

NUCOR®



NUCOR®

POWERFUL PARTNERSHIPS. POWERFUL RESULTS.

# Forward-Looking Statements

Certain statements made in this presentation are forward-looking statements that involve risks and uncertainties. The words “believe,” “expect,” “project,” “will,” “should,” “could” and similar expressions are intended to identify those forward-looking statements. These forward-looking statements reflect the Company’s best judgment based on current information, and although we base these statements on circumstances that we believe to be reasonable when made, there can be no assurance that future events will not affect the accuracy of such forward-looking information. As such, the forward-looking statements are not guarantees of future performance, and actual results may vary materially from the projected results and expectations discussed in this report. Factors that might cause the Company’s actual results to differ materially from those anticipated in forward-looking statements include, but are not limited to: (1) competitive pressure on sales and pricing, including pressure from imports and substitute materials; (2) U.S. and foreign trade policies affecting steel imports or exports; (3) the sensitivity of the results of our operations to prevailing steel prices and changes in the supply and cost of raw materials, including pig iron, iron ore and scrap steel; (4) availability and cost of electricity and natural gas which could negatively affect our cost of steel production or could result in a delay or cancellation of existing or future drilling within our natural gas working interest drilling programs; (5) critical equipment failures and business interruptions; (6) market demand for steel products, which, in the case of many of our products, is driven by the level of nonresidential construction activity in the U.S.; (7) impairment in the recorded value of inventory, equity investments, fixed assets, goodwill or other long-lived assets; (8) uncertainties surrounding the global economy, including the severe economic downturn in construction markets and excess world capacity for steel production; (9) fluctuations in currency conversion rates; (10) significant changes in laws or government regulations affecting environmental compliance, including legislation and regulations that result in greater regulation of greenhouse gas emissions that could increase our energy costs and our capital expenditures and operating costs or cause one or more of our permits to be revoked or make it more difficult to obtain permit modifications; (11) the cyclical nature of the steel industry; (12) capital investments and their impact on our performance; and (13) our safety performance.

# Nucor Overview

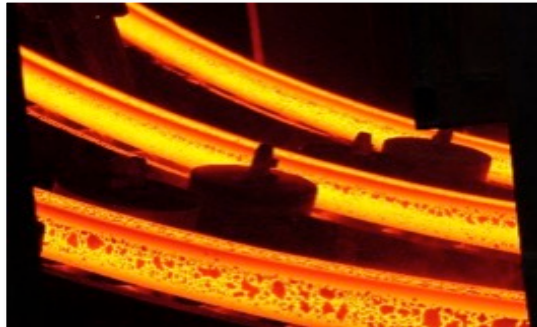
- North America's largest & most diversified steel & steel products company
- 25 scrap-based steel mills with annual production capacity of 27 million tons
- North America's largest recycler
- 47 straight yrs. of dividend increases

<u>Results</u>	<u>2018</u>	<u>2019</u>
Net Sales	\$25B	\$23B
Steel Shipped	27.9M Tons	26.5M Tons
EPS	\$7.42	\$4.14
Capital Returned	\$1.35B	\$791M

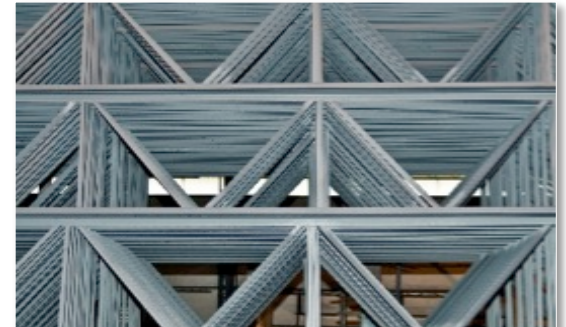
## Raw Materials



## Steel Mills



## Steel Products



# Nucor's Strengths

---

- Nucor's Culture
- Market Leadership Positions
- Diversified Product Portfolio
- Low & Highly Variable Cost Structure
- Strong Cash Generation Through The Cycle
- Strong Balance Sheet



# Principles of Nucor's Culture

NUCOR®



## SAFETY FIRST

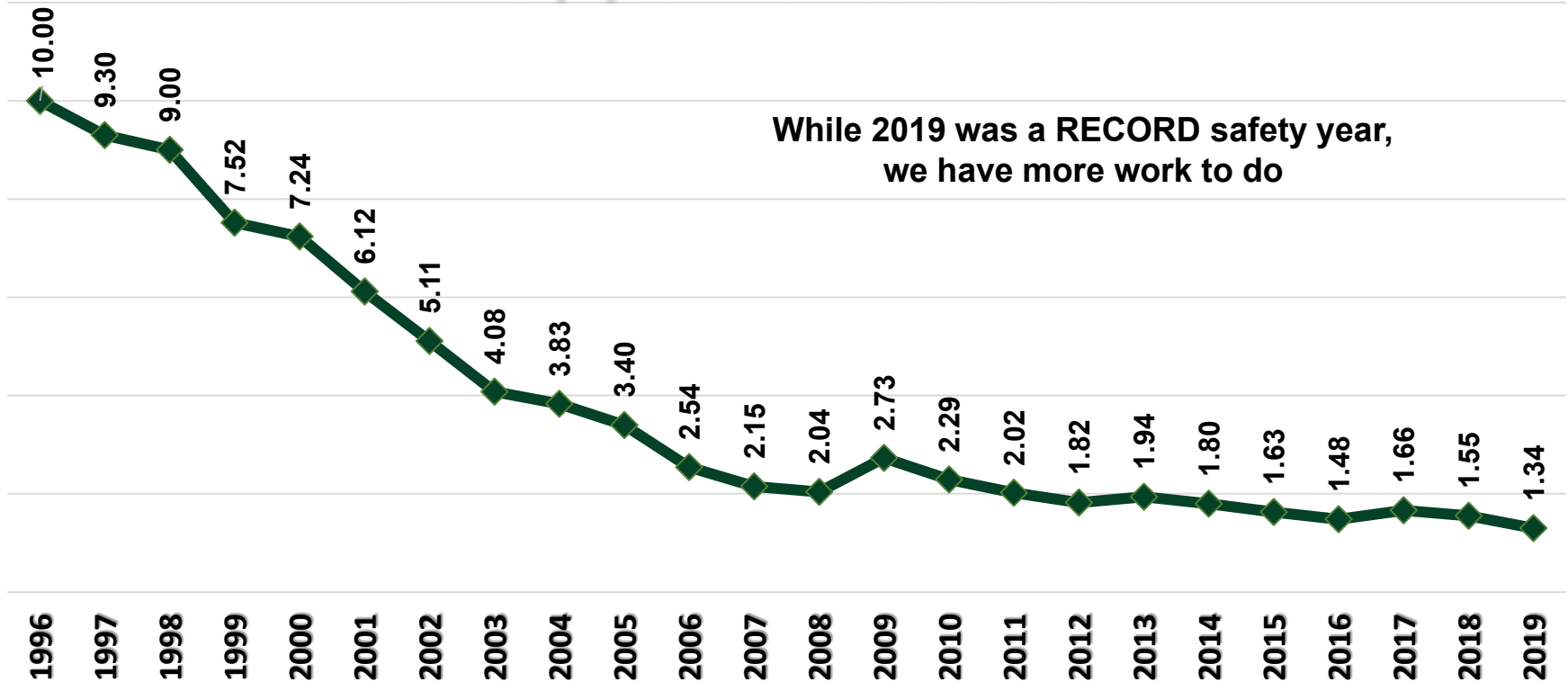
- ▶ Trust
- ▶ Open Communications
- ▶ Teamwork
- ▶ Community Stewardship
- ▶ Results



# Safety – Our First Priority

Nucor Injury & Illness Rates 1996 - 2019

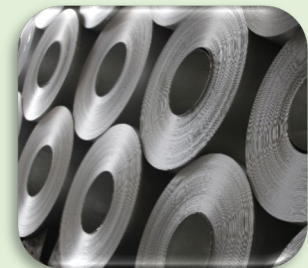
While 2019 was a RECORD safety year,  
we have more work to do



# Market Leadership

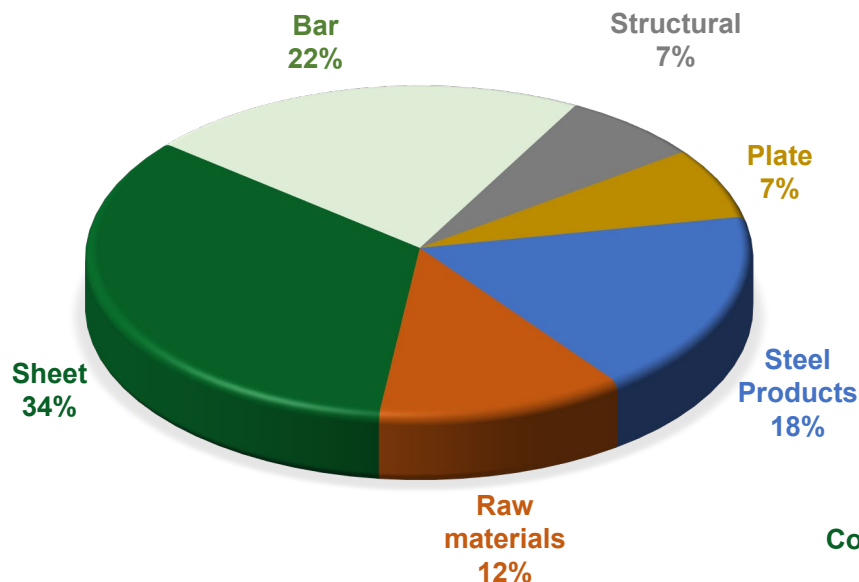
<b>#1</b> <i>North American Market</i>	Structural Steel Merchant Bar Steel Cold Finish Bar Steel	Steel Joist & Deck Steel Piling Distribution Metal Buildings Steel Electrical Conduit Pipe
<b>#2</b> <i>North American Market</i>	Rebar Steel & Fab Plate Steel SBQ Bar Steel	Hollow Structural Section (HSS) Steel Tubing
<b>#3</b> <i>North American Market</i>	Sheet Steel (hot + cold + galvanized)	

Sources: Company filings, SEC Filings, Industry Data, First River Consulting.



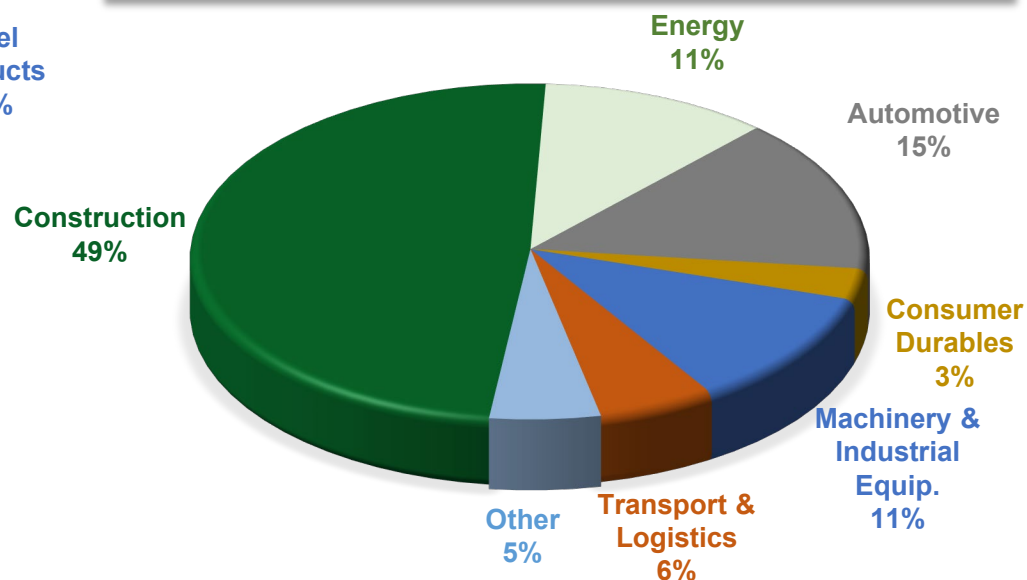
# Diversified Product Portfolio

## 2019 Volumes Sold to Outside Customers



2019 Total Sales Volume:  
26.5 Million tons

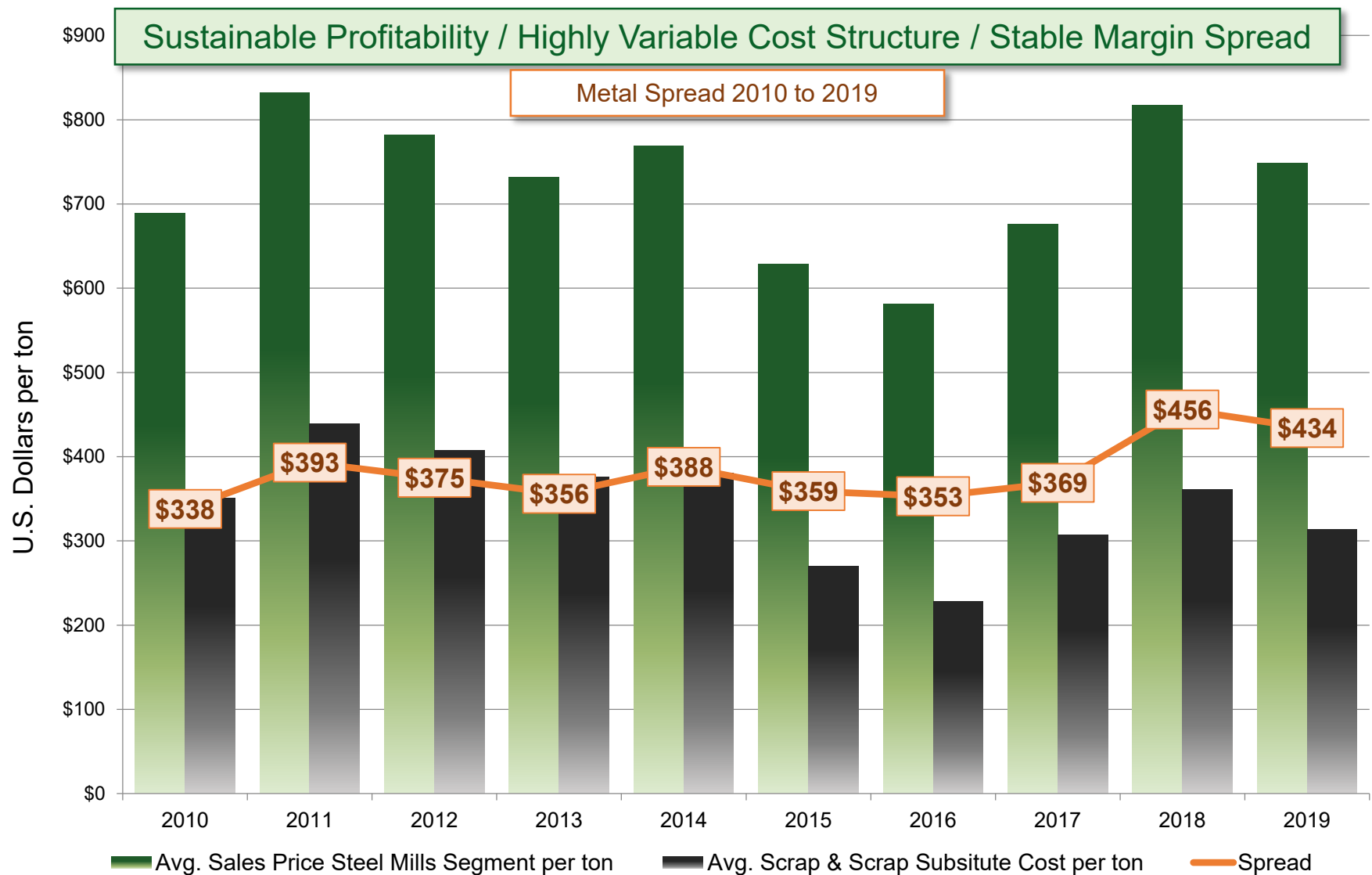
## Steel & Steel Products Sales by End Market\*



\*Allocates Nucor's steel sales to service centers (approx. 35% of 2019 volumes) to end markets based on AISI data

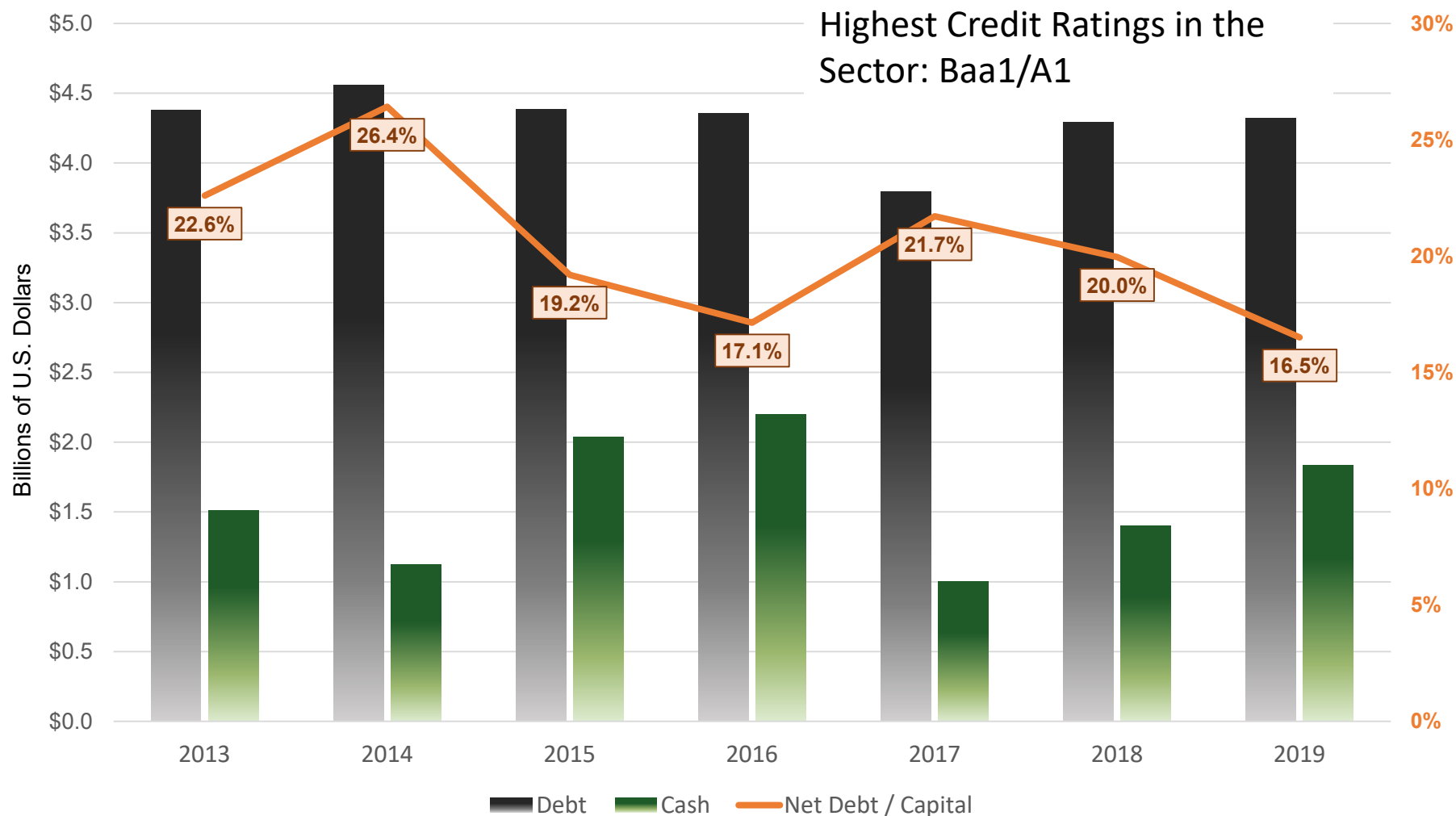


# Low, Highly-Variable Cost Structure

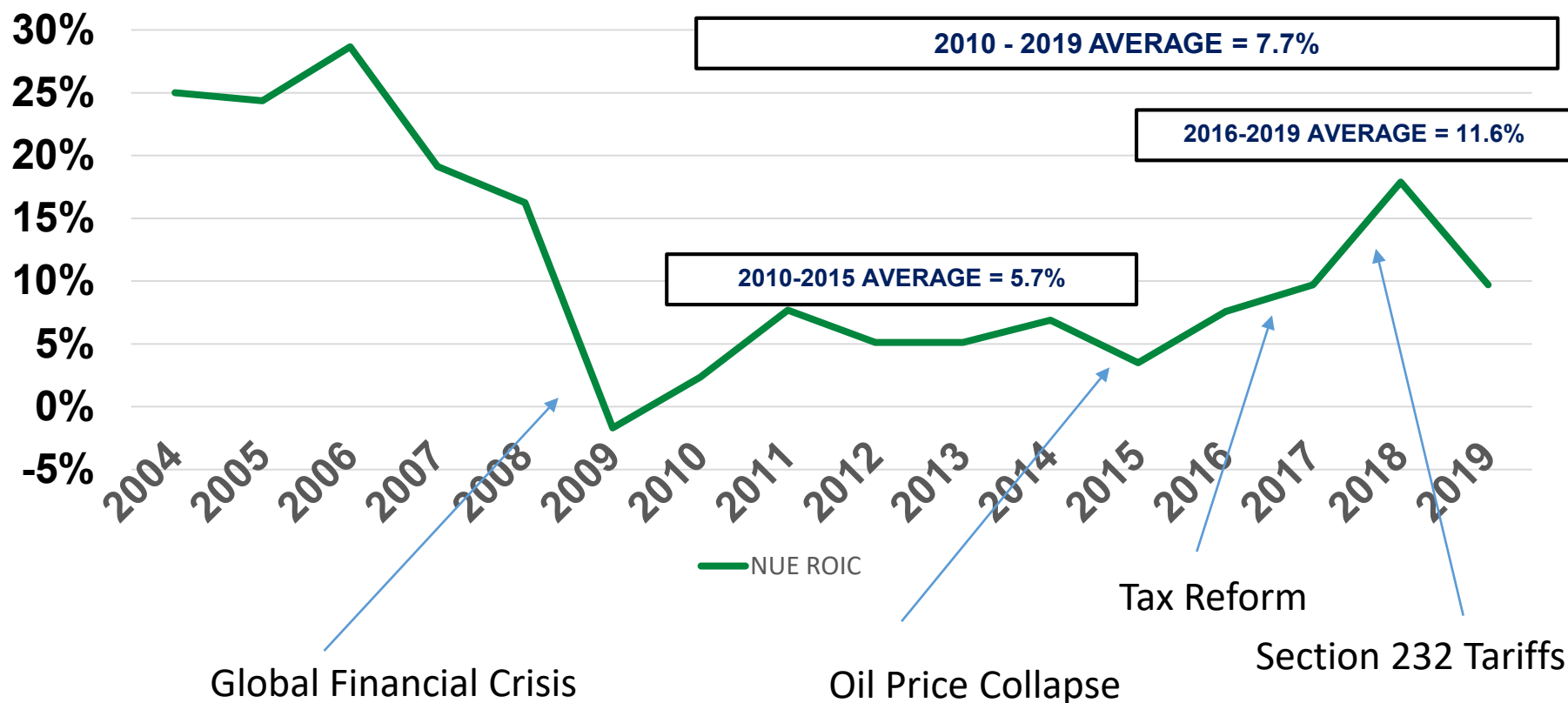


# Strong Balance Sheet

## Low Financial Leverage



## Return on Capital



# NUCOR

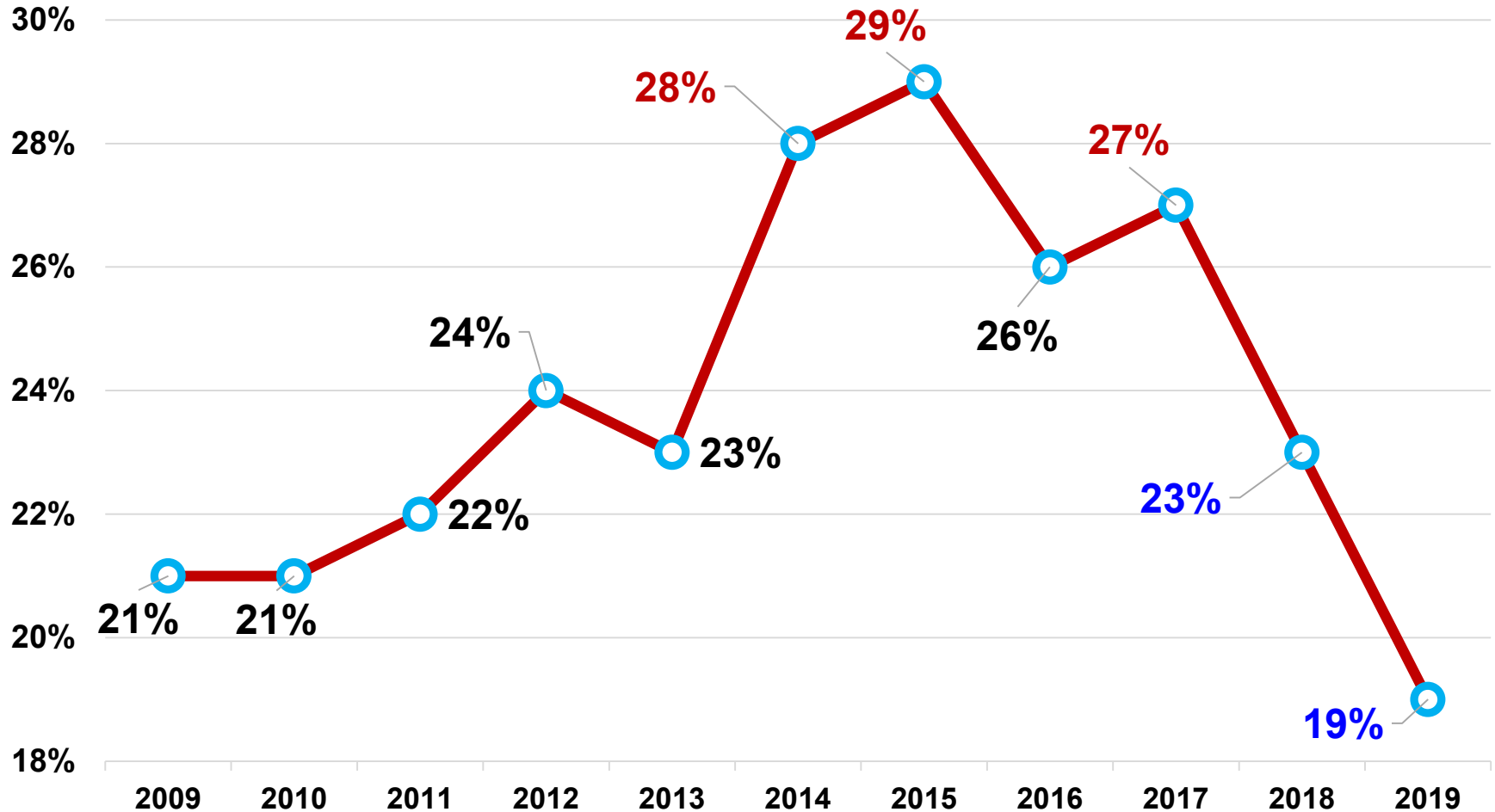
## LOOKING AHEAD






# Imports' Shrinking Market Share

Imports' Share of U.S. Finished Steel Market (2009-2019)



**NUCOR®**

: High Threat    : Medium Threat    : Low Threat    : No current threat

December 2019

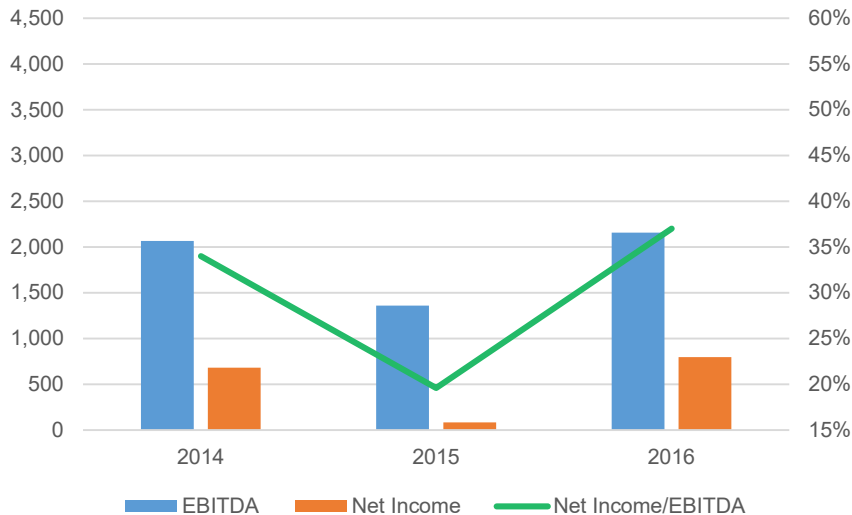
: High Threat    : Medium Threat    : Low Threat    : No current threat

## 5.2 Countries

# Tax Reform

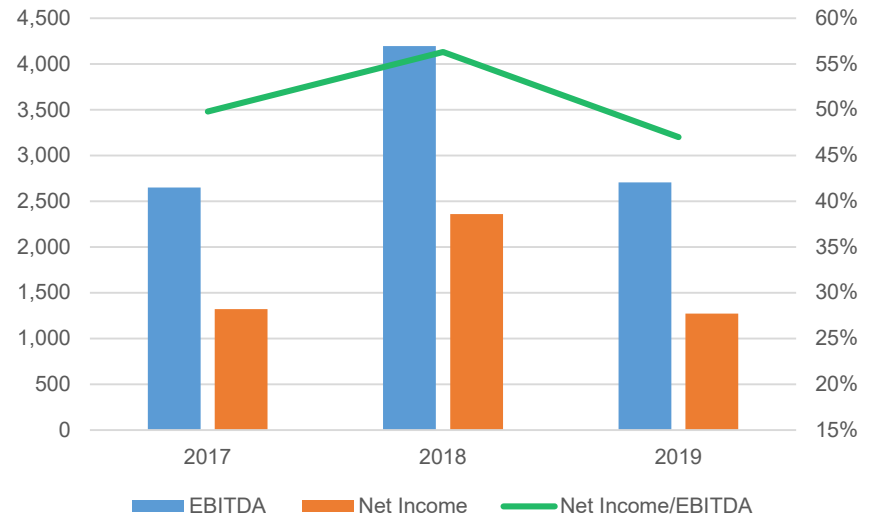
## Converting more EBITDA to Net Income

Results Summary Under Prior Tax Regime



*Converting less than 30% of EBITDA to Net Income on average*

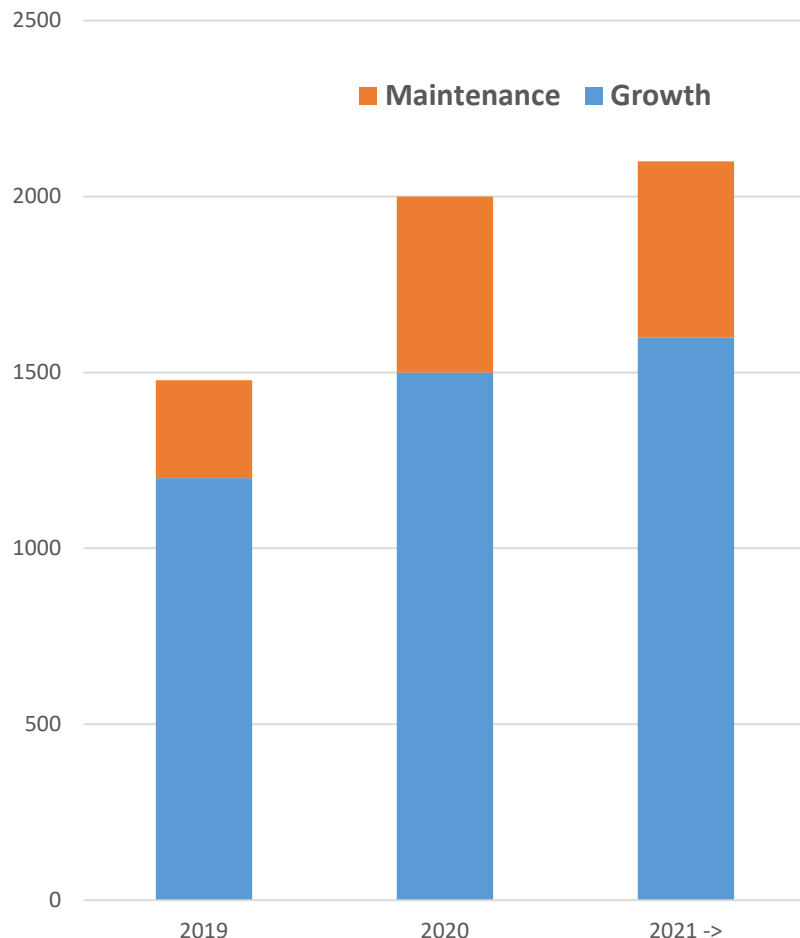
Impact of 2017 Tax Cuts & Jobs Act



*Converting approximately 50% of EBITDA to Net Income*

# Strategic Growth Program

Nucor Capital Investments Overview



- \$1.2B of investments completed toward strategic growth program in 2019.
- Additional growth project capex anticipated for '20 and '21, primarily on previously announced projects, including:
  - Plate mill gross capex budget of \$1.7B, including contingencies
  - Gallatin expansion budgeted at \$650 million
- Projected capex also incorporates new initiatives including:
  - Additional value added processing capabilities in our sheet group
  - Construction of air separation units at select mills to develop in-house industrial gas supply capabilities
- Incremental EBITDA ramp begins in 2020 and continues through 2024

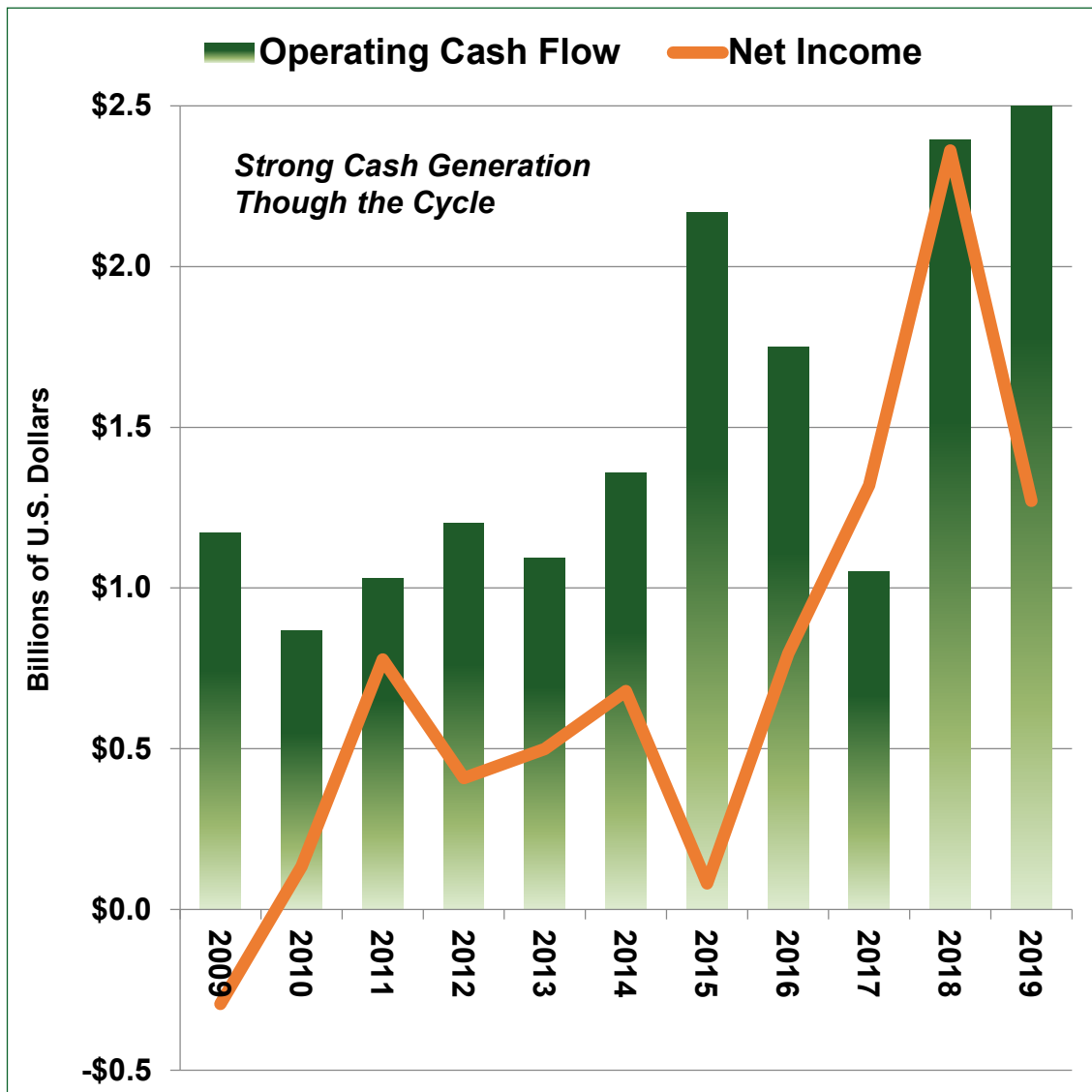


# Capital Allocation Priorities



**We expect to return a minimum of 40% of our earnings to shareholders, while maintaining our strong investment grade credit rating**

# Ample Financial Flexibility

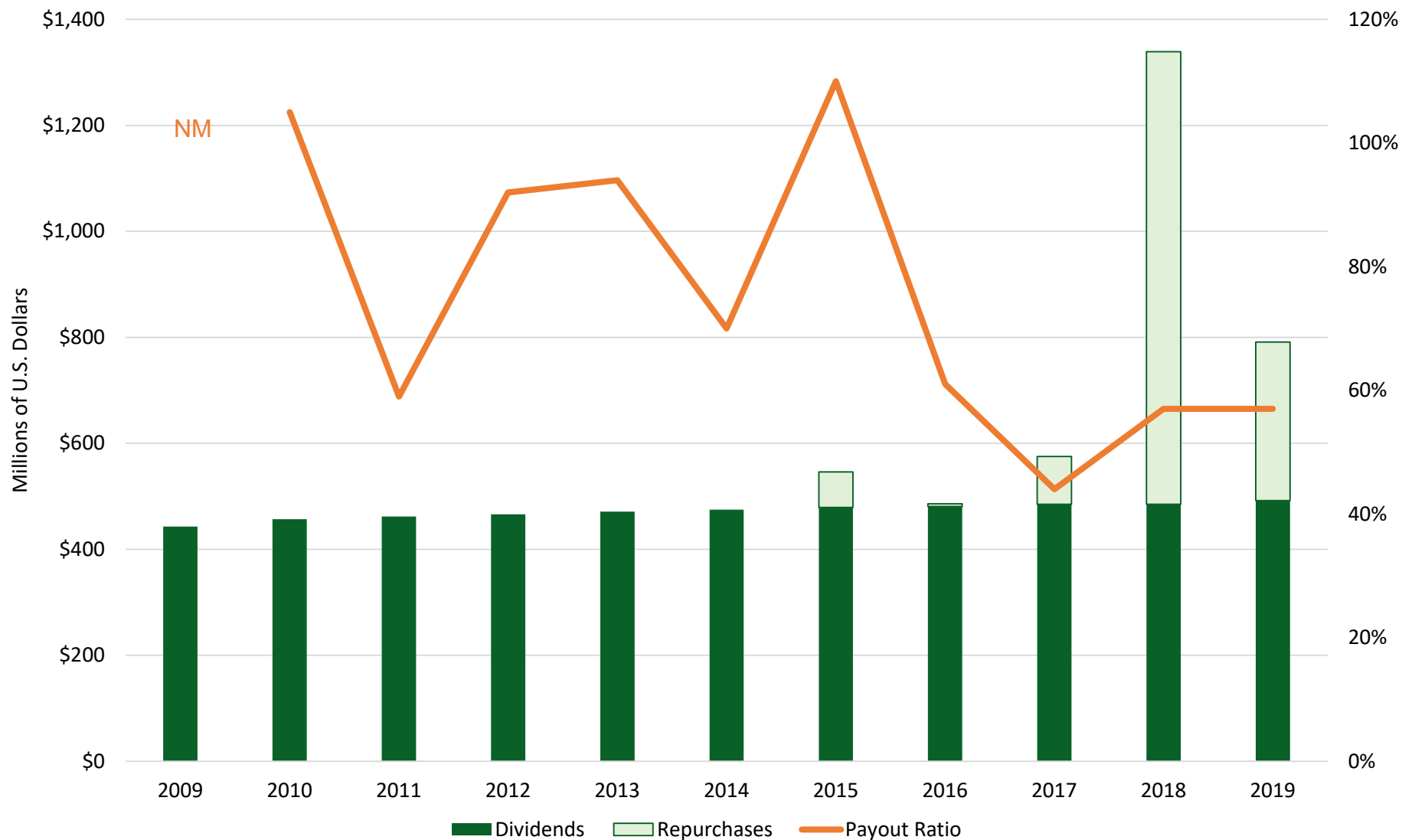


Current liquidity of **\$1.8 billion** in cash and an undrawn **\$1.5 billion** credit facility maturing in 2023

Strongest credit ratings in the sector:  
**Baa1/A-**

No material debt maturities until 2022

# \$6.5 Billion Returned since 2009



# NUCOR

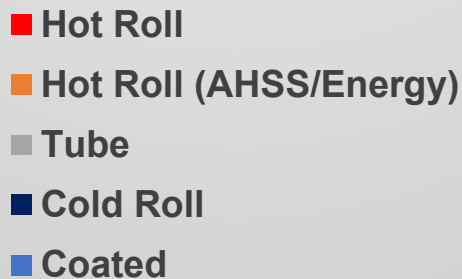
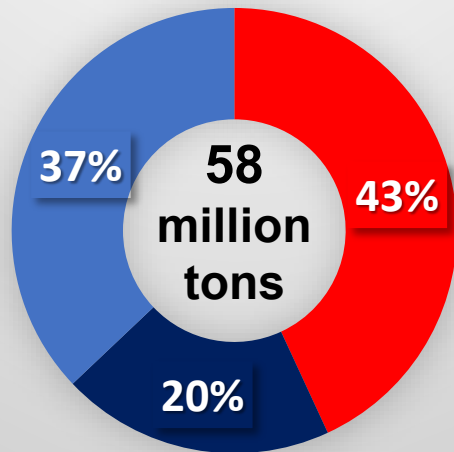
## APPENDIX



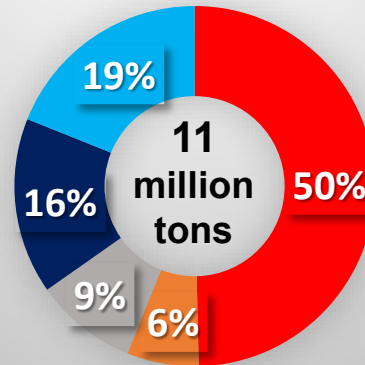


# Nucor Sheet Products: Value Added Execution

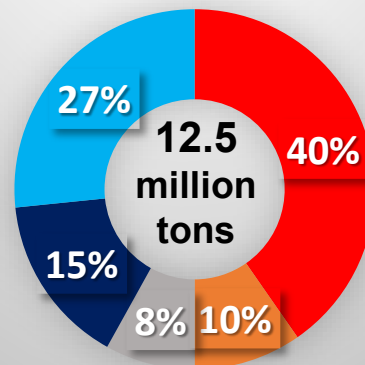
## Current Industry Mix



## Nucor (2018)



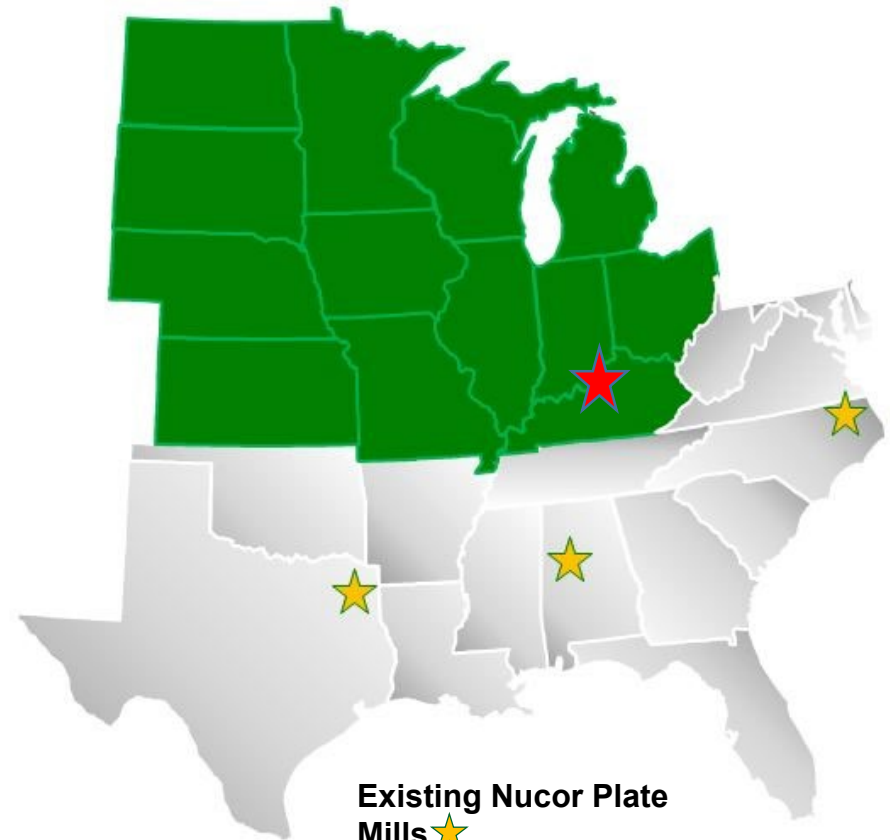
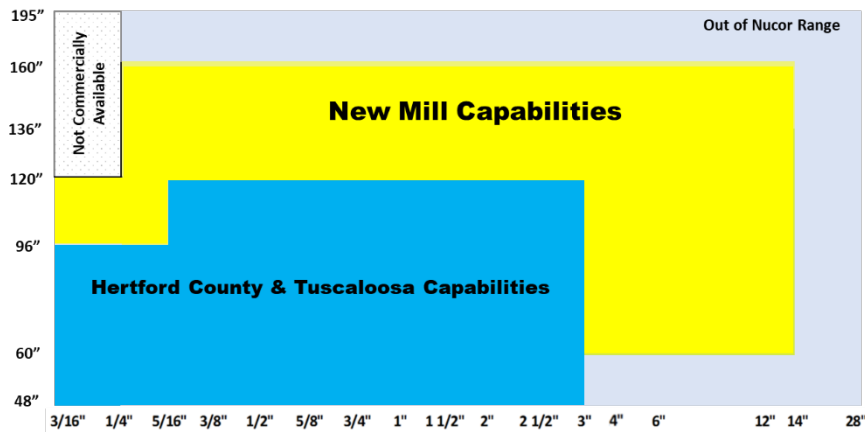
## Nucor (Projected)



- Nucor's sheet mills are well positioned to serve key end use markets
- Our new capabilities will enhance existing facilities for better efficiency, returns and meeting customer requirements
- Added capability is diversified to serve targeted, strategic markets
- Supported by 1.4 million tons of additional substrate at Gallatin
- There are more investments in value added capabilities in the planning stages

# Brandenburg, Kentucky Plate Mill

- State of the art mill situated on the Ohio River in the middle of the largest plate consuming region in the U.S.
- Positions Nucor for market leadership in plate products with an ability to produce 97% of those consumed domestically

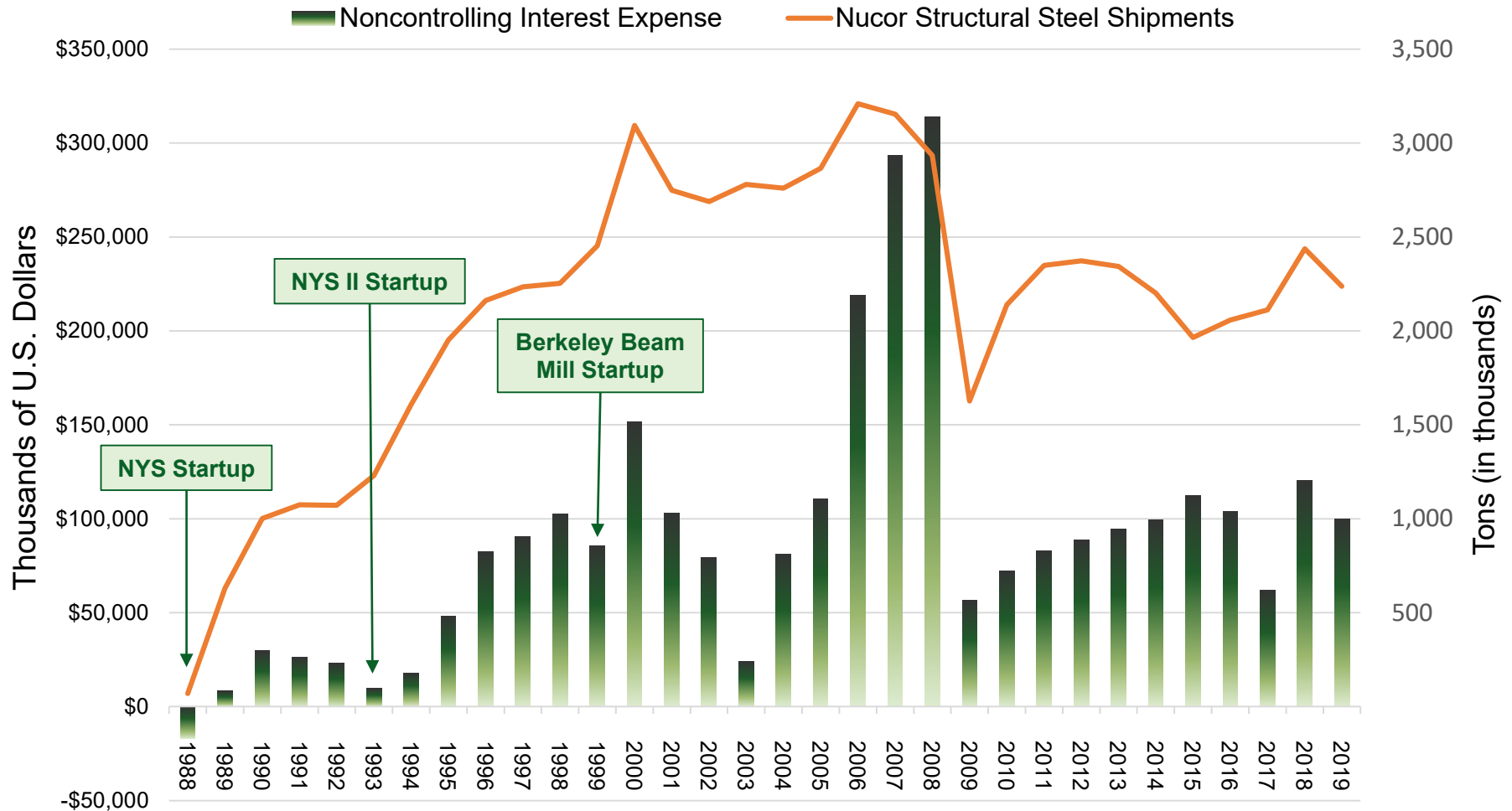


## Existing Nucor Plate Mills ★

- Hertford County, NC
- Tuscaloosa, AL
- Longview, TX

# Why Market Leadership Matters

## Nucor's Success in Structural Steel



# Strategic Investments Long Products

## Improving Scale, Diversification and Earnings Power

### ▲ Nucor Kankakee MBQ

- ▶ Build a full range merchant bar mill at existing Illinois steel mill leveraging existing melt capacity
- ▶ Capitalizes on Nucor's position as a low-cost producer & benefits from multiple logistical advantages
- ▶ Takes advantage of abundant low-cost scrap supply in the region
- ▶ Annual merchant bar rolling capacity of 500,000 tons
- ▶ \$185 million investment
- ▶ Start-up in Q2-2020

### ★ Nucor Marion Rolling Mill

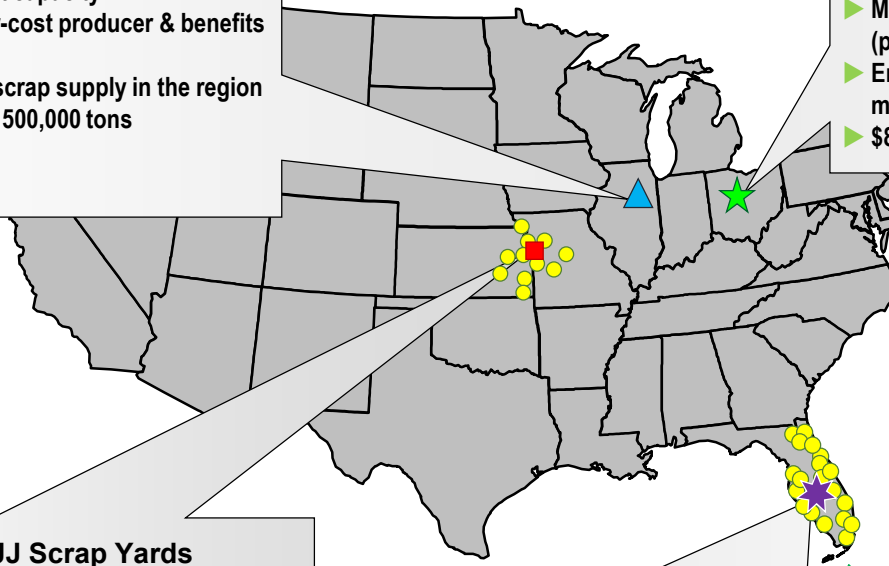
- ▶ Modernization of rolling mill at Ohio steel bar mill
- ▶ Updated technology will reduce operating costs
- ▶ Marion's annual capacity is 400,000 tons (produces rebar & signpost)
- ▶ Enhances position as low-cost producer & market leader in rebar
- ▶ \$85 million investment completed in Q2-2019

### ■ Nucor Micro Mill ● DJJ Scrap Yards

- ▶ Build a greenfield rebar micro mill in Sedalia, MO (near Kansas City)
- ▶ Enhances low cost position by capitalizing on significant logistical advantages
- ▶ Utilizes an abundant scrap supply with existing infrastructure of Nucor's DJJ scrap operations
- ▶ Annual capacity of about 380,000 tons
- ▶ \$245 million investment
- ▶ Start-up in Q1-2020

### ★ Nucor Micro Mill ● DJJ Scrap Yards

- ▶ Build a greenfield rebar micro mill in a growing market in Frostproof, FL
- ▶ Enhances low cost position by capitalizing on significant logistical advantages
- ▶ Utilizes an abundant scrap supply with existing infrastructure of Nucor's DJJ scrap operations
- ▶ Estimated annual capacity of 380,000 tons
- ▶ \$240 million investment
- ▶ Expected start-up in H2-2020





# POWERFUL PARTNERSHIPS. POWERFUL RESULTS. NUCOR®

