

United States Steel Corporation
Condensed Consolidated Financial Statements
(Unaudited)

For the Three and Nine Months Ended September 30, 2025 and
2024

Prepared in Accordance with Accounting Principles Generally
Accepted in the United States of America (U.S. GAAP)

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UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net sales:				
Net sales	\$ 3,791	\$ 3,219	\$ 10,588	\$ 10,192
Net sales to related parties (Note 16)	641	634	1,797	1,939
Total	4,432	3,853	12,385	12,131
Operating expenses (income):				
Cost of sales (excludes items shown below)	3,991	3,448	11,316	10,742
Selling, general and administrative expenses	105	104	574	328
Depreciation, depletion and amortization	282	235	794	662
Earnings from investees	(23)	(17)	(53)	(76)
Asset impairment charges	—	—	—	19
Restructuring and other charges (Note 17)	1	5	1	11
Net gains on sale of assets	(54)	(1)	(60)	(2)
Other (gains) losses, net	(2)	31	(29)	64
Total	4,300	3,805	12,543	11,748
Earnings (loss) before interest and income taxes	132	48	(158)	383
Interest expense	49	5	141	9
Interest income	(5)	(23)	(22)	(80)
Loss on conversions of Senior Convertible Notes (Note 12)	30	—	1,091	—
Loss on debt extinguishment	—	—	—	2
Other financial costs	6	(1)	—	15
Net periodic benefit income	(4)	(33)	(11)	(99)
Net gain from investments related to active employee benefits (Note 13)	(8)	(9)	(21)	(21)
Net interest and other financial costs (income)	68	(61)	1,178	(174)
Earnings (loss) before income taxes	64	109	(1,336)	557
Income tax (benefit) expense (Note 10)	(36)	(10)	(88)	84
Net earnings (loss)	100	119	(1,248)	473
Less: Net earnings attributable to noncontrolling interests	—	—	—	—
Net earnings (loss) attributable to United States Steel Corporation	\$ 100	\$ 119	\$ (1,248)	\$ 473

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(Dollars in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net earnings (loss)	\$ 100	\$ 119	\$ (1,248)	\$ 473
Other comprehensive income (loss), net of tax:				
Changes in foreign currency translation adjustments	7	77	135	23
Changes in pension and other employee benefit accounts	8	(6)	25	(18)
Changes in derivative financial instruments	21	—	(40)	75
Changes in fair value of active employee benefit investments	(1)	1	(1)	1
Total other comprehensive income, net of tax	35	72	119	81
Comprehensive income (loss) including noncontrolling interest	135	191	(1,129)	554
Comprehensive income attributable to noncontrolling interest	—	—	—	—
Comprehensive income (loss) attributable to United States Steel Corporation	\$ 135	\$ 191	\$ (1,129)	\$ 554

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in millions)	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents (Note 5)	\$ 555	\$ 1,367
Receivables, less allowance of \$26 in both periods	1,569	1,236
Receivables from related parties (Note 16)	224	162
Inventories (Note 6)	2,394	2,168
Other current assets	214	299
Total current assets	4,956	5,232
Long-term restricted cash (Note 5)	36	35
Operating lease assets	61	72
Property, plant and equipment	27,570	26,239
Less accumulated depreciation and depletion	15,185	14,266
Total property, plant and equipment, net	12,385	11,973
Investments and long-term receivables, less allowance of \$3 in both periods	758	757
Intangibles, net (Note 7)	401	416
Deferred income tax benefits (Note 10)	23	—
Goodwill (Note 7)	920	920
Other noncurrent assets	855	830
Total assets	\$ 20,395	\$ 20,235
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 2,710	\$ 2,601
Accounts payable to related parties (Note 16)	228	146
Payroll and benefits payable	321	295
Accrued taxes	130	131
Accrued interest	50	70
Current operating lease liabilities	30	35
Short-term debt and current maturities of long-term debt (Note 12)	150	95
Total current liabilities	3,619	3,373
Noncurrent operating lease liabilities	37	44
Long-term debt, less unamortized discount and debt issuance costs (Note 12)	3,698	4,078
Employee benefits	133	117
Deferred income tax liabilities (Note 10)	660	657
Deferred credits and other noncurrent liabilities	483	526
Total liabilities	8,630	8,795
Contingencies and commitments (Note 18)		
Shareholder Equity (Note 14):		
Common stock (0 and 288,088,141 shares issued)	—	288
Treasury stock, at cost (0 shares and 62,907,930 shares)	—	(1,446)
Additional paid-in capital	—	5,307
Share capital	5,788	—
Retained earnings	5,786	7,219
Accumulated other comprehensive income (loss) (Note 15)	98	(21)
Total United States Steel Corporation shareholder equity	11,672	11,347
Noncontrolling interests	93	93
Total liabilities and shareholder equity	\$ 20,395	\$ 20,235

The accompanying notes are an integral part of these condensed consolidated financial statements.

UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Dollars in millions)	Nine Months Ended September 30,	
	2025	2024
Increase (decrease) in cash, cash equivalents and restricted cash		
Operating activities:		
Net (loss) earnings	\$ (1,248)	\$ 473
Adjustments to reconcile to net cash (used in) provided by operating activities:		
Depreciation, depletion and amortization	794	662
Asset impairment charges	—	19
Restructuring and other charges (Note 17)	1	11
Loss on conversions of Senior Convertible Notes (Note 12)	1,091	—
Loss on debt extinguishment	—	2
Pensions and other postretirement benefits	(15)	(99)
Active employee benefit investments	36	51
Deferred income taxes (Note 10)	(87)	141
Net gain on sale of assets	(60)	(2)
Equity investee earnings, net of distributions received	—	(65)
Changes in:		
Current receivables	(402)	(48)
Inventories	(161)	96
Current accounts payable and accrued expenses	(98)	(252)
Income taxes receivable/payable	57	(127)
All other, net	(225)	(151)
Net cash (used in) provided by operating activities	<u>(317)</u>	<u>711</u>
Investing activities:		
Capital expenditures	(809)	(1,782)
Proceeds from sale of assets	80	3
Other investing activities	25	(5)
Net cash used in investing activities	<u>(704)</u>	<u>(1,784)</u>
Financing activities:		
Repayment of long-term debt (Note 12)	(1,503)	(46)
Capital contributions received from Parent	1,728	—
Other financing activities	(42)	(58)
Net cash provided by (used in) financing activities	<u>183</u>	<u>(104)</u>
Effect of exchange rate changes on cash	23	4
Net decrease in cash, cash equivalents and restricted cash	(815)	(1,173)
Cash, cash equivalents and restricted cash at beginning of year (Note 5)	1,413	2,988
Cash, cash equivalents and restricted cash at end of period (Note 5)	\$ 598	\$ 1,815
Non-cash investing and financing activities:		
Change in accrued capital expenditures	\$ 28	\$ (137)
U. S. Steel common stock issued for employee/non-employee director stock plans	50	45
Capital expenditures funded by finance lease borrowings	53	55
Export Credit Agreement (ECA) financing	36	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. **Basis of Presentation**

Basis of Presentation

The year-end Consolidated Balance Sheet data was derived from audited statements but does not include all disclosures required for complete financial statements by accounting principles generally accepted in the United States of America (U.S. GAAP). The other information in these condensed consolidated financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair statement of the results for the periods covered, including assessment of certain accounting matters using all available information such as consideration of forecasted financial information in context with other information reasonably available to us. However, our future assessment of our current expectations could result in material impacts to our consolidated financial statements in future reporting periods. All such adjustments are of a normal recurring nature unless disclosed otherwise. These condensed consolidated financial statements, including notes, do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. Additional information is contained in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which should be read in conjunction with these condensed consolidated financial statements.

Merger Agreement with Nippon Steel Corporation

On December 18, 2023, United States Steel Corporation ("the Company") entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among the Company, Nippon Steel North America, Inc., a New York corporation ("Purchaser" or "Parent"), 2023 Merger Subsidiary, Inc., a Delaware corporation and a wholly owned subsidiary of Purchaser ("Merger Sub"), and solely as provided in Section 9.13 therein, Nippon Steel Corporation, a Japanese corporation ("NSC" or "Guarantor").

On June 18, 2025, the Company completed the transaction contemplated by the terms of the Merger Agreement. Pursuant to the Merger Agreement, Merger Sub merged with and into the Company (the "Transaction"), with the Company surviving the merger as the surviving corporation and a subsidiary of Parent. At the effective time of the Transaction (the "Effective Time"), on the terms and subject to the conditions of the Agreement, each share of common stock, par value \$1.00 per share, of the Company (the "Common Stock") issued and outstanding immediately prior to the Effective Time (other than (a) shares of Common Stock owned by the Company or any wholly owned subsidiary of the Company as treasury stock or otherwise (other than shares of Common Stock reserved for issuance under any of the Company Equity Plans (as defined in the Agreement)) or held directly or indirectly by Parent, Merger Sub or any wholly owned subsidiary of Parent immediately prior to the Effective Time and (b) shares of Common Stock that were held by holders who did not vote in favor of the adoption of the Agreement and properly demanded, exercised and perfected appraisal of such shares pursuant to Section 262 of the General Corporation Law of the State of Delaware (the "DGCL")) was automatically converted into the right to receive \$55.00 in cash (the "Transaction Consideration"). Additionally, at the Effective Time, each share of common stock, par value \$1.00 per share, of Merger Sub outstanding immediately prior to the Effective Time was converted into and became one validly issued, fully paid and nonassessable share of common stock, par value \$1.00 per share, of the surviving corporation and constituted the only outstanding shares of capital stock of the surviving corporation.

On June 13, 2025, the Company entered into a National Security Agreement (the "NSA"), among Guarantor, Parent, the Company and the U.S. Government, represented by the U.S. Department of the Treasury and the U.S. Department of Commerce. Under the requirements of the NSA, the Company issued one non-economic share of Class G Preferred Stock (the "Golden Share") to the U.S. Government. Pursuant to the NSA, and through its ownership of the Golden Share, the U.S. Government has certain rights with respect to U. S. Steel, including relating to governance, domestic production and trade matters.

Nippon Steel Corporation's Equity Investment in U. S. Steel Corporation and Capital Contributions

On June 18, 2025, in conjunction with the closing of the Transaction, Parent and Merger Sub effectuated a payment of \$12,462 million for the Transaction Consideration and simultaneously made a capital contribution to the Company of \$1,728 million to fund the settlement of the Company's senior convertible notes and long-term incentive awards. Refer to Note 12 and Note 9, respectively, for additional information on the settlement of these items.

Parent was determined to be the accounting acquirer in relation to the Transaction and the Company has elected not to apply pushdown accounting. As a result, the Company's financial statements are presented on the historical basis. The sum of the Transaction Consideration and the capital contribution, \$14,190 million, was recognized as the Company's share capital within shareholder equity on the Condensed Consolidated Balance Sheet. The share capital balance as of June 30, 2025, of \$5,788 million consists of this amount offset by the net impact of eliminating the closing date balances of the Company's legacy stockholders' equity accounts (common stock, treasury stock and additional paid-in capital) and by the amount of market premium over the book value of these balances included in the Transaction Consideration for the Company's common stock outstanding. Refer to Note 14 for additional information.

2. **New Accounting Standards**

During the nine months ended September 30, 2025 and the twelve months ended December 31, 2024, there were no accounting standards and interpretations issued which are expected to have a material impact on the Company's financial position, operations or cash flows.

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2023-09, *Improvements to Income Tax Disclosures* (ASU 2023-09). ASU 2023-09 includes requirements that an entity disclose specific categories in the rate reconciliation and provide additional information for reconciling items that are greater than five percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate. The standard also requires that entities disclose income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) each disaggregated between domestic and foreign. In addition, the standard also requires disclosure of payment amounts disaggregated by federal, state, and foreign, as well as by major jurisdiction. For entities other than public business entities, ASU 2023-09 is effective for annual periods beginning after December 15, 2025. U. S. Steel is currently assessing the impact of ASU 2023-09 on its disclosures.

In September 2025, the FASB issued Accounting Standards Update 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software* (ASU 2025-06). Under current U.S. GAAP, entities are required to capitalize development costs incurred for internal-use software depending on the nature of the costs and the prescriptive and sequential development stages (project stages) during which they occur. ASU 2025-06 simplifies the previous guidance by requiring that an entity start capitalizing software costs when both of the following occur: 1.) management has authorized and committed to funding the software project, and 2.) it is probable that the project will be completed and the software will be used to perform the function intended (probable-to-complete recognition threshold). In evaluating the probable-to-complete recognition threshold, an entity is required to consider whether there is significant uncertainty associated with the development activities of the software. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027 with early adoption permitted. U. S. Steel is currently assessing the impact of ASU 2025-06.

3. **Segment Information**

U. S. Steel has four reportable segments: North American Flat-Rolled (Flat-Rolled), Mini Mill, U. S. Steel Europe (USSE), and Tubular Products (Tubular). The results of our real estate business are disclosed in the Other category.

The chief operating decision maker (CODM), which is the chief executive officer, evaluates segment performance and determines resource allocations based on a number of factors, the primary measure being earnings (loss) before interest, taxes, depreciation and amortization (EBITDA). EBITDA for reportable segments and the Other category does not include net interest and other financial costs (income), income taxes, and certain other items that management believes are not indicative of future results. For all of the segments, the CODM uses segment EBITDA in the Annual Operating Plan (AOP) and monthly performance review processes. The CODM considers AOP-to-actual EBITDA variances on a monthly, quarter-to-date, and year-to-date basis for evaluating performance of each segment and making decisions about resource allocations to each segment.

The accounting principles applied at the operating segment level in determining earnings (loss) before interest, taxes, depreciation and amortization are generally the same as those applied at the consolidated financial statement level. Intersegment sales and transfers are accounted for at market-based prices and are eliminated at the corporate consolidation level. Corporate-level selling, general and administrative expenses and costs related to certain former businesses are allocated to the reportable segments and Other based on measures of activity that management believes are reasonable.

The results of segment operations are as follows:

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Three months ended September 30, 2025					
Customer sales	\$ 2,509	\$ 939	\$ 708	\$ 272	\$ 4,428
Intersegment sales	35	67	6	—	108
Net sales	2,544	1,006	714	272	4,536
Other net sales ^(a)					4
Elimination of intersegment sales					(108)
Total net sales					\$ 4,432
Less: ^(b)					
Cost of sales	2,294	866	673	243	4,076
Earnings from investees	(21)	—	—	(2)	(23)
Other segment items ^(c)	57	5	10	5	77
Segment earnings before interest, taxes, depreciation and amortization	214	135	31	26	\$ 406
Other loss before interest, taxes, depreciation and amortization ^(a)					(5)
Depreciation, depletion and amortization					(282)
Items not allocated to segments:					
Clairton 13-14 batteries incident					(10)
Sale of South Works property (Note 4)					51
Environmental remediation charges					(4)
NSC transaction-related costs ^(e)					(20)
Other charges, net					(4)
Earnings before interest and income taxes					\$ 132
Net interest and other financial costs					68
Earnings before income taxes					\$ 64
Capital expenditures ^(d)	119	59	19	13	210
Depreciation, depletion and amortization	(125)	(109)	(35)	(13)	(282)

^(a) The results of our real estate business are disclosed in the Other category.

^(b) The significant expense (income) categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown.

^(c) Other segment items primarily include selling, general and administrative expenses and BRS recycling tax credit revenue.

^(d) Mini Mill includes capital expenditures related to Big River 2 (BR2) of \$42 million.

^(e) NSC transaction-related costs include strategic alternatives review process costs incurred in 2025 prior to the closing date of the Merger Agreement.

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Three months ended September 30, 2024					
Customer sales	\$ 2,377	\$ 505	\$ 745	\$ 217	\$ 3,844
Intersegment sales	37	77	6	1	121
Net sales	2,414	582	751	218	3,965
Other net sales ^(a)					9
Elimination of intersegment sales					(121)
Total net sales					<u>\$ 3,853</u>
Less: ^(b)					
Cost of sales	2,131	518	702	207	3,558
Earnings from investees	(13)	—	—	(4)	(17)
Other segment items ^(c)	50	42	10	6	108
Segment earnings before interest, taxes, depreciation and amortization	246	22	39	9	\$ 316
Other earnings before interest, taxes, depreciation and amortization ^(a)					3
Depreciation, depletion and amortization					(235)
Items not allocated to segments:					
Stock-based compensation expense (Note 9)					(10)
Environmental remediation charges					(1)
Strategic alternatives review process costs					(18)
Other charges, net					(7)
Earnings before interest and income taxes					\$ 48
Net interest and other financial income					(61)
Earnings before income taxes					<u>\$ 109</u>
Capital expenditures ^(d)	114	364	27	6	511
Depreciation, depletion and amortization	(140)	(50)	(32)	(13)	(235)

^(a) The results of our real estate business are disclosed in the Other category.

^(b) The significant expense (income) categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown.

^(c) Other segment items primarily include selling, general and administrative expenses, BRS recycling tax credit revenue and BR2 startup costs.

^(d) Mini Mill includes capital expenditures related to BR2 of \$307 million.

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Nine months ended September 30, 2025					
Customer sales	\$ 7,172	\$ 2,362	\$ 2,118	\$ 722	\$ 12,374
Intersegment sales	123	185	19	3	330
Net sales	7,295	2,547	2,137	725	12,704
Other net sales ^(a)					11
Elimination of intersegment sales					(330)
Total net sales					\$ 12,385
Less: ^(b)					
Cost of sales	6,646	2,290	1,998	664	11,598
Earnings from investees	(46)	—	—	(7)	(53)
Other segment items ^(c)	155	16	31	16	218
Segment earnings before interest, taxes, depreciation and amortization	540	241	108	52	\$ 941
Other earnings before interest, taxes, depreciation and amortization ^(a)					—
Depreciation, depletion and amortization					(794)
Items not allocated to segments:					
Clairton 13-14 batteries incident					(10)
Sale of South Works property (Note 4)					51
Stock-based compensation expense (Note 9)					(31)
Environmental remediation charges					(11)
NSC transaction-related costs ^(e)					(291)
Other charges, net					(13)
Loss before interest and income taxes					\$ (158)
Net interest and other financial costs					1,178
Loss before income taxes					\$ (1,336)
Capital expenditures ^(d)	390	322	63	34	809
Depreciation, depletion and amortization	(359)	(297)	(99)	(39)	(794)

^(a) The results of our real estate business are disclosed in the Other category.

^(b) The significant expense (income) categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown.

^(c) Other segment items primarily include selling, general and administrative expenses, BRS recycling tax credit revenue and an employee retention credit tax refund.

^(d) Mini Mill includes capital expenditures related to BR2 of \$232 million.

^(e) NSC transaction-related costs include strategic alternatives review process costs incurred in 2025 prior to the closing date of the Merger Agreement.

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Nine months ended September 30, 2024					
Customer sales	\$ 7,391	\$ 1,593	\$ 2,406	\$ 729	\$ 12,119
Intersegment sales	163	293	20	7	483
Net sales	7,554	1,886	2,426	736	12,602
Other net sales ^(a)					12
Elimination of intersegment sales					(483)
Total net sales					\$ 12,131
Less: ^(b)					
Cost of sales	6,744	1,551	2,292	615	11,202
Earnings from investees	(58)	—	—	(18)	(76)
Other segment items ^(c)	156	94	28	19	297
Segment earnings before interest, taxes, depreciation and amortization	712	241	106	120	\$ 1,179
Other loss before interest, taxes, depreciation and amortization ^(a)					(3)
Depreciation, depletion and amortization					(662)
Items not allocated to segments:					
Stock-based compensation expense (Note 9)					(37)
Asset impairment charges					(19)
Environmental remediation charges					(4)
Strategic alternatives review process costs					(59)
Other charges, net					(12)
Earnings before interest and income taxes					\$ 383
Net interest and other financial income					(174)
Earnings before income taxes					\$ 557
Capital expenditures ^(d)	378	1,302	82	20	1,782
Depreciation, depletion and amortization	(389)	(143)	(93)	(37)	(662)

^(a) The results of our real estate business are disclosed in the Other category.

^(b) The significant expense (income) categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown.

^(c) Other segment items primarily include selling, general and administrative expenses, BRS recycling tax credit revenue and BR2 startup costs.

^(d) Mini Mill includes capital expenditures related to BR2 of \$1.1 billion.

4. Disposition

Real Property, South Works Disposition

On September 19, 2025, the Company completed the sale of substantially all of the Company's former South Works real property. The Company received proceeds of \$73 million and recognized a gain on the transaction of \$51 million, net of \$3 million of transaction costs.

5. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within U. S. Steel's Condensed Consolidated Balance Sheets that sum to the total of the same amounts shown in the Condensed Consolidated Statement of Cash Flows:

(In millions)	September 30, 2025	December 31, 2024	September 30, 2024
Cash and cash equivalents	\$ 555	\$ 1,367	\$ 1,773
Restricted cash in other current assets	7	11	10
Long-term restricted cash	36	35	32
Total cash, cash equivalents and restricted cash	\$ 598	\$ 1,413	\$ 1,815

Amounts included in restricted cash represent cash balances which are legally or contractually restricted, primarily for insurance purposes, environmental liabilities and certain capital projects.

6. Inventories

The last-in, first-out (LIFO) method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. The first-in, first-out (FIFO) and moving average methods are the predominant inventory costing methods for our Mini Mill segment and the moving average method is the predominant inventory costing method for our USSE segment. At September 30, 2025, and December 31, 2024, the LIFO method accounted for 46 percent and 53 percent of total inventory values, respectively.

(In millions)	September 30, 2025	December 31, 2024
Raw materials	\$ 1,112	\$ 959
Semi-finished products	824	828
Finished products	408	331
Supplies and sundry items	50	50
Total	\$ 2,394	\$ 2,168

Current acquisition costs for LIFO inventories were estimated to exceed the above inventory values by \$1.4 billion and \$1.1 billion at September 30, 2025, and December 31, 2024, respectively. Cost of sales increased and earnings before interest and income taxes decreased by \$4 million and \$21 million for the three months and nine months ended September 30, 2025, respectively. Cost of sales increased and earnings before interest and income taxes decreased by \$5 million for the three months ended September 30, 2024, and cost of sales decreased and earnings before interest and income taxes increased by \$3 million for the nine months ended September 30, 2024, respectively, as a result of the liquidation of LIFO inventories.

7. Intangible Assets and Goodwill

Intangible assets that are being amortized on a straight-line basis over their estimated useful lives are detailed below:

(In millions)	Useful Lives	As of September 30, 2025			As of December 31, 2024		
		Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	\$ 413	\$ 89	\$ 324	\$ 413	\$ 75	\$ 338
Patents	5-15 Years	17	15	2	17	14	3
Total amortizable intangible assets		\$ 430	\$ 104	\$ 326	\$ 430	\$ 89	\$ 341

Amortization expense was \$15 million for both of the nine months ended September 30, 2025 and 2024.

Total estimated amortization expense for the remainder of 2025 is \$5 million. We expect approximately \$96 million in total amortization expense from 2026 through 2030 and approximately \$225 million in remaining amortization expense thereafter.

The carrying amount of acquired water rights with indefinite lives as of September 30, 2025, and December 31, 2024, totaled \$75 million.

Below is a summary of goodwill by segment for the nine months ended September 30, 2025:

	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Balance at December 31, 2024	\$ —	\$ 916	\$ 4	\$ —	\$ 920
Additions	—	—	—	—	—
Balance at September 30, 2025	\$ —	\$ 916	\$ 4	\$ —	\$ 920

8. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost (income) for the three months ended September 30, 2025, and 2024:

(In millions)	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Service cost	\$ 6	\$ 7	\$ 1	\$ 1
Interest cost	53	53	15	15
Expected return on plan assets	(66)	(74)	(16)	(18)
Amortization of prior service cost (credit)	4	5	2	(6)
Amortization of actuarial net loss (gain)	17	10	(13)	(17)
Net periodic benefit cost (income), excluding below	14	1	(11)	(25)
Multiemployer plans	20	19	—	—
Net periodic benefit cost (income)	\$ 34	\$ 20	\$ (11)	\$ (25)

The following table reflects the components of net periodic benefit cost (income) for the nine months ended September 30, 2025, and 2024:

(In millions)	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Service cost	\$ 19	\$ 22	\$ 3	\$ 3
Interest cost	159	159	45	45
Expected return on plan assets	(197)	(223)	(48)	(55)
Amortization of prior service cost (credit)	12	13	6	(20)
Amortization of actuarial net loss (gain)	51	32	(39)	(49)
Net periodic benefit cost (income), excluding below	44	3	(33)	(76)
Multiemployer plans	60	59	—	—
Net periodic benefit cost (income)	\$ 104	\$ 62	\$ (33)	\$ (76)

Employer Contributions

During the first nine months of 2025, U. S. Steel made cash payments of \$62 million to the Steelworkers Pension Trust and \$1 million of pension payments not funded by trusts.

During the first nine months of 2025, cash payments of \$24 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled \$13 million and \$12 million for the three months ended September 30, 2025 and 2024, respectively. Company contributions to defined contribution plans totaled \$37 million and \$35 million for the nine months ended September 30, 2025 and 2024, respectively.

9. Stock-Based Compensation Plans

Prior to the closing of the Transaction on June 18, 2025, U. S. Steel had outstanding stock-based compensation awards which consisted of restricted stock units, performance stock awards, and stock options. Due to the closing of the Transaction, no stock-based compensation expense was recognized in the three month period ended September 30, 2025. In accordance with the normal vesting schedule for these awards, U. S. Steel recognized pretax stock-based compensation expense in the amount of \$10 million in the three month period ended September 30, 2024, and \$31 million and \$37 million in the nine month periods ended September 30, 2025 and 2024, respectively.

Upon closing of the Transaction, in accordance with the Merger Agreement, outstanding employee stock-based compensation awards, to the extent unvested, automatically became fully vested and payable in cash equal to \$55.00 per unit. The total amount accelerated related to these awards was \$162 million, and the total amount payable to settle these awards was \$277 million, of which \$63 million remains unpaid as of September 30, 2025 in accordance with Section 409A of the Internal Revenue Code, with \$32 million recorded in Payroll and benefits payable and \$31 million recorded in Employee benefits on the Condensed Consolidated Balance Sheet. In accordance with ASC Topic 805, Business Combinations, as it relates to merger consideration and post-combination compensation cost, based on the identification of the acquirer as being the primary beneficiary of the accelerated vesting and settlement of the employee stock-based compensation awards, costs to accelerate these long-term incentive plans are recognized by Parent and thus, U. S. Steel has not recognized these costs in the Condensed Consolidated Statement of Operations.

In addition, non-employee director stock-based compensation awards were accelerated and settled in conjunction with the closing of the Transaction. The total amount accelerated related to these awards was \$40 million. Due to these directors not being employees of U. S. Steel and not continuing subsequent to the closing of the Transaction, accelerating their pay does not provide benefit to the acquirer and as such, this expense has been recorded in the Company's Condensed Consolidated Statement of Operations for the nine months ended September 30, 2025.

10. **Income Taxes**

Tax provision

For the nine months ended September 30, 2025 and 2024, the Company recorded a tax benefit of \$88 million and a tax provision of \$84 million, respectively. The tax benefit for the nine months ended September 30, 2025 includes a benefit of \$27 million related to the closing of the Transaction, as well as a benefit of \$32 million related to the filing of the federal and state income tax returns.

The tax benefit for the first quarter of 2025 was based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax income or loss. For the quarters ended June 30, 2025 and September 30, 2025, the Company computed its tax benefit using a discrete period effective tax rate, which reflects the actual taxes attributable to year-to-date earnings and losses, because we determined that a reliable estimate of the expected annual effective tax rate could not be made. A small change in our estimated marginal pretax results for the year ended December 31, 2025 could create a large change in the expected annual effective tax rate. The sensitivity of the effective tax rate was impacted by nondeductible expenses and percentage depletion.

In March 2022, the Company and the Arkansas Economic Development Commission entered into the Recycling Tax Credit Incentive Agreement, whereby the Company may earn state income tax credits in an amount equal to 30 percent of the cost of waste reduction, reuse, or recycling equipment, subject to meeting the requirements of the Arkansas Code Ann. Section 26-51-506, for the Company's BR2 facility near Osceola, Arkansas. Documentation supporting the Company's investment in qualifying equipment must be submitted as part of an application for certification expected to be completed in 2025. In March 2022, the Company received a lump-sum payment of approximately \$82 million as proceeds from the sale of a portion of expected future tax credits to be earned by the Company (see Note 18 for additional information). The Company estimates that it could earn tax credits in excess of \$700 million, exclusive of the amount sold in March 2022, which the Company will recognize in the year it meets the requirements of Arkansas Code Ann. Section 26-51-506. Any unused tax credit that cannot be claimed in a tax year may be carried forward indefinitely by the Company and applied to its future state tax liability.

The Organization for Economic Co-operation and Development (the "OECD"), an international association of 38 countries including the U.S., has proposed changes to numerous long-standing tax principles, including a global minimum tax initiative. On December 12, 2022, the European Union member states agreed to implement the OECD's Pillar 2 global corporate minimum tax rate of 15 percent on companies with revenues of at least €750 million, which went into effect in 2024. The law on minimum top-up tax for multinational enterprise groups and large-scale domestic groups in Slovakia was approved by the parliament on December 8, 2023 and signed by the President on December 21, 2023, with an effective date of December 31, 2023. The Company analyzed the 2025 tax effects of Pillar 2, which were not material to the Condensed Consolidated Financial Statements.

On July 4, 2025, H.R. 1 (commonly called the One Big Beautiful Bill Act) was signed into law, which, among other things, permanently sets bonus depreciation at 100%, allows a taxpayer to take 100% depreciation on real property used for producing tangible personal property, and provides for immediate expensing of domestic research and development expenditures. The Company analyzed the tax impacts of the legislation, which were not material to the Condensed Consolidated Financial Statements.

Unrecognized tax benefits

As of September 30, 2025 and December 31, 2024, the total amount of gross unrecognized tax benefits was \$21 million and \$18 million, respectively. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$17 million and \$18 million as of September 30, 2025 and December 31, 2024, respectively.

Related party income tax receivable

Upon completion of the Transaction, U. S. Steel became a member of the Parent's consolidated group. As a result, the Company's tax provision was prepared using the modified separate return method. This method applies ASC Topic 740, Income Taxes, to the standalone financial statements of each member of the consolidated group as if the group member were a separate taxpayer and a standalone entity, except that most net operating losses or other tax attributes are characterized as realized by the Company when those attributes are realized by the consolidated group even if the Company would not otherwise have realized the attributes on a standalone basis.

At September 30, 2025, the Company had a related party income tax receivable with the Parent of \$28 million, recorded within Receivables from related parties on the Condensed Consolidated Balance Sheet, consisting of the income tax benefit owed to U. S. Steel for the Parent and other subsidiaries' share of the consolidated income tax benefit.

11. Derivative Instruments

U. S. Steel uses foreign exchange forward sales contracts (foreign exchange forwards) with maturities up to 12 months to manage our currency requirements and exposure to foreign currency exchange rate fluctuations. The USSE and Flat-Rolled segments use hedge accounting for their foreign exchange forwards.

U. S. Steel also uses financial swaps to mitigate commodity price risks related to the procurement of natural gas, zinc, tin, electricity, and iron ore (commodity purchase swaps). We have elected cash flow hedge accounting for these commodity purchase swaps, which have maturities of up to 18 months.

U. S. Steel has entered into financial swaps that are used to partially manage the sales price risk of certain hot-rolled coil sales and iron ore sales (sales swaps). The sales swaps are accounted for using hedge accounting and have maturities of up to 3 months.

The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of September 30, 2025, and September 30, 2024:

Hedge Contracts	Classification	September 30, 2025	September 30, 2024
Natural gas (in mmbtus)	Commodity purchase swaps	13,087,000	20,524,000
Tin (in metric tons)	Commodity purchase swaps	200	—
Zinc (in metric tons)	Commodity purchase swaps	17,100	14,000
Electricity (in megawatt hours)	Commodity purchase swaps	—	114,000
Iron ore (in metric tons)	Commodity purchase swaps	1,500,000	2,036,000
Iron ore (in metric tons)	Sales swaps	538,333	550,900
Hot-rolled coils (in tons)	Sales swaps	139,000	282,000
Foreign currency (in millions of euros)	Foreign exchange forwards	€ 336	€ 430
Foreign currency (in millions of dollars)	Foreign exchange forwards	\$ —	\$ 11

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheets as of September 30, 2025, and December 31, 2024:

Balance Sheet Location (in millions)	September 30, 2025	December 31, 2024
Designated as Hedging Instruments		
Accounts receivable	\$ 12	\$ 41
Accounts payable	28	8
Investments and long-term receivables	—	1
Other long-term liabilities	—	1

The table below summarizes the effect of hedge accounting on Accumulated Other Comprehensive Income (AOCI) and amounts reclassified from AOCI into earnings for the three and nine months ended September 30, 2025, and 2024:

(In millions)	Gain (Loss) on Derivatives in AOCI			Amount of (Loss) Gain Recognized in Income	
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Location of Reclassification from AOCI	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024
Sales swaps	\$ 2	\$ (3)	Net sales	\$ (4)	\$ 13
Commodity purchase swaps	21	23	Cost of sales ^(a)	(8)	(7)
Foreign exchange forwards	4	(19)	Cost of sales	(6)	1

^(a) Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

(In millions)	(Loss) Gain on Derivatives in AOCI			Amount of (Loss) Gain Recognized in Income	
	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Location of Reclassification from AOCI	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Sales swaps	\$ (14)	\$ 68	Net sales	\$ —	\$ (16)
Commodity purchase swaps	2	37	Cost of sales ^(a)	(4)	(33)
Foreign exchange forwards	(40)	(6)	Cost of sales	(1)	6

^(a) Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

At current contract values, \$14 million currently in AOCI as of September 30, 2025, will be recognized as an increase in cost of sales over the next year and \$3 million currently in AOCI as of September 30, 2025, will be recognized as a decrease in net sales over the next year.

Foreign exchange forwards where hedge accounting was not elected generated a net loss of \$1 million for the nine months ended September 30, 2024.

12. Debt

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	September 30, 2025	December 31, 2024
2037 Senior Notes	U. S. Steel	6.650	2037	\$ 274	\$ 274
2026 Senior Convertible Notes	U. S. Steel	5.000	2026	—	349
2029 Senior Notes	U. S. Steel	6.875	2029	475	475
2029 Senior Secured Notes	Big River Steel	6.625	2029	720	720
Environmental Revenue Bonds	U. S. Steel	4.125 - 6.750	2026 - 2053	1,104	1,104
Environmental Revenue Bonds	Big River Steel	4.500 - 4.750	2049	752	752
Finance leases and all other obligations	U. S. Steel	Various	2025 - 2029	199	189
Finance leases and all other obligations	Big River Steel	Various	2025 - 2027	147	162
Export Credit Agreement	U. S. Steel	Variable	2031	113	84
Credit Facility Agreement	U. S. Steel	Variable	2027	—	—
Big River Steel ABL Facility	Big River Steel	Variable	2026	—	—
USSK Credit Agreement	U. S. Steel Kosice	Variable	2026	—	—
USSK Credit Facility	U. S. Steel Kosice	Variable	2027	—	—
Total Debt				\$ 3,784	\$ 4,109
Less unamortized discount, premium, and debt issuance costs				(64)	(64)
Less short-term debt, long-term debt due within one year, and short-term issuance costs				150	95
Long-term debt				\$ 3,698	\$ 4,078

2026 Senior Convertible Notes

In October 2019, U. S. Steel issued \$350 million of 5.00% Senior Convertible Notes due November 1, 2026 (2026 Senior Convertible Notes). Interest on the 2026 Senior Convertible Notes is payable semi-annually on May 1 and November 1 of each year. The initial conversion rate for the 2026 Senior Convertible Notes is 74.8391 shares of U. S. Steel common stock per \$1,000 principal amount, equivalent to an initial conversion price of approximately \$13.36 per share of common stock, subject to adjustment pursuant to the 2026 Senior Convertible Notes indenture. Based on the initial conversion rate, the 2026 Senior Convertible Notes are convertible into 26,153,721 shares of U. S. Steel common stock and we reserved for the possible issuance of 33,345,976 shares, which is the maximum amount that could be issued upon conversion at maturity. Prior to August 1, 2026, holders of notes may convert all or a portion of their notes at their option only upon the satisfaction of specified conditions and during certain periods. On or after August 1, 2026, holders may convert all or a portion of their notes prior to the maturity date. Upon conversion, we will satisfy the obligation with cash, common stock, or a combination thereof, at our election. Anytime prior to August 1, 2026, if the price per share of U. S. Steel's common stock has been at least 130% of the conversion price for specified periods, U. S. Steel may redeem all or a portion of the 2026 Senior Convertible Notes at a cash redemption price of 100% of the principal amount, plus accrued and unpaid interest.

If U. S. Steel undergoes a fundamental change, as defined in the 2026 Senior Convertible Notes, holders may require us to repurchase the 2026 Senior Convertible Notes in whole or in part for cash at a price equal to 100% of the principal amount of the 2026 Senior Convertible Notes to be purchased plus any accrued and unpaid interest up to, but excluding the repurchase date.

On June 18, 2025, a fundamental change, as defined in the 2026 Senior Convertible Notes, occurred as a result of the closing of the Transaction. Holders were notified of the fundamental change and their right to elect to surrender their notes for conversion for \$4,116.15 in cash per \$1,000 principal amount of notes, representing the initial conversion rate of the notes at the \$55.00 per share closing price. The holders were required to notify U. S. Steel of their intent to convert within 20 trading days of notification of the fundamental change, which expired on July 17, 2025. As of the expiration of the fundamental change conversion window, holders had elected to convert approximately \$349 million in principal, resulting in a total cash settlement amount of \$1,440 million. As a result of this conversion, U. S. Steel recognized a loss of \$30 million and \$1,091 million for the three and nine months ended September 30, 2025, respectively, recorded in Loss on conversions of Senior Convertible Notes in the Condensed Consolidated Statement of Operations. An immaterial principal amount of the 2026 Senior Convertible Notes remained after the expiration of the fundamental change conversion window, which was fully redeemed by U. S. Steel as of September 30, 2025.

Big River Steel - Sustainability Linked ABL Facility

Big River Steel's amended senior secured asset-based revolving credit facility (Big River Steel ABL Facility) matures on July 23, 2026. The facility is secured by first-priority liens on accounts receivable and inventory and certain other assets and second priority liens on most tangible and intangible assets of Big River Steel in each case subject to permitted liens. Additionally, the amendment includes sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

The Big River Steel ABL Facility provides for borrowings for working capital and general corporate purposes in an amount equal up to the lesser of (a) \$350 million and (b) a borrowing base calculated based on specified percentages of eligible accounts receivables and inventory, subject to certain adjustments and reserves.

Big River Steel LLC must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent twelve consecutive months when availability under the Big River Steel ABL Facility is less than the greater of ten percent of the borrowing base availability and \$13 million. Based on the most recent four quarters as of September 30, 2025, Big River Steel would have met the fixed charge coverage ratio test. The facility includes affirmative and negative covenants and events of default that are customary for facilities of this type.

There were no loans outstanding under the Big River Steel ABL Facility at September 30, 2025. Availability under the Big River Steel ABL Facility, pursuant to the available borrowing base, was \$350 million at September 30, 2025.

U. S. Steel - Sustainability Linked Credit Facility Agreement

On May 27, 2022, U. S. Steel entered into the Sixth Amended and Restated Credit Facility Agreement (Credit Facility Agreement), with a maturity date of May 27, 2027 and total availability of \$1,750 million. The Credit Facility Agreement is secured by first-priority liens on certain accounts receivable and inventory and includes targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

The Credit Facility Agreement provides for borrowings for working capital and general corporate purchases in an amount equal to the lesser of (a) \$1,750 million or (b) a borrowing base calculated based on specified percentages of eligible accounts receivable and inventory, subject to certain adjustments and reserves. As of September 30, 2025, there were approximately \$2 million of letters of credit issued and no amounts drawn under the Credit Facility Agreement. U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Credit Facility Agreement is less than the greater of ten percent of the maximum facility availability and \$140 million. Based on the most recent four quarters as of September 30, 2025, the Company would have met the fixed charge coverage ratio test.

U. S. Steel Košice (USSK) Credit Facilities

On September 28, 2023, the Company elected to reduce the size of the USSK Credit Agreement from €300 million to €150 million (approximately \$176 million). The reduced credit facility size supports USSK's liquidity needs and is consistent with efforts to optimize costs and the global liquidity position. The USSK Credit Agreement matures in 2026 and contains sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

Under the USSK Credit Agreement, USSK is required to maintain certain financial covenants, including a maximum net debt to EBITDA ratio and a minimum stockholder's equity and subordinated intercompany debt to assets ratio, measured on a rolling twelve-month basis on September 30th and December 31st of each year. At September 30, 2025, USSK was in compliance with these covenants and the USSK Credit Agreement was undrawn and remained fully available.

During the first quarter of 2023, USSK increased the size of its €20 million credit facility to €30 million (approximately \$35 million) (the USSK Credit Facility). On September 13, 2024, the Company amended the USSK Credit Facility to extend the term by three years, maturing in 2027. At September 30, 2025, USSK had no borrowings under the USSK Credit Facility, and the availability was approximately \$26 million due to approximately \$9 million of guarantees outstanding.

13. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, current accounts and notes receivable, accounts payable and accrued interest included in the Condensed Consolidated Balance Sheet approximate fair value. See Note 11 for disclosure of U. S. Steel's derivative instruments, which are accounted for at fair value on a recurring basis.

Stelco Option for Minntac Mine Interest

On April 30, 2020, the Company entered into an Option Agreement with Stelco, Inc. (Stelco), a subsidiary of Cleveland-Cliffs Inc., that grants Stelco the option to purchase a 25 percent interest (Option Interest) in a to-be-formed entity (Joint Venture) that will own the Company's current iron ore mine located in Mt. Iron, Minnesota (Minntac Mine). As consideration for the Option Interest, Stelco paid the Company an aggregate amount of \$100 million in five \$20 million installments during the year-ended December 31, 2020, which are recorded net of transaction costs in noncontrolling

interests in the Condensed Consolidated Balance Sheet. The option can be exercised any time before January 31, 2027, and in the event Stelco exercises the option, Stelco will contribute an additional \$500 million to the Joint Venture, which amount shall be remitted solely to U. S. Steel in the form of a one-time special distribution, and the parties will engage in good faith negotiations to finalize the master agreement (pursuant to which Stelco will acquire the Option Interest) and the limited liability company agreement of the Joint Venture.

Surplus VEBA assets

During the fourth quarter 2022, U. S. Steel and the United Steelworkers (USW) agreed to utilize the overfunded OPEB plans to support the benefits provided to active represented employees. Beginning January 1, 2023, this agreement allows the Company to use a certain amount of surplus VEBA assets (the surplus amount) to pay for legally permissible benefits under Section 501(c)(9) of the Internal Revenue Code for active employees and retirees of the USW. The surplus amount of \$595 million was determined as of December 31, 2022, and was the balance of VEBA assets in excess of 135% of the retiree obligation at that time. On January 1, 2023, a subaccount was created and consisted of a pro-rata share of the existing trust. On February 1, 2023, using January 31, 2023 asset values, a new investment strategy was implemented and comprised of existing investments from the VEBA trust and cash. On February 1, 2023, certain assets were transferred from the VEBA to the subaccount. The Company is permitted to withdraw a target of \$75 million annually, with a guaranteed annual minimum of \$50 million, on a quarterly pro rata basis, from the subaccount to cover the cost of the permissible benefits for active USW employees and USW retirees. If after the annual withdrawal of \$75 million, the subaccount value decreases by less than \$40 million annually (defined as the "Threshold Surplus"), the Company may withdraw the excess above the Threshold Surplus. Based on the value of the subaccount as of December 31, 2023, approximately \$15 million was withdrawn from the subaccount in January 2024 to pay for permissible benefits. In 2025, no excess amounts were available for withdrawal based on the value of the subaccount on December 31, 2024. The surplus VEBA assets subaccount portfolio consists of fixed income securities including corporate bonds, U.S. government bonds, and U.S. Treasury notes, in addition to alternatives including investments in private credit partnerships and real estate funds. A portion of the corporate bonds are classified as available-for-sale debt securities, with unrealized gains and losses reported in Accumulated other comprehensive income (loss). Upon sale, realized gains and losses are reported in earnings. All other investments in the subaccount are financial instruments measured at fair value or net asset value, with gains and losses recognized through net (loss) earnings and are reported as Net gain from investments related to active employee benefits on the Company's Condensed Consolidated Statements of Operations.

As of September 30, 2025, the fair value of the surplus VEBA assets subaccount portfolio was \$468 million, with \$75 million in Other current assets and \$393 million in Other noncurrent assets on the Condensed Consolidated Balance Sheet.

As of December 31, 2024, the fair value of the surplus VEBA assets subaccount portfolio was \$505 million, with \$75 million in Other current assets and \$430 million in Other noncurrent assets on the Consolidated Balance Sheet.

The value of corporate bonds classified as available-for-sale debt securities was \$86 million and \$131 million as of September 30, 2025, and December 31, 2024, respectively. A total pretax net gain related to available-for-sale securities of \$6 million and \$7 million was included in Accumulated other comprehensive income (loss) as of September 30, 2025, and December 31, 2024, respectively.

During the three months and nine months ended September 30, 2025, pretax net gains of \$8 million and \$21 million were recognized in Net gain from investments related to active employee benefits, respectively. During the three months and nine months ended September 30, 2025, pretax net losses of \$1 million were recognized in Accumulated other comprehensive income (loss).

During the three months and nine months ended September 30, 2024, pretax net gains of \$9 million and \$21 million were recognized in Net gain from investments related to active employee benefits, respectively. During the three months and nine months ended September 30, 2024, pretax net gains of \$2 million were recognized in Accumulated other comprehensive income (loss).

The fair value of the subaccount portfolio by asset category as of September 30, 2025, and December 31, 2024, were as follows (in millions):

Asset Category	September 30, 2025					December 31, 2024				
	Level 1	Level 2	Level 3	measured at NAV ^(a)	Total	Level 1	Level 2	Level 3	measured at NAV ^(a)	Total
Fixed Income										
Corporate bonds - U.S.	\$ —	\$ 96	\$ —	\$ —	\$ 96	\$ —	\$ 129	\$ —	\$ —	\$ 129
Corporate bonds - Non-U.S.	—	35	—	—	35	—	46	—	—	46
U.S. government bonds	—	37	—	—	37	—	43	—	—	43
Mortgage and asset-backed securities	—	17	—	—	17	—	14	—	—	14
Total fixed income	\$ —	\$ 185	\$ —	\$ —	\$ 185	\$ —	\$ 232	\$ —	\$ —	\$ 232
Alternatives										
Private credit partnerships	—	—	26	209	235	—	—	29	157	186
Other alternatives	—	—	—	21	21	—	—	—	19	19
Total alternatives	\$ —	\$ —	\$ 26	\$ 230	\$ 256	\$ —	\$ —	\$ 29	\$ 176	\$ 205
Commingled Funds	—	—	—	5	5	—	—	—	5	5
Other ^(b)	22	—	—	—	22	63	—	—	—	63
Total assets at fair value	\$ 22	\$ 185	\$ 26	\$ 235	\$ 468	\$ 63	\$ 232	\$ 29	\$ 181	\$ 505

^(a) In accordance with ASC Topic 820, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

^(b) Includes cash, accrued income, and miscellaneous payables.

The following table summarizes U. S. Steel's financial liabilities that were not carried at fair value at September 30, 2025, and December 31, 2024. The fair value of long-term debt was determined using Level 2 inputs.

(In millions)	As of September 30, 2025		As of December 31, 2024	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial liabilities:				
Long-term debt ^(a)	\$ 3,441	\$ 3,502	\$ 4,243	\$ 3,822

^(a) Excludes finance lease obligations.

14. Statement of Changes in Shareholder Equity

The following table reflects the first nine months of 2025 and 2024 reconciliation of the carrying amount of total equity, equity attributable to U. S. Steel and equity attributable to noncontrolling interests:

Nine Months Ended September 30, 2025 (In millions)	Accumulated Other Comprehensive (Loss) Income								Non- Controlling Interest
	Total	Retained Earnings	Common Stock	Treasury Stock	Paid-in Capital	Share Capital			
Balance at beginning of year	\$ 11,440	\$ 7,219	\$ (21)	\$ 288	\$ (1,446)	\$ 5,307	\$ —	\$ 93	
Comprehensive income (loss):									
Net loss	(116)	(116)	—	—	—	—	—	—	
Other comprehensive income (loss), net of tax:									
Pension and other benefit adjustments	8	—	8	—	—	—	—	—	
Currency translation adjustment	40	—	40	—	—	—	—	—	
Derivative financial instruments	(24)	—	(24)	—	—	—	—	—	
Employee stock plans	(5)	—	—	1	(23)	17	—	—	
Dividends paid on common stock	(12)	(12)	—	—	—	—	—	—	
Balance at March 31, 2025	\$ 11,331	\$ 7,091	\$ 3	\$ 289	\$ (1,469)	\$ 5,324	\$ —	\$ 93	
Comprehensive income (loss):									
Net loss	(1,232)	(1,232)	—	—	—	—	—	—	
Other comprehensive income (loss), net of tax:									
Pension and other benefit adjustments	9	—	9	—	—	—	—	—	
Currency translation adjustment	88	—	88	—	—	—	—	—	
Derivative financial instruments	(37)	—	(37)	—	—	—	—	—	
Employee stock plans	12	—	—	1	—	11	—	—	
Dividends paid on common stock	(11)	(11)	—	—	—	—	—	—	
Share capital from Parent	14,190	—	—	—	—	—	14,190	—	
Transaction Consideration ^(a)	(12,462)	—	—	—	—	—	(12,462)	—	
Acceleration and settlement of long-term incentive awards	(257)	(162)	—	—	—	(95)	—	—	
Effect of Transaction	—	—	—	(290)	1,469	(5,240)	4,061	—	
Other	(2)	(1)	—	—	—	—	(1)	—	
Balance at June 30, 2025	\$ 11,629	\$ 5,685	\$ 63	\$ —	\$ —	\$ —	\$ 5,788	\$ 93	
Comprehensive income (loss):									
Net earnings	100	100	—	—	—	—	—	—	
Other comprehensive income (loss), net of tax:									
Pension and other benefit adjustments	8	—	8	—	—	—	—	—	
Currency translation adjustment	7	—	7	—	—	—	—	—	
Derivative financial instruments	21	—	21	—	—	—	—	—	
Active employee benefit investments	(1)	—	(1)	—	—	—	—	—	
Share Capital from Parent	(1)	—	—	—	—	—	(1)	—	
Other	2	1	—	—	—	—	1	—	
Balance at September 30, 2025	\$ 11,765	\$ 5,786	\$ 98	\$ —	\$ —	\$ —	\$ 5,788	\$ 93	

^(a) Transaction Consideration payment was effectuated by Parent and Merger Sub and made directly to common stockholders at the closing date. Refer to Note 1 for additional information.

Nine Months Ended September 30, 2024 (In millions)	Accumulated Other Comprehensive Income							Non- Controlling Interest
	Total	Retained Earnings	Common Stock	Treasury Stock	Paid-in Capital			
Balance at beginning of year	\$ 11,140	\$ 6,880	\$ 46	\$ 286	\$ (1,418)	\$ 5,253	\$ 93	
Comprehensive income (loss):								
Net earnings	171	171	—	—	—	—	—	
Other comprehensive income (loss), net of tax:								
Pension and other benefit adjustments	(7)	—	(7)	—	—	—	—	
Currency translation adjustment	(36)	—	(36)	—	—	—	—	
Derivative financial instruments	43	—	43	—	—	—	—	
Employee stock plans	(8)	—	—	2	(23)	13	—	
Dividends paid on common stock	(12)	(12)	—	—	—	—	—	
Other	1	1	—	—	—	—	—	
Balance at March 31, 2024	\$ 11,292	\$ 7,040	\$ 46	\$ 288	\$ (1,441)	\$ 5,266	\$ 93	
Comprehensive income (loss):								
Net earnings	183	183	—	—	—	—	—	
Other comprehensive income (loss), net of tax:								
Pension and other benefit adjustments	(5)	—	(5)	—	—	—	—	
Currency translation adjustment	(18)	—	(18)	—	—	—	—	
Derivative financial instruments	32	—	32	—	—	—	—	
Employee stock plans	14	—	—	—	(1)	15	—	
Dividends paid on common stock	(11)	(11)	—	—	—	—	—	
Other	\$ (1)	\$ (1)	\$ —	\$ —	\$ —	\$ —	\$ —	
Balance at June 30, 2024	\$ 11,486	\$ 7,211	\$ 55	\$ 288	\$ (1,442)	\$ 5,281	\$ 93	
Comprehensive income (loss):								
Net earnings	119	119	—	—	—	—	—	
Other comprehensive income (loss), net of tax:								
Pension and other benefit adjustments	(6)	—	(6)	—	—	—	—	
Currency translation adjustment	77	—	77	—	—	—	—	
Active employee benefit investments	1	—	1	—	—	—	—	
Employee stock plans	5	—	—	—	(5)	10	—	
Dividends paid on common stock	(11)	(11)	—	—	—	—	—	
Balance at September 30, 2024	\$ 11,671	\$ 7,319	\$ 127	\$ 288	\$ (1,447)	\$ 5,291	\$ 93	

15. **Reclassifications from Accumulated Other Comprehensive Income (AOCI)**

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized Gain (Loss) on Derivatives	Active Employee Benefit Investments	Total
Balance at December 31, 2024	\$ (318)	\$ 264	\$ 28	\$ 5	\$ (21)
Other comprehensive income (loss) before reclassifications	—	135	(49)	1	87
Amounts reclassified from AOCI ^(a)	25	—	9	(2)	32
Net current-period other comprehensive income (loss)	25	135	(40)	(1)	119
Balance at September 30, 2025	\$ (293)	\$ 399	\$ (12)	\$ 4	\$ 98
Balance at December 31, 2023	\$ (241)	\$ 334	\$ (52)	\$ 5	\$ 46
Other comprehensive income before reclassifications	—	23	49	3	75
Amounts reclassified from AOCI ^(a)	(18)	—	26	(2)	6
Net current-period other comprehensive (loss) income	(18)	23	75	1	81
Balance at September 30, 2024	\$ (259)	\$ 357	\$ 23	\$ 6	\$ 127

^(a) See table below for further details.

Details about AOCI components (in millions)	Amount reclassified from AOCI			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Amortization of pension and other benefit items ^(a)				
Prior service cost (credit)	\$ 7	\$ (1)	\$ 19	\$ (7)
Actuarial loss (gain)	6	(7)	14	(17)
Total pensions and other benefits items	13	(8)	33	(24)
Derivative reclassifications to Condensed Consolidated Statements of Operations	19	(6)	13	35
Active employee benefit investments reclassifications to Condensed Consolidated Statements of Operations	(1)	(1)	(3)	(2)
Total before tax	31	(15)	43	9
Tax (benefit) provision	(11)	3	(11)	(3)
Net of tax	\$ 20	\$ (12)	\$ 32	\$ 6

^(a) These AOCI components are included in the computation of net periodic benefit income. See Note 8 for additional details.

16. **Transactions with Related Parties**

Related party sales and service transactions are primarily related to equity investees and were \$641 million and \$634 million for the three months ended September 30, 2025, and 2024, respectively and \$1,797 million and \$1,939 million for the nine months ended September 30, 2025 and 2024, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of \$225 million and \$144 million at September 30, 2025, and December 31, 2024, respectively, primarily for invoicing and receivables collection services provided by U. S. Steel on PRO-TEC's behalf. U. S. Steel, as PRO-TEC's exclusive sales agent, is responsible for credit risk related to those receivables. U. S. Steel also provides PRO-TEC marketing, selling and customer service functions. Payables to other related parties totaled \$3 million and \$2 million for the periods ending September 30, 2025 and December 31, 2024, respectively.

Purchases from related parties for outside processing services provided by equity investees amounted to \$5 million for both the three months ended September 30, 2025 and 2024, and \$14 million and \$15 million for the nine months ended September 30, 2025 and 2024, respectively. Purchases of iron ore pellets and other raw materials from related parties amounted to \$15 million and \$21 million for the three months ended September 30, 2025, and 2024, respectively and \$45 million and \$66 million for the nine months ended September 30, 2025 and 2024, respectively.

Wheeling-Nippon Steel, Inc. and Nippon Steel Trading Americas, Inc., wholly owned subsidiaries of NSC, are currently customers of the Company. Net sales to related parties pertaining to business with NSC subsidiaries were \$94 million and \$82 million for the three months ended September 30, 2025 and 2024, respectively and \$253 million and \$262 million for the nine months ended September 30, 2025 and 2024, respectively. Receivables from related parties include balances due from NSC subsidiaries of \$9 million and \$6 million at September 30, 2025 and December 31, 2024, respectively.

17. **Restructuring and Other Charges**

During the three months and nine months ended September 30, 2025, the Company recorded restructuring and other charges that were less than \$1 million and \$1 million, respectively. Cash payments related to previously accrued restructuring programs made during the nine months ended September 30, 2025, were approximately \$11 million.

During the three months and nine months ended September 30, 2024, the Company recorded restructuring and other charges of \$5 million and \$11 million, respectively, which related primarily to idling of certain coke-making facilities. Cash payments related to previously accrued restructuring programs made during the nine months ended September 30, 2024, were approximately \$77 million.

The activity in the accrued balances incurred in relation to restructuring during the nine months ended September 30, 2025, was as follows:

(In millions)	Employee Related Costs	Exit Costs	Non-cash Charges	Total
Balance at December 31, 2024	\$ 45	\$ 14	\$ —	\$ 59
Additional charges	1	—	—	1
Cash payments/utilization ^(a)	(11)	—	—	(11)
Balance at September 30, 2025	\$ 35	\$ 14	\$ —	\$ 49

^(a) \$6 million of payments were made from the pension fund trust assets in the Employee Related Costs column during the nine months ended September 30, 2025.

Accrued liabilities for restructuring programs are recorded primarily in payroll and benefits and accounts payable on the Condensed Consolidated Balance Sheet.

18. **Contingencies and Commitments**

U. S. Steel is the subject of, or party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the Condensed Consolidated Financial Statements. However, management believes that U. S. Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably.

U. S. Steel accrues for estimated costs related to existing lawsuits, claims and proceedings when it is probable that it will incur these costs in the future and the costs are reasonably estimable.

Asbestos matters – As of September 30, 2025, U. S. Steel was a defendant in approximately 1,050 active asbestos cases involving approximately 2,635 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,585, or approximately 60 percent, of these plaintiff claims are currently pending in a jurisdiction which permits filings with massive numbers of plaintiffs. At December 31, 2024, U. S. Steel was a defendant in approximately 990 active asbestos cases involving approximately 2,575 plaintiffs. Based upon U. S. Steel's experience in such cases, it believes that the actual number of plaintiffs who ultimately assert claims against U. S. Steel will likely be a small fraction of the total number of plaintiffs.

The following table shows the number of asbestos claims in the current period and the prior three years:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2022	2,505	230	235	2,510
December 31, 2023	2,510	235	230	2,505
December 31, 2024	2,505	240	310	2,575
September 30, 2025	2,575	220	280	2,635

The amount U. S. Steel accrues for pending asbestos claims is not material to U. S. Steel's financial condition. However, U. S. Steel is unable to estimate the ultimate outcome of asbestos-related claims due to a number of uncertainties, including: (1) the rates at which new claims are filed, (2) the number of and effect of bankruptcies of other companies traditionally defending asbestos claims, (3) uncertainties associated with the variations in the litigation process from jurisdiction to jurisdiction, (4) uncertainties regarding the facts, circumstances and disease process with each claim and (5) any new legislation enacted to address asbestos-related claims.

Further, U. S. Steel does not believe that an accrual for unasserted claims is required. At any given reporting date, it is probable that there are unasserted claims that will be filed against the Company in the future. The Company engages an outside valuation consultant to assist in assessing its ability to estimate an accrual for unasserted claims. This assessment is based on the Company's settlement experience, including recent claims trends. The analysis focuses on settlements made over the last several years as these claims are likely to best represent future claim characteristics. After review by the valuation consultant and U. S. Steel management, it was determined that the Company could not estimate an accrual for unasserted claims.

Despite these uncertainties, management believes that the ultimate resolution of these matters will not have a material adverse effect on U. S. Steel's financial condition.

Environmental matters – U. S. Steel is subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. Changes in accrued liabilities for remediation activities where U. S. Steel is identified as a named party are summarized in the following table:

(In millions)	Nine Months Ended September 30, 2025	
Beginning of period	\$	108
Accruals for environmental remediation deemed probable and reasonably estimable		10
Obligations settled		(11)
End of period	\$	107

Accrued liabilities for remediation activities are included in the following Condensed Consolidated Balance Sheet lines:

(In millions)	As of	
	September 30, 2025	December 31, 2024
Accounts payable and other accrued liabilities	\$ 22	\$ 26
Deferred credits and other noncurrent liabilities	85	82
Total	\$ 107	\$ 108

Expenses related to remediation are recorded in cost of sales and were \$10 million and \$5 million for the nine-month periods ended September 30, 2025, and September 30, 2024, respectively. It is not currently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed. Due to uncertainties inherent in remediation projects and the associated liabilities, it is reasonably possible that total remediation costs for active matters may exceed the accrued liabilities by as much as 40 to 60 percent.

Remediation Projects

U. S. Steel is involved in environmental remediation projects at or adjacent to several current and former U. S. Steel facilities and other locations that are in various stages of completion ranging from initial characterization through post-closure monitoring. Based on the anticipated scope and degree of uncertainty of projects, the Company categorizes projects as follows:

- (1) *Projects with Ongoing Study and Scope Development* - For these projects, the extent of remediation that may be required is not yet known, the remediation methods and plans are not yet developed, and/or cost estimates cannot be determined. Therefore, significant costs, in addition to the accrued liabilities for these projects, are reasonably possible. There are four environmental remediation projects where additional costs for completion are not currently estimable but could be material. These projects are at South Works, UPI, South Taylor Landfill and the former steelmaking plant at Joliet, Illinois. As of September 30, 2025, accrued liabilities for these projects totaled \$3 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as \$41 million to \$61 million.
- (2) *Projects with Significant Accrued Liabilities with a Defined Scope* - As of September 30, 2025, there are four significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$58 million. These projects are Gary Resource Conservation and Recovery Act (accrued liability of \$29 million), Duluth Works (accrued liability of \$6 million), Fairfield Works (accrued liability of \$7 million) and the former Geneva facility (accrued liability of \$16 million).
- (3) *Other Projects with a Defined Scope* - These projects involve relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be significant, and also include those projects for which we do not yet possess sufficient information to estimate potential costs to U. S. Steel. There are three other environmental remediation projects which each had an accrued liability of between \$1 million and \$5 million. The total accrued liability for these projects at September 30, 2025, was \$5 million. These projects have progressed through a significant portion of the design phase and material additional costs are not expected.

The remaining environmental remediation projects each have an accrued liability of less than \$1 million each. The total accrued liability for these projects at September 30, 2025, was approximately \$3 million. The Company does not foresee material additional liabilities for any of these sites.

Post-Closure Costs – Accrued liabilities for post-closure site monitoring and other costs at various closed landfills totaled \$27 million at September 30, 2025, and were based on known scopes of work.

Administrative and Legal Costs – As of September 30, 2025, U. S. Steel had an accrued liability of \$11 million for administrative and legal costs related to environmental remediation projects. These accrued liabilities were based on projected administrative and legal costs for the next three years and do not change significantly from year to year.

Capital Expenditures – For a number of years, U. S. Steel has made substantial capital expenditures to comply with various regulations, laws and other requirements relating to the environment. Such capital expenditures totaled \$63 million and \$44 million in the first nine months of 2025 and 2024, respectively. U. S. Steel anticipates making additional such expenditures in the future, which may be material; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

European Union (the EU) Environmental Requirements - Phase IV of the EU Emissions Trading System (the EU ETS) commenced on January 1, 2021, and will finish on December 31, 2030. The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. The Slovak Ministry of Environment allocated 7 thousand metric tons and 6.2 million metric tons of European Union Emission Allowances (EUA) at no charge (free allowances or free allocation) to USSE in June 2025 and September 2025, respectively. As of September 30, 2025, we have pre-purchased approximately 1.42 million EUA totaling €92 million (approximately \$108 million) via spot purchases or settled forwards to cover the 2025 shortfall of emission allowances and expected shortfall in subsequent years.

The EU's Industrial Emissions Directive requires implementation of EU-determined best available techniques (BAT) for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Total capital expenditures for projects to go beyond BAT requirements were €138 million (approximately \$162 million). These costs were partially offset by the EU funding received and may be mitigated over the next measurement periods if USSK complies with certain financial covenants, which are assessed annually. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g., bank guarantee) to secure 50 percent of the EU funding received. USSK complied with these covenants as of September 30, 2025, and no additional collateral will be required by the end of June 30, 2026. By this next assessment date, we expect that thirteen of the fifteen total projects will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral if the covenants are not met. The last assessment of financial covenants will be performed as of June 30, 2026.

Environmental indemnifications – Throughout its history, U. S. Steel has sold numerous properties and businesses and many of these sales included indemnifications and cost sharing agreements related to the assets that were divested. The amount of potential environmental liability associated with these transactions and properties is not estimable due to the nature and extent of the unknown conditions related to the properties divested and deconsolidated. Aside from the environmental liabilities already recorded as a result of these transactions due to specific environmental remediation

activities and cases (included in the \$107 million of accrued liabilities for remediation discussed above), there are no other known probable and estimable environmental liabilities related to these transactions.

Guarantees – The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled \$7 million at September 30, 2025.

Other contingencies – Under certain lease agreements covering various equipment, U. S. Steel has the option to renew the lease or to purchase the equipment at the end of the lease term. If U. S. Steel does not exercise the purchase option by the end of the lease term, U. S. Steel guarantees a residual value of the equipment as determined at the lease inception date (totaling approximately \$15 million at September 30, 2025). No liability has been recorded for these guarantees as the potential loss is not probable.

The Company's BR2 facility in Osceola, Arkansas qualifies for financing and related economic incentives associated with the acquisition, development, construction, and operation of the facility. These incentives consist of advance lump-sum payments which are included in deferred credits and other noncurrent liabilities on the Condensed Consolidated Balance Sheet. In March 2022, the Company received a lump-sum payment of approximately \$82 million as proceeds from the sale of a portion of expected future tax credits to be earned by the Company under the State of Arkansas's Recycling Tax Credit program. These funds are to be used primarily for the acquisition of project related equipment, however they may also be used for the training and development of new employees hired for the facility. The Company is contingently liable for certain repayment penalties if the Company fails to meet certain employment requirements in any given period. In April 2022, the Company received a \$3 million grant from Mississippi County, Arkansas, and in May 2022, the Company received a \$50 million grant from the State of Arkansas Quick Action Closing Fund. Both grants pertain to the reimbursement of qualifying project costs. Deferred liabilities were recognized for each of these grants and are included in deferred credits and other noncurrent liabilities on the Condensed Consolidated Balance Sheet. For each of these incentives and grants, the balance of deferred income will be recognized into Other (gains) losses, net in the accompanying Condensed Consolidated Statements of Operations on a systematic basis over the periods in which the Company earns the granted funds by complying with the investment and employment requirements of the grant programs.

In July 2024, the Company also received a lump-sum payment of approximately \$75 million as proceeds from the sale of a portion of future tax credits to be earned by the Company under the State of Arkansas's Recycling Tax Credit program for the Phase II portion of the Big River Steel facilities. The Company is contingently liable for certain repayment penalties if the Company fails to meet certain employment requirements, and as such a deferred liability was recognized for this grant and will be amortized into Other (gains) losses, net in the Condensed Consolidated Statements of Operations on a systematic basis over the periods in which the Company earns the granted funds by complying with the employment requirements of the grant program.

Insurance – U. S. Steel maintains insurance for certain property damage, equipment, business interruption and general liability exposures; however, insurance is applicable only after certain deductibles and retainages. U. S. Steel is self-insured for certain other exposures including workers' compensation (where permitted by law) and auto liability. Liabilities are recorded for workers' compensation and personal injury obligations. Other costs resulting from losses under deductible or retainage amounts or not otherwise covered by insurance are charged against income upon occurrence.

U. S. Steel uses surety bonds, trusts and letters of credit to provide whole or partial financial assurance for certain obligations such as workers' compensation. The total amount of active surety bonds, trusts and letters of credit being used for financial assurance purposes was approximately \$184 million as of September 30, 2025, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. A significant portion of our trust arrangements and letters of credit are collateralized by the Credit Facility Agreement. The remaining trust arrangements and letters of credit are collateralized by restricted cash. Restricted cash, which is recorded in other current and noncurrent assets, totaled \$43 million and \$46 million at September 30, 2025, and December 31, 2024, respectively.

Capital Commitments – At September 30, 2025, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled \$696 million.

Contractual Purchase Commitments – U. S. Steel is obligated to make payments under contractual purchase commitments, including unconditional purchase obligations. Payments for contracts with remaining terms in excess of one year are summarized below (in millions):

Remainder of 2025	2026	2027	2028	2029	Later Years	Total
\$348	\$1,153	\$382	\$237	\$176	\$672	\$2,968

The majority of U. S. Steel's unconditional purchase obligations relates to the supply of industrial gases, and certain energy and utility services with terms ranging from 19 months to 19 years. Unconditional purchase obligations also include coke and steam purchase commitments related to a coke supply agreement with Gateway Energy & Coke

Company LLC (Gateway) under which Gateway is obligated to supply a minimum volume of the expected targeted annual production of the heat recovery coke plant, and U. S. Steel is obligated to purchase the coke from Gateway at the contract price. As of September 30, 2025, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$6 million.

As a result of the indefinite idling of the iron and steel making processes at Granite City Works, there were \$41 million and \$60 million of liabilities for unconditional purchase obligations as of September 30, 2025, and December 31, 2024, respectively.

Total payments relating to unconditional purchase obligations were \$182 million and \$193 million for the three months ended September 30, 2025, and 2024, respectively and \$548 million and \$587 million for the nine months ended September 30, 2025 and 2024, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

U. S. Steel's results in the three months ended September 30, 2025, compared to the same period in 2024, decreased for the North American Flat-Rolled and U. S. Steel Europe segments, and increased for the Mini Mill and Tubular segments. U. S. Steel's results in the nine months ended September 30, 2025, compared to the same period in 2024, declined for the North American Flat-Rolled and Tubular segments, increased for the U. S. Steel Europe segment, and remained constant for the Mini Mill segment.

- **North American Flat-Rolled:** Flat-Rolled results for the three and nine months ended September 30, 2025, decreased compared to the prior three and nine month periods, primarily due to higher raw material and energy costs in the three month period and lower sales price and volume across most products for the nine month period.
- **Mini Mill:** Mini Mill results for the three months ended September 30, 2025 increased compared to the prior three month period, primarily due to higher sales price and volume across most products. Mini Mill results for the nine months ended September 30, 2025 remained constant compared to the prior nine month period.
- **U. S. Steel Europe:** USSE results for the three months ended September 30, 2025 decreased compared to the prior three month period, primarily due to lower volume across most products. USSE results for the nine months ended September 30, 2025 were comparable to the prior nine month period.
- **Tubular:** Tubular results for the three months ended September 30, 2025 increased compared to the prior three month period, primarily due to higher sales price and volume across all products. Tubular results for the nine months ended September 30, 2025 decreased compared to the prior nine month period due to lower sales price across most products and unfavorable product mix.

Net sales by segment for the three months and nine months ended September 30, 2025 and 2024 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Flat-Rolled	\$ 2,509	\$ 2,377	6%	\$ 7,172	\$ 7,391	(3)%
Mini Mill	939	505	86%	2,362	1,593	48%
USSE	708	745	(5)%	2,118	2,406	(12)%
Tubular	272	217	25%	722	729	(1)%
Total sales from reportable segments	4,428	3,844	15%	12,374	12,119	2%
Other	4	9	(56)%	11	12	(8)%
Net sales	\$ 4,432	\$ 3,853	15%	\$ 12,385	\$ 12,131	2%

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the three months ended September 30, 2025, versus the three months ended September 30, 2024:

	Steel Products ^(a)					Other ^(c)	Net Change
	Volume	Price	Mix	FX ^(b)			
Flat-Rolled	4 %	5 %	(2)%	— %	(1)%	6 %	
Mini Mill	11 %	12 %	— %	— %	63 %	86 %	
USSE	(12)%	(4)%	6 %	5 %	— %	(5)%	
Tubular	17 %	13 %	(4)%	— %	(1)%	25 %	

^(a) Excludes intersegment sales.

^(b) Foreign currency translation effects.

^(c) Primarily sales of raw materials and coke making by-products. For Mini Mill, Other includes the impact of BR2 net sales due to BR2 not being operational in the comparative period.

Net sales for the three months ended September 30, 2025, compared to the same period in 2024 were \$4,432 million and \$3,853 million, respectively.

- For the Flat-Rolled segment, the increase in sales primarily resulted from higher average realized prices across most products and increased shipments (77 thousand tons) of lower value products.
- For the Mini Mill segment, the increase in sales primarily resulted from increased shipments (411 thousand tons, of which BR2 contributed 347 thousand tons) across all products and higher average realized prices across most products.
- For the USSE segment, the decrease in sales primarily resulted from decreased shipments (111 thousand tons) across most products, partially offset by the strengthening of the Euro versus the U.S. dollar. In addition, while average realized price increased due to an increase in shipments specifically for the highest value product, lower value products making up the vast majority of total volumes had a price decrease.
- For the Tubular segment, the increase in sales primarily resulted from increased shipments (22 thousand tons) and higher average realized prices across all products.

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the nine months ended September 30, 2025, versus the nine months ended September 30, 2024:

	Steel Products ^(a)					Other ^(c)	Net Change
	Volume	Price	Mix	FX ^(b)			
Flat-Rolled	(1)%	— %	(1)%	— %	(1)%	(3)%	
Mini Mill	11 %	(3)%	2 %	— %	38 %	48 %	
USSE	(12)%	(6)%	3 %	3 %	— %	(12)%	
Tubular	11 %	(4)%	(8)%	— %	— %	(1)%	

^(a) Excludes intersegment sales.

^(b) Foreign currency translation effects.

^(c) Primarily sales of raw materials and coke making by-products. For Mini Mill, Other includes the impact of BR2 net sales due to BR2 not being operational in the comparative period.

Net sales for the nine months ended September 30, 2025, compared to the same period in 2024 were \$12,385 million and \$12,131 million, respectively.

- For the Flat-Rolled segment, the decrease in sales primarily resulted from decreased shipments (104 thousand tons) of higher value-added products and lower average realized prices across most products.
- For the Mini Mill segment, the increase in sales primarily resulted from increased shipments (901 thousand tons, of which BR2 contributed 705 thousand tons) across all products partially offset by lower average realized prices across all products.
- For the USSE segment, the decrease in sales primarily resulted from decreased shipments (342 thousand tons) across most products, partially offset by the strengthening of the Euro versus the U.S. dollar and favorable mix.
- For the Tubular segment, the decrease in sales primarily resulted from lower average realized prices from higher value products, partially offset by increased shipments (40 thousand tons) of lower value products.

Selling, general and administrative expenses

Selling, general and administrative expenses were \$105 million and \$574 million for the three months and nine months ended September 30, 2025, respectively, compared to \$104 million and \$328 million for the three months and nine months ended

September 30, 2024, respectively. The increase between the nine month periods was primarily related to NSC transaction-related costs resulting from the closing of the Merger Agreement.

Restructuring and other charges

During the three months and nine months ended September 30, 2025, the Company recorded restructuring and other charges that were less than \$1 million and \$1 million, respectively, compared to \$5 million and \$11 million during the three months and nine months ended September 30, 2024, respectively. See Note 17 to the Condensed Consolidated Financial Statements for further details.

Operating configuration adjustments

The Company adjusts its operating configuration in response to changes in market conditions, global overcapacity, import competition arising from unfair trade practices, and changes in customer demand. These operating configuration adjustments can include indefinitely and temporarily idling certain of its facilities as well as re-starting production at certain of its facilities.

Idled Operations

In 2023, the Company indefinitely idled the iron and steel making assets at Granite City Works and the operations of UPI. These facilities remain indefinitely idled as of September 30, 2025.

In 2022, U. S. Steel indefinitely idled the majority of the tin mill operations at Gary Works. This included the Tin Line #5 and the Tin Line #6. Tin mill operations continue to operate at the Midwest plant.

The Company's Lorain Tubular and Lone Star Tubular Operations were initially idled in 2020 and remain indefinitely idled as of September 30, 2025.

The total carrying value of the fixed assets related to U. S. Steel's indefinitely idled operations as of September 30, 2025 is \$105 million.

Earnings (loss) before interest, taxes, depreciation and amortization by segment

Segment performance is measured primarily on the basis of segment level earnings (loss) before interest, taxes, depreciation and amortization (EBITDA). EBITDA for reportable segments and the Other category does not include net interest and other financial costs (income), income taxes, and certain other items that management believes are not indicative of future results.

Earnings (loss) before interest, taxes, depreciation and amortization by segment ^(a)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(Dollars in millions)						
Flat-Rolled	\$ 214	\$ 246	(13)%	\$ 540	\$ 712	(24)%
Mini Mill	135	22	514 %	241	241	— %
USSE	31	39	(21)%	108	106	2 %
Tubular	26	9	189 %	52	120	(57)%
Other (loss) earnings before interest, taxes, depreciation and amortization	(5)	3	(267)%	—	(3)	100 %
Depreciation, depletion, and amortization	(282)	(235)	(20)%	(794)	(662)	(20)%
Segment earnings before interest and income taxes	119	84	42 %	147	514	(71)%
Items not allocated to segments:						
Stock-based compensation expense	—	(10)		(31)	(37)	
Asset impairment charges	—	—		—	(19)	
Environmental remediation charges	(4)	(1)		(11)	(4)	
NSC transaction-related costs ^(b)	(20)	(18)		(291)	(59)	
Clairton 13-14 Batteries incident	(10)	—		(10)	—	
Sale of South Works property	51	—		51	—	
Other charges, net	(4)	(7)		(13)	(12)	
Total earnings (loss) before interest and income taxes	\$ 132	\$ 48	175 %	\$ (158)	\$ 383	(141)%

^(a) See Note 3 to the Condensed Consolidated Financial Statements for reconciliations and other details.

^(b) NSC transaction-related costs include strategic alternatives review process costs incurred in 2025, prior to the closing date of the Merger Agreement, and 2024.

Segment results for Flat-Rolled	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(Dollars in Millions)						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 214	\$ 246	(13)%	\$ 540	\$ 712	(24)%
Depreciation, depletion and amortization	125	140	(11)%	359	389	(8)%
Earnings before interest and income taxes	\$ 89	\$ 106	(16)%	\$ 181	\$ 323	(44)%
Gross margin	10 %	12 %	(2)%	9 %	11 %	(2)%
Raw steel production (mnt)	2,110	2,107	— %	6,170	6,290	(2)%
Capability utilization	63 %	63 %	— %	63 %	63 %	— %
Steel shipments (mnt)	1,982	1,905	4 %	5,895	5,999	(2)%

The decrease in Flat-Rolled results for the three months ended September 30, 2025, compared to the same period in 2024 was primarily due to:

- higher raw material costs, including inventory revaluations (approximately \$80 million)
- higher energy costs (approximately \$35 million)
- higher operating costs (approximately \$90 million)
- higher other costs (approximately \$15 million),

these changes were partially offset by:

- higher average realized prices, including mix (approximately \$105 million)
- increased shipments (approximately \$20 million)
- higher other sales (approximately \$50 million)
- favorable equity investees income (approximately \$10 million).

Gross margin for the three months ended September 30, 2025, compared to the same period in 2024 decreased primarily as a result of higher raw material and energy costs.

The decrease in Flat-Rolled results for the nine months ended September 30, 2025, compared to the same period in 2024 was primarily due to:

- decreased shipments (approximately \$25 million)

- higher raw material costs, including inventory revaluations (approximately \$105 million)
- higher energy costs (approximately \$110 million)
- higher operating costs (approximately \$75 million)

these changes were partially offset by:

- higher other sales (approximately \$50 million)
- favorable equity investees income (approximately \$5 million)
- lower other costs, primarily from higher derivative gains and lower profit-based payments (approximately \$90 million).

Gross margin for the nine months ended September 30, 2025, compared to the same period in 2024 decreased primarily as a result of lower average realized prices and lower sales volume.

Segment results for Mini Mill	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(Dollars in Millions)						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 135	22	514 %	\$ 241	241	— %
Depreciation, depletion and amortization	109	50	118 %	297	143	108 %
Earnings (loss) before interest and income taxes	\$ 26	\$ (28)	193 %	\$ (56)	\$ 98	(157)%
Gross margin	15 %	13 %	2 %	11 %	21 %	(10)%
Raw steel production (mnt)	1,183	732	62 %	3,181	2,174	46 %
Capability utilization	75 %	88 %	(13)%	68 %	88 %	(20)%
Steel shipments (mnt)	1,013	602	68 %	2,633	1,732	52 %

The increase in Mini Mill results for the three months ended September 30, 2025, compared to the same period in 2024 was primarily due to:

- higher average realized prices, including mix (approximately \$55 million)
- increased shipments (approximately \$5 million)
- lower other costs, primarily due to BR2 (approximately \$65 million),

these changes were partially offset by:

- higher raw material costs (approximately \$10 million).

Gross margin for the three months ended September 30, 2025, compared to the same period in 2024 increased primarily as a result of higher net sales due to higher average realized prices and increased shipments.

Mini Mill results remained constant for the nine months ended September 30, 2025, compared to the same period in 2024, driven primarily by:

- lower average realized prices, including mix (approximately \$80 million)
- higher operating costs (approximately \$15 million),

these changes were offset by:

- increased shipments (approximately \$25 million)
- lower raw material costs (approximately \$40 million)
- lower other costs, primarily due to BR2 (approximately \$30 million).

Gross margin for the nine months ended September 30, 2025, compared to the same period in 2024 decreased primarily as a result of higher operating costs, partially offset by higher net sales due to increased shipments.

Segment results for USSE	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(Dollars in Millions)						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 31	\$ 39	(21)%	\$ 108	\$ 106	2 %
Depreciation, depletion and amortization	35	32	9 %	99	93	6 %
(Loss) earnings before interest and income taxes	\$ (4)	\$ 7	(157)%	\$ 9	\$ 13	(31)%
Gross margin	6 %	7 %	(1)%	7 %	6 %	1 %
Raw steel production (mnt)	838	970	(14)%	2,757	3,029	(9)%
Capability utilization	67 %	77 %	(10)%	74 %	81 %	(7)%
Steel shipments (mnt)	788	899	(12)%	2,504	2,846	(12)%

The decrease in USSE results for the three months ended September 30, 2025, compared to the same period in 2024 was primarily due to:

- lower commercial, which includes shipments, price and mix (approximately \$45 million)
- higher operating costs (approximately \$15 million)

these changes were partially offset by:

- lower raw material costs, including inventory revaluations and CO₂ accrual adjustments (approximately \$45 million)
- Strengthening of the Euro versus the U.S. dollar (approximately \$5 million).

Gross margin for the three months ended September 30, 2025, compared to the same period in 2024 decreased, primarily due to lower sales due to lower shipments.

The increase in USSE results for the nine months ended September 30, 2025 compared to the same period in 2024 was primarily due to:

- lower raw material costs, including inventory revaluations and CO₂ accrual adjustments (approximately \$200 million)
- Strengthening of the Euro versus the U.S. dollar (approximately \$15 million)
- lower other costs (approximately \$5 million),

these changes were partially offset by:

- lower commercial, which includes shipments, price, and mix (approximately \$165 million)
- lower non-steel sales (approximately \$10 million)
- higher operating costs (approximately \$25 million)
- higher energy costs (approximately \$20 million).

Gross margin for the nine months ended September 30, 2025, compared to the same period in 2024 increased, primarily due to lower raw material costs.

Segment results for Tubular	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
(Dollars in Millions)						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 26	\$ 9	189 %	\$ 52	\$ 120	(57)%
Depreciation, depletion and amortization	13	13	— %	39	37	5 %
Earnings (loss) before interest and income taxes	\$ 13	\$ (4)	425 %	\$ 13	\$ 83	(84)%
Gross margin	11 %	5 %	6 %	9 %	16 %	(7)%
Raw steel production (mnt)	149	159	(6)%	466	422	10 %
Capability utilization	66 %	70 %	(4)%	69 %	62 %	7 %
Steel shipments (mnt)	132	110	20 %	373	333	12 %

The increase in Tubular results for the three months ended September 30, 2025, compared to the same period in 2024 was primarily due to:

- higher average realized prices (approximately \$10 million)
- increased shipments (approximately \$10 million)
- decreased operating costs (approximately \$10 million),

these changes were partially offset by:

- higher raw material costs (approximately \$10 million).

Gross margin for the three months ended September 30, 2025, compared to the same period in 2024 increased primarily as a result of higher average realized prices and shipments.

The decrease in Tubular results for the nine months ended September 30, 2025, compared to the same period in 2024 was primarily due to:

- lower average realized prices, including mix (approximately \$50 million)
- higher raw material costs (approximately \$15 million)
- higher other costs (approximately \$10 million),

these changes were partially offset by:

- lower operating costs (approximately \$10 million).

Gross margin for the nine months ended September 30, 2025, compared to the same period in 2024 decreased primarily as a result of lower average realized prices and unfavorable product mix.

Net interest and other financial costs (income)

(Dollars in millions)	Three Months Ended September 30,			% Change	Nine Months Ended September 30,			% Change
	2025	2024			2025	2024		
Interest expense	\$ 49	\$ 5	(880)%	\$ 141	\$ 9	(1,467)%		
Interest income	(5)	(23)	(78)%	(22)	(80)	(73)%		
Loss on conversions of Senior Convertible Notes	30	—	nm	1,091	—	nm		
Loss on debt extinguishment	—	—	nm	—	2	100 %		
Other financial costs (income)	6	(1)	(700)%	—	15	100 %		
Net periodic benefit income	(4)	(33)	(88)%	(11)	(99)	(89)%		
Net gain from investments related to active employee benefits	(8)	(9)	(11)%	(21)	(21)	— %		
Total net interest and other financial costs (income)	\$ 68	\$ (61)	(211)%	\$ 1,178	\$ (174)	(777)%		

Net interest and other financial costs increased in the three months ended September 30, 2025, as compared to the same period in 2024, primarily due to changes in interest expense and income and the loss on the conversions of Senior Convertible Notes. Net interest and other financial costs increased in the nine months ended September 30, 2025, as compared to the same period in 2024, primarily due to loss on the conversions of Senior Convertible Notes. See Note 12 to the Condensed Consolidated Financial Statements for further details.

Income tax (benefit) expense

Income tax benefit was \$36 million and \$88 million for the three months and nine months ended September 30, 2025, respectively, as compared to (benefit) expense of \$(10) million and \$84 million for the three months and nine months ended September 30, 2024, respectively. These changes from the prior year periods were primarily due to decreased earnings before taxes and in the nine month period ended September 30, 2025 a benefit of \$27 million related to the closing of the NSC transaction, as well as a \$32 million benefit related to the filing of the 2024 federal and state income tax returns.

Net earnings

Net earnings (loss) attributable to United States Steel Corporation was \$100 million and \$(1,248) million for the three months and nine months ended September 30, 2025, respectively, compared to net earnings of \$119 million and \$473 million for the three months and nine months ended September 30, 2024, respectively. The changes primarily reflect the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash Used in, Provided by Operating Activities

Net cash used in operating activities was \$317 million for the nine months ended September 30, 2025, compared to net cash provided by operating activities of \$711 million for the same period in 2024. The period over period decrease in cash from operations was primarily due to lower net earnings and activity with NSC, partially offset by changes in working capital. Changes in working capital can vary significantly depending on factors such as the timing of inventory production and purchases, which is affected by the length of our business cycles as well as our captive raw materials position, customer payments of accounts receivable and payments to vendors in the regular course of business.

As shown below our cash conversion cycle for the third quarter of 2025 decreased by 1 day as compared to the fourth quarter of 2024.

Cash Conversion Cycle	Third Quarter of 2025		Fourth Quarter of 2024	
	\$ millions	Days	\$ millions	Days
Accounts receivable, net ^(a)	\$1,757	35	\$1,398	40
+ Inventories ^(b)	\$2,394	57	\$2,168	58
- Accounts Payable and Other Accrued Liabilities ^(c)	\$2,869	67	\$2,601	72
= Cash Conversion Cycle ^(d)		25		26

^(a) Calculated as Average Accounts Receivable, net divided by total Net Sales multiplied by the number of days in the period.

^(b) Calculated as Average Inventory divided by total Cost of Sales multiplied by the number of days in the period.

^(c) Calculated as Average Accounts Payable and Other Accrued Liabilities less bank checks outstanding and other current liabilities divided by total Cost of Sales multiplied by the number of days in the period.

^(d) Calculated as Accounts Receivable Days plus Inventory Days less Accounts Payable Days.

The cash conversion cycle is a non-generally accepted accounting principles (non-GAAP) financial measure. We believe the cash conversion cycle is a useful measure in providing information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. The cash conversion cycle should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

The last-in, first-out (LIFO) inventory method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. Based on the Company's latest internal forecasts and its inventory requirements, management believes there will not be significant permanent LIFO liquidations that would impact earnings for the remainder of 2025.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$704 million for the nine months ended September 30, 2025, compared to \$1,784 million in the same period in 2024. The period over period decrease in net cash used in investing activities was primarily due to decreased capital expenditures (discussed in more detail below).

Capital expenditures for the nine months ended September 30, 2025, were \$809 million, compared with \$1,782 million in the same period in 2024. Mini Mill capital expenditures were \$322 million and included spending for the hot mill, cold mill, air separation unit, color coating lines, and additional spending related to sustaining capital expenditures. Flat-Rolled capital expenditures were \$390 million which includes No. 14 Blast Furnace repairs at Gary Works, ongoing environmental projects and equipment purchases at Minnesota Ore Operations, and various infrastructure, environmental, and modernization projects across the Flat-Rolled footprint. USSE capital expenditures were \$63 million and included spending related to blast furnace upgrades, implementing a new enterprise resource planning (ERP) system, and various environmental, modernization, and infrastructure projects. Tubular capital expenditures were \$34 million and included infrastructure and steelmaking spend, as well as environmental projects within the Tubular footprint.

Net Cash Provided by, Used in Financing Activities

Net cash provided by financing activities was \$183 million for the nine months ended September 30, 2025, compared to net cash used in financing activities of \$104 million for the same period in 2024. The period over period increase in cash from financing activities was primarily due to capital contributions received from the Parent company as a result of the closing of the Transaction, partially offset by the repayment of long-term debt.

Financing

Certain of our credit facilities, including the Credit Facility Agreement, the Big River Steel ABL Facility, the USSK Credit Agreement and the Export Credit Agreement, contain standard terms and conditions including customary material adverse change clauses. If a material adverse change was to occur, our ability to fund future operating and capital requirements could be negatively impacted.

We use surety bonds, trusts and letters of credit to provide whole or partial financial assurance for certain transactions and business activities. The use of some forms of financial assurance and cash collateral have a negative impact on liquidity. U. S. Steel has committed approximately \$184 million of liquidity sources for financial assurance purposes as of September 30, 2025. Changes in certain of these commitments which use collateral are reflected within cash, cash equivalents and restricted cash on the Condensed Consolidated Statement of Cash Flows.

Liquidity

The following table summarizes U. S. Steel's liquidity as of September 30, 2025:

(Dollars in millions)

Cash and cash equivalents	\$	555
Amount available under Credit Facility Agreement		1,748
Amount available under Big River Steel - Revolving Line of Credit		350
Amount available under USSK Credit Agreement and USSK Credit Facility		202
Total estimated liquidity	\$	2,855

We finished the third quarter of 2025 with \$555 million of cash and cash equivalents and \$2,855 million of total liquidity. Available cash is left on deposit with financial institutions or invested in highly liquid securities with parties we believe to be creditworthy. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of a prior election to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

We expect that our estimated liquidity requirements will consist primarily of our 2025 planned strategic capital expenditures, working capital requirements, debt service, and operating costs and employee benefits for our operations. Our available liquidity at September 30, 2025 consists principally of our cash and cash equivalents and available borrowings under the Credit Facility Agreement, Big River Steel ABL Facility, USSK Credit Agreement and the USSK Credit Facility.

Management continues to evaluate market conditions in our industry and our global liquidity position and may consider additional actions to further strengthen our balance sheet and optimize liquidity, including but not limited to the repayment or refinancing of outstanding debt and the incurrence of additional debt to opportunistically finance strategic projects.

U. S. Steel management believes that our liquidity will be adequate to fund our requirements based on our current assumptions with respect to our results of operations and financial condition.

The Company has a supply chain finance (SCF) arrangement with a third-party administrator which allows participating suppliers, at their sole discretion, to make offers to sell payment obligations of the Company prior to their scheduled due dates at a discounted price to a participating financial institution. The third-party administrator entered into a separate agreement with the Export Import Bank of the United States to guarantee 90 percent of supplier obligations sold for up to \$95 million. No guarantees or collateral are provided by the Company or any of its subsidiaries under the SCF program.

The Company's goal is to capture overall supplier savings and improve working capital efficiency. The agreements facilitate the suppliers' ability to sell payment obligations, while providing them with greater working capital flexibility. The Company has no economic interest in the sale of the suppliers' receivables and no direct financial relationship with the financial institution concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. The SCF program requires the Company to pay the third-party administrator the stated amount of the confirmed participating supplier invoices. The payment terms for confirmed invoices range from 45 to 90 days after the end of the month in which the invoice was issued.

The underlying costs from suppliers that elected to participate in the SCF program are generally recorded in cost of sales in the Company's Condensed Consolidated Statement of Operations. Amounts due to suppliers who participate in the SCF program are reflected in accounts payable and accrued expenses on the Company's Condensed Consolidated Balance Sheet and payments on the obligations by our suppliers are included in cash used in operating activities in the Condensed Consolidated Statement of Cash Flows. As of September 30, 2025, the Company's outstanding obligations confirmed as valid under its SCF program were \$180 million.