

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): August 2, 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(s)	Name of each exchange on which registered
Common Stock	X	New York Stock Exchange Chicago Stock Exchange

Item 7.01. Regulation FD Disclosure.

On August 2, 2019, United States Steel Corporation (the "Corporation") posted to its website a presentation related to the Corporation's financial results for the second quarter 2019. The presentation will be used in connection with the conference call the Corporation will hold on August 2, 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](#) Second Quarter Earnings Call Presentation

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: August 2, 2019



Second Quarter 2019

Earnings Call

David Burritt
President and Chief Executive Officer

Kevin Bradley
Executive Vice President and Chief Financial Officer

Kevin Lewis
General Manager, Investor Relations

August 2, 2019

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 second 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 changes, share of sales and earnings per share changes, 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 items such as the December 24, 2018 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, 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 (Adjustment Items). Adjusted EBITDA is also a non-GAAP measure that excludes certain Adjustment Items. 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



Second Quarter 2019 Results

- 2Q adjusted EBITDA: \$278 million
- Flat-rolled: strong execution in the face of logistic challenges; temporarily idled blast furnace capacity to align with order book
- U. S. Steel Europe: market pressures continue
- Tubular: execution on #1 mill restart and EAF construction

Execution Update

- Completed important planned outages ... on time and on budget
- Advanced strategic projects ... on time and on budget with annual EBITDA benefits of nearly \$400M over the next 3-4 years
- Adding capability – not capacity – with many options available to fund strategy execution

Three Elements of Execution



1

Improve Reliability

Improvements in reliability to generate throughput and efficiency benefits

2

Execute Planned Outages

Strong execution positions us to extract value from investments

3

Reduce Capital Intensity

Post investment horizon ... optimization of sustaining capex and maintenance and outage (M&O)

Improvements in reliability to generate throughput and efficiency benefits



1 ¹/₂ months

increased production on constrained units from improved reliability¹



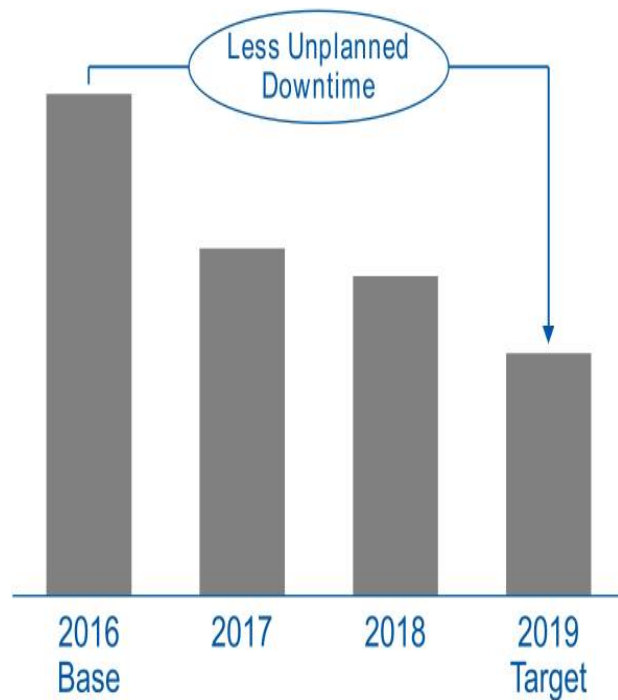
\$200M

annual EBITDA opportunity from improved reliability as part of Asset Revitalization²

Less Unplanned Downtime

on Constrained Assets

■ Unplanned Downtime in Days



Improve Reliability



Execute Planned Outages



Reduce Capital Intensity



United States Steel Corporation

¹ Fewer unplanned downtime at each Asset Revitalization steelmaking facility's constrained unit.

² Commercial benefits plus operational efficiencies. This represents \$200 million of the annual \$275 - \$325 million end of program Asset Revitalization EBITDA targeted benefits.

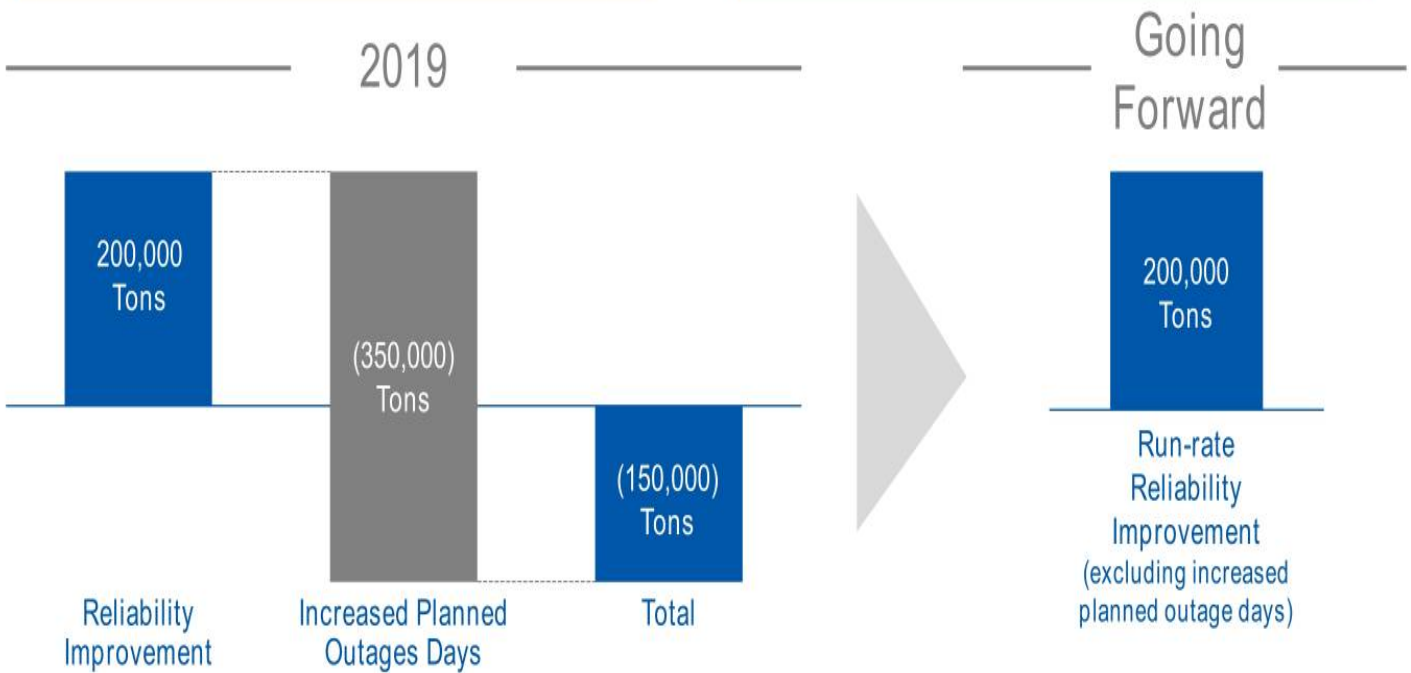
Strong execution positions us to extract value from investments at the Mon Valley BOP



- 85% of Mon Valley BOP Asset Revitalization work complete
- Source of high quality, low cost liquid steel for future endless casting and rolling line



- 200k additional tons on a key constrained asset
- Significant improvement in Standard Overall Equipment Effectiveness (SOEE) losses

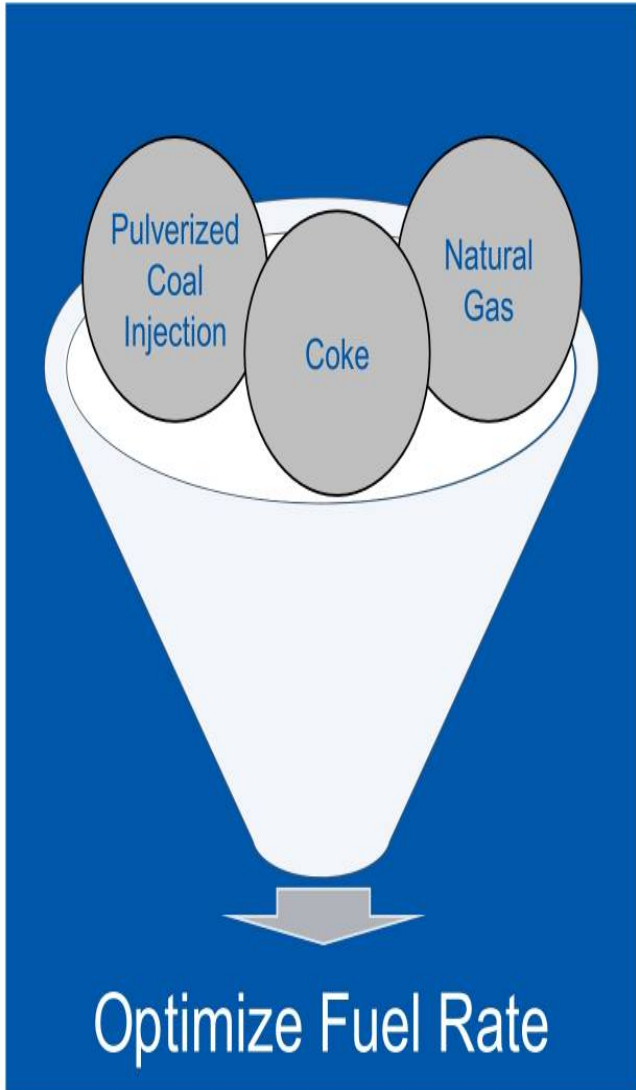


Improve Reliability

Execute Planned Outages

Reduce Capital Intensity

Strong execution positions us to extract value from investments at the Gary BF #14



- Suite of initiatives to optimize blast furnace fuel rates at Gary Works
- Enabled by investment in furnace staves
- First upgrades completed in March; final set of replacements in 2H 2019
- Increases use of PCI to displace coke and natural gas

+\$5M
YTD Benefit

Improve Reliability

Execute Planned Outages

Reduce Capital Intensity

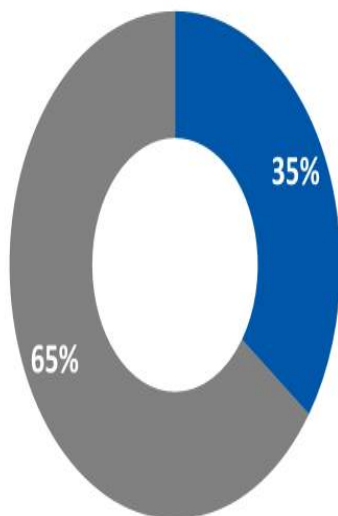
Post investment horizon ... optimization of sustaining capex and M&O



Current Investment Mix

\$2.5 Billion

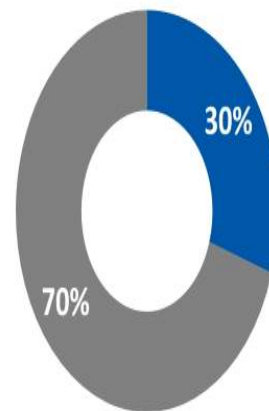
Sustaining Capex + Maintenance & Outage Expense¹



After Strategic Investments Mix

\$1.9 Billion

Sustaining Capex + Maintenance & Outage Expense¹



■ Sustaining Capital Spending
■ Maintenance & Outage Expense

~25% optimization
after the completion of strategic investments



Improve Reliability



Execute Planned Outages



Reduce Capital Intensity



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¹ Total enterprise amount

Executing strategic investments in line with expectations



● On track
 ● At risk
 ● Off track

	Technology Investments	Investment	Run-Rate EBITDA	Execution Status
①	Mon Valley Endless Casting & Rolling (2019 – 2022 investment)	\$1,200M	\$275M	●
②	Tubular EAF (2019 – 2020 investment)	\$280M	\$80M	●
③	USSK Dynamo Line (2019 – 2020 investment)	\$130M	\$35M	●
TOTAL		\$1,610M	\$390M	

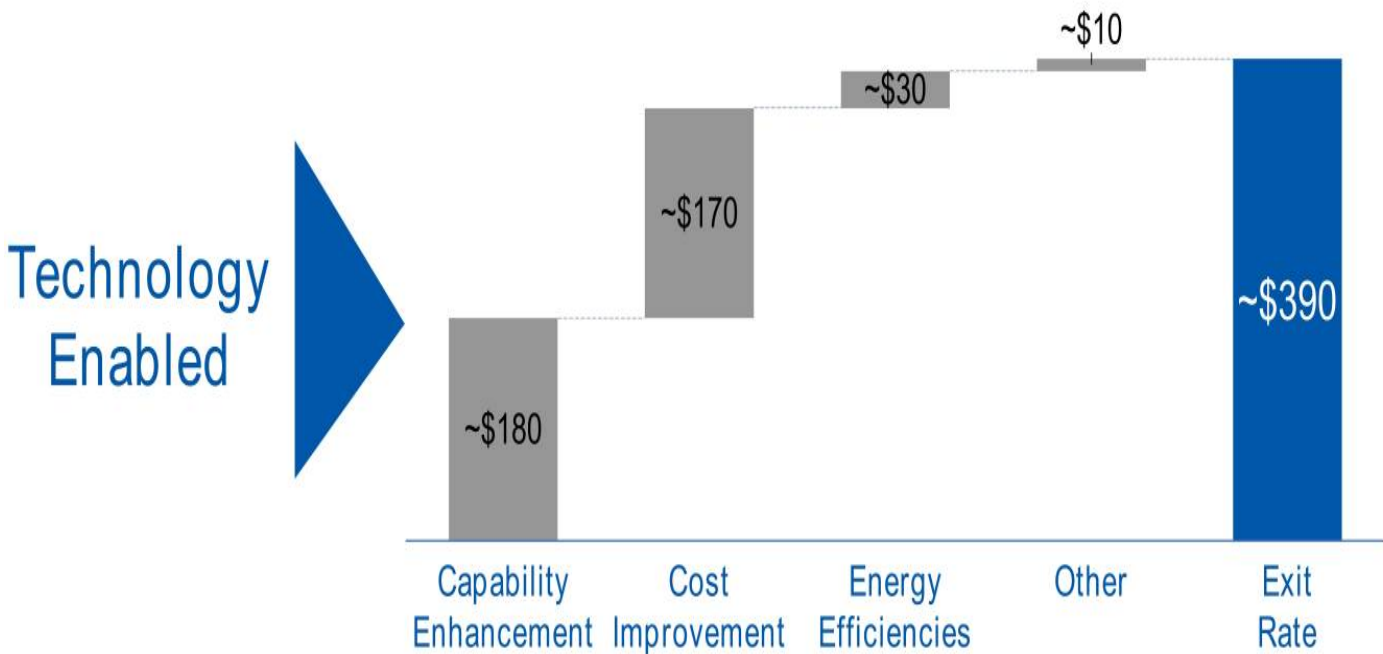
Compelling return on investment from strategic projects

Investments in technology generate balanced benefit streams to de-risk value realization



Run Rate EBITDA Contribution from Strategic Projects

\$ in millions



① Mon Valley Endless Casting & Rolling



② Tubular EAF

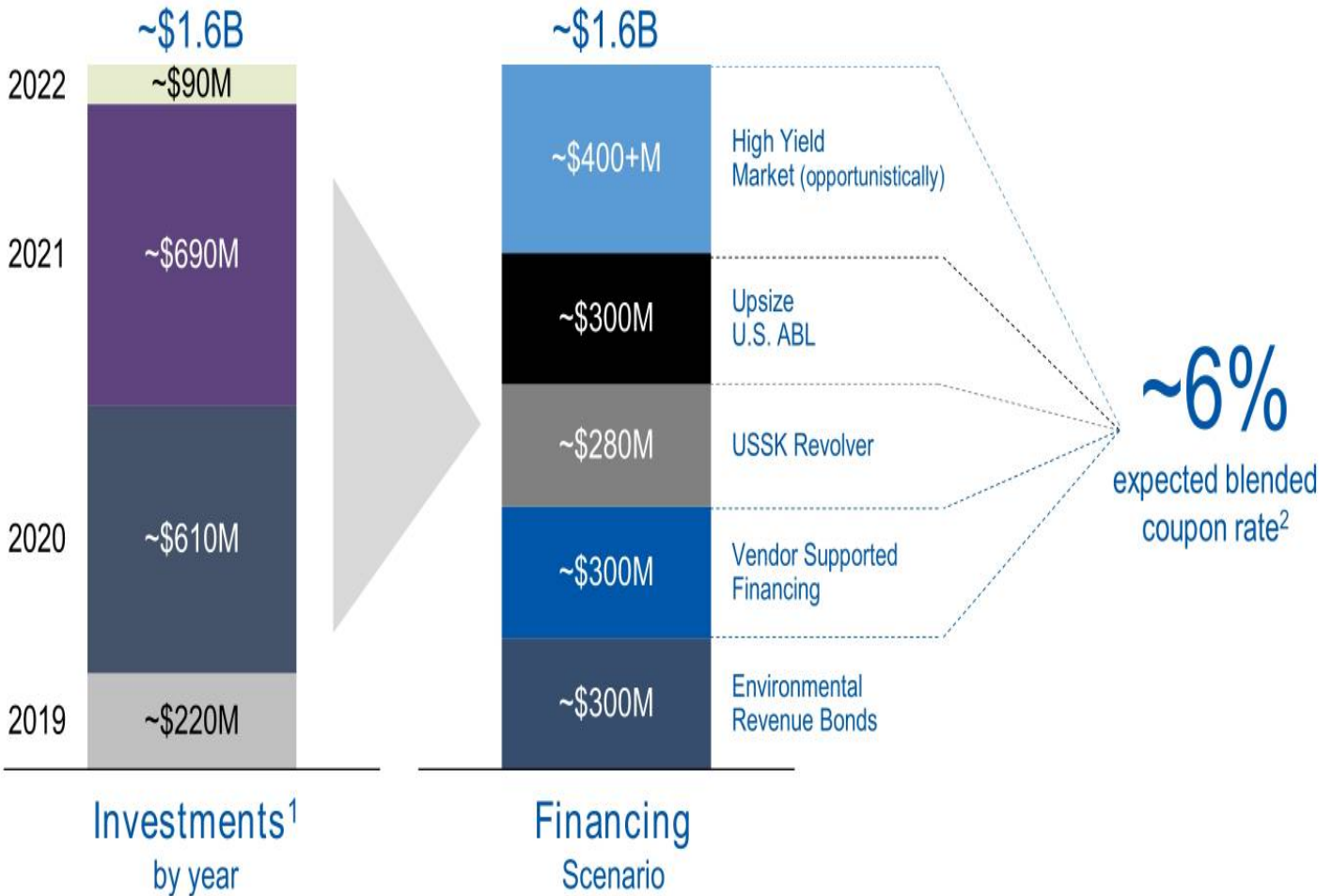


③ USSK Dynamo Line



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Options available to fund our strategic investments



Flexible and efficient sources of financing

Note: The financing options above are illustrative, and the ultimate sources of financing may differ materially from those above, based on market conditions.



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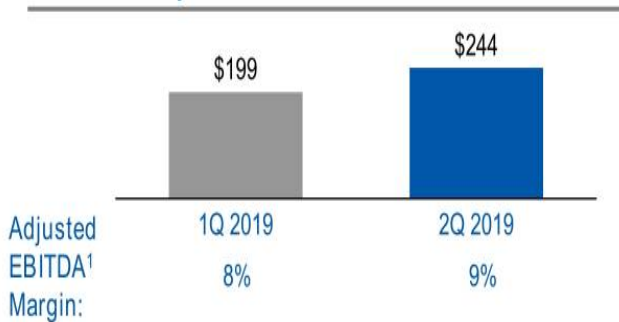
¹ Includes EAF, Dynamo Line and Endless Casting and Rolling

² ~\$880M is variable rate based on exposure to EURIBOR / LIBOR; calculation assumes rates as of July 2019

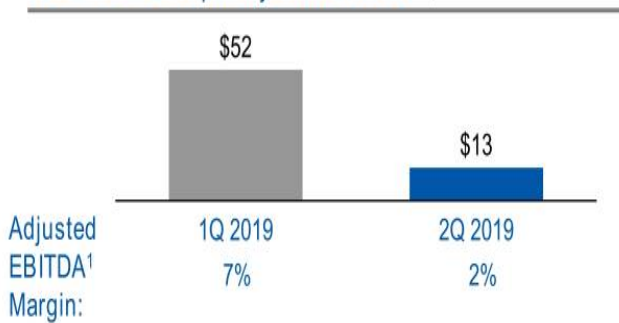
Second Quarter 2019 Financial Highlights



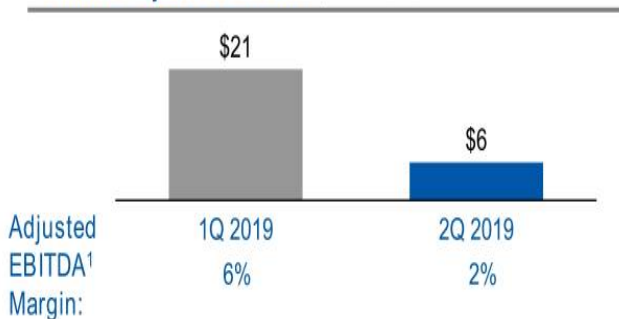
Flat-rolled Adjusted EBITDA¹ \$ Millions



U. S. Steel Europe Adjusted EBITDA¹ \$ Millions



Tubular Adjusted EBITDA¹ \$ Millions



- Total second quarter adjusted EBITDA¹ of \$278 million
- Quarter-over-quarter Flat-rolled EBITDA¹ improvement of \$45 million
- Quarter performance ~\$30M better than our expectations
 - Flat-rolled: Stronger
 - U. S. Steel Europe: In-line
 - Tubular: In-line
- Adjusted EPS² of \$0.45



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



- Strong execution despite continued challenges
- Keeping the business nimble
- Maintaining focus to execute long-term strategy



Q & A



Closing Remarks

Reconciliation of reported and adjusted diluted EPS



<u>(\$ / share)</u>	<u>1Q 2019</u>	<u>2Q 2019</u>
Reported diluted EPS	\$0.31	\$0.39
December 24, 2018 Clairton coke making facility fire	0.16	0.06
Adjusted earnings per diluted share	\$0.47	\$0.45

Reconciliation of segment EBITDA



Segment EBITDA – Flat-rolled (\$ millions)	<u>1Q 2019</u>	<u>2Q 2019</u>
Segment earnings before interest and income taxes	\$95	\$134
Depreciation	104	110
Flat-rolled Segment EBITDA	\$199	\$244
Segment EBITDA – U. S. Steel Europe (\$ millions)	<u>1Q 2019</u>	<u>2Q 2019</u>
Segment earnings before interest and income taxes	\$29	(\$10)
Depreciation	23	23
U. S. Steel Europe Segment EBITDA	\$52	\$13
Segment EBITDA – Tubular (\$ millions)	<u>1Q 2019</u>	<u>2Q 2019</u>
Segment earnings before interest and income taxes	\$10	(\$6)
Depreciation	11	12
Tubular Segment EBITDA	\$21	\$6

Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>1Q 2019</u>	<u>2Q 2019</u>
Reported net earnings attributable to U. S. Steel	\$54	\$68
Income tax provision	8	(7)
Net interest and other financial costs	49	54
<hr/>		
Reported earnings before interest and income taxes	\$111	\$115
Depreciation, depletion and amortization expense	143	150
<hr/>		
EBITDA	\$254	\$265
December 24, 2018 Clairton coke making facility fire	31	13
<hr/>		
Adjusted EBITDA	\$285	\$278



INVESTOR RELATIONS

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General Manager



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Eric Linn
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