

Industry Update

Steel

Q1 2022

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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 03/31/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
Steel Industry									
Nucor Corporation	NUE	\$148.65	94.3%	\$44,454	\$25,823	\$36,484	\$10,183	\$40,154	\$8,571
Cleveland-Cliffs Inc.	CLF	\$32.21	96.6%	\$22,496	\$18,975	\$20,444	\$5,170	\$22,902	\$5,130
Steel Dynamics, Inc.	STLD	\$83.43	93.0%	\$17,829	\$12,531	\$18,409	\$4,649	\$20,673	\$4,383
Reliance Steel & Aluminum Co.	RS	\$183.35	92.4%	\$12,586	\$9,536	\$14,093	\$2,196	\$14,438	\$1,966
United States Steel Corporation	X	\$37.74	97.1%	\$11,084	\$17,816	\$20,275	\$5,389	\$20,964	\$5,126
Commercial Metals Company	CMC	\$41.62	95.5%	\$5,855	\$5,504	\$7,866	\$1,095	\$8,671	\$1,251
Allegheny Technologies Incorporated	ATI	\$26.84	94.3%	\$4,813	\$4,285	\$2,800	\$270	\$3,095	\$417
Sims Limited	SGM	\$21.56	98.2%	\$4,355	\$3,817	\$7,740	\$406	\$8,343	\$812
Worthington Industries, Inc.	WOR	\$51.41	71.0%	\$3,484	\$3,738	\$4,700	\$471	\$4,299	\$445
Carpenter Technology Corporation	CRS	\$41.98	85.3%	\$2,612	\$2,880	\$1,557	\$29	\$1,754	\$192
Ryerson Holding Corporation	RYI	\$35.02	88.5%	\$2,112	\$2,366	\$5,675	\$492	\$5,090	\$586
Schnitzer Steel Industries, Inc.	SCHN	\$51.94	87.5%	\$1,805	\$1,724	\$3,248	\$278	\$3,576	\$392
SunCoke Energy, Inc.	SXC	\$8.91	90.7%	\$1,343	\$1,615	\$1,456	\$275	\$1,475	\$248
TimkenSteel Corporation	TMST	\$21.88	90.8%	\$752	\$1,159	\$1,283	\$262	\$1,501	\$264
Haynes International, Inc.	HAYN	\$42.60	90.5%	\$543	\$531	\$365	\$27	\$469	\$60
Universal Stainless & Alloy Products, Inc.	USAP	\$8.68	69.6%	\$150	\$331	\$156	\$11	\$195	\$22

Source: Capital IQ

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Valuation Metrics

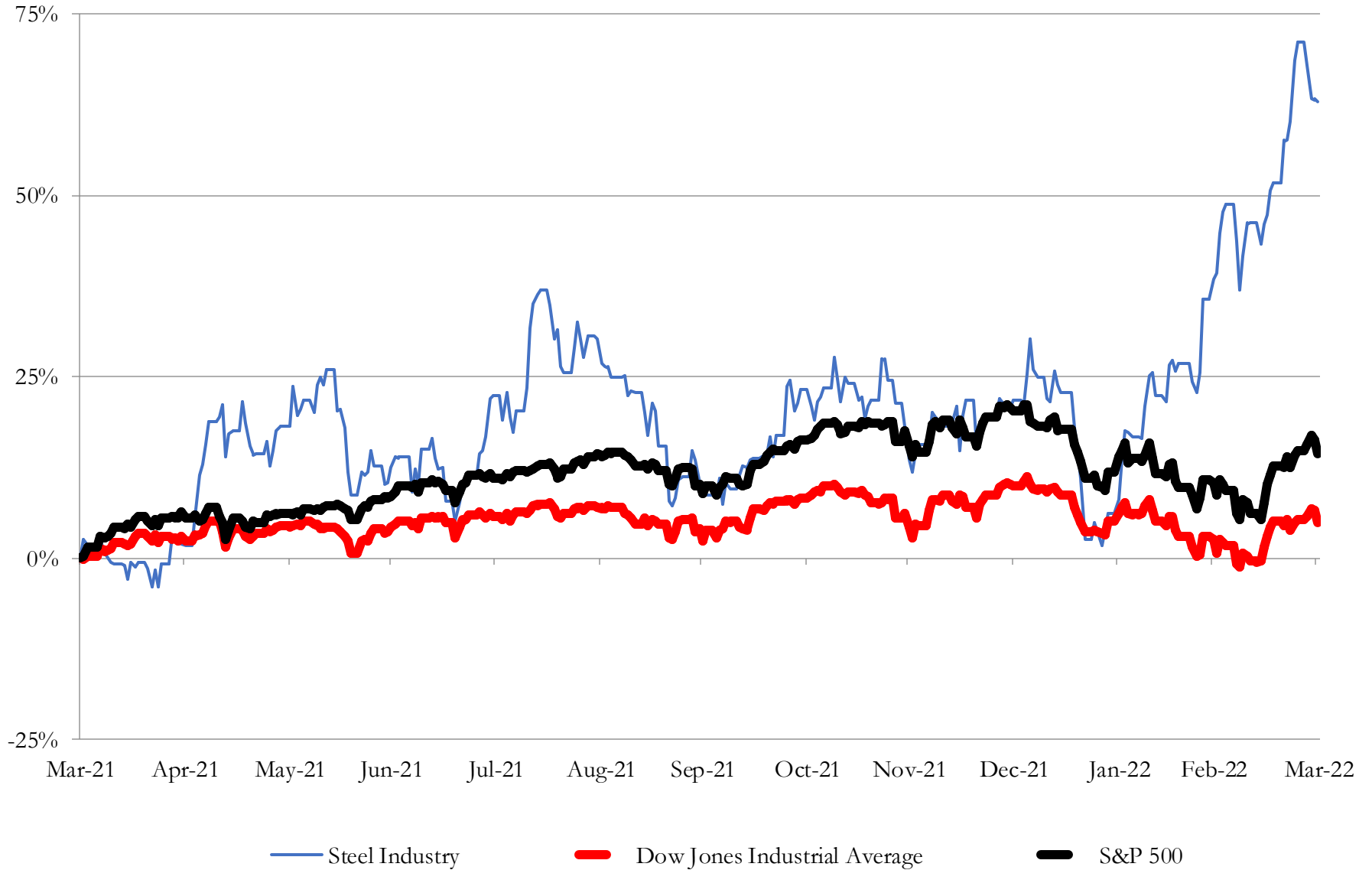
Return Profile, Trading Multiples

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	25.2%	55.1%	81.2%	27.9%	321.4%	1.3x	1.2x	4.4x
Cleveland-Cliffs Inc.	CLF	14.9%	68.5%	281.8%	25.3%	1567.7%	2.1x	1.1x	4.4x
Steel Dynamics, Inc.	STLD	24.7%	60.9%	91.7%	25.3%	289.9%	1.4x	1.0x	3.8x
Reliance Steel & Aluminum Co.	RS	13.9%	25.3%	59.9%	15.6%	136.4%	0.9x	0.9x	5.7x
United States Steel Corporation	X	19.2%	64.3%	108.1%	26.6%	N/A	2.0x	0.5x	2.1x
Commercial Metals Company	CMC	12.2%	36.8%	40.3%	13.9%	78.6%	1.2x	0.7x	5.3x
Allegheny Technologies Incorporated	ATI	2.2%	-2.2%	-6.1%	9.6%	46.7%	1.4x	1.7x	17.8x
Sims Limited	SGM	5.1%	20.3%	66.0%	5.2%	741.2%	1.4x	0.6x	11.0x
Worthington Industries, Inc.	WOR	6.9%	28.2%	67.6%	10.0%	72.8%	1.0x	0.7x	7.4x
Carpenter Technology Corporation	CRS	-1.9%	-10.6%	-9.7%	1.9%	-64.2%	1.8x	1.7x	89.7x
Ryerson Holding Corporation	RYI	13.1%	85.7%	63.7%	8.7%	297.5%	1.7x	0.4x	4.3x
Schnitzer Steel Industries, Inc.	SCHN	8.5%	23.8%	65.7%	8.6%	80.2%	1.5x	0.6x	6.5x
SunCoke Energy, Inc.	SXC	5.5%	9.4%	9.2%	18.9%	35.3%	1.1x	0.9x	4.9x
TimkenSteel Corporation	TMST	11.6%	29.2%	54.4%	20.4%	1404.0%	1.9x	0.6x	2.9x
Haynes International, Inc.	HAYN	0.9%	1.3%	6.0%	7.5%	N/A	1.4x	1.5x	19.9x
Universal Stainless & Alloy Products, Inc.	USAP	-1.2%	-0.3%	-13.2%	7.2%	228.0%	1.3x	1.0x	13.4x
	Mean	10.1%	31.0%	60.4%	14.5%	374.0%	1.5x	0.9x	12.7x
Source: Capital IQ	Median	10.1%	26.7%	61.8%	12.0%	182.2%	1.4x	0.9x	5.5x

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LTM Equity Performance

Major Indexes



Source: Capital IQ

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Recent M&A Activity

Last Twelve (12) Months as of March 31, 2022

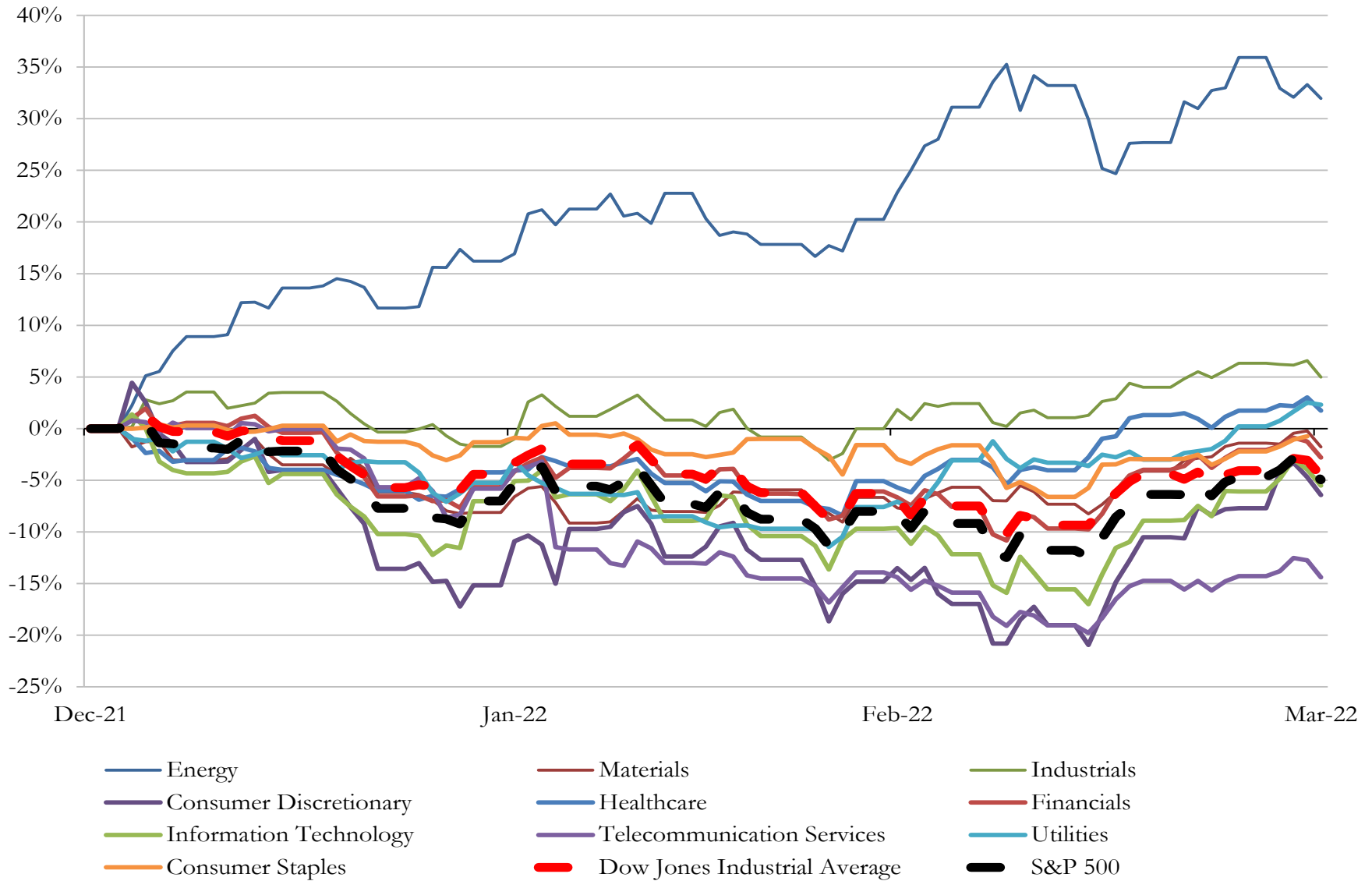
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Aug-21	Hannibal Industries, Inc.	Nucor Corporation	\$370
Dec-21	Tempel Steel Company	Worthington Steel of Michigan, Inc.	\$255
Dec-21	Substantially All of the Assets and Liabilities of Universal Refractories, Inc.	Vesuvius plc	\$57
Dec-21	Etiwanda Facility Located in Rancho Cucamonga, California	Newcastle Partners, Inc.	\$55
Nov-21	Geneva Structural Tubes, LLC	MKK USA Inc.	\$24
Sep-21	Steel Piling Products Business of L.B. Foster Company	JD Fields & Company, Inc.	\$24
Nov-21	Frazer & Jones Company	N/A	NA
Feb-22	California Steel Industries Inc.	Nucor Corporation	NA
Aug-21	Business Assets Of Merit Ends and Viking Processing Corporation	Majestic Steel USA, Inc.	NA
Feb-22	Cast Corporation	Métal 7 Inc.	NA
Mar-22	Franklin Iron Works Inc./Alabama Casting, LLC	Druid Capital Partners, LLC; Elyton Capital LLC	NA
Nov-21	Aarrowcast, Inc. (nka:Charter Aarrowcast)	Charter Manufacturing Company, Inc.	NA
Nov-21	National Bushing & Manufacturing Corp.	N/A	NA
Feb-22	Plant Located at Windsor, Colorado	NIM Group	NA
Dec-21	Madsen Wire Products, Inc.	Marlin Steel Wire Products LLC	NA
Jan-22	Business of Metal-Matic, Inc.	PTC Group Holdings Corp.	NA
Jan-22	New Boston Plant	Alcorta Forging Group SA	NA
Jan-22	AMFM Incorporated	Stainless Hose Fittings, Ltd.	NA
Oct-21	300,000 square foot facility, in West Fargo	TrueNorth Steel, Inc.	NA
Oct-21	Assets of Omaha Steel	Owen Industries, Inc.	NA
Oct-21	Advance Fittings Corp.	Blackwell Capital Group LLC	NA
Aug-21	Columbus Castings Company	Stonemont Financial Group, LLC	NA
Jul-21	Utah Pacific Bridge & Steel, LLC/Mountain Pacific Transport, LLC	Gladstone Management Corporation	NA
Jul-21	Commercial Vehicle, Select Industrial Book of Business, and ACP Division of Grede Holdings LLC		NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2022

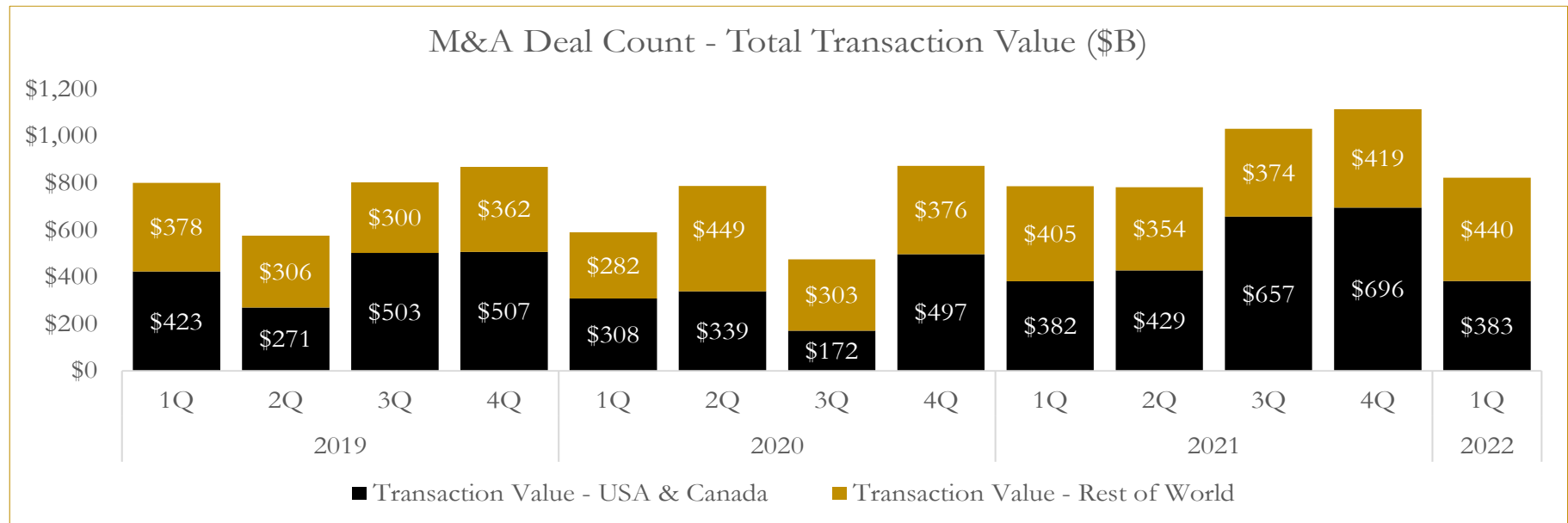
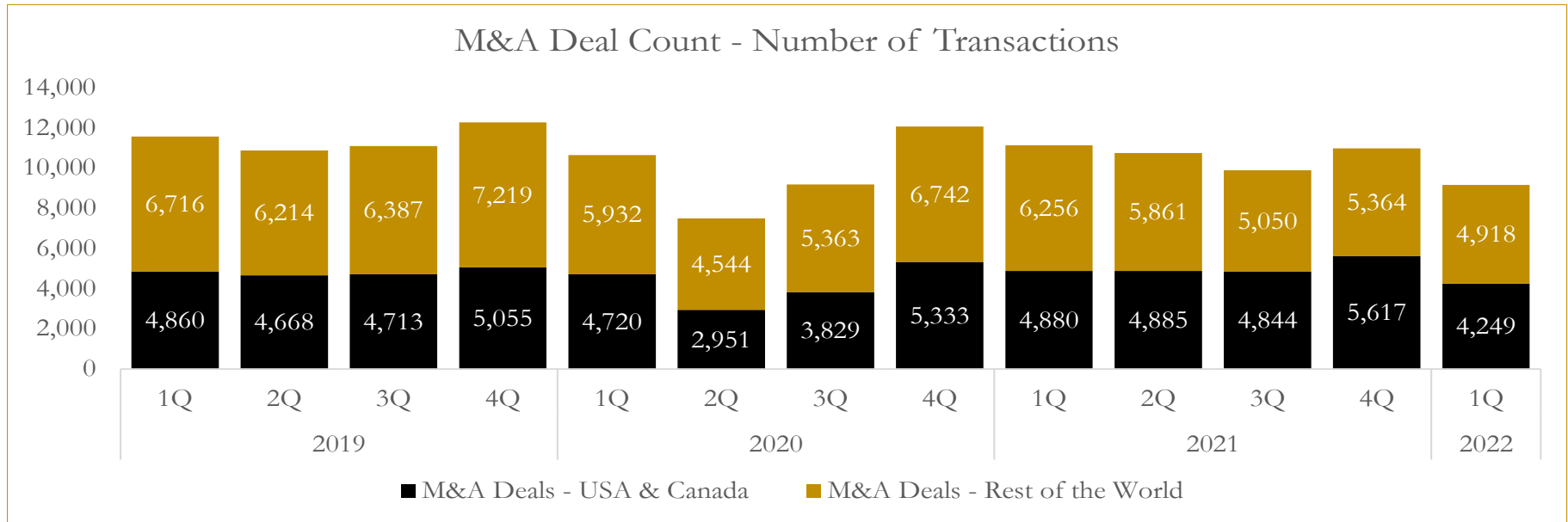


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2022



Source: Capital IQ

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.

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