

MINED ★ MELTED ★ MADE IN AMERICA



United States Steel Corporation

FOURTH QUARTER & FULL YEAR 2023

EARNINGS

This presentation contains information regarding the Company and NSC that may constitute “forward-looking statements,” as that term is defined under the Private Securities Litigation Reform Act of 1995 and other securities laws, that are subject to risks and uncertainties. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “plan,” “goal,” “future,” “will,” “may” and similar expressions or by using future dates in connection with any discussion of, among other things, statements expressing general views about future operating or financial results, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements and changes in the global economic environment, the construction or operation of new or existing facilities or capabilities, statements regarding our greenhouse gas emissions reduction goals, as well as statements regarding the proposed transaction, including the timing of the completion of the transaction. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only the Company’s beliefs regarding future goals, plans and expectations about our prospects for the future and other events, many of which, by their nature, are inherently uncertain and outside of the Company’s or NSC’s control. It is possible that the Company’s or NSC’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management of the Company or NSC, as applicable, believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. In addition, forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company’s or NSC’s historical experience and our present expectations or projections. Risks and uncertainties include without limitation: the ability of the parties to consummate the proposed transaction on a timely basis or at all; the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement and plan of merger relating to the proposed transaction (the “Merger Agreement”); the possibility that the Company’s stockholders may not approve the proposed transaction; the risks and uncertainties related to securing the necessary stockholder approval; the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; certain restrictions during the pendency of the proposed transaction that may impact the Company’s ability to pursue certain business opportunities or strategic transactions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the Company’s common stock or NSC’s common stock or American Depositary Receipts; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company or NSC to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of the Company. The Company directs readers to its Form 10-K for the year ended December 31, 2022 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, and the other documents it files with the SEC for other risks associated with the Company’s future performance. These documents contain and identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements. Risks related to NSC’s forward-looking statements include, but are not limited to, changes in regional and global macroeconomic conditions, particularly in Japan, China and the United States; excess capacity and oversupply in the steel industry; unfair trade and pricing practices in regional markets; the possibility of low steel prices or excess iron ore supply; the possibility of significant increases in market prices of essential raw materials; the possibility of depreciation of the value of the Japanese yen against the U.S. dollar and other major foreign currencies; the loss of market share to substitute materials; NSC’s ability to reduce costs and improve operating efficiency; the possibility of not completing planned alliances, acquisitions or investments, or such alliances, acquisitions or investments not having the anticipated results; natural disasters and accidents or unpredictable events which may disrupt NSC’s supply chain as well as other events that may negatively impact NSC’s business activities; risks relating to CO2 emissions and NSC’s challenge for carbon neutrality; the economic, political, social and legal uncertainty of doing business in emerging economies; the possibility of incurring expenses resulting from any defects in our products or incurring additional costs and reputational harm due to product defects of other steel manufacturers; the possibility that we may be unable to protect our intellectual property rights or face intellectual property infringement claims by third parties; changes in laws and regulations of countries where we operate, including trade laws and tariffs, as well as tax, environmental, health and safety laws; and the possibility of damage to our reputation and business due to data breaches and data theft. All information in this communication is as of the date above. Neither the Company nor NSC undertakes any duty to update any forward-looking statement to conform the statement to actual results or changes in the Company’s or NSC’s expectations whether as a result of new information, future events or otherwise, except as required by law.

Additional Information and Where to Find It

This presentation relates to the proposed transaction between the United States Steel Corporation (“U. S. Steel”) and Nippon Steel Corporation (“NSC”). In connection with the proposed transaction, U. S. Steel has filed and will file relevant materials with the United States Securities and Exchange Commission (“SEC”), including U. S. Steel’s proxy statement on Schedule 14A (the “Proxy Statement”), a preliminary version of which was filed with the SEC on January 24, 2024. The information in the preliminary Proxy Statement is not complete and may be changed. The definitive Proxy Statement will be filed with the SEC and delivered to stockholders of U. S. Steel. U. S. Steel may also file other documents with the SEC regarding the proposed transaction. This presentation is not a substitute for the Proxy Statement or for any other document that may be filed with the SEC in connection with the proposed transaction. The proposed transaction will be submitted to U. S. Steel’s stockholders for their consideration. **BEFORE MAKING ANY VOTING DECISION, U. S. STEEL’S STOCKHOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT (A PRELIMINARY FILING OF WHICH HAS BEEN MADE WITH THE SEC), AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT U. S. STEEL, NSC AND THE PROPOSED TRANSACTION.**

U. S. Steel’s stockholders will be able to obtain free copies of the preliminary Proxy Statement and the definitive Proxy Statement (the latter if and when it is available), as well as other documents containing important information about U. S. Steel, NSC and the proposed transaction once such documents are filed with the SEC, without charge, at the SEC’s website (www.sec.gov). Copies of the Proxy Statement and the other documents filed with the SEC by U. S. Steel can also be obtained, without charge, by directing a request to United States Steel Corporation, 600 Grant Street, Pittsburgh, Pennsylvania 15219, Attention: Corporate Secretary; telephone 412-433-1121, or from U. S. Steel’s website www.ussteel.com.

Participants in the Solicitation

NSC, U. S. Steel and their directors, and certain of their executive officers and employees may be deemed to be participants in the solicitation of proxies from U. S. Steel’s stockholders in respect of the proposed transaction. Information regarding the directors and executive officers of U. S. Steel who may, under the rules of the SEC, be deemed participants in the solicitation of U. S. Steel’s stockholders in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy Statement, a preliminary version of which was filed with the SEC on January 24, 2024. Information about these persons is included in each company’s annual proxy statement and in other documents subsequently filed with the SEC, and was included in the preliminary version of the Proxy Statement when filed with the SEC. Free copies of the Proxy Statement and such other materials may be obtained as described in the preceding paragraph.

We present adjusted net earnings, adjusted net earnings margin, adjusted net earnings per diluted share, earnings before interest, income taxes, depreciation and amortization (EBITDA), adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP measures, as additional measurements to enhance the understanding of our operating performance. We believe that EBITDA, considered along with net earnings, is a relevant indicator of trends relating to our operating performance and provides management and investors with additional information for comparison of our operating results to the operating results of other companies.

Adjusted net earnings and adjusted net earnings per diluted share are non-GAAP measures that exclude the effects of items that include: debt extinguishment, asset impairment charges, restructuring and other charges, stock-based compensation expense, VEBA asset surplus adjustment, gains on assets sold & previously held investments, pension de-risking, United Steelworkers labor agreement signing bonus and related costs, environmental remediation charges, strategic alternatives review process costs, Granite City idling costs, tax impact of adjusted items and other changes, net (Adjustment Items). Adjusted EBITDA and adjusted EBITDA margin are also non-GAAP measures that exclude the effects of certain Adjustment Items. We present adjusted net earnings, adjusted net earnings per diluted share, adjusted EBITDA and adjusted EBITDA margin to enhance the understanding of our ongoing operating performance and established trends affecting our core operations by excluding the effects of events that can obscure underlying trends. U. S. Steel's management considers adjusted net earnings, adjusted net earnings per diluted share, adjusted EBITDA and adjusted EBITDA margin as alternative measures of operating performance and not alternative measures of the Company's liquidity. U. S. Steel's management considers adjusted net earnings, adjusted net earnings per diluted share, adjusted EBITDA and adjusted EBITDA margin useful to investors by facilitating a comparison of our operating performance to the operating performance of our competitors. Additionally, the presentation of adjusted net earnings, adjusted net earnings per diluted share, adjusted EBITDA and adjusted EBITDA margin provides insight into management's view and assessment of the Company's ongoing operating performance because management does not consider the Adjustment Items when evaluating the Company's financial performance. Adjusted net earnings, adjusted net earnings per diluted share, adjusted EBITDA and adjusted EBITDA margin should not be considered a substitute for net earnings or other financial measures as computed in accordance with U.S. GAAP and are not necessarily comparable to similarly titled measures used by other companies.

We also present free cash flow, a non-GAAP measure of cash generated from operations after any investing activity and investable free cash flow, a non-GAAP measure of cash generated from operations after any investing activity adjusted for strategic capital expenditures. We believe that free cash flow and investable free cash flow provide further insight into the Company's overall utilization of cash. We also present net debt, a non-GAAP measure calculated as total debt less cash and cash equivalents. We believe net debt is a useful measure in calculating enterprise value. A condensed consolidated statement of operations (unaudited), condensed consolidated cash flow statement (unaudited), condensed consolidated balance sheet (unaudited) and preliminary supplemental statistics (unaudited) for U. S. Steel are attached.



Current Landscape

Strong 2023 with BEST performance

- **BEST Safety:** 0.04 DAFW¹, 15x better than the industry
- **BEST Partner to the marketplace:** Providing the steels our customers crave
- **BEST stockholder return in the sector:** 96% TSR²

Bullish for what's ahead



Challenges

Harnessing mega trends

Mitigating supply chain, inflation, and weather challenges



Solution

Progressing towards Nippon Steel Corporation (NSC) deal closure

Progressing towards Best for All future

Progressing towards becoming the 'best steelmaker with world-leading capabilities'



Path Forward

Creating a global steel leader in value and innovation

Closing the NSC transaction at \$55 per share

¹ DAFW = Days Away from Work.

² TSR = Total Shareholder Return



NIPPON STEEL & U. S. STEEL: CREATING A GLOBAL STEEL LEADER IN VALUE AND INNOVATION



Moving forward together as the ‘Best Steelmaker with World-leading Capabilities’

Incorporating Nippon Steel’s world-class electrical and advanced high-strength auto steels



Combining best-in-class technologies

Accelerating decarbonization efforts through technological advances



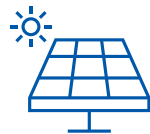
Maximizing stockholder value

On-track for deal closure by Q2 / Q3 2024



NIPPON STEEL & U. S. STEEL: CREATING A GLOBAL STEEL LEADER IN VALUE AND INNOVATION

'Best Steelmaker with World-leading Capabilities'



Non-grain oriented (NGO)



Meeting the growing electrical steel demand

NGO electrical steel can be used in motor cores for electric vehicles (EVs) and contribute to higher performance

Combining Best-in-class Capabilities and Innovation



~\$522M

2022 research & development spend from Nippon



Accelerating innovation and R&D in the United States



Further advance the technical capabilities of U. S. Steel's Mined, Melted, and Made in America portfolio of steel products

\$55/sh

Transaction
price

All-cash deal

+40%

Premium for
stockholders

The \$55.00 per share transaction price represents a +40% premium to U. S. Steel's closing stock price on December 15, 2023; +142% premium to the undisturbed price prior to the announcement of the strategic alternatives review process

~\$15B

Implied enterprise
value

Equity value of approximately \$14 billion + approximately \$1 billion of net debt

SAFETY FIRST



Unwavering commitment to safety

Shared goals and values

Service to communities



Safety performance of both organizations are multiples better than the industry average



Committed to decarbonization; shared 2050 targets



Maintaining U. S. Steel's headquarters and jobs in Pittsburgh; supporting domestic jobs



Ethical business practices



Promoting hydrogen and CCUS¹ that accelerate reduction of carbon intensity of blast furnaces



Continued support of charitable organizations to positively impact communities

Acquisition accelerates NSC's growth as 'Best Steelmaker with World-leading Capabilities'

¹CCUS = Carbon Capture, Utilization and Storage.

Fourth quarter performance

(\$80M)

Reported Net Loss

(\$0.36) per diluted share

\$167M

Adjusted Net Earnings

\$0.67 per diluted share

\$330M

Adjusted EBITDA Performance

~8% EBITDA margin

\$181M

Investable Free Cash Flow

(\$244M) of free cash flow which includes strategic capex of \$425M

\$5.2B

Liquidity

Including \$2.9B cash

BR2
STATUS ①

On time

BR2 total budget increased from \$3.0 to \$3.2 billion

CGL2¹
STATUS ②

On time

On budget

DR PELLET
COMPLETE ③

On time

On budget

NGO
COMPLETE ④

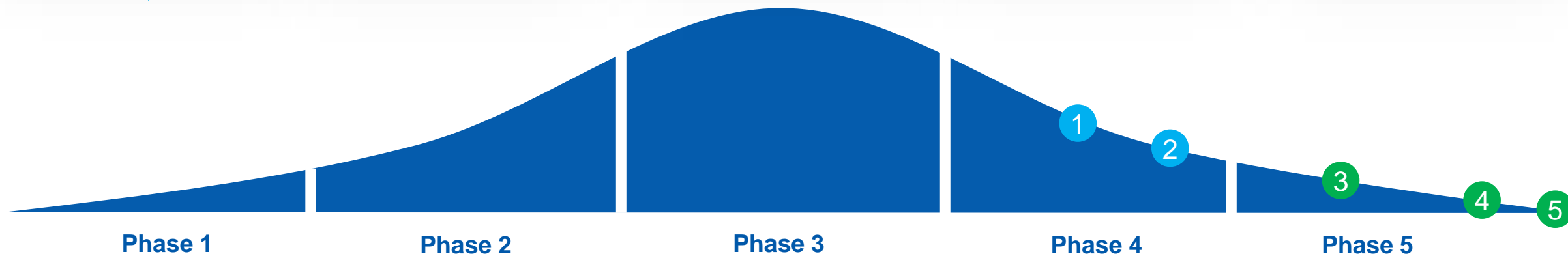
On time

On budget

GARY PIG
COMPLETE ⑤

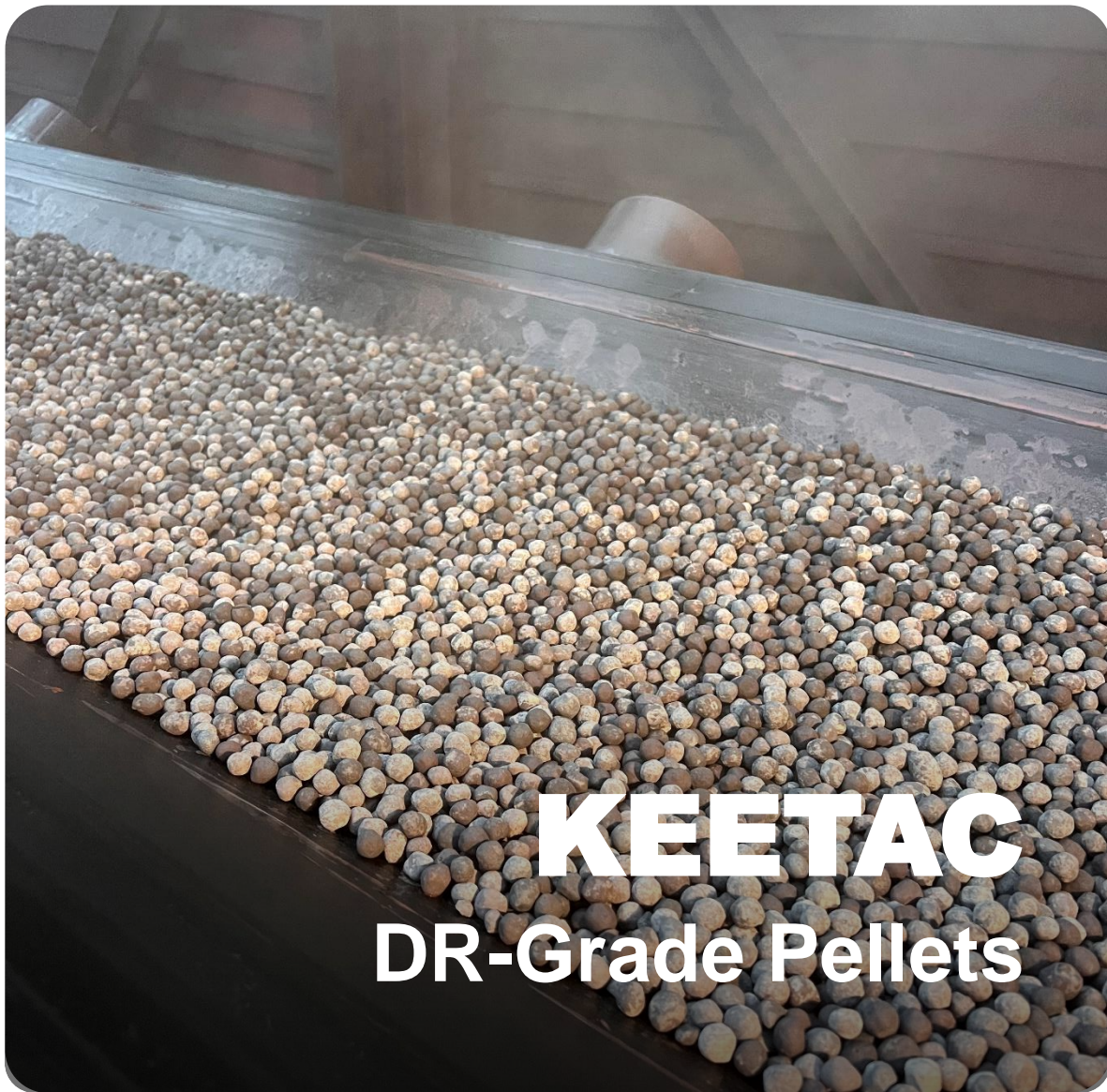
Ahead of schedule

On budget



2024 enterprise capex expected to be \$1.7 billion

¹CGL2 = Continuous galvanizing line. Also referred to as the dual Galvalume®/galvanized coating line.



KEETAC
DR-Grade Pellets



NGO
Electrical Steel Line



Electric Arc Furnace
steelmaking plant



Endless Strip Production
mill area



Endless Strip Production
caster turret



FOURTH QUARTER & FULL YEAR

2023

UPDATE





HUMAN
RIGHTS
CAMPAIGN
FOUNDATION®

EQUALITY

100

2023
2024

**Leader in LGBTQ+
Workplace Inclusion**

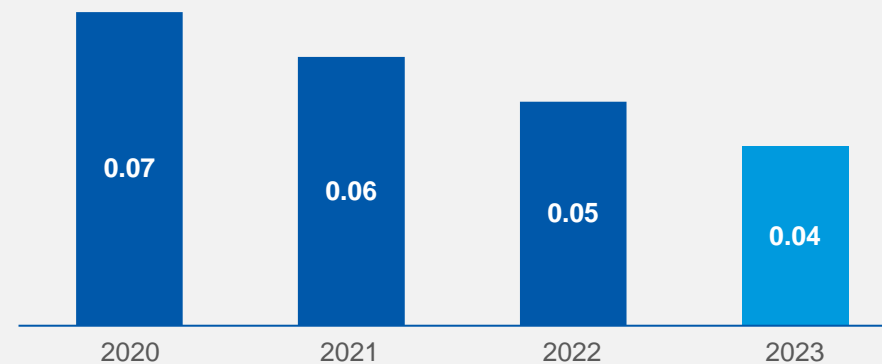
4th consecutive year of a perfect score of 100

Benchmark¹:

BLS - Iron & Steel: 0.60



Multiple years
of record-setting
performance



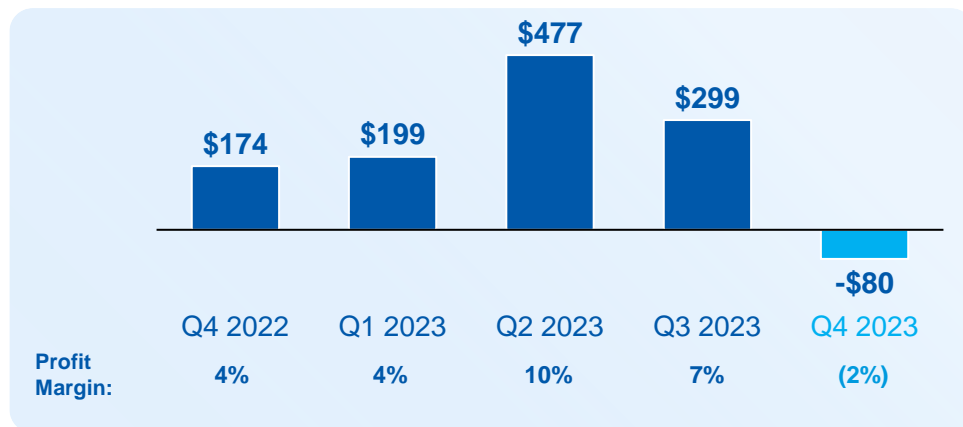
OSHA Days Away from Work²

¹ Bureau of Labor Statistics – Iron & Steel 2022 data.

² Occupational Safety and Health Administration (OSHA) Days Away from Work is defined as number of days away cases x 200,000 / hours worked.

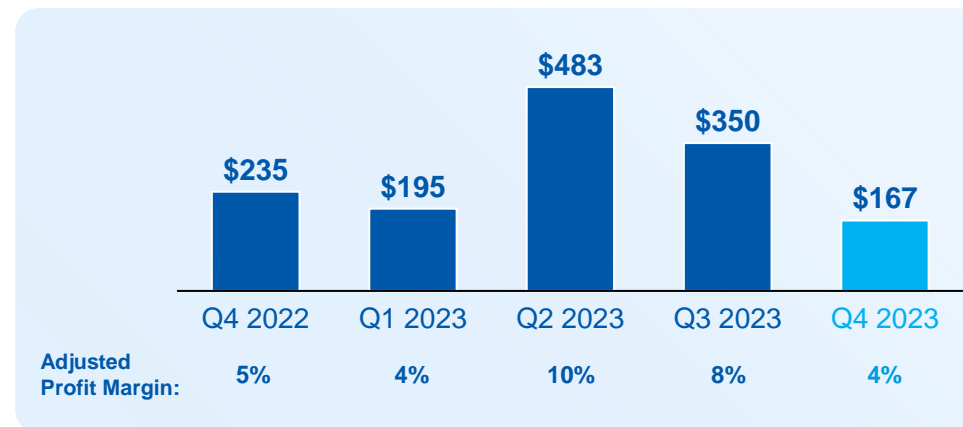
Reported Net Earnings (Loss)

\$ Millions



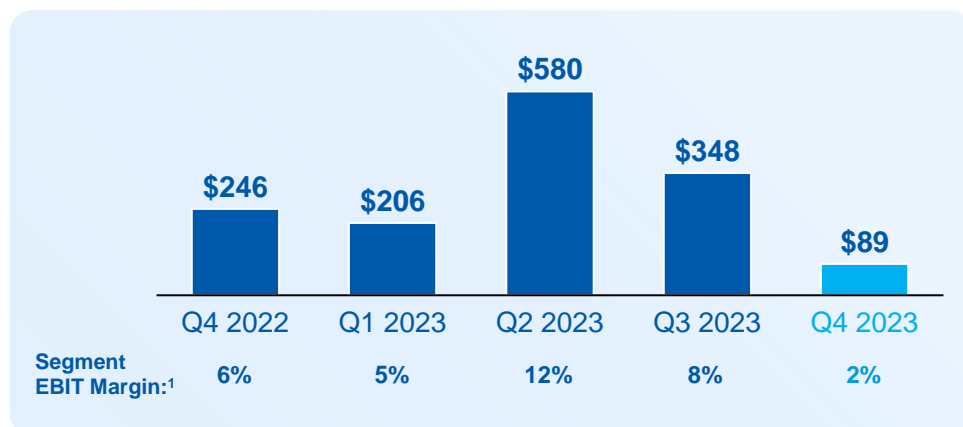
Adjusted Net Earnings

\$ Millions



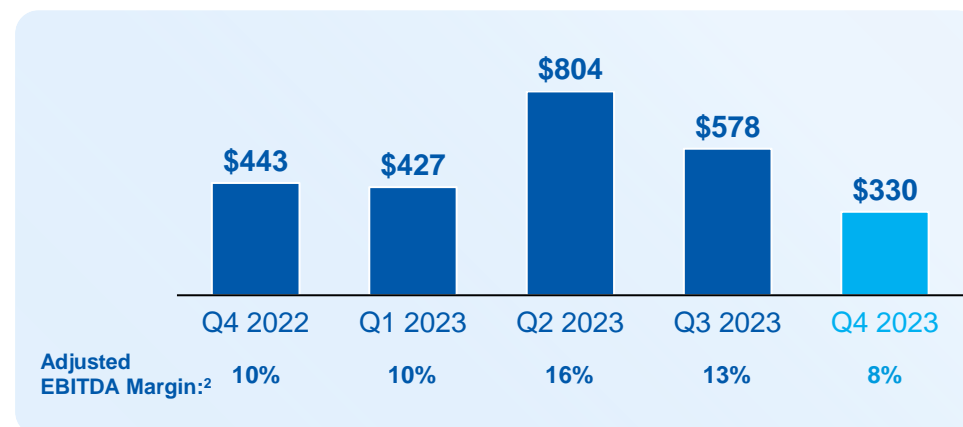
Segment EBIT¹

\$ Millions



Adjusted EBITDA²

\$ Millions



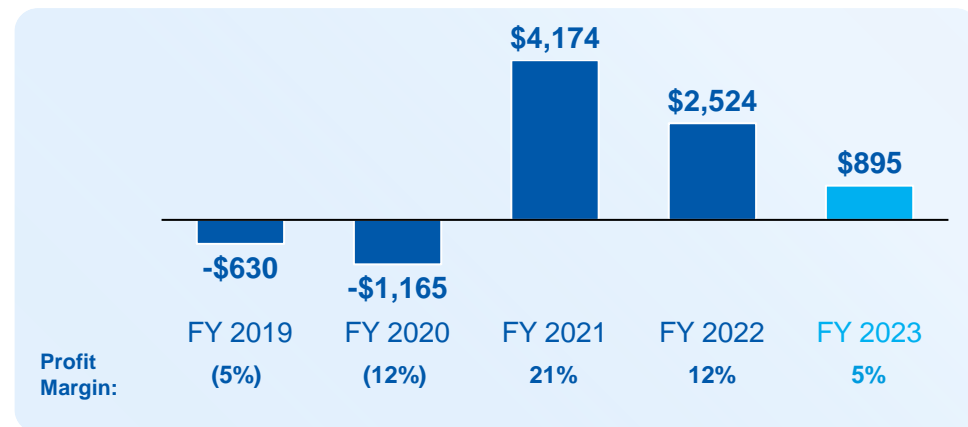
Note: For reconciliation of non-GAAP amounts, see Appendix.

¹ Earnings (loss) before interest and income taxes.

² Earnings (loss) before interest, income taxes, depreciation and amortization, and excluding adjustment items.

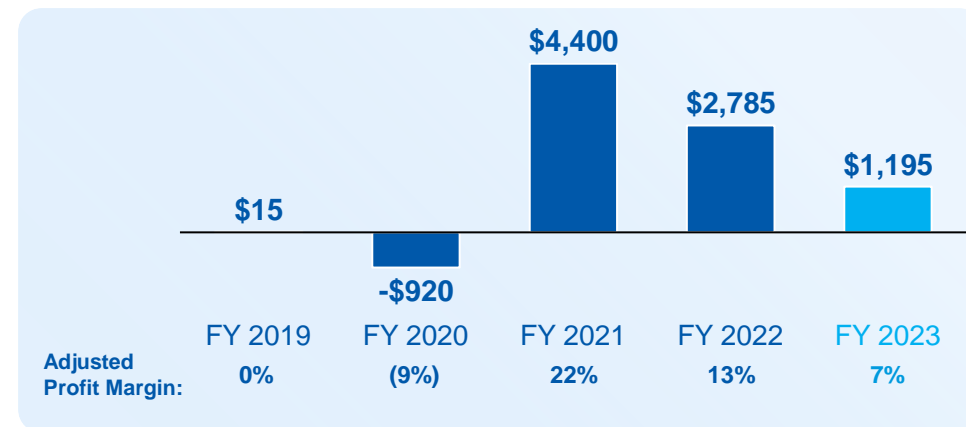
Reported Net Earnings (Loss)

\$ Millions



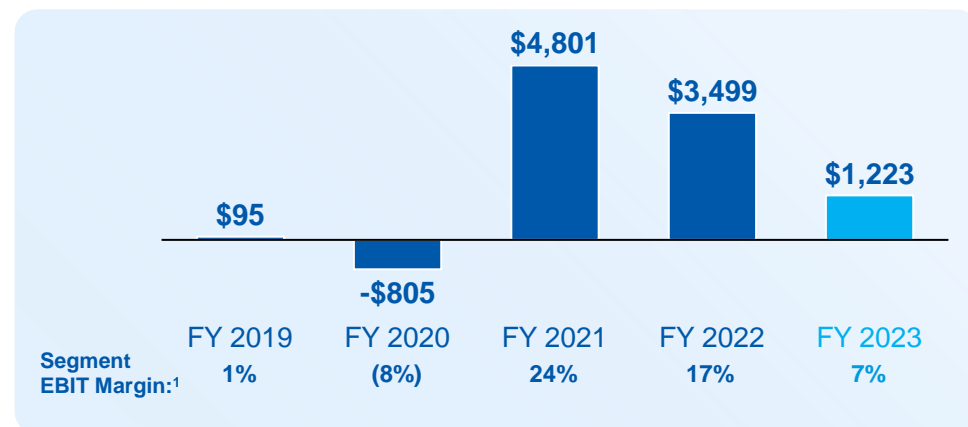
Adjusted Net Earnings (Loss)

\$ Millions



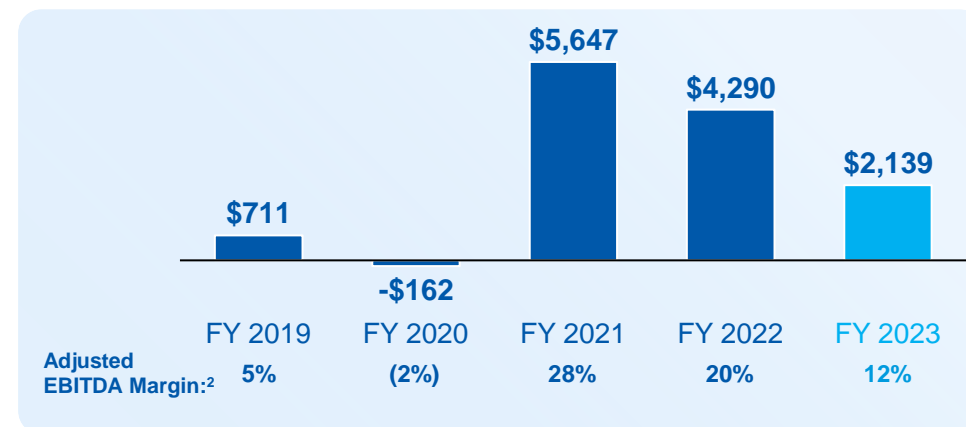
Segment EBIT¹

\$ Millions



Adjusted EBITDA²

\$ Millions



Note: For reconciliation of non-GAAP amounts, see Appendix.

¹ Earnings (loss) before interest and income taxes.

² Earnings (loss) before interest, income taxes, depreciation and amortization, and excluding adjustment items.

KEY OPERATING STATISTICS TRENDS BY SEGMENT

Flat-Rolled Operating Statistics

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Shipments: in 000s, net tons	1,885	2,278	2,235	2,159	2,034
Production: in 000s, net tons	1,952	2,393	2,529	2,390	2,087
Average Selling Price: \$/ net ton	\$1,086	\$1,012	\$1,088	\$1,036	\$978

Mini Mill Operating Statistics

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Shipments: in 000s, net tons	636	659	587	561	617
Production: in 000s, net tons	683	759	749	693	752
Average Selling Price: \$/ net ton	\$786	\$794	\$1,011	\$901	\$807

U. S. Steel Europe (USSE) Operating Statistics

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Shipments: in 000s, net tons	715	883	1,034	958	1,024
Production: in 000s, net tons	589	1,092	1,213	990	1,100
Average Selling Price: \$/ net ton	\$957	\$909	\$965	\$852	\$770

Tubular Operating Statistics

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Shipments: in 000s, net tons	133	131	111	104	132
Production: in 000s, net tons	137	171	129	111	157
Average Selling Price: \$/ net ton	\$3,616	\$3,757	\$3,493	\$2,927	\$2,390

KEY OPERATING STATISTICS TRENDS BY SEGMENT

Flat-Rolled Operating Statistics

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Shipments: in 000s, net tons	10,700	8,711	9,018	8,373	8,706
Production: in 000s, net tons	11,409	9,313	9,881	8,846	9,399
Average Selling Price: \$/ net ton	\$753	\$718	\$1,172	\$1,261	\$1,030

Mini Mill Operating Statistics

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Shipments: in 000s, net tons	-	-	2,230	2,287	2,424
Production: in 000s, net tons	-	-	2,688	2,650	2,953
Average Selling Price: \$/ net ton	-	-	\$1,314	\$1,134	\$875

U. S. Steel Europe (USSE) Operating Statistics

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Shipments: in 000s, net tons	3,590	3,041	4,302	3,759	3,899
Production: in 000s, net tons	3,903	3,366	4,931	3,839	4,395
Average Selling Price: \$/ net ton	\$652	\$626	\$966	\$1,090	\$873

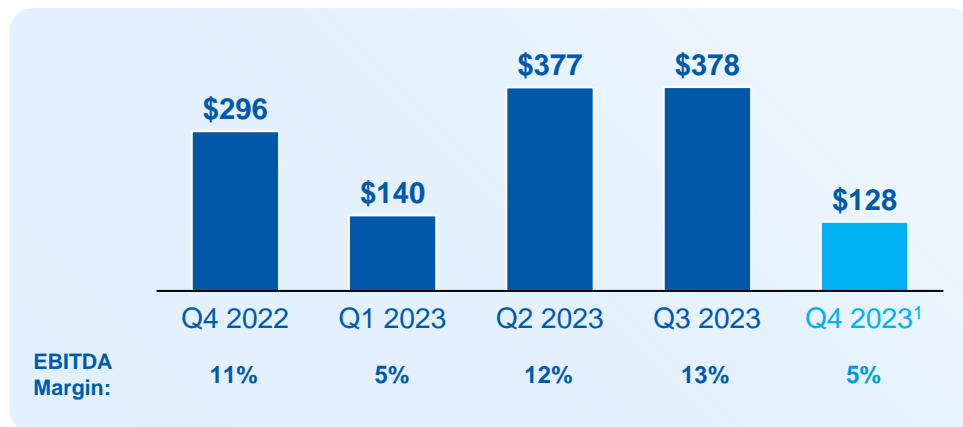
Tubular Operating Statistics

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Shipments: in 000s, net tons	769	464	444	523	478
Production: in 000s, net tons	-	16	464	634	568
Average Selling Price: \$/ net ton	\$1,450	\$1,271	\$1,696	\$2,978	\$3,137

EBITDA TRENDS BY SEGMENT

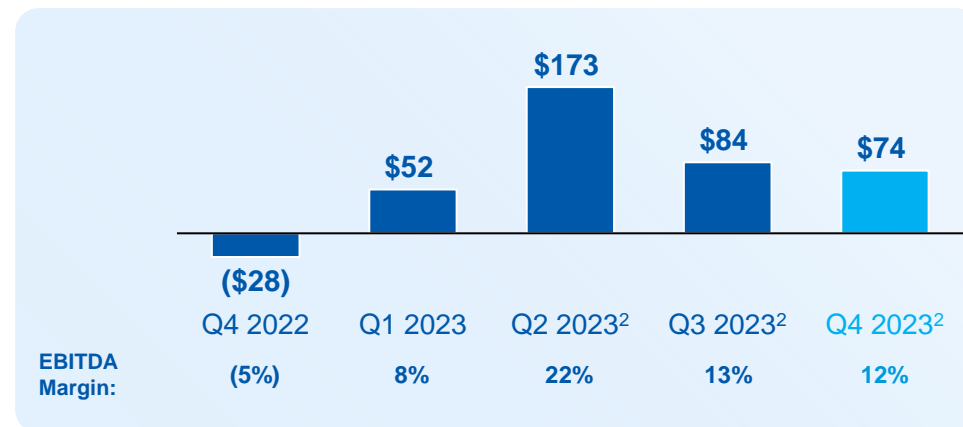
Flat-Rolled Segment EBITDA

\$ Millions



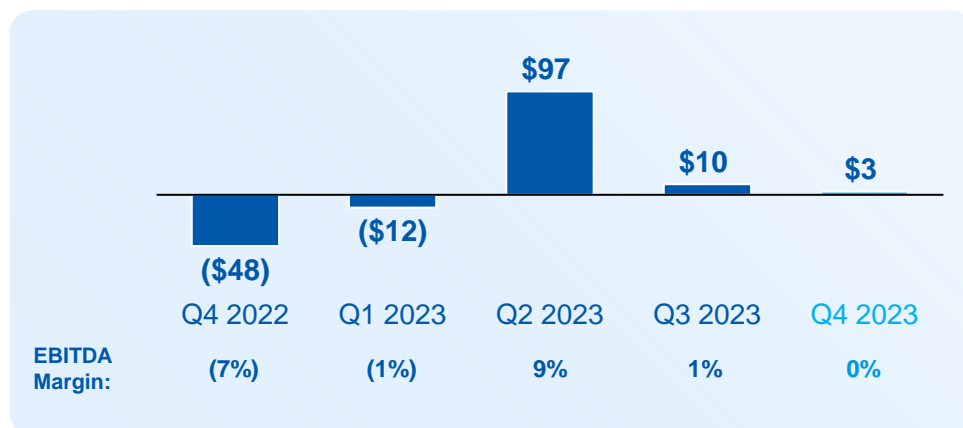
Mini Mill Segment EBITDA

\$ Millions



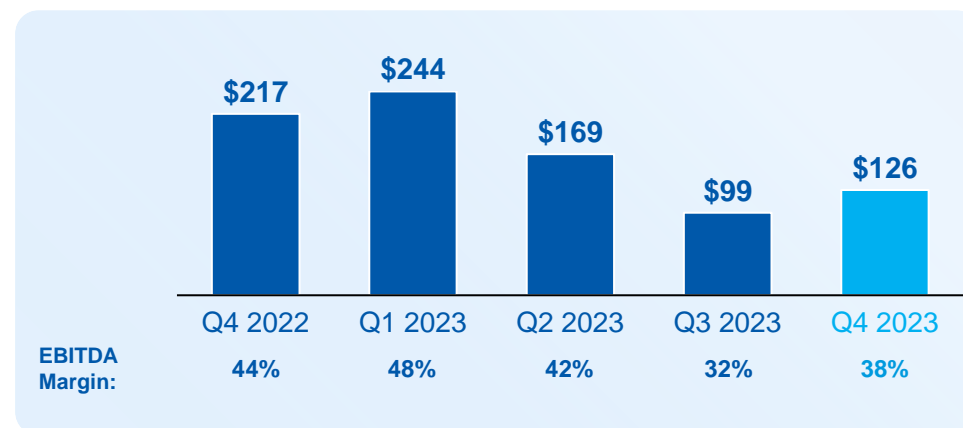
USSE Segment EBITDA

\$ Millions



Tubular Segment EBITDA

\$ Millions



Note: For reconciliation of non-GAAP amounts, see Appendix.

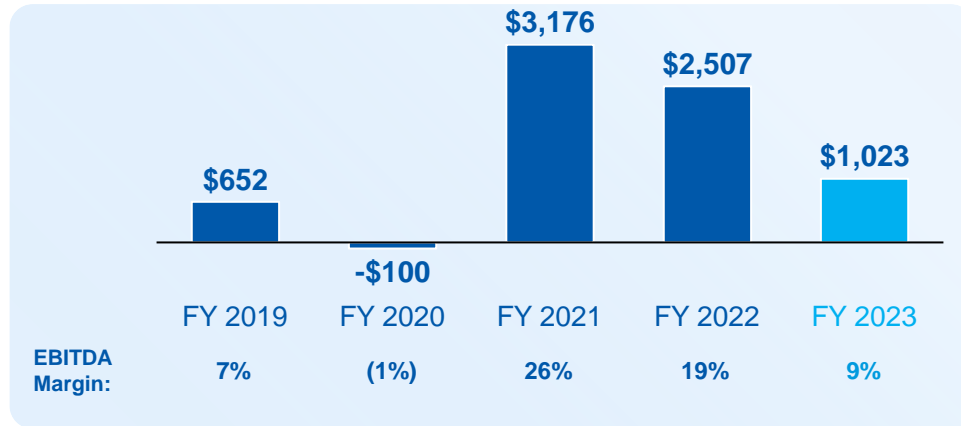
¹ Q4 2023 North American Flat-Rolled segment includes the impact of construction and related start-up costs of approximately \$10 million.

² 2023 Mini Mill segment EBITDA includes the impact of construction and related start-up costs of \$12M in Q2, \$17M in Q3 and \$12M in Q4.

EBITDA TRENDS BY SEGMENT

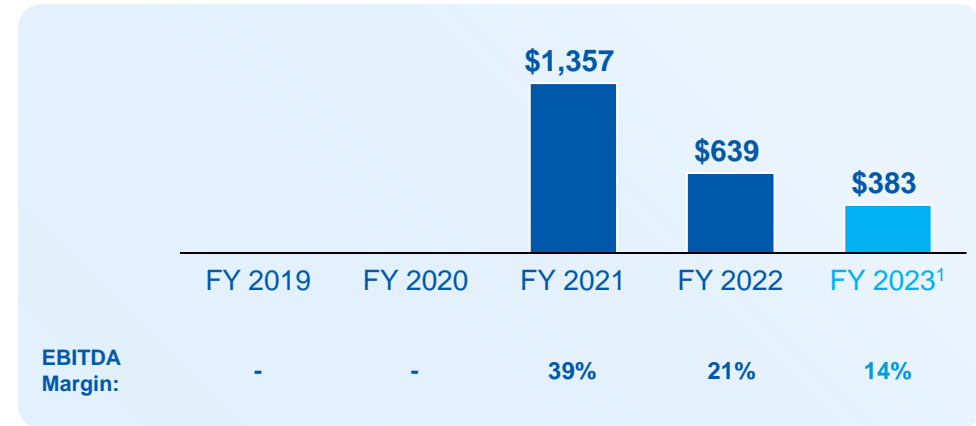
Flat-Rolled Segment EBITDA

\$ Millions



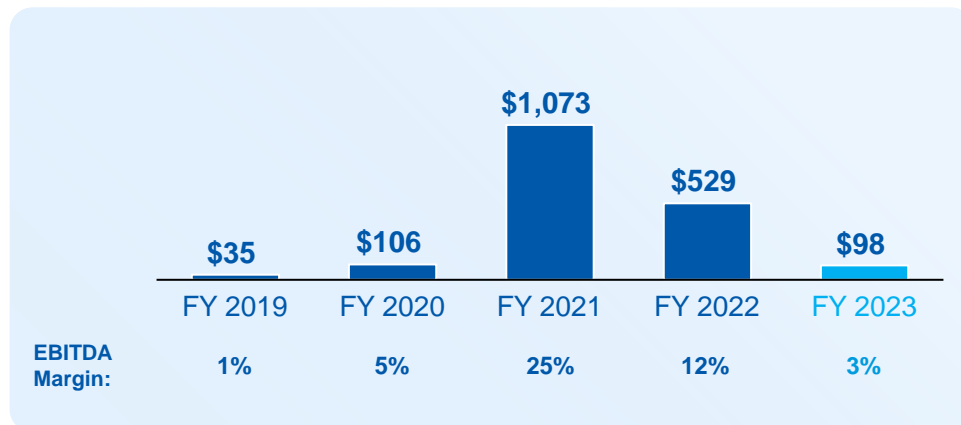
Mini Mill Segment EBITDA

\$ Millions



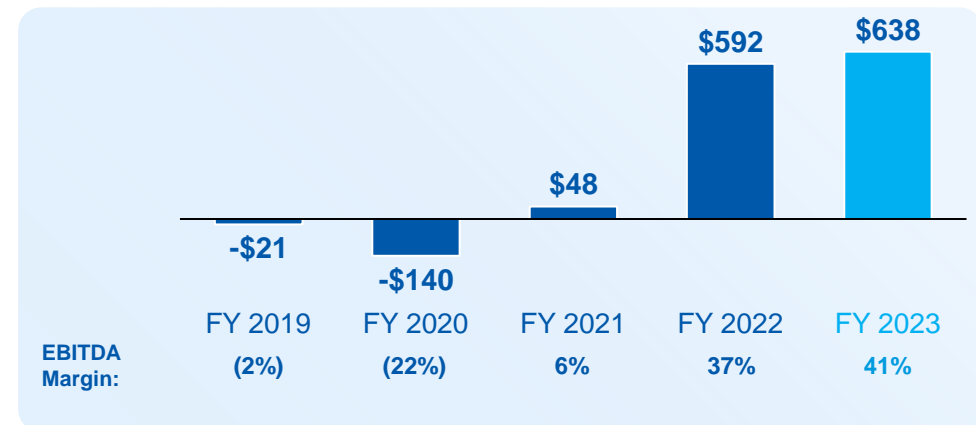
USSE Segment EBITDA

\$ Millions



Tubular Segment EBITDA

\$ Millions



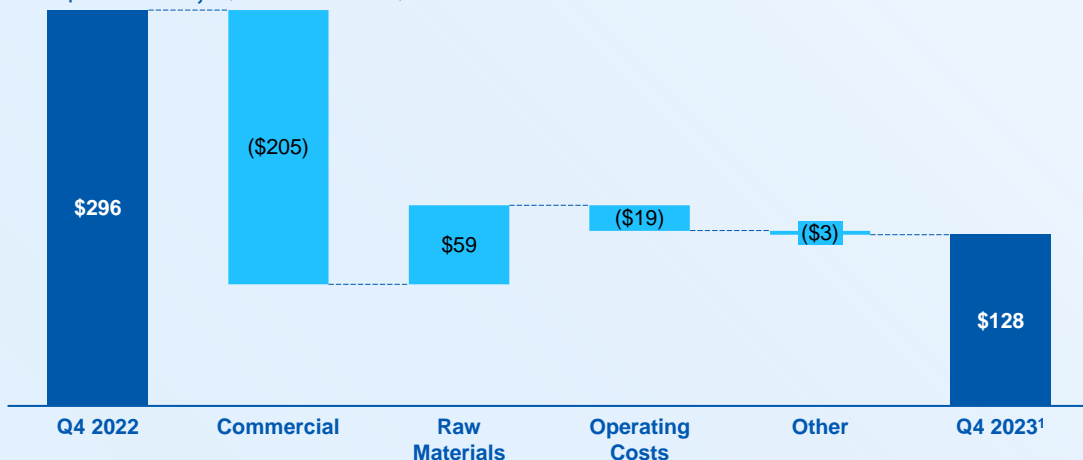
Note: For reconciliation of non-GAAP amounts, see Appendix.

¹ 2023 North American Flat-Rolled segment EBITDA includes the impact of approximately \$10 million in construction and related start-up costs.

² 2023 Mini Mill segment EBITDA includes the impact of approximately \$41 million in construction and related start-up costs.

FLAT-ROLLED SEGMENT EBITDA CHANGE ANALYSIS

\$ Millions, Q4 2022 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices, which was partially offset by higher realized volumes and a more profitable product mix.

Raw Materials

The favorable impact is primarily the result of inventory revaluation, lower fuel usage, and optimized scrap mix, which was partially offset by higher raw material prices.

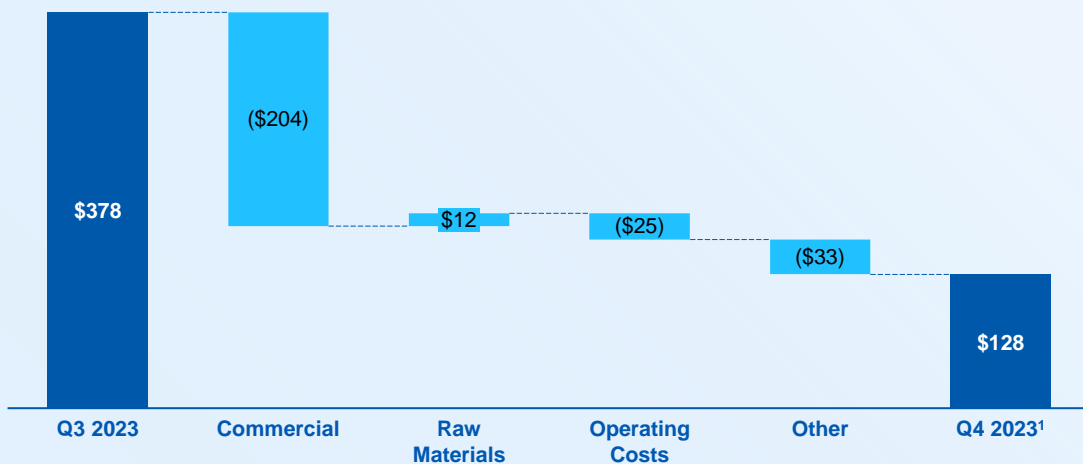
Operating Costs

The unfavorable impact is primarily the result of higher mining costs related to DR-grade pellet start-up and higher labor costs under the new CBA².

Other

The change is not material.

\$ Millions, Q3 2023 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices and lower volumes.

Raw Materials

The favorable impact is primarily the result of inventory revaluation impacts and lower alloy costs, which was partially offset by inventory adjustments.

Operating Costs

The unfavorable impact is primarily the result of planned outages and higher labor costs under the new CBA².

Other

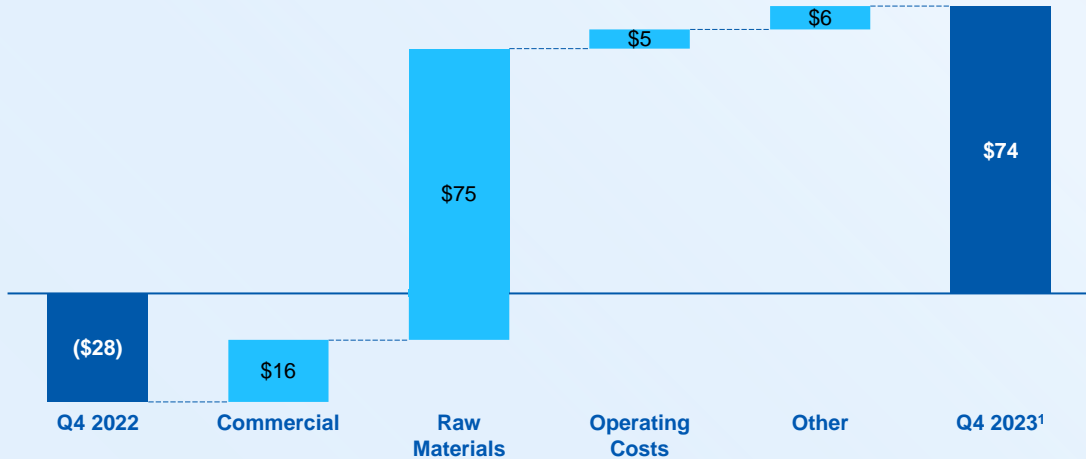
The unfavorable impact is primarily the result of UPI idling, reduced joint venture income, and higher energy costs, which was partially offset by lower profit-based payments.

¹ Q4 2023 North American Flat-Rolled segment includes the impact of construction and related start-up costs of approximately \$10 million.

² CBA = Collective bargaining agreements.

MINI MILL SEGMENT EBITDA CHANGE ANALYSIS

\$ Millions, Q4 2022 vs. Q4 2023



Commercial

The favorable impact is primarily the result of higher average realized prices.

Raw Materials

The favorable impact is primarily the result of lower metallics costs.

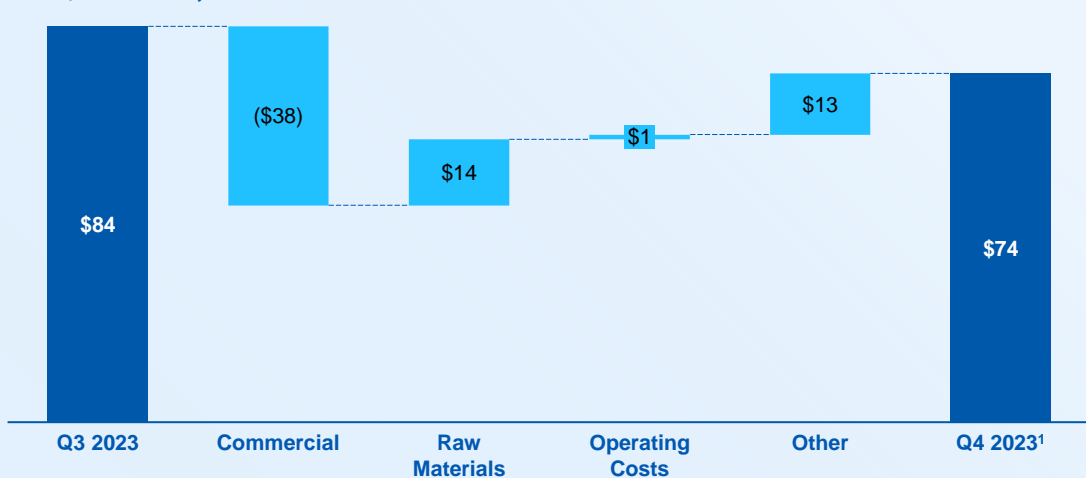
Operating Costs

The favorable impact is primarily the result of lower spending and labor costs.

Other

The favorable impact is primarily the result of hedging activity.

\$ Millions, Q3 2023 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices which was partially offset by higher shipment volumes.

Raw Materials

The favorable impact is primarily the result of lower metallics costs.

Operating Costs

The change is not material.

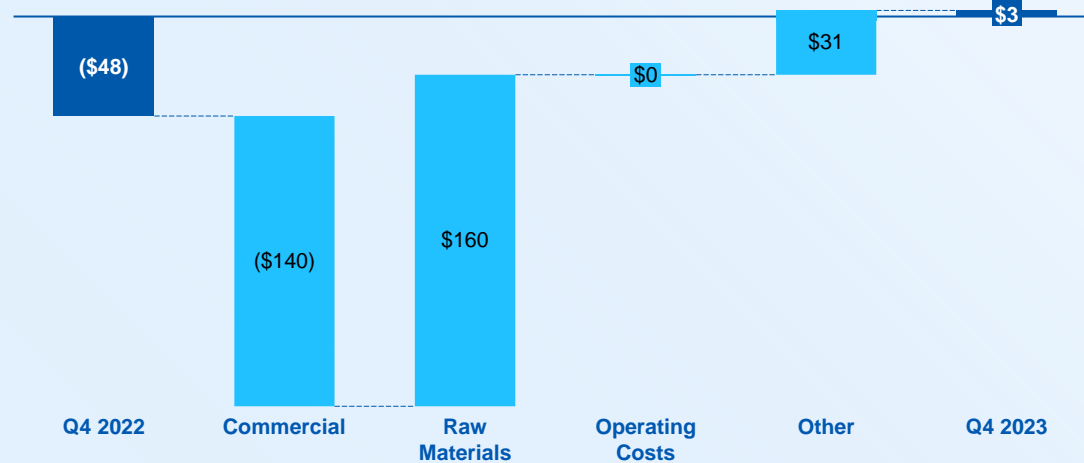
Other

The favorable impact is primarily the result of hedging activity and lower outside service costs.

¹ Q4 and Q3 2023 Mini Mill segment EBITDA includes the impact of \$12 million and \$17 million in construction and related start-up costs, respectively.

U. S. STEEL EUROPE SEGMENT EBITDA CHANGE ANALYSIS

\$ Millions, Q4 2022 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices, which was partially offset by labor and spending efficiencies due to higher shipments.

Raw Materials

The favorable impact is primarily the result of lower iron ore, scrap and alloy costs.

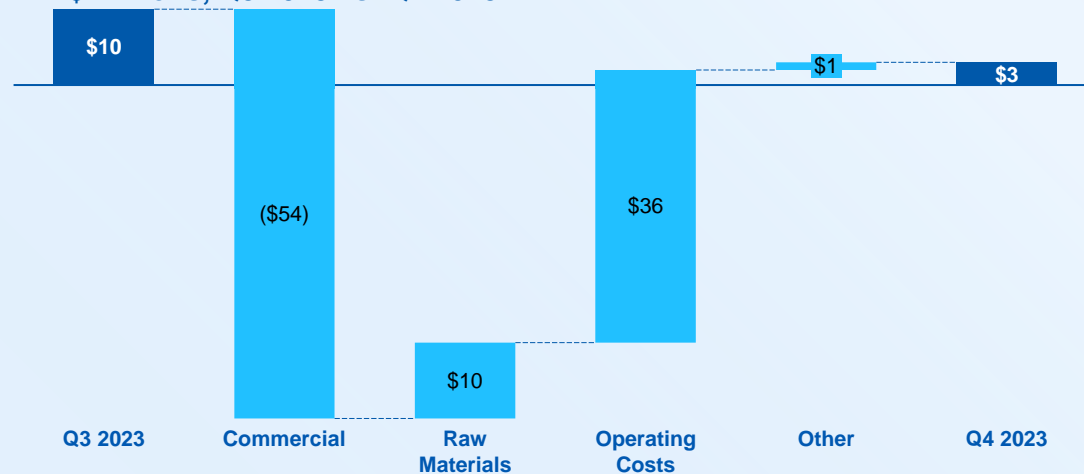
Operating Costs

No change.

Other

The favorable impact is primarily the result of the strengthening of the Euro vs. the U.S. dollar and lower energy costs.

\$ Millions, Q3 2023 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices and product mix, which was partially offset by labor and spending efficiencies from higher shipments.

Raw Materials

The favorable impact is primarily the result of lower iron ore and coal costs.

Operating Costs

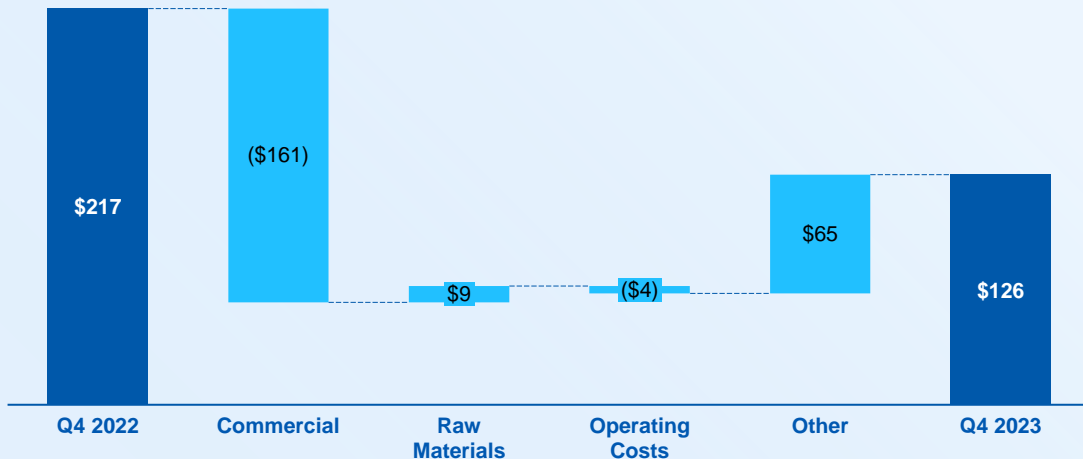
The favorable impact is primarily the result of decreased spending for planned maintenance outages.

Other

The change is not material.

TUBULAR SEGMENT EBITDA CHANGE ANALYSIS

\$ Millions, Q4 2022 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices.

Raw Materials

The favorable impact is primarily the result of lower scrap costs and higher yields.

Operating Costs

The change is not material.

Other

The favorable impact is primarily the result of lower United Steelworkers variable compensation.

\$ Millions, Q3 2023 vs. Q4 2023



Commercial

The unfavorable impact is primarily the result of lower average realized prices, which was partially offset by higher shipment volumes.

Raw Materials

The favorable impact is primarily the result of higher yields and lower scrap costs.

Operating Costs

The favorable impact is primarily the result of the absence of spending and labor costs associated with a planned outage in Q3.

Other

The favorable impact is primarily the result of lower United Steelworkers variable compensation.

GLOBAL OPERATING FOOTPRINT

		Operating	Indefinitely Idled	Temporarily Idled	Idled	Total Capability ¹	
NORTH AMERICAN FLAT-ROLLED	DR-grade pellets ²	Keetac			-	4.0	
	Iron Ore Pellets ²	Minntac		Keetac	-	22.4 ³	
	Cokemaking	Clairton			-	3.6	
	Pig Iron	Gary			-	0.5	
	Gary	BF #4	BF #6	BF #8	BF #14	-	7.5
	Granite City	BF 'A'		BF 'B'		2.8	2.8
	Mon Valley	BF #1		BF #3		-	2.9
MINI MILL	Big River Steel	EAF #1		EAF #2	-	3.3	
EUROPE	Košice	BF #1	BF #2	BF #3	-	5.0	
TUBULAR	Fairfield	EAF Steelmaking / Seamless Pipe			-	0.90	
	Lorain	Seamless Pipe			0.38	0.38	
	Lone Star	#1 ERW		#2 ERW	0.79	0.79	

¹ Raw steel capability, except at Minntac and Keetac (DR-grade / iron ore pellet capability), Clairton (coke capability), Gary pig (pig iron) Lorain, and Lone Star (pipe capability).

² Keetac's DR-grade pellets investment is ramping up in 2024. Keetac can flex its capacity to produce either 6 million tons of blast furnace iron ore pellets or 4 million tons of DR-grade pellets.

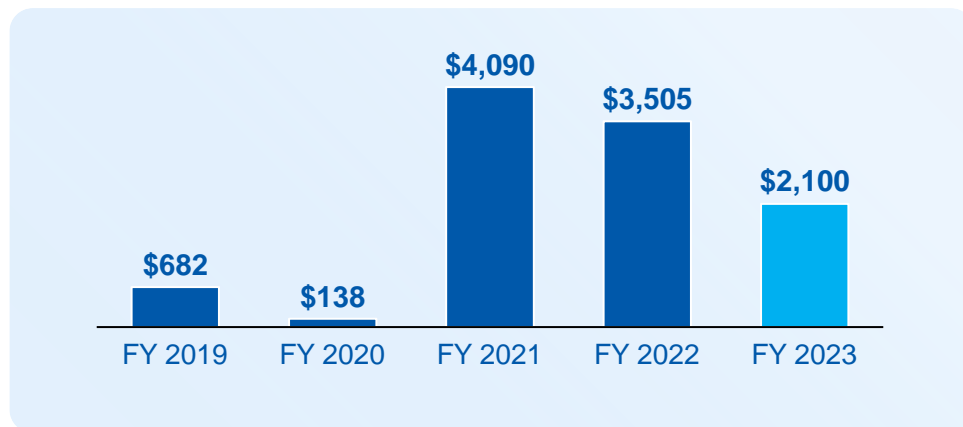
³ If Keetac produces 4 million tons of DR-grade pellets and zero tons of blast furnace iron ore pellets, total iron ore production capacity would be 16.4 million.

All amounts shown are in millions.

CASH AND LIQUIDITY

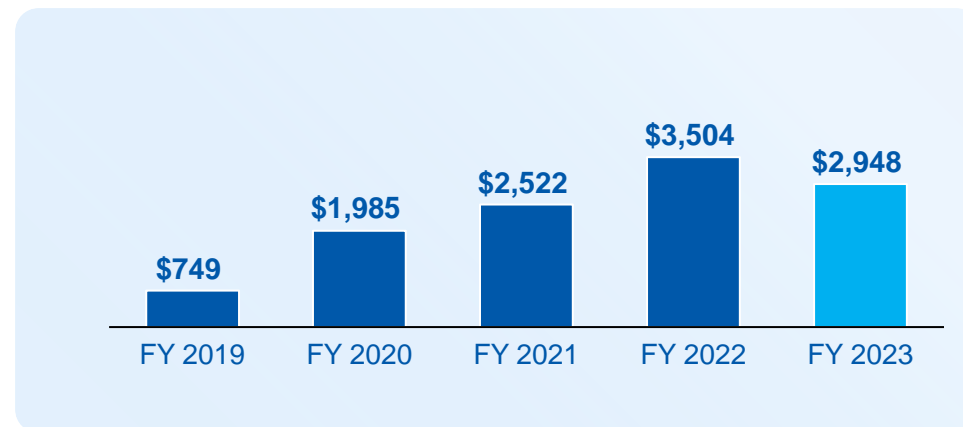
Cash from Operations

\$ Millions



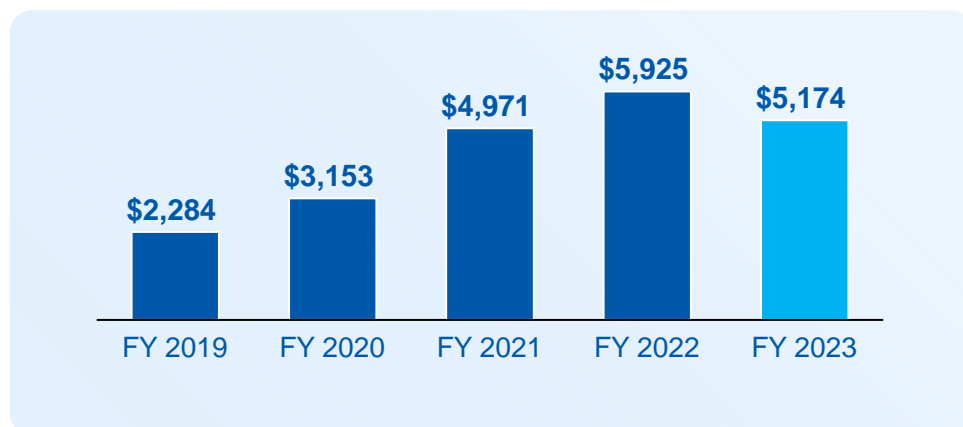
Cash and Cash Equivalents

\$ Millions



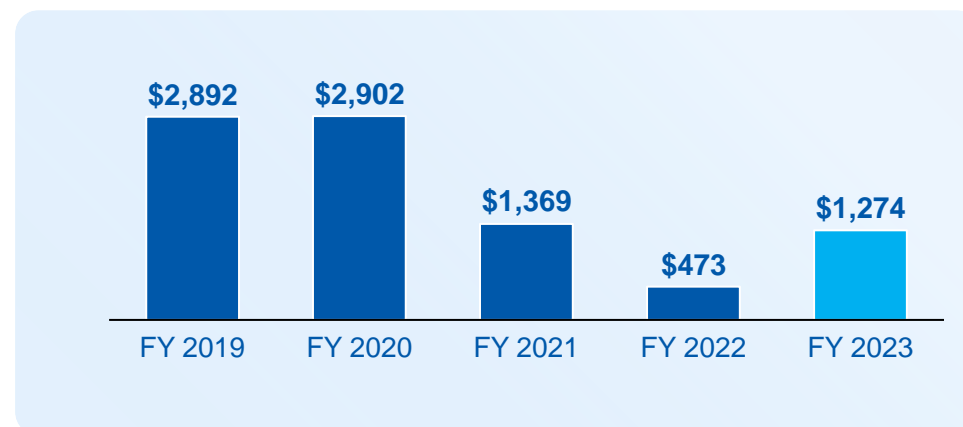
Total Estimated Liquidity

\$ Millions

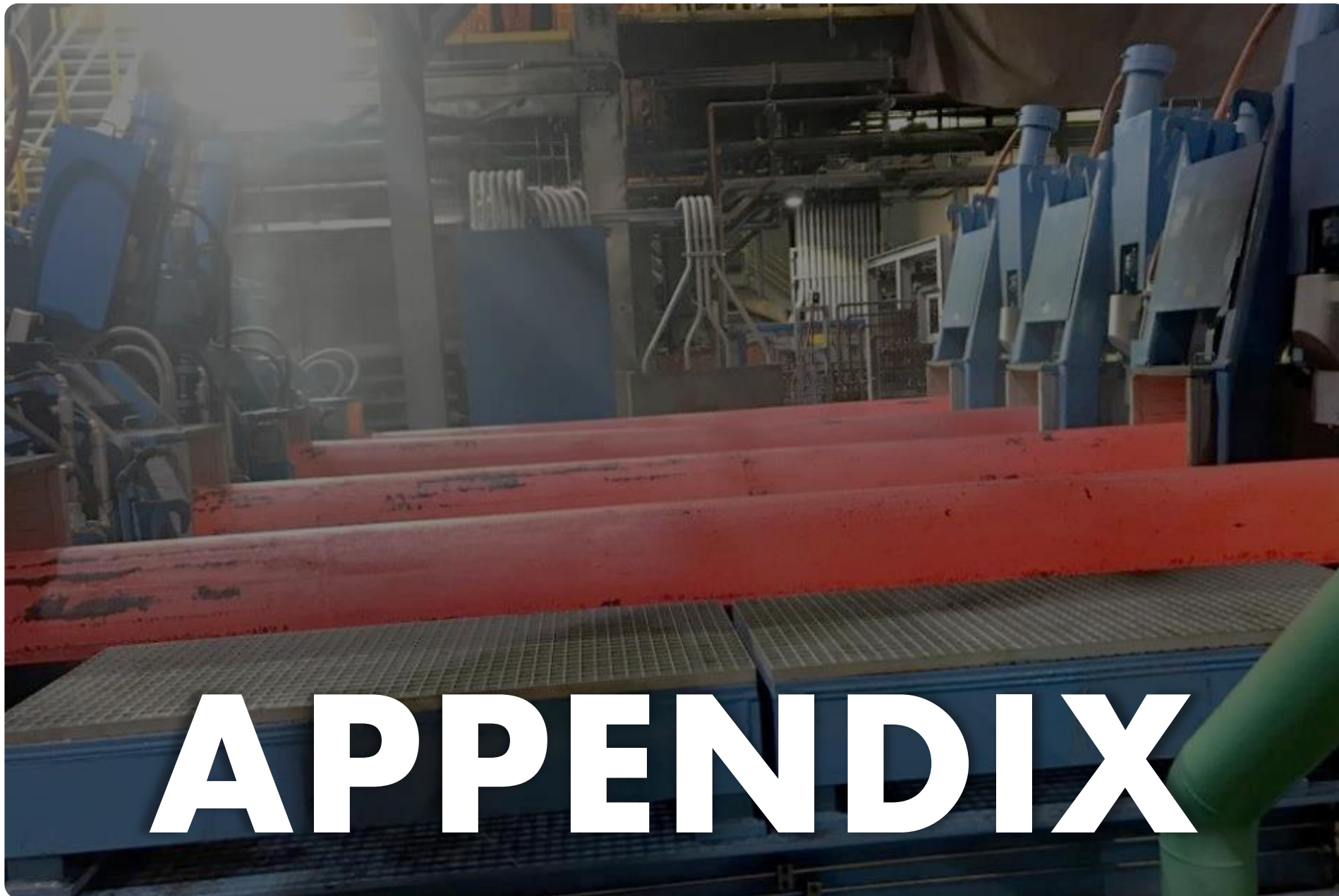


Net Debt

\$ Millions



Note: For reconciliation of non-GAAP amounts, see Appendix.

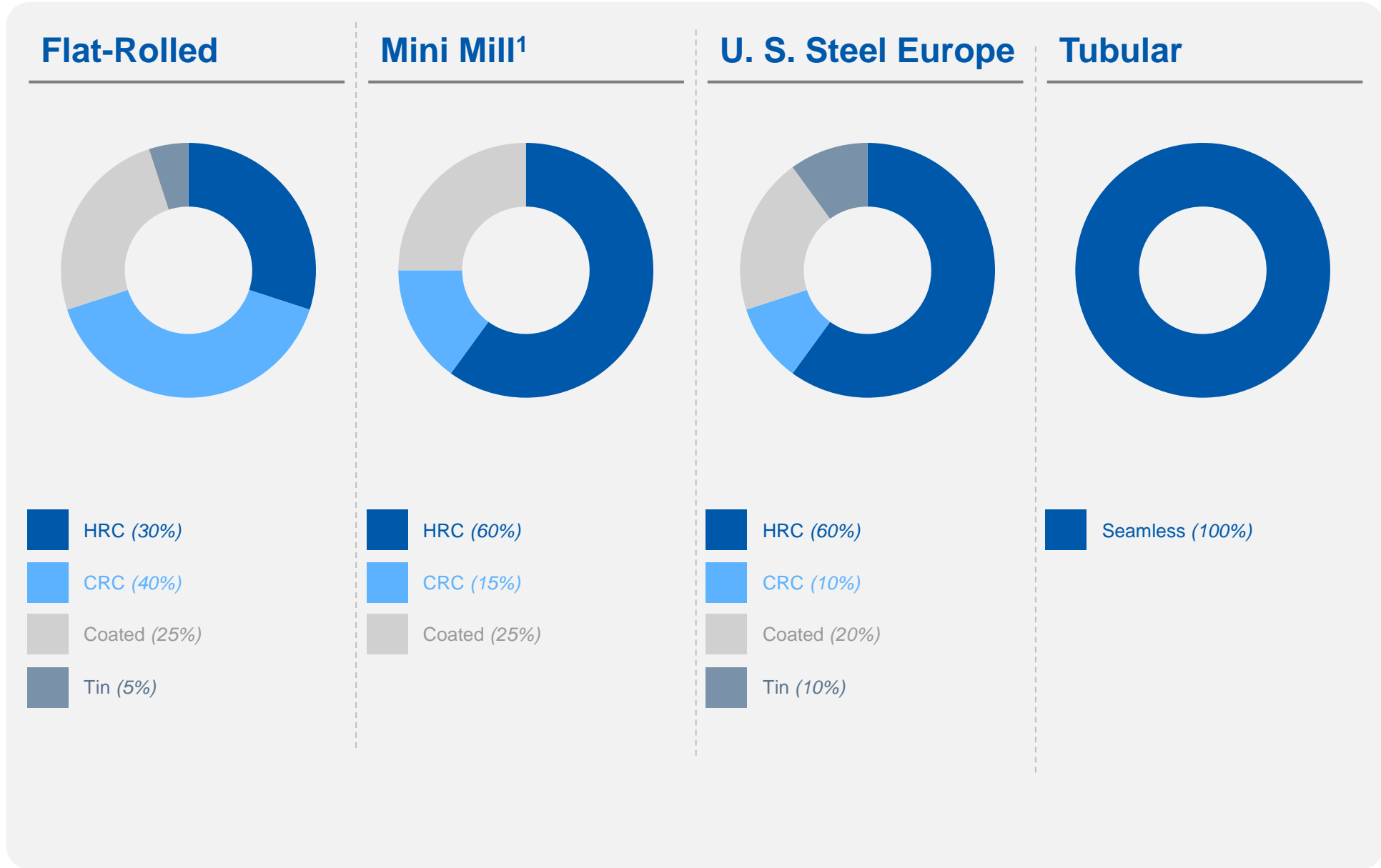


APPENDIX



SUPPLEMENTAL INFORMATION

2023 Shipments by product mix

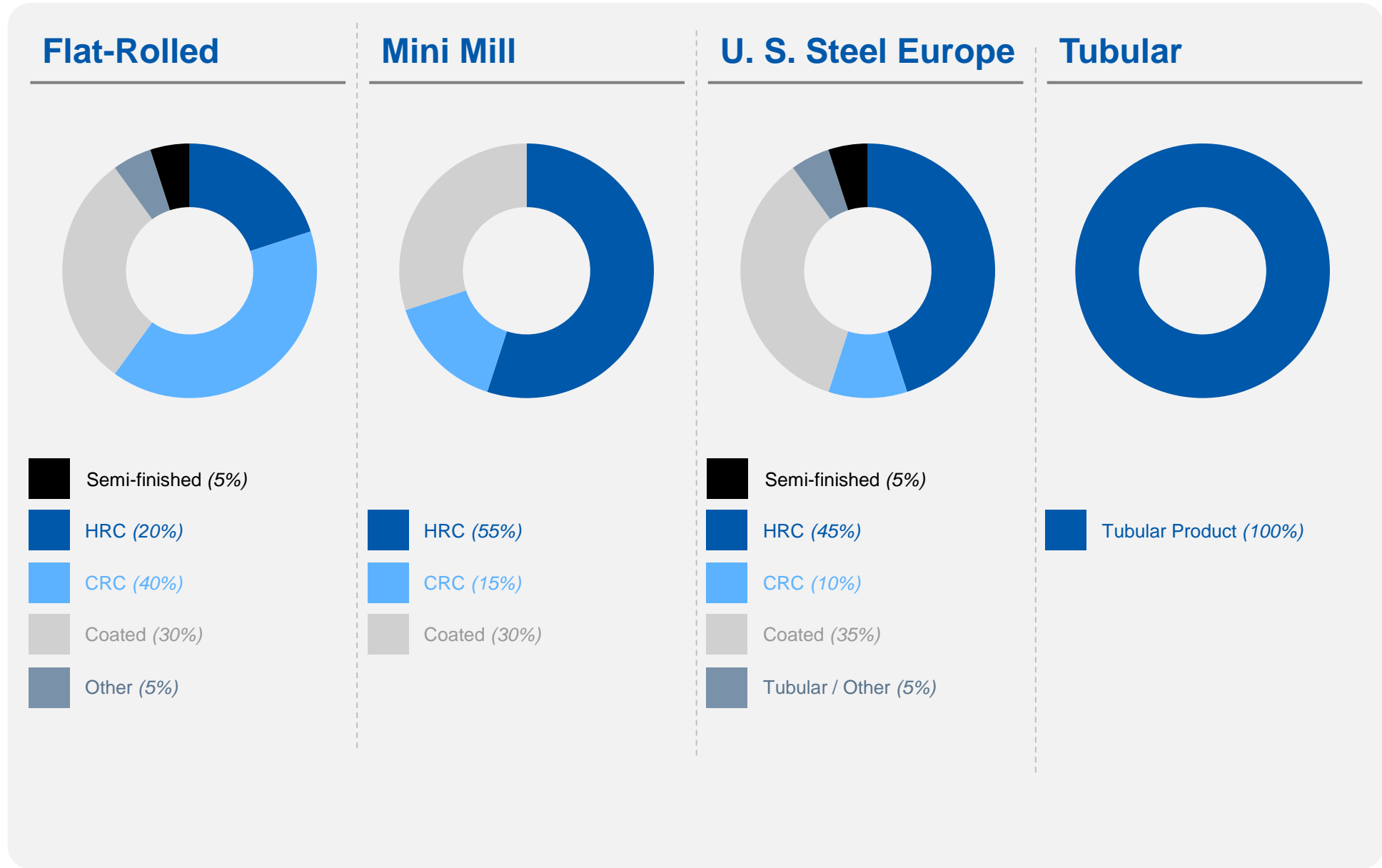


¹ Mini Mill segment product mix, once Big River 2 (BR2) is fully ramped by 2026, is expected to be ~40% hot rolled coil (HRC) / ~15% cold rolled coil (CRC) / ~40% Coated / ~5% Non-grain oriented electrical steel.



SUPPLEMENTAL INFORMATION

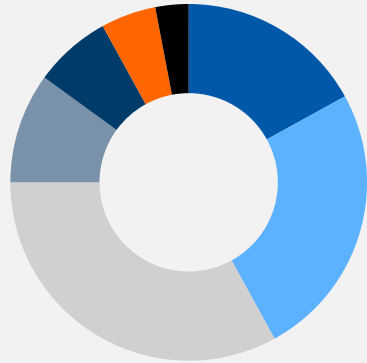
2023 Revenue by product mix





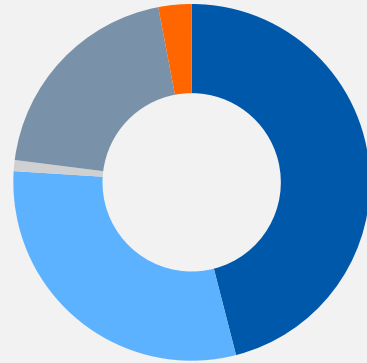
2023 Shipments by major market

Flat-Rolled



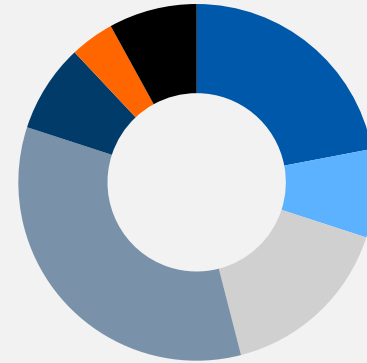
- Service Centers (17%)
- Converters (25%)
- Auto (33%)
- Construction (10%)
- Packaging (7%)
- Appliance & Electrical (5%)
- Other (3%)

Mini Mill



- Service Centers (46%)
- Converters (30%)
- Auto (1%)
- Construction (20%)
- Appliance & Electrical (3%)

U. S. Steel Europe



- Service Centers (22%)
- Converters (8%)
- Auto (16%)
- Construction (34%)
- Packaging (8%)
- Appliance & Electrical (4%)
- Other (8%)

Tubular



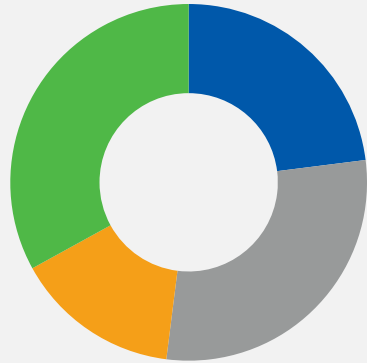
- Construction (6%)
- Oil & Gas (94%)



SUPPLEMENTAL INFORMATION

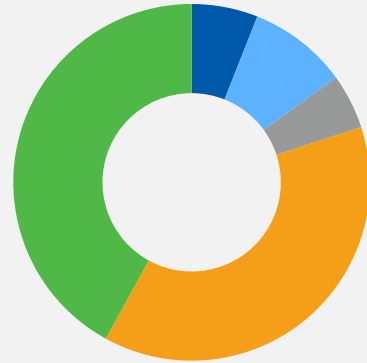
2023 Contract / spot mix by segment

Flat-Rolled



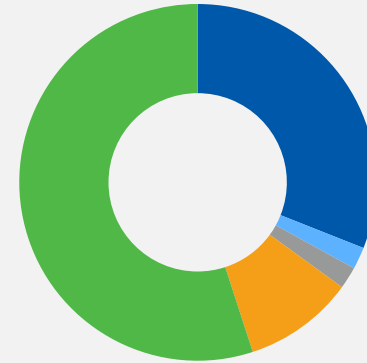
- Firm (23%)
- Market based quarterly (29%)
- Market based monthly (15%)
- Spot (33%)

Mini Mill



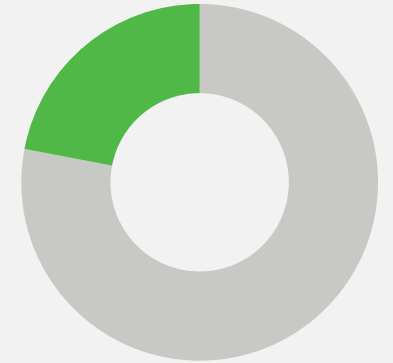
- Firm (6%)
- Cost based (9%)
- Market based quarterly (5%)
- Market based monthly (38%)
- Spot (42%)

U. S. Steel Europe



- Firm (31%)
- Cost based (2%)
- Market based quarterly (2%)
- Market based monthly (10%)
- Spot (55%)

Tubular

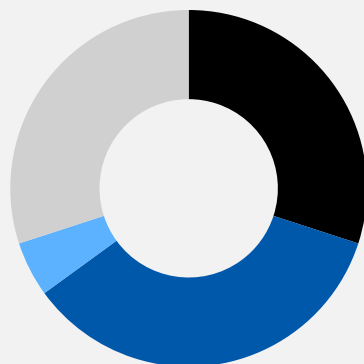


- Program (78%)
- Spot (22%)

Note: Excludes intersegment shipments.

Cost structure: Blast furnace steelmaking *illustrative*

Raw Material Costs¹



Iron ore (~30%)

Coke (~35%)

Natural Gas (~5%)

Scrap (~30%)

Key Inputs

Ratio¹

Pricing Convention

Iron ore

1.3 tons of pellets / ton of raw steel
x raw steel volume (million tons)
x iron ore price assumption (\$/nt)

NAFR: Vertically integrated
USSE: Prices determined in long-term contracts with strategic suppliers or as spot prices negotiated monthly or quarterly

Coke

1.4 tons of met coal / ton of coke
x met coal price assumption (\$/nt)
+ \$75 - \$100 / ton conversion cost
x 0.3 ton of coke / ton of raw steel

NAFR: Primarily annual met coal contracts
USSE: Prices for European met coal contracts negotiated quarterly, annually or determined as index-based prices.

Scrap

0.3 tons of scrap / ton of raw steel
x raw steel volume (million tons)
x scrap price assumption (\$/nt)

NAFR & USSE: 60% generated internally; 40% purchased at market prices

Natural Gas²

6 mmbtus of nat gas / ton of raw steel
x raw steel volume (million tons)
x nat gas price assumption (\$/nt)

NAFR: 70% based on bids solicited monthly from various vendors; remainder daily or with term agreements
USSE: Based on bids solicited primarily on a quarterly or monthly basis, remainder balanced on a daily basis

Labor

2 hours labor / ton of raw steel
x raw steel volume (million tons)
x hourly labor rate (\$/hr)

Union-represented workforce

Other Variable Costs

Miscellaneous: includes maintenance and services, tool, other fuel and energy, and alloy costs

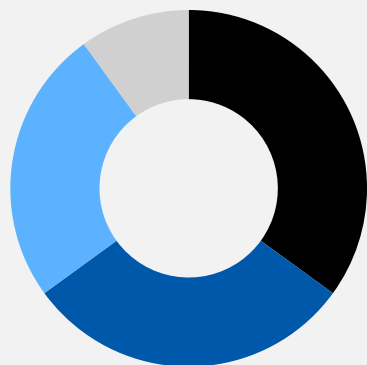
~\$150 - \$300 / ton dependent on level of raw steel pricing, product mix, and maintenance activity
USSE: Includes CO₂ costs

¹ Raw material costs and ratios assume a blast furnace within the North American flat-rolled segment.

² 6 mmbtus per ton of raw steel production; 4 mmbtus per ton consumed for further process (primarily at the hot strip mill).

Cost structure: Electric arc furnace steelmaking *illustrative*

Raw Material Costs



- Obsolete Scrap (~35%)
- Prime Scrap (~30%)
- Pig Iron (~25%)
- HBI / DRI (~10%)

Key Inputs

Ratio

Pricing Convention

Scrap

0.8 tons of scrap / ton of raw steel
x raw steel volume (million tons)
x scrap price assumption (\$/nt)

Volumes secured annually; priced on a monthly or quarterly basis

Pig Iron

0.3 tons of pig iron / ton of raw steel
x raw steel volume (million tons)
x pig iron price assumption (\$/nt)

Internal pig iron transferred from the N. American Flat-rolled segment at a discounted market rate; 3rd party pig volumes secured annually; priced on a monthly or quarterly basis

HBI

0.1 tons of HBI / ton of raw steel
x raw steel volume (million tons)
x HBI price assumption (\$/nt)

Volumes secured annually; priced on a monthly or quarterly basis based on a blended basket of external HBI production inputs and HBI/DRI substitutes

Electricity

0.6 MKWH of electricity / ton of raw steel
x raw steel volume (million tons)
x electricity price assumption (\$/nt)

Volume-discounted negotiated base price; adjusted quarterly based on regional electricity price fluctuations

Labor

0.14 hours labor / ton of raw steel
x raw steel volume (million tons)
x hourly labor rate (\$/hr)

Non-union workforce

RECONCILIATION TABLE

Segment EBITDA

Flat-Rolled (\$ millions)	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Segment earnings (loss) before interest and income taxes	\$171	(\$7)	\$231	\$225	(\$31)
Depreciation	125	147	146	153	159
Flat-Rolled Segment EBITDA	\$296	\$140	\$377	\$378	\$128
<i>Segment EBIT Margin¹</i>	6%	(0%)	8%	8%	(1%)
<i>Segment EBITDA Margin¹</i>	11%	5%	12%	13%	5%
Mini Mill (\$ millions)	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Segment earnings (loss) before interest and income taxes	(\$68)	\$12	\$132	\$42	\$29
Depreciation	40	40	41	42	45
Mini Mill Segment EBITDA	(\$28)	\$52	\$173	\$84	\$74
<i>Segment EBIT Margin¹</i>	(12%)	2%	17%	6%	5%
<i>Segment EBITDA Margin¹</i>	(5%)	8%	22%	13%	12%
U. S. Steel Europe (\$ millions)	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Segment earnings (loss) before interest and income taxes	(\$68)	(\$34)	\$72	(\$13)	(\$21)
Depreciation	20	22	25	23	24
U. S. Steel Europe Segment EBITDA	(\$48)	(\$12)	\$97	\$10	\$3
<i>Segment EBIT Margin¹</i>	(9%)	(4%)	7%	(2%)	(3%)
<i>Segment EBITDA Margin¹</i>	(7%)	(1%)	9%	1%	0%
Tubular (\$ millions)	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Segment earnings (loss) before interest and income taxes	\$205	\$232	\$157	\$87	\$113
Depreciation	12	12	12	12	13
Tubular Segment EBITDA	\$217	\$244	\$169	\$99	\$126
<i>Segment EBIT Margin¹</i>	41%	46%	39%	28%	34%
<i>Segment EBITDA Margin¹</i>	44%	48%	42%	32%	38%
Other (\$ millions)	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Segment earnings (loss) before interest and income taxes	\$6	\$3	(\$12)	\$7	(\$1)
Depreciation	0	0	0	0	0
Other Segment EBITDA	\$6	\$3	(\$12)	\$7	(\$1)

¹ The segment EBIT and segment EBITDA margins represent EBIT or EBITDA divided by net sales.

RECONCILIATION TABLE

Annual
Segment
EBITDA

Flat-Rolled (\$ millions)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Segment earnings (loss) before interest and income taxes	\$196	(\$596)	\$2,685	\$2,008	\$418
Depreciation	456	496	491	499	605
Flat-Rolled Segment EBITDA	\$652	(\$100)	\$3,176	\$2,507	\$1,023
Mini Mill (\$ millions)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Segment earnings (loss) before interest and income taxes	-	-	\$1,206	\$481	\$215
Depreciation	-	-	151	158	168
Mini Mill Segment EBITDA	-	-	\$1,357	\$639	\$383
U. S. Steel Europe (\$ millions)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Segment earnings (loss) before interest and income taxes	(\$57)	\$9	\$975	\$444	\$4
Depreciation	92	97	98	85	94
U. S. Steel Europe Segment EBITDA	\$35	\$106	\$1,073	\$529	\$98
Tubular (\$ millions)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Segment earnings (loss) before interest and income taxes	(\$67)	(\$179)	\$1	\$544	\$589
Depreciation	46	39	47	48	49
Tubular Segment EBITDA	(\$21)	(\$140)	\$48	\$592	\$638
Other (\$ millions)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Segment earnings (loss) before interest and income taxes	\$23	(\$39)	(\$11)	\$22	(\$3)
Depreciation	22	11	4	1	0
Other Segment EBITDA	\$45	(\$28)	(\$7)	\$23	(\$3)

Big River Steel LLC¹ Summary Table

Income Statement \$ Millions	Q4 2023
Customer Sales	\$523M
Intersegment Sales	\$76M
Net Sales	\$599M
EBIT ²	\$38M
<hr/>	
Balance Sheet	
Cash and cash equivalents	\$142M
Total Assets	\$3,563M
2029 Senior secured notes	\$720M
Environmental revenue bonds	\$752M
Financial leases and all other obligations	\$22M
Fair value step up ³	\$111M
Total Debt ³	\$1,605M
<hr/>	
Cash Flow	
Depreciation and Amortization	\$40M
Capital Expenditures ⁴	\$64M

¹ Unless otherwise noted, amounts shown are reflected in Big River Steel LLC, the operating unit of the Big River Steel companies that reside within the Mini Mill segment.

² Earnings before interest and income taxes.

³ The debt amounts reflect aggregate principal amounts. The fair value step up represents the excess of fair value over book value when Big River Steel was purchased. The fair value step-up is recorded in Big River Steel Holdings LLC. The fair value step up is shown as it is related to the debt amounts in Big River Steel LLC.

⁴ Excludes capital expenditures for BR2 and air separation unit.

Net Debt

Net Debt \$ millions	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023
Short-term debt and current maturities of long-term debt	\$14	\$192	\$28	\$63	\$142
Long-term debt, less unamortized discount and debt issuance costs	\$3,627	\$4,695	\$3,863	\$3,914	\$4,080
Total Debt	\$3,641	\$4,887	\$3,891	\$3,977	\$4,222
Less: Cash and cash equivalents	749	1,985	2,522	3,504	2,948
Net Debt	\$2,892	\$2,902	\$1,369	\$473	\$1,274

Free Cash Flow / Investable Free Cash Flow

Free Cash Flow / Investable Free Cash Flow \$ millions	Q1 2023	Q2 2023	Q3 2023	Q4 2023	YE 2023
Net cash provided by operating activities	\$181	\$713	\$817	\$389	\$2,100
Net cash used in investing activities	(738)	(612)	(585)	(633)	(2,568)
Free Cash Flow	(\$557)	\$101	\$232	(\$244)	(\$468)
Best for All Strategic capital expenditures	565	476	423	425	1,889
Investable Free Cash Flow	\$8	\$577	\$655	\$181	\$1,421

Free Cash Flow / Investable Free Cash Flow

Free Cash Flow / Investable Free Cash Flow \$ millions	2019	2020	2021	2022	2023
Net cash provided by operating activities	\$682	\$138	\$4,090	\$3,505	\$2,100
Net cash used in investing activities	(1,958)	(563)	(840)	(1,679)	(2,568)
Free Cash Flow	(\$1,276)	(\$425)	\$3,250	\$1,826	(\$468)
Best for All Strategic capital expenditures	-	-	215	1,175	1,889
Investable Free Cash Flow	(\$1,276)	(\$425)	\$3,465	\$3,001	\$1,421

Net Earnings

\$ Millions	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Reported net earnings attributable to U. S. Steel	\$174	\$199	\$477	\$299	(\$80)	\$2,524	\$895
Debt extinguishment	-	-	-	-	-	(2)	-
Asset impairment charges	6	4	-	-	123	163	127
Restructuring and other charges	(9)	1	2	18	15	48	36
Stock-based compensation expense ¹	12	11	12	14	14	57	51
VEBA asset surplus adjustment	-	(22)	(8)	(6)	(7)	-	(43)
Gains on assets sold and previously held investments	(6)	-	-	-	-	(6)	-
Pension de-risking	(3)	-	-	-	-	(3)	-
United Steelworkers labor agreement signing bonus and related costs ²	67	-	-	-	-	64	-
Environmental remediation charges	-	-	2	9	-	13	11
Strategic alternatives review process costs	-	-	-	16	63	-	79
Granite City idling costs	-	-	-	14	107	-	121
Other charges, net	13	1	-	1	10	11	12
Tax impact of adjusted items ³	(19)	1	(2)	(15)	(78)	(84)	(94)
Adjusted Net Earnings	\$235	\$195	\$483	\$350	\$167	\$2,785	\$1,195
<i>Net earnings (loss) margin⁴</i>	4%	4%	10%	7%	(2%)	12%	5%
<i>Adjusted net earnings margin⁴</i>	5%	4%	10%	8%	4%	13%	7%

¹ The prior year was retroactively adjusted to reflect the reclassification of stock-based compensation expense. The adjustment was \$9 million and \$43 million, net of taxes, for the three months ended December 31, 2022 and twelve months ended December 31, 2022, respectively.

² The 2022 Labor Agreements include retroactive wage increases. A charge of \$3 million pertaining to wages for the month of September 2022 was recognized during the three months ended December 31, 2022. This charge is included as an adjustment to net earnings for the three months ended December 31, 2022. However, this amount is not included as an adjustment to net earnings for the year ended December 31, 2022.

³ The tax impact of adjusted items in 2023 is calculated for U.S. domestic items using a blended tax rate of 24% and for USSE items 21%. The tax impact of adjusted items in 2022 is calculated for U.S. domestic items using a blended tax rate of 25% for Q1, Q2 and Q3 and 24% for Q4 and for USSE items 21%.

⁴ The net earnings and adjusted net earnings margins represent net earnings or adjusted net earnings divided by net sales.

Adjusted EBITDA

\$ Millions	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Reported net earnings attributable to U. S. Steel	\$174	\$199	\$477	\$299	(\$80)	\$2,524	\$895
Income tax expense	51	51	144	42	(85)	735	152
Net interest and other financial costs	(51)	(61)	(57)	(64)	(66)	(99)	(248)
Reported earning before interest and income taxes	\$174	\$189	\$564	\$277	(\$231)	\$3,160	\$799
Depreciation, depletion and amortization expense	197	221	224	230	241	791	916
EBITDA	\$371	\$410	\$788	\$507	\$10	\$3,951	\$1,715
Asset impairment charges	6	4	-	-	123	163	127
Restructuring and other charges	(9)	1	2	18	15	48	36
Losses (gains) on assets sold & previously held investments	(6)	-	-	-	-	(6)	-
Stock-based compensation expense ¹	12	11	12	14	14	57	51
United Steelworkers labor agreement signing bonus and related costs ²	67	-	-	-	-	64	-
Environmental remediation charges	-	-	2	9	-	13	11
Strategic alternatives review process costs	-	-	-	16	63	-	79
Granite City idling costs	-	-	-	14	107	-	121
Other charges, net	2	1	-	-	(2)	-	(1)
Adjusted EBITDA	\$443	\$427	\$804	\$578	\$330	\$4,290	\$2,139
<i>Net earnings margin³</i>	4%	4%	10%	7%	(2%)	12%	5%
<i>Reported EBIT margin³</i>	4%	4%	11%	6%	(6%)	15%	4%
<i>Adjusted EBITDA margin³</i>	10%	10%	16%	13%	8%	20%	12%

¹ The prior year was retroactively adjusted to reflect the reclassification of stock-based compensation expense.

² The 2022 Labor Agreements include retroactive wage increases. A charge of \$3 million pertaining to wages for the month of September 2022 was recognized during the three months ended December 31, 2022. This charge is included as an adjustment to net earnings for the three months ended December 31, 2022. However, this amount is not included as an adjustment to net earnings for the year ended December 31, 2022.

³ The net earnings, reported EBIT and adjusted EBITDA margins represent net earnings or EBITDA divided by net sales.

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United States Steel Corporation