

LONE STAR
INVESTMENT ADVISORS

TRANSACTION ANNOUNCEMENT

ESP SPECIALTY STEEL PRODUCTS



HAS BEEN ACQUIRED BY

SPS COMPANIES, INC.



JULY 8, 2022



LONE STAR

INVESTMENT ADVISORS

Dallas, Texas | July 8, 2022

Lone Star Investment Advisors is pleased to announce the successful sale of its portfolio company ESP Specialty Steel Products LLC (“ESP”) of Houston, TX to SPS Companies, Inc. of Kansas

Lone Star Investment Advisors or “Lone Star” is a Dallas-based private equity firm that specializes in leveraged acquisitions and recapitalizations of strategically viable, middle-market businesses with strong potential for growth. The firm invests in Texas, in a wide variety of industry sectors including manufacturing, industrial, distribution, business services and energy. Lone Star specializes in investments that will create employment opportunities in the communities in which they are located, and maintain a strong reputation for driving economic growth in low income areas. | www.lonestarinvestmentadvisors.com



About ESP | www.espsteel.com

ESP Specialty Steel Products is a master distributor based out of Houston Texas. As a secondary source to the mills, ESP sells stainless long products to stocking distributors to support their inventory positions. In addition to the warehouse and sales office in Houston, ESP also has a warehouse in West Chicago, IL. ESP is well positioned to serve the majority of stainless bar distributor market in the U.S.

ESP is a leader in customer service and innovative value added service offerings, leveraging strategic partnerships with quality mills and select customers to offer specialty stainless steel products to stainless steel distribution/service centers.

ESP strives to anticipate the needs of customers by offering quality stainless and perforated metal products, ISO 9001:2015 certification, competitive lead times, 98% or better on-time delivery, quick-turn sawing and customer-tailored inventory management programs with online visibility to inventory levels and inbound in-transit. ESP will also meet customer specific requests for color coding, bar coding and custom packaging.



About SPS | www.spsci.com

SPS Companies is an over 90 year old private company based in Manhattan, KS. It operates several business units in the carbon steel space. These business units provide distribution, inventory management, steel processing and parts manufacturing services to a diverse array of customers in both the long and flat product markets. The acquisition of ESP represents SPS's first entry into markets and distribution for stainless steel products.



Montrose Advisors provided advisory services and coordinated the sale of ESP through acquisition. Mr. Dan Sullivan served as the Managing Director for this transaction.

About Montrose | www.montroseadv.com

Montrose Advisors is an independent advisory firm specializing in Mergers & Acquisitions, Capital Raising, and Strategic Advisory analyses for middle-market and lower-middle market clients in the Manufacturing, Metals, and Industrial Services markets. Montrose provides the sophistication and experience of an international investment bank, the deep network and market knowledge of an industry veteran, and the trusted relationships and personal attention of a boutique consultancy as it helps owners and managers tackle strategic opportunities and challenges with a combination of rigorous analysis, disciplined processes, and creative solutions.

Baker McKenzie.

Baker McKenzie served as legal counsel to ESP. Mr. Ted Schweinfurth served as the Partner leading the transaction.

About Baker McKenzie | www.bakermckenzie.com

Baker McKenzie is an international law firm located in Chicago, Illinois. It was founded in 1949, originally named Baker & McKenzie. It now has 77 offices in 46 countries. It employs 4,809 attorneys total, and approximately 13,000 employees total. Its integrated client solutions provide seamless advice, underpinned by deep practice and sector expertise, as well as first-rate local market knowledge. Armed with Baker McKenzie insight and foresight, business leaders can feel confident in driving growth that is both sustainable – and inclusive.



Weary Davis served as legal counsel to SPS. Mr. Clayton Skaggs served as the Partner for the transaction.

About Weary Davis | www.wearydavis.com

Formed in 1917 by the late U.S. Weary, Weary Davis has a proud 100-year history of serving clients and has been in continuous operation since its inception. Not only is it one of the oldest law firms in Kansas, Weary Davis is one of the largest law firms in the region and maintains fully-staffed offices in both Junction City and Manhattan.