



United States Steel Corporation

SECOND QUARTER 2023

EARNINGS CALL

David Burritt
President and Chief Executive Officer

Jessica Graziano
SVP and Chief Financial Officer

Rich Fruehauf
SVP, Chief Strategy
and Sustainability Officer

Kevin Lewis
VP, Finance

These slides are being provided to assist readers in understanding the results of operations, financial condition and cash flows of United States Steel Corporation as of and for the second quarter 2023. Financial results as of and for the periods ended June 30, 2023 provided herein are preliminary unaudited results based on current information available to management. They should be read in conjunction with the consolidated financial statements and Notes to the Consolidated Financial Statements contained in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

This presentation contains information that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “plan,” “goal,” “future,” “will,” “may,” and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities or operating capabilities, the timing, size and form of share repurchase transactions, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, changes in the global economic environment, including supply and demand conditions, inflation, interest rates, supply chain disruptions and changes in prices for our products, international trade duties and other aspects of international trade policy, statements regarding our future strategies, products and innovations, statements regarding our greenhouse gas emissions reduction goals, statements regarding existing or new regulations and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that the Company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in “Item 1A. Risk Factors” in our Annual report on Form 10-K for the year ended December 31, 2022 and those described from time to time in our future reports filed with the Securities and Exchange Commission.

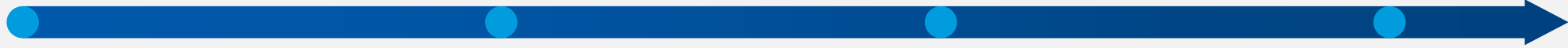
References to “U. S. Steel,” “the Company,” “we,” “us,” and “our” refer to United States Steel Corporation and its consolidated subsidiaries, and references to “Big River Steel” refer to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context.

EXPLANATION OF USE OF NON-GAAP MEASURES

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

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

We present free cash flow, a non-GAAP measure of cash generated from operations after any investing activity and investable free cash flow, a non-GAAP measure of cash generated from operations, after any investing activity adjusted for strategic capital expenditures. We believe that free cash flow and investable free cash flow provide further insight into the Company's overall utilization of cash. We also present net debt, a non-GAAP measure calculated as total debt less cash and cash equivalents. We believe net debt is a useful measure in calculating enterprise value.



Current Landscape

Delivered a strong second quarter performance

Advancing strategic projects on-time and on-budget

Bullish on U. S. Steel



Challenges

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



Solution

Expanding existing competitive advantages

Enhancing our balanced capital allocation

Leveraging bi-partisan support for strong trade enforcement



Path Forward

Delivering on Best for All



TODAY'S DISCUSSION

Focused on the things we can control

BEST

Safety | Environmental | Operations | Partner

Delivering our best

Expanding BEST capabilities

**NGO ELECTRICAL STEEL
DUAL COATING LINE
BIG RIVER 2**

Delivering the new U. S. Steel today

SUSTAINABLE STEELMAKING AND ELECTRICAL STEELS



a U. S. Steel company

State-of-the-art sustainable steelmaking assets



INDUX™

Next-generation non-grain oriented (NGO) electrical steel starting up in Q3 '23

Strengthening domestic supply chains

Bringing advanced manufacturing back to our shores

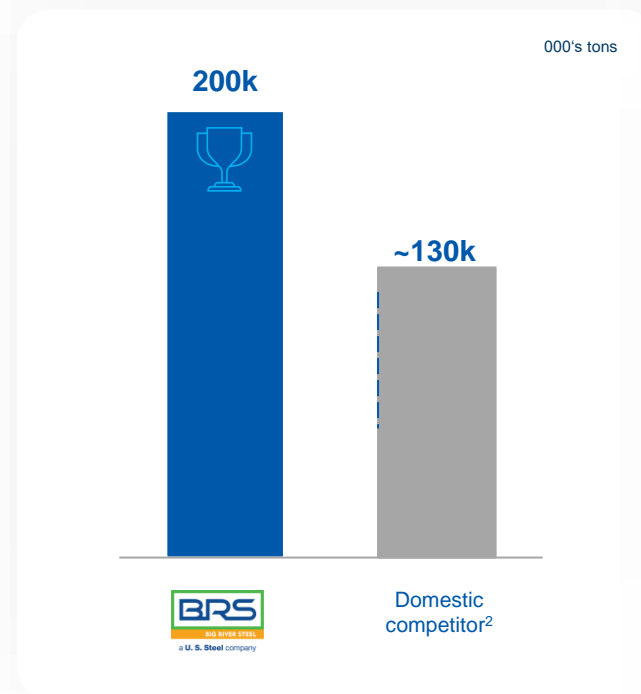
Serving one of the fastest growing markets

+7% CAGR electrical steels¹ vs. +1% CAGR sheet market

Providing the most capable and efficient NGO steel in the market today

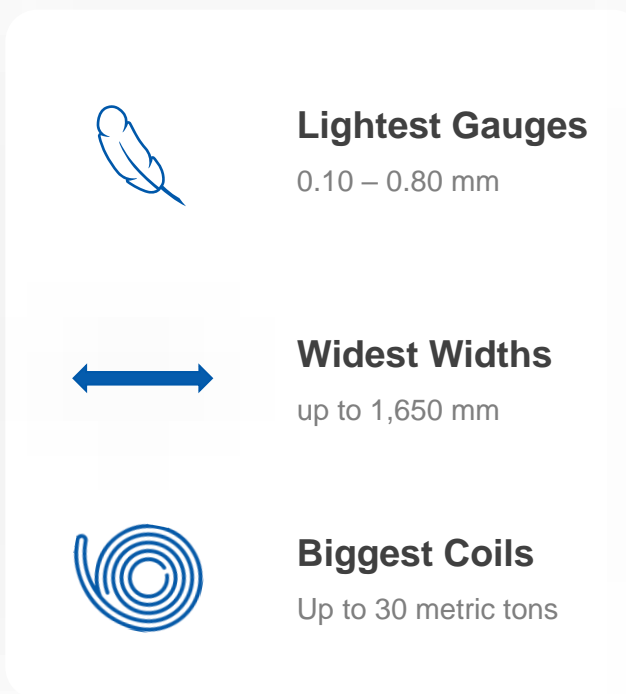
¹ Excludes grain-oriented (GO) steels. Projections based on 3rd party data / internal estimates 2021-2025

Unmatched in...



Scale

Becoming the market leader in NGO electrical steels



Capabilities

Partnering with customers on what matters most



Customer value

Centrally located to support manufacturing concentration in the U.S., Canada & Mexico

¹ NGO starting up in Q3 2023

² Based on competitors Q2 2023 investor presentation disclosure

BR2 STATUS

87%
of spend
committed

59%
of project
execution
complete

- Phase 1**
Oct '21–Feb '22
Site Selection,
OEM Selection and Contract
Negotiation, Permitting
- Phase 2**
Mar '22–Feb '23
Engineering, Site
Development,
Infrastructure
- Phase 3**
Mar '23–Oct '23
Civil / Foundation,
Underground Utilities

Phase 4 **Nov '23–Jul '24** Equipment Installation

- ✓ 25-30% of equipment on-site
- ✓ Critical off-site equipment already inspected by the BRS team

Phase 5 **Jul '24–Dec '24** Commissioning first coil, Asset ramp up

- ✓ Same team that delivered Big River Steel ahead of schedule
- ✓ Experienced construction / commissioning team
- ✓ ~25+ years of experience per team member

Current status of competitor project announced one day after BR2

45% of spend
2% of execution

65% of spend
15% of execution

90% of spend
65% of execution

98% of spend
95% of execution

100% of spend
100% of execution

PROJECT TIMELINE / EXECUTION RISK

Mined, melted and made in the U.S.A.





Energy cost optimization models inform electricity purchases



Machine learning tools recommend real-time operating / process actions



Advanced analytics improve costs and increase productivity



Strong second
quarter
performance

\$1.92

Adjusted Earnings per Share
~150% sequential increase

\$804M

Adjusted EBITDA Performance
~16% EBITDA margin

\$~5.5B

Strong Liquidity
Including ~\$3.1B of cash

Value creation framework



Lean, green, cash machine

Flat-Rolled



Mini Mill



USSE



Tubular





**Our stock
provides a unique
opportunity to ...**

**... invest in a
growing business**

**... with a transformed
balance sheet**

**... and continued and
meaningful direct returns to
stockholders**

**... at a significant discount
versus peers**

Safely delivered a strong second quarter

On pace for another year of healthy performance

Advancing strategic investments

Delivering the new U. S. Steel today

Delivering our “BEST”

Focused on the things we can control

Saying what we’re doing ... and doing what we say



2022 Environmental, Social and Governance (ESG) Report

Released on June 13, 2023 ([link](#))

CLOSING REMARKS



U. S. STEEL DELIVERS ANOTHER STRONG QUARTER;
BEST FOR ALL STRATEGY ON-TRACK



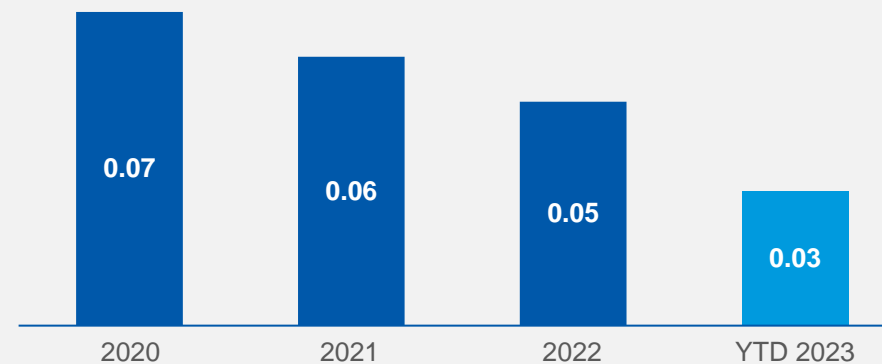
SECOND QUARTER

2023

UPDATE

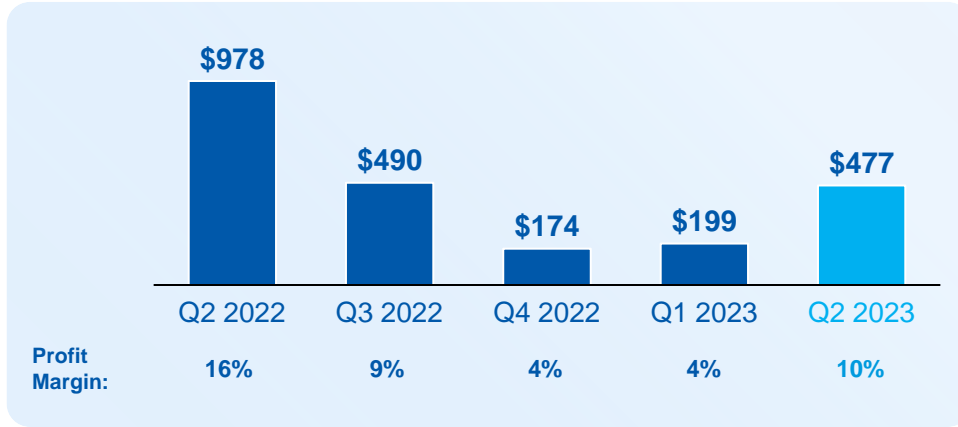
**Benchmark¹:**

BLS - Iron & Steel: 0.90

Multiple years
of record-setting
performance**OSHA Days Away from Work²**¹ Bureau of Labor Statistics – Iron & Steel 2021 data.² Occupational Safety and Health Administration (OSHA) Days Away from Work is defined as number of days away cases x 200,000 / hours worked. **YTD as of July 27, 2023.**

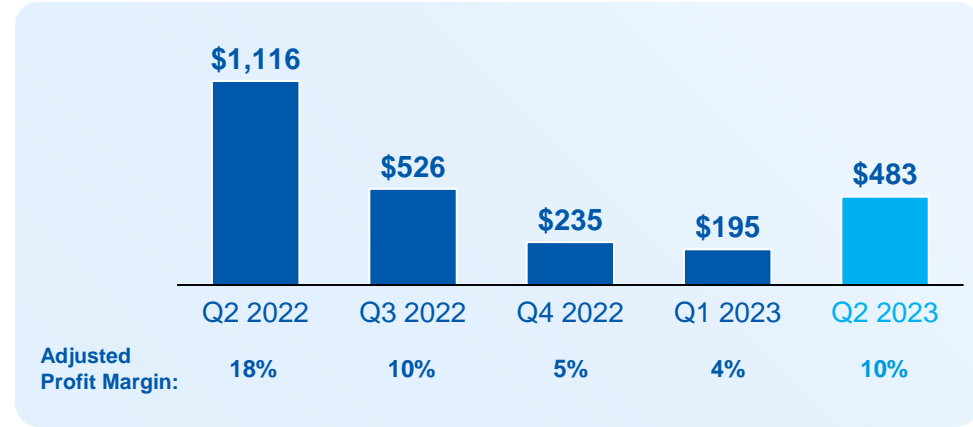
Reported Net Earnings

\$ Millions



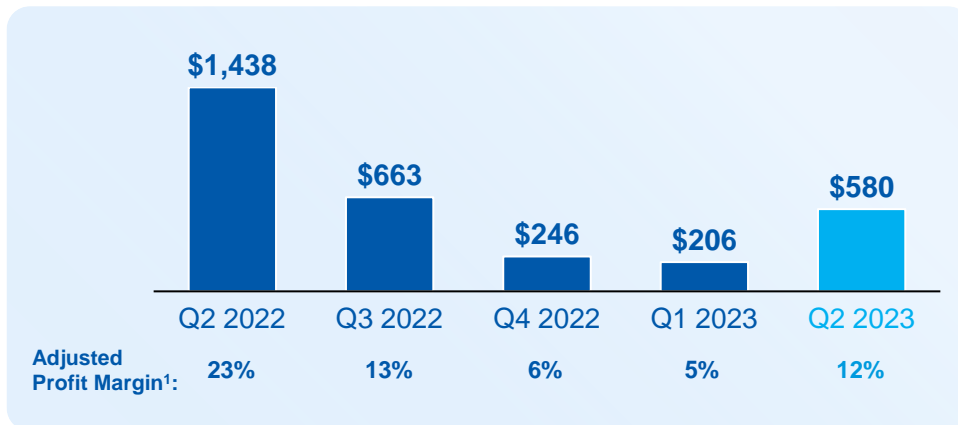
Adjusted Net Earnings

\$ Millions



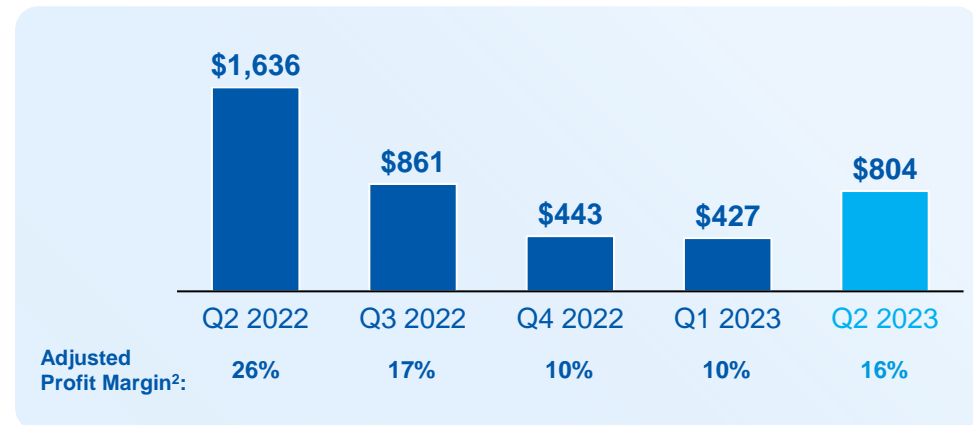
Segment EBIT¹

\$ Millions



Adjusted EBITDA²

\$ Millions



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

¹ Earnings (loss) before interest and income taxes. ² Earnings (loss) before interest, income taxes, depreciation and amortization, and excluding adjustment items.

KEY OPERATING STATISTICS TRENDS BY SEGMENT

Flat-Rolled Operating Statistics

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Shipments: in 000s, net tons	2,365	2,176	1,885	2,278	2,235
Production: in 000s, net tons	2,424	2,265	1,952	2,393	2,529
Average Selling Price \$/ net ton	\$1,339	\$1,232	\$1,086	\$1,012	\$1,088

Mini Mill Operating Statistics

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Shipments: in 000s, net tons	615	529	636	659	587
Production: in 000s, net tons	750	616	683	759	749
Average Selling Price \$/ net ton	\$1,331	\$1,096	\$786	\$794	\$1,011

USSE Operating Statistics

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Shipments: in 000s, net tons	1,067	867	715	883	1,034
Production: in 000s, net tons	1,216	946	589	1,092	1,213
Average Selling Price \$/ net ton	\$1,217	\$1,021	\$957	\$909	\$965

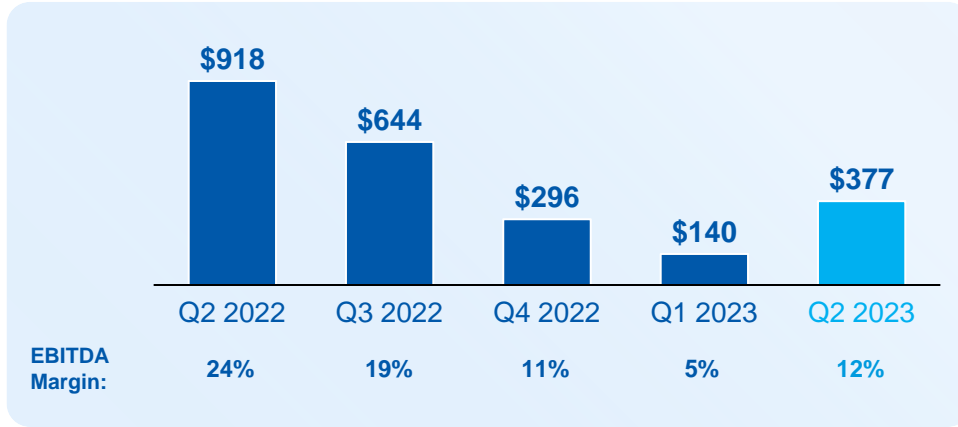
Tubular Operating Statistics

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Shipments: in 000s, net tons	136	126	133	131	111
Production: in 000s, net tons	168	173	137	171	129
Average Selling Price \$/ net ton	\$2,727	\$3,217	\$3,616	\$3,757	\$3,493

EBITDA TRENDS BY SEGMENT

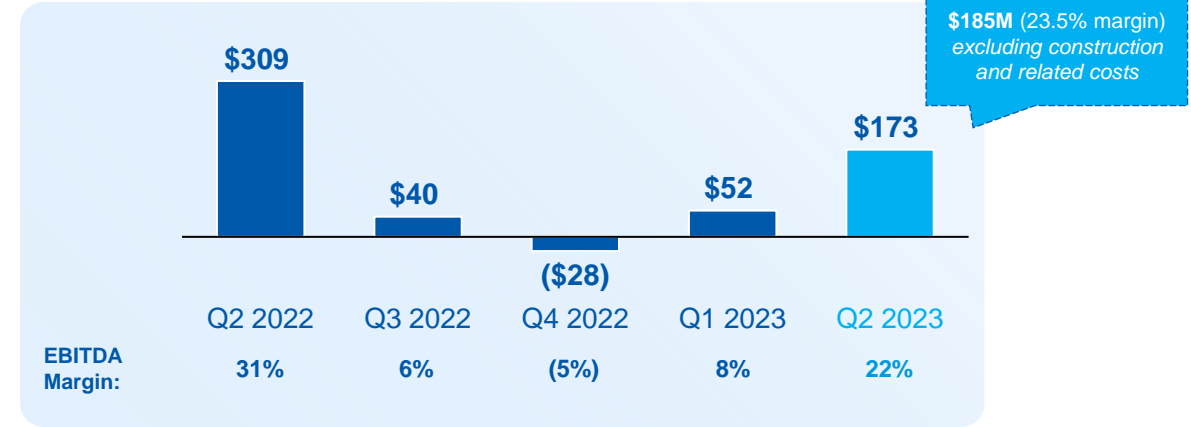
Flat-Rolled Segment EBITDA

\$ Millions



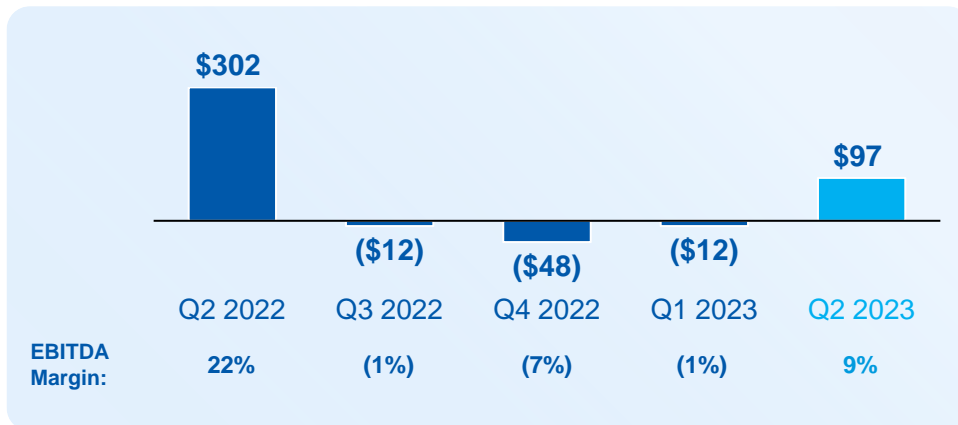
Mini Mill Segment EBITDA

\$ Millions



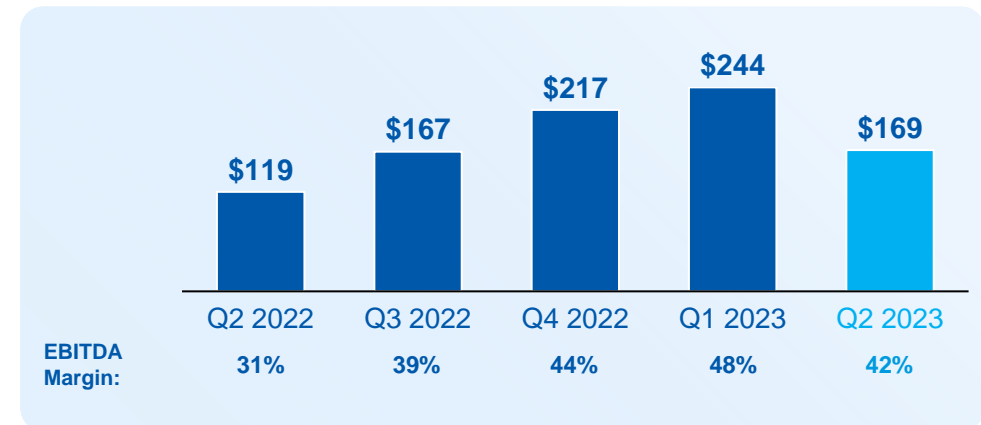
USSE Segment EBITDA

\$ Millions



Tubular Segment EBITDA

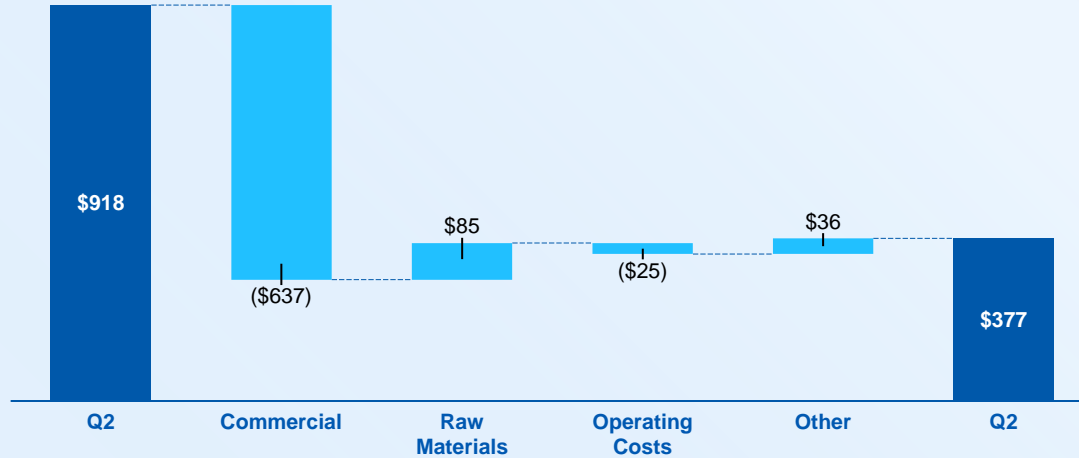
\$ Millions



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

EBITDA CHANGE ANALYSIS – FLAT-ROLLED SEGMENT

\$ Millions, Q2 2022 vs. Q2 2023



Commercial

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

Raw Materials

The favorable impact is primarily the result of lower alloy cost and usage partially offset by higher coal costs.

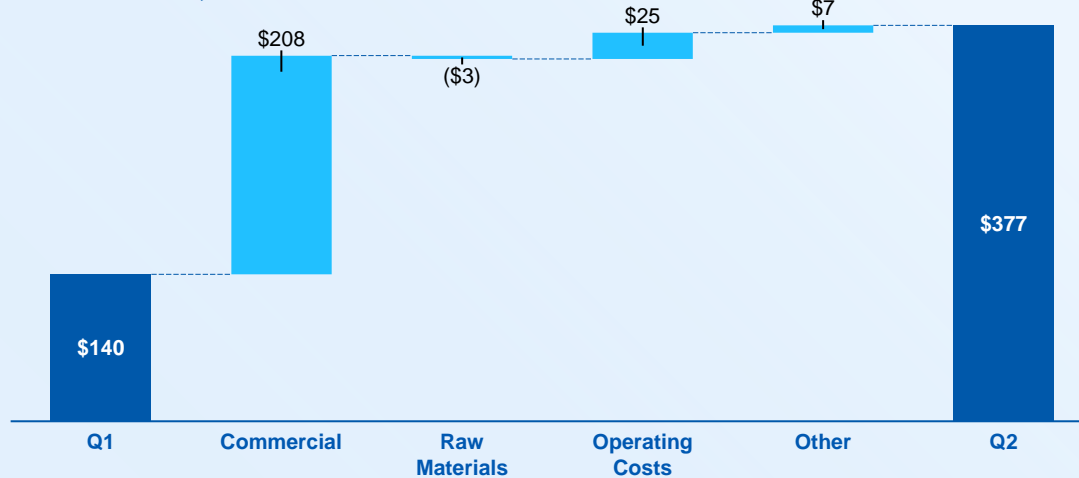
Operating Costs

The unfavorable impact is primarily the result of higher labor costs associated with the new labor agreement.

Other

The favorable impact is primarily the result of lower variable compensation and lower energy costs partially offset by reduced joint venture income.

\$ Millions, Q1 2023 vs. Q2 2023



Commercial

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

Raw Materials

The change is not material.

Operating Costs

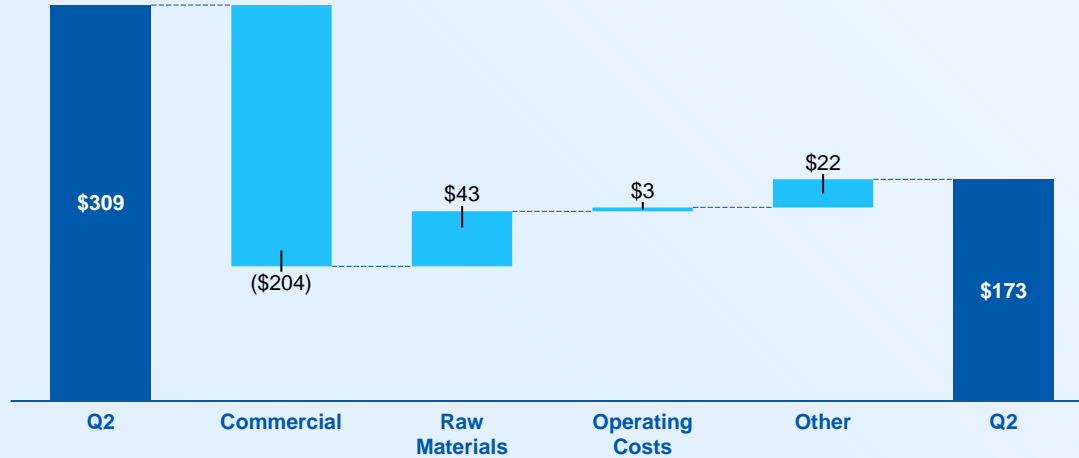
The favorable impact is primarily the result of the absence of outage costs related to our mining operations.

Other

The favorable impact is primarily the result of lower natural gas prices partially offset by higher electricity costs.

EBITDA CHANGE ANALYSIS – MINI MILL SEGMENT

\$ Millions, Q2 2022 vs. Q2 2023



Commercial

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

Raw Materials

The favorable impact is primarily the result of lower scrap and pig iron costs.

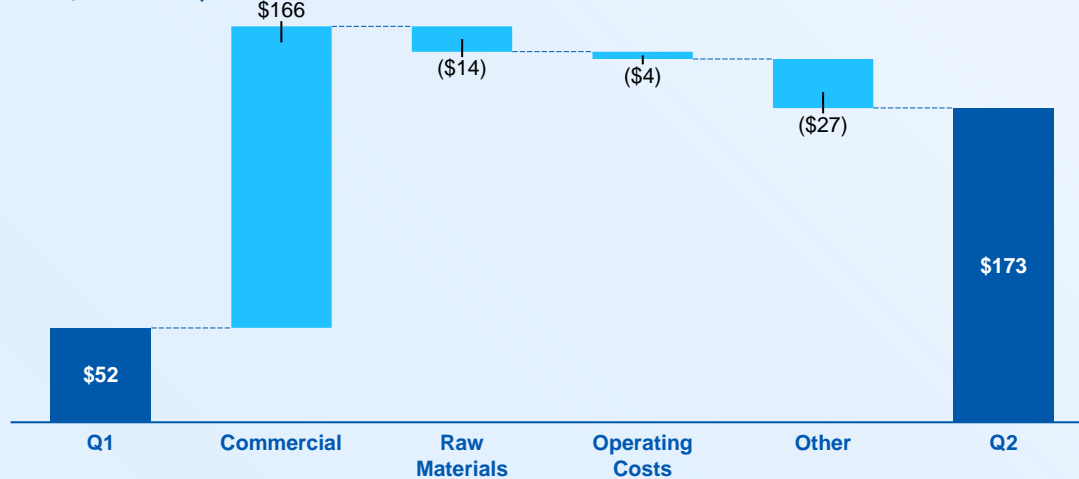
Operating Costs

The change is not material.

Other

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

\$ Millions, Q1 2023 vs. Q2 2023



Commercial

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

Raw Materials

The unfavorable impact is primarily the result of higher scrap costs.

Operating Costs

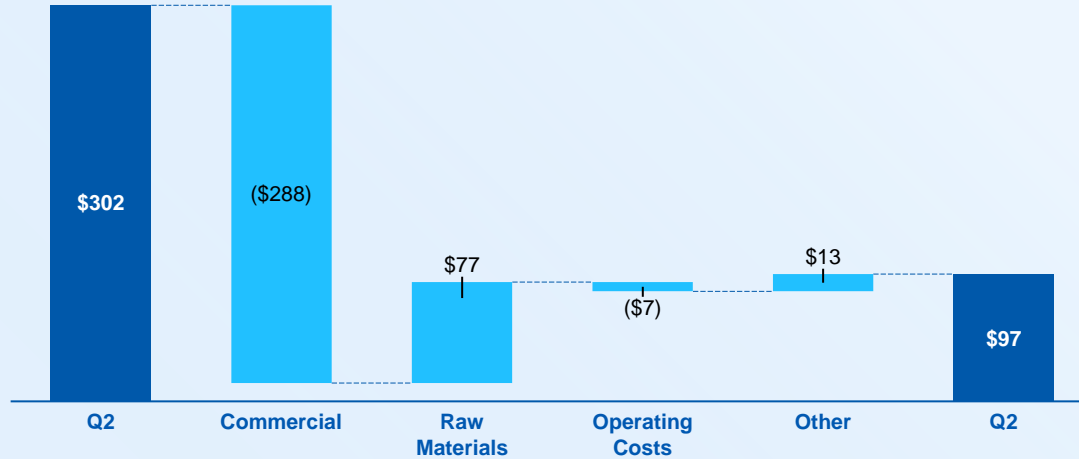
The change is not material.

Other

The unfavorable impact is primarily the result of higher variable compensation.

EBITDA CHANGE ANALYSIS – U. S. STEEL EUROPE SEGMENT

\$ Millions, Q2 2022 vs. Q2 2023



Commercial

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

Raw Materials

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

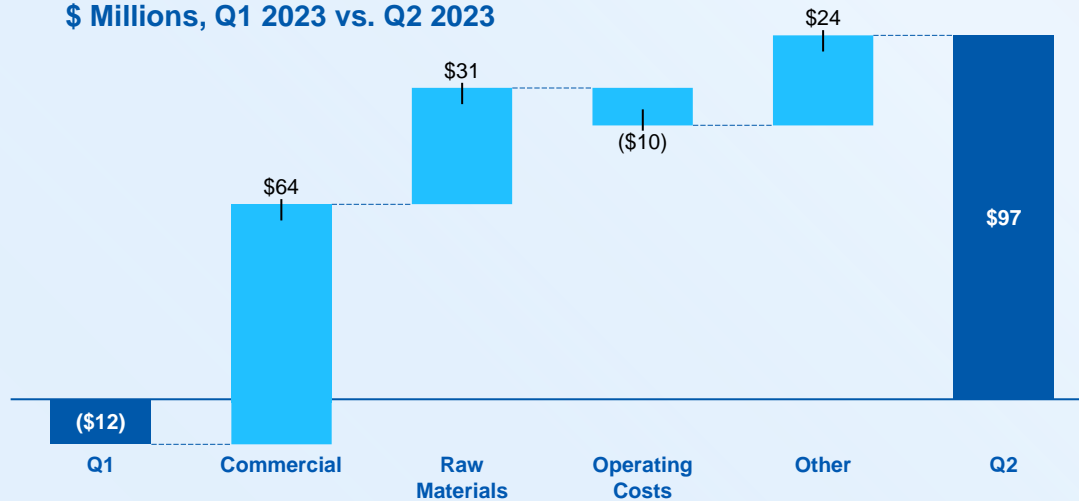
Operating Costs

The unfavorable impact is primarily the result of higher purchased products and services due to inflation.

Other

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

\$ Millions, Q1 2023 vs. Q2 2023



Commercial

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

Raw Materials

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

Operating Costs

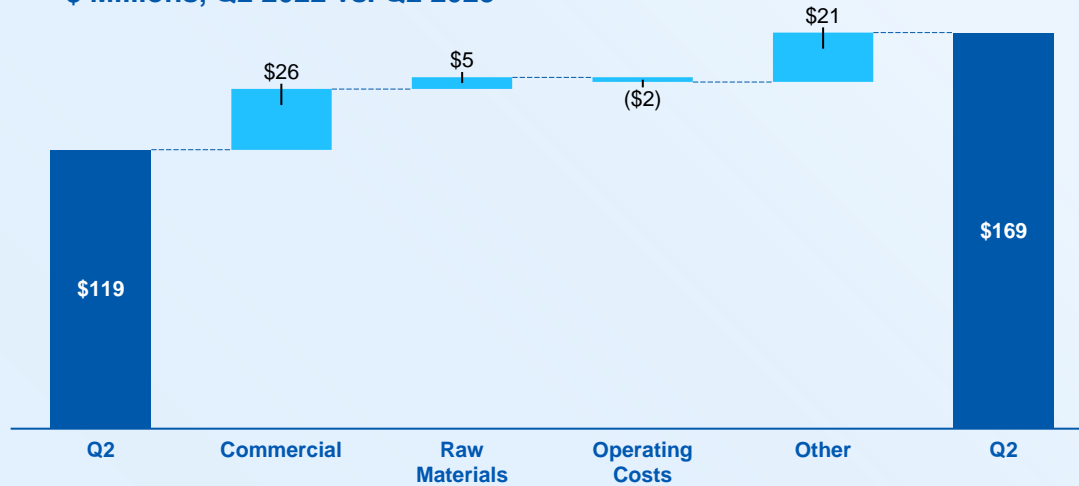
The unfavorable impact is primarily the result of higher purchased products and services.

Other

The favorable impact is primarily due to lower energy costs.

EBITDA CHANGE ANALYSIS – TUBULAR SEGMENT

\$ Millions, Q2 2022 vs. Q2 2023



Commercial

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

Raw Materials

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

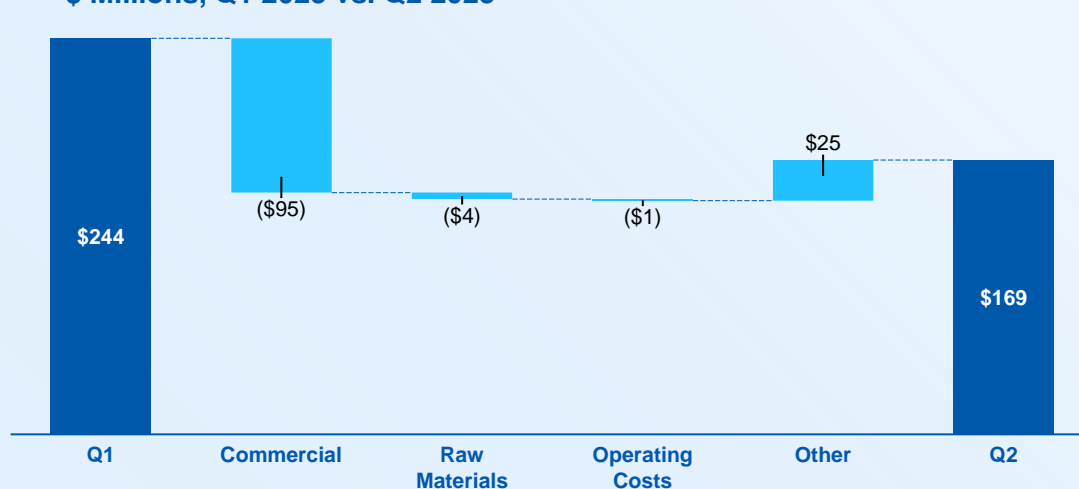
Operating Costs

The change is not material.

Other

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

\$ Millions, Q1 2023 vs. Q2 2023



Commercial

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

Raw Materials

The change is not material.

Operating Costs

The change is not material.

Other

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

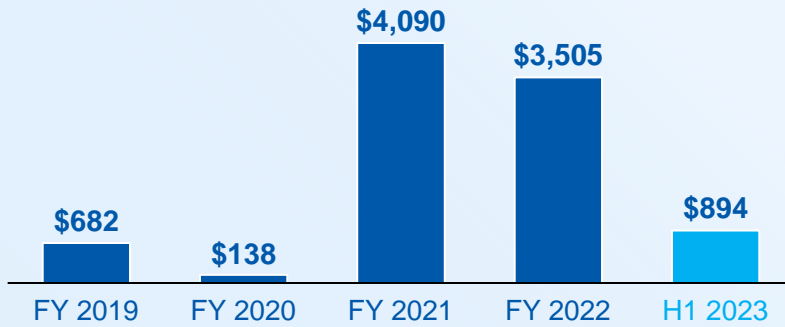
Operating				Idled	Total Capability ¹		
Indefinitely Idled							
NORTH AMERICAN FLAT-ROLLED	Iron Ore Pellets	Minntac		Keetac		-	22.4
	Cokemaking	Clairton				-	3.6
	Gary	BF #4	BF #6	BF #8	BF #14	-	7.5
	Granite City	BF ‘A’		BF ‘B’		1.4	2.8
	Mon Valley	BF #1		BF #3		-	2.9
MINI MILL	Big River Steel	EAF #1		EAF #2		-	3.3
EUROPE	Košice	BF #1	BF #2	BF #3		-	5.0
TUBULAR	Fairfield	EAF Steelmaking / Seamless Pipe				-	0.90
	Lorain	Seamless Pipe				0.38	0.38
	Lone Star	#1 ERW		#2 ERW		0.79	0.79

¹ Raw steel capability, except at Minntac and Keetac (iron ore pellet capability), Clairton (coke capability), Lorain, and Lone Star (pipe capability). All amounts shown are in millions.

CASH AND LIQUIDITY

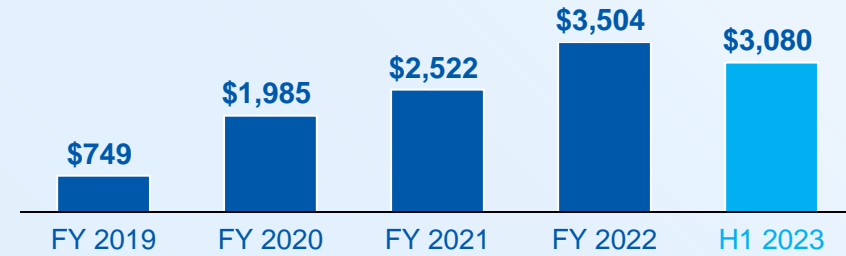
Cash from Operations

\$ Millions



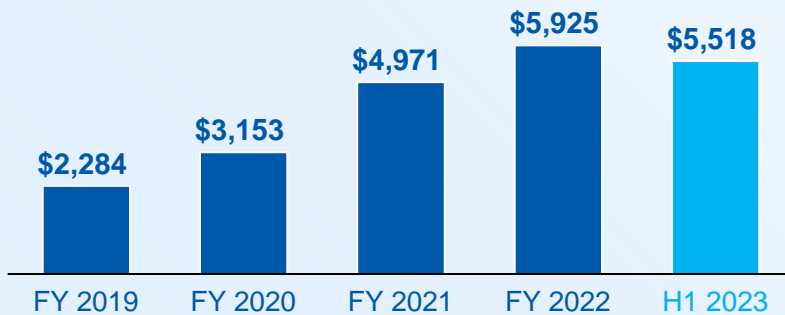
Cash and Cash Equivalents

\$ Millions



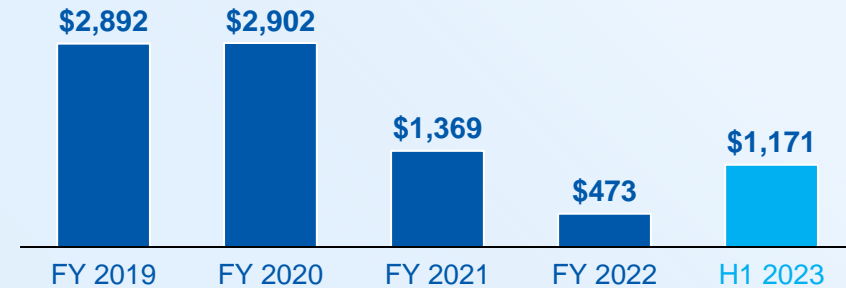
Total Estimated Liquidity

\$ Millions



Net Debt

\$ Millions



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



RECONCILIATION TABLE

Segment EBITDA

Flat-Rolled (\$ millions)	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
Segment earnings (loss) before interest and income taxes	\$793	\$518	\$171	(\$7)	\$231
Depreciation	125	126	125	147	146
Flat-Rolled Segment EBITDA	\$918	\$644	\$296	\$140	\$377
Mini Mill (\$ millions)	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
Segment earnings (loss) before interest and income taxes	\$270	\$1	(\$68)	\$12	\$132
Depreciation	39	39	40	40	41
Mini Mill Segment EBITDA	\$309	\$40	(\$28)	\$52	\$173
U. S. Steel Europe (\$ millions)	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
Segment earnings (loss) before interest and income taxes	\$280	(\$32)	(\$68)	(\$34)	\$72
Depreciation	22	20	20	22	25
U. S. Steel Europe Segment EBITDA	\$302	(\$12)	(\$48)	(\$12)	\$97
Tubular (\$ millions)	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
Segment earnings (loss) before interest and income taxes	\$107	\$155	\$205	\$232	\$157
Depreciation	12	12	12	12	12
Tubular Segment EBITDA	\$119	\$167	\$217	\$244	\$169
Other (\$ millions)	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
Segment earnings (loss) before interest and income taxes	(\$12)	\$21	\$6	\$3	(\$12)
Depreciation	0	1	0	0	0
Other Segment EBITDA	(\$12)	\$22	\$6	\$3	(\$12)

Big River Steel LLC¹ Summary Table

Income Statement \$ Millions	Q2 2023
Customer Sales	\$620M
Intersegment Sales	\$168M
Net Sales	\$789M
EBIT ²	\$138M
Balance Sheet	
Cash and cash equivalents	\$188M
Total Assets	\$3,670M
2029 Senior secured notes	\$720M
Environmental revenue bonds	\$752M
Financial leases and all other obligations	\$22M
Fair value step up ³	\$115M
Total Debt ³	\$1,609M
Cash Flow	
Depreciation and Amortization	\$36M
Capital Expenditures ⁴	\$94M

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

² Earnings before interest and income taxes. ³ The debt amounts reflect aggregate principal amounts. The fair value step up represents the excess of fair value over book value when Big River Steel was purchased. The fair value step-up is recorded in Big River Steel Holdings LLC. The fair value step up is shown as it is related to the debt amounts in Big River Steel LLC. ⁴ Excludes capital expenditures for BR2 and air separation unit.

RECONCILIATION TABLE

Net Debt

Net Debt \$ millions	YE 2019	YE 2020	YE 2021	YE 2022	H1 2023
Short-term debt and current maturities of long-term debt	\$14	\$192	\$28	\$63	\$98
Long-term debt, less unamortized discount and debt issuance costs	\$3,627	\$4,695	\$3,863	\$3,914	\$4,153
Total Debt	\$3,641	\$4,887	\$3,891	\$3,977	\$4,251
Less: Cash and cash equivalents	749	1,985	2,522	3,504	3,080
Net Debt	\$2,892	\$2,902	\$1,369	\$473	\$1,171

RECONCILIATION TABLE

Free Cash Flow / Investable Free Cash Flow

Free Cash Flow / Investable Free Cash Flow \$ millions	Q1 2023	Q2 2023	H1 2023
Net cash provided by operating activities	\$181	\$713	\$894
Net cash used in investing activities	(738)	(612)	(1,350)
Free Cash Flow	(\$557)	\$101	(\$456)
Strategic capital expenditures	565	476	1,041
Investable Free Cash Flow	\$8	\$577	\$585

RECONCILIATION TABLE

Net Earnings

\$ Millions	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Reported net earnings attributable to U. S. Steel	\$978	\$490	\$174	\$199	\$477
Debt extinguishment	-	(2)	-	-	-
Asset impairment charges	151	-	6	4	-
Restructuring and other charges	17	23	(9)	1	2
Stock-based compensation expense ¹	16	13	12	11	12
VEBA asset surplus adjustment	-	-	-	(22)	(8)
Gains on assets sold and previously held investments	-	-	(6)	-	-
Pension de-risking	-	-	(3)	-	-
United Steelworkers labor agreement signing bonus and related costs ²	-	-	67	-	-
Environmental remediation charges	-	-	-	-	2
Other charges, net	-	13	13	1	-
Tax impact of adjusted items ³	(46)	(11)	(19)	1	(2)
Adjusted Net Earnings	\$1,116	\$526	\$235	\$195	\$483

¹ The prior year was retroactively adjusted to reflect the reclassification of stock-based compensation expense. The adjustment was \$12 million, \$10 million and \$9 million, net of taxes, for the three months ended June 30, 2022, three months ended September 30, 2022 and three months ended December 31, 2022, respectively.

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

³ The tax impact of adjusted items for the three months ended June 30, 2022 and three months ended September 30, 2022 is calculated using a blended tax rate of 25%. The tax impact of adjusted items for the three months ended December 31, 2022 and for the six months ended June 30, 2023 was calculated using a blended tax rate of 24%.

RECONCILIATION TABLE

Adjusted EBITDA

\$ Millions	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Reported net earnings attributable to U. S. Steel	\$978	\$490	\$174	\$199	\$477
Income tax expense	284	154	51	51	144
Net interest and other financial costs	(8)	(30)	(51)	(61)	(57)
Reported earning before interest and income taxes	\$1,254	\$614	\$174	\$189	\$564
Depreciation, depletion and amortization expense	198	198	197	221	224
EBITDA	\$1,452	\$812	\$371	\$410	\$788
Asset impairment charges	151	-	6	4	-
Restructuring and other charges	17	23	(9)	1	2
Losses (gains) on assets sold & previously held investments	-	-	(6)	-	-
Stock-based compensation expense ¹	16	13	12	11	12
United Steelworkers labor agreement signing bonus and related costs ²	-	-	67	-	-
Environmental remediation charges	-	-	-	-	2
Other charges, net	-	13	2	1	-
Adjusted EBITDA	\$1,636	\$861	\$443	\$427	\$804

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

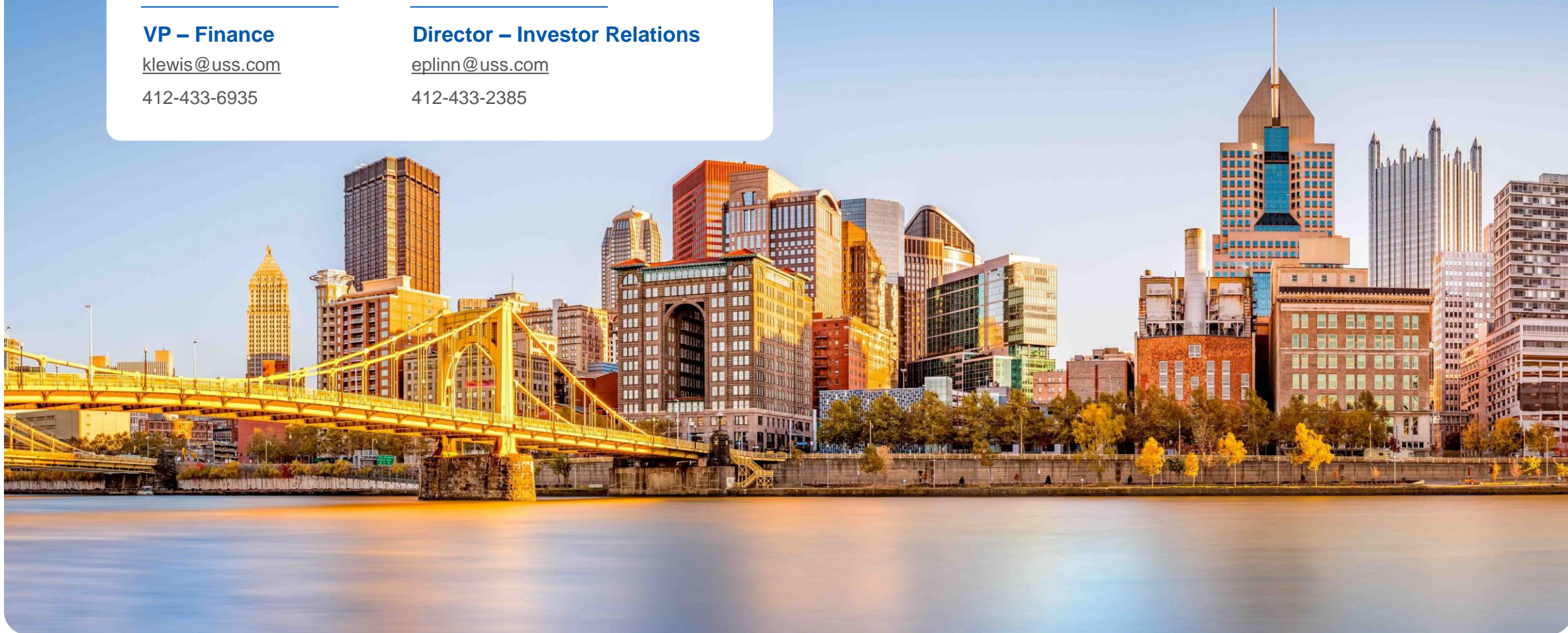
² The 2022 Labor Agreements include retroactive wage increases. A charge of \$3 million pertaining to wages for the month of September 2022 was recognized during the three months ended December 31, 2022. This charge is included as an adjustment to net earnings for the three months ended December 31,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

Kevin Lewis**VP – Finance**kLewis@uss.com

412-433-6935

Eric Linn**Director – Investor Relations**eLinn@uss.com

412-433-2385





United States Steel Corporation