



CreditRiskMonitor’s warning of Real Industry, Inc.’s (“Real Industry”) bankruptcy risk was determined by a combination of factors:

| | |
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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score has been warning of financial stress at Real Industry, Inc. (OTC: RELYQ) for more than a year.

The company ultimately filed for bankruptcy on November 17, 2017.

| Business Name | 2016 | 2016 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV |
| Real Industry, Inc. | 2 | 2 | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

BANKRUPT!

The FRISK® score is 96% accurate in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

| Probability of bankruptcy within 12 months | | | |
|--|--------|-------|--------|
| | FRISK® | From | To |
| Best | 10 | 0.00% | 0.12% |
| | 9 | 0.12% | 0.27% |
| | 8 | 0.27% | 0.34% |
| | 7 | 0.34% | 0.55% |
| | 6 | 0.55% | 0.87% |
| | 5 | 0.87% | 1.40% |
| Worst | 4 | 1.40% | 2.10% |
| | 3 | 2.10% | 4.00% |
| | 2 | 4.00% | 9.99% |
| | 1 | 9.99% | 50.00% |

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. The FRISK® score incorporates a number of powerful risk indicators including:

A "Merton" type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z"-Score Model

Bond agency ratings from S&P, Moody's and Fitch (when available)

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing, has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers have a pulse on the external fusion of capital going into a company
- They are not held to the same "Fair Disclosure" restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"](#)

COMPANY REPORT DETAIL

Real Industry, Inc.

17 State St Ste 3811
NEW YORK, NY 10004-1728 United States

Phone: (805) 435-1255 Ticker: RELYQ

Filed for Bankruptcy on 11/17/2017
Case #17-12464, filed in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 9/30/2017

Business Summary

Real Industry, Inc. is a holding company. The Company focuses on the operations of Real Alloy Holding, Inc. (Real Alloy), which is engaged in aluminum recycling. The Company's segments include Real Alloy North America (RANA) and Real Alloy Europe (RAEU). The RANA segment includes aluminum melting, processing, recycling and alloying activities conducted in approximately 20 facilities located in the United States, Canada and Mexico. The RAEU segment's operations primarily convert aluminum scrap, dross and other alloying agents, and deliver the recycled metal in ingot or molten form to customers from approximately six facilities located in Germany, Norway and Wales. Real Alloy's aluminum recycling operations include the processing of scrap aluminum and by-products, and the manufacturing of wrought, cast, and specification or foundry alloys. Real Alloy offers a range of products and services to wrought alloy processors, automotive original equipment manufacturers, foundries and casters.

(Source: 10-K)

Employees: 1,800 (as of 12/31/2016) Federal Tax Id: 952815260

Credit Scores

FRISK[®] Score 1 11/17/2017

Probability of bankruptcy range: 9.99% - 50.00%

Z[™] Score -6.56 (Fiscal Danger) 9/30/2017

Auditor Information

Last Audit: 12/31/2016

Auditors: SQUAR MILNER LLP

Opinion: **Unqualified**

Agency Credit Ratings

| Rating Agency | Long Term Rating | Outlook | Short Term Rating | Watch |
|---------------|------------------|---------|-------------------|-------|
| S&P | D | NM | | NM |

DBT Index

| 8/2017 | 9/2017 | 10/2017 |
|--------|--------|---------|
| 9 | 8 | 8 |

(Includes DBT Indexes from Subsidiaries)

Days Sales Outstanding

| Period | Value |
|--------|-------|
| 9/16 | 40.12 |
| 12/16 | 38.82 |

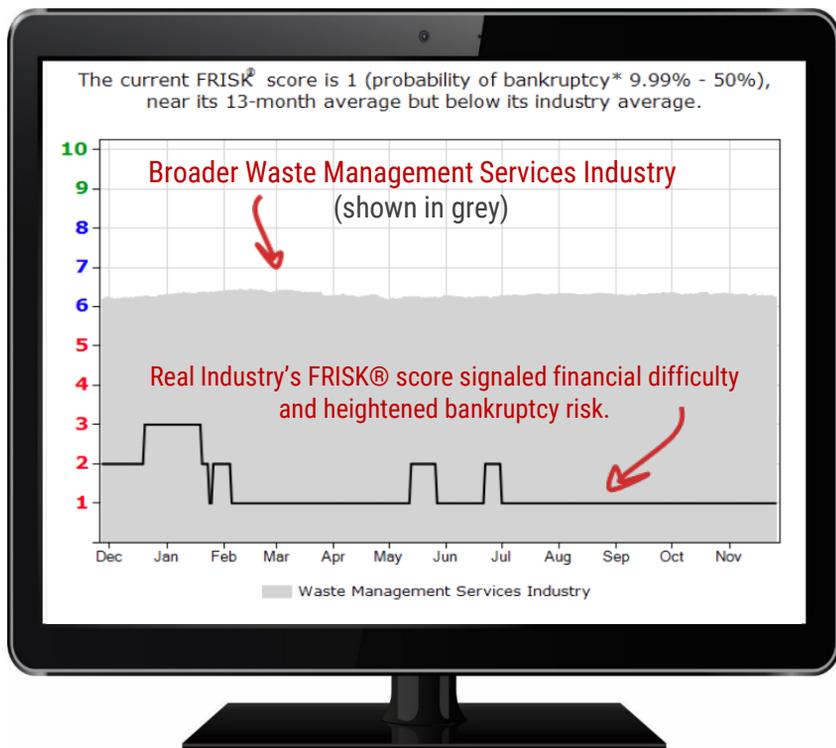
The FRISK[®] score is the best method available to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing.

[Request a Personalized Demo](#)

creditrisk
monitor | 4

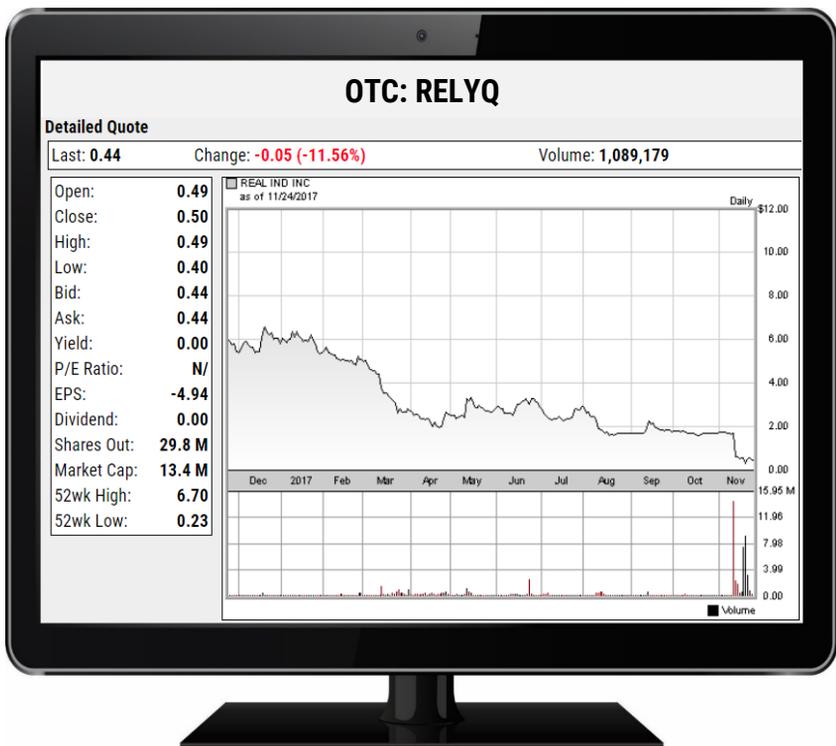
FRISK® DEEP DIVE



The FRISK® score relative to the broader Waste Services Management industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

| Business Name | Country | FRISK Score |
|--|---------------|-------------|
| 1 Real Industry Inc | United States | 1 |
| 2 Metallvarden i Sverige AB (publ) | Sweden | 2 |
| 3 Zaporiz'kyyi vyrobnychyi alium kom PAT | Ukraine | 2 |
| 4 Sambo Industrial Co (Parent) | South Korea | 3 |
| 5 Sambo Industrial Co Ltd | South Korea | 3 |
| 6 Sapphire Technology Co Ltd | South Korea | 3 |
| 7 Zhuzhou Smelter Group Co., Ltd. | China | 3 |
| Meris Corp | United States | 4 |
| Advanced Alloys Corp | United States | 4 |
| ... Co Ltd (Parent) | ... | 4 |

FRISK® Stress Index - SIC classification: Secondary smelting and refining of nonferrous metals

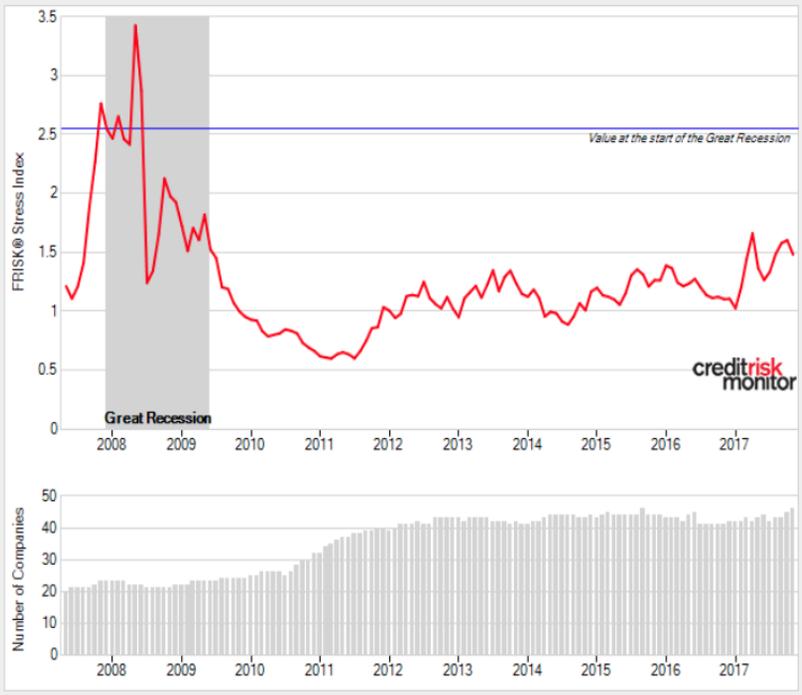
Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR
 In Industry: SIC 3341: Secondary smelting and refining of nonferrous metals
 Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months: 59



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

SIC code 3341 (Secondary smelting and refining of nonferrous metals) reflects an industry subsector whose recent average probability of failure was 1.5%. But, Real Industry had continued to struggle, as evidenced by its fall to a FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Real Industry demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its Waste Management Services industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

| Peer Analysis | | | | | | |
|---|---------------------------|------------------------|---------------|------------------|--------|-----------|
| 2017.3 | | | | | | |
| Sector: Services, Industry: Waste Management Services | | | | | | |
| [Industry: Waste Management Services] [Calendar Year/Quarter: 2017.3] | | | | | | |
| Businesses in Peer Group: 599 | Ranking Within Peer Group | Number Of Peers Ranked | Company Value | Peer Group Range | | |
| | | | | Low | Median | High |
| Credit Ratings | | | | | | |
| ZScore | 58 | 73 | -6.56 | -46,330.02 | 1.89 | 14.73 |
| Performance ratios: | | | | | | |
| Net Sales (Thousands of U.S. Dollars) | 8 | 25 | 332,800 | 0 | 14,841 | 3,716,000 |
| Gross Margin % Of Sales | 60 | 62 | 3.78 | 0.00 | 29.74 | 95.72 |
| Gross Margin % Of Sales -- TTM | 62 | 64 | 4.15 | -124.76 | 89.19 | 95.87 |
| SG&A % Of Sales | 1 | 63 | 3.73 | 3.73 | 14.32 | 15.32 |
| SG&A % Of Sales -- TTM | 1 | 66 | 3.93 | 3.93 | 14.32 | 15.32 |
| Operating Margin % Of Sales | 56 | 65 | -10.46 | -3,664.62 | 8.99 | 15.32 |
| Operating Margin % Of Sales TTM | 58 | 67 | -7.76 | -5,912.41 | 8.99 | 15.32 |
| EBITDA Margin Of Sales | 32 | 38 | -6.97 | -3,662.92 | 8.99 | 15.32 |
| EBITDA Margin Of Sales -- TTM | 35 | 43 | -4.22 | -14,010.46 | 8.99 | 15.32 |
| Net Profit Margin % Of Sales | 57 | 65 | -12.26 | -2,577.17 | 8.99 | 15.32 |
| Net Profit Margin % Of Sales - TTM | 58 | 67 | -10.50 | -6,735.59 | 8.99 | 15.32 |
| Pre-tax Income % Of Sales | 56 | 65 | -12.17 | -2,577.17 | 8.99 | 15.32 |
| Effective Tax Rate | 8 | 65 | 0.00 | -8.05 | 19.14 | 19.14 |
| Depreciation % Of Prop/Plant/Equipment | 38 | 59 | 15.45 | 0.00 | 11.74 | 15.45 |
| Capital Expense % Of Prop/Plant/Equipment | 14 | 46 | 7.45 | 0.44 | 11.95 | 344.27 |
| Interest Coverage | 35 | 43 | -2.37 | -107.66 | 5.59 | 67.71 |
| Interest Coverage -- TTM | 38 | 47 | -1.20 | -67.85 | 4.94 | 76.51 |
| Liquidity ratios: | | | | | | |
| Cash Ratio | 66 | 74 | 0.02 | 0.00 | 0.26 | 5.57 |
| Quick Ratio | 61 | 68 | 0.27 | 0.01 | 0.94 | 6.35 |
| Current Ratio | 60 | 74 | 0.55 | 0.00 | 1.24 | 6.35 |
| Efficiency ratios: | | | | | | |
| Accounts Receivable Turnover | 6 | 68 | 9.53 | 0.00 | 5.00 | 15.32 |
| Days Sales Outstanding | 6 | 65 | 38.30 | 11.21 | 7.30 | 36.50 |
| % of Inventory Financed by Vendors | 38 | 47 | 96.27 | 14.02 | 3.00 | 15.32 |
| % of Inventory Financed by Vendors -- TTM | 38 | 48 | 99.80 | 14.27 | 3.00 | 15.32 |
| Inventory Turnover | 31 | 55 | 10.42 | 0.00 | 0.00 | 15.32 |
| Inventory Turnover TTM | 31 | 55 | 11.11 | 0.00 | 0.00 | 15.32 |
| Days Sales in Inventory | 31 | 53 | 35.02 | 0.54 | 3.00 | 15.32 |
| Inventory to Working Capital | 44 | 55 | -0.51 | -14.87 | 0.00 | 15.32 |
| Accounts Payable Turnover | 17 | 63 | 10.44 | 0.00 | 4.81 | 15.32 |
| Accounts Payable Turnover -- TTM | 15 | 64 | 10.53 | 0.00 | 4.72 | 15.32 |
| Leverage & debt coverage: | | | | | | |
| Total Debt to Equity Ratio | 58 | 58 | 45.66 | 0.00 | 0.59 | 45.66 |
| Debt to Tangible Equity Ratio | N/A | 50 | N/A | 0.00 | 0.62 | 29.43 |
| Total Debt to Assets Ratio | 58 | 70 | 0.62 | 0.00 | 0.32 | 1,183.12 |
| Short-Term Debt % of Total Debt | 61 | 69 | 98.73 | 0.00 | 32.80 | 100.00 |
| Short-Term Debt % of Working Capital | 46 | 69 | -158.05 | -2,192.36 | 0.10 | 1,507.79 |
| Liabilities to Net Worth Ratio | N/A | 54 | N/A | 0.04 | 1.39 | 48.44 |
| Total Liabilities to Equity Ratio | 62 | 62 | 72.12 | 0.04 | 1.08 | 72.12 |
| TTM EBITDA Over Total Debt | 34 | 45 | -0.14 | -5.49 | 0.21 | 2.06 |

- Company Name
- 1 Ambienthesis SpA
 - 2 Adama Technologies Corp
 - 3 800 Super Holdings Ltd
 - 4 Cleanaway Company Limited
 - 5 Questor Technology Inc
 - 6 Eastern Water Resources Dev. & Man. PCL
 - 7 Chongqing Water Group Company Limited
 - 8 Waste Management, Inc.
 - 9 Zhongyuan Environment-Protection Co Ltd
 - 10 Systems ASA
- Company Name
- 1 Saskaara Engineering Co Ltd
 - 2 SUDO NIKO KAISHA, LTD.
 - 3 Daiseki Co., Ltd.
 - 4 Sharps Compliance Corp.
 - 5 Zhongyuan Environment-Protection Co Ltd
 - 6 Ambienthesis SpA
 - 7 TAKUMA CO., LTD.
 - 8 Heritage-Crystal Clean, Inc.
 - 9 Perma-Fix Environmental Services, Inc.
 - 10 Zhongyuan Environmentl Protctn Tes

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

QUARTERLY PERFORMANCE RATIOS

894%
year-over-year
decline in
operating margin;
recurring
losses

Poor interest
coverage
ratio

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 3 mos 9/30/2017 | 3 mos 6/30/2017 | 3 mos 3/31/2017 | 3 mos 12/31/2016 | 3 mos 9/30/2016 |
|-----------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Net Sales \$ | \$332,800 | \$350,200 | \$337,100 | \$304,500 | \$314,900 |
| % change | -4.97% | 3.89% | 10.71% | -3.30% | -1.87% |
| Gross Margin \$ | \$12,300 | \$18,100 | \$13,400 | \$11,200 | \$16,600 |
| % change | -32.04% | 35.07% | 19.64% | -32.53% | -25.56% |
| % of sales | 3.70% | 5.17% | 3.98% | 3.68% | 5.27% |
| change as % of incremental sales | n/m | 35.88% | 6.75% | n/m | n/m |
| SG&A \$ | \$12,400 | \$12,400 | \$14,400 | \$12,900 | \$18,100 |
| % change | 0.00% | -13.89% | 11.63% | -28.73% | 23.97% |
| % of sales | 3.73% | 3.54% | 4.27% | 4.24% | 5.75% |
| change as % of incremental sales | n/m | -15.27% | 4.60% | n/m | n/m |
| Operating margin \$ | (\$34,800) | \$3,800 | (\$3,600) | (\$68,200) | (\$3,500) |
| % change | -1,015.79% | 205.56% | 94.72% | -1,848.57% | -143.21% |
| % of sales | -10.46% | 1.09% | -1.07% | -22.40% | -1.11% |
| change as % of incremental sales | n/m | 56.49% | 198.16% | n/m | n/m |
| EBITDA \$ | (\$23,200) | \$14,500 | \$8,700 | (\$55,900) | \$8,100 |
| % change | -260.00% | 66.67% | 115.56% | -790.12% | -53.45% |
| % of sales | -6.97% | 4.14% | 2.58% | -18.36% | 2.57% |
| change as % of incremental sales | n/m | 44.27% | 198.16% | n/m | n/m |
| EBIT \$ | (\$35,000) | \$4,400 | (\$2,800) | (\$67,900) | (\$3,200) |
| % change | -895.45% | 257.14% | 95.88% | -2,021.88% | -147.06% |
| % of sales | -10.52% | 1.26% | -0.83% | -22.30% | -1.02% |
| change as % of incremental sales | n/m | 54.96% | 199.69% | n/m | n/m |
| Pre-tax income \$ | (\$40,500) | (\$5,100) | (\$10,500) | (\$82,100) | (\$11,300) |
| % change | -694.12% | 51.43% | 87.21% | -626.55% | -927.27% |
| % of sales | -12.17% | -1.46% | -3.11% | -26.96% | -3.59% |
| change as % of incremental sales | n/m | 41.22% | 219.63% | n/m | n/m |
| Net income (loss) \$ | (\$40,800) | (\$6,500) | (\$11,400) | (\$80,400) | (\$10,900) |
| % change | -527.69% | 42.98% | 85.82% | -637.61% | -626.67% |
| % of sales | -12.26% | -1.86% | -3.38% | -26.40% | -3.46% |
| change as % of incremental sales | n/m | 37.40% | 211.66% | n/m | n/m |
| Tax expense \$ | \$0 | \$1,100 | \$800 | (\$1,000) | (\$500) |
| Effective tax rate | 0.00% | -21.57% | -7.62% | 1.22% | 4.42% |
| Depreciation expense \$ | \$11,200 | \$9,500 | \$10,900 | \$11,400 | \$10,800 |
| % of sales | 3.37% | 2.71% | 3.23% | 3.74% | 3.43% |
| % of capital expenses | 207.41% | 193.88% | 194.64% | 92.68% | 145.95% |
| % of PP&E, net (annualized) | 15.45% | 13.17% | 15.13% | 15.82% | 14.96% |
| Capital expenditures \$ | \$5,400 | \$4,900 | \$5,600 | \$12,300 | \$7,400 |
| % change | 10.20% | -12.50% | -54.47% | 66.22% | 27.59% |
| % of PP&E, net (annualized) | 7.45% | 6.79% | 7.77% | 17.07% | 10.25% |
| % of working capital (annualized) | -38.85% | 14.63% | 17.49% | 37.26% | 22.20% |
| Interest coverage ratio | (2.37) | 1.42 | 0.72 | (3.86) | 0.81 |
| % change | -266.52% | 97.72% | 118.65% | -575.95% | -56.24% |
| Free cash flow \$ | (\$14,600) | \$800 | (\$22,700) | \$5,000 | (\$25,400) |
| % change | -1,925.00% | 103.52% | -554.00% | 119.69% | -277.62% |
| Source: | 10-Q | 10-Q | 10-Q | 10-K | 10-Q |
| | 11/9/2017 | 8/8/2017 | 5/10/2017 | 3/13/2017 | 11/10/2016 |

QUARTERLY LEVERAGE RATIOS

Total debt to equity ratio has increased significantly, indicating heightened risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 9/30/2017 | 6/30/2017 | 3/31/2017 | 12/31/2016 | 9/30/2016 |
|--|-------------------|------------------|-------------------|-------------------|-------------------|
| Total debt \$ | \$392,700 | \$379,500 | \$380,200 | \$356,500 | \$342,200 |
| % change | 3.48% | -0.18% | 6.65% | 4.18% | 7.24% |
| Stockholders' equity \$ | \$8,600 | \$45,900 | \$47,200 | \$58,300 | \$146,000 |
| % change | -81.26% | -2.75% | -19.04% | -60.07% | -5.38% |
| Total debt to equity ratio | 45.66 | 8.27 | 8.06 | 6.11 | 2.34 |
| % change | 452.28% | 2.64% | 31.73% | 160.90% | 13.34% |
| Tangible net worth \$ | (\$11,800) | (\$8,300) | (\$7,000) | \$3,600 | \$28,200 |
| % change | -42.17% | -18.57% | -294.44% | -87.23% | 81.67% |
| Total debt to tangible net worth | n/a | n/a | n/a | 99.8% | 13.8% |
| % change | n/a | n/a | n/a | 71.2% | 13.3% |
| Total assets \$ | \$628,800 | \$671,000 | \$663,600 | \$628,800 | \$628,800 |
| % change | -6.29% | 1.12% | 2.80% | 0.00% | 0.00% |
| Total debt to assets ratio | 0.62 | 0.57 | 0.57 | 0.57 | 0.54 |
| % change | 10.41% | -1.27% | 3.73% | 0.00% | 5.56% |
| Tangible assets \$ | \$608,400 | \$616,800 | \$609,400 | \$608,400 | \$608,400 |
| % change | -1.36% | 1.21% | 3.15% | 0.00% | 0.00% |
| Short-term debt \$ | \$387,700 | \$3,100 | \$2,900 | \$2,900 | \$2,900 |
| % change | 12,406.45% | 6.90% | 26.09% | -4.17% | 0.00% |
| Short-term debt % of total debt | 98.73% | 0.82% | 0.76% | 0.65% | 0.70% |
| % change | 11,985.54% | 7.09% | 18.23% | -8.00% | -6.75% |
| Short-term debt % of working capital | -158.05% | 2.31% | 2.17% | 1.88% | 1.69% |
| % change | -6,937.02% | 6.74% | 15.17% | 11.11% | -11.92% |
| Total liabilities \$ | \$620,200 | \$625,100 | \$616,400 | \$587,200 | \$566,300 |
| % change | -0.78% | 1.41% | 4.97% | 3.69% | 3.00% |
| Total liabilities to equity ratio | 72.12 | 13.62 | 13.06 | 10.07 | 3.88 |
| % change | 429.54% | 4.28% | 29.66% | 159.67% | 8.86% |
| Total liabilities to tangible net worth ratio | n/a | n/a | n/a | 163.11 | 13.8% |
| % change | n/a | n/a | n/a | 712.2% | 13.3% |
| Total debt to EBITDA ratio (annualized) | (4.23) | 6.54 | 10.93 | (7.1) | (7.1) |
| % change | -164.67% | -40.11% | 785.23% | -11.11% | 0.00% |
| Source: | 10-Q 11/9/2017 | 10-Q 8/8/2017 | 10-Q 5/10/2017 | 10-Q 3/13/2017 | 10-Q 9/30/2016 |

Q3 year-over-year short-term debt as a percentage of total debt increased substantially

Total liabilities to equity ratio continued to worsen

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital turned negative

Meager cash & quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 9/30/2017 | 6/30/2017 | 3/31/2017 | 12/31/2016 | 9/30/2016 |
|-------------------------------|--------------------|------------------|-------------------|-------------------|--------------------|
| Current assets \$ | \$300,400 | \$312,900 | \$306,600 | \$286,800 | \$298,300 |
| % change | -3.99% | 2.05% | 6.90% | -3.86% | 3.79% |
| % of short-term debt | 77.48% | 10,093.55% | 10,572.41% | 12,469.57% | 12,429.17% |
| Current liabilities \$ | \$545,700 | \$178,800 | \$172,700 | \$164,500 | \$156,500 |
| % change | 205.20% | 3.53% | 4.98% | 5.11% | -3.69% |
| Working capital \$ | (\$245,300) | \$134,100 | \$133,900 | \$122,300 | \$141,800 |
| % change | -282.92% | 0.15% | 9.48% | -13.75% | 13.53% |
| % of sales (annualized) | -18.43% | 9.57% | 9.93% | 10.04% | 11.26% |
| Cash \$ | \$12,800 | \$18,400 | \$18,500 | \$27,200 | \$34,600 |
| % change | -30.43% | -0.54% | -31.99% | -21.39% | -13.93% |
| % of short-term debt | 3.30% | 593.55% | 637.93% | 1,182.61% | 1,441.67% |
| Cash ratio | 0.02 | 0.10 | 0.11 | 0.17 | 0.22 |
| % change | -77.16% | -3.92% | -35.21% | -25.24% | -10.63% |
| Quick assets \$ | \$146,800 | \$163,800 | \$164,900 | \$144,000 | \$176,900 |
| % change | -10.38% | -0.67% | 14.51% | -18.60% | 1.20% |
| % of short-term debt | 37.86% | 5,283.87% | 5,686.21% | 6,260.87% | 7,370.83% |
| Quick ratio | 0.27 | 0.92 | 0.95 | 0.88 | 1.13 |
| % change | -70.64% | -4.05% | 9.07% | -22.56% | 5.09% |
| Current ratio | 0.55 | 1.75 | 1.78 | 1.74 | 1.91 |
| % change | -68.54% | -1.43% | 1.82% | -8.53% | 7.77% |
| Source: | 10-Q 11/9/2017 | 10-Q 8/8/2017 | 10-Q 5/10/2017 | 10-K 3/13/2017 | 10-Q 11/10/2016 |

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 3 mos 9/30/2017 | 3 mos 6/30/2017 | 3 mos 3/31/2017 | 3 mos 12/31/2016 | 3 mos 9/30/2016 |
|--------------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Return on equity | -88.89% | -13.77% | -19.55% | -55.07% | -7.06% |
| % change | -545.47% | 29.57% | 64.49% | -679.54% | -637.01% |
| Return on net tangible equity | n/a | n/a | -316.67% | -285.11% | -30.28% |
| % change | n/a | n/a | -11.07% | -841.64% | -646.84% |
| Return on total assets | -6.28% | -0.97% | -1.74% | -11.84% | -1.54% |
| % change | -544.48% | 44.07% | 85.29% | -669.46% | -622.24% |
| Return on tangible assets | -6.66% | -1.06% | -1.90% | -13.57% | -1.85% |
| % change | -528.19% | 44.19% | 86.00% | -634.50% | -620.36% |
| Source: | 10-Q 11/9/2017 | 10-Q 8/8/2017 | 10-Q 5/10/2017 | 10-K 3/13/2017 | 10-Q 11/10/2016 |

NEWS ALERTS: A TIMELINE OF CONCERNING HEADLINES

Real Industry, Inc.'s outlook is revised to negative on potential liquidity constraints; ratings affirmed

| | | |
|------------|-------------------|--|
| 11/15/2016 | CRMZ News Service | Real Industry Inc -- updated S&P ratings available |
|------------|-------------------|--|

Q3 2016 net income decreased 1,008% to (\$10.9) million versus net income of \$1.2 million in the same period of the prior year. Net loss for the year-to-date period increased 582% to (\$22.5) million versus net loss of (\$3.3) million in the same period of the prior year.

| | | |
|------------|-------------------|---|
| 11/18/2016 | CRMZ News Service | Real IndustrReal Industry Inc -- updated financials available |
|------------|-------------------|---|

Q4 2016 total debt was 99 times tangible net worth; total liabilities were 163 times net worth.

| | | |
|-----------|-------------------|---|
| 3/21/2017 | CRMZ News Service | Real Industry Inc -- updated financials available |
|-----------|-------------------|---|

Q1 2017 tangible net worth decreased 294% to (\$7.0) million versus Q4 2016 tangible net worth of \$3.6 million.

| | | |
|-----------|---------------|---|
| 5/10/2017 | Business Wire | Real Industry Reports Fiscal 2017 First Quarter Results |
|-----------|---------------|---|

Net loss for the period increased 333% to (\$6.5) million versus net loss of (\$1.5) million in the same period of the prior year.

| | | |
|-----------|-------------------|---|
| 8/24/2017 | CRMZ News Service | Real Industry Inc -- updated financials available |
|-----------|-------------------|---|

A Member of the Company's Board of Directors and its Audit Committee resigns.

| | | |
|------------|-------------------|--|
| 10/12/2017 | CRMZ News Service | REAL INDUSTRY, INC. FILES (8-K) Disclosing Change in Directors or Principal Officers |
|------------|-------------------|--|

Management concluded that there was substantial doubt about the Company's ability to continue as a going concern.

| | | |
|-----------|-------------------|--|
| 11/9/2017 | CRMZ News Service | Real Industry, Inc.: a Form 10-Q has been Filed with the SEC |
|-----------|-------------------|--|

The Company's S&P ratings are lowered to 'CCC+', debt ratings also lowered; all ratings placed on CreditWatch negative.

| | | |
|------------|-------------------|--|
| 11/14/2017 | CRMZ News Service | Real Industry Inc -- updated S&P ratings available |
|------------|-------------------|--|

Real Industry, Inc. filed for bankruptcy

| | | |
|------------|-------------------|--|
| 11/17/2017 | CRMZ News Service | Real Industry Inc: Chapter 11 Petition |
|------------|-------------------|--|

MANAGEMENT DISCUSSION AND ANALYSIS

READING THE MANAGEMENT DISCUSSION AND ANALYSIS, WE NOTED:

Real Industry's debt increased 10% year-on-year to \$393M as of September 30, 2017, including \$388M due within twelve months. The increase was related to higher outstanding balances

| Report | Real Industry, Inc. |
|--------------------------|--|
| Overview | 17 State St Ste 3811 |
| Company News | Phone: (805) 435-1255 NEW YORK, NY 10004-1728 United States Ticker: RELYO |
| Risk Ratings | Filed for Bankruptcy on 11/17/2017 Case #17-12464, filed in the U.S. Bankruptcy Court for the District of Delaware |
| Important Information | Management Discussion and Analysis |
| Annual Financials | |
| Year/Year Interim | For the period ended 9/30/2017 |
| Sequential Quarters | In performing this evaluation, management concluded that the conditions described above raise substantial doubt about our ability to meet our financial obligations as they become due over the next year. A significant factor in mitigating the substantial doubt about our ability to continue as a going concern is our ability to restructure or refinance the Senior Secured Notes, obtain other bridge financing or recapitalize the Company through other means. |
| Liquidity (MD&A) | Our mitigating plans, as announced on September 14, 2017, included engaging Jefferies LLC to assist in the refinancing effort. The refinancing team has met and entered into discussions with our current lenders and bondholders, as well as prospective lenders, investors, hedge funds, credit funds, and private equity firms regarding potential refinancing, bridge financing and recapitalization of the Company through other means, but the terms of a transaction have not yet been agreed upon. While we believe that our plans could alleviate the substantial doubt, there can be no assurance that an agreement with respect to a refinancing transaction or other recapitalization will be finalized in a timely manner, or at all. Such plans cannot be considered as mitigating events under the accounting guidance. As such, management has concluded that there is substantial doubt about our ability to continue as a going concern within one year after the date that the financial statements for the three months ended September 30, 2017 are issued. |
| SEC Filings | |
| Peer Analysis | |
| Payments | |
| Public Filings | |
| General Info | |
| Access History | |
| Update Portfolio | |
| Print/Save Report | |
| Currency Converter | |
| Send This to a Colleague | |

under the company's ABL revolving credit facilities to fund working capital and operating costs, as well as the continuing amortization of the original issue discount and debt issuance costs. As of the date that these financial statements were issued, the ABL Facility expiration date was October 17, 2018, or 90 days prior to the maturity date of the Senior Secured Notes due January 19, 2019. Without additional actions being implemented by management, a violation of certain of the debt covenants under the ABL Facility and the Senior Secured Notes was probable to occur in the next twelve months. As such, management concluded that facts and circumstances would indicate the ABL Facility and the Senior Secured Notes warrant short-term classification as of September 30, 2017. In performing this evaluation, management concluded that the conditions described above raised substantial doubt about its ability to meet financial obligations as they become due over the next year and to continue as a going concern.

...and in November 2017, Real Industry, Inc. files for bankruptcy...

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



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CreditRiskMonitor Bankruptcy Case Studies provide post-filing analyses of public company bankruptcies. Our case studies educate subscribers about methods they can apply to assess bankruptcy risk using CreditRiskMonitor's proprietary FRISK[®] score, robust financial database and timely news alerts.

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