

Esmark Inc. Buys Ohio Steel Plant

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Esmark Inc. has purchased an idled steel finishing mill in Yorkville, Ohio, and a 50 percent interest in a tin plate production plant for a combined \$6.25 million from bankrupt RG Steel LLC.

The Sewickley-based company plans to spend about \$15 million to restart the steel plant in January and bring back about 160 employees represented by the United Steelworkers, said James P. Bouchard, Esmark president and founder.

The Yorkville cold-rolled steel plant that originally was part of Wheeling Pittsburgh Steel Corp. will be renamed Ohio Cold Rolling Co. and will be majority owned and operated by subsidiary Esmark Steel Group, a steel servicer that sells flat-rolled and other products.

James Ledgard, Wheeling Pittsburgh's former chief operating officer, was named CEO of Ohio Cold Rolling. The mill has been closed since July.

Ohio Coatings Co., the tin plate facility about a mile and a half from Yorkville, is a joint venture with TCC Steel of South Korea. Sixty workers are employed at that plant.

Industry analyst Charles Bradford of Bradford Research Inc. of New York said low prices for scrap metal could benefit firms such as Esmark, which can order materials during the down period in time to begin production early next year.

"The steel industry does better when scrap prices are up, and the hope is that it will have a seasonal recovery before the end of the year as firms order now for production next year," Bradford said.

The acquisitions are part of Esmark's effort to return the company to \$1 billion in revenue in 2013, Bouchard said. He sold the original Esmark Inc., which included Wheeling-Pittsburgh Steel Corp., to Russian steel maker OAO Severstal for \$775 million in July 2008.

Bouchard formed Esmark Steel Group a year later. Severstal sold much of its steel holdings in the U.S. in March 2011 to the newly formed RG Steel, which declared bankruptcy in May.

Before the latest deal, Bouchard already had repurchased three plants that were part of the sale to Severstal four years ago: Sun Steel Inc. and Century Steel Inc., both in Chicago Heights, Ill., and Independent Steel Co. in Cleveland.

Esmark also owns Excalibur Machine Co. in Meadville, and will move into a new Sewickley headquarters in early 2013.