

Metal Fabrication

INDUSTRY REPORT

Spring | 2023

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS

SINCE 1956





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Market Observations

Market Summary

Metal Fabrication Market

The size of the global metal fabrication industry is expected to reach \$27.7 billion by 2031, growing at a CAGR of 3.3%, during the period 2022-30, as per a report published by Transparency Market Research. Precision welding services are anticipated to grow at a CAGR of 4.2%, during the period 2022-31, despite challenges in the custom Metal Fabrication industry, as per a report published by Fox Valley Metal-Tech. Customer demand for met fab products has remained high despite rising rates and metal fab manufacturers continue to be optimistic about demand over the coming quarters. Metal fab manufacturers are approving and adding on new orders despite expected procurement delays and higher lead times. Metal fabrication companies are increasingly investing in automation and other technology that would allow them to overcome skill gaps and labor shortages. Investments in automation and robotics in the fabrication and welding industry are expected to increase from 17.9% in 2022 to 22.0% in 2023, as per Shop Business Outlook's 2023 survey.

Public Company Valuations

The CFAW Select Metal Fab Index increased by 11.7% in the first quarter of 2023, and the 12 monthly return on the Index decreased by 4.5%. Our Index for each of the subsectors of Metal Fab increased in the first quarter of 2023, except for Forging and Stamping which decreased by 0.1%. Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing had the highest return of 20.4% in the first quarter of 2023. Other Fabricated Metal Product Manufacturing had the highest median revenue multiple of 1.2x and Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing had the highest median EBITDA multiple of 9.2x. Forging and Stamping had median revenue and EBITDA multiples of 0.9x and 7.8x, while Architectural and Structural Metals Manufacturing had median revenue and EBITDA multiples of 0.9x and 5.6x, respectively. Spring and Wire Product Manufacturing had a median revenue multiple of 0.4x and EBITDA multiple of 5.3x, while Machine Shops; Turned Product; & Screw, Nut, & Bolt Manufacturing had median revenue and EBITDA multiple of 0.7x and 9.2x, respectively.



The public metal fabrication market increased in the first quarter of 2023.....

Mergers and Acquisitions

The global metal fabrication industry has witnessed an increase in transaction activity, especially due to high acquisition interest from PE investors. The accelerating reshoring trend, continuous CNC machine automation developments, and welding techniques are among the main contributors to increased deal activity in this sector. Strong secular demand has been observed in key end markets for metals manufacturing, and the reshoring movement has the potential to be a substantial growth driver for fabricators. Although industry participants rely largely on preserving client relationships and word-of-mouth reputation, M&A enables these businesses to scale, particularly considering the metal fabrication industry's rising competitiveness and a high degree of fragmentation. M&A activity in this industry is expected to remain steady in 2023, owing to rising demand, enhanced focus on increasing service capabilities by industry players, greater adoption of new technologies, and the pursuit of scale efficiencies among small- and mid-size industry players.

Industry Trends

Application of Custom Metal Fabrication in Farming

Custom metal fabrication assists farmers with activities such as building and repairing fences, harvesting crops, and maintaining machinery. Customized metal pieces are required to complete these activities. Therefore, it is advantageous for farmers to have access to fabricators who can create high-quality custom parts. Farmers can construct bigger, more resilient barns and greenhouses by using customized steel building components such as I-beams and channels. Custom metal fabrication increases farming efficiency by enabling professionals in the farming industry to modify tools and equipment to fulfill their specific requirements. For example, they can design customized cultivators that are better suited to the soil conditions. Furthermore, custom metal fabrication could save money by reducing the need to buy pre-made components or engage contractors to manufacture or repair things. This is especially important considering the increasing cost of food production. For instance, Corson Fabricating, a steel fabricating company in the US manufactures customized agricultural equipment for its customers. Therefore, it is expected that there would be increased usage of metal-fabricated parts in the farming industry.

Virtual Welding

Virtual welding is a recent technological development that uses electronic sensors linked to a computer to instruct welders. It enables welders to gain a technical understanding of the appropriate parameter settings. It is especially beneficial for the metal fabrication industry because of its capital-intensive nature and high precision requirements. Virtual welding enables individuals to gain knowledge about various welding methods, joint positions, and others. It makes use of equipment such as gloves, machinery simulators, and virtual reality (VR) headsets. For instance, Fronius Perfect Welding, a welding company based in the US, uses welding simulators to train the welders. Additionally, The NFL Foundation purchased a \$200,000 MobileArc Augmented Reality Welding System for Onconto Middle School in an effort to train welders and promote safe & sustainable welding practices, as per an article published by Green Bay Press Gazette. Therefore, virtual welding could potentially enable effective training of beginner as well as experienced welding professionals. Virtual welding is also anticipated to assist businesses in avoiding unwanted errors that might halt production and in reducing workplace injuries, thereby creating the safest working atmosphere for their staff members.



Panel Bending

Bending is a common bottleneck in the sheet metal fabricating industry. Panel bending technology aids metal fabricators in streamlining this process while increasing manufacturing capacity and velocity significantly. Panel bending is a metal forming machine involved in bending thick metals. Panel benders are ideal for huge, boxy, flat, straight, and rectangular pieces that are difficult to bend and manage with a single person using a press brake, or for highly aesthetic parts. Sheet metal shops are investing more prominently in panel bending compared to laser cutting or welding. For instance, in 2023, Flex Met, a precision sheet metal fabrication company in the US, plans to increase its investments in panel bending technology. It is expected that the metal fabrication industry would increasingly invest in panel bending technology to achieve higher efficiency and productivity.

Significant News

Foreign steel approved for the production of American EV charging stations

The Fabricator, March 09, 2023

"Metal fabricators supplying components for electric vehicle (EV) charging stations will have fairly broad leeway to use steel from foreign suppliers. That is the decision made by the Federal Highway Administration (FHWA) in announcing "Buy America" exclusions for EV chargers funded over the next five years through the new National Electric Vehicle Infrastructure (NEVI) Formula Program. This effectively gives the green light for \$5 billion set aside for the EV chargers. NEVI was authorized by the \$550 billion Infrastructure Investment and Jobs Act (IIJA), which was signed into law by President Joe Biden on Nov. 15, 2021."

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Kettle Moraine Metal Products to build manufacturing facility in Wisconsin

The Fabricator, March 08, 2023

"Kettle Moraine Metal Products has announced plans to build a 75,000-sq.-ft. industrial facility in West Bend, Wis., with completion scheduled for the end of 2023. As soon as 2025, the company anticipates adding another 75,000-sq.-ft. expansion. The company is a provider of CNC machining and turning, fiber laser cutting, metal forming, fabrications, prototyping, tube bending, and tooling and engineering services to customers across the country."

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U. S. Steel and CarbonFree Ink MoU to Capture CO2 Emissions at One of the Largest Integrated Steel Mills in North America

U.S. Steel, March 02, 2023

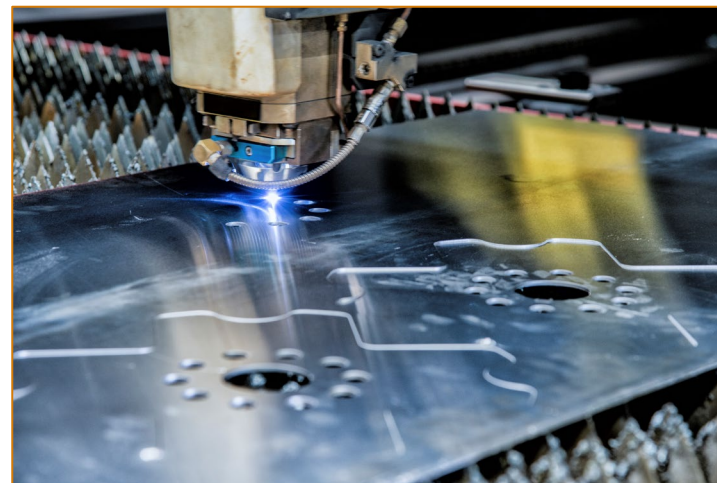
"United States Steel Corporation (NYSE: X) ("U. S. Steel") and CarbonFree Chemicals Holdings, LLC (CarbonFree) have signed a non-binding Memorandum of Understanding (MoU) to jointly pursue the capture of CO2 emissions generated from U. S. Steel's Gary Works manufacturing plant using CarbonFree's SkyCycle™ technology."

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M&A Metrics

Metal Fabrication Industry

M&A activity in the metal fabrication industry increased in Q1 2023. The number of M&A transactions in the industry increased from 49 in Q4 2022 to 66 in Q1 2023. The number of sub-\$50 million transactions increased from 49 in Q4 2022 to 65 in Q1 2023. There was a single transaction above \$100 million in Q1 2023 compared to nil transactions in Q4 2022. The total number of M&A transactions decreased 7.0% year on year from 71 in Q1 2022 to 66 in Q1 2023.



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

Transaction Value	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Not Disclosed	28	33	48	46	49	61	55	54	42	35	36	53
Under \$10 MM	3	5	10	5	7	15	7	9	7	13	7	7
\$10 - \$25 MM	1	3	4	5	3	5	6	2	2	1	4	4
\$25 - \$50 MM	1	2	3	2	1	2	2	3	3	1	2	1
\$50 - \$100 MM	1	0	2	1	2	3	1	2	2	4	0	0
\$100 - \$500 MM	1	0	3	2	0	1	3	1	1	1	0	1
\$500 MM+	0	1	0	1	1	1	2	0	0	1	0	0
Total Transactions	35	44	70	62	63	88	76	71	57	56	49	66

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 3321 - Forging and Stamping

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.91	2.97	3.77
Gross Profit Margin	27.58%	28.03%	32.07%
Net Profit Margin	8.41%	9.21%	8.40%
Accounts Receivable Days	54.75	53.37	52.08
Accounts Payable Days	44.78	45.62	43.75
Debt-to-Equity Ratio	1.45	1.66	1.62
Return on Equity	20.14%	21.20%	31.56%
Sales per Employee	\$287,901	\$287,901	\$202,158
Profit per Employee	\$65,548	\$65,548	\$13,288
Sales Growth	16.19%	18.58%	21.22%
Profit Growth	8.42%	19.62%	26.05%

NAICs 3326 - Spring and Wire Product Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.38	3.23	4.69
Gross Profit Margin	27.61%	27.58%	30.04%
Net Profit Margin	9.77%	9.33%	9.43%
Accounts Receivable Days	53.73	51.6	48.97
Accounts Payable Days	36.03	35.35	37.69
Debt-to-Equity Ratio	1.53	1.41	1.2
Return on Equity	36.16%	37.26%	34.55%
Sales per Employee	\$155,688	\$155,688	\$139,753
Profit per Employee	\$21,323	\$21,323	\$8,787
Sales Growth	27.17%	26.50%	27.16%
Profit Growth	47.29%	40.00%	54.40%

Source: Profit Cents

NAICs 3323 - Architectural and Structural Metals Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.81	2.88	3.08
Gross Profit Margin	29.98%	30.45%	31.44%
Net Profit Margin	8.82%	8.80%	8.94%
Accounts Receivable Days	59.56	60.68	63.24
Accounts Payable Days	34.48	35.22	40.92
Debt-to-Equity Ratio	1.7	1.62	1.85
Return on Equity	43.94%	44.74%	46.98%
Sales per Employee	\$308,856	\$308,856	\$235,622
Profit per Employee	\$28,572	\$28,572	\$22,468
Sales Growth	26.26%	26.60%	18.86%
Profit Growth	17.17%	18.07%	39.64%

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

Financial Metric	Last12 Mo	2022	2021
Current Ratio	4.49	4.37	4.45
Gross Profit Margin	39.79%	40.39%	41.13%
Net Profit Margin	8.98%	9.34%	9.49%
Accounts Receivable Days	54.79	54.68	53.58
Accounts Payable Days	40.85	40.69	35.82
Debt-to-Equity Ratio	1.58	1.6	2
Return on Equity	39.77%	43.14%	45.12%
Sales per Employee	\$176,668	\$176,668	\$170,130
Profit per Employee	\$21,425	\$21,425	\$17,887
Sales Growth	16.39%	16.93%	18.77%
Profit Growth	11.18%	9.66%	45.16%

Industry Metrics

Industry Financial Data and Ratios

NAICs 3329 - Other Fabricated Metal Product Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	4.05	3.99	3.97
Gross Profit Margin	35.28%	35.50%	35.66%
Net Profit Margin	10.95%	11.09%	10.72%
Accounts Receivable Days	51.93	51.7	50.16
Accounts Payable Days	42.04	42.06	40.87
Debt-to-Equity Ratio	1.63	1.69	1.75
Return on Equity	38.81%	37.48%	48.38%
Sales per Employee	\$210,925	\$232,903	\$216,749
Profit per Employee	\$14,329	\$17,161	\$25,796
Sales Growth	19.67%	20.08%	22.04%
Profit Growth	30.33%	27.46%	41.92%

Source: Profit Cents



Transaction Highlights

Notable Transactions



In March 2023, **Halma Plc** acquired **Firepro Systems Ltd** for EUR150 million (US\$161.7 million) in cash. The transaction was funded from Halma Plc's existing facilities. The acquisition expands the product portfolio of Halma Plc. Following the acquisition, Firepro Systems Ltd would operate as a standalone company within Halma's Safety sector and continue to be led by its current management team. Founded in 1996, Firepro Systems Ltd is located in Cyprus and designs and manufactures of aerosol-based fire suppression systems.



In March 2023, **Vimi Fasteners SpA** agreed to acquire **Filostamp Srl** for EUR10 million (US\$10.7 million). The acquisition supports Vimi Fasteners SpA's growth expansions. The transaction will be funded through private company debt from Finregg and internally generated funds. Filostamp Srl is located in Alpignano, Turin, Italy and manufactures bolts, nuts and screws. In 2021, it generated a turnover of EUR7.4 million (US\$7.93 million).



In March 2023, **Severfield Plc** acquired **Voortman Steel Construction Holding BV** for EUR24 million (US\$25.7 million) in cash. Under the terms of the transaction, the acquisition was funded through Severfield Plc's cash reserves and term loan. This acquisition expands Severfield Plc's presence in the European market and enhances its business capabilities. Voortman Steel Construction Holding BV is located in Rijssen, the Netherlands and operates as an innovative European steel construction group, employing 140 people.



In March 2023, **dhSteel Co Ltd** agreed to acquire **HySteel Co Ltd** for KRW20.3 billion (US\$15.5 million) in stock. The transaction is expected to improve management efficiency and sustainable growth through mergers. HySteel Co Ltd is located in North Chungcheong, South Korea and manufactures steel wires.



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Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
03/28/23	FirePro Systems Ltd.	Halma Plc	162	25	NA
03/21/23	Filostamp Srl	Vimi Fasteners SpA	11	8	2
03/21/23	Always Engineering Ltd.	Lifco AB	NA	7	NA
03/15/23	Voortman Steel Construction Holding BV	Severfield Plc	26	NA	NA
03/15/23	HySteel Co. Ltd.	dhSteel	15	NA	NA
03/10/23	South Communication Technology Co. Ltd.	Suzhou Dihill Green Technology Co., Ltd.	10	2	NA
03/05/23	Bettanini's Custom Manufacturing, Inc.	ARCH Medical Solutions Corp.	NA	NA	NA
03/02/23	BLP Holdings LLC	Ryerson Holding Corp.	NA	NA	NA
03/01/23	Sichuan Yuanfang Baolai Special Steel Technology Co. Ltd.	Mianyang Jinding Electromechanical Technology Co. Ltd.	0	NA	NA
02/28/23	Petitjean SASU	Metalgalva - Irmãos Silvas SA	4	NA	NA
02/17/23	Dongguan Xinjinmei Metal Products Co. Ltd.	Jilin Jinhong Auto Parts Co., Ltd.	3	NA	NA
02/08/23	Minda Kosei Aluminum Wheel Pvt Ltd.	UNO Minda Ltd.	62	NA	NA
01/27/23	Graham Engineering Ltd.	K-TIG Ltd.	22	17	2
01/27/23	China Automobile Parts (Hong Kong) Holding Ltd.	China Automobile Parts (Hong Kong) Holding Ltd. /Suri/	0	NA	NA
01/04/23	WZS Technologies Sdn. Bhd.	Wzs Technologies Sdn. Bhd. /Tan/	0	NA	NA
01/01/23	Plastic Omnium SE /Vigo Metal Activity/	Matriceria y Estampacion F Segura SL	4	NA	NA
(\$ in millions)	Source: Factset				



Public Companies

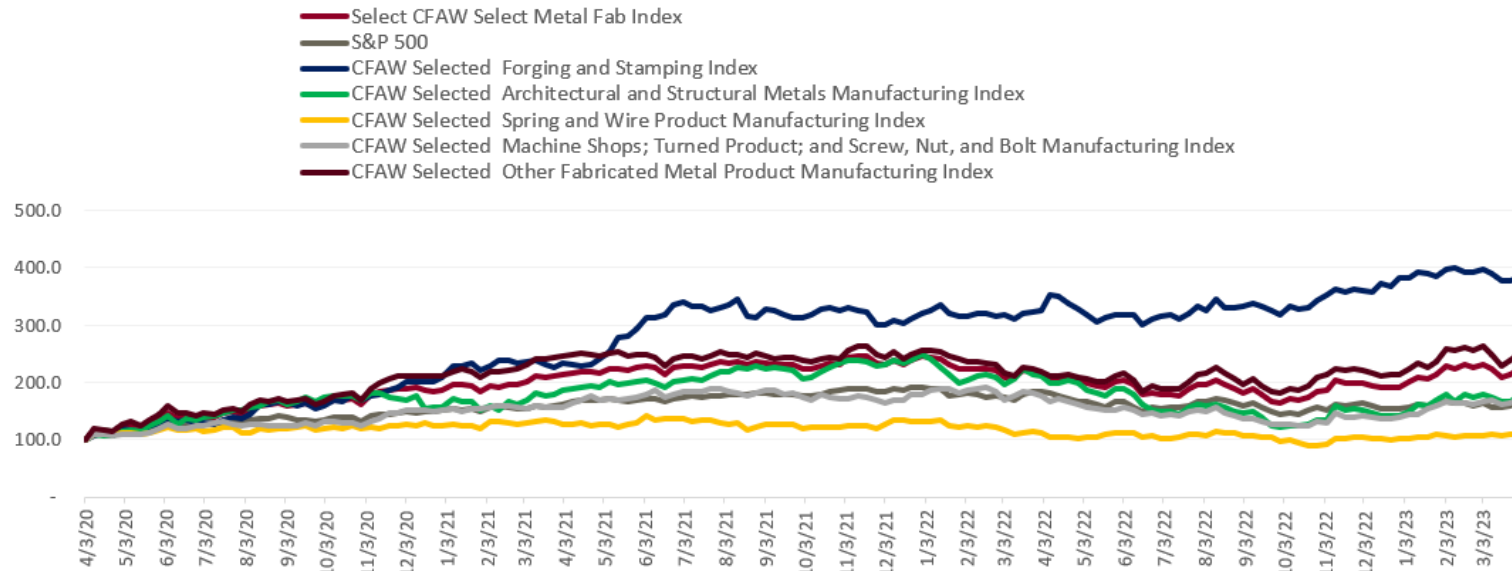
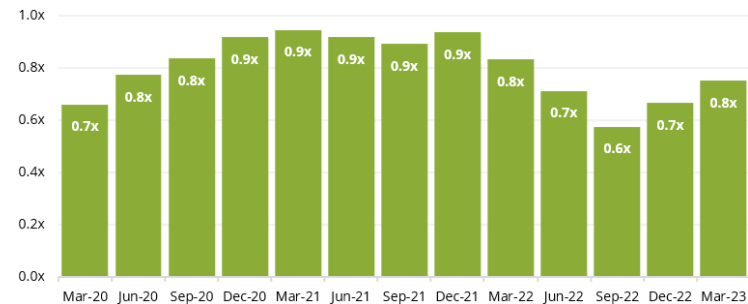
Industry Performance

CFAW Select Metal Fab Index

CFAW Select Metal Fab Index | Median EBITDA Multiples



CFAW Select Metal Fab Index | Median Revenue Multiples

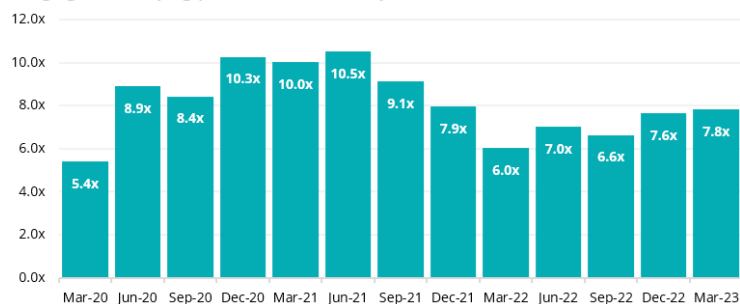


Source: FactSet

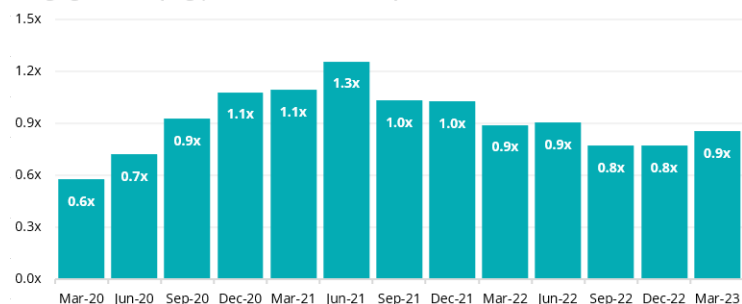
Public Comparables

Forging and Stamping

Forging and Stamping | Median EBITDA Multiples



Forging and Stamping | Median Revenue Multiples

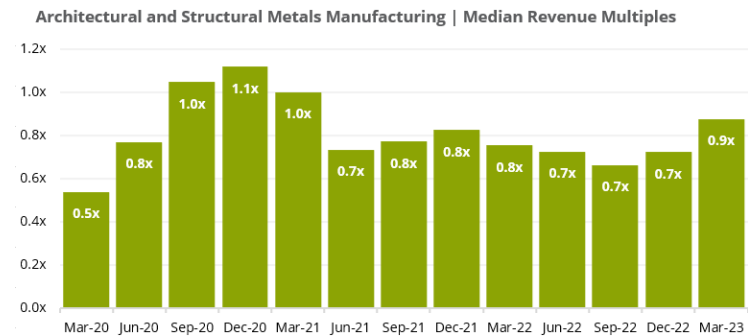
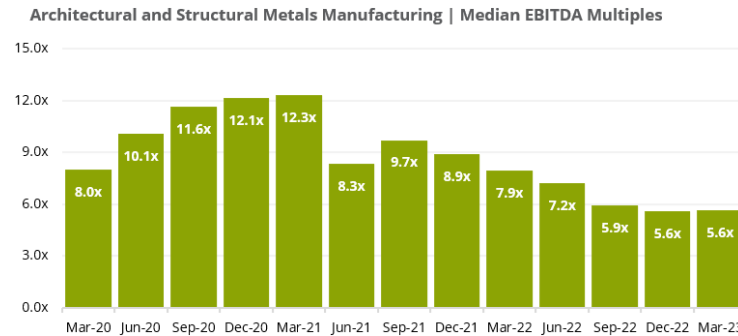


Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bharat Forge Ltd	\$9.37	466	\$4,362	\$4,946	\$1,624	\$227	3.0x	21.8x
Castings PLC	\$4.27	44	\$186	\$158	\$210	\$29	0.8x	5.5x
Eastern Company	\$19.48	6	\$121	\$187	\$279	\$22	0.7x	8.5x
Grupo SIMEC SAB de CV Class B	\$12.29	498	\$6,117	\$4,484	\$2,790	\$707	1.6x	6.3x
Hilton Metal Forging Limited	\$1.22	21	\$26	\$33	\$14	\$2	2.4x	18.9x
Loyalty Founder Enterprise Co., Ltd.	\$0.89	148	\$131	\$123	\$157	\$20	0.8x	6.1x
Mahindra CIE Automotive Limited	\$4.27	379	\$1,618	\$1,661	\$1,310	\$145	1.3x	11.5x
Mitsubishi Steel Mfg.Co., Ltd.	\$8.79	16	\$138	\$445	\$1,280	\$62	0.3x	7.2x
SunCoke Energy, Inc.	\$8.98	83	\$749	\$1,239	\$1,973	\$297	0.6x	4.2x
Taewoong Co., Ltd	\$9.48	20	\$138	\$282	\$305	\$17	0.9x	16.4x
Mean				\$1,356	\$994	\$153	1.2x	10.6x
Median				\$363	\$793	\$45	0.9x	7.8x

Source: FactSet

Public Comparables

Architectural and Structural Metals Manufacturing



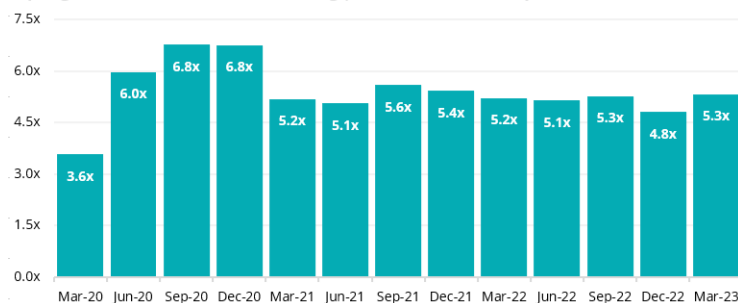
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Bunka Shutter Co., Ltd.	\$8.31	72	\$600	\$371	\$1,452	\$102	0.3x	3.6x
Dongkuk Structures & Construction Co., Ltd.	\$3.69	57	\$211	\$322	\$369	(\$4)	0.9x	NM
Encore Wire Corporation	\$185.33	18	\$3,386	\$2,655	\$3,018	\$941	0.9x	2.8x
Evergreen Steel Corporation	\$1.83	417	\$764	\$826	\$384	\$93	2.2x	8.9x
Hill & Smith PLC	\$16.59	80	\$1,329	\$1,470	\$894	\$151	1.6x	9.7x
Hod Assaf Industries Ltd.	\$10.05	12	\$123	\$227	\$585	\$56	0.4x	4.1x
Kingspan Group Plc	\$68.49	182	\$12,457	\$14,364	\$8,358	\$1,111	1.7x	12.9x
Severfield Plc	\$0.76	310	\$234	\$261	\$564	\$46	0.5x	5.6x
Simpson Manufacturing Co., Inc.	\$109.64	43	\$4,678	\$5,012	\$2,116	\$547	2.4x	9.2x
SSAB AB Class A	\$7.37	304	\$2,242	\$5,980	\$12,725	\$3,261	0.5x	1.8x
Mean				\$3,149	\$3,046	\$631	1.1x	6.5x
Median				\$1,148	\$1,173	\$127	0.9x	5.6x

Source: FactSet

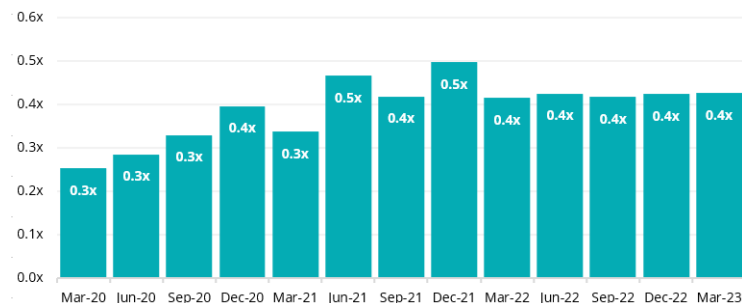
Public Comparables

Spring and Wire Product Manufacturing

Spring and Wire Product Manufacturing | Median EBITDA Multiples



Spring and Wire Product Manufacturing | Median Revenue Multiples



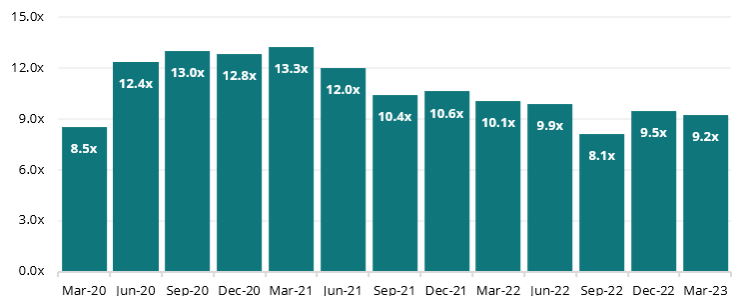
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Advanex Inc.	\$8.87	4	\$37	\$110	\$180	\$10	0.6x	11.5x
Chita Kogyo Co., Ltd.	\$5.29	10	\$51	(\$6)	\$101	\$12	NM	NM
Chuo Spring Co., Ltd.	\$5.39	26	\$138	\$177	\$687	\$38	0.3x	4.7x
Coventry CoilOMatic (Haryana) Limited	\$0.02	5	\$0	\$1	\$9	\$0	0.1x	3.0x
Frontier Springs Limited.	\$4.35	4	\$17	\$17	\$13	\$2	1.3x	10.8x
Molitec Steel Co., Ltd.	\$2.37	23	\$54	\$48	\$231	\$6	0.2x	8.6x
NHK Spring Co., Ltd.	\$7.12	244	\$1,737	\$1,413	\$5,098	\$446	0.3x	3.2x
PT Indospring Tbk	\$0.14	656	\$90	\$118	\$235	\$20	0.5x	6.0x
Shin Zu Shing Co., Ltd.	\$2.86	188	\$536	\$388	\$397	\$73	1.0x	5.3x
SUNCALL CORPORATION	\$4.46	34	\$152	\$140	\$403	\$39	0.3x	3.6x
Zhejiang Meili High Technology Co., Ltd. Class A	\$1.31	211	\$276	\$339	\$156	NA	2.2x	NM
Mean				\$249	\$683	\$64	0.7x	6.3x
Median				\$118	\$231	\$16	0.4x	5.3x

Source: FactSet

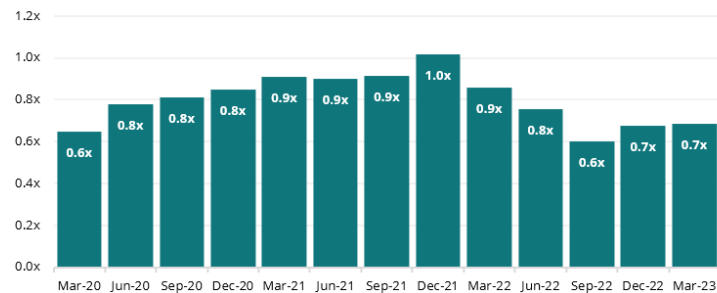
Public Comparables

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.	\$1.18	1,032	\$1,221	\$1,810	\$880	\$197	2.1x	9.2x
Chicago Rivet & Machine Co.	\$29.72	1	\$29	\$22	\$34	\$0	0.7x	214.1x
Forbes & Co. Ltd.	\$7.11	13	\$92	\$107	(\$148)	(\$12)	NM	NM
KPF Co., Ltd.	\$5.15	20	\$103	\$319	\$629	\$39	0.5x	8.2x
PIOLAX, Inc.	\$14.50	38	\$552	\$81	\$435	\$59	0.2x	1.4x
Rodex Fasteners Corp.	\$1.88	61	\$114	\$102	\$92	\$22	1.1x	4.7x
SFS Group AG	\$129.60	39	\$5,042	\$5,577	\$2,868	\$445	1.9x	12.5x
Simmonds Marshall Limited	\$0.47	11	\$5	\$16	\$23	\$1	0.7x	13.0x
Vimi Fasteners SpA	\$1.43	14	\$20	\$36	\$53	\$4	0.7x	9.1x
Youngsin Metal Industrial Co., Ltd.	\$2.70	19	\$52	\$85	\$112	\$8	0.8x	11.3x
Mean				\$815	\$498	\$76	1.0x	31.5x
Median				\$94	\$102	\$15	0.7x	9.2x

Source: FactSet

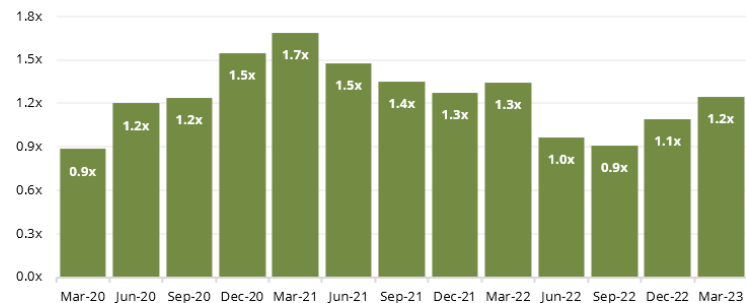
Public Comparables

Other Fabricated Metal Product Manufacturing

Other Fabricated Metal Product Manufacturing | Median EBITDA Multiples



Other Fabricated Metal Product Manufacturing | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Aalberts N.V.	\$47.16	111	\$5,215	\$6,110	\$3,333	\$611	1.8x	10.0x
AIA Engineering Limited	\$35.32	94	\$3,331	\$3,126	\$596	\$143	5.2x	21.8x
AMG Advanced Metallurgical Group N.V.	\$42.61	33	\$1,385	\$1,773	\$1,643	\$317	1.1x	5.6x
CIRCOR International, Inc.	\$31.12	20	\$634	\$1,108	\$787	\$100	1.4x	11.1x
Daido Metal Co., Ltd.	\$3.84	48	\$182	\$547	\$878	\$100	0.6x	5.5x
Kitz Corporation	\$6.97	90	\$630	\$740	\$1,216	\$137	0.6x	5.4x
Nippon Thompson Co., Ltd.	\$4.37	74	\$321	\$340	\$519	\$100	0.7x	3.4x
NTN Corporation	\$2.53	532	\$1,348	\$3,432	\$5,651	\$435	0.6x	7.9x
Parker-Hannifin Corporation	\$336.11	128	\$43,111	\$56,366	\$17,182	\$3,449	3.3x	16.3x
Pentair plc	\$55.27	165	\$9,094	\$11,384	\$4,122	\$785	2.8x	14.5x
Mean				\$8,493	\$3,593	\$618	1.8x	10.2x
Median				\$2,450	\$1,429	\$230	1.2x	8.9x

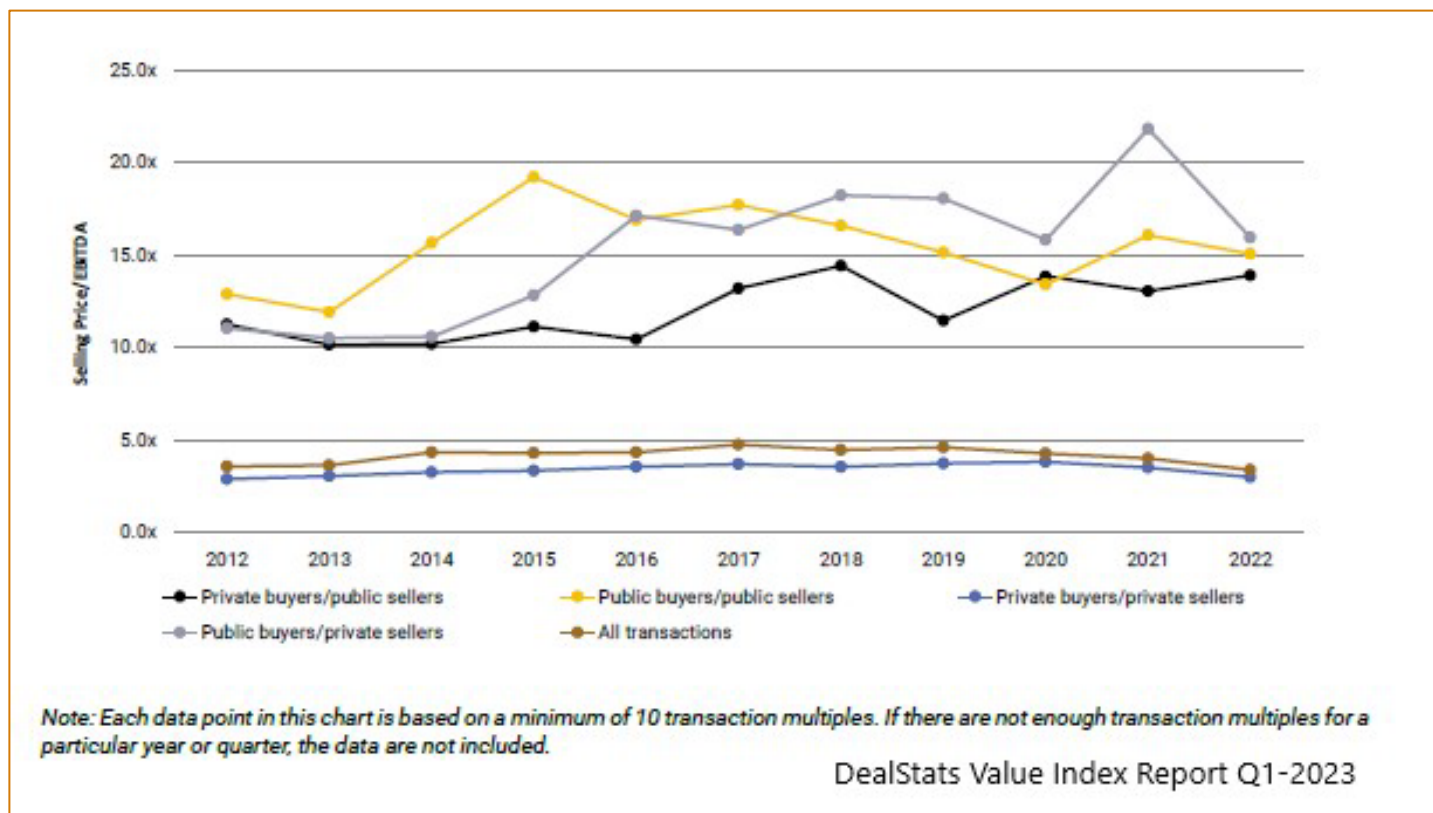
Source: FactSet

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.



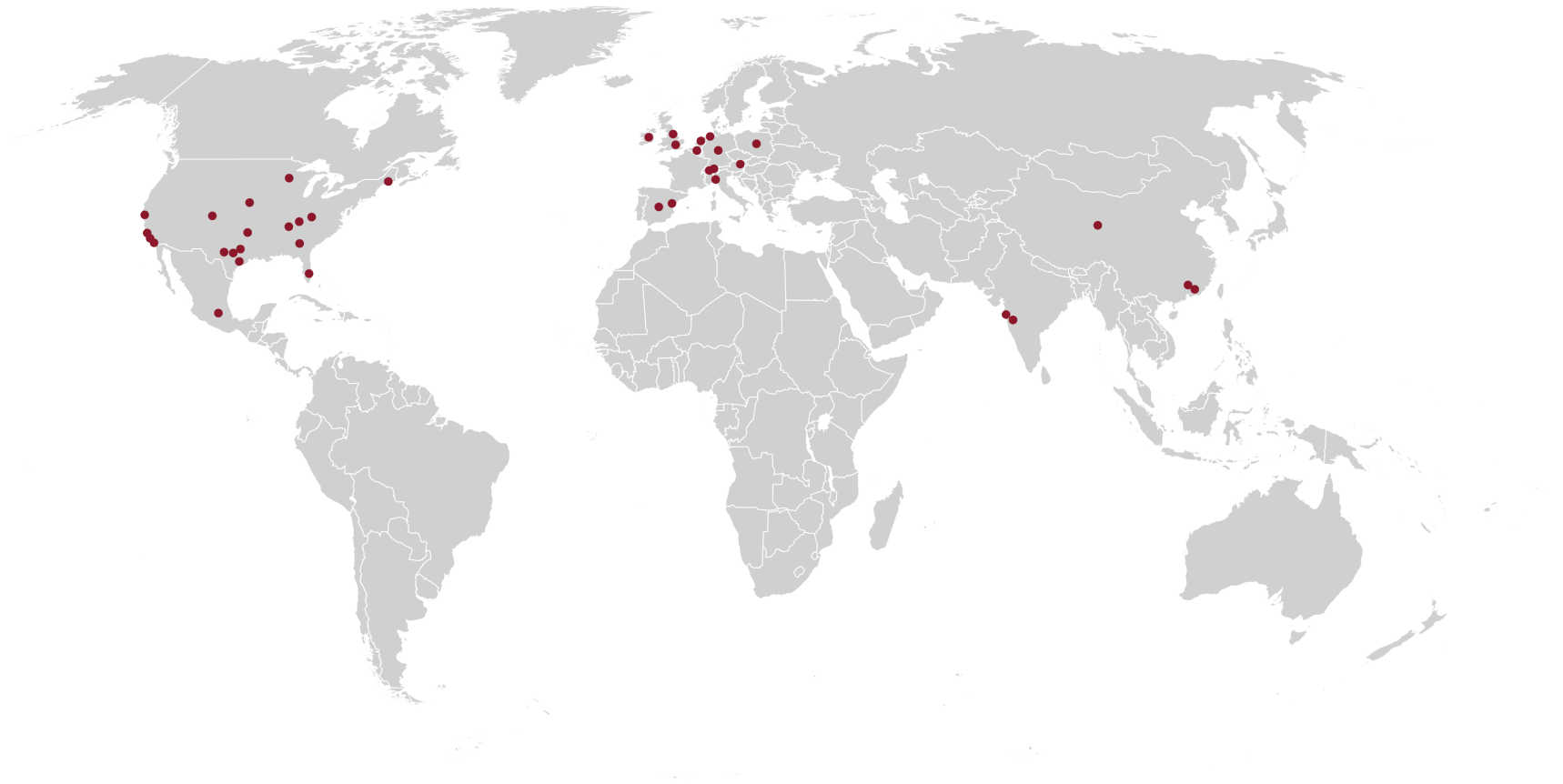
Business Valuation

"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.

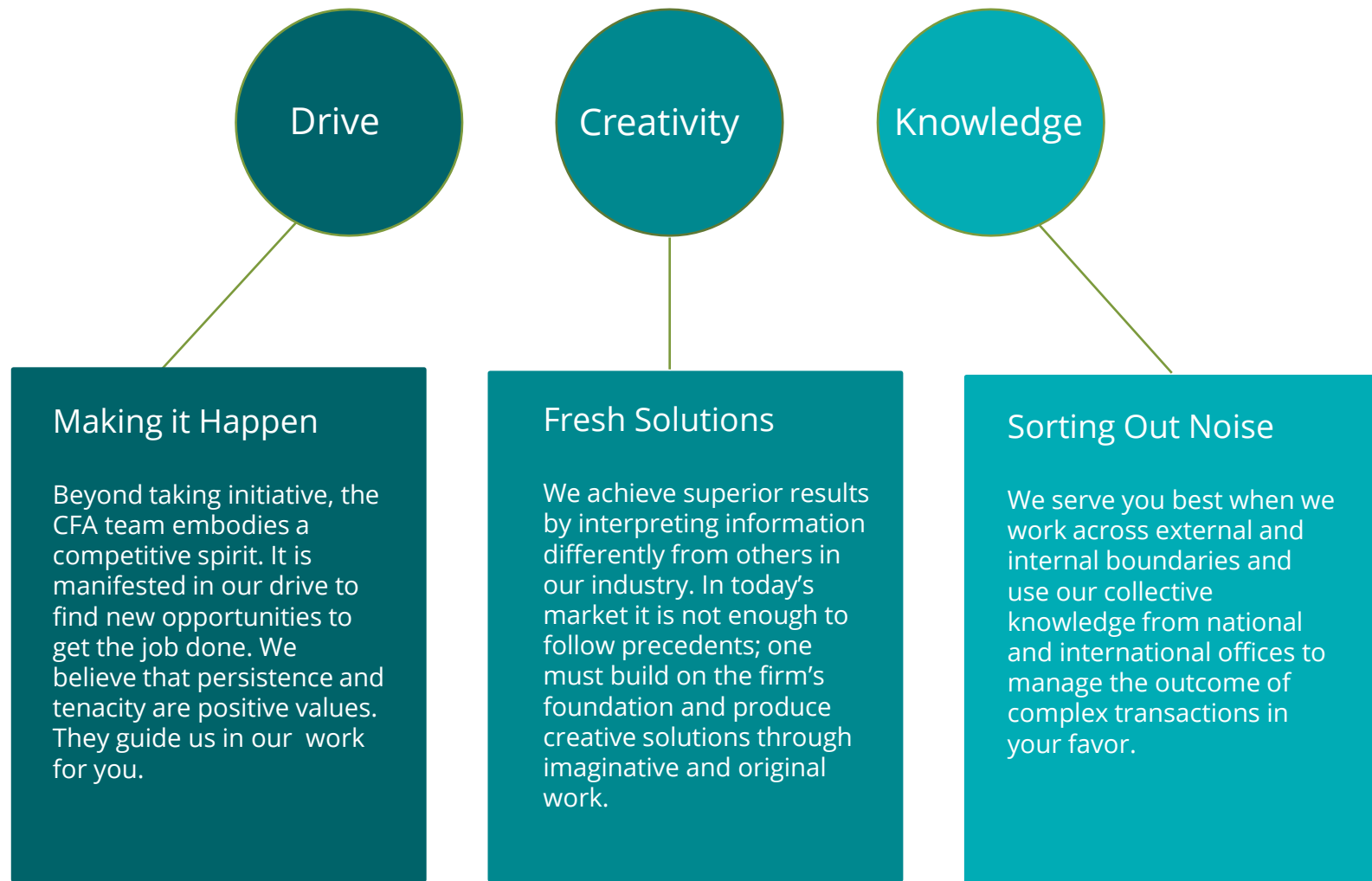
Local Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, 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.

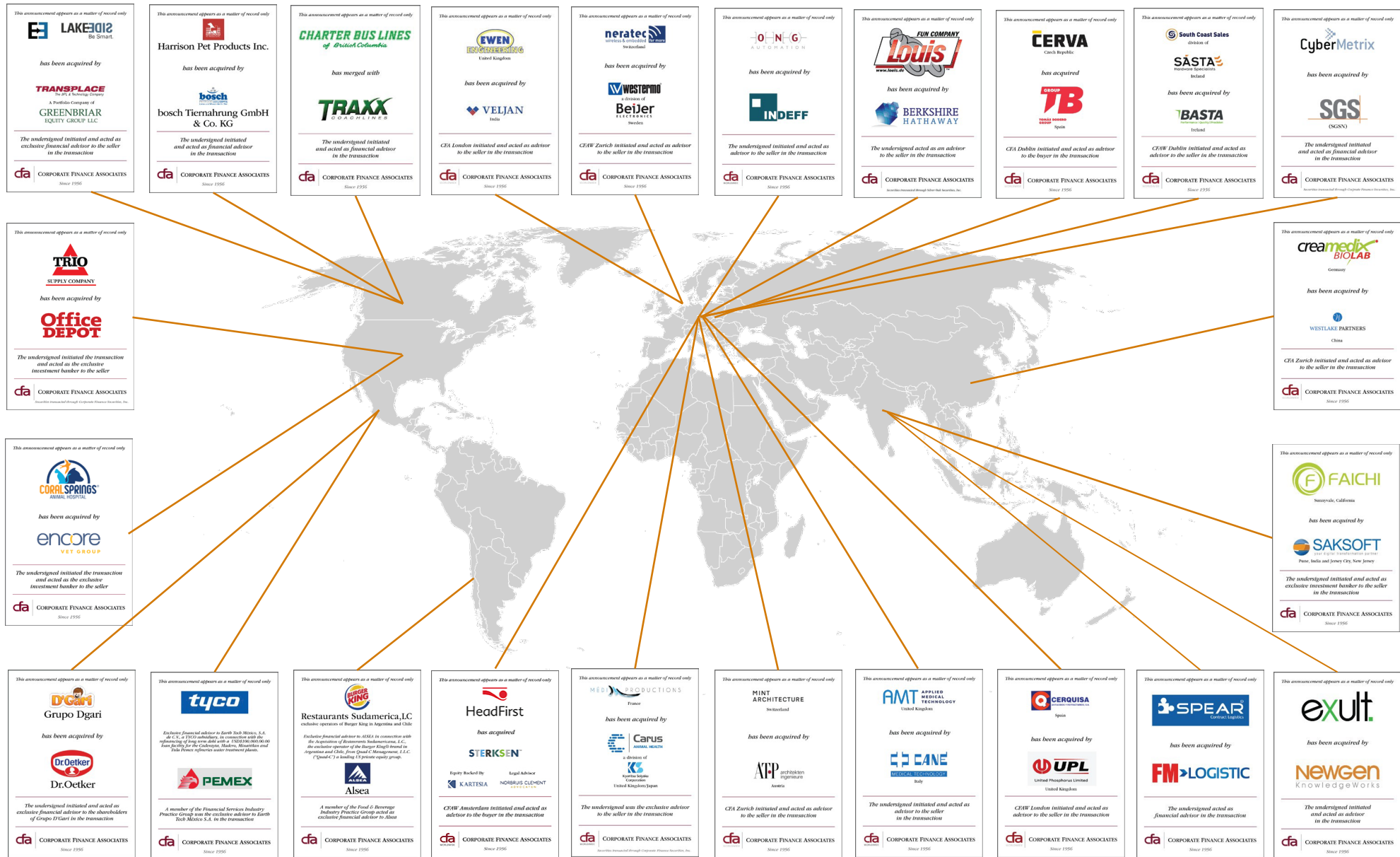


Delivering Results



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

Diabralative 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

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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

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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

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Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



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

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has been acquired by



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

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Securities transacted through Corporate Finance Securities, Inc.

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has acquired the assets of



The undersigned initiated and acted as financial advisor in the transaction

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Has Been Acquired By



The undersigned initiated and acted as advisor in the transaction

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DOUBLE L GROUP

has been acquired by



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

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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

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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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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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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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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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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

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