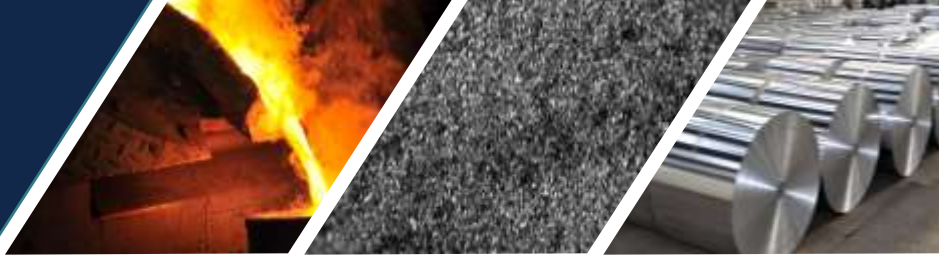


Industry Market Update: Metal Services

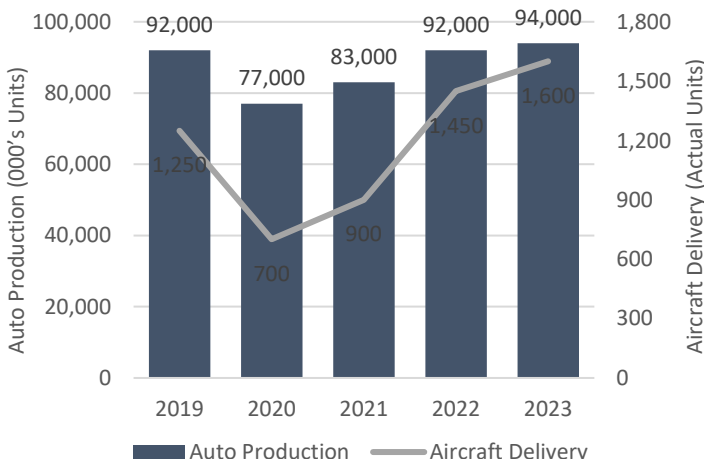


The **~\$197B** U.S. Metal Services (MS) industry is expected to grow at a CAGR of 3% from 2021 until 2025. The MS industry continues to be dominated by ferrous metals, representing 71% of the industry today, and is forecasted to grow 2.0% annually to \$150B by 2025. This segment largely encompasses steel and iron with end-users in industries such as construction, aerospace, automotive, electronics, and appliances. Nonferrous revenues are expected to grow 5.0% annually as the industry is impacted from pent up consumer demand and inflated prices caused by supply chain disruptions. Nonferrous metals include aluminum, copper, titanium, bronze, lead, and similar metal commodities.

Industry Breakdown

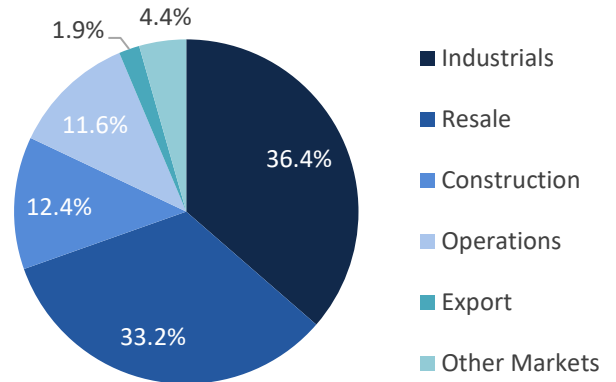
- » **Industrials:** ~36% of revenue is contributed to industrials including automotive, aerospace, appliances, machinery, electronics, and similar end markets. Industrials is expected to fall 1.7% annually through 2025 led by slowed oil & gas production and the supply chain constraints to the global economy.
- » **Resale:** Forecasted revenues to remain stagnate through 2025 showing ~1% annual growth. Ongoing consolidation in the industry is limiting resale opportunities as the number of firms shrinks while the average size increases, allowing more firms to buy directly from metal mills.
- » **Construction:** The \$1.2T infrastructure bill will drive demand for metal services but profitability will suffer from the rise in commodity prices. Aluminum demand is set to increase 14x, iron 13x, and copper 10x by 2030 while supply remains constrained.
- » **Other Markets:** Revenues are forecasted to increase driven by an increase in nondurable goods manufacturing, exporting, and consumer spend.

Automotive & Aerospace Forecast



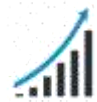
Sources: Boeing 2021; TD Commodity Price Report, October 2021

2021 Revenue By Market



Source: United States Geological Survey, Mineral Commodity Summary 2021

Key Statistics



72% average increase in metal prices relative to their pre-pandemic levels



20x increase in annual lithium metal demand from electric vehicle batteries by 2030

Metal Services By Product



Sources: Prairie Industry Perspective 2021

Increased Investor Interest

The Metal Services industry is a well-positioned market for growth due to the following key trends:

- » Industry players aim to improve and control their supply chain to limit shipping delays and minimize pricing volatility
- » Metal servicers are entering the sustainable materials market to capitalize on the increased metal consumption in electric vehicle batteries and energy storage systems
- » Amplified metal usage in commercial construction to meet the increased demand from government investment in infrastructure
- » Investors look to enhance value-added processing capabilities, capitalize on manufacturing synergies, and expand geographic footprint

Select Private Equity Groups



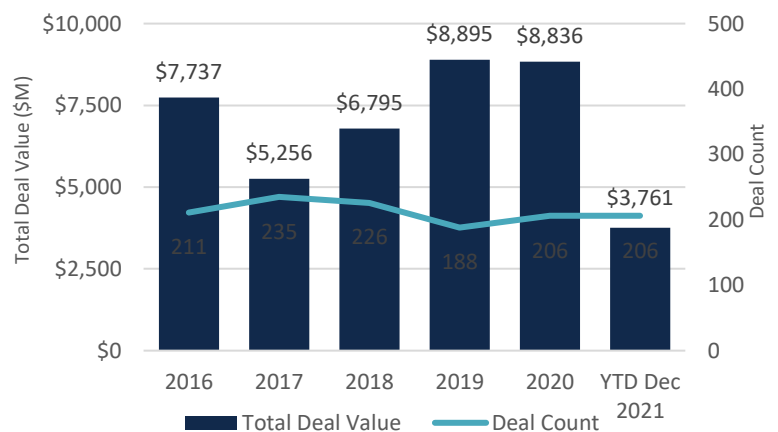
Select Cascade Metals Experience

<p>Sell-Side Advisor</p> <p>has been acquired by</p>	<p>Sell-Side Advisor</p> <p>has been acquired by</p>	<p>Sell-Side Advisor</p> <p>has sold</p> <p>to</p>
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Recent M&A Activity

Date	Target	Acquirer
Dec-21	Precision Metal Fab	CGI Automated Manufact.
Nov-21	Boyd Metals	Russel Metals
Oct-21	H&W Global Industries	Valence Surface Tech.
Oct-21	Micro Metals	Alderman Holdings
Oct-21	Grossman Iron & Steel Co.	Advantage Metals Rec.
Sep-21	Specialty Metals Process.	Joseph T. Ryerson & Son
Aug-21	CGI Automated Manufact.	CORE Industrial Partners
Jul-21	Diversified Manufacturing	Costello Investments
Jul-21	Goldtech Properties	Graycliff Partners
Jun-21	American Zinc Recycling	Befesa S.A.
May-21	Intermont Resources	Cortus Metals
May-21	Mika Metal Fabricating Co.	Weybridge

Metals Industry Us M&A Activity



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