



# Investor Overview

May 2018



# 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

# Nucor At Year-end 2017

- North America's most diversified steel and steel products company
- Largest steel producer in the United States
  - 25 scrap-based steel mills with annual production capacity of 27 million tons
  - Nucor is North America's largest recycler
- Business segments:
  - Steel Mills, Steel Products and Raw Materials

## YEAR-END 2017 PROFILE

Total steel mill shipments	24.7 million tons
Facilities	Approximately 200 locations
Net Sales	\$20.3 billion
Net Earnings	\$1.3 billion
Cash and short-term investments	\$999 million
Fortune 500 Rank	169
Employees	25,100

Sources: Company Filings, [www.nucor.com](http://www.nucor.com), Fortune 500.

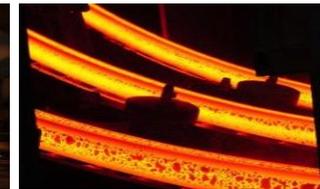
## RAW MATERIALS

(Direct Reduced Iron, Ferrous Scrap Brokerage, Non-Ferrous Scrap, and Transportation & Logistics)



## STEEL MILLS

(Bars, Beams, Sheet and Plate)



## STEEL PRODUCTS

(Hollow structural section tubing, electrical conduit, piling, joists & joist girders, deck; fabricated reinforcing bar; cold finished bar; fasteners, metal building systems, steel grating, and steel mesh)



# Raw Materials Production Capacity

## Product

Direct Reduced Iron (DRI)

Ferrous Scrap Processing

## Annual Tons

4.5 Million

5.0 Million

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**Total Scrap & Raw Material**

**9.5 Million**

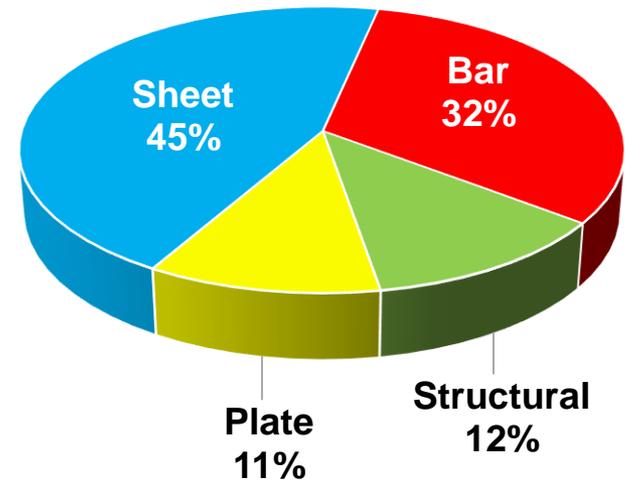
Note: Capacity at March 31, 2018.



# Steel Mill Annual Production Capacity

**Nucor is the largest producer of steel in the United States**

<u>Product</u>	<u>Capacity</u>
<b>Sheet</b>	<b>12.1 Million</b>
Cold Rolled Sheet 4.1 Million	
Galvanized Sheet 2.0 Million	
<b>Bar</b>	<b>8.8 Million</b>
<b>Structural</b>	<b>3.3 Million</b>
<b>Plate</b>	<b>2.9 Million</b>
<b>Total Steel</b>	<b>27.1 Million</b>

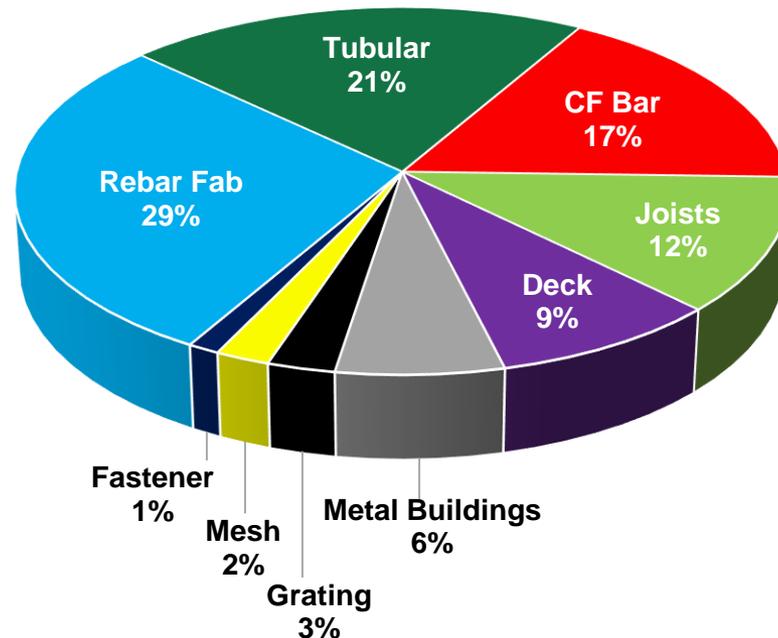


Note: Capacity at March 31, 2018.



# Steel Products Annual Production Capacity

<u>Product</u>	<u>Capacity</u>
Rebar Fabrication	1,790
Tubular Products	1,325
Cold Finish Bar	1,065
Steel Joist	745
Steel Deck	545
Metal Buildings	395
Grating	160
Steel Mesh	128
Fastener	75
<b>Total Steel Products</b>	<b>6,228</b>



Note: Capacity in thousands of tons at March 31, 2018.



# **NUCOR'S UNRIVALED POSITION OF STRENGTH**

# Nucor's UNRIVALED Position of Strength

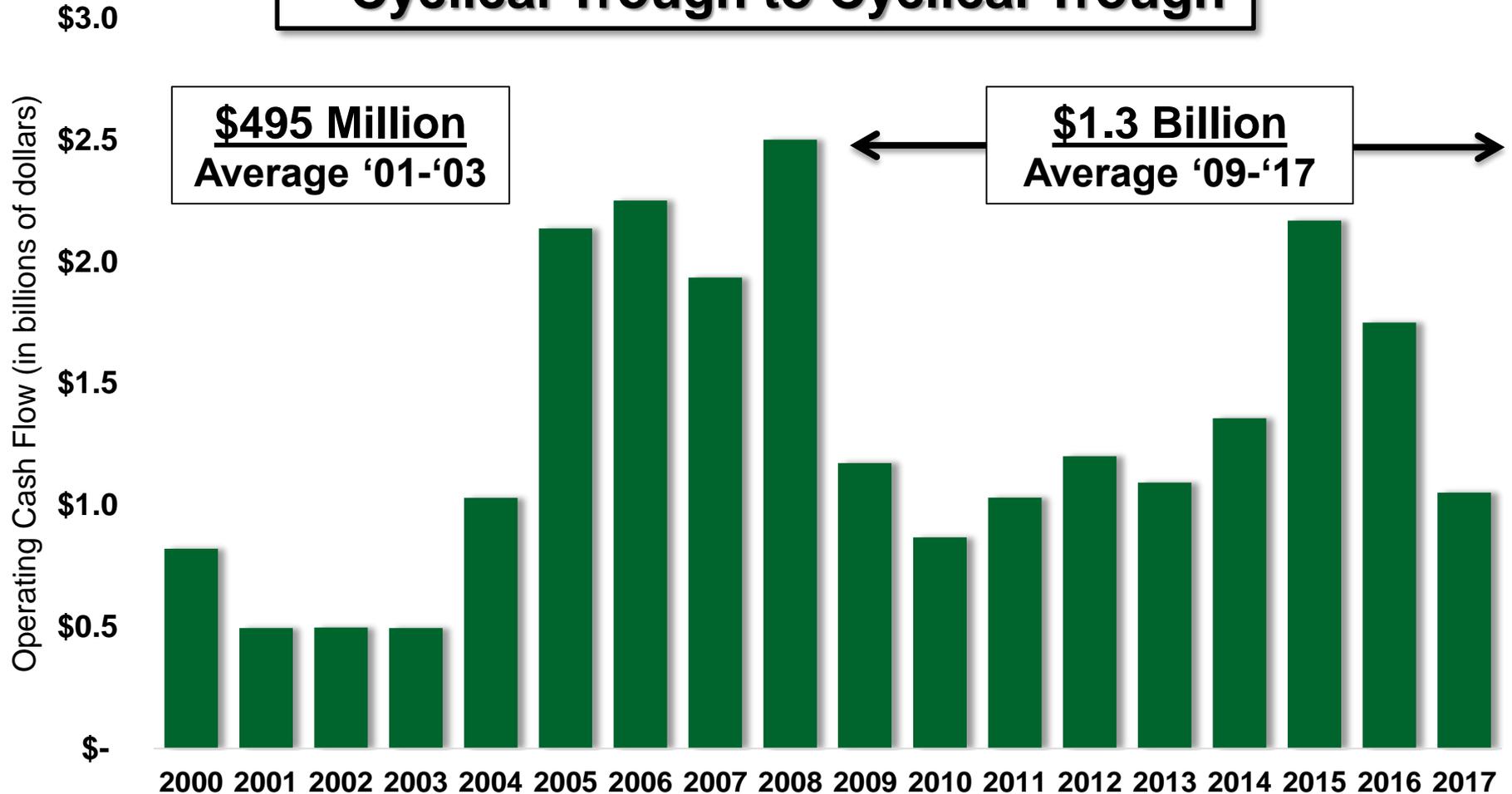
- **OUR PEOPLE & CULTURE**
- Financial Strength
- Flexible Production Capacity
- Product Diversity
- Strategy → Five Drivers To Profitable Growth





# Nucor's Financial Strength – Cash Generation

**Cyclical Trough to Cyclical Trough**



# Nucor's Financial Strength – Highest Credit Ratings

	Investment Grade						Non-Investment Grade						
	A1 / A+	A2 / A	A3 / A-	Baa1 / BBB+	Baa2 / BBB	Baa3 / BBB-	Ba1 / BB+	Ba2 / BB	Ba3 / BB-	B1 / B+	B2 / B	B3 / B-	Caa1 / CCC+
<b>NUCOR</b>			A- / STABLE	Baa1 / STABLE									
<b>Gerdau</b>					BBB- / STABLE			Ba2 / STABLE					
<b>Steel Dynamics</b>							STABLE / POS						
<b>Commercial Metals</b>							NEG						
<b>Arcelor Mittal</b>					BBB- / STABLE		Ba1 / POS						
<b>U.S. Steel</b>										B1 / STABLE	B / POS		
<b>AK Steel</b>										B2 / STABLE	B / POS		

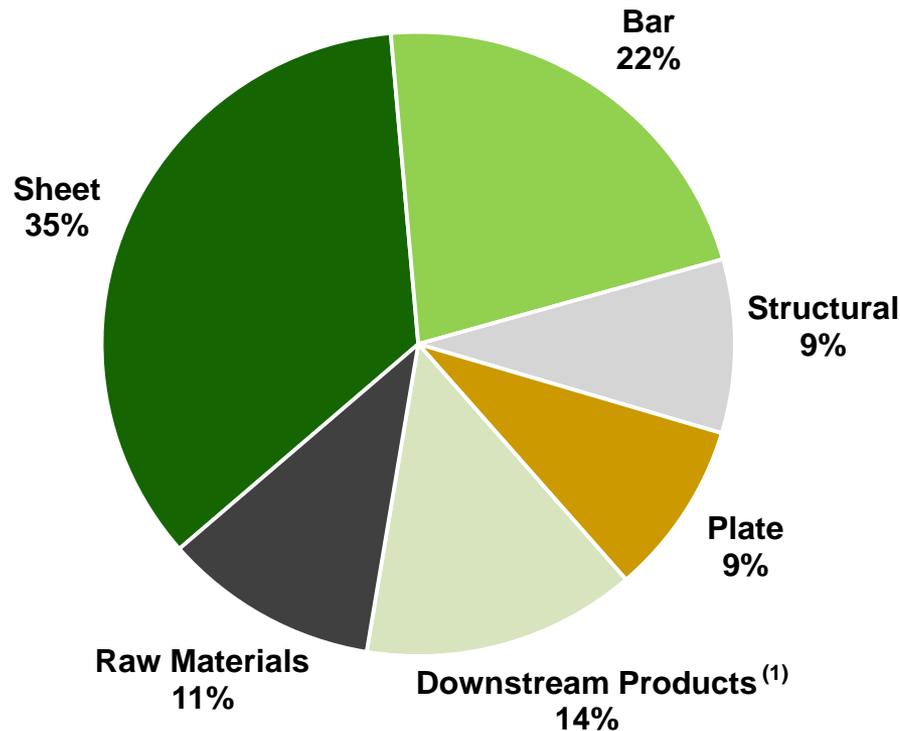
# Flexible Capacity & Highly Variable Cost Structure

- Electric arc furnaces
- Pay For Performance
- High productivity
- No lay-off practice
- **BEST-IN-CLASS MARKET RESPONSIVENESS!!!**



# Highly Diversified U.S. Producer of Steel & Steel Products

## Volumes Sold to External Customers



**Total tons shipped to outside customers in 2017: 26.5 million tons**

(1) Downstream Products consists of Rebar Fabrication, Tubular Products, Cold Finish Bar, Steel Joists, Steel Deck, Metal Buildings, Grating, Wire Mesh and Fastener.

# **NUCOR'S STRATEGY FOR PROFITABLE GROWTH**

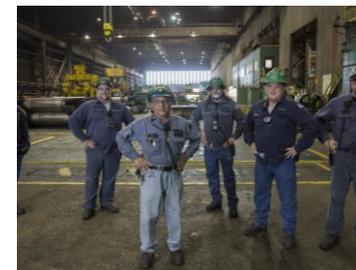
# Nucor's Strategy – Flexible and Focused

## Leveraging Our Position of Strength



## FIVE DRIVERS TO PROFITABLE GROWTH

1. LOW COST PRODUCER
2. MARKET LEADERSHIP
3. MOVE UP THE VALUE CHAIN
4. EXPAND CHANNELS TO MARKET
5. COMMERCIAL EXCELLENCE



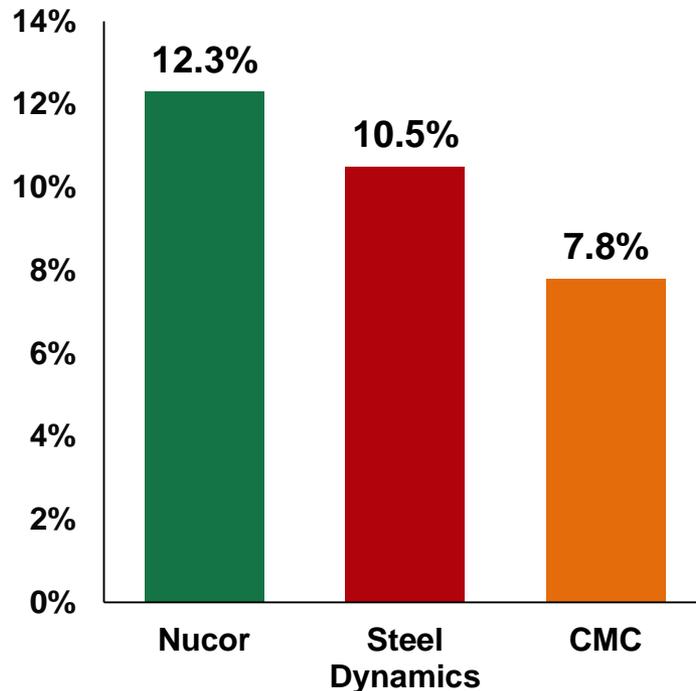
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# LOW COST PRODUCER

**Nucor = Industry Leading Returns**

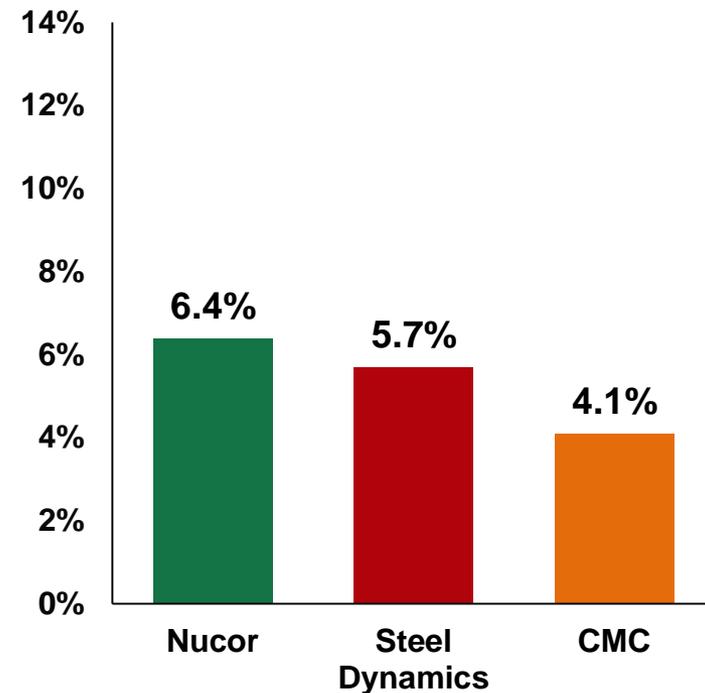
## Through-The-Cycles

Average ROIC 2004 to 2017



## Five Years Ended 2017

Average ROIC 2013 to 2017



Note: ROIC = Net Income / (Total Debt + Equity). Net Income includes restructuring and impairment charges as reported by the companies.

**2**

# MARKET LEADERSHIP

**#1**  
North American  
Market Leader

**Structural Steel**  
**Rebar Steel**  
**Merchant Bar Steel**  
**Cold Finished Bar Steel**

**Steel Joist & Deck**  
**Rebar Fab & Distribution**  
**Steel Piling Distribution**  
**Metal Buildings**

**#2**  
North American  
Market Leader

**Plate Steel**  
**SBQ Bar Steel**

**Hollow Structural Section (HSS) Steel Tubing**  
**Steel Electrical Conduit Pipe**

**#3**  
North American  
Market Leader

**Sheet Steel (hot + cold + galvanized)**

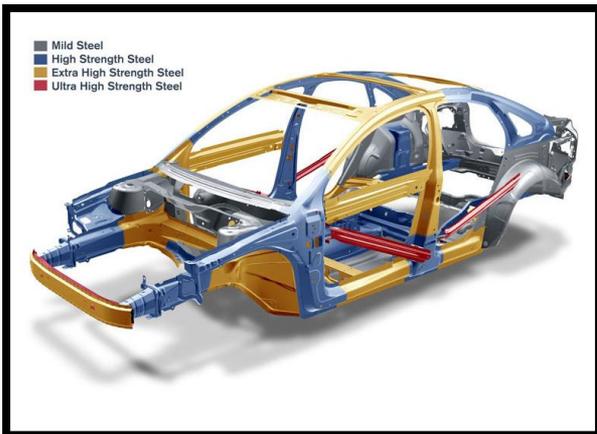
Sources: Company filings, SEC Filings, Industry Data, First River Consulting.



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# MOVE UP THE VALUE CHAIN

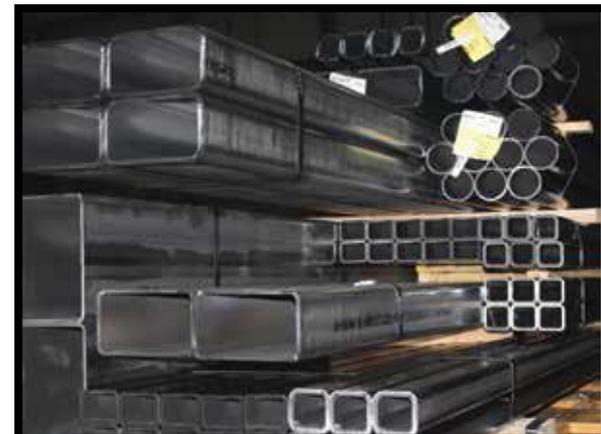
**Advanced High-Strength Steels for Automotive**



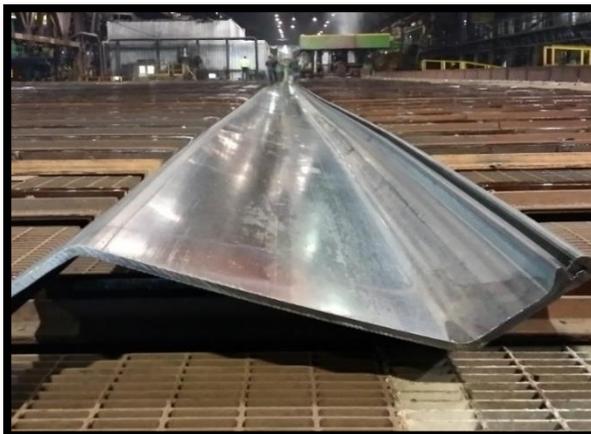
**Quench & Self Tempering (QST) Technology**



**Hollow Structural Sections (HSS) and Electrical Conduit**



**Wider, Lighter Gauge Sheet**



**Expanded Steel Piling Portfolio**



**Expanded SBQ Products**

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# Move Up The Value Chain - Automotive

**Nucor is well-positioned to take advantage of automotive production in the U.S. & Mexico**



Mercedes-Benz



SUBARU



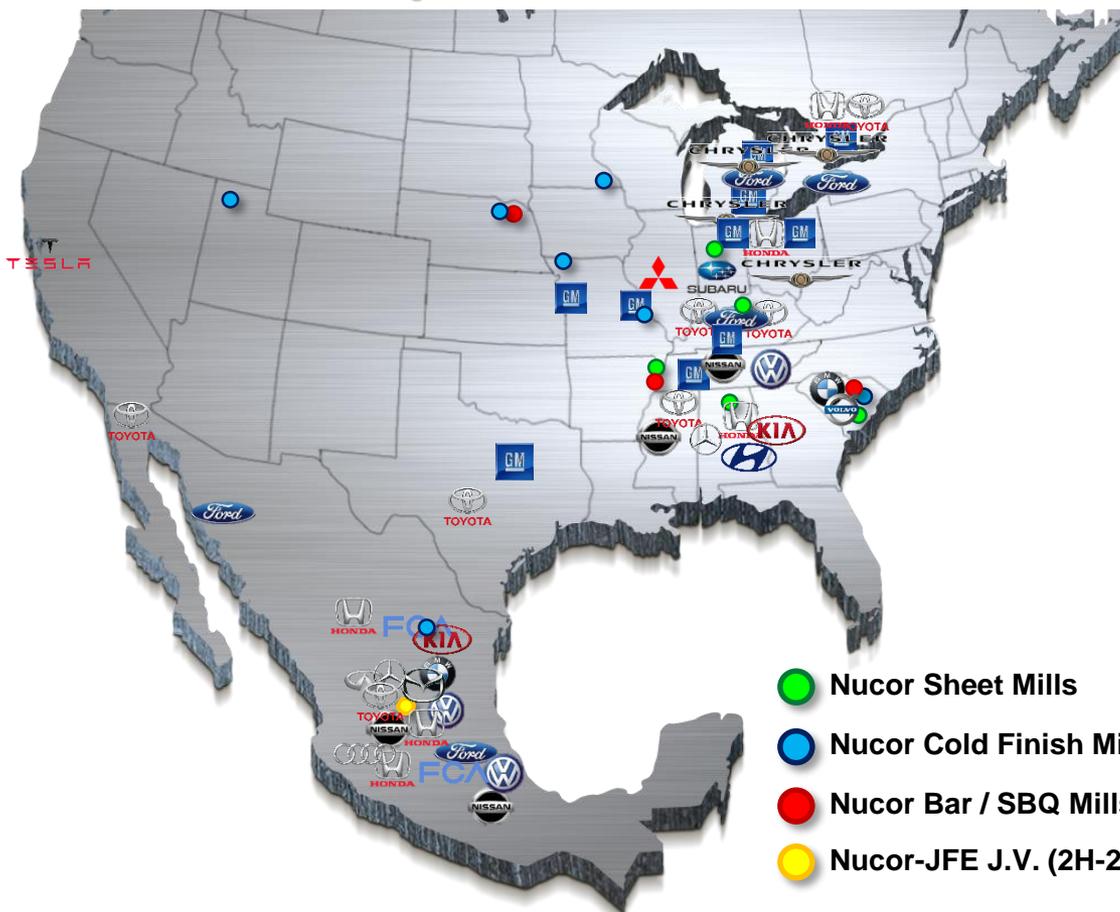
TESLA



TOYOTA



Volkswagen

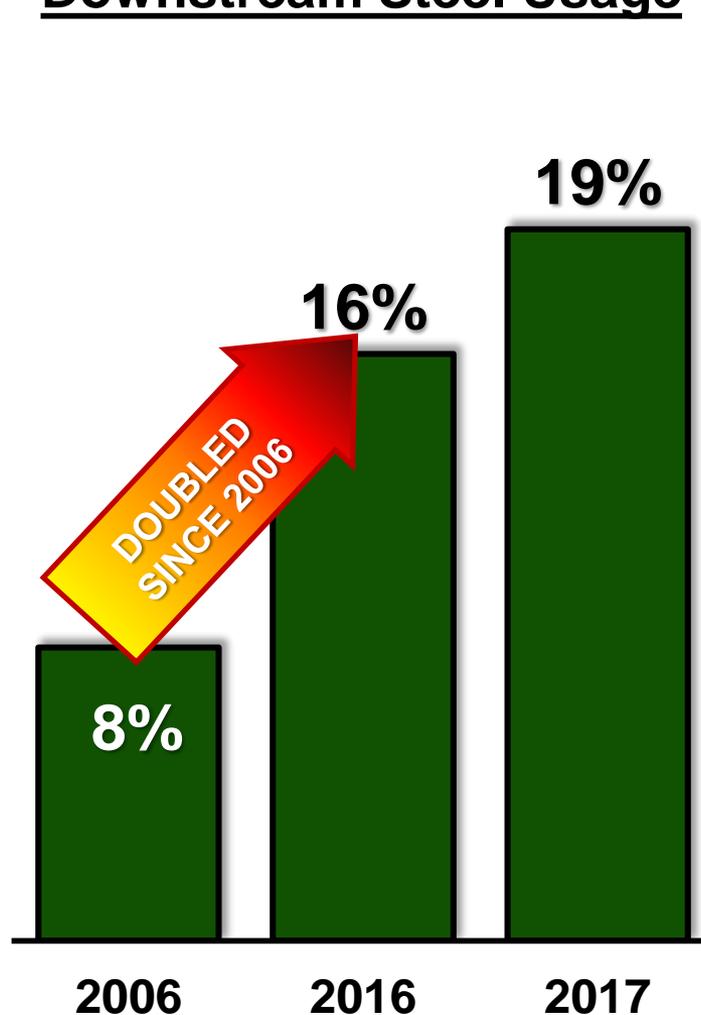


- Nucor Sheet Mills
- Nucor Cold Finish Mills
- Nucor Bar / SBQ Mills
- Nucor-JFE J.V. (2H-2019)

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# CHANNELS TO MARKET STRATEGY

## Downstream Steel Usage



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# COMMERCIAL EXCELLENCE

**BECOME THE SUPPLIER OF CHOICE FOR STEEL BUYERS**

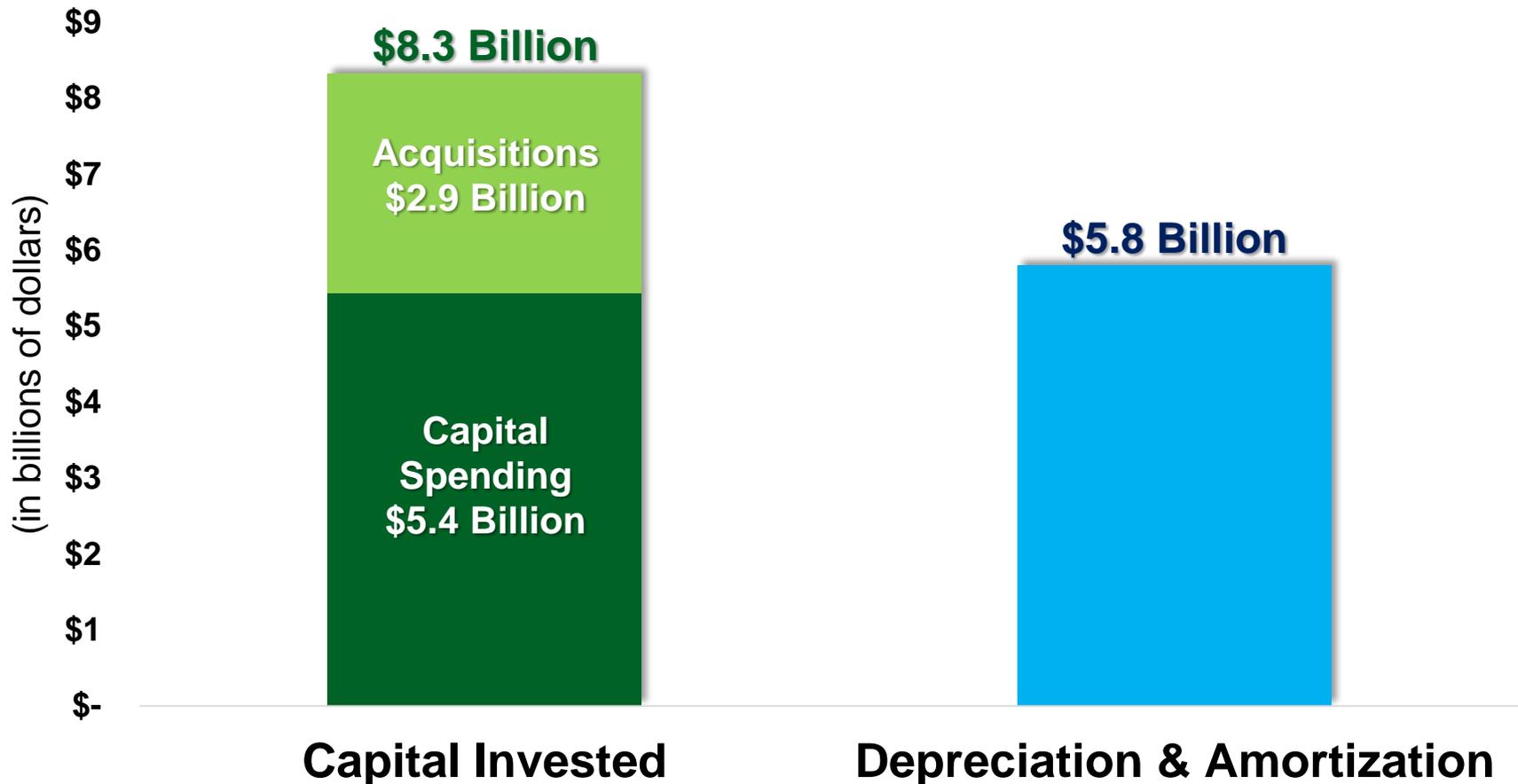
- ▶ **America's Most Diversified Steel & Steel Products Producer**
- ▶ **Reliability and On-Time Delivery**
- ▶ **Technology Leader**
- ▶ **Superior Product Quality & Consistency**
- ▶ **Experienced and Knowledgeable Commercial Team**
- ▶ **We keep our commitments!  
We do what is right! ALWAYS!**



# **NUCOR'S GROWTH INVESTMENTS OVERVIEW**

# Investing for Profitable Growth

## Capital Invested Versus Depreciation During Current Steel Industry Downturn of 2009-2017



# Recent Strategic Investments

Announced \$2.3 billion\* in investments since late 2016

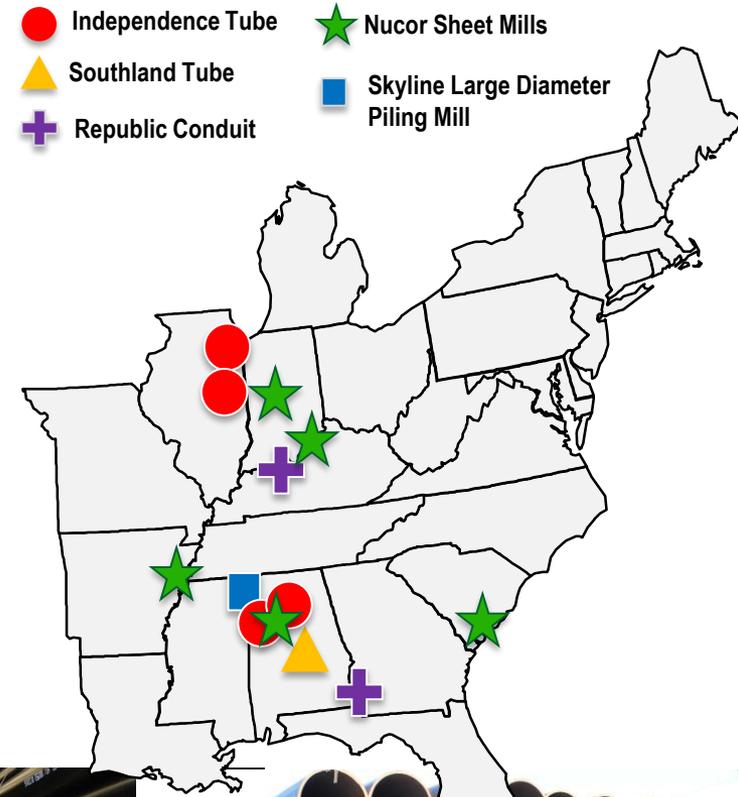
<u>Strategic Investments</u>	<u>Completion/ Startup</u>	<u>\$ Amount (in millions)</u>
Tube Acquisitions: Independence, Southland, & Republic	Q4-16 & Q1-17	\$892
Rebar Micro Mill in Missouri	Late 2019	\$250
Rebar Micro Mill in Florida	H1-2020	\$240
Nucor Steel Arkansas Specialty Cold Mill Complex	H1-2019	\$230
Nucor Steel Kankakee Midwest Merchant Bar expansion	Late 2019	\$180
Nucor Steel Gallatin Hot Band Galvanizing line	H1-2019	\$176
Nucor-JFE Joint Venture Galvanizing Line in Mexico**	H2-2019	\$135
Nucor Steel Marion Rolling Mill Upgrade	H1-2019	\$85
Nucor-Yamato Quench & Self-Temper (QST)	Q4-2016	\$75
St. Louis Cold Drawn Cold Finish Bar acquisition	Q3-2017	\$60
	<b>Total</b>	<b>\$2,323</b>

\* Includes investments over \$50 million

\*\*50-50 joint venture between Nucor and JFE; Total project spend of \$270 million

# Nucor Tubular Products

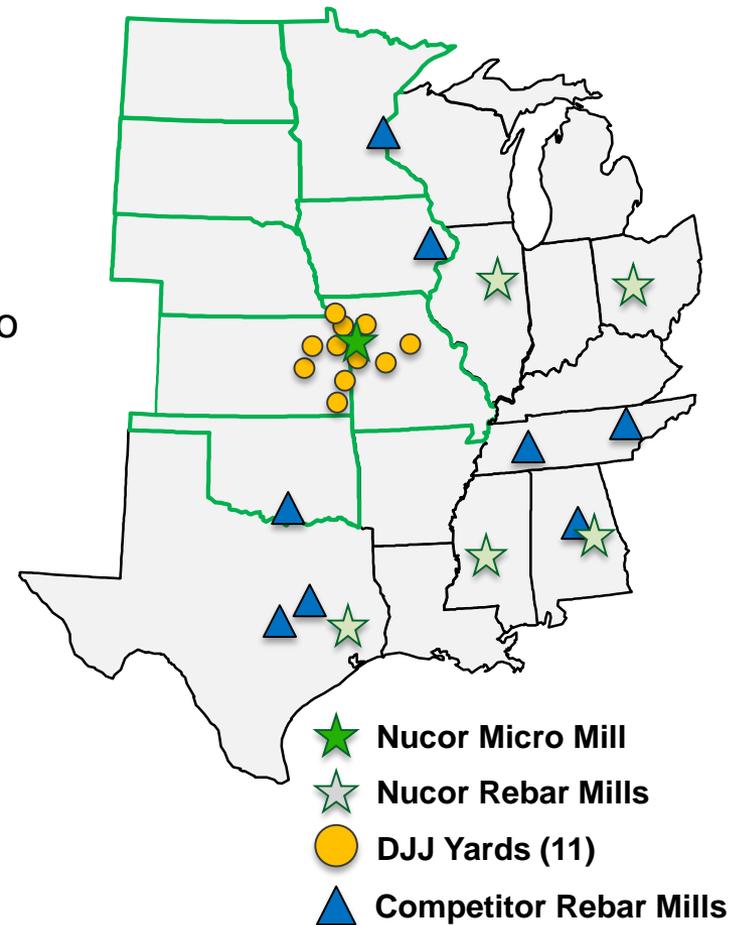
- Acquisitions of Independence Tube (Oct. 2016), Southland Tube & Republic Conduit (Jan. 2017) – aggregate \$900 million investment
- **Value-added channel to market for Nucor’s hot rolled sheet steel** (Nucor mills supplied less than half of the substrate in 2016)
- Gives Nucor market leadership positions in **hollow structural section (HSS) steel tubing & steel electrical conduit**
- Expanded product portfolio enhances Nucor’s as the most comprehensive supplier of steel and steel products for construction markets
- **Combined annual capacity exceeds 1.0 million tons**



# Rebar Micro Mill in Missouri

## \$250 Million Investment

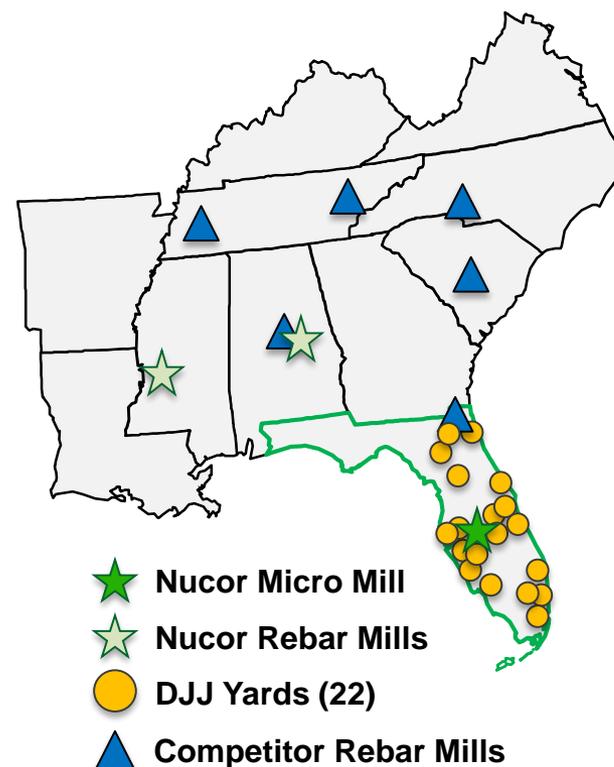
- ▶ Build a rebar micro mill in Sedalia, Missouri (near Kansas City)
- ▶ Enhances Nucor's position as the low cost producer by capitalizing on significant logistical advantages
- ▶ Rebar supply currently travels long distances into the Kansas City, upper Midwestern and Plains markets
- ▶ Utilizes an abundant scrap supply in the immediate area provided by the existing infrastructure of Nucor's David J. Joseph (DJJ) scrap operations
- ▶ Annual capacity about 350,000 tons
- ▶ Start-up is projected for late 2019



# Rebar Micro Mill in Florida

## \$240 Million Investment

- ▶ Build a rebar micro mill in Frostproof, Florida
- ▶ Enhances Nucor's position as the low cost producer by capitalizing on significant logistical advantages
- ▶ Rebar supply currently travels long distances into the Central Florida region
- ▶ Utilizes an abundant scrap supply in the immediate area provided by the existing infrastructure of Nucor's David J. Joseph (DJJ) scrap operations
- ▶ Annual capacity about 350,000 tons
- ▶ Start-up is projected in H1-2020



# Nucor Arkansas Cold Mill Expansion

## \$230 Million Investment

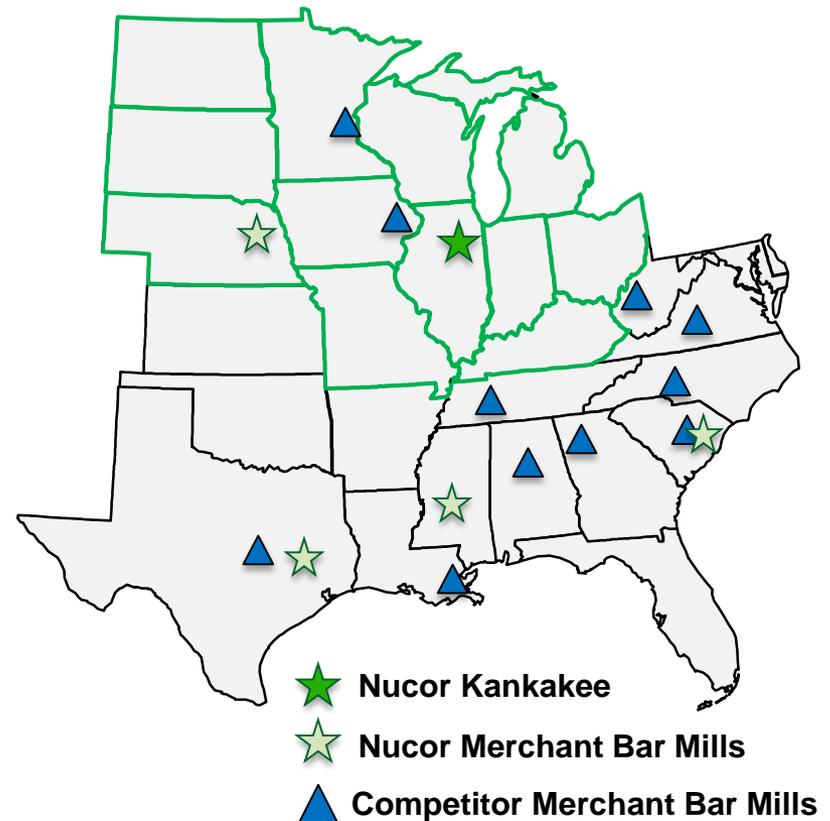
- ▶ Add a specialty cold rolling complex at our Arkansas sheet steel mill
- ▶ Expand Nucor's capability to produce Motor Lamination (ML), High Strength Low Alloy (HSLA) & Advance High Strength Steel (AHSS) products
- ▶ Supports Nucor's strategy of moving up the value chain and growing our participation in the automotive market
- ▶ Flexible cold reduction mill will allow us to cold reduce to both lighter gauge & much higher strength levels to meet our customers' light weighting goals
- ▶ Utilizes excess melt capacity
- ▶ Adds 500,000 tons of value added CR capability
- ▶ Expected start-up in H1-2019



# Nucor Kankakee Merchant Bar Expansion

## \$180 Million Investment

- ▶ Build a full range merchant bar mill at existing Illinois steel mill
- ▶ Complements mill's existing position as a major rebar producer in Chicago market
- ▶ Capitalizes on Nucor's position as a low cost producer & benefits from multiple logistical advantages
- ▶ Will displace tons currently supplied by competitors outside Upper Midwest region which is the largest U.S. market for merchant bar
- ▶ Takes advantage of abundant low-cost scrap supply in the region
- ▶ Leverages excess melting capacity
- ▶ Annual merchant bar rolling capacity of 500,000 tons
- ▶ Start-up anticipated in late 2019



# Nucor Gallatin Hot Band Galvanizing Line

## \$176 Million Investment

- ▶ Building a hot band galvanizing line at our Gallatin Kentucky sheet mill
- ▶ 72 inch galvanizing line will be the widest hot-rolled galvanizing line in North America
- ▶ Allows Nucor to expand into new automotive market segments
  - Growing applications of hot band galvanized for frames, control arms, supports, & brackets
- ▶ Increases Nucor's Midwest coated sheet market share
- ▶ Creates synergies with Nucor's other sheet mills
- ▶ Expected start up in H1-2019
- ▶ Annual capacity 500,000 tons

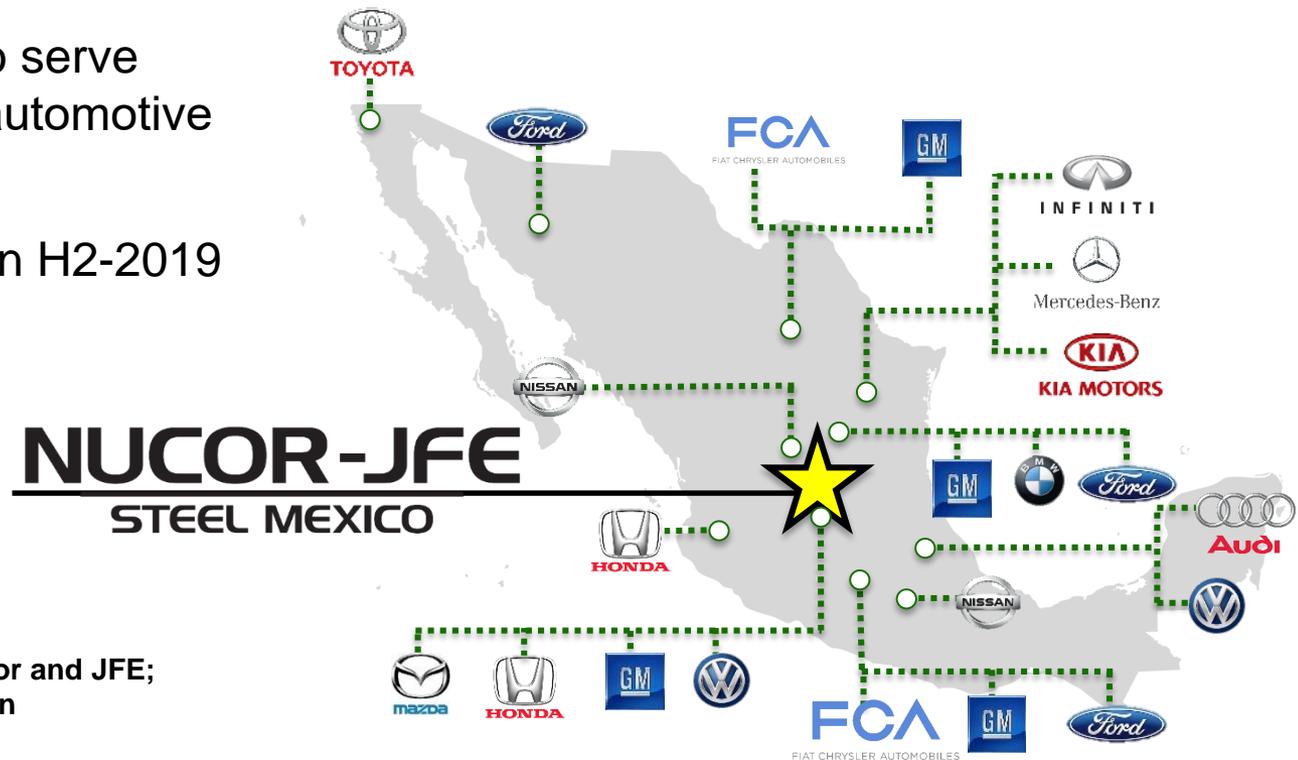


★ Nucor Gallatin

# Nucor-JFE J.V. Galvanizing Line in Mexico

## \$135 Million Investment\*

- ▶ Nucor & JFE Steel of Japan constructing a 50-50 joint-venture to supply galvanized sheet steel to Mexican automotive market
- ▶ Annual capacity 400,000 tons
- ▶ Nucor will supply half of substrate requirements
- ▶ Centrally located to serve Mexico's growing automotive market
- ▶ Expected start-up in H2-2019



\*50-50 joint venture between Nucor and JFE;  
Total project spend of \$270 million

# Nucor Marion Rolling Mill Upgrade

## \$85 Million Investment

- ▶ Modernization of rolling mill at Ohio steel bar mill
- ▶ Marion's annual capacity is 400,000 tons (produces rebar & signpost)
- ▶ Updated technology will reduce operating costs
  - New recuperative reheat furnace
  - New in-line rolling mill replaces cross country rolling mill
  - New water systems for more efficient cooling
- ▶ Enhances our position as low cost producer & market leader in rebar
- ▶ Expected start-up in H1-2019



★ Nucor Marion

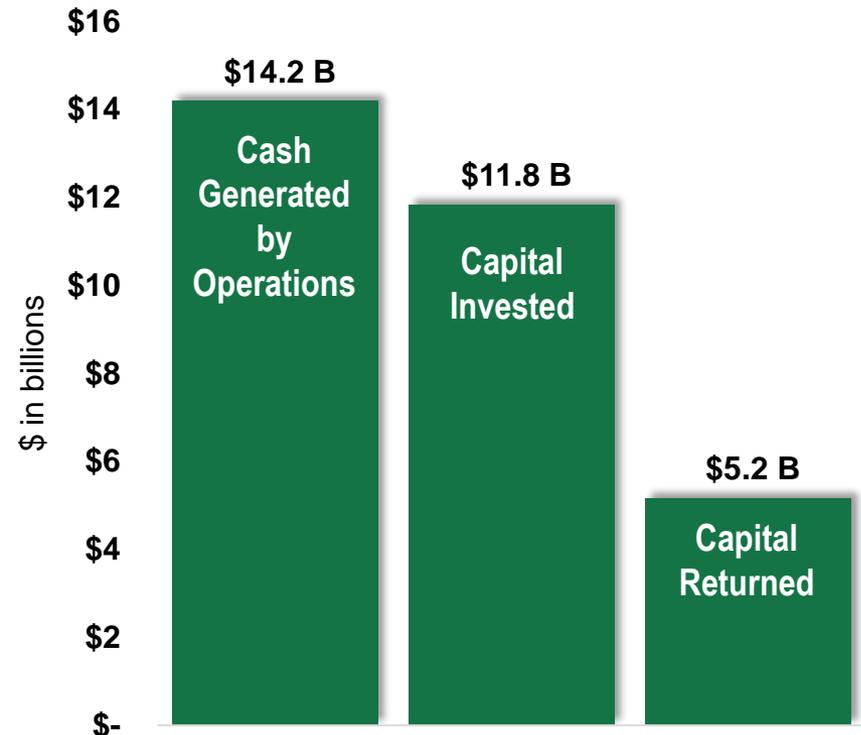
# **STEWARDS OF OUR SHAREHOLDERS' VALUABLE CAPITAL**

# Stewards of Our Shareholders' Valuable Capital

## Capital Allocation Priorities

1. Investing In Profitable Growth Opportunities
2. Dividend Growth Commensurate With Earnings
3. Opportunistic Share Repurchases

Balanced Capital Allocation: 2008-2017



December 31, 2007: Cash & ST Invest. = \$1.6 billion: LT Debt = \$2.3 billion  
 December 31, 2017: Cash & ST Invest. = \$0.9 billion: LT Debt = \$3.7 billion

# SUSTAINABILITY REVIEW



# Employee Relations Principles

## ► PAY FOR PERFORMANCE

At Nucor, everyone's compensation is based on pay-for-performance. In our mills, that means income is tied directly to the amount of quality steel produced each day. And for management and administration, income is tied to how well the company does overall. In our experience, teammates perform better when they have the opportunity to earn according to their productivity. As a result, Nucor is one of the most productive steel companies in the world, and our teammates are some of the most well-compensated in the industry.

## ► RIGHT TO BE TREATED FAIRLY

Nucor teammates have the right to be treated fairly. We also strive to create an environment where our teammates *know* they will be treated fairly. Our success is driven by teamwork. It is why we call our employees "teammates."

## ► AVENUE OF APPEAL

Our teammates always have a right to be heard. They can ask for a review of a complaint if they feel a supervisor has not provided a fair hearing. And they can appeal the decision to the general manager or the corporate office.

## ► DO YOUR JOB WELL, HAVE IT TOMORROW

We believe our teammates should feel confident that if they do their jobs properly, they will have a job tomorrow. We strive to provide job security for all of our teammates with our practice of not laying off teammates for lack of work.



# Safety Performance

## 2017 TOTAL OCCUPATIONAL INJURY & ILLNESS RATES

PER 100 WORKERS / 200,000 HOURS PER YEAR



## 2017 TOTAL DAYS AWAY, RESTRICTED & TRANSFER CASE RATES

PER 100 WORKERS / 200,000 HOURS PER YEAR



# Scholarship Foundation

## We Continue to Invest in Our Most Important Asset – Our Teammates and Families

- ▶ Investing in our teammates and their families is vital to our goal of building a strong team and an even stronger future for our company. Created in 1974 by Nucor founder, Ken Iverson, the Nucor Foundation provides scholarships for the post-secondary education of Nucor teammates' children. Since its inception, the Foundation has paid out over \$91 million in scholarships.
- ▶ After an increase in the annual scholarship from \$3,000 to \$3,200 for the 2014-2015 school year, the Foundation provided over \$5.5 million in scholarships and educational disbursements for more than 2,000 students in 2017.



**IN 2017, THE FOUNDATION PROVIDED**

**\$5,544,878**

in scholarships and educational disbursements  
for more than **2,331 students.**

**SINCE ITS INCEPTION, THE FOUNDATION  
HAS PAID OUT OVER**

**\$91,291,383**

# Environmental Performance

## GREENHOUSE GAS (GHG) EMISSIONS

AVERAGE METRIC TONS OF CO<sub>2</sub> EMITTED FOR EVERY METRIC TON OF STEEL PRODUCED

	<u>2015</u>	<u>2016</u>
GLOBAL AVERAGE	1.9	1.9
NUCOR STEEL MILLS	0.86	0.86

## ENERGY INTENSITY

AVERAGE GIGAJoule PER METRIC TON OF CRUDE STEEL PRODUCED

	<u>2015</u>	<u>2016</u>
GLOBAL AVERAGE	19.1	19.1
NUCOR STEEL MILLS	5.07	4.90

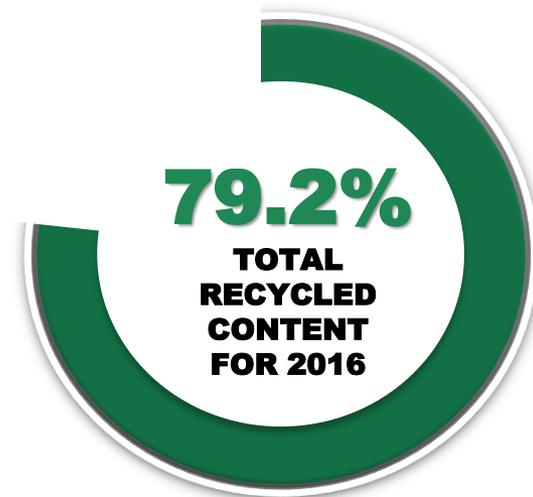
Nucor data is comparable to the methodology established by the World Steel Association (“WSA”). Nucor data for 2015 was revised to reflect an expansion of the scope covered to better reflect Scope 3 emissions which are considered relevant by the steel industry. Nucor data for 2016 reflects the same scope. Global data is sourced from WSA’s “Sustainable Steel: Indicators 2017 and the Future.” For more information, visit [www.worldsteel.org](http://www.worldsteel.org).

# Environmental Performance

## CRITERIA POLLUTANTS (LBS PER TON)

	PARTICULATE MATTER	SULFUR OXIDES	NITROGEN OXIDES	CARBON MONOXIDE	VOLATILE ORGANIC COMPOUNDS
RECYCLING MINI MILL (EAF)	0.30	0.7	0.1	4.0	0.4
BLAST FURANCE (BOF)	39.8	5.0	0.5	44.0	1.4

**100%**  
**PROCESS WATER RECYCLED**  
**MULTIPLE TIMES**



# **INVESTOR RELATIONS CONTACTS**

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