Stelco Reports First Quarter 2018 Results

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First quarter 2018 highlights include:

- *Revenue of $482 million, up 25% year-over-year*
- *Operating income increased 58% year-over-year to $57 million*
- *Adjusted EBITDA of $70 million, up 9% year-over-year*
- *Company reaffirms Q2 2018 earnings estimates*
- *Company declares dividend of $0.10 per share with a record date of May 15, 2018 and payment date of May 18, 2018*

HAMILTON, ONTARIO, May 2, 2018 - Stelco Holdings Inc. ("**Stelco Holdings**" or the "**Company**"), (TSX: STLC), a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America, today announced financial results of the Company and that of Stelco Inc. ("**Stelco**" or "**Stelco Inc.**") for the three months ended March 31, 2018. Stelco Holdings is the 100% owner of Stelco, the operating company.

Stelco Inc. Highlights:

Financial Summary:

(in millions, except volume and per nt figures)	Q1 2018	Q1 2017	Change	Q4 2017	Change
Revenue ($)	482	386	25 %	452	7 %
Operating income ($)	57	36	58 %	54	6 %
Net income (loss) ($)	28	(17)	n/a	16	75 %
Adjusted net income* ($)	49	8	513 %	49	— %
Adjusted EBITDA* ($)	70	64	9 %	69	1 %
Average selling price per nt* ($)	786	774	2 %	764	3 %
Adjusted EBITDA per nt* ($)	114	128	(11)%	117	(3)%
Shipping volume* (in thousands of nt)	613	499	23 %	592	4 %

* See "Non-IFRS measures" for a description of Non-IFRS measures used in this Press Release and "Non-IFRS Measures Reconciliation" below.

"The notable year-over-year and sequential improvements in our financial results reflect the benefits of improved efficiency, expanded volumes and higher steel prices, and we anticipate further improvements in the second quarter in accordance with our previously issued guidance," said Alan Kestenbaum, the Company's Executive Chairman and Chief Executive Officer. "Improving industry fundamentals and rising demand for steel should continue to benefit Stelco in the second quarter and beyond as we ship orders that were booked at sequentially higher prices during the first quarter. In addition to the rising tide from stronger industry conditions, we have achieved a number of strategic initiatives that we expect will positively impact our shipping volumes and margins on an ongoing basis, including our investments in rail assets and enhancements to our dock at Lake Erie Works, which are now in place and are expected to improve our shipping volumes and reduce our shipping costs."

First Quarter Financial and Operational Highlights:

- Revenue increased 25% to $482 million in Q1 2018 from $386 million in Q1 2017, driven by a 23% increase in shipping volumes and a 2% increase in average selling prices
  - On a sequential basis, revenue increased 7% from $452 million in Q4 2017, driven by a 4% increase in shipping volumes and a 3% increase in average selling prices
- Operating income increased 58% to $57 million in Q1 2018 from $36 million in Q1 2017
  - On a sequential basis, operating income increased 6% from $54 million in the Q4 2017
- Adjusted EBITDA increased 9% to $70 million in Q1 2018, at the high end of the guidance range provided on March 28, 2018, and compared to $64 million in Q1 2017
  - On a sequential basis, adjusted EBITDA increased 1% from $69 million in Q4 2017
- Q1 2018 shipping volume equates to approximately a 2.5 million nt (net tons) annual run rate, up 25% from fiscal 2017 shipping volumes of 2 million nt
- Stelco Holdings (on a consolidated basis) ended Q1 '18 with total liquidity of $499 million, including $226 million in cash and $273 million of revolver capacity
- Subsequent to the end of the quarter, the Company announced that Dr. Indira Samarasekera and Mr. Jacob Lew had been appointed to its Board of Directors, effective May 2, 2018.

First Quarter 2018 Financial Results:

Revenue for the quarter ended March 31, 2018 was $482 million, an increase of $96 million, or 25%, from revenue of $386 million in the first quarter of 2017. The period-over-period revenue increase was due to both higher shipping volumes and to a lesser extent higher average selling prices. Shipping volumes increased from 499 thousand nt in the first quarter of 2017 to 613 thousand nt in the first quarter of 2018, a 23% increase. Average selling price in the first quarter of 2018 was $786 per nt, a 2% increase from the $774 per nt average selling price in the first quarter of 2017.

Gross profit for the quarter increased by $22 million, from a gross profit of $46 million in the first quarter of 2017 to a gross profit of $68 million in the first quarter of 2018, primarily due to increased shipping volumes partially offset by higher raw material costs for metallurgical coal, iron ore, and scrap metal.

Selling, general and administrative (SG&A) expenses increased approximately $1 million period-over-period, from $10 million in the first quarter of 2017 to $11 million in the first quarter of 2018. The increase was due to professional fees and Bedrock management fees mostly offset by lower costs associated with our shared service arrangement with United States Steel Corporation.

Finance costs decreased by $34 million, or 68%, from $50 million in the first quarter of 2017 to $16 million in the first quarter of 2018, primarily due to a $50 million decrease in interest on loans and borrowings related to the extinguishment of $1.8 billion of debt through the CCAA process, partially offset by $13 million of accretion and remeasurement expenses associated with our employee benefit commitment obligation and $3 million related to the gross impact period-over-period of foreign exchange translation on U.S. dollar denominated working capital.

Net income for the quarter increased by $45 million, from a net loss of $17 million in the first quarter of 2017 to net income of $28 million in the first quarter of 2018. The period-over-period increase reflects improved revenue and lower finance cost, offset by higher operating costs due to increased volumes and increased raw material and SG&A costs. Adjusted net income increased $41 million period-over-period, from adjusted net income of $8 million in the first quarter of 2017 to adjusted net income of $49 million in the first quarter of 2018.

Adjusted EBITDA in the first quarter of 2018 totaled $70 million, an increase of $6 million from adjusted EBITDA of $64 million in the first quarter of 2017. The period-over-period improvement reflects the increase in revenue, partially offset by higher operating costs in connection with volume increases, higher raw material costs and SG&A expenses.

Summary of Net Tons Shipped by Product for Periods Ended March 31 and the Period Ending December 31, 2017:

(in thousands of nt)

Tons Shipped by Product	Q1 2018	Q1 2017	Change	Q4 2017	Change
Hot-rolled	491	340	44 %	473	4 %
Coated	84	121	(31)%	77	9 %
Cold-rolled	15	14	7 %	15	— %
Other	23	24	(4)%	27	(15)%
Total	613	499	23 %	592	4 %
Shipments by Products (%)					
Hot-rolled	80%	68%		80%	
Coated	14%	24%		13%	
Cold-rolled	2%	3%		3%	
Other	4%	5%		5%	
Total	100%	100%		100%	

Stelco Holdings Highlights:

Stelco Holdings' consolidated statement of income for the three months ended March 31, 2018, which primarily includes Stelco's financial results for the period. The following is a financial summary of Stelco Holdings' results for the first quarter of 2018:

(in millions, except volume and per nt figures)	Q1 2018
Revenue ($)	482
Operating income ($)	58
Net income ($)	29
Net income per share ($)	0.33
Adjusted net income* ($)	50
Adjusted net income per share* ($)	0.56
Adjusted EBITDA* ($)	69
Average selling price per nt* ($)	786
Adjusted EBITDA per nt* ($)	113
Shipping volume* (in thousands of nt)	613

* See "Non-IFRS measures" for a description of Non-IFRS measures used in this Press Release and "Non-IFRS Measures Reconciliation" below.

Stelco Holdings' SG&A expenses for the period includes employee salary and benefits, enterprise resource planning ("ERP") implementation expenses relating to the separation from USS and professional, consulting and legal fees. The incremental SG&A incurred by Stelco Holdings in the quarter of $1 million ($11 million of the Stelco Holdings' SG&A was incurred directly by Stelco Inc.), relates to audit and legal fees, including those related to the secondary offering, as well as director fees, insurance costs, and regulatory fees.

Statement of Financial Position and Liquidity:

On a consolidated basis, Stelco Holdings ended Q1 2018 with total liquidity of $499 million, including cash of $226 million and $273 million of revolver capacity under the ABL credit facility (total ABL revolver capacity is $375 million).

The following table shows selected information regarding the Stelco Holdings consolidated balance sheet as at the noted dates:

(millions of Canadian dollars)

As at	**March 31, 2018**	**December 31, 2017**
ASSETS		
Current assets		
Cash and cash equivalents	226	250
Trade and other receivables	214	204
Inventories	370	448
Total current assets	**830**	**932**
Total assets	**1,121**	**1,223**
LIABILITIES		
Trade and other payables	199	309
Total current liabilities	**271**	**374**
Total liabilities	**604**	**726**
Total equity	**517**	**497**

In addition to its sound liquidity position, Stelco Holdings and its subsidiaries ended Q1 2018 with current assets of $830 million, which exceeded current liabilities of $271 million by $559 million. Stelco Holdings and its subsidiaries had no long-term debt as at December 31, 2017, and $331 million of employee benefit commitments. Stelco Holdings consolidated equity totaled $517 million as at March 31, 2018.

Outlook

For the second quarter, Stelco is reaffirming its outlook for Adjusted EBITDA in the range of $120 million to $150 million. For our key assumptions relating to this outlook, refer to the "Key Assumptions Underlying Our Q1 and Q2 Earnings Estimate" section of the Company's news release dated March 28, 2018 available under the Company's profile on SEDAR at www.sedar.com. Please also refer to the "Forward-Looking Information" section of such new release and the "Forward-Looking Information" section below.

Declaration of Dividend

Stelco's Board of Directors approved the payment of a quarterly cash dividend of $0.10 per share payable on May 18, 2018 to shareholders of record as of the close of business on May 15, 2018. For purposes of the *Income Tax Act* (Canada), the dividend is an "eligible dividend".

Appointment of Independent Directors

Subsequent to the end of the first quarter, the Company announced that Dr. Indira Samarasekera and Mr. Jacob Lew had been appointed to its Board of Directors, effective May 2, 2018.

Dr. Indira V. Samarasekera is internationally recognized as one of Canada's leading metallurgical engineers for her groundbreaking work on process engineering of materials, especially steel processing. Dr. Samarasekera served as the 12th President and Vice Chancellor of the University of Alberta, from 2005-2015, one of Canada's most respected research-intensive universities. She also served as Vice-President Research at the University of British Columbia from 2000-2005. She is currently a Senior Advisor for Bennett Jones LLP and serves on the Board of Directors of the Bank of Nova Scotia, Magna International and

TransCanada. She also serves on the boards of the Asia-Pacific Foundation, the Rideau Hall Foundation, and the selection panel for Canada's outstanding CEO of the Year sponsored by Caldwell Partners and Bennett Jones. Dr. Samarasekera was appointed by the Prime Minister to serve as a Federal Member to the Independent Advisory Board for Senate Appointments, until 2017.

Mr. Jacob Lew is a Partner at Lindsay Goldberg LLC, and previously served as the United States Secretary of the Treasury from February 2013 to January 2017. Secretary Lew had previously served as White House Chief of Staff for President Obama, Director of the Office of Management and Budget, a position he also held in President Clinton's Cabinet from 1998 to 2001, and Deputy Secretary of State for Management and Resources. Secretary Lew previously served as Managing Director and Chief Operating Officer for two different Citigroup business units, and Executive Vice President and Chief Operating Officer of New York University. Secretary Lew is a member of the Council on Foreign Relations and the National Academy of Social Insurance. He received his B.A. from Harvard University and his J.D. from the Georgetown University Law Center.

Quarterly Results Conference Call

Stelco management will host a conference call to discuss its results tomorrow, Thursday, May 3, 2018 at 9 a.m. EST. To access the call, please dial 1-800-239-9838 (U.S. and Canada) or 1-323-794-25514 (international) and reference conference ID 7089296. The conference call will also be webcasted live on the Investor Relations section of Stelco's web site at https://www.stelco.com/investors. A presentation that will accompany the conference call will also be available on the website prior to the conference call.

Following the conclusion of the live call, a replay of the webcast will be available on the Investor Relations section of the Company's website for at least 90 days. A telephonic replay of the conference call will also be available from 12 p.m. ET on May 3, 2018 until 11:59 p.m. ET on May 17, 2018 by dialing 1-844-512-2921 (United States) or 1-412-317-6671 (international) and using the pin number 7089296.

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's (including both Stelco Holdings Inc. and Stelco Inc.) unaudited interim condensed consolidated financial statements for the period ended March 31, 2018, and Management's Discussion & Analysis thereon are available under the Company's profile on SEDAR at www.sedar.com.

About Stelco

Stelco is a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America. Stelco produces flat-rolled value-added steels, including premium-quality coated, cold-rolled and hot-rolled steel products. With first-rate gauge, crown, and shape control, as well as reliable uniformity of mechanical properties, our steel products are supplied to customers in the construction, automotive and energy industries across Canada and the United States as well as to a variety of steel services centres, which are regional distributers of steel products.

Non-IFRS Measures

This news release refers to certain non-IFRS measures that are not recognized under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS. 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. We use non-IFRS measures including "adjusted net income", "adjusted net income per share", ''adjusted EBITDA'', ''adjusted EBITDA per nt'', ''selling price per nt'', and ''shipping volume'' to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management uses these non-IFRS financial measures to facilitate operating performance comparisons from period-to- period, to prepare annual operating budgets and forecasts, and drive performance through our management compensation program. For a reconciliation of these non-IFRS measures, refer to the Company's "Non- IFRS Measures Reconciliation" section below. For a definition of these non-IFRS measures, refer to the Company's MD&A for the period ended March 31, 2018 available under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Information

This release contains ''forward-looking information'' within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans and objectives of our Company. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information 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 herein 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.

Forward-looking information in this news release includes our advancement of strategic initiatives, the declaration of a dividend and the estimate related to second quarter Adjusted EBITDA, a non-IFRS measures (see "Non-IFRS Measures"). Undue reliance should not be placed on forward-looking information. The forward-looking information in this press release is 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 information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of 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, as well as those set out in this press release, are material factors made in preparing the forward-looking information and management's expectations contained in this press release.

Such forward-looking information is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including: North American and global steel overcapacity; imports and trade remedies; competition from other producers, imports or alternative materials; and the availability and cost of inputs placing downward pressure on steel prices or increasing our costs; as well as those described in the Company's annual information form and the Company's MD&A for the period ended March 31, 2018 available under the Company's profile on SEDAR at www.sedar.com.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information, which speaks only as of the date made. The forward-looking information contained in this press release represents our expectations as of the date of this news release, and are subject to change after such date. Stelco Holdings disclaims any intention or obligation or undertaking 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.

For Further Information

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Selected Financial Information

The following includes financial information prepared by management in accordance with IFRS. This financial information does not contain all disclosures required by IFRS, and accordingly should be read in conjunction with Stelco Holdings Inc.'s and Stelco Inc.'s Consolidated Financial Statements and MD&A for the period ended March 31, 2018, which is available on the Company's website and on SEDAR.

Stelco Inc.
Statement of income (loss)
(unaudited)

	Three months ended March 31,	
(millions of Canadian dollars)	**2018**	**2017**
Revenue from sale of goods	**$ 482**	$ 386
Cost of goods sold	**414**	340
Gross profit (loss)	**68**	46
Selling, general and administrative expenses	**11**	10
Operating income (loss)	**57**	36
Finance costs	**(16)**	(50)
Finance and other income (loss)	**(10)**	5
Restructuring costs	**(3)**	(8)
Income (loss) before income taxes	**28**	(17)
Income tax expense	**—**	—
Net income (loss) for the year	**$ 28**	$ (17)

Stelco Holdings Inc.
Consolidated Statement of income and comprehensive income
(unaudited)

(millions of Canadian dollars)	Three months ended March 31, 2018
Revenue from sale of goods	**$ 482**
Cost of goods sold	**412**
Gross profit	**70**
Selling, general and administrative expenses	**12**
Operating income	**58**
Finance and other income (loss)	**(10)**
Finance costs	**(16)**
Restructuring and other costs	**(3)**
Income before taxes	**29**
Income tax expense	**—**
Income and comprehensive income for the period	**$ 29**

Stelco Inc.
Consolidated Balance Sheets
(unaudited)

As at		**March 31, 2018**		December 31, 2017
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**35**	$	45
Restricted cash		**11**		12
Trade and other receivables		**214**		203
Inventories		**370**		448
Prepaid expenses		**9**		18
Total current assets	**$**	**639**	$	726
Non-current assets				
Property, plant and equipment, net		**303**		305
Investment in joint ventures		**4**		4
Total non-current assets	**$**	**307**	$	309
Total assets	**$**	**946**	$	1,035
LIABILITIES				
Current liabilities				
Trade and other payables	**$**	**205**	$	310
Other liabilities		**30**		33
Employee benefit commitment		**42**		32
Total current liabilities	**$**	**277**	$	375
Non-current liabilities				
Provisions		**6**		5
Pension benefits		**1**		—
Other liabilities		**36**		34
Employee benefit commitment		**289**		312
Total non-current liabilities	**$**	**332**	$	351
Total liabilities	**$**	**609**	$	726
EQUITY				
Common shares		**2,325**		2,325
Contributed surplus		**500**		500
Retained deficit		**(2,488)**		(2,516)
Total equity	**$**	**337**	$	309
Total liabilities and equity	**$**	**946**	$	1,035

Stelco Holdings Inc.
Consolidated Statement of financial position
(unaudited)

As at		**March 31, 2018**		December 31, 2017
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**226**	$	250
Restricted cash		**11**		12
Trade and other receivables		**214**		204
Inventories		**370**		448
Prepaid expenses		**9**		18
Total current assets	**$**	**830**	$	932
Non-current assets				
Property, plant and equipment, net		**279**		279
Intangible assets		**7**		7
Investment in joint ventures		**5**		5
Total non-current assets	**$**	**291**	$	291
Total assets	**$**	**1,121**	$	1,223
LIABILITIES				
Current liabilities				
Trade and other payables	**$**	**199**	$	309
Other liabilities		**30**		33
Employee benefit commitment		**42**		32
Total current liabilities	**$**	**271**	$	374
Non-current liabilities				
Provisions		**6**		5
Pension benefits		**1**		—
Other liabilities		**37**		35
Employee benefit commitment		**289**		312
Total non-current liabilities	**$**	**333**	$	352
Total liabilities	**$**	**604**	$	726
EQUITY				
Common shares		**512**		512
Retained earnings (deficit)		**5**		(15)
Total equity	**$**	**517**	$	497
Total liabilities and equity	**$**	**1,121**	$	1,223

Non-IFRS Measures Results

The following tables provides a reconciliation of net income (loss) to adjusted net income (loss) for the periods indicated:

Stelco Inc.

(millions of Canadian dollars, except where otherwise noted)				
Three months ended March 31,		**2018**		2017
Net income (loss)	**$**	**28**	$	(17)
Add back/(Deduct):				
Unrealized loss from commodity-based swaps		**10**		—
Remeasurement of employee benefit commitment [1]		**4**		—
Separation costs related to USS support services [2]		**4**		4
Restructuring costs [3]		**3**		8
Provision on pension and other post-employment benefits [4]		**—**		13
Adjusted net income	**$**	**49**	$	8

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.

Stelco Holdings Inc.

(millions of Canadian dollars, except where otherwise noted)		
Three months ended March 31,		**2018**
Net income	**$**	**29**
Add back/(Deduct):		
Unrealized loss from commodity-based swaps		**10**
Remeasurement of employee benefit commitment [1]		**4**
Separation costs related to USS support services [2]		**4**
Restructuring costs [3]		**3**
Adjusted net income	**$**	**50**

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.

The following tables provides a reconciliation of net income (loss) to Adjusted EBITDA for the periods indicated:

Stelco Inc.

(millions of Canadian dollars, except where otherwise noted) Three months ended March 31,		**2018**		2017
Net income (loss)	**$**	**28**	$	(17)
Add back/(Deduct):				
Depreciation		**9**		7
Finance costs		**16**		50
Finance income		**—**		(1)
Unrealized loss from commodity based swaps		**10**		—
Provision on pension and other post-employment benefits [1]		**—**		13
Separation costs related to USS support services [2]		**4**		4
Restructuring costs [3]		**3**		8
Adjusted EBITDA	**$**	**70**	$	64
Adjusted EBITDA as a percentage of total revenue		**15%**		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.

Stelco Holdings Inc.

(millions of Canadian dollars, except where otherwise noted) Three months ended March 31,		**2018**
Net income	**$**	**29**
Add back/(Deduct):		
Depreciation		**7**
Finance costs		**16**
Unrealized loss from commodity based swaps		**10**
Separation costs related to USS support services[1]		**4**
Restructuring costs[2]		**3**
Adjusted EBITDA	**$**	**69**
Adjusted EBITDA as a percentage of total revenue		**14%**

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.