president of rail and Latin America for The Timken Company from 2010 until October 2011. He holds a bachelor's degree in economics and sociology from the University of Southampton and a master's degree in management from the Massachusetts Institute of Technology.

Kevin D. Richardson, 54, has been our President, South-East Region since October 2007. Mr. Richardson started his metals career in 1985 and held a series of commercial and sales management roles before being named a Vice President of the Company in 2000. Mr. Richardson received a bachelor's degree in business management and economics from North Carolina State University and an MBA from Case Western Reserve University.

Mark S. Silver, 45, has served as our Executive Vice President, General Counsel & Secretary since February 2016. Previously, he had served as our Vice President, Managing Counsel & Secretary from December 2014 until February 2016 and as our Vice President & Managing Counsel from January 2013 until December 2014. Prior to his time at the Company, from 2006 until 2012, Mr. Silver served as Vice President and Assistant General Counsel of Sara Lee Corporation, a consumer goods company. Mr. Silver earned a bachelor's degree in political science from the

University of Illinois and a juris doctor from Harvard University.

23

PART II

ITEM MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND
5. ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information for Common Stock

Our common stock has been listed on the New York Stock Exchange ("NYSE") since our initial public offering on August 13, 2014. Prior to that date, there was no public market for our common stock. The following table sets forth the high and low sale prices of our common stock as reported by the NYSE.

	2015		2014	
	High	Low	High	Low
First Quarter	\$10.13	\$5.24	\$—	\$—
Second Quarter	9.55	5.30	—	—
Third Quarter (1)	9.61	4.96	14.28	10.01
Fourth Quarter	6.99	3.93	13.56	9.00

(1) The third quarter 2014 represents the period from August 13, 2014, the date of our IPO, through September 30, 2014, the end of the quarter.

On February 29, 2016, the closing price of our common stock on the NYSE was \$3.70 per share.

Holders

As of February 29, 2016, there were 2 stockholders of record of our common stock. Because many shares of our common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial stockholders represented by these record holders.

Dividend Policy

We have not declared any cash dividends for the past two years and we do not anticipate declaring or paying any regular cash dividends on our common stock in the foreseeable future. Any payment of cash dividends on our common stock in the future will be at the discretion of our Board of Directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions, including under the Ryerson Credit Facility and our outstanding notes, and other factors deemed relevant by our Board of Directors.

Performance Graph

The following graph and accompanying table show the cumulative total return to stockholders of Ryerson Holding's common stock relative to the cumulative total returns of the S&P 500 and a metals service center peer group (the "Peer Group"). The graph tracks the performance of a \$100 investment in each of the indices (with reinvestment of dividends) from August 13, 2014 to December 31, 2015. As of December 31, 2015 the Peer Group consisted of Reliance Steel & Aluminum Co., and Olympic Steel Inc., each of which has securities listed for trading on the NASDAQ; A.M. Castle & Co. which has securities listed for trading on the NYSE; and Russel Metals Inc., which has securities listed for trading on the Toronto Stock Exchange. The returns of each member of the Peer Group are weighted according to that member's stock market capitalization. The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Comparison of 17 Month Cumulative Total Return

Assumes Initial Investment of \$100

December 2015

	8/13/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
Ryerson Holding	\$ 100	\$ 124.27	\$ 96.41	\$ 61.84	\$ 88.35	\$ 50.97	\$ 45.34
S&P 500	\$ 100	\$ 102.06	\$ 106.89	\$ 107.38	\$ 107.13	\$ 99.75	\$ 106.15
Peer Group	\$ 100	\$ 100.10	\$ 86.39	\$ 83.10	\$ 82.90	\$ 73.23	\$ 77.14

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Recent Sale of Unregistered Securities and Use of Proceeds

None.

ITEM 6. SELECTED FINANCIAL DATA.

The following table sets forth our selected historical consolidated financial information. Our selected historical Consolidated Statements of Operations data for the years ended December 31, 2013, 2014 and 2015 and the summary historical balance sheet data as of December 31, 2014 and 2015 have been derived from our audited consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data." The selected historical Consolidated Statements of Operations data for the years ended December 31, 2011 and 2012 and the summary historical balance sheet data as of December 31, 2011, 2012, and 2013 were derived from the audited financial statements and related notes thereto, which are not included in this Form 10-K.

The following consolidated financial information should be read together with Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited Consolidated Financial Statements of Ryerson Holding Corporation and the Notes thereto included in Item 8. "Financial Statements and Supplementary Data."

FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA AND OPERATING RESULTS

(Dollars in millions, except per ton and per share data)

	Year Ended December 31,				
	2011	2012	2013	2014	2015
Statements of Operations Data:					
Net sales	\$4,729.8	\$4,024.7	\$3,460.3	\$3,622.2	\$3,167.2
Cost of materials sold	4,071.0	3,315.1	2,843.7	3,028.4	2,599.5
Gross profit	658.8	709.6	616.6	593.8	567.7
Warehousing, delivery, selling, general and administrative (1)	539.7	508.9	480.1	509.2	450.8
Gain on sale of assets	—	—	—	(1.8)	(1.9)
Restructuring and other charges	11.1	1.1	1.9	—	2.5
Impairment charges on assets	9.3	1.0	10.0	—	7.7
Pension and other postretirement benefits curtailment gain	—	(1.7)	—	—	—
Operating profit	98.7	200.3	124.6	86.4	108.6
Other income and (expense), net (2)	4.6	(33.5)	(0.2)	(5.9)	(10.4)
Interest and other expense on debt (3)	(123.1)	(126.5)	(110.5)	(107.4)	(96.3)
Income (loss) before income taxes	(19.8)	40.3	13.9	(26.9)	1.9
Provision (benefit) for income taxes (4)	(11.0)	(5.5)	(112.3)	(0.7)	3.7
Net income (loss)	(8.8)	45.8	126.2	(26.2)	(1.8)
Less: Net loss attributable to noncontrolling interest	(0.7)	(1.3)	(1.1)	(0.5)	(1.3)
Net income (loss) attributable to Ryerson Holding Corporation	\$(8.1)	\$47.1	\$127.3	\$(25.7)	\$(0.5)
Earnings (loss) per share of common stock:					
Basic earnings (loss) per share	\$(0.38)	\$2.22	\$5.99	\$(1.01)	\$(0.02)
Diluted earnings (loss) per share	\$(0.38)	\$2.22	\$5.99	\$(1.01)	\$(0.02)
Weighted average shares outstanding — Basic	21.3	21.3	21.3	25.4	32.1
Weighted average shares outstanding — Diluted	21.3	21.3	21.3	25.4	32.1
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$61.7	\$71.2	\$74.4	\$60.0	\$63.2
Restricted cash	5.3	3.9	1.8	2.0	1.2
Working capital	939.1	920.3	900.9	846.0	643.0
Property, plant and equipment, net	479.7	474.7	444.1	428.2	400.3

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Total assets	2,021.1	1,915.5	1,856.8	1,872.6	1,556.2
Long-term debt, including current maturities	1,316.2	1,305.4	1,294.8	1,259.1	1,034.5
Total equity (deficit)	(267.6)	(291.5)	(107.7)	(124.5)	(140.9)
Other Financial Data:					
Cash flows provided by (used in) operations	\$54.5	\$186.5	\$48.1	\$(73.3)	\$259.1
Cash flows used in investing activities	(115.0)	(35.3)	(13.5)	(34.0)	(18.0)
Cash flows provided by (used in) financing activities	57.9	(143.4)	(26.6)	100.5	(232.2)
Capital expenditures	47.0	40.8	20.2	21.6	22.3
Depreciation and amortization	43.0	47.0	46.6	45.6	43.7
Volume and Per Ton Data:					
Tons shipped (000)	2,433	2,149	2,038	2,024	1,897
Average selling price per ton	\$1,944	\$1,873	\$1,698	\$1,790	\$1,670
Gross profit per ton	271	330	302	293	299
Operating expenses per ton	230	237	241	250	242
Operating profit per ton	41	93	61	43	57

- (1) The year ended December 31, 2014 includes \$32.7 million of one-time IPO-related expenses.

- (2) The year ended December 31, 2011 includes a \$5.8 million gain on bargain purchase related to our Singer Steel Company (“Singer”) acquisition. The year ended December 31, 2012 includes a \$32.8 million loss on the retirement of debt related to the redemption of our Floating Rate Senior Secured Notes due November 1, 2014, the 12% Senior Secured Notes due November 1, 2015, and the 14 1/2% Senior Discount Notes due 2015. The year ended December 31, 2014 includes \$11.2 million of expense related to the premium paid to redeem \$99.5 million of 2018 Notes. The year ended December 31, 2015 includes an other-than-temporary impairment charge of \$12.3 million in the first quarter of 2015 related to our investment in one available-for-sale security and a \$0.3 million gain on the retirement of debt related to the purchases of a portion of our 2017 Notes and 2018 Notes.

- (3) The year ended December 31, 2011 includes a \$1.1 million write off of debt issuance costs associated with our prior credit facility upon entering into an amended revolving credit facility on March 14, 2011. The year ended December 31, 2015 includes a \$2.9 million write off of debt issuance costs associated with our prior credit facility upon entering into a new revolving credit facility on July 24, 2015.

- (4) The year ended December 31, 2011 includes income tax benefits of \$18.0 million relating to the purchase accounting impact of the Turret Steel Industries Inc., Sunbelt-Turret Steel, Inc., Wilcox-Turret Cold Drawn, Inc., Imperial Trucking Company, LLC (collectively, “Turret”) and Singer acquisitions. The year ended December 31, 2012 includes an income tax benefit of \$15.2 million related to the release of valuation allowance associated with certain state deferred tax assets. The year ended December 31, 2013 includes a \$124.2 million reduction in the valuation allowance recorded against deferred tax assets.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with Item 6. "Selected Financial Data" and the audited Consolidated Financial Statements of Ryerson Holding Corporation and Subsidiaries and the Notes thereto in Item 8. "Financial Statements and Supplementary Data." This discussion contains forward-looking statements that involve risks and uncertainties. See the section entitled "Special Note Regarding Forward-Looking Statements." Our actual results and the timing of selected events could differ materially from those discussed in these forward-looking statements as a result of certain factors, including those discussed in Item 1A. "Risk Factors" and elsewhere in this Form 10-K.

Overview

Business

Ryerson Holding Corporation ("Ryerson Holding"), a Delaware corporation, is the parent company of Joseph T. Ryerson & Son, Inc. ("JT Ryerson"), a Delaware corporation. On December 17, 2014, Ryerson Inc., formerly a direct, wholly-owned subsidiary of Ryerson Holding, merged with and into JT Ryerson, which was previously an indirect, wholly-owned subsidiary of Ryerson Holding, with JT Ryerson as the surviving corporation. As a result of such merger, from and after December 17, 2014, JT Ryerson has been a direct, wholly-owned subsidiary of Ryerson Holding. Affiliates of Platinum Equity, LLC ("Platinum") own approximately 21,037,500 shares of our common stock, which is approximately 66% of our issued and outstanding common stock.

Ryerson conducts materials distribution operations in the United States through JT Ryerson, in Canada through its indirect wholly-owned subsidiary Ryerson Canada, Inc., a Canadian corporation ("Ryerson Canada"), and in Mexico through its indirect wholly-owned subsidiary Ryerson Metals de Mexico, S. de R.L. de C.V., a Mexican corporation ("Ryerson Mexico"). In addition to our North American operations, we conduct materials distribution operations in China through Ryerson China Limited ("Ryerson China"), a company in which we have a 100% ownership percentage, and in Brazil through Açofran Aços e Metais Ltda ("Açofran"), a company in which we have a 50% direct ownership percentage. Unless the context indicates otherwise, Ryerson Holding, JT Ryerson, Ryerson Canada, Ryerson China, Ryerson Mexico and Açofran, together with their subsidiaries (including Ryerson Inc. prior to its dissolution through merger), are collectively referred to herein as "Ryerson," "we," "us," "our," or the "Company."

On July 23, 2014, our Board of Directors approved a 4.25 for 1.00 stock split of the Company's common stock effective August 5, 2014. Per share and share amounts presented herein have been adjusted for all periods presented to give retroactive effect to 4.25 for 1.00 stock split.

On August 13, 2014, Ryerson Holding completed an initial public offering of 11 million shares of common stock at a price to the public of \$11.00 per share. Net proceeds from the offering totaled \$112.4 million, after deducting the underwriting discount and offering expenses, and were used to (i) redeem \$99.5 million in aggregate principal amount of the 11 ¼% Senior Notes due 2018 (the "2018 Notes"), (ii) pay Platinum Equity Advisors LLC ("Platinum Advisors"), and its affiliates \$15.0 million of the \$25.0 million owed as consideration for terminating the advisory services agreement between JT Ryerson and Platinum Advisors, an affiliate of Platinum (the remaining \$10.0 million was paid in August 2015) and (iii) pay related transaction fees, expenses and debt redemption premiums in connection with the offering, which were approximately \$11.2 million. We borrowed an additional \$23.3 million under our then existing \$1.35 billion revolving credit facility (the "Old Credit Facility") as part of the funding of these transactions.

Industry and Operating Trends

We purchase large quantities of metal products from primary producers and sell these materials in smaller quantities to a wide variety of metals-consuming industries. More than one-half of the metals products sold are processed by us by burning, sawing, slitting, blanking, cutting to length or other techniques. We sell our products and services to many industries, including commercial ground transportation manufacturing, metal fabrication and machine shops, industrial machinery and equipment manufacturing, consumer durable production, HVAC manufacturing, construction equipment manufacturing, food processing and agricultural equipment manufacturing and oil and gas. Revenue is recognized upon delivery of product to customers. The timing of shipment is substantially the same as the timing of delivery to customers given the proximity of our distribution sites to our customers.

Sales, cost of materials sold, gross profit and operating expense control are the principal factors that impact our profitability:

Net Sales. Our sales volume and pricing is driven by market demand, which is largely determined by overall industrial production and conditions in specific industries in which our customers operate. Sales prices are also primarily driven by market factors such as overall demand and availability of product. Our net sales include revenue from product sales, net of returns, allowances, customer discounts and incentives.

Cost of materials sold. Cost of materials sold includes metal purchase and in-bound freight costs, third-party processing costs and direct and indirect internal processing costs. The cost of materials sold fluctuates with our sales volume and our ability to purchase metals at competitive prices. Increases in sales volume generally enable us both to improve purchasing leverage with suppliers, as we buy larger quantities of metals inventories, and to reduce operating expenses per ton sold.

Gross profit. Gross profit is the difference between net sales and the cost of materials sold. Our sales prices to our customers are subject to market competition. Achieving acceptable levels of gross profit is dependent on our acquiring metals at competitive prices, our ability to manage the impact of changing prices and efficiently managing our internal and external processing costs.

Operating expenses. Optimizing business processes and asset utilization to lower fixed expenses such as employee, facility and truck fleet costs which cannot be rapidly reduced in times of declining volume, and maintaining low fixed cost structure in times of increasing sales volume, have a significant impact on our profitability. Operating expenses include costs related to warehousing and distributing our products as well as selling, general and administrative expenses.

The metals service center industry is generally considered cyclical with periods of strong demand and higher prices followed by periods of weaker demand and lower prices due to the cyclical nature of the industries in which the largest consumers of metals operate. However, domestic metals prices are volatile and remain difficult to predict due to its commodity nature and the extent which prices are affected by interest rates, foreign exchange rates, energy prices, international supply/demand imbalances, surcharges and other factors.

Results of Operations