STELCO

The Steel Company of Canada

Investor Presentation

Alan Kestenbaum

Executive Chairman and CEO

Don Newman

Chief Financial Officer

September 2018

This presentation is dated September 4, 2018. A preliminary short form prospectus dated September 4, 2018 (the “prospectus”) containing important information relating to the securities described in this presentation has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the prospectus, and any amendment, is required to be delivered with this presentation. The prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Disclaimer

Caution Regarding Forward-Looking Statements and Key Assumptions

From time to time, we make written or oral forward-looking statements within the meaning of applicable securities laws. We may make forward-looking statements in this presentation, in other filings with Canadian securities regulators, in other reports to shareholders and in other communications. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as ‘‘plans’’, ‘‘targets’’, ‘‘expects’’ or ‘‘does not expect’’, ‘‘is expected’’, ‘‘an opportunity exists’’, ‘‘budget’’, ‘‘scheduled’’, ‘‘estimates’’, ‘‘outlook’’, ‘‘forecasts’’, ‘‘projection’’, ‘‘prospects’’, ‘‘strategy’’, ‘‘intends’’, ‘‘anticipates’’, ‘‘does not anticipate’’, ‘‘believes’’, or variations of such words and phrases or state that certain actions, events or results ‘‘may’’, ‘‘could’’, ‘‘would’’, ‘‘might’’, ‘‘will’’, ‘‘will be taken’’, ‘‘occur’’ or ‘‘be achieved’’. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances may be forward-looking statements. Forward-looking statements are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. The forward-looking statements contained in this document are presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes.

This presentation includes forward-looking statements relating to, among other things: statements relating to the continuation of the strong production performance, expectations concerning utilization and optimization of our land assets; expectations regarding the savings associated with the amended OPEB funding agreement, upgrades to our facilities and product capabilities and their effect on our revenue and costs and our position to grow organically and inorganically.

Forward-looking statements are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking statements, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the utilization of and access to our excess capacity; capital expenditures associated with accessing such excess capacity; upgrades to our facilities and equipment; our research and development activities associated with advanced steel grades; our ability to source raw materials and other inputs; our ability to supply to new customers and markets and further develop and maintain existing customers; our ability to effectively manage costs; steel prices; our ability to attract and retain key personnel and skilled labour; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; changes in laws, rule, and regulations, including international trade regulations; and growth in steel markets and industry trends are material factors made in preparing the forward-looking statements and management’s expectations contained in this presentation. Forward-looking information includes estimates and projections related to the following items, some of which are non-IFRS measures, among others: adjusted EBITDA; shipments; net Income; deprecation; finance costs and unrealized loss from commodity-based swaps.

Undue reliance should not be placed on forward-looking statements. Whether actual results, achievements, or performance will conform to our expectations and predictions is subject to a number of known and unknown uncertainties and risks which could cause actual results to differ materially from our expectations. Such risks and uncertainties include and are not limited to: risks inherent in a cyclical and highly competitive industry; cash flow volatility; the strength of economies in North America, particularly the automotive sector; changes in the automotive market; global steel capacity growth; existing and new trade laws and regulations; competition from other producers, imports, or alternative materials; ability to secure commitments or future orders from new or existing customers; ability to realize higher margins on products we produce; changes in availability and cost of raw materials, electricity, and natural gas; contractual counterparty’s exercise of termination option upon change of control or default; maintenance of proper inventory levels; disruption of operations due to unforeseen circumstances such as power outages, explosions, fires, floods, accidents, and severe weather conditions; the loss of leased property on which operating facilities are located; and other unforeseen conditions or events that could impact Stelco’s business.

The preceding lists are not exhaustive of all opinions, estimates and assumptions underlying our forward-looking statements or of all possible risk factors and other factors could also adversely affect our results. Additional information on these and other factors that could affect our business, operations or financial results are included in reports on file with applicable securities regulatory authorities, including but not limited to the information under the headings “Risk Factors” in our management’s discussion and analysis of financial condition and results of operations for the period ended December 31, 2017 and Stelco Inc.’s management discussion and analysis of financial condition and results of operations for the year ended December 31, 2017, which may be accessed on Stelco’s SEDAR profile at www.sedar.com. The forward-looking statements contained in this presentation are made as of the date hereof. Stelco undertakes no obligation to update publicly or revise any forward-looking statements, whether written or oral, whether as a result of new information, future events or otherwise, except as required by law.

Information contained in or otherwise accessible through the websites mentioned herein does not form part of this presentation.

Non-IFRS Measures

This presentation makes reference to non-IFRS measures, including “Adjusted EBITDA”, “Adjusted net income”, “Adjusted EBITDA per net ton”, “Average Selling Price per net ton”, and “Shipping Volume”. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Reconciliations of IFRS to non-IFRS measures as well as the rationale for their use can be found starting on page 6 of Stelco Inc.’s Management Discussion and Analysis for the interim period ended June 30, 2018, which may be accessed on Stelco Holdings’ SEDAR profile at www.sedar.com.

Offering Summary

Key Terms

Issuer:	■ Stelco Holdings Inc.
Exchange / Ticker:	■ TSX / STLC
Deal Type:	■ 1-Day Marketed Offering
Launch Date:	■ September 4, 2018 (post-close)
Pricing Date:	■ September 5, 2018 (post-close)
Securities Offered:	■ Common shares
Size[1]:	■ 8mm shares
Over-Allotment Option:	■ 1.2mm shares (15% over-allotment)
Lock-Up:	■ 60 days for the issuer, executive officers, directors, selling shareholders, and Bedrock Industries B.V.
Structure:	■ 100% Secondary
Selling Shareholder:	■ LG Bedrock Holdings LP (“Lindsay Goldberg”) and Foundation Industries Group LLC (“DC LLC”)
Global Lead Coordinator:	■ Goldman Sachs
Other Bookrunners:	■ [To be confirmed]
Co-Managers:	■ [To be confirmed]

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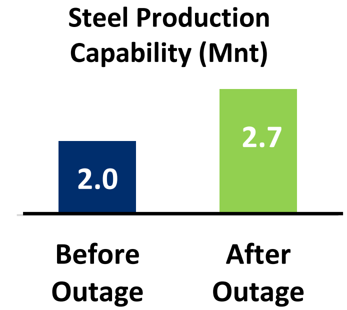
Stelco Continues to Deliver on its Strategic Initiatives...

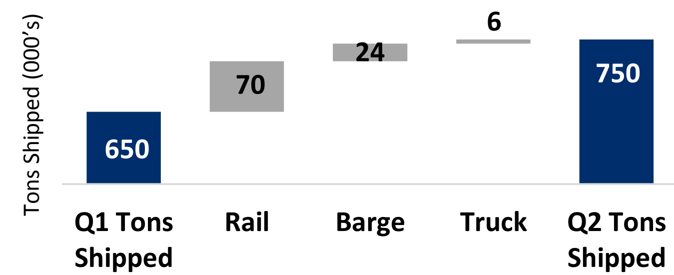
Production and Sales Growth

- ☑ Achieved ~35% Improvement in LEW Steel Production After Planned Outage
- ☑ Converted Higher Production into Higher Sales with 49% YoY Q2 2018 Shipment Growth



Logistics Improvements

- ☑ Debottlenecked Logistics with Enhanced LEW Dock and Additional +200 Railcars
- ☑ Realized ~100knt Increase in Q2 2018 Shipments due to Improved Logistics



Marketing

- ☑ Achieved Highest EBITDA Margin in North America[1] via Tactical Flexibility Business Model
- ☑ Re-established Relationships with Automotive OEM Customers
- ☑ Received Interest from International Customers to Expand Market Beyond North America
- ☑ Continued Optimization of Assets by Selling Coke

Costs

- ☑ Initiated Continuous Cost Improvement Program Across Company

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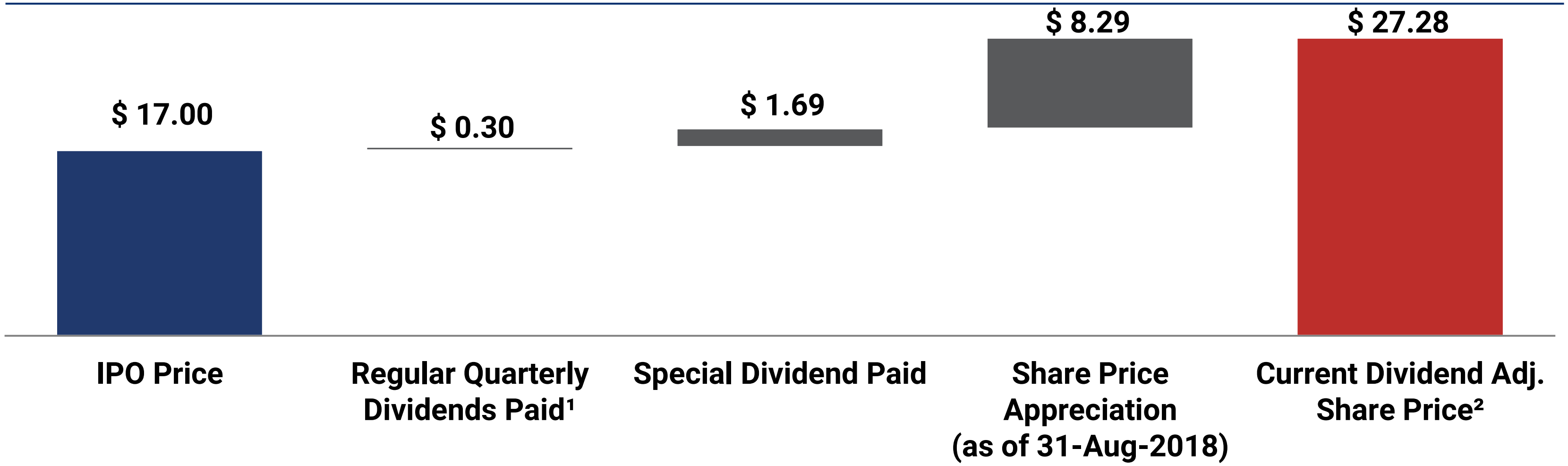
[1] Based on selected North American steel producer peers. Based on twelve-month (LTM) and three-month (Q2) period ending 30-Jun-18 for Stelco and peers, and ending 31-May-18 for Commercial Metals (Q3). See Slide 12.

… and Has Significantly Outperformed its Peers Since its IPO

Total Shareholder Return Since Stelco's IPO



In accordance with Section 13.7(4) of National Instrument 41-101 - General Prospectus Requirements, all the information relating to Stelco's comparables and any disclosure relating to the comparables, which is contained in the version of this presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).

[1] Regularly Quarterly Dividends of $.10/share.

[2] Dividend Adj. Share Price calculated as the sum of the IPO price, regularly quarterly dividends paid, special dividend paid, and difference between current share price of C$25.29 as of 31-Aug-2018 and IPO price

Stelco: A Premier Growing North American Steel Producer

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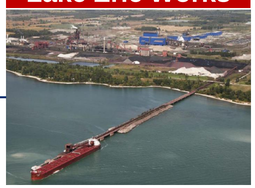
- Advanced integrated steel making facilities producing flat-rolled, value-added steels, including premium-quality coated, cold-rolled, and hot-rolled products
- Strategically located in close proximity to customers and raw material suppliers, which provides us with freight and other logistical benefits
- Focused on growing volume and recapturing value-add product mix and customers

Lake Erie Works



- North America's newest greenfield integrated steel making facility
- Over $600 mm invested since 2000 to modernize facilities
- Advanced hot strip mill enables production of steel with advanced physical properties
- One of the lowest cost steel producers in North America

Hamilton Works

- One of the most technologically advanced finishing facilities in North America
- Approximately $90 mm invested since 2000
- Z-line is capable of producing high-quality products qualified with a number of auto OEMs
- Focused on expanding portfolio of advanced steels, including AHSS and UHSS grades

LTM Revenue $2.0B	Up 32% YOY
LTM Adj. EBITDA $321mm	**Up 43% YOY**
LTM Adj. EBITDA/nt $136	**Up 18% YOY**

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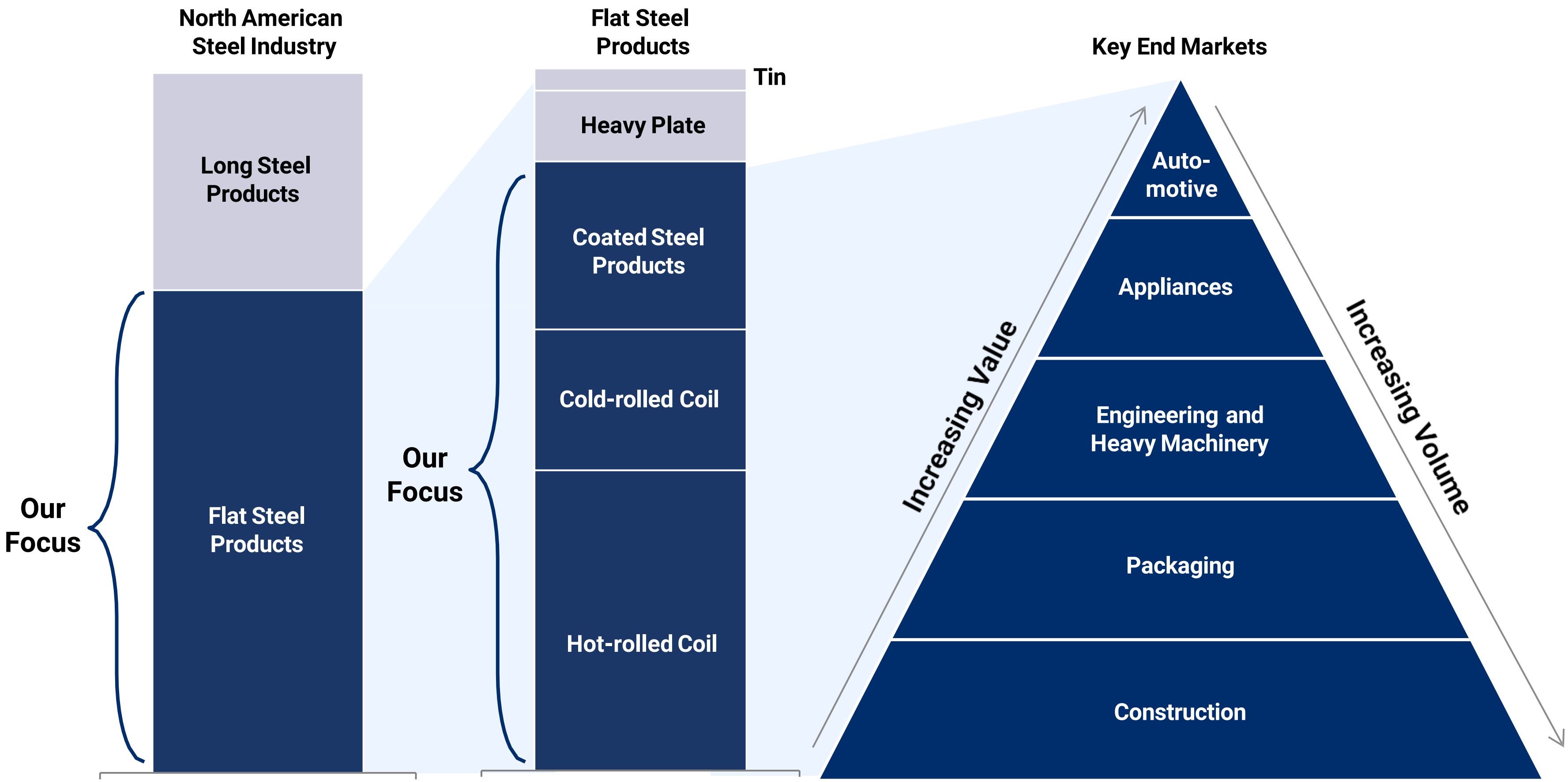
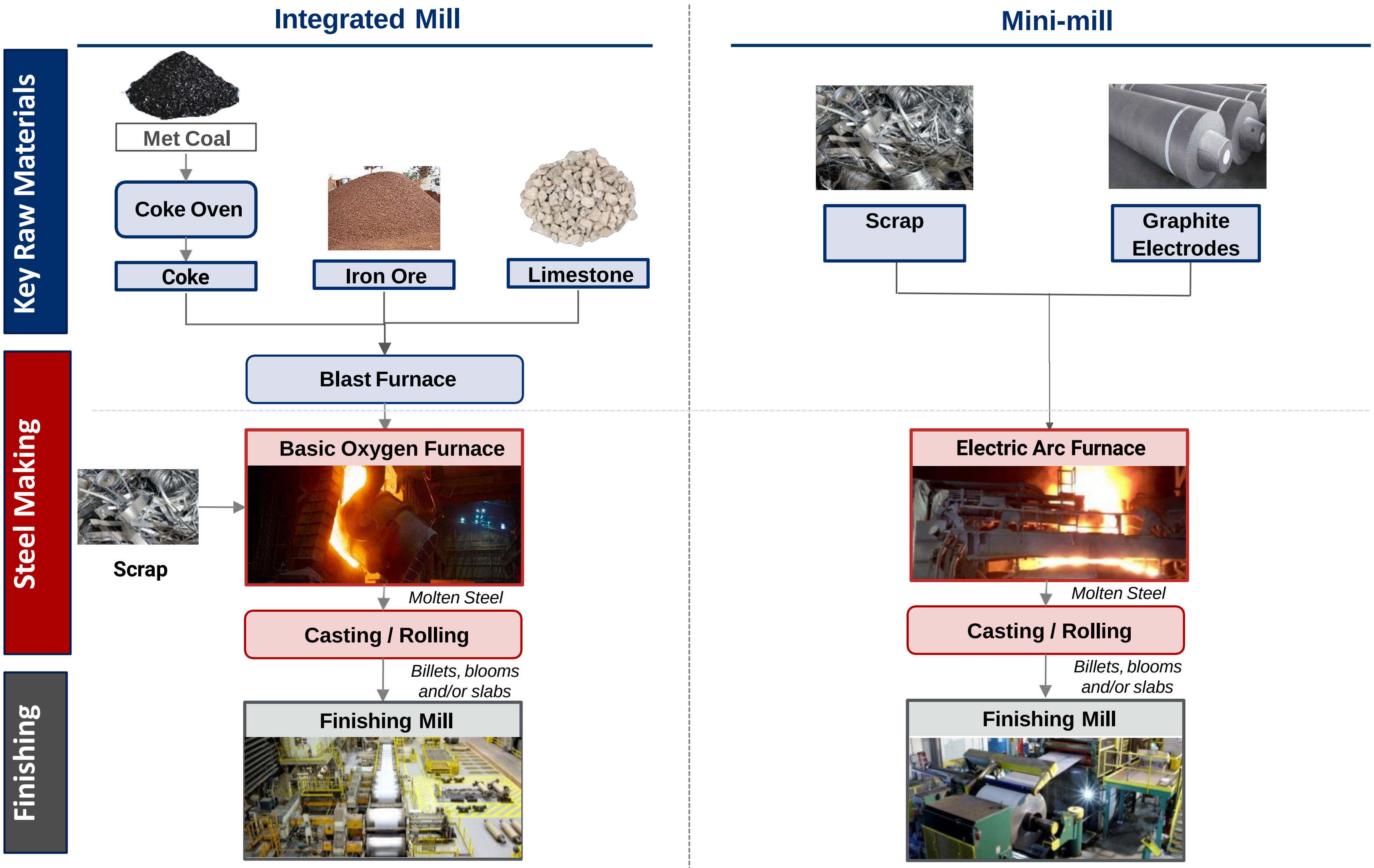
Note: Metrics are in CA$ and based on twelve months ending June 30, 2018. See "Non-IFRS Measures" in appendix for a reconciliation of EBITDA adjustments.

Stelco's Key End Markets: Focus on End-Markets with Highest Potential for Growth and Profitability



Steel 101: Comparison of the Two Primary Methods of Steel Production



Source: World Steel Dynamics

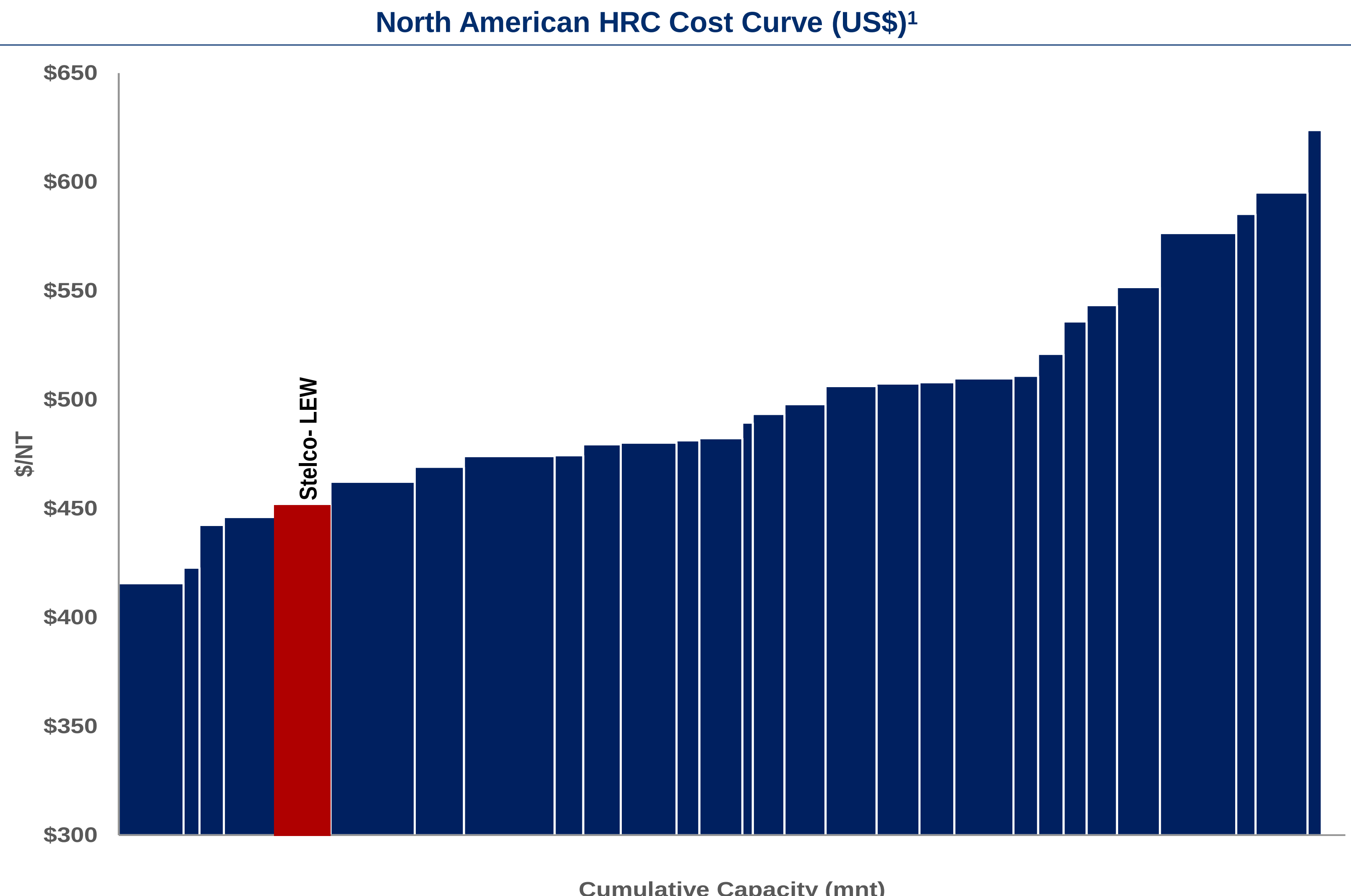
In accordance with Section 13.7(4) of National Instrument 41-101 - General Prospectus Requirements, all the information relating to Stelco's comparables and any disclosure relating to the comparables, which is contained in the version of this presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on SEDAR.

Best in Class Financial and Operating Position

A Pension & OPEB Liabilities	✓ Free of traditional legacy Pension and OPEB liabilities ✓ Capped contributions made to third party trusts
B Capital Structure	✓ $421 million[1] of cash on hand and no long-term financial debt[2] as at June 30, 2018 ✓ Paid $1.69/share special cash dividend on August 15 and maintain our regular quarterly dividend
C Labour Contracts	✓ 5-year coterminous USW labour contracts with Hamilton (Local 1005), Lake Erie (Local 8782), and Pickle Line (Local 8782B) unions extending until 2022 ✓ Strong relationship with unions
D Low Cost Producer	✓ Lower input costs, improving productivity, investing in processing technology to stay ahead of competition

1. Stelco Holdings Inc. cash of CA$188 million and Stelco Inc. cash of CA$233 million as at June 30, 2018.
2. Excludes $114 million 25-year mortgage note associated with the Company's recent purchase of the land, and related buildings, on which Stelco conducts its operations, as well as other developable lands and port facilities.

Stelco's Cost Position: One of the Lowest Cost Producers in North America



Source: World Steel Dynamics

[1] Cost Curve as of January 2018 for U.S. and Canadian HRC (incl. SG&A, interest expense, and pension & OPEB costs)

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Clear Vision and Strategy: Maximize Shareholder Returns While Maintaining Conservative Capital Structure

1 Increase production and revenues through optimization of assets and remain tactically flexible

- Increase value of Stelco by optimizing production from our assets
- Recently refurbished blast furnace and excess capacity underpin growth strategy
- Utilize excess capacity to grow revenues and lower costs per net ton
- Penetrate new, higher-margin markets
- Q3 project to upgrade hot strip mill to further penetrate AHSS and UHSS (HSLA) markets
- Continue to deploy tactical flexibility strategy in face of continuously changing environment

2 Maximize profitability and cash flow

- Focus on products and end-markets with highest potential for profitability and growth
- Intend to aggressively maintain low cost position
- Rigid focus on working capital velocity

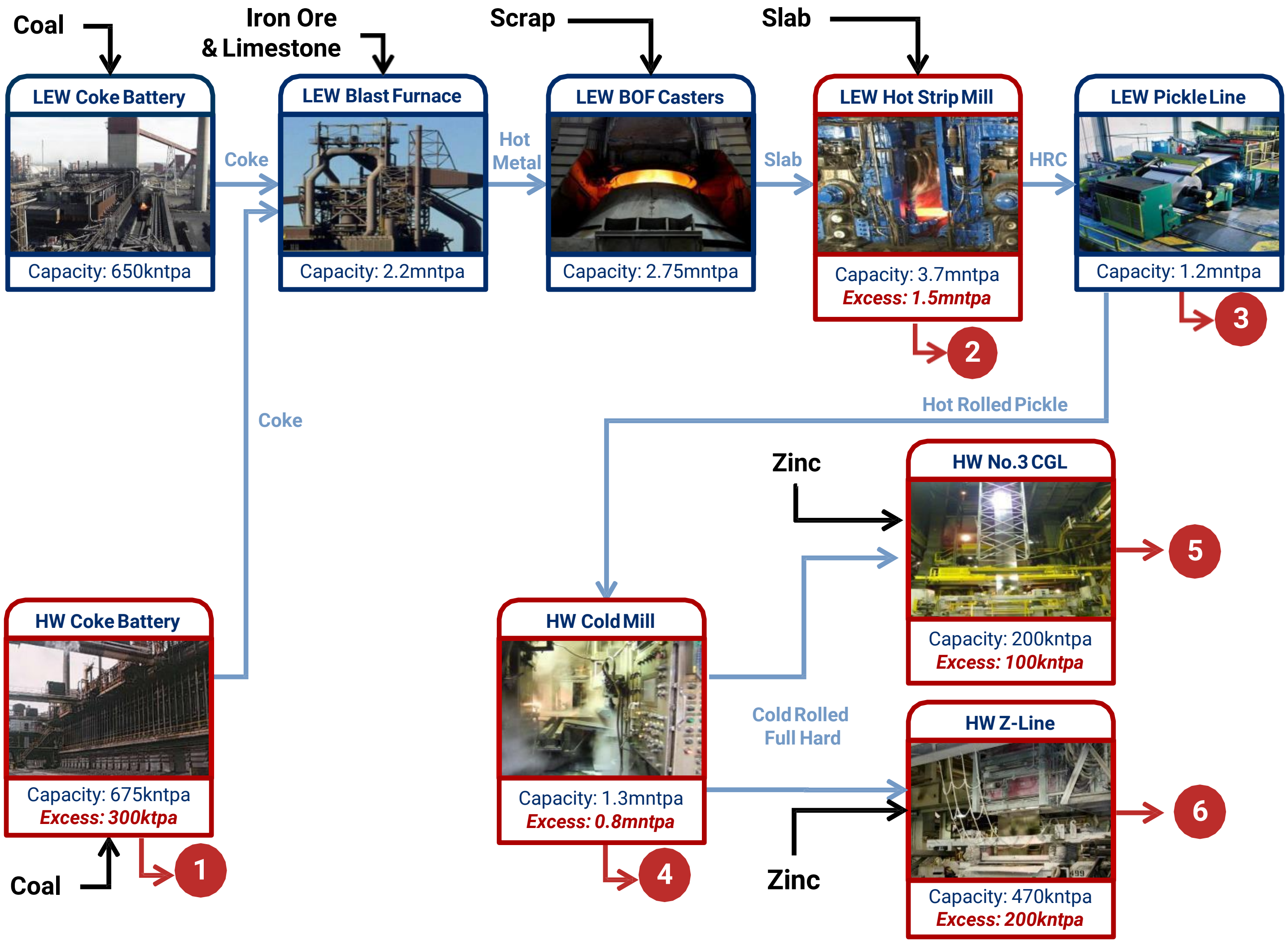
3 Maintain strong balance sheet and financial discipline to maximize shareholder return

- Ensure Stelco positioned to deliver sustainable, long-term shareholder returns
- Preserve low financial leverage that is largely free from legacy liabilities
- Retain sufficient liquidity to support operations and strategic initiatives
- Maintain favorable dividend policy - **$1.69/share special cash dividend paid August 15** and maintain regular $0.10/share quarterly dividend

4 Grow company

- Stelco plans to selectively pursue both organic growth initiatives and complementary acquisitions
- Pursue opportunities when market conditions are favorable by maintaining a strong balance sheet
- Management has proven track record of value creation through opportunistic, disciplined M&A
- Evaluate opportunities in disciplined manner based on defined criteria focused on return-based metrics

Stelco's Operations: Broad Range of Steel Products with Ability to Grow Revenue by Optimizing Capacity Utilization



Key Product	
1	Third Party Coke Sales
2	Hot Rolled Coil
3	Hot Rolled Pickle
4	Cold Rolled Full Hard
5	CGL Coated Steel
6	Z-line Coated Steel

→ Inputs
→ Process Flow
→ Final Outputs

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Note: In order to produce one nt of steel, the process consumes approximately 1.5-1.7 nt of iron ore, 0.6-0.8 nt of coal (to form 0.4-0.5 nt of coke) and between 0.05-0.30 nt of scrap steel depending on the operation. Excess capacity means design capacity less 2017 actual production.

Strategic Investments: Enhance Capabilities & Reduce Costs

Project	Overview
Lake Erie Hot Strip Mill - AHSS/UHSS/HSLA Capabilities	• Phase 1 of the Hot Strip Mill Finishing Stand Upgrade • Increase reliability and capability
Cold Rolling - Batch Annealing	• 200,000 tons of fully-processed cold roll anneal steel annually • Expanded product and market capability
Z-Line Galvanizing - Value Added Automotive	• Enhance product capability and reduce cost
Z-Line Galvanizing - AHSS/UHSS Capabilities	• Increase quality, reliability and capacity
Lake Erie Cogeneration	• Capturing in-house fuels to generate electricity, reducing electrical cost • Third-party owner/operator





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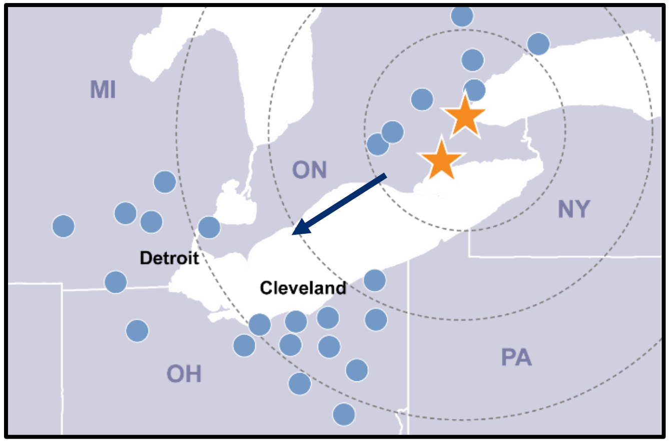
Strategic Location on Great Lakes & Dock Create Opportunities: Direct Off-Loading of Purchased Slabs and Loading of HRC

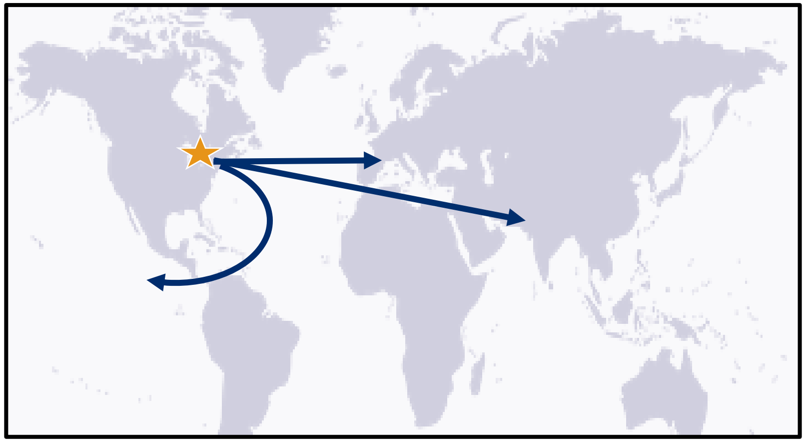
- Allows for direct off-loading of third-party slabs and loading of HRC for shipping to customers
- Direct access to U.S. and international markets via low cost water transportation
- Project completed in Q2 - modest capital cost with substantial portion paid by a 3rd party
- Repurposed dock key to debottlenecking logistics
  - ~100knt increase in Q2 steel shipments from barge and rail capacity added in Q1/Q2

LEW Dock Infrastructure (Current)

Barge Access to U.S. Markets

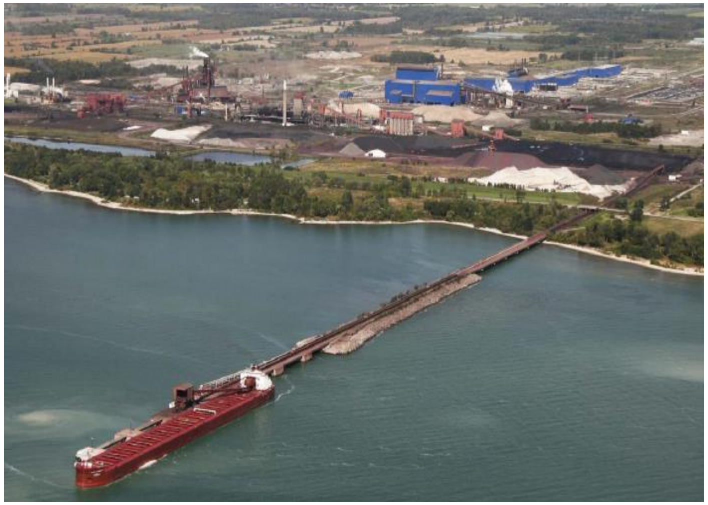


Vessel Shipments to International Markets



Strategic and Accretive Land Acquisition

- In Q2, the Company acquired lands previously leased at and adjacent to Hamilton Works (~760 acres) and Lake Erie Works (~2,300 acres)
- Saves up to $87 million compared to prior structure of lease and contributions to legacy trusts over the coming twenty years, plus terminates large excess free cash flow payments
- Transaction provides Stelco with greater flexibility to utilize all of our assets to maximize steel production
- Potential for significant value creation for Stelco shareholders through development of land in the strong industrial property market of Greater Toronto Area ("GTA")



Financial Overview

Stelco Inc. – Quarterly Financial Metrics

(CA$ in millions, except volume and per nt figures)	Year-Over-Year Q2 ’18	Q2 ’17	Change	Prior Quarter Q1 ’18	Change
Revenue	711	427	**67%**	482	**48%**
Operating income	161	25	**544%**	57	**182%**
Net income (loss) *	(12)	3,593	N/A	28	N/A
Adjusted EBITDA **	175	76	**130%**	70	**150%**
Adjusted EBITDA margin	25%	18%		15%	
Adjusted net income **	153	(3)	N/A	49	**212%**
Adjusted EBITDA per nt **	234	151	**55%**	114	**105%**
Average selling price per nt **	898	828	**8%**	762	**18%**
Shipping volume (in thousands of nt) **	748	501	**49%**	613	**22%**

Note: See “Non-IFRS Measures” schedules herein for Stelco Holdings adjusted EBITDA figures for the noted periods. Differences between Stelco Holdings and Stelco Inc. adjusted EBITDA for a given period are due to certain holding company costs. Percentage changes not included for not applicable or not meaningful figures where computation not possible or presents a result that is not meaningful.

** Includes gain from the implementation of the CCAA plan on June 30, 2017.*

*** See "Non-IFRS measures" below for a reconciliation of Non-IFRS measures; see also “Non-IFRS Measures” as outlined in Stelco Inc.’s Management’s Discussion & Analysis for the periods ended June 30, 2018 and December 31, 2017.*

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Stelco Inc. – YTD & TTM Financial Metrics

(CA$ in millions, except volume and per nt figures)	Six Months Ending June 30, 2018	2017	Change	LTM Ending June 30, 2018	2017	Change
Revenue	1,193	813	**47%**	1,981	1,498	**32%**
Operating income	218	61	**257%**	272	88	**209%**
Net income *	16	3,576	NM	19	3,475	NM
Adjusted EBITDA **	245	140	**75%**	321	225	**43%**
Adjusted EBITDA margin	21%	17%		16%	15%	
Adjusted net income **	202	5	NM	242	(39)	NM
Adjusted EBITDA per nt **	180	140	**29%**	136	115	**18%**
Average selling price per nt **	837	795	**5%**	799	749	**7%**
Shipping volume (in thousands of nt) **	1,361	1,000	**36%**	2,364	1,961	**21%**

Note: See "Non-IFRS Financial Measures" schedules herein for Stelco Holdings adjusted EBITDA figures for the noted periods. Differences between Stelco Holdings and Stelco Inc. adjusted EBITDA for a given period are due to certain holding company costs. Percentage changes not included for not applicable or not meaningful figures where computation not possible or presents a result that is not meaningful.

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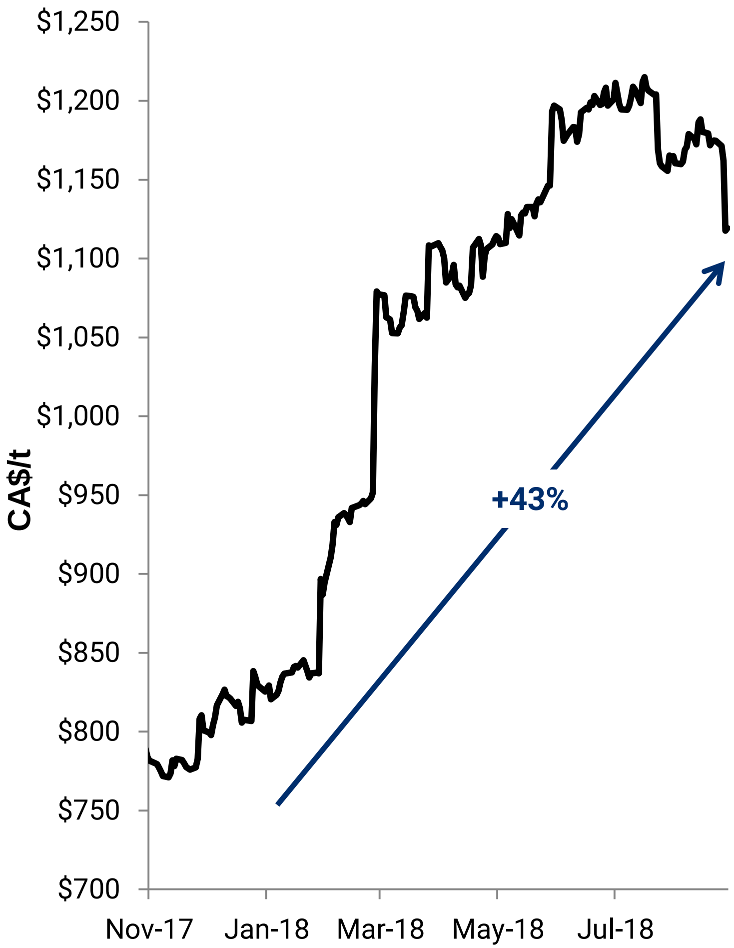
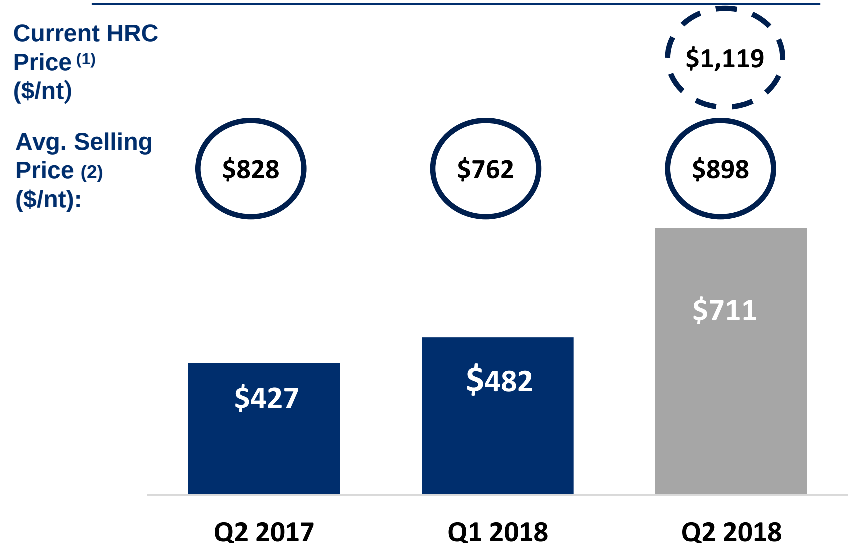
Steel Markets Since IPO

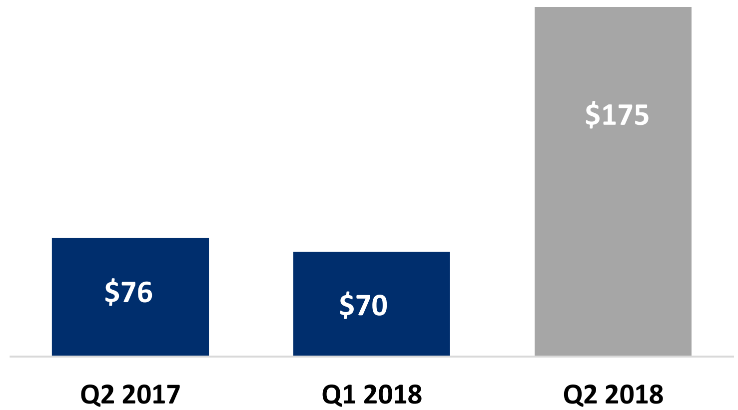
Steel Prices Since IPO (CA$/nt)



Sales (CA$ mm)



Adjusted EBITDA (CA$ mm)



Source: FactSet

1. Current HRC price based on US Midwest HRC Near Term NYMEX steel price of US$863/nt (dated 30-Aug-18) converted at prevailing spot CAD/USD exchange rate of 1.297; prior periods converted at prevailing daily spot CAD/USD exchange rates.

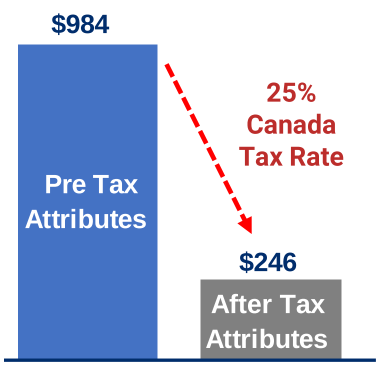
Conservative Capital Structure / Ample Liquidity[1]

(CA$ millions)

As at:	June 30, 2018
Cash	$421
Accounts receivable	$263
Inventories	$380
Trade and other payables	$332
Other liabilities	$47
Pension / OPEB	$1
Obligations to independent employee trusts	$489
Total equity	$500

- $421mm of cash and undrawn $375mm ABL revolver as at June 30, 2018
- $1.69/share ($150 million) special cash dividend paid on August 15
- $214mm of net working capital (A/R + Inventory – A/P – Other Liabilities)
- No long term finance debt[2]
- No significant traditional legacy pension and OPEB liabilities
- Obligations to independent employee trusts tied to fixed annual deposits, mortgage service, and operating performance

Tax Attribute Summary



1. Figures represent selected Stelco Holdings consolidated balances as at June 30, 2018. Refer to Stelco Holding Inc. and Stelco Inc. unaudited June 30, 2018 financial statements and related unaudited Management's Discussion & Analysis, and the Company's Press Release filed July 31, 2018 related to the June 30, 2018 quarter financial performance.
2. Excludes $114 million 25-year mortgage note associated with the Company's recent purchase of the land, and related buildings, on which Stelco conducts its operations, as well as other developable lands and port facilities.

Steel Sector Cash Conversion - Adjusted EBITDA to Net Income

(Q2 2018 Fiscal Quarter Figures)

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Commentary

- Our Q2 2018 actual Adjusted EBITDA to Adjusted Net Income conversion was 87%
- Stelco's strong adjusted EBITDA to net income conversion ratio due to:
  - Nil income tax expense due to substantial tax attributes (fully reserved under IFRS)
  - Newer, well-maintained plant and equipment reduces capex and related depreciation expense
    - Annual maintenance capex of $25-$30 million
  - Conservative capital structure, resulting in modest interest expense

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Source: Company filings

Closing Remarks

1. Continue to Deliver on Strategic Initiatives to Drive Shareholder Returns

2. Remain Tactically Flexible to Adjust to Evolving Market Conditions

3. Continue to Focus on End-Markets with Highest Potential for Growth and Profitability

4. Maintain Flexible Balance Sheet to Enable Growth Initiatives

5. Entrepreneurial Management Team Looking to Maximize Value of Assets, Including Recently Acquired Land Package

Non-IFRS Measures*

** For further information, see “Non-IFRS Measures” above.*

Stelco Inc. – Adjusted EBITDA Reconciliation (Quarter)

(CA$ millions)

	Q2 2018	Q1 2018	Q2 2017
Net income (loss)	**(12)**	**28**	**3,593**
Add back/(Deduct):			
Depreciation	9	9	8
Finance costs	170	16	71
Realized loss from commodity based swaps	—	10	—
Provision on pension and other post-employment benefits[1]	—	—	11
Separation costs related to USS support services[2]	6	4	16
Restructuring costs[3]	2	3	24
Acquisition related costs	—	—	18
Gain related to emergence from CCAA[4]	—	—	(3,665)
Adjusted EBITDA	**175**	**70**	**76**
Adjusted EBITDA as a percentage of total revenue	**25%**	**15%**	**18%**

1. Represents difference between total cash funding obligation for pensions and OPEBs and amount already reflected in EBITDA.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
4. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

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Stelco Inc. – Adjusted EBITDA Reconciliation (YTD)

(CA$ millions)

	Six months ended June 30, 2018	Six months ended June 30, 2017
Net income	**16**	**3,576**
Add back/(Deduct):		
Depreciation	18	15
Finance costs	186	121
Finance income	—	(1)
Realized loss from commodity based swaps	10	—
Provision on pension and other post-employment benefits[1]	—	24
Separation costs related to USS support services[2]	10	20
Restructuring costs[3]	5	32
Acquisition related costs	—	18
Gain related to emergence from CCAA[4]	—	(3,665)
Adjusted EBITDA	**245**	**140**
Adjusted EBITDA as a percentage of total revenue	**21%**	**17%**

1. Represents difference between total cash funding obligation for pensions and OPEBs and amount already reflected in EBITDA.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
4. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

STELCO

Stelco Inc. - Adjusted EBITDA Reconciliation (TTM)

(CA$ millions)

	Trailing twelve months ending June 30,	
	2018	2017
Net income	**19**	**3,475**
Add back/(Deduct):		
Depreciation	31	30
Finance costs	219	236
Finance income	—	(2)
Realized loss from commodity based swaps	10	—
Provision on pension and other post-employment benefits[1]	2	59
Separation costs related to USS support services[2]	17	23
Restructuring costs[3]	11	51
Acquisition related costs[4]	—	18
Gain related to emergence from CCAA[5]	12	(3,665)
Adjusted EBITDA	**321**	**225**

1. Represents difference between total cash funding obligation for pensions and OPEBs.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
4. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
5. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

Stelco Holdings – Adjusted EBITDA Reconciliation

(CA$ millions)

	Three months ended June 30, 2018	Six months ended June 30, 2018
Net income (loss)	**(11)**	**18**
Add back/(Deduct):		
Depreciation	7	14
Finance costs	170	186
Realized loss from commodity based swaps	—	10
Separation costs related to USS support services [1]	6	10
Restructuring costs [2]	2	5
Adjusted EBITDA	**174**	**243**

1. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
2. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.

STELCO

Stelco Inc. - Adjustments to Net Income (Quarter)

(CA$ millions)

	Q2 2018	Q1 2018	Q2 2017
Net income (loss)	**(12)**	**28**	**3,593**
Add back/(Deduct):			
Realized loss from commodity based swaps	—	10	—
Remeasurement of employee benefit commitment[1]	157	4	—
Separation costs related to USS support services[2]	6	4	16
Restructuring costs[3]	2	3	24
Provision on pension and other post-employment benefits[4]	—	—	11
Acquisition related costs[5]	—	—	18
Gain related to emergence from CCAA[6]	—	—	(3,665)
Adjusted net income (loss)	**153**	**49**	**(3)**

1. Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
4. Represents difference between total cash funding obligation for pensions and OPEBs.
5. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
6. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

STELCO

Stelco Inc. - Adjustments to Net Income (YTD)

(CA$ millions)

	Six months ended June 30,	
	2018	**2017**
Net income	**16**	**3,576**
Add back/(Deduct):		
Realized loss from commodity based swaps	10	—
Remeasurement of employee benefit commitment[1]	161	—
Separation costs related to USS support services[2]	10	20
Restructuring costs[3]	5	32
Provision on pension and other post-employment benefits[4]	—	24
Acquisition related costs[5]	—	18
Gain related to emergence from CCAA[6]	—	(3,665)
Adjusted net income	**202**	**5**

1. Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
4. Represents difference between total cash funding obligation for pensions and OPEBs.
5. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
6. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

STELCO

Stelco Inc. - Adjustments to Net Income (TTM)

(CA$ millions)

	Trailing twelve months ending June 30,	
	2018	**2017**
Net income	**19**	**3,475**
Add back/(Deduct):		
Realized loss from commodity based swaps	10	—
Remeasurement of employee benefit commitment[1]	171	—
Separation costs related to USS support services[2]	17	23
Restructuring costs[3]	11	51
Provision on pension and other post-employment benefits[4]	2	59
Acquisition related costs[5]	—	18
Gain related to emergence from CCAA[6]	12	(3,665)
Adjusted net income (loss)	**242**	**(39)**

1. Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.
4. Represents difference between total cash funding obligation for pensions and OPEBs.
5. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
6. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

STELCO

Stelco Holdings – Adjustments to Net Income

(CA$ millions)

	Three months ended June 30, 2018	Six months ended June 30, 2018
Net income (loss)	**(11)**	**18**
Add back/(Deduct):		
Realized loss from commodity-based swaps	—	10
Remeasurement of employee benefit commitment [1]	157	161
Separation costs related to USS support services [2]	6	10
Restructuring costs [3]	2	5
Adjusted net income	**154**	**204**

1. Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.
2. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
3. Restructuring expenses relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and other related restructuring expenses. The Company implemented its CCAA plan on June 30, 2017.

STELCO

The Steel Company of Canada