Third Quarter 2018 Earnings Call

Alan Kestenbaum
Executive Chairman and CEO

Don Newman
Chief Financial Officer

November 14, 2018

STELCO
The Steel Company of Canada

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: expectations concerning utilization and optimization of our land assets; expectations regarding the savings associated with the amended OPEB funding agreement and upgrades to our facilities and their effect on our revenue and costs.

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; our ability to effectively manage costs; 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” “Tariff Adjusted EBITDA”, “Tariff Adjusted EBITDA per net ton”, “Adjusted net income”, “Adjusted EBITDA per net ton”, “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 September 30, 2018, which may be accessed on Stelco Holdings’ SEDAR profile at www.sedar.com.

Earnings Call Agenda

Alan Kestenbaum
Executive Chairman & CEO

Don Newman
Chief Financial Officer

- **Highlights**
  - Q3 performance
  - Announcing share repurchase program
  - Declaring regular quarterly cash dividend
- **Questions & Answers**

Q3 Highlights

- **Stelco Inc. Third Quarter Highlights:**
  - Strategic hot strip mill outage expands AHSS, UHSS and HSLA capabilities
  - Revenue was $619 million in Q3 2018, down 13% sequentially from $711 million in Q2 2018, and up 84% from $336 million in Q3 2017
    - Average selling price increased to $980/nt* in Q3 2018, up 9% sequentially from $898/nt* in Q2 2018, and up 24% from $793/nt* in Q3 2017
    - Shipping volume of 586 thousand nt* in Q3 2018, down 22% sequentially from 748 thousand nt* Q2 2018, and up 43% from 411 thousand nt* in Q3 2017
  - Operating income was $137 million in Q3 2018, down 15% sequentially from $161 million in Q2 2018, and up from $0 in Q3 2017
  - Adjusted EBITDA was $154 million* in Q3 2018, down 12% sequentially from $175 million* in Q2 2018, and up 2,100% from $7 million* in Q3 2017
    - Adjusted EBITDA per nt was $263/nt* in Q3 2018, up 12% sequentially from $234/nt* in Q2 2018, and up from $17/nt* in Q3 2017
    - Adjusted EBITDA margin was 25%* in Q3 2018
  - Tariff adjusted EBITDA was $193 million* in Q3 2018, up 4% sequentially from $186 million* in Q2 2018, and up 2,657% from $7 million in Q3 2017
    - Tariff adjusted EBITDA per nt was $329/nt* in Q3 2018, up 32% sequentially from $249/nt* in Q2 2018
    - Tariff adjusted EBITDA margin was 31%* in Q3 2018
- **Announcing stock repurchase program for up to 5% of outstanding shares**
- **Declaring regular quarterly cash dividend of $0.10 per share**

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.

** 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 September 30, 2018, June 30, 2018 and September 30, 2017.*

Stelco Inc. - Quarterly Financial Metrics

(CA$ millions, except volume and per nt figures)

	Year-over-year			Prior quarter	
	Q3 2018	Q3 2017	Change	Q2 2018	Change
Revenue	619	336	**84%**	711	**(13)%**
Operating income	137	—	**NM**	161	**(15)%**
Net income (loss)	123	(13)	**NM**	(12)	**NM**
Selling price per nt *	980	793	**24%**	898	**9%**
Shipping volume (in thousands of nt) *	586	411	**43%**	748	**(22)%**
Adjusted net income (loss) *	131	(9)	**NM**	153	**(14)%**
Adjusted EBITDA *	154	7	**2,100%**	175	**(12)%**
Adjusted EBITDA margin *	*25%*	*2%*	***23%***	*25%*	***—%***
Adjusted EBITDA per nt *	263	17	**1,447%**	234	**12%**
Tariff Adjusted EBITDA *	193	7	**2,657%**	186	**4%**
Tariff Adjusted EBITDA margin *	*31%*	*2%*	***29%***	*26%*	***5%***
Tariff Adjusted EBITDA per nt *	329	17	**1,835%**	249	**32%**

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.

* *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 September 30, 2018, June 30, 2018 and September 30, 2017.*

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Stelco Inc. - YTD & TTM Financial Metrics

(CA$ millions, except volume and per nt figures)

	Nine months ended September 30,			TTM ending September 30,		
	2018	2017	Change	2018	2017	Change
Revenue	1,812	1,149	**58%**	2,264	1,461	**55%**
Operating income	355	61	**482%**	409	44	**830%**
Net income	139	3,563	**NM**	155	3,480	**NM**
Selling price per nt *	880	794	**11%**	842	761	**11%**
Shipping volume (in thousands of nt) *	1,947	1,411	**38%**	2,539	1,874	**35%**
Adjusted net income (loss) *	333	(4)	**NM**	382	(51)	**NM**
Adjusted EBITDA *	399	147	**171%**	468	167	**180%**
Adjusted EBITDA margin *	*22%*	*13%*	***9%***	*21%*	*11%*	***10%***
Adjusted EBITDA per nt *	205	104	**97%**	184	89	**107%**
Tariff Adjusted EBITDA *	449	147	**205%**	518	167	**210%**
Tariff Adjusted EBITDA margin *	*25%*	*13%*	***12%***	*23%*	*11%*	***12%***
Tariff Adjusted EBITDA per nt *	231	104	**122%**	204	89	**129%**

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.

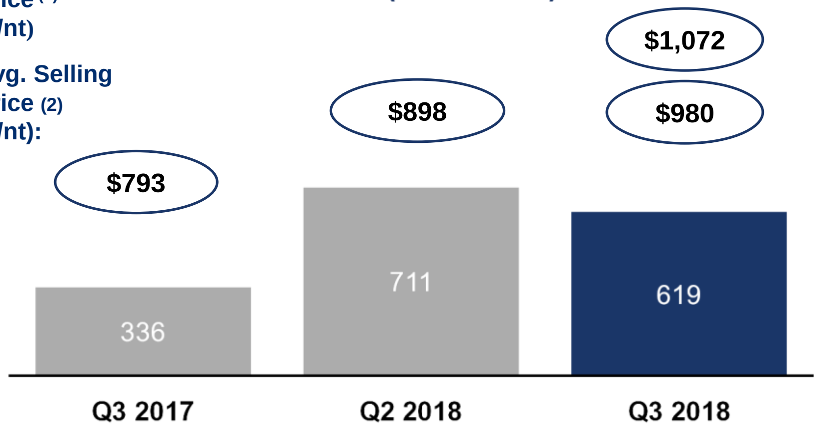
* *See "Non-IFRS measures" below for a reconciliation of Non-IFRS measures; see also "Non-IFRS Measures" as outlined in Stelco Inc.'s Management's Discussion & Analysis for the periods ended September 30, 2018 and September 30, 2017.*

Stelco Inc. - Historical Financial Results

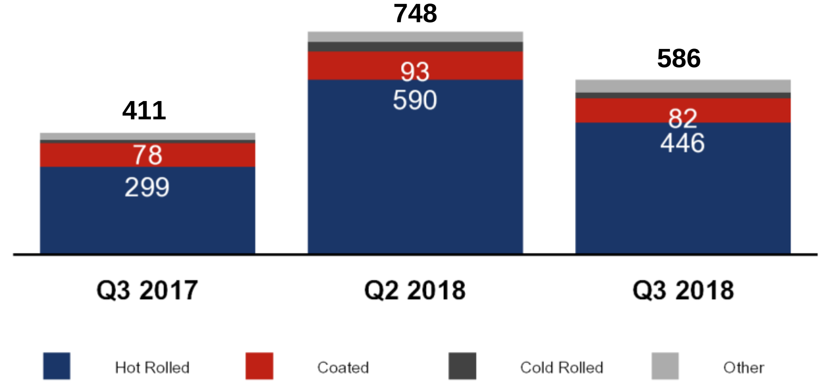
Current HRC Price (1) ($/nt)

Avg. Selling Price (2) ($/nt):

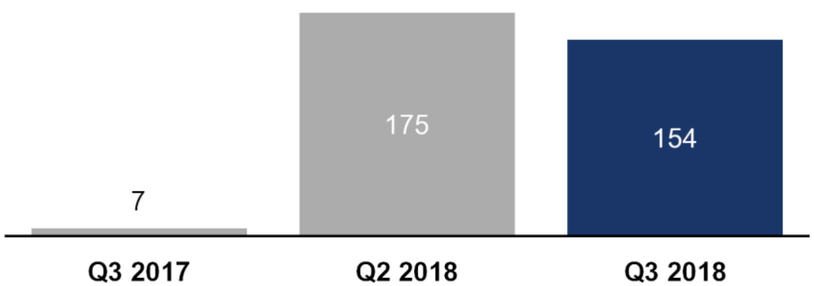
Sales (CA$ mm)



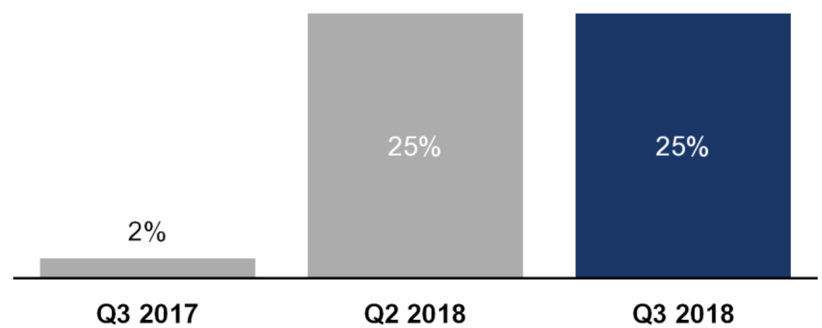
Shipping Volume (knt) (3)



Adjusted EBITDA (CA$ mm) (3)



Adjusted EBITDA Margin (%) (3)



(1) Source: FactSet - Current HRC price based on US Midwest HRC steel price of US$812/nt (dated 13-November-18) converted at prevailing spot CAD/USD exchange rate of 1.32073

(2) Average selling price calculated as steel-related revenue divided by tons of steel shipped and recognized as revenue in the period

(3) *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 September 30, 2018, June 30, 2018, and September 30, 2017.*

Financial Position (selected items)

(CA$ millions)

	Stelco Holdings			Stelco Inc.		
	September 30, 2018	June 30, 2018	December 31, 2017	September 30, 2018	June 30, 2018	December 31, 2017
Cash	347	421	250	168	233	45
Accounts receivable	182	263	204	182	263	203
Inventories	470	380	448	470	380	448
Property, plant & equipment	412	382	279	432	404	305
Trade and other payables	326	332	309	323	329	310
Other liabilities	48	47	68	48	47	67
Pension / OPEB	2	1	—	2	1	—
Obligations to independent employee trusts	601	606	344	601	606	344
Total equity	466	500	497	301	328	309

Non-IFRS Measures*

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

Stelco Inc. - Adjustments to EBITDA (Quarter)

(CA$ millions)

	Q3 2018	Q2 2018	Q3 2017
Net income (loss)	**$ 123**	**$ (12)**	**$ (13)**
Add back/(Deduct):			
Depreciation	10	9	4
Finance costs	12	170	12
Finance income	(1)	—	—
Property related idle costs included in cost of goods sold [1]	3	—	—
Provision on pension and other post-employment benefits [2]	—	—	2
Separation costs related to USS support services [3]	5	6	1
Restructuring and other costs [4]	2	2	1
Adjusted EBITDA	**$ 154**	**$ 175**	**$ 7**
Add back: Tariff related costs [5]	39	11	—
Tariff Adjusted EBITDA	**$ 193**	**$ 186**	**$ 7**
Percentage of total revenue:			
Adjusted EBITDA	**25%**	**25%**	**2%**
Tariff Adjusted EBITDA	**31%**	**26%**	**2%**

1. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
2. Represents difference between total cash funding obligation for pensions and OPEBs.
3. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
4. Restructuring costs relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and includes other restructuring related costs. The Company implemented its CCAA plan on June 30, 2017.
5. Includes tariff and tariff related costs connected with U.S. bound steel shipments.

Stelco Inc. - Adjustments to EBITDA (YTD)

(CA$ millions)

	Nine months ended September 30, 2018	2017
Net income (loss)	**$ 139**	**$ 3,563**
Add back/(Deduct):		
Depreciation	28	19
Finance costs	198	133
Finance income	(1)	(1)
Loss from commodity-based swaps	10	—
Provision on pension and other post-employment benefits [1]	—	26
Separation costs related to USS support services [2]	15	21
Restructuring costs[3]	7	33
Property related idle costs included in cost of goods sold [4]	3	—
Acquisition related costs [5]	—	18
Gain related to emergence from CCAA [6]	—	(3,665)
Adjusted EBITDA	**$ 399**	**$ 147**
Add back: Tariff related costs [7]	50	—
Tariff Adjusted EBITDA	**$ 449**	**$ 147**
Percentage of total revenue:		
Adjusted EBITDA	**22%**	**13%**
Tariff Adjusted EBITDA	**25%**	**13%**

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 costs relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and includes other restructuring related costs. The Company implemented its CCAA plan on June 30, 2017.
4. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
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.
7. Includes tariff and tariff related costs connected with U.S. bound steel shipments.

Stelco Inc. - Adjustments to EBITDA (TTM)

(CA$ millions)

	Trailing twelve months ending September 30, 2018	2017
Net income	**$ 155**	**$ 3,480**
Add back/(Deduct):		
Depreciation	37	26
Finance costs	219	194
Finance income	(1)	(2)
Loss from commodity-based swaps	10	—
Provision on pension and other post-employment benefits[1]	—	49
Separation costs related to USS support services[2]	21	24
Restructuring and other costs[3]	12	43
Acquisition related costs[4]	—	18
Property related idle costs included in cost of goods sold[5]	3	—
Gain related to emergence from CCAA[6]	12	(3,665)
Adjusted EBITDA	**$ 468**	**$ 167**
Add back: Tariff related costs [7]	50	—
Tariff Adjusted EBITDA	**$ 518**	**$ 167**
Percentage of total revenue:		
Adjusted EBITDA	**21%**	**11%**
Tariff Adjusted EBITDA	**23%**	**11%**

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 costs relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and includes other restructuring related costs. The Company implemented its CCAA plan on June 30, 2017.
4. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
5. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
6. Represents the gain from the implementation of the CCAA plan on June 30, 2017.
7. Includes tariff and tariff related costs connected with U.S. bound steel shipments.

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Stelco Holdings – Adjustments to EBITDA

(CA$ millions)

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018
Net income (loss)	**$ 125**	**$ (30)**	**$ 143**
Add back/(Deduct):			
Depreciation	8	6	22
Finance costs	12	12	198
Finance income	(3)	—	(3)
Loss from commodity-based swaps	—	—	10
Initial public offering costs [1]	—	4	—
Secondary offering costs	1	—	1
Fair value impact on acquired inventory recorded in cost of sales [2]	—	11	—
Provision on pension and other post-employment benefits [3]	—	2	—
Property related idle costs included in cost of goods sold [4]	3	—	3
Separation costs related to USS support services [5]	5	1	15
Restructuring and other costs [6]	3	1	8
Adjusted EBITDA	**$ 154**	**$ 7**	**$ 397**
Add back: Tariff related costs [7]	39	—	50
Tariff Adjusted EBITDA	**$ 193**	**$ 7**	**$ 447**
Percentage of total revenue:			
Adjusted EBITDA	**25%**	**2%**	**22%**
Tariff Adjusted EBITDA	**31%**	**2%**	**25%**

1. Represents initial public offering costs that relate to advisory, professional and legal fees, as well as printing costs incurred which were not eligible for capitalization to equity as a cost of capital.
2. Represents the difference between the fair value of inventory acquired by the Company and book value of Stelco's inventory at the date of acquisition.
3. Represents difference between total cash funding obligation for pensions and OPEBs.
4. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
5. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
6. Restructuring costs relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and includes other restructuring related costs. The Company implemented its CCAA plan on June 30, 2017.
7. Includes tariff and tariff related costs connected with U.S. bound steel shipments.

Stelco Inc. - Adjustments to Net Income (Quarter)

(CA$ millions)

	Q3 2018	Q2 2018	Q3 2017
Net income (loss)	**$ 123**	**$ (12)**	**$ (13)**
Add back/(Deduct):			
Remeasurement of employee benefit commitment [1]	(2)	157	—
Separation costs related to USS support services[2]	5	6	1
Property related idle costs included in cost of goods sold [3]	3	—	—
Restructuring and other costs [4]	2	2	1
Provision on pension and other post-employment benefits [5]	—	—	2
Gain related to emergence from CCAA[6]	—	—	—
Adjusted net income (loss)	**$ 131**	**$ 153**	**$ (9)**

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. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
4. Restructuring costs relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and includes other restructuring related costs. The Company implemented its CCAA plan on June 30, 2017.
5. Represents difference between total cash funding obligation for pensions and OPEBs.
6. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

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Stelco Inc. - Adjustments to Net Income (YTD)

(CA$ millions)

	Nine months ended September 30, 2018	2017
Net income	**$ 139**	**$ 3,563**
Add back/(Deduct):		
Loss from commodity-based swaps	10	—
Remeasurement of employee benefit commitment [1]	159	—
Separation costs related to USS support services [2]	15	21
Restructuring and other costs [3]	7	33
Property related idle costs included in cost of goods sold [4]	3	—
Provision on pension and other post-employment benefits [5]	—	26
Acquisition related costs [6]	—	18
Gain related to emergence from CCAA [7]	—	(3,665)
Adjusted net income (loss)	**$ 333**	**$ (4)**

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 costs relates to the CCAA proceedings, which primarily included legal fees, financial advisor fees, court-appointed monitor fees, interim financing fees and includes other restructuring related costs. The Company implemented its CCAA plan on June 30, 2017.
4. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
5. Represents difference between total cash funding obligation for pensions and OPEBs.
6. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
7. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

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Stelco Inc. - Adjustments to Net Income (TTM)

(CA$ millions)

	Trailing twelve months ending September 30, 2018	2017
Net income	**$ 155**	**$ 3,480**
Add back/(Deduct):		
Loss from commodity-based swaps	10	—
Remeasurement of employee benefit commitment [1]	169	—
Separation costs related to USS support services [2]	21	24
Restructuring and other costs [3]	12	43
Property related idle costs included in cost of goods sold [4]	3	—
Provision on pension and other post-employment benefits [5]	—	49
Acquisition related costs [6]	—	18
Gain related to emergence from CCAA [7]	12	(3,665)
Adjusted net income (loss)	**$ 382**	**$ (51)**

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. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
5. Represents difference between total cash funding obligation for pensions and OPEBs.
6. Acquisition costs related to the purchase of Stelco Inc. by Bedrock.
7. Represents the gain from the implementation of the CCAA plan on June 30, 2017.

Stelco Holdings – Adjustments to Net Income

(CA$ millions)

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018
Net income (loss)	**$ 125**	**$ (30)**	**$ 143**
Add back/(Deduct):			
Initial public offering costs [1]	—	4	—
Secondary offering costs	1	—	1
Loss from commodity-based swaps	—	—	10
Remeasurement of employee benefit commitment [2]	(2)	—	159
Property related idle costs included in cost of goods sold [3]	3	—	3
Separation costs related to USS support services [4]	5	1	15
Restructuring and other costs [5]	3	1	8
Provision on pension and other post-employment benefits [6]	—	2	—
Fair value impact on acquired inventory recorded in cost of sales [7]	—	11	—
Adjusted net income (loss)	**$ 135**	**$ (11)**	**$ 339**

1. Represents initial public offering costs that relate to advisory, professional and legal fees, as well as printing costs incurred which were not eligible for capitalization to equity as a cost of capital.
2. Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.
3. Includes utility costs incurred by Stelco for non-operating and idled assets acquired from the Land Vehicle on June 5, 2018.
4. Includes ERP implementation costs associated with the process of separating from USS, management fees and shared services arrangement costs.
5. 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.
6. Represents difference between total cash funding obligation for pensions and OPEBs.
7. Represents the difference between the fair value of inventory acquired by the Company and book value of Stelco's inventory at the date of acquisition.

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The Steel Company of Canada