



# INVESTOR PRESENTATION

APRIL 2021



# CAUTIONARY STATEMENTS

This presentation contains or incorporates by reference a number of "forward-looking statements" within the meaning of the federal securities laws with respect to general economic conditions, key macro-economic drivers that impact our business, the effects of ongoing trade actions, the effects of continued pressure on the liquidity of our customers, potential synergies and organic growth provided by acquisitions and strategic investments, demand for our products, metal margins, the effect of COVID-19 and related governmental and economic responses thereto, the ability to operate our steel mills at full capacity, future supplies of raw materials and energy for our operations, share repurchases, legal proceedings, the undistributed earnings of our non-U.S. subsidiaries, U.S. non-residential construction activity, international trade, capital expenditures, our liquidity and our ability to satisfy future liquidity requirements, estimated contractual obligations and our expectations or beliefs concerning future events. These forward-looking statements can generally be identified by phrases such as we or our management "expects," "anticipates," "believes," "estimates," "intends," "plans to," "ought," "could," "will," "should," "likely," "appears," "projects," "forecasts," "outlook" or other similar words or phrases. There are inherent risks and uncertainties in any forward-looking statements. We caution readers not to place undue reliance on any forward-looking statements.

Our forward-looking statements are based on management's expectations and beliefs as of the time this presentation, with respect to any document incorporated by reference, as of the time such document was prepared. Although we believe that our expectations are reasonable, we can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Except as required by law, we undertake no obligation to update, amend or clarify any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, new information or circumstances or any other changes. Important factors that could cause actual results to differ materially from our expectations include those described in Part I, Item 1A, Risk Factors, of the 2020 Form 10-K, as well as the following: changes in economic conditions which affect demand for our products or construction activity generally, and the impact of such changes on the highly cyclical steel industry; rapid and significant changes in the price of metals, potentially impairing our inventory values due to declines in commodity prices or reducing the profitability of our downstream contracts due to rising commodity pricing; impacts from COVID-19 on the economy, demand for our products and on our operations, including the responses of governmental authorities to contain COVID-19 and the impact from the distribution of various COVID-19 vaccines; excess capacity in our industry, particularly in China, and product availability from competing steel mills and other steel suppliers including import quantities and pricing; compliance with and changes in existing and future government laws, regulations and other legal requirements and judicial decisions that govern our business, including increased environmental regulations associated with climate change and greenhouse gas emissions; involvement in various environmental matters that may result in fines, penalties or judgments; potential limitations in our or our customers' abilities to access credit and non-compliance by our customers with our contracts; activity in repurchasing shares of our common stock under our repurchase program; financial covenants and restrictions on the operation of our business contained in agreements governing our debt; our ability to successfully identify, consummate and integrate acquisitions, and the effects that acquisitions may have on our financial leverage; risks associated with acquisitions generally, such as the inability to obtain, or delays in obtaining, required approvals under applicable antitrust legislation and other regulatory and third party consents and approvals; operating and start-up risks, as well as market risks associated with the commissioning of new projects could prevent us from realizing anticipated benefits and could result in a loss of all or a substantial part of our investment; lower than expected future levels of revenues and higher than expected future costs; failure or inability to implement growth strategies in a timely manner; impact of goodwill impairment charges; impact of long-lived asset impairment charges; currency fluctuations; global factors, such as trade measures, military conflicts and political uncertainties, including the impact of the 2020 U.S. election on current trade regulations, such as Section 232 trade tariffs, tax legislation and other regulations which might adversely impact our business; availability and pricing of electricity, electrodes and natural gas for mill operations; ability to hire and retain key executives and other employees; competition from other materials or from competitors that have a lower cost structure or access to greater financial resources; information technology interruptions and breaches in security; ability to make necessary capital expenditures; availability and pricing of raw materials and other items over which we exert little influence, including scrap metal, energy and insurance; unexpected equipment failures; losses or limited potential gains due to hedging transactions; litigation claims and settlements, court decisions, regulatory rulings and legal compliance risks; risk of injury or death to employees, customers or other visitors to our operations; and civil unrest, protests and riots.





# THE LEADER IN CONCRETE REINFORCEMENT

- **Highly focused producer of long steel and wire products**

No. 1 producer of rebar in the U.S. and Poland; Poland operations serve growing economies in Central and Eastern Europe

- **Leader in attractive rebar and merchant bar (MBQ) markets** with highly flexible, low-cost mills; best-in-class customer service; and track-record of product innovation

- **Downstream demand optimizes mill production volumes**, regardless of import levels

- **Significant self-funded growth**

- Acquired 4 mills and 33 rebar fabrication facilities creating meaningful long-term value
- Executing on merchant bar and new product organic growth opportunities
- Constructing new start-of-the-art micro mill in Arizona; completing expansion in Poland

- **Strong balance sheet supported by enhanced earnings and cash flow capabilities**

- ROIC<sup>1</sup> well in excess of cost of capital
- Net debt-to-EBITDA of 1.2x<sup>1</sup>



Note:

1. ROIC and net debt-to-EBITDA are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document

# Q2 HIGHLIGHTS – RESULTS REMAIN STRONG IN THE NEW YEAR

## MARKET ACTIVITY

- Domestic construction market remained active
- MBQ demand driven by manufacturing recovery
- Margins on finished steel products expanded throughout Q2 as price increases were realized
- Downstream bidding activity and new awards improved
- Robust construction related demand in Poland; Central European industrial activity recovering

## PROGRESS ON BUSINESS STRATEGY

- Completed full closure of Steel California and transition of market supply - cost benefits expected in coming quarters
- California land sale process underway
- Finalizing construction of 3rd rolling line in Europe – target commissioning in Q3
- Further progress in MBQ initiative

## FINANCIAL RESULTS

- Core EBITDA<sup>1</sup> of \$171M – record for Q2 results
- Adjusted EPS<sup>1</sup> of \$0.66
- ROIC (annualized)<sup>1</sup> of 10%
- ROE (annualized)<sup>1,2</sup> of 17%
- North America segment Adjusted EBITDA of \$172M
- Europe segment Adjusted EBITDA of \$16M

## BALANCE SHEET AND CASH FLOWS

- Cash balance of \$367M, up \$135M from prior year
- Last 12-month operating cash flow of \$539M
- Refinanced \$300M of long-term debt – action lowered average coupon on CMC indentures by 63 bps, increased average maturity by 1.5 years
- Net Debt-to-EBITDA ratio<sup>1</sup> of 1.2x
- Net Debt-to-Capitalization<sup>1</sup> of 22%
- Paid 226th consecutive quarterly dividend

### Notes:

1. Core EBITDA, Adjusted EPS, ROIC, ROE, net debt-to-EBITDA, and net debt-to-capitalization are non-GAAP financial measures. For definitions and reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document
2. Return on equity is calculated as annualized second quarter Adjusted earnings from continuing operations divided by trailing 12-month average Total Stockholders' Equity





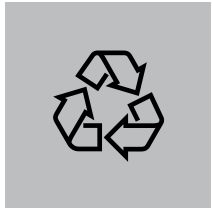


# BACKGROUND AND STRATEGY



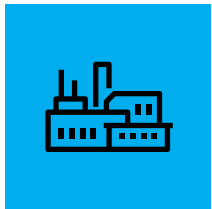
# COMPANY OVERVIEW

2 SEGMENTS – NORTH AMERICA AND EUROPE – SHARE THE SAME VERTICALLY INTEGRATED OPERATING STRUCTURE



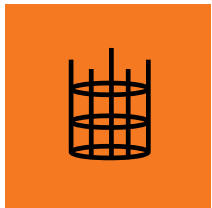
## Raw Materials

- 38 U.S. locations, 12 Poland locations
- Profitable, low-cost source of raw materials for our mills, with additional upside



## Mill Operations

- 9 U.S. locations, 1 Poland location
- The economic engine of CMC

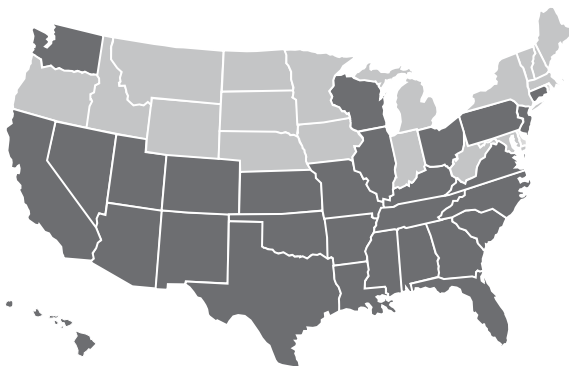


## Downstream Operations

- 58 U.S. locations, 5 Poland locations
- Demand pull for our mills and insight into end market demand

## Strong Positions In All Major Products

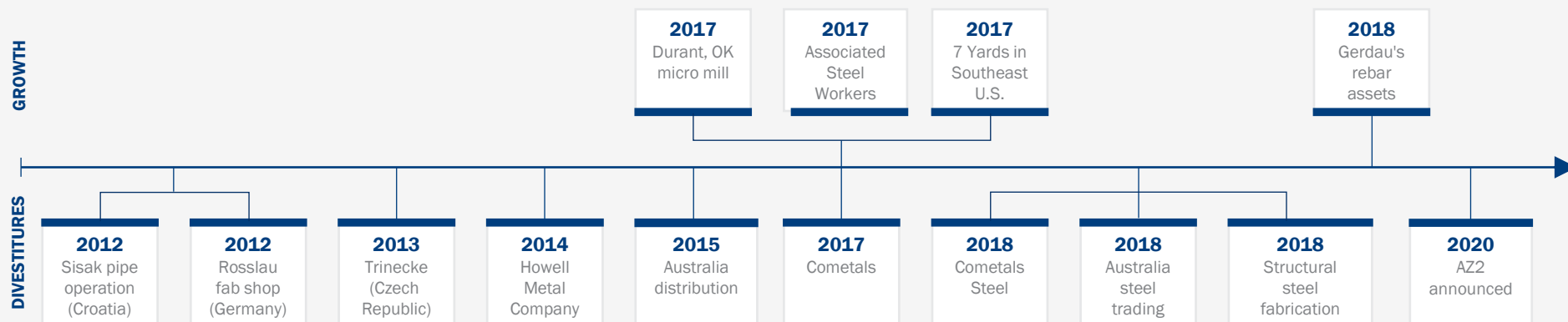
#1	Rebar	#1	Rebar
#3	MBQ	#1	MBQ
#1	Fence Post	#2	Wire Rod
#1	Fabricated Rebar	#1	Mesh
■ U.S.		■ POLAND	



■ Presence of CMC facility



# OUR STRATEGIC REPOSITIONING TRANSFORMED CMC



2011	
Core Operations	<b>68%</b>
Assets	<b>\$3.7B</b>
CMC ROIC <sup>(1)</sup>	<b>1%</b>
Net Debt <sup>(2)</sup> / EBITDA <sup>(3)</sup>	<b>3.2x</b>
Net Debt-to-Capitalization <sup>(4)</sup>	<b>42%</b>



LTM Q2 FY '21	
Core Operations	<b>100%</b>
Assets	<b>\$4.1B</b>
CMC ROIC <sup>(1)</sup>	<b>10%</b>
Net Debt <sup>(2)</sup> / EBITDA <sup>(3)</sup>	<b>1.2x</b>
Net Debt-to-Capitalization <sup>(4)</sup>	<b>22%</b>

**CMC's Transformation Has Been a Self-Funded and Strategic Shift in Our Assets to Leverage Our Core Capabilities**

(1) ROIC – Return on Invested Capital is defined as After-tax Operating Profit divided by (Total Assets less Cash & Cash Equivalents less Non-Interest Bearing Liabilities)

(2) Net Debt is defined as total debt less cash & cash equivalent

(3) All EBITDA figures depicted refer to adjusted EBITDA from continuing operations

(4) Capitalization equals total debt plus shareholders' equity



# TRANSFORMATIONAL ACQUISITION PROVIDED PLATFORM FOR GROWTH

COMBINATION WITH ACQUIRED REBAR ASSETS IN 2018 FORMED THE #1 PRODUCER OF REBAR IN THE US, EXPANDING CAPACITY AND CREATING OPERATIONAL FLEXIBILITY

## DEEPENED CMC'S PRESENCE IN ATTRACTIVE CONCRETE REINFORCEMENT MARKET

- Created opportunity to improve efficiency and optimize utilization of enlarged national mill network
- Aligned with vertical integration and “pull-through demand” model
- Added wire products focused on same end use markets

## STRENGTHENED OPERATIONAL FLEXIBILITY

- Increased rebar capacity expanded ability to manufacture high-margin merchant products at legacy CMC facilities
- Optimizes facility utilization, reduces freight costs and brings CMC's industry-leading customer service to acquired rebar assets

## EXPANDED CMC'S FOOTPRINT IN KEY GEOGRAPHIES

- Increased exposure to high-demand non-residential construction markets
- Expanded national footprint promoted better customer service

## UTILIZED CMC'S ABILITY TO INTEGRATE AND OPTIMIZE

- Synergies of double the expected outcome
- Completed systems integration in 4 months
- Existing back office supported minimal increase in SG&A, leveraged CMC's existing infrastructure over a larger footprint



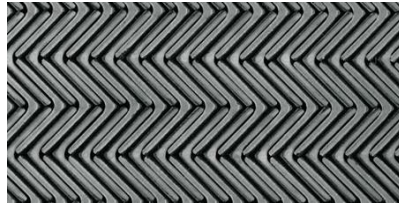


# GROWTH DRIVERS



## Sales, Inventory, and Operations Planning (SIOP)

- Driving network optimization efforts through centralized SIOP process
- Targeting earnings benefit of \$50 million to be realized over next several years
- Goal of sustained working capital reduction of \$50 million



## Merchant Bar Products

- Utilizing expanded mill network capabilities, leveraging commercial and customer service expertise to grow
- Expanding product line offerings
- Completed investments to upgrade product storage and handling
- AZ 2 investment will support our merchant strategy



## Polish Expansion

- 3<sup>rd</sup> rolling line at Polish mill expected to complete commissioning in late fiscal 2021
- Adds significant production flexibility
- Will utilize current excess melt capacity, adding roughly 200,000 tons of finished product output
- Leverages fixed costs over larger revenue base
- Expected annual EBITDA benefit of \$20 million

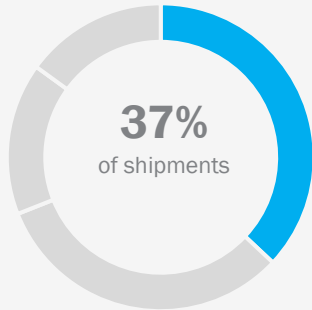


## Arizona 2

- 3<sup>rd</sup> micro mill, 2<sup>nd</sup> at Mesa, AZ site
- Targeted commissioning in Fiscal 2023
- First MBQ capable micro mill in the world
- Rebar production will replace higher-cost CA capacity
- Land sale will fund a portion of the mill investment
- Will further optimize mill network and provide access to large West Coast MBQ market
- Expected annual EBITDA benefit of \$50 million

# END MARKETS WE SERVE

## INFRASTRUCTURE



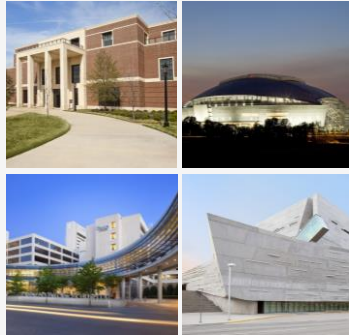
**Consistent Through the Cycle,  
With Late and Early Cycle Bias**



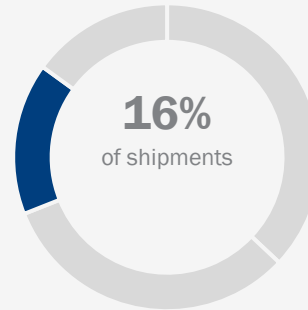
## NON-RESIDENTIAL



**Mid-to-Late Cycle**



## RESIDENTIAL



**Early-to-Mid Cycle**



## OEM / AGRICULTURE



**Mid-to-Late Cycle**

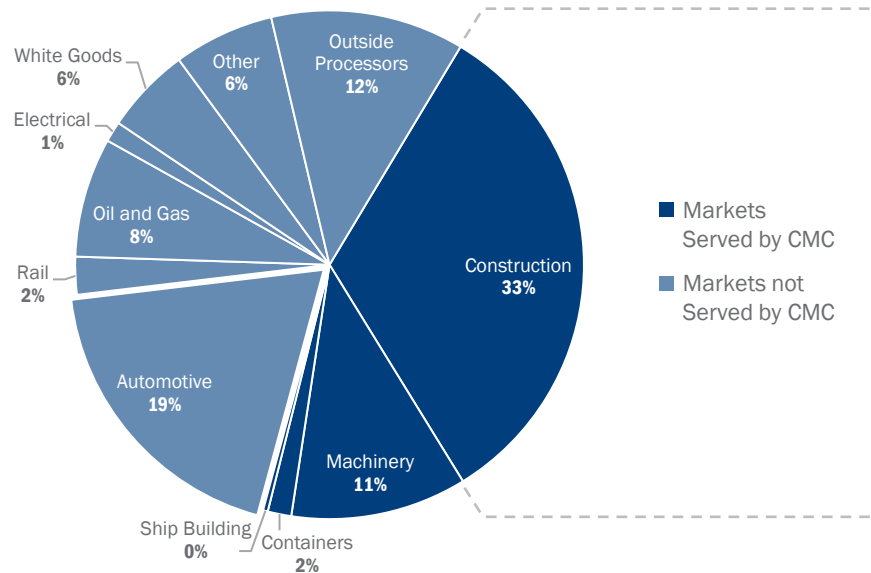


Note:  
Based on FY 2019 shipments

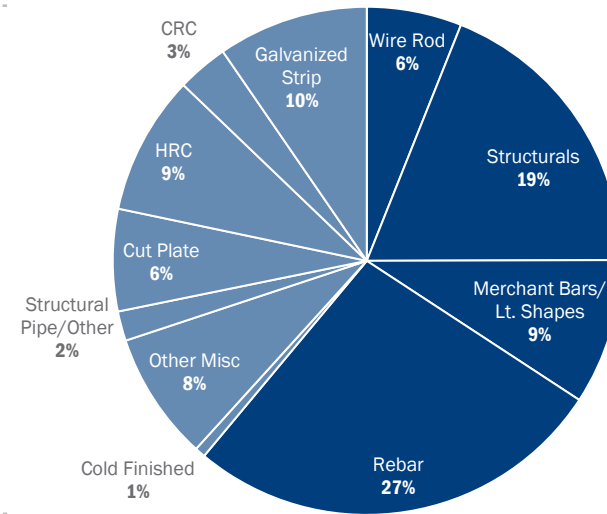


# CMC'S WIDE PRODUCT MIX SERVES LARGE U.S. DEMAND FOR LONG STEEL PRODUCTS

STEEL MARKET (FY'19)

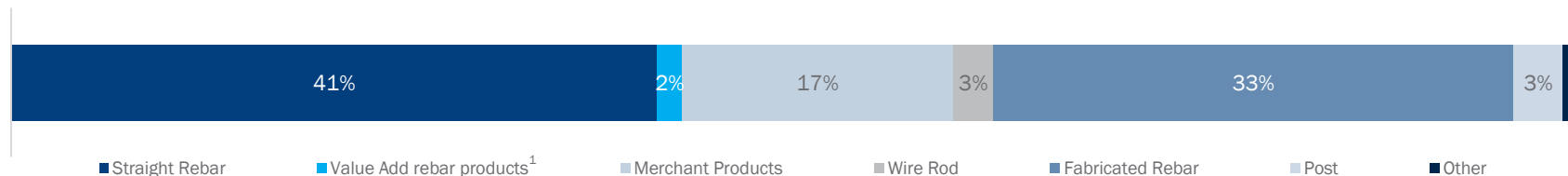


U.S. CONSTRUCTION (FY'19)



## FY'20 CMC NORTH AMERICA FINISHED STEEL PRODUCT SHIPMENTS

(Approximate percentage of short tons shipped)



Source: Metal Bulletin Research

Notes:

1. Value Add Rebar Products includes spooled, coiled, epoxy-coated, and high-strength & corrosion-resistant rebar.





# VERTICAL INTEGRATION IS A KEY TO OUR SUCCESS IN NORTH AMERICA AND EUROPE

OUR BUSINESS IS MANAGED VERTICALLY TO MAXIMIZE RETURNS

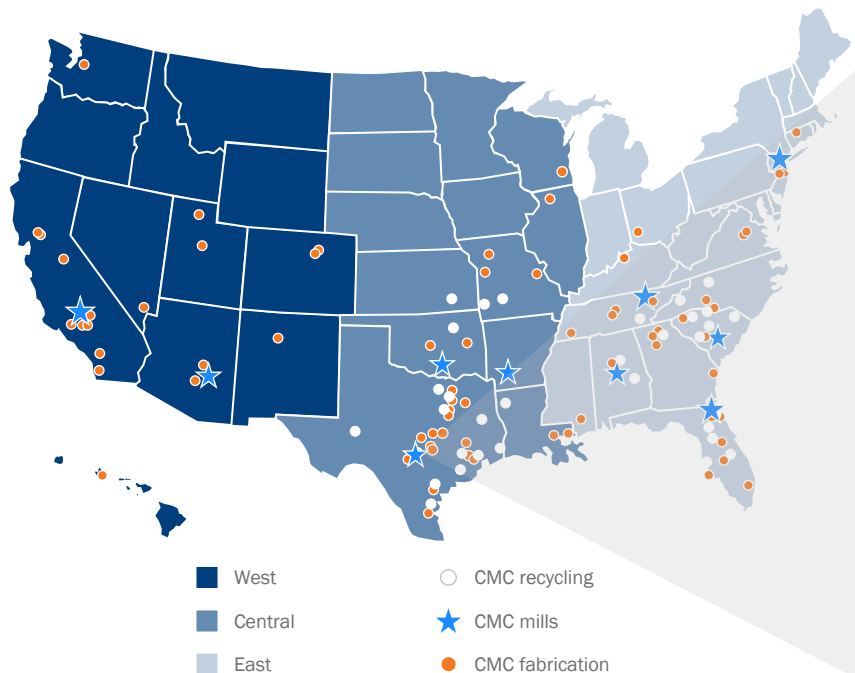
## ROLE OF EACH LINK



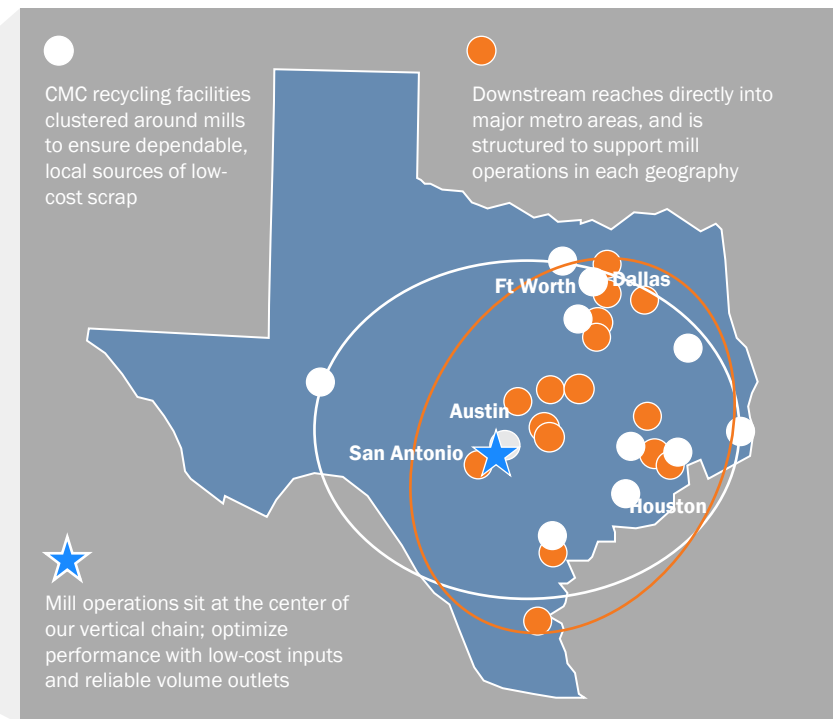
# VERTICALLY INTEGRATED OPERATIONS LOCATED IN STRONG MARKETS

CMC OPERATES COAST-TO-COAST IN THE UNITED STATES WITH VERTICALLY INTEGRATED OPERATIONS THAT FOCUS ON MAXIMIZING PROFIT THROUGH THE VALUE CHAIN

## CMC U.S. FACILITIES



## ZOOM-IN OF INTEGRATED VALUE CHAIN

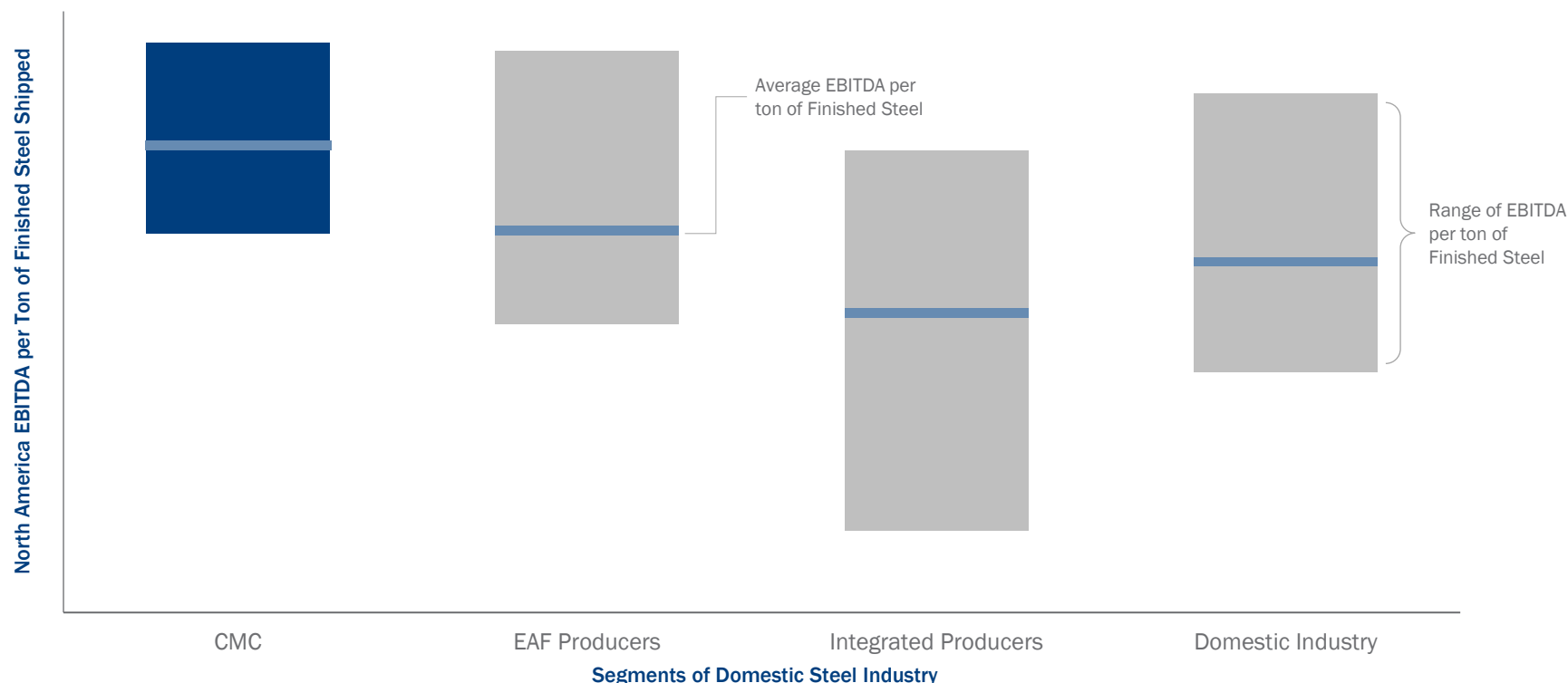


# VERTICAL INTEGRATION MODEL HELPS MINIMIZE THE CYCLICAL IMPACT

DOWNSTREAM FABRICATION EFFECTIVELY LOCKS IN A PORTION OF FUTURE MILL DEMAND AT FIXED FINAL PRICES, SIGNIFICANTLY REDUCING VOLATILITY

## EBITDA EARNED IN NORTH AMERICA PER TON OF FINISHED STEEL SHIPPED

Trailing four quarter basis for last five years reported. Estimated corporate costs added back where applicable



Source: Company reports, Thomson Eikon

Notes:

- Calculated using EBITDA generated within North American operations. For companies with operations only in North America, corporate costs have been added-back based on disclosures or Company estimates. Finished steel volumes include external shipments from mill operations, and any downstream shipments disclosed
- Range and average EBITDA per ton based on arithmetic average performance of companies within each group
- EAF producers include Nucor, Steel Dynamics, Cascade Rolling Mill, and Gerdau North America. Integrated producers include United States Steel, ArcelorMittal NAFTA, and AK Steel





# CMC'S EUROPE OPERATIONS

## ATTRACTIVE COMPLEMENT TO NORTH AMERICAN OPERATIONS

### Structurally Transformed Earnings Power

- Investments in higher value-added product mix, and persistent cost control have significantly enhanced underlying EBITDA capability
- Start-up of 3<sup>rd</sup> rolling line will further add to “through-cycle” average earnings

### Innovation

- Investments in electric arc furnace (EAF) technology
- Numerous proprietary products for automotive and industrial markets
- Several products and techniques adopted in North American operations that originated in Poland

### Access to a Second Growth Market

- GDP growth is forecast to be 4.6% in 2021<sup>3</sup>
- Proximity to other high-growth countries

### Geographic Diversity

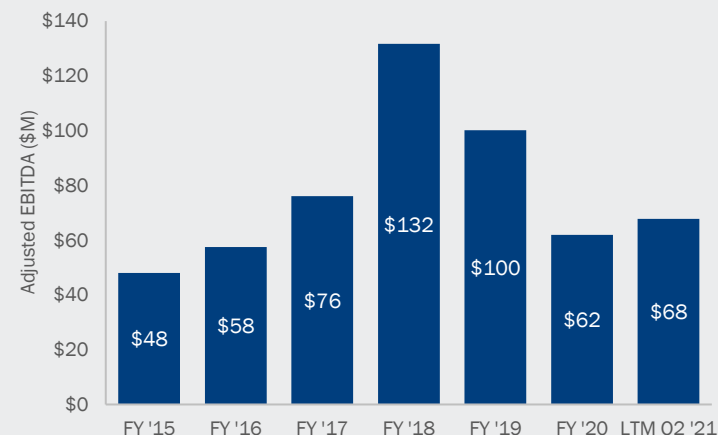
- Comprises 20% of CMC's mill capacity
- Not correlated to North America demand

#### Notes:

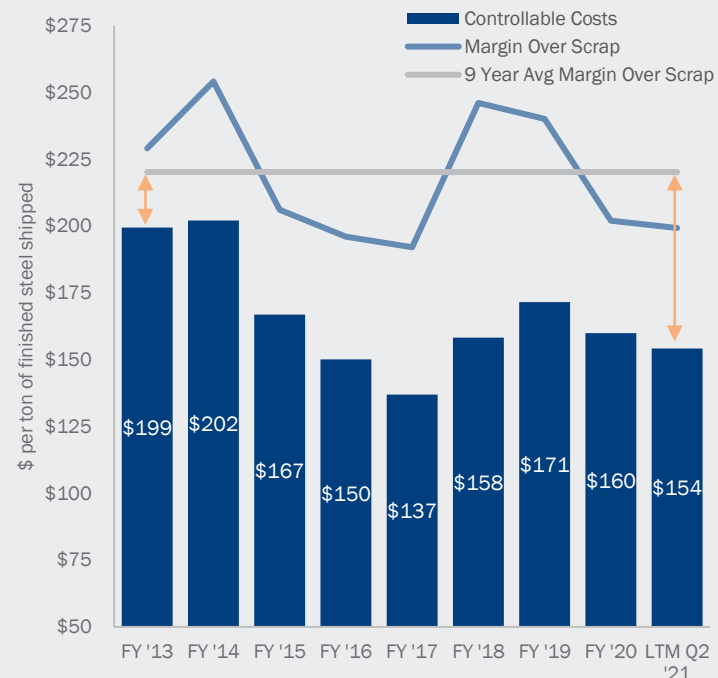
- Europe EBITDA shows Segment Adjusted EBITDA from Continuing Operations
- Controllable costs calculated by subtracting Adjusted EBITDA from continuing operations per ton of finished steel shipped from spread of average selling price above cost of ferrous scrap utilized
- Source: Moody's Analytics



## EUROPE ADJUSTED EBITDA<sup>1</sup>

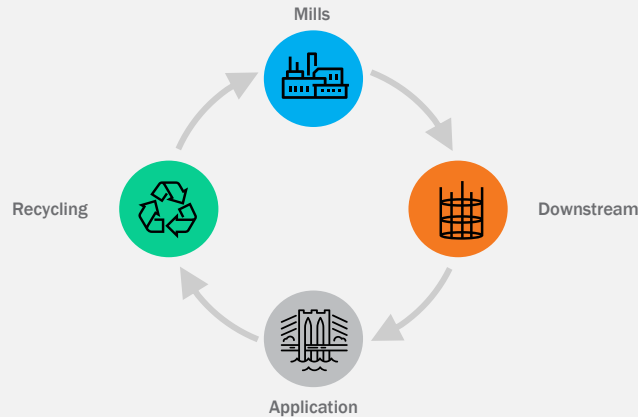


## LONG-TERM TREND OF CONTROLLABLE COSTS<sup>2</sup>



# CMC IS A SUSTAINABLE ENVIRONMENTAL AND FINANCIAL LEADER

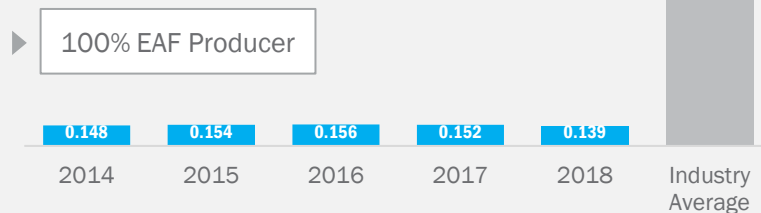
## OUR INFINITELY RECYCLABLE, ENVIRONMENTALLY SUSTAINABLE CORE BUSINESS...



- Scrap-based EAF
- Highest recycled content in the industry
- Lowest emissions and energy intensity

## ...HAS SIGNIFICANTLY LOWER GREENHOUSE GAS EMISSIONS.

(MT CO<sub>2</sub> eq emissions/ton)



## OUR RECORD OF MANUFACTURING INNOVATIONS...

### Steel Arizona

1st micro mill in the world

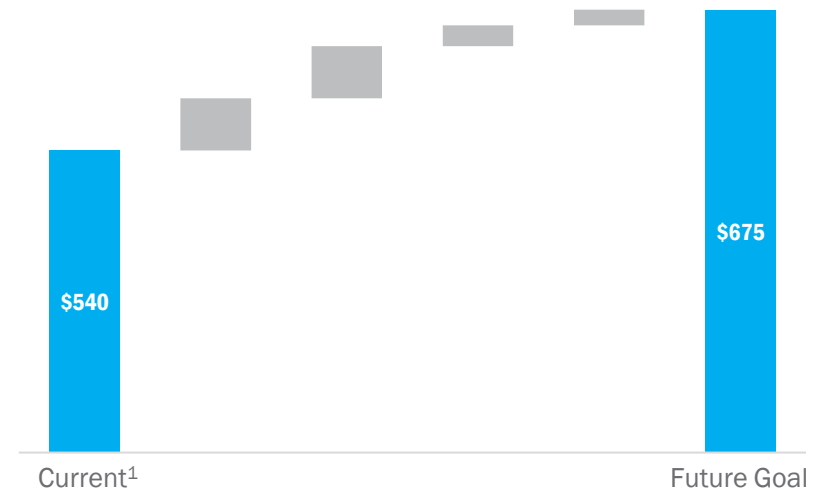
### Arizona 2

- World's 1st MBQ-capable micro mill
- First mill in North America to direct connect to renewable energy sources

### Steel Oklahoma

CMC's 2nd micro mill

## ...HAS HELPED US GENERATE SUSTAINABLE FINANCIAL PERFORMANCE AND ATTRACTIVE THROUGH-THE-CYCLE EBITDA



Note:

1. Company estimate of average "through-the-cycle" Adjusted EBITDA levels for current operational footprint assuming normalized historical margins



# ON-TRACK TO ACCOMPLISH OUR GOALS

WE HAVE COMPLETED OUR REPOSITIONING PHASE AND ARE POISED FOR FURTHER GROWTH



Acquired Rebar Assets to Increase Production Capacity to 6M tons



De-Levering Balance Sheet Post-Acquisition



Optimize Expanded Network Footprint



Arizona 2 Replacing Higher Cost Capacity



STATUS



Maximizing Synergies from Recent Acquisition of Rebar Assets



Expanding Rebar and Merchant Product Offerings



Poland Mill Project Unlocks Excess Melt Capacity

Driving to \$675M of Through-the-Cycle EBITDA Over the Long-Term







# FINANCIAL INFORMATION



# FINANCIAL HIGHLIGHTS

(\$ in thousands)

YEAR-OVER-YEAR	Q2 2021	Q2 2020	\$ CHANGE
Net Sales <sup>1</sup>	1,462,270	1,340,963	121,307
Earnings (Loss) <sup>1</sup>	66,233	63,596	2,637
Adjusted Earnings <sup>1,2</sup>	79,767	63,596	16,171
Earnings (Loss) Before Income Taxes <sup>1</sup>	87,174	86,441	733
Core EBITDA <sup>1,2</sup>	171,087	145,257	25,830
Capital Expenditures	50,487	51,033	(546)

SEQUENTIAL QUARTERS	Q2 2021	Q1 2021	\$ CHANGE
Net Sales <sup>1</sup>	1,462,270	1,391,803	70,467
Earnings (Loss) <sup>1</sup>	66,233	63,911	2,322
Adjusted Earnings <sup>1,2</sup>	79,767	69,778	9,989
Earnings (Loss) Before Income Taxes <sup>1</sup>	87,174	85,504	1,670
Core EBITDA <sup>1,2</sup>	171,087	156,561	14,526
Capital Expenditures	50,487	37,201	13,286

Notes:

1. Includes only continuing operations.
2. Adjusted earnings from continuing operations and Core EBITDA from continuing operations are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document.

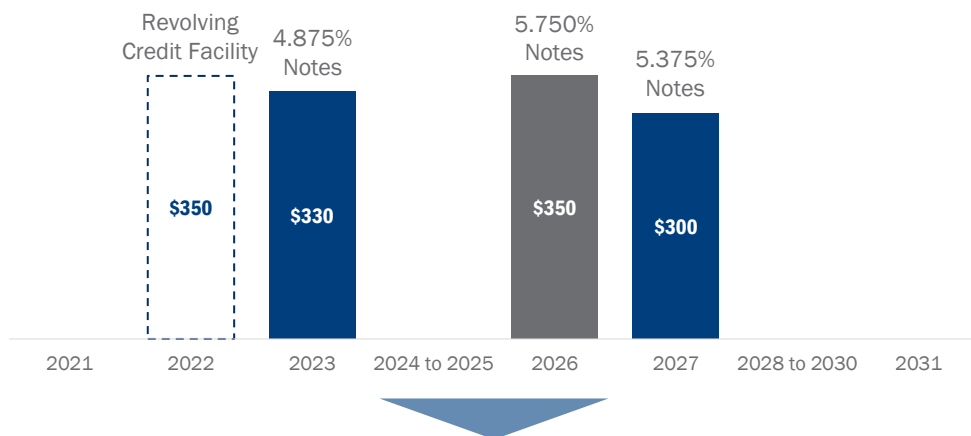


# BALANCE SHEET STRENGTH

## DEBT MATURITY PROFILE PROVIDES STRATEGIC FLEXIBILITY

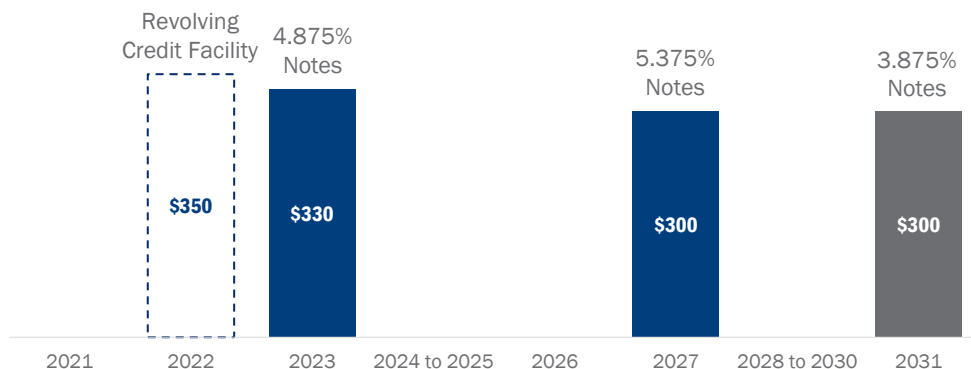
### DEBT MATURITY SCHEDULE – at November 30, 2020

(US\$ in millions)



### DEBT MATURITY SCHEDULE – at February 28, 2021 following refinancing of 2026 Notes and issuance of 2031 Notes

(US\$ in millions)

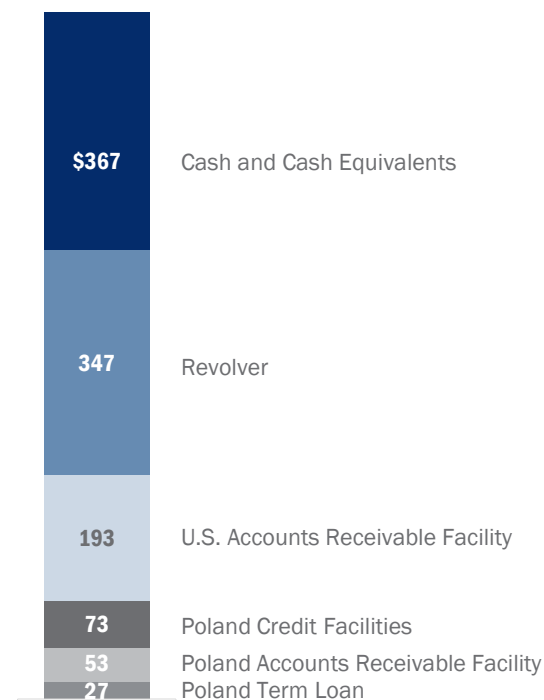


Source: Public filings



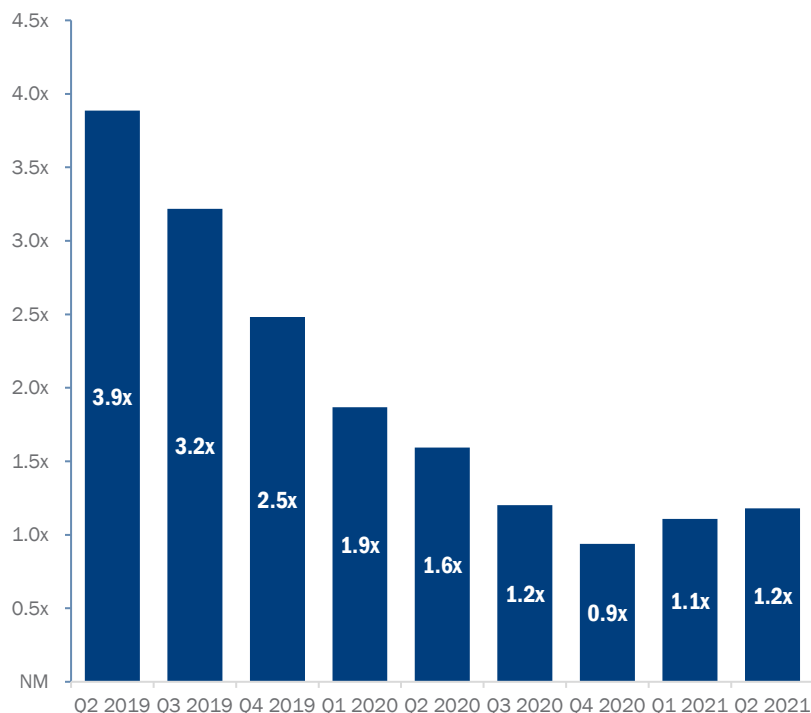
### LIQUIDITY – at February 28, 2021

(US\$ in millions)

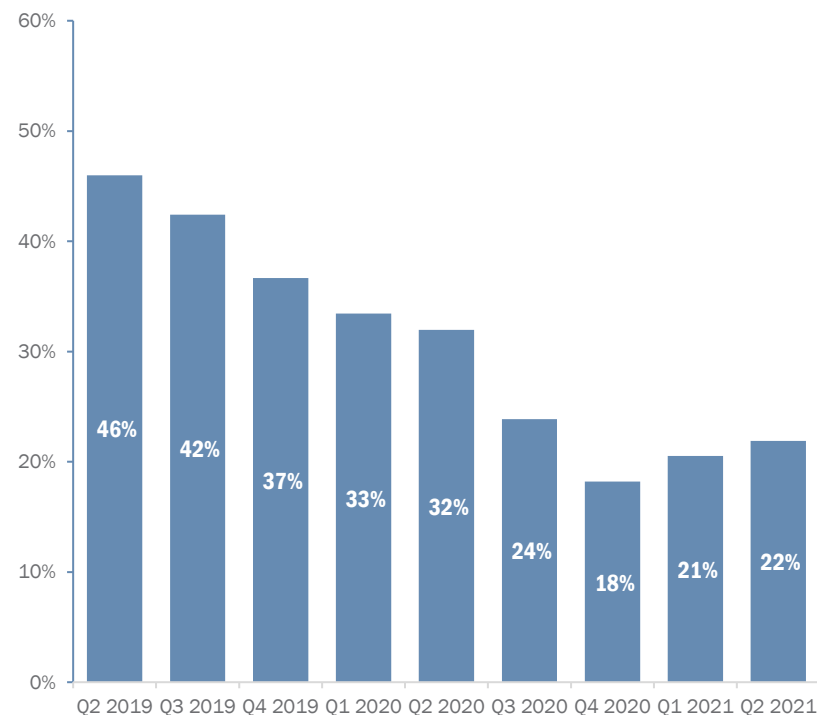


# LEVERAGE PROFILE

## NET DEBT<sup>1,2</sup> / EBITDA<sup>3</sup>



## NET DEBT-TO-CAPITALIZATION<sup>4</sup>



**Financial strength gives us the flexibility to fund our announced projects, navigate current economic uncertainties, and pursue opportunistic M&A**

Source: Public filings, Internal data

Notes:

1. Total debt is defined as long-term debt plus current maturities of long-term debt and short-term borrowings.
2. Net Debt is defined as total debt less cash & cash equivalents
3. EBITDA depicted is adjusted EBITDA from continuing operations on a trailing 12-month basis
4. Net debt-to-capitalization is defined as net debt on CMC's balance sheet divided by the sum of total debt and shareholders' equity
5. Net Debt to EBITDA and Net Debt to Capitalization are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document



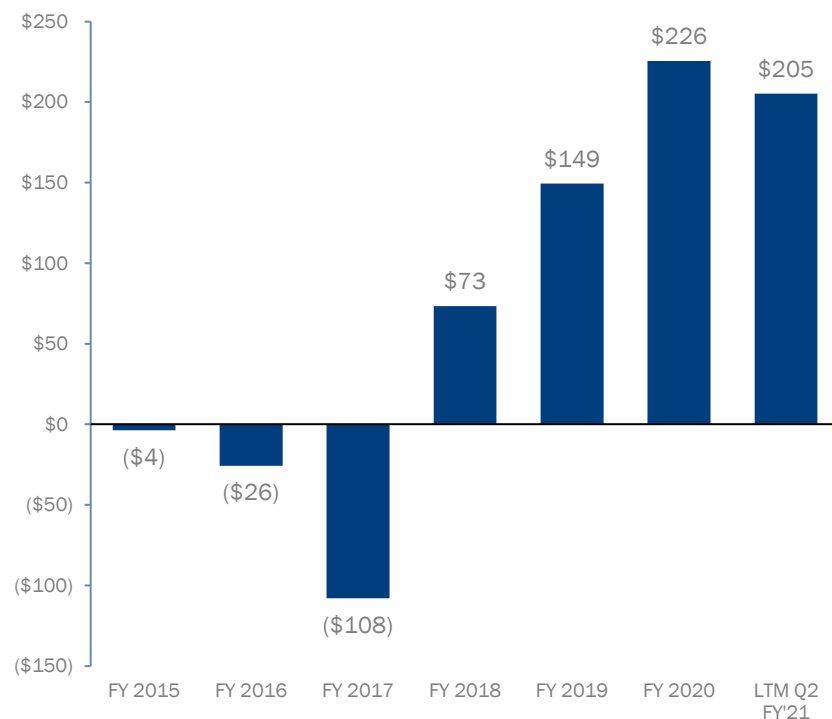


# CASH FLOW PERFORMANCE

CMC'S TRANSFORMED OPERATIONAL PORTFOLIO HAS PROVIDED STRONG CASH FLOWS, ALLOWING RAPID DE-LEVERING

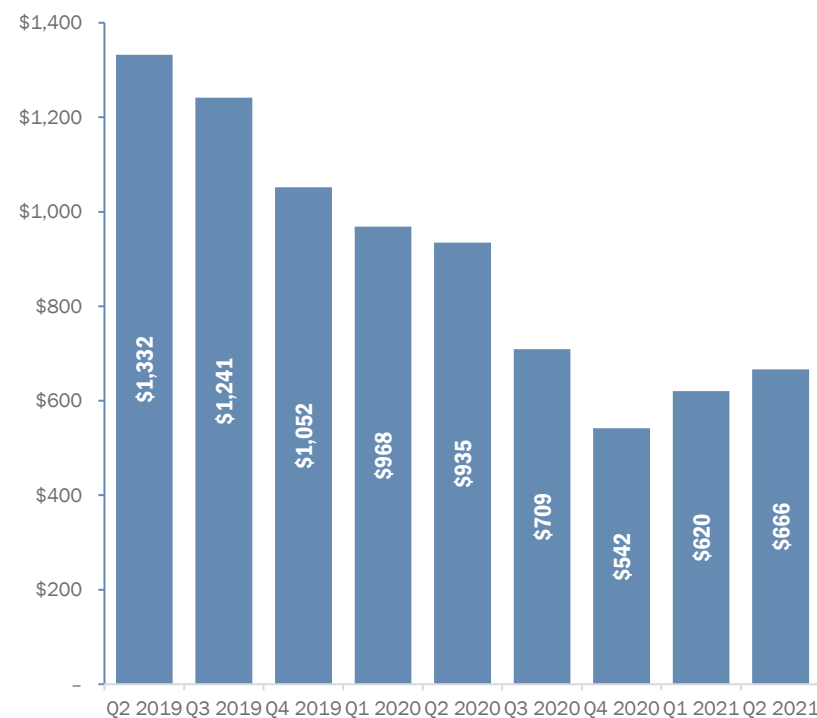
## ADJUSTED EBITDA LESS CAPITAL EXPENDITURES AND DISBURSEMENTS TO STAKEHOLDERS<sup>1</sup>

(US\$ in millions)



## NET DEBT<sup>2</sup>

(US\$ in millions)



Source: Public filings, Internal data

Notes:

- Adjusted EBITDA less Capital Expenditures and Disbursements to Stakeholders is a non-GAAP financial measure. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document.
- Net Debt is defined as total debt less cash & cash equivalents.



# CAPITAL ALLOCATION STRATEGY

## GROWTH

- Arizona 2 and Polish expansion project are “smart growth”
  - Solid EBITDA contributions
  - AZ 2 ROIC boosted via partial funding from California land sale
- Ongoing maintenance capex needs of ~\$150M
  - FY 2021 spend of \$200M to \$225M (\$85M related to AZ 2)
- CMC has “dry powder” for future acquisitions
  - Current net leverage of 1.2x TTM EBITDA, below Metals and Mining sector average of 2.5x

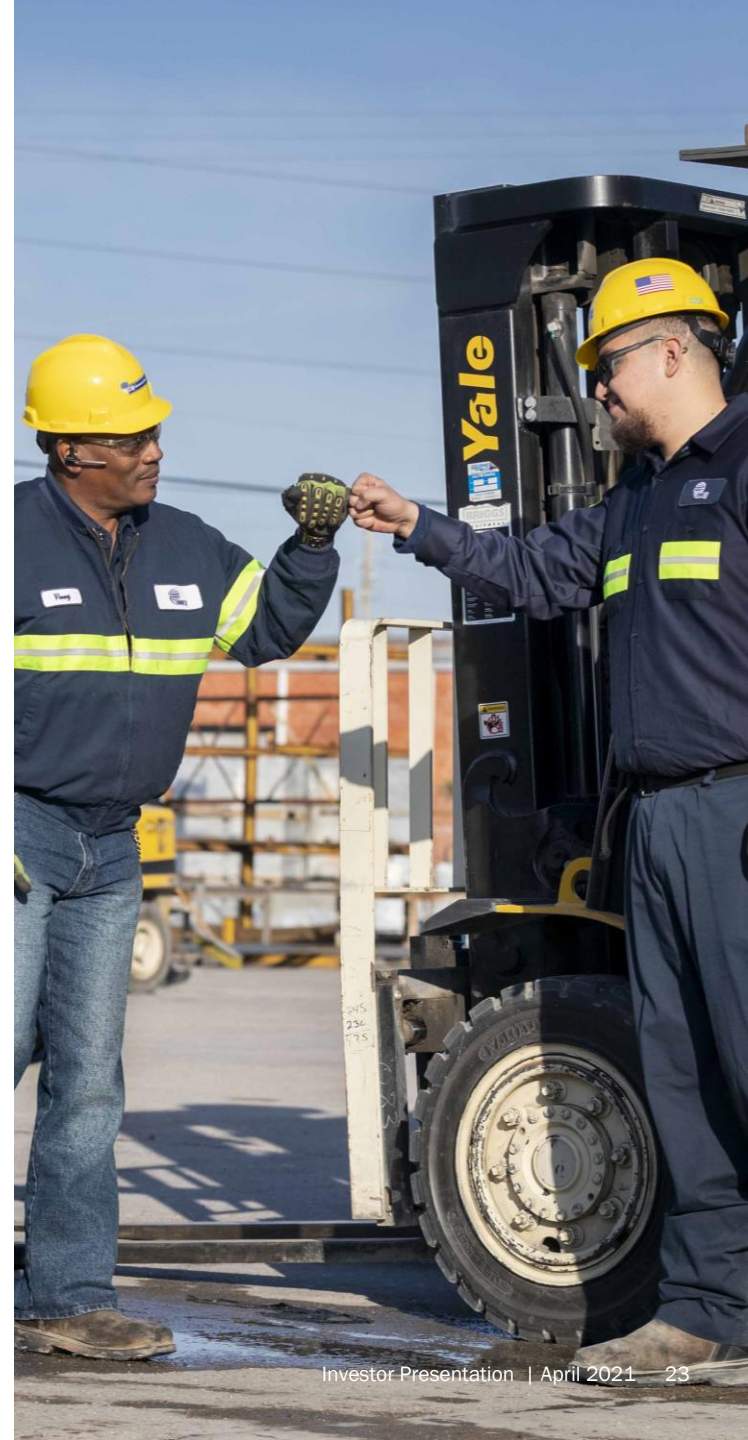
## SHAREHOLDER RETURNS

- 226 consecutive quarterly dividends; returned ~\$280 million (including buybacks) to shareholders over last 5 years.
- Opportunistically execute on in-place share buyback program

## DEBT REPAYMENT

- Target leverage of 2x through-the-cycle

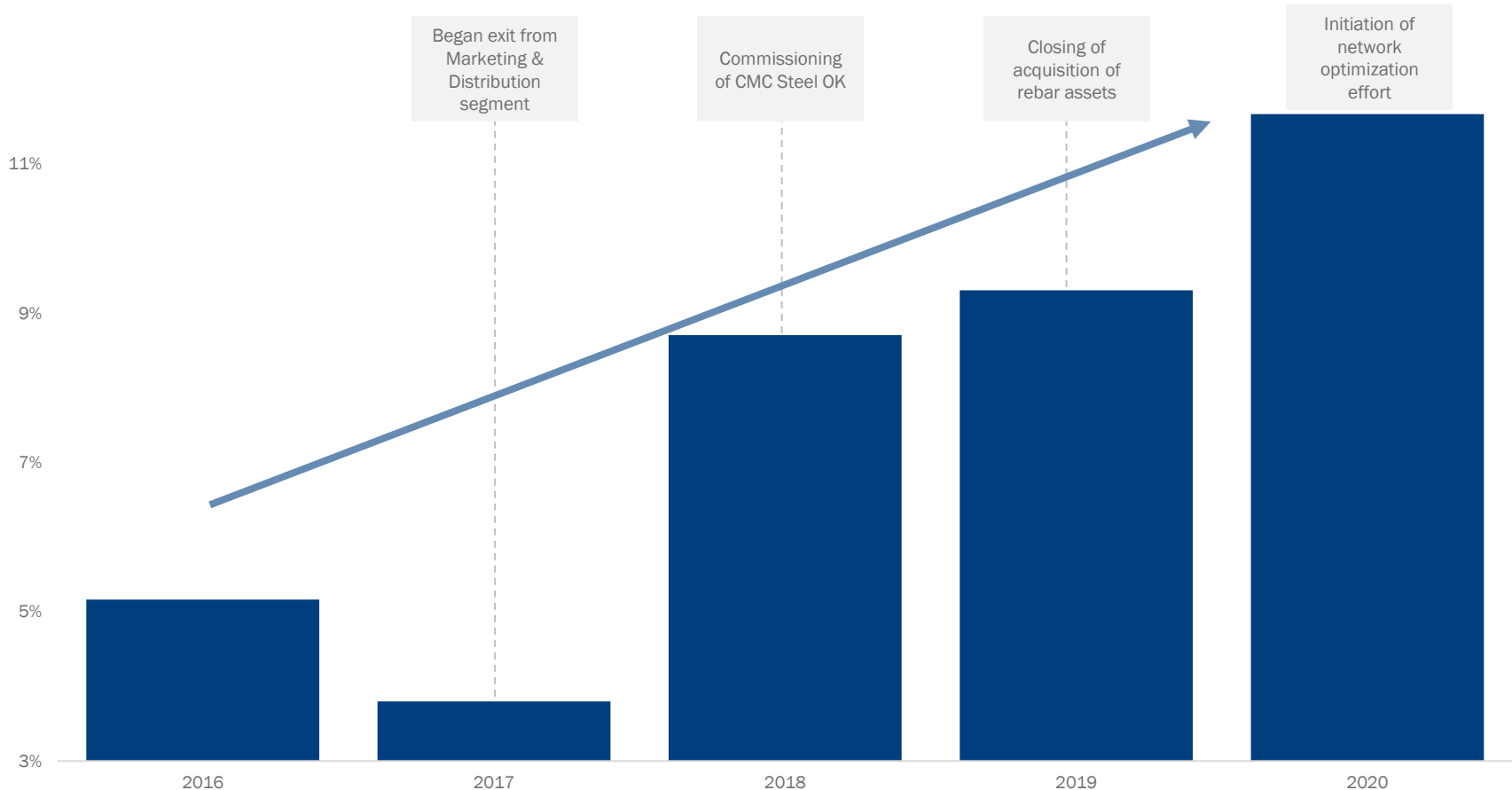
**CMC is an effective steward of shareholder capital, with a healthy balance sheet and opportunities for growth**



# EFFECTIVE CAPITAL ALLOCATION

CMC'S CAPITAL ALLOCATION STRATEGY HAS MAXIMIZED RETURNS FOR SHAREHOLDERS

## RETURN ON INVESTED CAPITAL<sup>1</sup>



Notes:

1. Return on Invested Capital is defined as After-tax Operating Profit divided by (Total Assets less Cash & Cash Equivalents less Non-Interest-Bearing Liabilities)



# THE LEADER IN CONCRETE REINFORCEMENT



- **Highly focused producer of long steel and wire products**  
No. 1 producer of rebar in the U.S. and Poland; Poland operations serve growing economies in Central and Eastern Europe
- **Leader in attractive rebar and merchant bar (MBQ) markets** with highly flexible, low-cost mills; best-in-class customer service; and track-record of product innovation
- **Downstream demand optimizes mill production volumes**, regardless of import levels
- **Significant self-funded growth**
  - Acquired 4 mills and 33 rebar fabrication facilities creating meaningful long-term value
  - Executing on merchant bar and new product organic growth opportunities
  - Constructing new start-of-the-art micro mill in Arizona; completing expansion in Poland
- **Strong balance sheet supported by enhanced earnings and cash flow capabilities**
  - ROIC<sup>1</sup> well in excess of cost of capital
  - Net debt-to-EBITDA of 1.2x<sup>1</sup>



Note:

1. ROIC and net debt-to-EBITDA are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document





## APPENDIX: NON-GAAP RECONCILIATIONS



# ADJUSTED EBITDA LESS CAPITAL EXPENDITURES AND DISBURSEMENTS TO STAKEHOLDERS

(\$ in thousands)

	12 MONTHS ENDED							6 MONTHS ENDED	
	2/28/2021	8/31/2020	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015	2/28/2021	2/29/2020
Earnings from continuing operations	\$262,095	\$278,302	\$198,779	\$135,237	\$50,175	\$62,001	\$58,583	\$130,144	\$146,351
Interest expense	57,651	61,837	71,373	40,957	44,151	62,121	76,456	28,280	32,466
Income taxes	84,833	92,476	69,681	30,147	15,276	13,976	36,097	42,534	50,177
Depreciation and amortization	166,791	165,749	158,653	131,508	124,490	127,111	135,559	83,372	82,330
Asset impairments	11,149	7,611	384	14,372	1,730	40,028	2,573	4,068	530
Amortization of acquired unfavorable contract backlog	(18,071)	(29,367)	(74,784)	–	–	–	–	(3,032)	(14,328)
<b>Adjusted EBITDA from continuing operations</b>	<b>\$564,448</b>	<b>\$576,608</b>	<b>\$424,086</b>	<b>\$352,221</b>	<b>\$235,822</b>	<b>\$305,237</b>	<b>\$309,268</b>	<b>\$285,366</b>	<b>\$297,526</b>

## Capital expenditures and disbursements to stakeholders

Capital expenditures	178,714	187,618	138,836	174,655	213,120	163,332	119,580	87,688	96,592
Interest expense	57,651	61,837	71,373	40,957	44,151	62,121	76,456	28,280	32,466
Cash income taxes	65,497	44,499	7,977	7,198	30,963	50,201	61,000	48,757	27,759
Dividends	57,409	57,056	56,537	56,076	55,514	55,342	55,945	28,833	28,480
<b>Total capital expenditures and disbursements to stakeholders</b>	<b>\$359,271</b>	<b>\$351,010</b>	<b>\$274,723</b>	<b>\$278,886</b>	<b>\$343,748</b>	<b>\$330,996</b>	<b>\$312,981</b>	<b>\$193,558</b>	<b>\$185,297</b>

## Adjusted EBITDA less capital expenditures and disbursements to stakeholders

<b>\$205,177</b>	<b>\$225,598</b>	<b>\$149,363</b>	<b>\$73,335</b>	<b>(\$107,926)</b>	<b>(\$25,759)</b>	<b>(\$3,713)</b>	<b>\$91,808</b>	<b>\$112,229</b>
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Source: Public filings

Notes:

1. See pages 33 and 34 for definitions of non-GAAP financial measures



# NET DEBT TO EBITDA AND NET DEBT TO CAPITALIZATION RECONCILIATIONS

(\$ in thousands)	3 MONTHS ENDED											
	2/28/2021	11/30/2020	8/31/2020	5/31/2020	2/29/2020	11/30/2019	8/31/2019	5/31/2019	2/28/2019	11/30/2018	8/31/2018	5/31/2018
Long-term debt	\$1,011,035	\$1,064,893	\$1,065,536	\$1,153,800	\$1,144,573	\$1,179,443	\$1,227,214	\$1,306,863	\$1,310,150	\$1,307,824	\$1,138,619	\$1,139,103
Current maturities of long-term debt and short-term borrowings	22,777	20,701	18,149	17,271	22,715	13,717	17,439	54,895	88,902	29,083	19,746	19,874
Total debt	\$1,033,812	\$1,085,594	\$1,083,685	\$1,171,071	\$1,167,288	\$1,193,160	\$1,244,653	\$1,361,758	\$1,399,052	\$1,336,907	\$1,158,365	\$1,158,977
Less: Cash and cash equivalents	367,347	465,162	542,103	462,110	232,442	224,797	192,461	120,315	66,742	52,352	622,473	600,444
Net debt	\$666,465	\$620,432	\$541,582	\$708,961	\$934,846	\$968,363	\$1,052,192	\$1,241,443	\$1,332,310	\$1,284,555	\$535,892	\$558,533
Earnings from continuing operations	\$66,233	\$63,911	\$67,782	\$64,169	\$63,596	\$82,755	\$85,880	\$78,551	\$14,928	\$19,420	\$51,260	\$42,325
Interest expense	14,021	14,259	13,962	15,409	15,888	16,578	17,702	18,513	18,495	16,663	15,654	11,511
Income taxes	20,941	21,593	18,495	23,804	22,845	27,332	16,826	29,105	18,141	5,609	6,682	13,312
Depreciation and amortization	41,573	41,799	41,654	41,765	41,389	40,941	41,051	41,181	41,245	35,176	32,610	32,949
Asset impairments	474	3,594	1,098	5,983	-	530	369	15	-	-	840	935
Amortization of acquired unfavorable contract backlog	(1,509)	(1,523)	(10,691)	(4,348)	(5,997)	(8,331)	(16,582)	(23,394)	(23,476)	(11,332)	-	-
Adjusted EBITDA from continuing operations	\$141,733	\$143,633	\$132,300	\$146,782	\$137,721	\$159,805	\$145,246	\$143,971	\$69,333	\$65,536	\$107,046	\$101,032
Trailing 12 month adjusted EBITDA from continuing operations	\$564,448	\$560,436	\$576,608	\$589,554	\$586,743	\$518,355	\$424,086	\$385,886	\$342,947			
Total debt	\$1,033,812	\$1,085,594	\$1,083,685	\$1,171,071	\$1,167,288	\$1,193,160	\$1,244,653	\$1,361,758	\$1,399,052	\$1,336,907	\$1,158,365	\$1,158,977
Total stockholders' equity	2,009,492	1,934,899	1,889,413	1,800,662	1,758,055	1,701,697	1,624,057	1,564,195	1,498,496	1,489,027	1,493,583	1,452,716
Total capitalization	\$3,043,304	\$3,020,493	\$2,973,098	\$2,971,733	\$2,925,343	\$2,894,857	\$2,868,710	\$2,925,953	\$2,897,548	\$2,825,934	\$2,651,948	\$2,611,693
Net debt to trailing 12 month adjusted EBITDA from continuing operations	1.2x	1.1x	0.9x	1.2x	1.6x	1.9x	2.5x	3.2x	3.9x			
Net debt to capitalization	22%	21%	18%	24%	32%	33%	37%	42%	46%			

Source: Public filings

Notes:

- See pages 33 and 34 for definitions of non-GAAP financial measures



# ADJUSTED EARNINGS FROM CONTINUING OPERATIONS RECONCILIATION

(\$ in thousands)

	3 MONTHS ENDED						12 MONTHS ENDED				
	2/28/2021	11/30/2020	8/31/2020	5/31/2020	2/29/2020	11/30/2019	2/28/2021	8/31/2020	8/31/2019	8/31/2018	8/31/2017
Earnings from continuing operations	\$66,233	\$63,911	\$67,782	\$64,169	\$63,596	\$82,755	\$262,095	\$278,302	\$198,779	\$135,237	\$50,175
Loss on debt extinguishment	16,841	-	1,778	-	-	-	18,619	1,778	-	-	17,799
Gain on sale of assets	(5,877)	-	-	-	-	-	(5,877)	-	-	-	-
Facility closure	5,694	5,214	2,903	1,863	-	6,339	15,674	11,105	-	-	-
Asset impairments	474	3,594	1,098	5,983	-	-	11,149	7,081	-	12,136	-
Labor cost government refund	-	(1,348)	(2,985)	-	-	-	(4,333)	(2,985)	-	-	-
Acquisition settlement	-	-	32,123	-	-	-	32,123	32,123	-	-	-
Acquisition and integration related costs and other	-	-	-	-	-	-	-	-	41,958	25,507	-
Purchase accounting effect on inventory	-	-	-	-	-	-	-	-	10,315	-	-
Mill operational start-up costs	-	-	-	-	-	-	-	-	-	18,016	-
CMC Steel Oklahoma incentives	-	-	-	-	-	-	-	-	-	(3,000)	-
Severance	-	-	-	-	-	-	-	-	-	-	8,129
<b>Total adjustments (pre-tax)</b>	<b>\$17,132</b>	<b>\$7,460</b>	<b>\$34,917</b>	<b>\$7,846</b>	<b>-</b>	<b>\$6,339</b>	<b>\$67,355</b>	<b>\$49,102</b>	<b>\$52,273</b>	<b>\$52,659</b>	<b>\$25,928</b>
<b>Tax impact</b>											
TCJA impact	-	-	-	-	-	-	-	-	\$7,550	\$10,600	-
International reorganization	-	-	-	-	-	-	-	-	-	(9,200)	-
Related tax effects on adjustments	(3,598)	(1,593)	(7,392)	(1,648)	-	(1,331)	(14,231)	(10,371)	(10,977)	(13,236)	(9,075)
<b>Total tax impact</b>	<b>(\$3,598)</b>	<b>(\$1,593)</b>	<b>(\$7,392)</b>	<b>(\$1,648)</b>	<b>-</b>	<b>(\$1,331)</b>	<b>(\$14,231)</b>	<b>(\$10,371)</b>	<b>(\$3,427)</b>	<b>(\$11,836)</b>	<b>(\$9,075)</b>
<b>Adjusted earnings from continuing operations<sup>1</sup></b>	<b>\$79,767</b>	<b>\$69,778</b>	<b>\$95,307</b>	<b>\$70,367</b>	<b>\$63,596</b>	<b>\$87,763</b>	<b>\$315,219</b>	<b>\$317,033</b>	<b>\$247,625</b>	<b>\$176,060</b>	<b>\$67,028</b>
<b>Adjusted earnings from continuing operations per diluted share</b>	<b>\$0.66</b>	<b>\$0.58</b>	<b>\$0.79</b>	<b>\$0.59</b>	<b>\$0.53</b>	<b>\$0.73</b>	<b>\$2.62</b>	<b>\$2.64</b>	<b>\$2.08</b>	<b>\$1.49</b>	<b>\$0.57</b>

Source: Public filings

Notes:

1. See pages 33 and 34 for definitions of non-GAAP financial measures





# CORE EBITDA FROM CONTINUING OPERATIONS RECONCILIATION

(\$ in thousands)

	3 MONTHS ENDED						12 MONTHS ENDED				
	2/28/2021	11/30/2020	8/31/2020	5/31/2020	2/29/2020	11/30/2019	2/28/2021	8/31/2020	8/31/2019	8/31/2018	8/31/2017
Earnings from continuing operations	\$66,233	\$63,911	\$67,782	\$64,169	\$63,596	\$82,755	\$262,095	\$278,302	\$198,779	\$135,237	\$50,175
Interest expense	14,021	14,259	13,962	15,409	15,888	16,578	57,651	61,837	71,373	40,957	44,151
Income taxes	20,941	21,593	18,495	23,804	22,845	27,332	84,833	92,476	69,681	30,147	15,276
Depreciation and amortization	41,573	41,799	41,654	41,765	41,389	40,941	166,791	165,749	158,653	131,508	124,490
Amortization of acquired unfavorable contract backlog	(1,509)	(1,523)	(10,691)	(4,348)	(5,997)	(8,331)	(18,071)	(29,367)	(74,784)	-	-
Asset impairments	474	3,594	1,098	5,983	-	530	11,149	7,611	384	14,372	1,730
Loss on debt extinguishment	16,841	-	1,778	-	-	-	18,619	1,778	-	-	22,672
Non-cash equity compensation	12,696	9,062	9,875	6,170	7,536	8,269	37,803	31,850	25,106	24,038	21,469
Gain on sale of assets	(5,877)	-	-	-	-	-	(5,877)	-	-	-	-
Facility closure	5,694	5,214	2,903	1,863	-	6,339	15,674	11,105	-	-	-
Acquisition settlement	-	-	32,123	-	-	-	32,123	32,123	-	-	-
Labor cost government refund	-	(1,348)	(2,985)	-	-	-	(4,333)	(2,985)	-	-	-
Acquisition and integration related costs and other	-	-	-	-	-	-	-	-	41,958	25,507	-
Purchase accounting effect on inventory	-	-	-	-	-	-	-	-	10,315	-	-
Mill operational start-up costs <sup>1</sup>	-	-	-	-	-	-	-	-	-	13,471	-
CMC Steel Oklahoma incentives	-	-	-	-	-	-	-	-	-	(3,000)	-
Severance	-	-	-	-	-	-	-	-	-	-	8,129
<b>Core EBITDA from continuing operations<sup>2</sup></b>	<b>\$171,087</b>	<b>\$156,561</b>	<b>\$175,994</b>	<b>\$154,815</b>	<b>\$145,257</b>	<b>\$174,413</b>	<b>\$658,457</b>	<b>\$650,479</b>	<b>\$501,465</b>	<b>\$412,237</b>	<b>\$288,092</b>

Source: Public filings

Notes:

1. Net of interest, taxes, depreciation and amortization, impairments, and non-cash equity compensation
2. See pages 33 and 34 for definitions of non-GAAP financial measures



# RETURN ON INVESTED CAPITAL AND RETURN ON EQUITY

RETURN ON INVESTED CAPITAL (\$ in thousands)	3 MONTHS ENDED	FISCAL YEARS				
	2/28/2021	2020	2019	2018	2017	2016
Earnings from continuing operations before income taxes	\$87,174	\$370,778	\$268,460	\$165,384	\$65,451	\$68,710
Plus: interest expense	14,021	61,837	71,373	40,957	44,151	62,973
Plus: Acquisition and integration related costs prior to acquisition close	–	–	27,970	25,507	–	–
Operating profit	\$101,195	\$432,615	\$367,803	\$231,848	\$109,602	\$131,683
Operating profit	\$101,195	\$432,615	\$367,803	\$231,848	\$109,602	\$131,683
Less: income tax at effective rate	24,287	103,828	95,629	41,733	25,208	21,069
Net operating profit after tax	\$76,908	\$328,787	\$272,174	\$190,115	\$84,394	\$110,614
Annualized net operating profit after tax	\$307,633	\$328,787	\$272,174	\$190,115	\$84,394	\$110,614
Assets	\$4,064,041	\$4,081,728	\$3,758,771	\$3,328,304	\$2,975,131	\$3,130,869
Less: cash and cash equivalents	367,347	542,103	192,461	622,473	252,595	517,544
Less: accounts payable	309,413	266,102	288,005	261,258	226,456	207,875
Less: accrued expenses and other payables	341,903	454,977	353,786	260,939	274,972	263,086
Invested Capital	\$3,045,378	\$2,818,546	\$2,924,519	\$2,183,634	\$2,221,108	\$2,142,364
Annualized net operating profit after tax	\$307,633	\$328,787	\$272,174	\$190,115	\$84,394	\$110,614
Invested Capital	\$3,045,378	\$2,818,546	\$2,924,519	\$2,183,634	\$2,221,108	\$2,142,364
Return on Invested Capital	10.1%	11.7%	9.3%	8.7%	3.8%	5.2%

RETURN ON EQUITY (\$ in thousands)	3 MONTHS ENDED			
	2/28/2021	11/30/2020	8/31/2020	5/31/2020
Earnings from continuing operations	\$66,233			
Loss on debt extinguishment	16,841			
Gain on sale of assets	(5,877)			
Facility closure	5,694			
Asset impairments	474			
Total adjustments (pre-tax)	\$17,132			
Related tax effects on adjustments	(3,598)			
Total tax impact	(\$3,598)			
Adjusted earnings from continuing operations <sup>1</sup>	\$79,767			
Annualized adjusted earnings from continuing operations	\$319,068			
Total stockholders' equity	\$2,009,492	\$1,934,687	\$1,889,413	\$1,800,662
Trailing 12 month average stockholder's equity	\$1,908,564			
Return on equity	16.7%			

Source: Public filings

Note:

1. See pages 33 and 34 for definitions of non-GAAP financial measures



# RECONCILIATIONS FOR FISCAL 2011 FIGURES ON SLIDE 7

## RETURN ON INVESTED CAPITAL

(\$ in thousands)

	Fiscal Year 2011
Earnings from continuing operations before income taxes	(\$110,099)
Plus: LIFO expense (pre-tax)	\$77,000
Plus: interest expense	70,806
<b>Operating profit adjusted for LIFO impact</b>	<b>\$37,707</b>
Operating profit adjusted for LIFO impact	\$37,707
Less: income tax at FY 2011 statutory rate of 35%	13,197
<b>Net operating profit after tax</b>	<b>\$24,510</b>
Assets	\$3,683,131
Less: cash and cash equivalents	222,390
Less: accounts payable	585,289
Less: accrued expenses and other payables	377,774
<b>Invested Capital</b>	<b>\$2,497,678</b>
<b>Return on Invested Capital</b>	<b>1.0%</b>

## NET DEBT TO EBITDA AND CAPITALIZATION

(\$ in thousands)

	Fiscal Year 2011
Long-term debt	\$1,167,497
Current maturities of long-term debt and short-term borrowings	65,108
Total debt	\$1,232,605
Less: Cash and cash equivalents	222,390
<b>Net debt</b>	<b>\$1,010,215</b>
Earnings from continuing operations	(\$129,404)
Interest expense	70,806
Income taxes	19,328
Depreciation and amortization	159,576
Asset impairments	118,795
LIFO expense (pre-tax)	77,000
<b>Adjusted EBITDA from continuing operations</b>	<b>\$316,101</b>
Total debt	\$1,232,605
Total stockholders' equity	1,160,648
<b>Total capitalization</b>	<b>\$2,393,253</b>

**Net debt to adjusted EBITDA from continuing operations: 3.2x**

**Net debt to capitalization 42%**

Source: Public filings

Note:

1. See pages 33 and 34 for definitions of non-GAAP financial measures



# DEFINITIONS FOR NON-GAAP FINANCIAL MEASURES

## ADJUSTED EARNINGS FROM CONTINUING OPERATIONS

Adjusted earnings from continuing operations is a non-GAAP financial measure that is equal to earnings from continuing operations before debt extinguishment costs, certain gains on sale of assets, certain facility closure costs, asset impairments, labor cost government refunds and acquisition settlements, including the estimated income tax effects thereof. Adjusted earnings from continuing operations should not be considered as an alternative to earnings from continuing operations or any other performance measure derived in accordance with GAAP. However, we believe that adjusted earnings from continuing operations provides relevant and useful information to investors as it allows: (i) a supplemental measure of our ongoing core performance and (ii) the assessment of period-to-period performance trends. Management uses adjusted earnings from continuing operations to evaluate our financial performance. Adjusted earnings from continuing operations may be inconsistent with similar measures presented by other companies. Adjusted earnings from continuing operations per diluted share is defined as adjusted earnings from continuing operations on a diluted per share basis.

## CORE EBITDA FROM CONTINUING OPERATIONS

Core EBITDA from continuing operations is the sum of earnings from continuing operations before interest expense and income taxes. It also excludes recurring non-cash charges for depreciation and amortization and asset impairments. Core EBITDA from continuing operations also excludes debt extinguishment costs, non-cash equity compensation, certain gains on sale of assets, certain facility closure costs, acquisition settlement costs and labor cost government refunds. Core EBITDA from continuing operations should not be considered an alternative to earnings (loss) from continuing operations or net earnings (loss), or as a better measure of liquidity than net cash flows from operating activities, as determined by GAAP. However, we believe that Core EBITDA from continuing operations provides relevant and useful information, which is often used by analysts, creditors and other interested parties in our industry as it allows: (i) comparison of our earnings to those of our competitors; (ii) a supplemental measure of our ongoing core performance; and (iii) the assessment of period-to-period performance trends. Additionally, Core EBITDA from continuing operations is the target benchmark for our annual and long-term cash incentive performance plans for management. Core EBITDA from continuing operations may be inconsistent with similar measures presented by other companies.

## ADJUSTED EBITDA FROM CONTINUING OPERATIONS

Adjusted EBITDA from Continuing Operations is a non-GAAP financial measure. Adjusted EBITDA is the sum of the Company's earnings from continuing operations before interest expense, income taxes, depreciation and amortization expense, impairment expense, and amortization of acquired unfavorable contract backlog. Adjusted EBITDA from continuing operations should not be considered as an alternative to earnings from continuing operations or any other performance measure derived in accordance with GAAP. However, we believe that adjusted EBITDA from continuing operations provides relevant and useful information to investors as it allows: (i) a supplemental measure of our ongoing performance and (ii) the assessment of period-to-period performance trends. Management uses adjusted EBITDA from continuing operations to evaluate our financial performance. Adjusted EBITDA from continuing operations may be inconsistent with similar measures presented by other companies.





# DEFINITIONS FOR NON-GAAP FINANCIAL MEASURES CONTINUED

## ADJUSTED EBITDA LESS CAPITAL EXPENDITURES AND DISBURSEMENTS TO STAKEHOLDERS

Adjusted EBITDA less capital expenditures and disbursements to shareholders is defined as Adjusted EBITDA less capital expenditures less interest expense, less cash income taxes less dividend payments.

## NET DEBT

Net debt is defined as total debt less cash and cash equivalents.

## RETURN ON INVESTED CAPITAL

Return on Invested Capital is defined as: 1) after-tax operating profit divided by 2) total assets less cash & cash equivalents less non-interest-bearing liabilities

## NET DEBT TO EBITDA

Net debt to EBITDA is defined as: 1) Net debt divided by 2) trailing 12-month Adjusted EBITDA from Continuing Operations

## NET DEBT TO CAPITALIZATION

Net debt to EBITDA is defined as: 1) Net debt divided by 2) total debt plus total stockholders' equity

## RETURN ON EQUITY

Return on Equity is defined as: 1) Adjusted Earnings from Continuing Operations divided by 2) total stockholders' equity



# THANK YOU

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