

Ryerson Holding Corp
Form 10-Q
July 31, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

or

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

For the transition period from to .

Commission File Number 333-169372

Ryerson Holding Corporation

(Exact name of registrant as specified in its charter)

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DELAWARE
(State or other jurisdiction of
incorporation or organization)

26-1251524
(I.R.S. Employer
Identification No.)

227 W. Monroe, 27th Floor

Chicago, Illinois 60606

(Address of principal executive offices)

(312) 292-5000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

As of July 30, 2012 there were 5,000,000 shares of Common Stock, par value \$0.01 per share, outstanding.

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RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES****Condensed Consolidated Statements of Comprehensive Income (Unaudited)****(In millions)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net sales	\$ 1,090.6	\$ 1,289.0	\$ 2,212.2	\$ 2,476.0
Cost of materials sold	906.6	1,125.1	1,837.4	2,155.4
Gross profit	184.0	163.9	374.8	320.6
Warehousing, delivery, selling, general and administrative	131.5	139.8	263.0	275.0
Restructuring and other charges		0.6		0.9
Impairment charge on fixed assets	0.9	2.5	0.9	2.5
Operating profit	51.6	21.0	110.9	42.2
Other income and (expense), net	0.8	(0.6)	0.5	5.1
Interest and other expense on debt	(32.6)	(30.6)	(64.1)	(60.3)
Income (loss) before income taxes	19.8	(10.2)	47.3	(13.0)
Provision for income taxes	4.4	7.8	7.0	6.6
Net income (loss)	15.4	(18.0)	40.3	(19.6)
Less: Net income (loss) attributable to noncontrolling interest	(0.2)		(0.3)	0.1
Net income (loss) attributable to Ryerson Holding Corporation	\$ 15.6	\$ (18.0)	\$ 40.6	\$ (19.7)
Comprehensive income (loss)	\$ 8.9	\$ (18.2)	\$ 41.6	\$ (14.7)
Less: Comprehensive income (loss) attributable to noncontrolling interest	(0.6)	0.1	(0.7)	0.2
Comprehensive income (loss) attributable to Ryerson Holding Corporation	\$ 9.5	\$ (18.3)	\$ 42.3	\$ (14.9)

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES****Condensed Consolidated Statements of Cash Flows (Unaudited)****(In millions)**

	Six Months Ended June 30,	
	2012	2011
Operating activities:		
Net income (loss)	\$ 40.3	\$ (19.6)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	22.8	21.6
Deferred income taxes	(0.8)	1.3
Provision for allowances, claims and doubtful accounts	0.6	3.2
Noncash interest expense related to debt discount amortization	24.4	19.4
Impairment charge on fixed assets	0.9	2.5
Restructuring and other charges		0.9
Gain on bargain purchase		(5.8)
Other items	0.9	0.3
Change in operating assets and liabilities, net of the effects of acquisitions:		
Receivables	(19.7)	(175.0)
Inventories	(75.5)	(0.6)
Other assets	(1.1)	(1.8)
Accounts payable	39.3	(2.0)
Accrued liabilities	(8.9)	(7.0)
Accrued taxes payable/receivable	1.2	6.8
Deferred employee benefit costs	(22.8)	(19.6)
Net adjustments	(38.7)	(155.8)
Net cash provided by (used in) operating activities	1.6	(175.4)
Investing activities:		
Acquisitions, net of cash acquired	(1.5)	(19.7)
Decrease in restricted cash	1.0	16.8
Capital expenditures	(25.9)	(19.1)
Investment in joint venture	(2.9)	
Increase in cash due to consolidation of joint venture	3.0	
Proceeds from sales of property, plant and equipment	8.5	6.6
Net cash used in investing activities	(17.8)	(15.4)
Financing activities:		
Net proceeds / (repayments) of credit facility borrowings	(8.5)	172.1
Credit facility issuance costs		(15.8)
Net increase / (decrease) in book overdrafts	(2.8)	17.6
Net cash provided by (used in) financing activities	(11.3)	173.9
Net decrease in cash and cash equivalents	(27.5)	(16.9)
Effect of exchange rate changes on cash and cash equivalents	(0.3)	1.1

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Net change in cash and cash equivalents	(27.8)	(15.8)
Cash and cash equivalents beginning of period	61.7	62.6
Cash and cash equivalents end of period	\$ 33.9	\$ 46.8
Supplemental disclosures:		
Cash paid (received) during the period for:		
Interest paid to third parties	\$ 35.8	\$ 35.0
Income taxes, net	7.0	(0.5)

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**RYERSON HOLDING CORPORATION AND SUBSIDIARY COMPANIES****Condensed Consolidated Balance Sheets**

(In millions, except shares)

	June 30, 2012 (unaudited)	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 33.9	\$ 61.7
Restricted cash	4.3	5.3
Receivables less provision for allowances, claims and doubtful accounts of \$7.6 and \$7.7, respectively	534.3	513.9
Inventories	809.2	732.4
Prepaid expenses and other current assets	37.5	41.0
Total current assets	1,419.2	1,354.3
Property, plant, and equipment, at cost	630.6	611.1
Less: Accumulated depreciation	148.0	131.4
Property, plant and equipment, net	482.6	479.7
Deferred income taxes	36.9	37.2
Other intangible assets	60.4	62.2
Goodwill	96.5	96.3
Deferred charges and other assets	26.0	28.7
Total assets	\$ 2,121.6	\$ 2,058.4
Liabilities		
Current liabilities:		
Accounts payable	\$ 282.5	\$ 245.1
Salaries, wages and commissions	37.2	40.2
Deferred income taxes	131.8	132.5
Other accrued liabilities	54.2	62.7
Short-term debt	36.3	