



FOR IMMEDIATE RELEASE

Pacesetter Selects Flack Global Metals for Strategic Investment

JUNE 18, 2024 (Atlanta, Georgia)—Pacesetter Steel Service (Pacesetter) and Flack Global Metals (FGM), two of the premier metals distribution and service center platforms, announced today that they have reached an agreement pursuant to which FGM will acquire a majority ownership stake in Pacesetter's business. Terms of the deal will not be disclosed. The transaction is expected to close in July 2024.

After conducting an extensive succession planning process, Pacesetter chose to partner with FGM based on FGM's recognized leadership status in deploying risk management and hedging strategies for the benefit of its customers. Other factors that influenced the selection of FGM include FGM's investment and business philosophies, which are based on deep industry expertise, a strong organizational culture, and history of successful M&A. FGM's investment thesis revolves around growing the Pacesetter platform while keeping Pacesetter a stand-alone vertical within the FGM ecosystem.

Founded in 1977 by Steve Leebow, Pacesetter's current Chief Executive Officer, Pacesetter has deep connections with a number of industries, such as HVAC, refrigeration, construction, and transportation, to which it provides premier steel coil, slitting, cutting to length, blanking and toll processing services. FGM is an industrial ecosystem comprised of metals distribution (Flack Metal Supply), risk management and hedging services (Flack Capital Markets), international metals trading (Flack Metals Trading) and direct equity investments (Flack Manufacturing Investments). Pacesetter will be the first distribution and processing service center added to the FMI portfolio of companies, as prior investments have focused on OEMs who use flat rolled steel as their primary input.

"We were thrilled when Pacesetter approached us about its succession planning. Adding a service center as respected as Pacesetter to our mix is an obvious fit, considering that metals distribution is one of FGM's core competencies. This partnership will result in both organizations' customers getting the best of both worlds," said Ben Bucci, Flack Global Metals President. "On one hand, you have the strong physical infrastructure of Pacesetter, well-known for handling contractual business and complex supply chains. On the other hand, you have FGM, offering access to one of the industry's most innovative platforms that provides extensive supply options through its proven risk management and hedging services."

With its headquarters in Atlanta, GA, Pacesetter has service center locations in Atlanta, Chicago and Houston. Pacesetter is known for its exceptional customer service, value-

focused customer programs and supply chain management, which have allowed it to build long-standing relationships. NSPS Metals LLC, Pacesetter's joint venture with Nippon Steel Trading Americas, Inc., which is an affiliate of Nippon Steel, will not however be a party to the transaction, and its assets, including NSPS's service center facility located in Houston, will not be assets covered by the resulting FGM-Pacesetter partnership.

"Flack's long-term view investment horizon was the first quality that really set them apart from the VC and PE firms who were interested in investing in us," said Del Land, Pacesetter President. Steve Leebow, Pacesetter's Founder and Chief Executive Officer, added, "Of course, we knew FGM for its leadership in risk management and hedging within the industry. But once we dug deeper, we also realized how much experience it has with M&A activities and innovative operations management. We quickly understood how FGM's expertise on the financial side and our prowess on the physical side could truly complement each other."

The acquisition of a majority stake in Pacesetter is the latest example of FGM putting its capital to work, again proving that its model—separating price from supply—works to reduce friction in the marketplace and create enterprise value.

"This is the next step in our path to transform the metals industry and set new standards for operational excellence, strategic growth and cultural integration," said Jeremy Flack, Flack Global Metals Founder and Chief Executive Officer. "We are solidifying FGM's position in the marketplace, paving the way for future growth opportunities and partnerships, and building a legacy of success, innovation and resilience."

ABOUT PACESETTER

Founded in 1977, Pacesetter is headquartered in Atlanta, GA with service center locations in Atlanta, Chicago and Houston that offer steel slitting, blanking, cut-to-length and toll processing services. Pacesetter provides unrivaled value to their customers through custom-tailored pricing solutions, inventory management programs and supply chain management systems. As detailed above, NSPS Metals, LLC, Pacesetter's joint venture with Nippon Steel Trading Americas, Inc., which is an affiliate of Nippon Steel, will not be a party to the transaction, and its assets, including NSPS's service center facility located in Houston, will not be assets covered by the resulting FGM-Pacesetter partnership.

ABOUT FLACK GLOBAL METALS

In 2010, Flack Global Metals (FGM) launched with the mission to reinvent how metal is bought and sold. The company has evolved into a hybrid industrial organization specializing in the buying, selling, manufacturing, trading and investing in flat rolled steel. FGM is creating a steel ecosystem based on risk management and hedging practices combined with a culture of innovation to reduce friction and provide optionality in the volatile steel industry, ultimately increasing enterprise value for all members.

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