

Specialised Technical Consulting Firm



**Steel
Hub**

Where Challenge
Meets Solution

Technical Evaluation of two Celsa Steel Plants in Europe for a Private Investment Company



HIGHLIGHTS

"Steel Hub has delivered some of the best pieces of work that I have experienced during my >20 years in top management consulting and private equity"

Petr Šlechta, Vice President M&A and Business Development

CELSA UK AND NORDIC PLANTS WERE VISITED



- Port and Scrap Yard
- Melt Shop (SMS)
- Rolling Mill (Rod and section)
- Automation & Digitalisation

OUR APPROACH

01 Status Quo Assessment



02 Future Capex Required



03 Adjusted Production Growth Forecasts



SITUATION

Sev.en Global Investments (7GI), a Czech private investment company, commissioned Steel Hub to conduct a technical due diligence on two steel plants in Northern and Central Europe. The goal was to validate the seller claims, identify undisclosed investment needs, review feasibility of future growth potential, and develop performance improvement ideas for future value capture.

APPROACH

Steel Hub assembled a team of four seasoned technical and financial experts, each bringing over 20 years of experience in the steel industry. The team's assessment covered the melt shop and rolling mill operations, and included inspections of plant automation systems and ancillary assets. The baseline was first established by reviewing the technical specifications and performance data provided by the seller before on-site visit. The approach included:

- Evaluation of the technical conditions of the melt shop, rolling mills, automation and ancillary plants
- Compilation of a list of previously unknown capital expenditure (CAPEX) requirements, critical to sustaining and expanding production, which were earmarked as potential red flags to 7GI
- Preparation of an adjusted future production ramp-up plan to align the seller forecasts with the plants' technical capabilities

Steel Hub made capex investment trade-offs transparent and compiled questions for 7GI to submit to the Celsa management. At 7GI's request, our leadership joined board presentations, raising critical questions.



RESULTS

- Comprehensive report detailing the technical assessment and summary of implications for seller CAPEX plans and adjustments to growth forecasts
- Identified potential CAPEX requirements:
 - Plant A: Up to ~€5 million
 - Plant B: Up to ~€40 million
- Introduced scenarios illustrating the sensitivity of ramp-up plans to major investments
- Findings helped 7GI adjust its bidding strategy and engage in more informed negotiations

TESTIMONIALS

“Steel Hub has delivered some of the best pieces of work that I have experienced during my >20 years in top management consulting and private equity. Throughout the project, we were impressed with both the competence of Steel Hub’s technical specialists as well as the Steel Hub leadership’s exceptional ability to meet and exceed our project requirements. In their reports and our consultations, Steel Hub managed to not only carve out the quantitative implications for adjusting our valuation models, but also made the underlying technical considerations transparent and easily accessible. We look forward to rehiring Steel Hub in the future”.

Petr Šlechta, Vice President M&A and Business Development

“From start to finish, Steel Hub served us as a partner at eye level. The Steel Hub team demonstrated outstanding agility and responsiveness to our requests and project needs. Steel Hub’s role in setting up the plant visit agendas was pivotal, and their participation in several plant board meetings proved invaluable in gathering critical information from the seller that informed our bidding strategy. We were impressed by the Steel Hub team’s profound steel industry expertise and appreciated the collaborative spirit throughout the project. We will gladly build on Steel Hub’s expertise to enhance the performance of the steel plants in our portfolio”.

Jan Kraváček, Senior Associate

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Where challenges meet solutions

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