

Introduction

We are pleased to share our Steel Industry Multiples Valuation Update for Q1 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' strategic objectives in a range of transactions including Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures, among other corporate finance and strategy consulting services.

Over the course of 23+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Steel Industry clients that are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms and family-owned businesses across a wide range of industries.



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Sector Relevant Experience

- Provided **corporate finance advisory** services to **DEACERO**, a Mexican leading producer of long steel, wires, and reinforcing steel
- •Provided **corporate finance advisor**y services to **Fortacero**, a leading distributor of steel and processed steel products
- •Provided **corporate finance advisory** services to **EZI Metales**, a steel fabricator for a diverse customer base
- •Provided **acquisition** advisory services to **Timken**, a manufacturer of engineered bearings and industrial motion products
- •Provided **valuation advisory services** to the board of directors of **Verzatec**, a diversified manufacturer engaged in the production of aluminum, plastic and steel products, on valuation issues related to the company's going private transaction
- •Advised the shareholders **of Grupo Galaz (d.b.a. INMAGUSA)**, a leading Mexican manufacturer of frame rails for commercial vehicle manufacturers (OEMs) based in North America, on the **sale** of its business to **lochpe-Maxion**, a Brazilian producer of wheels and chassis for commercial vehicles, wheels for light vehicles, railway freight cars and railway castings
- •Advised **Grif-Fab**, a fabricator and distributor of fire sprinkler pipe and related products, on the **sale** of its business to **Ferguson Fire & Fabrication**, the fire protection business of Ferguson
- •Advised **Flowserve Corporation**, one of the world's leading providers of fluid motion and control products and services, on the **sale** of its **Davies & Baird Australian** specialty castings foundry business to Davies Baird, a sister company of Quality Casting
- •Advised **Advanced Cast Products**, an operator of foundries and machining and forging companies, on the **sale** of **Belcher Corporation**, a malleable iron caster, to **Advanced Metals Group**



Corporate Finance
Advisory Services



Advisory Services















STEEL Q1 2023

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Steel Production Global Comparable Public Companies

Company		Country	Market ountry Cap. US\$M	Enterprise Value	Revenue	EBITDA	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
		Country		US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
Acerinox, S.A.	ACERINOX	ESP	\$2,566	\$3,085	\$9,315	14.6%	7.9x	2.8x	2.2x	0.3x
Aichi Steel Corporation	AICHI STEE	JPN	\$347	\$728	\$2,145	7.4%	4.0x	4.6x	5.1x	0.3x
Aperam S.A.		LUX	\$2,696	\$3,212	\$8,716	12.5%	7.7×	2.8x	2.9x	0.4x
ArcelorMittal S.A.	Arcelor Mittal	LUX	\$24,386	\$29,253	\$79,844	17.7%	4.9x	1.4x	1.8x	0.4x
CAP S.A.	<u>c</u> Ap	CHL	\$1,247	\$3,700	\$3,006	28.1%	3.3x	2.3x	3.9x	1.1x
Cleveland-Cliffs Inc.		USA	\$9,436	\$14,363	\$22,329	9.0%	16.2x	2.8x	4.2x	0.6x
Commercial Metals Company	CMD Commercial Metals	USA	\$5,727	\$6,666	\$9,168	17.2%	6.3x	4.6x	4.1x	0.7x
Companhia Siderúrgica Nacional	Companhia Siderúrgica Nacional	BRA	\$4,044	\$10,117	\$8,391	23.6%	6.5x	2.7x	4.7×	1.2x
Industrias CH, S. A. B. de C. V.	[INDUSTRIAS CR	MEX	\$5,185	\$4,525	\$3,160	25.4%	5.9x	4.7×	4.9x	1.3x
Jindal Steel & Power Limited	JINDAL STEEL & POWER	IND	\$6,684	\$7,658	\$6,447	23.5%	4.1x	3.5x	5.0x	1.2x
JSW Steel Limited	JŚW	IND	\$20,113	\$28,120	\$20,045	11.9%	9.1x	6.5x	11.6x	1.4x
Kyoei Steel Ltd.	KYOEI STEEL	JPN	\$525	\$1,081	\$2,685	5.8%	4.2x	6.3x	6.6x	0.4x
Nucor Corporation	NUCOR	USA	\$38,917	\$42,174	\$39,729	25.9%	7.8x	3.3x	3.6x	1.0x

Steel Production Global Comparable Public Companies (Continued)

		•	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
Company	Co	ountry				Margin	2021	2022	EV/ EBITDA	EV/ Revenue
Outokumpu Oyj	outokumpu 🔘	FIN	\$2,369	\$2,471	\$10,146	13.4%	10.8x	2.2x	1.7×	0.2x
POSCO Holdings Inc.	posco k	KOR	\$21,398	\$30,705	\$67,390	10.1%	4.4x	2.4x	4.3x	0.5x
Schnitzer Steel Industries, Inc.	Schnitzer (S)	USA	\$851	\$1,328	\$3,259	5.8%	7.6x	4.5x	5.2x	0.4x
Steel Authority of India Limited	सेल SAIL	IND	\$4,160	\$7,928	\$12,817	8.6%	5.4x	3.0x	6.6x	0.6x
Steel Dynamics, Inc.	Steel Dynamics, Inc.	USA	\$19,286	\$20,176	\$21,584	22.4%	7.6x	3.0x	3.6x	0.9x
Tata Steel Limited	TATA STEEL	IND	\$15,553	\$24,609	\$30,173	16.1%	7.4x	3.3x	4.8x	0.8x
Ternium S.A.	Ternium	LUX	\$8,100	\$7,765	\$15,733	16.8%	3.9x	1.4x	2.3x	0.5x
Usinas Siderúrgicas de Minas Gerais S.A.	USIMINAS U	BRA	\$1,867	\$2,837	\$6,296	12.4%	5.4x	1.6x	2.9x	0.4x
Voestalpine AG voestalp		AUT	\$6,017	\$10,186	\$19,242	14.2%	7.9x	3.9x	3.6x	0.5x
Excluded from mean and median						Mean Median	6.3x 6.3x	3.3x 3.0x	4.0x 4.1x	0.7x 0.6x

Steel Distribution Global Comparable Public Companies

		Country	Market	Enterprise Value	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
Company		Country	Cap. US\$M	US\$M			2021	2022	EV/ EBITDA	EV/ Revenue
EVA Precision Industrial Holdings Limited		HKG	\$220	\$319	\$804	8.2%	7.7×	7.0x	4.9x	0.4x
G Collado, S.A.B. de C.V.	COLLADO	MEX	\$223	\$308	\$664	5.6%	3.8x	2.7x	7.6x	0.4x
Olympic Steel, Inc.		USA	\$581	\$765	\$2,560	6.0%	12.8x	3.1x	4.6x	0.3x
Ramada Investimentos e Industria, S.A.	RAMADA INVESTIMENTOS EINDÚSTRIA	PRT	\$208	\$236	\$208	15.2%	9.9x	7.8x	7.3x	1.1x
Reliance Steel & Aluminum Co.	RELIANCE STEEL & ALUMINUM CO.	USA	\$15,142	\$15,843	\$16,505	15.5%	8.4x	5.0x	5.6x	0.9x
Russel Metals Inc.		CAN	\$1,583	\$1,627	\$3,747	10.4%	11.5x	3.2x	3.8x	0.4x
Ryerson Holding Corporation	RYERSON	USA	\$1,291	\$1,886	\$6,324	10.0%	8.1x	2.9x	2.8x	0.3x
Valmont Industries, Inc.		USA	\$6,817	\$7,743	\$4,427	12.7%	14.3x	13.6x	13.6x	1.8x
Worthington Industries, Inc.		USA	\$3,143	\$3,804	\$5,208	5.3%	7.6x	5.3x	8.3x	0.7x
Excluded from mean and median						Mean	9.3x	4.6x	5.6x	0.7x
						Median	8.4x	4.1x	5.2x	0.4x

STEEL Q1 2023

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Steel - Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23	USIMINAS U	BRA	Manufactures flat steel products	Ternium	Multiple Sellers	8.2%	\$112.7	2.4x	0.4x
Mar-23	FEDERAL STEEL SUPPLY	USA	Provides steel	WESTBRIDGE CAPITAL LTD.	Capital	100.0%	-	-	-
Mar-23	BERG PIPE	USA	Manufactures steel pipes	S BORUSAN MANNESMANN	EUROPIPE	100.0%	\$162.0	-	-
Mar-23	Van Meirvenne Group	NLD	Manufactures steel wire	anders	-	100.0%	-	-	-
Mar-23	Hanyoung Special Steel Co.,Ltd.	KOR	Manufactures steel wires and steel related products	DAEHO SPECIAL STEEL VINS	-	100.0%	-	-	-
Mar-23		FRA	Manufactures steel tools	KERING	-	100.0%	-	-	-
Mar-23	ALTOS HORNOS DE MEXICO	MEX	Manufactures steel products	ND	-	<50%	-	-	-
Feb-23	ERASTEEL	FRA	Manufactures high speed steel	SYNTAGMA	егамет	100.0%	-	-	-
Feb-23	Steelmaking Coal Operations	CAN	Steelmaking Coal Operations of Nippon Steel Corporation and POSCO	Teck	Multiple Sellers	100.0%	-	-	-
Feb-23	acenta Het Bulled, Bright Bar fished Cardioulum and Steel Services	GBR	Manufactures and distributes hot rolled and bright steel bars	GFG	-	100.0%	-	-	-

— STEEL Q1 2023

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Steel - Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jan-23	 metal tec	CHE	Manufactres cold-formed steelsManufactures	voestalpine one step ahead.	-	100.0%	-	-	-
Jan-23	투벌	MYS	Manufactures and sells iron and steel products	MALAYSIAN BULK CARRIERS BERHAD COMPANY NO. 190801008097 (175953-W)	东映金属(原林)有限公司 GRAND EAST METAL (KULIM) SON BHD	100.0%	\$16.2	-	-
Jan-23	NORTON. DYSDECK HORSIJAS SEUTISSS	AUS	Manufactures steel products for the animal farming sector	GALLAGHER	-	100.0%	-	-	-
Jan-23	FLEXSTEEL	USA	Manufactures steel pipes and pipeline products	Cactus	-	100.0%	\$696.2	-	2.6x
Jan-23	FERROX Ferrox Holdings	VGB	Mines and manufactures iron ore products	Royalty Management	-	10.0%	-	-	-
Jan-23	PENN WIRE PRODUCTS CORP.	USA	Manufactures wire steel conveyor belts	WIRE-MESH PRODUCTS, INC. MARKET A REAL REPORT A REAL	-	100.0%	-	-	-
ND. Not D	N:!!							Maara	1 F.,

ND: Not Disclosed

Mean 1.5x Median 1.5x

Representative Global Engagements





































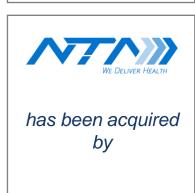


















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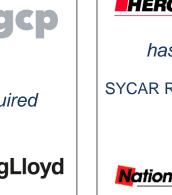
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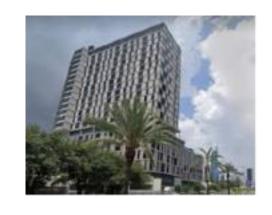
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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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Creative Solutions. Trusted Advice.

Founded in 1999, Seale & Associates is a leading global investment bank with extensive experience in mergers and acquisitions and corporate finance advisory services. Seale has an outstanding track record closing hundreds of sell-side and buy-side transactions, more than US\$50 billion in value, across a wide range of industries around the world. Our professionals are trusted advisors maintaining the highest quality and utmost integrity.

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