

**United States Steel Corporation**  
**Condensed Consolidated Financial Statements**  
**(Unaudited)**

For the Three Months Ended March 31, 2026 and 2025  
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)

**Three Months Ended  
March 31,**

(Dollars in millions)

	2026	2025
<b>Net sales:</b>		
Net sales	\$ 3,668	\$ 3,157
Net sales to related parties (Note 16)	637	570
Total	<u>4,305</u>	<u>3,727</u>
<b>Operating expenses (income):</b>		
Cost of sales (excludes items shown below)	4,002	3,493
Selling, general and administrative expenses	105	120
Depreciation, depletion and amortization	289	249
Earnings from investees	(13)	(3)
Other gains, net	(8)	(10)
Total	<u>4,375</u>	<u>3,849</u>
<b>Loss before interest and income taxes</b>	<b>(70)</b>	<b>(122)</b>
Interest expense	53	45
Interest income	(3)	(10)
Gain on debt extinguishment	(50)	—
Other financial costs	5	1
Net periodic benefit income	(8)	(4)
Net gain from investments related to active employee benefits (Note 13)	(2)	(7)
Net interest and other financial (income) costs	<u>(5)</u>	<u>25</u>
<b>Loss before income taxes</b>	<b>(65)</b>	<b>(147)</b>
Income tax benefit (Note 10)	(14)	(31)
Net loss	<u>(51)</u>	<u>(116)</u>
Less: Net earnings attributable to noncontrolling interests	—	—
<b>Net loss attributable to United States Steel Corporation</b>	<b>\$ (51)</b>	<b>\$ (116)</b>

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 March 31,	
	2026	2025
Net loss	\$ (51)	\$ (116)
Other comprehensive (loss) income, net of tax:		
Changes in foreign currency translation adjustments	(23)	40
Changes in pension and other employee benefit accounts	8	8
Changes in derivative financial instruments	16	(24)
Changes in fair value of active employee benefit investments	(1)	—
Total other comprehensive income, net of tax	—	24
Comprehensive loss including noncontrolling interest	(51)	(92)
Comprehensive income attributable to noncontrolling interest	—	—
Comprehensive loss attributable to United States Steel Corporation	\$ (51)	\$ (92)

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)	March 31, 2026	December 31, 2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 5)	\$ 408	\$ 517
Receivables, less allowance of \$27 in both periods	1,634	1,383
Receivables from related parties (Note 16)	194	165
Inventories (Note 6)	2,634	2,477
Other current assets	254	214
Total current assets	5,124	4,756
Long-term restricted cash (Note 5)	37	36
Operating lease assets	52	57
Property, plant and equipment	28,343	27,894
Less accumulated depreciation and depletion	15,648	15,430
Total property, plant and equipment, net	12,695	12,464
Investments and long-term receivables, less allowance of \$3 in both periods	712	699
Intangibles, net (Note 7)	385	390
Deferred income tax benefits (Note 10)	15	13
Goodwill (Note 7)	920	920
Other noncurrent assets	953	938
Total assets	\$ 20,893	\$ 20,273
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 2,929	\$ 2,809
Accounts payable to related parties (Note 16)	215	148
Payroll and benefits payable	264	324
Accrued taxes	140	143
Accrued interest	45	68
Current operating lease liabilities	25	29
Short-term debt and current maturities of long-term debt (Note 12)	287	248
Total current liabilities	3,905	3,769
Noncurrent operating lease liabilities	31	35
Long-term debt, less unamortized discount and debt issuance costs (Note 12)	4,123	3,593
Employee benefits	126	141
Deferred income tax liabilities (Note 10)	529	543
Deferred credits and other noncurrent liabilities	512	474
Total liabilities	9,226	8,555
Contingencies and commitments (Note 17)		
<b>Shareholder Equity (Note 14):</b>		
Share capital	5,788	5,788
Retained earnings	5,638	5,689
Accumulated other comprehensive income (Note 15)	148	148
Total United States Steel Corporation shareholder equity	11,574	11,625
Noncontrolling interests	93	93
Total liabilities and shareholder equity	\$ 20,893	\$ 20,273

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)	Three Months Ended March 31,	
	2026	2025
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>		
<b>Operating activities:</b>		
Net loss	\$ (51)	\$ (116)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation, depletion and amortization	289	249
Gain on debt extinguishment	(50)	—
Pensions and other postretirement benefits	(11)	(1)
Active employee benefit investments	16	12
Deferred income taxes (Note 10)	(13)	(32)
Net gain on sale of assets	—	(1)
Equity investee earnings, net of distributions received	(13)	(3)
Changes in:		
Current receivables	(285)	(276)
Inventories	(170)	(184)
Current accounts payable and accrued expenses	19	51
Income taxes receivable/payable	(3)	42
All other, net	(56)	(115)
Net cash used in operating activities	(328)	(374)
<b>Investing activities:</b>		
Capital expenditures	(384)	(359)
Proceeds from sale of assets	—	1
Other investing activities	13	—
Net cash used in investing activities	(371)	(358)
<b>Financing activities:</b>		
Revolving credit facilities - borrowings (Note 12)	535	—
Issuance of long-term debt, net of financing costs (Note 12)	847	—
Repayment of long-term debt (Note 12)	(788)	(18)
Other financing activities	—	(32)
Net cash provided by (used in) financing activities	594	(50)
<b>Effect of exchange rate changes on cash</b>	(3)	7
<b>Net decrease in cash, cash equivalents and restricted cash</b>	(108)	(775)
<b>Cash, cash equivalents and restricted cash at beginning of year (Note 5)</b>	564	1,413
<b>Cash, cash equivalents and restricted cash at end of period (Note 5)</b>	\$ 456	\$ 638
<b>Non-cash investing and financing activities:</b>		
Change in accrued capital expenditures	\$ 89	\$ (55)
U. S. Steel common stock issued for employee/non-employee director stock plans	—	50
Capital expenditures funded by finance lease borrowings	28	2

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 Consolidated Financial Statements for the year ended December 31, 2025, 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 ("U. S. Steel" or "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 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 as the CFIUS Monitoring Agencies. 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 as holder 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.

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 Merger 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 Merger 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 Merger 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.

#### *Nippon Steel Corporation's Equity Investment in U. S. Steel 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. The settlement of the senior convertible notes, which were fully settled in 2025, resulted in a total cash settlement amount of \$1,440 million paid to holders, and a loss on conversions of \$1,091 million. Refer to Note 9 for additional information on the settlement of the long-term incentive awards.

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 consisted 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.

## 2. **New Accounting Standards**

During the three months ended March 31, 2026, 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 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2025-10, *Accounting for Government Grants Received by Business Entities* (ASU 2025-10). Prior to ASU 2025-10, there was no specific U.S. GAAP guidance regarding government grants. Under ASU 2025-10, a government grant should not be recognized until 1.) it is probable that (a) the business entity will comply with the grant, and (b) the grant will be received; and 2.) recognition guidance for grants related to an asset and grants related to income under ASU 2025-10 are met. Grants related to assets are conditioned on the purchase, construction, or acquisition of an asset (for example, a long-lived asset or inventory) and government grants related to income include all other government grants (for example, reimbursements of operating expenses). ASU 2025-10 requires that a grant related to an asset be recognized on the balance sheet as a business entity incurs the related costs for which the grant is intended to compensate, either as: 1.) deferred income; or, 2.) an adjustment to the cost basis in determining the carrying amount of the asset (the cost accumulation approach). A grant related to income and a grant related to an asset for which the deferred income approach is elected should be recognized in earnings on a systematic and rational basis over the periods in which the costs are incurred for which the grant is intended to compensate. ASU 2025-10 is effective for annual reporting periods beginning after December 15, 2029 with early adoption permitted. ASU 2025-10 can be adopted under a modified prospective, modified retrospective or retrospective basis. U. S. Steel is currently assessing the impact of ASU 2025-10.

In November 2025, the FASB issued Accounting Standards Update 2025-09, *Hedge Accounting Improvements* (ASU 2025-09). The objective of ASU 2025-09 is to more closely align hedge accounting with the economics of an entity's risk management activities. ASU 2025-09 includes provisions that: 1.) expand the hedged risks permitted to be aggregated in a group of individually forecasted transactions, thereby enabling application of cash flow hedge accounting to a broader portfolio of transactions; 2.) establish an operable model that enables broader application of hedge accounting to debt instruments that permit the borrower to change the interest rate index and interest rate tenor; 3.) enable application of hedge accounting to price components of forecasted purchases of nonfinancial assets when the price component is clearly and closely related to the nonfinancial asset being purchased or sold; 4.) eliminate the requirement to apply the net written option test to a compound derivative comprising a swap and a written option designated as the hedging instrument in a cash flow hedge or a fair value hedge of interest rate risk; and, 5.) eliminate the recognition and presentation mismatch related to a dual hedge strategy by allowing entities to reflect the economic offset of changes attributable to both interest rate risk and foreign exchange risk. ASU 2025-09 is effective for annual reporting periods beginning after December 15, 2027 with early adoption permitted. U. S. Steel is currently assessing the impact of ASU 2025-09.

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.

In December 2023, the 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. 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.

## 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 EBITDA 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
<b>Three months ended March 31, 2026</b>					
Customer sales	\$ 2,231	\$ 1,090	\$ 721	\$ 261	\$ 4,303
Intersegment sales	38	75	5	1	119
Net sales	2,269	1,165	726	262	4,422
Other net sales <sup>(a)</sup>					2
Elimination of intersegment sales					(119)
Total net sales					\$ 4,305
Less: <sup>(b)</sup>					
Cost of sales	2,235	971	671	223	4,100
(Earnings) loss from investees	(14)	—	—	1	(13)
Other segment items <sup>(c)</sup>	63	8	11	6	88
Segment (loss) earnings before interest, taxes, depreciation and amortization	(15)	186	44	32	\$ 247
Other loss before interest, taxes, depreciation and amortization <sup>(a)</sup>					(14)
Depreciation, depletion and amortization					(289)
Items not allocated to segments:					
Clairton 13-14 batteries incident					(7)
Environmental remediation charges					(5)
Strategic project demolition costs					(2)
NSC transaction-related costs					(2)
Other charges, net					2
Loss before interest and income taxes					\$ (70)
Net interest and other financial income					(5)
Loss before income taxes					\$ (65)
Capital expenditures	264	78	22	20	384
Depreciation, depletion and amortization	(124)	(115)	(37)	(13)	(289)

<sup>(a)</sup> The results of our real estate business are disclosed in the Other category.

<sup>(b)</sup> 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.

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

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
<b>Three months ended March 31, 2025</b>					
Customer sales	\$ 2,189	\$ 627	\$ 659	\$ 248	\$ 3,723
Intersegment sales	51	48	6	1	106
Net sales	2,240	675	665	249	3,829
Other net sales <sup>(a)</sup>					4
Elimination of intersegment sales					(106)
Total net sales					\$ 3,727
Less: <sup>(b)</sup>					
Cost of sales	2,085	664	621	220	3,590
Earnings from investees	(2)	—	—	(1)	(3)
Other segment items <sup>(c)</sup>	53	6	9	5	73
Segment earnings before interest, taxes, depreciation and amortization	104	5	35	25	\$ 169
Other earnings before interest, taxes, depreciation and amortization <sup>(a)</sup>					3
Depreciation, depletion and amortization					(249)
Items not allocated to segments:					
Stock-based compensation expense (Note 9)					(15)
Environmental remediation charges					(1)
Strategic alternatives review process costs					(23)
Other charges, net					(6)
Loss before interest and income taxes					\$ (122)
Net interest and other financial costs					25
Loss before income taxes					\$ (147)
Capital expenditures	138	181	33	7	359
Depreciation, depletion and amortization	(117)	(88)	(31)	(13)	(249)

<sup>(a)</sup> The results of our real estate business are disclosed in the Other category.

<sup>(b)</sup> 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.

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

#### 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 in 2025 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 Sheet that sum to the total of the same amounts shown in the Condensed Consolidated Statement of Cash Flows:

(In millions)	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents	\$ 408	\$ 517	\$ 594
Restricted cash in other current assets	11	11	9
Long-term restricted cash	37	36	35
Total cash, cash equivalents and restricted cash	\$ 456	\$ 564	\$ 638

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 March 31, 2026, and December 31, 2025, the LIFO method accounted for 48 percent and 47 percent of total inventory values, respectively.

(In millions)	March 31, 2026	December 31, 2025
Raw materials	\$ 1,254	\$ 1,208
Semi-finished products	882	828
Finished products	450	390
Supplies and sundry items	48	51
<b>Total</b>	<b>\$ 2,634</b>	<b>\$ 2,477</b>

Current acquisition costs for LIFO inventories were estimated to exceed the above inventory values by \$1.6 billion and \$1.5 billion at March 31, 2026, and December 31, 2025, respectively. As a result of the liquidation of LIFO inventories, cost of sales decreased by \$2 million for the three months ended March 31, 2026, and cost of sales increased by \$6 million for the three months ended March 31, 2025.

## 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 March 31, 2026			As of December 31, 2025		
		Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	\$ 413	\$ 98	\$ 315	\$ 413	\$ 93	\$ 320
Patents	5-15 Years	17	16	1	17	16	1
<b>Total amortizable intangible assets</b>		<b>\$ 430</b>	<b>\$ 114</b>	<b>\$ 316</b>	<b>\$ 430</b>	<b>\$ 109</b>	<b>\$ 321</b>

Amortization expense was \$5 million for both of the three months ended March 31, 2026 and 2025.

Total estimated amortization expense for the remainder of 2026 is \$15 million. We expect approximately \$95 million in total amortization expense from 2027 through 2031 and approximately \$206 million in remaining amortization expense thereafter.

The carrying amount of acquired water rights with indefinite lives as of March 31, 2026, and December 31, 2025, totaled \$69 million.

Below is a summary of goodwill by segment for the three months ended March 31, 2026:

	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Balance at December 31, 2025	\$ —	\$ 916	\$ 4	\$ —	\$ 920
Additions	—	—	—	—	—
<b>Balance at March 31, 2026</b>	<b>\$ —</b>	<b>\$ 916</b>	<b>\$ 4</b>	<b>\$ —</b>	<b>\$ 920</b>

## 8. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost (income) for the three months ended March 31, 2026, and 2025:

(In millions)	Pension Benefits		Other Benefits	
	2026	2025	2026	2025
Service cost	\$ 6	\$ 6	\$ 1	\$ 1
Interest cost	49	53	13	15
Expected return on plan assets	(64)	(65)	(16)	(16)
Amortization of prior service cost	4	4	—	2
Amortization of actuarial net loss (gain)	18	17	(12)	(13)
Net periodic benefit cost (income), excluding below	13	15	(14)	(11)
Multiemployer plans	21	20	—	—
Net periodic benefit cost (income)	\$ 34	\$ 35	\$ (14)	\$ (11)

### Employer Contributions

During the first three months of 2026, U. S. Steel made cash payments of \$21 million to the Steelworkers Pension Trust and less than \$1 million of pension payments not funded by trusts.

During the first three months of 2026, cash payments of \$8 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled \$16 million and \$11 million for the three months ended March 31, 2026 and 2025, 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. In accordance with the normal vesting schedule for these awards, U. S. Steel recognized pretax stock-based compensation expense of \$15 million for the three months ended March 31, 2025 and \$31 million for the year ended December 31, 2025.

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 \$31 million remains unpaid as of March 31, 2026 in accordance with Section 409A of the Internal Revenue Code, with \$16 million recorded in Payroll and benefits payable and \$15 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 did not recognize these costs in the Consolidated Statement of Operations for the year ended December 31, 2025.

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 was recorded in the Company's Consolidated Statement of Operations for the year ended December 31, 2025.

## 10. Income Taxes

### Tax provision

For the three months ended March 31, 2026 and 2025, the Company recorded a tax benefit of \$14 million and \$31 million, respectively. The tax benefit for the first three months of 2026 and 2025 was based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax income or loss and discrete items recognized during the period, if applicable.

Throughout the year, management regularly updates forecasted annual pretax results for the various countries in which we operate based on changes in factors such as prices, shipments, product mix, plant operating performance and cost estimates. To the extent that actual 2026 pretax results for U.S. and foreign income or loss vary from estimates applied

herein, the actual tax provision or benefit recognized in 2026 could be materially different from the forecasted amount used to estimate the tax benefit for the three months ended March 31, 2026.

In March 2022, the Company and the Arkansas Economic Development Commission (AEDC) 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 was submitted as part of an application for certification in late 2025. The Company is now awaiting certification from the AEDC, which is expected to be completed in the second half of 2026. 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 17 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 evaluated the 2026 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 evaluated the tax impacts of the legislation, which were not material to the Condensed Consolidated Financial Statements.

#### **Unrecognized tax benefits**

As of both March 31, 2026 and December 31, 2025, the total amount of gross unrecognized tax benefits was \$22 million. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$22 million and \$21 million as of March 31, 2026 and December 31, 2025, respectively.

#### **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, 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 9 months.

The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of March 31, 2026, and March 31, 2025:

<b>Hedge Contracts</b>	<b>Classification</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Natural gas (in mmbtus)	Commodity purchase swaps	28,989,000	24,122,000
Tin (in metric tons)	Commodity purchase swaps	500	—
Zinc (in metric tons)	Commodity purchase swaps	30,100	25,100
Iron ore (in metric tons)	Commodity purchase swaps	2,418,000	2,730,000
Iron ore (in metric tons)	Sales swaps	468,000	1,156,000
Hot-rolled coils (in tons)	Sales swaps	60,000	259,000
Foreign currency (in millions of euros)	Foreign exchange forwards	€ 358	€ 370

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheet as of March 31, 2026, and December 31, 2025:

Balance Sheet Location (in millions)	March 31, 2026	December 31, 2025
<b>Designated as Hedging Instruments</b>		
Accounts receivable	\$ 24	\$ 13
Accounts payable	30	40
Investments and long-term receivables	1	2

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 months ended March 31, 2026, and 2025:

(In millions)	Gain (Loss) on Derivatives in AOCI			Amount of (Loss) Gain Recognized in Income	
	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025	Location of Reclassification from AOCI	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Sales swaps	\$ —	\$ (17)	Net sales	\$ (3)	\$ 10
Commodity purchase swaps	3	6	Cost of sales <sup>(a)</sup>	26	4
Foreign exchange forwards	18	(21)	Cost of sales	(7)	8

<sup>(a)</sup> Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

At current contract values, \$2 million currently in AOCI as of March 31, 2026, will be recognized as an increase in cost of sales over the next year and \$3 million currently in AOCI as of March 31, 2026, will be recognized as a decrease in net sales over the next year.

## 12. Debt

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	March 31, 2026	December 31, 2025
2037 Senior Notes	U. S. Steel	6.650	2037	\$ 274	\$ 274
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	4.000 - 6.750	2026 - 2053	1,854	1,104
Environmental Revenue Bonds	Big River Steel	4.500	2049	2	752
Finance leases and all other obligations	U. S. Steel	Various	2026 - 2032	216	205
Finance leases and all other obligations	Big River Steel	Various	2026 - 2028	140	144
Export Credit Agreement	U. S. Steel	Variable	2031	206	104
Credit Facility Agreement	U. S. Steel	Variable	2027	535	—
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	—	—
<b>Total Debt</b>				<b>\$ 4,422</b>	<b>\$ 3,778</b>
Less unamortized discount, premium, and debt issuance costs				12	(63)
Less short-term debt, long-term debt due within one year, and short-term issuance costs				287	248
<b>Long-term debt</b>				<b>\$ 4,123</b>	<b>\$ 3,593</b>

### **Big River Steel Tender Offer and U. S. Steel Series 2026 ADFA Bonds**

In March 2026, pursuant to a cash tender offer, Big River Steel repurchased approximately \$750 million aggregate principal amount of its outstanding Environmental Revenue Bonds – Series 2019 and 2020 (tendered bonds) at 102% of par, which resulted in \$15 million of premiums paid. In addition, there was \$65 million in unamortized fair value step up from the acquisition of Big River Steel in 2021 related to the tendered bonds that was written off, resulting in a net gain on debt extinguishment of \$50 million. An immaterial principal amount of the Series 2019 bonds remains outstanding following completion of the tender.

The tender was funded by an offering of \$750 million aggregate principal amount of Environmental Improvement Revenue Bonds issued through the Arkansas Development Finance Authority (ADFA) on March 24, 2026. The offering was comprised of Environmental Improvement Revenue Bonds Series 2026A (Series 2026A Bonds) and Environmental Improvement Revenue Bonds Series 2026B (Series 2026B Bonds) (collectively, the 2026 ADFA Bonds). The Series 2026A Bonds have a principal amount of \$375 million and accrue interest at the rate of 4.00% per annum payable semiannually on March 1 and September 1 of each year. The Series 2026A Bonds have an initial mandatory purchase date of March 1, 2033 and a final maturity date of September 1, 2046. The Series 2026B Bonds have a principal amount of \$375 million and accrue interest at the rate of 4.25% per annum payable semiannually on March 1 and September 1 of each year. The Series 2026B Bonds have an initial mandatory purchase date of March 3, 2036 and a final maturity date of September 1, 2046. Issuance fees incurred for the transaction totaled approximately \$8 million.

The Series 2026A Bonds and Series 2026B Bonds are subject to optional redemption beginning December 1, 2032 and September 5, 2035, respectively, at an amount equal to the greater of (a) 100% of the principal amount being redeemed, plus accrued interest, or (b) the discounted present value of remaining unpaid payments of principal and interest. Prior to these dates, the 2026 ADFA Bonds are not redeemable, except under extraordinary circumstances.

The 2026 ADFA Bonds are unconditionally guaranteed by Nippon Steel Corporation as Guarantor and are not secured by any liens on Company assets.

### **Big River Steel 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 receivable 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 March 31, 2026, 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 March 31, 2026. Availability under the Big River Steel ABL Facility, pursuant to the available borrowing base, was \$350 million at March 31, 2026.

### **U. S. Steel Credit Facility Agreement**

On May 27, 2022, U. S. Steel entered into the Sixth Amended and Restated Credit Facility Agreement (Credit Facility Agreement) which matures on May 27, 2027. 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 March 31, 2026, there were borrowings of \$535 million outstanding and approximately \$2 million of letters of credit issued under the Credit Facility Agreement. During the period of April 1, 2026 through May 13, 2026, the Company borrowed an additional \$150 million and repaid \$20 million 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. As of March 31, 2026, the Company would not have met the fixed charge coverage

ratio test; therefore, the amount available to the Company under this facility is effectively reduced by \$175 million. The availability under the Credit Facility Agreement was \$1,038 million as of March 31, 2026.

#### **U. S. Steel Košice (USSK) Credit Facilities**

USSK maintains the USSK Credit Agreement that provides for borrowings up to €150 million (approximately \$173 million) for general corporate purposes. The USSK Credit Agreement matures in September 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 June 30th and December 31st of each year. At March 31, 2026, USSK was in compliance with these covenants and the USSK Credit Agreement was undrawn and remained fully available.

On September 13, 2024, USSK entered into an amended and restated €30 million (approximately \$34 million) credit facility (the USSK Credit Facility), maturing in September 2027. At March 31, 2026, USSK had no borrowings under the USSK Credit Facility, and the availability was approximately \$26 million due to approximately \$8 million of guarantees outstanding.

### **13. Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, restricted cash, accounts 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, 2025, no excess amounts will be available for withdrawal in 2026. 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. 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 and reported as Net gain from investments related to active employee benefits on the Company's Condensed Consolidated Statement of Operations.

As of March 31, 2026, the fair value of the surplus VEBA assets subaccount portfolio was \$438 million, with \$75 million in Other current assets and \$363 million in Other noncurrent assets on the Condensed Consolidated Balance Sheet.

As of December 31, 2025, the fair value of the surplus VEBA assets subaccount portfolio was \$455 million, with \$75 million in Other current assets and \$380 million in Other noncurrent assets on the Consolidated Balance Sheet.

The value of corporate bonds classified as available-for-sale debt securities was \$51 million and \$68 million as of March 31, 2026, and December 31, 2025, respectively. A total pretax net gain related to available-for-sale securities of \$4 million and \$5 million was included in Accumulated other comprehensive income as of March 31, 2026, and December 31, 2025, respectively.

During the three months ended March 31, 2026, pretax net gains of \$2 million were recognized in Net gain from investments related to active employee benefits. During the three months ended March 31, 2026, pretax net losses of \$1 million were recognized in Accumulated other comprehensive income.

During the three months ended March 31, 2025, pretax net gains of \$7 million were recognized in Net gain from investments related to active employee benefits. During the three months ended March 31, 2025, immaterial pretax net gains were recognized in Accumulated other comprehensive income.

The fair value of the subaccount portfolio by asset category as of March 31, 2026, and December 31, 2025, were as follows (in millions):

Asset Category	March 31, 2026					December 31, 2025				
	Level 1	Level 2	Level 3	measured at NAV <sup>(a)</sup>	Total	Level 1	Level 2	Level 3	measured at NAV <sup>(a)</sup>	Total
<b>Equity</b>										
U.S. companies	\$ 23	\$ —	\$ —	\$ —	\$ 23	\$ —	\$ —	\$ —	\$ —	\$ —
Derivative financial instruments	—	(1)	—	—	(1)	—	—	—	—	—
<b>Total equity</b>	<b>23</b>	<b>(1)</b>	<b>—</b>	<b>—</b>	<b>22</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fixed Income</b>										
Corporate bonds - U.S.	—	77	—	—	77	—	86	—	—	86
Corporate bonds - Non-U.S.	—	24	—	—	24	—	30	—	—	30
U.S. government bonds	—	11	—	—	11	—	37	—	—	37
Mortgage and asset-backed securities	—	11	—	—	11	—	16	—	—	16
<b>Total fixed income</b>	<b>—</b>	<b>123</b>	<b>—</b>	<b>—</b>	<b>123</b>	<b>—</b>	<b>169</b>	<b>—</b>	<b>—</b>	<b>169</b>
<b>Alternatives</b>										
Private credit partnerships	—	—	26	208	234	—	—	26	216	242
Other alternatives	—	—	—	8	8	—	—	—	21	21
<b>Total alternatives</b>	<b>—</b>	<b>—</b>	<b>26</b>	<b>216</b>	<b>242</b>	<b>—</b>	<b>—</b>	<b>26</b>	<b>237</b>	<b>263</b>
Commingled Funds	—	—	—	5	5	—	—	—	5	5
Other <sup>(b)</sup>	48	(2)	—	—	46	18	—	—	—	18
<b>Total assets at fair value</b>	<b>\$ 71</b>	<b>\$ 120</b>	<b>\$ 26</b>	<b>\$ 221</b>	<b>\$ 438</b>	<b>\$ 18</b>	<b>\$ 169</b>	<b>\$ 26</b>	<b>\$ 242</b>	<b>\$ 455</b>

<sup>(a)</sup> 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.

<sup>(b)</sup> 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 March 31, 2026, and December 31, 2025. The fair value of long-term debt was determined using Level 2 inputs.

(In millions)	As of March 31, 2026		As of December 31, 2025	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
<b>Financial liabilities:</b>				
Long-term debt <sup>(a)</sup>	\$ 3,871	\$ 3,863	\$ 3,338	\$ 3,388

<sup>(a)</sup> Excludes finance lease obligations, other Big River Steel obligations and ECA Credit Agreement for which calculation of the fair value is impracticable.

#### 14. Statement of Changes in Shareholder Equity

The following table reflects the first three months of 2026 and 2025 reconciliation of the carrying amount of total equity, equity attributable to U. S. Steel and equity attributable to noncontrolling interests:

Three Months Ended March 31, 2026 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive Income	Share Capital	Non- Controlling Interest
Balance at beginning of year	\$ 11,718	\$ 5,689	\$ 148	\$ 5,788	\$ 93
Comprehensive income (loss):					
Net loss	(51)	(51)	—	—	—
Other comprehensive income (loss), net of tax:					
Pension and other benefit adjustments	8	—	8	—	—
Currency translation adjustment	(23)	—	(23)	—	—
Derivative financial instruments	16	—	16	—	—
Active employee benefit investments	(1)	—	(1)	—	—
Balance at March 31, 2026	\$ 11,667	\$ 5,638	\$ 148	\$ 5,788	\$ 93

Three Months Ended March 31, 2025 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Non- Controlling Interest
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

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

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized (Loss) Gain on Derivatives	Active Employee Benefit Investments	Total
Balance at December 31, 2025	\$ (241)	\$ 403	\$ (17)	\$ 3	\$ 148
Other comprehensive (loss) income before reclassifications	—	(23)	25	—	2
Amounts reclassified from AOCI <sup>(a)</sup>	8	—	(9)	(1)	(2)
Net current-period other comprehensive income (loss)	8	(23)	16	(1)	—
Balance at March 31, 2026	\$ (233)	\$ 380	\$ (1)	\$ 2	\$ 148
Balance at December 31, 2024	\$ (318)	\$ 264	\$ 28	\$ 5	\$ (21)
Other comprehensive income (loss) before reclassifications	—	40	(9)	1	32
Amounts reclassified from AOCI <sup>(a)</sup>	8	—	(15)	(1)	(8)
Net current-period other comprehensive income (loss)	8	40	(24)	—	24
Balance at March 31, 2025	\$ (310)	\$ 304	\$ 4	\$ 5	\$ 3

<sup>(a)</sup> See table below for further details.

Details about AOCI components (in millions)	Amount reclassified from AOCI	
	Three Months Ended March 31,	
	2026	2025
Amortization of pension and other benefit items <sup>(a)</sup>		
Prior service cost	\$ 4	\$ 6
Actuarial loss	6	4
Total pensions and other benefits items	10	10
Derivative reclassifications to Condensed Consolidated Statement of Operations	(11)	(19)
Active employee benefit investments reclassifications to Condensed Consolidated Statement of Operations	(1)	(1)
Total before tax	(2)	(10)
Tax provision	—	2
Net of tax	\$ (2)	\$ (8)

<sup>(a)</sup> 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 \$637 million and \$570 million for the three months ended March 31, 2026, and 2025, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of \$209 million and \$143 million at March 31, 2026, and December 31, 2025, 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 \$6 million and \$5 million at March 31, 2026 and December 31, 2025, respectively.

Purchases of iron ore pellets and other raw materials from related parties amounted to \$14 million and \$13 million for the three months ended March 31, 2026, and 2025, respectively. Purchases from related parties for outside processing services provided by equity investees amounted to \$5 million and \$6 million for the three months ended March 31, 2026 and 2025, respectively. Personnel costs and other miscellaneous purchases from related parties amounted to \$6 million and \$1 million for the three months ended March 31, 2026 and 2025, respectively.

Various subsidiaries of NSC are currently customers of the Company. Net sales to related parties pertaining to business with Wheeling-Nippon Steel, Inc., a wholly owned subsidiary of NSC, were \$95 million and \$71 million for the three months ended March 31, 2026 and 2025, respectively. Net sales to related parties pertaining to business with other NSC subsidiaries were immaterial for both of the three months ended March 31, 2026 and 2025. Receivables from related parties include balances due from NSC and its subsidiaries of \$24 million and \$8 million at March 31, 2026 and December 31, 2025, respectively.

## 17. **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 March 31, 2026, U. S. Steel was a defendant in approximately 1,145 active asbestos cases involving approximately 2,730 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,585, or approximately 58 percent, of these plaintiff claims are currently pending in a jurisdiction which permits filings with massive numbers of plaintiffs. At December 31, 2025, U. S. Steel was a defendant in approximately 1,105 active asbestos cases involving approximately 2,690 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 two years:

<b>Period ended</b>	<b>Opening Number of Claims</b>	<b>Claims Dismissed, Settled and Resolved</b>	<b>New Claims</b>	<b>Closing Number of Claims</b>
December 31, 2024	2,505	240	310	2,575
December 31, 2025	2,575	270	385	2,690
March 31, 2026	2,690	75	115	2,730

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)	Three Months Ended March 31, 2026	
Beginning of period	\$	119
Accruals for environmental remediation deemed probable and reasonably estimable		4
Obligations settled		(5)
End of period	\$	118

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

(In millions)	As of		As of	
	March 31, 2026		December 31, 2025	
Accounts payable and other accrued liabilities	\$	24	\$	24
Deferred credits and other noncurrent liabilities		94		95
Total	\$	118	\$	119

Expenses related to remediation are recorded in cost of sales and were \$4 million and \$1 million for the three-month periods ended March 31, 2026, and March 31, 2025, 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 30 to 45 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 three environmental remediation projects where additional costs for completion are not currently estimable but could be material. These projects are at South Works, UPI and the former steelmaking plant at Joliet, Illinois. As of March 31, 2026, accrued liabilities for these projects totaled \$4 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 \$38 million to \$51 million.
- (2) *Projects with Significant Accrued Liabilities with a Defined Scope* - As of March 31, 2026, there are four significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$61 million. These projects are Gary Resource Conservation and Recovery Act (RCRA) (accrued liability of \$28 million), Duluth Works (accrued liability of \$6 million), South Taylor Landfill AMD (accrued liability of \$13 million) and the former Geneva facility (accrued liability of \$14 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 four 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 March 31, 2026, was \$6 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 March 31, 2026, was approximately \$4 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 \$35 million at March 31, 2026, and were based on known scopes of work.

*Administrative and Legal Costs* – As of March 31, 2026, U. S. Steel had an accrued liability of \$8 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 \$25 million and \$14 million in the first three months of 2026 and 2025, 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 is behind the original schedule to approve and issue the 2026-2030 National Allocation tables for EU member states. The Slovak Ministry of Environment allocated 6.13 million metric tons of European Union Emission Allowances (EUA) at no charge (free allowances or free allocation) to USSE in 2025. As of March 31, 2026, we have pre-purchased approximately 1.57 million EUA totaling €103 million (approximately \$118 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 \$159 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 March 31, 2026, 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 reasonably 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 \$118 million of accrued liabilities for remediation discussed above), there are no other known probable and reasonably 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 March 31, 2026.

*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 \$16 million at March 31, 2026). 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 Statement 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 Statement 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 \$195 million as of March 31, 2026, 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 \$48 million and \$47 million at March 31, 2026, and December 31, 2025, respectively.

**Capital Commitments** – At March 31, 2026, U. S. Steel’s contractual commitments to acquire property, plant and equipment totaled \$983 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 2026	2027	2028	2029	2030	Later Years	Total
\$986	\$422	\$255	\$185	\$139	\$544	\$2,531

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 14 months to 18 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 March 31, 2026, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$44 million.

In 2023, the Company indefinitely idled certain iron and steel making processes at Granite City Works. In late March 2026, the Company restarted Blast Furnace “B” at Granite City Works. Liabilities for processes that remain idled are for unconditional purchase obligations and totaled less than \$1 million and \$8 million as of March 31, 2026, and December 31, 2025, respectively.

Total payments relating to unconditional purchase obligations were \$203 million and \$195 million for the three months ended March 31, 2026, and 2025, respectively.

**18. Subsequent Events**

On April 30, 2026, the Company received a \$100 million capital contribution from Nippon Steel North America, Inc.

On May 13, 2026, NSC announced its strategic decision to shift to direct ownership of USSK, in a common control transaction, in order to better align USSK with its European operations and accelerate growth of its European business. The transition is scheduled to take place on October 1, 2026, at which time USSK will cease to be a consolidated subsidiary of U. S. Steel. Management is currently evaluating the financial impact of this deconsolidation on the Company’s condensed consolidated financial statements.

## 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 March 31, 2026, compared to the same period in 2025, decreased for the North American Flat-Rolled segment and increased for the Mini Mill, U. S. Steel Europe and Tubular segments.

- **North American Flat-Rolled:** Flat-Rolled results for the three months ended March 31, 2026, decreased compared to the prior three month period, primarily due to higher operating and raw material costs.
- **Mini Mill:** Mini Mill results for the three months ended March 31, 2026 increased compared to the prior three month period, primarily due to higher volume and sales price across all products.
- **U. S. Steel Europe:** USSE results for the three months ended March 31, 2026 increased compared to the prior three month period, primarily due to favorable product mix and higher sales price across most products.
- **Tubular:** Tubular results for the three months ended March 31, 2026 increased compared to the prior three month period, primarily due to higher sales price across most products.

Net sales by segment for the three months ended March 31, 2026 and 2025 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Three Months Ended March 31,		% Change
	2026	2025	
Flat-Rolled	\$ 2,231	\$ 2,189	2%
Mini Mill	1,090	627	74%
USSE	721	659	9%
Tubular	261	248	5%
Total sales from reportable segments	4,303	3,723	16%
Other	2	4	(50)%
Net sales	\$ 4,305	\$ 3,727	16%

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the three months ended March 31, 2026, versus the three months ended March 31, 2025:

	Steel Products <sup>(a)</sup>					Other <sup>(c)</sup>	Net Change
	Volume	Price	Mix	FX <sup>(b)</sup>			
Flat-Rolled	(1)%	6 %	(2)%	— %	(1)%	2 %	
Mini Mill	43 %	28 %	3 %	— %	— %	74 %	
USSE	(9)%	4 %	5 %	10 %	(1)%	9 %	
Tubular	(4)%	11 %	(2)%	— %	— %	5 %	

<sup>(a)</sup> Excludes intersegment sales.

<sup>(b)</sup> Foreign currency translation effects.

<sup>(c)</sup> Primarily sales of raw materials and coke making by-products.

Net sales for the three months ended March 31, 2026, compared to the same period in 2025 were \$4,305 million and \$3,727 million, respectively.

- For the Flat-Rolled segment, the increase in sales primarily resulted from higher average realized prices across most products, partially offset by unfavorable product mix and decreased shipments (22 thousand tons) across most products.
- For the Mini Mill segment, the increase in sales primarily resulted from increased shipments (339 thousand tons) across all products and higher average realized prices across all products.
- For the USSE segment, the increase in sales primarily resulted from the strengthening of the Euro versus the U.S. dollar and favorable product mix, partially offset by decreased shipments (82 thousand tons) across most products.
- For the Tubular segment, the increase in sales primarily resulted from higher average realized prices across higher value products, partially offset by decreased shipments (6 thousand tons) and unfavorable product mix.

## Selling, general and administrative expenses

Selling, general and administrative expenses were \$105 million and \$120 million for the three months ended March 31, 2026 and March 31, 2025, respectively. The decrease between the three month periods was primarily related to less NSC transaction-related costs resulting from the closing of the Merger Agreement in the three months ended March 31, 2026 compared to strategic alternatives review process costs in the three months ended March 31, 2025.

## 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 March 31, 2026, with the exception of certain iron and steel making assets at Granite City Works which were restarted in late March 2026.

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. In April 2026, the Company announced its plans to restart the Gary tin mill operations, which is expected to occur in early 2027. 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 March 31, 2026.

The total carrying value of the fixed assets related to U. S. Steel's indefinitely idled operations as of March 31, 2026 is approximately \$95 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 <sup>(a)</sup>	Three Months Ended March 31,		%
(Dollars in millions)	2026	2025	Change
Flat-Rolled	\$ (15)	\$ 104	(114)%
Mini Mill	186	5	3,620 %
USSE	44	35	26 %
Tubular	32	25	28 %
Other (loss) earnings before interest, taxes, depreciation and amortization	(14)	3	(567)%
Depreciation, depletion, and amortization	(289)	(249)	(16)%
Segment loss before interest and income taxes	(56)	(77)	27 %
Items not allocated to segments:			
Stock-based compensation expense	—	(15)	
Environmental remediation charges	(5)	(1)	
NSC transaction-related costs <sup>(b)</sup>	(2)	(23)	
Clairton 13-14 batteries incident	(7)	—	
Strategic project demolition costs	(2)	—	
Other charges, net	2	(6)	
<b>Total loss before interest and income taxes</b>	<b>\$ (70)</b>	<b>\$ (122)</b>	<b>43 %</b>

<sup>(a)</sup> See Note 3 to the Condensed Consolidated Financial Statements for reconciliations and other details.

<sup>(b)</sup> In 2025, NSC transaction-related costs include strategic alternatives review process costs incurred prior to the closing date of the Merger Agreement.

Segment results for Flat-Rolled	Three Months Ended March 31,		% Change
	2026	2025	
(Dollars in Millions)			
(Loss) earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ (15)	\$ 104	(114)%
Depreciation, depletion and amortization	124	117	6 %
Loss before interest and income taxes	\$ (139)	\$ (13)	(969)%
Gross margin	2 %	7 %	(5)%
Raw steel production (mnt)	2,137	2,105	2 %
Capability utilization	66 %	65 %	1 %
Steel shipments (mnt)	1,963	1,985	(1)%

The decrease in Flat-Rolled results for the three months ended March 31, 2026, compared to the same period in 2025 was primarily due to:

- higher raw material costs, including inventory revaluations (approximately \$65 million)
- higher energy costs (approximately \$50 million)
- higher operating costs (approximately \$125 million)
- higher other costs (approximately \$20 million),

these changes were partially offset by:

- higher average realized prices (approximately \$135 million)
- favorable equity investees income (approximately \$5 million).

Gross margin for the three months ended March 31, 2026, compared to the same period in 2025 decreased primarily as a result of higher operating and raw material costs.

Segment results for Mini Mill	Three Months Ended March 31,		% Change
	2026	2025	
(Dollars in Millions)			
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 186	5	3,620 %
Depreciation, depletion and amortization	115	88	31 %
Earnings (loss) before interest and income taxes	\$ 71	\$ (83)	186 %
Gross margin	18 %	2 %	16 %
Raw steel production (mnt)	1,281	965	33 %
Capability utilization	83 %	62 %	21 %
Steel shipments (mnt)	1,121	782	43 %

The increase in Mini Mill results for the three months ended March 31, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices, including mix (approximately \$135 million)
- increased shipments (approximately \$80 million)
- lower raw material costs (approximately \$40 million),

these changes were partially offset by:

- higher operating costs (approximately \$70 million)
- higher other costs (approximately \$5 million).

Gross margin for the three months ended March 31, 2026, compared to the same period in 2025 increased primarily as a result of higher net sales due to increased shipments and higher average realized prices.

Segment results for USSE	Three Months Ended March 31,		% Change
	2026	2025	
(Dollars in Millions)			
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 44	\$ 35	26 %
Depreciation, depletion and amortization	37	31	19 %
Earnings before interest and income taxes	\$ 7	\$ 4	75 %
Gross margin	8 %	7 %	1 %
Raw steel production (mnt)	863	956	(10)%
Capability utilization	70 %	78 %	(8)%
Steel shipments (mnt)	774	856	(10)%

The increase in USSE results for the three months ended March 31, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices, including mix (approximately \$40 million)
- lower energy costs (approximately \$5 million)
- strengthening of the Euro versus the U.S. dollar (approximately \$5 million),

these changes were partially offset by:

- decreased shipments (approximately \$5 million)
- higher raw material costs, including inventory revaluations and CO<sub>2</sub> accrual adjustments (approximately \$20 million)
- higher operating costs (approximately \$15 million).

Gross margin for the three months ended March 31, 2026, compared to the same period in 2025 increased primarily as a result of higher net sales due to favorable product mix and higher average realized prices.

Segment results for Tubular	Three Months Ended March 31,		% Change
	2026	2025	
(Dollars in Millions)			
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 32	\$ 25	28 %
Depreciation, depletion and amortization	13	13	— %
Earnings before interest and income taxes	\$ 19	\$ 12	58 %
Gross margin	15 %	12 %	3 %
Raw steel production (mnt)	205	161	27 %
Capability utilization	93 %	73 %	20 %
Steel shipments (mnt)	130	136	(4)%

The increase in Tubular results for the three months ended March 31, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices (approximately \$20 million)
- decreased operating costs (approximately \$10 million),

these changes were partially offset by:

- higher raw material costs (approximately \$25 million).

Gross margin for the three months ended March 31, 2026, compared to the same period in 2025 increased primarily as a result of higher net sales due to higher average realized prices.

## Net interest and other financial (income) costs

(Dollars in millions)	Three Months Ended March 31,		% Change
	2026	2025	
Interest expense	\$ 53	\$ 45	(18)%
Interest income	(3)	(10)	(70)%
Gain on debt extinguishment	(50)	—	100 %
Other financial costs	5	1	(400)%
Net periodic benefit income	(8)	(4)	100 %
Net gain from investments related to active employee benefits	(2)	(7)	(71)%
Total net interest and other financial (income) costs	\$ (5)	\$ 25	120 %

Net interest and other financial income increased in the three months ended March 31, 2026, as compared to the same period in 2025, primarily due to the gain on extinguishment of the Big River Steel Environmental Revenue Bonds - Series 2019 and 2020. See Note 12 to the Condensed Consolidated Financial Statements for further details.

### Income tax benefit

Income tax benefit was \$14 million and \$31 million for the three months ended March 31, 2026 and March 31, 2025, respectively. The change from the prior year period was primarily due to decreased loss before taxes.

### Net loss

Net loss attributable to United States Steel Corporation was \$51 million and \$116 million for the three months ended March 31, 2026 and 2025, respectively. The changes primarily reflect the factors discussed above.

## LIQUIDITY AND CAPITAL RESOURCES

### Net Cash Used in Operating Activities

Net cash used in operating activities was \$328 million for the three months ended March 31, 2026, compared to \$374 million for the same period in 2025. The period over period decrease in cash used in operating activities was primarily due to decreased net loss, 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.

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 2026.

### Net Cash Used in Investing Activities

Net cash used in investing activities was \$371 million for the three months ended March 31, 2026, compared to \$358 million in the same period in 2025. The period over period increase in net cash used in investing activities was primarily due to increased capital expenditures (discussed in more detail below).

Capital expenditures for the three months ended March 31, 2026 were \$384 million, compared with \$359 million in the same period in 2025. Flat-Rolled capital expenditures were \$264 million, which includes No. 14 Blast Furnace repairs at Gary Works, ongoing environmental projects at Minnesota Ore Operations, and various infrastructure, environmental, and modernization projects across the Flat-Rolled footprint. Mini Mill capital expenditures were \$78 million and included spending for the hot mill, cold mill, air separation unit, color coating lines, and additional spending related to sustaining capital expenditures. USSE capital expenditures were \$22 million and included spending related to blast furnace projects and various environmental, modernization, and infrastructure projects. Tubular capital expenditures were \$20 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 \$594 million for the three months ended March 31, 2026, compared to net cash used in financing activities of \$50 million for the same period in 2025. The period over period increase in cash provided by

financing activities was primarily due to revolving credit facility borrowings and the issuance of long-term debt, 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 \$195 million of liquidity sources for financial assurance purposes as of March 31, 2026. 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 March 31, 2026:

(Dollars in millions)

Cash and cash equivalents	\$	408
Amount available under Credit Facility Agreement		1,038
Amount available under Big River Steel - Revolving Line of Credit		350
Amount available under USSK Credit Agreement and USSK Credit Facility		199
Total estimated liquidity	\$	1,995

We finished the first quarter of 2026 with \$408 million of cash and cash equivalents and \$1,995 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 2026 planned strategic capital expenditures, working capital requirements, debt service, and operating costs and employee benefits for our operations. Our available liquidity at March 31, 2026 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 new investments.

U. S. Steel management believes that our liquidity, along with planned equity contributions from NSC and its subsidiaries, 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 March 31, 2026, the Company's outstanding obligations confirmed as valid under its SCF program were \$146 million.