



Investment Banking | **Industry Spotlight**
























Diversified Industrials - Metals & Materials | Q3 2018

Diversified Industrials Group Overview

Diversified Industrials Sub-Sector Expertise		Capital Mkts. Capabilities	Key Industrial Sector Contacts	
<p>Chemicals, Plastics & Packaging</p> <ul style="list-style-type: none"> Coatings Diversified Chemicals Packaging Plastics Manufacturing 		<p>Full-service platform with over 200 professionals, offering the following:</p> <p>Investment Banking</p> <ul style="list-style-type: none"> M&A Advisory Capital Raising <p>Debt Capital Markets</p> <ul style="list-style-type: none"> Loan Capital Markets: <ul style="list-style-type: none"> Pro Rata Institutional Bond Capital Markets: <ul style="list-style-type: none"> Investment Grade High Yield Acquisition & Bridge Finance Private Placements <p>Equity Capital Markets</p> <ul style="list-style-type: none"> Initial Public Offerings Follow-On Offerings Convertible Debt 	<p>Investment Banking</p> <p>Jeremy Eberlein Managing Director jeremy.eberlein@53.com</p> <p>Joe Carson Managing Director joseph.carson@53.com</p> <p>Melina Audinelle Director melina.audinelle@53.com</p> <p>Rob Bohn Director robert.bohn@53.com</p>	
<p>Industrial Technology</p> <ul style="list-style-type: none"> Advanced Manufacturing Flow Control Process/Motion Control Test & Measurement 			<p>Sponsor Coverage</p> <p>Bill Tyson Co-Head Capital Markets william.tyson@53.com</p> <p>Jeff Thieman Managing Director jeff.thieman@53.com</p>	
<p>Metals & Materials</p> <ul style="list-style-type: none"> Metal Forming & Machining Mills & Specialty Metal Natural Resources & Mining Processors/Distributors Scrap/Recycling 			<p>Debt Capital Markets</p> <p>Mike Brothers Managing Director michael.brothers@53.com</p> <p>Equity Capital Markets</p> <p>Mike Ryan Managing Director michael.ryan@53.com</p>	
<p>Specialty Distribution</p> <ul style="list-style-type: none"> Automotive Aftermarket Building & Construction Products Electrical & Communication Industrial, MRO & Safety 			<p>Corporate Banking</p> <p>Gregory Eck Asset Based Lending gregory.eck@53.com</p> <p>Rachel Hermanson Metals rachel.hermanson@53.com</p>	
<p>Transportation & Logistics</p> <ul style="list-style-type: none"> Automotive & Heavy Duty Vehicles Marine Rail & Rail Services Third Party Logistics 				

Select Diversified Industrials Investment Banking M&A Advisory Transactions

Industrials	Industrials	Industrials	Industrials	Industrials	Industrials	Industrials	Industrials
 a division of  has been acquired by  a portfolio company of  Distribution	 has been acquired by  a portfolio company of  Automation	 CANTON DROP FORGE has been acquired by  ParkOhio Metals	 has been recapitalized by  KIAN CAPITAL Metals	 has been acquired by  TENEX Distribution	 a subsidiary of  certain assets acquired by  GT ACQUISITION Chemicals	 has been acquired by  HBM HOLDINGS Metals	 a subsidiary of  has been acquired by  Aterian Chemicals

Senior Diversified Industrials Investment Banking Team



Joe Carson

Managing Director

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- Joe has 24+ years of investment banking and financial advisory services experience working with top tier firms covering public and private companies in the middle market sector. Joe has significant experience in providing financial advisory services for mergers and acquisitions, acquisition financings, defense advisory/hostile takeovers, leveraged buyouts, debt financings, private placements, and public equity offerings (both initial public offerings and follow-ons)
- Prior to joining Fifth Third in 2017, Joe served as Senior Vice President at Caldwell Tanks, in Louisville, KY, a manufacturer of tanks and storage structures that are used for a number of industrial purposes. Joe headed Caldwell Tanks' Energy Division
- Previously, Joe served as a managing director for Western Reserve Partners in Cleveland, where he was co-head of the Industrial Group and executed a multitude of transactions across the diversified industrials vertical
- Joe holds a bachelor's degree from Miami University and an MBA from the Weatherhead School of Management at Case Western University



Jeremy Eberlein

Managing Director

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- Jeremy has 21+ years of investment banking experience, inclusive of: merger & acquisition advisory, restructuring advisory, equity offerings, debt placements, and principal investing. Jeremy's banking career has been primarily focused on middle market industrial companies
- Prior to joining Fifth Third in 2014, Jeremy was a Director in the Industrials Group of Harris Williams & Co
- Previously, Jeremy served as a Director at National City Capital Markets Investment Banking Group, was involved in the founding of Resilience Capital Partners executing transactions both as an advisor and as principal investor, and Jeremy began his investment banking career at McDonald Investments (n/k/a KeyBanc Capital Markets)
- Jeremy holds a bachelor's degree in business administration and finance with honors from Ohio University

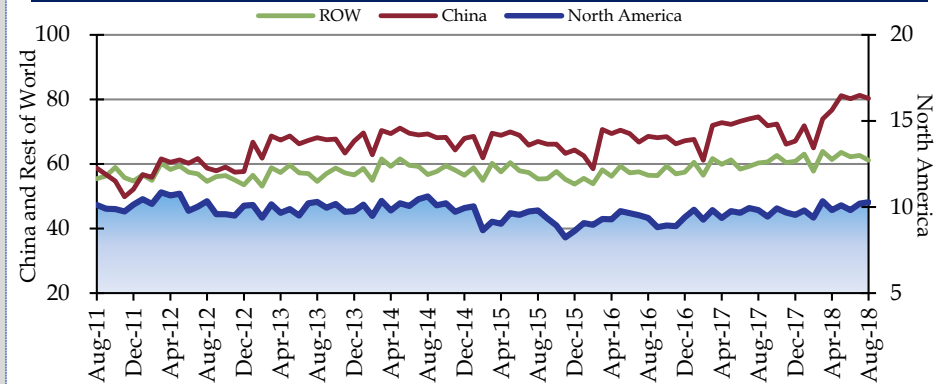
RECENT HEADLINES

- August 16, 2018: U.S. Steel Corp. announced that it is investing \$750 million to upgrade its Gary Works plant in Northwest Indiana ⁽¹⁾
 - Overall goal of investment is to increase efficiencies as demand increases in the domestic steel market
 - Gary Works is the largest of U.S. Steel's various plants, employing 3,800 workers
 - Planned investment in Gary Works is part of U.S. Steel's \$2B asset revitalization program
 - Earlier this year, U.S. Steel announced it was restarting two blast furnaces and hiring ~800 workers to support a previously idle steel plant in Granite City, near St. Louis
- The largest player in the steel service center market, Reliance Steel & Aluminum, reported 2Q 2018 net sales of \$3B, up 21% from \$2.5B in 2Q 2017, highlighting the current strength in the service center segment ⁽²⁾
- Industry volume growth in the global titanium market is the strongest since 2011, with demand expected to increase 8-10% in 2019 ⁽³⁾
 - Key end-markets supporting growth include industrial, energy, and aerospace

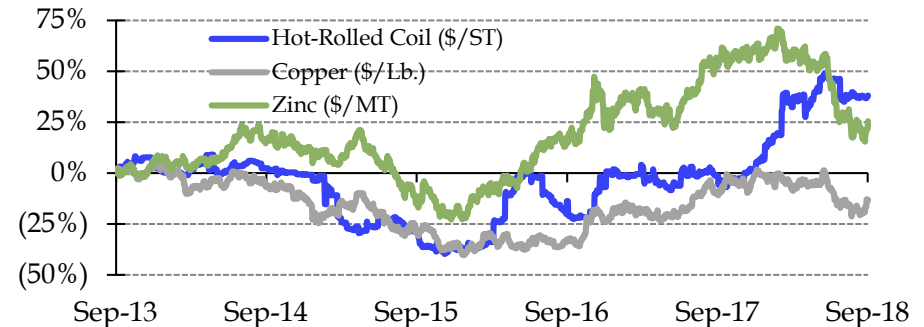
MARKET PRICING AND TRENDS

- Adjusted YTD U.S. raw steel production through September 22, 2018 was 68.6 million net tons, at a capacity utilization rate of 77.5% ⁽⁴⁾
 - Up 4.4% from the 65.7 million net tons produced during the same period last year, when capacity utilization was at 74.4%
- Raw steel production (total of 1.9 million net tons) by U.S. region in thousands of net tons for the week ended September 22, 2018 was as follows: Northeast - 218; Great Lakes - 695; Midwest - 202; Southern - 664; Western - 84 ⁽⁴⁾
 - Production for the week ended September 22, 2018 represents a 8.9% increase from the same period in the previous year, where the capacity utilization rate was 73.4%
- August steel pricing brought the sharpest declines of the year after prices reached their highest levels in over a decade in the month prior ⁽⁵⁾
 - Hot-rolled August 2018 price range: \$880/NT-\$900/NT
 - Cold-rolled August 2018 price range: \$990/NT-\$1,000/NT
 - Galvanized August 2018 price range: \$1,070/NT-\$1,090/NT

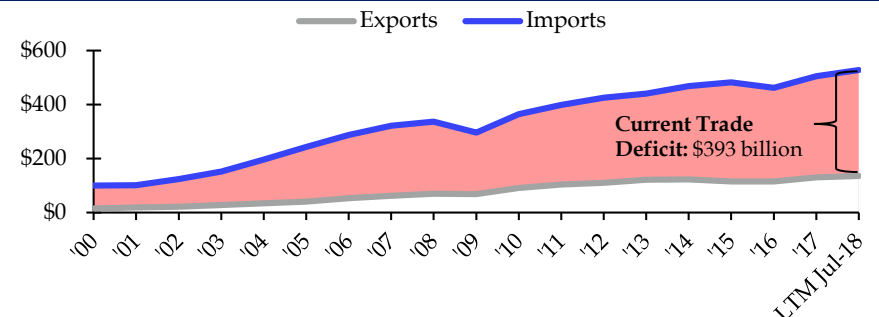
Global Crude Steel Production (million tons) ⁽⁶⁾



Selected Price Performance Benchmarks (5-Yr. % change) ⁽⁷⁾



United States Trade in Goods With China (\$ in billions) ⁽⁸⁾



⁽¹⁾ Chicago Tribune

⁽²⁾ ACT Research

⁽³⁾ Longbow Research

⁽⁴⁾ American Iron and Steel Institute

⁽⁵⁾ Industry Research

⁽⁶⁾ World Steel Association

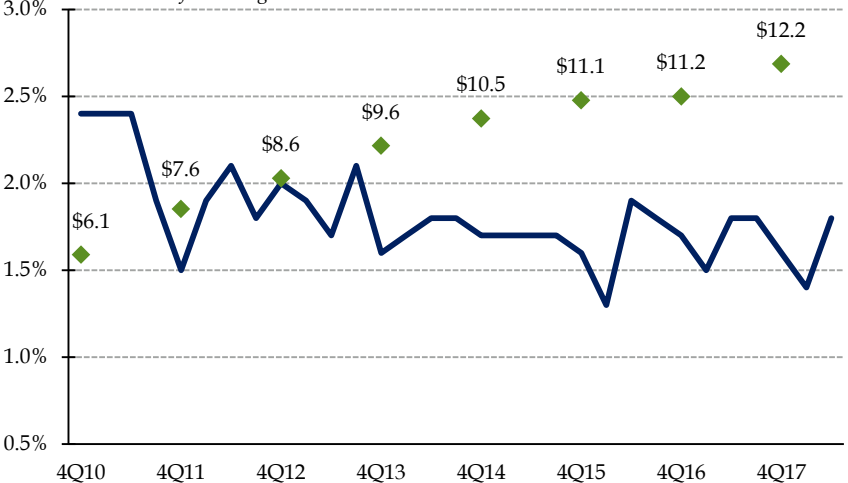
⁽⁷⁾ Steelbenchmarker, S&P Capital IQ as of June 29, 2018

⁽⁸⁾ United States Census Bureau

Market Pulse: Chinese Macroeconomic Trends

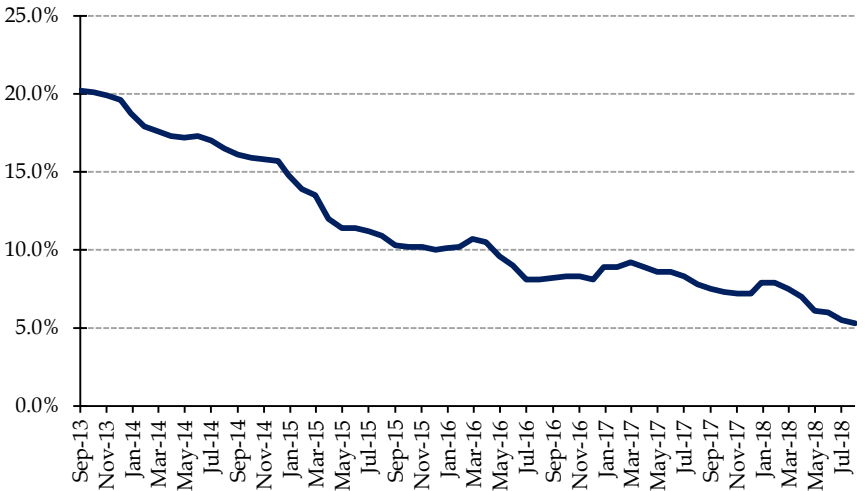
China GDP Quarterly Growth Rate and Annual GDP (\$ in trillion)

The Chinese economy grew by 1.8% in June of 2018 QoQ, beating market estimates of a 1.6% growth



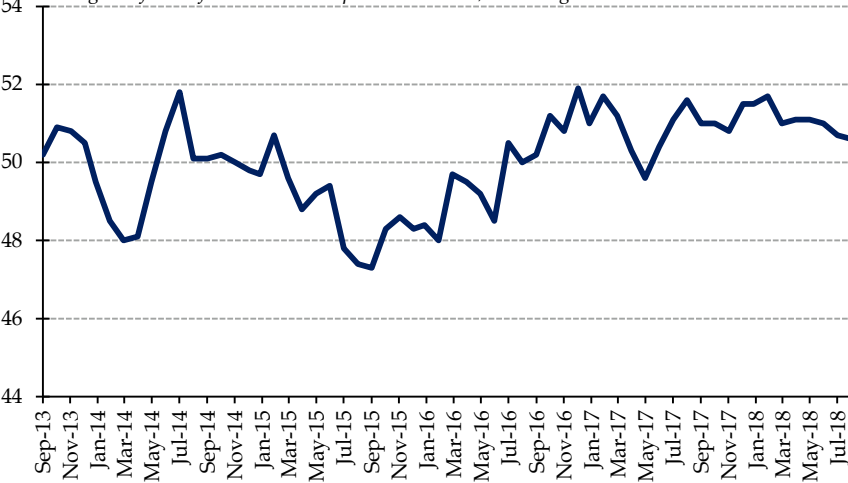
YoY YTD Fixed Asset Investment Growth Rate

China's fixed-asset investment increased by 5.3% YTD August 2018 YoY



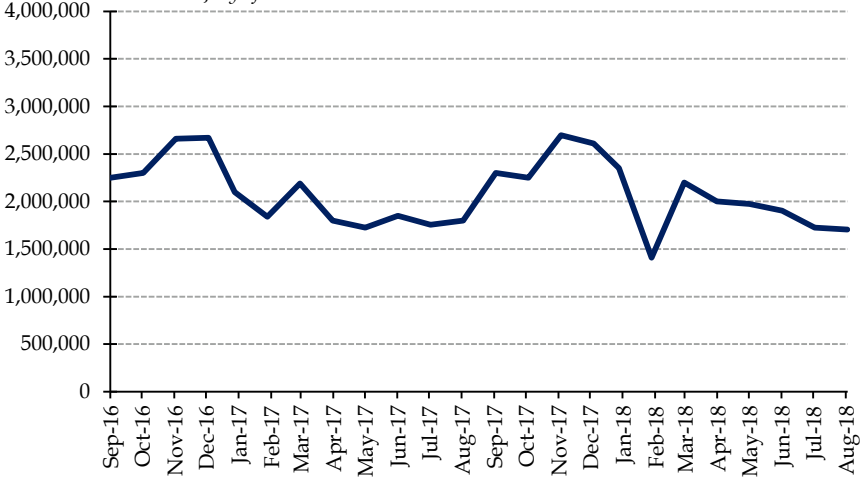
Manufacturing PMI

The Caixin China General Manufacturing PMI fell to a 14-month low of 50.6 in August of 2018 from 50.8 in the previous month, matching market consensus



Car Production (# of units)

Car Production in China decreased to 1,705,200 units in August from 1,725,300 units in July of 2018

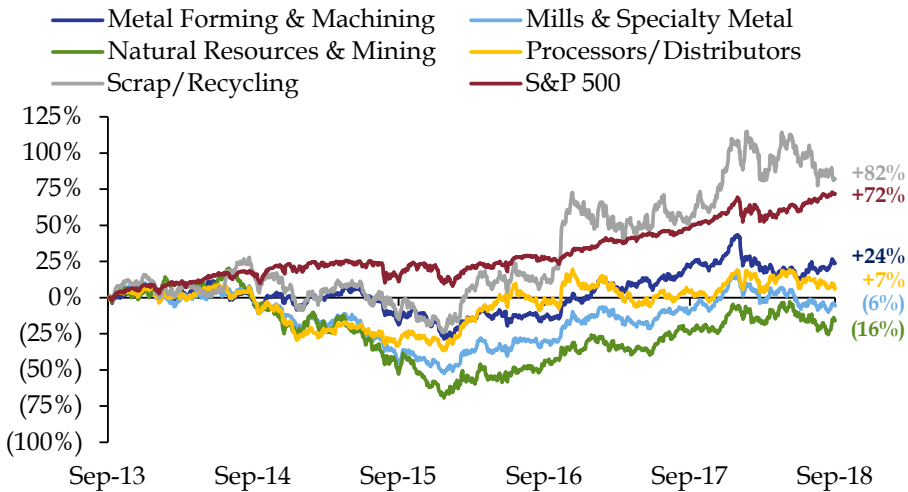


Source: Trading Economics

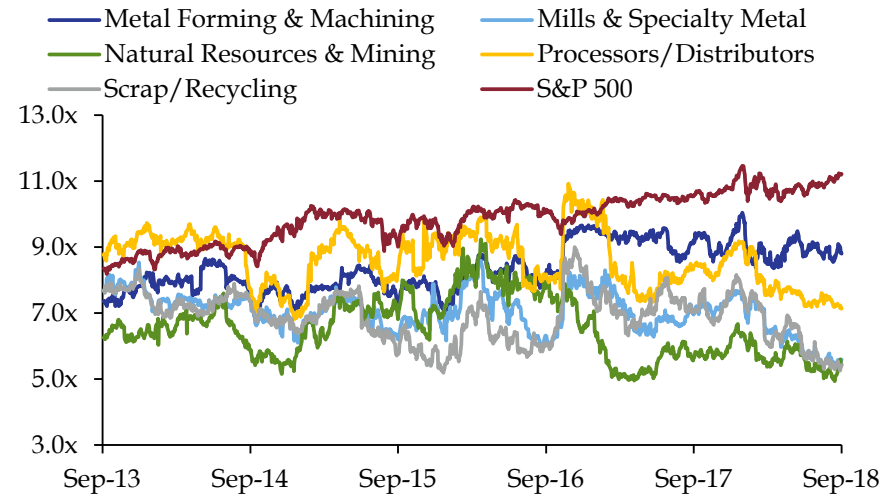


Metals & Materials

Metals & Materials 5-Year Share Price Performance



Metals & Materials 5-Yr. Median EV/1-Yr. Forward EBITDA Valuation



Sub Sector Indices' Stock Price Performance and Valuation Summary

Sub Sector	Number of Companies	Median Enterprise Value \$ in millions	Average % Change in Stock Price		Median TEV / LTM Multiples		Median TEV / Forward Multiples	
			6 Months	12 Months	Revenue	EBITDA	Revenue	EBITDA
Metal Forming & Machining	18	\$2,074	6%	4%	1.3x	11.1x	1.3x	9.5x
Mills & Specialty Metal	19	\$3,929	(1%)	1%	0.8x	8.1x	0.8x	6.8x
Natural Resources & Mining	6	\$42,274	11%	25%	1.8x	6.0x	1.7x	5.2x
Processors/Distributors	6	\$1,832	5%	(2%)	0.5x	8.3x	0.5x	8.2x
Scrap/Recycling	4	\$2,617	(8%)	5%	0.5x	7.5x	0.5x	6.1x
S&P 500	500		8%	8%	2.5x	12.8x	2.3x	11.4x

Source: S&P Capital IQ as of September 28, 2018

Comparable Public Companies

Metals & Materials – Metal Forming & Machining

Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/28/18	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt/ EBITDA	Price/ Earnings	Enterprise Value /			
					'16A - '17A	'17A - '18E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2018E	LTM	2018E
Metal Forming														
Arconic Inc.	\$22.01	71%	\$10,630	\$15,601	5%	4%	21.0%	12.9%	3.6x	NM	1.2x	1.2x	8.9x	7.7x
Voestalpine AG	45.78	72%	8,071	12,149	32%	(0%)	22.3%	14.8%	2.1x	15.1x	0.8x	0.8x	5.4x	5.0x
Kaiser Aluminum Corporation	109.06	91%	1,814	1,948	5%	7%	22.9%	13.0%	1.9x	19.2x	1.3x	1.3x	10.1x	9.2x
Shiloh Industries Inc.	11.00	90%	257	478	(2%)	3%	10.6%	6.7%	3.2x	28.9x	0.4x	0.4x	6.4x	6.0x
SIFCO Industries Inc.	5.05	64%	29	57	2%	NA	11.6%	1.4%	18.8x	NM	0.5x	NA	35.9x	NA
Median: Metal Forming					5%	3%	21.0%	12.9%	3.2x	19.2x	0.8x	1.0x	8.9x	6.8x
Industrial Machining														
The Timken Company	\$49.85	90%	\$3,844	\$4,775	13%	13%	26.2%	15.9%	2.0x	31.7x	1.4x	1.4x	9.0x	8.5x
Regal Beloit Corporation	82.45	95%	3,583	4,774	4%	5%	27.0%	14.1%	2.7x	17.9x	1.4x	1.4x	9.6x	9.5x
Rexnord Corporation	30.80	96%	3,217	4,376	8%	6%	35.3%	18.1%	3.5x	48.1x	2.1x	2.0x	11.4x	10.6x
RBC Bearings Inc.	150.36	95%	3,603	3,691	10%	4%	37.9%	24.5%	0.9x	NM	5.4x	5.3x	21.9x	20.8x
Actuant Corporation	27.90	90%	1,699	1,981	8%	(2%)	34.6%	12.2%	3.7x	33.2x	1.7x	1.7x	13.7x	13.7x
Altra Industrial Motion Corp.	41.30	77%	1,213	1,452	24%	4%	31.7%	14.4%	2.1x	41.2x	1.6x	1.6x	11.0x	10.3x
CIRCOR International, Inc.	47.50	84%	942	1,694	12%	73%	31.9%	9.7%	9.0x	NM	1.8x	1.5x	18.5x	11.8x
Median: Industrial Machining					10%	5%	31.9%	14.4%	2.7x	33.2x	1.7x	1.6x	11.4x	10.6x
Aerospace Machining														
Spirit AeroSystems Holdings, Inc.	\$91.67	87%	\$9,763	\$11,157	3%	3%	14.2%	14.9%	1.9x	25.8x	1.6x	1.6x	10.6x	9.6x
Triumph Group, Inc.	23.30	67%	1,161	2,648	(9%)	(2%)	23.9%	5.7%	8.2x	NM	0.8x	0.8x	14.2x	9.2x
Kaman Corporation	66.78	89%	1,870	2,166	(0%)	5%	29.9%	9.1%	1.9x	34.1x	1.2x	1.1x	12.8x	12.4x
Magellan Aerospace Corp.	14.04	83%	817	862	3%	1%	17.6%	15.3%	0.5x	10.4x	1.2x	1.1x	7.8x	6.4x
Ducommun Inc.	40.84	99%	466	693	1%	5%	19.1%	9.5%	4.1x	33.7x	1.2x	1.2x	12.4x	11.5x
Heroux-Devtek Inc.	11.98	92%	435	459	(2%)	29%	16.7%	14.0%	2.4x	18.1x	1.6x	1.2x	11.2x	7.3x
Median: Aerospace Machining					1%	4%	18.4%	11.8%	2.2x	25.8x	1.2x	1.2x	11.8x	9.4x
All Indices Median					4%	4%	23.4%	13.5%	2.6x	28.9x	1.3x	1.3x	11.1x	9.5x

Comparable Public Companies

Metals & Materials – Mills & Specialty Metal

Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/28/18	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt / EBITDA	Price / Earnings	Enterprise Value /			
					'16A - '17A	'17A - '18E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2018E	LTM	2018E
Mills & Specialty Metal														
ArcelorMittal	\$31.14	87%	\$31,542	\$44,133	21%	5%	11.8%	12.3%	1.5x	10.3x	0.6x	0.6x	4.8x	4.9x
NIPPON STEEL & SUMITOMO METAL CORPORATION	21.18	77%	18,693	41,179	28%	(9%)	12.2%	9.0%	4.4x	16.0x	0.8x	0.9x	8.8x	7.0x
POSCO	265.31	74%	21,225	35,179	29%	5%	13.3%	13.2%	2.6x	13.0x	0.6x	0.6x	4.7x	4.4x
Nucor Corporation	63.45	90%	20,072	23,239	25%	15%	14.3%	13.4%	1.4x	19.1x	1.0x	1.0x	7.8x	6.8x
Voestalpine AG	45.78	72%	8,071	12,149	32%	(0%)	22.3%	14.8%	2.1x	15.1x	0.8x	0.8x	5.4x	5.0x
Steel Dynamics Inc.	45.19	87%	10,610	12,123	23%	13%	18.7%	15.3%	1.5x	21.3x	1.2x	1.1x	7.6x	7.0x
Alcoa Inc.	40.40	65%	7,534	10,458	25%	6%	18.0%	21.1%	0.7x	NM	0.8x	0.8x	3.9x	4.0x
United States Steel Corp.	30.48	64%	5,402	6,717	19%	10%	8.4%	9.4%	2.1x	NM	0.5x	0.5x	5.5x	3.8x
Acerinox, S.A.	14.31	96%	3,952	4,639	33%	6%	35.4%	9.0%	3.1x	19.8x	0.8x	0.8x	9.2x	7.1x
Allegheny Technologies Inc.	29.55	98%	3,714	5,260	12%	8%	9.9%	11.4%	3.6x	NM	1.4x	1.4x	12.2x	11.0x
Outokumpu Oyj	5.88	54%	2,413	3,756	27%	4%	10.5%	6.0%	3.4x	6.3x	0.5x	0.5x	8.2x	5.2x
AK Steel Holding Corporation	4.90	72%	1,546	3,879	3%	8%	15.0%	6.9%	4.6x	19.0x	0.6x	0.6x	8.8x	6.5x
Commercial Metals Company	20.52	77%	2,401	2,960	9%	8%	13.1%	5.4%	4.2x	31.1x	0.6x	0.6x	10.7x	7.1x
Carpenter Technology Corp.	58.95	96%	2,789	3,282	20%	(2%)	15.2%	13.8%	1.8x	NM	1.5x	1.5x	11.0x	9.6x
Ferroglobe PLC	8.17	46%	1,405	1,879	11%	42%	34.4%	14.3%	2.1x	NM	0.9x	0.8x	6.4x	4.1x
Schmolz + Bickenbach AG	0.79	81%	749	1,487	32%	27%	37.3%	7.0%	3.2x	NM	0.4x	0.4x	6.0x	5.5x
Global Brass and Copper Holdings, Inc.	36.90	94%	818	1,044	17%	19%	12.8%	7.6%	2.4x	21.7x	0.6x	0.6x	8.1x	7.9x
TimkenSteel Corporation	14.87	73%	663	846	53%	12%	NM	4.0%	3.7x	NM	0.6x	0.6x	14.3x	7.2x
Universal Stainless & Alloy Products Inc.	25.51	82%	222	281	31%	10%	10.0%	12.4%	2.1x	NM	1.2x	1.3x	9.8x	8.2x
Median: Mills & Specialty Metal					25%	8%	13.8%	11.4%	2.4x	19.0x	0.8x	0.8x	8.1x	6.8x

Comparable Public Companies

Metals & Materials – Natural Resources & Mining, Processors/Distributors, and Scrap/Recycling

Natural Resources & Mining Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/28/18	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value /			
					'16A - '17A	'17A - '18E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2018E	LTM	2018E
Natural Resources & Mining														
BHP Billiton plc	\$21.80	93%	\$116,063	\$133,258	20%	15%	80.1%	50.7%	1.3x	24.7x	3.1x	2.6x	6.0x	5.8x
Glencore Plc	4.33	80%	60,665	91,985	34%	11%	3.8%	6.2%	2.5x	10.8x	0.4x	0.4x	6.9x	5.1x
Rio Tinto plc	50.62	85%	86,503	97,564	18%	(3%)	32.6%	39.6%	0.8x	10.4x	2.4x	2.5x	6.1x	5.3x
Vedanta Resources plc	10.86	85%	3,091	21,056	33%	13%	24.0%	26.6%	4.1x	NM	1.4x	1.2x	5.1x	4.6x
ERAMET S.A.	105.79	54%	2,802	3,477	37%	5%	29.1%	23.2%	2.2x	12.5x	0.8x	0.8x	3.6x	3.1x
Cleveland-Cliffs Inc.	12.66	97%	3,772	5,275	10%	1%	21.5%	26.5%	3.5x	9.6x	2.1x	2.2x	8.1x	8.9x
Median: Natural Resources & Mining					27%	8%	26.5%	26.6%	2.3x	10.8x	1.8x	1.7x	6.0x	5.2x

Processors/Distributors Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/28/18	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value /			
					'16A - '17A	'17A - '18E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2018E	LTM	2018E
Processors/Distributors														
Reliance Steel & Aluminum Co.	\$85.29	88%	\$6,171	\$8,118	13%	10%	28.7%	10.3%	1.9x	10.2x	0.8x	0.8x	7.5x	8.2x
Worthington Industries, Inc.	43.36	87%	2,576	3,347	19%	(1%)	16.3%	8.2%	2.5x	12.6x	0.9x	0.9x	10.9x	9.5x
Klöckner & Co SE	11.58	84%	1,155	1,802	25%	3%	20.2%	2.8%	3.3x	10.0x	0.2x	0.2x	8.4x	6.4x
Russel Metals Inc.	20.73	82%	1,287	1,635	37%	5%	19.8%	8.3%	1.9x	13.0x	0.6x	0.6x	7.2x	8.2x
Ryerson Holding Corporation	11.30	87%	421	1,449	18%	11%	17.3%	4.8%	6.0x	24.6x	0.4x	0.4x	8.2x	7.0x
Olympic Steel, Inc.	20.87	81%	230	522	26%	10%	20.7%	3.9%	5.2x	12.5x	0.4x	0.4x	9.2x	9.1x
Median: Processors/Distributors					22%	7%	20.0%	6.5%	2.9x	12.6x	0.5x	0.5x	8.3x	8.2x

Scrap/Recycling Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/28/18	% of 52-Week High	Market Cap	Enterprise Value	Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value /			
					'16A - '17A	'17A - '18E	Gross	EBITDA			Revenue		EBITDA	
											LTM	2018E	LTM	2018E
Scrap/Recycling														
Steel Dynamics, Inc.	\$45.19	87%	\$10,610	\$12,123	23%	13%	16.1%	15.3% *	1.5x	12.9x	1.2x	1.1x	7.6x	7.0x
Commercial Metals Company	20.52	77%	2,401	2,960	9%	8%	11.3%	5.4%	4.2x	NM	0.6x	0.6x	10.7x	7.1x
Sims Metal Management Limited	9.16	70%	1,871	1,642	22%	3%	13.1%	4.6%	0.1x	11.1x	0.3x	0.3x	7.5x	5.3x
Schnitzer Steel Industries, Inc.	27.05	70%	706	874	25%	24%	14.6%	8.1%	1.0x	8.2x	0.4x	0.4x	4.9x	4.7x
Median: Scrap/Recycling					22%	10%	13.8%	5.4%	1.2x	11.1x	0.5x	0.5x	7.5x	6.1x

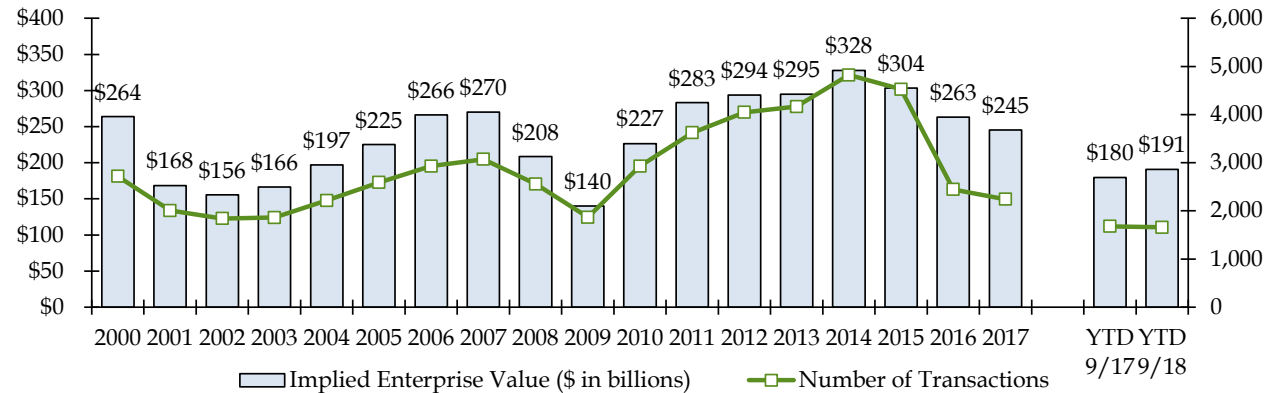
High levels of demand remain with an increasing number of interested buyers chasing a limited supply

M&A Market Commentary

- **We are in the 9th year of the post-Great Recession recovery**
 - Typical expansion lasts 7 years
 - M&A deal flow and transaction volume have declined for 3 straight years, though still above pre-recession levels
- **We expect 1 - 2 more years of strong M&A market conditions**
 - Recent momentum, tax reform may provide a boost after several years of ~2% growth
 - The labor market is tight, but job-seekers may be tempted to return after low participation
 - Interest rates are low/stable, but have nowhere to go but up
 - Financial leverage is at cyclical highs, representing a risk
- **It is still a seller's market given:**
 - Record levels of un-invested private equity capital
 - Healthy corporate profits and strategic buyer balance sheets

U.S. Middle Market M&A Activity

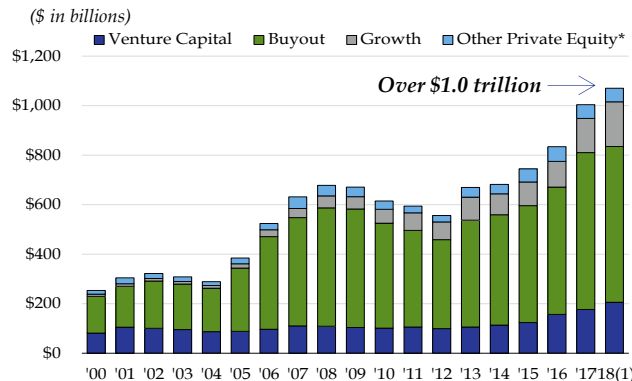
- Historically, M&A cycles have not extended past seven years; 2017 was the 8th year of the current cycle
- 2017 demonstrated signs that the buyout cycle is slowing, however, numerous positive drivers remain
 - 2018 tax policy changes and cash repatriation expected to support continued M&A activity



Market Conditions Today Make the Environment a "Sellers' Market"

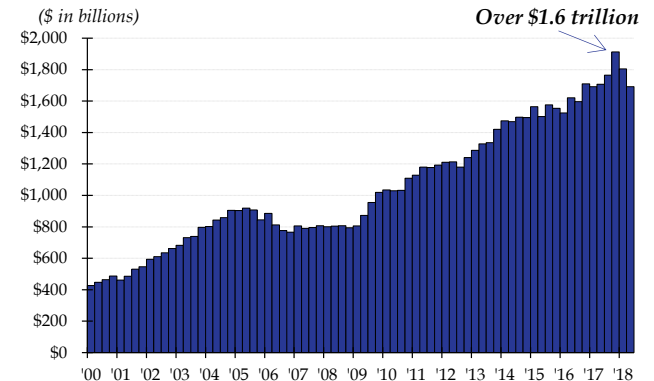
Private Equity Dry Powder by Fund Type

Private equity firms continue to sit on a built up level of dry powder, driving a need to deploy it for acquisitions



Strategic Buyer (Corporate) Cash

U.S. corporate cash balances remain at record levels and are driving activity in strategic buyer M&A



⁽¹⁾ As of June 30, 2018

* = "Other Private Equity" includes balanced, co-Investment, co-Investment multi-manager, direct secondaries, and turnaround funds

Source: Pitchbook, Prequin, and S&P Capital IQ

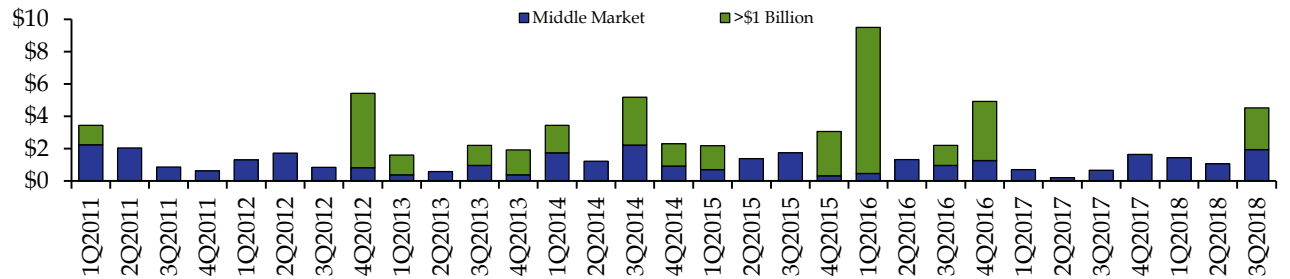
Diversified Industrials and Metals & Materials Specific Activity

- Recent activity in U.S. Metals & Materials M&A has been driven by both large cap and middle market transactions
 - Highlighted transactions include:
 - Novelis, Inc.'s acquisition of Aleris Corporation, announced July 26, 2018 for \$2.6 billion
 - Northwest Pipe Company's (NasdaqGS:NWPX) acquisition of Ameron Water Transmission Group, announced July 30, 2018 for \$38 million
 - U.S. Metals & Materials deal volume was slightly lower in 3Q 2018 from the prior quarter and was relatively flat on a Q-o-Q basis when compared to 3Q 2017
 - U.S. middle market Metals & Materials disclosed deal value was higher than the preceding quarter and eclipsed value in 3Q 2017

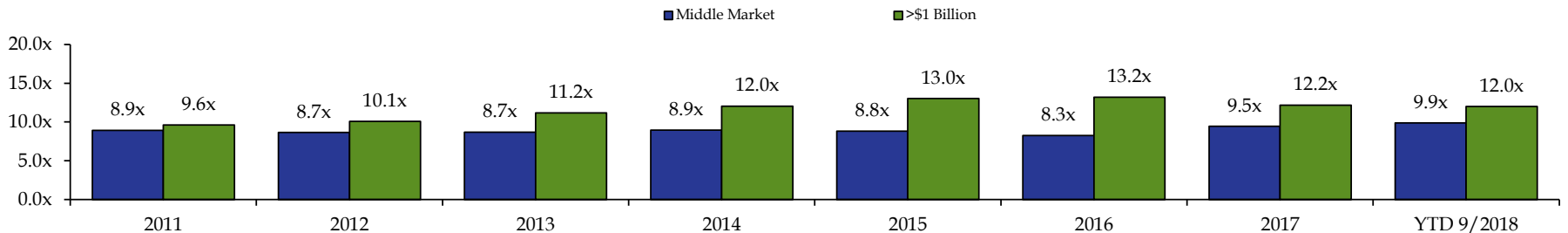
U.S. Metals & Materials M&A Announced Deal Volume



U.S. Metals & Materials M&A Disclosed Deal Value (\$ in billions)



U.S. Diversified Industrials M&A Announced Deal Average EV/EBITDA Multiple



Note: Middle Market defined as transactions with disclosed deal values less than \$1 billion
 EV - Enterprise Value ND - No Transaction Values Disclosed NM - Not Meaningful
 Source: Fifth Third Securities, Bloomberg, PitchBook and S&P Capital IQ

Metals & Materials – Select Transaction Detail

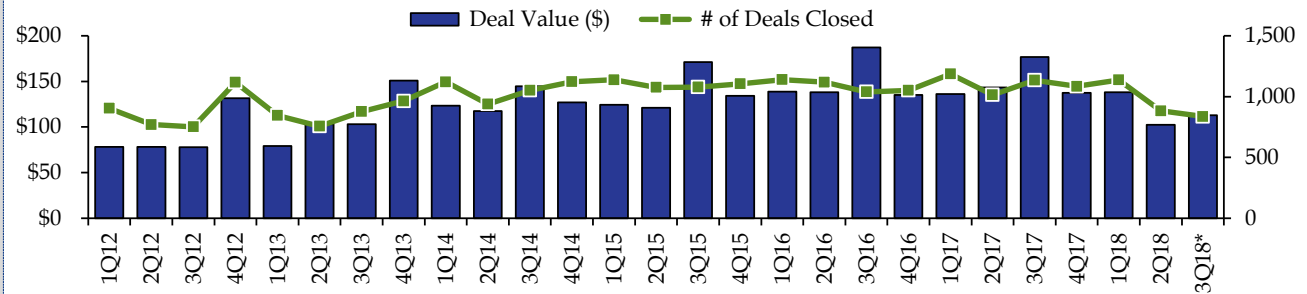
Metals & Materials (\$ in millions)

Date Announced	Investor	Target	Transaction's Enterprise Value	Metals & Materials Sub-Sector
Sep-18	Lindstrom Metric, LLC	Stelfast, Inc.	-	Metal Forming & Machining
Sep-18	Kaiser Aluminum Corporation (NasdaqGS:KALU)	Imperial Machine & Tool Co Inc	-	Metal Forming & Machining
Sep-18	Ontic Engineering and Manufacturing, Inc.	Firstmark Corporation	\$97	Metal Forming & Machining
Sep-18	Steel Dynamics, Inc. (NasdaqGS:STLD)	KES Holdings, LLC	\$5	Mills & Specialty Metal
Sep-18	Bushveld Minerals Limited (AIM:BMN)	Strategic Minerals Corporation	\$18	Mills & Specialty Metal
Sep-18	Vision Technologies Aerospace Incorporated	MRA Systems, LLC	\$630	Metal Forming & Machining
Sep-18	Sage Metals Limited	Trident Components, LLC	-	Metal Forming & Machining
Sep-18	Aalberts Industries N.V. (ENXTAM:AALB)	Co-Planar Inc.	-	Metal Forming & Machining
Sep-18	LISI Automotive SAS	Assets of Hi-Vol Products LLC	-	Metal Forming & Machining
Sep-18	Aalberts Industries N.V. (ENXTAM:AALB)	Roy Metal Finishing Co., Inc.	-	Mills & Specialty Metal
Aug-18	Consolidated Aerospace Manufacturing, LLC	The E.A. Patten Company LLC	-	Metal Forming & Machining
Aug-18	Kinderhook Industries(Paul Cifelli), Racing Winning Brands(Brian Reese)	Dart Machinery	-	Metal Forming & Machining
Aug-18	Golden Opportunity Ventures I LLC	Pogo Gold Mine in Alaska	\$260	Natural Resources & Mining
Aug-18	K2 Resources Inc	Logan Resources (Usa) Ltd.	-	Natural Resources & Mining
Aug-18	Standex International Corporation (NYSE:SDI)	Tenibac-Graphion, Inc.	-	Mills & Specialty Metal
Aug-18	Fortune Brands Home & Security, Inc. (NYSE:FBHS)	Fiberon, LLC	\$470	Metal Forming & Machining
Aug-18	Washington Equity Partners	Accu-Tube Corporation	-	Metal Forming & Machining
Aug-18	Avem Partners, True West Capital Partners	Future Tech Metals	-	Metal Forming & Machining
Aug-18	Lydall, Inc. (NYSE:LDL)	Interface Performance Materials, Inc.	\$265	Metal Forming & Machining
Aug-18	Warburg Pincus	Selmet	-	Metal Forming & Machining
Aug-18	Auxo Investment Partners(Jeffrey Helminski)	Midway Rotary Die Solutions	-	Metal Forming & Machining
Aug-18	Black Stone Minerals, L.P. (NYSE:BSM)	Mineral and Royalty Assets in Midland Basin and Delaware basin	\$27	Natural Resources & Mining
Aug-18	Black Stone Minerals, L.P. (NYSE:BSM)	Additional Mineral and Royalty Assets in Texas	\$11	Natural Resources & Mining
Aug-18	Aterian Investment Partners, LLC	Pioneer Metal Finishing, LLC	-	Mills & Specialty Metal
Aug-18	MW Industries, Inc.	Ameriflex, Inc.	-	Metal Forming & Machining
Aug-18	Reliance Steel & Aluminum Co. (NYSE:RS)	KMS Fab, LLC/KMS South, Inc.	-	Metal Forming & Machining
Aug-18	Merritt Preferred Components	Triumph Structures-East Texas, Inc.	-	Metal Forming & Machining
Aug-18	Lentech, Inc.	Edge Space Systems, Inc.	-	Metal Forming & Machining
Jul-18	Boomerang Tube LLC	Southern Tube LLC	-	Processors/Distributors
Jul-18	Northwest Pipe Company (NasdaqGS:NWPX)	Ameron Water Transmission Group, LLC	\$38	Metal Forming & Machining
Jul-18	Novelis Inc.	Aleris Corporation	\$2,580	Metal Forming & Machining
Jul-18	Thalheimer Brothers, Inc.	Mega Metals, Inc.	-	Processors/Distributors
Jul-18	Wheaton Precious Metals International Ltd.	Stillwater and East Boulder Mines	-	Natural Resources & Mining
Jul-18	TransDigm Group Incorporated (NYSE:TDG)	SKANDIA, Inc.	\$84	Metal Forming & Machining
Jul-18	Samuel, Son & Co., Limited	Sierra Aluminum Company	-	Metal Forming & Machining
Jul-18	The Goldman Sachs Group, Inc. (NYSE:GS)	LTI Boyd Corporation	-	Metal Forming & Machining
Jul-18	Cadence Aerospace, LLC	Perfekta, Inc.	-	Metal Forming & Machining
Jul-18	Hickok Incorporated (OTCPK:HICK.A)	CAD Enterprises, Inc.	\$21	Metal Forming & Machining
Jul-18	WP CPP Holdings, LLC	Selmet, Inc.	-	Metal Forming & Machining

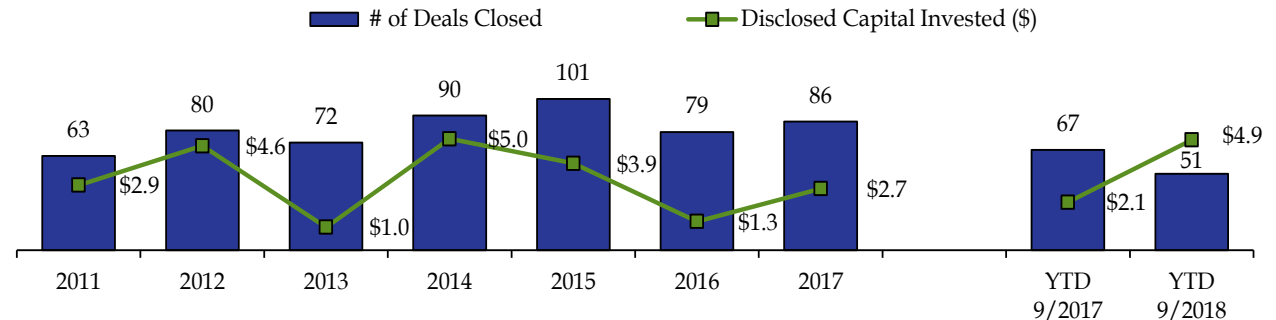
Metals & Materials

- U.S. Private Equity deal flow was up on a value basis and down on a volume basis during the third quarter of 2018
 - A handful of large buyouts drove total deal value, including Keurig Green Mountain's completed buyout of Dr. Pepper Snapple Group
 - Median deal sizes are expected to continue to increase, with larger fund sizes pushing fund managers to pursue larger deals, along with lofty purchase multiples
- Deal flow is expected to be continually strong throughout 2018 driven by current dry powder levels and easy access to debt financing
- Metals & Materials private equity disclosed capital invested increased, while number of deals closed decreased YTD 9/2018 when compared to the same period in 2017
 - 51 deals closed for a total disclosed value of \$4.9 billion YTD 9/2018
- The number of private equity exits YTD 9/2018 within Metals & Materials increased when compared to the same period in 2017, exhibiting a disclosed median deal size of \$700 million
- Primary driver for increased disclosed capital invested and disclosed median exited deal size YTD 9/2018 was Clayton, Dubilier & Rice's completed acquisition of Ply Gem Holdings for \$2.3 billion (announced Jan 31, 2018), purchased from funds managed by CI Capital Partners

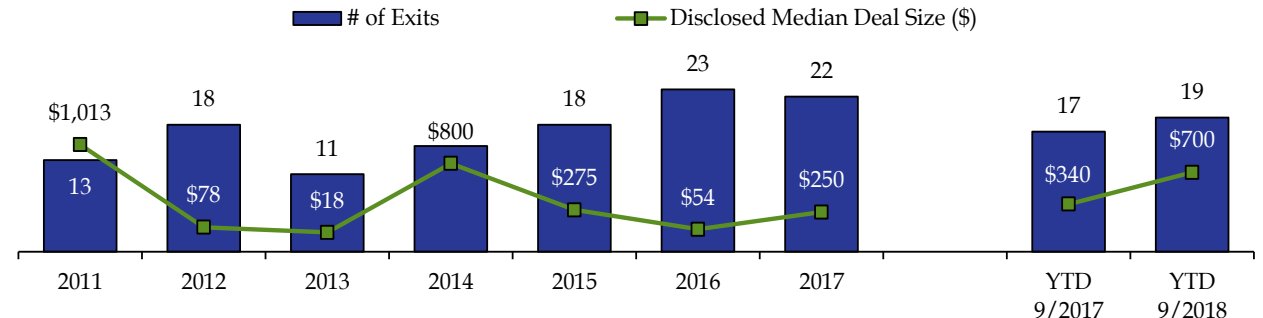
Overall U.S. Private Equity Deal Flow (\$ in billions)



U.S. Metals & Materials Private Equity Deal Flow (\$ in billions)



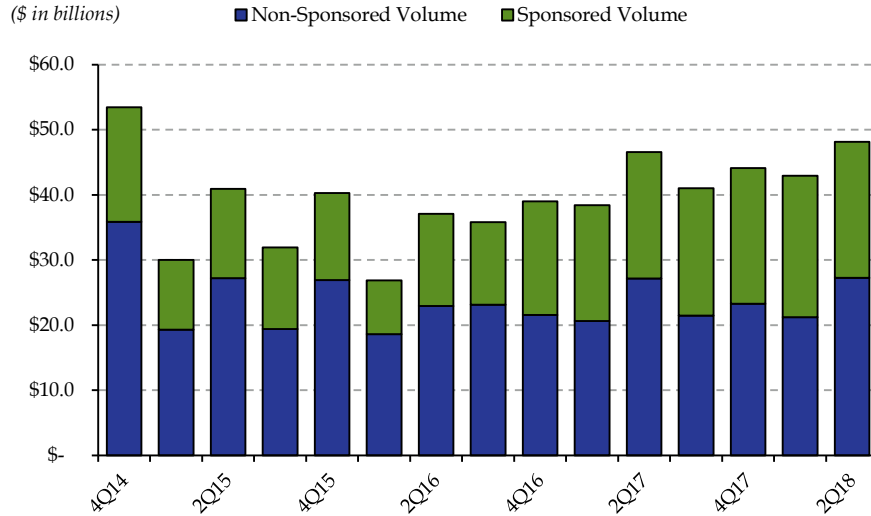
U.S. Metals & Materials Private Equity Exits (\$ in millions)



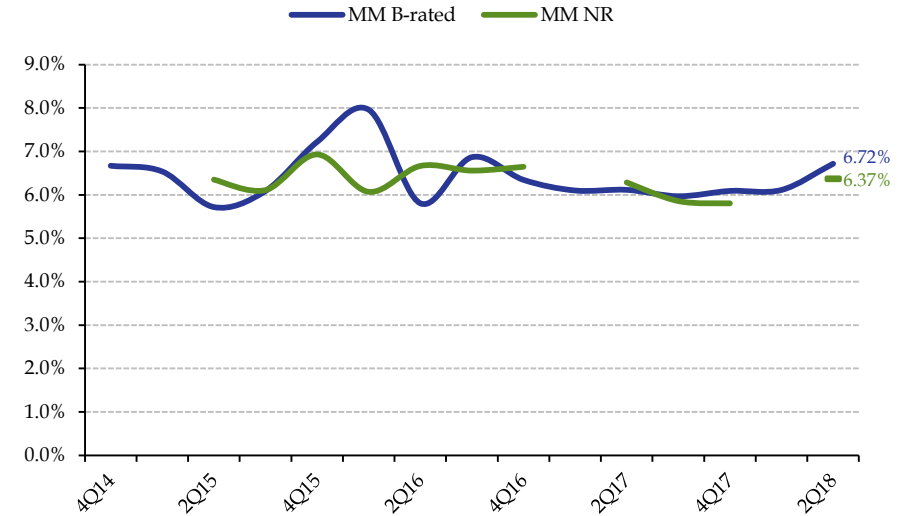
*3Q18 preliminary PitchBook data
ND - No Transaction Values Disclosed
Source: Fifth Third Securities, PitchBook

U.S. Middle Market Loan Market Trends

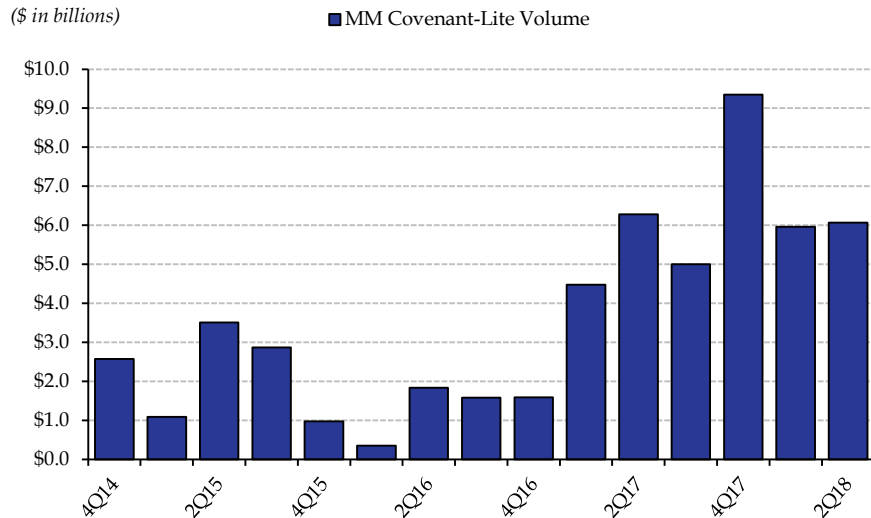
Loan Volume: Level of Supply Regains Momentum in 2Q 2018



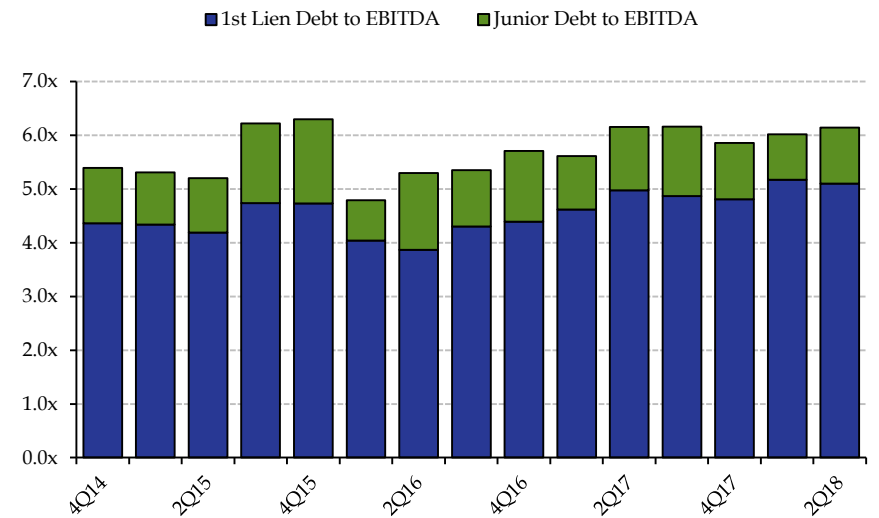
After Relative Stability in 1Q, B-rated Yields Widen in 2Q 2018 [1]



Middle Market Covenant-Lite Volume Remains Flat in 2Q 2018



Middle Market LBO Leverage Levels Stay Consistent Around 6.0x



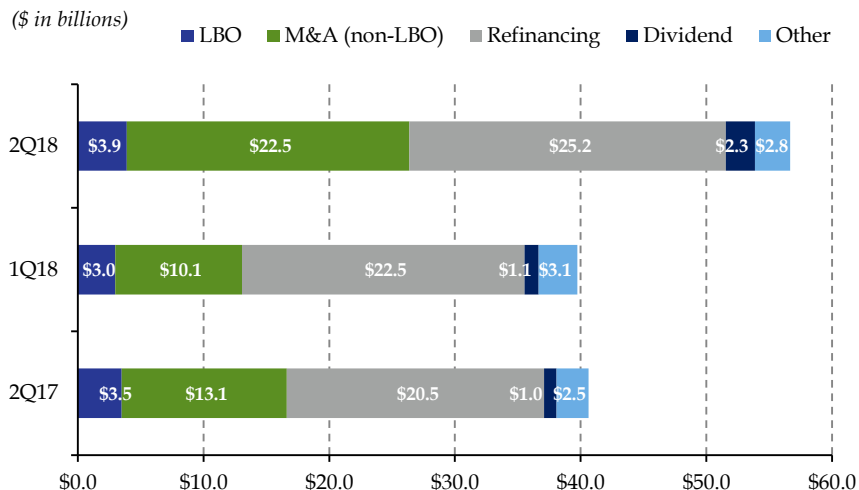
Note: This data represents the entire U.S. middle market (all industries)
 Note: The middle market is defined as deal size ≤ \$100 million and borrower sales ≤ \$500 million
 [1] Includes both non-sponsored and sponsored transactions; sufficient data not available for MM NR loans in 1Q15, 1Q17, and 1Q18
 Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

M&A (Non-LBO) Activity Drives Increases in Pro Rata Market Volume

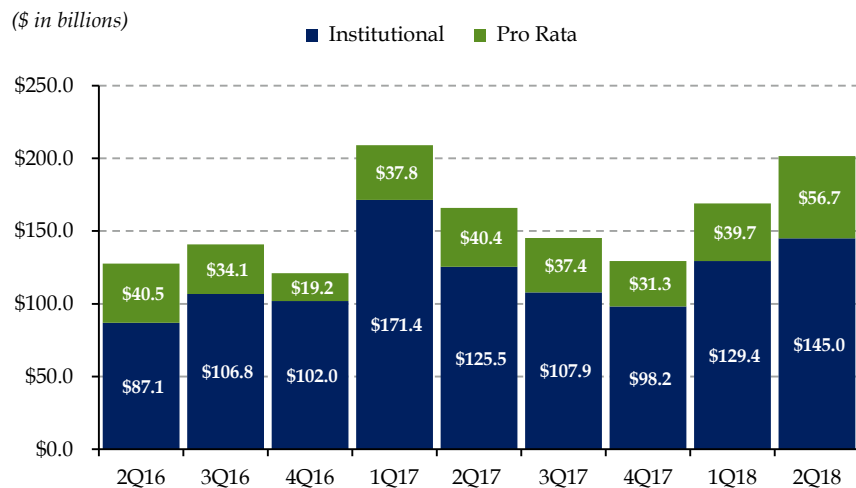
2Q18: Pro Rata Market Commentary

- 2Q18 saw a substantial up-tick in Pro Rata market volume, with the share of new issues in the overall leveraged loan market, held by banks and securities firms, rising to 28.1%
- Despite the spike in 2Q18 volume, the amount of funded term loans held by banks and securities firms fell to an all-time low of 8.8%
 - 2Q18 Pro Rata loan volume increased 40% to \$56.7BN, from \$40.4BN in 2Q17
 - Refinancing volume rose in 2Q18 to \$25.2BN, an increase of 23% from year prior volume of \$20.5BN
 - 2Q18 saw M&A (non-LBO) volume of \$22.5BN, a 123% increase from the previous quarter and a 71% increase from 2Q17
- While there was a substantial increase in Pro Rata market volume in 2Q18, the vast majority of the \$17.0BN quarter over quarter increase was in the form of M&A (non-LBO), representing over 73% of the increase
- In general, given the strong loan demand from banks during the first half of 2018, the Pro Rata market remains an attractive funding option for issuers

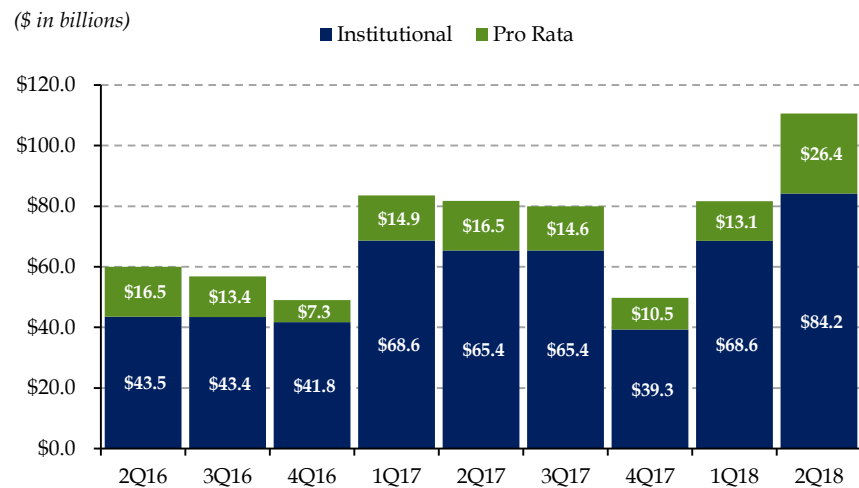
Pro Rata Volume by Use of Proceeds



Total Loan Volume (Excluding Reprices)



Total M&A Loan Volume

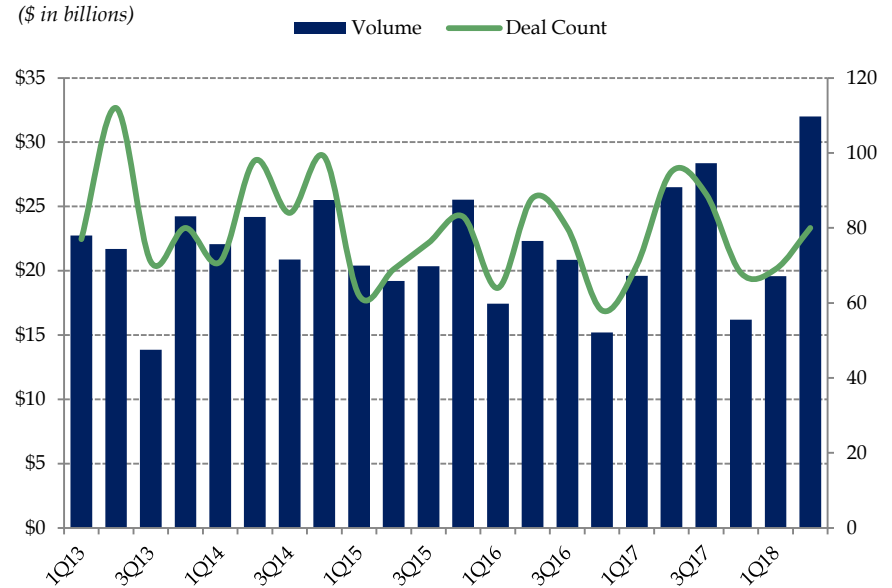


Asset Based Lending Market Update

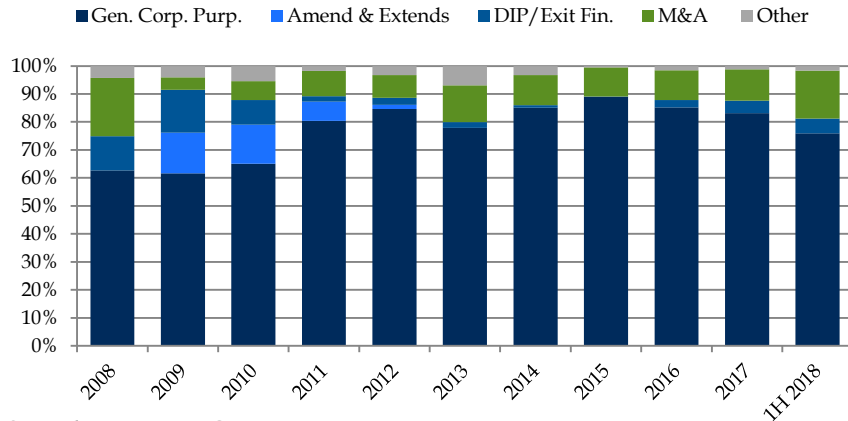
2Q 2018: ABL Market Commentary

- 2Q18 ABL issuance volumes represented a historic quarterly high of \$32.0 billion, a 64% and 21% increase from 1Q18 and 2Q17 periods, respectively. 1H18 volumes totaled \$51.6 billion
- At 80 transactions, 2Q18 also saw a pickup in deal count relative to the prior two quarters
- 1H18 new money deal flow totaled \$17.0 billion, or 32.0% of volume. Volume continued to consist primarily of refinancing activity with general corporate purposes being the primary use of proceeds. The market saw a slight pickup in M&A activity at 17.1% of 1H18 volumes, compared to 11.0% in 2016 and 2017
- As a result of the volume of refinancing activity, the maturity wall for ABL credits has been pushed out to 2023. Based on upcoming maturities, an estimated \$14.1 billion in ABL issuance may be up for renewal in 2H18
- Although deal size continues to skew towards the smaller end of the market (sub \$250.0 million), 1H18 saw an increased number of larger sized credits north of \$500.0 million. 18.6% of 1H18 ABL deal flow represented issuances of \$500.0 million or greater compared to 13% in 2016 and 2017
- ABL spreads continue to remain low with average drawn pricing at 194.3 bps and average undrawn pricing at 32 bps
- 73.5% of deals \geq \$75.0 million in size were priced (drawn pricing) below 250 bps, of which 60.3% were priced between 150-199 bps and 14.7% were priced below 150 bps

ABL Volume and Deal Count

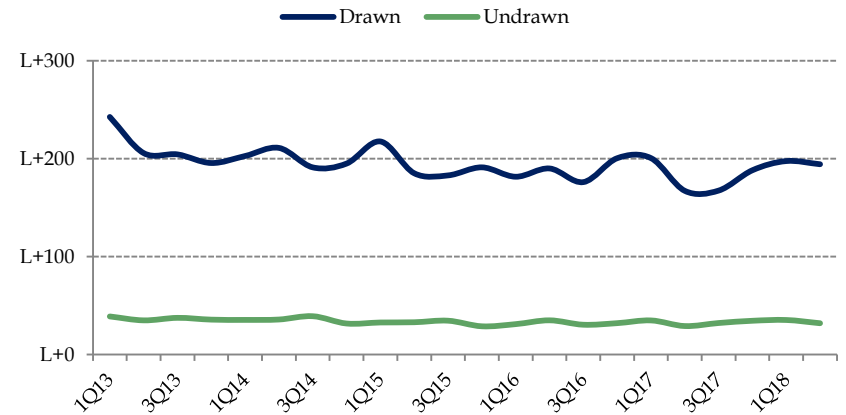


ABL Deal Purpose Dispersion



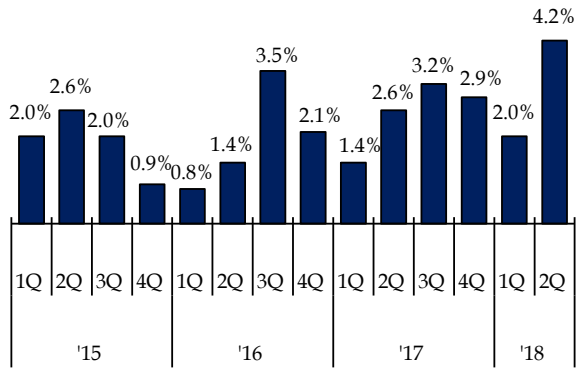
Source: Thomson Reuters LPC

ABL Average Pro Rata Pricing



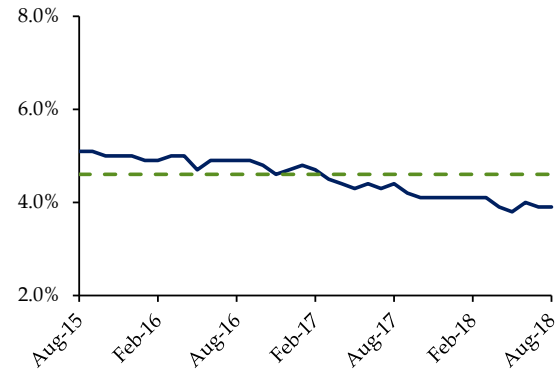
Economic Dashboard

Real GDP Growth



Source: Bureau of Economic Analysis

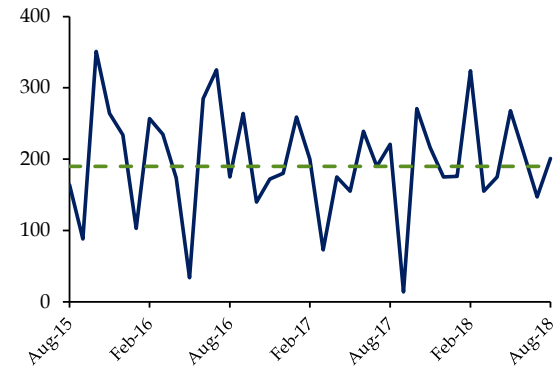
National Unemployment Rate



Source: Bureau of Labor Statistics

Additions to Non-Farm Payrolls

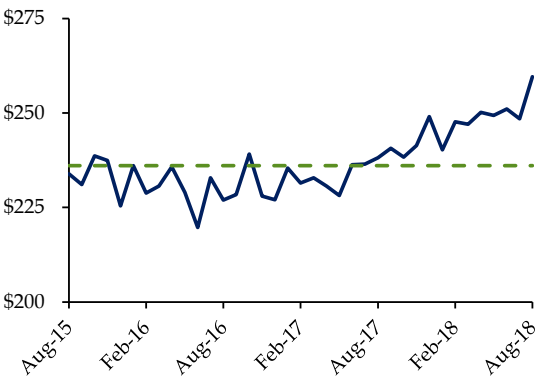
(in thousands of employees)



Source: Bureau of Labor Statistics

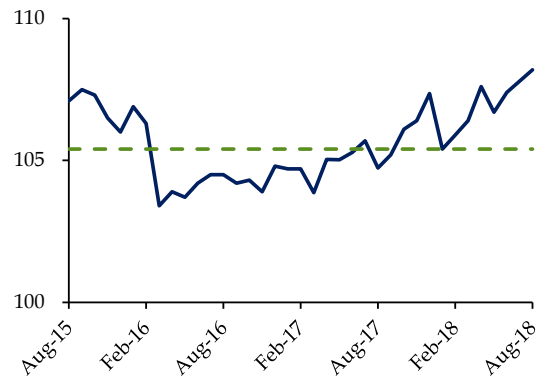
Capital Goods Orders

(\$ in billions)



Source: United States Census Bureau

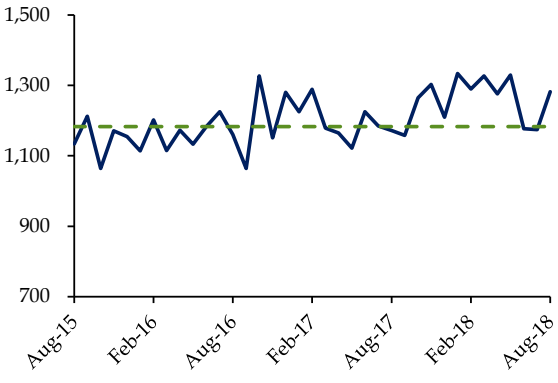
Industrial Production Index



Source: Board of Governors of the Federal Reserve System

Housing Starts

(in thousands of units)



Source: United States Census Bureau



Notes & Definitions

S&P 500 Index- A broad index that includes American Companies.

EBITDA- A company's earnings before interest, taxes, depreciation, and amortization, is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Dry Powder- Refers to cash reserves kept on hand to cover future obligations or to purchase assets.

GDP- Gross domestic product is the market value of the goods and services produced by labor and property located in the United States

Consumer Sentiment Index- The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in December 1964

National Unemployment Rate- the percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Non-Farm Payroll- Nonfarm payroll employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, non-profit organization employees, or government employees . It is an economic indicator released monthly by the United States Department of Labor as part of a comprehensive report on the state of the labor market.

Housing Starts- are the number of new residential construction projects that have begun during any particular month.

The Economist- offers authoritative insight and opinion on international news, politics, business, finance, science, technology and the connections between them

LBO -- leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.

Industrial Production Index (IPI)- is an economic indicator published by the Federal Reserve Board of the United States that measures the real production output of manufacturing, mining, and utilities Capital Goods Orders.

Covenant-lite loans- means that debt is being issued, both personally and commercially, to borrowers with less restrictions on collateral, payment terms, and level of income.

IRR-Internal Rate of Return.

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++ Services and activities offered through Fifth Third Securities, Inc