



*Gary pig iron machine commissioned
in fourth quarter 2022.*



Fourth Quarter & Full Year 2022

Earnings Call

David Burritt

President and Chief Executive Officer

Jessica Graziano

SVP and Chief Financial Officer

Rich Fruehauf

SVP, Chief Strategy
and Sustainability Officer

Kevin Lewis

VP, Finance

February 3, 2023

Legal disclaimers



These slides contain 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,” “plan,” “goal,” “future,” “will,” “may,” and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities or operating capabilities, the timing, size and form of share repurchase transactions, operating or financial 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 the global economic environment, including supply and demand conditions, inflation, interest rates, supply chain disruption and changes in prices for our products, international trade duties and other aspects of international trade policy, statements regarding our future strategies, products and innovations, statements regarding our greenhouse gas emissions reduction goals, statements regarding existing or new regulations 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 “Item 1A. Risk Factors” in our Annual report on Form 10-K for the year ended December 31, 2021 and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References to “U. S. Steel,” “the Company,” “we,” “us,” and “our” 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 references to “Transtar” refer to Transtar LLC and its direct and indirect subsidiaries unless otherwise indicated by context.

Explanation of use of non-GAAP measures



We present adjusted net earnings per diluted share, earnings 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, 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 per diluted share is a non-GAAP measure that exclude the effects of items that include: restructuring and other charges, asset impairment charges, United Steelworkers labor agreement signing bonus and related costs, (gains) losses on asset sold and previously held investments, gain on sale of Transtar, environmental remediation charge, debt extinguishment, pension de-risking, tax impact of adjusted items, and other charges, net (Adjustment Items). Adjusted EBITDA is also a non-GAAP measure that excludes the effects of certain Adjustment Items. We present adjusted net earnings 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 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 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 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 Adjustment Items when evaluating the Company's financial performance. Adjusted net earnings per diluted share and adjusted EBITDA should not be considered a substitute for net earnings, earnings 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.

We also present free cash flow, a non-GAAP measure of cash generated from operations, after any investing activity and dividends paid to stockholders. We believe that free cash flow provides further insight into the Company's overall utilization of cash.



Advancing towards our Best for All® future



CURRENT LANDSCAPE

Bullish on U. S. Steel's future

Confident in our ability to execute our Best for All future, *SAFELY*



CHALLENGES

Transitioning to a less cost- / capital- and carbon- intensive business model while becoming the best steel competitor



SOLUTION

Expanding competitive advantages

Balanced capital allocation framework

Maintaining strong trade enforcement



PATH FORWARD

Delivering on Best for All

Today's highlights



Focused on value creation, ESG transformation and disruptive innovation:



LOW-COST IRON ORE

*Differentiated
metallics strategy*



MINI MILL STEELMAKING

*Increased and
resilient free cash flow*



BEST-IN-CLASS FINISHING

*Sustainable steel
solutions*

Generating returns in excess of our cost of capital



United States Steel Corporation

Well positioned for 2023

Business update



Rebounding steel prices, supported by higher scrap costs, increasing global metallics and iron ore prices, and extending lead times



Successful annual contracts; supported by customer alignment and collaboration



Customer restocking improving steel demand



Better supply / demand dynamic



Stable energy markets



Consistent customer demand



United States Steel Corporation

Creating value for stockholders ... *today and tomorrow*



Today:

~\$1B

direct returns

**Cash returned to
stockholders since
December '21**

15%

reduction

**Stock buyback
reduced dilutive
share count to
~257 million shares
as of January 31**

Tomorrow:

\$880

million

**Incremental annual
run-rate EBITDA
contribution
expected by '26 from
strategic projects**



United States Steel Corporation

¹ This chart provides an approximation of quarter-end diluted-equivalent share count. Diluted-equivalent share counts presented consist of total shares issued and outstanding as of September 30, 2021, and January 31, 2023, plus the incremental dilutive impact of senior convertible notes, stock options, restricted stock units, and performance awards calculated for the quarter ended as of September 30, 2021 and December 31, 2022. As of September 30, 2021 and January 31, 2023, shares issued and outstanding were approximately 270 million and 227 million, respectively. For September 30, 2021 and January 31, 2023, incremental dilutive shares used in this chart are 31 million and 30 million, respectively. For comparative purposes, the incremental dilutive shares for the quarter ended September 30, 2021 was calculated in accordance with FASB Accounting Standard Update 2020-06, which was adopted by the Company on January 1, 2022.

Advancing towards our Best for All future

4Q 2022 results



In the fourth quarter 2022:

\$431 M

**Adjusted
EBITDA**

*Better than our December 15
guidance; supporting 10%
adjusted EBITDA margin*

\$0.87

**Adjusted
diluted EPS**

*Translating strong
performance to the
bottom line*

\$131 M

**Free cash
flow**

*Contributing to
record cash and
record liquidity*



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Full year 2022 results



For the full year 2022:

\$4.2B

**Adjusted
EBITDA**

\$9.95

**Adjusted
diluted EPS**

~\$1.8B

**Free cash
flow**

**Second-best financial performance
in the company's 122-year history**



United States Steel Corporation



**FOCUSED ON VALUE CREATION,
ESG TRANSFORMATION AND
DISRUPTIVE INNOVATION**



**CREATING VALUE FOR
STOCKHOLDERS ... TODAY &
TOMORROW**



**DELIVERING ON OUR
COMMITTMENTS**



Q&A

Pictured:

Non-grain oriented (NGO) electrical investment – annealing and coating line cleaning section structure.



United States Steel
Gary Works
Pig Iron Caster No. 1



CLOSING
REMARKS

Reconciliation of segment EBITDA



Flat-rolled (\$ millions)	<u>4Q 2022</u>
Segment earnings before interest and income taxes	\$159
Depreciation	125
Flat-rolled Segment EBITDA	\$284
Mini Mill (\$ millions)	<u>4Q 2022</u>
Segment loss before interest and income taxes	(\$68)
Depreciation	40
Mini Mill Segment EBITDA	(\$28)
U. S. Steel Europe (\$ millions)	<u>4Q 2022</u>
Segment loss before interest and income taxes	(\$68)
Depreciation	20
U. S. Steel Europe Segment EBITDA	(\$48)
Tubular (\$ millions)	<u>4Q 2022</u>
Segment earnings before interest and income taxes	\$205
Depreciation	12
Tubular Segment EBITDA	\$217
Other (\$ millions)	<u>4Q 2022</u>
Segment earnings before interest and income taxes	\$6
Depreciation	0
Other Segment EBITDA	\$6



Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>4Q 2022¹</u>
Reported net earnings attributable to U. S. Steel	\$174
Income tax expense	51
Net interest and other financial costs	(51)
Reported earnings before interest and income taxes	\$174
Depreciation, depletion and amortization expense	197
EBITDA	\$371
Restructuring and other charges	(9)
Asset impairment charges	6
United Steelworkers labor agreement signing bonus and related costs ¹	67
(Gains) losses on assets sold and previously held investments	(6)
Other charges, net	2
Adjusted EBITDA	\$431





INVESTOR RELATIONS

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