

Non-GAAP Reconciliations

Reconciliation of Reported (GAAP)
to Adjusted (non-GAAP) Financial Measures^{1,2}
(Dollar amounts in millions, except per share data)

	2021	2020	2019	2018	2017	2016
Non-GAAP adjustments, Continuing Operations						
Gain from sale of real estate	\$ (28)	\$ -	\$ -	\$ -	\$ (23)	\$ -
Goodwill impairment	-	25	-	-	1	4
Restructuring-related charges	-	8	10	23	-	-
Note impairment	-	8	-	16	-	-
Stock write-off for prior year divestiture	-	4	-	-	-	-
ECS transaction costs	-	-	1	7	-	-
Pension settlement charge	-	-	-	-	15	-
Impairment charges	-	-	-	-	3	-
(Gain)/loss from sale of businesses	-	-	-	-	3	(28)
Benefit from litigation settlement proceeds	-	-	-	-	-	(7)
Non-GAAP adjustments, pre-tax	(28)	45	11	46	-	(31)
Income tax impact	7	(4)	(1)	(9)	-	12
Special tax items	-	-	-	(2)	42	-
Non-GAAP adjustments, after tax	\$ (21)	\$ 41	\$ 10	\$ 35	\$ 42	\$ (19)
Diluted shares outstanding	136.7	135.9	135.4	135.2	137.3	140.0
EPS impact of non-GAAP adjustments	\$ (0.16)	\$ 0.30	\$ 0.07	\$ 0.26	\$ 0.32	\$ (0.14)
Adjusted EBIT, EBITDA, Margin, and EPS						
Trade sales from continuing operations	\$ 5,073	\$ 4,280	\$ 4,753	\$ 4,270	\$ 3,944	\$ 3,750
EBIT (earnings before interest and taxes)	\$ 596	\$ 408	\$ 487	\$ 460	\$ 482	\$ 536
Non-GAAP adjustments, pre-tax and excluding interest ³	(28)	45	11	42	-	(31)
Adjusted EBIT	\$ 568	\$ 453	\$ 498	\$ 503	\$ 482	\$ 504
EBIT margin	11.7%	9.5%	10.2%	10.8%	12.2%	14.3%
Adjusted EBIT margin	11.2%	10.6%	10.5%	11.8%	12.2%	13.5%
EBIT	\$ 596	\$ 408	\$ 487	\$ 460	\$ 482	\$ 536
Depreciation	117	119	118	104	95	87
Amortization	71	70	74	32	31	29
EBITDA	783	597	679	596	608	651
Non-GAAP adjustments, pre-tax and excluding interest ³	(28)	45	11	42	-	(31)
Adjusted EBITDA	\$ 755	\$ 642	\$ 690	\$ 639	\$ 608	\$ 620
EBITDA margin	15.4%	13.9%	14.3%	14.0%	15.4%	17.4%
Adjusted EBITDA margin	14.9%	15.0%	14.5%	15.0%	15.4%	16.5%
Diluted EPS from continuing operations	\$ 2.94	\$ 1.86	\$ 2.32	\$ 2.39	\$ 2.25	\$ 2.68
EPS impact of non-GAAP adjustments	(0.16)	0.30	0.07	0.26	0.32	(0.14)
Adjusted EPS from continuing operations	\$ 2.78	\$ 2.16	\$ 2.39	\$ 2.65	\$ 2.57	\$ 2.54

¹ Calculations impacted by rounding.

² Effective January 1, 2021 domestic steel-related inventory valuation methodology changed from LIFO to FIFO; all prior years have been retrospectively adjusted to apply the effects of the change.

³ 2018 excludes \$3 million of financing-related charges for the ECS acquisition included in interest expense.

Reconciliation of Reported (GAAP)
to Adjusted (non-GAAP) Financial Measures¹²
(Dollar amounts in millions, except per share data)

	2021	2020	2019	2018	2017	2016
Dividend Payout Ratio						
Diluted EPS from continuing operations	\$ 2.94	\$ 1.86	\$ 2.32	\$ 2.39	\$ 2.25	\$ 2.68
EPS impact of non-GAAP adjustments	(0.16)	0.30	0.07	0.26	0.32	(0.14)
Adjusted EPS from continuing operations	\$ 2.78	\$ 2.16	\$ 2.39	\$ 2.65	\$ 2.57	\$ 2.54
Annual dividend per share	\$ 1.66	\$ 1.60	\$ 1.58	\$ 1.50	\$ 1.42	\$ 1.34
Dividend payout % of diluted EPS from cont. ops.	56%	86%	68%	63%	63%	50%
Dividend payout % of adjusted EPS from cont. ops.	60%	74%	66%	57%	55%	53%
Net Debt to Adjusted EBITDA						
Current maturities of long-term debt	\$ 301	\$ 51	\$ 51	\$ 1	\$ 154	\$ 4
Long-term debt	1,790	1,849	2,067	1,168	1,098	956
Total debt	2,090	1,900	2,118	1,169	1,252	960
Less: cash and cash equivalents	(362)	(349)	(248)	(268)	(526)	(282)
Net debt	\$ 1,729	\$ 1,551	\$ 1,870	\$ 901	\$ 726	\$ 678
Adjusted EBITDA	\$ 755	\$ 642	\$ 690	\$ 639	\$ 608	\$ 620
Net debt to adjusted EBITDA	2.3x	2.4x	2.7x	1.4x	1.2x	1.1x
Return on Invested Capital						
EBIT	\$ 596	\$ 408	\$ 487	\$ 460	\$ 482	\$ 536
Non-GAAP adjustments, pre-tax and excluding interest ³	(28)	45	11	42	-	(31)
Adjusted EBIT	568	453	498	503	482	504
Less: taxes	(129)	(96)	(109)	(106)	(104)	(121)
NOPAT (net operating profit after tax)	\$ 438	\$ 357	\$ 389	\$ 397	\$ 379	\$ 383
Total debt	\$ 2,090	\$ 1,900	\$ 2,118	\$ 1,169	\$ 1,252	\$ 960
Operating lease liabilities ⁴	198	165	161	-	-	-
Equity	1,649	1,425	1,342	1,207	1,222	1,111
Less: cash and cash equivalents	(362)	(349)	(248)	(268)	(526)	(282)
Invested capital	\$ 3,575	\$ 3,141	\$ 3,373	\$ 2,108	\$ 1,948	\$ 1,789
Average invested capital	\$ 3,358	\$ 3,257	\$ 2,740	\$ 2,028	\$ 1,869	\$ 1,794
ROIC (return on invested capital), adjusted	13.1%	11.0%	14.2%	19.6%	20.3%	21.3%

¹ Calculations impacted by rounding.

² Effective January 1, 2021 domestic steel-related inventory valuation methodology changed from LIFO to FIFO; all prior years have been retrospectively adjusted to apply the effects of the change.

³ 2018 excludes \$3 million of financing-related charges for the ECS acquisition included in interest expense.

⁴ New lease accounting rules adopted on a prospective basis on January 1, 2019.