

# Metal Fabrication

INDUSTRY REPORT

Fall | 2021

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 sheet metal fabrication services market size was valued at \$15.81 billion in 2020 and is estimated to grow at a CAGR of 3.46% to reach \$16.31 billion by 2021, as per research published by Research and Markets. The increasing investments in major end users of automotive, aerospace, and military industries, will propel the growth in the global sheet metal fabrication services market. The demand for sheet metal fabrication is being fueled by OEM's increasing focus on improving operational efficiency and lean production. Innovative prefabrication techniques adopted by sheet metal fabrication service providers is expected to drive future growth. Adopting cobots in metal fabrication processes could help to mitigate the growing labor shortage. It will also improve operating efficiency and product quality. Steel and aluminum are the most used metals for sheet metal manufacturing. The global steel demand in 2021 is expected to increase by 4.1%, as per report published by OECD. The industry structure, government support measures, and the balance struck by individual governments between virus containment and promoting economic activity, will play a major role in the recovery in the steel demand. Strong steel demand coupled with growth in the automotive and other sectors such as construction, equipment, and transportation, is expected to drive growth in the metal fabrication industry.

## Public Company Valuations

The CFAW Select Metal Fab Index was up by 0.7% in the third quarter of 2021, and the 12 months return on the Index was 41.4%. Our index for each of the subsector of Metal Fab was volatile in the third quarter of 2021. Architectural and Structural Metals Manufacturing outperformed all other indices with 9.4% increase in the third quarter of 2021. Other Fabricated Metal Product Manufacturing had the highest median revenue and EBITDA multiple with 1.4x & 12.5x, respectively. Forging and Stamping had median revenue and EBITDA multiples of 1.2x and 9.2x, while Architectural and Structural Metals Manufacturing had median revenue and EBITDA multiples of 0.9x and 8.6x, respectively. Spring and Wire Product Manufacturing had median revenue multiple of 0.4x and EBITDA multiple of 4.2x. Machine Shops; Turned Product; & Screw, Nut, & Bolt Manufacturing had median revenue and EBITDA multiple with 1.0x and 12.3x, respectively.

“

*The public metal fabrication market remained relatively flat in the third quarter of 2021...*

## Mergers and Acquisitions

The metal fabrication industry would be driven by strong steel demand in 2021. The industrial manufacturing and automotive sub-sectors are forecasted to grow in the second half of 2021. The companies would indulge in M&A to bridge competence gaps as innovation disrupts various sub-sectors. Strong steel demand coupled with extremely low customer steel inventories throughout the supply chain, is forecasted to drive M&A in the metal fabrication industry.



# Industry Trends

## Increasing Labor Shortage

Manufacturers are struggling with labor shortage as workers are opting for more attractive job conditions. The backlog of customer orders began to increase as manufacturers are unable to increase production rates due to supplier parts and manpower shortages. A shortage of qualified labors is one issue that has been raising complications across industries and creating quality and efficiency issues. It will become more prevalent in the future as the world's population ages, forcing companies to invest in high-cost, skilled labors as well as high-cost technologies and automation, that would substantially reduce reliance on humans. Hence, businesses are using automation to help them deal with workforce shortages and supply chain issues. One of the recent examples is of Core Industrial Partners acquiring metal fabrication provider CGI Automated Manufacturing. Automation would prove to be a significant and rapidly growing sector of the economy, as companies in both developed and developing economies strive to improve quality, combat labor shortages, and create efficiencies.

## Increasing Raw Material Prices

The uncertainty about raw material prices is one issue that has been affecting the metal fabrication industry. It is experiencing operating challenges because of price volatility, and tariffs. Costs have risen because of demand-supply dynamics in various regions. Trade wars and protectionism are raising tariffs for materials such as steel and aluminum. Metal prices have also been volatile since the outbreak of COVID-19. These factors have a significant impact on the raw material procurement budgets and contracts of industry participants. Metal fabricators are stockpiling material, collecting as much as they can for a set price. Some metal fabricating companies might not sustain if metal prices continue to rise. Despite these challenges, the metal fabrication industry registered moderate to strong growth in the month of September 2021, as per research published by For Construction Pros. Hence, it is expected that the metal fabrication will experience strong growth in the future.



## Use of Metal Fabrication in Retail Design

Retailers are paying close attention to the appearance of their stores. The design and functionality of a store can influence how customers feel about their experience. According to some studies, it may even lead them to spend more money. The CNC machines are meticulously programmed and operated to design parts and components for store display fixtures. The materials are distributed across the manufacturing floor, painted, assembled, and shipped to customers. The metal fabricators would require exceptional fabrication technique, engineering skills, and design knowledge. North Face, one of the retail clothing companies in the United States, created a simulated mountain range fabricated of expanded metal grating. The design concept included interior fixtures in the beginning and evolved into sculptural metal on the exterior.



# Significant News

## Global Abrasives Market to Reach USD 54.7 Billion by 2026

*PR Newswire, September 22, 2021*

“Amid the COVID-19 crisis, the global market for Abrasives estimated at US\$40.9 Billion in the year 2020, is projected to reach a revised size of US\$54.7 Billion by 2026, growing at a CAGR of 4.8% over the analysis period. Bonded, one of the segments, is projected to record a 4.6% CAGR and reach US\$27.2 Billion by the end of the analysis period. After a thorough analysis of the business implications of the pandemic and its induced economic crisis, growth in the Coated segment is readjusted to a revised 5.3% CAGR for the next 7-year period.”

[Read More >](#)

## SAF Expands U.S. Footprint, Christens New Facility in Temple, TX

*PR Newswire, September 13, 2021*

“SAF, a global metals distributor, fabricator, and finisher, is expanding its capacity and capabilities with the opening of a new manufacturing location in Temple, TX. The 60,000-square-foot facility will specialize in metal fabrication and distribution, including the manufacturing of panel systems and extrusions, sheet distribution, and custom metal fabrication.”

[Read More](#)

>

## Fractory Raises \$9M for Metal Manufacturing Marketplace, US Expansion

*Modern Shipper, September 07, 2021*

“U.S. manufacturing has found itself in a position similar to that of many other industries: facing exponential demand since its pandemic shutdown lows, elevated shipping costs to deliver on that demand and a struggle to fill the 2.4 million positions required to meet industry demand by 2028. Founded in 2019, Manchester, U.K.-based Fractory has created an online metal fabrication marketplace to digitize the manufacturing process. This helps manufacturers improve their procurement process and open up production opportunities closer to their customers’ operations, bringing down overall shipping costs.”

[Read More >](#)



# M&A Metrics

## Metal Fabrication Industry

Q3 2021 was the most successful quarter in terms of M&A activity over the past three years. The number of M&A transactions in the Metal fabrication industry decreased from 62 in Q1 2021 to 57 in Q2 2021. However, the number of M&A transactions increased to 73 in the third quarter of 2021. The number of sub-\$50 million transactions increased from 54 in Q2 2021 to 69 in Q3 2021. The number of transactions above \$100 million decreased from 2 in Q2 2021 to 1 in Q3 2021. The total number of M&A transactions increased 73.8% year on year from 42 in Q3 2020 to 73 in Q3 2021.



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

Transaction Value	Q 2018 4	Q 2019 1	Q 2019 2	Q3 2019	Q 2019 4	Q 2020 1	Q 2020 2	Q 2020 3	Q 2020 4	Q 2021 1	Q 2021 2	Q 2021 3
Not Disclosed	32	45	41	54	49	44	25	30	45	46	45	52
Under \$10 MM	10	17	4	7	8	4	3	6	10	5	6	10
\$10 - \$25 MM	3	1	3	1	0	3	1	3	4	5	2	5
\$25 - \$50 MM	0	1	3	3	3	3	1	2	3	2	1	2
\$50 - \$100 MM	3	2	0	1	3	1	1	0	2	1	1	3
\$100 - \$500 MM	1	1	1	2	7	3	1	0	2	2	1	1
\$500 MM+	1	1	1	0	0	1	0	1	0	1	1	0
<b>Total Transactions</b>	<b>50</b>	<b>68</b>	<b>53</b>	<b>68</b>	<b>70</b>	<b>59</b>	<b>32</b>	<b>42</b>	<b>66</b>	<b>62</b>	<b>57</b>	<b>73</b>

Source: FactSet



# Industry Metrics

## Industry Financial Data and Ratios

### NAICs 3321 - Forging and Stamping

Financial Metric	Last 12 Mo	2020	2019
Current Ratio	3.18	3.56	3.56
Gross Profit Margin	30.94%	29.98%	30.78%
Net Profit Margin	6.07%	6.05%	4.37%
Accounts Receivable Days	51.81	50.91	49.31
Accounts Payable Days	43.41	36.32	36.25
Debt-to-Equity Ratio	2.04	1.65	1.77
Return on Equity	23.05%	17.66%	23.75%
Sales per Employee	\$197,367	\$189,225	\$234,277
Profit per Employee	\$9,173	\$17,029	\$14,627
Sales Growth	-5.23%	-10.23%	8.32%
Profit Growth	32.94%	20.92%	11.97%

### NAICs 3326 - Spring and Wire Product Manufacturing

Financial Metric	Last 12 Mo	2020	2019
Current Ratio	4.79	4.2	3.27
Gross Profit Margin	32.68%	34.80%	32.35%
Net Profit Margin	8.95%	6.58%	6.13%
Accounts Receivable Days	52.65	48.62	39.91
Accounts Payable Days	30.31	32.87	33.72
Debt-to-Equity Ratio	1.49	1.63	1.69
Return on Equity	23.65%	22.27%	21.84%
Sales per Employee	\$243,878	\$193,601	\$188,426
Profit per Employee	\$49,482	\$27,243	\$20,920
Sales Growth	-0.33%	-5.33%	4.11%
Profit Growth	-7.43%	-4.24%	23.04%

Source: Profit Cents

### NAICs 3323 - Architectural and Structural Metals Manufacturing

Financial Metric	Last 12 Mo	2020	2019
Current Ratio	3.26	3.52	3.03
Gross Profit Margin	30.67%	31.29%	31.19%
Net Profit Margin	7.24%	6.22%	5.84%
Accounts Receivable Days	59.2	57.11	57.2
Accounts Payable Days	40.23	36.37	38.6
Debt-to-Equity Ratio	1.96	2.2	1.95
Return on Equity	43.59%	42.59%	35.38%
Sales per Employee	\$164,037	\$174,604	\$217,711
Profit per Employee	\$7,741	\$5,289	\$13,884
Sales Growth	6.18%	3.06%	10.53%
Profit Growth	28.29%	28.07%	23.26%

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

Financial Metric	Last 12 Mo	2020	2019
Current Ratio	4.35	4.19	3.72
Gross Profit Margin	41.88%	41.24%	41.79%
Net Profit Margin	7.61%	6.41%	6.64%
Accounts Receivable Days	50.55	49.5	47.81
Accounts Payable Days	34.63	33.77	37.56
Debt-to-Equity Ratio	1.98	2.22	2.29
Return on Equity	40.37%	33.49%	40.74%
Sales per Employee	\$169,377	\$155,811	\$159,464
Profit per Employee	\$13,906	\$12,416	\$9,937
Sales Growth	-5.04%	-7.86%	7.33%
Profit Growth	29.80%	21.30%	16.14%

# Industry Metrics

## Industry Financial Data and Ratios

NAICs 3329 - Other Fabricated Metal Product Manufacturing

Financial Metric	Last 12 Mo	2020	2019
Current Ratio	3.69	3.68	3.36
Gross Profit Margin	36.58%	35.22%	36.09%
Net Profit Margin	8.43%	5.90%	5.89%
Accounts Receivable Days	48.89	48.54	46.22
Accounts Payable Days	37.05	36.6	37.6
Debt-to-Equity Ratio	1.74	2.06	1.93
Return on Equity	44.57%	32.76%	32.65%
Sales per Employee	\$197,329	\$178,304	\$209,420
Profit per Employee	\$26,810	\$21,665	\$21,694
Sales Growth	2.82%	-2.19%	6.51%
Profit Growth	36.77%	23.49%	13.73%

Source: Profit Cents





# Transaction Highlights

# Notable Transactions



In September 2021, Toptip Holding Pte Ltd acquired NatSteel Holdings Pte Ltd, a subsidiary of TS Global Holdings Pty Ltd, ultimately owned by Tata Steel Ltd for SGD234 million (US\$172 million). NatSteel Holdings Pte Ltd is located in Central Singapore, Singapore and manufactures and distributes steel.



In September 2021, Guangxi Iron & Steel Group Co Ltd agreed to acquire slag powder production line from Liuzhou Qiangshi Technology Co Ltd, a subsidiary of state-owned Guangxi Liuzhou Iron & Steel Group Co Ltd (China), for RMB322.5 million (US\$49.9 million) in cash. The transaction will improve the efficiency of Liuzhou Iron & Steel Co Ltd's resource utilization. The 2.4 million tons of slag powder production line is located in Fangchenggang, Guangxi, China.



In September 2021, Venture Steel Inc, a subsidiary of Triple M Metal LP, acquired the business related to the Detroit Assets & Operations of Olympic Steel Inc for US\$58.4 million in cash, subject to future working capital adjustments. The acquisition would provide Olympic Steel Inc additional resources for growth initiatives. It would also expand Venture Steel Inc's capabilities in providing flat rolled products. The acquired asset is located in Detroit, Michigan, United States and processes and distributes flat-rolled metal products.



In September 2021, A private group led by Taehwa Green Holdings Co Ltd and SHD Holdings Co Ltd acquired Shinhan Heavy Industries Co Ltd from DAEWOO SHIPBUILDING & MARINE ENGINEERING Co Ltd for KRW100 billion (US\$86.2 million). Shinhan Heavy Industries Co Ltd is located in Ulsan, South Korea and manufactures components and equipment for ships and steel structures.



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
09/30/21	NatSteel Holdings Pte Ltd.	Toptip Holding Pte Ltd.	172	NM	NM
09/25/21	Liuzhou Qiangshi Technology Co. Ltd. /Slag Powder Line/	Guangxi Iron & Steel Group Co., Ltd.	50	NM	NM
09/23/21	Hunan Fine High Intelligent Equipment Co., Ltd.	Zhuzhou Haisibi Technology Co. Ltd.	5	NM	NM
09/22/21	Jiangsu Haomaite New Material Technology Co. Ltd.	Taixing Taihong Park Comprehensive Mgmt Co. Ltd.	5	NM	NM
09/17/21	Olympic Steel, Inc. /Detroit Assets & Operations/	Venture Steel, Inc.	58	NM	NM
09/13/21	BM Steel Co., Ltd.	WONIL SPECIAL STEEL Co., Ltd.	5	NM	NM
09/01/21	Shinhan Heavy Industries Co., Ltd.	Shinhan Heavy Industries Co. Ltd. /Private Group/; Taehwa Green Holdings Co., Ltd.; SHD Holdings Co., Ltd.	86	NM	NM
08/13/21	Kingdom (Reliance) Precision Parts Manufactory Holdings Ltd	Cosmic Master Holdings Ltd.	13	NM	NM
08/12/21	Macfab Manufacturing, Inc.	Exchange Income Corp.	9	NM	NM
08/06/21	Xishi Mokai Precision Metal Co., Ltd.	China Steel Global Trading Corp.	16	NM	NM
07/28/21	Alcomex Veren BV	Lesjöfors AB	109	53	NM
07/28/21	Crimson Metals Pty Ltd.	Capricorn Metals Ltd.	29	NM	NM
07/28/21	FLT Polska Sp zoo	Zhejiang XCC Group Co., Ltd.	21	24	NM
07/28/21	Sheffield Forgemasters International Ltd.	Government of United Kingdom	4	NM	NM
07/27/21	Alloy Steel International, Inc.	Kostecki Brokerage Pty Ltd.	33	33	11
07/12/21	Guilin Xiangzhao Technology Co., Ltd.	Jinfu Technology Co., Ltd.	20	4	NM
(\$ in millions) Source: Factset					



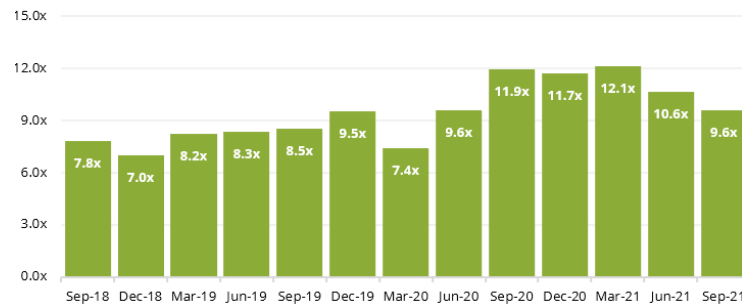
# Public Companies



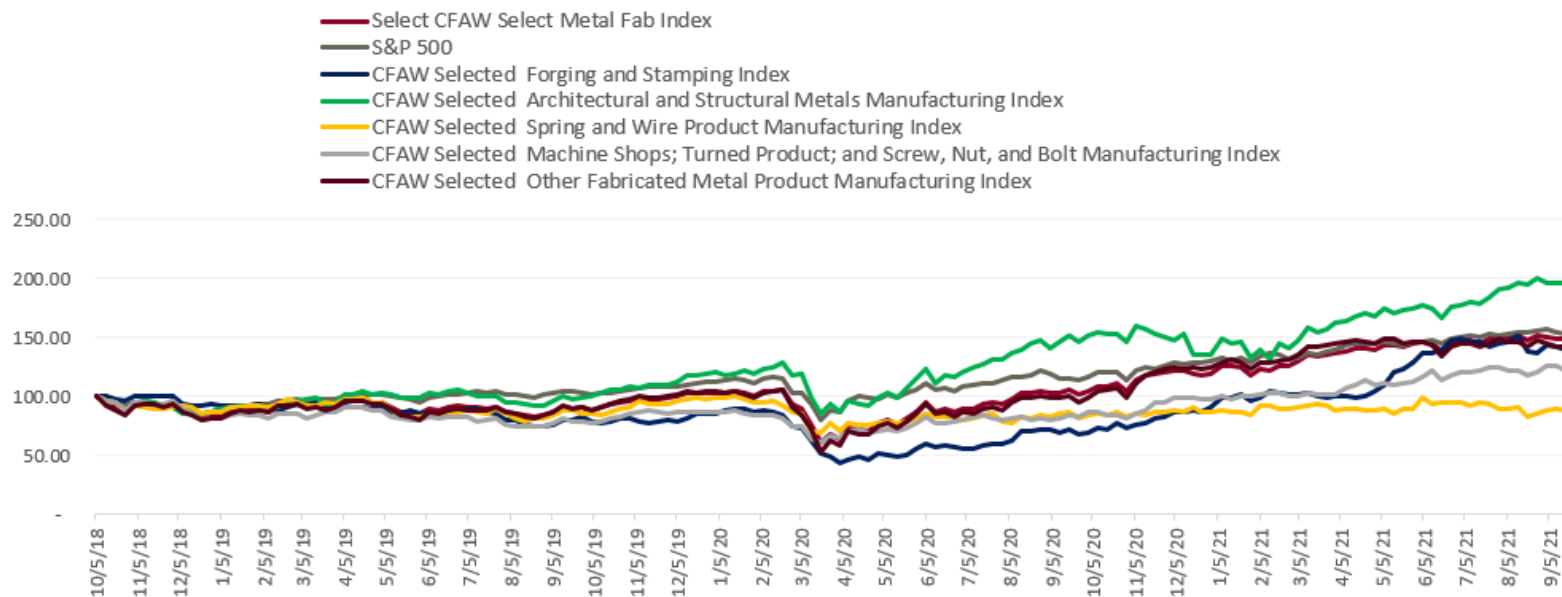
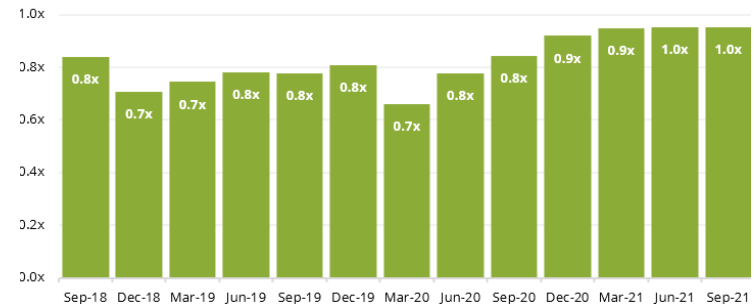
# Industry Performance

## CFAW Select Metal Fab Index

CFAW Select Metal Fab Index | Median EBITDA Multiples



CFAW Select Metal Fab Index | Median Revenue Multiples

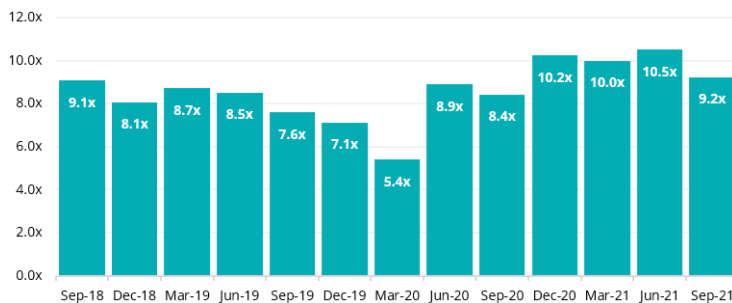


Source: FactSet

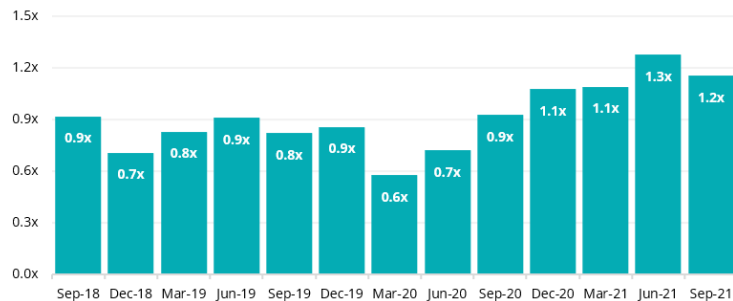
# Public Comparables

## 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	\$9.93	466	\$4,624	\$5,002	\$982	\$174	5.1x	28.7x
Castings PLC	\$4.75	44	\$207	\$157	\$150	\$17	1.1x	9.2x
Eastern Company	\$25.16	6	\$158	\$239	\$249	\$26	1.0x	9.2x
Grupo SIMEC SAB de CV Class B	\$7.84	498	\$3,900	\$3,118	\$2,335	\$520	1.3x	6.0x
Hilton Metal Forging Limited	\$0.19	12	\$2	\$10	\$7	(\$2)	1.4x	NM
Loyalty Founder Enterprise Co., Ltd.	\$0.50	164	\$82	\$60	\$232	\$20	0.3x	3.0x
Mahindra CIE Automotive Limited	\$3.18	379	\$1,207	\$1,348	\$1,070	\$132	1.3x	10.2x
Mitsubishi Steel Mfg.Co., Ltd.	\$10.81	16	\$170	\$455	\$1,016	\$13	0.4x	34.2x
SunCoke Energy, Inc.	\$6.28	83	\$521	\$1,160	\$1,337	\$222	0.9x	5.2x
Taewoong Co., Ltd	\$10.56	20	NM	\$351	\$262	\$18	1.3x	19.1x
Mean				\$1,190	\$764	\$114	1.4x	13.9x
Median				\$403	\$622	\$23	1.2x	9.2x

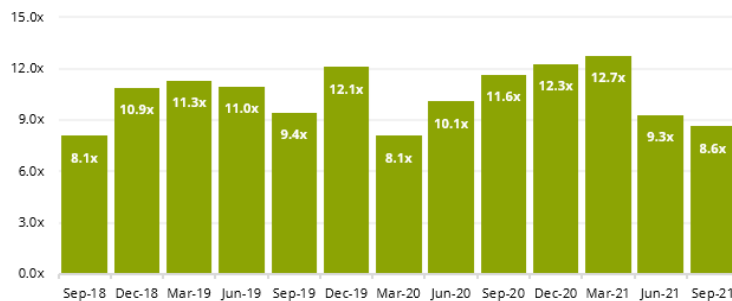
Source: FactSet



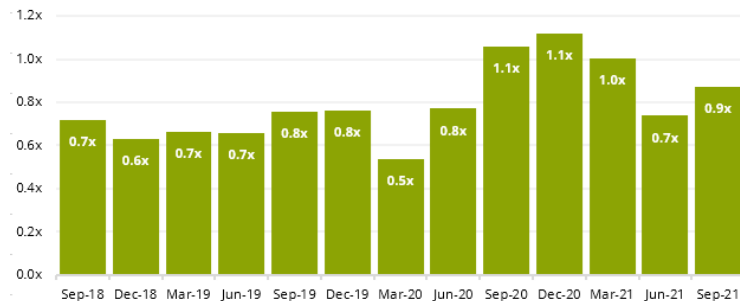
# Public Comparables

## Architectural and Structural Metals Manufacturing

Architectural and Structural Metals Manufacturing | Median EBITDA Multiples



Architectural and Structural Metals Manufacturing | Median Revenue Multiples



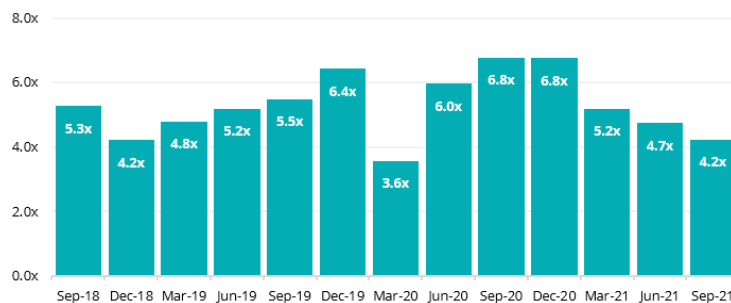
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bunka Shutter Co., Ltd.	\$10.14	72	\$732	\$516	\$1,664	\$134	0.3x	3.8x
Dongkuk Structures & Construction Co., Ltd.	\$5.10	57	\$292	\$261	\$299	\$16	0.9x	16.5x
Encore Wire Corporation	\$94.83	21	\$1,958	\$1,800	\$1,909	\$369	0.9x	4.9x
Evergreen Steel Corporation	\$1.80	420	\$757	\$846	NM	NM	NM	NM
Hill & Smith Holdings PLC	\$24.49	80	\$1,953	\$2,166	\$941	\$130	2.3x	16.6x
Hod Assaf Industries Ltd.	\$11.46	12	\$141	\$191	\$439	\$43	0.4x	4.4x
Kingspan Group Plc	\$99.67	181	\$18,070	\$19,025	\$6,467	\$924	2.9x	20.6x
Severfield Plc	\$1.02	309	\$315	\$325	\$474	\$38	0.7x	8.6x
Simpson Manufacturing Co., Inc.	\$106.97	43	\$4,647	\$4,385	\$1,416	\$354	3.1x	12.4x
SSAB AB Class A	\$4.95	304	\$1,505	\$5,831	\$8,722	\$1,034	0.7x	5.6x
Mean				\$3,535	\$2,481	\$338	1.4x	10.4x
Median				\$1,323	\$1,416	\$134	0.9x	8.6x

Source: FactSet

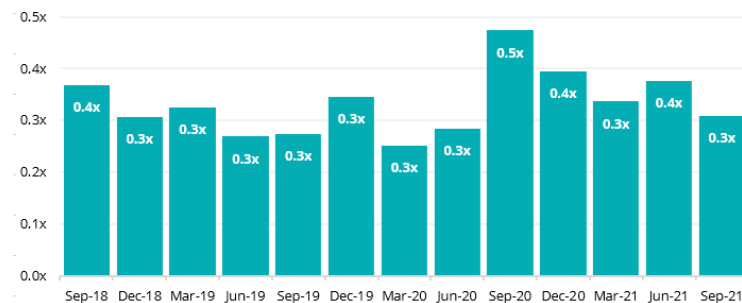
# Public Comparables

## 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.	\$11.84	4	\$49	\$117	\$198	\$17	0.6x	6.8x
Chita Kogyo Co., Ltd.	\$6.36	10	\$61	(\$1)	\$116	\$13	NM	NM
Chuo Spring Co., Ltd.	\$9.90	26	\$253	\$238	\$772	\$59	0.3x	4.0x
Coventry CoilOMatic (Haryana) Limited	\$0.01	5	\$0	\$0	\$6	\$0	0.0x	2.3x
Frontier Springs Limited.	\$4.04	4	\$16	\$15	\$11	\$2	1.4x	7.6x
Molitec Steel Co., Ltd.	\$4.02	23	\$91	\$68	\$233	\$7	0.3x	9.2x
NHK Spring Co., Ltd.	\$7.18	244	\$1,752	\$1,577	\$5,767	\$515	0.3x	3.1x
PT Indospring Tbk	\$0.13	656	\$87	\$76	\$138	\$17	0.5x	4.4x
Shin Zu Shing Co., Ltd.	\$3.71	192	\$715	\$446	\$522	\$118	0.9x	3.8x
SUNCALL CORPORATION	\$4.09	34	\$139	\$98	\$412	\$38	0.2x	2.6x
Zhejiang Meili High Technology Co., Ltd. Class A	\$1.44	179	\$258	\$290	\$119	\$18	2.4x	16.2x

Mean	\$266	\$754	\$73	0.7x	6.0x
Median	\$98	\$198	\$17	0.4x	4.2x

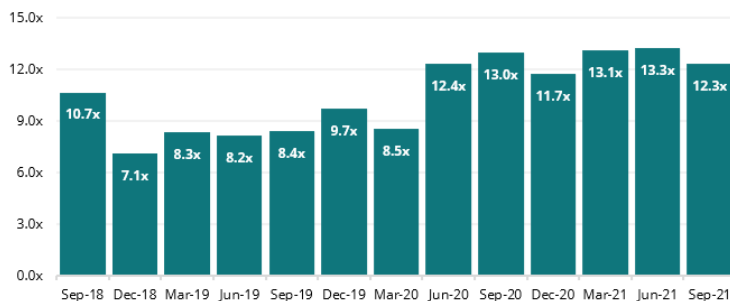
Source: FactSet



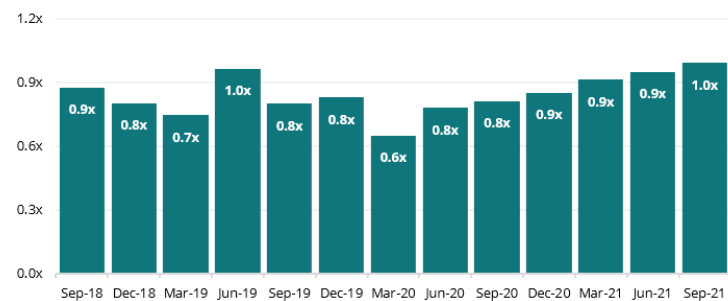
# Public Comparables

## 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.	\$1.38	1,032	\$1,422	\$1,510	\$586	\$113	2.6x	13.3x
Chicago Rivet & Machine Co.	\$26.87	1	\$26	\$20	\$34	\$3	0.6x	5.7x
Forbes & Co. Ltd.	\$55.91	13	\$721	\$820	\$402	\$27	2.0x	30.2x
KPF Co., Ltd.	\$3.87	18	\$69	\$214	\$309	\$12	0.7x	18.0x
PIOLAX, Inc.	\$13.95	39	\$548	\$166	\$508	\$83	0.3x	2.0x
Rodex Fasteners Corp.	\$1.21	61	\$74	\$80	\$78	\$8	1.0x	9.9x
SFS Group AG	\$136.36	38	\$5,113	\$4,933	\$2,079	\$488	2.4x	10.1x
Simmonds Marshall Limited	\$0.77	11	\$9	\$21	\$22	\$1	1.0x	34.6x
Vimi Fasteners SpA	\$1.83	14	\$25	\$44	\$44	\$3	1.0x	15.1x
Youngsin Metal Industrial Co., Ltd.	\$2.57	19	\$49	\$91	\$109	\$8	0.8x	11.3x
Mean				\$790	\$417	\$75	1.2x	15.0x
Median				\$129	\$209	\$10	1.0x	12.3x

Source: FactSet

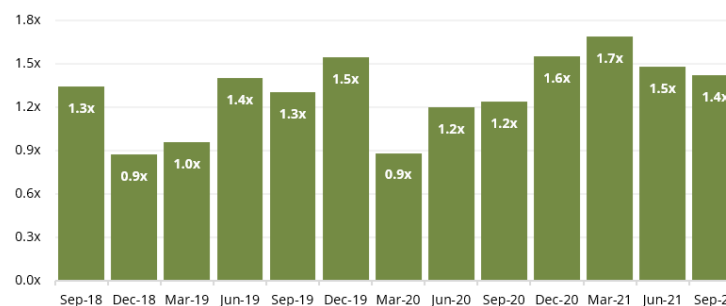
# Public Comparables

## 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.	\$57.79	111	\$6,390	\$7,210	\$3,379	\$604	2.1x	11.9x
AIA Engineering Limited	\$26.18	94	\$2,469	\$2,230	\$405	\$91	5.5x	24.5x
AMG Advanced Metallurgical Group N.V.	\$32.43	33	\$1,054	\$1,408	\$1,011	\$70	1.4x	20.0x
CIRCOR International, Inc.	\$33.01	20	\$669	\$1,107	\$766	\$85	1.4x	13.1x
Daido Metal Co., Ltd.	\$5.53	48	\$263	\$610	\$853	\$126	0.7x	4.8x
Kitz Corporation	\$7.07	90	\$639	\$759	\$1,114	\$120	0.7x	6.3x
Nippon Thompson Co., Ltd.	\$5.01	74	\$368	\$441	\$454	\$40	1.0x	10.9x
NTN Corporation	\$2.27	532	\$1,207	\$3,705	\$5,891	\$417	0.6x	8.9x
Parker-Hannifin Corporation	\$279.62	129	\$36,099	\$42,061	\$14,348	\$2,998	2.9x	14.0x
Pentair plc	\$72.63	166	\$12,047	\$12,750	\$3,402	\$672	3.7x	19.0x
Mean				\$7,228	\$3,162	\$522	2.0x	13.4x
Median				\$1,819	\$1,062	\$123	1.4x	12.5x

Source: FactSet

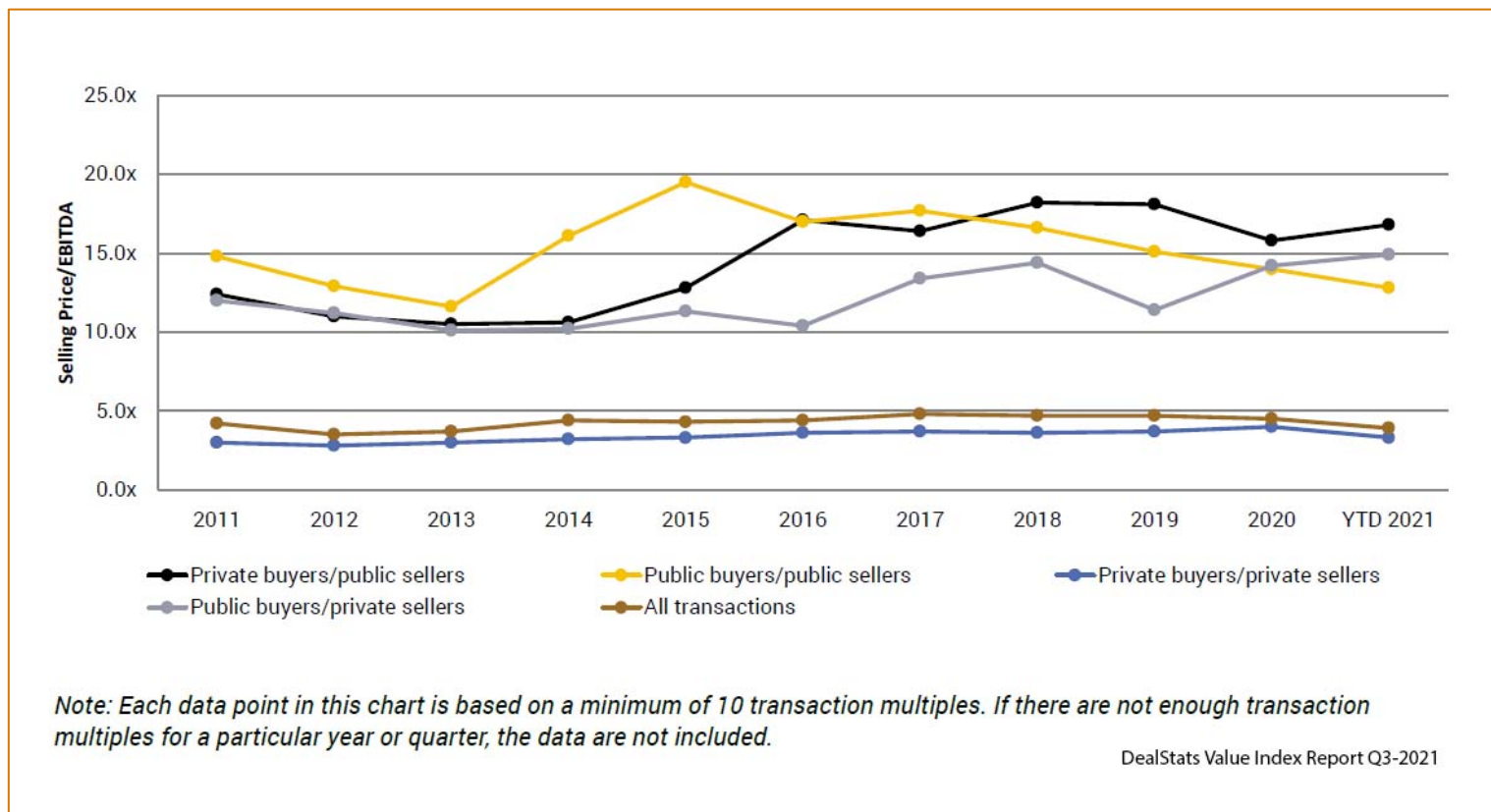


# Public Vs. Private Comparables

## 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

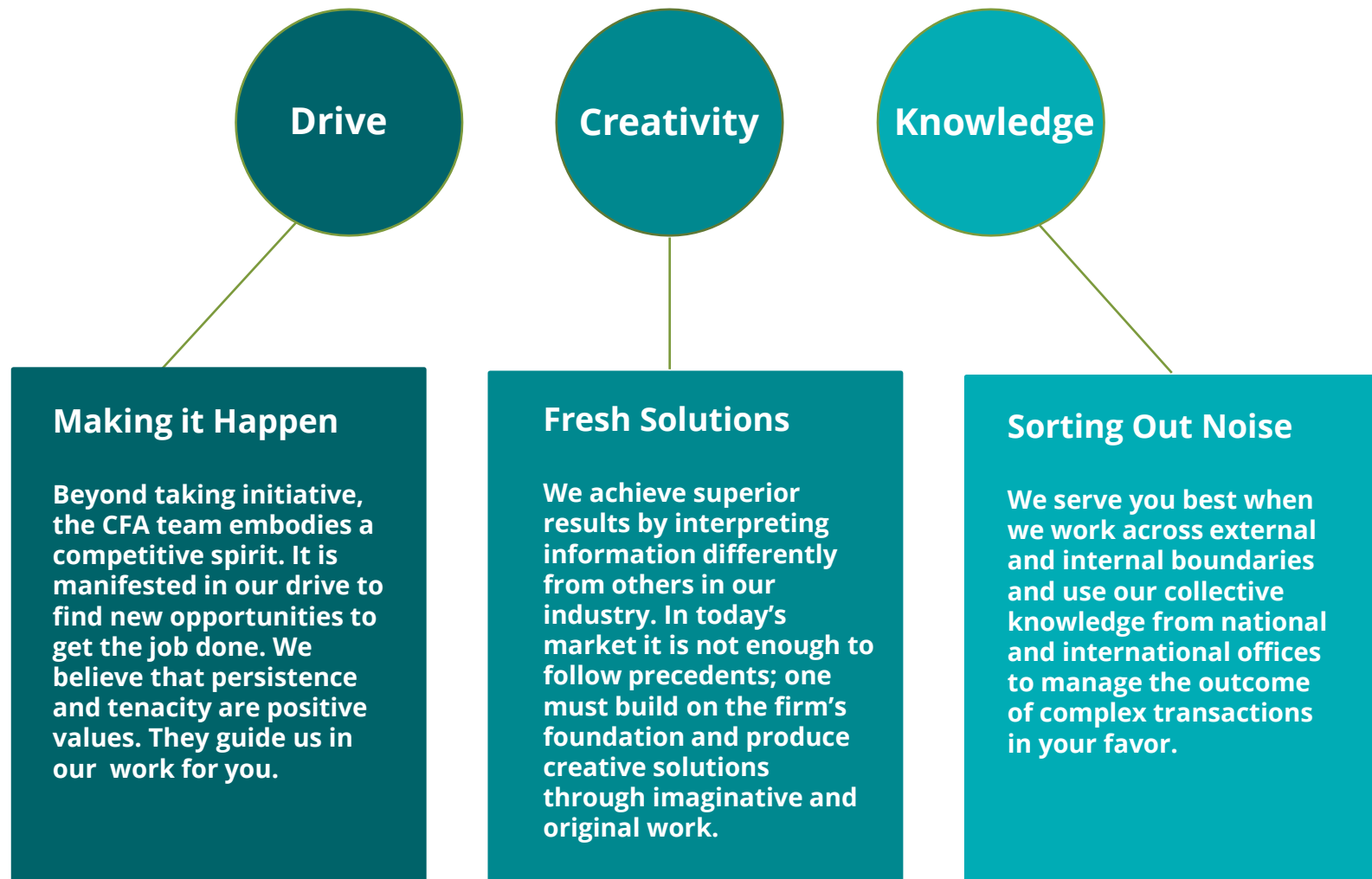
## Where We Are

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



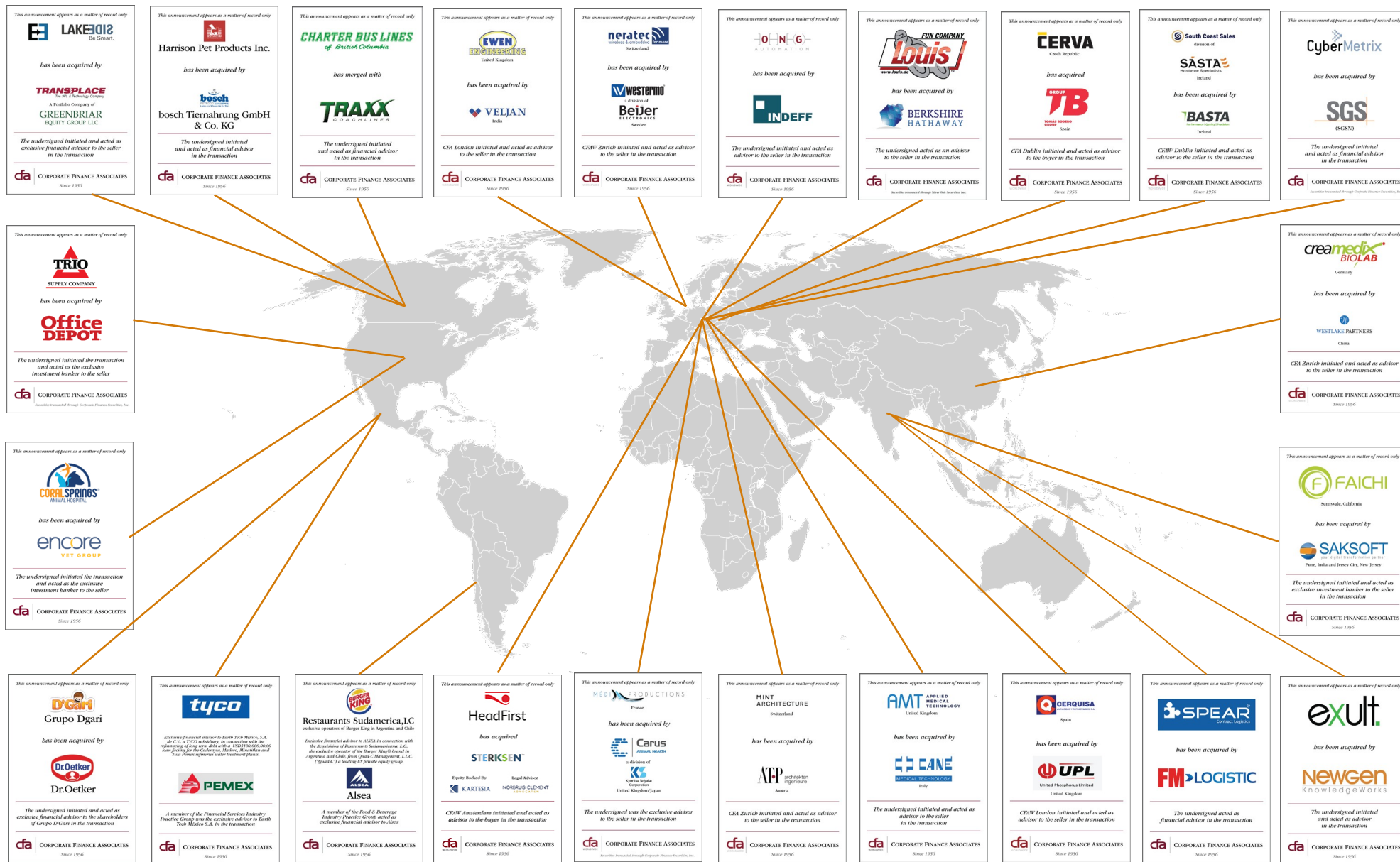


# Delivering Results



**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.

Agriculture  
Aerospace/Defense/Government  
Business Services  
Commercial Real Estate  
Consumer Retail  
Energy  
Engineering/Construction  
Equipment  
Financial Services  
Food/Beverage  
Healthcare  
Hospitality/Leisure  
Industrials  
Metal Fabrication  
Plastics/Rubber  
Print/Packaging  
Semi Conductor  
Technology/Media/Telecom  
Transportation/Logistics/Supply Chain  
Wholesale Distribution

































# Recent Industry Transactions

<p><i>This announcement appears as a matter of record only</i></p>  <p><b>INCODEMA</b> SHAPING THE FUTURE</p> <p><i>has been acquired by</i></p> <p>Incodema Inc. Employee Stock Ownership Plan</p> <hr/> <p><i>The undersigned initiated and acted as financial advisor to the company</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>Diabrasive AG</b></p> <p><i>has acquired a majority stake in</i></p>  <p><b>ZIEGLER</b> and <b>Diamant Weber</b> ABRASIVE SOLUTIONS</p> <hr/> <p><i>The undersigned initiated and acted as advisor to the sellers in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>Hemco</b> ramping up safety</p> <p><i>has been acquired by</i></p>  <p><b>BGRS</b> Inc</p> <hr/> <p><i>The undersigned initiated and acted as the investment banker for the seller in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>RPC</b> <b>ROCKFORD PROCESS CONTROL, LLC</b></p> <p><i>has been acquired by</i></p>  <p><b>Modern Forge Companies, LLC</b></p> <hr/> <p><i>The undersigned initiated and acted as advisor to the seller in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>American Whistle Corporation</b></p> <p><i>has been acquired by</i></p>  <p><b>Engineered Capital, LLC</b></p> <hr/> <p><i>The undersigned initiated and acted as the investment banker for the seller in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>
<p><i>This announcement appears as a matter of record only</i></p>  <p><b>PRECISION MACHINE, INC.</b></p> <p><i>has been acquired by</i></p>  <p><b>Xtek</b></p> <hr/> <p><i>The undersigned initiated and acted as exclusive financial advisor to the seller in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>Challenger</b> COMPONENT SERVICES</p> <p><i>has been acquired by</i></p>  <p><b>BOLTS &amp; NUTS</b> Connecting Products to Knowledge</p> <hr/> <p><i>The undersigned initiated and acted as advisor to the seller in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>PPI</b> Precision, Inc. Pella, Iowa</p> <p><i>has acquired</i></p>  <p><b>MEYER INDUSTRIES, INC.</b> San Antonio, Texas</p> <hr/> <p><i>The undersigned initiated and acted as the investment banker for the acquirer in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Silver Oak Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>Great Lakes Fasteners™</b> Global Supply Local Service</p> <p><i>has been acquired by</i></p>  <p><b>AIS</b> <b>ALL Integrated Solutions</b> a portfolio company of</p>  <p><b>highroad</b> CAPITAL PARTNERS</p> <hr/> <p><i>The undersigned initiated and acted as advisor to Great Lakes Fasteners in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><b>SYRO</b> <b>Switzerland</b> Since 1878 Switzerland</p> <p><i>has been acquired by</i></p>  <p><b>ELKUCH GROUP</b> Switzerland</p> <hr/> <p><i>CFAW Zurich initiated and acted as advisor to the seller in the transaction</i></p> <hr/> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>

# Recent Industry Transactions

<p><i>This announcement appears as a matter of record only</i></p> <p><b>STRONG BOX</b></p> <p>has been acquired by</p> <p><b>MUM INDUSTRIES</b></p> <p><b>INTEGRA ENCLOSURES</b> and <b>ALL-FLO PUMP CO.</b></p> <p>The undersigned initiated and acted as advisor to the seller in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>ECHELON CAPITAL</b></p> <p>has acquired the assets of</p> <p><b>LYON Workspace Products</b></p> <p>The undersigned initiated and acted as financial advisor in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>Carr Metal Products Group</b></p> <p>Has Been Acquired By</p> <p><b>PRECIMED</b></p> <p>The undersigned initiated and acted as advisor in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>DOUBLE L GROUP</b></p> <p>has been acquired by</p> <p><b>BENFORD CAPITAL PARTNERS, LLC</b> and <b>HOPKINS &amp; RHODES LLC</b></p> <p>The undersigned initiated and acted as the exclusive investment banker for the seller</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Silver Oak Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>acme</b> acme finishing co. inc.</p> <p>has been acquired by</p> <p><b>ACUITY CAPITAL PARTNERS, LLC</b></p> <p>The undersigned initiated and acted as advisor to the seller in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>
<p><i>This announcement appears as a matter of record only</i></p> <p><b>ALM MATERIALS HANDLING</b></p> <p>has been acquired by</p> <p><b>HAWK Technology, Ltd.</b> a portfolio company of</p> <p><b>Highline Equity</b> and <b>BROADGATE CAPITAL</b></p> <p>The undersigned initiated and acted as advisor to the seller in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>ALLIED WELDING, INC.</b></p> <p>has obtained financing from</p> <p><b>SUMMITFR</b> WORKING CAPITAL THAT WORKS</p> <p>The undersigned initiated and acted as financial advisor in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>Nuveau Designs, LTD</b></p> <p>has been acquired by</p> <p><b>Gary M. Day, Inc.</b></p> <p>The undersigned initiated and acted as financial advisor in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>James E. Baker and Associates, LLC</b></p> <p>has obtained permanent financing from</p> <p><b>WELLS FARGO</b> <b>Wells Fargo Bank</b></p> <p>The undersigned initiated and acted as financial advisor in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Since 1956</small></p>	<p><i>This announcement appears as a matter of record only</i></p> <p><b>TAG-BARTON, LLC</b> Troy, Michigan</p> <p>has acquired a majority interest in</p> <p><b>BARTON</b> Decatur, Illinois</p> <p>The undersigned initiated and acted as advisor to the Seller in the transaction</p> <p><b>cfa</b>   CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>

# Recent Industry Transactions

<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has acquired</i></p>  <p><i>CFAW Zurich initiated and acted as advisor to the buyer in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as exclusive advisor to the seller in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as the exclusive advisor to the seller in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as an advisor to the buyer in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES <small>Securities transacted through Corporate Finance Securities, Inc.</small></p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has acquired</i></p> <p>The Product Protection System (PPS) product line from</p>  <p><i>The undersigned initiated and acted as advisor to the buyer in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>
<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p>Defiance Metal Products, Inc. with Weatherly Group, LLC and John Hancock Life Insurance Company</p> <p><i>The undersigned initiated and acted as an advisor to the seller in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>Has Been Acquired By</i></p>  <p>BTD Manufacturing, Inc. (a wholly owned subsidiary of Otter Tail Corp.)</p> <p><i>The undersigned initiated and acted as the seller's advisor in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has been acquired by</i></p>  <p><i>The undersigned initiated and acted as advisor in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>has acquired the book of business of</i></p>  <p><i>The undersigned initiated and acted as exclusive advisor in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>	<p><i>This announcement appears as a matter of record only</i></p>  <p><i>Has Been Acquired By</i></p>  <p>Thayer Capital Partner</p> <p><i>The undersigned initiated and acted as advisor in the transaction</i></p>  <p>CORPORATE FINANCE ASSOCIATES Since 1956</p>