

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 15, 2018

STEEL PARTNERS HOLDINGS L.P.

(Exact name of registrant as specified in its charter)

|   |  |  |
|---|--|--|
| Delaware<br>(State or other jurisdiction<br>of incorporation) | 001-35493<br>(Commission<br>File Number) | 13-3727655<br>(IRS Employer<br>Identification No.) |
|---|--|--|

|  |                     |
|--|---------------------|
| 590 Madison Avenue, 32nd Floor, New York, New York<br>(Address of principal executive offices) | 10022<br>(Zip Code) |
|--|---------------------|

Registrant's telephone number, including area code: (212) 520-2300

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

As previously announced, Steel Partners Holdings L.P. (the “Company”) today will be hosting an investor day event in New York City beginning at approximately 12:15 p.m. Eastern time (“Investor Day”). A copy of the material to be presented at the Investor Day (the “Presentation”) is furnished as Exhibit 99.1. Interested persons will be able to access the Presentation and a publicly-available live webcast through a link on the Company’s website at [www.steelpartners.com](http://www.steelpartners.com); a replay of the webcast will also be available on the Company’s website for one year.

The information furnished in this Form 8-K, including the exhibit attached, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filings under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Statements contained in the exhibit to this report that state the Company’s or its management’s expectations or predictions of the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act and the Exchange Act. It is important to note that the Company’s actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include those mentioned in the documents that the Company has filed with the Securities and Exchange Commission (the “SEC”).

The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although the Company may do so from time to time as management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure including disclosure in the Investor Relations portion of the Company’s website.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.  
99.1

Exhibits  
[Investor Day Presentation.](#)

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**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

March 15, 2018

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc.  
Its General Partner

By: /s/ Douglas B. Woodworth  
Douglas B. Woodworth  
Chief Financial Officer

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**Exhibits**

Exhibit No.  
99.1

Exhibits  
Investor Day Presentation.

STEEL PARTNERS  
HOLDINGS L.P.

A stylized world map in a lighter shade of blue, centered on the Atlantic Ocean, serves as a background for the text.

# Investor Day

March 15, 2018

*Think global, act local.*

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# Forward Looking Statements

## Use of Non-GAAP Financial Measures

This document may contain certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that reflect Steel Partners Holdings L.P.'s ("SPLP" or the "Company") current expectations and projections about its future results, performance, prospects and opportunities, and those of the other companies described herein. Although SPLP believes that the expectations reflected in such forward-looking statements, which are based on information currently available to the Company, are reasonable and achievable, any such statements involve significant risks and uncertainties. No assurance can be given that the actual results will be consistent with the forward-looking statements, and actual results, performance, prospects and opportunities may differ materially from such statements. Investors should read carefully the factors described in the "Risk Factors" section of the Company's filings with the SEC, including the Company's Form 10-K for the year ended December 31, 2017, and in SEC filings of the other publicly traded companies described herein, for information regarding risk factors that could affect the Company's or such other companies' results. Except as otherwise required by Federal securities laws, SPLP undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

Adjusted EBITDA and the related reconciliation presented here represents earnings before interest expense, taxes, depreciation and amortization as adjusted for income or loss of associated companies and other investments held at fair value (net of taxes), non-cash goodwill impairment charges, non-cash asset impairment charges, non-cash pension expense or income, non-cash equity based compensation, amortization of fair value adjustments to acquisition-date inventories, realized and unrealized gains and losses on investments, net and excludes certain non-recurring and non-cash items. The Company believes Adjusted EBITDA is commonly used by financial analysts and others in the industries in which the Company operates and, thus, provides useful information to investors. The Company does not intend, nor should the reader consider, Adjusted EBITDA an alternative to net income, net cash provided by operating activities or any other items calculated in accordance with U.S. GAAP. The Company's definition of Adjusted EBITDA may not be comparable with Adjusted EBITDA as defined by other companies. Accordingly, the measurement has limitations depending on its use.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing the Company's ability to fund its activities, including the financing of acquisitions, debt service and repurchase of common or preferred units.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in the Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

# Agenda

**Business Overview** – *Warren Lichtenstein, Executive Chairman, Steel Partners*

**The Steel Way** – *Bill Fejes, President, Steel Services Ltd.*

## **Business Segment Reviews**

*Diversified Industrial* – *Bill Fejes*

*Energy* – *Stewart Peterson, CEO, Steel Energy*

*Financial Services* – *Kelly Barnett, President, WebBank*

**Corporate Development** – *Paul Burgon, SVP, Corporate Development*

**Leadership Development** – *Pete Marciniak, VP, Human Resources*

**Consolidated Financial Performance** – *Doug Woodworth, CFO*

**Strategic Focus** – *Jack Howard, President, Steel Partners*

**Q&A Session** – *Warren Lichtenstein; Jack Howard*



# Steel Partners Holdings Business Overview

Warren Lichtenstein  
Executive Chairman

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# Steel at a Glance

Global diversified holding company that engages in multiple businesses through consolidated subsidiaries, associated companies, and other interests

## Common Units – SPLP: NYSE

- **Common Unit price: \$20.00** (as of 3/9/2018)
- **Total Common Units outstanding: 26.2 million**

## Preferred Units – SPLPPRA: NYSE

- **Preferred Unit price: \$20.75** (as of 3/9/2018)
- **Total Preferred Units outstanding: 7.7 million**

**4,800 employees** at 75 locations in 8 countries

**Management ownership: 51%**

**Market cap: \$523.3 million** (as of 3/9/2018)

**2017 revenue: \$1.37 billion**

**Total debt: \$415 million**

**Cash and investments: \$409 million** (excludes WebBank cash)

# Reporting Segments & Principal Operating Entities

## STEEL PARTNERS

**Diversified Industrial**  
Revenue: \$1.16B



**Energy**  
Revenue: \$135M



**Financial Services**  
Revenue: \$80M



**Direct Investments**

| Company            | Ownership % <sup>1</sup> |
|--------------------|--------------------------|
| Aerojet Rocketdyne | 5.6%                     |
| Aviat Networks     | 12.7%                    |
| Babcock & Wilcox   | 15.4%                    |
| School Specialty   | 9.8%                     |
| Steel Connect      | 46.0%                    |

1. As of 3/9/2018

# Business Simplification Plan

## ONE Steel

Strategic business simplification plan streamlining corporate structure

- Further enhanced efficiencies
- Lowered costs
- Facilitated communications and transparency
- Reduced management layers and number of boards

● 2015 – 2017  
Purchased non-Steel owned shares

- API Group
- JPS Industries
- SL Industries
- DGT Holdings
- CoSine Communications
- Steel Excel
- Handy & Harman

# Competitive Advantages; Unique Characteristics

- Corporate structure provides distinct competitive advantages not easy to replicate
- Operates as one company from cultural and policy perspectives
- Diversification
- Tax efficiencies
- Permanent capital
- Economies of scale through shared services
- Access to expert corporate management resources
- Management ownership aligned to stakeholder value
- Owns companies with highly respected brands



# Strategy & Philosophy

## Investing on the Basis of Value, Not Popularity

- Invest in good companies with simple business models at prices that have built-in margins of safety
- Avoid complex businesses or investments that cannot be easily explained or understood
- Create continuous improvement culture and implement operational excellence programs
- Control costs and use leverage prudently, or not at all
- **Delegate** to people who are **Empowered**, held **Accountable** and **Reward** them for delivering results

# Deep Discount to Sum-of-the-Parts (SOTP)

As of December 31, 2017

(In millions, except value per unit)

| Pre-Tax, Pre-Parent Company Expense Sum of the Parts     | Notes* | Value           |
|--|--------|-----------------|
| <b>Diversified Industrial Segment</b>                    | (1)    | <b>\$ 964.9</b> |
| <b>WebBank</b>   | (2)    | <b>242.6</b>    |
| <b>Steel Energy</b>                                      | (3)    | <b>132.3</b>    |
| Cash   | (4)    | 114.9           |
| Investments  | (5)    | 294.4           |
| Total Debt   |        | (414.7)         |
| Preferred Unit Liability                                 |        | (176.5)         |
| Accrued Pension Liabilities                              |        | (268.2)         |
| <b>Enterprise Value</b>                                  |        | <b>\$ 889.7</b> |
| <b>Common Units Outstanding</b> at December 31, 2017     |        | <b>26.3</b>     |
| <b>Value per Common Unit</b>                             |        | <b>\$33.77</b>  |
| <b>Market Price per Common Unit</b> at December 31, 2017 |        | <b>\$ 19.55</b> |

\*Notes in Appendix page 48

# Senior Management Team



**Warren Lichtenstein**  
*Executive Chairman*



**Len McGill**  
*Senior Vice President  
and General Counsel*



**Jack Howard**  
*President*



**Paul Burgon**  
*Senior Vice President –  
Corporate Development*



**William Fejes**  
*President, Steel Services Ltd.*



**Pete Marciniak**  
*Vice President –  
Human Resources*



**Doug Woodworth**  
*Chief Financial Officer*



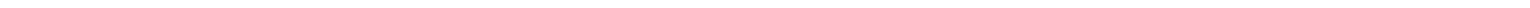
# The Steel Way

**Bill Fejes**

President, Steel Services Ltd.

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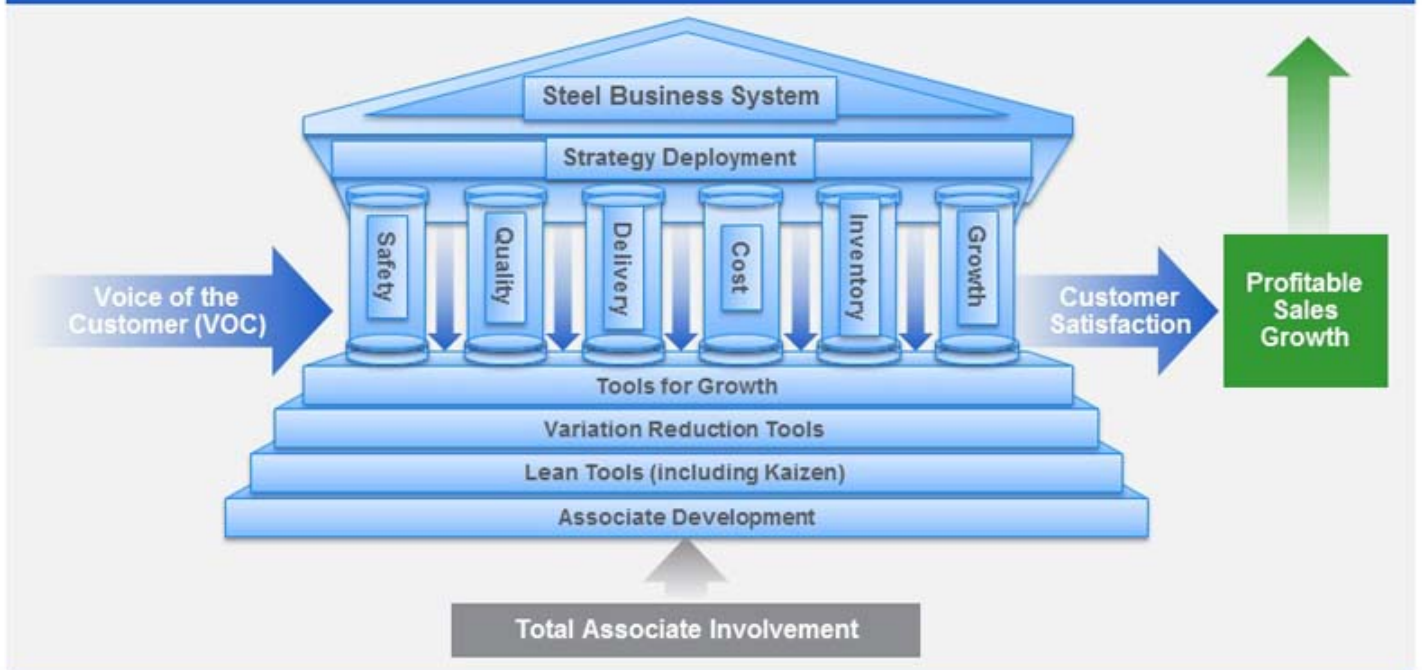




# The Steel Way

Culture of Opportunistic Investment, Discipline and Continuous Improvement

Founded and Built Upon Since 2008 Based On Proven Processes



The Steel Way is Embedded in our Culture

# Steel Business System

## Kaizen Examples – Manufacturing Processes

### OMG Fastener Packing

#### Tools

- Standard Work
- One Piece Flow



#### Results

- Productivity improved 50%
- Product floor space reduced 27%
- Reduced production from 3 shifts to 2 shifts

### MTI Motor Assembly

#### Tools

- Value Stream Mapping (VSM)
- Cell Design
- One Piece flow



#### Results

- Quality – 32% yield improvement (12 months)
- Productivity – 112% throughput improvement (6 months)
- Inventory – 33% reduction in WIP

# Steel Business System

## Kaizen Example – Innovation Processes

### Lucas Milhaupt New High Purity Alloy Nail Head Product

#### Tools

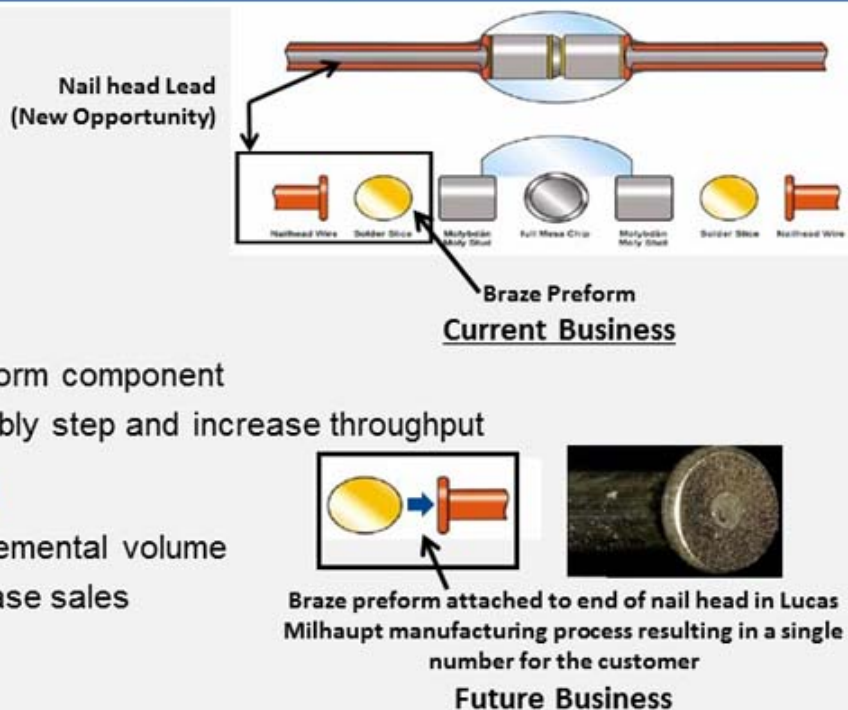
- Strategy Creation
- VOC
- Rapid Product Innovation

#### Results for the Customer (VOC)

- Cost – eliminate separate preform component
- Productivity – eliminate assembly step and increase throughput

#### Results for Lucas Milhaupt

- Improved product margin, incremental volume
- Differentiated product to increase sales





# Diversified Industrial Segment

**Bill Fejes**

President, Steel Services Ltd.

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# Diversified Industrial Segment

## Overview

Diversified global industrial companies delivering value through innovation, operating excellence and superior customer service

- Nine independent operating companies
- 3,900+ employees; 30 mfg. locations; 7 countries
- Key Product Categories
  - Building Materials
  - Laminates and Foils
  - Joining Materials
  - Electro-mechanical Products
- Key Market Segments
  - Commercial and Residential Construction
  - Consumer Products Packaging
  - Defense/Aerospace
  - General Industrial



# Diversified Industrial Segment

## Strategic Priorities

### Drive Profitable Organic Growth

- Apply Strategic Creation Process to promote innovation and create new products, processes, and business models
- Apply Steel Business System enterprise wide to sustain solid, continuously improving operational foundation to support growth

### Build Management Team and Ability to Promote from Within

- Utilize talent acquisition pipeline process to ensure hiring of "A" players
- Deploy robust Leadership Development program
- Build dynamic co-op program with portfolio of universities to provide solid flow of engineering, finance, and sales/marketing talent

### Drive to Zero Safety Incidents

- Standardize and expand Behavioral Based Safety process through all locations
- Deploy poka-yoke (mistake-proof) approach to implementing safety protection on equipment

# Diversified Industrial Segment

## Largest Operating Companies



- North America's leading supplier of commercial roof fastening products
- Providing innovative decking and wood framing fastener solutions to PRO contractors
- Serves commercial roofing, residential decking, and wood framing market segments



- Leading global producer of metal joining products and services
- Serves HVAC, electrical/electronics, and transportation market segments



- Packaging solutions that enable companies across wide-range of sectors to empower their brands on the shelf and in the hand
- Roots in British paper industry, founded on century-old trading history
- Serves the tobacco, cosmetics & personal care, and premium beverages market segments

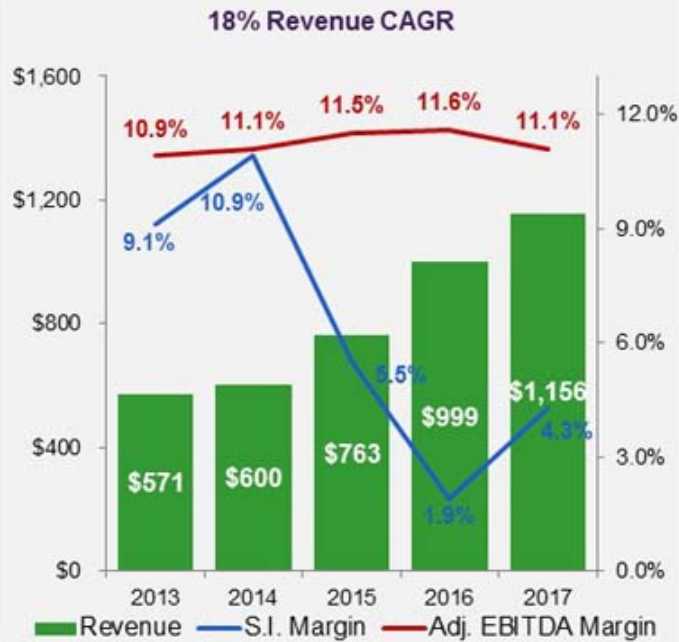


- Precision electric motors, generators, and gears for harsh environment applications
- Serves general industrial, aerospace, and military market segments

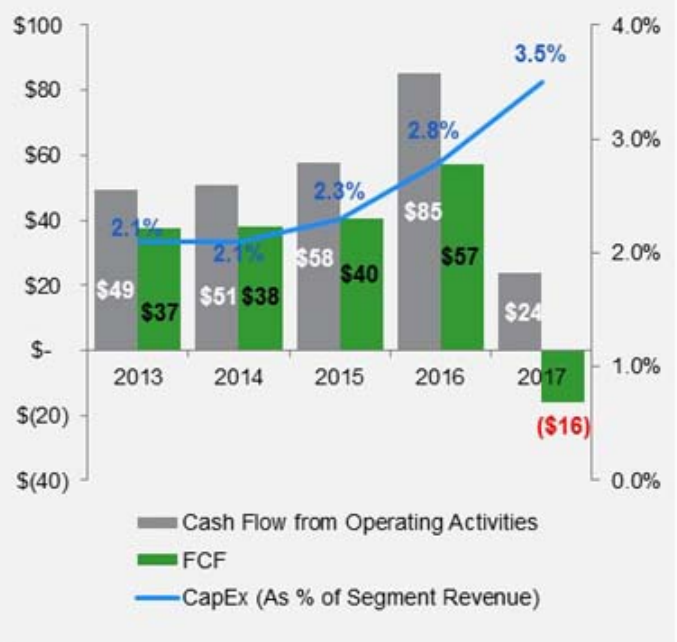
# Diversified Industrial Segment

## Summary Financials

### Revenue, Segment Income & Adjusted EBITDA Margins



### Cash Flow from Operating Activities, Free Cash Flow & Capex







# Energy Segment

**Stewart Peterson**  
CEO, Steel Energy

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# Energy Segment

## Overview

Energy services company providing well servicing and production services to established customers in seven states

- 4 independent operating companies
- 750+ employees; 7 locations
- Well servicing and production services
- Key Industries
  - Oil
  - Gas
- Key Locations
  - Bakken Basin (ND, MT)
  - Texas
  - New Mexico



# Steel Energy Services

## Strategic Priorities

### Operational Excellence

- Leverage best in class safety record to capture market share by reducing well down-time
- Improve supply costs through centralized oversight of supply chain and maintenance programs for all subsidiaries

### Strategic Acquisitions

- Continue to opportunistically acquire businesses that provide complementary service offerings in new and existing markets

### Reduce Total Recordable Incident Rate

- Establish safety culture: "DO IT RIGHT OR NOT AT ALL"
- Foster culture of safety across organization
- Implement best-in-class safety programs and policies

# Steel Energy Services

## Operating Companies



- Provider of premium well services to oil and gas exploration and production companies
- Operating in the Williston Basin and Montana



- Operates work over and completion rigs, reverse units, & air/foam packages
- Operating in the Permian Basin, New Mexico, Colorado and the Williston Basin



- Leader in the oilfield service industry
- Operating primarily in the Williston Basin

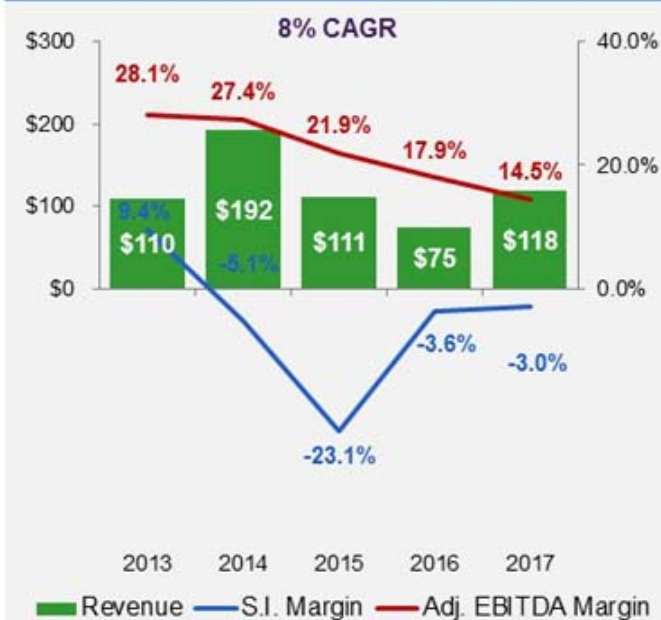


- Specializes in cased-hole wireline logging and perforating services for E&P companies
- Operating in New Mexico, Texas, Utah, Arizona, and Colorado

# Steel Energy Services

## Summary Financials\*

### Revenue, Segment Income & Adjusted EBITDA Margins



\$ in millions

\* Reflects Steel Energy Services only (excludes Steel Sports & Corporate)  
See appendix for Steel Energy Services reconciliations

### Cash Flow from Operating Activities, Free Cash Flow & Capex



\$ in millions

FCF = Cash Flow from Operating Activities – CapEx  
See appendix for Steel Energy Services reconciliations





# Financial Services Segment

**Kelly Barnett**

President, WebBank

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# Financial Services Segment

## WebBank

FDIC-insured, state-chartered industrial bank providing customized consumer and commercial financing solutions nationwide

- Core operations dedicated to extending credit products through Strategic Partnerships with marketplace lenders, retailers, OEMs, and fintech companies
- Extends credit principally via online and digital channels
- Moved into holding assets to maturity (HTM) to better support model and partners, historically focused on holding assets for sale (HFS)
- Focused on relationship management with significant asset management opportunities to support continued growth
- Headquartered in Salt Lake City with 84 employees



# Financial Services Segment

## Strategic Priorities

### Reinforce Strategic Partnership Business

- Assist partners with funding on and off balance sheet (grow HTM and asset management)
- Apply Steel Business System to drive value-added services and support additional products to help spread partners' cost of acquisition
- Reduce partner hard and soft "costs"

### Revenue Diversification

- Grow traditional business through new partners, new products and organic growth
- Explore strategic acquisitions

### Support Product Innovation

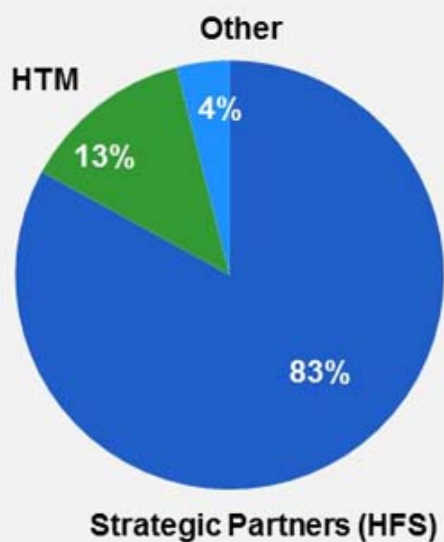
- Strengthen credit capabilities
- Enhance data analytics
- Maintain partner oversight advantage over competitors



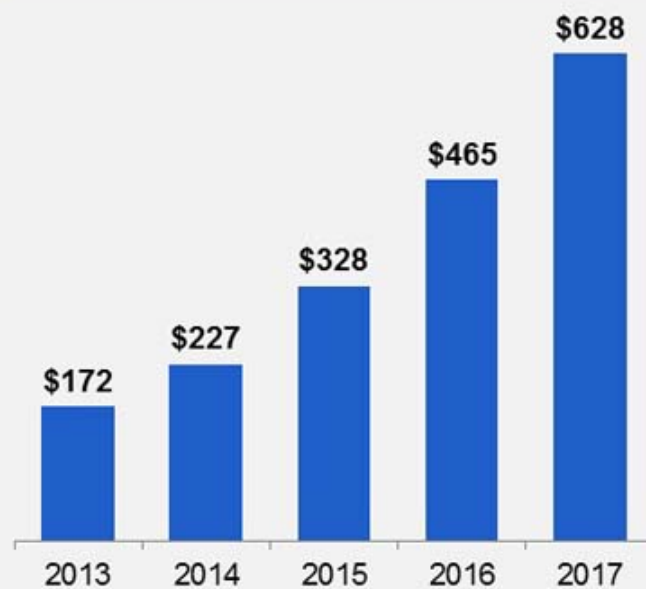
# Financial Services Segment

## Revenue Mix & Total Assets

### 2017 Revenue Mix



### Total Assets\*



\$ in millions

\* Total assets are WebBank only (excludes Parent company)

# Financial Services Segment

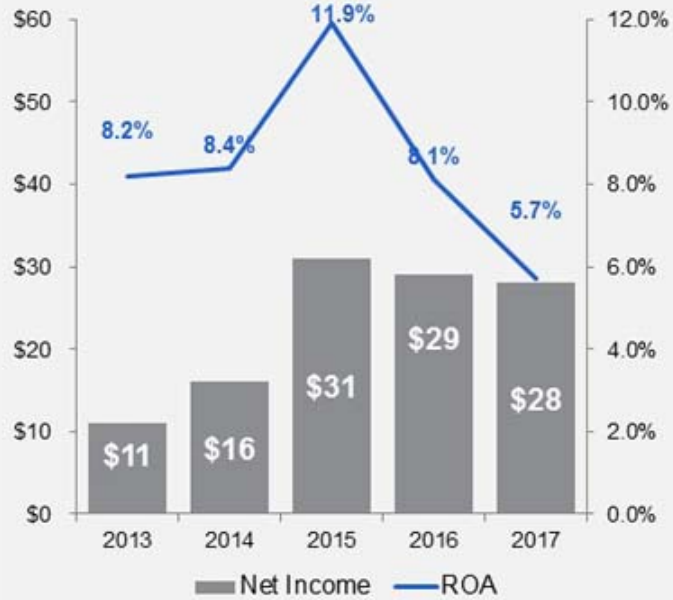
## Summary Financials

### Revenue, Segment Income & Adjusted EBITDA Margins



\$ in millions

### Net Income & Return on Assets\*



\$ in millions

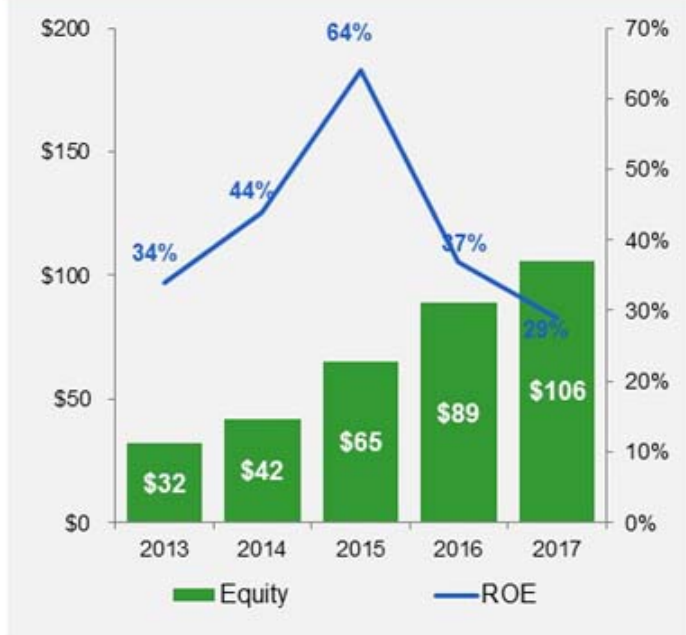
ROA = Net Income / Average Total Assets

\*Ratios, net income, and assets are WebBank only (excludes Parent company)

# Financial Services Segment

## Summary Financials\*

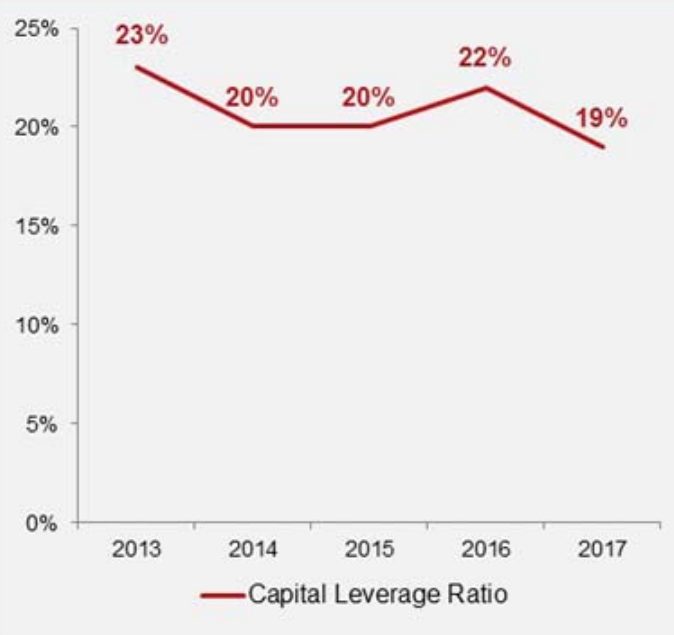
### Return on Equity



\$ in millions

ROE = Net Income / Average Total Equity

### Capital Leverage Ratio



\*Financial data and ratios are WebBank only (excludes Parent company)



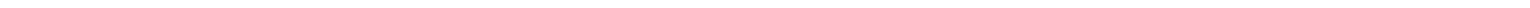
# Corporate Development

**Paul Burgon**

Senior Vice President, Corporate Development

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# M&A Overview

## Acquisitions

Since 2012:  
\$1.2 Billion of Acquisitions  
\$226 Million in Divestitures  
25 Deals

- Actively manage acquisition funnel
- Opco senior staff and corporate M&A work together to cultivate deals
- Continue to see good opportunities
- Tracking more than 170 potential targets
- Multiple potential transactions
- Two recent acquisitions - Dunmore and Basin Well both **non-auction** transactions

## Acquisition Multiple & Return Analysis

- Typically pay 3-8x EBITDA
- Industrial multiples average 8-11x
- Average multiple we pay is 6-8x
- Primary financial return metric is cash on cash payback period
- Average pre-tax cash on cash payback period approximately 5 years
- After-tax payback period is not significantly longer due to historical NOL availability



# Recent Acquisition

## Diversified Industrial Segment

| Company                                       | Overview  |
|---|---|
| <b>Dunmore Corporation</b><br>(February 2018) | <ul style="list-style-type: none"><li>• Acquired certain U.S. assets and stock of Dunmore's German subsidiary</li><li>• Leading engineered films company manufacturing coated, metallized, and laminated films, foils, and fabrics</li><li>• Expands foil technology, manufacturing capacity, and diversifies market portfolio, complementing API</li></ul> |

- 2017 annual revenue of \$70 million
- Collaborative client partnerships
- Global footprint
- Advanced technology toolbox
- Flexible, efficient production
- Rapid speed to market
- Trusted quality & safety





# Leadership Development

**Pete Marciniak**

Vice President, Human Resources

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# Human Capital – Recruit, Retain, Reward





# Wellness – Partners in Health





# Consolidated Financial Performance

Doug Woodworth  
CFO

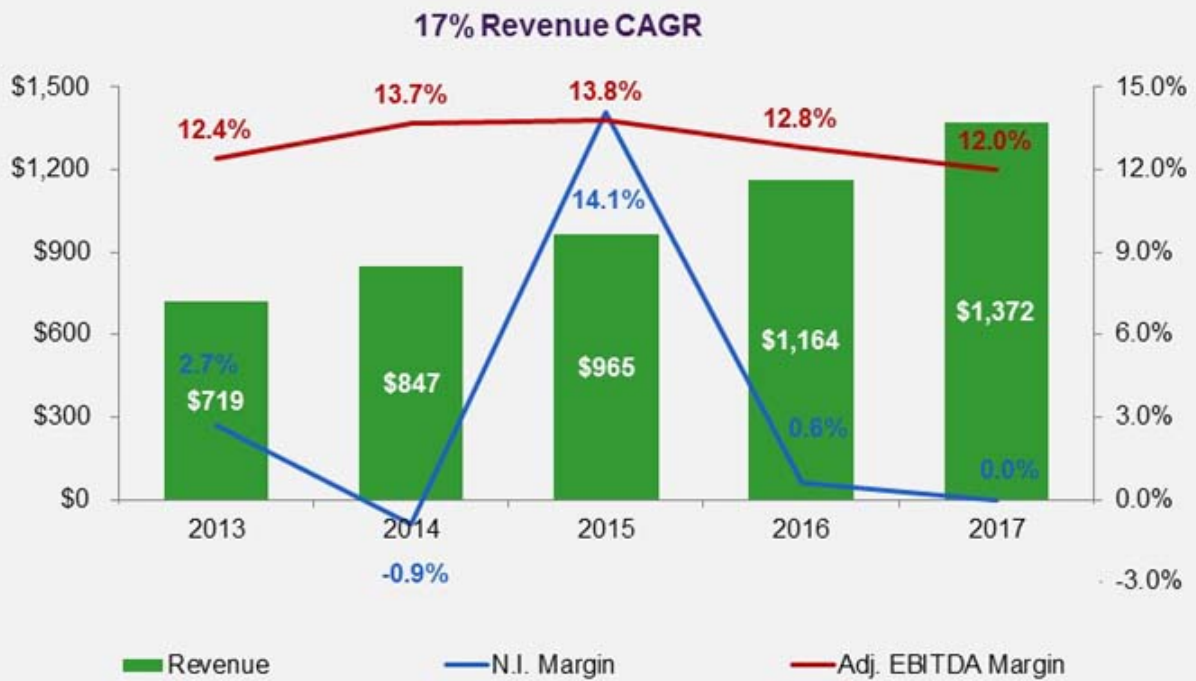
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# Consolidated Financial Performance

## Revenue, Net Income & Adjusted EBITDA Margins



(\$ in millions)

# Consolidated Financial Performance

## Balance Sheet (Select Items)

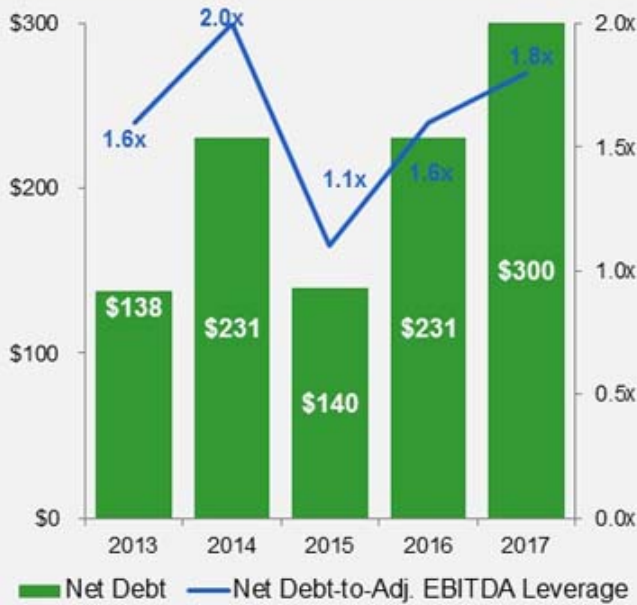
| (in millions, except Partners' Capital per Unit) | Year Ended |           |           |
|--|------------|-----------|-----------|
|  | 2017       | 2016      | 2015      |
| Total Assets                                     | \$2,164.0  | \$1,967.1 | \$1,684.8 |
| Cash and Investments                             | \$713.2    | \$623.8   | \$433.9   |
| U.S. Federal NOLs                                | \$482.7    | \$512.0   | \$580.5   |
| Net Debt   | \$299.8    | \$231.0   | \$140.0   |
| Pension Liabilities                              | \$268.2    | \$284.9   | \$276.5   |
| Partners' Capital                                | \$546.1    | \$548.7   | \$558.0   |
| Partners' Capital per Unit                       | \$20.73    | \$20.98   | \$20.95   |
| Outstanding Units                                | 26.3       | 26.2      | 26.6      |

*Cash includes \$304 million, \$287 million and \$87 million of cash held at WebBank for its banking operations in 2017, 2016, and 2015, respectively.  
Net Debt = short term debt + Current portion of long term debt + Long term debt – Cash + Cash held by WebBank*

# Financial Performance

## Free Cash Flow & Liquidity

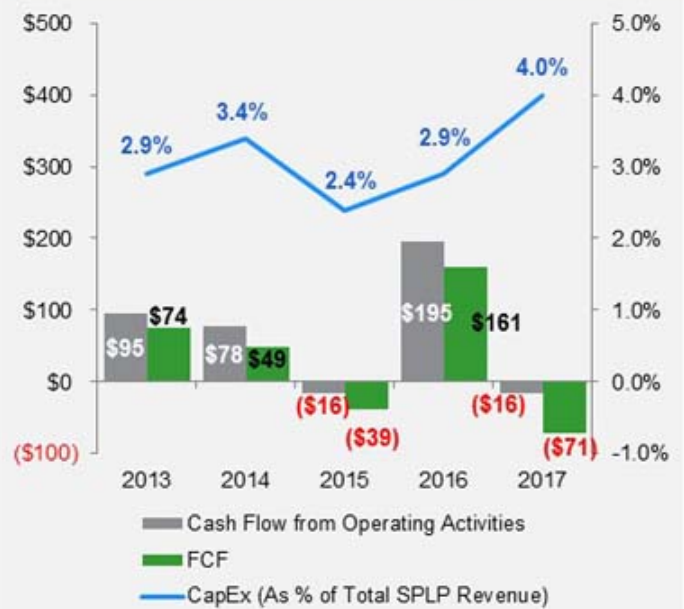
### Net Debt & Leverage



\$ in millions

Net Debt = Short-term debt + Current portion of Long-term debt + Long-term debt - Cash + Cash held by WebBank

### Cash Flow from Operating Activities, Free Cash Flow & CapEx



\$ in millions

FCF = Cash Flow from Operating Activities - CapEx



# Highlights and Priorities

Anticipate full-year 2018 revenue of \$1.5 billion-\$1.6 billion; and Adjusted EBITDA of \$184 million-\$225 million

## Unit Repurchase Plan

- Approval to repurchase up to 2 million units
- In 2017, purchased 309,680 units for \$6 million

## Handy & Harman Tender Offer

- Completed October 2017
- Own 100% of Handy & Harman

## Preferred Unit Issuances

- 7.9 million preferred units issued in Steel Excel and HNH tender offers
- 6% quarterly distributions, payable in cash or in-kind (or a combination)
- 9 year term, approximately 20% to be cash settled in February 2020

## Debt Refinance

- \$600.0 million revolving credit facility
- Covers substantially all subsidiaries, excluding WebBank
- Provides \$150.0 million accordion

## Tax Planning

- Completed series of tax restructuring initiatives
- Allows utilization of additional \$173.4 million of NOLs



# 2018 Strategic Focus

Jack Howard  
President

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# Steel Partners Key Priorities

## Strategic Priorities

### Capital Allocation

- Drive strategy creation process to support organic growth
- Identify accretive “bolt-on” acquisitions
- Acquire new, under-valued businesses or platforms for long-term growth
- Evaluate expansion of unit buy-back program

### Deepening Culture of Steel Business System

- Deploy industry leading best practices
- Foster discipline and continuous improvement at all levels of organization
- Sustain lean throughout the organization

### Developing our People

- Continue to develop senior leaders committed to our culture
- Apply artificial intelligence to achieve optimum efficiencies
- Provide a full bench through continued development programs

# Steel Partner Holdings L.P.

“Potential is interesting, but execution is everything.”

Warren Lichtenstein





## Q & A

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# Appendix

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# Valuation: Sum-of-the-Parts (SOTP) Detail

## As of December 31, 2017

(In millions, except value per unit)

| Pre-Tax, Pre-Parent Company Expense Sum of the Parts     | Notes | Value           |
|--|-------|-----------------|
| <b>Diversified Industrial Segment</b>                    | (1)   | <b>\$ 964.9</b> |
| <b>WebBank</b>   | (2)   | <b>242.6</b>    |
| <b>Steel Energy</b>                                      | (3)   | <b>132.3</b>    |
| Cash   | (4)   | <b>114.9</b>    |
| Investments  | (5)   | <b>294.4</b>    |
| Total Debt   |       | (414.7)         |
| Preferred Unit Liability                                 |       | (176.5)         |
| Accrued Pension Liabilities                              |       | (268.2)         |
| <b>Enterprise Value</b>                                  |       | <b>\$ 889.7</b> |
| <b>Common Units Outstanding</b> at December 31, 2017     |       | <b>26.3</b>     |
| <b>Value per Common Unit</b>                             |       | <b>\$33.77</b>  |
| <b>Market Price per Common Unit</b> at December 31, 2017 |       | <b>\$ 19.55</b> |

Calculations are based on December 31, 2017 financial statements unless otherwise indicated.

Calculations exclude impact of minority interests unless otherwise indicated.

Calculations exclude unallocated Corporate overhead expenses.

Calculations of enterprise valuations are on a pre-tax basis, and also exclude the value of our NOLs.

(1) Market value calculated as 7.5X TTM EBITDA.

(2) Market value calculated as 2.5X equity value, adjusted for 91.2% ownership.

(3) Market value calculated as 7.7X TTM EBITDA.

(4) Excludes WebBank cash.

(5) Includes Steel Partners' marketable securities and long term investments.

# Financial Performance

## Adjusted EBITDA Reconciliation 2013–2017

|   | Year Ended December 31, |           |           |            |          |
|---|-------------------------|-----------|-----------|------------|----------|
|   | 2017                    | 2016      | 2015      | 2014       | 2013     |
| Segment Income (GAAP)   |                         |           |           |            |          |
| Diversified Industrial  | \$50,104                | \$19,175  | \$42,281  | \$65,543   | \$51,900 |
| Energy – Energy Business  | (3,560)                 | (2,692)   | (25,703)  | (9,731)    | 10,295   |
| Energy – Sports & Corporate   | (17,954)                | (8,767)   | (69,409)  | (16,523)   | 2,346    |
| Financial Services  | 41,328                  | 42,518    | 46,314    | 24,251     | 17,688   |
| Corporate and Other   | (12,607)                | (23,711)  | (1,891)   | (56,824)   | (37,358) |
| Net Income (loss) from continuing operations, before income taxes                     | \$57,311                | \$26,523  | (\$8,408) | \$6,716    | \$44,851 |
| Segment Adjusted EBITDA:  |                         |           |           |            |          |
| Diversified Industrial  | \$128,650               | \$115,516 | \$87,509  | \$66,746   | \$62,499 |
| Energy – Energy Business  | 17,155                  | 13,501    | 24,382    | 52,419     | 30,774   |
| Energy – Sports & Corporate   | (13,057)                | (15,202)  | (12,657)  | (12,193)   | (6,987)  |
| Financial Services  | 41,742                  | 42,792    | 46,484    | 24,368     | 17,962   |
| Corporate and Other   | (10,442)                | (7,734)   | (12,663)  | (15,614)   | (15,396) |
| Consolidated Adjusted EBITDA  | \$164,048               | \$148,873 | \$133,055 | \$115,726  | \$88,852 |
| Net Income (loss) from continuing operations  | \$6,012                 | \$2,571   | \$70,311  | (\$17,572) | \$38,374 |
| Income tax provision (benefit)  | 51,299                  | 23,952    | (78,719)  | 24,288     | 6,477    |
| Net Income (loss) from continuing operations, before income taxes                     | 57,311                  | 26,523    | (8,408)   | 6,716      | 44,851   |
| (Income) loss of associated companies and other investments at fair value, net of tax | (16,888)                | (4,085)   | 31,777    | 18,557     | (28,326) |
| Interest expense  | 22,804                  | 11,052    | 8,862     | 11,073     | 10,547   |
| Depreciation and amortization   | 71,936                  | 70,546    | 48,560    | 38,438     | 30,990   |
| Non-cash goodwill impairment charges  | -                       | 24,254    | 19,571    | 41,450     | -        |
| Non-cash asset impairment charges   | 2,028                   | 18,668    | 68,092    | 2,537      | 2,689    |
| Non-cash pension expense (income)   | 9,647                   | 2,416     | 1,900     | (1,761)    | (427)    |
| Non-cash equity based compensation  | 11,477                  | 3,844     | 9,203     | 8,470      | 34,282   |
| Amortization of fair value adjustments to acquisition-date inventories                | -                       | 2,133     | 4,683     | -          | 525      |
| Realized and unrealized gains and losses on investments, net                          | 938                     | (7,478)   | (54,489)  | (10,265)   | (9,148)  |
| Other items, net  | 4,795                   | 1,000     | 3,304     | 511        | 2,869    |
| Consolidated Adjusted EBITDA  | \$164,048               | \$148,873 | \$133,055 | \$115,726  | \$88,852 |

(\$ in thousands)

# Financial Performance

## Energy Services Reconciliation 2013-2017

|  | YEAR ENDED DECEMBER 31, |                    |                    |                    |                   |
|--|-------------------------|--------------------|--------------------|--------------------|-------------------|
|  | 2017                    | 2016               | 2015               | 2014               | 2013              |
| <b>Revenue:</b>                              |                         |                    |                    |                    |                   |
| Energy - Energy Business                     | \$ 118,167              | \$ 75,325          | \$ 111,397         | \$ 191,608         | \$ 109,624        |
| Energy - Sports & Corporate                  | 17,294                  | 18,670             | 21,223             | 18,540             | 10,405            |
| <b>Total Revenue - Energy Segment</b>        | <b>\$ 135,461</b>       | <b>\$ 93,995</b>   | <b>\$ 132,620</b>  | <b>\$ 210,148</b>  | <b>\$ 120,029</b> |
|  |                         |                    |                    |                    |                   |
| <b>Segment Income (GAAP):</b>                |                         |                    |                    |                    |                   |
| Energy - Energy Business                     | \$ (3,560)              | \$ (2,692)         | \$ (25,703)        | \$ (9,731)         | \$ 10,295         |
| Energy - Sports & Corporate                  | (17,954)                | (8,767)            | (69,409)           | (16,523)           | 2,346             |
| <b>Total Segment Income - Energy Segment</b> | <b>\$ (21,514)</b>      | <b>\$ (11,459)</b> | <b>\$ (95,112)</b> | <b>\$ (26,254)</b> | <b>\$ 12,641</b>  |

(*\$ in thousands*)  
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STEEL PARTNERS

# Financial Performance

## Free Cash Flow Reconciliation 2013–2017

| Free Cash Flow Reconciliation:    | YEAR ENDED DECEMBER 31 |                   |                    |                  |                  |
|-----------------------------------|------------------------|-------------------|--------------------|------------------|------------------|
|                                   | 2017                   | 2016              | 2015               | 2014             | 2013             |
| <b>Operating Cash Flow</b>        |                        |                   |                    |                  |                  |
| Divested Industrial               | \$ 24,160              | \$ 85,646         | \$ 59,374          | \$ 50,690        | \$ 49,163        |
| Energy - Energy Business          | 12,553                 | 10,906            | 33,591             | 47,520           | 31,631           |
| Energy - Sports & Corporate       | (8,771)                | (11,962)          | (6,982)            | (3,405)          | (5,970)          |
| Financial Services                | (29,773)               | 117,862           | (86,625)           | (1,405)          | 35,190           |
| Corporate and Other               | (14,238)               | (6,975)           | (13,198)           | (15,169)         | (15,082)         |
| <b>Total Operating Cash Flow</b>  | <b>\$ (8,770)</b>      | <b>\$ 195,477</b> | <b>\$ (13,840)</b> | <b>\$ 78,033</b> | <b>\$ 84,852</b> |
| <b>Capital Expenditures</b>       |                        |                   |                    |                  |                  |
| Divested Industrial               | \$ 40,375              | \$ 27,933         | \$ 17,212          | \$ 12,658        | \$ 11,744        |
| Energy - Energy Business          | 8,385                  | 4,719             | 4,226              | 15,313           | 5,846            |
| Energy - Sports & Corporate       | 3,083                  | 363               | 559                | 626              | 3,086            |
| Financial Services                | 834                    | 102               | 1,153              | 40               | 57               |
| Corporate and Other               | 62                     | 1,046             | 102                | 132              | 152              |
| <b>Total Capital Expenditures</b> | <b>\$ 54,737</b>       | <b>\$ 34,163</b>  | <b>\$ 23,252</b>   | <b>\$ 28,769</b> | <b>\$ 20,885</b> |

| Free Cash Flow Reconciliation          | YEAR ENDED DECEMBER 31 |                    |                    |                    |                    |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2017                   | 2016               | 2015               | 2014               | 2013               |
| <b>Steel Partners Holdings L.P.</b>    |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ (15,770)            | \$ 195,477         | \$ (13,840)        | \$ 78,033          | \$ 84,852          |
| Capital expenditures                   | 54,737                 | 34,163             | 23,252             | 28,769             | 20,885             |
| <b>Free Cash Flow</b>                  | <b>\$ (70,507)</b>     | <b>\$ 161,294</b>  | <b>\$ (7,092)</b>  | <b>\$ 49,264</b>   | <b>\$ 74,067</b>   |
| <b>Divested Industrial</b>             |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ 24,160              | \$ 85,646          | \$ 59,374          | \$ 50,690          | \$ 49,163          |
| Capital expenditures                   | 40,375                 | 27,933             | 17,212             | 12,658             | 11,744             |
| <b>Free Cash Flow</b>                  | <b>\$ (16,215)</b>     | <b>\$ 57,699</b>   | <b>\$ 42,162</b>   | <b>\$ 38,032</b>   | <b>\$ 37,419</b>   |
| <b>Energy - Total Segment</b>          |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ 4,082               | \$ (1,056)         | \$ 26,409          | \$ 43,915          | \$ 25,681          |
| Capital expenditures                   | 13,468                 | 5,082              | 4,785              | 15,939             | 8,932              |
| <b>Free Cash Flow</b>                  | <b>\$ (9,386)</b>      | <b>\$ (6,138)</b>  | <b>\$ 21,624</b>   | <b>\$ 27,976</b>   | <b>\$ 16,749</b>   |
| <b>Energy - Energy Business</b>        |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ 12,853              | \$ 10,906          | \$ 33,591          | \$ 47,320          | \$ 31,651          |
| Capital expenditures                   | 8,385                  | 4,719              | 4,226              | 15,313             | 5,846              |
| <b>Free Cash Flow</b>                  | <b>\$ 4,468</b>        | <b>\$ 6,187</b>    | <b>\$ 29,365</b>   | <b>\$ 32,007</b>   | <b>\$ 25,805</b>   |
| <b>Energy - Sports &amp; Corporate</b> |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ (8,771)             | \$ (11,962)        | \$ (6,982)         | \$ (3,405)         | \$ (5,970)         |
| Capital expenditures                   | 5,083                  | 363                | 559                | 626                | 3,086              |
| <b>Free Cash Flow</b>                  | <b>\$ (13,854)</b>     | <b>\$ (12,329)</b> | <b>\$ (7,541)</b>  | <b>\$ (4,031)</b>  | <b>\$ (9,056)</b>  |
| <b>Financial Services</b>              |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ (29,773)            | \$ 117,862         | \$ (86,625)        | \$ (1,405)         | \$ 35,190          |
| Capital expenditures                   | 834                    | 102                | 1,153              | 40                 | 57                 |
| <b>Free Cash Flow</b>                  | <b>\$ (30,607)</b>     | <b>\$ 117,760</b>  | <b>\$ (87,778)</b> | <b>\$ (1,445)</b>  | <b>\$ 35,133</b>   |
| <b>Corporate and Other</b>             |                        |                    |                    |                    |                    |
| Operating cash/flow                    | \$ (14,238)            | \$ (6,975)         | \$ (13,198)        | \$ (15,169)        | \$ (15,082)        |
| Capital expenditures                   | 62                     | 1,046              | 102                | 132                | 152                |
| <b>Free Cash Flow</b>                  | <b>\$ (14,300)</b>     | <b>\$ (6,021)</b>  | <b>\$ (13,300)</b> | <b>\$ (15,037)</b> | <b>\$ (15,224)</b> |

(\$/in thousands)