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BlueScope strengthens position in US, acquires ferrous recycling business from MetalX

BlueScope today announced that it has entered into a binding agreement to buy the ferrous scrap steel recycling business of MetalX LLC, the leading supplier of scrap feed to its Ohio-based mini-mill business, North Star BlueScope Steel.

BlueScope will pay US\$240 million to acquire two of MetalX's operating sites which are located in Indiana and in Ohio, immediately adjacent to the North Star facility in Delta. The transaction is on a cash free and debt free basis, and includes working capital.

Managing Director and CEO Mark Vassella said, "The US is a key focus for BlueScope's future growth. The MetalX ferrous acquisition adds to BlueScope's extensive US asset footprint of over \$3.0 billion, which spans steelmaking, steel coating and painting, engineered building systems and industrial property development. And we have current and intended expansion projects totalling up to \$1.5 billion, including the NorthStar expansion project."

"Using our strong financial position, moving upstream to acquire a scrap supply business helps underpin North Star's supply chain and its great competitiveness. North Star will soon move from a two million tonnes per annum mill to almost three million tonnes per annum, and as the business expands, securing scrap is the right play."

"North Star has a diverse base of scrap steel suppliers; MetalX is our largest, currently supplying around 20 per cent of the scrap used by North Star. The acquisition brings us a crucial presence and expertise in scrap processing to further secure our scrap needs – both prime and post-consumer (obsolete) scrap. Further, the MetalX ferrous acquisition will enable North Star to improve the quality and quantity of obsolete scrap it uses, and reduce the mix of prime scrap."

"As a steel-recycling electric arc furnace producer of hot rolled coil, utilising low emissions electricity, North Star is highly carbon efficient. This acquisition further enhances BlueScope's sustainability profile by bringing in-house part of North Star's scrap collection."

"The acquisition meets our return on capital expectations and provides synergies to optimise logistics and reduce scrap costs."

"The acquisition is expected to complete by end of December 2021. We look forward to welcoming all of the MetalX ferrous team into the broader BlueScope team," Mr Vassella said.

Authorised for release by: Mark Vassella, Managing Director & Chief Executive Officer

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