



2020 AIST William T. Hogan, S.J. Memorial Lecture Award

The Steel Industry in 2020 and Beyond

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Thanks so much to Ron O'Malley, Ron Ashburn, the AIST board and all the AIST members for the humbling honor to address the AIST membership with the Reverend William T. Hogan Memorial Lecture, and congratulations to John Ferriola on receiving his third and historic AIST Steelmaker of the Year Award.

Before I begin my formal remarks today regarding my Nucor family and the steel industry as a whole, I want to begin by saying a few words on Father Hogan, known by so many throughout the world as the "Steel Priest" and the namesake of this lecture.

Father Hogan was a long-time director of Fordham University's Industrial Economics Research Institute. He was known internationally for his fervent grasp of steel industry economics.

I am appreciative of, and we all should be very grateful for, the unparalleled contributions Father Hogan provided to the steel industry. And if you ever get the chance, once this pandemic is over, please visit the Hogan Steel Archive located at Fordham University. You will find everything from steel industry history spanning more than 150 years to a



Leon J. Topalian, President and Chief Executive Officer, Nucor Corp.

specific section on Father Hogan's many speeches, congressional testimony, publications and awards.

I commit this lecture today to the priceless contributions of Father Hogan, as well as the countless mentors and leaders within the Nucor family that have provided me and my Nucor teammates with a once-in-a-lifetime gift of being stewards of our great company.

As I address the AIST membership today, I want to begin my formal lecture remarks by taking us back to February of this year. Just over a month into my time as Nucor's CEO, we held Nucor's first companywide Team Hall.

I shared the stage with other members of Nucor's executive leadership team, and we talked with a live audience of teammates at our mill in Nucor Decatur, Ala., and streamed that live event to Nucor's 27,000 team members across the globe. What I did not know at that time is that within weeks, virtual events would become the new normal. At that Team Hall, I issued a challenge to my Nucor teammates. The challenge was to become the world's safest steel company.

This pandemic did not change our focus in safety, but it certainly expanded how we thought about the care and well-being of our entire team.

You see, the greatest measure of our culture is how we care for one another through the value of safety.

Further, we had another opportunity to think more broadly about safety in the wake of the killing of George Floyd.

Safety means so much more to the Nucor family than just making our products in steel without injury. The resulting discussions about racial injustice caused us to reflect on the fact that being safe includes how we treat one another.

It means making sure every one of our 27,000 team members feels valued and a part of this amazing company, and that every team member feels safe and free from discrimination based on the color of their skin or their age or sexual orientation, religious or political views.

I could not be more proud of Nucor's efforts to execute on all aspects of safety, but we have so much more to do. It will be forever the most important value we uphold as a company.

I'm sure that all of you watching and listening today have had to deal with your own challenges this year. 2020 has been a challenging year: we've had to live through a global pandemic, wildfires, social protest, catastrophic hurricanes and tornadoes, and economic collapse.

But I've also seen how these challenges have brought people together to care for the safety, health and well-being of one another.

The events of 2020 have forever redefined our lives, but my Nucor teammates have embraced the true meaning of taking care of our family and our communities.



Among my own Nucor family, the effort to meet the needs of our communities and the challenges associated with COVID-19 was incredible. Some of our mills donated PPE like masks and face shields to local first responders. Other team members rounded up everything they could spare from their mill and then worked with our vendor networks to get as much PPE as they could directly into their communities. Other mills leveraged their STEM partnership with local schools to create assembly lines of 3D printers to produce PPE. One of our teammates manufactured intubation boxes to help protect medical staff during the intubation procedures on COVID-19 patients.

And those efforts have been replicated across numerous communities, and it provided many healthcare workers with pieces of safety equipment that have certainly saved lives.

I cannot express in words how proud I am of my Nucor family for stepping up during these unprecedented times and taking care of our communities where we live and work. I've heard similar stories from other member companies and from across the steel industry.

And throughout it all, as an essential industry, America's steelmakers have faced the challenges of



living and working through the spread of COVID-19. With optimism, resilience, strength and character that only women and men of steel can showcase, navigating the ups and downs of our essential businesses has prepared many of us to stay focused and ready in an economy with lots of question marks.

As our own nation looks forward to the promise of a vaccine and economic recovery, the future is primed to be a time of true Renaissance — an opportunity for American steel.

So, what does 2021 look like for the steel industry? I'd be remiss in saying that I or anyone else has any idea what 2021 is going to look like with absolute certainty.

As you all know, the current market for steel remains challenging. However, we are seeing some positive indicators. For one, the construction market has remained incredibly resilient. We have seen that Nucor's backlogs and order rates continue to be very encouraging for construction. We're also seeing some recovery in parts of the energy market. There's been an uptick in the segments of [agriculture] and heavy equipment. Also, automotive is coming back. We're pleased with the improved demand we've seen recently for a plate and sheet products. While we don't expect the market to return to pre-pandemic levels

anytime soon, there has been an increase in activity in many sectors of our market.

2020 has also provided the steel industry an opportunity to be heard on the value of diverse human capital. At Nucor, we're focused on attracting hiring, developing and retaining the steel leaders of tomorrow. It is up to the entire steel industry to make today's students aware at an early age that our industry offers high-tech, challenging and rewarding careers that pay well.

It's up to all of us to recruit aggressively, to do our part to influence STEM education and training at all levels, and to be relentless in our promotion of the steel industry. It is up to all of us to ensure historically black colleges and universities receive the attention that they have earned. It is up to all of us to ensure we are providing a level playing field for talent and not just to invite diverse talent to join our teams, but to include them in every aspect of what it means to be a team member.

We as an industry have a unique platform to show the manufacturing sector what diversity and inclusion can and should look like, and we must continue to lead these initiatives.



Nucor is committed to making the necessary steps to affect these changes internally as well as externally for our industry. We will provide our new recruits and current team members the chance to be a part of a team and part of a culture that gives them ownership and rewards them for their performance; that provides them the leadership development being craved; and ensures that we lead the industry to reflect the future we want to see — the future we have to see.

I've met some of these future leaders in Nucor mills. I've met young families and I've seen the glimmer in their eyes of a desire to be great. And they give me great confidence that our best days are truly ahead of us.

It is this confidence in the future of our team and our optimism for the future that the economy that has led Nucor to continue investing in American steelmaking.

A major focus for us this year is executing nine growth projects representing over US\$4 billion of investment to expand our reach and our capabilities. Six of these projects will go on-line this year, and in some cases, are already operational.

Several of these projects have focused on expanding the range of value-added products we can offer the automotive market, including our specialty cold mill in Arkansas and a new galvanizing line at our Nucor Gallatin mill.

Our EAFs are now able to produce almost all of the automotive grades made by domestic integrated mills. We firmly believe in the next several years that our facilities will be able to produce all the products demanded by our automotive customers.

We continue to see the benefits of a recent initiative to improve the performance of our businesses that serve the construction markets, specifically in rebar fabrication and metal buildings. In particular, our rebar micro-mill in Sedalia, Mo., is on-line and

/ 2020 Steelmaker of the Year Award, John Ferriola

The AIST Steelmaker of the Year Award recognizes industry leaders who have championed continuous improvement, technological innovation, strategic planning and the creation of a strong corporate culture.

The award is typically presented during the President's Award Breakfast at AISTech, AIST's annual conference and exposition. This year, however, it was presented as a stand-alone virtual event along with the Hogan Memorial Lecture. The presentation was broadcast via Zoom on 16 September.

The 2020 award was presented to John Ferriola — the first three-time winner. Ferriola retired from Nucor as its chairman, president and chief executive officer on 31 December 2019. He previously received the award in 2009 and 2016.

Ferriola is recognized for his leadership and strategic vision in growing Nucor Steel and maintaining its profitability in an economically challenging steel market. His contributions transcend Nucor as a voice for the entire industry, articulating to policymakers the problem of unfair trade, and advocating for the strengthening and enforcement of trade laws.

In accepting the award, Ferriola said he was in the debt of the company's thousands of teammates throughout the United States. Without their efforts, the award, and the company's success that it recognizes, would not have been possible.

"You've heard me say many times that a leader is only as good as the team that they lead, and I have been extremely fortunate because the team that I had the privilege to lead is the best team in any



company in any industry in any country in the world," Ferriola said.

"My Nucor teammates are the reason Nucor continues to thrive in today's extremely challenging global steel market, and they are the reason that Nucor will continue to excel for many years to come."

Ferriola led Nucor as chief executive from 2013 to 2019. During that time, he oversaw one of the company's largest capital expansions and was a leading advocate for the industry in Washington, D.C.

During the presentation, Barbara Smith, Commercial Metals Company's chairman of the board, president and chief executive officer, and Mark Millett, Steel Dynamics Inc.'s president and chief executive, congratulated him on the achievement.

Ferriola's Nucor predecessor, Dan DiMicco, also joined in. DiMicco said the award was well deserved and recognized Ferriola's efforts on behalf of Nucor and the steel industry as a whole.

"You were a true leader in every sense of the word," DiMicco said.



Ron O'Malley, Missouri University of Science and Technology



Dan DiMicco, Nucor Corp.



Barbara Smith, Commercial Metals Company



Mark Millett, Steel Dynamics Inc.



already seeing great results in that market. Our rebar micro-mill in Florida should be on-line before the end of this year, and our new MBQ mill at Nucor Kankakee, Ill., has begun shipping world-class MBQ products to our customers.

Our largest project, our new state-of-the-art plate mill in Brandenburg, Ky., is on track to be operational by the end of 2022. The state-of-the-art mill will be able to produce 97% of the plate products demanded by the U.S. market. And the location of the mill will give us a geographic advantage in serving the Midwest.

As you can see from all of these investments, we're excited about the capabilities we are building to better

serve our customers well into the future. We believe these opportunities will take our Nucor families, customers and partners to new and unrivaled heights. We will be exceptional in all of our pursuits of these opportunities.

One of the questions I've heard many times over the last six months of this pandemic is: When will we get back to normal?

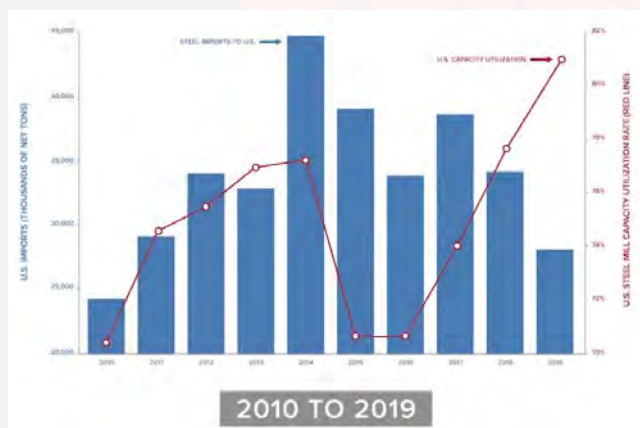
I've overheard this phrase a lot during this time and I recognize folks saying this, or simply saying it to indicate that they wish the pandemic was behind us. I wish that too. But I also reject the aspiration to return to normal. You see, at Nucor, our goal isn't simply returning to pre-COVID operating levels; I want us to be better in every aspect of our business: safety performance, our financial and operating performance, our ability to serve our customers, and how we continue to find ways to provide value for them. In all of these areas and more, we will never return to normal. We will be better and we will be exceptional.

There's one other event in 2020 that is at the forefront of many Americans' minds: the election.

Regardless of who ends up in the White House, our industry has worked with both presidential candidates and both major parties in Congress in the past on many issues. We've been able to secure remedies for trade abuses and to work toward a level playing field for American steelmakers, including prosecuting trade cases, securing proper tariffs and improving on trade agreements such as the newly enforced USMCA.

We saw an investment in critical infrastructure, including funding for highways and improved waterways, and we must do more. And Congress must do more.

We will continue to advocate for our industry, regardless of which party controls our government. And as we look into the next decade, we have learned



Investing in American Manufacturing

\$3.8 billion in Announced U.S. Growth Projects 2017-2019

NUCOR

Strategic Investments	Startup	\$ (millions)	Jobs
New Mills			
Plate Steel Mill in Brandenburg, Kentucky <ul style="list-style-type: none"> Enables us to produce 97% of the plate products demanded in largest US plate-consuming market; 1,200,000 tons/year capacity 	Late 2022	\$1700	400 new jobs
Rebar Micro Mill in Frostproof, Florida <ul style="list-style-type: none"> Will produce low-cost rebar in proximity to surging Florida market; 350,000 tons/year capacity 	Q4 2020	\$240	250 new jobs
Rebar Micro Mill in Sedalia, Missouri <ul style="list-style-type: none"> Will produce low-cost rebar in proximity to booming Kansas City market; 350,000 tons/year capacity 	Completed	\$245	255 new jobs
Upgrades / Expansions			
Nucor Steel Gallatin Expansion (Kentucky) <ul style="list-style-type: none"> Will increase sheet production capability from 1.6 million tons to 3 million tons annually; increases maximum coil width to ~73 inches 	Mid 2021	\$650	70 new jobs 430 existing jobs
Nucor Steel Arkansas Galvanizing Line <ul style="list-style-type: none"> Gives Nucor flexibility to meet demand for advanced high-strength steel products, and expand into new automotive market segments 	Mid 2021	\$275	TBD new jobs 650 existing jobs
Nucor Steel Kankakee Merchant Bar Expansion (Illinois) <ul style="list-style-type: none"> Adds full range merchant bar mill at existing bar mill leveraging existing melt capacity; 500,000 tons/yr. merchant bar rolling capacity 	Completed	\$185	50 new jobs 300 existing jobs
Nucor Steel Gallatin Hot Band Galvanizing Line (Kentucky) <ul style="list-style-type: none"> 72-inch galv line will be widest hot-rolled galvanizing line in North America; will allow Nucor to expand into new automotive markets 	Completed	\$200	75 new jobs 430 existing jobs
Nucor Steel Marion Rolling Mill Upgrade (Ohio) <ul style="list-style-type: none"> Updated technology will reduce operating costs, and enhance Nucor's position as low-cost producer & market leader in rebar 	Completed	\$85	15 new jobs 265 existing jobs
Nucor Steel Arkansas Specialty Cold Mill Complex <ul style="list-style-type: none"> Adds 500,000 tons of value added cold-rolled steel capability, supporting our strategy of growing share in the automotive market 	Completed	\$230	100 new jobs 650 existing jobs
Total		\$3,810	2,860+

a lot from the aftermath of the great financial crisis and the more recent global pandemic.

After the initial recovery in steel production between 2012 and 2013, we were besieged by imports and forced to file an extraordinary series of trade cases between 2014 and 2017 across every major product line.

Between these cases and comprehensive 232 action, imports declined, and by 2019 domestic production recovered to 2012 and 2014 levels.

While these measures are helping the steel industry, we must remain vigilant. Global excess capacity has not gone away and these measures must remain in place.

Critically, our so-called allies were not allies at all when it came to trade, and were amongst the

most aggressive exporters during this period. They continue to build and maintain excess capacity that will target the U.S. industry once again if given the chance.

We have far more than a China problem. Our leaders of the past naively gave away long-term economic competitiveness for short-term foreign policy objectives that seemed important. But with 2020 hindsight, they were just superseded by the next hotspot. Meanwhile, the long-term concessions have come to be viewed as entitlements by our trading partners. This must change.

One thing COVID-19 has taught us is that having core manufacturing ability in the United States is at least equally important as foreign policy considerations. And core capabilities start with the very foundation of

manufacturing steel, semiconductors, PPE, chemicals, advanced telecommunications and pharmaceuticals.

Self-sufficiency in these core capabilities must be maintained or on-shored. This can only happen with the courage to encourage domestic manufacturing in big stakes that address reliable trade enforcement over the long term. Trade concessions cannot be viewed as candy to be given away forever, particularly in the light of the fleeting nature of foreign policy concerns.

We're only starting to see and understand this lesson. The ability to produce here in the U.S. is at the heart of our national security, and our trade policy unnecessary enforcement must start and end with this premise.

In addition to these crucial trade points, we believe it is vital for Congress and the administration to move forward immediately with a significant infrastructure spending bill. This is long overdue; an infrastructure package would help to rebuild our deteriorating infrastructure, provide an economic boost that the country desperately needs and get Americans back to work.

This would not only help address the economic crisis in the short term, it would also benefit the American economy for years to come. It is well past time that

we bring our American infrastructure into the 21st century and to maximize the benefit to American workers and to the American economy as a whole.

An infrastructure funding bill should include strong "buy American" provisions that require the use of domestically produced iron, steel and manufacturing goods.

Strong "buy American" requirements will ensure that U.S. manufacturers and their workers benefit from increased infrastructure spending and will encourage the development of a domestic supply chain to ensure our country is better prepared for the next global crisis.

As I close, I want to impress upon you how confident I am that we will come out of this crisis as part of a stronger, more inclusive and more profitable industry. The women and men who make steel in America have shown that we all pull together when times get tough.

Our industry is using the experience we have learned in previous downturns to weather this pandemic nightmare and other economic storms and to take advantage of the opportunities that have been presented to us: to get better at making steel for our customers. And we have the potential to recruit and train a new generation of leaders to guide us far into the 21st century. It is a legacy we must leave to our steel families.

As we come together today, even virtually, with the members of AIST, it gives me incredible confidence in the future of the American steel industry. I look forward to seeing all of you, hopefully in person, for next year's event. Thank you for honoring me and my Nucor family with a Father Hogan Award and thank you for sharing this time with us today.

To my own Nucor team members and on behalf of the Nucor family, God bless you, God bless our steel industry and God bless this great country. ♦

