

VALUE

+

EVENT

+

STORY

=

RESULTS

United States Steel Corporation

Nippon Steel to acquire U.S. Steel

Update

On December 18th, 2023, Nippon Steel Corporation (NSC, TSE: 5401), Japan's largest steelmaker and one of the world's leading steel manufacturers, and United States Steel Corporation ("U. S. Steel", NYSE: X), a leading steel producer with competitive advantages in low-cost iron ore, mini mill steelmaking, and best-in-class finishing capabilities, announced that they have entered into a definitive agreement pursuant to which NSC will acquire U. S. Steel in an all-cash transaction at \$55.00 per share, representing an equity value of approximately \$14.1 billion plus the assumption of debt, for a total enterprise value of \$14.9 billion.

The \$55.00 per share purchase price represents a 40% premium to U. S. Steel's closing stock price on December 15, 2023.

The transaction has been unanimously approved by the Board of Directors of both NSC and U. S. Steel.

According to company statement, NSC's acquisition of U.S. Steel will enhance its world-leading manufacturing and technology capabilities and enable it to expand the geographic areas in which NSC can better serve all of its stakeholders, including customers and society at large. The transaction will further diversify NSC's global footprint by significantly expanding its current production in the United States, adding to its primary geographies of Japan, ASEAN, and India. As a result of NSC's acquisition of U. S. Steel, its expected total annual crude steel capacity will reach 86 million tonnes – accelerating progress towards NSC's strategic goal of 100 million tonnes of global crude steel capacity annually.

[Nippon Steel Corporation \(NSC\) to Acquire U. S. Steel, Moving Forward Together as the 'Best Steelmaker with World-Leading Capabilities'](#)

Company Profile

Etalon Capital, Inc. provides independent research with a focus on event-driven value equities to institutional investors. Events include M&As, spin-offs, activist investors, IPOs, SPACs, buybacks, recapitalizations, asset sales, hedge fund holdings, and other significant corporate transactions. These are diversified by sources of risk as well as risk/return profiles. We generate an edge with a unique research process, combining value, focus on corporate events, and story investing principles.

www.etalon-capital.com

Disclaimer

Etalon Capital, Inc. ("Etalon") is an independent research provider offering research and consulting services. The research products are for institutional investors only. The opinions expressed herein are those of Etalon and should not be construed as investment advice. This report expresses our opinions, which we have based upon publicly available facts and evidence collected and analyzed including our understanding of representations made by the companies we analyze. This document has been prepared for informational purposes only. This document is not an offer, or the solicitation of an offer, to buy or sell a security or enter into any other agreement. We have made every effort to ensure that all information contained herein that supports our opinions is accurate and reliable. All expressions of opinion and disclosed positions are subject to change without notice, and we make no representation, express or implied, as to the accuracy, timeliness, or completeness of any such opinions and information or with regard to the results to be obtained from its use, and we make no representation that we will update any information on this. The price target, if any, contained in this report represents the analyst's application of a formula to certain metrics derived from the actual and estimated future performance of the company. Analysts may use various formulas tailored to the facts and circumstances surrounding a specific company to arrive at the price target. Various risk factors may impede the company's securities from achieving the analyst's price target, such as an unfavorable macroeconomic environment, a failure of the company to perform as expected, the departure of key personnel, or other events or circumstances that cannot be reasonably anticipated at the time the price target is calculated. Etalon may change the price target on this company without notice. This report is based on data obtained from sources Etalon believes to be reliable; however, Etalon does not guarantee its accuracy and does not purport to be complete. The opinion is as of the date of the report unless labeled otherwise and is subject to change without notice. Updates may be provided based on developments and events and as otherwise appropriate. Updates may be restricted based on regulatory requirements or other considerations. Consequently, there should be no assumption that updates will be made. Etalon disclaims any warranty of any kind, whether express or implied, as to any matter whatsoever relating to this research report and any analysis, discussion, or trade ideas contained herein. This research report is provided on an "as is" basis for use at your own risk, and neither Etalon nor its affiliates are liable for any damages or injury resulting from the use of this information. This report should not be construed as advice designed to meet the particular investment needs of any investor or as an offer or solicitation to buy or sell the securities or financial instruments mentioned herein. This report is provided for information purposes only and does not represent an offer or solicitation in any jurisdiction where such an offer would be prohibited. Commentary regarding the future direction of financial markets is illustrative and is not intended to predict actual results, which may differ substantially from the opinions expressed herein. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. The analyst who is the author of this report does not have a position in shares of the companies that are the subjects of this report. However, Etalon prohibits analysts from trading in a way that is inconsistent with opinions expressed in reports (subject to exceptions for unanticipated significant changes in the personal financial circumstances of the analyst). All of the views expressed in this research report accurately reflect the research analyst's personal views about any and all of the subject securities or issuers. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst in the subject company of this research report. This report may not be reproduced in part or in whole. Please do not redistribute this report.