

NEW ENTRANTS RESHAPE NORTH AMERICAN METALS M&A LANDSCAPE

METALS MANUFACTURING SECTOR UPDATE | AUGUST 2025



**CAPSTONE
PARTNERS**

TABLE OF CONTENTS

- 4 Key Sector Takeaways
- 5 Sector Players Vie For Greater North American Presence
- 6 M&A Activity Softens as Tariff Whirlwinds Persist
- 7 Domestic Metals Producers Embrace EAF Technology
- 8 Metal Processors Diversify Sector Concentration
- 9 Metal Fabricators See Lightweight Materials Demand Rise
- 10 Select M&A Transactions by Segment
- 11 Buyer Universe
- 12 Public Players Expand Non-Ferrous and Specialty Metals Mix
- 13 Public Company Data by Segment
- 15 Metals Manufacturing Report Contributors
- 16 Firm Track Record
- 17 Data Analytics Help Refine Performance of Metals Businesses
- 18 Capstone's Proprietary Research Reveals Top Services in Demand
- 19 Endnotes



CONTACT OUR METALS MANUFACTURING SECTOR BANKER



Mike Schumacher
Managing Director
314-285-5877

mschumacher@capstonepartners.com

Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of expert investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle.

MIDDLE
MARKET
FOCUS

FULL
SERVICE
CAPABILITIES

SUPERIOR
CLIENT
RESULTS

TOP
RANKED
PERFORMANCE

ESTABLISHED
BRAND
REPUTATION

A DIFFERENT KIND OF FIRM. BUILT FOR THE MIDDLE MARKET.

Mergers & Acquisitions

- Sell-side Advisory
- Buy-side Advisory
- Recapitalizations
- Mergers & Joint Ventures

Capital Advisory

- Equity Advisory
- Debt Advisory
- Infrastructure Finance

Financial Advisory

- Transaction Advisory
- Interim Management
- Advisory Services
- Performance Improvement
- Litigation Support

Special Situations & Restructuring

- Special Situations Turnaround
- Restructuring
- Bankruptcy
- Insolvency

ESOP Advisory

- Preliminary Analysis
- Feasibility Study
- ESOP Implementation
- Design & Execution

Sign Up for Sector Insights.

Delivering timely, sector-specific intelligence to your inbox

One of our core capabilities is to deliver sector-specific intelligence designed specifically for sector leaders, private equity firms and their advisors. Our sector reports and featured articles deliver real-time access to key sector data including:

- Emerging sector trends
- Acquirer and investor appetites
- Mergers & acquisitions market analysis
- Notable transactions
- Public company data

Receive email updates with our proprietary data, reports, and insights as they're published for the sectors that matter to you most.

[Subscribe](#) ▶



capstonepartners.com



Metals Manufacturing

New Entrants Reshape North American Metals M&A Landscape

KEY SECTOR TAKEAWAYS

Capstone Partners' [Industrials Group](#) is pleased to share its Metals Manufacturing report. The Metals Manufacturing sector has seen domestic industrial policy favor North American metals supply, providing significant tailwinds for future merger and acquisition (M&A) activity. Carbon steel has been the most heavily traded metal, forming the backbone of global industrial activity. However, companies have increasingly sought diversification away from carbon steel towards metals like copper and aluminum to mitigate volatility, meet sustainability targets, and tap into high-growth end markets. Several additional key report takeaways are outlined below.

1. M&A activity in the Metals Manufacturing sector has softened year-over-year (YOY), with 62 deals announced or completed through year-to-date (YTD) 2025. Companies in the sector have actively pursued strategic acquisitions aimed at broadening their portfolios across the value chain.
2. Electric arc furnace (EAF) production has become the dominant production method in the U.S. as federal infrastructure funding and an America-first manufacturing imperative have served as near-term growth drivers for this form of metal production.
3. Geopolitical uncertainty has continued to push manufacturers to reassess their supply chains, particularly for critical materials like steel and aluminum.
4. Players have increased their processing capabilities to serve growing demand from high margin sectors like Aerospace, Healthcare, Semiconductors, and Energy.
5. Nippon Steel (TSE:5401), Japan's largest steelmaker and one of the world's leading steel manufacturers, acquired U.S. Steel (formerly NYSE:X) after the deal faced significant scrutiny from union workers, industry heads, and politicians on both sides of the aisle.

Capstone Partners has developed a full suite of corporate finance solutions to help privately-owned businesses and private equity (PE) firms navigate through each stage of a company's lifecycle. These solutions include financial advisory services, merger and acquisition advisory, debt advisory, equity capital financing and employee stock ownership plan (ESOP) advisory.

To learn more about Capstone's wide range of advisory services and Metals Manufacturing sector knowledge, please [contact us](#).

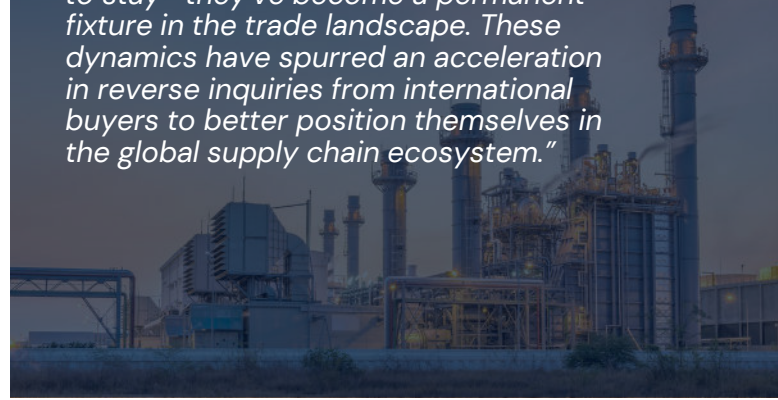
SECTOR PLAYERS VIE FOR GREATER NORTH AMERICAN PRESENCE

North American suppliers of critical metals have been large beneficiaries of tariff policy and geopolitical volatility as imports become less competitive and U.S.-based producers see pricing power hold firm. Tensions in Eastern Europe and the Middle East, coupled with U.S. tariffs have continued to push manufacturers to reassess their supply chains, particularly in critical materials like steel and aluminum. Four-inch steel, previously able to seep in through regulatory loopholes, has been inserted firmly within the crosshairs of tightened import controls. As a result, demand for North American-sourced metals has spiked, even among Japanese and European buyers who have fervently vied to enter domestic markets. Additionally, as reshoring has gained traction, buyers have increasingly prioritized reliability over cost with subsequent investments in production volume and downstream technology and automation aimed at boosting throughput and consistency. Notably, in March 2025, Hyundai Motor Company (KOSE:A005380) announced an investment of \$5.8 billion in a new manufacturing facility in Louisiana. The site marks Hyundai's first steel facility in North America, establishing a fully integrated, made-in-America supply chain to support its automotive manufacturing operations. The deal is expected to create more than 5,400 direct and indirect domestic jobs, according to a press release.¹ This investment, and those similar, have focused on regions seeing manufacturing growth, such as the Southeast and Midwest. These facilities are expected to be critical to meeting onshoring demand and supporting a domestic cost structure that can stand up to international pricing pressure.



Mike Schumacher
Managing Director

"Tariffs on steel and aluminum are here to stay—they've become a permanent fixture in the trade landscape. These dynamics have spurred an acceleration in reverse inquiries from international buyers to better position themselves in the global supply chain ecosystem."



NIPPON STEEL COMPLETES ACQUISITION OF U.S. STEEL



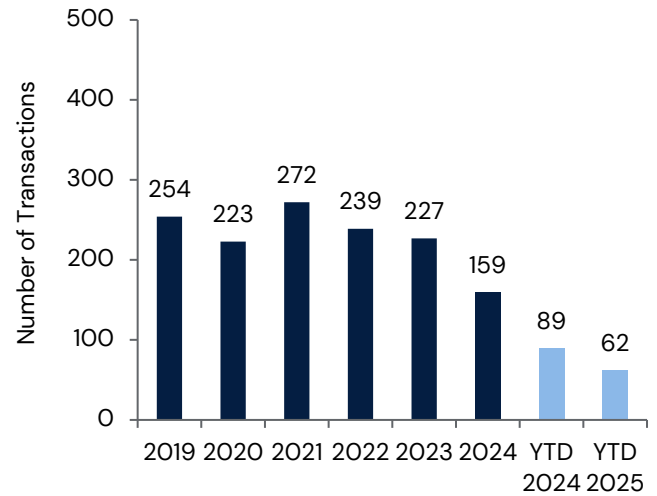
Enterprise Value: \$15.1 Billion
Revenue Multiple: 3.9x
EBITDA Multiple: 6.8x

Following almost two years of legal review and negotiations, Japan's largest steelmaker and one of the world's leading steel manufacturers, Nippon Steel (TSE:5401), has completed the acquisition of U.S. Steel (formerly NYSE:X) for an enterprise value of \$15.1 billion, equivalent to 0.8x EV/Revenue and 6.8x EV/EBITDA (June 2025). U.S. Steel is a 124-year-old large-scale steel producer with competitive advantages in low-cost iron ore, mill steelmaking, and finishing capabilities. The deal faced scrutiny from the United Steelworkers union (USW) and politicians on both sides of the aisle with concerns of national security from foreign ownership of a critical U.S. commodity company. However, the deal was approved by President Trump after Nippon made concessions and granted the U.S. government a "Golden Share." Through the "Golden Share," the U.S. will maintain authority over U.S. Steel's operations including the transfer of jobs or production outside of the U.S. and certain calls to close or idle factories. U.S. Steel will continue to be headquartered in Pittsburgh, Pennsylvania and is anticipated to create upwards of 100,000 jobs, according to a press release.² Trump has made protections for the Steel industry a key part of his economic agenda, raising tariffs on imports of the metal to 50% to benefit American producers. Additionally, Nippon Steel is expected to invest \$11 billion in U.S. Steel by 2028. The deal supports both companies' goal to create world-leading capabilities by leveraging each other's technologies.

M&A ACTIVITY SOFTENS AS TARIFF WHIRLWINDS PERSIST

M&A activity in the Metals Manufacturing sector has softened YOY, with 62 deals announced or completed through YTD 2025, a 30% decline compared to the prior year period. Although deal volume has slowed, companies in the sector have actively pursued largely strategic acquisitions aimed at broadening their portfolios across the value chain. PE platform transactions saw a 44.4% increase YTD from 2024 to 2025, representing 21% of total deals and a bright spot in the current M&A environment. This growth was partially offset by a 60% YOY decline in PE add-ons to date, which is expected to return as these new platforms scale. Private and public strategics have continued to play a significant role in the market. Private strategic share has grown to 43.5% YTD compared to 39.3% in the prior year period, despite a 22.9% decline in deal volume to date. Public strategics have accounted for 19.4% of deals to date, down from 22.5% for YTD 2024, due to a 40% decline in deal volume YOY.

Metals M&A Decline Evidences Trough in Dealmaking



Year to date (YTD) ended June 20
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Metals Players Higher on The Value Chain Garner Premium Valuations

Valuation Method	Average Revenue Multiple	Average EBITDA Multiple
Metals Production M&A Transactions (2019–YTD)	1.2x	7.9x
Metals Processing M&A Transactions (2019–YTD)	0.9x	8.8x
Metals Fabrication M&A Transactions (2019–YTD)	1.9x	9.7x

Year to date (YTD) ended June 20
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Valuation Insight

M&A EBITDA multiples within the Metals sector have been influenced by the target's position along the value chain. From 2019 through YTD 2025, average EBITDA multiples have shown a clear upward trend as a business' operations move further downstream. This trend has suggested that investors assign higher valuations to companies engaged in more advanced stages of production. M&A pricing in the Metals Fabrication segment, which has garnered the highest EBITDA multiple from 2019 through YTD (9.7x), has reflected the segment's stronger margins and more predictable cash flows. In contrast, the Metals Production segment, which is more exposed to commodity price fluctuations and thinner margins, has recorded the lowest multiple during the same period (7.9x). Eaton's (NYSE:ETN) acquisition of Fibrebond for an enterprise value of \$1.4 billion, equivalent to 3.7x EV/Revenue and 12.7x EV/EBITDA, underscores the Metals sector's pivot toward higher-value offerings along the value chain (March 2025). Fibrebond's offerings provide complex services past metal fabrication, such as structural components and modular construction. "[Fibrebond's] engineered-to-order power enclosures and service capabilities enhance our offerings, allowing us to move faster for our data center, industrial, utility and other customers," said Mike Yelton, President of Eaton's Electrical sector in the Americas Region, according to a press release.³

DOMESTIC METALS PRODUCERS EMBRACE EAF TECHNOLOGY

U.S. iron and steel manufacturers have anticipated growth heading into the second half of the year and into 2026, stimulated by expansion in the domestic economy and large-scale federal infrastructure investments. Government initiatives—particularly the Infrastructure Investment and Jobs Act (IIJA) and those tied to infrastructure projects with “Buy America” provisions—have bolstered demand for domestically produced steel. These IIJA investments are high-volume projects and represent sustained, multi-year demand across sectors. Manufacturers have faced a complex financial landscape after several years of fluctuating performance. Rising demand for green steel may also accelerate technology investments and transform production processes. Steelmakers are expected to invest in expanding capacity, modernizing facilities and adopting advanced manufacturing technologies to meet anticipated demand and comply with evolving environmental standards.

One production method that has promoted lower operating costs, fewer unplanned outages, and flexibility for domestic manufacturing has been the meteoric rise of EAF production. Over the past 25 years, publicly traded U.S. steelmakers have invested \$89.4 billion in their mills, including \$28.2 billion from January 2022 through March 2025, with a significant portion of those funds focused on EAF production, according to Recycling Today.⁴ Unlike coal-based blast furnace-basic oxygen furnace (BF-BOF) systems, EAFs use electricity to melt scrap metal, generating 75% fewer CO₂ emissions, and positioning EAFs as the environmentally superior option. With scrap metal as the primary input, the process reduces reliance on iron ore and enables circularity in steel production. The U.S. scrap metal reservoir has now surpassed four billion tons, supporting roughly 70% of domestic steel production—a figure expected to rise to 90% by 2040 as infrastructure demand and sustainability pressures grow, according to a report from Laplace Consel.⁵

Buyers are expected to step up M&A activity as they look to gain direct exposure to the rapid shift toward EAF-based steelmaking and its sustainable production base. Companies have viewed acquisitions as a faster path to integrate into operations that already benefit from lower costs, fewer outages, and reduced emissions. The control of assets tied to EAF technology also secures access to the growing scrap driven supply chain, which now supports a large portion of U.S. steel output and is anticipated to rise sharply as infrastructure demand and sustainability pressures build. This dynamic has made EAF-focused mills, recycling networks, and scrap processors attractive targets for strategic buyers.

PRODUCTION TRANSACTION HIGHLIGHT



Enterprise Value: \$1.5 Billion
Revenue Multiple: 0.5x
EBITDA Multiple: 29.5x

Toyota Tsusho America (TAI), a subsidiary of Japanese-based Toyota Tsusho Company (TSE:8015) (TTC), announced the acquisition of Radius Recycling (Nasdaq:RDUS) for approximately \$1.5 billion, equivalent to 0.5x EV/Revenue and 29.5x EV/EBITDA (March 2025). Radius, a century-old U.S. metal recycling and long steel product manufacturing company, has faced recent financial headwinds, reporting net income losses of \$266.2 million and \$25.4 million in 2024 and 2023, respectively, according to the company's 10K.⁶ Despite Radius' challenges, the acquisition marks a strategic move to support TAI's circular economy goals, particularly in automotive recycling and sustainable raw material sourcing. With TAI's financial support, Radius will have a greater ability to invest in the continued development of its metals recycling platform, Pick-N-Pull auto recycling business, Third Party Recycling (3PR™) recycling services and solutions, and Cascade electric arc furnace and rolling mill. Radius will also benefit from TAI's recycling technologies that seek to increase the recovery of ferrous and nonferrous metals and reduce material going to landfills. Radius' headquarters will remain in Oregon, and TTC will work to advance the local workforce, promote environmental stewardship, and support for public safety programs. The deal is expected to improve TAI's vertical integration through the creation of closed loop platforms for automotive original equipment manufacturers (OEMs) and batteries.



METAL PROCESSORS DIVERSIFY SECTOR CONCENTRATION

The Metals Processing segment along the Metals Manufacturing value chain has seen meaningful strategic expansion, particularly within the Specialty Metal Flat division. Players have increased their processing capabilities—through capital expenditure investments, M&A, and capacity upgrades—to serve growing demand from high margin sectors like Aerospace, Healthcare, Semiconductors, and Energy. These end markets not only require tighter tolerances and higher-grade alloys but also offer better pricing power and multi-year growth visibility, making them attractive targets as companies seek to move beyond traditional, lower-margin segments.

Ryerson (NYSE:RYI), an operator within the Carbon Flat division, has improved margins by layering in value-added processing and metal-intensive product expansions. These capabilities include laser cutting, slitting, leveling, and welding services, which has allowed producers to capture downstream margin previously left to fabricators or OEMs. Ryerson has made 92 acquisitions to date, which has materially increased revenue per ton and improved margin stability. These metrics have increased 4.2% YOY on average for the past 10 years ended 2024 meanwhile gross margin has increased by 40 basis points YOY to 18% in Q1 2025, compared to 17.6% in Q1 2024, according to Ryerson's 8K.⁷ Companies that possess differentiated services and technical ability, rather than competing purely on volume or price, have experienced significant value accretion. Corporate acquirers have employed highly selective acquisition programs. Acquisition targets with limited value-added revenue streams have struggled to find suitors, while advanced processors have been highly sought after. Players have begun a clear push to diversify end market exposure and reduce concentration in Industrial Machinery and other historically cyclical sectors. Sector participants have made targeted moves—both organically and via acquisitions—into verticals like Aerospace & Defense, Electric Vehicles (EVs), Medical Devices, and Data Infrastructure. These sectors have offered longer-term demand stability but have become less tied to short-term macro swings, helping to smooth out increased earnings volatility.

Ryerson Focused on Accretive Value-Add Processing

Date	Target	Deal Rationale	Enterprise Value (mm)
08/02/24	Production Metals	Value-Added Processing	\$44.1
12/04/23	Hudson Tool Steel	Product Expansion	\$19.4
11/01/23	TSA Processing	Value-Added Processing	\$37.7
10/02/23	Norlen	Value-Added Processing	\$30.2
03/02/23	BLP Holdings	Value-Added Processing	\$39.9
11/01/22	Excelsior	Value-Added Processing	-
09/01/22	Howard Precision Metals	Value-Added Processing	-
06/01/22	Ford Tool Steels	Product Expansion	\$2.9
03/02/22	Apogee	Value-Added Processing	\$2.5
09/07/21	Specialty Metals Processing	Value-Added Processing	-
06/05/18	Central Steel and Wire	Market Share Expansion	\$159.3
04/04/18	Fanello Industries	Value-Added Processing	\$16.2
02/15/17	Guy Metals	Value-Added Processing	\$22.7
01/19/17	Laserflex	Value-Added Processing	\$26.7
08/04/15	Southern Tool Steel	Product Expansion	\$7.7
01/05/15	Fay Industries	Value-Added Processing	\$20.1

METAL FABRICATORS SEE LIGHTWEIGHT MATERIALS DEMAND RISE

Metal fabricators have been vital to several major industrial trends as demand grows for lighter, more specialized, and precisely manufactured components. One impactful shift has been the push toward lightweight materials. As industries like Aerospace & Defense and Automotive seek to improve fuel efficiency and performance, many have turned to fabricators with expertise in advanced alloys, composites, and titanium. These materials allow for weight reduction without sacrificing strength or durability, and fabricators who can work with them have gained a clear competitive edge. Coincidingly, on-demand production has reshaped how metal fabricators engage with customers. Clients have begun asking for rapid prototyping, customization, and small-batch production to meet fast-changing needs. This trend has benefitted fabricators with deep design and engineering capabilities, particularly those who can quickly turn around high-precision parts with minimal lead time.



Mike Schumacher
Managing Director

"Acquirors of downstream fabrication and metals manufacturing outfits must acknowledge the sustained tariff environment and their impact on sourcing strategies to effectively underwrite deals and shape an appropriate valuation."

Fabricators that embrace digital manufacturing and computer-aided design (CAD)-integrated workflows are expected to be best positioned to win these more agile, higher-margin contracts. In highly regulated industries like Medical Devices and Biotechnology, the stakes are even higher. Precision machining, micromachining, and laser-based processes are critical for producing components used in robotic surgical systems, implants, and diagnostic tools. Capstone anticipates that demand for these capabilities will climb as innovation accelerates in minimally invasive procedures and personalized medicine. Fabricators serving these markets require tolerance control and must meet rigorous compliance standards, often with validated processes and cleanroom assembly.

FABRICATION TRANSACTION HIGHLIGHT



Enterprise Value: \$140.5 Million
Revenue Multiple: 2.3x
EBITDA Multiple: 10.0x

Mayville Engineering Company (NYSE:MEC) announced its acquisition of PE-backed metal solutions contract manufacturer, Accu-Fab, for \$140.5 million, equivalent to 2.3x EV/Revenue and 10.0x EV/EBITDA (May 2025). MEC, a vertically integrated manufacturer, provides design, prototyping, fabrication, coating, assembly, and aftermarket support services for various industries. The transaction is expected to enhance MEC's profitability immediately, with Accu-Fab historically delivering nearly double MEC's EBITDA margins. The combined platform is positioned to achieve approximately \$3 to \$5 million in annual revenue synergies by expanding customer reach and market share, according to a press release.⁸ MEC also anticipates \$1 million in annual cost savings by applying its MEC Business Excellence (MBX) operational framework to Accu-Fab. The integration strengthens MEC's financial performance and strategic growth potential. "Demand for critical power infrastructure and industrial-grade metal components is being propelled by durable multi-year growth drivers, including large-scale investment in data center infrastructure and the reshoring of U.S. manufacturing," noted Jag Reddy, President and CEO of MEC, in the press release. Through the acquisition, MEC gains immediate access to end markets shaped by rising demand for lighter, more specialized, and precisely manufactured components. The ability to weld, cut, and form these difficult-to-handle materials have set up top-tier manufacturing assets apart from commodity players.



SELECT M&A TRANSACTIONS BY SEGMENT

METALS PRODUCTION

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM	
					Revenue	EBITDA
03/13/25	Radius Recycling (Nasdaq:RDUS)	Toyota Tsusho America*	Recycles ferrous and nonferrous metal and manufactures finished steel products.	\$1,473.1	0.5x	29.5x
09/17/24	Aluminium Bahrain (BAX:ALBH)	Saudi Arabian Mining (SASE:1211)	Sells aluminum and aluminum related products.	\$6,414.9	1.6x	7.9x
06/10/24	Boyne Smelters	Rio Tinto (LSE:RIO)	Engages in the production of aluminum.	-	-	-
04/01/24	Kataman Metals	Pedalpoint Holdings	Operates as a merchant of primary and secondary non-ferrous metals.	\$254.6	-	-
02/05/24	Haynes International (Nasdaq:HAYN)	North American Stainless	Develops nickel and cobalt-based alloys in sheet, coil, and plate forms.	\$904.1	1.5x	11.4x

METALS PROCESSING

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM	
					Revenue	EBITDA
01/03/25	Alkar Steel and Processing	Lapham-Hickey Steel	Manufactures sheets made of steel.	-	-	-
12/27/24	Paulo Heat Treating	Aalberts (ENXTAM:AALB)*	Provides heat treating, brazing, and metal finishing services.	~\$77.0	~0.8x	-
11/12/24	Tampa Bay Steel	Russel Metals (TSX:RUS)	Manufactures metal parts in various shapes and configurations.	\$79.5	-	6.1x
07/15/24	Stelco (TSX:STLC)	Cleveland-Cliffs (NYSE:CLF)	Produces steel products.	\$2,991.3	1.4x	9.0x
07/12/24	Amerinox Processing	Kloekner Metals	Offers steel toll processing services.	-	-	-

METALS FABRICATION

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM	
					Revenue	EBITDA
06/19/25	Elgen Manufacturing	Worthington Enterprises (NYSE:WOR)	Manufactures metal parts and components, ductwork, and structural framing.	\$93.0	0.8x	7.0x
05/27/25	Accu-Fab	Mayville Engineering (NYSE:MEC)	Operates as a contract manufacturer of metal solutions.	\$140.5	~2.3x	~10.0x
03/11/25	Fibrebond	Eaton (NYSE:ETN)*	Manufactures concrete, steel, and hybrid structures.	\$1,400.0	3.7x	12.7x
01/28/25	Astro Shapes	Wynnchurch Capital	Commercializes aluminum extrusions for residential and commercial applications.	-	-	-
10/17/24	Universal Stainless & Alloy Products (Nasdaq:USAP)	Aperam (ENXTAM:APAM)*	Markets semi-finished and finished specialty steel products.	\$508.6	1.6x	8.6x

* Foreign buyer

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

BUYER UNIVERSE

Capstone maintains an active presence in the Metals Manufacturing sector with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our sector knowledge and network provide us with unique insights into market trends and buyer preferences.

Primary Production & Recycling














Distribution & Value-Added Processing




















Sponsor Portfolio Companies




















Family Offices & Holding Companies














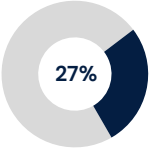

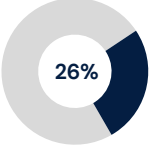

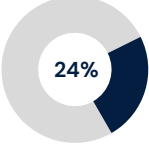






PUBLIC PLAYERS EXPAND NON-FERROUS AND SPECIALTY METALS MIX

Carbon steel has been the most heavily traded metal, forming the backbone of global industrial activity. However, companies have increasingly sought diversification away from carbon steel toward metals like copper and aluminum to mitigate volatility, meet sustainability targets, and tap into high-growth end markets. Over the past year, Reliance (NYSE:RS) has pivoted aggressively toward these alternatives, garnering a 29.4% last twelve-month (LTM) Q1 2025 gross margin and 9.8% LTM EBITDA margin compared to its less-diversified counterpart, Russel Metals (TSX:RUS), which saw 20.1% and 6.5% margins, respectively. American aluminum producer, Kaiser Aluminum (Nasdaq:KALU), has also benefitted from these shifts and has pursued a multi-pronged strategy. In Q1 2025, it posted net sales of \$777 million and \$24 million in adjusted net income, with its EBITDA margin rising from 14.7% in Q1 2024 to 20%, driven by operational efficiency and strong product mix, according to a press release.⁹ The company has also invested heavily in sustainability and higher-margin processing capabilities, reducing Scope 1 & 2 greenhouse gas (GHG) intensity by 11%, and launching its eco-focused KaiserSelect® Next Gen line, according to a press release.¹⁰ Kaiser's focus on maintaining output has exemplified proper strategic positioning amid the broader shift away from carbon steel.

Aperam (ENXTAM:APAM), a European stainless, electrical, and specialty steel company, has aggressively looked to take market share with sustainable U.S. assets. In January 2025, Aperam acquired U.S.-based Universal Stainless & Alloy Products (Nasdaq:USAP) for an enterprise value of \$508.6 million, equivalent to 1.6x EV/Revenue and 8.6x EV/EBITDA. The acquisition is expected to yield synergies of \$30 million per year within five years, helps achieve geographic expansion into North America, and adds to Aperam's presence within the Non-Ferrous and Specialty Metals Production space, according to a press release.¹¹ Additionally, European players, Acerinox (BME:ACX) and Outokumpu (HLSE:OUT1V), have also doubled down on the U.S. market, delivering strong Q1 2025 performances. Acerinox saw a 12% increase in EBITDA and has bolstered production capacity in North America and its high-performance Alloys division. Outokumpu had an adjusted EBITDA of approximately \$56.8 million compared to -\$3.5 million in Q4 2024 and extended its hot-rolling partnership in the Americas through 2051. With U.S.-based rolling, smelting, and recycling capabilities constrained, buying capacity has become the fastest path to market penetration.

Company	Non-Ferrous Mix	Strategic Positioning
		<ul style="list-style-type: none">Radius, primarily a ferrous scrap recycler, has its non-ferrous volume derived from aluminum, copper, and zinc scrap.The non-ferrous business remains important for export markets as it yields higher per-ton profitability, though volume and commodity pricing volatility add margin pressure.
		<ul style="list-style-type: none">Reliance's non-ferrous metals (primarily aluminum and copper and brass alloys) are focused on value-added processing.The company possesses higher gross margins on non-ferrous products due to complex processing and supply relationships in high-end verticals.
		<ul style="list-style-type: none">Ryerson has broader, but less specialized exposure to non-ferrous metals targeting small to mid-sized job shops and regional OEMs.Margin profile modestly lower than peers with non-ferrous offering uplift, but mix remains low.
		<ul style="list-style-type: none">Russel has limited non-ferrous exposure with a heavier tilt toward carbon steel and Energy-sector metals with recent M&A reinforcing that bias.The company's non-ferrous sales carry higher gross margins, but impact is immaterial at current its mix levels.

Source: Company Q4 2024 Last Twelve Months Sales by Segment/Product, Capital IQ, PitchBook, and Capstone Partners



PUBLIC COMPANY DATA BY SEGMENT

METALS PRODUCTION

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/25/25	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Algoma Steel Group Inc.	\$6.69	55.1%	\$702.0	\$999.8	\$1,635.9	NM	NA	0.6x	NM
Cleveland-Cliffs Inc.	\$7.04	42.7%	\$3,482.4	\$11,278.4	\$18,615.0	\$316.0	1.7%	0.6x	NM
Commercial Metals Company	\$49.18	76.2%	\$5,504.7	\$5,956.2	\$7,680.1	\$752.2	9.8%	0.8x	7.9x
Metallus Inc.	\$14.78	63.5%	\$621.1	\$456.4	\$1,042.9	\$40.9	3.9%	0.4x	11.2x
Nucor Corporation	\$128.21	75.2%	\$29,584.5	\$34,449.5	\$30,427.0	\$3,587.0	11.8%	1.1x	9.6x
Steel Dynamics, Inc.	\$128.48	82.6%	\$19,073.4	\$22,072.1	\$17,215.6	\$2,032.9	11.8%	1.3x	10.9x
							Mean	7.8%	0.8x
							Median	9.8%	0.7x
							Harmonic Mean	4.5%	0.7x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data
NM = Not Meaningful

METALS PROCESSING

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/25/25	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Klöckner & Co SE	\$6.86	72.1%	\$684.3	\$1,749.3	\$7,091.8	\$62.8	0.9%	0.2x	27.9x
Olympic Steel, Inc.	\$31.32	60.6%	\$349.6	\$617.1	\$1,908.0	\$88.8	4.7%	0.3x	7.0x
Radius Recycling, Inc.	\$29.57	99.4%	\$839.8	\$1,399.5	\$2,743.8	\$49.9	1.8%	0.5x	28.0x
Reliance, Inc.	\$309.04	94.5%	\$16,251.8	\$17,745.8	\$13,674.9	\$1,452.2	10.6%	1.3x	12.2x
Russel Metals Inc.	\$30.87	90.5%	\$1,735.2	\$1,917.6	\$3,042.9	\$209.5	6.9%	0.6x	9.2x
Ryerson Holding Corporation	\$20.70	75.5%	\$666.5	\$1,524.8	\$4,495.2	\$170.5	3.8%	0.3x	8.9x
Worthington Steel, Inc.	\$26.26	55.6%	\$1,301.2	\$1,614.9	\$3,093.3	\$240.1	7.8%	0.5x	6.7x
							Mean	5.2%	0.6x
							Median	4.7%	0.5x
							Harmonic Mean	2.8%	0.4x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data

Source: Capital IQ and Capstone Partners as of June 25, 2025

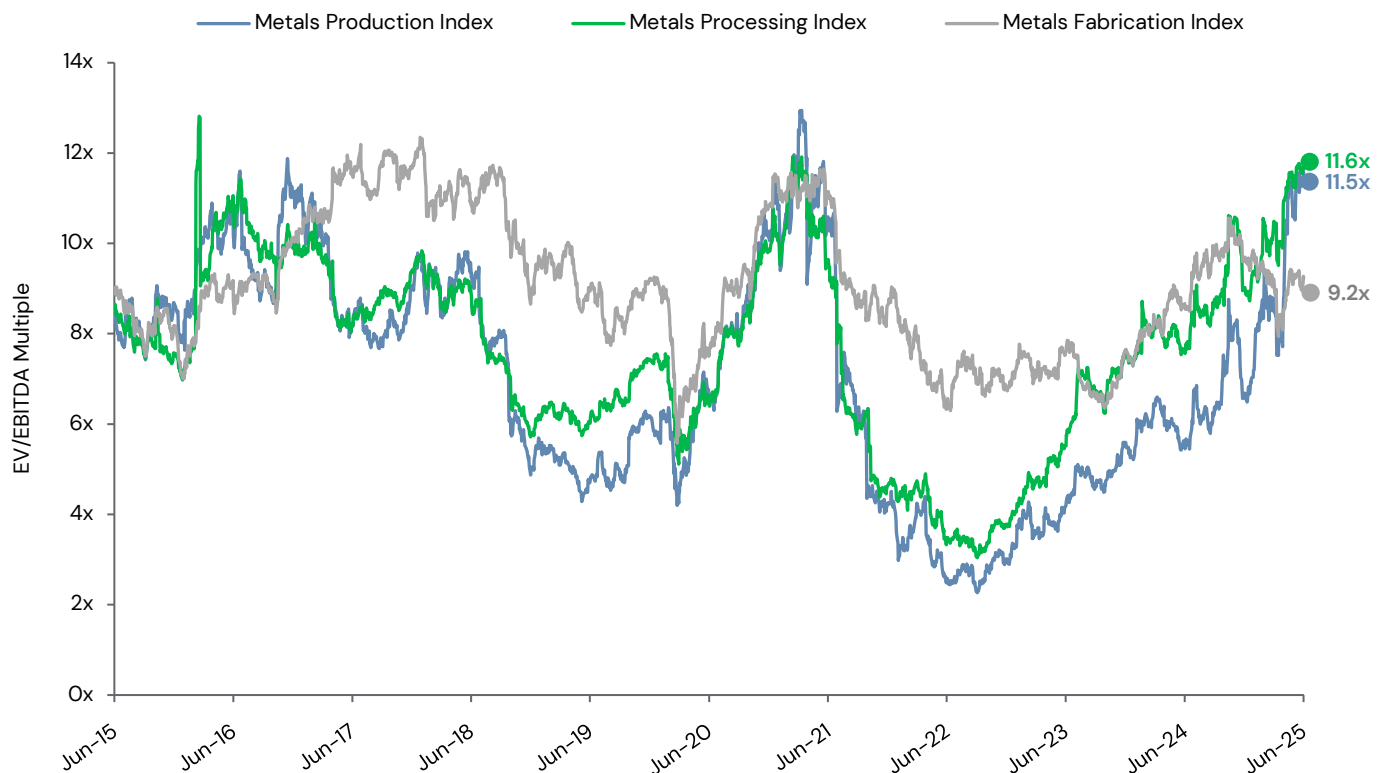


PUBLIC COMPANY DATA BY SEGMENT (CONTINUED)

METALS FABRICATION

	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
Company	06/25/25	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
AZZ Inc.	\$90.83	91.3%	\$2,720.3	\$3,598.3	\$1,577.7	\$355.9	22.6%	2.3x	10.1x
Mayville Engineering Company, Inc.	\$15.50	67.3%	\$317.1	\$426.7	\$555.9	\$56.6	10.2%	0.8x	7.5x
Mueller Industries, Inc.	\$77.18	79.7%	\$8,539.9	\$7,719.9	\$3,919.3	\$856.8	21.9%	2.0x	9.0x
NN, Inc.	\$1.95	41.8%	\$98.4	\$394.4	\$448.8	\$34.0	7.6%	0.9x	11.6x
Park-Ohio Holdings Corp.	\$17.60	51.0%	\$238.7	\$885.5	\$1,644.0	\$146.6	8.9%	0.5x	6.0x
SFS Group AG	\$135.78	81.8%	\$5,277.1	\$5,714.9	\$3,380.9	\$522.5	15.5%	1.7x	10.9x
The Timken Company	\$73.05	80.7%	\$5,110.8	\$7,154.3	\$4,523.0	\$832.8	18.4%	1.6x	8.6x
				Mean			15.0%	1.4x	9.1x
				Median			15.5%	1.6x	9.0x
				Harmonic Mean			12.7%	1.1x	8.7x
EV = enterprise value; LTM = last twelve months									
\$ in millions, except per share data									

Capstone's Metals Indices Rebound on an EBITDA Multiple Basis



Metals Production Index includes: ASTL, CLF, CMC, MTUS, NUE, STLD; Metals Processing Index includes: KCO, RDUS, RS, RUS, RYI, WS, ZEUS; Metals Fabrication Index includes: AZZ, MEC, MLI, NNBR, PKOH, SFSN, TKR
Source: Capital IQ and Capstone Partners as of June 25, 2025

METALS MANUFACTURING REPORT CONTRIBUTORS

**Mike Schumacher**

Managing Director

mschumacher@capstonepartners.com | 314-285-5877

Over the course of Mr. Schumacher's 25-year investment banking career, he has advised, evaluated, and worked with companies and financial sponsors across various industries and sizes. Mr. Schumacher has completed transactions totaling over \$10 billion in value, including debt, equity, and strategic advisory transactions. Mr. Schumacher is Capstone Partners' lead Metals Manufacturing banker and has covered metals for more than 15 years, closing transactions of \$2.0 billion in value over that time, in the following metals spaces: Metal Fabrication; Precision Machining; Engineered Components; Specialty Metal Forging; Specialty Metals Machining; Specialty Metals Recycling; Aluminum Flat-Rolled Products; Copper Wire & Cable Extruding; Zinc Die Casting; Zinc Metals Fabrication & Recycling; and Metallurgical Coal. Mr. Schumacher began covering metals at Morgan Stanley in 2007 in New York as a Vice President. In 2008, he covered the ferrous chain from Hong Kong for Morgan Stanley, namely Chinese steel producers, given he speaks Mandarin Chinese fluently. Since then, he continues to cover all aspects of the metals value chain and transact year in and year out.

**John Cianci**

Associate

jcianci@capstonepartners.com | 617-619-3339

John joined Capstone Partners in 2022 and currently serves as an Associate within the firm's Corporate Investments Banking Practice in Boston, MA. He is responsible for all aspects of deal execution, including company and financial analysis, material preparation, management presentations, due diligence, and buyer negotiations. Previously, John served as a Manager in Capstone's Financial Sponsor Coverage Group. Prior to Capstone Partners, John covered financial sponsors at Preqin – a private equity research firm in New York, NY. John graduated with a Bachelor of Business Administration from Roanoke College.

**Neve Adler**

Market Intelligence Analyst

nadler@capstonepartners.com | 617-619-3387

Neve serves as a Market Intelligence Analyst at Capstone Partners covering the Industrials industry. Prior to joining the firm's Market Intelligence Team, Neve was an intern at the Bank of New York Mellon and Gray Private Wealth. Neve graduated with a Bachelor's of Science degree in Finance from Bentley University.



FIRM TRACK RECORD

Capstone Partners has represented a diversified group of Metals Manufacturing sector players on a number of high-profile, benchmark transactions within key industrial segments. Our [Industrials Group](#) has an active market presence in the Metals Products and Services sectors, allowing Capstone to provide metals companies with experienced, up-to-date market data and access to key decision makers among the sector's active acquirers and investors. Additionally, as a member firm of global investment banking platform [IMAP](#) (International M&A Partners), Capstone has a vast international reach and relationships to present clients to the global marketplace in a seamless, integrated fashion.



 \$210 MILLION DEBT PLACEMENT	 \$175 MILLION PROJECT FINANCING	 \$125 MILLION RECAPITALIZATION
 A subsidiary of Collins Aerospace HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY 	 A PORTFOLIO COMPANY OF CRIMSON BERTRAM LLP LLC HAS BEEN ACQUIRED BY 

 HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY 	 HAS BEEN ACQUIRED BY 
 \$1.3 BILLION IPO		 HAS BEEN ACQUIRED BY 

Firm Transactions In Market

CONFIDENTIAL, Project Cormorant, Sell-Side:
The company is an equipment servicing company for the Steel and Aluminum industry.

CONFIDENTIAL, Project QV, Buy-Side:
The company provides OEM relief valve replacement parts.

To learn more about these opportunities, please contact Mike Schumacher at:
mschumacher@capstonepartners.com or 314-285-5877

* indicates deals completed by Capstone Partners and Capstone Partners professionals on other platforms
** indicates IMAP-advised transactions

DATA ANALYTICS HELP REFINE PERFORMANCE OF METALS BUSINESSES

Businesses in the Metals Manufacturing sector face a unique set of challenges that can impact productivity, profitability, and competitiveness. In order to succeed, companies are required to navigate a complex landscape of technological, environmental, and geopolitical factors to respond to customer demands that vary significantly from product to product.

Data analytics has proven to be a powerful tool helping manufacturing companies improve operational efficiency, identify opportunities for cost savings, and optimize business value. This can be a critical competitive advantage for companies that provide precision components to various industrial OEM supply chains, whose challenges, depending on the sector, may include domestic sourcing requirements; demand for lighter-weight, specialized components; and global emphasis on sustainability targets.

Capstone's Financial Advisory Services team can deploy advance data analytic tools that allow us to evaluate multiple factors affecting performance and determine the most effective corrective action to help mitigate any decline in production or profitability.

Key Data-Enabled Performance Improvement Value Adds For Sector Participants

- **Operational Efficiency & Process Optimization**
 - Use real-time data from manufacturing systems to monitor uptime, downtime, and throughput
 - Track input-output ratios to identify inefficiencies and provide yield analysis data
 - Use machine learning (ML) to predict equipment failure and engage in proactive maintenance
- **Quality Control & Compliance Measures**
 - Analyze quality metrics to detect variations and prevent defects
 - Use analytics to quickly trace and isolate product defects in specific batches
 - Automate and monitor compliance with regulatory requirements and industry standards
- **Demand Forecasting & Inventory Management**
 - Analyze customer order history, market trends, and seasonality to predict future demand and help adjust production accordingly
 - Optimize raw material purchasing and finished goods inventory to reduce holding costs
- **Supplier & Raw Material Analysis**
 - Evaluate delivery times, quality of materials, and cost fluctuations
 - Analyze raw material usage and identify cheaper or higher-quality alternatives

Capstone Case Study: Data Analytics Results in \$1.7 Million of Recurring Revenue Savings

Capstone recently helped a manufacturing client address the paradoxical issue of falling output despite an increase in staff hours and a build-up in inventories. Using data analytics, along with other performance improvement tools, Capstone's team was able to identify and address multiple operational and process inefficiencies that resulted in \$1.7 million of confirmed annual recurring savings for the business. Through the data-driven approach, the client transformed its manufacturing operations, eliminated inefficiencies, reduced costs, and positioned the company for sustainable growth. The newly implemented tools and processes ensured that management had full visibility of performance, enabling data-driven decision-making for continued success.

To learn more about [Capstone's Financial Advisory Services \(FAS\) Group](#), their capabilities, and whether they can help you reach your business goals, [contact us](#).

CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2024 Middle Market Business Owners Survey indicated growth strategies are a priority for 2025, the lion's share (40.7%) of owners anticipate a need for growth strategy support services. Similarly, 38.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Nearly one-third of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, 30.2% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2025



40.7%

Instituting a growth strategy



38.1%

Raising equity capital



32.4%

Accounting & audit support



30.2%

Accessing relevant industry research



20.2%

Raising debt capital



19.8%

Corporate restructuring

Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 278



ENDNOTES

1. Louisiana Economic Development, "'Louisiana Wins Again,' Governor Jeff Landry & LED Secure \$5.8 Billion Hyundai Steel Plant," <https://www.opportunitylouisiana.gov/news/louisiana-wins-again-governor-jeff-landry-led-secure-5-8-billion-hyundai-steel-plant>, accessed June 30, 2025.
2. Reuters, "Nippon Steel's purchase of U.S. Steel closes, with big role for Trump," <https://www.reuters.com/sustainability/boards-policy-regulation/nippon-steels-acquisition-us-steel-closes-with-big-role-trump-2025-06-18/>, accessed June 30, 2025.
3. Eaton, "Eaton completes acquisition of Fibrebond," <https://www.eaton.com/us/en-us/company/news-insights/news-releases/2025/eaton-completes-acquisition-of-fibrebond.html>, accessed June 30, 2025.
4. Recycling Today, "The U.S. EAF steel industry investment flywheel continues building market-competitive capacity," <https://www.recyclingtoday.com/article/united-states-eaf-steel-industry-anticipate-and-adapt/#:~:text=These%20investments%20have%20focused%20on,million%20metric%20tons%20of%20capacity,> accessed July 15, 2025.
5. Laplace Consel, "A Transition Towards Scrap-Based EAFS Continues to Accelerate The Decarbonization of The American Steel Industry," <https://www.opportunitylouisiana.gov/news/louisiana-wins-again-governor-jeff-landry-led-secure-5-8-billion-hyundai-steel-plant>, accessed June 30, 2025.
6. Radius Recycling, "FORM 10-K," <https://radiusrecycling.gcs-web.com/static-files/4ef2153d-d5e4-46d0-b774-f18b4a720af0>, accessed July 15, 2025.
7. Ryerson, "8-K," <https://ir.ryerson.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=18418513>, accessed June 30, 2025.
8. Business Wire, "Mayville Engineering Company Announces Definitive Agreement to Acquire Accu-Fab, LLC Share," <https://www.businesswire.com/news/home/20250527947428/en/Mayville-Engineering-Company-Announces-Definitive-Agreement-to-Acquire-Accu-Fab-LLC>, accessed June 30, 2025.
9. Kaiser Aluminum, "Kaiser Aluminum Corporation Reports First Quarter 2025 Financial Results," <https://investors.kaiseraluminum.com/investors/news/news-details/2025/Kaiser-Aluminum-Corporation-Reports-First-Quarter-2025-Financial-Results/default.aspx>, accessed June 30, 2025.
10. Kaiser Aluminum, "Kaiser Aluminum Corporation Publishes 2024 Sustainability Report," <https://investors.kaiseraluminum.com/investors/news/news-details/2025/Kaiser-Aluminum-Corporation-Publishes-2024-Sustainability-Report/default.aspx>, accessed June 30, 2025.
11. Aperam, "Aperam completes acquisition of Universal Stainless & Alloy Products," https://www.aperam.com/sites/default/files/documents/Press_Release_Aperam_Acquisition_Universal_Stainless_Alloy_Products.pdf, accessed June 30, 2025.



**CAPSTONE
PARTNERS**

Common Goals. Uncommon Results.

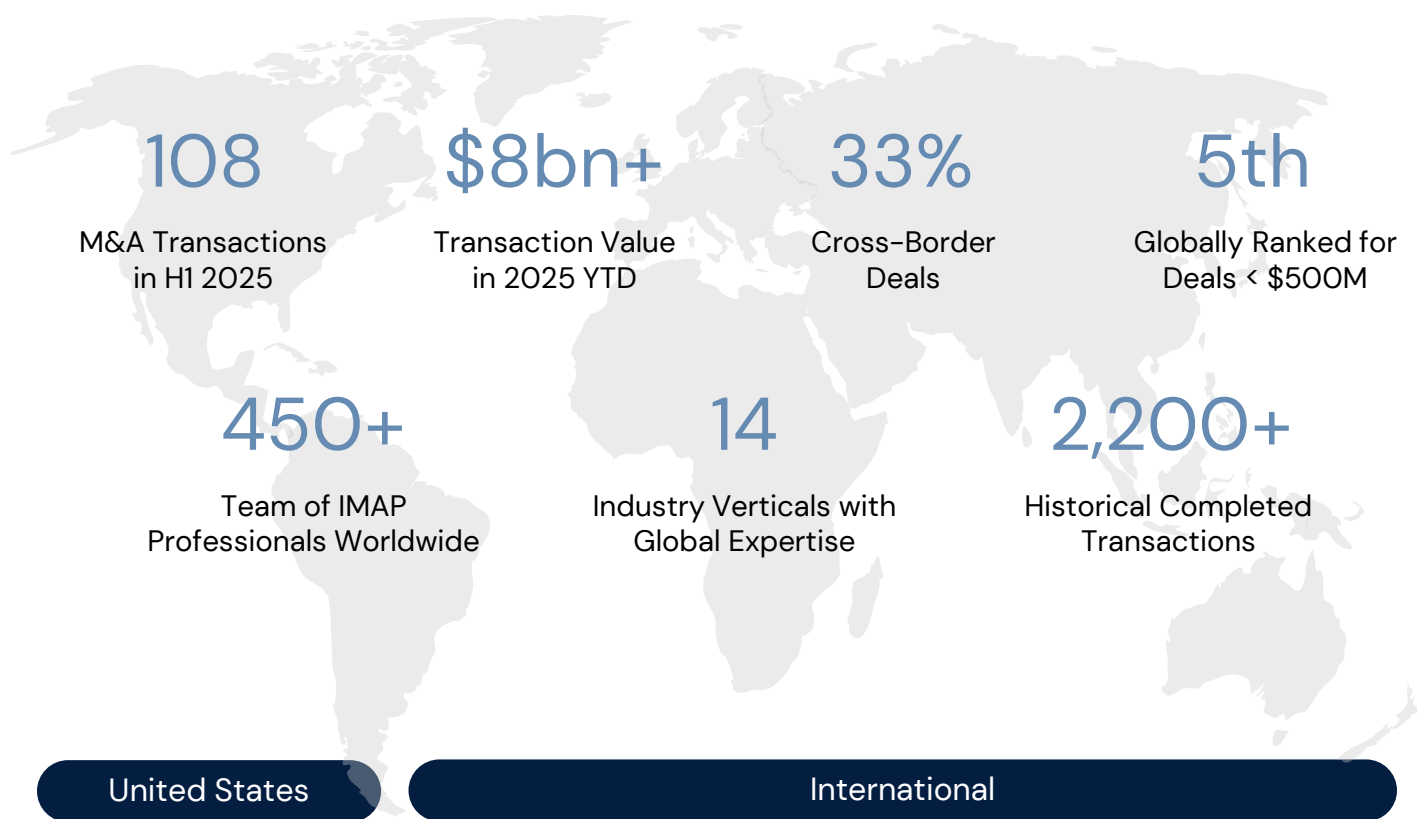
Disclosure

This report is a periodic compilation of certain economic and corporate information, as well as completed and announced merger and acquisition activity. Information contained in this report should not be construed as a recommendation to sell or buy any security. Any reference to or omission of any reference to any company in this report should not be construed as a recommendation to buy, sell or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this report. The report is published solely for the general information of clients and friends of Capstone Partners. It does not take into account the particular investment objectives, financial situation or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known and unknown risks and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this report. Opinions expressed are our present opinions only and are subject to change without notice. Additional information is available upon request. The companies mentioned in this report may be clients of Capstone Partners. The decisions to include any company in this report is unrelated in all respects to any service that Capstone Partners may provide to such company. This report may not be copied or reproduced in any form or redistributed without the prior written consent of Capstone Partners. The information contained herein should not be construed as legal advice.



Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 51 countries.



~200 professionals
8 offices

Boston • Denver • Chicago • Dallas
Detroit • Irvine • New York • Tampa

450+ professionals
60+ offices in 51 countries

Asia: China • India • Japan • Thailand

Africa: Congo • Cameroon • Ghana • Mauritius • Morocco • Senegal • South Africa •
Uganda • Zimbabwe

Americas: USA • Canada • Argentina • Brazil • Chile • Colombia • Mexico • Panama & Central
America • Paraguay • Peru

Europe: Belgium • Bosnia & Herzegovina • Croatia • Czech Republic • Denmark • Finland • France •
Germany • Hungary • Ireland • Italy • Netherlands • Poland • Portugal • Romania • Serbia • Slovakia •
Slovenia • Spain • Sweden • United Kingdom

Middle East: Egypt • Oman • Qatar • Saudi Arabia • United Arab Emirates