

Industry Update

Steel

Q3 2020

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Financial Performance

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 09/30/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
Steel Industry									
Nucor Corporation	NUE	\$44.86	76.4%	\$17,395	\$18,766	\$20,548	\$2,160	\$20,035	\$2,179
Reliance Steel & Aluminum Co.	RS	\$102.04	83.5%	\$8,404	\$7,999	\$9,126	\$970	\$8,715	\$857
Steel Dynamics, Inc.	STLD	\$28.63	80.0%	\$8,327	\$8,618	\$9,350	\$1,092	\$9,453	\$1,110
Cleveland-Cliffs Inc.	CLF	\$6.42	71.2%	\$8,035	\$8,481	\$3,632	\$355	\$5,019	\$332
United States Steel Corporation	X	\$7.34	50.6%	\$5,614	\$11,731	\$10,003	-\$257	\$9,580	-\$190
Commercial Metals Company	CMC	\$19.98	83.1%	\$2,991	\$4,082	\$5,476	\$577	\$5,436	\$616
Worthington Industries, Inc.	WOR	\$40.78	91.3%	\$2,698	\$3,131	\$2,906	\$211	\$2,767	\$177
Allegheny Technologies Incorporated	ATI	\$8.72	36.1%	\$2,376	\$5,064	\$3,342	\$281	\$2,942	\$195
Sims Limited	SGM	\$7.58	63.6%	\$2,166	\$3,206	\$4,919	-\$55	\$4,601	\$205
Carpenter Technology Corporation	CRS	\$18.16	33.1%	\$1,443	\$3,129	\$1,949	\$175	\$1,752	\$101
Ryerson Holding Corporation	RYI	\$5.73	45.7%	\$1,158	\$1,840	\$3,575	\$154	\$3,485	\$145
SunCoke Energy, Inc.	SXC	\$3.42	51.5%	\$1,004	\$1,662	\$1,420	\$218	\$1,225	\$195
Schnitzer Steel Industries, Inc.	SCHN	\$19.23	85.2%	\$784	\$1,230	\$1,712	\$79	\$1,725	\$102
TimkenSteel Corporation	TMST	\$3.55	44.4%	\$239	\$984	\$846	-\$49	\$827	\$33
Haynes International, Inc.	HAYN	\$17.09	43.8%	\$195	\$604	\$430	\$29	\$349	\$1
Universal Stainless & Alloy Products, Inc.	USAP	\$5.49	34.7%	\$111	\$322	\$204	\$5	\$183	\$4

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Valuation Metrics

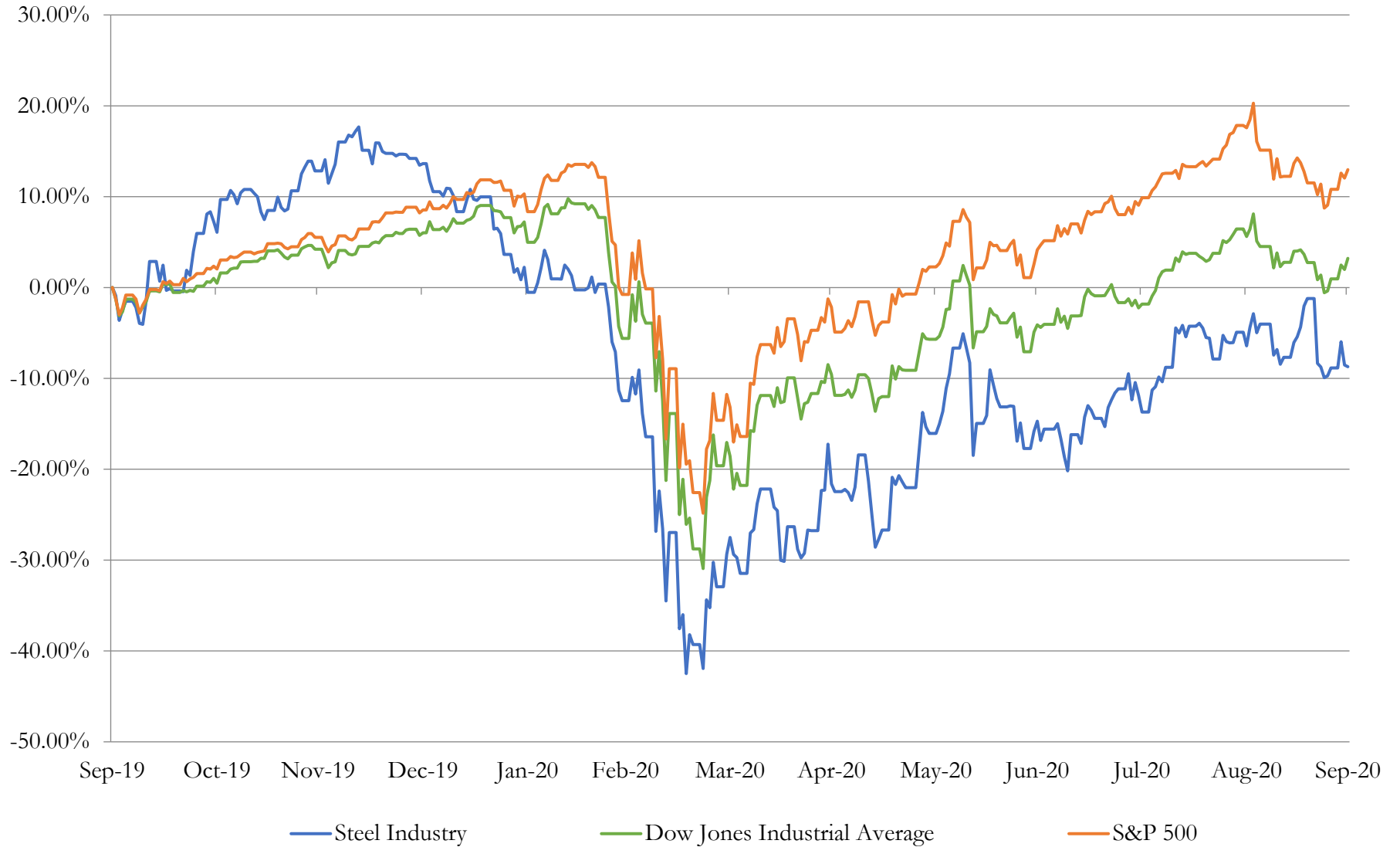
Return Profile, Trading Multiples

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Steel Industry									
Nucor Corporation	NUE	4.6%	5.8%	-17.9%	10.5%	-45.4%	1.4x	0.8x	8.1x
Reliance Steel & Aluminum Co.	RS	5.8%	8.1%	-19.5%	10.6%	-16.1%	1.1x	0.9x	8.7x
Steel Dynamics, Inc.	STLD	5.8%	12.1%	-15.1%	11.7%	-26.8%	1.4x	0.9x	7.6x
Cleveland-Cliffs Inc.	CLF	1.6%	-12.3%	68.8%	9.8%	-40.6%	2.2x	2.2x	22.6x
United States Steel Corporation	X	-4.7%	-48.9%	-27.5%	-2.6%	N/A	2.3x	0.6x	-21.8x
Commercial Metals Company	CMC	7.0%	15.8%	-6.0%	10.5%	21.4%	1.4x	0.5x	5.2x
Worthington Industries, Inc.	WOR	2.7%	57.9%	-19.9%	7.2%	-0.2%	1.2x	0.9x	12.8x
Allegheny Technologies Incorporated	ATI	1.8%	-18.6%	-19.3%	8.4%	-32.8%	1.7x	0.7x	8.5x
Sims Limited	SGM	-3.7%	-12.4%	-26.1%	-1.1%	N/A	1.3x	0.5x	-41.8x
Carpenter Technology Corporation	CRS	1.1%	-5.8%	-18.6%	9.0%	-53.1%	2.1x	0.7x	8.2x
Ryerson Holding Corporation	RYI	3.1%	-16.4%	-23.9%	4.3%	-37.1%	1.6x	0.3x	7.5x
SunCoke Energy, Inc.	SXC	3.0%	2.2%	-9.7%	15.3%	-14.3%	1.1x	0.7x	4.6x
Schnitzer Steel Industries, Inc.	SCHN	1.1%	-0.3%	-19.7%	4.6%	-42.0%	1.3x	0.5x	9.9x
TimkenSteel Corporation	TMST	-7.0%	-24.0%	-39.0%	-5.8%	N/A	1.9x	0.3x	-4.9x
Haynes International, Inc.	HAYN	1.0%	1.7%	-10.9%	6.7%	-7.1%	1.4x	0.5x	6.8x
Universal Stainless & Alloy Products, Inc.	USAP	-2.3%	-4.9%	-16.9%	2.3%	-80.4%	1.6x	0.5x	23.8x
	Mean	1.3%	-2.5%	-13.8%	6.3%	-28.8%	1.6x	0.7x	4.1x
	Median	1.7%	-2.6%	-18.9%	7.8%	-32.8%	1.4x	0.6x	7.8x

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LTM Equity Performance

Major Indexes



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Recent M&A Activity

Last Twelve (12) Months as of September 30, 2020

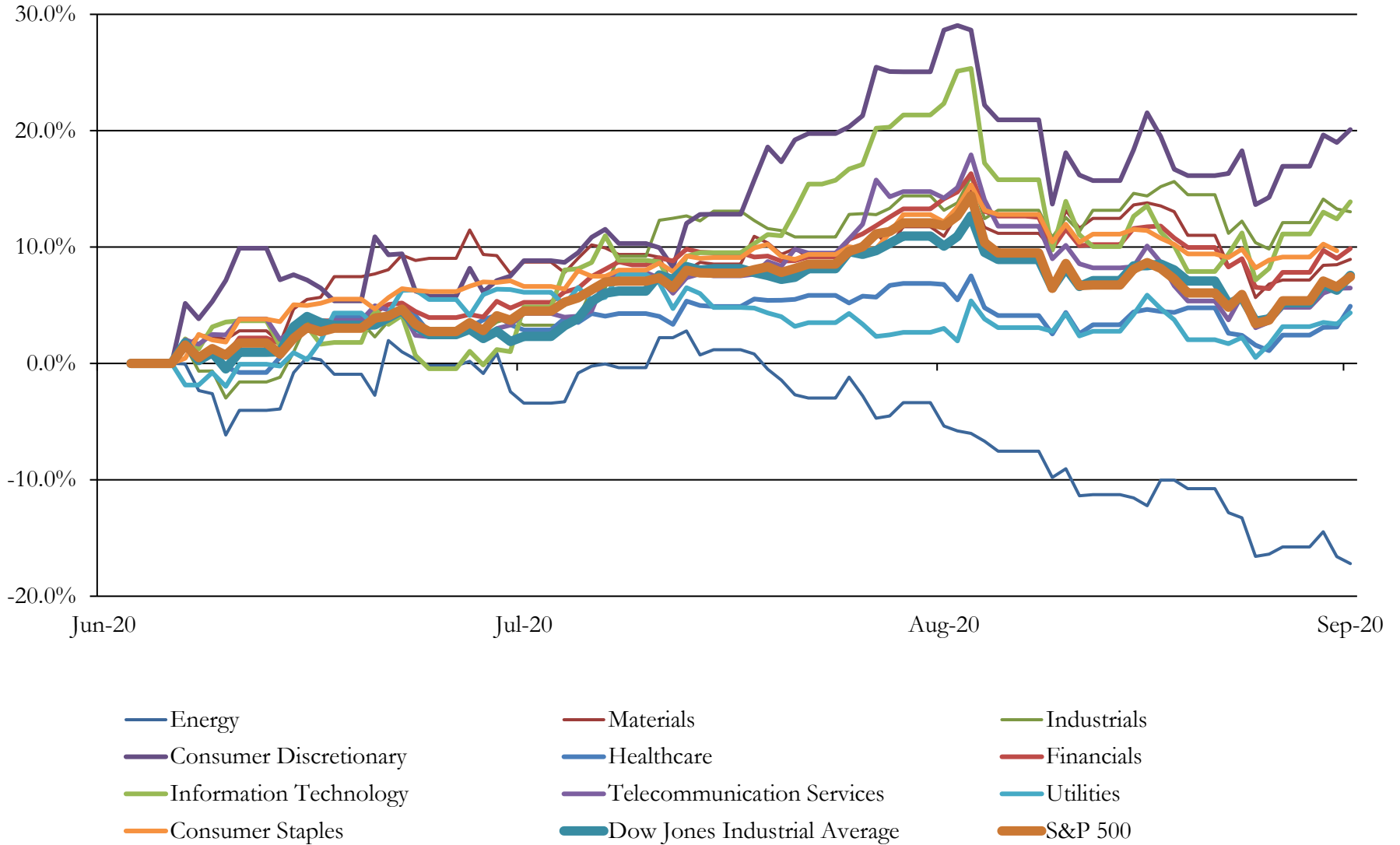
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Mar-20	AK Steel Holding Corporation	Cleveland-Cliffs Inc.	\$3,604
Jan-20	IPSCO Tubulars Inc.	Tenaris S.A.	\$1,145
Feb-20	USS-POSCO Industries	United States Steel Corporation	\$143
Jan-20	Harsco Industrial Ikg De Mexico, S.A. De C.V. and Harsco IKG, LLC	Sidero Inc.	\$85
Oct-19	Pickling and Slitting Facility in Cleveland of Heidtman Steel Products, Inc.	Worthington Industries, Inc.	\$30
Mar-20	Substantially All Assets of Strand-Tech Manufacturing, Inc.	Insteel Wire Products Company	\$23
Oct-19	Reynolds, Ind. Pellet Plant of ERP Iron Ore, LLC	Altos Hornos de México, S.A.B. de C.V.	\$15
Sep-19	Cast Roll Manufacturing Facility of Ampco-Pittsburgh Corporation	WHEMCO, Inc.	\$4
Jan-20	Assets of Sorini Ring Manufacturing Inc.	Self Industries, Inc.	NA
Jun-20	Certain Assets of Renaissance Manufacturing Group - Waukesha LLC	Grede Holdings LLC	NA
Jan-20	Mercury Tube, LLC	Accu-Tube Corporation	NA
Oct-19	DB&S Steel Corporation	Precision Marshall Steel Company	NA
Sep-19	Narstco, Inc.	RailWorks Corporation	NA
Dec-19	Steel Processing Pant in Pioneer	Toledo Tool And Die Company, Inc.	NA
May-20	Alameda Pipe & Supply Co. Inc.	JD Fields & Company, Inc.	NA
Mar-20	Damascus Steel Casting Company	Temperform, LLC	NA
Jan-20	Stainless Hose Fittings, Ltd.	Harbour Group Industries, Inc.	NA
Jan-20	Stainless Adapters Inc.	Midland Metal Mfg. Company	NA
Dec-19	Ford Steel Company, Inc.	North Shore Supply Company, Inc.	NA
Oct-19	Assets of Western Metal Decorating	Vorteq Coil Finishers, LLC	NA
Dec-19	U.S. Iron Casting Operations of American Axle & Manufacturing Holdings, Inc.	Gamut Capital Management, L.P.	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of September 30, 2020

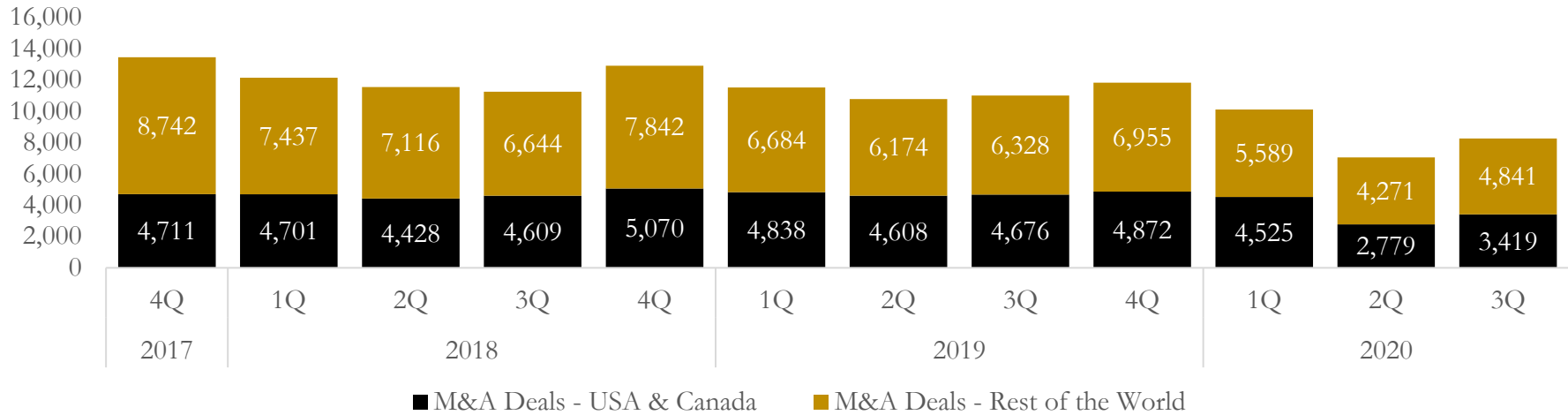


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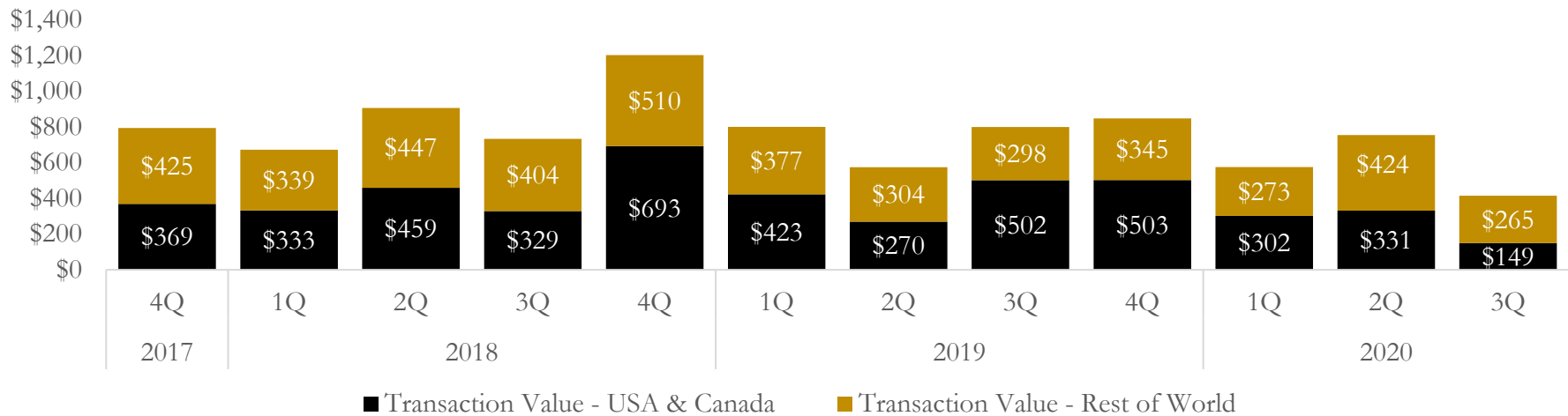
M&A Deal Flow Statistics

Last Three (3) Years as of September 30, 2020

M&A Deal Count - Number of Transactions



M&A Deal Count - Total Transaction Value (\$B)



About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

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Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

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