



# Seale & Associates

STEEL INDUSTRY  
Q2 2023  
VALUATION UPDATE

# Introduction

We are pleased to share our Steel Industry Multiples Valuation Update for Q2 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 25+ 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 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		Second Quarter Jun. 30, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Acerinox, S.A.		ESP	\$2,647	\$3,273	\$8,921	13.0%	7.9x	2.8x	2.8x	0.4x
Aichi Steel Corporation		JPN	\$417	\$753	\$2,145	7.7%	4.0x	4.6x	5.0x	0.4x
Aperam S.A.		LUX	\$2,252	\$2,717	\$8,439	10.1%	7.7x	2.8x	3.1x	0.3x
ArcelorMittal S.A.		LUX	\$21,657	\$29,027	\$76,509	14.2%	4.9x	1.4x	2.4x	0.4x
CAP S.A.		CHL	\$1,106	\$3,473	\$2,914	23.1%	3.3x	2.3x	5.0x	1.2x
Cleveland-Cliffs Inc.		USA	\$8,633	\$13,407	\$22,329	9.0%	16.2x	2.8x	6.0x	0.6x
Commercial Metals Company		USA	\$6,150	\$7,006	\$8,997	16.6%	6.3x	4.6x	4.5x	0.8x
Companhia Siderúrgica Nacional		BRA	\$3,336	\$9,684	\$8,672	17.4%	6.5x	2.7x	5.8x	1.1x
Industrias CH, S. A. B. de C. V.		MEX	\$4,890	\$4,192	\$3,287	25.4%	5.9x	4.7x	4.8x	1.2x
Jindal Steel & Power Limited		IND	\$7,116	\$8,076	\$6,419	18.8%	4.1x	3.5x	6.7x	1.3x
JSW Steel Limited		IND	\$22,955	\$30,448	\$20,209	12.2%	9.1x	6.5x	13.6x	1.5x
Kyoei Steel Ltd.		JPN	\$609	\$970	\$2,676	6.9%	4.2x	6.3x	5.4x	0.4x
Nucor Corporation		USA	\$41,196	\$44,318	\$39,729	25.9%	7.8x	3.3x	4.3x	1.1x






## 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		Second Quarter Jun. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Outokumpu Oyj	 FIN	\$2,321	\$2,139	\$9,496	12.5%	10.8x	2.2x	1.7x	0.2x	
POSCO Holdings Inc.	 KOR	\$22,352	\$33,221	\$63,498	8.5%	4.4x	2.4x	5.6x	0.5x	
Schnitzer Steel Industries, Inc.	 USA	\$825	\$1,293	\$3,059	3.4%	7.6x	4.4x	8.8x	0.4x	
Steel Authority of India Limited	 IND	\$4,303	\$7,986	\$12,719	7.7%	5.4x	3.0x	7.5x	0.6x	
Steel Dynamics, Inc.	 USA	\$18,413	\$19,124	\$20,453	21.0%	7.6x	3.0x	3.9x	0.9x	
Tata Steel Limited	 IND	\$16,680	\$25,359	\$29,634	12.2%	7.4x	3.3x	6.7x	0.9x	
Ternium S.A.	 LUX	\$7,784	\$7,177	\$15,733	16.8%	3.9x	1.4x	2.7x	0.5x	
Usinas Siderúrgicas de Minas Gerais S.A.	 BRA	\$1,837	\$2,756	\$6,296	12.4%	5.4x	1.6x	3.1x	0.4x	
Voestalpine AG	 AUT	\$6,201	\$9,417	\$19,801	13.2%	7.9x	3.8x	3.5x	0.5x	
■ Excluded from mean and median						<b>Mean</b>	6.3x	3.3x	4.7x	0.7x
						<b>Median</b>	6.3x	3.0x	4.8x	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		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
EVA Precision Industrial Holdings Limited		HKG	\$171	\$271	\$804	8.2%	7.7x	7.0x	3.8x	0.3x
G Collado, S.A.B. de C.V.		MEX	\$235	\$347	\$705	5.1%	3.8x	2.7x	8.4x	0.5x
Olympic Steel, Inc.		USA	\$545	\$824	\$2,437	5.1%	12.8x	3.1x	6.0x	0.3x
Ramada Investimentos e Industria, S.A.		PRT	\$184	\$203	\$197	15.4%	9.9x	7.8x	6.6x	1.0x
Reliance Steel & Aluminum Co.		USA	\$15,968	\$16,527	\$16,505	15.4%	8.4x	5.0x	6.3x	1.0x
Russel Metals Inc.		CAN	\$1,713	\$1,728	\$3,635	10.0%	11.5x	3.2x	4.2x	0.5x
Ryerson Holding Corporation		USA	\$1,552	\$2,170	\$5,981	8.0%	8.1x	2.9x	4.2x	0.4x
Valmont Industries, Inc.		USA	\$6,128	\$7,163	\$4,427	12.7%	14.3x	13.6x	12.1x	1.6x
Worthington Industries, Inc.		USA	\$3,380	\$3,846	\$4,916	7.1%	7.6x	5.3x	7.3x	0.8x
■ Excluded from mean and median						<b>Mean</b>	9.3x	4.6x	5.8x	0.7x
						<b>Median</b>	8.4x	4.1x	6.1x	0.5x

# Steel – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23	 OKS Otto Knopf GmbH Steel Service Center	DEU	Operates as an independent steel service center that specializes in the trading and slitting of steel and non-ferrous metals	 SCHAFFER WERKE	FIDELIUM PARTNERS	100.0%	-	-	-
Jun-23	 PEGASUS STEEL	USA	Specializes in the cutting and forming of steel from both sheet and heavy plate in all grades of material including stainless steel and aluminum	A C P	-	100.0%	-	-	-
May-23	 SOLO	CHE	Manufactures advanced industrial furnaces for the heat treatment of metals	Renaissance	-	-	-	-	-
May-23	 Atlantic Tube & Steel	CAN	Manufactures mechanical and structural steel tubing	 VAARSTEEL	-	100.0%	-	-	-
May-23	 Detroit IRON CASTINGS	USA	Offers ductile iron casting, machining, painting and heat treatment solutions	 MacLean POWER SYSTEMS	-	100.0%	-	-	-
May-23	 BENS CREEK GROUP	GBR	Owens and operates a metallurgical coal mines to produce steel	 avani RESOURCES	 MBU CAPITAL	29.9%	\$26.8	-	-
May-23	Section tubes production facilities of Vallourec Germany	DEU	Produces seamless steel round tubes	 voestalpine ONE STEP AHEAD	 vallourec	100.0%	-	-	-
Apr-23	 SODERFORS STEEL	SWE	Manufactures high quality steel products specialising in high-alloy and high-purity steels	 Alleima	-	100.0%	\$14.4	-	1.0x
Apr-23	 AHMSA ALTOS HORNOS DE MEXICO	MEX	Manufactures, markets, and sells flat steel products and structural sections	 ARGENTEM CREEK PARTNERS	-	100.0%	-	-	-
Apr-23	 Willetts STAINLESS LIMITED	GBR	Manufactures austenitic and duplex stainless steel profiles	Bradley McLaren Holdings Limited	-	100.0%	-	-	-
Apr-23	Rendan Fabricators Limited	CAN	Manufactures reinforcing steel	 AGF Groupe	-	100.0%	-	-	-
Apr-23	 Fonderia Boccacci position for innovation	ITA	Manufactures gray and ductile iron castings	 CONSILIUM PRIVATE EQUITY	-	-	-	-	-
Apr-23	 Severstal Distribution	LVA	Offers a wide range of steel products and provides a full range of services in packaging, cutting and delivery	 MARCEGAGLIA	 Severstal	100.0%	-	-	-
Apr-23	 a.c.I. Advanced Couplings Limited	GBR	Manufactures and supplies stainless steel clamp type tube connections to the food, pharmaceutical and associated process industries	 IDEAL TRIDON	-	-	-	-	-

# Private Equity Transactions

INDUSTRY CLASSIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 <b>Iron and Steel Forging</b> <small>NAICS 332111 – Iron and Steel Forging</small>	 <b>2005-2015</b>	 <b>\$39.4M</b>	 <b>\$53.9M</b>	 <b>11.7%</b>	 <b>0.8x</b>	 <b>18.1%</b>	 <b>4.5x</b>	 <b>5</b>
<b>Iron and Steel Mills and Ferroalloy Manufacturing</b> <small>NAICS 3311 – Iron and Steel Mills and Ferroalloy Manufacturing</small>	<b>2003-2020</b>	<b>\$103.0M</b>	<b>\$138.1M</b>	<b>16.0%</b>	<b>1.1x</b>	<b>24.7%</b>	<b>4.4x</b>	<b>4</b>

Source: GF Data

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.



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S U S C R I B E

# Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with  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  to 
 has sold  to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold  to Code Flower Inc.	 has sold its GRACE Membranes Business  a subsidiary of 	 has sold  and  to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold  to 
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold  to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold  to Private Equity Partners	 has been acquired by 
 has sold  to 	 has acquired  KFC Costa Rica from 	 has been acquired by 	 has sold  to 	 has sold the Films Business of  to 	 has been acquired by 	 has sold  to 	 Oxbow's Senior Subordinated debt issued by  was refinanced by 	 has sold  to 	 has acquired  from THE MOORE COMPANY	 sold its concrete pumping business to 

# Advisor to Leading Companies Worldwide



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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.**

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.

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