



May 13, 2020

From: John Brett, President & CEO, ArcelorMittal USA
To: USW-Represented Employees of ArcelorMittal USA
Subject: First Quarter, 2020 Profit Sharing Results

Flat Carbon USA reported a Lost Time Injury (LTI) rate of 0.55 for the first quarter which was better than the target of 0.62. This safety performance was our best quarterly safety performance since the fourth quarter of 2018 where we experienced an LTI rate of 0.52. Let's maintain our momentum on this outstanding performance and strengthen our resolve to achieve our goal of zero LTIs. ArcelorMittal Steelton reported an LTI rate of 12.01 for the first quarter which was worse than the target rate of 0.96. We must intensify our safety efforts and work safely in every work activity that we do.

Lower overall sales pricing on a constant mix basis as compared to the business plan resulted in a first quarter unaudited EBIT of \$(82,200,986.21), resulting in no profit sharing for the first quarter.

Steel shipments in the first quarter were higher than plan, primarily driven by the service center and construction segments. Beginning in mid-March, the impact of the COVID-19 pandemic resulted in the closure of many of our largest customers' operations, creating a significant and abrupt loss of demand for products which has led to lower prices and a curtailment of operations. During these challenging times, we need to remain attentive and diligent, managing on what is in our control on a day-to-day basis to fulfill our customers' requirements in the most cost effective and safest way possible.

Profit Sharing: First Quarter, 2020

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The 9/1/2018 USW agreement provides for a profit-sharing pool of 7.5% of the company's profits, defined as Earnings Before Interest and Taxes (EBIT). There is no threshold of profitability per ton.

The company reported an unaudited Adjusted EBIT	\$(82,200,986.21)
Profit Sharing Pool: $(\$82,200,986.21) \times 7.5\%$	\$(6,165,073.97)
Eligible hours worked during Q1	5,945,154.26 hours
Profit sharing per hour $(\$6,165,073.97) / 5,945,154.26$ hours	\$0.00 per eligible hour

*Payout is based on a maximum of 48 eligible hours per week.

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