

# The U. S. Steel Metallics Strategy

Expanding our existing  
low-cost iron ore  
advantage

Increasing our  
EAF metallics  
self-sufficiency

## UNDERSTANDING THE ELECTRIC ARC FURNACE (EAF) METALLICS INPUTS

### SCRAP STEEL INPUTS

#### Obsolete Scrap



- Low cost
- Readily available
- Less valuable due to impurities
- Primarily sourced from landfills

#### Prime Scrap



- Price premium to obsolete scrap
- Limited supply
- Clean, pure scrap metal
- Leftover after new product production (e.g., autos, appliances, etc.)
- Virgin metallic substitute

### ORE-BASED VIRGIN METALLICS INPUTS

#### Components of Metallics Strategy to Date

#### Direct Reduced (DR)-Grade Pellets



- Feedstock for DRI/HBI
- Cannot be charged into an EAF by itself
- Interim step in DRI/HBI production

#### Block Pig Iron



- Solidified iron units
- Higher product value, given its high iron content
- Produced at blast furnaces

#### Direct Reduced Iron (DRI)



- Substitute for prime scrap
- High iron content
- Produced using DR-grade pellets

#### Granulated Pig Iron



- Solidified iron units (smaller in size than block pig iron)
- Produced by forming liquid iron droplets, followed by rapid quenching in water
- Produced at blast furnaces

#### Hot Briquetted Iron (HBI)



- Substitute for prime scrap
- A form of DRI
- Less prone to self-heating during transportation

## EXPANDING OUR LOW-COST IRON ORE ADVANTAGE

Leveraging the benefits of our low-cost iron ore advantage for our growing EAF fleet

Investing in pig iron to become increasingly self-sufficient in EAF metallics

Investing in DR-grade pellet capability to: (a) supply the increasingly tight DR-grade pellet market and (b) create optionality to feed a potential future DRI/HBI facility

#### Minnesota Ore Operations (Feedstock for Announced Metallics Investments)



**Keetac & Minntac**  
Iron ore mines + planned DR-grade pellet facility (Keetac)

#### Blast Furnaces (Source of Pig Iron)

- Gary Works**  
Block pig iron (investment underway) (expected start-up: 1H 2023)
- Granite City**  
Granulated pig iron (under consideration) (expected start-up: 2H 2024)

#### EAFs (Consumer of Metallics)

- Big River Steel Works**  
Mini Mill segment  
2 EAFs today; 4 EAFs expected by 2024
- Fairfield Tubular**  
Tubular segment  
1 EAF

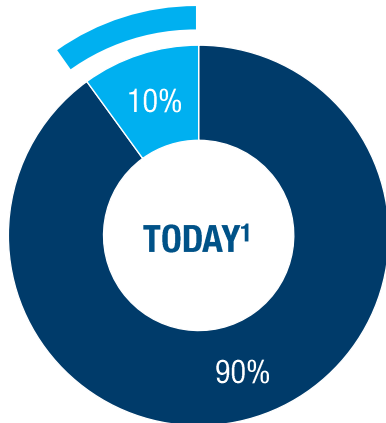


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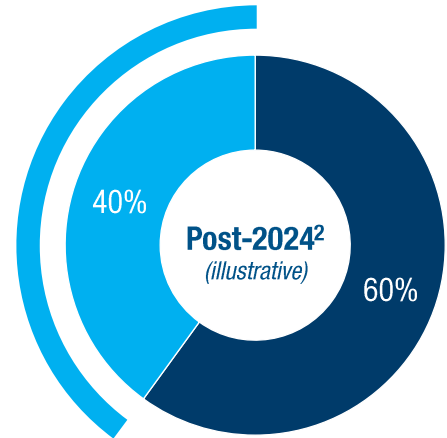
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## INCREASING OUR SELF-SUFFICIENCY FOR EAF METALLICS



~10% Sourced from internal sources  
~15% Excluding obsolete scrap

■ Internally Sourced  
■ Externally Sourced

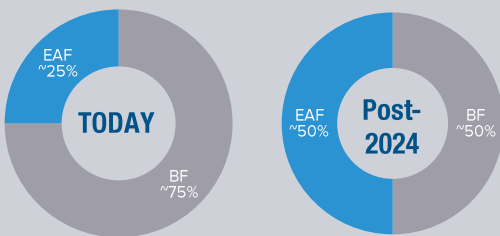


~40% Sourced from internal sources  
~65% Excluding obsolete scrap

Note: Subject to reaching a definitive agreement with SunCoke and other contingencies and approvals. See "Legal Disclaimers."

### ACCESS TO EAF INPUTS EXPECTED TO BE AN INCREASING COMPETITIVE ADVANTAGE

U. S. STEEL DOMESTIC FLAT-ROLLED CAPABILITY –  
BLAST FURNACE (BF) VS. EAF



U. S. Steel's EAF competitors  
are limited in their access to  
internally sourced virgin  
metallics units



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<sup>1</sup>Assumes Big River Steel operating at 90% utilization.

<sup>2</sup>Assumes (a) Big River Steel and Big River 2 (expected to come on-line in 2024) operating at 90% utilization, (b) completion of a final transaction with SunCoke in 2022, completed in 2H 2024, and (c) completion of the Gary Works pig iron machine in 1H 2023. Future metallics mix subject to changes in product mix.

**Legal Disclaimer:** This document contains information that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target," "forecast," "aim," "should," "will," "may" and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities, trends, events or developments that we expect or anticipate will occur in the future, and statements regarding our future strategies. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in this document and in "Item 1A. Risk Factors" in our Annual Report on Form 10-K and those described from time to time in our reports filed with the Securities and Exchange Commission. For additional details regarding our metallic strategy, refer to the information in our reports filed or furnished with the Securities and Exchange Commission. The proposed transaction with SunCoke Energy ("SunCoke") described herein is contingent upon several conditions, including the negotiation and execution of a definitive agreement, approval by the Board of Directors of U. S. Steel, and receipt of all appropriate regulatory approvals. There can be no assurance as to the final terms of the proposed transaction, that the conditions will be satisfied, or that the proposed transaction will be completed.