

# Metal Fabrication

INDUSTRY REPORT

Spring | 2022

CREATING  
M&A STRATEGIES  
FOR BUSINESS OWNERS  
SINCE 1956







# Table of Contents

Market Observations .....	3
Transaction Highlights .....	10
Public Companies .....	13
CFA Overview .....	21



# Market Observations



# Market Summary

## Metal Fabrication Market

The global Metal Fabrication market was valued at \$20 billion in 2021, and is expected to reach \$29 billion by 2029, growing at a CAGR of 4.7% during the period 2022-2029 as per research published by Data Bridge Market Research. It is expected that rising demand for metal processing and machinery in various developing countries worldwide is likely to boost the global metal fabrication market. Steel and aluminum are the most used metals for sheet metal fabrication, primarily due to their durability, high strength, and corrosion resistance. Steel is expected to continue making strong gains in the market, given its importance as a prominent building material in large-scale construction projects. Around 96% of organizations have predicted that their sales and revenue will increase in 2022, led by recovery and growth in the construction and commercial air travel sectors, as per research published by Aptean. New age technologies and solutions like computerization and robotics are expected to be implemented in the global metal fabrication market. The global Sheet Metal Fabrication Services market size is projected to reach \$17 billion by 2026 as per research published by MarketResearch.com. The utilization of innovative prefabrication techniques adopted by sheet metal fabrication service providers are expected to drive the growth of this industry.

## Public Company Valuations

The CFAW Select Metal Fab Index decreased by 10.6% in the first quarter of 2022, and the 12 months return on the Index was 2.0%. Our index for each of the subsector of Metal Fab decreased in the first quarter of 2022. Spring and Wire Product Manufacturing had the highest negative return with 13.2% decrease in the first quarter of 2022. Other Fabricated Metal Product Manufacturing had the highest median revenue and EBITDA multiple with 1.4x & 11.0x, respectively. Forging and Stamping had median revenue and EBITDA multiples of 0.9x and 6.8x, while Architectural and Structural Metals Manufacturing had median revenue and EBITDA multiples of 0.7x and 9.0x, respectively. Spring and Wire Product Manufacturing had median revenue multiple of 0.4x and EBITDA multiple of 4.0x. Machine Shops; Turned Product; & Screw, Nut, & Bolt Manufacturing had median revenue and EBITDA multiple with 0.8x and 11.0x, respectively.



*The public metal fabrication market showed a decline in the first quarter of 2022.....*

## Mergers and Acquisitions

The M&A environment in Metal Fabrication industry is expected to be favorable in 2022. M&A deals are taking place in the metal fabrication industry to improve capabilities in automation, analytics and advanced technologies. Other factors like expansion of product portfolio and capacity are expected to drive M&A deals. The Metal Fabrication industry is expected to witness significant growth in demand in 2022. Factors such as urbanization in many developing regions, and a robust trend of R&D investments in several services sectors are projected to generate the demand in this industry, which eventually would attract investors towards Metal Fabrication industry.

# Industry Trends

## Vertical Rolling

In most cases, the metal fabricators roll sheet and plate in the horizontal position. A less common approach involves vertical rolling. There are several advantages of using vertical rolling method. Efficient material handling and elimination of intermediary processing are some of the advantages. When rolling vertically, the tank shell does not resist gravity and so does not collapse by its own weight. These advantages improve the workflow and ultimately the competitiveness of a metal fabricator. Tanks and vessels used in the food and beverage, dairy, wine, beer, and pharmaceutical industries are commonly vertically produced. Vertical rolling significantly reduces material handling, thereby resulting in a higher-quality bend, and supports the next stage of production more efficiently for fit-up, alignment, and welding.

## Transition from Fabricating to Stamping

Stamping is a cold-forming method that molds flat metal sheets into various shapes. Stamping makes use of a tool and die that when struck, changes the shape of the metal through sheer pressure. Traditional fabrication methods such as turret punching, laser cutting, and press brake bending are used by typical fabricating job shops and OEMs to create parts. However, stamping with hard tooling is the most efficient approach for producing certain flat sheet metal products. The primary advantage of stamping over fabrication is the reduction of labor. Another advantage of stamping is the ability to maintain a better and more consistent degree of part quality. Operators using progressive tools set each hit inside a limited parameter, which ensures exceptional accuracy with each hit. Similarly, stage tools use location pins to keep parts in the same place. Metal stamping requires a high degree of automation, making it ideal for projects requiring quick and accurate results.



## Video Marketing

Video marketing is a method of promoting a product or service using videos. In today's time, video marketing is one of the most popular ways to grow brand awareness and revenue. It can be difficult for manufacturers to show the functionality of a machining tool or a complex process that incorporates a high-level engineering concept. Manufacturers can use videos to demonstrate these complex equipment or processes in action, which ultimately helps prospective buyers learn about the products and connect with the manufacturer. Videos help in the explanation of conditions and capabilities of products and services. It is expected that videos will play a significant role in the sales process for smart manufacturing companies. Manufacturers have started to build sales videos showcasing all the machines they offer, along with the technical team answering common questions involved in sales process. Using the videos to demonstrate offerings can be an effective approach to attract potential buyers. Marketers who use video in their content marketing campaigns generate 49% more revenue than those who do not utilize videos, as per research published by Hubspot.

# Significant News

## Waterjet Cutting Machine Market Makes Significant Breakthroughs With Advanced Technology

*Technology Today, March 11, 2022*

“Advancement in technology and innovation is a key trend being followed by the companies operating in the global waterjet cutting machine market. The development technologies, such as multi-axis waterjet cutting and 3D cutting, would enable the waterjet cutting process to expand its global penetration. Micro waterjet cutting and nano jet cutting are two significant breakthroughs that are gaining significant growth. For instance, In October 2020, Techni Waterjet, a US-based producer of waterjet cutting machines, introduced the Intec-G2 CNC Waterjet machines, which provide significant benefits and enhanced capabilities to the operation.”

[Read More >](#)

## Metal prices hit record highs, costs of consumer goods to rise

*Fox Business, March 10, 2022*

“Metal prices are surging to record highs as the commodities remain in short supply exacerbated by the war in Ukraine. The crunch is threatening to increase the costs of goods from cookware to consumer electronics and construction. Although metals have not been subject to sanctions yet, manufacturing companies in the U.S. are avoiding Russian goods, sending shock waves to a variety of metal commodities.”

[Read More >](#)

## OEM supplier Lollis Metals expands in Anderson

*GSA Business Report, March 9, 2022*

“Lollis Metals, a metal fabrication and machine shop, plans to invest \$2.8 million in a 10,000-square-foot addition to their current facility. The addition, set to create 10 jobs in the county and house a new robotic tube laser, will be complete in December, according to a news release. The current 53,000-square-foot shop is located at 3933 Keys St. in Anderson.”

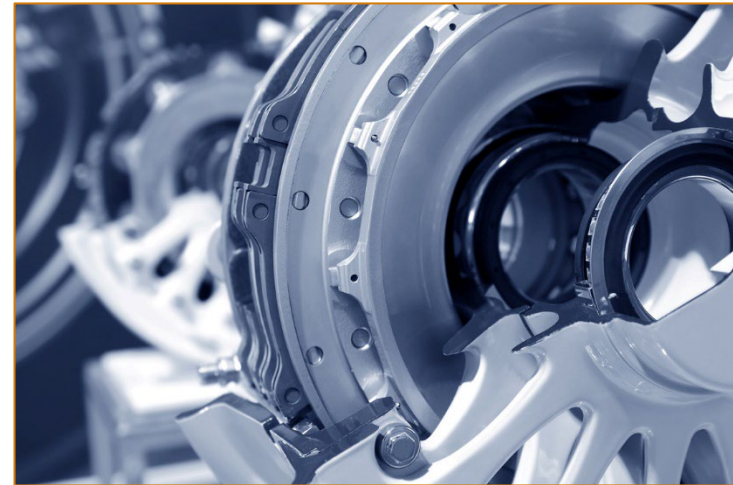
[Read More >](#)



# M&A Metrics

## Metal Fabrication Industry

M&A activity in the metal fabrication industry slowed down in Q1 2022. The number of M&A transactions in the industry decreased from 73 in Q4 2021 to 46 in Q1 2022. The number of sub-\$50 million transactions decreased from 67 in Q4 2021 to 44 in Q1 2022. The number of transactions above \$100 million decreased from 5 in Q4 2021 to 1 in Q1 2022. The total number of M&A transactions decreased 27.0% year on year from 63 in Q1 2021 to 46 in Q1 2022.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q 2019 2	Q 2019 3	Q 2019 4	Q1 2020	Q 2020 2	Q 2020 3	Q 2020 4	Q 2021 1	Q 2021 2	Q 2021 3	Q 2021 4	Q 2022 1
Not Disclosed	41	54	48	43	28	32	46	46	50	59	51	33
Under \$10 MM	4	7	9	4	3	6	10	5	7	15	8	6
\$10 - \$25 MM	3	1	0	3	1	3	4	5	2	6	6	1
\$25 - \$50 MM	3	3	3	3	1	2	3	2	1	2	2	4
\$50 - \$100 MM	0	1	3	1	1	0	2	1	1	3	1	1
\$100 - \$500 MM	1	2	7	3	1	0	2	3	1	1	3	1
\$500 MM+	1	0	0	1	0	1	0	1	1	1	2	0
<b>Total Transactions</b>	<b>53</b>	<b>68</b>	<b>70</b>	<b>58</b>	<b>35</b>	<b>44</b>	<b>67</b>	<b>63</b>	<b>63</b>	<b>87</b>	<b>73</b>	<b>46</b>

Source: FactSet

# Industry Metrics

## Industry Financial Data and Ratios

### NAICs 3321 - Forging and Stamping

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	3.4	3.24	3.55
Gross Profit Margin	34.50%	32.40%	29.90%
Net Profit Margin	10.30%	8.71%	6.05%
Accounts Receivable Days	50.24	51.53	50.94
Accounts Payable Days	47.6	46.14	36.36
Debt-to-Equity Ratio	1.69	1.88	1.65
Return on Equity	37.04%	36.76%	17.66%
Sales per Employee	\$202,158	\$202,158	\$189,225
Profit per Employee	\$13,288	\$13,288	\$17,029
Sales Growth	4.59%	13.22%	-10.15%
Profit Growth	36.34%	32.36%	22.97%

### NAICs 3326 - Spring and Wire Product Manufacturing

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	5.19	5.01	4.16
Gross Profit Margin	32.13%	31.11%	35.20%
Net Profit Margin	11.29%	11.21%	6.58%
Accounts Receivable Days	54.05	54.92	48.15
Accounts Payable Days	32.3	31.21	32.76
Debt-to-Equity Ratio	1.05	1.02	1.61
Return on Equity	32.70%	33.92%	22.19%
Sales per Employee	\$139,753	\$139,753	\$193,601
Profit per Employee	\$21,302	\$21,302	\$27,253
Sales Growth	16.79%	16.17%	-5.58%
Profit Growth	116.72%	55.31%	-4.24%

Source: Profit Cents

### NAICs 3323 - Architectural and Structural Metals Manufacturing

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	2.71	2.83	3.58
Gross Profit Margin	30.22%	29.86%	31.24%
Net Profit Margin	9.18%	9.24%	6.27%
Accounts Receivable Days	62.1	62.05	57.14
Accounts Payable Days	44.75	44.69	36.06
Debt-to-Equity Ratio	1.83	1.94	2.17
Return on Equity	46.47%	42.10%	42.29%
Sales per Employee	\$225,069	\$225,069	\$213,953
Profit per Employee	\$70	\$70	\$23,695
Sales Growth	23.01%	18.82%	2.85%
Profit Growth	13.37%	6.06%	26.99%

### NAICs 3327 - Machine Shops; Turned Product; Screw, Nut, & Bolt Manufacturing

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	4.73	4.5	4.24
Gross Profit Margin	39.84%	38.86%	41.25%
Net Profit Margin	9.86%	9.34%	6.43%
Accounts Receivable Days	56.85	58.11	49.53
Accounts Payable Days	40.56	40.24	33.36
Debt-to-Equity Ratio	1.48	1.59	2.19
Return on Equity	41.46%	41.25%	32.74%
Sales per Employee	\$180,973	\$180,973	\$146,367
Profit per Employee	\$14,599	\$14,599	\$9,972
Sales Growth	11.21%	8.57%	-8.07%
Profit Growth	52.50%	37.66%	19.68%



# Industry Metrics

## Industry Financial Data and Ratios

NAICs 3329 - Other Fabricated Metal Product Manufacturing

Financial Metric	Last 12 Mo	2021	2020
Current Ratio	3.82	3.55	3.78
Gross Profit Margin	36.09%	36.25%	35.18%
Net Profit Margin	11.64%	12.19%	6.03%
Accounts Receivable Days	49.42	49.96	48.65
Accounts Payable Days	40.93	40.26	36.21
Debt-to-Equity Ratio	1.45	1.55	2.03
Return on Equity	51.94%	54.23%	32.25%
Sales per Employee	\$191,946	\$213,070	\$176,264
Profit per Employee	\$23,209	\$21,762	\$21,545
Sales Growth	20.54%	19.69%	-3.06%
Profit Growth	39.33%	48.75%	22.54%

Source: Profit Cents



# Transaction Highlights



# Notable Transactions



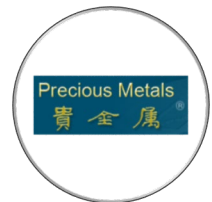
In March 2022, Tata Steel Ltd signed an asset transfer agreement to acquire itemized assets that produce Ferro alloys from Stork Ferro & Mineral Industries Pvt Ltd, a subsidiary of Stork Handelsges Mbh for INR1,550 million (US\$20.4 million) in cash. The acquisition enhances the Ferro alloys producing capabilities of Tata Steel Ltd. The acquired itemized assets are located in Orissa, India and operates as Ferro producing assets.



In March 2022, Vulcan Industries Plc acquired Aftech Ltd from Unity Group of Cos Pte Ltd for GBP1.7 million (US\$2.2 million) in stock, with an undisclosed amount in warrant options. The acquisition supports the development of Vulcan Industries Plc's fabrication activities. Aftech Ltd is located in United Kingdom and provides sheet metal fabrication services.



In March 2022, Sino-platinum Metals Co Ltd agreed to acquire Sino Precious Metals Holding Co Ltd from state-owned Yunnan Provincial Investment Holdings Group Co Ltd for RMB58.2 million (US\$9.2 million) in cash. Founded in 2016, Sino Precious Metals Holding Co Ltd is located in Kunming, Yunnan, China and manufactures and sells precious metals and non-ferrous metal materials.



In February 2022, Well To Sea Investment Co Ltd acquired Shinil Precision Machinery Corp for KRW149 billion (US\$125 million) in cash. The transaction would enhance Well To Sea Investment Co Ltd's existing business operations. Shinil Precision Machinery Corp is located in South Korean and engages in manufacture bearings.



The logos shown on this page are property of the respective owners

# Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
03/30/22	Stork Ferro & Mineral Industries Pvt Ltd. /Itemized Asts/	Tata Steel Ltd.	20	NM	NM
03/24/22	Aftech Ltd.	Vulcan Industries Plc	2	NM	NM
03/17/22	Sino-Precious Metals Holding Co., Ltd.	Sino-platinum Metals Co., Ltd.	9	5,024	NM
03/10/22	Alloy Kinzoku Kogyo /Stainless Steel & High Chrome Cast For Pu	Alloy Technology KK	NM	NM	NM
03/09/22	Zhangzhou Mingtu Industry & Trade Co. Ltd.	Xiamen Zhonggou New Material Technology Corp. Ltd.	1	NM	NM
03/08/22	Metalurgica de Medina SA	Clarios Global GP LLC	NM	NM	NM
03/07/22	K-T Bolt Manufacturing Co.	Birmingham Fastener & Supply, Inc.	NM	NM	NM
02/24/22	Chongqing Jodear Power Equipment Co., Ltd.	Qingdao Huadian Maritime Manufacture Co. Ltd.	56	130	NM
02/22/22	Shinil Precision Machinery Corp.	Well To Sea Investment Co. Ltd.	125	NM	NM
02/21/22	Dykab Varv & Mek AB	Endur ASA	1	NM	NM
01/17/22	Zhejiang NBTM Keda Magnetolectricity Co. Ltd.	NBTM New Materials Group Co., Ltd.	91	49	NM
01/17/22	Deqing Xinchun New Material Co. Ltd.	NBTM New Materials Group Co., Ltd.	32	26	NM
01/17/22	Isramat Ltd.	A2Z Smart Technologies Corp.	3	6	NM
01/15/22	HSIL Ltd /Building Products Division/	Brilloca Ltd.	85	NM	NM
01/04/22	Masu Brakes Pvt Ltd. /Railway Friction Business/	Westinghouse Air Brake Technologies Corp.	34	NM	NM
01/03/22	Unity Precision Engineering Sdn. Bhd.	Pantech Group Holdings Bhd.	3	NM	NM
(\$ in millions) Source: Factset					



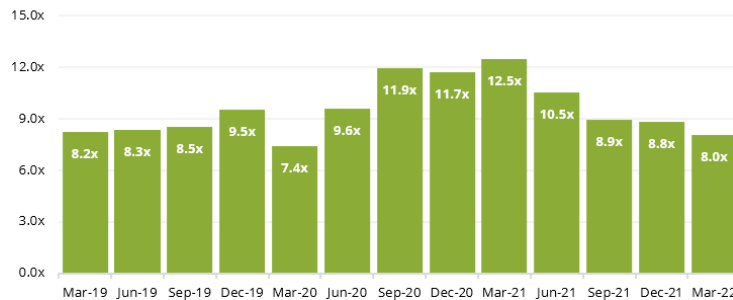


# Public Companies

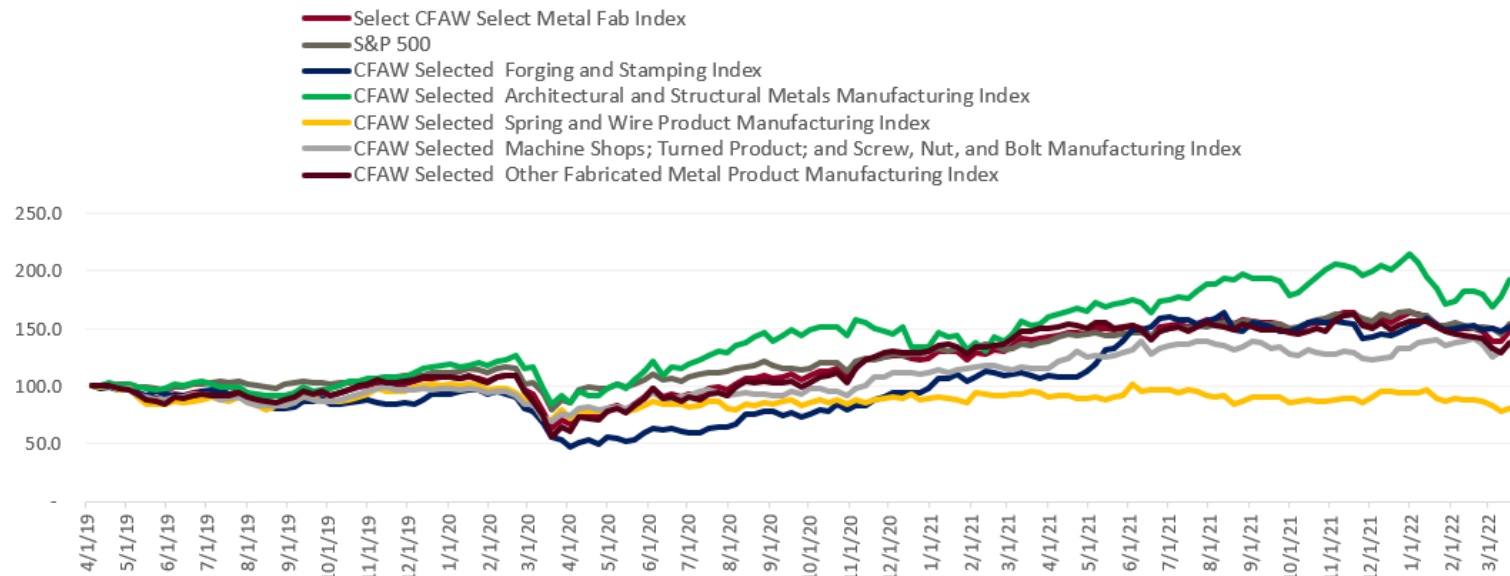
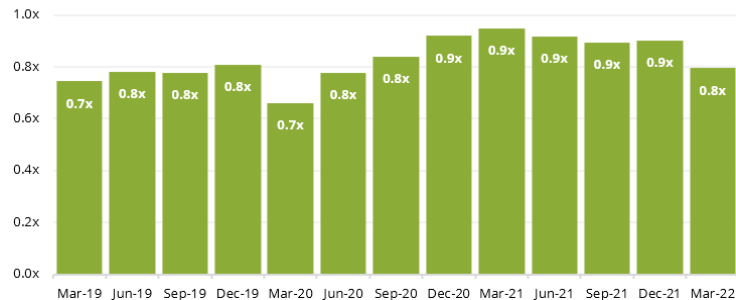
# Industry Performance

## CFAW Select Metal Fab Index

CFAW Select Metal Fab Index | Median EBITDA Multiples



CFAW Select Metal Fab Index | Median Revenue Multiples



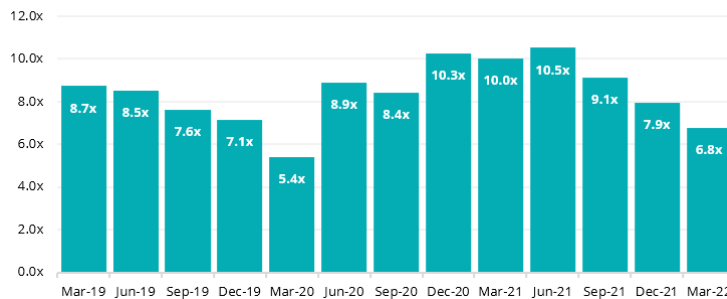
Source: FactSet



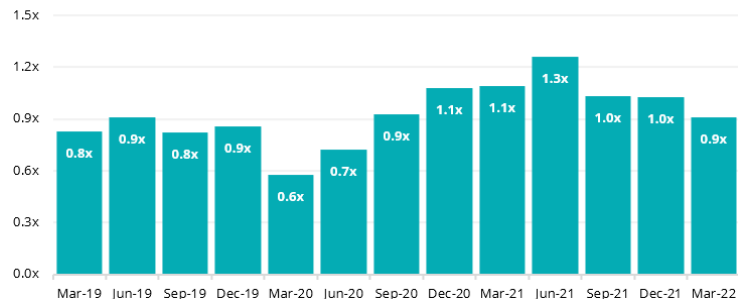
# Public Comparables

## Forging and Stamping

Forging and Stamping | Median EBITDA Multiples



Forging and Stamping | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bharat Forge Ltd	\$9.26	466	\$4,312	\$4,780	\$1,207	\$241	4.0x	19.8x
Castings PLC	\$3.94	44	\$172	\$125	\$195	\$27	0.6x	4.6x
Eastern Company	\$23.29	6	\$145	\$222	\$247	\$25	0.9x	9.0x
Grupo SIMEC SAB de CV Class B	\$9.87	498	\$4,912	\$3,827	\$2,612	\$662	1.5x	5.8x
Hilton Metal Forging Limited	\$0.43	12	\$5	\$12	\$9	\$0	1.4x	46.0x
Loyalty Founder Enterprise Co., Ltd.	\$0.55	148	\$82	\$70	\$213	\$19	0.3x	3.7x
Mahindra CIE Automotive Limited	\$2.27	379	\$860	\$983	\$1,134	\$139	0.9x	7.1x
Mitsubishi Steel Mfg.Co., Ltd.	\$9.35	16	\$147	\$452	\$1,247	\$70	0.4x	6.5x
SunCoke Energy, Inc.	\$8.91	83	\$742	\$1,339	\$1,456	\$276	0.9x	4.8x
Taewoong Co., Ltd	\$10.31	20	NM	\$307	\$281	\$21	1.1x	14.8x
Mean				\$1,212	\$860	\$148	1.2x	12.2x
Median				\$379	\$708	\$48	0.9x	6.8x

Source: FactSet

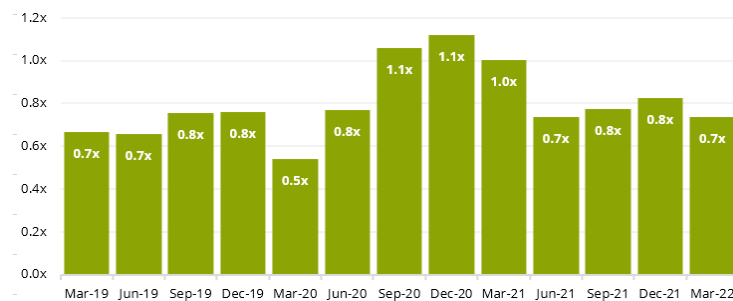
# Public Comparables

## Architectural and Structural Metals Manufacturing

Architectural and Structural Metals Manufacturing | Median EBITDA Multiples



Architectural and Structural Metals Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bunka Shutter Co., Ltd.	\$8.11	72	\$585	\$369	\$1,638	\$129	0.2x	2.9x
Dongkuk Structures & Construction Co., Ltd.	\$4.89	57	\$280	\$256	\$331	\$22	0.8x	11.9x
Encore Wire Corporation	\$114.07	20	\$2,250	\$1,811	\$2,593	\$722	0.7x	2.5x
Evergreen Steel Corporation	\$2.15	420	\$904	\$1,026	\$416	\$75	2.5x	13.7x
Hill & Smith Holdings PLC	\$19.38	80	\$1,550	\$1,741	\$956	\$133	1.8x	13.1x
Hod Assaf Industries Ltd.	\$16.65	12	\$205	\$264	\$539	\$58	0.5x	4.5x
Kingspan Group Plc	\$99.07	182	\$17,994	\$19,081	\$7,679	\$1,075	2.5x	17.7x
Severfield Plc	\$0.88	310	\$273	\$297	\$510	\$41	0.6x	7.3x
Simpson Manufacturing Co., Inc.	\$109.04	43	\$4,727	\$4,472	\$1,573	\$420	2.8x	10.7x
SSAB AB Class A	\$7.06	304	\$2,147	\$7,024	\$11,170	\$2,566	0.6x	2.7x
Mean				\$3,634	\$2,741	\$524	1.3x	8.7x
Median				\$1,383	\$1,265	\$131	0.7x	9.0x

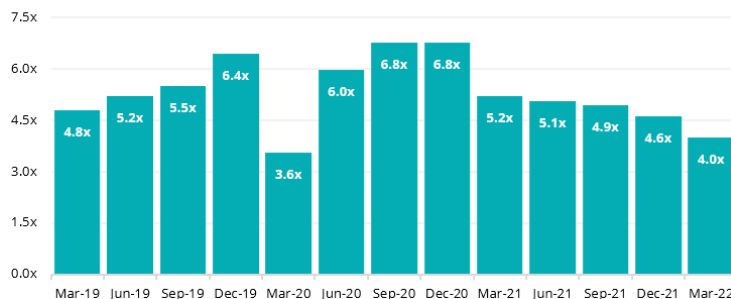
Source: FactSet



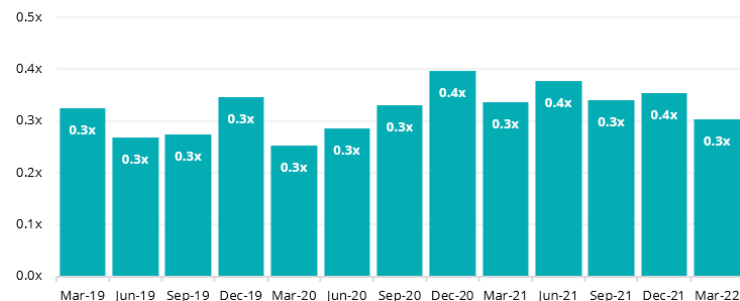
# Public Comparables

## Spring and Wire Product Manufacturing

Spring and Wire Product Manufacturing | Median EBITDA Multiples



Spring and Wire Product Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Advanex Inc.	\$13.37	4	\$56	\$134	\$199	\$15	0.7x	9.1x
Chita Kogyo Co., Ltd.	\$5.52	10	\$53	(\$11)	\$124	\$16	NM	NM
Chuo Spring Co., Ltd.	\$6.29	26	\$161	\$191	\$740	\$48	0.3x	4.0x
Coventry CoilOMatic (Haryana) Limited	\$0.02	5	\$0	\$1	\$7	(\$0)	0.1x	NM
Frontier Springs Limited.	\$3.60	4	\$14	\$14	\$11	\$2	1.3x	7.6x
Molitec Steel Co., Ltd.	\$2.74	23	\$62	\$39	\$248	\$11	0.2x	3.5x
NHK Spring Co., Ltd.	\$7.29	244	\$1,780	\$1,657	\$5,469	\$495	0.3x	3.3x
PT Indospring Tbk	\$0.15	656	\$101	\$95	\$164	\$22	0.6x	4.3x
Shin Zu Shing Co., Ltd.	\$2.90	192	\$558	\$317	\$435	\$79	0.7x	4.0x
SUNCALL CORPORATION	\$4.08	34	\$139	\$112	\$425	\$42	0.3x	2.7x
Zhejiang Meili High Technology Co., Ltd. Class A	\$1.54	179	\$275	\$312	\$121	NM	2.6x	NM

Mean \$260 \$722 \$73 0.7x 4.8x

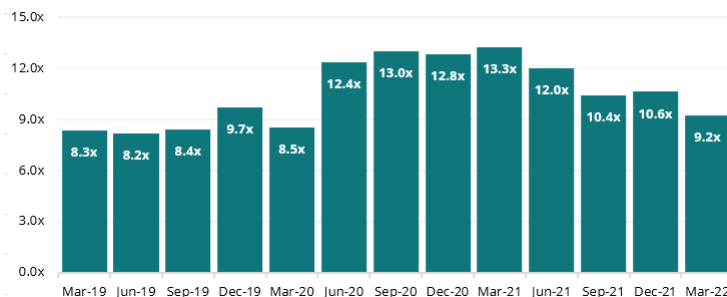
Median \$112 \$199 \$19 0.4x 4.0x

Source: FactSet

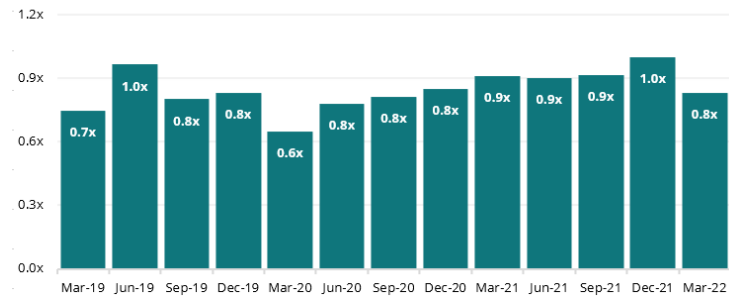
# Public Comparables

## Machine Shops; Turned Product; and Screw, Nut & Bolt Manufacturing

Machine Shops; Turned Product; & Screw, Nut, Bolt Manufacturing | Median EBITDA Multiples



Machine Shops; Turned Product; & Screw, Nut, Bolt Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Brighton-Best International (Taiwan), Inc.	\$1.34	1,032	\$1,382	\$1,751	\$771	\$185	2.3x	9.5x
Chicago Rivet & Machine Co.	\$26.54	1	\$26	\$21	\$34	\$3	0.6x	7.8x
Forbes & Co. Ltd.	\$5.42	13	\$70	\$150	\$412	\$29	0.4x	5.2x
KPF Co., Ltd.	\$4.20	18	\$74	\$307	\$387	\$23	0.8x	13.5x
PIOLAX, Inc.	\$12.80	38	\$487	\$151	\$516	\$88	0.3x	1.7x
Rodex Fasteners Corp.	\$1.57	61	\$95	\$110	\$87	\$13	1.3x	8.3x
SFS Group AG	\$139.96	38	\$5,249	\$4,955	\$2,075	\$427	2.4x	11.6x
Simmonds Marshall Limited	\$0.50	11	\$6	\$18	\$22	\$2	0.8x	10.5x
Vimi Fasteners SpA	\$1.61	14	\$22	\$42	\$50	\$5	0.8x	9.0x
Youngsin Metal Industrial Co., Ltd.	\$2.67	19	\$51	\$99	\$109	\$8	0.9x	12.4x
Mean				\$760	\$446	\$78	1.1x	9.0x
Median				\$130	\$248	\$18	0.8x	9.2x

Source: FactSet



# Public Comparables

## Other Fabricated Metal Product Manufacturing

Other Fabricated Metal Product Manufacturing | Median EBITDA Multiples



Other Fabricated Metal Product Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Aalberts N.V.	\$52.49	111	\$5,805	\$6,410	\$3,387	\$605	1.9x	10.6x
AIA Engineering Limited	\$21.48	94	\$2,026	\$1,771	\$443	\$85	4.0x	20.7x
AMG Advanced Metallurgical Group N.V.	\$43.55	33	\$1,416	\$1,834	\$1,205	\$108	1.5x	17.0x
CIRCOR International, Inc.	\$26.62	20	\$539	\$973	\$770	\$86	1.3x	11.4x
Daido Metal Co., Ltd.	\$4.70	48	\$224	\$565	\$925	\$154	0.6x	3.7x
Kitz Corporation	\$5.66	90	\$512	\$617	\$1,236	\$143	0.5x	4.3x
Nippon Thompson Co., Ltd.	\$4.46	74	\$328	\$381	\$541	\$73	0.7x	5.2x
NTN Corporation	\$1.76	532	\$939	\$3,495	\$5,747	\$413	0.6x	8.5x
Parker-Hannifin Corporation	\$283.76	128	\$36,457	\$44,430	\$15,293	\$3,271	2.9x	13.6x
Pentair plc	\$54.21	165	\$8,950	\$9,838	\$3,765	\$734	2.6x	13.4x
Mean				\$7,031	\$3,331	\$567	1.7x	10.8x
Median				\$1,802	\$1,220	\$149	1.4x	11.0x

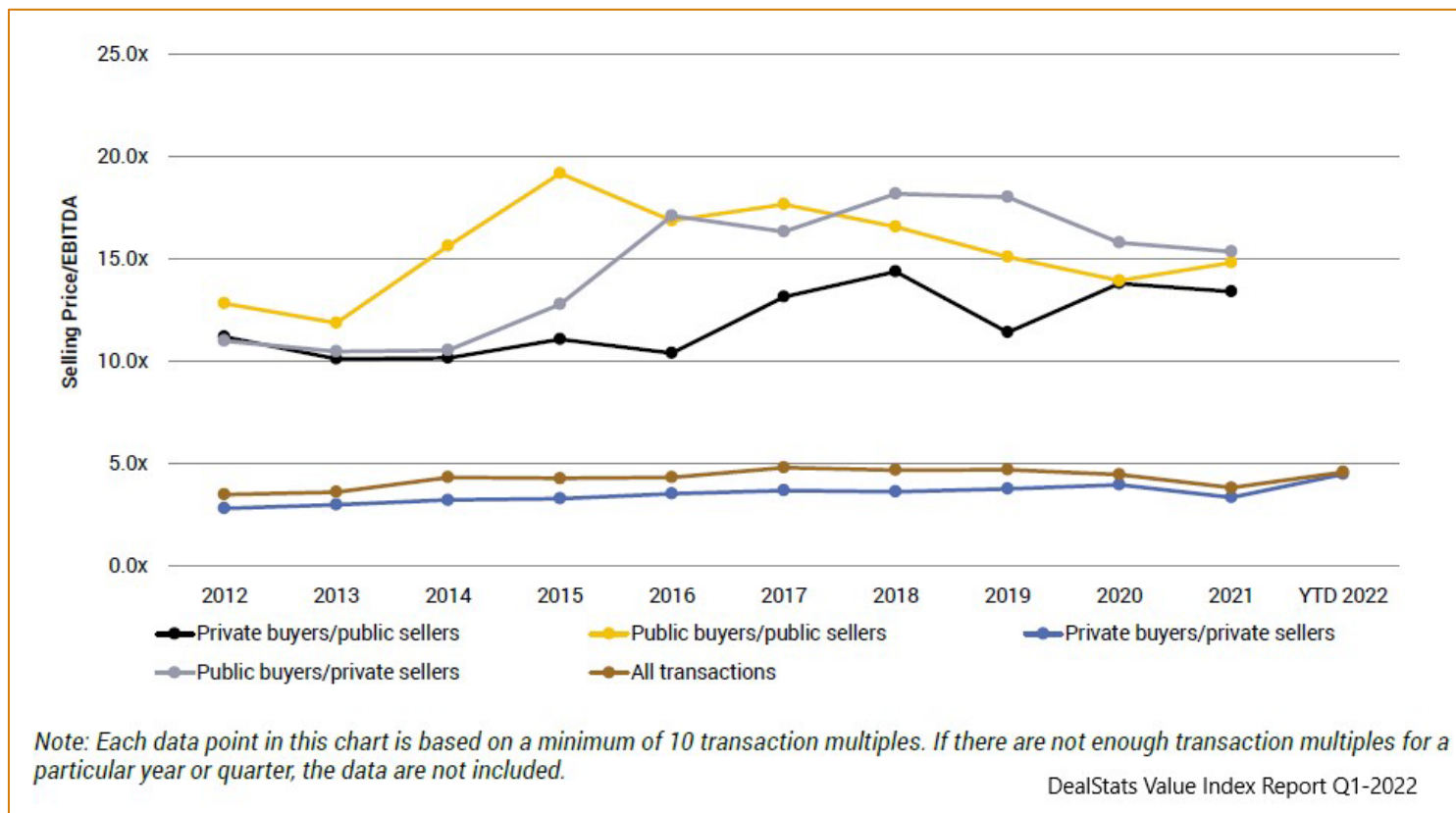
Source: FactSet

# Public Vs. Private Comparables

## Valuation Premiums Can Be Considerable

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a “size” premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.







# CFA Overview

# About CFA

## Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Metal Fabrication Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



### Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



### Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



### Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



### Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



### Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



### Business Valuation

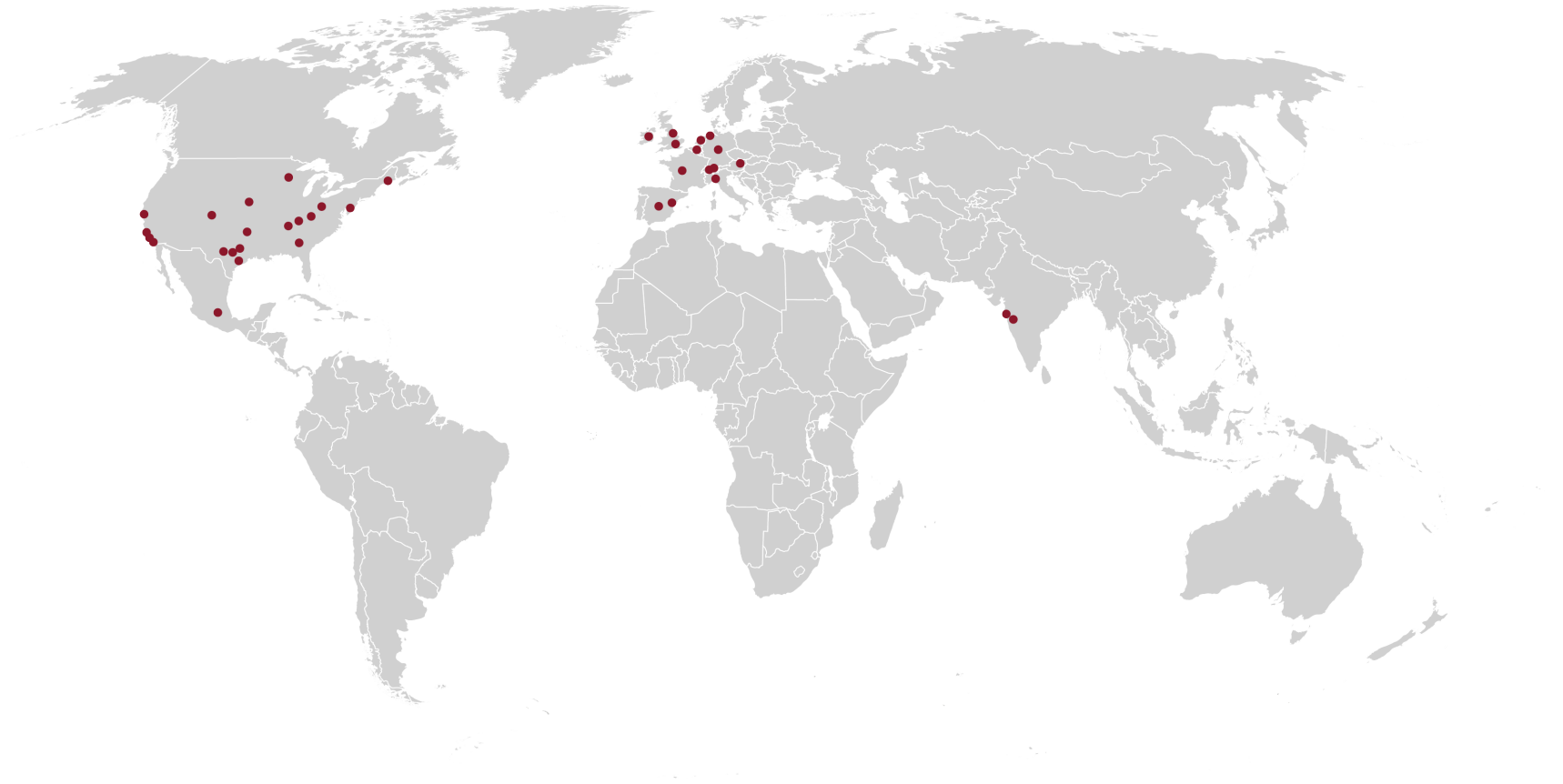
"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.



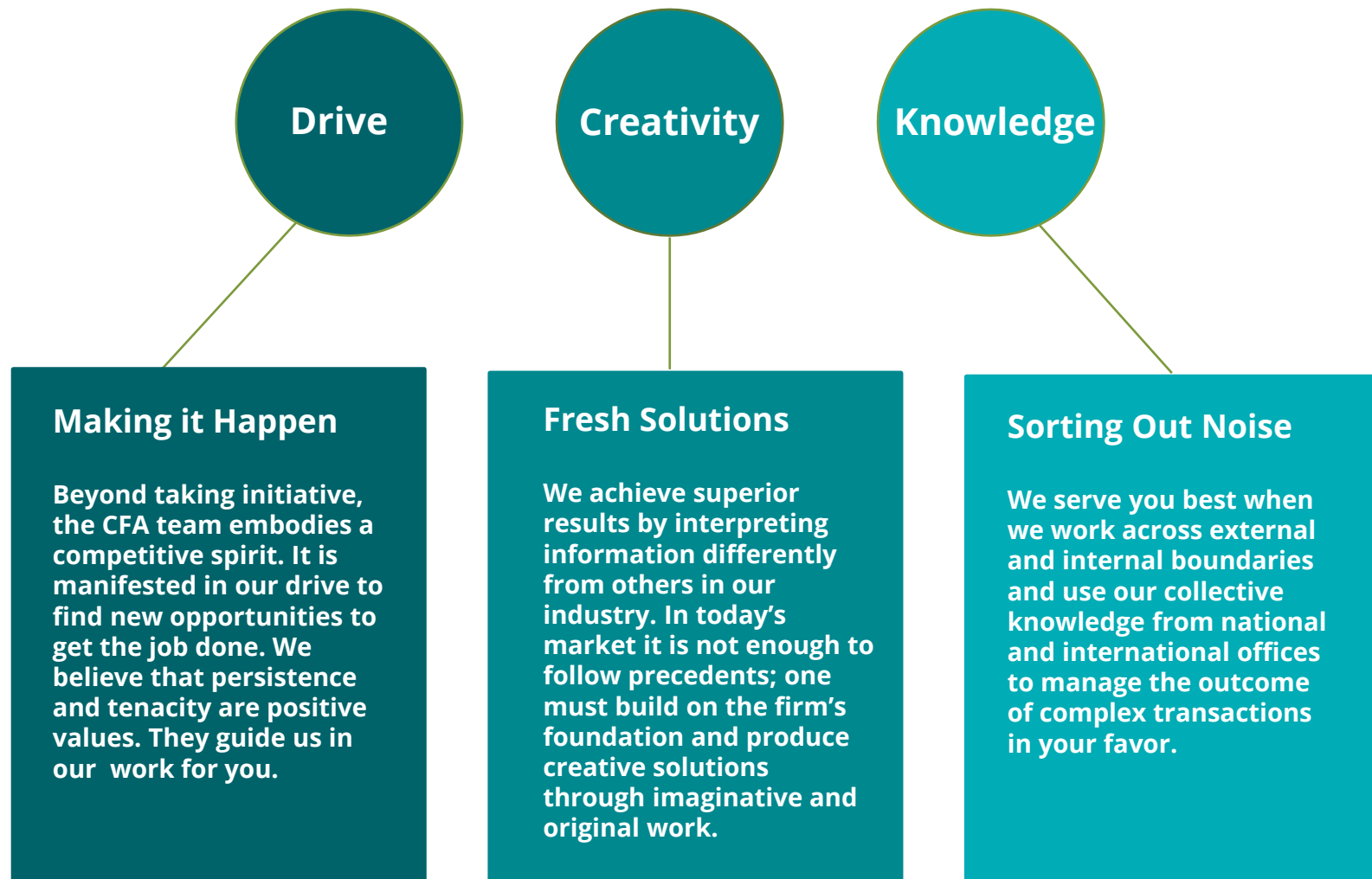
# Local Service, Global Reach

## Where We Are

With offices across the USA and in Mexico, India, Austria, Belgium, France, Germany, Ireland, Italy, Netherlands, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.

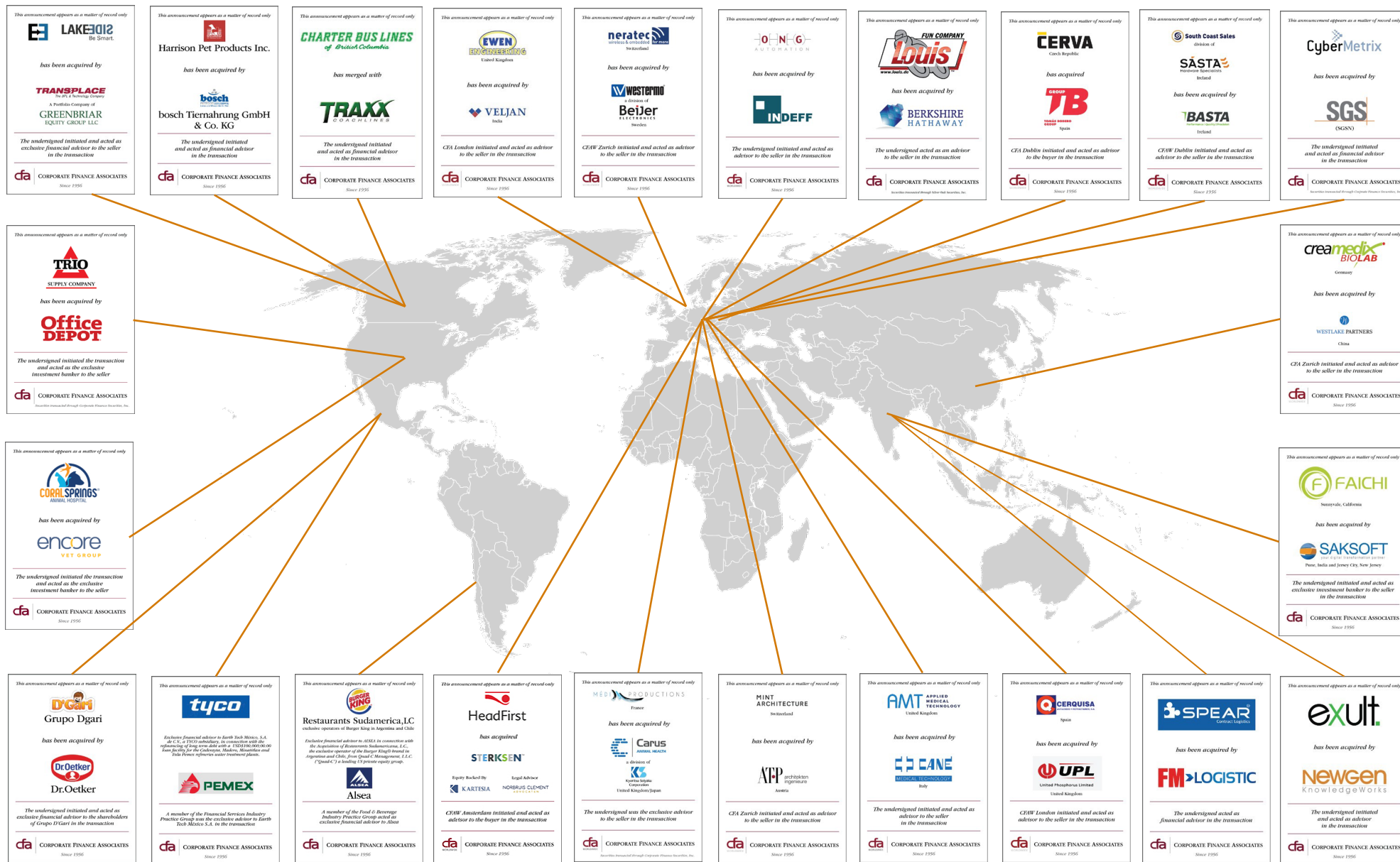


# Delivering Results



**Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions**

# Worldwide Transactions





# Industry Practice Groups

## Metal Fabrication



The Metal Fabrication Industry Group is a multi-disciplinary team of investment banking advisors within Corporate Finance Associates. Collectively, the Metal Fabrication Practice Group advises companies in all sectors of the metal fabrication industry regarding mergers, acquisitions, recapitalizations, and financial resources. This Practice Group is comprised of advisors with extensive experience working with companies in the metal fabrication industry. We specialize in advising middle market companies in the following sectors:

- Fabricated Steel – Medium-Heavy Gauge; Structural
- Sheet Metal Work
- Metal Stamping
- Steel and Iron Forgings
- Machining – Precision-General; Screw

Whether you want to acquire, merge, sell, or finance, let CFA's industry knowledge, international resources and proven dealmaking skills work for you. We research, identify, qualify, advocate, negotiate and help steer you through the mine fields of due diligence to maximize your value and secure your objective.

Aerospace/Defense/Government  
Agriculture  
Animal Health  
Business Services  
Commercial Real Estate  
Consumer Retail  
Energy  
Engineering/Construction  
Financial Services & FinTech  
Food/Beverage  
Healthcare/Life Sciences  
Industrials  
Metal Fabrication  
Print/Packaging  
Semiconductors  
Technology/Media/Telecom  
Transportation/Logistics/Supply Chain  
Wholesale Distribution

# Recent Industry Transactions

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as the exclusive investment banker to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Silver Oak Securities, Inc.  
Silver Oak Securities, Inc. and Corporate Finance Associates are unrelated entities.

*This announcement appears as a matter of record only*



*has acquired*



*The undersigned initiated and acted as the exclusive investment banker to the acquirer in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Silver Oak Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*

Incodema Inc.  
Employee Stock  
Ownership Plan

*The undersigned initiated and acted as financial advisor to the company*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*

**Diabrase AG**

*has acquired a majority stake in*



*The undersigned initiated and acted as advisor to the sellers in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Since 1956

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as the investment banker for the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



Engineered Capital, LLC

*The undersigned initiated and acted as the investment banker for the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as exclusive financial advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has acquired*



*The undersigned initiated and acted as the investment banker for the acquirer in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES

Securities transacted through Silver Oak Securities, Inc.

# Recent Industry Transactions

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as advisor to Great Lakes Fasteners in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*CFAW Zurich initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has acquired the assets of*



*The undersigned initiated and acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*Has Been Acquired By*



*The undersigned initiated and acted as advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



**DOUBLE L GROUP**

*has been acquired by*



*and*



*The undersigned initiated and acted as the exclusive investment banker for the seller*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Silver Oak Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*a portfolio company of*



*The undersigned initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has obtained financing from*



*The undersigned initiated and acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



**Nuveau Designs, LTD**

*has been acquired by*

**Gary M. Day, Inc.**

*The undersigned initiated and acted as advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956



# Recent Industry Transactions

*This announcement appears as a matter of record only*

**James E. Baker and  
Associates, LLC**

*has obtained permanent financing  
from*



**Wells Fargo Bank**

*The undersigned initiated  
and acted as financial advisor  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*

**TAG-BARTON, LLC**  
Troy, Michigan

*has acquired a majority interest in*

**BARTON**  
Decatur, Illinois

*The undersigned initiated and acted  
as advisor to the Seller  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.  
Since 1956

*This announcement appears as a matter of record only*



*has acquired*



*CFAW Zurich initiated and acted as advisor  
to the buyer in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as  
exclusive advisor to the seller  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



(MLAB: NASDAQ)  
**Nusonics Division**

*has been acquired by*



*The undersigned initiated and acted as the  
exclusive advisor to the seller  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



**Precision Quincy, Corp.**

*has been acquired by*



**Austin-Westran LLC**

*The undersigned initiated and acted as  
an advisor to the buyer  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Securities transacted through Corporate Finance Securities, Inc.  
Since 1956

*This announcement appears as a matter of record only*



*has acquired*

**The Product Protection System  
(PPS) product line from**



*The undersigned initiated and acted as  
advisor to the buyer in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



**Medalist Laserfab, Inc.**

*has been acquired by*



**Defiance Metal Products, Inc.**  
with Weatherly Group, LLC and  
John Hancock Life Insurance Company

*The undersigned initiated  
and acted as an advisor to the seller  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



**Miller Welding  
and Iron Works, Inc.**

*Has Been Acquired By*



**BTD Manufacturing, Inc.**  
(a wholly owned subsidiary of Otter Tail Corp.)

*The undersigned initiated  
and acted as the seller's advisor  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

*This announcement appears as a matter of record only*



**K&K  
Iron Works, Inc.**

*has been acquired by*



*The undersigned initiated  
and acted as advisor  
in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956