

Industry Update

**Steel**

Q1 2023

## 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 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	\$154.47	82.2%	\$38,280	\$32,479	\$41,512	\$11,568	\$35,049	\$7,084
Steel Dynamics, Inc.	STLD	\$113.06	82.9%	\$17,195	\$14,220	\$21,584	\$4,837	\$20,518	\$3,967
Cleveland-Cliffs Inc.	CLF	\$18.33	53.8%	\$12,521	\$18,652	\$22,329	\$2,006	\$21,736	\$2,545
Reliance Steel & Aluminum Co.	RS	\$256.74	97.1%	\$14,857	\$10,203	\$16,505	\$2,546	\$14,801	\$2,044
United States Steel Corporation	X	\$26.10	66.5%	\$6,280	\$19,540	\$20,301	\$3,253	\$18,518	\$2,351
Commercial Metals Company	CMC	\$48.90	84.2%	\$6,133	\$6,485	\$9,168	\$1,575	\$8,531	\$1,283
ATI Inc.	ATI	\$39.46	91.1%	\$6,500	\$4,287	\$4,040	\$549	\$4,332	\$595
Worthington Industries, Inc.	WOR	\$64.65	99.8%	\$3,508	\$3,498	\$5,208	\$277	\$4,795	\$415
Sims Limited	SGM	\$15.51	68.0%	\$3,255	\$4,352	\$8,849	\$323	\$8,563	\$467
Carpenter Technology Corporation	CRS	\$44.76	85.3%	\$3,305	\$3,094	\$2,356	\$202	\$2,880	\$349
Ryerson Holding Corporation	RYI	\$36.38	82.5%	\$1,861	\$2,402	\$5,981	\$476	\$5,277	\$288
Schnitzer Steel Industries, Inc.	SCHN	\$31.10	52.1%	\$1,173	\$1,781	\$3,259	\$190	\$3,235	\$164
SunCoke Energy, Inc.	SXC	\$8.98	86.1%	\$1,145	\$1,669	\$2,021	\$279	\$1,685	\$259
Haynes International, Inc.	HAYN	\$50.09	82.3%	\$680	\$688	\$559	\$89	\$602	\$98
TimkenSteel Corporation	TMST	\$18.34	69.9%	\$567	\$1,135	\$1,301	\$129	\$1,362	\$155
Universal Stainless & Alloy Products, Inc.	USAP	\$9.35	93.1%	\$186	\$359	\$220	\$13	\$271	\$30

Source: Capital IQ

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## Valuation Metrics

## Return Profile, Trading Multiples

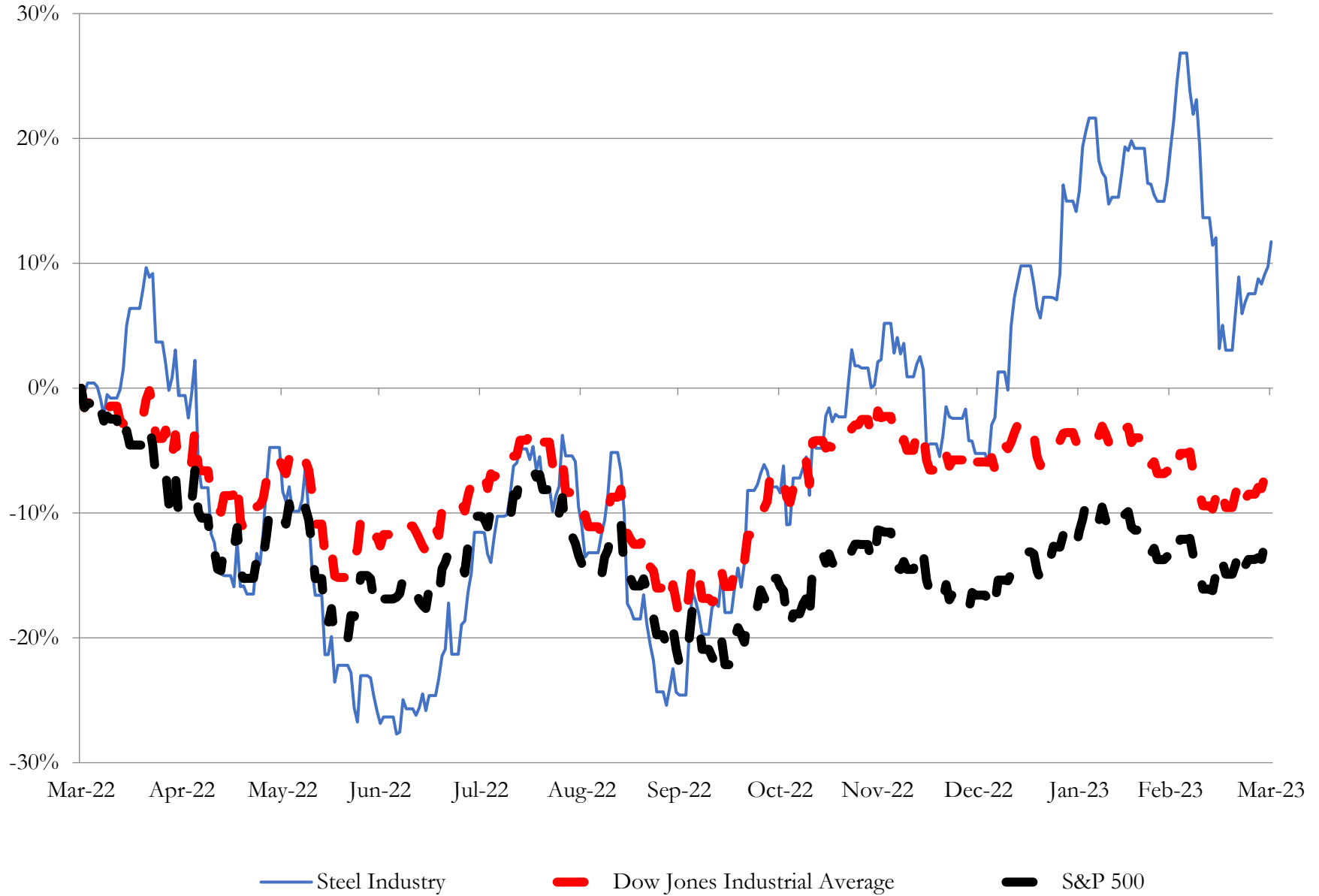
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Steel Industry</b>									
Nucor Corporation	NUE	22.3%	47.3%	13.8%	27.9%	13.6%	1.6x	1.0x	3.5x
Steel Dynamics, Inc.	STLD	20.3%	44.7%	5.6%	22.4%	-12.9%	1.5x	0.9x	3.8x
Cleveland-Cliffs Inc.	CLF	3.4%	7.2%	-0.1%	9.0%	-67.7%	2.2x	0.6x	6.3x
Reliance Steel & Aluminum Co.	RS	14.2%	24.5%	4.9%	15.5%	0.4%	0.9x	0.9x	5.9x
United States Steel Corporation	X	7.9%	18.2%	-7.1%	16.1%	-47.4%	2.1x	0.3x	2.0x
Commercial Metals Company	CMC	14.4%	31.3%	16.5%	17.2%	45.1%	1.3x	0.7x	4.1x
ATI Inc.	ATI	5.6%	14.7%	37.0%	14.1%	83.1%	1.2x	1.6x	11.6x
Worthington Industries, Inc.	WOR	2.8%	13.3%	10.8%	5.3%	-41.1%	1.3x	0.7x	13.0x
Sims Limited	SGM	3.0%	18.4%	14.3%	3.7%	-20.5%	1.3x	0.4x	10.0x
Carpenter Technology Corporation	CRS	1.7%	1.5%	39.1%	8.6%	148.5%	1.8x	1.4x	16.8x
Ryerson Holding Corporation	RYI	15.3%	54.5%	11.4%	10.0%	28.8%	1.7x	0.3x	3.1x
Schnitzer Steel Industries, Inc.	SCHN	3.8%	8.0%	0.4%	5.8%	-32.3%	1.5x	0.4x	6.4x
SunCoke Energy, Inc.	SXC	5.9%	18.1%	35.5%	15.0%	7.5%	1.2x	0.6x	3.9x
Haynes International, Inc.	HAYN	6.8%	13.2%	43.5%	16.0%	207.4%	1.5x	1.3x	8.0x
TimkenSteel Corporation	TMST	6.1%	9.6%	3.7%	12.5%	-36.2%	1.7x	0.4x	3.1x
Universal Stainless & Alloy Products, Inc.	USAP	-0.8%	-3.1%	32.4%	6.0%	-16.3%	1.1x	0.8x	14.2x
	Mean	8.3%	20.1%	16.4%	12.8%	16.3%	1.5x	0.8x	7.2x
	Median	6.0%	16.4%	12.6%	13.3%	-6.2%	1.5x	0.7x	6.1x

Source: Capital IQ

# 3

## LTM Equity Performance

Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

*Last Twelve (12) Months as of March 31, 2023*

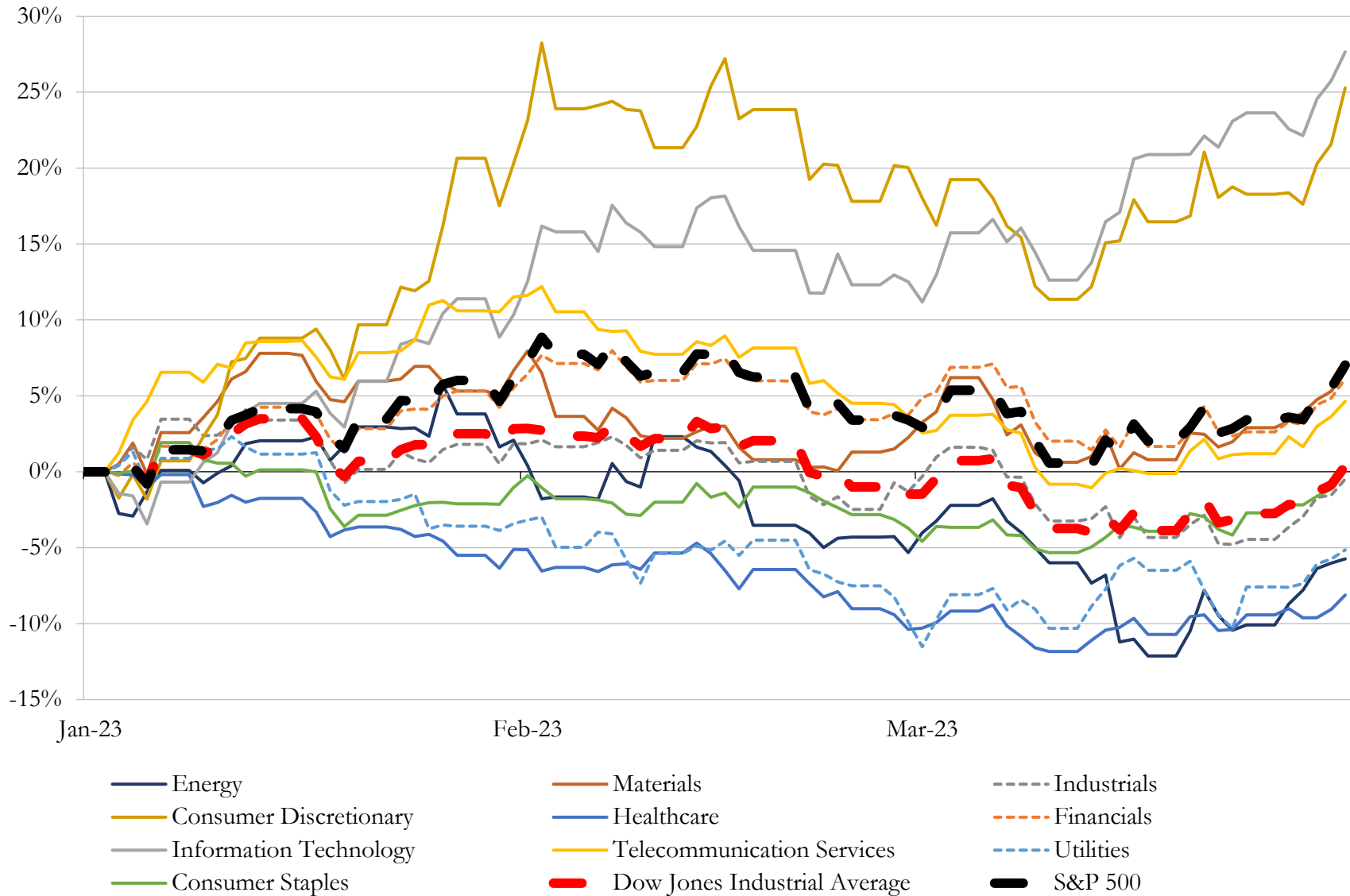
*(USD in millions)*

Close Date	Target	Acquirer	Implied TEV
Feb-23	FlexSteel Pipeline Technologies, Inc.	Cactus, Inc.	\$696
Aug-22	Summit Utility Structures LLC/Sovereign Steel Manufacturing LLC	Nucor Corporation	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
Apr-22	Certain Assets of Klein Steel Service, Inc.	Alro Steel Corporation	NA
May-22	CCX, Inc.	G.O. Carlson, Inc.	NA
Mar-23	Federal Steel Supply, Inc.	Westbridge Capital Ltd.	NA
Dec-22	Inwesco Incorporated	CRH plc	NA
Aug-22	Great South Metals Company	Mainline Metals, Inc.	NA
Oct-22	California Expanded Metal Products Company	Jfe Shoji America Holdings Inc.	NA
Nov-22	Gerber Metal Supply Company	All Metals Industries, Inc	NA
Dec-22	Assets of Calstrip Industries, Inc.	Steel Technologies LLC	NA
Jan-23	Penn Wire Products Corporation	Wire-Mesh Products, Inc.	NA
Aug-22	Northern Iron & Machine	The Lawton Standard Co.	NA
Aug-22	Orchid Monroe, LLC	Union Partners I LLC	NA
Oct-22	ESP Specialty Steel Products LLC	SPS Companies, Inc	NA
Nov-22	SteelPro, LLC	Heartland Steel Holdings, LLC	NA
Jul-22	Neenah Enterprises, Inc.	Charlotte Pipe and Foundry Company	NA
Jun-22	voestalpine Texas LLC	ArcelorMittal S.A.	NA
Jun-22	Fulton County Processing, LTD.	Heidtman Steel Products, Inc.	NA
Apr-22	Elite Storage Solutions, LLC	Nucor Corporation	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

*Last Three (3) Months as of March 31, 2023*

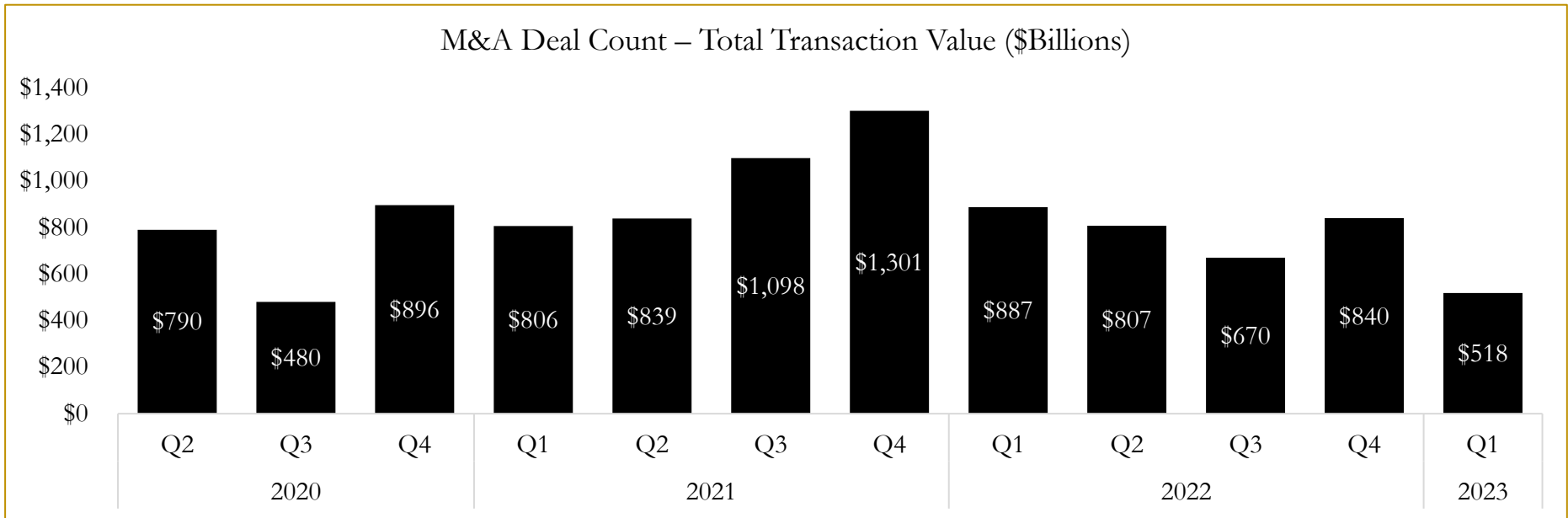
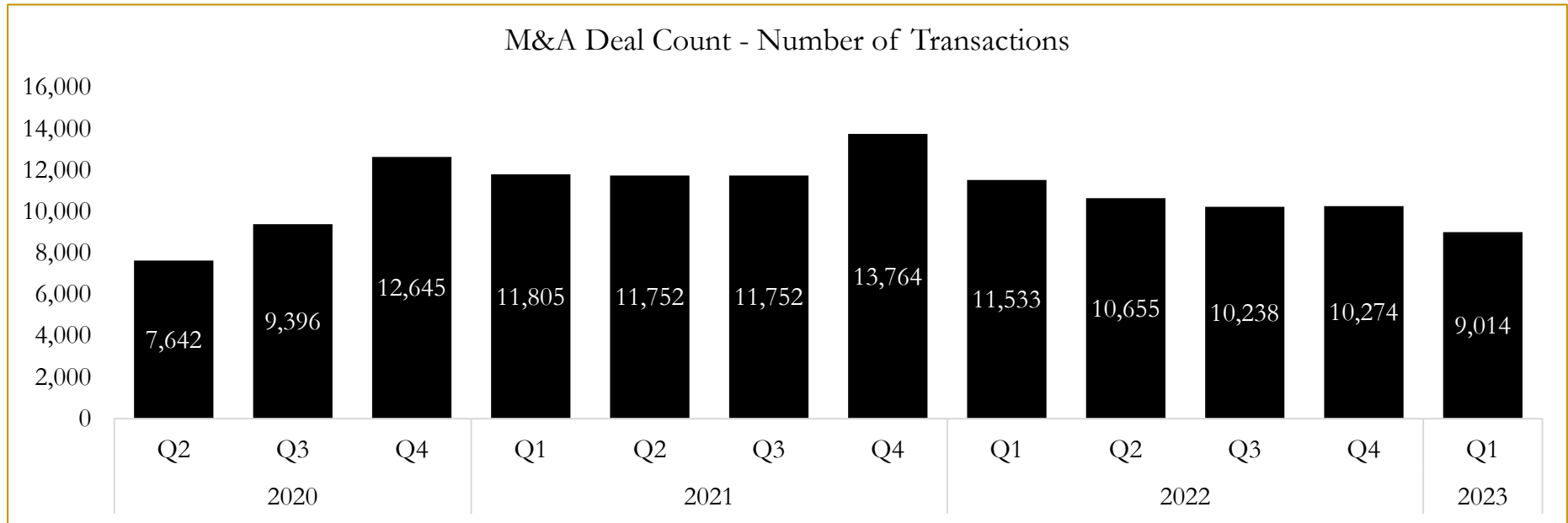


Source: Capital IQ

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## M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2023



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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