




## **Item 2.02. Results of Operations and Financial Condition**

On April 30, 2020, United States Steel Corporation (the "Corporation") issued a press release announcing its financial results for first quarter 2020. The full text of the press release, together with related unaudited financial information and

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FOR IMMEDIATE RELEASE:

## UNITED STATES STEEL CORPORATION REPORTS FIRST QUARTER 2020 RESULTS

PITTSBURGH, April 30, 2020 – United States Steel Corporation (NYSE: X) reported first quarter 2020 net loss of \$391 million, or \$2.30 per diluted share. Adjusted net loss was \$123 million, or \$0.73 per diluted share. This compares to first quarter 2019 net earnings of \$54 million, or \$0.31 per diluted share. Adjusted net earnings for first quarter 2019 were \$81 million, or \$0.47 per diluted share.

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Update on the Company's Strategic Objective to Monetize Iron Ore Assets

U. S. Steel today granted Stelco Inc. (Stelco) at a purchase price of \$100 million the option to acquire a 25 percent interest in the company's Minntac iron ore mining operations for an aggregate purchase price of \$600 million. Under the agreement, \$20 million was paid to U. S. Steel upon signing the option agreement and the remaining \$80 million will be paid ratably over the remainder of the 2020 calendar year. Once Stelco has completed paying the remaining \$80 million, the option can be exercised any time before January 31, 2027 and, upon exercise, Stelco will make an additional payment of \$500 million to acquire its 25% interest in the new cost-sharing joint venture. This agreement ensures U. S. Steel will continue to be the operator and majority owner of the Minntac mine and implies a \$2.4 billion enterprise value for the Minntac operation. Morgan Stanley & Co. LLC acted as financial advisor to U. S. Steel and Jones Day acted as legal advisor to U. S. Steel on the transactions.

"This transaction shows that while we will be nimble and flexible in executing our world-competitive, 'best of both' strategy, we will not be deterred," Burritt concluded. "In October of last year, we announced our acquisition of our 49.9% interest in Big River Steel and our goal of extracting incremental value from our iron ore assets. Today's announcement demonstrates the continued execution of our strategy and delivers \$100 million of incremental cash to the balance sheet in 2020. We are pleased that this transaction validates the competitive advantage of our iron ore mining assets and gives us a path to an additional \$500 million of capital to support continued execution of our strategy."

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The Company will conduct a conference call on the first quarter 2020 earnings on Friday, May 1, at 8:30 a.m. Eastern Daylight Time. 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](http://www.ussteel.com), and click on the "Investors" page.































