



Seale & Associates

STEEL INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

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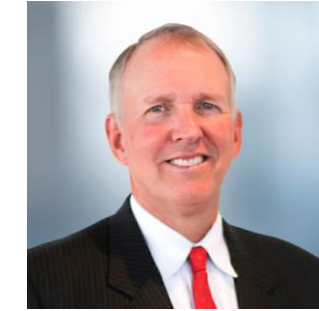
Introduction

We are pleased to share our Steel Industry Multiples Valuation Update for Q3 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.



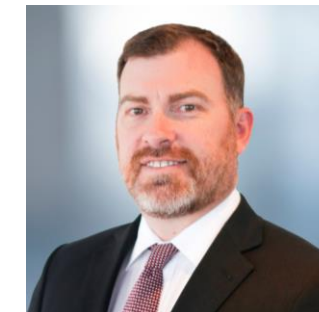
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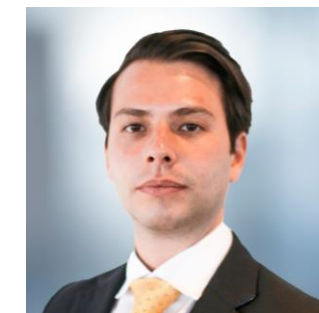
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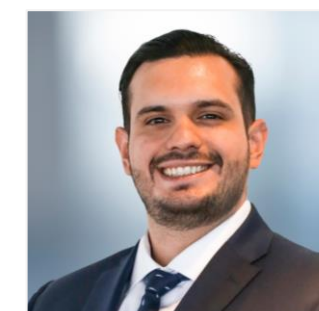
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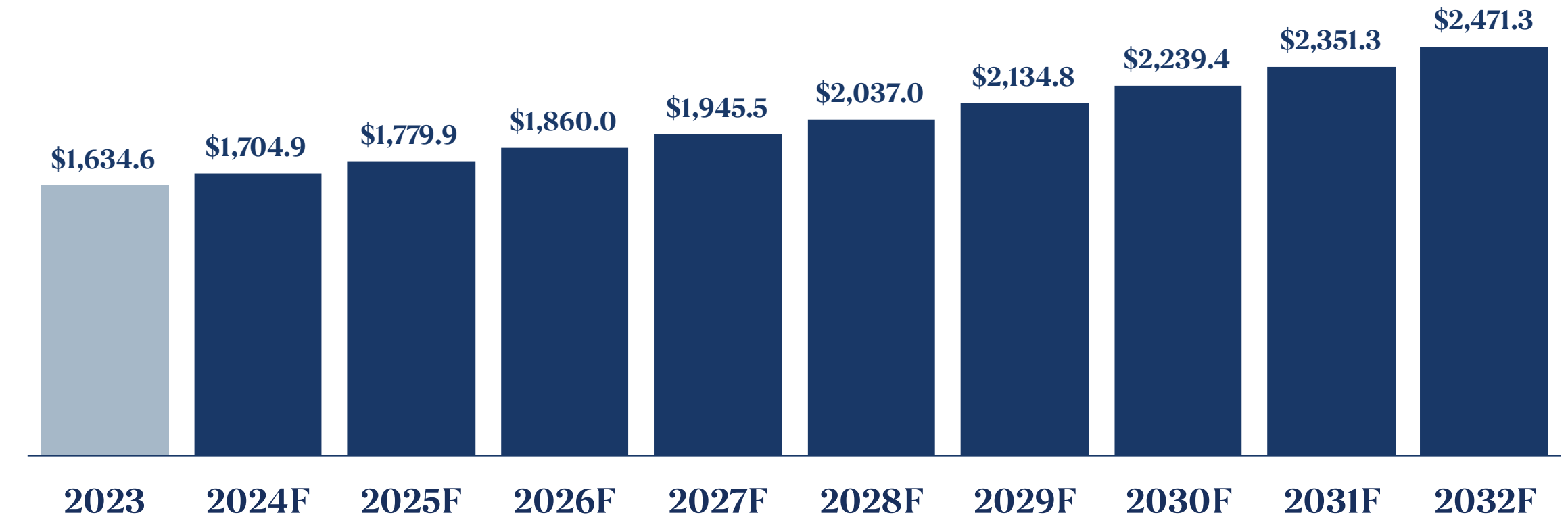
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Steel's Industry Overview, M&A Trends and Market Intelligence

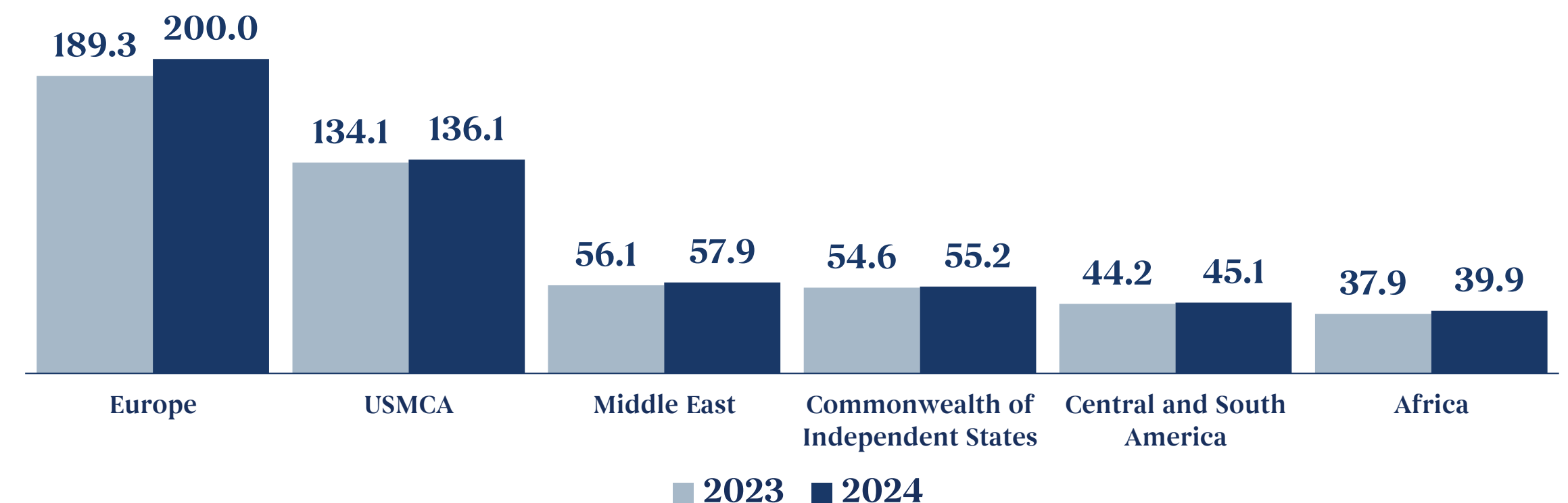
Industry Overview and M&A Trends

- Global steel production is **stabilizing** after the disruptions caused by the pandemic and geopolitical conflicts, with **projected demand growth of 1.7% for 2024**, reaching **1.8B metric tons**. This recovery, although slow, reflects a steady improvement in the industry
- While construction has slowed in developed economies, **emerging markets** continue to drive steel demand through **large-scale infrastructure projects**, which are essential for maintaining global consumption
- In the automotive industry, the rise of **electric vehicles (EVs)** has led manufacturers to opt for lighter materials like aluminum, though **high-strength steel remains crucial** in the design of EV frames
- The focus on **sustainability** has also gained prominence in the steel industry, driven by **stricter environmental regulations** and rising consumer expectations. Initiatives like **"green steel"**, using hydrogen in production to cut carbon emissions, are on the rise
- Additionally, the **growing demand in renewable energy sectors**, such as wind turbines and solar panels, is accelerating the shift toward **more eco-friendly production methods**. To align with these goals, many companies are **acquiring competitors that have sustainable technologies**
- **M&A activity** has increased in the industry, driven by the need for **consolidation, vertical integration, and expansion into emerging markets**, enabling companies to secure supply chains and reduce costs
- Although **geopolitical conflicts**, such as the war in Ukraine and unrest in the Middle East, have disrupted supply chains and caused price volatility, they also present opportunities for companies to **innovate and strengthen** their operations

Iron and Steel Market Size (US\$B)














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














Source: Mordor Intelligence, Thomas, Sheet Metal Industries, Capital IQ, Statista, Leeco Steel and Ohter Industry Reports

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		Third Quarter Sep. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Acerinox, S.A.		ESP	\$2,687	\$2,974	\$6,546	8.3%	2.8x	3.2x	5.5x	0.5x
Aichi Steel Corporation		JPN	\$541	\$854	\$2,057	9.3%	4.6x	4.8x	4.5x	0.4x
Aperam S.A.		LUX	\$2,269	\$2,955	\$7,032	1.7%	2.8x	4.3x	25.2x	0.4x
ArcelorMittal S.A.		LUX	\$20,620	\$28,306	\$63,699	8.9%	1.4x	2.4x	5.0x	0.4x
CAP S.A.		CHL	\$1,004	\$3,741	\$2,699	26.6%	2.3x	4.9x	5.2x	1.4x
Cleveland-Cliffs Inc.		USA	\$5,977	\$9,663	\$21,008	8.9%	2.8x	5.4x	5.2x	0.5x
Commercial Metals Company		USA	\$6,320	\$6,822	\$8,139	13.0%	4.6x	4.3x	6.4x	0.8x
Companhia Siderúrgica Nacional		BRA	\$3,139	\$9,976	\$8,030	20.9%	2.7x	6.1x	5.9x	1.2x
Industrias CH, S. A. B. de C. V.		MEX	\$3,907	\$3,030	\$2,002	20.2%	4.7x	5.0x	7.5x	1.5x
Jindal Steel & Power Limited		IND	\$12,658	\$14,116	\$6,094	20.3%	3.4x	6.9x	11.4x	2.3x
JSW Steel Limited		IND	\$29,954	\$39,554	\$20,975	15.3%	6.5x	11.1x	12.3x	1.9x

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		Third Quarter Sep. 30, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Kyoei Steel Ltd.	 JPN	\$525	\$903	\$2,252	9.6%	6.3x	5.5x	4.2x	0.4x
Nucor Corporation	 USA	\$35,681	\$38,337	\$32,695	18.2%	3.3x	4.3x	6.4x	1.2x
Outokumpu Oyj	 FIN	\$1,716	\$1,824	\$6,763	2.0%	2.2x	2.1x	13.7x	0.3x
POSCO Holdings Inc.	 KOR	\$22,548	\$35,065	\$56,484	9.0%	2.4x	5.9x	6.9x	0.6x
Radius Recycling, Inc.	 USA	\$520	\$1,031	\$2,686	2.1%	4.4x	6.9x	18.0x	0.4x
Steel Authority of India Limited	 IND	\$6,969	\$11,224	\$12,534	11.6%	3.0x	7.1x	7.7x	0.9x
Steel Dynamics, Inc.	 USA	\$19,454	\$21,224	\$18,147	17.0%	3.0x	4.1x	6.9x	1.2x
Tata Steel Limited	 IND	\$25,100	\$34,609	\$26,790	10.8%	3.3x	8.0x	12.0x	1.3x
Ternium S.A.	 LUX	\$7,246	\$9,894	\$19,408	23.8%	1.4x	2.6x	2.1x	0.5x
Usinas Siderúrgicas de Minas Gerais S.A.	 BRA	\$1,381	\$2,232	\$4,787	5.2%	1.6x	4.2x	8.9x	0.5x
Voestalpine AG	 AUT	\$4,472	\$7,676	\$18,274	9.2%	3.8x	3.7x	4.6x	0.4x

■ Excluded from mean and median

Mean 3.0x 5.0x 7.1x 0.7x
Median 3.0x 4.8x 6.7x 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		Third Quarter Sep. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
EVA Precision Industrial Holdings Limited	 HKG	\$168	\$269	\$813	10.9%	7.0x	4.3x	3.0x	0.3x	
G Collado, S.A.B. de C.V.	 MEX	\$201	\$278	\$570	6.0%	2.7x	8.1x	8.1x	0.5x	
Olympic Steel, Inc.	 USA	\$434	\$672	\$2,069	5.5%	3.1x	5.9x	5.9x	0.3x	
Ramada Investimentos e Industria, S.A.	 PRT	\$197	\$175	\$157	13.5%	7.8x	7.3x	8.2x	1.1x	
Reliance, Inc.	 USA	\$15,911	\$16,959	\$14,248	12.7%	5.0x	6.2x	9.3x	1.2x	
Russel Metals Inc.	 CAN	\$1,773	\$1,694	\$3,154	7.9%	3.2x	4.3x	6.8x	0.5x	
Ryerson Holding Corporation	 USA	\$661	\$1,553	\$4,824	5.5%	2.9x	4.4x	5.9x	0.3x	
Valmont Industries, Inc.	 USA	\$5,847	\$6,904	\$4,083	15.4%	13.6x	11.5x	11.0x	1.7x	
Worthington Steel, Inc.	 USA	\$1,681	\$1,975	\$3,359	8.2%	NA	5.8x	7.1x	0.6x	
■ Excluded from mean and median						Mean	4.5x	5.8x	7.4x	0.6x
						Median	4.1x	5.9x	7.1x	0.5x

Steel Industry – Q3 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24	 WHITLOW ELECTRIC	USA	Hill & Smith , manufacturer of infrastructure products, acquired Whitlow Electric , manufacturer of structural steel, expanding its presence in the Southeastern U.S. market	 Hill & Smith PLC	-	100.0%	\$30.2	-	1.1x
Sep-24	 MAC Mac Chain Co. Ltd.	CAN	Renold , manufacturer of mechanical power transmission products, acquired MAC , manufacturer of steel and iron forging products, increasing their access to the Western U.S. and Canada	 RENOLD	-	100.0%	\$31.4	7.5x	1.2x
Sep-24*	 RIZZINOX Commercio rottami inox e metalli	ITA	Thommen Group , recycler of ferrous and non-ferrous metals, announced the acquisition of Rizzinox , recycler of stainless steel, strengthening its presence in the Italian market	 THOMMEN GROUP	-	>50.0%	-	-	-
Aug-24	 KIND & CO EDELSTAHLWERK	DEU	GMH Gruppe , manufacturer of steel products, acquired Edelstahlwerk , local fabricator of steel, strengthening its position in the tool steel industry	 Georgsmarienhütte GMH GRUPPE	-	100.0%	-	-	-
Aug-24	 MOSTOSTAL SŁUPCA	POL	Kunz Group , provider of steel and construction materials, acquired Mostostal Wechta , manufacturer of steel structures, furthering its expansion in European construction materials	 kunz	Wechta FIZ	100.0%	-	-	-
Jul-24	 PRECISION KIDD STEEL COMPANY	USA	Jade Steel Group and Standard Horse Nail Company , manufacturers of steel products, acquired Precision Kidd Steel Company , manufacturer of steel products, enhancing its steel distribution and manufacturing capabilities	 JADE STEEL GROUP	-	100.0%	-	-	-
Jul-24	 iberjindal	ESP	Jindal Stainless , manufacturer of stainless steel products, acquired an additional 30% stake in Iberjindal , manufacturer of stainless steel products from Fagor Industrial, consolidating its joint venture control	 JSL JINDAL STAINLESS	 FAGOR	30.0%	-	-	-
Jul-24*	Marine and Energy business in Kalajoki and Sepänkylä	FIN	Componenta , manufacturer of steel and iron products, announced the acquisition of Fortaco's marine and energy businesses , manufacturers of steel fabricated components, expanding its industrial service offerings	 COMPONENTA	 FORTACO	100.0%	\$3.0	11.2x	0.4x

Steel Industry – Q3 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jul-24*	 The Steel Company of Canada	CAN	Cleveland-Cliffs , manufacturer of steel and iron products, announced the acquisition of Stelco , manufacturer of steel products, reinforcing its leadership in North America	 CLEVELAND-CLIFFS INC.	 LINDSAY GOLDBERG FINANCIAL HOLDINGS LIMITED	100.0%	\$2,488.4	4.8x	2.2x
Jul-24		USA	Kloekner Metals , manufacturer and distributor of metals, acquired Amerinox , manufacturer of stainless steel and aluminum, enhancing its portfolio of services		-	100.0%	-	-	-
Jul-24		SWE	Fasadgruppen's subsidiary GAJ Stålkonstruktioner , manufacturer of steel, acquired Je Svets & Smide , manufacturer of steel structures, strengthening its market position	 EN DEL AV FASADGRUPPEN	-	91.0%	-	-	-
Jul-24	 The Steel Alternative For the New Millennium	GBR	ASD , manufacturer and distributor of steel products, acquired Atlantic Steel Processing , manufacturer of steel products, expanding its presence in Northwest UK		-	100.0%	-	-	-

* Announced transactions pending approval and other customary closing conditions

Mean 7.8x 1.2x
Median 7.5x 1.2x

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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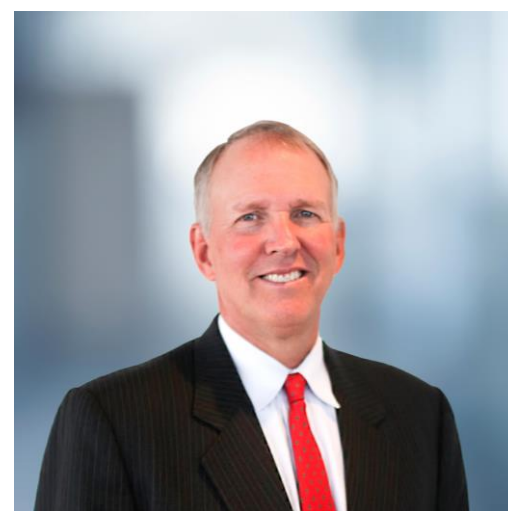
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S U S C R I B E

Global M&A Representative Engagements

<p>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 1888</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 IMPROVEMENT IN SHAPE CUTTING 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</p> <p>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 CAPITAL PARTNERS 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>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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University of Florida - BA in Political Science with High Honors

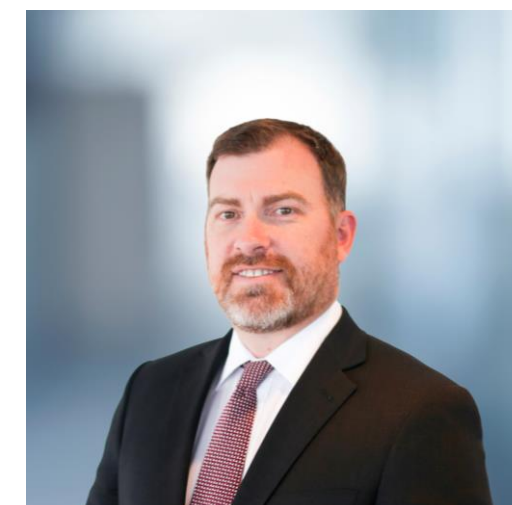


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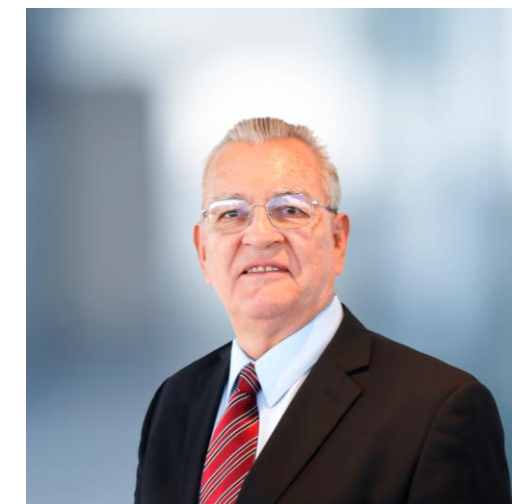


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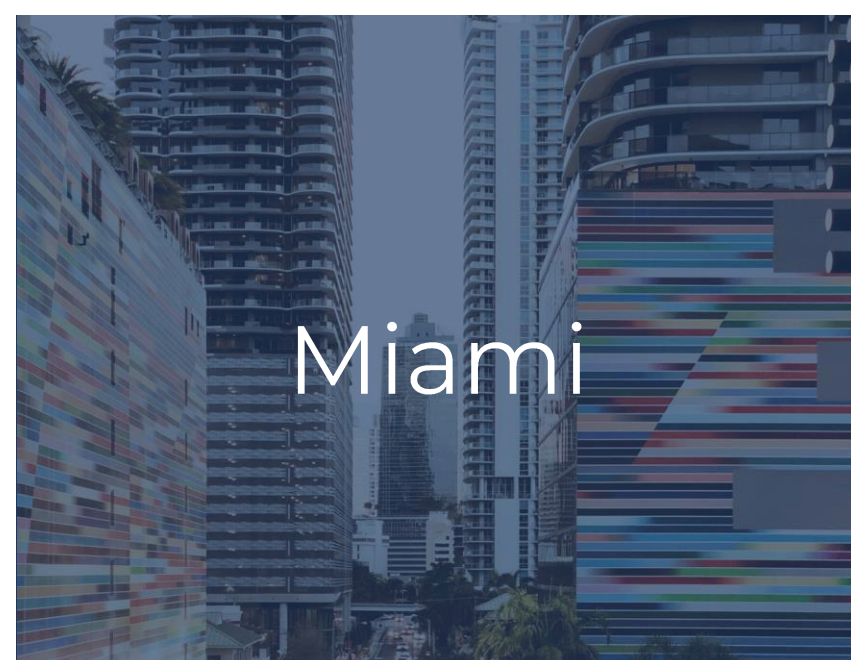
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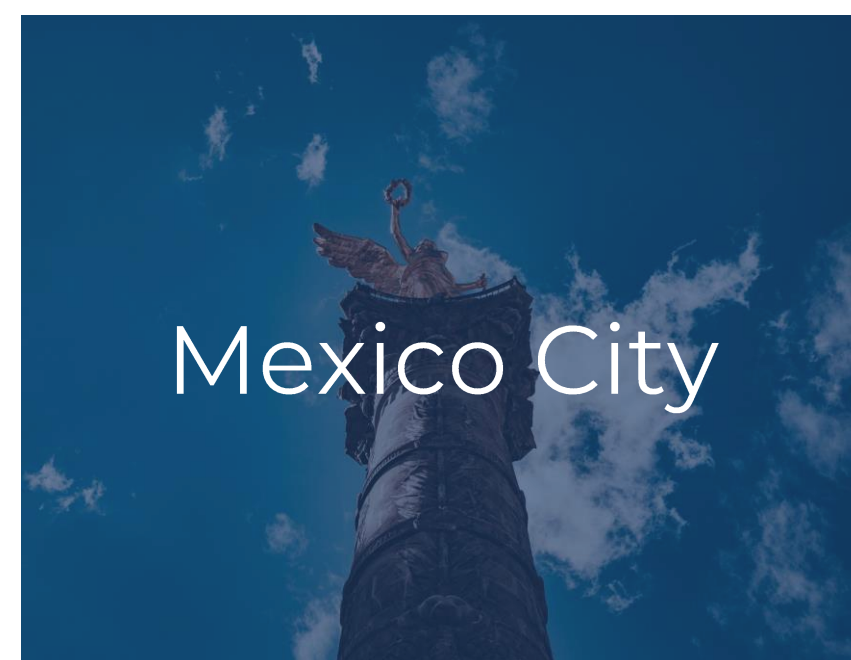
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



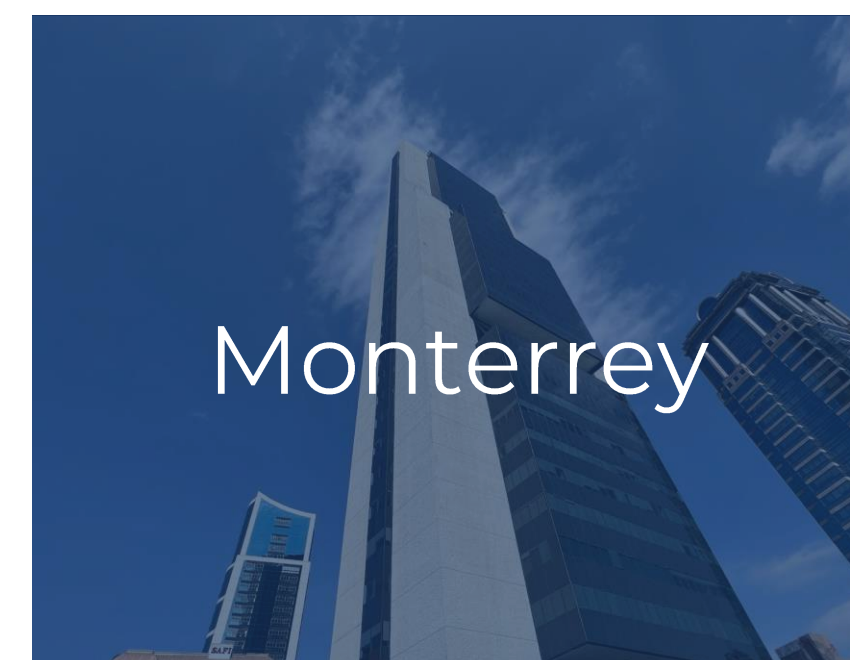
Washington D.C.



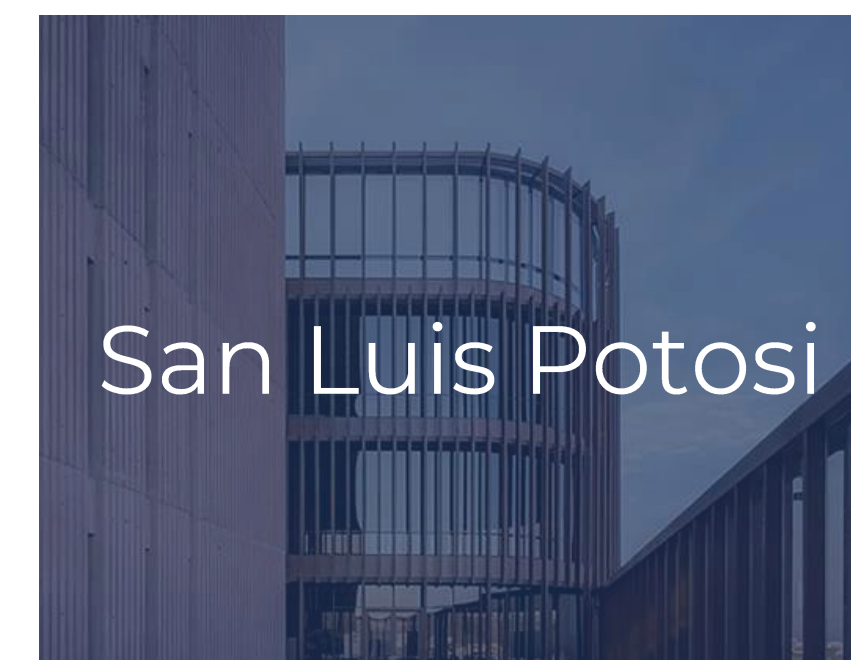
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San Luis Potosi

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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Recapitalizations

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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.





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