

thrive™



MARS - Summer Meeting

**Cargill
July 2015**

Agenda

- **Cargill:** Celebrating 150 years
- **Cargill Metals:** Overview
- **2015:** What does it look like ?

From our modest roots in the United State's Midwest, Cargill has grown to be a global leader in food and agriculture

- One of the world's largest private companies, established in 1865.
- 143,000 employees operating in 67 countries.
- Financially stable with A2 (Moody's) and A (S&P) long-term debt ratings.
- \$136 billion in sales and other revenues.



Cargill is nearly 70 businesses organized around four major segments

Agriculture	We buy, process and distribute grain, oilseeds and other commodities to makers of food and animal nutrition products. We also provide crop and livestock producers with products and services.
Food	We provide food and beverage manufacturers, foodservice companies and retailers with high-quality ingredients, meat and poultry products, and health-promoting ingredients and ingredient systems.
Financial	We provide our agricultural, food, financial and energy customers around the world with risk management and financial solutions.
Industrial	We serve industrial users of energy, salt, starch and steel products. We also develop and market sustainable products made from agricultural feedstocks.

Our corporate responsibility commitments are in four main areas



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Cargill Metals Supply Chain

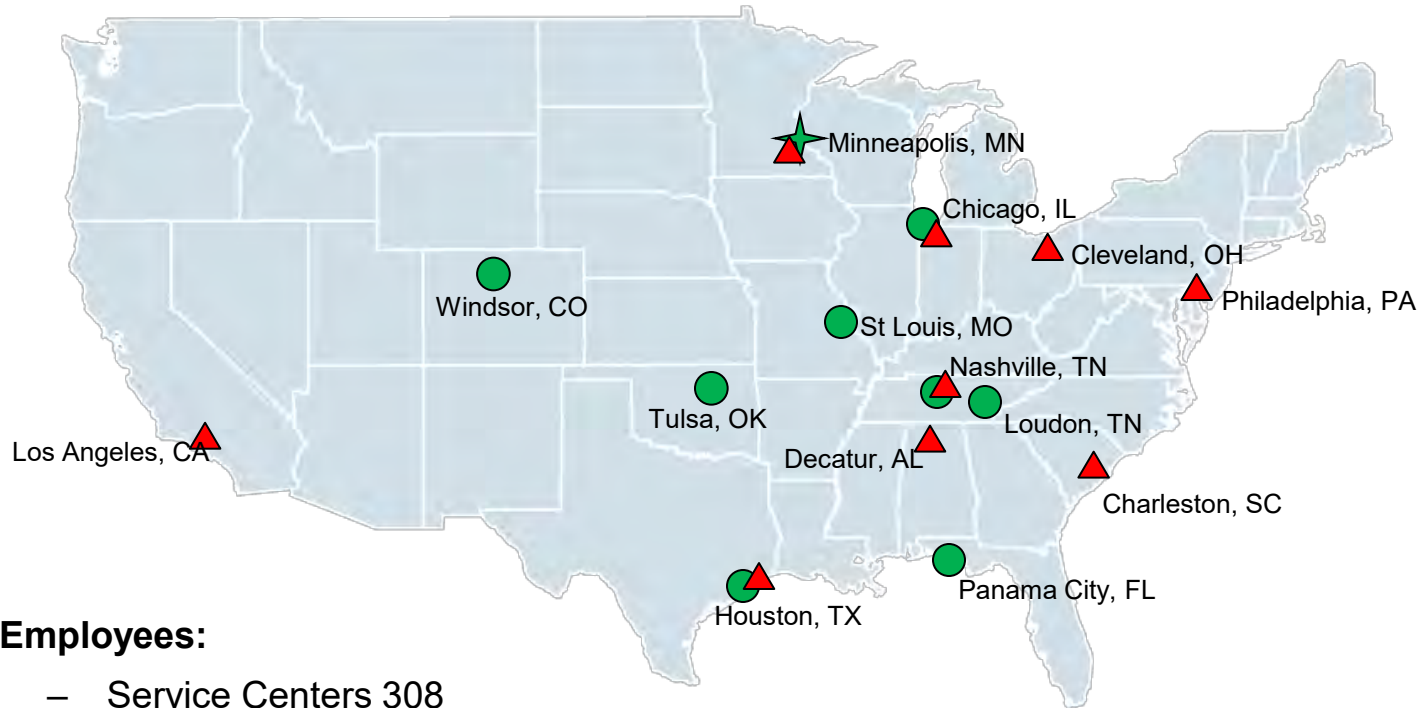
- 100% fulfillment record for long-term contract commitments
- 9 master coil depots located in 9 major U.S. manufacturing hubs
- Consistent ranking in the Metals Service Center Institute top quartile for operating efficiency



- Just-in-time delivery
- Broad range of hot-rolled steel products
- Integrated supply chain solutions across all major US manufacturing hubs
- Consistency of inventory and capabilities across all major U.S. manufacturing hubs

- Metallurgical support
- Cargill Steel Service Centers are registered to the ISO9001: 2008 Quality Standard.

North American Steel Presence



- **Employees:**

- Service Centers 308

- Cargill SSCs
- ▲ Cargill MC Depots

- **Capabilities:**

- 16 gauge through 1/2" CTL
- 16 gauge through 5/8" RPS®
- 16 gauge through 1/2" Slit

Source: Cargill



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Steel Outlook: Headwinds and Tailwinds

July 2015

Economic Backdrop/Assumptions:

- US GDP +2.3% 2015, +2.8% 2016*
- Fed starts to raise interest rates – first hike expected late 2015 – maybe...
- Auto, Housing and Construction remain in expansion
 - Some hiccups could be expected from energy issues
- USD remains elevated relative to ROW currencies
- Interest rates remain low despite the start of rate hikes
- China continues to slow
- Commodity “super cycle” is over

*Source: Bloomberg

Key End Markets:

Construction

Automotive

Energy

Machinery

Other Transportation

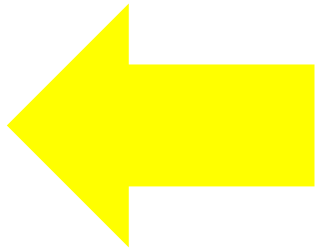
Other



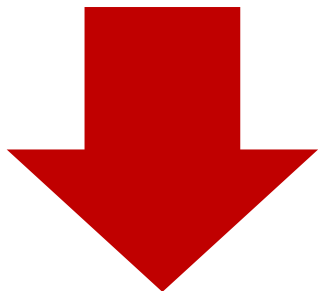
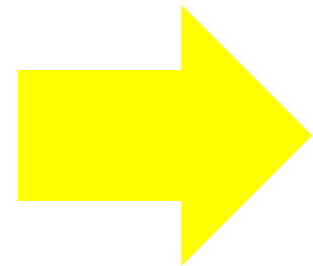
Tailwinds vs Headwinds:



- Construction
- Automotive/HD truck
- Machinery (construction related)
- Containers



- Other transportation (barge/rail)



- Energy
- Machinery (mining/ag)

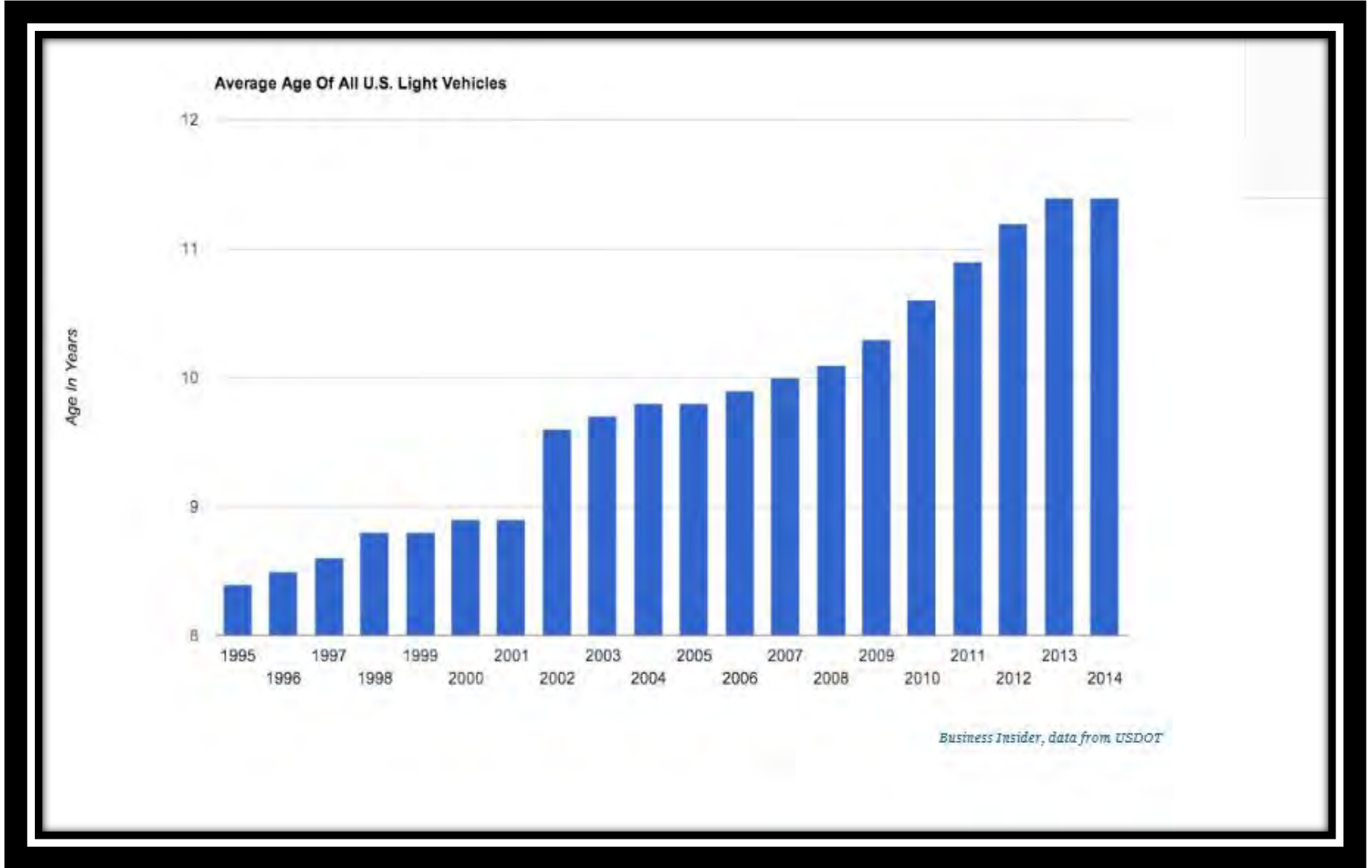
Oil Price and Rig Counts



End Market Color – Other Key End Markets

- Auto/HD truck –
 - Average auto age still over 11 years
 - Credit readily available
- Construction –
 - Still massive upside back to 50 year average
 - Low interest rates
 - Infrastructure the wildcard
- Machinery –
 - Mining capex -12% in 2015 (per Bloomberg)
 - Ag equipment build rates weak in 2015
 - Construction machinery best area
 - Caterpillar noted that they have not had 4 down years except in Great Depression; 2015 will be 3 down years in a row

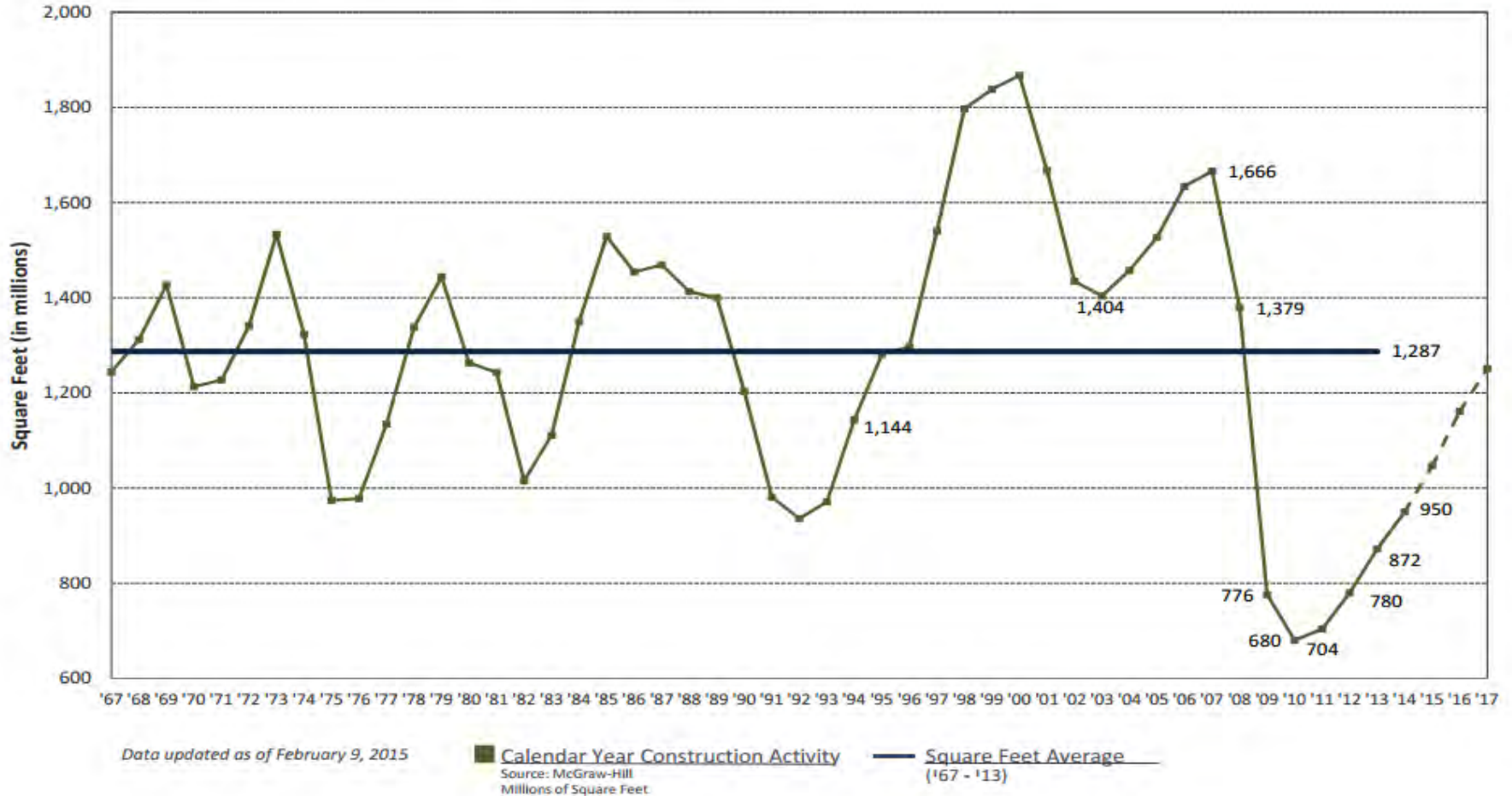
End Market Color – Auto Fleet is old!



End Market Color – Construction has upside

Nonresidential Construction Activity

Historical and Forecast Volume for Square Feet



End Market Color – Other Key End Markets

- Other Transport–
 - Rail backlogs still very extended, many take or pay
 - Oil production slowdown very negative for tank car market and hoppers
 - Pipelines being expanded
 - Possible offset is that tank car demand should benefit from increased chemical plant capacity and new regulatory changes

What are the upside and downside flags?

- US Dollar
- Fed
- Oil – what is the indirect impact?
- International Ferrous Pricing
 - Iron ore
 - Steel
 - Scrap

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The Cargill logo features a green, curved leaf-like shape above the word "Cargill" in a bold, italicized, black sans-serif font. A registered trademark symbol (®) is located at the end of the word.

Cargill®