

## ROTAX METALS, INC CASE STUDY

Rotax Metals, Inc. has been acquired by Reliance Steel & Aluminum Co.

### PROCESS

Rotax Metals, Inc. is a specialty red metals distributor and carries an extensive inventory of niche, hard to find products. Their differentiators include product availability, knowledgeable customer service and rapid order turnaround, with orders shipping within 24 hours of receipt. Rotax's expertise in managing a diverse inventory model results in solid gross margins. Rotax had rebounded from what was a difficult 2020 for the entire industry due to the impacts of Covid-19 into an outstanding 2021 with strong tailwinds. Rotax was seeking a buyer who could leverage their customer base of over 1,000 customers and build on their demonstrated Operational Excellence to take Rotax to the next level. As a long-term family business, Rotax put great stock in maintaining their heritage after the transaction. FOCUS created a very broad market for Rotax of over 200 targets, which included Strategic Buyers, PE-Backed Strategics, and Financial Sponsors. A diverse group of excellent buyers ultimately participated in the auction and several competitive offers were presented to the owner. The Management Meetings, each lasting several hours, allowed the owner to learn a great deal about each potential buyer and understand what would become of Rotax in the future. When it came to selecting the right buyer, Reliance stood out as the perfect fit. From the CEO on down, every Reliance employee they met demonstrated a strong cultural alignment with Rotax and ultimately convinced the owner that Rotax would have a bright future with Reliance.

### RESULTS

Rotax and Reliance are a great match. While Reliance is the largest metal service center in North America, they operate as a family of companies. With a current market capitalization for Reliance of over \$10B, Rotax's annual net sales of approximately \$14 million might not be significant enough for most companies of Reliance's size. However, Reliance was attracted to their shared strong corporate values, commitment to customers and employees. The Rotax name continues and Rotax can now offer broader service and products to its customers. The terms of the transaction were not disclosed, although Rotax will operate as a subsidiary of Yarde Metals, Inc., a wholly owned subsidiary of Reliance, and is the 71st company to become a member of the Reliance family.

### NEXT STEPS

FOCUS Investment Bankers offers an investment banking process designed to deliver great outcomes to clients embarking on the most important and complex transactions of their lives.

To learn more about our Supply Chain investment banking services or to discuss your specific situation with no obligation please feel free to call:

**Barry Calogero**  
Managing Director  
Direct: 703-628-3093

We are happy to share our knowledge and help you understand your options. All conversations are strictly confidential.



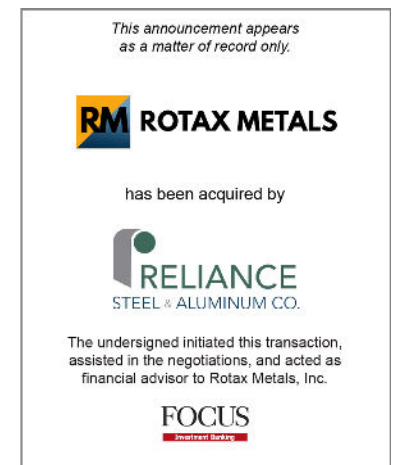
### AT A GLANCE

#### Rotax Metals, Inc.

- Founded in 1947
- Located in Brooklyn, NY
- A metals distributor of a full line of specialty metals including bronze, brass, and copper
- A "go-to" supplier for a highly diverse customer base for over 70 years

#### Reliance Steel & Aluminum Co.

- Headquartered in Los Angeles, CA
- Leading diversified metal solutions provider
- North America's largest metals service center company, offering 100,000+ products



"Rotax represents the American dream... We selected Reliance because of its strong corporate values and I am pleased to see that the Rotax name, principles, and services will continue to grow and develop. I couldn't have asked for a better match and am happy that FOCUS helped find Reliance as the buyer for my company."

**Nancy Rosenthal**  
President of Rotax Metals, Inc.