



Industry Update
Steel
Q4 2020

1

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 12/31/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
Steel Industry									
Nucor Corporation	NUE	\$53.19	92.5%	\$18,732	\$20,125	\$20,140	\$2,398	\$24,853	\$2,646
Cleveland-Cliffs Inc.	CLF	\$14.56	98.9%	\$12,709	\$8,481	\$3,632	\$355	\$18,761	\$2,678
Steel Dynamics, Inc.	STLD	\$36.87	91.7%	\$9,760	\$9,266	\$9,601	\$1,192	\$12,187	\$1,500
Reliance Steel & Aluminum Co.	RS	\$119.75	97.3%	\$9,145	\$7,999	\$9,126	\$970	\$9,900	\$1,008
United States Steel Corporation	X	\$16.77	83.9%	\$7,501	\$12,059	\$9,741	-\$94	\$13,957	\$1,859
Allegheny Technologies Incorporated	ATI	\$16.77	80.2%	\$3,369	\$4,035	\$2,982	\$198	\$2,800	\$227
Commercial Metals Company	CMC	\$20.54	85.4%	\$3,340	\$4,017	\$5,484	\$560	\$5,909	\$531
Worthington Industries, Inc.	WOR	\$51.34	91.0%	\$3,029	\$3,027	\$2,810	\$231	\$3,255	\$292
Sims Limited	SGM	\$13.45	97.5%	\$2,753	\$3,206	\$4,919	-\$55	\$6,241	\$368
Carpenter Technology Corporation	CRS	\$29.12	58.0%	\$2,056	\$3,044	\$1,725	\$79	\$1,589	\$95
Ryerson Holding Corporation	RYI	\$13.64	98.3%	\$1,355	\$1,840	\$3,575	\$154	\$3,964	\$203
Schnitzer Steel Industries, Inc.	SCHN	\$31.91	99.5%	\$1,174	\$1,278	\$1,799	\$108	\$2,473	\$188
SunCoke Energy, Inc.	SXC	\$4.35	65.5%	\$1,136	\$1,613	\$1,333	\$203	\$1,264	\$221
TimkenSteel Corporation	TMST	\$4.67	58.4%	\$281	\$984	\$846	-\$49	\$1,125	\$72
Haynes International, Inc.	HAYN	\$23.84	66.2%	\$233	\$554	\$344	\$0	\$344	\$4
Universal Stainless & Alloy Products, Inc.	USAP	\$7.48	49.5%	\$122	\$303	\$180	-\$3	\$158	\$7

2

Valuation Metrics

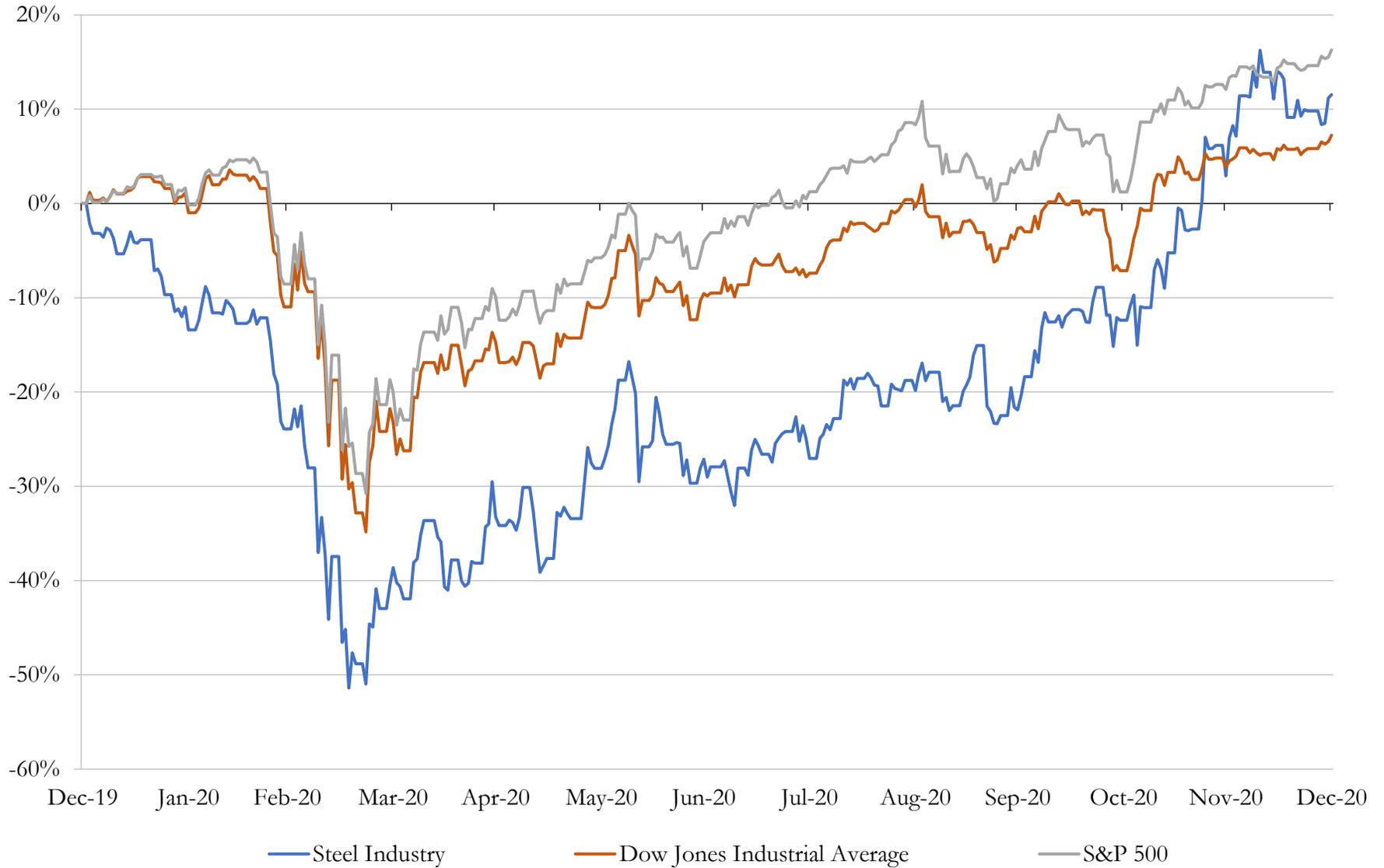
Return Profile, Trading Multiples

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	5.2%	7.6%	-10.8%	11.9%	-11.3%	1.4x	0.9x	7.5x
Cleveland-Cliffs Inc.	CLF	1.6%	-12.3%	68.8%	9.8%	-40.6%	2.3x	3.3x	33.8x
Steel Dynamics, Inc.	STLD	6.2%	13.6%	-8.3%	12.4%	-8.8%	1.5x	1.0x	7.8x
Reliance Steel & Aluminum Co.	RS	5.8%	8.1%	-19.5%	10.6%	-16.1%	1.0x	1.0x	9.2x
United States Steel Corporation	X	-3.9%	-29.2%	-24.7%	-1.0%	N/A	2.5x	0.7x	-75.0x
Allegheny Technologies Incorporated	ATI	0.7%	-110.0%	-27.7%	6.6%	-54.4%	1.9x	1.1x	17.0x
Commercial Metals Company	CMC	6.7%	14.3%	-7.6%	10.2%	-1.6%	1.3x	0.6x	5.7x
Worthington Industries, Inc.	WOR	3.2%	48.6%	-19.6%	8.2%	12.2%	1.1x	1.0x	12.5x
Sims Limited	SGM	-3.7%	-12.4%	-26.1%	-1.1%	N/A	1.4x	0.6x	-57.3x
Carpenter Technology Corporation	CRS	-0.7%	-14.3%	-28.4%	4.6%	-78.7%	2.3x	1.2x	25.2x
Ryerson Holding Corporation	RYI	3.1%	-16.4%	-23.9%	4.3%	-37.1%	1.7x	0.4x	8.7x
Schnitzer Steel Industries, Inc.	SCHN	2.5%	2.9%	-8.9%	6.0%	-0.8%	1.4x	0.6x	10.3x
SunCoke Energy, Inc.	SXC	2.9%	2.2%	-9.7%	15.2%	-19.8%	1.3x	0.8x	5.2x
TimkenSteel Corporation	TMST	-7.0%	-24.0%	-39.0%	-5.8%	N/A	2.0x	0.3x	-5.5x
Haynes International, Inc.	HAYN	-2.1%	-5.9%	-30.0%	0.0%	N/A	1.5x	0.7x	-2680.9x
Universal Stainless & Alloy Products, Inc.	USAP	-4.2%	-8.1%	-26.0%	-1.8%	N/A	1.7x	0.6x	-36.1x
	Mean	1.0%	-8.5%	-15.1%	5.6%	-23.4%	1.6x	0.9x	-169.5x
	Median	2.0%	-7.0%	-21.8%	6.3%	-16.1%	1.5x	0.8x	7.6x

3

LTM Equity Performance

Major Indexes



4

Recent M&A Activity

Last Twelve (12) Months as of December 31, 2020

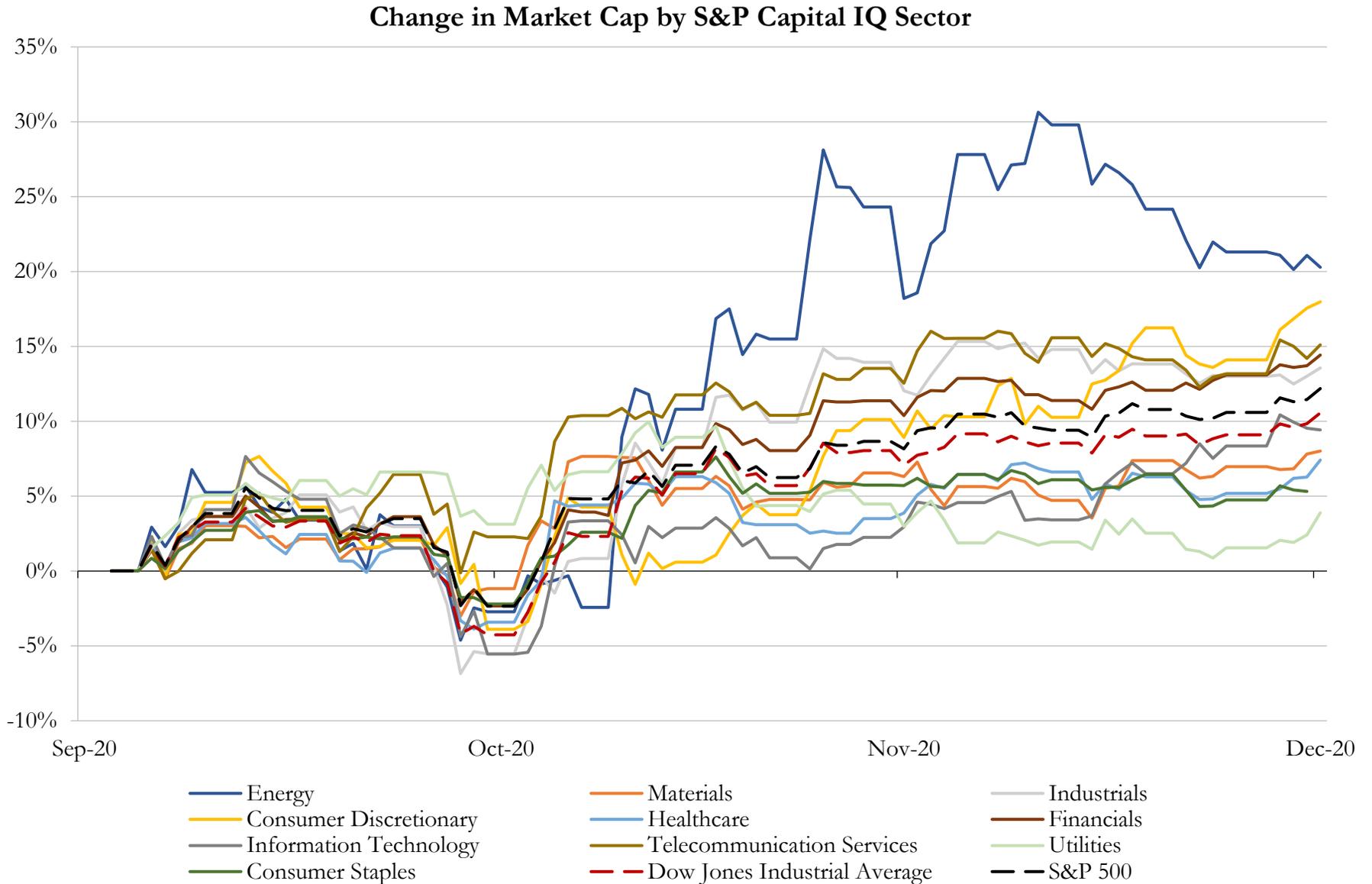
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Mar-20	AK Steel Holding Corporation	Cleveland-Cliffs Inc.	\$3,604
Dec-20	ArcelorMittal USA LLC	Cleveland-Cliffs Inc.	\$3,289
Jan-20	IPSCO Tubulars Inc.	Tenaris S.A.	\$1,107
Feb-20	USS-POSCO Industries	United States Steel Corporation	\$143
Dec-20	Assets of Bayou Steel BD Holdings, LLC	LIBERTY Steel Group	\$28
Dec-20	Business and Assets of Stein, Inc.	TMS International	NA
Dec-20	Xterra Trench Shields, LLC	Pacific Shoring, LLC	NA
Dec-20	Assets of Action Stainless & Alloys, Inc.	Olympic Steel, Inc.	NA
Dec-20	Business Assets of EPH, Inc.	Majestic Steel USA, Inc.	NA
Nov-20	Steel Fabricators Of Monroe, LLC	Lexicon, Inc.	NA
Oct-20	MMGC Acquisition LLC	Auxo Investment Partners; Auxo Growth Holdings I, LLC	NA
Sep-20	Welded Tubes, Inc.	Lock Joint Tube LLC	NA
Aug-20	Structural Steel of Carolina, LLC	Division 5, Inc.	NA
Jul-20	Substantially All the Assets of GalvaBar	CMC Steel Oklahoma, LLC	NA
Jun-20	Certain Assets of Renaissance Manufacturing Group - Waukesha LLC	Grede Holdings LLC	NA
May-20	Alameda Pipe & Supply Co. Inc.	JD Fields & Company, Inc.	NA
Mar-20	Industrial Property of Metal Technologies	Global Net Lease, Inc.	NA
Mar-20	Substantially All Assets of Strand-Tech Manufacturing, Inc.	Insteel Wire Products Company	NA
Mar-20	Damascus Steel Casting Company	Temperform, LLC	NA
Jan-20	Stainless Hose Fittings, Ltd.	Harbour Group Industries, Inc.	NA
Jan-20	Tube Bending Incorporated	Washington Equity Partners	NA
Jan-20	Harsco Industrial Ikg De Mexico, S.A. De C.V. and Harsco IKG, LLC	Sidero Inc.	NA
Jan-20	Mercury Tube, LLC	Accu-Tube Corporation	NA
Jan-20	Stainless Adapters Inc.	Midland Metal Mfg. Company	NA
Jan-20	Assets of Sorini Ring Manufacturing Inc.	Self Industries, Inc.	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

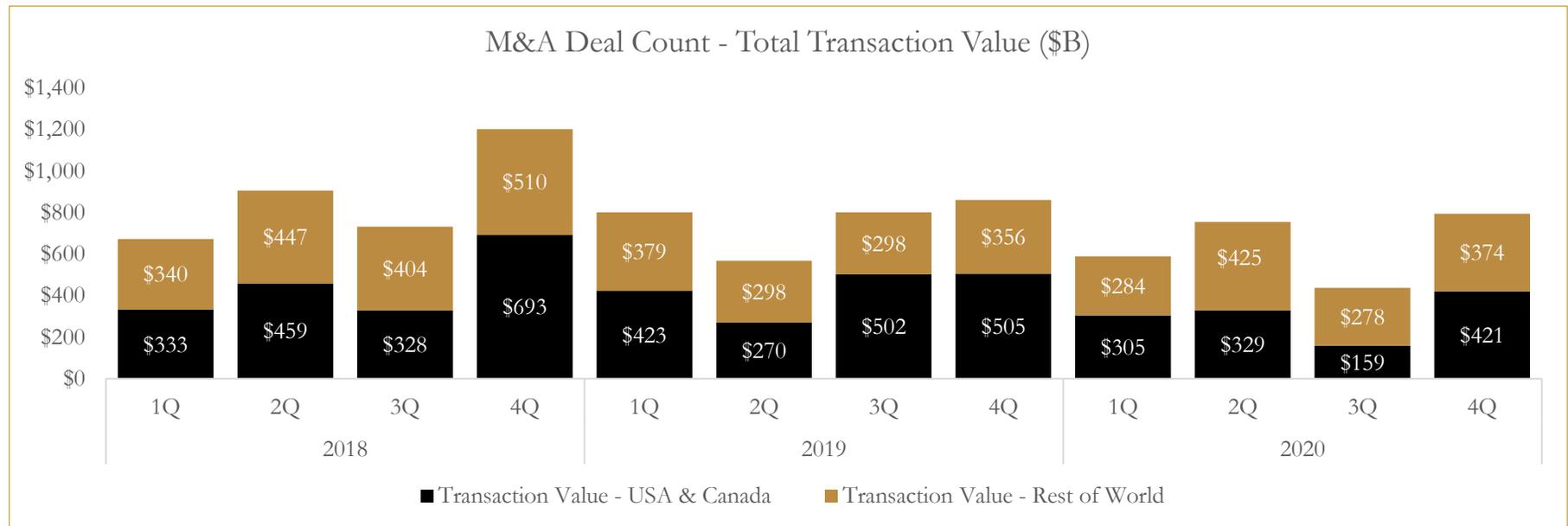
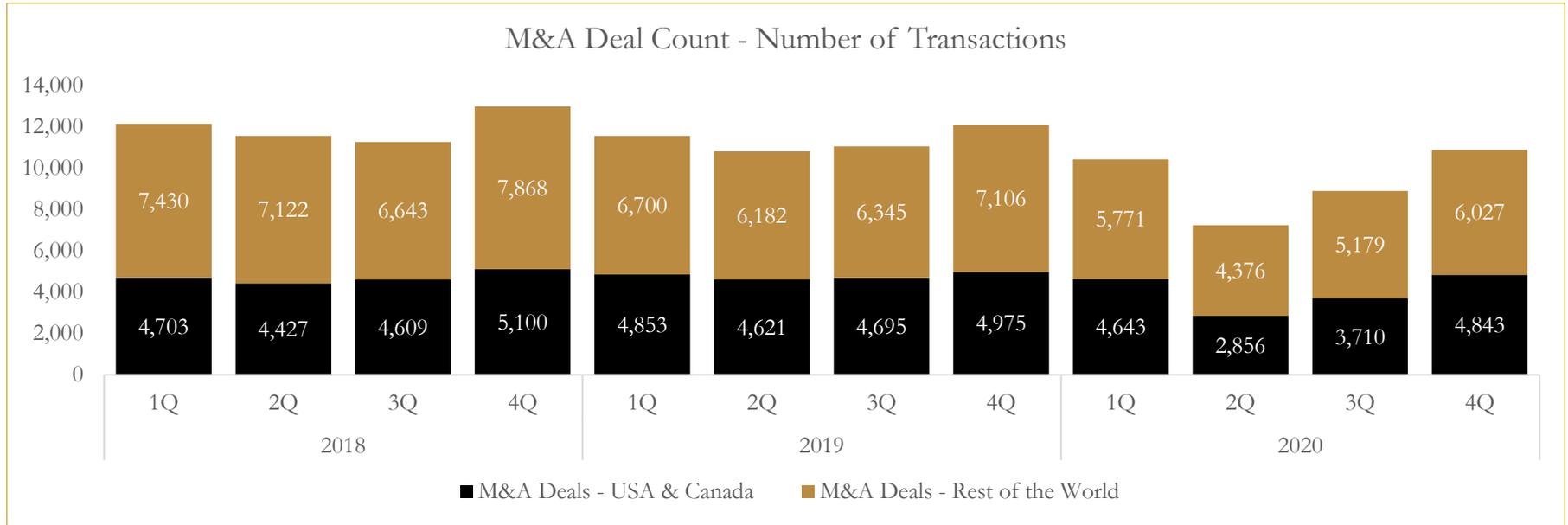
Last Three (3) Months as of December 31, 2020



6

M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2020



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.

Investment Banking

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.

Contact:

Andrew Smith

President

asmith@houlihancapital.com

(312) 450-8610

Paul Clark

Managing Director

pclark@houlihancapital.com

(312) 450-8656

Michael Norton

Director, Business Development

mnorton@houlihancapital.com

(312) 450-8628

Monica Blocker

Director, Business Development

mblocker@houlihancapital.com

(312) 450-8699