

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
May 2, 2019

United States Steel Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-16811

(Commission File Number)

25-1897152

(IRS Employer Identification No.)

600 Grant Street, Pittsburgh, PA

(Address of principal executive offices)

15219-2800

(Zip Code)

(412) 433-1121

(Registrant's telephone number,
including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|--|----------------|--|
| United States Steel Corporation Common Stock | X | New York Stock Exchange and Chicago Stock Exchange |

Item 2.02. Results of Operations and Financial Condition

On May 2, 2019, United States Steel Corporation issued a press release announcing its financial results for first quarter 2019. The full text of the press release, together with related unaudited financial information and statistics, is furnished herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

[99.1](#) Press Release dated May 2, 2019, titled “United States Steel Corporation Reports First Quarter 2019 Results,” together with related unaudited financial information and statistics.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITED STATES STEEL CORPORATION

By /s/ Kimberly D. Fast

Kimberly D. Fast
Acting Controller

Dated: May 2, 2019



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FOR IMMEDIATE RELEASE:

UNITED STATES STEEL CORPORATION REPORTS FIRST QUARTER 2019 RESULTS

- **Net earnings of \$54 million, or \$0.31 per diluted share; Adjusted net earnings of \$81 million, or \$0.47 per diluted share**
- **Adjusted EBITDA of \$285 million**
- **Returned \$51 million of capital to stockholders, including \$42 million of share repurchases**

PITTSBURGH, May 2, 2019 – United States Steel Corporation (NYSE: X) reported first quarter 2019 net earnings of \$54 million, or \$0.31 per diluted share. Adjusted net earnings were \$81 million, or \$0.47 per diluted share. This compares to first quarter 2018 net earnings of \$18 million, or \$0.10 per diluted share. Adjusted net earnings for first quarter 2018 were \$57 million, or \$0.32 per diluted share.

Earnings Highlights

| | Quarter Ended | |
|---|---------------|----------|
| | March 31, | |
| <i>(Dollars in millions, except per share amounts)</i> | 2019 | 2018 |
| Net Sales | \$ 3,499 | \$ 3,149 |
| Segment earnings (loss) before interest and income taxes | | |
| Flat-Rolled | \$ 95 | \$ 33 |
| U. S. Steel Europe | 29 | 110 |
| Tubular | 10 | (27) |
| Other Businesses | 8 | 11 |
| Total segment earnings before interest and income taxes | \$ 142 | \$ 127 |
| Other items not allocated to segments | (31) | 10 |
| Earnings before interest and income taxes | \$ 111 | \$ 137 |
| Net interest and other financial costs | 49 | 118 |
| Income tax provision | 8 | 1 |
| Net earnings | \$ 54 | \$ 18 |
| Earnings per diluted share | \$ 0.31 | \$ 0.10 |
| Adjusted net earnings^(a) | \$ 81 | \$ 57 |
| Adjusted earnings per diluted share ^(a) | \$ 0.47 | \$ 0.32 |
| Adjusted earnings before interest, income taxes, depreciation and amortization (EBITDA) ^(a) | \$ 285 | \$ 255 |

^(a) Please refer to the non-GAAP Financial Measures section of this document for the reconciliation of these amounts.

"Over the past few years, we have made strategic investments across our footprint, with a focus on our most critical flat-rolled steelmaking assets," commented President and Chief Executive Officer David B. Burritt. "Our progress continued in the first quarter as we delivered strong financial results. Today's announcement of a state-of-the-art endless casting and rolling line at Mon Valley Works further strengthens our competitive position and will generate long-term value for our stockholders, customers, employees and community."

The Company will conduct a conference call on first quarter 2019 earnings on Friday, May 3, at 8:30 a.m. Eastern Daylight. To listen to the webcast of the conference call, and to access the company's slide presentation, visit the U. S. Steel website, www.ussteel.com, and click on the "Investors" section. Replays of the conference call will be available on the website after 10:30 a.m. on May 3.

UNITED STATES STEEL CORPORATION
PRELIMINARY SUPPLEMENTAL STATISTICS (Unaudited)

| | Quarter Ended | |
|---|---------------|--------|
| | March 31, | |
| | 2019 | 2018 |
| OPERATING STATISTICS | | |
| Average Realized Price: ^(a) | | |
| Flat-Rolled (\$/net ton) | 798 | 740 |
| U. S. Steel Europe (\$/net ton) | 670 | 707 |
| U. S. Steel Europe (€/net ton) | 590 | 575 |
| Tubular (\$/net ton) | 1,549 | 1,387 |
| Steel Shipments (thousands of net tons): ^(a) | | |
| Flat-Rolled | 2,725 | 2,534 |
| U. S. Steel Europe | 1,064 | 1,127 |
| Tubular | 207 | 179 |
| Total Steel Shipments | 3,996 | 3,840 |
| Intersegment Shipments (thousands of net tons): | | |
| Flat-Rolled to Tubular | 81 | 67 |
| Raw Steel Production (thousands of net tons): | | |
| Flat-Rolled | 3,075 | 2,784 |
| U. S. Steel Europe | 1,159 | 1,292 |
| Raw Steel Capability Utilization: ^(b) | | |
| Flat-Rolled | 73% | 66% |
| U. S. Steel Europe | 94% | 105% |
| CAPITAL EXPENDITURES | | |
| Flat-Rolled | \$ 247 | \$ 176 |
| U. S. Steel Europe | 34 | 21 |
| Tubular | 19 | 11 |
| Other Businesses | 2 | — |
| Total | \$ 302 | \$ 208 |

^(a) Excludes intersegment transfers.

^(b) Based on annual raw steel production capability of 17.0 million net tons for Flat-Rolled and 5.0 million net tons for USSE.

UNITED STATES STEEL CORPORATION
STATEMENT OF OPERATIONS (Unaudited)

| (Dollars in millions, except per share amounts) | Quarter Ended | |
|---|---------------|--------------|
| | 2019 | 2018 |
| NET SALES | \$ 3,499 | \$ 3,149 |
| OPERATING EXPENSES (INCOME): | | |
| Cost of sales (excludes items shown below) | 3,172 | 2,808 |
| Selling, general and administrative expenses | 78 | 78 |
| Depreciation, depletion and amortization | 143 | 128 |
| Earnings from investees | (9) | (3) |
| Net loss on disposal of assets | 4 | 1 |
| Total operating expenses | 3,388 | 3,012 |
| EARNINGS BEFORE INTEREST AND INCOME TAXES | 111 | 137 |
| Net interest and other financial costs | 49 | 118 |
| EARNINGS BEFORE INCOME TAXES | 62 | 19 |
| Income tax provision | 8 | 1 |
| Net earnings | 54 | 18 |
| Less: Net earnings attributable to noncontrolling interests | — | — |
| NET EARNINGS ATTRIBUTABLE TO UNITED STATES STEEL CORPORATION | \$ 54 | \$ 18 |

COMMON STOCK DATA:

| | | | |
|---|----------------|----------------|--|
| Net earnings per share attributable to United States Steel Corporation stockholders: | | | |
| -Basic | \$ 0.31 | \$ 0.10 | |
| -Diluted | \$ 0.31 | \$ 0.10 | |
| Weighted average shares, in thousands | | | |
| -Basic | 173,241 | 176,157 | |
| -Diluted | 174,545 | 178,289 | |
| Dividends paid per common share | \$ 0.05 | \$ 0.05 | |

UNITED STATES STEEL CORPORATION
CASH FLOW STATEMENT (Unaudited)

| (Dollars in millions) | Quarter Ended March 31, | |
|---|----------------------------|--------------|
| | 2019 | 2018 |
| Cash provided by (used in) operating activities: | | |
| Net earnings | \$ 54 | \$ 18 |
| Depreciation, depletion and amortization | 143 | 128 |
| Loss on debt extinguishment | — | 46 |
| Pensions and other postretirement benefits | 30 | 22 |
| Deferred income taxes | 6 | — |
| Net loss on disposal of assets | 4 | 1 |
| Working capital changes | (247) | (310) |
| Income taxes receivable/payable | 41 | (8) |
| Other operating activities | (2) | 4 |
| Total | 29 | (99) |
| Cash used in investing activities: | | |
| Capital expenditures | (302) | (208) |
| Total | (302) | (208) |
| Cash provided by (used in) financing activities: | | |
| Issuance of long-term debt, net of financing costs | — | 640 |
| Repayment of long-term debt | — | (538) |
| Common stock repurchased | (42) | — |
| Dividends paid | (9) | (9) |
| Receipts from exercise of stock options | — | 30 |
| Taxes paid for equity compensation plans | (5) | (6) |
| Total | (56) | 117 |
| Effect of exchange rate changes on cash | (2) | 10 |
| Net decrease in cash, cash equivalents and restricted cash | (331) | (180) |
| Cash, cash equivalents and restricted cash at beginning of the year | 1,040 | 1,597 |
| Cash, cash equivalents and restricted cash at end of the period | \$ 709 | \$ 1,417 |

UNITED STATES STEEL CORPORATION
CONDENSED BALANCE SHEET (Unaudited)

| (Dollars in millions) | March 31, 2019 | Dec 31, 2018 |
|---|-------------------|------------------|
| Cash and cash equivalents | \$ 676 | \$ 1,000 |
| Receivables, net | 1,729 | 1,659 |
| Inventories | 2,133 | 2,092 |
| Other current assets | 92 | 79 |
| Total current assets | 4,630 | 4,830 |
| Operating lease assets | 234 | — |
| Property, plant and equipment, net | 4,989 | 4,865 |
| Investments and long-term receivables, net | 535 | 513 |
| Intangible assets, net | 156 | 158 |
| Deferred income tax benefits | 427 | 445 |
| Other assets | 181 | 171 |
| Total assets | <u>\$ 11,152</u> | <u>\$ 10,982</u> |
| Accounts payable and other accrued liabilities | \$ 2,547 | \$ 2,535 |
| Payroll and benefits payable | 333 | 440 |
| Short-term debt and current maturities of long-term debt | 66 | 65 |
| Other current liabilities | 194 | 157 |
| Total current liabilities | 3,140 | 3,197 |
| Noncurrent operating lease liabilities | 185 | — |
| Long-term debt, less unamortized discount and debt issuance costs | 2,326 | 2,316 |
| Employee benefits | 954 | 980 |
| Other long-term liabilities | 311 | 286 |
| United States Steel Corporation stockholders' equity | 4,235 | 4,202 |
| Noncontrolling interests | 1 | 1 |
| Total liabilities and stockholders' equity | <u>\$ 11,152</u> | <u>\$ 10,982</u> |

UNITED STATES STEEL CORPORATION

NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF ADJUSTED EBITDA

| (Dollars in millions) | Quarter Ended | |
|--|---------------|------------|
| | March 31, | |
| | 2019 | 2018 |
| Reconciliation to Adjusted EBITDA | | |
| Net earnings attributable to United States Steel Corporation | \$ 54 | \$ 18 |
| Income tax provision | 8 | 1 |
| Net interest and other financial costs | 49 | 118 |
| Depreciation, depletion and amortization expense | 143 | 128 |
| EBITDA | 254 | 265 |
| Clairton coke making facility fire | 31 | — |
| Granite City Works adjustment to temporary idling charges | — | (10) |
| Adjusted EBITDA | 285 | 255 |

UNITED STATES STEEL CORPORATION

NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF ADJUSTED NET EARNINGS (LOSS)

| (Dollars in millions, except per share amounts) | Quarter Ended ^(a) | |
|---|------------------------------|----------------|
| | March 31, | |
| | 2019 | 2018 |
| Reconciliation to adjusted net earnings attributable to United States Steel Corporation | | |
| Net earnings attributable to United States Steel Corporation | \$ 54 | \$ 18 |
| Clairton coke making facility fire | 27 | — |
| Granite City Works adjustment to temporary idling charges | — | (10) |
| Loss on debt extinguishment and other related costs | — | 49 |
| Total adjustments | 27 | 39 |
| Adjusted net earnings attributable to United States Steel Corporation | \$ 81 | \$ 57 |
| Reconciliation to adjusted diluted net earnings per share | | |
| Diluted net earnings per share | \$ 0.31 | \$ 0.10 |
| Clairton coke making facility fire | 0.16 | — |
| Granite City Works adjustment to temporary idling charges | — | (0.05) |
| Loss on debt extinguishment and other related costs | — | 0.27 |
| Total adjustments | 0.16 | 0.22 |
| Adjusted diluted net earnings per share | \$ 0.47 | \$ 0.32 |

^(a) The adjustment included in this table for the quarter ended March 31, 2019 has been tax effected. The adjustments for the quarter ended March 31, 2018 have not been tax effected due to the full valuation allowance on our domestic deferred tax assets in 2018.

We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share, earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA) and adjusted EBITDA, which are non-GAAP measures, as additional measurements to enhance the understanding of our operating performance. We believe that EBITDA, considered along with net earnings (loss), is a relevant indicator of trends relating to our operating performance and provides management and investors with additional information for comparison of our operating results to the operating results of other companies.

Adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share are non-GAAP measures that exclude the financial effects of the Clairton coke making facility fire, significant temporary idling charges and adjustments to those charges and debt extinguishment and other related costs that are not part of the Company's core operations. Adjusted EBITDA is also a non-GAAP measure that excludes the financial effects of the Clairton coke making facility fire and significant temporary idling charges and adjustments to those charges. We present adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA to enhance the understanding of our ongoing operating performance and established trends affecting our core operations, by excluding the financial effects of the Clairton coke making facility fire, significant temporary idling charges and adjustments to those charges and debt extinguishment and other related costs that can obscure underlying trends. U. S. Steel's management considers adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA as alternative measures of operating performance and not alternative measures of the Company's liquidity. U. S. Steel's management considers adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA useful to investors by facilitating a comparison of our operating performance to the operating performance of our competitors. Additionally, the presentation of adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA provides insight into management's view and assessment of the Company's ongoing operating performance, because management does not consider the adjusting items when evaluating the Company's financial performance. Adjusted net earnings (loss), adjusted net earnings (loss) per diluted share and adjusted EBITDA should not be considered a substitute for net earnings (loss), earnings (loss) per diluted share or other financial measures as computed in accordance with U.S. GAAP and is not necessarily comparable to similarly titled measures used by other companies. A consolidated statement of operations (unaudited), consolidated cash flow statement (unaudited), condensed consolidated balance sheet (unaudited) and preliminary supplemental statistics (unaudited) for U. S. Steel are attached.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This release contains information that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target," "forecast," "aim," "should," "will" and similar expressions or by using future dates in connection with any discussion of, among other things, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to the risks and uncertainties described in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018, and those described from time to time in our future reports filed with the Securities and Exchange Commission. References to "we," "us," "our," the "Company," and "U. S. Steel," refer to United States Steel Corporation and its consolidated subsidiaries.

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