

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 31, 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 31, 2020, United States Steel Corporation (the "Corporation") posted to its website a presentation related to the Corporation's financial results for the second quarter 2020. The presentation will be used in connection with the conference call the Corporation will hold on July 31, 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 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 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: July 31, 2020



Second Quarter 2020

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## 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

July 31, 2020



Steel strip in a zinc coating bath

# 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.



TODAY YOU  
WILL HEAR  
UPDATES ON:

## SAFETY:

Protecting lives and livelihoods

## LIQUIDITY:

Fortifying the balance sheet

## STRATEGY:

Executing our “best of both” strategy

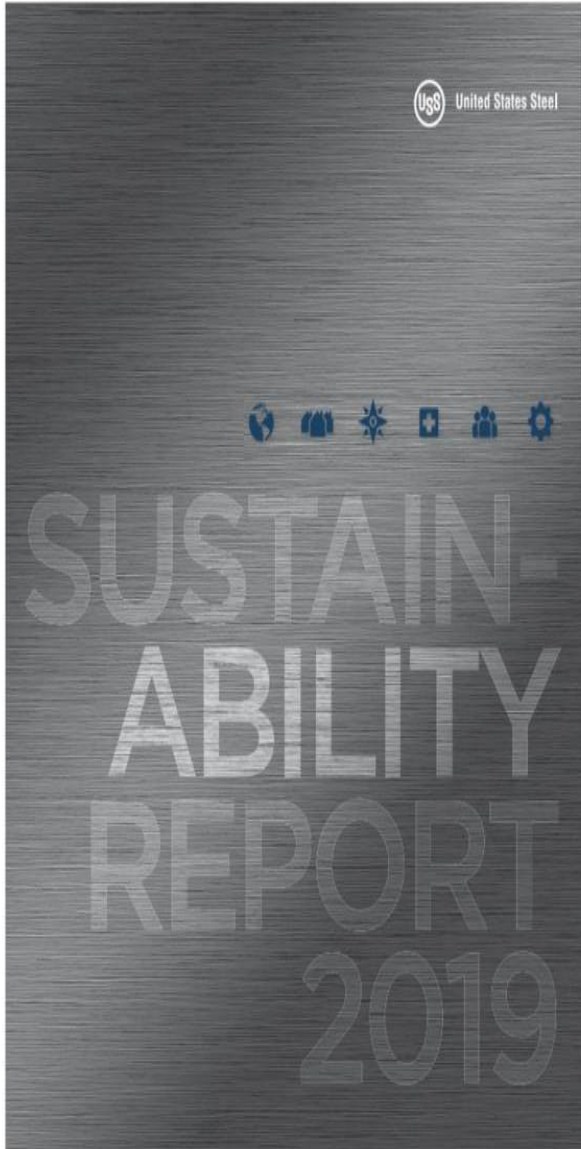
## OPERATIONS & COMMERCIAL:

Supporting increased customer demand

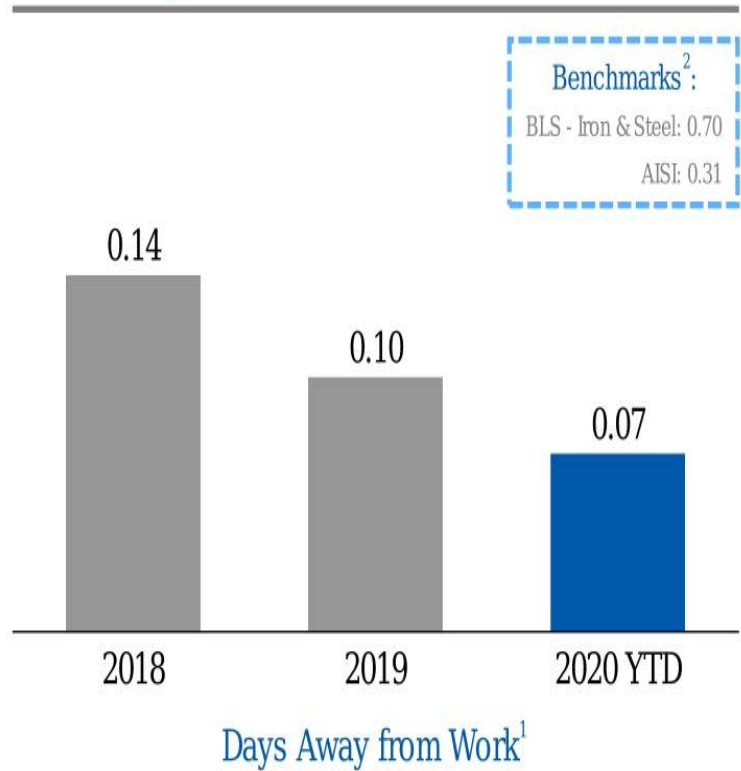
## FINANCIAL OUTLOOK:

Improving second half performance

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



## Safety First



**United States Steel Corporation**

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

<sup>2</sup> 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*

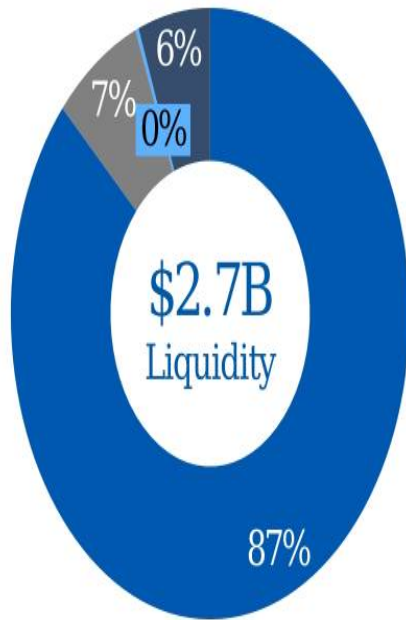


Approximately \$1.4 billion of additional  
liquidity raised in 2Q 2020

# 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)<sup>1</sup>



Continued focus  
cash and cost improvements



Actively marketing  
non-core assets<sup>2</sup>



**United States Steel Corporation**

<sup>1</sup> 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.

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

# 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 capacity<sup>1</sup>

on-track  
ahead of schedule and on-budget<sup>2</sup>



**United States Steel Corporation**

<sup>1</sup> 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

<sup>2</sup> Big River Steel Phase 2-A expansion

# Responding to improved customer demand supporting blast furnace restarts



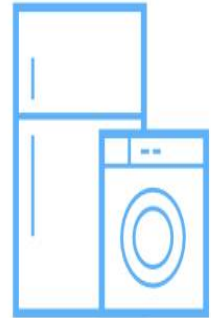
Accelerating order entry in key Flat-rolled segment end markets

**+174%**  
Order entry improvement

June – July  
vs.  
April – May



Automotive



Appliance



Construction

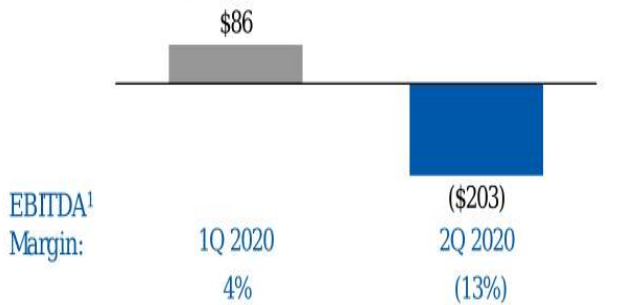


Packaging

# Second quarter 2020 financial highlights



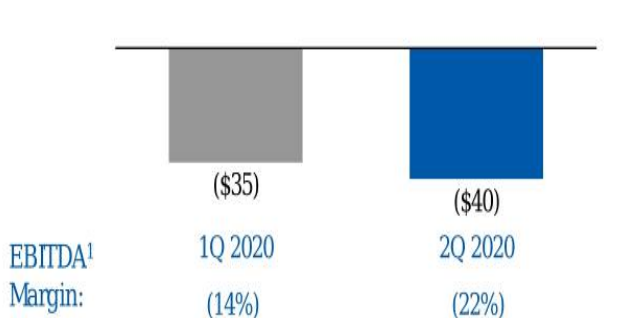
## Flat-rolled Segment EBITDA<sup>1</sup> \$ Millions



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



## Tubular Segment EBITDA<sup>1</sup> \$ Millions



- Total second quarter adjusted EBITDA<sup>1</sup> of (\$264) million, ahead of our guidance on June 17
- Quarter performance ~\$51 million better than our expectations
  - Flat-rolled: Stronger
  - U. S. Steel Europe: In-line
  - Tubular: In-line
- Capital market activity to bolster liquidity
- \$120 million of working capital release



**United States Steel Corporation**

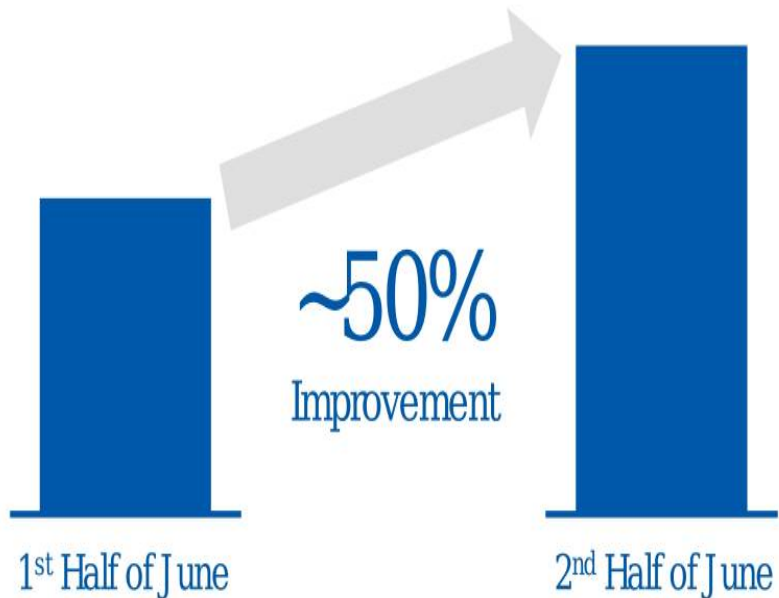
<sup>1</sup> Earnings before interest, income taxes, depreciation and amortization

Note: For reconciliation of non-GAAP amounts see Appendix

# Second quarter 2020 better than expected increased shipments in second half of June



N. American Flat-rolled daily shipment pace



Increased momentum gives us confidence 2Q was the trough

# 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 <sup>1</sup>



**United States Steel Corporation**

<sup>1</sup> Including 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.





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



Q & A



# Closing Remarks



United States Steel

# Reconciliation of segment EBITDA



Segment EBITDA – Flat-rolled (\$ millions)	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment earnings before interest and income taxes	(\$35)	(\$329)
Depreciation	121	126
Flat-rolled Segment EBITDA	\$86	(\$203)
Segment EBITDA – U. S. Steel Europe (\$ millions)	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment earnings before interest and income taxes	(\$14)	(\$26)
Depreciation	23	23
U. S. Steel Europe Segment EBITDA	\$9	(\$3)
Segment EBITDA – Tubular (\$ millions)	<u>1Q 2020</u>	<u>2Q 2020</u>
Segment earnings before interest and income taxes	(\$48)	(\$47)
Depreciation	13	7
Tubular Segment EBITDA	(\$35)	(\$40)

# Reconciliation of adjusted EBITDA



<u>(\$ millions)</u>	<u>1Q 2020</u>	<u>2Q 2020</u>
Reported net earnings attributable to U. S. Steel	(\$391)	(\$589)
Income tax provision	(19)	(5)
Net interest and other financial costs	35	62
Reported earnings before interest and income taxes	(\$375)	(\$532)
Depreciation, depletion and amortization expense	160	159
EBITDA	(\$215)	(\$373)
Tubular asset impairment charges	263	–
December 24, 2018 Clairton coke making facility fire	–	(4)
Tubular inventory impairment	–	24
Restructuring and other charges	41	89
Gain on previously held investment in UPI	(25)	–
Adjusted EBITDA	\$64	(\$264)



## INVESTOR RELATIONS

Kevin Lewis  
Vice President



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[klewis@uss.com](mailto:klewis@uss.com)

Eric Linn  
Senior Manager



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