

SIGNATURE GROUP HOLDINGS, INC.
Form 424B5
January 30, 2015

Filed pursuant to Rule 424(b)(5)
Registration No. 333-191020

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 26, 2013, as amended by Post-Effective Amendment dated January 17, 2014)

SIGNATURE GROUP HOLDINGS, INC.

Up to 10,594,773 Shares of Common Stock Issuable Upon Exercise of Rights to Subscribe for Such Shares at \$5.64 per Share.

We are conducting a rights offering pursuant to which we are distributing at no charge to the holders of our common stock subscription rights to purchase up to 9,751,773 shares of our common stock (the Rights Offering). Holders of our common stock will receive one subscription right for each share of our common stock owned at 5:00 p.m. in New York City, on January 28, 2015 (the Effective Date). The subscription rights will be transferable prior to their exercise only to the extent that the shares of common stock to which they are attached are transferred from and after the Effective Date. Subscription rights attach to the common stock in respect of which they are issued and will not be separately transferable. Our common stock is traded on the OTCQX Marketplace under the symbol SGGH. On January 28, 2015, the last reported sale price of our common stock was \$7.45 per share.

Each subscription right will entitle the holder to purchase 0.562 shares of our common stock at an exercise price of \$5.64 per share. Holders will also have oversubscription rights, pursuant to which holders may be able to purchase additional shares of common stock at the exercise price to the extent that holders do not exercise all of the subscription rights. If all of the subscription rights are exercised in this Rights Offering, excluding the subscription rights held by the holders of the warrants described below, the total purchase price of all of our common stock sold in the Rights Offering will be \$55 million.

Separately, in this Rights Offering, we are distributing, at no charge to the holders of our 1.5 million warrants (Warrants), subscription rights to purchase an aggregate of 843,000 shares of our common stock. These nontransferable subscription rights are issued pursuant to the terms of the warrant agreements for such Warrants and expire 90 days after the Effective Date. These subscription rights will also entitle the holder of Warrants to purchase 0.562 shares of common stock per Warrant at an exercise price of \$5.64 per share. Holders of Warrants will also have oversubscription rights, pursuant to which holders of our Warrants may be able to purchase additional shares of common stock at the exercise price to the extent that holders of our Warrants do not exercise all of the subscription rights available in respect of the Warrants. If all of the subscription rights are exercised by the holders of Warrants in this Rights Offering, the total purchase price for such shares of our common stock will be \$4,754,520.

This Rights Offering to our common stockholders is being conducted in connection with the pending acquisition (the GRSA Acquisition) by our wholly owned subsidiary, Real Alloy Holding, Inc. formerly SGH Acquisition Holdco, Inc. (Real Alloy), of all of the equity interests of certain entities, which, together with their subsidiaries (the GRSA Entities), comprise the global recycling and specification alloys business (GRSA) of Aleris Corporation (Aleris). We expect the consideration for the GRSA Acquisition to come from the financings described herein, including this Rights Offering, and cash on hand. This Rights Offering is conditioned upon, and will not close unless, the GRSA Acquisition is consummated. However, this Rights Offering is not contingent upon the other financings described herein. There can be no assurance that the GRSA Acquisition or such financings will be consummated on the terms described herein, or at all. See The GRSA Acquisition and Financings. We reserve the right to cancel this Rights Offering at any time. If this Rights Offering is canceled or if the GRSA Acquisition is not consummated, the exercise price will be promptly returned by mail to exercising holders, without interest or deduction. If the Rights Offering is canceled, the subscription rights will not be exercisable and will have no value. Delivery of purchased shares will take place as soon as practicable after the closing of the GRSA Acquisition.

The subscription rights are exercisable beginning on the date of this prospectus supplement and will expire if they are not exercised by 5:00 p.m. in New York City, on February 17, 2015 (the Expiration Date), unless extended by us from time to time in our sole discretion. Subscription rights that are not exercised by the Expiration Date of the Rights Offering will expire and will have no value.

During the period of the Rights Offering, i.e., following the Effective Date but prior to the Expiration Date, our common stock will trade along with the associated subscription rights as a unit under a new CUSIP 82670K128. Therefore, if a holder transfers shares of common stock during the period of the Rights Offering and prior to the exercise of such subscription right, the subscription rights associated with those shares of common stock will transfer along with the shares of common stock. Following the exercise of the subscription rights, the unit will terminate and the common stock to which the subscription rights had attached will be traded separately from such rights under a separate CUSIP 82670K201. The rights are not separately tradable. Whether or not a holder transfers the underlying common

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stock to which the subscription rights originally attached subsequent to any exercise of subscription rights, the new common stock in the subscription, and oversubscription as applicable, will be issued to the holder who exercised the subscription rights, and not any subsequent transferee of the underlying common stock. From and after the Expiration Date, our common stock will trade under CUSIP 82670K201.

Holders who exercise their subscription rights will not be entitled to revoke their exercise. Holders who do not exercise their subscription rights will relinquish any value inherent in the subscription rights and their relative ownership level of our outstanding common stock will decrease as a result of the increase in our outstanding common stock resulting from this Rights Offering.

In order to preserve certain of our tax benefits, our bylaws contain restrictions on transfer to prohibit any person, entity or group from becoming a holder of 4.9% or greater of our common stock, the increase in ownership of any existing stockholder who owns 4.9% or greater of our common stock, or certain transfers by a stockholder holding 5% or more of our outstanding shares of common stock. As a result, there are limitations on the exercise of the subscription rights as described in this prospectus supplement.

We are not requiring a minimum individual or overall subscription to complete this Rights Offering. In connection with this Rights Offering, we have engaged Computershare Trust Company, N.A. and Computershare Inc. (together, "Computershare") to serve collectively as the rights agent, Georgeson Inc. to serve as information agent and B. Riley & Co., LLC to serve as solicitation agent. The rights agent will hold in escrow the funds we receive from subscribers until we complete or cancel the Rights Offering.

This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any securities other than those being offered in this Rights Offering. For more information, see "The GRSA Acquisition and Financings" in this prospectus supplement.

This prospectus is not an offer to sell and we are not soliciting an offer to buy in any state or other jurisdiction in which the offer or sale is not permitted, see "Plan of Distribution" on page S-164 of this prospectus supplement.

Exercising the subscription rights and investing in our common stock involves a high degree of risk. Before buying any shares, you should read the discussion of material risks of investing in our common stock under the caption "Risk Factors" on page S-37 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement, the accompanying prospectus or the post-effective amendment. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is January 29, 2015.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in three parts. The first part is the prospectus supplement, which describes the specific terms of this Rights Offering, and also adds to and updates information contained in the accompanying prospectus, post-effective amendment and the documents incorporated by reference. The second part is the accompanying prospectus of our predecessor entity, Signature Group Holdings, Inc., a Nevada corporation ("Signature Nevada"), dated September 26, 2013.

The third part is a post-effective amendment to the accompanying prospectus, dated January 17, 2014, which was filed following a January 2, 2014 statutory merger effected for the purpose of changing Signature Nevada's state of incorporation to Delaware and creating a holding company structure. In the reincorporation, each share of Signature Nevada common stock was automatically converted to a share of common stock of Signature Group Holdings, Inc., a Delaware corporation, or us. In the accompanying post-effective amendment, we adopted the accompanying prospectus as our own prospectus for all purposes of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and amended it as set forth therein.

Each of the accompanying prospectus and post-effective amendment provide more general information, some of which may not apply to this Rights Offering.

This prospectus supplement, the post-effective amendment and the accompanying prospectus are part of a registration statement on Form S-3 that we filed on September 6, 2013, with the Securities and Exchange Commission ("SEC") using a shelf registration process with respect to up to \$300,000,000 in securities that may be sold thereunder. Under the shelf process, we may, from time to time, offer or sell any combination of the securities described in the accompanying prospectus in one or more offerings. On December 19, 2014, we sold \$28,500,000 in shares of our common stock under this shelf registration.

Generally, when we refer to this prospectus, we are referring to all three parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, the accompanying post-effective amendment or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, a document incorporated by reference in the accompanying prospectus—the statement in the document having the later date modifies or supersedes the earlier statement.

The accompanying prospectus and post-effective amendment provide you with a general description of this Rights Offering and the shares of common stock offered by us upon the exercise of the subscription rights. Each time we use the accompanying prospectus and post-effective amendment to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also add to, update or change information contained in the prospectus and post-effective amendment. The purpose of this prospectus supplement is to provide supplemental information regarding us in connection with this Rights Offering.

This prospectus supplement, the accompanying prospectus and the accompanying post-effective amendment and the information incorporated herein and thereby by reference include trademarks, service marks and trade names owned by us or other companies. We have pending U.S. federal trademark registration applications for the name Signature Group Holdings and our Signature logo. Aleris is a registered trademark of Aleris. All trademarks, service marks and trade names included or incorporated by reference in this prospectus supplement or the accompanying prospectus are the property of their respective owners.

INDUSTRY AND MARKET DATA

The industry and market data and other statistical information used throughout this prospectus supplement are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data is also based on our good faith estimates. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

Some information in this prospectus supplement concerning processing volumes, market demand, and other industry information, including general expectations concerning scrap processing and wrought, cast and specification or foundry alloy aluminum products and aluminum industries, are based on estimates prepared by GRSA using certain assumptions and their knowledge of these industries as well as data from third party sources. These estimates, in particular as they relate to our general expectations concerning the aluminum industry, involve risks and uncertainties and are subject to changes based on various factors, including those discussed under **Risk Factors** in this prospectus supplement.

TRADEMARKS

This prospectus supplement contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Rights Offering circular may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

NON-GAAP FINANCIAL INFORMATION

A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (**GAAP**) in the balance sheets, statements of operations, or statements of cash flows; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Earnings before interest, taxes, depreciation and amortization (**EBITDA**), Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin are not financial measures recognized under GAAP. These metrics are presented and discussed because management of each of the Company and GRSA believes they enhance the understanding of the financial performance of the Company's and GRSA's operations by investors and lenders. As a complement to financial measures recognized under GAAP, management believes that EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin assist investors who follow the practice of some investment analysts who adjust GAAP financial measures to exclude items that may obscure underlying performance and distort comparability. Because EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations

and contribution margin are not measures recognized under GAAP, they are not intended to be presented herein as a substitute for earnings (loss) from continuing operations, net earnings (loss), net income attributable to Aleris or segment income, as an indicator of operating performance. EBITDA, Adjusted EBITDA and contribution margin are primarily performance measurements used by our senior management and Board of Directors (the Board) and GRSA's management to evaluate certain operating results.

We and GRSA calculate EBITDA as earnings (loss) from continuing operations attributable to Signature Group Holdings, Inc. or net income attributable to Aleris, as applicable, before interest, taxes, depreciation and amortization, or EBITDA, which is then adjusted to remove or add back certain items in the calculation of Adjusted EBITDA, Standalone Adjusted EBITDA and Pro Forma Adjusted EBITDA. These items are identified below in the reconciliations of earnings (loss) from continuing operations attributable to Signature Group Holdings, Inc. or net income attributable to Aleris, as applicable, to EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA and Pro Forma Adjusted EBITDA. Segment income is the GAAP measure most directly comparable to Segment Adjusted EBITDA and Segment Standalone Adjusted EBITDA. We calculate contribution margin as revenues less the cost of raw materials and freight expense included in sales.

Our calculation of EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin may be different from the calculation used by other companies for non-GAAP financial measures having the same or similar names; therefore, they may not be comparable to other companies. See Summary Pro Forma Combined and Consolidated Historical Financial and Other Data of Signature and Summary Combined and Consolidated Historical Financial and Other Data of GRSA for reconciliations of EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin to the most comparable GAAP measure for each.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this prospectus supplement, the accompanying prospectus and post-effective amendment, the documents incorporated by reference in this prospectus supplement, the accompanying prospectus, the accompanying post-effective amendment, any issuer free writing prospectus and any other written or oral statement by or on our behalf contain forward-looking statements within the meaning and protections of Section 27A of the Securities Act and Section 21E of the Exchange Act, that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. These forward-looking statements can be identified by the use of words such as believes, anticipates, expects, intends, plans, projects, strategy, target, indicates, assumes, may, should, will, likely, could or other similar expressions.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to differ materially from the forward-looking statements. These forward-looking statements are based on our current beliefs, intentions and expectations. These statements are neither guarantees nor indicative of future performance. Important assumptions and other important factors that could cause changes in our financial condition or results of operations or could cause actual results to differ materially from those forward-looking statements include, but are not limited to:

the timing and completion of the GRSA Acquisition, the satisfaction or waiver of the closing conditions for the GRSA Acquisition, or any other failure to close the GRSA Acquisition;

our ability to obtain the funding under the Financings (as defined below) necessary to complete the GRSA Acquisition or the terms of any such Financings or that, if the Financings are successful, any inability to utilize the funds raised efficiently;

the incurrence of the indebtedness in the Financings, our high leverage, substantial debt, security interests in our assets and, in the case of such indebtedness and the Series B Preferred Stock comprising a portion of the Financings, restrictive covenants that restrict the operation of our business and the business of our subsidiaries;

the fees, interest and other costs associated with the Financings borne by us and our affiliates while awaiting the completion of the GRSA Acquisition;

any adjustments to the sale price of, or continuing liabilities associated with, our formerly wholly owned subsidiary, NABCO (as defined below), and the amount of proceeds of such sale available to contribute to the funding of the GRSA Acquisition;

changes to our business, operations and organizational structure as a result of the GRSA Acquisition and our ability to successfully integrate the GRSA business;

uncertainty regarding our expected financial performance following completion of the GRSA Acquisition;

our ability to use federal and state net operating loss tax carryforwards (NOLs) and recognize future tax benefits, including in connection with the NABCO Sale, the GRSA Acquisition and the Financings;

disruption in relationships with customers, employees and suppliers relating to our GRSA business and our non-GRSA business as a result of the GRSA Acquisition;

changes in domestic and international demand for recycled aluminum, including in the automotive, aerospace, building and construction, consumer packaging, and steel and durable goods manufacturing industries;

the cyclical nature of the aluminum industry, material adverse changes in the aluminum industry or end-use segments, such as global and regional supply and demand conditions for aluminum and aluminum products, and changes in our customers' industries;

commodity price fluctuations in the aluminum market and our ability to enter into effective commodity derivatives or arrangements to manage effectively our exposure to such commodity price fluctuations;

our ability to successfully identify, acquire and integrate additional companies and businesses that perform and meet expectations after completion of such acquisitions;

our ability to achieve future profitability;

our ability to control operating costs and other expenses;

our ability to service our debt including all indebtedness incurred in the Financings and secure additional financing;

our ability to get listed on a national stock exchange, such as the NASDAQ;

our ability to obtain the expected benefits of our January 2014 holding company reincorporation from Nevada to Delaware;

our dependence, as a holding company, on funding from our operating subsidiaries;

general economic conditions may be worse than expected;

competition among other companies with whom we compete may increase significantly;

the loss of key personnel or the ability to cost-effectively attract, retain and motivate key personnel;

our ability to maintain disclosure controls and procedures and internal control over financial reporting to ensure timely, effective and accurate financial reporting, and to integrate GRSA into our disclosure controls and procedures and internal control over financial reporting;

changes in accounting policies and practices, as may be adopted by regulatory agencies and other organizations, including without limitation the SEC and the Financial Accounting Standards Board (FASB);

changes in laws or government regulations or policies affecting the legacy businesses related to residential mortgage lending and servicing, which are now a part of discontinued operations;

the impact of current or new litigation matters, or changes in litigation strategies brought against our current businesses, GRSA or our subsidiary SGGH, LLC 's former businesses; and

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our ability to successfully defend against demands by investment banks for defense, indemnity and contribution where the banks have been sued in actions concerning their activities relating to securitizations involving loans originated by SGGH, LLC's former businesses.

Given these uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements set forth herein are qualified by these cautionary statements and are made only as of the date of this prospectus supplement. We undertake no obligation to update or revise the information contained herein including, without limitation, any forward-looking statements whether as a result of new information, subsequent events or circumstances, or otherwise, unless otherwise required by law.

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QUESTIONS AND ANSWERS ABOUT THIS RIGHTS OFFERING

This section highlights information contained elsewhere or incorporated by reference in this prospectus supplement. This section does not contain all of the important information that you should consider before exercising your subscription rights and investing in our common stock. You should read this entire prospectus supplement carefully.

Q: What are we offering in this prospectus supplement?

A: We are conducting a rights offering and issuing at no charge one subscription right with respect to each share of our common stock outstanding as of the close of business on January 28, 2015 the Effective Date. Through this prospectus supplement, we are offering the shares of common stock that holders of subscription rights may purchase upon exercise of their subscription rights.

Q: Who may participate in this Rights Offering?

A: We distributed subscription rights to the holders of record of our common stock that was outstanding as of the close of business on January 28, 2015 the Effective Date. Since the subscription rights attach to these shares of our common stock and trade with them until they are exercised or the Expiration Date February 17, 2015, any purchaser or other transferee of these shares of common stock after the Effective Date and prior to the expiration or termination of this Rights Offering or the exercise of such attached subscription rights will be permitted to exercise the subscription rights attached or stapled to such shares of our common stock.

Q: What is the subscription right I am entitled to for each subscription right?

A: Each subscription right carries with it a basic subscription right to purchase 0.562 shares of our common stock and an oversubscription right to purchase shares remaining available for subscription at the Expiration Date February 17, 2015.

Q: What is the basic subscription right each subscription right gives me the right to purchase?

A: Each subscription right issued under this Rights Offering entitles you to purchase 0.562 shares of our common stock at an exercise price of \$5.64 per share. You may exercise any number of your subscription rights, or you may choose not to exercise any of the subscription rights issued to you. We will not distribute any fractional shares, but instead will round fractional shares up to the nearest whole share of common stock.

Q: What is the oversubscription right associated with each subscription right?

A: If all of our stockholders do not exercise all of the subscription rights issued to them in this Rights Offering, then each holder who has exercised subscription rights in full may have the opportunity to purchase additional shares of our common stock at \$5.64 per share under the oversubscription right. By extending oversubscription rights to our stockholders, we are providing those holders who have exercised all of their subscription rights with the opportunity to purchase the shares that are not purchased by other stockholders in this Rights Offering. If there are not enough shares available to fully satisfy all oversubscription right requests, the available shares will be distributed proportionately among rights holders who exercised their oversubscription right based on the number of shares each rights

holder subscribed for under the basic subscription right. Computershare Trust Company N.A. and Computershare, Inc. who are serving collectively as the rights agent, will return any excess payments by mail without interest or deduction as soon as reasonably practical after the Expiration Date.

Q: How long will the subscription period last?

A: You will be able to exercise your subscription rights only during a limited period. If you do not exercise your subscription rights before 5:00 p.m., New York City time, on February 17, 2015, your subscription rights will expire and be of no further value. We may, in our sole discretion, as described below decide to extend this Rights Offering until some later time. If we extend the expiration date, we will give oral or written notice to the rights agent on or before such Expiration Date, followed by a press release no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. If we elect to extend the Rights Offering for a period of more than 30 days, then holders who have subscribed for rights may cancel their subscriptions and receive a refund of all money submitted to date.

Holders of our Warrants have a period of 90 days from the Effective Date by April 28, 2015 in which to exercise their subscription rights. Please see the discussion of Warrants in The Rights Offering The Special Rights of the Warrants.

Q: Is there any limit on how long the subscription period will last?

A: Although the Rights Offering is scheduled to remain open until February 17, 2015, we retain the ability to extend the Rights Offering for as long or as many times as our Board of Directors determines is necessary to consummate the Rights Offering or otherwise in our best interests.

Q: Am I required to participate in this Rights Offering?

A: No.

Q: What happens if I choose not to exercise my subscription rights?

A: You will retain your current number of shares of common stock even if you do not exercise your subscription rights. If you choose not to exercise your subscription rights, then the percentage of our common stock that you own will decrease upon closing of this Rights Offering. The magnitude of the reduction of your percentage ownership will depend upon the extent to which you and the other stockholders exercise their rights. See *Risk Factors Risks Related to The Rights Offering Stockholders who do not fully exercise their subscription rights will have their interests diluted* for more information regarding the amount of potential dilution.

Q: How do I exercise my subscription rights?

A: If you are a Holder of Record you may exercise your subscription rights by delivering the following to the rights agent at or prior to 5:00 p.m., New York City time, on the Expiration Date:

your properly completed and executed subscription rights exercise certificate with any required signature guarantees or other supplemental documentation; and

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your full exercise price payment (by check, bank draft or money order) for each share subscribed for under your subscription rights and any oversubscription right.

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If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you pay by an uncertified personal check, your subscription rights will not be deemed exercised until such uncertified check clears. See *The Rights Offering Delivery of Subscription Materials and Payment*.

Q: What should I do if I want to exercise my subscription rights but my shares are held in the name of my broker, custodian bank or other nominee?

A: If you hold shares of our common stock through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of this Rights Offering. If you wish to exercise your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. To indicate your decision, you should complete and return to your broker, custodian bank or other nominee the forms provided by them. You should receive this form from your broker, custodian bank or other nominee with the other offering materials. You should contact your broker, custodian bank or other nominee if you believe you are entitled to participate in this Rights Offering but you have not received this form.

Q: What restrictions may there be on my right to exercise my subscription rights?

A: A key element to our business strategy is using our federal and state net operating loss tax carryforwards (NOLs). Our ability to utilize our NOLs would be substantially reduced if we were to undergo an ownership change as that term is defined under federal income tax regulations. In order to preserve certain of our tax benefits, our bylaws contain restrictions on transfer to prohibit any person, entity or group from becoming a holder of 4.9% or greater of our common stock, the increase in ownership of any existing stockholder who owns 4.9% or greater of our common stock, or certain transfers by a stockholder holding 5% or more of our outstanding shares of common stock. As a result, there are limitations on the exercise of the subscription rights as described in this prospectus supplement. Without the approval of our Board of Directors, no holder will be issued shares as a result of such subscriptions or oversubscription if the holder will hold 4.9% or greater of our then-current outstanding common stock, which if this Rights Offering is fully subscribed will be 1,327,688 shares.

Therefore, in order to avoid an ownership change result of this Rights Offering, we have implemented the escrow protection mechanics, which are as follows: (1) by exercising subscription rights, each holder will represent to us that such holder was not an owner, directly or indirectly (as described in this prospectus supplement and the Tax Benefit Preservation Provision), of 4.9% or more of our outstanding shares of common stock, 849,850 shares based on 17,343,892 shares of common stock outstanding as of January 28, 2015; (2) if such exercise would result in such holder owning, directly or indirectly, more than 849,850 shares of our common stock, such holder must notify the information agent at the telephone number set forth under *The Rights Offering Information Agent; Questions about Exercising Subscription Rights* ; (3) if requested, each holder will provide us with additional information regarding the amount of common stock that the holder owns; (4) we may instruct the rights agent to hold any subscription payments separately pending our determination of any ownership issues; and (5) we shall have the right to instruct the rights agent to refuse to honor such holder's exercise to the extent such exercise of subscription rights or oversubscription rights might, in our sole and absolute discretion, result in such holder owning 4.9% or more of our common stock. By exercising subscription rights in this Rights Offering, you agree that the escrow protection mechanics are valid, binding and enforceable against you. See *The Rights Offering Tax Benefit Protection Provision; Escrow Protection Mechanics* for a discussion on how our escrow mechanics operate.

Q: What should I do if I want to exercise my subscription rights and I am a stockholder in a foreign country or in the Armed Services?

A: The rights agent will not mail any Rights Offering materials to you if you are a holder of subscription rights whose address is outside the United States or if you have an Army Post Office or a Fleet Post Office address. To exercise your rights, you must notify the rights agent on or prior to 5:00 p.m., New York City time, on February 17, 2015, and take all other steps which are necessary to exercise your rights, on or prior to that time. If you do not follow these procedures prior to the Expiration Date, your rights will expire.

Q: Will I be charged a sales commission or a fee if I exercise my subscription rights?

A: No. We will not charge a brokerage commission or a fee to rights holders for exercising their subscription rights. However, if you exercise your subscription rights through a broker or nominee, you will be responsible for any fees charged by your broker or nominee.

Q: What are the United States federal income tax consequences of exercising my subscription rights as a holder of common stock?

A: A holder of common stock generally will not recognize income or loss for federal income tax purposes in connection with the receipt or exercise of subscription rights in this Rights Offering. We urge you to consult your own tax advisor with respect to the particular tax consequences of this Rights Offering to you. See *Material U.S. Federal Income Tax Consequences* for more information on the tax consequences of this Rights Offering.

Q: When will I receive the shares purchased in this Rights Offering?

A: We will issue certificates or make the necessary book-entry issuances representing shares purchased in this Rights Offering to you or to DTC on your behalf, as the case may be, as soon as reasonably practicable after the closing of the GRSA Acquisition, which will follow the Expiration Date.

Q: If this Rights Offering is not completed, will my subscription payment be refunded to me?

A: Yes. The rights agent will hold all funds it receives in escrow until completion of this Rights Offering. If this Rights Offering is not completed, the rights agent will return promptly, without interest, all subscription payments and any oversubscription payments that are not exercised.

Q: Are there risks in exercising my subscription rights?

A: Yes. The exercise of your rights involves risks. Exercising your rights means buying additional shares of our common stock and should be considered as carefully as you would consider any other equity investment in our company. Among other things, you should carefully consider the risks described under the heading *Risk Factors*, in this prospectus supplement.

Q: After I exercise my subscription rights, can I change my mind and cancel my purchase?

A: No. Once you send in your subscription certificate and payment you will not be able to revoke the exercise of your subscription rights even if you later learn information about us

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that you consider to be unfavorable and even if the market price of our common stock is below the subscription right exercise price. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at the subscription right exercise price.

Q: May I transfer my subscription rights if I do not want to purchase any shares?

A: No. The subscription rights attach to our shares of common stock and are not separately transferable. Transfer of ownership of a share of our common stock, however, after the Effective Date and before the earlier of the Expiration Date or any subscription right associated with such share is exercised will also transfer ownership of the subscription right issued with respect to such share.

Q: Can I sell my shares after I have exercised my subscription rights?

A: Yes. After you exercise your subscription rights, the shares of common stock will have a new CUSIP (82670K201) and will be freely tradable and quoted on the OTCQX Marketplace, where our common stock currently trades. After the Expiration Date, all of our common stock will have this CUSIP (82670K201).

Q: If I purchase shares after the Rights Offering has commenced, will I be able to participate in the Rights Offering?

A: Yes, if the shares of common stock you have purchased still have the subscription rights attached. Shares that have subscription rights attached have CUSIP 82670K128. Since stock trades may take three business days to settle, please note that if you purchase shares late in the Rights Offering period, you may not receive your shares in time to exercise the attached subscription rights. We are under no obligation, and have no intention, to adjust our procedures to accommodate holders who acquire shares after the Rights Offering has commenced.

Q: Why is Signature Group Holdings, Inc. engaging in this Rights Offering?

A: We are making this Rights Offering in order to raise approximately \$55 million, before expenses, in new capital to be used to pay a portion of the \$525 million in consideration we have agreed to pay in the GRSA Acquisition.

Q: How were the terms of the Rights Offering and the subscription right exercise price established?

A: The subscription price for the Rights Offering was determined based on the determination of our management and Board, as assisted by our financial advisors, and the negotiation of the terms of certain backstops to the financing for the GRSA Acquisition, which provided that the subscription price equal the lesser of (i) \$6.50 per share, the offering price under our registered offering of \$28.5 million in equity on December 2014, or (ii) a 25% discount to the 10-day volume weighted average price of our common stock prior to the commencement of the Rights Offering.

Q: What is the Board of Directors' recommendation regarding this Rights Offering?

A: Our Board of Directors is not making any recommendation as to whether you should exercise your subscription rights. You should make your decision based on your own assessment of this Rights Offering and our company.

Q: How many shares of our common stock will be outstanding after this Rights Offering?

A: As of January 28, 2015, we had 17,343,892 shares of common stock issued and outstanding. After this Rights Offering, we anticipate that we will have approximately 27,095,665 million shares of common stock outstanding assuming all the subscription rights that are issued pursuant to the Rights Offering are exercised. We will have 27,938,665 shares if the holders of our 1,500,000 outstanding Warrants exercise all of the subscription rights in respect of Warrants.

Q: Will the new shares be quoted on the OTCQX and treated like other shares?

A: Yes. Our common stock is quoted on the OTCQX Marketplace. The subscription rights, following the Effective Date and until the earlier of their exercise or the Expiration Date, will trade along with the shares of common stock to which they are attached as a unit under the symbol SGGHU, and will not be quoted or traded separately from the shares of our common stock. Following exercise of the associated subscription rights, the common stock will be freely tradable without any additional subscription rights via CUSIP 82670K201. Following the consummation of the GRSA Acquisition, we intend to seek to list our common stock on the NASDAQ.

Q: Can the Board of Directors amend or withdraw this Rights Offering?

A: Yes. We reserve the right to cancel the Rights Offering at any time. If canceled, the subscription funds and any certificates for the underlying shares will be promptly returned by mail to exercising holders of subscription right, without interest or deduction. If this Rights Offering is canceled, the subscription rights will not be exercisable and will have no value. We also reserve the right to extend the Expiration Date and to amend the terms or conditions of the Rights Offering. If this Rights Offering is extended, the rights agent will hold your shares and subscription funds.

Further, if we should make any fundamental changes to the terms set forth in this prospectus supplement including a change in the subscription price or number of shares of common stock purchasable by one subscription right, we will file a revised prospectus supplement, offer potential purchasers who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any money advanced by such stockholder and recirculate an updated prospectus supplement after the post-effective amendment is declared effective with the SEC. In addition, upon such event, we may extend the Expiration Date of this Rights Offering to allow holders of rights ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to this Rights Offering and the new Expiration Date. The terms of the Rights Offering cannot be modified or amended after the Expiration Date.

Q: Are there limitations on where these subscription rights may be distributed and where subscription rights may be exercised?

A: This prospectus is not an offer to sell and we are not soliciting an offer to buy our common stock in any state or other jurisdiction in which the offer or sale is not permitted. We have applied for qualification of this Rights Offering with certain state securities commissions, including California. We have the discretion to delay or to refuse to distribute any shares any holder may elect to purchase through the exercise of subscription rights or

oversubscription rights if we deem it necessary to comply with applicable securities laws, including state securities and blue sky laws. Our application for qualification with the Department of Business Oversight of the State of California related to this Rights Offering was not effective as of the date of this prospectus supplement. Unless our application becomes effective prior to the Expiration Date, we will not be permitted to offer or sell the subscription rights or common stock in the State of California or communicate to a stockholder located in the State of California that we are accepting their subscription to purchase shares in this Rights Offering.

Q: What should I do if I have other questions or need assistance?

A: We have appointed Georgeson Inc. as information agent for the Rights Offering. Any questions or requests for additional copies of this prospectus supplement or any ancillary documents may be directed to the information agent at the following address and telephone number:

480 Washington Blvd., 26th Floor

Jersey City, NJ 07310

Telephone: (866) 300-8594 (toll-free)

For a more complete description of this Rights Offering, see *The Rights Offering*.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information contained elsewhere in this prospectus supplement (including documents incorporated by reference herein). Because this is only a summary, it does not contain all of the information that may be important to you. For a complete understanding of the Rights Offering, we encourage you to read this entire prospectus supplement and the documents incorporated by reference herein. You should read the following summary together with the more detailed information and combined and consolidated financial statements of Signature and GRSA (each as defined below) and the notes to those statements included elsewhere in this prospectus supplement and the documents incorporated by reference herein, and together with the information contained herein under the caption Unaudited Pro Forma Condensed Combined Financial Information. Before making any investment decision, for a more complete understanding of our business and this offering, you should read the entire prospectus supplement carefully, including the sections entitled Risk Factors. Except where the context suggests otherwise, references in this prospectus supplement to the Company, we and our refer to Signature Group Holdings, Inc. and its consolidated subsidiaries, references to GRSA refer to the entities (collectively, the GRSA Entities) taken together, comprising the global recycling and specification alloys business of Aleris Corporation (Aleris), and references to Signature or the Issuer refer only to Signature Group Holdings, Inc., and not to any of its subsidiaries. All tonnage information is presented in metric tons. References in this prospectus supplement to pro forma refer to financial information for the applicable period (or as of the applicable date) that gives effect to the GRSA Acquisition, Financings and NABCO Sale, as each are defined below, as if they had occurred on January 1, 2013 in the case of statements of operations data and as if the GRSA Acquisition, Financings and NABCO Sale had occurred on September 30, 2014 in the case of balance sheet data. The pro forma financial information set forth in Unaudited Pro Forma Condensed Combined Financial Information is derived from the historical combined financial information of Signature and GRSA, and gives effect to the pro forma adjustments as described in the accompanying notes. We cannot assure you that the GRSA Acquisition or all of the Financings associated with the GRSA Acquisition will be consummated on the terms described herein, or at all. See Risk Factors Risks Related to this Rights Offering, the GRSA Acquisition and the Financings.

Signature Group Holdings, Inc.

We are a holding company. Our business strategy is to acquire controlling interests in operating companies that leverage the strengths of our platform, including our status as a public company, our sizable tax assets, and the experience of our executive management team. A key element to our business strategy is using our federal and state net operating loss tax carryforwards (NOLs). As of December 31, 2013, which has been adjusted for IRS examinations of prior tax years completed in 2014, we reported federal NOLs of approximately \$932.8 million, which have a 20-year life and which begin to expire in 2027. We strive to acquire companies that are consistently profitable and will be accretive to earnings. In considering acquisition opportunities, we prefer businesses and management teams that have shown success through the business cycle, generate strong margins, and have defensible market positions. We have entered into a definitive agreement for the acquisition of GRSA, which we believe is consistent with our strategy and which will represent a transformative acquisition for us if it is consummated. Following the consummation of the GRSA Acquisition, we intend to seek to list our common stock on the NASDAQ.

As of December 31, 2014, our operations were largely concentrated in one operating segment, Industrial Supply, which included North American Breaker Co., LLC (NABCO), one of the largest independent circuit breaker suppliers in the United States. On January 9, 2015, we sold our 100% interest in NABCO for \$78 million, subject to customary adjustments, to PNC Riverarch Capital, a division of PNC Capital Finance, LLC (the NABCO Sale). We intend to use approximately \$45 million of the proceeds of the NABCO Sale to fund a portion of the purchase price for the GRSA Acquisition.

The GRSA Acquisition

On October 17, 2014, our indirect wholly owned acquisition subsidiary, Real Alloy Holding, Inc. (Real Alloy) (formerly SGH Acquisition Holdco, Inc.), entered into a definitive Purchase and Sale Agreement (the Purchase Agreement) to acquire certain subsidiaries of Aleris comprising Aleris' s global recycling and specification alloys business for \$525 million, subject to adjustments for the cash, indebtedness, transaction expenses and net working capital of the GRSA Entities. This purchase price is comprised of \$495 million in cash and up to \$30 million in a new series of non-participating preferred stock of Signature (the Series B Preferred Stock).

The Purchase Agreement contains customary representations, warranties and covenants of the parties, non-competition and non-solicitation provisions, as well as indemnification provisions subject to certain specified thresholds and other limitations. Aleris and its selling subsidiaries may not solicit or discuss alternative transactions for GRSA. We or Real Alloy will be required to pay Aleris a \$26.25 million termination fee if the Purchase Agreement is terminated under certain circumstances. Signature has guaranteed all of Real Alloy' s obligations under the Purchase Agreement, including the termination fee obligation.

The closing of the proposed transaction is subject to the transfer of certain discontinued real property locations by Aleris to a non-GRSA subsidiary, the release of certain liens, guarantees and liabilities related to certain Aleris debt, and other customary closing conditions. Necessary conditions associated with the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act) and certain Mexican competition laws have been obtained. The GRSA Acquisition is expected to close on or before February 28, 2015. The GRSA Acquisition is not contingent upon the consummation of any financing arrangement.

There can be no assurance that the GRSA Acquisition will be consummated. The Purchase Agreement has been filed as an exhibit to our Current Report on Form 8-K, filed with the SEC on October 21, 2014, which is incorporated by reference herein. See The GRSA Acquisition and Financings The Purchase Agreement and Risk Factors Risks Related to this Rights Offering, the GRSA Acquisition and the Financings.

The NABCO Sale, Financings and Offerings

We currently intend to finance the \$495 million cash portion of the purchase price for the GRSA Acquisition as well as costs associated with the GRSA Acquisition using a combination of cash, new equity and debt as follows: (i) \$45 million of our existing cash, (ii) approximately \$45 million of the proceeds of the NABCO Sale, (iii) the net proceeds of the \$3 million October 2014 issuance of 300,000 shares of our common stock in a private placement (the October 2014 Private Placement), (iv) the net proceeds of the \$28.5 million December 2014 registered

offering of our common stock (the Equity Offering), (v) the net proceeds of this \$55 million Rights Offering, (vi) the net proceeds of the recently completed private placement of \$305 million in senior secured notes (the Senior Secured Notes) by our indirect wholly owned subsidiary, SGH Escrow Corporation (SGH Escrow , which we intend to merge into Real Alloy following the consummation of the GRSA Acquisition) and (vii) \$73.5 million in opening draws on the combination of an asset-based lending facility (the Asset-Based Facility) provided by General Electric Capital Corporation and GE Capital Markets, Inc. (collectively, GE Capital) and a German factoring facility (the Factoring Facility) provided by GE Capital Bank AG (all such transactions in clauses (iii) (vii), the Financings).

If this Rights Offering is fully subscribed, we will receive more than \$125 million in aggregate net proceeds from this Rights Offering, the NABCO Sale, the Equity Offering, and the October 2014 Private Placement, and we intend to use such excess for general corporate purposes, which could include reducing borrowings at Real Alloy. In the event that this Rights Offering is not fully subscribed, such that the aggregate net proceeds from the October 2014 Private Placement, the Equity Offering, this Rights Offering and the NABCO Sale are less than \$125 million, we entered into in October 2014, and amended in January 2015, (x) a commitment letter (the Backstop Commitment Letter) with Zell Credit Opportunities Master Fund L.P. (ZCOF) and funds managed by another institutional investor for up to \$20 million in senior notes (the Backstop Notes) and (y) an agreement with Aleris to purchase up to an additional \$30 million of our Series B Preferred Stock (the Backstop Agreement). The Backstop Agreement and the Backstop Notes set forth the allocations to be made in the event of a shortfall. As a general matter, if we raise \$32.0 million or more in this Rights Offering, there will be no funding requirement under the Backstop Notes. In the event we utilize the Backstop Notes or issue additional Series B Preferred Stock under the Backstop Agreement, we expect the funds required for the repayment of the debt incurred in connection with such Backstop Notes and dividends in respect of additional Series B Preferred Stock to be provided by a combination of distributions from GRSA, borrowing under future debt and/or other financing transactions, which could include the issuance of additional shares of our common stock.

There can be no assurance that we or Real Alloy will undertake or complete any such pending Financings or utilize the Backstop Notes or Backstop Agreement, and the closings of this Rights Offering and certain of the other Financings are expected to be conditioned on the closing of the GRSA Acquisition. The final structure and terms of the Financings and backstops, if required, will be subject to market conditions, and may be materially different than current expectations. See The GRSA Acquisition and Financings The Backstop Agreement and The Financing Arrangements, as well as Risk Factors Risks Related to This Rights Offering, the GRSA Acquisition and the Financings. The completion of this Rights Offering is not conditioned upon the completion of any other Financing.

On October 28, 2014, we completed the October 2014 Private Placement in which we privately placed 300,000 shares of common stock at a price of \$10.00 per share with Kettle Hill Partners, LP and Kettle Hill Partners II, LP. We plan to use the proceeds for general corporate purposes, including to fund a portion of the purchase price in the GRSA Acquisition. We have agreed to file a resale registration statement for these shares and use our best efforts to cause such registration statement to become effective within three months of such filing.

On December 19, 2014, we completed the Equity Offering, in which we sold 4,384,615 shares of our common stock in an underwritten public offering. Before offering expenses, we received approximately \$27.1 million in proceeds, net of underwriting discounts and commissions.

On January 8, 2015, our indirect wholly owned subsidiary, SGH Escrow, completed the offering of the Senior Secured Notes, pursuant to which SGH Escrow issued and sold 10% Senior Secured Notes due 2019 in an aggregate principal amount of \$305.0 million at an issue price to SGH Escrow of 97.206% of the principal amount thereof, resulting in gross proceeds to SGH Escrow of approximately \$296.5 million. The yield to SGH Escrow on the Senior Secured Notes is 10 7/8%. The Senior Secured Notes were offered and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside of the United States pursuant to Regulation S under the Securities Act. The proceeds from the Senior Secured Notes were placed into an escrow account to be released upon the closing of the GRSA Acquisition, the merger of SGH Escrow with Real Alloy and Real Alloy's assumption of SGH Escrow's obligations under the Senior Secured Notes and obtaining certain guarantees from Real Alloy's existing and future domestic subsidiaries, along with the satisfaction of other customary conditions.

On January 9, 2015, we completed the NABCO Sale for gross proceeds of \$78.0 million. We will retain at Signature a maximum of \$10 million of the proceeds of the NABCO Sale, net of transaction expenses, the repayment of \$14.3 million in outstanding debt related to NABCO and a \$3.9 million indemnification escrow, classified as unrestricted cash on our pro forma condensed combined balance sheet, and we intend to use the rest of the net proceeds to fund a portion of the purchase price for the GRSA Acquisition.

The Global Recycling and Specification Alloys Business

GRSA is a global leader in third-party aluminum recycling, which includes the processing of scrap aluminum and by-products and the manufacturing of wrought, cast and specification or foundry alloys. GRSA offers a broad range of products and services to wrought alloy processors, automotive original equipment manufacturers (or OEMs) and foundries and casters. Industries served include automotive, consumer packaging, steel and durable goods, aerospace and building and construction. It processes scrap aluminum and by-products and delivers the recycled metal in liquid or solid form according to its customers' specifications. Its facilities are capable of processing industrial (new) scrap, post-consumer (old/obsolete) scrap, and various aluminum by-products, giving it a great degree of flexibility in reclaiming high-quality recycled aluminum for its customers. GRSA currently operates 24 facilities strategically located throughout North America and Europe and had approximately 1,600 employees as of December 31, 2013. For the twelve months ended September 30, 2014, its revenues were \$1.5 billion, its Standalone Adjusted EBITDA was \$84.1 million, its net income attributable to Aleris was \$33.6 million and its volume was 1,204 kilotons (kt).

Value Chain

GRSA conducts business with its customers primarily through tolling arrangements and buy/sell arrangements. Under tolling arrangements, customers pay GRSA a fee to convert aluminum scrap or by-products into usable recycled metal. Tolling arrangements, whether with manufacturing customers or broker customers, benefit GRSA by providing commodity price risk reduction, earnings stability, and consistent returns on invested capital given the reduced associated working capital needs. Under buy/sell arrangements, GRSA buys scrap units in the open market, including from scrap dealers, its customers and other producers, then processes them and sells wrought or cast alloys produced to the customers' specifications. GRSA processed approximately 450 kt in North America and 190 kt in Europe through tolling arrangements, which represented 53% of GRSA's overall volume for the twelve months ended September 30, 2014. In addition, GRSA processed approximately 380 kt in North America and 180 kt in Europe through buy/sell arrangements, which represented 47% of its overall volume for the twelve months ended September 30, 2014.

GRSA is a trusted partner in the aluminum recycling industry and has long-standing relationships with a diverse customer base, including many blue-chip multinational companies. Many of its customers, and all of its top 10 customers, have closed-loop arrangements with GRSA. Under these types of arrangements, customers provide GRSA with aluminum scrap and by-products generated by their operations, and GRSA converts the scrap and by-products into usable recycled aluminum metal that is returned to the customers. Typically, these closed-loop arrangements are done through tolling arrangements, though they can also be done through buy/sell arrangements. Closed-loop arrangements benefit GRSA's customers by enabling them to maximize utilization of their own metal (which is usually their lowest cost alternative), optimize operational efficiencies and minimize by-product waste. The closed-loop business model also allows GRSA to be highly integrated into its manufacturing customers' supply chains, further strengthening its relationships with such customers. GRSA believes that it is a leader in closed-loop arrangements.

The ability to use diverse types of scrap and source such scrap effectively allows GRSA to improve its business performance. Its centralized purchasing function within each of its operating regions, combined with its broad geographic footprint, allows GRSA to leverage its purchasing expertise and scale to secure the lowest cost aluminum scrap available for its buy/sell operations. Its well-maintained facilities have been equipped with a broad range of pre-processing equipment such as shredders, dryers and mills, thereby increasing their flexibility and enabling the processing of multiple grades of scrap and by-products to optimize metal purchases and minimize input costs. This increased flexibility in raw material input mix improves margins and helps to insulate GRSA in periods of unfavorable market conditions while creating significant benefits during upcycles.

With its extensive footprint and strategically located facilities in North America and Europe, GRSA is able to effectively serve its global blue-chip customers as well as its regional and local customers. Most of GRSA's operations are located near its customers' facilities, allowing for closed-loop arrangements and making GRSA an integral part of its customers' supply chain. At 12 of its facilities, this close proximity allows GRSA to deliver just-in-time molten metal for direct use in customers' operations, which differentiates GRSA from many of its competitors. In 2013, a significant portion of GRSA's volume was delivered in molten metal form. This capability provides savings by maximizing production efficiency, reducing costs, and reinforcing the integrated nature of GRSA's relationships with its customers. With its multi-location operation, GRSA is able to process a portion of its volume under swap arrangements, under which GRSA takes scrap or by-products from its customer in one location and delivers recycled metal back to that customer in a different location and/or alloy.

As a leader in third-party aluminum recycling, GRSA's scale, broad geographic footprint across two continents and comprehensive product and service offerings positions GRSA to capitalize on favorable industry trends. Unlike other metals, aluminum is infinitely recyclable without any loss of quality, thus making recycled or secondary aluminum just as desirable and usable as primary aluminum. This characteristic, coupled with increasing global demand for aluminum and long-term secular growth in key end markets, provides a positive macro environment for GRSA's growth plans. According to the Freedonia Group, global aluminum demand is projected to grow at 5.4% per year from 2012 to 2022. More specifically, in the automotive sector, which represented approximately 61% of GRSA's volumes for the year ended December 31, 2013, aluminum consumption is expected to grow by over 17% per year from 2012 to 2017, largely driven by the lightweighting of vehicles to meet new regulatory standards. In addition to growing demand in GRSA's key end markets, demand for recycled aluminum is expected to grow at a faster rate than primary aluminum production in North America and Europe, which is largely driven by the cost and energy efficiency of recycling aluminum. By 2022, secondary aluminum production is expected to comprise nearly 50% of all aluminum production in North America and Europe.

GRSA Business Unit Overview

GRSA has historically operated through two segments (referred to herein as business units): Recycling and Specification Alloys North America (RSAA) and Recycling and Specification Alloys Europe (RSEU). Signature has not determined whether to report these as separate segments in the future. The following data show GRSA's volume invoiced (1,222 kt) by key end markets for the year ended December 31, 2013 as well as summarize GRSA's key operating metrics for the twelve months ended September 30, 2014.

Volume Invoiced by End Market

For the year ended December 31, 2013

(For the last twelve months September 30,
2014, \$ in millions except per ton amounts,

| volume in kt) | RSAA | RSEU |
|---|--------|--------|
| Volume Invoiced | 831 kt | 373 kt |
| <i>% of Volume Tolled</i> | 54% | 51% |
| Revenues | \$974 | \$556 |
| Contribution Margin(1) | \$272 | \$172 |
| <i>Contribution Margin per ton invoiced</i> | \$327 | \$461 |