

Industry Update

**Steel**

Q1 2021

## 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 03/31/21	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	\$80.27	97.0%	\$26,609	\$20,125	\$20,140	\$2,417	\$28,379	\$4,658
Cleveland-Cliffs Inc.	CLF	\$20.11	98.9%	\$15,908	\$16,771	\$5,354	\$535	\$18,007	\$3,325
Steel Dynamics, Inc.	STLD	\$50.76	97.2%	\$12,576	\$9,266	\$9,601	\$1,192	\$13,773	\$2,213
Reliance Steel & Aluminum Co.	RS	\$152.29	96.0%	\$11,054	\$8,107	\$8,812	\$929	\$10,659	\$1,129
United States Steel Corporation	X	\$26.17	95.5%	\$9,171	\$12,059	\$9,741	-\$69	\$15,133	\$2,822
Commercial Metals Company	CMC	\$30.84	95.1%	\$4,341	\$4,064	\$5,605	\$581	\$6,306	\$634
Allegheny Technologies Incorporated	ATI	\$21.06	92.1%	\$3,934	\$4,035	\$2,982	\$182	\$2,744	\$223
Worthington Industries, Inc.	WOR	\$67.09	88.9%	\$3,748	\$3,138	\$2,805	\$273	\$3,234	\$350
Sims Limited	SGM	\$14.84	96.6%	\$3,207	\$3,148	\$4,662	\$47	\$6,307	\$392
Carpenter Technology Corporation	CRS	\$41.15	85.6%	\$2,482	\$3,044	\$1,725	\$79	\$1,593	\$89
Ryerson Holding Corporation	RYI	\$17.04	87.6%	\$1,436	\$1,802	\$3,467	\$124	\$4,367	\$180
Schnitzer Steel Industries, Inc.	SCHN	\$41.79	89.2%	\$1,415	\$1,405	\$1,959	\$154	\$2,675	\$245
SunCoke Energy, Inc.	SXC	\$7.01	91.0%	\$1,236	\$1,613	\$1,333	\$203	\$1,303	\$221
TimkenSteel Corporation	TMST	\$11.75	96.0%	\$508	\$994	\$831	\$17	\$1,141	\$136
Haynes International, Inc.	HAYN	\$29.67	87.8%	\$318	\$554	\$344	\$0	\$339	\$6
Universal Stainless & Alloy Products, Inc.	USAP	\$10.17	89.1%	\$133	\$303	\$180	\$8	\$158	\$6

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## Valuation Metrics

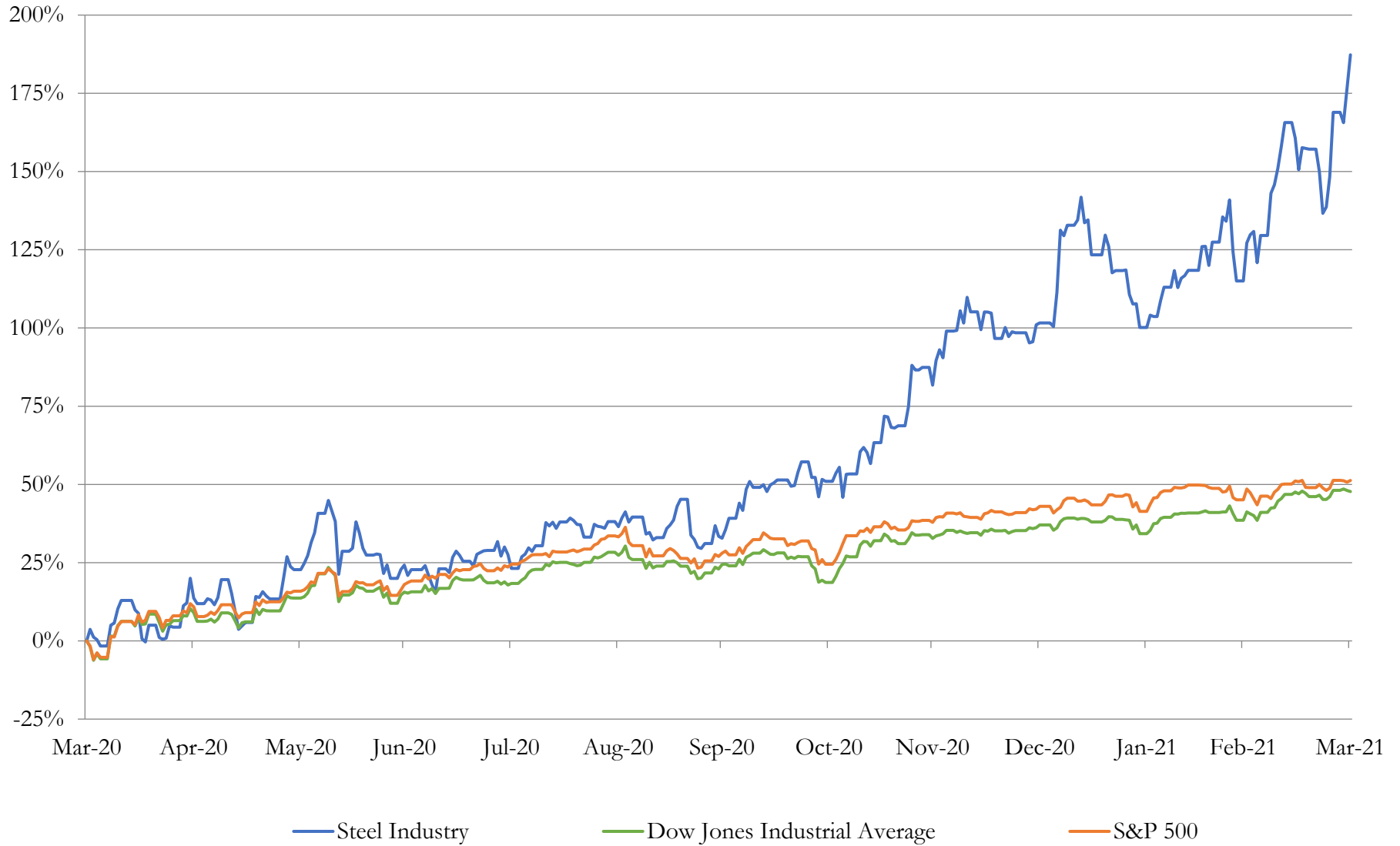
## Return Profile, Trading Multiples

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
<b>Steel Industry</b>									
Nucor Corporation	NUE	5.2%	7.6%	-10.8%	12.0%	-10.6%	1.4x	1.3x	11.0x
Cleveland-Cliffs Inc.	CLF	1.4%	-4.8%	169.0%	10.0%	2.9%	2.3x	3.0x	29.7x
Steel Dynamics, Inc.	STLD	6.2%	13.6%	-8.3%	12.4%	-8.8%	1.5x	1.3x	10.5x
Reliance Steel & Aluminum Co.	RS	5.4%	7.2%	-19.7%	10.5%	-24.6%	1.1x	1.3x	11.9x
United States Steel Corporation	X	-3.8%	-29.2%	-24.7%	-0.7%	N/A	2.3x	0.9x	-132.9x
Commercial Metals Company	CMC	6.8%	13.9%	-4.6%	10.4%	-8.9%	1.3x	0.8x	7.5x
Allegheny Technologies Incorporated	ATI	0.7%	-110.0%	-27.7%	6.1%	-58.1%	1.9x	1.3x	21.6x
Worthington Industries, Inc.	WOR	4.1%	52.1%	-17.2%	9.7%	21.2%	1.1x	1.3x	13.8x
Sims Limited	SGM	-1.6%	-5.9%	-22.6%	1.0%	-59.0%	1.3x	0.7x	68.3x
Carpenter Technology Corporation	CRS	-0.7%	-14.3%	-28.4%	4.6%	-78.7%	2.3x	1.4x	31.3x
Ryerson Holding Corporation	RYI	2.3%	-40.3%	-23.0%	3.6%	-50.6%	1.6x	0.4x	11.6x
Schnitzer Steel Industries, Inc.	SCHN	4.6%	8.6%	1.0%	7.9%	49.9%	1.4x	0.7x	9.2x
SunCoke Energy, Inc.	SXC	2.6%	1.7%	-16.7%	15.2%	-18.0%	1.2x	0.9x	6.1x
TimkenSteel Corporation	TMST	-3.0%	-11.6%	-31.3%	2.1%	N/A	2.1x	0.6x	29.2x
Haynes International, Inc.	HAYN	-2.1%	-5.9%	-30.0%	0.0%	N/A	1.5x	0.9x	-3697.6x
Universal Stainless & Alloy Products, Inc.	USAP	-1.7%	-8.1%	-26.0%	4.6%	-65.2%	1.6x	0.7x	16.0x
	<b>Mean</b>	<b>1.6%</b>	<b>-7.9%</b>	<b>-7.6%</b>	<b>6.8%</b>	<b>-23.7%</b>	<b>1.6x</b>	<b>1.1x</b>	<b>-222.1x</b>
	<b>Median</b>	<b>1.8%</b>	<b>-5.3%</b>	<b>-21.2%</b>	<b>7.0%</b>	<b>-18.0%</b>	<b>1.5x</b>	<b>0.9x</b>	<b>11.7x</b>

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## LTM Equity Performance

Major Indexes



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## Recent M&amp;A Activity

*Last Twelve (12) Months as of March 31, 2021*

*(USD in millions)*

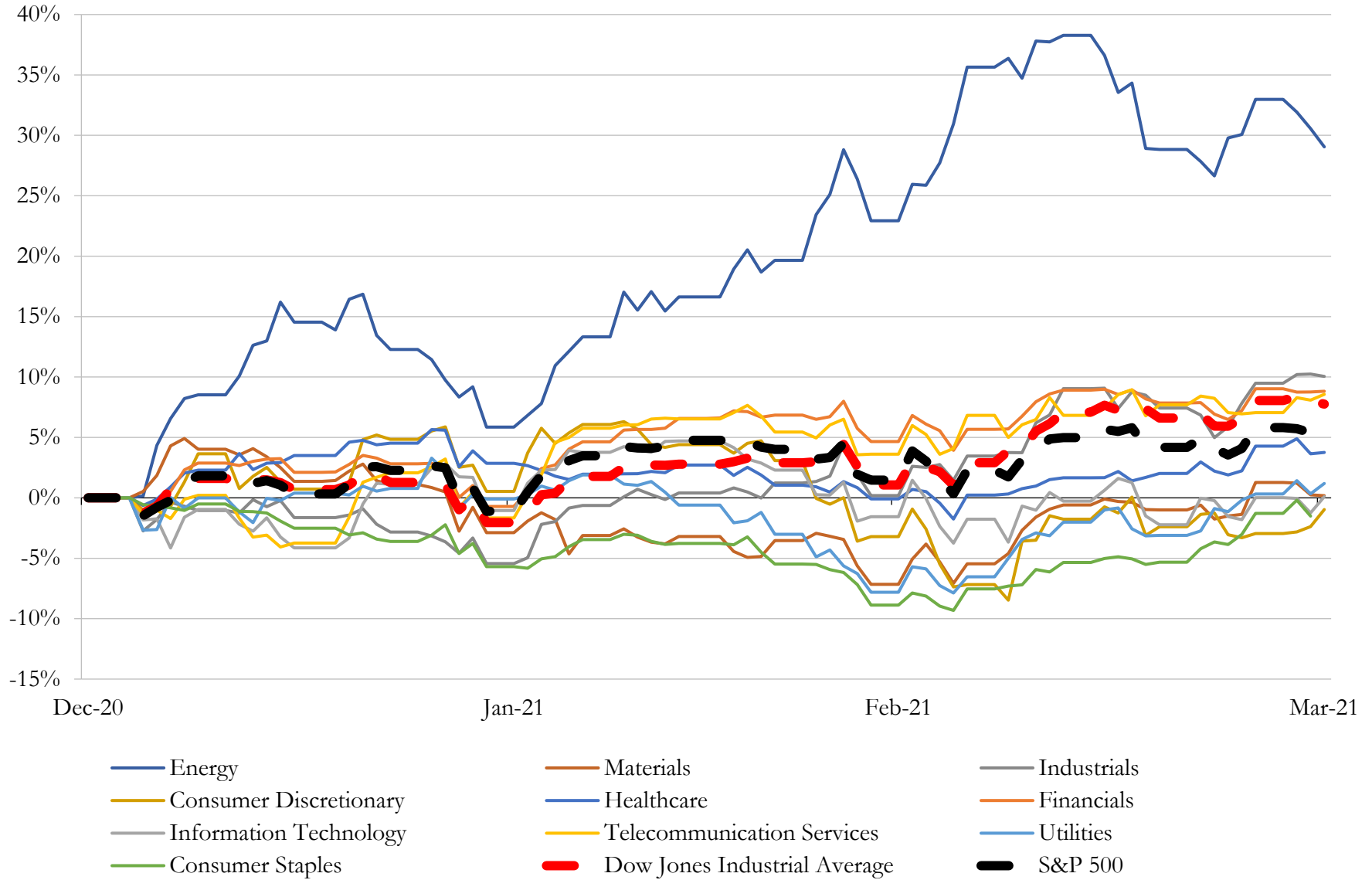
Close Date	Target	Acquirer	Implied TEV
Dec-20	ArcelorMittal USA LLC	Cleveland-Cliffs Inc.	\$3,289
Jan-21	Big River Steel LLC	United States Steel Corporation	\$1,493
Dec-20	Assets of Bayou Steel BD Holdings, LLC	LIBERTY Steel Group	\$28
Dec-20	Assets of Action Stainless & Alloys, Inc.	Olympic Steel, Inc.	\$24
Dec-20	Assets of Action Stainless & Alloys, Inc.	Olympic Steel, Inc.	\$24
Feb-21	Buena Vista Magnetite iron ore project in Nevada	Magnum Mining and Exploration Limited	\$5
Feb-21	Buena Vista Magnetite iron ore project in Nevada	Magnum Mining and Exploration Limited	\$5
Mar-21	All assets of The NanoSteel Company, Inc.	N/A	\$2
Mar-21	All assets of The NanoSteel Company, Inc.	N/A	\$2
Mar-20	Industrial Property of Metal Technologies	Global Net Lease, Inc.	\$1
Mar-20	Industrial Property of Metal Technologies	Global Net Lease, Inc.	\$1
Jan-21	Ben's Creek Carbon mine in West Virginia	MBU Capital (UK) LLP	NA
Jan-21	All assets of Elyria Foundry Company, LLC	Speyside Equity LLC	NA
Jan-21	Attala Steel Industries, LLC	Middleground Partners I, L.P.; MiddleGround Capital LLC	NA
Dec-20	Fencing Tube Manufacturing Business of Midwest Tube Mills Inc	US Premier Tube Mills LLC	NA
Dec-20	Business and Assets of Stein, Inc.	TMS International	NA
Dec-20	Xterra Trench Shields, LLC	Pacific Shoring, LLC	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

Source: Capital IQ



# 5 Change in Market Capitalization by Sector

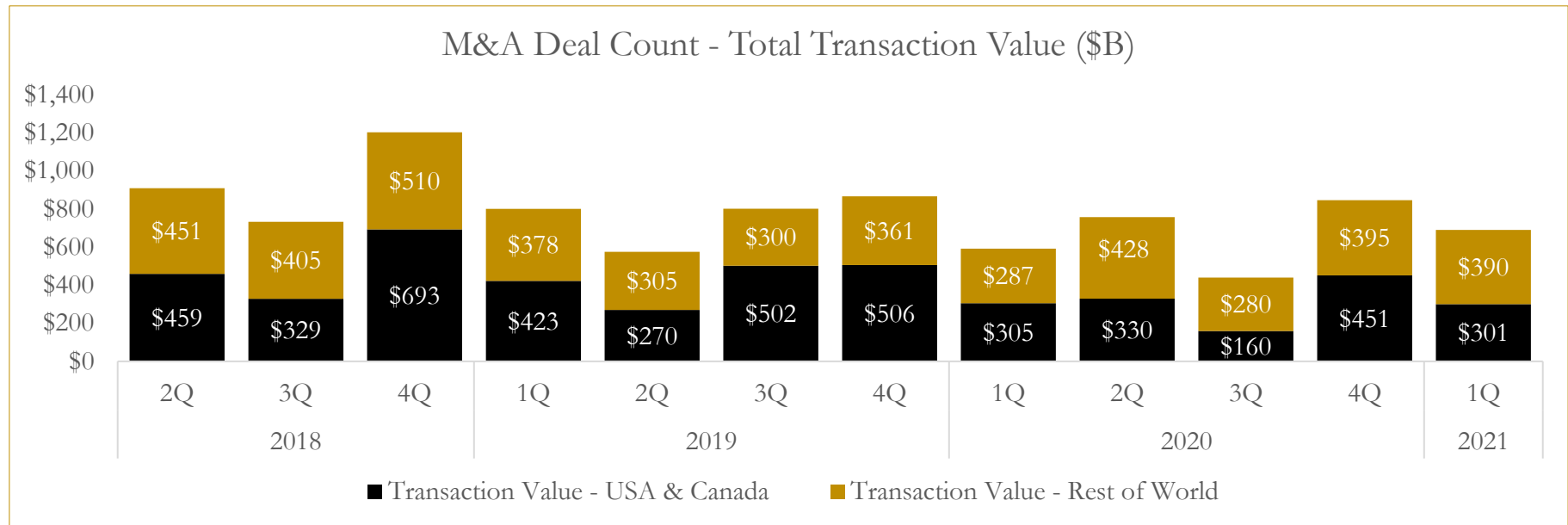
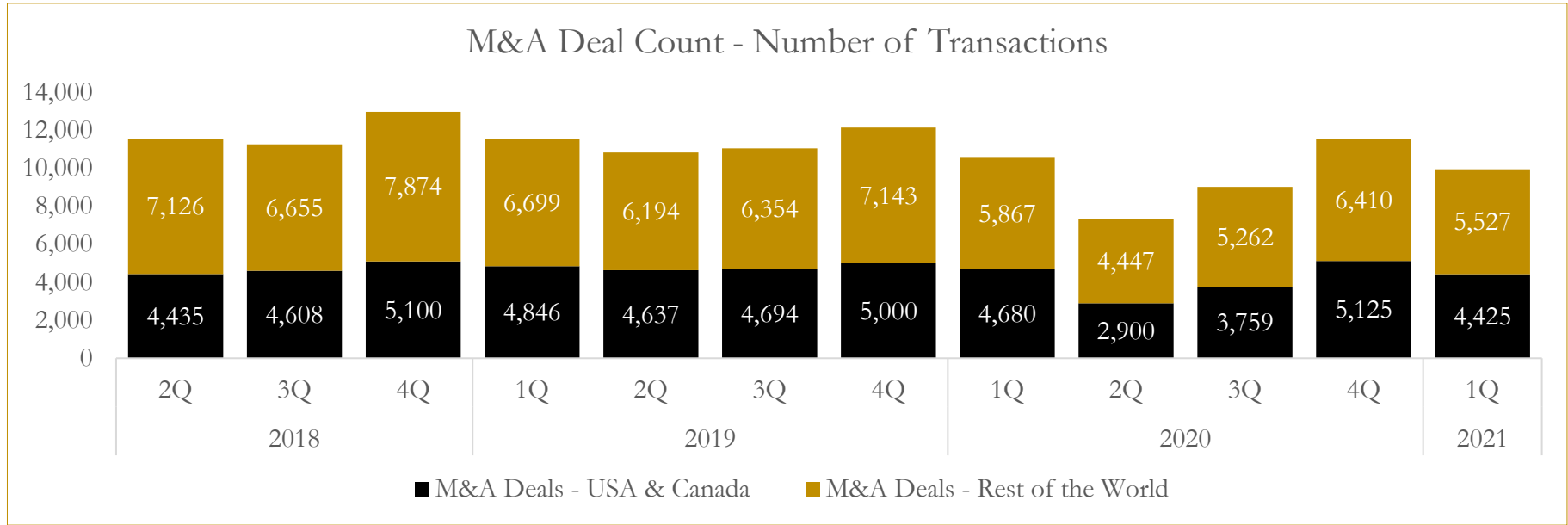
Last Three (3) Months as of March 31, 2021



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## M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2021



## 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.

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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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### 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](mailto:asmith@houlihancapital.com)

(312) 450-8610

**Paul Clark**

Managing Director

[pclark@houlihancapital.com](mailto:pclark@houlihancapital.com)

(312) 450-8656

**Michael Norton**

Director, Business Development

[mnorton@houlihancapital.com](mailto:mnorton@houlihancapital.com)

(312) 450-8628

**Monica Blocker**

Director, Business Development

[mblocker@houlihancapital.com](mailto:mblocker@houlihancapital.com)

(312) 450-8699