



FY2019 FINANCIAL RESULTS PRESENTATION

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Managing Director and Chief Executive Officer

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Chief Financial Officer

19 August 2019

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058

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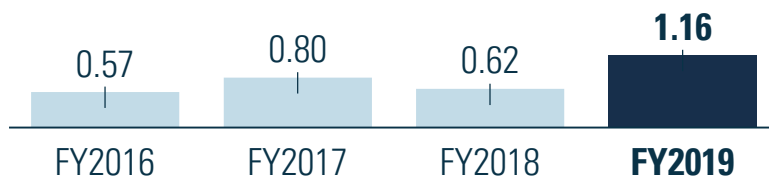
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Safety is a key part of BlueScope's identity; evolving our approach to the next level of safety improvement

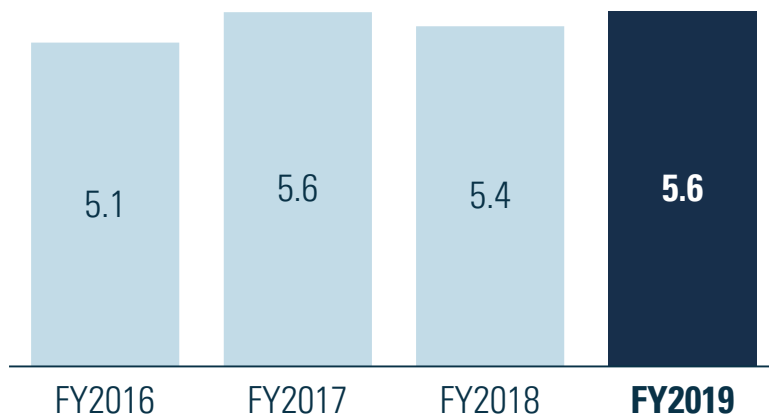
LTIFR¹

Lost time injuries per million hours worked



MTIFR¹

Medically treated injuries per million hours worked



Released five year Health, Safety and Environment strategy in FY2019

- Greater focus on injury severity and the care taken to return our employees to meaningful work
- Building a strong culture of learning, trust and inclusion
- Rigorously challenging the effectiveness of our significant risk controls
- A more holistic approach to health and wellbeing opportunities



FY2019 FINANCIAL SCORECARD

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\$1,016M reported NPAT and underlying EBIT of \$1,348M, up 6% on FY2018

UNDERLYING EBIT¹

\$1,348M

↑ Up \$79M on FY2018

UNDERLYING EBIT RETURN ON
INVESTED CAPITAL

19.5%

↓ Down from 20.0% in FY2018

REPORTED NPAT

\$1,016M

↓ Down \$553M on FY2018

FREE CASH FLOW
(Operating cash flow less capex)

\$1,304M

↑ Up \$573M on FY2018

CAPITAL MANAGEMENT

**Final dividend of 8 cps,
and continuation of buy-
back of up to \$250M²
during 1H FY2020**

NET CASH

\$693M

↑ Up from \$128M at 31 Dec 2018



- (1) Underlying EBIT reflects the Group's assessment of performance after excluding (pre-tax): asset sales and acquisitions (\$82M), non-current asset impairments (\$64M), restructure and redundancy costs (\$19M), business development costs (\$5M) and discontinued operations (\$2M). Refer page 76 for a full reconciliation of these underlying adjustments.
- (2) Increase of buy-back by up to \$250M announced on 18 June 2019, as part of 1H FY2020 capital management program; \$10M bought prior to 30 June 2019 and a further \$29M bought prior to 19 August 2019.

UNDERLYING EBIT BY SEGMENT

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Group performance underpinned by record result at North Star and strong result at Australian Steel Products

NORTH STAR

\$654.7M

↑ Up 52% on FY2018

AUSTRALIAN STEEL PRODUCTS

\$535.4M

↓ Down 9% on FY2018

BUILDING PRODUCTS
ASIA & NORTH AMERICA

\$134.2M

↓ Down 27% on FY2018

BUILDINGS NORTH AMERICA

\$53.4M

↓ Down 28% on FY2018

NEW ZEALAND & PACIFIC STEEL

\$80.6M

↓ Down 28% on FY2018

CORPORATE & ELIMINATIONS

\$(110.0)M

↑ 8% improvement on FY2018

NORTH STAR EXPANSION APPROVED

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850ktpa expansion, with optionality to 1,400ktpa, approved by Board; target commissioning mid FY2022

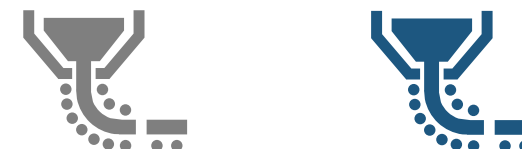
- Board has approved expansion of our 'best-in-class' mini-mill in Delta, Ohio, to add a third EAF and second caster
- Incremental ~850ktpa (metric) on commissioning, with further 500ktpa potential upside in subsequent years, subject to further progressive plant debottlenecking
 - Further enhancing our ability to supply high quality product and leading customer service
- Expected total cost of approximately US\$700M
- Anticipate commissioning new plant in mid FY2022, and full ramp-up approximately 18 months later
- Targeting a minimum 15% IRR and 15% ROIC when fully ramped-up, based on long-term historical spreads
- Project subject to the anticipated receipt of necessary air permits and local and state incentives
- Pat Finan (Chief Executive Hot Rolled Products North America) is responsible for both the North Star operations and expansion project

Indicative overview of existing and additional equipment

ELECTRIC ARC FURNACE



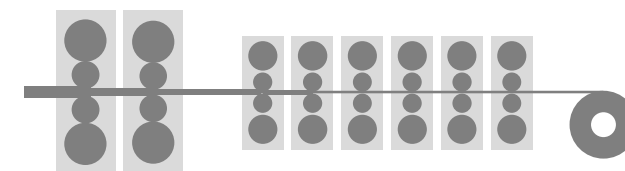
CONTINUOUS SLAB CASTER



TUNNEL / SHUTTLE FURNACE



HOT STRIP MILL



LEGEND

EXISTING

ADDITIONAL

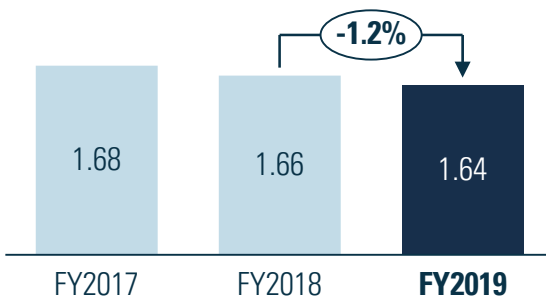
Detailed project discussion in later section

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

CLIMATE CHANGE & ENERGY

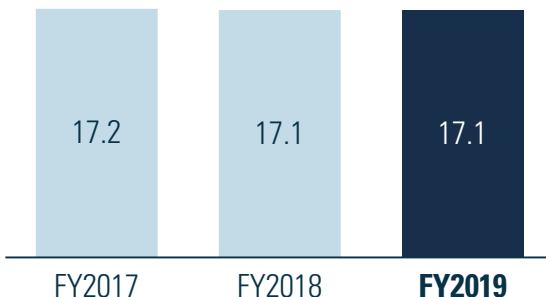
GHG emissions intensity¹

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



Energy intensity¹

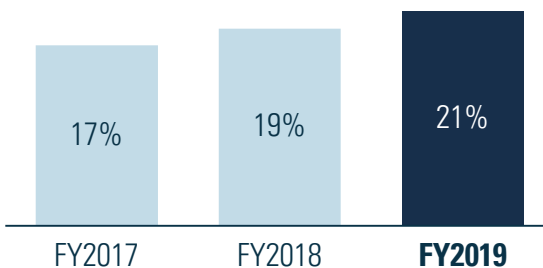
(Steelmaking facilities, GJ per tonne raw steel)



DIVERSITY & INCLUSION

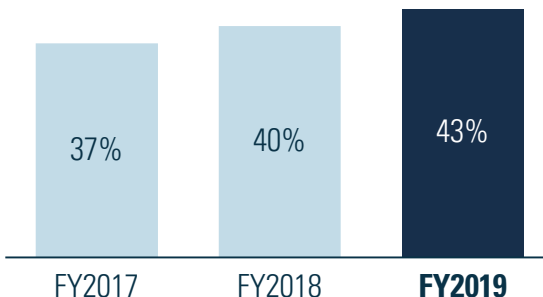
Females in the workforce

(Female percentage of total workforce)



Female recruitment

(Female percentage of recruitment)



GOVERNANCE & CONDUCT

- We encourage a culture of speaking up and protecting those who do
- Launched the new 'Speak Up' policy, available on our website



- Continued focus on increasing our employees' understanding of how they can report misconduct concerns, including via externally managed conduct hotline
- As previously disclosed, the ACCC investigation into alleged cartel conduct in the Australian business is ongoing

SUPPLY CHAIN SUSTAINABILITY

- Established improved sourcing standards and due diligence capabilities
- Supplier Code of Conduct published in early 2019 – now in 8 languages
- Implementation of the supplier assessment framework
- Over 25 training sessions completed, attended by over 180 procurement practitioners and business unit leaders
- Well advanced for Modern Slavery Act reporting requirements
- Own site assessments to commence in FY2020

More information can be found in our Sustainability Report, at bluescope.com/sustainability. Our FY2019 report will be released in September 2019

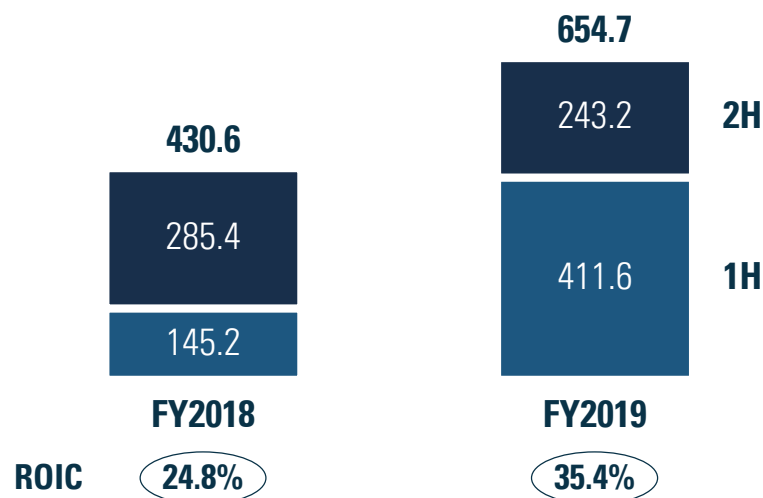


FINANCIAL RESULTS

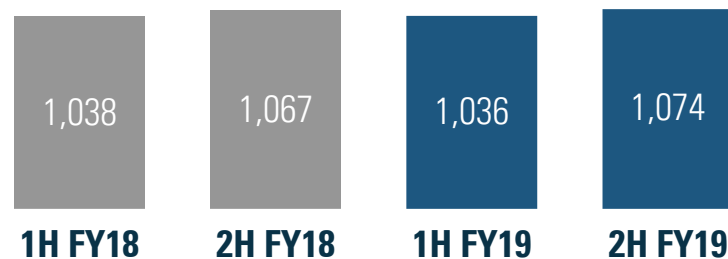
Millswood House in Adelaide, SA, featuring COLORBOND® steel in Monument® Matt

Record full year result, with a softer second half on lower benchmark spreads; continued to run at 100% capacity utilisation

Underlying EBIT (\$M)



Total despatches (kt)

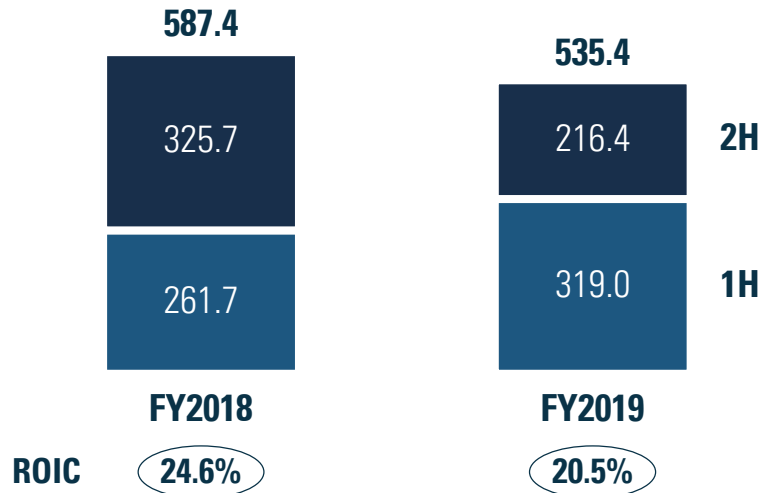


- Benchmark prices and spreads reduced through the second half¹
- Continued to operate at 100% capacity utilisation
- Demand stable across key end-use segments

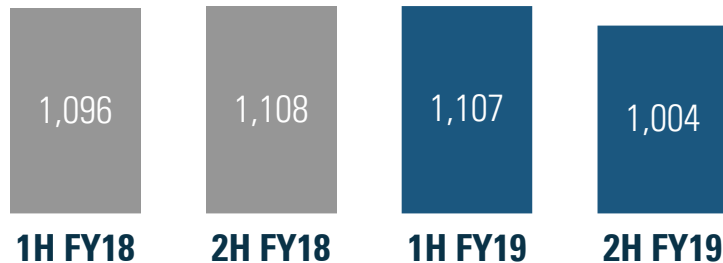


Strong result in FY2019, however softer second half on lower regional spreads and domestic volumes

Underlying EBIT (\$M)



Domestic despatches ex-mill (kt)



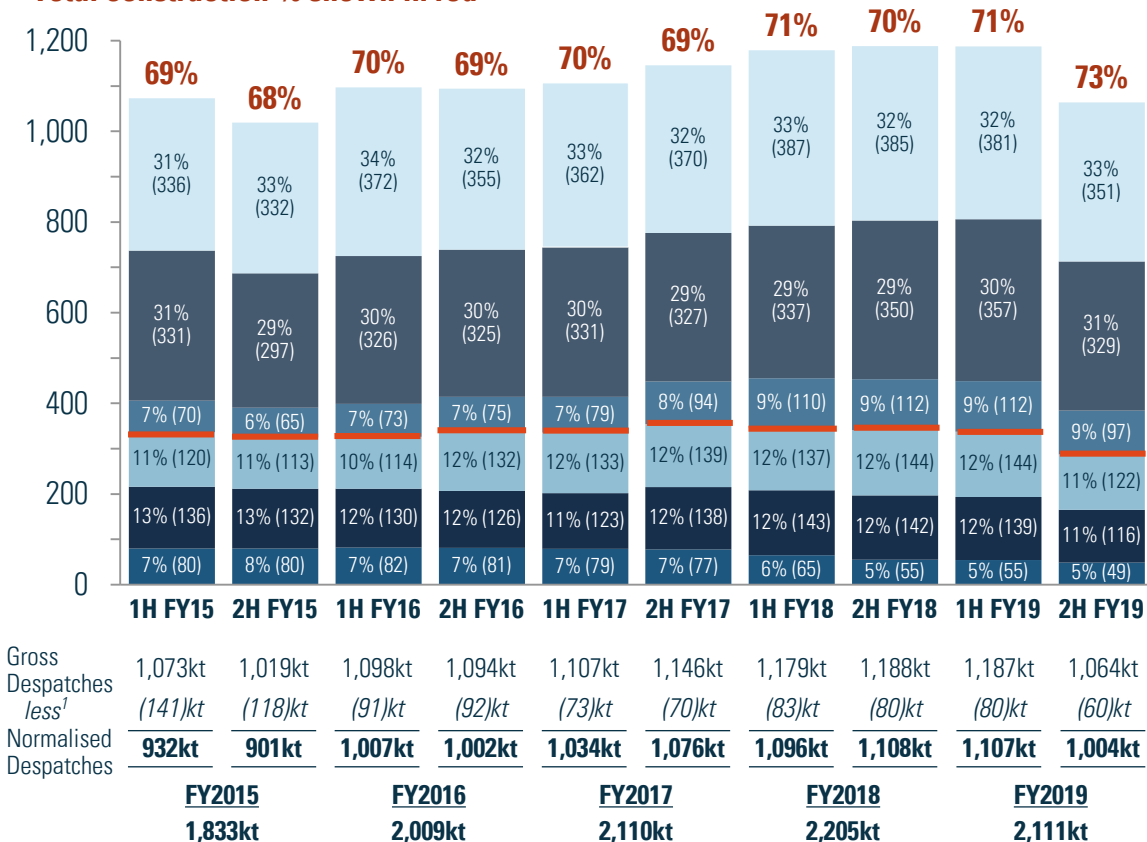
- 2H FY2019 benchmark spreads lower than 1H, partly offset by favourable realised pricing and raw material costs
- Domestic volumes contracted 10% in 2H FY2019
 - Distributor destocking with some softening in underlying demand in all end use segments
 - Residential construction in an orderly pullback
 - COLORBOND® steel volumes broadly resilient
 - down around 7% in 2H FY2019
- Lower contribution from export coke sales in 2H FY2019, down \$26M on 1H
 - Seaborne coke market under pressure with softer steel market conditions driving reduced demand
- Higher export volumes in 2H



Softer domestic volume in 2H, largely due to destocking in distributor channels. Orderly pullback in underlying demand, however volume remains at historically robust levels

Total Australian external domestic despatch volumes (kt)

Total construction % shown in red



(1) Normalised despatches exclude third party sourced products, in particular, long products

(2) Engineering includes infrastructure such as roads, power, rail, water, pipes, communications and some mining-linked use

DWELLING

- A significant proportion of product goes to alterations and additions
- Balance mainly driven by detached residential commencements; limited exposure to multi-residential
- Recent contraction weighted towards multi-res; detached demonstrating an orderly pullback
- Destocking across distributor channels

NON-DWELLING

- Consumes a third of our COLORBOND® steel
- While lumpy, activity remains at robust levels, with investment in offices, factories, hotels, and hospital upgrades across both public and private sectors
- Destocking across distributor channels

ENGINEERING²

- National public infrastructure program continues, driven by a pipeline of transport projects along the east coast and utilities
- Destocking across distributor channels

MANUFACTURING

- Destocking across distributor channels, however underlying demand was assessed to be steady

AGRICULTURE & MINING

- Underlying mining demand remains solid, especially in consumables
- Agriculture impacted by persisting drought conditions on the east coast
- Destocking across distributor channels

TRANSPORT

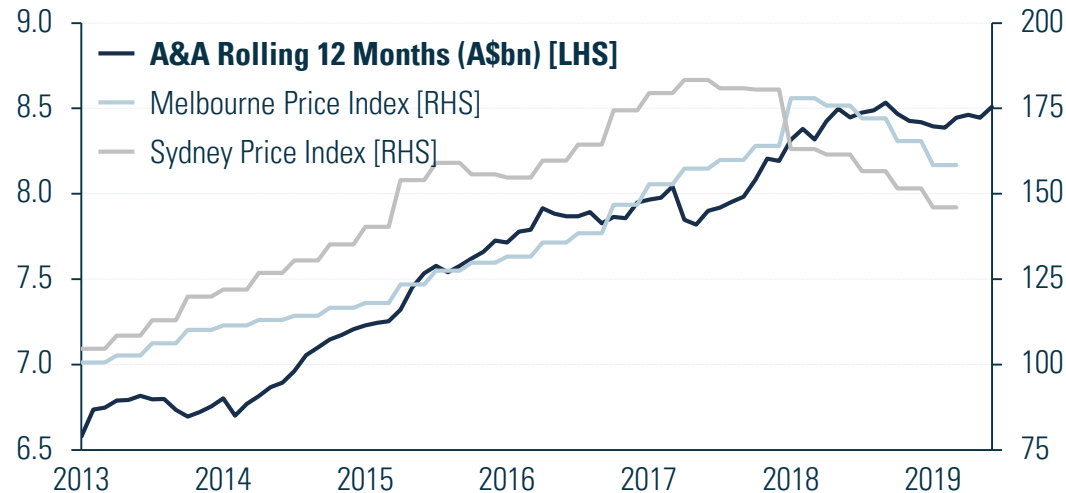
- Truck bodies, trains, ships, trailers etc; fell largely due to customer destocking across distributor channels

Residential subsectors to which BlueScope is exposed have proven more resilient through market cycles

ALTERATIONS AND ADDITIONS (A&A)

- Indicatively consume around half of ASP's dwelling volume
- Strong and lightweight products well suited to this application
- Long term growth supported by structurally higher house prices
- Robust level of activity, also supported by sound labour market

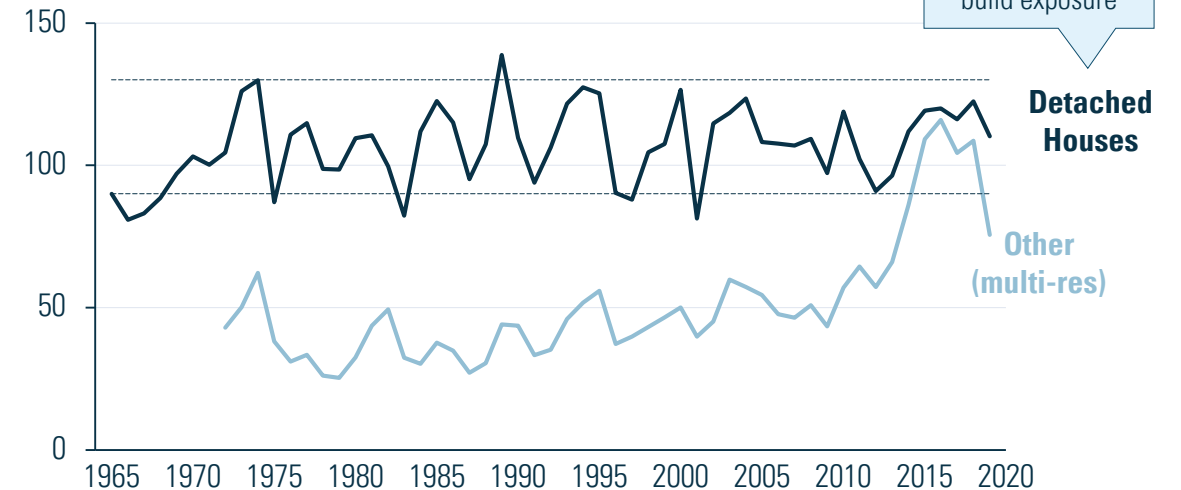
A&A building approvals and house prices¹



NEW DETACHED DWELLINGS

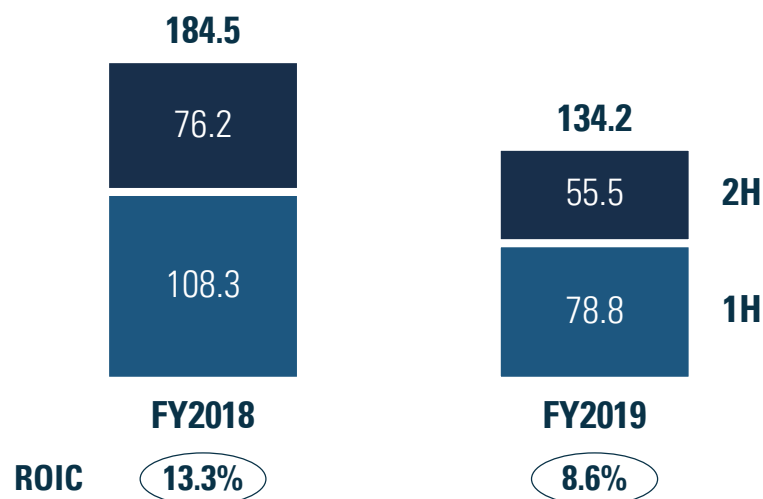
- Non-A&A exposure is mainly to new detached dwellings
- Approvals consistently sit within an annualised range of 90k – 130k
- Recent contraction coming off a high base; predominantly in multi-res
- Orderly pullback from a high base, not a major correction

Dwelling approvals: rolling 12 months² ('000)

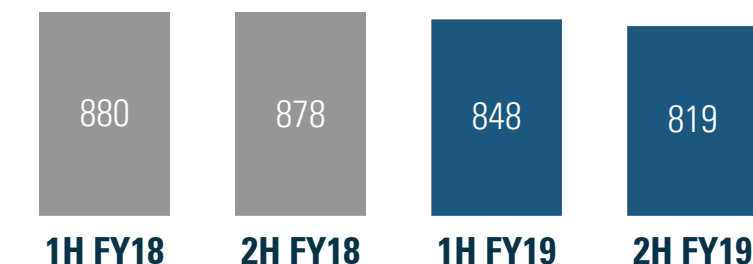


Softer performance in the second half – intervention continues in ASEAN, with improved performance evident in Q4

Underlying EBIT (\$M)



Total despatches (kt)



- North America:
 - Lower result on softer margins driven by a rapid decline in selling prices against high cost inventory
 - Lower volumes as buyers ran down inventories on falling prices
- China:
 - Softer result on seasonality, however continuing to see the benefits of restructuring and improvement programs
 - As a result of recent restructuring, the surplus Buildings Guangzhou site was sold during the period, with net cash proceeds of approximately \$71M
- India:
 - Delivered another strong result
 - Our joint venture partner in India, Tata Steel, has acquired Bhushan Steel, which includes coating and painting assets. BlueScope is working through the implications of this acquisition for the joint venture with Tata Steel
- South East Asia:
 - Increased coated imports to the region have put pressure on margins; compounded by weak macro conditions in key markets
 - Cost and productivity improvement program in place, delivering \$20M benefit in 2H FY2019
 - Performance strengthened considerably in Q4

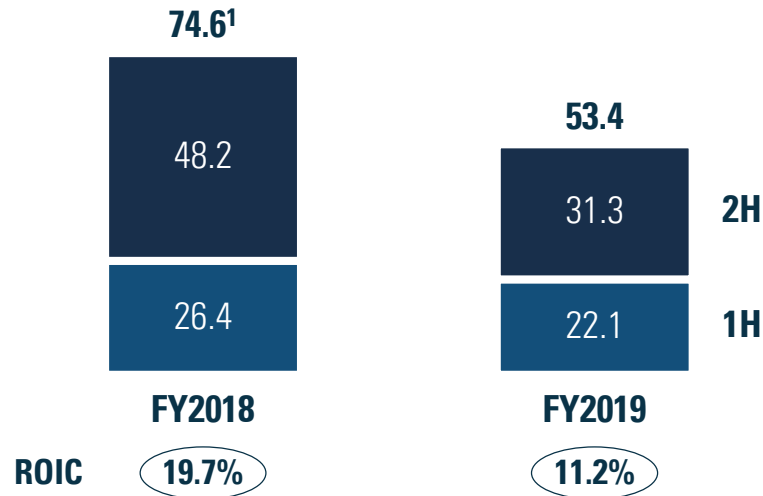
Comprehensive ASEAN review undertaken; Building and Construction strategy confirmed; reset of Home Appliance strategy

- Outstanding footprint in large and growing markets; focused on growing premium branded businesses to service building and construction markets
- Actions well advanced to drive productivity and optimise the manufacturing footprint to suit market conditions:
 - “Ignite” program delivered \$20M benefit in 2H FY2019; expect full year run rate of \$40M by FY2020
 - New high speed metal coating line in Thailand being ramped up to improve cost position of retail products
 - We have reassessed the size of the addressable Home Appliance market in Thailand, which has reduced expectations of volumes and returns. Accordingly, MCL1 being taken off-line; \$63.8M pre-tax impairment of plant and equipment
 - Integration of acquired cold mill in Malaysia well advanced; expect to commence operations in October 2019
- Focus remains on driving product differentiation, growing our brands and investing in our distribution channels:
 - Successful launch of advanced AM¹ coating technology in Vietnam
 - Investing in consumer branding, and rapidly expanding retail footprint; now with over 200 points of presence

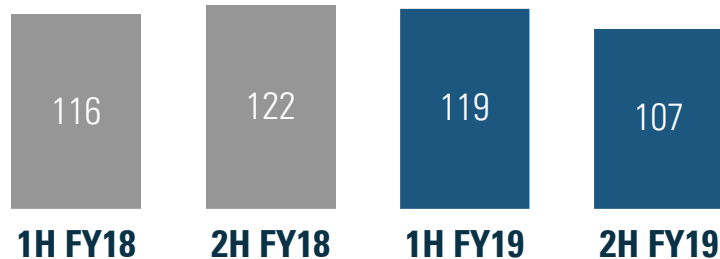


End market demand remains strong; despatch volumes lower in the second half

Underlying EBIT (\$M)



Total despatches (kt)



- Order intake and backlog remained strong, however despatch volumes lower in 2H on seasonality
- Sales of buildings for end-use applications in the industrial, manufacturing, healthcare, warehousing, aviation and energy sectors remain strong
- Moderate contribution from BlueScope Properties Group¹
- Further details overleaf



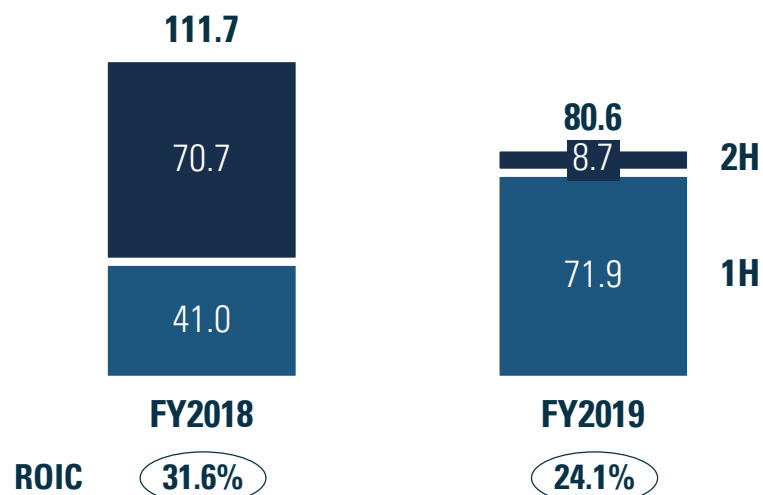
BNA offers a stable margin-based earnings stream with medium to long term growth potential

- Buildings North America designs, manufactures and markets Engineered Building Solutions into the large and stable low-rise non-residential US construction market, under leading brands Butler® and Varco Pruden®
- Effectively an engineering and technology company with competitive advantages in product innovation, sophisticated proprietary system technologies and strong in-house engineering capability
- A number of key initiatives are being progressed to drive improved performance and support future growth potential:
 - Investment in resources to achieve a step change in customer lead times. Will likely take at least 18 months to fully bring that additional capacity on-line
 - Foundational investment to modernise and provide a complete digital engineering and customer experience
 - Growth of BlueScope Properties Group, providing downstream demand for the builder network and delivering returns in its own right
 - During the period, US\$78M was contributed to fully fund the US Defined Benefit Pension plan

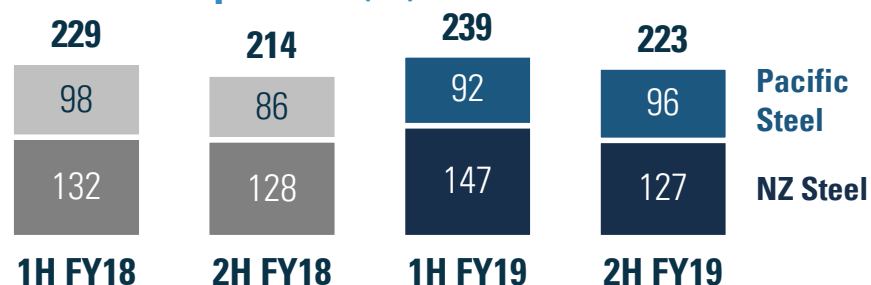


Underlying EBIT of \$81M in FY2019, however softened meaningfully in the second half

Underlying EBIT (\$M)



Domestic despatches (kt)



- Decline in steel pricing in 2H FY2019 on the back of softer global steel prices
- Domestic demand continues to be strong driven by construction activity
- Electricity costs remained elevated
- Raw material costs increased particularly coal, alloys and scrap
- Strong net contribution from vanadium slag by-product sales in FY2019 (up \$23M), however softened meaningfully in 2H (\$21M lower)¹

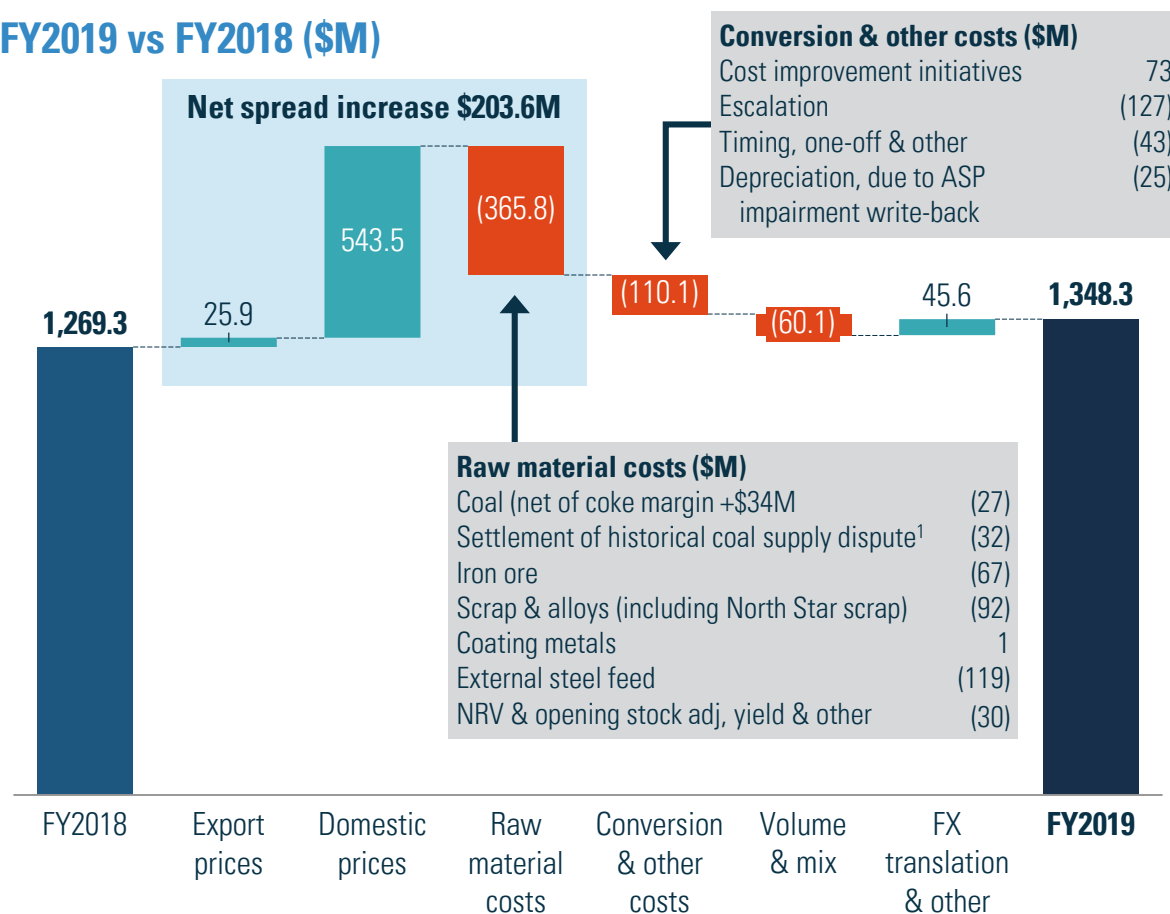


UNDERLYING GROUP EBIT VARIANCE

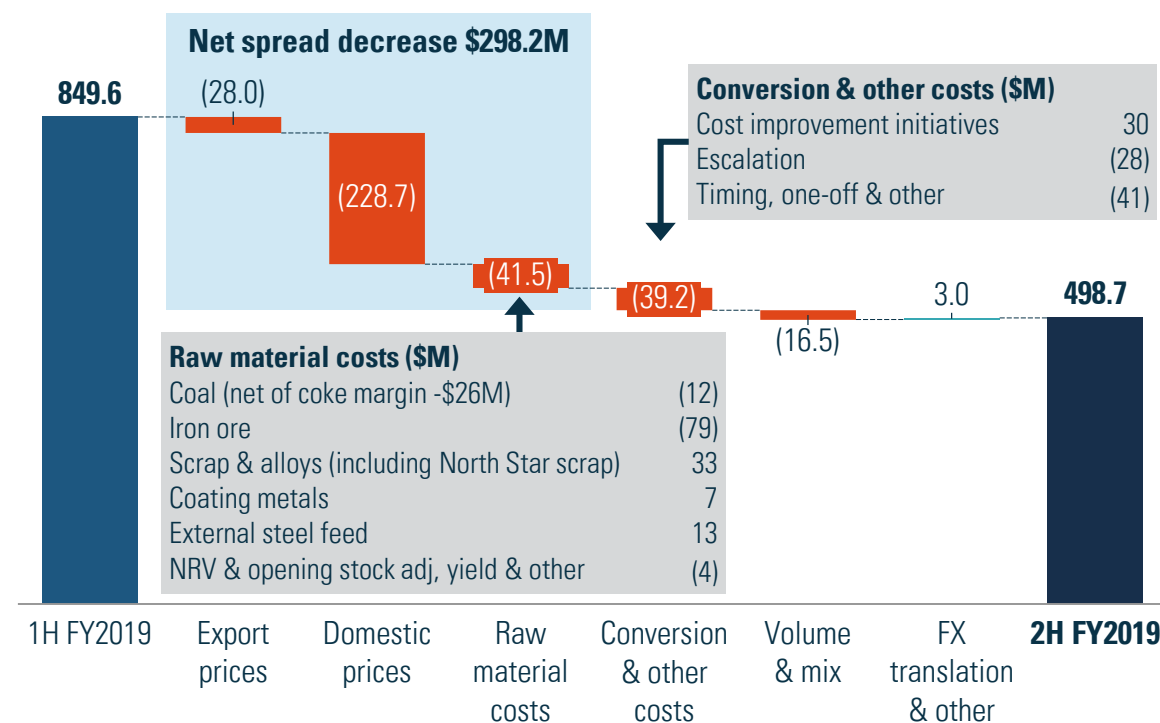
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6% improvement in underlying EBIT over FY2018, largely due to spread. 2H impacted by falling spreads

FY2019 vs FY2018 (\$M)



2H FY2019 vs 1H FY2019 (\$M)



Estimated impact of capitalisation of operating leases under AASB 16

- Effective 1 July 2019 (first reported in December 2019 half year statements)
- Brings most operating lease commitments onto balance sheet as an asset and a form of debt, and splits income statement charges between depreciation and amortisation and interest expense

Indicative impacts

\$M	1 July 2019 Opening balance estimated range			FY2020 estimate			
	Asset	Liability	Retained Earnings	EBITDA	EBIT	Interest	NPAT
Operating segments	330 – 390	380 – 480		110	20		
Corporate - tax	10 – 30						
Total	340 – 420	380 – 480	(40) – (60)	110	20	20	-

- Operating segments expect to be split approximately 75% Australian Steel Products; 10% Building Products Asia & North America; and 5% to each of North Star, New Zealand & Pacific Steel and Buildings North America
- Expect no impact in our bank debt facilities and Reg S notes



FINANCIAL FRAMEWORK

Crackenback Stables in the Snowy Mountains region of NSW, featuring ZINC-HI-TEN® steel

Clearly stated financial framework to guide our decision making

1 RETURNS FOCUS

- ROIC > WACC 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 zero net debt¹
- Retain strong credit metrics
- Intent to have financial capacity through the cycle to make opportunistic investments or fund a shutdown of steelmaking if not cash positive
- Leverage for M&A but only 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 (but 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

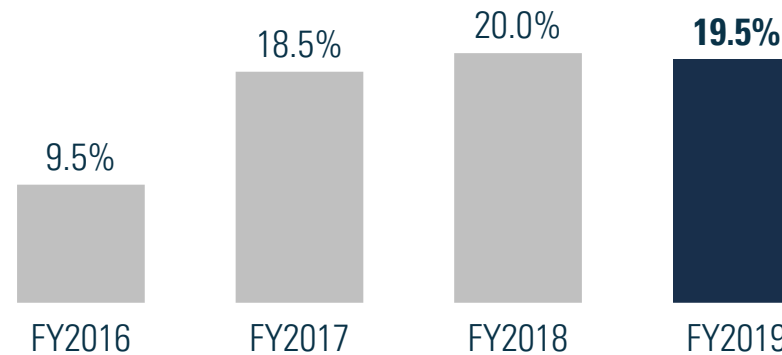
1 RETURNS FOCUS – DELIVERING ROIC

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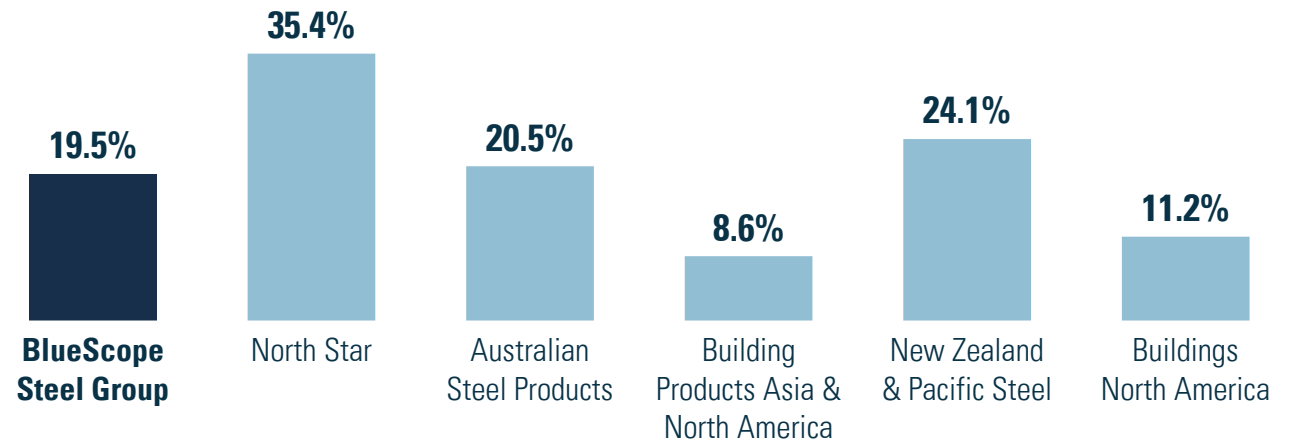
Targeting returns above cost of capital through the cycle

- ROIC¹ is the primary measure of performance across all business units and the Group. ROIC is a key discipline for:
 - i. performance management,
 - ii. project assessment, and
 - iii. executive incentives
- Underpins objective of delivering top quartile shareholder returns
- Focus on turnaround in ASEAN, further improvement in Buildings North America and successful execution of North Star expansion

Group ROIC Performance (%)



FY2019 ROIC by Segment (%)

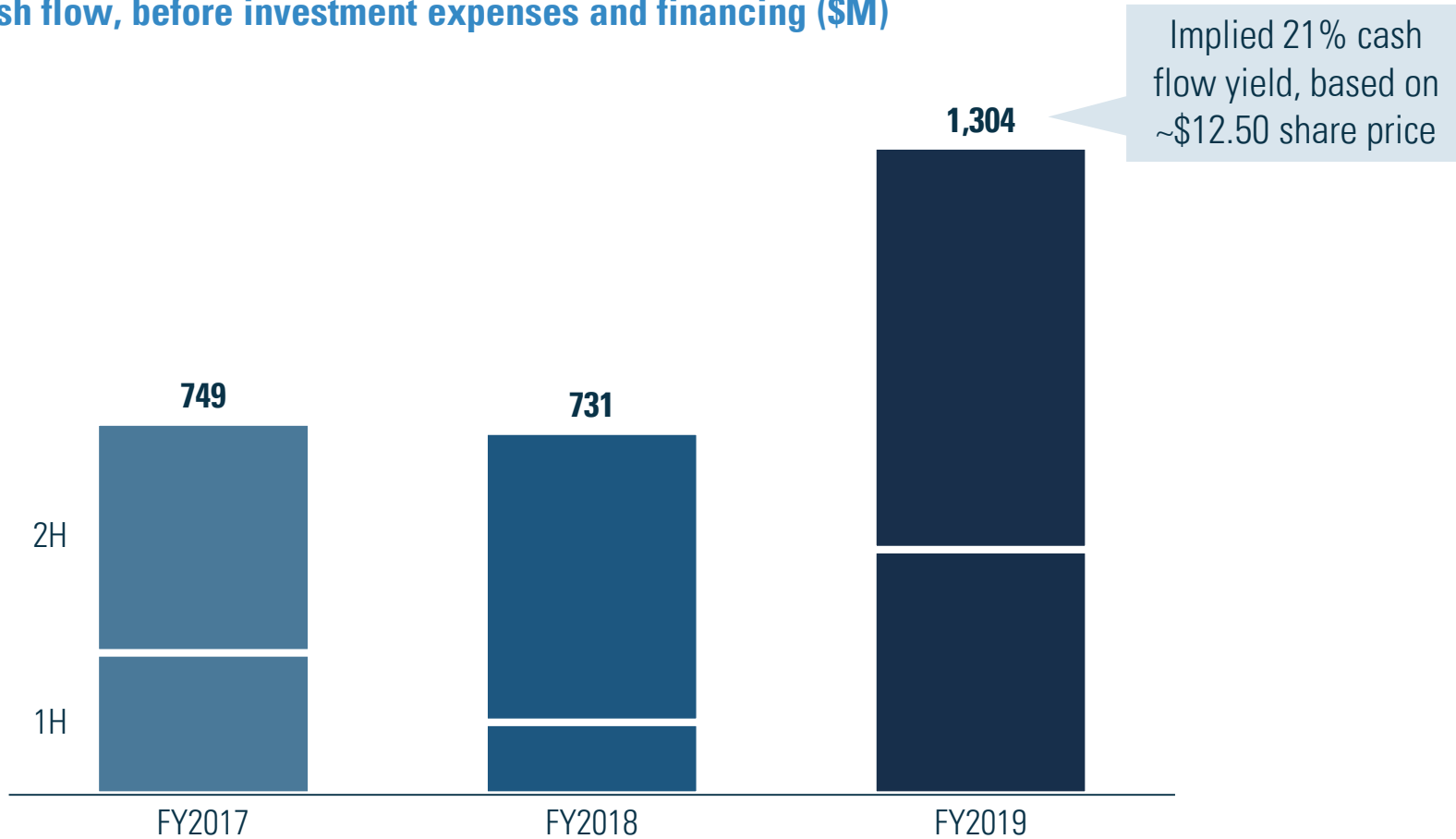


1 RETURNS FOCUS – MAXIMISING CASH GENERATION

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Average free cash flow of \$928M over last three years

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



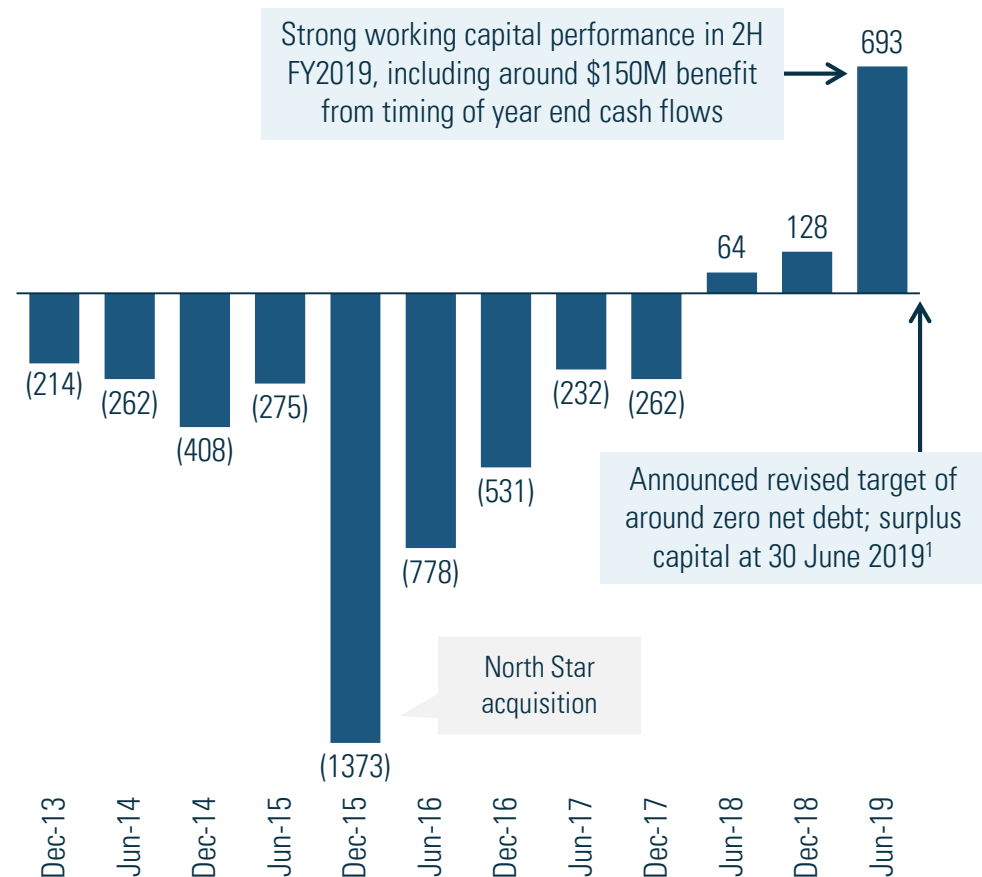
2 OPTIMAL CAPITAL STRUCTURE – TARGET AROUND ZERO NET DEBT

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Flexible and resilient balance sheet with investment grade rating

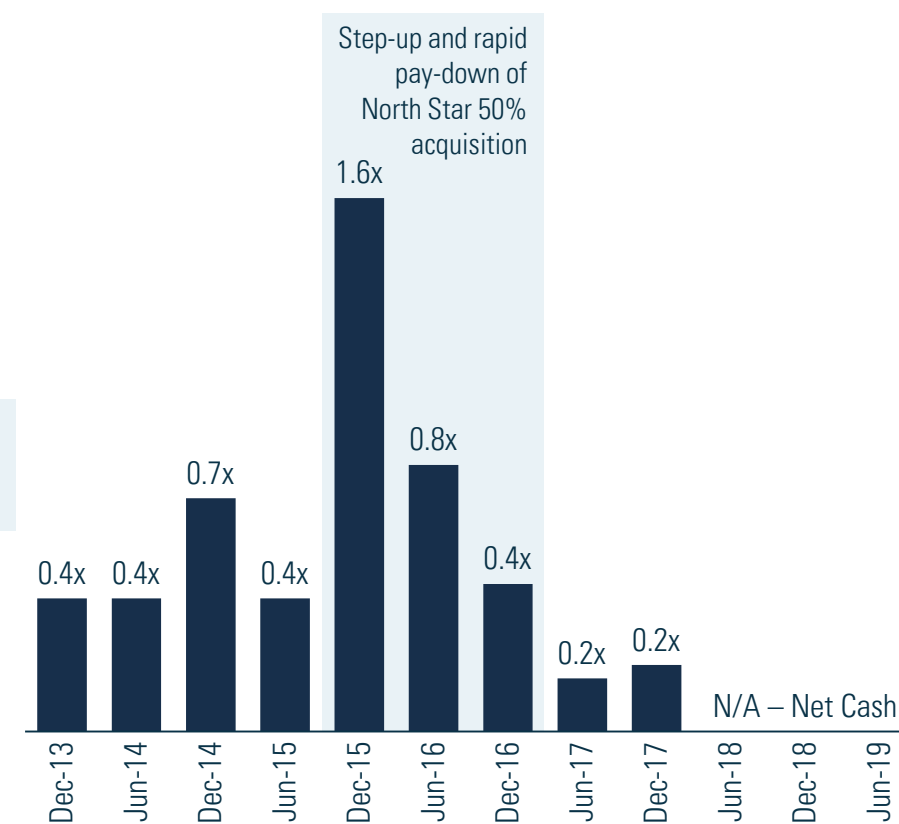
- **Reset of target capital structure to around zero net debt** – from prior net cash target of \$200m to \$400m (excluding leases)¹
- Maintained investment grade credit rating

Net cash / (debt) (\$M)



Leverage

(Net debt to LTM underlying EBITDA¹)



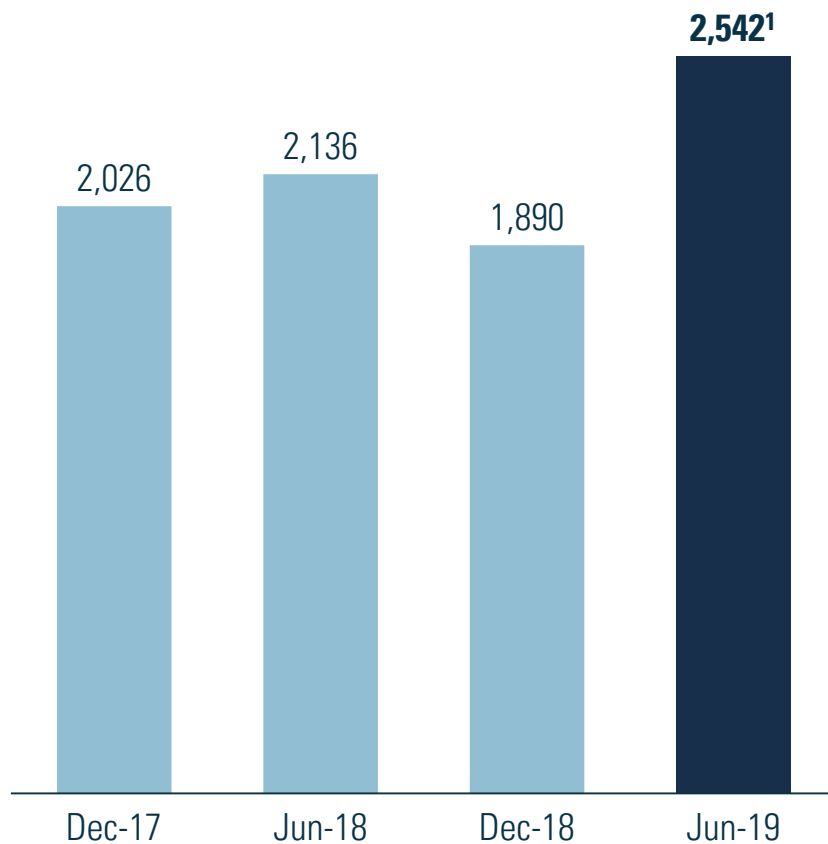
(1) Excluding the impact of leases as per AASB16

(2) Dec-15 and Jun-16 includes North Star proforma for previous 12 months

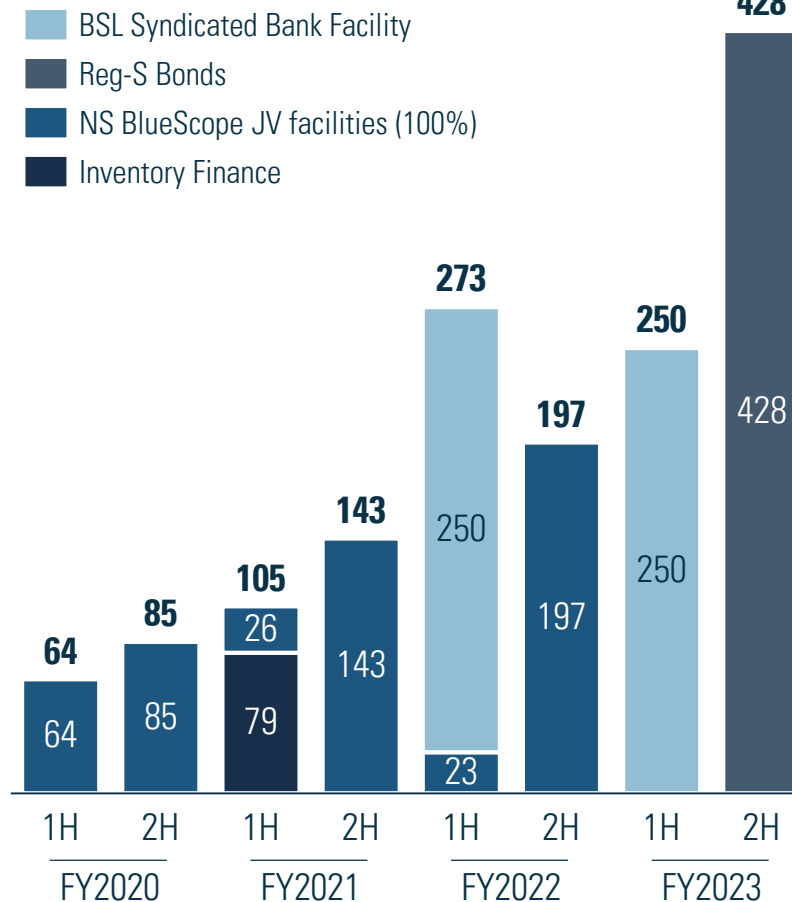
2 OPTIMAL CAPITAL STRUCTURE – PRUDENT LIQUIDITY AND MATURITY PROFILE

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Liquidity (undrawn facilities and cash, \$M)



Maturity profile² (\$M)



Receivables securitisation program:

- In addition to debt facilities, BlueScope has \$493M of off-balance sheet securitisation programs, which were fully utilised as at 30 June 2019

Current estimated cost of facilities:

- Approximately 5% interest cost on gross drawn debt (which was ~\$952M at 30 June 2019); plus
- commitment fee on undrawn part of ~\$571M of domestic facilities of 0.5%; plus
- amortisation of facility establishment fees, discount cost of long-term provisions and other of ~\$5M pa;
- less: interest on cash (at approx. 1.5% pa)
- noting ~\$20M interest charge on operating leases under AASB 16 from FY2020 (reclassified from above EBITDA line)



(1) Includes \$417M liquidity in NS BlueScope Coated Products JV
 (2) Based on A\$:US\$ at US\$0.7006 at 30 June 2019 and excludes \$126M NS BlueScope JV facilities which progressively amortise

3 DISCIPLINED CAPITAL ALLOCATION – CAPITAL AND ACQUISITION EXPENDITURE

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Drive competition for capital with disciplined, returns focused process

Capital expenditure focus areas

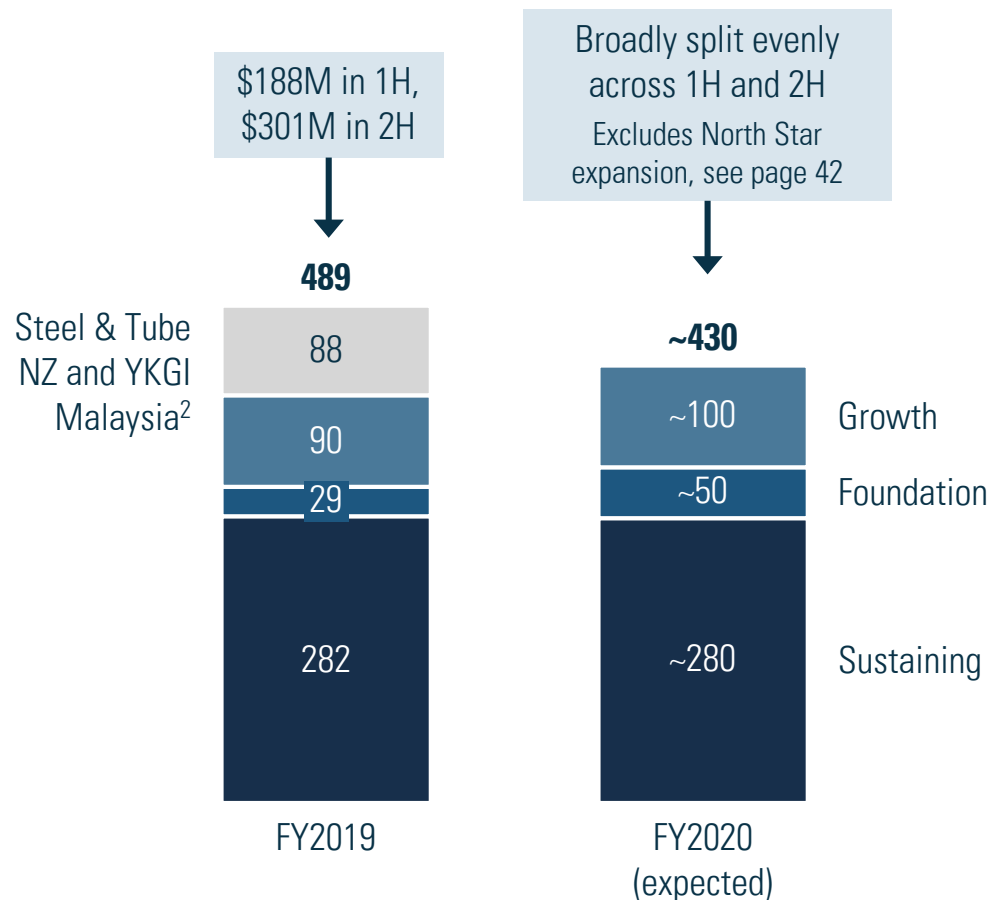
MAINTAIN SAFE AND RELIABLE OPERATIONS

INVEST IN FOUNDATION AND NEW TECHNOLOGIES

INVEST FOR GROWTH IN PREMIUM BRANDED PRODUCTS

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

FY2019 and FY2020¹ (\$M)



Key projects across FY2020

- Investment in next generation ZINCALUME® steel technology across ASEAN and China
- Systems modernisation
- Continued investment in building design and engineering systems

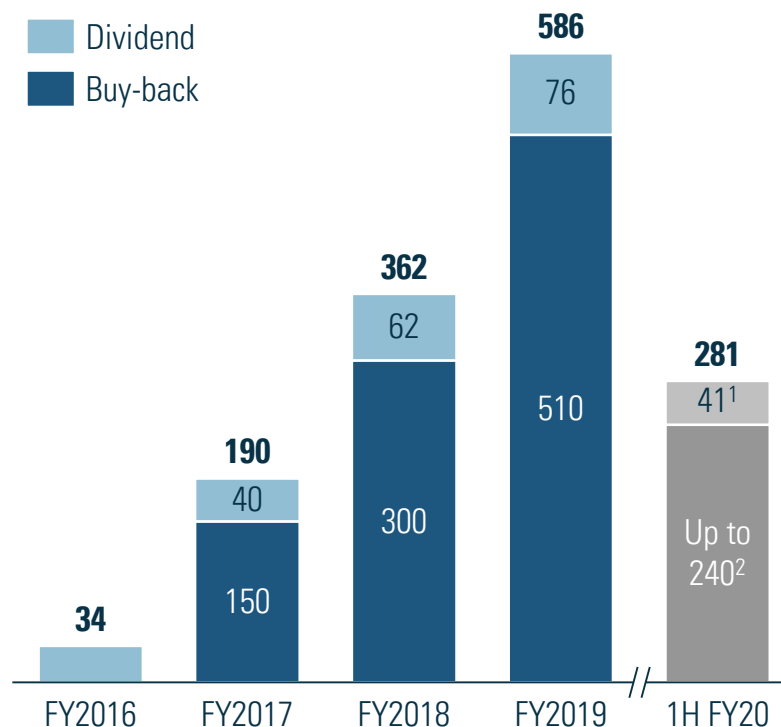
3 DISCIPLINED CAPITAL ALLOCATION – SHAREHOLDER RETURNS

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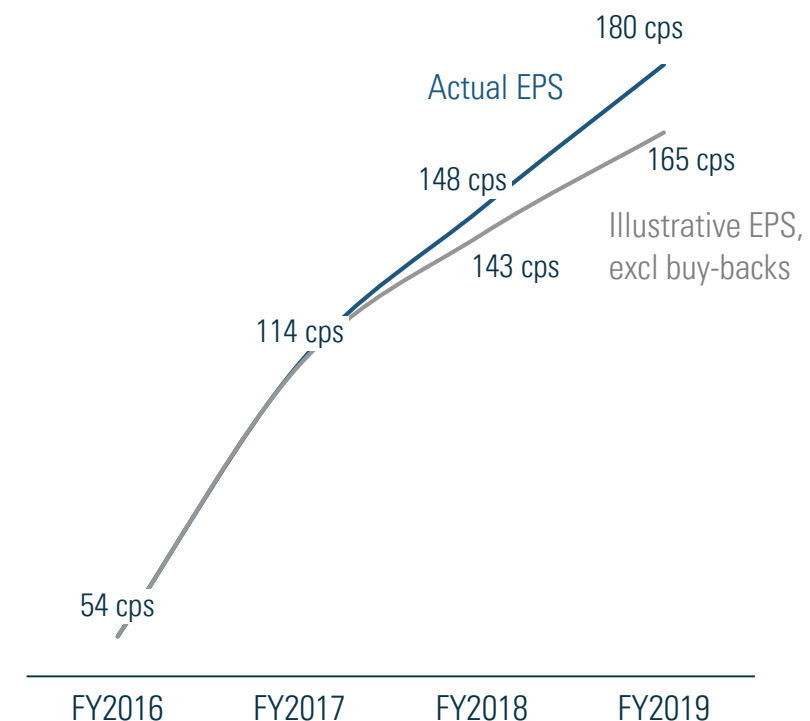
Distribute at least 50% of free cash flow to shareholders

- Final dividend of 8 cents per share¹
- \$250M increase of buy-back announced in June 2019 for 1H FY2020²
- \$1.15Bn of shareholder returns across FY2017 to July 2019, with up to a further \$252M this half (dividend and buy-back)
- 12.6% of issued capital bought-back since FY2017 to July 2019; a possible further 3.3% during 1H FY2020³

Dividends paid and buy-backs (\$M)



Underlying earnings per share (EPS) improvement from buy-backs



(1) \$41M indication of FY2020 final dividend of 8 cps announced 19 Aug 2019, with payment date of 16 Oct 2019.

(2) Increase of buy-back by up to \$250M announced on 18 June 2019, less \$10M bought prior to 30 June 2019. As at 16 August 2019, up to \$211M remaining in program

(3) Based on buying up to \$211M at an indicative ~\$12.50 share price



NORTH STAR EXPANSION



An attractive opportunity to maximise value from a 'best-in-class' asset

1

The US is an attractive market for BlueScope

2

North Star is an advantaged, 'best-in-class' asset built for expansion

- Located in a geographically advantaged position
- Sells predominantly to service centres, and holds a modest share of wallet with its customers
- Strong EBITDA and cash generation through the cycle; investment case based on historical long term spreads
- North Star was built with embedded expansion capacity, with a large hot strip mill

3

Expansion is consistent with longer-term transition to highly efficient EAF suppliers

- The EAF replacement of blast furnaces is a long term trend in the US and is still emerging in the HRC market
- EAF HRC capacity being added in North Star's region, blast furnace HRC capacity recently idled
- Supply and demand in North Star's region is expected to be largely in balance in 2023
- HRC supply-demand dynamics projected to be at or above post-GFC levels, supporting the view on long term spread assumptions
- Favourable metalics market will remain adequately supplied

4

Sustainability considerations are embedded into project evaluation and execution

- Strong focus on sustainability impacts and opportunities for the evaluation and execution of the project

5

Project delivers compelling returns on historical spreads, providing further upside through debottlenecking

- Targeting a minimum 15% IRR and 15% ROIC when fully ramped-up, based on long-term historical spreads

1 THE US IS AN ATTRACTIVE MARKET FOR BLUESCOPE

30

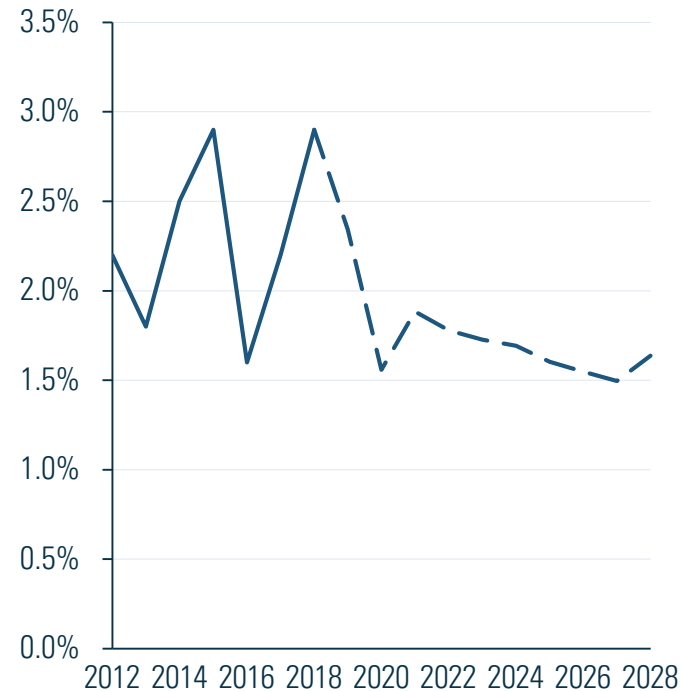
The US is a large and stable market; underlying demand drivers for North Star remain broadly positive

A large and sophisticated market

- Finished steel demand of over 100mt per annum
- The US market places strong value on quality and service
- Longer-term potential upside from infrastructure demand
- Large and stable key end markets
- BlueScope has extensive experience in the US market, having operated a range of US businesses since the early 1990s

Positive US macroeconomic outlook

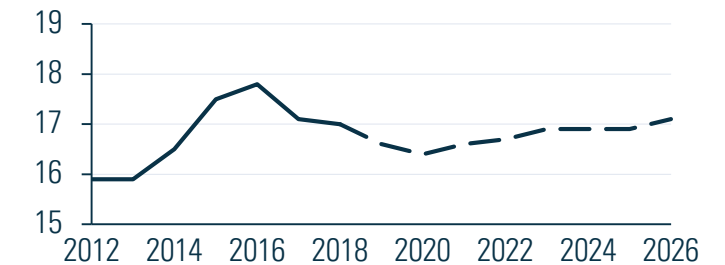
US real GDP growth (%)



Stable activity in key end-markets

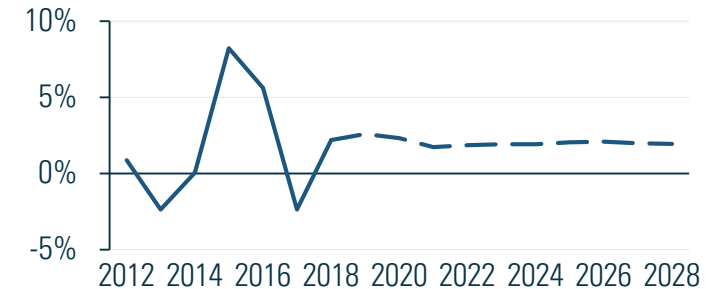
US light vehicle sales (millions)

Consumes ~50% of North Star volumes



Non-residential construction value-added output¹ (%)

Consumes ~35% of North Star volumes

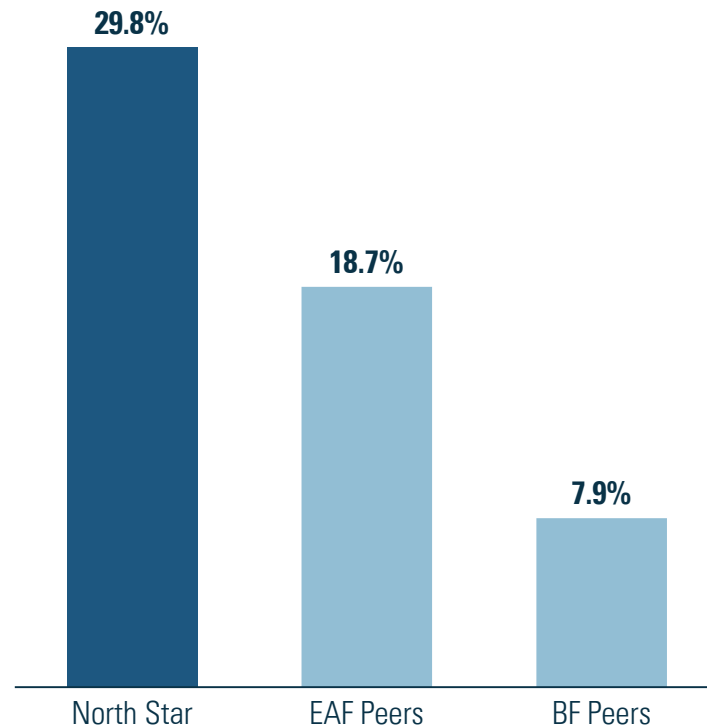


2 NORTH STAR IS AN ADVANTAGED 'BEST-IN-CLASS' ASSET BUILT FOR EXPANSION

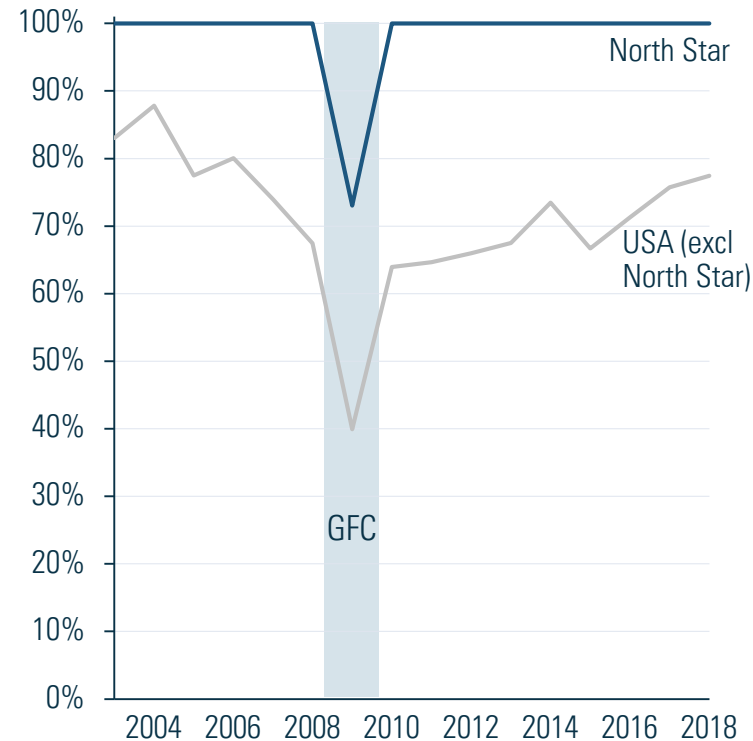
31

Achieving industry leading margins; consistently full asset utilisation; first in customer satisfaction

EBIT margins¹ (%)



HRC capacity utilisation² (%)



Customer satisfaction

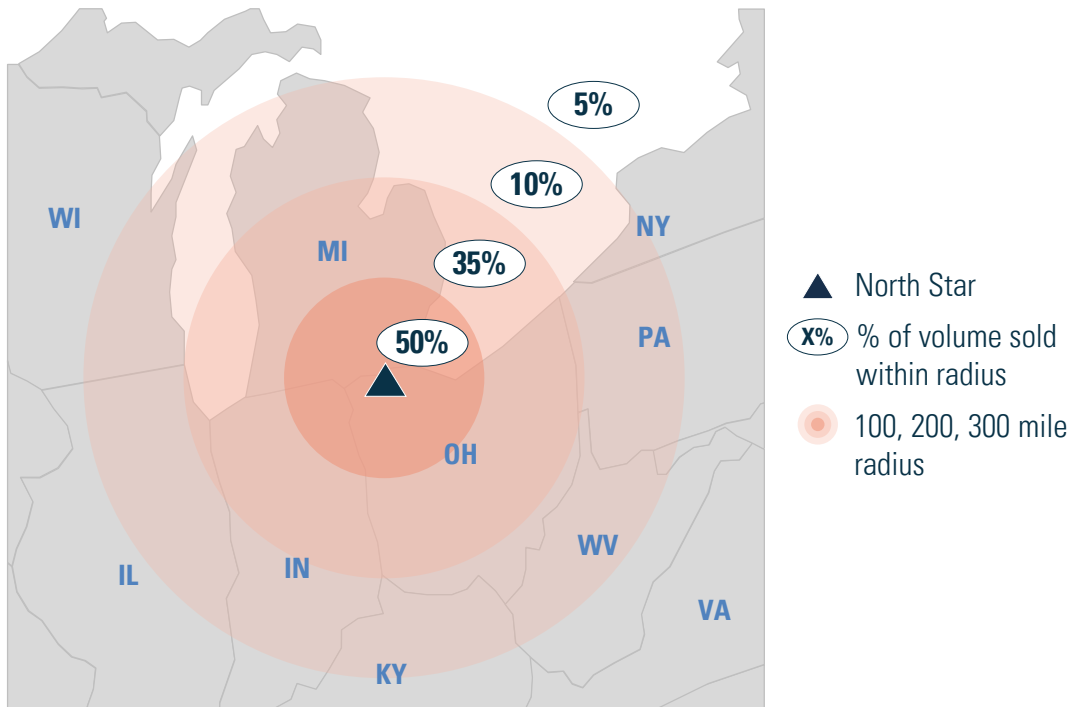
- Measured by the Jacobson & Associates Steel Customer Satisfaction Survey
- Well regarded and recognised survey of over 100 steel sheet customers
- Categories of quality, service, price and on-time delivery, calculated into an overall customer satisfaction score
- **North Star ranked number one in overall customer satisfaction** in 15 of the last 17 years, driven by quality, service and delivery metrics
- North Star also ranks consistently high on customer loyalty metrics

2 NORTH STAR IS AN ADVANTAGED 'BEST-IN-CLASS' ASSET BUILT FOR EXPANSION

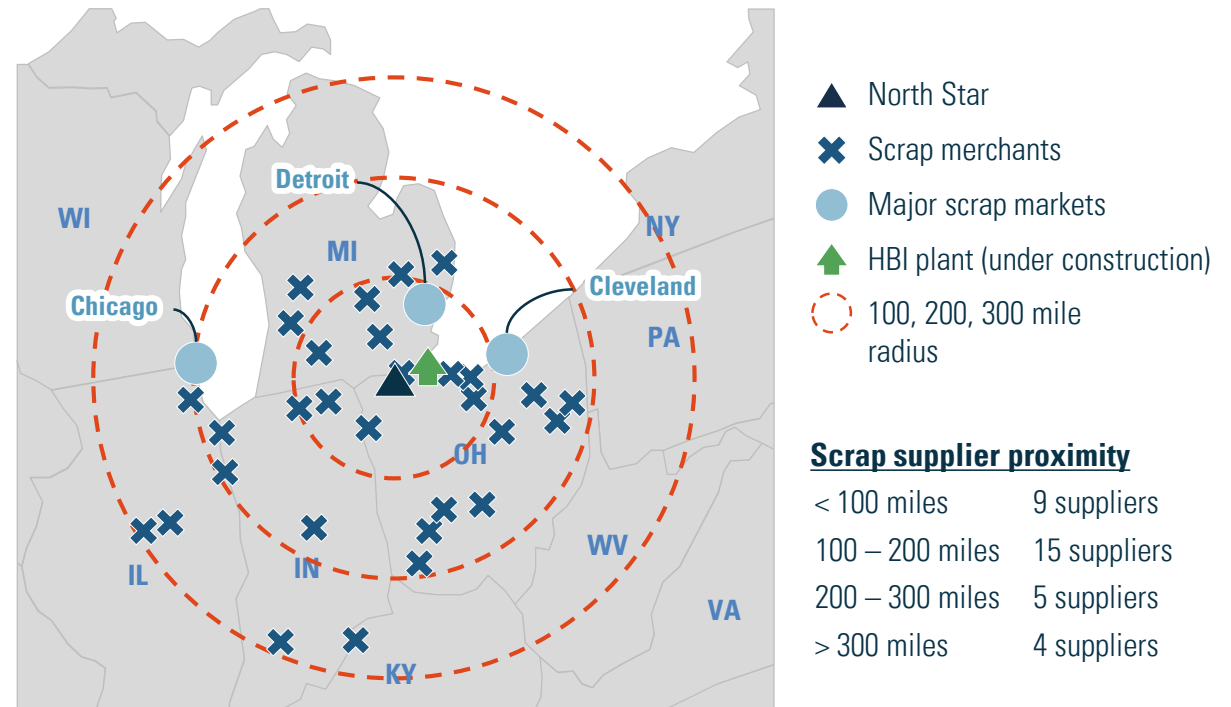
32

Located in a geographically advantaged position

Located close to customers...



...and close to scrap suppliers

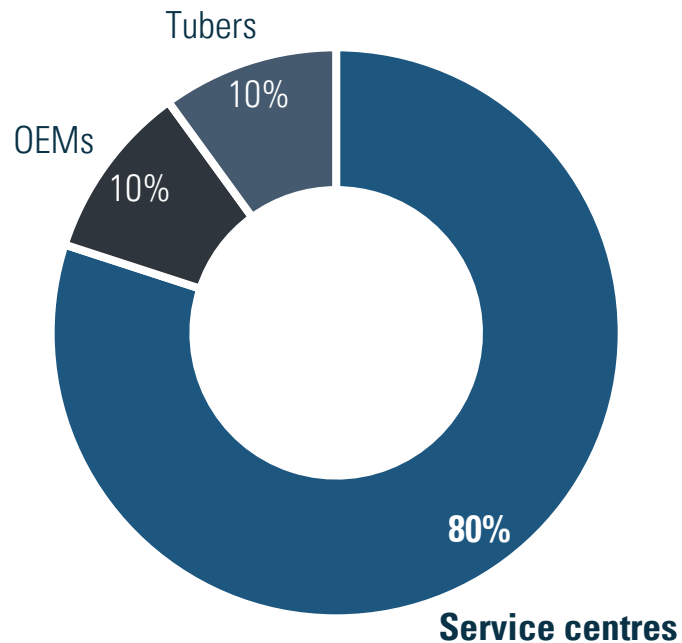


2 NORTH STAR IS AN ADVANTAGED 'BEST-IN-CLASS' ASSET BUILT FOR EXPANSION

33

Sells predominantly to service centres, and holds a modest share of wallet with its customers

Sales by end customer type



Customer share of wallet

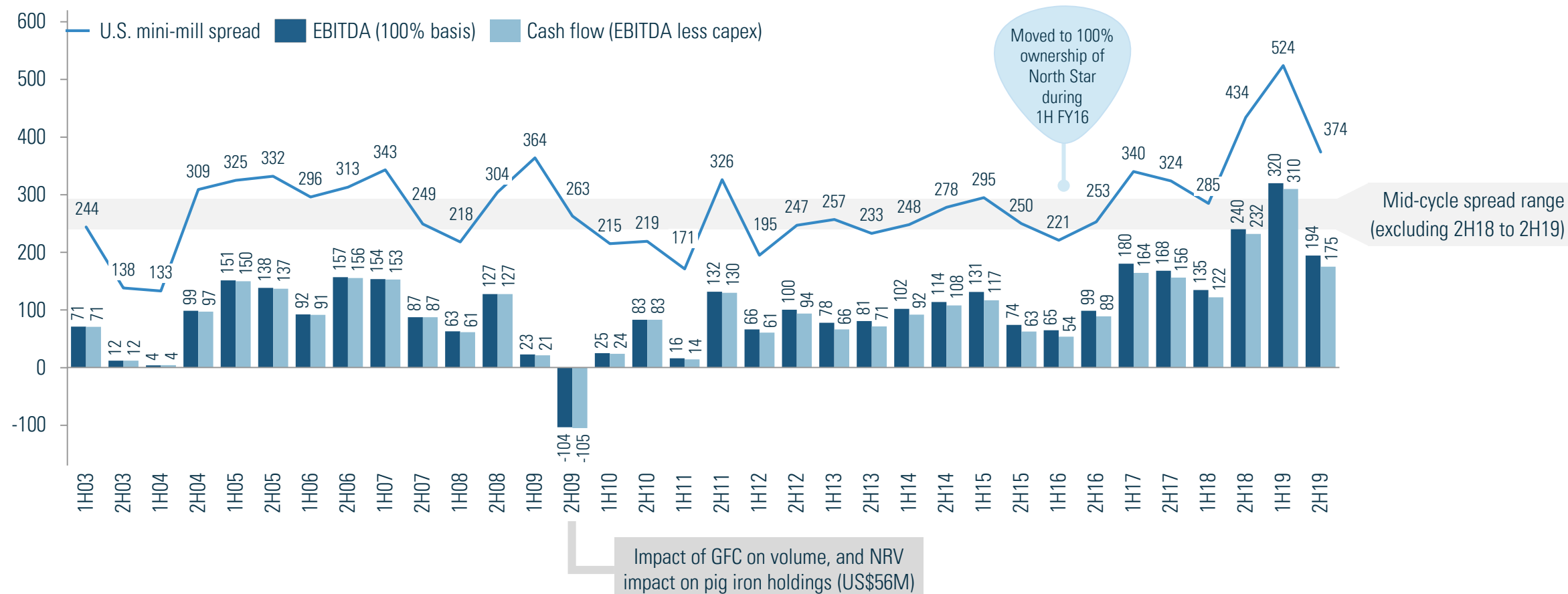
- Service centres value North Star supply due to consistently high service levels, evidenced by metrics such as delivery in full on time and the Jacobson survey
- North Star sells product to over 130 customers, predominantly located within a 300 mile radius
- North Star currently holds a modest share of wallet with its large customer base
- Supply to customers has traditionally been limited due to capacity, with many customers requesting more volumes than North Star are able to produce
- The expansion represents a small increase to the modest share of wallet currently held

2 NORTH STAR IS AN ADVANTAGED 'BEST-IN-CLASS' ASSET BUILT FOR EXPANSION

34

Strong EBITDA and cash generation through the cycle; investment case based on historical long term spreads

US\$M EBITDA and spread (100% basis)¹



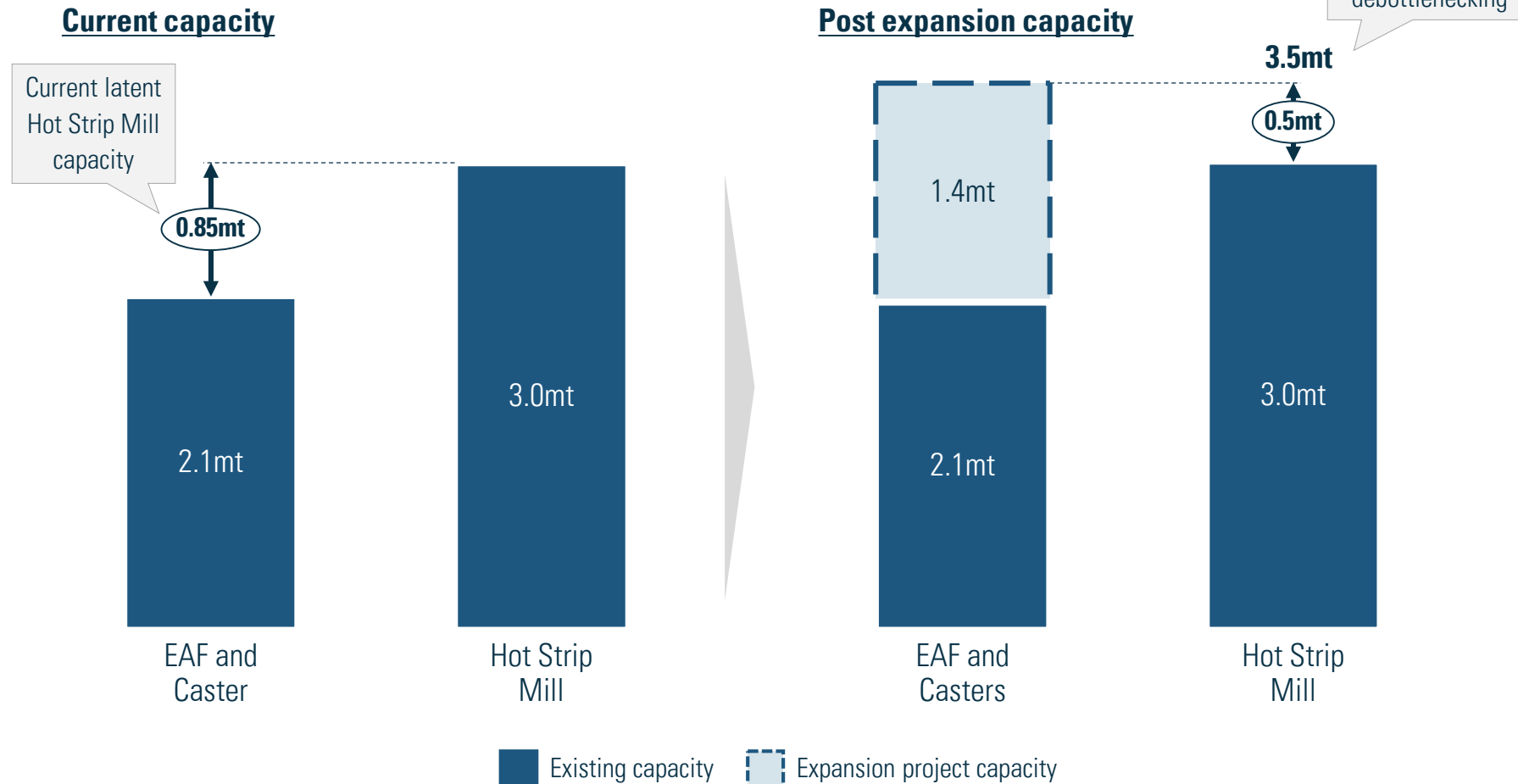
(1) US Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming illustrative one month lag), SBB #1 busheling scrap price (assuming one month lag) and Metal Bulletin NOLA pig iron price (assuming two month lag); assumes raw material indicative usage of 1.1t per output tonne. Note,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

2 NORTH STAR IS AN ADVANTAGED 'BEST-IN-CLASS' ASSET BUILT FOR EXPANSION

35

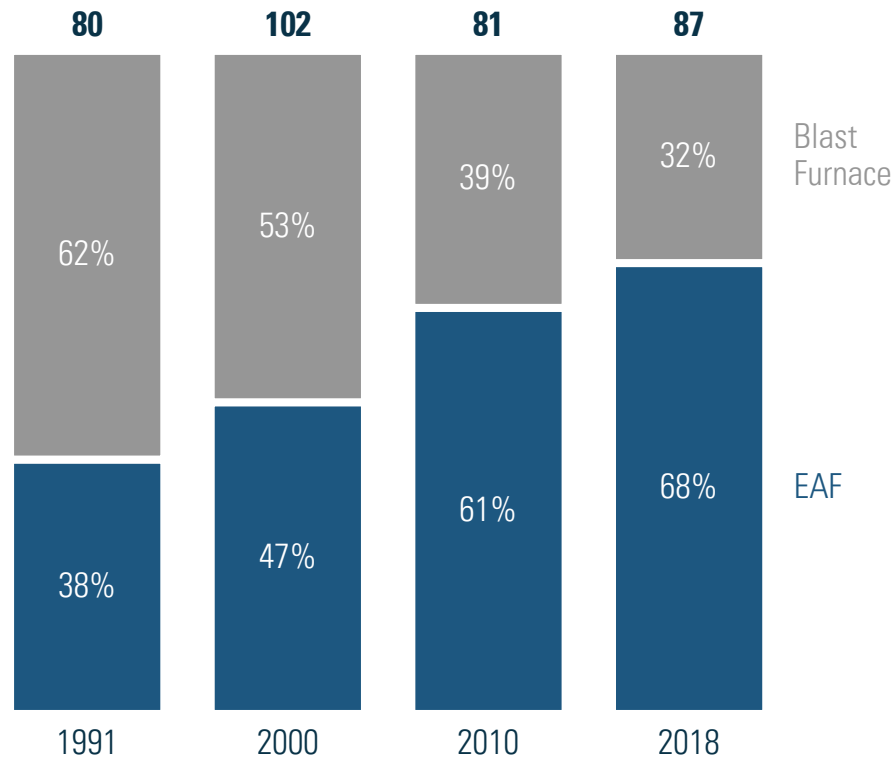
North Star was built with embedded expansion capacity, with a large hot strip mill

North Star capacity by production unit (million metric tonnes per annum)

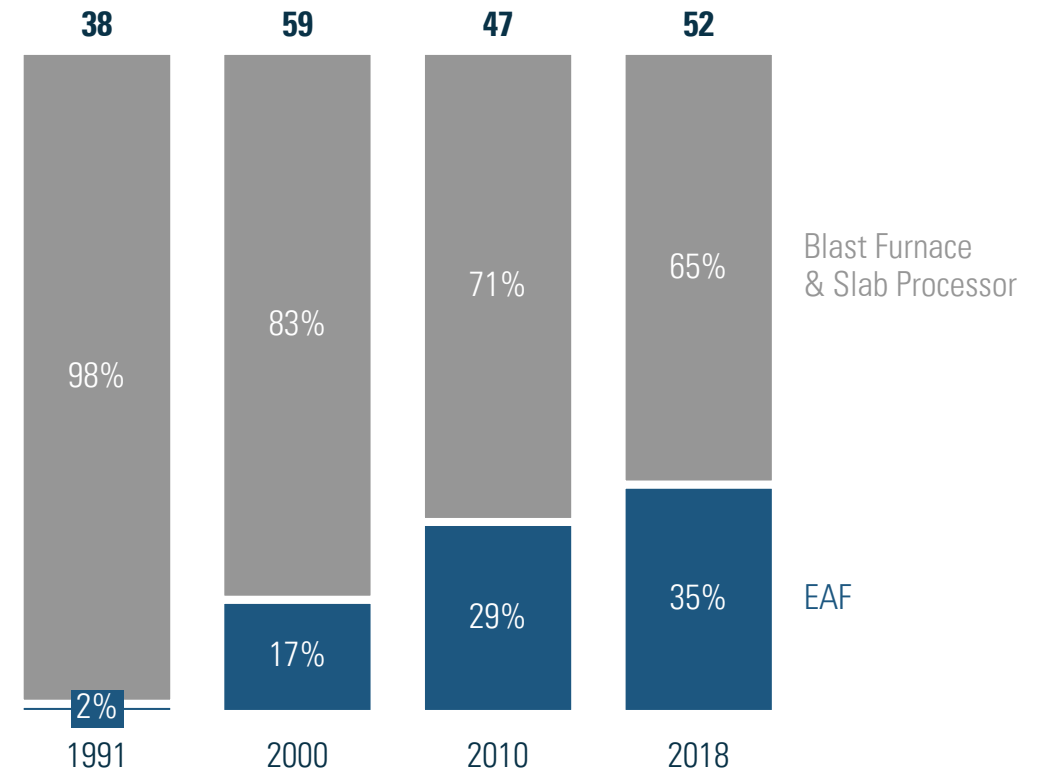


The EAF replacement of blast furnaces is a long term trend in the US, and is still emerging in the HRC market

Crude steel production mix (% , million metric tonnes)



Flat steel production mix (% , million metric tonnes)



EXPANSION IS CONSISTENT WITH LONGER-TERM TRANSITION TO HIGHLY EFFICIENT EAF SUPPLIERS

EAF HRC capacity being added in North Star's region, blast furnace HRC capacity recently idled

US HRC capacity additions (million metric tonnes)

Nameplate capacity additions, not utilisation adjusted for production¹

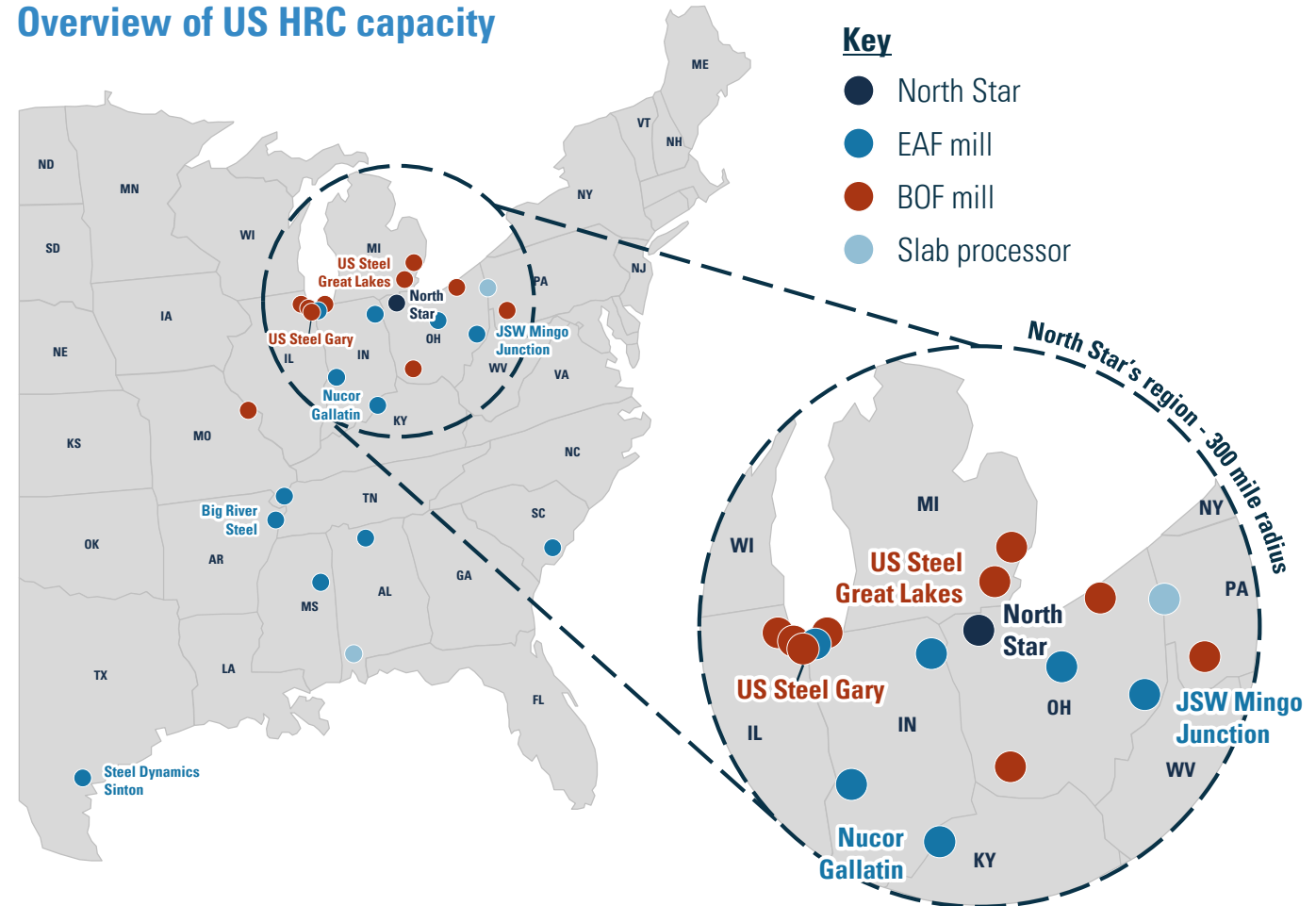
	Mill	Location	Distance from North Star	Capacity change
Within region	North Star	Delta, OH	-	~0.85mt
	Nucor Gallatin	Ghent, KY	200 miles	1.3mt
	JSW Steel	Mingo Junction, OH	195 miles	1.5mt (targeted)
	Subtotal			3.65mt
Outside region	Big River Steel (Phase 2)	Osceloa, AR	510 miles	1.5mt
	Steel Dynamics Southwest	Sinton, TX	1200 miles	2.7mt
	Subtotal			4.2mt
	National total			7.85mt

Recent idling announced

1 Blast furnace at US Steel Great Lakes, Ecorse, MI (60 miles from North Star)

1 Blast furnace at US Steel Gary, Gary, IN (170 miles from North Star)

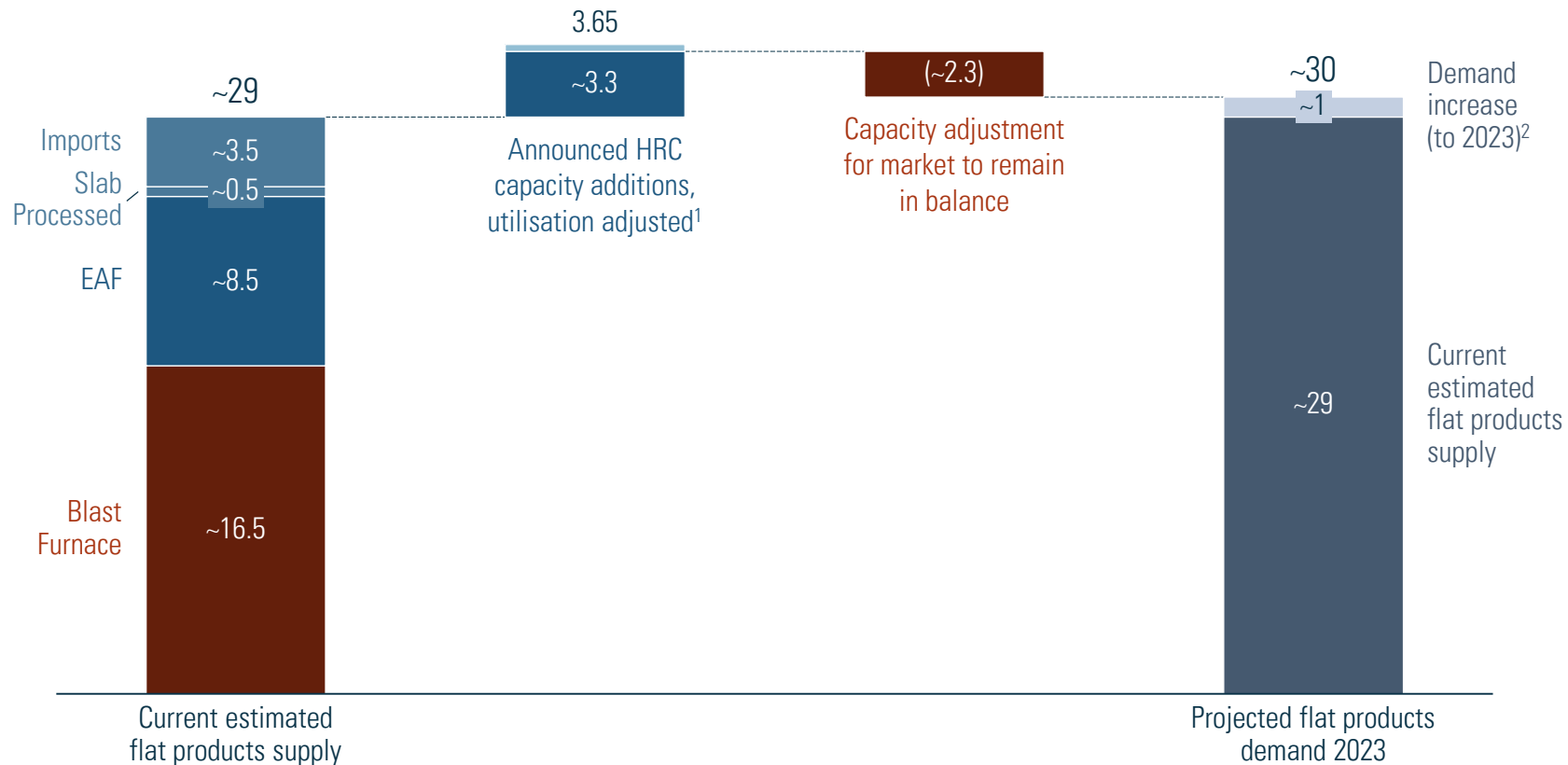
Overview of US HRC capacity



EXPANSION IS CONSISTENT WITH LONGER-TERM TRANSITION TO HIGHLY EFFICIENT EAF SUPPLIERS

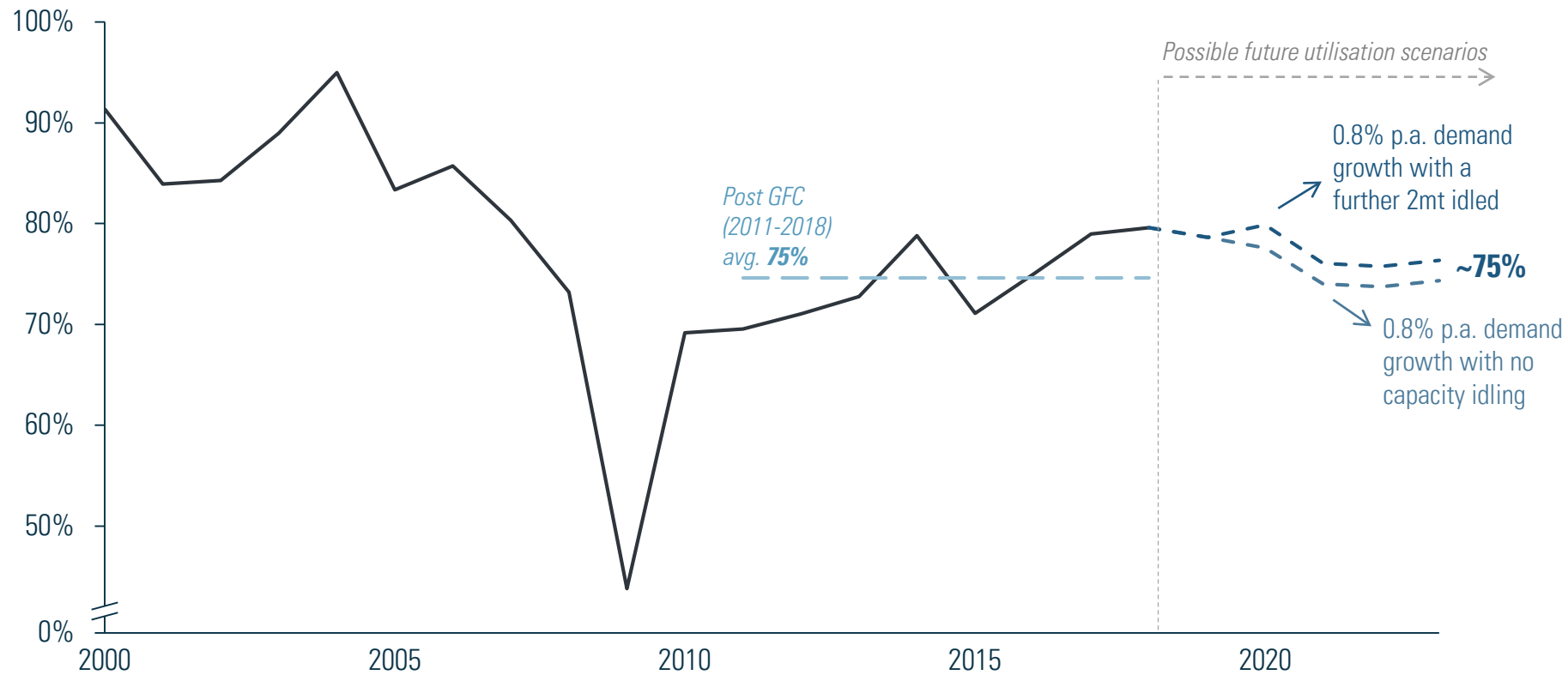
Supply and demand in North Star's region is expected to be largely in balance in 2023

Regional flat rolled supply and demand balance (million metric tonnes)



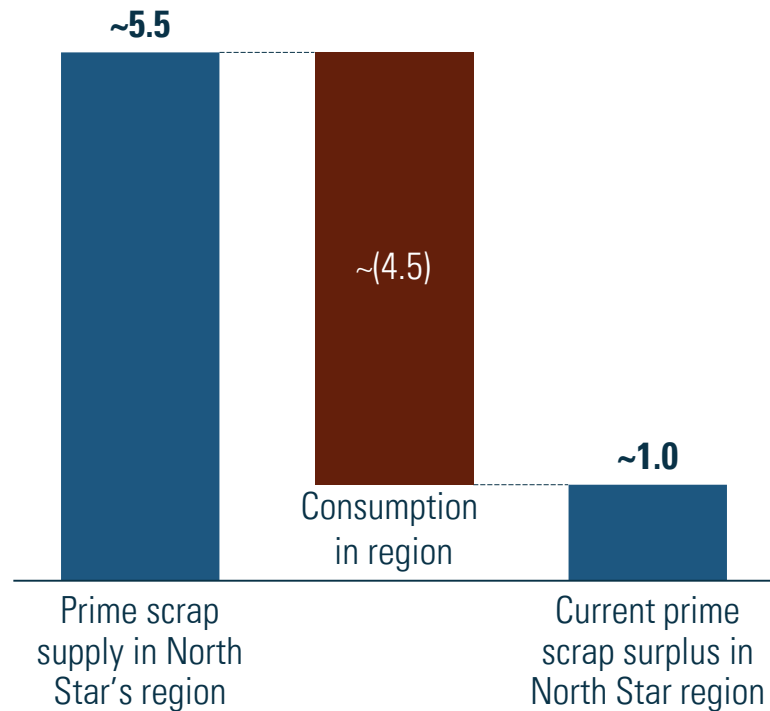
HRC supply-demand dynamics projected to be at or above post-GFC levels, supporting the view on long term spread assumptions

US Hot Strip Mill utilisation (%)



Favourable metallics market will remain adequately supplied

North Star regional prime scrap dynamics (million metric tonnes)



Prime scrap supply-demand balance

- The current prime scrap market is in a surplus position of one million metric tonnes in North Star's region (<300 miles)
- Additional iron unit capacity is coming online in the region, expanding this surplus position
- Additional demand from expanding EAF mills will draw down on this surplus
- Obsolete scrap is also in surplus, with a large volume of material exported

Strong focus on sustainability impacts and opportunities for the evaluation and execution of the project

CLIMATE CHANGE

*Scrap based,
lower emission
steelmaking*

- Installation of low emission EAF capacity
- Expected to lower BlueScope's overall emissions intensity
- Shadow carbon pricing impact analysed in business case

COMMUNITY

*Contributing to the
communities in
which we operate*

- Construction process will create hundreds of jobs
- 90 new permanent full time jobs
- Boost to the local economy

ENVIRONMENT

*Commitment to
highly efficient
control technology*

- Air: best in class emissions controls, e.g. low NOx burners
- Water: focus on water efficiency

SUPPLY CHAIN

*Ensuring ethical
practices in the
supply chain*

- Supplier Code of Conduct assessments underway
- Key focus on modern slavery risks



Targeting a minimum 15% IRR and 15% ROIC when fully ramped-up, based on long-term historical spreads

EXPECTED RETURNS

- Targeting a minimum 15% IRR and 15% ROIC when fully ramped-up, based on long-term historical spreads
- The tax benefits are attractive, both a lower corporate tax rate and accelerated depreciation – however the business case is not built on these benefits

SPREADS AND VOLUMES

- Analysis suggests long term supply and demand will remain largely in balance, capacity utilisation expected to be consistent with historical levels, and that blast furnaces will be the marginal producers
 - Spread assumption is based on historical averages, in the realm of \$250-\$300/t (metric)
- Incremental volumes to be largely placed with existing customer base

CAPEX AND CAPACITY

- CAPEX estimated at \$700M, spread over three years
- Spend profile estimated to be 20-30% in year 1, 50-70% in year 2, 10-30% in year 3 – to be updated as project progresses
- Being built to facilitate incremental growth through debottlenecking
 - Additional capacity of around 850ktpa has the potential to rise by an additional 500ktpa after commissioning, unlocked through debottlenecking projects – particularly on the hot strip mill

OPEX BENEFIT

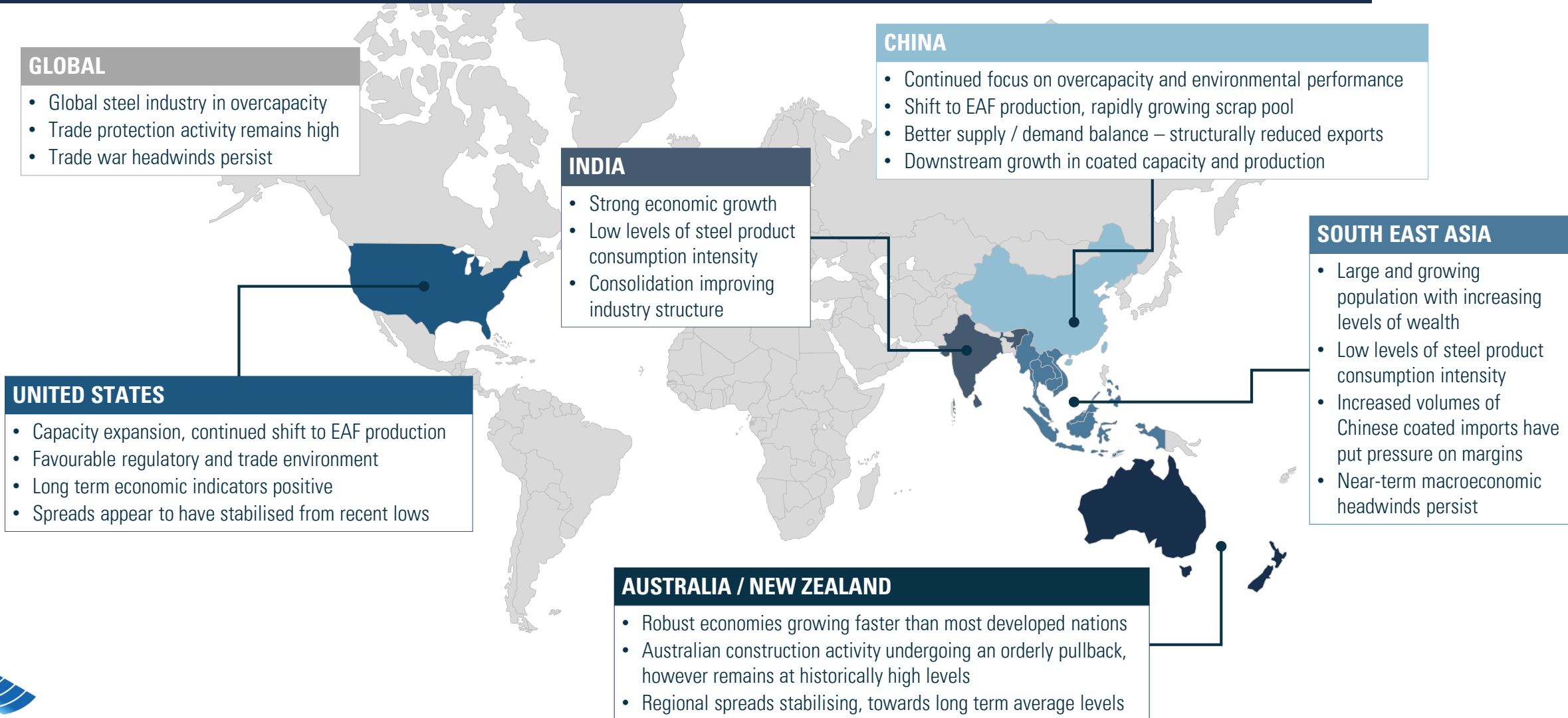
- Modest benefit to cost per tonne on incremental volume, reflecting the highly variable cost base



SUMMARY AND OUTLOOK

Ivanhoe Grammar School in Ivanhoe, VIC, featuring COLORBOND® steel in Monument®

BlueScope is well positioned in robust, developed economies, and in high growth regions across Asia



North Star

- Expect a softer result on average benchmark spread² through 1H FY2020, approximately US\$90/t lower than 2H FY2019, noting specific sales mix to benchmark³
- Volume lower on seasonality
- Modest increase in consumables costs including electrodes

Australian Steel Products

- Expect a softer result, due to:
 - Lower Asian benchmark spreads
 - ~\$60M unfavourable impact of realised pricing (export destination pricing and domestic pricing lags)
 - Reduced coke contribution; due to reduced demand in seaborne market
 - \$15M unfavourable impact from minor blast furnace instability in early 1H FY2020 within normal operating range and since resolved
- Expected to be offset in part by a modest improvement in domestic volumes

Building Products Asia & North America

- Overall, expect a stronger result
- ASEAN – ongoing benefit from cost reduction and manufacturing improvement program; expect some modest improvement in volume and margins
- China – considerably stronger result due to seasonality
- North America – improvement on higher margins and volumes

New Zealand & Pacific Steel

- Expect a better result mainly driven by cost improvements and favourable timing of scheduled maintenance
- Offset in part by lower net contribution from vanadium slag by-product sales (down \$5M)

Buildings North America

- Similar result in the EBS business; investing in resource capacity
- Offset in part by a smaller contribution from BlueScope Properties Group

- The Company currently expects weaker commodity steel spreads in North Star and ASP, leading to an underlying EBIT around 45% lower than 2H FY2019 (which was \$499 million)
- Based on 1H FY2020 average assumptions:
 - East Asian HRC price of ~US\$510/t²
 - 62% Fe iron ore price of ~US\$95/t CFR China²
 - Index hard coking coal price of ~US\$170/t FOB Australia²
 - US mini-mill benchmark spreads to be US\$90/t lower than 2H FY2019³
 - A\$:US\$ at US\$0.70²
- Relative to 2H FY2019, expect: lower underlying net finance costs; a similar underlying tax rate; and higher profit attributable to non-controlling interests
- 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 opportunity in the US at North Star, which is one of the most profitable mini-mills in the US

CAPITAL DISCIPLINE



- Strong balance sheet with target of around zero net debt
- Returns-focussed process with disciplined competition for capital between investment for long-term growth and returns to shareholders

RETURNS FOCUS



- Target ROIC > WACC through the cycle
- Target at least 50% of free cash flow to shareholders
- Target EPS growth through the cycle



QUESTIONS?

Walumba Elders Centre in Warmun, WA, featuring COLORBOND® steel in Surfmist® and Headland®



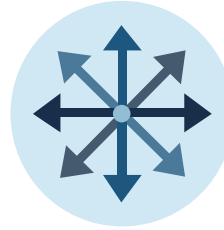
BLUESCOPE: A DIFFERENT KIND OF STEEL BUILDING PRODUCTS COMPANY

STEAK On.3 Coffee & Wine in Chum Phon, Thailand, featuring Clean COLORBOND® steel in Posh Grey

What makes us different?



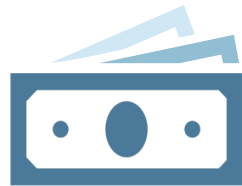
**TECHNOLOGY,
BRANDING & CHANNELS**



**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





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



North America





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

Australia



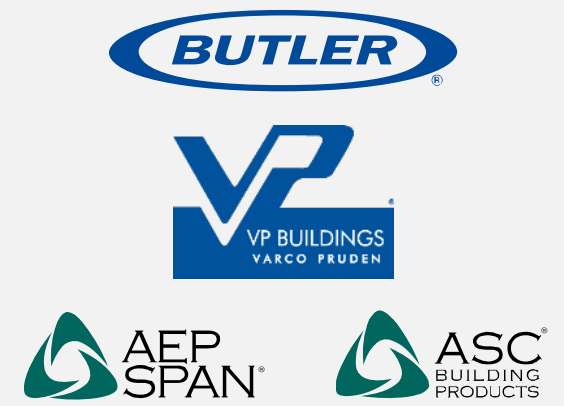
New Zealand



Asia



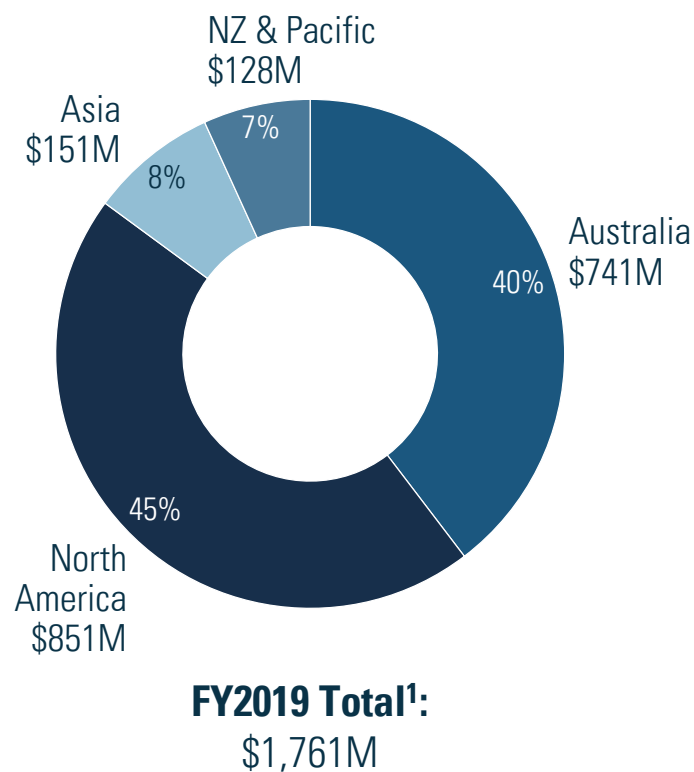
North America



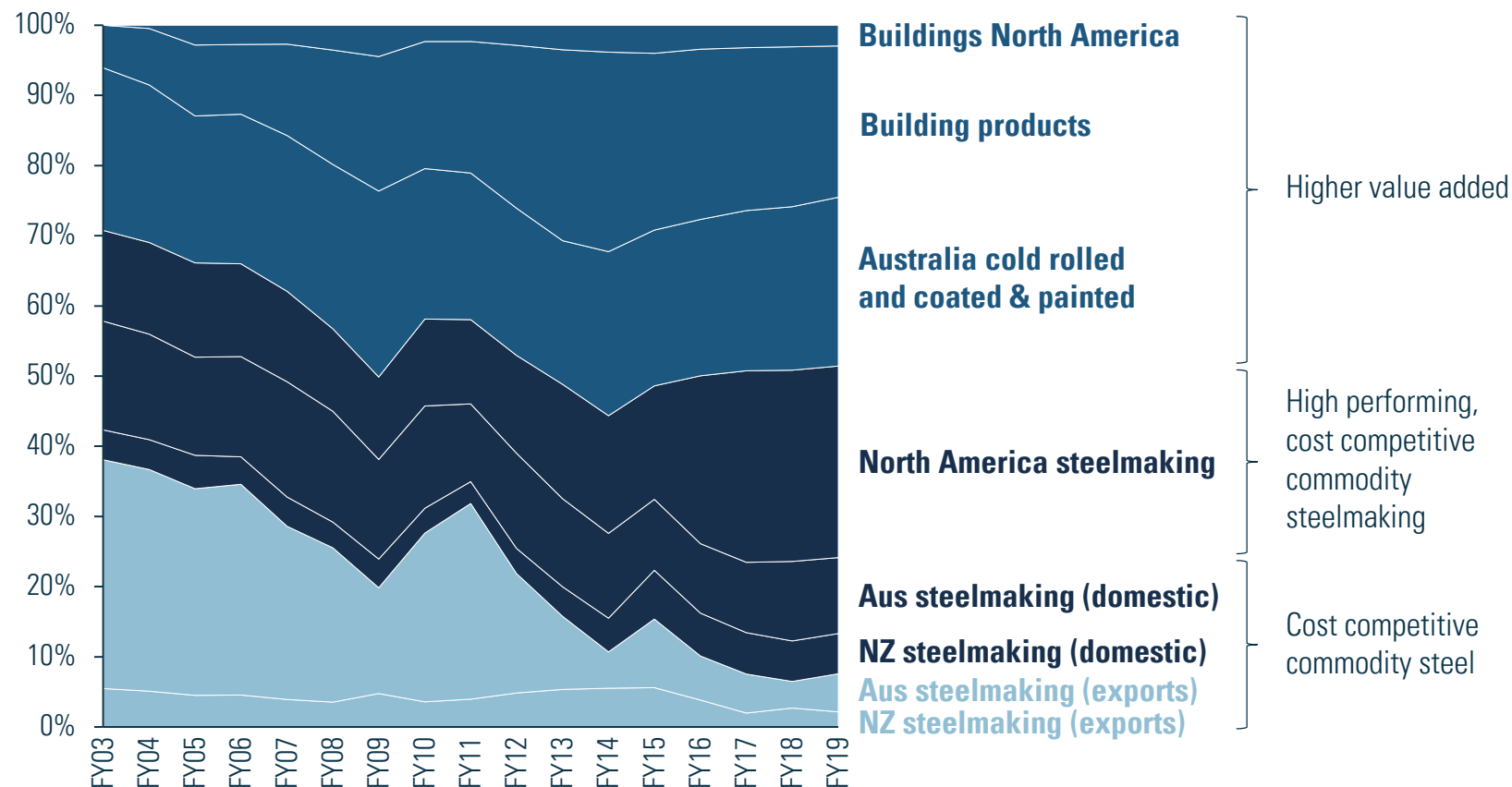


Geographic diversity and increasing contribution from value-added products

Underlying EBITDA by region (\$M)



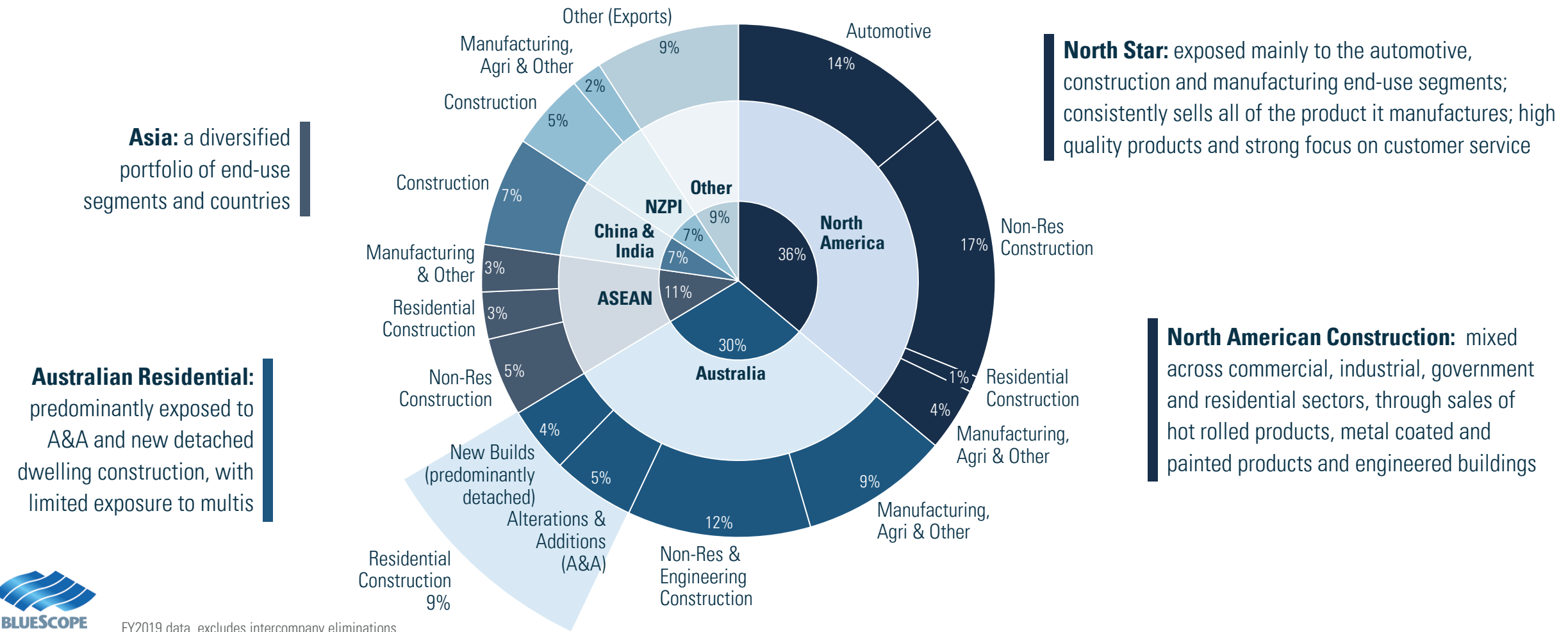
BlueScope despatch volume mix





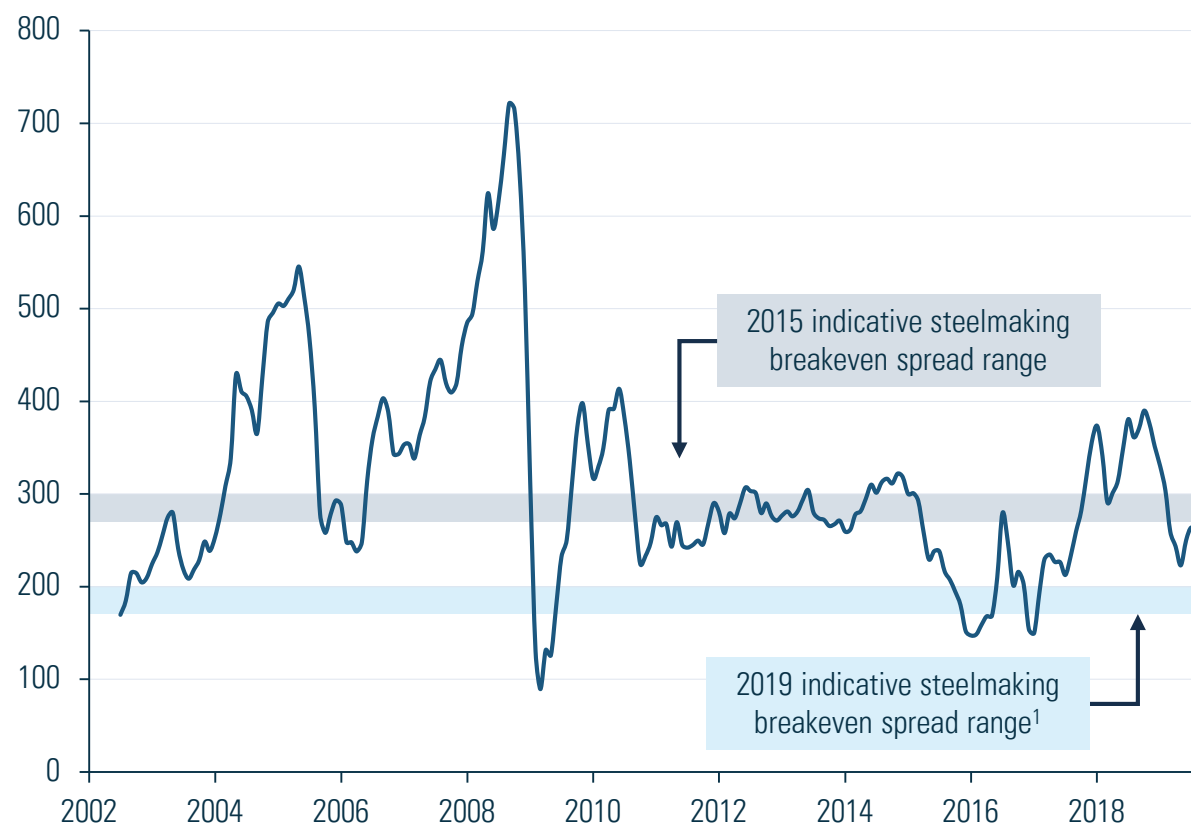
Broad exposure across geographies, largely focussed on the building and construction industry

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

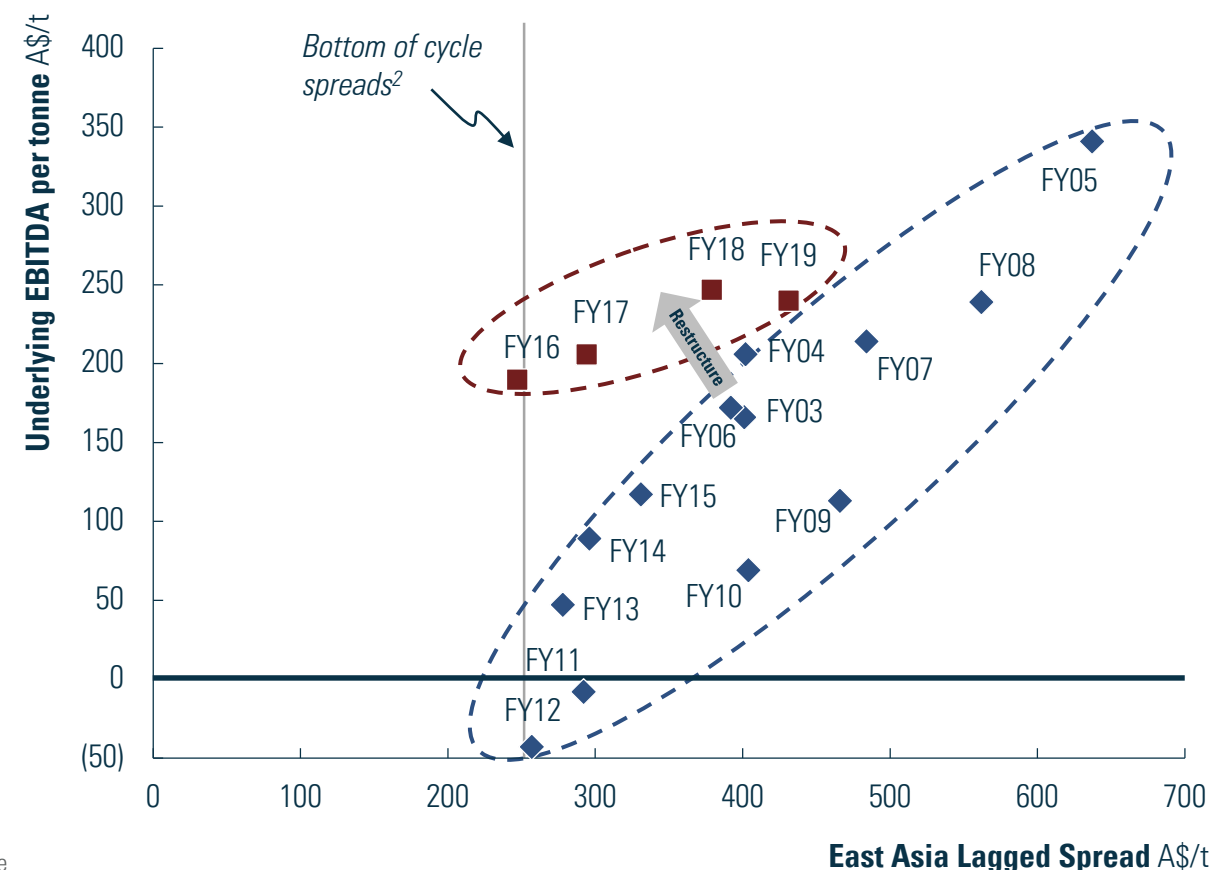


Australian steelmaking breakeven at minimum recent spreads following business transformation

Asian steel spread & estimated steelmaking cash breakeven (US\$/t)



Asian steel spread & EBITDA per tonne (\$A/t)



(1) Approximate breakeven calculation based on recent business performance; may not be a reliable guide for the future

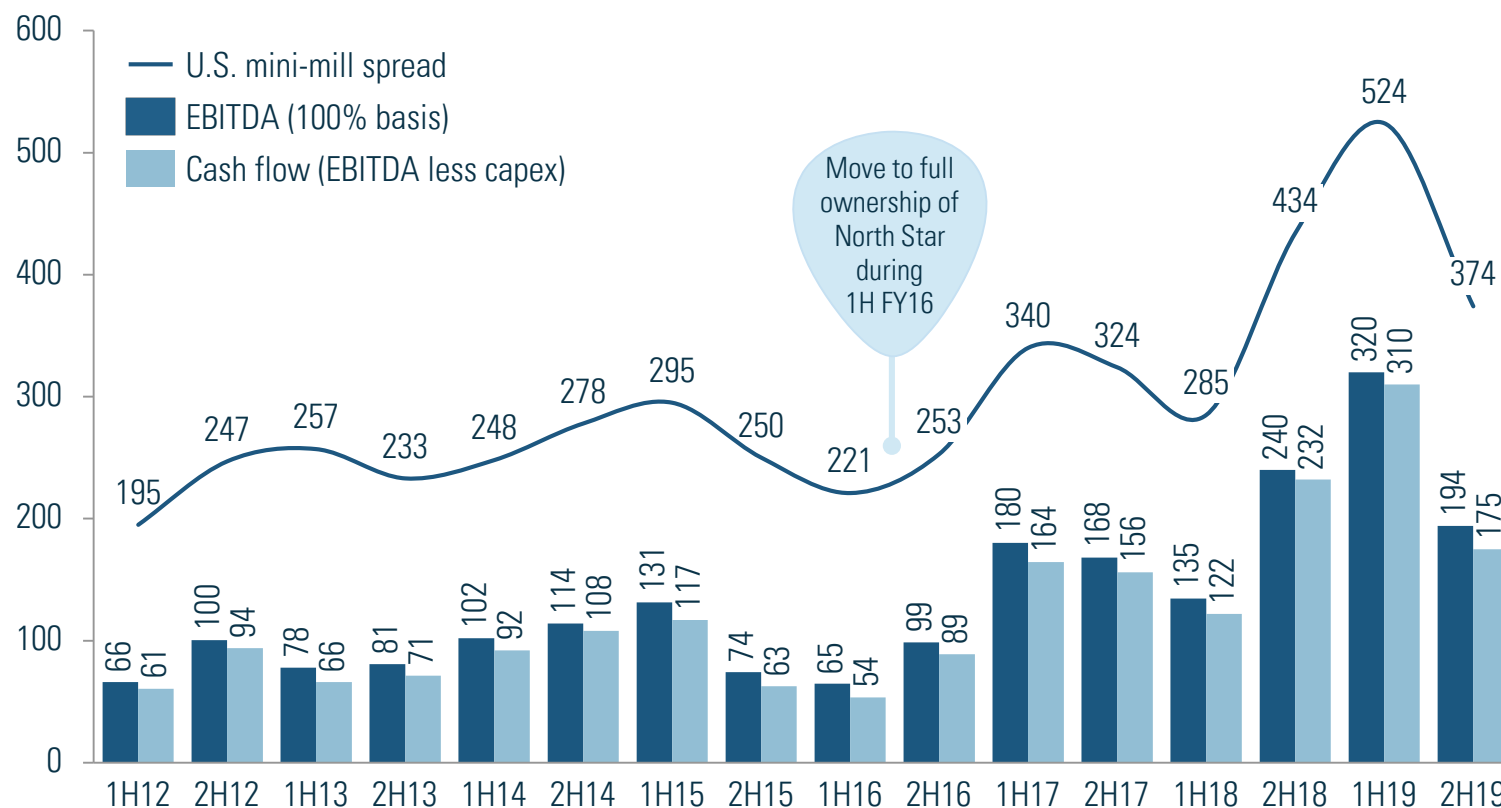
(2) US\$190/t, using an A\$:US\$ conversion rate of 0.75

¹Indicative steelmaker HRC spread¹ 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.

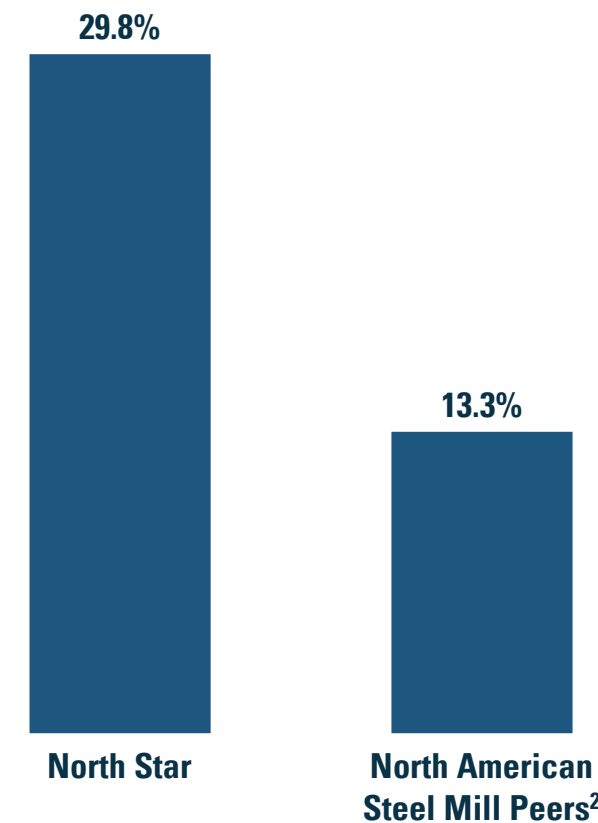


North Star generates positive returns through the cycle, with a leading margin in US steelmakers

US\$M EBITDA and spread¹



North Star's and North American peers' EBIT margin



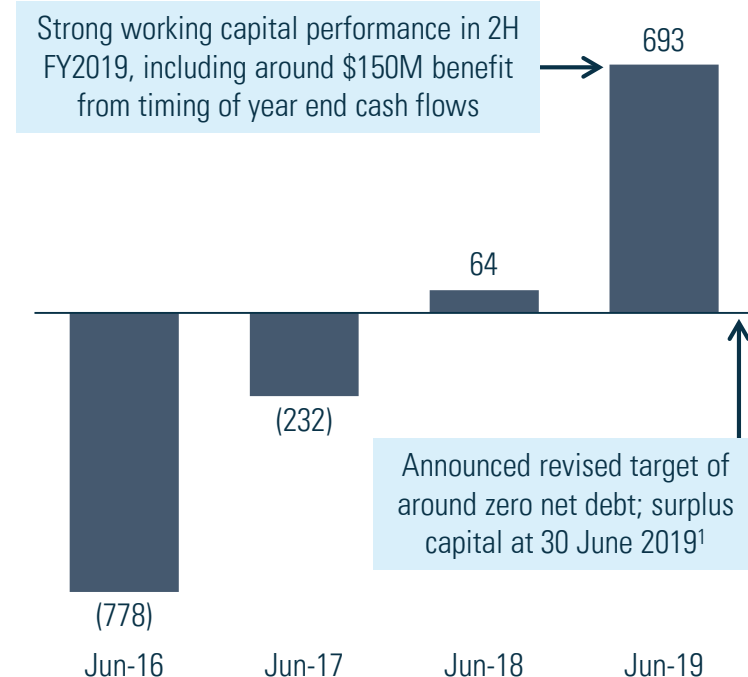
- (1) US Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming illustrative one month lag), SBB #1 busheling scrap price (assuming one month lag) and Metal Bulletin NOLA pig iron price (assuming two month lag); assumes raw material indicative usage of 1.1t per output tonne. Note, North Star sales mix has longer lags
- (2) Reflects CY2018 North Star underlying EBIT margin. CY2018 peer margin data sourced from company information, simple average of six North American peers using relevant segment information



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

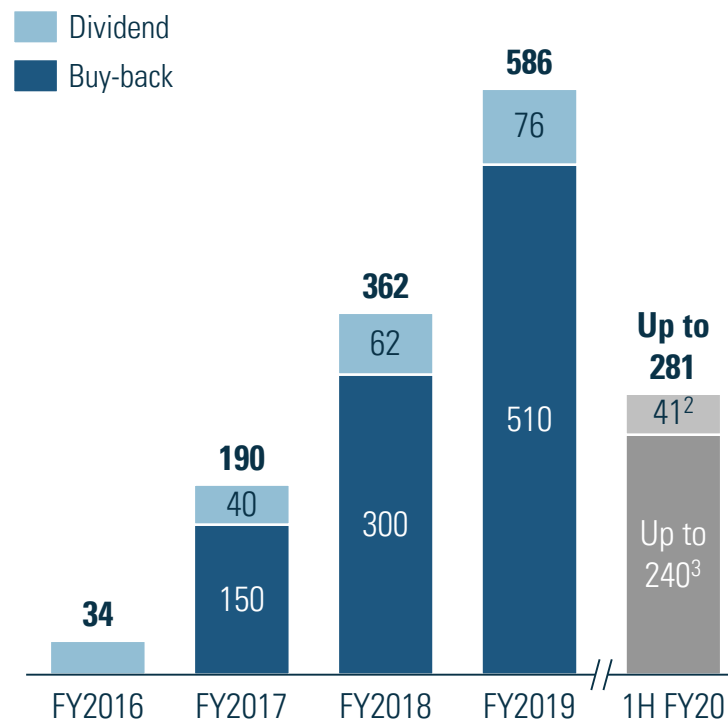
ROBUST BALANCE SHEET – NET CASH

Net cash / (debt) (\$M)



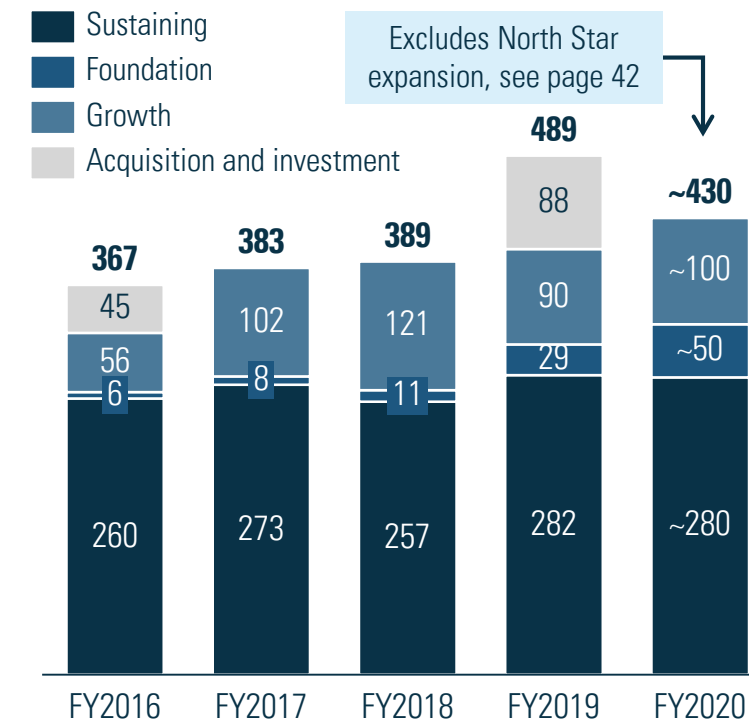
INCREASED RETURNS TO SHAREHOLDERS

Dividends paid and buy-backs (\$M)



INVESTING FOR LONG TERM GROWTH

Capital and acquisition expenditure (\$M)



(1) Excluding the impact of leases as per AASB16

(2) \$41M indication of FY2020 final dividend of 8 cps announced 19 August 2019, with payment date of 16 October 2019.

(3) Increase of buy-back by up to \$250M announced on 18 June 2019, as part of 1H FY2020 capital management program; \$10M bought prior to 30 June 2019 and a further \$29M bought prior to 19 August 2019.

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

DISCIPLINED CAPITAL ALLOCATION – GROWTH OPPORTUNITIES



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

Capital expenditure focus areas

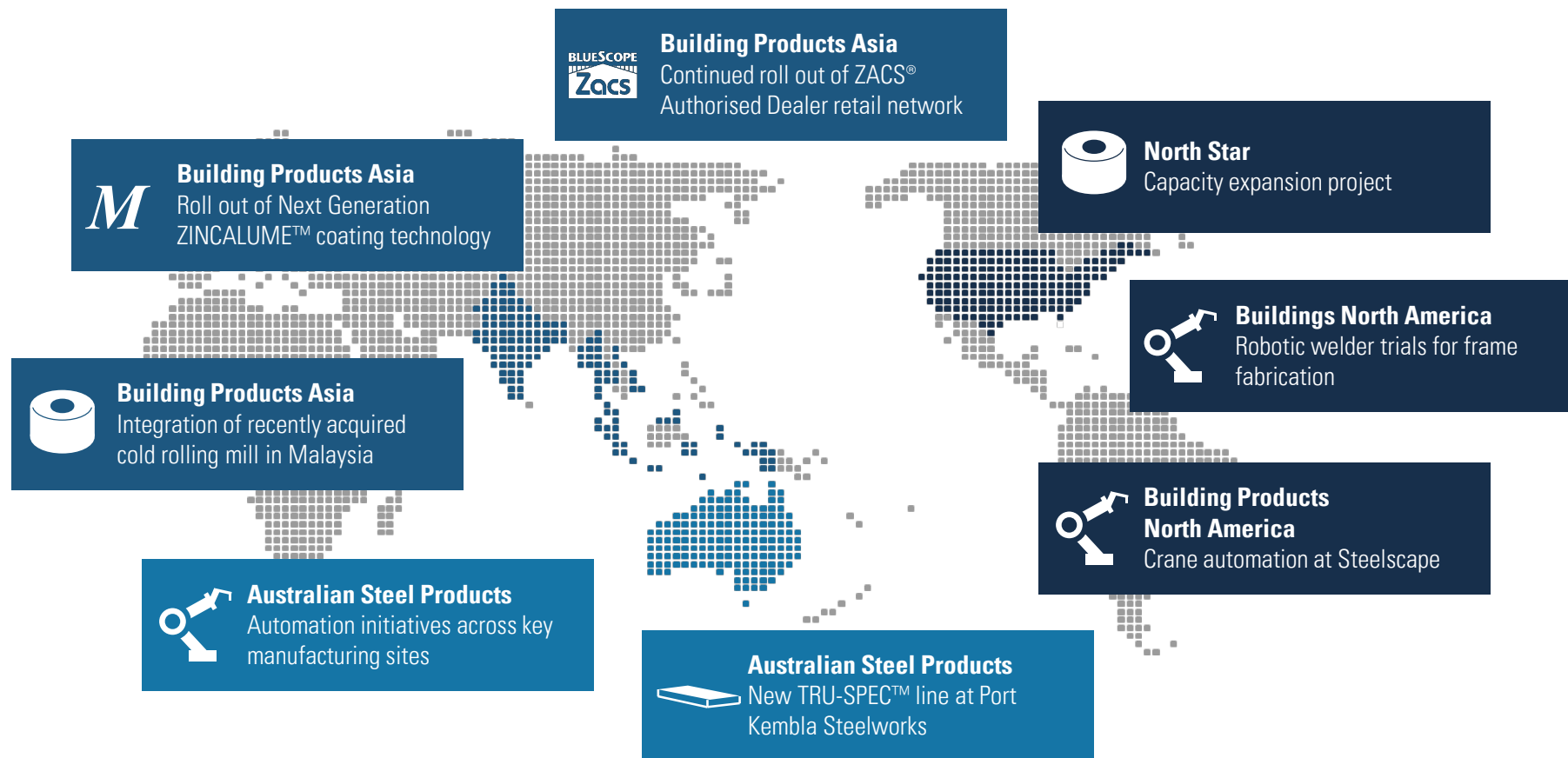
**MAINTAIN SAFE AND
RELIABLE OPERATIONS**

**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 opportunities



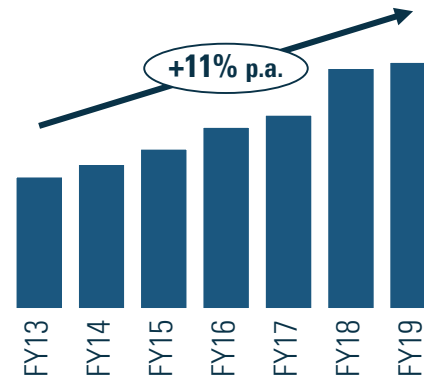


Light gauge steel framing growth continues; new coil plate capacity provides a strong foundation for growth

Light gauge steel framing growth

- Continues to be an exciting growth opportunity
- Sales of TRUECORE® steel continues to increase on the back of robust demand and intermaterial growth
- Distributor and fabricator numbers are growing, with end-user demand increasing and trade acceptance continuing

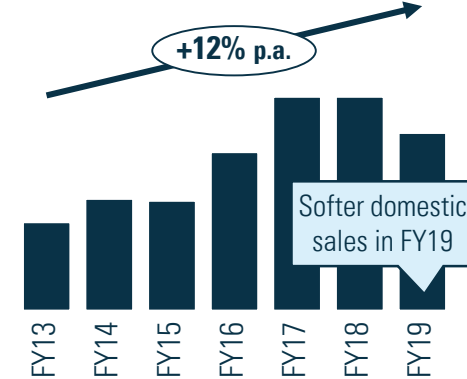
TRUECORE® sales volumes¹



New TRU-SPEC® coil plate line

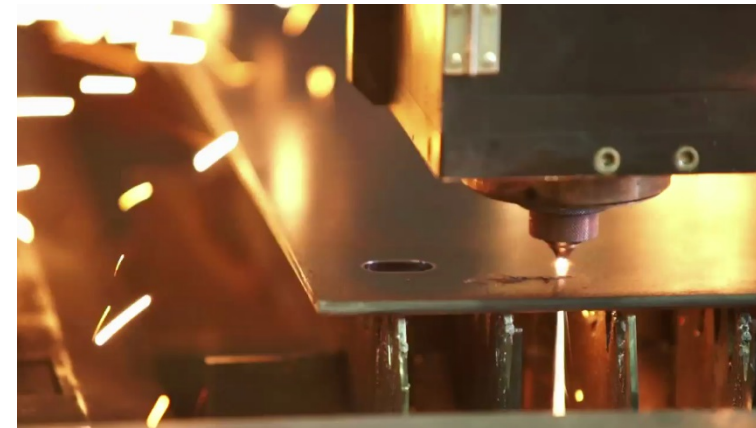
- Investing in a new 160kt stretch levelling coil plate line at Port Kembla, in addition to the 113kt line installed in 2014
- Opportunity to further grow TRU-SPEC® steel sales, reduce complexity and cost in the supply chain, improve the service offer and strengthen our delivery performance

Coil plate sales volumes¹



Benefits of building with TRUECORE®

- ✓ Straight and true
- ✓ 100% termite proof
- ✓ Will not catch fire
- ✓ Efficient and fast to install
- ✓ Greater design versatility
- ✓ Backed by BlueScope



Benefits of selecting TRU-SPEC®

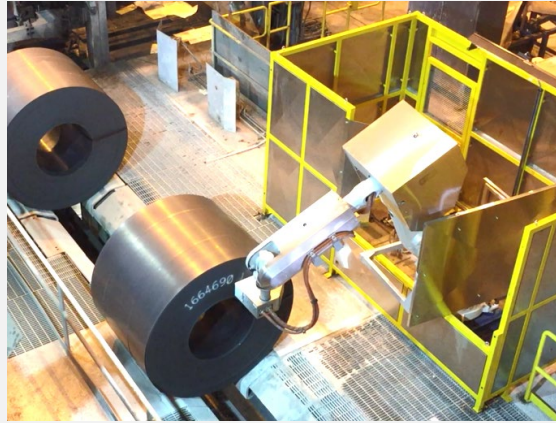
- ✓ Consistent high quality
- ✓ Excellent flatness
- ✓ Excellent surface quality
- ✓ Improved cutting and processing efficiency
- ✓ Backed by BlueScope



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

Coil marking robot, North Star

- A new robotic arm that 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





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

OUR CUSTOMERS ARE OUR PARTNERS

OUR PEOPLE ARE OUR STRENGTH

OUR SHAREHOLDERS ARE OUR FOUNDATIONS

OUR COMMUNITIES ARE OUR HOMES



OUR STRATEGY – A DISCIPLINED APPROACH TO GROWTH AND SHAREHOLDER RETURNS FROM A POSITION OF STRENGTH



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We are

A steel building products company

Our Target

Top quartile shareholder returns and safe operations

Our Strategic Focus areas

Grow **premium branded steel businesses** with strong channels to market

Maximise value from **'best-in-class'** assets

Deliver **competitive commodity steel supply** in our local markets

Ensure ongoing **financial strength**

Coated & Painted Products

BlueScope Buildings

North Star BlueScope

Australia & NZ Steelmaking

Balance Sheet

Colorbond®



Truecore®

COLORSTEEL®
NEW ZEALAND'S FAVOURITE ROOF

LYSAGHT®





Clearly stated financial framework to guide our decision making

1 RETURNS FOCUS

- ROIC > WACC 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 zero net debt⁽¹⁾
- Retain strong credit metrics
- Intent to have financial capacity through the cycle to make opportunistic investments or fund a shutdown of steelmaking if not cash positive
- Leverage for M&A but only 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 (but 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-backs⁽²⁾

(1) Excluding the impact of leases as per AASB16

(2) On-market buy-backs are seen as the most effective method of returning capital to shareholders after considering various alternatives and given BlueScope's lack of franking capacity. The Board reserves the right to suspend or terminate the buy-back at any time.



Continued focus on improving our sustainability performance and disclosure

SAFETY, HEALTH & WELLBEING

- We are evolving to the next level of maturity with our new five-year health, safety and environment strategy launched mid 2019
- Continuing our focus on rigorously challenging the effectiveness of our significant risk controls
- Collaboratively developing a health and wellbeing program
- 64% of employees involved in health, safety and environment improvement projects in FY2019

CLIMATE CHANGE AND ENERGY

- Aligning climate change reporting with TCFD recommendations.
- Developed our shadow carbon pricing approach, climate risk scenarios and GHG emissions intensity reduction targets for our steelmaking sites
- Current focus on implementing energy efficiency and emission reduction projects in line with our three-year climate plans
- Aggregated GHG emissions intensity of three steelmaking facilities reduced by 1.2% in FY2019 from FY2018⁽¹⁾

SUPPLY CHAIN SUSTAINABILITY

- Established improved sourcing standards and due diligence capabilities
- Supplier Code of Conduct published in early 2019 – now in 8 languages
- Implementation of the supplier assessment framework
- Over 25 training sessions completed, attended by over 180 procurement practitioners and business unit leaders
- Well advanced for the reporting requirements of the Modern Slavery Act

GOVERNANCE AND BUSINESS CONDUCT

- We encourage a culture of speaking up and protecting those who do
- Our inclusion goal is that our culture invites and rewards contributions from people with different perspectives
- Launched the new 'Speak Up' policy, available on our website
- Continued focus on increasing our employees' understanding of how they can report misconduct concerns, including via our externally managed conduct hotline

DIVERSITY AND INCLUSION

- Female workforce participation has increased to 21 per cent in FY2019, with 40 per cent of new recruits to operating roles being women.
- Rate of women hired to all roles across BlueScope has doubled since FY2016
- In FY2020 we will retain our focus on gender diversity with greater focus on inclusion, supported by a regional focus on local talent succession and cultural diversity of leadership teams



Our commitment to action

Support the Paris agreement and the commitments of the countries in which we operate

- Developed 1% YoY aggregated emissions intensity reduction targets in reference to detailed sector scenarios from the IEA 2° scenario model
- Founding member of ResponsibleSteel



Governance structures seek to ensure understanding and management of climate risk

- Aligning climate change reporting with Task Force on Climate-related Financial Disclosure (TCFD), including outcomes of scenario analysis, with the one of three scenarios consistent with a 2° scenario (Global Cooperation)

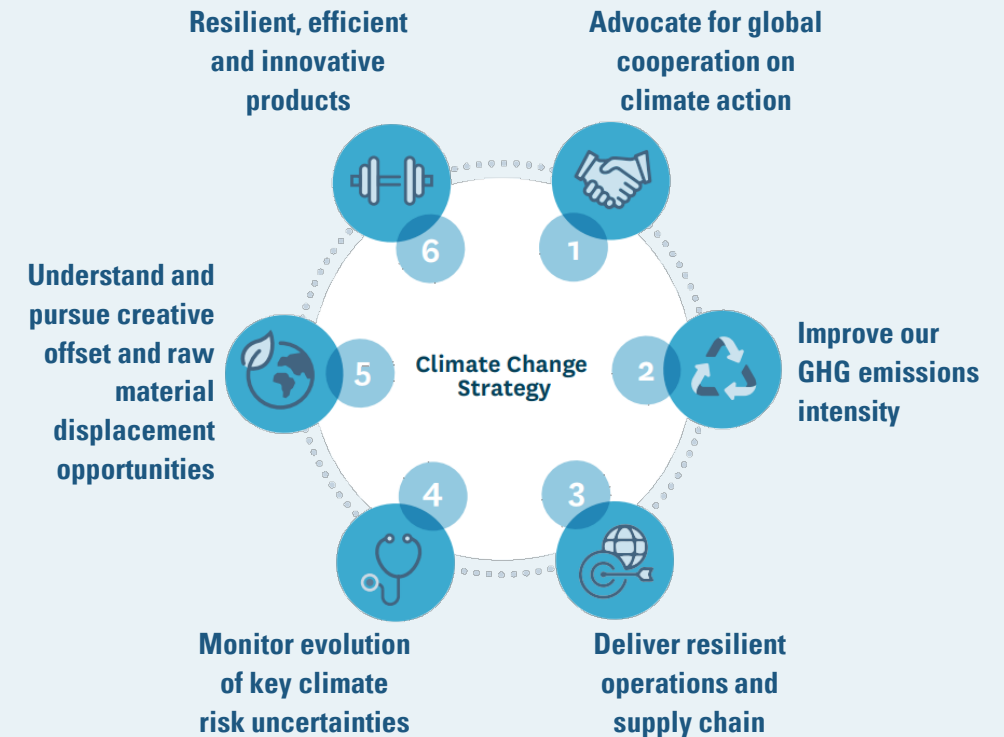
Acknowledge steelmaking produces emissions; working to reduce the impact

- Implementing energy efficiency and emissions reduction projects in line with three year plans
- Aggregated GHG emissions intensity of three steelmaking facilities reduced by 1.2% in FY2019 from FY2018

Steel plays a key role in sustainable development, given its longevity and endless recyclability

- Extensive reuse and recycling of by-products (over 97% material efficiency)
- Contributing to circular economy, with significant lifecycle energy and GHG benefits

BLUESCOPE'S CLIMATE CHANGE STRATEGY





Significant progress made; design and rollout progressing – supplier due-diligence processes operational

Processes and documentation in place

- Supplier Code of Conduct published and available in 8 languages.
- Refinements to supplier segmentation – prioritising our engagement effort
- Supplier assessment framework developed and operational
- Quarterly reporting to Executive Leadership Team and Risk and Sustainability Committee
- Ongoing engagement with external experts to ensure best practice

Supplier assessments

- 34 assessments complete – with 4 corrective action plans in place
 - 2 of these have involved onsite assessments
 - Some tier 2 assessments completed where appropriate, given risk
- Supplier engagements have been largely positive
 - The most common issue has been delayed or insufficient responses requiring follow-up

Internal training and rollout

- Significant effort allocated to program rollout and training
- Face-to-face training for over 180 senior leaders and procurement and supply chain practitioners, across all business units (9 countries)
- Workshops to review supplier segmentation and prioritisation of suppliers based on in-country knowledge and country-specific risks
- Peer reviews to ensure consistent standard is applied to assessments

What's next?

- Focus on completion of priority assessments – while maintaining required assessment standards
 - 90 assessments to be completed in FY2020, 30 already underway
- Begin process of assessing our own sites against Code of Conduct standards
- Deep dive into suspected higher risk areas of the supply chain to develop better understanding and more detailed due-diligence approach
- Well advanced for the reporting requirements of the Modern Slavery Act



BlueScope seeks to live the values in its Bond by promoting a culture of integrity across our global operations

- Our inclusion goal is that our culture invites and rewards contributions from people with different perspectives
- We continue to work on strengthening BlueScope's culture to support ethical and responsible work practices across every part of our business
- To support our commitment to encourage a culture of speaking up and protecting those who do, in FY2019 we:
 - Launched the new 'Speak Up' policy, available on our website
 - Focussed on increasing our employees' understanding of how they can report misconduct concerns, including via our externally managed conduct hotline
- Our dedicated Ethics and Compliance function
 - Supports each of our businesses to identify and manage conduct risks
 - Oversees the management of misconduct allegations. In FY2019, six employees were exited from the business following misconduct investigations
- As previously disclosed, the ACCC investigation into alleged cartel conduct in the Australian business is ongoing

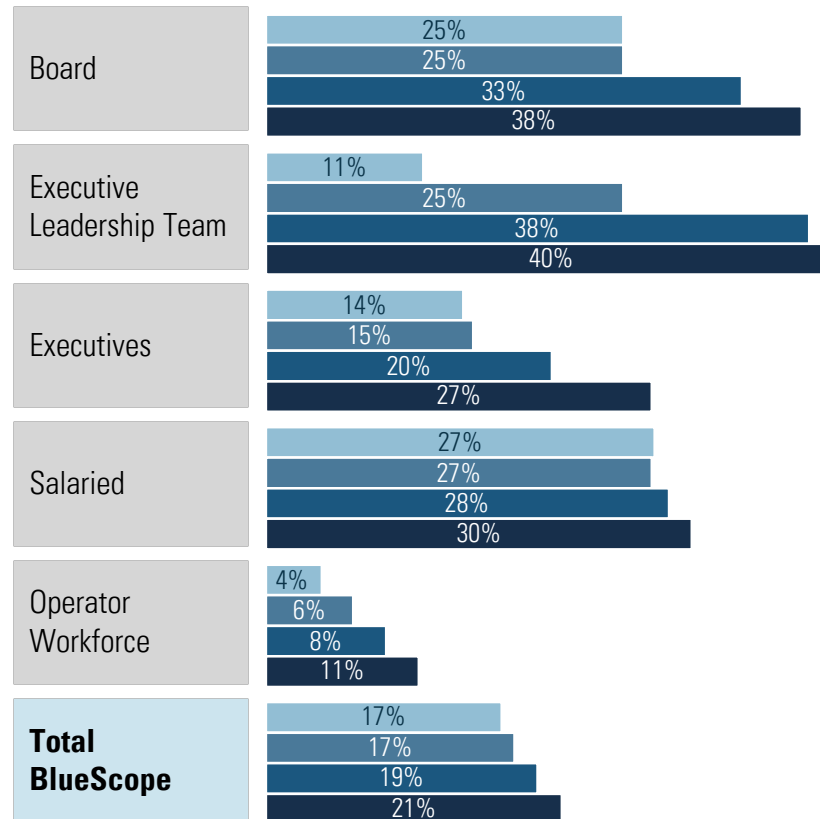




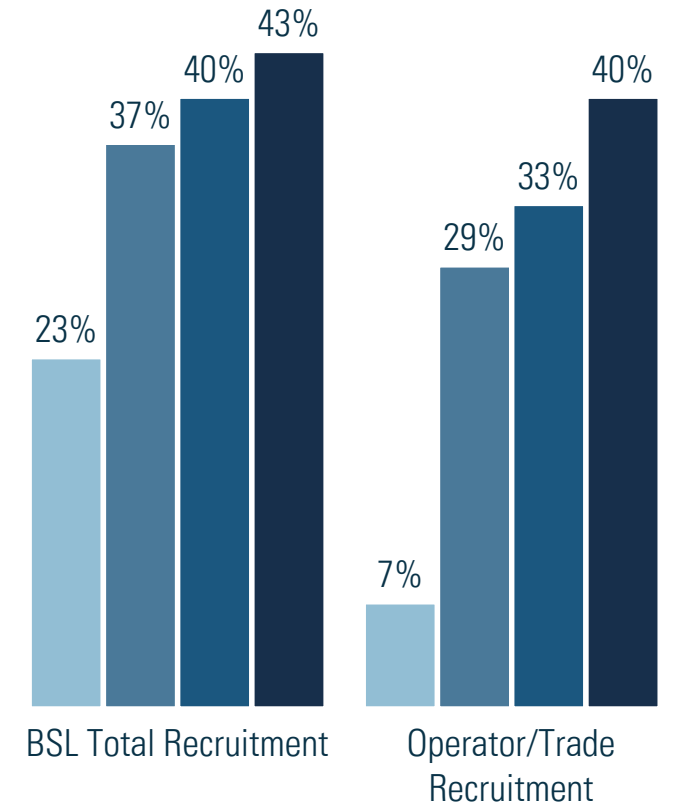
Strong focus and effective strategies creating demonstrable improvement in workforce diversity

- Our diversity goal is that our workplaces reflect the communities in which we operate
- Our inclusion goal is that our culture invites and rewards contributions from people with different perspectives
- In FY2020 we will retain our focus on gender diversity, and increase our regional focus on local talent succession and cultural diversity of leadership teams
- We will continue to evolve our focus on inclusive culture and introduce a new focus on the systemic analysis of cultural barriers to inclusion
 - This will include exploring the use of an inclusive index, to provide a clear picture of diversity progress at BlueScope through both representation and cultural indicators

Female % of workforce



Female % of recruitment



FY2016 FY2017 FY2018 FY2019



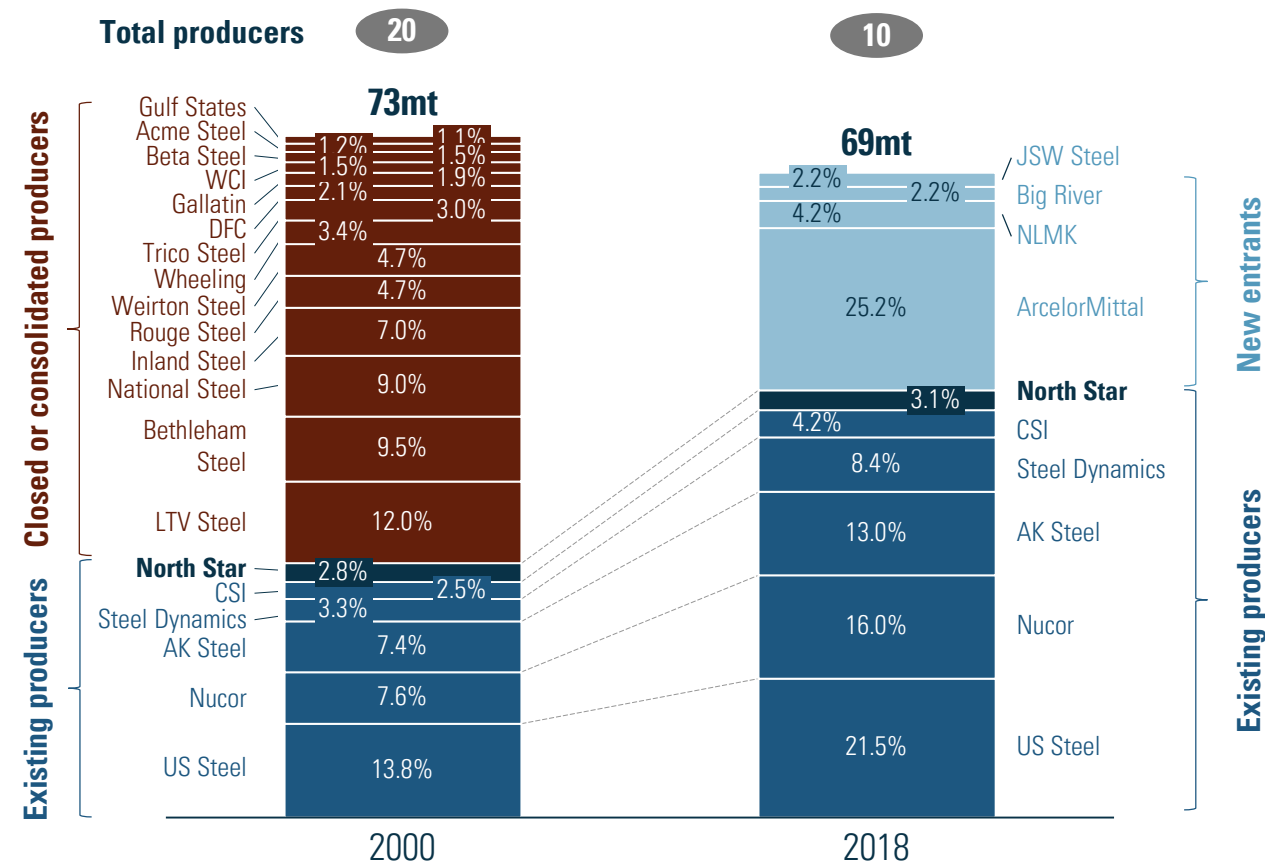
ADDITIONAL INFORMATION – NORTH STAR EXPANSION



EXPANSION IS CONSISTENT WITH LONGER-TERM TRANSITION TO HIGHLY EFFICIENT EAF SUPPLIERS

A trend assisted by consolidation and rationalisation within the industry

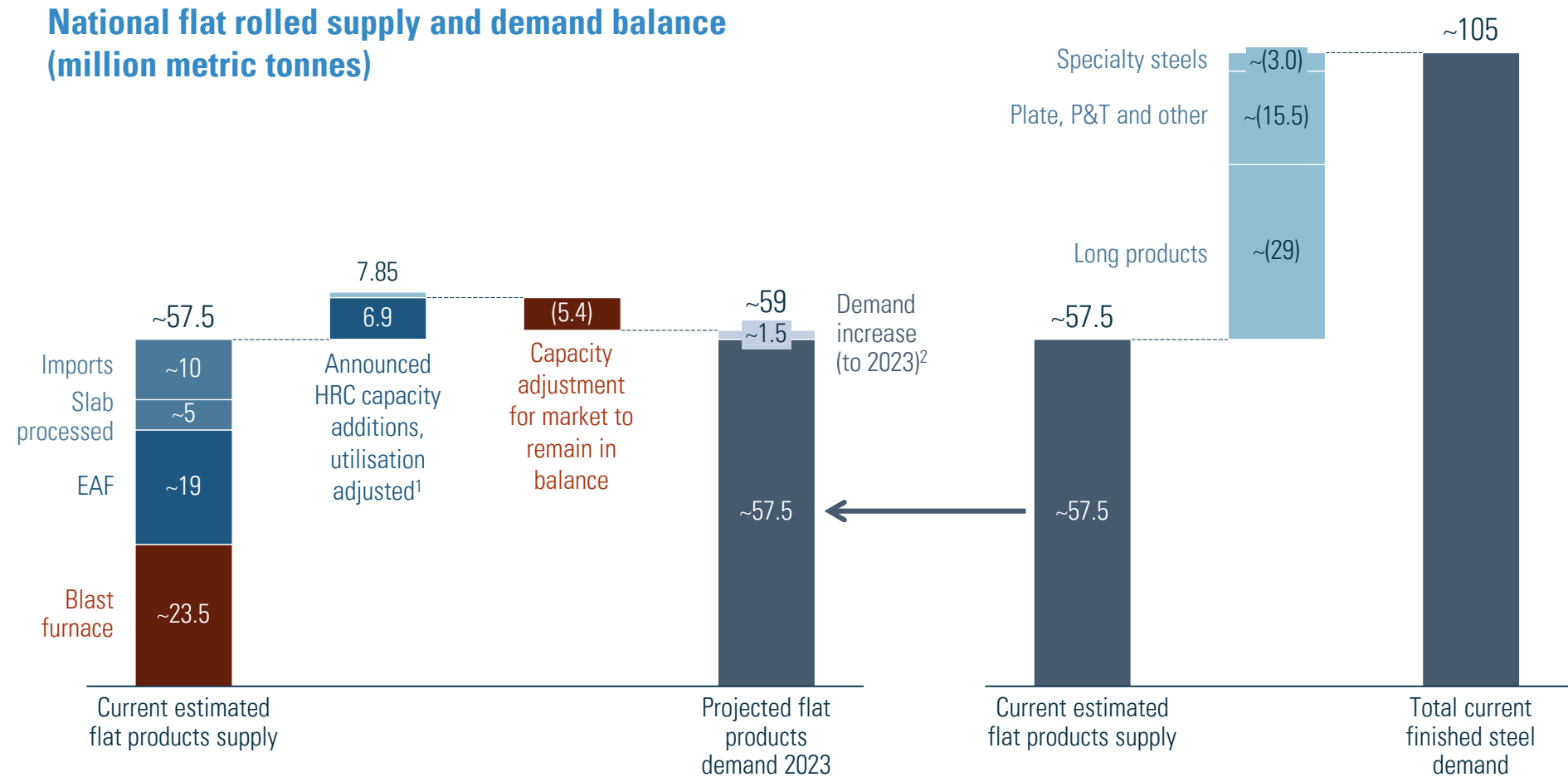
Consolidation of US HSM capacity (% , million metric tonnes)



EXPANSION IS CONSISTENT WITH LONGER-TERM TRANSITION TO HIGHLY EFFICIENT EAF SUPPLIERS

National HRC supply and demand is expected to be largely in balance in 2023

National flat rolled supply and demand balance
(million metric tonnes)



Source: SRA, BSL analysis

(1) Capacity utilisation adjustment recognises that capacity additions are unlikely to operate at nameplate capacity; conservatively assumed that new capacity could operate at a practical utilisation of ~85%, North Star remains at 100%

(2) Based on CRU's estimate of flat product demand increases to 2023, with assumption that demand growth in North Star's region is proportional to that of entire US



ADDITIONAL INFORMATION – GROUP-LEVEL MATERIAL

The Condensery – Somerset Regional Art Gallery, Toogoolawah, QLD, featuring COLORBOND® steel in Manor Red®

\$M (unless marked)	FINANCIAL YEAR ENDED		FY2019 vs FY2018
	30 JUN 2018	30 JUN 2019	
Total revenue	11,578.2	12,586.4	↑
External despatches of steel products (kt)	7,591.1	7,451.2	↓
EBITDA – Underlying ¹	1,644.6	1,761.4	↑
EBIT – Reported	1,462.9	1,340.8	↓
– Underlying ¹	1,269.3	1,348.3	↑
NPAT – Reported	1,569.1	1,015.8	↓
– Underlying ¹	826.0	966.3	↑
EPS – Reported	281.8 cps	189.9 cps	↓
– Underlying ¹	148.3 cps	180.6 cps	↑
Underlying EBIT Return on Invested Capital	20.0%	19.5%	↓
Net Cashflow From Operating Activities	1,140.7	1,682.3	↑
– After capex and investing activities	760.3	1,294.1	↑
Final dividend	8.0 cps	8.0 cps	–
Net cash / (debt)	63.6	692.7	↑

RECONCILIATION BETWEEN REPORTED AND UNDERLYING EBIT AND NPAT¹

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	FY2018		FY2019	
	EBIT \$M	NPAT \$M	EBIT \$M	NPAT \$M
Reported Results	1,462.9	1,569.1	1,340.8	1,015.8
<i>Underlying adjustments</i>				
Discontinued Business (gains) / losses	25.3	23.3	2.1	4.1
Asset impairment / (write-back)	(216.0)	(216.0)	63.8	33.2
Tax asset impairment / (write-back)	-	(503.2)	-	(24.0)
Business development & acquisition costs	-	-	4.7	2.1
Restructuring & redundancy costs	3.9	1.8	18.6	9.3
Asset sales	(6.8)	(3.6)	(81.7)	(74.2)
Debt restructuring costs	-	30.9	-	-
US tax reform	-	(76.3)	-	-
Underlying Results	1,269.3	826.0	1,348.3	966.3

UNDERLYING EARNINGS, NET FINANCE AND TAX COST

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\$M	1H FY2019	2H FY2019	FY2019	
Underlying EBIT	849.6	498.7	1,348.3	
Underlying finance costs	(27.2)	(27.8)	(55.0)	
Interest revenue	7.3	11.7	19.0	
Profit from ordinary activities before tax	829.7	482.6	1,312.3	
Underlying income tax (expense)/benefit	(200.8)	(117.4)	(318.1)	
Underlying NPAT from ordinary activities	628.9	365.2	994.2	
Net (profit)/loss attributable to non-controlling interests	(15.4)	(12.4)	(27.8)	
Underlying NPAT attributable to equity holders of BSL	613.5	352.9	966.3	

Breakdown of net finance costs

Reg-S Bonds	19.4
Syndicated bank facility charges	5.0
Finance leases	12.0
Amortisation of borrowing costs and present value charges (non-cash)	4.8
Other finance costs (incl NS BlueScope interest costs)	13.8
Less, interest income	(19.0)
Total net interest	36.0

24.2% effective underlying tax rate

SUMMARY OF FINANCIAL ITEMS BY SEGMENT

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Sales revenue

\$M	FY2018	1H FY2019	2H FY2019	FY2019
North Star BlueScope Steel	1,923.9	1,265.0	1,110.8	2,375.7
Australian Steel Products	5,423.2	2,869.9	2,837.6	5,707.5
Building Products Asia & North America	2,693.8	1,481.2	1,398.2	2,879.4
New Zealand and Pacific Steel	833.6	463.5	424.6	888.1
Buildings North America	1,106.4	587.4	590.6	1,178.0
Intersegment, Corporate & Discontinued	(431.2)	(259.7)	(223.5)	(483.1)
Total	11,549.7	6,407.3	6,138.3	12,545.6

Underlying EBITDA

\$M	FY2018	1H FY2019	2H FY2019	FY2019
North Star BlueScope Steel	485.6	441.4	274.2	715.6
Australian Steel Products	769.4	424.1	322.9	747.0
Building Products Asia & North America	258.6	115.2	90.8	206.0
New Zealand and Pacific Steel	156.1	96.6	32.4	129.0
Buildings North America	94.1	32.0	41.4	73.4
Intersegment, Corporate & Discontinued	(119.2)	(53.6)	(56.0)	(109.6)
Total	1,644.6	1,055.7	705.7	1,761.4

Total steel despatches

'000 tonnes	FY2018	1H FY2019	2H FY2019	FY2019
North Star BlueScope Steel	2,104.7	1,036.4	1,073.9	2,110.4
Australian Steel Products	3,116.6	1,466.9	1,648.7	3,115.7
Building Products Asia & North America	1,758.1	848.2	819.1	1,667.3
New Zealand and Pacific Steel	650.1	307.5	299.8	607.3
Buildings North America	237.7	119.2	107.3	226.5
Intersegment, Corporate & Discontinued	(276.1)	(123.8)	(151.9)	(276.0)
Total	7,591.1	3,654.4	3,796.9	7,451.2

Underlying EBIT

\$M	FY2018	1H FY2019	2H FY2019	FY2019
North Star BlueScope Steel	430.6	411.6	243.2	654.7
Australian Steel Products	587.4	319.0	216.4	535.4
Building Products Asia & North America	184.5	78.8	55.5	134.2
New Zealand and Pacific Steel	111.7	71.9	8.7	80.6
Buildings North America	74.6	22.1	31.3	53.4
Intersegment, Corporate & Discontinued	(119.5)	(53.8)	(56.4)	(110.0)
Total	1,269.3	849.6	498.7	1,348.3

CASH FLOW STATEMENT

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\$M	FY2018	FY2019	1H FY2019	2H FY2019
Reported EBITDA	1,839.5	1,753.8	1,046.1	707.7
Adjust for other cash profit items	(228.3)	(22.0)	(0.7)	(21.3)
Cash from operations	1,611.2	1,731.8	1,045.4	686.4
Working capital movement (inc provisions)	(308.1)	179.4	(241.4)	420.8
Gross operating cash flow	1,303.1	1,911.2	804.0	1,107.2
Financing costs	(104.7)	(56.5)	(28.8)	(27.7)
Interest received	8.7	17.1	6.8	10.3
Income tax paid ¹	(66.4)	(189.5)	(128.8)	(60.7)
Net operating cash flow	1,140.7	1,682.3	653.2	1,029.1
Capex: payments for P, P & E and intangibles ²	(409.9)	(378.2)	(160.4)	(217.8)
Other investing cash flow	29.5	(10.0)	(54.4)	44.4
Net cash flow before financing	760.3	1,294.1	438.4	855.7
Buy-backs of equity ³	(300.3)	(502.0)	(292.9)	(209.1)
Dividends to non-controlling interests	(64.9)	(43.4)	(12.1)	(31.3)
Dividends to BSL shareholders	(61.7)	(75.8)	(43.8)	(32.0)
Net drawing / (repayment) of borrowings	(154.6)	18.8	12.7	6.1
Other	0.0	(3.6)	-	(3.6)
Net increase/(decrease) in cash held	178.8	688.1	102.3	585.8

Includes favourable impact of timing benefit on working capital of approximately \$150M in 2H FY2019

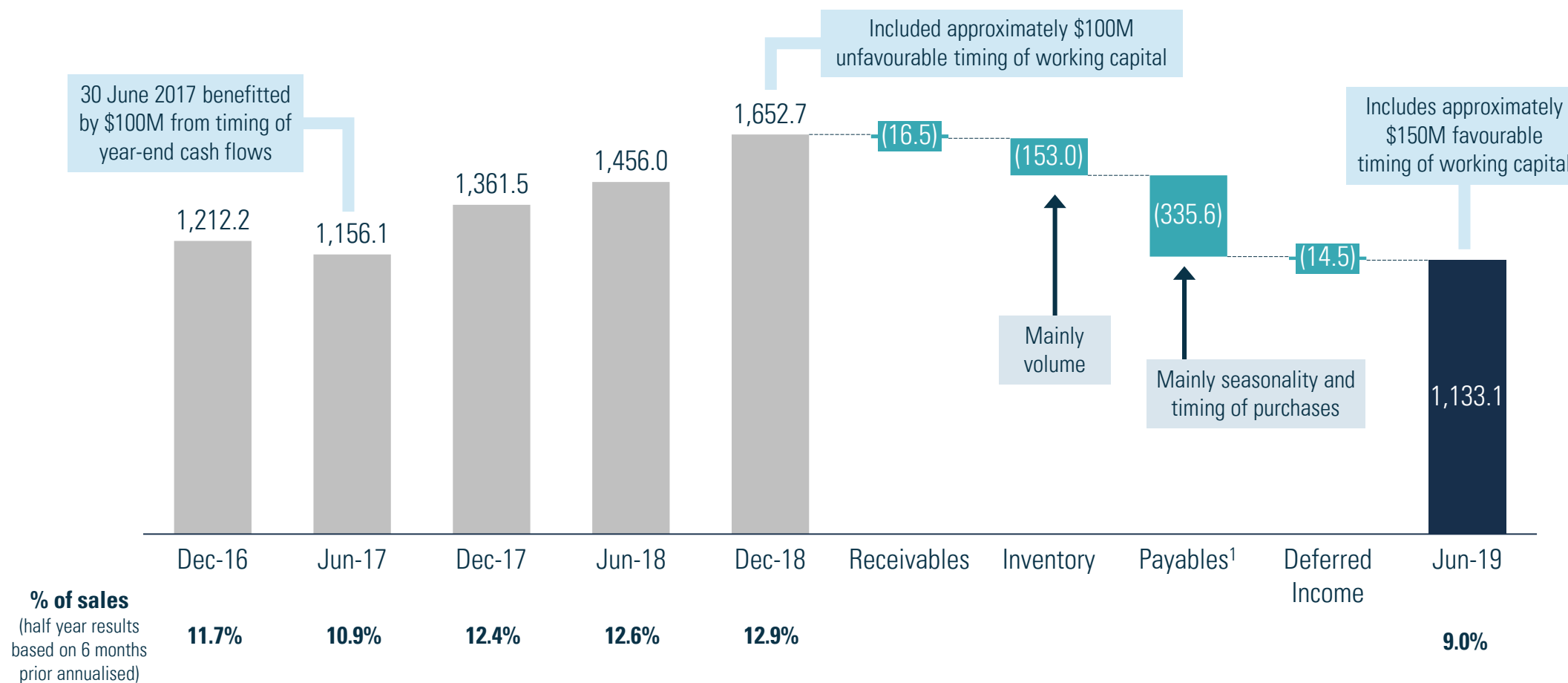
Higher in FY2019 due to increased earnings in the US and China, as well as early and deferred payments of FY2018 tax in FY2017 and FY2019 respectively

Acquisition of 15% stake Steel & Tube NZ during 1H, and proceeds from China land sale in 2H

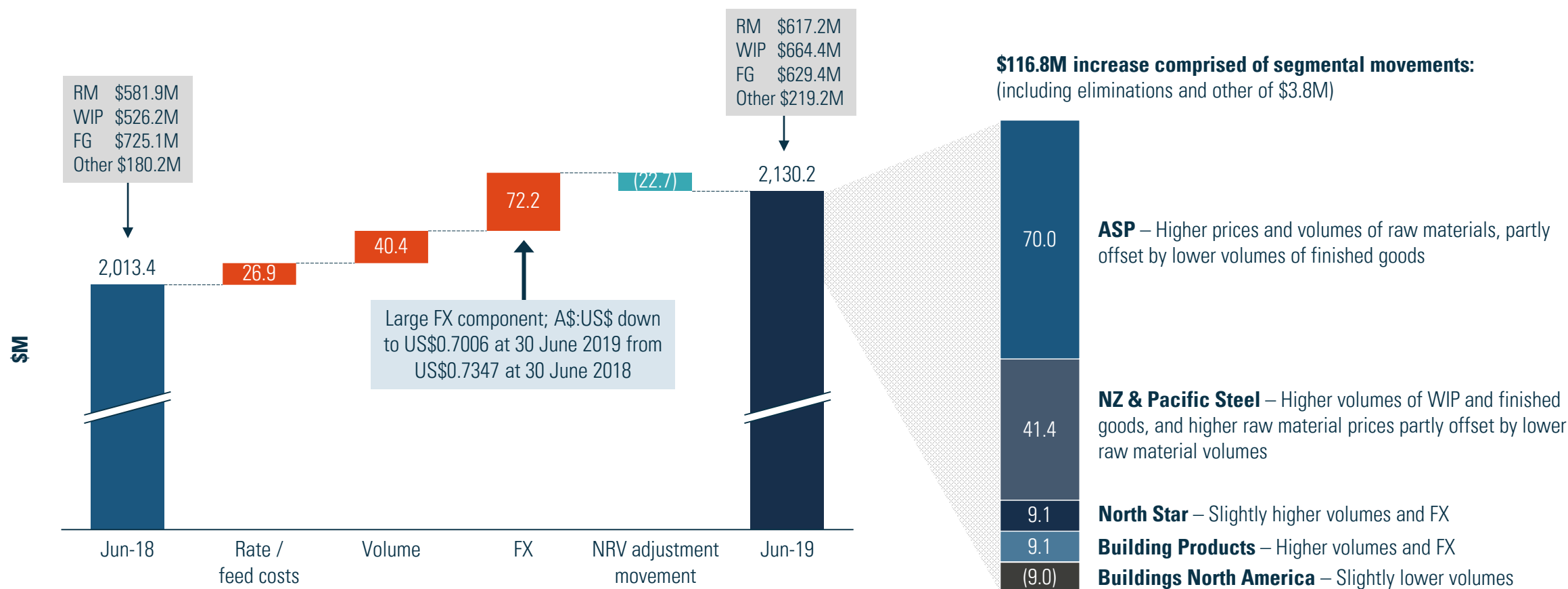


- (1) As at 30 June 2019 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately \$1.43n. There will be no Australian income tax payments until these losses are recovered
- (2) FY2019 cash capex of \$378.2M; new capital commitments of \$401.1M
- (3) FY2019 cash flow for buy-backs of equity of \$502M differs from announced FY2019 share buy-backs due to timing of settlements

Increased inventory due to strong demand and FX the main driver of higher than normal working capital



Increase in inventory driven by rate, volume and FX, on the back of high activity levels and a softening A\$



\$M	30 Jun 2018	31 Dec 2018	30 Jun 2019
Assets			
Cash	944.4	1,057.0	1,644.5
Receivables *	1,485.6	1,276.4	1,259.9
Inventory *	2,013.4	2,283.1	2,130.2
Property, Plant & Equipment	4,049.3	4,085.5	4,147.5
Intangible Assets	1,747.0	1,800.5	1,827.0
Other Assets	691.4	694.0	688.0
Total Assets	10,931.0	11,196.5	11,697.1
Liabilities			
Trade & Sundry Creditors *	1,812.2	1,717.8	2,053.4
Capital & Investing Creditors	53.0	36.0	76.9
Borrowings	880.8	929.5	951.8
Deferred Income *	230.8	189.0	203.6
Retirement Benefit Obligations	280.9	363.5	300.4
Provisions & Other Liabilities	785.7	716.3	769.5
Total Liabilities	4,043.4	3,952.1	4,355.6
Net Assets	6,887.6	7,244.4	7,341.5
Note *: Items included in net working capital	1,456.0	1,652.7	1,133.1

COMMITTED DEBT FACILITIES AS AT 30 JUNE 2019

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	Maturity	Committed		Drawn
		Local currency	A\$M	A\$M
Syndicated Bank Facility				
- Tranche 1	Aug 2021	A\$250M	A\$250M	A\$0M
- Tranche 2	Aug 2022	A\$250M	A\$250M	A\$0M
Reg-S Bonds	May 2023	US\$300M	A\$428M	A\$428M
Inventory Finance	Aug 2020	US\$55M	A\$79M	A\$0M
NS BlueScope JV facilities (100%)				
- Corporate facilities	Aug 2019 – Mar 2022	US\$277M	A\$395M	A\$185M
- Thailand facilities	Jan 2020 – Dec 2025	THB 4,300M	A\$199M	A\$125M
- Malaysian facilities	Mar 2020 – Jul 2020	MYR 200M	A\$69M	A\$51M
Finance leases	Various	A\$120M	A\$120M	A\$120M
Total			A\$1,790M	A\$909M

- In addition to debt facilities, BlueScope has:
 - \$493M of off-balance sheet securitisation programs, which were fully drawn at 30 June 2019, and
 - other items in total debt of \$43M

INDICATIVE HALF YEAR EBIT SENSITIVITIES¹

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Sensitivities may vary subject to volatility in prices, currencies and market dynamics – refer to page 91

Australian Steel Products segment		New Zealand Steel & Pacific Steel segment		North Star segment	
+/- US\$10/t move in average benchmark hot rolled coil price		+/- US\$10/t move in benchmark steel prices (HRC and rebar)		+/- US\$10/t move in realised HRC spread	+/- \$14-15M
- direct sensitivity ²	+/- \$6-7M	- direct sensitivity ⁹	+/- \$1M	(HRC price less cost of scrap and pig iron)	
- indirect sensitivity ³	+/- \$7-9M	- indirect sensitivity ¹⁰	+/- \$3-4M		
+/- US\$10/t move in iron ore costs	-/+ \$31M	+/- US\$10/t move in market-priced coal costs ¹¹	-/+ \$3M		
+/- US\$10/t move in coal costs ⁴	-/+ \$13-14M	+/- 1¢ move in AUD:USD exchange rate			
+/- 1¢ move in AUD:USD exchange rate		- direct sensitivity ⁵	-/+ \$1M ⁸		
- direct sensitivity ⁵	+/- \$3-4M ⁷	- indirect sensitivity ¹²	-/+ \$3M ⁸		
- indirect sensitivity ⁶	-/+ \$7-10M ⁸				
				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 1H FY2020 base exchange rate of US\$0.70. 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 Steel 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 (A\$M)

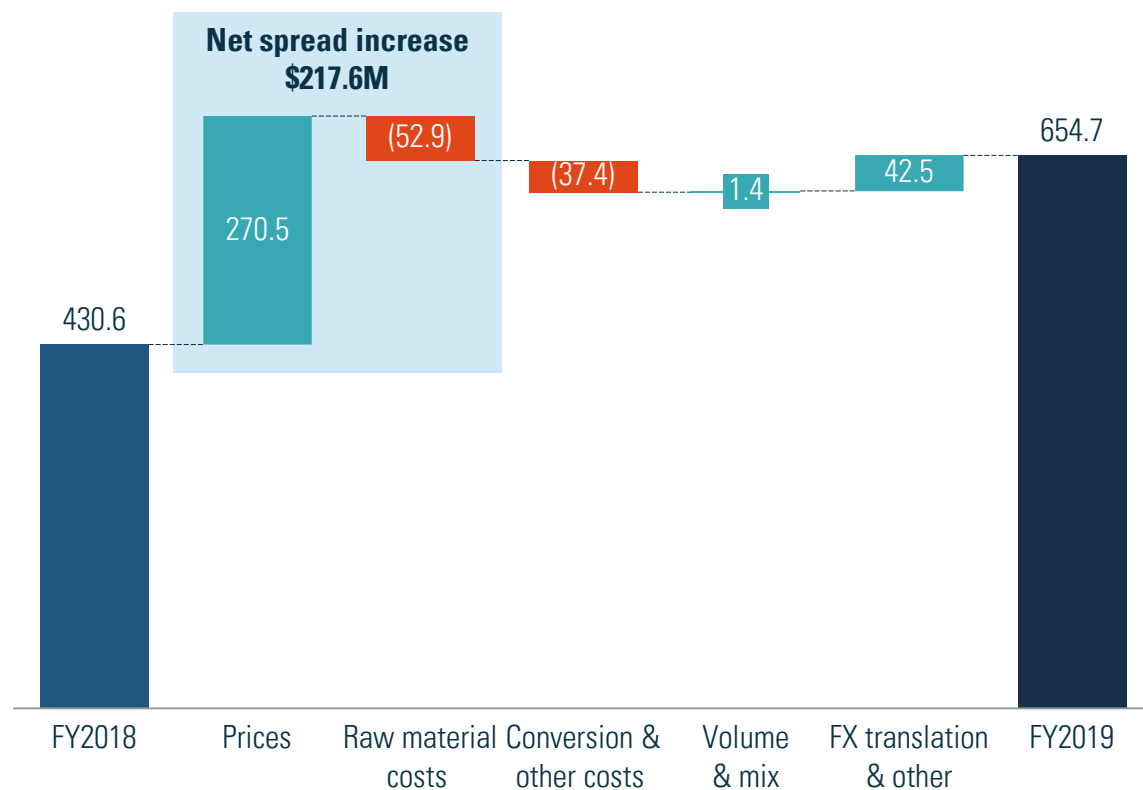
\$M unless marked	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	1,923.9	1,265.0	1,110.8	2,375.7
Underlying EBITDA	485.6	441.4	274.2	715.6
Underlying EBIT	430.6	411.6	243.2	654.7
Reported EBIT	430.6	411.6	243.2	654.7
Capital & investment expenditure	26.6	13.8	27.6	41.3
Net operating assets (pre tax)	1,820.8	1,930.9	1,850.2	1,850.2
Total steel despatches (kt)	2,104.7	1,036.4	1,073.9	2,110.4

Key segment financial items (US\$M)

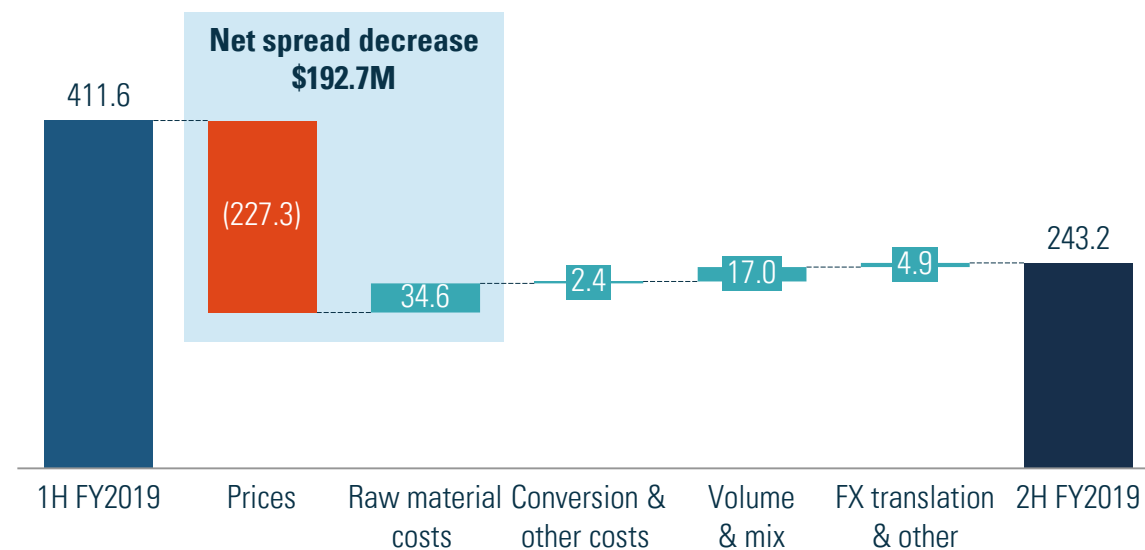
US\$M	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	1,488.4	916.3	784.6	1,700.9
Underlying EBITDA	374.3	320.0	194.3	514.3
Underlying EBIT	331.7	298.4	171.9	470.1
Reported EBIT	331.7	298.4	171.9	470.1
Capital & investment expenditure	20.5	10.0	19.3	29.3
Net operating assets (pre tax)	1,337.7	1,399.8	1,296.2	1,296.2

Underlying EBIT variance

FY2019 vs FY2018 (\$M)



2H FY2019 vs 1H FY2019 (\$M)



Financial and despatch summaries

Key segment financial items

\$M unless marked	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	5,423.2	2,869.9	2,837.6	5,707.5
Underlying EBITDA	769.4	424.1	322.9	747.0
Underlying EBIT	587.4	319.0	216.4	535.4
Reported EBIT	803.4	319.0	208.5	527.5
Capital & investment expenditure	170.4	76.5	124.6	201.1
Net operating assets (pre tax)	2,478.5	2,488.4	2,229.9	2,229.9
Total steel despatches (kt)	3,116.6	1,467.0	1,648.7	3,115.7

Despatches breakdown

'000 Tonnes	FY2018	1H FY2019	2H FY2019	FY2019
Hot rolled coil	580.9	301.9	254.0	555.9
Plate	296.3	145.3	134.8	280.0
CRC, metal coated, painted & other ¹	1,327.5	659.9	615.5	1,275.5
Domestic despatches of BSL steel	2,204.7	1,107.1	1,004.3	2,111.4
Channel despatches of ext sourced steel ²	162.6	79.8	59.6	139.4
Domestic despatches total	2,367.3	1,186.9	1,063.9	2,250.8
Hot rolled coil	264.0	81.1	312.2	393.2
Plate	31.0	17.3	10.0	27.3
CRC, metal coated, painted & other ¹	451.9	180.5	261.1	441.8
Export despatches of BSL steel	746.9	278.9	583.3	862.3
Channel despatches of ext sourced steel	2.4	1.2	1.5	2.6
Export despatches total	749.3	280.1	584.8	864.9
Total steel despatches³	3,116.6	1,467.0	1,648.7	3,115.7
Export coke despatches	568.1	407.4	268.8	676.1

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

2) Primarily long products sold through downstream business

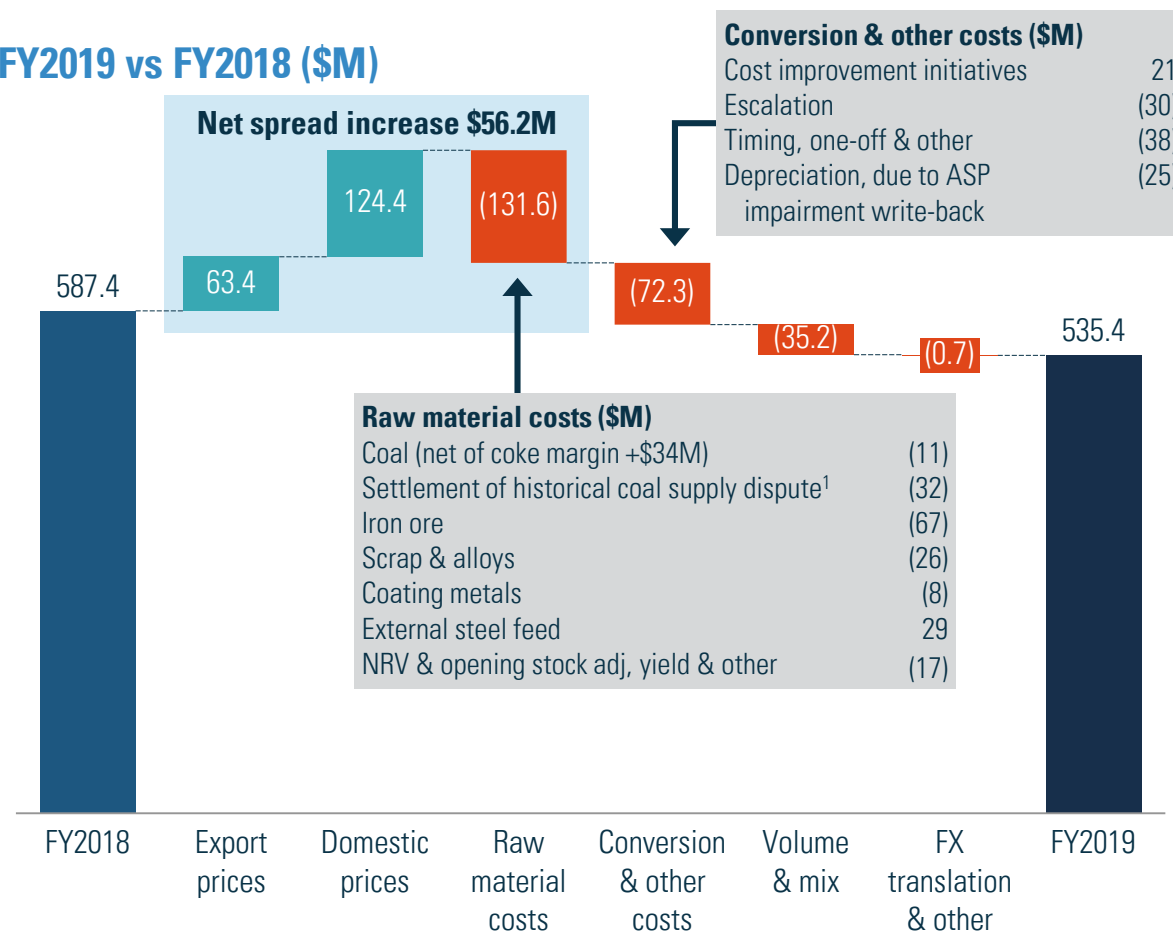
3) Includes the following sales through downstream channels (formerly BCDA segments)

(5.5) (12.5) 24.3 11.8

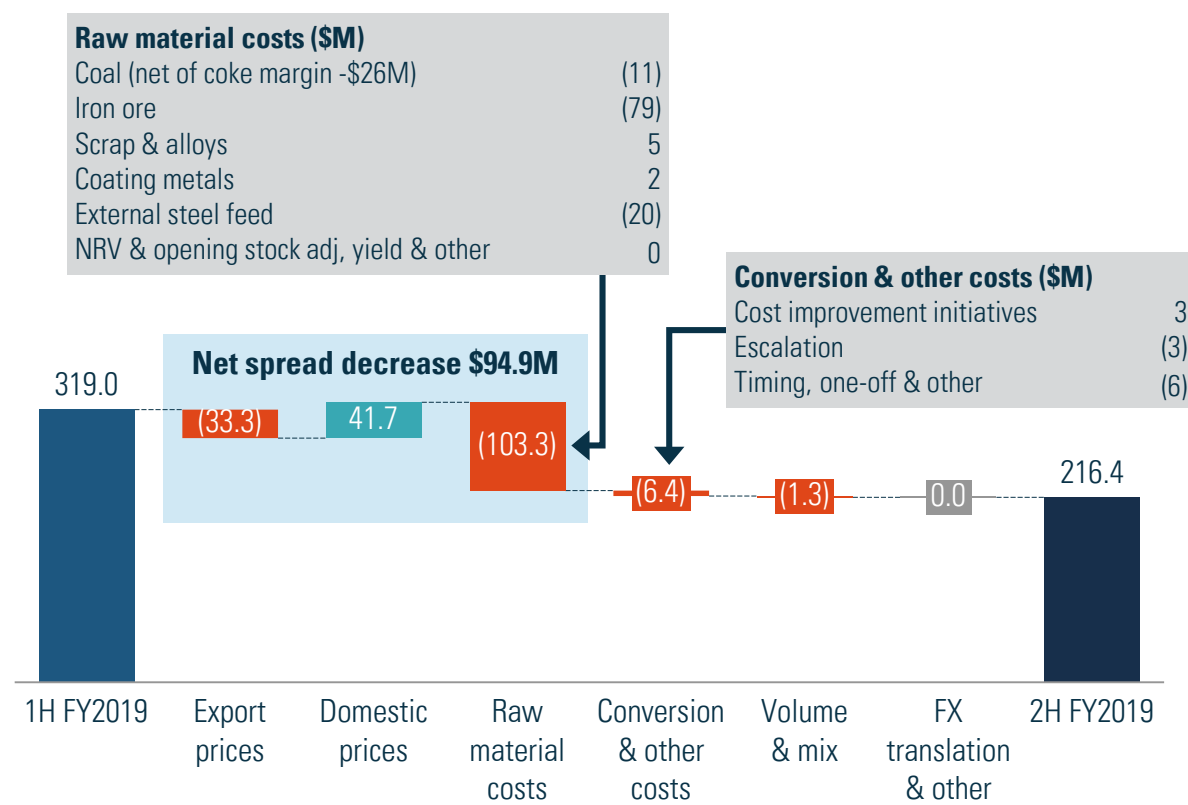
932.5 469.7 419.4 889.1

Underlying EBIT variance

FY2019 vs FY2018 (\$M)

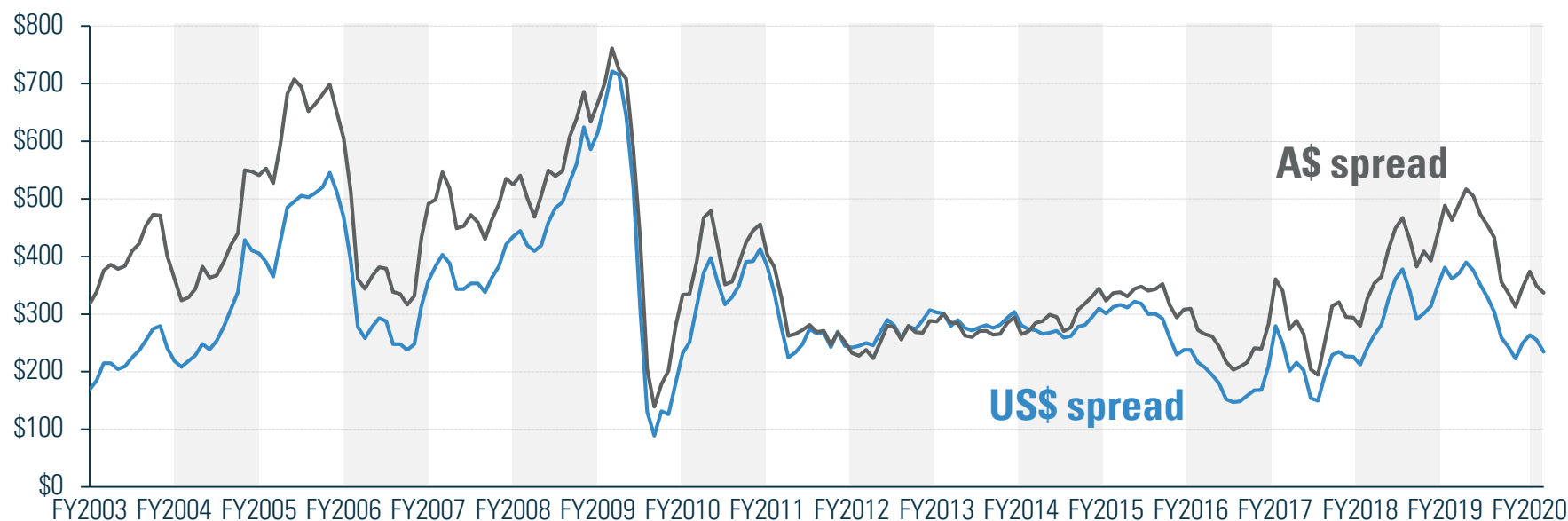


2H FY2019 vs 1H FY2019 (\$M)



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

Indicative steelmaker HRC lagged spread



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.

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	1H FY2019	2H FY2019	FY2019	Spot ¹
East Asian HRC price, lagged (US\$/t)	603	560	497	317	419	535	592	525	559	490
Indicative spread with pricing lags (US\$/t)	286	276	292	182	214	303	372	268	320	[257]
Indicative spread with pricing lags (A\$/t)	278	295	331	247	284	390	490	373	431	380
A\$:US\$ (3 month lag)	1.03	0.93	0.87	0.74	0.75	0.77	0.74	0.72	0.73	0.68

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

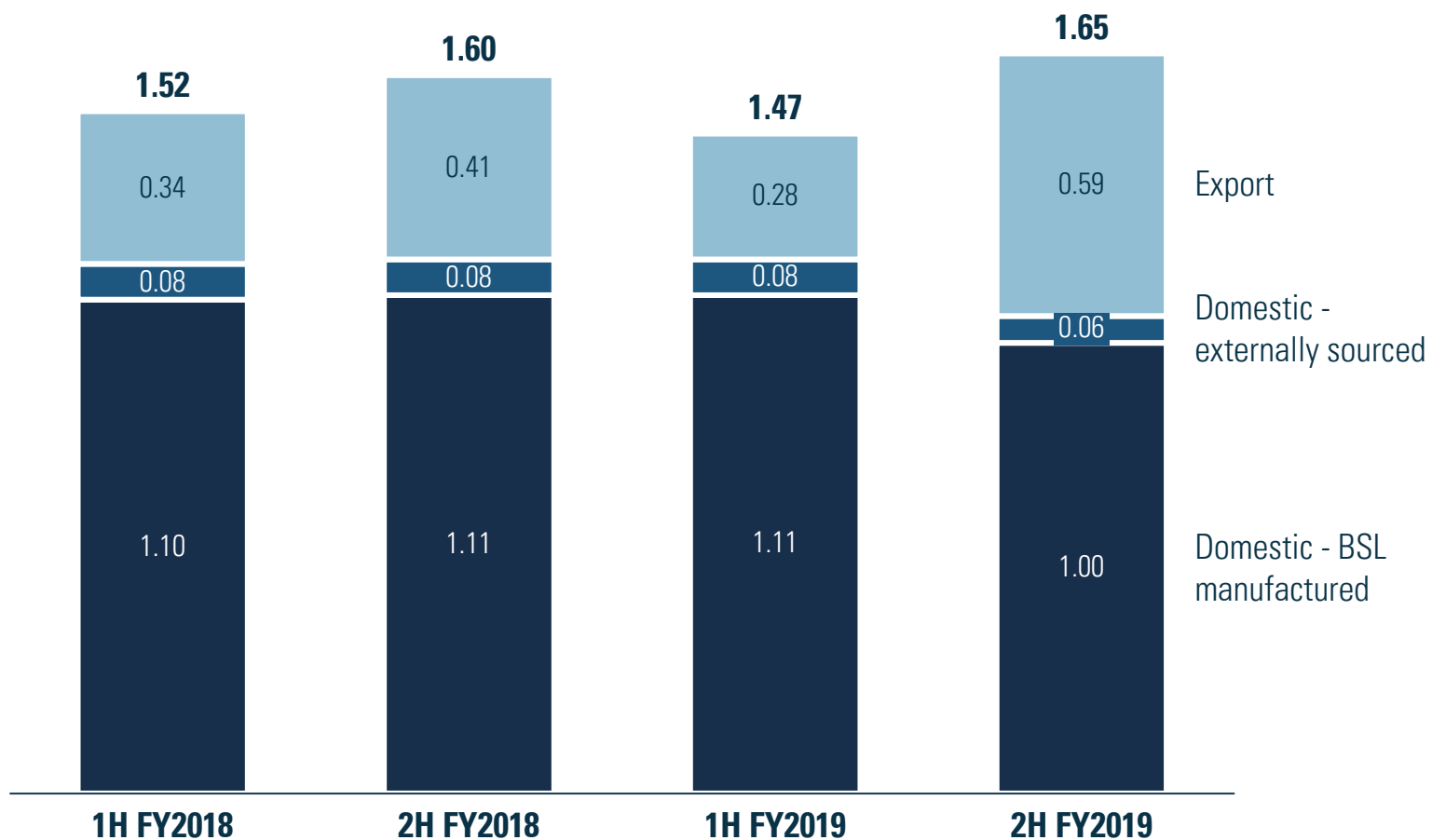
Coating metals and scrap

- Zinc & aluminium: ASP currently uses around 40kt and 14kt of zinc and aluminium respectively, now that MCL5 is fully operational. Prior to MCL5 becoming operational, this was around 37ktpa and 13ktpa 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)

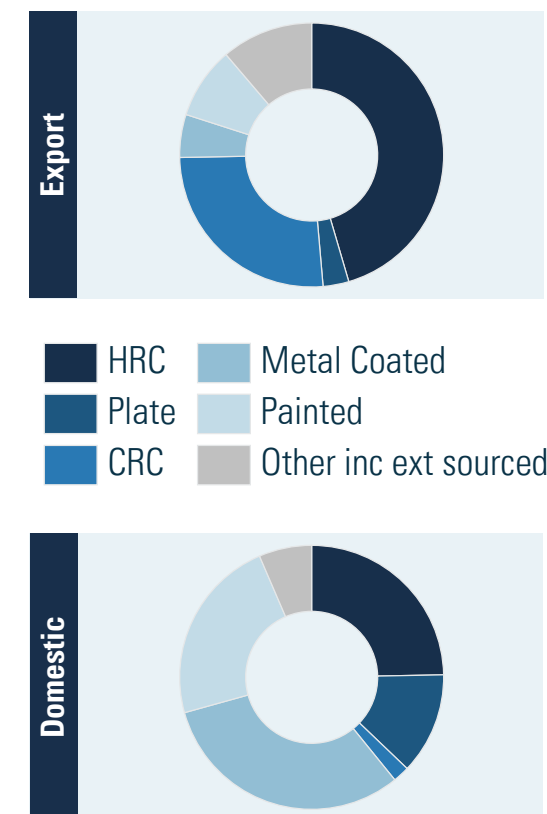
Export metallurgical coke

- 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 is largely related to movements in Chinese Coke price, which will provide a general sense of movement in earnings contribution period to period. Suggested index to monitor is the Platts Met Coke 65/66% FOB North China

Despatch mix (Mt)



FY2019 Product Mix

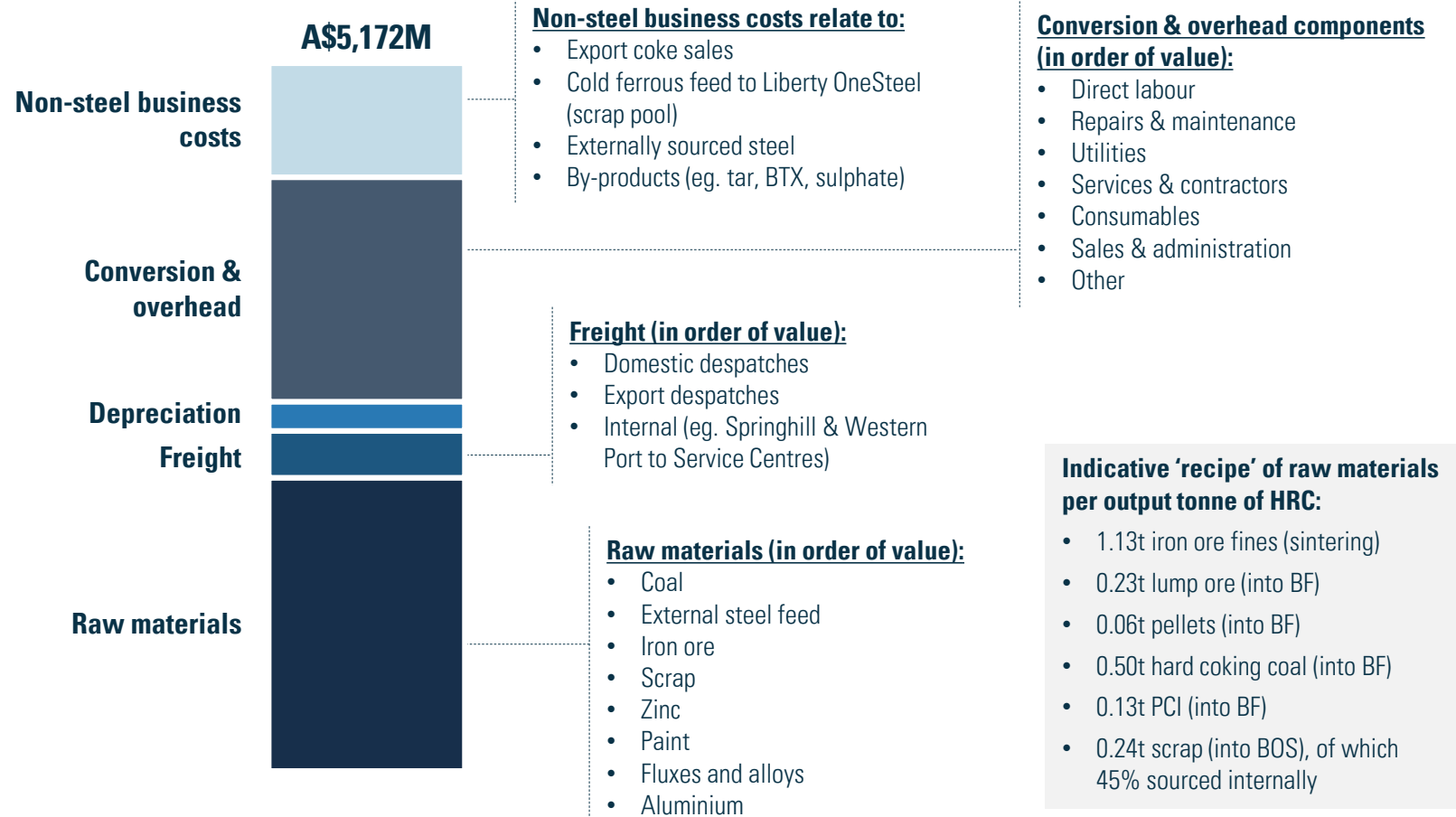


Revenue and underlying costs FY2019

Revenue



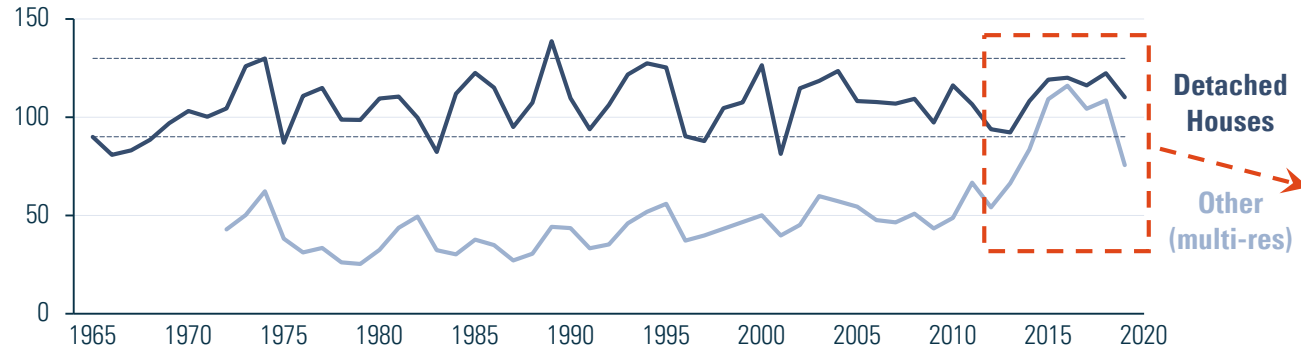
Underlying costs (to EBIT line)



Housing market correction dominated by multis, while detached demonstrating more orderly pullback

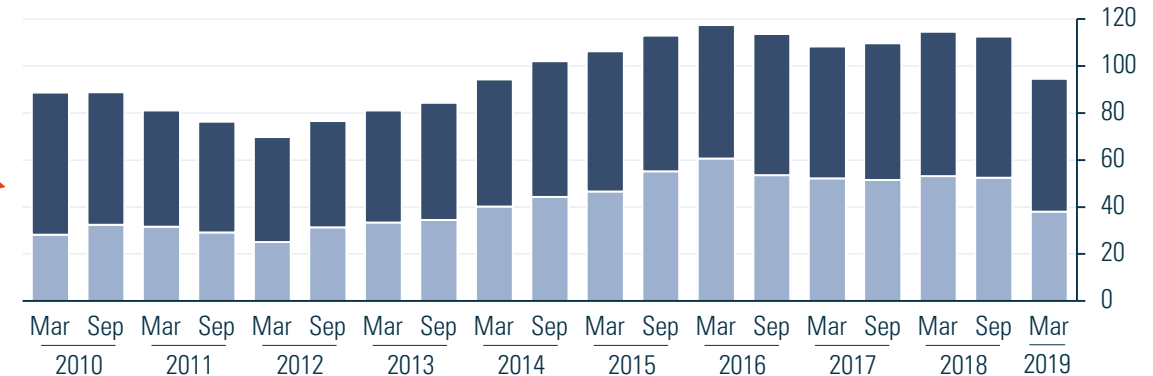
Long-Term Dwelling Approvals: rolling 12 months¹ ('000)

Despite pullback, detached house approvals holding in stable historic range



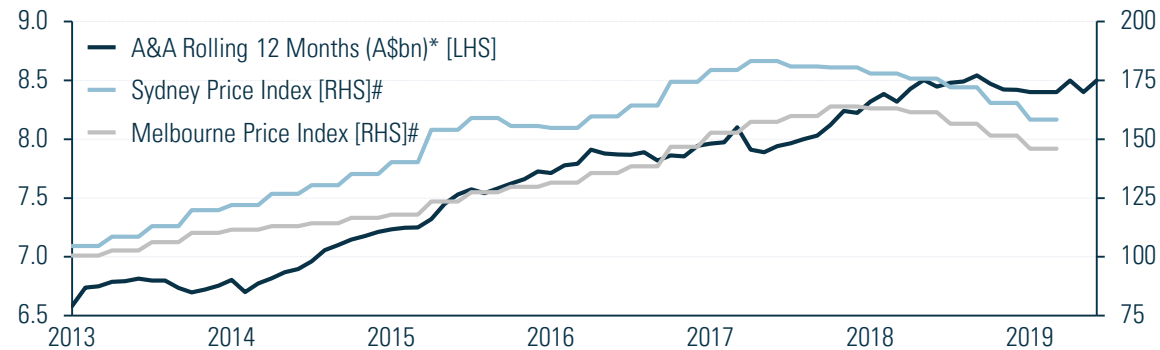
Dwelling Commencements: by halves² ('000)

Commencements have clearly peaked in current housing cycle



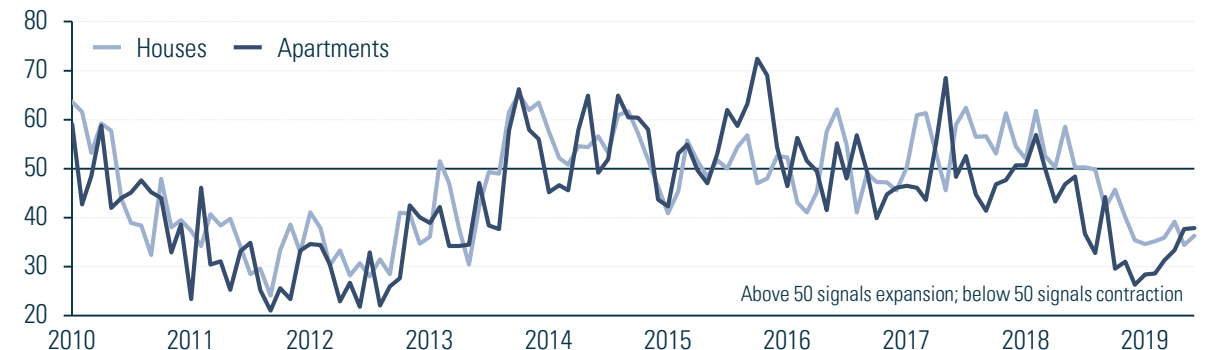
A&A Building Approvals and Established House Prices³

House prices still at levels to encourage renovations



Performance of Construction Index⁴

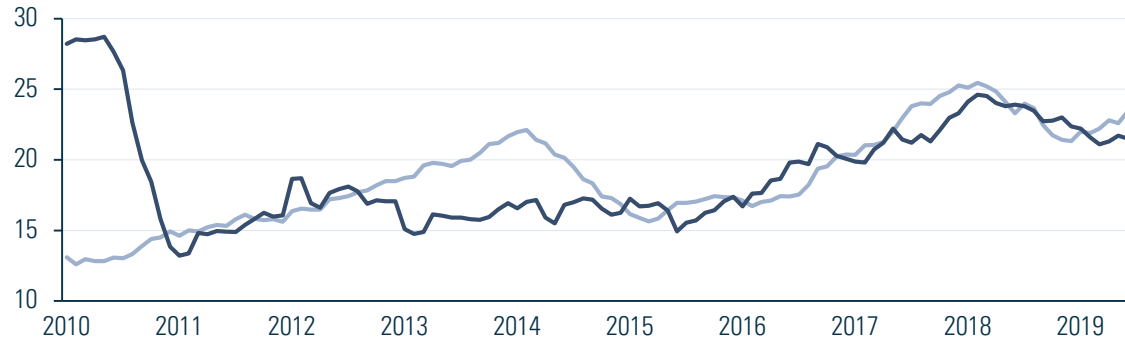
Forward indicators of housing activity showing signs of bottoming



Non-residential approvals and work done remain robust

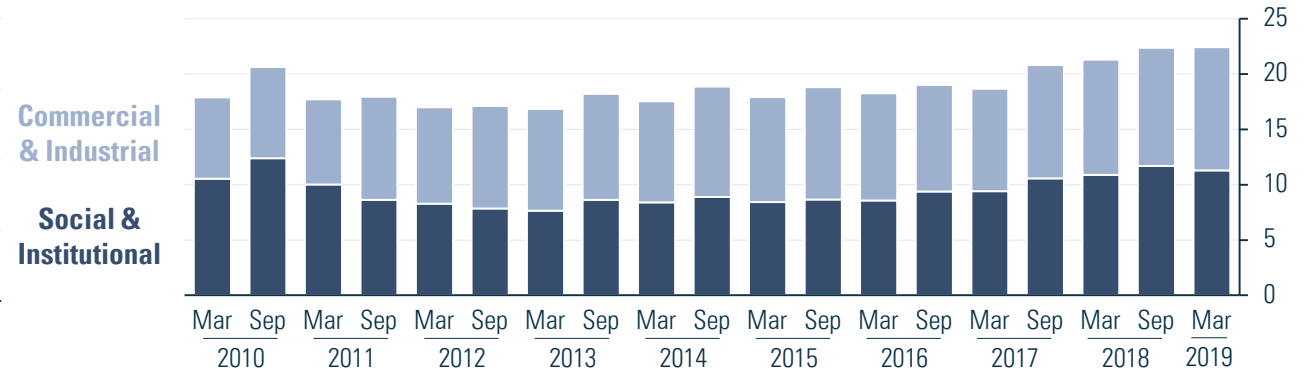
Non-Residential Building Approvals: rolling 12 months¹ (A\$bn)

Approvals remain at robust levels, improving post election



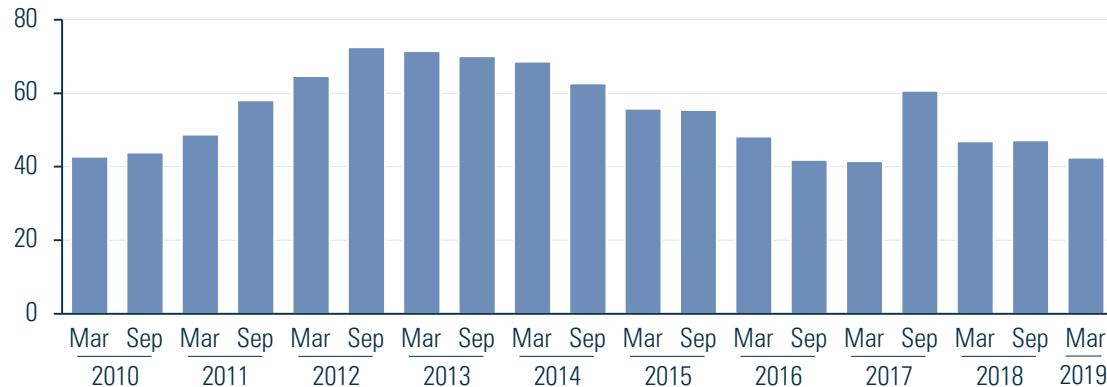
Non-Residential Work Done: by halves² (A\$bn)

Activity remains elevated based on strong approvals growth



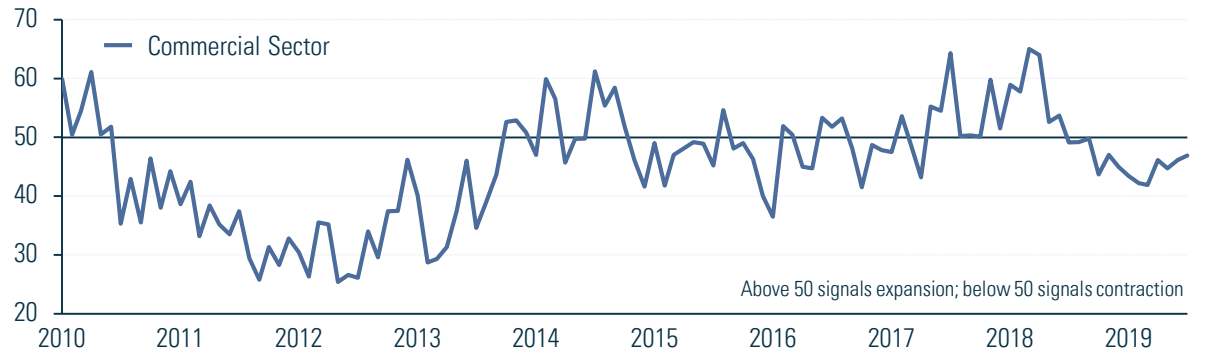
Engineering Construction Work Done: by halves³ (A\$bn)

Pullback driven by LNG, but sizeable investment in infrastructure remains



Performance of Construction Index⁴

Sentiment recovering following softer confidence through election period



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



Colorbond®

Truecore®

Zincalume®

Channels

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

LYSAGHT®

Orrcon Steel

FIELDERS®

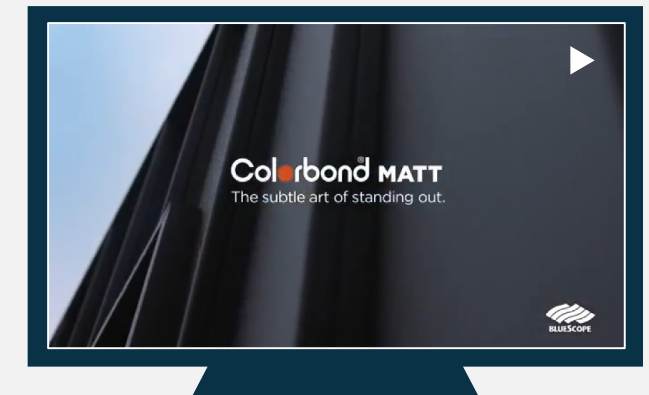
RANBUILD



Recent marketing campaigns



COLORBOND® Matt steel campaign

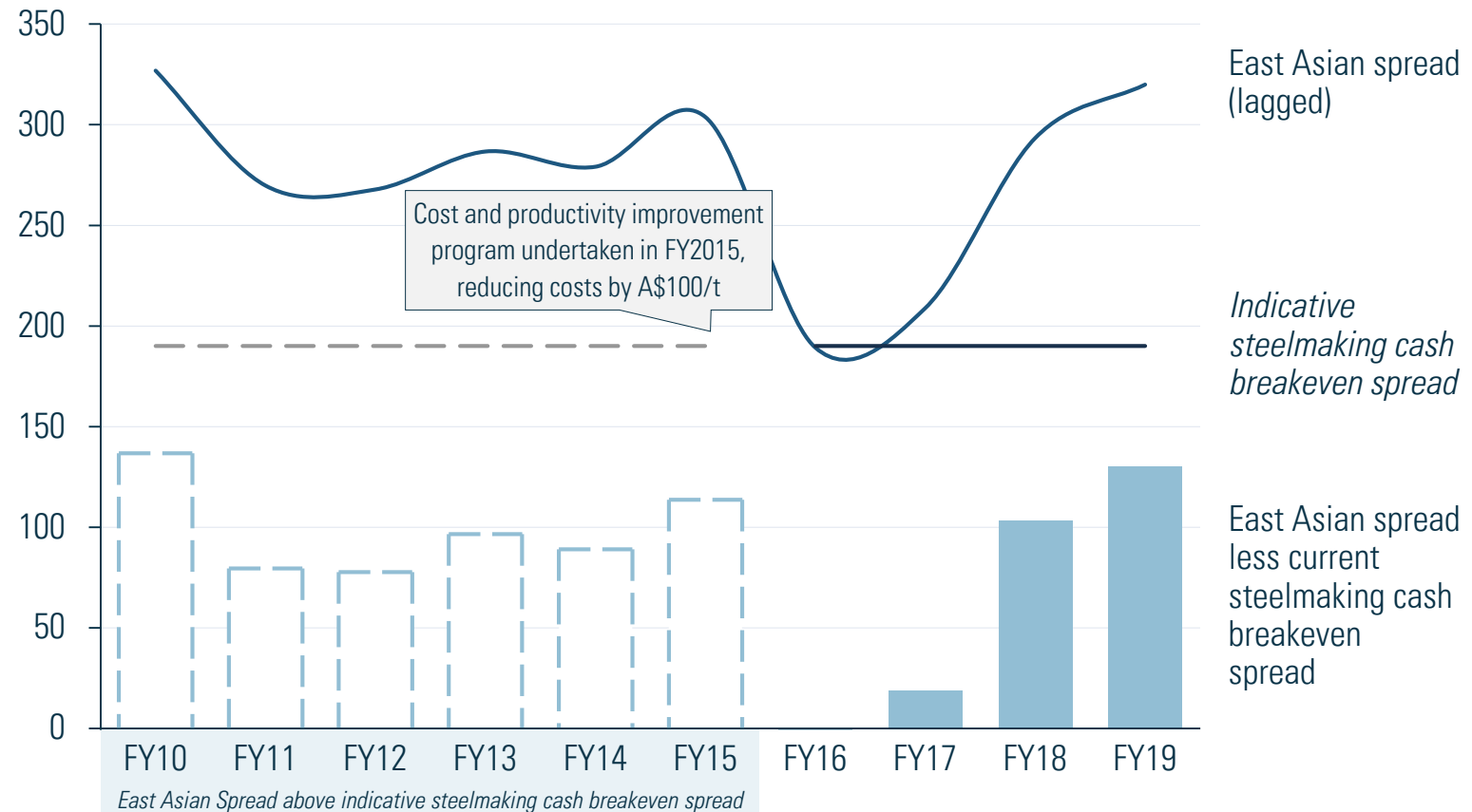


- Building on the iconic brand, COLORBOND® Matt steel is the result of a strong focus on differentiation and innovation
- “The Subtle Art of Standing Out” campaign with photographer Murray Fredricks targets end users and decision makers, such as architects, builders and specifiers

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)

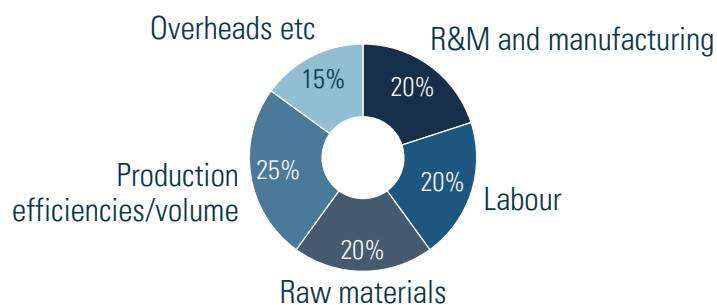


Robust earnings and cash flows through the cycle – a fundamentally different business to FY2015

Earnings transformation

- The Australian Steel Products business went through a fundamental transformation from FY2015 to FY2017
 - Achieved a \$300M structural cost reduction into FY2017

Composition of cost reduction

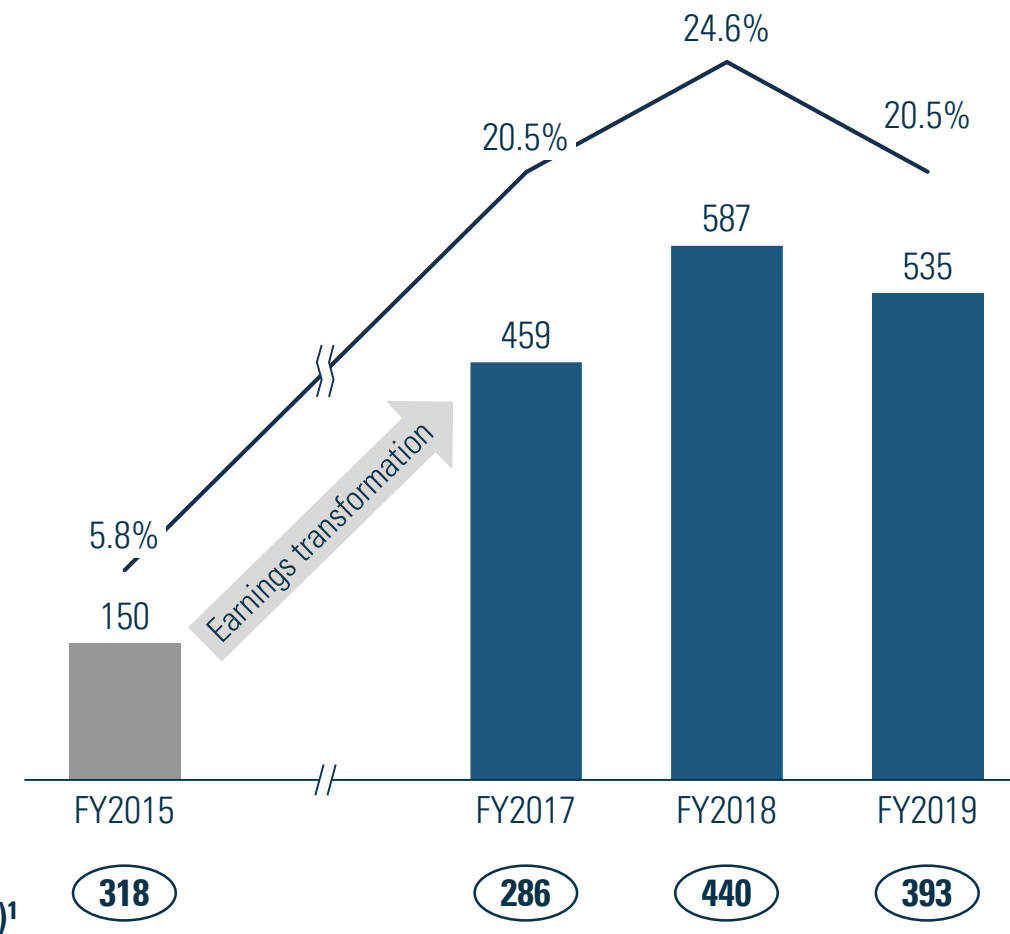


Cost savings of **~\$300M** achieved in FY2017 off the FY2015 cost base, net of escalation

Recent impacts on cost

- Energy costs increased materially in FY2018, and although now stabilised, costs remain high
- Recent EA, settled in June will increase labour costs over the next three years
- Whilst costs may show escalation within half and even full year periods, our focus is on delivering efficiency and productivity gains to offset escalation over the medium term
- Overarching focus is to retain the benefit of the major cost reduction** through a highly disciplined approach to cost management and productivity

ASP underlying EBIT (\$M) and ROIC (%)



East Asia
Spread (A\$/t)¹

318

286

440

393

Disciplined approach to retain the benefit of structural cost reduction; increasing focus on automation and robotics

- Cost reductions will increasingly be driven through automation and robotics in the manufacturing process
- Process innovation will drive continuous improvement initiatives, reducing costs and increasing productivity
- Energy cost headwinds remain, however are being offset in part by innovative initiatives, including
 - Solar power purchase agreement
 - Internal energy generation
 - Improving energy efficiency through equipment upgrades (e.g. LED lighting)
 - Participation in load shedding

Automated slab yard cranes

- Retrofitting existing slab handling cranes with automation hardware and software
- Upgrade to drive important productivity and cost efficiency gains through reduced downtime and increased operational accuracy



Automated BOS Limekiln

- Automation of the Limekiln, which provides Burnt Lime and Burnt Dolomite for Basic Oxygen Steelmaking
- Reduced labour requirements and improved efficiency, resulting in lower costs and increased capacity, creating opportunity to on-sell materials



PCI injection performance

- Higher rates of injection and use of low volatile PCI coal in the blast furnace has resulted in a more stable and consistent flow cycle
- This has reduced costs, improved efficiency of the blast furnace process and optimised raw material mix



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



DATA VISUALISATION

Finishing mill example:

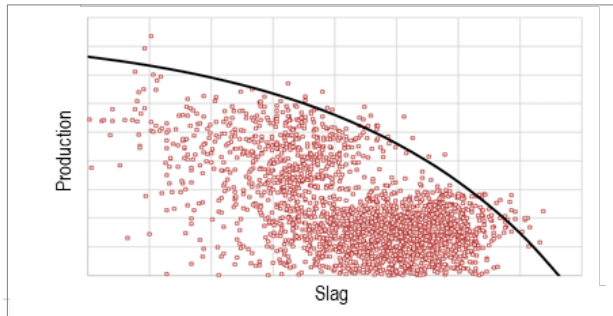
- Improved data visualisation, additions of sensors and data analytics at the finishing mill
 - Will further reduce production disruptions and the need for manual intervention on the line



ADVANCED ANALYTICS

Value-in-use model example:

- Advanced analytics has improved the performance of the value-in-use model used to inform raw materials sourcing and usage decisions
 - Improving optimisation of raw material sourcing and usage mix



ROBOTICS AND AUTOMATION

Automated coil field example:

- Automation of coil storage and processing for rollforming
 - Eliminating need for forklifts, reducing costs and safety risks and improving line efficiency, accuracy and throughput



Financial and despatch summaries

Key segment financial items

\$M unless marked	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	2,693.8	1,481.2	1,398.2	2,879.4
Underlying EBITDA	258.6	115.2	90.8	206.0
Underlying EBIT	184.5	78.8	55.5	134.2
Reported EBIT	188.3	74.0	(10.1)	63.9
Capital & investment expenditure	132.0	34.8	106.0	140.8
Net operating assets (pre tax)	1,445.8	1,605.3	1,489.3	1,489.3
Total steel despatches (kt)	1,758.1	848.2	819.1	1,667.3

Revenue by business

\$M	FY2018	1H FY2019	2H FY2019	FY2019
Thailand	532.9	249.4	297.3	546.7
Indonesia	330.4	147.9	133.0	280.9
Malaysia	266.3	143.2	123.2	266.4
Vietnam	204.2	114.0	95.0	209.0
North America	825.2	462.4	429.5	892.0
India ¹	-	-	-	-
China	560.5	379.0	321.3	700.3
Other / Eliminations	(25.7)	(14.7)	(1.1)	(15.9)
Total	2,693.8	1,481.2	1,398.2	2,879.4

Despatches by business

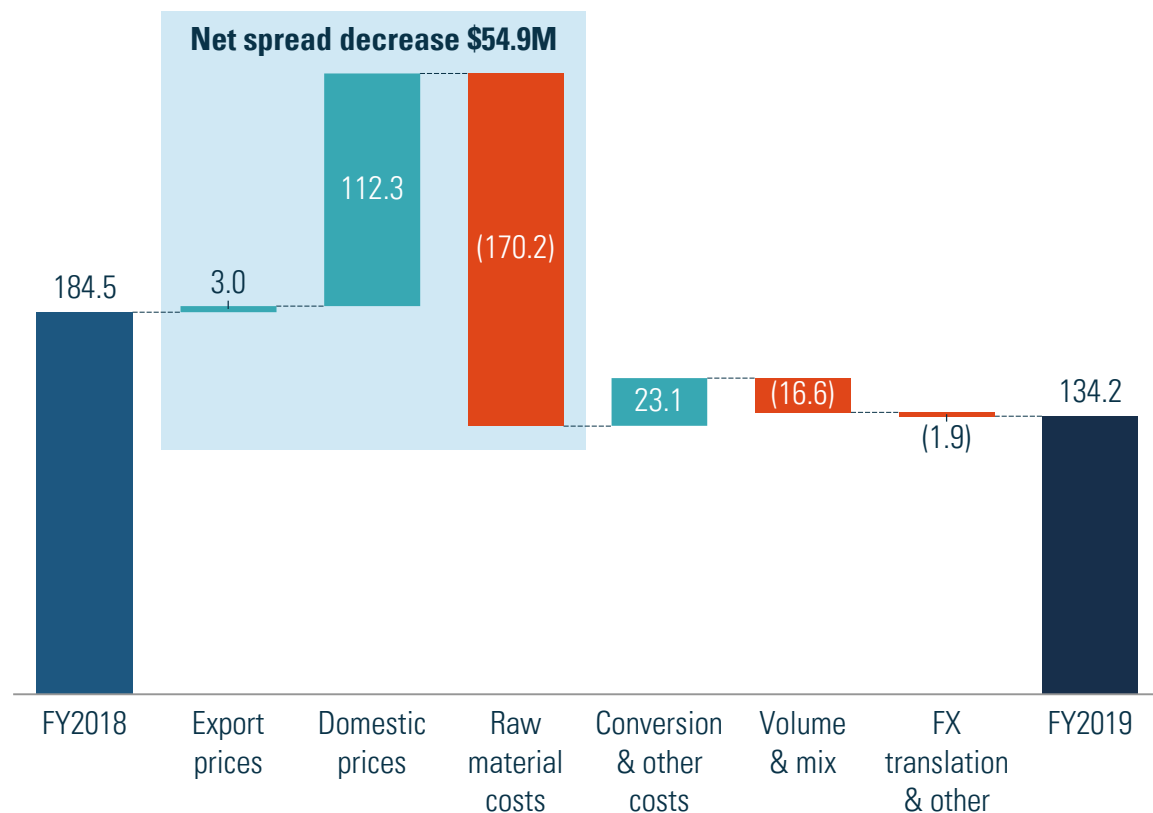
'000 Tonnes	FY2018	1H FY2019	2H FY2019	FY2019
Thailand	377.0	158.5	182.9	341.4
Indonesia	231.9	95.3	82.3	177.6
Malaysia	168.5	90.1	76.4	166.4
Vietnam	131.6	67.6	57.9	125.5
North America	399.5	178.4	175.8	354.2
India	127.3	58.4	65.9	124.3
China	344.9	210.2	179.1	389.4
Other / Eliminations	(22.6)	-10.3	(1.2)	(11.5)
Total	1,758.1	848.2	819.1	1,667.3

Underlying EBIT by business

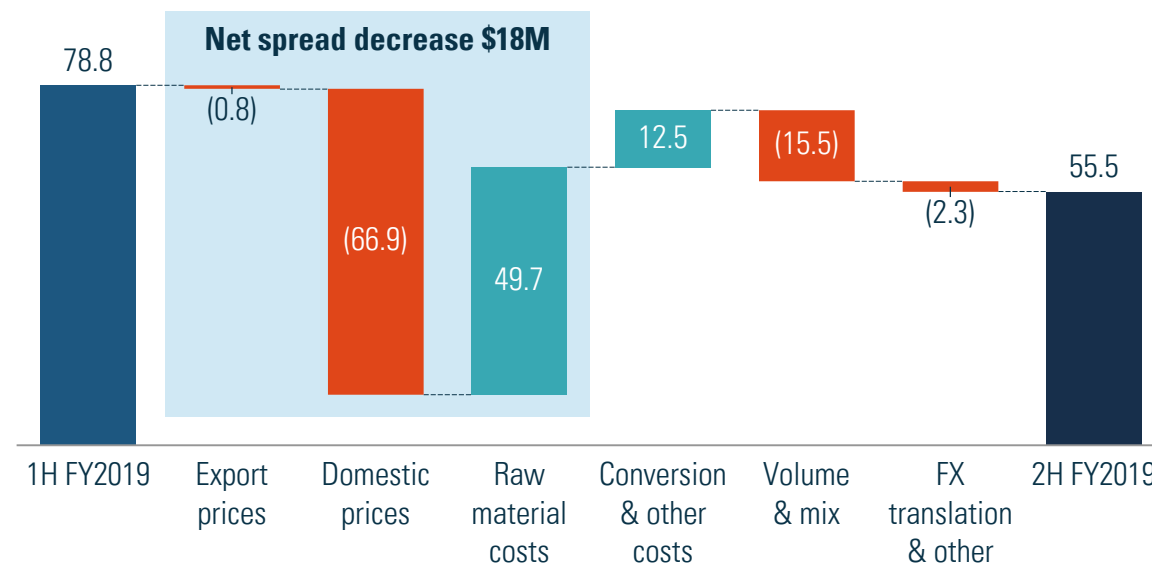
\$M	FY2018	1H FY2019	2H FY2019	FY2019
Thailand	23.7	(3.2)	13.3	10.1
Indonesia	17.1	(0.9)	5.0	4.0
Malaysia	17.2	5.2	(0.7)	4.5
Vietnam	19.4	8.1	5.4	13.5
North America	69.3	29.9	7.4	37.2
India	29.7	6.9	9.4	16.2
China	16.8	34.1	16.0	50.1
Other / Eliminations	(8.7)	(1.3)	(0.3)	(1.4)
Total	184.5	78.8	55.5	134.2

Underlying EBIT variance

FY2019 vs FY2018 (\$M)



2H FY2019 vs 1H FY2019 (\$M)



Financial and despatch summaries

Key segment financial items (A\$M)

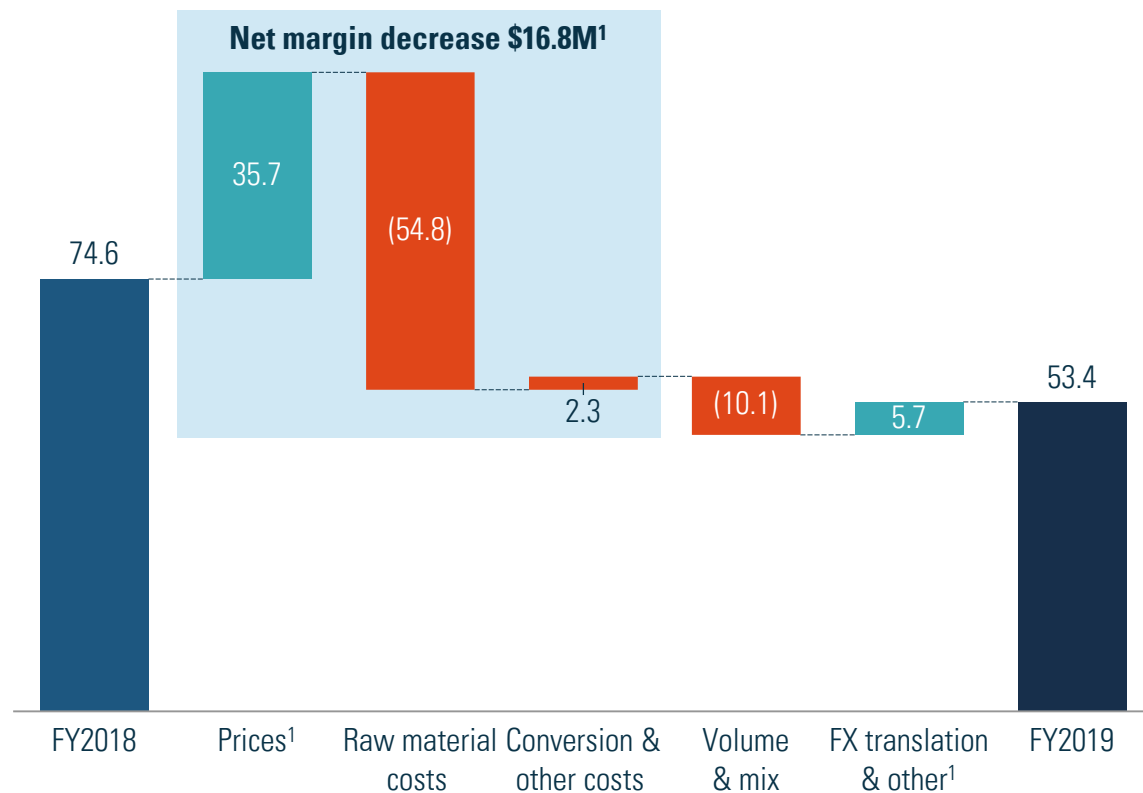
\$M unless marked	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	1,106.4	587.4	590.6	1,178.0
Underlying EBITDA	94.1	32.0	41.4	73.4
Underlying EBIT ⁽¹⁾	74.6	22.1	31.3	53.4
Reported EBIT	73.7	22.1	31.3	53.4
Capital & investment expenditure	22.8	6.5	19.5	25.9
Net operating assets (pre tax)	369.6	437.7	548.9	548.9
Total steel despatches (kt)	237.7	119.2	107.3	226.5

Key segment financial items (US\$M)

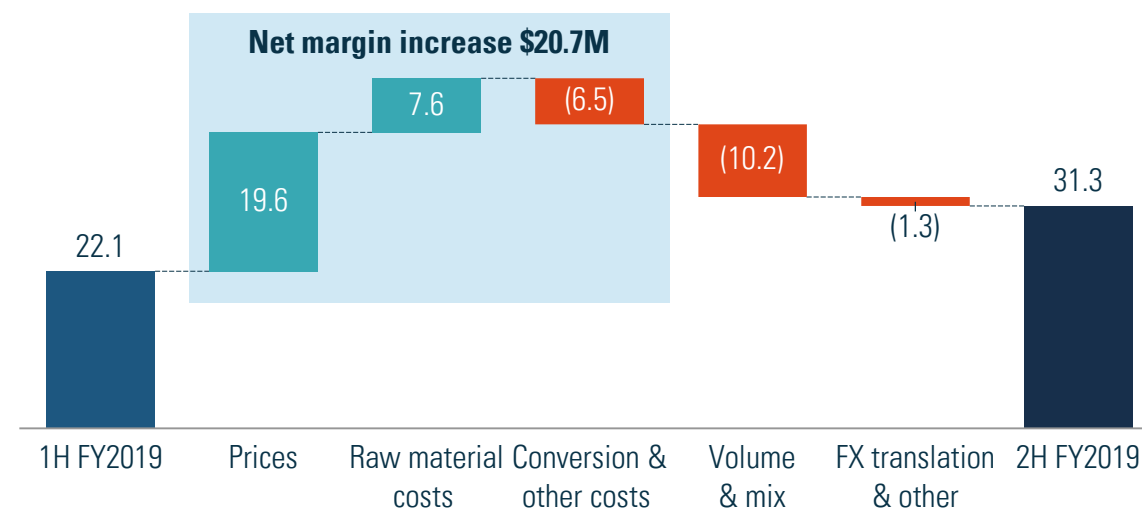
US\$M	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	854.4	425.6	415.7	841.4
Underlying EBITDA	72.0	23.2	28.9	52.1
Underlying EBIT	56.9	16.1	21.8	37.8
Reported EBIT	56.2	16.1	21.8	37.8
Capital & investment expenditure	17.5	4.7	13.6	18.3
Net operating assets (pre tax)	271.6	308.4	384.6	384.6

Underlying EBIT variance

FY2019 vs FY2018 (\$M)



2H FY2019 vs 1H FY2019 (\$M)



Financial and despatch summaries

Key segment financial items

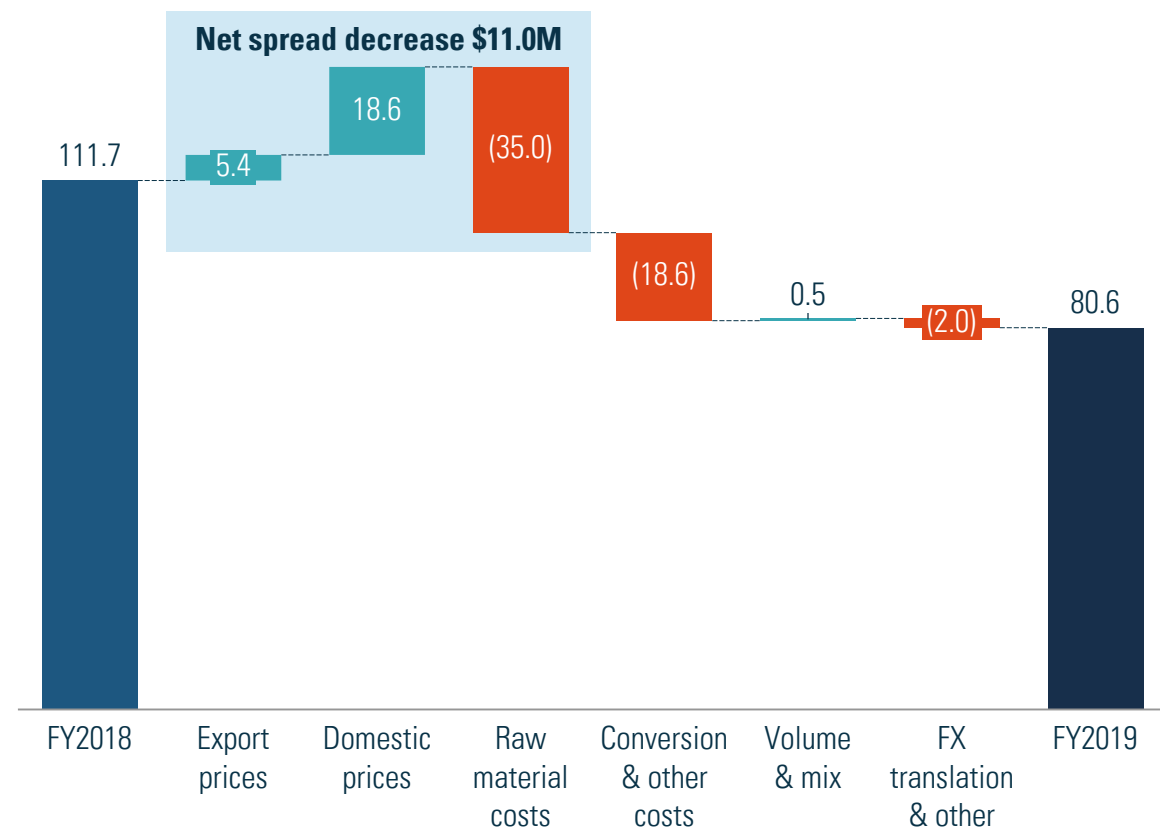
\$M unless marked	FY2018	1H FY2019	2H FY2019	FY2019
Revenue	833.6	463.5	424.6	888.1
Underlying EBITDA	156.1	96.6	32.4	129.0
Underlying EBIT	111.7	71.9	8.7	80.6
Reported EBIT	111.7	71.9	8.7	80.6
Capital & investment expenditure	36.9	56.4	24.1	80.5
Net operating assets (pre tax)	346.4	294.4	263.7	263.7
Total steel despatches – flat & long (kt)	650.1	307.5	299.8	607.3

Steel despatches

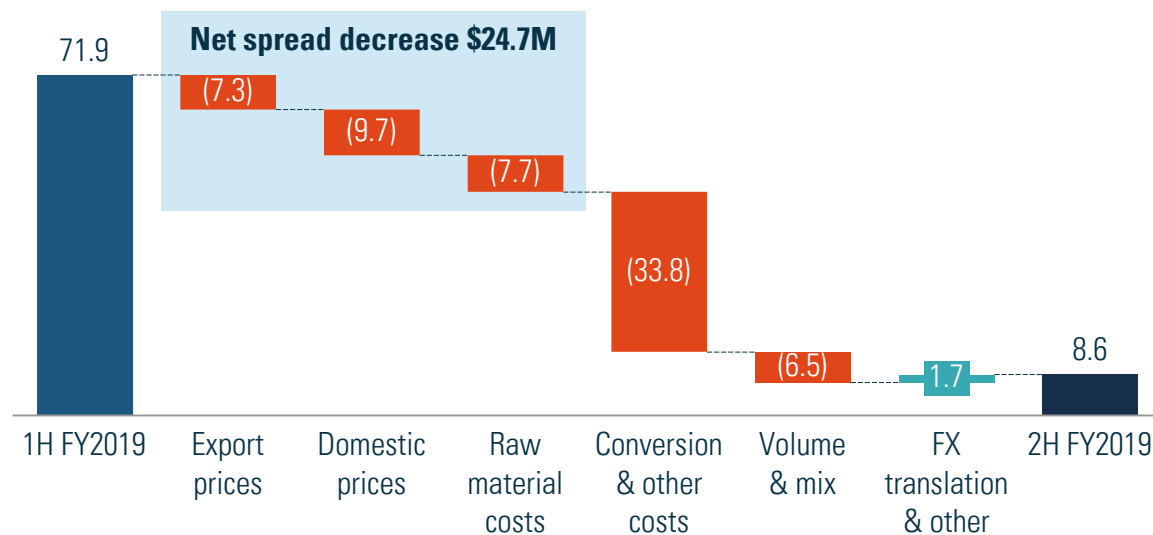
'000 Tonnes	FY2018	1H FY2019	2H FY2019	FY2019
Domestic despatches				
- NZ Steel flat products	259.6	146.5	127.3	273.8
- Pacific Steel long products	183.4	92.3	95.7	187.9
Sub-total domestic	443.0	238.8	223.0	461.7
Export despatches				
- NZ Steel flat products	172.4	67.9	76.2	144.2
- Pacific Steel long products	34.7	0.8	0.6	1.4
Sub-total export	207.1	68.7	76.8	145.6
Total steel despatches	650.1	307.5	299.8	607.3

Underlying EBIT variance

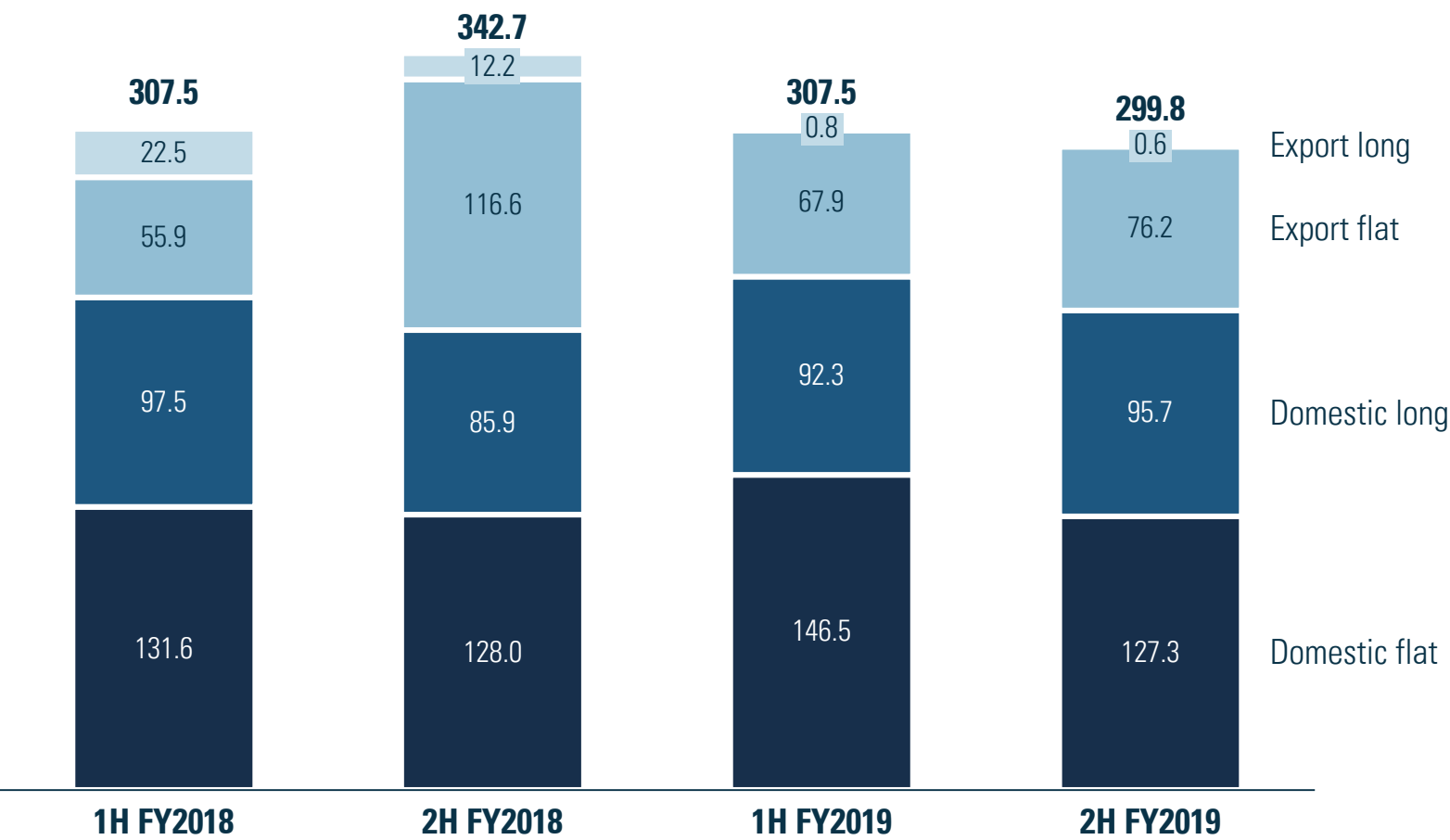
FY2019 vs FY2018 (\$M)



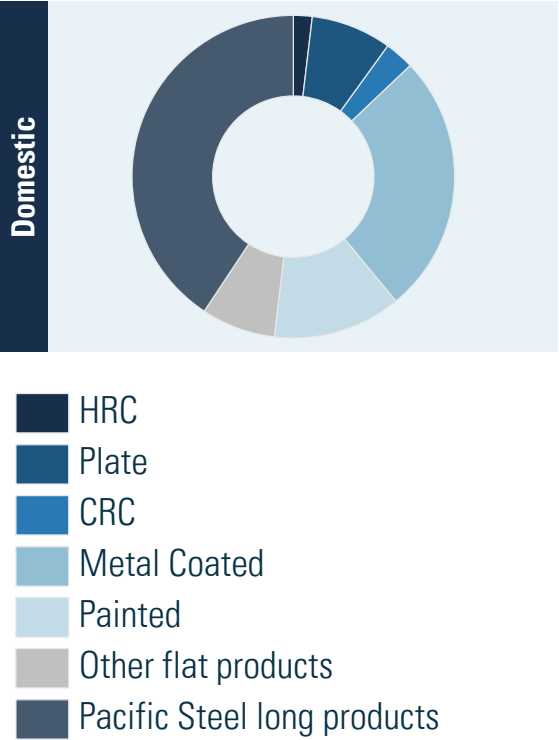
2H FY2019 vs 1H FY2019 (\$M)



Despatch mix (kt)

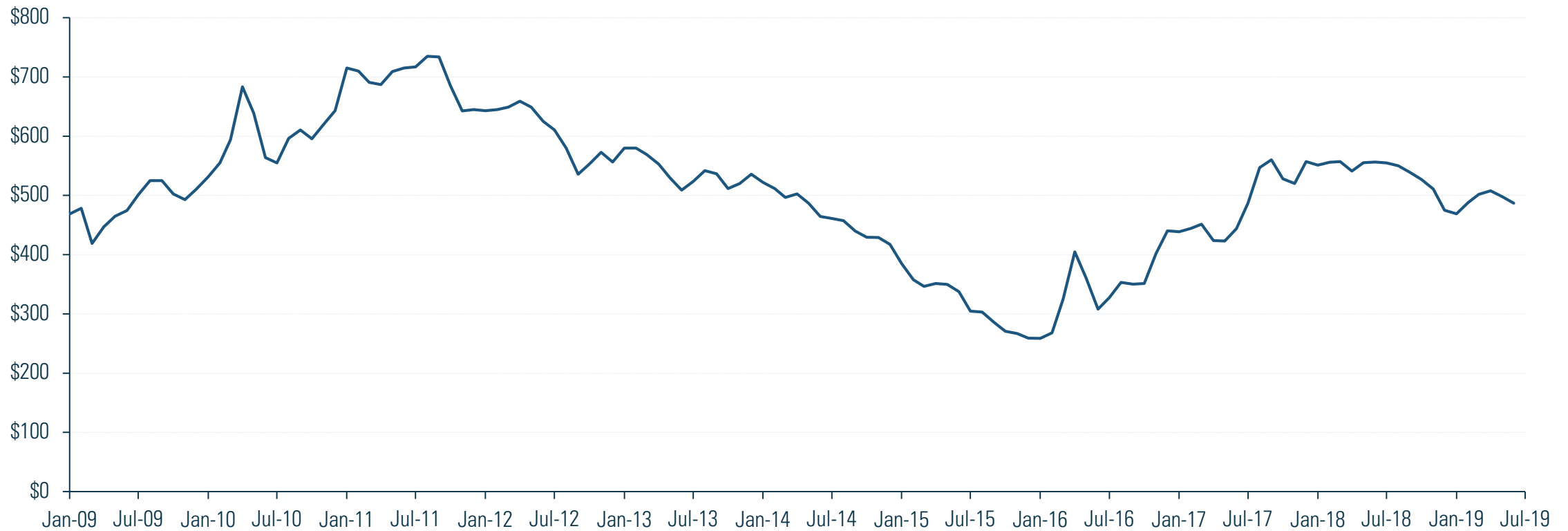


FY2019 Product Mix



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

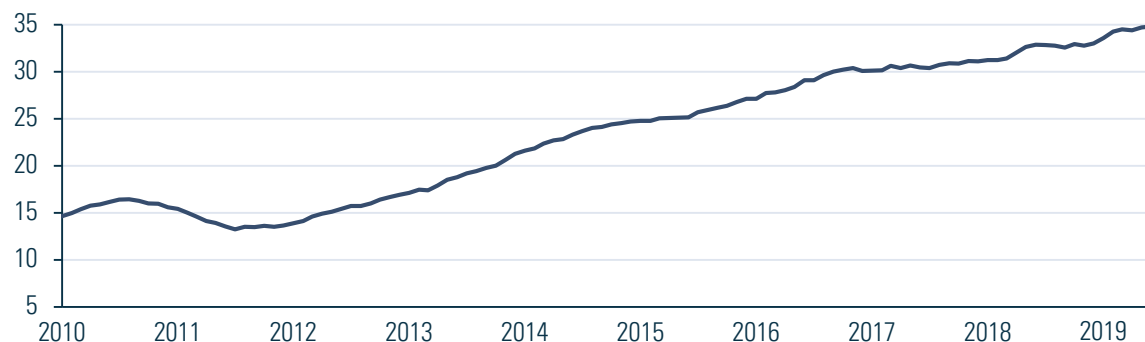
SBB East Asian rebar price, unlagged (US\$/t)



The NZ economy maintaining sound momentum especially supported by robust construction

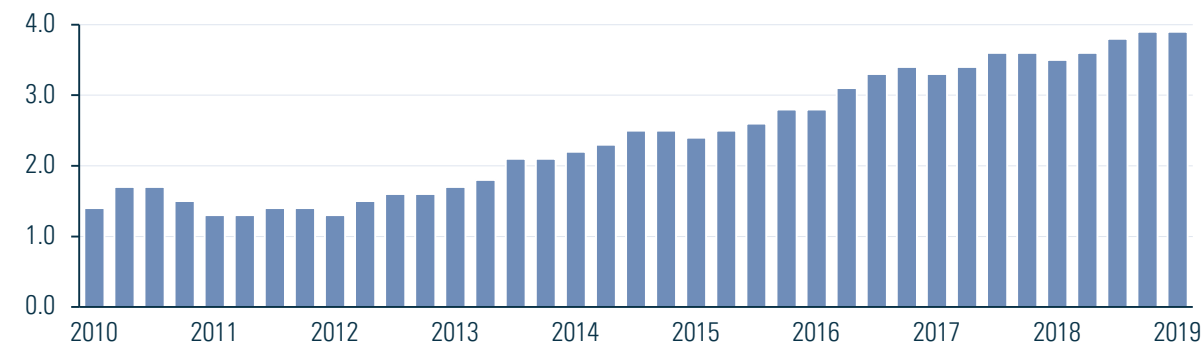
Residential Building Consents: rolling 12 months¹ ('000)

Running at record high levels



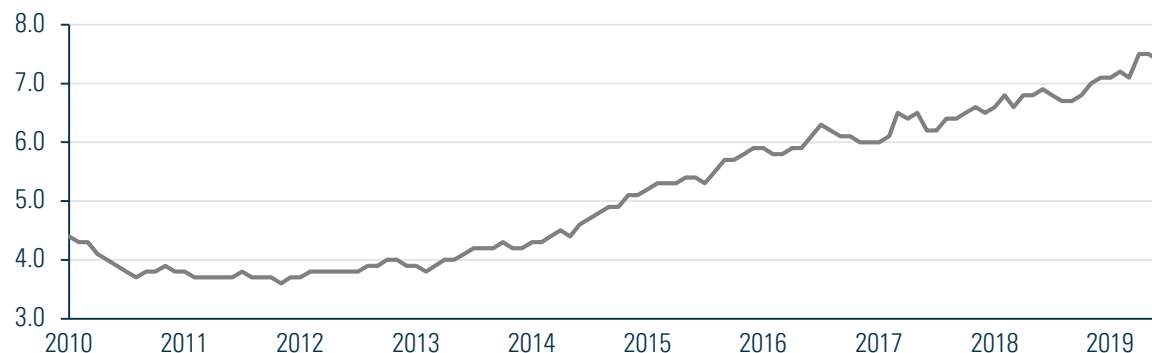
Residential Work Put in Place: by quarters² (NZ\$b)

Activity pipeline strong off back of record consents



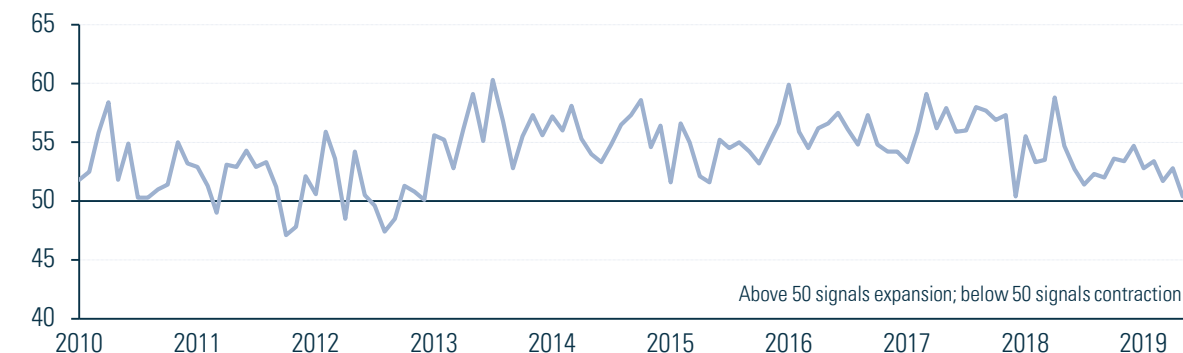
Non-Residential Building Consents: rolling 12 months³ (NZ\$b)

Demonstrating broad strength across segments as economy grows



Performance of Manufacturing Index⁴

Remains in expansion, despite some recent moderation in consumption



1H	Six months ended 31 December in the relevant financial year
1H FY2018	Six months ended 31 December 2017
1H FY2019	Six months ended 31 December 2018
1H FY2020	Six months ended 31 December 2019
2H	Six months ended 30 June in the relevant financial year
2H FY2018	Six months ending 30 June 2018
2H FY2019	Six months ending 30 June 2019
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

FY2018	12 months ending 30 June 2018
FY2019	12 months ending 30 June 2019
FY2020	12 months ending 30 June 2020
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
NZPac	New Zealand & Pacific Steel segment
OEM	Original equipment manufacturer
ROIC	Return on invested capital (or ROIC) – underlying EBIT over 13 month average capital employed
TBSL	Tata BlueScope Steel
TCFD	Task Force on Climate-related Financial Disclosure
US	United States of America
US\$	United States dollar



FY2019 FINANCIAL RESULTS PRESENTATION

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

19 August 2019

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058