

1H FY2022 Financial Results Presentation

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Pictured:
St Bede's Catholic College in
Chisholm, NSW, featuring
COLORBOND® steel in
Fielders® Aramex® profile



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Authorised for release by the Board of BlueScope Steel Limited

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1H FY2022 HIGHLIGHTS

Positioning for long term sustainable growth and returns

- Continuing to evolve our approach to safety by building capacity and driving a greater focus on engagement and learning
- Delivered strong financial results and returns to shareholders
- Strong progress on climate – comprehensive climate change strategy launched; collaborations announced with:
 - Rio Tinto, to explore technical and process options for low emissions steelmaking
 - Shell, to explore and develop renewable hydrogen projects at Port Kembla
- Port Kembla reline project transitioning to feasibility phase – examining a comprehensive upgrade, including technologies to enable GHG emissions reductions
- North Star expansion well progressed, with expected start-up mid CY2022
- Established BlueScope Recycling with the acquisition of MetalX ferrous recycling business



SAFETY STARTS WITH ALL OF US

1,167

Leaders involved in our global HSE risk management program to date (incl Board & ELT)

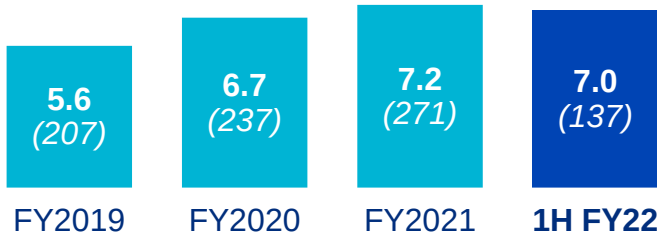
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Team-based risk control improvement projects active across the business

- Continuing to evolve our approach to safety
 - Driving innovative and practical HSE risk control improvements to enhance resilience
 - Empowering our people to be part of the solution by identifying opportunities and strengthening controls
- Maintaining COVID-safe workplaces has been a persistent focus across the business. Supporting our people and encouraging vaccinations has been paramount
- TRIFR remains in the long term range of 5-7. Focus continues on building capacity in our processes and systems to lower severity of injuries, both actual and potential
 - Injury profile continues to be lower severity injuries (e.g. sprains, strains and lacerations)
 - No permanent incapacities; less than 3% of injuries had the potential to be a fatal incident

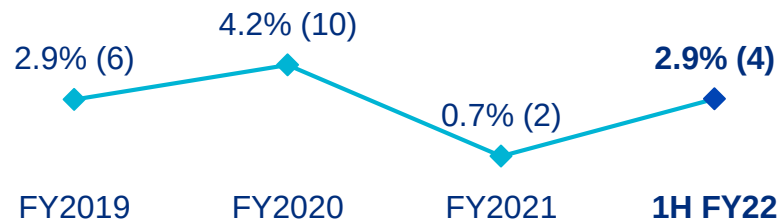
TRIFR

Rate per million hours (number of injuries)



Severity

% (number) of injuries with potential to be a fatal incident



WELL POSITIONED FOR THE FAVOURABLE LONG TERM OUTLOOK FOR STEEL

Recognition of steel as a critical input for a clean energy future (incl. wind, solar and transmission infrastructure)

Consolidation and rationalisation in the US steel industry supporting enhanced supply-side discipline

Focus on overproduction and emissions reduction in China's steel industry improving regional industry conditions

Steel intensive building and construction supported by government stimulus and infrastructure programs

Preference for lower density and regional housing maintained by consumers post-pandemic

Growth in steel intensive e-commerce infrastructure supported by continued acceleration in online shopping

1H FY2022 FINANCIAL HIGHLIGHTS

Record half year result on stronger spreads and robust demand

Underlying EBIT¹

\$2.20Bn

 Up \$1.67Bn on 1H FY2021

**Underlying EBIT Return
On Invested Capital²**

43.7%

 Up from 11.0% in 1H FY2021

Reported NPAT

\$1.64Bn

 Up \$1.31Bn on 1H FY2021

Free Cash Flow
(Operating cash flow less capex)

\$688M

 Up \$422M on 1H FY2021

Net Cash

\$696M

 Down from \$798M at 30 June 2021

Capital Management

**Interim dividend 25 cps³
Buy back up to \$700M⁴**



1. Underlying financial results for 1H FY2022 reflect the Company's assessment of financial performance after excluding (pre-tax): settlement gains related to defined benefit pension funds (\$54.8M), gain on termination of a lease (\$5.1M), business development costs (\$8.2M) and a gain on discontinued operations (\$1.6M). Refer page 65 for a full reconciliation of these underlying adjustments.
2. Return on Invested Capital – calculated as last 12 months' underlying EBIT over average monthly capital employed.
3. Dividends unfranked. Buy-back is intended to be conducted over the next twelve months. Timing and value of stock purchased in the buy-back will be dependent on the prevailing market conditions, share price and other factors.
4. With \$285M of stock bought since August 2021, the Board has approved an increase in the scale of the buy-back program to allow up to a further \$700 million to be bought over the next 12 months

1H FY2022 UNDERLYING EBIT BY SEGMENT

Strong performance across the business, with outstanding contributions from North Star and ASP

North Star

\$1,229M

 Up 1,665% on 1H FY2021

**Australian Steel
Products**

\$688M

 Up 165% on 1H FY2021

**Building Products Asia
and North America**

\$266M

 Up 77% on 1H FY2021

**New Zealand and
Pacific Islands**

\$86M

 Up 50% on 1H FY2021

**Buildings North
America**

\$18M

 Down 74% on 1H FY2021

**Corporate and
Eliminations**

\$(82)M

 7% unfavourable to 1H FY2021

OUR PURPOSE AND STRATEGY

OUR PURPOSE

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

OUR STRATEGY

TRANSFORM

DELIVER A STEP CHANGE IN CUSTOMER EXPERIENCE AND BUSINESS PERFORMANCE

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

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

GROW

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

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

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

Pursue incremental opportunities in Australia

DELIVER

DELIVER A SAFE WORKPLACE, AN ADAPTABLE ORGANISATION AND STRONG RETURNS

Deliver safe and sustainable operations and an inclusive and diverse workplace

Maintain an integrated and resilient Australian business

Secure the future of steelmaking in NZ

Deliver returns greater than the cost of capital through the cycle

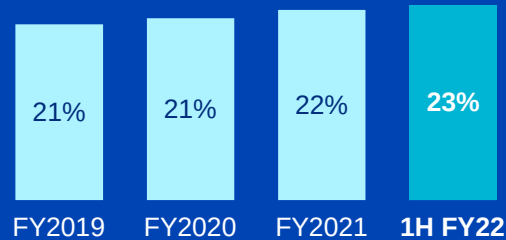
Maintain a strong and robust balance sheet

Deliver strong returns to shareholders

SUSTAINABILITY HIGHLIGHTS

Embedding sustainability in all that we do

Inclusion and Diversity



Female workforce participation

- Ensuring our employees feel safe to speak up, be heard and feel welcome
- Maintaining focus on female recruitment and 40:40:20 initiatives across the business
- Commenced monitoring beyond gender metrics such as Ethnicity, First Nations and Disability

ResponsibleSteel™ Site Certification

- Port Kembla Steelworks (PKSW) and steel processing sites awarded ResponsibleSteel™ site certification in February 2022
- The independent, third-party site certification process has taken almost two years, involving a rigorous audit of across 12 sustainability principles
- Certification creates a valuable point of difference for PKSW, being the first steelmaking site accredited in the Asia Pacific region, and the fourth steelmaker in the world to receive the certification

Sustainable Supply Chain

251 Suppliers engaged and assessed

46 Assessments completed in 1H FY2022



- Assessments completed are both new and re-assessments
- Delays observed in assessment processes due to the impact of pandemic related disruptions on suppliers and their teams

Climate Change

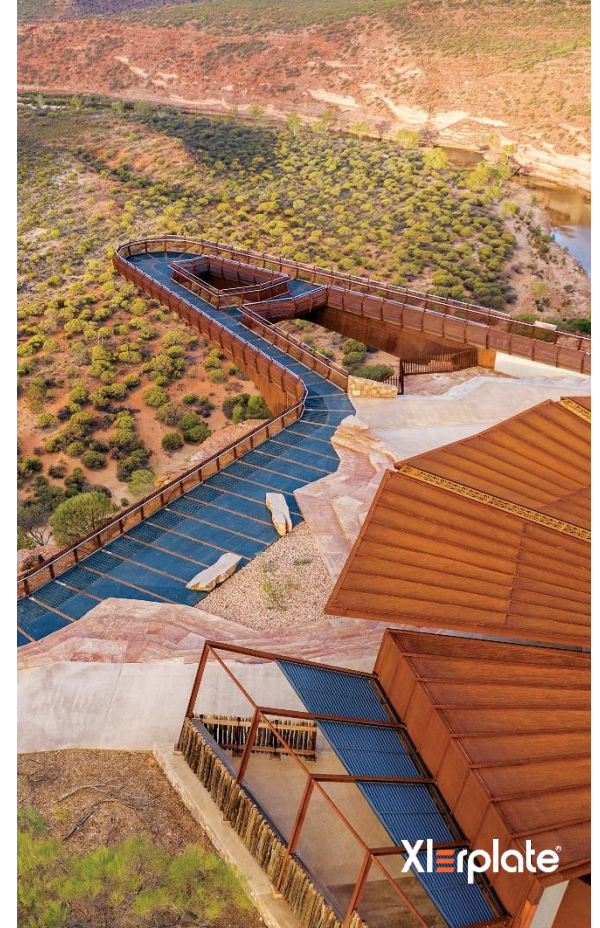
- Commenced collaborations with:
 - Rio Tinto, to explore technical and process options for low emissions steelmaking
 - Shell, to explore and develop renewable hydrogen projects at PKSW
- Following on from the Net Zero Steel Pathway Methodology Project, BlueScope has joined the Science Based Target initiative's steel decarbonisation pathway Expert Advisory Panel

As previously disclosed, the ACCC commenced civil proceedings against BlueScope and a former employee alleging contraventions of the Australian competition law cartel provisions. These civil proceedings concluded in November 2021. Judgment is reserved and is likely to be delivered in the first quarter of FY2022

PORT KEMBLA BLAST FURNACE RELINE & UPGRADE

Project transitioning to feasibility phase; examining a comprehensive upgrade of the facility, including technologies to enable larger medium to longer-term carbon abatement

- A reline of 6BF is currently the most technically and economically feasible option to secure iron making needs from 2026 as longer-term breakthrough low-emissions technologies are developed over the current and following decade
- The blast furnace campaign life of up to 20 years aligns with BlueScope's net zero goal by 2050 and decarbonisation strategy – providing a challenging but credible timeframe for the development, scaling and commercialisation of low emissions technologies together with the roll out of key enablers including low cost green hydrogen and firmed and affordable renewable energy
- Reline does not lock us in to blast furnace steelmaking for the full 20 years. Strong earnings and cash flow capability of ASP provide significant flexibility and timing optionality to adopt new technologies across the medium to longer term, as and when commercially ready
- The 6BF reline project scope is broader than a typical reline scope – the feasibility study will examine a comprehensive upgrade of the blast furnace facility and related infrastructure, including comprehensive technical and environmental upgrades
 - Improved environmental controls for enhanced water and air quality management
 - Includes technology options that will enable GHG emissions reduction over the medium to longer term
- These opportunities are part of a broader suite of climate-related projects at Port Kembla that have the potential to reduce GHG emissions intensity by up to 20 per cent¹
- Partnerships and collaborations with governments, technology vendors and industry bodies will be crucial to making sure we are ready to implement the best available technologies



1. Percentage intensity reduction on 2018 emissions base

PORT KEMBLA BLAST FURNACE RELINE & UPGRADE

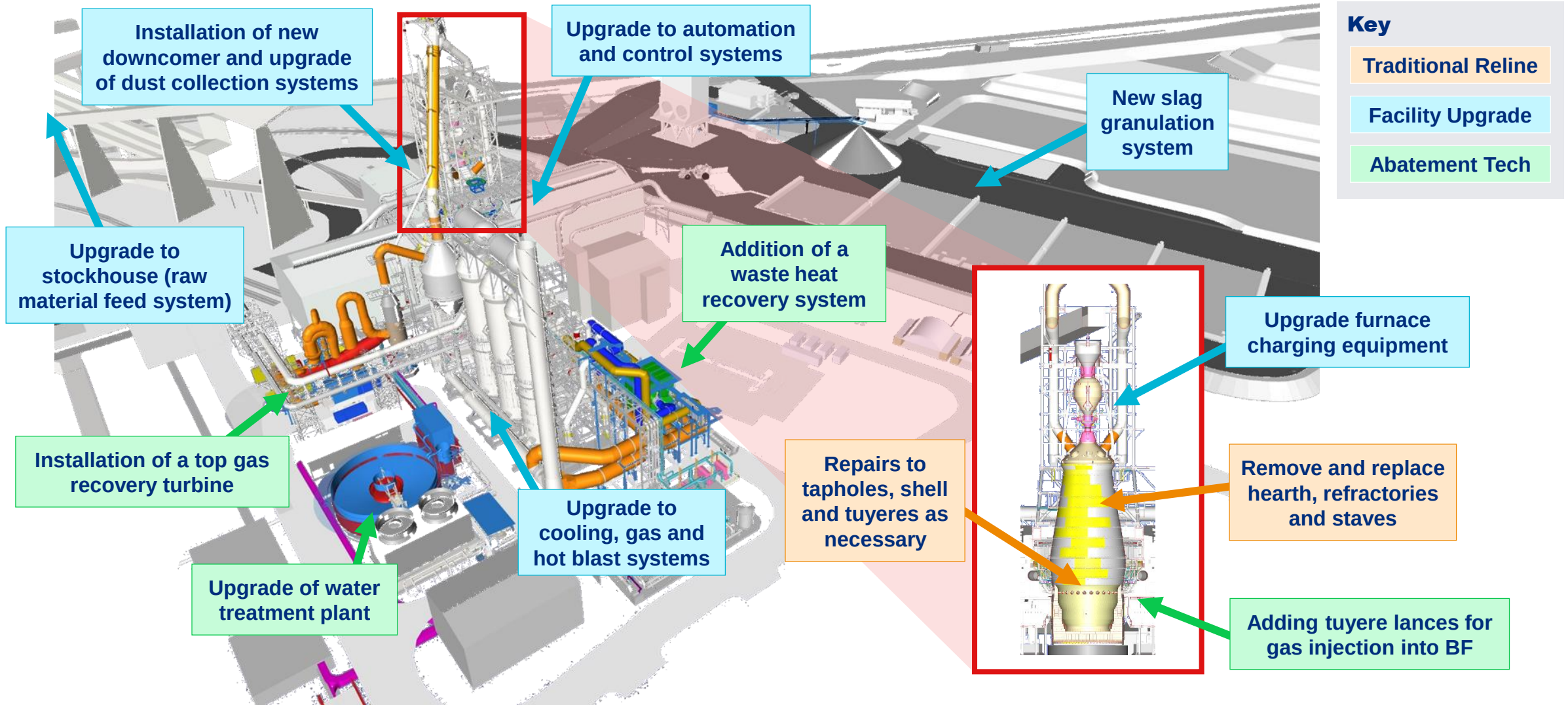
Subject to feasibility approval, project is to be delivered over next four years at a cost of ~\$1Bn



- Following completion of pre-feasibility, preliminary indicative cost estimate is now around \$1Bn, up from the initial indicative range of \$700-800 million, due to:
 - Broadening of scope, including environmental upgrades, and more refined costing of required works
 - Over \$100M of measures directed at environmental efficiency improvement
- BlueScope will also proceed to commit during FY2022 to ~\$120M of long lead-time items critical for delivery of ironmaking capability from 2026
 - Commitments will be capitalised as these items are manufactured and delivered to site through the course of the project
- ~\$50M detailed design and execution planning costs which will progress across the next 12 to 18 months
- Capex expected to peak in FY2024 and FY2025 with ~50% of total spend during that period
- Non-cash accounting depreciation of existing 5BF assets will be stepped up by around \$40-60 million per annum given expected cut-over to 6BF in 2026
 - ~\$15 million impact in 2H FY2022

PORT KEMBLA BLAST FURNACE RELINE & UPGRADE

Scope of work includes traditional reline plus a significant upgrade of the furnace and supporting infrastructure, including investment in technologies to enable emissions abatement



NORTH STAR EXPANSION

Project well-progressed. Expect first coil production in mid calendar year 2022; commissioning to full capacity over 18 months thereafter

- Project well progressed¹
 - EAF commissioned and operating well, reached its 100 heat milestone in January 2022
 - Ladle Metallurgy Furnaces (LMF) currently being commissioned
 - Installation of caster and shuttle furnace nearing completion, commissioning anticipated in the coming months
 - Nearing full complement of new employees to support operations of the expanded mill
- First coil expected in mid calendar year 2022
 - Expect an 18 month ramp up to full run rate to follow commissioning
- Expect total cost to be around 10% above the US\$700M initial estimate, reflecting inflationary pressure and revised commissioning schedule
- Continued strong focus on managing pandemic risks in project supply chains and on-site works



EAF Ladle



Caster Overview



Tunnel Furnace

1. Accounting capital spend to date, including capital accruals, of US\$647M; cash spend to date of US\$568M. More details on project capital expenditure on page 77

ESTABLISHED BLUESCOPE RECYCLING

Established BlueScope Recycling through the acquisition of ferrous scrap steel recycling business of MetalX, the leading supplier of scrap feed to North Star



- Acquired two of MetalX's operating sites in Dec 2021; in Indiana and in Ohio, immediately adjacent to North Star in Delta
- MetalX supplies around 20 per cent of North Star's scrap requirements – and is its largest supplier
- Acquisition helps underpin North Star's supply chain and its great competitiveness
- Brings a crucial presence and expertise in both prime and post-consumer (obsolete) scrap processing, and helps drive our ambition to participate in the circular economy
- Enables North Star to improve the quality and quantity of obsolete scrap it uses, and reduce the mix of prime scrap
- The ~US\$220M¹ acquisition meets our return on capital expectations and provides synergies to optimise logistics and reduce scrap costs

Financial results

Colorbond

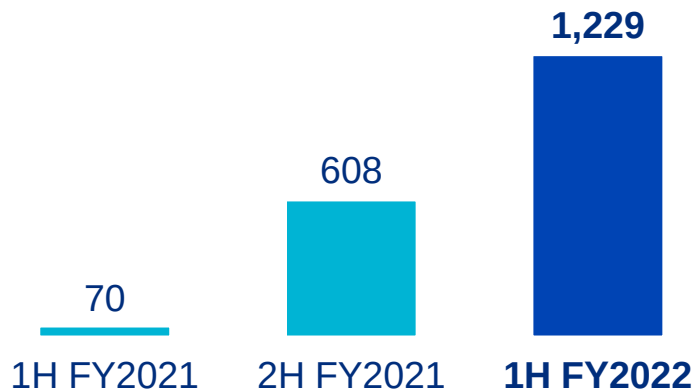
BlueScope



NORTH STAR

Record prices and spreads leading to record earnings; continued to operate at full utilisation

Underlying EBIT (\$M)

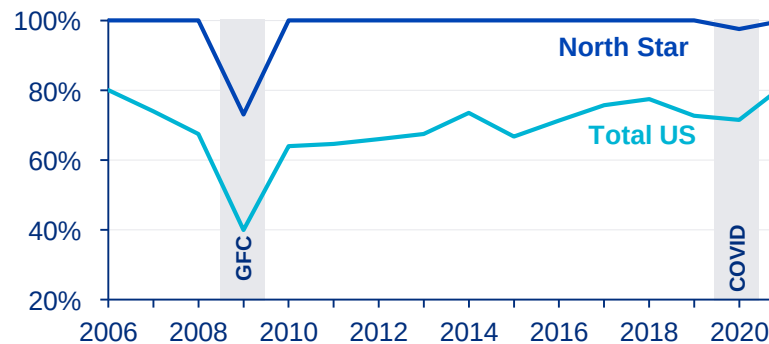


Total despatches (kt)

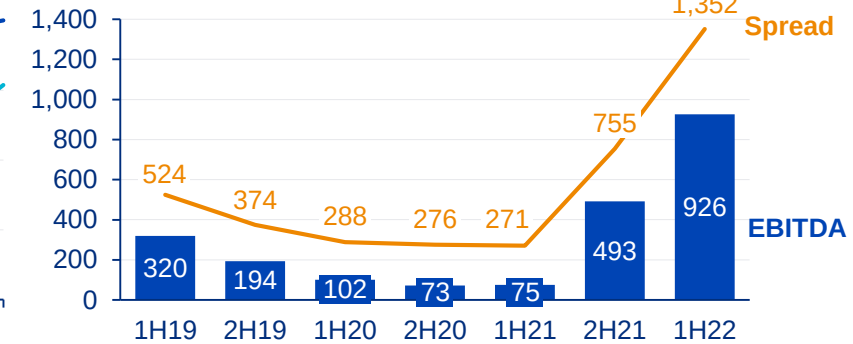


- Record steel spreads on significantly higher steel pricing, noting specific sales mix relative to benchmark²
- Operated at full utilisation through the half, with demand for North Star's product remaining robust. Despatch volumes were slightly lower on typical seasonality and moderate logistics constraints towards the end of the half
- Higher costs driven by remuneration expense linked to business performance³, combined with higher utilities and refractory costs

US steel mill capacity utilisation⁴ (%)



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



1. ROIC outcome is unfavourably impacted by expansion capital work in progress, which is included in the net operating assets. Expansion capital work in progress was approximately \$890M at 31 December 2021.

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

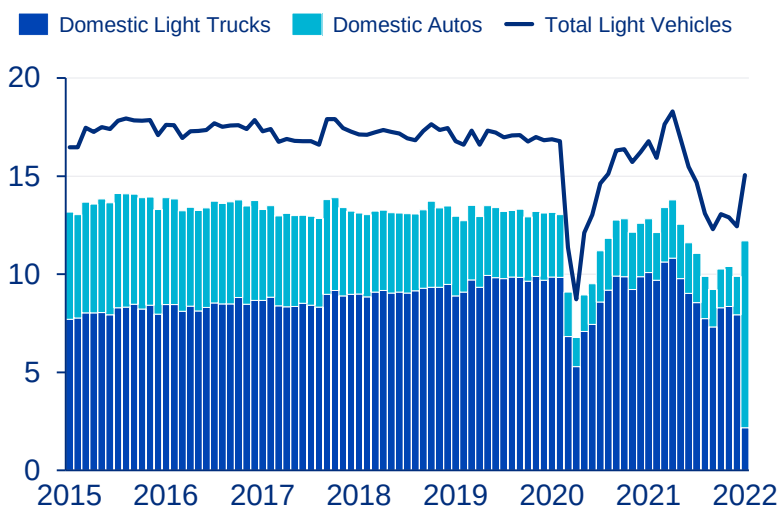
3. Relates to increased employee profit share plan expenses which naturally wind up and down in direct proportion to varying levels of profitability.

4. Source: American Iron and Steel Institute. Chart reflects annual average utilisation to 2019, and half year average utilisation for CY2020 and 1H CY2021.

Near term automotive demand constrained by semi conductor shortage' medium term demand indicators remain supportive, including pent up demand in automotive

Automotive¹

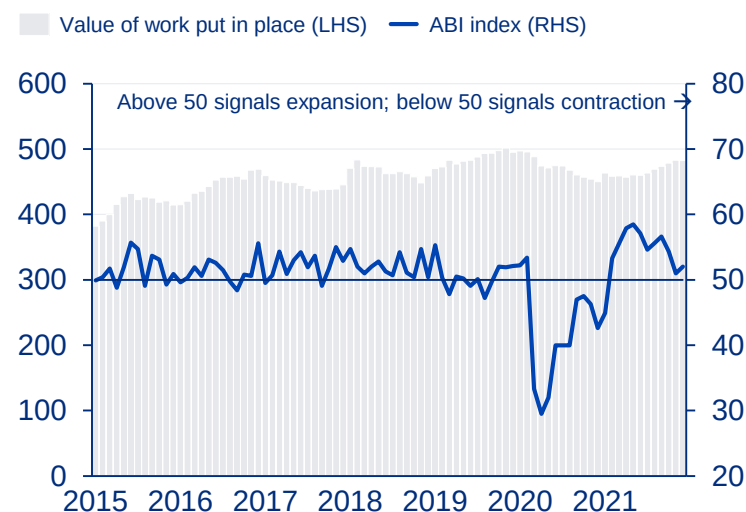
(Light vehicle sales, annualised million units)



- Sales impacted by supply chain and inventory constraints – particularly due to semiconductors
- Pent up demand and an expectation of an improving health backdrop should keep a floor under sales

Non-residential construction²

(Value of work put in place, US\$Bn; ABI)



- Non-residential investment softened during the pandemic period but now showing signs of growth
- Both private and public non residential spending are likely to get a boost from the Infrastructure Investment and Jobs Act

Manufacturing³

(ISM purchasing managers' index)

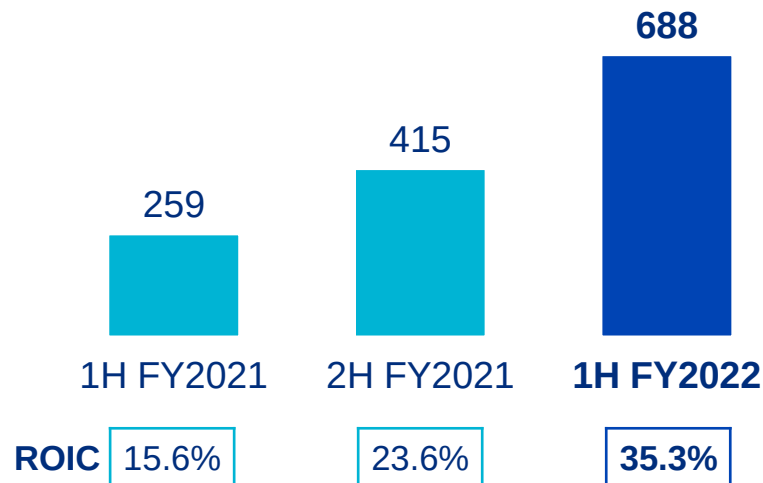


- Industrial activity remained robust through 2021 and remains firmly in expansion territory
- Unfilled factory orders remain high, and the recent spike in COVID-19 cases may keep goods demand elevated for longer

AUSTRALIAN STEEL PRODUCTS

Strong performance driven by robust spreads and volumes

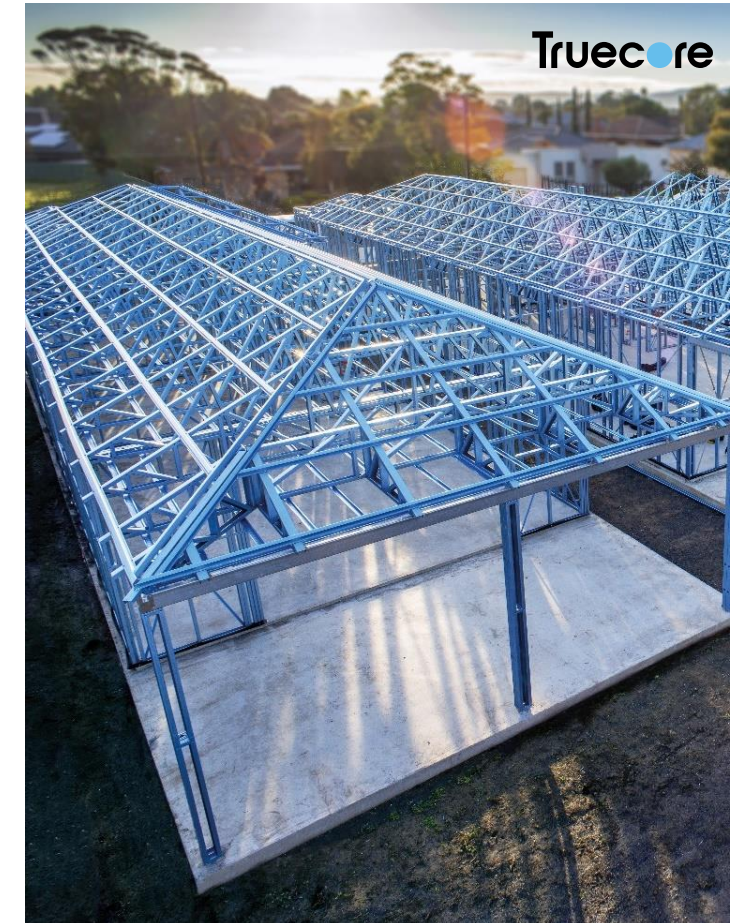
Underlying EBIT (\$M)



Domestic despatches ex-mill (kt)



- Continued strength in domestic despatch volumes – led by construction and distribution segments
 - Record sales volumes in premium branded products, such as COLORBOND® steel, TRUECORE® steel and TRU-SPEC® steel
- Realised spreads improved on 2H FY2021
 - Stronger achieved prices in domestic and export markets
 - Strong performance from downstream business
 - Partly offset by higher raw material costs
- Higher conversion costs, particularly labour on higher remuneration expense linked to business performance¹
- Higher contribution from export coke sales, up \$16M on 2H FY2021 off the back of higher coke prices



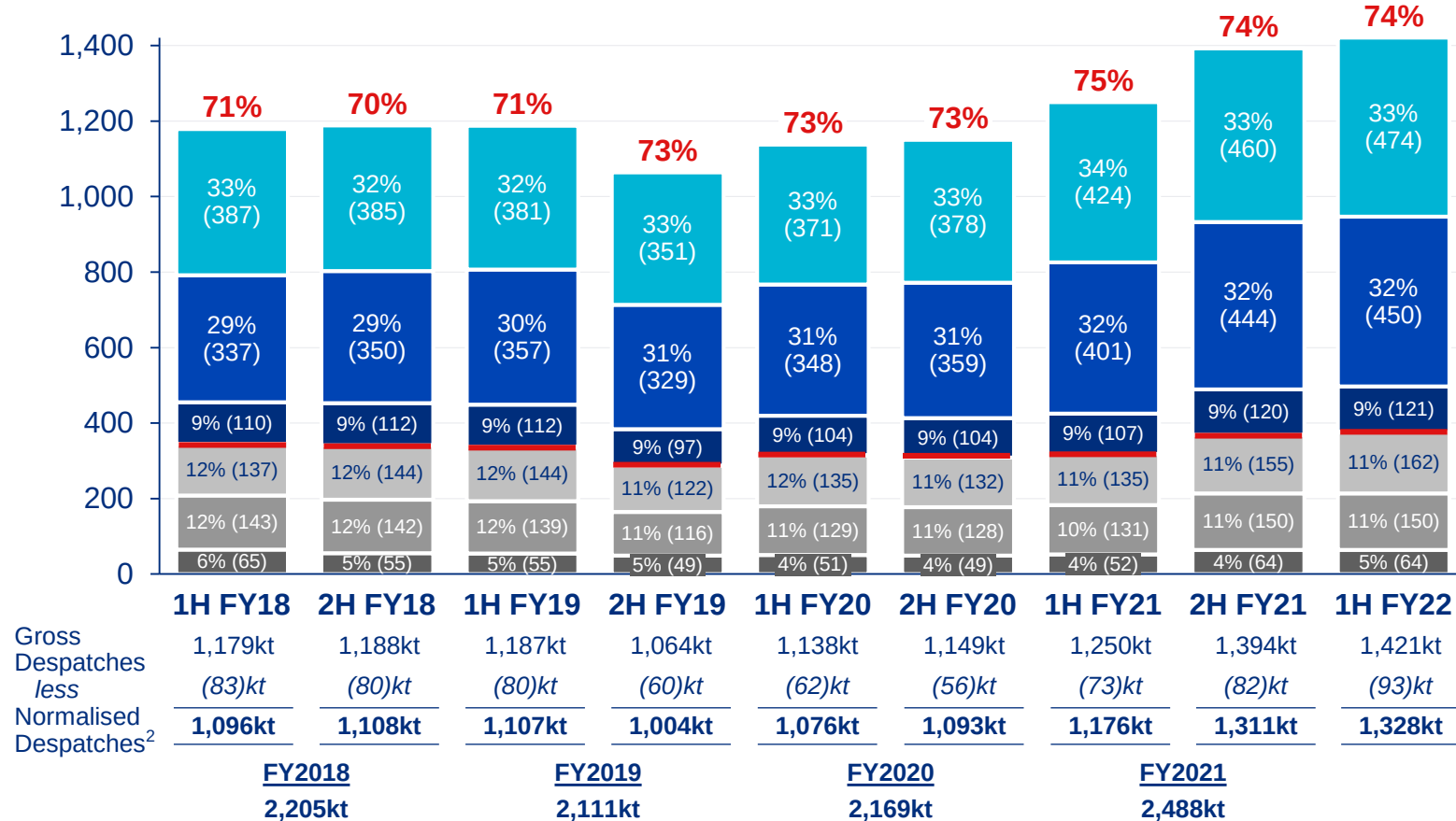
1. Relates to increased employee profit share plan expenses which naturally wind up and down in direct proportion to varying levels of profitability.

AUSTRALIAN STEEL PRODUCTS

Strongest domestic despatches since 2H FY2008, driven by record demand across both residential and non-residential construction segments

Total Australian domestic despatch volumes (kt)

Total construction % shown in dark red



1. Engineering includes infrastructure such as roads, power, rail, water, pipes and some mining-linked use.

2. Normalised despatches exclude third party sourced products, in particular, long products.

Dwelling

- Approximately half of product goes to Alterations & Additions (A&A) sub-segment
- Economic strength and stimulus providing support for demand across both new detached and A&A
- Strong pipeline of building approvals remains in place
- Homebound consumers trend of redirecting discretionary spend towards renovations continued
- Consumer preferences towards regional living continued

Non-dwelling

- Consumes around a third of our COLORBOND® steel
- Social and Institutional activity remains strong, supported by gov't investment in defence, education and health
- Commercial and Industrial activity robust on full pipeline and rebounding confidence, particularly in e-commerce infrastructure

Engineering¹

- Strong pipeline, with national infrastructure investment in road and rail projects supporting demand

Manufacturing

- Supported by housing activity and favourable gov't policy on new investment

Agriculture & Mining

- Ongoing strength in mining consumables off the back of robust rebound in global commodities demand
- Agricultural sector recovery continued with bushfire rebuild and favourable growing conditions

Transport

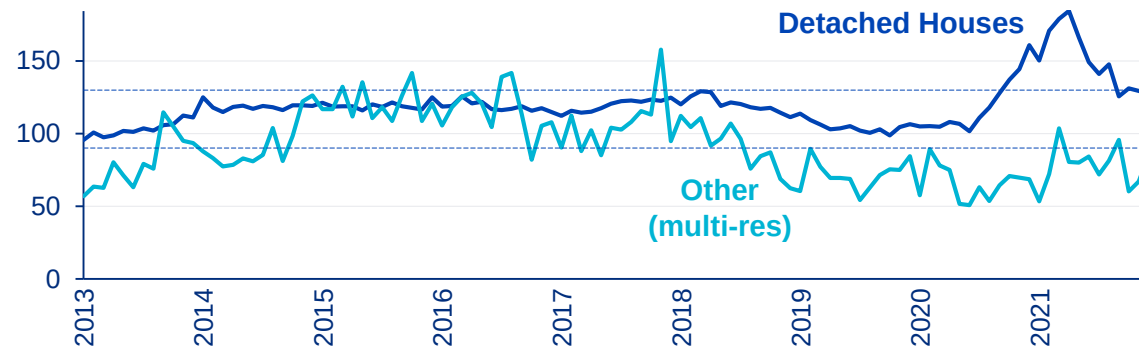
- Truck bodies, trains, ships, trailers etc
- Activity supported by strength in logistics demand due to ongoing shift towards e-commerce

AUSTRALIAN STEEL PRODUCTS

Detached building approvals and renovations showing resilience post Homebuilder program; robust approvals for non residential sector

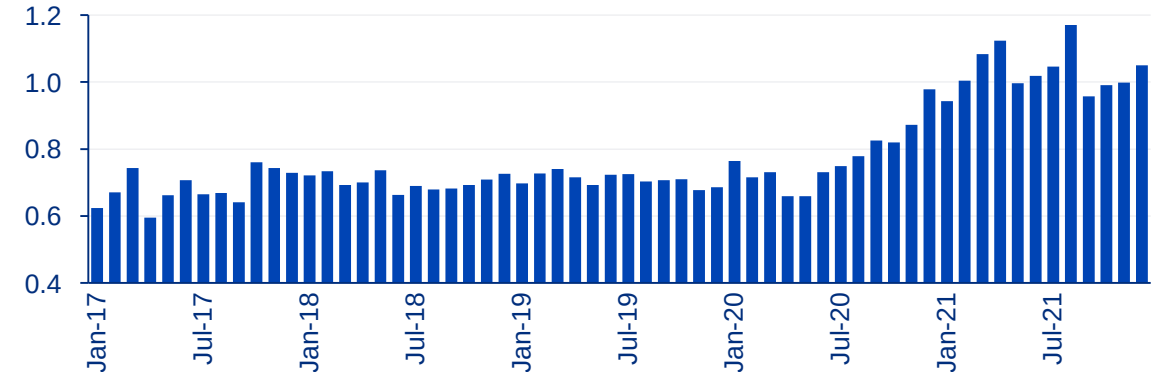
Monthly dwelling approvals¹ ('000 units, annualised)

Holding towards upper level band following record breaking period



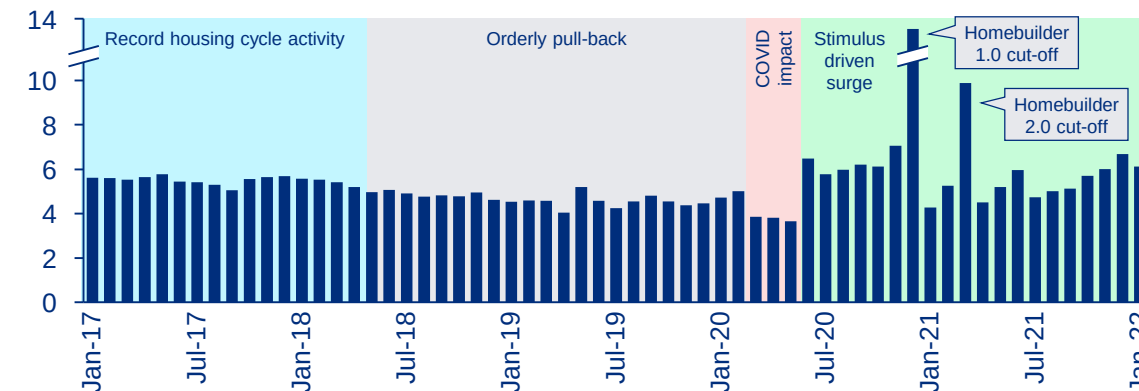
Alterations and additions approvals² (\$Bn)

High savings and pandemic trends towards renovating key factors



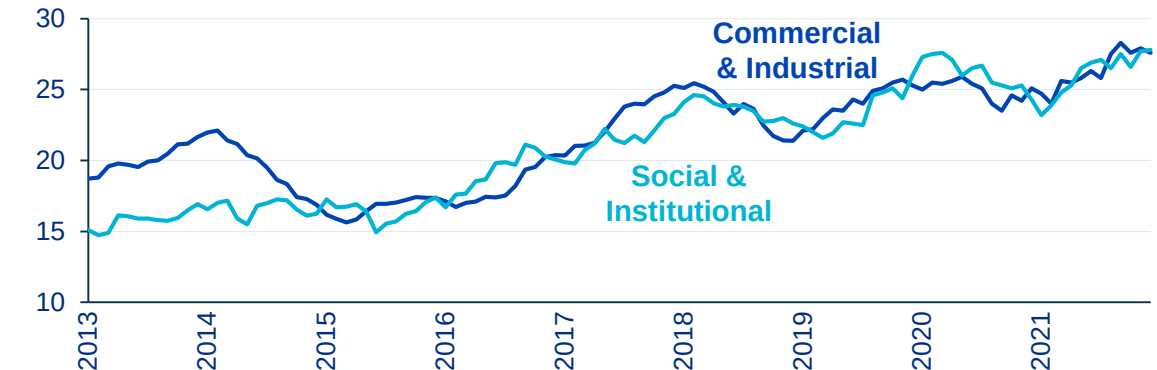
Private new home sales³ ('000 units, s.a.)

Strength in detached approvals continued post 'Homebuilder' program



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

Public investment played a key role in supporting non-residential approvals

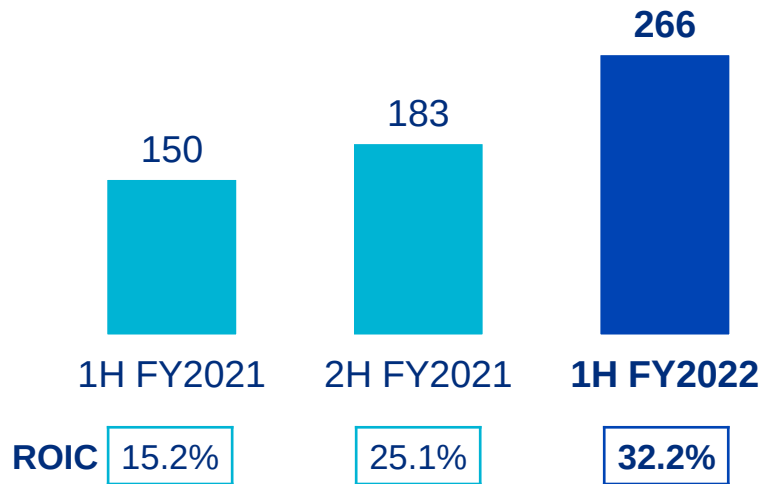


Sources: 1. ABS series 8731, table 6; seasonally adjusted; original data; data to Dec-21. 2. ABS series 8731, table 38; seasonally adjusted; current \$; data to Dec-21. 3. HIA monthly data, seasonally adjusted. Covers largest 100 home builders on their sales (contract to build) volume for the previous month – accounts for approx. 25-30% of new detached market; data to Jan-21. 4. ABS series 8731, table 51; original data; current \$; total sectors; data to Dec-21.

BUILDING PRODUCTS ASIA AND NORTH AMERICA

Strong improvement on prior half driven by cyclical margin expansion in North America coated business; solid performances from China, Thailand and India

Underlying EBIT (\$M)



Total despatches (kt)



North America – EBIT \$163.2M 1H FY2022, up from \$99.2M in 2H FY2021

- Cyclical margin expansion from greater rise in North American flat steel pricing than cost of steel feed given supply chain structure
- Robust demand, particularly in construction sectors including residential (A&A)

South East Asia – EBIT \$49.4M 1H FY2022, down from \$57.1M in 2H FY2021

- Continued strong performance, largely driven by Thailand; Indonesia remained robust, however did see impacts from pandemic related supply chain disruptions
- The pandemic impacted Malaysia on a government mandated shut; Vietnam impacted by weak demand on government movement restrictions and higher cost inventory

China – EBIT \$43.1M 1H FY2022, up from \$20.6M in 2H FY2021

- A stronger result with typical volume seasonality part offset by lower margins on higher feed costs

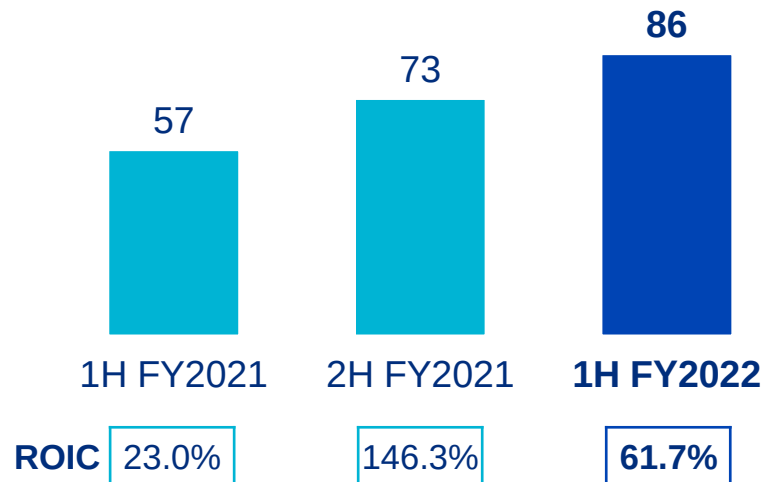
India – EBIT (50% basis) \$13.7M 1H FY2022, up from \$12.5M in 2H FY2021

- Strong performance despite continued impacts of pandemic across the Indian economy
- BlueScope has reached in principle agreement with Tata Steel for the supply of painted product from Tata Steel to TBSL. The product will be supplied from Tata Steel's plants located at Angul and Khopoli which were formerly part of the Bhushan Steel group

NEW ZEALAND AND PACIFIC ISLANDS

Stronger performance driven mainly by higher prices. Ongoing strong domestic demand

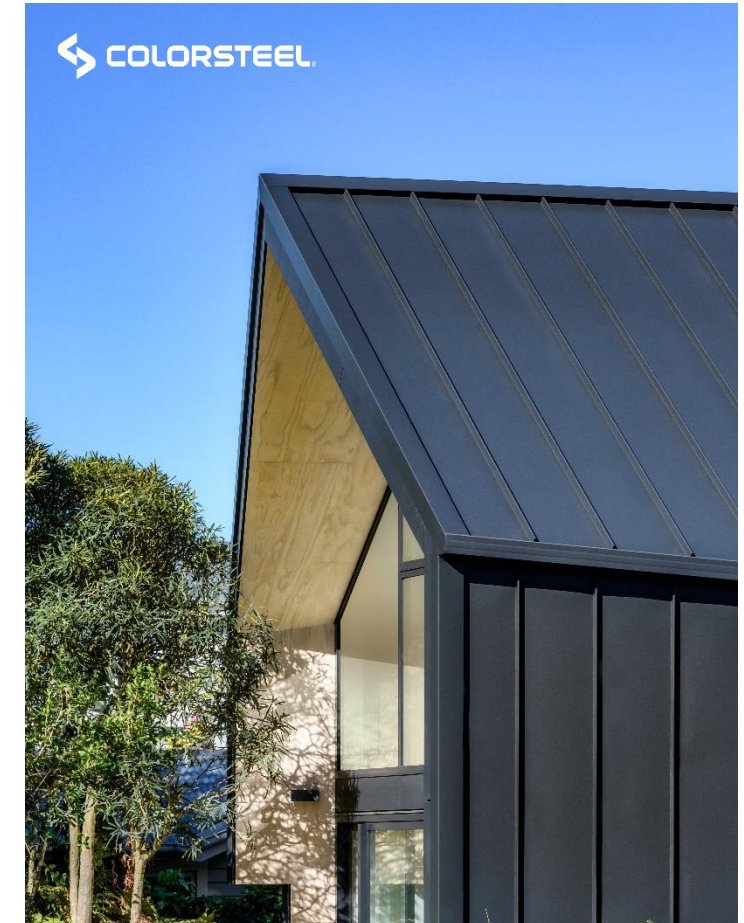
Underlying EBIT (\$M)



Domestic despatches (kt)



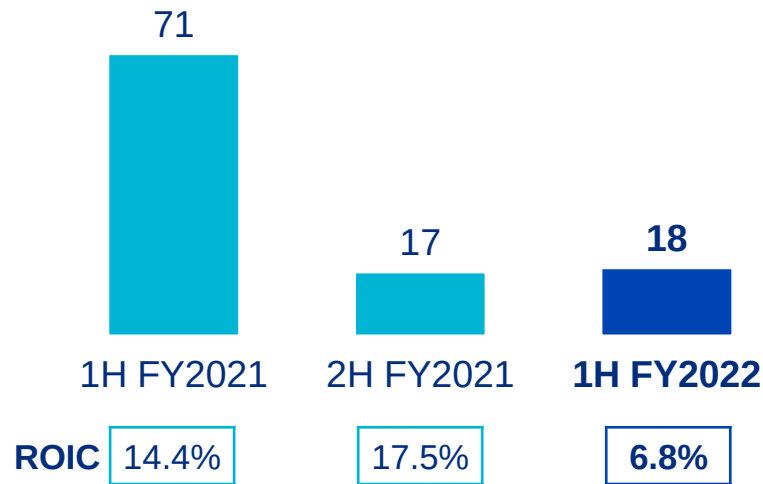
- Domestic demand remains at historically robust levels, particularly in building and construction, supporting strong demand for coated and painted products
 - Moderate impact to volumes due to pandemic related disruptions to supply chains
- Higher sell prices driven by increasing regional steel prices
- Higher coal and coating metals costs on higher global commodity prices



BUILDINGS NORTH AMERICA

Strong demand, however margins compressed on high steel feed costs; higher contribution from Properties Group on timing of project completion

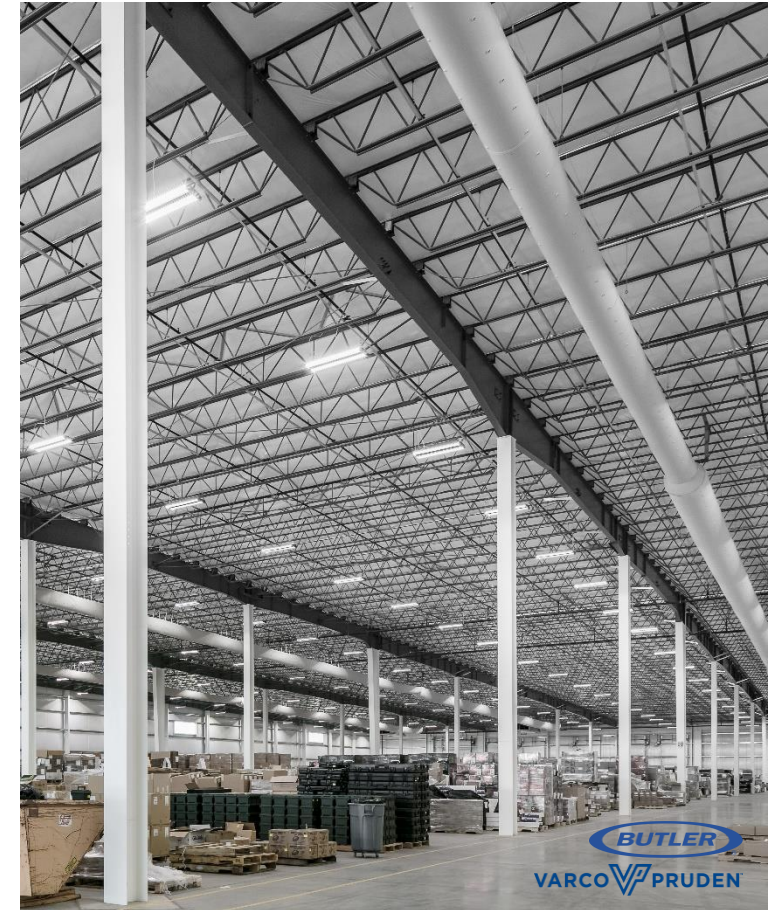
Underlying EBIT (\$M)



Core EBS despatches (kt)



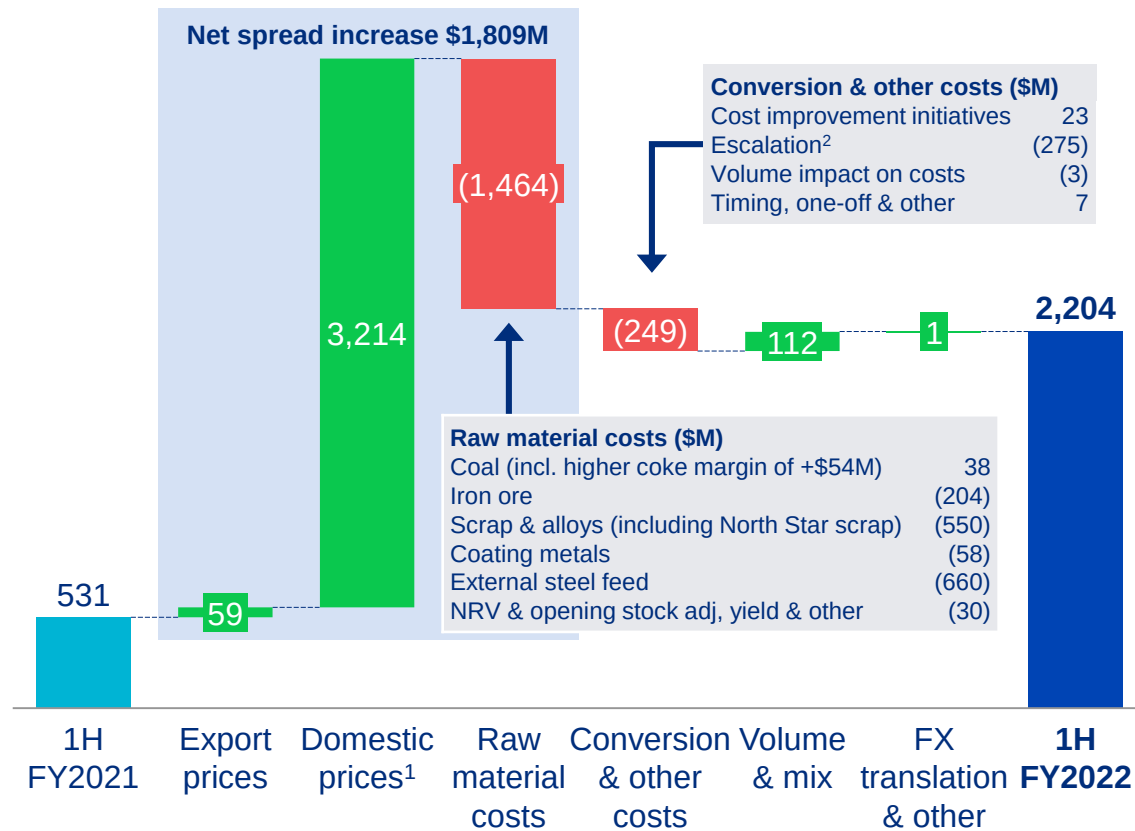
- Strong end use demand and order intake for commercial and industrial buildings on favourable trends such as growth in e-commerce infrastructure
- Core engineered buildings (EBS) business;
 - delivered a weak result in 1H FY2022, with stronger despatch volumes offset by margin compression on record higher steel feed costs
 - investment in capacity and future growth potential starting to show benefits
- Stronger contribution from Properties Group on timing of project completion, relative to 2H FY2021



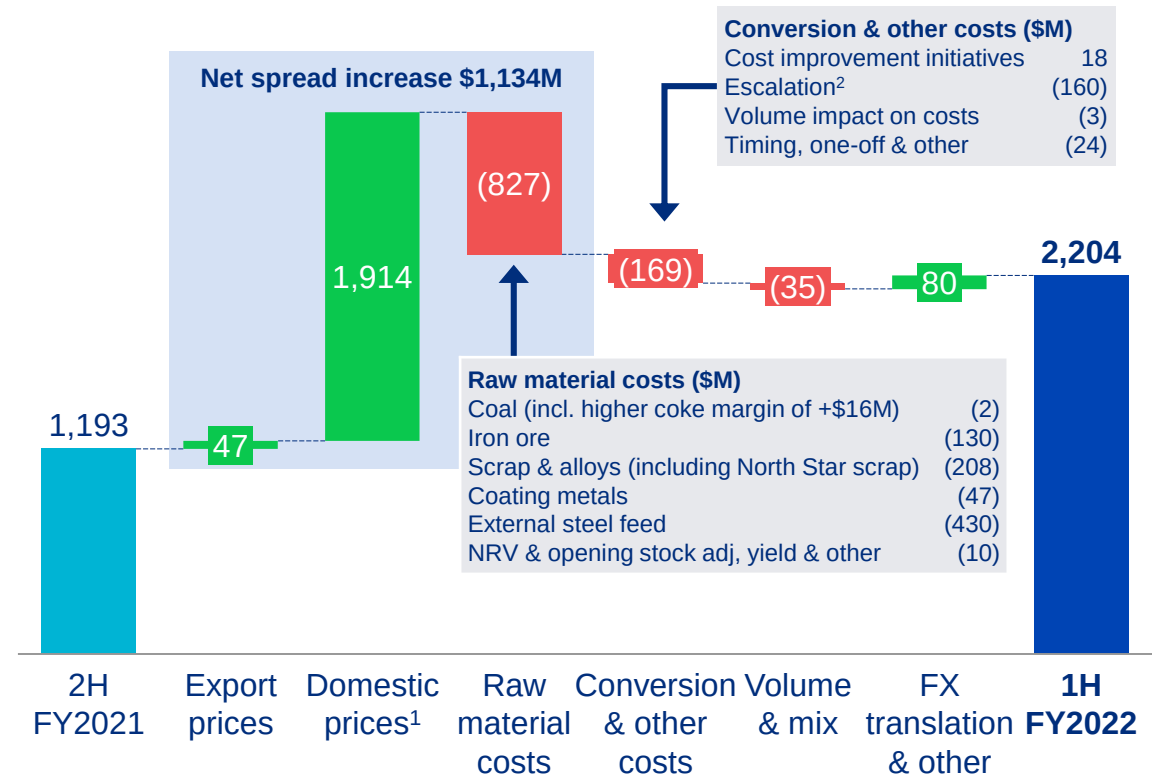
UNDERLYING GROUP EBIT VARIANCE

Record performance after previous strong halves – driven mainly by stronger margins

1H FY2022 vs 1H FY2021 (\$M)



1H FY2022 vs 2H FY2021(\$M)



1. Includes contribution from BlueScope Properties Group.

2. A significant part of escalation relates to increased employee profit share plan expenses. Whilst classified as escalation, these costs naturally wind up and down in direct proportion to varying levels of profitability.

Note: FX translation relates to translation of foreign currency earnings to A\$ and foreign exchange translation impacts on intercompany loans recognised in the income statement; transactional foreign exchange impacts are reflected in the individual categories.

Financial framework



FINANCIAL FRAMEWORK UNDERPINNING RESILIENCE

Strong focus on driving financial performance and disciplined allocation of capital

Returns Focus

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

Robust Capital Structure

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

In the short to medium term, BlueScope will retain balance sheet capacity to fund investment for growth and major projects

Disciplined Capital Allocation

- Invest to maintain safe and reliable operations, to support achievement of decarbonisation pathways, and in foundation and new technologies
- Returns-focused process with disciplined competition for capital between:
 - Growth capital – Investments and 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-backs¹)

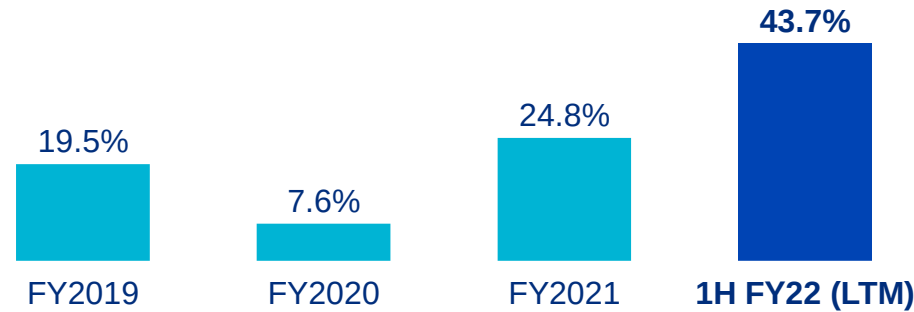
1. On-market buy-backs are an effective method of returning capital to shareholders after considering various alternatives and given BlueScope's lack of franking capacity.

RETURNS FOCUS DELIVERING ROIC

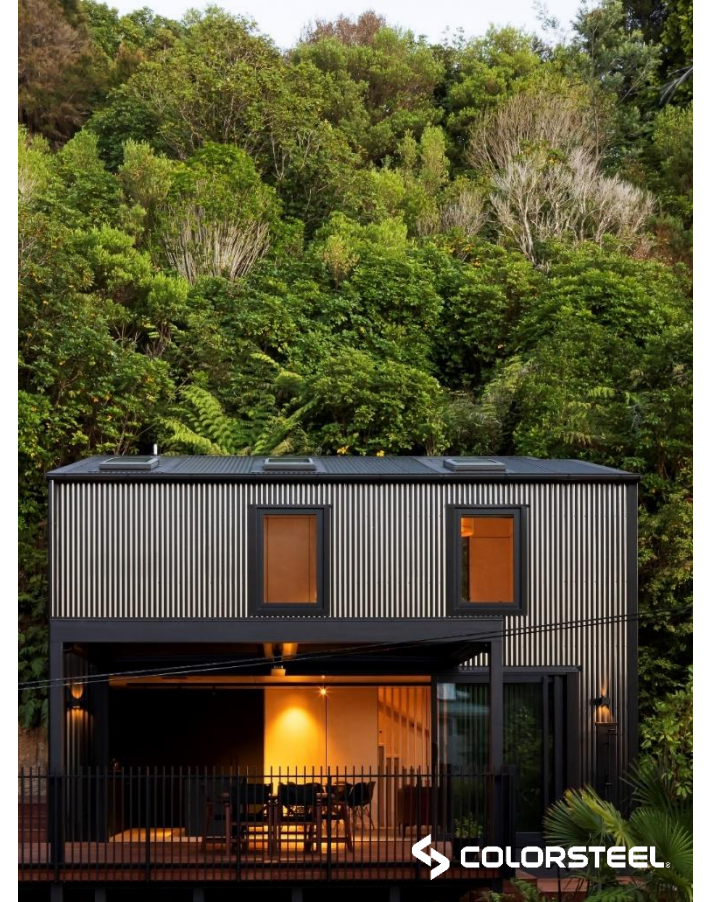
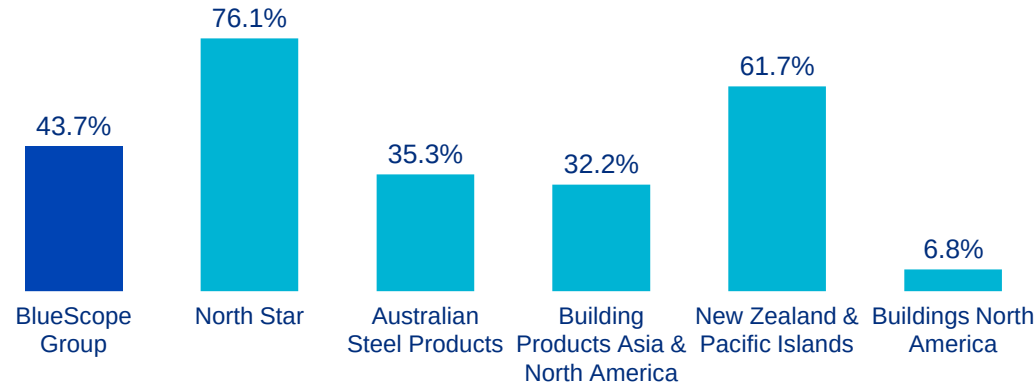
Targeting returns above cost of capital through the cycle

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

Group ROIC Performance (%)



1H FY2022 ROIC by Segment (%)



1. Return on Invested Capital – calculated as last 12 months' underlying EBIT over average monthly capital employed.

RETURNS FOCUS

MAXIMISING CASH GENERATION

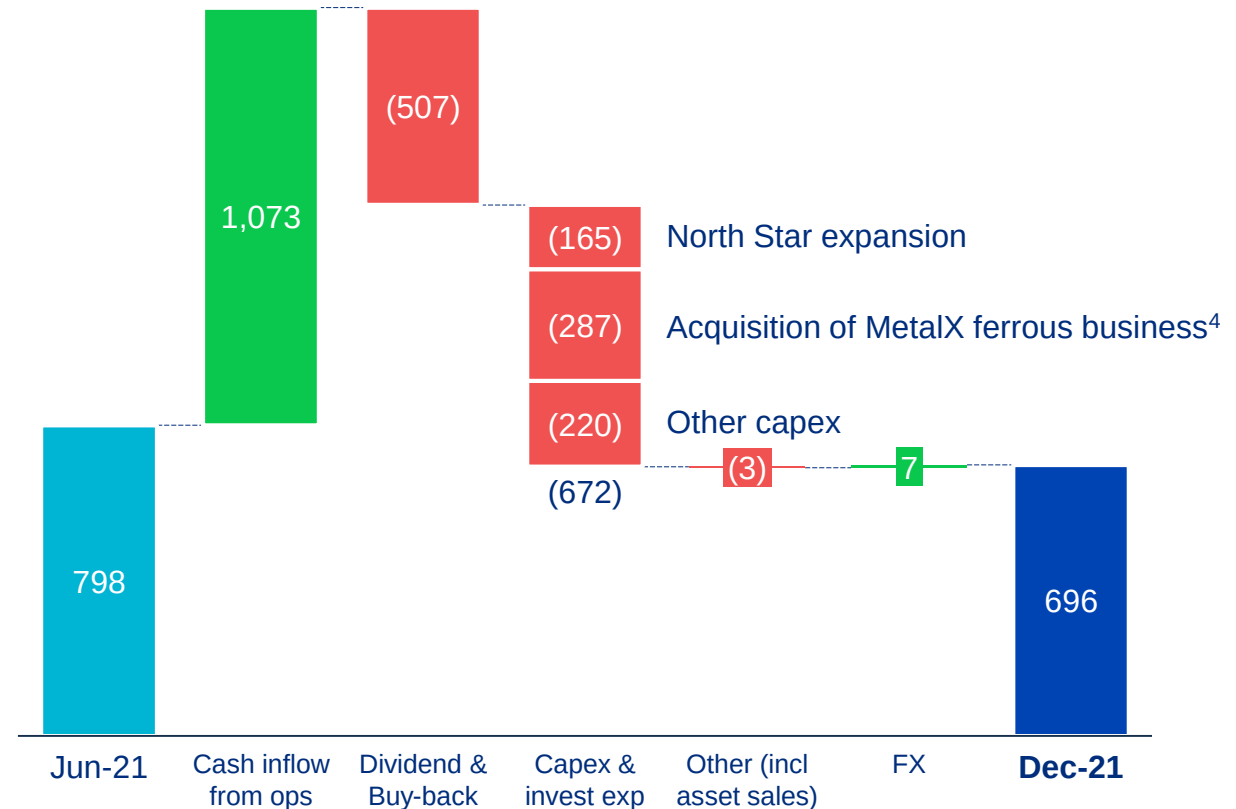
Strong operating cash flow funding investment in the portfolio and returns to shareholders

Net cash flow (\$M)

(before investment exp and financing)

\$M	FY2020	FY2021	2H21	1H22
Reported EBITDA ¹	844	2,246	1,475	2,514
Adjust for other cash profit items	207	(13)	1	(9)
Working capital movement (incl provisions)	(101)	(447)	(315)	(1,141)
Net financing cost ¹	(58)	(59)	(29)	(30)
Income tax paid ²	(74)	(69)	(39)	(261)
Cash flow from operating activities	818	1,658	1,093	1,073
Capex (excluding North Star expansion)	(406)	(328)	(196)	(220)
Net cash flow (before North Star expansion, investment expenditure & financing)	412	1,330	897	853
North Star expansion capex ³	(174)	(432)	(264)	(165)
Net cash flow (before investment expenditure & financing)	238	898	633	688

Net cash / (debt)¹ (\$M)



(1) FY2020 onwards includes the impact of lease liabilities under AASB16.

(2) As at 31 December 2021 the BlueScope Steel Australian consolidated tax group is estimated to have carried forward tax losses of approximately \$135M. There will be no Australian income tax payments until these losses are recovered.

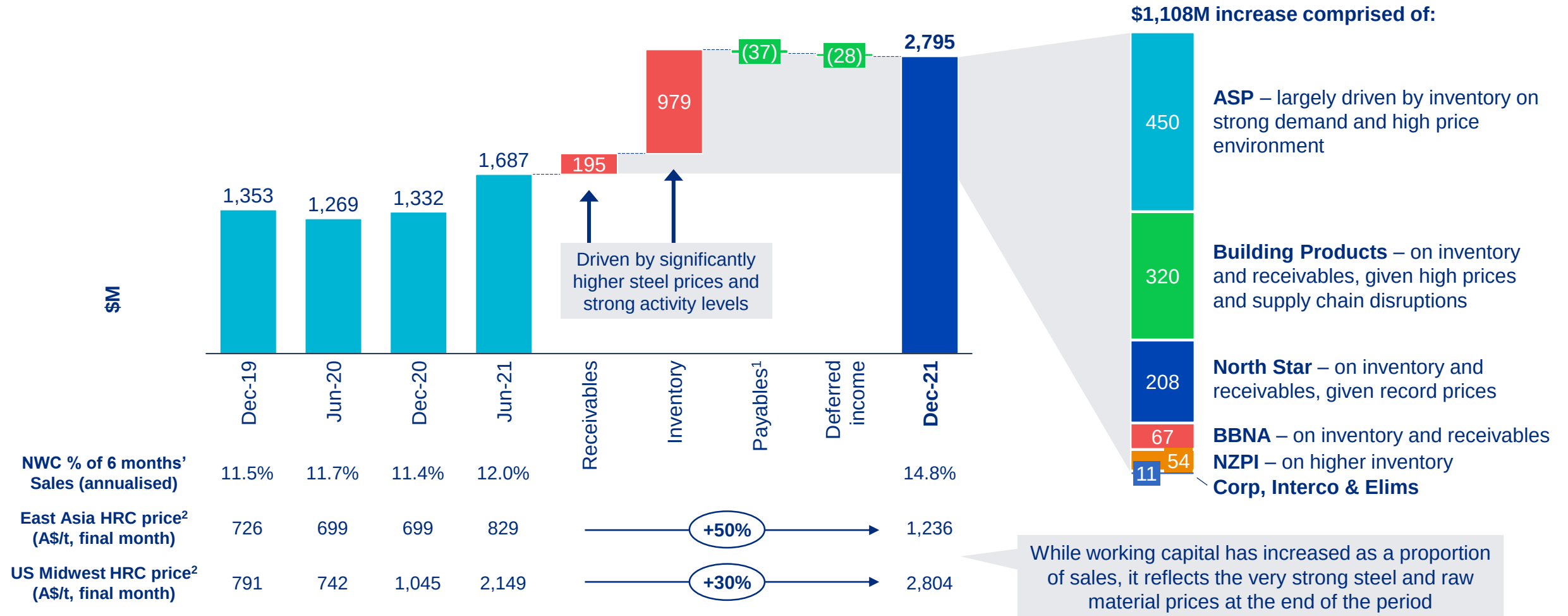
(3) Reflects cash payments on capital expenditure. 1H FY2022 reconciles to \$177M accounting capital spend including capital accruals through \$12M increase in capital creditors.

(4) Reflects acquisition cost for MetalX ferrous business, net of working capital

RETURNS FOCUS

WORKING CAPITAL

Increase in working capital due to significantly higher steel pricing and spreads, along with strong activity levels and supply chain disruptions across the business

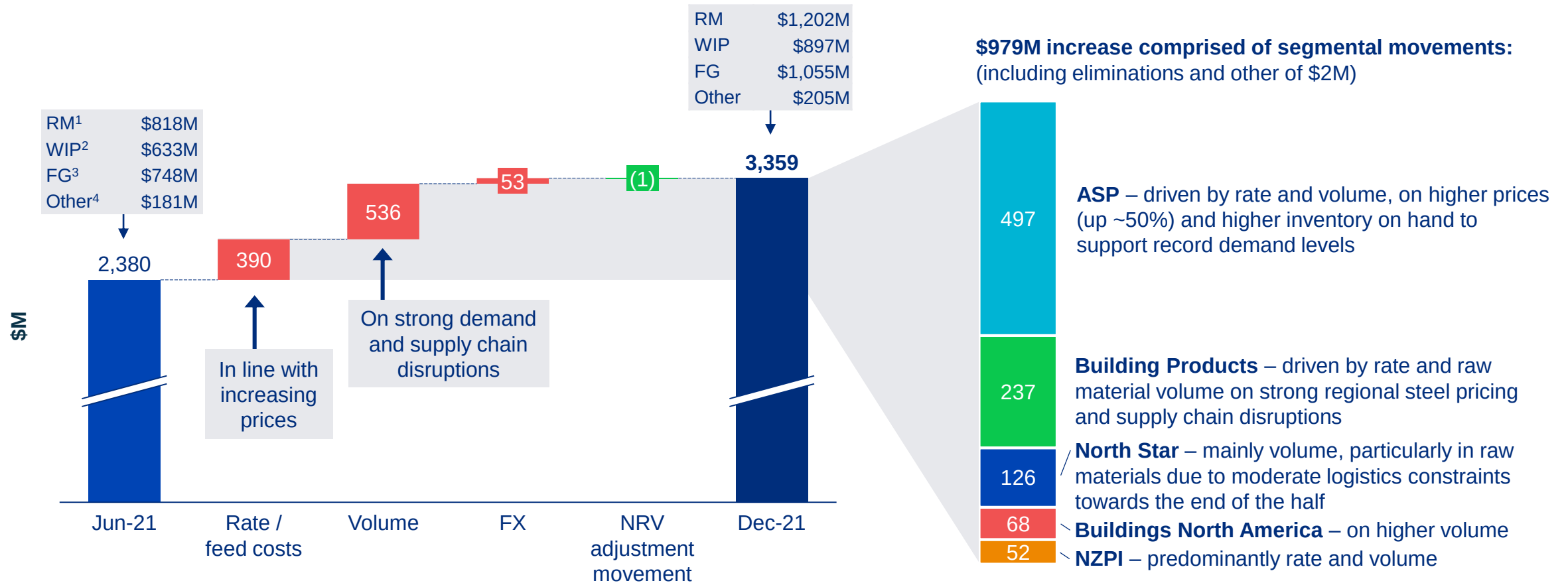


1. Trade and sundry payables
2. Lagged price

RETURNS FOCUS

INVENTORY MOVEMENT

Increase predominantly at ASP and Building Products, driven by higher rate on strong steel pricing environment, and increased volumes on robust end market demand and supply chain disruptions



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

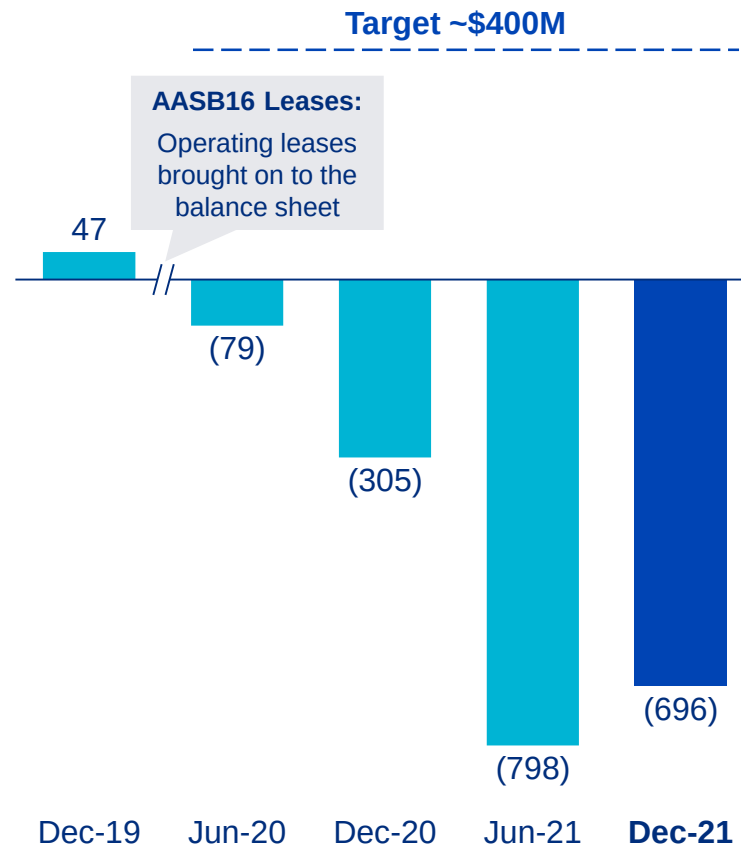
ROBUST CAPITAL STRUCTURE

NET CASH POSITION; AMPLE LIQUIDITY

Strong balance sheet providing the foundation to deliver long term sustainable earnings and growth

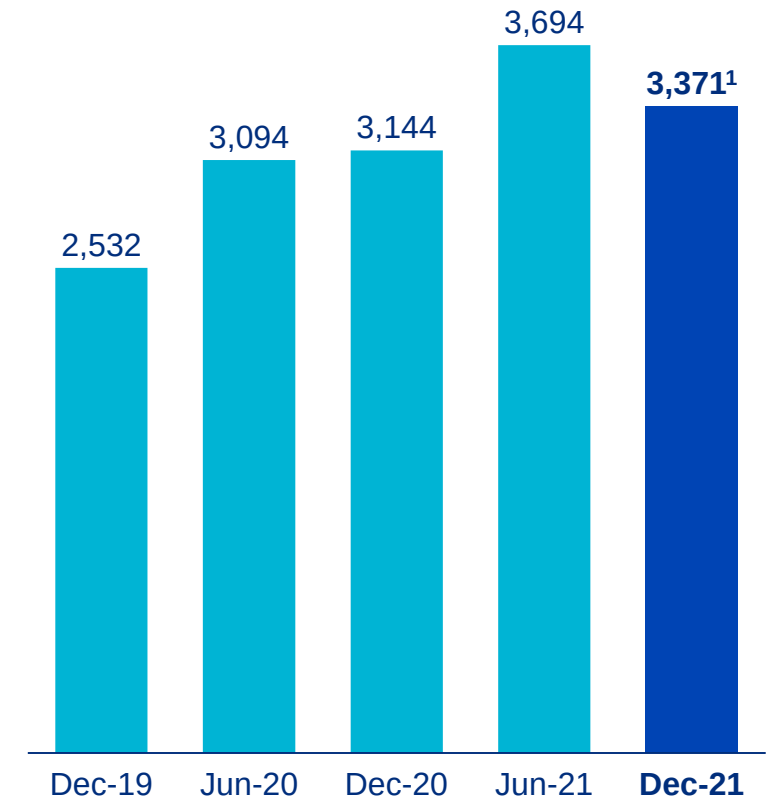
- Maintained investment grade credit ratings
- Strong balance sheet and cash flows allow us to simultaneously:
 - Increase shareholder returns
 - Invest for growth
 - Reposition the business for a low carbon future
- In the short to medium term, BlueScope will retain balance sheet capacity to fund investment for growth and major projects
- In the longer term, BlueScope will continue to target around \$400M net debt

Net debt / (cash) (\$M)



Liquidity (\$M)

(undrawn facilities and cash)



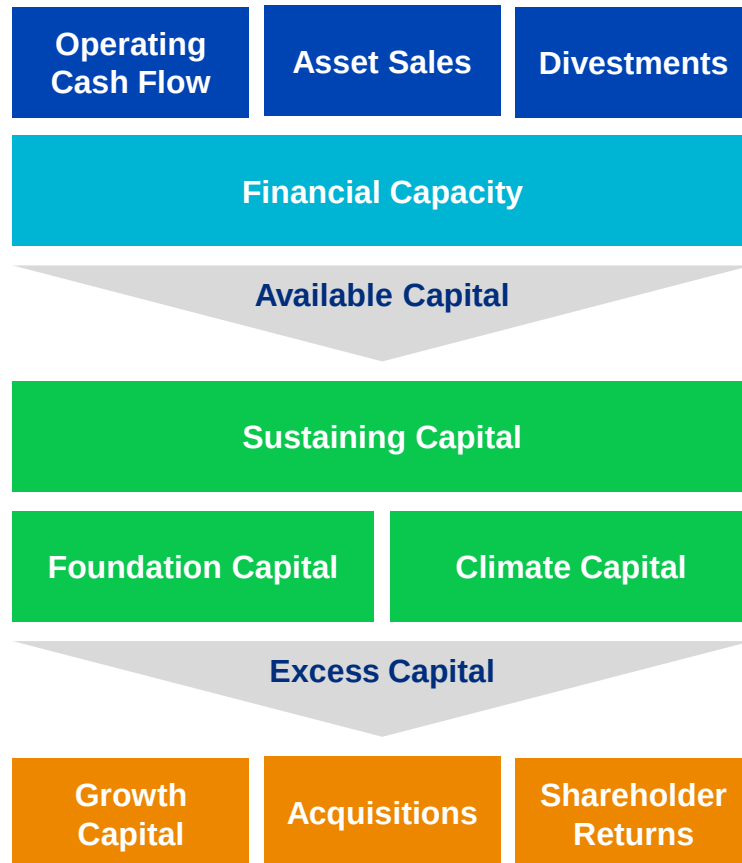
1. Includes \$610M liquidity in NS BlueScope Coated Products JV.

DISCIPLINED CAPITAL ALLOCATION

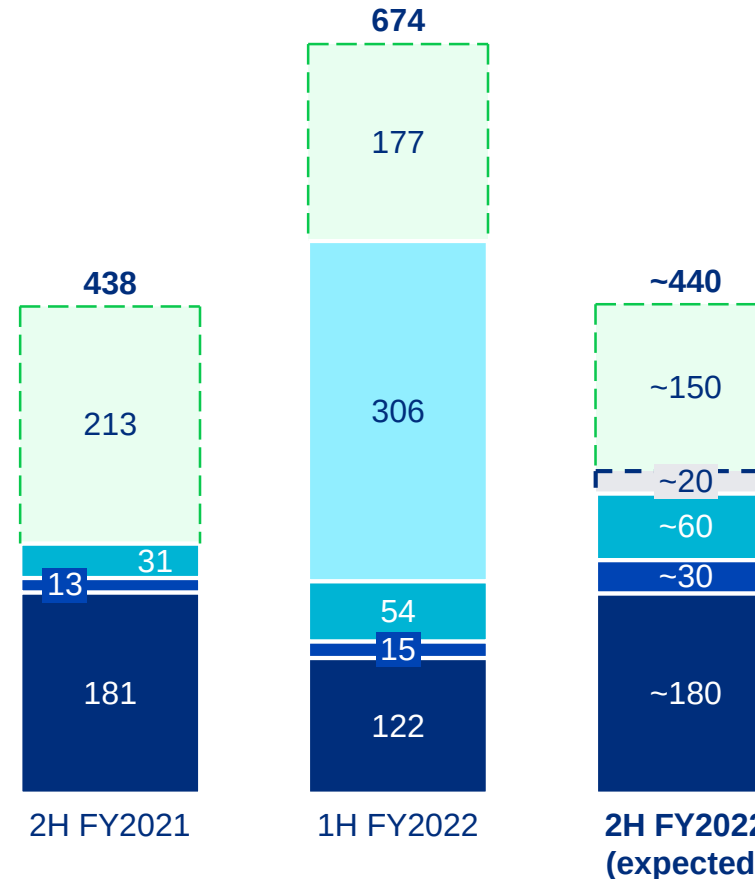
CAPITAL EXPENDITURE

Investing for sustainable earnings growth

Capital allocation framework



Capital and acquisition expenditure¹ (\$M)



North Star Expansion¹

- Total project cost expected to be around 10% above the US\$700M initial estimate
- Total of US\$647M earned value to 31-Dec-21
- ~US\$110M expected earned value and ~US\$170M cash spend in 2H FY2022
- Balance of capital spend expected in FY2023

For more information on North Star expansion capital spend profile see page 77

- North Star expansion
- BF6 reline feasibility
- MetalX ferrous business²
- Growth
- Foundation
- Sustaining

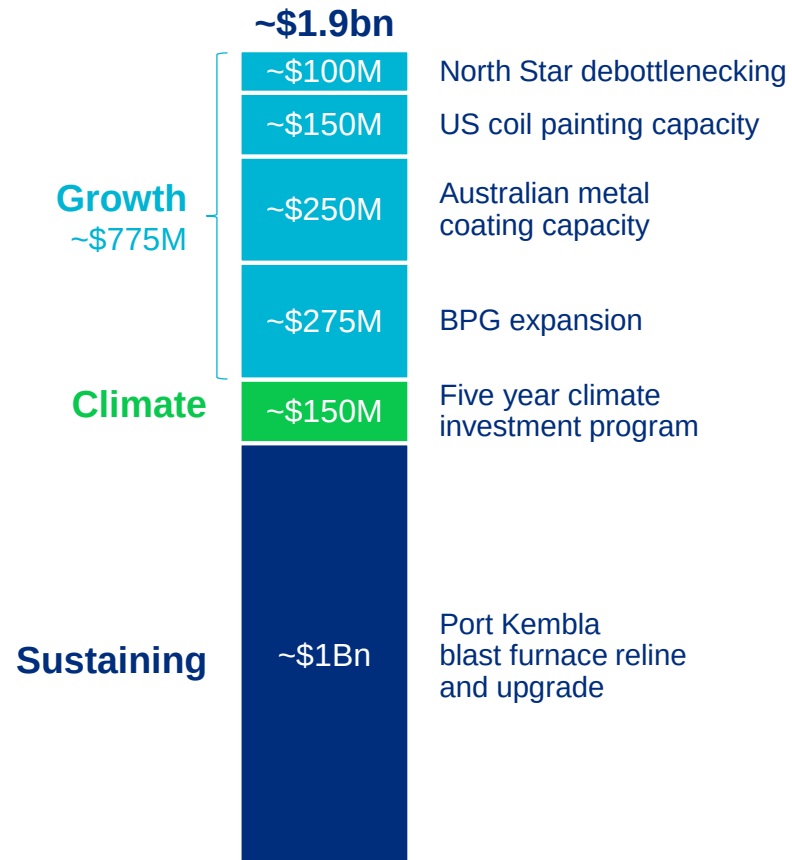
1. Reflects accounting capital spend including capital accruals; 1H FY2022 differs from cash capital expenditure shown on page 68 through A\$17M decrease in capital creditors (with an A\$12M increase attributable to North Star expansion).
 2. Reflects purchase consideration; reconciles to the \$287M of cash payment during the half with \$19M of deferred consideration and working capital true-up.

DISCIPLINED CAPITAL ALLOCATION

FUTURE INVESTMENT PRIORITIES

Indicative ~\$1.9bn of projects identified over five years for growth opportunities, foundational investment and to position the business for a low carbon future

Future investment priorities (\$M)



Project	Description	FY22	FY27
North Star debottlenecking	500ktpa incremental debottlenecking opportunity at North Star ¹		
US coil painting capacity	Investigating the establishment of painting capacity in the Eastern US		
Australian metal coating capacity	Exploring further upgrades in manufacturing capacity to deliver long term growth		
BlueScope Properties Group expansion	Increased allocation of capital to BPG, in order to carefully grow the business		
Five year climate investment program	Focussing on optimising current operating assets and preparing for new technologies		
Port Kembla blast furnace reline	Securing future iron supply for the Port Kembla Steelworks		

Investment projects are indicative only, and progress will be subject to BlueScope's rigorous multi-stage capital investment evaluation process

1. BlueScope will begin to assess the hot strip mill debottlenecking opportunity as we progress through the ramp up period of the expansion project.

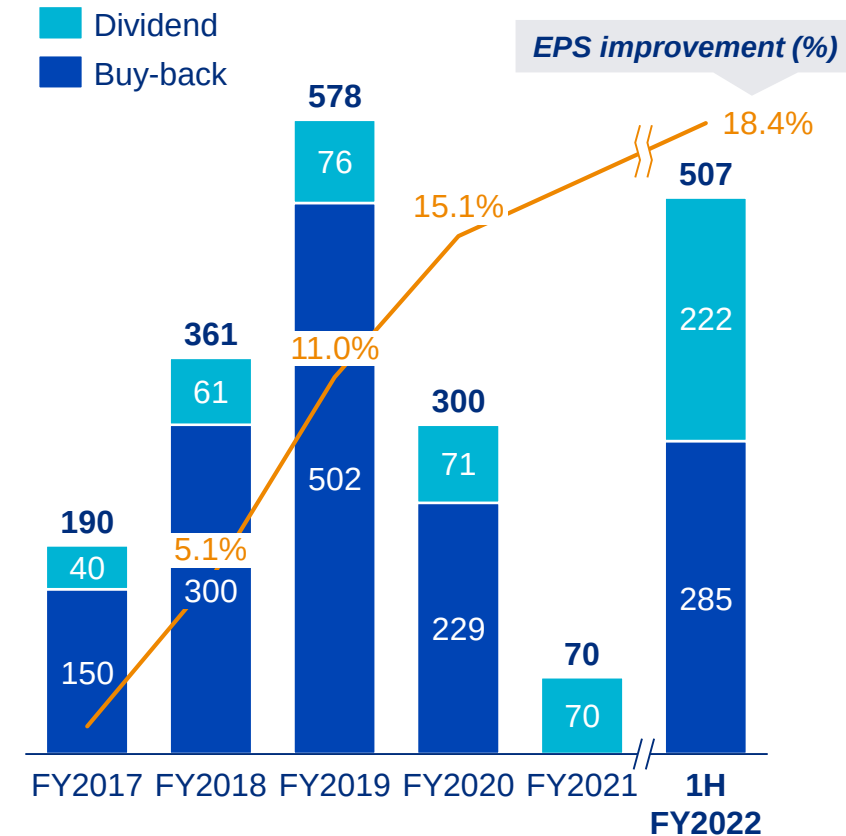
DISCIPLINED CAPITAL ALLOCATION

SHAREHOLDER RETURNS

Over \$2bn returned since FY2017; announced interim unfranked dividend of 25cps and extension of existing on-market buy-back program

- BlueScope's capital management policy is to distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and buy-backs
- Following a review, in August 2021 the Board announced its intention to target an increased annual ordinary dividend of 50 cps per annum¹
 - As such, the Board has approved an interim unfranked dividend of 25 cps
- With \$285M of stock bought since August 2021, the Board has approved an increase in the scale of the buy-back program to allow up to a further \$700 million to be bought over the next 12 months
 - The timing and value of shares purchased will be dependent on the prevailing market conditions, share price and other factors
- Australian tax losses are expected to be exhausted early in 2H FY2022
 - Future franking of dividends anticipated, subject to the timing of Australian cash tax payments and other conditions¹

Dividends paid and buy-backs² (\$M)



1. This will be subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements and the Board's determination at the relevant time.

2. Chart reflects half year cash settlements of shares bought back and dividends paid.

Segment guidance for 2H FY2022



SEGMENT GUIDANCE FOR 2H FY2022

Outlook subject to assumptions and qualifiers referenced on page 38

North Star

- Expect a result less than half that of 1H FY2022
- Benchmark Midwest HRC steel spreads contracting back from record highs, partly offset by favourable realised pricing¹

New Zealand & Pacific Islands

- Expect a significantly better performance compared to 1H FY2022
- Favourable pricing in strong demand environment
- Improved sales volume following pandemic related disruptions in 1H FY2022

Australian Steel Products

- Expect a lower result compared to 1H FY2022
- Softer realised spreads driven by weaker lagged benchmarks spreads, partly offset by benefit from better realised selling prices
- Similar domestic despatches on ongoing robust demand
- Decreased coke earnings on lower margins
- Higher depreciation of ~\$15M given expected cut-over to 6BF in 2026

Buildings North America

- Expect significantly higher result than 1H FY2022
- Core EBS business benefitting from expanded margins on lower steel feed costs. Ongoing strong demand and order books
- Expect negligible contribution from BlueScope Properties Group in 2H FY2022 due to project timing

Building Products Asia & US

- Expect a result significantly lower than 1H FY2022
- North America – cyclical margin compression driven by rapidly falling US steel prices, expected to lead to a small EBIT contribution
- ASEAN – expect a lower result on ongoing pandemic-related impacts on demand and supply chains
- China – expect a lower result on typical unfavourable seasonality
- India – expect a similar result

Intersegment, Corporate & Group

- Higher Corporate costs reflecting investment in Digital and Climate initiatives
- Favourable profit-in-stock elimination compared to 1H FY2022 due to softening prices

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

Group outlook and summary



2H FY2022 GROUP OUTLOOK¹

- Underlying EBIT in 2H FY2022 is expected to be in the range of \$1.20 billion to \$1.35 billion – which would be second only to last half when looking back over BlueScope's 20-year listed history
- For the purposes of the outlook, the Company has made the following 2H FY2022 average assumptions:
 - US mini-mill benchmark spreads to be ~US\$600/t lower than 1H FY2022²
 - East Asian HRC price of ~US\$730/t³
 - 62% Fe iron ore price of ~US\$125/t CFR China³
 - Index hard coking coal price of ~US\$345/t FOB Australia³
 - A\$:US\$ at US\$0.72³
- Relative to 1H FY2022, expect similar underlying net finance costs, lower underlying tax rate and lower profit attributable to non-controlling interests
- These expectations are subject to spread, foreign exchange and market conditions. It is flagged that there are elevated risks – particularly from pandemic-related impacts on operations, supply chains and demand, volatility in steel prices and spreads, and the current geopolitical environment

1. Sensitivities can be found on page 73.

2. US mini-mill benchmark spreads quoted on a lagged basis in metric tonnes. Expected 2H FY2022 US mini-mill benchmark spread of ~US\$750/t, compared to US\$1,350/t in 1H FY2022.

3. Quoted on an unlagged basis for the six month period; volumes quoted in metric tonnes.

A RESILIENT BUSINESS DELIVERING RETURNS THROUGH THE CYCLE

A different kind of steel company being purpose-led, sustainability focussed and differentiated by strong brands

Well positioned with a high-quality asset portfolio to take advantage of favourable industry and end use trends

Disciplined approach to deliver returns through the cycle, a strong balance sheet and effective capital allocation

Robust performance with demonstrated strong return on invested capital, cash generation and shareholder returns

Deploying financial strength to secure a sustainable future, long-term growth and shareholder returns

Questions



Appendix: BF6 Reline and Upgrade & PKSW GHG Abatement Initiatives



COLLABORATING TO PROGRESS TOWARDS OUR TARGETS AND GOAL

Established MoUs and progressing work with Rio Tinto and Shell to support our decarbonisation options and progress towards our targets and goal

Collaboration with Rio Tinto

- Announced MoU in October 2021 – BlueScope and Rio Tinto to explore options for low-emissions steelmaking at PKSW
- Two priority action areas:
 - Hydrogen direct reduction and iron melter – producing low emissions iron feed for consumption at PKSW; explore direct reduction of Rio's Pilbara iron ores, with the intent of using green hydrogen produced from renewable electricity
 - Enhancing existing processes – explore development of iron ore processing and tech reducing carbon emissions from existing iron and steelmaking with an initial focus on sintering improvements
- Progress update:
 - Project planning underway – concept study under development

Collaboration with Shell

- Announced MoU in December 2021 – BlueScope and Shell to work together to explore and develop renewable hydrogen projects at PKSW
- Two projects:
 - Piloting industrial scale 10MW renewable hydrogen electrolyser plant at PKSW
 - Illawarra hydrogen hub concept – seeking to collaborate with local businesses, research institutions and governments to explore options for hydrogen supply and offtake, renewable energy supply and hydrogen and electricity infrastructure
- Progress update:
 - Concept study for pilot renewable hydrogen electrolyser substantially complete
 - Illawarra hydrogen hub off-take partners recruited and government co-investment programs being pursued

RANGE OF PROJECTS TO ENHANCE PKSW GHG PERFORMANCE

Further re-use of steelmaking gases presents significant emissions intensity reduction opportunities, enabled as part of reline / upgrade project

Enhancing Energy Efficiency

- Installing equipment to recover and reuse heat from blast furnace stove exhaust gases
- Reduces the amount of hydrogen rich coke ovens gas¹ consumed to heat stoves, making it available for injection into the Blast Furnace or for power generation
- Also installing a top recovery turbine, which utilises the blast furnace gases as they leave the furnace to generate electricity

Blast Furnace Injection

- Installation of dual lances into blast furnace tuyeres to enable the co-injection of coke ovens gas or hydrogen with PCI or biochar
- Coke ovens gas saved by the waste heat recovery process can then be injected into the tuyeres to replace coke / PCI in the near term
- In the longer term, hydrogen from pilot electrolyser or external source, or biomass, can be injected alongside coke ovens gas

Piloting H₂ Generation

- Signed an MoU with Shell to explore and develop renewable hydrogen projects at PKSW
- Initial project will investigate designing, building and operating a 10MW renewable hydrogen electrolyser
- Green hydrogen from this electrolyser can then be used for hydrogen injection
- Also investigating a hydrogen hub concept for the Illawarra

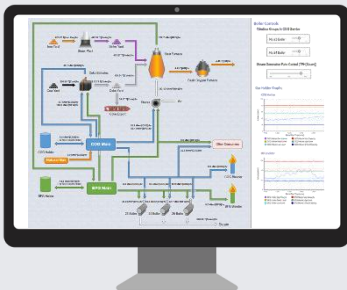
1. Coke ovens gas is a captured byproduct of the coking process and is approximately 60% hydrogen

EXPLORING EMERGING GHG ABATEMENT TECHNOLOGIES AT PKSW

In addition to pursuing energy and process efficiencies and low carbon energy sources such as further renewable energy contracts, we are progressing concept studies into emerging emissions improvement technologies

Integrated steelworks Digital Twin

- Implementing a digital twin model to assist the evaluation of the GHG abatement potential of prospective plant modifications, projects and technologies
- Digital twin will forecast expected gas and energy flows to assess GHG emissions under different operational scenarios to identify opportunities to optimise operations, including power generation
- Future iterations will be able to support the prototyping proposed configurations and sizing of new equipment and technologies



Increased use of metallic feed

- Studying measures to further increase use of scrap in BOS, including via pre-melting added scrap feed
- Commissioning new carriers and loading capacity, focus on hot metal management and digital tools being applied/adopted
- Significant intensity reduction opportunity

Biochar replacement of fossil carbon

- Charcoal (biochar) produced from forestry and construction waste has the potential to partially replace the coal that is injected into the tuyeres at the blast furnace
- R&D was previously conducted by BlueScope and other industry partners with the CSIRO
- Biochar is used as a reductant in some iron and steel plants overseas (e.g. Brazil, Arcelor Mittal group investigations)
 - Use in Australia will require the development of an economic biochar supply chain from wood-based waste, which will be a key challenge
- BlueScope is actively pursuing options associated with the use of biochar.



BLUESCOPE: A DIFFERENT KIND OF STEEL COMPANY

What makes us different?

- 1 PURPOSE-LED AND SUSTAINABILITY FOCUSSED**
- 2 HIGH-QUALITY ASSET PORTFOLIO**
- 3 LEADING PRODUCT TECHNOLOGIES, BRANDING & CHANNELS**
- 4 FINANCIAL STRENGTH & COST COMPETITIVENESS**
- 5 DEPLOYING FINANCIAL STRENGTH FOR LONG TERM SUSTAINABLE GROWTH AND RETURNS**

Our Purpose

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

Our Bond

Our Customers
are our partners

Our People
are our strength

Our Shareholders
are our foundations

Our Local Communities
are our homes

1 PURPOSE-LED AND SUSTAINABILITY FOCUSSED FIVE KEY SUSTAINABILITY OUTCOMES



Climate action

Collaborate and act to reduce our impact on shared resources, mitigate climate risks and leverage opportunities



Safe and inclusive workplaces

Create safe, healthy and inclusive workplaces that value diversity, inspire creativity, support capability and reflect the communities where we operate



Responsible products and supply chains

Foster responsibility and collaboration in our operations and supply chains to provide smarter steel solutions



Strong communities

A responsible community employer and partner, respecting local values and sharing success



Sustainable and enduring business

Operate and transform our business for long-term success with good governance, capital discipline, customer focus and innovation



1 PURPOSE-LED AND SUSTAINABILITY FOCUSSED

HEALTH AND SAFETY

Continuing to evolve our approach to safety by building capacity and driving a greater focus on engagement and learning

Our evolved approach means we:

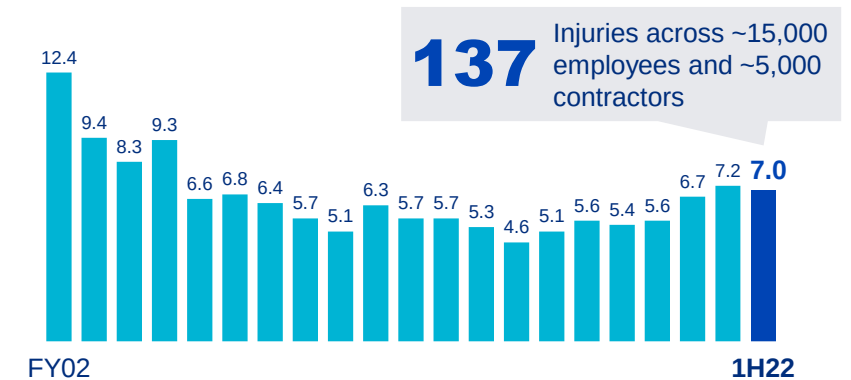
- Drive a culture of engagement and learning, with a focus on the presence of capacity in systems and processes rather than an absence of incidents
- Learn from the people who make and handle our products to understand what is working and where we can improve, and empower our people to be problem solvers to help identify and drive better ways to work
- Recognise that human error is inevitable and the importance of strengthening controls to be tolerant to human error and resilient enough to recover when things go wrong

Evolving our metrics

- Shifted indicators to more closely align with our strategic direction
- Focus on leading indicators for risk management, including risk control improvement projects and participation in leadership workshops
- Continuing to monitor Total Recordable Injury Frequency Rate (TRIFR) as the primary lagging indicator
- Deriving meaningful insights from indicators, particularly relating to the presence of capacity in our processes and systems to reduce injury severity, both actual and potential

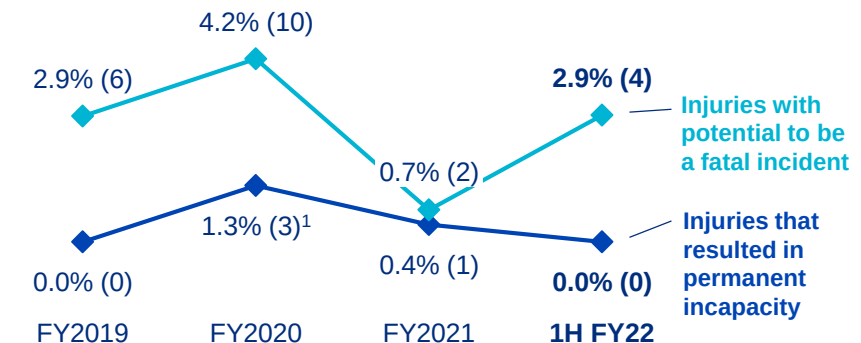
TRIFR

total recordable injury frequency rate, per million hours worked



Injury Severity

% (number of injuries)

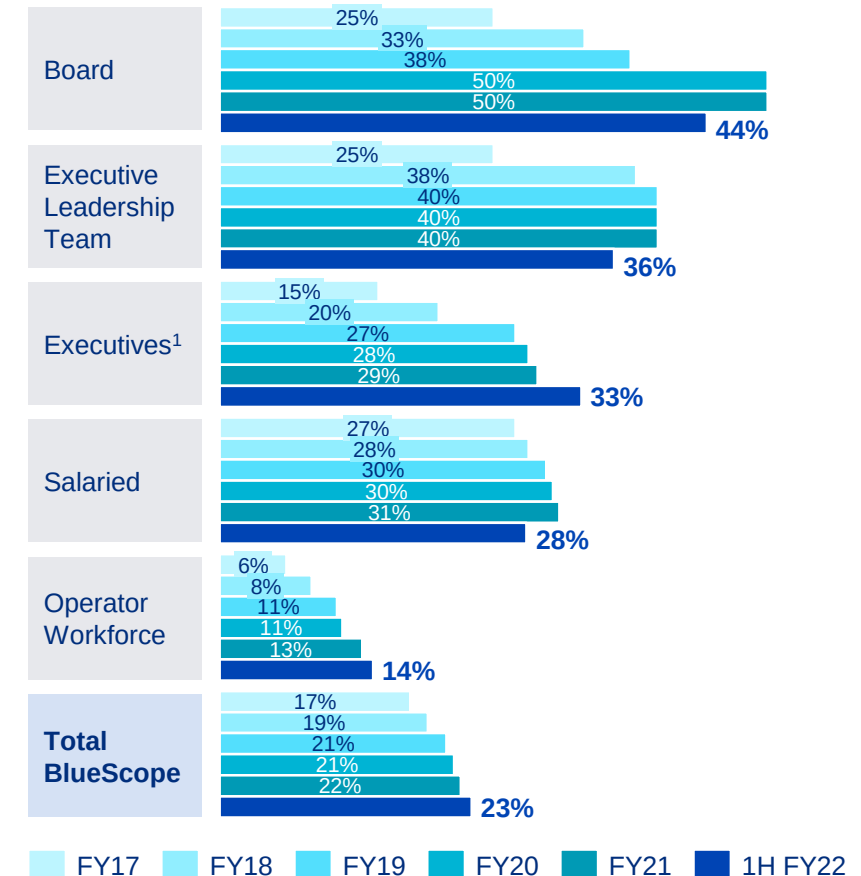


1 PURPOSE-LED AND SUSTAINABILITY FOCUSSED INCLUSION AND DIVERSITY

We have continued to build an inclusive workforce which reflects the diversity of the communities in which we operate

- Ensuring our employees feel safe to speak up, be heard and feel welcome continues to be a key priority. This was measured in the first half FY2022 and it is pleasing to see 80% of employees *feel safe to speak up* which is an increase over the last measure in 2019
- Ongoing progress is being made towards gender balance across our workforce
 - Signatory to the HESTA 40:40 Vision initiative, which seeks to achieve gender balance in executive leadership across all ASX200 companies by 2030
 - Strong growth in leadership pipeline, with percentage of female executives almost doubling over last five years
 - Women in operator and trade roles have more than doubled over the last five years
- We are now monitoring beyond gender metrics such as Ethnicity, First Nations and Disability
- Employee retention and female recruitment (particularly in the US) present the key challenges for the balance of FY2022

Women in BSL workforce (%)



1 PURPOSE-LED AND SUSTAINABILITY FOCUSSED SUPPLY CHAIN SUSTAINABILITY

We foster responsible business practices and uphold human rights through engagement, risk assessment and improvement activities

Our Approach



Prioritise

- Prioritise our supplier engagement based on risk and leverage
- Incorporate supply chain / industry risk factors
- Align with local business knowledge



Engage

- Internal and external engagement to explain the why and describe the risks
- Explain our expectations and approach:
 - BlueScope Code of Conduct
 - Supplier Code of Conduct
 - Responsible sourcing policy
 - Statement on Human Rights



Assess

- Structured assessment framework with independent assessments
 - EcoVadis assessments
 - Onsite assessments
 - Industry certification schemes



Improve

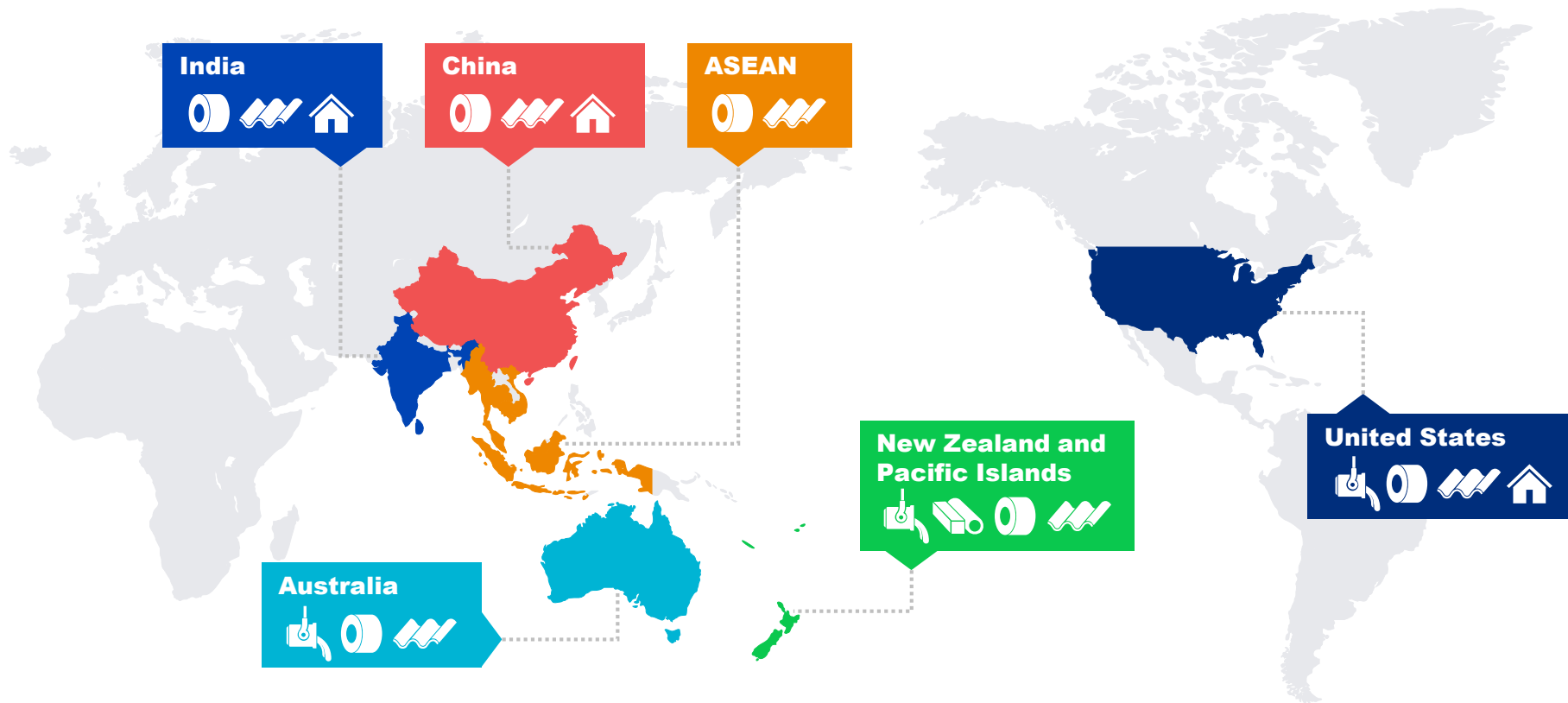
- Sharing learnings from assessments
- Training
- Corrective actions
- Improvement plans
- Reassessments
- Measurable improvement

1H FY2022 Progress

- Completed the Engage and Assess process with 251 suppliers as at the end of December 2021
 - 46 of these were completed in 1H FY2022. The majority of these are using the independent EcoVadis assessment process
- Assessments completed are a mix of new suppliers assessed and re-assessments
 - Experiencing delays in assessment processes with many suppliers due to the impact of the pandemic related disruptions on their teams and businesses
- Created a new role of Manager of Supply Chain Sustainability, reporting to the Head of Group Procurement. We expect the position to be filled by February 2022
- Continue to actively contribute to development of the Responsible Sourcing requirements for the new ResponsibleSteel™ standard for “Certified Steel”
- Joined Be Slavery Free as a Business Association member, in order to contribute to their goal of eliminating modern slavery and to utilise their expertise and resources to guide our approach

2 HIGH QUALITY ASSET PORTFOLIO

QUALITY ASSETS ACROSS LARGE AND GROWING MARKETS



- Strong operating leverage from diverse business portfolio
- A leader in metal coating and painting for building and construction
- Iconic industrial brand position of COLORBOND® steel
- Integrated and resilient Australian business delivering returns across the cycle
- North Star, one of the most productive and profitable mini-mills in the US
- Footprint across high growth Asian markets

Key



Steelmaking
(flat products)



Metal coating
and painting



Long products
(rebar, wire)



Steel buildings
and systems

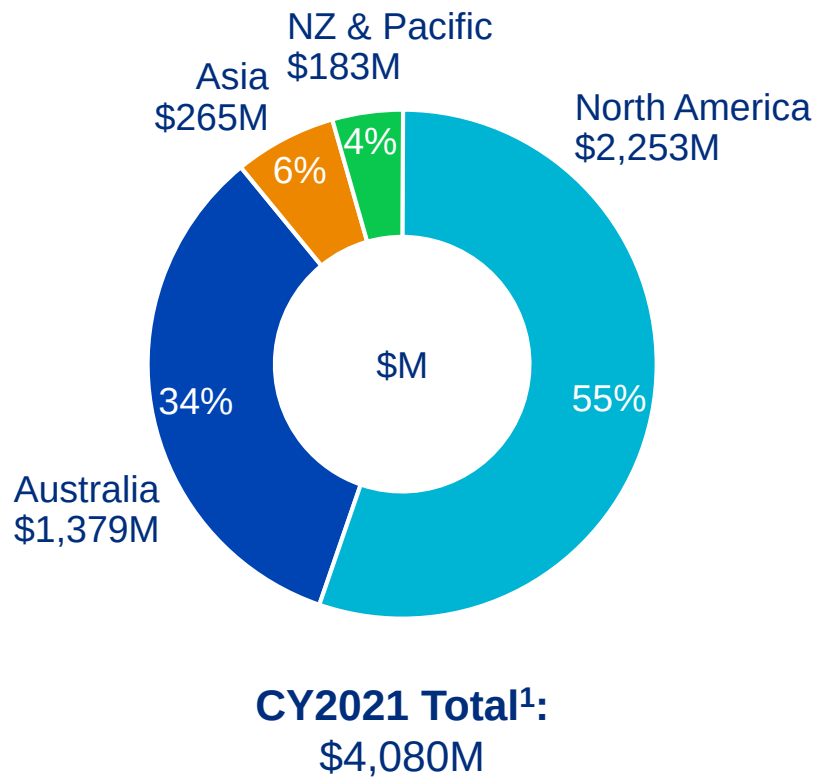


Steel building materials and
components

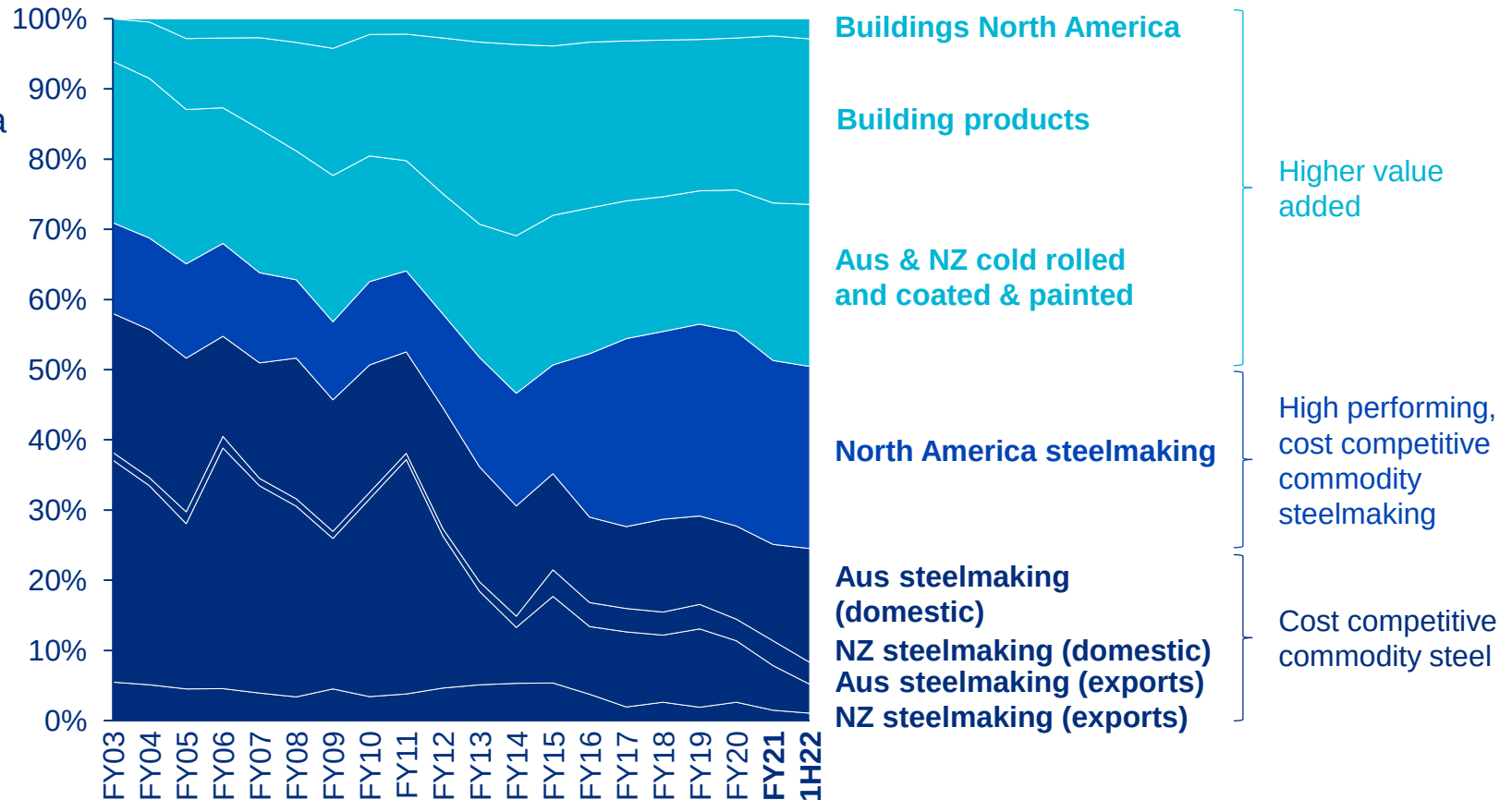
2 HIGH QUALITY ASSET PORTFOLIO DIVERSIFIED BUSINESS

Geographic diversity and increasing contribution from value-added products

Underlying EBITDA by region



BlueScope despatch volume mix

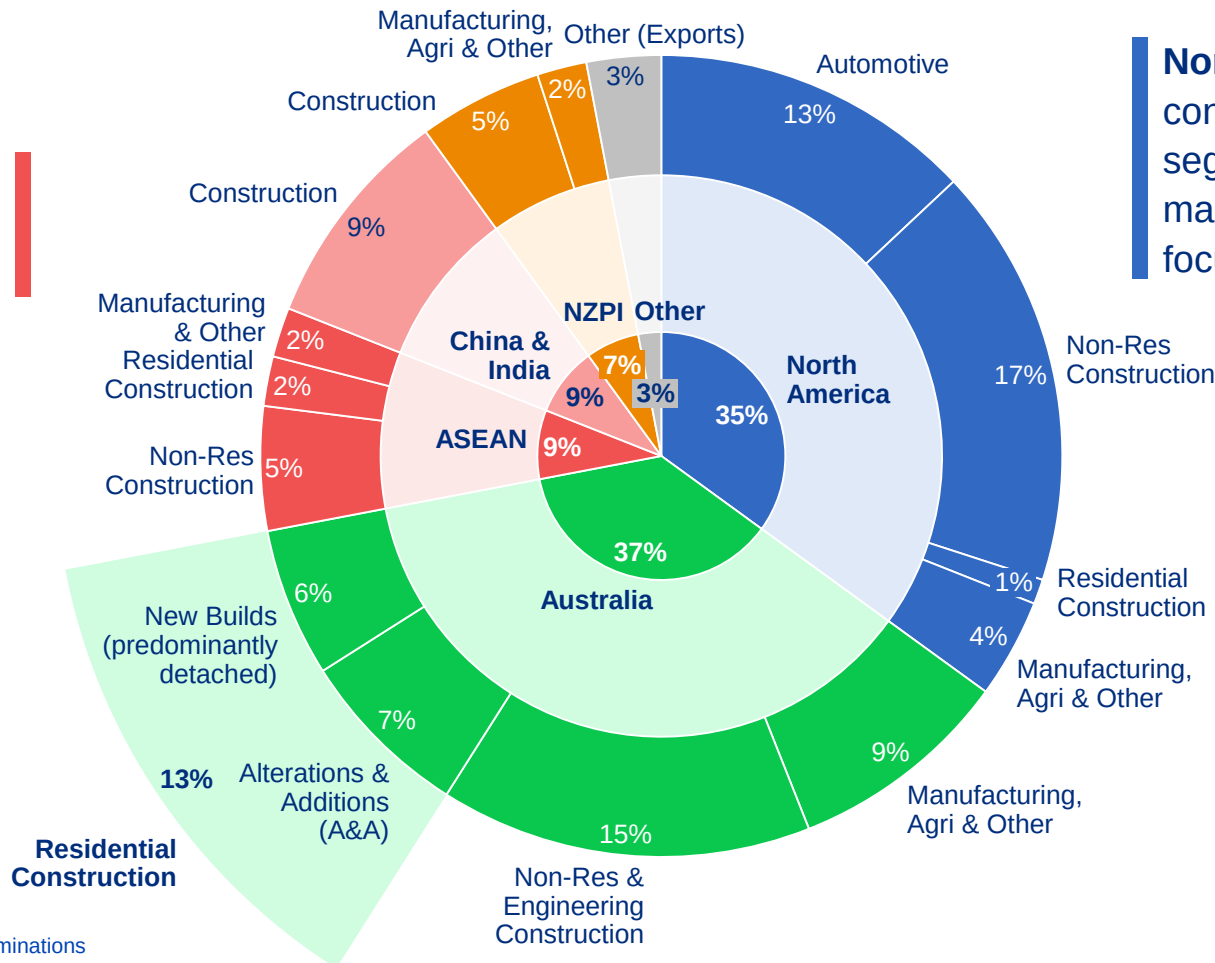


1. Total includes corporate costs & eliminations of \$180M, which then balances back to CY2021 underlying EBITDA of \$3,900M

2 HIGH QUALITY ASSET PORTFOLIO BROAD EXPOSURE TO END-USE SEGMENTS

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

BlueScope indicative despatch volume split by region and end-use segment¹



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

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

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

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

1. CY2021 data, excludes intercompany eliminations

3 LEADING PRODUCT TECHNOLOGIES

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 segments
 - Development of the innovative COLORBOND® Matt steel paint finishes
 - Roll out of leading proprietary AM¹ metal coating technology within our footprint
- 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

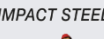
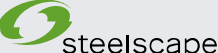
- Continued focus on developing and improving production and design processes
 - Continuous coil painting process technology (e.g. high speed, inline MCL painting)
 - Collaborative innovation capabilities (including working with academia and third parties to innovate)
 - Development and management of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



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

3 LEADING BRANDS AND CHANNELS

A portfolio of many well-known and respected names to support our premium branded positions; clear focus on knowing our end customers and maintaining strong channels to market

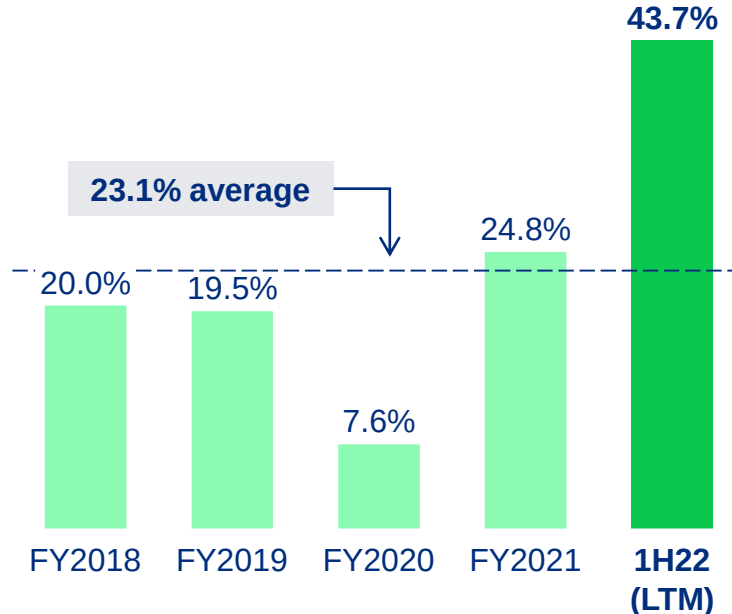
	Brands	Channels
Australia	   	      
New Zealand	   	   
Asia	     	   
North America	   	   

4 FINANCIAL STRENGTH & COST COMPETITIVENESS GUIDED BY OUR FINANCIAL FRAMEWORK

Strong returns, a robust balance sheet and a disciplined approach to capital allocation

Returns Focus

Group ROIC¹ Performance (%)



Robust Capital Structure

~\$700M NET CASH
at 31 December 2021

~\$3.4Bn LIQUIDITY
at 31 December 2021

INVESTMENT GRADE
credit ratings

Disciplined Capital Allocation

- Invest to maintain **safe and reliable operations**, to support achievement of **decarbonisation pathways**, and in **foundation and new technologies**
- Returns-focused process** with disciplined competition for capital between **growth projects** and **shareholder returns**

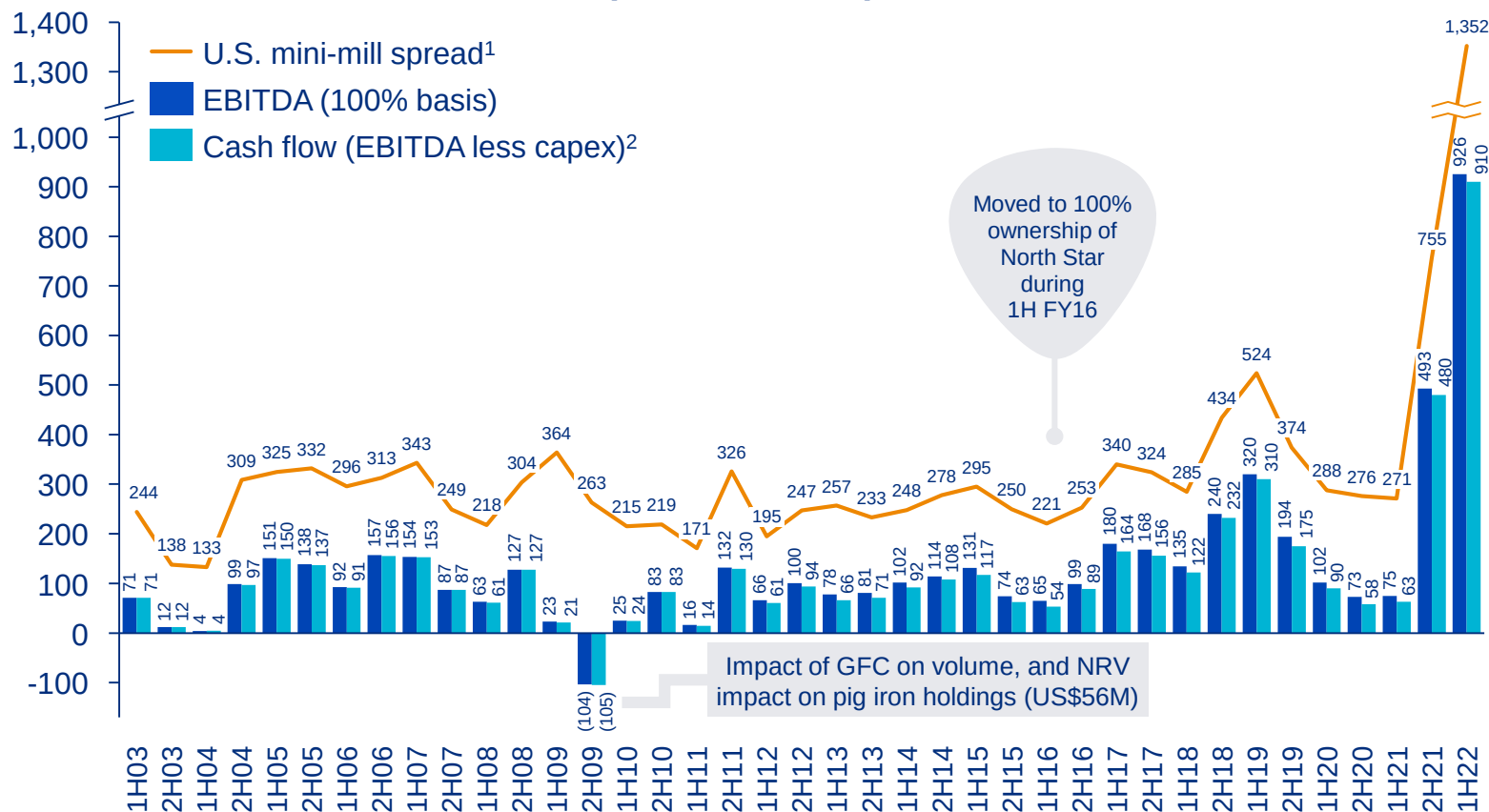
1. Return on Invested Capital – calculated as last 12 months' underlying EBIT over average monthly capital employed.

4 FINANCIAL STRENGTH & COST COMPETITIVENESS

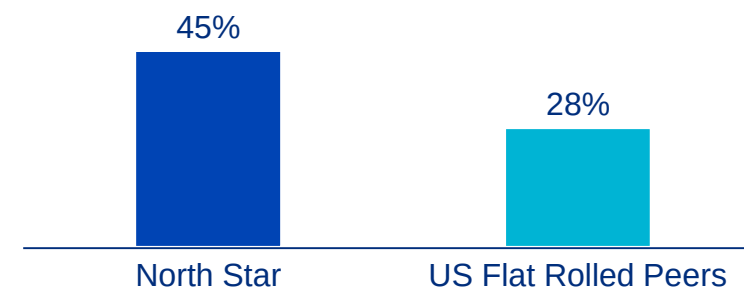
NORTH STAR

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

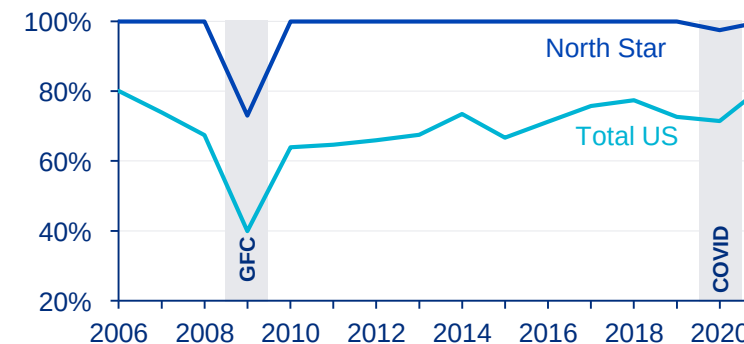
US\$M EBITDA and spread (100% basis)



EBIT margins³ (%)



US steel mill capacity utilisation⁴



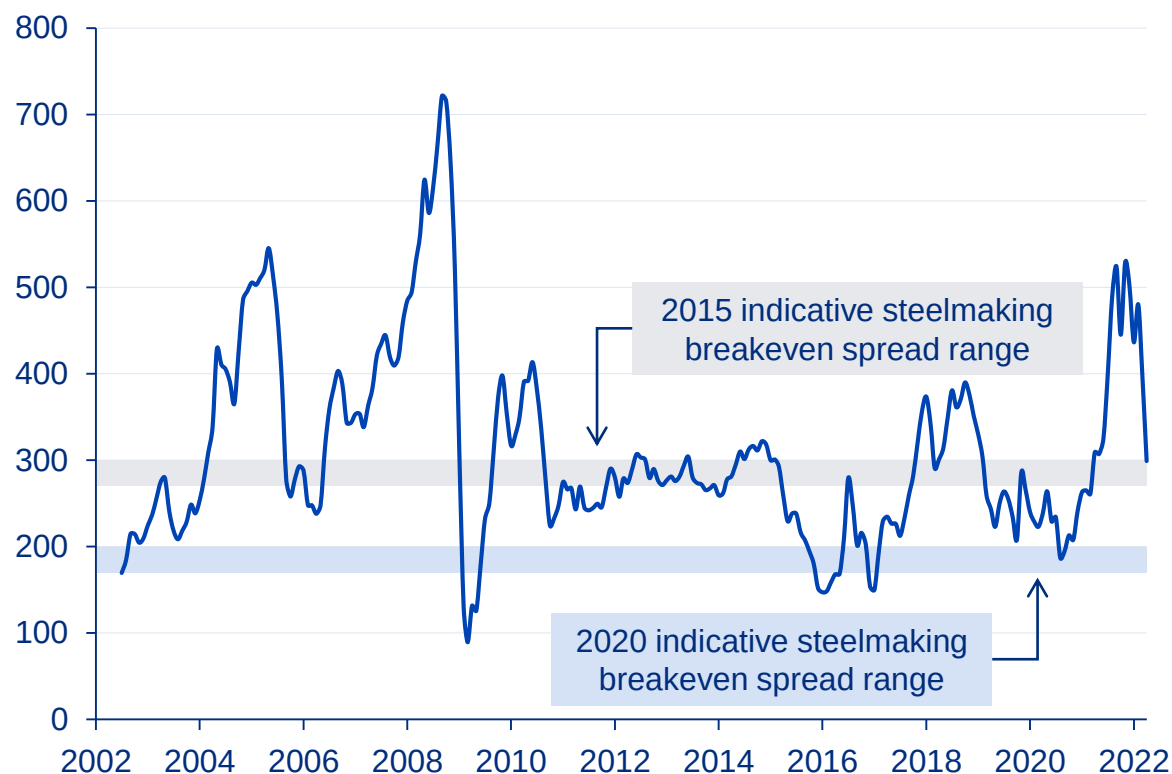
1. US Midwest mini-mill HRC spread (metric) – based on CRU Midwest HRC price (assuming illustrative one month lag), SBB #1 busheling scrap price (assuming one month lag) and CRU NOLA pig iron price (assuming two month lag); assumes raw material indicative usage of 1.1t per output tonne. Note, North Star sales mix has longer lags.
 2. Capex is presented on an accrual basis, and as such excludes movements in capital creditors. Excludes North Star expansion CAPEX.
 3. Reflects CY2021 North Star underlying EBIT margin. Peer margin data sourced from company information, simple average of North American peers using relevant segment information.
 4. Source: CRU, AISI, company data

4 FINANCIAL STRENGTH & COST COMPETITIVENESS

AUSTRALIAN STEEL PRODUCTS

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

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



The value of vertical integration

Synergies between steelmaking and coated

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

Moderation of earnings volatility

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

Value of channel participation

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

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

2. EBITDA less stay-in-business capital expenditure

5 DEPLOYING FINANCIAL STRENGTH FOR LONG TERM SUSTAINABLE GROWTH AND RETURNS

Maintaining balance sheet capacity to secure sustainable future returns and invest in growth, whilst returning funds to shareholders

1 Positioning the business for a low carbon future

- 2050 net zero GHG goal¹
- Initial five year climate investment program of up to \$150M
- Established corporate Climate Change team

2 Investing over \$1.8bn in long-term sustainable earnings and growth

- North Star expansion on track; debottlenecking option
- Australian intermaterial growth: additional metal coating capacity
- Expanding Properties Group
- US and NZ painting capacity
- Port Kembla reline

3 Increasing shareholder returns

- Increased annual dividend level, intention is to target 50 cents per share per annum²
- Extended buy-back program, up to \$700M over the next twelve months³

1. Achieving the 2050 net zero goal is dependent on the evolution of emerging and break-through technologies to viable, commercial scale; access to appropriate quality and quantities of raw materials in both the near and longer-term; access to affordable, firm renewable energy; availability of appropriate volumes of competitively priced hydrogen from renewable sources, and public policy that supports investment in decarbonisation and avoids risk of carbon leakage.

2. This will be subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements and the Board's determination at the relevant time.

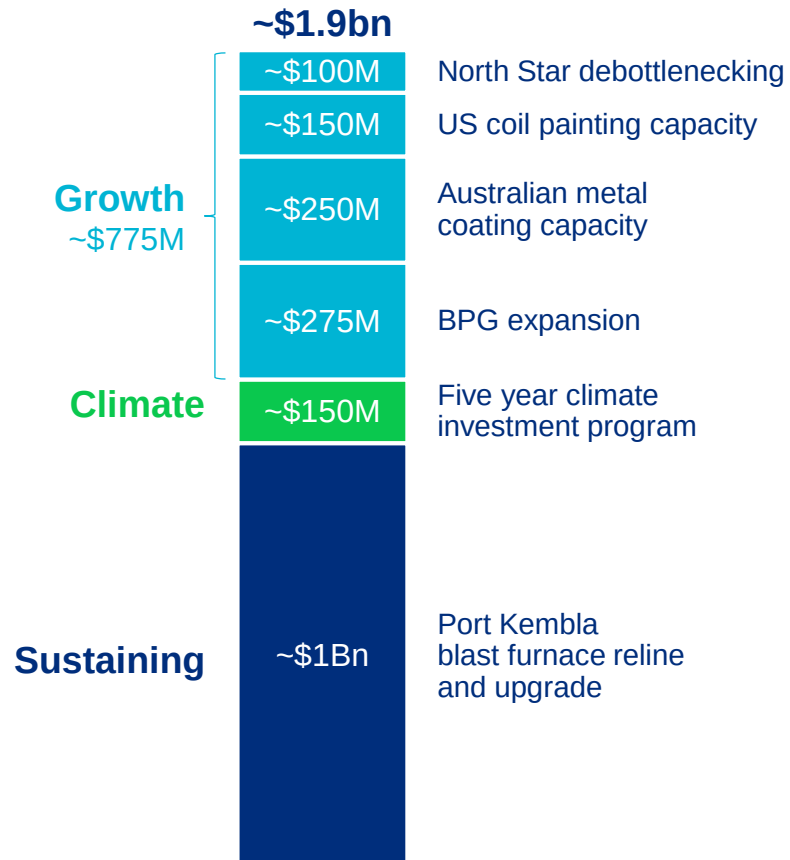
3. With \$285M of stock bought since August 2021, the Board has approved an increase in the scale of the buy-back program to allow up to a further \$700 million to be bought over the next 12 months

5 DEPLOYING FINANCIAL STRENGTH

FUTURE INVESTMENT PRIORITIES

Indicative ~\$1.9bn of projects identified over five years for growth opportunities, foundational investment and to position the business for a low carbon future

Future investment priorities (\$M)



Project	Description	FY22	FY27
North Star debottlenecking	500ktpa incremental debottlenecking opportunity at North Star ¹		
US coil painting capacity	Investigating the establishment of painting capacity in the Eastern US		
Australian metal coating capacity	Exploring further upgrades in manufacturing capacity to deliver long term growth		
BlueScope Properties Group expansion	Increased allocation of capital to BPG, in order to carefully grow the business		
Five year climate investment program	Focussing on optimising current operating assets and preparing for new technologies		
Port Kembla blast furnace reline	Securing future iron supply for the Port Kembla Steelworks		

Investment projects are indicative only, and progress will be subject to BlueScope's rigorous multi-stage capital investment evaluation process

1. BlueScope will begin to assess the hot strip mill debottlenecking opportunity as we progress through the ramp up period of the expansion project.

5 DEPLOYING FINANCIAL STRENGTH DIGITALLY TRANSFORMING OUR BUSINESS

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

Strengthen foundations to accelerate value

Capabilities

Right skills and behaviours

Data and platforms

Investing in enabling platforms

Partnerships

Strong technology and strategic partnerships

Use cases delivering value in strategic focus areas



Manufacturing Excellence



Connected Supply Chain



Sales and Marketing



Support Functions

Transfer learnings

- Extend proven use cases to other areas
- Transfer knowledge and learnings across the enterprise

Manufacturing Excellence

Step change in quality, cost and throughput

Examples include:

- Asset intelligence (predictive maintenance)
- Process optimisation
- Energy optimisation

Connected Supply Chain

Improve service levels and optimise inventory and costs

Examples include:

- Demand planning
- Inventory optimisation
- Order tracking
- Network optimisation

Sales and Marketing

Drive growth and profitability with the right commercials

Examples include:

- Pricing enablement
- Customer platforms
- Process automation

Support Functions

Improve employee experiences through efficient and effective processes

Examples include:

- Robotic process automation
- Data visualisation & performance reporting

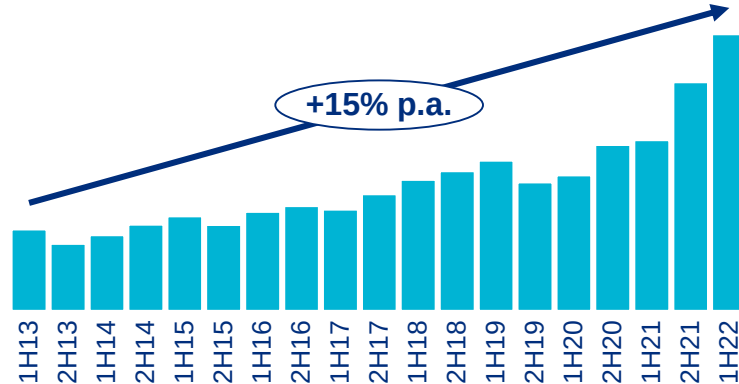
5 DEPLOYING FINANCIAL STRENGTH INVESTING IN GROWTH AT ASP

A wide range of low capital growth opportunities in intermaterial applications

TRUECORE® steel

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

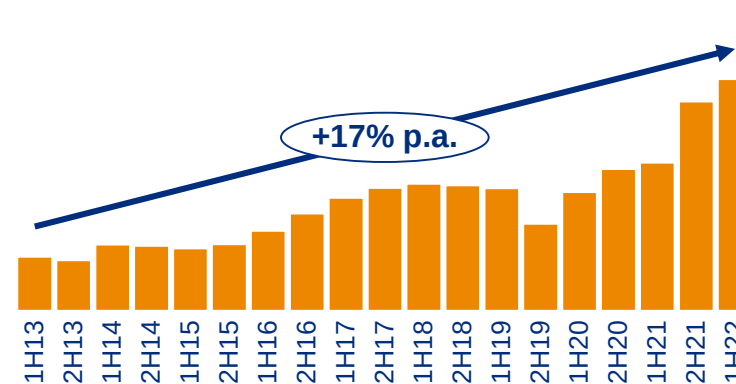
TRUECORE® sales volumes¹



TRU-SPEC® coil plate

- Investing in a new 160kt stretch levelling coil plate line at Port Kembla in order to meet the increased demand levels
- Increased capacity provides the opportunity to further grow TRU-SPEC® steel sales, as well as reducing complexity and cost in the supply chain, and improving the service offer for customers

TRU-SPEC® sales volumes¹



Cladding & facade applications

- AZURE® range of façade products provide an attractive alternative cladding solution given the aesthetic and durable properties of COLORBOND® steel, and low combustibility
- Increased use in residential cladding, on the back of the new COLORBOND® Matt steel colours and a range of new profile options from the rollforming channel, including the new LYSAGHT® ZENITH® range of profiles



1. Domestic prime sales volume ex-mill

Additional Information: Group-level Material



FINANCIAL HEADLINES

\$M (unless marked)	SIX MONTHS ENDED		1H FY22 vs 1H FY21
	31 DEC 2020	31 DEC 2021	
Total revenue	5,831.4	9,436.2	↑
External despatches of steel products (kt)	3,808.0	3,844.4	↑
EBITDA – Underlying ¹	772.5	2,461.0	↑
EBIT – Reported	529.8	2,257.4	↑
– Underlying ¹	530.6	2,204.1	↑
NPAT – Reported	330.3	1,643.5	↑
– Underlying ¹	332.8	1,573.4	↑
EPS – Reported	65.6 cps	329.1 cps	↑
– Underlying ¹	66.1 cps	315.1 cps	↑
Underlying EBIT Return on Invested Capital	11.0%	43.7%	↑
Net Cashflow From Operating Activities	565.7	1,072.7	↑
– After capex and other investing	267.2	402.6	↑
Interim dividend	6.0 cps	25.0 cps	↑
Net cash / (debt) ²	305.2	695.9	↑

1. Refer to page 65 for a detailed reconciliation of reported to underlying results

2. Includes capitalised lease liabilities under AASB156

RECONCILIATION BETWEEN REPORTED AND UNDERLYING EBIT AND NPAT¹

\$M	1H FY2021		1H FY2022	
	EBIT \$M	NPAT \$M	EBIT \$M	NPAT \$M
Reported results	529.8	330.3	2,257.4	1,643.5
<i>Underlying adjustments</i>				
Discontinued Business (gains) / losses	(6.5)	(6.0)	(1.6)	(1.1)
Business development and acquisition costs	3.8	2.2	8.2	6.4
Restructuring & redundancy costs	16.3	12.1	-	-
Asset sales	(12.8)	(9.2)	-	-
Pension fund adjustment	-	-	(54.8)	(39.1)
Gain on lease termination	-	-	(5.1)	(3.2)
Tax asset impairment / (write-back)	-	(6.2)	-	(33.2)
US Federal tax payable on internal entity transfer	-	9.6	-	-
Underlying results	530.6	332.8	2,204.1	1,573.4

1. Underlying EBIT and NPAT are provided to assist readers to better understand the underlying consolidated financial performance. Underlying information, whilst not subject to audit or review, has been extracted from the interim financial report which has been reviewed. Further details can be found in Tables 12 and 13 of the Operating and Financial Review for the half year ended 31 December 2021 (document under Listing Rule 4.2A)

UNDERLYING EARNINGS, NET FINANCE AND TAX COST

\$M	1H FY2021	2H FY2021	1H FY2022
Underlying EBIT	530.6	1,193.2	2,204.1
Underlying finance costs	(37.2)	(33.5)	(37.1)
Interest revenue	4.7	4.3	6.5
Profit from ordinary activities before tax	498.1	1,164.0	2,173.5
Underlying income tax (expense)/benefit	(121.4)	(257.9)	(496.6)
Underlying NPAT from ordinary activities	376.7	906.1	1,676.9
Net (profit)/loss attributable to non-controlling interests	(43.8)	(72.6)	(103.6)
Underlying NPAT attributable to equity holders of BSL	332.8	833.5	1,573.4

**22.8%
effective
underlying
tax rate**

Breakdown of net finance costs

Reg-S Bonds	9.5
Core bilateral loan facility charges	3.8
Leases	13.8
Amortisation of borrowing costs and present value charges (non-cash)	5.3
Other finance costs (incl NS BlueScope interest costs)	4.7
Less, interest income	(6.5)
Total net interest	30.6

Current estimated cost of facilities:

- Approximately 4.3% interest cost on gross drawn debt (which was ~\$1,220M at 31 December 2021) including ~\$14M lease interest charge; plus
- commitment fee on undrawn part of ~\$1,074M of domestic facilities of 0.70%; plus
- amortisation of facility establishment fees, discount cost of long-term provisions and other of ~\$4M pa;
- less: interest on cash (at ~0.3% pa)

SUMMARY OF FINANCIAL ITEMS BY SEGMENT

Sales revenue

\$M	1H FY2021	2H FY2021	FY2021	1H FY2022
North Star BlueScope Steel	785.9	1,591.8	2,377.7	2,436.5
Australian Steel Products	2,739.5	3,109.0	5,848.5	3,963.0
Building Products Asia & North America	1,459.3	1,666.3	3,125.6	2,158.4
New Zealand and Pacific Islands	436.2	458.1	894.3	518.0
Buildings North America	601.8	496.9	1,098.7	744.5
Intersegment, Corporate & Discontinued	(205.3)	(266.5)	(471.8)	(401.7)
Total	5,817.4	7,055.6	12,873.0	9,418.7

Underlying EBITDA

\$M	1H FY2021	2H FY2021	FY2021	1H FY2022
North Star BlueScope Steel	102.5	638.9	741.4	1,264.9
Australian Steel Products	400.1	561.7	961.8	836.4
Building Products Asia & North America	195.8	226.4	422.2	310.6
New Zealand and Pacific Islands	67.2	84.4	151.6	99.7
Buildings North America	82.6	29.7	112.3	30.8
Intersegment, Corporate & Discontinued	(75.7)	(102.0)	(177.7)	(81.4)
Total	772.5	1,439.1	2,211.6	2,461.0

Total steel despatches

'000 tonnes	1H FY2021	2H FY2021	FY2021	1H FY2022
North Star BlueScope Steel	1,024.7	1,058.4	2,083.1	1,016.0
Australian Steel Products	1,596.1	1,550.3	3,146.4	1,582.6
Building Products Asia & North America	918.2	974.1	1,892.3	922.8
New Zealand and Pacific Islands	323.1	304.2	627.3	283.8
Buildings North America	90.7	102.1	192.8	112.8
Intersegment, Corporate & Discontinued	(144.8)	(87.6)	(232.4)	(73.6)
Total	3,808.0	3,901.5	7,709.5	3,844.4

Underlying EBIT

\$M	1H FY2021	2H FY2021	FY2021	1H FY2022
North Star BlueScope Steel	69.6	607.6	677.2	1,228.5
Australian Steel Products	259.1	415.2	674.3	687.8
Building Products Asia & North America	150.3	183.2	333.5	265.6
New Zealand and Pacific Islands	57.4	72.7	130.1	86.2
Buildings North America	70.5	17.0	87.5	18.0
Intersegment, Corporate & Discontinued	(76.3)	(102.5)	(178.8)	(82.0)
Total	530.6	1,193.2	1,723.8	2,204.1

CASH FLOW STATEMENT

\$M	1H FY2021	2H FY2021	1H FY2022
Reported EBITDA	771.7	1,474.6	2,514.3
Adjust for other cash profit items	(13.6)	1.0	(9.2)
Cash from operations	758.1	1,475.6	2,505.1
Working capital movement (inc provisions)	(132.4)	(315.0)	(1,141.0)
Gross operating cash flow	625.7	1,160.6	1,364.1
Financing costs	(35.2)	(33.1)	(37.0)
Interest received	4.7	4.3	6.4
Income tax paid ¹	(29.5)	(39.3)	(260.8)
Net operating cash flow	565.7	1,092.5	1,072.7
Capex: payments for P, P & E and intangibles ²	(300.6)	(459.9)	(385.1)
Other investing cash flow	2.1	1.0	(285.0)
Net cash flow before financing	267.2	633.6	402.6
Buy-backs of equity	-	-	(284.9)
Dividends to BSL shareholders	(40.3)	(30.2)	(221.6)
Dividends to non-controlling interests	(1.1)	(29.3)	-
Net drawing / (repayment) of borrowings	(28.3)	(68.2)	61.0
Net drawing / (repayment) of leases	(51.6)	(49.9)	(51.7)
Other	3.0	-	1.6
Net increase/(decrease) in cash held	148.9	456.0	(93.0)

Driven by record pricing and increased volumes

1H FY2022 includes \$165M investment in North Star expansion

Includes \$287M acquisition of MetalX ferrous scrap recycling business

1. As at 31 December 2021 the BlueScope Steel Australian tax consolidated group is estimated to have carried forward tax losses of approximately \$135M. There will be no Australian income tax payments until these losses are recovered

2. 1H FY2022 cash capex of \$385M; accounting capital spend including capital accruals of \$368M

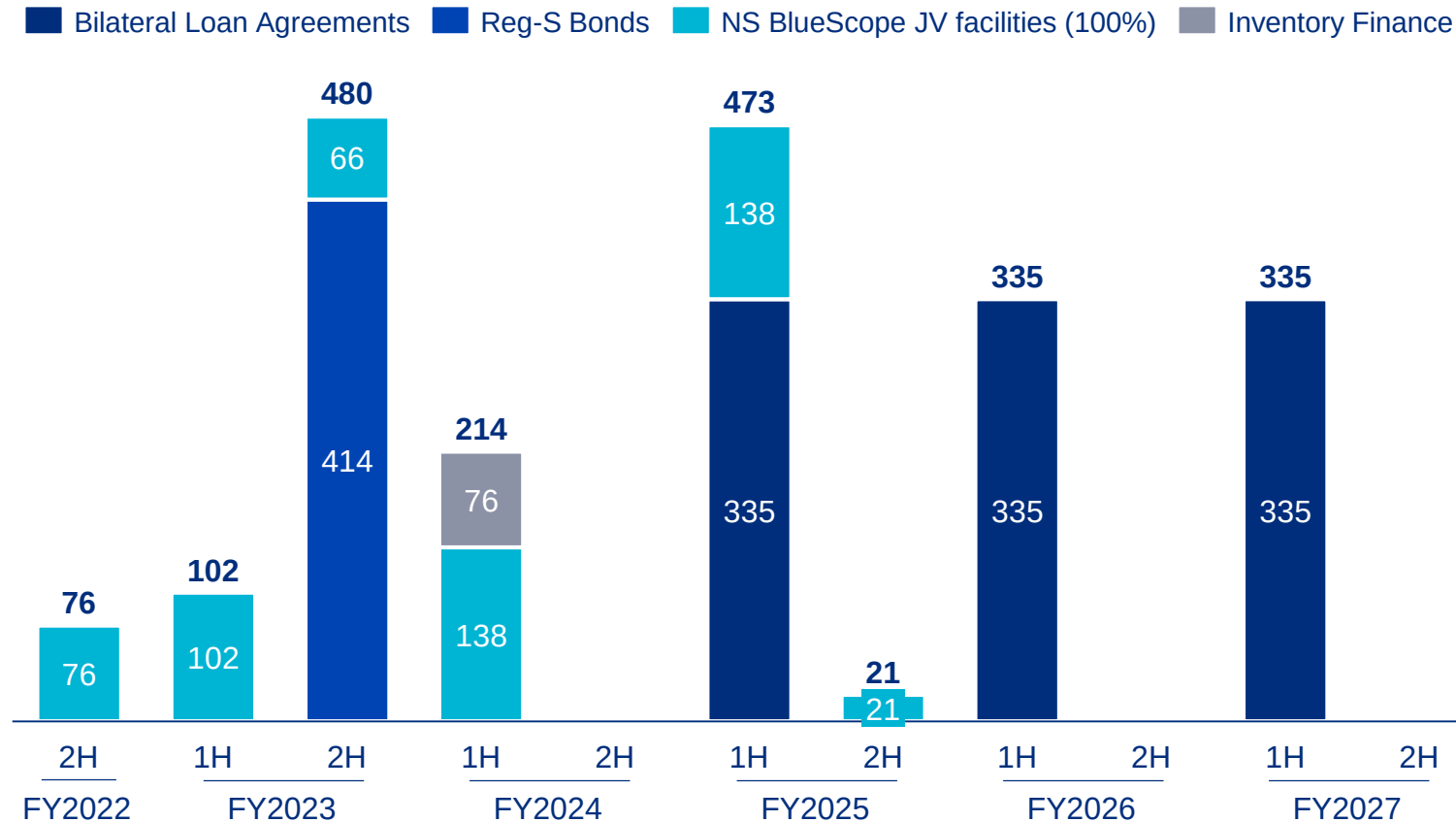
BALANCE SHEET

\$M	31 Dec 2020	30 Jun 2021	31 Dec 2021
Assets			
Cash	1,495.1	1,961.9	1,903.6
Receivables and Contract Assets *	1,089.3	1,682.4	1,877.7
Inventory *	1,921.4	2,379.8	3,358.5
Property, Plant & Equipment	4,237.0	4,521.9	4,880.6
Right Of Use Assets	316.2	357.9	328.8
Intangible Assets	1,644.1	1,695.9	1,934.5
Other Assets	622.2	549.2	513.6
Total Assets	11,325.3	13,149.0	14,797.3
Liabilities			
Trade & Sundry Creditors *	1,467.7	2,066.7	2,103.9
Capital & Investing Creditors	188.7	169.1	185.2
Borrowings	683.7	622.5	705.0
Lease Liabilities	506.2	541.3	502.7
Deferred Income and Contract Liabilities *	211.1	308.7	336.9
Retirement Benefit Obligations	332.5	196.3	137.0
Provisions & Other Liabilities	823.0	1,084.0	1,264.7
Total Liabilities	4,212.9	4,988.6	5,235.4
Net Assets	7,112.4	8,160.4	9,561.9
Note *: Items included in net working capital	1,331.9	1,686.8	2,795.4

PRUDENT MATURITY PROFILE

Syndicated facility replaced in July 2021 with bilateral facilities with relationship bank group – extending tenor and reducing cost of main revolving debt facilities

Maturity profile¹ (\$M)



Sale of receivables program:

- In addition to debt facilities, BlueScope had \$390M of off-balance sheet sale of receivables programs, of which \$390M was drawn at 31 December 2021

Group Bilateral Loan Agreement and inventory facilities remained undrawn at 31 December 2021

1. Based on A\$:US\$ at US\$0.7247 at 31 December 2021 and excludes \$96M NS BlueScope JV facilities which progressively amortise

COMMITTED DEBT FACILITIES AS AT 31 DECEMBER 2021¹

	Maturity	Committed		Drawn
		Local currency	A\$M	A\$M
Bilateral Loan Agreements				
- Tranche A	Jul 2024	A\$335M	A\$335M	-
- Tranche B	Jul 2025	A\$335M	A\$335M	-
- Tranche C	Jul 2026	A\$335M	A\$335M	-
Reg-S Bonds	May 2023	US\$300M	A\$414M	A\$414M
Inventory Finance	Sep 2023	US\$55M	A\$76M	-
NS BlueScope JV facilities (100%)				
- Corporate facilities	Mar 2022 – Oct 2024	US\$275M	A\$379M	A\$90M
- Thailand facilities	Mar 2022 – Dec 2025	THB 3,480M	A\$144M	A\$78M
- Malaysian facilities	Jun 2022 – Oct 2024	MYR 344M	A\$114M	A\$82M
Leases	Various	A\$503M	A\$503M	A\$503M
Total			A\$2,635M	A\$1,167M

- In addition to debt facilities, BSL has:
 - \$390M of off-balance sheet sale of receivables program of which \$390M was drawn at 31 December 2021, and
 - other items in total debt of \$41M

1. Based on A\$:US\$ at US\$0.7247 at 31 December 2021

BUY BACK HISTORY

	2H FY17	1H FY18	2H FY18	1H FY19	2H FY19	1H FY20	2H FY20	1H FY21	2H FY21	1H FY22	Total
Shares bought (M)	12.8	12.0	9.2	18.9	17.0	14.6	2.9	-	-	13.6	100.9
Consideration (\$M)	150	148	152	293	217	186	34	-	-	285	1,465
Average price (\$/sh)	\$11.74	\$12.37	\$16.50	\$15.50	\$12.81	\$12.68	\$11.86	-	-	\$20.94	\$14.51

INDICATIVE HALF YEAR EBIT SENSITIVITIES¹

Sensitivities may vary subject to volatility in prices, currencies and market dynamics – refer to page 81

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	+/- \$14M
- direct sensitivity ²	+/- \$6-7M	- direct sensitivity ⁹	+/- \$1M	(HRC price less cost of scrap and pig iron)	
- indirect sensitivity ³	+/- \$9-11M	- indirect sensitivity ¹⁰	+/- \$4-5M		
+/- US\$10/t move in iron ore costs	-/+ \$32M	+/- US\$10/t move in market-priced coal costs ¹¹	-/+ \$3M		
+/- US\$10/t move in coal costs ⁴	-/+ \$14M	+/- 1¢ move in AUD:USD exchange rate			
+/- 1¢ move in AUD:USD exchange rate		- direct sensitivity ⁵	+/- \$1M ⁸		
- direct sensitivity ⁵	+/- \$10-11M ⁷	- indirect sensitivity ¹²	-/+ \$3-4M ⁸		
- indirect sensitivity ⁶	-/+ \$15-20M ⁸				
				Group	
				+/- 1¢ move in AUD:USD exchange rate (direct) ¹³	-/+ \$1M ⁸

- Page shows full sensitivities to movement in key external factors, as if that movement had applied for the complete six months. Analysis assumes 2H FY2022 base exchange rate of US\$0.72. 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.
- Includes US\$ priced export products and domestic hot rolled coil sold into the pipe & tube market.
- 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.
- Coal cost sensitivity does not include coal purchases for export coke sales.
- Includes the impact on US dollar denominated export prices and costs and restatement of US dollar denominated receivables and payables.
- 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.
- A decrease in the A\$/US\$ suggests an unfavourable impact on earnings.
- A decrease in the A\$/US\$ suggests a favourable impact on earnings.
- Includes US\$ priced export flat and long steel products (includes Pacific Steel products)
- 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.
- 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.
- 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.
- 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	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	785.9	1,591.8	2,377.7	2,436.5
Underlying EBITDA	102.5	638.9	741.4	1,264.9
Underlying EBIT	69.6	607.6	677.2	1,228.5
Reported EBIT	67.8	606.7	674.5	1,221.6
Capital & investment expenditure	311.7	229.0	540.7	504.0 ¹
Net operating assets (pre tax)	2,055.9	2,374.3	2,374.3	3,078.0
Total steel despatches (kt)	1,024.7	1,058.4	2,083.1	1,016.0

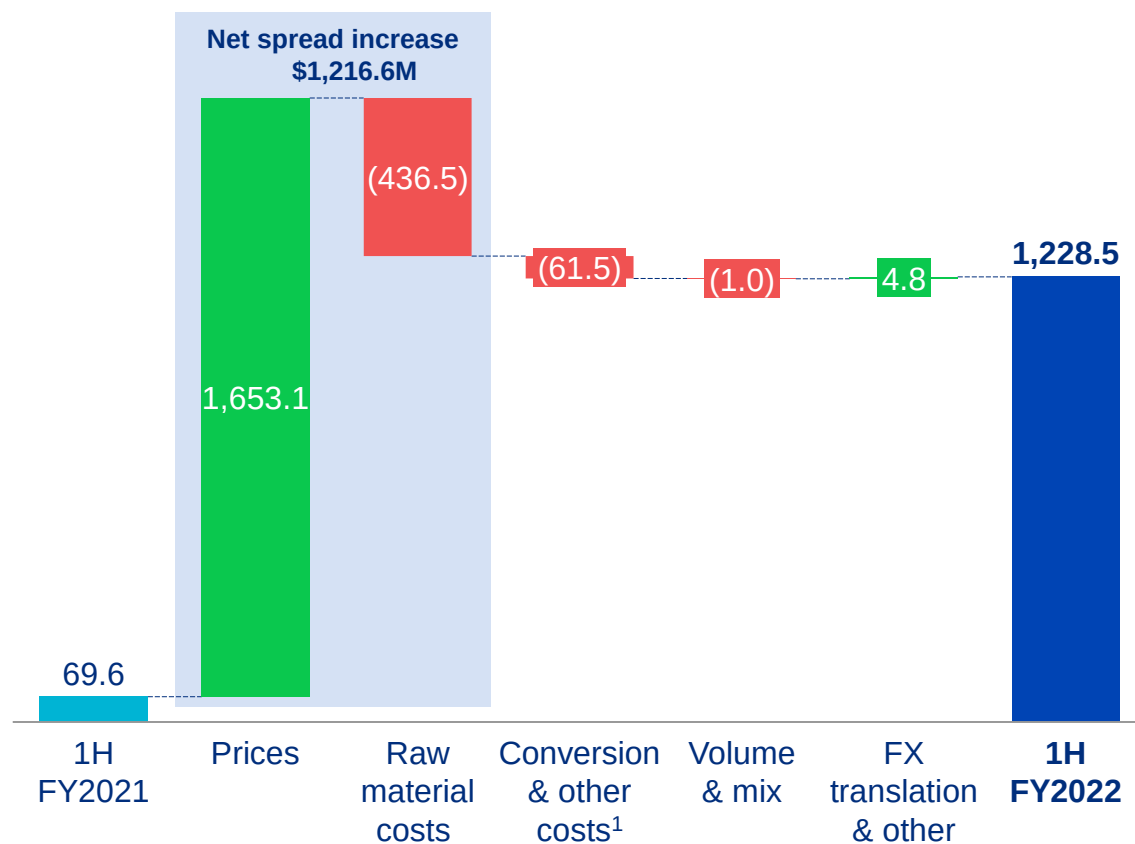
Key segment financial items (US\$M)

\$M unless marked	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	569.1	1,227.5	1,796.6	1,782.4
Underlying EBITDA	75.0	492.7	567.7	925.3
Underlying EBIT	51.2	468.4	519.6	898.7
Reported EBIT	49.9	467.7	517.6	893.7
Capital & investment expenditure	225.4	176.8	402.2	363.8
Net operating assets (pre tax)	1,580.0	1,784.1	1,784.1	2,230.6

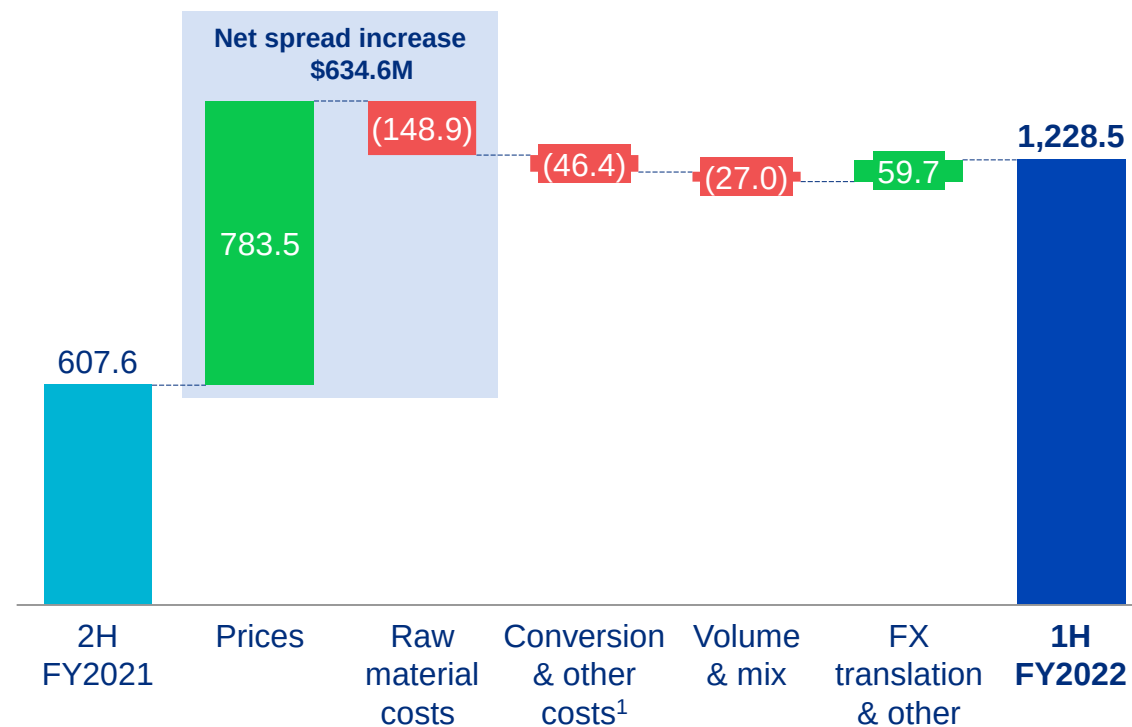
1. Reflects \$306M purchase consideration; reconciles to the \$287M of cash payment during the half with \$19M of deferred consideration and working capital true-up.

Underlying EBIT variance

1H FY2022 vs 1H FY2021 (\$M)



1H FY2022 vs 2H FY2021 (\$M)



1. A significant component of the increase to conversion & other costs relates to increased employee profit share plan expenses which naturally wind up and down in direct proportion to varying levels of profitability.
 Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

North Star expansion capital spend profile

Accounting capital spend (incl. capital accruals)

	Total to 30-Jun-20	1H FY2021	2H FY2021	1H FY2022	2H FY2022 (expected)	FY2023 (expected)
US\$M	140.7	212.7	164.0	129.4	~110	~0-30
A\$M	210.0	294.0	212.5	176.9	~150	~0-40

Cash capital spend

	Total to 30-Jun-20	1H FY2021	2H FY2021	1H FY2022	2H FY2022 (expected)	FY2023 (expected)
US\$M	122.3	121.8	203.5	120.7	~170	~20-50
A\$M	181.8	168.2	264.2	165.0	~240	~30-70

AUSTRALIAN STEEL PRODUCTS

Financial and despatch summaries

Key segment financial items

\$M unless marked	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	2,739.5	3,109.0	5,848.5	3,963.0
Underlying EBITDA	400.1	561.7	961.8	836.4
Underlying EBIT	259.1	415.2	674.3	687.8
Reported EBIT	259.1	415.2	674.3	687.8
Capital & investment expenditure	74.8	135.7	210.5	94.5
Net operating assets (pre tax)	2,779.5	2,975.2	2,975.2	3,408.6
Total steel despatches (kt)	1,596.1	1,550.3	3,146.4	1,582.6

Despatches breakdown

'000 Tonnes	1H FY2021	2H FY2021	FY2021	1H FY2022
Hot rolled coil	286.1	338.3	624.4	373.4
Plate	146.1	163.1	309.2	169.9
CRC, metal coated, painted & other ¹	744.1	810.0	1,554.1	784.4
Domestic despatches of BSL steel	1,176.3	1,311.4	2,487.7	1,327.7
Channel desp. of ext. sourced steel ²	73.2	82.2	155.4	93.3
Domestic despatches total	1,249.5	1,393.6	2,643.1	1,421.0
Hot rolled coil	126.5	1.6	128.1	14.4
Plate	11.2	8.8	20.0	14.2
CRC, metal coated, painted & other ¹	208.1	145.5	353.6	132.3
Export despatches of BSL steel	345.8	155.9	501.7	160.9
Channel desp. of ext. sourced steel	0.8	0.8	1.6	0.7
Export despatches total	346.6	156.7	503.3	161.6
Total steel despatches³	1,596.1	1,550.3	3,146.4	1,582.6
Export coke despatches	336.6	335.5	672.1	314.7

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)

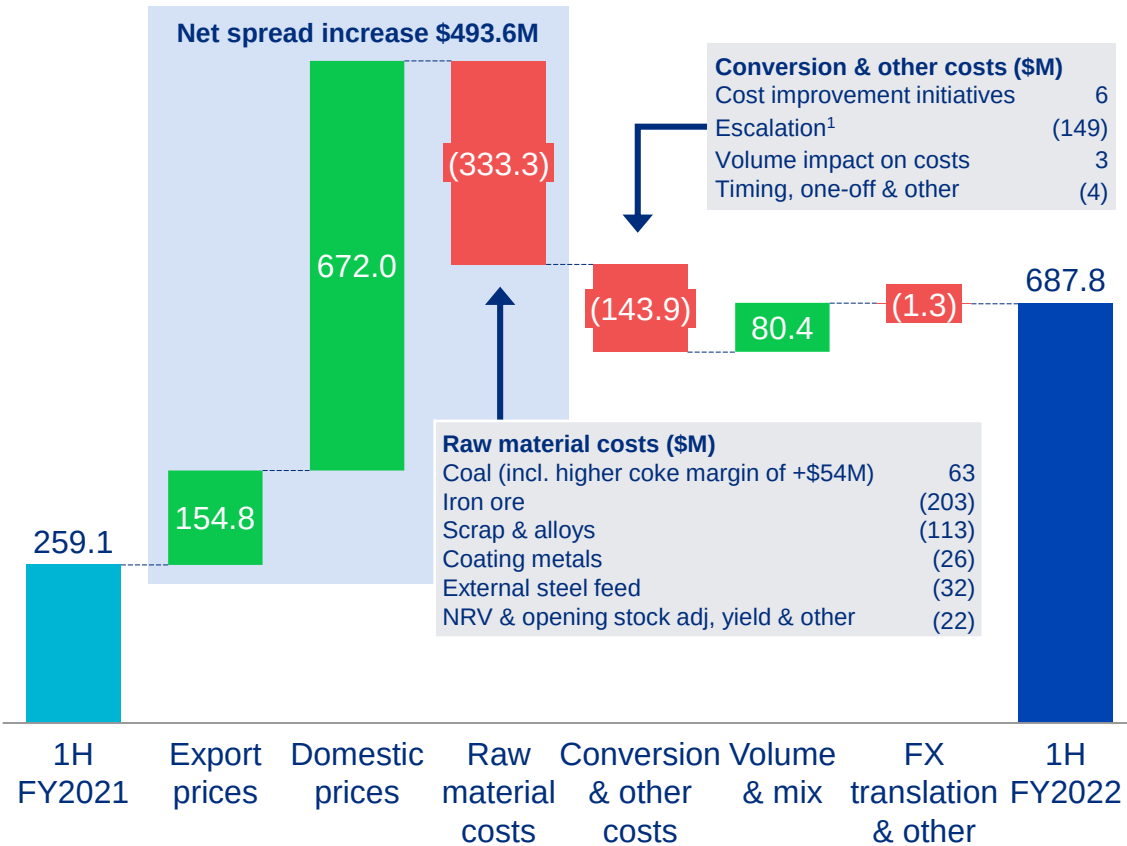
(6.1) (9.2) (15.3) (25.1)

444.2 472.7 916.9 489.9

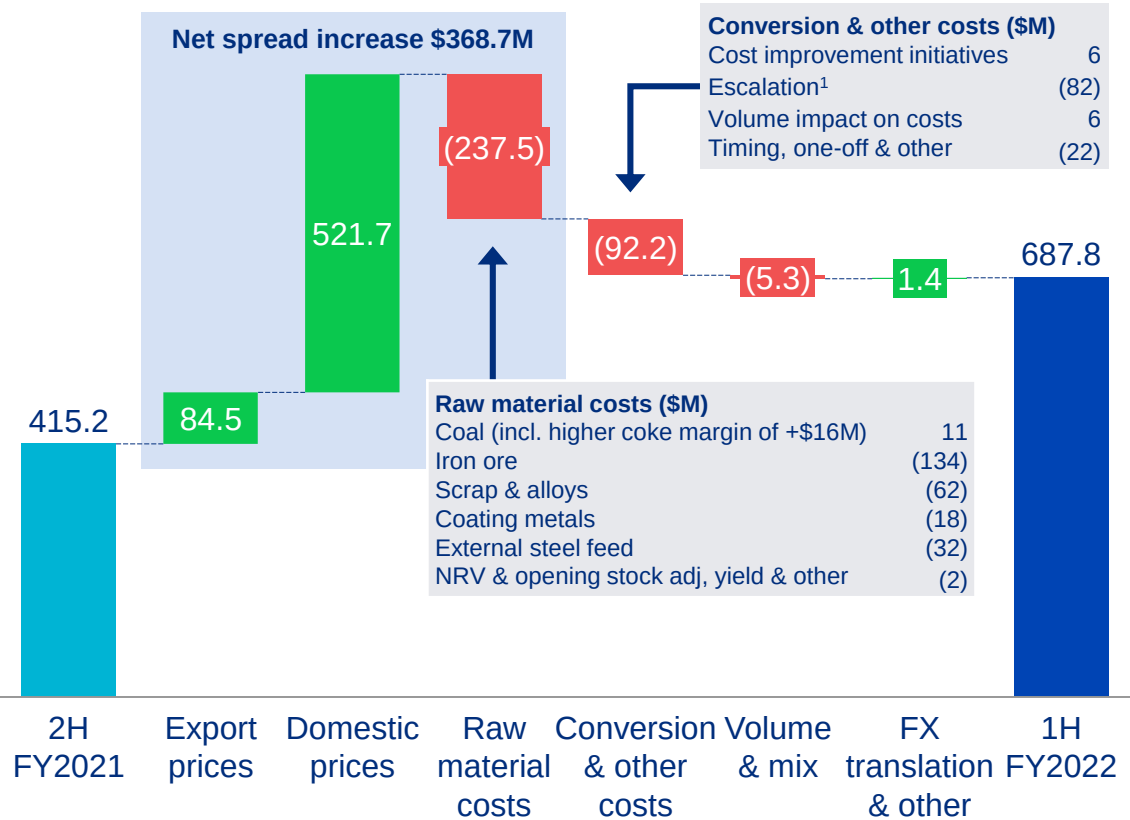
AUSTRALIAN STEEL PRODUCTS

Underlying EBIT variance

1H FY2022 vs 1H FY2021 (\$M)



1H FY2022 vs 2H FY2021 (\$M)

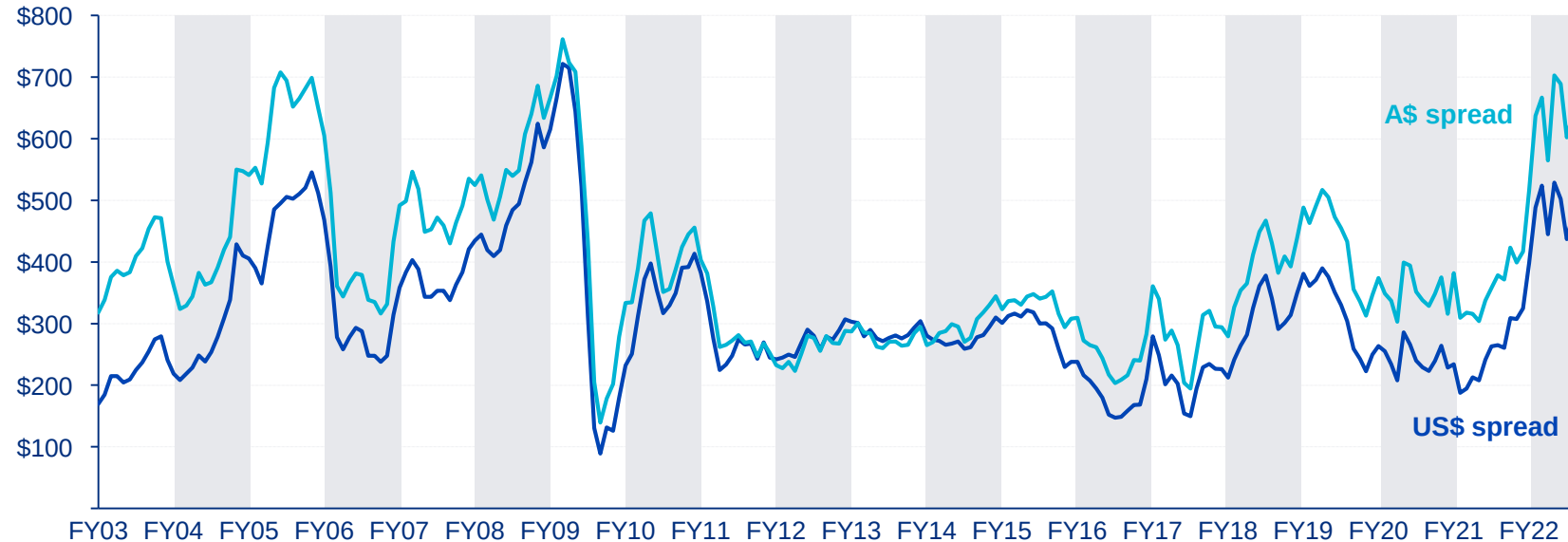


1. A significant part of escalation relates to increased employee profit share plan expenses. Whilst classified as escalation, these costs naturally wind up and down in direct proportion to varying levels of profitability.
 Note: FX translation relates to translation of foreign currency earnings to A\$, transactional foreign exchange impacts are reflected in the individual categories

AUSTRALIAN STEEL PRODUCTS

Stronger spreads during 1H FY2022; began to soften at the end of the half with declining HRC prices and increasing raw material costs

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.

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	1H FY22	Spot ¹
East Asian HRC price, lagged (US\$/t)	497	317	419	535	559	491	515	874	815
Indicative spread with pricing lags (US\$/t)	292	182	214	303	320	245	251	481	288
Indicative spread with pricing lags (A\$/t)	331	247	284	390	431	351	359	629	403
A\$:US\$ (3 month lag)	0.87	0.74	0.75	0.77	0.73	0.68	0.72	0.75	0.72

1. Spot rates as at mid February 2022, unlagged

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

AUSTRALIAN STEEL PRODUCTS

Relationships with benchmark pricing

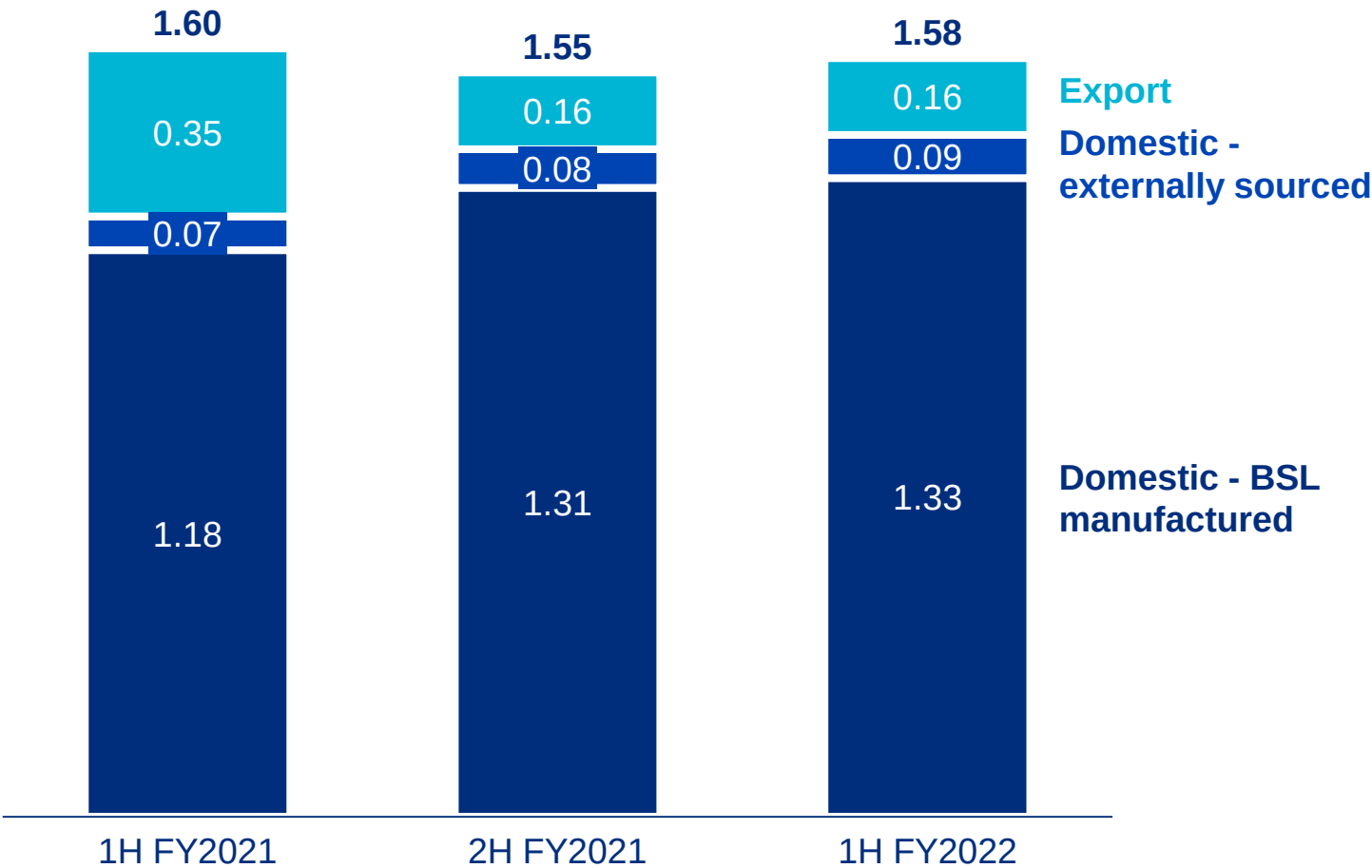
Steel prices	- Selling prices across majority of domestic product correlated with SBB East Asia HRC price; lagged generally three to five months; degree of correlation between realised and benchmark prices can vary within a given half year but is more fully reflected over the medium term - Export sales 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, per annum. Recommend one month lag to LME contract prices - Scrap: generally moving on three month lag with reference to Platts HMS 1/2 80:20 CFR East Asia (Dangjin)
Export metallurgical coke	- Export coke sales approx. ~650,000-700,000 dry metric tonne p.a., sold direct to end users (steelmakers) or via trading partners into regions such as India, Europe and South America. Hard coking coal (Premium low vol HCC FOB Aus) is key input, with approx. ~75% yield factor from HCC to met coke - Seaborne price for met coke has historically been related to movements in the Chinese domestic coke price. As of more recently, however, the index is no longer considered to be a reliable indicator of the price BlueScope realises for export coke due to supply-demand dynamics and quality differences.

The raw materials 'recipe' to produce a tonne of hot rolled coil at Port Kembla is shown on page 83.

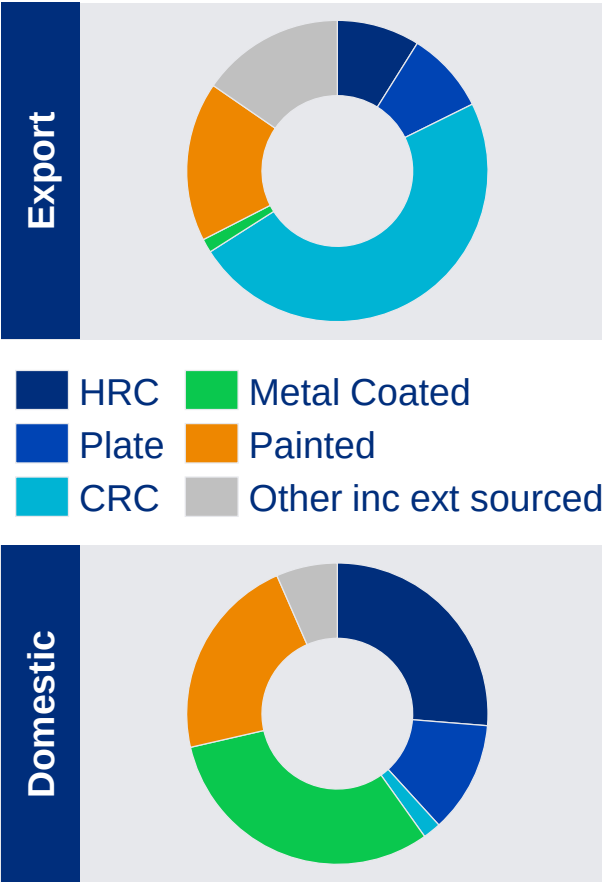
Note that degree of correlation between realised and benchmark prices can vary within a given half year but is more fully reflected over the medium term.

AUSTRALIAN STEEL PRODUCTS

Despatch mix (Mt)



1H FY2022 Product Mix

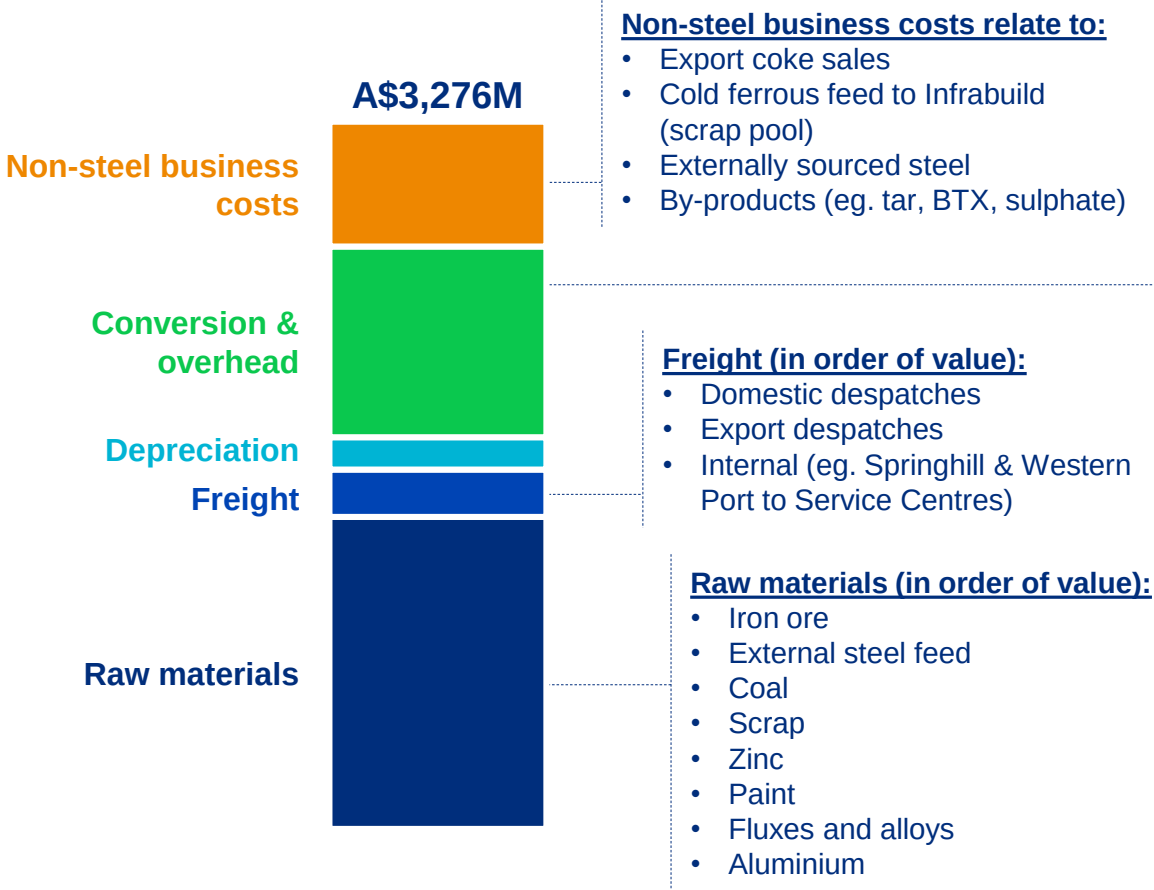


AUSTRALIAN STEEL PRODUCTS

1H FY2022 Revenue



1H FY2022 Underlying costs (to EBIT line)



Conversion & overhead components (in order of value):

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

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

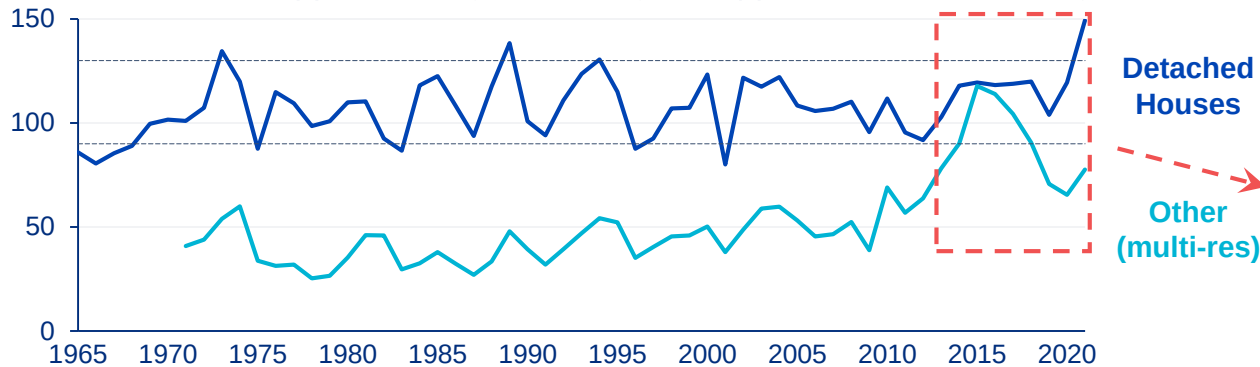
- 1.13t iron ore fines (sintering)
- 0.23t lump ore (into BF)
- 0.06t pellets (into BF)
- 0.50t hard coking coal (into BF)
- 0.13t PCI (into BF)
- 0.24t scrap (into BOS), of which 45% sourced internally

AUSTRALIAN STEEL PRODUCTS

Record high detached building approvals on rolling annual basis translating into strong pipeline of work. Robust house prices and high household savings have also propelled A&A approvals

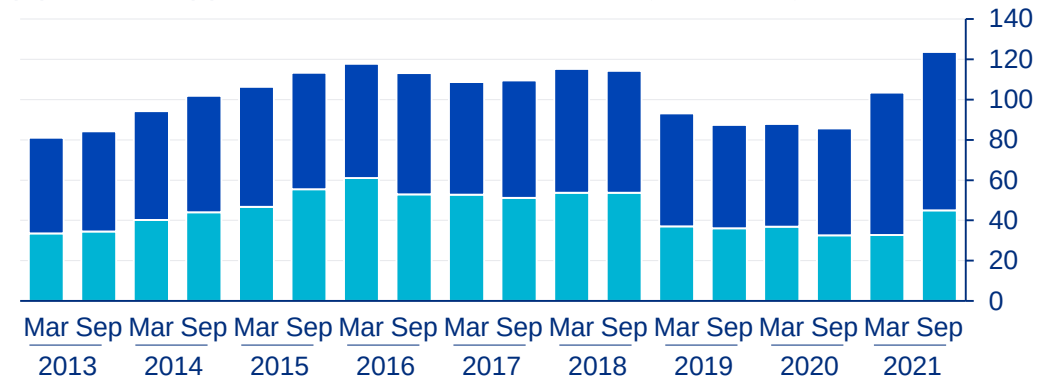
Long-Term Dwelling Approvals: rolling 12 months¹ ('000)

Record detached approvals stayed well beyond upper end of historic range



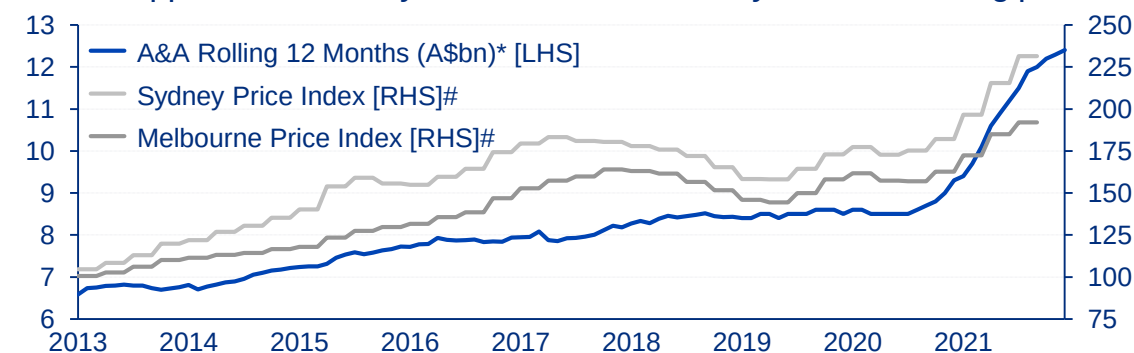
Dwelling Commencements: by halves² ('000)

Strong pipeline of approvals translated into recovery in activity



A&A Building Approvals and Established House Prices³

Record approvals driven by redirected discretionary funds and rising prices



Performance of Construction Index⁴

AiG leading indicator currently very volatile impacted by supply chain issues



Note: A&A: Alterations & Additions

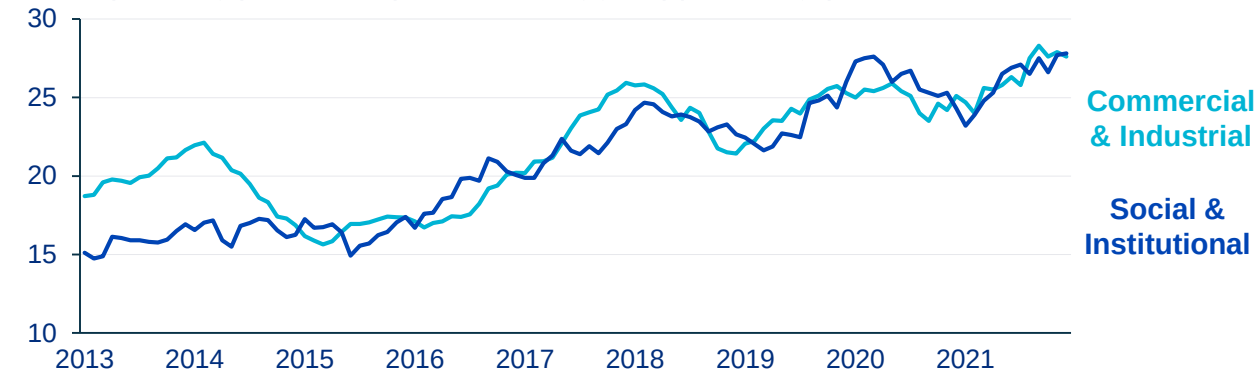
Sources: 1. ABS series 8731, table 11; original data; data to Dec-21 Qtr 2. ABS series 8752, table 33; seasonally adjusted data; total sectors 3. ABS series 6416, table 2; original data; 2011-12=100; data to Sep-21, ABS series 8731, table 38; seasonally adjusted; current \$; data to Dec-21 4. Australian Industry Group; seasonally adjusted data; data to Jan-22

AUSTRALIAN STEEL PRODUCTS

Non-residential approvals were steady during pandemic and now showing growth signals as confidence returns. Public investment providing key support in Social and Institutional segment

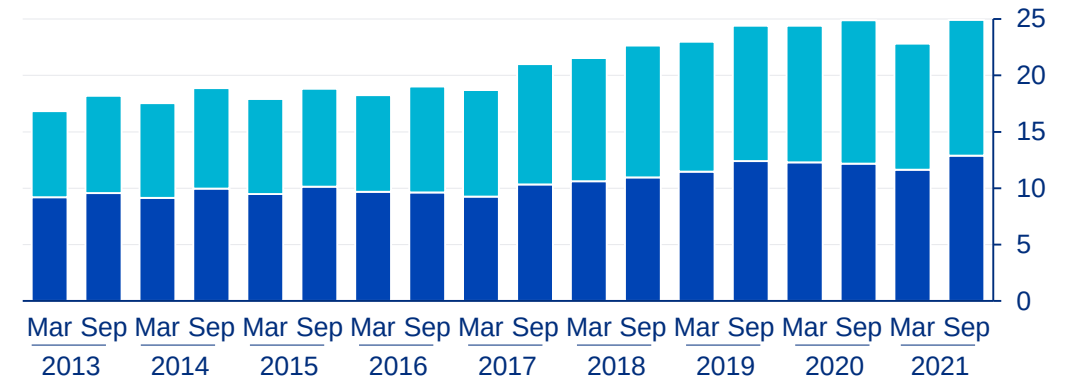
Non-Residential Building Approvals: rolling 12 months¹ (A\$bn)

Held up during pandemic period, strongly supported by public sector



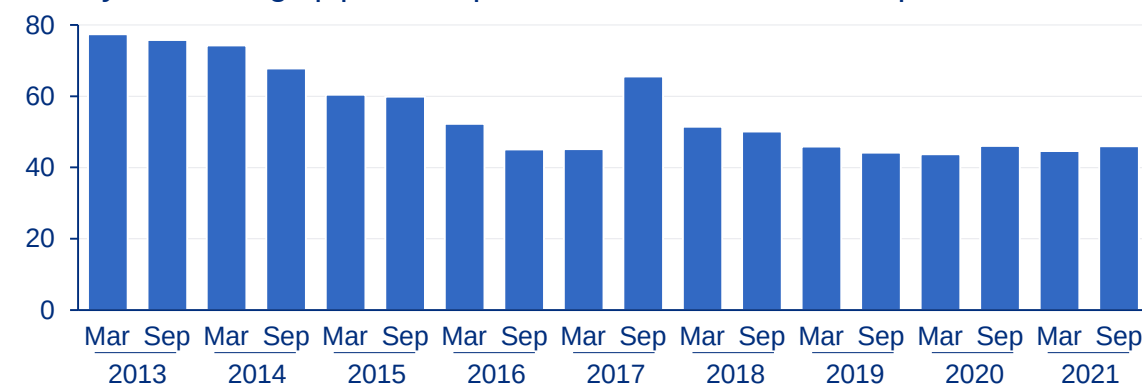
Non-Residential Work Done: by halves² (A\$bn)

Activity levels remain elevated on the back of approvals pipeline



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

Activity stable; large pipeline of public investment remains in place



Performance of Construction Index⁴

AiG leading indicator currently very volatile impacted by supply chain issues



BUILDING PRODUCTS ASIA & NORTH AMERICA

Financial and despatch summaries

Key segment financial items

\$M unless marked	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	1,459.3	1,666.3	3,125.6	2,158.4
Underlying EBITDA	195.8	226.4	422.2	310.6
Underlying EBIT	150.3	183.2	333.5	265.6
Reported EBIT	148.3	179.9	328.2	265.6
Capital & investment expenditure	16.3	26.8	43.1	16.9
Net operating assets (pre tax)	1,267.9	1,272.7	1,272.7	1,663.8
Total steel despatches (kt)	918.2	974.1	1,892.3	922.8

Revenue by business

\$M	1H FY2021	2H FY2021	FY2021	1H FY2022
Thailand	254.2	330.5	584.7	354.5
Indonesia	127.2	145.6	272.8	169.8
Malaysia	130.0	115.8	245.8	122.1
Vietnam	109.3	101.1	210.4	119.6
North America	419.1	559.8	978.9	793.5
India ¹	-	-	-	-
China	419.5	413.5	833.0	599.1
Other / Eliminations	-	-	-	(0.2)
Total	1,459.3	1,666.3	3,125.6	2,158.4

(1) Tata BlueScope JV is equity accounted, as such revenue figures are not reported in BSL financials

Despatches by business

'000 metric tonnes	1H FY2021	2H FY2021	FY2021	1H FY2022
Thailand	175.0	221.6	396.6	172.1
Indonesia	87.7	90.9	178.6	78.8
Malaysia	82.2	64.6	146.8	54.9
Vietnam	71.0	58.4	129.4	52.9
North America	194.7	253.3	448.0	216.9
India	70.0	56.7	126.7	59.5
China	237.6	228.5	466.1	287.6
Other / Eliminations	-	0.1	0.1	0.1
Total	918.2	974.1	1,892.3	922.8

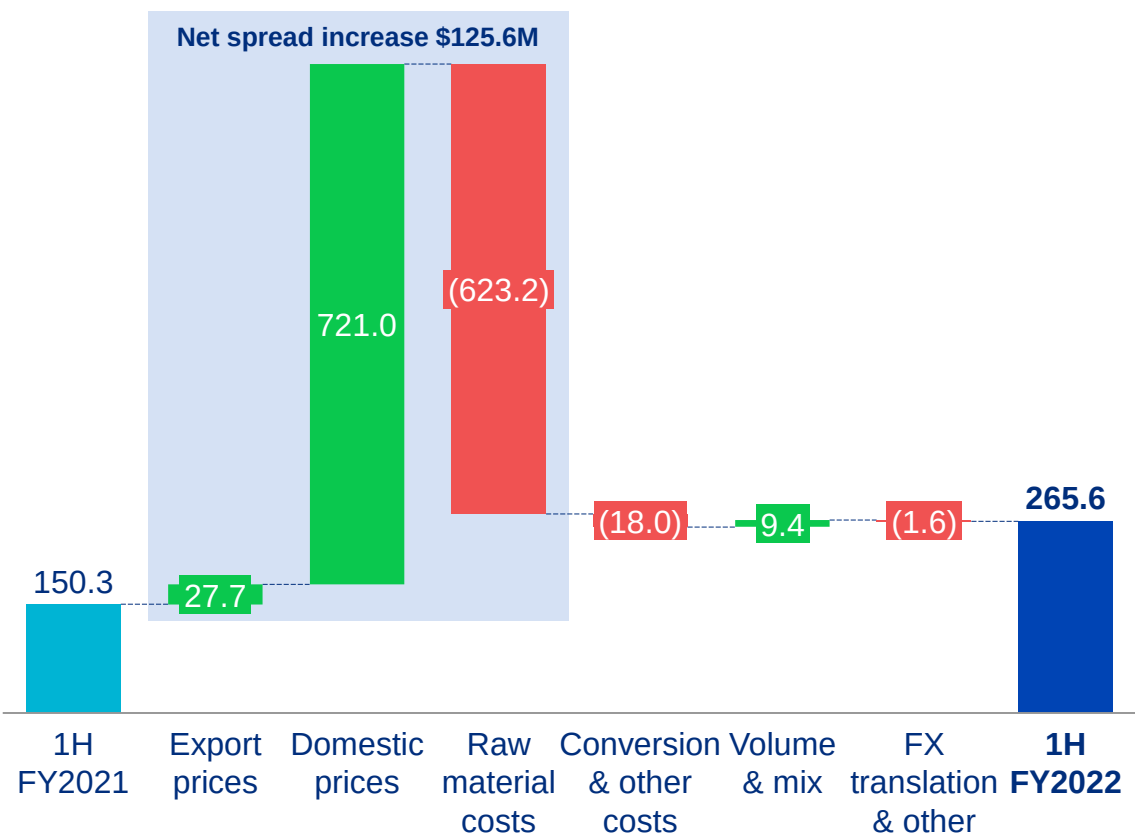
Underlying EBIT by business

\$M	1H FY2021	2H FY2021	FY2021	1H FY2022
Thailand	27.7	31.3	59.0	30.5
Indonesia	7.2	17.1	24.3	13.2
Malaysia	10.7	5.1	15.8	1.4
Vietnam	11.8	3.6	15.4	4.3
North America	39.3	99.2	138.5	163.2
India	14.1	12.5	26.6	13.7
China	42.0	20.6	62.6	43.1
Other / Eliminations	(2.5)	(6.2)	(8.7)	(3.8)
Total	150.3	183.2	333.5	265.6

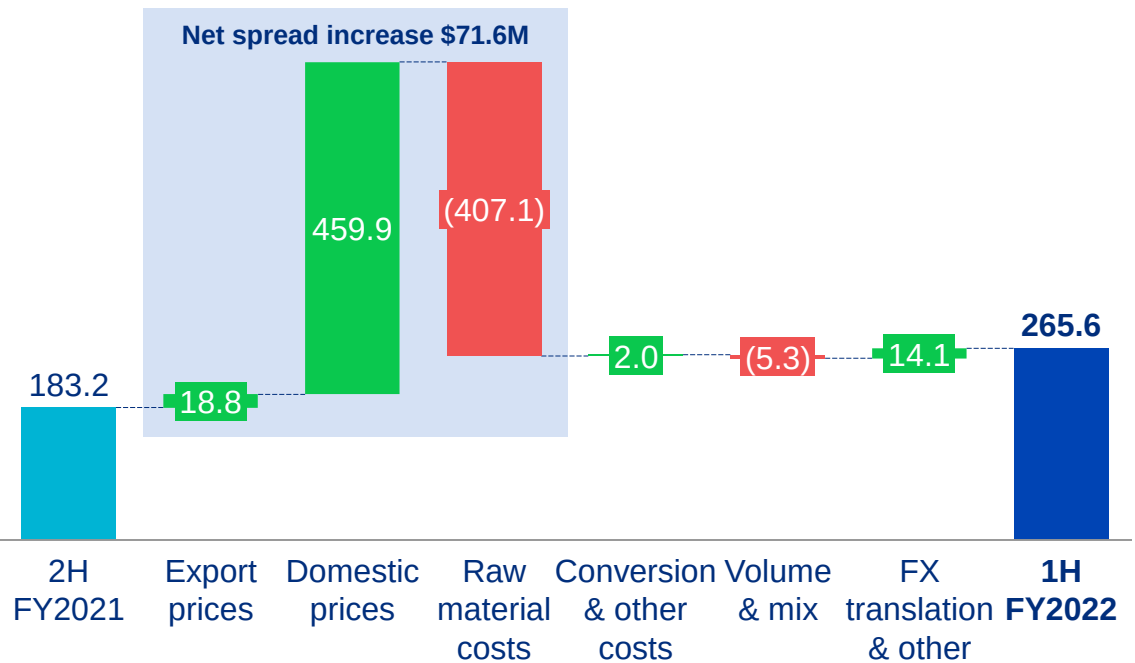
BUILDING PRODUCTS ASIA & NORTH AMERICA

Underlying EBIT variance

1H FY2022 vs 1H FY2021 (\$M)



1H FY2022 vs 2H FY2021 (\$M)



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

NEW ZEALAND & PACIFIC ISLANDS

Financial and despatch summaries

Key segment financial items

\$M unless marked	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	436.2	458.1	894.3	518.0
Underlying EBITDA	67.2	84.4	151.6	99.7
Underlying EBIT	57.4	72.7	130.1	86.2
Reported EBIT	55.6	82.8	138.4	137.3
Capital & investment expenditure	9.2	31.3	40.5	25.1
Net operating assets (pre tax)	110.8	288.9	288.9	419.8
Total steel despatches (kt)	323.1	304.2	627.3	283.8

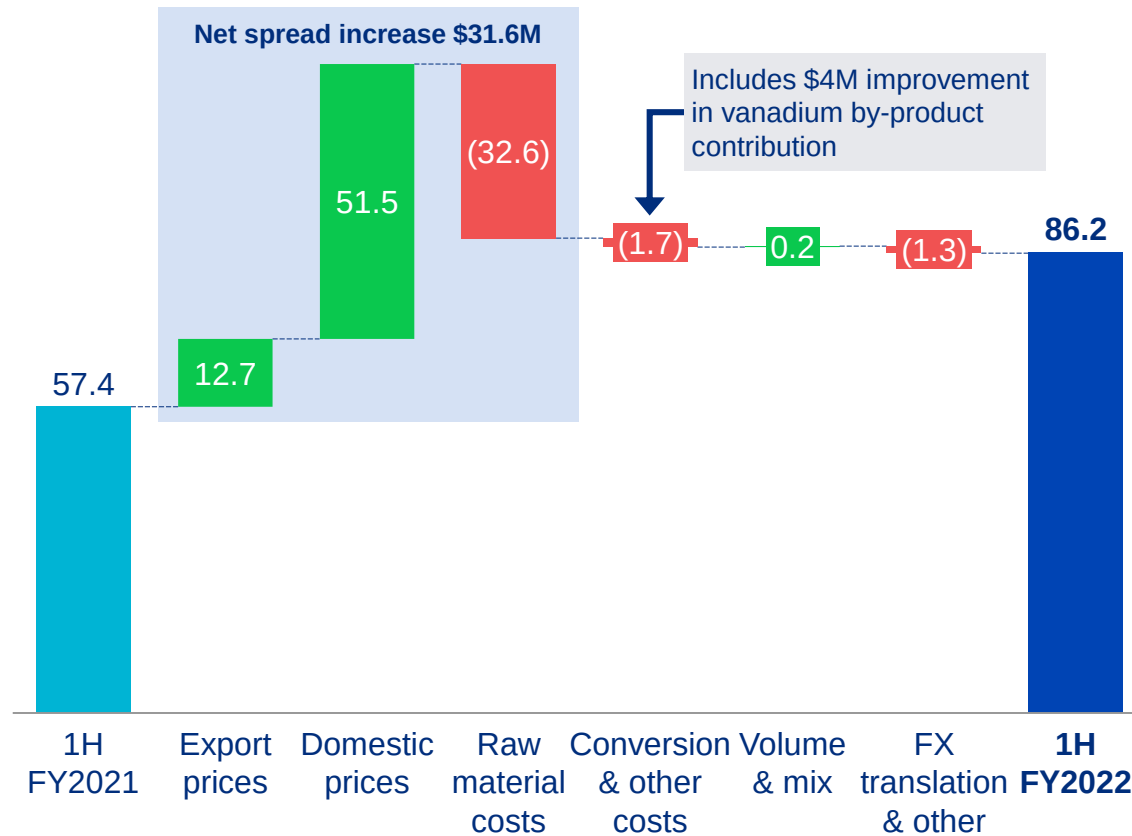
Despatches breakdown

'000 Tonnes	1H FY2021	2H FY2021	FY2021	1H FY2022
Domestic despatches				
- NZ Steel flat products	145.1	154.0	299.1	133.2
- Pacific Steel long products	106.7	102.8	209.5	109.1
Sub-total domestic	251.8	256.8	508.6	242.3
Export despatches				
- NZ Steel flat products	70.0	45.6	115.6	40.3
- Pacific Steel long products	1.3	1.8	3.1	1.2
Sub-total export	71.3	47.4	118.7	41.5
Total steel despatches	323.1	304.2	627.3	283.8

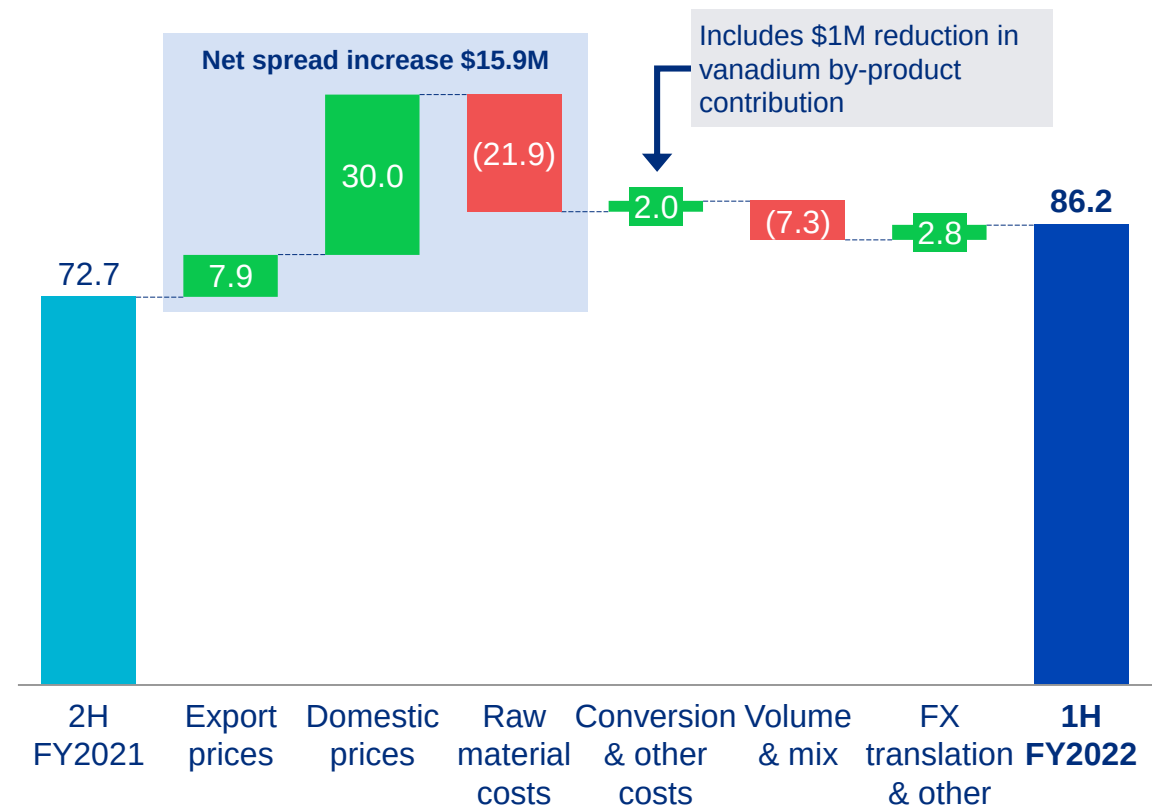
NEW ZEALAND & PACIFIC ISLANDS

Underlying EBIT variance

1H FY2022 vs 1H FY2021 (\$M)

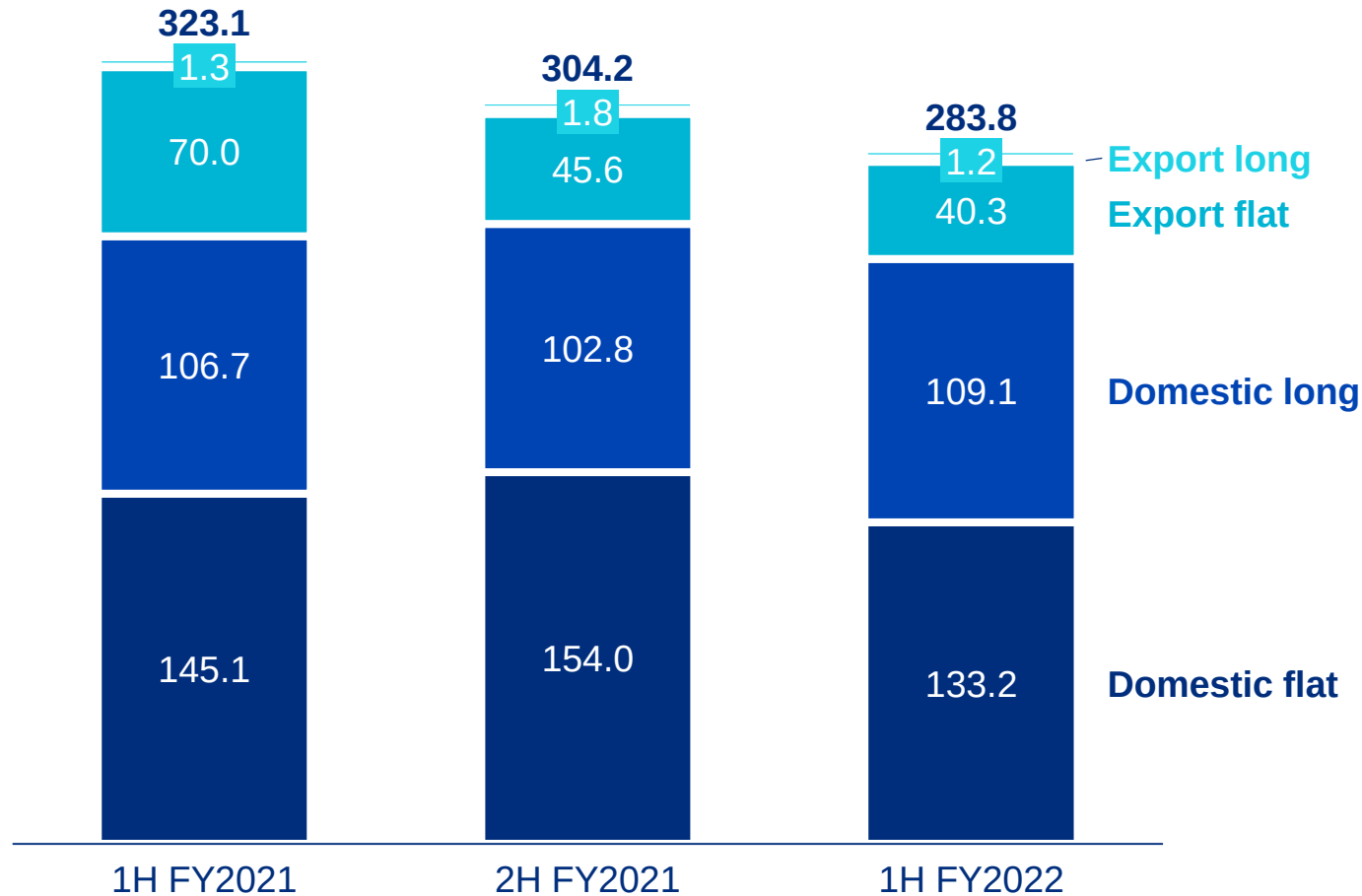


1H FY2022 vs 2H FY2021 (\$M)

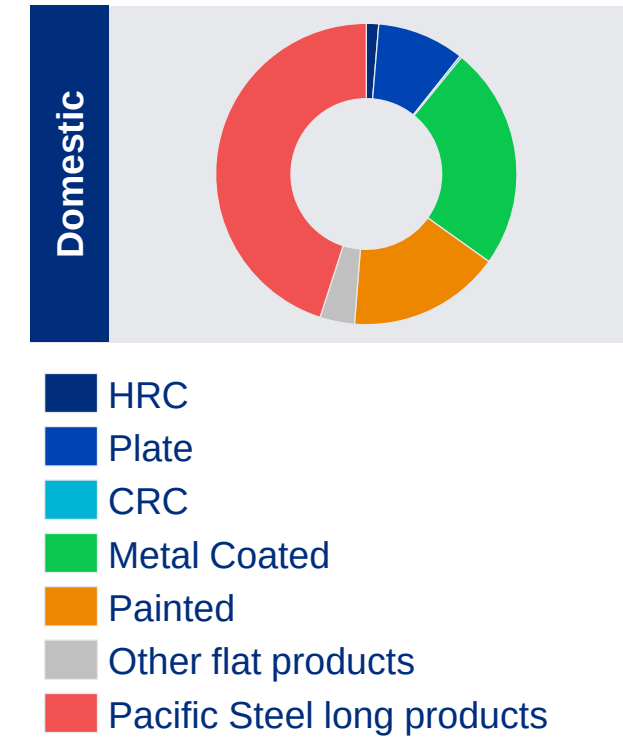


NEW ZEALAND & PACIFIC ISLANDS

Despatch mix (Mt)



1H FY2022 Product Mix

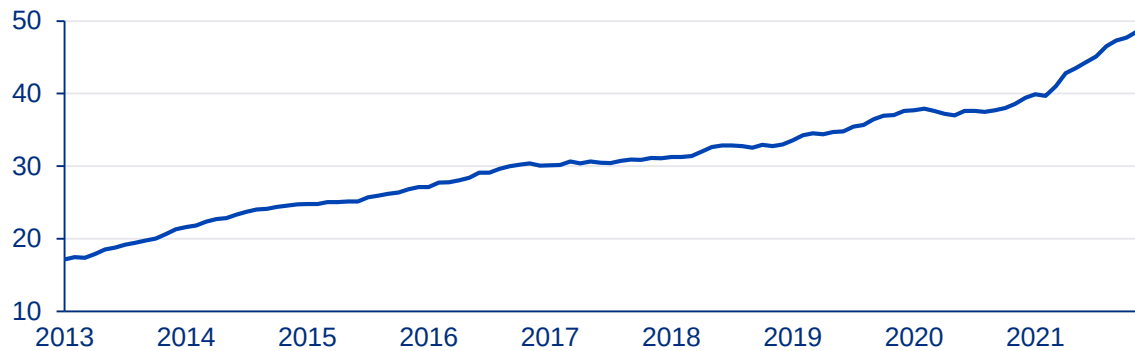


NEW ZEALAND & PACIFIC ISLANDS

A very strong general economic recovery in NZ, with housing construction, in particular, underpinning growth. Robust pipeline of approvals across construction sector remains in place

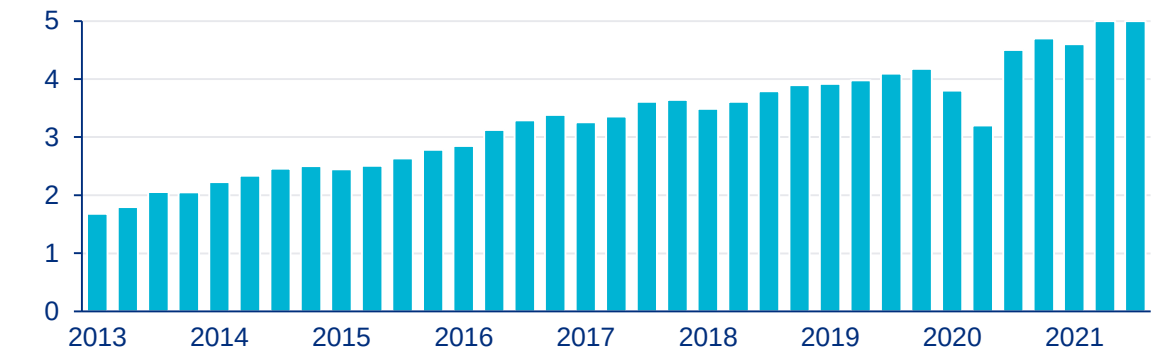
Residential Building Consents: rolling 12 months¹ ('000)

Consents continue to set new records



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

Strong and record activity following consents lead



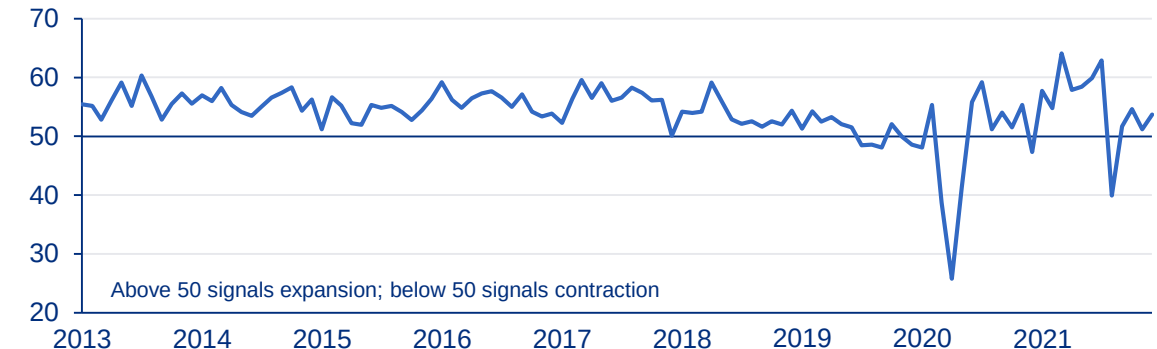
Non-Res Building Consents: rolling 12 months³ (NZ\$bn)

Consents being driven higher by large planned public spending



Performance of Manufacturing Index⁴

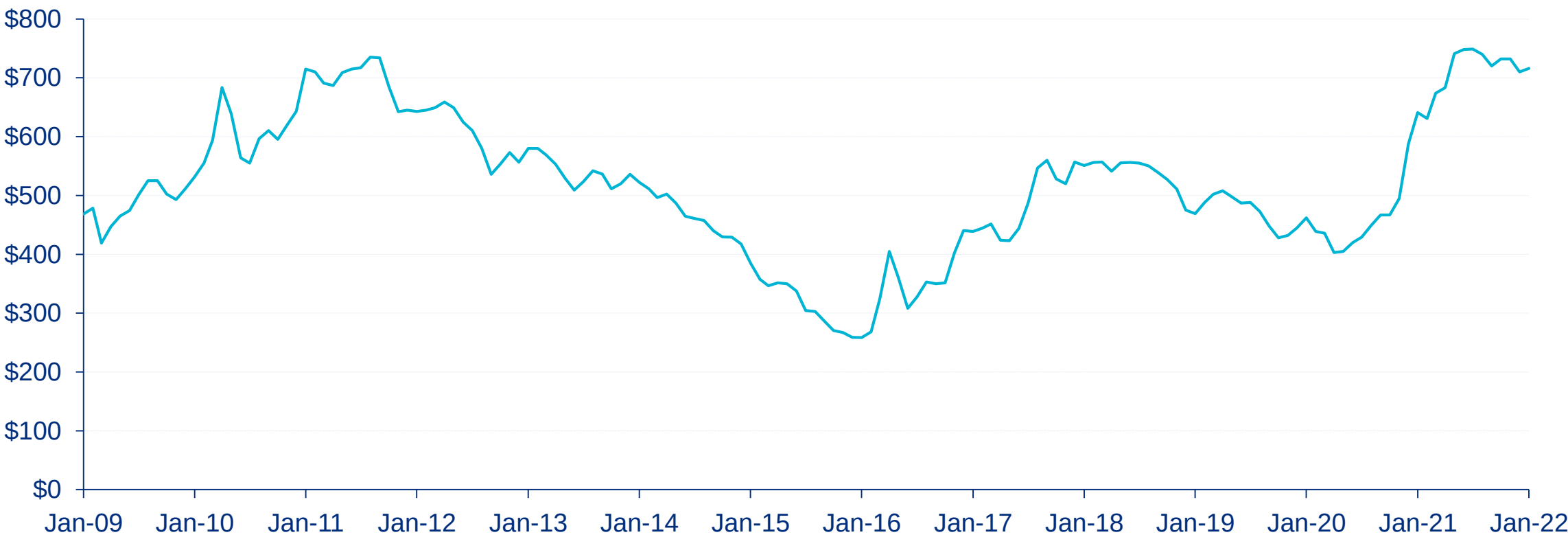
Orders and activity leveraging of strong housing market demand



NEW ZEALAND & PACIFIC ISLANDS

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

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



BUILDINGS NORTH AMERICA

Financial and despatch summaries

Key segment financial items (A\$M)

\$M unless marked	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	601.8	496.9	1,098.7	744.5
Underlying EBITDA	82.6	29.7	112.3	30.8
Underlying EBIT	70.5	17.0	87.5	18.0
Reported EBIT	68.9	43.4	112.3	26.9
Capital & investment expenditure	2.1	14.0	16.1	36.1
Net operating assets (pre tax)	430.1	503.4	503.4	595.9
Total steel despatches (kt)	90.7	102.1	192.8	112.8

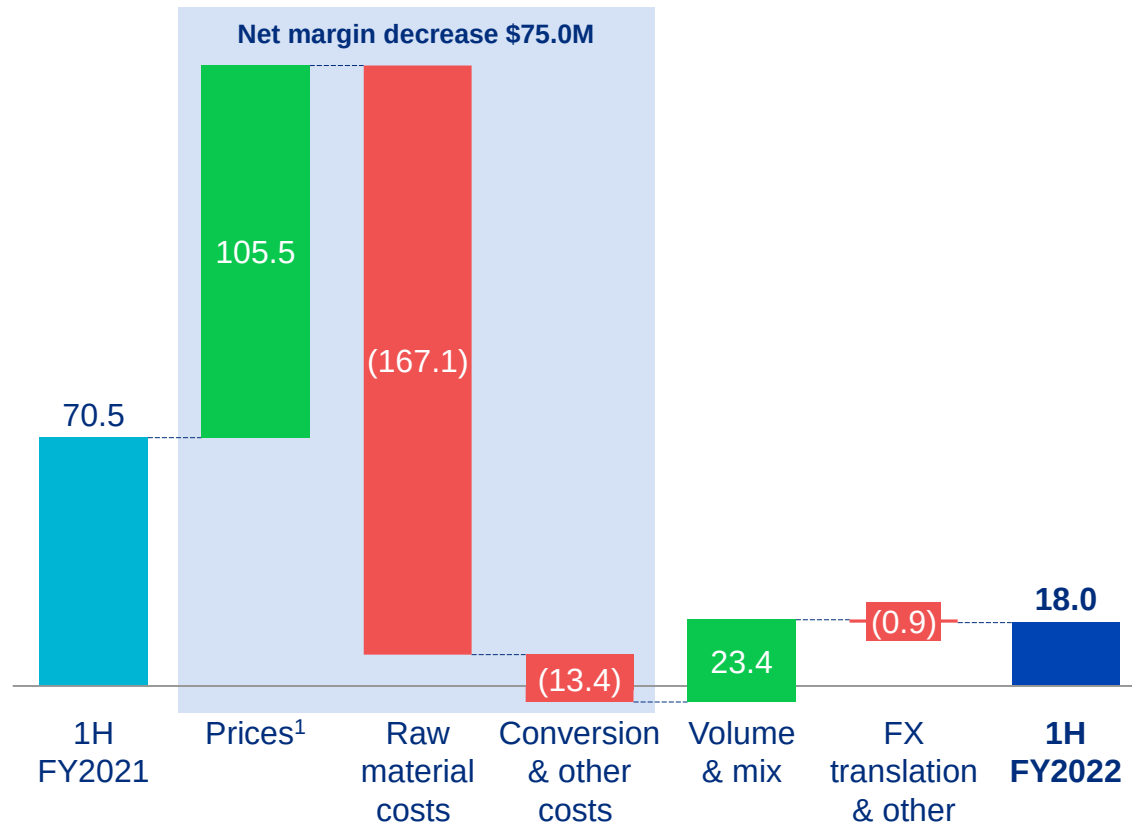
Key segment financial items (US\$M)

\$M unless marked	1H FY2021	2H FY2021	FY2021	1H FY2022
Revenue	435.7	383.3	819.0	543.8
Underlying EBITDA	59.8	22.9	82.7	22.4
Underlying EBIT	51.0	13.1	64.1	13.0
Reported EBIT	49.8	33.5	83.3	19.5
Capital & investment expenditure	1.5	10.8	12.3	25.9
Net operating assets (pre tax) ¹	330.6	378.2	378.2	431.8

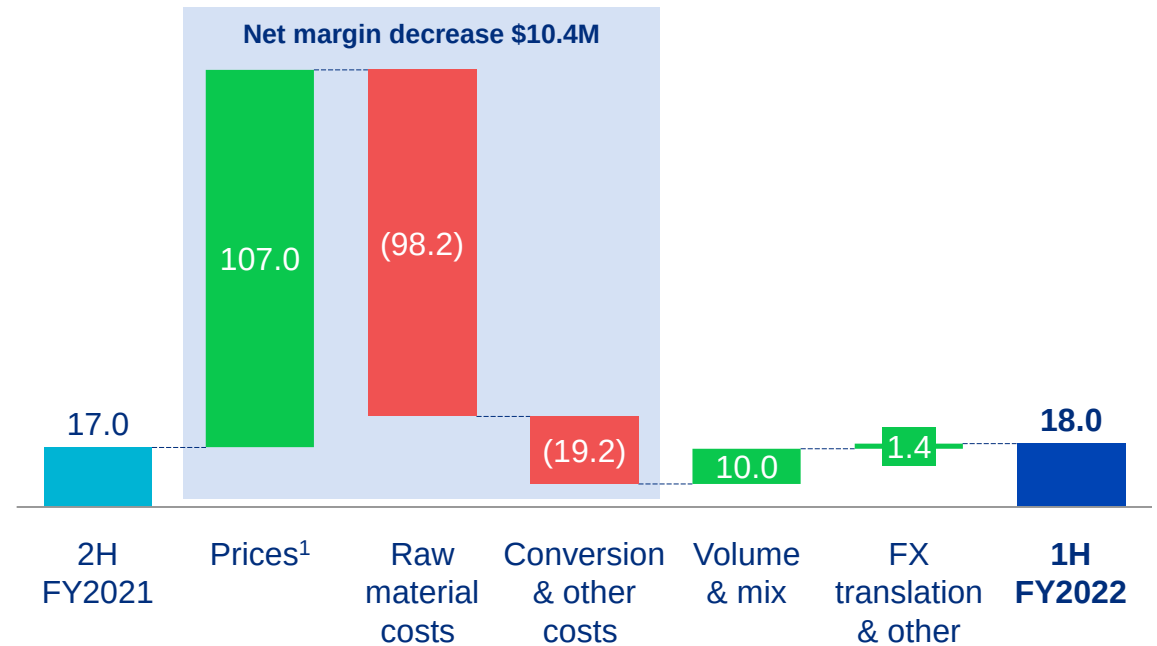
BUILDINGS NORTH AMERICA

Underlying EBIT variance

1H FY2022 vs 1H FY2021 (\$M)



1H FY2022 vs 2H FY2021 (\$M)



1. Includes contribution from BlueScope Properties Group.

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

GLOSSARY

1H	Six months ended 31 December in the relevant financial year
1H FY2021	Six months ended 31 December 2020
1H FY2022	Six months ended 31 December 2021
1H FY2023	Six months ended 31 December 2022
2H	Six months ended 30 June in the relevant financial year
2H FY2021	Six months ending 30 June 2021
2H FY2022	Six months ending 30 June 2022
ASEAN	Association of South East Asian Nations
ASP	Australian Steel Products segment
A\$, \$	Australian dollar
A&A	Alterations and Additions
BF	Blast Furnace
BNA	Buildings North America segment
BP or Building Products	Building Products Asia & North America segment
BPG	BlueScope Properties Group
BlueScope or the Group	BlueScope Steel Limited and its subsidiaries (i.e. the consolidated group)
the Company	BlueScope Steel Limited (i.e. the parent entity)
CY2021	Calendar year ended 31 December 2021
DPS	Dividend per share
DRI	Directly reduced iron
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

FY2021	12 months ending 30 June 2021
FY2022	12 months ending 30 June 2022
FY2023	12 months ending 30 June 2023
HRC	Hot rolled coil steel
HSM	Hot strip mill
IFRS	International Financial Reporting Standards
IRR	Internal rate of return
Leverage, or leverage ratio	Net debt over LTM underlying EBITDA
LTM	Last twelve months
mt	Million metric tonnes
Net debt, or ND	Gross debt less cash
NOA	Net operating assets pre-tax
North Star	North Star BlueScope Steel
NPAT	Net profit after tax
NSC	Nippon Steel Corporation
NZ\$	New Zealand dollar
NZPI	New Zealand & Pacific Islands segment
PKSW	Port Kembla Steelworks
ROIC	Return on invested capital (or ROIC), last 12 months' underlying EBIT over trailing 13 month average capital employed
ROU	Right of use
TBSL	Tata BlueScope Steel
TRIFR	Total recordable injury frequency rate (recordable injuries per million hours worked)
US	United States of America
US\$	United States dollar

1H FY2022 Financial Results Presentation

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

21 February 2022

BlueScope Steel Limited. ASX Code: BSL
ABN: 16 000 011 058
Level 11, 120 Collins St, Melbourne, VIC, 3000

Pictured:
St Bede's Catholic College in
Chisholm, NSW, featuring
COLORBOND® steel in
Fields® Aramex® profile

