

A wide-angle photograph of a large industrial steel mill. The foreground is filled with rows of long, dark steel beams, some with pre-drilled holes, stacked on the floor. The background shows the complex steel structure of the mill, including high ceilings with exposed beams and pipes. The lighting is bright, creating a high-contrast scene. The overall color palette is dominated by the metallic grays and blues of the steel, with a slight orange glow on the right side.

Seale & Associates

STEEL INDUSTRY
Q4 2023
VALUATION UPDATE

Introduction

We are pleased to share our Steel 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.

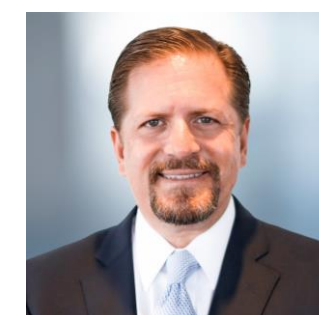
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



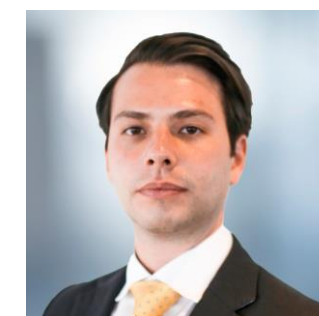
Sergio Garcia del Bosque | Managing Director

sgarcia@sealeassociates.com



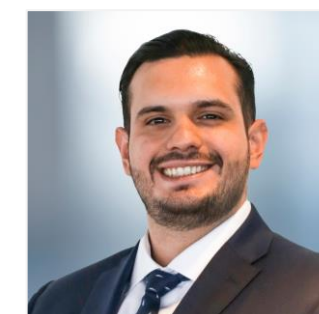
Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

amontemayor@sealeassociates.com



Armando Rios | Vice President

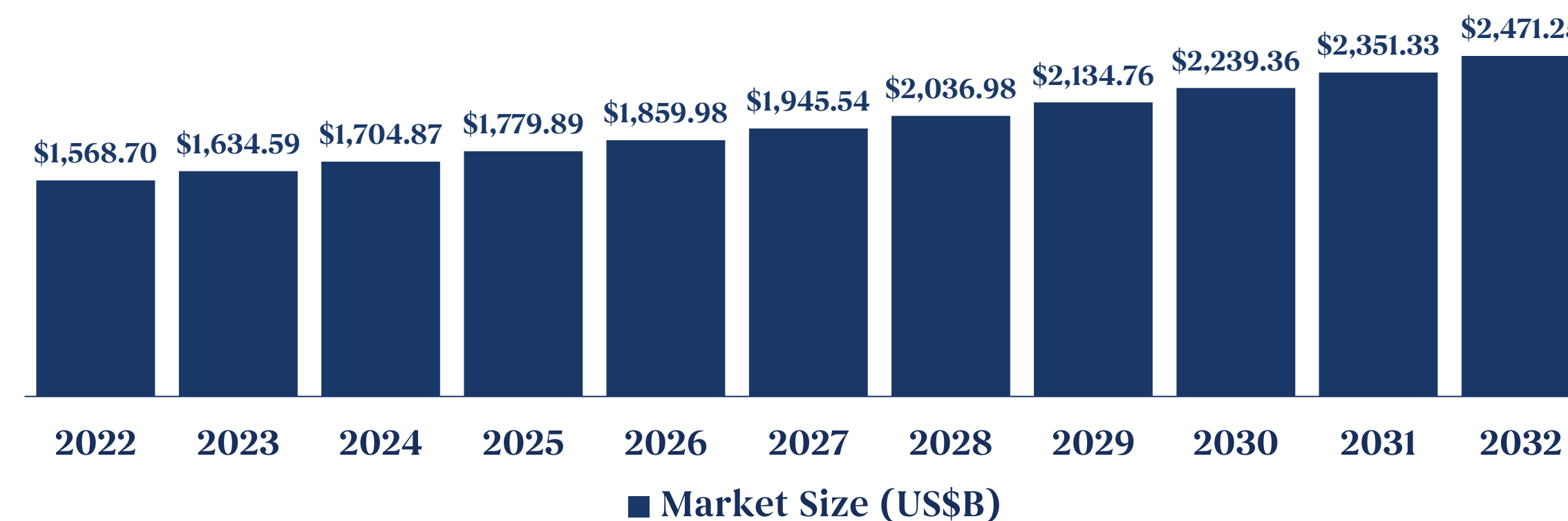
arios@sealeassociates.com

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

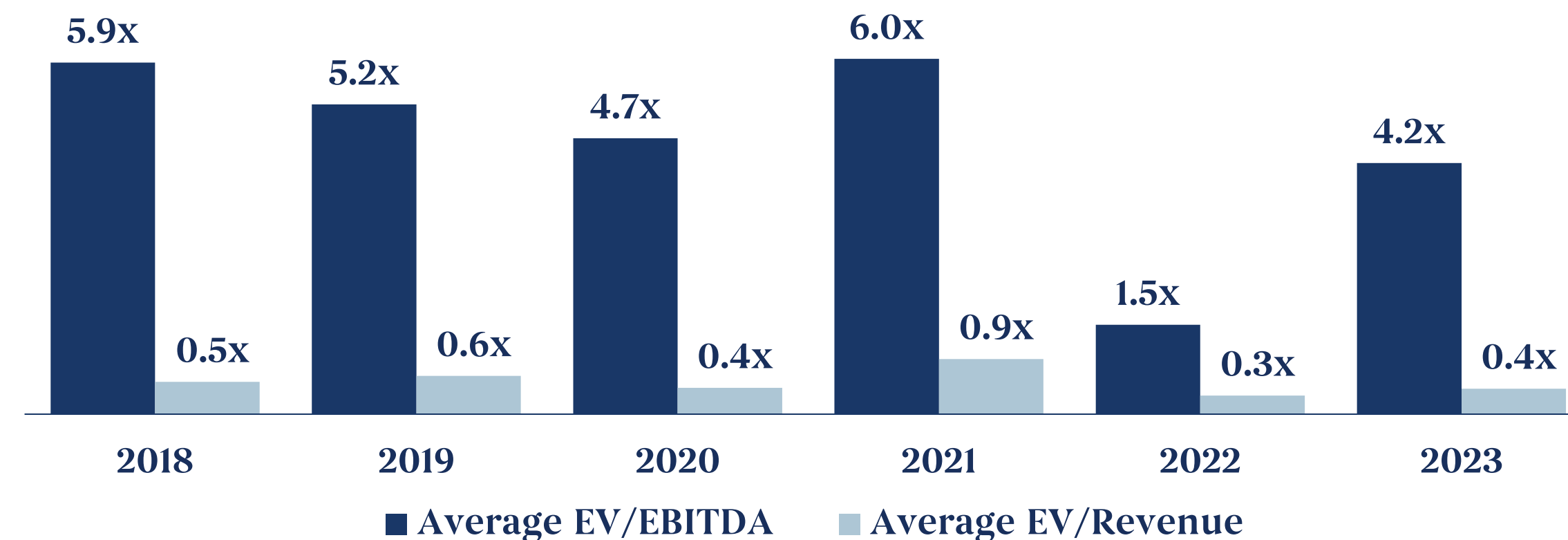
Industry Overview and M&A Trends

- The stainless steel market size is expected to grow from **12.2 million tons** in **2023** to **15.4 million tons** by **2028**, growing at a **CAGR** of **4.7%**
- The growth of the steel market is being **propelled** by rising **demand** from industries such as building, construction, automotive, heavy machinery manufacturing and the aerospace industry
- Factors like the **green energy transition** and the increasing demand for energy metals may drive M&A activity
- The industry has been in a state of **turmoil** since the **breakout** of **COVID-19**, primarily as a result of the closure of manufacturing facilities and plants, the rising production costs, and fluctuations in raw materials prices
- Due to this trend, the industrial **manufacturing** sector, which includes the steel industry, saw a continued **downward** trend in M&A deal volume and value in 2022. However, M&A activity has been **resurgent** in **2023**
- While M&A activity in the metals and mining sector was robust in 2022, driven by **high commodity prices**, the challenging macroeconomic environment and market volatility in 2023 are expected to lead to **cautious buyers**
- After a contraction in global steel demand in 2022, it is expected to grow at rates of **2.3%** in **2023** and **1.7%** in **2024**

Iron and Steel Market Size



Steel Industry M&A Average EV/EBITDA and EV/Revenue



Source: Mordor Intelligence, McKinsey & Company's Report: The resilience of steel, KPMG's Report: M&A Trends in industrial manufacturing, Acuity Knowledge Partners, Refinitiv, Precedence Research



Steel Production Global Comparable Public Companies (1/3)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Acerinox, S.A.		ESP	\$2,934	\$3,417	\$7,515	10.2%	7.9x	2.8x	4.5x	0.5x
Aichi Steel Corporation		JPN	\$445	\$751	\$2,090	9.0%	4.0x	4.6x	4.0x	0.4x
Aperam S.A.		LUX	\$2,626	\$3,349	\$7,358	4.2%	7.7x	2.8x	10.7x	0.5x
ArcelorMittal S.A.		LUX	\$23,782	\$30,452	\$70,614	12.5%	4.9x	1.4x	3.5x	0.4x
CAP S.A.		CHL	\$1,227	\$3,919	\$2,880	22.8%	3.3x	2.3x	6.0x	1.4x
Cleveland-Cliffs Inc.		USA	\$10,309	\$14,001	\$21,928	9.6%	16.2x	2.8x	6.6x	0.6x
Commercial Metals Company		USA	\$5,855	\$6,582	\$8,575	16.9%	6.3x	4.6x	4.5x	0.8x
Companhia Siderúrgica Nacional		BRA	\$5,373	\$11,604	\$9,184	17.9%	6.5x	2.7x	7.0x	1.3x
Industrias CH, S. A. B. de C. V.		MEX	\$4,690	\$3,868	\$2,905	23.7%	5.9x	4.7x	5.6x	1.3x
Jindal Steel & Power Limited		IND	\$9,168	\$10,157	\$6,125	18.3%	4.1x	3.4x	9.1x	1.7x

Steel Production Global Comparable Public Companies (2/3)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
JSW Steel Limited		IND	\$25,729	\$34,406	\$21,131	16.7%	9.1x	6.5x	9.8x	1.6x
Kyoei Steel Ltd.		JPN	\$616	\$1,015	\$2,330	9.4%	4.2x	6.3x	4.6x	0.4x
Nucor Corporation		USA	\$42,786	\$43,947	\$35,733	22.5%	7.8x	3.3x	5.5x	1.2x
Outokumpu Oyj		FIN	\$2,136	\$2,168	\$8,117	7.1%	10.8x	2.2x	3.8x	0.3x
POSCO Holdings Inc.		KOR	\$29,227	\$40,595	\$59,477	9.5%	4.4x	2.4x	7.2x	0.7x
Schnitzer Steel Industries, Inc.		USA	\$840	\$1,203	\$2,956	4.9%	7.6x	4.4x	8.3x	0.4x
Steel Authority of India Limited		IND	\$6,136	\$9,734	\$13,004	11.1%	5.4x	3.0x	6.7x	0.7x
Steel Dynamics, Inc.		USA	\$19,111	\$19,904	\$18,795	20.6%	7.6x	3.0x	5.1x	1.1x
Tata Steel Limited		IND	\$20,610	\$30,069	\$28,045	8.1%	7.4x	3.3x	13.2x	1.1x
Ternium S.A.		LUX	\$8,337	\$10,898	\$16,226	25.7%	3.9x	1.4x	2.6x	0.7x

Steel Production Global Comparable Public Companies (3/3)

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/		
						2021	2022	EBITDA	Revenue	
Usinas Siderúrgicas de Minas Gerais S.A.	 USIMINAS	BRA	\$2,344	\$3,302	\$5,877	6.4%	5.4x	1.6x	8.7x	0.6x
Voestalpine AG	 voestalpine	AUT	\$5,412	\$8,994	\$19,280	10.0%	7.9x	3.8x	4.7x	0.5x
■ Excluded from mean and median						Mean	6.1x	3.5x	6.1x	0.8x
						Median	6.4x	3.0x	5.8x	0.7x

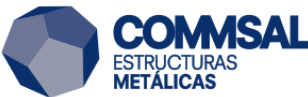





Steel Distribution Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
EVA Precision Industrial Holdings Limited		HKG	\$176	\$295	\$792	9.6%	7.7x	7.0x	3.9x	0.4x
G Collado, S.A.B. de C.V.		MEX	\$89	\$179	\$694	5.0%	3.8x	2.7x	5.1x	0.3x
Olympic Steel, Inc.		USA	\$743	\$962	\$2,189	5.3%	12.8x	3.1x	8.3x	0.4x
Ramada Investimentos e Industria, S.A.		PRT	\$181	\$211	\$161	12.7%	9.9x	7.8x	10.3x	1.3x
Reliance Steel & Aluminum Co.		USA	\$16,074	\$16,480	\$15,079	14.7%	8.4x	5.0x	7.4x	1.1x
Russel Metals Inc.		CAN	\$2,069	\$1,956	\$3,472	9.3%	11.5x	3.2x	6.0x	0.6x
Ryerson Holding Corporation		USA	\$1,185	\$1,859	\$5,285	5.0%	8.1x	2.9x	7.0x	0.4x
Valmont Industries, Inc.		USA	\$4,878	\$5,905	\$4,291	14.3%	14.3x	13.6x	9.6x	1.4x
Worthington Enterprises, Inc.		USA	\$2,836	\$3,258	\$4,612	13.0%	7.6x	5.3x	5.5x	0.7x
■ Excluded from mean and median						Mean	9.3x	4.6x	7.0x	0.7x
						Median	8.4x	5.0x	7.0x	0.6x

Steel Industry – Q4 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23	Thyssenkrupp Materials Processing Lamincer S.A.U.	ESP	Manufactures and produces carbon cold-rolled strip, structural steel and micro-alloyed materials	 arania	 thyssenkrupp	100.0%	-	-	-
Dec-23	 waupaca	USA	Manufactures gray, ductile, austempered ductile, and compacted graphite iron castings	 MONOMOY CAPITAL PARTNERS	PROTERIAL	100.0%	-	-	-
Dec-23	 United States Steel	USA	Manufactures and sells flat-rolled and tubular steel products	 NIPPON STEEL	-	100.0%	\$14,900.0	6.7x	0.8x
Dec-23	 NOWAK	FRA	Manufactures precision-cast parts, in steel, stainless steel and superalloy, for industrial markets and medical sector	 MARLE G R O U P	-	100.0%	-	-	-
Dec-23	 EBK	DEU	Manufactures longitudinal seam welded, thick-walled, large diameter steel pipes	 Jiuli Jiuli Hi-Tech Metals	-	100.0%	-	-	-
Dec-23	 mostostal CHOJNICE	POL	Manufactures and installs large-size welded steel structures, supplied for various industries	 ZUGIL	 zamet	100.0%	\$9.7	-	-
Dec-23	 FROGSWICH MANGANESE STEEL WEAR PARTS	USA	Manufactures manganese steel castings for the crushing and grinding industry	 Cumberland County Collecting Engaging Sharing HISTORICAL SOCIETY	-	100.0%	-	-	-
Dec-23	Seven Service Centers of Samuel, Son & Co.	USA	Comprises metal manufacturing, processing and distribution centers	 Russel Metals Customer Focused, Employee Driven	 SAMUEL 1865	100.0%	\$225.0	6.8x	0.3x
Dec-23	 Garantell	SWE	Designs, manufactures, and distributes high-end wire mesh solutions	 TROAX	-	100.0%	-	-	-
Nov-23	 HERTECANT FLANGES	BEL	Manufactures and supplies stainless steel and ni-alloy forgings and flanges	 SPECIAL FLANGES S.P.A.	-	100.0%	-	-	-
Nov-23	 TSA PROCESSING Innovative Metal Mill Processing	USA	Manufactures stainless steel and aluminum coil and sheets	RYERSON	-	100.0%	-	-	-

Steel Industry – Q4 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Oct-23	 COMMSAL ESTRUCTURAS METÁLICAS	ESP	Manufactures steel and metal structures for industrial, chemical, electrical, and gas projects	serendipia. CAPITAL PARTNERS	-	100.0%	-	-	-	
Oct-23	 JSW USA	USA	Manufactures steel plates using high roughing and finishing mills, hydraulic automatic gauge controls, and plan view rolling systems	Periama Holdings, LLC		10.0%	-	-	-	
Oct-23	 SIDERVAL SPECIAL PROFILES IN STEEL	ITA	Manufactures and sells a wide range of high-quality steel and titanium products	MONTANSTAHL SPECIAL PROFILES IN STEEL	CALVI HOLDING	100.0%	-	-	-	
Oct-23	 Leüffer MINING GROUP	MEX	Operates as a mining and energy company that produces iron ore	 CHILLO RIVER HOLDINGS	-	>50%	-	-	-	
								Mean	6.8x	0.6x
								Median	6.8x	0.6x

Selected Transactions Commentary

NIPPON STEEL

has acquired

Uss United States Steel

“We believe this transaction is in the best interests of our two companies, providing strong, immediate value for U. S. Steel shareholders while enhancing NSC’s long-term growth prospects. We have a strong balance sheet and are confident in our ability to unlock the potential of bringing together NSC and U. S. Steel through advancement in steelmaking.”

Takahiro Mori, Executive Vice President of Nippon Steel Corporation

Arania

has acquired

Thyssenkrupp Materials
Processing Lamincer S.A.U.

from

thyssenkrupp

“This acquisition is a consistent step in our strategic plan, where we aim to continue with our sustainable growth as partner choice with excellent product quality as well as outstanding service and flexibility.”

Carmelo Bilbao, Vicepresident of GRUPO ARANIA

RYERSON

has acquired

TSA
PROCESSING
Innovative Metal Toll Processing

“TSA’s expertise in non-ferrous processing and polishing strengthens Ryerson’s value-added services within our own industry-leading stainless and aluminum franchises.”

Mike Burbach, Chief Operating Officer of Ryerson

TROAX










has acquired

Garantell

“The combined strengths of Troax and Garantell will enable us to offer a wider array of tailored solutions, further enhancing the value we bring to our customers. We look forward to starting to work with the team at Garantell and together continuing to develop the business.”

Mikael Carlsson, Head of Marketing & M&A at Troax

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
 Iron and Steel Forging <i>NAICS 332111 – Iron and Steel Forging</i>	 2005-2015	 \$39.4M	 \$53.9M	 11.7%	 0.8x	 18.1%	 4.5x	 5
Iron and Steel Mills and Ferroalloy Manufacturing <i>NAICS 3311 – Iron and Steel Mills and Ferroalloy Manufacturing</i>	2003-2020	\$103.0M	\$138.1M	16.0%	1.1x	24.7%	4.4x	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.

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



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

Analysis of transactions and market trends

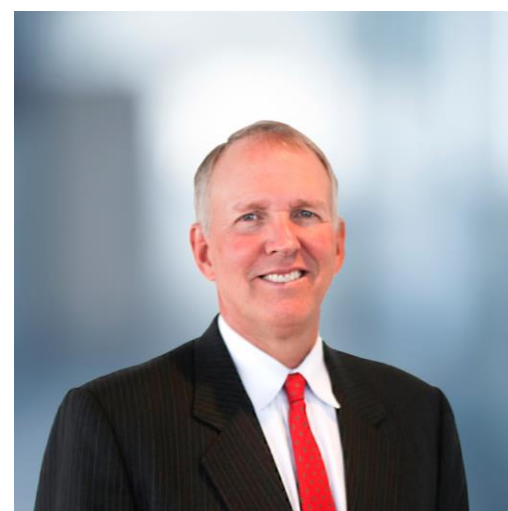
Valuable insights for industry leaders

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

S U S C R I B E

Global M&A Representative Engagements

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

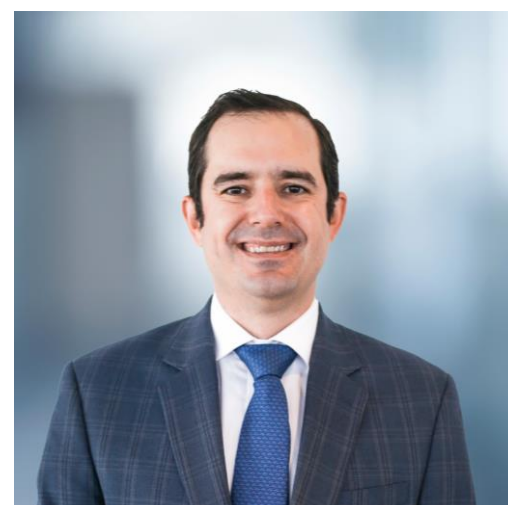


BRETT M. CARMEL

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

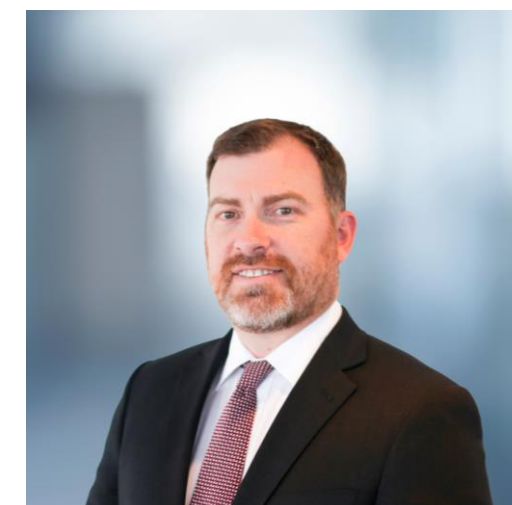


SERGIO GARCIA DEL BOSQUE

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



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

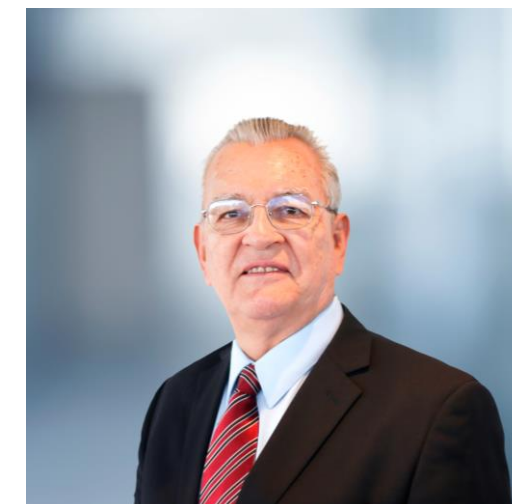


CARLOS HERNANDEZ

Managing Director | Cincinnati, OH

✉ [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



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



Washington D.C.

901 N. Glebe Road
Arlington, Virginia



Mexico City

Av. Javier Barros Sierra 495
Mexico City, Mexico



Monterrey

Av. Lázaro Cárdenas 2225
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.

© Seale & Associates

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.