2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to______

Commission file number 1-4119

NUCOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**13-1860817**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1915 Rexford Road, Charlotte, North Carolina	**28211**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (704) 366-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $0.40 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Aggregate market value of common stock held by non-affiliates was approximately $18.39 billion based upon the closing sales price of the registrant's common stock on the last business day of the registrant's most recently completed second fiscal quarter, July 1, 2017.

317,936,751 shares of the registrant's common stock were outstanding at February 23, 2018.

DOCUMENTS INCORPORATED BY REFERENCE

Documents incorporated by reference include: Portions of the registrant's 2017 Annual Report to Stockholders (Parts I, II and IV), and portions of the registrant's definitive Proxy Statement for its 2018 Annual Meeting of Stockholders (Part III) to be filed within 120 days after the registrant's fiscal year end.

Nucor Corporation
Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2017

Table of Contents

PART I

Item 1. Business

Overview

Nucor Corporation and its affiliates ("Nucor," the "Company," "we," "us" or "our") manufacture steel and steel products. The Company also produces direct reduced iron ("DRI") for use in its steel mills. Through The David J. Joseph Company and its affiliates ("DJJ"), the Company also processes ferrous and nonferrous metals and brokers ferrous and nonferrous metals, pig iron, hot briquetted iron ("HBI") and DRI. Most of the Company's operating facilities and customers are located in North America. The Company's operations include international trading and sales companies that buy and sell steel and steel products manufactured by the Company and others.

Nucor is North America's largest recycler, using scrap steel as the primary raw material in producing steel and steel products. In 2017, we recycled approximately 18.8 million tons of scrap steel.

General Development of our Business in Recent Years

The significant developments in Nucor's business in recent years have aligned with our capital allocation strategy. Our highest capital allocation priority is to invest in our business for profitable long-term growth through our multi-pronged strategy of optimizing existing operations, acquisitions and greenfield expansions. Our second priority is to provide our stockholders with cash dividends that are consistent with our success in delivering long-term earnings growth. Our third priority is to opportunistically repurchase shares of our common stock when our cash position is strong and attractively priced growth opportunities are limited.

Nucor has invested significant capital in recent years to expand our product portfolio to include more value-added steel mill products, improve our cost structure, enhance our operational flexibility and provide additional channels to market for our products. These investments total $2.53 billion over the last three years, with approximately two-thirds going to capital expenditures and approximately one-third going to acquisitions. We believe that our focus on lowering cost will enable us to execute on our strategy of delivering profitable long-term growth. Shifting our product mix to a greater portion of value-added products and increasing end-user market diversity will make us less susceptible to imports.

The following recently completed projects to optimize operations at existing facilities within our steel mills segment illustrate Nucor's execution on the value-added product expansion and cost improvement aspects of our strategy. The final components of Nucor's $290 million project at our South Carolina, Nebraska and Tennessee bar mills were completed in 2015 to expand our special bar quality ("SBQ") and wire rod production capabilities by approximately 1,000,000 tons. These SBQ projects allow us to produce engineered bar for more demanding applications that are less exposed to imports while maintaining our position as a low-cost commodity bar producer by shifting production of rebar to our other bar mills. Additionally, our Nucor-Yamato Steel Company ("Nucor-Yamato") joint venture recently completed two major capital projects to broaden its product offerings. Nucor-Yamato completed a $115 million project in late 2014 to add several additional sheet piling sections which are wider, lighter and stronger, covering more area at a lower installed cost. The joint venture also began shipping structural steel from its $75 million quench and self-tempering line in late 2016, which makes that mill the sole North American producer of certain high-strength, low-alloy structural sections.

Nucor also recently announced several new capital projects with 2019 targeted completion dates which align with our expansion of value-added product offerings and cost-reduction strategies. Our Nucor Steel Arkansas facility is building an additional cold mill at an estimated cost of $230 million. That cold mill facility will expand our ability to produce advanced, high-strength low-alloy and motor lamination steel products. At our sheet mill located in Ghent, Kentucky, which we acquired in 2014, Nucor recently announced plans to expand the 1,600,000 tons-per-year mill by building a hot band galvanizing line for approximately $176 million. We believe the new galvanizing line will be the widest hot-rolled galvanizing line in North America with its 72-inch product, allowing us to enter new automotive market segments. Nucor has also recently announced several major investments within our bar mill group which will capitalize on our position as a low-cost producer of bar. Nucor will build a 350,000 tons-per-year rebar micro mill near Kansas City in Sedalia, Missouri at an estimated cost of $250 million. We believe that positioning the micro mill near the Kansas City market will provide us with a freight cost advantage relative to more distant suppliers, and we will also benefit from the scrap supply in the immediate area provided by our existing DJJ operations. The second bar mill growth initiative is Nucor Steel Kankakee, Inc.'s plan to build a $180 million full range merchant bar mill with 500,000 tons of annual capacity at our existing mill in Bourbonnais, Illinois. Like the new micro mill, we believe that the Kankakee mill will also benefit from logistical advantages and low-cost scrap supply. Finally, Nucor has begun construction on an $85 million modernization project at our Marion, Ohio bar mill which will allow us to reduce our operating costs.

Nucor's steel mills segment has also grown significantly in recent years through the acquisitions of a plate mill in Longview, Texas ("Longview"), Independence Tube Corporation ("Independence Tube"), Southland Tube, Inc. ("Southland") and Republic Conduit ("Republic"). Acquired during the third quarter of 2016 for approximately $29 million, Longview is able to produce approximately 125,000 tons annually of higher value-added carbon and alloy plate products that can range from 1 to 12 inches thick and up to 138 inches wide. We completed the acquisition of Independence Tube during the fourth quarter of 2016 for approximately $430 million, and we completed the acquisition of Southland in January 2017 for approximately $130 million. From their five facilities in Alabama and Illinois, Independence Tube and Southland are able to produce over 800,000 tons annually of hollow structural section ("HSS") steel tubing used primarily in nonresidential construction markets. In January 2017, Nucor also completed the acquisition of Republic, a steel electrical conduit manufacturer with plants in Georgia and Kentucky, for approximately $332 million. These three pipe and tube businesses provide Nucor with a new line of value-added products to offer our customers, and they provide a value-added channel to market as the businesses are consumers of Nucor's hot-rolled sheet steel.

The steel products segment has experienced recent growth as well through the September 2017 acquisition of St. Louis Cold Drawn, Inc. ("St. Louis") for approximately $60 million. With a manufacturing location in St. Louis, Missouri and another location in Monterrey, Mexico, St. Louis is able to manufacture approximately 200,000 tons annually of cold drawn rounds, hexagons, squares and special sections to serve the U.S. and Mexican automotive and industrial markets. The St. Louis acquisition also provides an additional channel to market for the SBQ products that we produce at some of our bar mills. Also within our steel products segment, we have recently acquired the assets of several businesses that will expand our bar grating presence in the United States and provide us with joist and deck production capabilities in Eastern and Western Canada to better serve our customers in Canadian markets.

In addition to growing through capital expansions at existing operations and acquisitions, Nucor also uses joint ventures as a platform for growth. In 2016, we announced the formation of a joint venture with JFE Steel Corporation of Japan in which Nucor will have 50% ownership in a plant that is being built in central Mexico to supply galvanized sheet steel to the growing Mexican automotive market. The plant, which is expected to be operational in the second half of 2019, will cost approximately $270 million and will have an annual capacity of approximately 400,000 tons. Nucor's sheet mills are expected to provide approximately half of the hot-rolled steel substrate that will be consumed by the joint venture.

Nucor's second capital allocation priority is to provide our stockholders with cash dividends that are consistent with our success in delivering long-term earnings growth. Nucor has paid $1.45 billion in dividends to its stockholders during the past three years. That dividend payout represents 29% of cash flows from operations during that three-year period.

Our third priority is to opportunistically repurchase shares of our common stock. In 2015, Nucor's Board of Directors approved a share repurchase program under which the Company is authorized to repurchase up to $900.0 million of shares of its common stock. The Company repurchased $90.3 million shares of its common stock in 2017, $5.2 million in 2016 and $66.5 million in 2015. As of December 31, 2017, approximately $738.0 million remained available for repurchase under the program.

Segments

Nucor reports its results in three segments: steel mills, steel products and raw materials. Net sales to external customers, intercompany sales, depreciation expense, amortization expense, earnings (loss) before income taxes and noncontrolling interests, assets and capital expenditures by segment for each of the three fiscal years in the three-year period ended December 31, 2017 are set forth in Note 22 of the Notes to Consolidated Financial Statements included in Nucor's 2017 Annual Report to Stockholders, which is incorporated by reference. The steel mills segment is Nucor's largest segment, representing approximately 72% of the Company's sales to external customers in the year ended December 31, 2017.

Principal Products Produced

In the steel mills segment, Nucor produces sheet steel (hot-rolled, cold-rolled and galvanized), HSS steel tubing, electrical conduit, plate steel, structural steel (wide-flange beams, beam blanks, H-piling and sheet piling) and bar steel (blooms, billets, concrete reinforcing bar, merchant bar and special bar quality). Nucor manufactures steel principally from scrap steel and scrap steel substitutes using electric arc furnaces, continuous casting and automated rolling mills. The steel mills segment also includes Nucor's equity method investments in Duferdofin Nucor S.r.l. ("Duferdofin Nucor") and NuMit LLC ("NuMit"), as well as Nucor's steel trading businesses and rebar distribution businesses. In the steel products segment, Nucor produces steel joists and joist girders, steel deck, fabricated concrete reinforcing steel, cold finished steel, steel fasteners, metal building systems, steel grating and expanded metal, and wire and wire mesh. In the raw materials segment, Nucor produces DRI; brokers ferrous and nonferrous metals, pig iron, HBI and DRI; supplies ferro-alloys; and processes ferrous and nonferrous scrap metal. The raw materials segment also includes our natural gas drilling operations.

Markets and Marketing

The steel mills segment sells its products primarily to steel service centers, fabricators and manufacturers located throughout the United States, Canada, Mexico and elsewhere in the world. Nucor produces hot-rolled, cold-rolled and galvanized sheet steel to customers' specifications while maintaining inventories to fulfill anticipated orders. We estimate that approximately 65% of our sheet steel sales in 2017 were to contract customers. The balance of our sheet steel sales was made in the spot market at prevailing prices at the time of sale. The proportion of tons sold to contract customers at any given time depends on a variety of factors, including our consideration of current and future market conditions, our strategy to appropriately balance spot and contract tons in a manner to meet our customers' requirements while considering the expected profitability, our desire to sustain a diversified customer base, and our end-use customers' perceptions about future market conditions. These sheet sales contracts permit price adjustments to reflect changes in the current market-based indices and/or raw material costs near the time of shipment. These sheet sales contracts typically have terms ranging from six to 12 months. Steel contract sales outside of our sheet operations are not significant.

Our tubular, plate, structural, reinforcing and merchant bar steel come in standard sizes and grades, which allows us to maintain inventory levels of these products to meet our customers' expected orders. In addition, our bar mill group manufactures hot-rolled SBQ products to exacting specifications primarily servicing the automotive, energy, agricultural, heavy equipment and transportation sectors. Almost all of our tubular, plate, structural, rebar, merchant bar and SBQ steel sales occur in the spot market at prevailing market prices.

In 2017, approximately 83% of the shipments made by our steel mills segment were to external customers. The remaining 17% of the steel mills segment's shipments went to our tubular products mills, our piling distributor and our downstream joist, deck, rebar fabrication, fastener, metal buildings and cold finish operations.

One of Nucor's strategies for growth is expanding the channels by which our steel mills' products can reach end-user customers. The percentage of shipments consumed internally has increased from 14% in 2016 due to some of the recent investments in our business, such as the tubular products plants and St. Louis that consume steel produced by our steel mills.

In the steel products segment, we sell steel joists and joist girders, and steel deck to general contractors and fabricators located throughout the United States and Canada. We make these products to the customers' specifications and do not maintain inventories of these finished steel products. The majority of these contracts are firm, fixed-price contracts that are in most cases competitively bid against other suppliers. Longer-term supply contracts may or may not permit us to adjust our prices to reflect changes in prevailing raw materials costs. We sell and install fabricated reinforcing products primarily on a construction contract bid basis. These products are used by contractors in constructing highways, bridges, reservoirs, utilities, hospitals, schools, airports, stadiums and high-rise buildings. We manufacture cold finished steel, steel fasteners, steel grating, wire and wire mesh in standard sizes and maintain inventories of these products to fulfill anticipated orders. We sell cold finished steel and steel fasteners primarily to distributors and manufacturers located throughout the United States and Canada.

We market products from the steel mills and steel products segments mainly through in-house sales forces. We also utilize our internal distribution and trading companies to market our products abroad. The markets for these products are largely tied to capital and durable goods spending and are affected by changes in general economic conditions.

In the raw materials segment, we process ferrous and nonferrous scrap metal for use in our steel mills and for sale to various domestic and international external customers. We also broker ferrous and nonferrous metals and scrap substitutes, supply ferro-alloys and provide transportation, material handling and other services to users of scrap metals. Our primary external customers for ferrous scrap are electric arc furnace steel mills and foundries that use ferrous scrap as a raw material in their manufacturing process. External customers purchasing nonferrous scrap metal include aluminum can producers, secondary aluminum smelters, steel mills and other processors and consumers of various nonferrous metals. We market scrap metal products and related services to our external customers through in-house sales forces. In 2017, approximately 10% of the ferrous and nonferrous metals and scrap substitutes tons we processed were sold to external customers. We consumed the balance in our steel mills.

Also within the raw materials segment are our DRI plants in Trinidad and Louisiana that produce high quality iron inputs able to be used in our steel mills' melting process, as well as our natural gas production operations. All natural gas produced by the drilling operations is and will be sold to outside parties.

Competition

We compete in a variety of steel and metal markets, including markets for finished steel products, unfinished steel products and raw materials. These markets are highly competitive with many domestic and foreign firms participating, and, as a result of this highly competitive environment, we find that we primarily compete on price and service.

Our electric arc furnace steel mills face many different forms of competition, including integrated steel producers (who use iron ore converted into liquid form in a blast furnace as their basic raw material instead of scrap steel), other electric arc furnace steel mills, foreign imports and alternative materials. Large domestic integrated steel producers have the ability to manufacture a variety of products but face significantly higher energy costs and are often burdened with higher capital and fixed operating costs. Electric arc furnace steel mill producers such as Nucor are sensitive to increases in scrap prices but tend to have lower capital and fixed operating costs compared with large integrated steel producers.

Excess global steelmaking capacity, particularly in non-market economies, continues to be a significant challenge for Nucor and the entire U.S. steel industry. With the U.S. economy performing better than most other economies around the world and a strong U.S. dollar, the U.S. steel market is the destination of choice for global steel producers. In 2017, total steel imports increased by more than 15% compared to 2016. Finished imports last year captured an estimated 27% market share. As a result, the domestic steel industry has continued to aggressively pursue trade cases to curb unfairly traded imports.

Competition from foreign steel and steel product producers presents unique challenges for us. Imported steel and steel products often benefit from government subsidies, either directly or indirectly through government-owned enterprises or government-owned or controlled financial institutions. China, which accounts for almost half of the steel produced annually in the world, is the prime example of how some foreign governments impact the global steel market. Nucor believes that Chinese producers, many of which are government-owned in whole or in part, benefit from their government's manipulation of foreign currency exchange rates and from the receipt of government subsidies, which allow them to sell their products below cost. Other foreign governments utilize similar tactics to artificially lower their steel production costs. These distorting trade practices are widely recognized as being unfair and have been challenged successfully as violating world trade rules. In 2017, the U.S. Department of Commerce made favorable rulings in trade cases involving steel plate, rebar and wire rod.

Efforts by foreign companies to evade duties by routing products through third-party countries is also a challenge. Artificially-priced imports and duty evasion schemes make it very difficult for Nucor to maintain sales prices and profit levels. As a result, Nucor joined three other steelmakers in filing a petition alleging China is circumventing coated steel sheet duties by shipping product through Vietnam. At the end of the year, U.S. steel producers also received a favorable ruling in this case when the U.S. Department of Commerce made a preliminary determination that corrosion-resistant and cold-rolled steel from Vietnam that originated in China evaded U.S. anti-dumping and anti-subsidy orders. A final determination is expected to be announced in the first quarter of 2018.

The U.S. government continues to treat China as a non-market economy, despite China's insistence that it should be recognized as a market economy under its Protocol of Accession to the World Trade Organization (the "Protocol"). China was a government-run, non-market economy in 2001 when it entered the Protocol, and China remains a government-run, non-market economy today. The main objective of the Protocol was to encourage, and in some cases to require, China to make market-based economic reforms. However, over the past 16 years, China has failed to take the required steps to establish that it is a market economy under U.S. law. Therefore, the United States had no reason to change its treatment of China as a non-market economy when one of the relevant provisions of the Protocol expired in December 2016. By treating China as a non-market economy in antidumping cases, the U.S. Department of Commerce can assume that Chinese prices and costs are distorted, and may use other methodologies to calculate antidumping duties. This often results in appropriately higher duties against Chinese products in order to offset its unfair trade practices. China has filed a challenge to the U.S. decision with the World Trade Organization.

Aggressive trade practices, left unchallenged, seriously undermine the ability of Nucor and other domestic producers to compete on price. Competition from countries with subsidized production costs has significantly contributed to the exodus of manufacturing jobs from the United States. When such an exodus occurs, the U.S. economy is weakened and Nucor's customer base is diminished. Rigorous trade law enforcement is critical to our ability to maintain our competitive position against foreign producers that engage in unlawful trade practices. Nucor has been active in calling on policymakers to enforce global trade agreements.

We also experience competition from other materials. Depending on our customers' end use of our products, there are sometimes other materials, such as concrete, aluminum, plastics, composites and wood that compete with our steel products. When the price of steel relative to other raw materials rises, these alternatives become more attractive to our customers.

Competition in our scrap and raw materials business is also vigorous. The scrap metals market consists of many firms and is highly fragmented. Firms typically compete on price and geographic proximity to the sources of scrap metal.

Backlog

In the steel mills segment, Nucor's backlog of orders was approximately $1.87 billion and $1.52 billion at December 31, 2017 and 2016, respectively. Order backlog for the steel mills segment includes only orders from external customers and excludes orders from other Nucor businesses. Nucor's backlog of orders in the steel products segment was approximately $1.58 billion and $1.40 billion at December 31, 2017 and 2016, respectively. The majority of these orders will be filled within one year. Order backlog within our raw materials segment is not significant because the majority of the raw materials that segment produces are used internally.

Sources and Availability of Raw Materials

For the past decade, Nucor has focused on securing access to low-cost raw material inputs as they are the Company's largest expense. Nucor's broad, balanced supply chain is an important strength which allows us to reduce the cost of our steelmaking operations, create a shorter supply chain and have greater optionality over our metallic inputs. Our investment in DRI production facilities and scrap yards, as well as our access to international raw materials markets, provides Nucor with significant flexibility in optimizing our raw materials costs. Additionally, having a significant portion of our raw materials supply under our control minimizes risk associated with the global sourcing of raw materials, particularly since a good deal of scrap substitutes comes from regions of the world that have historically experienced greater political turmoil. Continued successful implementation of our raw material strategy, including key investments in DRI production, coupled with the scrap brokerage and processing services performed by our team at DJJ, give us greater control over our metallic inputs and thus help us mitigate the risk of significant price fluctuations in input costs.

The primary raw materials for our steel mills segment are ferrous scrap and scrap substitutes such as pig iron, DRI and HBI. On average, it takes approximately 1.1 tons of scrap and scrap substitutes to produce a ton of steel. DJJ operates six regional scrap companies within the United States that have a combined annual scrap processing capability of approximately 5,000,000 tons. DJJ acquires ferrous scrap from numerous sources, including manufacturers of products made from steel, industrial plants, scrap dealers, peddlers, auto wreckers and demolition firms. We purchase pig iron as needed from a variety of sources and operate DRI plants in Trinidad and Louisiana with respective capacities of approximately 2,000,000 and 2,500,000 metric tons annually. The primary raw material for our DRI facilities is iron ore, which we purchase from various international suppliers.

In October 2016, Nucor concluded several transactions to improve its access to a long-term supply of natural gas. Nucor purchased 49% of Encana Oil & Gas (USA) Inc.'s ("Encana") leasehold interest covering approximately 54,000 acres in the South Piceance Basin. Further, Nucor and Encana also terminated the two Carry and Earning ("C&E") drilling agreements entered into in 2010 and 2012, and Nucor sold its 50% equity interest in Hunter Ridge Energy Services LLC ("Hunter Ridge") to Encana. Hunter Ridge is a gas gathering and water service provider formed by Nucor and Encana in 2012 to support the joint well development in the North Piceance Basin. In the new arrangement, the determination of whether or not to participate and invest in all future drilling capital investment by one working interest owner is independent of the other working interest owners. As such, Nucor has full discretion on its participation in all future drilling capital investments. By canceling the C&E drilling agreements, Nucor has eliminated all future carry capital and all contingent liabilities associated with those contracts, which should result in lower unit cost for any future drilling. Nucor retains all existing producing wells it currently owns. To support Nucor's operating wells and potential future well developments on the approximately 54,000 acres, Nucor has entered into long-term agreements directly with existing third-party gathering and processing service providers.

The primary raw material for our steel products segment is steel produced by Nucor's steel mills.

DJJ generally purchases ferrous and nonferrous scrap for sale to external customers from the same variety of sources it purchases ferrous scrap for use as a raw material in Nucor's steel mills. DJJ does not purchase a significant amount of scrap metal from a single source or from a limited number of major sources. The availability and price of ferrous scrap and other metallic inputs such as iron ore are affected by changes in the global supply and demand for steel and steel products.

Energy Consumption and Costs

Our steel mills are large consumers of electricity and natural gas. Our DRI facilities in Trinidad and Louisiana are also large consumers of natural gas. Consequently, we use a variety of strategies to manage our exposure to price risk of natural gas, including cash flow hedges and our natural gas drilling operations.

Historically, manufacturers in the United States have benefited from relatively stable and competitive energy costs that have allowed them to compete on an equal footing in the increasingly global marketplace. The availability and prices of electricity and natural gas are influenced today, however, by many factors, including changes in supply and demand, advances in drilling technology and, increasingly, changes in public policy relating to energy production and use. Because energy is such a significant cost for Nucor, we strive continually to make our operations in all three of our business segments more energy efficient. We also closely monitor developments in public policy relating to energy production and consumption. When appropriate, we work to shape those developments in ways that we believe will allow us to continue to be a competitive producer of steel and steel products in an increasingly competitive global marketplace.

Environmental Laws and Regulations

Our business operations are subject to numerous federal, state and local laws and regulations intended to protect the environment. The principal federal environmental laws include the Clean Air Act that regulates air emissions; the Clean Water Act (the "CWA") that regulates water discharges and withdrawals; the Resource Conservation and Recovery Act (the "RCRA") that addresses solid and hazardous waste treatment, storage and disposal; and the Comprehensive Environmental Response, Compensation and Liability Act (the "CERCLA") that governs releases of, and remediation of, sites contaminated by hazardous substances. Our operations are also subject to state laws and regulations that are patterned on these and other federal laws.

We believe that we are in substantial compliance with the provisions of all federal and state environmental laws and regulations applicable to our business operations.

Nucor uses electric arc furnaces ("EAFs") to recycle scrap metal and scrap substitutes into new steel products. These EAFs use electricity as their primary source of energy. As the Trump administration revisits any number of recently implemented environmental regulations, such as greenhouse gas ("GHG") regulations, air toxics rules and emissions standards imposed on coal-fired electric utilities, it is reasonable to assume that any cost implications would be delayed until those reviews are complete.

The CWA regulates water discharges and withdrawals. Nucor maintains discharge and withdrawal permits as appropriate at its facilities under the national pollutant discharge elimination system program of the CWA and conducts its operations in compliance with those permits. Nucor also maintains permits from local governments for the discharge of water into publicly owned treatment works where available.

The RCRA establishes standards for the management of solid and hazardous wastes. The RCRA also addresses the environmental impact of contamination from waste disposal activities and from recycling and storage of most wastes. While Nucor believes it is in substantial compliance with these regulations, past waste disposal activities that were legal when conducted but now may pose a contamination threat are periodically discovered. These activities and off-site properties that the U.S. Environmental Protection Agency (the "EPA") has determined are contaminated, for which Nucor may be potentially responsible at some level, are quickly evaluated and corrected. While Nucor has conducted and is in the final stages of completing some cleanups under the RCRA, these liabilities either are identified already and being resolved or have been fully resolved.

Because Nucor long ago implemented environmental practices that have resulted in the responsible disposal of waste materials, Nucor is also not presently considered a major contributor to any major cleanups under the CERCLA for which Nucor has been named a potentially responsible party. Nucor continually evaluates these types of potential liabilities and, if appropriate, maintains reserves sufficient to remediate the identified liabilities. Under the RCRA, private citizens may also bring an action against the operator of a regulated facility for potential damages and payment of cleanup costs. Nucor is confident that its system of internal evaluation and due diligence has sufficiently identified these types of potential liabilities so that compliance with these regulations will not have a material adverse effect on our results of operations, cash flows or financial condition beyond that already reflected in the reserves established for them.

The primary raw material of Nucor's steelmaking operations is scrap metal. The process of recycling scrap metal brings with it many contaminants such as paint, zinc, chrome and other metals that produce air emissions which are captured in specialized emission control equipment. This filtrant (EAF dust) is classified as a listed hazardous waste under the RCRA. Because these contaminants contain valuable metals, this filtrant is recycled to recover those metals. Nucor sends all but a small fraction of the EAF dust it produces to recycling facilities that recover the zinc, lead, chrome and other valuable metals from this dust. By recycling this material, Nucor is not only acting in a sustainable, responsible manner but is also substantially limiting its potential for future liability under both the CERCLA and the RCRA.

Nucor operates an aggressive and sustainable environmental program that incorporates the concept of individual employee as well as management responsibility for environmental performance. All of Nucor's steelmaking operations are ISO 14001 certified. Achieving ISO 14001 certification means that each of Nucor's steel mills has put an environmental management system in place with measurable targets and objectives, such as reducing the use of oil and grease and minimizing electricity use, and has implemented site-wide recycling programs. Many of our facilities have incorporated energy efficiency targets to reduce both cost and environmental impacts into their environmental management systems. These environmental management systems help facilitate compliance with our environmental commitment, which is every Nucor teammate's responsibility. Nucor's environmental program maintains a high level of ongoing training, commitment, outreach and visibility.

Capital expenditures at our facilities that are associated with environmental regulation compliance for 2018 and 2019 are estimated to be less than $100 million per year.

Employees

Nucor has a simple, streamlined organizational structure to allow our employees to make quick decisions and to innovate. Our organization is highly decentralized, with most day-to-day operating decisions made by our division general managers and their staff. We have slightly more than 100 employees in our principal executive offices. The vast majority of Nucor's approximately 25,100 employees as of December 31, 2017 are not represented by labor unions.

Available Information

Nucor's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to these reports, are available on our website at www.nucor.com, as soon as reasonably practicable after Nucor files these reports electronically with, or furnishes them to, the U.S. Securities and Exchange Commission (the "SEC"). Except as otherwise stated in these reports, the information contained on our website or available by hyperlink from our website is not incorporated into this report or other documents we file with, or furnish to, the SEC.

Item 1A. Risk Factors

Many of the factors that affect our business and operations involve risk and uncertainty. The factors described below are some of the risks that could materially negatively affect our business, financial condition and results of operations.

Overcapacity in the global steel industry could increase the level of steel imports, which may negatively affect our business, results of operations, financial condition and cash flows.

The current global steelmaking capacity exceeds the current global consumption of steel. During periods of global economic weakness this overcapacity is amplified because of weaker global demand. This excess capacity often results in manufacturers in certain countries exporting significant amounts of steel and steel products at prices that are at or below their costs of production. In some countries the steel industry is subsidized or owned in whole or in part by the government, giving imported steel from those countries certain cost advantages. These imports, which are also affected by demand in the domestic market, international currency conversion rates and domestic and international government actions, can result in downward pressure on steel prices, which could materially adversely affect our business, results of operations, financial condition and cash flows. Overcapacity has also led to greater protectionism as is evident in raw material and finished product border tariffs put in place by China, Brazil and other countries.

The G-20 Global Forum on Steel Excess Capacity, citing data from the Organisation for Economic Co-operation & Development and the World Steel Association, reports that in 2016 global steel production overcapacity was estimated at approximately 812,000,000 tons per year, with China being the largest contributor to overcapacity. Total steel imports into the United States increased more than 15% in 2017 compared to the prior year. Excess capacity results in steel and steel products, which would otherwise have been consumed by the local steel customers, being displaced into global markets and thereby putting our steel and steel products at a competitive disadvantage.

The domestic steel market could experience a contraction in exports at the same time as imports grow due to weakening conditions in Europe and policies of foreign governments that result in overvaluing the U.S. dollar against other foreign currencies. Furthermore, the addition of new capacity in the United States could exacerbate the issue of overcapacity domestically as well as globally.

Our industry is cyclical and both recessions and prolonged periods of slow economic growth could have an adverse effect on our business.

Demand for most of our products is cyclical in nature and sensitive to general economic conditions. Our business supports cyclical industries such as the commercial construction, energy, metals service centers, appliance and automotive industries. As a result, downturns in the U.S. economy or any of these industries could materially adversely affect our results of operations, financial condition and cash flows. While the United States has recently experienced modest growth in the general economy and steel demand in this country is stronger than in many parts of the world, the global and domestic steel industries continue to face significant challenges. These challenges are caused by global overcapacity in the steel industry and ongoing uncertainties in other regions of the world. These situations can contribute to weaker end-markets and depressed demand for domestically produced steel and steel products, potentially resulting in extraordinary volatility in our financial results.

The economic outlook for our industry remains uncertain both in the United States and globally. While we believe that the long-term prospects for the steel industry remain bright, we are unable to predict the duration of the current economic conditions that are contributing to reduced demand for domestically produced steel and steel products below the 2007 pre-recession levels. Future economic downturns or a prolonged slow-growth or stagnant economy could materially adversely affect our business, results of operations, financial condition and cash flows.

Competition from other steel producers, imports or alternative materials may adversely affect our business.

We face strong competition from other steel producers and imports that compete with our products on price and service. The steel markets are highly competitive and a number of firms, domestic and foreign, participate in the steel and raw materials markets. Depending on a variety of factors, including raw materials cost and availability, energy, technology, labor and capital costs, government control of currency exchange rates and government subsidies of foreign steel producers, our business may be materially adversely affected by competitive forces.

In many applications, steel competes with other materials, such as concrete, aluminum, plastics, composites and wood. Increased use of these materials in substitution for steel products could have a material adverse effect on prices and demand for our steel products.

Since 2011, automobile producers have begun taking steps towards complying with new Corporate Average Fuel Economy mileage requirements for new cars and light trucks that they produce. As automobile producers work to produce vehicles in compliance with these new standards, they may reduce the amount of steel or begin utilizing alternative materials in cars and light trucks to improve fuel economy, thereby reducing demand for steel and resulting in further over-supply of steel in North America. Certain automakers have begun to use greater amounts of aluminum and smaller proportions of steel in some models since 2015.

The results of our operations are sensitive to volatility in steel prices and the cost of raw materials, particularly scrap steel.

We rely to an extent on outside vendors to supply us with key consumables such as graphite electrodes and raw materials, including both scrap and scrap substitutes that are critical to the manufacture of our products. Although we have vertically integrated our business by constructing our DRI facilities in Trinidad and Louisiana and also acquiring DJJ, we still must purchase most of our primary raw material, steel scrap, from numerous other sources located throughout the United States. Although we believe that the supply of scrap and scrap substitutes is adequate to operate our facilities, prices of these critical raw materials are volatile and are influenced by changes in scrap exports in response to changes in the scrap, scrap substitutes and iron ore demands of our global competitors. At any given time, we may be unable to obtain an adequate supply of these critical raw materials with price and other terms acceptable to us. The availability and prices of raw materials may also be negatively affected by new laws and regulations, allocation by suppliers, interruptions in production, accidents or natural disasters, changes in exchange rates, worldwide price fluctuations, and the availability and cost of transportation. Many countries that export steel into our markets restrict the export of scrap, protecting the supply chain of some foreign competitors. This trade practice creates an artificial competitive advantage for foreign producers that could limit our ability to compete in the U.S. market.

If our suppliers increase the prices of our critical raw materials, we may not have alternative sources of supply. In addition, to the extent that we have quoted prices to our customers and accepted customer orders for our products prior to purchasing necessary raw materials, we may be unable to raise the price of our products to cover all or part of the increased cost of the raw materials. Also, if we are unable to obtain adequate and timely deliveries of our required raw materials, we may be unable to timely manufacture sufficient quantities of our products. This could cause us to lose sales, incur additional costs and suffer harm to our reputation.

Changes in the availability and cost of electricity and natural gas are subject to volatile market conditions that could adversely affect our business.

Our steel mills are large consumers of electricity and natural gas. In addition, our DRI facilities are also large consumers of natural gas. We rely upon third parties for our supply of energy resources consumed in the manufacture of our products. The prices for and availability of electricity and natural gas are subject to volatile market conditions. These market conditions often are affected by weather, political and economic factors beyond our control, and we may be unable to raise the price of our products to cover increased energy costs. Disruptions in the supply of our energy resources could temporarily impair our ability to manufacture our products for our customers. Increases in our energy costs resulting from regulations that are not equally applicable across the entire global steel market could materially adversely affect our business, results of operations, financial condition and cash flows.

Our steelmaking processes, DRI processes, and the manufacturing processes of many of our suppliers, customers and competitors are energy intensive and generate carbon dioxide and other GHGs. The regulation of these GHGs through new rulemaking or legislation in an onerous form could have a material adverse impact on our results of operations, financial condition and cash flows.

Carbon is an essential raw material in Nucor's production processes. As a carbon steel producer, Nucor could be increasingly affected both directly and indirectly if more stringent GHG regulations are further implemented. Because our operations are subject to most of these new GHG regulations, we are already impacted in the permit modification and reporting processes. Both GHG regulations and recently promulgated National Air Ambient Quality Standards, which are more restrictive than previous standards, make it significantly more difficult to obtain new permits and to modify existing permits.

These same regulations have indirectly increased the costs to manufacture our products as they have increased and continue to increase the cost of energy, primarily electricity, which we use extensively in the steelmaking process. The discovery of new natural gas reserves utilizing the practice of horizontal drilling and hydraulic fracturing is dampening some of this indirect impact, as some utilities switch fuels to natural gas from coal thereby reducing their emissions significantly. However, because some generating facilities when faced with new regulations are idling facilities instead of converting to natural gas, the resulting reduction in capacity can and will create further pressure on electrical energy prices. The EPA has recently announced that it will be replacing the previously promulgated Clean Power Plan that was driving many utilities to shutter coal fired power plants. At this time there is a significant degree of uncertainty with respect to the results of this change in regulatory direction. To the extent that these regulations cause either directly or indirectly an increase in the cost of energy, they could have an impact on Nucor's competitive position.

While the federal government appears to be moving to relax burdensome regulations, some states are moving to enact their own regulations of carbon and other GHG emissions. If such regulations are enacted in states in which Nucor does business, it could negatively affect those operations. Because some foreign steel producers are not subject to these same indirect and direct regulatory burdens and their associated cost increases, our products could be at a further competitive disadvantage. In addition to increased costs of production, we could also incur costs to defend and resolve legal claims and other litigation related to new air and water quality regulations and the alleged impact of our operations on the environment.

Environmental compliance and remediation could result in substantially increased costs and materially adversely impact our competitive position.

Our operations are subject to numerous federal, state and local laws and regulations relating to protection of the environment, and we accordingly, make provision in our financial statements for the estimated costs of compliance. These laws and regulations are becoming increasingly stringent, resulting in inherent uncertainties in these estimates. The EPA has recently revised the rules and definitions around recycling and solid wastes. The new rules require states to create new programs and certification processes for the companies that wish to continue recycling materials. Increased administrative and operational costs are likely in the United States to handle steel mill recycled materials such as slag, mill scale, iron dusts, lime and air filtration control dusts. To the extent that competitors, particularly foreign steel producers and manufacturers of competitive products, are not subject to similar regulation and required to incur equivalent costs, our competitive position could be materially adversely impacted. If one of our permits is revoked or if we were to experience significant delays in obtaining a permit modification or a new permit, this could result in operational delays at one or more of our facilities, causing a negative impact on our results of operations and cash flows.

We acquire businesses from time to time and we may encounter difficulties in integrating businesses we acquire.

We plan to continue to seek attractive opportunities to acquire businesses, enter into joint ventures and make other investments that strengthen Nucor. Realizing the anticipated benefits of acquisitions or other transactions will depend on our ability to operate these businesses and integrate them with our operations and to cooperate with our strategic partners. Our business, results of operations, financial condition and cash flows could be materially adversely affected if we are unable to successfully integrate these businesses.

Our operations are subject to business interruptions and casualty losses.

The steelmaking business is subject to numerous inherent risks, particularly unplanned events such as explosions, fires, other accidents, natural disasters such as floods or earthquakes, unplanned critical equipment failures, acts of terrorism, inclement weather and transportation interruptions. While our insurance coverage could offset losses relating to some of those types of events, our results of operations and cash flows could be adversely impacted to the extent any such losses are not covered by our insurance.

We are subject to information technology and cyber security threats which could have an adverse effect on our business and results of operations.

We utilize various information technology systems to efficiently address business functions ranging from the operation of our production equipment to administrative computation to the storage of data such as intellectual property and proprietary business information. Despite efforts to assure secure and uninterrupted operations, threats from increasingly sophisticated cyber-attacks or system failures could result in materially adverse operational disruptions or security breaches. These risks could result in disclosure or destruction of key proprietary information and reputational damage that could adversely affect our ability to physically produce steel, resulting in lost revenues, as well as delays in reporting our financial results. We also could be required to spend significant financial and other resources to remedy the damage caused by a security breach, including to repair or replace networks and information technology systems, liability for stolen information, increased cybersecurity protection costs, litigation expense and increased insurance premiums.

Our business requires substantial capital investment and maintenance expenditures, and our capital resources may not be adequate to provide for all of our cash requirements.

Our operations are capital intensive. For the five-year period ended December 31, 2017, our total capital expenditures, excluding acquisitions, were approximately $3.3 billion. Our business also requires substantial expenditures for routine maintenance. Although we expect requirements for our business needs, including the funding of capital expenditures, debt service for financings and any contingencies, will be financed by internally generated funds or from borrowings under our $1.5 billion unsecured revolving credit facility, we cannot assure you that this will be the case. Additional acquisitions or unforeseen events could require financing from additional sources.

Risks associated with operating in international markets could adversely affect our business, financial position and results of operations.

Certain of our businesses and investments are located outside of the United States, in Europe, Mexico and in emerging markets. There are a number of risks inherent in doing business in such markets. These risks include but are not limited to: unfavorable political or economic factors; local labor and social issues; changes in regulatory requirements; fluctuations in foreign currency exchange rates; and complex foreign laws, treaties including tax laws and the United States Foreign Corrupt Practices Act of 1977. These risks could restrict our ability to operate our international businesses profitably and therefore have a negative impact on our financial position and results of operations. In addition, our reported results of operations and financial position could also be negatively affected by exchange rates when the activities and balances of our foreign operations are translated into U.S. dollars for financial reporting purposes.

The accounting treatment of equity method investments, goodwill and other long-lived assets could result in future asset impairments, which would reduce our earnings.

We periodically test our equity method investments, goodwill and other long-lived assets to determine whether their estimated fair value is less than their value recorded on our balance sheet. The results of this testing for potential impairment may be adversely affected by the continuing uncertain market conditions for the steel industry, as well as changes in interest rates and general economic conditions. If we determine that the fair value of any of these assets is less than the value recorded on our balance sheet, and, in the case of equity method investments the decline is other than temporary, we would likely incur a non-cash impairment loss that would negatively impact our results of operations.

Tax increases and changes in tax laws and regulations could adversely affect our financial results.

The Tax Cuts and Jobs Act of 2017 significantly affected the way U.S.-based multinational companies are taxed. Nucor expects to benefit from the Act's domestic corporate tax law changes which will decrease the Company's effective tax rate and cash tax liabilities. The international portions of the Act, which transition the U.S. tax regime from a worldwide system to a modified territorial system and provide for U.S. tax on certain types of foreign income, may cause tax increases on the Company's foreign operations. It is unclear the extent to which U.S. states will change their rates and tax base in response to the Tax Cuts and Jobs Act, but changes could adversely affect our financial results.

We are subject to legal proceedings and legal compliance risks.

We spend substantial resources ensuring that we comply with domestic and foreign regulations, contractual obligations and other legal standards. Notwithstanding this, we are subject to a variety of legal proceedings and compliance risks in respect of various issues, including regulatory, safety, environmental, employment, transportation, intellectual property, contractual, import/export, international trade and governmental matters that arise in the course of our business and in our industry. For information regarding our current significant legal proceedings, see Item 3. "Legal Proceedings." A negative outcome in an unusual or significant legal proceeding or compliance investigation could adversely affect our financial condition and results of operations. While we believe that we have adopted appropriate risk management and compliance programs, the nature of our operations means that legal and compliance risks will continue to exist and additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time.

Item 1B. Unresolved Staff Comments

None.

Table of Contents

Item 2. Properties

We own all of our principal operating facilities. These facilities, by segment, are as follows:

Location	Approximate square footage of facilities	Principal products
Steel mills:		
Blytheville, Arkansas	2,570,000	Structural steel, sheet steel
Decatur, Alabama	2,470,000	Sheet steel, tubular steel
Berkeley County, South Carolina	2,310,000	Sheet steel, structural steel
Hickman, Arkansas	2,060,000	Sheet steel
Crawfordsville, Indiana	1,900,000	Sheet steel
Norfolk, Nebraska	1,530,000	Bar steel
Hertford County, North Carolina	1,250,000	Plate steel
Plymouth, Utah	1,210,000	Bar steel
Jewett, Texas	1,080,000	Bar steel
Darlington, South Carolina	980,000	Bar steel
Birmingham, Alabama	770,000	Bar steel, tubular steel
Memphis, Tennessee	680,000	Bar steel
Seattle, Washington	670,000	Bar steel
Ghent, Kentucky	600,000	Sheet steel
Marseilles, Illinois	550,000	Tubular steel
Auburn, New York	530,000	Bar steel
Kankakee, Illinois	450,000	Bar steel
Longview, Texas	430,000	Plate steel
Louisville, Kentucky	430,000	Tubular steel
Marion, Ohio	430,000	Bar steel
Jackson, Mississippi	420,000	Bar steel
Tuscaloosa, Alabama	390,000	Plate steel
Kingman, Arizona	380,000	Bar steel
Chicago, Illinois	350,000	Tubular steel
Trinity, Alabama	310,000	Tubular steel
Wallingford, Connecticut	240,000	Bar steel
Cedar Springs, Georgia	130,000	Tubular steel
Steel products:		
Norfolk, Nebraska	1,140,000	Joists, deck, cold finished bar
Brigham City, Utah	730,000	Joists, cold finished bar
Grapeland, Texas	690,000	Joists, deck
St. Joe, Indiana	550,000	Joists, deck
Chemung, New York	550,000	Joists, deck
Florence, South Carolina	540,000	Joists, deck
Fort Payne, Alabama	470,000	Joists, deck
St. Joe, Indiana	460,000	Fasteners

The steel mills segment also includes Skyline Steel, LLC, our steel foundation distributor with U.S. manufacturing facilities in eight states and one facility in Canada, the majority of which are owned. Additionally, we have a distribution center in Veracruz, Mexico.

In the steel products segment, we have approximately 68 operating facilities, in addition to the eight listed above, in 35 states with 29 operating facilities in Canada and one in Mexico. Our affiliate, Harris Steel Inc., also operates multiple sales offices in Canada and certain other foreign locations.

In the raw materials segment, DJJ has 68 operating facilities in 16 states along with multiple brokerage offices in the United States and certain other foreign locations. Nucor's raw materials segment also includes our DRI facilities in Point Lisas, Trinidad and St. James Parish, Louisiana. A significant portion of the DRI production process occurs outdoors. The Trinidad site, including leased land, is approximately 1.91 million square feet. The Louisiana site has approximately 174.2 million square feet of owned land with buildings that total approximately 72,500 square feet.

The average utilization rates of all operating facilities in the steel mills, steel products and raw materials segments in 2017 were approximately 85%, 64% and 65% of production capacity, respectively.

We also own our principal executive offices in Charlotte, North Carolina.

Item 3. Legal Proceedings

Nucor is from time to time a party to various lawsuits, claims and legal proceedings that arise in the ordinary course of business. With respect to all such lawsuits, claims and proceedings, we record reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on our results of operations, financial position or cash flows. Nucor maintains liability insurance with self-insurance limits for certain risks.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers of the Registrant

James R. Darsey (62), Executive Vice President of Raw Materials, was named EVP in September 2010. Prior to that, he served as President of the Vulcraft/Verco Group from 2007 and was elected Vice President of Nucor in 1996. Mr. Darsey began his Nucor career in 1979 as Design Engineer at Vulcraft-Texas, later serving as Engineering Manager at Vulcraft-Utah and Vulcraft-Texas. He then served as General Manager of Vulcraft-Texas and General Manager of Nucor Steel-Texas.

John J. Ferriola (65), has served as Chairman of the Board of Directors of Nucor since January 2014, as Chief Executive Officer since January 2013 and as President since January 2011. Previously, Mr. Ferriola served as President and Chief Operating Officer from January 2011 to December 2012 and, prior to that, as Chief Operating Officer of Steelmaking Operations from 2007 to 2010, Executive Vice President from 2002 to 2007 and Vice President from 1996 to 2001. He has also been a director of Nucor since January 2011. Mr. Ferriola joined Nucor in 1991 as the Manager of Maintenance and Engineering at Nucor Steel-Texas. He later served as General Manager of Vulcraft-Texas, Nucor Steel-Nebraska and Nucor Steel-Indiana.

James D. Frias (61), has been Chief Financial Officer, Treasurer and Executive Vice President since January 2010. Prior to that, Mr. Frias was Vice President of Finance from 2006 to 2009. Mr. Frias joined Nucor in 1991 as Controller of Nucor Building Systems-Indiana. He also served as Controller of Nucor Steel-Indiana and as Corporate Controller. Mr. Frias joined the board of directors of Carlisle Companies Incorporated in February 2015.

Ladd R. Hall (61), Executive Vice President of Flat-Rolled Products, was named EVP in September 2007, having previously served as Vice President of Nucor since 1994. He began his Nucor career in Inside Sales at Nucor Steel-Utah in 1981. He later served as Sales Manager of Vulcraft-Utah, and General Manager of Vulcraft-Texas, Vulcraft-Utah, Nucor Steel-South Carolina and Nucor Steel-Berkeley County.

Raymond S. Napolitan, Jr. (60), Executive Vice President of Engineered Bar Products, was named EVP in June 2013, having previously served as President of Nucor's Vulcraft/Verco group from 2010 to 2013 and President of American Buildings Company from 2007 to 2010. He was elected Vice President of Nucor in 2007. Mr. Napolitan began his Nucor career in 1996 as Engineering Manager of Nucor Building Systems-Indiana, and later served as General Manager of Nucor Building Systems-Texas.

R. Joseph Stratman (61), Chief Digital Officer and Executive Vice President, was named EVP in September 2007 and CDO in August 2016. He was elected Vice President of Nucor in 1999. Mr. Stratman joined Nucor in 1989 as Controller of Nucor Building Systems-Indiana. He then served as Controller of Nucor-Yamato, General Manager of Nucor Steel-Nebraska and General Manager of Nucor-Yamato.

David A. Sumoski (51), Executive Vice President of Merchant and Rebar Products, was named EVP in September 2014. He had previously served as General Manager of Nucor Steel Marion, Inc. from 2008 to 2012 and as General Manager of Nucor Steel Memphis, Inc. from 2012 to September 2014. Mr. Sumoski was named Vice President of Nucor in 2010. He began his career with Nucor as an electrical supervisor at Nucor Steel-Berkeley in 1995, later serving as Maintenance Manager.

Leon J. Topalian (49), was named Executive Vice President of Beam and Plate Products in May 2017, having previously served as Vice President of Nucor since 2013. He began his Nucor career at Nucor Steel-Berkeley in 1996, serving as a project engineer and then as cold mill production supervisor. Mr. Topalian was promoted to Operations Manager for Nucor's former joint venture in Australia and later served as Melting and Casting Manager at Nucor Steel-South Carolina. He then served as General Manager of Nucor Steel Kankakee, Inc. from 2011 to 2014 and as General Manager of Nucor-Yamato Steel Company from 2014 to May 2017.

D. Chad Utermark (49), Executive Vice President of Fabricated Construction Products, was named EVP in May 2014. He had previously served as General Manager of Nucor Steel-Texas from 2008 to 2011 and as General Manager of Nucor-Yamato Steel Company from 2011 to May 2014. He was named Vice President of Nucor in 2009. Mr. Utermark began his Nucor career as a utility operator at Nucor Steel-Arkansas in 1992, subsequently serving as shift supervisor and Hot Mill Manager at that division as well as Roll Mill Manager at Nucor Steel-Texas.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Nucor has increased its base cash dividend every year since the Company began paying dividends in 1973. Nucor paid a total dividend of $1.51 per share in 2017 compared with $1.50 per share in 2016. In December 2017, the Board of Directors increased the base quarterly cash dividend on Nucor's common stock to $0.38 per share from $0.3775 per share. In February 2018, the Board of Directors also declared Nucor's 180th consecutive quarterly cash dividend of $0.38 per share payable on May 11, 2018 to stockholders of record on March 29, 2018.

Additional information regarding the market for Nucor's common stock, quarterly market price ranges, the number of stockholders and dividend payments is incorporated by reference to Nucor's 2017 Annual Report to Stockholders, page 84. Additional information regarding securities authorized for issuance under stock-based compensation plans is incorporated by reference to Nucor's 2017 Annual Report to Stockholders, pages 68 through 71.

Item 6. Selected Financial Data

Historical financial information is incorporated by reference to Nucor's 2017 Annual Report to Stockholders, page 46.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item is incorporated by reference to Nucor's 2017 Annual Report to Stockholders, page 3 (Forward-Looking Statements) and pages 24 through 42.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of business, Nucor is exposed to a variety of market risks. We continually monitor these risks and develop strategies to manage them.

Interest Rate Risk – Nucor manages interest rate risk by using a combination of variable-rate and fixed-rate debt. At December 31, 2017, approximately 27% of Nucor's long-term debt was in industrial revenue bonds that have variable interest rates that are adjusted weekly. The remaining 73% of Nucor's long-term debt was at fixed rates. Future changes in interest rates are not expected to significantly impact earnings. Nucor also occasionally makes use of interest rate swaps to manage net exposure to interest rate changes. As of December 31, 2017, there were no such contracts outstanding. Nucor's investment practice is to invest in securities that are highly liquid with short maturities. As a result, we do not expect changes in interest rates to have a significant impact on the value of our investment securities recorded as short-term investments.

Commodity Price Risk – In the ordinary course of business, Nucor is exposed to market risk for price fluctuations of raw materials and energy, principally scrap steel, other ferrous and nonferrous metals, alloys and natural gas. We attempt to negotiate the best prices for our raw materials and energy requirements and to obtain prices for our steel products that match market price movements in response to supply and demand. In periods of strong or stable demand for our products, we are more likely to be able to effectively reduce the normal time lag in passing through higher raw material costs so that we can maintain our gross margins. When demand for our products is weaker, this becomes more challenging. Our DRI facilities in Trinidad and Louisiana provide us with flexibility in managing our input costs. DRI is particularly important for operational flexibility when demand for prime scrap increases due to increased domestic production.

Natural gas produced by Nucor's drilling operations is being sold to third parties to offset our exposure to changes in the price of natural gas consumed by our Louisiana DRI facility and our steel mills in the United States. For the year ended December 31, 2017, the volume of natural gas sold from our drilling operations was approximately 21% of the volume of natural gas purchased for consumption in our domestic steelmaking and DRI facilities.

Nucor also periodically uses derivative financial instruments to hedge a portion of our exposure to price risk related to natural gas purchases used in the production process and to hedge a portion of our scrap, aluminum and copper purchases and sales. Gains and losses from derivatives designated as hedges are deferred in accumulated other comprehensive loss, net of income taxes on the consolidated balance sheets and recognized into earnings in the same period as the underlying physical transaction. At December 31, 2017, accumulated other comprehensive loss included $2.8 million in unrealized net-of-tax losses for the fair value of these derivative instruments. Changes in the fair values of derivatives not designated as hedges are recognized in earnings each period. The following table presents the negative effect on pre-tax earnings of a hypothetical change in the fair value of derivative instruments outstanding at December 31, 2017, due to an assumed 10% and 25% change in the market price of each of the indicated commodities (in thousands):

Commodity Derivative	10% Change	25% Change
Natural gas	$ 15,640	$ 39,110
Aluminum	3,657	9,164
Copper	4,088	10,261

Any resulting changes in fair value would be recorded as adjustments to accumulated other comprehensive loss, net of income taxes, or recognized in net earnings, as appropriate. These hypothetical losses would be partially offset by the benefit of lower prices paid or higher prices received for the physical commodities.

Foreign Currency Risk – Nucor is exposed to foreign currency risk primarily through its operations in Canada, Europe and Mexico. We periodically use derivative contracts to mitigate the risk of currency fluctuations. Open foreign currency derivative contracts at December 31, 2017 and 2016 were insignificant.

Item 8. Financial Statements and Supplementary Data

The information required by this item is incorporated by reference to Nucor's 2017 Annual Report to Stockholders, pages 47 through 80.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures – As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the evaluation date.

Changes in Internal Control Over Financial Reporting – There were no changes in our internal control over financial reporting during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report on Internal Control Over Financial Reporting – Management's report on internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002 and the attestation report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the effectiveness of Nucor's internal control over financial reporting as of December 31, 2017 are incorporated by reference to Nucor's 2017 Annual Report to Stockholders, pages 47 through 49.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item about Nucor's executive officers is contained in the section captioned *Executive Officers of the Registrant* in Part I of this report. The other information required by this item is incorporated by reference to Nucor's definitive Proxy Statement for the 2018 Annual Meeting of Stockholders (the "Proxy Statement") under the headings *Election of Directors; Information Concerning Experience, Qualifications, Attributes and Skills of the Nominees; Section 16(a) Beneficial Ownership Reporting Compliance*; and *Corporate Governance and Board of Directors*.

Nucor has adopted a Code of Ethics for Senior Financial Professionals (the "Code of Ethics") that applies to the Company's Chief Executive Officer, Chief Financial Officer, Corporate Controller and other senior financial professionals, as well as Corporate Governance Principles for our Board of Directors and charters for our Board committees. These documents are publicly available on our website, www.nucor.com. If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics, we will disclose the nature of such amendment or waiver on our website.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the Proxy Statement under the headings *Executive Officer Compensation; Director Compensation*; *Report of the Compensation and Executive Development Committee*; and *Board's Role in Risk Oversight*.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to the Proxy Statement under the headings *Security Ownership of Management and Certain Beneficial Owners* and *Equity Compensation Plan Information.*

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the Proxy Statement under the heading *Corporate Governance and Board of Directors*.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to the Proxy Statement under the heading *Fees Paid to Independent Registered Public Accounting Firm.*

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements:

The following consolidated financial statements and notes thereto, management's report on internal control over financial reporting and the report of independent registered public accounting firm are incorporated by reference to Nucor's 2017 Annual Report to Stockholders, pages 47 through 80:

- Management's Report on Internal Control Over Financial Reporting
- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets—December 31, 2017 and 2016
- Consolidated Statements of Earnings—Years Ended December 31, 2017, 2016 and 2015
- Consolidated Statements of Comprehensive Income – Years Ended December 31, 2017, 2016 and 2015
- Consolidated Statements of Stockholders' Equity—Years Ended December 31, 2017, 2016 and 2015
- Consolidated Statements of Cash Flows—Years Ended December 31, 2017, 2016 and 2015
- Notes to Consolidated Financial Statements

Schedule II is not presented as all applicable information is presented in the consolidated financial statements and notes thereto.

Exhibits:

3	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.3 to the Current Report on Form 8-K filed September 14, 2010 (File No. 001-04119))
3(i)	Bylaws as amended and restated September 15, 2016 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed September 20, 2016 (File No. 001-04119))
4	Indenture, dated as of January 12, 1999, between Nucor Corporation and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed December 13, 2002 (File No. 333-101852))
4(i)	Indenture, dated as of August 19, 2014, between Nucor Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3 filed August 20, 2014 (File No. 333-198263))
4(ii)	Third Supplemental Indenture, dated as of December 3, 2007, between Nucor Corporation and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed December 4, 2007 (File No. 001-04119))
4(iii)	Fourth Supplemental Indenture, dated as of June 2, 2008, between Nucor Corporation and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed June 3, 2008 (File No. 001-04119))
4(iv)	Fifth Supplemental Indenture, dated as of September 21, 2010, between Nucor Corporation and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed September 21, 2010 (File No. 001-04119))
4(v)	Sixth Supplemental Indenture, dated as of July 29, 2013, between Nucor Corporation and U.S. Bank National Association, as successor trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed July 29, 2013 (File No. 001-04119))

4(vi)	Seventh Supplemental Indenture, dated as of December 10, 2014, among Nucor Corporation, The Bank of New York Mellon, as prior trustee, and U.S. Bank National Association, as successor trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed December 11, 2014 (File No. 001-04119))
4(vii)	Form of 6.400% Notes due December 2037 (included in Exhibit 4(ii) above) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed December 4, 2007 (File No. 001-04119))
4(viii)	Form of 5.850% Notes due June 2018 (included in Exhibit 4(iii) above) (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed June 3, 2008 (File No. 001-04119))
4(ix)	Form of 4.125% Notes due September 2022 (included in Exhibit 4(iv) above) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed September 21, 2010 (File No. 001-04119))
4(x)	Form of 4.000% Notes due August 2023 (included in Exhibit 4(v) above) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed July 29, 2013 (File No. 001-04119))
4(xi)	Form of 5.200% Notes due August 2043 (included in Exhibit 4(v) above) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed July 29, 2013 (File No. 001-04119))
10	2005 Stock Option and Award Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 17, 2005 (File No. 001-04119)) (#)
10(i)	Amendment No. 1 to 2005 Stock Option and Award Plan (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended September 29, 2007 (File No. 001-04119)) (#)
10(ii)	2010 Stock Option and Award Plan (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended July 3, 2010 (File No. 001-04119)) (#)
10(iii)	2014 Omnibus Incentive Compensation Plan (incorporated by reference to Appendix A to the Definitive Proxy Statement on Schedule 14A filed March 25, 2014 (File No. 001-04119)) (#)
10(iv)*	Senior Officers Annual Incentive Plan (Supplement to 2014 Omnibus Incentive Compensation Plan) for awards granted after December 31, 2017 (#)
10(v)*	Senior Officers Long-Term Incentive Plan (Supplement to 2014 Omnibus Incentive Compensation Plan) for awards granted after December 31, 2017 (#)
10(vi)	Senior Officers Annual Incentive Plan, as amended and restated effective January 1, 2013, for awards granted prior to January 1, 2018 (incorporated by reference to Appendix A to the Definitive Proxy Statement on Schedule 14A filed March 27, 2013 (File No. 001-04119)) (#)
10(vii)	Senior Officers Long-Term Incentive Plan, as amended and restated effective January 1, 2013, for awards granted prior to January 1, 2018 (incorporated by reference to Appendix B to the Definitive Proxy Statement on Schedule 14A filed March 27, 2013 (File No. 001-04119)) (#)
10(viii)	Form of Restricted Stock Unit Award Agreement – time-vested awards (incorporated by reference to Exhibit 10(iv) to the Annual Report on Form 10-K for the year ended December 31, 2005 (File No. 001-04119)) (#)
10(ix)	Form of Restricted Stock Unit Award Agreement – retirement-vested awards (incorporated by reference to Exhibit 10(v) to the Annual Report on Form 10-K for the year ended December 31, 2005 (File No. 001-04119)) (#)

10(x)	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors (incorporated by reference to Exhibit 10 to the Quarterly Report on Form 10-Q for the quarter ended April 1, 2006 (File No. 001-04119)) (#)
10(xi)	Form of Award Agreement for Annual Stock Option Grants used for awards granted prior to May 8, 2014 (incorporated by reference to Exhibit 10 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No. 001-04119)) (#)
10(xii)	Form of Award Agreement for Annual Stock Option Grants used for awards granted after May 7, 2014 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended July 5, 2014 (File No. 001-04119)) (#)
10(xiii)	Employment Agreement of John J. Ferriola (incorporated by reference to Exhibit 10(vii) to the Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 001-04119)) (#)
10(xiv)	Amendment to Employment Agreement of John J. Ferriola (incorporated by reference to Exhibit 10(xix) to the Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 001-04119)) (#)
10(xv)	Employment Agreement of Ladd R. Hall (incorporated by reference to Exhibit 10 to the Quarterly Report on Form 10-Q for the quarter ended September 29, 2007 (File No. 001-04119)) (#)
10(xvi)	Employment Agreement of R. Joseph Stratman (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 29, 2007 (File No. 001-04119)) (#)
10(xvii)	Employment Agreement of James D. Frias (incorporated by reference to Exhibit 10(xi) to the Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-04119)) (#)
10(xviii)	Employment Agreement of James R. Darsey (incorporated by reference to Exhibit 10(xxii) to the Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 001-04119)) (#)
10(xix)	Employment Agreement of Raymond S. Napolitan, Jr. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 29, 2013 (File No. 001-04119)) (#)
10(xx)	Employment Agreement of Chad Utermark (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended July 5, 2014 (File No. 001-04119)) (#)
10(xxi)	Employment Agreement of David A. Sumoski (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended October 4, 2014 (File No. 001-04119)) (#)
10(xxii)	Employment Agreement of Leon Topalian (incorporated by reference to Exhibit 10 to the Quarterly Report on Form 10-Q for the quarter ended July 1, 2017 (File No. 001-04119)) (#)
10(xxiii)	Severance Plan for Senior Officers and General Managers, as amended and restated effective February 18, 2009 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended April 4, 2009 (File No. 001-04119)) (#)
10(xxiv)	Termination and Indemnification Agreement and Mutual Waiver and Release dated October 1, 2016 among Nucor Corporation, Nucor Energy Holdings Inc., Encana Oil & Gas (USA) Inc. and Hunter Ridge Energy Services LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed October 4, 2016 (File No. 001-04119))
12*	Computation of Ratio of Earnings to Fixed Charges
13*	2017 Annual Report to Stockholders (portions incorporated by reference)
21*	Subsidiaries
23*	Consent of Independent Registered Public Accounting Firm

24*	Power of Attorney (included on signature pages)
31*	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31(i)*	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32(i)**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Financial Statements from the Annual Report on Form 10-K of Nucor Corporation for the year ended December 31, 2017, filed February 28, 2018, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.

* Filed herewith.

** Furnished (and not filed) herewith pursuant to Item 601(b)(32)(ii) of Regulation S-K.

(#) Indicates a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NUCOR CORPORATION

By: /s/ John J. Ferriola
John J. Ferriola
Chairman, Chief Executive Officer and President

Dated: February 28, 2018

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James D. Frias and A. Rae Eagle, or either of them, his or her attorney-in-fact, with full power of substitution and resubstitution for such person in any and all capacities, to sign any amendments to this report and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorney-in-fact, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/ John J. Ferriola
John J. Ferriola
Chairman, Chief Executive Officer and President
(Principal Executive Officer)

/s/ James D. Frias
James D. Frias
Chief Financial Officer, Treasurer and Executive Vice President
(Principal Financial Officer)

/s/ Michael D. Keller
Michael D. Keller
Vice President and Corporate Controller
(Principal Accounting Officer)

/s/ Lloyd J. Austin III
Lloyd J. Austin III
Director

/s/ Patrick J. Dempsey
Patrick J. Dempsey
Director

/s/ Gregory J. Hayes
Gregory J. Hayes
Director

/s/ Victoria F. Haynes
Victoria F. Haynes
Director

/s/ Christopher J. Kearney
Christopher J. Kearney
Director

/s/ Laurette T. Koellner
Laurette T. Koellner
Director

/s/ John H. Walker
John H. Walker
Lead Director

Dated: February 28, 2018

Exhibit 10(iv)

NUCOR CORPORATION

SENIOR OFFICERS ANNUAL INCENTIVE PLAN

NUCOR CORPORATION

SENIOR OFFICERS ANNUAL INCENTIVE PLAN

Table of Contents

NUCOR CORPORATION

SENIOR OFFICERS ANNUAL INCENTIVE PLAN

ARTICLE I
INTRODUCTION

This Plan constitutes a supplement to the Nucor Corporation 2014 Omnibus Incentive Compensation Plan (the "Omnibus Plan") and sets for the terms and provisions applicable to annual incentive compensation that may be earned by the Company's senior officers. The terms and provisions of the Omnibus Plan, including its definitions, are incorporated into this Plan by reference. In the event of any conflict or inconsistency between the Plan and this Plan, the terms and provisions of the Omnibus Plan shall govern and control.

ARTICLE II
DEFINITIONS

As used herein, the following words and phrases shall have meanings set forth below unless the context clearly indicates otherwise:

2.1 Adjusted Net Earnings. Adjusted Net Earnings for a Performance Period means the consolidated net earnings attributable to stockholders reported by the Company for the Performance Period in accordance with generally accepted accounting principles, before reported extraordinary items, but after charges or credits for taxes measured by income and Performance Awards under this Plan and performance awards under the Nucor Corporation Senior Officers Long-Term Incentive Plan.

2.2 Average Invested Capital. Average Invested Capital for a Performance Period means the average of the Invested Capital of the Company as of the last day of the immediately preceding Performance Period and the last day of each fiscal quarter in the Performance Period.

2.3 Average Stockholders' Equity. Average Stockholders' Equity for a Performance Period means the average of the Stockholders' Equity of the Company as of the last day of the immediately preceding Performance Period and the last day of each month in the Performance Period.

2.4 Beneficiary. Beneficiary means the person or persons designated by an Eligible Employee who are to receive any amounts payable under the Plan following the death of the Eligible Employee.

2.5 Change in Control Acceleration Event. Change in Control Acceleration Event means a Change in Control that also constitutes a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company under Section 409A of the Code.

2.6 Compensation. Compensation of an Eligible Employee for a Performance Period means the base salary earned by the Eligible Employee during that portion of the Performance Period the Eligible Employee was employed by the Company and participating in the Plan, before reduction pursuant to any plan or agreement between the Eligible Employee and the Company or any Subsidiary whereby base salary is deferred, including, without limitation, a plan whereby compensation is deferred in accordance with Code Section 401(k) or reduced in accordance with Code Section 125. Compensation shall not include any other form of compensation, whether taxable or non-taxable, including, but not limited to, annual or long-term incentive compensation, commissions, gains from the exercise or vesting of stock options, restricted stock or other equity-based awards or any other forms of additional compensation.

2.7 Covered Employee. Covered Employee means any Eligible Employee who is or may be a "covered employee" (within the meaning of Section 162(m)(3) of the Code) in the tax year in which the Company is expected to claim a compensation deduction with respect to any amount payable under the Plan, as determined by the Committee.

2.8 Deferral Account. Deferral Account means the individual bookkeeping account maintained by the Company for an Eligible Employee to record the Eligible Employee's Deferral Amounts and Deferral Incentive credits.

2.9 Deferral Agreement. Deferral Agreement means the agreement or agreements entered into by an Eligible Employee which specify the Eligible Employee's Deferral Amount.

2.10 Deferral Amount. Deferral Amount means the amount of a Performance Award that an Eligible Employee elects to defer under a Deferral Agreement.

2.11 Deferral Incentive. Deferral Incentive means the incentive amount the Company will credit to an Eligible Employee's Deferral Account pursuant to Section 3.3(b) based on the Eligible Employee's Deferral Amount.

2.12 Eligible Employee. Eligible Employee means any Employee who is a senior officer of the Company or a Subsidiary and designated by the Committee as an Eligible Employee.

2.13 Employee. Employee means any person who is employed by the Company, including any such person who also serves as a member of the Board.

2.14 Peer Group. Peer Group for a Performance Period means a group of not less than five (5) steel industry competitors (or such other minimum number as may be selected by the Committee) designated by the Committee not later than ninety (90) days after the beginning of the Performance Period.

2.15 Performance Award. Performance Award means the incentive compensation awarded and payable to an Eligible Employee pursuant to Section 3.1 for a Performance Period.

2.16 Performance Objectives. Performance Objectives means the achievement of one or more of the following criteria, or such other criteria, as may be determined by the Committee: (a) Return on Average Stockholders' Equity; (b) Return on Average Invested Capital; (c) revenue performance; (d) earnings before interest, taxes, depreciation and amortization; (e) earnings before interest, taxes and amortization; (f) operating income; (g) pre- or after-tax income; (h) cash flow; (i) cash flow per share; (j) net earnings attributable to stockholders; (k) earnings per share; (l) return on invested capital; (m) return on assets; (n) economic value added (or an equivalent metric);

(o) stock price performance; (p) total stockholder return; (q) improvement in or attainment of expense levels; (r) improvement in or attainment of working capital levels; or (s) debt reduction. Any of the Performance Objectives set forth above may measure performance on a Company-wide basis or with respect to one or more business units, divisions or Subsidiaries, and either in absolute terms, relative to the performance of one or more similarly situated companies, relative to the performance of an index covering a peer group of companies, relative to the performance of a group of designated companies, or other external measures of the selected Performance Objective.

2.17 Performance Period. Performance Period means the fiscal year of the Company beginning on January 1 and ending on December 31.

2.18 Plan. Plan means the Nucor Corporation Senior Officers Annual Incentive Plan, as set forth herein and as amended from time to time.

2.19 Return on Average Invested Capital. Return on Average Invested Capital for a Performance Period means an amount, expressed as a percentage, determined by dividing (a) the Company's Adjusted Net Earnings for the Performance Period by (b) the Company's Average Invested Capital for the Performance Period.

2.20 Return on Average Stockholders' Equity. Return on Average Stockholders' Equity for a Performance Period means an amount, expressed as a percentage, determined by dividing (a) the Company's Adjusted Net Earnings for the Performance Period by (b) the Company's Average Stockholders' Equity for the Performance Period.

2.21 Separation from Service. Separation from Service means the termination of an Eligible Employee's employment with the Company and its Subsidiaries, provided such termination also constitutes a separation from service under Section 409A of the Code.

2.22 Stockholders' Equity. Stockholders' Equity means the sum of (a) issued capital stock, (b) additional paid-in capital and (c) earnings retained in the business and reserves created by appropriations therefrom, minus the cost of treasury stock, all as shown in the Company's consolidated balance sheet.

ARTICLE III
PERFORMANCE AWARDS

3.1 Performance Awards.

(a) Performance Objectives. Performance Awards shall be earned under the Plan for a Performance Period based on the level of the Company's achievement of Performance Objectives selected by the Committee.

(b) Performance Objectives Adjustments; Reduction or Forfeiture of Performance Awards. Notwithstanding the foregoing provisions of this Section 3.1:

(i) The Committee may adjust, modify or amend the Performance Objectives, either in establishing the criteria or in determining the extent to which any Performance Objectives has been achieved. In particular, the Committee shall have the discretionary authority to make equitable adjustments to the Performance Objectives where necessary (A) in response to any reduction in the number of members of the Peer Group that may occur during a Performance Period, (B) in response to changes in applicable laws or regulations, (C) to account for items of gain, loss or expense that are related to the disposal (or acquisition) of a business or change in accounting principles that was not anticipated, (D) to account for unusual or non-recurring transactions that were not anticipated, or (E) to reflect other unusual, non-recurring or unexpected items similar in nature to the foregoing as determined in good faith by the Committee. Any such adjustments may be made with respect to the performance of any Subsidiary, division or operating unit, as applicable, and shall be made in a consistent manner for year-to-year, and shall be made in accordance with the objectives of the Plan and the requirements of Section 162(m) of the Code.

(ii) If the Company has no reported net earnings for a Performance Period that ends prior to a Change in Control, no Performance Awards will be made with respect to the Performance Period.

(iii) The Committee in its sole and exclusive discretion may reduce (including a reduction to zero) the amount of the Performance Awards otherwise payable to Eligible Employees under the Plan for a Performance Period that ends prior to a Change in Control, provided the same percentage reduction is made to all of the Performance Awards otherwise payable for the Performance Period.

(iv) If an Eligible Employee ceases to be a senior officer of the Company or a Subsidiary during a Performance Period (but remains an Employee), the Employee's Performance Award for the Performance Period shall be prorated for the portion of the Performance Period the Employee was employed as an Eligible Employee during the Performance Period, and if the Employee has not attained age fifty-five (55) prior to the date the Employee ceased to be a senior officer of the Company or a Subsidiary, the Employee shall not be eligible to receive the deferral incentive described in Section 3.3(b) with respect to any portion of the prorated Performance Award deferred under Section 3.3.

(v) If the employment of an Eligible Employee is terminated during a Performance Period prior to the Eligible Employee's attainment of age fifty-five (55) for any reason other than the Eligible Employee's death or disability, the Eligible Employee shall not receive any Performance Award under the Plan for the Performance Period.

(c) Performance Awards Following a Change in Control. The Performance Award due for the Performance Period in which a Change in Control occurs shall not be less than the amount determined by multiplying the greater of:

(i) the Performance Award for the Performance Period but calculated under Section 3.1(a) based on the Company's achievement of the Performance

Objectives for the Performance Period through the end of the calendar quarter immediately preceding the date of the Change in Control; or

(ii) one hundred fifty percent (150%) of the Eligible Employee's Compensation for the Performance Period;

by a fraction, the numerator of which is the number of days during the Performance Period prior to the date of the Change in Control during which the Eligible Employee was employed by the Company and participating in the Plan, and the denominator of which is (A) three hundred sixty-five (365), if the Eligible Employee was employed by the Company and participating in the Plan as of the first day of the Performance Period or (B) if the Eligible Employee commenced participation in the Plan after the beginning of the Performance Period, the number of days from the date the Eligible Employee commenced participation in the Plan through the last day of the Performance Period.

3.2 Performance Award Payments.

Subject to an Eligible Employee's election in accordance with Section 3.3 to defer the payment of a Performance Award, an Eligible Employee's Performance Award shall be paid by the Company to the Eligible Employee in cash, less applicable payroll and withholding taxes, within thirty (30) days after the later of (i) the completion of the independent audit of the Company's financial statements for the Performance Period or (ii) the date the Committee certifies in writing the amount of Performance Awards payable under Section 3.1. In no event, however, shall payment of a Performance Award be made later than two and one-half (2 ½) months after the end of the Performance Period for the Performance Award.

3.3 Deferrals of Performance Awards.

(a) Deferral Agreement. Each Eligible Employee may elect, by entering into a Deferral Agreement with the Company, to defer any portion up to fifty percent (50%) (in increments of ten percent (10%)) of the Performance Award otherwise payable to the Eligible Employee for a Performance Period. To be effective to defer the payment of a Performance Award, an Eligible Employee must complete and return a Deferral Agreement to the Company in accordance with procedures established by the Committee before the beginning of the Performance Period. For the avoidance of doubt, an Employee who first becomes an Eligible Employee during a Performance Period shall not be permitted to enter into a Deferral Agreement for the deferral of a Performance Award for such Performance Period. The amount of any Performance Award that is deferred pursuant to the Eligible Employee's Deferral Agreement is referred to in the Plan as the Deferral Amount.

An Eligible Employee's Deferral Agreement shall be effective for one Performance Period. An Eligible Employee must complete and sign a Deferral Agreement and return the agreement to the representative of the Company designated by the Committee before the beginning of each Performance Period for which a deferral of a Performance Award is intended to be made.

(b) Deferral Accounts; Deferral Incentive. An Eligible Employee's Deferral Amount shall be converted to a number of common stock units determined by dividing the Deferral Amount by the closing price at which shares of the Company's common stock are sold regular way on the New York Stock Exchange on the first trading day immediately preceding the date the Deferral Amount would otherwise be paid to the Eligible Employee. Such common stock units shall be credited to a Deferral Account established and maintained on the books and records of the Company. In the event an Eligible Employee defers a Performance Award under the Plan, the Company shall credit a Deferral Incentive in the form of additional common stock units to the Eligible Employee's Deferral Account. The number of common stock units comprising the Deferral Incentive for an Eligible Employee shall be determined by multiplying twenty-five percent (25%) by the number of common stock units resulting from the conversion of the Eligible Employee's Deferral Amount into common stock units.

(c) Dividend Equivalent Payments; Adjustments to Common Stock Units. The Company shall pay to each Eligible Employee in cash, less applicable payroll and withholding taxes, within thirty (30) days after the payment date of any cash dividend with respect to shares of the Company's common stock, a dividend equivalent payment equal to the number of common stock units credited to the Eligible Employee's Deferral Account as of the record date for such dividend multiplied by the per share amount of the dividend.

In the event a dividend with respect to shares of the Company's common stock shall be declared and paid in additional shares or in the event the outstanding shares of the Company's common stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation or changed into or exchanged for cash or property or the right to receive cash or property, then the Committee shall in its discretion equitably adjust the common stock units credited to the Deferral Accounts under the Plan to prevent substantial dilution or enlargement of the rights of Eligible Employees under the Plan.

(d) Vesting. An Eligible Employee shall be fully vested in the portion of the Eligible Employee's Deferral Account attributable to the Eligible Employee's Deferral Amounts. An Eligible Employee shall become fully vested in the portion of the Eligible Employee's Deferral Account attributable to the Company's Deferral Incentives upon the earlier of (i) attainment of age fifty-five (55) while employed by the Company or a Subsidiary, (ii) the date the Eligible Employee dies or becomes disabled while employed by the Company or a Subsidiary, or (iii) a Change in Control. In the event an Eligible Employee terminates employment prior to a Change in Control and prior to attaining age fifty-five (55) for any reason other than death or disability, the portion of the Eligible Employee's Deferral Account that is not vested shall be forfeited.

(e) Payment of Deferral Accounts. Subject to Section 4.6, the vested portion of an Eligible Employee's Deferral Account shall be paid to the Eligible Employee no earlier than fifteen (15) days and no later than ninety (90) days after the Eligible Employee's Separation from Service. The form of payment shall be one share of the Company's common stock for each common stock unit and cash for any fractional unit credited to the vested portion of the Deferral Account.

In accordance with procedures established by the Committee, but in no event later than the date an Eligible Employee enters into his or her first Deferral Agreement with the Company under the Plan, the Eligible Employee may elect a single sum payment of the Eligible Employee's Deferral Account or payment in installments over a term certain of not more than five (5) years. In the event an Eligible Employee fails to make a valid method of payment election, distribution of the Eligible Employee's Deferral Account shall be made in a single sum payment of shares of Company common stock and cash for any fractional unit credited to the vested portion of the Deferral Account.

(f) Cancellation of Deferral Agreements and Payment Elections upon Change in Control Acceleration Event. Notwithstanding the foregoing provisions of this Section 3.3, upon a Change in Control Acceleration Event, (i) an Eligible Employee's Deferral Agreement shall be terminated and no portion of the Performance Award due for the Performance Period in which the Change in Control Acceleration Event occurs shall be deferred, (ii) any payment election made by an Eligible Employee under Section 3.3(e) shall be null and void, and (iii) subject to Section 5.6, the value of the Eligible Employee's Deferral Account shall be paid to the Eligible Employee in a single cash payment, less applicable withholding taxes, within sixty (60) days following the Change in Control Acceleration Event (the "CIC Payment Date"). The value of an Eligible Employees' Deferral Account for purposes of clause (iii) of the immediately preceding sentence shall be equal to the number of common stock units credited to the Eligible Employee's Deferral Account as of the date of the Change in Control Acceleration Event multiplied by the closing price at which shares of the Company's stock are sold regular way on the New York Stock Exchange on the last trading day prior to the date of the Change in Control Acceleration Event. In the event payment to an Eligible Employee is delayed beyond the CIC Payment Date due to the requirements of Section 5.6, the amount due to such Eligible Employee as of the CIC Payment Date shall be increased with interest at the prime rate, as published in *The Wall Street Journal*, plus 1% per annum, from the CIC Payment Date to the date the Eligible Employee receives payment of the amount due.

(g) Payment Following Death. An Eligible Employee may designate and change at any time the Beneficiary who is to receive distribution of the vested portion of the Eligible Employee's Deferral Account in the event of the Eligible Employee's death. Any such designation or change shall not be effective until received by the representative of the Company designated by the Committee. If an Eligible Employee has not properly designated a Beneficiary, if for any reason such designation shall not be legally effective, or if the designated Beneficiary shall predecease the Eligible Employee, then the Eligible Employee's estate shall be treated as the Beneficiary.

In the event of an Eligible Employee's death prior to distribution of all common stock units credited to the Eligible Employee's Deferral Account, the Eligible Employee's Beneficiary shall receive a distribution of the vested portion of such units (in the form of shares of Company common stock and cash for any fractional unit credited to the Deferral Account) as soon as practicable (but in no event later than ninety (90) days) following the Eligible Employee's death in a single sum payment.

ARTICLE IV
MISCELLANEOUS

4.1 Amendment or Termination.

The Plan may be terminated or amended in any respect by resolution adopted by a majority of the Board, unless a Change in Control has previously occurred. If a Change in Control occurs, the Plan shall not be subject to amendment, change, substitution, deletion, revocation or termination in any respect which adversely affects the rights of Eligible Employees.

4.2 Code Section 409A.

Notwithstanding anything in the Plan to the contrary, if any amount or benefit that the Company determines would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan by reason of an Eligible Employee's Separation from Service, then to the extent necessary to comply with Code Section 409A:

(a) if the payment or distribution is payable in a lump sum, the Eligible Employee's right to receive payment or distribution of such non-exempt deferred compensation will be delayed until the earlier of the Eligible Employee's death or the seventh month following the Eligible Employee's Separation from Service; and

(b) if the payment or distribution is payable over time, the amount of such non-exempt deferred compensation that would otherwise be payable during the six (6) month period immediately following the Eligible Employee's Separation from Service will be accumulated and the Eligible Employee's right to receive payment or distribution of such accumulated amount will be delayed until the earlier of the Eligible Employee's death or the seventh month following the Eligible Employee's Separation from Service and paid on the earlier of such dates, without interest, and the normal payment or distribution schedule for any remaining payments or distributions will commence.

4.3 Special Provisions for Certain Eligible Employees.

All Performance Awards for Eligible Employees subject to Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to include any such additional terms, conditions, limitations and provisions as Rule 16b-3 requires. All Performance Awards to Covered Employees shall be deemed to include any such additional terms, conditions, limitations and provisions as are necessary to comply with the performance-based compensation exemption of Section 162(m) of the Code, unless the Committee, in its discretion, determines that any such award is not intended to qualify for the exemption for performance-based compensation under Section 162(m) of the Code.

Exhibit 10(v)

NUCOR CORPORATION

SENIOR OFFICERS LONG-TERM INCENTIVE PLAN

NUCOR CORPORATION

SENIOR OFFICERS LONG-TERM INCENTIVE PLAN

Table of Contents

NUCOR CORPORATION

SENIOR OFFICERS LONG-TERM INCENTIVE PLAN

ARTICLE I
INTRODUCTION

This Plan constitutes a supplement to the Nucor Corporation 2014 Omnibus Incentive Compensation Plan (the "Omnibus Plan") and sets for the terms and provisions applicable to annual incentive compensation that may be earned by the Company's senior officers. The terms and provisions of the Omnibus Plan, including its definitions, are incorporated into this Plan by reference. In the event of any conflict or inconsistency between the Plan and this Plan, the terms and provisions of the Omnibus Plan shall govern and control.

ARTICLE II
DEFINITIONS

As used herein, the following words and phrases shall have meanings set forth below unless the context clearly indicates otherwise:

2.1 Adjusted Net Earnings. Adjusted Net Earnings for a Performance Period means the consolidated net earnings attributable to stockholders reported by the Company for the Performance Period in accordance with generally accepted accounting principles, before reported extraordinary items, but after charges or credits for taxes measured by income and Performance Awards under this Plan and performance awards under the Nucor Corporation Senior Officers Annual Incentive Plan.

2.2 Average Invested Capital. Average Invested Capital for a Performance Period means the average of the Invested Capital of the Company as of the last day of the immediately preceding Performance Period and the last day of each fiscal quarter in the Performance Period.

2.3 Beneficiary. Beneficiary means the person or persons designated by an Eligible Employee who are to receive any amounts payable under the Plan following the death of the Eligible Employee.

2.4 Change in Control Acceleration Event. Change in Control Acceleration Event means a Change in Control that also constitutes a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company under Section 409A of the Code.

2.5 Compensation. Compensation for a Performance Period means the annual base salary rate payable to an Eligible Employee as of the beginning of a Performance Period (or, if later, the date the Eligible Employee commences participation in the Plan), before reduction pursuant to any plan or agreement between the Eligible Employee and the Company or any Subsidiary whereby compensation is deferred, including, without limitation, a plan whereby compensation is deferred in accordance with Code Section 401(k) or reduced in accordance with Code Section 125. Compensation shall not include any other form of compensation, whether taxable or non-taxable, including, but not limited to, annual or long-term incentive compensation, commissions, gains from the exercise or vesting of stock options, restricted stock or other equity-based awards or any other forms of additional compensation.

2.6 Covered Employee. Covered Employee means any Eligible Employee who is or may be a "covered employee" (within the meaning of Section 162(m)(3) of the Code) in the tax year in which the

Company is expected to claim a compensation deduction with respect to any amount payable under the Plan, as determined by the Committee.

2.7 Deferral Account. Deferral Account means the individual bookkeeping account maintained by the Company for an Eligible Employee to record the deferral of the Eligible Employee's Restricted Stock Performance Award.

2.8 Deferral Agreement. Deferral Agreement means the agreement or agreements entered into by an Eligible Employee which provide for the deferral of the Eligible Employee's Restricted Stock Performance Award for a Performance Period.

2.9 Eligible Employee. Eligible Employee means any Employee who is a senior officer of the Company or a Subsidiary and designated by the Committee as an Eligible Employee.

2.10 Employee. Employee means any person who is employed by the Company, including any such person who also serves as a member of the Board.

2.11 General Industry Group. General Industry Group for a Performance Period means a group of not less than ten (10) companies designated by the Committee not later than ninety (90) days after the beginning of the Performance Period which are engaged in capital intensive industries and classified in either the Materials Sector or the Industrials Sector of the Global Industry Classification Standard.

2.12 Invested Capital. Invested Capital means the sum of (a) long-term debt (comprising bonds, debentures and promissory notes having a maturity at the time of execution of more than one (1) year), (b) issued capital stock, (c) additional paid-in capital and (d) earnings retained in the business and reserves created by appropriations therefrom, minus the cost of treasury stock, all as shown in the Company's consolidated balance sheet.

2.13 Performance Award. Performance Award means the incentive compensation awarded and payable to an Eligible Employee pursuant to Section 3.1 for a Performance Period.

2.14 Performance Objectives. Performance Objectives means the achievement of one or more of the following criteria, or such other criteria, as may be determined by the Committee: (a) Return on Average Invested Capital; (b) revenue performance; (c) earnings before interest, taxes, depreciation and amortization; (d) earnings before interest, taxes and amortization; (e) operating income; (f) pre- or after-tax income; (g) cash flow; (h) cash flow per share; (i) net earnings attributable to stockholders; (j) earnings per share; (k) return on invested capital; (l) return on assets; (m) economic value added (or an equivalent metric); (n) stock price performance; (o) total stockholder return; (p) improvement in or attainment of expense levels; (q) improvement in or attainment of working capital levels; or (r) debt reduction. Any of the Performance Objectives set forth above may measure performance on a Company-wide basis or with respect to one or more business units, divisions or Subsidiaries, and either in absolute terms, relative to the performance of one or more similarly situated companies, relative to the performance of an index covering a peer group of companies, relative to the performance of a group of designated companies, or other external measures of the selected Performance Objective.

2.15 Performance Period. Performance Period means:

(a) the one (1) fiscal year period commencing on the January 1 coinciding with or immediately preceding the date an Eligible Employee commences participation in the Plan and ending on the immediately succeeding December 31;

(b) the two (2) fiscal year period commencing on the January 1 coinciding with or immediately preceding the date an Eligible Employee commences participation in the Plan and ending on December 31 of the immediately succeeding fiscal year; and

(c) each period of three (3) consecutive fiscal years of the Company commencing on the January 1 coinciding with or immediately preceding the date an Eligible Employee commences participation in the Plan and on each January 1 thereafter.

2.16 Plan. Plan means the Nucor Corporation Senior Officers Long-Term Incentive Plan, as set forth herein and as amended from time to time.

2.17 Restricted Stock Performance Award. Restricted Stock Performance Award is defined in Section 4.2.

2.18 Return on Average Invested Capital. Return on Average Invested Capital for a Performance Period means an amount, expressed as a percentage, determined by dividing (a) the Company's Adjusted Net Earnings for the Performance Period by (b) the Company's Average Invested Capital for the Performance Period.

2.19 Separation from Service. Separation from Service means the termination of an Eligible Employee's employment with the Company and its Subsidiaries, provided such termination also constitutes a separation from service under Section 409A of the Code.

2.20 Steel Peer Group. Steel Peer Group for a Performance Period means a group of not less than five (5) steel industry competitors (or such other minimum number as may be selected by the Committee) designated by the Committee not later than ninety (90) days after the beginning of the Performance Period.

2.21 Target Performance Award. Target Performance Award for an Eligible Employee for a Performance Period means that number of shares of the Company's common stock determined by dividing (a) the target award percentage of the Eligible Employee's Compensation set by the Committee for the Performance Period by (b) the closing price at which shares of the Company's common stock are sold regular way on the New York Stock Exchange on the last trading day immediately preceding the beginning of the Performance Period. The Target Performance Award shall not be rounded up or down to a whole number of shares.

Notwithstanding the foregoing, in the event (i) an Eligible Employee commences participation in the Plan effective as of any day other than January 1, (ii) the employment of an Eligible Employee terminates during a Performance Period on or after the date the Eligible Employee attains age fifty-five (55) or due to the Eligible Employee's death or disability, or (iii) an Employee ceases for any reason to be an Eligible Employee during a Performance Period on or after the date the Eligible Employee attains age fifty-five (55) (but remains an Employee), then in any of such events, the Eligible Employee's Target Performance Award shall be adjusted by multiplying such Target Performance Award by a fraction, the numerator of which is the number of complete calendar months during the Performance Period that the Eligible Employee was employed by the Company and participating in the Plan, and the denominator of which is the total number of calendar months in the Performance Period.

ARTICLE III
PERFORMANCE AWARDS

3.1 Performance Awards.

(a) Maximum Performance Awards. The maximum Performance Award that may be made to an Eligible Employee with respect to any Performance Period shall be two (2) times the Eligible Employee's Target Performance Award for the Performance Period. All Performance Awards under the Plan shall be based on the Company's relative Return on Average Invested Capital in accordance with Section 3.1(b).

(b) Awards Based on Relative Return on Average Invested Capital.

(i) Steel Peer Group. Fifty percent (50%) of the maximum Performance Award for a Performance Period (*i.e.*, 100% of the number of shares of the Company's common stock comprising the Eligible Employee's Target Performance Award for the Performance Period) shall be available for award based on the Company's Return on Average Invested Capital for the Performance Period relative to the return on average invested capital of each company in the Steel Peer Group for the Performance Period. Not later than ninety (90) days after the beginning of each Performance Period, the Committee shall designate, in writing, the amount of the Performance Award that will be made to each Eligible Employee, expressed as a percentage of the number of shares comprising the Eligible Employee's Target Performance Award for the Performance Period, for levels of Return on Average Invested Capital for the Performance Period when ranked against the return on average invested capital of the members of the Steel Peer Group for the Performance Period.

(ii) General Industry Group. The remaining fifty percent (50%) of the maximum Performance Award for a Performance Period (*i.e.*, 100% of the number of shares of the Company's common stock comprising the Eligible Employee's Target Performance Award for the Performance Period) shall be available for award based on the Company's Return on Average Invested Capital for the Performance Period relative to the return on average invested capital of each company in the General Industry Group for the Performance Period. Not later than ninety (90) days after the beginning of each Performance Period, the Committee shall designate, in writing, the amount of the Performance Award that will be made to each Eligible Employee, expressed as a percentage of the number of shares comprising the Eligible Employee's Target Performance Award for the Performance Period, for levels of Return on Average Invested Capital for the Performance Period when ranked against the return on average invested capital of the members of the General Industry Group for the Performance Period.

The Committee's designation of the amount of the Performance Award for the Company's rankings against the Steel Peer Group and the General Industry Group shall provide approximately equal progression in the amount of the award from the minimum to the maximum amount that may be awarded under Sections 4.1(b)(i) and (ii). The Company's Steel Peer Group and General Industry Group rankings shall be based on the most recent available financial information for the members of the Steel Peer Group and General Industry Group.

(c) Performance Objectives Adjustments; Reduction or Forfeiture of Performance Awards. Notwithstanding the foregoing provisions of this Section 3.1:

(i) The Committee may adjust, modify or amend the Performance Objectives, either in establishing the criteria or in determining the extent to which any Performance Objectives has been achieved. In particular, the Committee shall have the discretionary authority to make equitable adjustments to the Performance Objectives where necessary (A) in response to any reduction in the number of members of the General Industry Peer Group or Steel Peer Group that may occur during a Performance Period, (B) to account for differences in accounting principles used by members of the General Industry Peer Group or Steel Peer Group to report their financial performance, (C) in response to changes in applicable laws or regulations, (D) to account for items of gain, loss or expense that are related to the disposal (or acquisition) of a business or change in accounting principles that was not anticipated, (E) to account for unusual or non-recurring transactions that were not anticipated, or (F) to reflect other unusual, non-recurring or unexpected items similar in nature to the foregoing as determined in good faith by the Committee. Any such adjustments may be made with respect to the performance of any Subsidiary, division or operating unit, as applicable, and shall be made in a consistent manner for year-to-year, and shall be made in accordance with the objectives of the Plan and the requirements of Section 162(m) of the Code.

(ii) If the Company has no reported net earnings for a Performance Period that ends prior to a Change in Control, no Performance Awards will be made with respect to the Performance Period.

(iii) The Committee in its sole and exclusive discretion may reduce (including a reduction to zero) the amount of the Performance Awards otherwise payable to Eligible Employees under the Plan for a Performance Period that ends prior to a Change in Control, provided the same percentage reduction is made to all of the Performance Awards otherwise payable for the Performance Period.

(iv) If the employment of an Eligible Employee is terminated during a Performance Period prior to the Eligible Employee's attainment of age fifty-five (55) for any reason other than the Eligible Employee's death or disability, the Eligible Employee shall not receive any Performance Award under the Plan for the Performance Period.

(v) If an Employee ceases to be an Eligible Employee during a Performance Period for any reason (including due to a change in position or title) prior to the date the Eligible Employee attains age fifty-five (55), the Employee shall not receive any Performance Award under the Plan for the Performance Period.

3.2 Performance Award Payments.

An Eligible Employee's Performance Award shall be paid by the Company to the Eligible Employee within thirty (30) days after the later of (i) the completion of the independent audit of the Company's financial statements for the Performance Period or (ii) the date the Committee certifies in writing the amount of Performance Awards payable under Section 3.1. In no event, however, shall payment of a Performance Award be made later than two and one-half (2 ½) months after the end of the Performance Period for the Performance Award. The value of fifty percent (50%) of the shares comprising an Eligible Employee's Performance Award for a Performance Period, determined by multiplying the number of such shares by the closing price at which shares of the Company's common stock are sold regular way on the

New York Stock Exchange on the last trading day of the Performance Period, shall be paid to the Eligible Employee in cash, less applicable payroll and withholding taxes. The remaining fifty percent (50%) of the shares comprising the Eligible Employee's Performance Award shall be rounded down to the next lower whole number of shares. Such whole number of shares shall constitute the Eligible Employee's "Restricted Stock Performance Award" and shall be delivered to the Eligible Employee, unless the Eligible Employee makes an election in accordance with Section 3.3 to defer payment of the Restricted Stock Performance Award. The Restricted Stock Performance Award shares shall become vested in the Eligible Employee upon the Eligible Employee's attainment of age fifty-five (55) while employed by the Company or a Subsidiary, in the event the Eligible Employee dies or becomes disabled while employed by the Company or a Subsidiary or, if earlier, in installments based on the Eligible Employee's continued employment with the Company or a Subsidiary through each of the following vesting dates:

Vesting Date	Vested Portion of Restricted Stock Performance Award
1st anniversary of payment date	33-1/3%
2nd anniversary of payment date	66-2/3%
3rd anniversary of payment date	100%

In the event an Eligible Employee's employment with the Company and its Subsidiaries terminates for any reason, the Eligible Employee shall, for no consideration, forfeit to the Company coincident with such termination all shares in the Restricted Stock Performance Award that have not become vested in the Eligible Employee.

3.3 Deferrals of Restricted Stock Performance Awards.

(a) Deferral Agreement. Each Eligible Employee may elect, by entering into a Deferral Agreement with the Company, to defer payment of all (and not less than all) of the Restricted Stock Performance Award otherwise payable to the Eligible Employee for a Performance Period. To be effective to defer the payment of a Restricted Stock Performance Award, an Eligible Employee must complete and return a Deferral Agreement to the Company in accordance with procedures established by the Committee for such purpose on or before the date that is six (6) months before the end of the Performance Period; provided, however, an Employee who first becomes an Eligible Employee during a Performance Period shall not be permitted to enter into a Deferral Agreement for the deferral of a Restricted Stock Performance Award for such Performance Period.

An Eligible Employee's Deferral Agreement shall be effective for one Performance Period. Therefore, an Eligible Employee must complete and sign a Deferral Agreement and return the agreement to the representative of the Company designated by the Committee on or before the date that is six (6) months before the end of the Performance Period for which a deferral of a Restricted Stock Performance Award is intended to be made.

(b) Deferral Accounts. In the event an Eligible Employee defers the payment of a Restricted Stock Performance Award, the number of shares comprising such award shall be converted into an equivalent number of common stock units, and such units shall be credited to a Deferral Account established and maintained in the Eligible Employee's name on the books and records of the Company.

(c) Dividend Equivalent Payments; Adjustments to Common Stock Units. The Company shall pay to each Eligible Employee in cash, less applicable payroll and withholding taxes, within thirty (30) days after the payment date of any cash dividend with respect to shares of the Company's common stock a dividend equivalent payment equal to the number of common stock units credited to the Eligible Employee's Deferral Account as of the record date for such dividend multiplied by the per share amount of the dividend.

In the event a dividend with respect to shares of the Company's common stock shall be declared and paid in additional shares or in the event the outstanding shares of the Company's common stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation or changed into or exchanged for cash or property or the right to receive cash or property, then the Committee shall in its discretion equitably adjust the common stock units credited to the Deferral Accounts under the Plan to prevent substantial dilution or enlargement of the rights of Eligible Employees under the Plan.

(d) Vesting. An Eligible Employee shall become vested in the common stock units credited to the Eligible Employee's Deferral Account in accordance with the vesting provisions of Section 3.2 that would have applied to the Restricted Stock Performance Award shares from which such units were derived. In the event an Eligible Employee terminates employment prior to attaining age fifty-five (55) for any reason other than death or disability, the common stock units credited to the Eligible Employee's Deferral Account that are not vested shall be forfeited.

(e) Payment of Deferral Accounts. Subject to Section 6.6, the vested portion of an Eligible Employee's Deferral Account shall be paid to the Eligible Employee no earlier than fifteen (15) days and no later than ninety (90) days after the Eligible Employee's Separation from Service. The form of payment shall be one share of the Company's common stock for each common stock unit and cash for any fractional unit credited to the vested portion of the Deferral Account.

In accordance with procedures established by the Committee, but in no event later than the date an Eligible Employee enters into his or her first Deferral Agreement with the Company under the Plan, the Eligible Employee may elect a single sum payment of the Eligible Employee's Deferral Account or payment in installments over a term certain of not more than five (5) years. In the event an Eligible Employee fails to make a valid method of payment election, distribution of the Eligible Employee's Deferral Account shall be made in a single sum payment of shares of Company common stock and cash for any fractional unit credited to the Deferral Account.

(f) Payment Following Death. An Eligible Employee may designate and change at any time the Beneficiary who is to receive distribution of the vested portion of the Eligible Employee's Deferral Account in the event of the Eligible Employee's death. Any such designation or change shall not be effective until received by the representative of the Company designated by the Committee. If an Eligible Employee has not properly designated a Beneficiary, if for any reason such designation shall not be legally effective, or if the designated Beneficiary shall predecease the Eligible Employee, then the Eligible Employee's estate shall be treated as the Beneficiary.

In the event of an Eligible Employee's death prior to distribution of all common stock units credited to the Eligible Employee's Deferral Account, the Eligible Employee's Beneficiary shall receive a distribution of the vested portion of such units (in the form of shares of Company common stock and cash for any fractional unit credited to the Deferral Account) as soon as practicable but in no event later than ninety (90) days following the Eligible Employee's death in a single sum payment.

ARTICLE IV
CHANGE IN CONTROL

4.1 Termination of Plan and Performance Periods.

The Plan, and all Performance Periods then in progress, shall terminate upon a Change in Control. Performance Awards for such terminated Performance Periods shall be determined and paid following the Change in Control in accordance with this Article IV notwithstanding any contrary provision of the Plan.

4.2 Determination of Performance Awards.

The Performance Award for each Performance Period that ended on a Change in Control in accordance with Section 4.1 shall be equal to the greater of:

(a) the Performance Award calculated in the manner described in Sections 3.1(a) and (b) based on the Company's Return on Average Invested Capital relative to the Steel Peer Group and the General Industry Peer Group as of the end of the calendar quarter immediately preceding the Change in Control; or

(b) the Eligible Employee's Target Performance Award for such Performance Period.

Provided that, an Eligible Employee's Target Performance Award for a Performance Period used for purposes of determining the amount in clauses (a) and (b) above shall not be adjusted as provided in the second paragraph of the definition of Target Performance Award (i.e., the adjustment for Eligible Employees who first participate in the Plan after the beginning of a Performance Period) but shall be adjusted by multiplying the Target Performance Award for the Performance Period by a fraction, the numerator of which is the number of days during the Performance Period that ended on the Change in Control during which the Eligible Employee was employed by the Company and participating in the Plan, and the denominator of which is the number of days that would have been in such Performance Period if it had not ended due to the Change in Control.

4.3 Payment of Performance Awards.

The value of an Eligible Employee's Performance Awards determined under Section 4.2 shall be paid by the Company to the Eligible Employee in a single cash payment, less applicable withholding taxes, within sixty (60) days following the Change in Control. Such value shall be equal to the aggregate number of shares comprising the Eligible Employee's Performance Awards multiplied by the closing price at which shares of the Company's stock are sold regular way on the New York Stock Exchange on the last trading day prior to the Change in Control. An Eligible Employee shall not be permitted to defer payment of the amount due to the Eligible Employee under this Section 5.3.

4.4 Vesting.

Upon a Change in Control, an Eligible Employee shall become fully vested and have a nonforfeitable interest in, and shall be entitled to receive payment for, all of the Eligible Employee's Performance Awards, including the portion of such Performance Awards that are Restricted Stock Performance Awards, for all Performance Periods that ended prior to or upon the Change in Control and, if applicable, the common stock units credited to the Eligible Employee's Deferral Account.

4.5 Payment of Deferral Accounts.

Any payment election made by an Eligible Employee under Section 3.3(e) shall be null and void and have no further force or effect from and after a Change in Control Acceleration Event, and subject to Section 5.6, the value of the Eligible Employee's Deferral Account shall be paid to the Eligible Employee in a single cash payment, less applicable withholding taxes, within sixty (60) days following the Change in Control Acceleration Event (the "CIC Payment Date"). Such value shall be equal to the number of common stock units credited to the Eligible Employee's Deferral Account as of the date of the Change in Control Acceleration Event multiplied by the closing price at which shares of the Company's stock are sold regular way on the New York Stock Exchange on the last trading day prior to the date of the Change in Control Acceleration Event.

In the event that payment to an Eligible Employee is delayed beyond the CIC Payment Date due to the requirements of Section 5.6, the amount due to such Eligible Employee as of the CIC Payment Date shall be increased with interest at the prime rate, as published in *The Wall Street Journal*, plus 1% per annum, from the CIC Payment Date to the date the Eligible Employee receives payment of the amount due.

ARTICLE V
MISCELLANEOUS

5.1 Amendment or Termination.

The Board expressly reserves for itself and for the Committee the right and the power to amend or terminate the Plan at any time. Unless the Committee otherwise expressly provides at the time the action is taken, no Performance Awards shall be paid to any Eligible Employee on or after the date of any termination of the Plan.

5.2 Code Section 409A.

Notwithstanding anything in the Plan to the contrary, if any amount or benefit that the Company determines would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan by reason of an Eligible Employee's Separation from Service, then to the extent necessary to comply with Code Section 409A:

(a) if the payment or distribution is payable in a lump sum, the Eligible Employee's right to receive payment or distribution of such non-exempt deferred compensation will be delayed until the earlier of the Eligible Employee's death or the seventh month following the Eligible Employee's Separation from Service; and

(b) if the payment or distribution is payable over time, the amount of such non-exempt deferred compensation that would otherwise be payable during the six (6) month period immediately following the Eligible Employee's Separation from Service will be accumulated and the Eligible Employee's right to receive payment or distribution of such accumulated amount will be delayed until the earlier of the Eligible Employee's death or the seventh month following the Eligible Employee's Separation from Service and paid on the earlier of such dates, without interest, and the normal payment or distribution schedule for any remaining payments or distributions will commence.

5.3 Local Law Adjustments; Sub-Plans.

To facilitate the making of any Performance Award under this Plan, the Committee may adopt rules and provide for such special terms for Performance Awards to Eligible Employees who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Without limiting the foregoing, the Committee is authorized to adopt rules and procedures for the conversion of local currency, taxes, withholding procedures and handling of stock certificates which vary with the customs and requirements of particular countries. The Company may adopt sub-plans and establish escrow accounts and trusts, and settle Performance Awards in cash in lieu of shares, as may be appropriate or required for particular locations and countries.

5.4 Special Provisions for Certain Eligible Employees.

All Performance Awards for Eligible Employees subject to Section 16(b) of the Securities Exchange Act of 1934 shall be deemed to include any such additional terms, conditions, limitations and provisions as Rule 16b-3 requires. All Performance Awards to Covered Employees shall be deemed to include any such additional terms, conditions, limitations and provisions as are necessary to comply with the performance-based compensation exemption of Section 162(m) of the Code, unless the Committee, in its discretion, determines that any such award is not intended to qualify for the exemption for performance-based compensation under Section 162(m) of the Code.

Exhibit 12
Nucor Corporation
2017 Form 10-K

Computation of Ratio of Earnings to Fixed Charges

	Year ended December 31,				
	2013	2014	2015	2016	2017
	(In thousands, except ratios)				
Earnings					
Earnings before income taxes and noncontrolling interests	$808,568	$1,147,288	$ 241,866	$1,298,659	$1,749,957
Plus: (earnings)/losses from equity investments	(9,297)	(13,505)	(5,329)	(38,757)	(41,661)
Plus: fixed charges (includes interest expense and amortization of bond issuance costs and settled swaps and estimated interest on rent expense)	164,128	178,240	178,941	186,437	190,889
Plus: amortization of capitalized interest	3,064	4,166	4,062	3,715	4,208
Plus: distributed income of equity investees	8,708	53,738	15,132	40,602	49,295
Less: interest capitalized	(10,913)	(2,946)	(311)	(3,940)	(1,590)
Less: pre-tax earnings in noncontrolling interests in subsidiaries that have not incurred fixed charges	(94,330)	(99,227)	(112,306)	(104,145)	(61,883)
Total earnings before fixed charges	$869,928	$1,267,754	$ 322,055	$1,382,571	$1,889,215
Fixed charges					
Interest cost and amortization of bond issuance and settled swaps	$162,899	$ 177,088	$ 177,855	$ 185,119	$ 188,872
Estimated interest on rent expense	1,229	1,152	1,086	1,318	2,017
Total fixed charges	$164,128	$ 178,240	$ 178,941	$ 186,437	$ 190,889
Ratio of earnings to fixed charges	5.30	7.11	1.80	7.42	9.90

Exhibit 13
Nucor Corporation
2017 Form 10-K

FINANCIAL HIGHLIGHTS
(dollar and share amounts in thousands, except per share data)

	2017	2016	% CHANGE
FOR THE YEAR			
Net sales	$20,252,393	$16,208,122	25%
Earnings:			
Earnings before income taxes and noncontrolling interests	1,749,957	1,298,659	35%
Provision for income taxes	369,386	398,243	-7%
Net earnings	1,380,571	900,416	53%
Earnings attributable to noncontrolling interests	61,883	104,145	-41%
Net earnings attributable to Nucor stockholders	1,318,688	796,271	66%
Per share:			
Basic	4.11	2.48	66%
Diluted	4.10	2.48	65%
Dividends declared per share	1.5125	1.5025	1%
Percentage of net earnings to net sales	6.5%	4.9%	
Return on average stockholders' equity	15.9%	10.4%	
Capital expenditures	507,074	617,677	-18%
Depreciation	635,833	613,192	4%
Acquisitions (net of cash acquired)	544,041	474,788	15%
Sales per average employee	820	690	19%
AT YEAR END			
Working capital	$ 3,999,656	$ 4,116,427	-3%
Property, plant and equipment, net	5,093,147	5,078,650	—
Long-term debt (including current maturities)	3,742,242	4,339,141	-14%
Total Nucor stockholders' equity	8,739,036	7,879,865	11%
Per share	27.48	24.72	11%
Shares outstanding	317,969	318,737	—
Employees	25,100	23,900	5%

FORWARD-LOOKING STATEMENTS Certain statements made in this annual report are forward-looking statements that involve risks and uncertainties. The words "believe," "expect," "project," "will," "should," "could" and similar expressions are intended to identify those forward-looking statements. These forward-looking statements reflect the Company's best judgment based on current information, and although we base these statements on circumstances that we believe to be reasonable when made, there can be no assurance that future events will not affect the accuracy of such forward-looking information. As such, the forward-looking statements are not guarantees of future performance, and actual results may vary materially from the projected results and expectations discussed in this report. Factors that might cause the Company's actual results to differ materially from those anticipated in forward-looking statements include, but are not limited to: (1) competitive pressure on sales and pricing, including pressure from imports and substitute materials; (2) U.S. and foreign trade policies affecting steel imports or exports; (3) the sensitivity of the results of our operations to prevailing steel prices and changes in the supply and cost of raw materials, including pig iron, iron ore and scrap steel; (4) availability and cost of electricity and natural gas which could negatively affect our cost of steel production or could result in a delay or cancelation of existing or future drilling within our natural gas drilling programs; (5) critical equipment failures and business interruptions; (6) market demand for steel products, which, in the case of many of our products, is driven by the level of nonresidential construction activity in the United States; (7) impairment in the recorded value of inventory, equity investments, fixed assets, goodwill or other long-lived assets; (8) uncertainties surrounding the global economy, including excess world capacity for steel production; (9) fluctuations in currency conversion rates; (10) significant changes in laws or government regulations affecting environmental compliance, including legislation and regulations that result in greater regulation of greenhouse gas emissions that could increase our energy costs and our capital expenditures and operating costs or cause one or more of our permits to be revoked or make it more difficult to obtain permit modifications; (11) the cyclical nature of the steel industry; (12) capital investments and their impact on our performance; and (13) our safety performance.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Steel Industry Conditions

In spite of lackluster global economic and steel industry conditions, the economy in the United States continues to experience modest growth, and steel demand in this country is stronger than in many parts of the world. After several years of growth in nonresidential construction markets (the sector to which we are most closely tied and the largest end market for steel in the United States), demand stalled in 2015. Still sluggish nonresidential construction activity continued throughout 2016 and 2017. The domestic automotive market, which is the second largest end market for steel in the United States, decreased to an estimated 17.2 million vehicles sold in 2017, down from a record 17.6 million vehicles sold in 2016. Current estimates for 2018 project the number of automotive units sold will dip below 17 million but remain healthy. A steep drop in oil prices in 2015 had a significant negative impact on demand for energy-related steel, which is the third largest end market for steel in the United States. Demand has improved since 2015 and current consensus is for continued improvement in 2018. Long-term, we believe that the domestic economy can benefit from globally competitive energy prices.

Although Nucor's earnings increased significantly in 2017, they continue to be impacted significantly by extremely high levels of steel imports. Our industry remains greatly constrained by the impact of global overcapacity. Weak economic conditions in Europe, slow growth in China and a strong U.S. dollar relative to other foreign currencies continue to make the U.S. markets a prime target for foreign steel imports. While the steel industry has historically been characterized by periods of overcapacity and intense competition for sales among producers, we are currently experiencing an era of global overcapacity that is unprecedented. Despite ongoing domestic and global steel industry consolidation, the extraordinary increase in China's steel production in the last decade, together with the excess capacity from other countries that have state-owned enterprises ("SOEs") or export-focused steel industries, have exacerbated this overcapacity issue domestically as well as globally. The G-20 Global Forum on Steel Excess Capacity, citing data from the Organisation for Economic Co-operation & Development and the World Steel Association, reports that in 2016 global steel production overcapacity was estimated at approximately 812 million tons per year, with China being the largest contributor to overcapacity. China is the world's largest producer and exporter of steel, accounting for almost half of the steel produced annually in the world. We believe Chinese producers, many of which are government-owned in whole or in part, continue to benefit from their government's manipulation of foreign currency exchange rates and from the receipt of government subsidies, which allow them to sell steel into our markets at artificially low prices.

Imported steel and steel products continue to present unique challenges for us because foreign producers often benefit from government subsidies, either directly through SOEs or indirectly through government-owned or controlled financial institutions. Foreign imports of finished and semi-finished steel increased more than 15% in 2017 compared to 2016, remaining excessive with imports of finished steel products alone capturing 27% of the U.S. market despite significant unused cost-competitive domestic capacity. The surge comes from numerous countries and cuts across many product lines. Our products that experience the greatest amount of imports include: semi-finished steel, reinforcing bar, plate and hot-rolled, cold-rolled and galvanized sheet steel. Countries that contribute significantly to the import total include South Korea, Turkey, Japan and China.

China is not only selling steel at artificially low prices into our domestic market but also across the globe. When it does so, steel products that would otherwise have been consumed by the local steel customers in other countries are displaced into global markets, compounding the issue. Nucor has joined three other domestic steelmakers in filing a petition alleging China is circumventing previously levied duties by shipping products through third-party countries. Also, in a more indirect manner, but increasingly significant, is the import of fabricated steel products, such as oil country tubular goods, wind towers and other construction components that were produced in China.

The steel industry has always been cyclical in nature, but North American producers of steel and steel products have been facing, and are continuing to face, very challenging global market conditions. The average domestic industry capacity utilization rates have languished around 71% from 2015 through 2017. These rates compare unfavorably to capacity utilization rates that reached as high as 87% in 2007. Although domestic demand for steel and steel products is expected to remain healthy in 2018, we believe it is unlikely that average capacity utilization rates will increase significantly unless the U.S. government and world trade organizations continue to address global overcapacity and unfair trade practices. The average utilization rates of all operating facilities in our steel mills, steel products and raw materials segments were approximately 85%, 64% and 65%, respectively, in 2017, compared with 78%, 63% and 62%, respectively, in 2016. In spite of challenging market conditions, all of our product groups in the steel mills segment realized improved utilization rates in 2017 over the prior year.

Macro-level uncertainties in world markets should continue to weigh on global and domestic growth in 2018. We believe our net sales and financial results will continue to be adversely affected by these general global economic factors as well as the global steel production overcapacity issue.

Our Challenges and Risks

Sales of many of our products are largely dependent upon capital spending in the nonresidential construction markets in the United States, including in the industrial and commercial sectors, as well as capital spending on infrastructure that is publicly funded, such as bridges, schools, prisons and hospitals. Unlike recoveries from past recessions, the recovery from the recession of 2008-2009 has not yet included a strong recovery in the severely depressed nonresidential construction markets. While we have continued to experience a slightly positive trajectory in capital spending on nonresidential construction projects since 2009, we do not expect to see strong growth in our net sales until we see a more sustained increase in spending on these types of construction projects. Congress did pass a five-year surface transportation funding bill at the end of 2015, providing $305 billion for highway and public transportation projects. We are also encouraged by the Trump administration's recent commentary on initiatives that should spur greater economic growth, including increased infrastructure spending, the rolling back of excessive regulations and the encouragement of domestic energy production.

The continued flow of artificially cheap exports by some of our major foreign competitors into the United States and elsewhere reduces our net sales and adversely impacts our financial results. Unfair trade practices have been challenged successfully as violating world trade rules. In 2016, the U.S. steel industry received positive determinations in trade cases involving three flat-rolled products - corrosion-resistant, cold-rolled and hot-rolled steel. In 2017, the domestic industry realized important victories when the U.S. Department of Commerce ("DOC") made favorable rulings in additional trade cases involving steel plate, rebar and wire rod.

Efforts by foreign companies to evade duties by routing products through third-party countries is also a challenge. Artificially-priced imports and duty evasion schemes make it very difficult for Nucor to maintain sales prices and profit levels. As a result, Nucor joined three other steelmakers in filing a petition alleging China is circumventing coated steel sheet duties by shipping product through Vietnam. At the end of 2017, the DOC issued a preliminary determination finding that China did evade U.S. anti-dumping and anti-subsidy orders in these transactions. A final determination is expected to be announced in the first quarter of 2018. We continue to believe that assertive enforcement of world trade rules must be one of the highest priorities of the U.S. government.

Another important trade issue in 2018 is China's continued treatment as a non-market economy in trade disputes. China was a government-run, non-market economy in 2001 when it entered its Protocol of Accession to the World Trade Organization (the "Protocol"), and China remains a government-run, non-market economy today. The main objective of the Protocol was to encourage, and in some cases to require, China to make market-based economic reforms. China has argued that its accession agreement with the World Trade Organization requires it be treated as a market economy after 15 years, a milestone it surpassed in December 2016. However, over this period, China has failed to take the required steps to establish that it is a market economy under U.S. law. Therefore, we agree with the DOC's decision to continue treating China as a non-market economy, and we encourage other countries to support this position. By treating China as a non-market economy in anti-dumping cases, the DOC can assume that Chinese prices and costs are distorted, and it can use other methodologies to calculate anti-dumping duties. This treatment often results in appropriately higher duties against Chinese products, in order to offset its unfair trade practices.

A major uncertainty we continue to face in our business is the price of our principal raw material, ferrous scrap, which is volatile and often increases or decreases rapidly in response to changes in domestic demand, unanticipated events that affect the flow of scrap into scrap yards and changes in foreign demand for scrap. In periods of rapidly increasing raw material prices in the industry, which is often also associated with periods of strong or rapidly improving steel market conditions, being able to increase our prices for the products we sell quickly enough to offset increases in the prices we pay for ferrous scrap is challenging but critical to maintaining our profitability. We attempt to mitigate the scrap price risk by managing scrap inventory levels at the steel mills to match the anticipated demand over the next several weeks. Certain scrap substitutes, including pig iron, have longer lead times for delivery than scrap, which can make this inventory management strategy difficult to achieve. Continued successful implementation of our raw material strategy, including key investments in direct reduced iron ("DRI") production coupled with the scrap brokerage and processing services performed by our team at The David J. Joseph Company ("DJJ"), gives us greater control over our metallic inputs and thus also helps us to mitigate this risk.

During periods of stronger or improving steel market conditions, we are more likely to be able to pass through to our customers, relatively quickly, the increased costs of ferrous scrap and scrap substitutes, protecting our gross margins from significant erosion. During weaker or rapidly deteriorating steel market conditions, including the global steel market environment of the past several years, weak steel demand, low industry utilization rates and the impact of imports create an even more intensified competitive environment. All of those factors, to some degree, impact pricing, which increases the likelihood that Nucor will experience lower gross margins.

Although the majority of our steel sales are to spot market customers who place their orders each month based on their business needs and our pricing competitiveness compared to both domestic and global producers and trading companies, we also sell contract tons, primarily in our sheet operations. Approximately 65% of our sheet sales were to contract customers in 2017 (60% in 2016 and 2015), with the balance in the spot market at the prevailing prices at the time of sale. Steel contract sales outside of our sheet operations are not significant. The amount of tons sold to contract customers depends on the overall market conditions at the time, how the end-use customers see the market moving forward and the strategy that Nucor management believes is appropriate to the upcoming period.

Nucor management considerations include maintaining an appropriate balance of spot and contract tons based on market projections and appropriately supporting our diversified customer base. The percentage of tons that is placed under contract also depends on the overall market dynamics and customer negotiations. In years of strengthening demand, we typically see an increase in the percentage of sheet sales sold under contract as our customers have an expectation that transaction prices will rapidly rise and available capacity will quickly be sold out. To mitigate this risk, customers prefer to enter into contracts in order to obtain committed volumes of supply from the mills. Our contracts include a method of adjusting prices on a periodic basis to reflect changes in the market pricing for steel and/or scrap. Market indices for steel generally trend with scrap pricing changes but during periods of steel market weakness the more intensified competitive steel market environment can cause the sales price indices to decrease resulting in reduced gross margins and profitability. Furthermore, since the selling price adjustments are not immediate, there will always be a timing difference between changes in the prices we pay for raw materials and the adjustments we make to our contract selling prices. Generally, in periods of increasing scrap prices, we experience a short-term margin contraction on contract tons. Conversely, in periods of decreasing scrap prices, we typically experience a short-term margin expansion. Contract sales typically have terms ranging from six to 12 months.

Another significant uncertainty we face is the cost of energy. The availability and prices of electricity and natural gas are influenced today by many factors, including changes in supply and demand, advances in drilling technology and, increasingly, by changes in public policy relating to energy production and use. Proposed regulation of greenhouse gas emissions from new and refurbished power plants could increase our cost of electricity in future years, particularly if such regulation is adopted in a form that requires deep reductions in greenhouse gas emissions. Adopting these regulations in an onerous form could lead to foreign producers that are not affected by them gaining a competitive advantage over us. We are monitoring these regulatory developments closely and will seek to educate public policy makers during the adoption process about their potential impact on our business and the U.S. manufacturing base.

Our Strengths and Opportunities

We are North America's most diversified steel producer. As a result, our short-term performance is not tied to any one market. Since 2013, we have made investments of more than $5 billion on projects that are not only diversifying our product offerings but also the markets that we serve. We expect these investments to grow our long-term earnings power by increasing our channels to market, expanding our product portfolio into higher value-added offerings that are less vulnerable to imports, improving our cost structure and further building upon our market leadership positions.

Nucor's raw material supply chain is another important strength. Our investment in DRI production facilities and scrap brokerage and processing businesses provides Nucor with significant flexibility in optimizing our raw materials costs. Additionally, having a significant portion of our raw materials supply under our control minimizes risk associated with the global sourcing of raw materials, particularly since a considerable portion of scrap substitutes comes from regions of the world that have historically experienced greater political turmoil.

Our highly variable, low-cost structure, combined with our financial strength and liquidity, has allowed us to successfully navigate cyclical, severely depressed steel industry market conditions in the past. In such times, our incentive-based pay system reduces our payroll costs, both hourly and salary, which helps to offset lower selling prices. Our pay-for-performance system, that is closely tied to our levels of production, also allows us to keep our workforce intact and to continue operating our facilities when some of our competitors with greater fixed costs are forced to shut down some of their facilities. Because we use electric arc furnaces to produce our steel, we can easily vary our production levels to match short-term changes in demand, unlike our blast furnace-based integrated competitors. We believe these strengths also provide us further opportunities to gain market share during such times.

Evaluating Our Operating Performance

We report our results of operations in three segments: steel mills, steel products and raw materials. Most of the steel we produce in our mills is sold to outside customers, but a significant percentage is used internally by our tubular products divisions, our piling distributor and many of the facilities in our steel products segment.

We begin measuring our performance by comparing our net sales, both in total and by individual segment, during a reporting period with our net sales in the corresponding period in the prior year. In doing so, we focus on changes in and the reasons for such changes in the two key variables that have the greatest influence on our net sales: average sales price per ton during the period and total tons shipped to outside customers.

We also focus on both dollar and percentage changes in gross margins, which are key drivers of our profitability, and the reasons for such changes. There are many factors from period to period that can affect our gross margins. One consistent area of focus for us is changes in "metal margins," which is the difference between the selling price of steel and the cost of scrap and scrap substitutes. Increases or decreases in the cost of scrap and scrap substitutes that are not offset by changes in the selling price of steel can quickly compress or expand our margins and reduce or increase our profitability.

Because energy is a key input to our manufacturing processes, material changes in energy costs per ton can significantly affect our gross margins as well. Lower energy costs per ton increase our gross margins. Generally, our energy costs per ton are lower when the average utilization rates of all operating facilities in our steel mills segment are higher.

Changes in marketing, administrative and other expenses, particularly profit sharing costs, can have a material effect on our results of operations for a reporting period as well. Profit sharing costs vary significantly from period to period as they are based upon changes in our pre-tax earnings and are a reflection of our pay-for-performance system that is closely tied to our levels of production.

Evaluating our Financial Condition

We evaluate our financial condition each reporting period by focusing primarily on the amounts of and reasons for changes in cash provided by operating activities, our current ratio, the turnover rate of our accounts receivable and inventories, the amount and reasons for changes in cash used in or provided by investing activities and financing activities and our cash and cash equivalents and short-term investments position at period end. Our conservative financial practices have served us well in the past and are serving us well today. As a result, our financial position remains strong despite the negative effects on our business of global overcapacity and the continued weakness in the global economy.

Comparison of 2017 to 2016

Results of Operations

Net Sales – Net sales to external customers by segment for 2017 and 2016 were as follows (in thousands):

Year ended December 31,	2017	2016	% Change
Steel mills	$14,508,847	$11,312,048	28%
Steel products	4,000,606	3,687,448	8%
Raw materials	1,742,940	1,208,626	44%
Total net sales to external customers	$20,252,393	$16,208,122	25%

Net sales for 2017 increased 25% from the prior year. Average sales price per ton increased 15% from $667 in 2016 to $764 in 2017. Total tons shipped to outside customers increased 9% from 24,309,000 tons in 2016 to 26,492,000 tons in 2017.

In the steel mills segment, sales tons were as follows (in thousands):

	2017	2016	% Change
Outside steel shipments	20,618	18,846	9%
Inside steel shipments	4,100	3,095	32%
Total steel shipments	24,718	21,941	13%

Net sales for the steel mills segment increased 28% in 2017 from the prior year due to a 17% increase in the average sales price per ton from $601 in 2016 to $704 in 2017, as well as a 9% increase in total tons shipped to outside customers. All of our steel mill products experienced higher average selling prices in 2017 as compared to 2016, with the sheet mills having the most significant impact on the segment's net sales increase in 2017. The increase in tons sold to outside customers in 2017 as compared to 2016 was partly due to the acquisitions of our tubular products businesses that occurred during the fourth quarter of 2016 and the first quarter of 2017. In addition, all product groups within the steel mills segment, except for our structural products, experienced an increase in tons sold to outside customers as compared to the prior year. The addition of the tubular products businesses also contributed to the increase in average sales price per ton for the steel mills segment in 2017 compared to 2016 as those products have higher average selling prices. The improved volumes and higher average selling prices combined to result in increased sales for the steel mills segment in every quarter of 2017 when compared to the respective prior year quarter.

Imports continue to negatively impact the U.S. steel industry. Total steel imports in 2017 increased over five million tons, or more than 15%, compared to 2016. Additionally, finished steel imports accounted for an estimated 27% share of the U.S. market.

Outside sales tonnage for the steel products segment was as follows (in thousands):

	2017	2016	% Change
Joist sales	472	445	6%
Deck sales	457	442	3%
Cold finished sales	487	426	14%
Fabricated concrete reinforcing steel sales	1,142	1,115	2%

Net sales for the steel products segment increased 8% in 2017 from the prior year due to a 5% increase in tons sold to outside customers and a 4% increase in the average sales price per ton from $1,298 in 2016 to $1,345 in 2017. Sales during 2017 followed the typical seasonal pattern that was also experienced in 2016. Total sales and volumes were lowest in the first quarter as winter weather conditions had their greatest impact on nonresidential construction markets. Conditions improved in the second quarter and continued through the remainder of the year as higher average selling prices per ton mostly offset the slight decline in volumes during the fourth quarter as winter weather conditions began to return. The increase in net sales for the steel products segment was also impacted by the higher volumes and average selling prices of our cold finish operations in 2017 as compared to 2016.

Net sales for the raw materials segment increased 44% in 2017 from the prior year primarily due to significantly higher average selling prices in DJJ's brokerage operations, and, to a lesser extent, increased volumes in DJJ's brokerage operations and significantly increased volumes and higher average selling prices in DJJ's scrap processing operations. Approximately 88% of outside sales in the raw materials segment in 2017 were from DJJ's brokerage operations and approximately 10% of outside sales were from DJJ's scrap processing operations (89% and 8%, respectively, in 2016).

Gross Margins – In 2017, Nucor recorded gross margins of $2.57 billion (13%) compared to $2.03 billion (12%) in 2016:

- The primary driver for the increase in gross margin in 2017 as compared to 2016 was increased metal margins in the steel mills segment. Metal margin is the difference between the selling price of steel and the cost of scrap and scrap substitutes. Partially offsetting the previously mentioned increases in the steel mills segment's average selling prices and volumes in 2017 as compared to 2016 was increased scrap and scrap substitute costs. The average scrap and scrap substitute cost per ton used in 2017 was $307, a 35% increase from $228 in 2016.

  Scrap prices are driven by the global supply and demand for scrap and other iron-based raw materials used to make steel. Scrap prices increased during the first half of 2017 with prices leveling out during the third quarter and remaining flat through the end of the year. As we enter the first quarter of 2018, scrap prices have increased some from the end of 2017, but we believe scrap prices will be relatively stable over the next several months.

- Steel mill energy costs increased approximately $1 per ton in 2017 compared with 2016 due to higher unit costs for electricity and natural gas. Due to the efficiency of Nucor's steel mills, energy costs were approximately 5% of the sales dollar in 2017 and 2016.

- In the fourth quarter of 2016, we performed an analysis of the impact the shift to value-added products had on steel mill capacity. As part of this analysis, we also revisited the impact that the shift in product mix had on our inventory costing. Based on this analysis, we changed our estimates of inventory cost based on the updated normal capacity determination and the related full absorption costing. The impact of the change in estimate resulted in a net pre-tax benefit of $77.6 million, $83.0 million of which affected gross margin, being recorded in the fourth quarter of 2016.

- Gross margins in the steel products segment for 2017 decreased compared to 2016 due to a highly competitive market and margin compression resulting from higher steel input costs. In particular, our rebar fabrication operations have experienced significant declines in performance due to a combination of margin compression caused by higher steel input costs and delays on larger, more profitable projects. Partially offsetting these gross margin decreases was the increased profitability of our cold finish operations in 2017 as compared to 2016 due to both improved volumes and increased average selling prices.

- Gross margins related to DJJ's brokerage and scrap processing operations improved during 2017 compared to 2016 due to the sustained impact of significant improvements in its cost structure established during 2016, combined with significant increases in average selling prices and increases in volume.

- Gross margins in the raw materials segment in 2017 benefited from the improved profitability of our DRI facilities. The primary driver of this improved profitability was our DRI facility in Trinidad which more than offset the disappointing performance of our Louisiana DRI facility. Nucor Steel Louisiana experienced unplanned outages during the first, third and fourth quarters of 2017.

  The performance of Nucor Steel Louisiana has been unacceptable and we are executing a plan to address that. In late 2017, we began a thorough review of the Louisiana DRI facility. As we study potential process and design modifications at the facility, we are drawing upon both internal and external resources. This review is in its early stages and we cannot estimate any potential capital expenditures that may or may not result from this analysis at this time.

Marketing, Administrative and Other Expenses – A major component of marketing, administrative and other expenses is profit sharing and other incentive compensation costs. These costs, which are based upon and fluctuate with Nucor's financial performance, increased from 2016 to 2017 due to increased profitability in 2017. In 2017, profit sharing costs consisted of $169.4 million of contributions, including the Company's matching contribution, made to the Company's Profit Sharing and Retirement Savings Plan for qualified employees ($129.0 million in 2016). Other bonus costs also fluctuate based on Nucor's achievement of certain financial performance goals, including comparisons of Nucor's financial performance to peers in the steel industry and other companies. Stock-based compensation included in marketing, administrative and other expenses increased by 13% to $30.3 million in 2017 compared with $26.9 million in 2016 and includes costs associated with vesting of stock awards granted in prior years. Also contributing to the increase in marketing, administrative and other costs in 2017 as compared to 2016 was increased non-operating expenses associated with unplanned outages at Nucor Steel Louisiana that occurred in 2017.

Included in marketing, administrative and other expenses in 2017 was a $22.5 million charge related to certain legal matters. Included in marketing administrative and other expenses in 2016 were charges related to legal settlements of $33.7 million and a net benefit of $11.1 million related to fair value adjustments to assets in the corporate/eliminations segment, the majority of which related to the acquisition of the remaining ownership interest in a joint venture.

Equity in Earnings of Unconsolidated Affiliates – Equity method investment earnings were $41.7 million in 2017 and $38.8 million in 2016. The increase in equity method investment earnings from 2016 to 2017 was primarily due to decreased losses at Duferdofin Nucor S.r.l. ("Duferdofin Nucor") and Hunter Ridge Energy Services LLC (which was sold in 2016), partially offset by a decrease in earnings at NuMit LLC ("NuMit").

Interest Expense (Income) – Net interest expense is detailed below (in thousands):

Year ended December 31,	2017	2016
Interest expense	$187,282	$181,179
Interest income	(13,702)	(11,935)
Interest expense, net	$173,580	$169,244

Interest expense increased in 2017 compared to 2016 due to higher average interest rates on our variable rate debt as well as decreased capitalized interest, slightly offset by a decrease in our average debt outstanding due to the repayment of $600.0 million of 5.75% notes in December 2017. Interest income increased in 2017 due to higher average interest rates on investments, partially offset by significantly decreased average investment levels.

Earnings (Loss) Before Income Taxes and Noncontrolling Interests – Earnings (loss) before income taxes and noncontrolling interests by segment for 2017 and 2016 were as follows (in thousands):

Year ended December 31,	2017	2016
Steel mills	$2,084,203	$1,724,168
Steel products	206,805	249,970
Raw materials	129,296	(95,121)
Corporate/eliminations	(670,347)	(580,358)
Earnings before income taxes and noncontrolling interests	$1,749,957	$1,298,659

Earnings before income taxes and noncontrolling interests for the steel mills segment for 2017 increased from 2016 primarily due to improved metal margins per ton at our sheet mills, particularly during the first half of the year. Also contributing to the improved earnings in 2017 compared to the prior year were improved metal margins at our plate mills and the addition of our tubular products businesses, which we acquired in the fourth quarter of 2016 and the first quarter of 2017. Earnings were negatively impacted in 2017 by challenging markets for our plate mills in the second half of the year, as well as challenging market conditions for the entire year for our beam, rebar and merchant bar products. Those four product groups combined to make up about half of our total steelmaking capacity in 2017. We believe there is significant optimism in steel end-use markets and are encouraged by positive pricing momentum building throughout the first quarter of 2018 for all of our steel mill products.

In the steel products segment, earnings before income taxes and noncontrolling interests decreased in 2017 compared to 2016 due to margin compression resulting from higher steel input costs and highly competitive markets, particularly for our rebar fabrication operations. The performance of our joist, grating, rebar fabrication and building systems operations declined in 2017 from the prior year. Our steel products segment was negatively impacted by the still sluggish nonresidential construction market in 2017. The performance of our deck and cold finish operations improved compared to the prior year due to increased volumes and higher average selling prices in 2017. We are encouraged by increases in backlog tons for our joist, deck, rebar fabrication, building systems and cold finish operations at the end of 2017 as compared to the end of 2016.

Earnings before income taxes and noncontrolling interests in the raw materials segment for 2017 improved significantly from 2016 due to the significantly increased profitability of DJJ's brokerage and scrap processing operations and the profitable performance of our Trinidad DRI facility. Earnings in the raw materials segment were negatively impacted by the previously mentioned unplanned outages at Nucor Steel Louisiana during 2017.

The increase in losses in Corporate/eliminations in 2017 as compared to 2016 was primarily due to increased incentive compensation costs, primarily profit sharing expense, as a result of improved performance.

Noncontrolling Interests – Noncontrolling interests represent the income attributable to the noncontrolling partners of Nucor's joint ventures, primarily Nucor–Yamato Steel Company ("NYS"), of which Nucor owns 51%. The 41% decrease in earnings attributable to noncontrolling interests in 2017 as compared to 2016 was primarily due to the decreased earnings of NYS, which was a result of decreased metal margin caused by increased scrap costs. Under the NYS limited partnership agreement, the minimum amount of cash to be distributed each year to the partners is the amount needed by each partner to pay applicable U.S. federal and state income taxes. In 2017, the amount of cash distributed to noncontrolling interest holders exceeded the earnings attributable to noncontrolling interests based on mutual agreement of the general partners; however, the cumulative amount of cash distributed to partners was less than the cumulative net earnings of the partnership.

Provision for Income Taxes – The effective tax rate in 2017 was 21.1% compared with 30.7% in 2016. The decrease in rate between 2016 and 2017 was primarily due to the provisional net tax benefit of $175.2 million the Company recorded in 2017 related to the enactment of the Tax Cuts and Jobs Act (the "Tax Reform Act"), which the President signed into law on December 22, 2017. As discussed in further detail in Note 19 to the Consolidated Financial Statements, the revaluation of Nucor's U.S. deferred tax assets and liabilities is the primary driver of the impact of the Tax Reform Act. This benefit is somewhat offset by the change in the relative proportions of net earnings attributable to noncontrolling interests to total pre-tax earnings between the periods. Nucor has concluded U.S. federal income tax matters for years through 2013. Tax years 2014 through 2016 remain open to examination by the Internal Revenue Service. The Canada Revenue Agency has substantially concluded its examination of the 2012 and 2013 Canadian returns for Harris Steel Group Inc. and certain related affiliates. The tax years 2010 through 2016 remain open to examination by other major taxing jurisdictions to which Nucor is subject (primarily Canada and other state and local jurisdictions).

Net Earnings and Return on Equity – Nucor reported net earnings of $1.32 billion, or $4.10 per diluted share, in 2017, compared to net earnings of $796.3 million, or $2.48 per diluted share, in 2016. Net earnings attributable to Nucor stockholders as a percentage of net sales were 6.5% and 4.9% in 2017 and 2016, respectively. Return on average stockholders' equity was 15.9% and 10.4% in 2017 and 2016, respectively.

Comparison of 2016 to 2015

Results of Operations

Net Sales – Net sales to external customers by segment for 2016 and 2015 were as follows (in thousands):

Year ended December 31,	2016	2015	% Change
Steel mills	$11,312,048	$11,084,331	2%
Steel products	3,687,448	3,966,895	-7%
Raw materials	1,208,626	1,388,050	-13%
Total net sales to external customers	$16,208,122	$16,439,276	-1%

Net sales for 2016 decreased 1% from the prior year. Average sales price per ton decreased 8% from $725 in 2015 to $667 in 2016. Total tons shipped to outside customers increased 7% from 22,680,000 tons in 2015 to 24,309,000 tons in 2016.

In the steel mills segment, sales tons were as follows (in thousands):

	2016	2015	% Change
Outside steel shipments	18,846	17,006	11%
Inside steel shipments	3,095	2,854	8%
Total steel shipments	21,941	19,860	10%

Net sales for the steel mills segment increased 2% in 2016 from the prior year primarily due to an 11% increase in total tons shipped to outside customers, which was partially offset by an 8% decrease in the average sales price per ton from $651 in 2015 to $601 in 2016.

Outside sales tonnage for the steel products segment was as follows (in thousands):

	2016	2015	% Change
Joist sales	445	427	4%
Deck sales	442	401	10%
Cold finished sales	426	449	-5%
Fabricated concrete reinforcing steel sales	1,115	1,190	-6%

Net sales for the steel products segment decreased 7% in 2016 from 2015 primarily due to a 1% decrease in tons sold to outside customers and a 6% decrease in the average sales price per ton from $1,374 in 2015 to $1,298 in 2016.

Net sales for the raw materials segment decreased 13% in 2016 from 2015 primarily due to decreased volumes and lower average selling prices in DJJ's brokerage operations as well as decreased volumes in DJJ's scrap processing operations. Approximately 89% of outside sales in the raw materials segment in 2016 were from DJJ's brokerage operations and approximately 8% of outside sales were from DJJ's scrap processing operations (88% and 8%, respectively, in 2015).

Gross Margins – In 2016, Nucor recorded gross margins of $2.03 billion (12%) compared to $1.11 billion (7%) in 2015:

- The primary driver for the increase in gross margin in 2016 as compared to 2015 was increased metal margins in the steel mills segment. Metal margins were positively impacted by the 16% decrease in the average scrap and scrap substitute cost per ton used, from $270 in 2015 to $228 in 2016, and the 11% increase in sales tons to outside customers in 2016 as compared to 2015.

- Total steel mill energy costs decreased approximately $4 per ton from 2016 compared with 2015 due to improved productivity and lower electricity and natural gas unit costs.

- Included in the fourth quarter of 2016 is the impact of the change in estimate related to inventory costing which resulted in a net pre-tax benefit of $77.6 million, $83.0 million of which affected gross margin.

- Gross margins in the steel products segment for 2016 decreased compared to 2015 primarily due to decreased performance in our joist, deck, building systems and cold finish operations due to higher steel input costs and lower average selling prices per ton.

- Gross margins related to DJJ's scrap processing operations improved significantly during 2016 compared to 2015 due to significant and sustainable improvements in its cost structure, reducing both fixed and variable costs.

- Gross margins in the raw materials segment in 2016 were adversely impacted by the performance of our DRI businesses, which remained in a loss position. The depressed level of pricing for alternative raw materials in 2016 had an adverse impact on the pricing and margins of our DRI facilities.

  Gross margins for our DRI businesses were higher in 2016 than in 2015, particularly at Nucor Steel Louisiana. Our Louisiana DRI facility was not in operation for much of the first quarter of 2015 as repairs related to an equipment failure that occurred in 2014 were completed. Following the resumption of operations, gross margins were negatively impacted by working through higher cost iron ore inventory that could not be used as the necessary repairs caused by the equipment failure were being made. In the fourth quarter of 2015, following a planned maintenance outage, Nucor Steel Louisiana did not initially resume operations due to market conditions. The Louisiana DRI facility resumed operations in late January 2016.

Marketing, Administrative and Other Expenses – Profit sharing costs increased from 2015 to 2016. In 2016, profit sharing costs consisted of $129.0 million of contributions, including the Company's matching contribution, made to the Company's Profit Sharing and Retirement Savings Plan for qualified employees ($60.5 million in 2015). Stock-based compensation included in marketing, administrative and other expenses increased 26% to $26.9 million in 2016 compared with $21.3 million in 2015 and includes costs associated with vesting of stock awards granted in prior years.

Included in marketing, administrative and other expenses in 2016 were charges related to legal settlements of $33.7 million and a net benefit of $11.1 million related to fair value adjustments to assets in the corporate/eliminations segment.

Equity in Earnings of Unconsolidated Affiliates – Equity method investment earnings were $38.8 million in 2016 and $5.3 million in 2015. The increase in equity method investment earnings from 2015 to 2016 was primarily due to increased earnings at NuMit and, to a lesser extent, a decrease in losses at Duferdofin Nucor.

Impairments and Losses on Assets – In 2015, Nucor recorded $244.8 million in charges for impairments and losses on assets (none in 2016). During the fourth quarter of 2015, Nucor assessed its equity investment in Duferdofin Nucor for impairment due to unfavorable operating performance and deterioration in financial projections caused by increased global overcapacity in 2015. After completing its assessment, Nucor determined that the carrying amount exceeded its estimated fair value and was other than temporary. Nucor recorded a $153.0 million impairment charge against the Company's investment in Duferdofin Nucor (see Note 9 to the Consolidated Financial Statements). This charge was included in the steel mills segment.

Also during the fourth quarter of 2015, Nucor determined that certain assets, the majority of which were engineering and equipment related to a blast furnace project at our St. James Parish, Louisiana site would not be utilized, resulting in an $84.1 million impairment charge (see Note 7 to the Consolidated Financial Statements). This charge was included in the raw materials segment.

Interest Expense (Income) – Net interest expense is detailed below (in thousands):

Year ended December 31,	2016	2015
Interest expense	$181,179	$177,543
Interest income	(11,935)	(4,012)
Interest expense, net	$169,244	$173,531

Interest expense increased in 2016 compared to 2015 primarily due to higher average interest rates on our variable rate debt. Interest income increased in 2016 due to increased average investment levels and higher average interest rates on investments.

Earnings (Loss) Before Income Taxes and Noncontrolling Interests – Earnings (loss) before income taxes and noncontrolling interests by segment for 2016 and 2015 were as follows (in thousands):

Year ended December 31,	2016	2015
Steel mills	$1,724,168	$ 629,256
Steel products	249,970	276,048
Raw materials	(95,121)	(283,938)
Corporate/eliminations	(580,358)	(379,500)
Earnings before income taxes and noncontrolling interests	$1,298,659	$ 241,866

Earnings before income taxes and noncontrolling interests in the steel mills segment for 2016 increased significantly from 2015 primarily due to improved total metal margin dollars resulting from increased sales volume and decreased input costs. The higher sales and production volumes in 2016 improved our energy and other production costs per ton as compared to 2015. The primary driver of the improvement in the steel mills segment was our sheet mills, benefiting from the factors previously discussed. The improved results of our NuMit and Duferdofin Nucor equity method joint ventures also contributed to the increase in earnings in 2016 as compared to 2015. During 2015, the $153.0 million impairment charge related to Duferdofin Nucor significantly impacted the steel mills segment, causing the segment to report a loss before income taxes and noncontrolling interests in the fourth quarter of 2015.

In the steel products segment, earnings before income taxes and noncontrolling interests decreased slightly in 2016 compared to 2015. The performance of our joist, deck, buildings systems and cold finish operations during 2016 declined compared to 2015, while the performance of our rebar fabrication businesses had strong year over year improvement despite a generally flat nonresidential construction market.

Earnings before income taxes and noncontrolling interests in the raw materials segment for 2016 improved significantly from 2015 with the most significant driver being the improved performance of our DRI operations, particularly at Nucor Steel Louisiana. Also contributing to the increased performance of the raw materials segment was the significant improvement in profitability of DJJ's scrap processing operations in 2016. Earnings before income taxes and noncontrolling interests for the raw materials segment in 2015 was negatively impacted by the $84.1 million impairment charge on assets related to a blast furnace project that will not be utilized in the future.

Noncontrolling Interests – The 7% decrease in earnings attributable to noncontrolling interests from 2015 to 2016 was primarily due to decreased metal margins as a result of lower selling prices, partially offset by increased volumes.

Provision for Income Taxes – The effective tax rate in 2016 was 30.7% compared with 20.2% in 2015. The increase in the rate between 2015 and 2016 was primarily due to the change in the relative proportions of net earnings attributable to noncontrolling interests to total pre-tax earnings between the periods. The effective tax rate in 2015 also benefited from lower state income taxes caused by state tax credits and the reversal of previously unrecognized tax benefits. These decreases in the 2015 rate were somewhat offset by an increase as a result of the $153.0 million financial statement impairment of an investment in a foreign joint venture.

Net Earnings and Return on Equity – Nucor reported net earnings of $796.3 million, or $2.48 per diluted share, in 2016, compared to net earnings of $80.7 million, or $0.25 per diluted share, in 2015. Net earnings attributable to Nucor stockholders as a percentage of net sales were 4.9% and 0.5% in 2016 and 2015, respectively. Return on average stockholders' equity was 10.4% and 1.0% in 2016 and 2015, respectively.

Liquidity and Capital Resources

Nucor’s cash and cash equivalents and short-term investments position remained strong at $991.1 million at December 31, 2017, compared with $2.2 billion at the end of the previous year. Approximately $248.3 million and $348.8 million of the cash and cash equivalents position at December 31, 2017 and 2016, respectively, was held by our majority-owned joint ventures. Cash flows provided by operating activities provide us with a significant source of liquidity. When needed, we have external short-term financing sources available, including the issuance of commercial paper and borrowings under our bank credit facilities. We also issue long-term debt from time to time.

Nucor has a $1.5 billion revolving credit facility that matures in April 2021 and was undrawn at December 31, 2017. We believe our financial strength is a key strategic advantage among domestic steel producers, particularly during recessionary business cycles. We carry the highest credit ratings of any steel producer headquartered in North America, with an A- long-term rating from Standard and Poor’s and a Baa1 long-term rating from Moody’s. Our credit ratings are dependent, however, upon a number of factors, both qualitative and quantitative, and are subject to change at any time. The disclosure of our credit ratings is made in order to enhance investors’ understanding of our sources of liquidity and the impact of our credit ratings on our cost of funds. Based upon the preceding factors, we expect to continue to have adequate access to the capital markets at a reasonable cost of funds for liquidity purposes when needed.

Selected Measures of Liquidity and Capital Resources

	(dollars in thousands)	
December 31,	2017	2016
Cash and cash equivalents	$ 949,104	$2,045,961
Short-term investments	50,000	150,000
Working capital	3,999,656	4,116,427
Current ratio	2.4	2.7

The current ratio was 2.4 at year end 2017 compared with 2.7 at year end 2016. The current ratio was negatively impacted by a $1.20 billion decrease in cash and cash equivalents and short-term investments from year end 2016 due in part to the repayment of $600.0 million of 5.75% notes that were due in 2017. Accounts payable increased 41% compared to year end 2016 due primarily to a 27% rise in the value of scrap and scrap substitutes per ton on hand and a 16% increase in the inventory tons on hand from year end 2016 to year end 2017. Additionally, there was a 20% increase in salaries, wages and related accruals due to greater performance-based bonus accruals resulting from Nucor’s improved profitability in 2017 over the prior year and a 14% increase in accrued expenses and other current liabilities stemming primarily from an increase in deferred revenue and accrued customer rebates.

The current ratio was positively impacted by a 40% increase in inventory and a 24% increase in accounts receivable from year end 2016. Inventories increased from year end 2016 due to the rise in the value of scrap and scrap substitutes and in inventory on hand previously mentioned. The increase in accounts receivable was due to a 14% increase in average sales price per ton and a 13% increase in outside shipments in the fourth quarter of 2017 compared with the prior year fourth quarter.

In 2017, total accounts receivable turned approximately every five weeks and inventories turned approximately every nine weeks. These ratios compare with accounts receivable turnover of approximately every five weeks and inventory turnover of approximately every eight weeks in 2016.

Funds provided by operations, cash and cash equivalents, short-term investments and new borrowings under existing credit facilities are expected to be adequate to meet future capital expenditure and working capital requirements for existing operations for at least the next 24 months.

We have a simple capital structure with no off-balance sheet arrangements or relationships with unconsolidated special purpose entities that we believe could have a material impact on our financial condition or liquidity.

Capital Allocation Strategy

Nucor's conservative financial practices have served us well in the past and are serving us well today. Nucor's financial strength allows for a consistent approach to capital allocation throughout the business cycle. Nucor's highest capital allocation priority is to invest for profitable long-term growth through our multi-pronged strategy of optimizing existing operations, acquisitions and greenfield expansions. Our second priority is to provide our stockholders with cash dividends that are consistent with our success in delivering long-term earnings growth. Our third priority is to opportunistically repurchase our stock when our cash position is strong and attractively priced growth opportunities are limited. In September 2015, Nucor's board of directors approved a share repurchase program under which the Company is authorized to repurchase up to $900.0 million of shares of its common stock. The Company repurchased $90.3 million of shares of its common stock in 2017 ($5.2 million in 2016 and $66.5 million in 2015). As of December 31, 2017, approximately $738.0 million remained available for share repurchases under the program.

Operating Activities

Cash provided by operating activities was $1.05 billion in 2017, a decrease of 40% compared with cash provided by operating activities of $1.75 billion in 2016. The primary reason for the decrease in cash provided by operating activities was that changes in operating assets and liabilities (exclusive of acquisitions) used cash of $907.0 million in 2017 compared with $32.6 million of cash generated in 2016. The funding of working capital increased over the prior year due mainly to increases in inventories, accounts receivable and federal income taxes receivable, partially offset by increases in net earnings and accounts payable. Inventories and accounts payable increased due to the rise in average scrap and scrap substitutes costs on hand from $258 per ton at year end 2016 to $328 per ton at year end 2017, as well as increased volumes of inventory on hand to support higher operating rates. Accounts receivable increased due to the previously mentioned increase in average sales price per ton and the increase in outside shipments, particularly within the bar mill product group, in the fourth quarter of 2017 over the fourth quarter of 2016. Partially offsetting the decrease in cash generated from changes in operating assets and operating liabilities were increased net earnings in 2017 over prior year levels. A significant item impacting the increase in net earnings in 2017 compared to 2016 was the benefit related to deferred income taxes of $221.2 million in 2017 (expense related to deferred income taxes of $71.5 million in 2016) that was due in large part to the Tax Reform Act enacted in late 2017.

Investing Activities

Our business is capital intensive; therefore, cash used in investing activities primarily represents capital expenditures for new facilities, the expansion and upgrading of existing facilities and the acquisition of other companies. Cash used in investing activities decreased $106.2 million from 2016 to 2017. The primary driver for the decrease in cash used in investing activities was that cash used for capital expenditures declined $156.3 million in 2017 from the prior year. Capital expenditures in 2016 included Nucor's purchase of 49% of Encana Oil & Gas (USA) Inc.'s leasehold interest covering approximately 54,000 acres in the South Piceance Basin, NYS's quench and self-tempering expansion and significant spending associated with the $230 million cold mill complex at Nucor Steel Arkansas that is scheduled to start-up in the first half of 2019. Additionally, there was a $600.0 million decrease in cash used to purchase investments, offset by a $450.0 million decrease in proceeds from the sale of investments. These decreases in cash used for investing activities were partially offset by the $69.3 million increase in cash used to fund acquisitions over the prior year. Significant acquisitions in 2017 include the purchases of Republic Conduit and Southland Tube, Inc. in January 2017 and St. Louis Cold Drawn, Inc. in September 2017, while Independence Tube Corporation was purchased in the previous year. In 2016, cash from investing activities benefited from the receipt of $135.0 million from the sale of our 50% equity interest in Hunter Ridge Energy Services LLC.

Financing Activities

Cash used in financing activities in 2017 was $1.24 billion compared with cash used in financing activities of $626.4 million in 2016. The majority of the change was due to the repayment of $600.0 million of 5.75% notes that were due in 2017. Additionally, cash used to repurchase treasury stock increased by $85.1 million in 2017 from the prior year. Partially offsetting the increase in cash used to retire debt and to repurchase shares of our common stock was a net increase in 2017 in short-term debt associated with trade credit arrangements used to finance the business of Nucor Trading S.A. over 2016.

Nucor increased its quarterly base dividend, resulting in dividends paid of $485.3 million in 2017 compared with $481.1 million in 2016.

Our credit facility includes only one financial covenant, which is a limit of 60% on the ratio of funded debt to total capitalization. In addition, the credit facility contains customary non-financial covenants, including a limit on Nucor's ability to pledge the Company's assets and a limit on consolidations, mergers and sales of assets. Our funded debt to total capital ratio was 29% at the end of 2017 and 35% at the end of 2016, and we were in compliance with all other covenants under our credit facility at the end of 2017.

Market Risk

Nucor's largest exposure to market risk is in our steel mills and steel products segments. Our utilization rates for the steel mills and steel products facilities for the fourth quarter of 2017 were 81% and 63%, respectively. A significant portion of our steel mills and steel products segments' sales are into the commercial, industrial and municipal construction markets. These markets continue to be depressed when compared to historical levels, and the domestic steel industry continues to be negatively affected by imported steel. Our largest single customer in 2017 represented approximately 5% of sales and consistently pays within terms. In the raw materials segment, we are exposed to price fluctuations related to the purchase of scrap steel and iron ore. Our exposure to market risk is mitigated by the fact that our steel mills use a significant portion of the products of this segment.

Nucor's tax-exempt industrial development revenue bonds ("IDRBs") have variable interest rates that are adjusted weekly. These IDRBs represented 27% of Nucor's long-term debt outstanding at December 31, 2017. The remaining 73% of Nucor's long-term debt is at fixed rates. Future changes in interest rates are not expected to significantly impact earnings. From time to time, Nucor makes use of interest rate swaps to manage interest rate risk. As of December 31, 2017, there were no such contracts outstanding. Nucor's investment practice is to invest in securities that are highly liquid with short maturities. As a result, we do not expect changes in interest rates to have a significant impact on the value of our investment securities recorded as short-term investments.

Nucor also uses derivative financial instruments from time to time to partially manage its exposure to price risk related to natural gas purchases used in the production process, as well as scrap, copper and aluminum purchased for resale to its customers. In addition, Nucor uses forward foreign exchange contracts from time to time to hedge cash flows associated with certain assets and liabilities, firm commitments and anticipated transactions. Nucor generally does not enter into derivative instruments for any purpose other than hedging the cash flows associated with specific volumes of commodities that will be purchased and processed or sold in future periods and hedging the exposures related to changes in the fair value of outstanding fixed-rate debt instruments and foreign currency transactions. Nucor recognizes all derivative instruments in the consolidated balance sheets at fair value.

The Company is exposed to foreign currency risk primarily through its operations in Canada, Europe and Mexico. We periodically use derivative contracts to mitigate the risk of currency fluctuations.

Contractual Obligations and Other Commercial Commitments

The following table sets forth our contractual obligations and other commercial commitments as of December 31, 2017 for the periods presented (in thousands):

			Payments Due By Period		
Contractual Obligations	Total	2018	2019-2020	2021-2022	2023 and thereafter
Long-term debt	$3,760,600	$ 500,000	$ 20,000	$ 601,000	$ 2,639,600
Estimated interest on long-term debt (1)	1,991,387	137,770	251,075	243,401	1,359,141
Capital leases	175,454	18,183	34,804	32,898	89,569
Operating leases	121,407	30,104	43,226	24,301	23,776
Raw material purchase commitments (2)	1,109,269	791,285	133,569	111,965	72,450
Utility purchase commitments (2)	760,988	190,314	173,667	117,631	279,376
Other unconditional purchase obligations (3)	448,190	353,839	78,628	6,078	9,645
Other long-term obligations (4)	604,685	435,015	48,921	11,963	108,786
Total contractual obligations	$8,971,980	$2,456,510	$ 783,890	$1,149,237	$ 4,582,343

(1) Interest is estimated using applicable rates at December 31, 2017 for Nucor's outstanding fixed and variable rate debt.

(2) Nucor enters into contracts for the purchase of scrap and scrap substitutes, iron ore, electricity, natural gas, and other raw materials and related services. These contracts include multi-year commitments and minimum annual purchase requirements and are valued at prices in effect on December 31, 2017, or according to the contract language. These contracts are part of normal operations and are reflected in historical operating cash flow trends. We do not believe such commitments will adversely affect our liquidity position.

(3) Purchase obligations include commitments for capital expenditures on operating machinery and equipment.

(4) Other long-term obligations include amounts associated with Nucor's early-retiree medical benefits, management compensation and guarantees.

Note: In addition to the amounts shown in the table above, $48.8 million of unrecognized tax benefits have been recorded as liabilities, and we are uncertain as to if or when such amounts may be settled. Related to these unrecognized tax benefits, we have also recorded a liability for potential penalties and interest of $16.1 million at December 31, 2017.

Dividends

Nucor has increased its base cash dividend every year since it began paying dividends in 1973. Nucor paid dividends of $1.51 per share in 2017, compared with $1.50 per share in 2016. In December 2017, the Board of Directors increased the base quarterly dividend to $0.38 per share. Over the past 10 years, Nucor has returned more than $5 billion in capital to its stockholders in the form of basic dividends, supplemental dividends and share repurchases. In February 2018, the Board of Directors declared Nucor's 180th consecutive quarterly cash dividend of $0.38 per share payable on May 11, 2018 to stockholders of record on March 29, 2018.

Outlook

In 2018, we expect to take advantage of our position of strength to grow Nucor's long-term earnings power and stockholder value by continuing to successfully implement our five drivers to profitable growth strategy. Utilizing this strategy, we have invested significant capital into our business since the last cyclical peak in 2008. We have done so over a broad range of strategic acquisitions and investments that we believe will further enhance our ability to grow Nucor's long-term earnings power by increasing our channels to market, expanding our product portfolios into higher value-added offerings that are less vulnerable to imports, improving our highly variable low-cost structure and building upon our market leadership positions. With many of these capital projects completed and ready to yield results, we will focus on execution in order to generate strong returns on these investments. We will also utilize our strong liquidity position to seek investment opportunities to further grow our long-term earnings capacity.

We are encouraged regarding anticipated full-year volume, pricing and profitability and believe our 2018 results may rival the prior year excluding the 2017 tax benefit. We expect our sheet mills to perform consistently in 2018 due to recent trade actions. Our plate mills and bar mills are also expected to deliver improved profitability benefiting from the International Trade Commission's final injury determinations affirming the DOC's anti-dumping duties on those products. Additionally, improved conditions in energy markets are expected to result in a continued resurgence in drilling activity, benefiting energy-related steel mill products. Consumer confidence rose sharply late in 2016 and has continued on a more modest upward trajectory throughout 2017, remaining at historically high levels. Subject to timing, proposed infrastructure bills should benefit not just our steel mills segment but a number of our steel products businesses as well. While utilization rates remained fairly consistent throughout 2017, we have realized some increase in momentum early in 2018. Due to stronger market sentiment, we were able to realize significant price increases for all products within our steel mills segment late in 2017 and this has continued in early 2018. We expect that our downstream steel products segment will continue to build on its positive results after the typical seasonal slow-down in construction that the winter season brings. We anticipate improvement in the performance of the raw materials segment due to demand-driven stronger margins at our DRI mills as well as our scrap recycling businesses.

We expect our first quarter operating results to increase compared to the fourth quarter of 2017, exclusive of the benefit recorded in the fourth quarter of 2017 related to tax reform. Spot prices on many of our products continue to improve and lead times are extending. Many sources predict moderate increases in nonresidential construction markets in 2018. Although units sold in the domestic automotive markets decreased in 2017 from a record 17.6 million vehicles sold in 2016, Nucor's shipments to the industry grew by 7%. In spite of an improved labor market and stable gasoline prices, vehicle sales are expected to again decrease in 2018 but remain healthy. The energy markets languished throughout much of 2016 after the collapse in global oil prices in 2015 triggered inventory reductions among pipe and tube producers serving those markets. The energy market, especially oil country tubular goods, realized a significant increase in demand in 2017 and we expect modest improvement throughout 2018. Backlogs in both the steel mills and steel products segments strengthened during 2017, and we see generally stable or improving conditions in several end-use markets such as nonresidential construction, automotive and energy, heavy equipment and agriculture in 2018. However, the effect this improvement in demand will have on our operating rates will be challenged by excess foreign steel capacity and the threat of continued increases in imported steel. We have aggressively fought to stem the tide of unfairly traded imports, and we applaud recent trade legislation that puts our nation in a much stronger position to hold foreign governments accountable when violating U.S. trade laws. We are encouraged that the Trump administration has shown that it is willing to aggressively use all the tools at its disposal to take meaningful action against unfairly traded imports. As we enter the first quarter of 2018, scrap prices have increased some from the end of 2017, but we believe scrap prices will be relatively stable over the next several months. We have made significant investments in our raw materials segment and will continue to utilize our unmatched global supply chain to optimize our raw material costs.

We are committed to executing on the opportunities we see ahead to reward Nucor stockholders with very attractive long-term returns on their valuable capital invested in our Company. Our industry-leading financial strength allows us to support investments in our facilities that will prepare us for increased profitability as we enter into more favorable market conditions. In 2018, as we have in our past, we will allocate capital to investments that we believe will build our long-term earnings power. Capital expenditures are currently projected to be approximately $1 billion in 2018. Included in this total are primarily investments in new greenfield opportunities as well as our core operations to expand our product offerings and keep them state-of-the-art and globally cost-competitive. In total, Nucor has announced approximately $2 billion in capital investments since the third quarter of 2016.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year end and the reported amount of revenues and expenses during the year. On an ongoing basis, we evaluate our estimates, including those related to the valuation allowances for receivables, the carrying value of non-current assets and reserves for environmental obligations and income taxes. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Accordingly, actual costs could differ materially from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our significant judgments and estimates used in the preparation of our consolidated financial statements.

Allowances for Doubtful Accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventories

Inventories are stated at the lower of cost or market. The Company records any amount required to reduce the carrying value of inventory to net realizable value as a charge to cost of products sold. Scrap and scrap substitute costs are a very significant component of the raw material, semi-finished and finished product inventory balances. The vast majority of the Company’s inventory is recorded on a first-in, first-out method. Production costs are applied to semi-finished and finished product inventory from the approximate period in which they are produced.

If steel selling prices were to decline in future quarters, write-downs of inventory could result. Specifically, the valuation of raw material inventories purchased during periods of peak market pricing would most likely be impacted. Low utilization rates at our steel mills or raw materials facilities could hinder our ability to work through high-priced scrap and scrap substitutes (particularly pig iron and iron ore), leading to period-end exposure when comparing carrying value to net realizable value.

Long-Lived Asset Impairments

We evaluate our property, plant and equipment and finite-lived intangible assets for potential impairment on an individual asset basis or at the lowest level asset grouping for which cash flows can be independently identified. Asset impairments are assessed whenever circumstances indicate that the carrying amounts of those productive assets could exceed their projected undiscounted cash flows. In developing estimated values for assets that we currently use in our operations, we utilize judgments and assumptions of future undiscounted cash flows that the assets will produce. When it is determined that an impairment exists, the related assets are written down to estimated fair market value.

Certain long-lived asset groupings were tested for impairment during the fourth quarter of 2017. Undiscounted cash flows for each asset grouping were estimated using management’s long-range estimates of market conditions associated with each asset grouping over the estimated useful life of the principal asset within the group. Our undiscounted cash flow analysis indicated that those long-lived asset groupings were recoverable as of December 31, 2017; however, if our projected cash flows are not realized, either because of an extended recessionary period or other unforeseen events, impairment charges may be required in future periods. A 5% decrease in the projected cash flows of each of our asset groupings would not result in an impairment.

Given the natural gas pricing environment, Nucor performed an impairment assessment of its proved producing natural gas well assets in December 2017. One of the main assumptions that most significantly affects the undiscounted cash flows determination is management’s estimate of future natural gas prices. The pricing used in this impairment assessment was developed by management based on projected natural gas market supply and demand dynamics. Management also makes key estimates on the expected reserve levels and on the expected drilling production costs. This analysis was performed on each of Nucor’s three groups of wells, with each group defined by common geographic location. Each of Nucor’s three groups of wells passed the impairment test. The combined carrying value of the three groups of wells was $252.0 million at December 31, 2017. Changes in the natural gas industry or a prolonged low price environment beyond what had already been assumed in the analysis could cause management to revise the natural gas price assumptions, the estimated reserves or the estimated drilling production costs. Unfavorable revisions to these assumptions or estimates could possibly result in an impairment of some or all of the groups of proved well assets.

In the fourth quarter of 2015, we determined that certain assets, the majority of which were engineering and equipment related to a blast furnace project at our St. James Parish, Louisiana site, would not be utilized in the future. As a result of this determination, Nucor recorded an $84.1 million impairment charge for the entire balance of those assets, which is included in the raw materials segment. The impairment charge is included in impairments and losses on assets in the consolidated statement of earnings in 2015. The assets that were impaired, the majority of which were acquired in 2008, were a viable option until the decision was made in the fourth quarter of 2015 that such assets would not be utilized. The decision about whether or not to move forward with construction of the blast furnace utilizing these assets was delayed to focus on the construction of the DRI plant at the site. The decision was further delayed because of challenging industry conditions, particularly increased excess steel capacity, both domestically and globally. In the meantime, technology advances and supply and demand in the raw materials market led management to reconsider its plans for the previously proposed blast furnace.

Goodwill

Goodwill is tested annually for impairment and whenever events or circumstances change that would make it more likely than not that an impairment may have occurred. We perform our annual impairment analysis as of the first day of the fourth quarter each year. The evaluation of impairment involves comparing the current estimated fair value of each reporting unit to the recorded value, including goodwill.

When appropriate, Nucor performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. For certain reporting units, it is necessary to perform a quantitative analysis. In these instances, a discounted cash flow model is used to determine the current estimated fair value of these reporting units. Key assumptions used to determine the fair value of each reporting unit as part of our annual testing (and any required interim testing) include: (i) expected cash flow for the five-year period following the testing date (including market share, sales volumes and prices, costs to produce and estimated capital needs); (ii) an estimated terminal value using a terminal year growth rate determined based on the growth prospects of the reporting unit; (iii) a discount rate based on management's best estimate of the after-tax weighted average cost of capital; and (iv) a probability-weighted scenario approach by which varying cash flows are assigned to certain scenarios based on the likelihood of occurrence. Management considers historical and anticipated future results, general economic and market conditions, the impact of planned business and operational strategies and all available information at the time the fair values of its reporting units are estimated. Those estimates and judgments may or may not ultimately prove appropriate.

Our fourth quarter 2017 annual goodwill impairment analysis did not result in an impairment charge. Management does not believe that future impairment of these reporting units is probable. However, the performance of certain businesses that comprise our reporting units requires continued improvement. An increase of approximately 50 basis points in the discount rate, a critical assumption in which a minor change can have a significant impact on the estimated fair value, would not result in an impairment charge.

Nucor will continue to monitor operating results within all reporting units throughout 2018 in an effort to determine if events and circumstances warrant further interim impairment testing. Otherwise, all reporting units will again be subject to the required annual qualitative and/or quantitative impairment test during our fourth quarter of 2018. Changes in the judgments and estimates underlying our analysis of goodwill for possible impairment, including expected future operating cash flows and discount rate, could decrease the estimated fair value of our reporting units in the future and could result in an impairment of goodwill.

Equity Method Investments

Investments in joint ventures in which Nucor shares control over the financial and operating decisions but in which Nucor is not the primary beneficiary are accounted for under the equity method. Each of the Company's equity method investments is subject to a review for impairment if, and when, circumstances indicate that an other-than-temporary decline in value below its carrying amount may have occurred. Examples of such circumstances include, but are not limited to, a significant deterioration in the earnings performance or business prospects of the investee; missed financial projections; a significant adverse change in the regulatory, tax, economic or technological environment of the investee; a significant adverse change in the general market condition of either the geographic area or the industry in which the investee operates; and recurring negative cash flows from operations. When management considers the decline to be other than temporary, the Company would write down the related investment to its estimated fair market value. An other-than-temporary decline in carrying value is determined to have occurred when, in management's judgment, a decline in fair value below carrying value is of such length of time and/or severity that it is considered long-term.

In the event that an impairment review is necessary, we calculate the estimated fair value of our equity method investments using a probability-weighted multiple-scenario income approach. Management's analysis includes three discounted cash flow scenarios (best case, base case and recessionary case), which contain forecasted near-term cash flows under each scenario. Generally, (i) the best case scenario contains estimates of future results ranging from slightly higher than recent operating performance to levels that are consistent with historical operating and financial performance (i.e., results experienced prior to the onset of the recessionary period that began in 2008); (ii) the base case scenario has estimates of future results ranging from generally in line with recent operating performance to levels that are more conservative than historical operating and financial performance; and (iii) the recessionary case scenario has estimates of future results which include limited growth resulting only from operational cost improvements and limited benefits of new higher-value product offerings. Management determines the probability that each cash flow scenario will come to fruition based on the specific facts and circumstances of each of the preceding scenarios, with the base case typically receiving the majority of the weighting.

Key assumptions used to determine the fair value of our equity method investments include: (i) expected cash flow for the six-year period following the testing date (including market share, sales volumes and prices, costs to produce and estimated capital needs); (ii) an estimated terminal value using a terminal year growth rate determined based on the growth prospects of the investment; (iii) a discount rate based on management's best estimate of the after-tax weighted average cost of capital; and (iv) a probability-weighted scenario approach by which varying cash flows are assigned to certain scenarios based on the likelihood of occurrence. While the assumptions that most significantly affect the fair value determination include projected revenues, metal margins and discount rate, the assumptions are often interdependent and no single factor predominates in determining the estimated fair value. Management considers historical and anticipated future results, general economic and market conditions, the impact of planned business and operational strategies and all available information at the time the fair values of its investments are estimated. Those estimates and judgments may or may not ultimately prove appropriate.

In the fourth quarter of 2015, Nucor assessed its equity investment in Duferdofin Nucor for impairment due to the protracted challenging steel market conditions caused by excess global overcapacity, which increased in 2015, and the difficult economic environment in Europe. After completing its assessment, the Company determined that the carrying amount exceeded its estimated fair value. The impairment condition was considered to be other than temporary and, as a result, the Company recorded a $153.0 million impairment charge against the Company's investment in Duferdofin Nucor in the fourth quarter of 2015.

Although the operating results of Duferdofin Nucor have improved since 2015 and there have been no significant deteriorations in near-term financial projections or other key assumptions since the last impairment test performed in the fourth quarter of 2015, Nucor concluded that it was appropriate to reassess its equity investment in Duferdofin Nucor for impairment during the fourth quarter of 2017 due to the protracted challenging steel market conditions in Europe. After completing its assessment, the Company determined that the estimated fair value exceeded its carrying amount by a sufficient amount and that there was no need for additional impairment charges. The assumptions that most significantly affect the fair value determination include projected revenues and the discount rate. It is reasonably possible that material deviation of future performance from the estimates used in our most recent valuation could result in further impairment of our investment in Duferdofin Nucor.

Environmental Remediation

We are subject to environmental laws and regulations established by federal, state and local authorities, and we make provisions for the estimated costs related to compliance. Undiscounted remediation liabilities are accrued based on estimates of known environmental exposures. The accruals are reviewed periodically and, as investigations and remediation proceed, adjustments are made as we believe are necessary. Our measurement of environmental liabilities is based on currently available facts, present laws and regulations and current technology.

Income Taxes

We utilize the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Potential accrued interest and penalties related to unrecognized tax benefits within operations are recognized as a component of interest expense and other expenses.

The staff of the U.S. Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 ("SAB 118") to address the application of Accounting Standards Codification 740, Income Taxes, in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Reform Act. Reflected in our financial results, and in accordance with SAB 118, are certain provisional income tax effects of the Tax Reform Act. The Tax Reform Act creates two new U.S. tax base-erosion provisions, the global intangible low-taxed income ("GILTI") and the base erosion and anti-abuse tax provisions. The Company has elected to account for GILTI tax in the period in which it is incurred. Further information on the tax impacts of the Tax Reform Act is included in Note 19 of the Company's consolidated financial statements.

Recent Accounting Pronouncements

See Note 2 to the Consolidated Financial Statements for a discussion of new accounting pronouncements adopted by Nucor during 2017 and the expected financial impact of accounting pronouncements recently issued or proposed but not yet required to be adopted.

Reclassifications

In the first quarter of 2017, we adopted new accounting guidance that amends the accounting for employee share-based payment transactions. One of the requirements of this new guidance is that tax-related cash flows resulting from the direct withholding of shares for tax purposes be classified as a financing activity in the statement of cash flows. This particular requirement of the new accounting guidance required retrospective application. As a result, $12.4 million and $11.7 million were reclassified from other operating activities to financing activities related to payment of tax withholdings on certain stock-based compensation in the consolidated statements of cash flows for the years ended December 31, 2016 and 2015, respectively.

FIVE-YEAR FINANCIAL REVIEW
(dollar and share amounts in thousands, except per share data)

	2017	2016	2015	2014	2013
FOR THE YEAR					
Net sales	$20,252,393	$16,208,122	$16,439,276	$21,105,141	$19,052,046
Costs, expenses and other:					
Cost of products sold	17,682,986	14,182,215	15,325,386	19,255,904	17,623,976
Marketing, administrative and other expenses	687,531	596,761	458,989	520,805	467,904
Equity in earnings of unconsolidated affiliates	(41,661)	(38,757)	(5,329)	(13,505)	(9,297)
Impairments and losses on assets	—	—	244,833	25,393	14,000
Interest expense, net	173,580	169,244	173,531	169,256	146,895
	18,502,436	14,909,463	16,197,410	19,957,853	18,243,478
Earnings before income taxes and noncontrolling interests	1,749,957	1,298,659	241,866	1,147,288	808,568
Provision for income taxes	369,386	398,243	48,836	368,724	214,853
Net earnings	1,380,571	900,416	193,030	778,564	593,715
Earnings attributable to noncontrolling interests	61,883	104,145	112,306	99,227	94,330
Net earnings attributable to Nucor stockholders	1,318,688	796,271	80,724	679,337	499,385
Net earnings per share:					
Basic	4.11	2.48	0.25	2.12	1.56
Diluted	4.10	2.48	0.25	2.11	1.56
Dividends declared per share	1.5125	1.5025	1.4925	1.4825	1.4725
Percentage of net earnings to net sales	6.5%	4.9%	0.5%	3.2%	2.6%
Return on average stockholders' equity	15.9%	10.4%	1.0%	8.4%	6.2%
Cash provided by operating activities	1,051,263	1,749,920	2,168,761	1,356,583	1,092,742
Capital expenditures	507,074	617,677	364,768	568,867	1,230,418
Acquisitions (net of cash acquired)	544,041	474,788	19,089	768,581	—
Depreciation	635,833	613,192	625,757	652,000	535,852
Sales per average employee	820	690	690	921	859
AT YEAR END					
Current assets	$ 6,824,420	$ 6,506,393	$ 5,854,405	$ 6,808,805	$ 6,814,189
Current liabilities	2,824,764	2,389,966	1,385,173	2,097,776	1,960,216
Working capital	3,999,656	4,116,427	4,469,232	4,711,029	4,853,973
Current ratio	2.4	2.7	4.2	3.2	3.5
Property, plant and equipment, net	5,093,147	5,078,650	4,891,153	5,287,639	4,917,024
Total assets	15,841,258	15,223,518	14,326,969	15,956,467	15,578,128
Long-term debt (including current maturities)	3,742,242	4,339,141	4,337,145	4,350,558	4,350,902
Percentage of debt to capital *(1)*	29.2%	34.5%	35.6%	34.0%	34.4%
Total Nucor stockholders' equity	8,739,036	7,879,865	7,477,816	8,110,342	8,018,250
Per share	27.48	24.72	23.52	25.42	25.19
Shares outstanding	317,969	318,737	317,962	319,033	318,328
Employees	25,100	23,900	23,700	23,600	22,300

(1) - Long-term debt divided by total equity plus long-term debt

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Nucor’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Nucor’s internal control over financial reporting as of December 31, 2017. In making this assessment, management used criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013).

Our evaluation did not include the internal controls over financial reporting for Southland Tube, Inc., which was acquired on January 9, 2017, Republic Conduit, which was acquired on January 20, 2017 and St. Louis Cold Drawn, Inc., which was acquired on September 1, 2017. Total assets for each acquisition represent approximately 0.7%, 0.9% and 0.3%, respectively, and total revenues for each acquisition represent approximately 1.0%, 1.2% and 0.1%, respectively, of the related consolidated financial statement amounts as of and for the fiscal year ended December 31, 2017.

Based on its assessment, management concluded that Nucor’s internal control over financial reporting was effective as of December 31, 2017. PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the effectiveness of Nucor’s internal control over financial reporting as of December 31, 2017 as stated in their report which is included herein.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Nucor Corporation:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Nucor Corporation and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of earnings, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Southland Tube, Inc., Republic Conduit, and St. Louis Cold Drawn, Inc. from its assessment of internal control over financial reporting as of December 31, 2017 because they were acquired by the Company in purchase business combinations during 2017. We have also excluded Southland Tube, Inc., Republic Conduit, and St. Louis Cold Drawn, Inc. from our audit of internal control over financial reporting. Southland Tube, Inc., Republic Conduit, and St. Louis Cold Drawn, Inc. are wholly-owned subsidiaries whose total assets and total revenue excluded from management's assessment and our audit of internal control over financial reporting represent approximately 0.7%, 0.9%, and 0.3% of total assets, respectively and approximately 1.0%, 1.2%, and 0.1% of total revenues, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2017.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
February 28, 2018

We have served as the Company's auditor since 1989.

CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents (Note 14)	$ 949,104	$ 2,045,961
Short-term investments (Notes 4 and 14)	50,000	150,000
Accounts receivable, net (Note 5)	2,028,545	1,631,676
Inventories, net (Note 6)	3,461,686	2,479,958
Other current assets (Notes 13 and 19)	335,085	198,798
Total current assets	6,824,420	6,506,393
Property, plant and equipment, net (Note 7)	5,093,147	5,078,650
Goodwill (Notes 3 and 8)	2,196,058	2,052,728
Other intangible assets, net (Notes 3 and 8)	914,646	866,835
Other assets (Note 9)	812,987	718,912
Total assets	$15,841,258	$15,223,518
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt (Notes 11 and 14)	$ 52,833	$ 17,959
Long-term debt due within one year (Notes 11 and 14)	500,000	600,000
Accounts payable (Note 10)	1,181,346	838,109
Salaries, wages and related accruals (Note 17)	516,660	428,829
Accrued expenses and other current liabilities (Notes 10, 13 and 15)	573,925	505,069
Total current liabilities	2,824,764	2,389,966
Long-term debt due after one year (Notes 11 and 14)	3,242,242	3,739,141
Deferred credits and other liabilities (Notes 13, 15, 17 and 19)	689,464	839,703
Total liabilities	6,756,470	6,968,810
Commitments and contingencies (Notes 13 and 15)		
Equity		
Nucor stockholders' equity (Notes 12 and 16):		
Common stock (800,000 shares authorized; 379,900 and 379,334 shares issued, respectively)	151,960	151,734
Additional paid-in capital	2,021,339	1,974,672
Retained earnings	8,463,709	7,630,916
Accumulated other comprehensive loss, net of income taxes (Notes 13 and 20)	(254,681)	(317,843)
Treasury stock (61,931 and 60,597 shares, respectively)	(1,643,291)	(1,559,614)
Total Nucor stockholders' equity	8,739,036	7,879,865
Noncontrolling interests	345,752	374,843
Total equity	9,084,788	8,254,708
Total liabilities and equity	$15,841,258	$15,223,518

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)

	Year Ended December 31, 2017	2016	2015
Net sales	$20,252,393	$16,208,122	$16,439,276
Costs, expenses and other:			
Cost of products sold (Notes 13, 17 and 20)	17,682,986	14,182,215	15,325,386
Marketing, administrative and other expenses	687,531	596,761	458,989
Equity in earnings of unconsolidated affiliates	(41,661)	(38,757)	(5,329)
Impairments and losses on assets (Notes 7 and 9)	—	—	244,833
Interest expense, net (Notes 7, 18 and 19)	173,580	169,244	173,531
	18,502,436	14,909,463	16,197,410
Earnings before income taxes and noncontrolling interests	1,749,957	1,298,659	241,866
Provision for income taxes (Notes 19 and 23)	369,386	398,243	48,836
Net earnings	1,380,571	900,416	193,030
Earnings attributable to noncontrolling interests	61,883	104,145	112,306
Net earnings attributable to Nucor stockholders	$ 1,318,688	$ 796,271	$ 80,724
Net earnings per share (Note 21):			
Basic	$ 4.11	$ 2.48	$ 0.25
Diluted	$ 4.10	$ 2.48	$ 0.25

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended December 31,		
	2017	2016	2015
Net earnings	$1,380,571	$ 900,416	$ 193,030
Other comprehensive income (loss):			
Net unrealized (loss) income on hedging derivatives, net of income taxes of ($2,600), $1,500 and ($5,600) for 2017, 2016 and 2015, respectively	(4,523)	2,570	(9,498)
Reclassification adjustment for loss on settlement of hedging derivatives included in net earnings, net of income taxes of $400, $5,800 and $3,500 for 2017, 2016 and 2015, respectively	973	9,880	5,798
Foreign currency translation gain (loss), net of income taxes of $0 for 2017, 2016 and 2015	68,657	25,495	(205,397)
Adjustment to early retiree medical plan, net of income taxes of ($767), ($1,291) and $127 for 2017, 2016 and 2015, respectively	(1,530)	(3,589)	1,485
Reclassification adjustment for gain on early retiree medical plan included in net earnings, net of income taxes of ($279), ($309) and ($414) for 2017, 2016 and 2015, respectively	(415)	(837)	(742)
Other, net of income taxes of $0, $0 and $1,500 for 2017, 2016 and 2015, respectively	—	—	2,700
	63,162	33,519	(205,654)
Comprehensive income (loss)	1,443,733	933,935	(12,624)
Comprehensive income attributable to noncontrolling interests	(61,883)	(104,145)	(112,306)
Comprehensive income (loss) attributable to Nucor stockholders	$1,381,850	$ 829,790	$(124,930)

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share data)

		Nucor Stockholders								
		Common Stock					Treasury Stock (at cost)			
	Total	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Shares	Amount	Total Nucor Stockholders' Equity	Noncontrolling Interests
BALANCES, December 31, 2014	$8,442,036	378,092	$151,237	$1,883,356	$7,716,087	$ (145,708)	59,059	$(1,494,629)	$ 8,110,343	$ 331,693
Net earnings in 2015	193,030				80,724				80,724	112,306
Other comprehensive income (loss)	(205,654)					(205,654)			(205,654)	
Stock options exercised	424	10	4	420					424	
Stock option expense	7,433			7,433					7,433	
Issuance of stock under award plans, net of forfeitures	30,120	464	185	26,929			(119)	3,006	30,120	
Amortization of unearned compensation	832			832					832	
Treasury stock acquired	(66,505)						1,664	(66,505)	(66,505)	
Cash dividends ($1.4925 per share)	(479,901)				(479,901)				(479,901)	
Distributions to noncontrolling interests	(71,938)									(71,938)
BALANCES, December 31, 2015	$7,849,877	378,566	$151,426	$1,918,970	$7,316,910	$ (351,362)	60,604	$(1,558,128)	$ 7,477,816	$ 372,061
Net earnings in 2016	900,416				796,271				796,271	104,145
Other comprehensive income (loss)	33,519					33,519			33,519	
Stock options exercised	15,670	400	160	15,510					15,670	
Stock option expense	7,833			7,833					7,833	
Issuance of stock under award plans, net of forfeitures	35,953	368	148	32,118			(143)	3,687	35,953	
Amortization of unearned compensation	843			843					843	
Treasury stock acquired	(5,173)						136	(5,173)	(5,173)	
Cash dividends ($1.5025 per share)	(482,265)				(482,265)				(482,265)	
Distributions to noncontrolling interests	(99,588)									(99,588)
Other	(2,377)			(602)					(602)	(1,775)
BALANCES, December 31, 2016	$8,254,708	379,334	$151,734	$1,974,672	$7,630,916	$ (317,843)	60,597	$(1,559,614)	$ 7,879,865	$ 374,843
Net earnings in 2017	1,380,571				1,318,688				1,318,688	61,883
Other comprehensive income (loss)	63,162					63,162			63,162	
Stock options exercised	7,069	183	73	6,996					7,069	
Stock option expense	8,233			8,233					8,233	
Issuance of stock under award plans, net of forfeitures	37,018	383	153	30,238			(257)	6,627	37,018	
Amortization of unearned compensation	1,200			1,200					1,200	
Treasury stock acquired	(90,304)						1,591	(90,304)	(90,304)	
Cash dividends ($1.5125 per share)	(485,895)				(485,895)				(485,895)	
Distributions to noncontrolling interests	(90,974)									(90,974)
BALANCES, December 31, 2017	$9,084,788	379,900	$151,960	$2,021,339	$8,463,709	$ (254,681)	61,931	$(1,643,291)	$ 8,739,036	$ 345,752

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2017	2016	2015
Operating activities:			
Net earnings	$ 1,380,571	$ 900,416	$ 193,030
Adjustments:			
Depreciation	635,833	613,192	625,757
Amortization	91,228	73,862	74,260
Stock-based compensation	64,176	56,511	45,794
Deferred income taxes	(221,173)	71,455	(246,836)
Distributions from affiliates	49,295	40,602	15,132
Equity in earnings of unconsolidated affiliates	(41,661)	(38,757)	(5,329)
Impairments and losses on assets	—	—	244,833
Changes in assets and liabilities (exclusive of acquisitions and dispositions):			
Accounts receivable	(329,501)	(217,736)	655,489
Inventories	(900,946)	(132,639)	1,061,202
Accounts payable	314,817	236,788	(438,788)
Federal income taxes	(107,577)	3,555	62,656
Salaries, wages and related accruals	83,625	133,544	(56,267)
Other operating activities (Note 2)	32,576	9,127	(62,172)
Cash provided by operating activities	1,051,263	1,749,920	2,168,761
Investing activities:			
Capital expenditures	(448,555)	(604,840)	(374,123)
Investment in and advances to affiliates	(59,000)	(63,167)	(80,409)
Divestiture of affiliates	—	135,000	—
Disposition of plant and equipment	25,315	18,571	29,390
Acquisitions (net of cash acquired)	(544,041)	(474,788)	(19,089)
Purchases of investments	(50,000)	(650,000)	(111,927)
Proceeds from the sale of investments	150,000	600,000	111,452
Other investing activities	7,389	14,106	3,010
Cash used in investing activities	(918,892)	(1,025,118)	(441,696)
Financing activities:			
Net change in short-term debt	34,872	(33,360)	(155,816)
Repayment of long-term debt	(600,000)	—	(16,300)
Issuance of common stock	11,145	15,751	424
Payment of tax withholdings on certain stock-based compensation (Note 2)	(14,408)	(12,387)	(11,718)
Excess tax benefits from stock-based compensation	—	2,784	2,000
Distributions to noncontrolling interests	(90,974)	(99,588)	(71,938)
Cash dividends	(485,321)	(481,083)	(479,432)
Acquisition of treasury stock	(90,304)	(5,173)	(66,505)
Other financing activities	(3,241)	(13,297)	(2,184)
Cash used in financing activities	(1,238,231)	(626,353)	(801,469)
Effect of exchange rate changes on cash	9,003	8,043	(10,271)
(Decrease) increase in cash and cash equivalents	(1,096,857)	106,492	915,325
Cash and cash equivalents—beginning of year	2,045,961	1,939,469	1,024,144
Cash and cash equivalents—end of year	$ 949,104	$ 2,045,961	$1,939,469
Non-cash investing activity:			
Change in accrued plant and equipment purchases and assets recorded under capital lease arrangements	$ 58,519	$ 12,837	$ (9,355)

See notes to consolidated financial statements.

NUCOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

1. Nature of Operations and Basis of Presentation

Nature of Operations

Nucor is principally a manufacturer of steel and steel products, as well as a scrap broker and processor, with operating facilities and customers primarily located in North America.

Principles of Consolidation

The consolidated financial statements include Nucor and its controlled subsidiaries, including Nucor-Yamato Steel Company, a limited partnership of which Nucor owns 51%. All intercompany transactions are eliminated.

Distributions are made to noncontrolling interest partners in Nucor-Yamato Steel Company in accordance with the limited partnership agreement by mutual agreement of the general partners. At a minimum, sufficient cash is distributed so that each partner may pay their U.S. federal and state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Reclassifications

Certain reclassifications of prior years' data have been made to conform to current year presentation.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents are recorded at cost plus accrued interest, which approximates fair value, and have original maturities of three months or less at the date of purchase. Cash and cash equivalents are maintained primarily with a few high-credit quality financial institutions.

Short-term Investments

Short-term investments are recorded at cost plus accrued interest, which approximates fair value. Unrealized gains and losses on investments classified as available-for-sale are recorded as a component of accumulated other comprehensive income (loss). Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such determination at each balance sheet date.

Inventories

Inventories are stated at the lower of cost or market. The Company records any amount required to reduce the carrying value of inventory to net realizable value as a charge to cost of products sold. Scrap and scrap substitute costs are a very significant component of the raw material, semi-finished and finished product inventory balances. The vast majority of the Company's inventory is recorded on the first-in, first-out method. Production costs are applied to semi-finished and finished product inventory from the approximate period in which they are produced.

Property, Plant and Equipment

Property, plant and equipment is stated at cost, except for property, plant and equipment acquired through acquisitions which is recorded at acquisition date fair value. With the exception of our natural gas wells, depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Depletion of all capitalized costs associated with our natural gas producing properties is expensed on a unit-of-production basis by individual field as the gas from the proved developed reserves is produced. The costs of acquiring unproved natural gas leasehold acreage are capitalized. When proved reserves are found on unproved properties, the associated leasehold cost is transferred to proved properties. Unproved leases are reviewed periodically for any impairment triggering event, and a valuation allowance is provided for any estimated decline in value. The costs of planned major maintenance activities are capitalized as part of other current assets and amortized over the period until the next scheduled major maintenance activity. All other repairs and maintenance activities are expensed when incurred.

Goodwill and Other Intangibles

Goodwill is the excess of cost over the fair value of net assets of businesses acquired. Goodwill is not amortized but is tested annually for impairment and whenever events or circumstances change that would make it more likely than not that an impairment may have occurred. We perform our annual impairment analysis as of the first day of the fourth quarter each year. The evaluation of impairment involves comparing the current estimated fair value of each reporting unit, which is a level below the reportable segment, to the recorded value, including goodwill. When appropriate, Nucor performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. For certain reporting units, it is necessary to perform a quantitative analysis. In these instances, a discounted cash flow model is used to determine the current estimated fair value of these reporting units. A number of significant assumptions and estimates are involved in the application of the discounted cash flow model to forecast operating cash flows, including market growth and market share, sales volumes and prices, costs to produce, discount rate and estimated capital needs. Management considers historical experience and all available information at the time the fair values of its reporting units are estimated. Assumptions in estimating future cash flows are subject to a high degree of judgment and complexity. Changes in assumptions and estimates may affect the fair value of goodwill and could result in impairment charges in future periods.

Finite-lived intangible assets are amortized over their estimated useful lives on a straight-line or accelerated basis.

Long-Lived Asset Impairments

We evaluate our property, plant and equipment and finite-lived intangible assets for potential impairment on an individual asset basis or at the lowest level asset grouping for which independent cash flows can be separately identified. Asset impairments are assessed whenever circumstances indicate that the carrying amounts of those productive assets could exceed their projected undiscounted cash flows. When it is determined that impairment exists, the related assets are written down to their estimated fair market value.

Equity Method Investments

Investments in joint ventures in which Nucor shares control over the financial and operating decisions but in which Nucor is not the primary beneficiary are accounted for under the equity method. Each of the Company's equity method investments is subject to a review for impairment if, and when, circumstances indicate that a decline in value below its carrying amount may have occurred. Examples of such circumstances include, but are not limited to, a significant deterioration in the earnings performance or business prospects of the investee; missed financial projections; a significant adverse change in the regulatory, economic or technological environment of the investee; a significant adverse change in the general market condition of either the geographic area or the industry in which the investee operates; and recurring negative cash flows from operations. When management considers the decline to be other than temporary, the related investment is written down to its estimated fair market value.

Derivative Financial Instruments

Nucor periodically uses derivative financial instruments primarily to partially manage its exposure to price risk related to natural gas purchases used in the production process as well as its exposure to scrap, copper and aluminum purchased for resale to its customers. In addition, Nucor periodically uses derivatives to partially manage its exposure to changes in interest rates on outstanding debt instruments and uses forward foreign exchange contracts to hedge cash flows associated with certain assets and liabilities, firm commitments and anticipated transactions.

Nucor recognizes all derivative instruments in the consolidated balance sheets at fair value. Amounts included in accumulated other comprehensive income (loss) related to cash flow hedges are reclassified into earnings when the underlying transaction is recognized in net earnings. Changes in fair value hedges are reported in earnings along with changes in the fair value of the hedged items. When cash flow and fair value hedges affect net earnings, they are included on the same financial statement line as the underlying transaction (cost of products sold or interest expense). If these instruments do not meet hedge accounting criteria, the change in fair value (or a portion thereof) is recognized immediately in earnings in the same financial statement line as the underlying transaction.

Revenue Recognition

Nucor recognizes revenue when persuasive evidence of a contractual arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection is reasonably assured. Product is considered delivered to the customer once it has been shipped and title and risk of loss has been transferred.

Income Taxes

Nucor utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act (the "Tax Reform Act"). The Tax Reform Act creates two new U.S. tax base-erosion provisions, the global intangible low-taxed income ("GILTI") and the base-erosion and anti-abuse tax ("BEAT") provisions. The Company has elected to account for GILTI tax in the period in which it is incurred. Further information on the tax impacts of the Tax Reform Act is included in Note 19.

Nucor recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Potential accrued interest and penalties related to unrecognized tax benefits are recognized as a component of interest expense and other expenses.

The Tax Reform Act provides for a one-time mandatory deemed repatriation of post-1986 undistributed foreign subsidiary earnings and profits. Nucor's intention is to permanently reinvest the future earnings of certain foreign investments.

Stock-Based Compensation

The Company recognizes the cost of stock-based compensation as an expense using fair value measurement methods. The assumptions used to calculate the fair value of stock-based compensation granted are evaluated and revised, as necessary, to reflect market conditions and experience.

Foreign Currency Translation

For Nucor's operations where the functional currency is other than the U.S. dollar, assets and liabilities have been translated at year end exchange rates, and income and expenses have been translated using average exchange rates for the respective periods. Adjustments resulting from the process of translating an entity's financial statements into the U.S. dollar have been recorded in accumulated other comprehensive income (loss) and are included in net earnings only upon sale or liquidation of the underlying investments. Foreign currency transaction gains and losses are included in net earnings in the period they occur.

Recently Adopted Accounting Pronouncements

In the first quarter of 2017, Nucor adopted new accounting guidance that amends the accounting for employee share-based payment transactions. The new guidance requires income statement recognition of all tax effects, including all excess tax benefits and tax deficiencies, resulting from the settlement of share-based awards in the reporting period in which they occur. The new guidance also requires that all tax-related cash flows resulting from share-based payments, including the excess tax benefits and tax deficiencies related to the settlement of stock-based awards, be classified as cash flows from operating activities, and that cash paid by directly withholding shares for tax purposes be classified as a financing activity in the statement of cash flows. The new guidance also allows companies to make an accounting policy election to either estimate the number of awards that are expected to vest, consistent with current guidance, or account for forfeitures as they occur. This new guidance, with the exception of the presentation of cash paid by directly withholding shares for tax purposes on the statement of cash flows, was applied prospectively for the Company beginning on January 1, 2017. The presentation of cash paid by directly withholding shares for tax purposes on the statement of cash flows as a financing activity requires retrospective application beginning January 1, 2017. As a result of the retrospective application of this new guidance, $12.4 million and $11.7 million were reclassified from other operating activities to payment of tax withholdings on certain stock-based compensation in the consolidated statements of cash flows for the years ended December 31, 2016 and 2015, respectively. The adoption of this new guidance did not have a material effect on the Company's consolidated financial statements. There is no change to our accounting policy with respect to the estimation of awards that are expected to vest.

In January 2017, new guidance was issued regarding the simplification of the test for goodwill impairment. The new guidance eliminates Step 2 from the goodwill impairment test and will require an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The new guidance is effective for the Company for annual and interim reporting periods beginning after December 15, 2019, with early adoption permitted. The Company early adopted this new guidance in the first quarter of 2017. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements.

In August 2017, new guidance was issued regarding improvements to accounting and reporting for hedging activities to better reflect the economic results of an entity's risk management activities. The new guidance reduces limitations on hedge designation and updates measurement guidance for qualifying hedging relationships. The new guidance also simplifies financial statement reporting for qualifying hedging relationships and aligns the recognition and presentation of the effects of the hedging instrument and hedged item within the financial statements. The new guidance is effective for the Company for annual and interim reporting periods beginning after December 15, 2018, with early adoption permitted. The Company early adopted this new guidance in the third quarter of 2017. The adoption of this new guidance did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In May 2014, new accounting guidance was issued that will supersede nearly all existing accounting guidance related to revenue recognition. The new guidance provides that an entity recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. The Financial Accounting Standards Board has also issued a number of updates to this new accounting guidance. The Company will adopt the new revenue recognition guidance effective January 1, 2018. Using the modified retrospective approach, the Company will recognize the cumulative effect of the adoption as an adjustment to the opening balance of retained earnings. The Company does not expect the adoption of this new guidance to have a material effect on the Company's consolidated financial statements.

In January 2016, new accounting guidance was issued regarding the recognition and measurement of financial assets and financial liabilities. Changes to the current accounting guidance primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the Financial Accounting Standards Board clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities and financial liabilities, is largely unchanged. The new guidance is effective for the Company for annual and interim reporting periods beginning after December 15, 2017. The Company does not expect the adoption of this new guidance to have a material effect on the Company's consolidated financial statements.

In February 2016, new accounting guidance was issued regarding the accounting for leases. The new guidance requires all lessees to recognize on the balance sheet right to use assets and lease liabilities for the rights and obligations created by lease arrangements with terms greater than 12 months. The new guidance is effective for the Company for annual and interim reporting periods beginning after December 15, 2018. The Company is evaluating the impact that the adoption of this new guidance will have on its consolidated financial statements, but it expects that assets and liabilities will increase on the Company's consolidated balance sheet.

In August 2016, new accounting guidance was issued regarding the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. The new guidance addresses specific cash flow presentation issues in order to reduce diversity in existing practice. The new guidance is effective for the Company for annual and interim reporting periods beginning after December 15, 2017. The Company does not expect the adoption of this new guidance to have a material impact on the Company's consolidated financial statements.

In October 2016, new accounting guidance was issued regarding intra-entity transfers of assets other than inventory. The new guidance requires that an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The new guidance is effective for the Company for annual and interim reporting periods beginning after December 15, 2017. The Company does not expect the adoption of this new guidance to have a material impact on the Company's consolidated financial statements.

3. Acquisitions and Dispositions

On January 20, 2017, Nucor used cash on hand to acquire Republic Conduit ("Republic") for a purchase price of $331.6 million. Republic produces steel electrical conduit primarily used to protect and route electrical wiring in various nonresidential structures such as hospitals, office buildings and stadiums. With its two facilities located in Kentucky and Georgia, Republic had shipments of approximately 140,000 tons in 2017. This acquisition not only further expands Nucor's product portfolio to include steel electrical conduit but the Company also believes it will be an important, value-added channel to market for Nucor's sheet mills. Republic's financial results are included as part of the steel mills segment (see Note 22).

We have allocated the purchase price for Republic to its individual assets acquired and liabilities assumed.

The following table summarizes the fair values of the assets acquired and liabilities assumed of Republic as of the date of acquisition (in thousands):

Cash	$ 206
Accounts receivable	39,177
Inventory	33,561
Other current assets	1,101
Property, plant and equipment	67,412
Goodwill	115,562
Other intangible assets	89,200
Other assets	3,118
Total assets acquired	349,337
Current liabilities	17,743
Total liabilities assumed	17,743
Net assets acquired	$331,594

The following table summarizes the purchase price allocation to the identifiable intangible assets of Republic as of the date of acquisition (in thousands, except years):

		Weighted - Average Life
Customer relationships	$80,800	12 years
Trademarks and trade names	8,400	13 years
	$89,200	

The goodwill of approximately $115.6 million is primarily attributed to the synergies expected to arise after the acquisition. The goodwill is calculated as the excess of the purchase price over the fair values of the assets acquired and liabilities assumed and has been allocated to the steel mills segment (see Note 8). Goodwill recognized for tax purposes was $118.6 million, all of which is deductible for such purposes.

On October 31, 2016, Nucor used cash on hand to acquire Independence Tube Corporation ("ITC") for a purchase price of $430.1 million. ITC is a leading manufacturer of hollow structural section ("HSS") steel tubing, which is primarily used in nonresidential construction markets. ITC has the ability to produce approximately 650,000 tons of HSS steel tubing annually at its four facilities, two of which are in Illinois and the other two are in Alabama. This acquisition not only further expands Nucor's product portfolio to include the HSS steel tubing market but the Company also believes it will be an important, value-added channel to market for Nucor's hot-rolled sheet steel, as ITC's plants are located in close proximity to Nucor's sheet mills in Alabama, Indiana and Kentucky. ITC's financial results are included as part of the steel mills segment (see Note 22).

We have allocated the purchase price for ITC to its individual assets acquired and liabilities assumed.

The following table summarizes the fair values of the assets acquired and liabilities assumed of ITC as of the date of acquisition (in thousands):

Cash	$ 1,058
Accounts receivable	33,173
Inventory	94,400
Other current assets	1,743
Property, plant and equipment	177,668
Goodwill	29,522
Other intangible assets	130,900
Other assets	1,287
Total assets acquired	469,751
Current liabilities	39,633
Total liabilities assumed	39,633
Net assets acquired	$430,118

The following table summarizes the purchase price allocation to the identifiable intangible assets of ITC as of the date of acquisition (in thousands, except years):

		Weighted - Average Life
Customer relationships	$119,000	15 years
Trademarks and trade names	7,100	15 years
Other	4,800	5 years
	$130,900	

The goodwill of approximately $29.5 million is primarily attributed to the synergies expected to arise after the acquisition. The goodwill is calculated as the excess of the purchase price over the fair values of the assets acquired and liabilities assumed and has been allocated to the steel mills segment (see Note 8). Goodwill recognized for tax purposes was $30.5 million, all of which is deductible for such purposes.

Other acquisitions, exclusive of purchase price adjustments of acquisitions made and net of cash acquired, totaled $212.7 million in 2017, $50.1 million in 2016 and $19.1 million in 2015. Included in the 2017 amount is the January 9, 2017 acquisition of Southland Tube, Inc. ("Southland") and the September 1, 2017 acquisition of St. Louis Cold Drawn, Inc. ("St. Louis Cold Drawn"). Nucor used cash on hand to acquire Southland and St. Louis Cold Drawn for purchase prices of approximately $130 million and $60 million, respectively. Southland is a manufacturer of HSS steel tubing, which is primarily used in nonresidential construction markets. Southland had shipments of approximately 235,000 tons in 2017 and has one manufacturing facility in Birmingham, Alabama. St. Louis Cold Drawn is a manufacturer of cold drawn rounds, hexagons, squares and special sections that mainly serves the U.S. and Mexican automotive and industrial markets. St. Louis Cold Drawn has two manufacturing locations, one in St. Louis, Missouri and the other in Monterrey, Mexico, that have a combined annual capacity of approximately 200,000 tons. The financial results of Southland and St. Louis Cold Drawn are included in the steel mills segment and the steel products segment, respectively (Note 22).

4. Short-term Investments

Nucor held $50.0 million and $150.0 million of short-term investments as of December 31, 2017 and 2016, respectively. The investments held as of December 31, 2017 consisted of a certificate of deposit ("CD"). The investments held as of December 31, 2016 consisted of CDs. These investments are classified as available-for-sale. Interest income on the CDs is recorded as earned.

No realized or unrealized gains or losses were incurred in 2017, 2016 or 2015.

The contractual maturity of the CD outstanding at December 31, 2017 is before December 31, 2018.

5. Accounts Receivable

An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of our customers to make required payments. Accounts receivable are stated net of the allowance for doubtful accounts of $49.0 million at December 31, 2017 ($45.9 million at December 31, 2016 and $43.2 million at December 31, 2015).

6. Inventories

Inventories consisted of approximately 42% raw materials and supplies and 58% finished and semi-finished products at December 31, 2017 (37% and 63%, respectively, at December 31, 2016). Nucor's manufacturing process consists of a continuous, vertically integrated process from which products are sold to customers at various stages throughout the process. Since most steel products can be classified as either finished or semi-finished products, these two categories of inventory are combined.

7. Property, Plant and Equipment

	(in thousands) December 31, 2017	2016
Land and improvements	$ 639,878	$ 602,218
Buildings and improvements	1,249,350	1,169,064
Machinery and equipment	10,937,416	10,524,030
Proved oil and gas properties	556,507	551,019
Leasehold interest in unproved oil and gas properties	165,000	165,000
Construction in process and equipment deposits	241,820	224,677
	13,789,971	13,236,008
Less accumulated depreciation	(8,696,824)	(8,157,358)
	$ 5,093,147	$ 5,078,650

The estimated useful lives primarily range from 5 to 25 years for land improvements, 4 to 40 years for buildings and improvements and 2 to 15 years for machinery and equipment. The useful life for proved oil and gas properties is based on the unit-of-production method and varies by well.

Given the natural gas pricing environment, Nucor performed an impairment assessment of its proved producing natural gas well assets in December 2017. One of the main assumptions that most significantly affects the undiscounted cash flows determination is management’s estimate of future natural gas prices. The pricing used in this impairment assessment was developed by management based on projected natural gas market supply and demand dynamics. Management also makes key estimates on the expected reserve levels and on the expected drilling production costs. This analysis was performed on each of Nucor’s three groups of wells, with each group defined by common geographic location. Each of Nucor’s three groups of wells passed the impairment test. The combined carrying value of the three groups of wells was $252.0 million at December 31, 2017. Changes in the natural gas industry or a prolonged low price environment beyond what had already been assumed in the analysis could cause management to revise the natural gas price assumptions, the estimated reserves or the estimated drilling production costs. Unfavorable revisions to these assumptions or estimates could possibly result in an impairment of some or all of the groups of proved well assets.

On October 1, 2016, Nucor purchased 49% of Encana Oil & Gas (USA) Inc.’s leasehold interest in unproved oil and gas properties covering approximately 54,000 acres in the South Piceance Basin for $165.0 million.

In the fourth quarter of 2015, we determined that certain assets, the majority of which were engineering and equipment related to a blast furnace project at our St. James Parish, Louisiana site, would not be utilized in the future. As a result of this determination, Nucor recorded an $84.1 million impairment charge for the entire balance of those assets, which is included in the raw materials segment. The impairment charge is included in impairments and losses on assets in the consolidated statement of earnings in 2015. The assets that were impaired, the majority of which were acquired in 2008, were a viable option until the decision was made in the fourth quarter of 2015 that such assets would not be utilized. The decision about whether or not to move forward with construction of the blast furnace utilizing these assets was delayed to focus on the construction of the direct reduced iron (“DRI”) plant at the site. The decision was further delayed because of challenging industry conditions, particularly increased excess steel capacity, both domestically and globally. In the meantime, technology advances and supply and demand in the raw materials market led management to reconsider its plans for the previously proposed blast furnace.

8. Goodwill and Other Intangible Assets

The change in the net carrying amount of goodwill for the years ended December 31, 2017 and 2016 by segment is as follows (in thousands):

	Steel Mills	Steel Products	Raw Materials	Total
Balance, December 31, 2015	$590,634	$691,067	$729,577	$2,011,278
Acquisitions	29,522	—	—	29,522
Translation	—	11,928	—	11,928
Balance, December 31, 2016	620,156	702,995	729,577	2,052,728
Acquisitions	125,328	7,004	—	132,332
Translation	—	10,998	—	10,998
Balance, December 31, 2017	$745,484	$720,997	$729,577	$2,196,058

The majority of goodwill is not tax deductible.

Intangible assets with estimated useful lives of 5 to 22 years are amortized on a straight-line or accelerated basis and are comprised of the following (in thousands):

	December 31, 2017		December 31, 2016	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Customer relationships	$1,420,224	$ 641,089	$1,295,803	$ 566,884
Trademarks and trade names	176,471	77,208	161,851	66,494
Other	62,805	26,557	62,807	20,248
	$1,659,500	$ 744,854	$1,520,461	$ 653,626

During the third quarter of 2016, Nucor acquired the remaining ownership interest in a former joint venture entity that Nucor previously accounted for as an equity method investment. As a result of the transaction, Nucor obtained control and began to consolidate that entity. That entity's intangible assets, the majority of which are patents, are included in other intangible assets, net in the consolidated balance sheets at December 31, 2017 and 2016. The gross amount and related accumulated amortization of these assets were $36.3 million and $6.2 million, respectively, at December 31, 2017 ($36.3 million and $2.1 million, respectively, at December 31, 2016).

Intangible asset amortization expense was $91.2 million in 2017 ($73.9 million in 2016 and $74.3 million in 2015). Annual amortization expense is estimated to be $89.6 million in 2018, $86.7 million in 2019, $84.4 million in 2020, $83.1 million in 2021 and $80.8 million in 2022.

The Company completed its annual goodwill impairment testing as of the first day of the fourth quarters of 2017, 2016 and 2015 and concluded that as of such dates there was no impairment of goodwill for any of its reporting units. We do not believe there are any reporting units at significant risk of goodwill impairment in the next 12 months. However, assumptions in estimating reporting unit fair values are subject to a high degree of judgment and complexity. Changes in assumptions and estimates may affect the estimated reporting unit fair values and could result in impairment charges in future periods.

There are no significant historical accumulated impairment charges, by segment or in the aggregate, related to goodwill.

9. Equity Investments

The carrying value of our equity investments in domestic and foreign companies was $750.1 million at December 31, 2017 ($663.4 million at December 31, 2016), and is recorded in other assets in the consolidated balance sheets.

NUMIT

Nucor has a 50% economic and voting interest in NuMit LLC ("NuMit"). NuMit owns 100% of the equity interest in Steel Technologies LLC, an operator of 26 sheet processing facilities located throughout the United States, Canada and Mexico. Nucor accounts for the investment in NuMit (on a one-month lag basis) under the equity method, as control and risk of loss are shared equally between the members. Nucor's investment in NuMit at December 31, 2017 was $321.4 million ($325.1 million as of December 31, 2016). Nucor received distributions of $48.3 million, $38.6 million and $13.1 million from NuMit during 2017, 2016 and 2015, respectively.

DUFERDOFIN NUCOR

Nucor owns a 50% economic and voting interest in Duferdofin Nucor S.r.l. ("Duferdofin Nucor"), an Italian steel manufacturer, and accounts for the investment (on a one-month lag basis) under the equity method, as control and risk of loss are shared equally between the members.

Nucor's investment in Duferdofin Nucor at December 31, 2017 was $285.9 million ($256.6 million at December 31, 2016). Nucor's 50% share of the total net assets of Duferdofin Nucor was $117.2 million at December 31, 2017, resulting in a basis difference of $168.7 million due to the step-up to fair value of certain assets and liabilities attributable to Duferdofin Nucor as well as the identification of goodwill ($92.3 million) and finite-lived intangible assets. This basis difference, excluding the portion attributable to goodwill, is being amortized based on the remaining estimated useful lives of the various underlying net assets, as appropriate. Amortization expense associated with the fair value step-up was $8.9 million in 2017 ($8.8 million in both 2016 and 2015).

As of December 31, 2017, Nucor had outstanding notes receivable of €35.0 million ($41.9 million) from Duferdofin Nucor (€35.0 million, or $36.9 million, as of December 31, 2016). The notes receivable bear interest at 0.83% and will reset annually on September 30 to the 12-month Euro Interbank Offered Rate plus 1% per year. The principal amounts are due on January 31, 2019. As of December 31, 2017 and 2016, the notes receivable were classified in other assets in the consolidated balance sheets.

Nucor has issued a guarantee for its ownership percentage (50%) of Duferdofin Nucor's borrowings under Facility A of a Structured Trade Finance Facilities Agreement ("Facility A"), which matures on October 12, 2018. The fair value of the guarantee is immaterial. The maximum amount Duferdofin Nucor could borrow under Facility A was €122.5 million ($146.7 million) at December 31, 2017. As of December 31, 2017, there was €122.5 million ($146.7 million) outstanding under that facility (€107.0 million, or $112.7 million, at December 31, 2016). If Duferdofin Nucor fails to pay when due any amounts for which it is obligated under Facility A, Nucor could be required to pay 50% of such amounts pursuant to and in accordance with the terms of its guarantee. Any indebtedness of Duferdofin Nucor to Nucor is effectively subordinated to the indebtedness of Duferdofin Nucor under Facility A. Nucor has not recorded any liability associated with this guarantee.

HUNTER RIDGE

In the third quarter of 2016, Nucor sold its 50% economic and voting interest in Hunter Ridge Energy Services LLC ("Hunter Ridge") for $135.0 million. Hunter Ridge provides services for the gathering, separation and compression of energy products, including natural gas produced by some of Nucor's natural gas wells. Nucor accounted for the investment in Hunter Ridge (on a one-month lag basis) under the equity method, as control and risk of loss were shared equally between the members. Nucor's investment in Hunter Ridge at the date of sale was $133.3 million.

ALL EQUITY INVESTMENTS

Nucor reviews its equity investments for impairment if and when circumstances indicate that a decline in value below their carrying amounts may have occurred. In the fourth quarter of 2015, Nucor assessed its equity investment in Duferdofin Nucor for impairment due to the protracted challenging steel market conditions caused by excess global overcapacity, which increased in 2015, and the difficult economic environment in Europe. After completing its assessment, the Company determined that the carrying amount exceeded its estimated fair value. The impairment condition was considered to be other than temporary and, as a result, the Company recorded a $153.0 million impairment charge against the Company's investment in Duferdofin Nucor in the fourth quarter of 2015.

Although the operating results of Duferdofin Nucor have improved since 2015 and there have been no significant deteriorations in near-term financial projections or other key assumptions since the last impairment test performed in the fourth quarter of 2015, Nucor concluded that it was appropriate to reassess its equity investment in Duferdofin Nucor for impairment during the fourth quarter of 2017 due to the protracted challenging steel market conditions in Europe. After completing its assessment, the Company determined that the estimated fair value exceeded its carrying amount by a sufficient amount and that there was no need for additional impairment charges. The assumptions that most significantly affect the fair value determination include projected revenues and the discount rate. It is reasonably possible that material deviation of future performance from the estimates used in our most recent valuation could result in further impairment of our investment in Duferdofin Nucor.

10. Current Liabilities

Book overdrafts, included in accounts payable in the consolidated balance sheets, were $139.2 million at December 31, 2017 ($61.3 million at December 31, 2016). Dividends payable, included in accrued expenses and other current liabilities in the consolidated balance sheets, were $121.8 million at December 31, 2017 ($121.3 million at December 31, 2016).

11. Debt and Other Financing Arrangements

	(in thousands) December 31,	
	2017	2016
Industrial revenue bonds due from 2020 to 2040*	$1,010,600	$1,010,600
Notes, 5.75%, due 2017	—	600,000
Notes, 5.85%, due 2018	500,000	500,000
Notes, 4.125%, due 2022	600,000	600,000
Notes, 4.0%, due 2023	500,000	500,000
Notes, 6.40%, due 2037	650,000	650,000
Notes, 5.20%, due 2043	500,000	500,000
Total long-term debt	3,760,600	4,360,600
Less debt issuance costs	18,358	21,459
Total amounts outstanding	3,742,242	4,339,141
Less current maturities	500,000	600,000
Total long-term debt due after one year	$3,242,242	$3,739,141

* The industrial revenue bonds had variable rates ranging from 1.65% to 1.92% and 0.79% to 1.00% at December 31, 2017 and 2016, respectively.

Annual aggregate long-term debt maturities are: $500.0 million in 2018, none in 2019, $20.0 million in 2020, none in 2021, $601.0 million in 2022 and $2.640 billion thereafter.

Nucor has a $1.50 billion unsecured revolving credit facility that matures in April 2021. The unsecured revolving credit facility provides up to $1.50 billion in revolving loans and allows up to $500.0 million in additional commitments at Nucor's election in accordance with the terms set forth in the credit agreement. Up to the equivalent of $850.0 million of the credit facility is available for foreign currency loans, up to $100.0 million is available for the issuance of letters of credit and up to $500.0 million is available for the issuance of revolving loans for Nucor subsidiaries in accordance with terms set forth in the credit agreement. The credit facility provides for a pricing grid based upon the credit rating of Nucor's senior unsecured long-term debt and, alternatively, interest rates quoted by lenders in connection with competitive bidding. The credit facility includes customary financial and other covenants, including a limit on the ratio of funded debt to total capital of 60%, a limit on Nucor's ability to pledge the Company's assets and a limit on consolidations, mergers and sales of assets. As of December 31, 2017, Nucor's funded debt to total capital ratio was 29%, and Nucor was in compliance with all covenants under the credit facility. No borrowings were outstanding under the credit facility as of December 31, 2017 and 2016.

Harris Steel has credit facilities totaling approximately $7.8 million, with no outstanding borrowings at December 31, 2017 ($26.2 million at December 31, 2016). In addition, the business of Nucor Trading S.A. is financed by uncommitted trade credit arrangements with a number of European banking institutions. As of December 31, 2017, Nucor Trading S.A. had outstanding borrowings of $52.8 million, which is presented in short-term debt in the consolidated balance sheets ($18.0 million at December 31, 2016).

Letters of credit totaling $40.0 million were outstanding as of December 31, 2017 ($41.2 million as of December 31, 2016), related to certain obligations, including workers' compensation, utilities deposits and credit arrangements by Nucor Trading S.A. for commitments to purchase inventories.

12. Capital Stock

The par value of Nucor's common stock is $0.40 per share and there are 800 million shares authorized. In addition, 250,000 shares of preferred stock, par value of $4.00 per share, are authorized, with preferences, rights and restrictions as may be fixed by the Board of Directors. There are no shares of preferred stock issued or outstanding.

In September 2015, the Company announced that the Board of Directors had approved a share repurchase program under which the Company is authorized to repurchase up to $900.0 million of the Company's common stock. This $900.0 million share repurchase program has no stated expiration and replaced any previously authorized repurchase programs. As of December 31, 2017, the Company had approximately $738.0 million remaining available under the program. The Company expects any share repurchases to be made through purchases from time to time in the open market at prevailing market prices, through private transactions or block trades. The timing and amount of any repurchases will depend on market conditions, share price, applicable legal requirements and other factors. The Company repurchased $90.3 million of its common stock in 2017 ($5.2 million in 2016 and $66.5 million in 2015).

13. Derivative Financial Instruments

The following tables summarize information regarding Nucor's derivative instruments (in thousands):

Fair Value of Derivative Instruments	Consolidated Balance Sheet Location	Fair Value at December 31, 2017	Fair Value at December 31, 2016
Asset derivatives designated as hedging instruments:			
Commodity contracts	Other current assets	$ —	$1,250
Asset derivatives not designated as hedging instruments:			
Foreign exchange contracts	Other current assets	479	779
Total asset derivatives		$ 479	$2,029
Liability derivatives designated as hedging instruments:			
Commodity contracts	Accrued expenses and other current liabilities	$(2,100)	$ —
Commodity contracts	Deferred credits and other liabilities	(2,400)	—
Total liability derivatives designated as hedging instruments		(4,500)	—
Liability derivatives not designated as hedging instruments:			
Commodity contracts	Accrued expenses and other current liabilities	(4,031)	(605)
Total liability derivatives		$(8,531)	$ (605)

The Effect of Derivative Instruments on the Consolidated Statements of Earnings

Derivatives Designated as Hedging Instruments (in thousands)

Derivatives in Cash Flow Hedging Relationships	Statement of Earnings Location	Amount of Gain or (Loss), net of tax, Recognized in OCI on Derivatives (Effective Portion)			Amount of Gain or (Loss), net of tax, Reclassified from Accumulated OCI into Earnings on Derivatives (Effective Portion)			Amount of Gain or (Loss), net of tax, Recognized in Earnings on Derivatives (Ineffective Portion)		
		2017	2016	2015	2017	2016	2015	2017	2016	2015
Commodity contracts	Cost of products sold	$(4,523)	$2,570	$(9,498)	$(973)	$(9,880)	$(5,798)	$ —	$ —	$ —

Derivatives Not Designated as Hedging Instruments (in thousands)

Derivatives Not Designated as Hedging Instruments	Statement of Earnings Location	Amount of Gain or (Loss) Recognized in Earnings on Derivatives		
		2017	2016	2015
Commodity contracts	Cost of products sold	$(11,973)	$(3,251)	$2,894
Foreign exchange contracts	Cost of products sold	(3,344)	238	2,392
Total		$(15,317)	$(3,013)	$5,286

At December 31, 2017, natural gas swaps covering approximately 58.0 million MMBTUs (extending through December 2022) were outstanding.

14. Fair Value Measurements

The following table summarizes information regarding Nucor's financial assets and liabilities that are measured at fair value as of December 31, 2017 and 2016 (in thousands). Nucor does not have any non-financial assets or liabilities that are measured at fair value on a recurring basis.

		Fair Value Measurements at Reporting Date Using		
Description	Carrying Amount in Consolidated Balance Sheets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2017				
Assets:				
Cash equivalents	$ 594,946	$ 594,946	$ —	$ —
Short-term investments	50,000	50,000	—	—
Foreign exchange contracts	479	—	479	—
Total assets	$ 645,425	$ 644,946	$ 479	$ —
Liabilities:				
Commodity contracts	$ (8,531)	$ —	$ (8,531)	$ —
As of December 31, 2016				
Assets:				
Cash equivalents	$ 1,609,523	$ 1,609,523	$ —	$ —
Short-term investments	150,000	150,000	—	—
Commodity and foreign exchange contracts	2,029	—	2,029	—
Total assets	$ 1,761,552	$ 1,759,523	$ 2,029	$ —
Liabilities:				
Commodity contracts	$ (605)	$ —	$ (605)	$ —

Fair value measurements for Nucor's cash equivalents and short-term investments are classified under Level 1 because such measurements are based on quoted market prices in active markets for identical assets. Fair value measurements for Nucor's derivatives are classified under Level 2 because such measurements are based on published market prices for similar assets or are estimated based on published market prices for similar assets or are estimated based on observable inputs such as interest rates, yield curves, credit risks, spot and future commodity prices and spot and future exchange rates. There were no transfers between levels in the fair value hierarchy for the periods presented.

The fair value of short-term and long-term debt, including current maturities, was approximately $4.19 billion at December 31, 2017 ($4.70 billion at December 31, 2016). The debt fair value estimates are classified under Level 2 because such estimates are based on readily available market prices of our debt at December 31, 2017 and 2016, or similar debt with the same maturities, ratings and interest rates.

Disclosures are required for certain assets and liabilities that are measured at fair value, but are recognized and disclosed on a nonrecurring basis in periods subsequent to initial recognition. For Nucor, our equity investment in Duferdofin Nucor was measured at fair value as a result of the impairment recorded in 2015 (see Note 9).

15. Contingencies

Nucor is subject to environmental laws and regulations established by federal, state and local authorities and, accordingly, makes provisions for the estimated costs of compliance. Of the undiscounted total of $17.1 million of accrued environmental costs at December 31, 2017 ($21.9 million at December 31, 2016), $3.8 million was classified in accrued expenses and other current liabilities ($9.5 million at December 31, 2016) and $13.3 million was classified in deferred credits and other liabilities ($12.4 million at December 31, 2016). Inherent uncertainties exist in these estimates primarily due to unknown conditions, evolving remediation technology and changing governmental regulations and legal standards.

We are from time to time a party to various lawsuits, claims and legal proceedings that arise in the ordinary course of business. With respect to all such lawsuits, claims and proceedings, we record reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on our results of operations, financial position or cash flows. Nucor maintains liability insurance with self-insurance limits for certain risks.

16. Stock-Based Compensation

Stock Options

Stock options may be granted to Nucor's key employees, officers and non-employee directors with exercise prices at 100% of the market value on the date of the grant. The stock options granted are generally exercisable at the end of three years and have a term of 10 years. New shares are issued upon exercise of stock options.

A summary of activity under Nucor's stock option plans is as follows (shares in thousands):

	2017		2016		2015	
Year Ended December 31,	Shares	Weighted - Average Exercise Price	Shares	Weighted - Average Exercise Price	Shares	Weighted - Average Exercise Price
Number of shares under option:						
Outstanding at beginning of year	3,591	$45.32	3,092	$43.51	2,422	$42.39
Granted	698	$59.07	899	$48.80	700	$47.59
Exercised	(183)	$38.56	(400)	$39.19	(10)	$42.34
Canceled	—	—	—	—	(20)	$50.63
Outstanding at end of year	4,106	$47.96	3,591	$45.32	3,092	$43.51
Options exercisable at end of year	1,809	$43.39	1,557	$40.80	1,531	$39.35

The shares reserved for future grants as of December 31, 2017, 2016 and 2015 are reflected in the restricted stock units table. The total intrinsic value of stock options (the amount by which the stock price exceeded the exercise price of the stock option on the date of exercise) that were exercised during 2017 was $4.5 million ($6.8 million in 2016 and $0.1 million in 2015).

The following table summarizes information about stock options outstanding at December 31, 2017 (shares in thousands):

	Options Outstanding		
Exercise Price	Options Outstanding	Options Exercisable	Weighted-Average Remaining Contractual Life
$35.76	426	426	4.4 years
$42.34	442	442	3.4 years
$44.51	506	506	5.4 years
$47.59	700	—	7.4 years
$48.80	899	—	8.4 years
$50.63	435	435	6.4 years
$59.07	698	—	9.4 years
$35.76 - $59.07	4,106	1,809	6.9 years

As of December 31, 2017, the total aggregate intrinsic value of stock options outstanding and stock options exercisable was $64.2 million and $36.5 million, respectively.

The grant date fair value of stock options granted was $12.61 per share in 2017 ($9.12 per share in 2016 and $11.71 per share in 2015). The fair value was estimated using the Black-Scholes option-pricing model with the following assumptions:

	2017	2016	2015
Exercise price	$59.07	$48.80	$47.59
Expected dividend yield	2.56%	3.07%	3.13%
Expected stock price volatility	26.53%	26.14%	33.32%
Risk-free interest rate	2.02%	1.67%	1.86%
Expected life (in years)	6.5	6.5	6.5

Stock options granted to employees who are eligible for retirement on the date of grant are expensed immediately since these awards vest upon retirement from the Company. Retirement, for purposes of vesting in these stock options, means termination of employment after satisfying age and years of service requirements. Similarly, stock options granted to employees who will become retirement-eligible prior to the end of the vesting term are expensed over the period through which the employee will become retirement-eligible. Compensation expense for stock options granted to employees who will not become retirement-eligible prior to the end of the vesting term is recognized on a straight-line basis over the vesting period. Compensation expense for stock options was $8.2 million in 2017 ($7.8 million in 2016 and $7.4 million in 2015). As of December 31, 2017, unrecognized compensation expense related to stock options was $2.2 million, which is expected to be recognized over a weighted-average period of two years.

Restricted Stock Units

Nucor annually grants restricted stock units (“RSUs”) to key employees, officers and non-employee directors. The RSUs typically vest and are converted to common stock in three equal installments on each of the first three anniversaries of the grant date. A portion of the RSUs awarded to an officer vests upon the officer’s retirement. Retirement, for purposes of vesting in these RSUs only, means termination of employment with approval of the Compensation and Executive Development Committee of the Board of Directors after satisfying age and years of service requirements. RSUs granted to non-employee directors are fully vested on the grant date and are payable to the non-employee director in the form of common stock after the termination of the director’s service on the Board of Directors.

RSUs granted to employees who are eligible for retirement on the date of grant are expensed immediately, and RSUs granted to employees who will become retirement-eligible prior to the end of the vesting term are expensed over the period through which the employee will become retirement-eligible since these awards vest upon retirement from the Company. Compensation expense for RSUs granted to employees who will not become retirement-eligible prior to the end of the vesting term is recognized on a straight-line basis over the vesting period.

Cash dividend equivalents are paid to holders of RSUs each quarter. Dividend equivalents paid on RSUs expected to vest are recognized as a reduction in retained earnings.

The fair value of the RSUs is determined based on the closing stock price of Nucor's common stock on the date of the grant. A summary of Nucor's RSU activity is as follows (shares in thousands):

	2017		2016		2015	
Year Ended December 31,	Shares	Grant Date Fair Value	Shares	Grant Date Fair Value	Shares	Grant Date Fair Value
Restricted stock units:						
Unvested at beginning of year	1,040	$ 48.47	1,031	$ 47.93	1,012	$ 45.98
Granted	721	$ 59.07	723	$ 48.80	790	$ 47.59
Vested	(677)	$ 53.17	(681)	$ 48.09	(756)	$ 44.99
Canceled	(13)	$ 50.21	(33)	$ 46.44	(15)	$ 46.61
Unvested at end of year	1,071	$ 52.62	1,040	$ 48.47	1,031	$ 47.93
Shares reserved for future grants (stock options and RSUs)	7,259		8,706		10,349	

Compensation expense for RSUs was $38.0 million in 2017 ($33.9 million in 2016 and $34.8 million in 2015). The total fair value of shares vested during 2017 was $39.9 million ($33.4 million in 2016 and $35.8 million in 2015). As of December 31, 2017, unrecognized compensation expense related to unvested RSUs was $34.9 million, which is expected to be recognized over a weighted-average period of 2.1 years.

Restricted Stock Awards

Nucor's Senior Officers Long-Term Incentive Plan ("LTIP") and Annual Incentive Plan ("AIP") authorize the award of shares of common stock to officers subject to certain conditions and restrictions.

The LTIP provides for the award of shares of restricted common stock at the end of each LTIP performance measurement period at no cost to officers if certain financial performance goals are met during the period. One-third of the LTIP restricted stock award vests upon each of the first three anniversaries of the award date or, if earlier, upon the officer's attainment of age 55 while employed by Nucor. Although participants are entitled to cash dividends and may vote such awarded shares, the sale or transfer of such shares is limited during the restricted period.

The AIP provides for the payment of annual cash incentive awards. An AIP participant may elect, however, to defer payment of up to one-half of an annual incentive award. In such event, the deferred AIP award is converted into common stock units and credited with a deferral incentive, in the form of additional common stock units, equal to 25% of the number of common stock units attributable to the deferred AIP award. Common stock units attributable to deferred AIP awards are fully vested. Common stock units credited as a deferral incentive vest upon the AIP participant's attainment of age 55 while employed by Nucor. Vested common stock units are paid to AIP participants in the form of shares of common stock following their termination of employment with Nucor.

A summary of Nucor's restricted stock activity under the AIP and the LTIP is as follows (shares in thousands):

	2017		2016		2015	
Year Ended December 31,	Shares	Grant Date Fair Value	Shares	Grant Date Fair Value	Shares	Grant Date Fair Value
Restricted stock awards and units:						
Unvested at beginning of year	67	$ 45.77	63	$ 48.07	65	$ 48.20
Granted	172	$ 60.62	123	$ 44.03	136	$ 47.07
Vested	(148)	$ 51.72	(116)	$ 45.16	(138)	$ 47.15
Canceled	—	—	(3)	$ 45.75	—	—
Unvested at end of year	91	$ 54.50	67	$ 45.77	63	$ 48.07
Shares reserved for future grants	683		855		975	

Compensation expense for common stock and common stock units awarded under the AIP and the LTIP is recorded over the performance measurement and vesting periods based on the anticipated number and market value of shares of common stock and common stock units to be awarded. Compensation expense for anticipated awards based upon Nucor's financial performance, exclusive of amounts payable in cash, was $17.9 million in 2017 ($14.8 million in 2016 and $3.4 million in 2015). The total fair value of shares vested during 2017 was $9.0 million ($5.2 million in 2016 and $6.5 million in 2015). As of December 31, 2017, unrecognized compensation expense related to unvested restricted stock awards was $1.1 million, which is expected to be recognized over a weighted-average period of 1.7 years.

17. Employee Benefit Plans

Nucor makes contributions to a Profit Sharing and Retirement Savings Plan for qualified employees based on the profitability of the Company. Nucor's expense for these benefits totaled $169.4 million in 2017 ($129.0 million in 2016 and $60.5 million in 2015). The related liability for these benefits is included in salaries, wages and related accruals in the consolidated balance sheets.

Nucor also has a medical plan covering certain eligible early retirees. The unfunded obligation, included in deferred credits and other liabilities in the consolidated balance sheets, totaled $25.1 million at December 31, 2017 ($20.4 million at December 31, 2016). The expense associated with this early retiree medical plan totaled $2.2 million in 2017 ($0.6 million in 2016 and $1.1 million in 2015).

The discount rate used was 3.6% in 2017 (4.2% in 2016 and 4.4% in 2015). The health care cost increase trend rate used was 6.6% in 2017 (6.8% in 2016 and 7.1% in 2015). The health care cost increase in the trend rate is projected to decline gradually to 4.5% by 2037.

18. Interest Expense (Income)

The components of net interest expense are as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Interest expense	$187,282	$181,179	$177,543
Interest income	(13,702)	(11,935)	(4,012)
Interest expense, net	$173,580	$169,244	$173,531

Interest paid was $186.8 million in 2017 ($183.4 million in 2016 and $180.0 million in 2015).

19. Income Taxes

The Tax Reform Act makes significant changes to U.S. tax law that impact the Company, including permanently lowering the U.S. corporate federal income tax rate from 35% to 21%, effective for tax years beginning after December 31, 2017. Other changes made by the Tax Reform Act effective for tax years beginning after December 31, 2017 include, but are not limited to, the elimination of the domestic manufacturing deduction, the addition of limitations on the deductibility of executive compensation, and the move to a territorial system. The Tax Reform Act also includes the acceleration of deductions for certain fixed assets placed in service after September 27, 2017 and a one-time transition tax on the deemed repatriation of certain foreign earnings associated with the move to the territorial system. In addition to the move to a territorial system, the Tax Reform Act creates two new U.S. tax base erosion provisions, the GILTI provision and the BEAT provision.

The staff of the U.S. Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 ("SAB 118") to address the application of Accounting Standards Codification 740, Income Taxes, in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Reform Act. Reflected in our financial results, and in accordance with SAB 118, are certain provisional income tax effects of the Tax Reform Act, including a net tax benefit of $175.2 million recorded primarily due to the revaluation of our U.S. net deferred tax liabilities from 35% to 21%. The Company, provisionally, has not included any tax impact related to the transition tax in its consolidated financial statements for the year ended December 31, 2017. The deemed repatriation of foreign earnings should be offset by foreign deficits or the tax should be offset by foreign tax credits. The Company has elected to account for the GILTI tax in the period in which it is incurred and does not expect to be subject to material impacts related to the BEAT provision and has therefore not included any tax impacts of these provisions in its consolidated financial statements for the year ended December 31, 2017.

The ultimate impact of the Tax Reform Act may differ from these provisional amounts, possibly materially, due to, among other things, additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued, and actions the Company may take as a result of the Tax Reform Act. The accounting is expected to be complete by the time the Company's 2017 U.S. corporate income tax return is filed in 2018.

Components of earnings (losses) from continuing operations before income taxes and noncontrolling interests are as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
United States	$1,610,652	$1,241,117	$ 407,666
Foreign	139,305	57,542	(165,800)
	$1,749,957	$1,298,659	$ 241,866

The provision for income taxes consists of the following (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Current:			
Federal	$ 504,865	$286,224	$ 285,856
State	37,308	27,353	4,618
Foreign	48,386	13,211	5,198
Total current	590,559	326,788	295,672
Deferred:			
Federal	(207,006)	71,777	(213,601)
State	(4,533)	5,193	(21,240)
Foreign	(9,634)	(5,515)	(11,995)
Total deferred	(221,173)	71,455	(246,836)
Total provision for income taxes	$ 369,386	$398,243	$ 48,836

A reconciliation of the federal statutory tax rate (35%) to the total provision is as follows:

	Year Ended December 31,		
	2017	2016	2015
Taxes computed at statutory rate	35.00%	35.00%	35.00%
State income taxes, net of federal income tax benefit	1.22%	1.67%	-5.02%
Federal research credit	-0.24%	-0.28%	-1.47%
Domestic manufacturing deduction	-2.58%	-2.11%	-9.98%
Equity in losses of foreign joint venture	0.13%	0.27%	2.88%
Impairment on investment in foreign joint venture	—	—	22.14%
Foreign rate differential	-0.62%	-1.05%	-5.04%
Noncontrolling interests	-1.24%	-2.81%	- 16.27%
Tax Reform Act	- 10.01%	—	—
Out-of-period correction	—	-0.22%	-4.02%
Other, net	-0.55%	0.20%	1.97%
Provision for income taxes	21.11%	30.67%	20.19%

For the year ended December 31, 2017, the Company's effective tax rate on continuing operations decreased by 9.56% to 21.11% compared with 30.67% in the prior year period. The enactment of the Tax Reform Act decreased the rate by 10.01%. This decrease was primarily driven by a benefit of $186.3 million from the revaluation of the Company's net U.S. deferred tax assets and liabilities and an expense of $11.1 million related to adding a valuation allowance on prior year foreign tax credit deferred tax assets due to the Company's assessment of its ability to realize the credits after the move to the territorial system and the removal of deferred tax liabilities related to undistributed foreign earnings.

The 2015 provision included out-of-period non-cash gains related to corrections to tax balances of $9.7 million. This out-of-period adjustment was not material to the period of correction or any previously reported periods.

Deferred tax assets and liabilities resulted from the following (in thousands):

	December 31, 2017	December 31, 2016
Deferred tax assets:		
Accrued liabilities and reserves	$ 127,955	$ 195,787
Allowance for doubtful accounts	15,136	15,511
Inventory	61,522	75,550
Post-retirement benefits	9,167	12,163
Commodity hedges	2,056	—
Net operating loss carryforward	19,895	11,544
Tax credit carryforwards	92,380	18,358
Valuation allowance	(96,107)	—
Total deferred tax assets	232,004	328,913
Deferred tax liabilities:		
Holdbacks and amounts not due under contracts	(10,214)	(9,999)
Commodity hedges	—	(316)
Intangibles	(164,716)	(246,697)
Property, plant and equipment	(385,815)	(630,500)
Total deferred tax liabilities	(560,745)	(887,512)
Total net deferred tax liabilities	$(328,741)	$(558,599)

Nucor’s U.S. deferred tax assets and liabilities were revalued to reflect the reduction in the U.S. corporate income tax rate from 35% to 21%, resulting in a $186.3 million decrease in net U.S. deferred tax assets and liabilities as of December 31, 2017. The move to a territorial system impacts the Company’s ability to use the foreign tax credit carryforwards which existed as of December 31, 2017. As a result, a valuation allowance has been assessed on these credits in the amount of $74.3 million ($57.8 million originated in 2017 and $16.5 million relates to deferred tax assets that originated in previous years). The remaining movement in Valuation Allowance was primarily due to a change in the Company’s assessment of its ability to utilize certain state tax credit carryforwards. This movement was offset in Tax Credit Carryforwards as these credits were previously presented net of the valuation allowance as the Company’s ability to utilize the credits was viewed as remote.

Non-current deferred tax assets included in other assets were $0.6 million at December 31, 2017 (none at December 31, 2016). Non-current deferred tax liabilities included in deferred credits and other liabilities were $329.3 million at December 31, 2017 ($558.6 million at December 31, 2016). Current federal and state income taxes receivable included in other current assets were $212.5 million at December 31, 2017 ($91.7 million at December 31, 2016). Nucor paid $699.8 million in net federal, state and foreign income taxes in 2017 ($329.3 million and $260.3 million in 2016 and 2015, respectively).

The Tax Reform Act provides for a one-time mandatory deemed repatriation of post-1986 undistributed foreign subsidiary earnings and profits. The deemed repatriation of foreign earnings should be offset by foreign deficits or the tax should be offset by foreign tax credits. After the deemed repatriation, cumulative undistributed foreign earnings for which U.S. taxes have not been provided were none at December 31, 2017 ($190.1 million at December 31, 2016). Future earnings are considered to be indefinitely reinvested. If this assertion of permanent reinvestment were to change, there could be withholding tax impacts on the actual distribution of certain cumulative undistributed foreign earnings; the Company believes this amount, if any, would be immaterial.

State net operating loss carryforwards were $605.9 million at December 31, 2017 ($573.4 million at December 31, 2016). If unused, they will expire between 2018 and 2037. Foreign net operating loss carryforwards were $28.3 million at December 31, 2017 ($18.5 million at December 31, 2016). If unused, they will expire between 2029 and 2037.

At December 31, 2017, Nucor had approximately $48.8 million of unrecognized tax benefits, of which $48.2 million would affect Nucor's effective tax rate, if recognized. At December 31, 2016, Nucor had approximately $44.1 million of unrecognized tax benefits, of which $43.4 million would affect Nucor's effective tax rate, if recognized.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits recorded in deferred credits and other liabilities is as follows (in thousands):

	December 31,		
	2017	2016	2015
Balance at beginning of year	$44,088	$50,510	$ 63,001
Additions based on tax positions related to current year	11,154	6,157	6,508
Reductions based on tax positions related to current year	—	—	—
Additions based on tax positions related to prior years	2,556	147	241
Reductions based on tax positions related to prior years	(5,461)	(8,201)	(13,294)
(Reductions) additions due to settlements with taxing authorities	—	(258)	930
Reductions due to statute of limitations lapse	(3,492)	(4,267)	(6,876)
Balance at end of year	$48,845	$44,088	$ 50,510

We estimate that in the next 12 months, our gross uncertain tax positions, exclusive of interest, could decrease by as much as $10.6 million, as a result of the expiration of the statute of limitations.

During 2017, Nucor recognized $2.2 million of benefit in interest and penalties ($2.8 million of benefit in 2016 and $7.0 million of benefit in 2015). The interest and penalties are included in interest expense and other expenses, respectively, in the consolidated statements of earnings. As of December 31, 2017, Nucor had approximately $16.1 million of accrued interest and penalties related to uncertain tax positions on the consolidated balance sheet (approximately $18.4 million at December 31, 2016).

Nucor has concluded U.S. federal income tax matters for years through 2013. The tax years 2014 through 2016 remain open to examination by the Internal Revenue Service. The Canada Revenue Agency has substantially concluded its examination of the 2012 and 2013 Canadian returns for Harris Steel Group Inc. and certain related affiliates. The tax years 2010 through 2016 remain open to examination by other major taxing jurisdictions to which Nucor is subject (primarily Canada and other state and local jurisdictions).

20. Accumulated Other Comprehensive Income (Loss)

The following tables reflect the changes in accumulated other comprehensive income (loss) by component (in thousands):

	Gains and Losses on Hedging Derivatives	Foreign Currency Gain (Loss)	Adjustment to Early Retiree Medical Plan	Total
December 31, 2016	$ 750	$ (326,170)	$ 7,577	$(317,843)
Other comprehensive income (loss) before reclassifications	(4,523)	68,657	(1,530)	62,604
Amounts reclassified from accumulated other comprehensive income (loss) into earnings (1)	973	—	(415)	558
Net current-period other comprehensive income (loss)	(3,550)	68,657	(1,945)	63,162
December 31, 2017	$ (2,800)	$ (257,513)	$ 5,632	$(254,681)

(1) Includes $973 and ($415) net-of-tax impact of accumulated other comprehensive income reclassifications into cost of products sold for net losses on commodity contracts and adjustment to early retiree medical plan, respectively. The tax impacts of these reclassifications were $400 and ($279), respectively.

	Gains and Losses on Hedging Derivatives	Foreign Currency Gain (Loss)	Adjustment to Early Retiree Medical Plan	Total
December 31, 2015	$ (11,700)	$ (351,665)	$ 12,003	$(351,362)
Other comprehensive income (loss) before reclassifications	2,570	25,495	(3,589)	24,476
Amounts reclassified from accumulated other comprehensive income (loss) into earnings (2)	9,880	—	(837)	9,043
Net current-period other comprehensive income (loss)	12,450	25,495	(4,426)	33,519
December 31, 2016	$ 750	$ (326,170)	$ 7,577	$(317,843)

(2) Includes $9,880 and ($837) net-of-tax impact of accumulated other comprehensive income reclassifications into cost of products sold for net losses on commodity contracts and adjustment to early retiree medical plan, respectively. The tax impacts of these reclassifications were $5,800 and ($309), respectively.

21. Earnings Per Share

The computations of basic and diluted net earnings per share are as follows (in thousands, except per share data):

Year Ended December 31,	2017	2016	2015
Basic net earnings per share:			
Basic net earnings	$1,318,688	$796,271	$ 80,724
Earnings allocated to participating securities	(4,549)	(2,632)	(1,514)
Net earnings available to common stockholders	$1,314,139	$793,639	$ 79,210
Average shares outstanding	319,990	319,563	320,565
Basic net earnings per share	$ 4.11	$ 2.48	$ 0.25
Diluted net earnings per share:			
Diluted net earnings	$1,318,688	$796,271	$ 80,724
Earnings allocated to participating securities	(4,539)	(2,631)	(1,514)
Net earnings available to common stockholders	$1,314,149	$793,640	$ 79,210
Diluted average shares outstanding:			
Basic shares outstanding	319,990	319,563	320,565
Dilutive effect of stock options and other	783	259	114
	320,773	319,822	320,679
Diluted net earnings per share	$ 4.10	$ 2.48	$ 0.25

The following stock options were excluded from the computation of diluted net earnings per share because their effect would have been anti-dilutive (shares in thousands):

Year Ended December 31,	2017	2016	2015
Anti-dilutive stock options:			
Weighted-average shares	407	942	1,226
Weighted-average exercise price	$59.07	$47.04	$47.20

22. Segments

Nucor reports its results in the following segments: steel mills, steel products and raw materials. The steel mills segment includes carbon and alloy steel in sheet, bars, structural and plate; steel foundation distributors; tubular products businesses; steel trading businesses; rebar distribution businesses; and Nucor's equity method investments in Duferdofin Nucor and NuMit. 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, and wire and wire mesh. The raw materials segment includes The David J. Joseph Company and its affiliates, primarily a scrap broker and processor; Nu-Iron Unlimited and Nucor Steel Louisiana, two facilities that produce DRI used by the steel mills; our natural gas production operations; and Nucor's equity method investment in Hunter Ridge. Nucor sold its 50% interest in Hunter Ridge during the third quarter of 2016. The steel mills, steel products and raw materials segments are consistent with the way Nucor manages its business, which is primarily based upon the similarity of the types of products produced and sold by each segment.

Net interest expense, other income, profit sharing expense and stock-based compensation are shown under Corporate/eliminations. Corporate assets primarily include cash and cash equivalents, short-term investments, allowances to eliminate intercompany profit in inventory, deferred income tax assets, federal and state income taxes receivable and investments in and advances to affiliates.

Nucor's results by segment are as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Net sales to external customers:			
Steel mills	$ 14,508,847	$11,312,048	$11,084,331
Steel products	4,000,606	3,687,448	3,966,895
Raw materials	1,742,940	1,208,626	1,388,050
	$ 20,252,393	$16,208,122	$16,439,276
Intercompany sales:			
Steel mills	$ 2,925,321	$ 2,070,077	$ 2,152,157
Steel products	108,945	106,838	90,969
Raw materials	9,191,081	5,997,498	6,279,316
Corporate/eliminations	(12,225,347)	(8,174,413)	(8,522,442)
	$ —	$ —	$ —
Depreciation expense:			
Steel mills	$ 414,670	$ 377,627	$ 381,352
Steel products	39,532	36,906	39,512
Raw materials	172,699	191,466	198,705
Corporate	8,932	7,193	6,188
	$ 635,833	$ 613,192	$ 625,757
Amortization expense:			
Steel mills	$ 41,478	$ 22,479	$ 18,789
Steel products	20,825	21,998	23,932
Raw materials	28,925	29,385	31,539
	$ 91,228	$ 73,862	$ 74,260
Earnings (loss) before income taxes and noncontrolling interests:			
Steel mills	$ 2,084,203	$ 1,724,168	$ 629,256
Steel products	206,805	249,970	276,048
Raw materials	129,296	(95,121)	(283,938)
Corporate/eliminations	(670,347)	(580,358)	(379,500)
	$ 1,749,957	$ 1,298,659	$ 241,866
Segment assets:			
Steel mills	$ 9,249,926	$ 8,084,773	$ 7,318,169
Steel products	2,737,486	2,544,344	2,485,122
Raw materials	3,396,110	3,235,237	3,123,190
Corporate/eliminations	457,736	1,359,164	1,400,488
	$ 15,841,258	$15,223,518	$14,326,969
Capital expenditures:			
Steel mills	$ 359,215	$ 375,996	$ 248,532
Steel products	68,497	30,698	41,291
Raw materials	59,036	194,112	74,607
Corporate	20,326	16,871	338
	$ 507,074	$ 617,677	$ 364,768

Net sales by product were as follows (in thousands). Further product group breakdown is impracticable.

	Year Ended December 31, 2017	2016	2015
Net sales to external customers:			
Sheet	$ 6,407,974	$ 5,178,467	$ 4,628,805
Bar	3,558,806	2,886,648	3,005,450
Structural	1,979,898	1,982,642	2,137,413
Plate	1,644,934	1,204,185	1,312,663
Tubular products	917,235	60,106	—
Steel products	4,000,606	3,687,448	3,966,895
Raw materials	1,742,940	1,208,626	1,388,050
	$20,252,393	$16,208,122	$16,439,276

23. Quarterly Information (Unaudited)

	(in thousands, except per share data) Year Ended December 31, 2017 First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$4,815,179	$ 5,174,769	$ 5,170,117	$ 5,092,328
Gross margin (1)	760,250	709,625	578,964	520,568
Net earnings (2)	377,648	341,724	266,105	395,094
Net earnings attributable to Nucor stockholders (2)	356,899	323,048	254,850	383,891
Net earnings per share:				
Basic	$ 1.11	$ 1.00	$ 0.79	$ 1.20
Diluted	$ 1.11	$ 1.00	$ 0.79	$ 1.20

	(in thousands, except per share data) Year Ended December 31, 2016 First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$3,715,576	$ 4,245,772	$ 4,290,236	$ 3,956,538
Gross margin (3)	314,985	585,260	682,236	443,426
Net earnings (4)	122,497	271,369	331,365	175,185
Net earnings attributable to Nucor stockholders (4)	87,565	243,620	305,447	159,639
Net earnings per share:				
Basic	$ 0.27	$ 0.76	$ 0.95	$ 0.50
Diluted	$ 0.27	$ 0.76	$ 0.95	$ 0.50

(1) First quarter results include inventory-related purchase accounting charges of $9.8 million related to the acquisition of Southland and Republic.

(2) Third quarter results include a net benefit of $13.2 million related to tax return true-ups and state tax credits as well as an expense of $22.5 million related to certain legal matters. Fourth quarter results include a provisional net benefit of $175.2 million related to the impacts of U.S. federal tax legislation enacted in the fourth quarter of 2017.

(3) Fourth quarter results include a benefit of $83.0 million related to the effects of a change in estimate related to the cost of certain inventories.

(4) First quarter results include out-of-period non-cash gains totaling $13.4 million related to a noncontrolling interest adjustment and to tax adjustments. Third quarter results were impacted by charges related to legal settlements of $33.7 million and a net benefit of $11.1 million related to fair value adjustments to assets in the Corporate/eliminations segment.

CORPORATE OFFICE

1915 Rexford Road
Charlotte, North Carolina 28211
Phone 704/366-7000
Fax 704/362-4208

STOCK TRANSFERS
DIVIDEND DISBURSING
DIVIDEND REINVESTMENT

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, New York 11219
Phone 877/715-0504
Fax 718/236-2641

ANNUAL MEETING

The 2018 annual meeting of stockholders will be held at 10:00 a.m. on Thursday, May 10, 2018 at the Charlotte Marriott SouthPark, 2200 Rexford Road, Charlotte, NC 28211.

STOCK LISTING

Nucor's common stock is traded on the New York Stock Exchange under the symbol NUE. As of January 31, 2018, there were approximately 16,000 stockholders of record.

FORM 10-K

A copy of Nucor's 2017 annual report on Form 10-K filed with the Securities and Exchange Commission ("SEC") is available to stockholders without charge upon request to A. Rae Eagle, General Manager and Corporate Secretary, at Nucor's corporate office.

INTERNET ACCESS

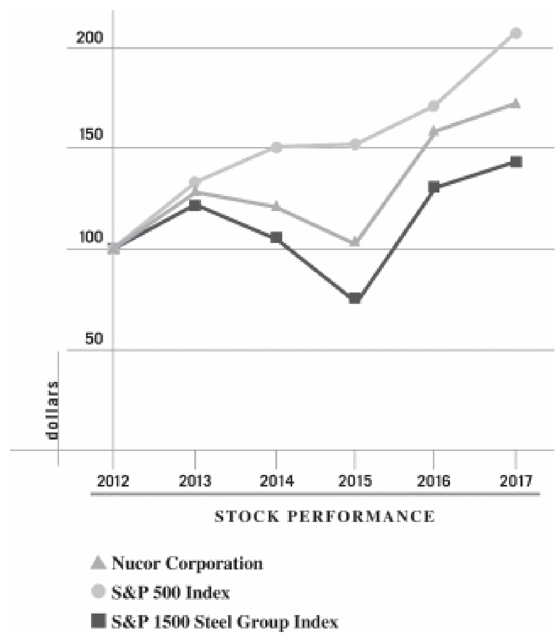
Nucor's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports are available without charge through Nucor's website, www.nucor.com, as soon as reasonably practicable after Nucor files these reports electronically with or furnishes them to the SEC. Additional information available on our website includes our Corporate Governance Principles, Board of Directors Committee Charters, Standards of Business Conduct and Ethics and Code of Ethics for Senior Financial Professionals as well as various other financial and statistical data.

STOCK PRICE AND DIVIDENDS PAID

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2017				
Stock price:				
High	$ 66.00	$ 62.31	$ 62.26	$ 64.86
Low	56.19	54.01	51.67	53.71
Dividends paid	0.3775	0.3775	0.3775	0.3775
2016				
Stock price:				
High	$ 48.52	$ 51.99	$ 57.08	$ 68.00
Low	33.90	45.32	44.81	45.30
Dividends paid	0.3750	0.3750	0.3750	0.3750

STOCK PERFORMANCE

This graphic comparison assumes the investment of $100 in Nucor Corporation common stock, $100 in the S&P 500 Index and $100 in the S&P 1500 Steel Group Index, all at the year end 2012. The resulting cumulative total return assumes that cash dividends were reinvested. Nucor common stock comprised 36% of the S&P 1500 Steel Group Index at year end 2017 (34% at year end in 2012).



THIS ANNUAL REPORT HAS BEEN PRINTED ON RECYCLED PAPER.

Exhibit 21
Nucor Corporation
2017 Form 10-K

Subsidiaries

Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Nucor Steel Auburn, Inc.	Delaware
Nucor Steel Birmingham, Inc.	Delaware
Nucor Steel Decatur, LLC	Delaware
Nucor Steel Gallatin LLC	Kentucky
Nucor Steel Jackson, Inc.	Delaware
Nucor Steel Kankakee, Inc.	Delaware
Nucor Steel Kingman, LLC	Delaware
Nucor Steel Marion, Inc.	Delaware
Nucor Steel Memphis, Inc.	Delaware
Nucor Steel Seattle, Inc.	Delaware
Nucor Steel Tuscaloosa, Inc.	Delaware
Nucor Steel Connecticut, Inc.	Delaware
Nucor-Yamato Steel Company	Delaware
Nu-Iron Unlimited	Trinidad
Nucor Castrip Arkansas LLC	Delaware
Harris Steel Inc.	Delaware
Harris U.S. Holdings Inc.	Delaware
Harris Steel ULC	Canada
Magnatrax Corporation	Delaware
The David J. Joseph Company	Delaware
Ambassador Steel Corporation	Indiana
Nucor Energy Holdings Inc.	Delaware
Skyline Steel, LLC	Delaware
Nucor Steel Louisiana LLC	Delaware
Independence Tube Corporation	Illinois
Republic Conduit, Inc.	Delaware
Southland Tube, Inc.	Alabama
St. Louis Cold Drawn LLC	Delaware
Nucor Steel Sedalia LLC	Delaware

Exhibit 23
Nucor Corporation
2017 Form 10-K

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Number 333-220010) and on Form S-8 (Numbers 333-196104, 333-167070, 333-108751 and 333-108749) of Nucor Corporation of our report dated February 28, 2018 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Stockholders, which is incorporated in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
February 28, 2018

Exhibit 31
Nucor Corporation
2017 Form 10-K

CERTIFICATION

I, John J. Ferriola, certify that:

1. I have reviewed this annual report on Form 10-K of Nucor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 28, 2018

/s/ John J. Ferriola
John J. Ferriola
Chairman, Chief Executive Officer and President

Exhibit 31(i)
Nucor Corporation
2017 Form 10-K

CERTIFICATION

I, James D. Frias, certify that:

1. I have reviewed this annual report on Form 10-K of Nucor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 28, 2018

/s/ James D. Frias
James D. Frias
Chief Financial Officer, Treasurer
and Executive Vice President

Exhibit 32
Nucor Corporation
2017 Form 10-K

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. § 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Nucor Corporation (the "Registrant") for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Ferriola, Chairman, Chief Executive Officer and President (principal executive officer) of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ John J. Ferriola
Name: John J. Ferriola
Date: February 28, 2018

Exhibit 32(i)
Nucor Corporation
2017 Form 10-K

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. § 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Nucor Corporation (the "Registrant") for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James D. Frias, Chief Financial Officer, Treasurer and Executive Vice President (principal financial officer) of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ James D. Frias
Name: James D. Frias
Date: February 28, 2018