

# Ryerson Quarterly Release Presentation

## Q4 and Full-Year 2023

## Important Information About Ryerson Holding Corporation

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.

## Safe Harbor Provision

Certain statements made in this release 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; the impact of geopolitical events; fluctuating metal prices; our 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; the influence of a single investor group over our policies and procedures; work stoppages; obligations under certain employee retirement benefit plans; 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 most recent our annual report on Form 10-K 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.

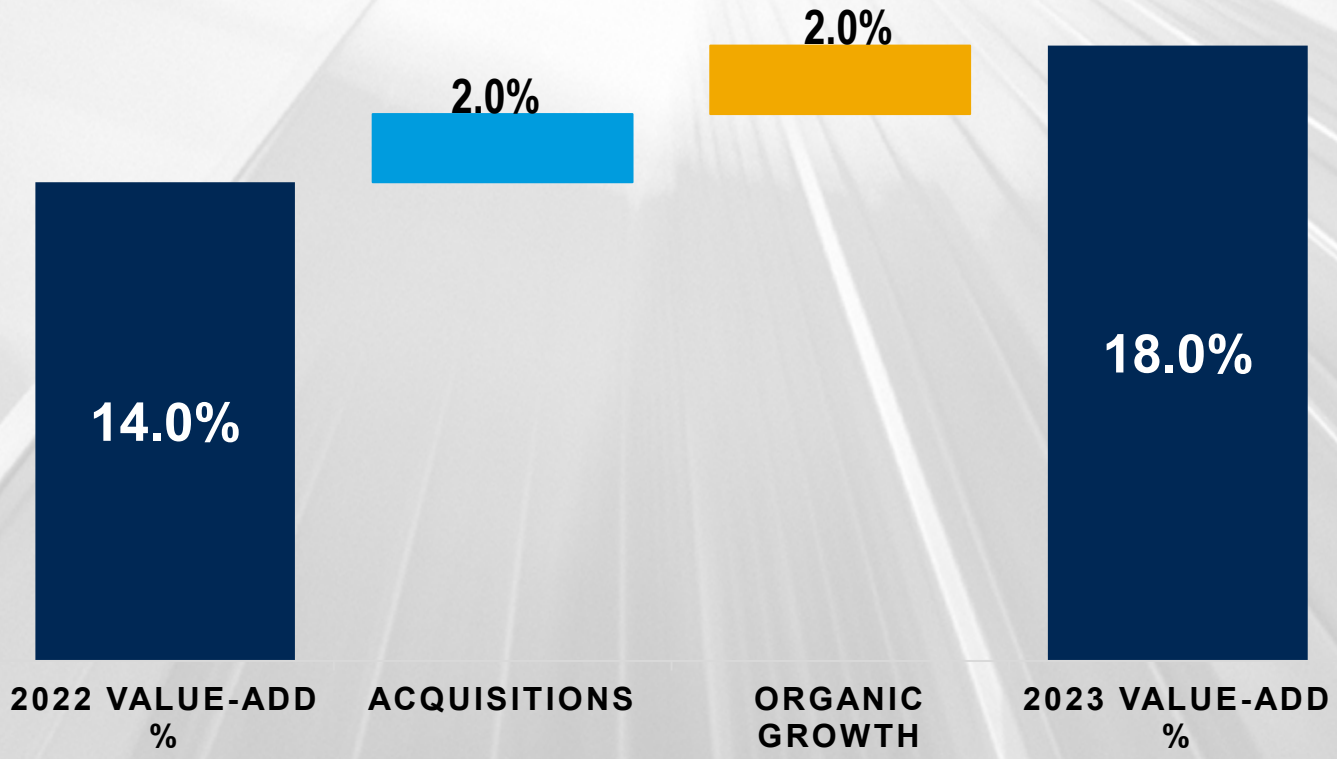
# Q4 and Full-Year 2023

- **Achieved** fourth quarter Net Income attributable to Ryerson Holding Corporation of $26 million and Adjusted EBITDA[1], excluding LIFO of $26 million
- **Delivered** fourth quarter Diluted Earnings Per Share of $0.74 on revenue of $1.1 billion
- **Generated** fourth quarter Operating Cash Flow of $90 million and Free Cash Flow of $65 million
- **Acquired** three businesses in the fourth quarter:  two value-added processors (Norlen Incorporated and TSA Processing) as well as a tool steel processor and distributor (Hudson Tool Steel Corporation)
- **Published** 2023 Sustainability Report
- **Announced** first quarter 2024 dividend of $0.1875 per share, our tenth consecutive dividend increase
- **Maintained** fourth quarter Net Leverage ratio within target range at 1.7x, with debt of $436 million and net debt[2] of $382 million as of December 31, 2023
- **Earned** full-year Net Income attributable to Ryerson Holding Corporation of $146 million and Adjusted EBITDA[1], excluding LIFO of $231 million
- **Delivered** full-year Diluted Earnings Per Share of $4.10 on revenue of $5.1 billion
- **Generated** full-year Operating Cash Flow of $365 million and Free Cash Flow of $244 million
- **Completed** second year of an investment cycle in next-stage operating model growth and shareholder returns through cumulative investments of $422 million in acquisitions and capex and returns to shareholders of $209 million in share buybacks and dividends since 2022

[1]For EBITDA, Adjusted EBITDA and Adj EBITDA excluding LIFO please see Appendix; [2]Net Debt is defined as Long Term Debt plus Short-Term Debt less Cash and Cash Equivalents and excludes Restricted Cash

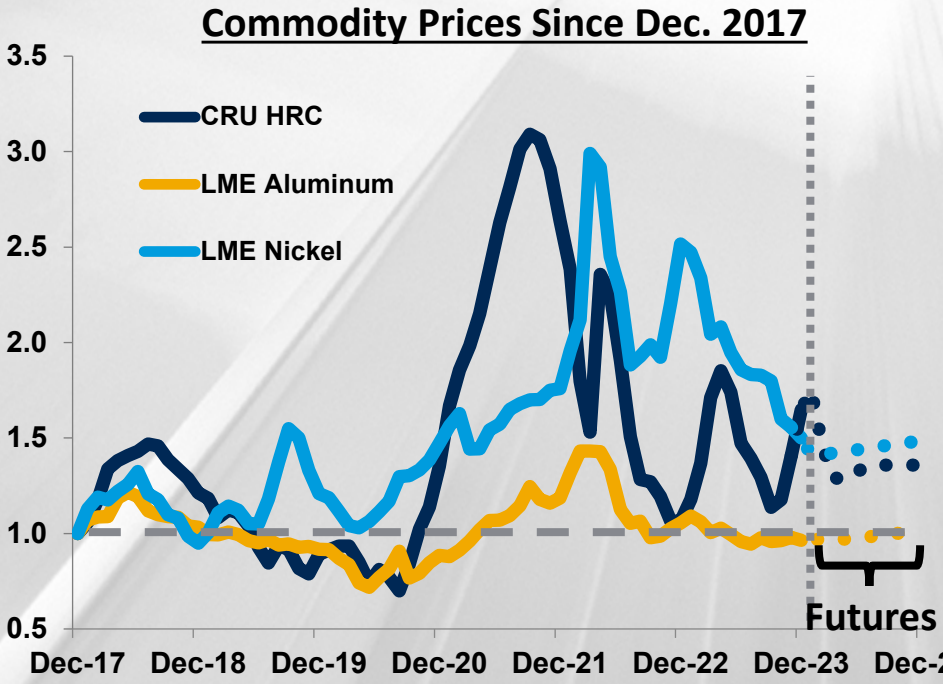
# Value-Add Sales

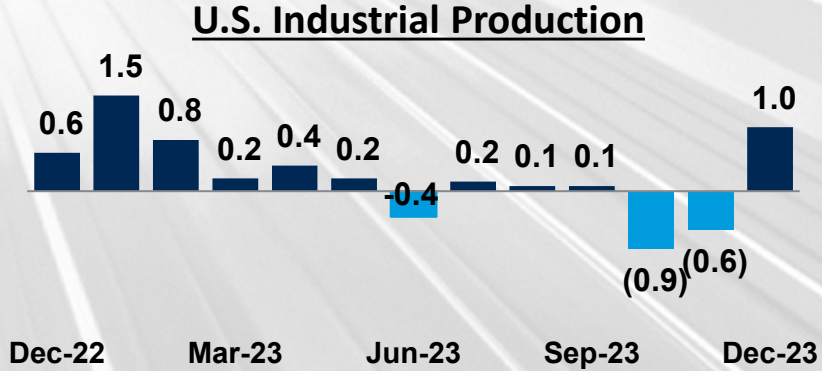
*Organic growth investments and acquisitions contributing to value-add sales growing to 18%*

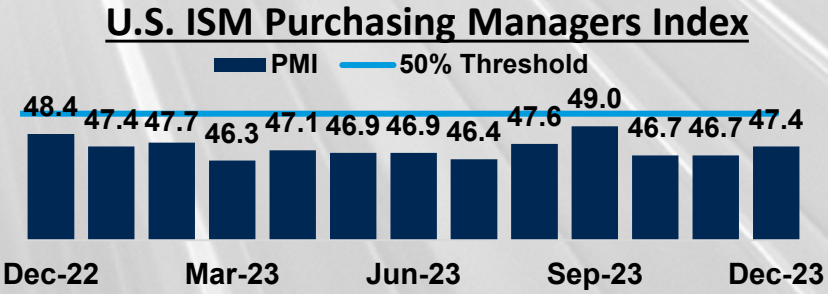


# Macro and Commodities

*Macroeconomic headwinds challenging commodity mix and slowing longer term emergent trends*




Sources: Bloomberg: prices through Dec 31, 2023; Futures prices as of Feb 19, 2024; Bloomberg, US Industrial Production Index Month YoY Change; Bloomberg, U.S. Manufacturing PMI

# Global PMIs

*World PMI remained in contraction territory in Q4, marking 16 consecutive months*

| | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **World** | **49.1** | **49.9** | **49.6** | **49.6** | **49.5** | **48.7** | **48.6** | **49.0** | **49.2** | **48.8** | **49.3** | **49.0** |
| **United States** | **46.9** | **47.3** | **49.2** | **50.2** | **48.4** | **46.3** | **49.0** | **47.9** | **49.8** | **50.0** | **49.4** | **47.9** |
| **Canada** | **51.0** | **52.4** | **48.6** | **50.2** | **49.0** | **48.8** | **49.6** | **48.0** | **47.5** | **48.6** | **47.7** | **45.4** |
| **Mexico** | **48.9** | **51.0** | **51.0** | **51.1** | **50.5** | **50.9** | **53.2** | **51.2** | **49.8** | **52.1** | **52.5** | **52.0** |
| **China** | **49.2** | **51.6** | **50.0** | **49.5** | **50.9** | **50.5** | **49.2** | **51.0** | **50.6** | **49.5** | **50.7** | **50.8** |
| Austria | 48.4 | 47.1 | 44.7 | 42.0 | 39.7 | 39.0 | 38.8 | 40.6 | 39.6 | 41.7 | 42.2 | 42.0 |
| Brazil | 47.5 | 49.2 | 47.0 | 44.3 | 47.1 | 46.6 | 47.8 | 50.1 | 49.0 | 48.6 | 49.4 | 48.4 |
| Czech Republic | 44.6 | 44.3 | 44.3 | 42.8 | 42.8 | 40.8 | 41.4 | 42.9 | 41.7 | 42.0 | 43.2 | 41.8 |
| Developed Markets | 48.0 | 48.1 | 48.4 | 48.5 | 47.6 | 46.3 | 47.1 | 46.8 | 47.4 | 47.5 | 47.7 | 47.0 |
| Emerging Markets | 49.9 | 51.6 | 50.7 | 50.5 | 51.4 | 51.1 | 50.2 | 51.4 | 50.9 | 50.1 | 50.9 | 50.9 |
| European Union | 48.6 | 48.3 | 47.3 | 45.8 | 44.9 | 43.4 | 42.7 | 43.4 | 43.4 | 43.2 | 44.4 | 44.5 |
| Eurozone | 48.8 | 48.5 | 47.3 | 45.8 | 44.8 | 43.4 | 42.7 | 43.5 | 43.4 | 43.1 | 44.2 | 44.4 |
| France | 50.5 | 47.4 | 47.3 | 45.6 | 45.7 | 46.0 | 45.1 | 46.0 | 44.2 | 42.8 | 42.9 | 42.1 |
| Germany | 47.3 | 46.3 | 44.7 | 44.5 | 43.2 | 40.6 | 38.8 | 39.1 | 39.6 | 40.8 | 42.6 | 43.3 |
| Greece | 49.2 | 51.7 | 52.8 | 52.4 | 51.5 | 51.8 | 53.5 | 52.9 | 50.3 | 50.8 | 50.9 | 51.3 |
| India | 55.4 | 55.3 | 56.4 | 57.2 | 58.7 | 57.8 | 57.7 | 58.6 | 57.5 | 55.5 | 56.0 | 54.9 |
| Indonesia | 51.3 | 51.2 | 51.9 | 52.7 | 50.3 | 52.5 | 53.3 | 53.9 | 52.3 | 51.5 | 51.7 | 52.2 |
| Ireland | 50.1 | 51.3 | 49.7 | 48.6 | 47.5 | 47.3 | 47.0 | 50.8 | 49.6 | 48.2 | 50.0 | 48.9 |
| Italy | 50.4 | 52.0 | 51.1 | 46.8 | 45.9 | 43.8 | 44.5 | 45.4 | 46.8 | 44.9 | 44.4 | 45.3 |
| Japan | 48.9 | 47.7 | 49.2 | 49.5 | 50.6 | 49.8 | 49.6 | 49.6 | 48.5 | 48.7 | 48.3 | 47.9 |
| Netherlands | 49.6 | 48.7 | 46.4 | 44.9 | 44.2 | 43.8 | 45.3 | 45.9 | 43.6 | 43.8 | 44.9 | 44.8 |
| Poland | 47.5 | 48.5 | 48.3 | 46.6 | 47.0 | 45.1 | 43.5 | 43.1 | 43.9 | 44.5 | 48.7 | 47.4 |
| Russia | 52.6 | 53.6 | 53.2 | 52.6 | 53.5 | 52.6 | 52.1 | 52.7 | 54.5 | 53.8 | 53.8 | 54.6 |
| South Korea | 48.5 | 48.5 | 47.6 | 48.1 | 48.4 | 47.8 | 49.4 | 48.9 | 49.9 | 49.8 | 50.0 | 49.9 |
| Spain | 48.4 | 50.7 | 51.3 | 49.0 | 48.4 | 48.0 | 47.8 | 46.5 | 47.7 | 45.1 | 46.3 | 46.2 |
| Taiwan | 44.3 | 49.0 | 48.6 | 47.1 | 44.3 | 44.8 | 44.1 | 44.3 | 46.4 | 47.6 | 48.3 | 47.1 |
| Turkey | 50.1 | 50.1 | 50.9 | 51.5 | 51.5 | 51.5 | 49.9 | 49.0 | 49.6 | 48.4 | 47.2 | 47.4 |
| United Kingdom | 47.0 | 49.3 | 47.9 | 47.8 | 47.1 | 46.5 | 45.3 | 43.0 | 44.3 | 44.8 | 47.2 | 46.2 |
| Vietnam | 47.4 | 51.2 | 47.7 | 46.7 | 45.3 | 46.2 | 48.7 | 50.5 | 49.7 | 49.6 | 47.3 | 48.9 |

Source: S&P Global, as of January 24, 2024

# Sequential Q4 2023 End-Market Trends

*North American volumes experienced seasonal slowdown*

| QoQ Volume | 2023 Sales Mix[1] |
|---|---|
| ↓ Metal Fab and Machine Shop | 25% |
| ↓ Industrial Equipment | 17% |
| ↓ Commercial Ground Transportation | 17% |
| ↓ Food & Ag | 9% |
| ↓ Consumer Durable | 9% |
| ↓ Construction/Heavy Equipment | 8% |
| ↓ HVAC | 7% |
| ↓ Oil & Gas | 4% |

## Commentary

*Ryerson's fourth quarter North American shipments reflected seasonal buying patterns as well as easing customer demand from industrial manufacturing and consumer goods related sectors.*

*For the full-year 2023, volumes increased in our commercial ground transportation and oil & gas end-markets, while decreasing across other end-markets .*

[1]2023 Sales Mix by tons Excludes Other Industry Sectors which represent approximately 4% of Ryerson sales mix;
Sales Mix based on 2023 results as disclosed in Ryerson's Annual Report on Form 10-K for the year ended December 31, 2023

# Q1 2024 Guidance

*Anticipate seasonal pickup in Q1 volumes and pricing*

| Net Sales | Net Income[1] | Adj. EBITDA, excl. LIFO |
|---|---|---|
| $1.21 - 1.25B | $8 - 11M | $58 - 62M |

**First quarter revenue guidance of $1.21B to $1.25B**

assumes:

- Average Selling Prices increase 1% to 3%
- Shipments increase between 8% to 10%

## Diluted Earnings per Share




[1]Net Income attributable to Ryerson Holding Corporation; [2]Diluted EPS of $0.29 represents the midpoint of our $0.24 - $0.34 guidance range. See Ryerson's 8-K filed on February 21, 2024

# Q4 2023 Selected Financial and Operating Metrics

## Asset Management

| Inventory Days of Supply | Cash Conversion Cycle |
|---|---|
| 89 | 85 |

The increase in the Company's cash conversion cycle was driven by an increase in inventory days of supply on restocking and targeted service level objectives.

## Cash Flow

| Cash from Operating activities | YTD Free Cash Flow Yield[1] |
|---|---|
| $90.1 | 20.6% |

Fourth quarter cash flow generation driven by net income generation as well as working capital release.

## Capital Investment

| Q4 2023 Investment | FY 2024 |
|---|---|
| $25M | $122M |

Service Center modernization investments in new service centers, expanded service centers and value-added capex.

## Expense Management

*Compared to Q3 2023*

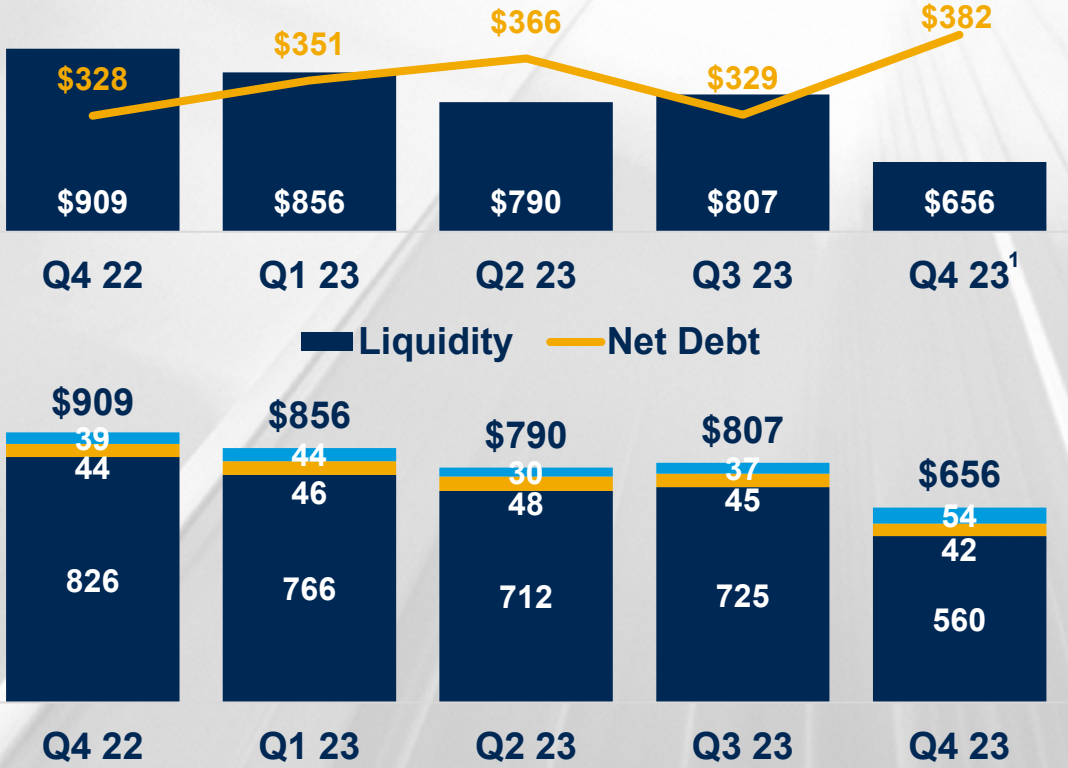
| Expense | Expense/Sales |
|---|---|
| +$11M | +280bps |

Expenses increased $10.7M, or 5.5%, sequentially driven by higher operating expenses from acquisitions, higher depreciation, and higher reorganization costs. Excluding reorganization costs, same store expenses lower year over year.

See Ryerson's 8-K filed on February 21, 2024. [1]YTD Free Cash Flow Yield is calculated based on Full Year 2023 free cash flow divided by period end market capitalization

# Liquidity and Leverage

*Liquidity remained strong and Net Leverage within target range*

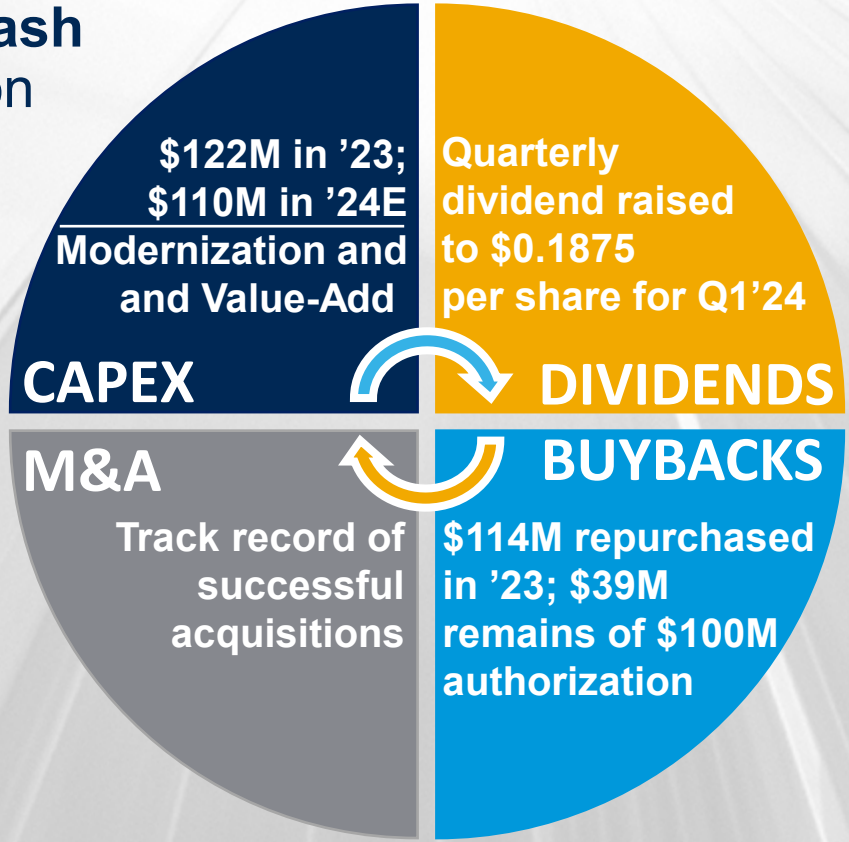



- Net Leverage of 1.7x in Q4 ’23 within target leverage range of 0.5x to 2.0x
- Global liquidity remained strong at $656M in Q4 ’23

[1]A reconciliation of Net Debt as well as other non-GAAP financial measures to comparable GAAP measures is included in the Appendix. See Ryerson’s 8-K filed on February 21, 2024

# Capital Allocation Plan

**Strong free cash flow** generation




**Supported our** four key pillars of Capital Allocation

# Capital Allocation Plan Update

*Ryerson distributed its tenth quarterly cash dividend and completed ~$6.3M in share repurchases in the fourth quarter. On February 21, 2024, the Board of Directors approved a tenth consecutive dividend increase, raising the Company's first quarter of 2024 dividend to $0.1875 per share*

*Q4 2023 Allocation:*

**$0.1850**
per Share
Return of capital to investors

and

**$6.3M**
Share repurchases completed in
Q4 2023

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*Q1 2024 Announced:*

**$0.1875**
per Share
Return of capital to investors

Ryerson's dividend increase is enabled by a transformed balance sheet and continued prioritization of shareholder returns as part of a balanced capital allocation strategy

# Q4 2023 Key Financial Metrics

| Net Sales | Gross Margin | Net Income[1] | Diluted Earnings per Share | Debt |
|---|---|---|---|---|
| **$1.1B** | **22.2%** | **$25.8M** | **$0.74** | **$436M** |
| *-10.8% QoQ* | *+220 bps QoQ* | *-$9.2M QoQ* | *-$0.26 QoQ* | *+$70M QoQ* |

| Tons Shipped | Gross Margin, excl. LIFO | Adj. EBITDA excl. LIFO | Adjusted Diluted Earnings per Share | Net Debt |
|---|---|---|---|---|
| **450k** | **16.9%** | **$25.9M** | **$0.73** | **$382M** |
| *-5.9% QoQ* | *-40 bps QoQ* | *-$19.1M QoQ* | *-$0.27 QoQ* | *+53M 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 February 21, 2024

# FY 2023 Key Financial Metrics

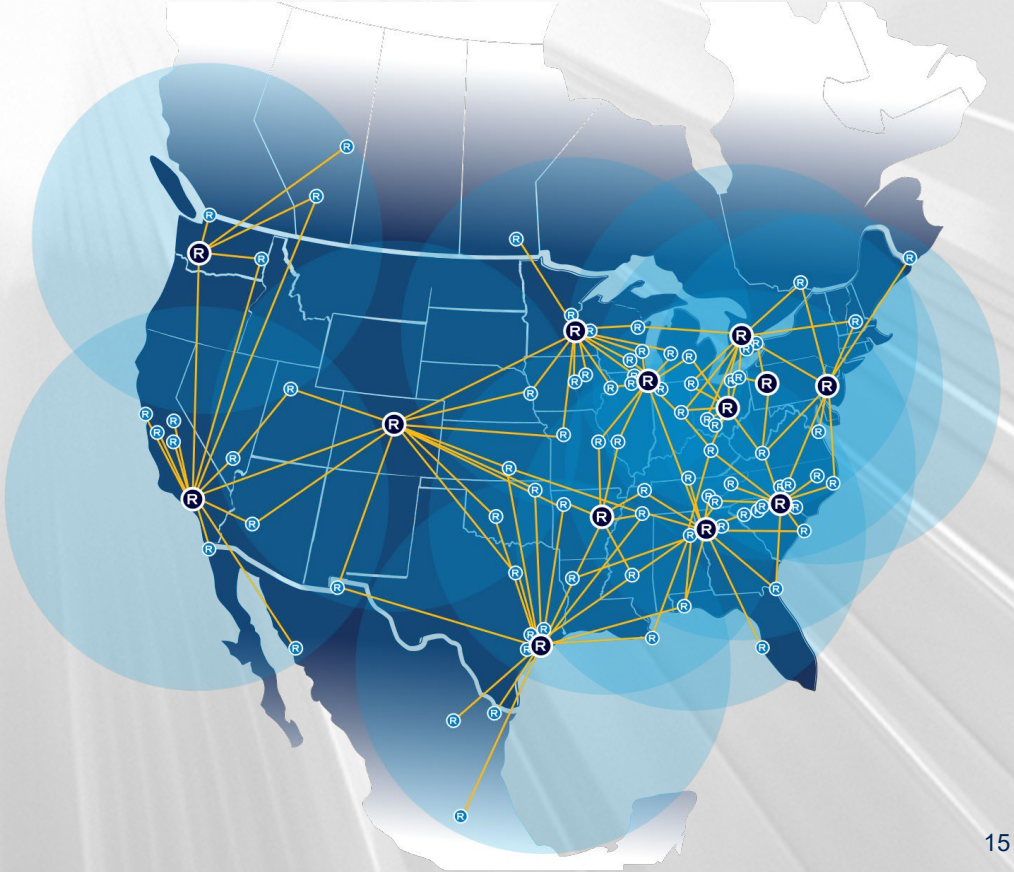
| Net Sales | Gross Margin | Net Income[1] | Diluted Earnings per Share | Debt |
|---|---|---|---|---|
| **$5.1B** | **20.0%** | **$145.7M** | **$4.10** | **$436M** |
| *-19.2% YoY* | *-70 bps YoY* | *-$245.3M YoY* | *-$6.11 YoY* | *+$69M YoY* |

| Tons Shipped | Gross Margin, excl. LIFO | Adj. EBITDA excl. LIFO | Adjusted Diluted Earnings per Share | Net Debt |
|---|---|---|---|---|
| **1,943k** | **18.1%** | **$231.1M** | **$4.08** | **$382M** |
| *-4.2% YoY* | *-170 bps YoY* | *-$350.9M YoY* | *-$6.46 YoY* | *+$54M YoY* |

[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 February 21, 2024

# Intelligent Network of Service Centers

- **Diversified** (metals mix, ~40k customers, ~75k products)
- **Availability,** speed, ease, consistency
- Hundreds of “virtual” locations
- **24/7** e-commerce
- **Digitalized** customer experience
- Building the **value chain of the future**



**$5.1B**
**Net Sales**
2023

**$4.10**
**Diluted Earnings per Share**
2023



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# RYERSON

## FAMILY OF COMPANIES























































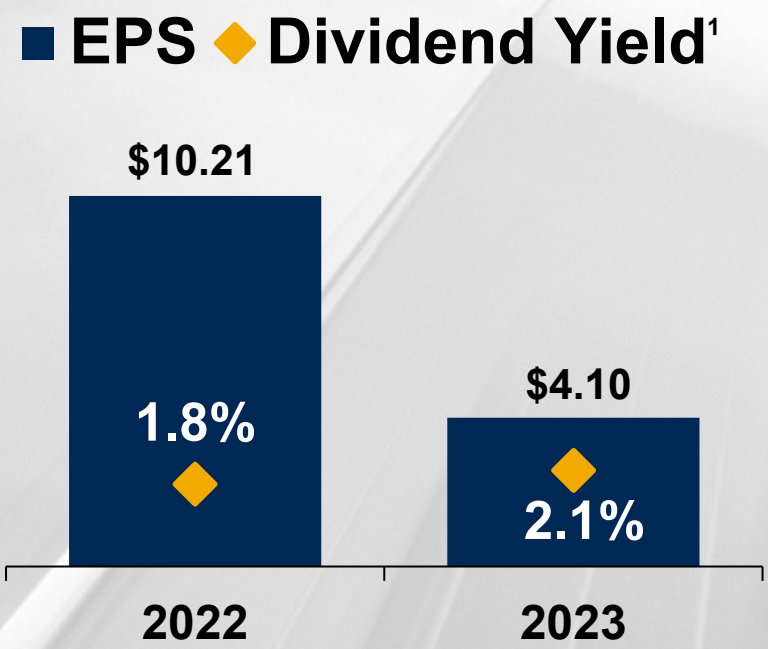


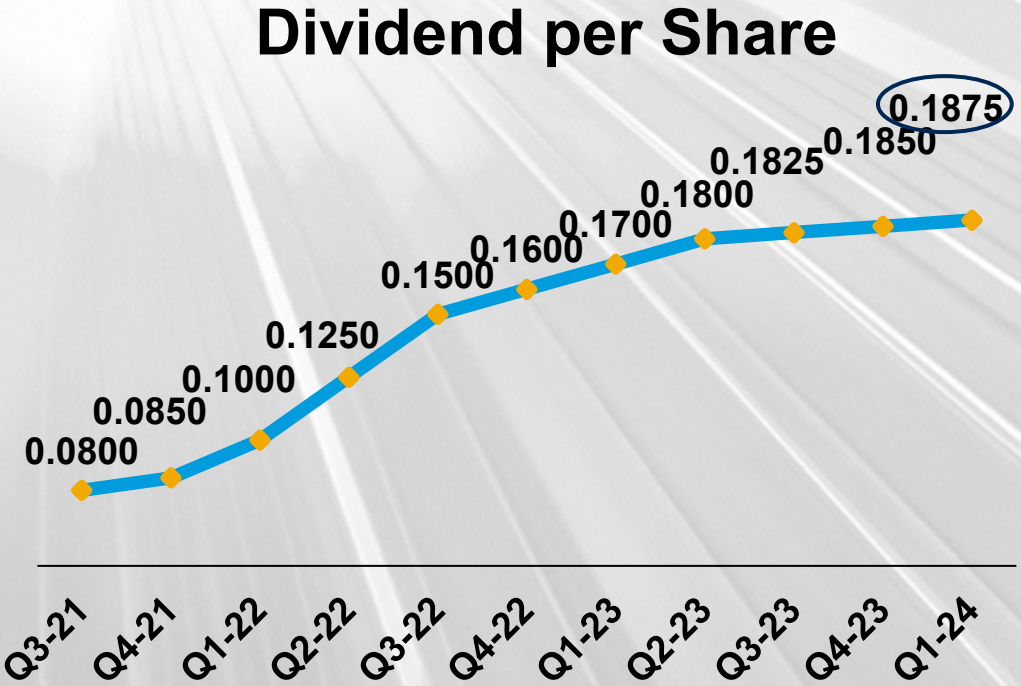



# Appendix

# Dividend Payments

*Stronger capital structure allows for greater returns to shareholders*

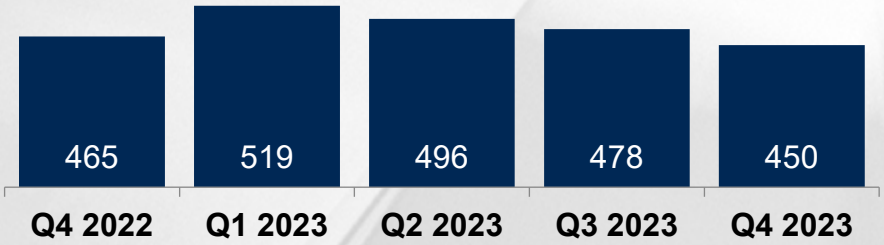



[1]Yield for 2022 is based on closing share price as of December 31, 2022, of $30.26. Yield for 2023 is based on closing share price as of December 29, 2023, of $34.68

# Quarterly Financial Highlights

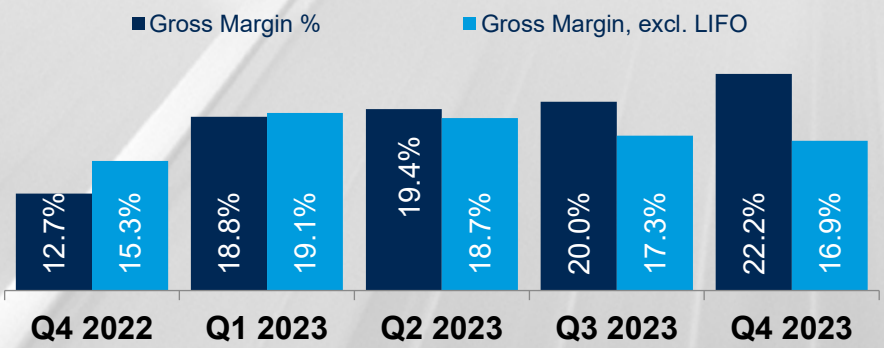
## Tons Sold (000's)



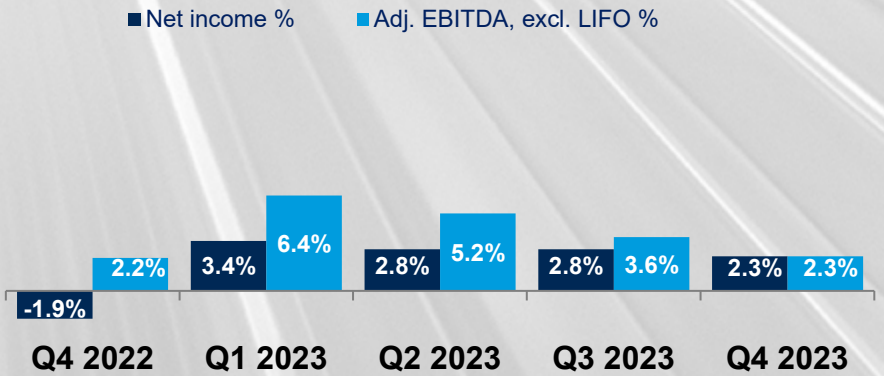

## Average Selling Price Per Ton




## Gross Margin & Gross Margin, excl. LIFO




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




[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

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

| ($M) | Q4 '22 | Q1 '23 | Q2 '23 | Q3 '23 | Q4 '23 |
|---|---|---|---|---|---|
| Tons Sold (000's) | 465 | 519 | 496 | 478 | 450 |
| Net Sales | **1,288.2** | **1,406.1** | **1,343.5** | **1,246.7** | **1,112.4** |
| Gross Profit | 163.1 | 264.2 | 260.9 | 249.3 | 247.2 |
| *Gross Margin* | *12.7%* | *18.8%* | *19.4%* | *20.0%* | *22.2%* |
| LIFO expense (income) | 34.6 | 4.0 | (9.0) | (33.4) | (59.3) |
| **Gross Profit, excluding LIFO** | **197.7** | **268.2** | **251.9** | **215.9** | **187.9** |
| *Gross Margin, excluding LIFO* | *15.3%* | *19.1%* | *18.7%* | *17.3%* | *16.9%* |
| **Net income (loss) attributable to Ryerson Holding Corporation** | **(24.1)** | **47.3** | **37.6** | **35.0** | **25.8** |
| Interest and other expense on debt | 7.0 | 7.6 | 8.3 | 9.3 | 9.5 |
| Provision (benefit) for income taxes | (10.9) | 14.8 | 12.1 | 12.9 | 7.5 |
| Depreciation and amortization expense | 16.5 | 13.7 | 15.1 | 13.6 | 20.1 |
| **EBITDA** | **(11.5)** | **83.4** | **73.1** | **70.8** | **62.9** |
| Reorganization | 5.3 | 1.8 | 4.9 | 8.0 | 21.0 |
| Benefit Plan curtailment gain | - | - | - | - | (0.8) |
| Foreign currency transaction (gains) losses | 0.1 | (0.1) | 1.3 | (0.8) | 0.7 |
| Purchase consideration and other transaction costs | 0.2 | 0.3 | 0.4 | 0.3 | 0.5 |
| Other adjustments | - | 0.7 | (0.6) | 0.1 | 0.9 |
| **Adjusted EBITDA** | **(5.9)** | **86.1** | **79.1** | **78.4** | **85.2** |
| LIFO expense (income) | 34.6 | 4.0 | (9.0) | (33.4) | (59.3) |
| **Adjusted EBITDA, excluding LIFO** | **28.7** | **90.1** | **70.1** | **45.0** | **25.9** |
| ***Adjusted EBITDA Margin, excluding LIFO*** | ***2.2%*** | ***6.4%*** | ***5.2%*** | ***3.6%*** | ***2.3%*** |
| Net income (loss) attributable to Ryerson Holding | (24.1) | 47.3 | 37.6 | 35.0 | 25.8 |
| *Net Income (loss) margin* | *(1.9%)* | *3.4%* | *2.8%* | *2.8%* | *2.3%* |

# Non-GAAP Reconciliation: Adjusted Net Income

| (Dollars and shares in millions, except per share data) | Q4 '22 | Q1 '23 | Q2 '23 | Q3 '23 | Q4 '23 |
|---|---|---|---|---|---|
| **Net income (loss) attributable to Ryerson Holding Corporation** | **($24.1)** | **$47.3** | **$37.6** | **$35.0** | **$25.8** |
| Benefit plan curtailment gain | - | - | - | - | (0.8) |
| Provision for income taxes | - | - | - | - | 0.2 |
| **Adjusted net income (loss) attributable to Ryerson Holding Corporation** | **($24.1)** | **$47.3** | **$37.6** | **$35.0** | **$25.2** |
| **Diluted earnings (loss) per share** | **($0.65)** | **$1.27** | **$1.06** | **$1.00** | **$0.74** |
| Adjusted diluted earnings (loss) per share | ($0.65) | $1.27 | $1.06 | $1.00 | $0.73 |
| Shares outstanding - diluted | 37.0 | 37.2 | 35.5 | 34.9 | 34.7 |

# Non-GAAP Reconciliation: Net Debt

| ($M) | Q4 '22 | Q1 '23 | Q2 '23 | Q3 '23 | Q4 '23 |
|---|---|---|---|---|---|
| Total debt | $367.0 | $395.1 | $396.1 | $365.9 | $436.5 |
| Less: cash and cash equivalents | ($39.2) | ($43.7) | ($30.0) | ($37.4) | ($54.3) |
| **Net Debt** | **$327.8** | **$351.4** | **$366.1** | **$328.5** | **$382.2** |
| TTM Adj. EBITDA, excl. LIFO | $582.0 | $421.5 | $267.4 | $233.9 | $231.1 |
| **Net Debt / Adj. EBITDA excl. LIFO** | **0.6x** | **0.8x** | **1.4x** | **1.4x** | **1.7x** |

# 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, benefit plan curtailment gain, 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, and 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.

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