



FY2020 FINANCIAL RESULTS PRESENTATION

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

17 August 2020

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058
Level 11, 120 Colins St, Melbourne, VIC, 3000

IMPORTANT NOTICE

THIS PRESENTATION IS NOT AND DOES NOT FORM PART OF ANY OFFER, INVITATION OR RECOMMENDATION IN RESPECT OF SECURITIES. ANY DECISION TO BUY OR SELL BLUESCOPE STEEL LIMITED SECURITIES OR OTHER PRODUCTS SHOULD BE MADE ONLY AFTER SEEKING APPROPRIATE FINANCIAL ADVICE. RELIANCE SHOULD NOT BE PLACED ON INFORMATION OR OPINIONS CONTAINED IN THIS PRESENTATION AND, SUBJECT ONLY TO ANY LEGAL OBLIGATION TO DO SO, BLUESCOPE STEEL DOES NOT ACCEPT ANY OBLIGATION TO CORRECT OR UPDATE THEM. THIS PRESENTATION DOES NOT TAKE INTO CONSIDERATION THE INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS OF ANY PARTICULAR INVESTOR.

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS, WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY", "WILL", "SHOULD", "EXPECT", "INTEND", "ANTICIPATE", "ESTIMATE", "CONTINUE", "ASSUME" OR "FORECAST" OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY. THESE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE OUR ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS, OR INDUSTRY RESULTS, TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCES OR ACHIEVEMENTS, OR INDUSTRY RESULTS, EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

TO THE FULLEST EXTENT PERMITTED BY LAW, BLUESCOPE STEEL AND ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, ACCEPT NO RESPONSIBILITY FOR ANY INFORMATION PROVIDED IN THIS PRESENTATION, INCLUDING ANY FORWARD LOOKING INFORMATION, AND DISCLAIM ANY LIABILITY WHATSOEVER (INCLUDING FOR NEGLIGENCE) FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS PRESENTATION OR RELIANCE ON ANYTHING CONTAINED IN OR OMITTED FROM IT OR OTHERWISE ARISING IN CONNECTION WITH THIS.

AUTHORISED FOR RELEASE BY THE BOARD OF BLUESCOPE STEEL LIMITED

BlueScope Contact:

Don Watters, Treasurer & Head of Investor Relations

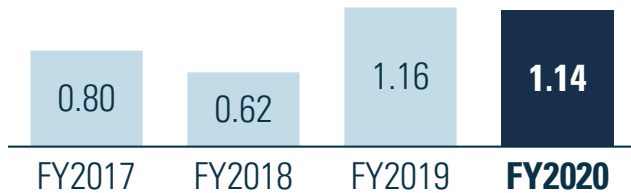
P +61 3 9666 4206

E don.watters@bluescope.com

Continuing to drive enhancement in risk management through a focus on people, building trust and learning

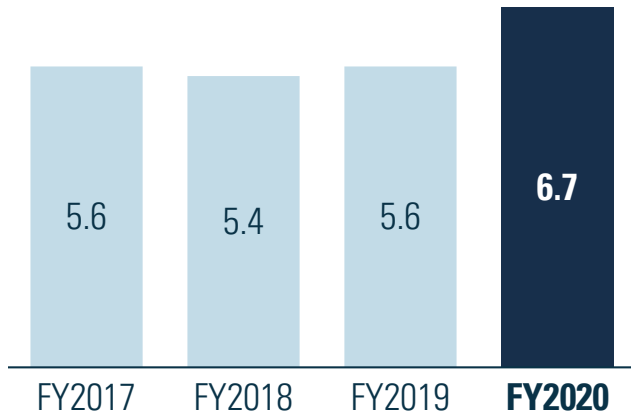
LTIFR

Lost time injuries per million hours worked



MTIFR (TRIFR¹)

Medically treated (Total recorded) injuries per million hours worked



- Health and wellbeing focus in 2H FY2020 has centred around the effective management of COVID-19
- Our safety performance needs more work to reduce the lost time injury frequency rate of 1.14 and medically treated injury frequency rate of 6.7 per million hours worked, in FY2020
- Moving indicators in FY2021 to align to evolving industry standards, including a transition towards TRIFR, leading indicators and more holistic measures relating to severity and critical risk management
- Rolling out a global risk management program to enhance the capability of our people. 120 leaders involved during FY2020, with over 500 leaders to participate in expert run workshops by the end of FY2021

Tragically, in May, a contractor was fatally injured while working at the berth at the Port Kembla Steelworks. The Company will learn from the findings of the investigation into this tragic accident.



(1) TRIFR = total recorded injury frequency rate – the same as MTIFR. For more information on BlueScope’s evolving safety metrics and measures, see page 57

Scan this QR code to see our video on the future of HSEC at BlueScope



RESULTS SHOW STRENGTH OF BUSINESS MODEL AND FINANCIAL DISCIPLINES

Quality of portfolio and resilience of business model demonstrated; well positioned to deliver long term shareholder value

MAINTAINED COVID-SAFE WORKPLACES

- Comprehensive health measures adopted in all operating locations, leveraging strong safety culture and capabilities
- Sites have low employee density, with a high degree of automation. Where possible, employees working from home
- No closures due to COVID-19 infection outbreaks at operating sites to date

RESILIENT BUSINESS MODEL

- Resilience and quality of business model demonstrated with robust volumes in key markets
- ASP saw strongest domestic despatch volume in 2H FY2020 since 1H FY2019
- North Star capacity utilisation above 90% during 2H

STRONG CASH FLOW AND BALANCE SHEET

- Generated \$412M free cash in 2H (before North Star expansion spend and dividends / buy-backs)
- Strong balance sheet with \$79M net cash¹ and \$3.1Bn liquidity at 30 June 2020
- Disciplined approach to capital allocation

NORTH STAR EXPANSION ON-TRACK

- Quality of North Star asset highlighted by high utilisation levels amid accelerating US capacity rationalisation
- Expansion project on track and remains a capital allocation priority given long term value accretion. Expect Midwest demand to exceed supply by 2024

POSITIONED TO MEET EMERGING CUSTOMER TRENDS

- Localisation of supply chains aligns to BlueScope's multi-domestic market focus
- Shift towards lower density and regional residential housing; increasing alterations and additions activity
- Enhancing focus on e-commerce growth, including construction of logistics, warehousing and data centre infrastructure



(1) Measure includes impact of AASB 16 leases. Net cash of \$509 million excluding the impact of leases as per AASB 16.

\$97M reported NPAT and underlying EBIT of \$564M, down 58% on FY2019

UNDERLYING EBIT¹

\$564M

↓ Down \$784M on FY2019

UNDERLYING EBIT RETURN ON
INVESTED CAPITAL

7.6%

↓ Down from 19.5% in FY2019

REPORTED NPAT

\$97M

↓ Down \$919M on FY2019

FREE CASH FLOW
(Operating cash flow less capex)

\$238M

↓ Down \$1,066M on FY2019

CAPITAL MANAGEMENT

**Final dividend
of 8.0 cps**

NET CASH

\$79M

(includes \$430M operating leases²)

↑ Improved from \$47M net debt at
31 Dec 2019



(1) Underlying EBIT reflects the Group's assessment of performance after excluding (pre-tax): write-down of New Zealand and Pacific Islands segment assets (\$197.0M), provision for the cost of curtailing the defined benefit pension fund at Buildings North America (\$30.5M), restructuring and business development costs (\$26.7M), discontinued operations (\$4.7M) and BlueScope's share of the one-time tax accounting adjustment relating to a tax rate change in India (\$6.0M); partly offset by a gain on asset sales (\$10.6M). Refer page 66 for a full reconciliation of these underlying adjustments.

(2) Under AASB16, a new lease accounting standard which took effect from 1 July 2019, most leasing arrangements formerly classified as operating leases were brought onto the balance sheet as an asset and a form of debt. The impact of this change to net debt at 30 June 2020 is \$430M.

Broadly resilient demand across key markets; prudent measures adopted to protect our people, communities and business strength

Impact on demand and trading across BlueScope's footprint



Australia

- Resilient domestic demand
- Broad recognition of importance of building and construction value chain; maintained high activity levels with no operational closures nor JobKeeper support



North America

- North Star utilisation remained above 90% during 2H FY2020, as impacts of automaker closures were mitigated by ability to pivot to other segments
- Rapid industry supply response bolstering long term industry structure



Asia

- Better than expected recovery in China post COVID-19 shutdown
- Broadly resilient performance across ASEAN; Malaysia impacted by Government mandated shutdown
- Positive contribution in India, despite Government mandated shutdown



New Zealand

- Impacted by Government mandated shutdown of operations during March and April
- Demand generally resilient



BLUESCOPE'S CONSIDERED AND MEASURED RESPONSE TO COVID-19

- ✓ **Moved rapidly to protect the health of our people and communities**
 - Implemented comprehensive hygiene and distancing measures at all sites
 - Where possible, employees working from home
- ✓ **Prudent intervention to protect the business and balance sheet**
 - Paused discretionary operating and capital spend
 - Minimised near-term North Star expansion spend
 - Cancelled on-market buy-back
 - Enhanced liquidity position
 - Generally no pay increases for ELT and executives for FY2021

BlueScope is well positioned to address likely post-COVID societal trends



Localisation of supply chains

BlueScope's focus is to serve domestic markets



Rise in home improvements and extensions activity (redirection of discretionary spend away from travel etc.)

BlueScope is a leading residential building products supplier across Australia, New Zealand and South-East Asia



Shifting preference towards lower density and regional residential housing

BlueScope's flat products better suit low-rise construction; steel is more transportable to regional areas than some products



E-commerce, logistics and data centre growth

BlueScope is a leading supplier of industrial building products



Government infrastructure spending increases as fiscal stimulus

Key consumption market for steel



Preference for private road travel driving auto growth

Steel is a key input to road transport vehicles

FY2020 UNDERLYING EBIT BY SEGMENT

Weaker commodity steel spreads impact most segments; Building Products segment lifted with better ASEAN performance

AUSTRALIAN STEEL PRODUCTS

\$305.1 M

↓ Down 43% on FY2019

NORTH STAR

\$189.6M

↓ Down 71% on FY2019

BUILDING PRODUCTS
ASIA & NORTH AMERICA

\$155.3M

↑ Up 16% on FY2019

BUILDINGS NORTH AMERICA

\$37.9M

↓ Down 29% on FY2019

NEW ZEALAND & PACIFIC ISLANDS

\$(5.8)M

↓ Down 107% on FY2019

CORPORATE & ELIMINATIONS

\$(118.1)M

↓ 7% higher cost on FY2019

OUR PURPOSE

We create and inspire smart solutions in steel, to strengthen our communities for the future.

OUR STRATEGY

TRANSFORM

DELIVER A STEP CHANGE IN CUSTOMER EXPERIENCE AND BUSINESS PERFORMANCE

Digital technology: Deliver the next wave of customer and productivity improvements through digital technologies

Climate Change and Sustainability: Actively lowering emissions intensity and producing highly recyclable products

GROW

GROW OUR PORTFOLIO OF SUSTAINABLE STEELMAKING AND WORLD LEADING COATING, PAINTING AND STEEL PRODUCTS BUSINESSES

Grow our US business including expansion of North Star, the US's leading mini mill

Drive growth in the fast growing Asian region, from an outstanding suite of assets

Pursue incremental opportunities in Australia

DELIVER

DELIVER A SAFE WORKPLACE, AN ADAPTABLE ORGANISATION AND STRONG RETURNS

Deliver safe and sustainable operations and an inclusive and diverse workplace.

Maintain an integrated and resilient Australian business

Secure the future of steelmaking in NZ

Deliver returns greater than the cost of capital through the cycle

Maintain a strong and robust balance sheet

Deliver strong returns to shareholders

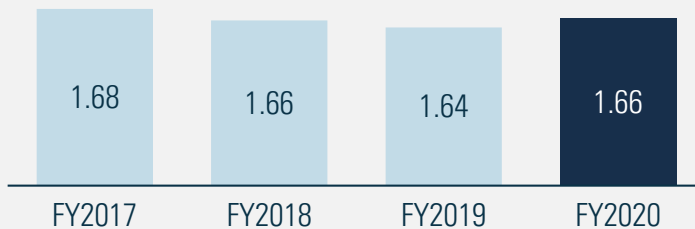
Seeking to reduce our impact on shared resources and mitigating climate risks by leveraging opportunities and breakthrough technologies

FY2020 PROGRESS

- Climate strategy elevated within corporate strategy, and established Climate Change Council to support execution
- Progressed the development of our Scope 3 emissions inventory
- FY2020 performance impacted by Government mandated shutdowns, leading to production disruptions and outages

GHG emissions intensity¹

(Steelmaking facilities, tCO₂-e per tonne raw steel)



FUTURE FOCUS

- Refreshing our climate scenario analysis to support the development of our long-term carbon reduction aspiration
- Continuing our \$1Bn investment in the expansion of low emission steelmaking at North Star
- Continuing to progress our disclosures in line with TCFD requirements and SASB standards, including reporting on Scope 3 emissions
- Keeping abreast of developments of low and zero emissions steelmaking technology
- Contributing to key industry research papers and expert submissions



More information can be found on pages 56 to 63 of this presentation, and in our Sustainability Report, at bluescope.com/sustainability



(1) Preliminary data. Final emissions intensity figures will be published in BlueScope's FY2020 Sustainability Report, due to be released in September 2020

BlueScope continues to focus on building resilience, embedding sustainability in all that we do

SUPPLY CHAIN SUSTAINABILITY

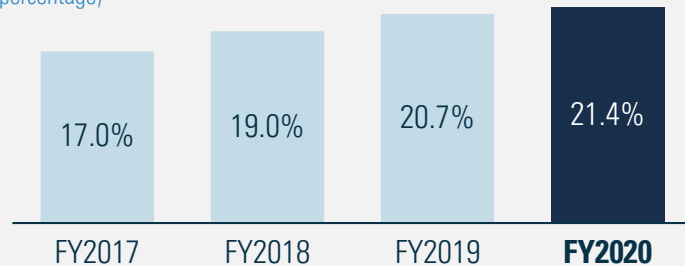
- On track to complete the targeted 220 assessments of Priority 1 and 2 suppliers by the end of FY2021
 - Temporary pause in activity as procurement teams focussed on supply chain and operational security across April/May
 - 103 supplier assessments completed to date, 70 assessments currently underway
- Completed pilot for BlueScope site assessments at two sites in higher risk locations during FY2020. Design underway for rollout across the wider business
- Our first Modern Slavery Statement to be released in 1H FY2021

INCLUSION & DIVERSITY

- Recruitment levels in FY2020 remained consistent with our focus on recruitment of women into our workforce and into STEM careers
- In FY2021, we will be increasing our focus on building a multicultural and multigenerational workforce that is representative of the communities in which we operate

Women in BSL workforce

(percentage)



COMMUNITY

- We actively promote local participation and collaboration to improve and empower the lives of people working and living in our communities
- In FY2020, in response to the devastating bushfires, BlueScope donated over \$1M in Company and employee donations to the Red Cross Disaster Relief & Recovery fund
- In the face of the COVID-19 pandemic, many parts of our businesses supported their local communities, including donations to front line services in China, masks for front line responders in Ohio, and a Ranbuild® building in Thailand to be used as a testing centre



More information can be found on pages 56 to 63 of this presentation, and in our Sustainability Report, at bluescope.com/sustainability

NORTH STAR EXPANSION PROGRESSING WELL – INVESTING IN QUALITY GROWTH

Significant project for BlueScope; remains on-budget and set for commissioning during the June 2022 half year

- With a strong balance sheet, executing this highly value-accretive project remains a priority
- Development was rescheduled in April to minimise near term cash spend whilst maintaining core program activities
 - No impact to overall project budget
 - Now targeting commissioning during the June 2022 half year; full ramp-up approximately 18 months later
- Over the last six months:
 - Maintained a strong safety performance with no lost time injuries
 - Design engineering has progressed significantly
 - Civil and buildings works have progressed on schedule, including the melt shop building extension and new equipment foundations
 - Expect to begin receiving key plant and equipment including melt shop in 1H FY2021
- Total of US\$133M spent to 30 June 2020; approximately US\$570M remaining to be spent. Phasing set out on page 36





Melt shop building frame nearing completion



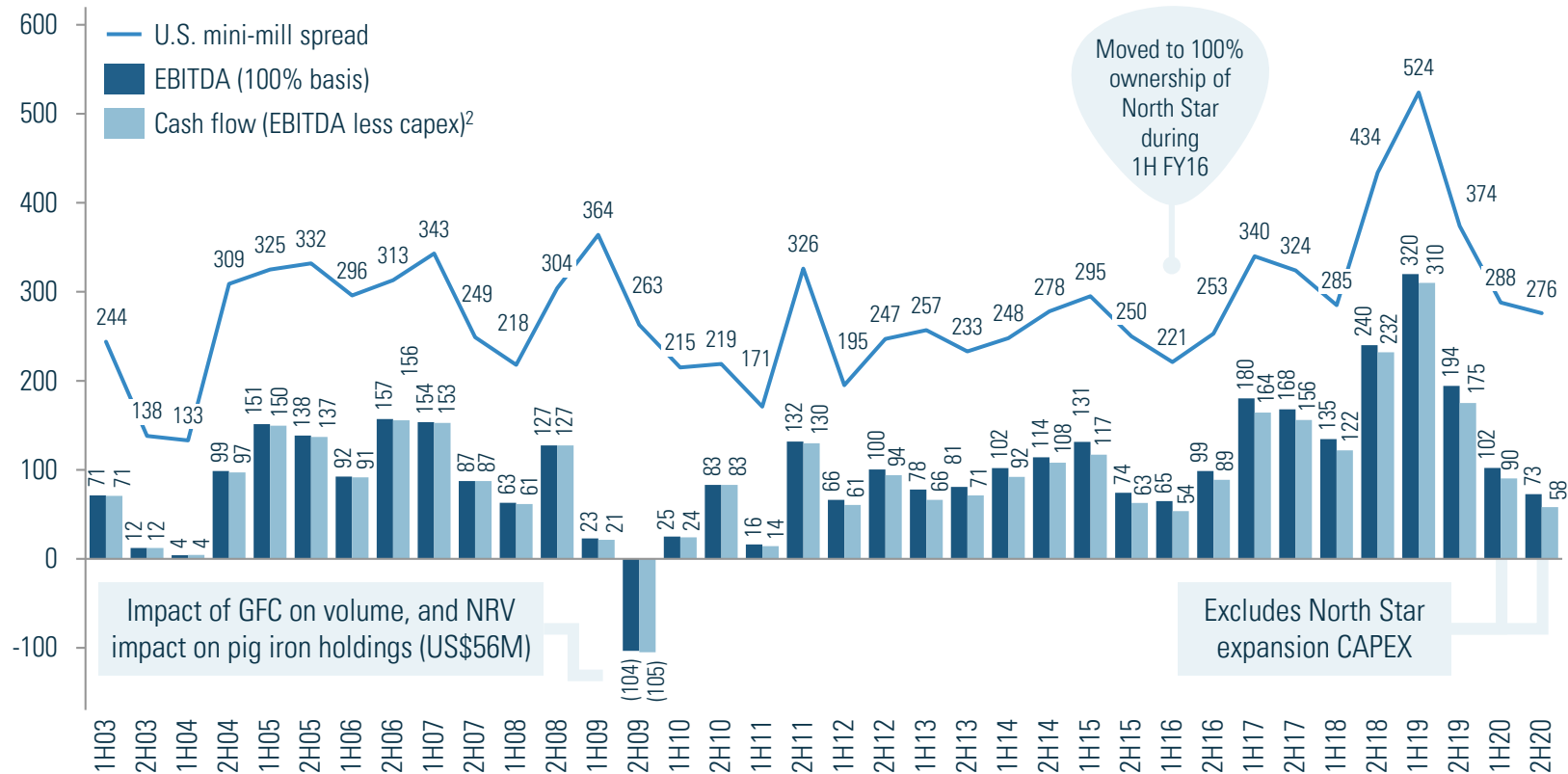
Melt shop building cladding underway



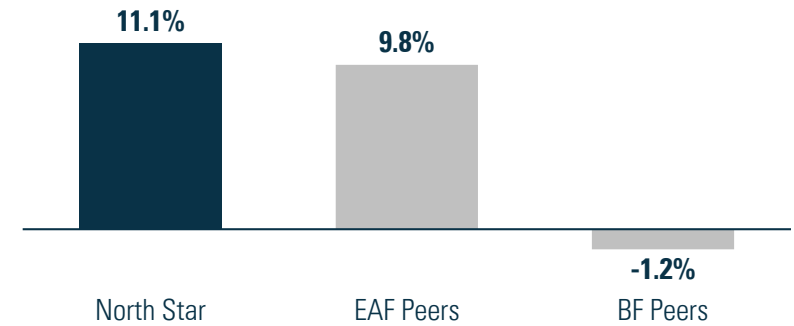
Installation of shuttle furnace underway

Strong EBITDA and cash generation through the cycle; industry leading margins and utilisation

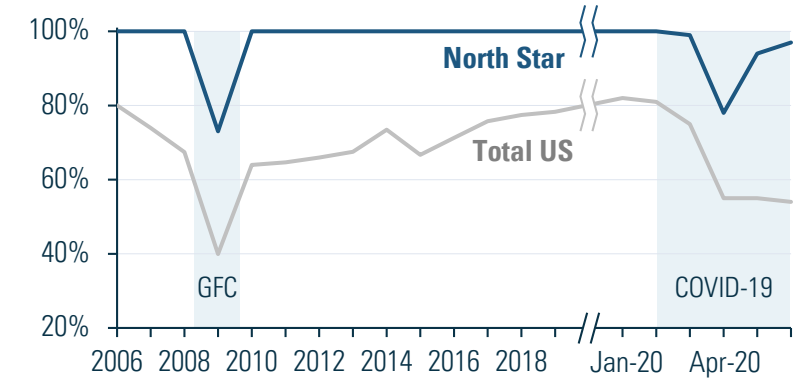
US\$M EBITDA and spread (100% basis)¹



EBIT margins³ (%)



US steel mill capacity utilisation⁴ (%)



(1) US Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming illustrative one month lag), SBB #1 busheling scrap price (assuming one month lag) and Fastmarkets NOLA pig iron price (assuming two month lag); assumes raw material indicative usage of 1.1t per output tonne. Note, North Star sales mix has longer lags.

(2) Capex is presented on an accrual basis, and as such excludes movements in capital creditors.

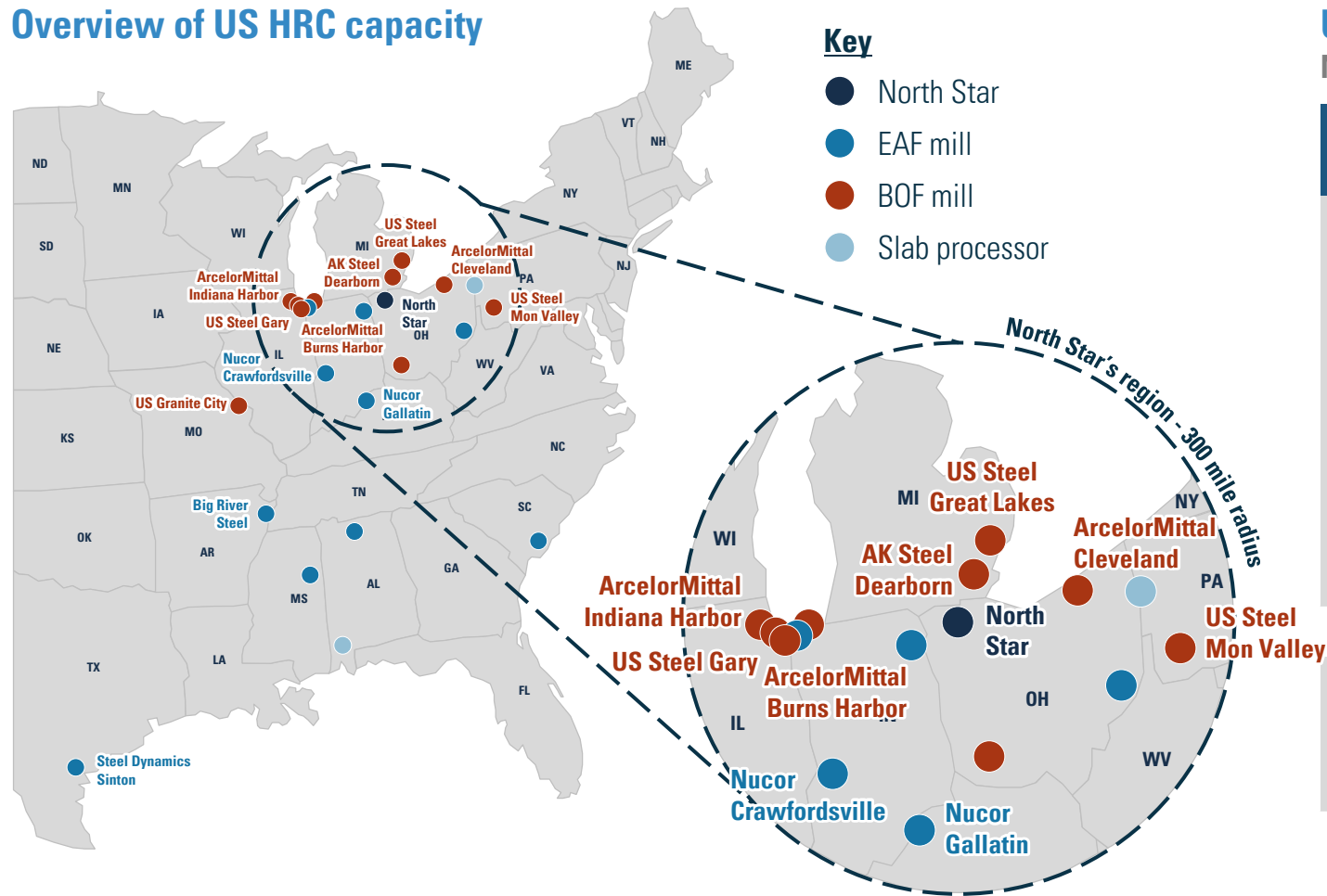
(3) Reflects CY2019 North Star underlying EBIT margin. Peer margin data sourced from company information, simple average of three BOF and three EAF North American peers using relevant segment information

(4) Source: CRU, AISI, company data



High cost legacy blast furnace producers idling and mothballing capacity or moderating output via temporary closures

Overview of US HRC capacity



US HRC capacity additions and rationalisations

Nameplate capacity changes, not utilisation adjusted for production¹

	Mill	Location	Distance from North Star	Capacity change
Within region	North Star	Delta, OH	-	+ ~0.85mt (resched.)
	Nucor Gallatin	Ghent, KY	200 miles	+ 1.3mt (resched.)
	JSW Steel	Mingo Junction, OH	195 miles	+ 1.5mt (targeted)
	AK Steel	Dearborn, MI	215 miles	- 3.0mt
	ArcelorMittal	Indiana Harbor, IN	180 miles	- 0.8mt
	Nucor	Crawfordsville, IN	140 miles	- 0.9mt
	US Steel	Gary, IN	175 miles	- 1.0mt
	US Steel	Great Lakes, MI	65 miles	- 3.7mt
	Subtotal			- 5.75mt
Outside region	Big River Steel	Osceloa, AR	510 miles	+ 1.5mt
	Steel Dynamics	Sinton, TX	1200 miles	+ 2.7mt
	US Steel	Granite City, IL	400 miles	- 1.2mt
	Subtotal			+ 3.0mt
	National total			- 2.75mt

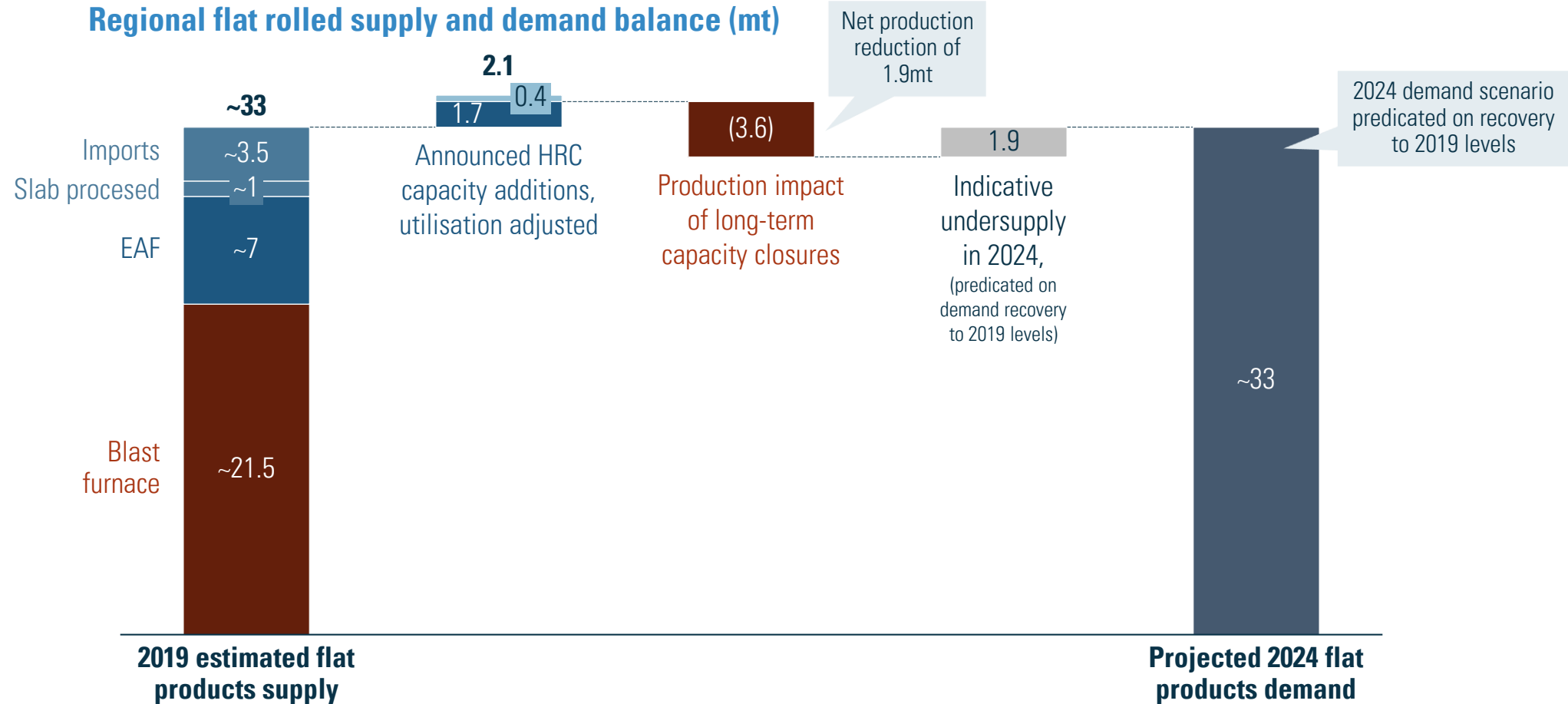


Source: SRA, KeyBanc, company filings, BSL analysis

(1) Capacity utilisation recognises that capacity additions are unlikely to operate at nameplate capacity; conservatively assumed that new capacity could operate at a practical utilisation of ~85%

MEDIUM TERM SUPPLY-DEMAND BALANCE OUTLOOK REMAINS FAVOURABLE

Announced closures within North Star's region likely to lead to a regional undersupply in the medium term



Strategic review substantially progressed; reconfiguring business to be fit for purpose, fit for market

Strategic review

- Re-evaluating financial viability of business in a challenging operating environment, made more uncertain by public policy settings in carbon, trade and particularly high energy costs
- Seeking to deliver a change in product mix, cost and productivity improvements
- Intention to achieve appropriate level of profitability and sustainability by making the business more fit for purpose and fit for market

Actions and costs

- Exit of loss-making products; proposed reconfiguration could see a substantial number of roles made redundant
- Expected cash cost ~\$30-50M, net of working capital
 - Includes make-good, capital and redundancies
- Follows recent closure of pipe & tube / hollows mill
- Will continue to manufacture New Zealand's leading COLORSTEEL® products

Way forward

- Confident we can deliver on this plan
- In event that the improvements are not achieved, business may shift to external supply of products, and primary steelmaking operations at Glenbrook may cease



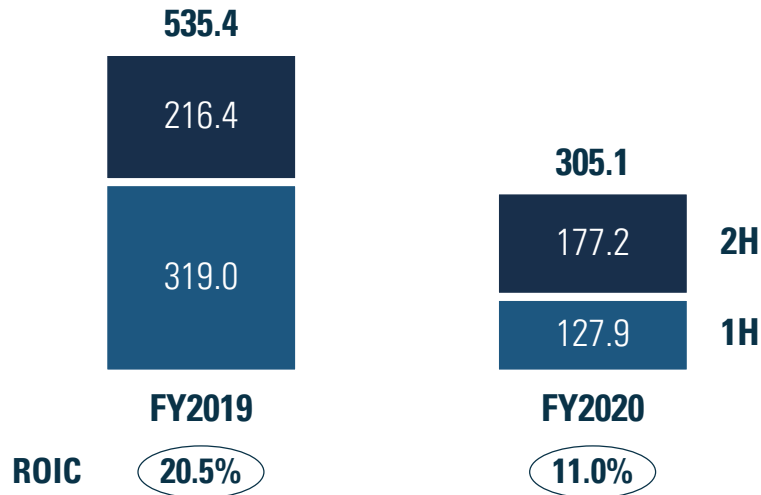


FINANCIAL RESULTS



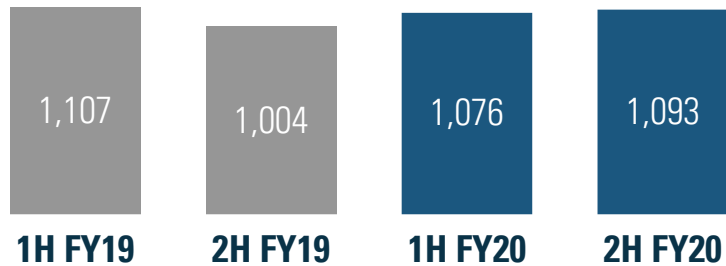
Robust 2H FY2020 performance in line with expectations, underpinned by resilient domestic demand

Underlying EBIT (\$M)

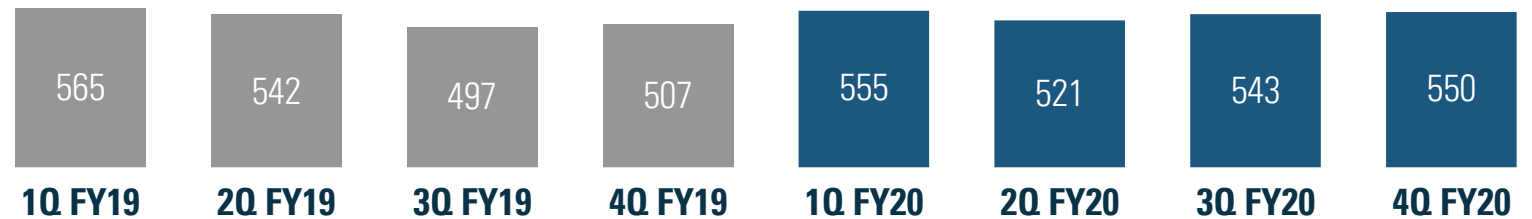


- 2H FY2020 realised spreads slightly stronger than 1H, with moderate benefit from realised selling prices, as foreshadowed
- Domestic volumes remained robust, with sales into construction sectors increasing 2% from 1H to 2H FY2020
- Higher contribution from export coke sales in 2H FY2020, up \$17M on 1H

Domestic despatches ex-mill (kt)



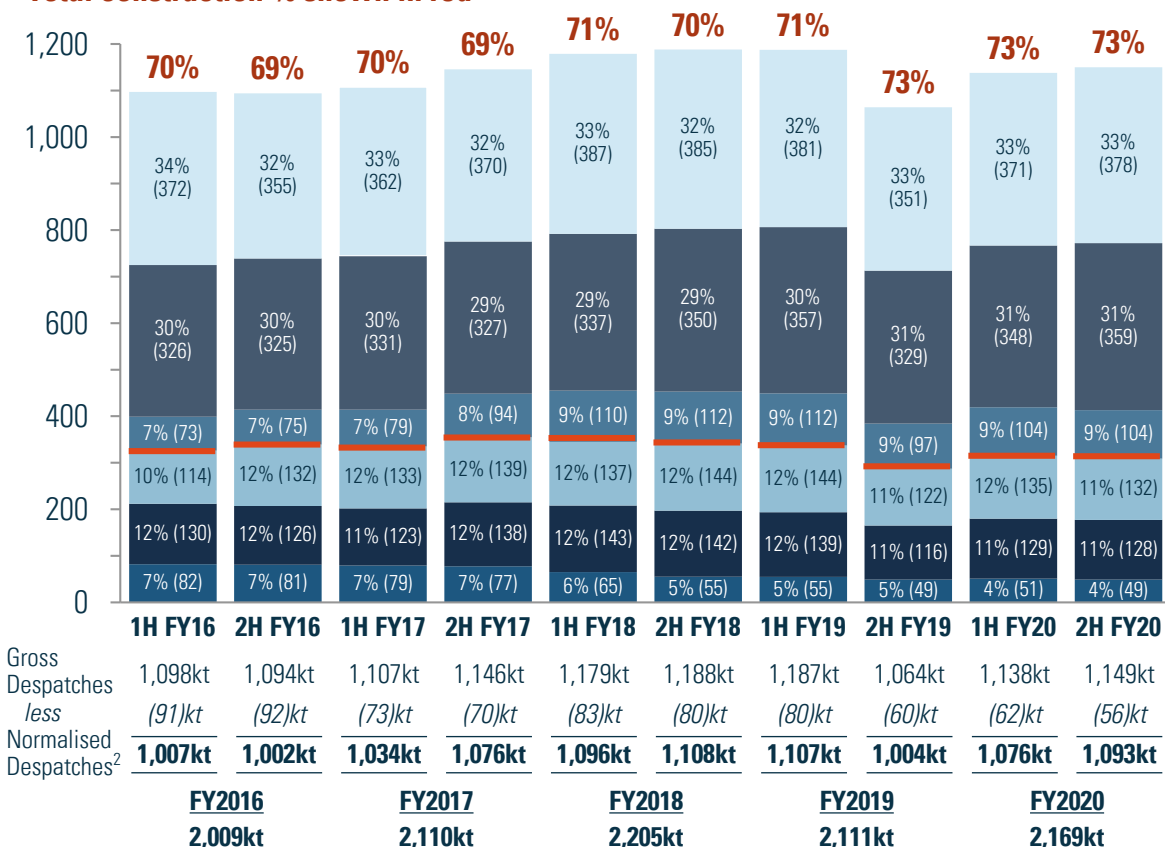
ASP quarterly domestic despatches ex-mill (kt)



Domestic volumes robust, supported by strong construction end market demand for BlueScope's products

Total Australian external domestic despatch volumes (kt)

Total construction % shown in red



(1) Engineering includes infrastructure such as roads, power, rail, water, pipes and some mining-linked use
 (2) Normalised despatches exclude third party sourced products, in particular, long product

DWELLING

- A significant proportion of product goes to alterations and additions. Sub-segment performed well, supported by high house prices and homebound consumers undertaking renovations
- Balance mainly driven by detached residential commencements; approvals remain well within supportive historical range; approvals pipeline provided a base for detached demand

NON-DWELLING

- Consumes a third of our COLORBOND® steel
- Both Commercial and Industrial, and Social and Institutional sub-sectors were supported by record low funding costs. Investment was predominantly seen in office building and education, along with major prison and defence projects

ENGINEERING

- Strong public infrastructure and utilities investment; robust activity in renewables, bridges and road infrastructure

MANUFACTURING

- Generally stable, with strength seen across hot water systems, strapping, tanks and warehouse racking. Cost challenges somewhat alleviated by lower A\$

AGRI & MINING

- Stable on resilient mining consumables demand. Marginal increase to farm storage and harvesting equipment on easing drought conditions

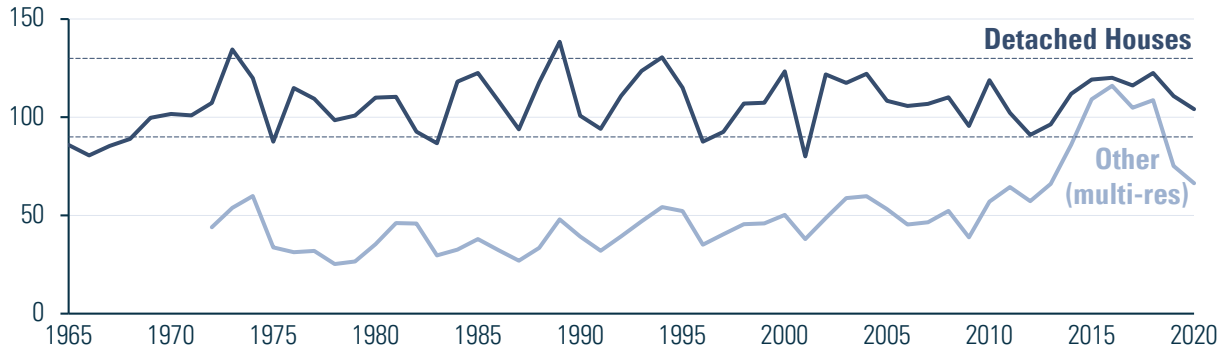
TRANSPORT

- Truck bodies, trains, ships, trailers etc – supported by increasing logistics and supply chain impacts of rise in e-commerce

Current activity levels remain resilient across the building and construction markets to which BlueScope is exposed

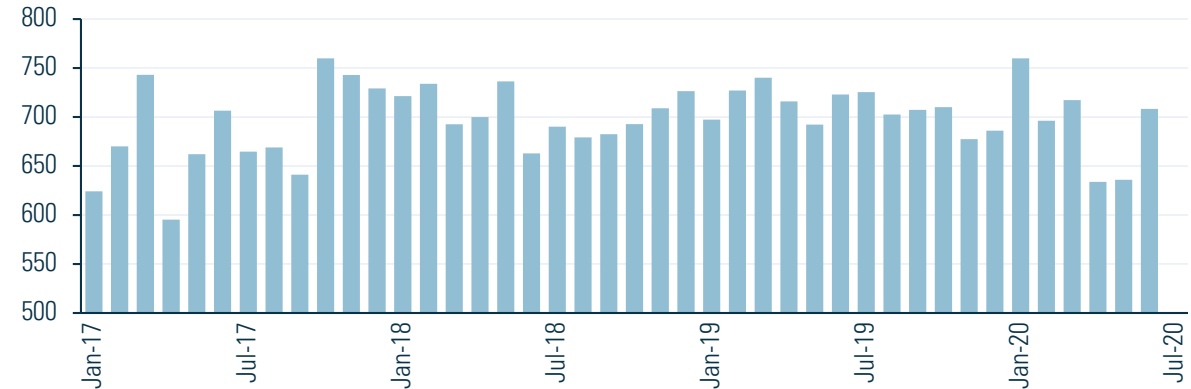
Long-term dwelling approvals: rolling 12 months¹ ('000 units)

Despite pullback, detached house approvals holding in stable historic range



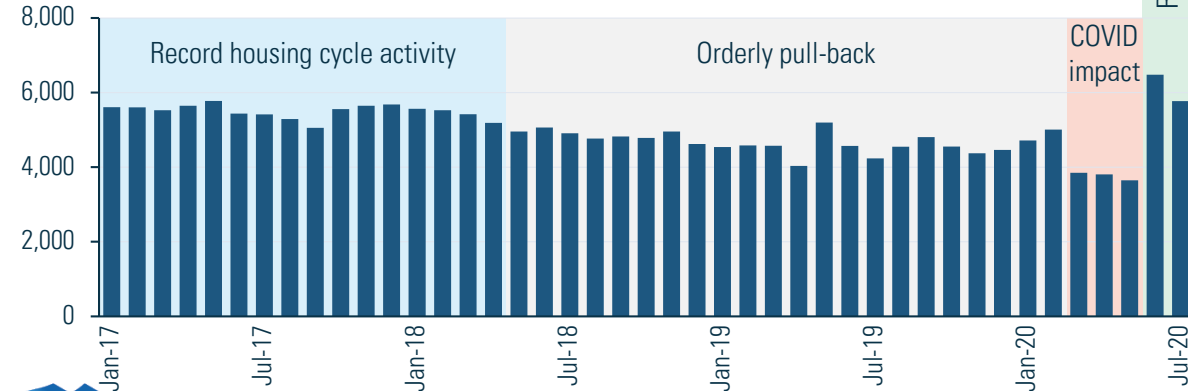
Alterations and additions approvals² (A\$M)

Homebound consumers redirecting discretionary funds towards renovations



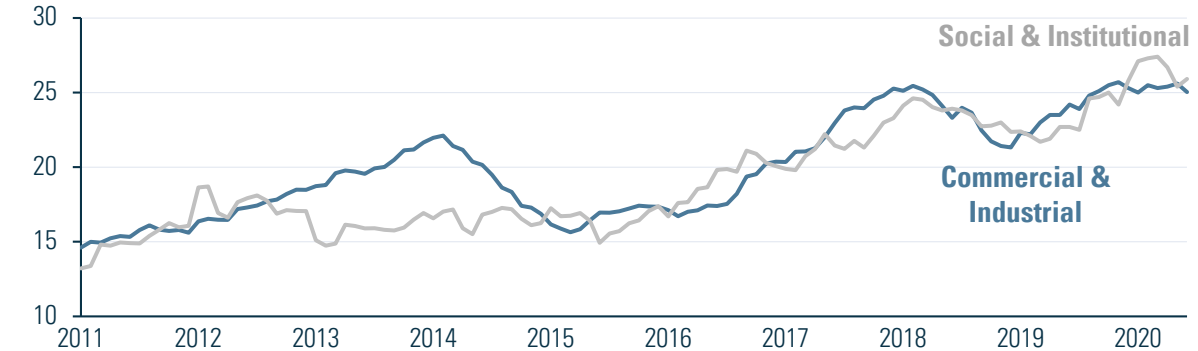
Private new home sales³ (units, seasonally adjusted)

Rebounding new home sales in June and July



Non-residential building approvals: rolling 12 months⁴ (A\$bn)

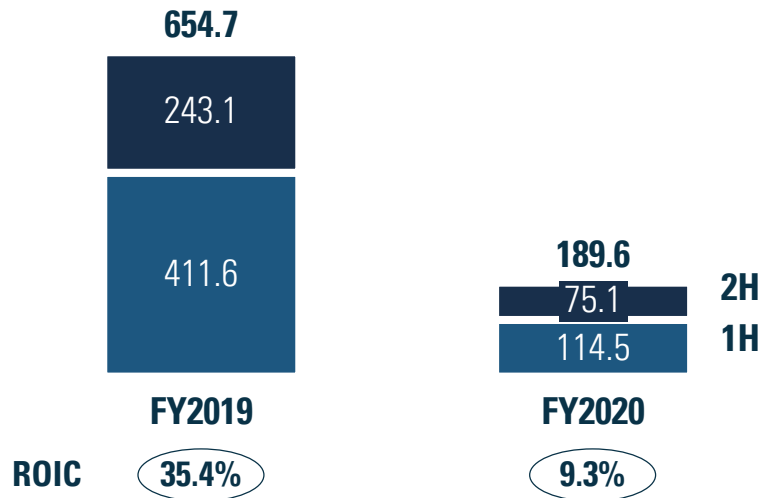
Approvals at most robust levels for many years



Sources: (1) ABS series 8731, table 11; original data; data to Jun 20 Qtr (2) ABS series 8731, table 38; seasonally adjusted; current \$; data to Jun 20 (3) HIA monthly data, seasonally adjusted. Covers largest 100 home builders on their sales (contract to build) volume for the previous month – accounts for approx. 25-30% of new detached market (4) ABS series 8731, table 51; original data; current \$; total sectors; data to Jun 20

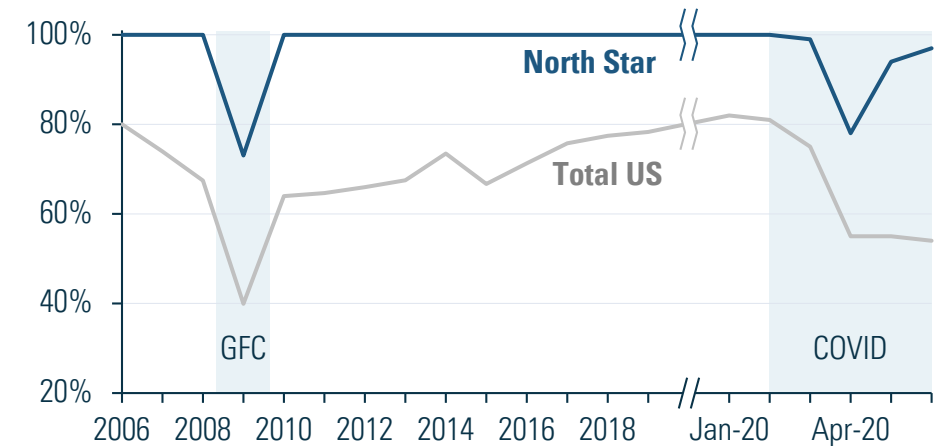
Softer performance on lower spread; second half impacted by automotive shutdowns

Underlying EBIT (\$M)

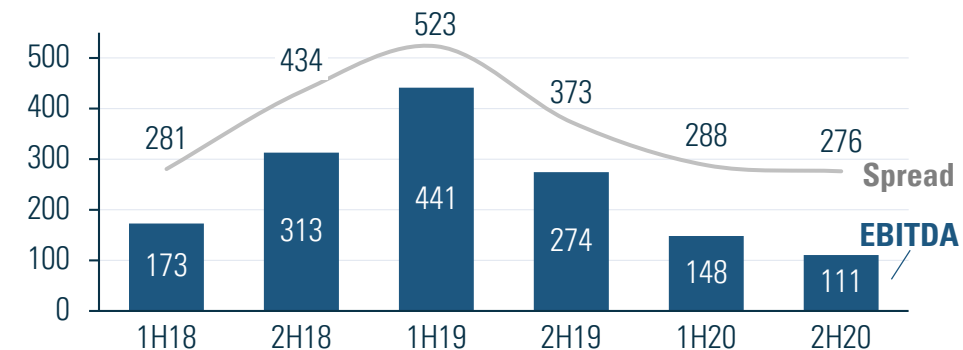


- Realised spreads softened in 2H FY2020 in weaker demand environment
- Closure of the automotive producers from mid-March to mid-May impacted demand through Q4, however ability to pivot to other end markets resulted in an industry-leading utilisation level for North Star. Auto demand regained momentum in July

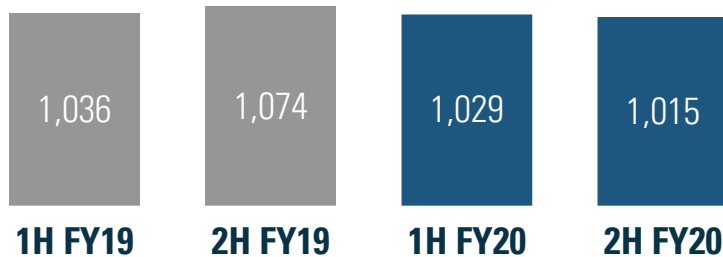
US steel mill capacity utilisation¹ (%)



US HRC spread² vs North Star EBITDA (US\$/t, US\$M)



Total despatches (kt)



- Competitive and highly variable cost base positions North Star well to weather lower spread environment



(1) Source: American Iron and Steel Institute

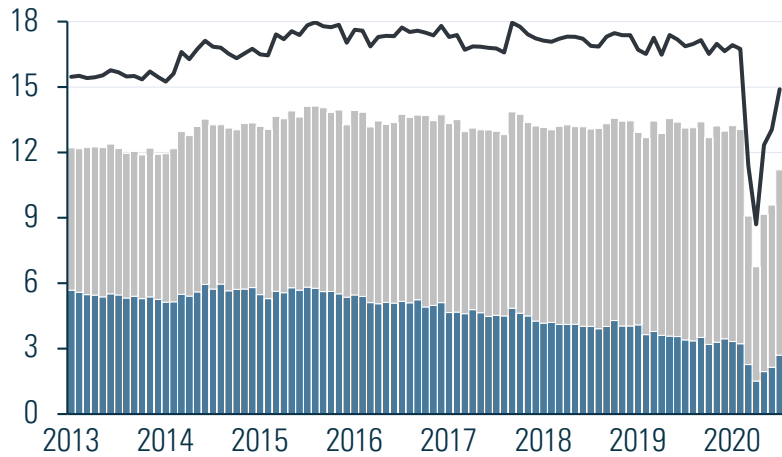
(2) Benchmark prices are illustrative only, and may not be representative of realised mill prices due to a range of factors. Movements in prices across the majority of sales correlate with Midwest regional benchmark pricing, on a short lag; a minority of sales are priced on a longer term basis. Accordingly the degree of correlation between realised and benchmark prices can vary in a given half but is more fully reflected over the medium term

Auto and manufacturing demand rebounding after short pause; construction market reverted to 2019 levels

Automotive¹

(Light vehicle sales, annualised million units)

■ Domestic Autos ■ Domestic Light Trucks — Total Light Vehicles

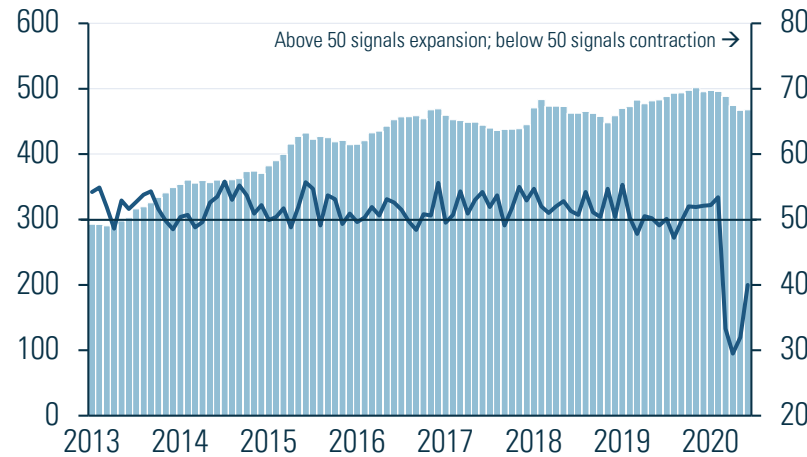


- Solid recovery to ~15m units following COVID driven auto closures through May to June
- Trend to steel intensive light trucks continues
- Gov't income support and preference toward private road travel providing basis for continued momentum

Non-residential construction²

(Value of work put in place, US\$Bn; Architectural billings index)

■ Value of work put in place (LHS) — ABI index (RHS)

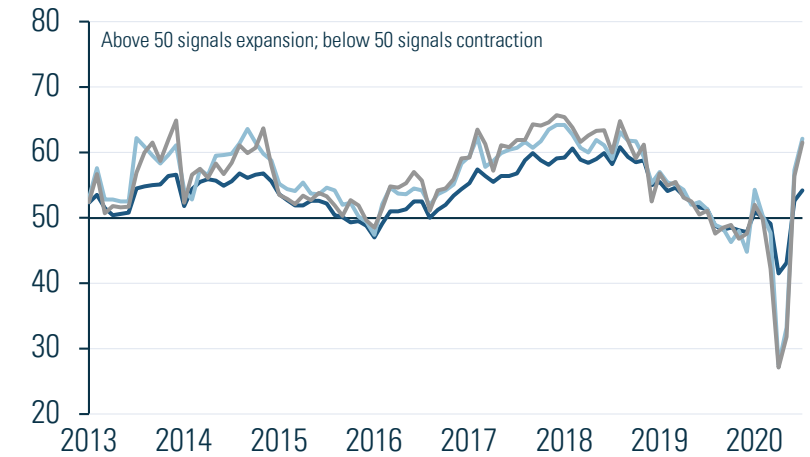


- Activity slowed through the COVID pandemic, consistent with expectations; rebound seen in June
- Pullback from late 2019 record activity levels
- Position as a preferred supplier presents opportunity for North Star to gain share

Manufacturing³

(ISM purchasing managers' index)

— Headline Index — Production index — New orders index



- COVID contraction reversed sharply in June/July
- Supply chain disruptions easing with the restart of automotive and general manufacturing
- Ongoing demand supported by reshoring of manufacturing production



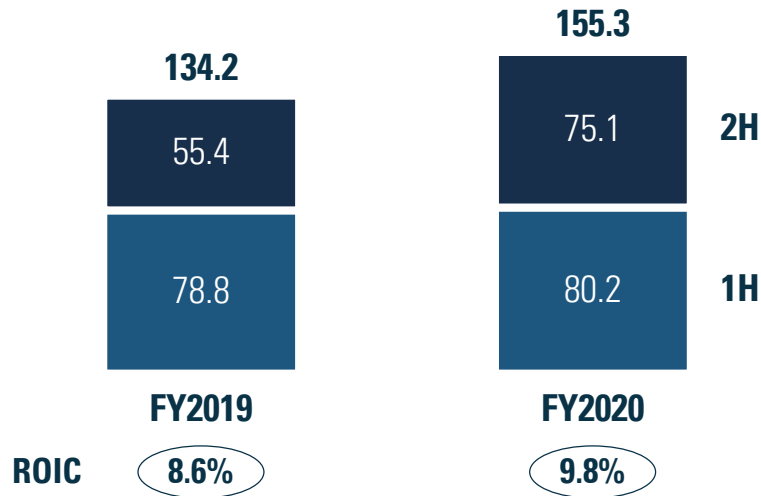
(1) CEIC, seasonally adjusted, data to Jul 20

(2) US Census Bureau, Value of Construction Put in Place Survey, data to Jun 20; American Institute of Architects, data to Jun 20

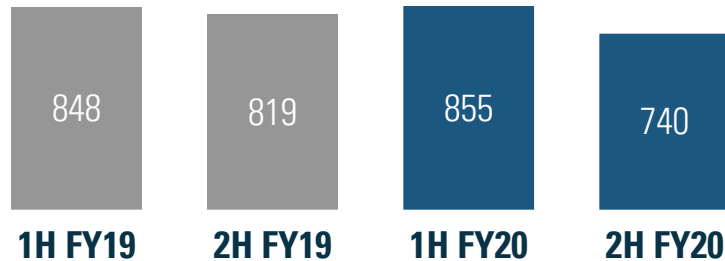
(3) ISM – Institute for Supply Management, Purchasing Managers Index, data to Jul 20

Robust performance, particularly in China and ASEAN despite impacts of COVID-19

Underlying EBIT (\$M)



Total despatches (kt)

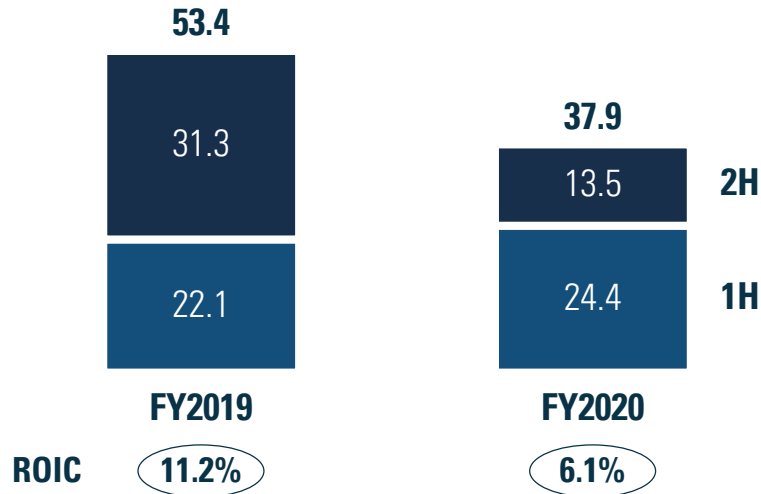


Note: Regional earnings breakdown excludes intra-segment eliminations and head office costs (\$4.0M in FY2020; \$1.7M in 2H FY2020)

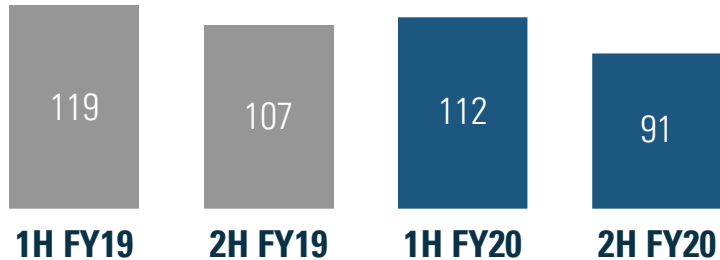
- China (**EBIT \$51.2M in FY2020; \$14.5M in 2H FY2020**)
 - 2H FY2020 EBIT lower on seasonality and COVID-19 impacts
 - Indicative unrecovered fixed cost impact of ~\$8M, excluding foregone variable margin on lost sales
 - Solid recovery momentum, with June quarter EBIT up 30% on previous corresponding period
- South East Asia (**EBIT \$50.9M in FY2020; \$20.6M in 2H FY2020**)
 - Strong Thailand performance on higher volume particularly into the retail segment
 - Malaysia impacted by Government mandated COVID-19 shutdown, with a ~\$4M indicative unrecovered cost impact (net of Government support); Indonesia impacted by softer demand and currency volatility
 - Overall, full year performance considerably improved with benefits of IGNITE 5G cost and productivity program, with the business delivering annualised run-rate benefits of \$40M by the end of FY2020
- North America (**EBIT \$40.2M in FY2020; \$34.6M in 2H FY2020**)
 - 2H FY2020 benefitted from improved manufacturing performance and lower cost inventory, partly offset by lower volumes
- India (**EBIT (50% basis) \$17.0M in FY2020; \$7.1M in 2H FY2020**)
 - Softer performance on lower volumes due to slowing activity and COVID-19; impacted by Government mandated shutdown
 - Our joint venture partner in India, Tata Steel, has acquired Bhushan Steel, which includes coating and painting assets. BlueScope is continuing to work through the implications of this acquisition for the joint venture with Tata Steel

Impacted by lower volumes from softer end market demand and project delays

Underlying EBIT (\$M)



Total despatches (kt)

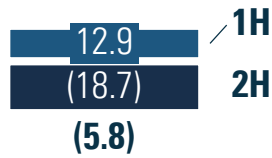
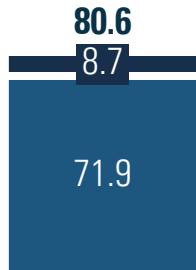


- Lower volumes in 2H FY2020 due to seasonality, COVID-19 impacts including project delays and softer end market demand
- Favourable margins in falling steel feed price environment during 2H FY2020
- Modest contribution from BlueScope Properties Group
- Continuing to invest in capacity and to support future growth potential



Softer performance on lower steel prices and high costs; impact of Government mandated COVID-19 closure

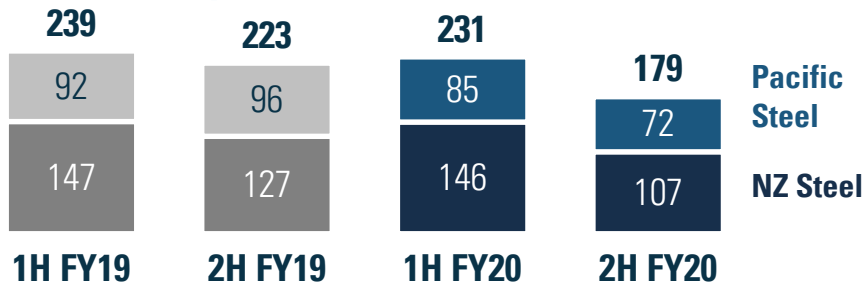
Underlying EBIT (\$M)



FY2019
ROIC 24.1%

FY2020
ROIC (2.0%)

Domestic despatches (kt)



- Steel prices contracted in 2H FY2020 as foreshadowed
- Performance impacted significantly by Government mandated shut down of operations effectively impacting production for almost six weeks
 - ~\$15M indicative unrecovered fixed cost impact from Government mandated closure (net of Government support). This excludes foregone variable margin on sales that may have otherwise occurred during the closure period
 - Impact mitigated in part by cost improvement initiatives and discretionary spend pause
- Demand solid since restart
- Raw material, energy and coal costs remained elevated
- Similar net vanadium contribution to 1H FY2020 in 2H¹
- \$197M write-down of assets – based on current business model

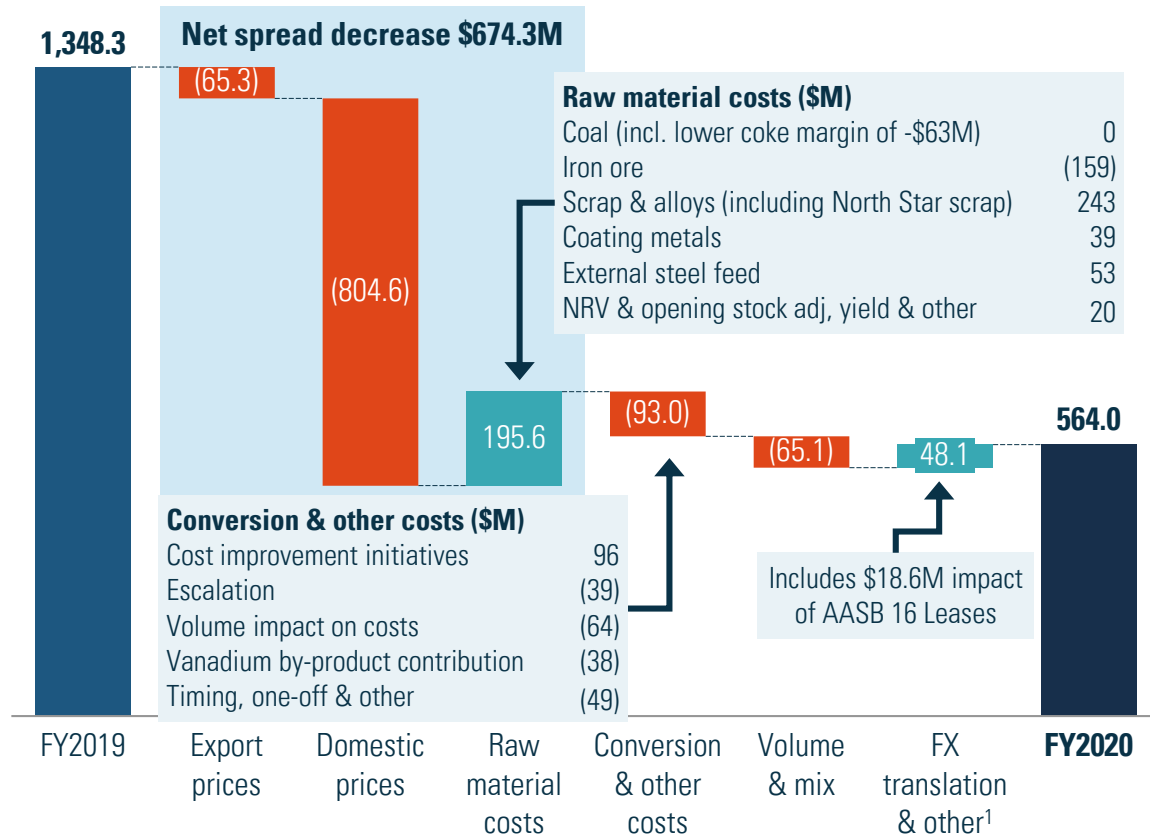


(1) Net vanadium contribution represents gross vanadium slag revenues less costs of ferro and nitrided vanadium input costs.

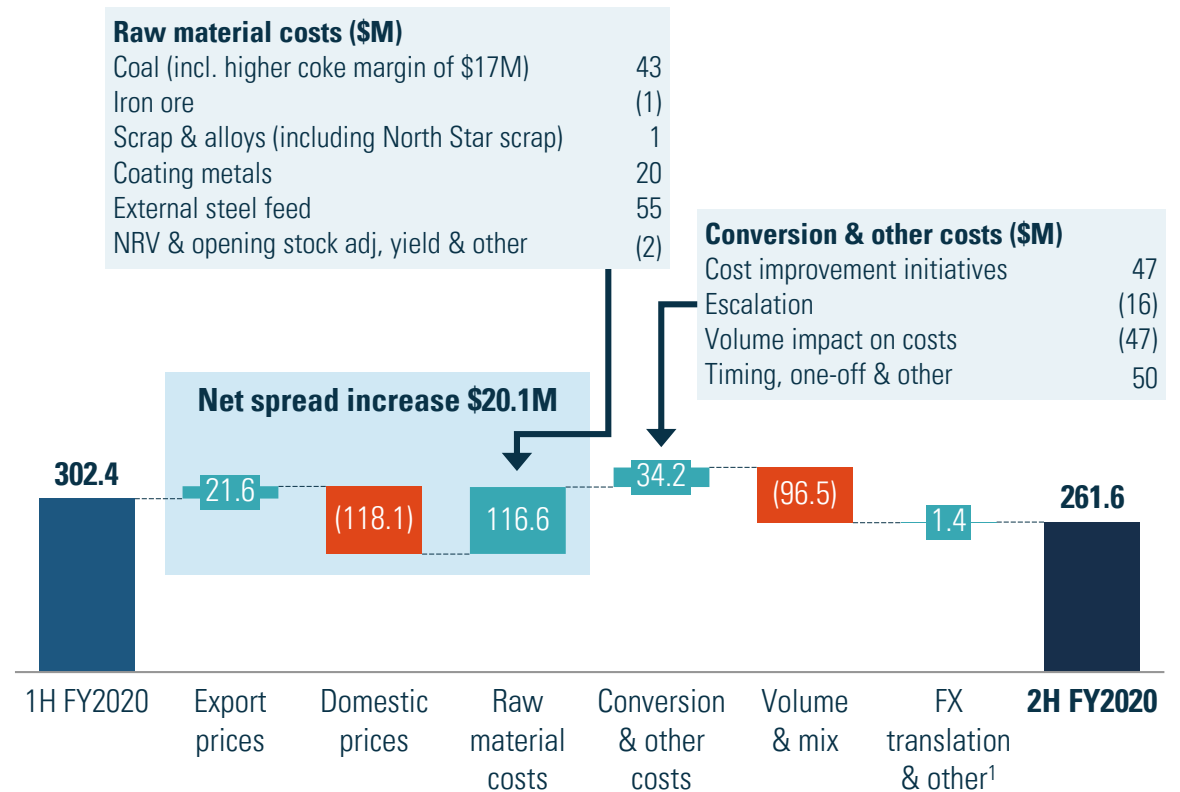
UNDERLYING GROUP EBIT VARIANCE

58% reduction in underlying EBIT over FY2019, largely due to spread

FY2020 vs FY2019 (\$M)



2H FY2020 vs 1H FY2020 (\$M)



(1) Includes the impact of AASB16 Leases

Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

Impact of capitalisation of operating leases under AASB 16

- Effective 1 July 2019 and first reported in December 2019 half year statements
- Brings most operating lease commitments onto the balance sheet as an asset and a form of debt, and splits income statement charges between depreciation and amortisation and interest expense
- Impact to net debt as lease liabilities are brought onto balance sheet – at 30 June 2020 this was \$430M
- No impact on our bank debt facilities and Reg S notes
- Negligible impact on FY2020 ROIC as the value of lease assets coming onto the balance sheet are modest in comparison to net operating assets; reduced further by modest increase to EBIT

Impacts of AASB16 on FY2020 segment earnings

\$M	EBITDA	D&A	EBIT	Interest	NPAT
Australian Steel Products	75.2	(59.5)	15.6		
North Star	4.4	(3.5)	0.9		
Building Products Asia and North America	17.6	(15.3)	2.3		
Buildings North America	8.3	(6.9)	1.4		
New Zealand and Pacific Islands	7.2	(9.2)	(2.0)		
Corporate and other	1.2	(0.8)	0.4		
BlueScope Group	113.9	(95.3)	18.6	(18.9)¹	(1.4)²

Impacts of AASB16 on Balance Sheet

\$M	as at 30 Jun 2020
Asset increase	359
Net debt increase	(430)
Other liability decrease ³	18
Equity / net asset decrease	(53)



(1) Excluding pre-existing finance leases. Total interest charge on leases is \$30.0M

(2) Includes tax of (\$1.1M)

(3) Other liability decrease relates to the reversal of straight lining of operating lease rentals and provisions for onerous leases, not included in net debt balance



FINANCIAL FRAMEWORK



Maintaining commitment to a strong balance sheet and disciplined capital allocation

1 RETURNS FOCUS

- ROIC > WACC on average through the cycle
- ROIC incentives for management and employees
- Maximise free cash flow generation

2 OPTIMAL CAPITAL STRUCTURE

- Strong balance sheet, with a target of around \$400M net debt (including operating leases)¹
- Retain strong credit metrics
- Intent to have financial capacity through the cycle to make opportunistic investments or to fund reinvestment in or a shutdown of steelmaking if not cash positive
- Leverage for M&A if accompanied by active debt reduction program

3 DISCIPLINED CAPITAL ALLOCATION

Invest to maintain safe and reliable operations, and in foundation and new technologies

Returns-focussed process with disciplined competition for capital between:

- Growth capital
 - Investments
 - M&A (avoid top of the cycle)
- Shareholder returns
 - Distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and on-market buy-backs²



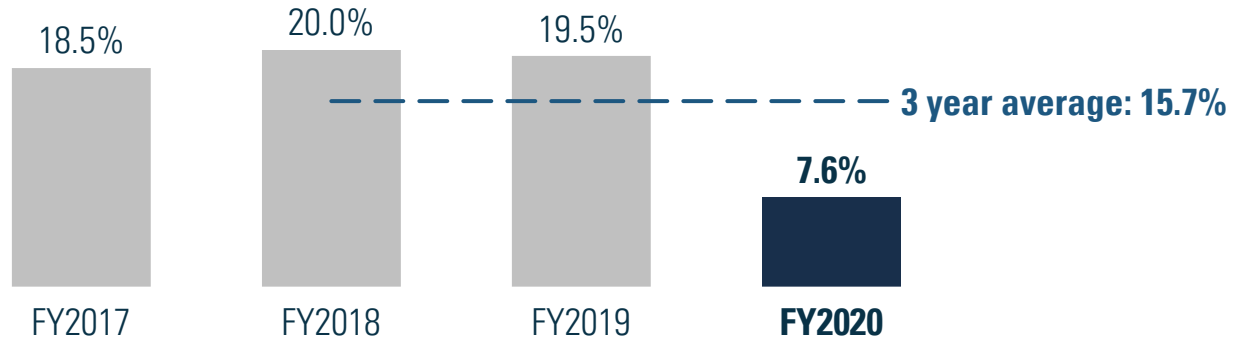
(1) Equivalent to existing target of around zero net debt, excluding the impact of ~\$400M of leases capitalised under AASB16

(2) On-market buy-backs are an effective method of returning capital to shareholders after considering various alternatives and given BlueScope's lack of franking capacity. Given large capex program in FY2021 for North Star expansion and uncertain market conditions, there is currently no active buy-back program.

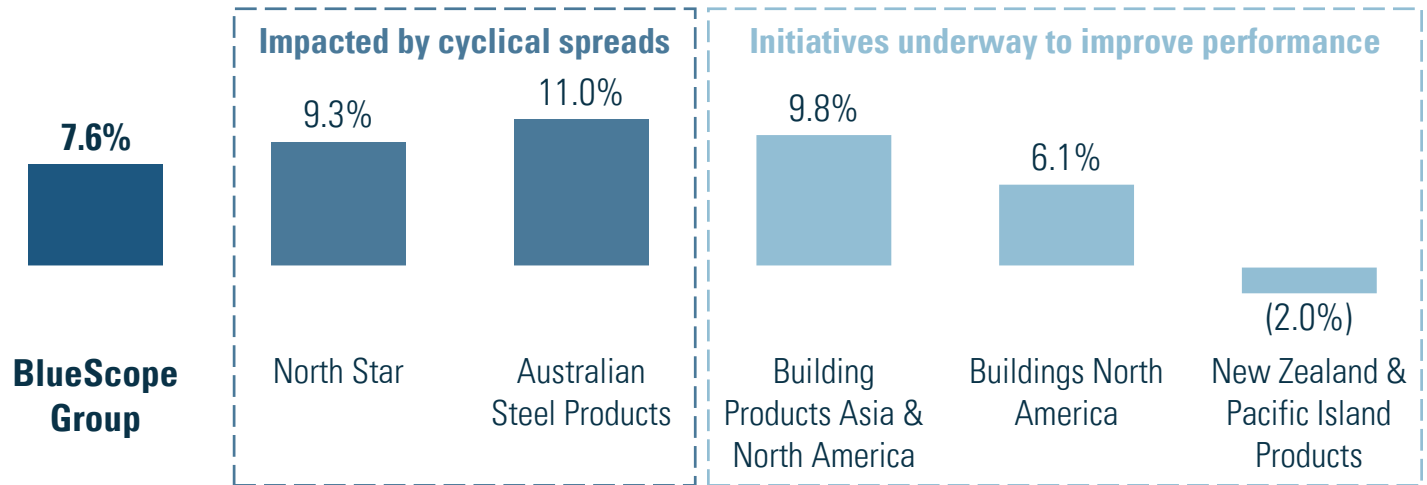
Targeting returns above cost of capital through the cycle

- ROIC¹ is the primary measure of performance across all business units and the Group. ROIC is a key discipline for:
 - performance management
 - project assessment and
 - executive incentives
- Targeting returns above cost of capital **through the cycle**
- Underpins objective of delivering top quartile shareholder returns

Group ROIC² Performance (%)



FY2020 ROIC² by Segment (%)



(1) Return on Invested Capital

(2) ROIC calculated as underlying EBIT (annualised in case of half year comparison) over average monthly capital employed

1 RETURNS FOCUS – MAXIMISING CASH GENERATION

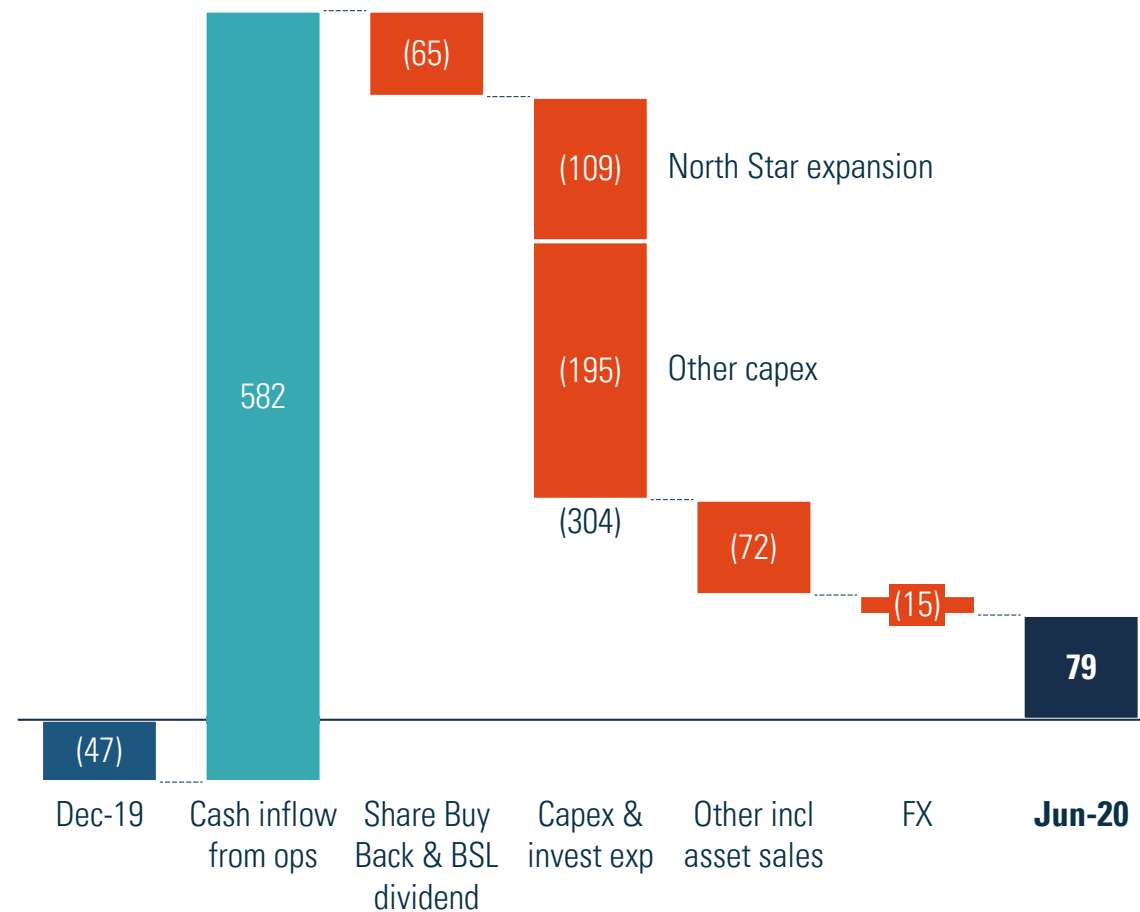
Average free cash flow of \$758M over last three years; \$79M net cash at 30 June 2020

Net cash flow (before investment exp and financing) (\$M)

Average free cash flow of \$758M over last three years

\$M	FY2018	FY2019	FY2020	2H FY2020
Reported EBITDA	1,843	1,754	844	289
Adjust for other cash profit items	(228)	(22)	207	213
Working capital movement (incl provisions)	(308)	179	(101)	148
Net financing cost ¹	(96)	(39)	(58)	(31)
Income tax paid ²	(66)	(190)	(74)	(37)
Cash flow from operating activities	1,141	1,682	818	582
Capex (excluding North Star expansion)	(410)	(369)	(406)	(195)
Net cash flow (before North Star expansion, investment expenditure & financing)	731	1,313	412	387
North Star expansion capex	-	(9)	(174)	(109)
Net cash flow (before investment expenditure & financing)	731	1,304	238	278

Net cash / (debt)¹ (\$M)

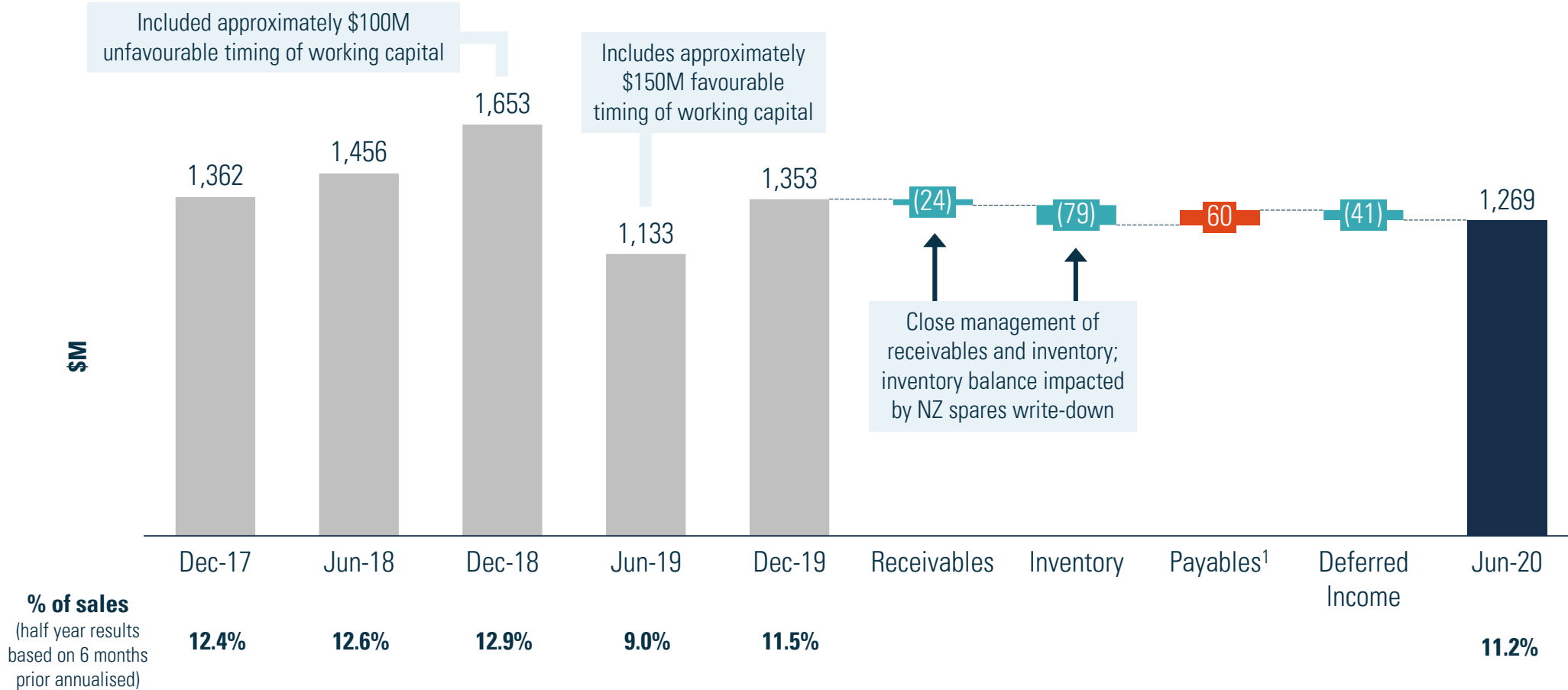


(1) FY2020 includes existing finance leases and operating leases under AASB 16 Leases

(2) As at 30 June 2020 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately \$1.3Bn. There will be no Australian income tax payments until these losses are recovered

1 RETURNS FOCUS – WORKING CAPITAL DISCIPLINE

Strong working capital outcomes, particularly on receivables and inventory in the face of COVID-19 uncertainty and operational disruptions



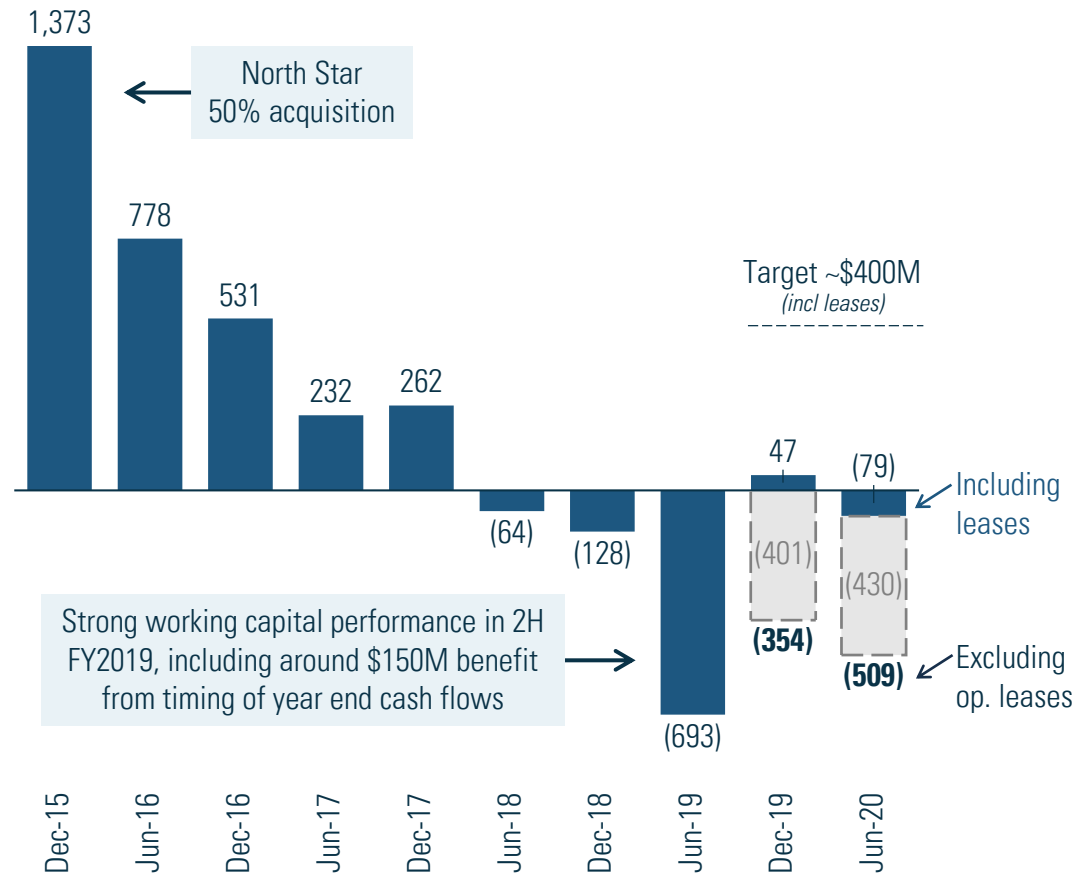
(1) Trade and sundry payables

2 OPTIMAL CAPITAL STRUCTURE – TARGET AROUND \$400M NET DEBT

Flexible and resilient balance sheet with investment grade rating

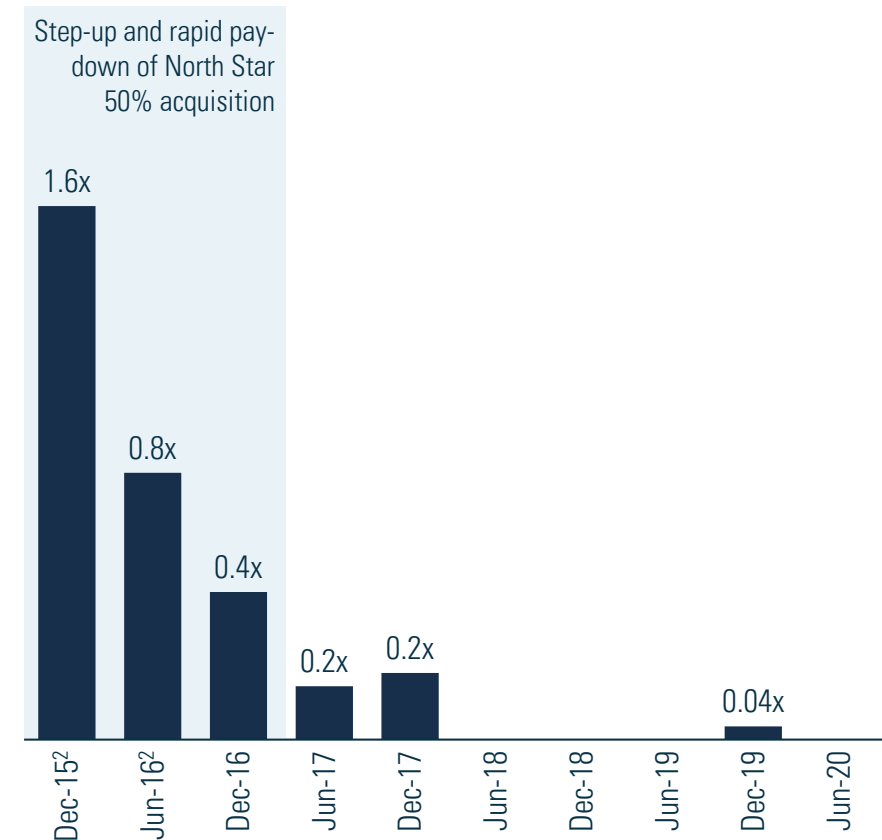
- Target around \$400M net debt including operating leases, equivalent to around zero net debt (excluding operating leases)¹
- Maintained investment grade credit rating

Net debt / (cash) (\$M)



Leverage

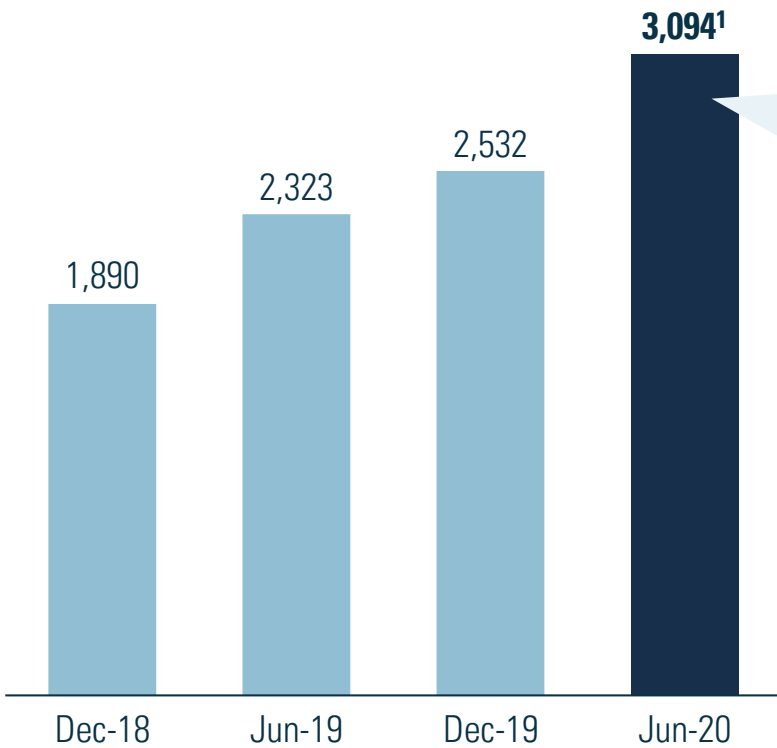
(Net debt to LTM underlying EBITDA¹)



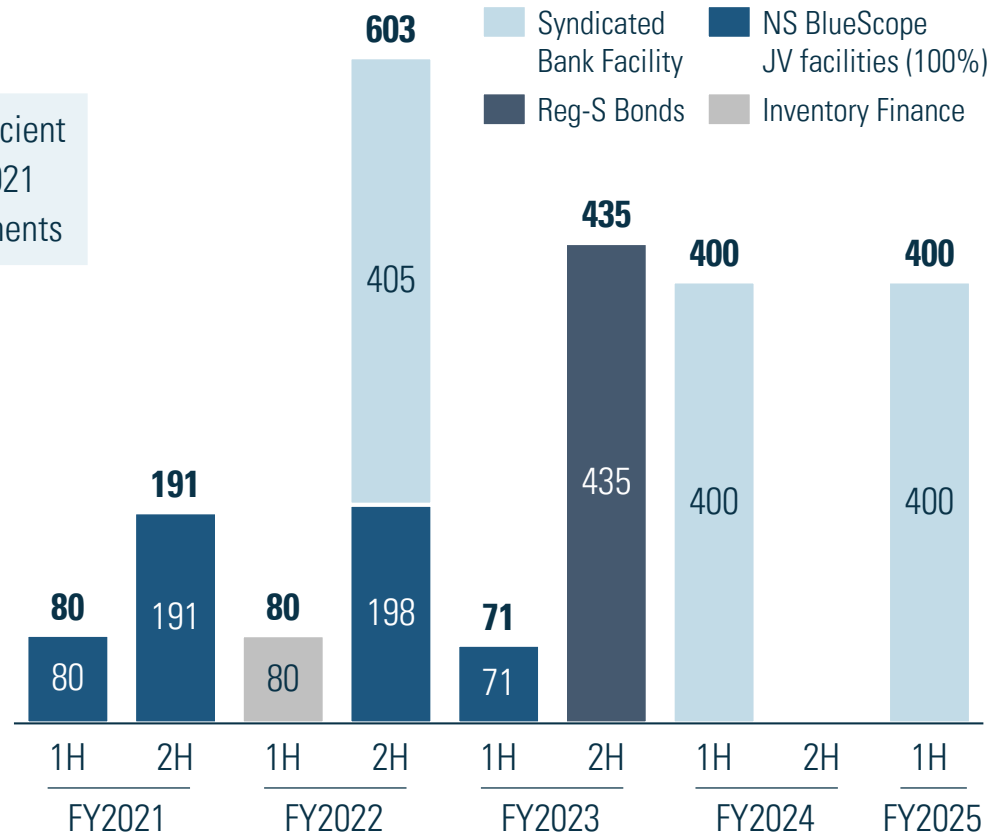
(1) Excluding the impact of ~\$400M leases as per AASB 16. Nil values due to net cash position
 (2) Dec-15 and Jun-16 includes North Star proforma for previous 12 months

2 OPTIMAL CAPITAL STRUCTURE – ENHANCED LIQUIDITY AND MATURITY PROFILE

Liquidity (undrawn facilities and cash, \$M)



Maturity profile² (\$M)



- Main syndicated facility was increased by \$405M to \$1.205Bn, and tenors extended, in May 2020. Increases flexibility
- Syndicated and inventory facilities remained undrawn at 30 June 2020

Sale of receivables program:

- In addition to debt facilities, BlueScope had \$494M of off-balance sheet sale of receivables programs, of which \$421M was drawn, at 30 June 2020
- Size of facilities was reduced by \$100M during July 2020, which will increase working capital during 1H FY2021



(1) Includes \$614M liquidity in NS BlueScope Coated Products JV
 (2) Based on A\$:US\$ at US\$0.6997 at 30 June 2020 and excludes \$170M NS BlueScope JV facilities which progressively amortise

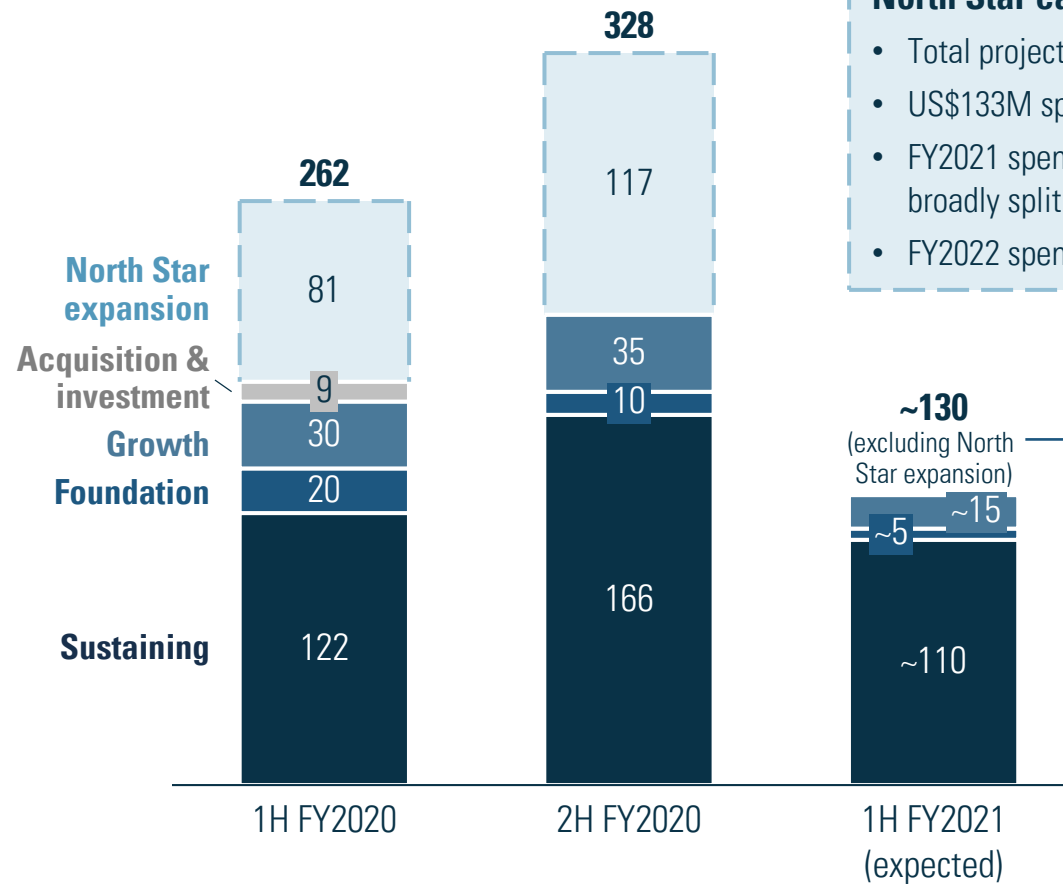
3 DISCIPLINED CAPITAL ALLOCATION – CAPITAL AND ACQUISITION EXPENDITURE

Capital prioritised to highly value accretive North Star expansion project

Capital management framework



Capital and acquisition expenditure² (\$M)



North Star capacity expansion

- Total project expected to cost approximately US\$700M
- US\$133M spent in FY2020
- FY2021 spend expected to be in the range of US\$375–450M, broadly split evenly across 1H and 2H
- FY2022 spend expected to be in the range of US\$125–200M

- In light of economic uncertainty due to the COVID-19 pandemic, BlueScope has adopted a prudent approach to the allocation of capital
- The North Star expansion remains a priority as a highly value accretive project, whilst spending on other growth opportunities will be minimised in the near term subject to economic conditions



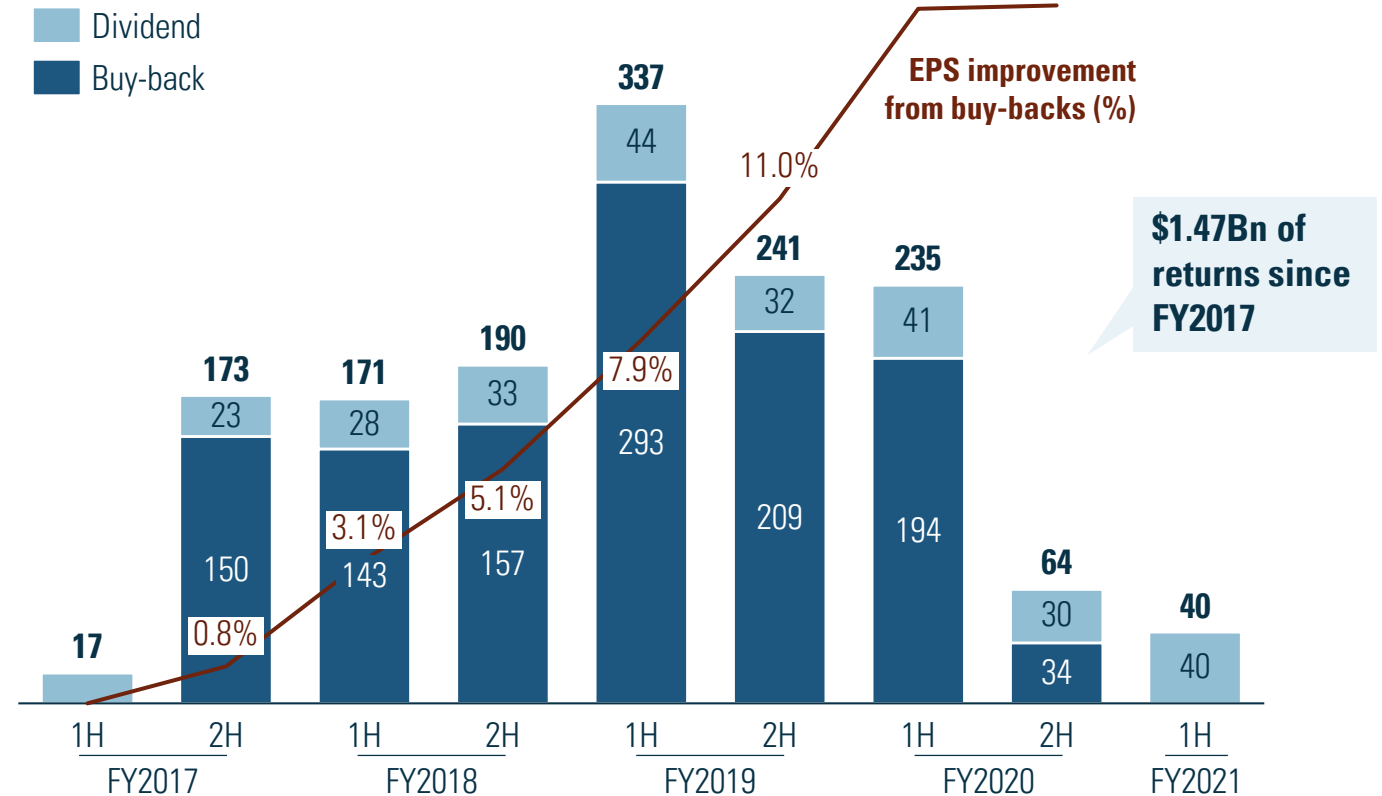
(1) Foundation Capital relates to capital expenditure on foundation and new technologies, including core process and product technologies, along with business and customer facing systems
 (2) Reflects accounting capital spend including capital accruals; net cash flow impact provided on page 69

3 DISCIPLINED CAPITAL ALLOCATION – SHAREHOLDER RETURNS

Strong track record of shareholder returns (\$1.47Bn since 2017). 8.0 cps final dividend; prudent measure to keep buy-backs on hold

- **Final dividend of 8.0 cents per share retained given strong balance sheet and quality of portfolio of assets**
- Key element of BlueScope’s strategy is to maintain strong financial capacity, giving the ability to robustly weather industry and economic cycle and deliver on value accretive opportunities
- Robust balance sheet position provides significant capacity for FY2021 capex program
- Priority focus is to execute the North Star expansion as a highly value accretive project; given large capex program in FY2021 and uncertain market conditions, there is currently no active buy-back program

Dividends paid and buy-backs¹ (\$M)



(1) Chart reflects half year cash settlements of shares bought back.
 (2) \$40M indication of FY2020 final dividend of 8.0 cps announced 17 August 2020, with record date of 9 September 2020.



OUTLOOK AND SUMMARY



At the beginning of 1H FY2021, lagged steel spreads in North America and Asia are lower than 2H FY2020 averages; orders and despatches in Australia remain stable and North Star is despatching near full capacity

There is a high level of uncertainty in the current environment given the risks of COVID-19 events which could disrupt demand, supply chains and operations, combined with broader macroeconomic weakness dampening demand

In light of this, BlueScope is not providing specific underlying EBIT guidance for 1H FY2021, but rather, comments on key drivers across the businesses. An update on trading conditions will be provided at BlueScope's Annual General Meeting on 19 November 2020

Australian Steel Products	North Star	Building Products Asia & North America	Buildings North America	New Zealand & Pacific Islands	Other
<ul style="list-style-type: none"> • Domestic despatch rate to mid-August is similar to last half • Lagged benchmark spreads currently lower than last half • Moderate unfavourable impact from realised spreads • Lower contribution from export coke 	<ul style="list-style-type: none"> • Despatch rate is currently close to full capacity with solid demand driven by the construction and auto segments • Spot steel spreads are currently significantly weaker than last half 	<ul style="list-style-type: none"> • ASEAN – demand generally improving including assumed non-repeat of hard shutdown in Malaysia • North America – underlying demand remains stable at present; expect weaker margins on weaker steel prices. • China – continued recovery from COVID-19; benefits of seasonality • India – uncertainty on COVID-19 progression 	<ul style="list-style-type: none"> • Expect a weaker result in the core EBS business with lower volumes mainly due to COVID-19 • BlueScope Properties' contribution expected to be higher than last half on project timing 	<ul style="list-style-type: none"> • Demand is currently robust • Lagged steel prices currently lower than 2H FY2020 average • Similar net vanadium contribution • Assumed non-repeat of hard shutdown • Lower depreciation on write-down impact 	<ul style="list-style-type: none"> • Similar corporate costs reflecting constrained spend levels • Higher underlying net finance costs driven by larger commitment fees • Similar underlying tax rate and profit attributable to non-controlling interests



(1) Comparisons are to 2H FY2020. Expectations are subject to spread, FX and market conditions.

Disciplined and advantaged steel building products company focussed on growing long term shareholder value

ASSETS & CAPABILITY



- Integrated and resilient Australian business delivering returns across the cycle
- Iconic industrial brand position of COLORBOND® steel
- Global leader in coating and painting for Building and Construction Markets
- Operate in the world's two largest construction markets of China and US, and high growth markets in ASEAN and India
- Have the lowest cost expansion project in the US at North Star, which is one of the most profitable mini-mills in the US

CAPITAL DISCIPLINE AND RETURNS FOCUS



- Strong balance sheet, with a target of around \$400M net debt (including operating leases)¹
- Returns-focussed process with disciplined competition for capital between investment for long-term growth and returns to shareholders
- Clear target to deliver:
 - Safe and sustainable operations
 - ROIC > WACC on average through the cycle
 - at least 50% of free cash flow to shareholders
 - EPS growth through the cycle

POSITIONED FOR GROWTH



- Positioned for post-COVID trends:
 - lower density housing; rise in A&A
 - e-commerce and logistics growth
 - onshoring of supply chains
- Innovating to drive inter-material and broader growth in Australia and beyond
- Expanding best-in-class US mini-mill for FY2022/23 growth
- Targeting further growth from outstanding suite of Asian coating assets
- Restructuring NZ business to deliver improved performance
- Transforming how we do business through digital technology



QUESTIONS?





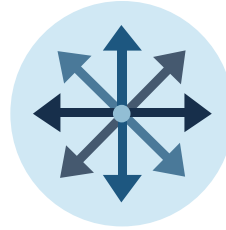
BLUESCOPE: A DIFFERENT KIND OF STEEL BUILDING PRODUCTS COMPANY



What makes us different?



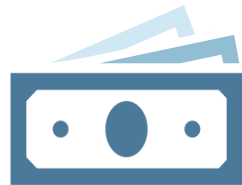
**TECHNOLOGY,
BRANDING & CHANNELS**



**BUSINESS
DIVERSIFICATION**



**COST
COMPETITIVENESS**



**DISCIPLINED CAPITAL
ALLOCATION**



**APPROACH TO
SUSTAINABILITY**



Continued investment in research & development to maintain leadership in steel coating and painting technologies

Product Technology and Development Leadership

Advanced pre-painted and metallic coating development for building, construction and home appliance markets

- Development of the innovative COLORBOND® Matt paint finishes
- Roll out of leading proprietary AM¹ metal coating technology across the globe

Technical product assessment methods providing deep understanding of product performance in both accelerated and real outdoor exposure conditions

- In-house NATA certified product testing capability – building codes, standards, corrosion, durability

Process Innovation and Advanced Testing

Continued focus on developing and improving production and design processes

- Continuous coil painting process technology (e.g. high speed, inline MCL painting)
- Collaborative innovation capabilities (including working with academia and third parties to innovate)
- Comprehensive development and management of intellectual property and know-how
- Product design and innovation processes – including Design Thinking and Stage Gate processes



(1) AM coating: Introduces magnesium into aluminium-zinc alloy (AZ) coating, which improves galvanic protection over AZ coating by activating the aluminium
AZ coating: Steel with a protective alloy coating of zinc and aluminium to protect its steel base against corrosion



Brands – a portfolio of many well-known and respected names to support our premium branded positions

Australia

Colorbond®
Truecore®
Zincalume®
TruSpec®



New Zealand

COLORSTEEL®
NEW ZEALAND'S FAVOURITE ROOF
GALVSTEEL®
AXXIS®
STEEL FOR FRAMING
Zincalume®



Asia

clean **Colorbond®**

BLUESCOPE
Zacs®
SÁC VIỆT®
durashine®
TATA BLUESCOPE STEEL



North America

BUTLER®

VP BUILDINGS
VARCO PRUDEN
 **ASC®**
BUILDING PRODUCTS
 **steelscape®**





Channels – clear focus on knowing our end customers and maintaining strong channels to market

Australia



New Zealand and Pacific Islands



Asia



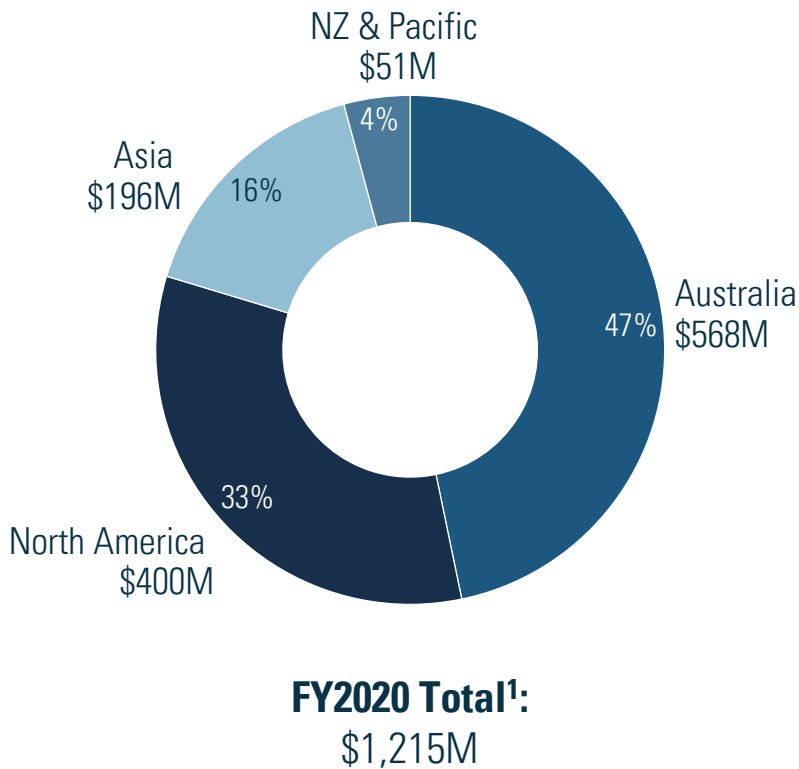
North America



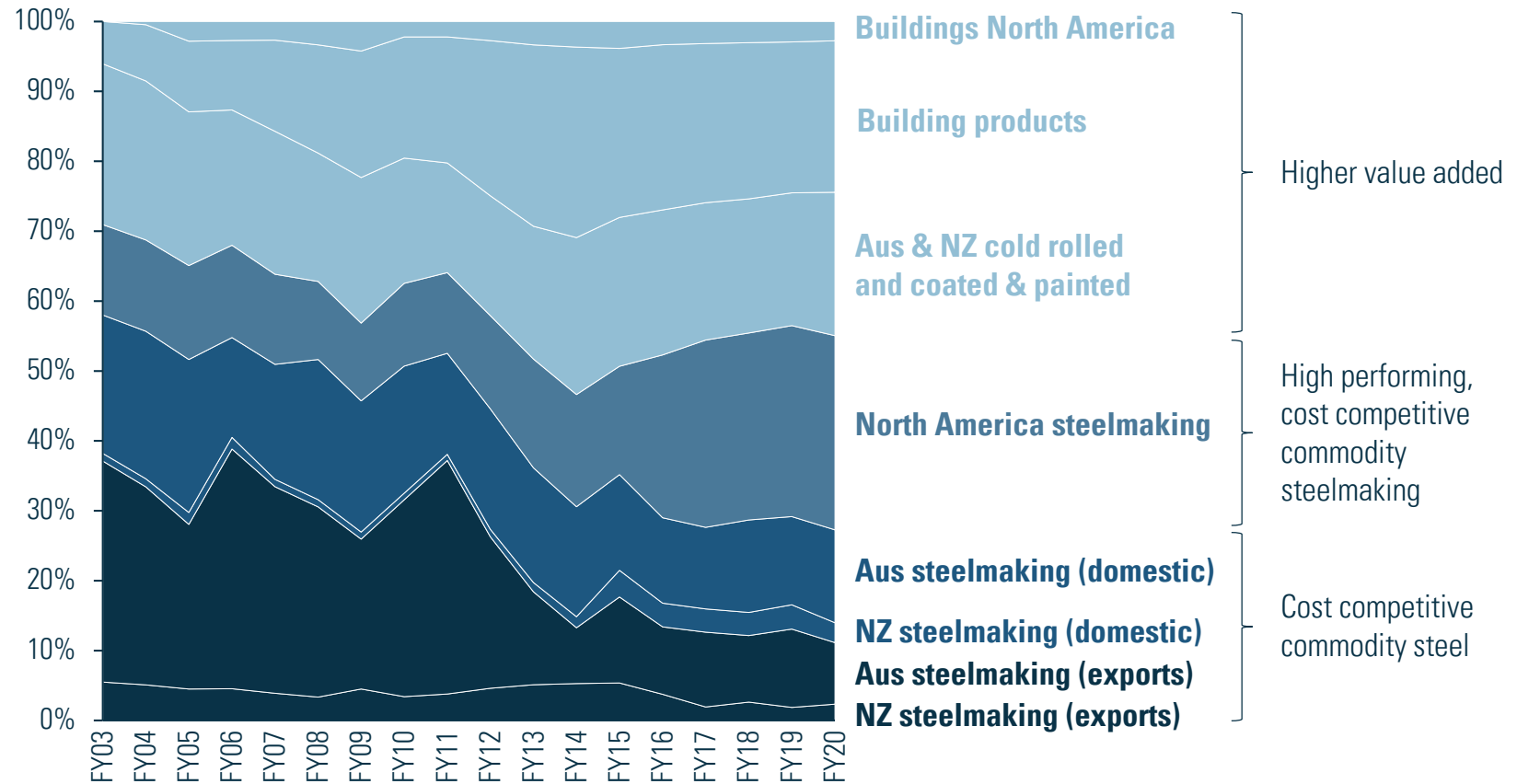


Geographic diversity and increasing contribution from value-added products

Underlying EBITDA by region (\$M)



BlueScope despatch volume mix

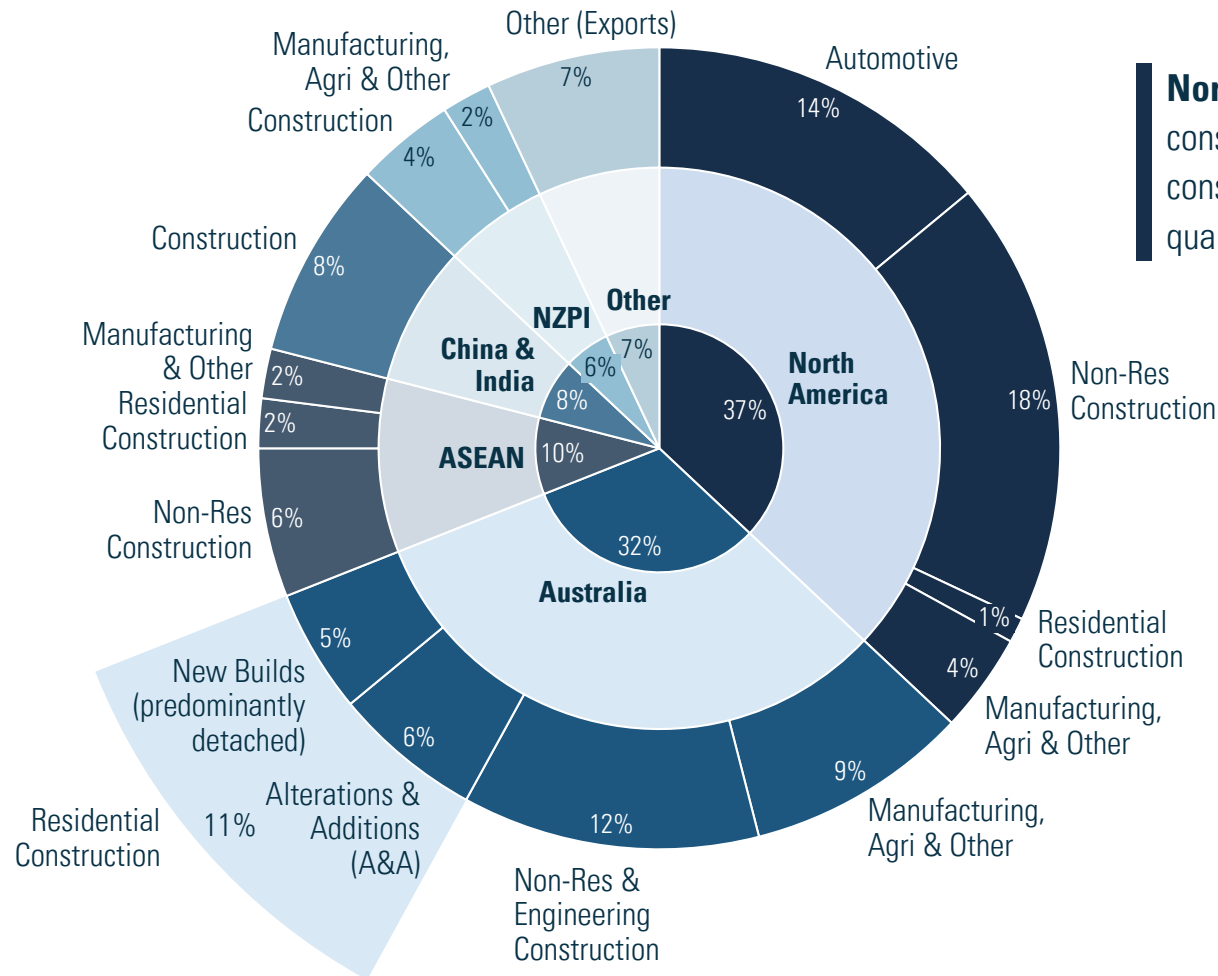


(1) Total includes corporate costs & eliminations of \$116M, which then balances back to underlying EBITDA of \$1,099M



Broad exposure across geographies, largely focussed on the building and construction industry

BlueScope indicative despatch volume split by region and end-use segment



North Star: exposed mainly to the automotive, construction and manufacturing end-use segments; consistently sells all of the product it manufactures; high quality products and strong focus on customer service

North American Construction: mixed across commercial, industrial, government and residential sectors, through sales of hot rolled products, metal coated and painted products and engineered buildings

Asia: a diversified portfolio of end-use segments and countries

Australian Residential: predominantly exposed to A&A and new detached dwelling construction, with limited exposure to multis

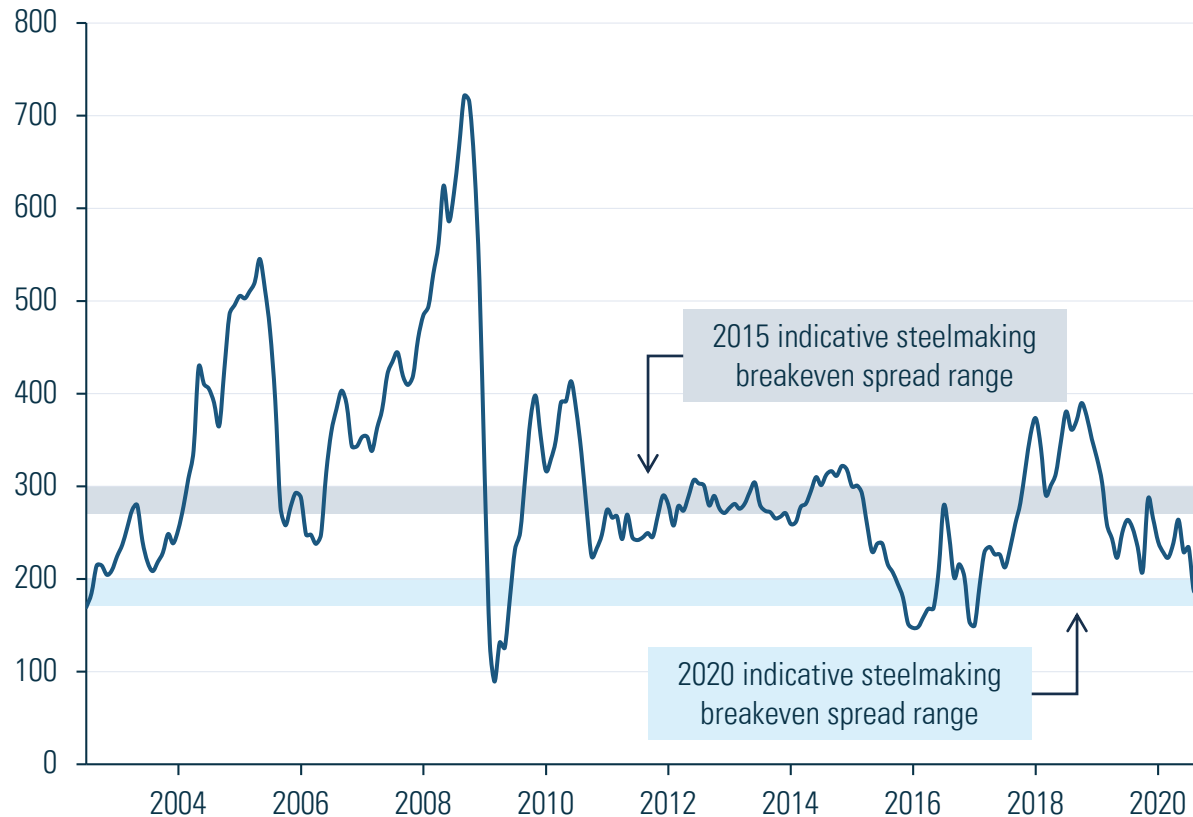


FY2020 data, excludes intercompany eliminations



Australian steelmaking breakeven at minimum recent spreads; benefits from vertical integration

Asian steel spread¹ & estimated steelmaking cash breakeven² (US\$/t)



The value of vertical integration

SYNERGIES BETWEEN STEELMAKING AND COATED

- Clear objective of optimising profitability across the entirety of Port Kembla operations
- Units fully integrated across the value chain to drive productivity and optimise product flows in response to market needs
- Working capital, supply chain and freight all optimised
- Focused customer service – single point of contact
- Shared overhead costs

MODERATION OF EARNINGS VOLATILITY

- Earnings volatility moderated by ability to capture margin in:
 - steelmaking, at times of high HRC prices, or
 - coating and painting, at times of low HRC prices, given the more stable nature of COLORBOND® earnings

VALUE OF CHANNEL PARTICIPATION

- Delivering pull-through demand for both steelmaking and coating and painting
- Customer intimacy facilitates knowledge of regional and local requirements and ability to respond



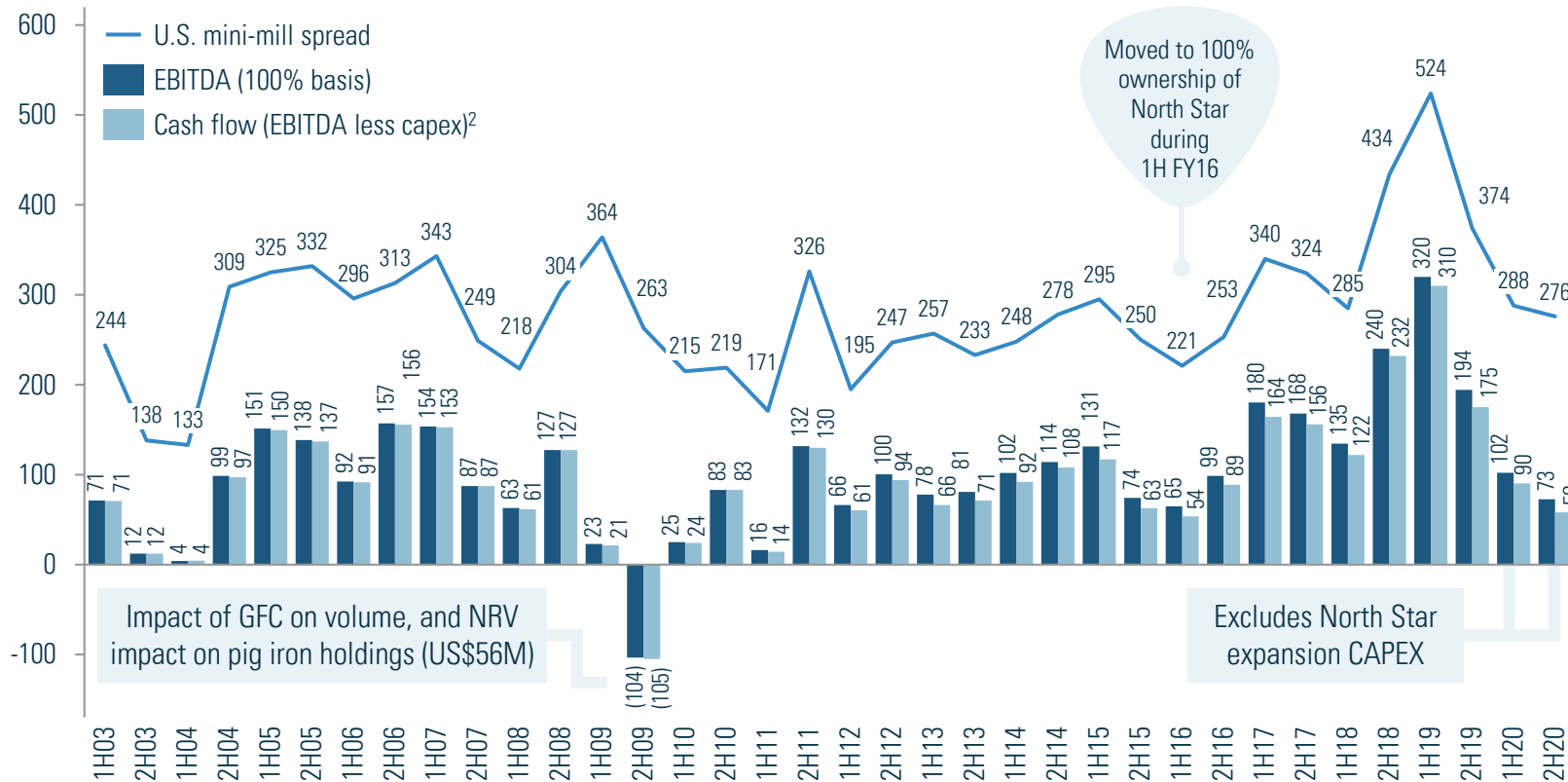
(1) 'Indicative steelmaker HRC spread' representation based on simple input blend of 1.5t iron ore fines and 0.71t hard coking coal per output tonne of steel. Chart is not a specific representation of BSL realised HRC spread (eg does not account for iron ore blends, realised steel prices etc), but rather is shown to primarily demonstrate movements from period to period. SBB East Asia HRC price lagged by three months up to Dec 2017, four months thereafter – broad indicator for Australian domestic lag, but can vary. Indicative iron ore pricing: 62% Fe iron ore fines price assumed. Industry annual benchmark prices up to March 2010. Quarterly index average prices lagged by one quarter from April 2010 to March 2011; 50/50 monthly/quarterly index average from April 2011 to December 2012. Monthly thereafter. FOB Port Hedland estimate deducts Baltic cape index freight cost from CFR China price. Lagged by three months. Indicative hard coking coal pricing: low-vol, FOB Australia. Industry annual benchmark prices up to March 2010; quarterly prices from April 2010 to March 2011; 50/50 monthly/quarterly pricing from April 2011 to Dec 2017; monthly thereafter. Lagged by two months up to Dec 2017; three months thereafter.

(2) EBITDA less stay-in-business capital expenditure

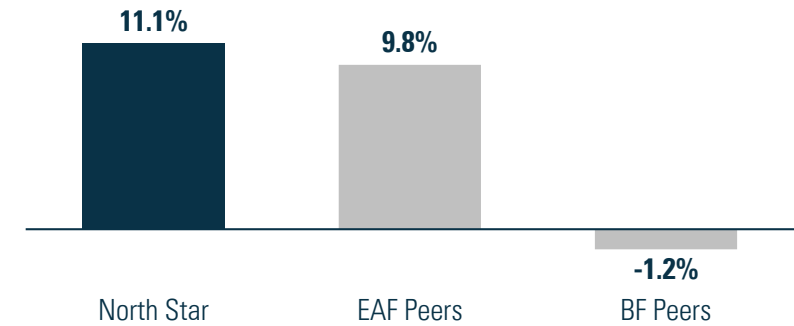


Strong EBITDA and cash generation through the cycle; industry leading margins; consistently full utilisation

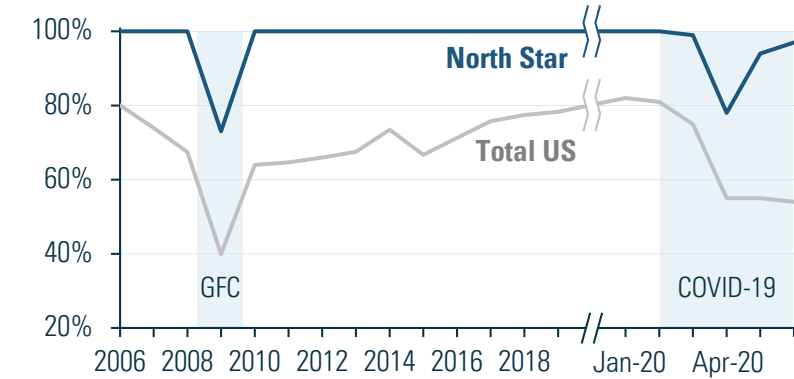
US\$M EBITDA and spread (100% basis)¹



EBIT margins³ (%)



US steel mill capacity utilisation⁴ (%)



(1) US Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming illustrative one month lag), SBB #1 busheling scrap price (assuming one month lag) and Fastmarkets NOLA pig iron price (assuming two month lag); assumes raw material indicative usage of 1.1t per output tonne. Note, North Star sales mix has longer lags.

(2) Capex is presented on an accrual basis, and as such excludes movements in capital creditors.

(3) Reflects CY2019 North Star underlying EBIT margin. Peer margin data sourced from company information, simple average of three BOF and three EAF North American peers using relevant segment information

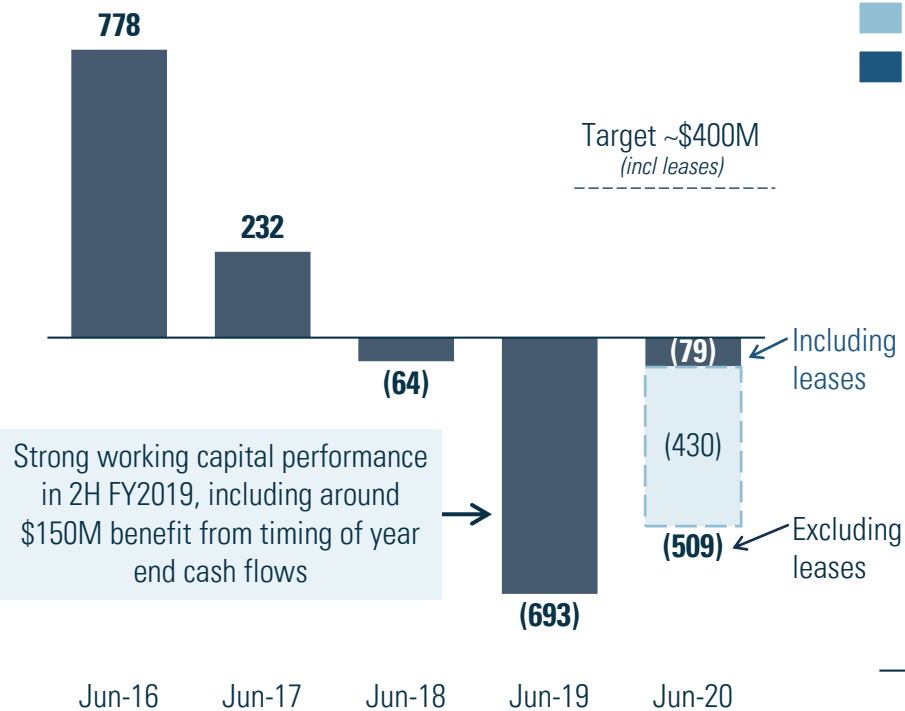
(4) Source: CRU, AISI, company data



Balance sheet strength, and a disciplined approach to balancing investment for long-term growth and returns to shareholders

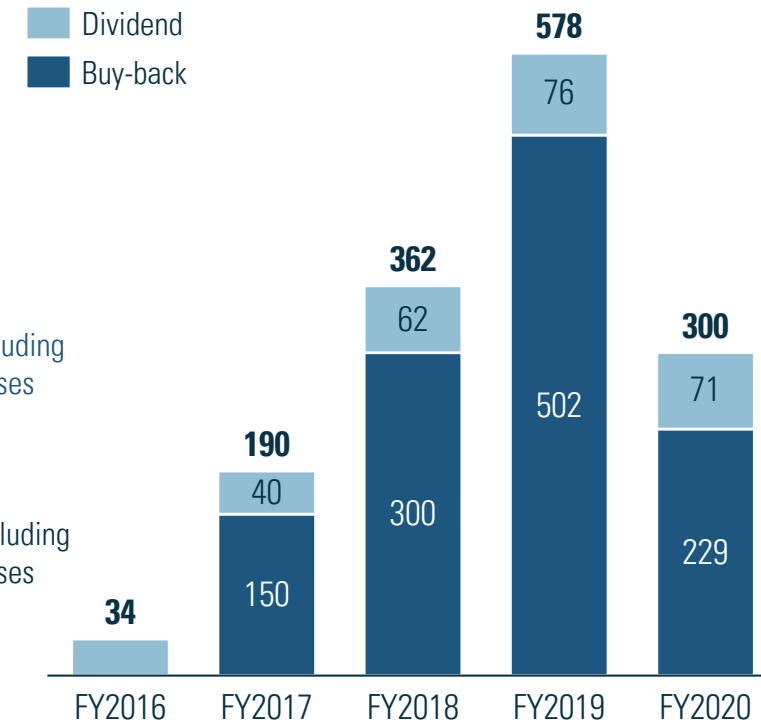
ROBUST BALANCE SHEET

Net debt / (cash) (\$M)



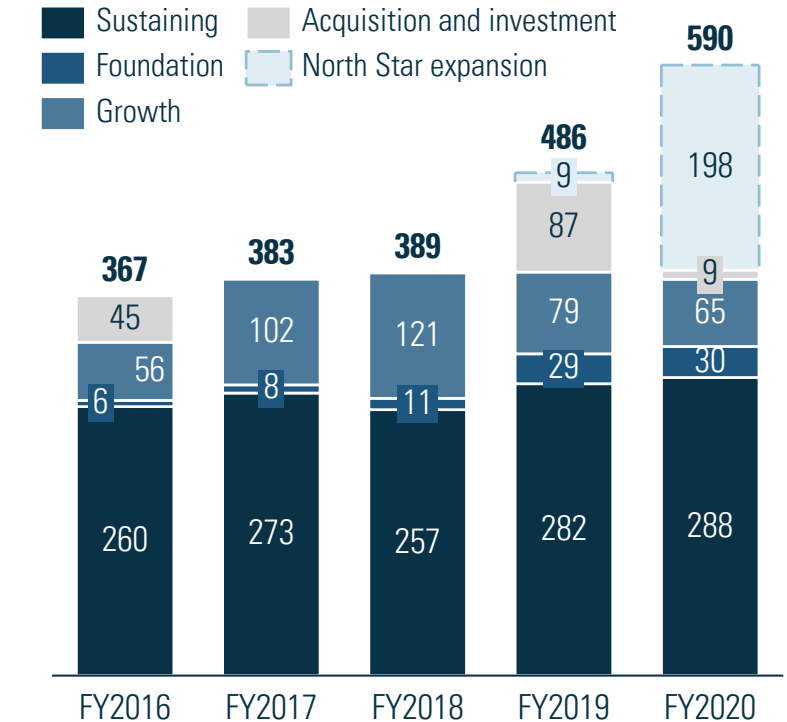
RETURNS TO SHAREHOLDERS

Dividends paid and buy-backs¹ (\$M)



INVESTING FOR LONG TERM GROWTH

Capital and acquisition expenditure (\$M)



Excludes \$1,008M for acquisition of remaining 50% share in North Star



(1) Chart reflects half year cash settlements of shares bought back



Investing for the future across our portfolio through a returns focussed process driving competition for capital

Capital expenditure focus areas

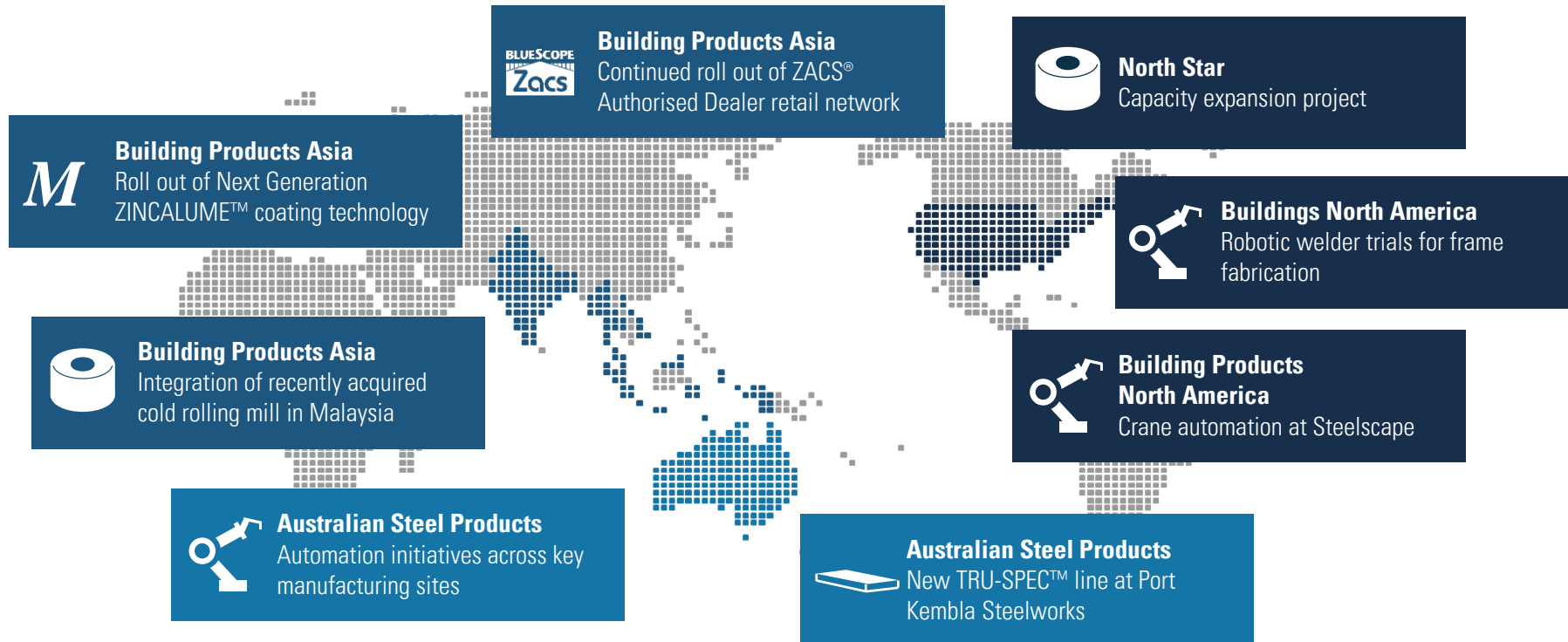
MAINTAIN SAFE AND RELIABLE OPERATIONS

INVEST IN FOUNDATION AND NEW TECHNOLOGIES

INVEST FOR GROWTH IN PREMIUM BRANDED PRODUCTS

INVEST TO MAXIMISE VALUE FROM 'BEST-IN-CLASS' ASSETS

Examples of growth projects and opportunities



In light of economic uncertainty due to the COVID-19 pandemic, BlueScope has adopted a prudent approach to the allocation of capital. The North Star expansion remains a priority as a highly value accretive project, whilst spending on other growth opportunities will be minimised in the near term subject to economic conditions



Delivering the next wave of customer, growth and productivity improvements through technology

A clear framework for digital transformation

Provide
leadership
and **strategy**



- Providing the overall strategy and direction for digital for BlueScope
- Roll-out and engage organisation

Deliver and support lighthouse
use cases



- Delivering productivity and quality improvements through new technologies
- Demonstrating value and scalability across the business

Strengthen
foundations



- Supporting the business to embed and scale digital solutions
- Investing in new digital capabilities

A range of technology solutions available to deliver value



Data analytics

Machine learning
Simulation



Automation

Autonomous robotics
Robotic process automation



Software solutions

Virtual and augmented reality
Building information modelling



Data and platforms

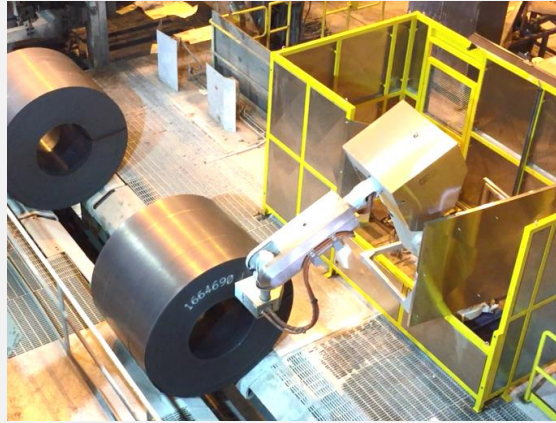
Sensors and IOT
Connectivity and mobile



Robotics and automation opportunities unlocking the next wave of productivity improvements and cost savings

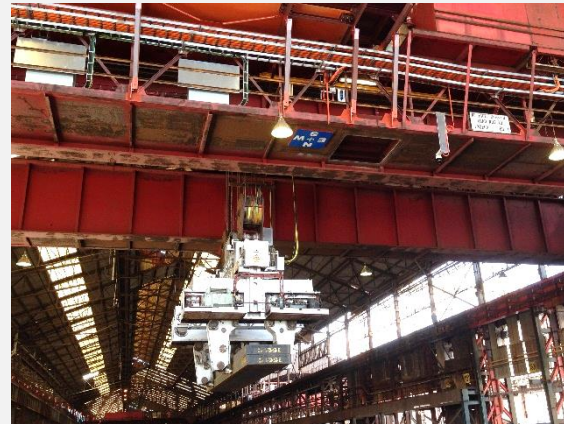
Coil marking robot, North Star

- A new robotic arm replaced a basic marking tool which marks each coil with its identification number as the coils come off the hot strip mill
- Provides improved legibility, speed and optionality with markings, whilst reducing safety risks



Coil core robot, Vietnam

- The robot autonomously inserts cardboard or steel sleeves into the centre of metal coated or painted coils
- This capability was not present prior to installing the robot, which addressed a market need, reducing complaints and claims without manual handling risks



Automated cranes, ASP

- Retrofitting existing slab handling cranes with automation hardware and software at Port Kembla
- This upgrade will drive important productivity and cost efficiency gains, through reduced downtime and increased operational accuracy



Auto welder, Buildings North America

- Upgrading antiquated auto-welders with latest automation technology
- Provides capacity improvements for the production processes that follow, and reduced downtime and consumables from manual welding intervention, whilst also reducing exposure safety risk

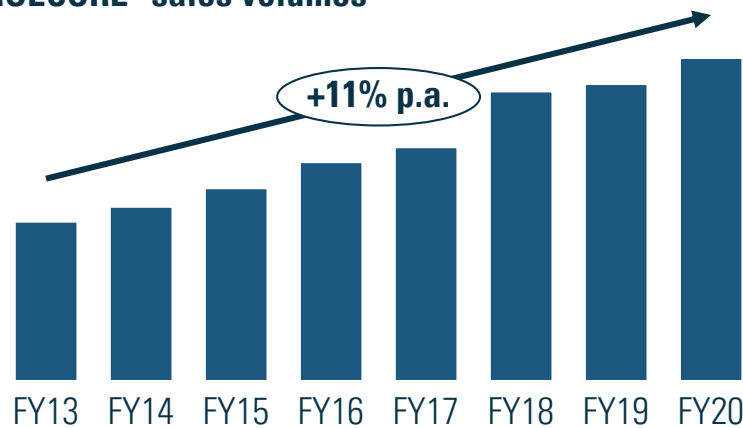


A wide range of low capital growth opportunities in intermaterial applications

TRUECORE® steel

- Sales of TRUECORE® steel continues to increase on the back of robust demand and intermaterial growth
- Continuing investment in consumer branding and promotion, across media and in major programs
- Partnering with builders to promote the benefits through the channel, including co-branding and collateral support

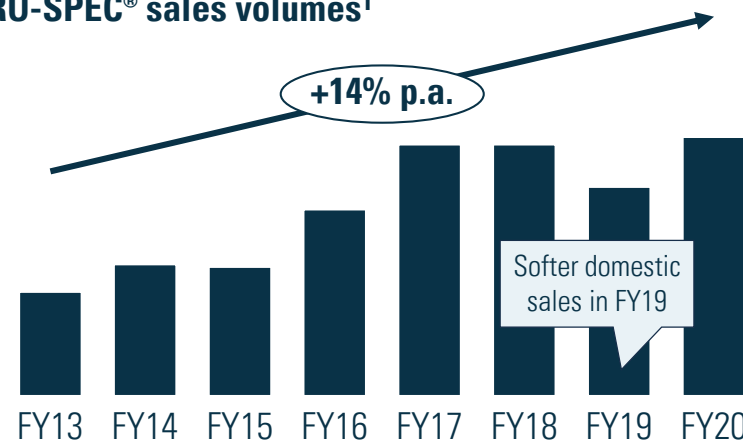
TRUECORE® sales volumes¹



TRU-SPEC® coil plate

- Investing in a new 160kt stretch levelling coil plate line at Port Kembla, in addition to the 113kt line installed in 2014, in order to meet the increased demand levels
- Increased capacity provides the opportunity to further grow TRU-SPEC® steel sales, as well as reducing complexity and cost in the supply chain, improve the service offer and strengthen our delivery performance

TRU-SPEC® sales volumes¹



Cladding and façade applications

- New AZURE® range of façade products provide a new alternative to commercial and multi-residential cladding options
- The aesthetic and durable properties of COLORBOND® steel, along with low combustibility make this an attractive alternative
- Increased use in residential cladding, on the back of the new COLORBOND® Matt steel colours and a range of new profile options from the rollforming channel, including the new LYSAGHT® ZENITH® range of profiles



(1) Domestic prime sales volume ex-mill



We and our customers proudly bring inspiration, strength and colour to communities with BlueScope Steel

OUR CUSTOMERS ARE OUR PARTNERS

Our success depends on our customers and suppliers choosing us.

Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

OUR PEOPLE ARE OUR STRENGTH

Our success comes from our people. We work in a safe and satisfying environment.

We choose to treat each other with trust and respect and maintain a healthy balance between work and family life.

Our experience, teamwork and ability to deliver steel inspired solutions are our most valued and rewarded strengths.

OUR SHAREHOLDERS ARE OUR FOUNDATIONS

Our success is made possible by the shareholders and lenders who choose to invest in us.

In return, we commit to continuing profitability and growth in value, which together make us all stronger.

OUR COMMUNITIES ARE OUR HOMES

Our success relies on communities supporting our business and products.

In turn, we care for the environment, create wealth, respect local values and encourage involvement.

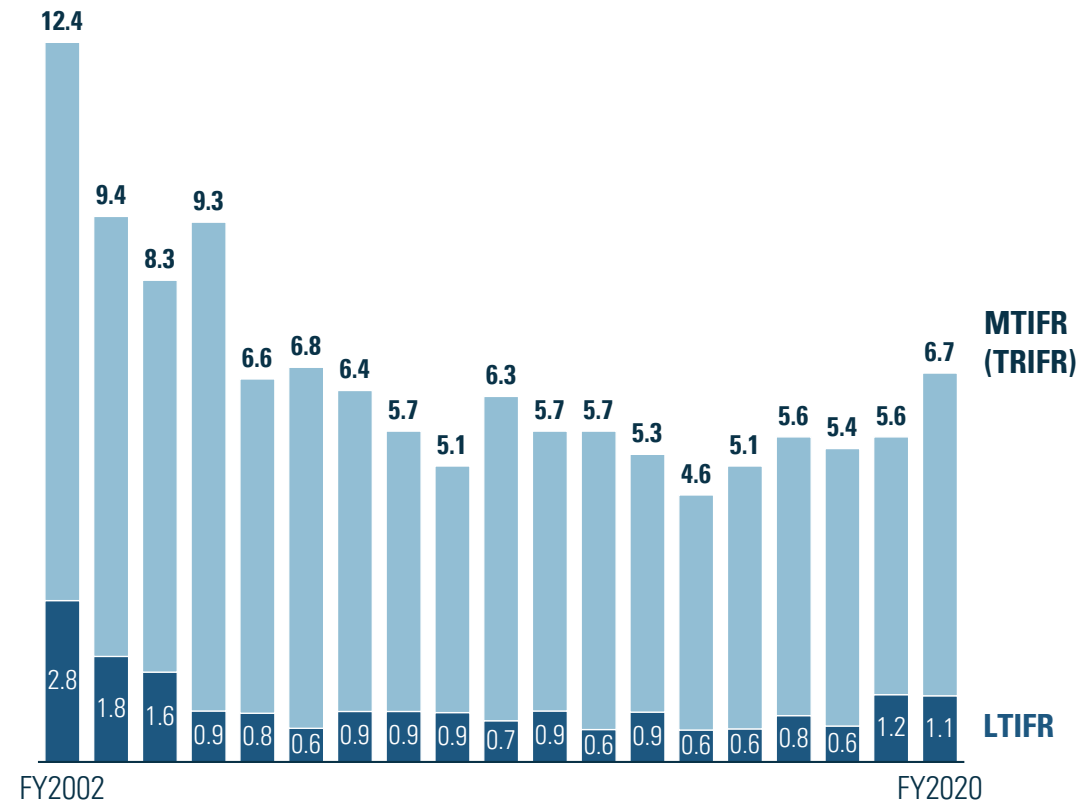
Our strength is in choosing to do what is right.



Ongoing alignment with evolving industry reporting standards to continue to provide meaningful disclosures

- Continued plateau in lagging safety indicators, with minor fluctuation, observed over the last fifteen years, following an improvement in performance from FY2002 to FY2015
- Injury profile continues to show a predominance of musculoskeletal injuries. BlueScope places emphasis on care and treatment to support full and sustained return to work
- BlueScope will continue to monitor and report traditional lagging safety indicators but broaden performance disclosures commencing in FY2021
 - Transition to Total Recordable Injury Frequency Rate. Current MTIFR formula for BlueScope is equivalent to TRIFR and is inclusive of fatalities, lost time injuries, medical treatment injuries and restrictions of work for more than seven days
 - Focus on the disclosure of the severity of incidents (potential fatalities) and injury recovery time (MTI/LTI), as more holistic context to TRIFR
- Leading and lagging indicators will continue to be developed in alignment with evolving industry standards (Australian Council of Superannuation Investors, worldsteel) and reflected in remuneration outcomes
 - Key leading indicators for building health and safety capability and more effective risk management are expected to generate positive outcomes in severity measures over time

BlueScope’s long term safety performance





Informed by previous climate scenario analysis, BlueScope's climate strategy has been elevated within corporate strategy

OUR STRATEGY



TRANSFORM

DELIVER A STEP CHANGE IN CUSTOMER EXPERIENCE AND BUSINESS PERFORMANCE

Digital technology: Deliver the next wave of customer and productivity improvements through digital technologies

Climate Change and Sustainability: Actively lowering emissions intensity and producing highly recyclable products

FY2020 Progress

- Established Climate Change Council to support the execution of the climate strategy
- Progressed the development of our Scope 3 emissions inventory
- Continued pursuit of emission reduction projects in line with our 2030 climate change target
 - FY2020 performance impacted by Government mandated shutdowns, leading to production disruptions and outages
- Contributed to key industry papers and reviewed expert submissions including the International Energy Agency Steel Roadmap (due September 2020)

FY2021 Focus Areas

- Contributing to key industry research papers and expert submissions
- Refreshing our climate scenario analysis to support the development of our long-term carbon reduction aspiration
- Continuing our \$1Bn investment in the expansion of low emission steelmaking at North Star
- Continuing to progress our disclosures in line with TCFD requirements and SASB standards, including reporting on Scope 3 emissions
- Keeping abreast of developments of low and zero emissions steelmaking technology



Actively developing BlueScope's specific long-term decarbonisation pathway

The external landscape is evolving rapidly; BlueScope is playing a leading role in key global and regional initiatives which seek to understand the opportunities, barriers and enablers of a net zero economy on our sector



ResponsibleSteel: Founding member of the first global multi-stakeholder standard and certification programme for steel



Net Zero Pathway Methodology Project: Founding member of a global initiative to establish a recognised methodology on the net zero transition pathway for the steel sector



Industry Emissions Transition Initiative (ETI)¹: Industry-led initiative to develop pathways to net zero emission supply chains across critical sectors of the Australian economy



Worldsteel Step-up programme: Benchmarking initiative for steel sites to identify opportunities for improvement in resource efficiency, energy intensity, process yield and reliability



IEA Steel Roadmap: Participated in the review of the steel sector roadmap, anticipated to be released in September 2020

In FY2021, we will release the outcomes of our climate scenario analysis, along with our long term carbon reduction aspiration, informed by these initiatives



Supplier engagement and assessment processes operational, developing program for own site assessments

FY2020 Progress

Supplier Engagement and Assessment

- Robust segmentation process driving prioritisation for supplier engagement and assessment processes
- Innovative approaches to supplier engagement, including “sustainability days” with suppliers
- Target to complete assessments for all Priority 1 and Priority 2 suppliers by the end of FY21 (approx. 220 assessments):
 - Assessments complete – 103 (82 in FY2020)
 - Assessments underway – 70

Progress in the last three months significantly impacted by COVID-19

Pilot Own-Site Assessments

- Third party assessment conducted at two BlueScope operational sites in higher risk locations
- Learnings forming the basis for broader program in FY21

Internal Governance

- Sponsorship by CFO
- Regular reporting to Executive Leadership Team and Risk & Sustainability Committee

FY2021 Focus Areas

Continue to refine our processes with our suppliers

- Full refresh of supplier Segmentation model.
- Pilot use of third-party process for Self Assessment Questionnaire – a significant change to our assessment program
- Increased internal focus on initial engagement, managing assessment outcomes and supplier corrective action plans.

Develop robust process for internal engagement and assessment

- Building on our pilot of own-site assessments in FY2020, design underway for rollout to wider business, which includes:
- Leadership engagement on Human Rights and ESG risk awareness
 - Independent (3rd party) assessments of prioritised BlueScope sites

External reporting

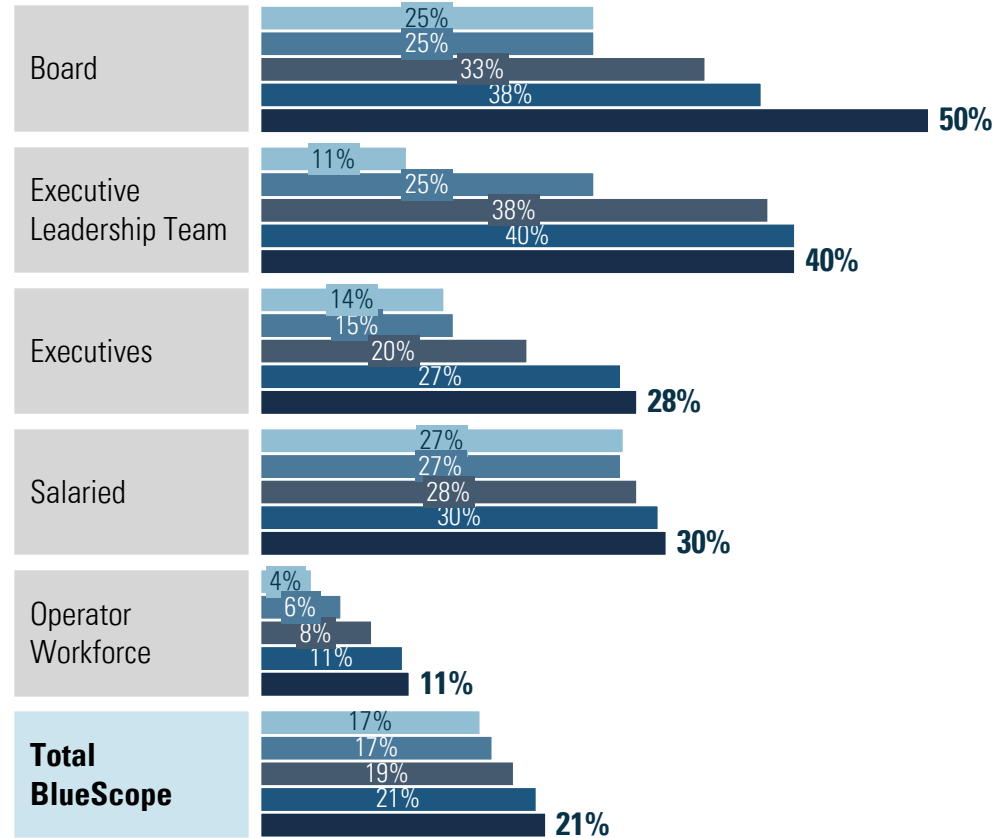
- FY2020 BlueScope Sustainability Report
- **FY2020 Modern Slavery Statement (our first)**



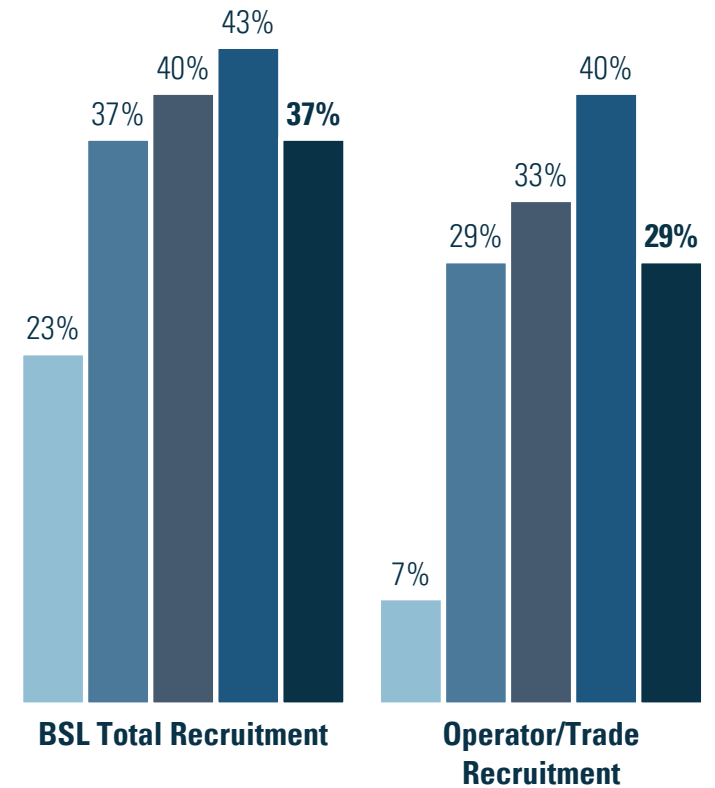
Strong focus and effective strategies creating demonstrable improvement in inclusion and diversity

- BlueScope is committed to creating a safe and inclusive workplace where everyone feels valued, has a sense of belonging, and can make an impact
- Our focus on recruitment of women into our workforce and into STEM careers continues. Recruitment levels in FY2020 remained consistent with this focus
- In FY2021, we will retain our focus on gender balance, while increasing our focus on building a multicultural and multigenerational workforce that is representative of the communities in which we operate

Women in BSL workforce (%)



Women in BSL recruitment (%)



FY2016 FY2017 FY2018 FY2019 FY2020



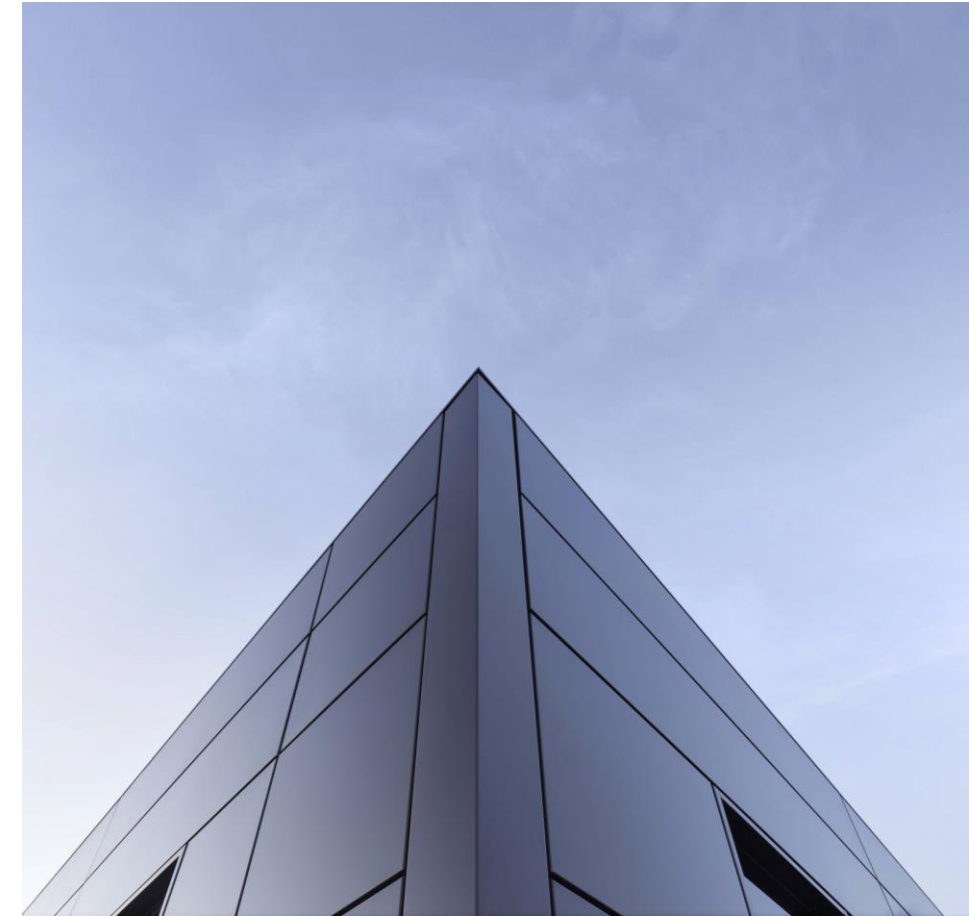
BlueScope's support for its communities is based on local, grassroots activities, focussed on six key areas





We encourage a culture of speaking up and protecting those who do

- ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations
 - BlueScope has undertaken a reconciliation of its governance practices against those outlined in the 4th edition of the standard
 - BlueScope considers that it is largely in compliance, and continues to address the remaining issues, which are not substantive, to enable it to report against the 4th edition for FY2021
- BlueScope’s Industry Association Governance Standard
 - In FY2020 BlueScope completed a detailed review of the public policy positions of the six largest and most prominent associations in Australia of which BlueScope is a member¹
 - This was the first review conducted under the Standard, released in September 2019
 - No material differences between the positions of these associations, and BlueScope’s policy positions were found
- As previously disclosed, the ACCC has commenced civil proceedings against BlueScope and a former employee alleging contraventions of the Australian competition law cartel provisions. These civil proceedings remain ongoing





ADDITIONAL INFORMATION – GROUP-LEVEL MATERIAL



\$M (unless marked)	FINANCIAL YEAR ENDED		
	30 JUN 2019	30 JUN 2020	FY2020 vs FY2019
Total revenue	12,586.4	11,324.2	↓
External despatches of steel products (kt)	7,451.2	7,082.4	↓
EBITDA – Underlying ¹	1,761.4	1,098.7	↓
EBIT – Reported	1,340.8	309.7	↓
– Underlying ¹	1,348.3	564.0	↓
NPAT – Reported	1,015.8	96.5	↓
– Underlying ¹	966.3	353.0	↓
EPS – Reported	189.9 cps	19.0 cps	↓
– Underlying ¹	180.6 cps	69.6 cps	↓
Underlying EBIT Return on Invested Capital	19.5%	7.6%	↓
Net Cashflow From Operating Activities	1,682.3	817.9	↓
– After capex	1,294.1	238.1	↓
Final dividend	8.0 cps	8.0 cps	—
Net cash / (debt) ²	692.7	79.1	↓



(1) Refer to page 66 for a detailed reconciliation of reported to underlying results
 (2) FY2020 includes \$430M of capitalised operating leases

RECONCILIATION BETWEEN REPORTED AND UNDERLYING EBIT AND NPAT¹

\$M	FY2019		FY2020	
	EBIT \$M	NPAT \$M	EBIT \$M	NPAT \$M
Reported results	1,340.8	1,015.8	309.7	96.5
<i>Underlying adjustments</i>				
Net losses from businesses discontinued	2.1	4.1	4.7	6.4
Asset impairments	63.8	33.2	197.0	197.0
Tax asset impairment / (write-back)	-	(24.0)	-	13.9
Business development and pre-operating costs	4.7	2.1	9.4	4.3
Restructuring & redundancy costs	18.6	9.3	17.3	11.2
Asset sales	(81.7)	(74.2)	(10.6)	(5.8)
India write-off after tax rate change	-	-	6.0	6.0
US Pension Fund	-	-	30.5	23.5
Underlying results	1,348.3	966.3	564.0	353.0

(1) Underlying EBIT and NPAT are provided to assist readers to better understand the underlying consolidated financial performance. Underlying information, whilst not subject to audit or review, has been extracted from the financial report which has been reviewed. Further details can be found in Tables 12 and 13 of the Operating and Financial Review for the financial year ended 30 June 2020

UNDERLYING EARNINGS, NET FINANCE AND TAX COST

\$M	1H FY2020	2H FY2020	FY2020
Underlying EBIT	302.4	261.6	564.0
Underlying finance costs	(37.4)	(38.0)	(75.4)
Interest revenue	11.2	7.7	18.9
Profit from ordinary activities before tax	276.2	231.3	507.5
Underlying income tax (expense)/benefit	(66.6)	(56.2)	(122.8)
Underlying NPAT from ordinary activities	209.6	175.1	384.7
Net (profit)/loss attributable to non-controlling interests	(10.0)	(21.7)	(31.7)
Underlying NPAT attributable to equity holders of BSL	199.6	153.4	353.0

**24.2%
effective
underlying
tax rate**

Breakdown of net finance costs

Reg-S Bonds	20.7
Syndicated bank facility charges	4.7
Leases ¹	30.0
Amortisation of borrowing costs and present value charges (non-cash)	4.0
Other finance costs (incl NS BlueScope interest costs)	16.0
Less, interest income	(18.9)
Total net interest	56.5

Current estimated cost of facilities:

- Approximately 4.7% interest cost on gross drawn debt (which was ~\$1.3Bn at 30 June 2020) including ~\$30M lease interest charge (includes operating lease impact under AASB16); plus
- commitment fee on undrawn part of ~\$1.3Bn of domestic facilities of ~1%; plus
- amortisation of facility establishment fees, discount cost of long-term provisions and other of ~\$5M pa;
- less: interest on cash (at below 1% pa)



(1) Includes charges from existing finance leases (\$11M) and operating leases under AASB 16 Leases (\$19M)

SUMMARY OF FINANCIAL ITEMS BY SEGMENT

Sales revenue

\$M	FY2019	1H FY2020	2H FY2020	FY2020
Australian Steel Products	5,707.5	2,692.1	2,726.0	5,418.1
North Star BlueScope Steel	2,375.7	865.4	847.6	1,713.0
Building Products Asia & North America	2,879.4	1,492.1	1,285.4	2,777.5
Buildings North America	1,178.0	611.9	506.6	1,118.5
New Zealand and Pacific Islands	888.1	420.3	372.1	792.4
Intersegment, Corporate & Discontinued	(483.1)	(220.8)	(314.2)	(535.1)
Total	12,545.6	5,861.0	5,423.5	11,284.4

Underlying EBITDA

\$M	FY2019	1H FY2020	2H FY2020	FY2020
Australian Steel Products	747.0	265.6	317.1	582.7
North Star BlueScope Steel	715.6	148.3	110.7	259.0
Building Products Asia & North America	206.0	129.3	125.2	254.5
Buildings North America	73.4	38.5	28.8	67.3
New Zealand and Pacific Islands	129.0	39.5	12.7	52.2
Intersegment, Corporate & Discontinued	(109.6)	(56.9)	(60.1)	(117.0)
Total	1,761.4	564.3	534.4	1,098.7

Total steel despatches

'000 tonnes	FY2019	1H FY2020	2H FY2020	FY2020
Australian Steel Products	3,115.7	1,398.1	1,535.8	2,933.8
North Star BlueScope Steel	2,110.4	1,028.8	1,015.0	2,043.8
Building Products Asia & North America	1,667.3	855.1	739.5	1,594.6
Buildings North America	226.5	112.0	91.0	203.0
New Zealand and Pacific Islands	607.3	314.8	285.9	600.7
Intersegment, Corporate & Discontinued	(276.0)	(93.8)	(199.8)	(293.5)
Total	7,451.2	3,615.0	3,467.4	7,082.4

Underlying EBIT

\$M	FY2019	1H FY2020	2H FY2020	FY2020
Australian Steel Products	535.4	127.9	177.2	305.1
North Star BlueScope Steel	654.7	114.5	75.1	189.6
Building Products Asia & North America	134.2	80.2	75.1	155.3
Buildings North America	53.4	24.4	13.5	37.9
New Zealand and Pacific Islands	80.6	12.9	(18.7)	(5.8)
Intersegment, Corporate & Discontinued	(110.0)	(57.5)	(60.6)	(118.1)
Total	1,348.3	302.4	261.6	564.0

CASH FLOW STATEMENT

\$M	FY2019	1H FY2020	2H FY2020	FY2020
Reported EBITDA	1,753.8	555.7	288.7	844.4
Adjust for other cash profit items	(22.0)	(6.7)	213.4	206.7
Cash from operations	1,731.8	549.0	502.1	1,051.1
Working capital movement (inc provisions)	179.4	(248.7)	147.9	(100.8)
Gross operating cash flow	1,911.2	300.3	650.0	950.3
Financing costs	(56.5)	(38.4)	(40.7)	(79.1)
Interest received	17.1	11.2	9.5	20.7
Income tax paid ¹	(189.5)	(37.3)	(36.7)	(74.0)
Net operating cash flow	1,682.3	235.8	582.1	817.9
Capex: payments for P, P & E and intangibles ²	(378.2)	(275.6)	(304.2)	(579.8)
Other investing cash flow	(10.0)	11.5	(2.0)	9.5
Net cash flow before financing	1,294.1	(28.3)	275.9	247.6
Buy-backs of equity	(502.0)	(194.1)	(34.4)	(228.5)
Dividends to non-controlling interests	(43.4)	(11.5)	(0.7)	(12.2)
Dividends to BSL shareholders	(75.8)	(41.2)	(30.3)	(71.5)
Net drawing / (repayment) of borrowings	30.5	(37.6)	(26.0)	(63.6)
Net drawing / (repayment) of leases ³	(11.6)	(54.0)	(50.7)	(104.7)
Other	(3.6)	(2.6)	(0.7)	(3.3)
Net increase/(decrease) in cash held	688.1	(369.3)	133.1	(236.2)

Strong working capital outcomes, particularly on receivables and inventory in the face of COVID-19; 2H FY2020 reflecting typical seasonality impact

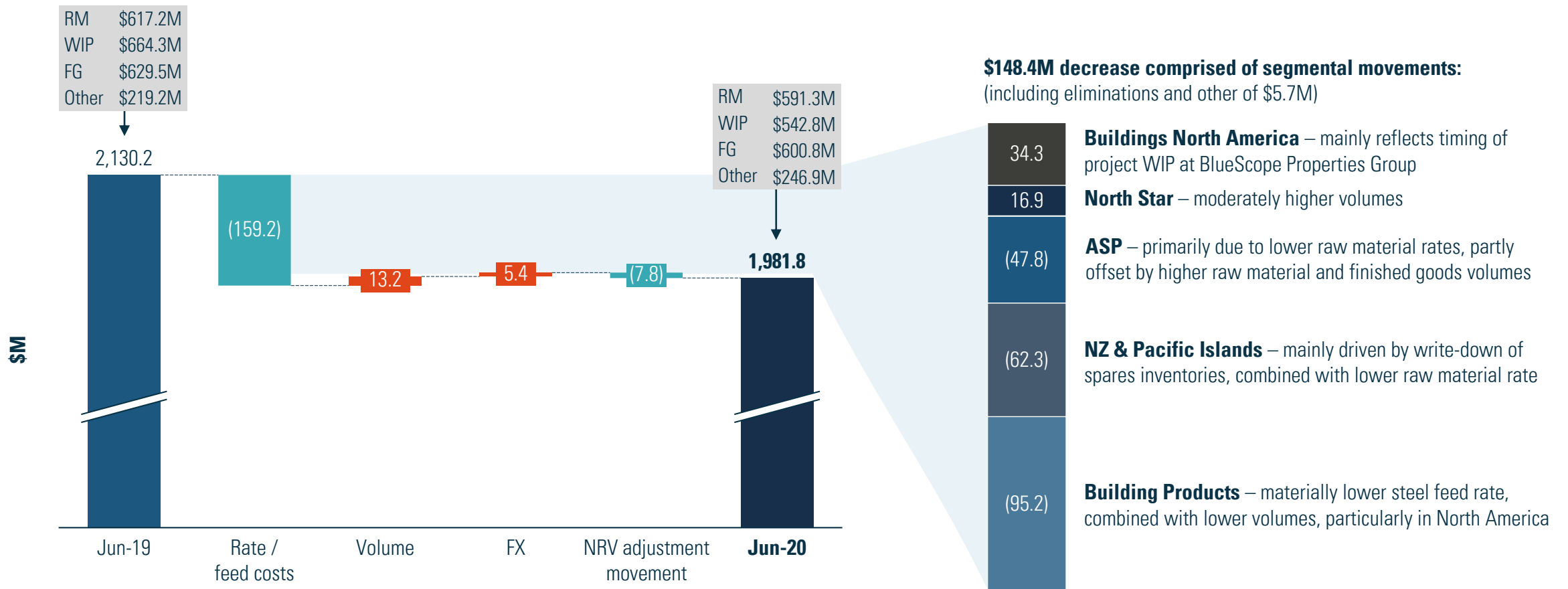
FY2020 includes \$19M impact from capitalisation of operating leases under AASB 16, reallocated from cash from operations

Includes \$174M investment in North Star expansion in FY2020



(1) As at 30 June 2020 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately \$1.3Bn. There will be no Australian income tax payments until these losses are recovered
 (2) 2H FY2020 Cash capex of \$304.2M; accounting capital spend including capital accruals of \$328M
 (3) Reflects a range of repayments across the Company, and the impact of AASB16 Leases

Decrease on lower steel and raw material prices and impact of NZ spares write-down, combined with strict focus on inventory management



'RM' is raw materials (including externally sourced steel feed to BSL businesses)
 'WIP' is work in progress
 'FG' is finished goods
 'Other' is primarily operational spare parts



\$M	30 Jun 2019	31 Dec 2019	30 Jun 2020
Assets			
Cash	1,644.5	1,273.4	1,399.5
Receivables and Contract Assets *	1,259.8	1,177.2	1,153.4
Inventory *	2,130.2	2,061.3	1,981.8
Property, Plant & Equipment	4,147.5	4,154.7	4,175.3
Right Of Use Assets	-	387.0	338.0
Intangible Assets	1,827.0	1,816.1	1,835.8
Other Assets	687.3	680.2	676.5
Total Assets	11,696.3	11,549.9	11,560.3
Liabilities			
Trade & Sundry Creditors *	2,053.4	1,711.3	1,651.4
Capital & Investing Creditors	76.9	54.5	87.0
Borrowings	831.8	804.7	784.0
Lease Liabilities	120.0	515.6	536.4
Deferred Income and Contract Liabilities *	203.6	174.6	215.3
Retirement Benefit Obligations	300.4	266.0	439.7
Provisions & Other Liabilities	768.7	741.5	806.9
Total Liabilities	4,354.8	4,268.2	4,520.7
Net Assets	7,341.5	7,281.7	7,039.6
Note *: Items included in net working capital	1,133.0	1,352.6	1,268.5

COMMITTED DEBT FACILITIES AS AT 30 JUNE 2020

	Maturity	Committed		Drawn
		Local currency	A\$M	A\$M
Syndicated Bank Facility				
- Tranche 1	May 2022	A\$405M	A\$405M	-
- Tranche 2	Aug 2023	A\$400M	A\$400M	-
- Tranche 3	Aug 2024	A\$400M	A\$400M	-
Reg-S Bonds	May 2023	US\$300M	A\$437M	A\$437M
Inventory Finance	Sep 2021	US\$55M	A\$80M	-
NS BlueScope JV facilities (100%)				
- Corporate facilities	Mar 2021 – Aug 2022	US\$278M	A\$404M	A\$131M
- Thailand facilities	Jan 2021 – Dec 2025	THB 4,070M	A\$192M	A\$107M
- Malaysian facilities	Jun 2021 – Oct 2024	MYR 375M	A\$127M	A\$76M
Leases	Various	A\$510M	A\$510M	A\$510M
Total			A\$2,955M	A\$1,261M

- In addition to debt facilities, BSL has:
 - \$494M of off-balance sheet sale of receivables program of which \$421M was drawn at 30 June 2020, and
 - other items in total debt of \$33M

Sensitivities may vary subject to volatility in prices, currencies and market dynamics – refer to page 78

Australian Steel Products segment

+/- US\$10/t move in average benchmark hot rolled coil price	
- direct sensitivity ²	+/- \$10M
- indirect sensitivity ³	+/- \$7-9M
+/- US\$10/t move in iron ore costs	-/+ \$34-35M
+/- US\$10/t move in coal costs ⁴	-/+ \$15M
+/- 1¢ move in AUD:USD exchange rate	
- direct sensitivity ⁵	+/- \$4-5M ⁷
- indirect sensitivity ⁶	-/+ \$7-10M ⁸

New Zealand Steel & Pacific Islands segment

+/- US\$10/t move in benchmark steel prices (HRC and rebar)	
- direct sensitivity ⁹	+/- \$1-2M
- indirect sensitivity ¹⁰	+/- \$2-3M
+/- US\$10/t move in market-priced coal costs ¹¹	-/+ \$3M
+/- 1¢ move in AUD:USD exchange rate	
- direct sensitivity ⁵	-/+ \$1-2M ⁸
- indirect sensitivity ¹²	-/+ \$2M ⁸

North Star BlueScope Steel segment

+/- US\$10/t move in realised HRC spread (HRC price less cost of scrap and pig iron)	+/- \$15-16M
---	--------------

Group

+/- 1¢ move in AUD:USD exchange rate (direct) ¹³	+/- \$1-2M ⁸
--	-------------------------

- (1) Page shows full sensitivities to movement in key external factors, as if that movement had applied for the complete six months. Analysis assumes 2H FY2020 base exchange rate of US\$0.69. There are other factors that impact the Company's financial performance which are not shown. The sensitivities provided are general indications only and actual outcomes can vary due to a range of factors such as volumes, mix, margins, pricing lags, hedging, one-off costs etc.
- (2) Includes US\$ priced export products and domestic hot rolled coil sold into the pipe & tube market.
- (3) Sensitivity shows the potential impact on Australian domestic product prices (A\$ priced) other than painted steels and hot rolled coil sold into the pipe & tube market. Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.
- (4) Coal cost sensitivity does not include coal purchases for export coke sales.
- (5) Includes the impact on US dollar denominated export prices and costs and restatement of US dollar denominated receivables and payables.
- (6) Also includes potential impact on Australian domestic product prices (A\$ priced) other than painted steels and hot rolled coil sold into the pipe & tube market. Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.
- (7) A decrease in the A\$/US\$ suggests an unfavourable impact on earnings.
- (8) A decrease in the A\$/US\$ suggests a favourable impact on earnings.
- (9) Includes US\$ priced export flat and long steel products (includes Pacific Steel products)
- (10) Sensitivity shows the potential impact on NZ domestic flat and long steel product prices (A\$ priced) other than painted steels (includes Pacific Steel products). Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.
- (11) Sensitivity encompasses the component of New Zealand Steel's annual thermal coal requirement which is imported and priced at prevailing market prices. Excludes the component coal supply which is domestically sourced on long term contract price.
- (12) Also includes potential impact on NZ domestic flat and long steel product prices (A\$ priced) other than painted steels (includes Pacific Steel products). Sensitivity is subject to lags and market factors, and is less certain particularly in the short term.
- (13) Includes direct sensitivities for ASP and New Zealand & Pacific Islands segments, together with impact of translating earnings of US\$ linked offshore operations to A\$.



ADDITIONAL INFORMATION – SEGMENT MATERIAL



Financial and despatch summaries

Key segment financial items

\$M unless marked	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	5,707.5	2,692.1	2,726.0	5,418.1
Underlying EBITDA	747.0	265.6	317.1	582.7
Underlying EBIT	535.4	127.9	177.2	305.1
Reported EBIT	527.5	127.9	177.2	305.1
Capital & investment expenditure	201.1	99.0	131.6	230.6
Net operating assets (pre tax)	2,229.9	2,667.4	2,626.4	2,626.4
Total steel despatches (kt)	3,115.7	1,398.1	1,535.7	2,933.8

Despatches breakdown

'000 Tonnes	FY2019	1H FY2020	2H FY2020	FY2020
Hot rolled coil	555.9	269.3	278.9	548.2
Plate	280.0	160.4	151.7	312.1
CRC, metal coated, painted & other ¹	1,275.5	646.2	662.4	1,308.6
Domestic despatches of BSL steel	2,111.4	1,075.9	1,093.0	2,168.9
Channel despatches of ext sourced steel ²	139.4	62.1	56.3	118.4
Domestic despatches total	2,250.8	1,138.0	1,149.3	2,287.3
Hot rolled coil	393.2	39.8	142.9	182.7
Plate	27.3	12.4	7.1	19.5
CRC, metal coated, painted & other ¹	441.8	207.0	231.7	438.7
Export despatches of BSL steel	862.3	259.2	381.7	640.9
Channel despatches of ext sourced steel	2.6	0.9	4.7	5.6
Export despatches total	864.9	260.1	386.4	646.5
Total steel despatches³	3,115.7	1,398.1	1,535.7	2,933.8
Export coke despatches	676.1	431.9	352.7	784.6
	11.8	(4.8)	(6.6)	(11.4)
	889.1	430.1	427.5	857.6

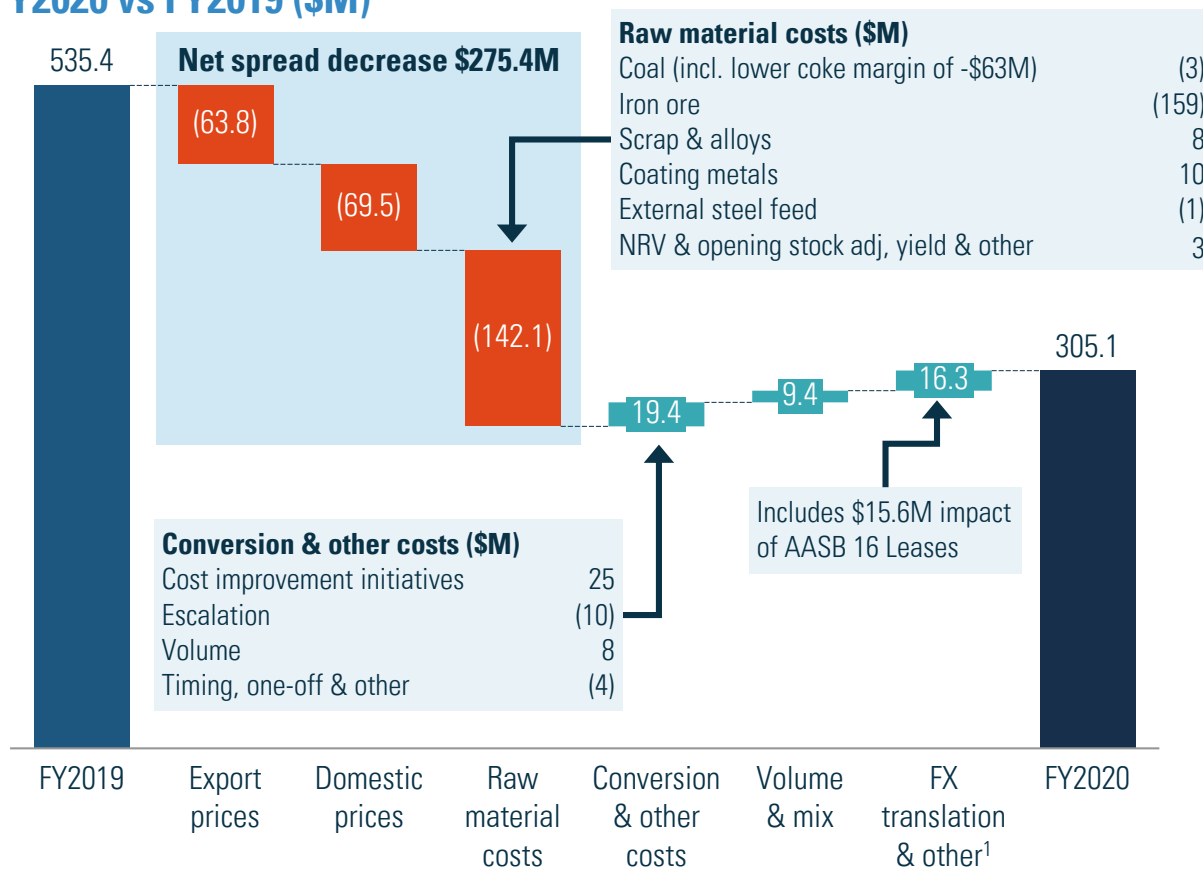
1) Product volumes are ex-mills (formerly CIPA). Other includes inventory movements in downstream channels

2) Primarily long products sold through downstream business

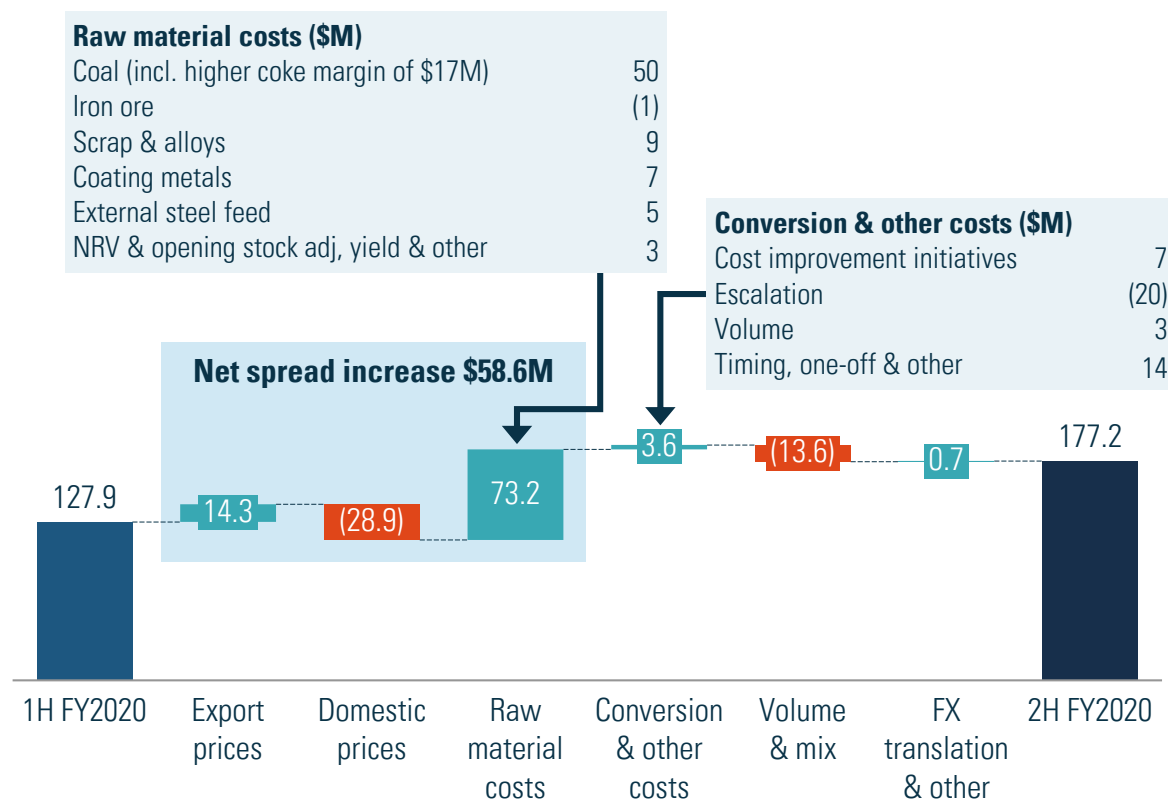
3) Includes the following sales through downstream channels (formerly BCDA segments)

Underlying EBIT variance

FY2020 vs FY2019 (\$M)



2H FY2020 vs 1H FY2020 (\$M)

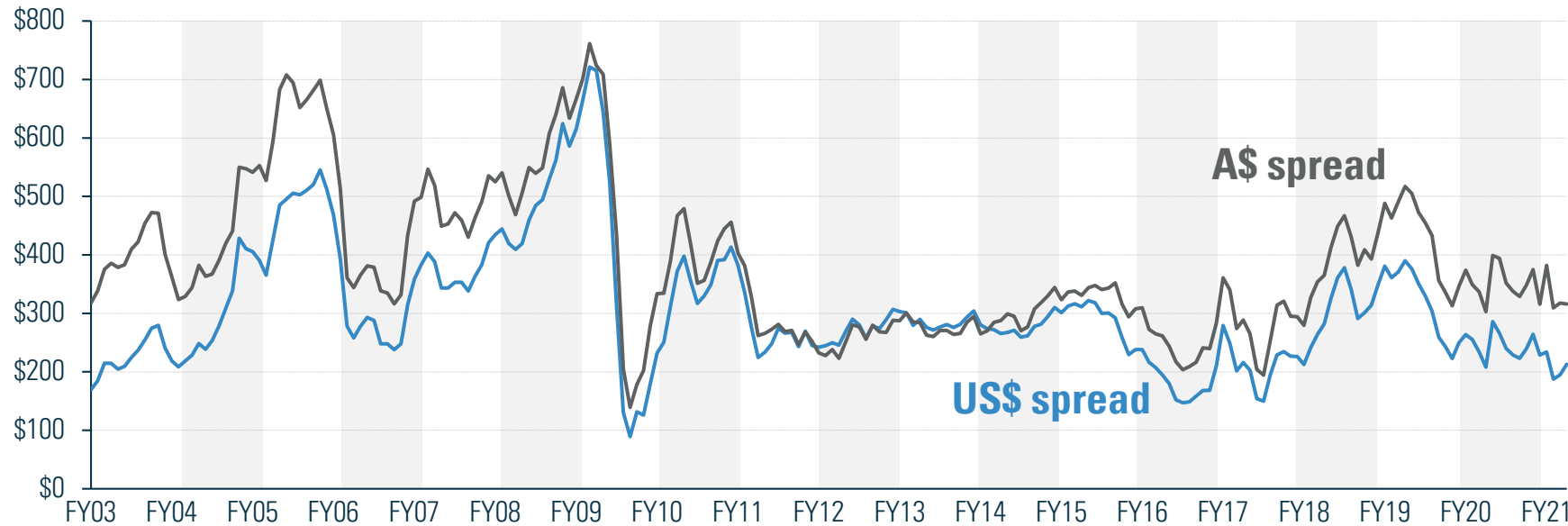


(1) Includes the impact of AASB16 Leases

Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

Spot spreads have contracted due to softening HRC prices and increasing raw material rates

Indicative steelmaker HRC lagged spread



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	1H FY2020	2H FY2020	FY2020	Spot ¹
East Asian HRC price, lagged (US\$/t)	560	497	317	419	535	559	519	463	491	503
Indicative spread with pricing lags (US\$/t)	276	292	182	214	303	320	252	237	245	258
Indicative spread with pricing lags (A\$/t)	295	331	247	284	390	431	359	343	351	360
A\$:US\$ (3 month lag)	0.93	0.87	0.74	0.75	0.77	0.73	0.69	0.67	0.68	0.72

Notes on calculation:

- 'Indicative steelmaker HRC spread' representation based on simple input blend of 1.5t iron ore fines and 0.71t hard coking coal per output tonne of steel. Chart is not a specific representation of BSL realised HRC spread (eg does not account for iron ore blends, realised steel prices etc), but rather is shown to primarily demonstrate movements from period to period.
- SBB East Asia HRC price lagged by three months up to Dec 2017, four months thereafter – broad indicator for Australian domestic lag, but can vary.
- Indicative iron ore pricing: 62% Fe iron ore fines price assumed. Industry annual benchmark prices up to March 2010. Quarterly index average prices lagged by one quarter from April 2010 to March 2011; 50/50 monthly/quarterly index average from April 2011 to December 2012. Monthly thereafter. FOB Port Hedland estimate deducts Baltic cape index freight cost from CFR China price. Lagged by three months.
- Indicative hard coking coal pricing: low-vol, FOB Australia. Industry annual benchmark prices up to March 2010; quarterly prices from April 2010 to March 2011; 50/50 monthly/quarterly pricing from April 2011 to Dec 2017; monthly thereafter. Lagged by two months up to Dec 2017; three months thereafter.



(1) Spot rates as at mid August 2020, unlagged

Spread: SBB East Asia HRC price less cost of 1.5t iron ore fines and 0.71t hard coking coal. Sourced from SBB, CRU, Platts, TSI, Reserve Bank of Australia, BlueScope Steel calculations

Relationships with benchmark pricing

Steel prices

- Selling prices across majority of domestic product correlated with SBB East Asia HRC price; lagged generally three to five months; degree of correlation between realised and benchmark prices can vary within a given half year but is more fully reflected over the medium term
- Export sales generally moving on a two month lag to a mix of SBB East Asia HRC (majority of the influence) and also US HRC pricing

Coal prices

- Hard coking coal: pricing and sourcing remains somewhat fluid. General guide at present is majority monthly pricing with reference to the FOB Australia premium low volatility metallurgical coal price, on a three month lag
- PCI: on a three month lag to low volatility PCI FOB Australia index

Iron ore prices

- Three month lag to index pricing (Platts IODEX 62% Fe CFR China)
- Lump premium based on spot iron ore lump premium 62.5% Fe CFR China
- Pellet premium based on spot blast furnace iron ore pellet premium 65% CFR China

Coating metals and scrap

- Zinc & aluminium: ASP currently uses around 40kt and 14kt of zinc and aluminium respectively. Recommend one month lag to LME contract prices
- Scrap: generally moving on three month lag with reference to Platts HMS 1/2 80:20 CFR East Asia (Dangjin)

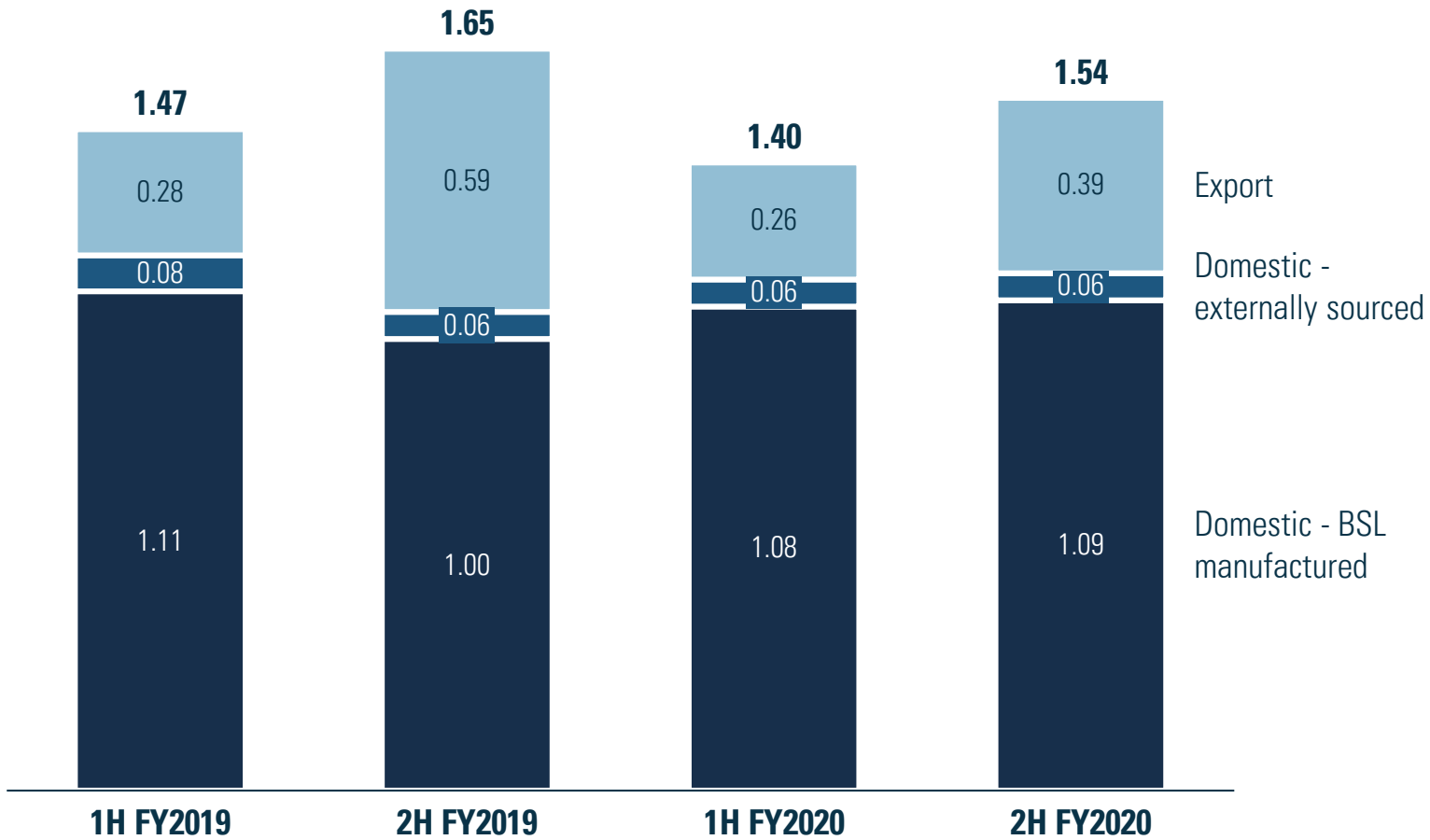
Export metallurgical coke

- Export coke sales approx. ~650,000-700,000 dry metric tonne p.a., sold direct to end users (steelmakers) or via trading partners into regions such as India, Europe and South America. Hard coking coal (Premium low vol HCC FOB Aus) is key input, with approx. ~75% yield factor from HCC to met coke
- Seaborne price for met coke has historically been related to movements in the Chinese domestic coke price. As of more recently, however, the index is no longer considered to be a reliable indicator of the price BlueScope realises for export coke due to supply-demand dynamics and quality differences.

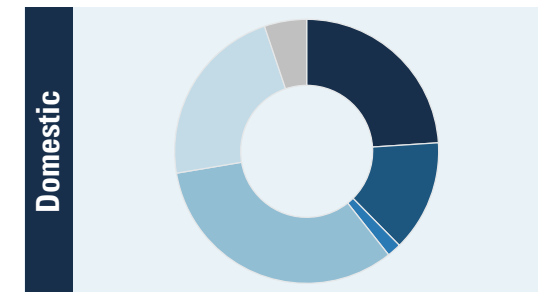
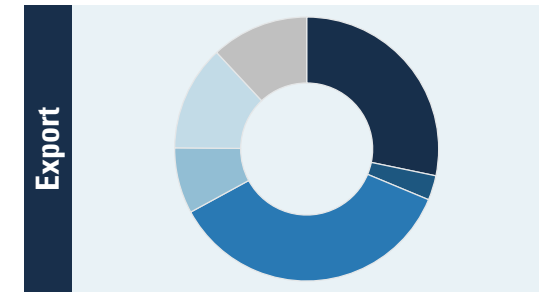
The raw materials 'recipe' to produce a tonne of hot rolled coil at Port Kembla is shown on page 80.

Note that degree of correlation between realised and benchmark prices can vary within a given half year but is more fully reflected over the medium term.

Despatch mix (Mt)



FY2020 Product Mix

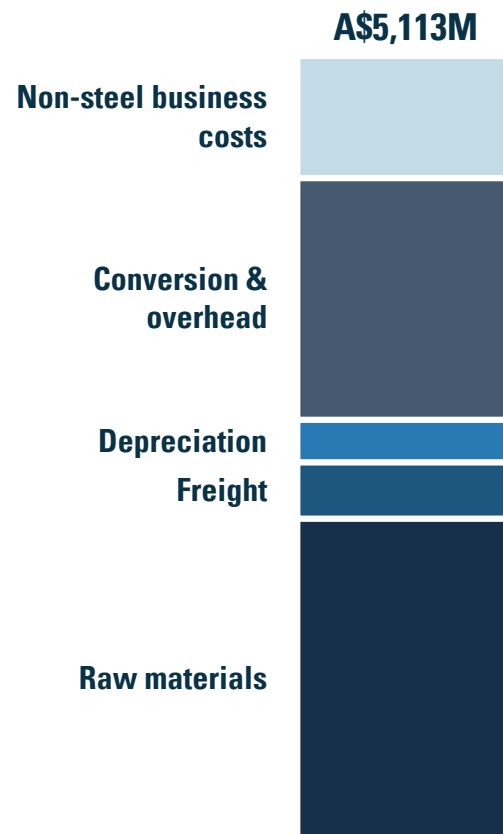


Revenue and underlying costs FY2020

Revenue



Underlying costs (to EBIT line)



Non-steel business costs relate to:

- Export coke sales
- Cold ferrous feed to Liberty OneSteel (scrap pool)
- Externally sourced steel
- By-products (eg. tar, BTX, sulphate)

Conversion & overhead components (in order of value):

- Direct labour
- Repairs & maintenance
- Utilities
- Services & contractors
- Consumables
- Sales & administration
- Other

Freight (in order of value):

- Domestic despatches
- Export despatches
- Internal (eg. Springhill & Western Port to Service Centres)

Raw materials (in order of value):

- Iron ore
- External steel feed
- Coal
- Scrap
- Zinc
- Paint
- Fluxes and alloys
- Aluminium

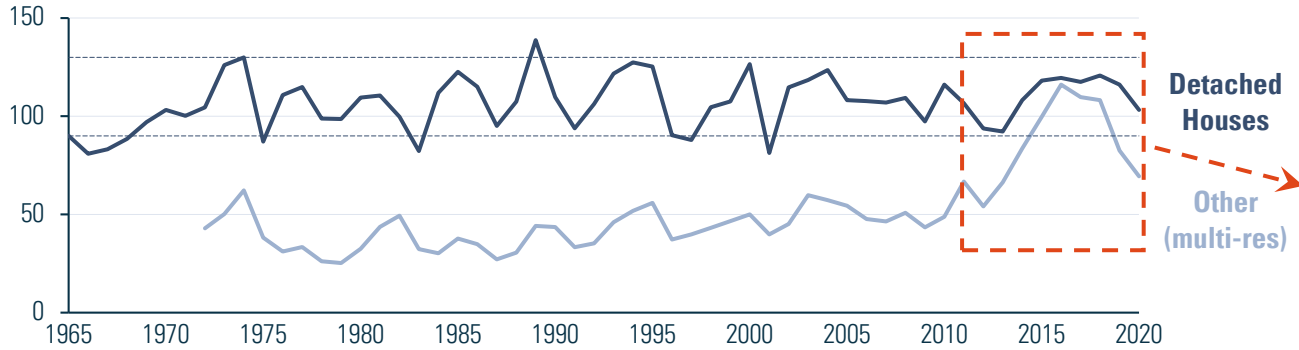
Indicative 'recipe' of raw materials per output tonne of HRC:

- 1.13t iron ore fines (sintering)
- 0.23t lump ore (into BF)
- 0.06t pellets (into BF)
- 0.50t hard coking coal (into BF)
- 0.13t PCI (into BF)
- 0.24t scrap (into BOS), of which 45% sourced internally

Housing market pullback evident pre-pandemic; detached sector showing usual stability

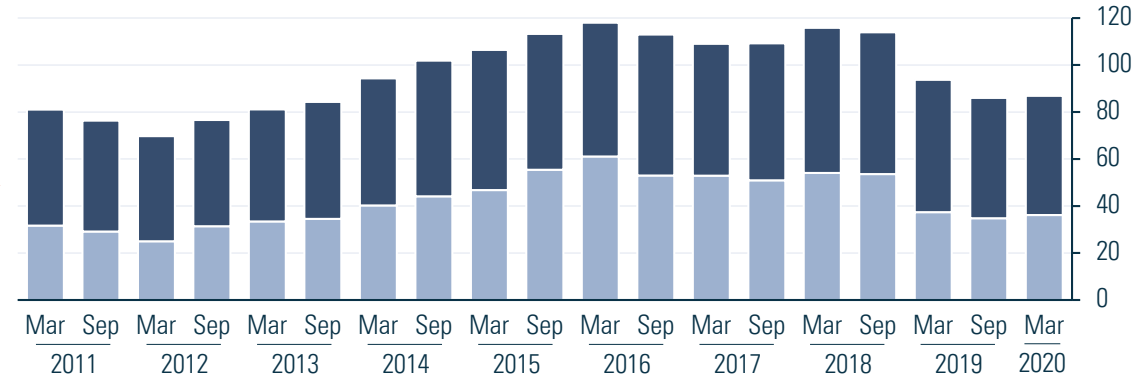
Long-Term Dwelling Approvals: rolling 12 months¹ ('000)

Despite pullback, detached house approvals holding in stable historic range



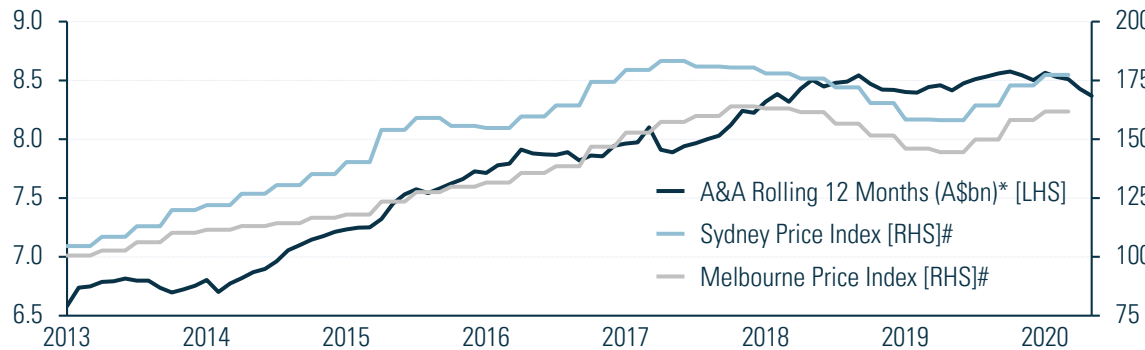
Dwelling Commencements: by halves² ('000)

Commencements pulling back to more normal range



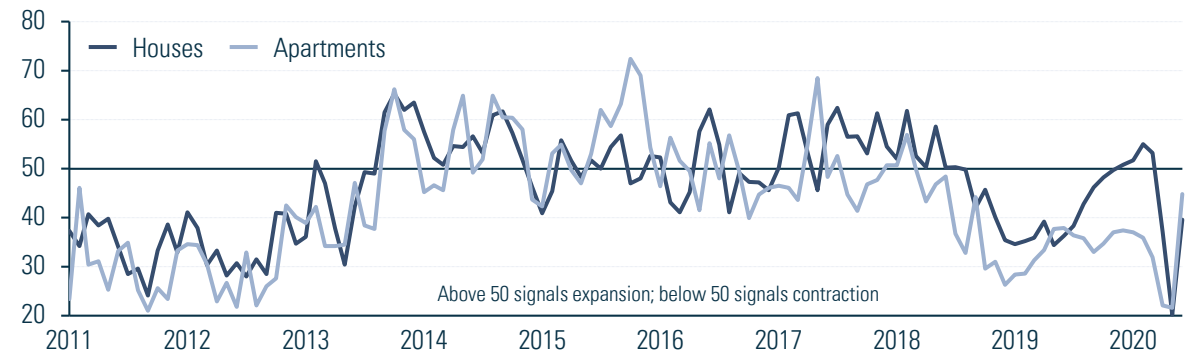
A&A Building Approvals and Established House Prices³

Stable and robust house prices continue to encourage renovations



Performance of Construction Index⁴

Sentiment in housing sector pullback also evident, especially post pandemic



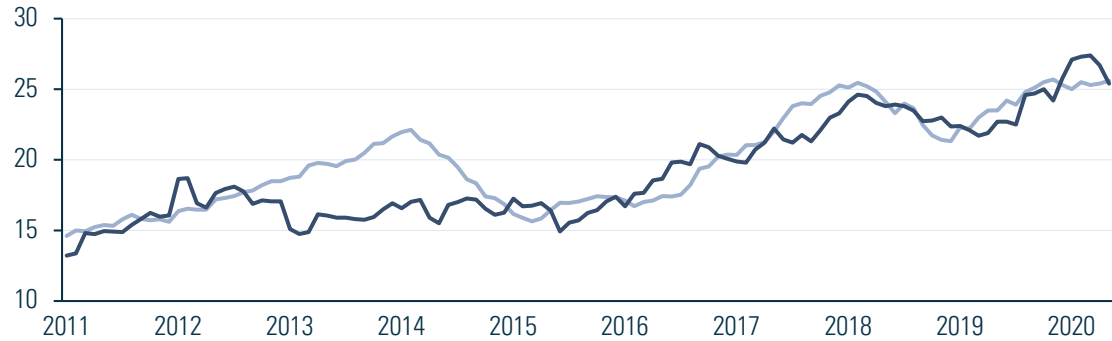
Note: A&A: Alterations & Additions

Sources: (1) ABS series 8731, table 11; original data; data to Jun 20 Qtr (2) ABS series 8752, table 33; seasonally adjusted data; total sectors (3) ABS series 6416, table 2; original data; 2011-12=100; data to Mar 20 Qtr, ABS series 8731, table 38; seasonally adjusted; current \$; data to Jun 20 (4) Australian Industry Group; seasonally adjusted data; data to Jul 20

Sentiment in non-residential construction sector demonstrated a positive turnaround

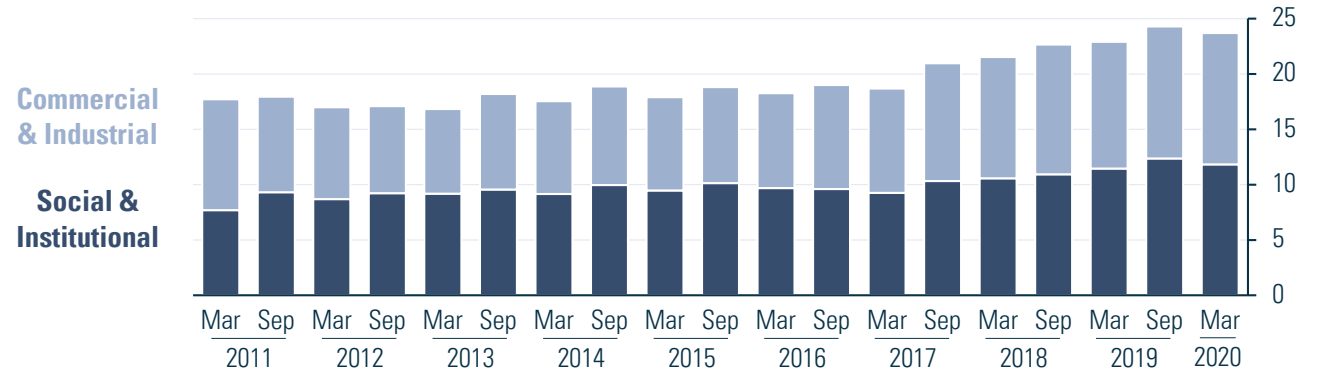
Non-Residential Building Approvals: rolling 12 months¹ (A\$bn)

Approvals at most robust levels for many years



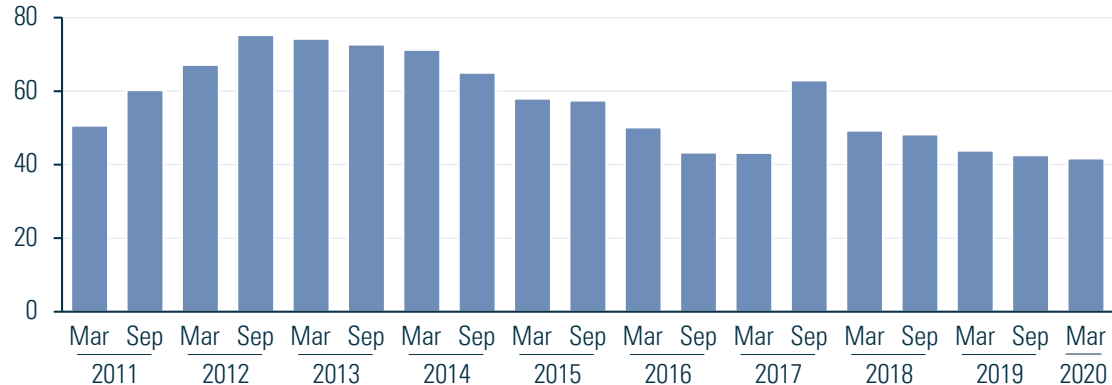
Non-Residential Work Done: by halves² (A\$bn)

Elevated activity reflects strong approvals growth



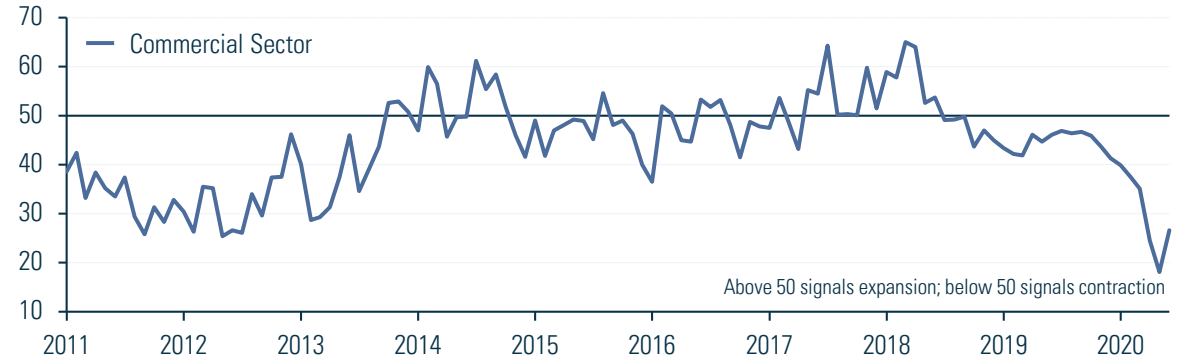
Engineering Construction Work Done: by halves³ (A\$bn)

Pullback driven by LNG, but sizeable investment in infrastructure remains



Performance of Construction Index⁴

Sentiment has seen significant impact post pandemic



Sources: (1) ABS series 8731, table 51; original data; current \$; total sectors; data to Jun 20 (2) ABS series 8752, table 51; original data; current \$; total sectors (3) ABS series 8762, table 1; seasonally adjusted data; real \$; total sectors (4) Australian Industry Group; seasonally adjusted data; data to Jul 20

Portfolio of premium brands and strong channel focus; leading supplier to the building and construction industry

Brands

A portfolio of many well-known and respected premium product brands



Channels

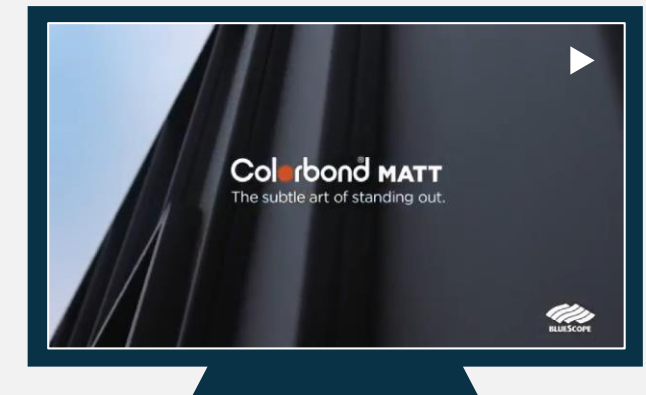
A clear focus on knowing our end customers and maintaining strong channels to market



Recent marketing campaigns



COLORBOND® Matt steel campaign

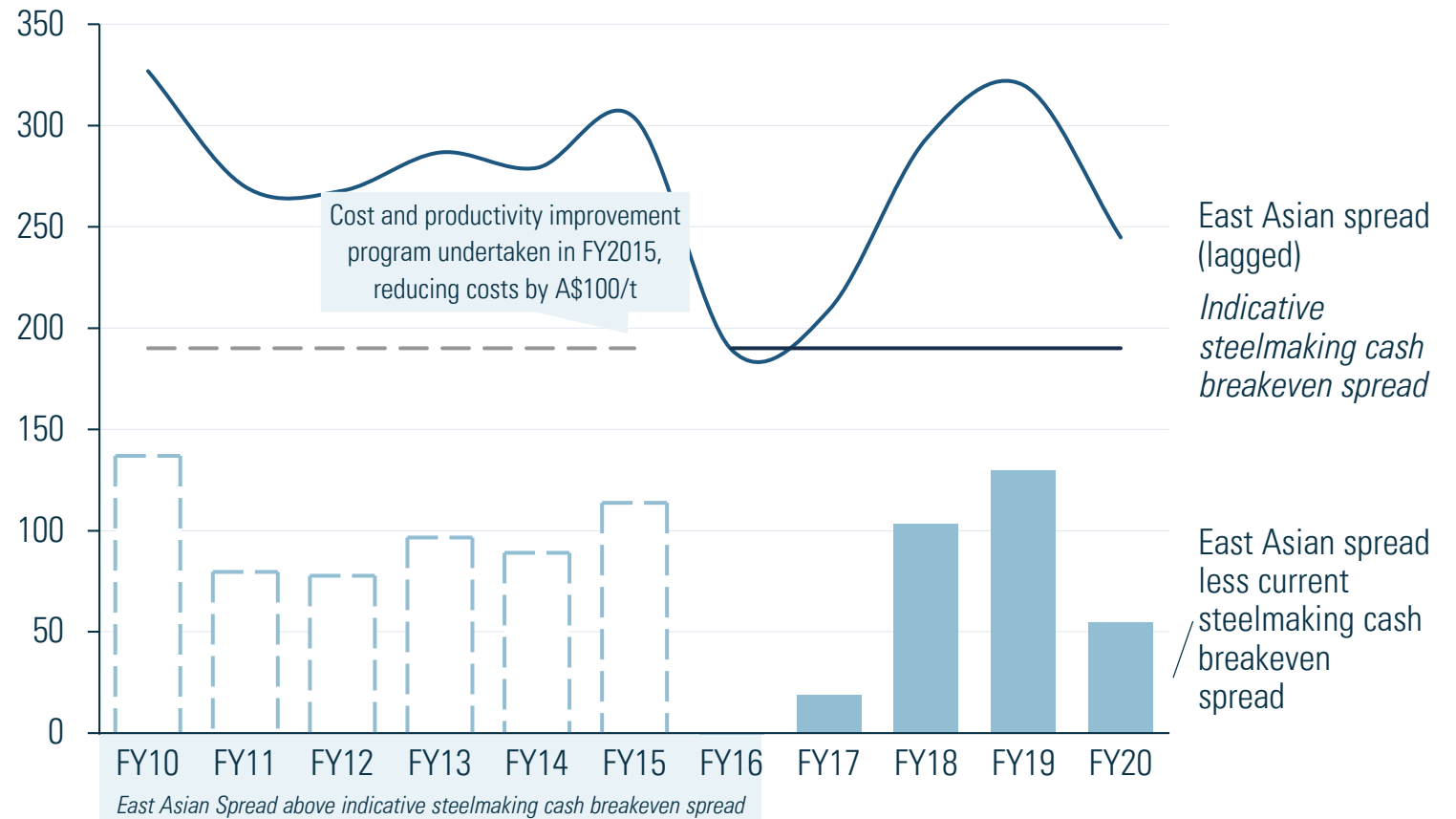


- Building on the iconic brand, COLORBOND® Matt steel is the result of a strong focus on differentiation and innovation
- “The Subtle Art of Standing Out” campaign with photographer Murray Fredricks targets end users and decision makers, such as architects, builders and specifiers

An integrated and resilient business that delivers returns across the cycle

- Steelmaking and coated operations optimised as a single unit to maximise overall profitability
- Highly competitive steelmaking cost base
- Steelmaking is a valuable contributor with an indicative cash break-even HRC-spread of just under US\$200/t
- Technology driving next round of cost savings and productivity improvements
- Earnings volatility in ASP is moderated by the ability to capture margin either in:
 - steelmaking, at times of high HRC prices, or
 - coating and painting, at times of low HRC prices, given the more stable nature of COLORBOND® steel pricing

East Asian benchmark and ASP steelmaking indicative cash breakeven spreads (US\$/t)

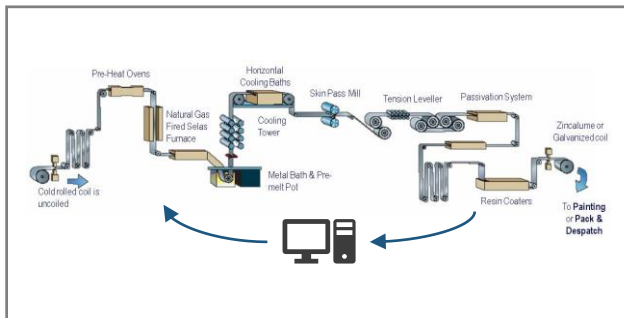


Robotics and automation opportunities unlocking the next wave of productivity improvements and cost savings



COATING MASS OPTIMISATION

- Algorithm recommends operating parameters to better control coating mass application
- The model allows for better control and consistency in coating metal application, and avoids excess coating application



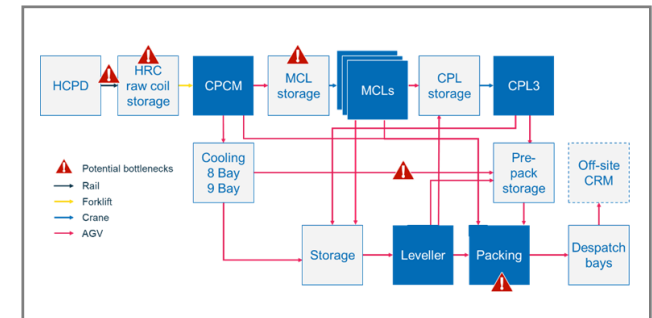
PREDICTIVE MAINTENANCE

- Plans in place to access two distinct and complimentary systems, catering for both complex and simple operating assets
- Potential to make a step change in how we maintain our assets leading to improved operational efficiency



DIGITAL TWIN

- Digital twins installed at both Springhill works and at the Plate Mill to increase throughput by optimising production flow decisions
- Enables the identification of potential bottlenecks and assists in design of interventions



Financial and despatch summaries

Key segment financial items (A\$M)

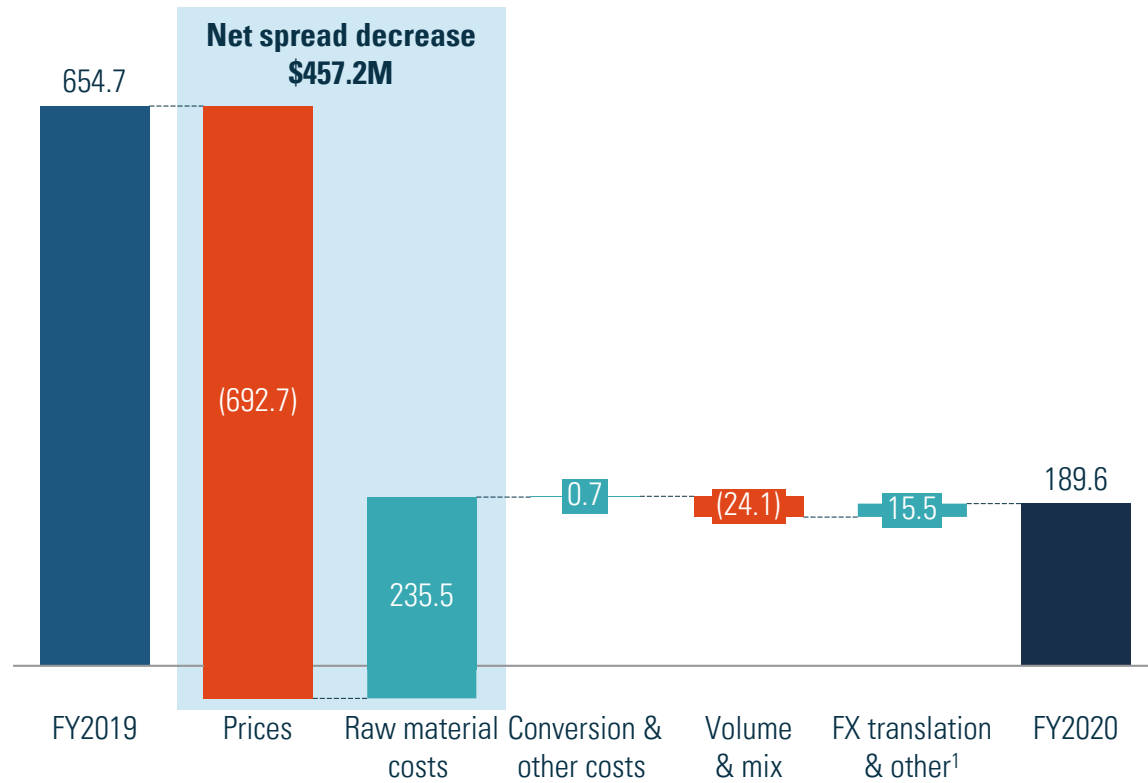
\$M unless marked	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	2,375.7	865.4	847.6	1,713.0
Underlying EBITDA	715.6	148.3	110.7	259.0
Underlying EBIT	654.7	114.5	75.1	189.6
Reported EBIT	654.7	113.5	74.2	187.7
Capital & investment expenditure	41.3	98.4	139.4	237.8
Net operating assets (pre tax)	1,850.2	1,958.6	2,059.4	2,059.4
Total steel despatches (kt)	2,110.4	1,028.8	1,015.0	2,043.8

Key segment financial items (US\$M)

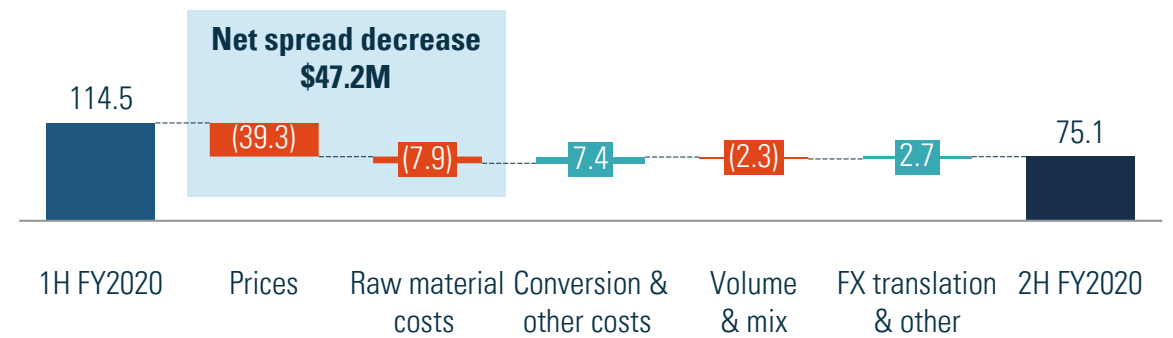
US\$M	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	1,700.9	592.0	557.1	1,149.1
Underlying EBITDA	514.3	101.6	72.7	174.3
Underlying EBIT	470.1	78.3	49.1	127.4
Reported EBIT	470.1	77.6	48.6	126.2
Capital & investment expenditure	29.3	67.2	91.6	158.8
Net operating assets (pre tax)	1,296.2	1,370.4	1,415.2	1,415.2

Underlying EBIT variance

FY2020 vs FY2019 (\$M)



2H FY2020 vs 1H FY2020 (\$M)



(1) Includes the impact of AASB16 Leases

Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

Financial and despatch summaries

Key segment financial items

\$M unless marked	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	2,879.4	1,492.1	1,285.4	2,777.5
Underlying EBITDA	206.0	129.3	125.2	254.5
Underlying EBIT	134.2	80.2	75.1	155.3
Reported EBIT	63.9	79.4	68.2	147.6
Capital & investment expenditure	140.8	22.7	29.1	51.8
Net operating assets (pre tax)	1,489.3	1,526.2	1,450.1	1,450.1
Total steel despatches (kt)	1,667.3	855.1	739.5	1,594.6

Revenue by business

\$M	FY2019	1H FY2020	2H FY2020	FY2020
Thailand	546.7	236.3	276.3	512.6
Indonesia	280.9	144.4	104.9	249.3
Malaysia	266.4	121.1	67.9	189.0
Vietnam	209.0	106.9	99.1	206.0
North America	892.0	448.1	425.6	873.7
India ¹	0.0	0.0	0.0	0.0
China	700.3	435.7	311.7	747.4
Other / Eliminations	(15.9)	(0.4)	(0.1)	(0.5)
Total	2,879.4	1,492.1	1,285.4	2,777.5

Despatches by business

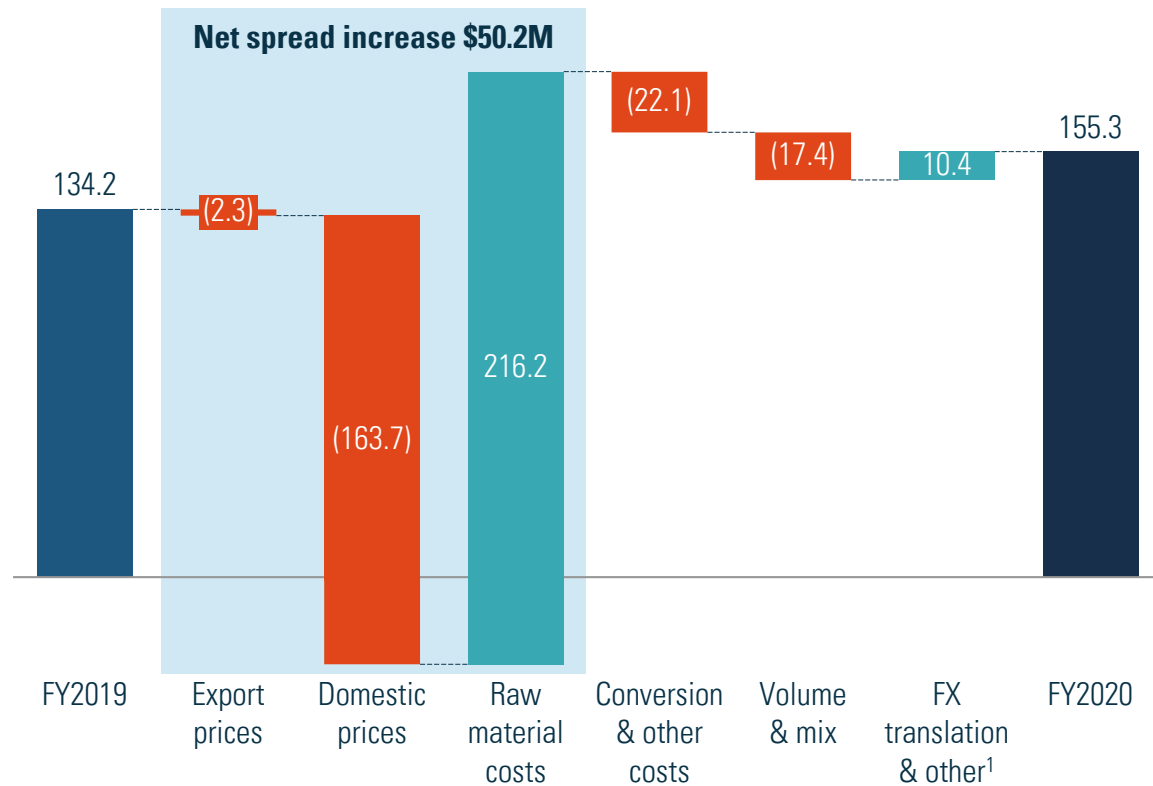
'000 Tonnes	FY2019	1H FY2020	2H FY2020	FY2020
Thailand	341.4	132.8	172.4	305.2
Indonesia	177.6	85.9	64.2	150.1
Malaysia	166.4	72.7	41.0	113.7
Vietnam	125.5	62.6	57.5	120.1
North America	354.2	192.3	181.0	373.3
India	124.3	54.7	48.5	103.2
China	389.4	254.3	175.1	429.4
Other / Eliminations	(11.5)	(0.2)	(0.2)	(0.4)
Total	1,667.3	855.1	739.5	1,594.6

Underlying EBIT by business

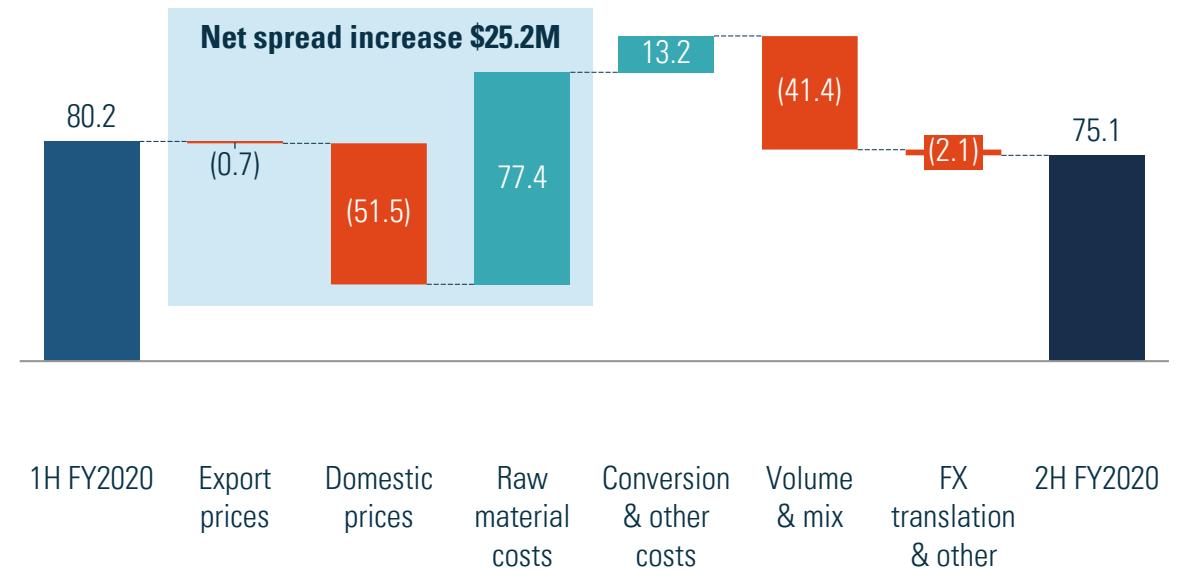
\$M	FY2019	1H FY2020	2H FY2020	FY2020
Thailand	10.1	8.2	20.0	28.2
Indonesia	4.0	9.7	(1.3)	8.4
Malaysia	4.5	4.0	(5.1)	(1.1)
Vietnam	13.5	8.4	7.0	15.4
North America	37.2	5.6	34.6	40.2
India	16.2	9.9	7.1	17.0
China	50.1	36.7	14.5	51.2
Other / Eliminations	(1.4)	(2.3)	(1.7)	(4.0)
Total	134.2	80.2	75.1	155.3

Underlying EBIT variance

FY2020 vs FY2019 (\$M)



2H FY2020 vs 1H FY2020 (\$M)



(1) Includes the impact of AASB16 Leases

Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

Financial and despatch summaries

Key segment financial items (A\$M)

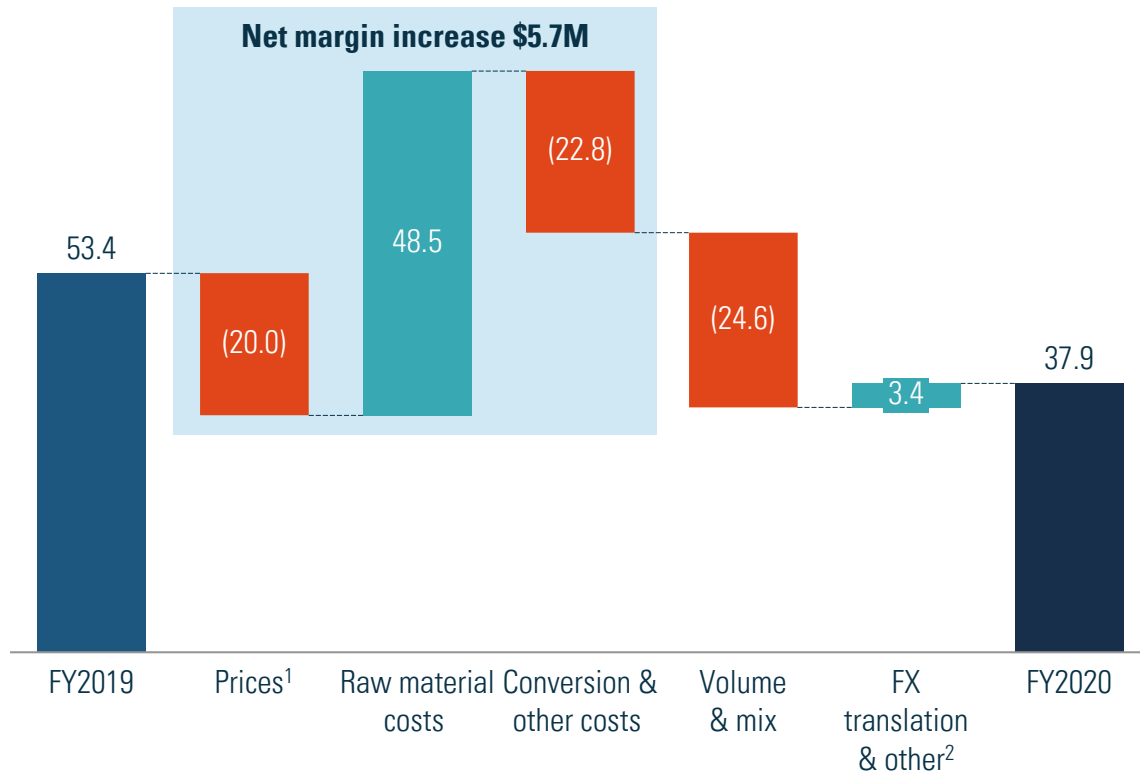
\$M unless marked	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	1,178.0	611.9	506.6	1,118.5
Underlying EBITDA	73.4	38.5	28.8	67.3
Underlying EBIT ¹	53.4	24.4	13.5	37.9
Reported EBIT	53.4	24.4	(26.2)	(1.8)
Capital & investment expenditure	25.9	6.4	8.5	14.9
Net operating assets (pre tax)	548.9	593.7	554.3	554.3
Total steel despatches (kt)	226.5	112.0	91.0	203.0

Key segment financial items (US\$M)

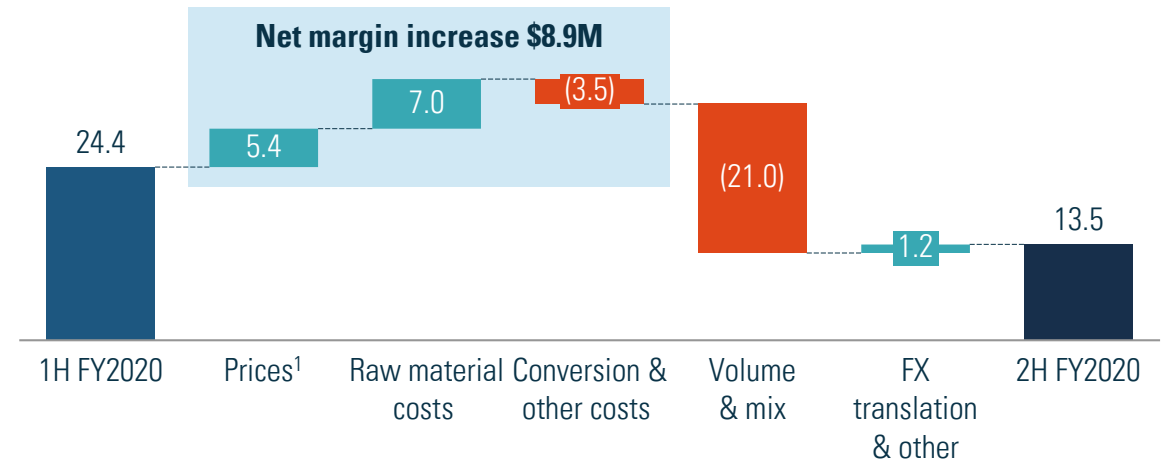
US\$M	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	841.4	418.3	332.6	750.9
Underlying EBITDA	52.1	26.4	18.8	45.2
Underlying EBIT	37.8	16.7	8.8	25.5
Reported EBIT	37.8	16.7	(18.5)	(1.8)
Capital & investment expenditure	18.3	4.4	5.4	9.8
Net operating assets (pre tax)	384.6	415.4	380.9	380.9

Underlying EBIT variance

FY2020 vs FY2019 (\$M)



2H FY2020 vs 1H FY2020 (\$M)



(1) Includes contribution from BlueScope Properties Group

(2) Includes the impact of AASB16 Leases

Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

Financial and despatch summaries

Key segment financial items

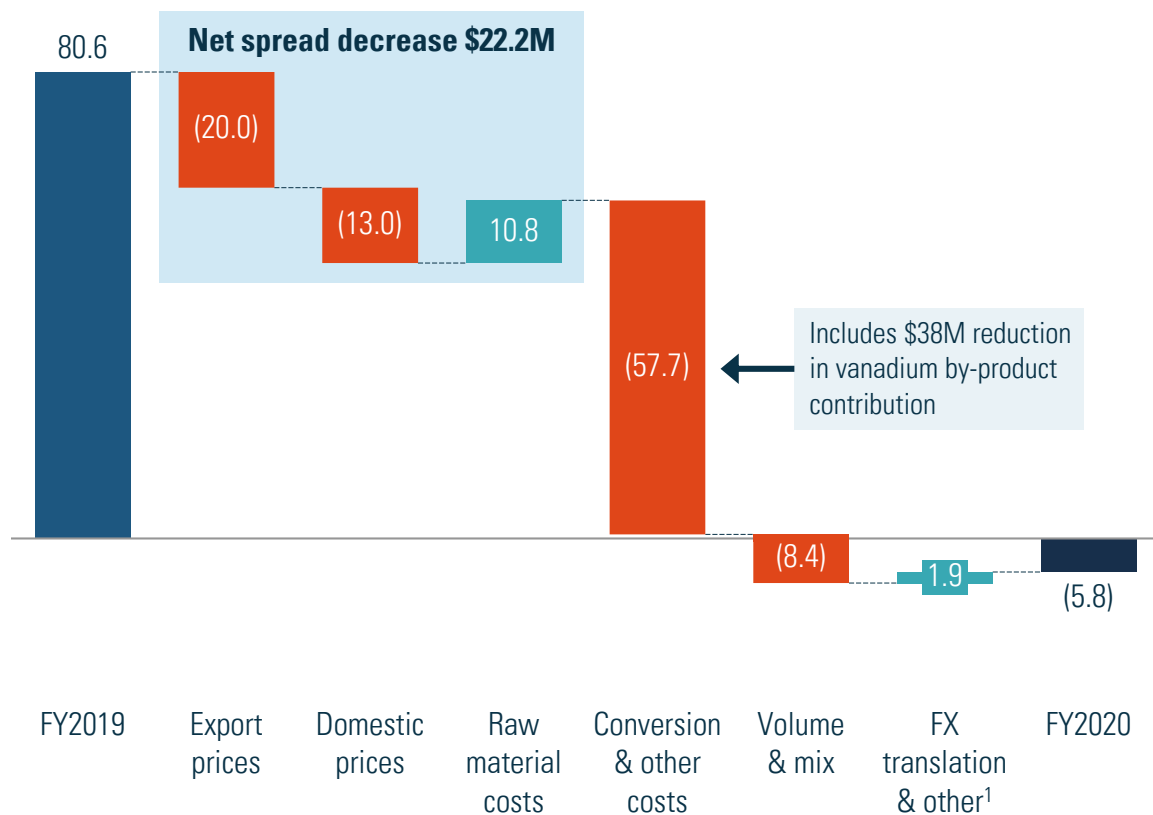
\$M unless marked	FY2019	1H FY2020	2H FY2020	FY2020
Revenue	888.1	420.3	372.1	792.4
Underlying EBITDA	129.0	39.5	12.7	52.2
Underlying EBIT	80.6	12.9	(18.7)	(5.8)
Reported EBIT	80.6	12.9	(219.0)	(206.1)
Capital & investment expenditure	80.5	32.3	20.3	52.6
Net operating assets (pre tax)	263.7	320.2	(3.4)	(3.4)
Total steel despatches – flat & long (kt)	607.3	314.8	285.9	600.7

Steel despatches

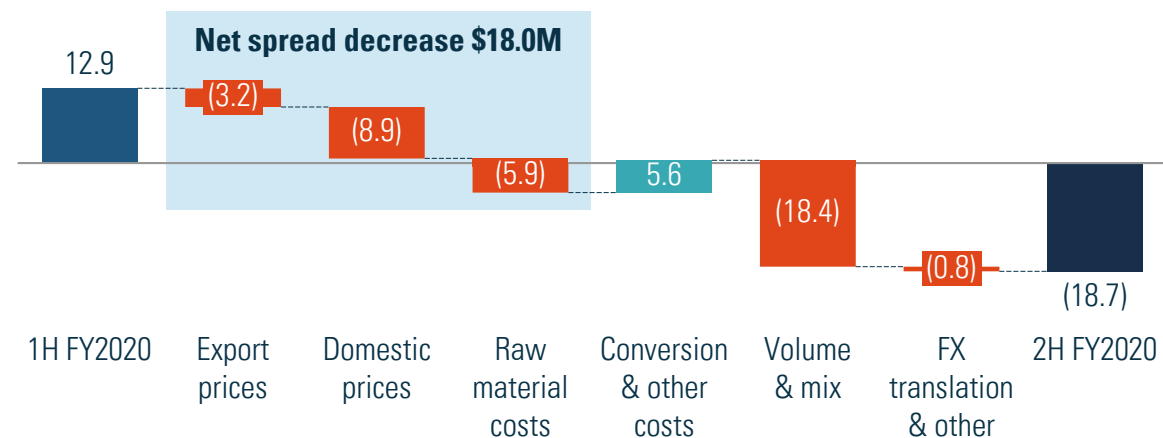
'000 Tonnes	FY2019	1H FY2020	2H FY2020	FY2020
Domestic despatches				
- NZ Steel flat products	273.8	145.8	106.6	252.4
- Pacific Steel long products	187.9	84.9	72.0	156.9
Sub-total domestic	461.7	230.7	178.6	409.3
Export despatches				
- NZ Steel flat products	144.2	76.0	103.7	179.7
- Pacific Steel long products	1.4	8.1	3.6	11.7
Sub-total export	145.6	84.1	107.3	191.4
Total steel despatches	607.3	314.8	285.9	600.7

Underlying EBIT variance

FY2020 vs FY2019 (\$M)



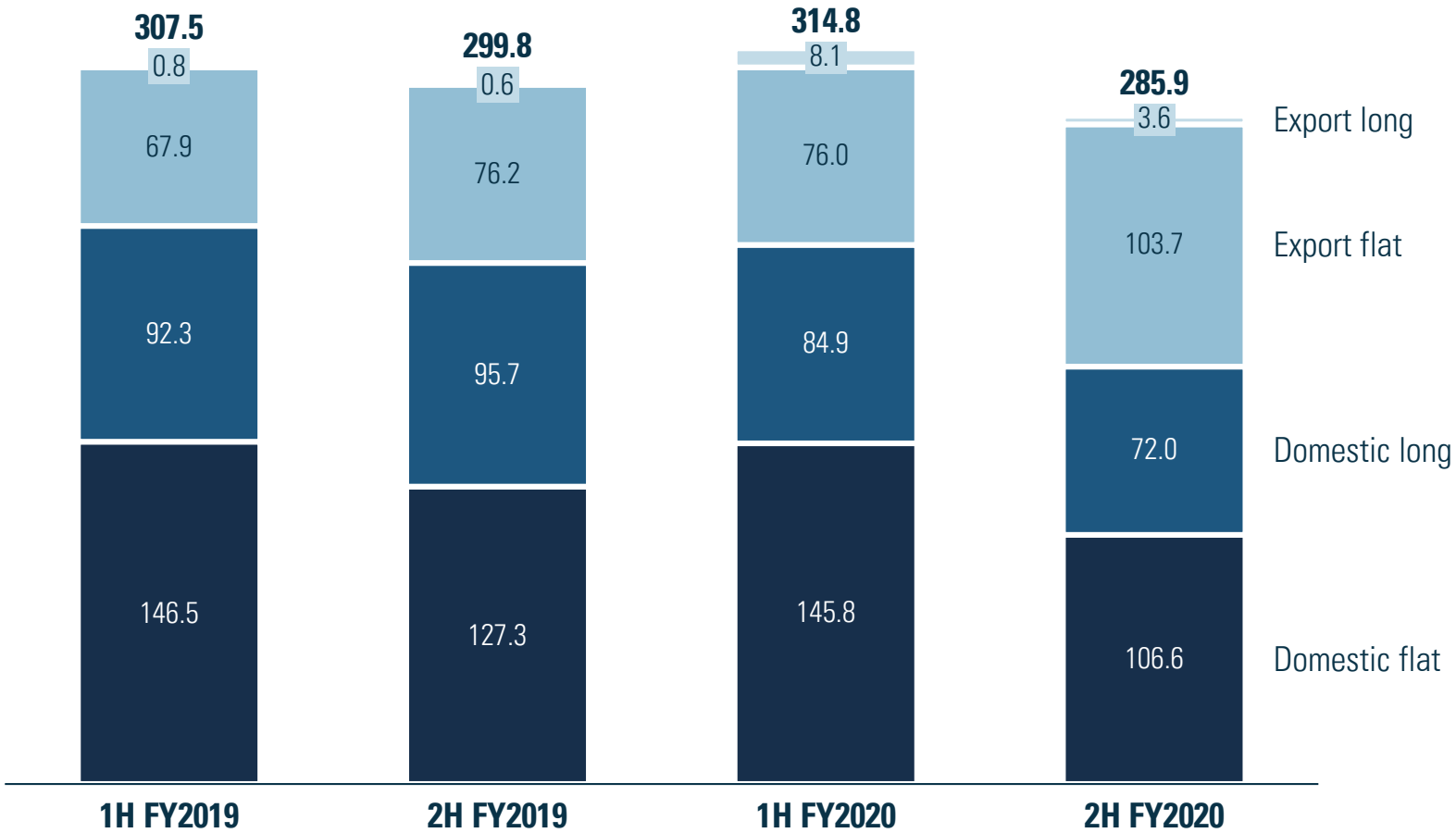
2H FY2020 vs 1H FY2020 (\$M)



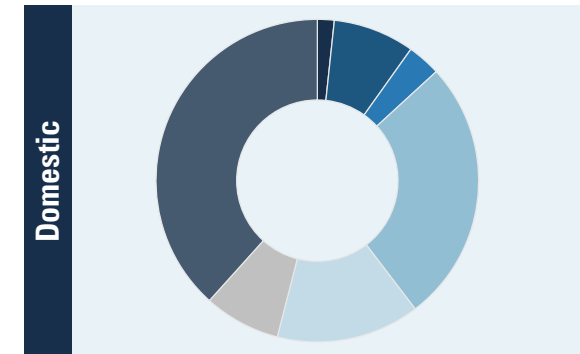
(1) Includes the impact of AASB16 Leases

Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

Despatch mix (kt)



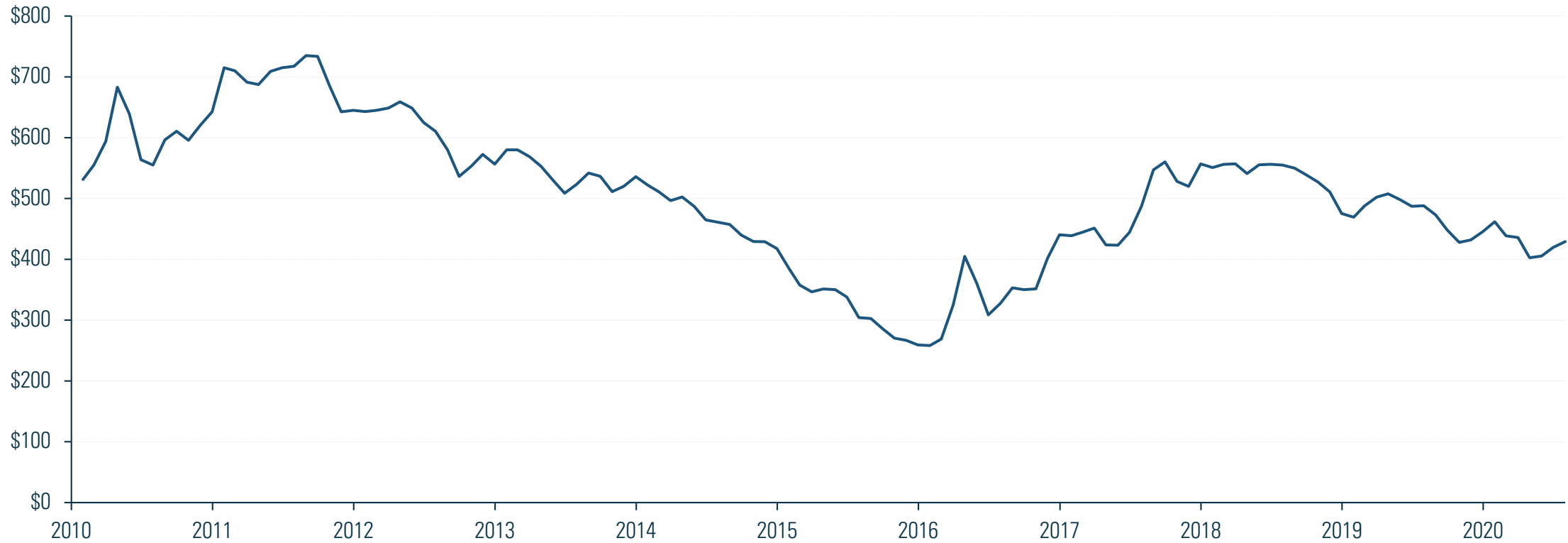
FY2020 Product Mix



- HRC
- Plate
- CRC
- Metal Coated
- Painted
- Other flat products
- Pacific Steel long products

The East Asian rebar price influences domestic and export long product pricing

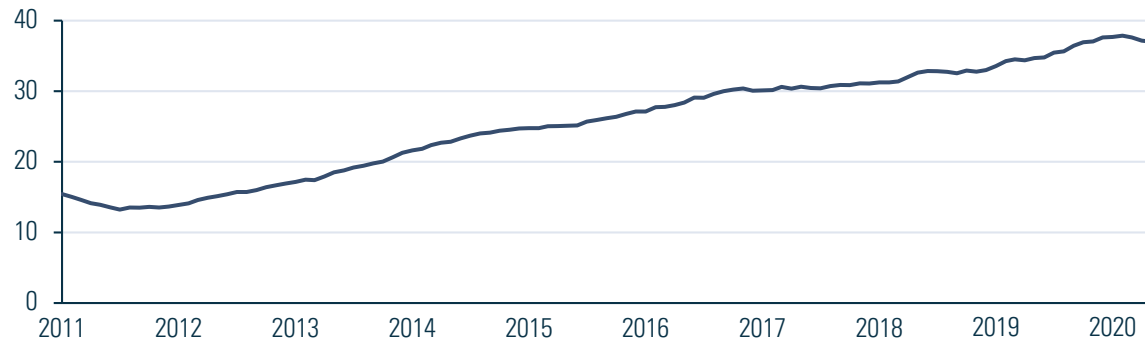
SBB East Asian rebar price, unlagged (US\$/t)



The NZ economy remains robust, despite a slight dip in activity prior to and during COVID-19 shutdown

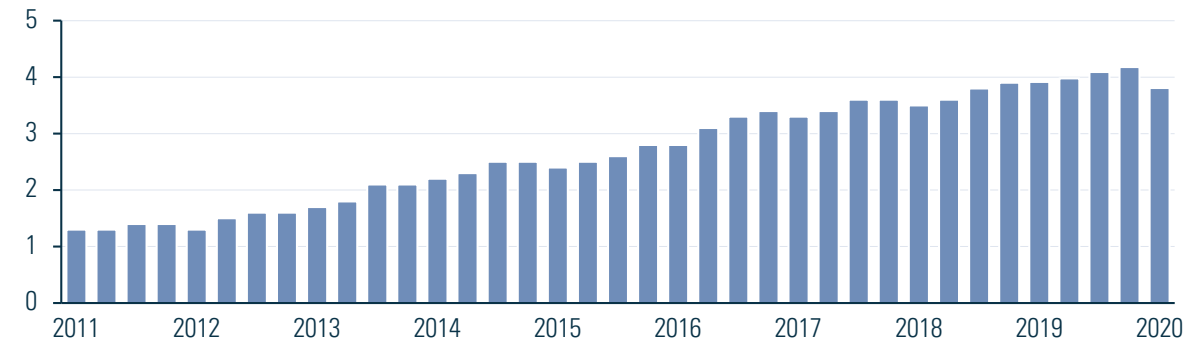
Residential Building Consents: rolling 12 months¹ ('000)

Tapering off record high levels



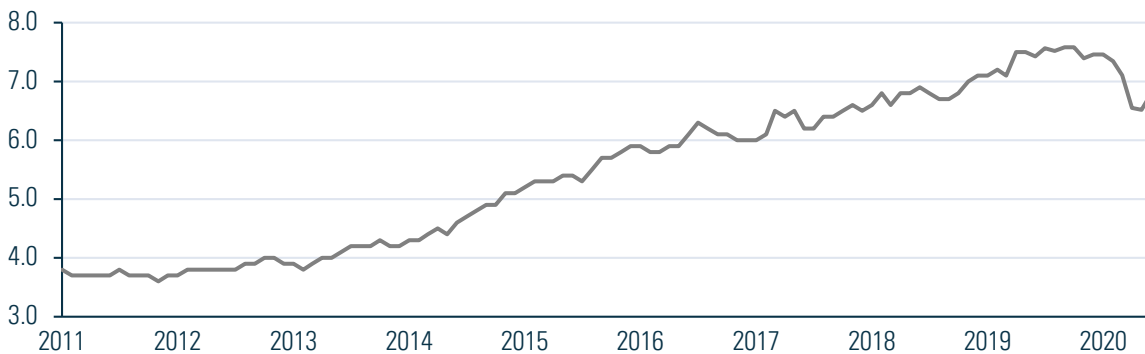
Residential Work Put in Place: by quarters² (NZ\$bn)

Activity pipeline robust, despite slight pullback



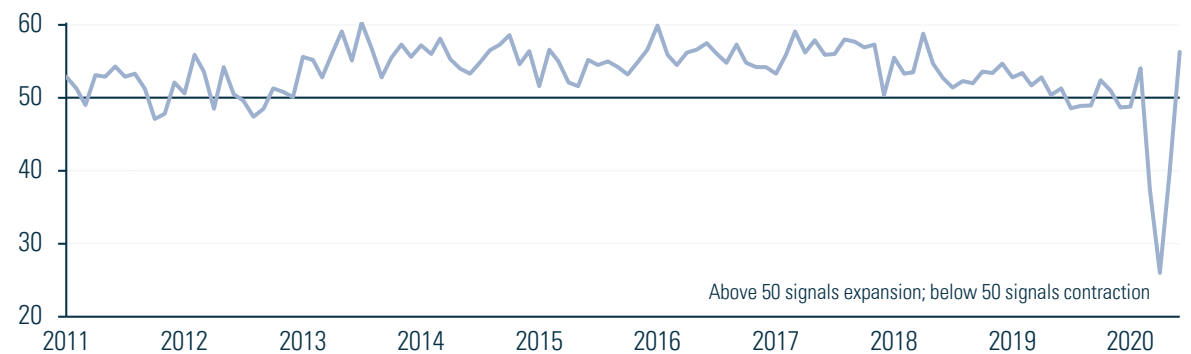
Non-Residential Building Consents: rolling 12 months³ (NZ\$bn)

Business investment slowed during the onset of the pandemic



Performance of Manufacturing Index⁴

Significant impact from coronavirus especially on trade exposed businesses



Sources: (1) Statistics NZ; original data; data to Jun 20 (2) Statistics NZ; original data; current \$; data to Mar 20 Qtr (3) Statistics NZ; original data; current \$; data to Jun 20 (4) BNZ/BusinessNZ; seasonally adjusted data; data to Jun 20

1H	Six months ended 31 December in the relevant financial year
1H FY2019	Six months ended 31 December 2018
1H FY2020	Six months ended 31 December 2019
1H FY2021	Six months ended 31 December 2020
2H	Six months ended 30 June in the relevant financial year
2H FY2019	Six months ending 30 June 2019
2H FY2020	Six months ending 30 June 2020
AM	Next generation zinc, aluminium and magnesium coating technology
ASEAN	Association of South East Asian Nations
ASP	Australian Steel Products segment
A\$, \$	Australian dollar
BNA	Buildings North America segment
BOF	Blast furnace
BP or Building Products	Building Products Asia and North America segment
BPG	BlueScope Properties Group
BlueScope or the Group	BlueScope Steel Limited and its subsidiaries (ie. the consolidated group)
the Company	BlueScope Steel Limited (ie. the parent entity)
DPS	Dividend per share
D&A	Depreciation and amortisation
EAF	Electric Arc Furnace
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBS	Engineered building solutions, a key product offering of the Buildings North America and Building Products segments
EPS	Earnings per share

FY2019	12 months ending 30 June 2019
FY2020	12 months ending 30 June 2020
FY2021	12 months ending 30 June 2021
Gearing ratio	Net debt divided by the sum of net debt and equity
HRC	Hot rolled coil steel
IFRS	International Financial Reporting Standards
Leverage, or leverage ratio	Net debt over LTM underlying EBITDA
LTM	Last twelve months
MCL	Metal coating line
mt	Million metric tonnes
Net debt, or ND	Gross debt less cash
n/m	Not meaningful
NOA	Net operating assets pre-tax
North Star	North Star BlueScope Steel
NPAT	Net profit after tax
NSC	Nippon Steel Corporation
NZD	New Zealand dollar
NZPI	New Zealand & Pacific Islands segment
OEM	Original equipment manufacturer
ROIC	Return on invested capital (or ROIC) – underlying EBIT over 13 month average capital employed
STEM	Science, Technology, Engineering and Mathematics
TBSL	Tata BlueScope Steel
TCFD	Task Force on Climate-related Financial Disclosure
US	United States of America
US\$	United States dollar



FY2020 FINANCIAL RESULTS PRESENTATION

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

17 August 2020

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058
Level 11, 120 Colins St, Melbourne, VIC, 3000