



NEWS RELEASE

Nucor to Acquire Manufacturer of Data Center Infrastructure

4/1/2024

CHARLOTTE, N.C., April 1, 2024 /PRNewswire/ -- Nucor Corporation (NYSE: NUE) announced today that it has acquired Southwest Data Products, Inc. (SWDP), a manufacturer and installer of data center infrastructure for \$115 million. SWDP's offices and manufacturing facility are in San Bernardino, California and the company employs approximately 147 teammates. Nucor is also announcing the launch of Nucor Data Systems, a new business unit that will help better serve our customers in the data center infrastructure industry.

"We are excited to add SWDP and new teammates to our Nucor family of companies. This acquisition will give us new capabilities to serve a rapidly growing market and will bolster Nucor as a preferred supplier to many of the nation's largest and most innovative hyperscale cloud and colocation data center operators," said Chad Utermark, Executive Vice President of New Markets and Innovation. "The SWDP acquisition furthers our expand beyond strategy to invest in steel centric businesses that operate outside of the cyclical nature of steel production."

Specifically, SWDP and Nucor Data Systems will provide Nucor's Warehouse Systems businesses with expanded capabilities in airflow containment structures, as well as new product capabilities that include manufacturing cabinets/enclosures and caging for data centers and installation services. SWDP's compatibility with Nucor Warehouse Systems' current manufacturing capabilities will create significant growth opportunities, and SWDP's location near Nucor Warehouse Systems' production facility in southern California will facilitate both integration and growth efforts.

This acquisition also creates a number of synergies with Nucor's core steelmaking business. SWDP uses many types of steel as raw material that can be provided by Nucor facilities, including sheet steel, steel tubing and wire mesh. With our circular, recycling-based steel production process, sourcing steel from Nucor mills will ensure our nation's green and digital economy is being built with low embodied carbon steel.



SWDP has a strong reputation for high quality products, fast lead times, and quality installation services. The company has an exceptional customer base of leading companies requiring data centers. Growth in data centers is being fueled by the increasing use of artificial intelligence, cloud-based services and video streaming across a growing number of applications.

About Nucor

Nucor and its affiliates are manufacturers of steel and steel products, with operating facilities in the United States, Canada and Mexico. Products produced include: carbon and alloy steel -- in bars, beams, sheet and plate; hollow structural section tubing; electrical conduit; steel racking; steel piling; steel joists and joist girders; steel deck; fabricated concrete reinforcing steel; cold finished steel; precision castings; steel fasteners; metal building systems; insulated metal panels; overhead doors; steel grating; wire and wire mesh; and utility structures. Nucor, through The David J. Joseph Company and its affiliates, also brokers ferrous and nonferrous metals, pig iron and hot briquetted iron / direct reduced iron; supplies ferro-alloys; and processes ferrous and nonferrous scrap. Nucor is North America's largest recycler.

Forward-Looking Statements

Certain statements contained in this news release are "forward-looking statements" that involve risks and uncertainties which we expect will or may occur in the future and may impact our business, financial condition and results of operations. The words "anticipate," "believe," "expect," "intend," "project," "may," "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 news release. 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 general market conditions, and in particular, prevailing market steel prices and changes in the supply and cost of raw materials, including pig iron, iron ore and scrap steel; (4) the availability and cost of electricity and natural gas, which could negatively affect our cost of steel production or result in a delay or cancellation 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 and volatility surrounding the global economy, including excess

world capacity for steel production, inflation and interest rate changes; (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, 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; (13) our safety performance; (14) our ability to integrate businesses we acquire; and (15) the impact of the COVID-19 pandemic, any variants of the virus, and any other similar pandemic or public health situation. These and other factors are discussed in Nucor's regulatory filings with the United States Securities and Exchange Commission, including those in "Item 1A. Risk Factors" of Nucor's Annual Report on Form 10-K for the year ended December 31, 2023. The forward-looking statements contained in this news release speak only as of this date, and Nucor does not assume any obligation to update them, except as may be required by applicable law.

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