United States Steel Corporation
Condensed Consolidated Financial Statements
(Unaudited)

For the Three and Six Months Ended June 30, 2026 and 2025
Prepared in Accordance with Accounting Principles Generally Accepted in the United States of America (U.S. GAAP)

INDEX

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

(Dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net sales:				
Net sales	**$ 4,257**	$ 3,640	**$ 7,925**	$ 6,797
Net sales to related parties (Note 17)	**682**	586	**1,319**	1,156
Total	**4,939**	4,226	**9,244**	7,953
Operating expenses (income):				
Cost of sales (excludes items shown below)	**4,363**	3,832	**8,365**	7,325
Selling, general and administrative expenses	**108**	349	**213**	469
Depreciation, depletion and amortization	**301**	263	**590**	512
Earnings from investees	**(22)**	(27)	**(35)**	(30)
Other gains, net	**(9)**	(23)	**(17)**	(33)
Total	**4,741**	4,394	**9,116**	8,243
Earnings (loss) before interest and income taxes	**198**	(168)	**128**	(290)
Interest expense	**56**	47	**109**	92
Interest income	**(4)**	(7)	**(7)**	(17)
Loss on conversions of Senior Convertible Notes	**—**	1,061	**—**	1,061
Gain on debt extinguishment	**—**	—	**(50)**	—
Other financial costs (income)	**9**	(7)	**14**	(6)
Net periodic benefit income	**(9)**	(3)	**(17)**	(7)
Net gain from investments related to active employee benefits (Note 14)	**(11)**	(6)	**(13)**	(13)
Net interest and other financial costs	**41**	1,085	**36**	1,110
Earnings (loss) before income taxes	**157**	(1,253)	**92**	(1,400)
Income tax expense (benefit) (Note 11)	**34**	(21)	**20**	(52)
Net earnings (loss)	**123**	(1,232)	**72**	(1,348)
Less: Net earnings attributable to noncontrolling interests	**—**	—	**—**	—
Net earnings (loss) attributable to United States Steel Corporation	**$ 123**	$ (1,232)	**$ 72**	$ (1,348)

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 June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net earnings (loss)	**$ 123**	$ (1,232)	**$ 72**	$ (1,348)
Other comprehensive (loss) income, net of tax:				
Changes in foreign currency translation adjustments	**(12)**	88	**(35)**	128
Changes in pension and other employee benefit accounts	**7**	9	**15**	17
Changes in derivative financial instruments	**2**	(37)	**18**	(61)
Changes in fair value of active employee benefit investments	**(1)**	—	**(2)**	—
Total other comprehensive (loss) income, net of tax	**(4)**	60	**(4)**	84
Comprehensive income (loss) including noncontrolling interest	**119**	(1,172)	**68**	(1,264)
Comprehensive income attributable to noncontrolling interest	**—**	—	**—**	—
Comprehensive income (loss) attributable to United States Steel Corporation	**$ 119**	$ (1,172)	**$ 68**	$ (1,264)

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)	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents (Note 6)	**$ 437**	$ 517
Receivables, less allowance of $28 and $27	**1,813**	1,383
Receivables from related parties (Note 17)	**194**	165
Inventories (Note 7)	**2,837**	2,477
Other current assets	**254**	214
Total current assets	**5,535**	4,756
Long-term restricted cash (Note 6)	**37**	36
Operating lease assets	**53**	57
Property, plant and equipment	**29,076**	27,894
Less accumulated depreciation and depletion	**15,895**	15,430
Total property, plant and equipment, net	**13,181**	12,464
Investments and long-term receivables, less allowance of $3 in both periods	**734**	699
Intangibles, net (Note 8)	**380**	390
Deferred income tax benefits (Note 11)	**4**	13
Goodwill (Note 8)	**920**	920
Other noncurrent assets	**1,028**	938
Total assets	**$ 21,872**	$ 20,273
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	**$ 3,213**	$ 2,809
Accounts payable to related parties (Note 17)	**219**	148
Payroll and benefits payable	**309**	324
Accrued taxes	**158**	143
Accrued interest	**66**	68
Current operating lease liabilities	**26**	29
Short-term debt and current maturities of long-term debt (Note 13)	**302**	248
Total current liabilities	**4,293**	3,769
Noncurrent operating lease liabilities	**32**	35
Long-term debt, less unamortized discount and debt issuance costs (Note 13)	**3,774**	3,593
Employee benefits	**126**	141
Deferred income tax liabilities (Note 11)	**551**	543
Deferred credits and other noncurrent liabilities	**535**	474
Total liabilities	**9,311**	8,555
Contingencies and commitments (Note 18)		
Shareholder Equity (Note 15):		
Share capital	**6,563**	5,788
Retained earnings	**5,761**	5,689
Accumulated other comprehensive income (Note 16)	**144**	148
Total United States Steel Corporation shareholder equity	**12,468**	11,625
Noncontrolling interests	**93**	93
Total liabilities and shareholder equity	**$ 21,872**	$ 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)	Six Months Ended June 30, 2026	2025
Increase (decrease) in cash, cash equivalents and restricted cash		
Operating activities:		
Net earnings (loss)	**$ 72**	$ (1,348)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation, depletion and amortization	**590**	512
Loss on conversions of Senior Convertible Notes	**—**	1,061
Gain on debt extinguishment	**(50)**	—
Pensions and other postretirement benefits	**(20)**	(7)
Active employee benefit investments	**24**	24
Deferred income taxes (Note 11)	**1**	(50)
Net gain on sale of assets	**—**	(6)
Equity investee earnings, net of distributions received	**(34)**	22
Changes in:		
Current receivables	**(472)**	(378)
Inventories	**(377)**	(291)
Current accounts payable and accrued expenses	**327**	272
Income taxes receivable/payable	**—**	49
All other, net	**(125)**	(168)
Net cash used in operating activities	**(64)**	(308)
Investing activities:		
Capital expenditures	**(914)**	(599)
Proceeds from sale of assets	**1**	6
Other investing activities	**14**	—
Net cash used in investing activities	**(899)**	(593)
Financing activities:		
Revolving credit facilities - borrowings (Note 13)	**845**	—
Revolving credit facilities - repayments (Note 13)	**(745)**	—
Issuance of long-term debt, net of financing costs (Note 13)	**845**	—
Repayment of long-term debt (Note 13)	**(835)**	(1,311)
Capital contributions received from Parent	**775**	1,728
Other financing activities	**—**	(41)
Net cash provided by financing activities	**885**	376
Effect of exchange rate changes on cash	**(5)**	23
Net decrease in cash, cash equivalents and restricted cash	**(83)**	(502)
Cash, cash equivalents and restricted cash at beginning of year (Note 6)	**564**	1,413
Cash, cash equivalents and restricted cash at end of period (Note 6)	**$ 481**	$ 911
Non-cash investing and financing activities:		
Change in accrued capital expenditures	**$ 163**	$ (8)
U. S. Steel common stock issued for employee/non-employee director stock plans	**—**	50
Capital expenditures funded by finance lease borrowings	**176**	27
Export Credit Agreement (ECA) financing	**—**	24

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

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. <u>Basis of Presentation</u>

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 $1,061 million recognized in the Condensed Consolidated Statement of Operations for the three and six months ended June 30, 2025. Refer to Note 10 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 six months ended June 30, 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 May 2026, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2026-02, *Environmental Credits and Environmental Credit Obligations* (ASU 2026-02). ASU 2026-02 provides recognition, measurement, presentation and disclosure requirements for all entities that generate, purchase, or receive environmental credits or have a regulatory compliance obligation that may be settled with environmental credits. Under the new standard, an entity is required to recognize an environmental credit as an asset, when it is probable that the environmental credit will be (1) used to settle an environmental credit obligation, (2) transferred in an exchange transaction, or (3) used in a nonreciprocal transfer. All other environmental credits should be recognized as an expense when incurred. Environmental credits received through a grant or that are internally generated should be measured at cost, if any. Compliance environmental credits are reported in subsequent periods at cost with no test for impairment. Noncompliance environmental credits should be subsequently measured at cost less impairment losses. An entity is permitted to elect an accounting policy to measure eligible classes of noncompliance environmental credits at fair value with subsequent changes recognized in earnings. In annual reporting periods, entities are required to disclose the current and noncurrent amounts of compliance and noncompliance environmental credit assets as well as qualitative information that includes how it obtained and will use its environmental credits. An entity is required to recognize an environmental credit obligation liability when events (for example, emissions) occurring on or before the reporting date result in an environmental credit obligation. The credit obligation liability is measured as the carrying value of the environmental credits the entity holds and expects to use to settle that obligation at the reporting date (funded portion) plus the unfunded portion which is measured at the fair value of the environmental credits necessary to settle the unfunded portion at the reporting date. For annual reporting periods, entities are required to disclose the current and noncurrent amounts of the funded and unfunded portions of environmental credit liabilities, the total expense related to environmental credit obligation liabilities and the total costs associated with environmental credit obligation liabilities that are capitalized in the carrying amount of another asset. Certain qualitative disclosures that include details regarding environmental credit obligations programs and the entity's related accounting policies are also required. The standard is effective for annual reporting periods beginning after December 15, 2028. U. S. Steel is currently assessing the impact of ASU 2026-02.

In December 2025, the 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 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. Recently Adopted Accounting Standards

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 adopted ASU 2025-09 effective April 1, 2026 to all of its existing hedging relationships and on a prospective basis. There was no financial statement or disclosure impact related to adoption. See Footnote 12 for further details regarding U. S. Steel's hedging programs.

4. 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 depreciation, depletion and amortization, 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
Three months ended June 30, 2026					
Customer sales	$ 2,622	$ 1,269	$ 772	$ 274	$ 4,937
Intersegment sales	2	62	7	1	72
Net sales	2,624	1,331	779	275	5,009
Other net sales [(a)]					2
Elimination of intersegment sales					(72)
Total net sales					$ 4,939
Less: [(b)]					
Cost of sales	2,410	1,047	702	253	4,412
Earnings from investees	(19)	—	—	(3)	(22)
Other segment items [(c)]	70	6	13	6	95
Segment earnings before interest, taxes, depreciation and amortization	163	278	64	19	$ 524
Other loss before interest, taxes, depreciation and amortization [(a)]					(10)
Depreciation, depletion and amortization					(301)
Items not allocated to segments:					
Clairton 13-14 batteries incident					(1)
Environmental remediation charges					(2)
Strategic project demolition costs					(9)
NSC transaction-related costs					(3)
Earnings before interest and income taxes					$ 198
Net interest and other financial costs					41
Earnings before income taxes					$ 157
Capital expenditures	346	144	13	27	530
Depreciation, depletion and amortization	(134)	(116)	(36)	(14)	(300)
Other depreciation, depletion and amortization [(a)]					(1)
Total depreciation, depletion and amortization					$ (301)

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

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

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

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Three months ended June 30, 2025					
Customer sales	$ 2,474	$ 796	$ 751	$ 202	$ 4,223
Intersegment sales	37	70	7	2	116
Net sales	2,511	866	758	204	4,339
Other net sales [(a)]					3
Elimination of intersegment sales					(116)
Total net sales					$ 4,226
Less: [(b)]					
Cost of sales	2,267	760	704	201	3,932
Earnings from investees	(23)	—	—	(4)	(27)
Other segment items [(c)]	45	5	12	6	68
Segment earnings before interest, taxes, depreciation and amortization	222	101	42	1	$ 366
Other earnings before interest, taxes, depreciation and amortization [(a)]					2
Depreciation, depletion and amortization					(263)
Items not allocated to segments:					
Stock-based compensation expense (Note 10)					(16)
Environmental remediation charges					(6)
NSC transaction-related costs [(d)]					(248)
Other charges, net					(3)
Loss before interest and income taxes					$ (168)
Net interest and other financial costs					1,085
Loss before income taxes					$ (1,253)
Capital expenditures	133	82	11	14	240
Depreciation, depletion and amortization	(117)	(100)	(33)	(13)	(263)

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

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

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

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

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Six months ended June 30, 2026					
Customer sales	$ 4,853	$ 2,359	$ 1,493	$ 535	$ 9,240
Intersegment sales	40	137	12	2	191
Net sales	4,893	2,496	1,505	537	9,431
Other net sales [a]					4
Elimination of intersegment sales					(191)
Total net sales					$ 9,244
Less: [b]					
Cost of sales	4,645	2,018	1,373	476	8,512
Earnings from investees	(33)	—	—	(2)	(35)
Other segment items [c]	133	14	24	12	183
Segment earnings before interest, taxes, depreciation and amortization	148	464	108	51	$ 771
Other loss before interest, taxes, depreciation and amortization [a]					(24)
Depreciation, depletion and amortization					(590)
Items not allocated to segments:					
Clairton 13-14 batteries incident					(8)
Environmental remediation charges					(7)
Strategic project demolition costs					(11)
NSC transaction-related costs					(5)
Other charges, net					2
Earnings before interest and income taxes					$ 128
Net interest and other financial costs					36
Earnings before income taxes					$ 92
Capital expenditures	610	222	35	47	914
Depreciation, depletion and amortization	(258)	(231)	(73)	(27)	(589)
Other depreciation, depletion and amortization [a]					(1)
Total depreciation, depletion and amortization					$ (590)

[a] The results of our real estate business are disclosed in the Other category.

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

[c] Other segment items primarily include selling, general and administrative expenses and BRS recycling tax credit revenue.

(In millions)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Six months ended June 30, 2025					
Customer sales	$ 4,663	$ 1,423	$ 1,410	$ 450	$ 7,946
Intersegment sales	88	118	13	3	222
Net sales	4,751	1,541	1,423	453	8,168
Other net sales [(a)]					7
Elimination of intersegment sales					(222)
Total net sales					$ 7,953
Less: [(b)]					
Cost of sales	4,352	1,424	1,325	421	7,522
Earnings from investees	(25)	—	—	(5)	(30)
Other segment items [(c)]	98	11	21	11	141
Segment earnings before interest, taxes, depreciation and amortization	326	106	77	26	$ 535
Other earnings before interest, taxes, depreciation and amortization [(a)]					5
Depreciation, depletion and amortization					(512)
Items not allocated to segments:					
Stock-based compensation expense (Note 10)					(31)
Environmental remediation charges					(7)
NSC transaction-related costs [(d)]					(271)
Other charges, net					(9)
Loss before interest and income taxes					$ (290)
Net interest and other financial costs					1,110
Loss before income taxes					$ (1,400)
Capital expenditures	271	263	44	21	599
Depreciation, depletion and amortization	(234)	(188)	(64)	(26)	(512)

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

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

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

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

5. 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.

6. 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)	June 30, 2026	December 31, 2025	June 30, 2025
Cash and cash equivalents	**$ 437**	$ 517	$ 869
Restricted cash in other current assets	**7**	11	7
Long-term restricted cash	**37**	36	35
Total cash, cash equivalents and restricted cash	**$ 481**	$ 564	$ 911

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

7. 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 June 30, 2026, and December 31, 2025, the LIFO method accounted for 48 percent and 47 percent of total inventory values, respectively.

(In millions)	June 30, 2026	December 31, 2025
Raw materials	**$ 1,350**	$ 1,208
Semi-finished products	**998**	828
Finished products	**436**	390
Supplies and sundry items	**53**	51
Total	**$ 2,837**	$ 2,477

Current acquisition costs for LIFO inventories were estimated to exceed the above inventory values by $1.4 billion and $1.5 billion at June 30, 2026, and December 31, 2025, respectively. As a result of the liquidation of LIFO inventories, cost of sales decreased by $2 million and $4 million for the three months and six months ended June 30, 2026, respectively, and cost of sales increased by $11 million and $17 million for the three months and six months ended June 30, 2025, respectively.

8. Intangible Assets and Goodwill

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

		As of June 30, 2026			As of December 31, 2025		
(In millions)	Useful Lives	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	**$ 413**	**$ 103**	**$ 310**	$ 413	$ 93	$ 320
Patents	5-15 Years	**17**	**16**	**1**	17	16	1
Total amortizable intangible assets		**$ 430**	**$ 119**	**$ 311**	$ 430	$ 109	$ 321

Amortization expense was $10 million for both of the six months ended June 30, 2026 and 2025.

Total estimated amortization expense for the remainder of 2026 is $10 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 June 30, 2026, and December 31, 2025, totaled $69 million.

Below is a summary of goodwill by segment for the six months ended June 30, 2026:

	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Balance at December 31, 2025	**$ —**	**$ 916**	**$ 4**	**$ —**	**$ 920**
Additions	**—**	**—**	**—**	**—**	**—**
Balance at June 30, 2026	**$ —**	**$ 916**	**$ 4**	**$ —**	**$ 920**

9. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost (income) for the three months ended June 30, 2026, and 2025:

	Pension Benefits		Other Benefits	
(In millions)	**2026**	**2025**	**2026**	**2025**
Service cost	**$ 7**	$ 7	**$ 1**	$ 1
Interest cost	**50**	53	**14**	15
Expected return on plan assets	**(65)**	(66)	**(17)**	(16)
Amortization of prior service cost	**4**	4	**—**	2
Amortization of actuarial net loss (gain)	**18**	17	**(13)**	(13)
Net periodic benefit cost (income), excluding below	**14**	15	**(15)**	(11)
Multiemployer plans	**22**	20	**—**	—
Net periodic benefit cost (income)	**$ 36**	$ 35	**$ (15)**	$ (11)

The following table reflects the components of net periodic benefit cost (income) for the six months ended June 30, 2026, and 2025:

	Pension Benefits		Other Benefits	
(In millions)	**2026**	**2025**	**2026**	**2025**
Service cost	**$ 13**	$ 13	**$ 2**	$ 2
Interest cost	**99**	106	**27**	30
Expected return on plan assets	**(129)**	(131)	**(33)**	(32)
Amortization of prior service cost	**8**	8	**—**	4
Amortization of actuarial net loss (gain)	**36**	34	**(25)**	(26)
Net periodic benefit cost (income), excluding below	**27**	30	**(29)**	(22)
Multiemployer plans	**43**	40	**—**	—
Net periodic benefit cost (income)	**$ 70**	$ 70	**$ (29)**	$ (22)

Employer Contributions
During the first six months of 2026, U. S. Steel made cash payments of $43 million to the Steelworkers Pension Trust and $2 million of pension payments not funded by trusts.

During the first six months of 2026, cash payments of $15 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled $14 million for each of the three months ended June 30, 2026 and 2025. Company contributions to defined contribution plans totaled $30 million and $25 million for the six months ended June 30, 2026, and 2025, respectively.

10. 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 in the amount of $16 million for the three months ended June 30, 2025 and $31 million for the six months ended June 30, 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 June 30, 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 Condensed Consolidated Statement of Operations for the three and six months ended June 30, 2025.

11. Income Taxes

Tax provision

For the six months ended June 30, 2026 and 2025, the Company recorded a tax provision of $20 million and a tax benefit of $52 million, respectively. The tax provision for the first six months of 2026 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. For the six months ended June 30, 2025, the Company computed its tax benefit using a discrete period effective tax rate, which reflects the actual taxes attributable to year-to-date earnings and losses.

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 provision for the six months ended June 30, 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. Certification from the AEDC was received in late July 2026 and approximately $788 million of tax credits were awarded to the Company, which the Company will recognize in the year it meets the requirements of Arkansas Code Ann. Section 26-51-506. This amount is net of expected future tax credits previously sold (see Note 18 for additional information). 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 June 30, 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 June 30, 2026 and December 31, 2025, respectively.

12. Derivative Instruments

U. S. Steel uses foreign exchange forward sales contracts (foreign exchange forwards) with maturities up to 41 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 12 months.

The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of June 30, 2026, and June 30, 2025:

Hedge Contracts	Classification	June 30, 2026		June 30, 2025	
Natural gas (in mmbtus)	Commodity purchase swaps		**21,693,000**		15,925,000
Tin (in metric tons)	Commodity purchase swaps		**400**		500
Zinc (in metric tons)	Commodity purchase swaps		**26,900**		18,100
Iron ore (in metric tons)	Commodity purchase swaps		**2,110,000**		2,100,000
Iron ore (in metric tons)	Sales swaps		**837,000**		951,300
Hot-rolled coils (in tons)	Sales swaps		**120,000**		212,000
Foreign currency (in millions of euros)	Foreign exchange forwards	**€**	**361**	€	342
Foreign currency (in millions of dollars)	Foreign exchange forwards	**$**	**68**	$	—

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheet as of June 30, 2026, and December 31, 2025:

Balance Sheet Location (in millions)	June 30, 2026		December 31, 2025	
Designated as Hedging Instruments				
Accounts receivable	**$**	**30**	$	13
Accounts payable		**31**		40
Investments and long-term receivables		**1**		2
Other long-term liabilities		**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 and six months ended June 30, 2026, and 2025:

	(Loss) Gain on Derivatives in AOCI					Amount of (Loss) Gain Recognized in Income			
(In millions)	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Location of Reclassification from AOCI	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025	
Sales swaps	**$**	**(8)**	$	1	Net sales	**$**	**—**	$	(6)
Commodity purchase swaps		**7**		(25)	Cost of sales [(a)]		**(6)**		—
Foreign exchange forwards		**5**		(23)	Cost of sales		**(1)**		(3)
Foreign exchange forwards		**(2)**		—	Other financial costs		**—**		—

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

(In millions)	(Loss) Gain on Derivatives in AOCI: Six Months Ended June 30, 2026	(Loss) Gain on Derivatives in AOCI: Six Months Ended June 30, 2025	Location of Reclassification from AOCI	Amount of (Loss) Gain Recognized in Income: Six Months Ended June 30, 2026	Amount of (Loss) Gain Recognized in Income: Six Months Ended June 30, 2025
Sales swaps	**$ (8)**	$ (16)	Net sales	**$ (3)**	$ 4
Commodity purchase swaps	**10**	(19)	Cost of sales [a]	**20**	4
Foreign exchange forwards	**23**	(44)	Cost of sales	**(8)**	5
Foreign exchange forwards	**(2)**	—	Other financial costs	**—**	—

[a] Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

At current contract values, $10 million currently in AOCI as of June 30, 2026, will be recognized as a decrease in cost of sales over the next year and $11 million currently in AOCI as of June 30, 2026, will be recognized as a decrease in net sales over the next year.

13. Debt

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	June 30, 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 - 2036	320	205
Finance leases and all other obligations	Big River Steel	Various	2026 - 2029	155	144
Export Credit Agreement	U. S. Steel	Variable	2031	188	104
Credit Facility Agreement	U. S. Steel	Variable	2027	100	—
USSK Credit Agreement	U. S. Steel Kosice	Variable	2026	—	—
USSK Credit Facility	U. S. Steel Kosice	Variable	2027	—	—
Total Debt				$ 4,088	$ 3,778
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				302	248
Long-term debt				$ 3,774	$ 3,593

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 redeemable at the Company's option beginning December 1, 2032 and September 5, 2035, respectively, at 100% of the principal amount being redeemed plus accrued and unpaid interest. Prior to those dates, the bonds may be redeemed at the greater of (a) 100% of the principal amount being redeemed, plus accrued and unpaid interest, or (b) the discounted present value of remaining unpaid amounts of principal and interest.

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

Big River Steel ABL Facility
On May 20, 2026, Big River Steel terminated its senior secured asset-based revolving credit facility (Big River Steel ABL Facility), which was set to mature on July 23, 2026. The Big River Steel ABL Facility originally provided for borrowings of up to $350 million. There were no outstanding borrowings under the Big River Steel ABL Facility immediately prior to its termination, and there were no borrowings outstanding at December 31, 2025.

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 June 30, 2026, there were borrowings of $100 million outstanding and approximately $2 million of letters of credit issued under the Credit Facility Agreement. During the period of July 1, 2026 through August 4, 2026, the Company borrowed an additional $100 million and repaid $200 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 June 30, 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 $1,473 million as of June 30, 2026.

On July 14, 2026, U. S. Steel entered into the Seventh Amended and Restated Credit Facility Agreement (Seventh Credit Facility Agreement) to replace the existing Credit Facility Agreement. The Seventh Credit Facility Agreement increases the total availability under the facility to $2,100 million, adjusts individual lenders' commitments, and renews the five-year maturity to July 14, 2031. The Seventh Credit Facility Agreement is secured by first-priority liens on certain accounts receivable and inventory, and is guaranteed by NSC. Issuance fees incurred for the transaction totaled approximately $6 million.

U. S. Steel Košice (USSK) Credit Facilities
USSK maintains the USSK Credit Agreement that provides for borrowings up to €50 million (approximately $57 million) for general corporate purposes, which was reduced from €150 million (approximately $171 million) effective June 29,

2026. 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 June 30, 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 June 30, 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.

14. 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 12 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, there were no excess amounts 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 June 30, 2026, the fair value of the surplus VEBA assets subaccount portfolio was $429 million, with $75 million in Other current assets and $354 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 Condensed Consolidated Balance Sheet.

The value of corporate bonds classified as available-for-sale debt securities was $30 million and $68 million as of June 30, 2026, and December 31, 2025, respectively. A total pretax net gain related to available-for-sale securities of $3 million and $5 million was included in Accumulated other comprehensive income as of June 30, 2026, and December 31, 2025, respectively.

During the three months and six months ended June 30, 2026, pretax net gains of $11 million and $13 million were recognized in Net gain from investments related to active employee benefits, respectively. During the three months and six months ended June 30, 2026, pretax net losses of $2 million and $3 million were recognized in Accumulated other comprehensive income, respectively.

During the three months and six months ended June 30, 2025, pretax net gains of $6 million and $13 million were recognized in Net gain from investments related to active employee benefits, respectively. During the three months and six months ended June 30, 2025, pretax net losses of $1 million were recognized in Accumulated other comprehensive income.

The fair value of the subaccount portfolio by asset category as of June 30, 2026, and December 31, 2025, were as follows (in millions):

	June 30, 2026					December 31, 2025				
	Level 1	Level 2	Level 3	measured at NAV [a]	Total	Level 1	Level 2	Level 3	measured at NAV [a]	Total
Asset Category										
Equity										
U.S companies	$ 48	$ —	$ —	$ —	$ 48	$ —	$ —	$ —	$ —	$ —
Total equity	48	—	—	—	48	—	—	—	—	—
Fixed Income										
Corporate bonds - U.S.	—	65	—	—	65	—	86	—	—	86
Corporate bonds - Non-U.S.	—	18	—	—	18	—	30	—	—	30
U.S. government bonds	—	14	—	—	14	—	37	—	—	37
Mortgage and asset-backed securities	—	9	—	—	9	—	16	—	—	16
Total fixed income	—	106	—	—	106	—	169	—	—	169
Alternatives										
Private credit partnerships	—	—	25	223	248	—	—	26	216	242
Other alternatives	—	—	—	—	—	—	—	—	21	21
Total alternatives	—	—	25	223	248	—	—	26	237	263
Commingled Funds	—	—	—	5	5	—	—	—	5	5
Other [b]	23	(1)	—	—	22	18	—	—	—	18
Total assets at fair value	$ 71	$ 105	$ 25	$ 228	$ 429	$ 18	$ 169	$ 26	$ 242	$ 455

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

[b] Includes cash, accrued income, and miscellaneous payables.

The following table summarizes U. S. Steel's financial liabilities that were not carried at fair value at June 30, 2026, and December 31, 2025. The fair value of long-term debt was determined using Level 2 inputs.

	As of June 30, 2026		As of December 31, 2025	
(In millions)	**Fair Value**	**Carrying Amount**	**Fair Value**	**Carrying Amount**
Financial liabilities:				
Long-term debt [a]	**$ 3,472**	**$ 3,427**	$ 3,338	$ 3,388

[a] Excludes finance lease obligations, other Big River Steel obligations and ECA Credit Agreement for which calculation of the fair value is impracticable.

15. Statement of Changes in Shareholder Equity

The following table reflects the first six 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:

Six Months Ended June 30, 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
Comprehensive income (loss):					
Net earnings	123	123	—	—	—
Other comprehensive income (loss), net of tax:					
Pension and other benefit adjustments	7	—	7	—	—
Currency translation adjustment	(12)	—	(12)	—	—
Derivative financial instruments	2	—	2	—	—
Active employee benefit investments	(1)	—	(1)	—	—
Share capital from Parent	775	—	—	775	—
Balance at June 30, 2026	$ 12,561	$ 5,761	$ 144	$ 6,563	$ 93

Six Months Ended June 30, 2025 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Share 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
Comprehensive income (loss):								
Net loss	(1,232)	(1,232)	—	—	—	—	—	—
Other comprehensive income (loss), net of tax:								
Pension and other benefit adjustments	9	—	9	—	—	—	—	—
Currency translation adjustment	88	—	88	—	—	—	—	—
Derivative financial instruments	(37)	—	(37)	—	—	—	—	—
Employee stock plans	12	—	—	1	—	11	—	—
Dividends paid on common stock	(11)	(11)	—	—	—	—	—	—
Share capital from Parent	14,190	—	—	—	—	—	14,190	—
Transaction Consideration [a]	(12,462)	—	—	—	—	—	(12,462)	—
Acceleration and settlement of long-term incentive awards	(257)	(162)	—	—	—	(95)	—	—
Effect of Transaction	—	—	—	(290)	1,469	(5,240)	4,061	—
Other	(2)	(1)	—	—	—	—	(1)	—
Balance at June 30, 2025	$ 11,629	$ 5,685	$ 63	$ —	$ —	$ —	$ 5,788	$ 93

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

16. 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	**—**	**(35)**	**22**	**—**	**(13)**
Amounts reclassified from AOCI [a]	**15**	**—**	**(4)**	**(2)**	**9**
Net current-period other comprehensive income (loss)	**15**	**(35)**	**18**	**(2)**	**(4)**
Balance at June 30, 2026	**$ (226)**	**$ 368**	**$ 1**	**$ 1**	**$ 144**
Balance at December 31, 2024	$ (318)	$ 264	$ 28	$ 5	$ (21)
Other comprehensive income (loss) before reclassifications	—	128	(57)	1	72
Amounts reclassified from AOCI [a]	17	—	(4)	(1)	12
Net current-period other comprehensive income (loss)	17	128	(61)	—	84
Balance at June 30, 2025	$ (301)	$ 392	$ (33)	$ 5	$ 63

[a] See table below for further details.

	Amount reclassified from AOCI			
	Three Months Ended June 30,		Six Months Ended June 30,	
Details about AOCI components (in millions)	**2026**	**2025**	**2026**	**2025**
Amortization of pension and other benefit items [a]				
Prior service cost	**$ 4**	$ 6	**$ 8**	$ 12
Actuarial loss	**5**	4	**11**	8
Total pensions and other benefits items	**9**	10	**19**	20
Derivative reclassifications to Condensed Consolidated Statement of Operations	**6**	13	**(5)**	(6)
Active employee benefit investments reclassifications to Condensed Consolidated Statement of Operations	**(2)**	(1)	**(3)**	(2)
Total before tax	**13**	22	**11**	12
Tax benefit	**(2)**	(2)	**(2)**	—
Net of tax	**$ 11**	$ 20	**$ 9**	$ 12

[a] These AOCI components are included in the computation of net periodic benefit income. See Note 9 for additional details.

17. Transactions with Related Parties

Related party sales and service transactions are primarily related to equity investees and were $682 million and $586 million for the three months ended June 30, 2026 and 2025, respectively, and $1,319 million and $1,156 million for the six months ended June 30, 2026 and 2025, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of $212 million and $143 million at June 30, 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 $7 million and $5 million at June 30, 2026 and December 31, 2025, respectively.

Purchases of iron ore pellets and other raw materials from related parties amounted to $11 million for both the three months ended June 30, 2026 and 2025, and $25 million and $24 million for the six months ended June 30, 2026 and 2025, respectively. Purchases from related parties for outside processing services, provided primarily by equity investees, amounted to $5 million and $9 million for the three months ended June 30, 2026 and 2025, respectively, and $10 million and $15 million for the six months ended June 30, 2026 and 2025, respectively. Personnel costs and other miscellaneous purchases from related parties amounted to $9 million and $1 million for the three months ended June 30, 2026 and 2025, respectively, and $15 million and $2 million for the six months ended June 30, 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 $98 million and $78 million for the three months ended June 30, 2026 and 2025, respectively, and $193 million and $149 million for the six months ended June 30, 2026 and 2025, respectively. Net sales to related parties pertaining to business with other NSC subsidiaries were $3 million and immaterial for the three months ended June 30, 2026 and 2025, respectively, and $4 million and immaterial for the six months ended June 30, 2026 and 2025, respectively. Receivables from related parties include balances due from NSC and its subsidiaries of $16 million and $8 million at June 30, 2026 and December 31, 2025, respectively.

18. Contingencies and Commitments

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

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

Asbestos matters – As of June 30, 2026, U. S. Steel was a defendant in approximately 1,220 active asbestos cases involving approximately 2,800 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,585, or approximately 57 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:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2024	2,505	240	310	2,575
December 31, 2025	2,575	270	385	2,690
June 30, 2026	2,690	150	260	2,800

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)		**Six Months Ended June 30, 2026**
Beginning of period	**$**	**119**
Accruals for environmental remediation deemed probable and reasonably estimable		**5**
Obligations settled		**(10)**
End of period	**$**	**114**

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

(In millions)		**As of June 30, 2026**		**As of December 31, 2025**
Accounts payable and other accrued liabilities	**$**	**22**	$	24
Deferred credits and other noncurrent liabilities		**92**		95
Total	**$**	**114**	$	119

Expenses related to remediation are recorded in cost of sales and were $5 million and $6 million for the six month periods ended June 30, 2026, and June 30, 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 50 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 June 30, 2026, accrued liabilities for these projects totaled $3 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as $38 million to $51 million.

(2) *Projects with Significant Accrued Liabilities with a Defined Scope* - As of June 30, 2026, there are four significant projects with defined scope greater than or equal to $5 million each, with a total accrued liability of $58 million. These projects are Gary Resource Conservation and Recovery Act (RCRA) (accrued liability of $26 million), Duluth Works (accrued liability of $5 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 June 30, 2026, was $7 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 June 30, 2026, was approximately $3 million. The Company does not foresee material additional liabilities for any of these sites.

Post-Closure Costs – Accrued liabilities for post-closure site monitoring and other costs at various closed landfills totaled $35 million at June 30, 2026, and were based on known scopes of work.

Administrative and Legal Costs – As of June 30, 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 $61 million and $31 million in the first six 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 June 30, 2026, we have pre-purchased approximately 2.32 million EUA totaling €159 million (approximately $181 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 $157 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 June 30, 2026. During the third quarter of 2026, we expect that the last two projects will pass the sustainability monitoring and assessment to provide additional collateral will no longer be implemented.

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 $114 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 June 30, 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 $15 million at June 30, 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 June 30, 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 $44 million and $47 million at June 30, 2026, and December 31, 2025, respectively.

Capital Commitments – At June 30, 2026, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled $1,479 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
$688	$466	$299	$207	$158	$611	$2,429

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 13 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 June 30, 2026, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of $68 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 June 30, 2026, and December 31, 2025, respectively.

Total payments relating to unconditional purchase obligations were $214 million and $171 million for the three months ended June 30, 2026, and 2025, respectively, and $417 million and $366 million for the six months ended June 30, 2026 and 2025, respectively.

19. Subsequent Events

On July 6, 2026, the Company submitted a notice of redemption for the $475 million 2029 Senior Notes, to be redeemed at par on August 5, 2026. Redemption of the 2029 Senior Notes will be funded utilizing proceeds from the issuance of the Guaranteed Senior Notes discussed below.

On July 14, 2026, U. S. Steel issued $1,200 million aggregate principal amount of Guaranteed Senior Notes, comprised of $700 million of 5.200% Guaranteed Senior Notes due August 1, 2031 (2031 Senior Notes) and $500 million of 5.700% Guaranteed Senior Notes due August 1, 2036 (2036 Senior Notes) (collectively, the Guaranteed Senior Notes). U. S. Steel received proceeds of approximately $1,193 million, which were net of a debt discount of approximately $2 million and fees of approximately $5 million related to underwriting and third-party expenses. The Guaranteed Senior Notes will pay interest semi-annually on February 1 and August 1 of each year beginning on February 1, 2027. The 2031 Senior Notes and 2036 Senior Notes are redeemable at the Company's option beginning July 1, 2031 and May 1, 2036, respectively, at 100% of the principal amount being redeemed plus accrued and unpaid interest. Prior to those dates, the notes may be redeemed at the greater of (a) 100% of the principal amount being redeemed, plus accrued and unpaid interest, or (b) the discounted present value of remaining unpaid amounts of principal and interest. The Guaranteed Senior Notes are unconditionally guaranteed by NSC as Guarantor and are not secured by any liens on Company assets. Total issuance fees incurred for the transaction were approximately $9 million.

A portion of the net proceeds from the issuance of the Guaranteed Senior Notes was used to redeem all of our outstanding $720 million Big River Steel 2029 Senior Secured Notes at par on July 17, 2026, along with approximately $22 million of accrued and unpaid interest. There was an unamortized portion of the fair value step up from the acquisition of Big River Steel in 2021 related to the 2029 Senior Secured Notes that was written off as part of the redemption, resulting in a gain on debt extinguishment of approximately $22 million.

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

RESULTS OF OPERATIONS

U. S. Steel's results in the three and six months ended June 30, 2026, compared to the same period in 2025, increased in total.

- **North American Flat-Rolled:** Flat-Rolled results for the three and six months ended June 30, 2026, decreased compared to the prior three and six month periods, primarily due to higher operating and raw material costs.
- **Mini Mill:** Mini Mill results for the three and six months ended June 30, 2026 increased compared to the prior three and six month periods, primarily due to higher volume and sales price across all products.
- **U. S. Steel Europe:** USSE results for the three and six months ended June 30, 2026 increased compared to the prior three and six month periods, primarily due to higher sales price across most products and strengthening of the Euro versus the U.S. dollar.
- **Tubular:** Tubular results for the three and six months ended June 30, 2026 increased compared to the prior three and six month periods, primarily due to higher volume and higher sales price across higher value products.

Net sales by segment for the three months and six months ended June 30, 2026 and 2025 are set forth in the following table:

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions, excluding intersegment sales)	**2026**	**2025**	**% Change**	**2026**	**2025**	**% Change**
Flat-Rolled	**$ 2,622**	$ 2,474	6%	**$ 4,853**	$ 4,663	4%
Mini Mill	**1,269**	796	59%	**2,359**	1,423	66%
USSE	**772**	751	3%	**1,493**	1,410	6%
Tubular	**274**	202	36%	**535**	450	19%
Total sales from reportable segments	**4,937**	4,223	17%	**9,240**	7,946	16%
Other	**2**	3	(33)%	**4**	7	(43)%
Net sales	**$ 4,939**	$ 4,226	17%	**$ 9,244**	$ 7,953	16%

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the three months ended June 30, 2026, versus the three months ended June 30, 2025:

	Steel Products [(a)]					
	Volume	**Price**	**Mix**	**FX [(b)]**	**Other [(c)]**	**Net Change**
Flat-Rolled	9 %	4 %	(3)%	— %	(4)%	6 %
Mini Mill	43 %	16 %	— %	— %	— %	59 %
USSE	(6)%	5 %	2 %	3 %	(1)%	3 %
Tubular	24 %	4 %	8 %	— %	— %	36 %

[(a)] Excludes intersegment sales.

[(b)] Foreign currency translation effects.

[(c)] Primarily sales of raw materials and coke making by-products.

Net sales for the three months ended June 30, 2026, compared to the same period in 2025 were $4,939 million and $4,226 million, respectively.

- For the Flat-Rolled segment, the increase in sales primarily resulted from increased shipments (204 thousand tons) across most products and higher average realized prices across most products, partially offset by unfavorable product mix.
- For the Mini Mill segment, the increase in sales primarily resulted from increased shipments (358 thousand tons) across all products and higher average realized prices across all products.
- For the USSE segment, the increase in sales primarily resulted from higher average realized prices across most products and the strengthening of the Euro versus the U.S. dollar, partially offset by decreased shipments (53 thousand tons) across most products.
- For the Tubular segment, the increase in sales primarily resulted from increased shipments (26 thousand tons), favorable product mix and higher average realized prices across higher value products.

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the six months ended June 30, 2026, versus the six months ended June 30, 2025:

	Steel Products [a]					
	Volume	Price	Mix	FX [b]	Other [c]	Net Change
Flat-Rolled	4 %	5 %	(2)%	— %	(3)%	4 %
Mini Mill	43 %	22 %	1 %	— %	— %	66 %
USSE	(8)%	5 %	3 %	6 %	— %	6 %
Tubular	8 %	9 %	2 %	— %	— %	19 %

[a] Excludes intersegment sales.

[b] Foreign currency translation effects.

[c] Primarily sales of raw materials and coke making by-products.

Net sales for the six months ended June 30, 2026, compared to the same period in 2025 were $9,244 million and $7,953 million, respectively.

- For the Flat-Rolled segment, the increase in sales primarily resulted from higher average realized prices across most products and increased shipments (181 thousand tons) across lower value products, partially offset by unfavorable product mix.
- For the Mini Mill segment, the increase in sales primarily resulted from increased shipments (697 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, higher average realizes prices across all products and favorable product mix, partially offset by decreased shipments (135 thousand tons).
- For the Tubular segment, the increase in sales primarily resulted from higher average realized prices across higher value products, increased shipments (20 thousand tons) and favorable product mix.

Selling, general and administrative expenses

Selling, general and administrative expenses were $108 million and $213 million for the three months and six months ended June 30, 2026, respectively, compared to $349 million and $469 million for the three months and six months June 30, 2025, respectively. These decreases were primarily related to less NSC transaction-related costs resulting from the closing of the Merger Agreement.

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.

<u>Idled Operations</u>

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 June 30, 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 June 30, 2026.

The total carrying value of the fixed assets related to U. S. Steel's indefinitely idled operations as of June 30, 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 [(a)]	**Three Months Ended June 30,**			**Six Months Ended June 30,**		
(Dollars in millions)	**2026**	**2025**	**% Change**	**2026**	**2025**	**% Change**
Flat-Rolled	**$ 163**	$ 222	(27)%	**$ 148**	$ 326	(55)%
Mini Mill	**278**	101	175 %	**464**	106	338 %
USSE	**64**	42	52 %	**108**	77	40 %
Tubular	**19**	1	1,800 %	**51**	26	96 %
Other (loss) earnings before interest, taxes, depreciation and amortization	**(10)**	2	(600)%	**(24)**	5	(580)%
Depreciation, depletion, and amortization	**(301)**	(263)	(14)%	**(590)**	(512)	(15)%
Segment earnings before interest and income taxes	**213**	105	103 %	**157**	28	461 %
Items not allocated to segments:						
Stock-based compensation expense	**—**	(16)		**—**	(31)	
Environmental remediation charges	**(2)**	(6)		**(7)**	(7)	
NSC transaction-related costs [(b)]	**(3)**	(248)		**(5)**	(271)	
Clairton 13-14 batteries incident	**(1)**	—		**(8)**	—	
Strategic project demolition costs	**(9)**	—		**(11)**	—	
Other charges, net	**—**	(3)		**2**	(9)	
Total earnings (loss) before interest and income taxes	**$ 198**	$ (168)	218 %	**$ 128**	$ (290)	144 %

[(a)] See Note 4 to the Condensed Consolidated Financial Statements for reconciliations and other details.

[(b)] 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 June 30,**			**Six Months Ended June 30,**		
(Dollars in Millions)	**2026**	**2025**	**% Change**	**2026**	**2025**	**% Change**
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 163	$ 222	(27)%	$ 148	$ 326	(55)%
Depreciation, depletion and amortization	134	117	(15)%	258	234	(10)%
Earnings (loss) before interest and income taxes	$ 29	$ 105	(72)%	$ (110)	$ 92	(220)%
Gross margin	8 %	10 %	(2)%	5 %	9 %	(4)%
Raw steel production (mnt)	2,329	1,955	19 %	4,466	4,060	10 %
Capability utilization	71 %	59 %	12 %	68 %	62 %	6 %
Steel shipments (mnt)	2,131	1,927	11 %	4,094	3,913	5 %

The decrease in Flat-Rolled results for the three months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher raw material costs, including inventory revaluations (approximately $40 million)
- higher energy costs (approximately $20 million)
- higher operating costs (approximately $85 million)
- higher other costs (approximately $15 million),

these changes were partially offset by:

- higher average realized prices (approximately $75 million)
- increased shipments (approximately $25 million).

Gross margin for the three months ended June 30, 2026, compared to the same period in 2025 decreased primarily as a result of higher operating and raw material costs.

The decrease in Flat-Rolled results for the six months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher raw material costs, including inventory revaluations (approximately $90 million)
- higher energy costs (approximately $70 million)
- higher operating costs (approximately $230 million)

- higher other costs (approximately $35 million),

these changes were partially offset by:

- higher average realized prices (approximately $215 million)
- increased shipments (approximately $25 million)
- favorable equity investees income (approximately $5 million).

Gross margin for the six months ended June 30, 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 June 30,**		**% Change**	**Six Months Ended June 30,**		**% Change**
(Dollars in Millions)	**2026**	**2025**		**2026**	**2025**	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 278	101	175 %	$ 464	106	338 %
Depreciation, depletion and amortization	116	100	(16)%	231	188	(23)%
Earnings (loss) before interest and income taxes	$ 162	$ 1	16,100 %	$ 233	$ (82)	384 %
Gross margin	23 %	13 %	10 %	20 %	8 %	12 %
Raw steel production (mnt)	1,313	985	33 %	2,594	1,950	33 %
Capability utilization	84 %	63 %	21 %	83 %	62 %	21 %
Steel shipments (mnt)	1,196	838	43 %	2,317	1,620	43 %

The increase in Mini Mill results for the three months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices, including mix (approximately $90 million)
- increased shipments (approximately $85 million)
- lower raw material costs (approximately $15 million),

these changes were partially offset by:

- higher operating costs (approximately $15 million).

Gross margin for the three months ended June 30, 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.

The increase in Mini Mill results for the six months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices, including mix (approximately $225 million)
- increased shipments (approximately $165 million)
- lower raw material costs (approximately $55 million),

these changes were partially offset by:

- higher operating costs (approximately $85 million)
- higher other costs (approximately $5 million).

Gross margin for the six months ended June 30, 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 June 30,**		**% Change**	**Six Months Ended June 30,**		**% Change**
(Dollars in Millions)	**2026**	**2025**		**2026**	**2025**	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 64	$ 42	52 %	$ 108	$ 77	40 %
Depreciation, depletion and amortization	36	33	(9)%	73	64	(14)%
Earnings before interest and income taxes	$ 28	$ 9	211 %	$ 35	$ 13	169 %
Gross margin	10 %	7 %	3 %	9 %	7 %	2 %
Raw steel production (mnt)	923	963	(4)%	1,786	1,919	(7)%
Capability utilization	74 %	77 %	(3)%	72 %	77 %	(5)%
Steel shipments (mnt)	807	860	(6)%	1,581	1,716	(8)%

The increase in USSE results for the three months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices, including mix (approximately $35 million)
- strengthening of the Euro versus the U.S. dollar (approximately $5 million),

these changes were partially offset by:

- higher raw material costs, including inventory revaluations and CO_2 accrual adjustments (approximately $5 million)
- higher operating costs (approximately $15 million).

Gross margin for the three months ended June 30, 2026, compared to the same period in 2025 increased primarily as a result of higher net sales due to higher average realized prices and strengthening of the Euro versus the U.S. dollar.

The increase in USSE results for the six months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices, including mix (approximately $70 million)
- strengthening of the Euro versus the U.S. dollar (approximately $10 million),

these changes were partially offset by:

- decreased shipments (approximately $5 million)
- higher raw material costs, including inventory revaluations and CO_2 accrual adjustments (approximately $20 million)
- higher operating costs (approximately $25 million).

Gross margin for the six months ended June 30, 2026, compared to the same period in 2025 increased primarily as a result of higher net sales due to higher average realized prices and strengthening of the Euro versus the U.S. dollar.

Segment results for Tubular	**Three Months Ended June 30,**		**% Change**	**Six Months Ended June 30,**		**% Change**
(Dollars in Millions)	**2026**	**2025**		**2026**	**2025**	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 19	$ 1	1,800 %	$ 51	$ 26	96 %
Depreciation, depletion and amortization	14	13	(8)%	27	26	(4)%
Earnings (loss) before interest and income taxes	$ 5	$ (12)	142 %	$ 24	$ —	100 %
Gross margin	8 %	2 %	6 %	11 %	7 %	4 %
Raw steel production (mnt)	185	156	19 %	390	317	23 %
Capability utilization	82 %	70 %	12 %	88 %	71 %	17 %
Steel shipments (mnt)	131	105	25 %	261	241	8 %

The increase in Tubular results for the three months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices (approximately $20 million)
- increased shipments (approximately $10 million),

these changes were partially offset by:

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

Gross margin for the three months ended June 30, 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.

The increase in Tubular results for the six months ended June 30, 2026, compared to the same period in 2025 was primarily due to:

- higher average realized prices (approximately $45 million)
- increased shipments (approximately $5 million)
- decreased operating costs (approximately $10 million),

these changes were partially offset by:

- higher raw material costs (approximately $25 million)
- higher energy costs (approximately $10 million).

Gross margin for the six months ended June 30, 2026, compared to the same period in 2025 increased primarily as a result of higher net sales due to higher average realized prices and increased shipments.

Net interest and other financial costs

(Dollars in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	% Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	% Change
Interest expense	**56**	47	(19)%	**109**	92	(18)%
Interest income	**(4)**	(7)	(43)%	**(7)**	(17)	(59)%
Loss on conversions of Senior Convertible Notes	**—**	1,061	100 %	**—**	1,061	100 %
Gain on debt extinguishment	**—**	—	— %	**(50)**	—	100 %
Other financial costs (income)	**9**	(7)	(229)%	**14**	(6)	(333)%
Net periodic benefit income	**(9)**	(3)	200 %	**(17)**	(7)	143 %
Net gain from investments related to active employee benefits	**(11)**	(6)	83 %	**(13)**	(13)	— %
Total net interest and other financial costs	**$ 41**	$ 1,085	96 %	**$ 36**	$ 1,110	97 %

Net interest and other financial costs decreased in the three months and six months ended June 30, 2026, as compared to the same period in 2025, primarily due to the absence of the loss on the conversions of the Senior Convertible Notes recognized in the three and six months ended June 30, 2025. See Note 1 to the Condensed Consolidated Financial Statements for further details.

Income tax expense (benefit)

Income tax expense was $34 million and $20 million for the three months and six months ended June 30, 2026, respectively, as compared to benefit of $(21) million and $(52) million for the three months and six months ended June 30, 2025, respectively. The change from the prior year period was primarily due to increased earnings before taxes.

Net earnings (loss)

Net earnings attributable to United States Steel Corporation was $123 million and $72 million for the three months and six months ended June 30, 2026, respectively, compared to net loss of $(1,232) million and $(1,348) million for the three months and six months ended June 30, 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 $64 million for the six months ended June 30, 2026, compared to $308 million for the same period in 2025. The period over period decrease in cash used in operating activities was primarily due to increased net earnings, partially offset by decreased activity associated with the closing of the Merger Agreement and 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 $899 million for the six months ended June 30, 2026, compared to $593 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 six months ended June 30, 2026 were $914 million, compared with $599 million in the same period in 2025. Flat-Rolled capital expenditures were $610 million, which included No. 14 Blast Furnace repairs at Gary Works, new hot strip mill project spend at Mon Valley Works, hot strip mill upgrade project spend at Gary Works, spend related to the planned restart of the tin mill 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 $222 million and included spending for the new direct reduced iron facility, hot mill, cold mill, air separation unit, color coating lines, and additional spending related to sustaining capital expenditures. USSE capital expenditures were $35 million and included spending related to blast furnace projects and various environmental, modernization, and infrastructure projects. Tubular capital expenditures were $47 million and included spend related to the new Premium Thread Line and Quench & Tempering Line, infrastructure and steelmaking spend, as well as environmental projects within the Tubular footprint.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $885 million for the six months ended June 30, 2026, compared to $376 million for the same period in 2025. The period over period increase in net cash provided by financing activities was primarily due to the issuance of long-term debt, revolving credit facility borrowings and decreased repayments of long-term debt compared to the prior period, partially offset by less capital contributions received from the Parent company as a result of the closing of the Transaction.

Financing

Certain of our credit facilities, including the Credit Facility Agreement, 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 June 30, 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 June 30, 2026:

(Dollars in millions)		
Cash and cash equivalents	$	437
Amount available under Credit Facility Agreement		1,473
Amount available under USSK Credit Agreement and USSK Credit Facility		83
Total estimated liquidity	$	1,993

We finished the second quarter of 2026 with $437 million of cash and cash equivalents and $1,993 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 June 30, 2026 consists principally of our cash and cash equivalents and available borrowings under the Credit Facility Agreement, 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 June 30, 2026, the Company's outstanding obligations confirmed as valid under its SCF program were $176 million.