

# Metal Production, Processing & Fabrication

INDUSTRY UPDATE  
October 2024

As we head towards the end of Q3, the metals industry is set for steady growth due to increasing demand in construction, automotive, and renewable energy sectors. The industry continues to create and adopt manufacturing technologies, with a focus on automation, precision engineering, and sustainable practices to improve efficiency, reduce waste, and meet environmental standards.

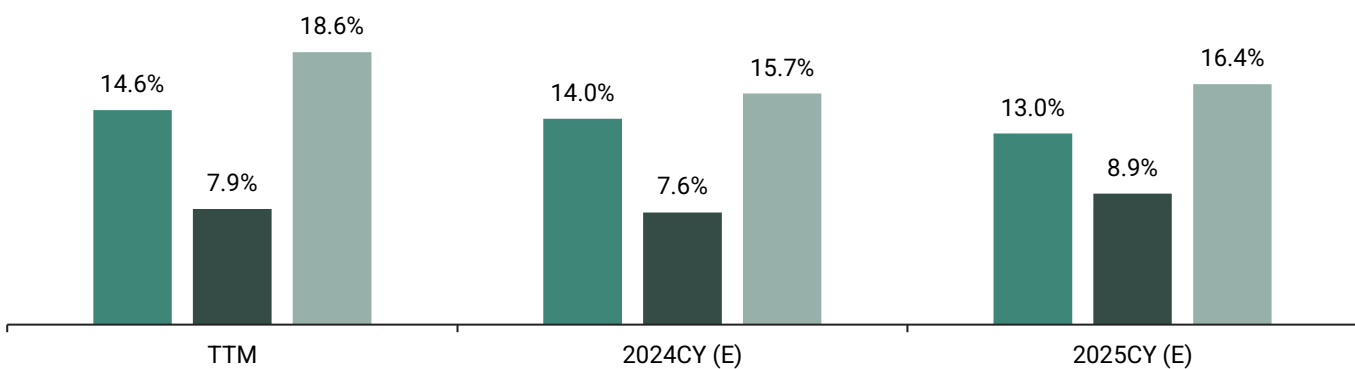
Source: J.P. Morgan North America Metals & Mining

Investment in U.S. metal industry remains concentrated in advanced materials and fabrication technologies. In Q2 2024, metal fabrication accounted for roughly 35% of all deals in the manufacturing sector, and around 33% of total U.S. manufacturing deals year-to-date. Over the past year, 3D-printing and high-performance alloys have become leading areas of innovation and investment.

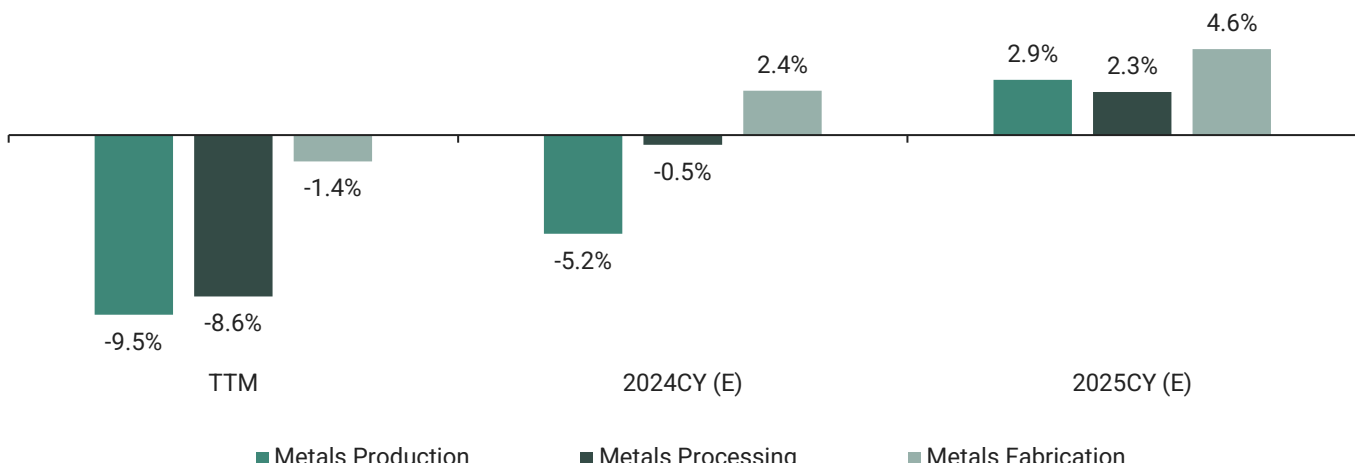
## HEADLINE TRANSACTIONS

| TARGET                                                                             | ACQUIRER                                                                            | ACQUISITION SYNOPSIS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <b>Arch Resources Inc.</b> (NYSE: ARCH) was acquired by <b>CONSOL Energy Inc.</b> (NYSE: CEIX), through an LBO for \$2,631 million on August 21, 2024. The merger between the two companies will create <b>Core Natural Resources</b> , a \$5.2 billion dollar company that will have a stronger foothold in global sale and production of energy and critical resources.                                                                                                                                                                           |
|  |  | Seven service centers owned and operated by <b>Samuel, Son &amp; Co. Limited</b> were acquired by <b>Russel Metals Inc.</b> (TSX: RUS) for \$225 million on August 12, 2024. Samuel, Son & Co. is a family-owned integrated network of metal manufacturing, processing, and distribution centers. The branches acquired by Russel Metals will allow them to streamline operations and increase efficiency by limiting the amount of work they outsource to third parties.                                                                           |
|  |  | <b>Haynes International, Inc.</b> (NasdaqGS: HAYN), a large producer of corrosion resistant and high-temperature alloys was acquired by <b>North American Stainless Inc.</b> , via its financial sponsors <b>Blackrock, Inc.</b> (NYSE: BLK), <b>The Vanguard Group, Inc.</b> , and <b>Royce &amp; Associates LP</b> through an estimated \$918.25 million LBO on February 5, 2024. The acquisition strengthens North American's position amongst high performance alloy producers and provided Haynes with an additional \$200 million investment. |

## EBITDA MARGINS



## REVENUE GROWTH

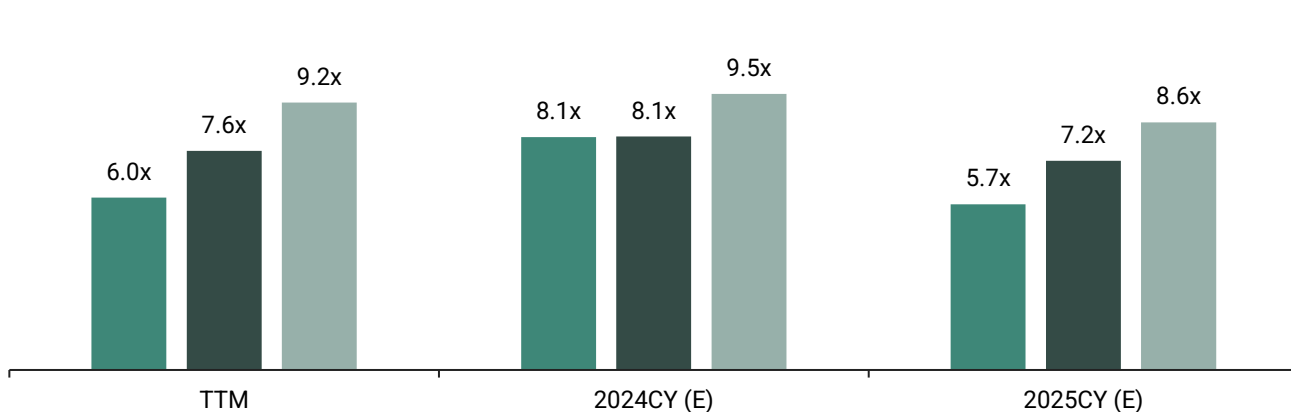


Source: Data from Pitchbook and CapIQ as of 09/27/2024

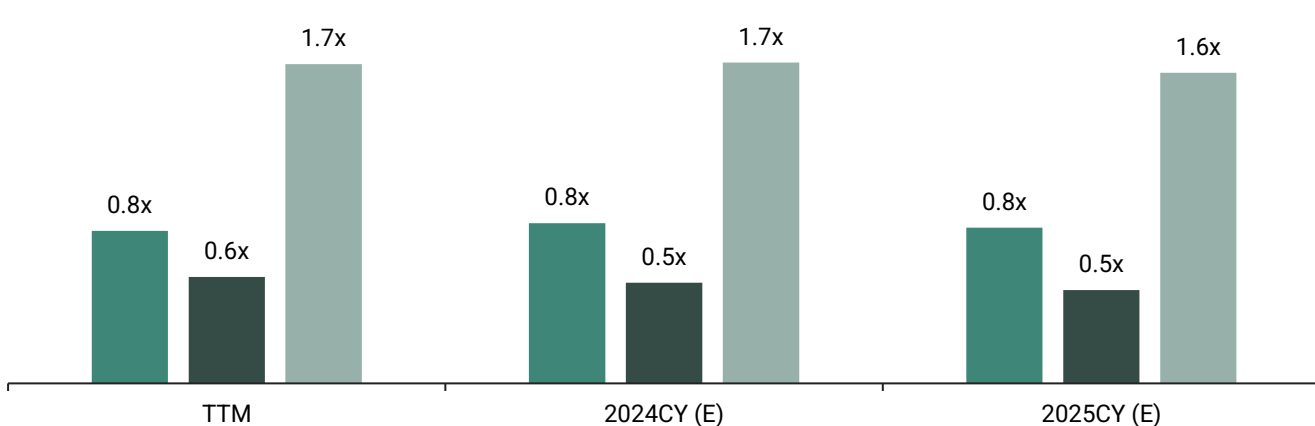
- The production volumes of iron and steel products have experienced fluctuations during the current period, driven by pandemic-induced volatility in the construction sector
- The global metal industry in 2024 has shown resilience despite ongoing economic uncertainties, with aluminum prices experiencing modest growth due to increasing demand in renewable energy sectors and automotive electrification efforts

Source: IBIS World and S&P Global

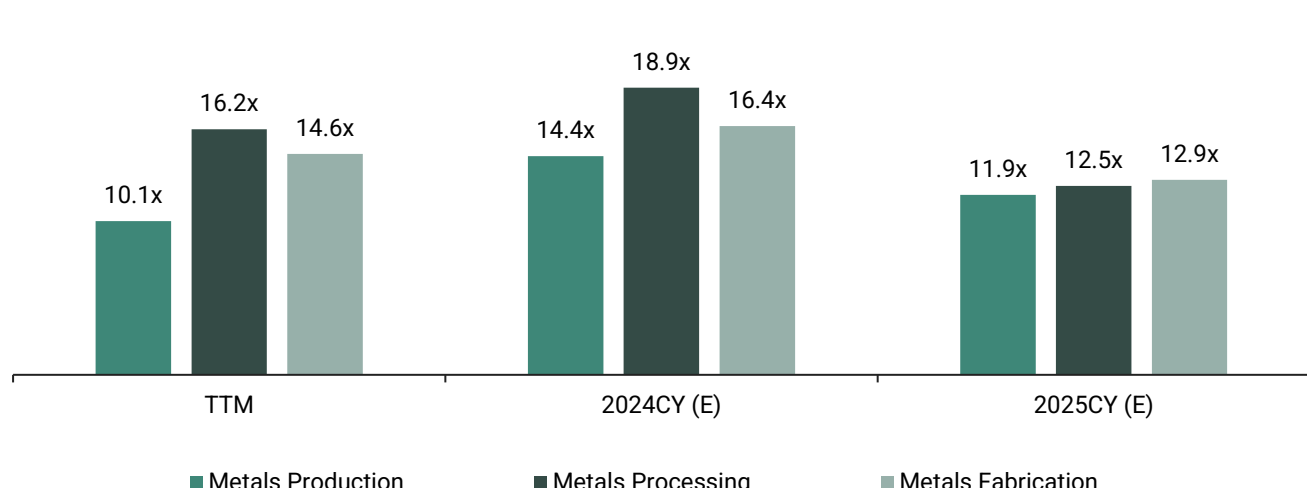
## ENTERPRISE VALUE / EBITDA



## ENTERPRISE VALUE / REVENUE



## PRICE / EARNINGS



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