



Seale & Associates

MINING INDUSTRY
Q4 2023
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Mining Industry Industry Multiples Valuation Update for Q4 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s 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 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who 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



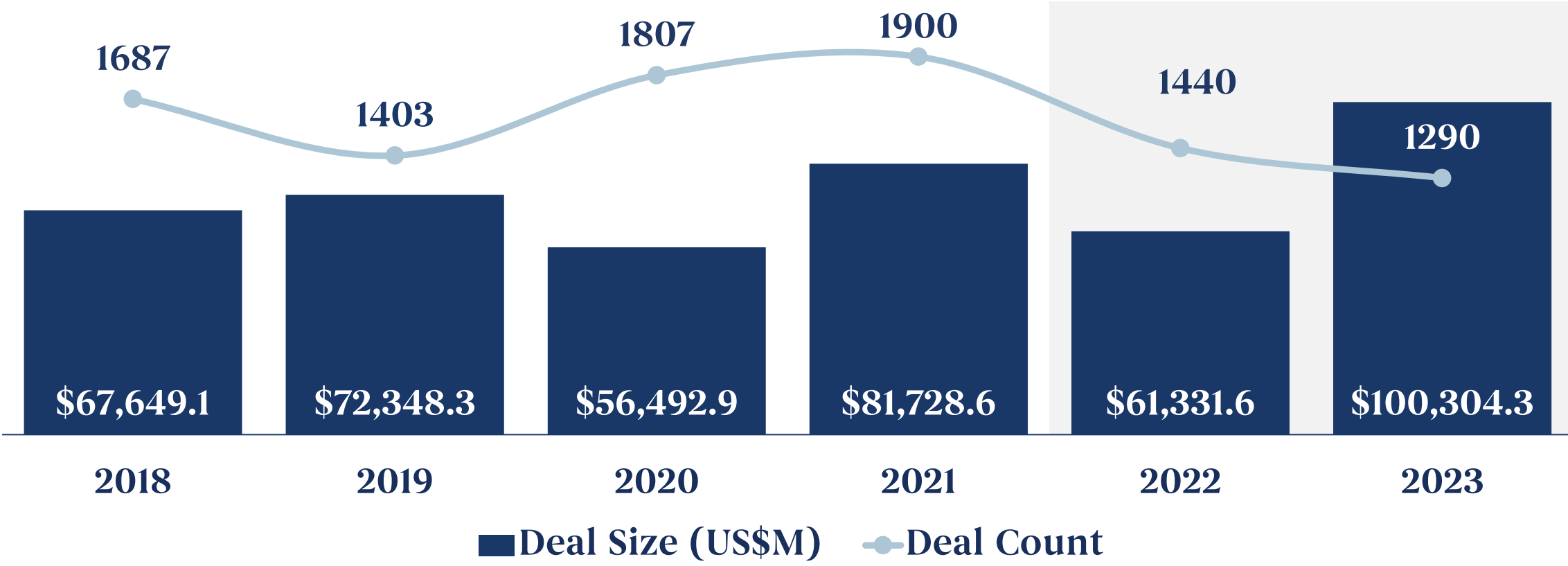
Armando Rios | Vice President
arios@sealeassociates.com

Mining Industry Overview, M&A Trends and Market Intelligence

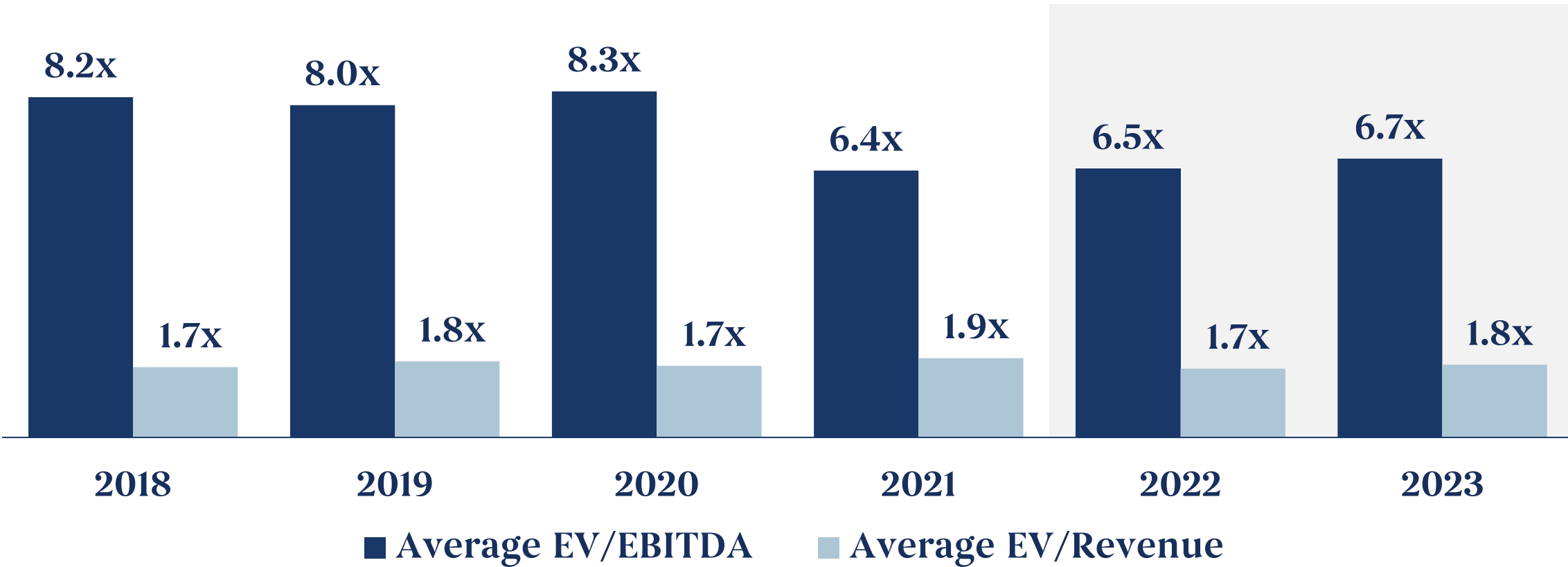
Industry Overview

- The Mining industry size is estimated at **US\$2,138.7 billion** in **2023**, and is expected to grow to **US\$2,825.8 billion** in **2028** at **CAGR of 5.5%**
- In the global mining industry, there were **8 private equity deals** announced in **Q4 2023**, worth a total value of **US\$989M**
- Foreign direct investments (FDI) related deals accounted for a **34.0% share** of the global mining industry’s M&A activity in the **fourth quarter of 2023**, up **11.0% over the previous quarter**
- Much of the strong M&A activity in 2022-2023 was **centered** around the **critical metals** as industry players continue shifting their mining portfolios to bridge the pending supply gap, with **copper** accounting for **11.0% of the total 2023 deal value**
- Automation, drones, artificial intelligence (AI), the Internet of Things (IoT), 3D imaging, and plasma technology are some of the technologies that are **reshaping the mining sector**. These technologies will enable miners to **increase productivity** across the whole **mining process** while preserving operational safety
- **Big data** promises **transformative impacts** on the **mining industry** by fostering smart infrastructure development. It aims to boost asset efficiency, and productivity, and mitigate material flow bottlenecks

Metals and Mining Industry M&A Deal Size and Volume













Metals and Mining Industry M&A Average EV/EBITDA and EV/Revenue













Source: The Business Research Company, Mining Technology, Mordor Intelligence, Fitch Solutions, Capital IQ

Mining Industry Global Comparable Public Companies (1/2)




Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/ EBITDA		EV/ Revenue
							2021	2022			
Agnico Eagle Mines Limited		CAN	\$27,210	\$28,953	\$6,627	46.1%	9.3x	11.0x	9.5x		4.4x
Anglo American plc		GBR	\$30,446	\$46,295	\$30,652	34.5%	5.4x	3.3x	4.4x		1.5x
Antofagasta plc		GBR	\$21,090	\$25,142	\$6,325	46.0%	8.1x	4.9x	8.6x		4.0x
Barrick Gold Corporation		CAN	\$31,824	\$41,239	\$11,397	42.8%	6.3x	6.3x	8.4x		3.6x
BHP Group Limited		AUS	\$174,116	\$190,138	\$55,656	48.9%	7.1x	4.3x	7.0x		3.4x
China Shenhua Energy Company Limited		CHN	\$84,478	\$80,977	\$48,868	34.4%	4.4x	4.5x	4.8x		1.7x
Fortescue Ltd		AUS	\$60,847	\$61,915	\$18,548	52.5%	4.1x	3.3x	6.4x		3.3x
Freeport-McMoRan Inc.		USA	\$61,044	\$74,922	\$22,855	36.9%	11.2x	5.9x	8.9x		3.3x
Fresnillo plc		MEX	\$5,579	\$6,252	\$2,705	23.5%	7.5x	7.0x	9.8x		2.3x
Glencore plc		CHE	\$73,181	\$96,105	\$217,829	11.0%	12.8x	5.6x	4.0x		0.4x

Mining Industry Global Comparable Public Companies (2/2)


Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/ EBITDA		EV/ Revenue
							2021	2022			
Grupo México, S.A.B. de C.V.		MEX	\$43,369	\$48,251	\$14,385	52.1%	6.1x	4.7x	6.4x		3.4x
Industrias Peñoles, S.A.B. de C.V.		MEX	\$5,836	\$8,829	\$5,929	12.5%	5.0x	4.7x	11.9x		1.5x
Kinross Gold Corporation		CAN	\$7,456	\$9,589	\$4,240	39.1%	4.4x	5.4x	5.8x		2.3x
Newmont Corporation		USA	\$47,704	\$50,574	\$11,812	32.0%	7.7x	10.3x	13.4x		4.3x
Nucor Corporation		USA	\$42,786	\$43,947	\$34,714	23.1%	7.8x	3.3x	5.5x		1.3x
Rio Tinto Group		GBR	\$127,352	\$132,668	\$54,041	36.7%	5.2x	3.7x	6.7x		2.5x
Sociedad Minera Cerro Verde S.A.A.		PER	\$12,777	\$12,164	\$4,143	45.7%	5.7x	5.0x	6.4x		2.9x
Southern Copper Corporation		USA	\$66,542	\$71,432	\$9,896	56.8%	11.4x	7.7x	12.7x		7.2x
Teck Resources Limited		CAN	\$22,056	\$30,158	\$11,366	35.8%	8.9x	4.3x	7.4x		2.7x
Vale S.A.		BRA	\$68,459	\$82,815	\$42,880	42.2%	4.0x	2.8x	4.6x		1.9x
						Mean	6.3x	4.8x	6.7x		2.7x
						Median	6.7x	4.8x	6.8x		2.8x

■ Excluded from mean and median

Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23	 ORECORP	AUS	Develops mineral exploration and project development initiatives	 SILVERCORP METALS INC.	Multiple Sellers	100.0%	\$188.0	-	-
Dec-23	TESLA iron project	CAN	Explores and develops iron projects	 Infinity Stone	Boivin Explorations Ltd.	100.0%	\$40.7	-	-
Dec-23	Asanko Gold Mine	GHA	Explores and processes gold in multi-pit operations	 GALIANO GOLD		45.0%	\$85.0	-	-
Dec-23	 Authium	AUS	Explores and develops lithium clay projects for lithium production		-	100.0%	\$34.4	-	-
Dec-23	 United States Steel	USA	Manufactures and mines iron ore for steel production	 NIPPON STEEL	Multiple Sellers	100.0%	\$14,900.0	3.8x	0.8x
Dec-23	 OSINO	CAN	Explores and develops gold mining projects		Multiple Sellers	100.0%	\$214.1	-	-
Dec-23	Northparkes Copper-Gold Mine	AUS	Explores and extracts copper and gold			80.0%	\$400.0	-	-
Dec-23	Seven Service Centers of Samuel	USA	Distributes metals and manufactures industrial products			100.0%	\$166.1	6.8x	0.3x
Nov-23	 cmi	AUS	Manufactures electrical cable and mining connectors		Excelsior Capital Limited	100.0%	\$61.3	5.4x	0.9x

Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Nov-23		CAN	Explores and engages in copper and silver mining		Multiple Sellers	100.0%	\$1,875.0	-	-	
Nov-23	Elk Valley Resources Ltd.	CAN	Explore and engages in coal mining for steel production	GLENCORE	Teck	77.0%	\$6,930.0	0.9x	-	
Oct-23		AUS	Explores precious and base minerals		Deutsche Balaton Aktiengesellschaft	100.0%	\$1,020.3	-	-	
								Mean	4.2x	0.7x
								Median	4.6x	0.8x

Selected Transactions Commentary



NIPPON STEEL
has acquired
United States Steel

“We are excited that this transaction brings together two companies with world-leading technologies and manufacturing capabilities, demonstrating our mission to serve customers worldwide, as well as our commitment to building a more environmentally friendly society through the decarbonization of steel.”

Eiji Hashimoto, CEO of Nippon Steel



GLENCORE
has acquired
Elk Valley Resources
from
Teck

“We are pleased to have reached agreement to acquire Teck's steelmaking coal operations in the Elk Valley. These world-class assets and the experienced people that operate them are expected to meaningfully complement our existing thermal and steelmaking coal production located in Australia, Colombia and South Africa.”

Gary Nagle, CEO of Glencore



SQM
has acquired
AZURE MINERALS LIMITED
from
Deutsche Balaton Aktiengesellschaft

“The Board is very proud of the significant achievements of the Azure team to date, including the discovery of the world-class lithium deposit at Andover, and believes that the Transaction represents a fantastic culmination of all the hard work over many years.”

Tony Rovira, Managing Director of Azure Minerals Limited


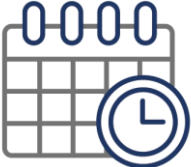









Dundee PRECIOUS METALS
has acquired
OSINO RESOURCES

“The Osino team have done an excellent job in discovering and progressing Twin Hills to this point. We are excited to advance the project and build on their efforts to unlock further value for all of our stakeholders.”

Heye Daun, CEO of Osino Resources

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
								
<div>Mining</div> <div>NAICS 212 - Mining</div>	2018 - 2023	\$78.5M	\$40.7M	21.3%	1.9x	31.3%	6.3x	6
<div>Support Activities for Mining</div> <div>NAICS 213 - Support Activities for Mining</div>	2018 - 2023	\$42.7M	\$39.3M	12.1%	1.6x	32.4%	4.6x	4

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

Harrison Gypsum

TARGET

Harrison Gypsum, LLC

TRANSACTION TYPE

Sell-side advisory

INDUSTRIES

Distribution & Supply Chain Management; Non-metallic Mining and Minerals

GEOGRAPHY

Florida, Oklahoma, and Texas, USA

SITUATION

Seale & Associates was retained by the family owners to advise on a recapitalization of Harrison Gypsum as part of a succession planning and wealth diversification strategy, as well as an investment in additional gypsum reserves, equipment, and add-on acquisitions. The majority owner wanted to continue but had a partial liquidity event. Harrison Gypsum is a leading gypsum mining and processing company.

SEALE & ASSOCIATES’ APPROACH

Seale professionals ran a competitive auction process, managing multiple strategic and private equity investors with experience in the mining space to identify a partner with the capital and shared vision of the owner/management.

OUTCOME

The process resulted in a majority recapitalization by H.I.G. Capital, a Miami, Florida-based private equity investment firm with over \$10 billion of equity capital under management. Russ Harrison, founder/owner and CEO, remained a significant shareholder and continued to lead the company.

“Seale’s experience and credibility was of the utmost importance during the negotiation process”



“I had very specific demands when it came time to consider a private equity-led leverage recapitalization transaction and I was looking for a trusted advisor to make sure my demands were met and that I was protected. Seale delivered on every promise they made and patiently worked with me throughout the process until I got the deal I wanted and deserved.

Seale’s experience and credibility was of the utmost importance during the negotiation process with the private equity firm and they knew how to manage and resolve each challenge.”

Russ Harrison
Founder/Owner and Chief Executive Officer, Harrison Gypsum, LLC

Sign up for M&A insights

We deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



Emerging industry trends

Quarterly reports covering 30+ industries

Monthly reports for the U.S., Mexico, and Colombia

Transaction analysis and market trends

Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they are published for the industries that matter to you the most

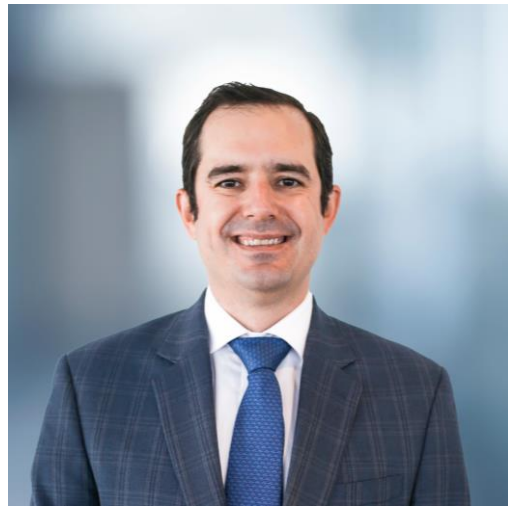
SUBSCRIBE

Global M&A Representative Engagements

 <p>has been acquired by</p> 	 <p>has sold a controlling interest to</p> 	 <p>has sold</p>  <p>Zinc Oxide Corporation a subsidiary of</p> 	 <p>has acquired</p>  <p>from</p> 	 <p>has been acquired by</p> 	 <p>Oxbow's Senior Subordinated debt issued by</p>  <p>was refinanced by</p> 	 <p>has acquired</p> 
 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>GE Power Systems</p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p> <p>to</p> 	 <p>has acquired</p> 	 <p>has sold its GRACE Membranes business</p>  <p>a subsidiary of</p> 
 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>Driving Safety Forward™</p>	 <p>has sold</p>  <p>A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has acquired</p> 	 <p>has been recapitalized by</p> 



JAMES A. SEALE
President and Founder | Washington, DC
✉ [in](#) +1 (703) 623-9253
32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University
University of Virginia - JD
University of Kentucky - BS in Accounting



SERGIO GARCIA DEL BOSQUE
Managing Director | Mexico City, Mexico
✉ [in](#) +52 (55) 8000-7463
16+ years of global M&A experience
IPADE - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



CARLOS HERNANDEZ
Managing Director | San Luis Potosi, Mexico
✉ [in](#) +1 (571) 482-3432
14+ years of global M&A experience
Columbia University - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



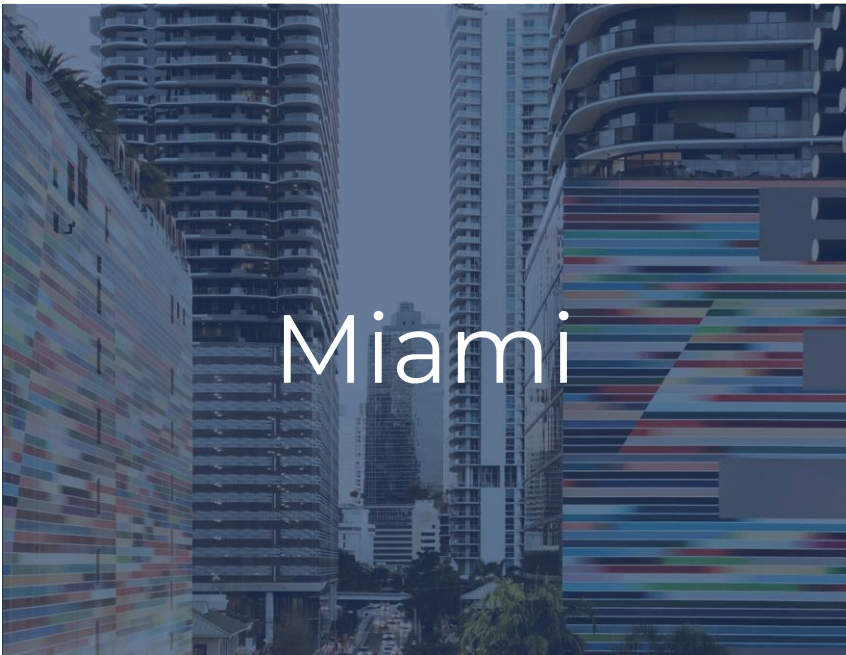
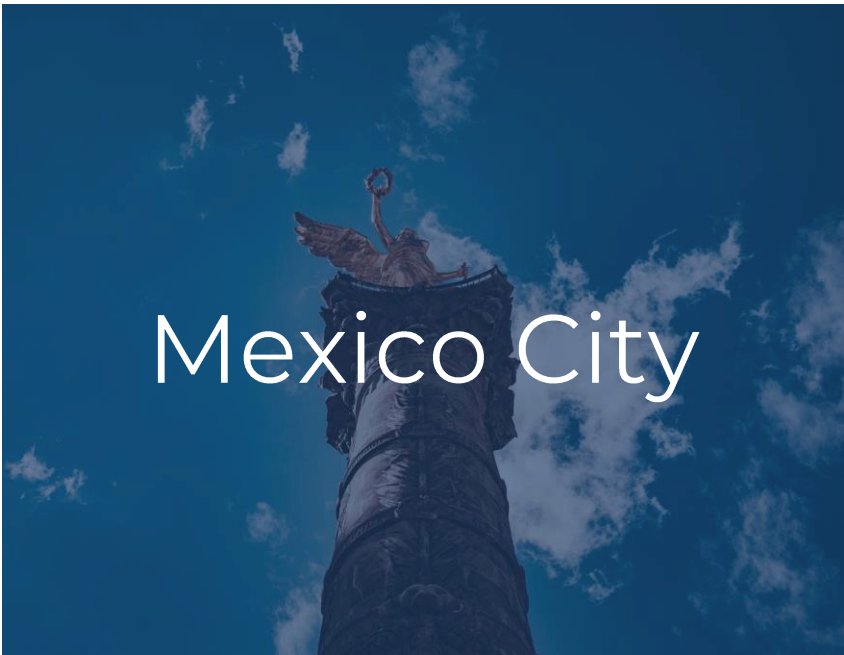
BRETT M. CARMEL
Senior Managing Director and Co-founder | Miami, FL
✉ [in](#) +1 (703) 294-6530
25+ years of global M&A experience and Professor of M&A at Johns Hopkins University
The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors



ROBERT E. WHITNEY
Managing Director | Washington, DC
✉ [in](#) +1 (703) 801-8939
19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services
University of Richmond - BS Business Administration in Accounting



FELIPE BUENO
Senior Director | Monterrey, Mexico
✉ [in](#) +52 (84) 4432-4444
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

YEARS OF
EXPERIENCE

\$50B+

TRANSACTIONS
GLOBALLY

SERVICES AND SOLUTIONS

- Mergers & Acquisitions
- Divestitures
- Joint Ventures / Alliances
- Recapitalizations
- Due Diligence / Support
- Expert Witness Testimony
- Corporate Finance Advisory
- Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.





Seale & Associates

Creative Solutions. Trusted Advice.