

A close-up, top-down view of a stack of steel pipes. The pipes are arranged in a grid-like pattern, with their circular ends facing the camera. The lighting is dramatic, with deep shadows and bright highlights on the edges of the pipes, creating a strong sense of depth and texture. The overall color palette is dark, with shades of blue, grey, and black, accented by some yellow highlights on the left side.

# Seale & Associates

STEEL INDUSTRY  
Q1 2023  
VALUATION UPDATE



# 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.



James A. Seale | President  
jseale@sealeassociates.com



Brett M. Carmel | Senior Managing Director  
bcarmel@sealeassociates.com



Robert Whitney | Managing Director  
rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director  
sgarcia@sealeassociates.com



Carlos Hernández | Managing Director  
chernandez@sealeassociates.com



Alejandro Montemayor | Vice President  
amontemayor@sealeassociates.com

# Sector Relevant Experience

- Provided **corporate finance advisory** services to **DEACERO**, a Mexican leading producer of long steel, wires, and reinforcing steel
- Provided **corporate finance advisory** 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**









## Steel Production Global Comparable Public Companies










Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Acerinox, S.A.		ESP	\$2,566	\$3,085	\$9,315	14.6%	7.9x	2.8x	2.2x	0.3x
Aichi Steel Corporation		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%	7.7x	2.8x	2.9x	0.4x
ArcelorMittal S.A.		LUX	\$24,386	\$29,253	\$79,844	17.7%	4.9x	1.4x	1.8x	0.4x
CAP S.A.		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		USA	\$5,727	\$6,666	\$9,168	17.2%	6.3x	4.6x	4.1x	0.7x
Companhia Siderúrgica Nacional		BRA	\$4,044	\$10,117	\$8,391	23.6%	6.5x	2.7x	4.7x	1.2x
Industrias CH, S. A. B. de C. V.		MEX	\$5,185	\$4,525	\$3,160	25.4%	5.9x	4.7x	4.9x	1.3x
Jindal Steel & Power Limited		IND	\$6,684	\$7,658	\$6,447	23.5%	4.1x	3.5x	5.0x	1.2x
JSW Steel Limited		IND	\$20,113	\$28,120	\$20,045	11.9%	9.1x	6.5x	11.6x	1.4x
Kyoei Steel Ltd.		JPN	\$525	\$1,081	\$2,685	5.8%	4.2x	6.3x	6.6x	0.4x
Nucor Corporation		USA	\$38,917	\$42,174	\$39,729	25.9%	7.8x	3.3x	3.6x	1.0x



## Steel Production Global Comparable Public Companies (Continued)

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


## Steel Distribution Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
EVA Precision Industrial Holdings Limited		HKG	\$220	\$319	\$804	8.2%	7.7x	7.0x	4.9x	0.4x
G Collado, S.A.B. de C.V.		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.		PRT	\$208	\$236	\$208	15.2%	9.9x	7.8x	7.3x	1.1x
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		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						<b>Mean</b>	9.3x	4.6x	5.6x	0.7x
						<b>Median</b>	8.4x	4.1x	5.2x	0.4x

# Steel – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23	 USIMINAS	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.	 V&A Capital	100.0%	-	-	-
Mar-23	 BERG PIPE	USA	Manufactures steel pipes	 BORUSAN MANNESMANN	 EUROPIPE	100.0%	\$162.0	-	-
Mar-23	Van Meirvenne Group	NLD	Manufactures steel wire	 anders invest	-	100.0%	-	-	-
Mar-23	Hanyoung Special Steel Co.,Ltd.	KOR	Manufactures steel wires and steel related products	 DAEHO SPECIAL STEEL VINA	-	100.0%	-	-	-
Mar-23	 KERING	FRA	Manufactures steel tools	KERING	-	100.0%	-	-	-
Mar-23	 ALTA HORNOS DE MEXICO	MEX	Manufactures steel products	ND	-	<50%	-	-	-
Feb-23	ERASTEEL	FRA	Manufactures high speed steel	 SYNTAGMA CAPITAL	 eramET	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	GBR	Manufactures and distributes hot rolled and bright steel bars	 GFG ALLIANCE	-	100.0%	-	-	-

# Steel – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jan-23		CHE	Manufactres cold-formed steelsManufactures		-	100.0%	-	-	-
Jan-23		MYS	Manufactures and sells iron and steel products			100.0%	\$16.2	-	-
Jan-23		AUS	Manufactures steel products for the animal farming sector		-	100.0%	-	-	-
Jan-23		USA	Manufactures steel pipes and pipeline products		-	100.0%	\$696.2	-	2.6x
Jan-23		VGB	Mines and manufactures iron ore products		-	10.0%	-	-	-
Jan-23		USA	Manufactures wire steel conveyor belts		-	100.0%	-	-	-

ND: Not Disclosed

**Mean** 1.5x  
**Median** 1.5x



# Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to All Metals Processing of Orange County	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with ROVENSA — WELL-BALANCED AGRICULTURE — a company backed by 	 has acquired 	 has sold the North American guarding business of  to 	 has sold  to 	 has sold  to 	 a subsidiary of  has sold HTPG A division of Carrier Commercial Refrigeration, Inc. to 
 has sold  to Daives Baird Pty Ltd a sister company of 	 has acquired Wabi Wabi Development Corporation	 has sold JJI JAMES BURN INTERNATIONAL to Code Flower Inc.	 has sold its GRACE Membranes Business UOP a subsidiary of 	 has sold BURNY KALIBURN and CNC Cleveland Motion Controls to LINCOLN ELECTRIC	 has sold a controlling interest to WM WASTE MANAGEMENT	 has been acquired by ENSTRUCTURE	 has sold SENSI CARE and ALOE VESTA to MEDLINE	 has sold their Sanitaryware Manufacturing Plant to corona	 has acquired Multiple snack companies WISE DEEP RIVER Capital Country Brands	 has sold UNITEC ELEVATOR SAFETY • INTEGRITY • EXPERIENCE to PACIFIC AVENUE CAPITAL PARTNERS
 has sold Commercial Flight Training Business to ALTEON A BOEING COMPANY	 has been acquired by DHL	 has sold Oxbow Sulphur, Inc. to H.J. BAKER	 has been acquired by Fortune Brands Home & Security	 has sold NEVEX to KPAC Holdings, Inc. A private investment group	 Engineers & Constructors has acquired ALEGRO PROJECTS LIMITED	 has acquired CENTURY 21 REALTY holding real estate	 has acquired StirlingLloyd	 has sold its SYCAR Resins business to National Starch & Chemical A member of the ICI Group	 has sold NEGRI BOSSI™ to Private Equity Partners	 has been acquired by AC Smith.
 has agreed to sell VITROMEX to MOHAWK INDUSTRIES, INC.	 has acquired KFC KFC Costa Rica from QSR	 has been acquired by LAMOSA	 has sold Enginetics to Enjet AERO	 has sold the Films Business of ATPlastics to bpi	 has been acquired by IMCD	 has sold CUPRUM PRODUCTS PLANTS to NMM	 Oxbow's Senior Subordinated debt issued by H.J. BAKER was refinanced by BMO	 has sold maestro health to MARPAI	 has acquired Fulflex YOUR ELASTICS EXPERT from THE MOORE COMPANY	 sold its concrete pumping business to PUMPING TEAM



# Advisor to leading companies worldwide



# Contact



### Headquarters

901 N. Glebe Road  
Piso 5  
Arlington, Virginia  
+1 (703) 294 6770



### Latin America Office

Av. Javier Barros Sierra 495  
Piso 3  
Park Plaza III  
Ciudad de México



### Monterrey Office

Av. Lázaro Cárdenas 2225  
Piso 3  
San Pedro Garza García, N.L.

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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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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