

SMU Community Chat

April 6, 2022

Starting at 10 AM Eastern

Michael Cowden, Steel Market Update

Edward Lehner, Ryerson



SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars

Steel Market Update



SMU Newsletter developed for active buyers & sellers of flat rolled steel.

Prices – Momentum – Trends – Analysis – with a guarantee

For more information visit www.SteelMarketUpdate.com

Upcoming Events

Date	Event	Status	Venue
April 19-20	SMU Steel 101 Workshop	Live	Memphis, Tennessee
April 26-27	SMU Introduction to Steel Hedging Workshop	Virtual	Online
April 26-28	CRU Steel Decarbonisation Strategies 2022	Virtual	Online
July 19-20	SMU Steel 101 Workshop	Virtual	Online
August 22-24	SMU Steel Summit Conference	Live	Georgia International Convention Center, Atlanta, Georgia

If you would like more information about any of our workshops, you may visit SteelMarketUpdate.com/Events or e-mail our team at Events@SteelMarketUpdate.com



Steel 101 Workshop, Severstal Dearborn 2012

Our goal is to provide quality information to the flat rolled steel industry.

We invite over 500 companies to participate in our surveys.

All responses are kept confidential and are never attributed to the individual or company responding.

To become a data provider, contact Brett@SteelMarketUpdate.com



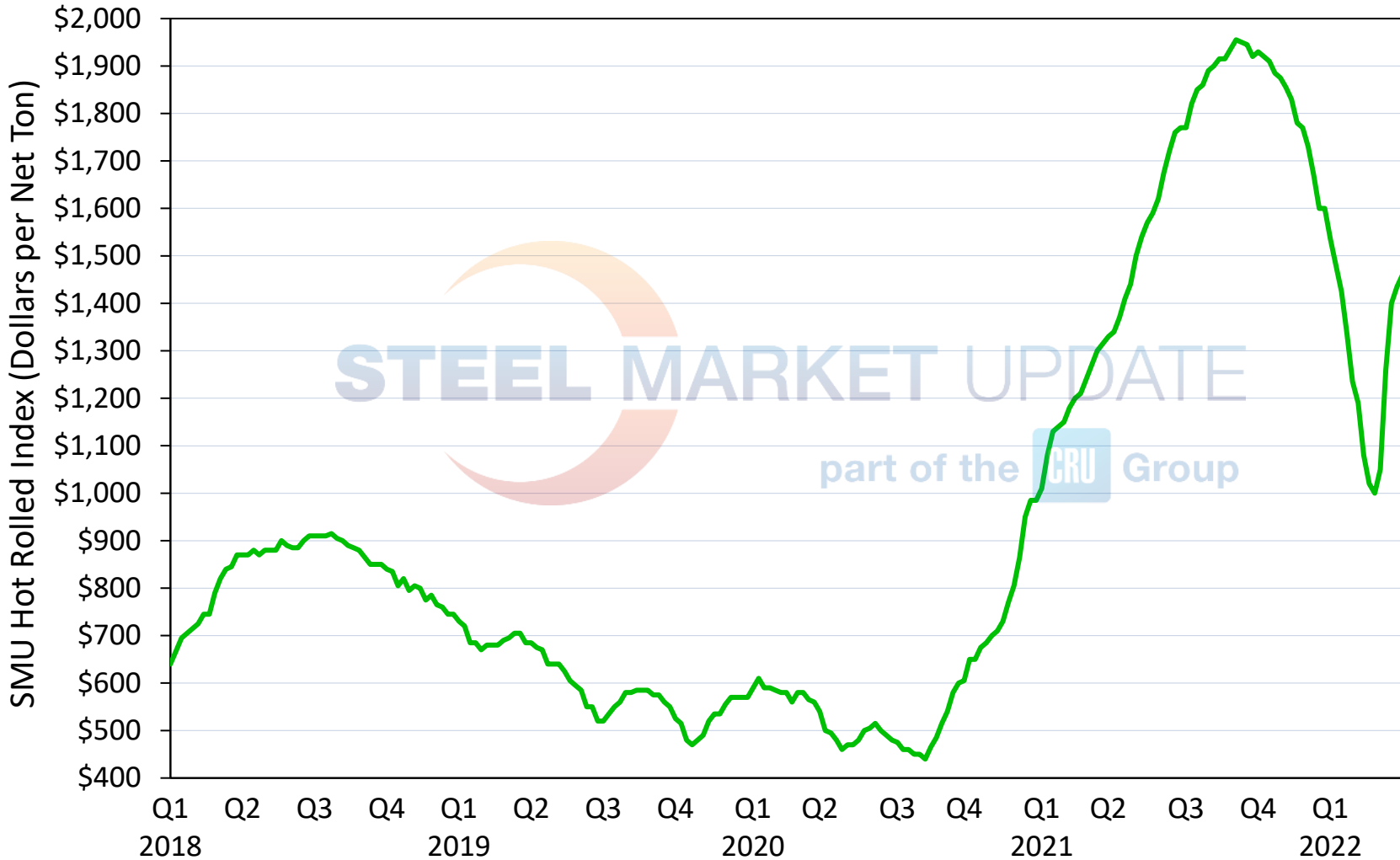
STEEL MARKET UPDATE

part of the  Group

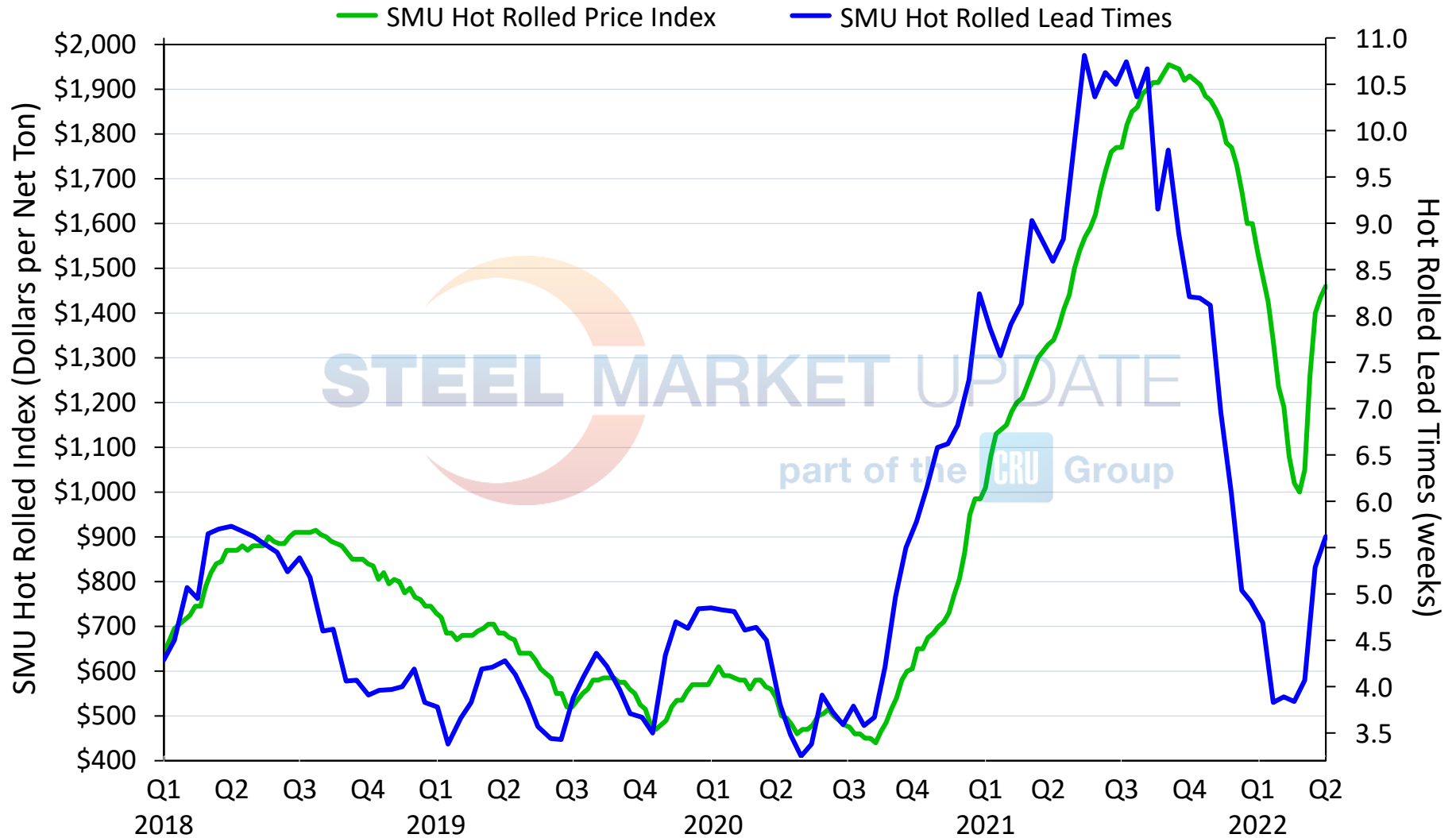
Don't just read our data, see your
company's experience reflected in it.

Contact Brett@SteelMarketUpdate.com
for participation information.

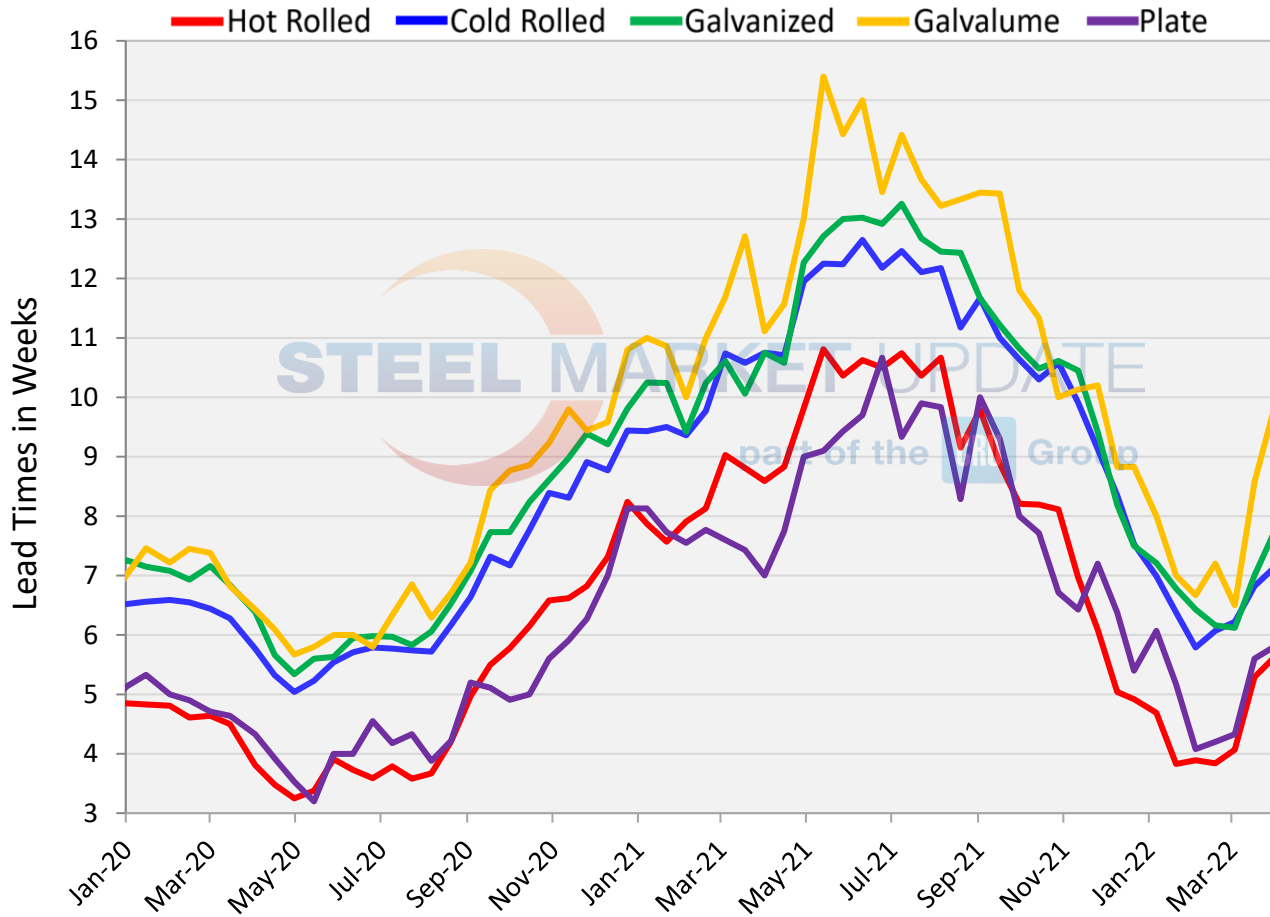
SMU Hot Rolled Index



SMU Hot Rolled Index vs Lead Times



Steel Mill Lead Times



Lead Times in Weeks

Galvalume: 9.8

Galvanized: 7.7

Cold Rolled: 7.1

Plate: 5.8

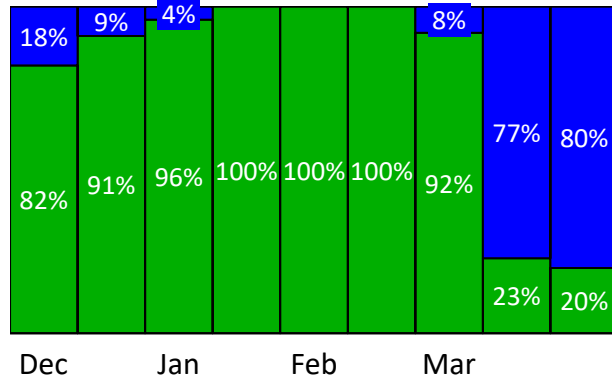
Hot Rolled: 5.6

Mill Negotiations

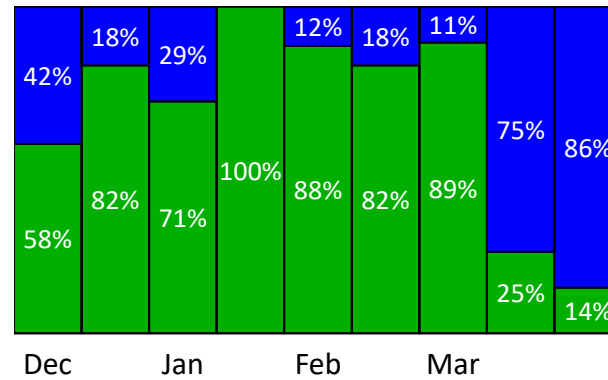
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

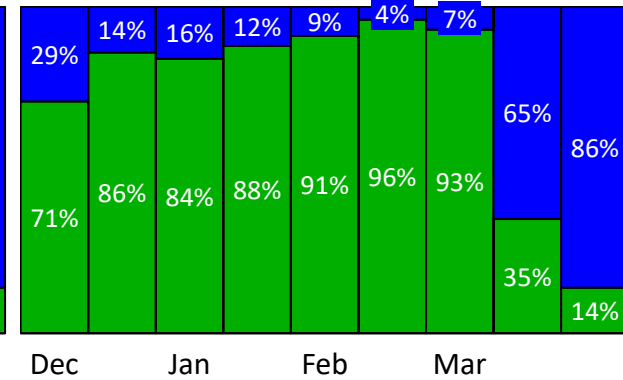
Hot Rolled



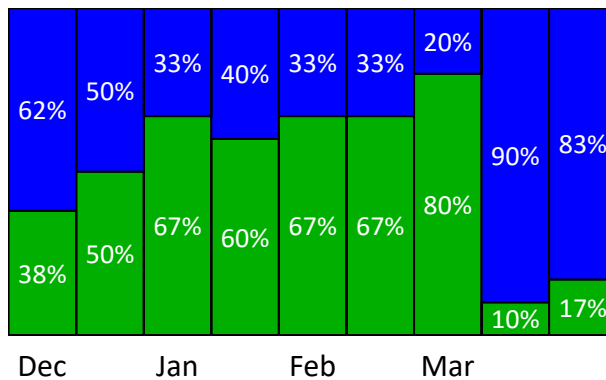
Cold Rolled



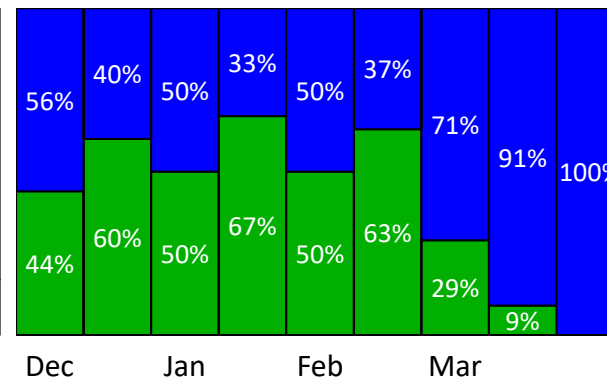
Galvanized



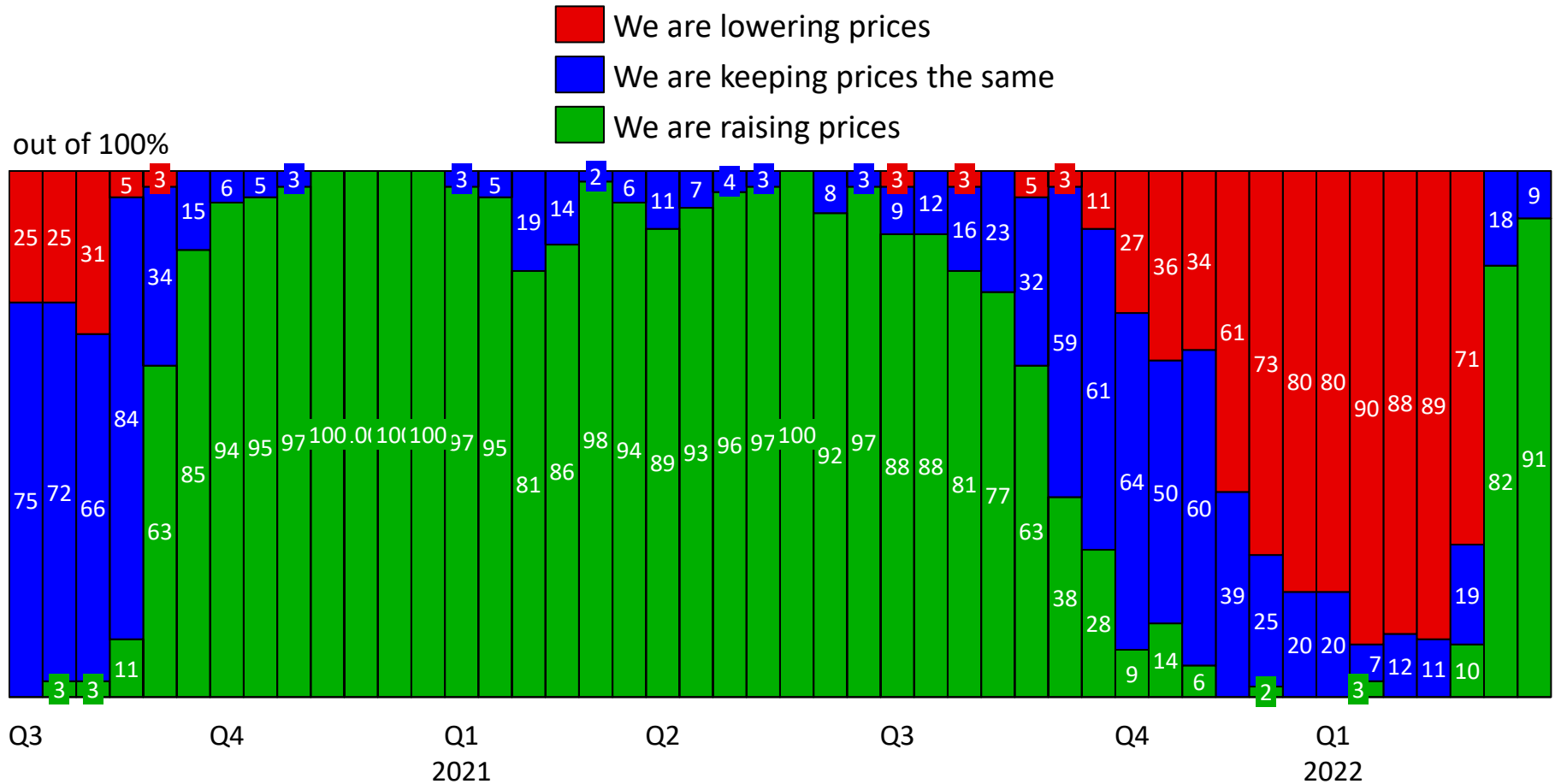
Galvalume



Plate



Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

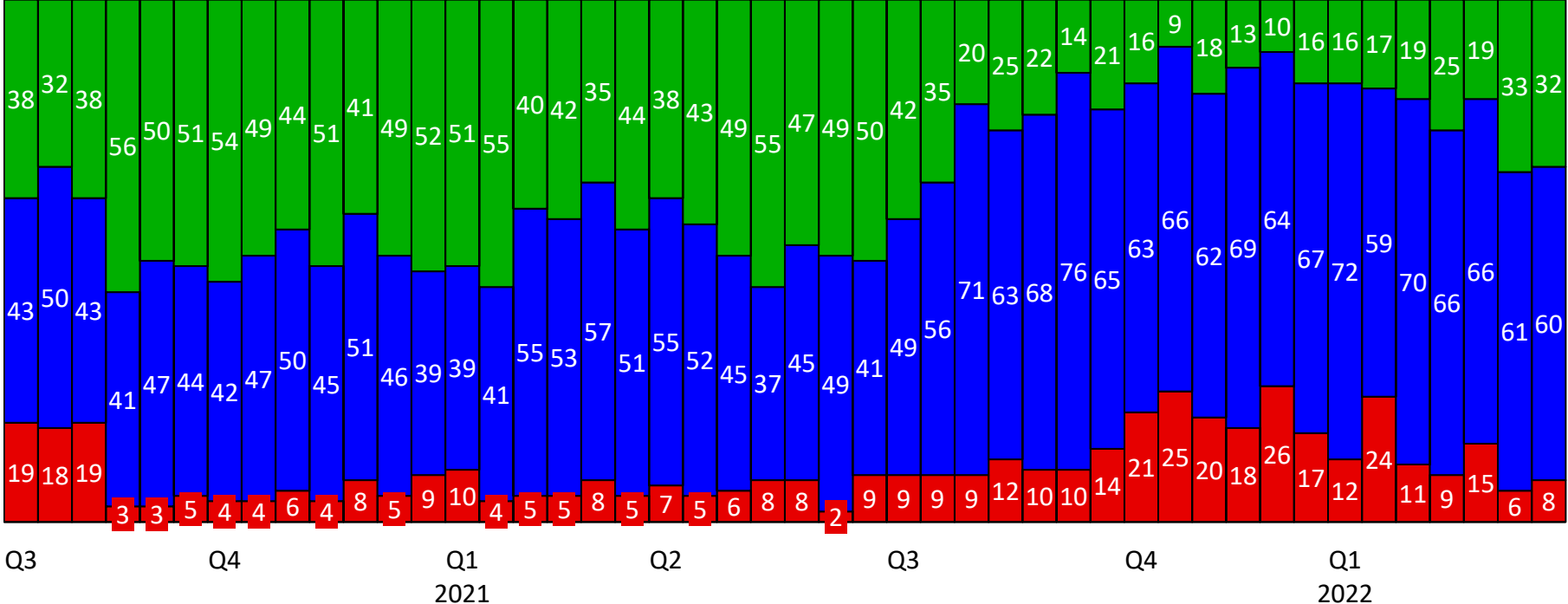


Overall Demand History

How are you seeing demand for your products?

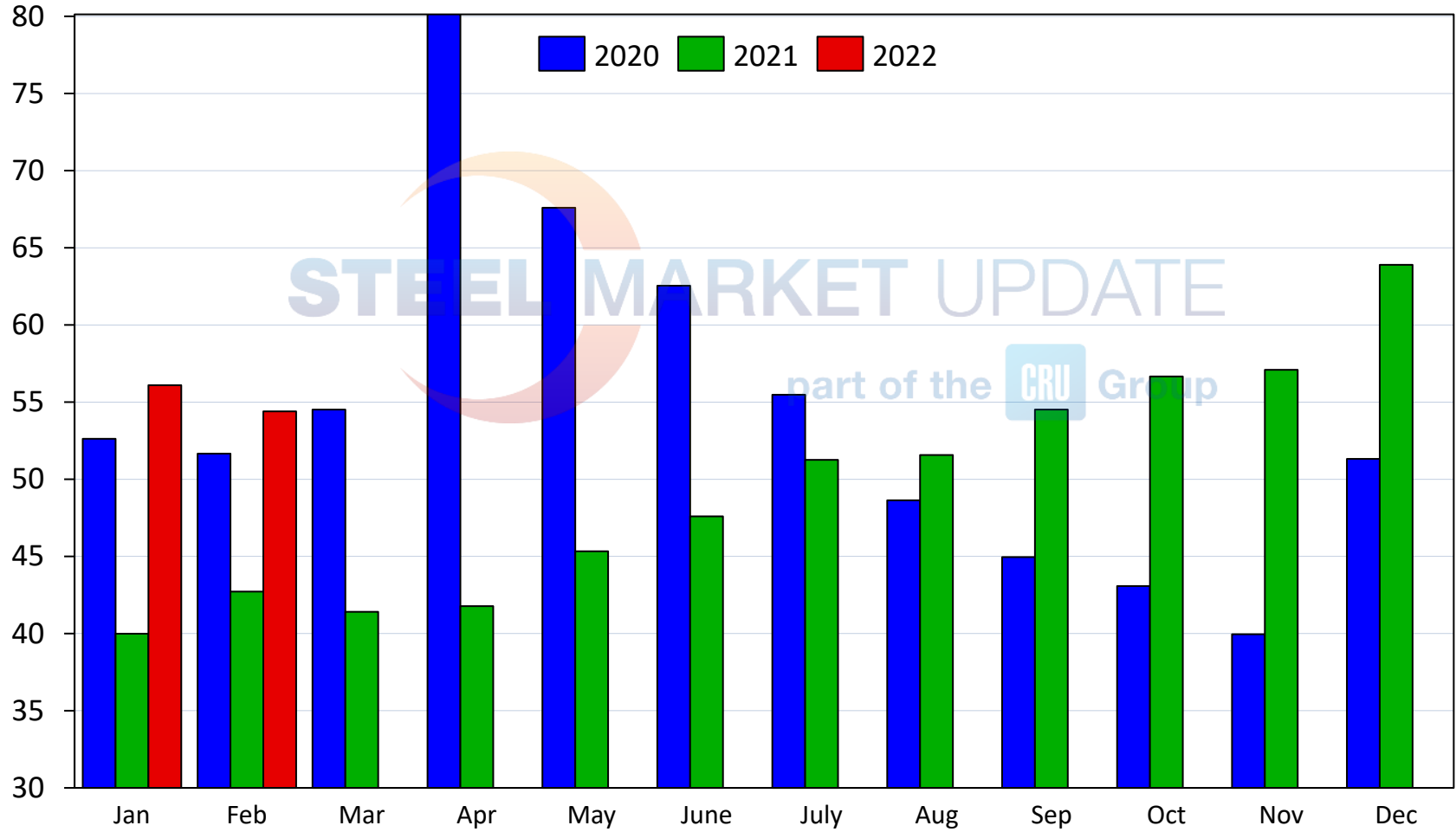
- Demand is improving
- Demand is stable
- Demand is declining

out of 100%



Service Center Inventories

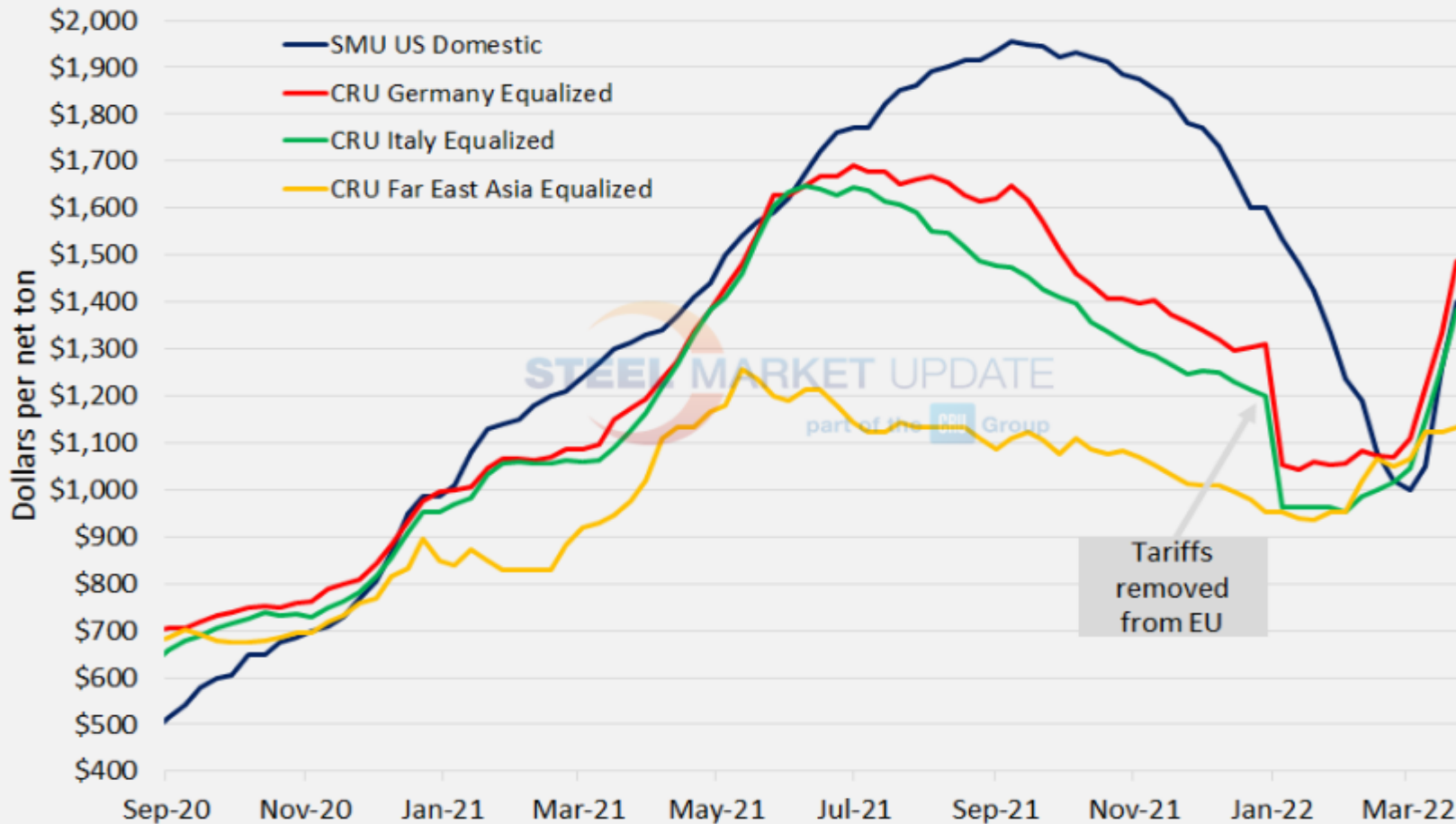
Shipping Days of Supply – Flat Rolled



Mind the East-West Gap?

US vs Foreign Hot Rolled Steel Prices

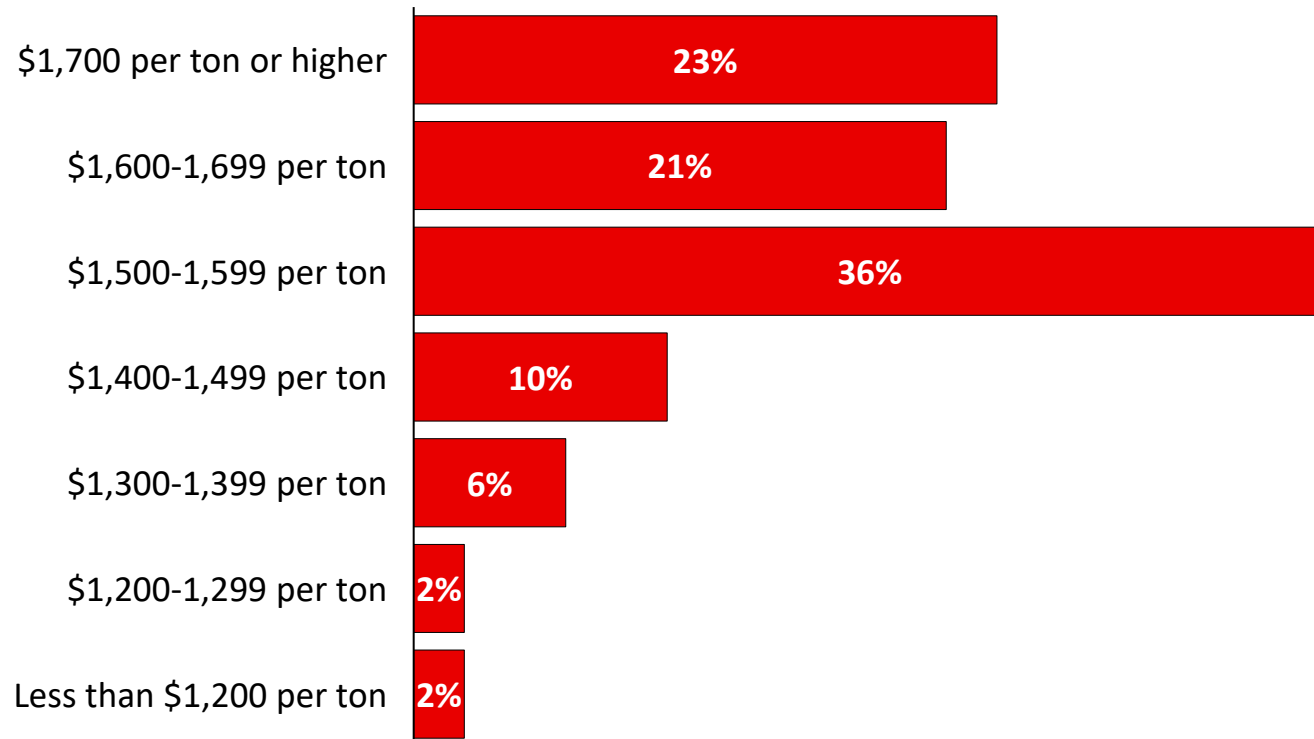
Foreign prices include \$90 in importing costs, Far East Asian prices include a 25% tariff



Source: SMU and CRU Group

Q2 2022 HRC Prices

Hot rolled coil prices averaged \$1,400* per ton last week.
Where do you think HRC prices will be at the end of Q2 2022?



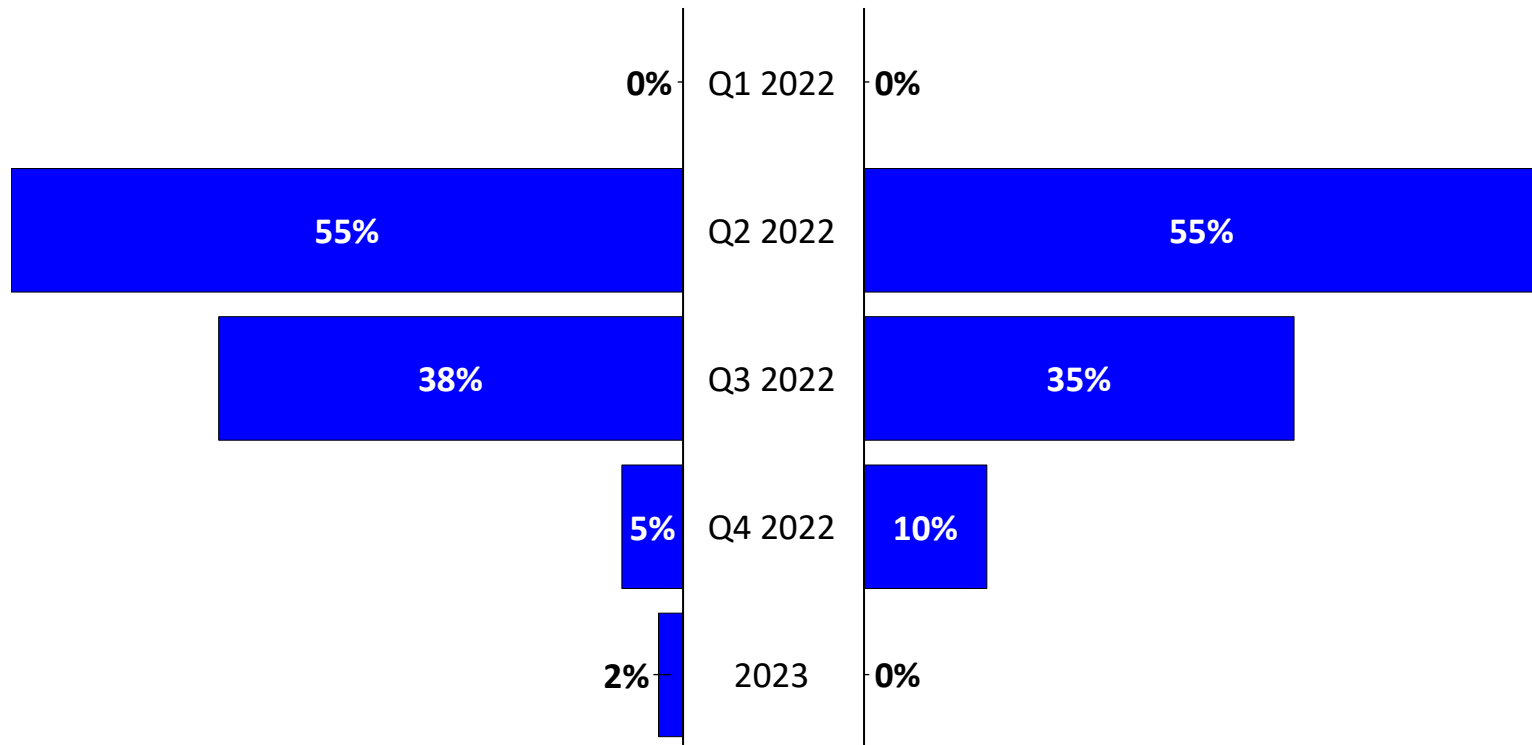
* As of Monday, March 28, 2022; the latest SMU HR average is \$1,435 per ton

HRC Price Peak

When do you think HRC prices will peak and why?

March 17, 2022

March 31, 2022





Edward J. Lehner is President and Chief Executive Officer (CEO) of **Ryerson**, a leading value-added processor and distributor of industrial metals, with operations in the United States, Canada, Mexico and China. Eddie began serving as Ryerson's CEO in June 2015 after having served as Ryerson's executive vice president and chief financial officer since 2012.

Prior to joining Ryerson, Eddie served as the chief financial officer of PSC Metals, Inc., a diversified metals company, and before that, as the chief financial officer of SeverCorr, LLC., a primary steel manufacturing company headquartered in the southern United States.

Eddie's career also includes senior general management, operational, financial, accounting, tax and consulting roles for Nucor, Birmingham Steel, Inc., Laurel Steel and Deloitte.

www.SteelMarketUpdate.com/blog/SMU-Community-Chat-Webinars

Ryerson

Steel Markets Update (SMU) Community Chat
April 6, 2022



Eddie Lehner
President &
Chief Executive Officer

OUR RYERSON DNA – THE “HOW” REALLY MATTERS



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



\$5.68B

Net Sales
2021

\$7.56

Diluted Earnings per Share
2021

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

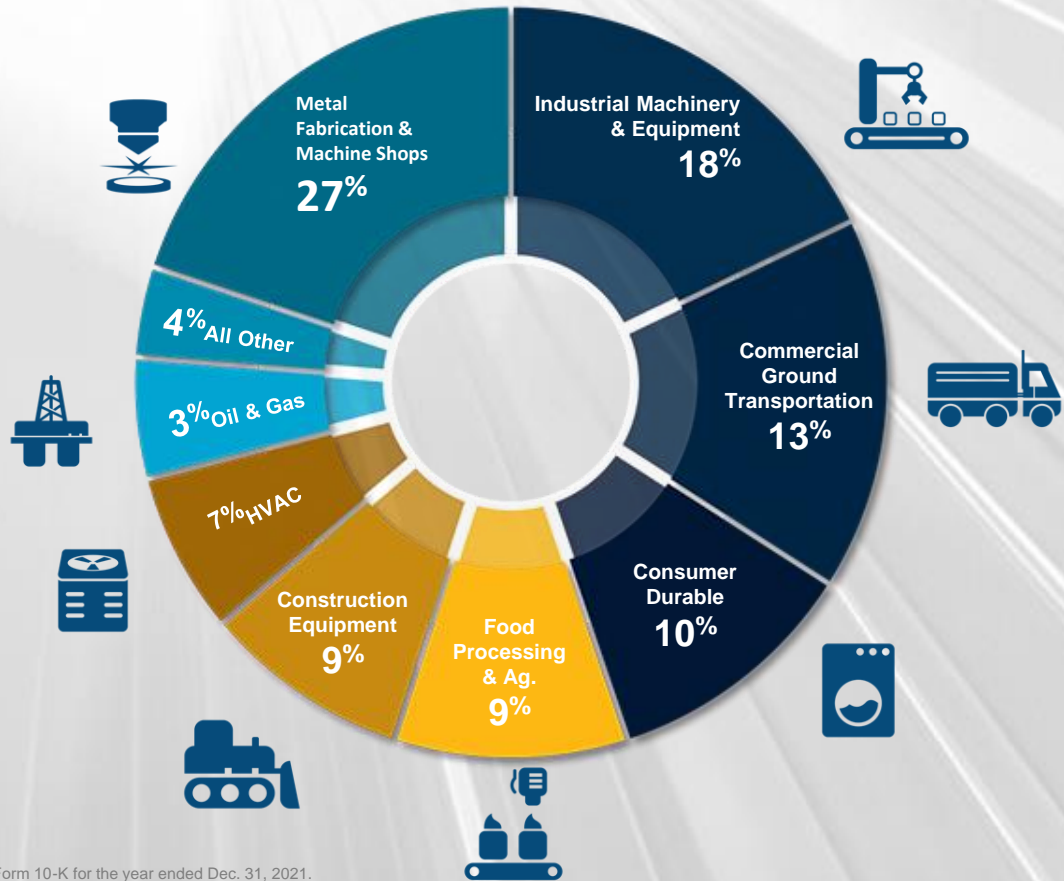
*Industry size based on IBIS World "Metal Wholesaling in the US" October 2021 report.



Diverse End-Market Expertise

Infrastructure and secular growth trends

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



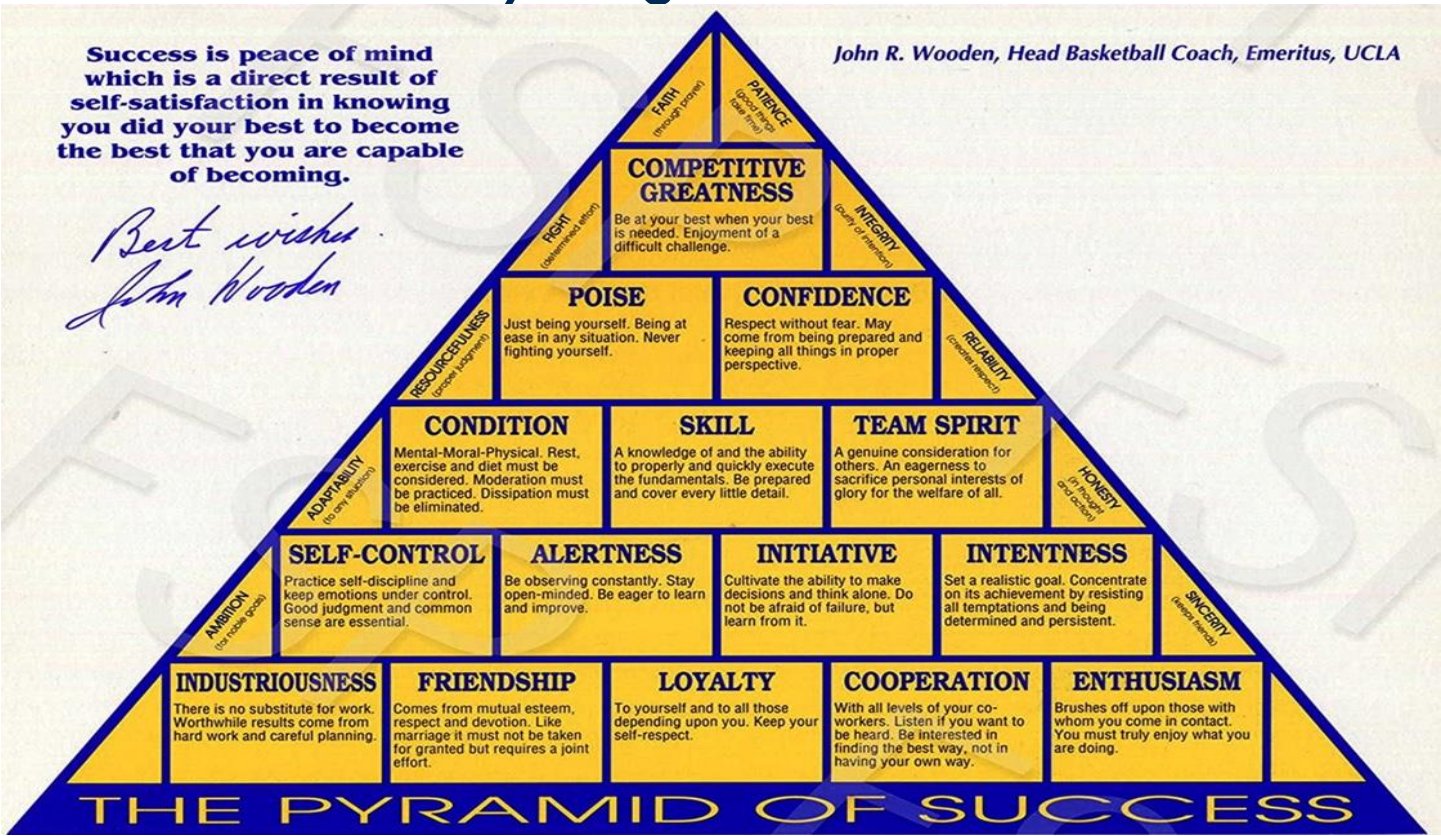
End market percentages are based on 2021 sales as disclosed in Ryerson's Annual Report on Form 10-K for the year ended Dec. 31, 2021.

It's Mayhem Out There – Requires “Clarity”

KNOW THIS CHARACTER? COVID, INFLATION, SHORTAGES, CLIMATE, UNREST, WAR



“Things turn out best for the people who make the best of the way things turn out. John Wooden



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

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

RECOVER/ REUSE

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

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
- ~68% of our domestic stainless & carbon in 2020 produced by EAF

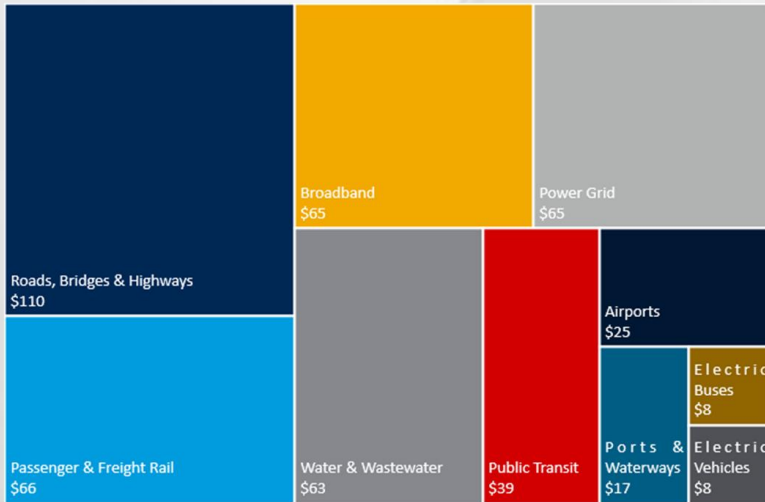
*Electric Arc Furnace; Source: Steel Manufacturers Assn.

+ American Iron and Steel Institute, <https://www.steel.org/wp-content/uploads/2021/03/Sustainability-Key-Messages.pdf>

Infrastructure Bill Impact

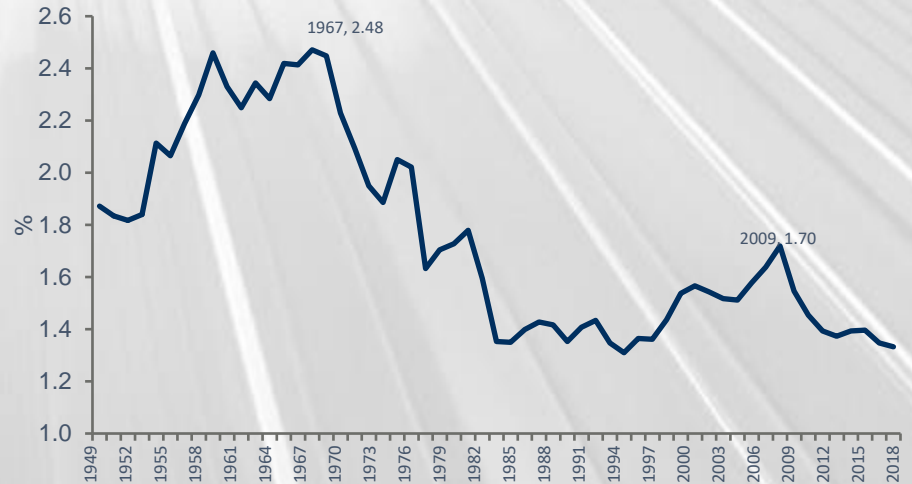
\$550B Infrastructure Bill means more metals will be needed over next five years

Components of Infrastructure Spending Bill (\$B)



Source: Congressional Budget Office, Joint Committee on Taxation, U.S. Global Investors

Public Spend On Broad Infrastructure as % of GDP at Record Lows



Source: Standard & Poor's Financial Services, "Infrastructure: What Once Was Lost Can Now Be Found — The Productivity Boost," Beth Ann Bovino. Chart data from BEA and S&P Global Economics.

Secular Macro Trends

Climate, Infrastructure, Demographics, Commodities Supercycle, De-Globalization, Reconstituted Trade

- ***"Metals Demand From Energy Transition May Top Current Global Supply"*** (International Monetary Fund December 8, 2021)
- ***"The Housing Shortage Is Significant. It's Acute For Small, Entry-Level Homes"*** (npr September 4, 2021)
- ***"The future of the world economy is deglobalization"*** (Axios March 24, 2022)
- ***"\$1.2 Trillion Infrastructure Bill Means More Metals And Mining Will Be Needed"*** (Forbes Magazine November 12, 2021)
- ***"How to Be a Winner From De-Globalization -Mexico is a prime example of an emerging market that was knocked off track by China's rise and globalization. Can it seize this new chance?"*** (Bloomberg April 5, 2022)
- ***"Millennials Are Finally Spending Like Grown-Ups"*** (Bloomberg January 2, 2022)
- ***"Manufacturers Find There's No Place Like Home: Supply-chain issues and automation are giving industrial companies reasons to rethink where they build facilities"*** (Bloomberg November 12, 2021)
- ***"Goldman Bullish on Commodities, Seeing Years-Long Supercycle"*** (Bloomberg January 6, 2022)



IT's All About The Team

THANK YOU

RYERSON
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Thank You

Thank you for attending our SMU Community Chat. And a special thank you to Eddie Lehner for his participation today.

To contact Michael Cowden: Michael@SteelMarketUpdate.com

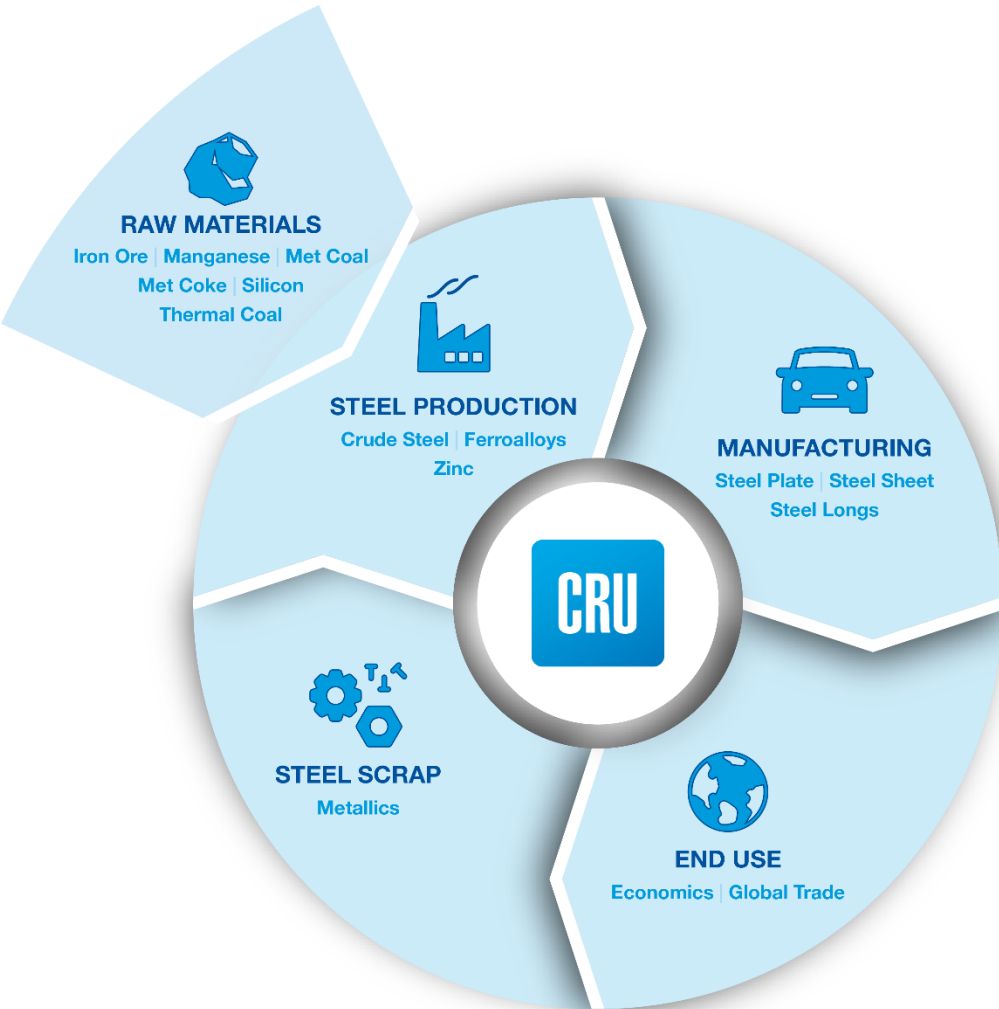
For information about subscribing to SMU, contact Paige Mayhair: Paige@SteelMarketUpdate.com

To participate in our survey contact Brett Linton: Brett@SteelMarketUpdate.com

To become a data provider for our service center inventory report, contact Estelle Tran: Estelle.Tran@CRUGroup.com

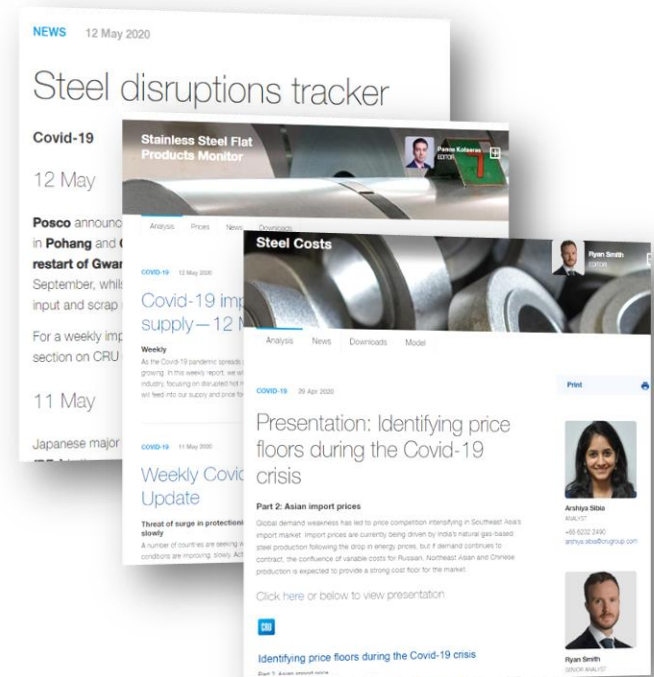
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