



BRS and U. S. Steel Joint Venture

Big River Steel and U. S. Steel Announce Joint Venture Partnership Video Transcript

Hi, I'm Dave Burritt, President and CEO of U. S. Steel.

And I'm Dave Stickler, CEO of Big River Steel.

We're very excited to share with you our plan to establish a close partnership between our two companies, offering our customers the very best of both as we bring together the benefits of integrated and mini mill steel production.

To do this, we're undertaking a two-step process. First, today U. S. Steel signed a definitive agreement to acquire 49.9% ownership interest in Big River. And second, U. S. Steel has a path to require the remaining 50.1% interest.

We're confident that this bold investment will ultimately strengthen our competitive positioning and product offering in highly strategic end markets. U. S. Steel is playing offense.

I have an immense amount of respect for what Dave Stickler and his extraordinary team have accomplished in just a short time.

In 2017 Big River opened a state-of-the-art Flex Mill in Northeast Arkansas. This facility is the newest and most technologically advanced flat rolled mini mill in North America. In just over a few years we've managed to establish one of the most productive and successful steel production facilities in North America. And we are the only mill in the world that is LEED certified.

Our partnership, I believe, will significantly accelerate Big River Steel's capabilities to continue to penetrate in markets not previously served by EAF steel producers.

During the past year, U. S. Steel has announced a series of investments in leading technology and advanced manufacturing. This has included XG3 at Pro-Tec, our third generation advanced high strength steel for automotive solutions.

The endless casting and rolling investment at Mon Valley Works. Significant upgrades at our Gary Works hot strip mill. The Dynamo Line at U. S. Steel Kosice. And the restart of construction on an electric arc furnace facility at our Fairfield Tubular facility.

The goal of all these actions is to assemble a portfolio of competitive assets with distinct advantages to grow in strategic markets. Again, we are playing offense. We have the right projects focused on the right customers to create the right value.

Our investment in Big River is a logical next step in this path, bringing together our scale, reach, and tradition of excellence with Big River's highly advanced and efficient technology. Ultimately this will position U. S. Steel to center our operations around the three market-leading differentiated and technologically advanced North American flat rolled assets: Mon Valley Works in Pennsylvania, Gary Works in Indiana, and of course Big River in Osceola, Arkansas. This enables us to compete with anyone, anywhere. Above all, Dave, we look forward to learning from you and your highly experienced management and operations team at Big River, which is a key differentiator in today's marketplace.

Well Dave, first of all, thank you for the compliments. At Big River Steel we've assembled a heck of a team. We've drawn out of the integrated steel community, we've drawn out of the mini mill EAF steel community, we've drawn out of Silicon Valley, and a number of research institutions around the world. We've positioned Big River Steel to be the world's first learning mill. Similar to the way the cars in Pittsburgh and elsewhere, the autonomous vehicles, the more they drive the more they learn. At Big River Steel, the more our mill operates, the more it learns.

When we designed this mill, we purposely installed tens of thousands of sensors to analyze data. We look for predictive patterns in everything that we do. At Big River, we're looking to continue to learn. We have ideas for differentiating our product, differentiating the quality of our product from other EAF steel producers. And that's already proven itself out over our first two years of operating history. I

firmly believe that our partnership will significantly accelerate our entry into even higher grades of steel.

So, a few more details about the transaction. U. S. Steel and Big River Steel will form a joint venture with U. S. Steel as minority investor in Big River. We'll remain minority investors and the two companies will operate independently for the time being. But we will work together to establish a clear path for U. S. Steel and Big River to work more closely over the next four years. Both Dave and I will continue to serve as CEOs of our respective companies.

At the end of the day, both companies are driven by a commitment to excellence. From the products we produce to services we provide, to our workplaces and culture. Our core values of safety and environmental stewardship are aligned and as partners our commitment to them will remain stronger than ever. Big River Steel is thrilled to take this first step with U. S. Steel. We spent the time, money and effort to install technology that allows us, North America's newest steel producer, and one of the world's newest EAF steel producers, to break barriers that previously have prevented EAF steel producers from reaching the highest quality steels. At Big River Steel today, our steels are some of the finest produced in North America. And with your help, I believe, and my team believes, we'll be able to continue to break through barriers.

As you can tell, we're both thrilled about this announcement as we create a new differentiated U. S. Steel. positioned to innovate and compete for the long term.

Thank you, Dave. Let's get to it.

Thanks for watching, we look forward to working with each of you and continuing to communicate the many benefits this transaction brings to our customers, our employees, our stockholders, and our communities where we work and live.