



Company	Ticker	Sector	Industry
Nucor Corporation	NUE-US	Materials	Metals & Mining

Business Description

Nucor Corp. engages in the manufacturing of steel and steel products. It operates through the following segments: Steel Mills, Steel Products, and Raw Materials. The Steel Mills segment consists of carbon and alloy steel in sheet, bars, structural and plate, steel trading businesses, rebar distribution businesses, and Nucor's equity method investments. The Steel Products segment includes steel joists and joist girders, steel deck, fabricated concrete reinforcing steel, cold finished steel, steel fasteners, metal building systems, steel grating, tubular products businesses, piling products businesses, and wire and wire mesh. The Raw Materials segment consists of direct reduced iron, and ferrous and nonferrous metals. The company was founded by Ransom E. Olds in 1905 and is headquartered in Charlotte, NC.

Price Chart

Key Info & Metrics



Empirical Research Rank:	1
Date Purchased:	07/27/2022
Price:	\$167.18
52-Week Range:	\$103.39 - \$176.68
Dividend Yield:	1.20%
Market Cap (\$M):	\$42,889
Forward Price-to-Earnings:	13

Total Return

Year-to-Date:	26.8%
1 Year:	53.0%
3 Year:	275.0%
5 Year:	201.9%

Investment Case - Updated: November 6, 2022

Nucor is one of the leading steel producers in the US. The company is about to exit an increased period of capital spending where it focused its growth plans on value-add services. Value-add services often carry higher margins which are further rewarded by rising steel prices globally. While the steel market has consolidated significantly since the early 2000s, the remaining producers have slowed capacity expansion in recent years. The resulting effect is now a very delicate balance between demand and supply. Moreover, since steel producers reduced operations compared to periods prior to the pandemic, the overall industry is likely to remain undersupplied for a period. Currently, higher prices for steel products have led to greater cash flows for companies like Nucor. Finally, with a normalized capital spending profile, Nucor in particular should see outsized free cash flows over the next couple of years. The company expects to use 40% of its earnings on dividends and repurchases while maintaining an investment grade credit rating.

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