
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): July 30, 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 2.02. Results of Operations and Financial Condition

On July 30, 2020, United States Steel Corporation (the "Corporation") issued a press release announcing its financial results for second quarter 2020. 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 July 30, 2020, titled "United States Steel Corporation Reports Second Quarter 2020 Results" together with related unaudited financial information and statistics.

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: July 30, 2020



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FOR IMMEDIATE RELEASE:

UNITED STATES STEEL CORPORATION REPORTS SECOND QUARTER 2020 RESULTS

- **Net loss of \$589 million, or \$3.36 per diluted share**
- **Adjusted net loss of \$469 million, or \$2.67 per diluted share**
- **Adjusted EBITDA loss of \$264 million**
- **Liquidity of \$2.652 billion, including cash of \$2.300 billion**

PITTSBURGH, July 30, 2020 – United States Steel Corporation (NYSE: X) reported second quarter 2020 net loss of \$589 million, or \$3.36 per diluted share. Adjusted net loss was \$469 million, or \$2.67 per diluted share. This compares to second quarter 2019 net earnings of \$68 million, or \$0.39 per diluted share. Adjusted net earnings for second quarter 2019 were \$78 million, or \$0.45 per diluted share.

Earnings Highlights

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|----------|------------------|----------|
| | June 30, | | June 30, | |
| | 2020 | 2019 | 2020 | 2019 |
| <i>(Dollars in millions, except per share amounts)</i> | | | | |
| Net Sales | \$ 2,091 | \$ 3,545 | \$ 4,839 | \$ 7,044 |
| Segment (loss) earnings before interest and income taxes | | | | |
| Flat-Rolled | \$ (329) | \$ 134 | \$ (364) | \$ 229 |
| U. S. Steel Europe | (26) | (10) | (40) | 19 |
| Tubular | (47) | (6) | (95) | 4 |
| Other Businesses | (21) | 10 | (20) | 18 |
| Total segment (loss) earnings before interest and income taxes | \$ (423) | \$ 128 | \$ (519) | \$ 270 |
| Other items not allocated to segments | (109) | (13) | (388) | (44) |
| (Loss) earnings before interest and income taxes | \$ (532) | \$ 115 | \$ (907) | \$ 226 |
| Net interest and other financial costs | 62 | 54 | 97 | 103 |
| Income tax (benefit) provision | (5) | (7) | (24) | 1 |
| Net (loss) earnings | \$ (589) | \$ 68 | \$ (980) | \$ 122 |
| (Loss) earnings per diluted share | \$ (3.36) | \$ 0.39 | \$ (5.67) | \$ 0.70 |
| Adjusted net (loss) earnings ^(a) | \$ (469) | 78 | \$ (592) | 159 |
| Adjusted net (loss) earnings per diluted share ^(a) | \$ (2.67) | \$ 0.45 | \$ (3.43) | \$ 0.92 |
| Adjusted (loss) earnings before interest, income taxes, depreciation and amortization (EBITDA) ^(a) | \$ (264) | 278 | \$ (200) | 563 |

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

“Protecting lives and livelihoods remains our top priority,” said U. S. Steel President and Chief Executive Officer David B. Burritt. “We remain vigilant and continue to actively enforce our COVID-19 protocols, including working from home, where applicable, promoting physical distancing, limiting visitors to our sites, and continuing our enhanced cleaning activities. As a result of this intense focus, COVID-19 cases among our workforce remains significantly better than the general U.S. population.”

Burritt continued, “We are encouraged by the recovery in market conditions as automotive original equipment manufacturers (OEMs) are nearing normalized production levels and healthy order activity has continued into the third quarter. Construction demand is exceeding our expectations and is expected to remain robust, particularly for value-add construction products. To ensure we continue to serve our customers, we restarted two blast furnaces to quickly respond to increasing activity and plan to restart an additional furnace at Gary Works on August 1. In Europe, demand is beginning to recover, in-line with the re-opening of the European continent.”

Commenting on the quarter, Burritt said, "We exceeded our second quarter guidance as North American Flat-rolled segment shipments meaningfully accelerated in the second half of June, resulting in better than expected production efficiencies and cost benefits across our mines and steel plants. Still, second quarter performance was impacted by COVID-19 and the nonrecurring costs associated with a significant portion of our steelmaking operations being idled in the quarter. We are encouraged by the accelerating pace of incoming orders across our steelmaking and sheet finishing facilities. While a portion of operating inefficiencies will continue to impact third quarter performance, we are confident that the second quarter was the trough for the year."

The Company will conduct a conference call on second quarter 2020 earnings on Friday, July 31, 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 July 31.

UNITED STATES STEEL CORPORATION
PRELIMINARY SUPPLEMENTAL STATISTICS (Unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------------|------------------|---------------|
| | June 30, | | June 30, | |
| | 2020 | 2019 | 2020 | 2019 |
| OPERATING STATISTICS | | | | |
| Average realized price: (\$/net ton unless otherwise noted) ^(a) | | | | |
| Flat-Rolled | 721 | 779 | 715 | 789 |
| U. S. Steel Europe | 632 | 652 | 620 | 661 |
| U. S. Steel Europe (€/net ton) | 575 | 580 | 563 | 585 |
| Tubular | 1,288 | 1,524 | 1,285 | 1,537 |
| Steel shipments (thousands of net tons): ^(a) | | | | |
| Flat-Rolled | 1,790 | 2,804 | 4,299 | 5,529 |
| U. S. Steel Europe | 610 | 1,004 | 1,411 | 2,068 |
| Tubular | 132 | 195 | 319 | 402 |
| Total Steel Shipments | 2,532 | 4,003 | 6,029 | 7,999 |
| Intersegment steel (unless otherwise noted) shipments (thousands of net tons): | | | | |
| Flat-Rolled to Tubular | 9 | 52 | 101 | 133 |
| Flat-Rolled to U. S. Steel Europe (iron ore pellets and fines) | 225 | 189 | 225 | 189 |
| Raw steel production (thousands of net tons): | | | | |
| Flat-Rolled | 1,468 | 2,984 | 4,616 | 6,059 |
| U. S. Steel Europe | 645 | 1,148 | 1,527 | 2,307 |
| Raw steel capability utilization: ^(b) | | | | |
| Flat-Rolled | 35 % | 70 % | 54 % | 72 % |
| U. S. Steel Europe | 52 % | 92 % | 61 % | 93 % |
| CAPITAL EXPENDITURES (dollars in millions) | | | | |
| Flat-Rolled | \$ 118 | \$ 254 | \$ 310 | \$ 501 |
| U. S. Steel Europe | 14 | 41 | 48 | 75 |
| Tubular | 40 | 29 | 94 | 48 |
| Other Businesses | 1 | 2 | 3 | 4 |
| Total | \$ 173 | \$ 326 | \$ 455 | \$ 628 |

(a) Excludes intersegment shipments.

(b) Based on annual raw steel production capability of 17.0 million net tons for Flat-Rolled and 5.0 million net tons for U. S. Steel Europe.

UNITED STATES STEEL CORPORATION
CONDENSED STATEMENT OF OPERATIONS (Unaudited)

| (Dollars in millions, except per share amounts) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|--------------|------------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| NET SALES | \$ 2,091 | \$ 3,545 | \$ 4,839 | \$ 7,044 |
| OPERATING EXPENSES (INCOME): | | | | |
| Cost of sales (excludes items shown below) | 2,274 | 3,227 | 4,879 | 6,399 |
| Selling, general and administrative expenses | 62 | 82 | 134 | 160 |
| Depreciation, depletion and amortization | 159 | 150 | 319 | 293 |
| Loss (earnings) from investees | 39 | (28) | 47 | (37) |
| Tubular asset impairment charges | — | — | 263 | — |
| Gain on equity investee transactions | — | — | (31) | — |
| Restructuring and other charges | 89 | — | 130 | — |
| Net loss on sale of assets | — | — | — | 4 |
| Other losses, net | — | (1) | 5 | (1) |
| Total operating expenses | 2,623 | 3,430 | 5,746 | 6,818 |
| EARNINGS BEFORE INTEREST AND INCOME TAXES | (532) | 115 | (907) | 226 |
| Net interest and other financial costs | 62 | 54 | 97 | 103 |
| EARNINGS BEFORE INCOME TAXES | (594) | 61 | (1,004) | 123 |
| Income tax (benefit) provision | (5) | (7) | (24) | 1 |
| Net (loss) earnings | (589) | 68 | (980) | 122 |
| Less: Net earnings (loss) attributable to noncontrolling interests | — | — | — | — |
| NET (LOSS) EARNINGS ATTRIBUTABLE TO UNITED STATES STEEL CORPORATION | \$ (589) | \$ 68 | \$ (980) | \$ 122 |
| COMMON STOCK DATA: | | | | |
| Net (loss) earnings per share attributable to | | | | |
| United States Steel Corporation stockholders: | | | | |
| Basic | \$ (3.36) | \$ 0.39 | \$ (5.67) | \$ 0.71 |
| Diluted | \$ (3.36) | \$ 0.39 | \$ (5.67) | \$ 0.70 |
| Weighted average shares, in thousands | | | | |
| Basic | 175,327 | 171,992 | 172,775 | 172,613 |
| Diluted | 175,327 | 172,512 | 172,775 | 173,475 |
| Dividends paid per common share | \$ 0.01 | \$ 0.05 | \$ 0.02 | \$ 0.10 |

UNITED STATES STEEL CORPORATION
CONDENSED CASH FLOW STATEMENT (Unaudited)

| (Dollars in millions) | Six Months Ended June 30, | |
|--|------------------------------|---------------|
| | 2020 | 2019 |
| Cash (used in) provided by operating activities: | | |
| Net (loss) earnings | \$ (980) | \$ 122 |
| Depreciation, depletion and amortization | 319 | 293 |
| Tubular asset impairment charges | 263 | — |
| Gain on equity investee transactions | (31) | — |
| Restructuring and other charges | 130 | — |
| Pensions and other postretirement benefits | (10) | 55 |
| Deferred income taxes | (12) | (3) |
| Net loss on sale of assets | — | 4 |
| Working capital changes | (42) | (133) |
| Income taxes receivable/payable | 10 | 39 |
| Other operating activities | (9) | (11) |
| Total | (362) | 366 |
| Cash used in investing activities: | | |
| Capital expenditures | (455) | (628) |
| Investment in Big River Steel | (3) | — |
| Proceeds from sale of assets | 1 | 1 |
| Proceeds from sale of ownership interests in equity investees | 8 | — |
| Investments, net | (4) | — |
| Total | (453) | (627) |
| Cash provided by (used in) financing activities: | | |
| Revolving credit facilities - borrowings, net of financing costs | 1,462 | — |
| Revolving credit facilities - repayments | (644) | — |
| Issuance of long-term debt, net of financing costs | 1,048 | — |
| Net proceeds from public offering of common stock | 410 | — |
| Repayment of long-term debt | (6) | (1) |
| Proceeds from Stelco Option Agreement | 40 | — |
| Common stock repurchased | — | (70) |
| Dividends paid | (3) | (18) |
| Taxes paid for equity compensation plans | (1) | (7) |
| Total | 2,306 | (96) |
| Effect of exchange rate changes on cash | (1) | (1) |
| Net Increase (decrease) in cash, cash equivalents and restricted cash | 1,490 | (358) |
| Cash, cash equivalents and restricted cash at beginning of the year | 939 | 1,040 |
| Cash, cash equivalents and restricted cash at end of the period | \$ 2,429 | \$ 682 |

UNITED STATES STEEL CORPORATION
CONDENSED BALANCE SHEET (Unaudited)

| (Dollars in millions) | June 30, 2020 | December 31, 2019 |
|---|------------------|----------------------|
| Cash and cash equivalents | \$ 2,300 | \$ 749 |
| Receivables, net | 939 | 1,177 |
| Inventories | 1,634 | 1,785 |
| Other current assets | 51 | 102 |
| Total current assets | 4,924 | 3,813 |
| Operating lease assets | 236 | 230 |
| Property, plant and equipment, net | 5,410 | 5,447 |
| Investments and long-term receivables, net | 1,376 | 1,466 |
| Intangible assets, net | 132 | 150 |
| Deferred income tax benefits | 19 | 19 |
| Other noncurrent assets | 454 | 483 |
| Total assets | \$ 12,551 | \$ 11,608 |
| Accounts payable and other accrued liabilities | 1,459 | 2,054 |
| Payroll and benefits payable | 354 | 336 |
| Short-term debt and current maturities of long-term debt | 94 | 14 |
| Other current liabilities | 234 | 221 |
| Total current liabilities | 2,141 | 2,625 |
| Noncurrent operating lease liabilities | 185 | 177 |
| Long-term debt, less unamortized discount and debt issuance costs | 5,505 | 3,627 |
| Employee benefits | 563 | 532 |
| Other long-term liabilities | 503 | 554 |
| United States Steel Corporation stockholders' equity | 3,617 | 4,092 |
| Noncontrolling interests | 37 | 1 |
| Total liabilities and stockholders' equity | \$ 12,551 | \$ 11,608 |

UNITED STATES STEEL CORPORATION
NON-GAAP FINANCIAL MEASURES
RECONCILIATION OF ADJUSTED NET (LOSS) EARNINGS

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|---------|------------------|---------|
| | June 30, | | June 30, | |
| (Dollars in millions, except per share amounts) ^(a) | 2020 | 2019 | 2020 | 2019 |
| Reconciliation to adjusted net (loss) earnings attributable to United States Steel Corporation | | | | |
| Net (loss) earnings attributable to United States Steel Corporation | \$ (589) | \$ 68 | \$ (980) | \$ 122 |
| Tubular asset impairment charge | — | — | 263 | — |
| Restructuring and other charges | 82 | — | 123 | — |
| Gain on previously held investment in UPI | — | — | (25) | — |
| Tubular Inventory Impairment | 24 | — | 24 | — |
| December 24, 2018 Clairton coke making facility fire | (4) | 10 | (4) | 37 |
| Big River Steel options mark to market | 5 | — | (6) | — |
| FIN 48 Reserve | 13 | — | 13 | — |
| Total adjustments | 120 | 10 | 388 | 37 |
| Adjusted net (loss) earnings attributable to United States Steel Corporation | \$ (469) | 78 | \$ (592) | 159 |
| Reconciliation to adjusted diluted net (loss) earnings per share | | | | |
| Diluted net earnings per share | \$ (3.36) | \$ 0.39 | \$ (5.67) | \$ 0.70 |
| Tubular asset impairment charge | — | — | 1.52 | — |
| Restructuring and other charges | 0.47 | — | 0.70 | — |
| Gain on previously held investment in UPI | — | — | (0.14) | — |
| Tubular Inventory Impairment | 0.14 | — | 0.14 | — |
| December 24, 2018 Clairton coke making facility fire | (0.02) | 0.06 | (0.02) | 0.22 |
| Big River Steel options mark to market | 0.03 | — | (0.03) | — |
| FIN 48 Reserve | 0.07 | — | 0.07 | — |
| Total adjustments | 0.69 | 0.06 | 2.24 | 0.22 |
| Adjusted diluted net (loss) earnings per share | \$ (2.67) | \$ 0.45 | \$ (3.43) | \$ 0.92 |

^(a) The adjustments included in this table for the three and six months ended June 30, 2020 have been tax affected for our European operations and not tax affected for our U.S. operations due to the full valuation allowance on our domestic deferred tax assets. The adjustments included in this table for the three and six months ended June 30, 2019 have been tax effected.

UNITED STATES STEEL CORPORATION
NON-GAAP FINANCIAL MEASURES
RECONCILIATION OF ADJUSTED EBITDA

| (Dollars in millions) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|--------|------------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Reconciliation to Adjusted EBITDA | | | | |
| Net (loss) earnings attributable to United States Steel Corporation | \$ (589) | \$ 68 | \$ (980) | \$ 122 |
| Income tax (benefit) provision | (5) | (7) | (24) | 1 |
| Net interest and other financial costs | 62 | 54 | 97 | 103 |
| Depreciation, depletion and amortization expense | 159 | 150 | 319 | 293 |
| EBITDA | (373) | 265 | (588) | 519 |
| Tubular asset impairment charge | — | — | 263 | — |
| Restructuring and other charges | 89 | — | 130 | — |
| Gain on previously held investment in UPI | — | — | (25) | — |
| Tubular inventory impairment charge | 24 | — | 24 | — |
| December 24, 2018 Clairton coke making facility fire | (4) | 13 | (4) | 44 |
| Adjusted EBITDA | \$ (264) | \$ 278 | \$ (200) | \$ 563 |

We present adjusted net (loss) earnings, adjusted net (loss) earnings per diluted share, (loss) earnings 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 (loss) earnings and segment (loss) earnings 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.

Adjusted net (loss) earnings and adjusted net (loss) earnings per diluted share are non-GAAP measures that exclude the effects of items such as the Tubular asset impairment charge, restructuring and other charges, the gain on previously held investment in UPI, the Tubular inventory impairment, the December 24, 2018 Clairton coke making facility fire, the Big River Steel options mark to market and the FIN 48 reserve that are not part of the Company's core operations (Adjustment Items). Adjusted EBITDA is also a non-GAAP measure that excludes the financial effects of the Adjustment Items. We present adjusted net (loss) earnings, adjusted net (loss) earnings 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. U. S. Steel's management considers adjusted net (loss) earnings, adjusted net (loss) earnings 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 (loss) earnings, adjusted net (loss) earnings 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 (loss) earnings, adjusted net (loss) earnings 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 (loss) earnings, adjusted net (loss) earnings per diluted share and adjusted EBITDA should not be considered a substitute for net (loss) earnings, (loss) earnings 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 condensed consolidated statement of operations (unaudited), condensed 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," "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 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, our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2020 and June 30, 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.

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