



Third Quarter 2021

Earnings Call

David Burritt

President and Chief Executive Officer

Christie Breves

Senior Vice President and Chief Financial Officer

Rich Fruehauf

Senior Vice President, Chief Strategy
and Sustainability Officer

Kevin Lewis

Vice President, Investor Relations and
Corporate FP&A

October 29, 2021

Forward-looking statements



These slides are being provided to assist readers in understanding the results of operations, financial condition and cash flows of United States Steel Corporation as of and for the third quarter of 2021. They should be read in conjunction with the consolidated financial statements and Notes to the Consolidated Financial Statements contained in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

This release contains information that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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,” “will,” “may” and similar expressions or by using future dates in connection with any discussion of, among other things, financial performance, the construction or operation of new or existing facilities, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, changes in global supply and demand conditions and prices for our products, international trade duties and other aspects of international trade policy, the integration of Big River Steel in our existing business, business strategies related to the combined business and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that the Company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management 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. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in this report and in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References to “we,” “us,” “our,” the “Company,” and “U. S. Steel,” refer to United States Steel Corporation and its consolidated subsidiaries, references to “Big River Steel” refer to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context, and “Transtar” refers to Transtar LLC and its direct and indirect subsidiaries unless otherwise indicated by the context.



Explanation of use of non-GAAP measures



We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share, earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA) and adjusted EBITDA, 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 (loss), 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 (loss) and adjusted net earnings (loss) per diluted share are non-GAAP measures that exclude the effects of items that include: debt extinguishment, asset impairment, Big River Steel - inventory step-up amortization, Big River Steel - unrealized losses, Big River Steel - acquisition costs, restructuring and other charges, loss on USSE assets held for sale, gain on sale of Transtar, gain on previously held investment in Big River Steel, property sale, reversal of tax valuation allowance, Tubular inventory impairment, uncertain tax positions, gain on previously held investment in UPI, Big River Steel options and forward adjustments and December 24, 2018 Clairton coke making facility fire (Adjustment Items). Adjusted EBITDA is also a non-GAAP measure that excludes the effects of certain Adjustment Items. We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA 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 (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA as alternative measures of operating performance and not alternative measures of the Company's liquidity. U. S. Steel's management considers adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA 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 (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA provides insight into management's view and assessment of the Company's ongoing operating performance because management does not consider the adjusting items when evaluating the Company's financial performance. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA should not be considered a substitute for net earnings (loss), earnings (loss) per diluted share or other financial measures as computed in accordance with U.S. GAAP and is not necessarily comparable to similarly titled measures used by other companies. 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.



-  **Delivering** a quarter of records
-  **Driving** significant progress in 2021
-  **Returning** capital to stockholders

Continued progress towards Best for AllSM



CURRENT LANDSCAPE

Continuing record performance in 2021 and bullish for 2022



CHALLENGES WE FACE

Transitioning to less capital and carbon intensive business model while becoming the best steel competitor



SOLUTION

- ✓ More balanced capital allocation strategy
- ✓ Mini mill #2
- ✓ NGO electrical steel line at Big River Steel
- ✓ Coating line at Big River Steel



PATH FORWARD

Delivering on Best for All

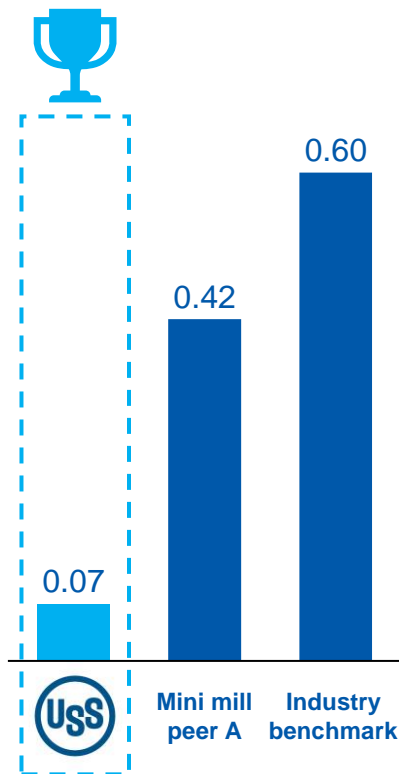


Third quarter 2021 highlights

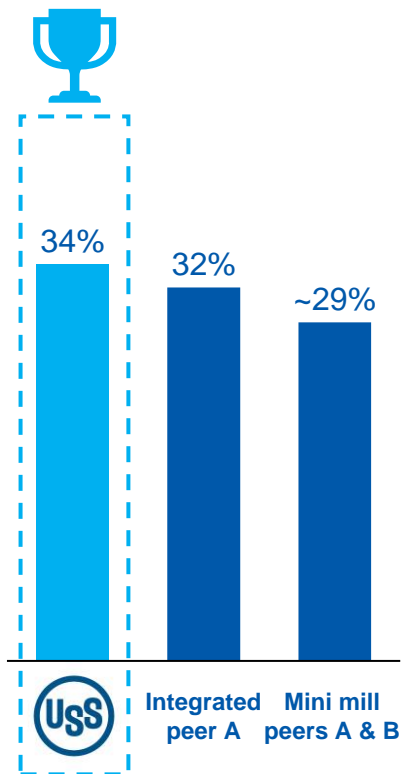
Delivering on Best for All



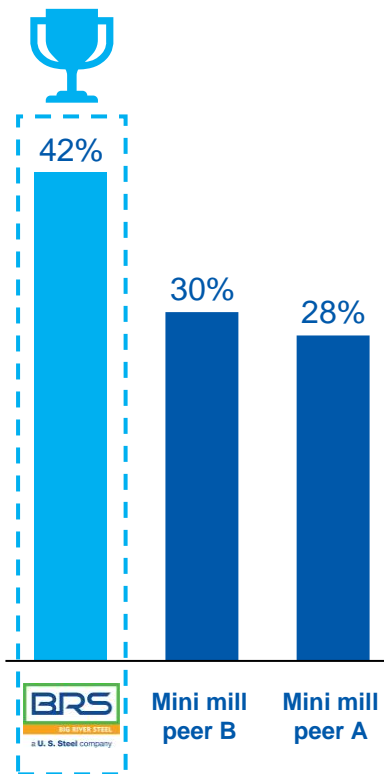
Safety¹



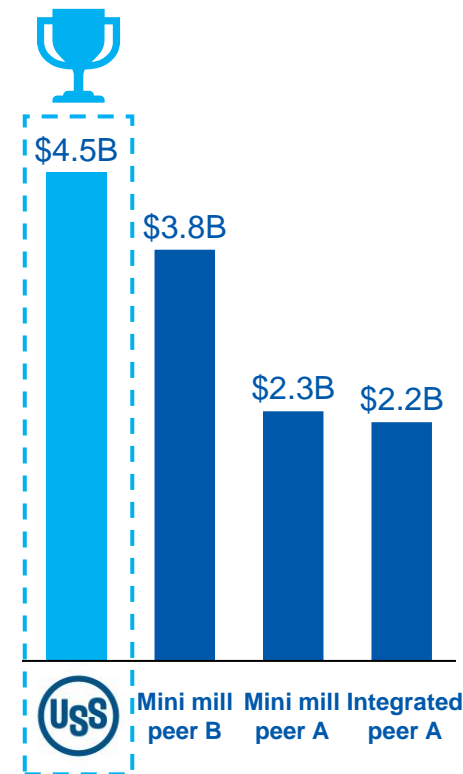
Enterprise Adj. EBITDA %



Mini Mill EBITDA %²



Total Liquidity



When we say “Best” ... we mean it



United States Steel Corporation

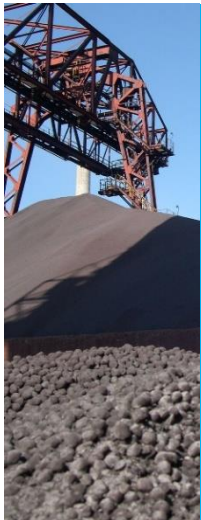
Note: Peer data is calculated based on third quarter company filings. ¹ Occupational Safety and Health Administration (OSHA) Days Away from Work is defined as number of days away cases x 200,000 / hours worked. USS is YTD as of Oct. 18, 2021. Mini Mill A is trailing 12 months data. Industry benchmark BLS – Iron & Steel. ² Big River Steel statistics calculated based off its July 1 – September 30 results, as reflected in the Mini Mill segment. Mini mill competitor data is based on enterprise-level adjusted EBITDA from company filings.

Transitioning to a Best for All future

Growing competitive advantages



Competitive advantages built on a strong foundation:



**LOW-COST
IRON ORE**



**MINI MILL
STEEL -
MAKING**



**BEST-IN-
CLASS
FINISHING
CAPABILITIES**

**Research
& innovation**

**Deep customer
relationships**



United States Steel Corporation

Transitioning to a Best for All future

Translating iron ore advantage to our EAFs



\$0

*Capital
Spending*

~500k

*Tons of
Pig Iron
Capability*

*Pig iron production
expected by 1Q 2023*



**Advantaged pig iron strategy
through potential strategic
partnership**

Annual production of up to 500k tons



**Partner would install pig
machine at Gary Works**

*Excess iron production at Gary
Works to feed pig machine*



**Unique solution to supply Big
River Steel**

*Providing nearly 50% of Big River
Steel's other ore-based metallics
needs*



PIG IRON

LOW-COST IRON ORE



United States Steel Corporation

Transitioning to a Best for All future

Expanding the mini mill steelmaking advantage



~\$3B

*Capital
Spending*

~3M

*Tons of
Raw Steel
Capability*

~\$650M

*Run-rate
EBITDA by '26*



Comprehensive suite of finishing assets

*AHSS galvanizing / hot-roll
galvanizing / painting / slitting*



Expanding our sustainable steel offering

*Reducing our carbon intensity
further*



Beginning construction as early as first half 2022

*Purchasing longer lead-time
equipment in 2021*



MINI MILL #2

MINI MILL STEELMAKING



United States Steel Corporation

Transitioning to a Best for All future

Addressing strategic market growth



~\$280M

*Capital
Spending*

~325k

*Tons of
Finishing
Capability*

~\$60M

*Run-rate
EBITDA by '26*



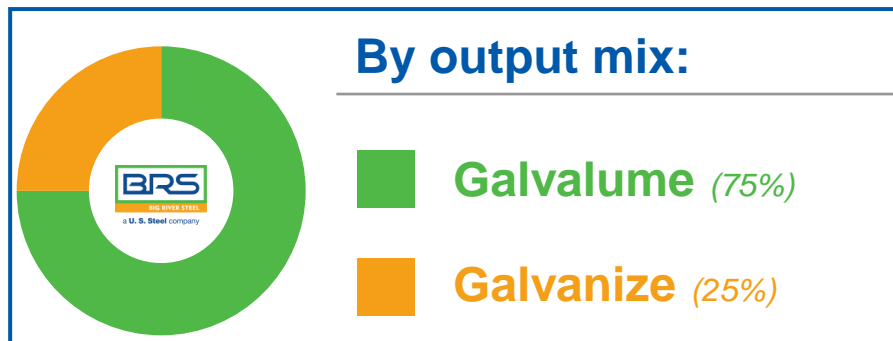
Expanding our presence in value-add construction

Galvalume steel for exposed building panels and other high-end applications



Improving our product mix in strategic markets

Hot-dipped galvanizing steel for appliance, automotive, and construction



Transitioning to a Best for All future

Returning capital to stockholders



Direct returns to stockholders:



**Reinstating
\$0.05/share
quarterly dividend**



**Authorizing \$300
million stock
repurchase program**

Additional buybacks could be driven by:



**Continued strong free
cash flow generation**



**Potential non-core
asset sales, including
real estate**



**Potential exercise of
Stelco's \$500 million iron
ore JV option; window
open through January
2027**



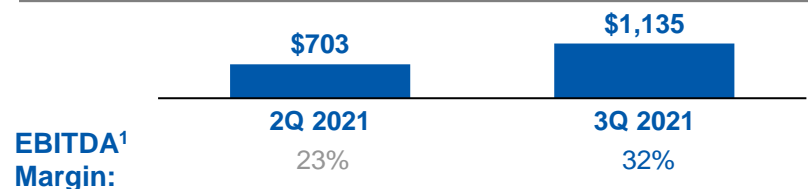
Strong third quarter performance

Financial highlights

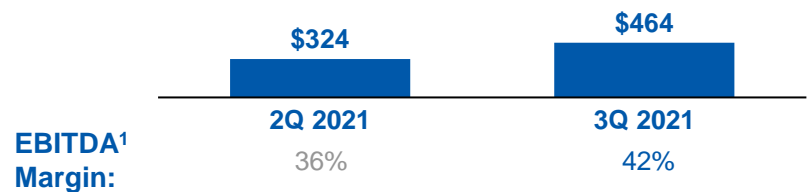


- Total third quarter adjusted EBITDA¹ of \$2.0 billion; **record EBITDA and EBITDA margin**
- ~\$1.3B of free cash flow in the quarter
- Transformed balance sheet
- Returning capital to stockholders

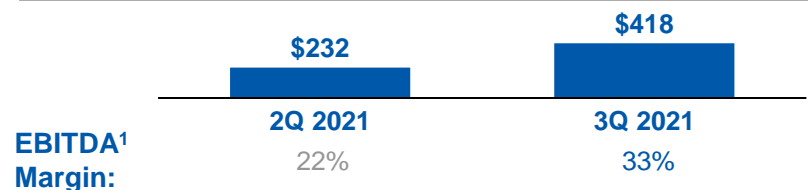
Flat-rolled Segment EBITDA¹ \$ Millions



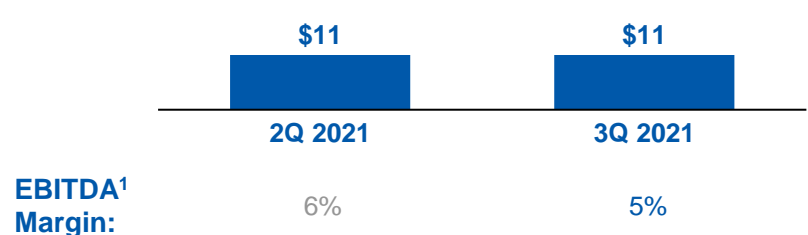
Mini-Mill Segment EBITDA¹ \$ Millions



U. S. Steel Europe Segment EBITDA¹ \$ Millions



Tubular Segment EBITDA¹ \$ Millions



United States Steel Corporation

¹ Earnings before interest, income taxes, depreciation and amortization.
Note: For reconciliation of non-GAAP amounts see Appendix.

- **Signing successful customer contracts**
- **Creating value for stockholders**
- **Delivering value for customers**



Q&A



**Closing
Remarks**

Reconciliation of segment EBITDA



Flat-rolled (\$millions)	<u>2Q 2021</u>	<u>3Q 2021</u>
Segment (loss) earnings before interest and income taxes	\$579	\$1,015
Depreciation	124	120
Flat-rolled Segment EBITDA	\$703	\$1,135
Mini Mill (\$ millions)	<u>2Q 2021</u>	<u>3Q 2021</u>
Segment (loss) earnings before interest and income taxes	\$284	\$424
Depreciation	40	40
Mini Mill Segment EBITDA	\$324	\$464
U. S. Steel Europe (\$ millions)	<u>2Q 2021</u>	<u>3Q 2021</u>
Segment (loss) earnings before interest and income taxes	\$207	\$394
Depreciation	25	24
U. S. Steel Europe Segment EBITDA	\$232	\$418
Tubular (\$ millions)	<u>2Q 2021</u>	<u>3Q 2021</u>
Segment (loss) earnings before interest and income taxes	\$0	\$0
Depreciation	11	11
Tubular Segment EBITDA	\$11	\$11
Other (\$ millions)	<u>2Q 2021</u>	<u>3Q 2021</u>
Segment (loss) earnings before interest and income taxes	\$14	(\$2)
Depreciation	2	1
Other Segment EBITDA	\$16	(\$1)



Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>2Q 2021</u>	<u>3Q 2021</u>
Reported net (loss) earnings attributable to U. S. Steel	\$1,012	\$2,002
Income tax provision (benefit)	(37)	260
Net interest and other financial costs	59	80
Reported (loss) earnings before interest and income taxes	\$1,034	\$2,342
Depreciation, depletion and amortization expense	202	196
EBITDA	\$1,236	\$2,538
Asset impairment charges	28	—
Restructuring and other charges	31	—
Big River Steel unrealized losses	6	(12)
Property sale	(15)	—
Loss on USSE assets held for sale	—	7
Gain on sale of Transtar	—	(506)
Adjusted EBITDA	\$1,286	\$2,027





INVESTOR RELATIONS

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