

Date: 20 October 2023

## Market update on 1H FY2024 earnings guidance

BlueScope today announced that it now expects underlying earnings before interest and tax (EBIT) for 1H FY2024 to be in the range of \$620 million to \$670 million. This is below the prior guidance range of \$700 million to \$770 million.

The key driver of the revised guidance is North Star, where BlueScope now expects a result around half that of 2H FY2023. This is predominantly due to softer than expected benchmark steel prices and spreads across the half year, with US mini-mill benchmark spreads now expected to be around US\$100/t lower than 2H FY2023, noting specific sales mix relative to benchmark<sup>1</sup>. Despite the softening spread environment, the North Star business continues to operate at full capacity utilisation, with the ongoing ramp-up of the expansion project progressing well.

In addition, the project sale by the US based BlueScope Properties Group that was flagged in 1H FY2024 guidance at August has been delayed and is now expected to close during 2H FY2024.

All other reporting segments are expected to perform broadly in line with the guidance provided at BlueScope's FY2023 results release in August 2023. This includes the Australian business, where softer than expected lagged benchmark spreads have been largely offset by stronger realised pricing and favourable raw materials mix.

The revised guidance is subject to spread, foreign exchange and market conditions. BlueScope will provide more detail on trading conditions at its 2023 Annual General Meeting which will be held on 21 November.

<sup>1</sup> US mini-mill benchmark spreads quoted on a lagged basis in metric tonnes. Expected 1H FY2024 US mini-mill benchmark spread of ~US\$370/t, compared to US\$465/t in 2H FY2023. 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 are more fully reflected over the medium term.

**Authorised for release by:** The Board of BlueScope Steel Limited

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