

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 7.01. Regulation FD Disclosure

On July 30, 2020, United States Steel Corporation (the "Corporation") posted to its website an earnings presentation related to the Corporation's financial results for the second quarter 2020.

In accordance with General Instruction B.2 of Form 8-K, the information contained in this Item 7.01 and the earnings 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 earnings presentation is furnished with this current report on Form 8-K as Exhibit 99.1.

Item 8.01 Other Events

On July 31, 2020, the Corporation will conduct a conference call to discuss its results for the second quarter 2020.

Item 9.01 Financial Statements and Exhibits

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

(d) Exhibits

- | | |
|----------------------|--|
| 99.1 | Second Quarter 2020 Earnings Presentation. |
| 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

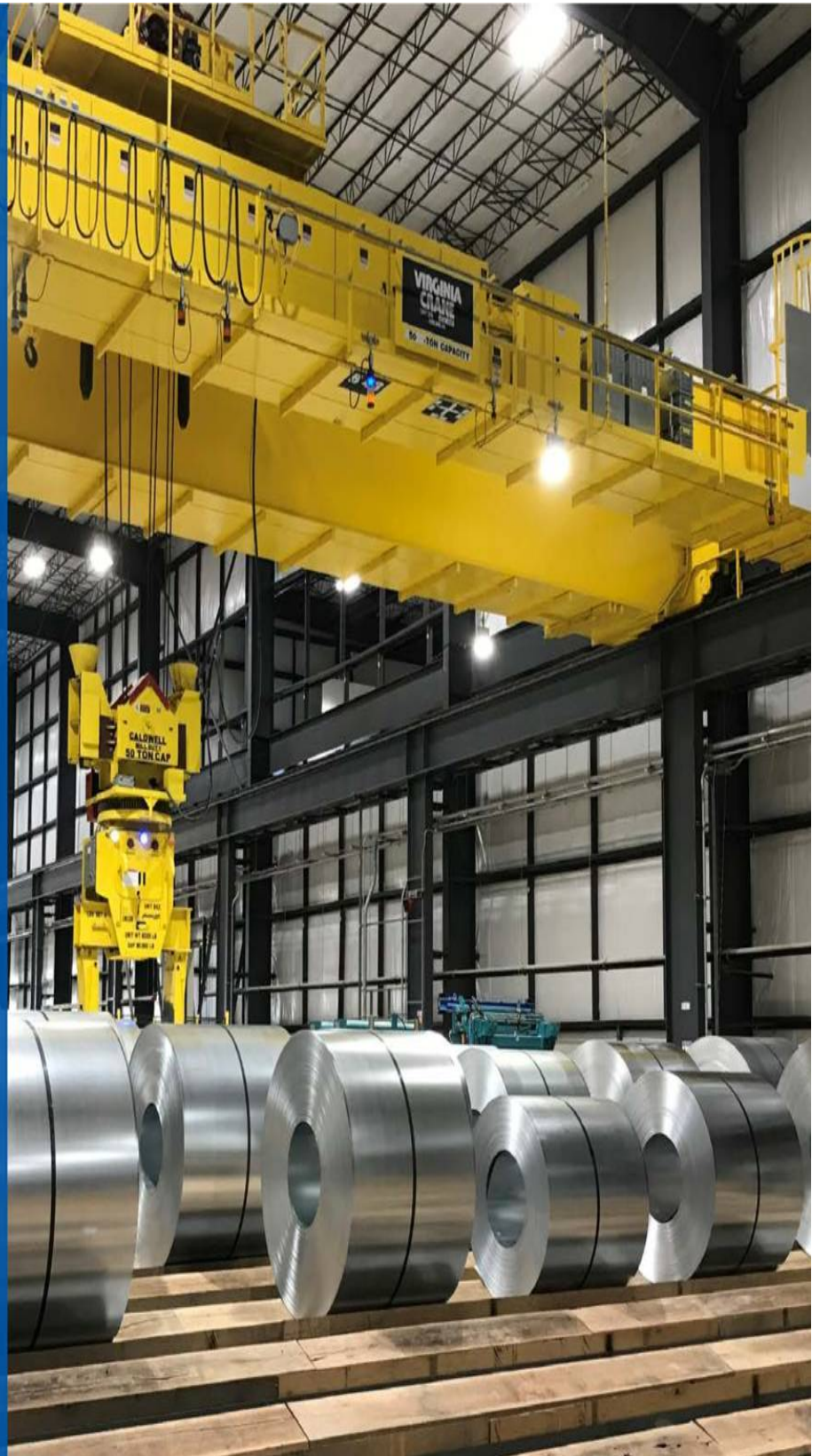


Second Quarter
2020

Earnings
Presentation

July 30, 2020

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 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 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.

Explanation of Use of Non-GAAP Measures



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. 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.

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.



BUSINESS UPDATE



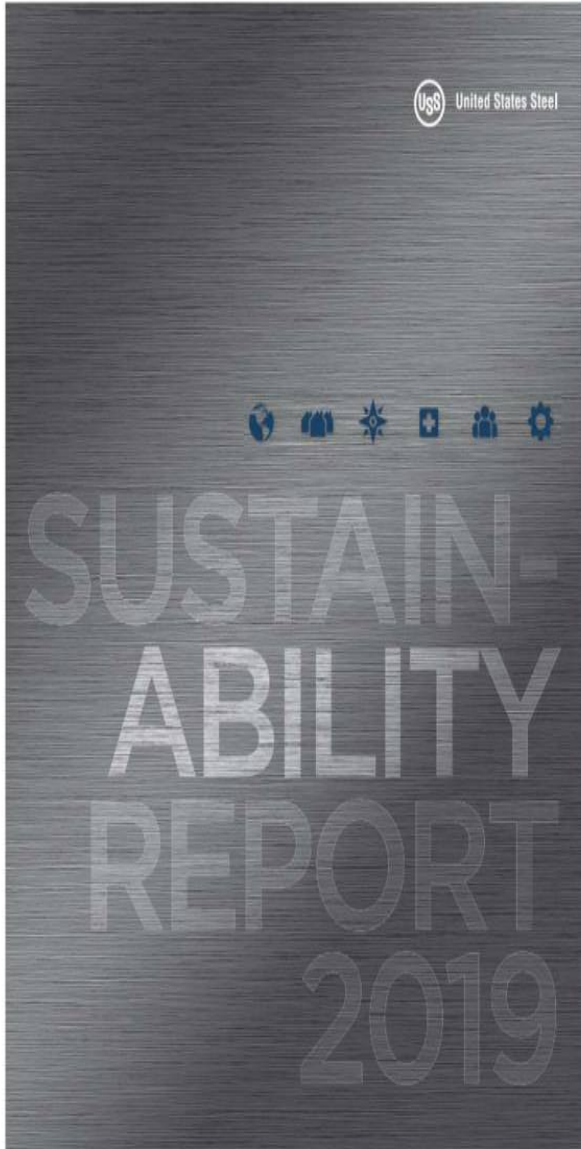
SAFETY: Protecting lives and livelihoods

LIQUIDITY: Fortifying the balance sheet

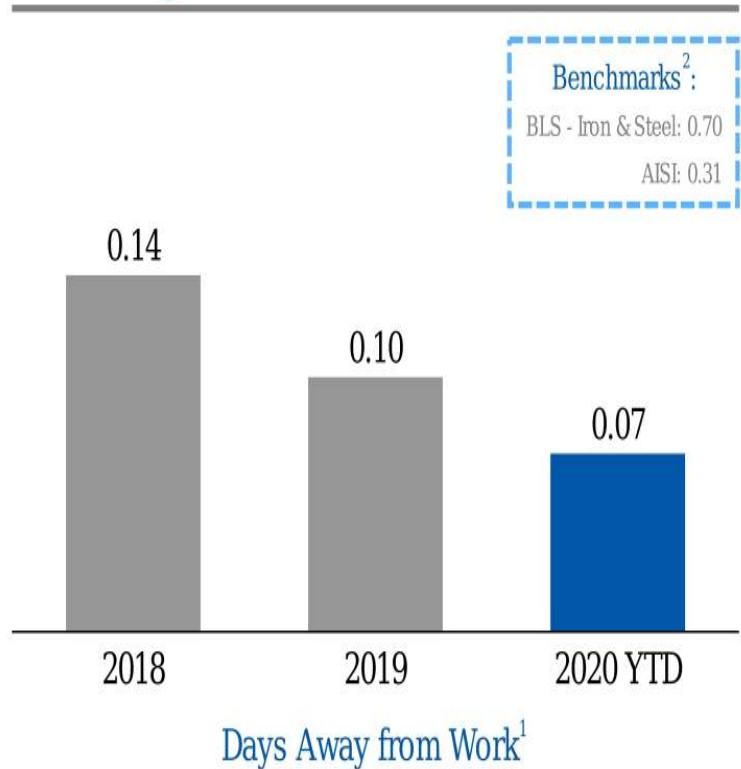
STRATEGY: Executing our “best of both” strategy

OPERATIONS: Supporting increased customer demand

Protecting lives and livelihoods guided by our S.T.E.E.L. Principles



Safety First



United States Steel Corporation

¹ Days Away from Work is defined as number of days away cases x 200,000 / hours worked

² BLS - Iron & Steel 2018 data. AISI first 9 months of 2019 data



Physical Safety

environment free from harm or injury



Psychological Safety

environment where individuals are encouraged to contribute their unique ideas and perspectives

Incorporating all aspects of a safe working environment



Fortifying the balance sheet prioritizing cash and liquidity



NET PROCEEDS

\$977

million



NET PROCEEDS

\$410

million



Approximately \$1.4 billion of additional
liquidity raised in 2Q 2020

Fortifying the balance sheet strong liquidity in an unprecedented market



Total Liquidity as of June 30, 2020



Cash (\$2,300M)

U.S. ABL (\$190M)

USSK Facilities (\$155M)

UPIABL (\$7M)¹



Continued focus
cash and cost improvements



Actively marketing
non-core assets²



United States Steel Corporation

¹ The UPI Amended Credit Facility agreement was terminated on July 17, 2020 and the outstanding borrowings were repaid using cash on hand. UPI's trade accounts receivables and inventory were added as collateral to our \$2.0B Credit Facility Agreement.

² Non-core assets include primarily real estate assets and USS-POSCO Industries (UPI) finishing business and related property

Fortifying the balance sheet liquidity drivers progressing as expected



Key Components	2Q Actuals	Status	Comment
Adjusted EBITDA	(\$264M)	 as expected	EBITDA expected to improve throughout second half 2020
Working Capital	\$120M	 as expected	Working capital release of ~\$250M in second half of 2020
Capital Spending	(\$173M)	 as expected	Capital spending of ~\$300M in second half of 2020
Cash Interest	(\$51M)	 as expected	Cash interest of ~\$175M in second half of 2020 ¹



United States Steel Corporation

¹Including incremental cash interest expense of \$65M associated with the 12% senior secured notes issued on May 29, 2020. This was not part of the \$700M liquidity requirements disclosure.

Executing our “best of both” strategy Big River remains our #1 strategic priority



Well-positioned to
acquire the remaining
50.1% stake in
Big River Steel

3+ years
call option

2x
increasing operating leverage
by doubling capacity¹

on-track
ahead of schedule and on-budget²



United States Steel Corporation

¹ Big River Steel Phase 2-A expansion will double capacity from 1.6 million net tons currently, to 3.3 million net tons by year end

² Big River Steel Phase 2-A expansion

Executing our “best of both” strategy strategic projects status



Strategic Projects

Status Details

EAF at Tubular



Status Update

On track to complete in the fourth quarter 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

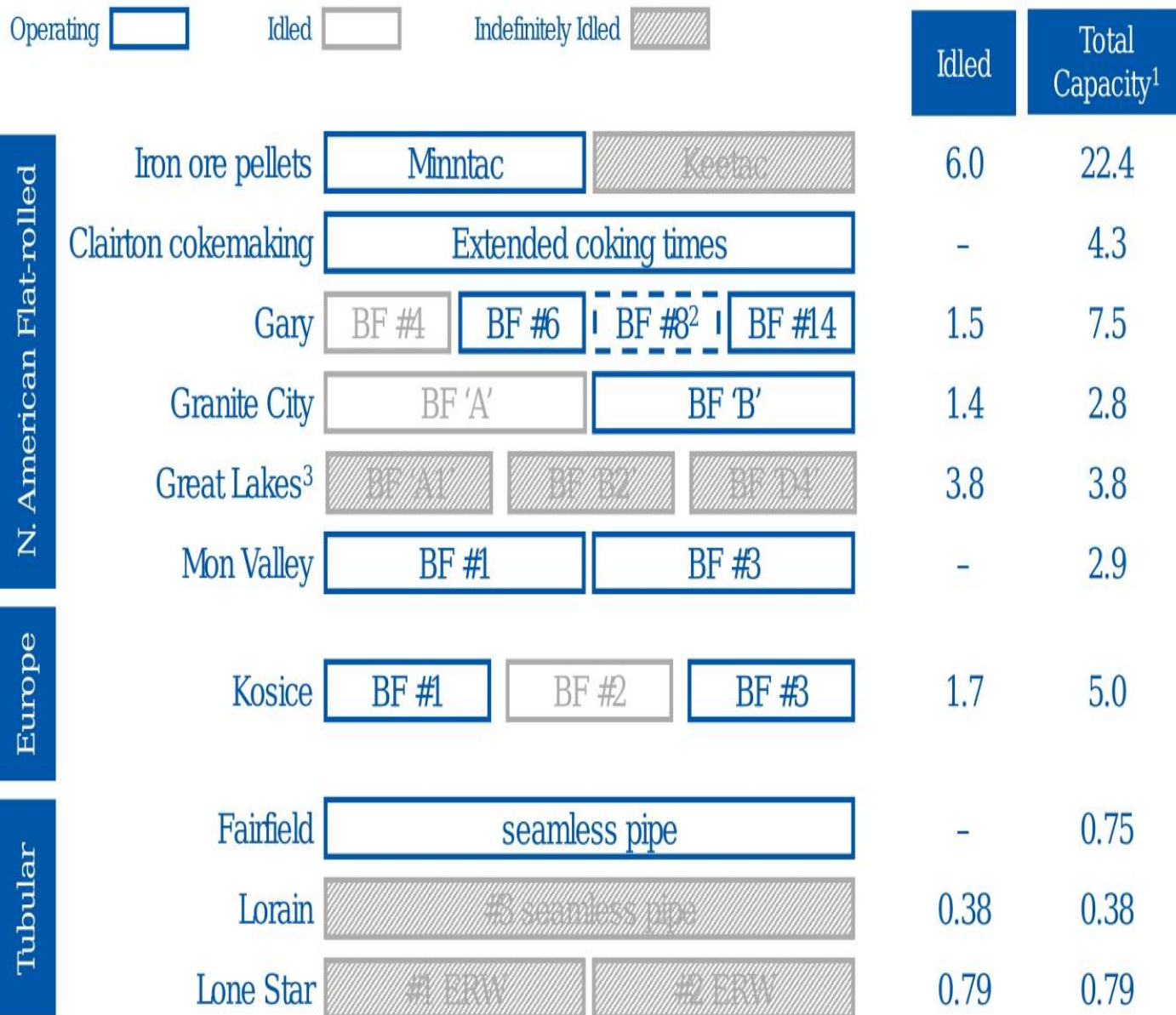
Project delayed for an indeterminate period of time

Big River Steel remains our top strategic priority



United States Steel Corporation

Supporting increased customer demand informed by our order book



United States Steel Corporation

¹ Raw steel capacity, except at Minntac and Keetac (iron ore pellet capacity), Clairton (coke capacity), and Fairfield, Lorain, and Lone Star (pipe capacity)

² Gary BF #8 to be restarted on August 1, 2020

³ Great Lakes D4 blast furnace idled as of April 2020; blast furnace A1/B2 previously idled

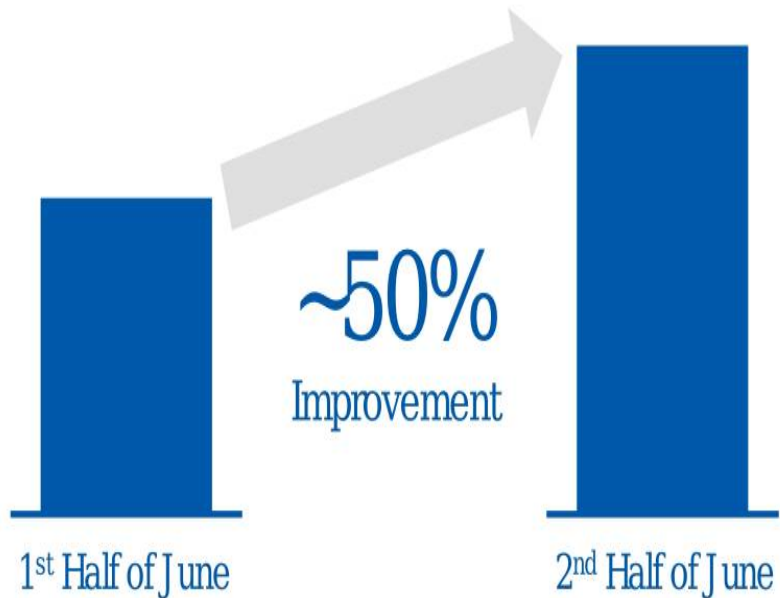


MARKET
UPDATE

Responding to improved customer demand increased shipments in second half of June










N. American Flat-rolled daily shipment pace

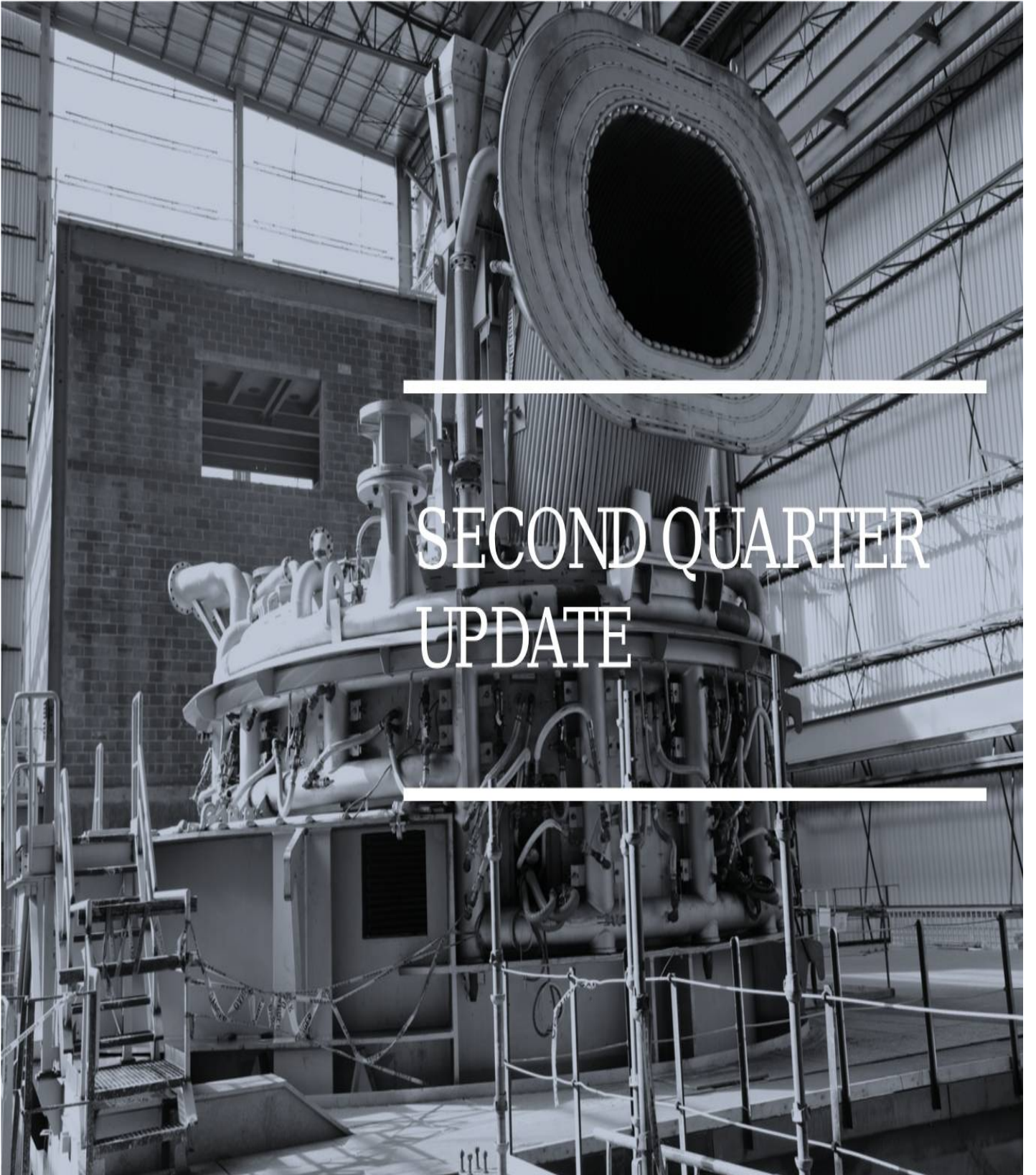


Increased momentum gives us confidence 2Q was the trough

Responding to improved customer demand encouraging signs of sustained improvement



N. American Flat-rolled	end-market	Automotive		OEM restart activity accelerated in June and has sustained activity levels through July. Healthy production expected to continue in order to build vehicle inventory.
		Construction		3Q construction order book has exceeded our expectations and is expected to remain robust. Value-add construction demand for our Galvalume® product is particularly strong.
		Appliance		Improving appliance demand was a factor in restarting blast furnace #1 at Mon Valley in early June. Since then, the appliance-related orderbook has continued to improve.
U. S. Steel Europe	end-market	Automotive		Automotive demand is improving with some EU countries supporting private car purchases. On-going improvement in passenger car registrations in June compared to April and May.
		Construction		Relatively resilient end-market throughout COVID-19 related downturn. Current order book suggests this will continue to be the case.
		Appliance		Relatively resilient, similar to construction and packaging. Expected to normalize by 4Q 2020.
Tubular	end-market	Oil & gas		OCTG demand remains under significant pressure as U.S. rig counts continue to decline. Oil prices have stabilized but remain at very low levels.

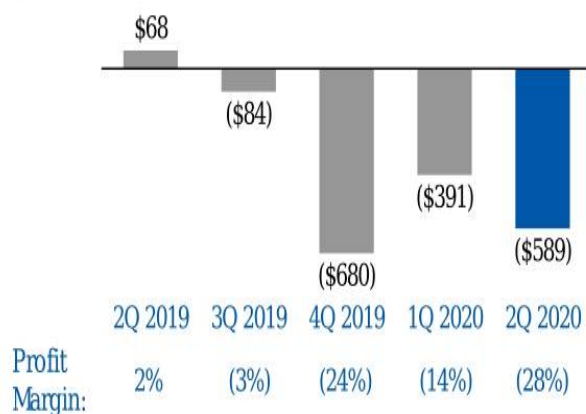


SECOND QUARTER
UPDATE

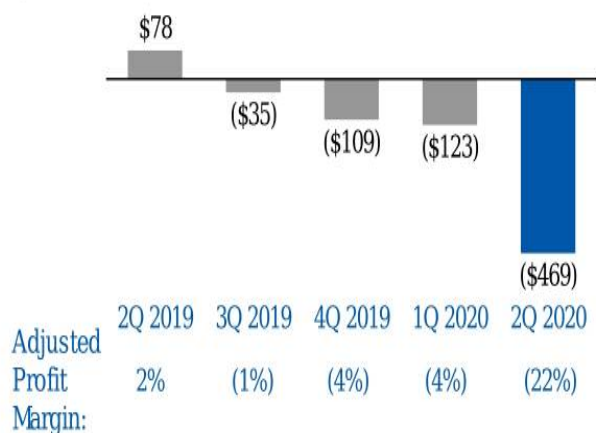
Second quarter 2020 financial highlights



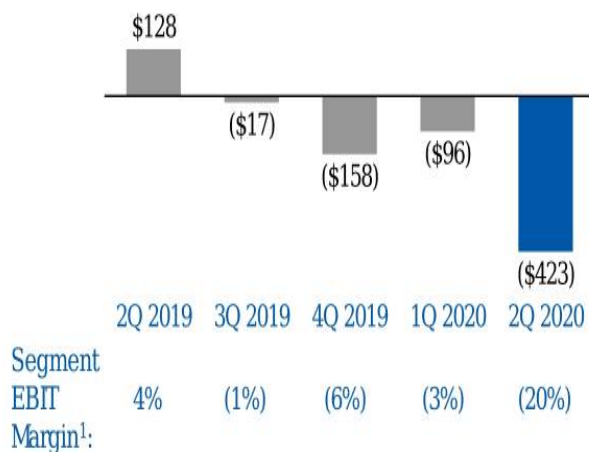
Reported Net (Loss) Earnings \$ Millions



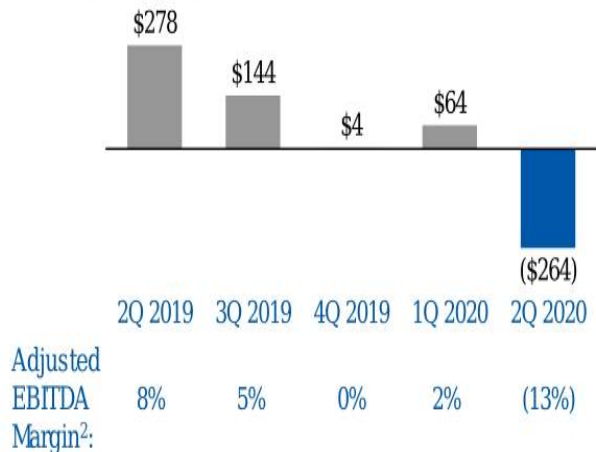
Adjusted Net (Loss) Earnings \$ Millions



Segment EBIT¹ \$ Millions



Adjusted EBITDA² \$ Millions



Note: For reconciliation of non-GAAP amounts see Appendix



United States Steel Corporation

¹ Earnings before interest and income taxes

² Earnings before interest, income taxes, depreciation and amortization, and excluding adjustment items

Flat-rolled segment



Key Segment Statistics

	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Shipments: in 000s, net tons	2,804	2,654	2,517	2,509	1,790
Production: in 000s, net tons	2,984	2,783	2,567	3,148	1,468
Average Selling Price \$/ net ton	\$779	\$732	\$699	\$711	\$721

Select End - Market Indicators¹

Automotive

2Q light vehicle sales SAAR finishes at 11.4M but accelerating to 13.05M in June after 8.7M in April. Latest outlook for 2H 2020 builds suggest higher production rates than the 2019 actuals.

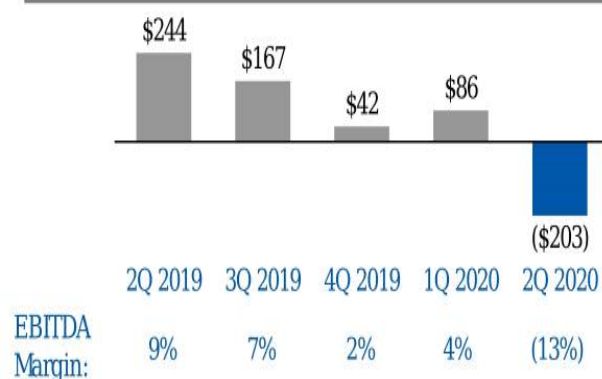
Construction

May Dodge put in place square footage increased 3% from April; non-residential up 16%.

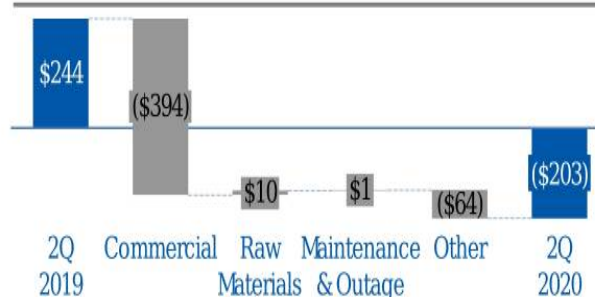
Appliance

June major appliance shipments of 4.74 million were ~flat year-over-year; up 39% month-over-month.

Segment EBITDA \$ Millions



EBITDA Bridge 2Q 2019 vs. 2Q 2020



Commercial: The unfavorable impact is primarily the result of decreased volumes and mix.

Raw Materials: The favorable impact is primarily the result of lower costs for coking coal and purchased scrap offset by higher blast furnace fuel costs to bank blast furnaces.

Maintenance & Outage: The change is not material.

Other: The unfavorable impact is primarily the result of reduced joint venture earnings.



United States Steel Corporation

¹ Source: Wards, Dodge, AHAM

² SAAR = seasonally adjusted annual rate

U. S. Steel Europe segment



Key Segment Statistics

	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Shipments: in 000s, net tons	1,004	765	757	801	610
Production: in 000s, net tons	1,148	823	773	882	645
Average Selling Price \$/ net ton	\$652	\$656	\$622	\$611	\$632

Select End - Market Indicators¹

Automotive

EU car production expected to decline 26% y-o-y in 2020.
The V4 region² is projected to decline 22% y-o-y in 2020.

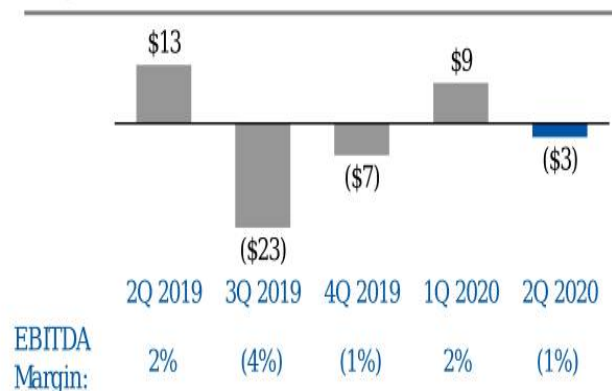
Construction

In 2020, the construction sector is expected to decline by 11.5% y-o-y.

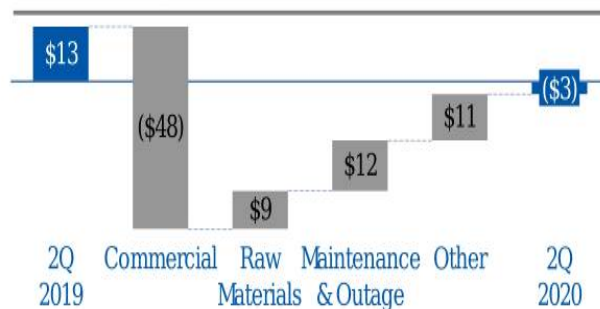
Appliance

The EU appliance sector is expected to decline by 10.8% y-o-y.

Segment EBITDA \$ Millions



EBITDA Bridge 2Q 2019 vs. 2Q 2020



Commercial: The unfavorable impact is primarily the result of decreased volumes and lower average realized prices.

Raw Materials: The favorable impact is primarily the result of lower costs for iron ore pellets and coking coal.

Maintenance & Outage: The favorable impact is primarily the result of cost control measures and fewer planned outages.

Other: The favorable impact is primarily the result of non-recurring COVID-19 related government relief and lower energy costs.



United States Steel Corporation

¹ Source: IHS, Euroconstruct, Eurofer

² Visegrad Group - Czech Republic, Hungary, Poland, and Slovakia

Tubular segment



Key Segment Statistics

	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Shipments: in 000s, net tons	195	174	193	187	132
Average Selling Price \$/ net ton	\$1,524	\$1,417	\$1,298	\$1,283	\$1,288 ¹

Select End - Market Indicators¹

Oil Prices

West Texas Intermediate oil price at ~\$40/barrel², down ~34% since the end of 2019.

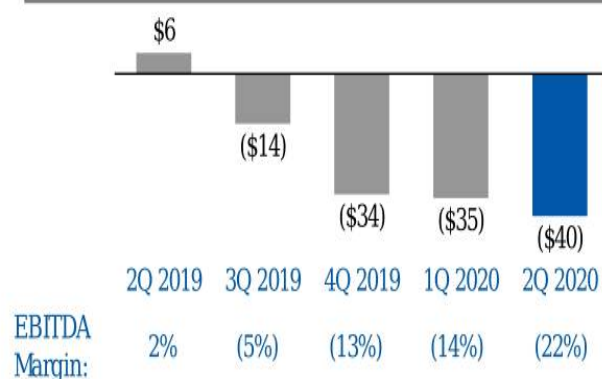
Imports

During 2Q, import share of OCTG apparent market demand is projected to be approximately 46%.

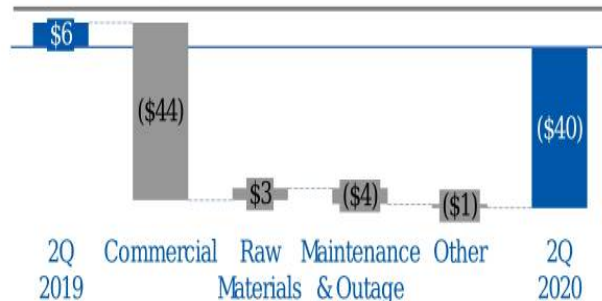
OCTG Inventory

Overall, OCTG supply chain inventory is approximately 14 months.

Segment EBITDA \$ Millions



EBITDA Bridge 2Q 2019 vs. 2Q 2020



Commercial: The unfavorable impact is primarily the result of decreased volumes and lower average realized prices.

Raw Materials: The favorable impact is primarily the result of lower costs for rounds purchased from third-party suppliers.

Maintenance & Outage: The unfavorable impact is primarily the result of investment related costs.

Other: The change is not material.



United States Steel Corporation

¹ Source: Bloomberg, US Department of Commerce, Preston Publishing

² as of July 30, 2020

Cash and liquidity



Cash from Operations \$ Millions



Cash and Cash Equivalents \$ Millions



Total Estimated Liquidity \$ Millions



Net Debt \$ Millions





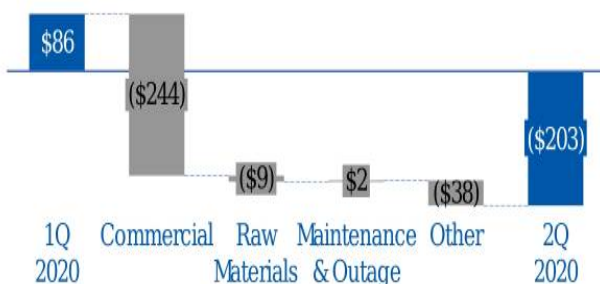
APPENDIX

Second quarter segment EBITDA bridges



1Q 2020 vs 2Q 2020

Flat-rolled \$ Millions



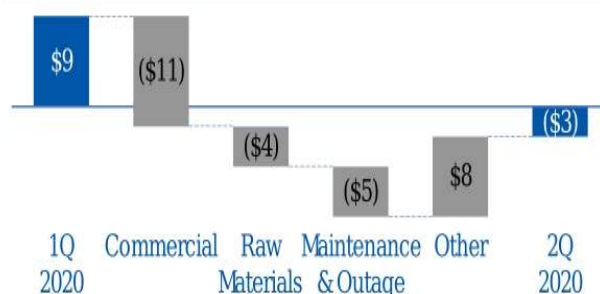
Commercial: The favorable impact is primarily the result of decreased volumes and mix.

Raw Materials: The unfavorable impact is primarily the result of higher blast furnace fuel costs to bank blast furnaces.

Maintenance & Outage: The change is not material.

Other: The unfavorable impact is primarily the result of reduced joint venture earnings.

U. S. Steel Europe \$ Millions



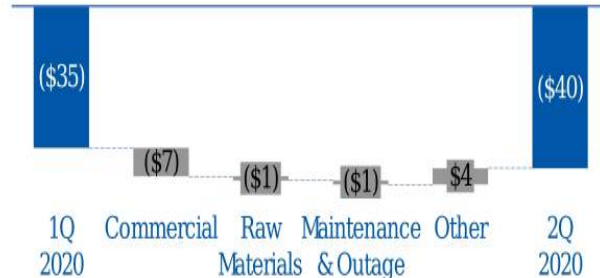
Commercial: The unfavorable impact is primarily the result of decreased volumes.

Raw Materials: The unfavorable impact is primarily the result of mix of raw materials.

Maintenance & Outage: The unfavorable impact is primarily the result of increased planned outages.

Other: The favorable impact is primarily the result of non-recurring COVID-19 related government relief and lower energy costs.

Tubular \$ Millions



Commercial: The unfavorable impact is primarily the result of decreased volumes.

Raw Materials: The change is not material.

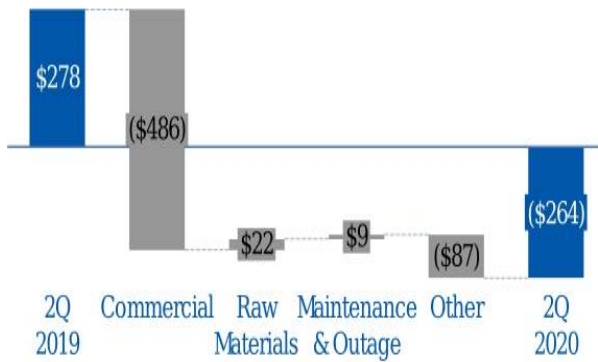
Maintenance & Outage: The change is not material.

Other: The favorable impact is primarily the result of reduced SG&A costs.

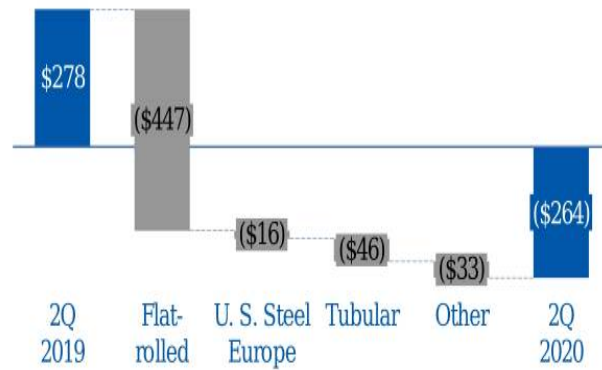
Total corporation adjusted EBITDA bridges



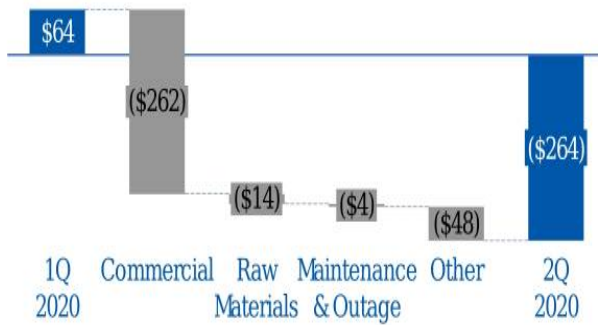
2Q 2019 vs 2Q 2020 \$ Millions



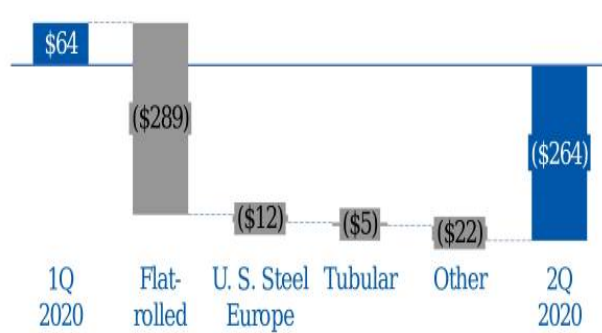
2Q 2019 vs 2Q 2020 \$ Millions



1Q 2020 vs. 2Q 2020 \$ Millions



1Q 2020 vs. 2Q 2020 \$ Millions



Reconciliation of segment EBITDA



Flat-rolled (\$millions)	<u>2Q 2019</u>	<u>3Q 2019</u>	<u>4Q 2019</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment (loss) earnings before interest and income taxes	\$134	\$46	(\$79)	(\$35)	(\$329)
Depreciation	110	121	121	121	126
Flat-rolled Segment EBITDA	\$244	\$167	\$42	\$86	(\$203)
U. S. Steel Europe (\$ millions)	<u>2Q 2019</u>	<u>3Q 2019</u>	<u>4Q 2019</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment (loss) earnings before interest and income taxes	(\$10)	(\$46)	(\$30)	(\$14)	(\$26)
Depreciation	23	23	23	23	23
U. S. Steel Europe Segment EBITDA	\$13	(\$23)	(\$7)	\$9	(\$3)
Tubular (\$ millions)	<u>2Q 2019</u>	<u>3Q 2019</u>	<u>4Q 2019</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment (loss) earnings before interest and income taxes	(\$6)	(\$25)	(\$46)	(\$48)	(\$47)
Depreciation	12	11	12	13	7
Tubular Segment EBITDA	\$6	(\$14)	(\$34)	(\$35)	(\$40)
Other Businesses (\$ millions)	<u>2Q 2019</u>	<u>3Q 2019</u>	<u>4Q 2019</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment (loss) earnings before interest and income taxes	\$10	\$8	(\$3)	\$1	(\$21)
Depreciation	5	6	6	3	3
Other Businesses Segment EBITDA	\$15	\$14	\$3	\$4	(\$18)

Reconciliation of net debt



Net Debt (\$ millions)	<u>YE 2016</u>	<u>YE 2017</u>	<u>YE 2018</u>	<u>YE 2019</u>	<u>1H 2020</u>
Short-term debt and current maturities of long-term debt	\$50	\$3	\$65	\$14	\$94
Long-term debt, less unamortized discount and debt issuance costs	2,981	2,700	2,316	3,627	5,505
Total Debt	\$3,031	\$2,703	\$2,381	\$3,641	\$5,599
Less: Cash and cash equivalents	1,515	1,553	1,000	749	2,300
Net Debt	\$1,516	\$1,150	\$1,381	\$2,892	\$3,299

Reconciliation of reported and adjusted net earnings



<u>(\$ millions)</u>	<u>2Q 2019</u>	<u>3Q 2019</u>	<u>4Q 2019</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Reported net (loss) earnings attributable to U. S. Steel	\$68	(\$84)	(\$680)	(\$391)	(\$589)
Tubular asset impairment charges	—	—	—	263	—
Restructuring and other charges	—	42	221	41	82
Gain on previously held investment in UPI	—	—	—	(25)	—
Tubular inventory impairment	—	—	—	—	24
December 24, 2018 Clairton coke making facility fire	10	7	(3)	—	(4)
Big River Steel options mark to market	—	—	7	(11)	5
Tax valuation allowance	—	—	346	—	—
FIN 48 reserve	—	—	—	—	13
Adjusted net (loss) earnings attributable to U. S. Steel	\$78	(\$35)	(\$109)	(\$123)	(\$469)

Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>2Q 2019</u>	<u>3Q 2019</u>	<u>4Q 2019</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Reported net (loss) earnings attributable to U. S. Steel	\$68	(\$84)	(\$680)	(\$391)	(\$589)
Income tax provision (benefit)	(7)	(44)	233	(19)	(5)
Net interest and other financial costs	54	48	71	35	62
Reported (loss) earnings before interest and income taxes	\$115	(\$80)	(\$376)	(\$375)	(\$532)
Depreciation, depletion and amortization expense	150	161	162	160	159
EBITDA	\$265	\$81	(\$214)	(\$215)	(\$373)
Tubular asset impairment charges	—	—	—	263	—
Restructuring and other charges	—	54	221	41	89
Gain on previously held investment in UPI	—	—	—	(25)	—
Tubular inventory impairment	—	—	—	—	24
December 24, 2018 Clairton coke making facility fire	13	9	(3)	—	(4)
Adjusted EBITDA	\$278	\$144	\$4	\$64	(\$264)



INVESTOR RELATIONS

Kevin Lewis
Vice President



412-433-6935



klewis@uss.com

Eric Linn
Senior Manager



412-433-2385



eplinn@uss.com

www.ussteel.com

