



ASIA AND NORTH AMERICA INVESTOR MEETINGS

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March 2019

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058

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BLUESCOPE OVERVIEW

Robertson House on the Fleurieu Peninsula, SA, featuring COLORBOND® steel in Windspray®

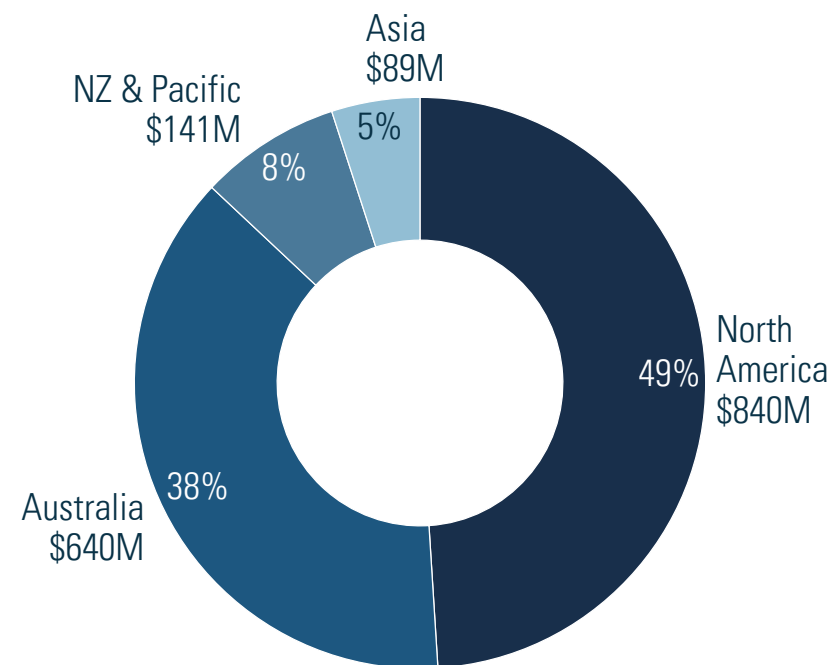
A different kind of steel building products company

BlueScope is a steel building products company, manufacturing and marketing a wide range of branded and high quality steel products across a footprint covering North America, Australasia and Asia.

BlueScope is made up of five operating business segments:

- **North Star** is a best-in-class North American mini-mill located in Delta, Ohio. It produces high quality hot rolled coil for the automotive, construction and manufacturing industries
- **Buildings North America** is a leading global supplier of Engineered Building Solutions (EBS) to industrial and commercial sectors through the well known BUTLER® and VARCO PRUDEN® brands
- **Australian Steel Products** is Australia's only flat steel producer, with a focus on both cost-competitive steelmaking and higher value, branded steel products for the building and construction industry. Key brands include COLORBOND® steel, ZINCALUME® steel and LYSAGHT®
- **New Zealand and Pacific Steel** is New Zealand's only steel producer, manufacturing and marketing branded flat and long products for the domestic and export markets across the Pacific region
- **Building Products Asia and North America** is a producer of metal coated and painted steel building products, with operations across the Asia Pacific region through the NS BlueScope JV with Nippon Steel & Sumitomo Metal Corporation, in India through the Tata BlueScope JV with Tata Steel, and in China through BlueScope's wholly-owned metal coating, painting and EBS businesses

Underlying EBIT by region (\$M)

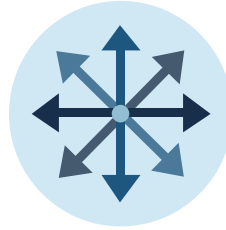


CY2018 Total¹:
\$1,595M

What makes us different?



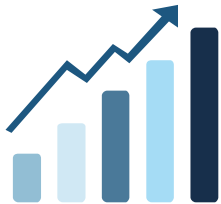
**TECHNOLOGY,
BRANDING & CHANNELS**



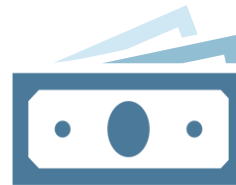
**BUSINESS
DIVERSIFICATION**



**COST
COMPETITIVENESS**



**DISCIPLINED
GROWTH**



**CASH GENERATION &
CAPITAL MANAGEMENT**

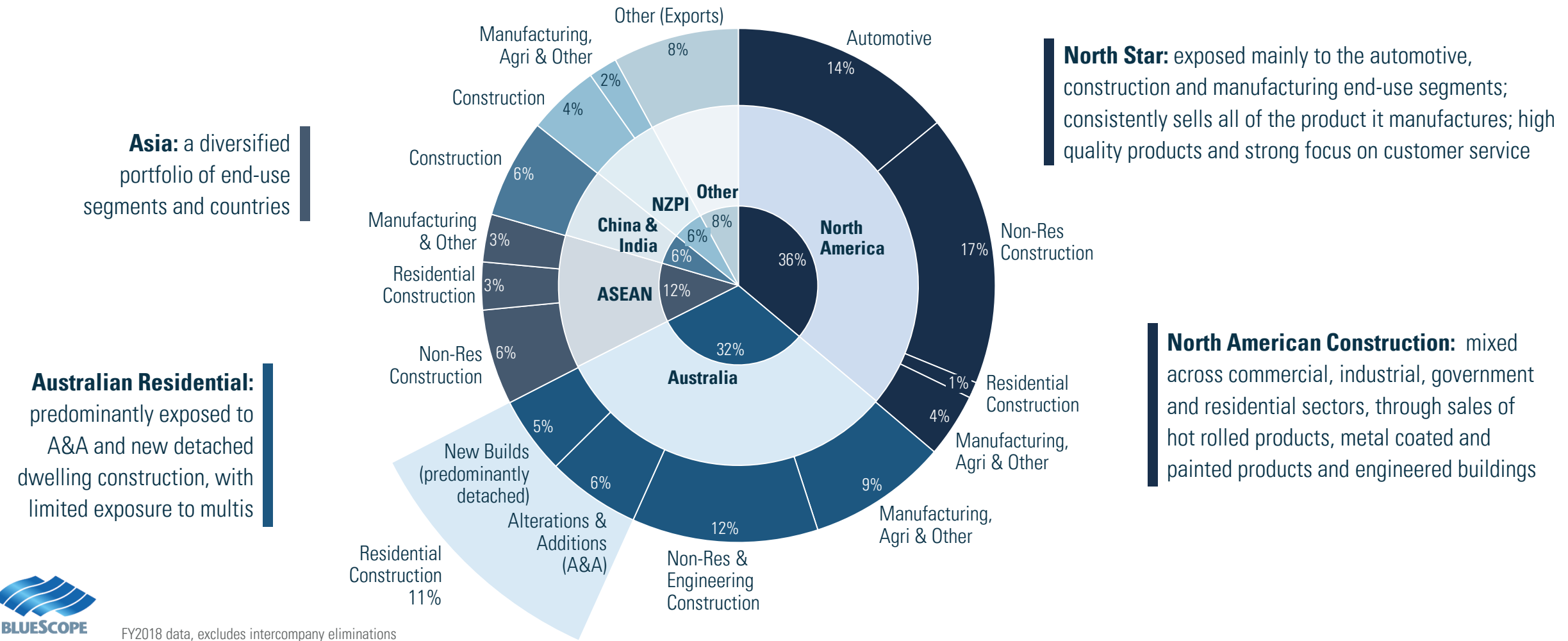


**APPROACH TO
SUSTAINABILITY**

PRODUCT END-USE SEGMENTS BY GEOGRAPHY

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

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

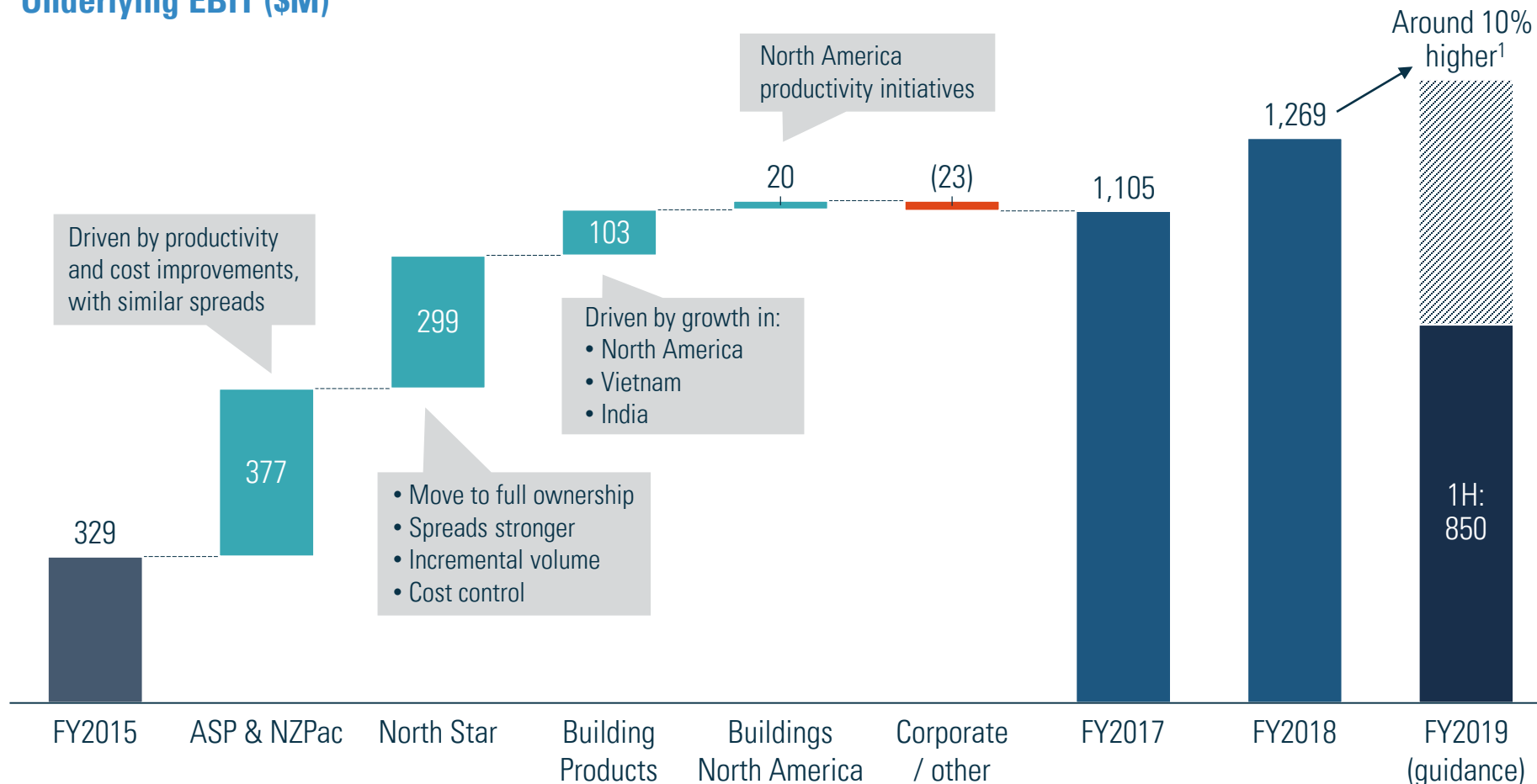


TRANSFORMATION OF EARNINGS

7

BlueScope earnings dramatically transformed over last three years

Underlying EBIT (\$M)



Illustrative spread sensitivities² (+/- US\$50/t spread)

150	180
(150)	(180)
North Star	ASP

Earnings transformation

- Rebased earnings to a higher level
- Macro volatility having lower % impact on earnings
- Improved earnings mix:
 - Value added products
 - Geographic diversity
- Strong position to fund growth, and for capital management



(1) FY2019 guidance as published on 25 February 2019. Refer to page 36 of 1H FY2019 investor presentation

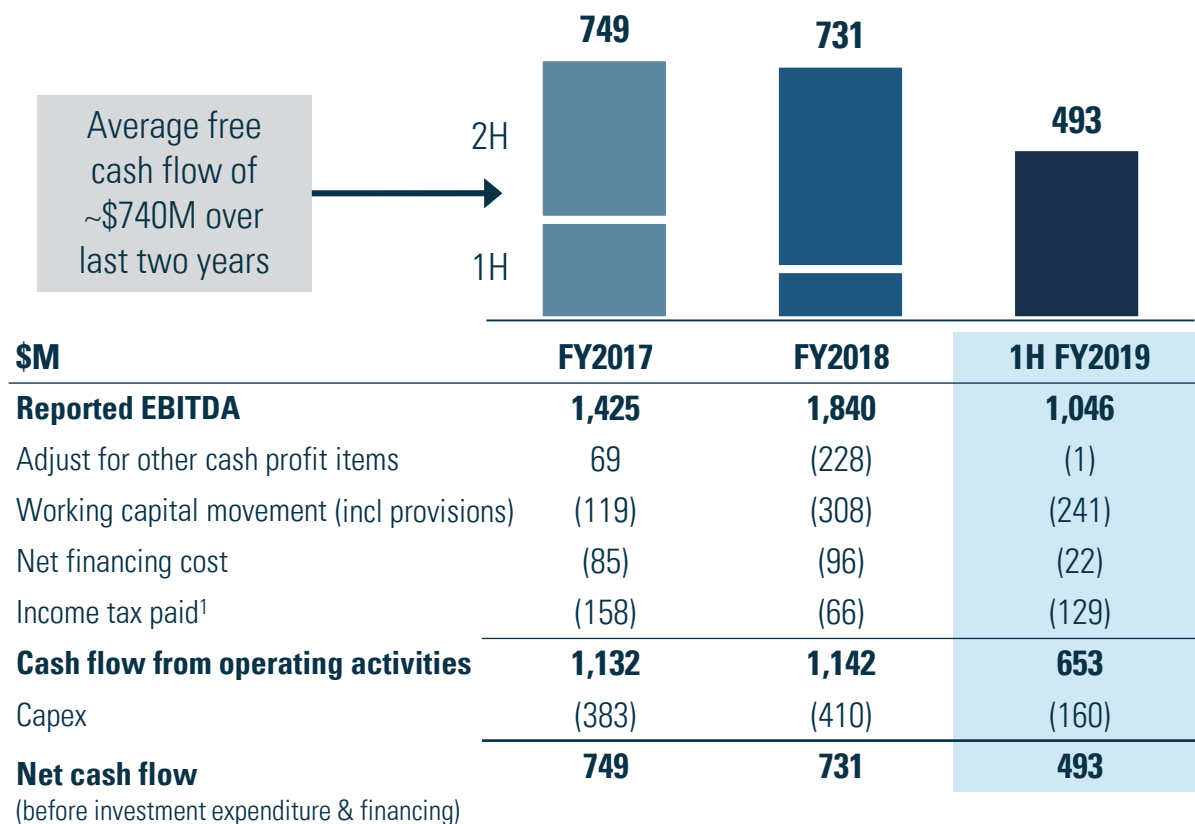
(2) Illustrative EBIT sensitivities assuming full pass-through of benchmark spread change throughout a financial year, noting benchmark spreads may not be representative of realised mill spreads due to a range of factors. Base A\$:US\$ of US\$0.71

CASH FLOW AND NET CASH

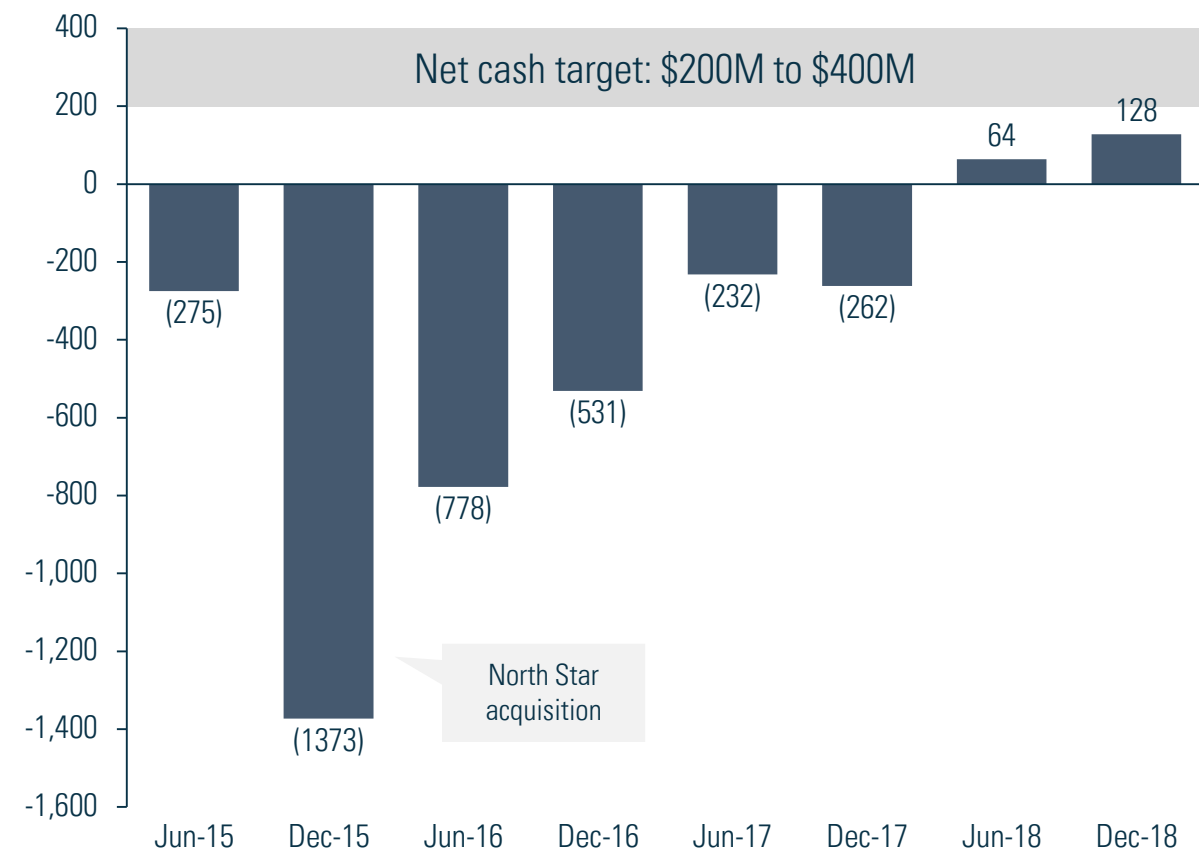
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Average free cash flow of ~\$740M over last two years; \$128M net cash at 31 December 2018

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



Net cash / (debt) (\$M)



CAPITAL ALLOCATION AND SHAREHOLDER RETURNS

9

Focus on ROIC and EPS growth to ultimately drive shareholder returns

Foundation

Maintain safe and reliable operations, and operate within Financial Principles, including meeting net cash targets and retaining strong credit metrics

Growth

Drive competition for capital with disciplined, returns focused process:

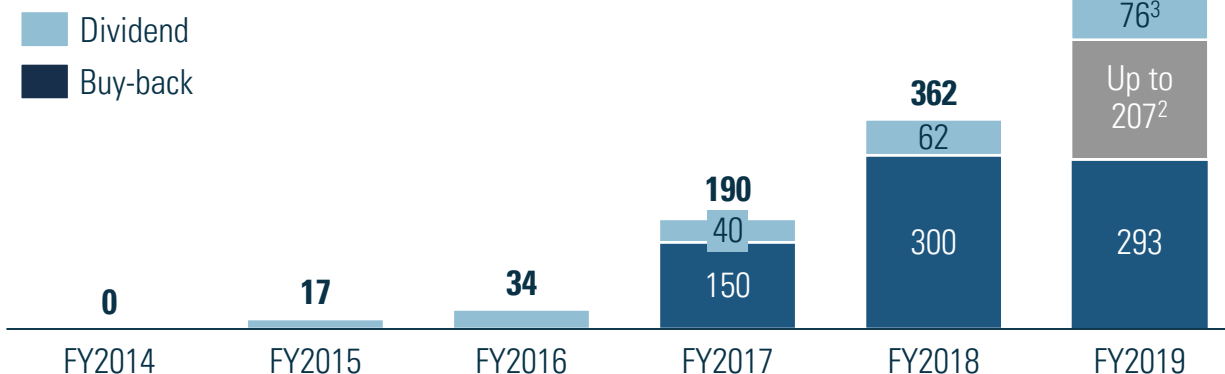
- Investments in the business
- M&A
- Returns to shareholders

Shareholder Returns

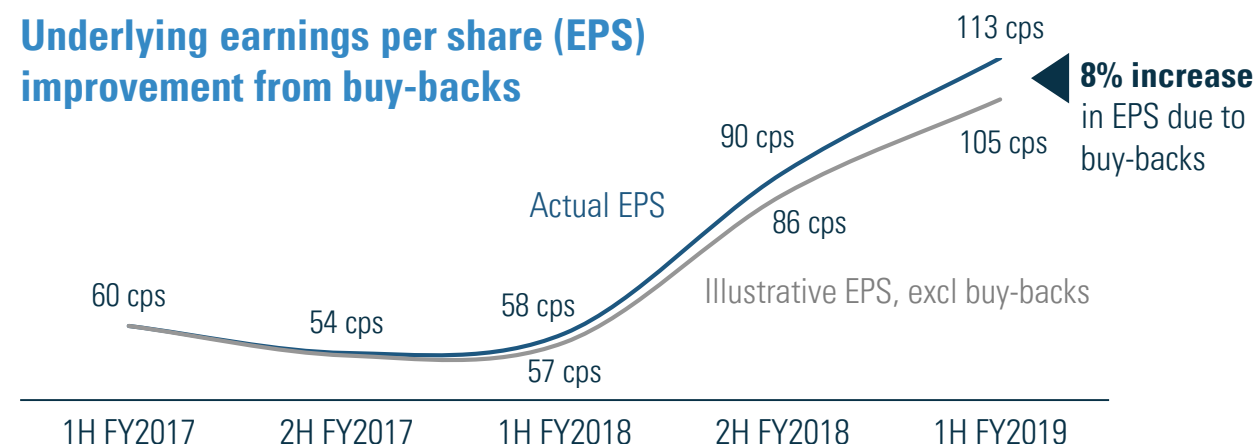
Distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and on-market buy-backs¹

The Company will continue to review its capital management approach having regard to its balance sheet, credit metrics and investment priorities

Shareholder distributions (\$M)



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



- (1) 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
- (2) Buy-back program of up to \$250M announced on 3 December 2018, with \$43M purchased in 1H FY2019 and up to \$207M remaining in 2H FY2019, as at 25 February 2019
- (3) Including \$32M indication of 1H FY2019 interim dividend of 6.0 cps announced 25 Feb 2019, with payment date of 2 Apr 2019.

BLUESCOPE'S TRANSFORMATION OVER THE LAST FIVE YEARS

10

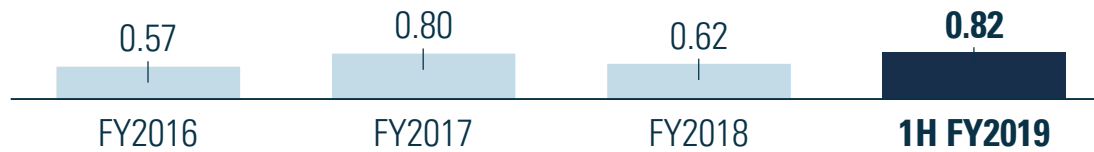
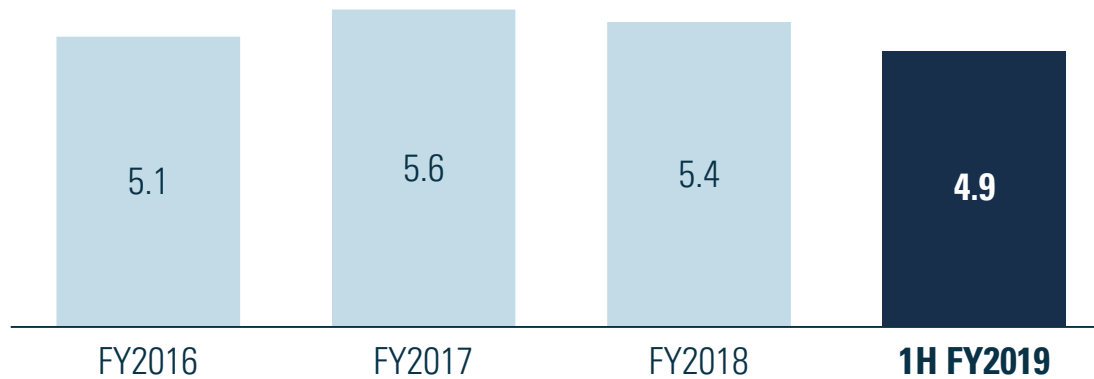
A significant transformation, with a step change in earnings quality, cash flows and balance sheet strength

		CY2014 ¹	CY2018 ¹	Change
Operational metrics	North Star ownership	50%	100%	↑ Control
	ASP steelmaking breakeven spread	~US\$270-300/t	~US\$170–200/t	↓ US\$100/t
	EBIT sensitivity to US\$50/t move in Asian spread ²	~50%	~10%	↓ ~40%
Financial metrics	Underlying EBIT	\$282M	\$1,595M	↑ \$1,313M
	Underlying EBIT return on invested capital (ROIC)	5.7%	23.9%	↑ +18.2%
	Underlying earnings per share	25 cps	203 cps	↑ 178 cps
	Free cash flow ³	\$73M	\$1,077M	↑ \$1,004M
	Shareholder returns ⁴	~Nil	\$528M	↑ \$528M
Credit metrics	Net cash / (debt)	(\$408M)	\$128M	↑ \$536M
	Credit ratings	BB / Ba3	BBB- / Baa3	↑ Investment Grade
Valuation metrics	Market capitalisation	\$2.6Bn	\$7.1Bn	↑ 180%
	Cash flow yield	2.2%	14.3%	↑ +12.1%
	EV / EBITDA	5.6x	3.8x	↓ (1.8x)



- (1) CY2014 share price data as at 20 March 2015, CY2018 share price data as at 20 March 2019
 (2) Illustrative percentage change in group underlying EBIT from a \$50/t change in Asian spreads
 (3) Cash flow from operating activities less CAPEX
 (4) Includes dividends and share buy-backs

Continuing our journey towards Zero Harm

LTIFRLost time injuries per
million man-hours worked**MTIFR**Medically treated injuries per
million man-hours worked

\$624M reported NPAT and a record half year underlying EBIT of \$850M

UNDERLYING EBIT¹

\$850M

↑ Up \$326M on 1H FY2018

UNDERLYING EBIT RETURN ON
INVESTED CAPITAL

24.9%

↑ Up from 17.1% in 1H FY2018

REPORTED NPAT

\$624M

↑ Up \$183M on 1H FY2018

FREE CASH FLOW
(Operating cash flow less capex)

\$493M

↑ Up \$347M on 1H FY2018

CAPITAL MANAGEMENT

**Interim dividend
of 6.0 cps, and
continuation of buy-
back of up to \$250M²**

NET CASH

\$128M

↑ Up from \$64M at 30 June 2018

UNDERLYING EBIT BY SEGMENT

13

Strong results with a stand out performance from North Star

NORTH STAR

\$411.6M

⬆ Up 183% on 1H FY2018

AUSTRALIAN STEEL PRODUCTS

\$319.0M

⬆ Up 22% on 1H FY2018

BUILDING PRODUCTS
ASIA & NORTH AMERICA

\$78.8M

⬇ Down 27% on 1H FY2018

NEW ZEALAND & PACIFIC STEEL

\$71.9M

⬆ Up 75% on 1H FY2018

BUILDINGS NORTH AMERICA

\$22.1M

⬇ Down 16% on 1H FY2018

CORPORATE & ELIMINATIONS

\$(53.8)M

⬇ Down 1% on 1H FY2018



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

16

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®

BLUESCOPE
Zacs®

durashine®
TATA BLUESCOPE STEEL

Truecore®

COLORSTEEL®
NEW ZEALAND'S FAVOURITE ROOF

LYSAGHT®

BUTLER®

Clearly stated financial principles to guide our decision making

RETURN HURDLES

- Every business to deliver $ROIC > WACC$
- ROIC incentives for management and employees
- Disciplined capital allocation

INVESTMENT TIMING

- Intent to have financial capacity through the cycle to make opportunistic investments
- Will avoid M&A at the top of the cycle

BALANCE SHEET CAPACITY

- Target positive cash of ~\$200M to \$400M
- Retain strong credit metrics
- Leverage for M&A but only if accompanied by active debt reduction program
- Reward shareholders from free cash flow as an active strategy

STEELMAKING

- Commodity steelmaking in Australia & NZ is a valuable option provided it can deliver target returns and is cash flow breakeven¹ at bottom of the cycle
- Intent to maintain capacity to fund a shutdown of steelmaking if not cash positive

Our commitment to action

WE SUPPORT THE PARIS AGREEMENT AND THE COMMITMENTS OF THE COUNTRIES IN WHICH WE OPERATE

WE ACKNOWLEDGE STEELMAKING PRODUCES EMISSIONS AND ARE WORKING TO REDUCE THE IMPACT

OUR GOVERNANCE STRUCTURES SEEK TO ENSURE UNDERSTANDING AND MANAGEMENT OF CLIMATE RISK

STEEL PLAYS A KEY ROLE IN SUSTAINABLE DEVELOPMENT, GIVEN ITS LONGEVITY AND ENDLESS RECYCLABILITY



Detailed information regarding BlueScope's four pillars of commitment to action is set out on slide 45



Updating our supply chain standards; risk prioritised approach to assessing and engaging suppliers

Supply Chain Sustainability project continues, with focus on:

- 1** Rollout of Supplier Code of Conduct
- 2** Training on improved processes
- 3** Engagement with suppliers
- 4** Assessment of suppliers
- 5** Review against reporting requirements



A core responsibility for Board and Management

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

In 1H FY2019, we have:

- Enhanced our ethics and compliance function
- Continued our focus on delivering business conduct training across the organisation

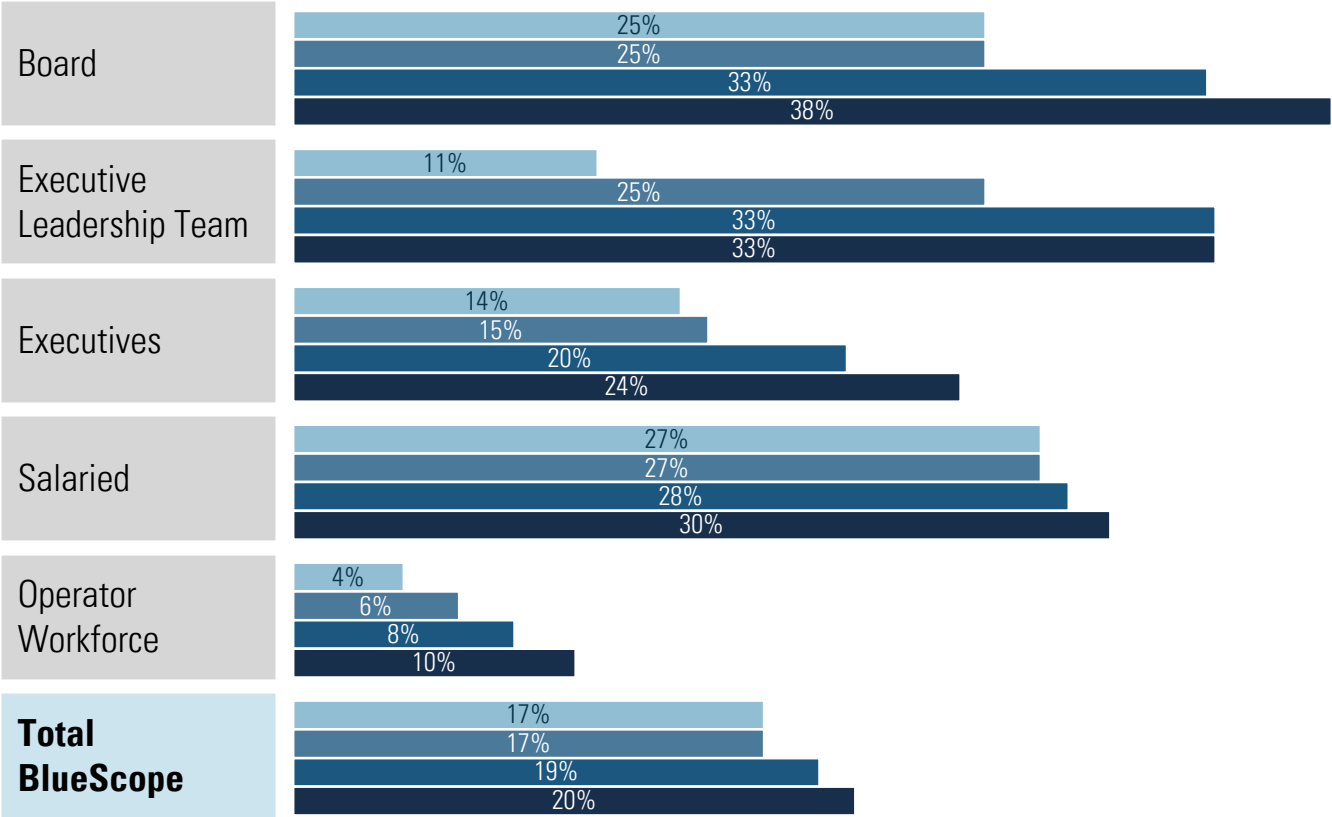
BlueScope has an externally managed business conduct hotline for anonymous reporting of suspected misconduct

As previously disclosed, the ACCC investigation into alleged cartel conduct in the Australian business is ongoing

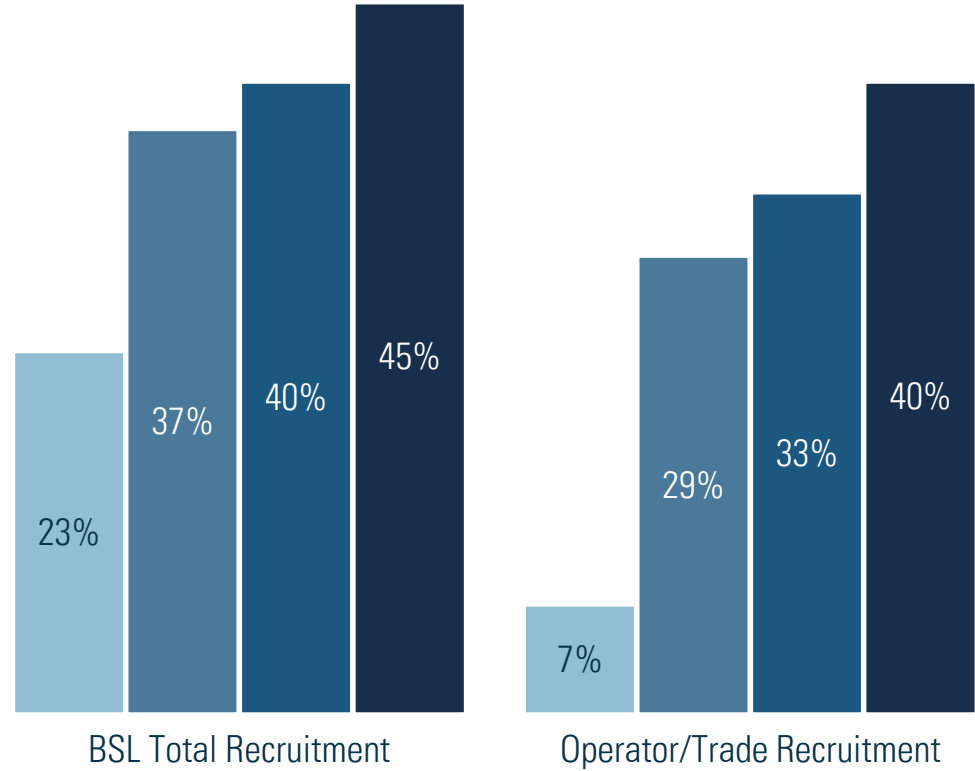


Strong focus and effective strategies creating demonstrable improvement in workforce diversity

Female % of workforce



Female % of recruitment



FY2016 FY2017 FY2018 1H FY2019



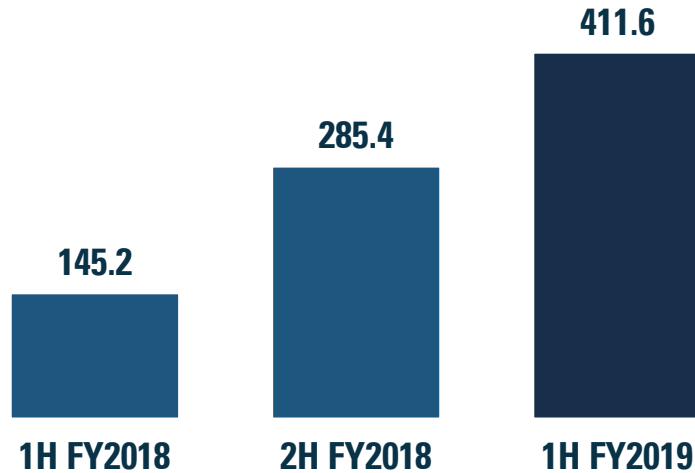


1H FY2019 RESULTS HIGHLIGHTS

Calder Woodburn Rest Area in Shepparton, VIC, featuring COLORBOND® steel in Night Sky® and Surfmist®

Record underlying EBIT of \$412M on stronger spreads

Underlying EBIT (\$M)



Total despatches (kt)



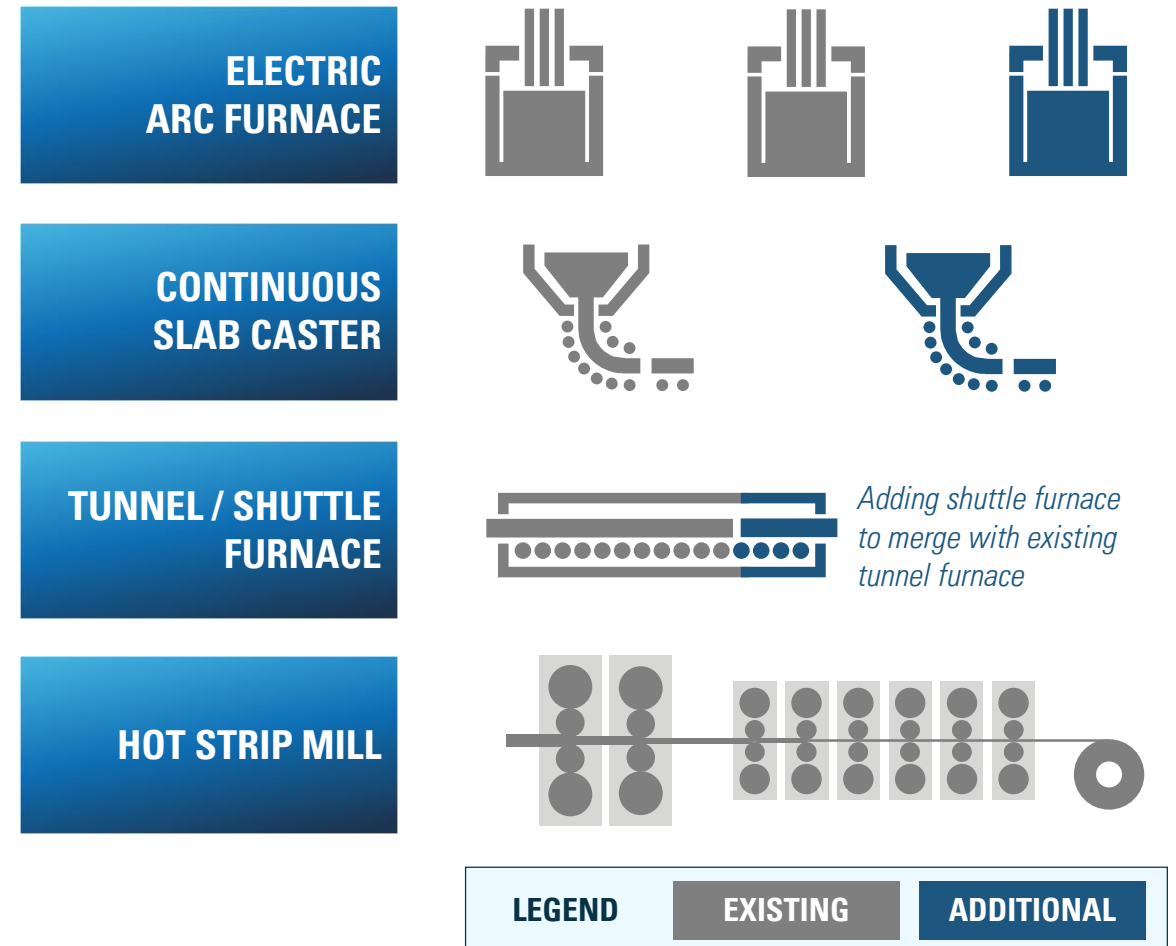
- **44.8% Underlying ROIC**
- Continued strength in Midwest benchmark steel prices during 1H FY2019, supported by robust demand and favourable trade environment
- Continued to operate at 100% capacity utilisation
- Demand strong across key end-use segments
- Sales volume lower than 2H FY2018 on seasonality
- Upward pressure on electrode, refractory and alloy costs of ~US\$10M
- Pursuing further incremental capacity growth; and reviewing expansion opportunity



Commencing detailed design and engineering and critical path items. Targeting final decision during 1H FY2020

- Expansion option through possible third electric arc furnace and second caster
- Investment case volume range refined to 800 to 900ktpa (metric)
- The incremental installed melt capacity of 1.4 million equivalent metric coiled tonnes allows for further potential upside, subject to further plant debottlenecking
- Estimated investment cost refined to US\$600M to US\$700M
- Targeting a minimum 15% IRR and run-rate ROIC at year three of operations based on long-term historical spreads
- Commencing detailed design and engineering and critical path items of ~US\$50M
- Commencing final feasibility phase based on rigorous capital stage gate process with final decision expected during 1H FY2020
- Two to three year construction period with two year ramp-up thereafter

Indicative overview of existing and additional equipment



Strong strategic rationale in alignment with BlueScope's established capital expenditure principles

INCREMENTAL EXPANSION INVESTMENT IN A HIGH PERFORMING ASSET

- Low cost; well configured asset; maintaining variable cost base
- Strategically located close to customers and raw material supply
- Motivated, high calibre workforce
- Consistently ranked as the supplier of choice

COMPELLING RETURNS ON HISTORICAL SPREADS

- Targeting a minimum 15% IRR and run-rate ROIC in year three of operations based on long-term historical spreads
- The tax benefits are attractive, both a lower corporate tax rate and accelerated depreciation

SERVING A LARGE AND GROWING MARKET

- Key end use segments remain positive
- North Star is a niche producer and holds a moderate share of existing customers' business

OPENS UP FURTHER CAPACITY EXPANSION OPPORTUNITIES

- Design and technology being chosen to specifically accommodate further incremental growth
- History of incremental expansion, leading to current production of 2.1mtpa (metric) – 40% greater than original capacity

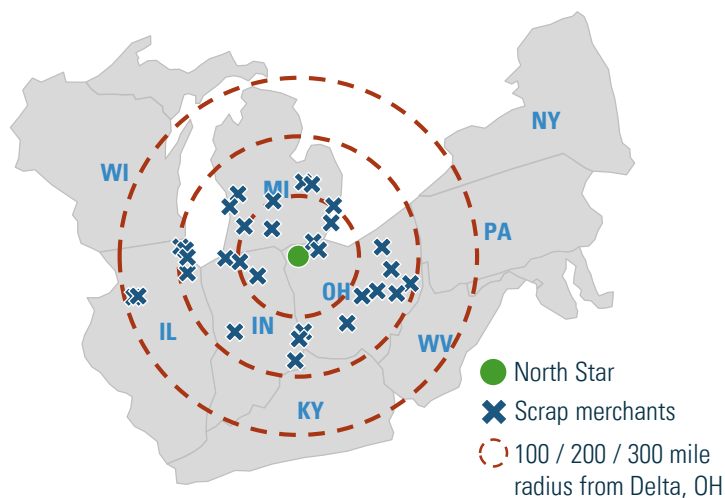
A STRONG CASH FLOW ASSET THROUGH THE CYCLE

- North Star has consistently generated strong EBITDA and cash across a wide range of spread scenarios
- Investment case is based on historical long term spreads through the cycle

Best in class asset located close to customers and raw materials, with consistently full asset utilisation

A geographically advantaged asset

- Facility strategically located within one of the largest scrap steel surplus regions in the US
- ~90% of customers are within a ~250 mile radius, with short lead times and supplier responsiveness highly valued by customers



North Star's competitive position

EBIT margin²

29.8%



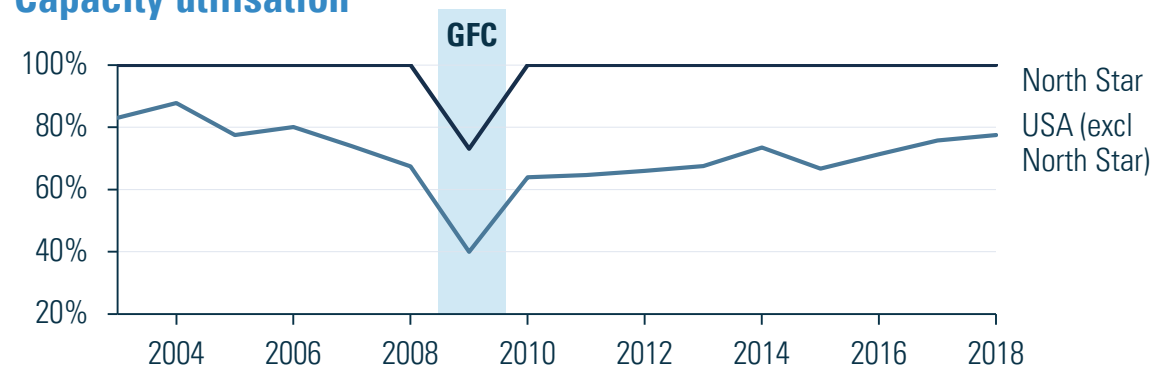
North Star

13.3%

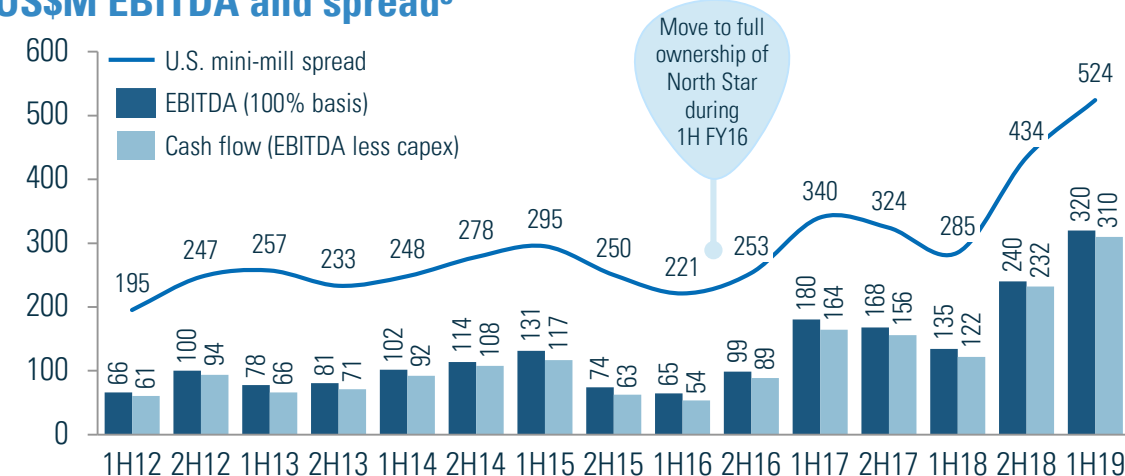


North American Steel Peers²

Capacity utilisation¹



US\$M EBITDA and spread³



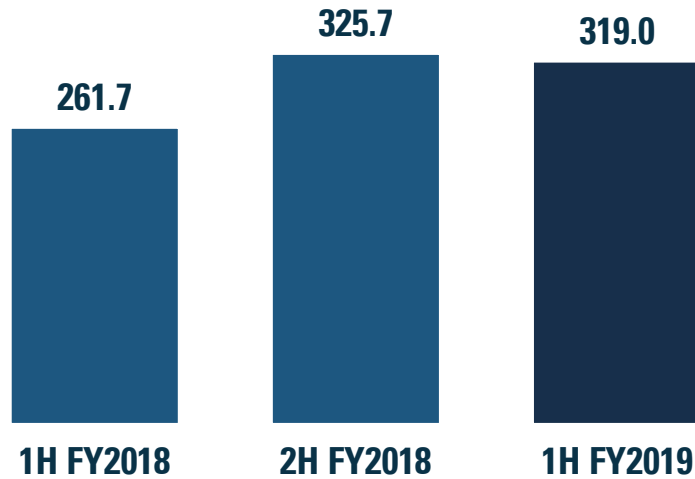
(1) Hot Rolled Coil utilisation. Source: CRU, company data

(2) Reflects CY2018 North Star underlying EBIT margin. Peer margin data sourced from company information, simple average of six North American peers using relevant segment information

(3) 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

Stronger spreads and domestic demand led to \$319M underlying EBIT

Underlying EBIT (\$M)



Domestic despatches ex-mill (kt)



- **24.6% Underlying ROIC**
- Stronger benchmark spreads
 - Domestic and export steel price rises following lift in lagged global steel prices
- Realised spreads moderated due to specific raw material mix and inventory effects as foreshadowed
- Higher contribution from export coke sales, an improvement of \$31M on 2H FY2018
- Domestic volumes have remained robust
- Lower export volumes and higher costs due to short term operational instability
- Higher depreciation costs following the asset write-up

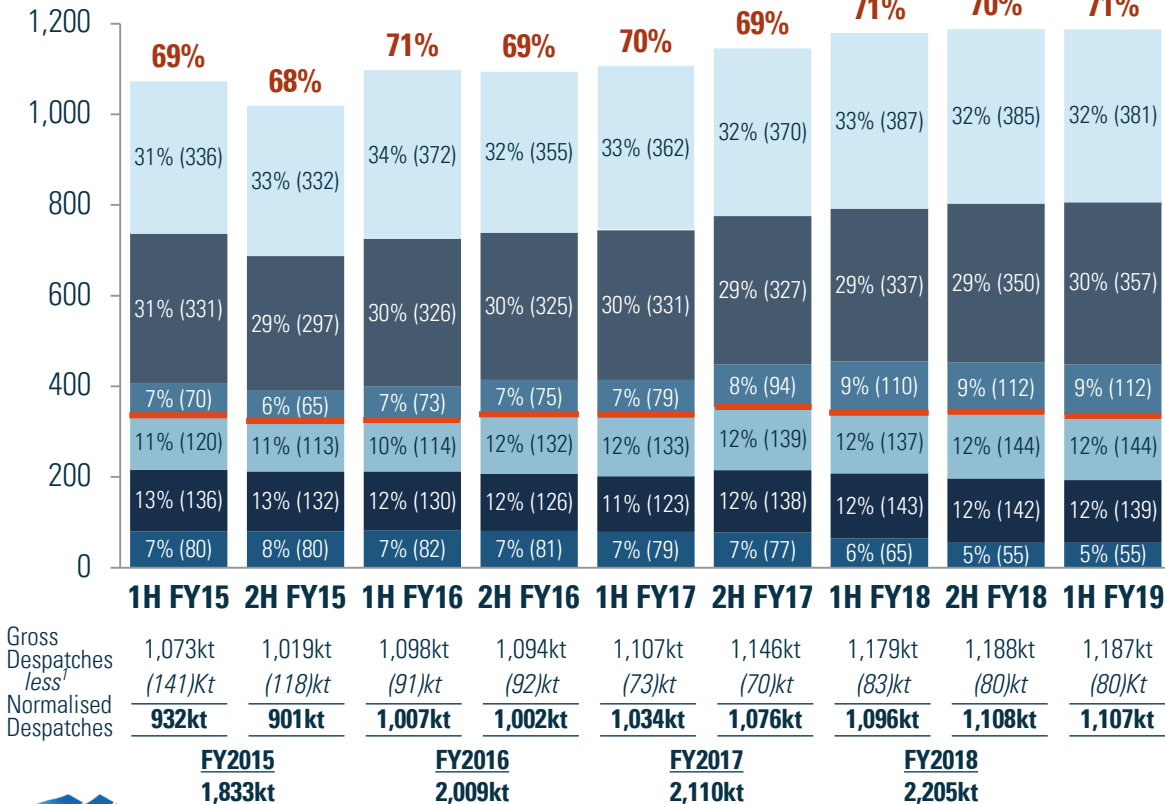


Exposure to residential markets is predominantly into alterations and additions and new detached houses

Total Australian external domestic despatch volumes (kt)

Dwelling Non-dwelling Engineering Manufacturing Agri & mining Transport

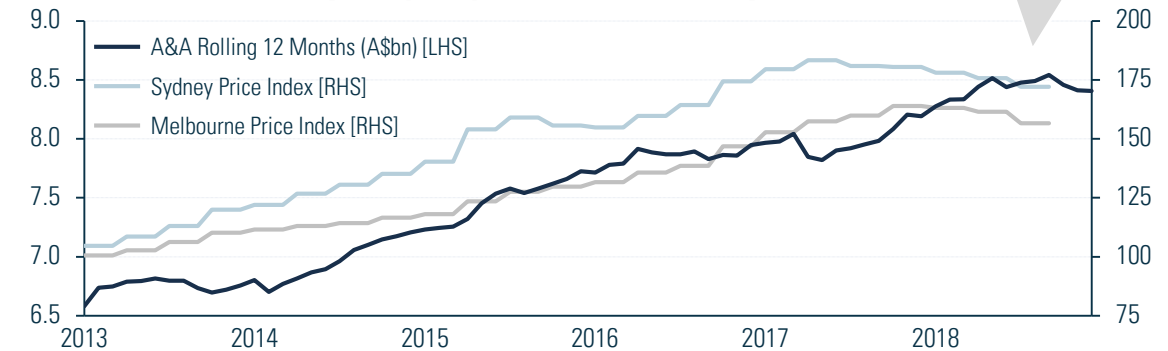
Total construction % shown in red



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

A&A Building Approvals and House Prices⁴

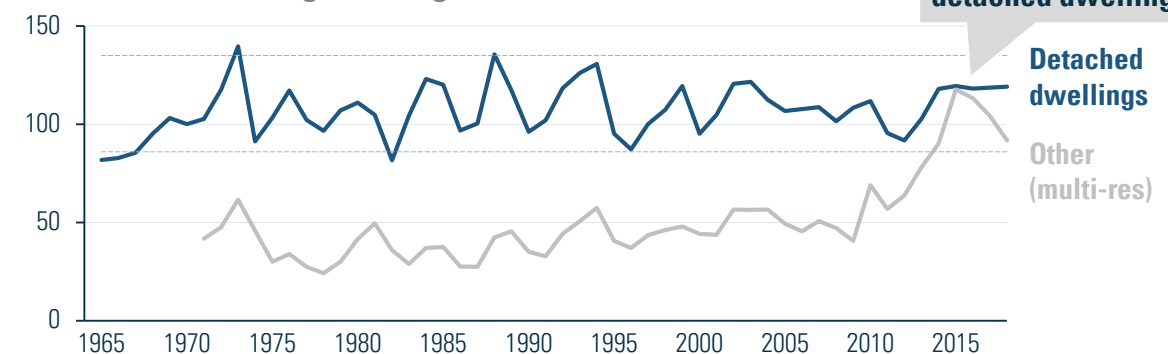
Good level of activity despite pullback in house prices



A&A indicatively consumes over half of ASP's dwelling volume

Dwelling Approvals: rolling 12 months³ ('000)

Contraction coming off a high base; more evident in multis

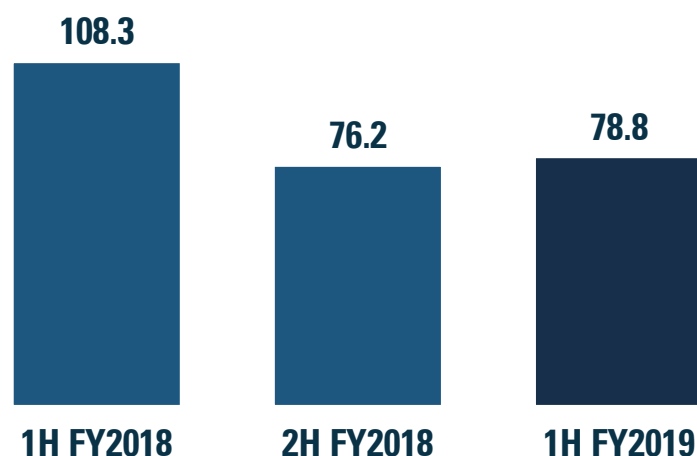


Non-A&A exposure is mainly to new detached dwellings

- (3) Source: ABS series 8731, table 11; original data; data to Dec 18 Qtr
 (4) Note: A&A: Alterations & Additions, Source: ABS series 8752, table 33; seasonally adjusted data; total sectors

Strong performances from North America, India and China – intervention underway in ASEAN

Underlying EBIT (\$M)



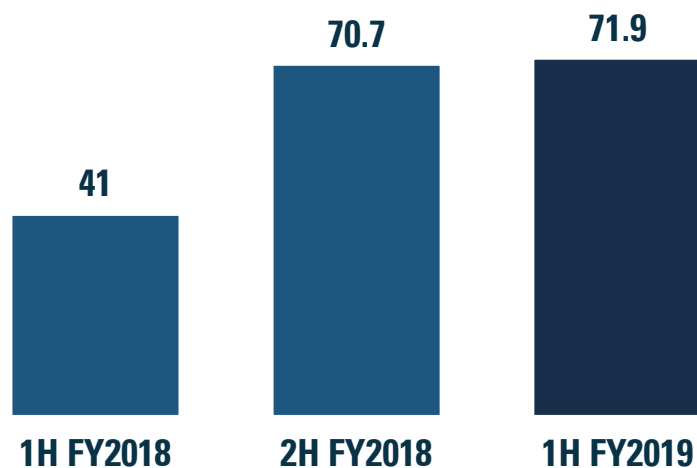
Total despatches (kt)



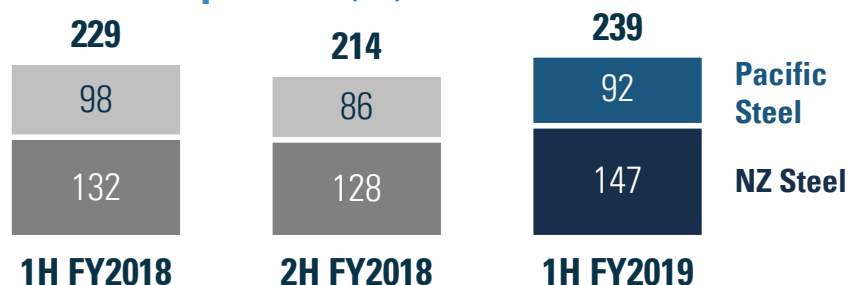
- **10.4% Underlying ROIC**
- North America:
 - Slightly lower result on weaker prices and volume, however overall market conditions remain positive
- China:
 - Strong result on higher volumes and margins driven by benefits of restructuring program
 - Favourable impact from a one-off adjustment of \$5.8M relating to an improvement in revenue recognition methods
- India:
 - Business conditions remain positive; operating at full capacity
 - Our joint venture partner in India, Tata Steel, has acquired Bhushan Steel, which includes coating and painting assets. BlueScope is considering the implications of this acquisition in relation to our TBSL joint venture
- South East Asia:
 - Margins across all the countries continue to be tight with intense competition
 - Softness in the higher margin project segment, including impact of political uncertainty in some nations
 - Intervention underway – program targeting a \$20M cost reduction and manufacturing improvement in FY2019 and full year run rate of \$40M by FY2020
 - Retail demand continued to grow, with retail store network rollout continuing
 - Introduction of Next Generation metal coating technology in progress

Strong performance higher steel prices and net vanadium contribution

Underlying EBIT (\$M)



Domestic despatches (kt)

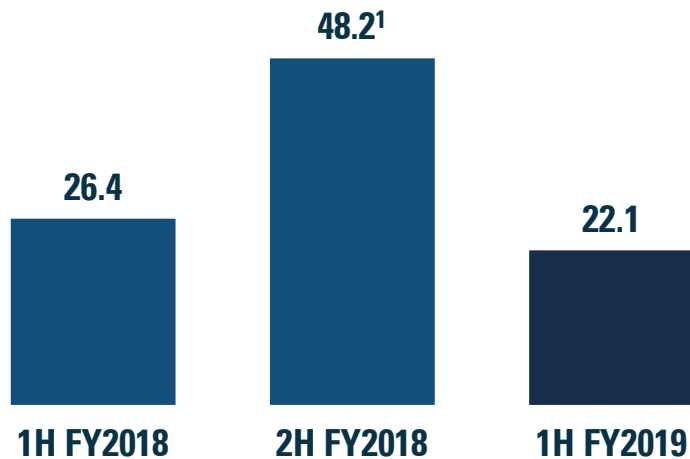


- **40.4% ROIC**
- Higher selling prices on the back of stronger global steel prices
- Domestic demand continues to be strong
 - Continued strong building activity
 - Robust infrastructure demand, especially in roads
- Raw material costs rose on higher coal and coating metals prices
- Higher power prices more than offset by net contribution from vanadium slag by-product sales¹ (up \$23M on 2H FY2018)



End market demand remains strong; despatch volumes marginally lower

Underlying EBIT (\$M)



Total despatches (kt)



- **10.4% ROIC**
- Sales of buildings for end-use applications in the industrial, manufacturing, healthcare, warehousing, aviation and energy sectors remain strong
- Order intake and backlog remain strong, however despatch volumes and margins lower during the half due to longer customer lead times
- As foreshadowed, negligible contribution from BlueScope Properties Group (\$18.3M contribution in 2H FY2018)





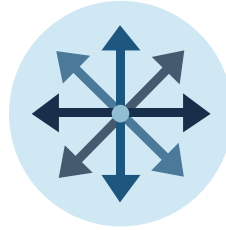
BLUESCOPE: A DIFFERENT KIND OF STEEL BUILDING PRODUCTS COMPANY

House in the Central Coast Hinterland, NSW, featuring COLORBOND® steel in Ironstone®

What makes us different?



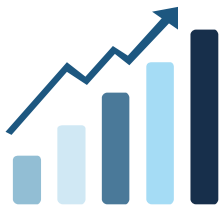
**TECHNOLOGY,
BRANDING & CHANNELS**



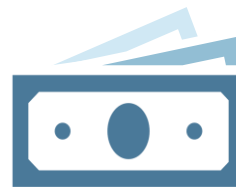
**BUSINESS
DIVERSIFICATION**



**COST
COMPETITIVENESS**



**DISCIPLINED
GROWTH**



**CASH GENERATION &
CAPITAL MANAGEMENT**



**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

LYSAGHT

FIELDERS

Orrcon Steel



New Zealand

PACIFIC STEEL
CERTAIN STRENGTH



Asia

LYSAGHT

TATA SHAKTEE

BLUESCOPE
Zacs



North America

BUTLER

VP BUILDINGS
VARCO PRUDEN

AEP SPAN

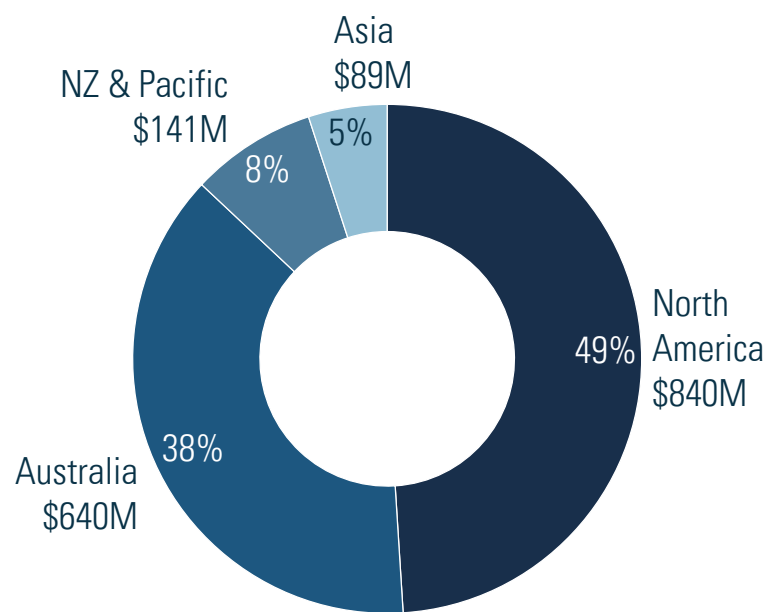
ASC
BUILDING PRODUCTS





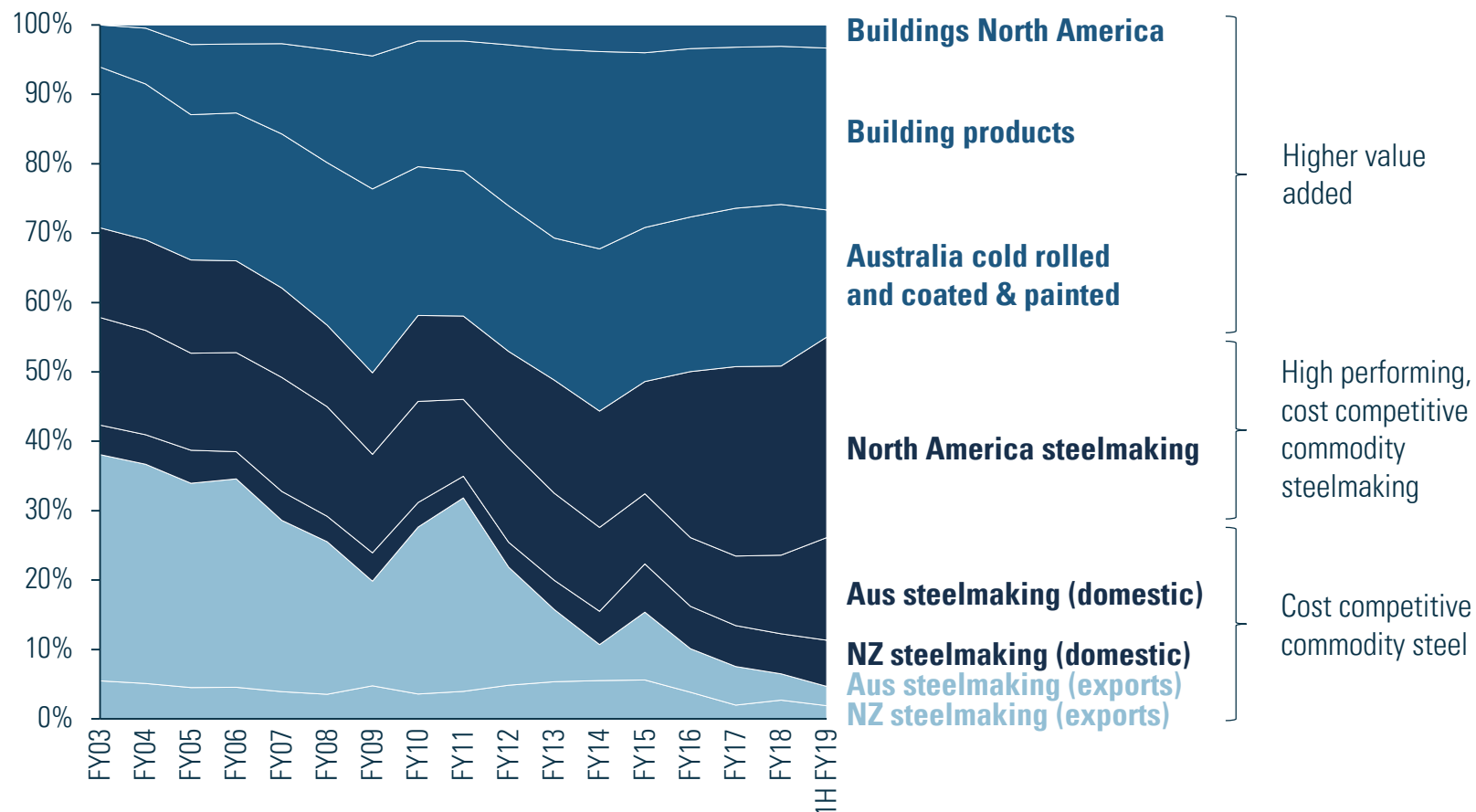
Geographic diversity and increasing contribution from value-added products

Underlying EBITDA by region (\$M)



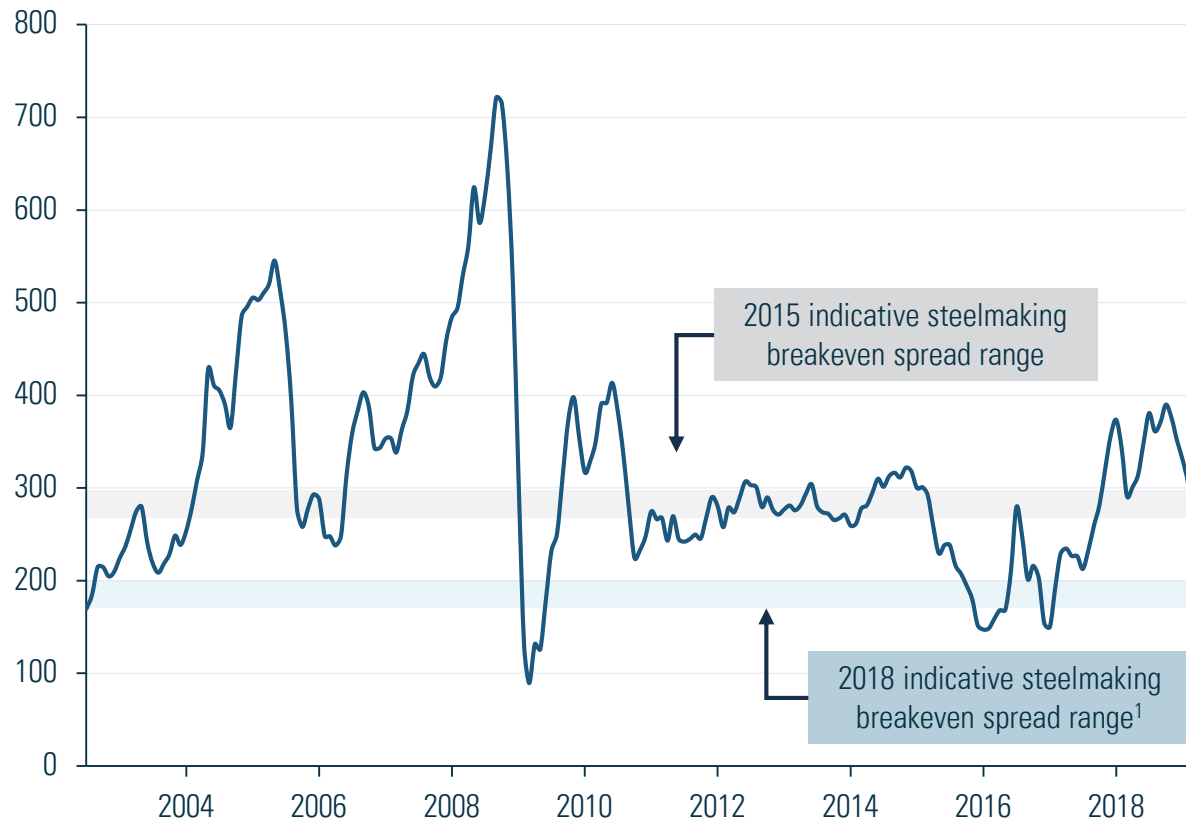
CY2018 Total¹:
\$1,595M

BlueScope despatch volume mix

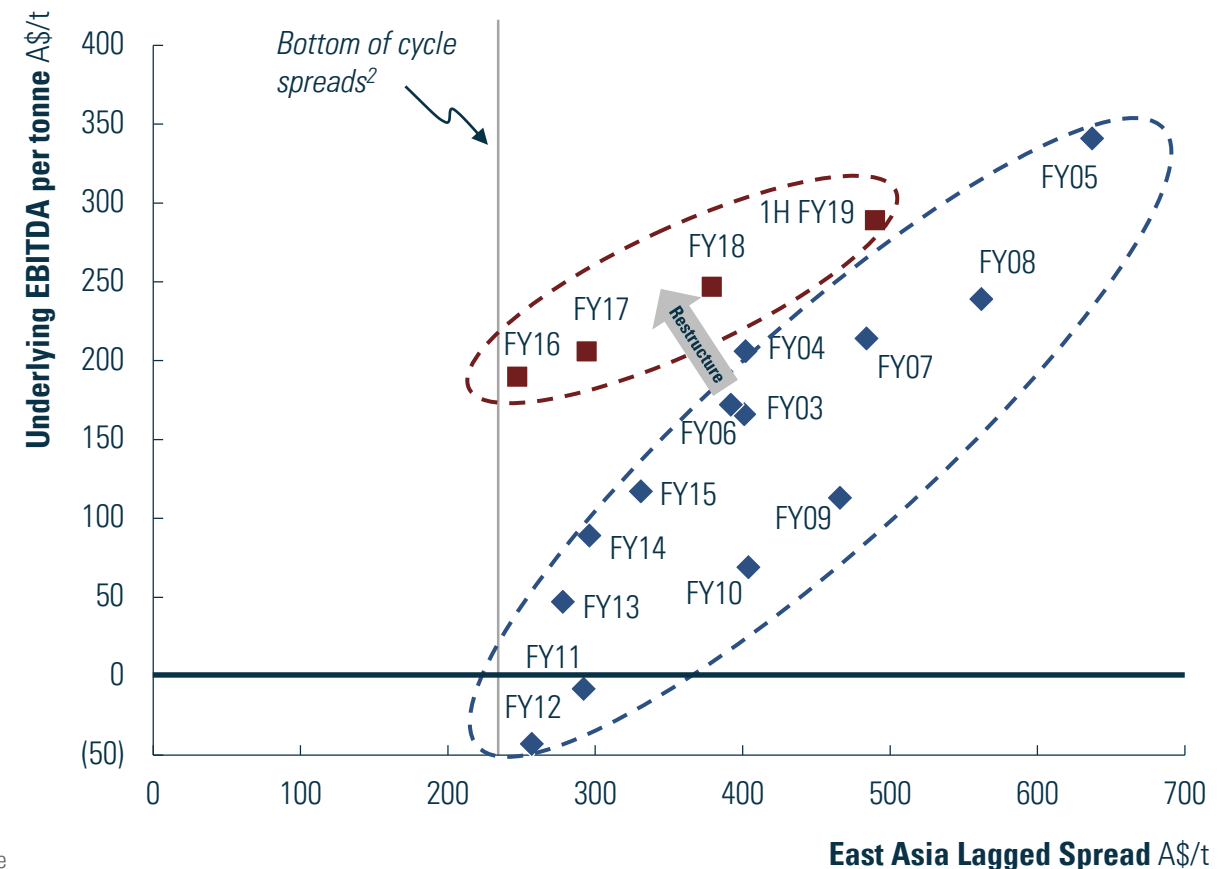


Australian steelmaking breakeven at minimum recent spreads following business transformation

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

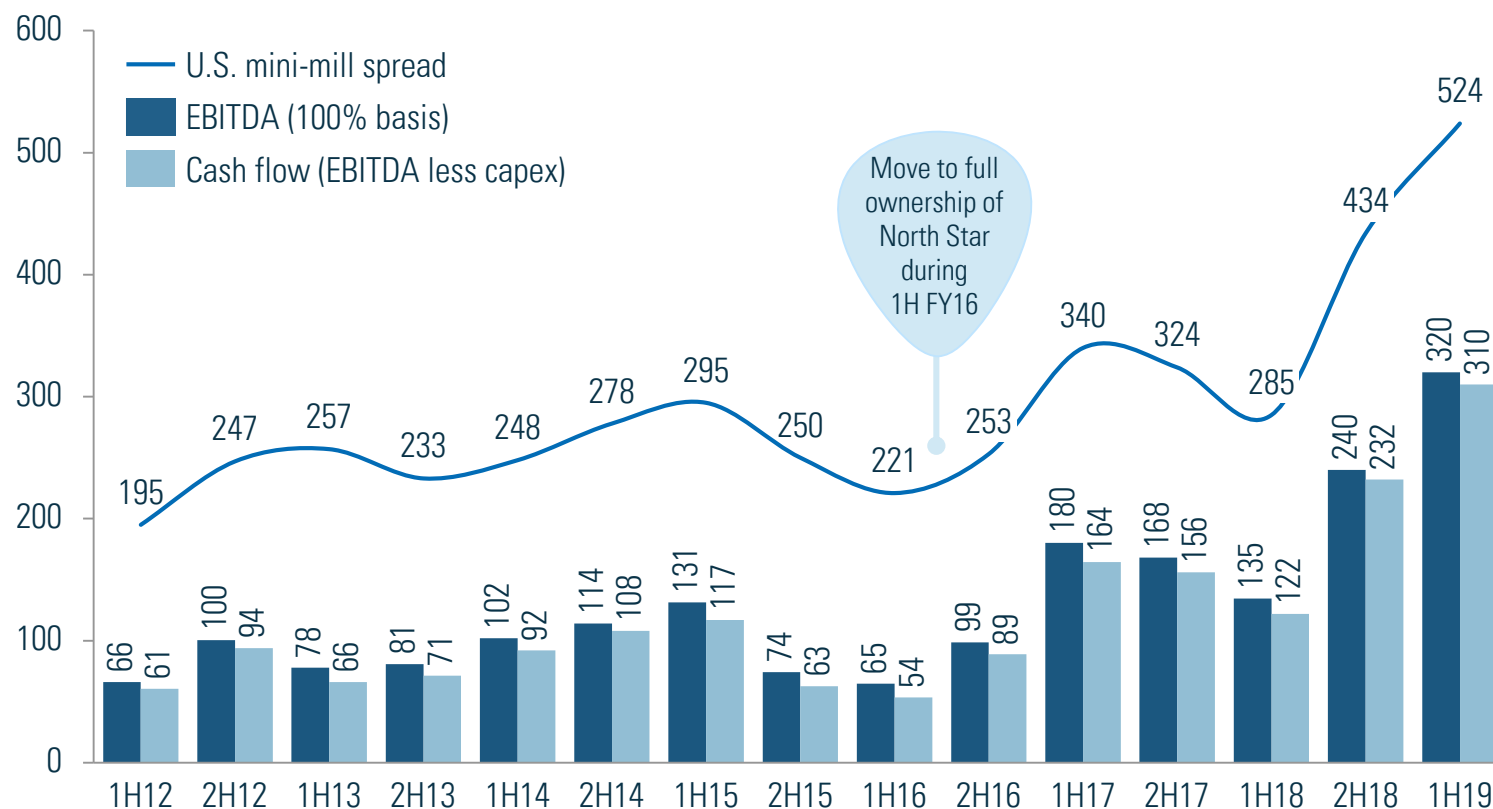
(2) US\$190/t, using an A\$:US\$ conversion rate of 0.775

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.

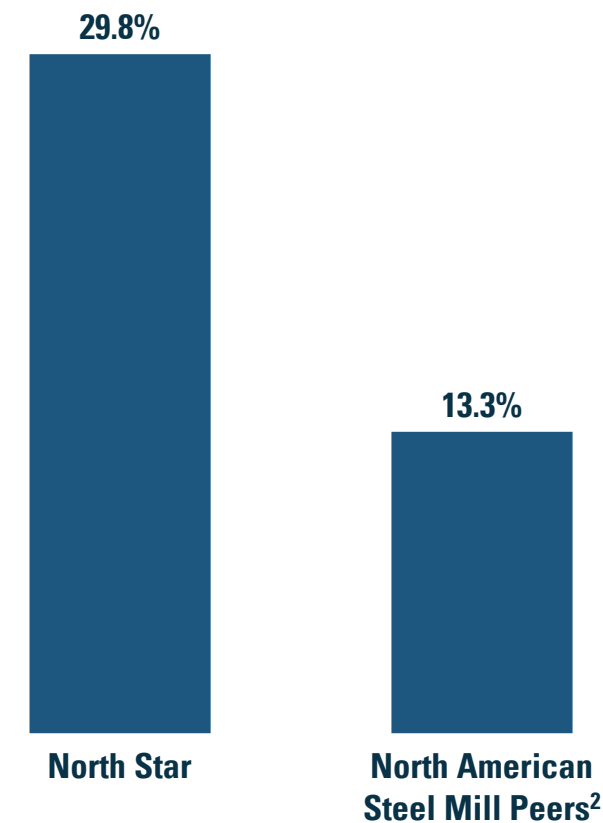


North Star generates positive returns through the cycle, with a leading margin in US steelmakers

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. Peer margin data sourced from company information, simple average of six North American peers using relevant segment information

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

Capital expenditure principles

**INVEST TO MAXIMISE
VALUE FROM “BEST IN
CLASS” ASSETS**

**INVEST FOR GROWTH IN
PREMIUM BRANDED
PRODUCTS**

**INVEST IN CUSTOMER,
TECHNOLOGY AND
INNOVATION**

Examples of growth opportunities

M

Building Products Asia
Roll out of Next Generation
ZINCALUME™ coating technology



Building Products Asia
Continued roll out of ZACS®
Authorised Dealer retail network



Building Products Asia
Acquisition of YKGI Holdings' cold
rolling mill in Malaysia



Australian Steel Products
Automation initiatives across key
manufacturing sites



Australian Steel Products
New TRU-SPEC™ line at Port
Kembla Steelworks



**Building Products
North America**
Crane automation at Steelscape



Buildings North America
Robotic welder trials for frame
fabrication



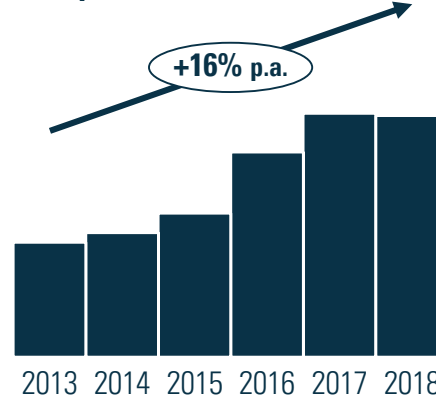
North Star
Capacity expansion study

New coil plate capacity provides a strong foundation for growth; light gauge steel framing growth continues

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

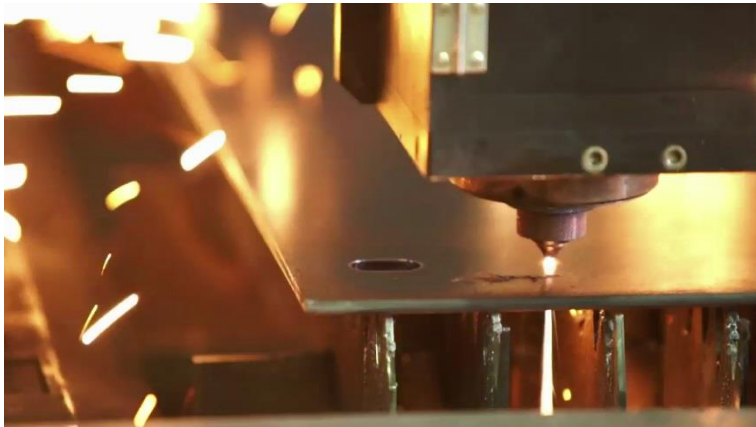
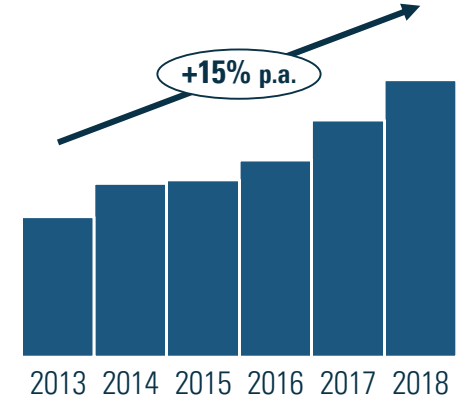
Coil plate sales volumes¹



Light gauge steel framing growth

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

TRUECORE® sales volumes¹



Benefits of selecting TRU-SPEC®

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



Benefits of building with TRUECORE®

- ✓ Straight and true
- ✓ 100% termite proof
- ✓ Won't catch fire
- ✓ Efficient and fast to install
- ✓ Greater design versatility
- ✓ 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

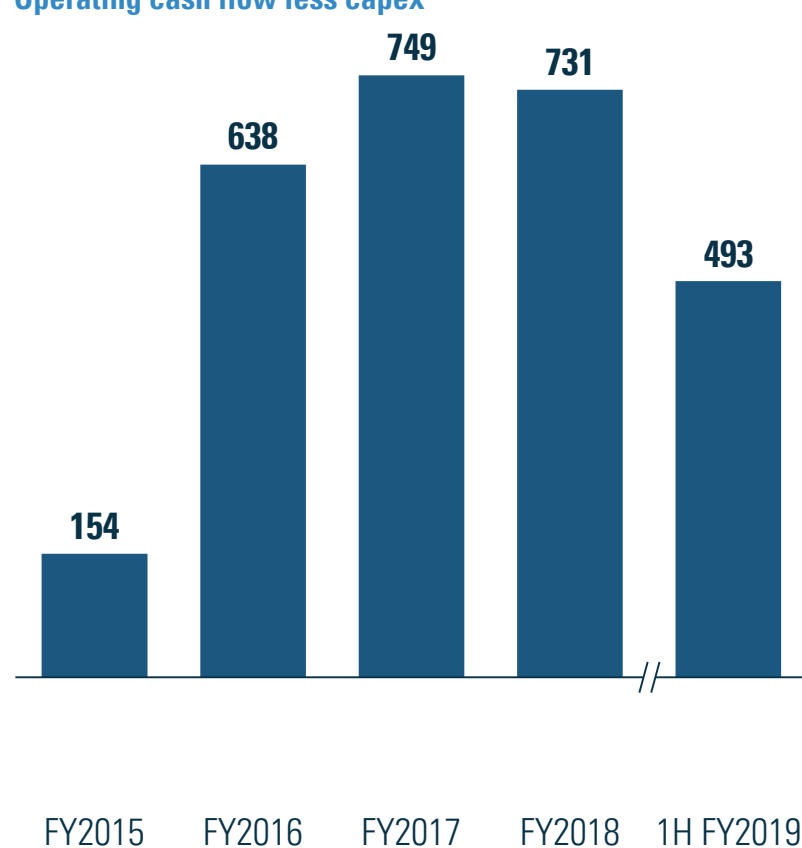
- Upgrading antiquated auto-welders with latest automation technology
- Provides capacity improvements for the following production processes, and reduced downtime and consumables from manual welding intervention, whilst also reducing exposure safety risk



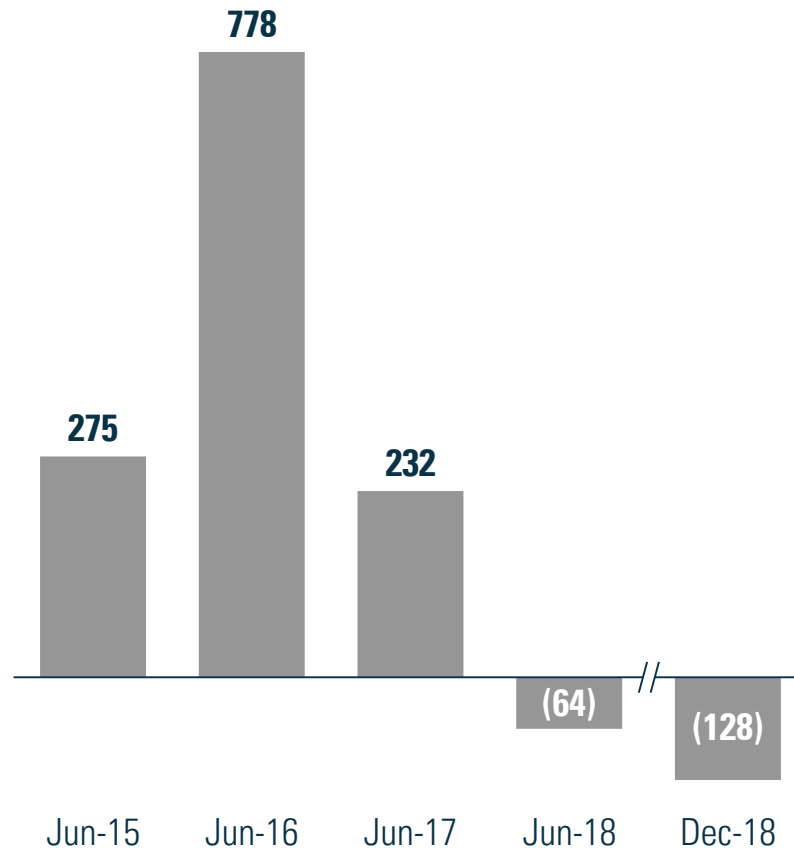
Robust cash generation to support growth and shareholder returns

Free cash flow (\$M)

Operating cash flow less capex

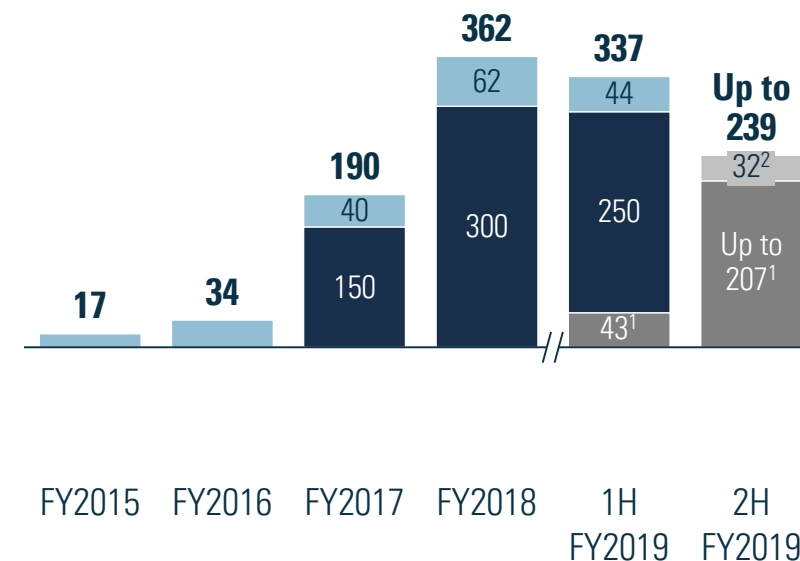


Net debt / (cash) (\$M)



Shareholder returns (\$M)¹

Dividend
Buy-back



(1) Buy-back program of up to \$250M announced on 3 December 2018, with \$43M purchased in 1H FY2019 and up to \$207M remaining in 2H FY2019, as at 25 February 2019.

(2) 1H FY2019 interim dividend of 6.0 cps announced 25 Feb 2019, with payment date of 2 Apr 2019



Continued focus on our key materiality topics driving improvements in performance and disclosure

SAFETY, HEALTH AND WELLNESS

- LTIFR (lost time injuries) and MTIFR (medically treated injuries) of 0.82 and 4.9 per million man-hours worked respectively in 1H FY2019
- Focus in 2H 2019 is on how we can deliver a future step change in our safety performance by further transitioning from a culture of compliance to one of individual engagement and accountability

SUPPLY CHAIN SUSTAINABILITY

- Project continues, with focus in 2H FY2019 on:
 - Internal training and rollout of improved processes
 - Rollout of BlueScope Supplier Code of Conduct
 - Engagement with high priority suppliers and assessment against the Supplier Code of Conduct
 - Reviewing the program rollout and schedule against Modern Slavery Act

CLIMATE CHANGE

- Achieved an additional 1.2% reduction in GHG emission intensity from 2017
- Developed our shadow carbon pricing approach, climate risk scenarios and GHG emissions intensity reduction targets
- Focus in 2H FY2019 is on working through our three year climate plans

DIVERSITY AND INCLUSION

- Female participation in the total BlueScope workforce has increased to 20 per cent in 1H FY2019, with 40 per cent of new recruits to operating roles being women. The rate of women hired to all roles across the Group has doubled since FY2016.
- Continuing our focus in 2H FY2019 on gender diversity, inclusion and equity, along with development and training in these areas.

GOVERNANCE AND BUSINESS CONDUCT

- In Our Bond, we recognise that our strength is in choosing to do what is right.
- In 1H FY2019, the BlueScope ethics and compliance function was enhanced to further ensure our business operates to the standard guided by Our Bond, along with the extensive laws and regulations that govern our businesses.



More information on BlueScope's sustainability approach and performance can be found in the FY2018 Sustainability Report, at www.bluescope.com/sustainability



Our four pillars of commitment to action

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

- **Reduced GHG emissions intensity**
 - Average aggregated GHG emissions intensity of three steelmaking facilities reduced by 1.2% in FY2018 from FY2017
- **As at FY2018, ASP has achieved over 40% cut in Australian GHG emissions from 2011 to 2018**
 - By reducing excess export capacity in response to global steel overcapacity
 - Significant contribution to Australia's commitment under Paris Agreement
- **Position on energy policy**
 - Supporters of energy policy that addresses the trilemma (affordability, reliability and emissions)

Acknowledge steelmaking produces emissions; working to reduce the impact

- **Developed emissions intensity reduction targets in reference to detailed sector scenarios from the IEA 2° scenario model**
 - 33% reduction to 2030 compared to 2005 (equivalent to an additional 1% reduction year on year, from 2018)
- **Signed renewable energy agreement equivalent to 20% of our Australian electricity consumption**
 - BSL off-take of 66% of 133MW AC generated
 - Project will support decarbonisation of electricity grid by 300,000t CO₂-e p.a.
- **Implementing energy efficiency and emissions reduction projects**
 - Focusing on working through our three year climate plans in 2H FY2019

Governance structures seek to ensure understanding and management of climate risk

- **Climate addressed from Board down**
 - Risk and Sustainability Committee
 - Sustainability Council (with exec. lead team representation)
 - VP Sustainability and Sustainability Manager
- **Aligning climate change reporting with Task Force on Climate-related Financial Disclosure (TCFD), including outcomes of scenario analysis**
 - Global cooperation
 - Patchy progress
 - Runaway climate change
- **Shadow carbon pricing**
 - Evolved our capital investment framework to better align with our climate risk scenarios

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

- **Recycled steel as manufacturing feed**
 - ~20% recycled pre and post consumer scrap content in Aust. and NZ steel production
 - ~75% at North Star
- **Driving certification**
 - Founding member of ResponsibleSteel, and its industry supply chain certification scheme, currently under development
- **Building a culture of sustainability**
 - Extensive reuse and recycling of by-products (over 97% material efficiency)
 - Contributing to circular economy, with significant lifecycle energy and GHG benefits





Enhancing our sustainability reporting

FY2016 Report

Initial step towards sustainability reporting, combining content of BlueScope's annual Community Safety and Environment Report, our People Report, and the Annual Report



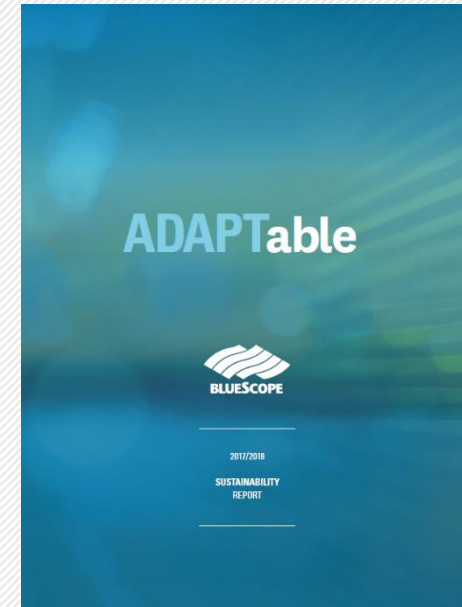
FY2017 Report

Substantive update using stakeholder consultation and GRI framework. Initial TCFD disclosure



FY2018 Report

Enhanced disclosure on material topics, further alignment to TCFD recommendations, including climate-related scenario analysis, and an expanded review of supply chain sustainability





ADDITIONAL INFORMATION



RECONCILIATION BETWEEN REPORTED AND UNDERLYING EBIT AND NPAT¹

	1H FY2018		1H FY2019	
	EBIT \$M	NPAT \$M	EBIT \$M	NPAT \$M
Reported results	510.5	441.2	840.0	624.3
<i>Underlying adjustments</i>				
Discontinued business (gains) / losses	14.3	14.3	4.9	5.3
Tax asset impairment / (write-back)	-	(75.5)	-	(17.8)
Restructuring & redundancy costs	3.9	1.8	4.7	1.7
Asset sales	(4.5)	(2.7)	-	-
US tax reform	-	(52.1)	-	-
Underlying results	524.2	327.0	849.6	613.5

UNDERLYING EARNINGS, NET FINANCE AND TAX COST

49

\$M	1H FY2018	2H FY2018	1H FY2019	
Underlying EBIT	524.2	745.0	849.6	
Underlying finance costs	(40.6)	(40.0)	(27.2)	
Interest revenue	3.8	4.9	7.3	
Profit from ordinary activities before tax	487.4	709.9	829.7	
Underlying income tax (expense)/benefit	(127.0)	(182.0)	(200.8)	
Underlying NPAT from ordinary activities	360.4	527.9	628.9	
Net (profit)/loss attributable to non-controlling interests	(33.4)	(28.9)	(15.4)	
Underlying NPAT attributable to equity holders of BSL	327.0	499.0	613.5	

Breakdown of net finance costs

Reg-S Bonds	9.6
Syndicated bank facility charges	3.9
Finance leases	6.1
Amortisation of borrowing costs and present value charges (non-cash)	1.7
Other finance costs (incl NS BlueScope interest costs)	5.9
Less, interest income	(7.3)
Total net interest	19.9

24.2% effective underlying tax rate

SUMMARY OF FINANCIAL ITEMS BY SEGMENT

50

Sales revenue

\$M	1H FY2018	2H FY2018	FY2018	1H FY2019
North Star BlueScope Steel	860.6	1,063.3	1,923.9	1,265.0
Australian Steel Products	2,565.7	2,857.4	5,423.2	2,869.9
Building Products Asia & North America	1,309.2	1,384.6	2,693.8	1,481.2
New Zealand and Pacific Steel	386.8	446.8	833.6	463.5
Buildings North America	523.3	583.1	1,106.4	587.4
Intersegment, Corporate & Discontinued	(169.2)	(261.9)	(431.2)	(259.7)
Total	5,476.4	6,073.3	11,549.7	6,407.3

Underlying EBITDA

\$M	1H FY2018	2H FY2018	FY2018	1H FY2019
North Star BlueScope Steel	172.5	313.1	485.6	441.4
Australian Steel Products	350.6	418.8	769.4	424.1
Building Products Asia & North America	146.0	112.6	258.6	115.2
New Zealand and Pacific Steel	63.2	92.9	156.1	96.6
Buildings North America	36.1	58.0	94.1	32.0
Intersegment, Corporate & Discontinued	(58.2)	(61.0)	(119.2)	(53.6)
Total	710.2	934.4	1,644.6	1,055.7

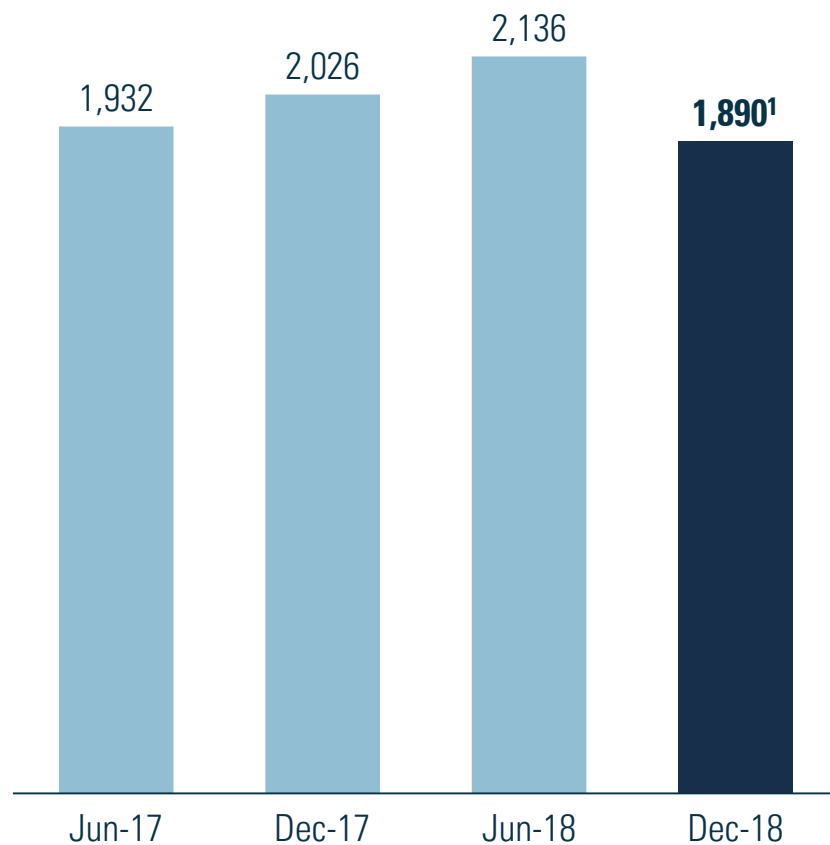
Total steel despatches

'000 tonnes	1H FY2018	2H FY2018	FY2018	1H FY2019
North Star BlueScope Steel	1,037.5	1,067.2	2,104.7	1,036.4
Australian Steel Products	1,515.3	1,601.2	3,116.6	1,466.9
Building Products Asia & North America	880.2	877.9	1,758.1	848.2
New Zealand and Pacific Steel	307.5	342.7	650.1	307.5
Buildings North America	116.1	121.5	237.7	119.2
Intersegment, Corporate & Discontinued	(141.6)	(134.5)	(276.1)	(123.8)
Total	3,715.0	3,876.0	7,591.1	3,654.4

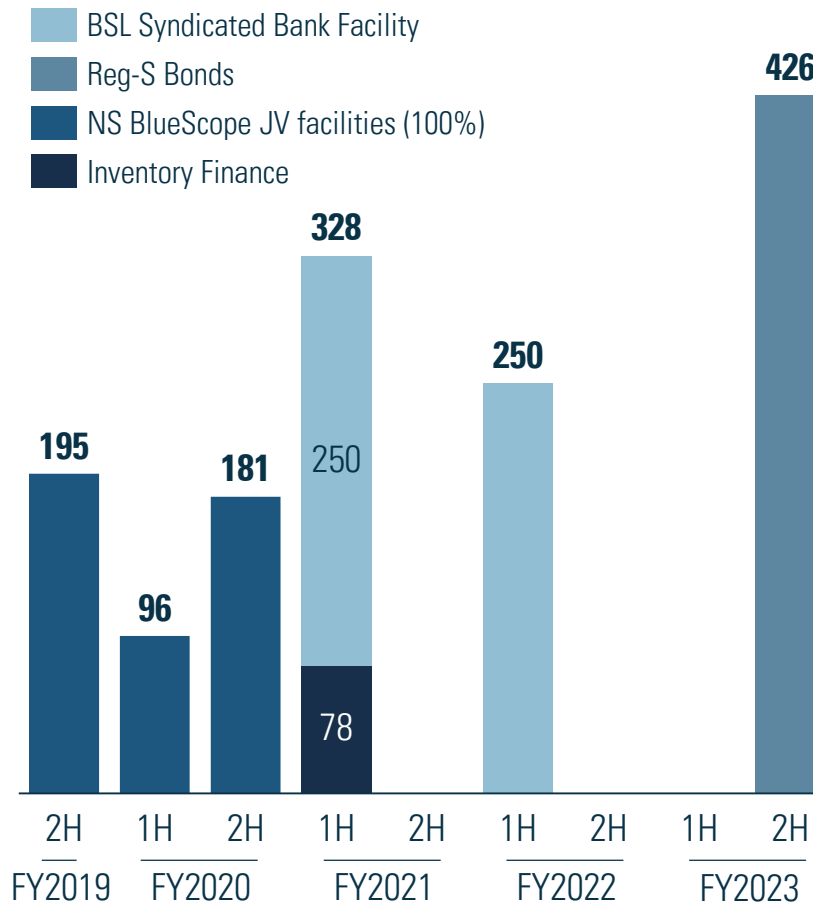
Underlying EBIT

\$M	1H FY2018	2H FY2018	FY2018	1H FY2019
North Star BlueScope Steel	145.2	285.4	430.6	411.6
Australian Steel Products	261.7	325.7	587.4	319.0
Building Products Asia & North America	108.3	76.2	184.5	78.8
New Zealand and Pacific Steel	41.0	70.7	111.7	71.9
Buildings North America	26.4	48.2	74.6	22.1
Intersegment, Corporate & Discontinued	(58.4)	(61.2)	(119.5)	(53.8)
Total	524.2	745.0	1,269.3	849.6

Liquidity (undrawn facilities and cash, \$M)



Maturity profile² (\$M)



Receivables securitisation program:

- In addition to debt facilities, BSL has \$493M of off-balance sheet securitisation programs, of which \$486M was drawn at 31 December 2018

Current estimated cost of facilities:

- Approximately 5% interest cost on gross drawn debt (which was ~\$930M at 31 December 2018); 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. 1.5-2.0% pa)



ASIA AND NORTH AMERICA INVESTOR MEETINGS

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

March 2019

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058