

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report: February 27, 2020
(Date of earliest event reported)

A. M. CASTLE & CO.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

1-5415
(Commission File Number)

36-0879160
(IRS Employer Identification No.)

1420 Kensington Road, Suite 220
Oak Brook, IL 60523

(Address of principal executive offices)

Registrant's telephone number including area code: **(847) 455-7111**

Not Applicable

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13 e-4(c) under the Exchange Act (17 CFR 240.13 e-4(c))

Securities registered pursuant to Section 12(b) of the Act: **None**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 – Entry into a Material Definitive Agreement

Support Agreements

On February 27, 2020, A.M. Castle & Co. (the “Company”) announced that it entered into support agreements (the “Support Agreements”) with holders who, in the aggregate, hold in excess of 96% of the Company’s outstanding 5.00%/7.00% Convertible Senior PIK Toggle Notes due 2022 (the “Old Notes”) who have agreed, among other things, to tender their Old notes in the Exchange Offer (as defined below) and to consent to the Proposed Amendments (as defined below), subject to certain conditions. The foregoing description of the Support Agreements does not purport to be complete and is qualified in its entirety by reference to the form of Support Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 2.02 – Results of Operations and Financial Condition

In accordance with General Instruction B.2 to Form 8-K, the following information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

The information regarding the results of operations and financial condition of the Company for the fourth quarter and year ended December 31, 2019, responsive to this Item 2.02, and contained in Exhibit 99.1 filed herewith, is incorporated by reference herein.

Item 8.01 – Other Events

Exchange Offer

On February 27, 2020, the Company filed a Registration Statement on Form S-4 (the “S-4 Registration Statement”) and Schedule TO with respect to a registered exchange offer (the “Exchange Offer”) pursuant to which the Company will issue its 3.00%/5.00% Convertible Senior PIK Toggle Notes due 2024 (the “New Notes”) and shares of its common stock in exchange for any and all Old Notes tendered. The New Notes will be guaranteed on a senior basis by all current and future domestic subsidiaries (other than those designated as “Unrestricted Subsidiaries”) of the Issuer (the “Guarantors”). The restrictive covenants in the indenture governing the New Notes will be substantially similar to the covenants in the indenture governing the Old Notes. All Old Notes that are tendered and accepted as part of the Exchange Offer will be exchanged into New Notes and the Company's common stock at the rate of \$491.8619 principal amount of New Notes and 363.2585 shares of the Company's common stock per \$1,000 principal amount of Old Notes tendered on the date on which the Exchange Offer is completed. Any accrued and unpaid interest on the Old Notes through the Closing Date of the Exchange Offer will be exchanged into New Notes and common stock at the exchange rate.

The New Notes will bear interest at a rate of 3.00% per annum if paid in cash or 5.00% if paid in kind per annum, payable quarterly. The New Notes will mature on August 31, 2024 issuance and will be convertible, at the option of the holders, into shares of the Company's common stock.

Concurrently with the Exchange Offer, the Company is soliciting consents from holders of the Old Notes for certain amendments (the “Proposed Amendments”) to the indenture governing the Old Notes to eliminate or amend substantially all of the restrictive covenants, release all collateral securing the Company’s obligations under the indenture governing the Old Notes, and modify certain of the events of default and various other provisions, contained in such indenture.

Increase Number of Shares and Reverse Stock-Split

If the Exchange Offer is completed, the Company has agreed to call a special meeting of stockholders (or consider such matters at its upcoming annual meeting of stockholders) to be held as soon as reasonably practicable for stockholders of record as of a date occurring on or after the closing date of the Exchange Offer (which will include holders of old notes who receive shares of common stock in the Exchange Offer) to consider the following matters: (1) a proposal to amend the Company's articles of amendment and restatement to increase the number of shares of our common stock authorized for issuance, in order to provide a sufficient number of authorized shares of common stock for the issuance of shares upon conversion of the new notes, (2) a proposal to amend the Company's articles of amendment and restatement to effect a reverse stock split of shares of the Company's common stock; and (3) any other matters properly brought before the meeting.

IMPORTANT INFORMATION ABOUT THE EXCHANGE OFFER

The press release attached to this Form 8-K and the contents of this Form 8-K are for informational purposes only and are not an offer to buy or the solicitation of an offer to sell any security. An Exchange Offer will only be made by means of a prospectus, a letter of transmittal and other offer documents, as described below.

The exchange offer is subject to the conditions described in the registration statement on Form S-4 filed by the Company in connection with the exchange offer and is scheduled to expire at 5:00 p.m., Eastern Time, on March 26, 2020, unless terminated earlier or extended. Holders of Existing Notes who participate in the exchange offer will receive the following for each \$1,000 of Old Notes: (i) \$491.8619 principal amount of 3.00%/5.00% Convertible Senior PIK Toggle Notes due 2024 and (ii) 363.2585 shares of common stock. Accrued and unpaid interest on the Existing Notes will be exchanged into new notes and common stock at the exchange rate on the date on which the exchange offer is completed.

In connection with the exchange offer, a registration statement on Form S-4, a tender offer statement on Schedule TO, and related documents relating to the exchange offer are being filed by the Company with the SEC. The new notes and common stock may not be exchanged or sold nor may offers to exchange or buy be accepted prior to the time the registration statement becomes effective. Neither the press release attached to this Form 8-K nor this Form 8-K shall constitute an offer to exchange or sell, or the solicitation of an offer to exchange or buy, nor shall there be any exchange or sale of such securities in any state in which such offer, exchange, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Holders of the Existing Notes are strongly advised to read the registration statement, tender offer statement and other related documents because these documents contain important information. Such holders may obtain copies of the exchange offer materials from Wilmington Savings Fund Society, FSB, Attention: Corporate Trust Middle Office, 501 Car Road, Suite 100, Wilmington, DE 19809, by facsimile (eligible institutions only): 302-421-9137, for information or confirmation by telephone: 302-571-7014. These documents can also be obtained at no charge from the Company or at the SEC's website, www.sec.gov. The Company is not making any recommendation to holders of outstanding Existing Notes as to whether they should tender them pursuant to the exchange offer.

Item 9.01 – Financial Statements and Exhibits

(d) The following exhibits are filed herewith:

Exhibit Number	Description
10.1	Form of Support Agreement between A.M. Castle & Co. and the signatories thereto.
99.1	Press Release, February 27, 2020

Cautionary Note Regarding Forward Looking Statements

The information contained in the press release attached to this Form 8-K and the contents of this Form 8-K should be read in conjunction with our filings made with the Securities and Exchange Commission. This Form 8-K contains “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that do not relate solely to historical fact. Such forward-looking statements only speak as of the date of this release and the Company assumes no obligation to update the information included in this report. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, the benefits that we expect to achieve from our working capital management initiative, and the timing and anticipated benefits of the exchange offer. These statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “predict,” “plan,” “should,” or similar expressions. These statements are not guarantees of performance or results, and they involve risks, uncertainties, and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors include our ability to effectively manage our operational initiatives and implemented restructuring activities, the impact of volatility of metals prices, the impact of imposed tariffs and/or duties, the cyclical and seasonal aspects of our business, our ability to effectively manage inventory levels, the impact of our substantial level of indebtedness, and our ability to successfully complete the exchange offer and realize the anticipated benefits of the transaction, as well as those risk factors identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future, to reflect the occurrence of unanticipated events or for any other reason.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

A.M. CASTLE & CO.

February 27, 2020

By: /s/ Jeremy Steele

Jeremy Steele

Senior Vice President, General Counsel &
Secretary

SUPPORT AND EXCHANGE AGREEMENT

This SUPPORT AND EXCHANGE AGREEMENT (this “Agreement”), dated as of [], 2020, is by and between A.M. Castle & Co., a Maryland corporation (the “Company”) and the holder set forth on the signature page hereto (the “Exchanging Holder”) of certain 5.00%/7.00% Convertible Senior PIK Toggle Notes due 2022 (the “Notes”) issued under that certain Indenture, dated as of August 31, 2017 (as amended, supplemented, or modified from time to time, the “Indenture”), by and between the Company, as Issuer, certain of its subsidiaries party thereto, as Guarantors, and Wilmington Savings Fund Society, FSB, as Trustee and Collateral Agent (the “Trustee”). The Company, the Exchanging Holder, and each other person that becomes a party hereto in accordance with the terms hereof shall be referred to herein individually as a “Party” and, collectively, as the “Parties.”

RECITALS

WHEREAS, prior to the date hereof, representatives of the Company and the Exchanging Holder have engaged in good faith, arm’s-length negotiations with respect to the Company consummating an Exchange Offer (as defined below) pursuant to which all outstanding Notes will be exchanged for New Notes (as defined below) and shares of Common Stock (as defined below) to be issued by the Company in accordance with the terms and conditions set forth in this Agreement and the Registration Statement (as defined below);

WHEREAS, the Exchange Offer and related Consent Solicitation (as defined below) will be implemented and consummated pursuant to the Definitive Documentation (as defined below), including the Registration Statement (as defined below) to be filed with the Commission (as defined below) on or about the date hereof; and

WHEREAS, subject to the execution of the Definitive Documentation, as applicable, the following sets forth the agreement among the Parties concerning their support, subject to the terms and conditions hereof and thereof, to implement the Exchange Offer.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

1. Definitions. The following terms shall have the following definitions:

“Business Day” means any day other than Saturday, Sunday, or a day on which commercial banks in New York, New York are authorized by law or other governmental action to close.

“Commission” means the U.S. Securities and Exchange Commission.

“Common Stock” means the Company’s common stock, par value \$0.01.

“Company” has the meaning set forth in the preamble hereof.

“Consent Solicitation” means the solicitation of consents from Noteholders to eliminate or amend certain covenants, events of default, and related provisions of the Indenture and to release all collateral securing the Company’s obligations under the Indenture, which solicitation of consents shall be consistent with the terms of this Agreement and the Registration Statement.

“Definitive Documentation” means this Agreement, the Registration Statement, and all other documentation relating to the Exchange Offer and Consent Solicitation as is necessary to implement and consummate the Exchange Offer and Consent Solicitation, in each case which documentation shall be in

form and substance acceptable in all respects to the Company and the Exchanging Holder, each in its reasonable discretion.

“Effective Date” means the date on which the Exchange Offer is completed and the transactions described herein are consummated.

“Exchange Offer” means the tender offer, registered on Form S-4, for the Notes, pursuant to which the Company shall offer to exchange all outstanding Notes for New Notes and shares of Common Stock, which tender offer shall be consistent with the terms of this Agreement and the Registration Statement.

“Exchanging Holder” has the meaning set forth in the preamble hereof.

“Exchanging Holders” means, collectively, the Exchanging Holder and each other Noteholder that becomes a party to a Similar Agreement.

“Indenture” has the meaning set forth in the preamble herein.

“Launch” means the date and time at which the Company commences the Exchange Offer and Consent Solicitation.

“Launch Date” means the date on which the Launch occurs, which shall be at least twenty (20) Business Days prior to the Effective Date.

“Noteholder” means a beneficial holder of the Notes.

“New Notes” means the Company’s 3.00% Cash / 5.00% PIK Convertible Senior Secured Notes due 2024 having the terms described in the Registration Statement.

“Notes” has the meaning set forth in the preamble hereto.

“Party” or “Parties” has the meaning set forth in the preamble hereto.

“Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group or any legal entity or association.

“Registration Statement” means the registration statement on Form S-4, including the Prospectus contained therein, to be filed in connection with the Exchange Offer, which registration statement shall be substantially in the form of the draft dated [], 2020 to be filed contemporaneously with execution hereof.

“Securities Act” means Securities Act of 1933, as amended.

“Similar Agreement” means a support agreement with substantially identical terms to this Agreement entered into by the Company and a Noteholder.

“Termination Date” has the meaning set forth in Section 4 hereof.

“Termination Event” has the meaning set forth in Section 4 hereof.

“Trustee” has the meaning set forth in the preamble hereof.

2. Effectuating the Exchange Offer and Consent Solicitation. As long as a Termination Event has not occurred, subject to the terms and conditions of this Agreement, each Party shall use its commercially reasonable efforts to:

(a) effectuate and consummate the transactions contemplated by the Exchange Offer on the terms described in this Agreement and the Registration Statement;

(b) effectuate and consummate the amendments and transactions contemplated by the Consent Solicitation on the terms described in this Agreement and the Registration Statement;

(c) obtain all necessary approvals and consents for the Exchange Offer and the Consent Solicitation from all requisite governmental authorities and third parties, including the declaration of effectiveness of the Registration Statement by the Commission;

(d) complete, and obtain all necessary approvals and consents for, each of the other transactions contemplated by this Agreement and the Registration Statement, and any other Definitive Documentation; and

(e) take no actions inconsistent with this Agreement, the Registration Statement, or any other Definitive Documentation, including any actions that would reasonably be expected to hinder or delay the expeditious consummation of the Exchange Offer and Consent Solicitation.

Without limiting any other provision hereof, as long as a Termination Event has not occurred, each Party hereby agrees to negotiate and cooperate in good faith in respect of all matters concerning the implementation and consummation of the Exchange Offer and the Consent Solicitation. Furthermore, each Party shall take all actions (including executing and delivering any other agreement and making and filing any required regulatory filings) as may be reasonably necessary to carry out the purposes and intent of this Agreement.

3. Support and Participation of Exchanging Holder. Subject to the terms and conditions of this Agreement, the Exchanging Holder agrees that:

(a) as long as a Termination Event has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, then so long as it is the legal owner, beneficial owner and/or the investment advisor or manager of or with power and/or authority to bind any Noteholder, it shall (and shall cause each of its affiliates, subsidiaries, representatives, agents and employees to): (i) validly tender and not withdraw such tender in the Exchange Offer all Notes as to which it is the legal owner, beneficial owner or otherwise has the power and/or authority to bind any Noteholder; and (ii) deliver consents with respect to all such Notes in the Consent Solicitation.

(b) as long as a Termination Event has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, it shall not (and shall cause each of its affiliates, subsidiaries, representatives, agents, and employees not to) sell, transfer or assign, or grant, issue or sell any option, right to acquire, voting participation or other interest in any Notes, *provided* that this paragraph shall not apply to any transfer of the Notes by the Exchanging Holder to any other Person that has already entered into a Similar Agreement or executes a Similar Agreement prior to or contemporaneously with such transfer; and

Notwithstanding anything to the contrary herein, this Agreement shall not, and shall not be deemed to, impair, prohibit, limit or restrict, the Exchanging Holder, its affiliates, or their respective officers or representatives, from:

(a) making any vote, objection, approval, decision, election, tender, consent, determination or other choice if a Termination Event has occurred; or

(b) exercising or asserting through litigation or otherwise any right, power or privilege under or term or provision of (including any dispute regarding the extent, terms, enforceability, or meaning of any such right, term or provision) (x) this Agreement or the documents for, reflecting, or relating to, the Exchange Offer or (y) the Indenture.

4. Covenants of the Company. The Company covenants and agrees that:

(a) it will (i) cause the Launch to occur by February 28, 2020, (ii) provide counsel to the Exchanging Holder a reasonable period of time to review and comment on drafts of all Definitive Documentation prior to the need for such Definitive Documentation to be completed, and (iii) use commercially reasonable efforts to cause the conditions to the Exchange Offer and the Consent Solicitations to be satisfied as promptly as practicable;

(b) the Company will use commercially reasonable efforts to call a special meeting of stockholders (or consider such matters at an annual meeting of stockholders) to consider a proposal to amend its articles of amendment and restatement and any other similar organizational documents, as soon as practicable, and in any event no later than August 31, 2020, to increase the Company's authorized share capital so that shares of Common Stock can be issued in the full amount as required under any conversion of the New Notes.

(c) that (i) the New Notes and Common Stock will be issued pursuant to and in compliance with the Registration Statement (ii) the Exchange Offer will comply in all material respects with all applicable provisions of Rule 13e-4 of the Exchange Act and Regulation 14E thereunder;

(d) on or prior to the Effective Date, it shall pay (or cause to be paid) all then-outstanding reasonable and documented fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP, as counsel to the Exchanging Holder (including any including fees and expenses estimated to be incurred through such dates); and

(e) the Company shall not consummate any material modification, waiver, change or amendment to the terms of the Exchange Offer or the Consent Solicitation (including, for the avoidance of doubt, any modification, waiver, change or amendment to the Conditions to the Exchange Offer as described in the Registration Statement) without the prior written consent of the Exchanging Holder.

5. Termination. This Agreement shall terminate automatically upon the earliest to occur of (a) the mutual written consent of the Parties to terminate this Agreement, (b) the termination of the Exchange Offer without any Notes being accepted for exchange thereunder, (c) any material modification, waiver, change or amendment to the terms of the Exchange Offer or the Consent Solicitation (including, for the avoidance of doubt, any modification, waiver, change or amendment to the Conditions to the Exchange Offer as described in the Registration Statement) after the date hereof, without the prior written consent of the Exchanging Holder pursuant to the terms of this Agreement, (d) at 11:59 p.m. Eastern Time on February 28, 2020, if the Launch not occurred, (e) at 11:59 p.m. Eastern Time on April 30, 2020, if the Effective Date has not occurred, (f) any material breach of this Agreement by the Company that is not cured by the Company (if capably of being cured) within 5 Business Days after receiving notice of such breach from the Exchanging Holder, and (g) the occurrence of any Default or Event of Default (each as defined in the Indenture) (each of the foregoing subclauses (a) through (g), a "Termination Event"). The date on which this Agreement is terminated in accordance with the foregoing shall be referred to as the "Termination Date". Notwithstanding anything to the contrary herein, upon any Termination Event, the Exchanging Holder shall be deemed to have automatically revoked and withdrawn its tender of its Notes in the Exchange Offer and its consents relating to its Notes in the Consent Solicitation, without any further action by such Exchanging Holder, irrespective of the expiration or availability of any "withdrawal period" or similar restriction, whereupon any such tenders and consents will be deemed, for all purposes, to

be null and void *ab initio* and will not be considered or otherwise used in any manner by the Parties in connection with the Exchange Offer, the Consent Solicitation or this Agreement, and the Company agrees not to accept any such tenders or consents, and if any such acceptance has occurred the Company agrees that such acceptance shall be void, and the Company further agrees to take all action necessary or reasonably required to allow the Exchanging Holder to arrange with its custodian and brokers to effectuate the withdrawal of such tenders and consents, including the reopening or extension of any withdrawal or similar periods.

6. Good Faith Cooperation; Further Assurances; Definitive Documentation. As long as a Termination Event has not occurred, the Exchanging Holder and the Company hereby covenant and agree to negotiate in good faith the Definitive Documentation, each of which shall (a) contain the same economic terms as, and other terms consistent in all material respects with, the terms set forth in the Registration Statement, (b) be in form and substance acceptable in all respects to the Company and the Exchanging Holder, each in its reasonable discretion; and (c) be consistent with this Agreement in all material respects.

7. Effectiveness. This Agreement will be effective and binding upon the Company and the undersigned Exchanging Holder as of the date on which: (a) the Company shall have executed and delivered counterpart signature pages of this Agreement and the Similar Agreements to counsel to the Exchanging Holder set forth in Section 18, below, (b) the Exchanging Holder shall have executed and delivered counterpart signature pages of this Agreement to counsel to the Company set forth in Section 18, below, and (c) the Exchanging Holders representing 90% of outstanding Notes shall have executed and delivered counterpart signature pages of this Agreement and the Similar Agreements to counsel to the Company set forth in Section 18, below.

8. Representations and Warranties. Each Party hereby represents and warrants to the other Parties that the following statements are true and correct as of the date hereof:

(a) it has all requisite corporate, partnership, limited liability company, or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder; and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability company, or other similar action on its part;

(b) the execution, delivery, and performance by such Party of this Agreement does not and shall not (i) violate (A) any provision of law, rule, or regulation applicable to it or any of its subsidiaries or (B) its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries or (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party;

(c) the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, notice to, or other action to, with or by, any federal, state, or governmental authority or regulatory body except, with respect to the Company, the filing and effectiveness of the Registration Statement and with respect to the Exchanging Holder, the filing of an amendment to its Schedule 13D or any filings that may be required pursuant to Section 16 of the Exchange Act;

(d) this Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by

bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of a court of competent jurisdiction;

(e) If such Party is an Exchanging Holder, such Exchanging Holder, as of the date of this Agreement:

(i) is the beneficial owner of the principal amount of the Notes set forth opposite the name of such Exchanging Holder on the signature page hereto, or is the nominee, investment manager, or advisor for one or more beneficial holders thereof, and has voting power or authority or discretion with respect to, such Notes including, without limitation, to vote, consent, exchange, assign, and transfer such Notes;

(ii) holds its Notes free and clear, other than pursuant to this Agreement, of any claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrances of any kind that could reasonably be expected to adversely affect such Exchanging Holder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed; and

(iii) is (x) an "accredited investor" (as defined in Rule 501 under the Securities Act), (y) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), or (z) a person who is not a "U.S. person" within the meaning of Rule 902 of Regulation S promulgated under the Securities Act; and

(f) If such Party is the Company, the shares of Common Stock and the New Notes to be issued and delivered pursuant to the Exchange Offer will, when issued and delivered, be duly and validly authorized, issued and delivered and shall be fully paid and non-assessable, and free and clear of all liens, preemptive rights, subscription and similar rights (other than restrictions imposed hereunder or under the Definitive Documentation, the Company's Articles of Amendment and Restatement, the Company's Amended and Restated Bylaws, the Company's Stockholders Agreement dated August 31, 2017 and the Company's Amended & Restated Registration Rights Agreement to be entered in connection with the Exchange Offer).

9. Entire Agreement. This Agreement, including any exhibits, schedules and annexes hereto constitutes the entire agreement of the Company and the Exchanging Holder with respect to the subject matter of this Agreement, and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

10. No Modification. Nothing contained herein effects a modification or waiver of the Parties' or the Trustee's rights under the Notes, the Indenture, or other documents and agreements unless and until the Effective Date has occurred.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

12. Amendments. Except as otherwise provided herein, this Agreement may not be modified, amended or supplemented, or any provisions herein or therein waived without the prior written consent of each of the Parties (and may be modified, amended or supplemented with such consent).

13. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

14. Relationship Among Parties. The execution of this Agreement by any Exchanging Holder shall not create, or be deemed to create, any fiduciary or other duties (actual or implied) to any other Exchanging Holder and no Exchanging Holder shall be responsible for, or have any obligation with respect to, any duties or obligations of any other Exchanging Holder under a Similar Agreement.

15. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of a court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

16. Survival. Notwithstanding the termination of this Agreement in accordance with its terms, the agreements and obligations of the Parties in Sections 10, 14 and 20 shall survive such termination and shall continue in full force and effect for the benefit of the Exchanging Holder in accordance with the terms hereof.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction.

18. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally or by electronic mail transmission with first class mail confirmation to the Parties at the following addresses or email addresses:

If to the Company:

A. M. Castle & Co.
Jeremy T. Steele
Senior Vice President, General Counsel, Secretary
1420 Kensington Road, Suite 220
Oak Brook, IL 60523
Email: jsteele@amcastle.com

with a copy to (which shall not constitute notice):

Eric Orsic, Esq.
McDermott Will & Emery LLP
444 West Lake Street, Suite 4000
Chicago, IL 60606-0029
Email: eorsic@mwe.com

If to the Exchanging Holder:

To the addresses and email addresses set forth on the signature pages hereto.

with a copy to (which shall not constitute notice):

Jacob A. Adlerstein
Austin Witt
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Email: awitt@paulweiss.com; jadlerstein@paulweiss.com

19. No Third-Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person. No Exchanging Holder shall have any right to enforce the terms of any Similar Agreement against any other Exchanging Holder.

20. No Punitive or Consequential Damages. Under no circumstances shall any Party be liable to any other Party for any punitive, exemplary or consequential damages, including, but not limited to loss of revenue or income, or loss of business reputation or opportunity.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

A.M. CASTLE & CO.

By _____

Name:

Title:

EXCHANGING HOLDER:

[INSERT NAME OF EXCHANGING
HOLDER]

By _____

Name: _____

Title: _____

Amount
of Notes: \$ _____

Email: _____

Signature Page to Support and Exchange Agreement

Exhibit A
Registration Statement



A.M. CASTLE & CO.

1420 Kensington Road
Suite 220
Oak Brook, IL 60523
P: (847) 455-7111
F: (847) 241-8171

For Further Information:

Ed Quinn
+1 (847) 455-7111
Email: Inquiries@amcastle.com

FOR IMMEDIATE RELEASE THURSDAY FEBRUARY 27, 2020

A. M. CASTLE & CO. REPORTS FOURTH QUARTER AND FULL YEAR RESULTS; ANNOUNCES EXCHANGE OFFER TO IMPROVE CAPITAL STRUCTURE AND REDUCE DEBT

Improved operating performance, cash generation, and debt reduction demonstrated in 2019 despite challenging end markets lead to announcement of debt-to-equity exchange offer to substantially de-lever the Company's balance sheet with overwhelming support of existing stakeholders

OAK BROOK, IL, February 27, 2020 - A. M. Castle & Co. (OTCQX: CTAM) (the "Company" or "Castle"), a global distributor of specialty metal and supply chain solutions, today reported its fourth quarter and full year 2019 financial results and announced a registered exchange offer to materially enhance its capital structure.

Fourth Quarter 2019 Financial Results Summary:

- Generated net sales of \$126.0 million, an 8.4% decrease compared to \$137.6 million in the fourth quarter of 2018.
- Reported an operating loss of \$4.8 million, compared to \$9.3 million in the fourth quarter of 2018.
- Reported a net loss of \$10.0 million, which included \$10.4 million of interest expense, of which \$7.5 million was non-cash related to long-term debt held primarily by major shareholders, and \$1.3 million was non-cash related to the Company's pension plan, compared to a net loss of \$16.8 million for the fourth quarter of 2018, which included \$9.2 million of interest expense, of which \$6.1 million was non-cash related to long term-debt held primarily by major shareholders, and \$1.2 million was non-cash related to the Company's pension plan.
- Reported negative EBITDA of \$0.6 million and adjusted EBITDA of \$0.2 million in the fourth quarter of 2019, compared to negative EBITDA of \$6.3 million and adjusted negative EBITDA of \$4.3 million in the fourth quarter of 2018.
- Generated \$6.2 million in cash flow from operations during the three-months ended December 31, 2019, driven primarily by improved inventory management, compared to cash flow from operations of \$0.8 million in the three-months ended December 31, 2018.
- Improved gross material margin to 24.7%, compared to 23.5% in the fourth quarter of 2018.
- Paid down \$5.5 million of revolving credit facility debt.

Full Year 2019 Financial Results Summary:

- Generated net sales of \$559.6 million, a 3.8% decrease compared to \$582.0 million in 2018.
- Reported an operating loss of \$10.1 million, compared to \$16.7 million in 2018.
- Reported a net loss of \$38.5 million, which included \$39.9 million of interest expense, of which \$27.9 million was non-cash related to long-term debt held primarily by major shareholders, and \$5.3 million was non-cash related to the Company's pension plan, compared to a net loss of \$37.1 million for 2018, which included \$33.2 million of interest expense, of which \$21.7 million was non-cash related to long term-debt held primarily by major shareholders, and \$4.9 million was non-cash related to the Company's pension plan.

- Reported EBITDA of \$5.2 million, which included a non-recurring non-cash inventory charge of \$1.3 million recorded in the third quarter of 2019, and adjusted EBITDA of \$8.7 million in the year ended December 31, 2019, compared to EBITDA of \$0.3 million and adjusted EBITDA of \$3.9 million in the year ended December 31, 2018.
- Generated \$10.8 million in cash flow from operations during the year ended December 31, 2019, driven primarily by improved inventory management, compared to cash flow used in operations of \$23.8 million in the year ended December 31, 2018.
- Improved to gross material margin of 25.4%, excluding a non-recurring, non-cash inventory charge of \$1.3 million recorded in the third quarter of 2019 related to the exit of our carbon flat-roll business in one of the Company's Mexican operations, compared to 24.9% in the prior year.
- Paid down \$6.5 million of revolving credit facility debt.

President and CEO Marec Edgar commented, "We are pleased with the improvement in our year-over-year operating results for both the fourth quarter and full year. As expected, our fourth quarter results were unfavorably impacted by the seasonally slow year-end months and continuing softness in our North American industrial end markets. Despite those headwinds, however, we were able to improve operating profitability, generate positive cash flow from operations and, for both the fourth quarter and full year of 2019, achieve positive adjusted EBITDA, a significant improvement over the prior year. These improved results were driven by our disciplined focus on highly accretive sales, particularly those including our expanding value-added service offerings. Our robust execution of this strategy allowed us to improve the material margin on our core products, despite a non-recurring, non-cash inventory charge of \$1.3 million taken in the third quarter of 2019 associated with our exit from a portion of our low-margin, working-capital intensive, carbon flat-roll business in one of our Mexican operations."

Executive Vice President of Finance and Administration Pat Anderson added, "Our positive cash flow from operations of \$10.8 million for the year was a nearly \$35 million improvement in cash generated from operations compared to last year. Driving this positive cash flow from operations were enhanced execution in the management of our inventory, primarily the reduction in our aged inventories, lowering of overall stock levels throughout the business, and real-time facilitation of our branches in moving higher cost inventory as certain markets softened. We believe these inventory initiatives, which are a primary focus of our recently established global supply organization, will allow us to avoid an overstocked position relative to the market and restock at lower replacements costs."

Mr. Anderson concluded, "With the cash generated, we continue to invest in the business and reduce debt. During 2019, we paid down \$6.5 million against our revolving credit facility."

Summary of Exchange Offer and Expected Capital Structure Improvements and Debt Reduction:

- Structured as a registered exchange offer to all holders of existing 5.0%/7.0% Second Lien Convertible PIK Toggle Notes due August 31, 2022 ("Existing Notes").
- Confirmed support of holders of approximately 97% of the Existing Notes who have agreed to tender their Existing Notes in the exchange offer.
- Based on the Existing Notes outstanding as of December 31, 2019, full participation in the exchange offer would result in (i) approximately \$97.0 million of the Existing Notes being exchanged into common stock, representing a 95% ownership of the pro forma equity of Castle, and (ii) the remaining approximately \$97.0 million of the Existing Notes being exchanged into new 3.0%/5.0% second lien convertible PIK toggle notes with a maturity date extended to August 31, 2024.
- Reduction in annual interest expense of approximately \$10.0 million on a pro forma basis.
- Based on Existing Notes outstanding as of December 31, 2019, a substantial reduction in long-term debt from \$263.5 million to \$166.7 million on a pro forma basis.
- Holders of the Existing Notes participating in the exchange offer will consent to certain amendments of the indenture governing the Existing Notes to eliminate or amend substantially all of the restrictive covenants and release all collateral securing the Existing Notes.
- Expected to be completed in next approximately 30 to 60 days.

Mr. Edgar added, "I am also very pleased to announce that we are simultaneously filing a registration statement outlining an exchange offer pursuant to which we will issue shares of our common stock and new convertible notes due 2024 in exchange for our existing second-lien notes, which totaled approximately \$194.0 million at year end. We have already secured

commitments from approximately 97% of the existing second-lien note holders, who also own the vast majority of our stock, to support the exchange."

Mr. Edgar continued, "At full participation, the result of the transaction will be the exchange of approximately \$97.0 million of existing second-lien debt into equity and extension of the remaining approximately \$97.0 million of debt into a new convertible, second lien instrument due 2024 at a reduced interest coupon. This overwhelming support from our stakeholders is a decisive endorsement of our progress to date and their commitment to our continued future success. We thank the stakeholders for their vote of confidence and will continue to work hard every day in all our branches around the world to create and maximize value."

Mr. Edgar concluded, "Our capital structure upon completion of the exchange offer will reduce our yearly interest burden by over \$10 million, substantially deleverage our balance sheet, and, we believe, eliminate any lingering concerns about Castle's financial stability. With all that positive momentum, we are charging into 2020 with a confident belief that our improved performance in 2019 will continue and accelerate, based upon an operational foundation that is now resilient to challenging market conditions and capable of delivering increased profitability."

Important Information Regarding Exchange Offer

The exchange offer is subject to the conditions described in the registration statement on Form S-4 filed by the Company in connection with the exchange offer and is scheduled to expire at 5:00 p.m., Eastern Time, on March 26, 2020, unless terminated earlier or extended. Holders of Existing Notes who participate in the exchange offer will receive the following for each \$1,000 of Old Notes: (i) \$491.8619 principal amount of 3.00%/5.00% Convertible Senior PIK Toggle Notes due August 31, 2024 and (ii) 363.2585 shares of common stock. Accrued and unpaid interest on the Existing Notes will be exchanged into new notes and common stock at the exchange rate on the date on which the exchange offer is completed.

In connection with the exchange offer, a registration statement on Form S-4, a tender offer statement on Schedule TO, and related documents relating to the exchange offer are being filed by Castle with the SEC. The new notes and common stock may not be exchanged or sold nor may offers to exchange or buy be accepted prior to the time the registration statement becomes effective. This news release shall not constitute an offer to exchange or sell, or the solicitation of an offer to exchange or buy, nor shall there be any exchange or sale of such securities in any state in which such offer, exchange, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. Holders of the Existing Notes are strongly advised to read the registration statement, tender offer statement and other related documents because these documents contain important information. Such holders may obtain copies of the exchange offer materials from Wilmington Savings Fund Society, FSB, Attention: Corporate Trust Middle Office, 501 Car Road, Suite 100, Wilmington, DE 19809, by facsimile (eligible institutions only): 302-421-9137, for information or confirmation by telephone: 302-571-7014. These documents can also be obtained at no charge from Castle or at the SEC's website, www.sec.gov. Castle is not making any recommendation to holders of outstanding Existing Notes as to whether they should tender them pursuant to the exchange offer.

About A. M. Castle & Co.

Founded in 1890, A. M. Castle & Co. is a global distributor of specialty metal and supply chain services, principally serving the producer durable equipment, commercial aircraft, heavy equipment, industrial goods, and construction equipment sectors of the global economy. Its customer base includes many Fortune 500 companies as well as thousands of medium and smaller-sized firms spread across a variety of industries. It specializes in the distribution of alloy and stainless steels; nickel alloys; aluminum and carbon. Together, Castle and its affiliated companies operate out of 19 metals service centers located throughout North America, Europe and Asia. Its common stock is traded on the OTCQX® Best Market under the ticker symbol "CTAM".

Non-GAAP Financial Measures

This release and the financial information included in this release include non-GAAP financial measures. The non-GAAP financial information should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Investors should recognize that these non-GAAP financial measures might not be comparative to similarly titled measures of other companies. However, we believe that non-GAAP reporting, giving effect to the adjustments shown in the reconciliation contained in this release and in the attached financial statements, provides meaningful information, and therefore we use it to supplement our GAAP reporting and guidance. Management often uses this information to assess and measure the performance of our business. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analysis of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments shown in the reconciliations and to assist with period-over-period comparisons of such operations. The exclusion of the charges indicated herein from the non-GAAP financial measures presented does not indicate an expectation by the Company that similar charges will not be incurred in subsequent periods.

In addition, the Company believes that the use and presentation of EBITDA, which is defined by the Company as loss before provision for income taxes plus depreciation and amortization, and interest expense, is widely used by the investment community for evaluation purposes and provides investors, analysts and other interested parties with additional information in analyzing the Company's operating results. EBITDA, adjusted non-GAAP net loss and adjusted EBITDA are presented as the Company believes the information is important to provide investors, analysts and other interested parties additional information about the Company's financial performance. Management uses EBITDA, adjusted non-GAAP net loss and adjusted EBITDA to evaluate the performance of the business.

Cautionary Statement on Risks Associated with Forward Looking Statements

Information provided and statements contained in this release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this release and the Company assumes no obligation to update the information included in this release. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, the benefits that we expect to achieve from our working capital management initiative, and the timing and anticipated benefits of the exchange offer. These statements often include words such as "believe," "expect," "anticipate," "intend," "predict," "plan," "should," or similar expressions. These statements are not guarantees of performance or results, and they involve risks, uncertainties, and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors include our ability to effectively manage our operational initiatives and implemented restructuring activities, the impact of volatility of metals prices, the impact of imposed tariffs and/or duties, the cyclical and seasonal aspects of our business, our ability to effectively manage inventory levels, and the impact of our substantial level of indebtedness, and our ability to successfully complete the exchange offer and realize the anticipated benefits of the transaction, as well as those risk factors identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future, to reflect the occurrence of unanticipated events or for any other reason.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Net sales	\$ 126,021	\$ 137,574	\$ 559,591	\$ 581,970
Costs and expenses:				
Cost of materials (exclusive of depreciation)	94,888	105,191	418,806	437,052
Warehouse, processing and delivery expense	17,990	21,023	77,567	83,635
Sales, general and administrative expense	15,530	18,540	64,557	68,933
Depreciation expense	2,453	2,117	8,759	9,082
Total costs and expenses	130,861	146,871	569,689	598,702
Operating loss	(4,840)	(9,297)	(10,098)	(16,732)
Interest expense, net	10,399	9,171	39,902	33,172
Other income, net	(1,807)	(879)	(6,586)	(7,980)
Loss before income taxes	(13,432)	(17,589)	(43,414)	(41,924)
Income tax benefit	(3,420)	(753)	(4,899)	(4,779)
Net loss	\$ (10,012)	\$ (16,836)	\$ (38,515)	\$ (37,145)

Reconciliation of Reported Net Loss to EBITDA and Adjusted EBITDA:

(Dollars in thousands)

Unaudited

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Net loss, as reported	\$ (10,012)	\$ (16,836)	\$ (38,515)	\$ (37,145)
Depreciation expense	2,453	2,117	8,759	9,082
Interest expense, net	10,399	9,171	39,902	33,172
Income tax benefit	(3,420)	(753)	(4,899)	(4,779)
EBITDA	(580)	(6,301)	5,247	330
Non-GAAP adjustments ^(a)	797	2,043	3,423	3,554
Adjusted EBITDA	\$ 217	\$ (4,258)	\$ 8,670	\$ 3,884

(a) Refer to "Reconciliation of Reported Net Loss to Adjusted Non-GAAP Net Loss" table for additional details on these amounts.

Reconciliation of Reported Net Loss to Adjusted Non-GAAP Net Loss:

<i>(Dollars in thousands)</i> <i>Unaudited</i>	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Net loss, as reported	\$ (10,012)	\$ (16,836)	\$ (38,515)	\$ (37,145)
Non-GAAP adjustments:				
Noncash compensation expense	1,147	721	2,862	2,784
Foreign exchange loss (gain) on intercompany loans	(350)	1,322	(776)	770
Noncash write-off on inventory ^(a)	—	—	1,277	—
Noncash loss on disposal of equipment ^(a)	—	—	60	—
Non-GAAP adjustments to arrive at Adjusted EBITDA	797	2,043	3,423	3,554
Non-cash interest expense ^(b)	7,533	6,145	27,854	21,662
Total non-GAAP adjustments	8,330	8,188	31,277	25,216
Tax effect of adjustments	—	—	—	—
Adjusted non-GAAP net loss	<u>\$ (1,682)</u>	<u>\$ (8,648)</u>	<u>\$ (7,238)</u>	<u>\$ (11,929)</u>

(a) Amount relates to the nonrecurring noncash disposal of equipment and nonrecurring noncash write-down of inventory recorded in the third quarter of 2019 in conjunction with the Company's decision to exit a portion of its carbon flat-roll business in one of its Mexican operations.

(b) Non-cash interest expense for the three months ended December 31, 2019 and December 31, 2018 includes interest paid in kind of \$4,102 and \$3,747, respectively, and amortization of debt discount of \$3,431 and \$2,398, respectively. Non-cash interest expense for the year ended December 31, 2019 and December 31, 2018 includes interest paid in kind of \$15,912 and \$13,502, respectively, and amortization of debt discount of \$11,942 and \$8,160, respectively.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except par value data)

As of

	December 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,433	\$ 8,668
Accounts receivable	74,697	79,757
Inventories	144,411	160,686
Prepaid expenses and other current assets	9,668	14,344
Income tax receivable	1,995	1,268
Total current assets	<u>237,204</u>	<u>264,723</u>
Goodwill and intangible assets	8,176	8,176
Prepaid pension cost	5,758	1,754
Deferred income taxes	1,534	1,261
Operating right-of-use assets	29,423	—
Other noncurrent assets	792	1,278
Property, plant and equipment:		
Land	5,579	5,577
Buildings	20,950	21,218
Machinery and equipment	41,054	38,394
Property, plant and equipment, at cost	<u>67,583</u>	<u>65,189</u>
Accumulated depreciation	<u>(20,144)</u>	<u>(11,989)</u>
Property, plant and equipment, net	<u>47,439</u>	<u>53,200</u>
Total assets	<u>\$ 330,326</u>	<u>\$ 330,392</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 41,745	\$ 42,719
Accrued payroll and employee benefits	7,648	11,307
Accrued and other current liabilities	3,540	5,324
Operating lease liabilities	6,537	—
Income tax payable	573	1,589
Short-term borrowings	2,888	5,498
Current portion of finance leases	596	119
Total current liabilities	<u>63,527</u>	<u>66,556</u>
Long-term debt, less current portion	263,523	245,966
Deferred income taxes	3,775	7,540
Finance leases, less current portion	8,208	61
Build-to-suit liability	—	9,975
Other noncurrent liabilities	2,894	3,334
Pension and postretirement benefit obligations	6,709	6,321
Noncurrent operating lease liabilities	22,760	—
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.01 par value—200,000 Class A shares authorized with 3,818 shares issued and 3,650 shares outstanding at December 31, 2019, and 3,803 shares issued and outstanding at December 31, 2018	38	38
Additional paid-in capital	61,461	55,421
Accumulated deficit	(88,741)	(50,472)
Accumulated other comprehensive loss	(13,374)	(14,348)
Treasury stock, at cost — 168 shares at December 31, 2019 and no shares at December 31, 2018	<u>(454)</u>	<u>—</u>
Total stockholders' deficit	<u>(41,070)</u>	<u>(9,361)</u>
Total liabilities and stockholders' deficit	<u>\$ 330,326</u>	<u>\$ 330,392</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended	
	December 31,	
	2019	2018
Operating activities:		
Net loss	\$ (38,515)	\$ (37,145)
Adjustments to reconcile net loss to net cash from (used in) operating activities:		
Depreciation	8,759	9,082
Amortization of deferred financing costs and debt discount	11,942	8,160
Noncash interest paid in kind	15,912	13,502
Loss on sale of property, plant & equipment	256	64
Unrealized foreign currency (gain) loss	(771)	580
Noncash rent expense	247	—
Deferred income taxes	(5,605)	(7,071)
Non-cash compensation expense	2,862	2,784
Other, net	—	631
Changes in assets and liabilities:		
Accounts receivable	5,143	(6,100)
Inventories	16,286	(7,730)
Prepaid expenses and other current assets	3,963	(2,955)
Other noncurrent assets	(428)	740
Prepaid pension costs	(1,190)	(2,717)
Accounts payable	(1,014)	1,370
Accrued payroll and employee benefits	(3,983)	3,453
Income tax payable and receivable	(1,750)	1,624
Accrued and other current liabilities	(1,397)	(1,120)
Postretirement benefit obligations and other noncurrent liabilities	107	(933)
Net cash from (used in) operating activities	10,824	(23,781)
Investing activities:		
Capital expenditures	(4,021)	(5,687)
Proceeds from sale of property, plant and equipment	442	77
Net cash used in investing activities	(3,579)	(5,610)
Financing activities:		
Proceeds from long-term debt including credit facilities	3,500	49,954
Repayments of long-term debt including credit facilities	(9,988)	(21,130)
Repayments of short-term borrowings, net	(2,461)	(115)
Principal paid on finance leases	(611)	—
Payments of debt issue costs	—	(499)
Payments of build-to-suit liability	—	(897)
Net cash (used in) from financing activities	(9,560)	27,313
Effect of exchange rate changes on cash and cash equivalents	80	(358)
Net change in cash and cash equivalents	(2,235)	(2,436)
Cash and cash equivalents—beginning of year	8,668	11,104
Cash and cash equivalents—end of year	<u>\$ 6,433</u>	<u>\$ 8,668</u>

LONG-TERM DEBT*(Dollars in thousands)***As of**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
5.00% / 7.00% Second Lien Notes due August 31, 2022 ^(a)	\$ 193,660	\$ 180,894
Floating rate Revolving A Credit Facility due February 28, 2022	102,000	108,488
12.00% Revolving B Credit Facility due February 28, 2022 ^(b)	25,788	22,875
Less: unvested restricted Second Lien Notes due August 31, 2022	(323)	(1,378)
Less: unamortized discount	(57,313)	(64,491)
Less: unamortized debt issuance costs	(289)	(422)
Total long-term debt	<u>263,523</u>	<u>245,966</u>
Less: current portion of long-term debt	—	—
Total long-term portion	<u>\$ 263,523</u>	<u>\$ 245,966</u>

(a) Included in balance is interest paid in kind of \$28,991 as of December 31, 2019 and \$15,992 as of December 31, 2018.

(b) Included in balance is interest paid in kind of \$4,288 as of December 31, 2019 and \$1,375 as of December 31, 2018.