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Industry Observations – September 30, 2019

## Steel Industry

## Select Steel Public Company Industry Data As of September 30, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 09/30/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
<b>Steel Industry</b>											
Haynes International, Inc.	HAYN	\$ 35.84	95.9%	\$ 446.3	\$ 432.2	2.4%	\$ 587.8	\$ 482.9	\$ 32.5	\$513.34	\$53.72
Allegheny Technologies Incorporated	ATI	\$ 20.25	67.9%	\$ 2,553.1	\$ 4,001.3	43.1%	\$ 5,549.3	\$ 4,143.3	\$ 444.5	\$4,129.84	\$476.46
Worthington Industries, Inc.	WOR	\$ 36.05	80.1%	\$ 1,978.1	\$ 2,791.1	44.9%	\$ 2,382.6	\$ 3,627.3	\$ 211.0	\$3,455.68	\$265.34
Carpenter Technology Corporation	CRS	\$ 51.66	85.9%	\$ 2,462.3	\$ 3,005.3	27.3%	\$ 3,187.8	\$ 2,380.2	\$ 357.9	\$2,460.48	\$394.77
Universal Stainless & Alloy Products, Inc.	USAP	\$ 15.60	58.1%	\$ 137.1	\$ 205.7	22.2%	\$ 364.0	\$ 257.4	\$ 28.2	\$261.03	\$32.55
Reliance Steel & Aluminum Co.	RS	\$ 99.66	94.7%	\$ 6,642.8	\$ 8,709.3	30.8%	\$ 8,327.1	\$ 11,628.6	\$ 1,165.0	\$11,083.41	\$1,131.12
Olympic Steel, Inc.	ZEUS	\$ 14.40	67.3%	\$ 156.9	\$ 448.0	49.1%	\$ 724.4	\$ 1,761.6	\$ 42.0	\$1,604.10	\$37.85
TimkenSteel Corporation	TMST	\$ 6.29	41.5%	\$ 281.9	\$ 496.8	28.0%	\$ 1,179.6	\$ 1,524.0	\$ 59.7	\$1,303.03	\$64.74
Nucor Corporation	NUE	\$ 50.91	77.1%	\$ 15,433.7	\$ 18,814.5	29.4%	\$ 18,126.5	\$ 25,030.7	\$ 3,957.3	\$22,607.78	\$2,720.82
Sims Metal Management Limited	SGM	\$ 7.01	77.7%	\$ 1,423.2	\$ 1,179.3	1.5%	\$ 2,233.5	\$ 4,664.1	\$ 195.8	\$6,222.59	\$330.34
AK Steel Holding Corporation	AKS	\$ 2.27	44.4%	\$ 718.2	\$ 3,229.0	82.3%	\$ 4,687.0	\$ 6,790.9	\$ 668.7	\$6,613.47	\$478.98
SunCoke Energy, Inc.	SXC	\$ 5.64	46.8%	\$ 514.4	\$ 1,281.4	53.8%	\$ 2,082.4	\$ 1,532.2	\$ 258.0	\$1,529.70	\$269.47
Steel Dynamics, Inc.	STLD	\$ 29.80	64.0%	\$ 6,544.5	\$ 7,947.75	38.3%	\$ 7,943.2	\$ 11,018.7	\$ 1,491.6	\$10,435.25	\$1,322.31
Commercial Metals Company	CMC	\$ 17.38	82.6%	\$ 2,049.5	\$ 3,291.2	46.5%	\$ 3,767.0	\$ 5,594.4	\$ 409.3	\$6,026.73	\$551.25
Ryerson Holding Corporation	RYI	\$ 8.53	71.7%	\$ 322.3	\$ 1,547.1	90.5%	\$ 2,195.6	\$ 4,845.7	\$ 241.5	\$4,571.35	\$255.68
Cleveland-Cliffs Inc.	CLF	\$ 7.22	55.8%	\$ 1,949.8	\$ 3,677.1	88.1%	\$ 3,393.2	\$ 2,338.3	\$ 705.4	\$2,107.86	\$577.91
Schnitzer Steel Industries, Inc.	SCHN	\$ 20.66	71.5%	\$ 534.1	\$ 672.8	17.0%	\$ 1,092.6	\$ 2,254.6	\$ 159.7	\$2,068.21	\$130.43
United States Steel Corporation	X	\$ 11.55	37.4%	\$ 1,972.1	\$ 3,979.1	38.1%	\$ 11,291.0	\$ 14,464.0	\$ 1,262.0	\$12,972.87	\$768.98

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt); EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

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## Select Steel Public Company Valuation Metrics As of September 30, 2019

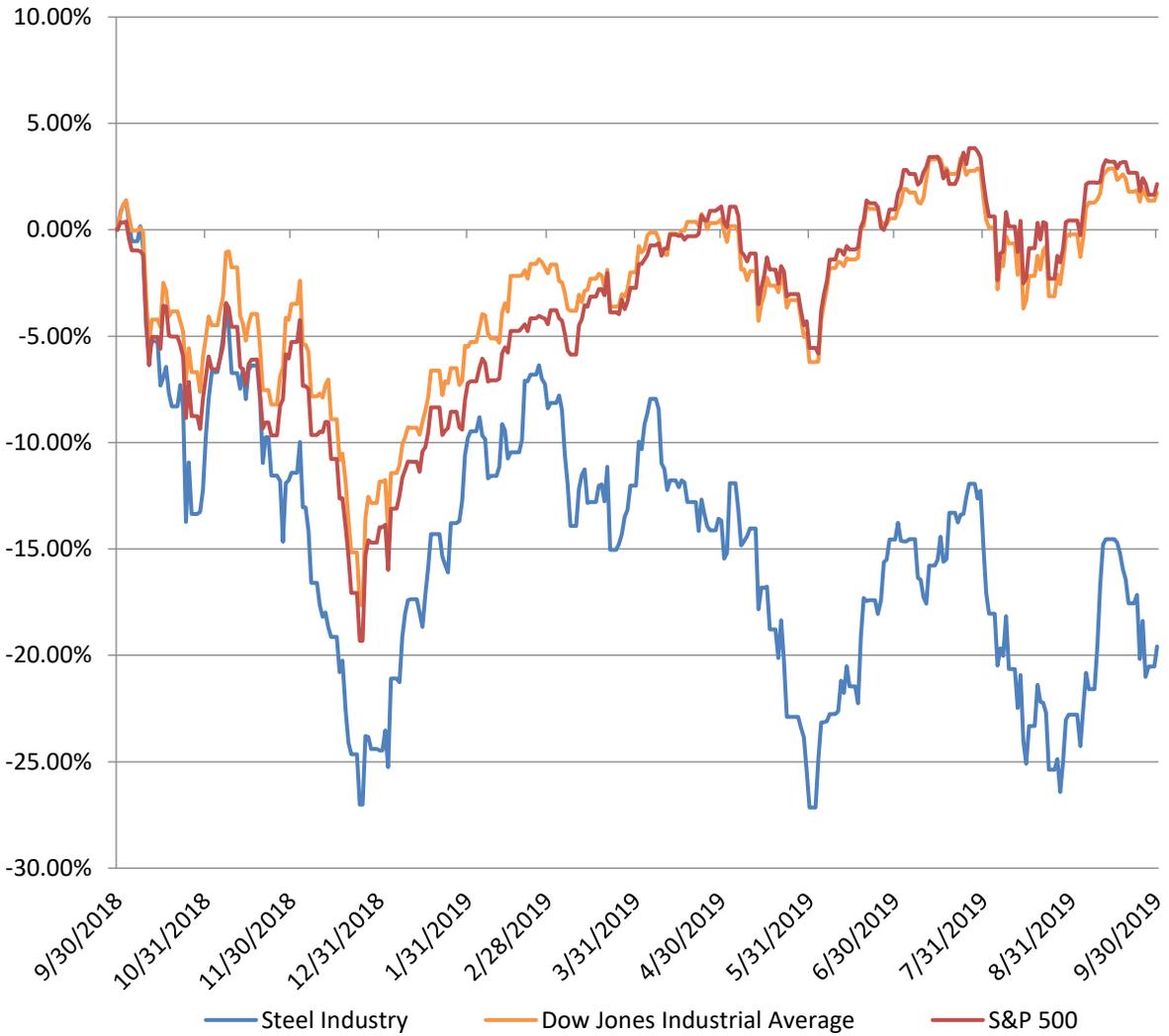
(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
<b>Steel Industry</b>											
Haynes International, Inc.	HAYN	1.3%	1.8%	2.4%	16.7%	172.5%	6.7%	0.9x	0.8x	13.3x	8.0x
Allegheny Technologies Incorporated	ATI	3.3%	9.3%	4.9%	10.0%	3.3%	10.7%	1.0x	1.0x	9.0x	8.4x
Worthington Industries, Inc.	WOR	2.9%	10.7%	4.2%	-2.5%	-31.0%	5.8%	0.8x	0.8x	13.2x	10.5x
Carpenter Technology Corporation	CRS	4.9%	11.1%	7.3%	10.3%	19.8%	15.0%	1.3x	1.2x	8.4x	7.6x
Universal Stainless & Alloy Products, Inc.	USAP	2.1%	3.3%	2.5%	11.4%	-1.5%	11.0%	0.8x	0.8x	7.3x	6.3x
Reliance Steel & Aluminum Co.	RS	7.1%	12.4%	8.4%	10.0%	7.0%	10.0%	0.7x	0.8x	7.5x	7.7x
Olympic Steel, Inc.	ZEUS	2.7%	4.8%	3.4%	20.0%	-26.3%	2.4%	0.3x	0.3x	10.7x	11.8x
TimkenSteel Corporation	TMST	-0.6%	-6.5%	-0.9%	3.3%	-11.6%	3.9%	0.3x	0.4x	8.3x	7.7x
Nucor Corporation	NUE	11.0%	22.8%	13.4%	12.3%	32.9%	15.8%	0.8x	0.8x	4.8x	6.9x
Sims Metal Management Limited	SGM	2.9%	6.8%	4.0%	3.0%	-7.2%	4.2%	0.3x	0.2x	6.0x	3.6x
AK Steel Holding Corporation	AKS	5.8%	50.8%	10.5%	6.2%	21.4%	9.8%	0.5x	0.5x	4.8x	6.7x
SunCoke Energy, Inc.	SXC	4.0%	5.5%	5.4%	8.2%	-4.1%	16.8%	0.8x	0.8x	5.0x	4.8x
Steel Dynamics, Inc.	STLD	9.3%	20.5%	11.3%	-2.1%	-20.0%	13.5%	0.7x	0.8x	5.3x	6.0x
Commercial Metals Company	CMC	5.7%	10.9%	7.2%	26.6%	47.3%	7.3%	0.6x	0.5x	8.0x	6.0x
Ryerson Holding Corporation	RYI	5.6%	163.5%	9.3%	31.9%	33.8%	5.0%	0.3x	0.3x	6.4x	6.1x
Cleveland-Cliffs Inc.	CLF	12.1%	NM	17.8%	16.8%	9.4%	30.2%	1.6x	1.7x	5.2x	6.4x
Schnitzer Steel Industries, Inc.	SCHN	6.2%	16.2%	8.2%	3.0%	-10.1%	7.1%	0.3x	0.3x	4.2x	5.2x
United States Steel Corporation	X	4.3%	25.4%	7.0%	10.1%	2.7%	8.7%	0.3x	0.3x	3.2x	5.2x
		5.0%	21.7%	7.0%	10.8%	13.2%	10.2%	0.7x	0.7x	7.3x	6.9x
		4.6%	10.9%	7.1%	10.0%	3.0%	9.3%	0.7x	0.8x	6.8x	6.6x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

### Steel Industry Public Company LTM Equity Performance As of September 30, 2019



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

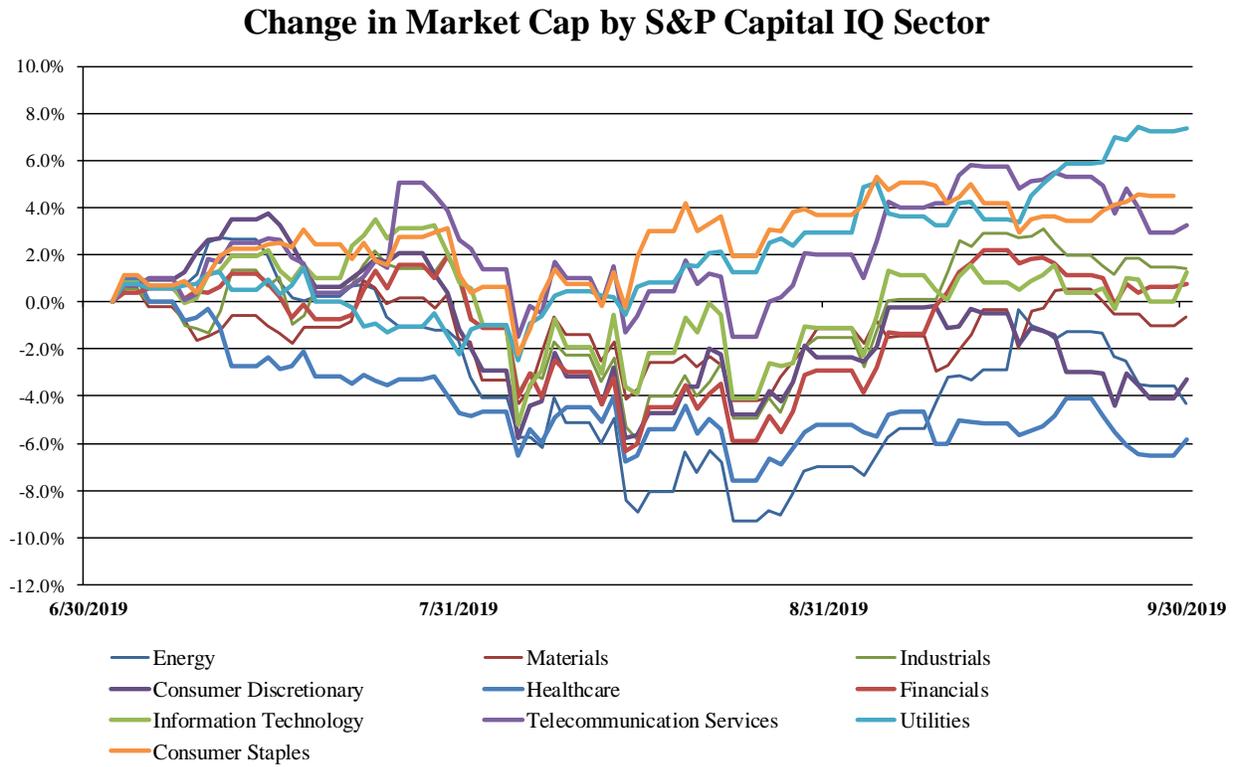
## Recent M&A Activity in the Steel Industry September 30, 2018 to September 30, 2019

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value	
1/2/2019	Assets of McCullough Industries, Inc.	Olympic Steel, Inc.	Steel	\$11.00	6
9/30/2019	Narstco, Inc.	RailWorks Corporation	Steel	NA	2
9/24/2019	Versabar Corporation	ZSi-Foster, L.L.C.	Steel	NA	1
7/26/2019	Kirk-Habicht Company	Lee Spring Company LLC	Steel	NA	0
6/24/2019	Magic Steel Sales, LLC	SteelSummit Holdings, Inc.	Steel	NA	0
6/12/2019	All Assets of Hazleton Casting Co.	Speyside Foundry Holdings, LLC	Steel	NA	0
6/12/2019	All Assets of Weatherly Casting and Machine Co.	Speyside Foundry Holdings, LLC	Steel	NA	0
6/10/2019	Johnstown Wire Technologies, Inc.	Liberty House Limited	Steel	NA	0
6/10/2019	All Assets of Blue Steel LLC	Reibus International, Inc.	Steel	NA	0
4/30/2019	Hosco Fittings LLC/Integrated Dispense Solutions	Carlisle Fluid Technologies, Inc.	Steel	NA	0

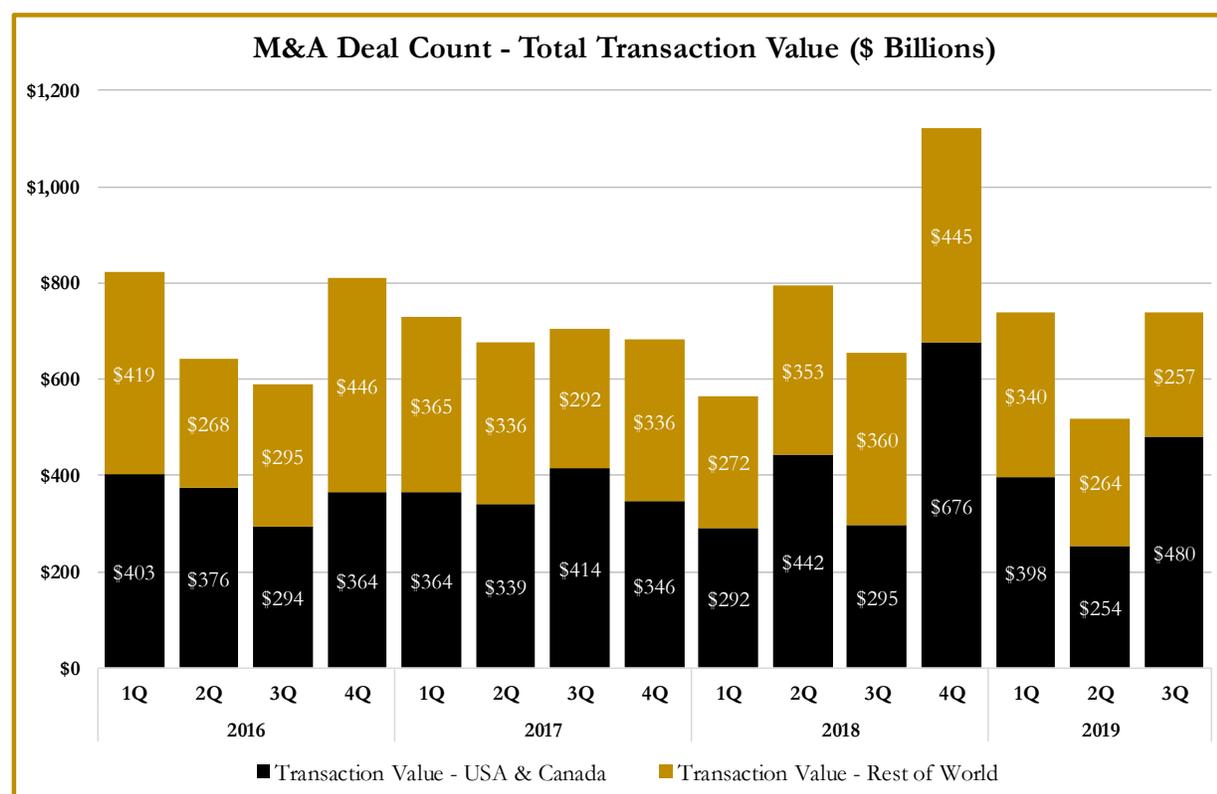
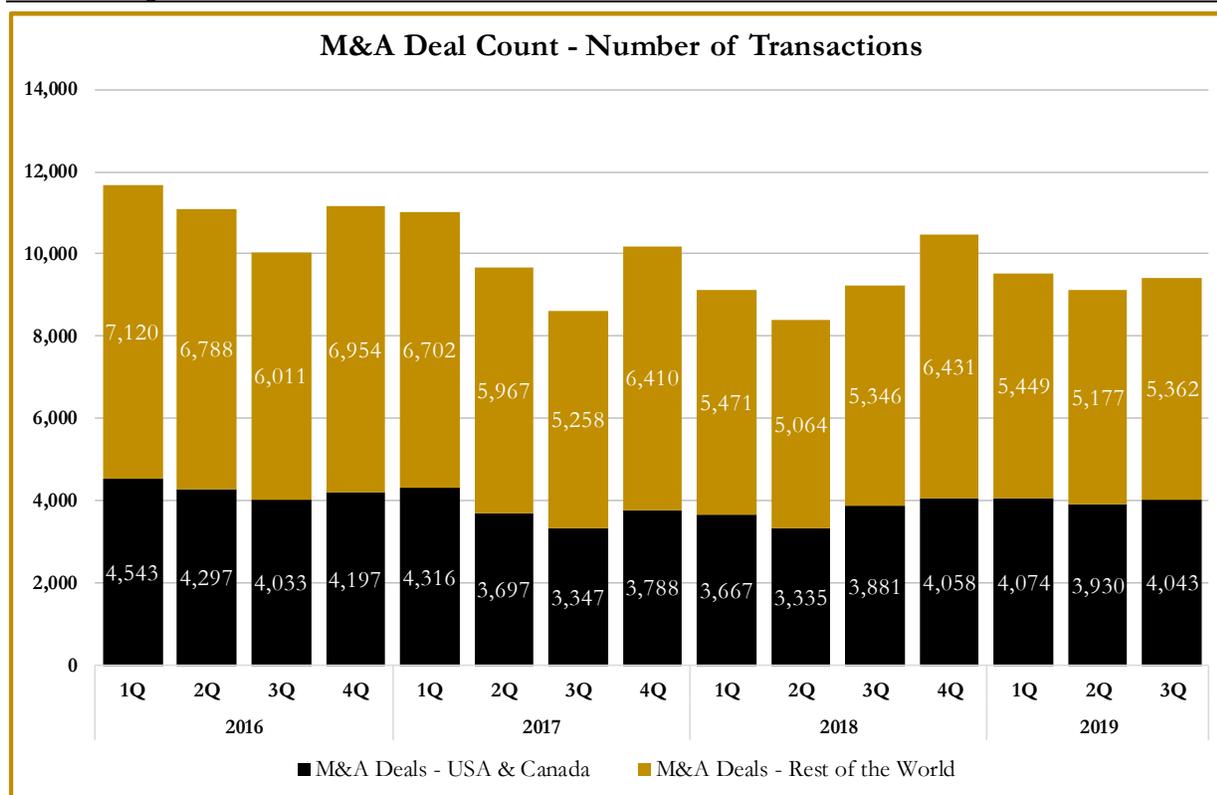
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance  
As of September 30, 2019

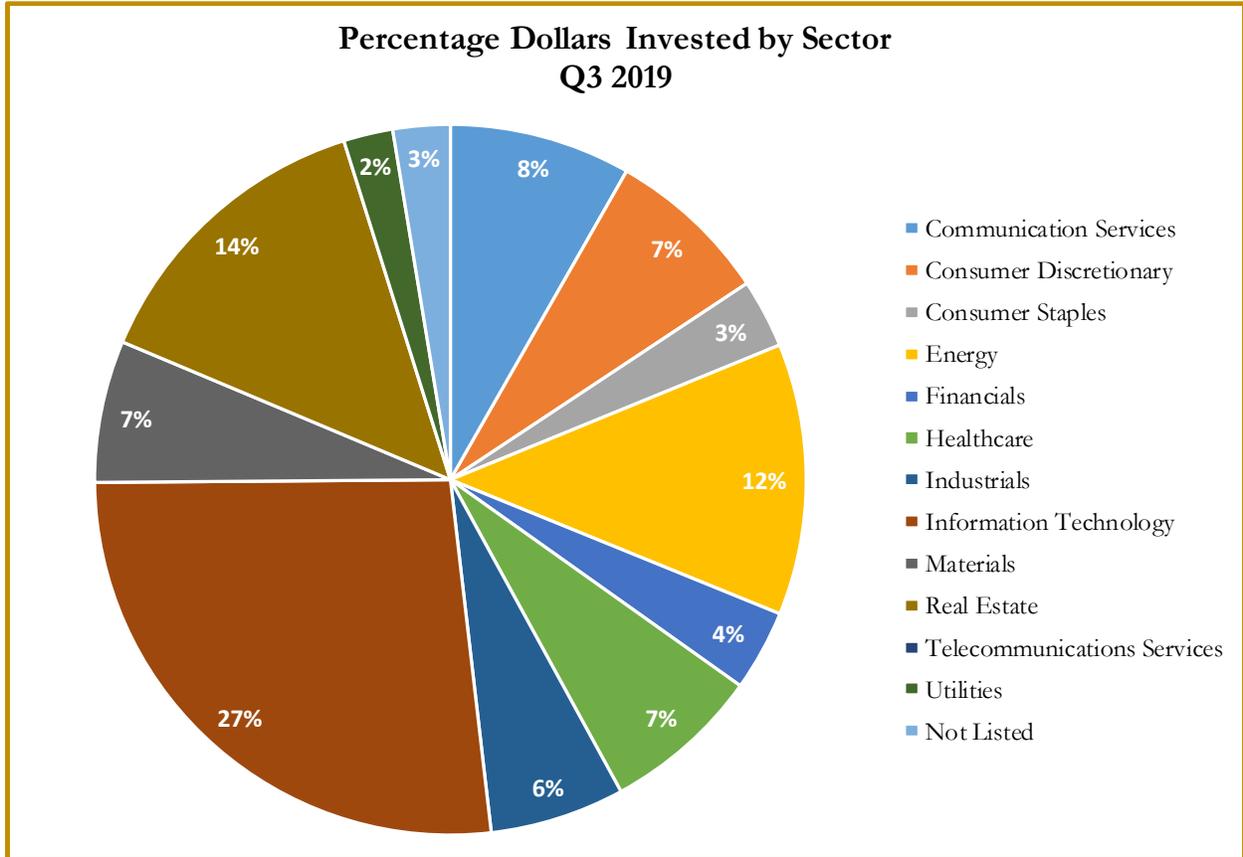


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

### M&A Deal Flow Statistics by S&P Capital IQ Sector As of September 30, 2019



M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of September 30, 2019





## About Houlihan Capital

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