Metals and Metals Processing

Spotlight On:

Service Centers
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Service centers are navigating a challenging operating environment as softening steel demand and price volatility exert pressure on margins. Consolidation is continuing as operators look to build scale and expand downstream into higher margin fabrication capabilities.

Perspective
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Bill Bresnahan, Lead Director of Hynes Industries, shares insights on the challenges and opportunities, consolidation trends, and changing competitive landscape for service centers.

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Insider

The BGL Metals Insider is published by Brown Gibbons Lang & Company, a leading independent investment bank serving middle market companies throughout the U.S. and internationally.

M&A Activity

- Q1 '13 brought expected softness in the M&A market as sellers timed exits in advance of anticipated tax changes, pulling more deal flow into 2012. Deal activity for the first half of 2013 is proving to be light, despite a favorable transaction environment, with middle market[(1)] M&A volume through May 2013, based on number of announced transactions, down roughly 17 percent from the comparable period a year ago.

- There is no shortage of buyers or lenders in today's market, and with excess capital chasing scarce deal flow, valuations are rising. Standard & Poors Leveraged Commentary & Data (S&P LCD) reported median EBITDA multiples for strategic and financial buyers of 7.2x and 8.0x, respectively, in May 2013.

- A dearth of M&A financing carrying into Q2 '13 has lenders aggressively pursuing high quality deals, which is reflected in higher leverage and loosening terms in transaction structures. S&P LCD reported senior and total leverage multiples of 4.2x and 4.8x, respectively, in May 2013, the highest levels since the peak of the market in 2007. Spreads on asset based and cash flow senior financing are tightening under fierce competition in the marketplace.

- Service centers saw a major transaction announcement in Q1 '13 with the acquisition of Metals USA by Reliance Steel & Aluminum. The $1.2 billion transaction marks the largest acquisition in Reliance's history. With the acquisition, Reliance boosted revenue by nearly 25 percent bringing combined revenues in excess of $10 billion. In a still highly fragmented industry, consolidation is continuing as service centers look to gain access to high margin end markets and downstream value-added manufacturing capabilities.

Industry Valuations

- Broad market indices have faltered in recent weeks after reaching record highs in May, with the S&P and DJIA up 10 and 11 percent, respectively, through the year-to-date* period. Concerns over the global economy and the Fed's signal on curbing stimulus measures sent stocks falling sharply. As a group, Metals stocks have underperformed the market during the same period on weaker than expected demand and pricing. Fabricators have outperformed the metals subsectors with the BGL composite index up 17 percent year-to-date* and 39 percent year-over-year.

**As of June 28, 2013.*

(1) Middle market defined as enterprise values between $25 million and $500 million.

Operating Highlights

- Pricing and demand uncertainty resulted in an uncharacteristically weak first quarter with public companies reporting earnings misses.
- Steel buyers remain cautious with softening demand seen across some domestic metals end markets. Residential construction is seeing signs of improvement on positive housing market trends. Non-residential construction continues to lag, with market participants expecting slow but more visible improvement beginning in 2014.
- Domestic steel prices remain weak with margin pressure felt across the steel supply chain. HRC prices through May 2013 have averaged $615/ton, 11 percent below 2012. The steepest declines have been seen in steel plate, down 21 percent year-over-year through April, and stainless, down 20 percent. Global oversupply is expected to keep downward pressure on pricing.
- Year-to-date steel production through June* was 46.0 million tons, down 6.2 percent from the same period a year ago, at a capability utilization of 76.8 percent (down from 78.8 percent). May service center inventories were reported at 8.0 million tons, a 3.4 percent decrease from April. Monthly shipments were up .8 percent to 3.7 million tons in May, with months supply on hand decreasing to 2.2 from 2.3.

**As of June 22, 2013.*

For more information on how BGL's Global Metals Practice can assist your company, please contact:

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Delivering Solutions to the Global Middle Market

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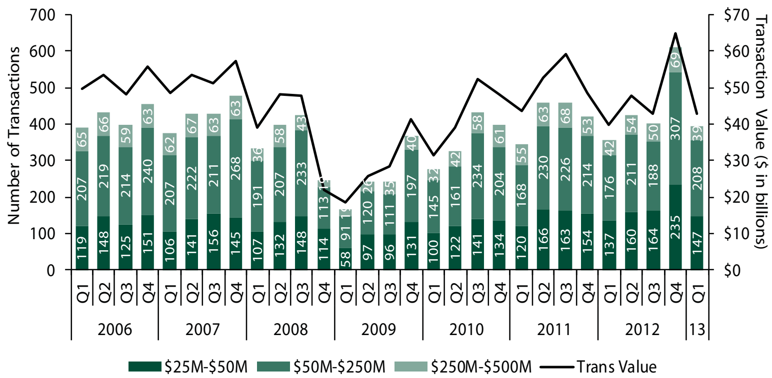
Mergers & Acquisitions
Overall M&A Activity

Mergers & Acquisitions Activity

Middle Market M&A Activity

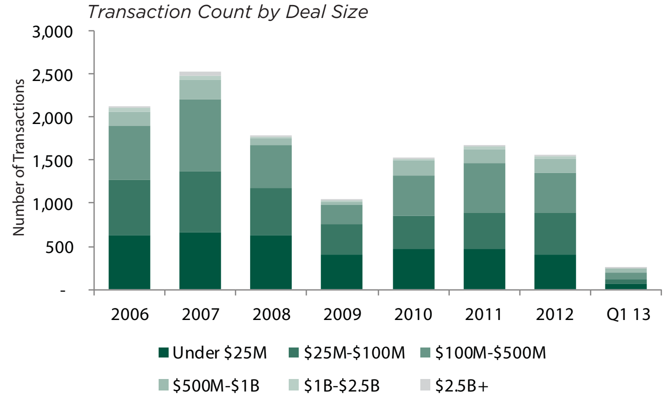


Based on announced deals, where the primary location of the target is in the United States. Middle market enterprise values between $25 million and $500 million.

Source: S&P Capital IQ.

Private Equity Transaction Activity

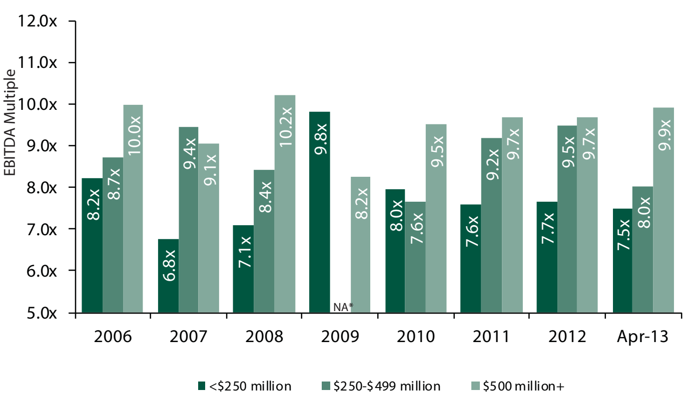
Transaction Count by Deal Size



Source: PitchBook.

Trends in Valuation

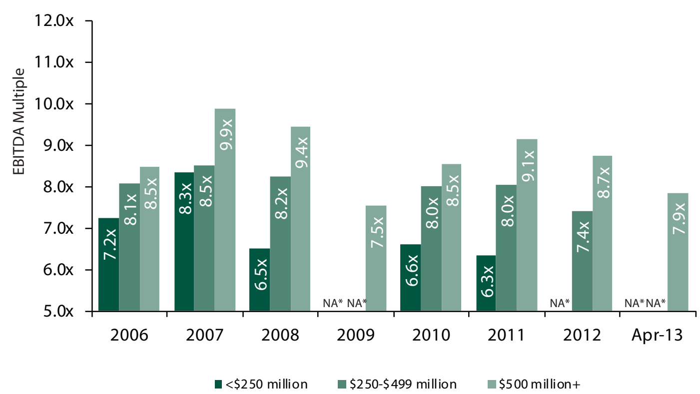
Transactions with Strategic Buyers



**NOTE: Data not reported due to limited number of observations for period.*

Source: Standard & Poors LCD.

Transactions with Financial Buyers

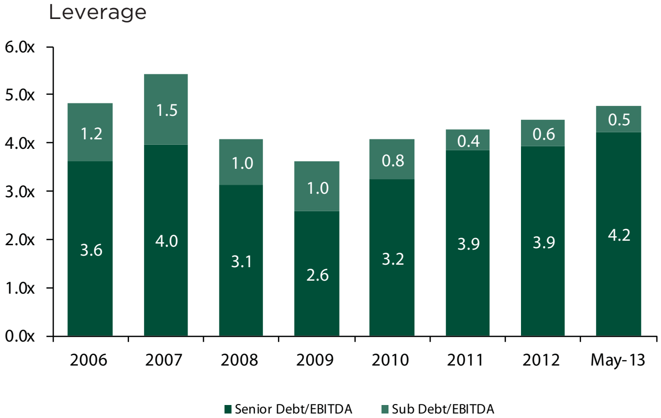


**NOTE: Data not reported due to limited number of observations for period.*

Source: Standard & Poors LCD.

Acquisition Financing Trends

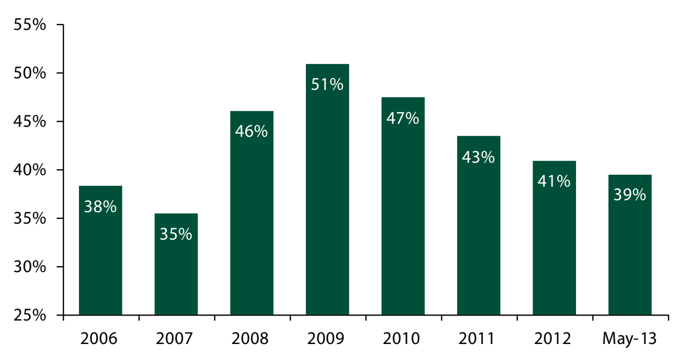
Leverage



Middle market enterprise values between $25 million and $500 million.

Source: Standard & Poors LCD.

Equity Contribution



Middle market enterprise values between $25 million and $500 million.

Source: Standard & Poors LCD.

Notable M&A Activity in Service Centers

SERVICE CENTERS

Reliance Steel & Aluminum Co. acquisition of Metals USA Holdings Corp.
In April 2013, **Reliance Steel & Aluminum Co.** (RS) completed the acquisition of **Metals USA Holdings Corp.** (MUSA). Founded in 1996 and headquartered in Fort Lauderdale, Florida, MUSA processes carbon steel, stainless steel, aluminum, red metals, and manufactured metal components from 48 service centers in the United States and Canada. With the acquisition, Reliance boosted revenue by almost 25 percent to top $10 billion, solidifying its position as the largest service center in North America. The $1.2 billion purchase price consisted of $769 million in cash, $10 million in warrants, and debt assumption of $436 million. Transaction Multiples: .6x Revenue and 8.5x EBITDA

Apollo Global Management, LLC (APO) led the investor group that took MUSA private in 2005. MUSA was taken public again in an IPO in 2010 and completed a secondary offering in 2012, with Apollo retaining a 57.8 percent equity interest in the company. MUSA completed a total of eight acquisitions since 2005.

Samuel, Son & Co., Limited acquisition of Wilkinson Steel and Metals Inc.
In April 2013, **Samuel, Son & Co., Limited** acquired the assets of **Wilkinson Steel & Metals Inc.** Founded in 1910 and based in Vancouver, British Columbia, Wilkinson is a full line service center serving the oil and gas, agriculture, mining, forestry, construction, transportation, marine, and HVAC industries from 10 locations across British Columbia, Alberta, and Saskatchewan. The acquisition will increase Samuel's presence in Western Canada, adding a new line of bars and structurals to its current product line and strengthen its market position in carbon plate and carbon flat rolled. Post-acquisition, the company will operate as an independent division of Samuel. The transaction represents an exit for an investor group led by Nova Capital Management which acquired the company from Amalgamated Metal in a corporate divestiture in August 2011.

The transaction follows the December acquisition of **Frontier Steel Company, Inc.** Founded in 1999 and based in Neville Island, Pennsylvania, Frontier is a value-added processor of carbon plate and alloy plate serving customers in the heavy equipment, energy, transportation, defense, and construction industries. The company operates from a 125,000-square-foot warehouse on the Ohio River. The acquisition will expand Samuel's presence in the U.S. market.

INTEGRATED/MILLS

Optima Specialty Steel, Inc. acquisition of KES Holdings, LLC
In February 2013, **Optima Specialty Steel, Inc.** completed the acquisition of **KES Holdings, LLC** (dba Kentucky Electric Steel) (KES) from ALJ Regional Holdings, Inc. (OTCPK:ALJJ) in a $112.5 million transaction. KES is a value-added manufacturer of special bar quality (SBQ) and merchant bar quality (MBQ) flat steel products. Prior to the acquisition, KES had been a regular supplier to Optima. Miami, Florida-based Optima Specialty Steel manufactures engineered cold finished steel bars and cold drawn seamless pressure and mechanical tubes through its two wholly owned subsidiaries Niagara LaSalle Corporation and Michigan Seamless Tube, LLC.

SCRAP

Sadoff Iron & Metal Company, Inc. acquisition of Aluminum Resources, Inc.
In March 2013, Nebraska-based **Sadoff Iron & Metal Company, Inc.** announced the acquisition of **Aluminum Resources, Inc.**, a processor and supplier of foundry and mill grade recycled aluminum products. The acquisition will provide complementary activities to Sadoff's current aluminum and non-ferrous recycling business while adding access to smaller niche markets.

Universal Scrap Metals purchase of USM Alumacycle, LLC
In February 2013, **Universal Scrap Metals, Inc.** acquired **USM Alumacycle, LLC** from the **Anheuser-Busch Recycling Corporation**. The investment includes recycling assets and equipment in Kentucky used to prepare used beverage containers for processing at aluminum smelting facilities. The facility has the capacity to shred, sort, and process up to five million pounds of aluminum per month and is in close proximity to several of North America's aluminum sheet mills.

SOURCE: S&P Capital IQ, PitchBook, Equity Research, Company Filings, and public data.

Notable M&A Activity in Scrap and Fabricators

SCRAP (cont.)

Gerdau Ameristeel Corporation purchase of Cycle Systems, Inc.

In February 2013, **Gerdau Ameristeel Corporation** announced the acquisition of certain assets of **Cycle Systems, Inc.**, expanding its presence in the mid-Atlantic region. The Roanoke, Virginia-based company provides recycling services to industrial, corporate, municipal, and private customers throughout Virginia. The company recycles ferrous and non-ferrous metals including copper, brass, aluminum, stainless steel, tin and aluminum cans, and automobile metals, as well as paper and plastics. Cycle Systems also provides industrial demolition and dismantling services. The company has nine locations throughout central and western Virginia, including a shredder and several feed yards. In 2011, Cycle Systems processed nearly 185,000 tons of materials.

Audax Group, Inc. acquisition of Thalheimer Brothers, Inc.

In December 2012, private equity firm **Audax Group** acquired **Thalheimer Brothers, Inc.** through a recapitalization. Founded in 1939, Philadelphia, Pennsylvania-based Thalheimer processes brass, copper, nickel alloy, and stainless steel scrap for foundry, refinery, and mill customers. By processing mixed loads of alloyed and non-alloyed scrap, the company is able to produce complex blends with the specific chemical properties its customers require. Financing for the transaction was provided by Wells Fargo Capital Finance, Audax Senior Debt, and LBC Capital.

FABRICATORS

TransDigm Group Incorporated acquisition of Arkwin Industries, Inc.

In May 2013, **TransDigm Group Incorporated** (NYSE:TDG) announced it was acquiring **Arkwin Industries, Inc.**, a Westbury, New York-based manufacturer of hydraulic and fuel system components for commercial and military aircraft, helicopters, and other specialty applications. Arkwin is TransDigm's second acquisition this year, following Aerosonic Corp. (AIM) in April, based in Clearwater, Florida, a manufacturer of proprietary air data sensing, test, and display components for use primarily in the business jet, helicopter, and military markets whose major customers include the U.S. Government and Boeing. Both transactions were completed in June.

Elgin Fasteners acquisitions of BMF and Telefast Industries

Elgin Fasteners completed the acquisitions of **BMF** in April 2013 and **Telefast Industries** in March 2013. Las Vegas, Nevada-based **BMF**, also known as **Vegas Fastener Manufacturing**, is a leading domestic manufacturer of specialty fasteners whose products include fasteners, bolts, nuts, studs, and socket caps. The company also provides hot-forging of high-temperature and corrosion-resistant alloys, such as titanium, monel, hastelloy, and inconel. BMF serves diverse industries including the power generation, marine and transportation, diesel engine, food processing, power turbine, and general industrial markets, among others.

Founded in 1986 and based in Berea, Ohio, **Telefast Industries** manufactures standard and specialty cold formed fasteners, specializing in inch and metric fasteners. Products include internally and externally threaded products, finished hex nuts, heavy hex nuts, heat treatment, thread rolling and cold heading. The company serves the automotive, construction, agriculture, government, aftermarket/MRO, and distribution industries.

Elgin Fasteners is a portfolio company of **Audax Group**, which it acquired in a corporate divestiture from Elgin National Industries in 2011. Audax has completed four add-on acquisitions since establishing the platform.

Handy & Harman Ltd. acquisition of Wolverine Joining Technologies LLC

In April 2013, **Lucas-Milhaupt, Inc.**, an indirect wholly owned subsidiary of **Handy & Harman Ltd.** (NasdaqCM:HNH), acquired the assets of **Wolverine Joining Technologies LLC** (WJT), a wholly owned subsidiary of **Wolverine Tube Inc.** Founded in 1955 and headquartered Warwick, Rhode Island, WJT manufactures a variety of silver and copper-based brazing and soldering filler metals and fluxes. The company operates from 100,000 square feet of manufacturing space and employs 150 people. The acquisition provides HNH with a primary domestic mill for brazing consumables and expands its customer base in strategic market sectors. WJT represents the third strategic acquisition by HNH over the past six months. The transaction was valued at $59.9

SOURCE: S&P Capital IQ, PitchBook, Equity Research, Company Filings, and public data.

Notable M&A Activity in Fabricators

FABRICATORS (cont.)

million, comprised of $53.88 million in cash at closing and $5.99 million in earnouts. The acquisition will be financed with cash on hand and borrowings under the company's senior credit facility.

Investor Group acquisition of Bennett Tool & Die
In April 2013, an **investor group** led by **Kansas Venture Capital** acquired **Bennett Tool & Die**, a Nashville-based contract tooling and metal stamping supplier. The company builds metal dies, performs stamping and machining on metal products, and has assembly capabilities. Founded in 1951, Bennett serves the locomotive, electrical, appliance, watercraft, and ATV industries.

Sverica International acquisition of Dexmet Corporation
In March 2013, private investment firm **Sverica International** acquired **Dexmet Corporatio**n. Established in 1942 and based in Wallingford, Connecticut, Dexmet makes precision expanded metals (copper, aluminum, brass, nickel, steel, Monel, and zinc), foils, and polymers with mechanical and electrical properties that meet high conductivity, weight, and dimension tolerances. The company's products are used in the portable power, filtration, aerospace, and automotive industries. Dexmet was a former portfolio company of **MCM Capital Partners** which it acquired in 2006. The sale generated an 8x cash-on-cash return and a 42 percent IRR.

M-D Building Products, Inc. acquires Loxcreen Company, Inc.
In January 2013, **M-D Building Products, Inc.** acquired **Loxcreen Company, Inc.** Founded in 1946 and based in West Columbia, South Carolina, Loxcreen is a producer of aluminum extrusions, plastic extrusions, and other building products. The company's products include aluminum storm doors, screen doors, and commercial window screens as well as foam weatherstrip and components for the door and window market. Loxscreen operates from facilities in Canada, Georgia, Oregon, Texas, Ohio, Missouri, and South Carolina.

M-D Building Products is based in Oklahoma City and was founded in 1920. The company manufactures residential and commercial weatherproofing products, pipe insulation, and caulk marketed under the Tower Sealants and DuPont brands. Combined, the companies employ approximately 800 people at nine manufacturing and distribution facilities in the United States and Canada and generate sales exceeding $200 million annually.

The Watermill Group acquisition of Tenere, Inc.
In December 2012, private equity firm **The Watermill Group** acquired **Tenere, Inc.** The Dresser, Wisconsin-based company fabricates complex metal and plastic components and assemblies for OEMs and contract manufacturers in the enterprise computing, network routers/communications, aerospace/military, medical, and industrial end markets. In a press release announcing the transaction, Watermill stated that Tenere will bring on a new CEO and expects to hire 100 additional employees within the next year. The transaction marks an exit for Stonehenge Partners which provided development capital to Tenere in 2010.

High Street Capital and Centerfield Capital Partners acquisition of Banner Service Corporation
In December 2012, **High Street Capital** and **Centerfield Capital Partners** acquired **Banner Service Corporation**, a producer of carbon steel, stainless steel, aluminum, and brass bars and alloy and titanium-exotic alloys. The company also provides turning, straightening, chamfering, chrome plating, heat treating, and cutting to size services. Founded in 1984 and headquartered in Carol Stream, Illinois, the company operates additional facilities in Charlotte, North Carolina and Strongsville, Ohio. Banner primarily services industrial markets and has a growing presence in the medical sector through its strategic business unit, Banner Medical, which serves the medical device, implant , and instrument industries. The transaction represents an exit for Prism Capital and Alpha Capital Partners which acquired the company in 2003.

SOURCE: S&P Capital IQ, PitchBook, Equity Research, Company Filings, and public data.

Spotlight On:
Service Centers

U.S. service centers are reporting steady growth, with industry revenue reaching $207 billion in 2012—up 6 percent from $196 billion in 2011. The industry continues to recover from the economic downturn, seeing revenue increase sharply in 2010 followed by stable growth—in line with a slowly improving economy. Growth is expected to remain moderate, forecasted at 6 percent annually through 2014, with revenues projected to surpass $235 billion and returning to pre-recession levels.[1]

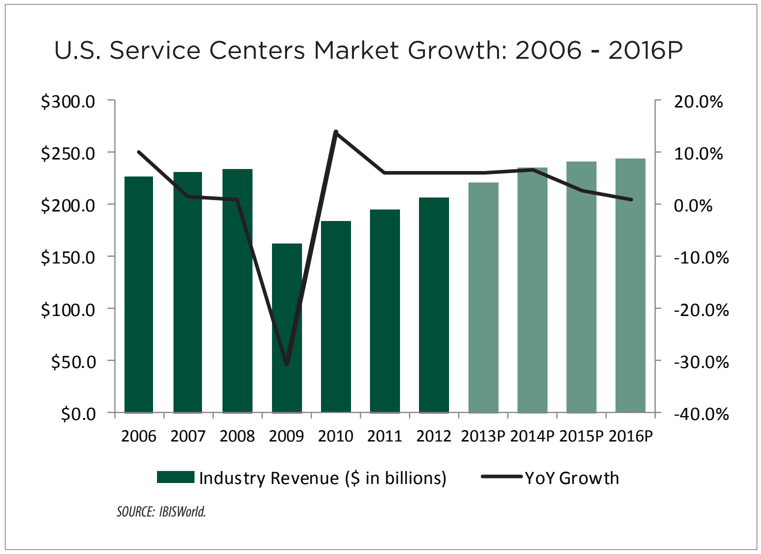
Service centers are navigating a challenging operating environment, with oversupply in the steel market pushing down prices and compressing margins. Steel buyers remain guarded and are keeping inventories lean, with softening demand seen across some metals end markets. The apparent disconnect between the performance of the economy and the equity markets is leading to cautious behavior.

Despite some near-term demand weakness, long-term fundamentals remain positive. Automotive and aerospace are continuing to show strength on healthy build rates, and energy is expected to see sustained growth on expansion of domestic drilling activities. Strong demand in industrial and manufacturing end markets is anticipated, with longer-term benefits of low energy costs and reshoring expected to fuel a resurgence in U.S. manufacturing. Residential construction is beginning to see lift on positive housing market data, and while non-residential continues to lag, it presents the greatest upside potential following what has been a very limited recovery.

Fragmented industry

The service center industry remains highly fragmented, with size, scale, and level of sophistication varied across the landscape of processors. IBISWorld puts the count at more than 7,000 participants, with the five largest players together accounting for less than 10 percent of the market,[1] leaving significant opportunities for further consolidation.

A recent survey by Metal Center News[2] estimates that the 50 largest service centers account for less than 40 percent of the market. The Top 50 reported revenue of $51.6 billion in 2011, a 10 percent increase over 2010, reflective of the continuing recovery of the U.S. economy. The ranks include companies with revenue that ranges from over $8 billion down to $122 million. Fifteen companies reported revenue of $1 billion or more in 2011, according to the survey.



Consolidation continuing

There is no shortage of buyers or lenders for quality transactions in today's market. Despite an anticipated slowdown in the M&A market that appears to be continuing through the first half of 2013, the fundamental drivers for deal making, namely capital availability, eager buyers, and a hot financing market, suggest a market supportive of increased deal flow.

Credit markets wide open

Metals businesses continue to garner interest of asset based lenders, who are attracted to the collateral base and large outstandings of borrowers. Liquidity is flowing to the asset based lending (ABL) market, evidenced by a depth of capital sources, from new market entrants to commercial banks that are aggressively expanding their ABL platforms to specialty lenders, all looking for loan growth and targeting the middle market. Banks are actively looking to generate new assets. According to ABF Journal, the loan-to-deposit ratios of insured commercial banks in the U.S. stood at less than 70 percent as of year-end December 2012, down from more than 90 percent at the same time in 2007.[3]

[1] "Metal Wholesaling in the US," April 2013, IBISWorld.
[2] "MCN Top Service Center Industry Giants," September 2012, Metal Center News.
[3] "ABLs Face Excess Liquidity, Fierce Competition…And It's Not Abating Anytime Soon," May/June 2013, ABF Journal.

Financing appetite is strong. With demand for capital down given a dearth of new M&A financing so far in 2013, excess liquidity is driving a hyper competitive market for quality assets. Borrowers are able to secure higher leverage and more favorable terms.

Strategic buyers stepping up

Strategic buyers have expressed strong interest in pursuing acquisitions, driven by the need to seek growth and synergies through increased scale; product, customer, and geographic diversification; and expansion into high margin, value-added manufacturing capabilities.

The acquisition announcement of Metals USA Holdings Corp. (MUSA) by Reliance Steel & Aluminum Co. (RS) in February 2013 resonated in a relatively quiet M&A market. The $1.2 billion transaction marks the largest acquisition in the company's history and underscores what insiders perceive as a high level of confidence in the outlook for steel demand and the U.S. economy in the coming years.

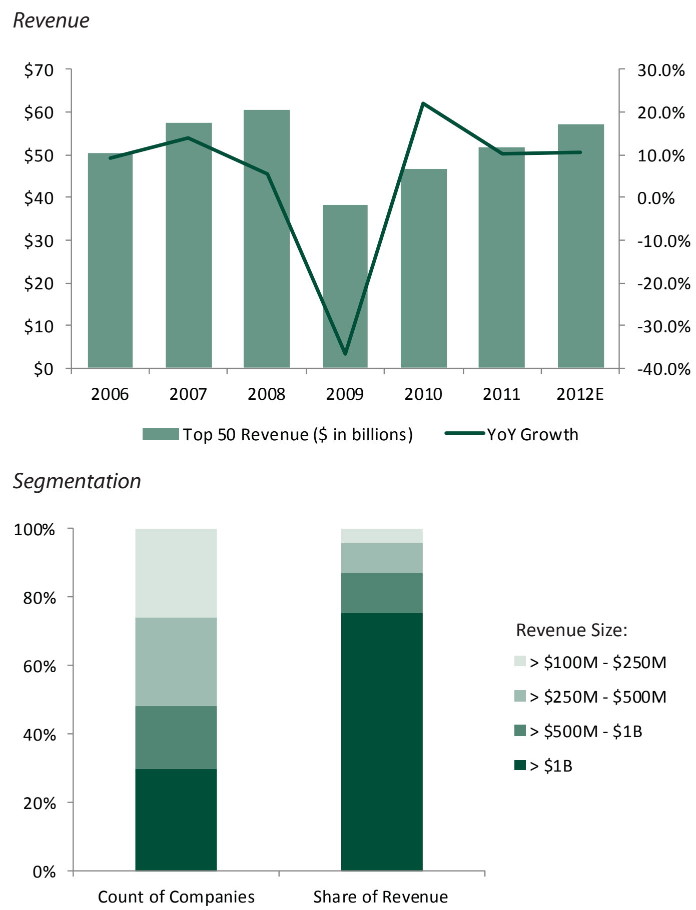
With the acquisition, Reliance increases revenues by nearly 25 percent, gaining market share and further solidifying its position as the largest service center in North America. MUSA brings complementary product lines and geographies with limited overlap, presenting the opportunity to increase penetration into end markets, such as residential construction and automotive, and boost its presence among major OEMs, to which Reliance has less exposure. The company anticipates synergies of $15 to $20 million annually.

Reliance expects its strong balance sheet to, "…provide a solid foundation for…our growth strategies, both organic and through acquisition, which we continue to aggressively pursue," said CEO David Hannah in the company's Q1 '13 earnings call, speaking to ample opportunities available. Reliance has been acquisitive, completing seven buys since January 2012.

Russel Metals Inc. (RUS) has been active on the acquisition front, completing three deals during the last twelve months, including Siemens Laserworks Inc. and Alberta Industrial Metals Ltd. in May 2012, and its largest acquisition to date, Apex Distribution Inc., in August 2012. The transactions mark the first acquisitions for Russel since 2008.

SOURCE: S&P Capital IQ, PitchBook, Equity Research, Company Filings, and public data.

Top 50 Service Centers



SOURCE: Metal Center News.

Apex Distribution is the largest Canadian-owned oilfield supply company in Western Canada. With the acquisition, Russel gains a new sales channel related to oilfield production and greater exposure to growth markets in the United States. While oil and gas is its largest end market, Apex also services the mining, forestry, and food processing industries. The company operates 58 branches throughout Canada and the Southern United States and reported revenue of $500 million in fiscal 2012. Apex has been a strong performer, reportedly posting profit in 2008 and 2009 despite the recession. Russel CEO Brian Hedges views the Apex acquisition as "…the most exciting opportunity we have seen for our shareholders since our acquisitions of JMS Russel Metals in 2007 and Leroux Steel in 2003," according to a press release announcing the transaction.

Spotlight On:
Service Centers

Alberta Industrial Metals is a metals distribution and processing service center located in Alberta, Canada. Siemens Laserworks is a full service custom metal fabricator providing sheet metal components, engineered solutions, and prototypes to customers in the agriculture, energy, industrial, mining, and transportation markets, complementing Russel's growth into value-added processing.

Samuel, Son & Co., Limited picked up Wilkinson Steel & Metals Inc. in April 2013, a full line service center with ten locations in Western Canada and Frontier Steel Company, Inc. in December 2012, expanding its value-added capabilities and U.S. market presence.

While strategic appetite is healthy, buyers remain thoughtful in their approach to acquisitions. Lingering economic uncertainty and the lack of visibility into company performance is impacting buyer and seller expectations of value in M&A transactions, with some viewing the current market as a buying opportunity for well-capitalized players.

Private equity

Private equity capital is abundant, with $348 billion in uninvested capital (~$100 million earmarked for the middle market) reported as of December 2012,[4] and looking to be put to use. Given the high level of industry fragmentation, significant opportunity exists to pursue an acquisition growth strategy, with companies that possess strong management, differentiated capabilities, and solid financial performance in high demand.

Private equity-backed Ryerson Inc., acquired by Platinum Equity in a take private transaction in October 2007, has completed seven bolt-on acquisitions during its ownership, including most recently in February 2012, a 50 percent equity interest in Açofran Aços e Metais, marking its entry into the South American steel market. Açofran specializes in cutting and distributing special, tool, and engineered steel. The company's product line comprises primarily long products, specifically flat and round bar. Platinum Equity purchased a 6 percent stake in A.M. Castle & Co. (NYSE:CAS) in August 2012.

Ryerson acquired Turret Steel, Sunbelt-Turret Steel, and affiliated companies Wilcox Steel and Imperial Logistics in December 2011, a move to expand its product offering in the long products segment. At announcement, the combined companies generated revenues of approximately $130 million.

Summary of Selected M&A Activity in Service Centers

Acquirer	Closed	Target	Enterprise Value ($mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
A. M. Castle & Co. (NYSE:CAS)	Dec-11	Tube Supply Inc.	$165.0	0.8x	3.7x
Klöckner & Co SE (XTRA:KCO)	Apr-11	Macsteel Service Centers USA, Inc.	918.0	0.5x	7.0x
Macsteel Service Centers USA, Inc.	Feb-11	Steel Coil Services, Inc.	-	-	-
Metals USA Holdings Corp.	Mar-12	Gregor Technologies, LLC	17.0	-	-
	Mar-11	The Richardson Trident Company, L.L.C.	90.7	0.6x	-
Olympic Steel Inc. (NasdaqGS:ZEUS)	Jul-11	Chicago Tube & Iron Company	141.59	0.7x	12.9x
Reliance Steel & Aluminum Co. (NYSE:RS)	Apr-13	Metals USA Holdings Corp.	1,216.15	0.6x	8.5x
	Oct-12	Sunbelt Steel Texas, LLC	-	-	-
	Oct-12	GH Metal Solutions, Inc.	-	-	-
	Jul-12	Airport Metals (Australia) Pty Ltd. (Samuel, Son & Co., Limited)	-	-	-
	Apr-12	Worthington Steel Vonore	-	-	-
	Apr-12	National Specialty Alloys, LLC	-	-	-
	Feb-12	McKey Perforating Company, Inc.	-	-	-
	Aug-11	Continental Alloys & Services, Inc.	415.0	1.1x	-
	Dec-10	Lampros Steel, Inc.	-	-	-
	Oct-10	Diamond Consolidated Industries Inc.	-	-	-
Russel Metals Inc. (TSX:RUS)	Nov-12	Apex Distribution Inc.	316.0	0.6x	7.0x
	May-12	Alberta Industrial Metals Ltd.	29.26	1.0x	-
	May-12	Siemens Laserworks Inc.	27.95	0.8x	-
Ryerson Inc.	Feb-12	Acofran Acos e Metais LTDA.	-	-	-
	Dec-11	Turret Steel Industries, Inc.	121.5	0.9x	-
	Mar-11	Automated Laser & Fabrication Co., LLC	-	-	-
	Mar-11	Singer Steel Company	-	-	-
	Aug-10	SFI-Gray Steel, Ltd.	-	-	-
	May-10	Cutting Edge Metal Processing Inc.	3.5	-	-
	Jan-10	Texas Steel Processing, Inc.	11.4	-	-
Samuel, Son & Co., Limited	Apr-13	Wilkinson Steel & Metals Inc.	-	-	-
	Dec-12	Frontier Steel Company, Inc.	-	-	-
	Mar-12	Stanrail Corporation	-	-	-
	Nov-11	Doral Steel, Inc.	-	-	-
	Jun-11	Basic Stainless, Inc.	-	-	-
	Nov-10	AP Specialty Metals, Inc.	-	-	-
	Sep-10	Samuel Manu-Tech Inc. (remaining 28% interest)	332.5	0.5x	12.8x

SOURCE: S&P Capital IQ.

SOURCE: S&P Capital IQ, PitchBook, Equity Research, Company Filings, and public data.

[4] PitchBook.

Spotlight On:

Service Centers

Perspective

Q&A with **Bill Bresnahan**, *Lead Director of Hynes Industries. Founded in 1925, Hynes is a leading North American manufacturer of high quality roll formed shapes, strip steel, and flat wire for the truck trailer, building and construction, and home appliance markets.*

Mr. Bresnahan shares his insights on the challenges and opportunities, consolidation trends, and changing competitive landscape for service centers.

> *"…When you begin to talk about size and scale, product diversity, geographic footprint, end markets, and degree of value-add orientation, the industry fragments considerably."*

What is the "state of the industry" and how are companies performing?

It is difficult to make a broad statement about industry performance because it is so large and diverse in terms of number and level of complexity of the players. The common denominator is that we all buy and sell metals, but beyond that when you begin to talk about size and scale, product diversity, geographic footprint, end markets, and degree of value-add orientation, the industry fragments considerably.

We are well into, but far from the end of, a period of substantial consolidation. There will be fewer, larger and more broadly capable players in the business. There will be an ongoing role for independent service centers with specialized customer industry relationships and/or processing capabilities. However, the mid-sized general line house will feel increased market and margin pressure as the industry continues down this road.

2013 service center volume is not quite living up to forecasts, and margins are a concern for everyone. The operators who spend most of their time further along the value chain are in a better position to turn in a good performance in an uninspiring year.

What is your outlook for the industry? What do you see as near- and long-term challenges and opportunities?

The health of the industry is a direct reflection of the U.S. manufacturing economy, which continues to recover, albeit more slowly in some markets. Consumer confidence continues to inch upward. Household wealth is rising again.

Automotive is a major metals market and is performing well. Residential construction is rebounding, with visible improvement even in the harder hit regions of the country. Typically with an uptick in residential construction, the appliance market sees demand pick up in both the new construction and replacement markets.

Spotlight On:

Service Centers

Perspective

Manufacturing is getting a welcome assist from the new energy sectors too. They are proving to be good customers as well as good suppliers.

If you were asked whether Americans were going to be consuming more or less in a decade or two, you'd have to say we'll be consuming more. Will more or less of that be produced here? A few years ago, most people—including those of us in manufacturing—would have said considerably less. Today, the outlook is more encouraging, particularly with transportation issues, speed to market, and the ability to custom manufacture product being key concerns. Those factors weigh in favor of domestic producers.

The reshoring movement is obviously encouraging for U.S. manufacturing. Many companies that went to China either to manufacture or to source haven't had a uniformly good outcome for a number of reasons. Some of the business that left or was at risk of leaving is coming back to U.S. producers, and that is sound thinking.

"Underlying growth will be how much of the manufacturing dollar we capture. More and more service centers are moving toward higher margin fabrication."

We are working with a large consumer products company that had a fair amount of product assembled and packaged in Asia and shipped back to the states. It became very difficult for them to manage quality and respond quickly to changes in consumer demand. The move will provide them with tighter control over processing and quality and yield significant cost savings. This company has been a customer for decades, but now, in addition to the core services we have historically provided, we have an opportunity to significantly expand our role with them as well. Our short lead times and flexible manufacturing will allow the customer to respond more rapidly to changes in product demand which will provide them with a competitive advantage.

A significant concern is Washington's inability to develop a coherent set of policies to encourage manufacturing in this country, which is shortsighted, to say the least. A strong, diverse manufacturing base is necessary if you believe that high levels of employment are important to our economic and social well being. And it should concern us all that we rely on foreign producers, some of whom are not reliably friendly, to supply critical products to our armed forces.

What are the key drivers of future growth for the industry?

The key driver of growth for metal service centers is the health of the U.S. manufacturing economy. It underpins everything we do. Underlying that growth will be how much of the manufacturing dollar we capture. More and more service centers are moving toward higher margin fabrication.

Over the last few decades, steel warehouses morphed into steel service centers, where there was an increased focus on value-added services. The next step in the process is developing a more integrated set of relationships with key customers—partnering with them in ways that allow them to gain market share. That has traditionally been defined as cost reduction, but service centers with specialized manufacturing capabilities have the opportunity to extend their reach into the customer's plant. To the extent that we become real factors in the customer's design and planning process, both parties win. We can only achieve this if we are viewed as something more than suppliers of commodities

What have been the major drivers of your historical growth?

"Service centers with specialized manufacturing capabilities have the opportunity to extend their reach into the customer's plant."

The key driver of our growth has been a genuine interest in performing a complete, professional job for the customer. Many companies talk about doing that. We really live it. Our tagline is "absolute reliability". We tend to be very short on our lead time cycle, and our on-time deliveries consistently exceed 99 percent. Our quality has historically exceeded industry standards and our own internal goals month after month, year after year. As a result, we enjoy a high customer retention rate.

We receive excellent customer feedback, in the form of direct calls and high response rates to our ISO surveys on which we earn top ratings. Many customers take time to provide written comments, commending us as a customer-centric organization and solutions-oriented provider.

Our management team has demonstrated the ability to execute on our strategic plan, positioning the business to offer sought-after value-added capabilities. Most of our products go through multiple manufacturing processes before they leave our plants. Custom roll forming is the largest component of our business, representing roughly two-thirds of revenue—taking strip steel coming from our service center and processing it into finished components that are going into a customer's end product manufacturing. We have been roll formers for more than 70 years, so we consider ourselves pioneers in that technology.

We take an open-minded approach and look for ways to help customers reduce cost. We often add value simply by offering custom dimensions at standard-dimension pricing, which means less processing and waste at the customer's site, and in more complex ways by taking advantage of our engineering, tooling, and production capabilities.

Spotlight On:

Service Centers

Perspective

We have a skilled workforce with very low turnover. Our production, engineering, and sales personnel all have significant experience. As a result, very few customer requests are new to us. In most cases, we've seen and tackled the problem before. We're usually able to offer willing customers alternatives to their original line of thought that may result in stronger, lighter, better looking, or more easily assembled parts.

We have broad capabilities in a variety of metals. While most of what we do is in low carbon steel, we also work in medium and high carbon product, as well as aluminum, copper, brass, stainless, and titanium.

We have expanded geographically and added capacity, and now operate from five strategically located facilities in Ohio and Indiana with 270,000 square feet of dedicated production space.

"Consolidation has a long way to run. As large as the biggest consolidators may be, they still individually and collectively own a relatively modest share of the total service center market."

What end markets have become more important or present greater opportunity for growth?

Hynes is a major supplier to the truck trailer market. We are very proud to have been the recipient of the Platinum Award from Wabash National, the largest trailer manufacturer in the country, reflecting our exceptional quality and on-time delivery record. We are recognized as a key supplier and one of only two companies in their supply base to have won that award for three consecutive years.

Solar racking systems have become a larger area of concentration. That is an alternative energy technology that should have traction for some time into the future.

How will consolidation impact the industry going forward?

It has already had a major impact on the industry's profile. The largest players in the industry are significantly larger and more capable than the bigs of a generation ago, and many of the most recognizable names in the business are now a part of one of these organizations.

But consolidation has a long way to run. As large as the biggest consolidators may be, they still individually and collectively own a relatively modest share of the total service center market. There are still a sizable number of independents operating. Some are distressed situations, but many of them are quite profitable and have justifiably optimistic outlooks on the future.

Because there are still obvious targets, we're not through with the era of "bolt-on" acquisitions. But the quantity of low-hanging fruit has been reduced. As the largest service center chains achieve nationwide footprints, adding market share by adding geography or acquisitions with specific market relationships becomes problematic. Where are publicly-traded acquirers likely to turn in order to satisfy their investors' demands for constantly improving results?

The next several years, I think, will be the real "value added" revolution in the way the industry does business. We evolved from steel warehouses to steel service centers by adding first-stage processing capabilities. That's the highest level at which the bulk of the business is done today. I think the logical progression will be for the largest, most capable players in the industry to devote their acquisition energies to getting further downstream in the manufacturing process. It will allow them to build on current relationships and expertise, add volume and margin, and "lock in" customers to a greater extent than they can today.

"The next several years will be the real "value added" revolution in the way the industry does business."

What role will private equity have in consolidation?

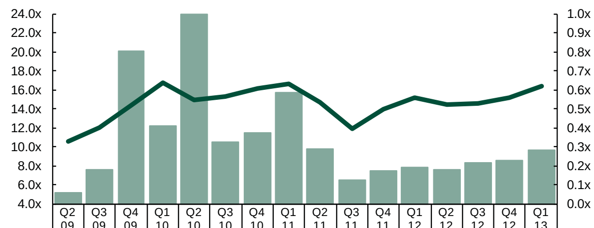
The roles played by the largest, soundest companies in the business will continue to expand—they didn't get where they are by accident, and they are constantly looking for new opportunities. But the industry is still very fragmented, and there is plenty of potential for ambitious mid-sized operators to leverage their relationships, reputations, and skills into something considerably bigger.

Private equity will be a significant factor here. Many companies in this part of the market devote all of their management time and effort to operations. The focus has been on internal growth, and that has worked out well for them. But a greater awareness of the possibilities presented by acquiring markets and capabilities rather than by developing them internally over time could pay real dividends. Private equity brings that entrepreneurial approach, a commitment to achieving goals in well-defined periods of time, and, often, the most attractive means of putting the package together.

Industry Valuations

Relative Valuation Trends

Service Centers



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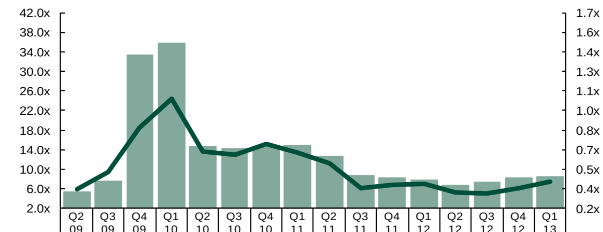
EV/EBITDA	5.2x	7.6x	20.1	12.2	23.9	10.5	11.5	15.8	9.8x	6.5x	7.4x	7.9x	7.7x	8.3x	8.6x	9.7x
EV/Revenue	0.3x	0.4x	0.5x	0.6x	0.5x	0.6x	0.6x	0.6x	0.5x	0.4x	0.5x	0.6x	0.5x	0.5x	0.6x	0.6x

Integrated/Mills



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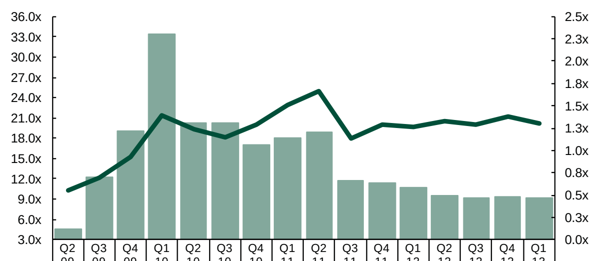
EV/EBITDA	5.4x	7.5x	33.2	35.6	14.6	14.1	14.3	14.9	12.7	8.6x	8.3x	7.8x	6.7x	7.3x	8.2x	8.4x
EV/Revenue	0.3x	0.5x	0.8x	1.0x	0.6x	0.6x	0.7x	0.6x	0.5x	0.4x	0.4x	0.4x	0.3x	0.3x	0.4x	0.4x

Specialty Metals



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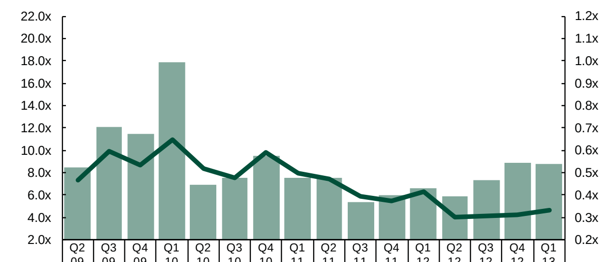
EV/EBITDA	4.6x	12.2	19.0	33.4	20.2	20.3	17.0	18.1	19.0	11.7	11.4	10.8	9.5x	9.1x	9.4x	9.2x
EV/Revenue	0.5x	0.7x	0.9x	1.4x	1.2x	1.1x	1.3x	1.5x	1.7x	1.1x	1.3x	1.3x	1.3x	1.3x	1.4x	1.3x

Scrap



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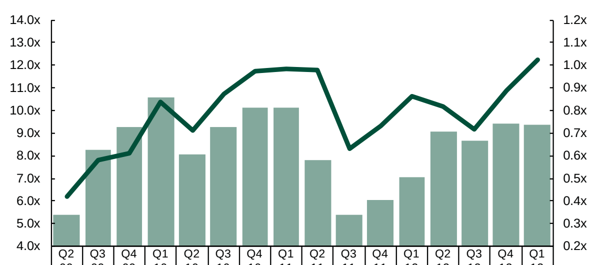
EV/EBITDA	8.5x	12.1	11.4	17.8	7.0x	7.5x	9.5x	7.5x	7.5x	5.3x	6.0x	6.6x	5.9x	7.3x	8.9x	8.8x
EV/Revenue	0.5x	0.6x	0.5x	0.6x	0.5x	0.5x	0.6x	0.5x	0.5x	0.4x	0.4x	0.4x	0.3x	0.3x	0.3x	0.3x

Fabricators



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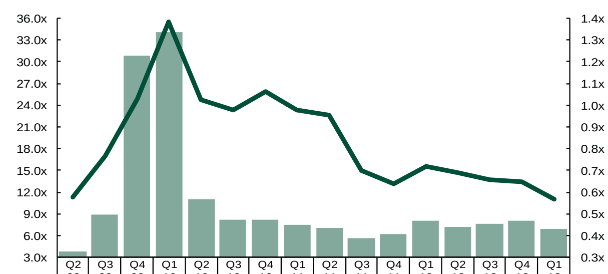
EV/EBITDA	5.4x	8.3x	9.3x	10.6	8.0x	9.3x	10.1	10.1	7.8x	5.4x	6.1x	7.0x	9.1x	8.7x	9.4x	9.4x
EV/Revenue	0.4x	0.6x	0.6x	0.8x	0.7x	0.9x	1.0x	1.0x	1.0x	0.6x	0.7x	0.9x	0.8x	0.7x	0.9x	1.0x

Global



	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13
EV/EBITDA	3.8x	8.9x	30.9	34.1	10.9	8.2x	8.2x	7.5x	7.1x	5.6x	6.2x	8.1x	7.2x	7.5x	8.0x	6.9x
EV/Revenue	0.6x	0.8x	1.0x	1.4x	1.0x	1.0x	1.1x	1.0x	1.0x	0.7x	0.6x	0.7x	0.7x	0.7x	0.6x	0.6x

BGL Metals indices defined on Page 17.
SOURCE: S&P Capital IQ.

Industry Valuations

Relative Valuation Trends

($ in millions, except per share data) Company Name	Ticker	Current Stock Price (1)	% of 52W High	Market Capitalization (2)	Enterprise Value (3)	TTM Enterprise Value / Revenue	TTM Enterprise Value / EBITDA	Total Debt/ EBITDA	TTM Revenue	TTM Margins Gross	TTM Margins EBITDA
SERVICE CENTERS											
Reliance Steel & Aluminum Co.	RS	$65.56	89.9%	$5,027.9	$6,087.3	0.7x	8.0x	1.5x	$8,179.3	26.4%	9.3%
Russel Metals Inc.	TSX:RUS	22.56	80.3%	1,372.9	1,700.3	0.6x	9.1x	2.4x	2,968.1	17.0%	6.5%
A. M. Castle & Co.	CAS	15.76	84.1%	367.4	612.7	0.5x	10.7x	5.2x	1,200.2	14.4%	4.3%
Olympic Steel Inc.	ZEUS	24.50	91.3%	267.8	501.8	0.4x	11.5x	5.4x	1,339.7	19.9%	3.3%
Median		**$23.53**	**87.0%**	**$870.1**	**$1,156.5**	**0.6x**	**9.9x**	**3.8x**	**$2,153.9**	**18.4%**	**5.4%**
Mean		**$32.09**	**86.4%**	**$1,759.0**	**$2,225.5**	**0.6x**	**9.8x**	**3.6x**	**$3,421.8**	**19.4%**	**5.9%**
INTEGRATED/MILLS											
Nucor Corporation	NUE	$43.32	89.1%	$13,766.4	$16,741.9	0.9x	10.3x	2.3x	$18,907.5	7.9%	8.6%
Steel Dynamics Inc.	STLD	14.91	91.9%	3,286.2	5,176.0	0.7x	8.6x	3.8x	7,103.9	9.8%	8.5%
United States Steel Corp.	X	17.53	66.7%	2,529.3	5,731.3	0.3x	6.5x	4.4x	18,751.0	7.9%	4.7%
Commercial Metals Company	CMC	14.77	84.5%	1,726.3	2,788.5	0.4x	8.2x	4.4x	7,191.4	9.6%	4.7%
AK Steel Holding Corporation	AKS	3.04	45.2%	414.4	2,057.1	0.4x	7.4x	5.3x	5,794.8	7.1%	4.6%
Median		**$14.91**	**84.5%**	**$2,529.3**	**$5,176.0**	**0.4x**	**8.2x**	**4.4x**	**$7,191.4**	**7.9%**	**4.7%**
Mean		**$18.71**	**75.5%**	**$4,344.5**	**$6,499.0**	**0.5x**	**8.2x**	**4.0x**	**$11,549.7**	**8.4%**	**6.2%**
SPECIALTY METALS											
Allegheny Technologies Inc.	ATI	$26.31	71.1%	$2,840.3	$4,291.0	0.9x	9.9x	3.4x	$4,858.4	12.4%	9.0%
Carpenter Technology Corp.	CRS	45.07	79.8%	2,376.0	2,785.9	1.2x	8.4x	2.1x	2,303.5	18.8%	14.3%
RTI International Metals, Inc.	RTI	27.71	85.4%	868.2	1,010.9	1.3x	10.0x	2.0x	771.5	20.2%	13.1%
Haynes International, Inc.	HAYN	47.87	82.5%	585.7	538.7	1.0x	7.5x	0.0x	535.3	19.0%	13.5%
Universal Stainless & Alloy Products Inc.	USAP	29.48	66.2%	204.1	308.8	1.4x	11.4x	3.9x	225.5	14.0%	12.0%
Median		**$29.48**	**79.8%**	**$868.2**	**$1,010.9**	**1.2x**	**9.9x**	**2.1x**	**$771.5**	**18.8%**	**13.1%**
Mean		**$35.29**	**77.0%**	**$1,374.9**	**$1,787.0**	**1.2x**	**9.4x**	**2.3x**	**$1,738.8**	**16.9%**	**12.4%**
SCRAP											
Sims Metal Management Limited	SGM	$7.60	72.7%	$1,552.4	$1,793.7	0.2x	***15.7x***	2.9x	$8,190.7	8.7%	1.6%
Schnitzer Steel Industries, Inc.	SCHN	23.38	70.8%	599.4	981.7	0.4x	8.8x	3.7x	2,727.6	8.1%	4.1%
Metalico Inc.	MEA	1.20	41.4%	57.5	179.6	0.3x	10.9x	***7.6x***	547.3	8.1%	3.0%
ITS Group	ITS	4.94	78.0%	28.4	35.5	0.3x	3.6x	1.8x	122.6	9.0%	8.1%
Industrial Services of America, Inc.	IDSA	2.53	48.5%	17.9	39.2	0.2x	***32.5x***	***18.9x***	167.3	4.6%	0.7%
Median		**$4.94**	**70.8%**	**$57.5**	**$179.6**	**0.3x**	**8.8x**	**2.9x**	**$547.3**	**8.1%**	**3.0%**
Mean		**$7.93**	**62.3%**	**$451.1**	**$605.9**	**0.3x**	**7.8x**	**2.8x**	**$2,351.1**	**7.7%**	**3.5%**
FABRICATORS											
Precision Castparts Corp.	PCP	$226.01	99.6%	$33,015.5	$36,563.5	4.4x	15.3x	1.6x	$8,377.8	32.2%	28.5%
Worthington Industries, Inc.	WOR	56.28	94.7%	2,211.8	2,722.9	1.0x	9.1x	2.5x	2,612.2	15.2%	7.8%
RBC Bearings Inc.	ROLL	31.71	87.8%	1,194.3	1,088.8	2.7x	10.9x	0.1x	403.1	37.9%	24.8%
RBC Bearings Inc.	ROLL	51.95	95.5%	1,194.3	1,088.8	2.7x	10.9x	0.1x	403.1	37.9%	24.8%
Canam Group Inc.	TSX:CAM	8.91	96.3%	371.6	604.8	0.7x	10.6x	4.1x	891.6	16.1%	6.7%
Shiloh Industries Inc.	SHLO	10.44	90.8%	177.5	266.1	0.4x	5.9x	2.0x	618.4	9.2%	7.3%
Median		**$41.83**	**95.1%**	**$1,194.3**	**$1,088.8**	**1.9x**	**10.8x**	**1.8x**	**$755.0**	**24.2%**	**16.3%**
Mean		**$64.22**	**94.1%**	**$6,360.8**	**$7,055.8**	**2.0x**	**10.5x**	**1.7x**	**$2,217.7**	**24.8%**	**16.6%**
GLOBAL											
ArcelorMittal	ENXTAM:MT	$11.15	62.3%	$18,562.3	$40,309.4	0.5x	5.2x	3.5x	$81,262.0	7.1%	9.2%
ThyssenKrupp AG	XTRA:TKA	19.62	78.4%	10,095.8	16,650.3	0.3x	***11.4x***	***8.5x***	49,038.4	14.5%	2.9%
Open Joint-Stock Company Severstal	MICEX:CHMF	6.39	47.9%	5,181.3	9,095.6	0.7x	4.8x	2.9x	13,747.0	22.9%	14.5%
Tata Steel Limited	BSE:500470	4.72	61.7%	4,583.7	12,327.8	0.5x	6.0x	4.5x	24,572.5	50.5%	9.1%
Ternium S.A.	TX	22.63	92.0%	4,442.4	7,065.1	0.8x	7.6x	1.7x	8,561.9	20.1%	14.9%
SSAB AB	OM:SSAB A	5.94	66.1%	1,860.1	4,432.2	0.8x	***15.7x***	***10.4x***	5,625.9	6.0%	5.1%
Median		**$8.77**	**64.2%**	**$4,882.5**	**$10,711.7**	**0.6x**	**5.6x**	**3.2x**	**$19,159.8**	**17.3%**	**9.2%**
Mean		**$11.74**	**68.1%**	**$7,454.3**	**$14,980.1**	**0.6x**	**5.9x**	**3.1x**	**$30,467.9**	**20.2%**	**9.3%**

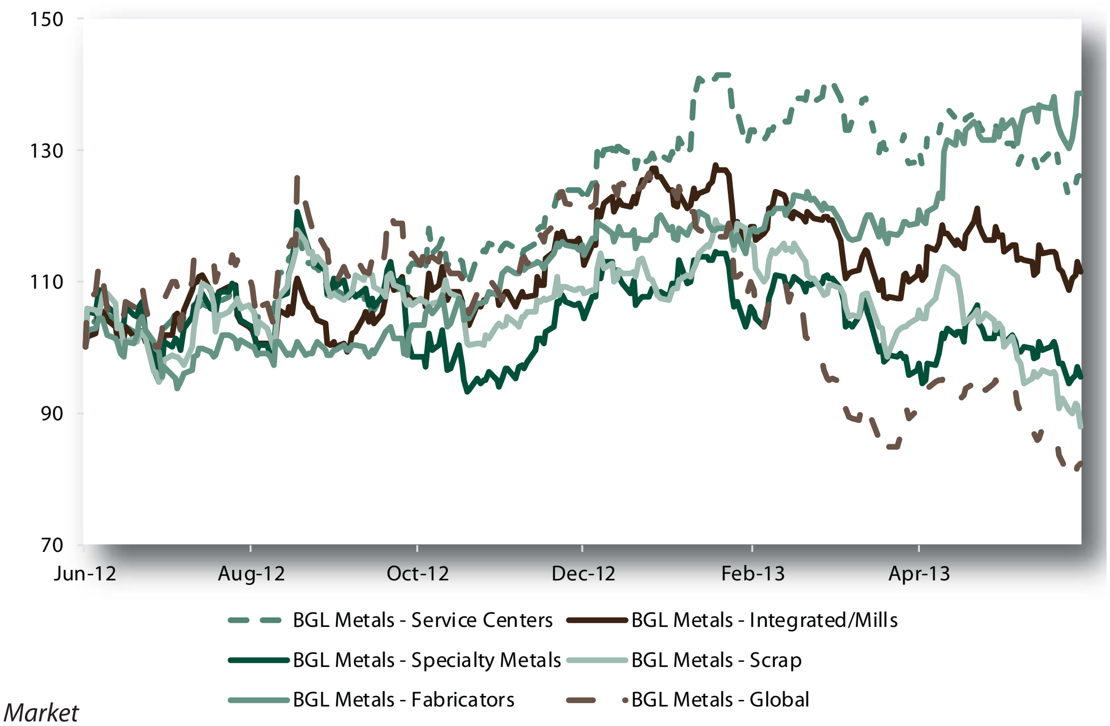
NOTE: Figures in bold and italic type were excluded from median and mean calculation.
(1) As of 6/28/2013.
(2) Market Capitalization is the aggregate value of a firm's outstanding common stock.
(3) Enterprise Value is the total value of a firm (including all debt and equity).
Source: S&P Capital IQ.

Industry Valuations

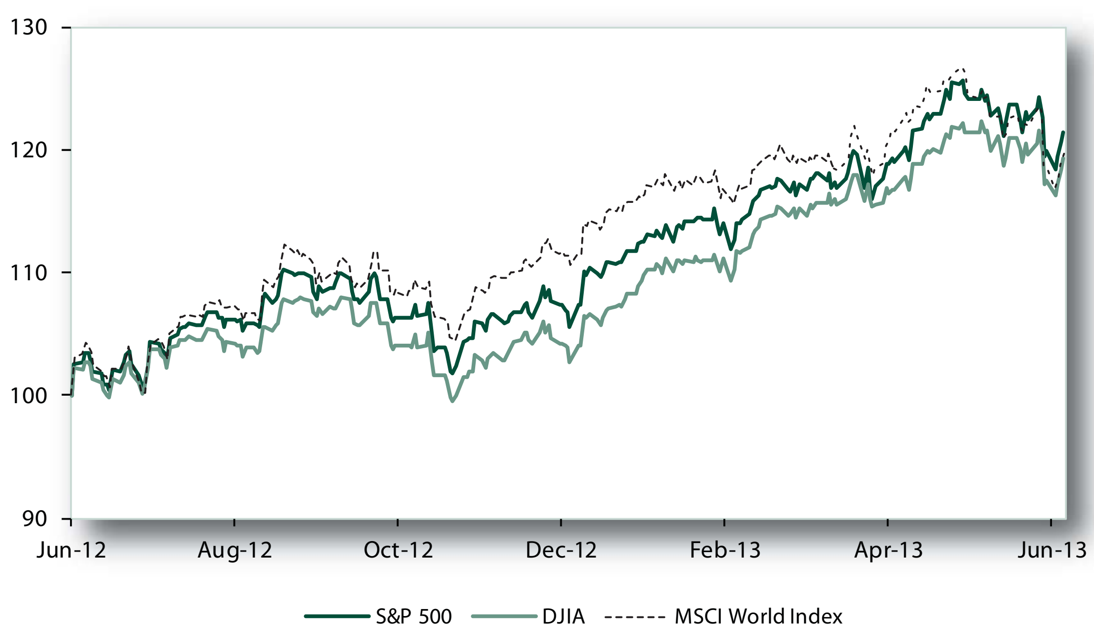
Sector Performance

Index Performance

Metals



Market



Index: June 28, 2012 = 100.

Source: S&P Capital IQ.

Global Metals Practice

Case Study in Value Creation

— a portfolio company of —

— acquired by —

Undisclosed
Family Office

BGL Client:

Great Lakes Castings, LLC

Great Lakes Castings, LLC (GLC) is a leading North American manufacturer of high quality gray iron castings for industry leading customers in the industrial, automotive, HVAC, refrigeration, construction, and manufacturing end markets. Products include compressors and valves, sheave castings, pillow block castings, oil pump body castings, pump housing castings, power steering castings, and ferrous and green sand castings. The company offers a wide variety of engineering services and other value-added processing including shell core, cold box, annealing, and heat treating capabilities.

GLC primarily conducts business in the United States, Mexico, and Canada. The company was founded in 1945 and is based in Ludington, Michigan.

Results:

Great Lakes Castings was a portfolio company of Republic Financial Corporation (Republic), a Denver-based private investment company. Republic engaged BGL to manage the sale process due to its extensive experience in the casting industry and ability to effectively manage a competitive global auction process.

BGL's Role in Value Creation

- Generated broad interest through a global auction which involved contacting strategic and financial buyers.
- Family offices with experience in the metals industry and long-term buy and hold strategies were also targeted given GLC's strong, stable cash flow profile.
- Ultimately selected a family office as the buyer because of its experience in the foundry industry and ability to quickly consummate a transaction.

Global Metals Practice

Manufacturing

- Welded and seamless pipe and tubing manufacturers
- Forging operations
- Alloy production
- High precision metal fabrication

Casting/Foundry

- Iron casting manufacturing
- Steel casting manufacturing
- Investment casting manufacturing
- Aluminum and zinc diecasting

Service Centers

- Stainless and aluminum sheet processing
- Flat-rolled carbon production
- Metal distribution
- Material and supply chain management

Metals Recycling

- Ferrous scrap metal recycling
- Non-ferrous scrap metal recycling
- E-waste recycling

Who We Are

Leading Independent Firm

- Independent investment banking advisory firm focused on the middle market
- Senior bankers with significant experience and tenure; partners average over 20 years of experience
- Offices in Chicago, Cleveland, and Salt Lake City
- Founding member and the exclusive U.S. partner of Global M&A Partners Ltd., the world's leading partnership of investment banking firms focusing on middle market transactions
- Deep industry experience across core sectors of focus, including: Business Services, Energy and Environmental Services, Consumer and Retail Services, Healthcare and Life Sciences, Industrials, and Real Estate

Comprehensive Capabilities

M&A Advisory	Private Placements	Financial Advisory
Sell-Side Advisory Acquisitions & Divestitures Public & Private Mergers Special Committee Advice Strategic Partnerships & Joint Venture Formation Fairness Opinions & Fair Value Opinions	All Tranches of Debt & Equity Capital for: Growth Acquisitions Recapitalizations Dividends	General Financial & Strategic Advice Balance Sheet Restructurings Sales of Non-Core Assets or Businesses §363 Auctions

For questions about content and circulation, please contact editor, Rebecca Dickenscheidt, at rdickenscheidt@bglco.com or 312-513-7476.

Global Metals Practice

Representative Transactions:

Pending Sale
Aluminum extrusion manufacturer for the construction and transportation markets
BROWN GIBBONS LANG & COMPANY

Pending Sale
Manufacturer of specialty metals for aerospace applications
BROWN GIBBONS LANG & COMPANY

Pending Sale
Roll form steel service center
BROWN GIBBONS LANG & COMPANY

Pending Sale
Scrap metal recycler and broker
BROWN GIBBONS LANG & COMPANY

Pending Sale
Welded aluminum tube manufacturer
BROWN GIBBONS LANG & COMPANY

GLC GREAT LAKES CASTINGS
— a portfolio company of —
REPUBLIC FINANCIAL CORPORATION
— acquired by —
Undisclosed Family Office
BROWN GIBBONS LANG & COMPANY

SuperiorTube COMPANY, INC
Shaping tomorrow...performing today.
— acquired by —
Watermill Group
BROWN GIBBONS LANG & COMPANY

finetubes
— acquired by —
Watermill Group
BROWN GIBBONS LANG & COMPANY

USM U.S. METALS & SUPPLY
— acquired by —
Custom Steel processing
BROWN GIBBONS LANG & COMPANY

GOODMAN SERVICES, INC.
— acquired by —
Metalico
BROWN GIBBONS LANG & COMPANY

AP SPECIALTY METALS
— acquired by —
SAMUEL
Samuel, Son & Co., Limited
BROWN GIBBONS LANG & COMPANY

SPSI
Scott Process Systems, Inc.
Review of Strategic Alternatives and Sale of Business to an Undisclosed Buyer
BROWN GIBBONS LANG & COMPANY

The melting operations of
COMMERCIAL ALLOYS
— acquired by —
Zn IMPERIAL ZINC
BROWN GIBBONS LANG & COMPANY

The recycling operations of
COMMERCIAL ALLOYS
— acquired by —
RMG RESERVE MANAGEMENT GROUP
BROWN GIBBONS LANG & COMPANY

WOLVERINE TUBE, INC.
— divested —
WOLVERINE FABRICATED PRODUCTS
to
Standish CAPITAL
BROWN GIBBONS LANG & COMPANY

TAD
TAD Metals, Inc.
— acquired by —
O'NEAL
BROWN GIBBONS LANG & COMPANY

Hodge Foundry
— acquired by —
ELYRIA EF FOUNDRY
— a portfolio company of —
SILVERHAWK CAPITAL PARTNERS
BROWN GIBBONS LANG & COMPANY

WESTERN PNEUMATIC TUBE COMPANY
— acquired by —
TINICUM CAPITAL PARTNERS II, L.P.
BROWN GIBBONS LANG & COMPANY

AIM
Aerospace International Materials-OEM, LLC
— and its affiliate —
SUPPLY DYNAMICS
— acquired by —
O'NEAL
BROWN GIBBONS LANG & COMPANY

TW METALS
— acquired by —
O'NEAL
BROWN GIBBONS LANG & COMPANY

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