Metal Fabrication

INDUSTRY REPORT

Spring | 2024

CREATING

M&A STRATEGIES

FOR BUSINESS OWNERS

SINCE 1956

cfa WORLDWIDE | Corporate Finance Associates

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Market Observations

Market Summary

Metal Fabrication Market

According to Market Wide Research, the metal fabrication market has seen substantial growth in recent years, spurred by urbanization, industrial expansion, and technological advancements. Rapid industrialization in emerging economies, such as automotive, energy, and construction sectors, fuels demand for metal fabrication services. Technological advancements, including CAD software, automation, and robotics, have enhanced precision, efficiency, and quality, positively impacting market growth. Moreover, infrastructural development projects like bridges and highways necessitate fabricated metal components, contributing to market expansion. Growing demand for customized metal products and rising investments in industrial sectors are key drivers. Metal fabrication's durability, strength, and versatility further boost demand. Yet, barriers exist, such as high initial investment and environmental concerns. Fluctuating raw material prices also pose challenges. Nevertheless, opportunities abound. Additive manufacturing integration offers design flexibility and efficiency. Lightweight materials like aluminum cater to fuel efficiency demands. Expanding into emerging markets like India and China presents significant growth potential, fueled by rapid industrialization and infrastructural development. As the market continues to evolve, adaptation to emerging trends will be pivotal for sustained success.

Public Company Valuations

The CFA Select Metal Fab index increased by 15.3% in the first quarter of 2024 and the 12-month return on the index was up by 42.0%. Our index for each of the subsector of Metal Fab increased in the first quarter of 2024 except for Forging and Stamping Index. Other Fabricated Metal Product Manufacturing Index recorded the highest increase in the first quarter at 20.9% as well as an increase of 51.4% in the 12-month return. Forging and Stamping Index recorded the highest decline at 4.6% in the first quarter of 2024. Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing Index and Forging and Stamping Index had the highest EBITDA multiple of 9.9x and Architectural and Structural Metals Manufacturing Index had the highest Revenue multiple of 1.4x. Spring and Wire Product Manufacturing Index had the lowest revenue and EBITDA multiple of 0.4x and 6.8x. Architectural and Structural Metals Manufacturing Index; Machine Shops, Turned Product, and Screw, Nut, and Bolt Manufacturing Index; and Other Fabricated Metal Product Manufacturing had median revenue multiples of 1.4x, 0.8x and 1.3x and median EBITDA multiples of 9.8x, 9.9x and 7.9x respectively.

> “
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> *The metal fabricator index increased in the first quarter of 2024.....*

Merger and Acquisition

The M&A activity in the metal fabrication industry is anticipated to sustain a robust growth trajectory in 2024, driven by demand for durable materials, infrastructure investments, and technological advancements. Trends like automation, sustainable practices, additive manufacturing, and Industry 4.0 will shape their trajectory. Embracing innovation and these trends will be crucial for companies seeking success. The metal fabrication industry, long integral to manufacturing, is experiencing unprecedented growth due to technological advancements and evolving market dynamics. Sustainability is becoming paramount, with manufacturers adopting eco-friendly practices and materials to reduce waste and carbon footprints. As the industry evolves, adaptability to emerging technologies is essential.

Industry Trends

Adoption of Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) Software are on the Rise

The metal fabrication industry is witnessing a surge in the adoption of Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) software, enhancing precision and efficiency through the creation of detailed 3D models for simulation and testing prior to fabrication. CAM software further streamlines processes by programming CNC machines, improving accuracy, consistency, and reducing lead time and costs. Automation integration into Computer Numerical Control (CNC) machines is mitigating repetitive tasks, enhancing efficiency, and reducing the risk of repetitive stress injuries among workers, promising to further optimize fabrication processes and create career opportunities. This trend reflects the industry's embrace of automation technologies to streamline production lines and minimize downtime. For instance, CNC cutting processes are increasingly automated, minimizing manual intervention and enhancing control over machinery, such as plasma cutters, through pre-programmed computer software. Despite concerns about job displacement, automation in metal fabrication is also anticipated to create roles for highly skilled technicians and data interpreters.

The Growing Popularity Of 3D Printing and Additive Manufacturing

The surge in 3D printing technology is propelling growth within the metal fabrication industry, enabling the creation of intricate three-dimensional objects from digital files using materials like aluminum, stainless steel, and polymers. This additive manufacturing process offers numerous advantages, particularly for custom orders and low-volume production, by allowing for on-demand production of complex shapes while minimizing waste. Additive manufacturing, also known as 3D printing, has revolutionized various sectors, particularly in pre-engineering applications, by effortlessly translating computer-aided designs into tangible models. Unlike traditional manual methods, additive manufacturing precisely fabricates metal parts according to digital models, streamlining production processes for metal fabricators. This technology empowers fabricators to tackle even the most intricate designs with heightened customization, providing swift and cost-effective solutions for creating metal parts, casting molds, and prototypes. Metal powder bed fusion, a specific 3D printing method, further optimizes manufacturing by enabling the creation of intricate designs with minimal waste, as any unused powder can be recycled. Ultimately, 3D printing is reshaping metal fabrication practices, unlocking new avenues for innovation and efficiency.

Revolutionizing Metal Fabrication for Efficiency and Precision by Embracing IoT and Emerging Technologies

The metal fabrication industry is undergoing a transformative shift driven by the integration of Internet of Things (IoT) technology. This trend is characterized by the increasing adoption of IoT devices and sensors within fabrication equipment, facilitating real-time data monitoring and analysis to optimize performance and maintenance. This not only enhances operational efficiency and cost-effectiveness but also enables remote monitoring and control, fostering enhanced collaboration across teams and facilities. Furthermore, IoT implementation facilitates predictive maintenance, leveraging machine and sensor data to anticipate maintenance needs, thus minimizing downtime and prolonging equipment lifespan. Augmented reality (AR) and virtual reality (VR) are also emerging as pivotal tools within metal fabrication, particularly in training and design realms. These technologies offer immersive training experiences for workers, enabling them to master intricate tasks in a virtual setting before real-world application. Moreover, AR and VR empower engineers and designers to visualize and interact with 3D models of metal components, streamlining the identification of design flaws and enhancements prior to fabrication initiation.

Significant News

Guiding metal fabrication's automation transformation

The Fabricator, March 25, 2024

"The shop floor at All Metals Fabricating (AMF) began a transformation in 2016. That's when the custom metal fabricator started diving deep into automation. It already had robotic welding, but in 2016 it made a big leap forward in laser cutting and punching, investing in towers and load/unload systems. Automated bending came next, including a robotic press brake and a panel bender."

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Copper registers strongest seasonal Shanghai stocks build

Reuters, March 25, 2024

"The Lunar New Year holiday surge in Shanghai Futures Exchange (ShFE) metal inventories seems to have peaked with registered stocks of copper, aluminium and lead all falling over the last week. This is an annual phenomenon. While many metal fabricators take downtime over the holiday period, most smelters keep operating, leading to a jump in visible inventory."

Read More >

Norton RazorStar abrasive discs designed to improve grinding performance

The Fabricator, March 15, 2024

"Like anything being sold commercially, upgrades are necessary to keep the customer engaged. That holds true in the metal fabricating space as well, especially if you are talking about a consumable like coated abrasives. Anyone who has been involved in removing excess weld material for the last 25 years, for example, can walk you through the changes. A bulky right-angle grinder using a small grinding wheel with fused aluminum oxide grain likely was the first tool."

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German manufacturing downturn eases in January - PMI

Reuters, February 1, 2024

"The downturn in Germany's manufacturing sector, which accounts for about a fifth of the country's economy, eased in January, a survey showed on Thursday. The HCOB final Purchasing Managers' Index (PMI) for manufacturing rose to 45.5 in January from 43.3 in December, increasing for the sixth month in a row but still far below the 50 level that separates growth from contraction."

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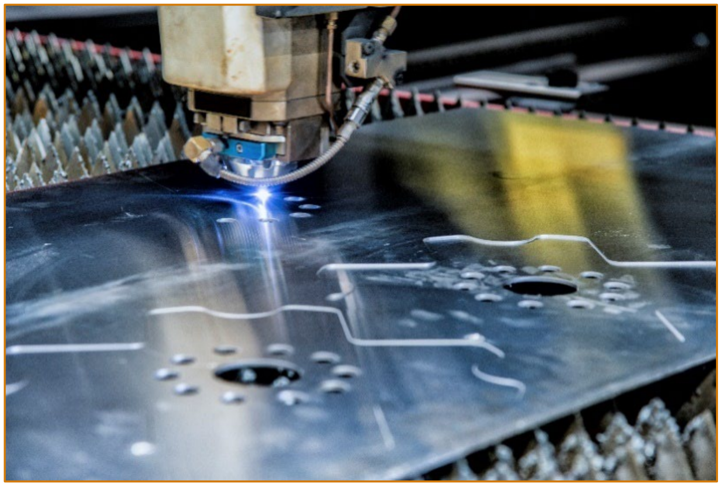
M&A Metrics

Metal Fabrication Industry

M&A activity in the metal fabrication industry decreased in Q1 2024. The number of M&A transactions in the industry were recorded at 72 in Q4 2023 which decreased to 63 in Q1 2024. The number of sub-$50 million transactions decreased from 71 in Q4 2023 to 60 in Q1 2024. The number of transactions above $100 million increased from 1 in Q4 2023 to 3 in Q1 2024. The total number of M&A transactions decreased 33.0% year on year from 94 in Q1 2023 to 63 in Q1 2024.



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

Transaction Value	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Not Disclosed	86	58	55	67	58
Under $10 MM	3	2	2	2	1
$10 - $25 MM	1	2	3	0	1
$25 - $50 MM	0	2	2	2	0
$50 - $100 MM	1	0	1	0	0
$100 - $500 MM	3	1	0	1	2
$500 MM+	0	0	2	0	1
Total Transactions	94	65	65	72	63

Source: FactSet

Industry Metrics

Industry Financial Data and Ratios

NAICs 3321 - Forging and Stamping

Financial Metric	Last12Mo	2023	2022
Current Ratio	3.17	2.99	3.2
Gross Profit Margin	25.74%	26.50%	27.40%
Net Profit Margin	7.84%	8.16%	7.66%
Accounts Receivable Days	52.01	52.5	51.14
Accounts Payable Days	44.27	43.37	42.13
Debt-to-Equity Ratio	1.55	1.63	1.73
Return on Equity	18.76%	21.45%	23.30%
Sales per Employee	$165,523	$165,523	$255,250
Profit per Employee	($1,520)	($1,520)	$54,109
Sales Growth	-19.29%	-13.62%	18.79%
Profit Growth	30.75%	30.75%	3.19%

NAICs 3323 - Architectural and Structural Metals Manufacturing

Financial Metric	Last12Mo	2023	2022
Current Ratio	3.73	3.55	3.17
Gross Profit Margin	35.32%	33.99%	31.31%
Net Profit Margin	10.87%	9.58%	8.53%
Accounts Receivable Days	67.74	63.82	60.6
Accounts Payable Days	36.3	35.53	36.19
Debt-to-Equity Ratio	1.72	1.72	1.76
Return on Equity	47.99%	44.56%	40.70%
Sales per Employee	$320,863	$341,177	$308,512
Profit per Employee	$22,907	$10,721	$27,461
Sales Growth	-3.32%	2.26%	22.41%
Profit Growth	39.67%	25.33%	10.30%

NAICs 3326 - Spring and Wire Product Manufacturing

Financial Metric	Last12Mo	2023	2022
Current Ratio	3.6	3.52	3.06
Gross Profit Margin	27.29%	27.51%	26.26%
Net Profit Margin	11.02%	9.31%	8.03%
Accounts Receivable Days	47	49.34	47.74
Accounts Payable Days	26.27	29.93	33.21
Debt-to-Equity Ratio	1.14	1.09	1.59
Return on Equity	45.88%	35.19%	37.11%
Sales per Employee	$138,653	$138,653	$155,688
Profit per Employee	$10,858	$10,858	$21,323
Sales Growth	0.54%	0.54%	22.98%
Profit Growth	-14.57%	-14.57%	18.05%

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

Financial Metric	Last12Mo	2023	2022
Current Ratio	4.2	4.14	4.13
Gross Profit Margin	42.07%	41.35%	40.29%
Net Profit Margin	8.54%	9.80%	7.72%
Accounts Receivable Days	57.54	56.02	52.28
Accounts Payable Days	52.11	54.58	39.3
Debt-to-Equity Ratio	1.71	1.7	1.71
Return on Equity	33.13%	33.04%	34.90%
Sales per Employee	$177,478	$177,478	$168,668
Profit per Employee	$13,572	$13,572	$20,082
Sales Growth	-3.22%	-3.92%	17.64%
Profit Growth	1.14%	-1.76%	1.86%

Source: Profit Cents

Industry Metrics

Industry Financial Data and Ratios

NAICs 3329 - Other Fabricated Metal Product Manufacturing

Financial Metric	Last12Mo	2023	2022
Current Ratio	4.3	4.24	4.06
Gross Profit Margin	38.72%	38.65%	36.42%
Net Profit Margin	11.97%	11.69%	10.17%
Accounts Receivable Days	58.25	56.7	48.69
Accounts Payable Days	42.47	45.82	41.16
Debt-to-Equity Ratio	1.52	1.47	1.71
Return on Equity	33.93%	36.43%	38.26%
Sales per Employee	$217,431	$244,036	$222,512
Profit per Employee	$14,895	$18,625	$13,674
Sales Growth	5.97%	8.08%	20.17%
Profit Growth	26.71%	27.19%	17.48%

Source: Profit Cents

Transaction Highlights

Notable Transactions

In March 2024, AY **McDonald Mfg** Co, a subsidiary of AY McDonald Industries Inc, acquired **JCM Industries Inc** for an undisclosed amount. The acquisition expands AY McDonald Mfg Co's footprint and enhances its service offerings. Following the deal completion, JCM Industries Inc will continue to operate independently. Founded in 1976 by James Morriss Jr and Gladys Morriss, JCM Industries Inc is located in Nash, Texas, United States and manufactures water and wastewater fittings.

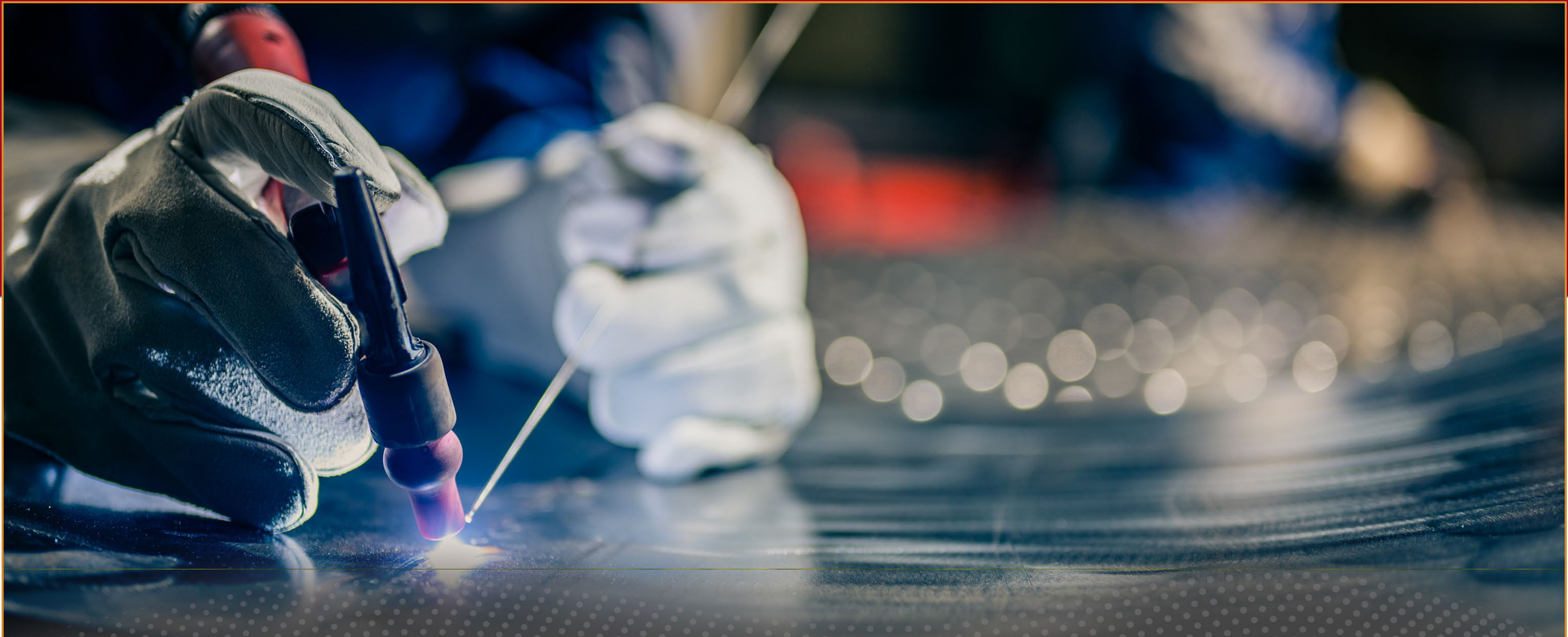
In March 2024, **Atlas Copco AB** acquired **Zahroof Valves Inc** for an undisclosed amount. The acquisition strengthens Atlas Copco AB's business and service offering. Founded in 2010, Zahroof Valves Inc is located in Houston, Texas, United States and provides revolutionary reciprocating gas compressor valves. For 2023, it generated a revenue of SEK130 million (US$12.5 million) and has 44 employees.

In February 2024, **Nitto Seiko Co Ltd** acquired **Vulcan Forge Pvt Ltd** for an undisclosed amount. the acquisition includes Vulcan Cold Forge Pvt Ltd, a subsidiary of Vulcan Forge Pvt Ltd. The transaction expands sales channels of Nitto Seiko Co Ltd in India. Vulcan Forge Pvt Ltd is located in India and designs, manufactures and sells cold-pressure parts of automobiles and machinery. In March 2023, It has total asset of INR804 million, Sales of INR752 million (US$9.7 million), profit before tax of INR270 million (US$3.3 million) and net income of INR223 million (US$2.7 million).

In January 2024, **Arlington Capital Partners LLC** acquired **Merrill Technologies Group Inc** for an undisclosed amount. Citizens Financial Group, Inc provided the credit facility for the transaction. Following the transaction, Arlington Capital Partners LLC would merge its portfolio company Pegasus Steel with Merrill Technologies Group Inc and formed Keel Holdings LLC. Merrill Technologies Group Inc is located in Saginaw, Michigan, United States and operates boiler shops. In separate but related transaction, Arlington Capital Partners LLC also acquired Metal Trades Inc.

Select M&A Transactions

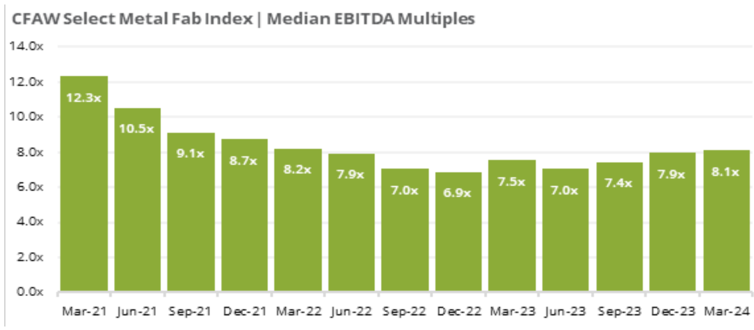
Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
21-Mar-2024	The InterFlex Group, Inc.	Avon Group Manufacturing Ltd.	-	-	-
19-Mar-2024	Maass Global Group	Main Street Capital Partners LLC; Gulf Manufacturing LLC	-	-	-
14-Mar-2024	FOX VALLEY METAL TECH, INC	ArmorWorks, Inc.; Littlejohn Capital LLC	-	-	-
13-Mar-2024	JCM Industries, Inc. (Texas)	A.Y. McDonald Mfg. Co.	-	-	-
05-Mar-2024	Zahroof Valves, Inc.	Atlas Copco AB	-	12.50	-
04-Mar-2024	Durgo AB	Oatey Co.	-	-	-
26-Feb-2024	Woodfield Systems Ltd.	Woodfield Systems International Pvt Ltd.	-	-	-
22-Feb-2024	Vulcan Forge Pvt Ltd.	Nitto Seiko Co., Ltd.	-	9.06	-
20-Feb-2024	Flex Force Enterprises, Inc.	Highlander Partners LP; High Point Aerotechnologies LLC	-	-	-
05-Feb-2024	Dm2 Di Duina Gianfranco Srl	Mikron Holding AG	-	-	-
01-Feb-2024	Ward Manufacturing LLC	ASC Engineered Solutions, LLC	-	-	-
25-Jan-2024	Merrill Technologies Group, Inc.	Arlington Capital Partners LLC	-	-	-
22-Jan-2024	Pilgrim Screw Corp.	Meidoh Co., Ltd.	-	-	-
18-Jan-2024	Condor Machinery Ltd.	Nord-Lock International AB	-	-	-
16-Jan-2024	Star Precision Manufacturing, Inc.	Maysteel Industries LLC; Littlejohn Capital LLC	-	-	-
12-Jan-2024	Randall Bearings, Inc.	Wieland-Werke AG	-	-	-
04-Jan-2024	Samtan Engineering Corp.	Fairbanks Morse LLC (Wisconsin); Arcline Investment Management LP	-	-	-
03-Jan-2024	Aul Brothers Tool & Die, Inc.	Mursix Corp.	-	-	-
($ in millions)	*Source: Factset*				

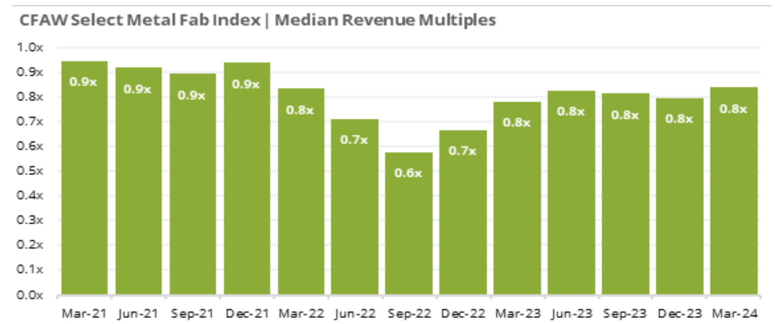


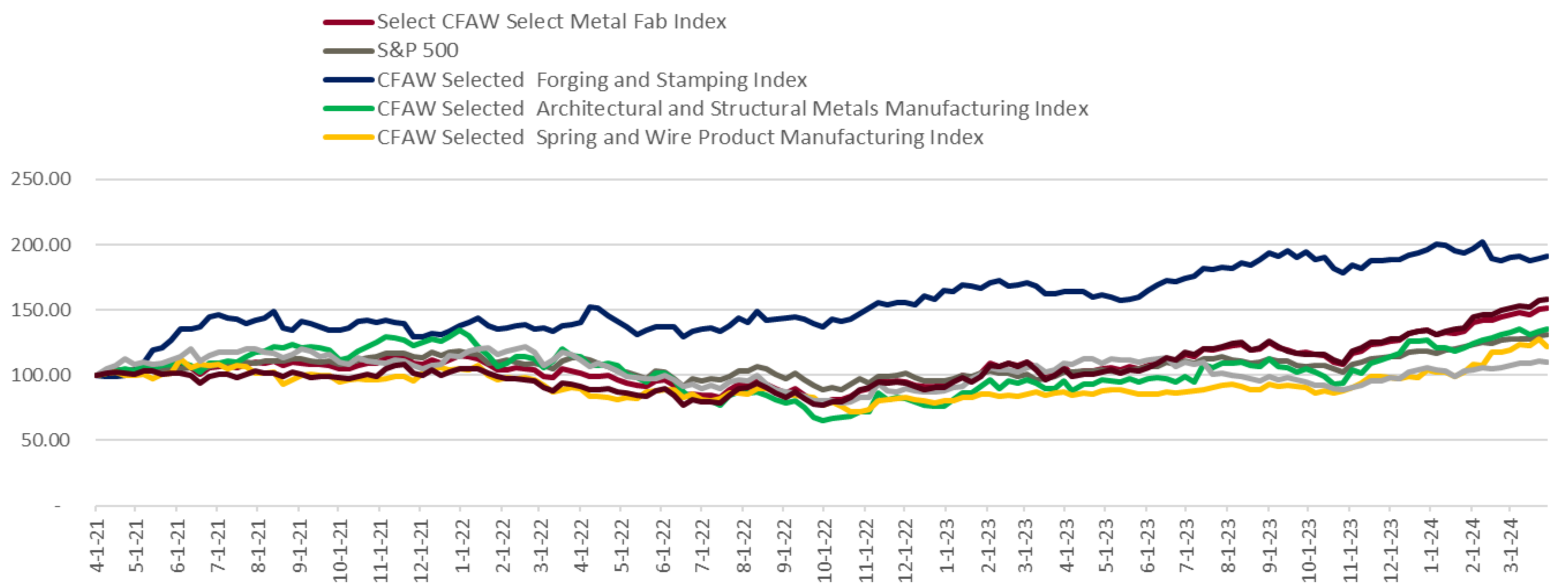
Public Companies

Industry Performance

CFAW Select Metal Fab Index



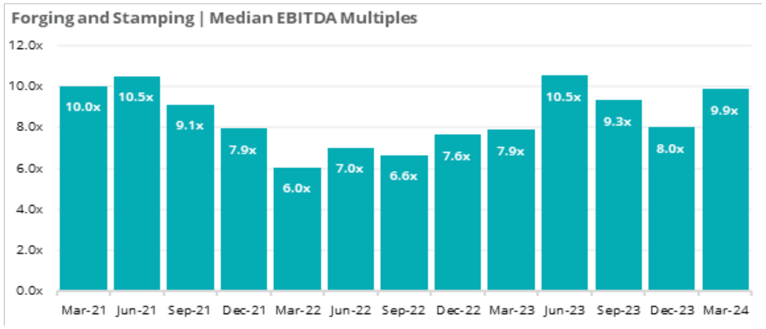


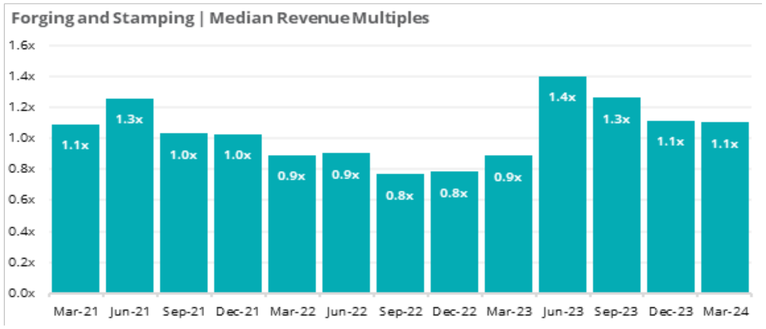


Source: FactSet

Public Comparables

Forging and Stamping



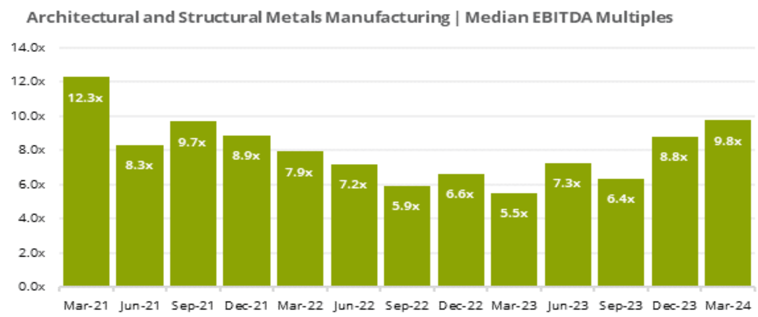


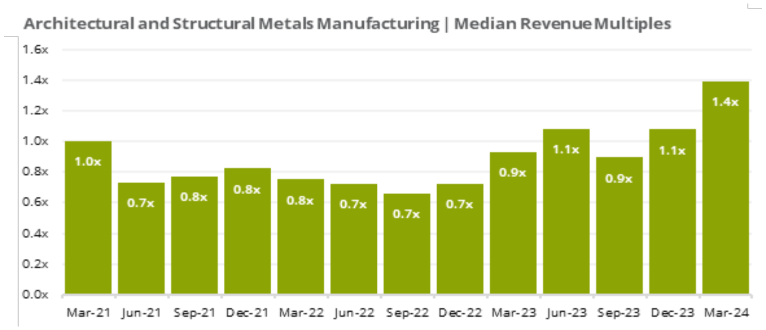
FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
500493-IN	Bharat Forge Ltd	$13.54	466	$6,305	$6,938	$1,759	$279	3.9x	24.8x
CGS-GB	Castings Public Limited Company	$4.18	43	$182	$144	$278	$33	0.5x	4.3x
EML-US	Eastern Company	$34.09	6	$212	$264	$273	$23	1.0x	11.7x
SIMECB-MX	Grupo SIMEC SAB de CV Class B	$11.04	498	$5,495	$3,706	$2,329	$529	1.6x	7.0x
532847-IN	Hilton Metal Forging Limited	$1.23	21	$26	$32	$16	$2	1.9x	15.6x
5465-TW	Loyalty Founder Enterprise Co., Ltd.	$1.41	148	$209	$197	$174	$16	1.1x	11.9x
532756-IN	CIE Automotive India Ltd	$5.53	379	$2,097	$2,077	$946	$167	2.2x	12.5x
5632-JP	Mitsubishi Steel Mfg.Co., Ltd.	$9.75	16	$153	$476	$1,209	$69	0.4x	6.9x
SXC-US	SunCoke Energy, Inc.	$11.27	84	$944	$1,337	$2,063	$268	0.6x	5.0x
044490-KR	Taewoong Co., Ltd	$14.18	20	$284	$367	$340	$45	1.1x	8.1x
Mean					$1,554	$939	$143	**1.4x**	**10.8x**
Median					$422	$643	$57	**1.1x**	**9.9x**

Source: FactSet

Public Comparables

Architectural and Structural Metals Manufacturing





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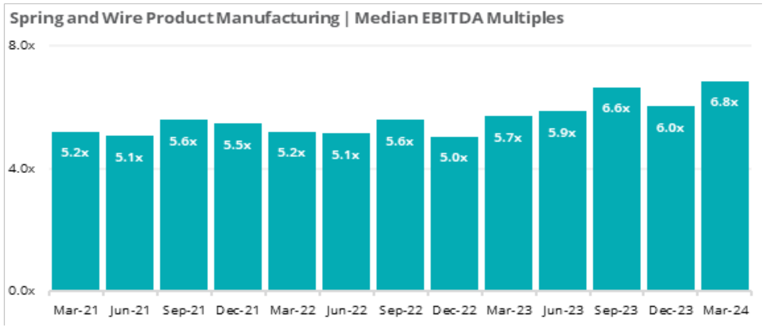
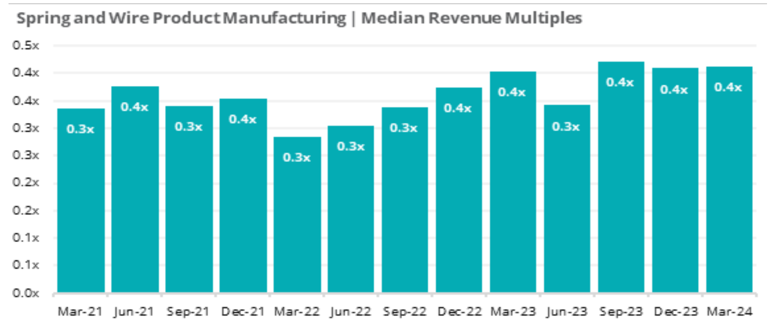
5930-JP	Bunka Shutter Co., Ltd.	$11.50	72	$830	$692	$1,538	$127	0.4x	5.5x
100130-KR	Dongkuk Structures & Construction Co., Ltd.	$2.24	57	$128	$232	$305	($28)	0.8x	NM
WIRE-US	Encore Wire Corporation	$262.78	16	$4,142	$3,582	$2,568	$483	1.4x	7.4x
2211-TW	Evergreen Steel Corporation	$3.89	417	$1,623	$1,633	$356	$120	4.6x	13.6x
HILS-GB	Hill & Smith PLC	$24.71	80	$1,985	$2,119	$984	$175	2.2x	12.1x
HOD-IL	Hod Assaf Industries Ltd.	$10.93	12	$134	$227	-	-		
KRX-IE	Kingspan Group Plc	$91.22	183	$16,710	$18,145	$8,747	$1,162	2.1x	15.6x
SFR-GB	Severfield Plc	$0.69	310	$214	$237	$579	$53	0.4x	4.4x
SSD-US	Simpson Manufacturing Co., Inc.	$205.18	42	$8,708	$8,830	$2,214	$554	4.0x	15.9x
SSAB.A-SE	SSAB AB Class A	$7.39	304	$2,247	$5,655	$11,258	$1,901	0.5x	3.0x
Mean					$4,135	$3,172	$505	**1.8x**	**9.7x**
Median					$1,876	$1,538	$175	**1.4x**	**9.8x**

Source: FactSet

Public Comparables

Spring and Wire Product Manufacturing





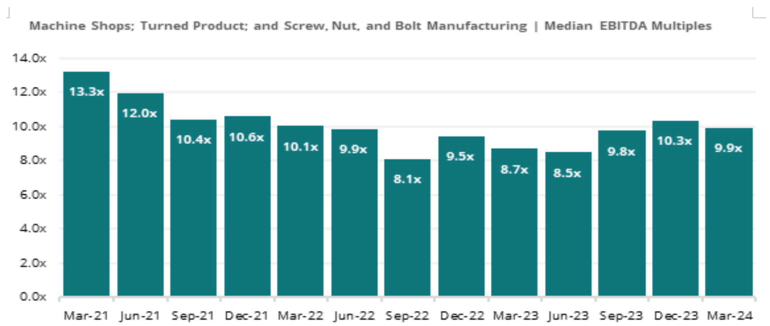
FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
5998-JP	Advanex Inc.	$9.68	4	$40	$100	$188	$14	0.5x	7.0x
5993-JP	Chita Kogyo Co., Ltd.	$6.67	10	$64	$9	$101	$10	0.1x	0.8x
5992-JP	Chuo Spring Co., Ltd.	$7.04	26	$180	$223	$725	$33	0.3x	6.7x
523415-BOM	Coventry CoilOMatic (Haryana) Limited	$0.02	5	$0	$1	$10	($0)	0.1x	NM
522195-BOM	Frontier Springs Limited.	$14.03	4	$55	$55	$15	$2	3.8x	26.6x
5986-JP	Molitec Steel Co., Ltd.	$1.69	23	$38	$42	$363	$6	0.1x	6.8x
5991-JP	NHK Spring Co., Ltd.	$9.89	244	$2,414	$2,063	$5,293	$355	0.4x	5.8x
INDS-ID	PT Indospring Tbk	$0.15	656	$95	$126	$250	$25	0.5x	5.0x
3376-TW	Shin Zu Shing Co., Ltd.	$5.80	188	$1,088	$935	$323	$48	2.9x	19.4x
5985-JP	SUNCALL CORPORATION	$3.23	34	$110	$150	$364	$9	0.4x	16.4x
300611-CN	Zhejiang Meili High Technology Co., Ltd. Class A	$1.24	211	$263	$330	$176	-	1.9x	
Mean					$367	$710	$50	**1.0x**	**10.5x**
Median					$126	$250	$12	**0.4x**	**6.8x**

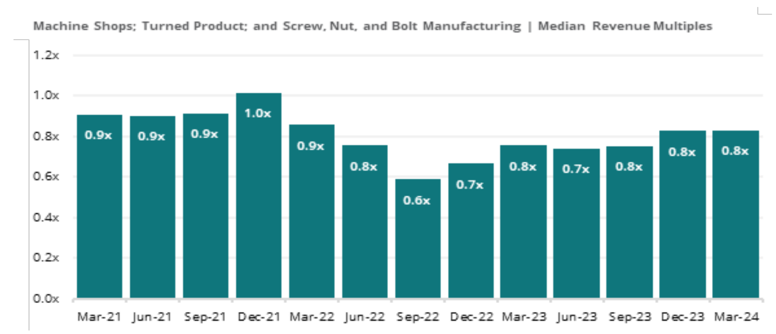
Source: FactSet

CORPORATE FINANCE ASSOCIATES

Public Comparables

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



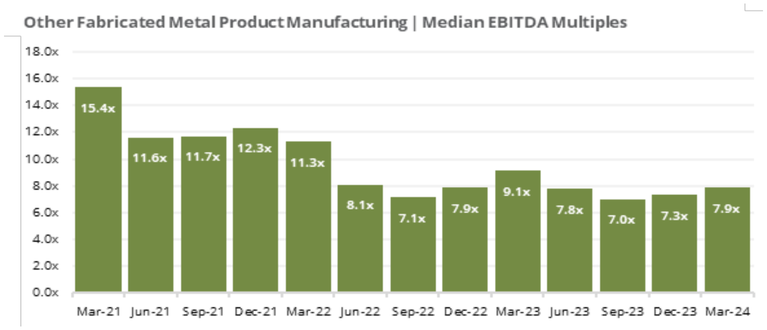


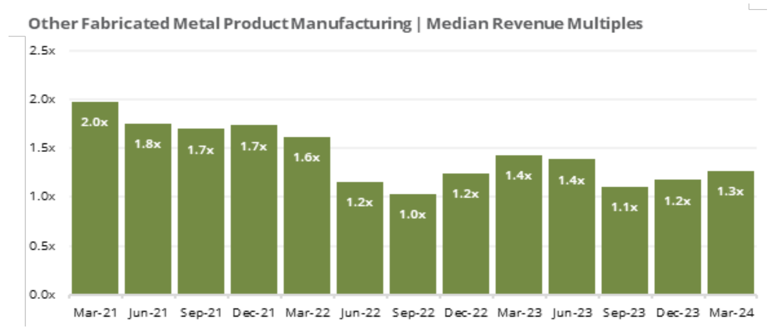
FactSet Identifier	**Company** $USD in Millions	**Share Price**	**Shares O/S**	**Market Cap**	**Enterprise Value**	**Revenues (LTM)**	**EBITDA (LTM)**	**Enterprise Value /**	
								Revenues	**EBITDA**
8415-TW	Brighton-Best International (Taiwan), Inc.	$1.06	1,032	$1,089	$1,606	$790	$147	2.0x	10.9x
CVR-US	Chicago Rivet & Machine Co.	$17.00	1	$16	$13	$32	($5)	0.4x	NM
502865-IN	Forbes & Co. Ltd.	$5.18	13	$67	$67	$34	($0)	2.0x	NM
024880-KR	KPF Co., Ltd.	$3.43	21	$71	$261	$620	$47	0.4x	5.6x
5988-JP	PIOLAX, Inc.	$17.94	38	$683	$370	$448	$58	0.8x	6.4x
5015-TW	Rodex Fasteners Corp.	$1.40	61	$85	$78	$49	$4	1.6x	17.9x
SFSN-CH	SFS Group AG	$131.68	39	$5,122	$5,671	$3,420	$512	1.7x	11.1x
507998-IN	Simmonds Marshall Limited	$0.83	11	$9	$19	$23	$2	0.8x	9.1x
VIM-IT	Vimi Fasteners SpA	$1.52	14	$21	$36	$62	$9	0.6x	3.9x
007530-KR	YM CO. LTD.	$2.08	19	$40	$80	$127	$7	0.6x	10.8x
Mean					$820	$560	$78	**1.1x**	**9.4x**
Median					$79	$94	$8	**0.8x**	**9.9x**

Source: FactSet

Public Comparables

Other Fabricated Metal Product Manufacturing





FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
AALB-NL	Aalberts N.V.	$48.16	110.6	$5,325	$6,028	$3,555	$636	1.7x	9.5x
532683-IN	AIA Engineering Limited	$46.95	94.3	$4,428	$4,077	$596	$162	6.8x	25.1x
AMG-NL	AMG Critical Materials N.V.	$22.72	32.5	$739	$1,152	$1,626	$281	0.7x	4.1x
CW-US	Curtiss-Wright Corporation	$255.94	38.2	$9,780	$10,581	$2,845	$601	3.7x	17.6x
7245-JP	Daido Metal Co., Ltd.	$4.49	47.5	$214	$518	$888	$108	0.6x	4.8x
6498-JP	Kitz Corporation	$9.02	90.4	$815	$882	$1,187	$150	0.7x	5.9x
6480-JP	Nippon Thompson Co., Ltd.	$4.24	73.5	$312	$350	$414	$59	0.8x	6.0x
6472-JP	NTN Corporation	$2.07	532.5	$1,104	$2,860	$5,868	$458	0.5x	6.2x
PH-US	Parker-Hannifin Corporation	$555.79	128.4	$71,369	$82,775	$19,826	$4,675	4.2x	17.7x
PNR-US	Pentair plc	$85.44	165.3	$14,126	$16,050	$4,105	$905	3.9x	17.7x
Mean					$12,527	$4,091	$804	**2.4x**	**11.5x**
Median					$3,469	$2,236	$370	**1.3x**	**7.9x**

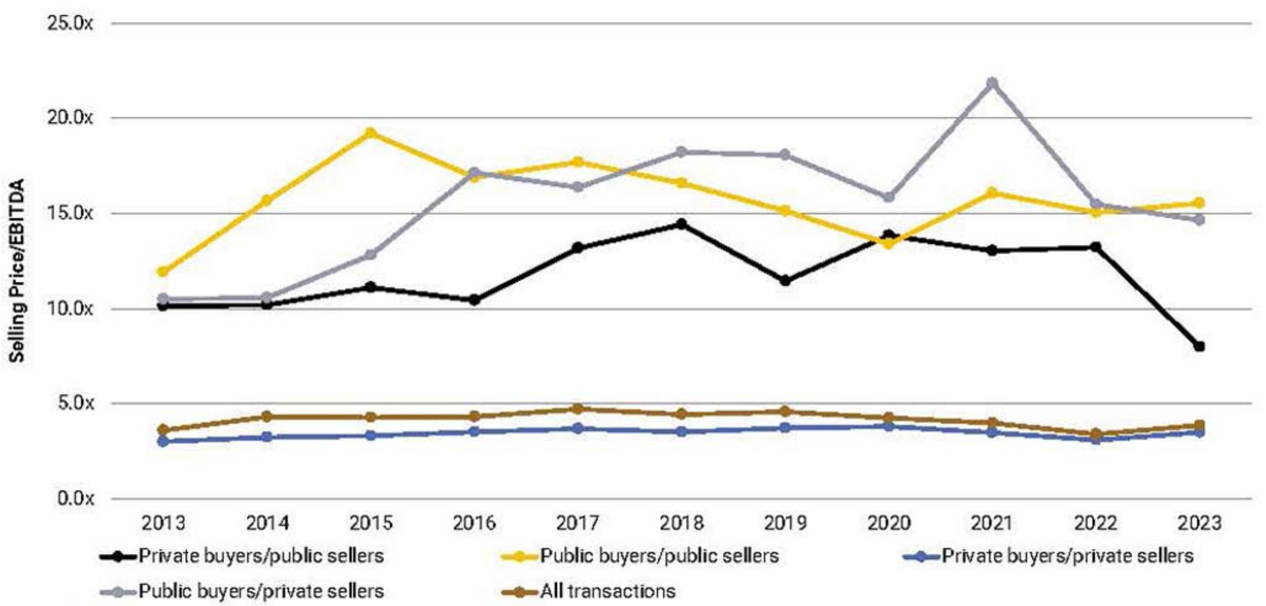
Source: FactSet

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.



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 Q1-2024

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.

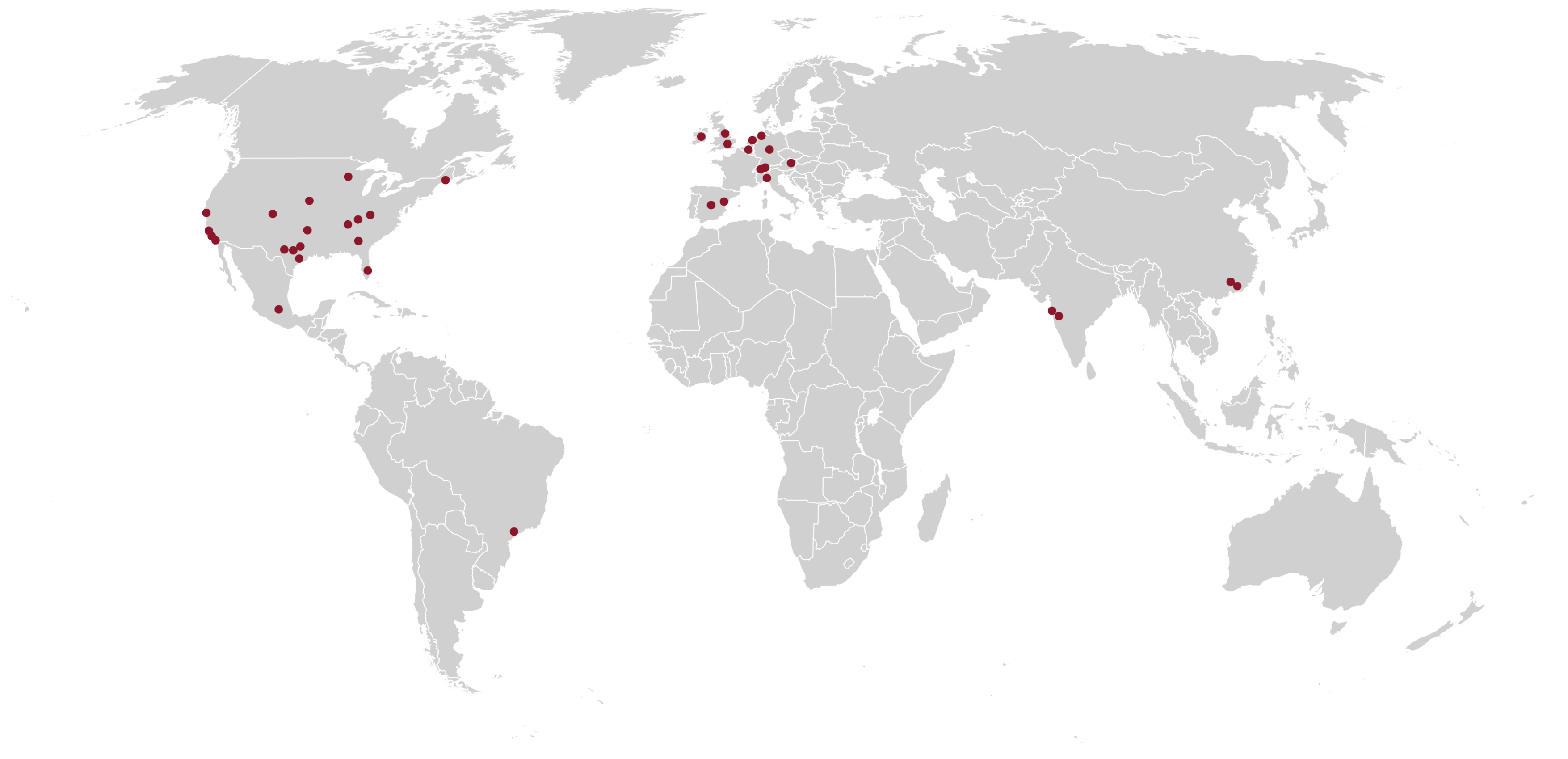
Business Valuation

"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, 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

Drive

Creativity

Knowledge

Making it Happen

Beyond taking initiative, the CFA team embodies a competitive spirit. It is manifested in our drive to find new opportunities to get the job done. We believe that persistence and tenacity are positive values. They guide us in our work for you.

Fresh Solutions

We achieve superior results by interpreting information differently from others in our industry. In today's market it is not enough to follow precedents; one must build on the firm's foundation and produce creative solutions through imaginative and original work.

Sorting Out Noise

We serve you best when we work across external and internal boundaries and use our collective knowledge from national and international offices to manage the outcome of complex transactions in your favor.

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

Worldwide Transactions

This announcement appears as a matter of record only
LAKESIDE Be Smart.
has been acquired by
TRANSPLACE The 3PL & Technology Company
A Portfolio Company of GREENBRIAR EQUITY GROUP LLC
The undersigned initiated and acted as exclusive financial advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
Harrison Pet Products Inc.
has been acquired by
bosch Tiernahrung GmbH & Co. KG
The undersigned initiated and acted as financial advisor in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
CHARTER BUS LINES of British Columbia
has merged with
TRAXX COACHLINES
The undersigned initiated and acted as financial advisor in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
EWEN ENGINEERING
United Kingdom
has been acquired by
VELJAN
India
CFA London initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
neratec wireless & embedded for more
Switzerland
has been acquired by
Westermo a division of Beijer Electronics
Sweden
CFAW Zurich initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
ONG AUTOMATION
has been acquired by
INDEFF
The undersigned initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
Louis FUN COMPANY www.louis.de
has been acquired by
BERKSHIRE HATHAWAY
The undersigned acted as an advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES
Securities transacted through Silver Oak Securities, Inc.

This announcement appears as a matter of record only
CERVA
Czech Republic
has acquired
GROUP TB TOMÁS BODERO GROUP
Spain
CFA Dublin initiated and acted as advisor to the buyer in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
South Coast Sales division of SASTA Hardware Specialists
Ireland
has been acquired by
BASTA Performance | Quality | Precision
Ireland
CFAW Dublin initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
CyberMetrix
has been acquired by
SGS (SGSN)
The undersigned initiated and acted as financial advisor in the transaction
CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only
TRIO SUPPLY COMPANY
has been acquired by
Office DEPOT
The undersigned initiated the transaction and acted as the exclusive investment banker to the seller
CORPORATE FINANCE ASSOCIATES
Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only
CORAL SPRINGS ANIMAL HOSPITAL
has been acquired by
encore VET GROUP
The undersigned initiated the transaction and acted as the exclusive investment banker to the seller
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
creamedix BIOLAB
Germany
has been acquired by
WESTLAKE PARTNERS
China
CFA Zurich initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
FAICHI
Sunnyvale, California
has been acquired by
SAKSOFT your digital transformation partner
Pune, India and Jersey City, New Jersey
The undersigned initiated and acted as exclusive investment banker to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
D'Gari
Grupo Dgari
has been acquired by
Dr.Oetker
The undersigned initiated and acted as exclusive financial advisor to the shareholders of Grupo D'Gari in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
tyco
Exclusive financial advisor to Earth Tech México, S.A. de C.V., a TYCO subsidiary, in connection with the refinancing of long term debt with a USD$100,000,00.00 loan facility for the Caderayta, Madero, Minatitlan and Tula Pemex refineries water treatment plants.
PEMEX
A member of the Financial Services Industry Practice Group was the exclusive advisor to Earth Tech México S.A. in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
BURGER KING
Restaurants Sudamerica,LC
exclusive operators of Burger King in Argentina and Chile
Exclusive financial advisor to ALSEA in connection with the Acquisition of Restaurants Sudamericana, L.C., the exclusive operator of the Burger King® brand in Argentina and Chile, from Quad-C Management, L.L.C. ("Quad-C") a leading US private equity group.
ALSEA
Alsea
A member of the Food & Beverage Industry Practice Group acted as exclusive financial advisor to Alsea
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
HeadFirst
has acquired
STERKSEN
Equity Backed By KARTESIA
Legal Advisor NORBRUIS CLEMENT ADVOCATEN
CFAW Amsterdam initiated and acted as advisor to the buyer in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
MÉDI PRODUCTIONS
France
has been acquired by
Carus ANIMAL HEALTH
a division of
KS Kyoritsu Seiyaku Corporation
United Kingdom/Japan
The undersigned was the exclusive 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
MINT ARCHITECTURE
Switzerland
has been acquired by
ATP architekten ingenieure
Austria
CFA Zurich initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
AMT APPLIED MEDICAL TECHNOLOGY
United Kingdom
has been acquired by
CANE MEDICAL TECHNOLOGY
Italy
The undersigned initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
CERQUISA
Spain
has been acquired by
UPL United Phosphorus Limited
United Kingdom
CFAW London initiated and acted as advisor to the seller in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
SPEAR Contract Logistics
has been acquired by
FM LOGISTIC
The undersigned acted as financial advisor in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

This announcement appears as a matter of record only
exult
has been acquired by
NewGen KnowledgeWorks
The undersigned initiated and acted as advisor in the transaction
CORPORATE FINANCE ASSOCIATES Since 1956

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
- Chemicals and Plastics
- 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

ARMOR

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

cfa WORLDWIDE | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

PVS
chemistry for daily life™
Detroit, Michigan

has acquired

Sackett Waconia
Baltimore, Maryland and Waconia, Minnesota

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

cfa WORLDWIDE | 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

GROTE
Columbus, Ohio

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

cfa | CORPORATE FINANCE ASSOCIATES
Securities transacted through Silver Oak Securities, Inc.
Silver Oak Securities, Inc. and Corporate Finance Associates are unrelated entities.

This announcement appears as a matter of record only

HANNECARD
YOUR ROLLER EXPERT
Ronse, Belgium

has acquired

ASB
ASB INDUSTRIES
Barberton, Ohio

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

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

This announcement appears as a matter of record only

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

cfa | 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

ZIEGLER ABRASIVE SOLUTIONS and Diamant Weber

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

cfa WORLDWIDE | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

Hemco
ramping up safety

has been acquired by

BGRS Inc

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

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

This announcement appears as a matter of record only

RPC
ROCKFORD PROCESS CONTROL, LLC

has been acquired by

MF
Modern Forge Companies, LLC

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

American Whistle Corporation

has been acquired by

EC ENGINEERED CAPITAL, LLC
Engineered Capital, LLC

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

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

This announcement appears as a matter of record only

PRECISION MACHINE, INC.

has been acquired by

Xtek

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

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

Recent Industry Transactions

This announcement appears as a matter of record only

Challenger Component Services

has been acquired by

Bolts & Nuts — Connecting Products to Knowledge

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

PPI Precision, Inc.
Pella, Iowa

has acquired

Meyer Industries, Inc.
San Antonio, Texas

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

Great Lakes Fasteners
Global Supply · Local Service

has been acquired by

AIS All Integrated Solutions

a portfolio company of

highroad Capital Partners

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

SYRO Switzerland Since 1878
Switzerland

has been acquired by

Elkuch Group
Switzerland

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

cfa Worldwide Corporate Finance Associates

Since 1956

This announcement appears as a matter of record only

StrongBox

has been acquired by

MM Industries

Integra Enclosures · All-Flo Pump Co.

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

Echelon Capital

has acquired the assets of

Lyon Workspace Products

The undersigned initiated and acted as financial advisor in the transaction

cfa Corporate Finance Associates

Since 1956

This announcement appears as a matter of record only

Carr Metal Products Group

Has Been Acquired By

Precimed

The undersigned initiated and acted as advisor in the transaction

cfa Corporate Finance Associates

Since 1956

This announcement appears as a matter of record only

Double L Group Ltd.

has been acquired by

Benford Capital Partners, LLC

and

Hopkins & Rhodes LLC

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

acme finishing co. inc.

has been acquired by

Acuity Capital Partners, LLC

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

ALM Materials Handling

has been acquired by

Hawk Technology Ltd.

a portfolio company of

Highline Equity · Broadgate Capital

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

cfa Corporate Finance Associates

Since 1956

Recent Industry Transactions

This announcement appears as a matter of record only

ALLIED WELDING, INC.

has obtained financing from

SUMMITFR
WORKING CAPITAL THAT WORKS

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

Nuveau Designs, LTD

has been acquired by

Gary M. Day, Inc.

The undersigned initiated and acted as advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

James E. Baker and Associates, LLC

has obtained permanent financing from

WELLS FARGO

Wells Fargo Bank

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

TAG-BARTON, LLC
Troy, Michigan

has acquired a majority interest in

BARTON Manufacturing
Decatur, Illinois

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

cfa | CORPORATE FINANCE ASSOCIATES

This announcement appears as a matter of record only

AURELIUS
Germany

has acquired

KRESTA industries
KWE
Germany

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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

exocor

has been acquired by

SAUGATUCK CAPITAL
A PRIVATE INVESTMENT FIRM

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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

MesaLabs
(MLAB: NASDAQ)
Nusonics Division

has been acquired by

Systems Integrators L.L.C.

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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

PRECISION QUINCY

Precision Quincy, Corp.

has been acquired by

Austin-Westran

Austin-Westran LLC

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

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

This announcement appears as a matter of record only

Southern Imperial, Inc.

has acquired

The Product Protection System (PPS) product line from

nbs

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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956

This announcement appears as a matter of record only

medalist laserfab, inc

Medalist Laserfab, Inc.

has been acquired by

DMP Defiance Metal Products

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

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

cfa | CORPORATE FINANCE ASSOCIATES
Since 1956