Midwest Association of Railroads - MARS

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U. S. Steel
Overview / History

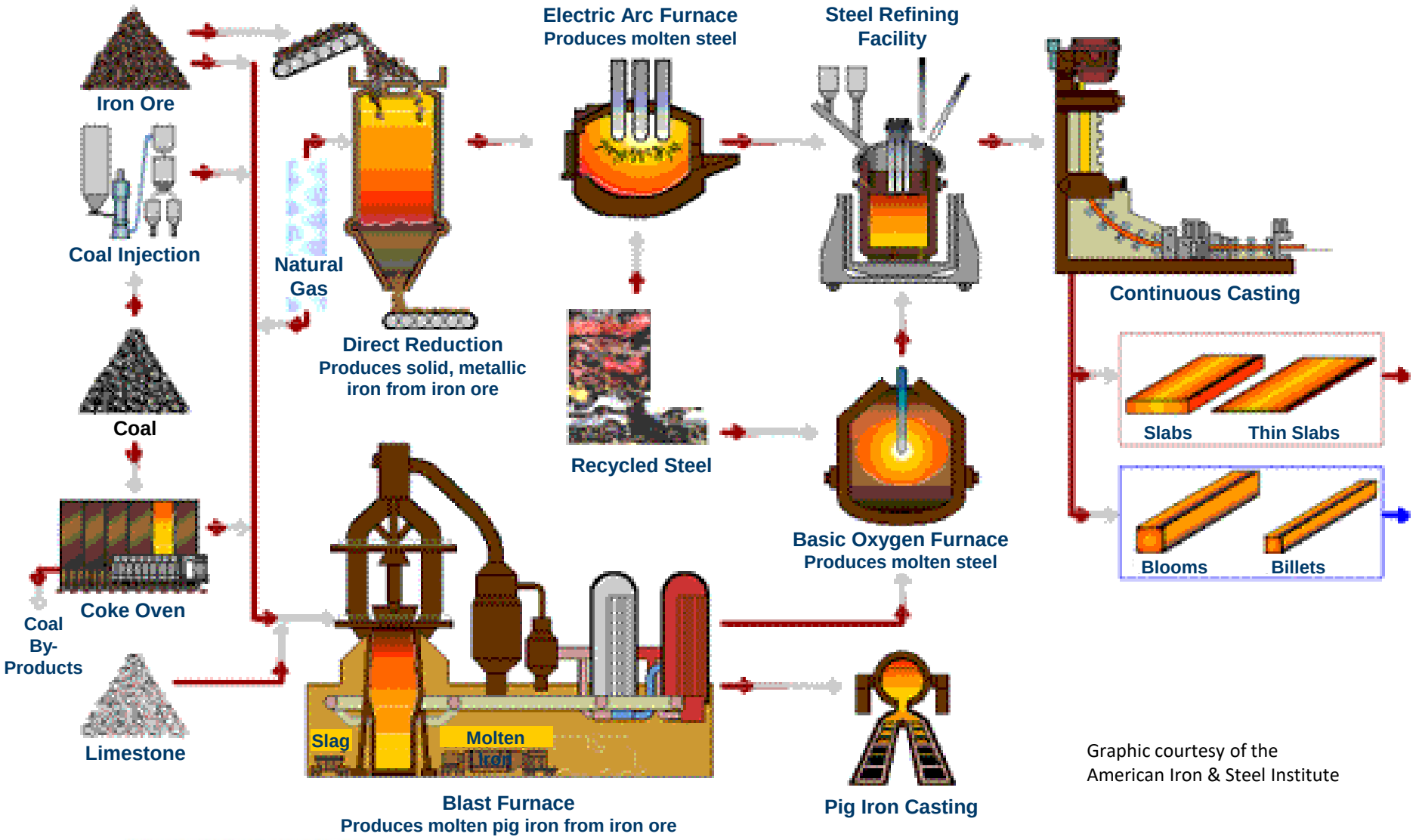
History

- *Founded in 1901*
- *The largest business enterprise of its time ever launched*
- *The first billion-dollar corporation*
- *First company to hold an annual meeting of stockholders (1902)*
- *First company to publish an annual report (1903)*
- *First recognized code of business ethics (1909)*
- *Has employed more than 1 million people since its inception*

Global Market Position & Business Activities

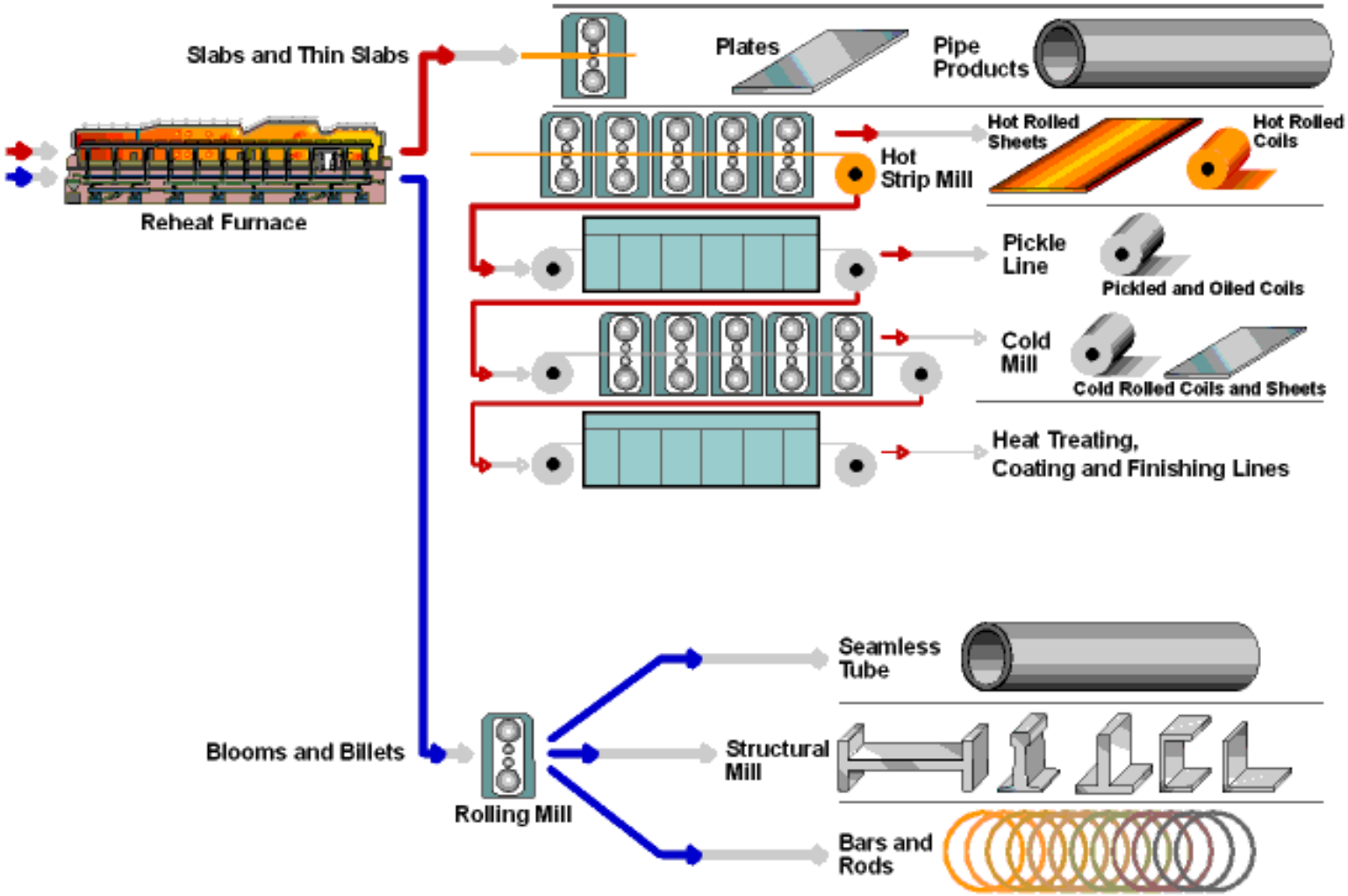
- 27th largest global steel producer (2019 production data)
- 26.2 million net tons per year steelmaking capability
- Second largest integrated steel producer headquartered in the United States
- Largest integrated North American tubular products producer
- Second largest Central European flat-rolled producer
- Added EAF steelmaking in 2020, including most advanced flat-rolled mill in the U.S. (Big River Steel)
- Well-positioned in raw materials
- Talented research and development organization

How Steel is Made – Primary Steelmaking



Graphic courtesy of the American Iron & Steel Institute

How Steel is Made – Finishing



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S. T. E. E. L.

Principals

Rounds substrate now made through the new sustainable EAF at our Fairfield Tubular operations.

S. T. E. E. L. Principles

Safety First

Trust and Respect

Environmentally Friendly Activities

Ethical Behavior

Lawful Business Conduct

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Safety First

Safety First

Sustained Improvement in Injury Performance

Global Days Away From Work Rates Improved 80%

0.35 (2005) → **0.07 (2020)***

- ***88% lower than 2020 U.S. Bureau of Labor Statistics' Iron & Steel category benchmark (0.60)***

* Frequency of Injuries (per 200,000 manhours). Data for 2008 includes Lone Star Tubular Operations, Rig Site Services, Tubular Processing Houston, Offshore Operations Houston, and Wheeling Machine Products. Data from 2008 through 2014 includes Bellville Tubular Operations. Data for 2011 forward includes Transtar. Data for 2005 through 2011 includes U. S. Steel Serbia. Data for 2009 through the end of the day on September 15, 2014, includes U. S. Steel Canada.

Where We Are and Who We Serve

A Leader in Sheet & Tubular Market Segments

Market Segments

- ***Appliance***
- ***Tin***
- ***Automotive***
- ***Construction***
- ***Energy (oil, natural gas and petrochemical)***
- ***Service Center***
- ***Equipment Manufacturing***
- ***Converter***

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Market Position

- Automotive
  - Major supplier to all North American producers
- Appliances
  - Major supplier to North American producers
- Tin mill products
  - Largest tin mill products producer
- Value-added construction
  - Strong position
- Tubular products
  - Largest integrated North American tubular producer
  - Largest seamless size range

Significance

- Metallurgically demanding applications with specialized customer service and technical support
- Minimills typically do not make these value-added products
- Just-in-time inventory requirements favor domestic suppliers
- Production costs globally competitive
- Strong diversification through leading positions in key end markets

North American Flat-rolled (NAFR) and Mini Mill Segments Manufacturing Facilities

Mining Solutions Commercial Entity

Minnesota Ore Operations
Minntac / Keetac

- 22.4 million tons of annual capacity
- Over 900 million tons of recoverable reserves available
- Received necessary permits for Minntac expansion project in 2014 (483 acres, extends mine life by 16 years)
- Iron ore pellets are suitable for potential DRI production
- Able to ship pellets to Košice (if necessary) and have third-party sales agreements

Hibbing Taconite Company

- Approx. 15% JV interest
- Approx. 1.3 million tons of annual capacity (U. S. Steel share)
- 8 million tons of recoverable reserves available (U. S. Steel share)

Tubular Segment Manufacturing Facilities

U. S. Steel Europe Segment Facilities

Integrated steel plant in Slovak Republic

Key industries: automotive, construction, service center, packaging and conversion

Automotive/appliance galvanizing line

Historically favorable growth rates and infrastructure investment in primary geographic market – V4*

Significant coke making and power generating capability

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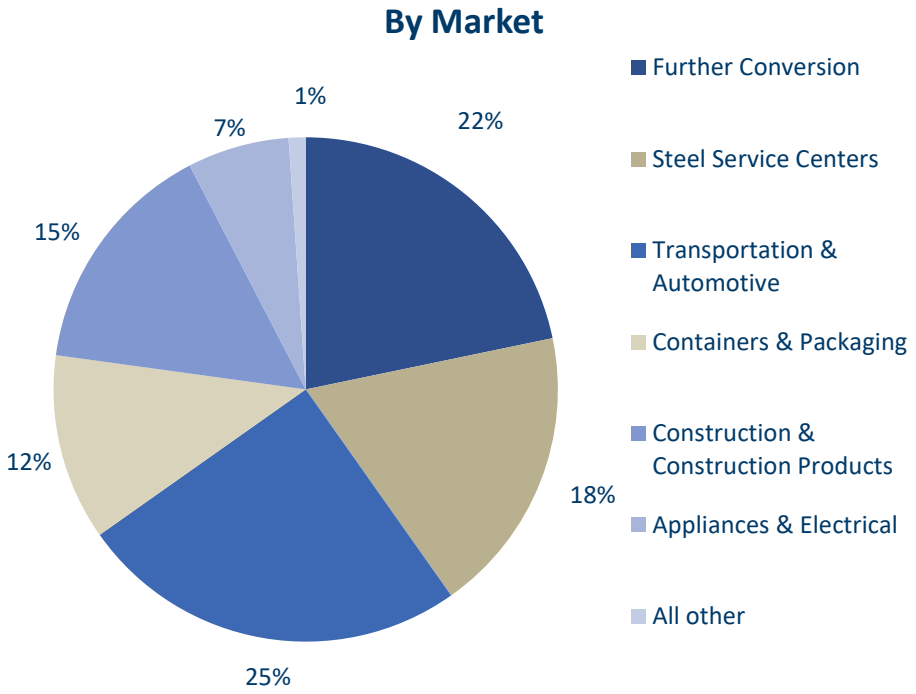
* Visegrad Group – Czech Republic, Hungary, Poland and Slovakia

Steel Shipments by Product & Market – Flat-Rolled

Full Year 2020

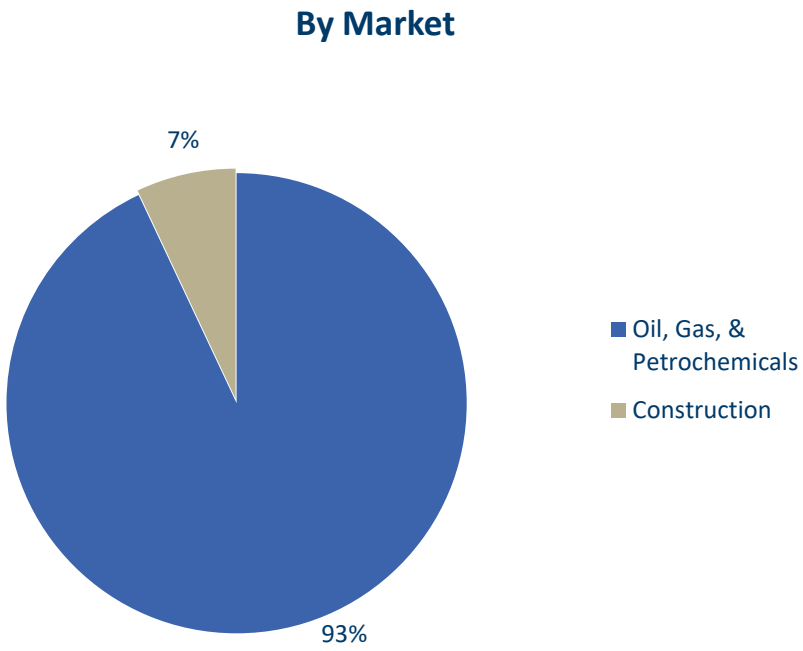
Major Market	Tons (000s)
Further Conversion	2,478
Steel Service Centers	1,450
Transportation and Automotive	2,012
Construction & Construction Products	1,261
Containers and Packaging	913
Appliances & Electrical	497
All Other	100
Total	**8,711**



Steel Shipments by Product & Market – Tubular

Full Year 2020

Major Market	Tons (000s)
Oil, Gas, & Petrochemicals	430
Construction & Construction Products	34
Total	**464**



Research and Development

Research & Technology Center – Munhall, PA

Main research and development facility

Automotive Center – Troy, MI

Automotive customer interface

USSE Research – Košice, Slovakia

U. S. Steel Results and Outlook

Steelmaking at one of Big River Steel's electric arc furnaces (EAFs).

Continued progress towards Best for All[SM]

Delivering a quarter of records

Driving significant progress in 2021

Returning capital to stockholders

Continued progress towards Best for All[SM]

CURRENT LANDSCAPE

Record performance in 2021

CHALLENGES WE FACE

Transitioning to less capital and carbon intensive business model while becoming the best steel competitor

SOLUTION

- ✓ More balanced capital allocation strategy
- ✓ Mini mill #2
- ✓ NGO electrical steel line at Big River Steel
- ✓ Coating line at Big River Steel

PATH FORWARD

Delivering on Best for All

United States Steel Corporation

Transitioning to a Best for All future
Growing competitive advantages

Competitive advantages built on a strong foundation:

LOW-COST IRON ORE

MINI MILL STEEL - MAKING

BEST-IN-CLASS FINISHING CAPABILITIES

Research & innovation

Deep customer relationships

Transitioning to a Best for All future
Translating iron ore advantage to our EAFs

$0 *Capital Spending*

~500k *Tons of Pig Iron Capability*

Pig iron production expected by 1Q 2023

PIG IRON

LOW-COST IRON ORE

- **Advantaged pig iron strategy through potential strategic partnership**
  - *Annual production of up to 500k tons*
- **Partner would install pig machine at Gary Works**
  - *Excess iron production at Gary Works to feed pig machine*
- **Unique solution to supply Big River Steel**
  - *Providing nearly 50% of Big River Steel's other ore-based metallics needs*

Transitioning to a Best for All future
Expanding the mini mill steelmaking advantage

~$3B *Capital Spending*

~3M *Tons of Raw Steel Capability*

~$650M *Run-rate EBITDA by '26*

MINI MILL #2

MINI MILL STEELMAKING

- **Comprehensive suite of finishing assets**
  - *AHSS galvanizing / hot-roll galvanizing / painting / slitting*
- **Expanding our sustainable steel offering**
  - *Reducing our carbon intensity further*
- **Beginning construction as early as first half 2022**
  - *Purchasing longer lead-time equipment in 2021*

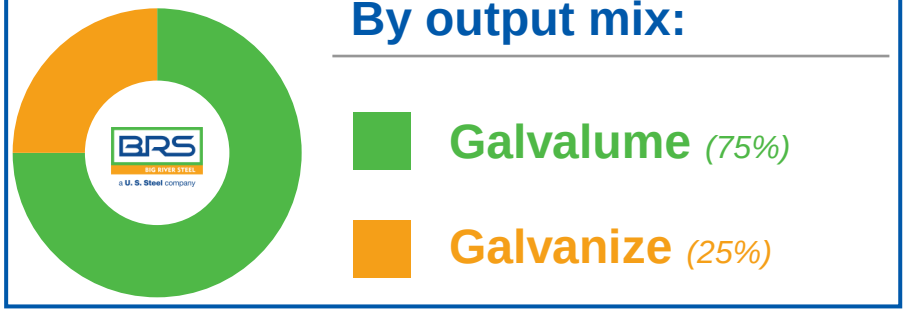
Transitioning to a Best for All future
Addressing strategic market growth

~$280M *Capital Spending*

~325k *Tons of Finishing Capability*

~$60M *Run-rate EBITDA by '26*

- **Expanding our presence in value-add construction**
  - *Galvalume steel for exposed building panels and other high-end applications*
- **Improving our product mix in strategic markets**
  - *Hot-dipped galvanizing steel for appliance, automotive, and construction*



2022 Outlook

- **Signing successful customer contracts**
- **Creating value for stockholders**
- **Delivering value for customers**

Rail and United States Steel

PRO-TEC’s new continuous galvanizing line (CGL3) makes sustainable
Advanced High Strength Steel grades, now also using substrate sourced from Big River Steel.

Railroads and U. S. Steel

Initiatives	Opportunity
Light-Weighting Railcars w/ Advanced High Strength Steels (AHSS)	• Reduced weight of car allows for increased lading • USS AHSS make this possible
Strategic Growth at Big River Steel and Mini Mill #2	• Both EAFs now in operation at BRS • Site Selection in Process for Mini Mill #2
Partnering at Existing Facilities and Preparing for Continued Transformation	• Best for All Strategy • Footprint Shaping

Big River Steel – Non-grain Oriented Electrical Steel Line Construction

Q&A

Closing Remarks