# RYERSON

## Morgan Stanley Presentation

August 2022

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These materials do not constitute an offer or solicitation to purchase or sell securities of Ryerson Holding Corporation (“Ryerson” or “the Company”) or its subsidiaries and no investment decision should be made based upon the information provided herein. Ryerson strongly urges you to review its filings with the Securities and Exchange Commission, which can be found at **https://ir.ryerson.com/financials/sec-filings/default.aspx.** This site also provides additional information about Ryerson.

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Certain statements made in this presentation and other written or oral statements made by or on behalf of the Company constitute "forward-looking statements" within the meaning of the federal securities laws, including statements regarding our future performance, as well as management's expectations, beliefs, intentions, plans, estimates, objectives, or projections relating to the future. Such statements can be identified by the use of forward-looking terminology such as “objectives,” “goals,” “preliminary,” “range,” "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. The Company cautions 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 our business are: the cyclicality of our business; the highly competitive, volatile, and fragmented metals industry in which we operate; fluctuating metal prices; our substantial indebtedness and the covenants in instruments governing such indebtedness; the integration of acquired operations; regulatory and other operational risks associated with our operations located inside and outside of the United States; impacts and implications of adverse health events, including the COVID-19 pandemic; work stoppages; obligations under certain employee retirement benefit plans; the ownership of a majority of our equity securities by a single investor group; currency fluctuations; and consolidation in the metals industry. Forward-looking statements should, therefore, be considered in light of various factors, including those set forth above and those set forth under "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2021, our quarterly report on Form 10-Q for the quarter ended June 30, 2022, and in our other filings with the Securities and Exchange Commission. Moreover, we caution against placing undue reliance on these statements, which speak only as of the date they were made. The Company does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events or circumstances, new information or otherwise.

## Non-GAAP Measures

Certain measures contained in these slides or the related presentation are not measures calculated in accordance with generally accepted accounting principles (“GAAP”). They should not be considered a replacement for GAAP results. Non-GAAP financial measures appearing in these slides are identified in the footnotes.
A reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures is included in the Appendix.

# Agenda

1 Who We Are

2 Capital Structure Transformation

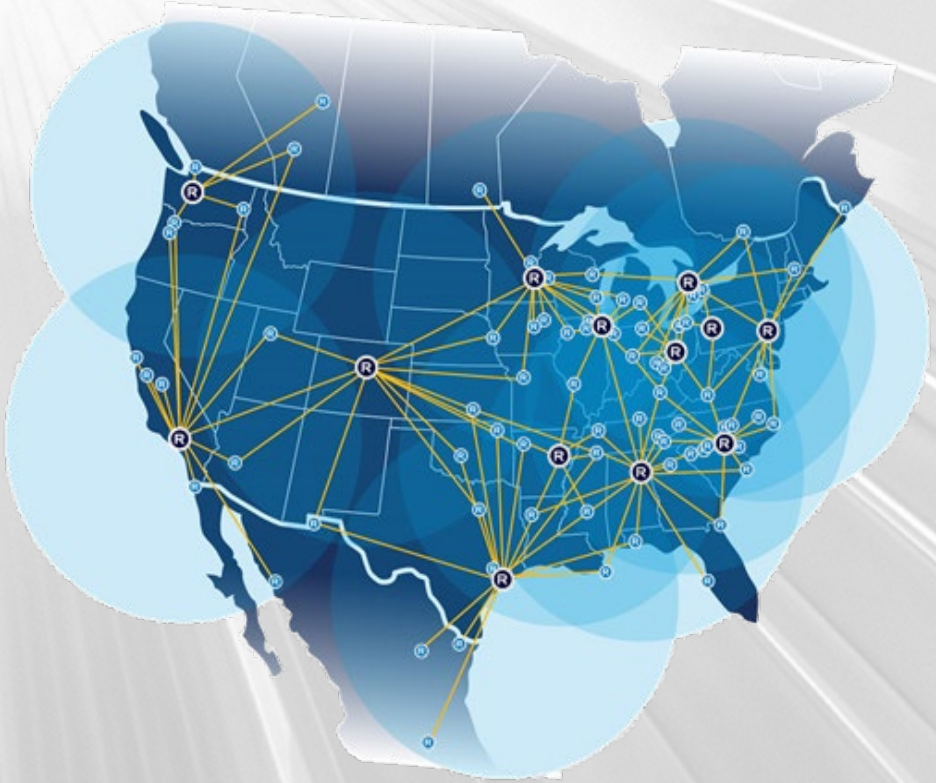
3 Appendix

# Who We Are

# Intelligent Network of Industrial Metals Service Centers

***Great customer experiences at speed, scale and consistency***

- Say “yes” culture
- ~100 company-operated locations
- Hundreds of “virtual” locations
- Dedicated logistics network
- Availability, speed, ease, consistency
- Advanced value-add
- Diversified (metals mix, 40k customers, 75k products)
- 24/7 e-commerce platform
- 180 years of continuous operations as an industry leader beginning in 1842



**$1.74B**
**Net Sales**
Q2 2022

**$5.10**
**Diluted Earnings per Share**[1]
Q2 2022

[1] A reconciliation of non-GAAP financial measures to the comparable GAAP measure is included in the Appendix. See Ryerson’s 8-K filed on August 3, 2022

# At Nexus of Fragmented $230 Billion Industry

## SUPPLIERS

- Primarily produce “hot metal" cast into coils, plates, and bars
- Produce and ship large volumes
- Have long and potentially volatile lead times

## RYERSON

- Inventory of 75k owned metal products plus more than 50k "virtually" mapped items
- Interconnected North American network with ~100 company operated locations and over 400 third-party mapped locations
- Product and end-market expertise

## CUSTOMERS

- Require a variety of products/services
- Purchase to spot bill of materials requirements
- Seek value-added attributes-based partnership

## OUR POSITION IN THE VALUE CHAIN PROVIDES:

- RISK MANAGED AND VALUE-ADDED SUPPLY CHAIN SERVICES
- COUNTERCYCLICAL CASH FLOWS
- ON-DEMAND PRODUCTS AND SERVICES
- NETWORK REACH TO ALL POINTS OF FRAGMENTATION

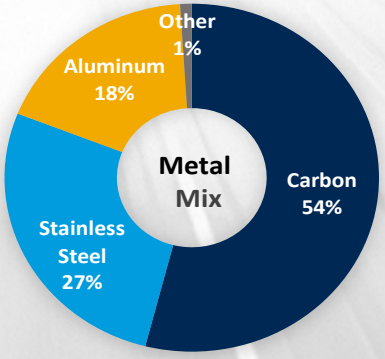
*Industry size based on IBIS World “Metal Wholesaling in the US” October 2021 report.

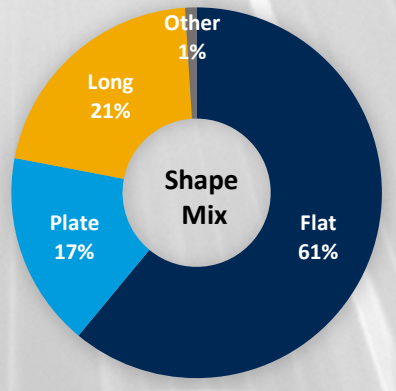
# Company Snapshot

| | |
|---|---|
| Headquarters | Chicago, IL |
| Operating Locations | ~100 |
| TTM Revenue | $6,601.3M |
| TTM Adj. EBITDA[1] | $1,014.5M |
| TTM Adj. EBITDA[1] Margin | 15.4% |
| Market Cap[2] | $1,015.3M |
| Net Debt[3] | $492.0M |
| Global Employees | ~4,000 |

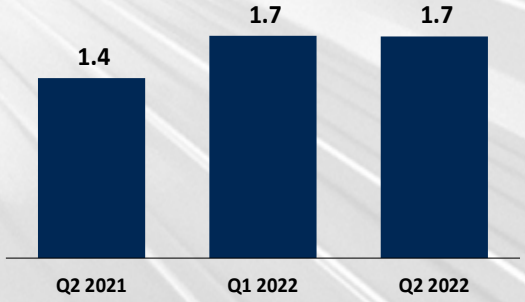
- Leading provider of value-added metals services with ~100 interconnected company operated locations across North American
- Driving improved customer experiences through innovation, integration, and supply-chain optimization

**2021 Revenue ($5.9B)**

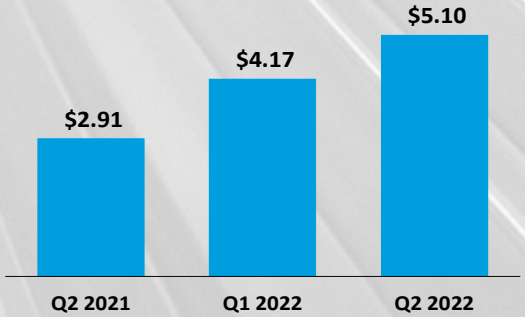



**Revenue ($B)**




**Diluted Earnings Per Share**

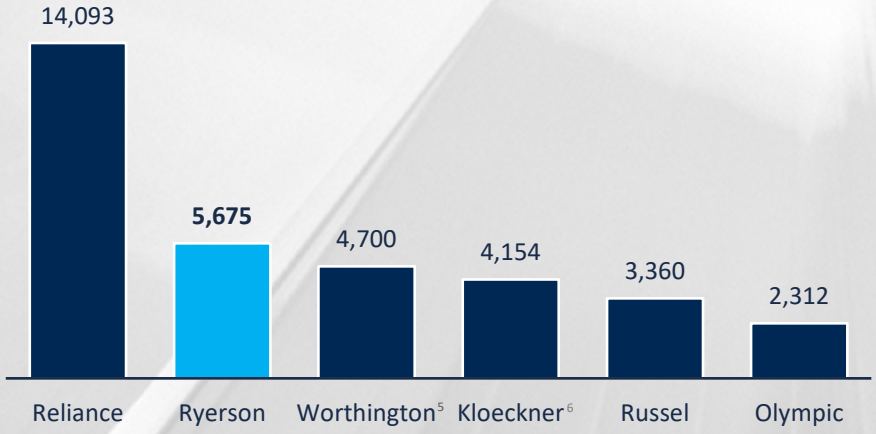



[1] Adjusted EBITDA excluding LIFO [2] Market Cap represents stock price as of July 29,2022 and shares outstanding as of June 30, 2022 [3] Net Debt as of June 30, 2022

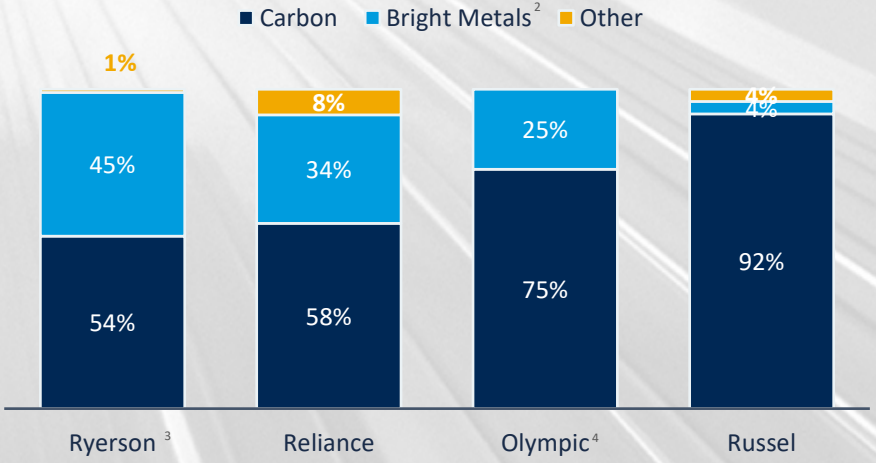
# One of the largest N.A. Service Centers

***2nd largest N.A. Service Center with a more diversified profile***

## 2021 Revenue ($m)




## 2021 Product Mix by Revenue[1]



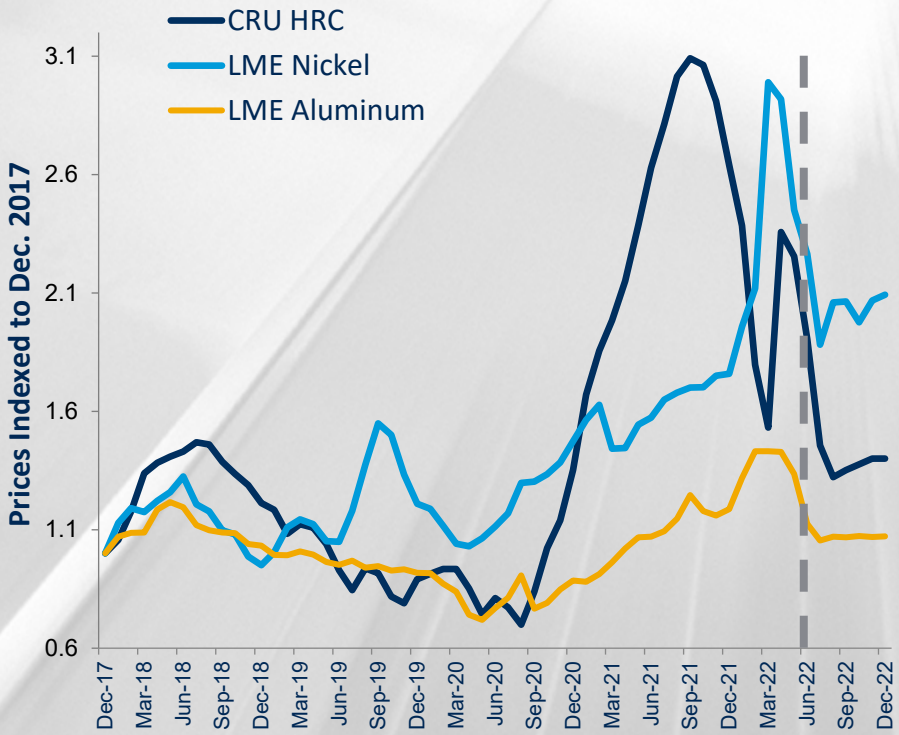

**Ryerson's scale and intelligently interconnected network creates a competitive advantage to provide customers with bespoke supply chain solutions**

[1] Competitor product mixes based on respective 10-K/10-Q reports
[2] Bright metals is made up of stainless steel and aluminum; Worthington has 25% revenue exposure to Other business and does not disclose metals mix of 75% revenue exposure to "Steel Processing", so has been excluded from Mix by Revenue Chart
[3] Ryerson mix as of 12/31/2021
[4] Olympic's tubular and pipe segment classified as carbon
[5] Worthington is based on Q3 2022 TTM
[6] Represents Kloeckner US Revenue converted to USD at average 2021 Euro to USD rate

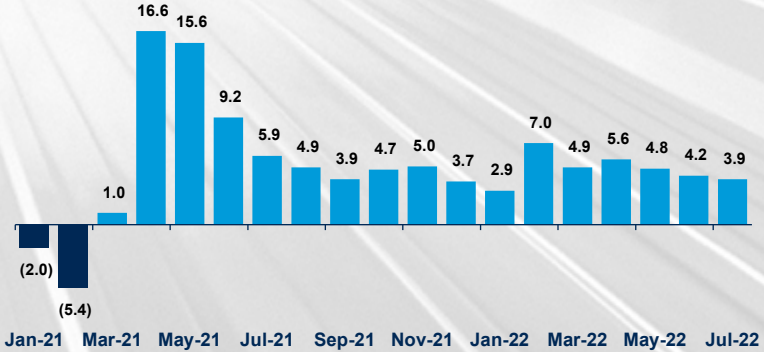
# Macro & Commodities

***Carbon steel and bright metals structurally higher despite slowing demand***

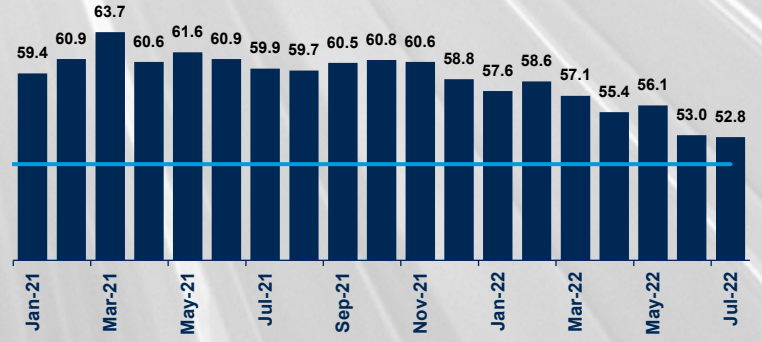
## Commodity Prices Since Dec. 2017




## U.S. Industrial Production




## U.S. ISM Purchasing Manager's Index




Sources: Bloomberg: prices through July 31, 2022; Futures prices as of August 2,2022; Federal Reserve, Industrial Production Index monthly year-over-year change; Bloomberg, U.S. Manufacturing PMI

# Ryerson “Periodic Table”

*How we deliver value to our customers*

**Metal**

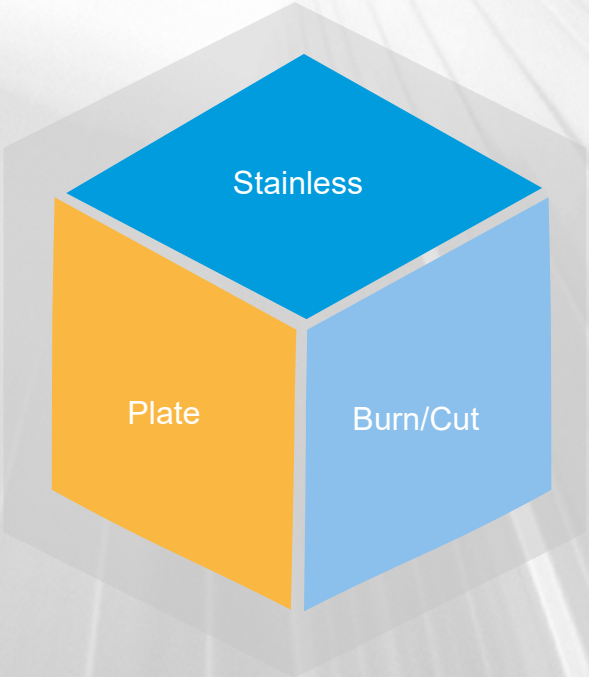
Carbon | Stainless | Aluminum

**Shape**

Flat | Long | Plate

**Processing**

Fabricated | Burn/ Cut | As-Is




**Contract or Transactional pricing/ duration**

**x**

**54 metal/ shape/ process combinations**

**=**

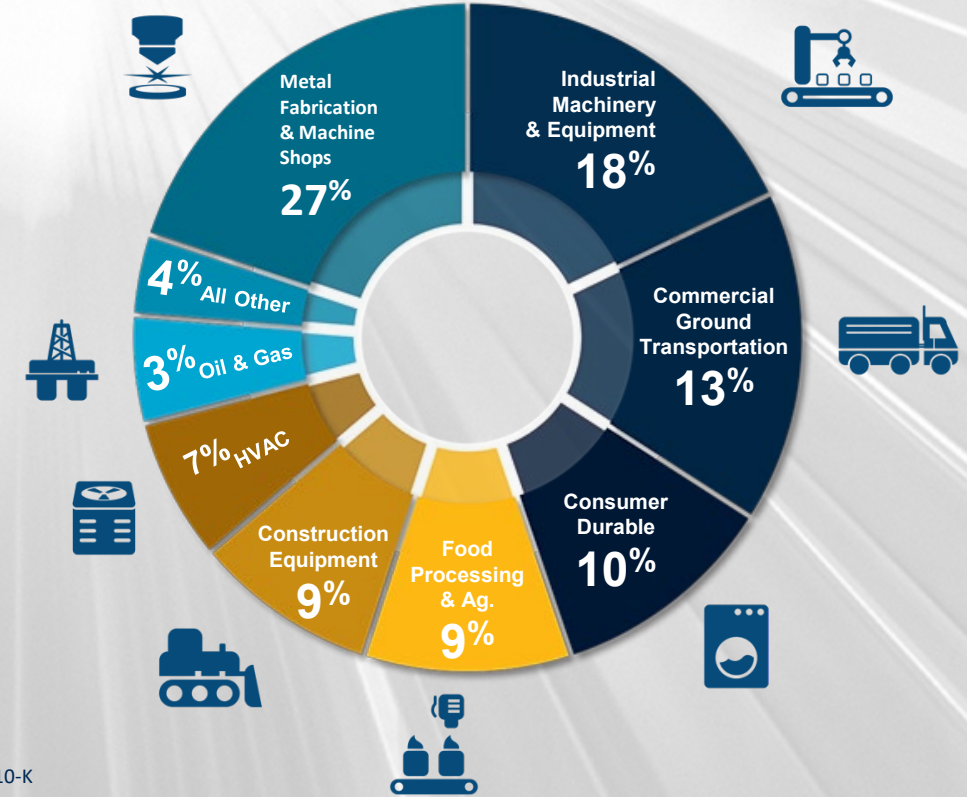
**Attractive margin combinations**

# Diverse End-Market Expertise

***Infrastructure and secular growth trends***

## *End-Markets of Future Growth*

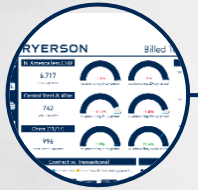
- Electric Vehicles
- Cloud Infrastructure
- Automation
- Renewable Energy
- E-Commerce Logistics
- Infrastructure




End-mark percentages based on 2021 sales as disclosed in Ryerson's Annual Report on Form 10-K

# The Network Effect – Building Systems

***Intelligently connected network offering great customer experiences with speed, scale and value-add across Ryerson's customer experience ecosystem***



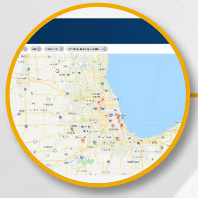

Pricing Analytics



Transportation Management




Speed to Quote



Fabrication Locator



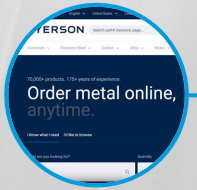
Intelligent Operations System



Customer Shipment Visibility



Virtual Warehouse




ryerson.com



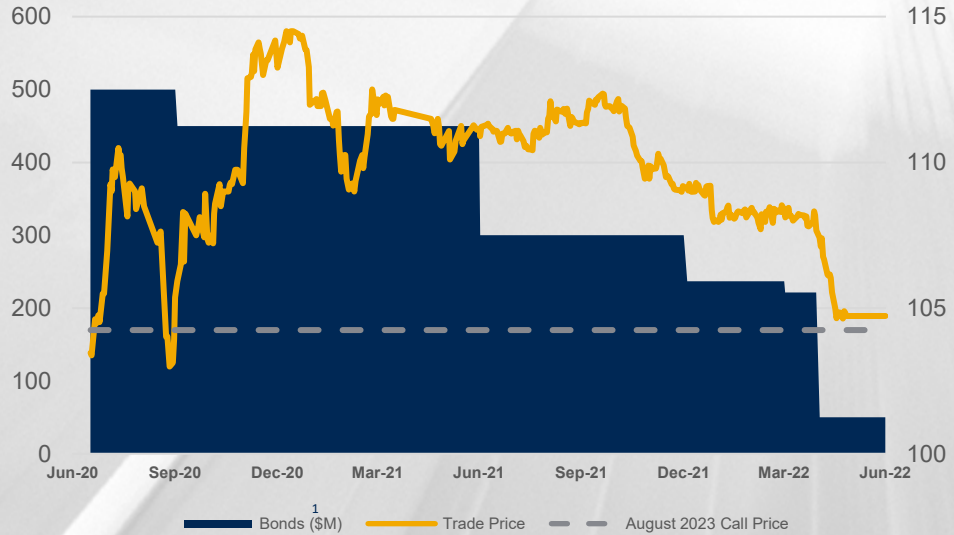
Footprint Optimization

# Capital Structure Transformation

# Driving Down Debt

***Reduction of debt in Q2 and July creates approx. $20M in pre-tax interest savings***

## Reduced Debt ($M)




## Reduced Interest

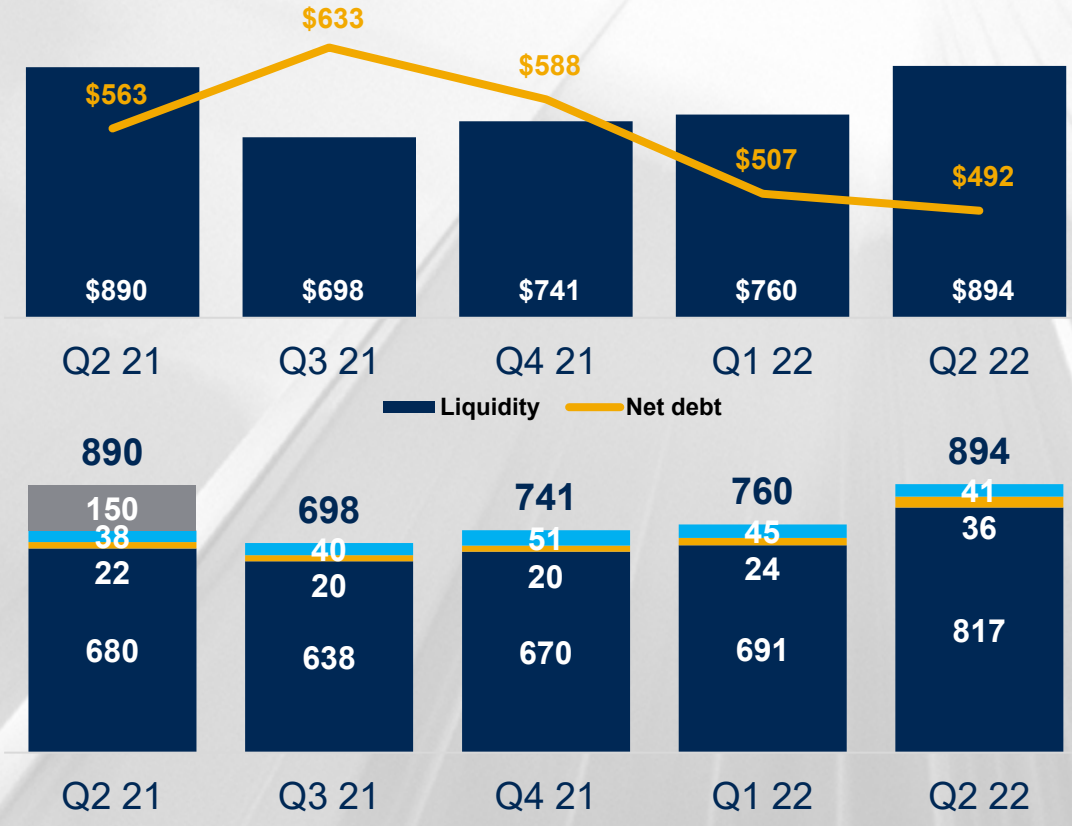
| | 2016 Refinance | 2020 Refinance | 2021 | Q1 2022 | Q2 2022 |
|---|---|---|---|---|---|
| Principal Amount | $650M | $500M | $300M | $237M | $50M |
| Coupon | 11.00% | 8.50% | 8.50% | 8.50% | 8.5% |
| Annual Interest | $71.5M | $42.5M | $25.5M | $20.1M | $4.3M |

- In Q2 2022, redeemed $186.9M of 2028 Senior Secured Notes
- In July 2022, redeemed remaining $50M of 2028 Senior Secured Notes

[1] Chart represents outstanding bond balance at end of indicated quarters

# Stronger Liquidity to Fund Operations and Investments

***Revolving Credit Facility Extension and Amendment creates interest savings and flexibility***

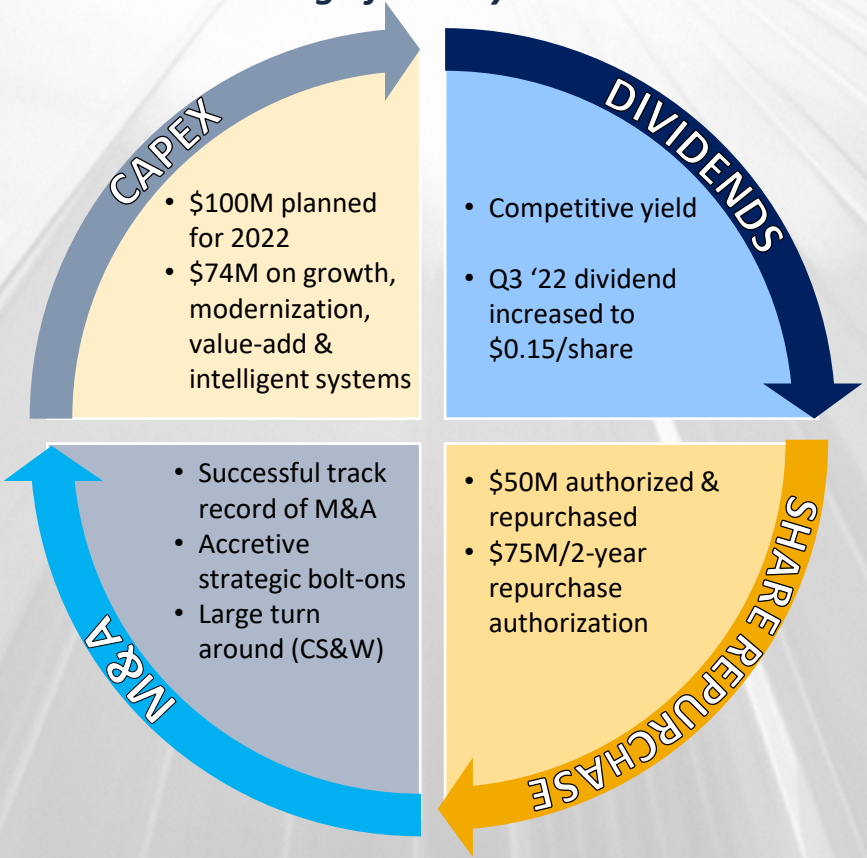



- Increased borrowing facility to $1.3B and extended maturity to 2027
- Global liquidity increased to $894M in Q2’22 from $760M in Q1’22
- Leverage maintained at historic low of 0.5x

- Cash and Cash Equivalents
- Foreign Availability
- Cash for Partially Redeeming 2028 Senior Secured Notes
- North American Availability

# Capital Allocation Plan Drives Value

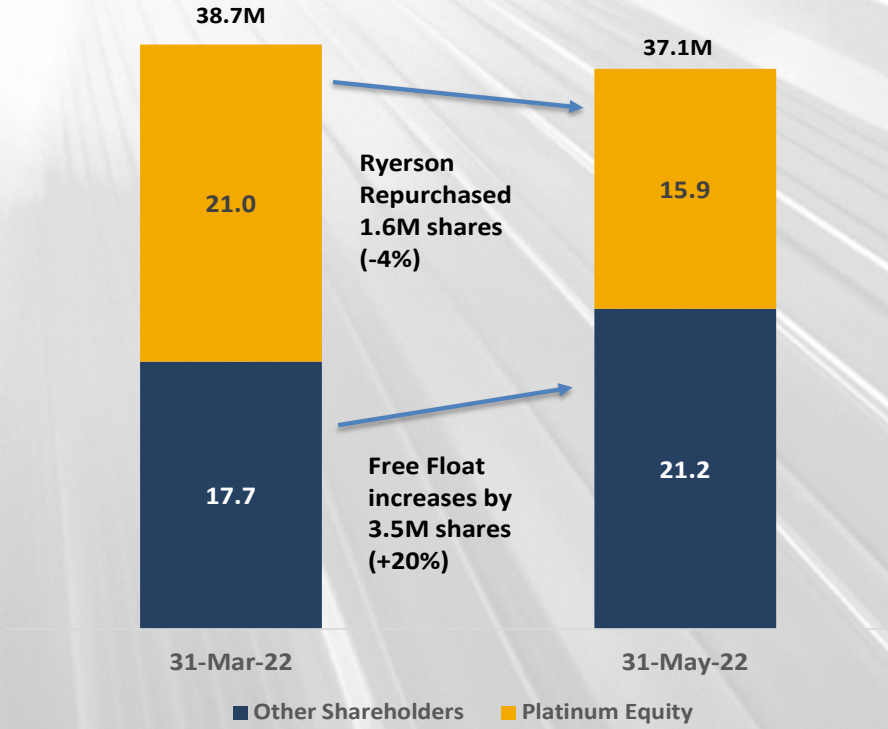
***Driving accretive shareholder value through four key tenets***



# Shareholder Structure Improved

***5.1 million share sell-down by controlling shareholder Platinum[1] improves free float***

- At March 31st Platinum owned 54% of Ryerson's shares outstanding, with remaining 46% freely floated
- On May 13th Platinum sold 5.1 (24%) of their 21.0 million share stake reducing ownership to 43%
- 3.5 million shares sold to Institutional Investors, enlarging free float by 20% to 57% of shares outstanding
- 1.6 million shares were concurrently repurchased by Ryerson from Platinum for $47.7 million, reducing overall share count by 4%




[1] Affiliates of Platinum Equity, LLC ("Platinum")

# Centralia and University Park expansions

***State-of-the art facilities on track to be future Ryerson growth hubs***

**Centralia, WA**
214k square feet



- Estimated completion by Q3‘22
- On schedule for permanent occupancy by Q3 ‘22

**University Park, IL**
900k square feet



- Construction initiated in Q1 ‘22
- On schedule for permanent occupancy by Q2 2023

# Disciplined, Successful M&A Strategy

***Accretive bolt-ons of strategically centric companies and large CS&W acquisition in 2018***

## Disciplined Criteria and Process

- Acquire capabilities and intellectual property that enhance the customer experience
- Accretive to gross margin and Adj. EBITDA excl. LIFO
- Focus on value-added processing
- Broaden transactional customer portfolio
- Enhance supply chain network and service points

## 15 Strategic Acquisitions Since 2010



# Ryerson Investment Case

## *RYI (NYSE)*

- Leading Metal Service Center
- Positive secular market dynamics
- Financial & operating model transformation
- Successful record of M&A and organic growth initiatives
- Returning cash to shareholders
- Growing book value and strong free cash flow yield
- Valuation re-rate lagging results



# Appendix

# Q2 2022 Key Financial Metrics

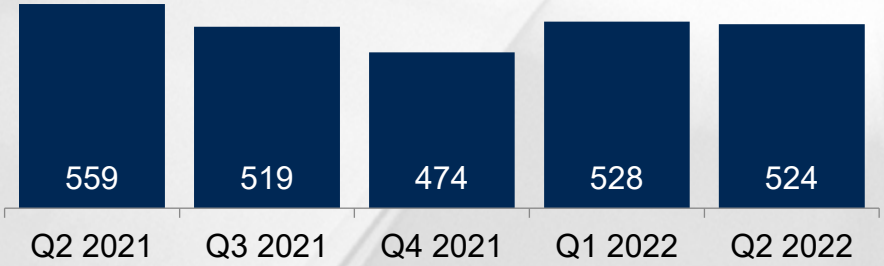
***Strong quarter with record EPS and balance sheet milestones allowing for greater future investment***

| Net Sales | Gross Margin | Net Income[1] | Diluted Earnings per Share | Debt |
|---|---|---|---|---|
| **$1.74B** | **26.7%** | **$196.4M** | **$5.10** | **$534M** |
| *-0.3% QoQ* | *+320 bps QoQ* | *+$32.8M QoQ* | *+$0.93 QoQ* | *-$18M QoQ* |
| **Tons Shipped** | **Gross Margin, excl. LIFO** | **Adj. EBITDA excl. LIFO** | **Adjusted Diluted Earnings per Share** | **Net Debt** |
| **524k** | **22.5%** | **$224M** | **$5.31** | **$492M** |
| *-0.8% QoQ* | *-110 bps QoQ* | *-$26.4M QoQ* | *+$1.04 QoQ* | *-$15M QoQ* |

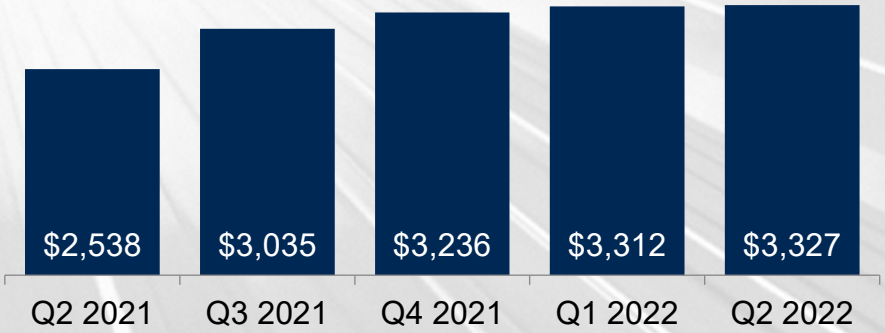
[1] Net Income attributable to Ryerson Holding Corporation;
A reconciliation of non-GAAP financial measures to the comparable GAAP measure is included in the Appendix. See Ryerson's 8-K filed on August 3, 2022

# Quarterly Financial Highlights

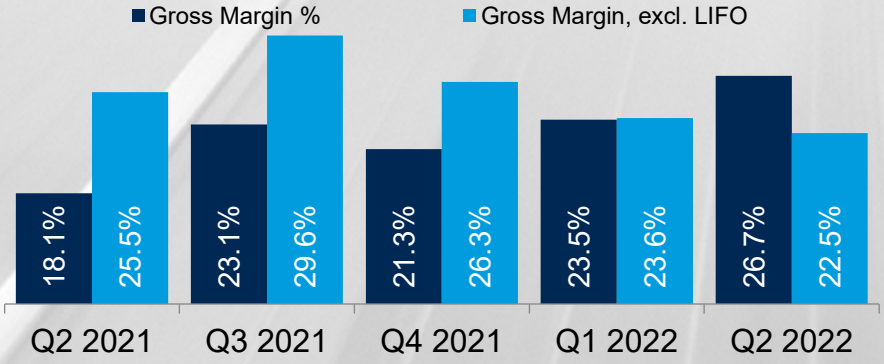
## Tons Sold (000's)



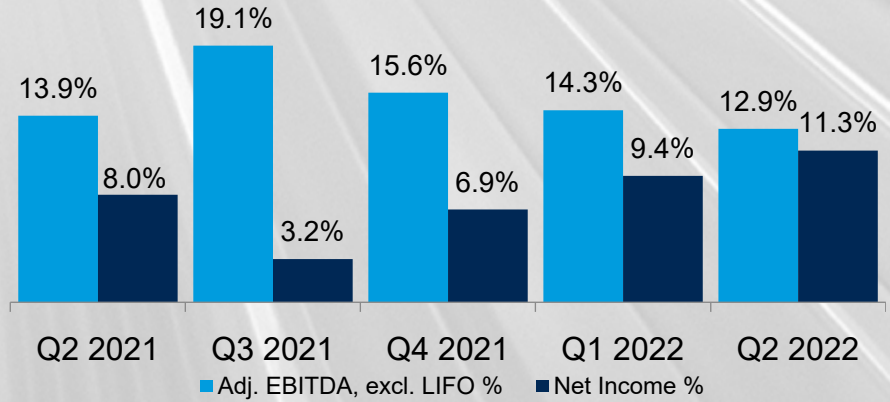

## Average Selling Price Per Ton




## Gross Margin & Gross Margin, excl. LIFO




## Adj EBITDA, excl. LIFO & Net Income[1] Margin




[1] Net Income attributable to Ryerson Holding Corporation
A reconciliation of non-GAAP financial measures to the comparable GAAP measure is included in this Appendix

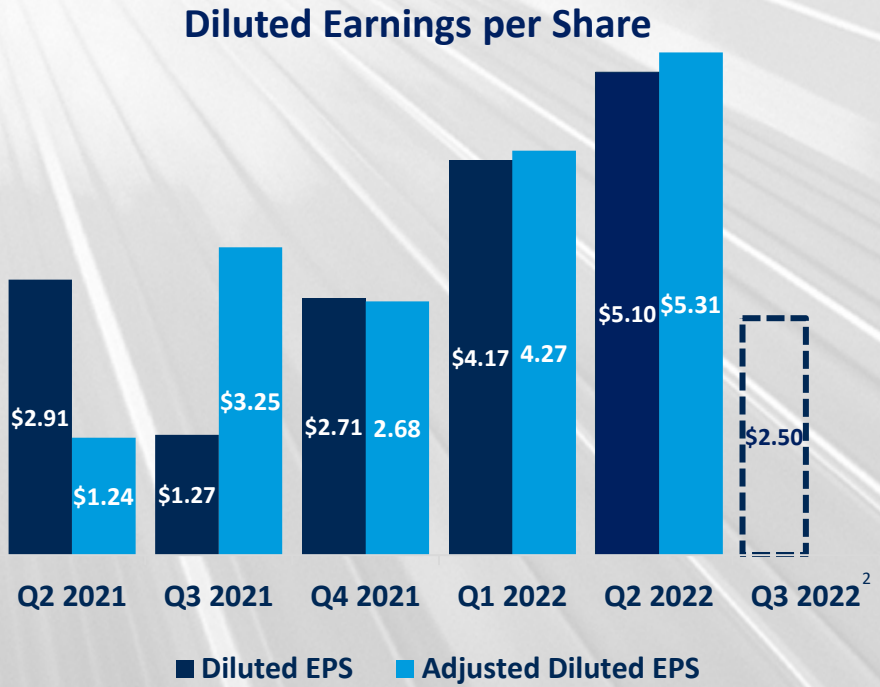
# Q3 2022 Guidance

***Ryerson anticipates a solid Q3 despite softening demand***

| Net Sales | Net Income[1] | Adj. EBITDA, excl. LIFO |
|---|---|---|
| $1.45 - 1.55B | $90 - 98M | $110 - 120M |

Third quarter revenue guidance of $1.45B to $1.55B assumes:

- Average Selling Price decrease of 5% to 8%
- Shipments decrease of 4% to 6%




[1] Net Income attributable to Ryerson Holding Corporation
[2] Diluted EPS of $2.50 represents the midpoint of our $2.40 - $2.60 guidance range. See Ryerson's 8-K filed on August 3, 2022

# ESG - Sustainable Materials

***Recyclable industrial metals are among the most sustainably applied materials in scale and at mass in the world, they are an essential and integral part of the world economy's future***

## RECYCLE

When looking to minimize climate impact, individuals and businesses can make a difference by using industrial metals rather than other materials

- Recycled industrial metals maintain inherent properties of original
- Industrial metals are the most recycled materials in the world
- Its production does not produce toxic run-off

## RECOVER/ REUSE

>75% of the metals we sell are processed before being delivered, which means less waste is needlessly shipped

- Programs/partnerships ensure metal is recycled and is not wasted
- We assist customers with beneficiation/recycling efforts

## REDUCE

The majority of our metal purchases use recycled metallic feedstock in electric arc furnaces (EAF) and remelt furnaces, which has up to 75% lower CO2 intensity

- ~70% of N. American steel production is EAF*
- CO2 intensity of steel produced in America is lowest of any major steel producing nation+
- Mills offer net-zero equivalent steel
- We purchase +90% of total tons from North American sources
- ~66% of our domestic stainless & carbon in 2021 produced by EAF

*Electric Arc Furnace; Source: Steel Manufacturers Assn.
+ American Iron and Steel Institute, https://www.steel.org/wp-content/uploads/2021/03/Sustainability-Key-Messages.pdf

# Experienced Management Team



## Eddie Lehner

***President and Chief Executive Officer*** | **7 years**

- 10 years at Ryerson
- 32 years of industry experience



## Mike Burbach

***Chief Operating Officer*** | **1 year**

- 38 years at Ryerson
- 38 years of industry experience



## Molly Kannan

***Controller and Chief Accounting Officer*** | **7 years**

- 13 years at Ryerson
- 13 years of industry experience



## Mark Silver

***Executive Vice President, General Counsel, & Chief HR Officer*** | **6 years**

- 9 years at Ryerson
- 9 years of industry experience



## Jim Claussen

***Executive Vice President and Chief Financial Officer*** | **1 year**

- 20 years at Ryerson
- 27 years of industry experience



## John Orth

***Executive Vice President - Operations*** | **4 years**

- 4 years at Ryerson
- 29 years of industry experience



## Srini Sundarrajan

***Chief Information Officer*** | **3 years**

- 3 years at Ryerson
- 3 years of industry experience

**X years** represents years in current role

# Non-GAAP Reconciliation

Note: EBITDA represents net income before interest and other expense on debt, provision for income taxes, depreciation, and amortization. Adjusted EBITDA gives further effect to, among other things, reorganization expenses, gain or loss on retirement of debt, loss on pension settlement, purchase consideration and other transaction costs, and foreign currency transaction gains and losses. We believe that the presentation of EBITDA, Adjusted EBITDA, and Adjusted EBITDA, excluding LIFO expense (income), provides useful information to investors regarding our operational performance because they enhance an investor's overall understanding of our core financial performance and provide a basis of comparison of results between current, past, and future periods. We also disclose the metric Adjusted EBITDA, excluding LIFO expense (income), to provide a means of comparison amongst our competitors who may not use the same basis of accounting for inventories. EBITDA, Adjusted EBITDA, and Adjusted EBITDA, excluding LIFO expense (income), are three of the primary metrics management uses for planning and forecasting in future periods, including trending and analyzing the core operating performance of our business without the effect of U.S. generally accepted accounting principles, or GAAP, expenses, revenues, and gains (losses) that are unrelated to the day to day performance of our business. We also establish compensation programs for our executive management and regional employees that are based upon the achievement of pre-established EBITDA, Adjusted EBITDA, and Adjusted EBITDA, excluding LIFO expense (income), targets. We also use EBITDA, Adjusted EBITDA, and Adjusted EBITDA, excluding LIFO expense (income), to benchmark our operating performance to that of our competitors. EBITDA, Adjusted EBITDA, and Adjusted EBITDA, excluding LIFO expense (income), do not represent, and should not be used as a substitute for, net income or cash flows from operations as determined in accordance with generally accepted accounting principles, and neither EBITDA, Adjusted EBITDA, nor Adjusted EBITDA, excluding LIFO expense (income), is necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. This release also presents gross margin, excluding LIFO expense (income), which is calculated as gross profit minus LIFO expense (income), divided by net sales. We have excluded LIFO expense (income) from gross margin and Adjusted EBITDA as a percentage of net sales metrics in order to provide a means of comparison amongst our competitors who may not use the same basis of accounting for inventories as we do. Our definitions of EBITDA, Adjusted EBITDA, Adjusted EBITDA, excluding LIFO expense (income), gross margin, excluding LIFO expense (income), and Adjusted EBITDA, excluding LIFO expense (income), as a percentage of sales may differ from that of other companies. Adjusted Net income (loss) and Adjusted Earnings (loss) per share is presented to provide a means of comparison with periods that do not include similar adjustments.

# Non-GAAP Reconciliation: Quarterly Adjusted EBITDA, excl. LIFO

| ($M) | Q2 '21 | Q3 '21 | Q4 '21 | Q1 '22 | Q2 '22 |
|---|---|---|---|---|---|
| Tons Sold (000's) | 559 | 519 | 474 | 528 | 524 |
| Net Sales | 1,419.0 | 1,575.1 | 1,533.9 | 1,748.8 | 1,743.5 |
| Warehousing, delivery, selling, general, and administrative expenses | 178.3 | 180.2 | 180.9 | 175.3 | 182.9 |
| Depreciation and amortization expense | 13.1 | 13.8 | 15.4 | 13.5 | 14.5 |
| Warehousing, delivery, selling, general, and administrative expenses excluding depreciation and amortization | 165.2 | 166.4 | 165.5 | 161.8 | 168.4 |
| *Warehousing, delivery, selling, general, and administrative expenses excluding depreciation and amortization % of net sales* | *11.6%* | *10.6%* | *10.8%* | *9.3%* | *9.7%* |
| **Net income attributable to Ryerson Holding Corporation** | **112.9** | **49.7** | **106.4** | **163.6** | **196.4** |
| Interest and other expense on debt | 13.6 | 13.7 | 10.2 | 10.3 | 8.3 |
| Provision for income taxes | 38.5 | 16.1 | 31.5 | 55.0 | 66.8 |
| Depreciation and amortization expense | 13.1 | 13.8 | 15.4 | 13.5 | 14.5 |
| **EBITDA** | **178.1** | **93.3** | **163.5** | **242.4** | **286.0** |
| Reorganization | 1.0 | 0.6 | 1.6 | 0.4 | 0.6 |
| Gain on sale of assets | (87.4) | - | (1.9) | - | (3.8) |
| Loss on retirement of debt | - | 5.5 | - | 5.3 | 14.5 |
| Foreign currency transaction (gains) losses | (0.2) | - | (0.3) | - | 0.7 |
| Pension settlement charge | - | 98.3 | - | - | - |
| Other adjustments | 1.1 | 1.0 | 0.3 | 0.3 | - |
| **Adjusted EBITDA** | **92.6** | **198.7** | **163.2** | **248.4** | **298.0** |
| LIFO expense (income) | 104.8 | 102.3 | 75.5 | 2.2 | (73.8) |
| **Adjusted EBITDA, excluding LIFO** | **197.4** | **301.0** | **238.7** | **250.6** | **224.2** |
| *Adjusted EBITDA Margin, excluding LIFO* | *13.9%* | *19.1%* | *15.6%* | *14.3%* | *12.9%* |
| Net income attributable to Ryerson Holding | 112.9 | 49.7 | 106.4 | 163.6 | 196.4 |
| *Net Income margin* | *8.0%* | *3.2%* | *6.9%* | *9.4%* | *11.3%* |

# Adjusted Net Income Reconciliation

***Q2 2022 reported net income[1] of $196.4 million reflects a $3.8 million gain on sales of assets and a $14.5 million cash loss on the early retirement of debt. Excluding tax effected impacts of $2.7 million, adjusted earnings were $204.4 million in Q2 2022***

| (Dollars and shares in millions, except per share data) | Q2 '21 | Q3 '21 | Q4 '21 | Q1' 22 | Q2' 22 |
|---|---|---|---|---|---|
| **Net income attributable to Ryerson Holding Corporation** | **$112.9** | **$49.7** | **$106.4** | **$163.6** | **$196.4** |
| Gain on sale of assets | (87.4) | - | (1.9) | - | (3.8) |
| Restructuring and other charges | - | - | - | - | - |
| Loss on retirement of debt | - | 5.5 | - | 5.3 | 14.5 |
| Pension settlement charge | - | 98.3 | - | - | - |
| Provision (benefit) for income taxes | 22.4 | (26.6) | 0.5 | (1.4) | (2.7) |
| **Adjusted net income attributable to Ryerson Holding Corporation** | **$47.9** | **$126.9** | **$105.0** | **$167.5** | **$204.4** |
| **Diluted earnings per share** | $2.91 | $1.27 | $2.71 | $4.17 | $5.10 |
| Adjusted diluted earnings per share | $1.24 | $3.25 | $2.68 | $4.27 | $5.31 |
| Shares outstanding - diluted | 38.7 | 39.1 | 39.2 | 39.2 | 38.5 |

[1] Net Income attributable to Ryerson Holding Corporation

# Non-GAAP Reconciliations: Net Debt

| (In millions) | Q2 ’21 | Q3 ’21 | Q4 ’21 | Q1 ’22 | Q2 ’22 |
|---|---|---|---|---|---|
| Total debt | 600.9 | 672.6 | 639.3 | 551.3 | 533.5 |
| Less: cash and cash equivalents | (38.1) | (39.9) | (51.2) | (44.7) | (41.4) |
| **Net debt** | **$562.8** | **$632.7** | **$588.1** | **$506.6** | **$492.1** |