Profit is not the same as available cash.

Nucor | A bounded 2026-2027 capital-allocation exercise

Can the company fund maturities, investment and modeled distributions if operating cash weakens?

Opening balances: 31 December 2025. Information cutoff: the original 10-K filed 25 February 2026. Updated 17 November 2026. This is a historical planning case, not a current issuer assessment.

SOURCE POSITION	FY2025 / SOURCE VALUE
Operating cash flow	USD 3,234.000m
Cash capex	USD 3,422.000m
Cash after capex (FCF)	USD -188.000m
Analytical EBIT-proxy / gross interest	15.45x
Source principal due 2026-2027	USD 598.000m

The decision insight

A high historical interest-coverage proxy does not make cash investment or distributions free. Pausing modeled share repurchases preserves **USD 1,400m** across two years, but the response still falls below the chosen operating reserve.

RESPONSE CASE	CONDITIONAL RESULT
End-2027 cash before uncommitted funding	USD 362.735m
Chosen reserve (assumption)	USD 500.000m
Remaining reserve gap	USD 137.265m
Additional cash improvement in EACH year	USD 68.6325m

The extra improvement is a mathematical requirement, not assumed funding or evidence of a feasible spending cut. Independent human accounting review remains pending.

Anchor the inputs. Keep the choices explicit.

The operating shock repeats the observed USD 745.000m absolute CFO deterioration from FY2024 to FY2025 once, then holds that lower level in both modeled years. It is not compounded or assigned a probability.

INPUT	OBSERVATION	MODELING CHOICE
Operating cash flow	2024: 3,979.000m; 2025: 3,234.000m	Reference repeats FY2025. Pressure cases use 2,489m in each future year.
Capex	Management estimated approximately 2,500m for 2026.	Treat estimate as a cash budget; repeat into 2027. Timing may differ from accrual capex.
Common dividends / NCI distributions / withholding	FY2025: 512m / 249m / 32m	Repeat each year in every case, including the response.
Share repurchases	FY2025: 700m	Repeat except in the response, which sets them to zero.
Opening cash / short-term repayment	Cash 2,260m; short-term debt 122m	Assume all eligible cash accessible and short-term debt repaid in 2026.
Reserve / refinancing terms	No verified future coupon, access or reserve minimum.	Reserve 500m; old rate 4%; new rates, refi shares and fees below.

Controlled cases

CASE	NEW RATE	REFINANCED	FEE	BUYBACKS / YEAR
Filing-anchored reference	6.00%	100%	0%	700m
Operating cash pressure	6.00%	100%	0%	700m
Cash and refinancing pressure	8.00%	75.00%	1.00%	700m
Pause modeled buybacks	8.00%	75.00%	1.00%	0m

Only the buyback decision changes between funding pressure and the response. Future distributions are assumptions, not issuer commitments. Coupons and refinancing access are illustrative research choices.

Follow the cash, not just the ratio.

CASE	END-2027 CASH	PEAK GAP TO 500m	FIRST GAP
Filing-anchored reference	606.720m	0.000m	None
Operating cash pressure	-883.280m	1,383.280m	2027
Cash and refinancing pressure	-1,037.265m	1,537.265m	2027
Pause modeled buybacks	362.735m	137.265m	2027

Buyback-pause response: annual roll-forward

USD MILLIONS	2026	2027
Opening unfunded cash	2,260.000	1,315.685
Add assumed operating cash flow	2,489.000	2,489.000
Less assumed cash capex	2,500.000	2,500.000
Less other assumed cash uses	915.000	793.000
Less source principal	66.000	532.000
Add assumed refinancing	49.500	399.000
Less assumed issuance fees	0.495	3.990
Less cumulative interest change	1.320	11.960
Closing cash before uncommitted funding	1,315.685	362.735
Shortfall to chosen reserve	0.000	137.265

Closure

The response avoids a negative ending balance but misses the 500m reserve by 137.265m. An additional 68.6325m cash improvement in **each** of 2026 and 2027 meets the floor exactly, holding all other inputs fixed. The engine inserts neither that improvement nor a gap loan.

Reported revolving capacity of 2,250m is not counted as cash or guaranteed drawability. Its conditions, parent-only cash accessibility and covenant headroom require further diligence.

A result you can reproduce.

SOURCE REFERENCE	USD MILLIONS	CLASSIFICATION
Operating cash flow, FY2024	3,979.000	Historical / cross-checked
Operating cash flow, FY2025	3,234.000	Historical / cross-checked
Common dividends paid, FY2025	512.000	Historical / cross-checked
Share repurchases paid, FY2025	700.000	Historical / cross-checked
Distributions to noncontrolling interests, FY2025	249.000	Historical / cross-checked
Share-based compensation tax payments, FY2025	32.000	Historical / cross-checked
Management's 2026 capex estimate	2,500.000	Management estimate / source-extracted
Reported revolving credit capacity, not cash	2,250.000	Reported capacity / source-extracted

Original source

Nucor FY2025 Form 10-K - accession 0001193125-26-071575

Cash-flow statements, MD&A liquidity and Note 11. Historical references agree with accession/period/USD-matched companyfacts. The original response hashes, inline contexts and original amounts are preserved in the companion JSON. Cross-checking two representations of one filing does not establish independent human review.

Limits that change the interpretation

This is a dated annual exercise. Later filings and events, intra-year cash peaks, parent-only restrictions, future lease principal, acquisitions and other unentered financing flows are outside the case. New refinancing is assumed to remain outstanding beyond the horizon. Interest changes are cash-paid one-for-one, without modeled tax or capitalization effects.

USD 6,338m of later disclosed principal is excluded, including Thereafter; it is not allocated to 2026-2027. Original source rounding is retained. No verified EBITDA, default probability, credit ranking or investment recommendation is produced.

Reproduction

The JSON contains the complete input payload for each case. Replay each against the annual liquidity endpoint using the same filing snapshot. The PDF build independently reruns all four cases through the pure Decimal engine and requires identical outputs.

Formula: refilens-nue-fy2025-case-v1. Independent accounting review remains pending; results are conditional scenarios, not issuer-approved forecasts.