

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-898

AMPCO-PITTSBURGH CORPORATION

Pennsylvania
(State of Incorporation)

25-1117717
(I.R.S. Employer Identification No.)

726 Bell Avenue, Suite 301
Carnegie, Pennsylvania 15106
(Address of principal executive offices)

(412) 456-4400
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$1 par value	AP	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ___ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ___ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No ___

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes No ___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ___
Non-accelerated filer

Accelerated filer ___
Smaller reporting company
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. ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No

The aggregate market value of the voting stock of Ampco-Pittsburgh Corporation held by non-affiliates on June 28, 2019 (based upon the closing price of the Registrant's Common Stock on the New York Stock Exchange on that date) was approximately \$27 million.

As of March 10, 2020, 12,658,844 common shares were outstanding.

TABLE OF CONTENTS

PART I

Item 1. Business	1
Item 1a. Risk Factors	4
Item 1b. Unresolved Staff Comments	7
Item 2. Properties	7
Item 3. Legal Proceedings	8
Item 4. Mine Safety Disclosures	8

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	9
Item 6. Selected Financial Data	9
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation	9
Item 7a. Quantitative and Qualitative Disclosures about Market Risk	18
Item 8. Financial Statements and Supplementary Data	19
Item 9. Changes In and Disagreements With Accountants On Accounting and Financial Disclosure	60
Item 9a. Controls and Procedures	60
Item 9b. Other Information	60

PART III

Item 10. Directors, Executive Officers and Corporate Governance	61
Item 11. Executive Compensation	61
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholders Matters	61
Item 13. Certain Relationships and Related Transactions, and Director Independence	61
Item 14. Principal Accountant Fees and Services	61

Part IV

Item 15. Exhibits and Financial Statement Schedules	62
Item 16. Form 10-K Summary	65
Signatures	66

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the “Act”) provides a safe harbor for forward-looking statements made by us or on our behalf. Management’s Discussion and Analysis of Financial Condition and Results of Operation and other sections of this Annual Report on Form 10-K, as well as the consolidated financial statements and notes hereto, may include, but are not limited to, statements about operating performance, trends, events that we expect or anticipate will occur in the future, statements about sales levels, divestitures, restructuring, the effect of any impairment charges, profitability and anticipated expenses and cash outflows. All statements in this document other than statements of historical fact are statements that are, or could be, deemed “forward-looking statements” within the meaning of the Act and words such as “may,” “intend,” “believe,” “expect,” “anticipate,” “estimate,” “project,” “forecast” and other terms of similar meaning that indicate future events and trends are also generally intended to identify forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made, are not guarantees of future performance or expectations, and involve risks and uncertainties. For us, these risks and uncertainties include, but are not limited to: cyclical demand for products and economic downturns; excess global capacity in the steel industry; increases in commodity prices or shortages of key production materials; a work stoppage or similar industrial action; currency fluctuations; inability to successfully restructure our operations; limitations in availability of capital to fund our strategic plan; and those discussed more fully elsewhere in this report, particularly in Item 1A, Risk Factors, in Part I of this Annual Report on Form 10-K. We cannot guarantee any future results, levels of activity, performance or achievements. In addition, there may be events in the future that we are not able to predict accurately or control which may cause actual results to differ materially from expectations expressed or implied by forward-looking statements. Except as required by applicable law, we assume no obligation, and disclaim any obligation, to update forward-looking statements whether as a result of new information, events or otherwise.

– PART I –

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

Ampco-Pittsburgh Corporation (the “Corporation”) was incorporated in Pennsylvania in 1929. The Corporation, individually or together with its consolidated subsidiaries, is also referred to herein as the “Registrant.” The Corporation manufactures and sells highly engineered, high-performance specialty metal products and customized equipment utilized by industry throughout the world. It operates in two business segments, the *Forged and Cast Engineered Products* segment and the *Air and Liquid Processing* segment. This segment presentation is consistent with how the Corporation’s chief operating decision maker evaluates the financial performance and makes resource allocation and strategic decisions about the business. In 2019, the Corporation sold all of the issued and outstanding stock of ASW Steel Inc., a specialty steel producer based in Canada, and certain assets, including real estate and certain personal property, of Akers National Roll Company (“ANR”). Following the completion of customer orders in backlog, all manufacturing activities at ANR ceased. Both operations incurred significant losses in 2019 and 2018.

NARRATIVE DESCRIPTION OF BUSINESS

Forged and Cast Engineered Products Segment

The *Forged and Cast Engineered Products* segment produces forged hardened steel rolls, cast rolls and open-die forged products. Forged hardened steel rolls are used primarily in cold rolling mills by producers of steel, aluminum and other metals. Cast rolls, which are produced in a variety of iron and steel qualities, are used mainly in hot and cold strip mills, medium/heavy section mills and plate mills. Forged engineered products are used in the oil and gas industry and the aluminum and plastic extrusion industries. The segment has operations in the United States, England, Sweden, Slovenia, and an equity interest in three joint venture companies in China. Collectively, the segment primarily competes with European, Asian and North and South American companies in both domestic and foreign markets and distributes a significant portion of its products through sales offices located throughout the world.

Union Electric Steel Corporation produces forged hardened steel rolls and open-die forged products. It is headquartered in Carnegie, Pennsylvania, with three manufacturing facilities in Pennsylvania and one in Indiana. The following entities are direct or indirect operating subsidiaries of Union Electric Steel Corporation:

Union Electric Steel UK Limited produces cast rolls in a variety of iron and steel qualities for hot and cold strip mills, medium/heavy section mills and plate mills. It is located in Gateshead, England.

Åkers Sweden AB produces cast rolls in a variety of iron and steel qualities for hot strip finishing, roughing mills, plate mills and medium/heavy section mills. It is located in Åkers Styckebruk, Sweden.

Åkers Valji Ravne d.o.o. produces forged rolls for cluster mills and Z-Hi mills, work rolls for narrow and wide strip and aluminum mills, back-up rolls for narrow strip mills, and leveling rolls and shafts. It is located in Ravne, Slovenia.

Alloys Unlimited Processing, LLC is a distributor of tool steels, alloys and carbon round bar, located in Austintown, Ohio.

The segment also has an equity interest in three joint venture companies in China:

Shanxi Åkers TISCO Roll Co. Ltd., is a joint venture between Taiyuan Iron and Steel Co Ltd. and Åkers AB, a subsidiary of Union Electric Steel Corporation, that produces cast rolls for hot strip mills, steckel mills and medium plate mills. It is located in Taiyuan, Shanxi Province, China. Åkers AB holds a 59.88% interest in the joint venture.

Masteel Gongchang Roll Co., Ltd. is a joint venture among Union Electric Steel Corporation, Magang (Group) Holding Co., Ltd. and Jiangsu Gongchang Roll Joint-Stock Co., Ltd. that produces large forged backup rolls for hot and cold strip mills. It is located in Maanshan, Anhui Province, China. Union Electric Steel (Hong Kong) Limited, a subsidiary of Union Electric Steel Corporation, holds a 33% interest in the joint venture.

Jiangsu Gongchang Roll Joint-Stock Co., Ltd. is a joint venture that produces cast rolls for hot and cold strip mills, medium/heavy section mills and plate mills. It is located in Xinjian Town Yixing City, Jiangsu Province, China. Union Electric Steel UK Limited holds a 24.03% interest in the joint venture.

Air and Liquid Processing Segment

The *Air and Liquid Processing* segment includes Aerofin, Buffalo Air Handling and Buffalo Pumps, all divisions of Air & Liquid Systems Corporation ("Air & Liquid"), a wholly owned subsidiary of the Corporation. The segment has operations in Virginia and New York with headquarters in Carnegie, Pennsylvania. It distributes a significant portion of its products through a common independent group of sales offices located throughout the United States and Canada and has several major competitors.

Aerofin Division of Air & Liquid Systems Corporation produces custom-engineered finned tube heat exchange coils and related heat transfer products for a variety of industries including OEM/commercial, nuclear power generation and industrial manufacturing, and is located in Lynchburg, Virginia.

Buffalo Air Handling Division of Air & Liquid Systems Corporation produces large custom-designed air handling systems for institutional (e.g., hospital, university), pharmaceutical and general industrial building markets, and is located in Amherst, Virginia.

Buffalo Pumps Division of Air & Liquid Systems Corporation manufactures centrifugal pumps for the fossil-fueled power generation, marine defense and industrial refrigeration industries, and is located in North Tonawanda, New York.

Products

In both segments, the products are dependent on engineering, principally custom designed, and are sold to sophisticated commercial and industrial users located throughout the world. For additional information on the products produced and financial information about each segment, see Note 16, *Revenue*, and Note 23, *Business Segments*, to the Consolidated Financial Statements.

Raw Materials

Raw materials used in both segments are generally available from many sources and neither segment is dependent upon any single supplier for any raw material. Substantial volumes of raw materials used by each segment are subject to significant variations in price. The Corporation's subsidiaries generally do not purchase or commit for the purchase of a major portion of raw materials significantly in advance of the time they require such materials but do make forward commitments for certain commodities (copper and aluminum). See Note 14, *Derivative Instruments*, to the Consolidated Financial Statements.

Patents and Trademarks

While the Corporation and its subsidiaries hold certain patents, trademarks and licenses, in the opinion of management, they are not material to either segment.

Backlog

The backlog of orders at December 31, 2019, was approximately \$321 million compared to a backlog of \$343 million at year-end 2018. The reduction in backlog is attributable to the Forged and Cast Engineered Products segment. It is not a reflection of any loss of market share but, instead, due to several of its largest customers adjusting their ordering patterns. Approximately 9% of the backlog is expected to be released after 2020.

Competition

The Corporation faces considerable competition from a large number of companies in both segments. The Corporation believes, however, that its subsidiaries are significant participants in each of the niche markets that they serve. Competition in both segments is based on quality, service, price, and delivery.

Environmental Protection Compliance Costs

Expenditures for environmental control matters were not material to either segment in 2019 and are not expected to be material in 2020.

Employees

On December 31, 2019, the Corporation and its subsidiaries had 1,673 active employees.

AVAILABLE INFORMATION

The Corporation files annual, quarterly and current reports, amendments to those reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). You may access and read the Corporation's filings without charge through the SEC's website at www.sec.gov.

The Corporation's internet address is www.ampcopittsburgh.com. The Corporation makes available, free of charge on its internet website, access to these reports as soon as reasonably practicable after such material is filed with, or furnished to, the SEC. The information on the Corporation's website is not part of this Annual Report on Form 10-K.

EXECUTIVE OFFICERS

The name, age, position with the Corporation⁽¹⁾ and business experience for at least the past five years of the Executive Officers of the Corporation are as follows:

J. Brett McBrayer (age 54). Mr. McBrayer has served as the Corporation's Chief Executive Officer since July 2018. He previously served as President and Chief Executive Officer at Airtex Products and ASC Industries, a global manufacturer and distributor of automotive aftermarket and OEM fuel and water pumps, from 2012 to 2017. Mr. McBrayer also served as Vice President and General Manager of the Alcan Cable business at Rio Tinto Alcan, as Vice President and General Manager of the Specialty Metals Division at Precision Cast Parts Corporation, and held positions of various responsibility and leadership during his 20 years with Alcoa, Inc.

Rose Hoover (age 64). Ms. Hoover has been employed by the Corporation for more than forty years. She has served as President and Chief Administrative Officer of the Corporation since August 2015 and Executive Vice President from 2011 to August 2015.

Michael G. McAuley (age 56). Mr. McAuley has served as Senior Vice President, Chief Financial Officer and Treasurer of the Corporation since March 2018 and as Vice President, Chief Financial Officer and Treasurer since April 2016. Previously, he served as Senior Vice President and Chief Financial Officer of RTI International Metals, Inc., a producer of titanium mill products and fabricated metal components, from July 2014 to October 2015, and has held several senior financial capacities over the preceding 25 years including at Goodrich Corporation and Air Products & Chemicals, Inc.

Samuel C. Lyon (age 51). Mr. Lyon has served as President of Union Electric Steel Corporation since February 2019. He previously served as Vice President and Group President of Performance Engineered Products at Carpenter Technology Corporation, a developer, manufacturer and distributor of stainless steels and corrosion-resistant alloys, from July 2017 to January 2019. Prior to that, he served as Vice President and General Manager of Dynamet Incorporated, the titanium business unit of Carpenter Technology, from October 2016 to June 2017, and as Chief Operating Officer of UCI-Pumps business of UCI-Fram, an OEM and after-market automotive parts supplier, from March 2013 to September 2016.

Terrence W. Kenny (age 60). Mr. Kenny has been employed by the Corporation for more than thirty-five years. He has served as President of the Air & Liquid Systems Corporation for more than ten years.

⁽¹⁾ Officers serve at the discretion of the Board of Directors of the Corporation and none of the listed individuals serves as a director of a public company.

ITEM 1A. RISK FACTORS

From time to time, important factors may cause actual results to differ materially from future expected results based on performance expressed or implied by any forward-looking statements made by us, including known and unknown risks, uncertainties and other factors, many of which are not possible to predict or control. Several of these factors are described from time to time in our filings with the SEC, but the factors described in filings are not the only risks that the Corporation faces.

Cyclical demand for products and economic downturns could reduce the demand for, and sales of, our products, which could adversely affect our margins and profitability.

A significant portion of the Forged and Cast Engineered Products segment's sales consists of mill rolls to customers in the global steel and aluminum industry that can be periodically impacted by economic or cyclical downturns. Such downturns, the timing and length of which are difficult to predict, may reduce the demand for, and sales of, our forged and cast rolls both in the United States and the rest of the world. Lower demand for rolls may also adversely impact profitability as other competing roll producers lower selling prices in the marketplace in order to fill their manufacturing capacity. Cancellation of orders or deferral of delivery of rolls may occur and produce an adverse impact on financial results. In addition, sales of non-roll product, consisting of open-die forged product primarily for the oil and gas industry, are impacted by fluctuations in global energy prices.

Excess global capacity in steel industry could lower prices for our products, which could adversely affect our sales, margins and profitability, as well as collectability of receivables and salability of in-process inventory.

The global steel manufacturing capacity continues to exceed global consumption of steel products. Such excess capacity often results in manufacturers in certain countries exporting steel at prices significantly below their home market prices (often due to local government assistance or subsidies), which leads to global market destabilization and reduced sales and profitability of some of our and our subsidiaries' customers, which, in turn, affects our sales and profit margins, as well as collectability of receivables and salability of in-process inventory.

A reduction in the level of export sales, as well as other economic factors in foreign countries, could have an adverse impact on our financial results.

Exports are a significant proportion of our subsidiaries' sales. Historically, changes in foreign exchange rates, particularly in respect of the U.S. dollar, British pound, Swedish krona and the euro, have impacted the export of our products and may do so again in the future. Other factors that may adversely impact export sales and operating results include political and economic instability, export controls, changes in tax laws and tariffs, and new indigenous producers in overseas markets. A reduction in the level of export sales may have an adverse impact on our financial results. In addition, changes in foreign currency exchange rates may provide foreign roll suppliers with advantages based on those lower foreign currency exchange rates and, therefore, permit them to compete in our home markets.

Fluctuation of the value of the U.S. dollar relative to other currencies could adversely affect our business, results of operations and financial condition.

Certain of our subsidiaries operate in foreign jurisdictions and, accordingly, earn revenues, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar. Since our consolidated financial statements are presented in U.S. dollars, we must translate revenues and expenses into U.S. dollars at the average exchange rate during each reporting period, and assets and liabilities into U.S. dollars at the exchange rate in effect at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against other major currencies will affect the translated value for revenue, expenses and balance sheet items denominated in foreign currencies and could materially affect our financial results expressed in U.S. dollars.

Commodity price increases, as well as any reductions in electricity, gas supply or shortage of key production materials, could adversely impact our production, which could result in lower profitability or higher losses.

Our subsidiaries use certain commodities in the manufacture of their products. These include steel scrap, ferroalloys, energy and graphite electrodes. Any unexpected, sudden or prolonged price increase may cause a reduction in profit margins or losses where fixed-priced contracts have been accepted or increases cannot be obtained in future selling prices. In addition, there may be curtailment in electricity or gas supply which could adversely impact production. Shortage of critical materials, while driving up costs, may be of such severity as to disrupt production, all of which may impact sales and profitability. The global supply shortage of graphite electrodes used for electric arc furnace melting of our steels could materially impact results of operations should we be unable to secure sufficient supply for our production requirements.

A work stoppage or another industrial action on the part of any of our unions could be disruptive to our operations.

Our subsidiaries have several key operations which are subject to multi-year collective bargaining agreements with their hourly work forces. While we believe we have good relations with our unions, there is the risk of industrial action or work stoppage at the expiration of an agreement if contract negotiations break down, which may disrupt manufacturing and impact results of operations.

Dependence on certain equipment may cause an interruption in our production if such equipment is out of operation for an extended period of time, which could result in lower sales and profitability.

Our subsidiaries' principal business relies on certain unique equipment such as an electric arc furnace and a spin cast work roll machine. Although a comprehensive critical spare inventory of key components for this equipment is maintained, if any such unique equipment is out of operation for an extended period, it may result in a significant reduction in our sales and earnings.

The ultimate liability of our subsidiaries for claims alleging personal injury from exposure to asbestos-containing components historically used in certain products of our subsidiaries could have a material adverse effect on our financial condition or liquidity in the future.

Our subsidiaries, and in some cases, we, are defendants in numerous claims alleging personal injury from exposure to asbestos-containing components historically used in certain products of our subsidiaries. Through the current year end, our insurance has covered a substantial majority of our settlement and defense costs. We believe that the estimated costs net of anticipated insurance recoveries of our pending and future asbestos legal proceedings should not have a material adverse effect on our financial condition or liquidity. However, there can be no assurance that our subsidiaries or we will not be subject to significant additional claims in the future or that our subsidiaries' ultimate liability with respect to asbestos claims will not present significantly greater and longer lasting financial exposure than provided in our financial statements. The ultimate net liability with respect to such pending and any unasserted claims is subject to various uncertainties, including the following:

- the number of claims in the future;
- the costs of defending and settling these claims;
- insolvencies among our insurance carriers and the risk of future insolvencies;
- the possibility that adverse jury verdicts could require damage payments in amounts greater than the amounts for which we have historically settled claims;
- possible changes in the litigation environment or federal and state law governing the compensation of asbestos claimants; and
- the risk that the bankruptcies of other asbestos defendants may increase our costs.

Because of the uncertainties related to such claims, it is possible that the ultimate liability could have a material adverse effect on our financial condition or liquidity in the future.

Potential attacks on information technology infrastructure and other cyber-based business disruptions could have a material adverse effect on our financial condition and results of operations.

We depend on integrated information technology ("IT") systems to conduct our business. IT systems failures, including risks associated with upgrading our systems or in successfully integrating IT and other systems to common platforms, network disruptions and breaches of data security could disrupt our operations by impeding our processing of transactions, our ability to protect customer or company information and our financial reporting. Our computer systems, including our back-up systems, could be damaged or interrupted by power outages; computer and telecommunications failures; computer viruses; internal or external security breaches; events such as fires, earthquakes, floods, tornadoes and hurricanes; and/or errors by our employees. Cyber-based risks, in particular, are evolving and include potential attacks to our IT infrastructure and to the IT infrastructure of third parties in attempts to gain unauthorized access to our confidential or other proprietary information or information relating to our employees, customers and other third parties or to seek ransom. Although we have taken steps to address these concerns, there can be no assurance that a system failure or data security breach will not have a material adverse effect on our financial condition or results of operations.

A change in the existing regulatory environment could negatively affect our operations and financial performance.

We are subject to a wide variety of complex domestic and foreign laws, rules and regulations. We are affected by new laws and regulations, and changes to existing laws and regulations, including interpretations by courts and regulators. These laws, regulations and policies, and changes thereto, may result in restrictions or limitations to our current operational practices and processes and product/service offerings which could negatively impact our current cost structure, revenue streams, cash flows, and overall financial position.

In 2018, the United States imposed tariffs of 25% on primary steel imports and 10% on primary aluminum imports into the United States. As consumers of steel and aluminum in some of our products, our cost base is exposed to the impact of this action, or similar actions, on our margins, and we could potentially lose market share to foreign competitors not subject to similar tariffs increases. Our financial condition, results of operations and cash flows may continue to be affected by these tariffs, or similar actions. Moreover, these new tariffs, or other changes in U.S. trade policy, have resulted in, and may continue to trigger, retaliatory actions by affected countries which could adversely impact demand for our products, as well as impact our costs, customers, suppliers and/or the U.S. economy or certain sectors thereof and, thus, may adversely impact our business.

New trade restrictions and regulatory burdens associated with “Brexit” could adversely impact our operations and financial performance.

On June 23, 2016, voters in the United Kingdom (the “U.K.”) approved a referendum to exit from the European Union (the “E.U.”), commonly known as “Brexit.” The U.K. left the E.U. on January 31, 2020. The E.U. and the U.K. agreed upon the terms of an agreement which sets out the terms of the U.K.’s withdrawal from the E.U. and includes a transitional period until December 31, 2020. The U.K. has not entered into trade agreements with several of its primary trading partners, including the E.U. If a trade agreement between the E.U. and the U.K. is not reached before December 31, 2020, then trade between the E.U. and U.K. may be subject to tariffs and other restrictions. Given the lack of comparable precedent, it is unclear what financial, trade and legal implications of the U.K. leaving the E.U. with no trade agreements in place would have and how such withdrawal would affect our financial condition, results of operations and cash flows.

We may not be able to achieve expected benefits of restructuring our operations or consummating future divestitures of operations which become non-core to our portfolio.

We may, from time to time, divest businesses that become less of a strategic fit within our core portfolio or restructure operations to improve operating results. Our profitability may be impacted by gains or losses on the sale or restructuring of such businesses and our level of expected cost savings from restructuring actions may not materialize. Additionally, we may be required to record asset impairment or restructuring charges related to these businesses and may in the future become responsible for liabilities which materialize post-divestiture. These issues may adversely impact our financial position, liquidity and results of operations.

We may not continue to satisfy the continued listing requirements of the New York Stock Exchange.

Our common stock is currently listed on the New York Stock Exchange, which imposes both objective and subjective requirements for continued listing. Continued listing criteria include our financial condition, market capitalization and shareholders’ equity. Specifically, the New York Stock Exchange requires a company listed on its exchange to maintain average global market capitalization over a consecutive 30 trading-day period of at least \$50 million or maintain shareholders’ equity of at least \$50 million. Our common stock’s average-global market capitalization over the 30 trading-day period ended December 31, 2019, was less than \$50 million and our shareholders’ equity was \$55.6 million as of December 31, 2019. Should we receive a notice of non-compliance, the New York Stock Exchange may allow up to an 18-month cure period if we present a plan to become compliant, with adequate strategic actions and progress reporting satisfactory to the New York Stock Exchange. If the New York Stock Exchange determines that our common stock fails to satisfy the requirements for continued listing or we continue to fail to meet listing criteria, our common stock could be de-listed from the New York Stock Exchange, which could impact potential liquidity for our shareholders.

We face limitations in availability of capital to fund our strategic plans. Additionally, deterioration in our credit profile or increases in interest rates could increase our costs of borrowing and further limit our access to the capital markets and commercial credit.

We are parties to a Revolving Credit and Security Agreement (the “Credit Agreement”), a senior secured asset-based revolving credit facility collateralized by a first priority perfected security interest in substantially all of our assets. The Credit Agreement provides for initial borrowings not to exceed \$100 million, with an option to increase the credit facility by an additional \$50 million at our request and with the approval of the banks, but restricts us from incurring additional indebtedness outside of the Credit Agreement, unless otherwise approved by the banks. The Credit Agreement is subject to various affirmative and negative covenants and contains various sub-limits, including those based on type of collateral and borrowings by geographic region. If the financial covenants become difficult to meet or if our borrowing needs increase beyond the prescribed limits, our results of operations and liquidity may be materially adversely affected. In addition, our access to public debt markets is limited based on our size, credit profile and not being a well-known seasoned issuer. Further, changes in our credit profile could cause less favorable commercial terms for the procurement of materials required to manufacture our products, which could have a negative impact on our liquidity.

We have significant international operations and sales, and face risks related to health epidemics such as the coronavirus.

Outbreaks of contagious diseases and other adverse public health developments in countries where we operate could have a material and adverse effect on our business, financial condition and results of operations. For example, the recent outbreak of a novel strain of coronavirus first identified in Wuhan, Hubei Province, China, has resulted in significant local governmental measures being

implemented to control the spread of the virus, including restrictions on manufacturing and the movement of employees in many regions of the country. The extent to which the coronavirus will impact our business and our financial results will depend on future developments, which are highly uncertain. In addition, the coronavirus may result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn, and also adversely impacting our sales and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Corporation has no unresolved staff comments.

ITEM 2. PROPERTIES

The location and general character of the principal locations in each segment, all of which are owned unless otherwise noted, are listed below. In addition, we have sales offices located in several foreign countries. See Note 4, *Property, Plant and Equipment*, and Note 9, *Debt*, to the Consolidated Financial Statements for disclosure of properties held as collateral.

Company and Location	Principal Use	Approximate Square Footage	Type of Construction
FORGED AND CAST ENGINEERED PRODUCTS SEGMENT			
<i>Union Electric Steel Corporation</i> Route 18 Burgettstown, PA 15021*	Manufacturing facilities	296,800 on 55 acres	Metal and steel
726 Bell Avenue Carnegie, PA 15106*	Manufacturing facilities and offices	165,900 on 8.7 acres	Metal and steel
U.S. Highway 30 Valparaiso, IN 46383*	Manufacturing facilities	88,000 on 20 acres	Metal and steel
1712 Greengarden Road Erie, PA 16501*	Manufacturing facilities	40,000 on 1 acre	Metal and steel
<i>Union Electric Steel UK Limited</i> Coulthards Lane Gateshead, England	Manufacturing facilities and offices	274,000 on 10 acres	Steel framed, metal and brick
<i>Åkers Sweden AB</i> Bruksallén 12SE-647 51 Åkers Styckebruk, Sweden	Manufacturing facilities and offices	394,000 on 162 acres	Steel framed, metal and brick
<i>Åkers Valji Ravne d.o.o.</i> Koroška c. 14 SI-2390 Ravne na Koroškem, Slovenia	Manufacturing facilities and offices	106,000 on 2.1 acres	Brick
<i>Shanxi Åkers TISCO Roll Co. Ltd.</i> No. 2 Jian Cao Ping Taiyuan, Shanxi, China	Manufacturing facilities and offices	338,000 on 14.6 acres	Metal, steel and brick
<i>Alloys Unlimited and Processing, LLC</i> 3760 Oakwood Avenue Austintown, OH 44515*	Manufacturing facilities and offices	69,800 on 1.5 acres	Steel framed and cement block

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