

Q4 FY 2020 SUPPLEMENTAL SLIDES



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 provided by our recent acquisitions, demand for our products, steel margins, the effect of the COVID-19 and related governmental and economic responses thereto, the ability to operate our 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 is filed with the SEC or, 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 our Annual Report on Form 10-K for the fiscal year ended August 31, 2019 as well as in Part II, Item 1A, Risk Factors in our subsequent Quarterly Reports on Form 10-Q 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 fabrication contracts due to rising commodity pricing; impacts from COVID-19 on the economy, demand for our products or our operations, including the responses of governmental authorities to contain COVID-19; 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 environmental laws and regulations, including increased regulation 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; 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, including trade measures, political uncertainties and military conflicts; 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; civil unrest, protests and riots; new and clarifying guidance with regard to interpretation of certain provisions of the Tax Cuts and Jobs Act that could impact our assessment; and increased costs related to health care reform legislation.



KEY TAKEAWAYS FROM TODAY'S CALL

- Health and safety of our employees is always our top priority
- Change to segment reporting made to reflect vertically integrated operating model

Q4 Core EBITDA of \$176M Up 11% y/y

- Fiscal 2020 was a momentous year
 - Seeing the significant benefits of strategic transformation
 - Positioned to maintain operational momentum
 - Continued to build for the future
- Economic environment is uncertain, but CMC is controlling the controllables
- Organic investments expected to bring strong through-the-cycle earnings and returns
- Downstream backlog remains well-positioned to support volumes in the near-term
- Financial position provides flexibility to fund growth, weather economic uncertainty, and pursue opportunistic M&A

Q4 Adjusted EPS of \$0.79 Up 4% y/y

Q4 Free Cash Flow of \$206M

Note: Core EBITDA, Adjusted EPS, and Free Cash Flow are non-GAAP measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document.



CHANGE IN SEGMENT REPORTING

- Realigned reporting structure from four operating segments to two
 - North America and Europe
- Previous Americas operating segments are now one North America segment
- Reflects the way in which CMC manages the business and seeks to maximize returns for the integrated whole
- New structure reflects the vertically integrated operating model

New segment reporting structure is consistent with management approach discussed during CMC's Investor Day (Investor Day Webcast). Additional resources related to the reporting change can be found in the Investor Toolkit section of our website (Investor Toolkit).



FISCAL YEAR 2020 ACCOMPLISHMENTS

- Reacted quickly to COVID-19 outbreak, resulting in no major business interruptions, disruptions to customer service, or loss of productivity
- Grew Core EBITDA by 30% year-over-year, and generated ROIC of 12%
- Generated \$604 million of free cash flow, further fortifying our balance sheet
- Initiated network optimization efforts next phase of the rebar asset acquisition
- Announced construction of world's first merchant bar (MBQ) capable micro mill
- > Continued progress toward "one-stop shop" concrete reinforcement provider with acquisition of GalvaBar
- Held virtual Investor Day to share Company's strategy and growth plans

- Core EBITDA is a non-GAAP measure. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document
- Return on Invested Capital is defined as After-tax Operating Profit divided by (Total Assets less Cash & Cash Equivalents less Non-Interest Bearing Liabilities)



CONSOLIDATED OPERATING RESULTS – QUARTERLY

Performance Summary

Units in 000's unless noted otherwise

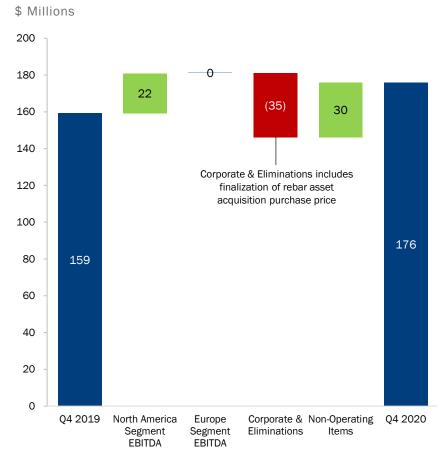
	Q4 '19	<u>Q1 '20</u>	<u>Q2 '20</u>	<u>Q3 '20</u>	Q4 '20
External Finished Steel Tons Shipped ¹	1,547	1,462	1,445	1,475	1,541
Core EBITDA	\$159,181	\$174,413	\$145,257	154,815	\$175,994
Core EBITDA per Ton of Finished Steel Shipped	\$103	\$119	\$101	\$105	\$114
Adjusted Earnings from Continuing Operations	\$90,760	\$87,763	\$63,596	\$70,367	\$95,307

Non-Operating Charges / Benefits

Figures are pre-tax for Q4 2020 in \$ millions

- \$32.1 million for finalization of rebar asset acquisition purchase price
- \$2.9 million for facility closures, including several downstream locations
- \$1.1 million for asset impairments largely related to facility closures
- \$3.0 million benefit related to a labor cost government refund in Europe
- \$1.8 million debt extinguishment cost related to paydown of CMC term loan

Core EBITDA Bridge - Q4 2019 to Q4 2020



[1] External Finished Steel Tons Shipped equal to shipments of Steel Products plus Downstream Products Other Note: Core EBITDA and Adjusted earnings from continuing operations are non-GAAP measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, see the appendix to this document.



NORTH AMERICA – QUARTERLY

Performance Summary

Units in 000's unless noted otherwise

	Q4 '19	<u>Q1 '20</u>	<u>Q2 '20</u>	Q3 '20	Q4 '20
External Finished Steel Tons Shipped ¹	1,159	1,124	1,065	1,101	1,161
Adjusted EBITDA	\$152,450	\$174,732	\$152,831	\$159,394	\$174,219
Adjusted EBITDA per Ton of Finished Steel Shipped	\$132	\$155	\$144	\$145	\$1 50
Adjusted EBITDA Margin	11.4%	14.4%	13.2%	13.7%	14.2%

Key Performance Drivers

Q4 2020 vs Q4 2019

- Reduction in controllable costs within vertically integrated chain
- · Moderate increase in Downstream Product margins over scrap
- · Impacted by narrowing of margins on Steel Products

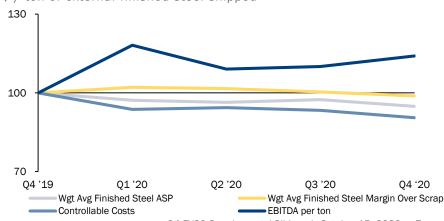
- [1] External Finished Steel Tons Shipped equal to shipments of Steel Products plus Downstream Products
- · Steel Products Margin Over Scrap equals Average Selling Price minus Cost of ferrous scrap utilized
- · Downstream Products Margin Over Scrap equals Average Selling Price minus Cost of ferrous scrap utilized

North America - Key Margins



North America Indexed Margins and Controllable Cost

\$ / ton of external finished steel shipped



EUROPE- QUARTERLY

Performance Summary

Units in 000's unless noted otherwise

	Q4 '19	<u>Q1 '20</u>	<u>Q2 '20</u>	<u>Q3 '20</u>	Q4 '20
External Finished Steel Tons Shipped	388	338	380	374	380
Adjusted EBITDA	\$22,666	\$11,359	\$13,451	\$14,270	\$22,927
Adjusted EBITDA per Ton of Finished Steel Shipped	\$58	\$34	\$35	\$38	\$60
Adjusted EBITDA Margin	11.0%	6.9%	7.5%	8.2%	12.7%

Key Performance Drivers

Q4 2020 vs Q4 2019

- · Impacted by narrowing of margins on Steel Products
 - Imports into Central Europe created challenging price environment
- · Reduced controllable costs
 - Benefit of \$10.7 million carbon tax refund, expected next year as well
- \$3.0 benefit from labor cost government refund

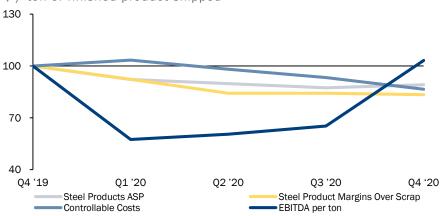
Note: Steel Products Margin Over Scrap equals Average Selling Price minus Cost of ferrous scrap utilized

Europe - Key Margins



Europe Indexed Margins and Controllable Cost

\$ / ton of finished product shipped



CONSOLIDATED OPERATING RESULTS – ANNUAL

Performance Summary

Units in 000's unless noted otherwise

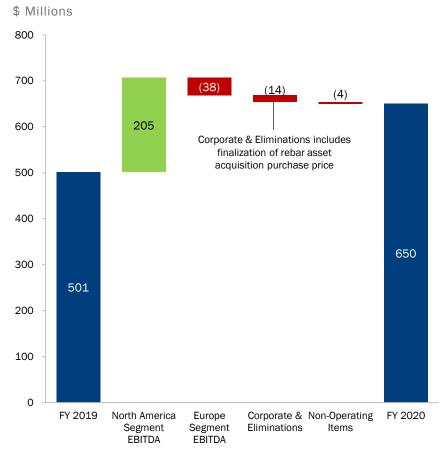
	FY 2017	FY 2018	FY 2019	FY 2020
External Finished Steel Tons Shipped ¹	3,952	4,322	5,791	5,923
Core EBITDA	\$288,092	\$412,237	\$501,465	\$650,479
Core EBITDA per Ton of Finished Steel Shipped	\$73	\$95	\$87	\$110
Adjusted Earnings from Continuing Operations	\$67,028	\$176,060	\$247,625	\$317,033
Return on Invested Capital (%)	4%	9%	10%	12%

Non-Operating Charges / Benefits

Figures are pre-tax for FY 2020 in \$ millions

- \$32.1 million for finalization of rebar asset acquisition purchase price
- \$11.1 million for facility closures, including Steel CA melt shop and several downstream locations
- \$7.6 million for asset impairments largely related to facility closures
- \$3.0 million benefit related to a labor cost government refund in Europe
- \$1.8 million debt extinguishment cost related to paydown of CMC term loan

Core EBITDA Bridge - FY 2019 to FY 2020



[1] External Finished Steel Tons Shipped equal to shipments of Steel Products plus Downstream Products Other Note: Core EBITDA and Adjusted earnings from continuing operations are non-GAAP measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures. see the appendix to this document.



NORTH AMERICA – ANNUAL

Performance Summary

Units in 000's unless noted otherwise

	FY 2018	FY 2019	FY 2020
External Finished Steel Tons Shipped ¹	2,822	4,331	4,451
Adjusted EBITDA	\$323,993	\$456,296	\$661,176
Adjusted EBITDA per Ton of Finished Steel Shipped	\$115	\$105	\$149
Adjusted EBITDA Margin	8.7%	9.1%	13.9%

Key Performance Drivers

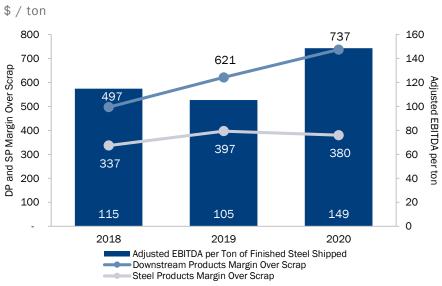
FY 2020 vs FY 2019

- · Reduction in controllable costs within vertically integrated chain
- · Significant increase in Downstream Product margins over scrap
- · Shipments of Steel Products increased 4% over FY 2019
- · Impacted by narrowing of margins on Steel Products

Notes:

- [1] External Finished Steel Tons Shipped equal to shipments of Steel Products plus Downstream Products
- · Steel Products Margin Over Scrap equals Average Selling Price minus Cost of ferrous scrap utilized
- · Downstream Products Margin Over Scrap equals Average Selling Price minus Cost of ferrous scrap utilized

North America - Key Margins





EUROPE – ANNUAL

Performance Summary

Units in 000's unless noted otherwise

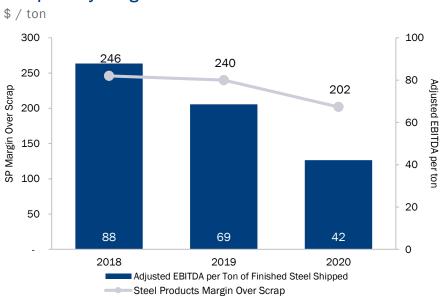
	FY 2018	FY 2019	FY 2020
External Finished Steel Tons Shipped	1,500	1,460	1,472
Adjusted EBITDA	\$131,720	\$100,102	\$62,007
Adjusted EBITDA per Ton of Finished Steel Shipped	\$88	\$69	\$42
Adjusted EBITDA Margin	14.8%	12.3%	8.9%

Key Performance Drivers

FY 2020 vs FY 2019

- · Impacted by narrowing of margins on Steel Products
 - Imports into Central Europe created challenging price environment
- Shipment volumes flat from FY 2019, due to resilience in the Polish construction sector and slower industrial production in Central Europe
- · Reduced controllable costs
 - Benefit of \$10.7 million carbon refund, expected next year as well

Europe- Key Margins

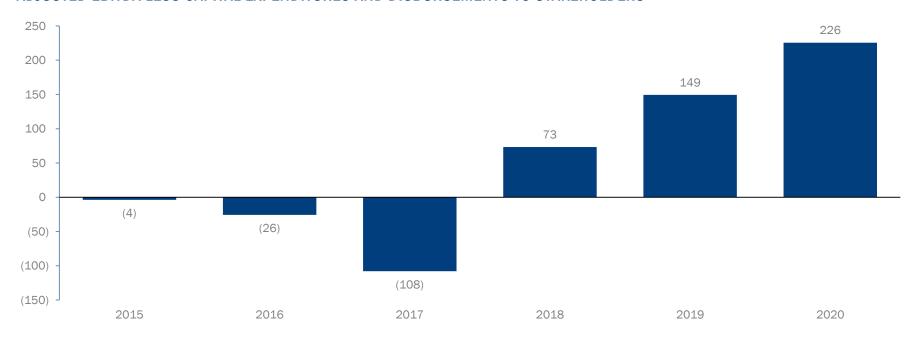


Note: Steel Products Margin Over Scrap equals Average Selling Price minus Cost of ferrous scrap utilized



CASH FLOW PROFILE

ADJUSTED EBITDA LESS CAPITAL EXPENDITURES AND DISBURSEMENTS TO STAKEHOLDERS 1



- CMC's cash flow capabilities have been greatly enhanced through our strategic transformation
 - Will fund current projects using organic cash generation
 - Harvested \$285 million of cash from working capital in FY 2020
- FY 2021 capital expenditures expected in a range of \$200 million to \$225 million
- ▶ Spend on 2nd Arizona micro mill and Danieli 3 of \$85 million and \$18 million, respectively

Source: Public filings, Internal data

1. 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.

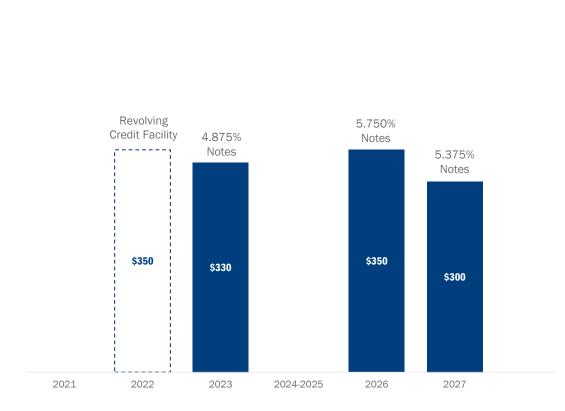


BALANCE SHEET STRENGTH

DEBT MATURITY PROFILE PROVIDES STRATEGIC FLEXIBILITY

DEBT MATURITY SCHEDULE

(US\$ in millions)



Q4 FY'20 LIQUIDITY

(US\$ in millions)



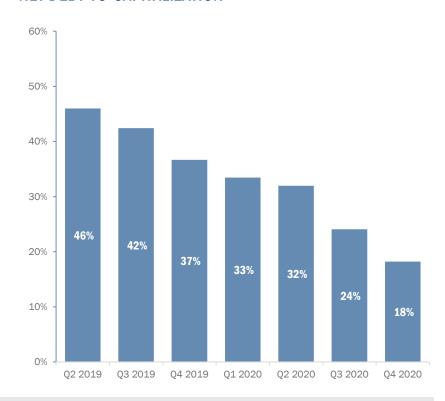


LEVERAGE PROFILE

NET DEBT^{1,2} / EBITDA³

4.5x 4.0x 3.5x 3.0x 2.5x 2.0x 3.9x 3.2x 1.5x 2.5x 1.0x 1.9x 1.6x 1.2x 0.5x0.9xNM 02 2019 03 2019 04 2019 01 2020 02 2020 03 2020 04 2020

NET DEBT-TO-CAPITALIZATION⁴



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



APPENDIX: NON-GAAP RECONCILIATIONS





FREE CASH FLOW RECONCILIATION

		12 MONTHS ENDED			
(\$ in thousands)	8/31/2020	5/31/2020	2/29/2020	11/30/2019	8/31/2020
Net cash flows from (used by) operating activities	\$259,371	\$278,417	\$106,998	\$146,418	\$791,204
Capital expenditures	(53,526)	(37,500)	(51,033)	(45,559)	(187,618)
Free Cash Flow	\$205,845	\$240,917	\$55,965	\$100,859	\$603,586



CORE EBITDA FROM CONTINUING OPERATIONS RECONCILIATION

	3 MONTHS ENDED					
(\$ in thousands)	8/31/2020	5/31/2020	2/29/2020	11/30/2019	8/31/2019	
Earnings from continuing operations	\$67,782	\$64,169	\$63,596	\$82,755	\$85,880	
Interest expense	13,962	15,409	15,888	16,578	17,702	
Income taxes	18,495	23,804	22,845	27,332	16,826	
Depreciation and amortization	41,654	41,765	41,389	40,941	41,051	
Asset impairments	1,098	5,983	-	530	369	
Amortization of acquired unfavorable contract backlog	(10,691)	(4,348)	(5,997)	(8,331)	(16,582)	
Adjusted EBITDA from continuing operations	\$132,300	\$146,782	\$137,721	\$159,805	\$145,246	
Non-cash equity compensation	9,875	6,170	7,536	8,269	7,758	
Acquisition settlement	32,123	-	-	-	-	
Labor cost government refund	(2,985)	-	-	-	-	
Facility closure	2,903	1,863	_	6,339	_	
Debt extinguishment costs	1,778	-	-	-	-	
Acquisition and integration related costs and other	-	-	-	-	6,177	
Purchase accounting effect on inventory	-	-	-	-	-	
Mill operational start-up costs ¹	_	_	-	_	_	
CMC Steel Oklahoma incentives	-	-	-	-	-	
Severance	-	_	_	_	-	

	12 MONT	HS ENDED	
8/31/2020	8/31/2019	8/31/2018	8/31/2017
\$278,302	\$198,779	\$135,237	\$50,175
61,837	71,373	40,957	44,151
92,476	69,681	30,147	15,276
165,749	158,653	131,508	124,490
7,611	384	14,372	1,730
(29,367)	(74,784)	-	-
\$576,608	\$424,085	\$352,221	\$235,822
31,850	25,106	24,038	21,469
32,123	-	-	-
(2,985)	-	-	-
11,105	-	_	_
1,778	-	-	22,672
-	41,958	25,507	-
-	10,315	-	-
-	-	13,471	-
-	-	(3,000)	-
_	_	_	8,129

Core EBITDA from continuing operations²

\$175,994 \$154,815 \$145,257 \$174,413 \$159,181

\$650,479 \$501,465 \$412,237 \$288,092

Source: Public filings

Notes:

1. Net of interest, taxes, depreciation and amortization, impairments, and non-cash equity compensation

2. See page 21 for definitions of non-GAAP financial measures



ADJUSTED EARNINGS FROM CONTINUING OPERATIONS RECONCILIATION

		3	MONTHS EN	DED			12 MONT	HS ENDED	
(\$ in thousands)	8/31/2020	5/31/2020	2/29/2020	11/30/2019	8/31/2019	8/31/2020	8/31/2019	8/31/2018	8/31/2017
Earnings from continuing operations	\$67,782	\$64,169	\$63,596	\$82,755	\$85,880	\$278,302	\$198,779	\$135,237	\$50,175
Acquisition settlement	32,123	-	-	-	-	32,123	-	-	-
Labor cost government refund	(2,985)	-	-	-	-	(2,985)	-	-	-
Facility closure	2,903	1,863	-	6,339	-	11,105	-	-	-
Debt extinguishment costs	1,778	-	-	-	-	1,778	-	-	17,799
Asset impairments	1,098	5,983	-	-	-	7,081	-	12,136	-
Acquisition and integration related costs and other	-	-	-	-	6,177	-	41,958	25,507	-
CMC Steel Oklahoma incentives	-	-	-	-	-	-	-	(3,000)	-
Purchase accounting effect on inventory	-	-	-	-	-	-	10,315	-	-
Mill operational start-up costs	-	-	-	-	-	-	-	18,016	-
Severance	-	-	-	-	-	-	-	-	8,129
Total adjustments (pre-tax)	\$34,917	\$7,846	-	\$6,339	\$6,177	\$49,102	\$52,273	\$52,659	\$25,928
Tax impact									
TCJA impact	-	-	-	-	-	-	\$7,550	\$10,600	-
International reorganization	-	-	-	-	-	-	-	(9,200)	-
Related tax effects on adjustments	(7,392)	(1,648)	-	(1,331)	(1,297)	(10,371)	(10,977)	(13,236)	(9,075)
Total tax impact	(\$7,392)	(\$1,648)	-	(\$1,331)	(\$1,297)	(\$10,371)	(\$3,427)	(\$11,836)	(\$9,075)
Adjusted earnings from continuing operations ¹	\$95,307	\$70,367	\$63,596	\$87,763	\$90,760	\$317,033	\$247,625	\$176,060	\$67,028
Adjusted earnings from continuing operations per diluted share	\$0.79	\$0.59	\$0.53	\$0.73	\$0.76	\$2.64	\$2.08	\$1.49	\$0.57

^{1.} See page 21 for definitions of non-GAAP financial measures



ADJUSTED SEGMENT EBITDA MARGIN

		3 MONTHS ENDED					12 MONTHS ENDED			
(\$ in thousands)	8/31/2020	5/31/2020	2/29/2020	11/30/2019	8/31/2019	8/31/2020	8/31/2019	8/31/2018		
North America Adjusted EBITDA from continuing operations	\$174,219	\$159,394	\$152,831	\$174,732	\$152,450	\$661,176	\$456,296	\$323,993		
North America net sales	1,224,849	1,167,081	1,161,283	1,216,720	1,333,014	4,769,933	5,001,116	3,738,493		
North America Adjusted EBITDA Margin	14.2%	13.7%	13.2%	14.4%	11.4%	13.9%	9.1%	8.7%		
Europe Adjusted EBITDA from continuing operations	\$22,927	\$14,270	\$13,451	\$11,359	\$22,666	\$62,007	\$100,102	\$131,720		
Europe net sales	179,855	173,817	180,079	165,389	205,461	699,140	817,048	887,038		
Europe Adjusted EBITDA Margin	12.7%	8.2%	7.5%	6.9%	11.0%	8.9%	12.3%	14.8%		



ADJUSTED EBITDA LESS CAPITAL EXPENDITURES AND DISBURSEMENTS TO STAKEHOLDERS

	12 MONTHS ENDED					
(\$ in thousands)	8/31/2020	8/31/2019	8/31/2018	8/31/2017	8/31/2016	8/31/2015
Adjusted EBITDA from continuing operations	\$576,608	\$424,085	\$352,221	\$235,822	\$305,237	\$309,268
Capital expenditures and disbursements to stakeholders						
Capital expenditures	187,618	138,836	174,655	213,120	163,332	119,580
Interest expense	61,837	71,373	40,957	44,151	62,121	76,456
Cash income taxes	44,499	7,977	7,198	30,963	50,201	61,000
Dividends	57,056	56,537	56,076	55,514	55,342	55,945
Total capital expenditures and disbursements to stakeholders	\$351,010	\$274,723	\$278,886	\$343,748	\$330,996	\$312,981
Adjusted EBITDA less capital expenditures and disbursements						
to stakeholders	\$225,598	\$149,362	\$73,335	(\$107,926)	(\$25,759)	(\$3,713)



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 (loss) from continuing operations before certain acquisition settlement costs, labor cost government refunds, facility closure costs, debt extinguishment costs, asset impairments, acquisition and integration-related costs, CMC Steel Oklahoma incentives, purchase accounting effects on inventory, mill operational start-up costs and severance expenses, including the estimated income tax effects thereof. Additionally, we adjust adjusted earnings from continuing operations for the effects of the TCJA. 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 a non-GAAP financial measure. 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, asset impairments, and equity compensation. Core EBITDA from continuing operations also excludes certain acquisition settlement costs, amortization of acquired unfavorable contract backlog, labor cost government refunds, facility closure costs, debt extinguishment costs, acquisition and integration-related costs, the effect of purchase accounting adjustments on inventory, mill operational start-up costs, CMC Steel Oklahoma incentives and severance expenses. 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.



THANK YOU

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