



Seale & Associates

STEEL INDUSTRY
Q4 2024
VALUATION UPDATE

25 years

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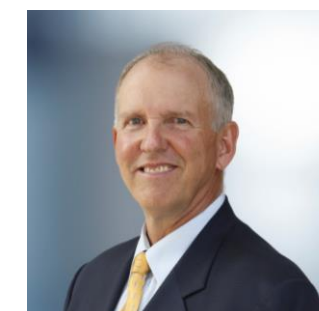
Introduction

We are pleased to share our Steel Industry Multiples Valuation Update for Q4 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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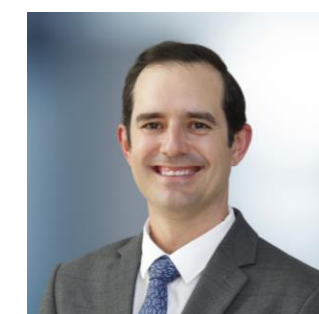
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Steel's Industry Overview, M&A Trends and Market Intelligence

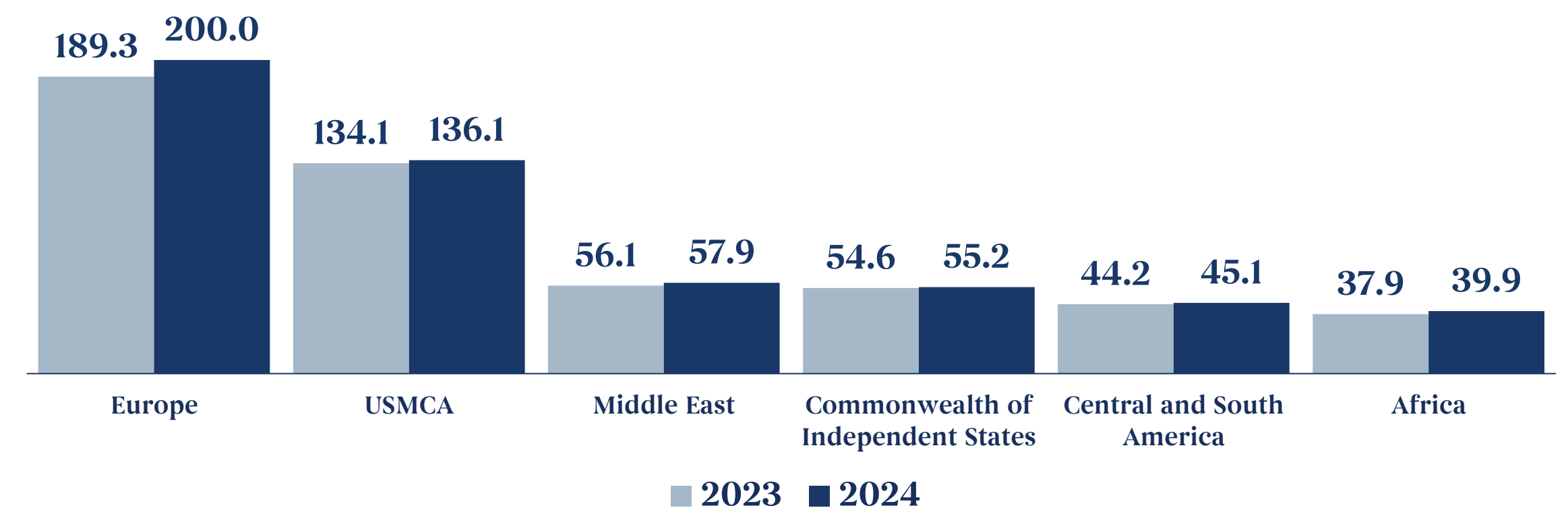
Industry Overview and M&A Trends

- In Q4 2024, the **North American steel industry demonstrated resilience and adaptability, leveraging challenges as catalysts for growth** and innovation. **Strategic M&A**, coupled with a **focus on decarbonization and technological advancement**, have positioned the industry for a sustainable and **prosperous future**
- Steel production** accounts for **7.0% of global greenhouse gas emissions**, but **cleaner production methods**, such as green hydrogen and recycling, are becoming essential. **U.S. federal funding of \$1.5B for six iron and steel decarbonization projects** will **cut emissions by 2.5M metric tons annually**, creating opportunities for sustainable growth and improved profitability
- The **shift to sustainable steelmaking and localized supply chains** presents **opportunities for M&A**. **Acquiring companies with expertise in green production or advanced technologies** is essential **to stay competitive**
- Additionally, **policies** like the **Infrastructure Investment and Jobs Act (IIJA)** and **Inflation Reduction Act (IRA)** are **increasing demand for domestically produced steel**. Domestic producers with advanced facilities, such as **Nucor and Cleveland-Cliffs**, are **well-positioned to pursue acquisitions of smaller players** to scale capacity and meet rising demand and companies investing in advanced manufacturing; Moreover, **clean production companies** are poised to **lead the market**
- Moreover, **high-value steel products**, such as those **used in electric vehicles (EVs), wind turbines, and solar panels**, are becoming **critical growth areas**. The global push for renewable energy and EV adoption has **spurred demand for advanced alloys and specialty steel**. **Companies with R&D expertise** in specialty steel production are likely to become **acquisition targets**
- While **global steel demand in developed economies** is **projected to decline by 2.0% due to economic uncertainties**, this **presents an opportunity for companies to streamline operations, innovate, and capture growth in renewable energy and infrastructure-focused markets** as well as to invest in emerging economies

The world's largest steel companies based on sales revenue (in US\$M)



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














Source: Capital IQ, Statista, Worldsteel Association, American Progress Organization, Federal Steel Supply, and Other 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 | | Fourth Quarter Dec. 31, 2024 EV/ | | |
|----------------------------------|---|-------------------|------------------------|---------------|---------------|--------------------------|------|----------------------------------|---------|------|
| | | | | | | 2022 | 2023 | EBITDA | Revenue | |
| Acerinox, S.A. |  | ESP | \$2,438 | \$2,850 | \$5,823 | 8.2% | 2.8x | 3.2x | 5.9x | 0.5x |
| Aichi Steel Corporation |  | JPN | \$651 | \$945 | \$1,858 | 10.2% | 4.6x | 4.8x | 5.0x | 0.5x |
| Aperam S.A. |  | LUX | \$1,887 | \$2,559 | \$6,559 | 3.1% | 2.8x | 4.3x | 12.7x | 0.4x |
| ArcelorMittal S.A. |  | LUX | \$18,238 | \$25,869 | \$62,279 | 8.3% | 1.4x | 2.4x | 5.0x | 0.4x |
| CAP S.A. |  | CHL | \$791 | \$3,241 | \$2,482 | 30.2% | 2.3x | 4.9x | 4.3x | 1.3x |
| Cleveland-Cliffs Inc. |  | USA | \$4,643 | \$8,646 | \$19,972 | 6.5% | 2.8x | 5.4x | 6.7x | 0.4x |
| Commercial Metals Company |  | USA | \$5,656 | \$6,164 | \$7,833 | 12.5% | 4.6x | 4.3x | 6.3x | 0.8x |
| Companhia Siderúrgica Nacional |  | BRA | \$1,900 | \$7,537 | \$7,060 | 19.7% | 2.7x | 6.1x | 5.4x | 1.1x |
| Industrias CH, S. A. B. de C. V. |  | MEX | \$3,394 | \$2,587 | \$1,820 | 19.8% | 4.7x | 5.0x | 7.2x | 1.4x |
| Jindal Steel & Power Limited |  | IND | \$11,098 | \$12,701 | \$5,847 | 20.6% | 3.4x | 6.9x | 10.5x | 2.2x |
| JSW Steel Limited |  | IND | \$25,671 | \$35,966 | \$19,870 | 14.4% | 6.5x | 11.1x | 12.6x | 1.8x |


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 | | Fourth Quarter Dec. 31, 2024 EV/ | | |
|--|---|-------------------|------------------------|---------------|---------------|--------------------------|------|----------------------------------|---------|------|
| | | | | | | 2022 | 2023 | EBITDA | Revenue | |
| Kyoei Steel Ltd. |  JPN | \$507 | \$778 | \$2,076 | 8.6% | 6.3x | 5.5x | 4.4x | 0.4x | |
| Nucor Corporation |  USA | \$27,405 | \$30,569 | \$31,363 | 16.0% | 3.3x | 4.3x | 6.1x | 1.0x | |
| Outokumpu Oyj |  FIN | \$1,274 | \$1,494 | \$6,265 | 3.1% | 2.2x | 2.1x | 7.7x | 0.2x | |
| POSCO Holdings Inc. |  KOR | \$12,968 | \$24,261 | \$50,012 | 8.5% | 2.4x | 5.9x | 5.7x | 0.5x | |
| Radius Recycling, Inc. |  USA | \$429 | \$966 | \$2,722 | 1.8% | 4.4x | 7.0x | 19.4x | 0.4x | |
| Steel Authority of India Limited |  IND | \$5,463 | \$10,198 | \$11,688 | 11.5% | 3.0x | 7.1x | 7.6x | 0.9x | |
| Steel Dynamics, Inc. |  USA | \$17,367 | \$19,388 | \$17,540 | 15.7% | 3.0x | 4.1x | 7.0x | 1.1x | |
| Tata Steel Limited |  IND | \$20,153 | \$30,594 | \$26,031 | 11.6% | 3.3x | 8.0x | 10.1x | 1.2x | |
| Ternium S.A. |  LUX | \$5,709 | \$8,641 | \$18,704 | 13.7% | 1.4x | 2.6x | 3.4x | 0.5x | |
| Usinas Siderúrgicas de Minas Gerais S.A. |  BRA | \$1,059 | \$1,760 | \$4,231 | 6.9% | 1.6x | 4.2x | 6.1x | 0.4x | |
| Voestalpine AG |  AUT | \$3,254 | \$6,455 | \$16,786 | 8.6% | 3.8x | 3.7x | 4.5x | 0.4x | |
| | | | | | | Mean | 3.6x | 5.3x | 6.3x | 0.7x |
| | | | | | | Median | 3.0x | 4.8x | 6.2x | 0.5x |

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 | | Fourth Quarter Dec. 31, 2024 EV/ | | |
|---|---|-------------------|------------------------|---------------|---------------|--------------------------|-------|----------------------------------|---------|------|
| | | | | | | 2022 | 2023 | EBITDA | Revenue | |
| EVA Precision Industrial Holdings Limited |  HKG | \$148 | \$249 | \$814 | 10.9% | 7.0x | 4.3x | 2.8x | 0.3x | |
| G Collado, S.A.B. de C.V. |  MEX | \$72 | \$145 | \$538 | 6.4% | 2.7x | 8.1x | 4.2x | 0.3x | |
| Olympic Steel, Inc. |  USA | \$365 | \$593 | \$2,012 | 5.1% | 3.1x | 5.9x | 5.8x | 0.3x | |
| Ramada Investimentos e Industria, S.A. |  PRT | \$184 | \$163 | \$146 | 13.7% | 7.8x | 7.3x | 8.1x | 1.1x | |
| Reliance, Inc. |  USA | \$14,572 | \$15,807 | \$14,046 | 12.2% | 5.0x | 6.2x | 9.2x | 1.1x | |
| Russel Metals Inc. |  CAN | \$1,718 | \$1,789 | \$2,948 | 7.5% | 3.2x | 4.3x | 8.1x | 0.6x | |
| Ryerson Holding Corporation |  USA | \$589 | \$1,470 | \$4,704 | 4.4% | 2.9x | 4.4x | 7.1x | 0.3x | |
| Valmont Industries, Inc. |  USA | \$6,144 | \$7,042 | \$4,053 | 15.7% | 13.6x | 11.5x | 11.1x | 1.7x | |
| Worthington Steel, Inc. |  USA | \$1,575 | \$1,844 | \$3,290 | 8.7% | 5.8x | 5.8x | 6.5x | 0.6x | |
| ■ Excluded from mean and median | | | | | | Mean | 4.7x | 5.8x | 6.5x | 0.7x |
| | | | | | | Median | 5.0x | 5.9x | 7.1x | 0.6x |

Steel Industry – Q4 Global Transactions (1/2)

| Date | Target | Country | Description | Buyer | Seller | % Acquired | Size US\$M | EV/ EBITDA | EV/ Revenue |
|---------|---|---------|---|---|---|------------|------------|------------|-------------|
| Nov-24 |  AG ANGUS F GUNN LTD | GBR | Marubeni-Itochu Steel , manufacturer of steel, through its subsidiary, Barclay & Mathieson, acquired Angus F. Gunn Limited , manufacturer of fabricated steel plates and structures, enhancing its Ukpresence |  MARUBENI ITOCHU STEEL BMSTEEL | - | 100.0% | - | - | - |
| Nov-24 |  VILLALBA ACEROS Desde 1949 | CHL | Kingspan , manufacturer of insulation and building materials, acquired a 51% stake in Villalba , manufacturer of steel products, strenghtening its presence in Latam |  Kingspan | - | 51.0% | - | - | - |
| Nov-24 | Aichi Steel Europe | DEU | Yama Saha , the owner manager of German based aerial lift distributor Sahalift, acquired Aichi Steel Europe , provider of stainless steelproducts, stenghtening the its distribution capabilities | Yama Saha, Owner Manager of Sahalift | - | 100.0% | - | - | - |
| Nov-24 |  MM | USA | Mill Steel , distributor of flat-rolled carbon steel, stainless steel, and aluminum, acquired Maryland Metals Processing , processor of stainless and aluminum toll, enhancing its national processing capabilities |  MILL STEEL C O M P A N Y | - | 100.0% | - | - | - |
| Oct-24* |  Buderus Edelstahl | DEU | Mutares , a private equity firm, agreed to acquire Buderus Edelstahl , manufacturer of specialty steel products, from voestalpine, strengthening its Engineering & Technology segment | MUTARES |  voestalpine ONE STEP AHEAD. | 100.0% | - | - | - |
| Oct-24 | Electrical Steel Business in India | IND | Jsquare Electrical Steel Nashik Private Limited , joint venture between JSW Steel Limited and JFE Steel Corporation, acquired thyssenkrupp Electrical Steel India , manufacturer of electrical steel, enhancing its production capabilities | Jsquare Electrical Steel Nashik Private Limited |  thyssenkrupp | 100.0% | \$481.9 | - | 3.2x |

Steel Industry – Q4 Global Transactions (2/2)

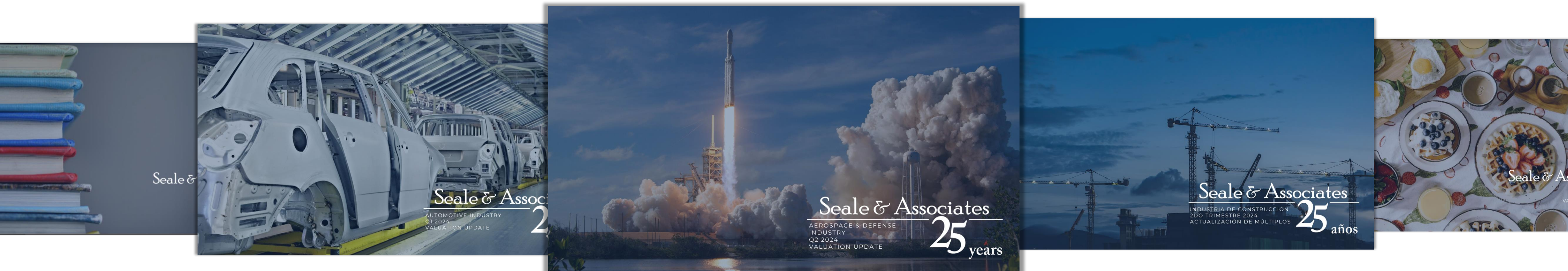
| Date | Target | Country | Description | Buyer | Seller | % Acquired | Size US\$M | EV/ EBITDA | EV/ Revenue |
|---------|---|---------|---|---|---|------------|------------|------------|-------------|
| Oct-24 |  UNIVERSAL STAINLESS | USA | Aperam , provider of stainless, electrical, and specialty steel and recycling, acquired Universal Stainless , manufacturer of specialty steel products, enhancing its product portfolio and expanding its presence in the U.S. market |  | - | 100.0% | \$508.6 | 8.6x | 1.6x |
| Oct-24* |  CSN Companhia Siderúrgica Nacional | BRA | ITOCHU , provider of domestic and international trading, agreed to acquire a 10.7% stake in Companhia Siderúrgica Nacional , provider of iron ore from CM, strengthening its position in the market |  |  | 10.7% | \$780.6 | 5.2x | 2.0x |
| Oct-24* |  AM/NS CALVERT | USA | ArcelorMittal , a steel and mining company, agreed to acquire a 50% stake of Nippon Steel Corporation's equity interest in AM/NS Calvert , a steel processing facility, enhancing its production capabilities in North America |  |  | 50.0% | - | - | - |
| Oct-24 |  INOVAWELD Technologie | CAN | Tournaire Group , manufacturer of high-performance industrial packaging, acquired Technologie Inovaweld , provider of laser-welded stainless steel packaging, strengthening its presence in North America |  | - | 100.0% | - | - | - |
| Oct-24 |  VÍTKOVICE STEEL | CZE | Jindal Steel International , manufacturer of steel, acquired Vitkovice Steel , manufacturer of plate producer, strengthening its position in the European steel market |  | - | 100.0% | - | - | - |

* Announced transactions pending approval and other customary closing conditions

Mean 6.8x 2.3x
Median 6.8x 2.1x

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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 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 G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p> |



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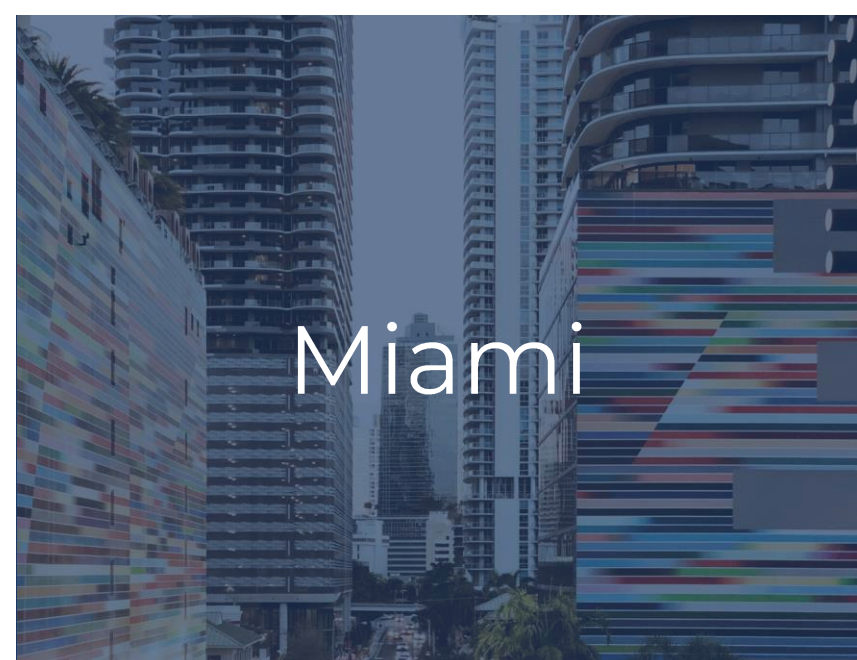
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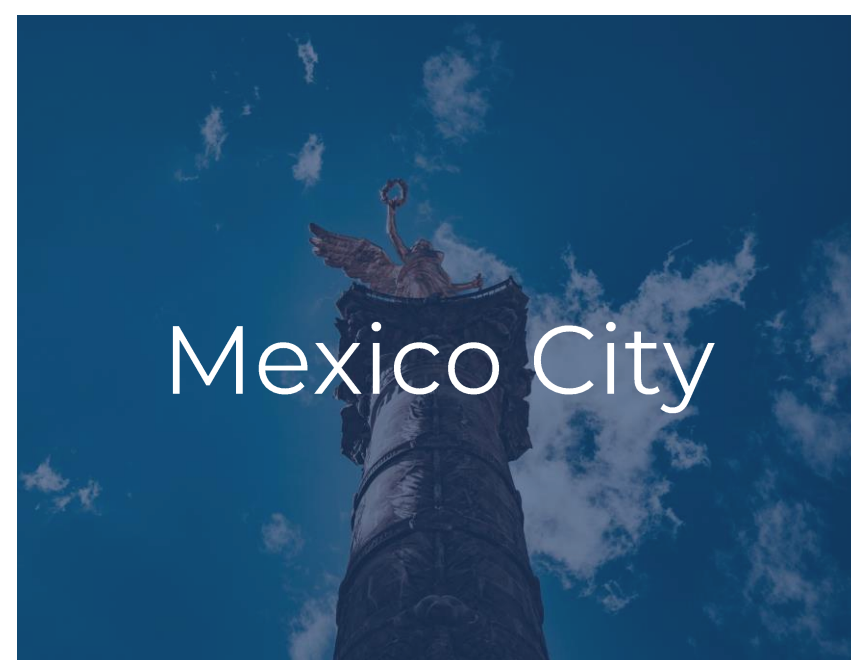
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
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MBA and BS in Industrial Engineering



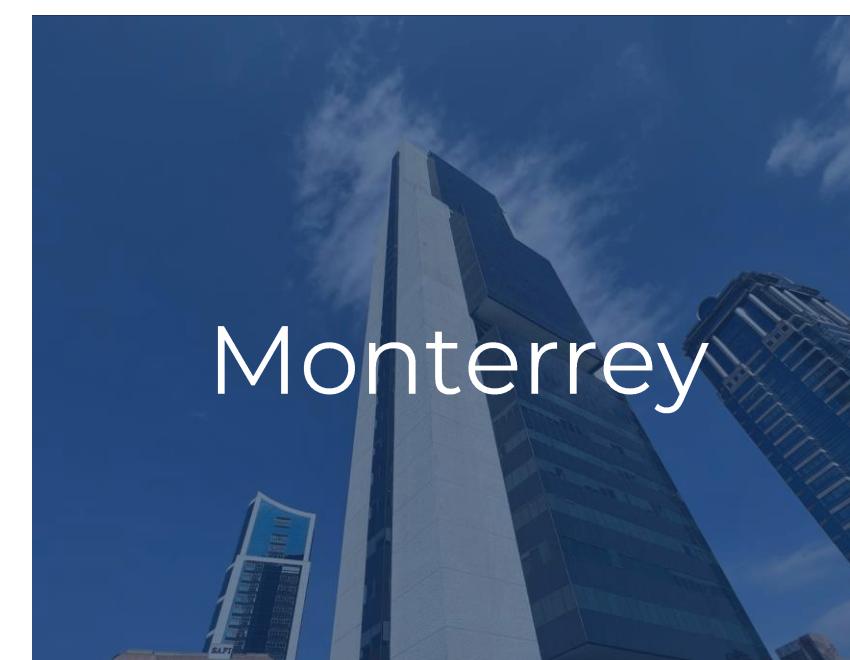
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San Luis Potosi

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
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+\$50B
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- Divestitures
- Joint Ventures / Alliances
- Recapitalizations
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...as well as with many private equity funds, family-offices and privately held companies.



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