

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 1, 2020

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
Common Stock	X	Chicago Stock Exchange

Item 7.01. Regulation FD Disclosure

On May 1, 2020, United States Steel Corporation (the "Corporation") posted to its website a presentation related to the Corporation's financial results for the first quarter 2020. The presentation will be used in connection with the conference call the Corporation will hold on May 1, 2020 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.

The slide presentation referenced in Item 7.01 is furnished with this current report on Form 8-K as Exhibit 99.1.

(d) Exhibits

[99.1](#) First Quarter 2020 Earnings Call Slides

104 Cover page interactive data file (embedded within the inline XBRL document exhibit 101).

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/ Manpreet S. Grewal
Manpreet S. Grewal
Vice President & Controller

Dated: May 1, 2020



First Quarter 2020

Earnings Call

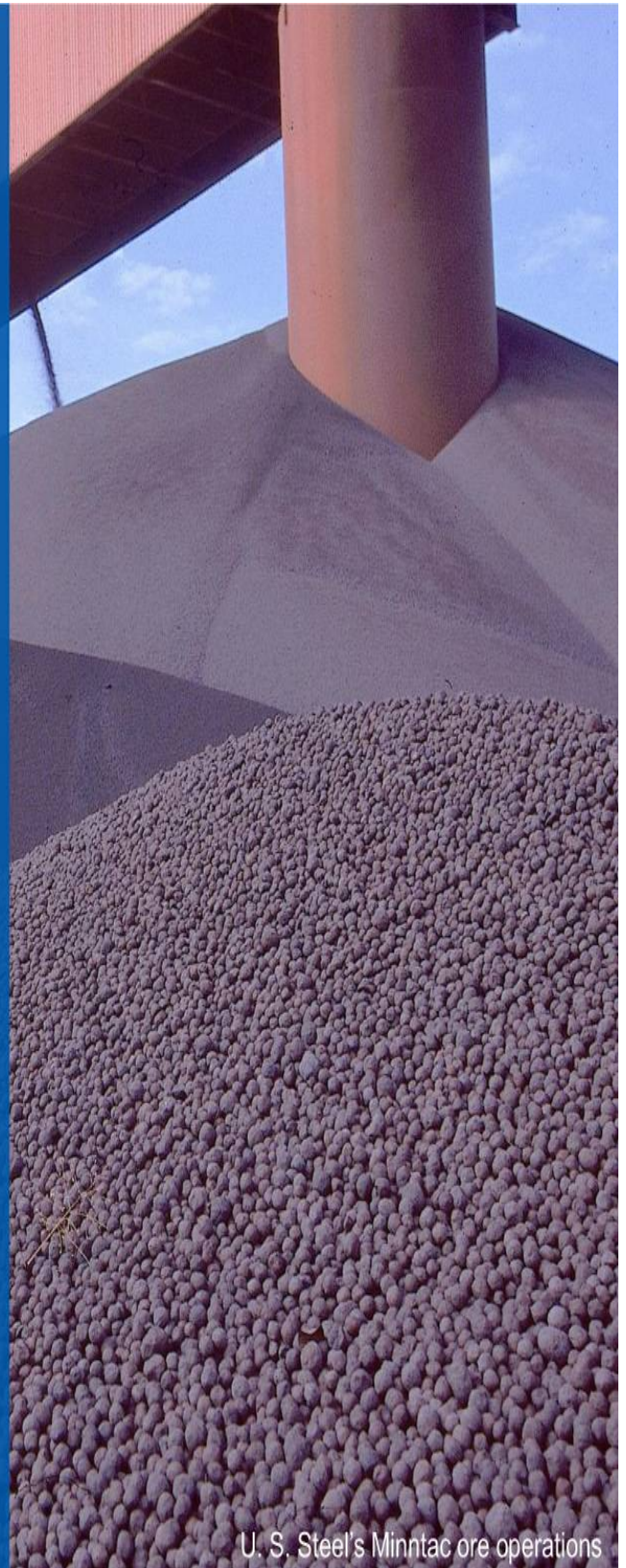
David Burritt
President and Chief Executive Officer

Christie Breves
Senior Vice President and Chief Financial Officer

Rich Fruehauf
Senior Vice President, Chief Strategy
and Development Officer

Kevin Lewis
Vice President, Investor Relations and Corporate FP&A

May 1, 2020



U. S. Steel's Minntac ore operations

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 of 2020. 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," "may" 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, anticipated cost savings, potential capital and operational cash improvements, U. S. Steel's future ability or plans to take ownership of the Big River Steel joint venture as a wholly owned subsidiary, 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 risks related to the satisfaction of the conditions of creating the joint venture with Stelco in the anticipated timeframe or at all and the possibility that the option will not be exercised by Stelco, possible production or operations interruptions related to the novel coronavirus (COVID-19) pandemic that could disrupt supply or delivery of, or demand for, the Company's products, as well as the risks and uncertainties described in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, 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 asset impairments, restructuring and other charges, the December 24, 2018 Clairton coke making facility fire, the Big River Steel options mark to market, the impact of the tax valuation allowance, and significant gains (losses) on the sale or purchase of ownership interests in equity investees, restart and related costs associated with Granite City Works, and debt extinguishment and other related costs 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 adjustment items 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 adjustment 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.

Comprehensive response to COVID-19



1 Protecting lives and livelihoods

Guided by our S.T.E.E.L. Principles

2 Prioritizing cash and liquidity

Sufficient balance sheet strength to navigate the current environment

3 **“Best of both” strategy remains the future**

Demonstrating flexibility to be prepared to invest in a recovery

4 Swift and meaningful actions

Short-term actions to ensure long-term strategy execution

Protecting lives and livelihoods



Following and exceeding CDC¹ COVID-19 guidelines

Examples include:



Distributed additional cleaning supplies throughout plants



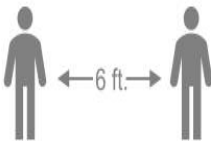
Regular cleaning frequency of high-traffic areas, surfaces and common areas



Installed additional wash stations and added hand sanitizer to entrances/exits



Limiting outside visitors to our facilities, restricting access for non-essential vendors, suppliers and contractors



Actively managing physical distancing while at work, including no meetings or gatherings of greater than 10 individuals



Issuing weekly communication, including preventive tips, and launched dedicated website for employees and their families



United States Steel Corporation

¹ Centers for Disease Control and Prevention

Prioritizing cash and liquidity sufficient balance sheet strength



Total Liquidity as of March 31, 2020



Cash (\$1,350M)

U.S. ABL (\$300M)

USSK Facilities (\$152M)

UPI ABL (\$13M)



\$800 million
precautionary ABL draw



\$1.4 billion
secured debt capacity



United States Steel Corporation

Prioritizing cash and liquidity better-positioned for current market dynamics



Reshaped
Footprint



More efficient footprint
focused on cost or
capability advantages

Improved
Balance Sheet



No material notes
maturities until 2025

Improved cash
performance



Efficiencies and cost
improvements and
industry-leading CCC¹

Executing
Strategy



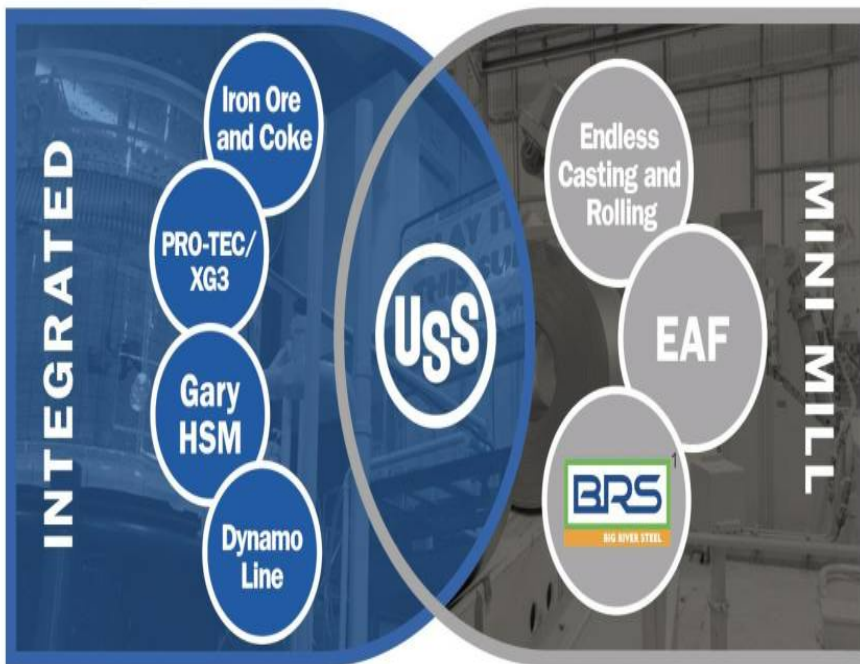
Demonstrating flexibility to
execute long-term strategy



United States Steel Corporation

¹ Cash conversion cycle

“Best of both” strategy remains the future



- ✓ World competitive positioning in strategic, high-margin end markets
- ✓ Unparalleled product platform to serve customers
- ✓ Big River will unlock value across our entire footprint

Transforms business to drive long term cash flow through industry cycles



United States Steel Corporation

¹ Following U. S. Steel's acquisition of the remaining 50.1% interest in Big River Steel within the next three and a half years.

Swift and meaningful actions



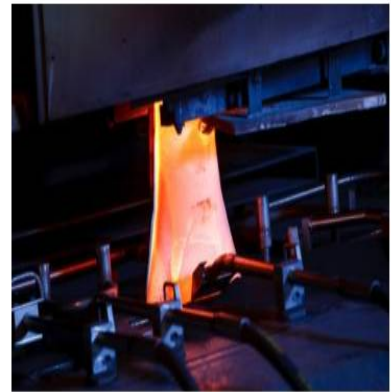
Taking action ...



**... to fortify the
balance sheet**



**... to align our
operating footprint**



**... to demonstrate
flexibility**

Swift and meaningful actions operations update



OPERATIONS ADJUSTMENTS

North American
Flat-rolled

~65%
of raw steel
capacity idled

Tubular

~60%
of production
capacity idled

U. S. Steel Europe

~35%
of raw steel
capacity idled²



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¹ Indefinitely Idled – iron and steelmaking; hot strip mill by end of 2020; Continue Operating – pickle line, cold mill, sheet temper mill, continuous galvanizing line, annealing

² U. S. Steel Europe – 1 of 3 blast furnaces idled

³ All or most of Lorain Tubular Operations to be indefinitely idled

Strategic projects status



Strategic Projects

Status Details

EAF at Tubular

On track to complete in the second half of 2020

Endless Casting and Rolling at Mon Valley

Project delayed for an indeterminate period of time

Gary Hot Strip Mill

Remaining upgrades delayed for an indeterminate period of time

Dynamo Line at USSK

Project delayed for an indeterminate period of time

Big River Steel remains our top strategic priority

Monetizing excess iron ore pellets



\$100M

Cash in 2020



Option for Stelco to purchase 25% stake in Minntac until January 31, 2027

\$500M

Incremental cash opportunity



Additional \$500 million received if option is exercised

\$2.4B

Implied value



Validates value of competitive advantage

Executing on our strategic objective to monetize iron ore assets to bolster liquidity and support strategy execution



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More resilient compared to prior downturns



- ✓ Focused footprint
- ✓ Improved EBITDA margins
- ✓ Significant improvement in cash conversion
- ✓ Long-term debt maturities
- ✓ Improved pension & OPEB funded status
- ✓ Sufficient liquidity position

\$500 million cash savings



Actions taken to ensure strategy execution

✓ Protecting the lives and livelihoods of our employees

✓ North American Flat-rolled footprint actions

✓ Tubular footprint actions

✓ 2020 capital spending actions

✓ Balance sheet actions

Focused on cash and liquidity



Daily cash calls



Plant control towers



HQ control towers

~\$500 million

Primarily from footprint actions, cost controls and fixed cost reductions



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Sufficient cash and liquidity

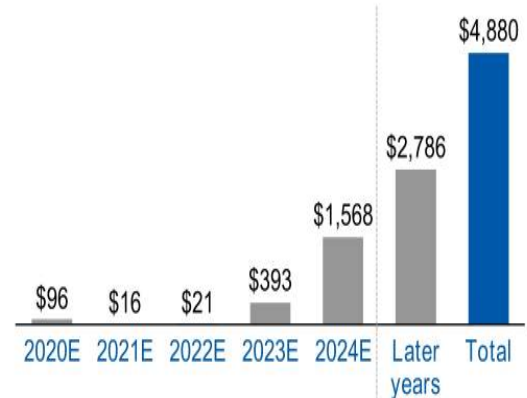


- ✓ Sufficient liquidity on balance sheet
- ✓ Low cost of debt <6.5%
- ✓ No near-term debt maturities
- ✓ No pension / OPEB mandatory contribution requirements in the near term
- ✓ Prudent capital preservation actions

Sufficient liquidity

- \$1.8 billion of total liquidity
 - Includes \$1.4B of cash
- \$100 million of additional cash through Minntac agreement
- \$1.4 billion of secured capacity

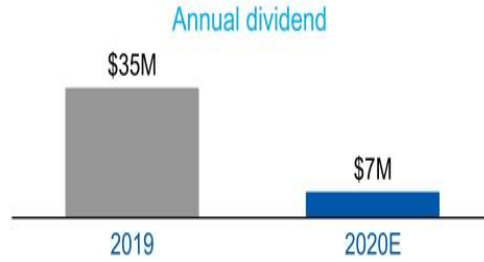
Current debt maturity profile



Taking action to ensure “best of both” strategy execution

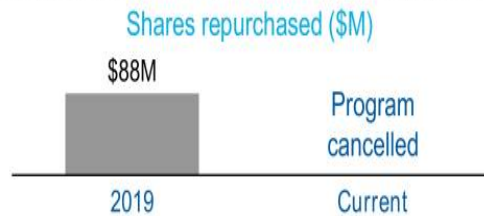


Dividend reduced



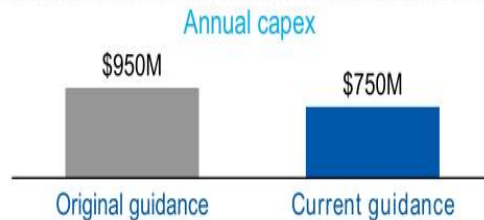
~\$28M
annual savings

Share repurchase program cancelled



~\$88M
total savings

Capex reduction



~\$200M
2020E savings

Revolver upsize



Increased
available
liquidity

~\$315 million in 2020E cash savings

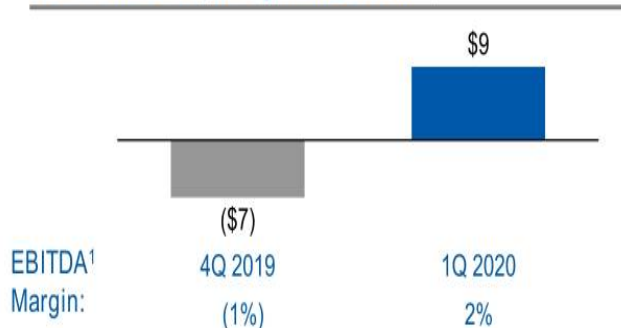
First quarter 2020 financial highlights



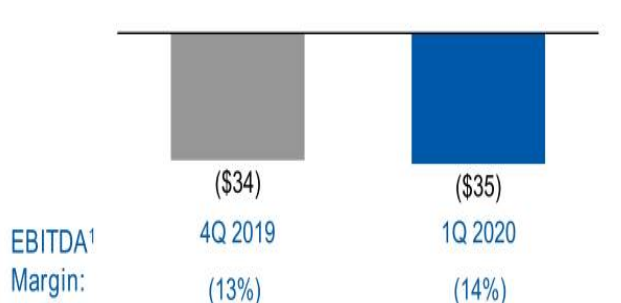
Flat-rolled Segment EBITDA¹ \$ Millions



U. S. Steel Europe Segment EBITDA¹ \$ Millions



Tubular Segment EBITDA¹ \$ Millions



- Total first quarter adjusted EBITDA¹ of \$64 million, ahead of our guidance on March 20
- Quarter performance ~\$34 million better than our expectations
 - Flat-rolled: Stronger
 - U. S. Steel Europe: Stronger
 - Tubular: Weaker
- Aggressive cost cutting in response to COVID-19
- Liquidity of \$1,815 million
- Cash and cash equivalents total \$1,350 million



United States Steel Corporation

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



- Protecting lives and livelihoods
- Prioritizing cash and liquidity
- **“Best of both” strategy remains the future**
- Swift and meaningful actions



Q & A



Closing Remarks

Reconciliation of segment EBITDA



Segment EBITDA – Flat-rolled (\$ millions)	<u>4Q 2019</u>	<u>1Q 2020</u>
Segment earnings before interest and income taxes	(\$79)	(\$35)
Depreciation	121	121
<hr/>		
Flat-rolled Segment EBITDA	\$42	\$86
Segment EBITDA – U. S. Steel Europe (\$ millions)	<u>4Q 2019</u>	<u>1Q 2020</u>
Segment earnings before interest and income taxes	(\$30)	(\$14)
Depreciation	23	23
<hr/>		
U. S. Steel Europe Segment EBITDA	(\$7)	\$9
Segment EBITDA – Tubular (\$ millions)	<u>4Q 2019</u>	<u>1Q 2020</u>
Segment earnings before interest and income taxes	(\$46)	(\$48)
Depreciation	12	13
<hr/>		
Tubular Segment EBITDA	(\$34)	(\$35)

Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>4Q 2019</u>	<u>1Q 2020</u>
Reported net earnings attributable to U. S. Steel	(\$680)	(\$391)
Income tax provision	233	(19)
Net interest and other financial costs	71	35
<hr/>		
Reported earnings before interest and income taxes	(\$376)	(\$375)
Depreciation, depletion and amortization expense	162	160
<hr/>		
EBITDA	(\$214)	(\$215)
Tubular asset impairment charges	—	263
December 24, 2018 Clairton coke making facility fire	(3)	—
Restructuring and other charges	221	41
Gain on previously held investment in UPI	—	(25)
<hr/>		
Adjusted EBITDA	\$4	\$64



INVESTOR RELATIONS

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Vice President



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Eric Linn
Senior Manager



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