

Ryerson Holding Corp
Form 10-Q
November 02, 2010
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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 September 30, 2010

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.)

2621 West 15th Place

Chicago, Illinois 60608

(Address of principal executive offices)

(773) 762-2121

(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 October 29, 2010 there were 5,000,000 shares of Common Stock 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 Operations (Unaudited)****(In millions)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 1,031.7	\$ 777.2	\$ 2,923.4	\$ 2,325.0
Cost of materials sold	892.6	625.4	2,517.9	1,961.5
Gross profit	139.1	151.8	405.5	363.5
Warehousing, delivery, selling, general and administrative	128.6	114.2	374.7	356.4
Gain on insurance settlement			(2.6)	
Gain on sale of assets				(3.3)
Impairment charge on fixed assets	0.2	6.1	1.2	6.1
Other postretirement benefits curtailment gain				(1.3)
Operating profit	10.3	31.5	32.2	5.6
Other income and (expense), net	(1.9)	(6.8)	(2.0)	(8.6)
Interest and other expense on debt	(27.6)	(18.0)	(79.6)	(54.4)
Income (loss) before income taxes	(19.2)	6.7	(49.4)	(57.4)
Provision (benefit) for income taxes	(3.1)	14.0	3.2	86.6
Net loss	(16.1)	(7.3)	(52.6)	(144.0)
Less: Net income (loss) attributable to noncontrolling interest	0.2	0.1	0.1	(1.1)
Net loss attributable to Ryerson Holding Corporation	\$ (16.3)	\$ (7.4)	\$ (52.7)	\$ (142.9)

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)

	Nine Months Ended September 30,	
	2010	2009
Operating activities:		
Net loss	\$ (52.6)	\$ (144.0)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	27.9	26.3
Deferred income taxes	41.3	78.7
Noncash interest expense related to debt discount amortization	21.9	
Gain on sale of assets		(3.3)
Impairment charge on fixed assets	1.2	6.1
Other postretirement benefits curtailment gain		(1.3)
Gain on retirement of debt		(2.7)
Change in operating assets and liabilities, net of the effects of acquisitions:		
Receivables	(185.9)	99.6
Inventories	(100.1)	187.8
Other assets	5.8	1.1
Accounts payable	122.3	39.2
Accrued liabilities	20.1	(10.0)
Accrued taxes payable/receivable	(39.5)	27.6
Deferred employee benefit costs	(38.5)	(4.1)
Other items	(0.7)	1.6
Net adjustments	(124.2)	446.6
Net cash provided by (used in) operating activities	(176.8)	302.6
Investing activities:		
Acquisitions, net of cash acquired	(12.0)	
Decrease in restricted cash	0.5	0.1
Capital expenditures	(19.9)	(16.8)
Proceeds from sale of joint venture		49.0
Proceeds from sales of property, plant and equipment	4.4	14.8
Other	(14.8)	
Net cash provided by (used in) investing activities	(41.8)	47.1
Financing activities:		
Long term debt issued	220.2	
Repayment of debt	(10.6)	(3.3)
Proceeds from credit facility borrowings	180.0	
Repayment of credit facility borrowings	(180.0)	
Net proceeds / (repayments) of credit facility borrowings	155.0	(386.5)
Purchase of subsidiary shares from noncontrolling interest	(17.5)	
Debt issuance costs	(5.7)	

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Net increase in book overdrafts	23.9	1.8
Dividends paid	(213.8)	(56.5)
Net cash provided by (used in) financing activities	151.5	(444.5)
Net decrease in cash and cash equivalents	(67.1)	(94.8)
Effect of exchange rate changes on cash and cash equivalents	3.1	7.7
Net change in cash and cash equivalents	(64.0)	(87.1)
Cash and cash equivalents beginning of period	115.0	130.4
Cash and cash equivalents end of period	\$ 51.0	\$ 43.3
Supplemental disclosures:		
Cash paid (received) during the period for:		
Interest paid to third parties	\$ 37.9	\$ 38.7
Income taxes, net	0.1	(17.5)

See Notes to Condensed Consolidated Financial Statements.

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

(In millions, except shares)

	September 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 51.0	\$ 115.0
Restricted cash	19.0	19.5
Receivables less provision for allowances, claims and doubtful accounts of \$9.4 and \$10.5, respectively	547.1	357.4
Inventories	710.7	601.7
Prepaid expenses and other current assets	95.9	42.8
Total current assets	1,423.7	1,136.4
Property, plant, and equipment, at cost	574.7	545.0
Less: Accumulated depreciation	95.1	67.5
Property, plant and equipment, net	479.6	477.5
Deferred income taxes	55.2	55.8
Other intangible assets	11.8	12.8
Goodwill	82.0	71.0
Deferred charges and other assets	22.8	22.3
Total assets	\$ 2,075.1	\$ 1,775.8
Liabilities		
Current liabilities:		
Accounts payable	\$ 323.9	\$ 173.7
Salaries, wages and commissions	42.9	36.7
Deferred income taxes	137.3	96.1
Other accrued liabilities	58.6	35.5
Short-term credit facility borrowings	26.0	28.4
Current portion of deferred employee benefits	15.6	15.6
Total current liabilities	604.3	386.0
Long-term debt		