

# Metal Fabrication

INDUSTRY REPORT

Fall | 2023

CREATING  
M&A STRATEGIES  
FOR BUSINESS OWNERS

SINCE 1956





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# Market Observations

# Market Summary

## Metal Fabrication Market

The global metal fabrication service market is expected to gain momentum with the increased adoption of automation, machine learning, and robotics, as well as the rising demand from the automotive, aerospace, and defense industries. The industry's cost-effective technical solutions and reduced labor costs are also expected to drive the market. The Asia-Pacific additive manufacturing in the aerospace & defense market is anticipated to generate \$3.5 billion in revenue by 2032 with a 23.19% CAGR from 2023 and 2032 as per Inkwood Research. The growth in aviation due to increased travel, coupled with investments in in-house aircraft component manufacturing using additive technology, anticipates positive market growth in the forecast period. However, revenue for stamped and forged metal producers in the U.S. is anticipated to plummet to \$36.8 billion through the current period, including a 0.2% drop in 2023 as interest rates threaten growth in key downstream markets according to an IBIS World report. The number of enterprises in the fabricated metals market is projected to amount to 1.16 million in 2023 and is expected to grow at a CAGR of 14.9% from 2023-2028 indicating increased demand for metal processing and machining in various growing economies around the world.

## Public Company Valuations

The CFA Select Metal Fab index increased by 2.7% in the third quarter of 2023 and the 12-month return on the index was up by 50.4%. Our index for each of the subsector of Metal Fab increased in the third quarter of 2023 except for Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing and Other Fabricated Metal Product Manufacturing. Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing Index recorded a significant decline of 12% in the third quarter of 2023, while the Forging and Stamping Index outperformed all the other indices with a 10.6% increase. Forging and Stamping Index had the highest revenue and EBITDA multiple of 1.3x and 10.8x. Spring and Wire Product Manufacturing Index had the lowest revenue and EBITDA multiple of 0.4x and 5.1x. Architectural and Structural Metals Manufacturing, Machine Shops, Turned Product, and Screw, Nut, and Bolt Manufacturing and Other Fabricated Metal Product Manufacturing had median revenue multiples of 0.9x, 0.8x and 1.1x and median EBITDA multiples of 7.2x, 8.2x and 7.2x respectively.



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

## Merger and Acquisition

The M&A activity in the metal fabrication industry remained stable in the third quarter of 2023. According to a few industry players, supply chain issues have been eased since the delivery performance of suppliers to manufacturing organizations has been improving for 12 straight months in September, and therefore the demand for metal products is expected to grow through the procurement and fabrication industry's diverse end markets. Growth in the end-use sectors, such as manufacturing, aerospace and automotive, is also anticipated to benefit the metal fabrication market over the next few years along with rapid industrialization in developing countries. With the adoption of automation in the industry, the demand for companies that specialize in automation solutions is expected to grow, indicating a favorable M&A environment.



# Industry Trends

## Declining Business Conditions in Metal Forming

According to a report published by the Precision Metalforming Association, metal forming companies anticipate a downturn in business conditions in the coming months. About 50% of metal forming companies expect a decrease in general economic activity in the next three months, a significant change from 29% in August while only 8% forecast an increase in activity. Around 47% of the companies have also responded that they expect a 47% decline in incoming orders during the next three months. However, current average daily shipping levels improved in September, with 23% of responding companies reporting an increase in shipping levels (compared to 16% in August). Only 6% of metal forming companies reported an increase in lead times in September, compared to 11% in August. About 8% of companies had a portion of their workforce on short time or layoff in August (decreasing from 9% in August), while 40% of companies are currently expanding their workforce (compared to 46% last month). Despite these bottlenecks, the global metal forming market is expected to grow from \$192.54 billion in 2023 to \$223.55 billion in 2027 at a CAGR of 3.8% as per a report published by the Business Research Company.

## Adoption of metal folding technology

The onset of folding technology has significantly enhanced manufacturing processes, allowing for increased efficiency, cost-effectiveness, and improved quality. Traditional constraints, such as the need for hard tools, have been overcome by innovations like laser cutting for blanking. However, downstream processes, especially bending, have often faced challenges due to lengthy setups and batch requirements. Advancement in precision folding technology is expected to make kit-based production both viable and profitable. This method produces groups of similar or dissimilar parts for assemblies, and therefore helps to eliminate issues created through overproduction, benefit downstream processes, and improve production efficiency. The technology is also expected to help software quickly determine the bend sequence, optimize the bending process & machine movement, and calculate the tooling stations necessary to perform the task. These advanced applications of folding technology are anticipated to satisfy the requirements of present metal fabricators who are seeking efficiency in their process.



## Computer Aided Manufacturing (CAM)

The future outlook for the computer-aided manufacturing (CAM) market is anticipated to be promising. As industries are increasingly seeking ways to improve productivity and reduce costs, the demand for CAM systems is expected to rise significantly. The increasing adoption of automation and the increasing integration of CAM with other digital technologies, such as artificial intelligence and Internet of Things, are further expected to drive market growth. CAM software allows for the efficient programming of CNC machines to perform the fabrication process according to the specifications of the CAD model. This can lead to increased accuracy and consistency in the final product and reduced lead time and costs. As of September 2023, there are about 56 CAM software platforms with users rating computer numerical control (CNC) feature recognition as a notable feature in CAM software. Owing to these reasons, the global computer aided-manufacturing market is expected to reach \$7.4 billion by 2030, growing at a CAGR of 10.67% from 2023 to 2030 according to GII research.

# Significant News

## Samsung Heavy Industries Develops the Industry's First 'Laser High-Speed Welding Robot'

*Marine Insight, September 26, 2023*

"Samsung Heavy Industries announced on the 21st that it had developed the industry's first 'laser high-speed welding robot' that dramatically improved the speed of joining membrane panels in the cargo hold of LNG carriers. The laser high-speed welding robot developed this time is up to five times faster than the existing plasma arc welding (PAW) method, and is expected to greatly increase the drying and production efficiency of LNG carriers."

[Read More >](#)

## ATI to establish an Additive Manufacturing facility for the US Navy's nuclear propulsion program

*Metal AM, September 8, 2023*

"ATI Inc. has been granted a contract by Bechtel Plant Machinery Inc. (BPMI) to assist in developing highly engineered part solutions for the US Naval Nuclear Propulsion Program. As part of this contract, ATI will establish a specialized Additive Manufacturing facility outside Fort Lauderdale, Florida, to support advanced manufacturing methods, including metal Additive Manufacturing."

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## Automation in metal fabrication continues to become more mobile

*The Fabricator, August 26, 2023*

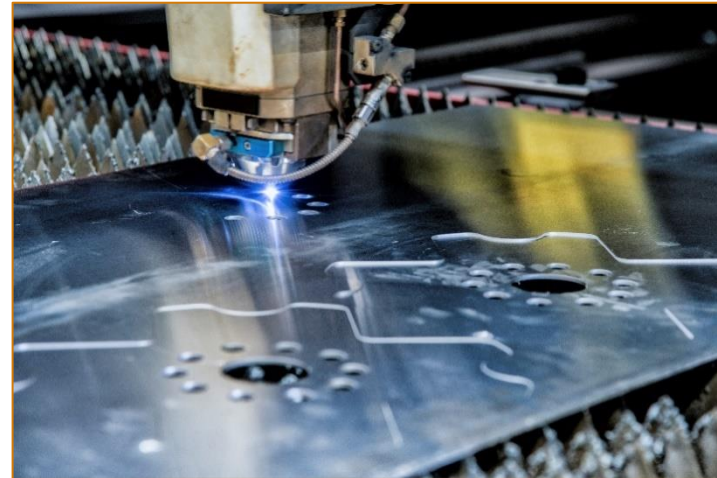
"Mobile robotics shipments have been growing at an extraordinary pace. According to ABI Research, of the 8 million robots expected to ship in 2030, nearly 6 million of them will be mobile. Mobile automation has transformed the robot industry, and the precision sheet metal fabrication arena could feel that transformation sooner rather than later."

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# M&A Metrics

## Metal Fabrication Industry

M&A activity in the metal fabrication industry remained stable in Q3 2023. The number of M&A transactions in the industry recorded 65 transactions in Q3 2023, the same as in Q2 2023. The number of sub-\$50 million transactions decreased from 64 in Q2 2023 to 62 in Q3 2023. The number of transactions above \$100 million increased from 1 in Q2 2023 to 2 in Q3 2023. The total number of M&A transactions increased 18.2% year on year from 55 in Q3 2022 to 65 in Q3 2023.



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

Transaction Value	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Not Disclosed	46	69	86	58	55
Under \$10 MM	7	3	3	2	2
\$10 - \$25 MM	1	0	1	2	3
\$25 - \$50 MM	0	1	0	2	2
\$50 - \$100 MM	1	0	1	0	1
\$100 - \$500 MM	0	1	3	1	0
\$500 MM+	0	1	0	0	2
Total Transactions	55	75	94	65	65

Source: FactSet

# Industry Metrics

## Industry Financial Data and Ratios

### NAICs 3321 - Forging and Stamping

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	2.92	2.96	3.69
Gross Profit Margin	25.23%	26.98%	31.85%
Net Profit Margin	7.17%	7.97%	8.40%
Accounts Receivable Days	51.53	51.85	52.28
Accounts Payable Days	38.41	42.21	42.06
Debt-to-Equity Ratio	1.58	1.74	1.66
Return on Equity	24.17%	23.64%	34.63%
Sales per Employee	\$224,061	\$287,901	\$202,158
Profit per Employee	\$43,086	\$65,233	\$13,288
Sales Growth	16.77%	19.87%	21.11%
Profit Growth	-6.87%	5.49%	24.25%

### NAICs 3326 - Spring and Wire Product Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.16	3.04	4.65
Gross Profit Margin	24.69%	25.86%	30.14%
Net Profit Margin	7.28%	7.73%	9.45%
Accounts Receivable Days	46.44	48.28	47.66
Accounts Payable Days	30.62	34.1	36.8
Debt-to-Equity Ratio	1.61	1.63	1.18
Return on Equity	31.58%	37.33%	35.53%
Sales per Employee	--	\$155,688	\$139,753
Profit per Employee	--	\$21,323	\$8,787
Sales Growth	23.16%	23.31%	27.07%
Profit Growth	-10.15%	17.75%	56.49%

Source: Profit Cents

### NAICs 3323 - Architectural and Structural Metals Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	3.32	3.17	3.13
Gross Profit Margin	32.99%	31.30%	31.67%
Net Profit Margin	8.41%	8.61%	8.51%
Accounts Receivable Days	61.88	60.87	63.25
Accounts Payable Days	36.2	36.22	40.3
Debt-to-Equity Ratio	1.86	1.76	1.87
Return on Equity	38.85%	41.18%	47.29%
Sales per Employee	\$307,519	\$308,512	\$241,594
Profit per Employee	\$19,970	\$22,222	\$25,391
Sales Growth	20.70%	23.42%	20.05%
Profit Growth	6.95%	11.87%	39.39%

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

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	4.16	4.21	4.5
Gross Profit Margin	41.15%	40.49%	41.43%
Net Profit Margin	7.01%	7.99%	9.39%
Accounts Receivable Days	52.38	52.57	53.36
Accounts Payable Days	43.97	39.05	36.46
Debt-to-Equity Ratio	1.73	1.67	1.99
Return on Equity	27.41%	35.66%	44.73%
Sales per Employee	\$163,877	\$169,068	\$176,335
Profit per Employee	\$18,745	\$20,588	\$14,642
Sales Growth	15.75%	17.21%	18.63%
Profit Growth	-0.38%	2.15%	45.07%



# Industry Metrics

## Industry Financial Data and Ratios

NAICs 3329 - Other Fabricated Metal Product Manufacturing

Financial Metric	Last 12 Mo	2022	2021
Current Ratio	4.23	4.03	3.99
Gross Profit Margin	38.21%	36.24%	36.04%
Net Profit Margin	9.44%	9.98%	10.37%
Accounts Receivable Days	50.22	48.63	49.5
Accounts Payable Days	42.37	41.21	40.82
Debt-to-Equity Ratio	1.67	1.7	1.73
Return on Equity	37.86%	37.91%	47.89%
Sales per Employee	\$244,426	\$228,011	\$212,607
Profit per Employee	\$20,121	\$14,275	\$25,930
Sales Growth	19.26%	20.68%	23.52%
Profit Growth	16.45%	17.18%	39.62%

Source: Profit Cents



# Transaction Highlights

# Notable Transactions



In September 2023, **Franklin Energy Services LLC**, a subsidiary of AM Conservation Group Inc., acquired **Evolve Technologies LLC** for an undisclosed amount. The acquisition expands Franklin Energy Services LLC's ability to simplify and scale the adoption of sustainable energy solutions. Following the transaction, Evolve Technologies LLC's team would join Franklin Energy Services LLC's team. Evolve Technologies LLC is located in Scottsdale, Arizona, United States and develops, manufactures, and markets showerheads and hand showers.



In September 2023, Machinery manufacturer **InCompass**, a platform company of TJM Capital Partners acquired **Bridgeport Machine Tool Co.**, a manufacturer of vertical milling machines for an undisclosed amount. This acquisition is expected to enhance InCompass' global presence and bolsters its manufacturing capabilities to serve job shops, OEMs, and other end users.



In July 2023, Steel plate supplier **Leeco Steel** has acquired Alvarado, Texas-based **Titan Steel**, a steel plate processor offering plasma and oxyfuel cutting and machining for an undisclosed amount. The acquisition expands the company's processing capabilities, which now include milling services in addition to plasma and oxyfuel cutting, drilling, tapping, beveling, chamfering, shot blasting, and parts cleaning.



In July 2023, **National Tube Supply**, a supplier of standard and customized bar and tubular products, has announced its acquisition of **Commercial Fluid Power**, a provider of DOM tubing and chrome bar for the fluid power industry. Its services include honing, boring, skiving, and CNC machining for an undisclosed amount. The acquisition is said to have expansion across the regions of North Canton, Dover and Rome.



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# Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value(MM)	Revenue	EBITDA
22-Sep-2023	Evolve Technologies LLC	Franklin Energy Services LLC	NA	NA	NA
15-Sep-2023	NES Holdings, Inc. (Pennsylvania)	Iowa Spring Manufacturing & Sales Co.	NA	NA	NA
30-Aug-2023	Famous Industries, Inc. (Ohio)	Smiths Group Plc	82.00	69.00	NA
22-Aug-2023	Fortress Deck Products LLC	Eva-Last Distributors (Pty) Ltd.	NA	NA	NA
21-Aug-2023	Specline, Inc.	RBC Bearings, Inc.	18.70	8.40	NA
16-Aug-2023	Precision Internacional PREINSA SA	G.W. Lisk Co, Inc.	NA	NA	NA
16-Aug-2023	Walor International SAS	Mutares SE & Co. KGaA	NA	218.43	NA
07-Aug-2023	Phoenix Holding GmbH /3 Subsidiaries/	Valvosider Srl	NA	NA	NA
01-Aug-2023	Expal Systems SA	Rheinmetall AG	1,239.18	NA	NA
31-Jul-2023	F.R. Accessories Srl	Bridgepoint Advisers Ltd.; Sotralu SAS	NA	NA	NA
31-Jul-2023	Summit Stairs & Millwork of Charlotte, Inc.	Validor Capital LLC; MBP Group, Inc.	NA	NA	NA
12-Jul-2023	Econotherm UK Ltd.	Solex Thermal Science, Inc.	NA	NA	NA
11-Jul-2023	Cortland Industrial LLC	Tufropes Pvt Ltd.	26.60	36.50	NA
05-Jul-2023	ACME Industrial Piping, Inc.	Limbach Holdings, Inc.	7.50	NA	NA
05-Jul-2023	Les Industries Flexpipe, Inc.	MPE Mgt Co. LLC; 80/20, Inc.	NA	NA	NA
01-Jul-2023	Ramp-Art	Altek Windows & Doors	NA	NA	NA
(\$ in millions)	Source: Factset				

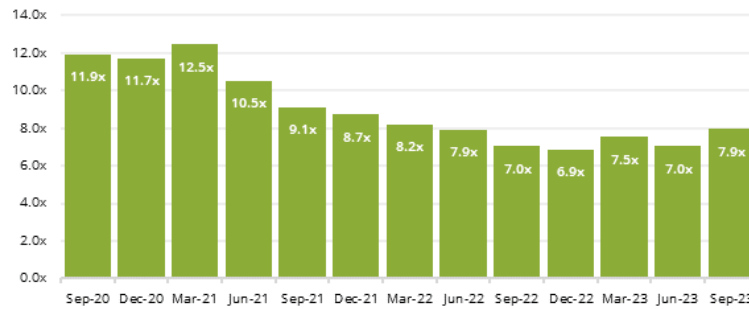


# Public Companies

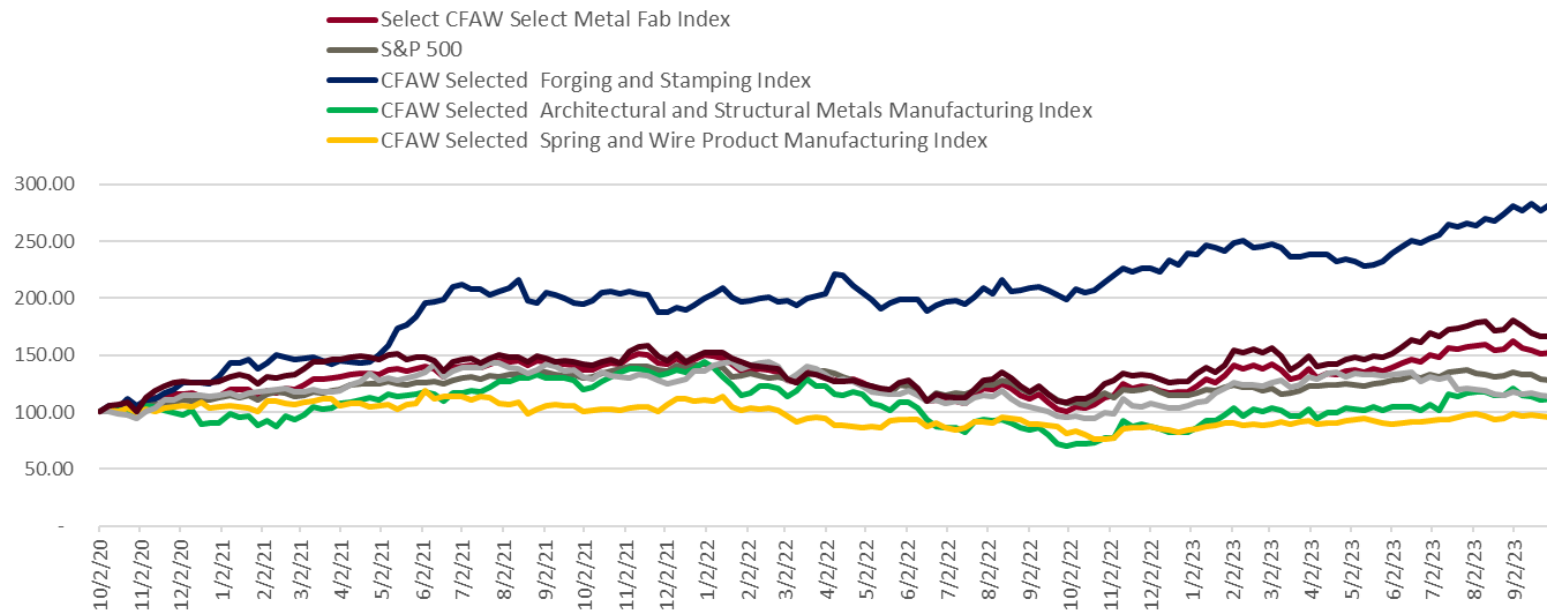
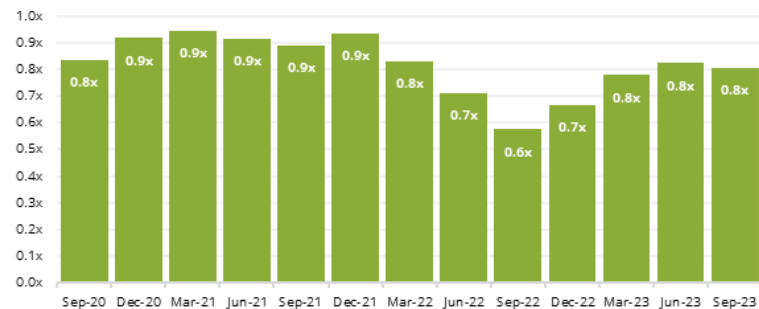
# Industry Performance

## CFAW Select Metal Fab Index

CFAW Select Metal Fab Index | Median EBITDA Multiples



CFAW Select Metal Fab Index | Median Revenue Multiples



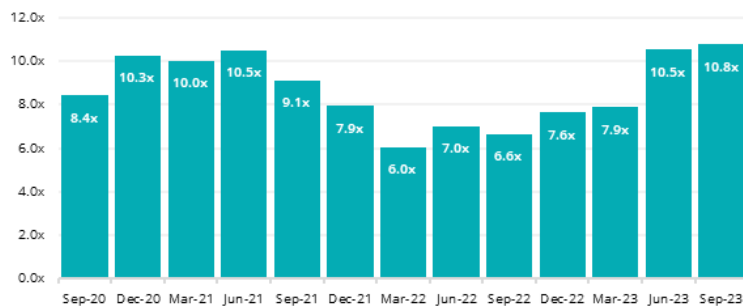
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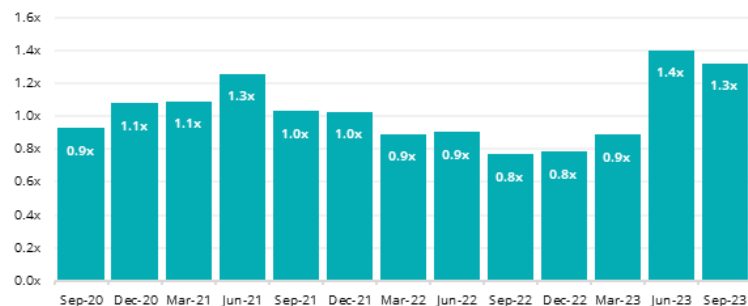
# Public Comparables

## Forging and Stamping

Forging and Stamping | Median EBITDA Multiples



Forging and Stamping | Median Revenue Multiples



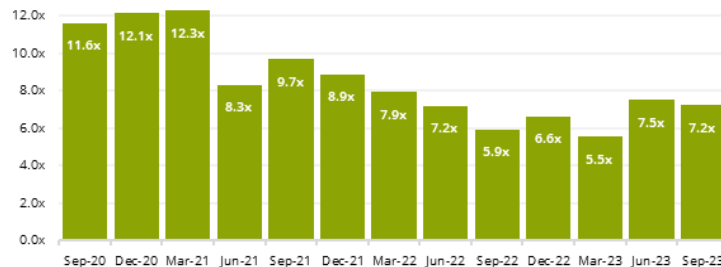
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bharat Forge Ltd	\$13.15	466	\$6,124	\$6,765	\$1,632	\$229	4.1x	29.5x
Castings PLC	\$4.16	43	\$181	\$137	\$242	\$30	0.6x	4.5x
Eastern Company	\$18.15	6	\$113	\$172	\$282	\$18	0.6x	9.4x
Grupo SIMEC SAB de CV Class B	\$12.08	498	\$6,014	\$4,367	\$2,439	\$548	1.8x	8.0x
Hilton Metal Forging Limited	\$1.97	21	\$41	\$48	\$14	\$2	3.4x	26.0x
Loyalty Founder Enterprise Co., Ltd.	\$1.56	148	\$231	\$224	\$155	\$18	1.4x	12.3x
CIE Automotive India Ltd	\$5.79	379	\$2,195	\$2,250	\$1,009	\$165	2.2x	13.7x
Mitsubishi Steel Mfg.Co., Ltd.	\$10.12	16	\$159	\$483	\$1,251	\$70	0.4x	6.9x
SunCoke Energy, Inc.	\$10.15	84	\$850	\$1,302	\$2,053	\$284	0.6x	4.6x
Taewoong Co., Ltd	\$13.81	20	\$276	\$398	\$332	\$33	1.2x	12.1x
<b>Mean</b>				\$1,615	\$941	\$140	<b>1.6x</b>	<b>12.7x</b>
<b>Median</b>				\$441	\$670	\$51	<b>1.3x</b>	<b>10.8x</b>

Source: FactSet

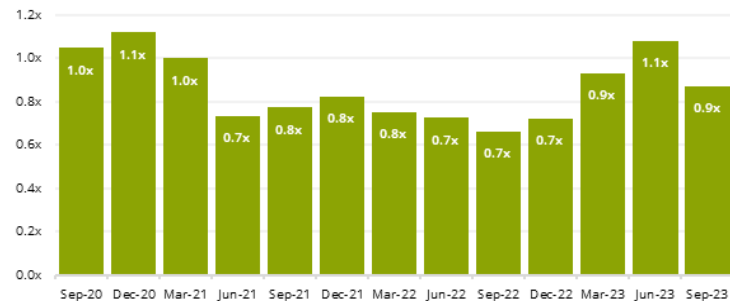
# Public Comparables

## Architectural and Structural Metals Manufacturing

Architectural and Structural Metals Manufacturing | Median EBITDA Multiples



Architectural and Structural Metals Manufacturing | Median Revenue Multiples



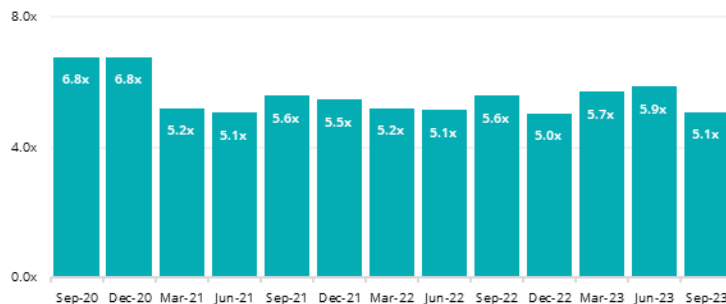
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bunka Shutter Co., Ltd.	\$7.41	72	\$535	\$321	\$1,496	\$106	0.2x	3.0x
Dongkuk Structures & Construction Co., Ltd.	\$2.15	57	\$123	\$237	\$274	(\$29)	0.9x	NM
Encore Wire Corporation	\$182.46	17	\$3,066	\$2,399	\$2,753	\$740	0.9x	3.2x
Evergreen Steel Corporation	\$2.20	417	\$917	\$957	\$350	\$107	2.7x	8.9x
Hill & Smith PLC	\$21.02	80	\$1,685	\$1,851	\$966	\$172	1.9x	10.8x
Hod Assaf Industries Ltd.	\$8.70	12	\$107	\$162	-	-		
Kingspan Group Plc	\$75.13	182	\$13,673	\$15,502	\$8,648	\$1,093	1.8x	14.2x
Severfield Plc	\$0.76	310	\$234	\$248	\$545	\$45	0.5x	5.5x
Simpson Manufacturing Co., Inc.	\$149.81	43	\$6,393	\$6,616	\$2,161	\$553	3.1x	12.0x
SSAB AB Class A	\$5.68	304	\$1,728	\$4,626	\$11,867	\$2,264	0.4x	2.0x
<b>Mean</b>				\$3,292	\$3,229	\$561	<b>1.4x</b>	<b>7.5x</b>
<b>Median</b>				\$1,404	\$1,496	\$172	<b>0.9x</b>	<b>7.2x</b>

Source: FactSet

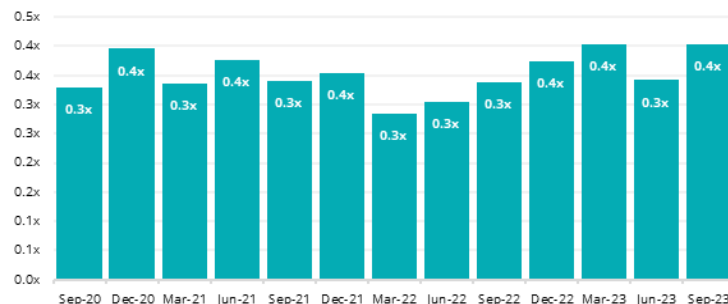
# Public Comparables

## Spring and Wire Product Manufacturing

Spring and Wire Product Manufacturing | Median EBITDA Multiples



Spring and Wire Product Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Advanex Inc.	\$6.72	4	\$28	\$91	\$184	\$14	0.5x	6.5x
Chita Kogyo Co., Ltd.	\$5.56	10	\$54	(\$2)	\$99	\$10	NM	NM
Chuo Spring Co., Ltd.	\$5.41	26	\$138	\$160	\$702	\$32	0.2x	5.0x
Coventry CoilOMatic (Haryana) Limited	-	5	-	-	\$10	\$0		
Frontier Springs Limited.	\$8.03	4	\$32	\$32	\$13	\$2	2.4x	20.4x
Molitec Steel Co., Ltd.	\$2.14	23	\$48	\$57	\$306	\$6	0.2x	9.2x
NHK Spring Co., Ltd.	\$7.67	244	\$1,871	\$1,640	\$5,221	\$410	0.3x	4.0x
PT Indospring Tbk	\$0.18	656	\$118	\$144	\$260	\$28	0.6x	5.1x
Shin Zu Shing Co., Ltd.	\$2.48	188	\$466	\$284	\$327	\$58	0.9x	4.9x
SUNCALL CORPORATION	\$3.28	34	\$112	\$119	\$381	\$24	0.3x	5.0x
Zhejiang Meili High Technology Co., Ltd. Class A	\$1.55	211	\$327	\$394	\$169	\$17	2.3x	23.4x
<b>Mean</b>				\$292	\$697	\$55	<b>0.9x</b>	<b>9.3x</b>
<b>Median</b>				\$132	\$260	\$17	<b>0.5x</b>	<b>5.1x</b>

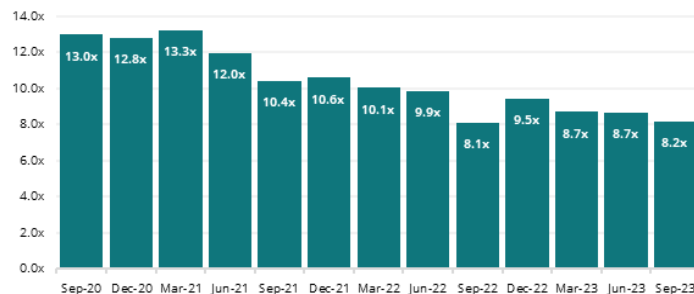
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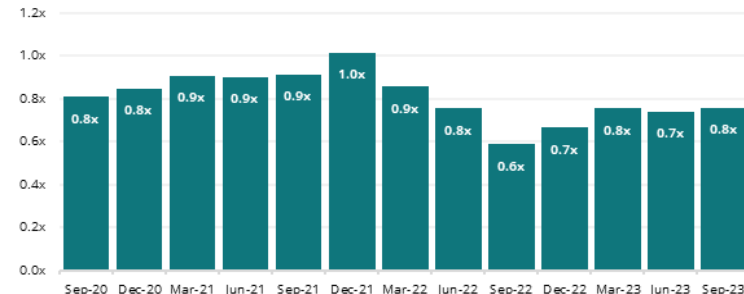
# Public Comparables

## 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



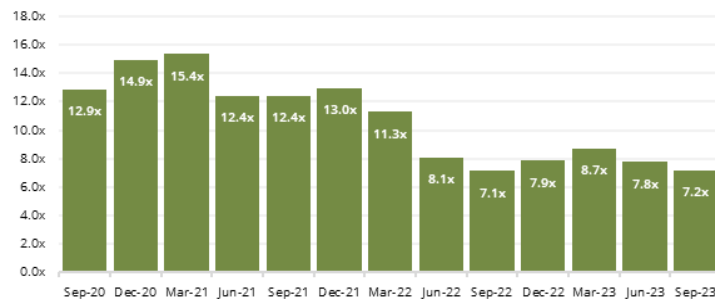
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Brighton-Best International (Taiwan), Inc.	\$1.04	1,032	\$1,077	\$1,622	\$852	\$163	1.9x	10.0x
Chicago Rivet & Machine Co.	\$17.63	1	\$17	\$14	\$32	(\$3)	0.4x	NM
Forbes & Co. Ltd.	\$7.99	13	\$103	\$110	\$50	(\$4)	2.2x	NM
KPF Co., Ltd.	\$3.73	21	\$77	\$286	\$617	\$45	0.5x	6.3x
PIOLAX, Inc.	\$15.33	38	\$583	\$279	\$434	\$53	0.6x	5.3x
Rodex Fasteners Corp.	\$1.35	61	\$82	\$66	\$70	\$14	0.9x	4.7x
SFS Group AG	\$109.53	39	\$4,261	\$4,849	\$3,289	\$491	1.5x	9.9x
Simmonds Marshall Limited	\$0.72	11	\$8	\$18	\$23	\$1	0.8x	12.4x
Vimi Fasteners SpA	\$1.34	14	\$18	\$33	\$54	\$5	0.6x	6.5x
YM CO. LTD.	\$2.47	19	\$47	\$85	\$119	\$7	0.7x	12.0x
<b>Mean</b>				\$736	\$554	\$77	<b>1.0x</b>	<b>8.4x</b>
<b>Median</b>				\$97	\$95	\$11	<b>0.8x</b>	<b>8.2x</b>

Source: FactSet

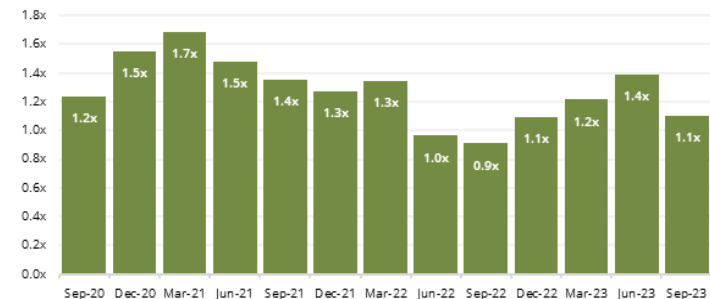
# Public Comparables

## Other Fabricated Metal Product Manufacturing

Other Fabricated Metal Product Manufacturing | Median EBITDA Multiples



Other Fabricated Metal Product Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Aalberts N.V.	\$36.72	110.6	\$4,060	\$4,957	\$3,484	\$624	1.4x	7.9x
AIA Engineering Limited	\$42.24	94.3	\$3,984	\$3,674	\$614	\$162	6.0x	22.6x
AMG Critical Materials N.V.	\$30.17	32.5	\$981	\$1,328	\$1,703	\$393	0.8x	3.4x
CIRCOR International, Inc.	\$55.75	20.4	\$1,137	\$1,623	\$822	\$128	2.0x	12.7x
Daido Metal Co., Ltd.	\$3.82	47.5	\$182	\$481	\$858	\$96	0.6x	5.0x
Kitz Corporation	\$6.94	90.4	\$627	\$698	\$1,195	\$139	0.6x	5.0x
Nippon Thompson Co., Ltd.	\$3.71	73.5	\$273	\$273	\$481	\$87	0.6x	3.1x
NTN Corporation	\$1.91	532.5	\$1,016	\$2,884	\$5,837	\$449	0.5x	6.4x
Parker-Hannifin Corporation	\$389.52	128.4	\$50,027	\$62,352	\$19,065	\$4,039	3.3x	15.4x
Pentair plc	\$64.75	165.1	\$10,691	\$12,764	\$4,169	\$845	3.1x	15.1x
<b>Mean</b>				\$9,103	\$3,823	\$696	<b>1.9x</b>	<b>9.7x</b>
<b>Median</b>				\$2,253	\$1,449	\$278	<b>1.1x</b>	<b>7.2x</b>

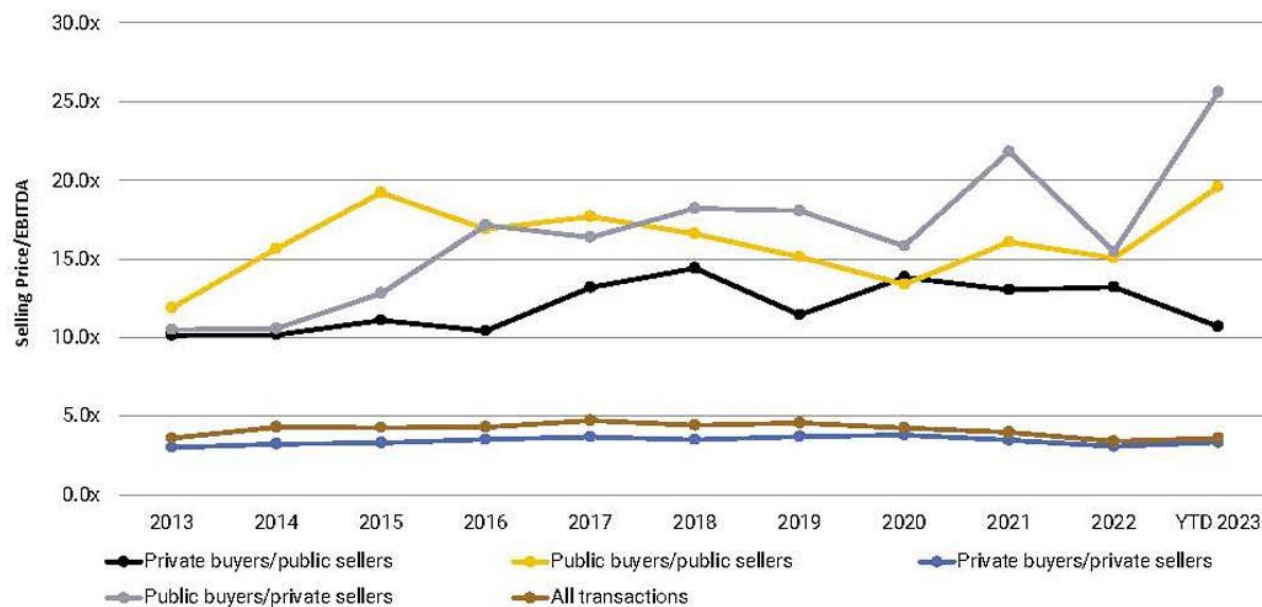
Source: FactSet

# 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.



*Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.*

DealStats Value Index Report Q3-2023





# 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.



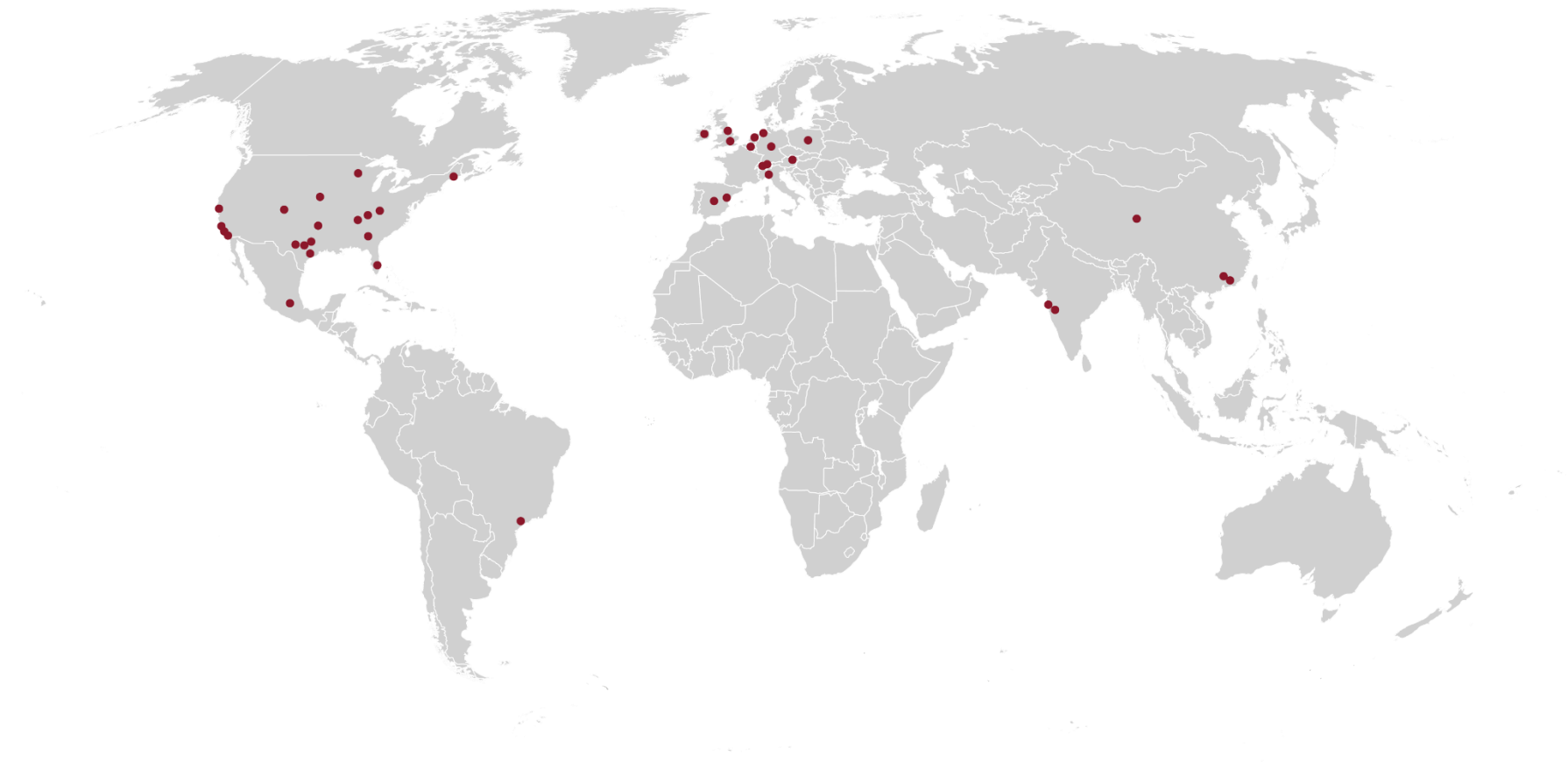
### Business Valuation

"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

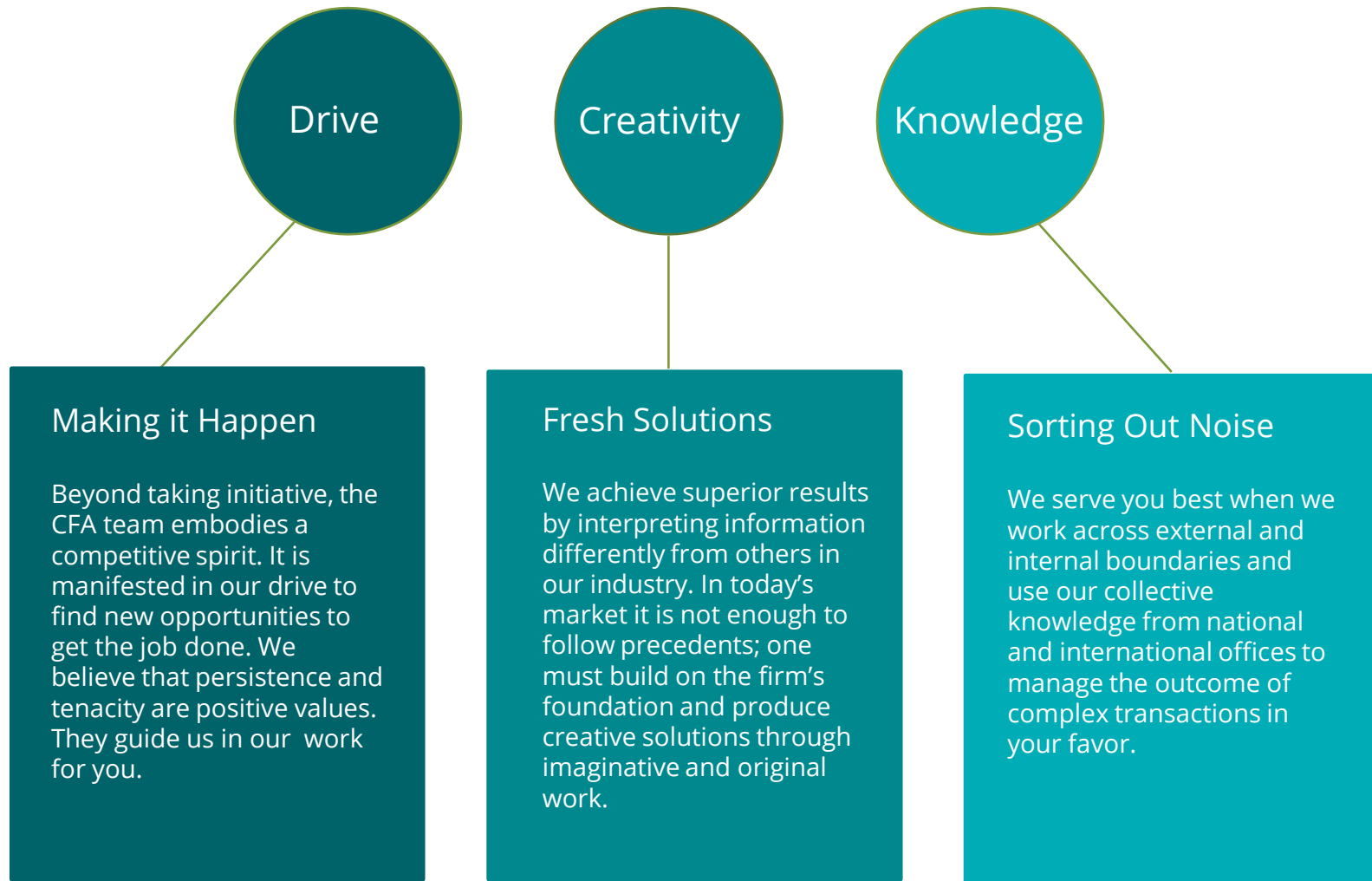
## Where We Are

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.



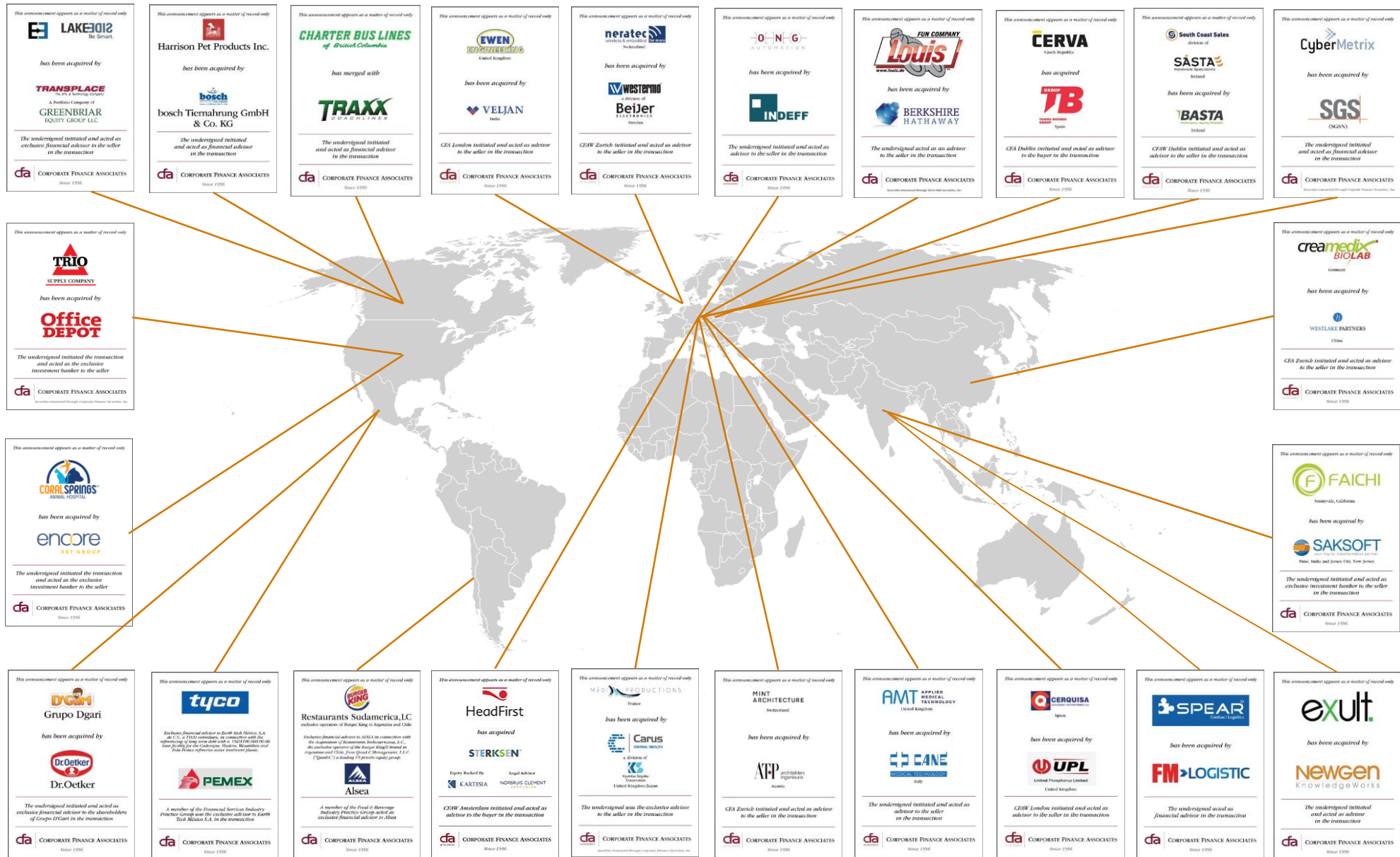


# Delivering Results



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

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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*This announcement appears as a matter of record only*

**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.



CORPORATE FINANCE ASSOCIATES

# 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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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*

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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  
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*This announcement appears as a matter of record only*



**DOUBLE L GROUP**

*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  
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# 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

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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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