

# ModernGraham Valuation

## Company Name:

Company Ticker X

Date of Analysis

6/30/2018

United States Steel  
Corporation



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$6,111,689,610	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.63	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-118.66%	Fail
5. Earnings Growth	PEmg < 20	-101.02	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.80	Fail
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.37	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.34
MG Growth Estimate	13.41%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$4.99
MG Value based on 0% Growth	-\$2.92
Market Implied Growth Rate	-54.76%

### MG Opinion

Current Price	\$34.75
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

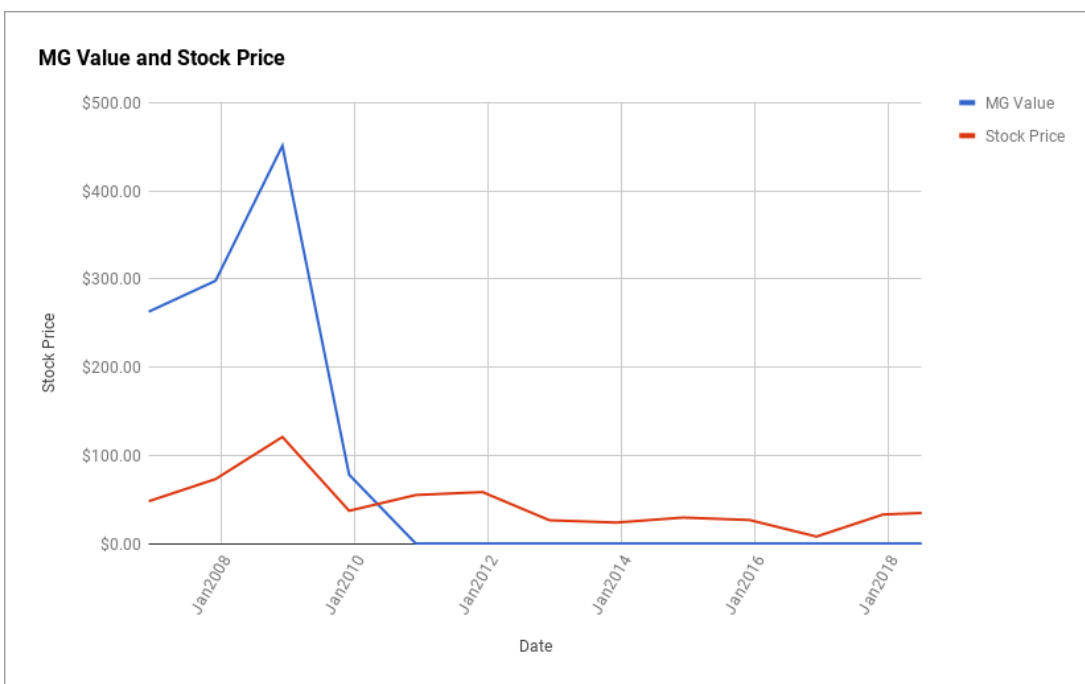
Net Current Asset Value (NCAV)	-\$9.85
Graham Number	\$37.28
PEmg	-101.02
Current Ratio	1.63
PB Ratio	1.80
Current Dividend	\$0.20
Dividend Yield	0.58%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$3.26	Dec2017	-\$0.34
Dec2016	\$2.19	Dec2016	-\$2.93
Dec2015	-\$2.81	Dec2015	-\$5.37
Dec2014	-\$11.24	Dec2014	-\$5.98
Dec2013	\$0.69	Dec2013	-\$3.25
Dec2012	-\$11.37	Dec2012	-\$5.24
Dec2011	-\$0.86	Dec2012	-\$1.25
Dec2010	-\$0.37	Dec2011	-\$0.22
Dec2009	-\$3.36	Dec2010	\$1.43
Dec2008	-\$10.42	Dec2009	\$4.75
Dec2007	\$17.96	Dec2008	\$11.72
Dec2006	\$7.40	Dec2007	\$7.74
Dec2005	\$11.18	Dec2006	\$6.83
Dec2004	\$7.00	Dec2005	\$3.76
Dec2003	\$8.83	Dec2004	\$1.60
Dec2002	-\$4.27	Dec2003	-\$1.73
Dec2001	\$0.62	Dec2002	-\$0.15
Dec2000	-\$2.37	<b>Balance Sheet Information 3/1/2018</b>	
Dec1999	-\$0.24	Total Current Assets	\$4,830,000,000
Dec1998	\$0.49	Total Current Liabilities	\$2,959,000,000
	\$3.92	Long-Term Debt	\$2,571,000,000
		Total Assets	\$10,026,000,000
		Intangible Assets	\$165,000,000
		Total Liabilities	\$6,587,000,000
		Shares Outstanding (Diluted Average)	178,289,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

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ModernGraham  
posts about the  
company

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[40 Companies in the Spotlight This Week – 2/21/15](#)  
[United States Steel Corporation Annual Valuation – 2015 \\$X](#)  
[14 Companies in the Spotlight This Week – 2/15/14](#)  
[United States Steel Corporation \(X\) Annual Valuation](#)

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[Nucor Corporation Valuation – May 2018 \\$NUE](#)  
[Labrador Iron Ore Royalty Corp Valuation – Initial Coverage \\$TSE:LIF](#)  
[SunCoke Energy Inc Valuation – Initial Coverage \\$SXC](#)  
[Steel Dynamics Inc Valuation – Initial Coverage \\$STLD](#)  
[Carpenter Technology Corp Valuation – Initial Coverage \\$CRS](#)  
[Commercial Metals Company Valuation – Initial Coverage \\$CMC](#)  
[Cliffs Natural Resources Inc Valuation – January 2017 \\$CLF](#)  
[Nucor Corporation Valuation – December 2016 \\$NUE](#)  
[Nucor Corp Valuation – August 2016 \\$NUE](#)  
[United States Steel Corp Valuation – July 2016 \\$X](#)