

Industry Update

**Steel**

Q3 2022

## 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 09/30/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	\$106.99	56.9%	\$37,317	\$31,668	\$42,965	\$13,320	\$41,950	\$11,679
Steel Dynamics, Inc.	STLD	\$70.95	70.7%	\$15,905	\$13,711	\$22,182	\$6,221	\$22,234	\$5,713
Cleveland-Cliffs Inc.	CLF	\$13.47	39.6%	\$12,361	\$20,039	\$23,642	\$6,020	\$23,394	\$3,927
Reliance Steel & Aluminum Co.	RS	\$174.41	82.4%	\$12,331	\$10,403	\$17,003	\$2,872	\$16,916	\$2,652
Commercial Metals Company	CMC	\$35.48	76.0%	\$5,809	\$6,237	\$8,913	\$1,486	\$9,160	\$1,595
United States Steel Corporation	X	\$18.12	46.2%	\$5,625	\$19,858	\$23,110	\$6,535	\$20,894	\$4,264
ATI Inc.	ATI	\$26.61	79.9%	\$5,100	\$4,229	\$3,285	\$453	\$3,740	\$565
Worthington Industries, Inc.	WOR	\$38.14	60.7%	\$3,019	\$3,510	\$5,540	\$362	\$4,873	\$453
Sims Limited	SGM	\$13.38	58.7%	\$2,859	\$4,440	\$9,277	\$513	\$8,839	\$789
Carpenter Technology Corporation	CRS	\$31.14	69.3%	\$2,207	\$2,932	\$1,836	\$100	\$2,108	\$178
Ryerson Holding Corporation	RYI	\$25.74	58.4%	\$1,788	\$2,683	\$6,601	\$907	\$6,219	\$739
Schnitzer Steel Industries, Inc.	SCHN	\$28.46	47.7%	\$1,223	\$1,912	\$3,437	\$287	\$3,310	\$293
SunCoke Energy, Inc.	SXC	\$5.81	59.2%	\$1,095	\$1,677	\$1,674	\$291	\$1,718	\$279
Haynes International, Inc.	HAYN	\$35.12	70.6%	\$547	\$615	\$442	\$63	\$521	\$91
TimkenSteel Corporation	TMST	\$14.99	57.2%	\$480	\$1,217	\$1,450	\$343	\$1,380	\$217
Universal Stainless & Alloy Products, Inc.	USAP	\$7.12	66.0%	\$150	\$348	\$180	\$18	\$214	\$23

Source: Capital IO

## 2

## Valuation Metrics

## Return Profile, Trading Multiples

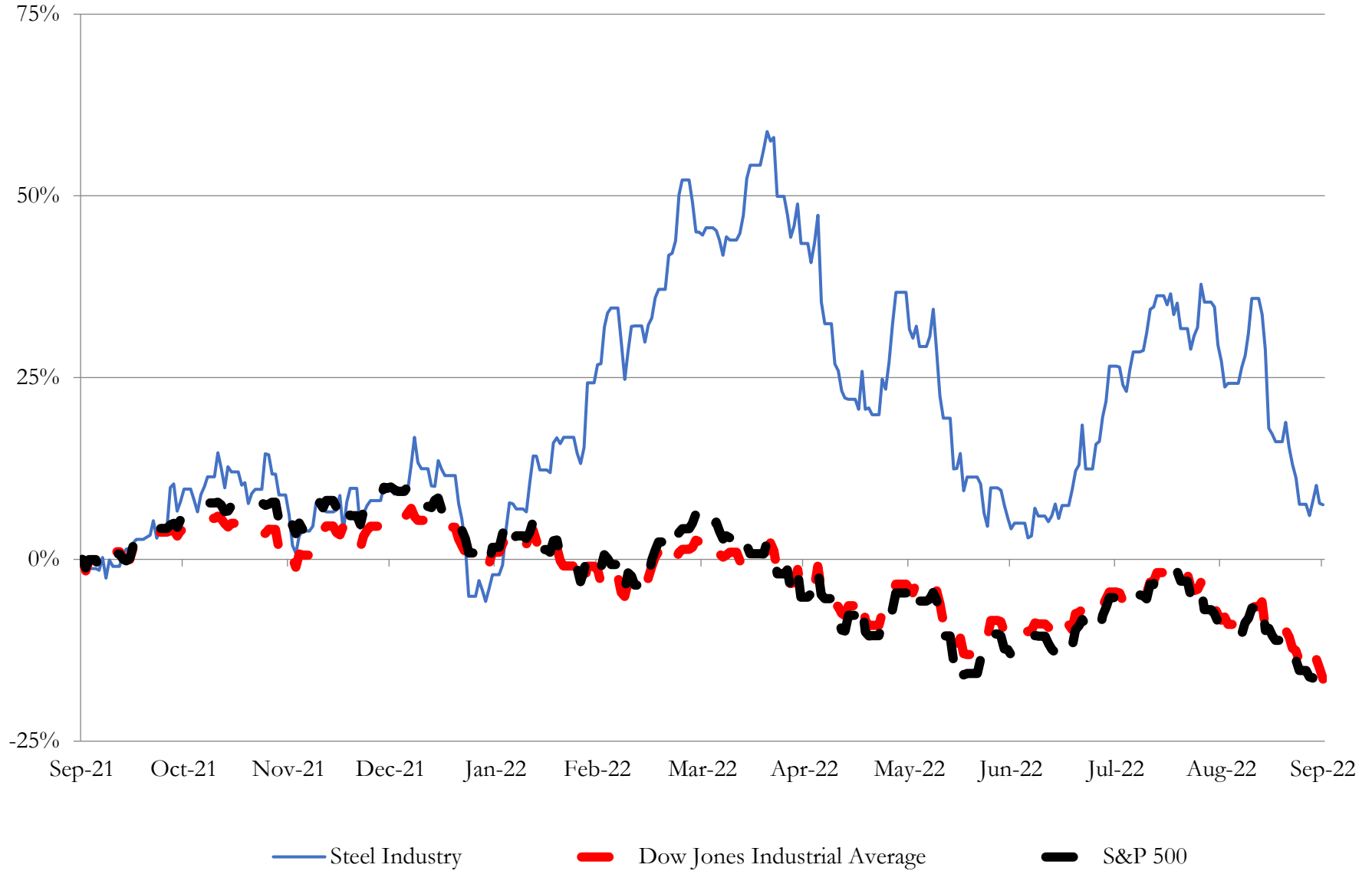
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	28.3%	62.3%	65.3%	31.0%	159.4%	1.5x	0.9x	2.8x
Steel Dynamics, Inc.	STLD	30.0%	70.2%	71.4%	28.0%	167.6%	1.4x	0.7x	2.6x
Cleveland-Cliffs Inc.	CLF	16.5%	63.7%	81.9%	25.5%	177.8%	2.3x	0.5x	2.1x
Reliance Steel & Aluminum Co.	RS	17.1%	30.7%	62.3%	16.9%	104.6%	0.8x	0.7x	4.3x
Commercial Metals Company	CMC	15.1%	43.6%	32.4%	16.7%	95.0%	1.2x	0.7x	3.9x
United States Steel Corporation	X	20.0%	60.7%	70.0%	28.3%	245.0%	2.2x	0.2x	0.9x
ATI Inc.	ATI	5.0%	4.2%	28.1%	13.8%	354.3%	1.2x	1.6x	11.3x
Worthington Industries, Inc.	WOR	4.6%	19.9%	54.8%	6.5%	-22.5%	1.1x	0.5x	8.3x
Sims Limited	SGM	6.0%	25.7%	56.5%	5.5%	122.4%	1.4x	0.3x	5.1x
Carpenter Technology Corporation	CRS	-0.3%	-3.6%	24.4%	5.4%	1815.4%	1.6x	1.2x	22.2x
Ryerson Holding Corporation	RYI	21.6%	90.3%	55.3%	13.7%	359.7%	1.7x	0.3x	2.0x
Schnitzer Steel Industries, Inc.	SCHN	8.0%	23.1%	44.6%	8.3%	22.9%	1.5x	0.4x	4.3x
SunCoke Energy, Inc.	SXC	5.8%	16.3%	25.2%	17.4%	31.6%	1.1x	0.7x	3.8x
Haynes International, Inc.	HAYN	4.7%	9.6%	37.1%	14.4%	N/A	1.4x	1.2x	8.6x
TimkenSteel Corporation	TMST	15.5%	32.7%	42.4%	23.6%	182.8%	1.7x	0.3x	1.4x
Universal Stainless & Alloy Products, Inc.	USAP	0.1%	1.4%	24.8%	10.1%	N/A	1.2x	0.8x	8.2x
	<b>Mean</b>	<b>12.4%</b>	<b>34.4%</b>	<b>48.5%</b>	<b>16.6%</b>	<b>272.6%</b>	<b>1.5x</b>	<b>0.7x</b>	<b>5.7x</b>
	<b>Median</b>	<b>11.5%</b>	<b>28.2%</b>	<b>49.7%</b>	<b>15.5%</b>	<b>163.5%</b>	<b>1.4x</b>	<b>0.7x</b>	<b>4.1x</b>

Source: Capital IQ

# 3

## LTM Equity Performance

Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

*Last Twelve (12) Months as of September 30, 2022*

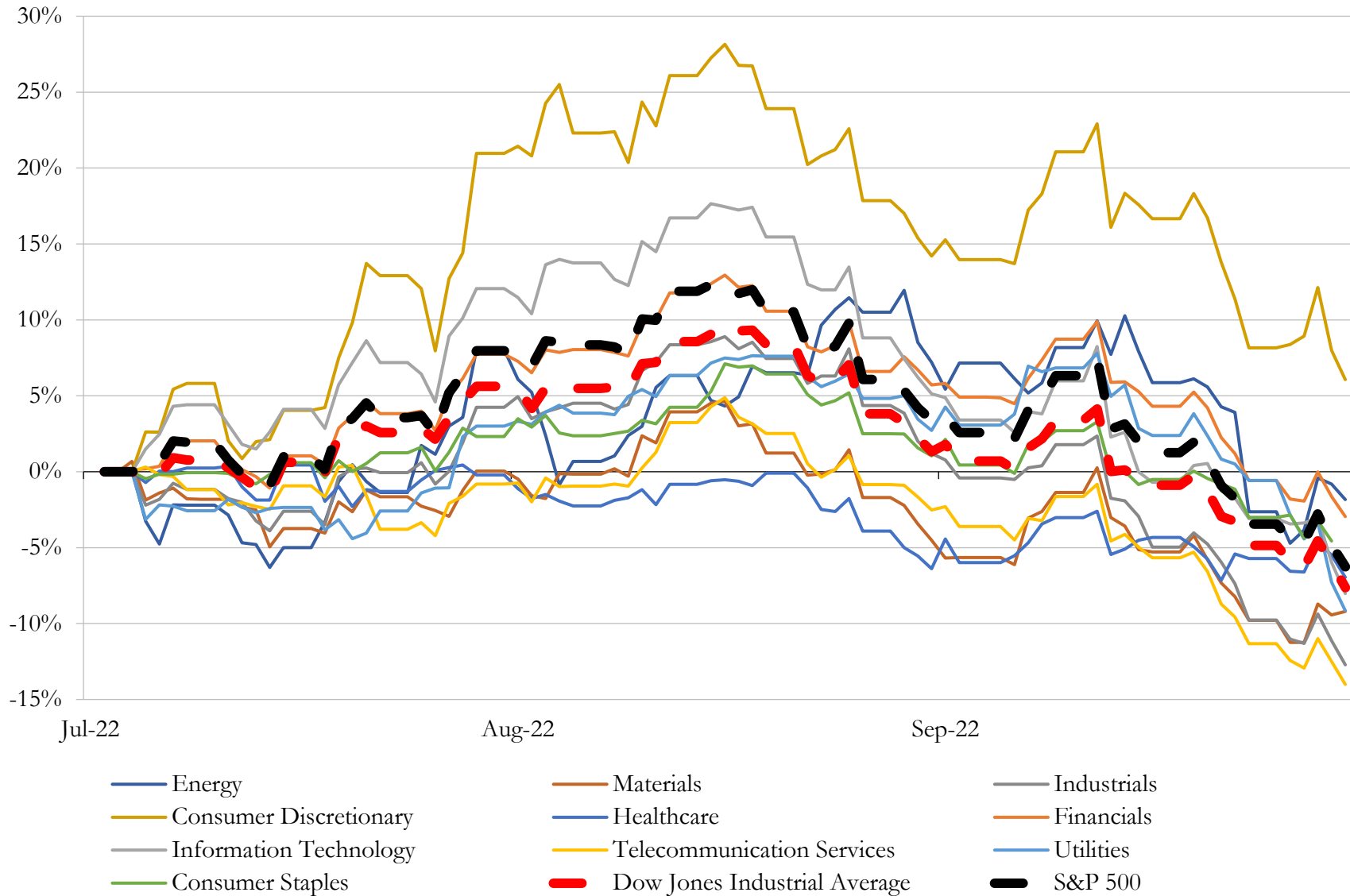
*(USD in millions)*

Close Date	Target	Acquirer	Implied TEV
Jun-22	voestalpine Texas LLC	ArcelorMittal S.A.	\$1,000
Feb-22	California Steel Industries Inc.	Nucor Corporation	\$782
Apr-22	Elite Storage Solutions, LLC	Nucor Corporation	\$75
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
Sep-22	Summit Steel & Manufacturing, Inc.	Lorraine Capital LLC	NA
Aug-22	Chicago Steel Container Corporation	Stavig Industries, LLC	NA
Feb-22	Plant Located at Windsor, Colorado	NIM Group	NA
Dec-21	Madsen Wire Products, Inc.	Marlin Steel Wire Products LLC	NA
Apr-22	Certain Assets of Klein Steel Service, Inc.	Alro Steel Corporation	NA
Jun-22	Fulton County Processing, LTD.	Heidtman Steel Products, Inc.	NA
Aug-22	Orchid Monroe, LLC	Union Partners I LLC	NA
Aug-22	Great South Metals Company	Mainline Metals, Inc.	NA
Mar-22	Franklin Iron Works Inc./Alabama Casting, LLC	Druid Capital Partners, LLC; Elyton Capital LLC	NA
Feb-22	Cast Corporation	Métal 7 Inc.	NA
Aug-22	Northern Iron & Machine	The Lawton Standard Co.	NA
May-22	CCX, Inc.	G.O. Carlson, Inc.	NA
Jul-22	Neenah Enterprises, Inc.	Charlotte Pipe and Foundry Company	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
Dec-21	Tempel Steel Company	Worthington Steel of Michigan, Inc.	NA
Nov-21	Aarrowcast, Inc. (nka:Charter Aarrowcast)	Charter Manufacturing Company, Inc.	NA
Nov-21	Frazer & Jones Company	N/A	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of September 30, 2022

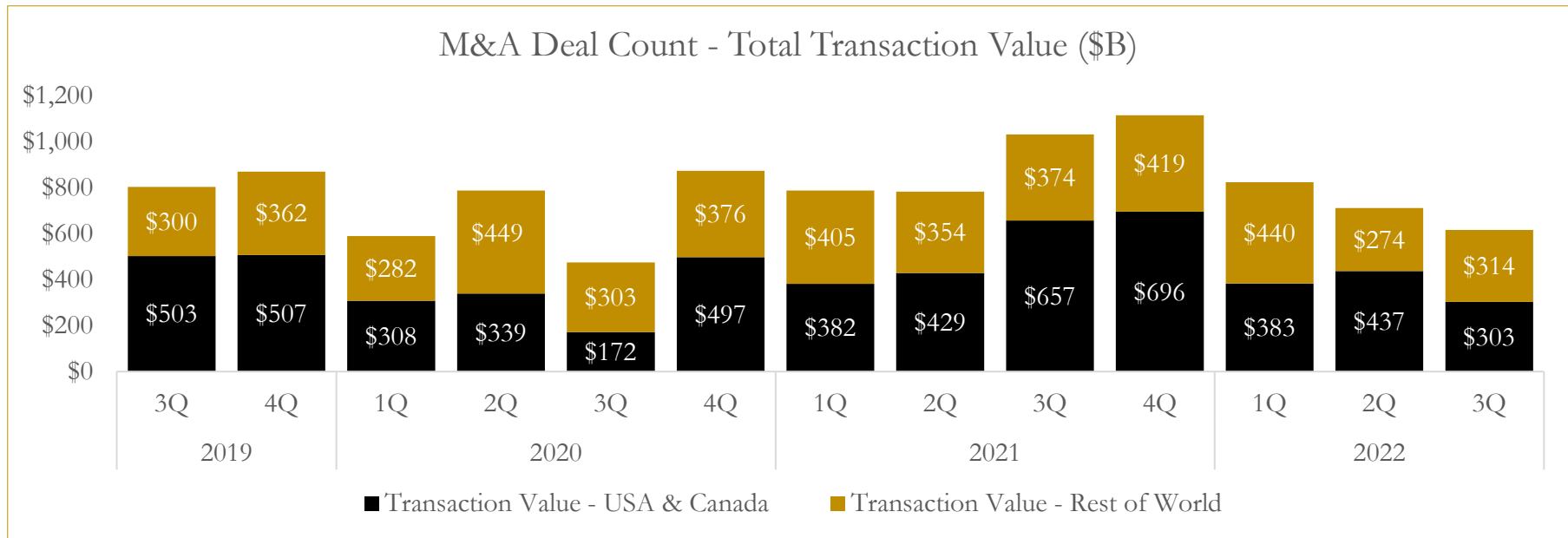
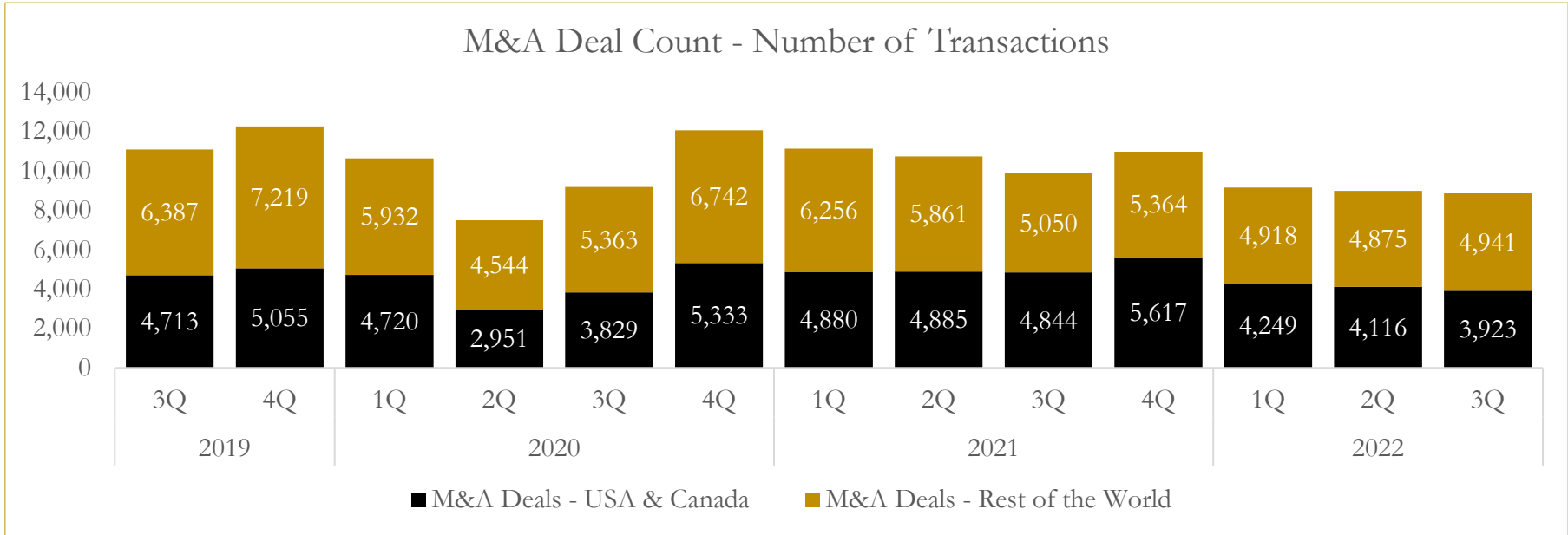


Source: Capital IQ

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## M&A Deal Flow Statistics

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

## 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