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Ex-Arrium crown jewel Molycop back on the block

Sarah Thompson, Anthony Macdonald and Tim Boyd

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Molycop, the former crown jewel of steelmaker Arrium's empire, is back on the block.

Four years after private equity firm American Industrial Partners bought Molycop from Arrium's and its receivers, it is understood the business is once again being shopped to potential trade and private equity buyers with expectations of a valuation well north of \$2 billion.



Molycop's grinding media is used to process gold, copper and other minerals. **Rob Homer**

Sources said Australian boutique Record Point - started by former UBS industrials banker Michael Firmin and with offices in Sydney and the United States - was pitching the business to potential buyers.

Molycop makes forged steel grinding media which is extensively used in processing copper, gold and other minerals. It is the largest supplier of grinding media by sales volume globally and was making \$US1.02 billion revenue and \$US156 million EBITDA when it was scooped up by specialist private equity firm American Industrial Partners in November 2016.

American Industrial Partners has added to the business in the four years since. It acquired sensor design and development company MILL Trakka last month and Metso's grinding media business in 2018.

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It remains to be seen who will turn up to the slated auction.

Last time, Molycop's sale turned into a shootout between American Industrial Partners and an initial public offering alternative. American Industrial Partners paid \$US1.23 billion for the unit.

Bankers have started rustling up interest among other major mining services groups - such as former Molycop suitor Sigdo Koppers. Private equity groups Blackstone, TPG Capital and Rhone Capital also previously had a close look.

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Sarah Thompson has co-edited Street Talk since 2009, specialising in private equity, investment banking, M&A and equity capital markets stories. Prior to that, she spent 10 years in London as a markets and M&A reporter at Bloomberg and Dow Jones. *Email Sarah at sarah.thompson@ afr.com*

Anthony Macdonald co-edits Street Talk, specialising in private equity, investment banking, M&A and equity capital markets. He has 10 years' experience as a business journalist and worked at PwC, auditing and advising financial services companies. *Connect with Anthony on [Twitter](#). Email Anthony at a.macdonald@ afr.com*

Tim Boyd is a journalist based in Sydney who writes for the Street Talk column. *Connect with Tim on [Twitter](#). Email Tim at tim.boyd@ afr.com*



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