

Figure 7: U.S. Domestic Steel Companies Relative Value Comparison (\$, millions)

Corporate	AK Steel		ArcelorMittal		Commercial Metals Co.		Nucor		Ryerson		Steel Dynamics		U.S. Steel	
Equity Ticker/Price	AKS	\$5.64	MTNA	\$27.47	CMC	\$21.12	NUE	\$64.19	RYI	\$10.15	STLD	\$43.03	X	\$34.96
Bond Ticker/Recommend	AKS	BUY	MTNA	BUY	CMC	NR	NUE	NR	RYI	BUY	STLD	HOLD	X	NR
Business Description	Steel Manufacturer		Steel Manufacturer		Steel Manufacturer		Steel Manufacturer		Metals Service Center		Steel Manufacturer		Steel Manufacturer	
Income Statement	LTM		LTM		LTM		LTM		LTM		LTM		LTM	
Period Ending	Sep-17		Sep-17		Aug-17		Oct-17		Sep-17		Sep-17		Sep-17	
REVENUE	\$8,004		\$65,095		\$4,570		\$19,117		\$3,236		\$9,113		\$11,767	
Gross Profit	822		2,492		671		2,492		561		1,571		1,222	
Gross Margin	13.7%		3.8%		14.7%		13.0%		17.3%		17.2%		10.4%	
EBIT	323		5,009		120		1,855		103		1,089		409	
EBIT Margin	5.4%		7.7%		2.6%		9.7%		3.2%		12.0%		3.5%	
EBITDA	\$456		\$7,928		\$222		\$2,636		\$180		\$1,377		\$989	
EBITDA Margin	7.6%		12.2%		4.9%		13.8%		5.5%		15.1%		8.4%	
Capital Expenditures, Net	134		2,585		213		570		19		203		329	
Interest Expense	155		651		44		172		90		138		272	
Cash Taxes	(42)		538		25		522		(2)		303		1	
SIMPLE FREE CASH FLOW	\$209		\$4,154		(\$60)		\$1,372		\$72		\$734		\$387	
FCF / Debt	10.0%		27.8%		-7.3%		31.2%		6.9%		29.0%		13.3%	
Financial Ratios	2.96x		12.18x		5.05x		15.30x		1.99x		9.97x		3.64x	
EBITDA/Interest	1.66x		-0.31x		-0.23x		-0.60x		5.39x		-0.78x		-0.72x	
Net Secured Debt/EBITDA	4.46x		1.51x		2.58x		1.07x		5.39x		1.04x		1.22x	
Total Debt/EBITDA	4.60x		1.89x		3.71x		1.67x		5.80x		1.84x		2.93x	
NEWEBITDA	4.46x		1.51x		12.48x		1.07x		5.39x		7.04x		1.22x	
Revolver Size/Maturity	\$1,350	13-Sep-22	\$5,500	21-Dec-19	\$350	26-Jun-19	\$1,500	14-Apr-21	\$750	16-Nov-21	\$1,200	14-Nov-19	\$1,500	27-Jul-20
Outstanding Issues	AK Steel		ArcelorMittal		Commercial Metals Co.		Nucor		Ryerson		Steel Dynamics		U.S. Steel	
Coupon/Ranking	7.500%	1L Sec Nts	6.125%	Sr Nts	4.875%	Sr Nts	5.850%	Sr Nts	11.000%	Sr Sec Nts	5.125%	Sr Nts	8.375%	1L Sec Nts
Amount/Maturity	\$380	7/15/2023	\$843	6/1/2018	\$330	5/15/2023	\$500	6/1/2018	\$650	5/15/2022	\$700	10/1/2021	\$780	7/1/2021
Call Price/Call Date	103.750	7/15/2019	na	na	100.000	2/15/2023	na	na	105.500	5/15/2019	102.563	1/22/2018	108.281	7/1/2018
Price/(Moody's/S&P)	108.250	B1/BB-	101.500	Ba1/BB+	102.250	Ba2/BB+	101.592	Baa1/A-	112.783	Caa1/B	102.250	Ba1/BB+	109.125	B1/BB-
YTW/Spread	4.30%	228			4.38%	208			5.18%	319			3.77%	80
YTW/Spread per 1.0x of Net Lvg	260	137			170	81			96	59			362	184
Coupon/Ranking	5.000%	Sr Converts	5.125%	Sr Nts	5.375%	Sr Nts	4.125%	Sr Nts			5.250%	Sr Nts	7.375%	Sr Nts
Amount/Maturity	\$150	11/15/2019	\$324	6/1/2020	\$300	7/15/2027	\$600	9/15/2022			\$400	4/15/2023	\$432	4/1/2020
Call Price/Call Date	na	na	na	na	102.688	7/15/2022	100.000	6/15/2022			102.625	4/15/2018	na	na
Price/(Moody's/S&P)	131.875	B3/B-	104.500	Ba1/BB+	102.000	Ba2/BB+	106.010	Baa1/A-			102.750	Ba1/BB+	109.000	Caa1/B
YTW/Spread	-9.96%	-1,204	3.18%	105	5.05%	268	2.69%	42			4.34%	222	3.21%	109
YTW/Spread per 1.0x of Net Lvg	-223	-270	211	69	196	104	252	39			418	213	264	90
Coupon/Ranking	7.625%	Sr Nts	5.250%	Sr Nts	6.125%	Sr Nts	4.000%	Sr Nts			5.500%	Sr Nts	6.875%	Sr Nts
Amount/Maturity	\$406	10/1/2021	\$626	8/5/2020	\$500	6/1/2025	\$500	8/1/2023			\$500	10/1/2024	\$750	8/15/2025
Call Price/Call Date	103.813	1/22/2018	na	na	na	na	100.000	5/1/2023			102.750	10/1/2019	103.438	8/15/2020
Price/(Moody's/S&P)	103.750	B3/B-	105.500	Ba1/BB+	114.750	Ba1/BB+	105.968	Baa1/A-			105.750	Ba1/BB+	103.250	Caa1/B
YTW/Spread	5.01%	316	3.52%	137	3.82%	146	2.79%	48			3.62%	156	6.06%	379
YTW/Spread per 1.0x of Net Lvg	113	71	233	91	253	96	261	45			348	150	497	311
Coupon/Ranking	6.375%	Sr Nts	5.500%	Sr Nts	7.000%	Sr Nts	6.400%	Sr Nts			4.125%	Sr Nts	6.650%	Sr Nts
Amount/Maturity	\$280	10/15/2025	\$756	3/1/2021	\$1,117	10/15/2039	\$650	12/1/2037			\$350	9/15/2025	\$350	6/1/2037
Call Price/Call Date	103.188	10/15/2020	na	na	na	na	na	na			102.063	9/15/2020	na	na
Price/(Moody's/S&P)	98.750	B3/B-	108.000	Ba1/BB+	128.000	Ba1/BB+	132.327	Baa1/A-			100.375	Ba1/BB+	98.850	Caa1/B
YTW/Spread	6.58%	421	3.32%	113	5.31%	275	4.03%	145			4.04%	176	6.76%	420
YTW/Spread per 1.0x of Net Lvg	148	94	220	75	352	182	377	136			388	169	555	345
Coupon/Ranking	7.000%	Sr Nts	6.250%	Sr Nts	6.750%	Sr Nts	5.200%	Sr Nts			5.000%	Sr Nts		
Amount/Maturity	\$400	3/15/2027	\$659	2/25/2022	\$629	3/1/2041	\$500	8/1/2043			\$400	12/15/2026		
Call Price/Call Date	103.500	3/15/2022	na	na	na	na	100.000	2/1/2043			102.500	12/15/2021		
Price/(Moody's/S&P)	101.750	B3/B-	111.250	Ba1/BB+	126.500	Ba1/BB+	118.822	Baa1/A-			105.500	Ba1/BB+		
YTW/Spread	6.69%	433	3.80%	155	5.26%	269	4.00%	141			4.07%	183		
YTW/Spread per 1.0x of Net Lvg	150	97	252	103	348	178	375	132			391	176		

Source: Deutsche Bank, Company Reports, Bloomberg Finance LP

