

## Steel Dynamics, Inc. (STLD)

**\$172.16** (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$180.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

Neutral

(Since: 08/16/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: A

## Summary

Earnings estimates for Steel Dynamics for the fourth quarter have been stable over the past month. The company is expected to gain from acquisitions and efforts to expand capacity. It will benefit from its investments to beef up capacity and upgrade facilities. It is executing several projects that should add to capacity and boost profitability. The electric-arc-furnace (EAF) flat roll steel mill will strengthen its steelmaking capacity and value-added product capability. The company also has adequate liquidity to meet its short-term debt obligations. However, it faces headwinds from the pullback in steel prices. Weaker prices may impact fourth-quarter performance. The company's operations also face challenges from higher input costs. A slowdown in the automotive market and sustained overcapacity in the steel industry are other concerns.

## Price, Consensus & Surprise<sup>(1)</sup>

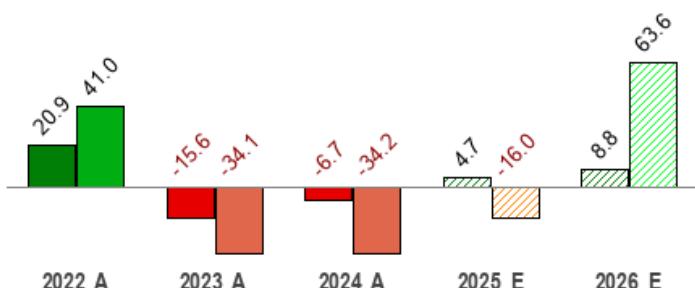


## Data Overview

52 Week High-Low	<b>\$178.36 - \$103.17</b>
20 Day Average Volume (sh)	<b>1,191,237</b>
Market Cap	<b>\$24.5 B</b>
YTD Price Change	<b>-1.0%</b>
Beta	<b>1.48</b>
Dividend / Div Yld	<b>\$2.00 / 1.2%</b>
Industry	<b>Steel - Producers</b>
Zacks Industry Rank	<b>Top 25% (62 out of 244)</b>

## Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>

Sales       EPS   



Last EPS Surprise	<b>3.0%</b>
Last Sales Surprise	<b>2.9%</b>
EPS F1 Est- 4 week change	<b>0.8%</b>
Expected Report Date	<b>01/26/2026</b>
Earnings ESP	<b>-2.3%</b>

## Sales Estimates (millions of \$)<sup>(1)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026	4,733 E	4,864 E	4,889 E	4,657 E	19,970 E
2025	4,369 A	4,565 A	4,828 A	4,596 E	18,358 E
2024	4,694 A	4,633 A	4,342 A	3,872 A	17,540 A

## EPS Estimates<sup>(1)</sup>

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual*</b>
2026	3.19 E	3.54 E	3.50 E	3.05 E	13.53 E
2025	1.44 A	2.01 A	2.74 A	2.09 E	8.27 E
2024	3.67 A	2.72 A	2.05 A	1.36 A	9.84 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/08/2026.

(2) The report's text and the price target are as of 01/06/2026.

## Overview

Based in Fort Wayne, IN, Steel Dynamics, Inc. is among the leading steel producers and metal recyclers in the United States. It is one of the most diversified steel companies in United States with a vast range of specialty products. The company makes and markets steel products, processes and sells recycled ferrous and nonferrous metals, and fabricates and sells steel joist and decking products in the United States and internationally.

Steel Dynamics operates through three segments – Steel Operations (69% of revenues in 2024), Steel Fabrication Operations (10%) and Metals Recycling Operations (11%). Other operations, which include subsidiary operations, accounted for the balance of revenues in 2024.

**Steel Operations:** The unit produces steel from ferrous scrap and scrap substitutes and consists of six electric arc furnace steel mills. It mainly consists of steelmaking and coating operations. Products made at the unit are used in a number of industries including construction, automotive, manufacturing and transportation.

**Metals Recycling Operations:** The operations of the division include ferrous and nonferrous scrap metal processing, transportation, marketing and brokerage services. The unit purchases, processes and resales ferrous and nonferrous scrap metals into reusable forms and grades. End-users of these products include electric arc furnace steel mills, integrated steelmakers, foundries, secondary smelters and metal brokers.

**Steel Fabrication Operations:** The unit produces steel building components, including steel joists, girders, trusses and steel deck. The division's main customers are non-residential steel fabricators.

Steel Dynamics, in 2018, acquired Heartland Steel Processing, LLC from CSN Steel, S.L.U., for \$400 million. Heartland produces a range of higher-margin, flat roll steel by further processing hot roll coils into cold roll, pickle and oil and galvanized products. It has the capability to produce 1 million tons of cold roll steel annually. It has a continuous pickle line, a cold mill and a galvanizing line. Moreover, its equipment is well-maintained, upgraded and in excellent operating condition.



As of 01/08/2026



As of 01/08/2026

## Reasons To Buy:

▲ Steel Dynamics' customer-focused approach along with market diversification and low-cost operating platforms positions the company for future growth opportunities. The company should gain from its investments to beef up capacity and upgrade facilities. Its \$100 million investment in the new paint line at Columbus Flat Roll division provided 250,000 tons of annual coating capability into some of Steel Dynamics' high-margin products. The Columbus expansion enables the company to manufacture double-width steel and sell in the southeastern markets, including Mexico. The investment in a third galvanizing line will also further boost Columbus' value-added capability. Moreover, the start-up of the new 400,000-ton value-added metallic coating line at Columbus reduces hot-rolled coil exposure. The company also successfully transformed Columbus's cyclical earnings capability by reducing operating costs, boosting value-added product capabilities, and diversifying its customer base and end markets. In sync with its flat roll steel growth initiatives, the company successfully started commissioning and operating its four additional value-added flat roll steel coating lines, consisting of two paint lines and two galvanizing lines, in the first quarter of 2024. Moreover, Steel Dynamics' \$2.7 billion investment in a new state-of-the-art low-carbon aluminum flat rolled mill and two aluminum slab centers continues its strategic growth.

▲ The company should benefit from the synergies of its strategic acquisitions. It purchased Zimmer, S.A. de C.V. in 2020 to support its raw material procurement strategy at its Texas flat-roll steel mill. Moreover, the acquisition of a majority stake in United Steel Supply in 2019 enabled Steel Dynamics to expand its painted Galvalume value chain. The buyout is expected to fuel growth in one of the company's highest-margin flat-roll steel products and contribute to its shipments. The acquisition of flat-rolled steel producer Heartland in 2018 has increased Steel Dynamics' total shipping capability and annual flat-roll steel shipping capacity to 12.4 million tons and 8.4 million tons, respectively. The additional exposure to lighter-gauge and greater-width flat roll steel offerings also expanded its portfolio of value-added products, strengthening Steel Dynamics' position as a leading steel producer in North America. The company expects annual synergies related to Heartland in the range of \$10-\$15 million. The buyout of Severstal Columbus in 2014 also expanded Steel Dynamics' annual steel shipping capacity and provided the company with geographic diversification and exposure to the high-growth oil country tubular goods and automotive markets.

▲ Steel Dynamics is also executing several projects that should add to capacity and boost profitability. It invested around \$1.9 billion to build a new EAF flat roll steel mill in Sinton, TX that is expected to have a production capacity of roughly 3 million tons per year. It will have the capability to make the latest generation of advanced high-strength steel products. The company expects this investment to allow it to cost-effectively serve the customers in this growing flat-roll steel-consuming region and enhance its steelmaking capacity and value-added product capability. Moreover, the company believes that the project will create long-term value through its value-added products and geographic diversification. Steel Dynamics has targeted regional markets that represent more than 27 million tons of relevant flat-roll steel consumption. This includes the growing Mexican flat-roll steel market.

▲ The company is poised to benefit from strong cash flow generation, allowing it to invest in organic growth and maximize shareholder value. It generated solid cash flow from operations of \$1.8 billion in 2024. It also ended third-quarter 2025 with strong liquidity of more than \$2.2 billion. It has ample liquidity to meet its short-term debt obligations. Steel Dynamics also paid dividends worth \$283 million and repurchased \$1.2 billion of its outstanding common stock in 2024. It raised its quarterly dividend by 9% to 50 cents per share in February 2025. Its board also authorized an additional \$1.5 billion share repurchase program for its common stock. The company repurchased shares worth \$661 million during the first nine months of 2025.

Steel Dynamics should gain from strong liquidity, acquisitions and its efforts to expand capacity. The electric-arc-furnace flat roll steel mill provides additional growth opportunities.

## Reasons To Sell:

- ▼ The recent pullback in U.S. steel prices is a concern. The Trump administration's imposition of a 25% tariff on all steel imports into the United States in March 2025 led to a surge in benchmark hot-rolled coil (HRC) prices to a peak of nearly \$950 per short ton. While the administration's early June doubling of steel tariffs to 50% and the consequent steel mill price hikes triggered only a temporary lift, it failed to effectively drive up HRC prices further to new highs as intended, as steel buyers remained cautious. Overall demand weakness and abundant steel mill output have put a pause on a sustained price rally, dragging HRC prices below the \$800 per short ton level. The price retreat poses headwind for U.S. steel producers, and a meaningful recovery is unlikely over the near term, given a well-supplied market, ample inventories and the persistent weakness in U.S. manufacturing. Lower average realized selling prices are likely to impact Steel Dynamics' top line and margins.
- ▼ The company's steel operations face challenges from higher steel raw material costs. The Russia-Ukraine conflict has disrupted the supply of pig iron, a major raw material. Higher steel raw material costs are likely to put pressure on margins in this unit over the near term. The company's flat-rolled steel mills are facing headwinds from higher pig iron costs, partly due to tight supply. The inflationary pressure is likely to continue over the short haul.
- ▼ Automotive is a significant market for Steel Dynamics. A slowdown in global automotive production curtailed steel consumption in this key end market in 2024. Demand from this key sector slowed significantly in the second half of 2024. North American automotive build rates declined considerably during the second half before recovering in the third quarter. Global automotive production is again expected to decline in the fourth quarter, with weakness in Europe and North America. High interest rates are affecting the automotive market. This, along with concerns over economic slowdown and tariffs, is likely to put pressure on the automotive market in 2025. The Trump administration's tariffs on Mexico and Canada would lead to a reduction in automotive production in North America as automakers in these countries lower build rates to mitigate increased costs amid an expected slowdown in new vehicle purchases. This would also impact major U.S. automakers as they procure several components for domestic assembly from Canada and Mexico in addition to building vehicles in those countries, which they sell in the United States.
- ▼ The steel industry is still reeling under sustained overcapacity. China, which accounts for more than half of the global steel output, is a significant contributor to global steel excess capacity. Elevated steel output in China led to high levels of finished steel inventories in the country. The steel glut ignited concerns about China flooding global markets with cheap steel exports. Notwithstanding Beijing's actions to control production to reduce carbon emissions, production in China is likely to remain at high levels, aided by healthy domestic demand and strong profit margins.

Lower selling prices may weigh on the company's top line and margins. Its operations face challenges from higher input costs. A slowdown in the automotive market is another concern.

## Last Earnings Report

### Steel Dynamics' Q3 Earnings Beat Estimates on Record Steel Shipments

Steel Dynamics reported third-quarter 2025 earnings of \$2.74 per share, up from \$2.05 in the year-ago quarter. The bottom line beat the Zacks Consensus Estimate of \$2.66.

Net sales in the second quarter were up around 11.2% year over year to \$4,828.2 million. The metric surpassed the Zacks Consensus Estimate of \$4,690.7 million.

Strong financial performance and achievement of several operational milestones in the third quarter resulted in a sequential improvement in margins. The company expects better market conditions, fewer unfair imports and rising U.S. manufacturing to boost demand, while its low-carbon steel and aluminum expansion supports strong long-term growth.

### Segment Highlights

Net sales for steel operations were \$3,538.04 million in the reported quarter, up around 21.3% year over year. Steel Dynamics registered record steel shipments of roughly 3.6 million tons in the quarter compared with our estimate of 3.36 million tons.

Steel Dynamics' steel operations reported an average external product selling price of \$1,119 per ton, up from \$1,059 in the year-ago quarter and down from \$1,134 in the previous quarter. The figure was above our estimate of \$973 per ton.

Net sales of Metal's recycling operations were \$520.99 million in the quarter under review, up around 4.5% from the year-ago quarter. Steel Dynamics registered ferrous shipments of around 1.59 million gross tons in the quarter, up 8.8% year over year. The figure outpaced our estimate of 1.56 million gross tons.

The company's steel fabrication operations reported sales of around \$377.7 million, down roughly 15.56% year over year. Steel Dynamics recorded steel fabrication shipments of 151,563 tons in the quarter, down around 4.4% year over year. The figure surpassed our estimate of 148,833 tons.

### Financial Position

Steel Dynamics ended the quarter with cash and cash equivalents of \$770.4 million, down around 24.12% year over year. Long-term debt was \$3,781 million, up roughly 35% from the year-ago quarter.

The company generated cash flow from operations of \$722.6 million in the reported quarter, down around 5% year over year.

### Outlook

The company anticipates improving market conditions supported by greater trade stability, policy clarity, and a more favorable interest rate environment. These factors, coupled with the expansion of U.S. manufacturing, are expected to drive stronger domestic demand for steel and aluminum products. Management also expects a reduction in unfairly traded imports, following the U.S. International Trade Commission's final determinations on coated flat-rolled steel, to benefit its operations and market positioning.

The company continues to strengthen its competitive advantage through its focus on low-carbon, U.S.-made steel and aluminum solutions. The aluminum business remains on track with the commissioning of the Columbus, MS and San Luis Potosi facilities. The company remains confident in its long-term growth strategy, driven by sustainable, high-margin operations and its expansion into aluminum flat-rolled products.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 20, 2025
Sales Surprise	2.93%
EPS Surprise	3.01%
Quarterly EPS	2.74
Annual EPS (TTM)	7.55

## Valuation

Steel Dynamics' shares are up 43.5% over the trailing 12-month period. Over the past year, the Zacks Steel - Producers industry and the Zacks Basic Materials sector are up 48.1% and 31%, respectively.

The S&P 500 index is up 18.3% in the past year.

The stock is currently trading at 14.58X trailing 12-month enterprise value-to EBITDA (EV/EBITDA) ratio, which compares to 14.95X for the Zacks sub-industry, 15.04X for the Zacks sector and 18.68X for the S&P 500 index.

Over the past five years, the stock has traded as high as 14.98X and as low as 2.1X, with a 5-year median of 6.06X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$180 price target reflects 13.27X forward 12-month earnings per share.

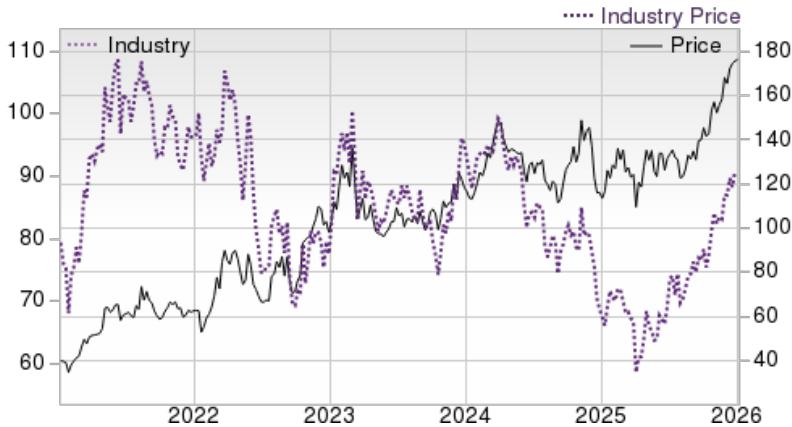
The table below shows summary valuation data for STLD:

Valuation Multiples - STLD					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	14.58	14.95	15.04	18.68
	5-Year High	14.98	14.95	15.86	22.34
	5-Year Low	2.1	2.77	5.75	13.86
	5-Year Median	6.06	8.97	10.98	17.93
P/E F 12M	Current	12.67	11.62	15.67	23.11
	5-Year High	20.44	11.84	16.68	23.8
	5-Year Low	4.02	3.52	8.03	15.74
	5-Year Median	10.46	8.79	12.81	21.21
P/B TTM	Current	2.84	1.88	3.59	8.52
	5-Year High	3.08	2.44	4.29	9.13
	5-Year Low	1.59	1.1	2.18	6.57
	5-Year Median	2.25	1.67	3.05	8.04

As of 01/05/2026

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 25% (62 out of 244)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Commercial Metals Co... (CMC)	Outperform	1
Ternium S.A. (TX)	Outperform	1
ATI Inc. (ATI)	Neutral	2
Cleveland-Cliffs Inc... (CLF)	Neutral	3
Gerdau S.A. (GGB)	Neutral	4
ArcelorMittal (MT)	Neutral	3
Nucor Corporation (NUE)	Neutral	3
National Steel Compa... (SID)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Steel - Producers

	STLD	X Industry	S&P 500	ATI	CLF	NUE
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Neutral	Neutral	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	2	3	3
<b>VGM Score</b>	A	-	-	C	D	A
Market Cap	24.51 B	6.72 B	40.07 B	16.42 B	5.96 B	37.72 B
# of Analysts	6	1	22	4	5	6
Dividend Yield	1.19%	0.98%	1.38%	0.00%	0.00%	1.36%
<b>Value Score</b>	B	-	-	C	D	B
Cash/Price	0.03	0.18	0.04	0.02	0.01	0.07
EV/EBITDA	10.93	5.39	14.89	23.81	36.85	9.85
PEG Ratio	1.18	0.55	2.04	1.24	NA	0.92
Price/Book (P/B)	2.78	0.74	3.41	8.99	1.04	1.72
Price/Cash Flow (P/CF)	12.67	7.91	15.44	34.03	9.91	11.10
P/E (F1)	20.30	10.92	18.58	30.49	NA	14.73
Price/Sales (P/S)	1.39	0.45	3.06	3.58	0.32	1.18
Earnings Yield	7.97%	8.69%	5.38%	3.28%	-0.25%	6.79%
Debt/Equity	0.43	0.30	0.57	0.94	1.41	0.30
Cash Flow (\$/share)	13.24	2.76	8.98	3.55	1.21	14.85
<b>Growth Score</b>	A	-	-	C	F	B
Hist. EPS Growth (3-5 yrs)	3.53%	-20.09%	8.24%	62.94%	28.63%	-6.56%
Proj. EPS Growth (F1/F0)	-15.96%	85.21%	9.21%	30.08%	-213.70%	-11.57%
Curr. Cash Flow Growth	-31.44%	-31.44%	7.00%	-2.50%	-60.47%	-38.77%
Hist. Cash Flow Growth (3-5 yrs)	14.94%	7.64%	7.49%	9.88%	8.29%	11.12%
Current Ratio	3.11	2.04	1.19	2.50	2.04	2.77
Debt/Capital	30.76%	22.94%	38.14%	48.44%	58.48%	23.36%
Net Margin	6.39%	1.09%	12.77%	9.71%	-9.00%	5.18%
Return on Equity	12.89%	2.79%	17.03%	23.34%	-20.02%	7.80%
Sales/Assets	1.13	0.90	0.53	0.90	0.90	0.93
Proj. Sales Growth (F1/F0)	4.70%	4.38%	5.29%	5.50%	-1.40%	6.00%
<b>Momentum Score</b>	A	-	-	B	A	C
Daily Price Chg	-2.84%	0.49%	-0.34%	-0.02%	-9.27%	-2.68%
1 Week Price Chg	0.34%	0.80%	1.10%	1.92%	-1.66%	1.83%
4 Week Price Chg	-1.99%	6.40%	0.50%	15.38%	-5.20%	0.29%
12 Week Price Chg	14.91%	14.37%	3.75%	45.03%	-13.69%	20.51%
52 Week Price Chg	44.08%	40.76%	16.94%	117.42%	23.49%	39.46%
20 Day Average Volume	1,191,237	52,839	2,431,070	1,255,703	11,417,654	1,430,239
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.25%	0.00%	0.00%
(F1) EPS Est 4 week change	0.85%	0.00%	0.00%	1.37%	42.61%	-0.96%
(F1) EPS Est 12 week change	5.44%	3.51%	0.44%	7.87%	-198.72%	7.86%
(Q1) EPS Est Mthly Chg	6.61%	0.00%	0.00%	0.57%	8.00%	0.00%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	A
Momentum Score	A
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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