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BlueScope delivers FY2025 underlying EBIT of \$738 million – enters FY2026 with confidence

BlueScope today reported FY2025 underlying EBIT for the year of \$738.2 million¹, a \$601.0 million decrease on FY2024. Net profit after tax (NPAT) was \$83.8 million, \$721.9 million lower than FY2024.

Speaking to the result, Managing Director and CEO, Mark Vassella said, "Whilst a softer performance than last year, this level of profitability in the face of the cyclically soft conditions and global uncertainty during the year represents a resilient result, underpinned by our diversified portfolio of quality assets and multi-domestic strategy. Further, with work underway to reduce cost and grow through-cycle earnings, combined with the expected recovery in macroeconomic conditions in coming years, BlueScope is leveraged to the upside."

"Looking across our key geographical exposures: in North America, North Star maintained its leading position on the cost curve, with debottlenecking investments further underwriting this position. Our Australian operations delivered solid results, supported by stronger domestic volumes and continued demand for COLORBOND® steel and TRUECORE® steel. Asia delivered a steady performance, whilst New Zealand was impacted by continued soft domestic demand conditions and challenging energy pricing, prior to converting to the new Electric Arc Furnace (EAF) model."

"Disappointingly, there has been a delay in achieving our expectations of the BlueScope Coated Products business which we acquired in 2022, and an impairment of \$439 million has been recorded. It remains core to our North American growth strategy and we continue to invest in the turnaround of the business."

"Operating cash flow for the year was \$180 million², lower than FY2024 due to softer earnings and higher capital expenditure, as we invest to secure long-term sustainable earnings and growth. Despite the lower operating cash flow, BlueScope again finished the year with a robust balance sheet, with \$28 million net debt."

"In FY2025, \$293 million was returned to shareholders as part of BlueScope's ongoing objective to distribute at least 50 per cent of free cash flow in the form of consistent dividends and on-market buy-backs. For 2H FY2025, the Board has approved the payment of a 30 cents per share, partially franked, final dividend. In addition, the Board has approved an extension of the buy-back program to allow it to be used over the next 12 months³, noting that execution will consider capital expenditure priorities, prevailing macroeconomic conditions and other factors."

"BlueScope is a very different type of steel company, defined by a spread of strategic assets, operational excellence, and financial discipline. As evidenced by the performance of the business in FY2025, we are delivering results today while building for tomorrow. I thank our team of 16,500 people for their dedication, and our customers and partners for their trust and support. This result, and the optimistic outlook, would not be possible without these key stakeholders." Mr Vassella said.

FY2025 Headlines

Reported NPAT:	\$84M
Underlying NPAT:	\$421M
Underlying EBIT:	\$738M
Underlying EBIT ROIC:	6.2%

Capital Management

Final dividend (50% franked):	30 cps
On market buy-back:	Up to \$240M ³

1. Underlying financial results for FY2025 reflect the Company's assessment of financial performance after excluding (pre-tax): impairment of goodwill and intangible assets (\$438.9 million), restructure and redundancy costs (\$0.4 million), business disruption (\$12.8 million), and a gain on discontinued operations (\$9.6 million). A full reconciliation of underlying adjustments is available in BlueScope's FY2025 Annual Report.

2. Cash flow after capital expenditure, before investment expenditure and financing.

3. Extension will allow the balance of the buy-back program of up to \$240 million to be bought over the next 12 months.

Strategy and Growth to 2030

During the year, BlueScope set out a program of work to deliver earnings growth both in the near-term, and through to 2030.

In the near-term, the Company is progressing a cost and productivity improvement program, with a target of delivering a \$200 million net improvement in FY2026, on the FY2024 cost base. Work has progressed well, having delivered a \$130 million net improvement in FY2025 on the FY2024 cost base. Now the focus is on further delivery.

In the medium-term, we're working on a range of initiatives and investments within our core capabilities to deliver a targeted \$500 million of additional annual earnings by 2030. We are also excited by the work being undertaken to realise value from our 1,200ha portfolio of surplus and adjacent landholdings, to commence in FY2026.

These initiatives, combined with the potential for upside in steel spreads from their current cyclically and historically low levels, even allowing for any unfavourable reversion in A\$:US\$ foreign exchange rates, position BlueScope well for earnings growth in the coming years.

Sustainability Update

BlueScope continued to make progress against its key sustainability outcomes in FY2025. The launch of the global "Refocus on Safety" program has driven cultural and operational improvements across the business. While the lagging metric of TRIFR has improved to 8.5, it remains above the long-term target range of 5-7. Work continues on improving how incidents and injuries are managed to prevent re-occurrence through strengthening controls and learning. In FY2025, our people delivered 192 critical risk control improvement projects, with over 1,300 employees participating in HSE learning programs. Despite this effort, some of our people suffered life changing injuries, with significant impact on them, their families and our people. This is something we are absolutely committed to addressing.

In September 2024, BlueScope released its second Climate Action Report, which provided an update on the Company's decarbonisation pathway and enablers, approach and progress. Work also continued on key decarbonisation projects, including the EAF at New Zealand Steel, the Australian DRI options study, and the NeoSmelt project – investigating Electric Smelting Furnace technology in Australia, working with BHP, Mitsui Iron Ore Development, Rio Tinto and Woodside Energy.

During the year, the Company maintained its focus on building our inclusive culture and continued its efforts in strengthening its supply chain oversight, having assessed 336 suppliers in FY2025 through its responsible sourcing program.

FY2025 Results by Region

Australia

- Delivered underlying EBIT of \$261.6 million, 31 per cent lower than FY2024.
- Domestic despatches were higher in FY2025, predominantly driven by increased building and construction activity, with the trend in the year showing a positive trajectory. COLORBOND® steel sales remained at a historically robust level.
- Lower realised spreads in the year, due to softer domestic selling prices, mostly offset by lower raw material costs.
- Performance was also impacted by higher costs in the year, with electricity costs increasing materially.

North America

- Delivered underlying EBIT of \$514.4 million, 45 per cent lower than FY2024.
- North Star delivered a softer result in FY2025 compared to the prior year, predominantly on lower benchmark spreads.
 - Realised spreads improved materially towards the end of the financial year on tariff-driven hot rolled coil price increases, noting typical pricing lags and some customer hesitancy during 2H FY2025.
 - The business delivered higher volumes due to the expansion ramp-up, which produced 800kt in the year.
- Buildings and Coated Products North America delivered a softer result than FY2024, mainly due to continued margin normalisation in the precision-engineered building solutions and West Coast businesses.

- In 2H FY2025, following a review, BlueScope Properties Group determined to discontinue investment in new projects, focussing activity on a progressive realisation of the current project portfolio.
- BlueScope Coated Products (BCP) delivered a loss in FY2025, impacted by lower volumes and operational inefficiencies.
 - Recognised a \$438.9 million impairment against BCP's goodwill and intangible assets due to poor performance, and the time being taken to integrate the assets and deliver on our expectations.
 - Work continues on delivering improvements in sales and operations.
 - BCP remains a key platform for growth in North America, and the strategic rationale and long-term value of its assets remains compelling.

Asia

- Delivered underlying EBIT of \$138.8 million, 13 per cent lower than FY2024.
 - Southeast Asia delivered a stronger result in FY2025 on continued strength in the Thailand business and higher margins in the Indonesia and Vietnam businesses, due to improved cost and pricing management.
- Performance in China was softer in FY2025 than the prior year on lower selling prices and lower despatch volumes, given the soft prevailing economic conditions in China.
- India delivered a softer result in FY2025 compared to FY2024, due to the continued investment in the business' expansion through the supply agreement with Tata Steel.

New Zealand and Pacific Islands

- Delivered underlying EBIT of \$(16.5) million, 138 per cent lower than FY2024.
- Softer domestic despatches across FY2025 on sustained soft macroeconomic conditions and subsequent impacts on construction activity.
- Margins were impacted by lower selling prices, along with higher conversion costs, driven by higher energy costs and lower production volumes.

Corporate and Eliminations

- Corporate costs and eliminations of \$160.1 million, 9 per cent lower than FY2024.

1H FY2026 Outlook

We are entering FY2026 with confidence. While macroeconomic conditions remain mixed, our multi-domestic strategy of prioritising in-market production for in-market consumption sets us up strongly to manage the current environment. We are seeing signs of recovery in Australian construction and improving spreads in the US.

The Company expects underlying EBIT in 1H FY2026 to be in the range of \$550 million to \$620 million, subject to spread, foreign exchange and market conditions¹.

1. Refer to BlueScope's FY2025 Investor Presentation and Analyst Support Materials (available at bluescope.com/investors and on the ASX platform) for 1H FY2026 outlook assumptions and sensitivities.

Authorised for release by: the Board of BlueScope Steel Limited

For further information about BlueScope:

www.bluescope.com

BlueScope Contacts Investors

Don Watters, Group Treasurer
T +61 3 9666 4206
E Don.Watters@bluescope.com

Chris Gibbs, Head of Investor Relations
T +61 3 9666 4039
E Chris.Gibbs@bluescope.com

Media

Michael Reay, Head of Corporate Affairs
T +61 2 4240 1100
E Michael.Reay@bluescope.com