



# Seale & Associates

STEEL INDUSTRY  
Q2 2024  
VALUATION UPDATE

25 years

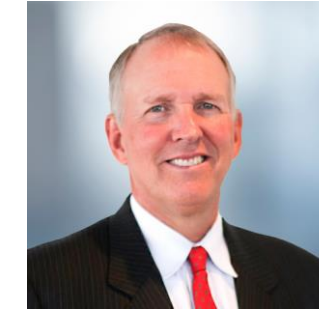
# Introduction

We are pleased to share our Steel Industry Multiples Valuation Update for Q2 2024.

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.



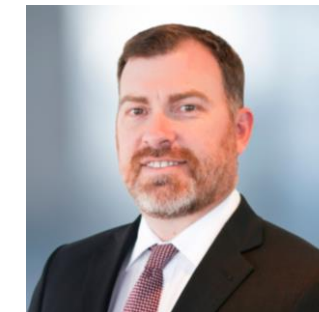
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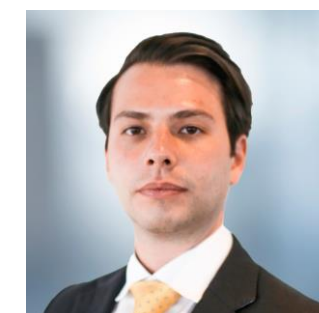
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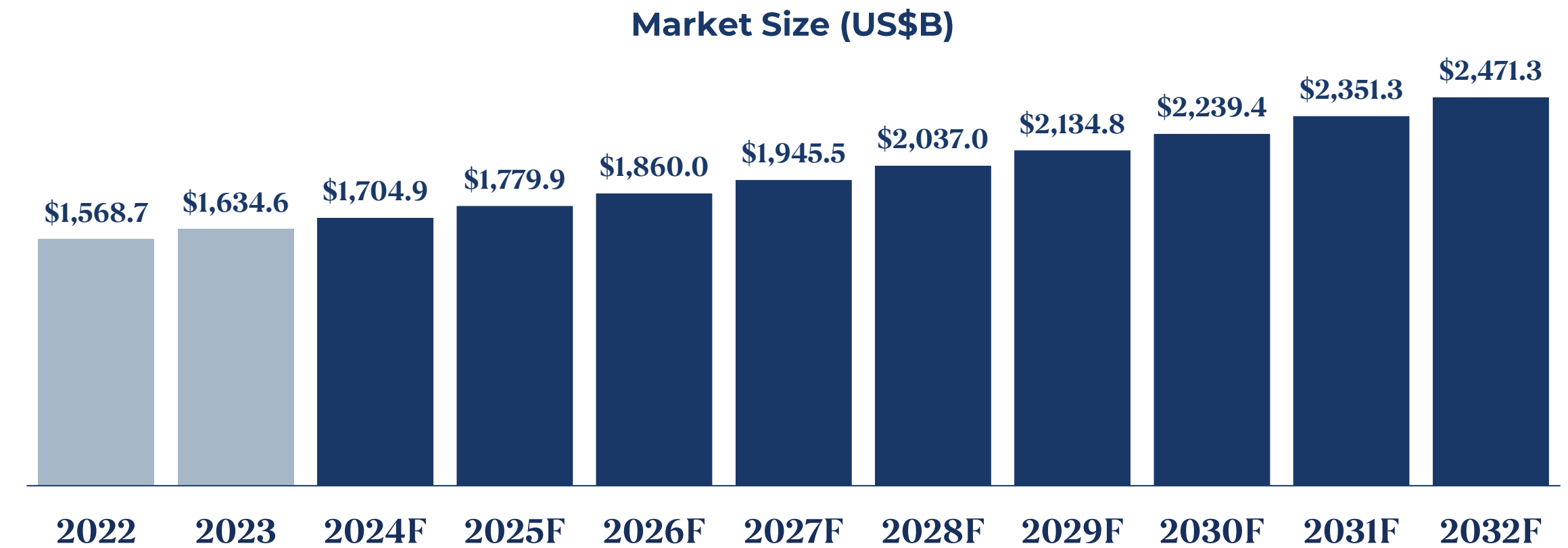
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# Steel's Industry Overview, M&A Trends and Market Intelligence

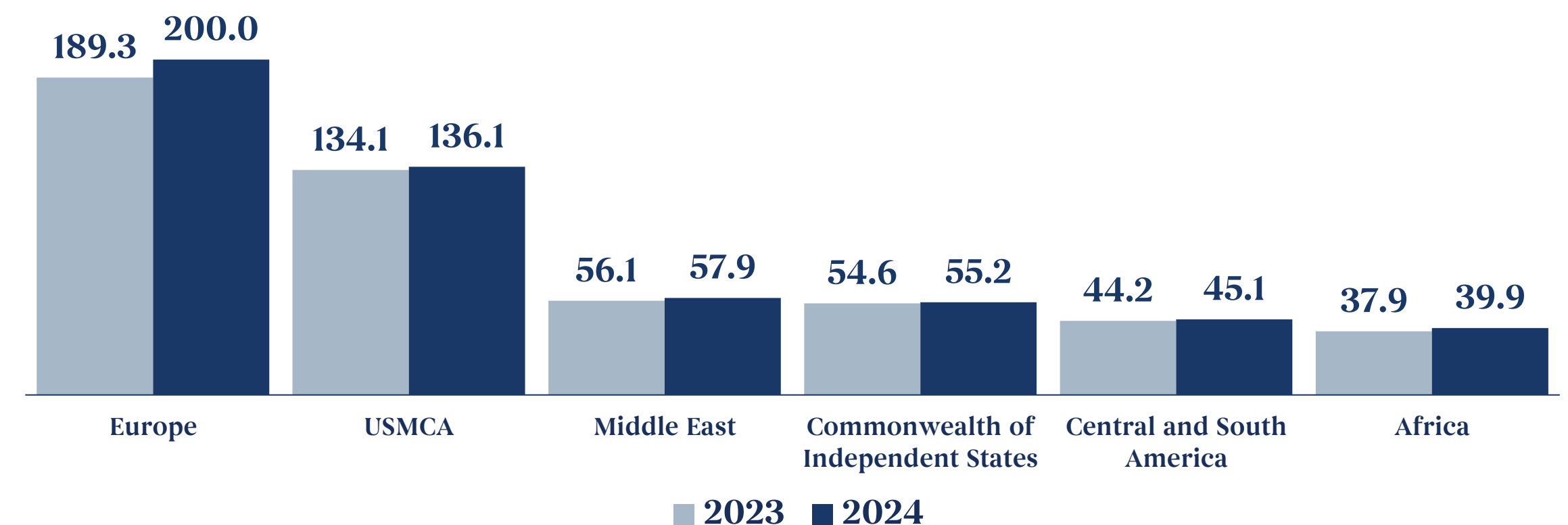
## Industry Overview and M&A Trends

- The **Crude Steel Market** is estimated at **2.1 billion tons in 2024** and projected to reach **2.6 billion tons by 2029**, growing at a **CAGR of 4.3%**
- **Sustainability initiatives** are increasingly critical, with companies adopting **energy-efficient technologies**, using **recycled materials**, implementing **carbon capture**, and exploring **alternative energy sources**. These efforts benefit both the environment and the industry's long-term viability
- **Technological advancements** such as **automated robotics**, **advanced sensors**, and **data analytics** have revolutionized steel production, boosting **efficiency**, improving **quality**, and enhancing **sustainability**. Enhanced recycling technologies further drive the industry towards a more eco-friendly and competitive future
- **Urbanization and economic growth** are driving increased steel demand in construction. With urban populations expected to reach **60.0% by 2030**, the **US construction sector's value** rose to **US \$1,626.4 billion in 2021**. This demand is further boosted by infrastructure projects, especially in **emerging economies**
- The industry is navigating **significant regulatory changes**, including new **environmental regulations** impacting production processes and emissions, evolving **quality and safety standards**, and **government incentives** promoting sustainable steel production. These factors influence the cost, distribution, and manufacturing processes of steel products
- **Investment and M&A activity** is set to remain robust in 2024, driven by the need for **expansion**, **modernization**, and **competitiveness**. Companies are focusing on **increasing market share**, **diversifying product offerings**, and leveraging **new technologies**. **Strategic partnerships and joint ventures**
- Despite **economic, technological, and environmental challenges**, the steel industry is poised for a resurgence in 2024. Increasing demand from **infrastructure projects**, the **automotive sector**, and **manufacturing activities** highlights the industry's enduring importance and adaptability

## Iron and Steel Market Size



## Projected Demand for Finished Steel Products Worldwide in 2023 and 2024, by Region (in million metric tons)



# Steel Production 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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Acerinox, S.A.		ESP	\$2,588	\$2,789	\$6,766	9.6%	2.8x	3.2x	4.3x	0.4x
Aichi Steel Corporation		JPN	\$434	\$654	\$1,843	10.4%	4.6x	4.7x	3.4x	0.4x
Aperam S.A.		LUX	\$1,869	\$2,599	\$6,828	2.1%	2.8x	4.3x	18.2x	0.4x
ArcelorMittal S.A.		LUX	\$18,759	\$25,562	\$66,056	10.3%	1.4x	2.4x	3.8x	0.4x
CAP S.A.		CHL	\$937	\$3,601	\$2,782	25.5%	2.3x	4.9x	5.1x	1.3x
Cleveland-Cliffs Inc.		USA	\$7,318	\$11,282	\$21,900	10.6%	2.8x	5.4x	4.9x	0.5x
Commercial Metals Company		USA	\$6,323	\$6,826	\$8,139	13.0%	4.6x	4.3x	6.4x	0.8x
Companhia Siderúrgica Nacional		BRA	\$3,084	\$9,069	\$7,895	19.6%	2.7x	6.1x	5.9x	1.1x
Industrias CH, S. A. B. de C. V.		MEX	\$4,175	\$3,407	\$2,254	23.2%	4.7x	5.0x	6.5x	1.5x
Jindal Steel & Power Limited		IND	\$12,781	\$14,246	\$6,001	20.4%	3.4x	6.9x	11.6x	2.4x
JSW Steel Limited		IND	\$27,181	\$36,508	\$20,994	16.0%	6.5x	11.1x	10.8x	1.7x

Source: Capital IQ

# Steel Production 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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Kyoei Steel Ltd.		JPN	\$566	\$827	\$1,995	10.3%	6.3x	5.5x	4.0x	0.4x
Nucor Corporation		USA	\$37,902	\$40,246	\$34,141	20.7%	3.3x	4.3x	5.7x	1.2x
Outokumpu Oyj		FIN	\$1,530	\$1,518	\$6,894	3.8%	2.2x	2.1x	5.7x	0.2x
POSCO Holdings Inc.		KOR	\$19,988	\$31,880	\$55,006	9.6%	2.4x	5.9x	6.1x	0.6x
Radius Recycling, Inc.		USA	\$427	\$909	\$2,686	3.9%	4.4x	6.9x	8.7x	0.3x
Steel Authority of India Limited		IND	\$7,366	\$11,642	\$12,641	11.0%	3.0x	7.1x	8.4x	0.9x
Steel Dynamics, Inc.		USA	\$20,349	\$21,669	\$18,596	19.3%	3.0x	4.1x	6.1x	1.2x
Tata Steel Limited		IND	\$26,058	\$35,615	\$27,492	9.7%	3.3x	8.0x	13.3x	1.3x
Ternium S.A.		LUX	\$7,371	\$10,166	\$18,765	26.3%	1.4x	2.6x	2.1x	0.5x
Usinas Siderúrgicas de Minas Gerais S.A.		BRA	\$1,718	\$2,438	\$4,792	5.8%	1.6x	4.2x	8.8x	0.5x
Voestalpine AG		AUT	\$4,633	\$7,683	\$17,877	9.5%	3.8x	3.7x	4.5x	0.4x

■ Excluded from mean and median

**Mean** 3.0x 4.8x 6.1x 0.8x  
**Median** 3.0x 4.8x 6.0x 0.6x

Source: Capital IQ

# 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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
EVA Precision Industrial Holdings Limited	 HKG	\$161	\$280	\$792	10.2%	7.7x	7.0x	3.5x	0.4x	
G Collado, S.A.B. de C.V.	 MEX	\$82	\$165	\$616	6.1%	3.8x	2.7x	4.4x	0.3x	
Olympic Steel, Inc.	 USA	\$499	\$722	\$2,112	5.8%	12.8x	3.1x	5.8x	0.3x	
Ramada Investimentos e Industria, S.A.	 PRT	\$177	\$201	\$151	11.8%	9.9x	7.8x	11.3x	1.3x	
Reliance, Inc.	 USA	\$16,401	\$16,853	\$14,248	13.8%	8.4x	5.0x	8.6x	1.2x	
Russel Metals Inc.	 CAN	\$1,619	\$1,511	\$3,200	8.7%	11.5x	3.2x	5.4x	0.5x	
Ryerson Holding Corporation	 USA	\$670	\$1,518	\$4,942	5.6%	8.1x	2.9x	5.4x	0.3x	
Valmont Industries, Inc.	 USA	\$5,542	\$6,686	\$4,083	15.1%	14.3x	13.6x	10.8x	1.6x	
Worthington Steel, Inc.	 USA	\$1,646	\$1,962	\$3,431	9.2%	NA	NA	6.2x	0.6x	
■ Excluded from mean and median						<b>Mean</b>	8.2x	4.5x	5.6x	0.7x
						<b>Median</b>	9.2x	4.1x	5.8x	0.5x

# Steel Industry – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24*	 PACESETTER	USA	Manufactures and processes galvanized and prepainted steel products		-	>50.0%	-	-	-
Jun-24		USA	Manufactures and distributes steel rebar and pre-assembled products		-	100.0%	-	-	-
Jun-24		GBR	Manufactures and supplies welded wire mesh products	<b>Cameron and Elizabeth Wakeman</b>	<b>David and Debbie Walters</b>	100.0%	-	-	-
Jun-24*		ESP	Manufactures low-emission, circular steel products from recycled ferrous scrap	<b>Trinity Investments</b>	-	25.0-50.0%	-	-	-
May-24	<b>Fos-sur-Mer site</b>	FRA	Manufactures bearing and engineering steels for various applications			100.0%	-	-	-
May-24*		BOS	Manufactures steel castings and industrial machinery components	<b>BLL Steel</b>	-	100.0%	-	-	-
May-24		CAN	Manufactures steel structures and frameworks	<b>LAINCO</b>	-	100.0%	-	-	-
May-24		ROM	Manufactures and distributes steel products, including coils and sheets	-		100.0%	\$9.7	-	-
May-24	<b>Ramada Aços</b>	PRT	Manufactures special steels, drawn steels, cutting tools, and offers heat treatments	<b>1 Thing Investments</b>		100.0%	\$75.4	-	-
May-24		GBR	Manufactures precision-engineered components and assemblies, specializing in cold forming and CNC machining	<b>LUVATA</b>	-	100.0%	-	-	-
May-24*	<b>Steel business of thyssenkrupp</b>	DEU	Manufactures and processes high-quality steel products			20.0%	-	-	-
Abr-24		USA	Manufactures and processes flat-rolled steel products, including hot-rolled, cold-rolled, and coated steels		-	100.0%	-	-	-

\* Announced transactions pending approval and other customary closing conditions

**Mean** - -  
**Median** - -

# Selected Transactions Commentary



*"As we state in our strategy, Luvata is looking to grow the business and become the leading provider of copper solutions for the benefit of people, society and the earth. E-mobility, general electrification and green transition as well as healthcare are all important growth drivers for us. This acquisition is a great example of strategy execution and Dawson Shanahan is a perfect fit to our business portfolio."*

**Pekka Kleemola, Luvata Group's President and CEO**



*"The addition of MidWest Materials increases our flat-rolled presence in the critical markets in and around Ohio which primarily service North American OEMs. MidWest Materials aligns well with our acquisition criteria of a well-run company that is immediately accretive to our earnings and expands our offerings to customers with modern, high-performance processing capabilities."*

**Karla Lewis, President and CEO of Reliance**



*"White Cap is thrilled to add a full-service rebar fabricator to our operations in the Northeast Region... By uniting with the skilled teams at Rebar Solutions, we extend our product and service offerings to our valued customers in the Mid-Atlantic market and enhance our ability to deliver what our customers need, when and where they need it."*

**Alan Sollenberger, CEO of White Cap**



*"Our companies share common values and are both well respected in the structural steel industry. This decision is the right one, reinforcing our dedication to service quality and continuous innovation."*

**Éric Lachapelle, Executive VP of Lainco**



# 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**



*Corporate Finance Advisory Services*



*Corporate Finance Advisory Services*



*Corporate Finance Advisory Services*



*Acquisition Advisory Services*



*has sold*




*to*



**INMAGUSA - MEXICO**

*has been acquired by*




*has been acquired by*



*A business of*




*has sold*



*to*

**Daives Baird PTY Ltd**  
*a sister company of*




*has sold*

**Belcher Corporation**

*to*



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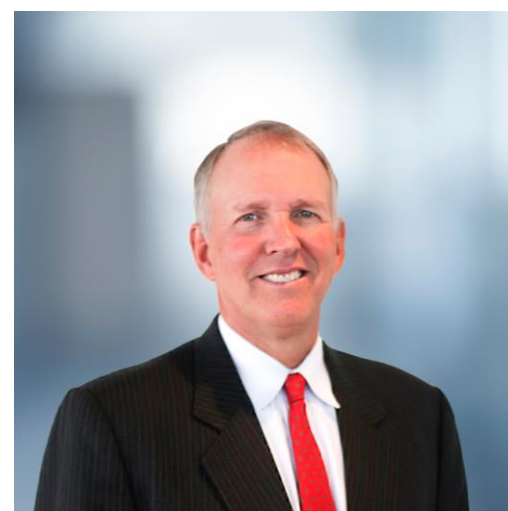
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S U S C R I B E

# Global M&A Representative Engagements

<p><b>BEIJER REF</b></p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p><b>avangardinnovative</b> MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p><b>ZN</b> ZINC NACIONAL</p> <p>has sold</p> <p><b>GSDKO</b></p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p><b>Electrolux</b> PROFESSIONAL</p> <p>has acquired</p> <p><b>unified brands</b> a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p><b>Port Contractors</b> STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p><b>Oxbow</b></p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p><b>Hertz</b></p> <p>has acquired</p>  <p>DONLEN</p>
<p><b>Standex</b></p> <p>has sold</p> <p><b>Enginetics</b></p> <p>to</p>  <p>Enjet AERO</p>	<p><b>ITT</b></p> <p>has sold</p> <p><b>BURNY</b> <b>KALIBURN</b> PLASMA CUTTING INNOVATION</p> <p>and</p> <p><b>CNC</b> Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p><b>Honeywell</b></p> <p>has sold</p> <p><b>TENSOR</b></p> <p>to</p>  <p>GE Power Systems</p>	<p><b>TRIUMPH™</b></p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p><b>TRIUMPH™</b></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>TGG THE GORES GROUP</p>	<p><b>Rheem</b></p> <p>has acquired</p>  <p>HTPG</p>	<p><b>GRACE</b></p> <p>has sold its GRACE Membranes business</p> <p><b>Uop</b> a subsidiary of</p> <p><b>Honeywell</b></p>
<p><b>convatec</b> — forever caring —</p> <p>has sold</p> <p><b>SENSI CARE</b></p> <p>and</p> <p><b>ALOE VESTA™</b></p> <p>to</p>  <p>MEDLINE</p>	<p><b>United Technologies</b></p> <p>has sold</p> <p><b>MobileView</b></p> <p>to</p> <p><b>SAFE FLEET</b> Driving Safety Forward™</p>	<p><b>United Technologies</b></p> <p>has sold</p> <p><b>HTPG</b> A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p><b>MONOMOY</b> CAPITAL PARTNERS and <b>Starboard Capital Partners</b></p>	<p><b>LOCKHEED MARTIN</b></p> <p>has sold</p> <p><b>Commercial Flight Training Business</b></p> <p>to</p> <p><b>ALTEON</b> A BOEING COMPANY</p>	<p><b>FLOWSERVE</b></p> <p>has sold</p> <p><b>D&amp;B</b></p> <p>to</p> <p><b>DB</b> DaviesBaird</p>	<p><b>KBR</b></p> <p>has acquired</p> <p><b>Wabi</b> Wabi Development Corporation</p>	<p><b>HARRISON GYPSUM, LLC</b></p> <p>has been recapitalized by</p> <p><b>H. I. G.</b> PRIVATE EQUITY</p>



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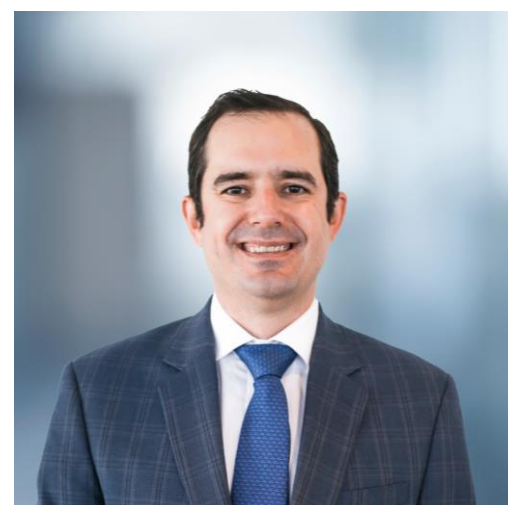


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The George Washington University - MBA International Business and MA - International Affairs  
University of Florida - BA in Political Science with High Honors

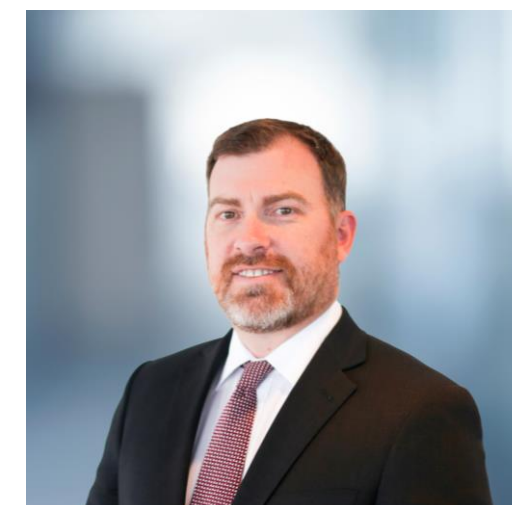


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University of Richmond - BS Business Administration in Accounting

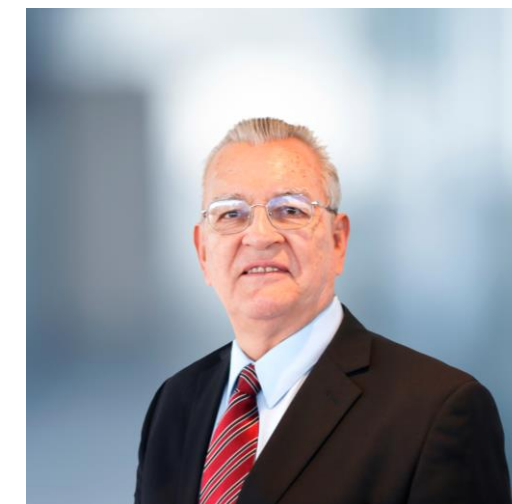


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**FELIPE BUENO**

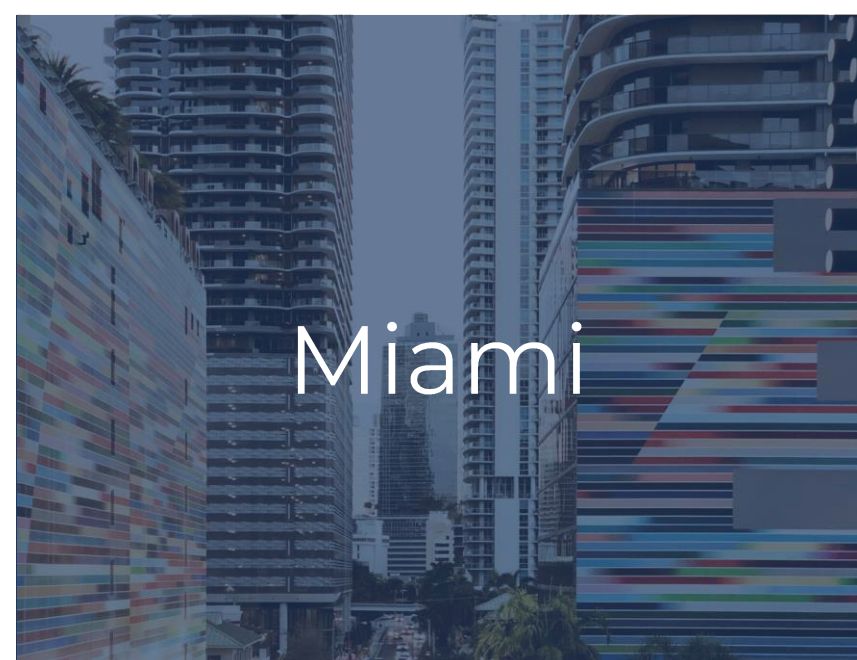
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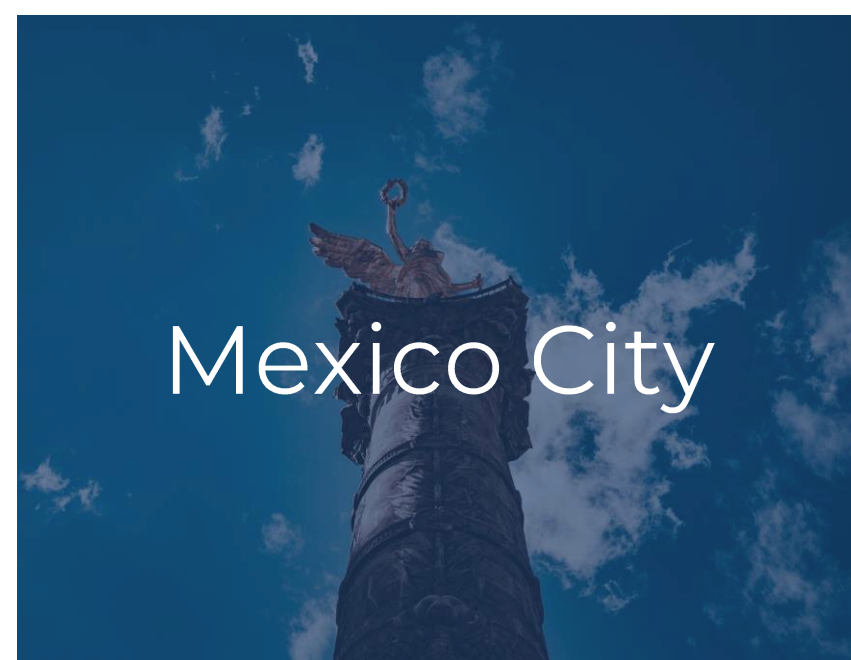
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience  
Instituto Tecnológico y de Estudios Superiores de Monterrey  
MBA and BS in Industrial Engineering



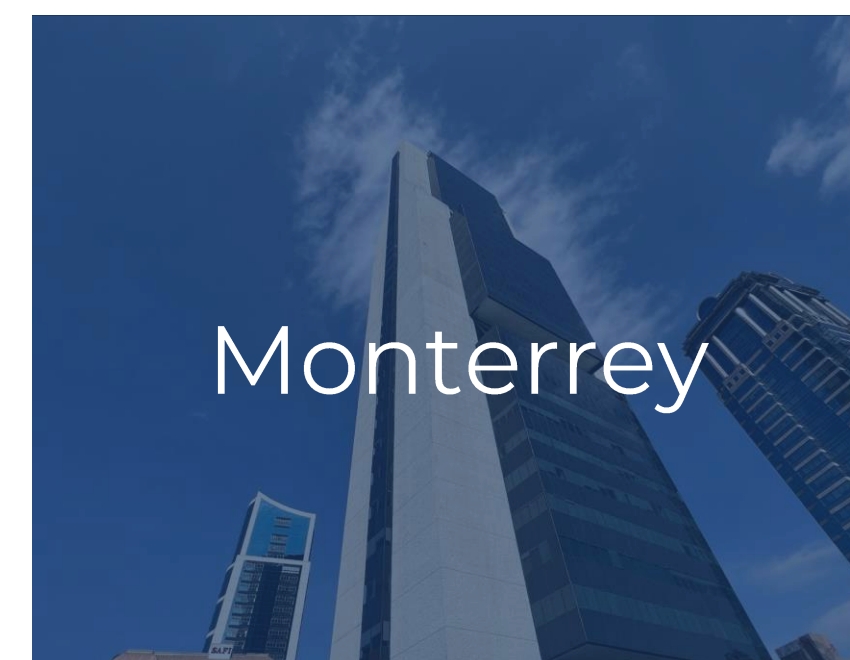
Washington D.C.



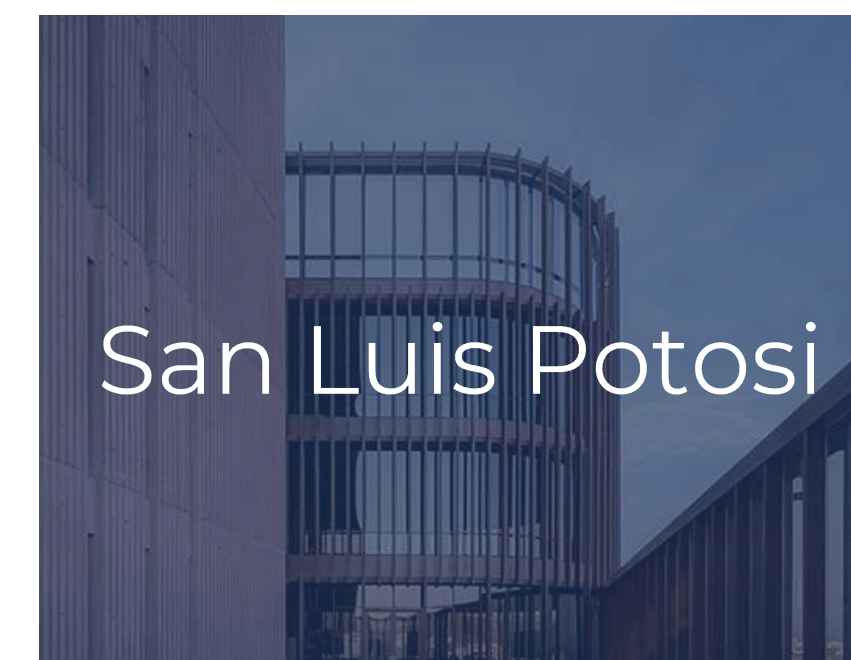
Miami



Mexico City



Monterrey



San Luis Potosi

**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

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



# Seale & Associates

Creative Solutions. Trusted Advice.