

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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 3, 2019

United States Steel Corporation  
(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

1-16811  
(Commission  
File Number)

25-1897152  
(I.R.S. Employer  
Identification No.)

600 Grant Street,  
Pittsburgh, PA 15219-2800  
(Address of Principal Executive Offices, and Zip Code)

(412) 433-1121  
Registrant's Telephone Number, Including Area Code

\_\_\_\_\_  
(Former Name or Former Address, if Changed Since Last Report)

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 *see* General Instruction A.2. below):

- Written communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Securities registered pursuant to Section 12(b) of the 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 7.01. Regulation FD Disclosure.**

On May 3, 2019, United States Steel Corporation (the "Corporation") posted to its website a presentation related to the Corporation's financial results for the first quarter 2019 and the recently announced investment in endless casting and rolling technology. The presentation will be used in connection with the conference call the Corporation will hold on May 3, 2019 at 8:30 am Eastern time.

In accordance with General Instruction B.2 of Form 8-K, the information contained in this Item 7.01 and the presentation are being furnished under Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information and exhibits be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The presentation is furnished with this current report on Form 8-K as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

[99.1](#) First Quarter Earnings Call Presentation

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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  
Name: Kimberly D. Fast  
Title: Acting Controller

Dated: May 3, 2019



First Quarter 2019

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## Earnings Call

David Burritt – President and Chief Executive Officer

Kevin Bradley – Executive Vice President and Chief Financial Officer

Sara Greenstein – Senior Vice President, Consumer Solutions

Kevin Lewis – General Manager, Investor Relations

May 3, 2019

[www.ussteel.com](http://www.ussteel.com)



# Forward-looking Statements



These slides are being provided to assist readers in understanding the results of operations, financial condition and cash flows of United States Steel Corporation for the first quarter and full year of 2019. They should be read in conjunction with the consolidated financial statements and Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission.

This presentation 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.



# Explanation of Use of Non-GAAP Measures



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 and segment EBITDA, considered along with net earnings (loss) and segment earnings (loss) before interest and income taxes, are relevant indicators of trends relating to our operating performance and provide management and investors with additional information for comparison of our operating results to the operating results of other companies. Net debt is a non-GAAP measure calculated as total debt less cash and cash equivalents. We believe net debt is a useful measure in calculating enterprise value. Both EBITDA and net debt are used by analysts to refine and improve the accuracy of their financial models which utilize enterprise value.

We believe the cash conversion cycle is a useful measure in providing investors with information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. The cash conversion cycle should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

Adjusted net earnings (loss) and adjusted net earnings (loss) per diluted share are non-GAAP measures that exclude the effects of the Clairton coke making facility fire, the United Steelworkers (USW) labor agreement signing bonus and related costs, gains (losses) on the sale of ownership interests in equity investees, restructuring charges, significant temporary idling charges, restart and related costs associated with Granite City Works, debt extinguishment and other related costs, and the reversal of our tax valuation allowance that are not part of the Company's core operations. Adjusted EBITDA is also a non-GAAP measure that excludes the effects of the Clairton coke making facility fire, the USW agreement signing bonus and related costs, gains (losses) on the sale of ownership interests in equity investees, significant temporary idling charges and restart and related costs associated with Granite City Works. 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 effects of events 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.

# Today's Highlights



## Endless Casting and Rolling Investment

- \$1.2 Billion investment<sup>1</sup>
- First state-of-the-art endless casting and rolling line in the U.S.
- \$35/ton reduction in operating costs
- Creates new product **boundaries ... gauge and width** combinations not available today in the U.S.
- Delivers significant environmental benefits

## First Quarter 2019 Results

- 1Q adjusted EBITDA: \$285 million
- 1Q adjusted EPS: \$0.47
- Balance sheet and capital structure well positioned to support execution of our strategy



United States Steel Corporation

<sup>1</sup>Includes \$150-\$200M for a cogeneration facility at Clairton



# Building a Solid Foundation for Our Future



## OUR STRATEGY



## CRITICAL SUCCESS FACTORS

- Enhance operational excellence: safe, environmentally responsible, reliable and cost effective operations
- Create operating leverage: revitalized steelmaking assets with improved operational performance
- Invest in technology: cost structure and product capabilities to serve attractive markets

1

Move Down the Cost Curve

2

Win in Attractive Markets

3

Move Up the Talent Curve



# Positions the Mon Valley to Compete and Win



## Expands Structural Cost Advantage at Mon Valley by \$35/ton



Improves yields significantly



Requires less externally purchased energy



Creates more efficient staffing



Improves overall operating efficiency

## Greater Footprint Optionality



Expands ability to serve a broader range of markets and customers



Facilitates improved product loading at other flat-rolled facilities to maximize product mix and margins



Adds third production site with AHSS capabilities



Improves ability to efficiently schedule and execute planned outages for routine maintenance and facility upgrades



# A Cogen Improves Our Environmental Performance and Energy Efficiency



## Cogeneration Facility



- A cogeneration facility converts process off-gas to electricity and steam
- Upon commissioning of the new endless casting and rolling facility, excess coke oven gas will be converted to electricity and steam using the cogeneration facility

Capex ~\$150-\$200M

## Environmental Benefits



Improves the energy efficiency of the Mon Valley Works Complex



Significantly reduces air emissions and significantly improves overall environmental performance of our operations across the Mon Valley Works Complex



Results in the elimination of some third party electricity purchases, reducing our carbon footprint

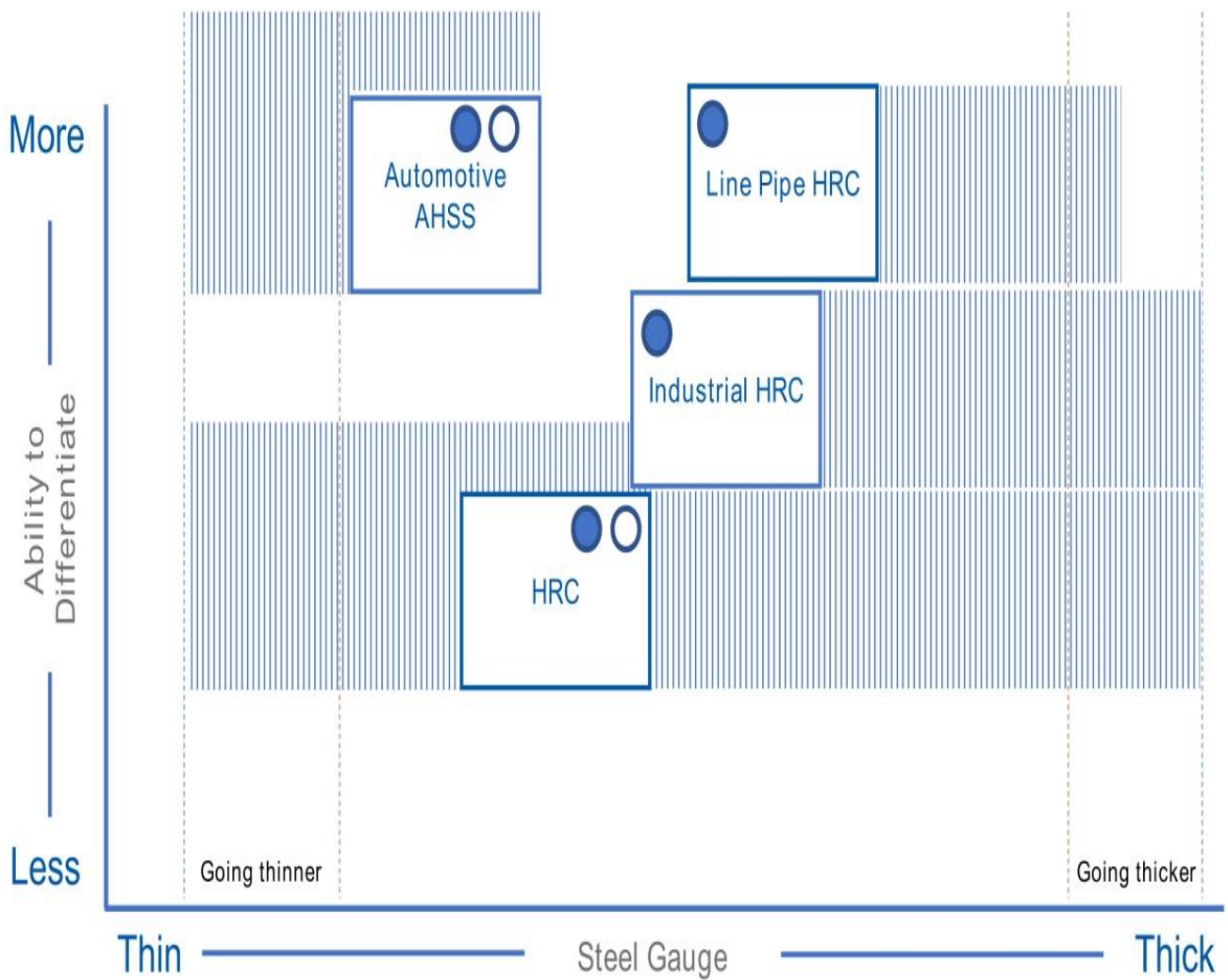


United States Steel Corporation

# Creating New Boundaries Through Dimensions and Differentiation



Investment: ● Asset Revitalization ○ Endless Casting and Rolling New Boundaries: 





# Proactively De-Risked Our Debt Maturity Profile



Maturity profile significantly extended



## 2025

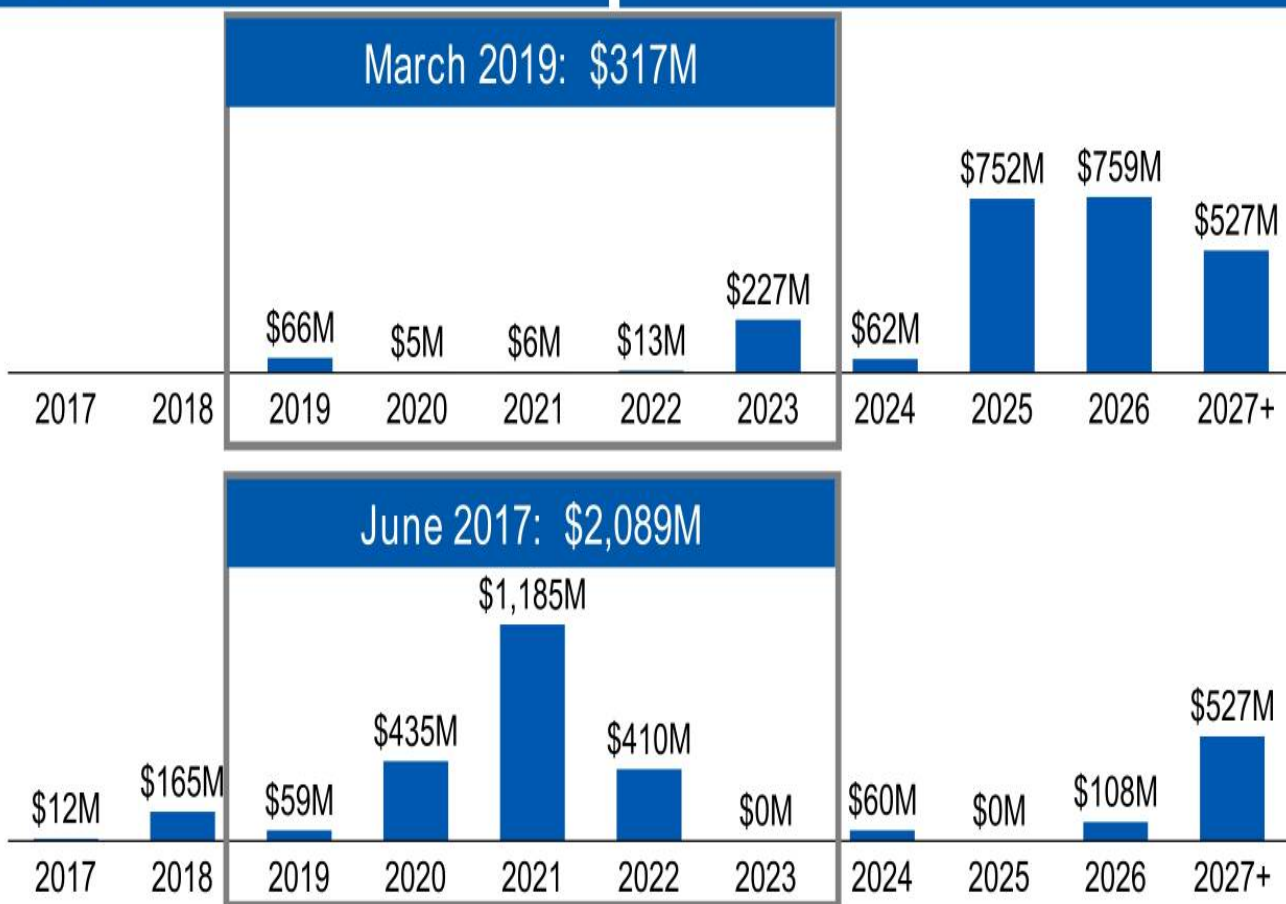
next significant Debt maturity

Reduction in near-term maturities



## ~\$1.8B

Reduction in near-term maturities



# A Compelling Investment Supported by Flexible Financing



~\$1.2B  
capital  
investment<sup>1</sup>

15+  
return on  
investment



Opportunistically optimize financing with a combination of the following:

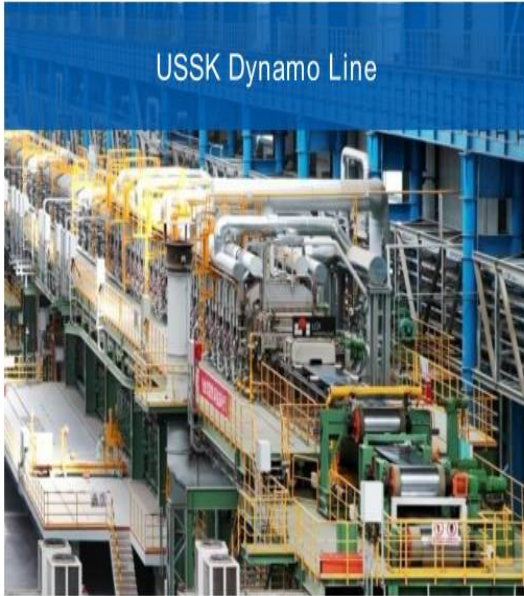
- Vendor-supported financing
- Senior unsecured notes
- Cash / ABL

----- Investment horizon & associated capex -----

----- Potential financing -----

<sup>1</sup>Includes \$150-\$200M for a cogeneration facility at Clairton

# Technology investments expected to drive significant EBITDA accretion



USSK Dynamo Line



Tubular EAF



Endless Casting and Rolling

EBITDA benefits from technology investments



3-4 years out

~\$390M

EBITDA opportunity

USSK Dynamo Line

~\$130M Capex  
2021 EBITDA

Completion of Tubular EAF  
~\$280M<sup>1</sup> Capex  
2021 EBITDA

Mon Valley Endless Casting and Rolling Line  
~\$1,200M Capex  
2023 EBITDA

~\$390M

~\$35M

~\$80M

~\$275M

EBITDA Contribution from Strategic Projects



United States Steel Corporation

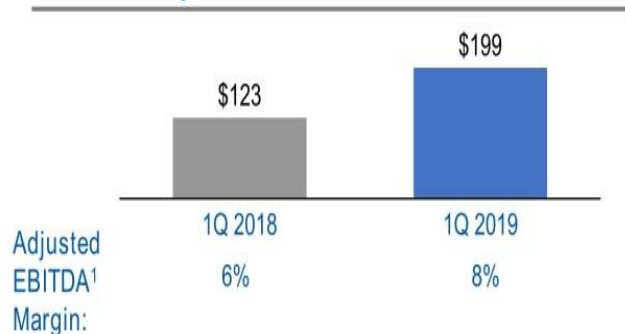
<sup>1</sup> Excludes the sunk cost from work completed before the pause in construction. Includes costs associated with upgrades to the rounds caster. \$280M includes the addition of the air separation unit to the remaining cost of the project.



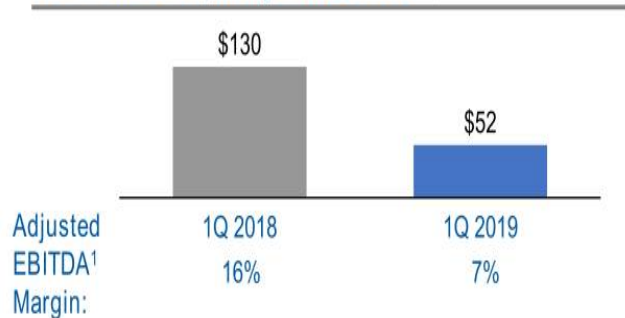
# First Quarter 2019 Financial Highlights



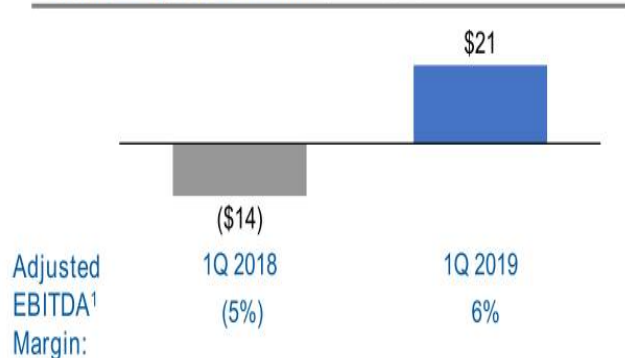
Flat-rolled Adjusted EBITDA<sup>1</sup> \$ Millions



U. S. Steel Europe Adjusted EBITDA<sup>1</sup> \$ Millions



Tubular Adjusted EBITDA<sup>1</sup> \$ Millions



- Total first quarter adjusted EBITDA<sup>1</sup> of \$285 million
- Year-over-year adjusted EBITDA<sup>1</sup> improvement of \$30 million
- Quarter performance ~\$60M better than our expectations
  - Flat-rolled: Stronger
  - U. S. Steel Europe: In-line
  - Tubular: Stronger
- Adjusted EPS<sup>2</sup> of \$0.47



**United States Steel Corporation**

<sup>1</sup> Earnings before interest, income taxes, depreciation and amortization; <sup>2</sup> Earnings per diluted share  
 Note: For reconciliation of non-GAAP amounts see Appendix.



- Strong 1Q financial performance
- Game changing investment at the Mon Valley
- Other technology investments expected to drive a significant expansion in margins



Q & A





# Closing Remarks

# Reconciliation of reported and adjusted diluted EPS



<u>(\$ / share )</u>	<u>1Q 2018</u>	<u>1Q 2019</u>
Reported diluted EPS	\$0.10	\$0.31
Clairton coke making facility fire	—	0.16
Loss on debt extinguishment and other related costs	0.27	—
Granite City Works temporary idling charges	(0.05)	—
<hr/> Adjusted earnings per diluted share	<hr/> \$0.32	<hr/> \$0.47

# Reconciliation of segment EBITDA



Segment EBITDA – Flat-Rolled (\$ millions)	<u>1Q 2018</u>	<u>1Q 2019</u>
Segment earnings before interest and income taxes	\$33	\$95
Depreciation	90	104
Flat-Rolled Segment EBITDA	\$123	\$199
Segment EBITDA – U. S. Steel Europe (\$ millions)	<u>1Q 2018</u>	<u>1Q 2019</u>
Segment earnings before interest and income taxes	\$110	\$29
Depreciation	20	23
U. S. Steel Europe Segment EBITDA	\$130	\$52
Segment EBITDA – Tubular (\$ millions)	<u>1Q 2018</u>	<u>1Q 2019</u>
Segment earnings before interest and income taxes	(\$27)	\$10
Depreciation	13	11
Tubular Segment EBITDA	(\$14)	\$21



# Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>1Q 2018</u>	<u>1Q 2019</u>
Reported net earnings attributable to U. S. Steel	\$18	\$54
Income tax provision	1	8
Net interest and other financial costs	118	49
<hr/>		
Reported earnings before interest and income taxes	\$137	\$111
Depreciation, depletion and amortization expense	128	143
<hr/>		
EBITDA	\$265	\$254
Clairton coke making facility fire	—	31
Granite City Works temporary idling charges	(10)	—
<hr/>		
Adjusted EBITDA	\$255	\$285



## INVESTOR RELATIONS

Kevin Lewis  
General Manager



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Eric Linn  
Manager



412-433-2385



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