

Industry Update

**Steel**

Q4 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 12/31/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	\$131.81	70.1%	\$44,946	\$32,073	\$43,153	\$12,868	\$33,418	\$5,997
Steel Dynamics, Inc.	STLD	\$97.70	86.4%	\$20,575	\$14,048	\$22,745	\$6,130	\$17,342	\$3,134
Cleveland-Cliffs Inc.	CLF	\$16.11	47.3%	\$15,459	\$19,688	\$23,291	\$4,558	\$20,151	\$2,393
Reliance Steel & Aluminum Co.	RS	\$202.44	93.4%	\$13,956	\$10,202	\$17,403	\$2,868	\$14,299	\$1,858
United States Steel Corporation	X	\$25.05	63.8%	\$7,456	\$19,958	\$22,349	\$5,334	\$15,542	\$1,645
Commercial Metals Company	CMC	\$48.30	95.0%	\$7,317	\$6,274	\$9,159	\$1,584	\$8,149	\$1,273
ATI Inc.	ATI	\$29.86	89.6%	\$6,111	\$4,288	\$3,591	\$472	\$4,094	\$620
Worthington Industries, Inc.	WOR	\$49.71	79.1%	\$3,534	\$3,391	\$5,483	\$279	\$4,110	\$378
Sims Limited	SGM	\$13.09	57.4%	\$3,201	\$4,440	\$9,277	\$513	\$7,390	\$469
Carpenter Technology Corporation	CRS	\$36.94	82.2%	\$2,850	\$2,940	\$1,972	\$120	\$2,298	\$309
Ryerson Holding Corporation	RYI	\$30.26	68.6%	\$1,915	\$2,547	\$6,569	\$807	\$4,642	\$214
Schnitzer Steel Industries, Inc.	SCHN	\$30.65	51.3%	\$1,418	\$1,823	\$3,286	\$214	\$3,028	\$169
SunCoke Energy, Inc.	SXC	\$8.63	87.9%	\$1,300	\$1,680	\$1,824	\$300	\$1,509	\$248
Haynes International, Inc.	HAYN	\$45.69	79.7%	\$748	\$632	\$490	\$79	\$573	\$94
TimkenSteel Corporation	TMST	\$18.17	69.3%	\$642	\$1,122	\$1,423	\$276	\$1,369	\$167
Universal Stainless & Alloy Products, Inc.	USAP	\$7.17	66.9%	\$160	\$353	\$189	\$19	\$227	\$27

Source: Capital IQ

## 2

## Valuation Metrics

## Return Profile, Trading Multiples

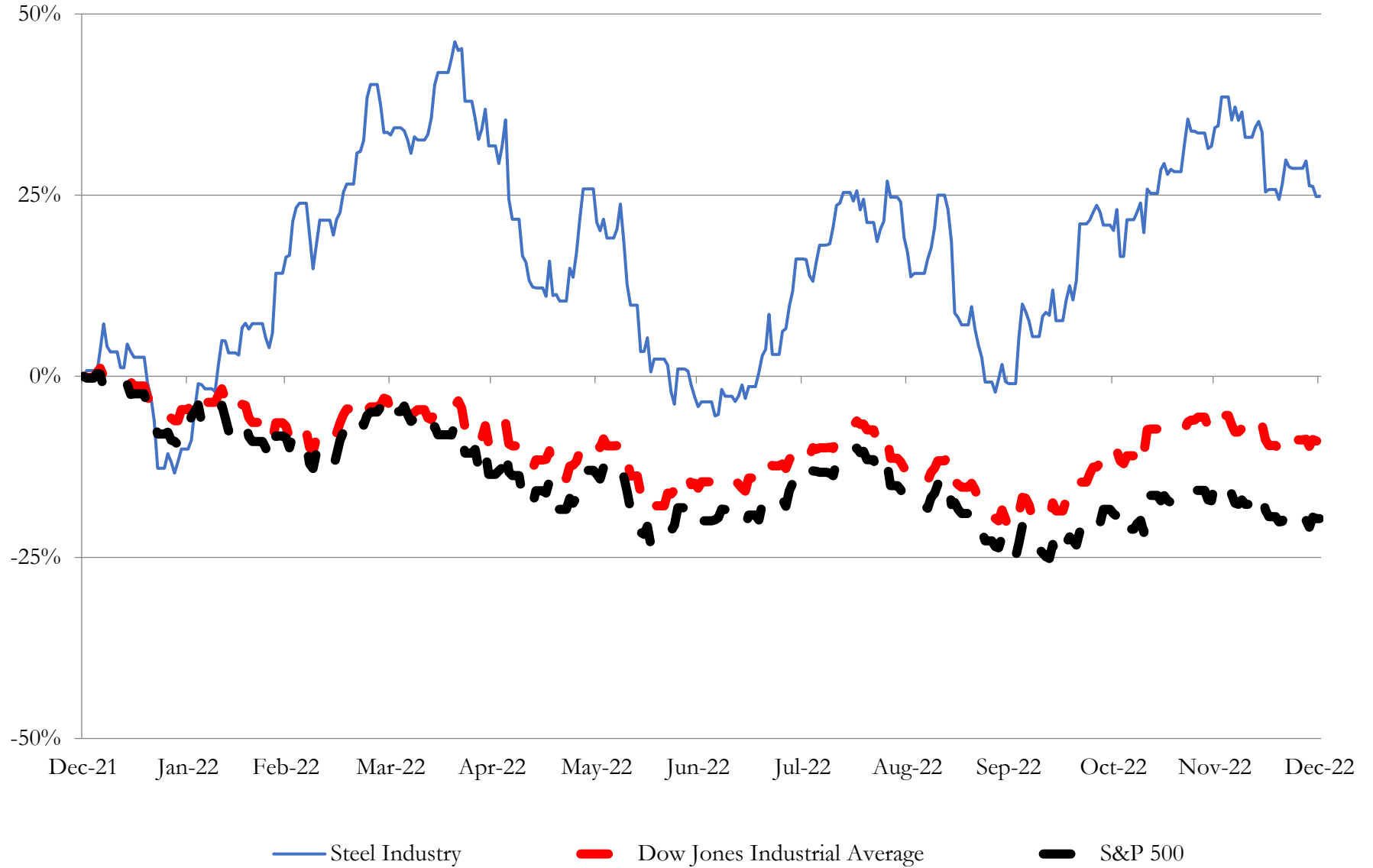
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	26.0%	55.5%	37.5%	29.8%	67.5%	1.5x	1.0x	3.5x
Steel Dynamics, Inc.	STLD	28.2%	64.0%	44.9%	27.0%	75.3%	1.5x	0.9x	3.4x
Cleveland-Cliffs Inc.	CLF	11.7%	42.8%	34.2%	19.6%	14.6%	2.2x	0.7x	3.4x
Reliance Steel & Aluminum Co.	RS	16.9%	30.1%	42.2%	16.5%	61.5%	0.9x	0.8x	4.9x
United States Steel Corporation	X	15.2%	36.9%	29.8%	23.9%	35.8%	2.2x	0.3x	1.4x
Commercial Metals Company	CMC	15.9%	41.1%	25.1%	17.3%	69.8%	1.3x	0.8x	4.6x
ATI Inc.	ATI	4.9%	5.0%	33.4%	13.1%	131.4%	1.2x	1.7x	13.0x
Worthington Industries, Inc.	WOR	3.0%	14.0%	34.3%	5.1%	-44.4%	1.3x	0.6x	12.7x
Sims Limited	SGM	6.0%	25.7%	56.5%	5.5%	122.4%	1.3x	0.3x	6.3x
Carpenter Technology Corporation	CRS	0.1%	-3.1%	30.6%	6.1%	274.4%	1.7x	1.4x	23.8x
Ryerson Holding Corporation	RYI	18.8%	79.0%	31.5%	12.3%	129.5%	1.7x	0.3x	2.4x
Schnitzer Steel Industries, Inc.	SCHN	4.8%	11.9%	7.2%	6.5%	-28.5%	1.5x	0.4x	6.6x
SunCoke Energy, Inc.	SXC	6.0%	18.7%	30.2%	16.4%	21.5%	1.3x	0.7x	4.3x
Haynes International, Inc.	HAYN	6.4%	12.5%	45.3%	16.1%	622.5%	1.5x	1.5x	9.5x
TimkenSteel Corporation	TMST	12.2%	22.9%	23.1%	19.4%	50.5%	1.7x	0.5x	2.3x
Universal Stainless & Alloy Products, Inc.	USAP	0.2%	-2.6%	31.3%	9.9%	274.0%	1.1x	0.8x	8.6x
	<b>Mean</b>	<b>11.0%</b>	<b>28.4%</b>	<b>33.6%</b>	<b>15.3%</b>	<b>117.4%</b>	<b>1.5x</b>	<b>0.8x</b>	<b>6.9x</b>
	<b>Median</b>	<b>9.0%</b>	<b>24.3%</b>	<b>32.4%</b>	<b>16.3%</b>	<b>68.7%</b>	<b>1.5x</b>	<b>0.8x</b>	<b>4.7x</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 December 31, 2022*

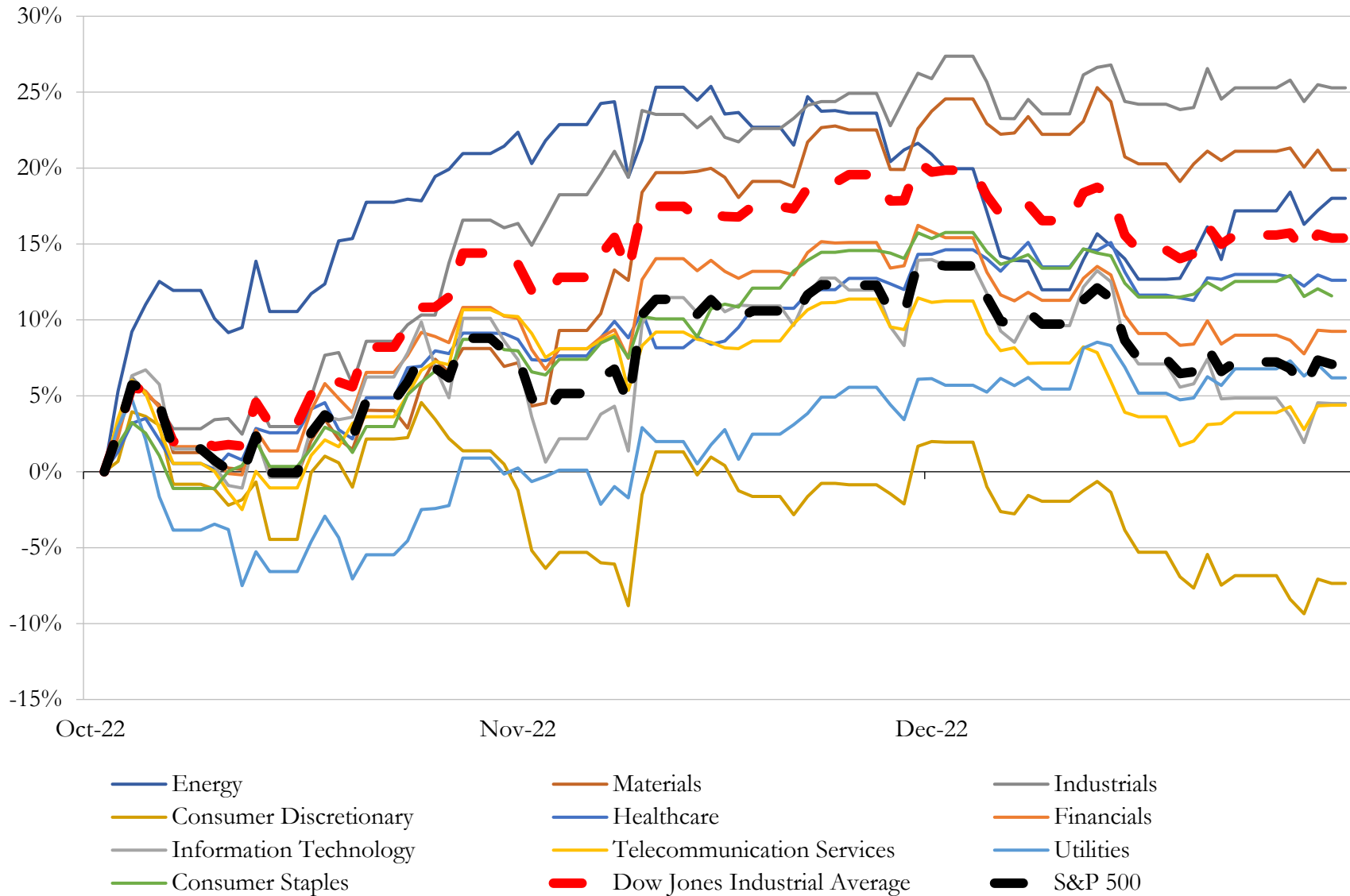
*(USD in millions)*

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
Aug-22	Great South Metals Company	Mainline Metals, Inc.	NA
Apr-22	Certain Assets of Klein Steel Service, Inc.	Alro Steel Corporation	NA
Jan-22	Business of Metal-Matic, Inc.	PTC Group Holdings Corp.	NA
Feb-22	Cast Corporation	Métal 7 Inc.	NA
Dec-22	Assets of Calstrip Industries, Inc.	Steel Technologies LLC	NA
Oct-22	California Expanded Metal Products Company	Jfe Shoji America Holdings Inc.	NA
May-22	CCX, Inc.	G.O. Carlson, Inc.	NA
Jul-22	Neenah Enterprises, Inc.	Charlotte Pipe and Foundry Company	NA
Aug-22	Orchid Monroe, LLC	Union Partners I LLC	NA
Oct-22	ESP Specialty Steel Products LLC	SPS Companies, Inc	NA
Nov-22	Gerber Metal Supply Company	All Metals Industries, Inc	NA
Jun-22	Fulton County Processing, LTD.	Heidman Steel Products, Inc.	NA
Apr-22	Metaltec Steel Abrasive Co., Inc.	Imperial Group, L.P.; Ashland Capital Partners, LLC; Lorentzen Investments,	NA
Nov-22	Steel Industries, Inc.	Forged Solutions Group Limited	NA
Aug-22	Chicago Steel Container Corporation	Stavig Industries, LLC	NA
Aug-22	Northern Iron & Machine	The Lawton Standard Co.	NA
Apr-22	Elite Storage Solutions, LLC	Nucor Corporation	NA
Mar-22	Franklin Iron Works Inc./Alabama Casting, LLC	Druid Capital Partners, LLC; Elyton Capital LLC	NA
Feb-22	Plant Located at Windsor, Colorado	NIM Group	NA
Jan-22	New Boston Plant	Alcorta Forging Group SA	NA
Jan-22	AMFM Incorporated	Stainless Hose Fittings, Ltd.	NA
(Invalid)	(Invalid Identifier)	(Invalid Identifier)	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

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

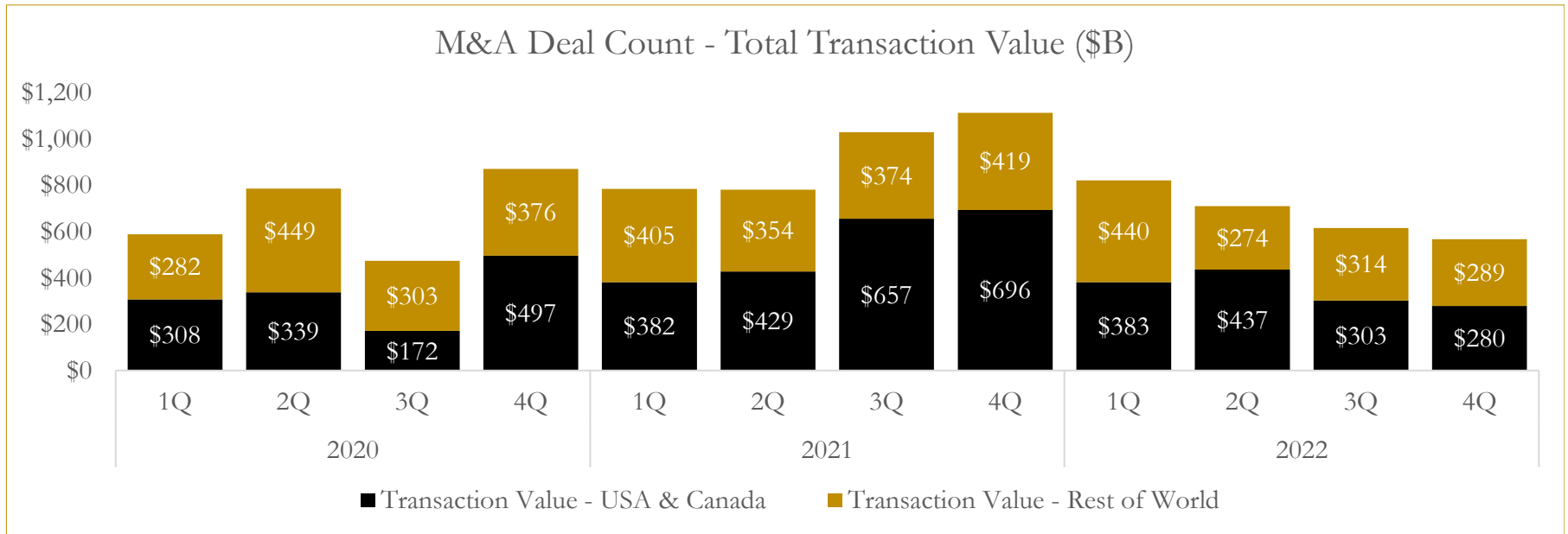
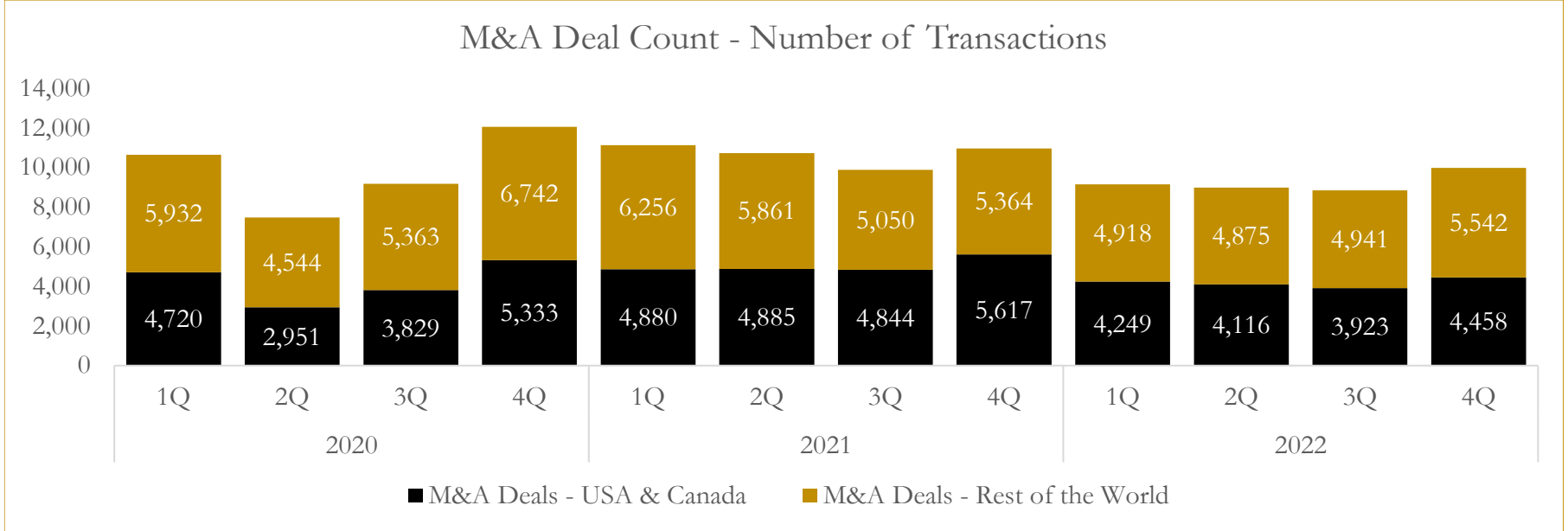


Source: Capital IQ

# 6

## M&A Deal Flow Statistics

Last Three (3) Years as of December 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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