



METALS & STEEL INDUSTRY UPDATE

INDUSTRY OVERVIEW AND RECENT M&A ACTIVITY

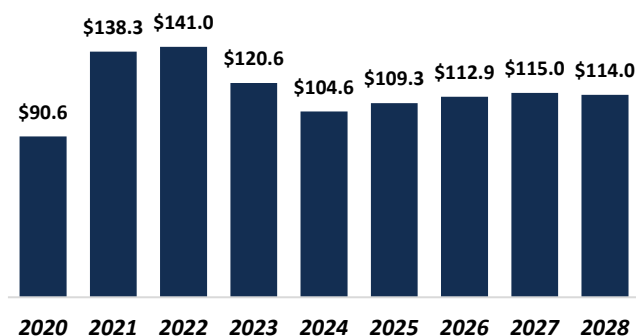
1H 2026



INDUSTRY OVERVIEW

- The Metals & Steel Industry encompasses companies that convert ores and recycled scrap into steel and ferroalloys to manufacture basic steel products for a range of end markets.
- Producers operate integrated and mini-mill facilities using blast furnaces, basic oxygen furnaces, and electric arc furnaces to produce raw steel and a range of semi-finished and finished products such as sheets, plates, bars, wire, pipes, and tubes.
- The industry is a foundation within the US economy growing at a modest rate, with pressures resulting from volatile commodity prices and fluctuating demand from automotive and construction industries.

METAL & STEEL INDUSTRY SIZE (\$ IN BILLIONS)



KEY INDUSTRY DEMAND TRENDS

Construction demand is driven by economic growth, infrastructure investment, and urbanization trends



Growing non-residential construction has benefited the market through 2025, a dynamic that is expected to continue into 2026, offset in part by lower residential construction. Government spending on initiatives like the Infrastructure and Investment and Jobs Act, National Highway Performance Program, and the Transportation Block Grant Program, continually play a crucial role in steel demand.

Automotive demand fluctuates based on consumer preferences, technological advancements, and economic conditions



The automotive industry is a major consumer of steel, using it for body panels, chassis components and various other parts. As vehicle production volumes change, so does demand for automotive-grade steel. Factors like consumer confidence, fuel prices and interest rates significantly influence car sales and, consequently, steel demand.

Demand from the energy sector fluctuates with energy prices and infrastructure development



Demand in the energy sector is closely tied to energy prices and infrastructure development. During periods of high energy prices, increased exploration and production activities boost steel demand. Additionally, the shift towards renewable energy is reshaping steel demand in this sector, as wind turbines, solar panel supports, and hydroelectric installations require large amounts of steel.

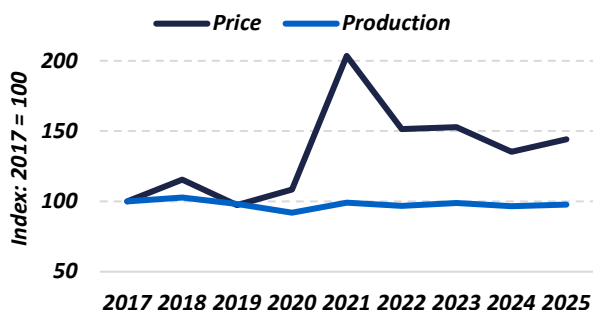
Defense demand is driven by national security priorities, government spending, and geopolitical tensions



National security priorities and defense budgets directly influence the demand for steel in this sector. Geopolitical tensions and global security concerns can lead to sudden spikes in defense-related steel demand. Increases in military spending for defense-related projects are often tied to long-term contracts and procurement cycles, which affect the stability of steel demand in this sector.

STEEL PRICING AND PRODUCTION INDICES

- In recent years, price volatility has been influenced by factors such as growing demand from developing economies, supply chain disruptions still prevalent in the wake of COVID-19, and increased defense-related demand amidst geopolitical tension.
- Tariffs of up to 50% imposed on steel and aluminum imported into the U.S. allow domestic producers to gain market share, concurrently raising prices in the steel and aluminum markets.



2026 INDUSTRY LEADERSHIP OUTLOOK

- "We expect domestic steel demand to be slightly up relative to 2025... imported steel [to be] lower... in 2026."
— Leon Toplian, Nucor (NYSE: NUE) CEO
- "We are seeing an improved flat-rolled steel market environment, supported by domestic trade actions, manufacturing onshoring, infrastructure program funding, lower interest rates, and the increasing regionalization of supply chains in the U.S."
— Mark Millet, Steel Dynamics (NYSE: STLD) CEO
- "North American steel product metal margins continued to expand steadily... setting the stage for us to generate strong margins in 2026,"
— Peter Matt, Commercial Metals (NYSE: CMC) CEO

NUCOR

Steel Dynamics, Inc.

CMC

METALS & STEEL MANUFACTURING MARKET MAP

DISTRIBUTORS & STEEL SERVICE CENTERS



RECYCLING & RECLAMATION



SPECIALTY METAL PRODUCERS



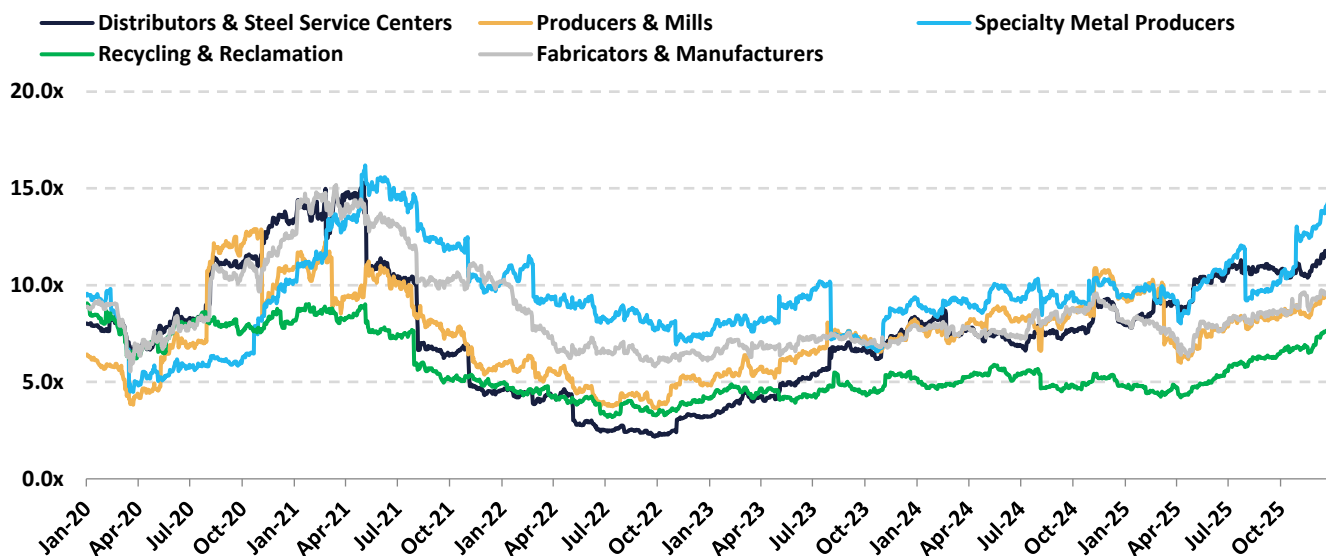
PRODUCERS & MILLS



FABRICATORS & MANUFACTURERS



PUBLIC COMPARABLE TRADING ANALYSIS – DAILY EV / LTM EBITDA



MAJOR PENDING M&A ACTIVITY

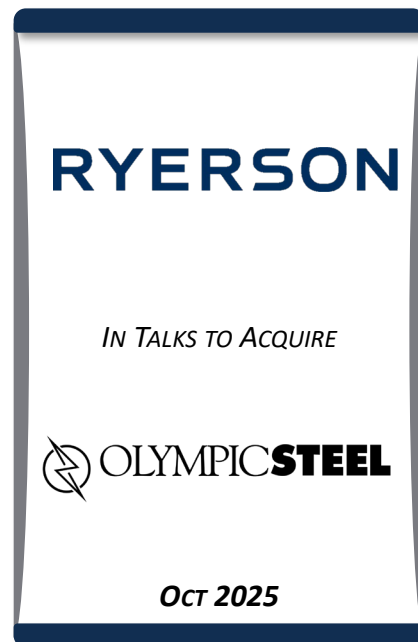
Q4 2025 delivered groundbreaking news in the steel industry, with two of the largest service centers in the industry announcing mergers with two of the other top 10 players.

SELECT TRANSACTION ACTIVITY – RYERSON TO ACQUIRE OLYMPIC STEEL

- In October 2025, Ryerson (NYS: RYI) has announced plans to acquire Olympic Steel, a major consolidation which would create the second-largest North American metals service center. The transaction is contemplated as an all-stock deal, focusing on complementary footprints and networks. The companies project that the merger will generate approximately \$120M in annual synergies by the end of year two via procurement scale, efficiency gains, commercial enhancement, and network optimization. The merger results in 2024 combined pro forma revenue of \$6.5B.
- This acquisition supports Ryerson's strategic plan to expand scale and density across North American metals service centers and deepen its value-added processing network. The acquisition strengthens Ryerson's processing proposition and expands the Company's ability to win large, multi-site programs through broader product availability and geographic reach. Ryerson carries a full line of products in stainless steel, aluminum, carbon steel, and alloy steels. A majority of its revenue is generated in the United States.

ABOUT OLYMPIC STEEL

- Olympic Steel Inc. (NAS: ZEUS) provides metals processing and distribution services across the United States. The company operates across three segments: specialty metals flat products, carbon flat products, and tubular and pipe products. Olympic Steel specializes in the processing and distribution of large volumes of various steel products. The Company's end markets include industrial machinery, equipment manufacturers, automobile manufacturers, and transportation equipment manufacturers. The Company reached a definitive agreement to be acquired by Ryerson (NYS:RYI) for an undisclosed amount on October 28, 2025.



SELECT TRANSACTION ACTIVITY – WORTHINGTON STEEL TO ACQUIRE KLÖCKNER & CO

- In December 2025, Worthington Steel (NYS: WS) announced negotiations for a public takeover of German distributor Klöckner & Co, demonstrating its strategy for cross-border expansion. The offer price was €11.00 per share with an implied enterprise value of €2.1B. Worthington positions itself as the second-largest steel service center in North America with over \$9.0B in combined revenue along with broader offerings and geographic diversification across North America and Europe. Klöckner brings a large footprint of 100+ locations across North America and Europe and product capabilities including carbon flat-roll, electrical steel, aluminum, stainless, and long products.
- This deal advances Worthington's strategy to scale its flat-rolled processing and distribution platform as well as grow its global footprint. The Company noted a more diversified metals value chain across North America and Europe as a key component in the deal. The Company has manufacturing facilities across the United States, Canada, China, India, Germany, and Mexico. Worthington's product line includes carbon flat-rolled steel processing, electrical steel laminations, and tailor welding products. A majority of the Company's revenue is generated from the United States.

ABOUT KLÖCKNER & CO

- Klöckner & Co (ETR: KCO) is a German-based steel and metal distributor, as well as an operator of steel service centers. The Company acts as a connecting link between steel producers and consumers, offering end-to-end solutions for its customers for services from logistics to pre-fabrication. Klöckner's end-markets include construction, consumer goods, metal transforming, transportation, machinery manufacturing, mechanical engineering, and others.



SELECT M&A ACTIVITY – 2025

Date	Target	Acquirer	Subsector	Enterprise Value	EV/EBITDA
Dec-25	Klöckner & Co	Worthington Steel	D&SC	\$2400M	8.5x
Dec-25	Heidtman Steel Products Facility	Promet Steel Inc.	D&SC	-	-
Nov-25	Industrial Material Corporation	Triple-S Steel	D&SC	-	-
Nov-25	Technique, Inc	Angeles Equity Partners	F&M	-	-
Oct-25	Olympic Steel	Ryerson	D&SC	\$792M	-
Oct-25	Harvey Vogel Manufacturing Co.	Westbourne Capital Partners	F&M	-	-
Sep-25	Sick Scrap Recycling	Southeast Recycling Group	R&R	-	-
Sep-25	Custom Tube Products	Lion Equity Partners	F&M	-	-
Sep-25	Metal Sales Manufacturing Corp.	Cornerstone Building Brands Inc.	F&M	-	-
Sep-25	Century Metals & Supplies	Friedman Industries	D&SC	-	-
Sep-25	United Titanium Inc.	Riverspan Partners	F&M	-	-
Aug-25	Flame Aggregator LLC	SunCoke Energy Inc.	P&M	\$325M	5.3x
Aug-25	SMS Mill Services LLC	FalconPoint Capital Partners LLC	P&M	-	-
Aug-25	CAI Custom Alloys	EverMetal Holdings	R&R	-	-
Aug-25	New Process Steel	Steel Dynamics	D&SC	-	-
Aug-25	Fieldcrest Steel Corporation	Pennsylvania Steel Company	D&SC	-	-
Aug-25	Rochester Iron & Metal Inc.	Lewis Salvage Corp.	R&R	-	-
Aug-25	APA Solar, LLC	AP Alternatives, LLC	F&M	\$210M	8.4x
Jul-25	EVRAZ North America Inc.	Atlas Holdings	P&M	-	-
Jul-25	Hussey Copper	International Wire Group Inc.	D&SC	-	-
Jul-25	Radius Recycling, Inc.	Toyota Tsusho America	R&R	\$1340M	10.7x
Jul-25	Hudson Technologies Inc.	PrecisionX Group LLC	F&M	-	-
Jul-25	Accu-Fab LLC	Mayville Engineering Co. Inc.	F&M	\$141M	10.0x
Jul-25	Ameriforge - MFC-Sealy	Newman Flange & Fitting Co.	F&M	-	-
Jun-25	United States Steel Corp.	Nippon Steel North America	P&M	\$14,861M	6.8x
Jun-25	American Stainless Tubing Inc.	First Tube LLC	F&M	\$16M	-
Jun-25	Regen Aluminum	Fagor Ederland Group	P&M	-	-
Jun-25	AM/NS Calvert ¹	Arcelor Mittal ¹	P&M	\$28,000M	-
May-25	Paulo Products Co.	Aalberts N.V.	D&SC	-	-
May-25	Steel Etc.	Pacific Steel & Recycling	R&R	-	-
May-25	Clad Metal Specialties	Prince & Izant	D&SC	-	-
May-25	Ferralloy	EQI	F&M	-	-
Apr-25	Pioneer Steel Corp.	BICO Steel	D&SC	-	-
Apr-25	Fibrebond Corp.	Eaton Corp. PLC	F&M	-	-
Feb-25	Basmat Inc.	Standex International Corp.	F&M	-	-
Jan-25	Universal Stainless & Alloy Products Inc.	Aperam S.A.	P&M	\$537M	9.1x
Jan-25	State Steel Supply Co.	SPS Companies Inc.	D&SC	-	-
Jan-25	Straub Metal International Inc.	Norfolk Iron & Metal Co.	D&SC	-	-

D&SC = Distribution & Service Centers; F&M = Fabricators & Manufacturers; R&R = Recycling & Reclamation; SMP = Specialty Metal Producers; P&M = Producers & Mills

¹Secondaries transaction in which Arcelor Mittal buys out Nippon Steel, 50% stake

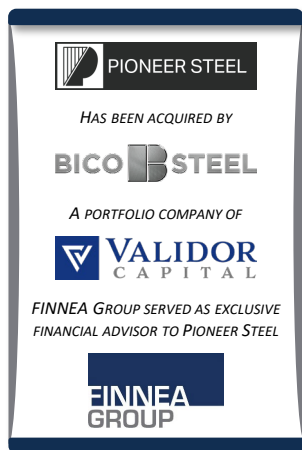
Source: S&P Capital IQ, Pitchbook, and FINNEA Group Proprietary data; excludes extraordinary data

FINNEA GROUP OVERVIEW

FINNEA is a premier, boutique investment banking and financial advisory firm that provides M&A and capital advisory services to middle-market companies across a broad range of industries. FINNEA's team has an extensive track record of successfully managing, negotiating, structuring, and closing transactions that achieve the objectives of clients. Built on strong principles, FINNEA is focused on serving privately-held, publicly-traded, and private equity-backed companies, providing clients with unique and customized solutions. FINNEA has a highly experienced team and a network of financial and industry executives to achieve and exceed clients' objectives.

For additional information, visit: www.finneagroup.com

SELECT RECENT FIRM EXPERIENCE IN THE METALS & STEEL INDUSTRY



FINNEA TEAM ACTIVE IN INDUSTRY



Josh Shaw
Director
jshaw@finneagroup.com
248.792.3117



Jim Klunk
Sr. Managing Director
jklunk@finneagroup.com
248.792.3103



Isaac Rop
Associate
iro@finneagroup.com
616.881.1610



Chicago, Illinois

400 N. Michigan Ave
Chicago, Illinois 60611
① 312.445.6325



Birmingham, Michigan

34977 Woodward Ave, Suite 210
Birmingham, Michigan 48009
① 248.792.3000



Grand Rapids, Michigan

146 Monroe Center NW, Suite 640
Grand Rapids, MI 49503
① 616.649.2505



Nashville, Tennessee

4900 Centennial Blvd, Suite 300
Nashville, TN 37209
① 615.761.9928