

**STEEL DYNAMICS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

	December 31,	
	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and equivalents . . . . .	\$ 828,220	\$1,028,649
Short-term investments . . . . .	228,783	—
Accounts receivable, net of related allowances of \$17,495 and \$15,036 as of December 31, 2018, and December 31, 2017, respectively . . . . .	1,040,220	846,415
Accounts receivable-related parties . . . . .	3,536	22,422
Inventories . . . . .	1,859,168	1,519,347
Other current assets . . . . .	72,730	91,509
Total current assets . . . . .	<u>4,032,657</u>	<u>3,508,342</u>
<b>Property, plant and equipment, net.</b> . . . .	2,945,767	2,675,904
<b>Intangible assets</b> , net of accumulated amortization of \$294,449 and \$269,868 as of December 31, 2018, and December 31, 2017, respectively . . . . .	270,328	256,909
<b>Goodwill.</b> . . . .	429,645	386,893
<b>Other assets</b> . . . . .	25,166	27,684
<b>Total assets</b> . . . . .	<u>\$ 7,703,563</u>	<u>\$6,855,732</u>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Accounts payable . . . . .	\$ 536,743	\$ 473,765
Accounts payable-related parties . . . . .	14,011	15,683
Income taxes payable . . . . .	7,468	3,696
Accrued payroll and benefits . . . . .	264,542	195,909
Accrued interest . . . . .	25,526	25,533
Accrued expenses . . . . .	146,613	125,138
Current maturities of long-term debt . . . . .	24,234	28,795
Total current liabilities . . . . .	<u>1,019,137</u>	<u>868,519</u>
<b>Long-term debt.</b> . . . .	2,352,489	2,353,145
<b>Deferred income taxes</b> . . . . .	435,838	305,949
<b>Other liabilities</b> . . . . .	8,870	21,811
<b>Total liabilities</b> . . . . .	<u>3,816,334</u>	<u>3,549,424</u>
<b>Commitments and contingencies.</b> . . . .		
<b>Redeemable noncontrolling interests</b> . . . . .	111,240	111,240
<b>Equity</b> . . . . .		
Common stock voting, \$.0025 par value; 900,000,000 shares authorized; 265,822,402 and 265,003,133 shares issued; and 225,272,174 and 237,396,839 shares outstanding, as of December 31, 2018, and December 31, 2017, respectively . . . . .	645	644
Treasury stock, at cost; 40,550,228 and 27,606,294 shares, as of December 31, 2018, and December 31, 2017 respectively . . . . .	(1,184,243)	(665,297)
Additional paid-in capital . . . . .	1,160,048	1,141,534
Retained earnings . . . . .	3,958,320	2,874,693
Accumulated other comprehensive income . . . . .	301	—
Total Steel Dynamics, Inc. equity . . . . .	<u>3,935,071</u>	<u>3,351,574</u>
Noncontrolling interests . . . . .	(159,082)	(156,506)
<b>Total equity</b> . . . . .	<u>3,775,989</u>	<u>3,195,068</u>
<b>Total liabilities and equity</b> . . . . .	<u>\$ 7,703,563</u>	<u>\$6,855,732</u>

See notes to consolidated financial statements.

**STEEL DYNAMICS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data)

	Years Ended December 31,		
	2018	2017	2016
Net sales			
Unrelated parties . . . . .	\$11,801,609	\$9,364,213	\$7,607,180
Related parties . . . . .	20,230	174,584	169,929
<b>Total net sales</b> . . . . .	<u>11,821,839</u>	<u>9,538,797</u>	<u>7,777,109</u>
Costs of goods sold. . . . .	9,499,025	7,956,783	6,442,245
<b>Gross profit</b> . . . . .	<u>2,322,814</u>	<u>1,582,014</u>	<u>1,334,864</u>
Selling, general and administrative expenses . . . . .	416,640	394,631	374,009
Profit sharing . . . . .	155,985	91,309	71,285
Amortization of intangible assets. . . . .	27,780	29,193	28,765
Asset impairment charge . . . . .	—	—	132,839
<b>Operating income</b> . . . . .	<u>1,722,409</u>	<u>1,066,881</u>	<u>727,966</u>
Interest expense, net of capitalized interest . . . . .	126,620	134,399	146,037
Other expense (income), net. . . . .	(23,985)	(2,753)	17,796
<b>Income before income taxes</b> . . . . .	<u>1,619,774</u>	<u>935,235</u>	<u>564,133</u>
Income tax expense. . . . .	363,969	129,439	204,127
<b>Net income</b> . . . . .	<u>1,255,805</u>	<u>805,796</u>	<u>360,006</u>
Net loss attributable to noncontrolling interests . . . . .	2,574	6,945	22,109
<b>Net income attributable to Steel Dynamics, Inc.</b> . . . . .	<u>\$ 1,258,379</u>	<u>\$ 812,741</u>	<u>\$ 382,115</u>
<b>Basic earnings per share attributable to Steel Dynamics, Inc. stockholders</b> . . . . .	<u>\$ 5.38</u>	<u>\$ 3.38</u>	<u>\$ 1.57</u>
<b>Weighted average common shares outstanding</b> . . . . .	<u>233,923</u>	<u>240,132</u>	<u>243,576</u>
<b>Diluted earnings per share attributable to Steel Dynamics, Inc. stockholders, including the effect of assumed conversions when dilutive</b> . . . . .	<u>\$ 5.35</u>	<u>\$ 3.36</u>	<u>\$ 1.56</u>
Weighted average common shares and share equivalents outstanding. . . . .	<u>235,193</u>	<u>241,781</u>	<u>245,298</u>
<b>Dividends declared per share</b> . . . . .	<u>\$ 0.75</u>	<u>\$ 0.62</u>	<u>\$ 0.56</u>

See notes to consolidated financial statements.

**STEEL DYNAMICS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Years Ended December 31,		
	2018	2017	2016
<b>Operating activities:</b>			
Net income. . . . .	\$1,255,805	\$ 805,796	\$ 360,006
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization . . . . .	317,198	298,999	296,109
Asset impairment charge . . . . .	—	—	132,839
Equity-based compensation . . . . .	43,317	36,197	31,656
Deferred income taxes . . . . .	61,827	(135,899)	53,846
Other adjustments . . . . .	(1,245)	14,068	20,676
Changes in certain assets and liabilities:			
Accounts receivable . . . . .	(145,873)	(139,054)	(106,617)
Inventories. . . . .	(246,213)	(242,883)	(115,575)
Other assets . . . . .	(3,475)	4,002	12,044
Accounts payable . . . . .	37,904	96,062	106,521
Income taxes receivable/payable . . . . .	26,471	(33,889)	(13,921)
Accrued expenses . . . . .	69,753	36,021	75,176
Net cash provided by operating activities. . . . .	1,415,469	739,420	852,760
<b>Investing activities:</b>			
Purchases of property, plant and equipment . . . . .	(239,390)	(164,935)	(198,160)
Purchases of short-term investments . . . . .	(268,783)	—	—
Proceeds from maturities of short term investments . . . . .	40,000	—	—
Acquisition of business, net of cash acquired. . . . .	(433,998)	(6,192)	(123,351)
Other investing activities . . . . .	6,907	32,022	8,618
Net cash used in investing activities . . . . .	(895,264)	(139,105)	(312,893)
<b>Financing activities:</b>			
Issuance of current and long-term debt . . . . .	445,607	620,041	473,903
Repayment of current and long-term debt . . . . .	(455,491)	(609,914)	(728,993)
Dividends paid . . . . .	(168,913)	(145,565)	(135,767)
Purchases of treasury stock . . . . .	(523,569)	(252,242)	(25,034)
Other financing activities . . . . .	(18,501)	(25,655)	(9,534)
Net cash used in financing activities . . . . .	(720,867)	(413,335)	(425,425)
Increase (decrease) in cash and equivalents, and restricted cash . . . .	(200,662)	186,980	114,442
Cash and equivalents, and restricted cash at beginning of period . . .	1,035,085	848,105	733,663
<b>Cash and equivalents, and restricted cash at end of period. . . .</b>	<b>\$ 834,423</b>	<b>\$1,035,085</b>	<b>\$ 848,105</b>
<b>Supplemental disclosure information:</b>			
Cash paid for interest. . . . .	\$ 124,034	\$ 135,381	\$ 150,679
Cash paid for income taxes, net. . . . .	\$ 288,429	\$ 296,493	\$ 159,950

See notes to consolidated financial statements.