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BlueScope delivers 1H FY2026 underlying EBIT of \$558 million; announces material increase in shareholder returns

BlueScope today reported 1H FY2026 net profit after tax (NPAT) of \$391 million, a 118 per cent increase on 1H FY2025.

Managing Director and CEO, Tania Archibald said, “Underlying EBIT for the half was \$558 million¹, on stronger US spreads, higher volumes across key markets and solid cost performance. This result is a clear demonstration of the strength and diversity of our portfolio during a period of sustained low Asian steel spreads.

“In the half, all major projects have progressed towards completion, including the EAF at New Zealand Steel, the new Metal Coating Line in Western Sydney, the No.6 Blast Furnace reline and Plate Mill upgrade at Port Kembla, the North Star debottlenecking project, all of which underpin BlueScope's operational resilience and growth.

“We also progressed portfolio simplification, with the sale of our 50% interest in Tata BlueScope Steel and began the acceleration of our surplus land value realisation with the agreement to sell a 33ha portion of our West Dapto site for \$76 million². These initiatives have been well executed and have provided a platform for increased shareholder returns, as demonstrated by the \$1.00 per share special dividend announced in January.

“As I noted in my address when I stepped into the CEO role two weeks ago, BlueScope is approaching an inflection point. The current \$2 billion investment program is entering the final phase, and the Company is poised to deliver materially stronger cash flows. As the investment phase ramps down, the delivery phase ramps up.

“The 2026 calendar year will see BlueScope take important steps to accelerate value delivery. This includes:

- Focusing on the execution of existing cost and productivity, and growth initiatives;
- Delivering a simpler, leaner, more agile BlueScope;
- Accelerating land value realisation; and
- Putting our balance sheet to work and rebasing shareholder returns higher.

“These initiatives are consistent with our intent to optimise value for shareholders, and we will continue to regularly assess all options to accelerate realisation of this value.

“BlueScope's strong foundations are built on the hard work, discipline and commitment of our 16,500-strong team. I want to thank our people for their contribution, our customers for their trust and our shareholders for their support,” Ms Archibald said.

1. Underlying financial results for 1H FY2026 reflect the Company's assessment of financial performance after excluding (pre-tax): net gain on sale from the disposal of the 50% interest in the Tata BlueScope Steel joint venture (\$57.0 million), a gain on discontinued operations (\$3.0 million), business development costs in New Zealand and North America (\$26.0 million), costs associated with a business which is in the process of being wound down (\$10.0 million), restructure and redundancy costs (\$6.5 million), business disruption (\$3.1 million) and climate related investments (\$2.6 million). A full reconciliation of underlying adjustments is available in BlueScope's 1H FY2026 Half Year Report.

2. Proceeds from the sale expected in 2H FY2026.

1H FY2026 Headlines

Reported NPAT:	\$390.8M
Underlying NPAT:	\$382.0M
Underlying EBIT:	\$557.5M
Underlying EBIT ROIC:	8.1%

Capital Management

Plan to deliver total \$3.00 per share of shareholder returns in CY2026

BlueScope: A Manufacturer Built with Strength and Built to Win

As BlueScope's investment program enters its final phase, the Company is positioned to convert its project pipeline into stronger and more resilient cash flows. Major projects, cost initiatives and operating improvements are progressing, as the business starts to shift from investment to delivery. Through this period, BlueScope will be guided by three strategic themes: customer value creation, operational excellence and shareholder value delivery.

Under these themes, four key initiatives are being progressed to accelerate the delivery and recognition of BlueScope's value:

1. Executing existing cost and growth initiatives

BlueScope is well underway on its \$500 million annual earnings growth target, with a range of key projects and initiatives that underpin operational resilience and growth across the portfolio progressing well in the half.

BlueScope is well progressed in its delivery of the target \$200 million annual net cost and productivity improvement for FY2026, with an annualised net \$190 million improvement delivered in 1H FY2026.

2. Delivering a simpler, leaner, more agile BlueScope

Continuing its commitment to continuous improvement and building on the initial cost and productivity program, BlueScope is targeting \$150 million of annualised cost savings.

This will be delivered through the streamlining of leadership and functional teams, along with the consolidation and rationalisation of enterprise services.

The initiatives to support this target will be in place by 30 June 2026, with full run-rate benefits expected in FY2027. This work provides a platform for further simplification, productivity and growth.

3. Accelerating land value realisation

BlueScope continues to progress value realisation across its 1,200ha surplus land portfolio, as demonstrated by the recent 33ha residential land sale at West Dapto, which is contracted for settlement in the second half of FY2026.

The 1,200ha surplus land portfolio is in sought after industrial locations, with port, logistics and energy infrastructure, the majority of which is already appropriately zoned and able to be developed.

As part of the acceleration program, a process has commenced seeking a development partner for a 65-hectare logistics hub on zoned land at Western Port. The Company expects robust demand given proximity to Melbourne southeast industrial area and transport infrastructure, with all monetisation models that will maximise value under consideration.

In parallel, master planning activities and partnership structures are being advanced across the surplus land portfolio.

4. Evolving balance sheet settings and increasing shareholder returns

With major investments nearing completion and earnings resilience improving, the settings within BlueScope's Financial Framework have been evolved. The Company will now target net debt of up to \$1.5 billion, with the ability to move above that level when needed.

BlueScope is also rebasing its shareholder return levels considerably higher, to now target the distribution of at least 75% of free cash flow to shareholders. The strength of BlueScope's balance sheet enables it to absorb the tail of its capital program and current soft Asian spreads, as it increases returns in the immediate term.

Accordingly, BlueScope is targeting shareholder returns of \$3.00 per share in the 2026 calendar year, comprising:

- The \$1.00 per share special dividend (announced in January 2026)¹
- An increased \$1.30 per share target annual ordinary dividend level², starting with the 65.0 cents per share 1H FY2026 interim dividend, and
- An on-market buy-back program of \$310M, or other return method (equivalent to ~70 cps)³.

1. The special dividend was announced on 14 January 2026. Ex-dividend share trading for the special dividend commenced on 20 January 2026, with a record date of 21 January 2026 and will be paid on 24 February 2026.

2. Announcements of future dividends and franking are subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements, amount and timing of tax payments and the Board's determination at the relevant time.

3. Reflects an increase in the scale and tenor of the current buy-back program to allow \$310M to be bought over the next 12 months. Other return methods will be considered if execution of the buy-back is limited due to regulatory settings and other factors.

1H FY2026 Results

Australia

- Delivered underlying EBIT of \$122 million, 7 per cent lower than 2H FY2025.
- Softer realised spreads on lower domestic and export pricing, as benchmark Asian steel spreads remained depressed in the half.
- Domestic despatches increased, with COLORBOND® steel sales remaining robust at 322kt in the half.
- Cost escalation offset by improvement initiatives and benefit from a one-off, retrospective GST credit (\$22 million).
- Note the result excludes the proceeds originally expected in the August 2025 guidance from the sale of the 33ha West Dapto site, given the completion of this sale was delayed into 2H FY2026.

North America

- Delivered underlying EBIT of \$447 million, 35 per cent higher than 2H FY2025.
- North Star delivered a significantly stronger result in 1H FY2026 compared to the prior half, predominantly on materially stronger realised spreads, noting lags in specific sales mix¹.
 - The business again operated at 100% utilisation of available capacity, and achieved a new daily production record during the half.
- Buildings and Coated Products North America delivered a similar result to 2H FY2025.
 - The segment was supported by a stronger contribution from BlueScope Buildings on higher volumes.
 - The BlueScope Properties Group completed the sale of one project, as the wind-down of the business was progressed.
 - Performance at BlueScope Coated Products improved in the half as turnaround efforts continued, however remained loss-making, in line with expectations.
 - Steelscape's performance contracted in 1H FY2026 on softer volumes as market demand and steel feed costs were negatively impacted by tariffs.

Asia

- Delivered underlying EBIT of \$97 million, 39 per cent higher than 2H FY2025.
- Southeast Asia delivered a stronger result, driven by improved cost and revenue performance, combined with higher premium volumes across the region.
- Performance in China was stronger than the prior half on typical seasonality, albeit performance was softer than the prior corresponding period given softer economic conditions in China.
- India delivered a slightly improved performance in the half.
 - On 31 December 2025, BlueScope sold its 50 per cent interest in Tata BlueScope Steel to its joint venture partner, Tata Steel, delivering a \$57M net recognised pre-tax gain on the sale.

New Zealand and Pacific Islands

- Delivered an underlying loss before interest and tax of \$18 million, 11 per cent improvement on 2H FY2025.
- 1H FY2026 performance was impacted by the EAF transition, including increased raw material consumption due to an inventory build to cover the commissioning time frame.
- Domestic despatches remained stable in 1H FY2026 as macroeconomic conditions and construction activity remained soft, however performance was supported by robust levels of value added product sales, including COLORSTEEL®.

Corporate and Eliminations

- Corporate costs and eliminations of \$91 million, 9 per cent higher than 2H FY2025, largely due to the unfavourable impact of exchange rates on intercompany eliminations.

1. 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.

2H FY2026 Outlook

The Company expects underlying EBIT in 2H FY2026 to be in the range of \$620 million to \$700 million.

This is an improvement on 1H FY2026 driven by stronger US steel spreads and improved sales volumes, offsetting impacts from softer Asian spreads and higher foreign exchange rates.

Expectations are subject to spread, foreign exchange and market conditions¹.

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1. Refer to BlueScope's 1H FY2026 Investor Presentation and Analyst Support Materials (available at bluescope.com/investors and on the ASX platform) for 2H FY2026 outlook assumptions and sensitivities.

Authorised for release by: the Board of BlueScope Steel Limited

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