

# Metal Fabrication

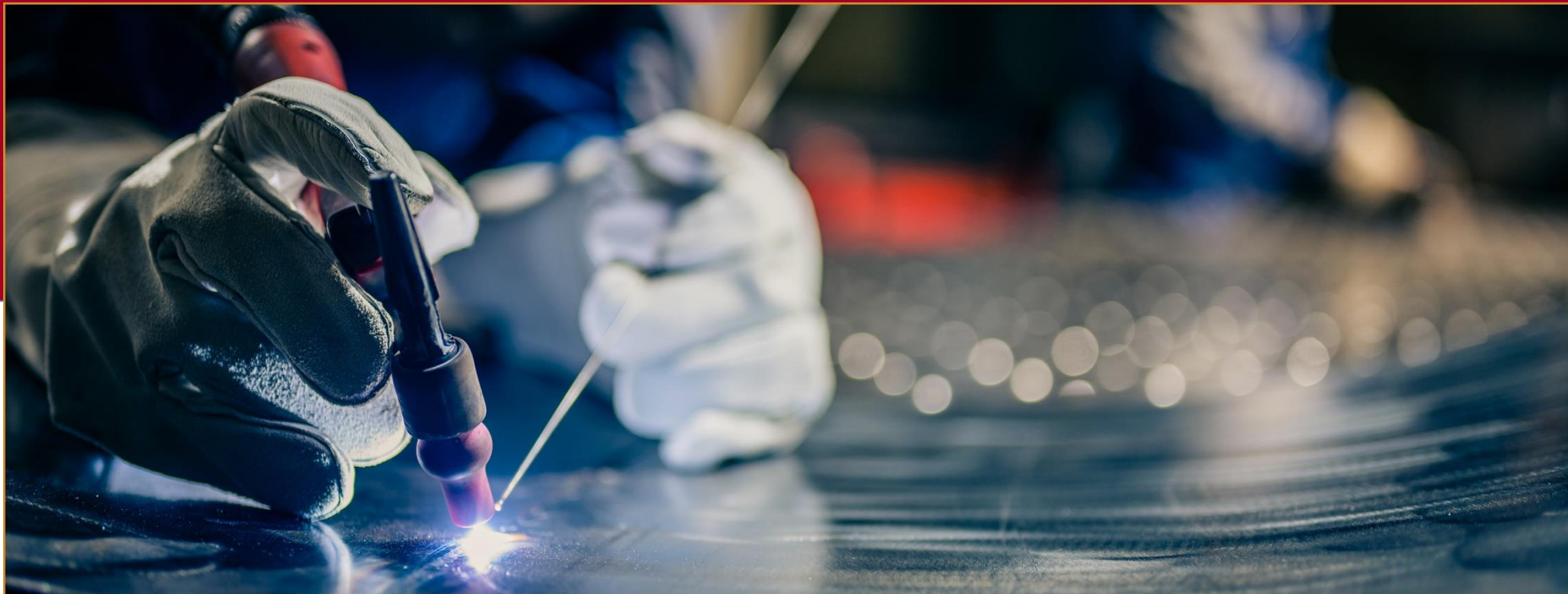
INDUSTRY REPORT

Winter | 2024

CREATING  
M&A STRATEGIES  
FOR BUSINESS OWNERS

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# Market Observations

# Market Summary

## Metal Fabrication Market

Metal fabrication encompasses the transformation of raw metalwork pieces into structured assemblies, constituting a value-added process employing various techniques such as welding, machining, forming, and cutting. The global Metal Fabrication market is anticipated to witness substantial growth, increasing from USD 7.96 billion in 2023 to USD 9.57 billion by 2029, reflecting a CAGR of 3.1% during the forecast period. Key drivers propelling the growth of the Metal Fabrication market include applications in construction, automotive, aerospace, manufacturing, energy & power, electronics, and other sectors. Key participants in the worldwide Metal Fabrication sector comprise O'Neal Manufacturing Service, BTM Manufacturing, Matcor-Matsu Group, Mayville Engineering Comp, and Defiance Metal Products. In recent years, metal fabrication has witnessed transformative trends and technologies such as automation, robotics, 3D printing, computer-aided design and manufacturing, additive manufacturing, advanced materials, and integration of IoT and Industry 4.0. These advancements enhance efficiency, precision, cost-effectiveness, and enable the creation of intricate designs. As these trends progress, the metal fabrication industry is poised for further advancements in the future.

## Public Company Valuations

The CFA Select Metal Fab index increased by 16.5% in the fourth quarter of 2023 and the 12-month return on the index was up by 46.3%. Our index for each of the subsector of Metal Fab increased in the fourth quarter of 2023. Architectural and Structural Metals Manufacturing Index recorded the highest increase in the fourth quarter at 23.8% as well as an increase of 66.0% in the 12-month return. Forging and Stamping Index recorded the lowest increase at 4.2% in the fourth quarter of 2023 followed by the lowest increase of 19.3% in the 12-month return. Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing Index had the highest EBITDA multiple of 10.9x and Forging and Stamping Index had the highest Revenue multiple of 1.2x. Spring and Wire Product Manufacturing Index had the lowest revenue and EBITDA multiple of 0.3x and 6.4x. Architectural and Structural Metals Manufacturing Index; Machine Shops, Turned Product, and Screw, Nut, and Bolt Manufacturing Index; and Other Fabricated Metal Product Manufacturing had median revenue multiples of 1.1x, 0.8x and 1.2x and median EBITDA multiples of 8.6x, 10.9x and 7.6x respectively.

“

*The metal fabricator index increased in the fourth quarter of 2023.....*

## Merger and Acquisition

The M&A activity in the metal fabrication industry is anticipated to sustain a robust growth trajectory in 2024. This growth is propelled by escalating demand for durable, lightweight materials, augmented infrastructure investments, and technological advancements. Key trends such as automation, robotics, sustainable manufacturing, and additive manufacturing are forecasted to significantly influence the sector's future landscape. Firms embracing these trends and fostering innovation are positioned for success in the forthcoming years. Notwithstanding favourable growth prospects, challenges loom, including volatile raw material costs and supply chain disruptions. Additionally, a shortage of skilled workers, notably welders and CNC machinists, poses a significant hurdle. To address this, the industry must prioritize investments in training and educational initiatives to attract and retain proficient technicians.

# Industry Trends

## The Growing Popularity Of 3D Printing and Additive Manufacturing

The surge in 3D printing popularity stands as a significant driver of growth in the metal fabrication industry. This additive manufacturing process enables the creation of three-dimensional objects from digital files, employing materials like aluminum, stainless steel, plastics, and polymers. Offering advantages over conventional methods, 3D printing facilitates the production of custom orders, including intricate shapes and on-demand products, while minimizing waste. Also referred to as additive manufacturing, 3D printing technology now empowers manufacturers with streamlined creation of three-dimensional models via computer-aided design, presenting metal fabricators with a swift method conducive to complex designs. Manual molding processes are replaced, simplifying manufacturing and enabling customization for even the most intricate specifications. Although initially less prevalent, many companies envision integrating 3D printing into their standard product lines, despite the considerable investment and maintenance costs associated with additive fabrication equipment. Particularly beneficial for businesses focused on high-mix, low-volume production, where customization and productivity are paramount, the allure of this technology continues to grow. CNC cutting exemplifies this automation trend, enabling pre-programmed precision metal cutting tailored to product specifications, positioning fabricators to explore new markets and drive long-term efficiency gains and cost reductions.

## Reshoring Initiatives Drive Growth and Sustainability

Metal fabrication 'reshoring' denotes the return of previously outsourced jobs and sectors to their original locations, a trend gaining momentum in the United States metal fabrication industry. Unlike other American industries favoring overseas ventures, metal fabrication sees a resurgence domestically. Rising global freight transit costs and escalating labor prices in outsourcing destinations like China and India render offshore production less economically viable, prompting a shift towards reshoring. Companies opt for reshoring for increased operational control, flexibility, and innovation opportunities, leveraging advancements in robotics, additive manufacturing, and automation to attract skilled workers. Reshoring enhances job security and career advancement prospects for employees, thereby bolstering labor demand in the metal fabrication sector. This trend is particularly beneficial amid inflationary pressures, as domestic operations offer cost advantages and foster stronger supplier relationships. Moreover, reshoring aligns with sustainability goals, reducing transport and supply chain costs while promoting domestic manufacturing. By nurturing partnerships with domestic suppliers and capitalizing on local manufacturing opportunities, reshoring initiatives yield mutual benefits for companies and the broader economy.



## Investing in Sustainability

The 2023 US Environmental Protection Agency report highlights that the manufacturing and raw materials industries accounted for 23% of greenhouse gas emissions in the US, indicating a significant environmental impact. Despite recent efforts to mitigate emissions, substantial progress is still needed. Manufacturers must conduct comprehensive evaluations of their supply chains, seeking avenues to minimize waste, enhance supplier diversity, and prioritize the adoption of fuel-efficient and electric vehicles for both internal operations and product delivery. Moreover, the push for sustainability and carbon neutrality gains momentum, with 42% of Fortune Global 500 companies achieving or committing to significant climate milestones by 2030. While carbon neutrality represents a crucial milestone, experts emphasize the necessity of addressing emissions across the entire supply chain to achieve zero carbon goals effectively. Initiatives such as investing in "smart building" technologies, transitioning to renewable energy sources, and integrating electric vehicles into operations are gaining traction. Additionally, a focus on CSR is essential, encompassing environmental sustainability and social progress within the supply chain, including gender equity, fair hiring practices, living wages, and workplace safety. These efforts not only benefit the environment and society but also yield financial advantages, with consumer surveys indicating a willingness to pay more for products from socially responsible companies.



# Significant News

## AC Green Metalworks to receive \$425,000 from Ohio Department of Development

*The Fabricator, December 20, 2023*

"The Ohio Department of Development has announced the Ohio Minority Development Financing Advisory Board has approved AC Green Metalworks to receive \$425,000 from the Women's Business Enterprise Loan Program. The support helps minority- and women-owned businesses sustain and expand their operations."

[Read More >](#)

## Network of robots monitors large pipe structures using acoustic wave sensors

*The Tube and Pipe Journal, November 29, 2023*

"An inspection design method by which mobile robots can inspect large pipe structures has been demonstrated with the successful inspection of multiple defects on a 3-m-long steel pipe using guided acoustic wave sensors."

[Read More >](#)

## China, world's top graphite producer, tightens exports of key battery material

*Reuters, October 21, 2023*

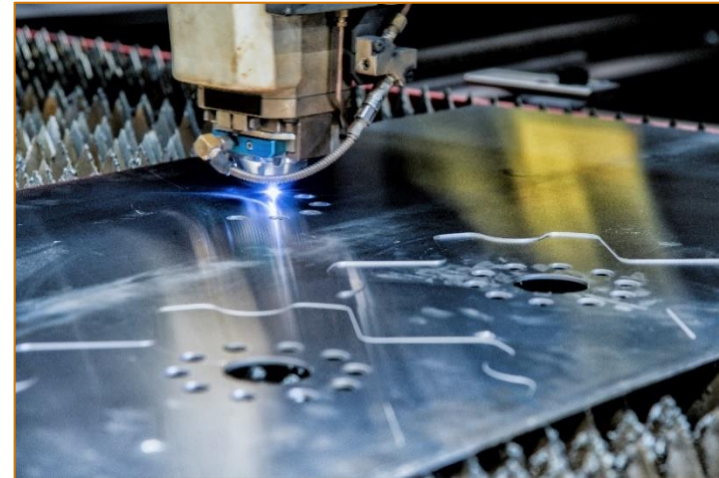
"China said on Friday it will require export permits for some graphite products to protect national security, springing a surprise with another bid to control critical mineral supply in response to challenges over its global manufacturing dominance."

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# M&A Metrics

## Metal Fabrication Industry

M&A activity in the metal fabrication industry remained increased in Q4 2023. The number of M&A transactions in the industry were recorded at 65 in Q3 2023 which increased to 72 in Q4 2023. The number of sub-\$50 million transactions increased from 62 in Q3 2023 to 71 in Q4 2023. The number of transactions above \$100 million decreased from 2 in Q3 2023 to 1 in Q4 2023. The total number of M&A transactions decreased 4.2% year on year from 75 in Q4 2022 to 72 in Q4 2023.



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

Transaction Value	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Not Disclosed	69	86	58	55	67
Under \$10 MM	3	3	2	2	2
\$10 - \$25 MM	0	1	2	3	0
\$25 - \$50 MM	1	0	2	2	2
\$50 - \$100 MM	0	1	0	1	0
\$100 - \$500 MM	1	3	1	0	1
\$500 MM+	1	0	0	2	0
Total Transactions	75	94	65	65	72

Source: FactSet

# Industry Metrics

## Industry Financial Data and Ratios

### NAICs 3321 - Forging and Stamping

Financial Metric	Last 12 Mo	2023	2022
Current Ratio	2.5	2.5	3.07
Gross Profit Margin	26.25%	26.25%	27.59%
Net Profit Margin	7.82%	7.82%	7.70%
Accounts Receivable Days	53.49	53.49	51.37
Accounts Payable Days	45.09	45.09	41.92
Debt-to-Equity Ratio	1.69	1.69	1.72
Return on Equity	21.71%	21.71%	23.69%
Sales per Employee	\$165,523	\$165,523	\$255,250
Profit per Employee	(\$1,520)	(\$1,520)	\$54,109
Sales Growth	--	--	18.92%
Profit Growth	--	--	2.87%

### NAICs 3326 - Spring and Wire Product Manufacturing

Financial Metric	Last 12 Mo	2023	2022
Current Ratio	3.11	3.11	3.05
Gross Profit Margin	26.96%	26.96%	25.93%
Net Profit Margin	8.92%	8.92%	7.89%
Accounts Receivable Days	49.8	49.8	48.24
Accounts Payable Days	29.93	29.93	33.66
Debt-to-Equity Ratio	1.16	1.16	1.61
Return on Equity	36.34%	36.34%	37.12%
Sales per Employee	\$138,653	\$138,653	\$155,688
Profit per Employee	\$10,858	\$10,858	\$21,323
Sales Growth	--	--	22.98%
Profit Growth	--	--	18.05%

Source: Profit Cents

### NAICs 3323 - Architectural and Structural Metals Manufacturing

Financial Metric	Last 12 Mo	2023	2022
Current Ratio	3.43	3.43	3.16
Gross Profit Margin	33.67%	33.67%	31.25%
Net Profit Margin	9.80%	9.80%	8.53%
Accounts Receivable Days	64.65	64.65	60.63
Accounts Payable Days	36.19	36.19	36.01
Debt-to-Equity Ratio	1.7	1.7	1.76
Return on Equity	45.40%	45.40%	40.69%
Sales per Employee	\$361,490	\$361,490	\$308,512
Profit per Employee	(\$1,466)	(\$1,466)	\$27,566
Sales Growth	6.41%	6.41%	22.66%
Profit Growth	24.51%	24.51%	10.41%

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

Financial Metric	Last 12 Mo	2023	2022
Current Ratio	4.29	4.29	4.15
Gross Profit Margin	41.16%	41.16%	40.29%
Net Profit Margin	9.79%	9.79%	7.75%
Accounts Receivable Days	56.25	56.25	52.4
Accounts Payable Days	54.3	54.3	39.28
Debt-to-Equity Ratio	1.77	1.77	1.69
Return on Equity	31.18%	31.18%	35.27%
Sales per Employee	\$177,478	\$177,478	\$168,668
Profit per Employee	(\$833)	(\$833)	\$20,082
Sales Growth	-4.09%	-4.09%	17.21%
Profit Growth	11.18%	11.18%	2.33%



# Industry Metrics

## Industry Financial Data and Ratios

NAICs 3329 - Other Fabricated Metal Product Manufacturing

Financial Metric	Last 12 Mo	2023	2022
Current Ratio	4.24	4.24	4.07
Gross Profit Margin	39.86%	39.86%	36.44%
Net Profit Margin	11.64%	11.64%	10.25%
Accounts Receivable Days	57.08	57.08	48.83
Accounts Payable Days	48.74	48.74	41.01
Debt-to-Equity Ratio	1.57	1.57	1.7
Return on Equity	37.58%	37.58%	38.52%
Sales per Employee	\$236,483	\$236,483	\$222,512
Profit per Employee	\$15,079	\$15,079	\$13,674
Sales Growth	10.24%	10.24%	20.48%
Profit Growth	20.39%	20.39%	17.80%

Source: Profit Cents



# Transaction Highlights

# Notable Transactions



In November 2023, **Kloeckner Metals Corp**, a subsidiary of Klöckner & Co SE, acquired **International Machinery Sales Inc** for an undisclosed amount. The transaction expands Kloeckner Metals Corp products and service portfolio. International Machinery Sales Inc is located in Lancaster, South Carolina, United States and manufactures metal fabricated components for heavy industry machinery. It has around 100 employees and generated sales of around US\$30 million.



In November 2023, **Tornum AB**, a subsidiary of Volati AB, acquired **Silos Metálicos Zaragoza SL** for an undisclosed amount. The acquisition is financed through existing credit facilities. The acquisition expands the business capabilities of Tornum AB. Silos Metálicos Zaragoza SL is located in Zaragoza, Aragon, Spain and manufactures storage plants for grains, flours, and other industrial products. It has about 35 employees and has generated sales of approximately EUR10 million (US\$10.9 million).



In October 2023, **Mutares SE & Co KGaA** acquired **Walor International SAS**, a portfolio company of SODERO Gestion SAS, Lorinvest Gestão de Recursos Ltda, and BNP Paribas Développement SA for an undisclosed amount. The acquisition would enhance Mutares SE & Co KGaA's service offerings and also strengthens the Automotive & Mobility segment. Walor International SAS is located in Lege, Pays-de-la-Loire (Loire Valley), France and manufactures high precision machine components for automotive safety. It has generated over EUR200 million (US\$218.81 million) in revenues and has more than 1,200 employees. The deal was expected to close in second quarter of 2023 and subject to certain conditions. On August 16, 2023, the European Commission approved the transaction.



In October 2023, **Amphenol Corp** acquired **Connor Manufacturing Services Inc** for an undisclosed amount. The acquisition expands Amphenol Corp's product offerings. Following the transaction, Connor Manufacturing Services Inc will become part of Amphenol Corp's Automotive Products Group. Connor Manufacturing Services Inc is located in United States and manufactures precision metal stamping, wire forms, springs and integrated assembly products.



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# Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value(MM)	Revenue	EBITDA
20-Dec-2023	voestalpine Automotive Components Nagold GmbH & Co. KG	Worthington Steel, Inc.	-	-	-
19-Dec-2023	Johnson Precision Products, Inc.	Emko Capital LLC; AEPF Group	-	-	-
19-Dec-2023	Renato Menegatti Srl	LVMH - Métiers D'Art SAS	-	-	-
13-Dec-2023	Solvaro GmbH	Graepel Beteiligungsverwaltung GmbH & Co. KG	-	-	-
30-Nov-2023	BP Metals LLC	Generation Growth Capital, Inc.	-	-	-
28-Nov-2023	Terrecorp, Inc.	Arcline Investment Management LP; Cooper Machinery Services, Inc.	-	-	-
22-Nov-2023	Silos Metálicos Zaragoza SL	Tornum AB	-	-	-
15-Nov-2023	Branham Corp.	LKCM Headwater Investment; ERIKS North America, Inc.	-	-	-
10-Nov-2023	Hertecant Flanges NV	Wise Equity SGR SpA; Special Flanges SpA	-	-	-
06-Nov-2023	TerBeek Machine & Tool LLC	IGS Gebojagama Holding BV	-	-	-
02-Nov-2023	International Machinery Sales, Inc.	Kloekner Metals Corp.	-	30.00	-
02-Nov-2023	Scottsdale Australia Pty Ltd. (Logan)	Venture First LLC; Scottsdale Construction Systems Ltd. /Private Group/; TYP64 LLC	-	-	-
01-Nov-2023	Innovative Mechanical Solutions, Inc.	The Timken Co.	-	-	-
31-Oct-2023	Walor International SAS	Mutares SE & Co. KGaA	-	218.43	-
17-Oct-2023	Gaum, Inc.	Universal Technical Resource Services, Inc.	-	-	-
13-Oct-2023	Boston Centerless, Inc.	May River Capital LLC	-	-	-
10-Oct-2023	VACUUMSCHMELZE GmbH & Co. KG	Ara Advisers LLC	-	-	-
03-Oct-2023	Semco Tool & Manufacturing Co., Inc.	The Cly-Del Manufacturing Co.	-	-	-
02-Oct-2023	Connor Manufacturing Services, Inc.	Amphenol Corp.	-	-	-
02-Oct-2023	East Iowa Machine Co. LLC	Steel Technologies LLC	-	-	-
(\$ in millions)	Source: Factset				

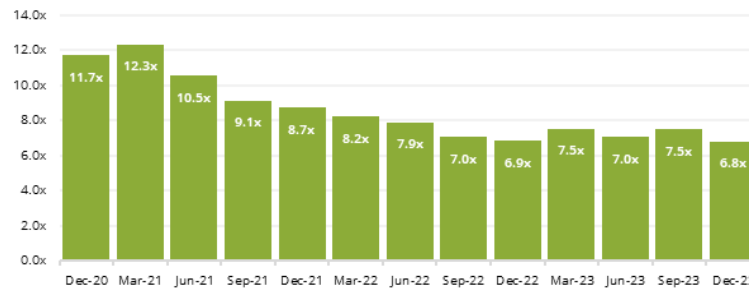


# Public Companies

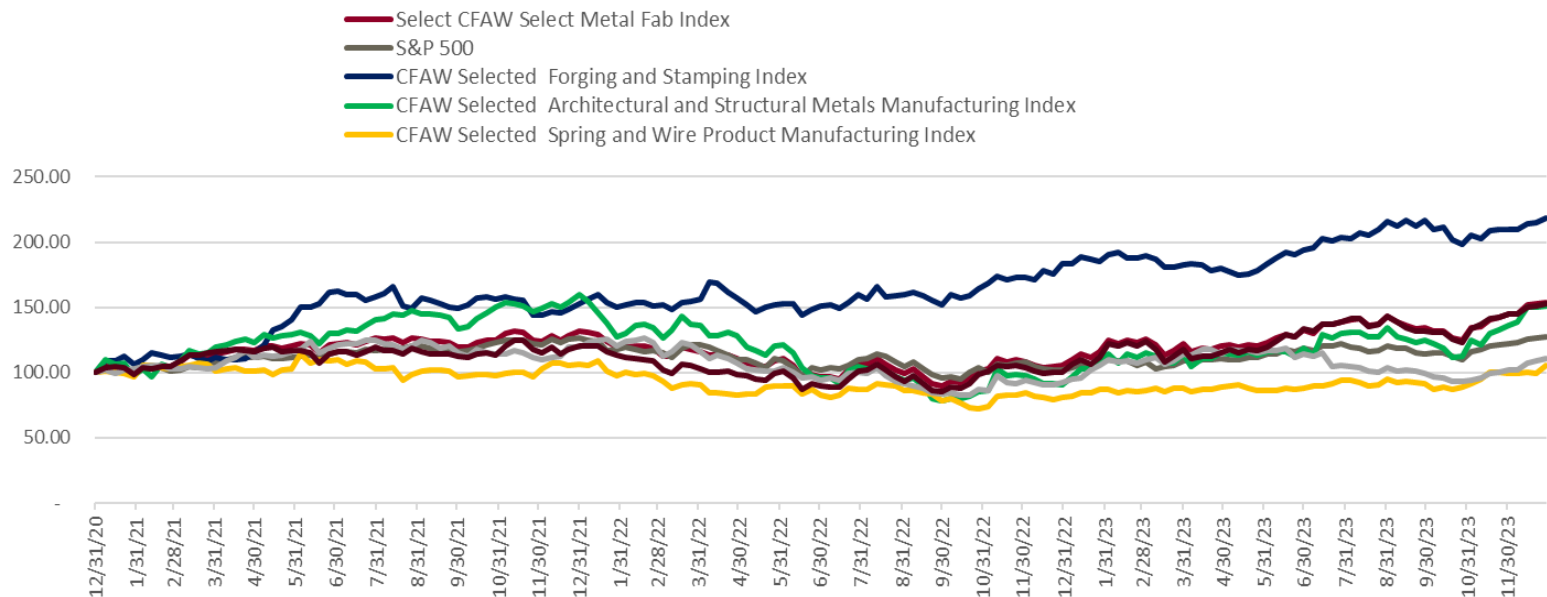
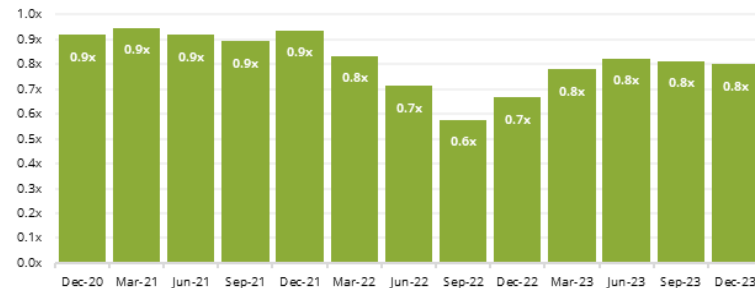
# Industry Performance

## CFAW Select Metal Fab Index

CFAW Select Metal Fab Index | Median EBITDA Multiples



CFAW Select Metal Fab Index | Median Revenue Multiples



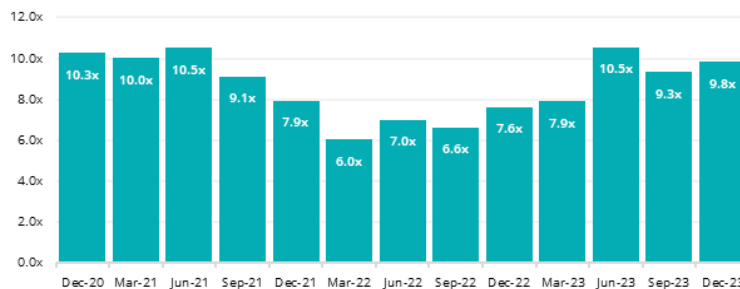
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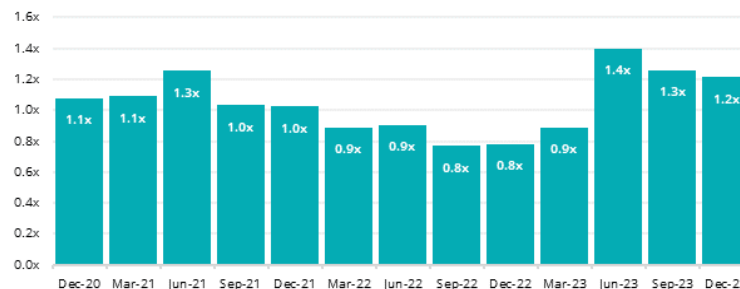
# Public Comparables

## Forging and Stamping

Forging and Stamping | Median EBITDA Multiples



Forging and Stamping | Median Revenue Multiples



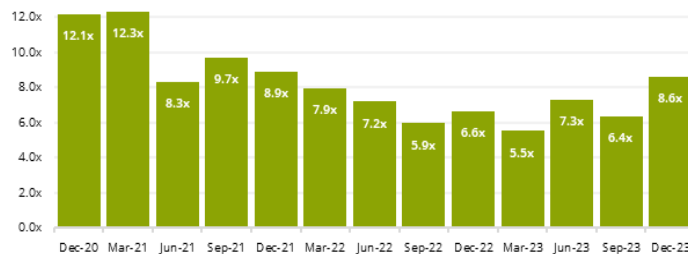
FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
500493-IN	Bharat Forge Ltd	\$14.89	466	\$6,931	\$7,564	\$1,702	\$251	4.4x	30.1x
CGS-GB	Castings Public Limited Company	\$4.65	43	\$202	\$165	\$278	\$33	0.6x	4.9x
EML-US	Eastern Company	\$22.00	6	\$137	\$193	\$276	\$18	0.7x	10.6x
SIMECB-MX	Grupo SIMEC SAB de CV Class B	\$10.69	498	\$5,320	\$3,585	\$2,329	\$529	1.5x	6.8x
532847-IN	Hilton Metal Forging Limited	\$1.36	21	\$29	\$35	\$15	\$2	2.3x	18.0x
5465-TW	Loyalty Founder Enterprise Co., Ltd.	\$1.50	148	\$222	\$216	\$161	\$16	1.3x	13.1x
532756-IN	CIE Automotive India Ltd	\$5.66	379	\$2,146	\$2,201	\$946	\$167	2.3x	13.2x
5632-JP	Mitsubishi Steel Mfg.Co., Ltd.	\$10.50	16	\$165	\$504	\$1,258	\$78	0.4x	6.5x
SXC-US	SunCoke Energy, Inc.	\$10.74	84	\$900	\$1,303	\$2,057	\$266	0.6x	4.9x
044490-KR	Taewoong Co., Ltd	\$13.19	20	\$264	\$371	\$340	\$41	1.1x	9.0x
<b>Mean</b>					\$1,614	\$936	\$140	<b>1.5x</b>	<b>11.7x</b>
<b>Median</b>					\$437	\$643	\$59	<b>1.2x</b>	<b>9.8x</b>

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



FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
5930-JP	Bunka Shutter Co., Ltd.	\$9.94	72	\$718	\$582	\$1,520	\$116	0.4x	5.0x
100130-KR	Dongkuk Structures & Construction Co., Ltd.	\$2.40	57	\$137	\$242	\$280	(\$28)	0.9x	NM
WIRE-US	Encore Wire Corporation	\$213.60	16	\$3,370	\$2,788	\$2,628	\$596	1.1x	4.7x
2211-TW	Evergreen Steel Corporation	\$3.39	417	\$1,413	\$1,444	\$368	\$120	3.9x	12.1x
HILS-GB	Hill & Smith PLC	\$24.32	80	\$1,951	\$2,112	\$966	\$172	2.2x	12.3x
HOD-IL	Hod Assaf Industries Ltd.	\$8.33	12	\$102	\$195	-	-		
KRX-IE	Kingspan Group Plc	\$86.60	182	\$15,769	\$17,559	\$8,648	\$1,093	2.0x	16.1x
SFR-GB	Severfield Plc	\$0.81	310	\$251	\$274	\$579	\$53	0.5x	5.1x
SSD-US	Simpson Manufacturing Co., Inc.	\$197.98	43	\$8,448	\$8,506	\$2,188	\$573	3.9x	14.8x
SSAB.A-SE	SSAB AB Class A	\$7.61	304	\$2,314	\$6,335	\$11,588	\$2,042	0.5x	3.1x
<b>Mean</b>					\$4,004	\$3,196	\$526	<b>1.7x</b>	<b>9.1x</b>
<b>Median</b>					\$1,778	\$1,520	\$172	<b>1.1x</b>	<b>8.6x</b>

Source: FactSet

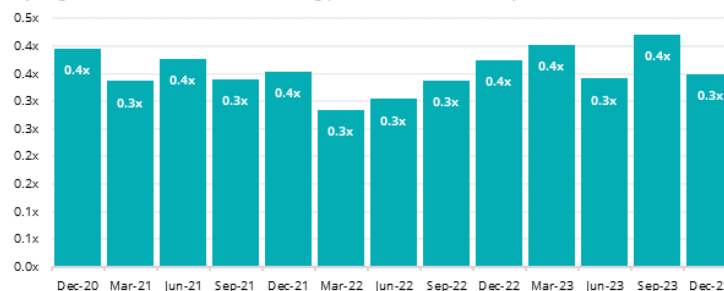
# Public Comparables

## Spring and Wire Product Manufacturing

Spring and Wire Product Manufacturing | Median EBITDA Multiples



Spring and Wire Product Manufacturing | Median Revenue Multiples



FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
5998-JP	Advanex Inc.	\$6.31	4	\$26	\$89	\$187	\$14	0.5x	6.4x
5993-JP	Chita Kogyo Co., Ltd.	\$6.38	10	\$61	\$6	\$99	\$10	0.1x	0.6x
5992-JP	Chuo Spring Co., Ltd.	\$4.92	26	\$126	\$157	\$717	\$32	0.2x	4.9x
523415-BOM	Coventry CoilOMatic (Haryana) Limited	\$0.02	5	\$0	\$1	\$10	(\$0)	0.1x	NM
522195-BOM	Frontier Springs Limited.	\$12.73	4	\$50	\$50	\$14	\$2	3.6x	28.1x
5986-JP	Molitec Steel Co., Ltd.	\$1.99	23	\$45	\$49	\$338	\$7	0.1x	6.6x
5991-JP	NHK Spring Co., Ltd.	\$8.49	244	\$2,072	\$1,797	\$5,200	\$343	0.3x	5.2x
INDS-ID	PT Indospring Tbk	\$0.16	656	\$106	\$132	\$258	\$30	0.5x	4.4x
3376-TW	Shin Zu Shing Co., Ltd.	\$4.02	188	\$756	\$615	\$307	\$48	2.0x	12.8x
5985-JP	SUNCALL CORPORATION	\$3.19	34	\$109	\$130	\$372	\$19	0.3x	6.7x
300611-CN	Zhejiang Meili High Technology Co., Ltd. Class A	\$1.62	211	\$342	\$409	\$176	-	2.3x	
<b>Mean</b>					\$312	\$698	\$50	<b>0.9x</b>	<b>8.4x</b>
<b>Median</b>					\$130	\$258	\$17	<b>0.3x</b>	<b>6.4x</b>

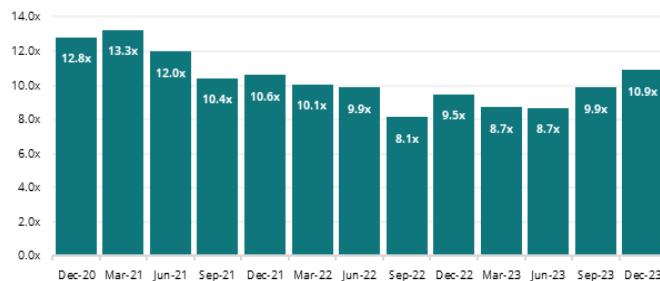
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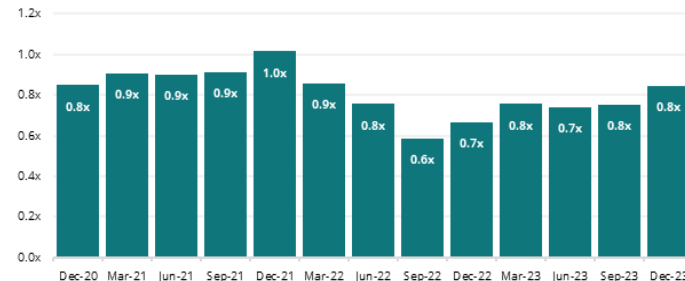
# Public Comparables

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

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



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



FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
8415-TW	Brighton-Best International (Taiwan), Inc.	\$1.15	1,032	\$1,190	\$1,707	\$815	\$151	2.1x	11.3x
CVR-US	Chicago Rivet & Machine Co.	\$16.98	1	\$16	\$14	\$32	(\$4)	0.4x	NM
502865-IN	Forbes & Co. Ltd.	\$8.96	13	\$116	\$115	\$38	(\$1)	3.0x	NM
024880-KR	KPF Co., Ltd.	\$3.84	21	\$79	\$276	\$616	\$46	0.4x	6.0x
5988-JP	PIOLAX, Inc.	\$16.53	38	\$629	\$328	\$444	\$57	0.7x	5.8x
5015-TW	Rodex Fasteners Corp.	\$1.46	61	\$88	\$82	\$57	\$8	1.4x	10.8x
SFSN-CH	SFS Group AG	\$123.80	39	\$4,816	\$5,404	\$3,289	\$491	1.6x	11.0x
507998-IN	Simmonds Marshall Limited	\$1.03	11	\$12	\$21	\$22	\$2	1.0x	13.0x
VIM-IT	Vimi Fasteners SpA	\$1.40	14	\$19	\$34	\$54	\$5	0.6x	6.6x
007530-KR	YM CO. LTD.	\$2.12	19	\$41	\$81	\$124	\$7	0.7x	12.4x
<b>Mean</b>					\$806	\$549	\$76	<b>1.2x</b>	<b>9.6x</b>
<b>Median</b>					\$99	\$91	\$7	<b>0.8x</b>	<b>10.9x</b>

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



FactSet Identifier	Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
								Revenues	EBITDA
AALB-NL	Aalberts N.V.	\$43.37	110.6	\$4,796	\$5,693	\$3,484	\$624	1.6x	9.1x
532683-IN	AIA Engineering Limited	\$44.41	94.3	\$4,189	\$3,838	\$605	\$170	6.3x	22.6x
AMG-NL	AMG Critical Materials N.V.	\$25.21	32.5	\$819	\$1,210	\$1,659	\$352	0.7x	3.4x
CW-US	Curtiss-Wright Corporation	\$222.79	38.2	\$8,520	\$9,539	\$2,817	\$588	3.4x	16.2x
7245-JP	Daido Metal Co., Ltd.	\$3.90	47.5	\$185	\$486	\$877	\$104	0.6x	4.7x
6498-JP	Kitz Corporation	\$8.55	90.4	\$773	\$849	\$1,187	\$147	0.7x	5.8x
6480-JP	Nippon Thompson Co., Ltd.	\$4.00	73.5	\$294	\$300	\$449	\$75	0.7x	4.0x
6472-JP	NTN Corporation	\$1.84	532.5	\$982	\$2,718	\$5,841	\$447	0.5x	6.1x
PH-US	Parker-Hannifin Corporation	\$460.70	128.5	\$59,189	\$70,932	\$19,680	\$4,351	3.6x	16.3x
PNR-US	Pentair plc	\$72.71	165.3	\$12,019	\$13,974	\$4,123	\$889	3.4x	15.7x
<b>Mean</b>					\$10,954	\$4,072	\$775	<b>2.1x</b>	<b>10.4x</b>
<b>Median</b>					\$3,278	\$2,238	\$399	<b>1.2x</b>	<b>7.6x</b>

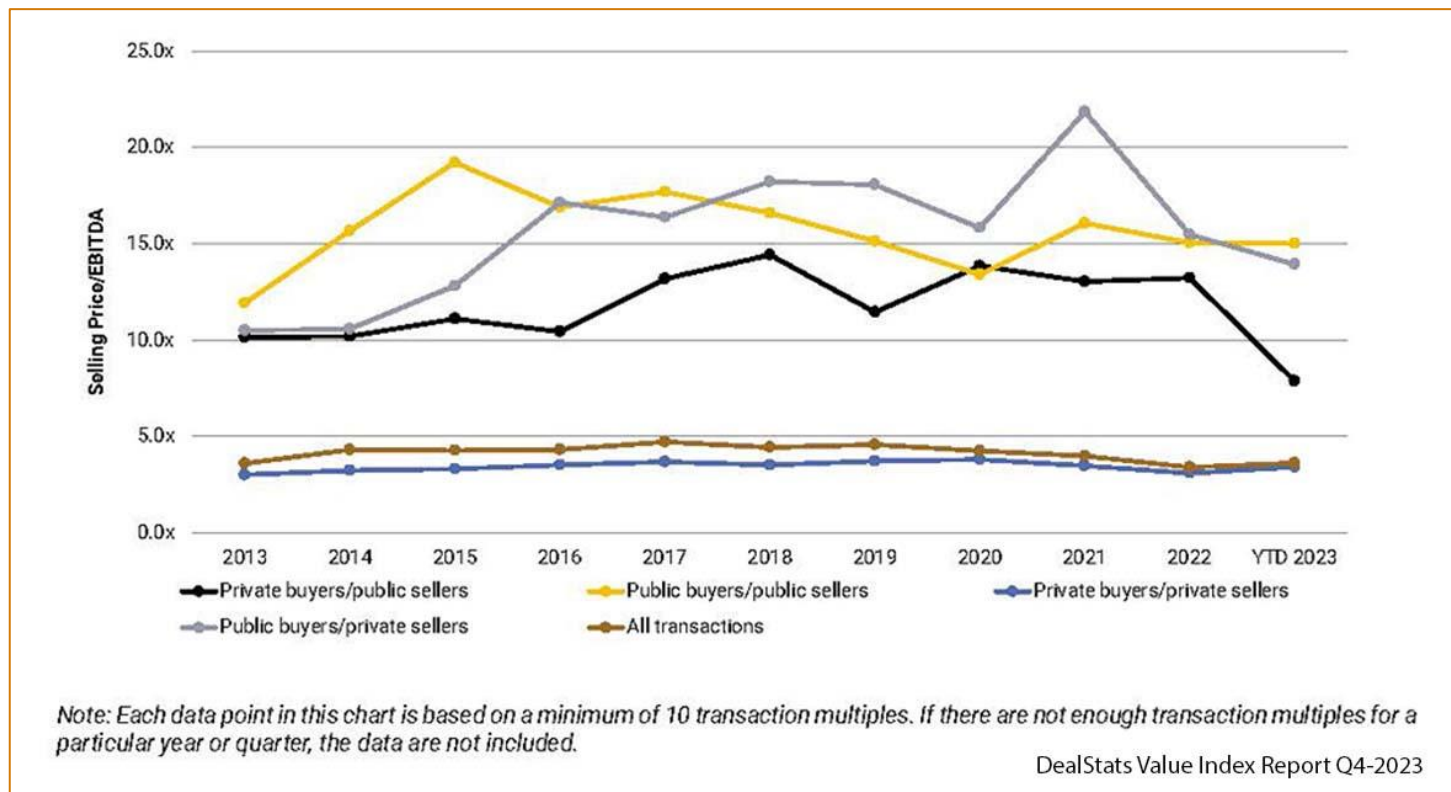
Source: FactSet

# 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.



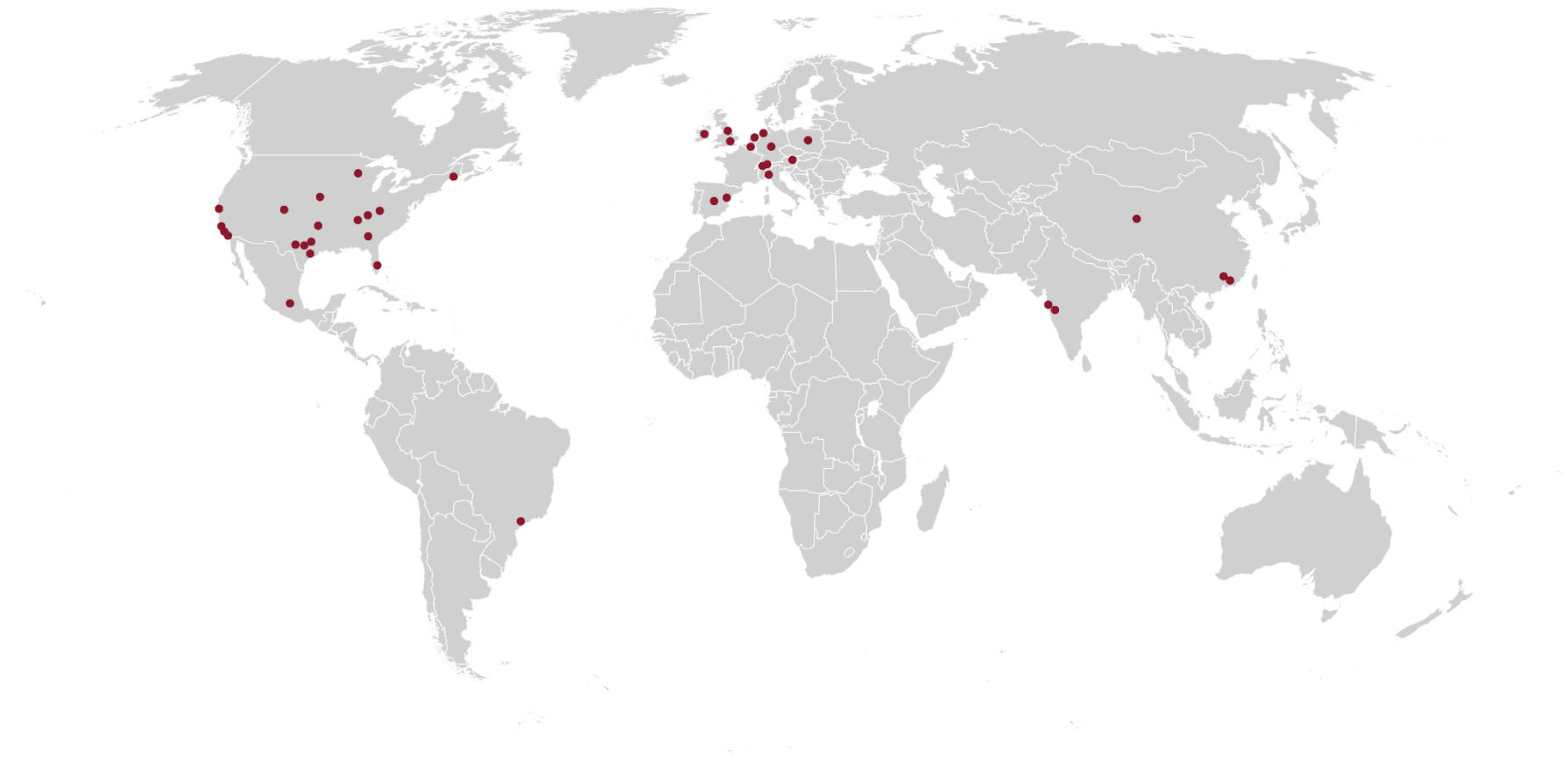
### Business Valuation

"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

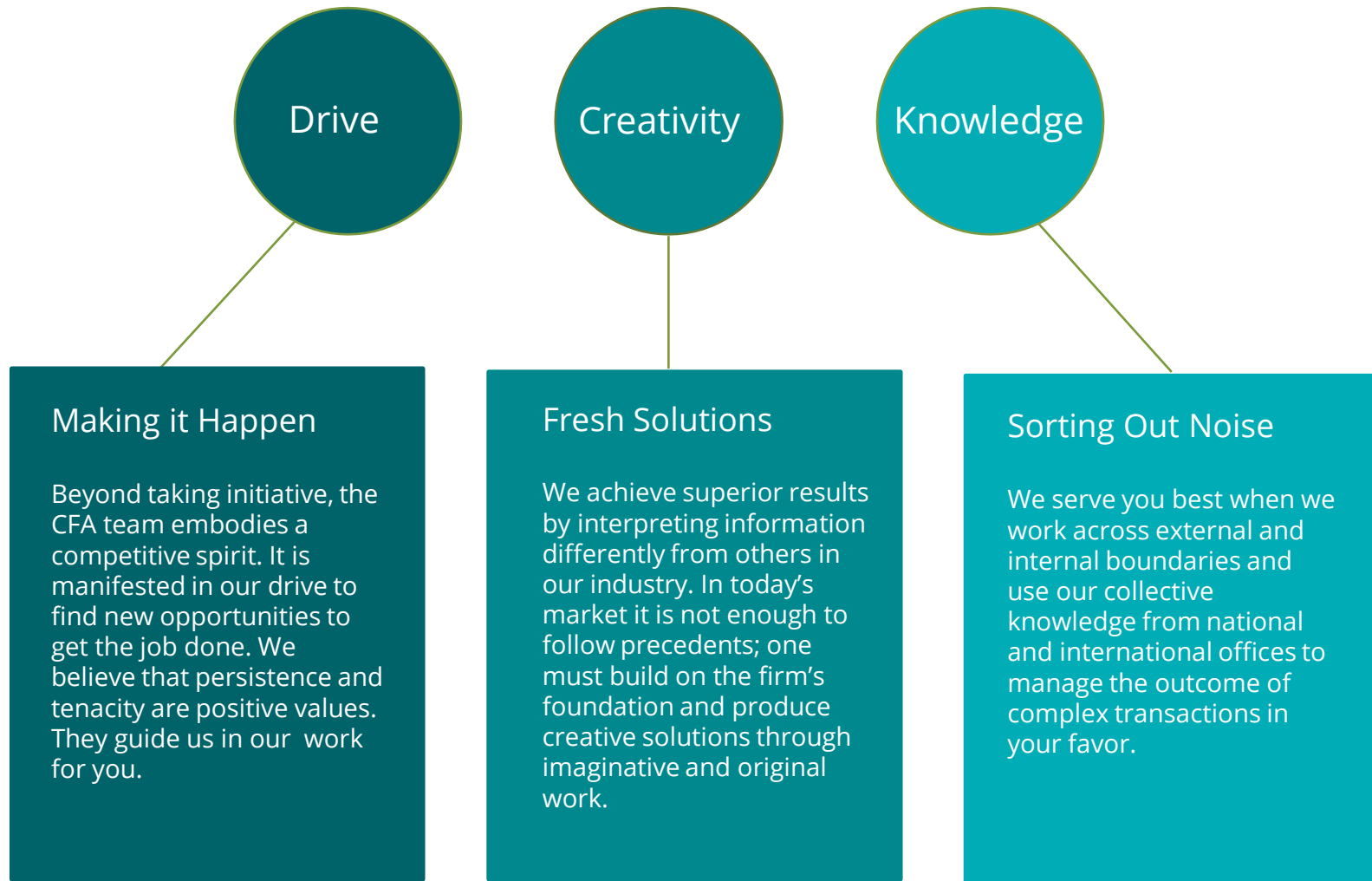
## Where We Are

With offices across the USA and in Austria, Belgium, Brazil, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, 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.



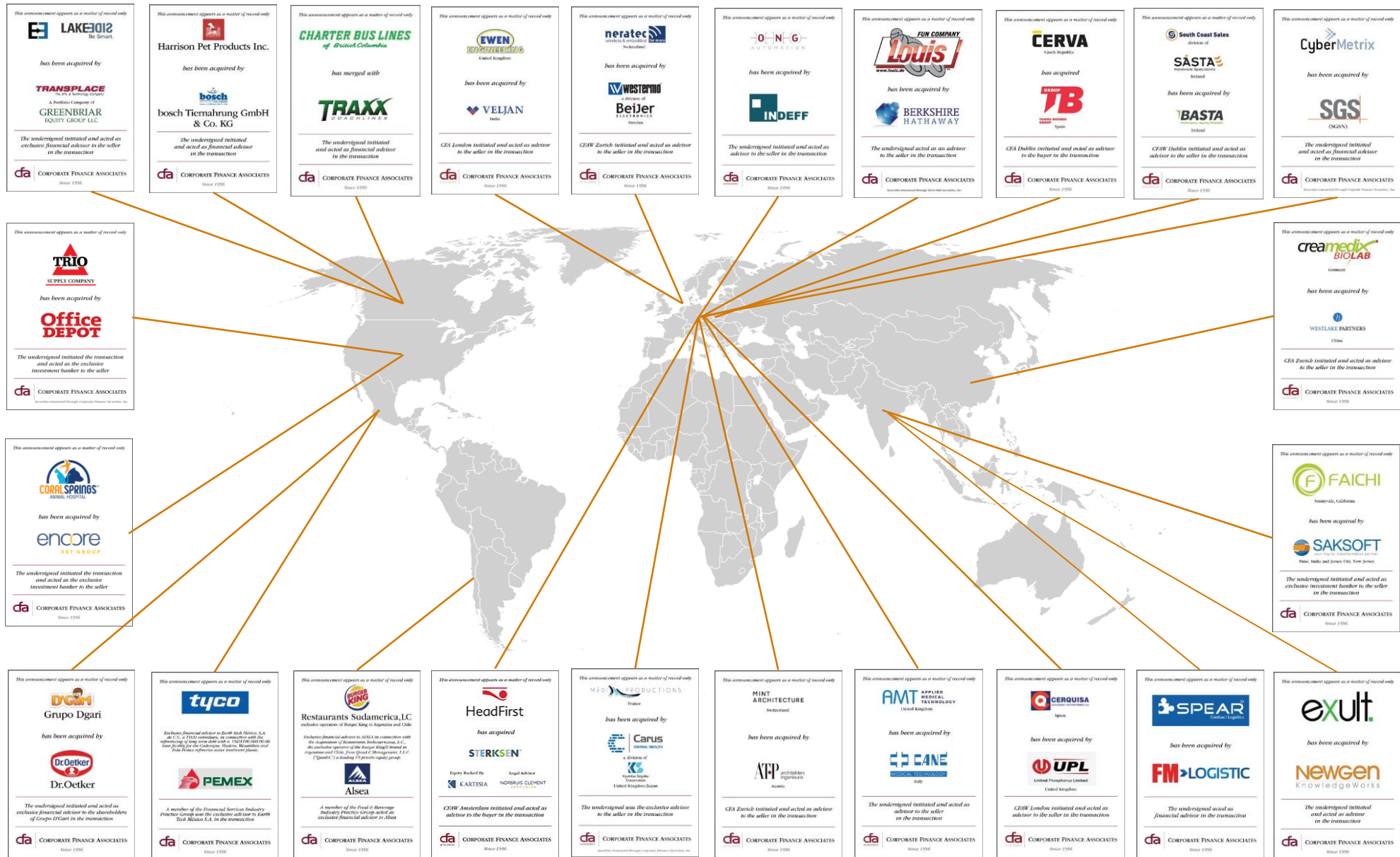


# Delivering Results



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

Specialty Chemicals

Technology/Media/Telecom

Transportation/Logistics/Supply Chain

Wholesale Distribution



# Recent Industry Transactions

*This announcement appears as a matter of record only*

**METALSTAMP, INC.**  
Quality Heavy Gauge Stamping

*has been acquired by*



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



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**PVS**  
chemistry for daily life®  
Detroit, Michigan

*has acquired*



Baltimore, Maryland and  
Waconia, Minnesota

*The undersigned initiated the transaction and acted as the exclusive investment banking advisor to the acquirer*



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*

**PFI**  
PRECISION FOOD INNOVATIONS  
a division of  
**PRECISION inc**  
Pella, Iowa

*has been acquired by*



Columbus, Ohio

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



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*

**HANNECARD**  
YOUR ROLLER EXPERT  
Ronse, Belgium

*has acquired*



Barberton, Ohio

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



CORPORATE FINANCE ASSOCIATES

Securities transacted through Silver Oak Securities, Inc.

*This announcement appears as a matter of record only*

**INCODEMA**  
SHAPING THE FUTURE

*has been acquired by*

Incodema Inc.  
Employee Stock  
Ownership Plan

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



CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*

**Diabrasive AG**

*has acquired a majority stake in*



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



CORPORATE FINANCE ASSOCIATES

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**Hemco**  
ramping up safety

*has been acquired by*



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



CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*

**RPC**  
ROCKFORD PROCESS CONTROL, LLC

*has been acquired by*



Modern Forge Companies, LLC

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



CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*

**American Whistle Corporation**

*has been acquired by*



Engineered Capital, LLC

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



CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*

**PRECISION MACHINE, INC.**

*has been acquired by*



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



CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance 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 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.

*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*



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

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*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  
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*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*



*has been acquired by*



*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*



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

**cfa** | CORPORATE FINANCE ASSOCIATES  
Since 1956

# Recent Industry Transactions

*This announcement appears as a matter of record only*



has obtained financing from



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

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*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*

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*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*

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*This announcement appears as a matter of record only*

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

has acquired a majority interest in



*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



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

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*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*

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(MLAB: NASDAQ)  
Nusonics Division

has been acquired by



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

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Precision Quincy, Corp.

has been acquired by



*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.

*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*

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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  
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