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Company
- One of the largest domestic steel producers and metal recyclers in the U.S.
- Diverse product portfolio
- Low cost, highly efficient operations
- Systematic organic and inorganic growth

Macro Perspective
- Pro-Materials political environment
- Increase demand & low inventory levels
- Sustainable throughout different economic cycles
Overview & Company History
Steel Dynamics, Inc. is one of the largest domestic steel producers and metal recyclers in the United States.

Strategic focus around 6 important pillars:

1) Safety
2) Enhancing Customer Relationships and Commitment
3) Sustaining Superior Operating Culture
4) Strategic Growth, Intentional Margin Expansion and Consistency through the Cycle
5) Driving Innovation
6) Financial Strength and Flexibility
Founded by three former executives of Nucor Corp. (NUE)

Began production at their $275 million flat roll mill in Butler, Indiana

Outperformed steel industry by offering incentive programs

Acquired The Techs and OmniSource Corporation

Acquired Severstal Columbus for $1.625 billion

Acquired Vulcan Threads Products for $126 million. Began facility construction in Mississippi

Began $28 million expansion in Roanoke Bar Division
TRANSFORMATIONAL GROWTH
A Differentiated, Diversified, Steel Growth Company

ANNUAL REVENUES

- Flat Roll Steel Mill Acquisition
- Galvanized Flat Roll Steel Three Coating Line Acquisition
- Merchant & Specialty Steel Two Mill Acquisition
- Structural – Added 2nd Caster and Rolling Mill
- SBQ Steel Mill Acquisition
- Premium Rail Capability and SBQ Expansion
- Steel Deck Assets Acquisition
- Vulcan Acquisition
- 1st Fabrication JV Greenfield Plant
- $100M Paint Line Addition Q1 2017
- $15M Flat Roll Galvanizing Capacity Increase Q2 2017
- $28M Rebar Expansion Q1 2018
- $75M Rebar Expansion Q1 2019

Steel Capacity:
- 1996 / 1.4M tons
- 2004 / 4.2M tons
- 2007 / 6.5M tons
- 2010 / 7.4M tons
- 2014 / 11.0M tons
Governance
<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Equity</th>
<th>Cash Compensation</th>
<th>Other</th>
<th>Total Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark D. Millett, President and Chief Executive Officer</td>
<td></td>
<td></td>
<td></td>
<td>$5,563,182</td>
</tr>
<tr>
<td>Richard P. Teets Jr., Former Executive Vice President for Steelmaking, President and Chief Operating Officer of Steel Operations</td>
<td></td>
<td></td>
<td></td>
<td>$2,175,162</td>
</tr>
<tr>
<td>Theresa E. Wagler, Executive Vice President and Chief Financial Officer</td>
<td></td>
<td></td>
<td></td>
<td>$3,398,514</td>
</tr>
<tr>
<td>Russell B. Rinn, Executive Vice President for Metals Recycling, President and Chief Operating Officer of OmniSource Corporation</td>
<td></td>
<td></td>
<td></td>
<td>$2,680,323</td>
</tr>
<tr>
<td>Christopher A. Graham, Senior Vice President Manufacturing Group</td>
<td></td>
<td></td>
<td></td>
<td>$1,435,981</td>
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<tr>
<td>Glenn A. Pushis, Senior Vice President Long Products Steel Group</td>
<td></td>
<td></td>
<td></td>
<td>$1,617,125</td>
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<tr>
<td>Barry T. Schneider, Senior Vice President Flat Roll Steel Group</td>
<td></td>
<td></td>
<td></td>
<td>$1,502,022</td>
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</tbody>
</table>

Fiscal Year Ended in 2016
News & Outlook
China’s Steel Industry
  ○ Output increased from 128.5 in 2000 to 822.7 million tonnes in 2014

Trump Administration:
  ○ Aggressive trade policies
  ○ Sustainable healthy demand growth in the automobile & construction sectors

Q317 healthy earnings season for the Steel Industry

STLD has met and/or beat earnings projections over the past year

Hedge risk with acquisitions
Competition
STEEL OPERATIONS

- Low cost production
- Over 85% variable cost structure
- Value-added product offerings
### Metrics for Competitors

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Current Price</th>
<th>Market Cap</th>
<th>P/E TTM</th>
<th>EPS TTM</th>
<th>Div. Yield</th>
<th>Debt/Equity</th>
<th>ROE TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>STLD</td>
<td>$37.49</td>
<td>$8.883B</td>
<td>17.22</td>
<td>$2.18</td>
<td>1.66%</td>
<td>0.82</td>
<td>17.47%</td>
</tr>
<tr>
<td>NUE</td>
<td>$55.93</td>
<td>$17.781B</td>
<td>15.70</td>
<td>$3.56</td>
<td>2.54%</td>
<td>0.52</td>
<td>13.54%</td>
</tr>
<tr>
<td>AKS</td>
<td>$4.88</td>
<td>$1.537B</td>
<td>12.77</td>
<td>$0.38</td>
<td>0%</td>
<td>-11.87</td>
<td>n/a</td>
</tr>
<tr>
<td>CMC</td>
<td>$18.98</td>
<td>$2.199B</td>
<td>29.34</td>
<td>$0.65</td>
<td>2.54%</td>
<td>0.59</td>
<td>3.37%</td>
</tr>
<tr>
<td>Ticker</td>
<td>Earnings Growth Est</td>
<td>ROIC (TTM)</td>
<td>EBITDA Mgn</td>
<td>Current Ratio</td>
<td>FCF per Share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
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<td>------------</td>
<td>------------</td>
<td>---------------</td>
<td>---------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STLD</td>
<td>25.08%</td>
<td>14.79%</td>
<td>15%</td>
<td>4.10</td>
<td>2.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NUE</td>
<td>22.79%</td>
<td>11.43%</td>
<td>13%</td>
<td>2.20</td>
<td>2.27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Operations & Financials
DIVERSIFIED, VERTICALLY INTEGRATED STEEL COMPANY
Provides High-Quality Supply of Raw Materials and Downstream Value-Add
“Pull-Through” Steel Volume

2016 Revenues – 72%
Six EAF steel mills, Eleven steel coating lines,
One downstream SBQ processing facility

2016 Revenues – 15%
61% of ferrous shipments were internally shipped to SDI steel mills in 2016

2016 Revenues – 9%
Eight Plants
330,000 tons of steel were purchased from SDI steel operations in 2016

Metals Recycling

Iron

Consumed Internally
One liquid iron production facility

Fabrication
Financial Strength

**Revenue (Dollars in Billions)**

- 2012: $7.3
- 2013: $7.4
- 2014: $8.8
- 2015: $7.6
- 2016: $7.8
- TTM Q3'17: $9.1

**Adjusted Operating Income (Dollars in Millions)**

- 2012: $399
- 2013: $387
- 2014: $612
- 2015: $398
- 2016: $861
- TTM Q3'17: $1,060

**Net Income (Dollars in Millions)**

- 2012: $164
- 2013: $189
- 2014: $157
- 2015: $382
- 2016: $528
- TTM Q3'17: $130

**Adjusted EBITDA (Dollars in Millions)**

- 2012: $621
- 2013: $666
- 2014: $863
- 2015: $706
- 2016: $1,172
- TTM Q3'17: $1,377
Opportunity

Cash on hand
$935M (a)
September 30, 2017

5 YEAR CAPITAL ALLOCATION
(Dollars in Billions, as of September 30, 2017)

Free cash flow* generation of $2.8B

CASH FLOW FROM OPERATIONS
$3.6

SHARE ISSUANCE
$0.4

CAPITAL EXPENDITURES
$(0.8)

DIVIDENDS PAID
$(0.6)

ACQUISITIONS
$(1.8)

SHARE REPURCHASES
$(0.3)
Technical Analysis
Fundamental Analysis
## Sensitivity Analysis

### Terminal Growth Rate

<table>
<thead>
<tr>
<th>WACC</th>
<th>1.00%</th>
<th>1.25%</th>
<th>1.50%</th>
<th>1.75%</th>
<th>2.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.68%</td>
<td>48.76</td>
<td>50.11</td>
<td>51.56</td>
<td>53.11</td>
<td>54.77</td>
</tr>
<tr>
<td>7.68%</td>
<td>46.61</td>
<td>47.90</td>
<td>49.28</td>
<td>50.76</td>
<td>52.35</td>
</tr>
<tr>
<td>8.68%</td>
<td>44.57</td>
<td>45.80</td>
<td>46.12</td>
<td>47.43</td>
<td>48.74</td>
</tr>
<tr>
<td>9.68%</td>
<td>42.63</td>
<td>43.81</td>
<td>45.07</td>
<td>46.38</td>
<td>47.69</td>
</tr>
<tr>
<td>10.68%</td>
<td>40.79</td>
<td>41.92</td>
<td>43.12</td>
<td>44.41</td>
<td>45.80</td>
</tr>
</tbody>
</table>
SWOT Analysis
**Strengths:**
- Low cost, highly efficient operations
- Sustainable throughout different economic cycles
- Systematic organic and inorganic growth
- Vertical integration and “pull through” volume
- Overall strong capital foundation
- Diversified portfolio

**Weaknesses:**
- Highly competitive market
- Brand portfolio

**Opportunities:**
- Potential for new international trade agreements
- Positive forward looking industry trend
- New technologies available at reasonable costs
- Growing demand
- New acquisitions

**Threats:**
- Tax changes
- Unpredictability of automation in the steel industry
- International threats
Investment Proposal
Sell 128 Shares of ANDV to get allocation down to 5%
Buy 156 shares of STLD at $37.36 for a total investment of $5,833.80
ANDV and STLD total is $11,720.76
10% of the portfolio
10% of portfolio
$11,720.76 total investment
Questions?