



INVESTORS' VISIT TO ASEAN SITES

PACK 3: NS BLUESCOPE VIETNAM

Nhut Vo
Country President, NS BlueScope Vietnam

December 2018

BlueScope Steel Limited. ASX Code: BSL

ABN: 16 000 011 058

AGENDA

2

- 1 NS BlueScope Vietnam Overview
- 2 Macroeconomic Overview
- 3 Vietnam Coated Steel Market Overview
- 4 Segments, Products, Brands and Channels
- 5 Financial Drivers, Performance and Strategy
- 6 Retail Segment Strategy and Progress
- 7 Sustainability and Corporate Social Responsibility



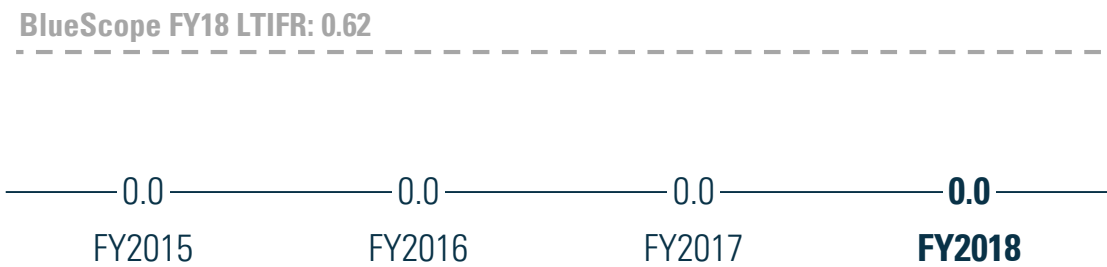


NS BLUESCOPE VIETNAM OVERVIEW

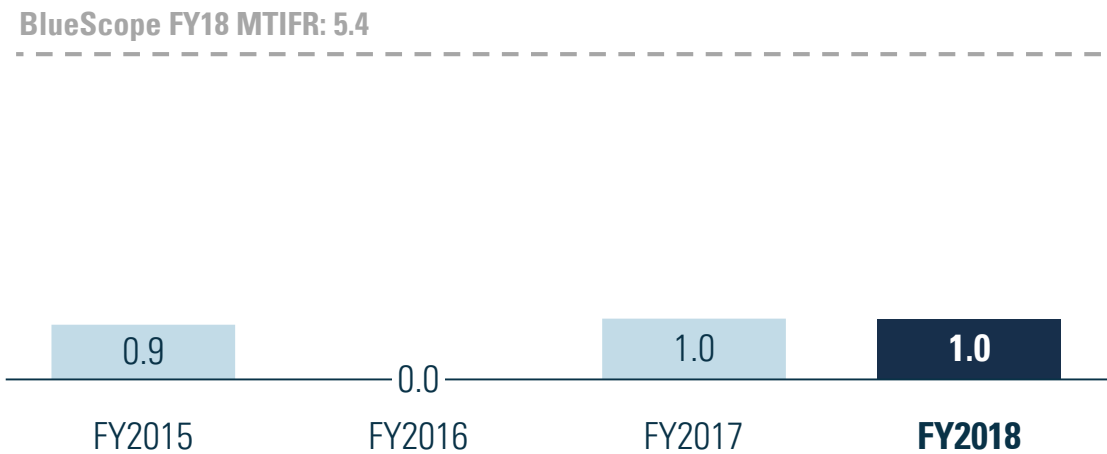


Progress towards our goal of Zero Harm

LTIFR
Lost time injuries per million man-hours worked



MTIFR
Medically treated injuries per million man-hours worked



This presentation will focus on the Vietnam business within the NS BlueScope JV





Nhut Vo
Country President
Vietnam



Tri Nguyen
President Lysaght



Bang Nguyen
VP Manufacturing



Thanh Truong
VP Coated



Hung Dang
VP Marketing



Hai Truong
VP OHSE



Elizabeth Khoo
VP Commercial



Thuy Nguyen
VP Human Resources



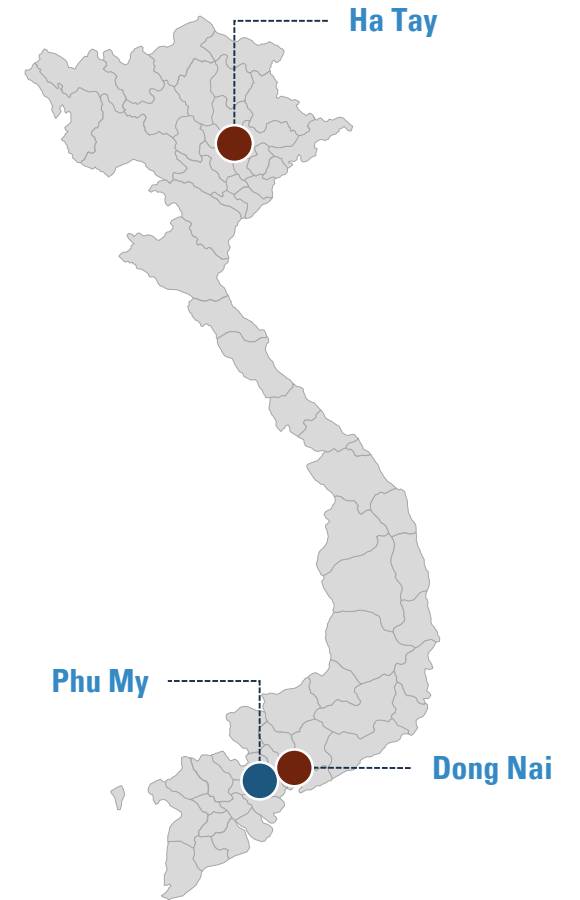
Corina Marodin
VP Supply Chain

Vibrant business in Vietnam with plenty of growth potential

- Established in 1993, and is the newest coating facility in ASEAN
- Leading player in Projects segment with large opportunity to grow in Retail
- Developing channels to extend reach to diverse customer segment
- Three manufacturing facilities:
 - Metallic coating (165ktpa) and painting (100ktpa) facilities at Phu My in Ba Ria Vung Tau province (south of Ho Chi Minh City)
 - Rollforming (BlueScope Lysaght) facilities at:
 - Dong Nai province (near Ho Chi Minh City)
 - Ha Tay (near Ha Noi)



Metal coating and painting facility, Phu My



- Metal coating and painting facility
- Rollforming facility

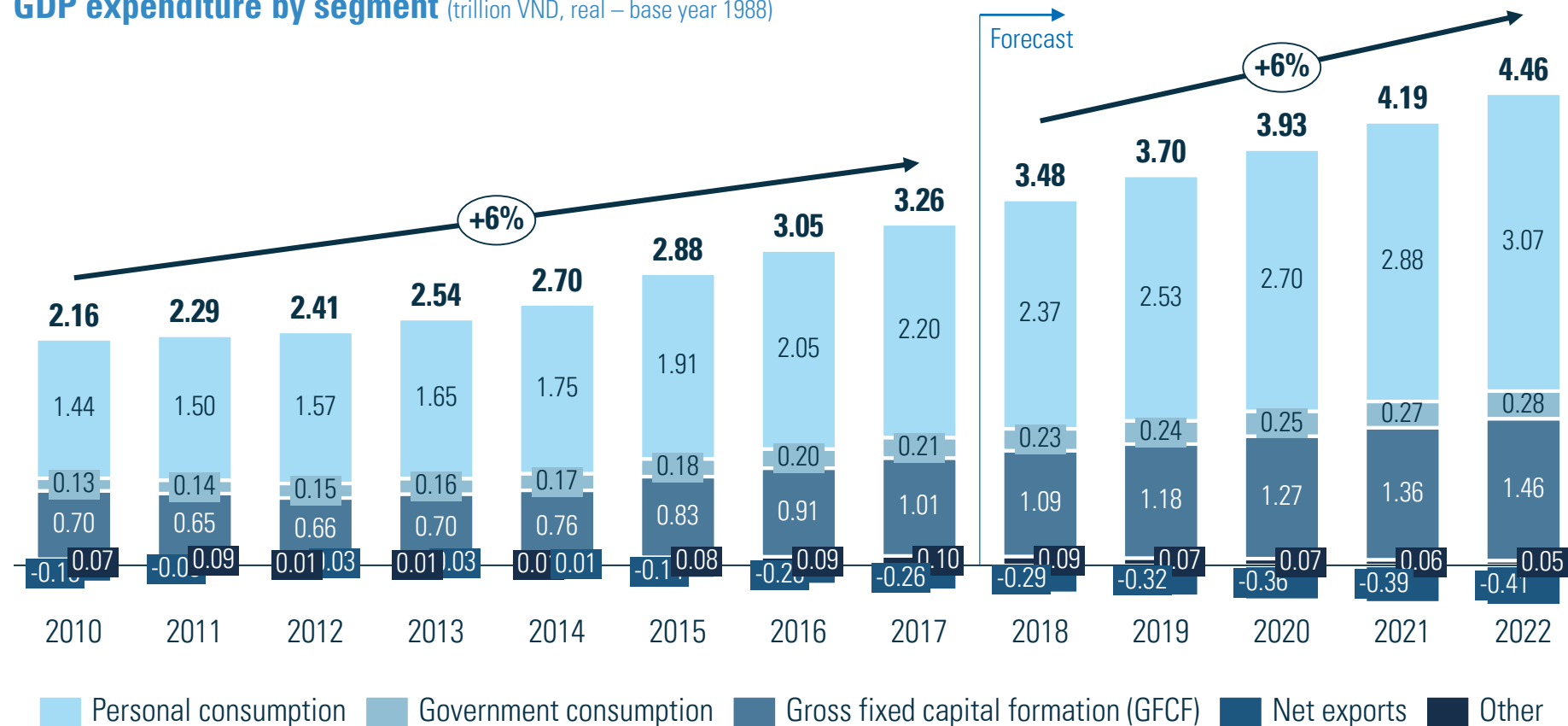


MACROECONOMIC OVERVIEW



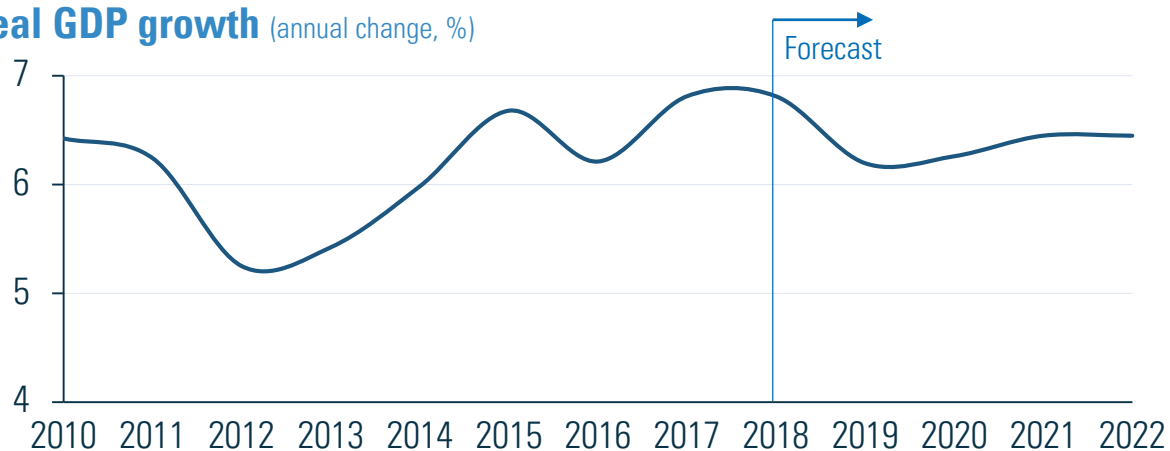
Robust growth in personal consumption and GFCF forecast to continue GDP growth trajectory

GDP expenditure by segment (trillion VND, real – base year 1988)

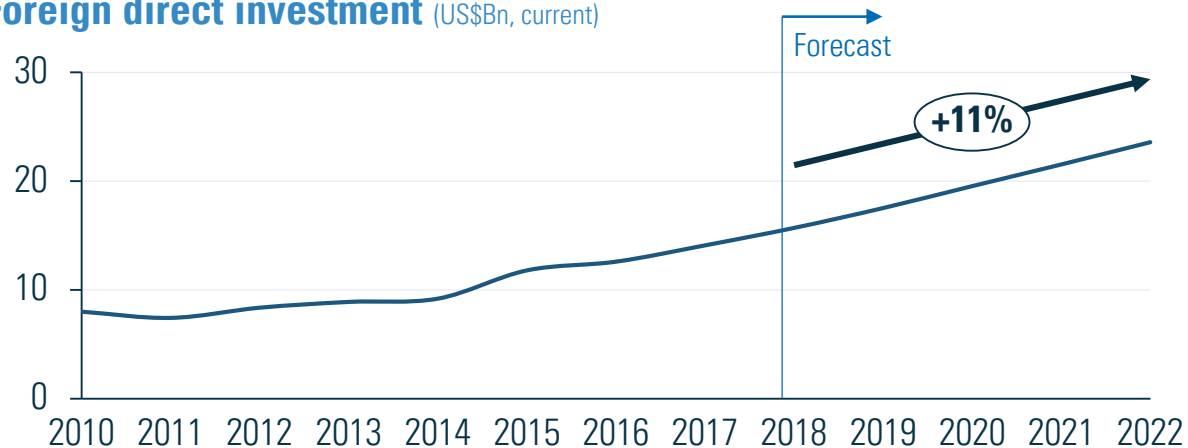


Robust economic and construction outlook

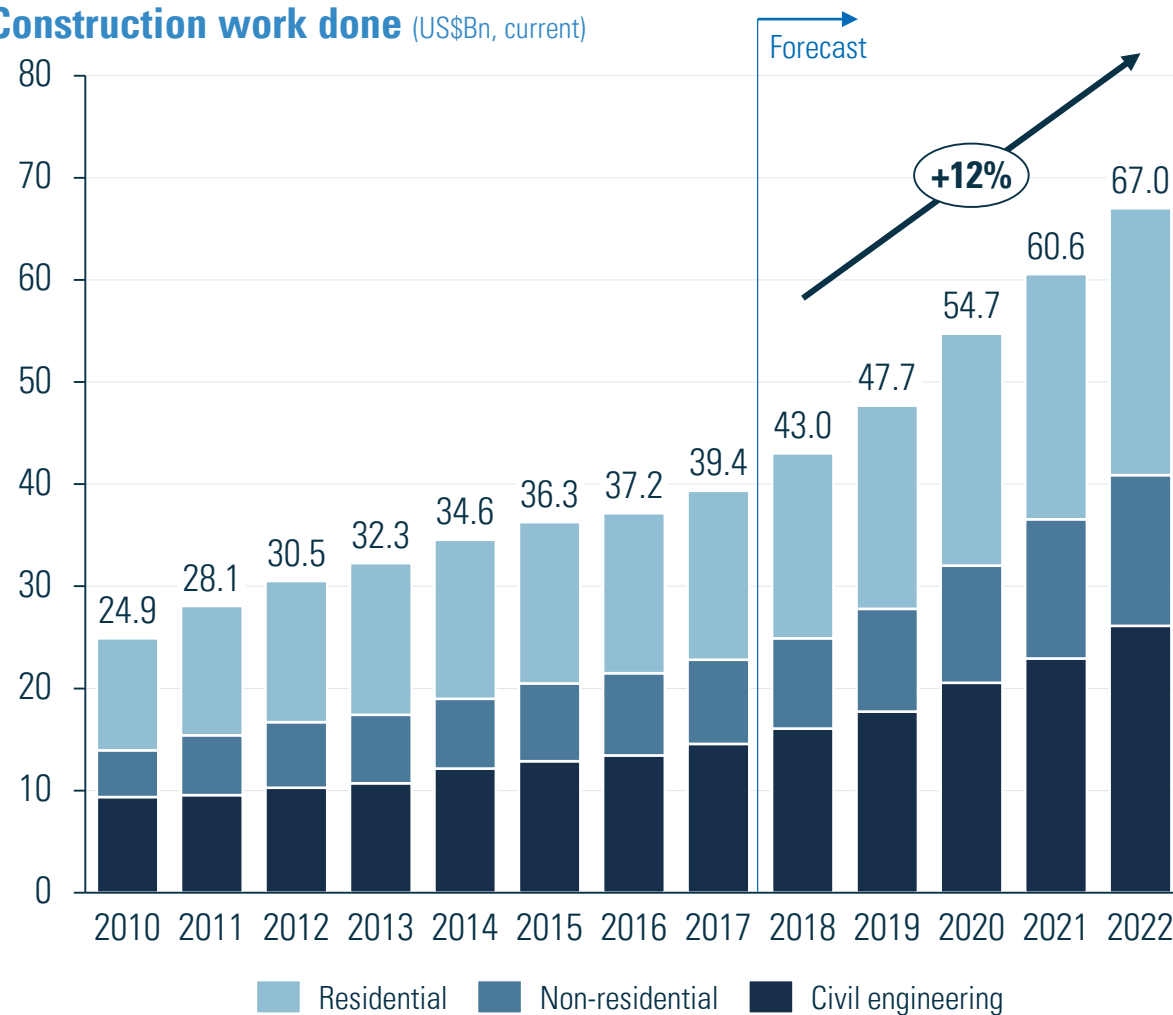
Real GDP growth (annual change, %)



Foreign direct investment (US\$Bn, current)



Construction work done (US\$Bn, current)



Coca Cola – HCMC



Mapletree – Bac Ninh



Unilever – HCMC



Vinamilk – Da Nang



Maxport 9



Cargill – Binh Dinh





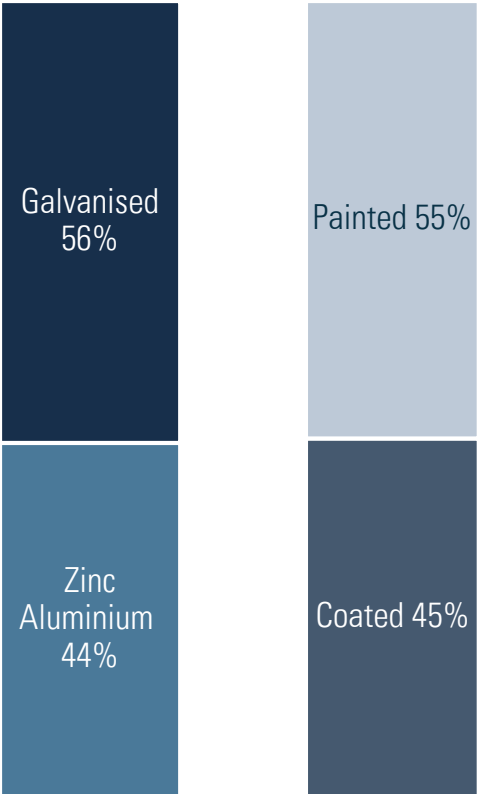
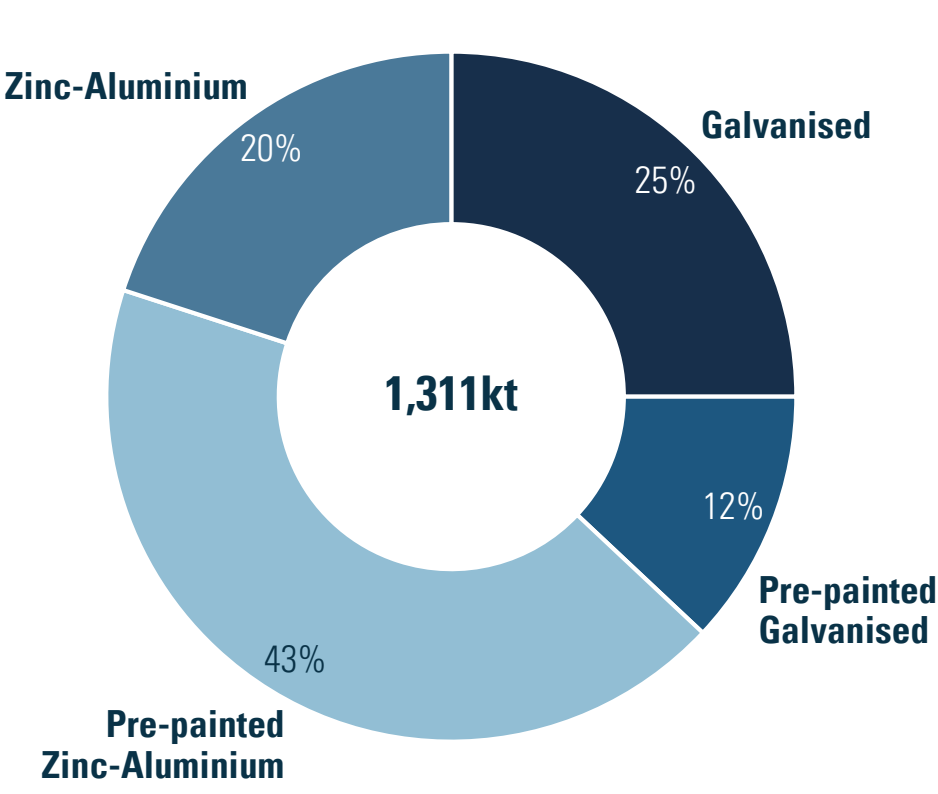
VIETNAM COATED STEEL MARKET OVERVIEW

Highly competitive market; many producers integrated along the value chain

	Painted	Coated
Domestic Producers (~60%)	Dong A Hoa Phat Lotus Phuong Nam Pomina Sunsco SY Tan Phuoc Khanh TVP Vina One	Dong A Hoa Phat Lotus Phuong Nam Pomina Sunsco Tan Phuoc Khanh TVP Vina One
Import (~40%)	China Korea Taiwan Vietnam	China Korea Taiwan Vietnam

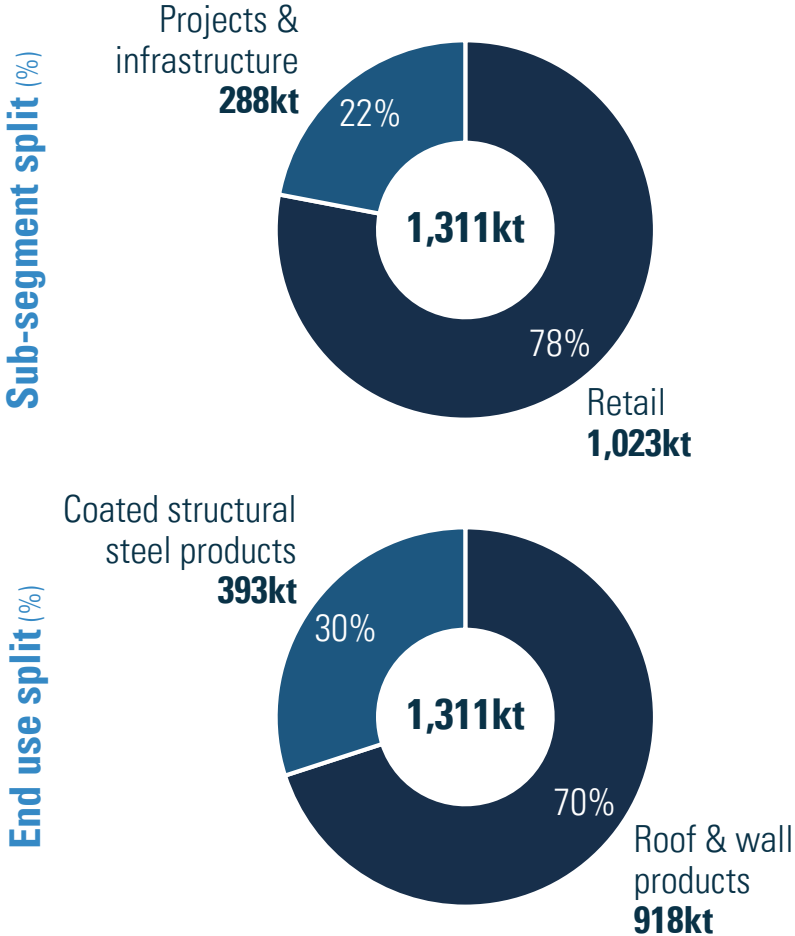
The construction market is weighted towards painted roof and wall products in the retail sub-segment

Product split (%)

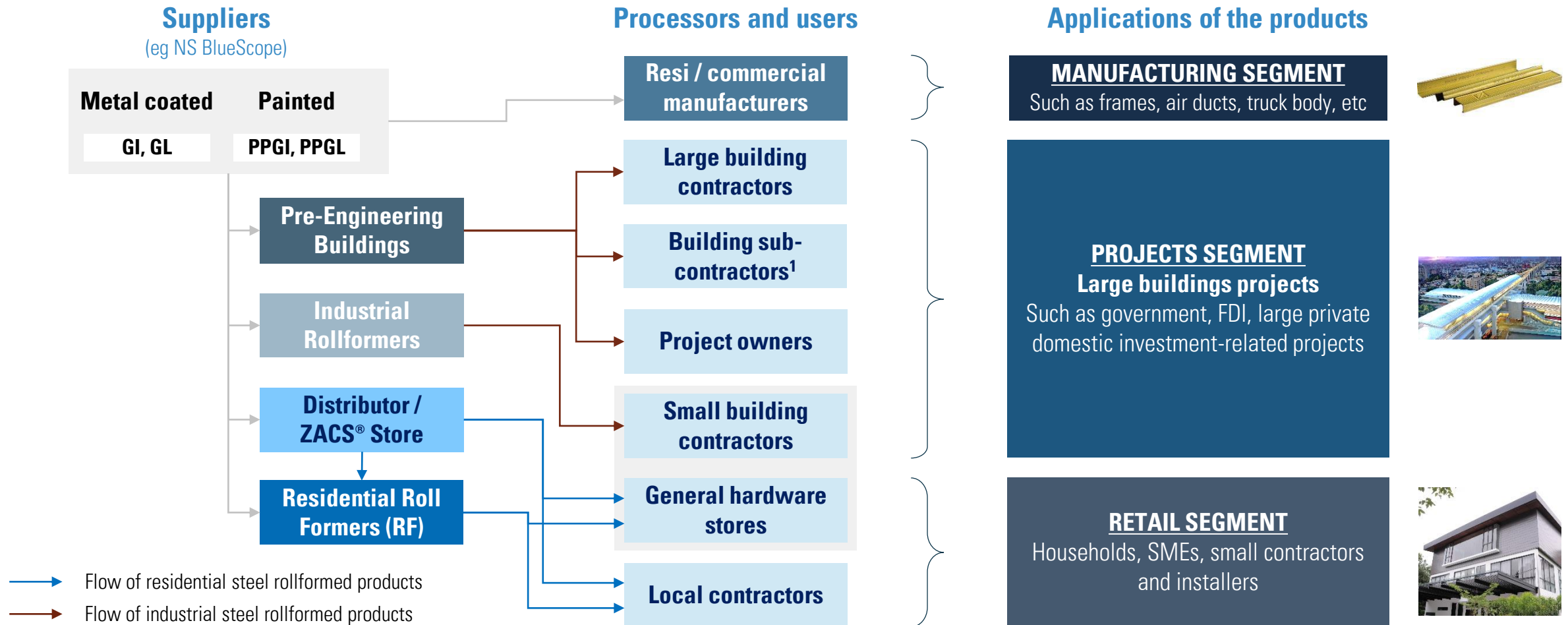


Sub-segment split (%)

End use split (%)



We serve three key segments through multiple channels





SEGMENTS, PRODUCTS, BRANDS AND CHANNELS



NS BlueScope Vietnam is focused on three key segments

PROJECTS

Industrial and Commercial / Government



- Products: COLORBOND® and ZINCALUME® steel
- High customer loyalty
- Investor engagement
- Strong contractor and architect relationships

RETAIL

SME and Residential



- Products: ZACS®
- Authorised Dealer channel expanding through ZACS® Lite model
- Product innovation
- Trained 2,500 builders

MANUFACTURING

Stud Frames and Cool Room Panels



- Products: BlueScope Stud frame and AntiBac® for CIRP application
- Built Channel through Manufacturers and M&E specifiers

A portfolio of diverse brands, specifically tailored for each channel

	Painted	Metallic Coated
Projects	<div>Colorbond® XRW</div> <div>Colorbond® XPD</div> <div>Colorbond® ULTRA</div> <div>Apex®</div> <div>ひなた HINATA</div> <div>SUMO™</div>	<div>Zincalume®</div> <div>TrueCore®</div>
Retail	<div>BLUESCOPE Zacs® Hoa Cường</div> <div>BLUESCOPE Zacs® Giảm nhiệt</div> <div>BLUESCOPE Zacs® Tấm Trần</div> <div>Tôn Lạnh Màu SẮC VIỆT™ Đúng Chất Lượng - Đúng Trọng Lượng</div>	<div>BLUESCOPE Zacs® Lạnh</div> <div>BLUESCOPE Zacs® Thanh Kèo</div> <div>Tôn Úc SẮC VIỆT® Đúng chất lượng - Đúng trọng lượng</div>
Manufacturing	BLUESCOPE STUD FRAME	BLUESCOPE ANTIBAC™ STEEL

A wide range of products and brands to suite end markets across the building and construction sector



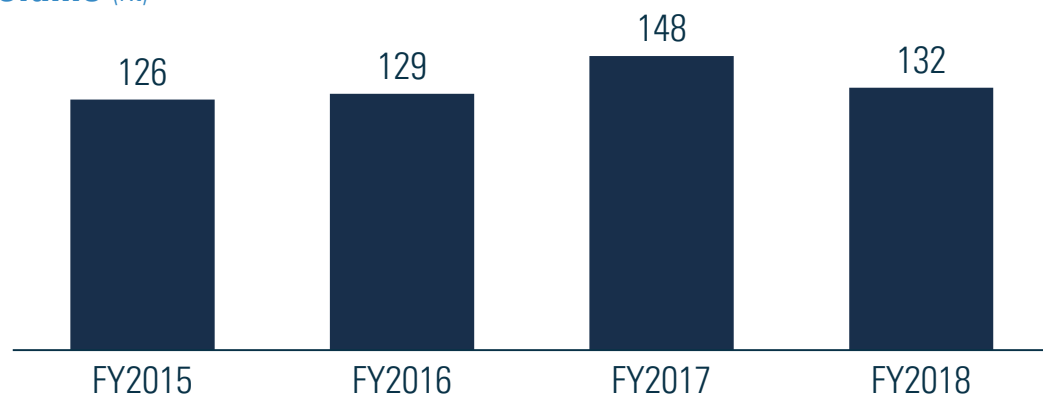


FINANCIAL PERFORMANCE AND STRATEGY

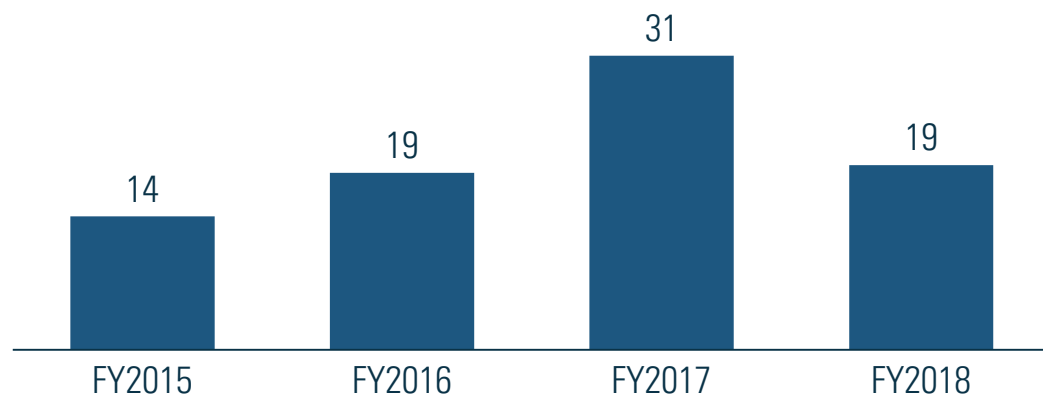


Margin pressure from increased feed costs and higher import levels resulted in a lower EBIT in FY2018

Volume (Kt)



Underlying EBIT (A\$m)



Commentary on FY2018 performance:

- Demand in the Project segment remained strong. However, competition with imports mainly from China, and new coating entrants impacted margins.
- The business continued to focus on growing the retail channel, whilst expanding BlueScope distribution footprint, enhancing brand value and building customer loyalty.
- FY2018 volume was 11% lower than FY2017, due to lower exports as a result of the trade restrictions.
- Some additional competitive pressure from higher import levels and some local capacity additions observed.

Overarching business strategy focussing on three key themes



The graphic for 'Customer & Market Focus' features a blue background with a white hand icon holding a blue starburst shape. The starburst has three human figures inside it, representing customers. The text 'Customer & Market Focus' is in white. Below the hand, there is a list of bullet points and a circular logo with '5G' and 'GROW'.

Customer & Market Focus

Understand our markets deeply, deliver clear and sustainable value to customers

- Market Segmentation & Development
- Channels
- Brands
- Products

Get Lean, Get Agile, Get Strong & Grow!



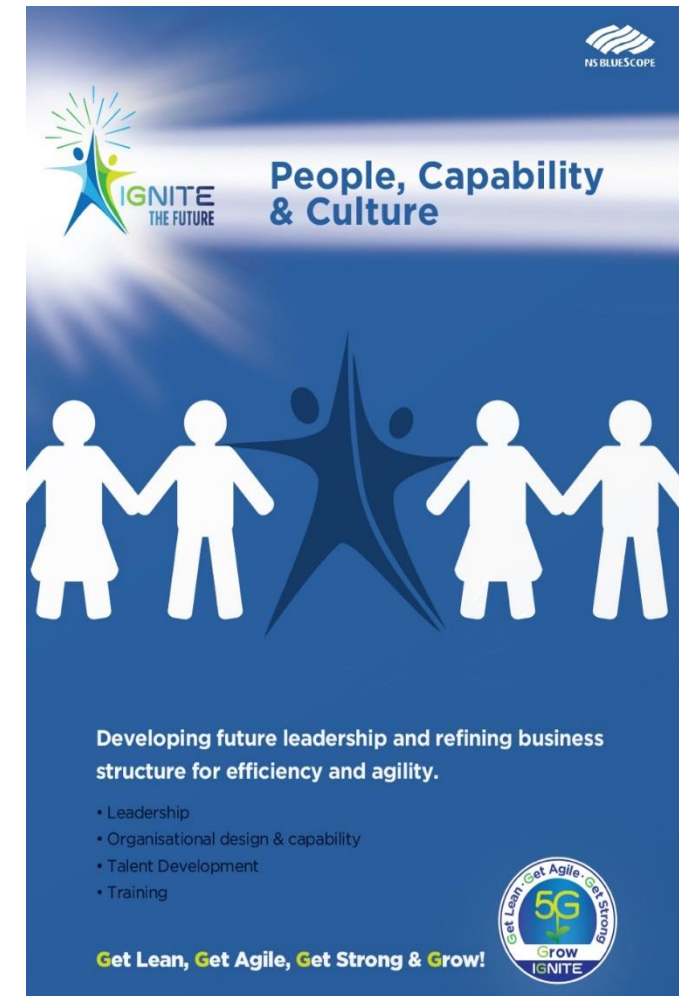
The graphic for 'Manufacturing & Operational Excellence' features a green background with a white starburst shape in the center, surrounded by three white gears. The starburst has three human figures inside it. The text 'Manufacturing & Operational Excellence' is in white. Below the starburst, there is a list of bullet points and a circular logo with '5G' and 'GROW'.

Manufacturing & Operational Excellence

Safe, continuous improvement culture; a competitive producer that delivers on our promise

- Productivity
- Cost of Quality
- Continuous Improvement
- Sourcing & Inventory management

Get Lean, Get Agile, Get Strong & Grow!



The graphic for 'People, Capability & Culture' features a blue background with a white starburst shape in the center, surrounded by four white human figures holding hands. The starburst has three human figures inside it. The text 'People, Capability & Culture' is in white. Below the starburst, there is a list of bullet points and a circular logo with '5G' and 'GROW'.

People, Capability & Culture

Developing future leadership and refining business structure for efficiency and agility.

- Leadership
- Organisational design & capability
- Talent Development
- Training

Get Lean, Get Agile, Get Strong & Grow!

Leading project segment with direct investor approach

STRATEGIC FOCUS

Brand and Innovation

1

Deliver innovative solutions to further underpin brand equity in the projects segment



- Engage with Bond club for market feedback on emerging trends
- Support annual sustainability contest

Channel

2

Develop and enhance through-channel relationships, focusing on investors and decision makers



- Engagement program for top 50 investors
- Build relationships with top pre-engineered buildings (PEB) manufacturers and project rollformers

Products

3

Reaffirm position as a leader in development and launch of new products into the market

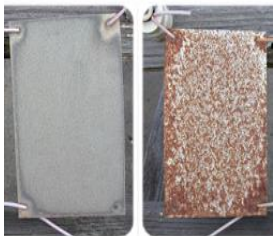


- BlueScope AntiBac® for insulated panel market

Reaffirm position as a leader in the development of new products with AM coating launch

Coating technology developments

2005
AZ Technology



2007
ZINCALUME® Anti Darkening

2012
Clean COLORBOND® Thermatech



2015
Sumo Polyester

2017
BlueScope AntiBac®



2019
AM technology

Benefits include:

- More effective and longer lasting corrosion resistance
- Improved corrosion resistance at cut edges and scratches
- Lower coating mass required (a yield benefit)

AZ coating: Steel with a protective alloy coating of zinc and aluminium to protect its steel base against corrosion

AM coating: Introduces magnesium into the aluminium-zinc alloy coating, which improves galvanic protection by activating the aluminium

A leading company providing premium branded products and innovative steel inspired solutions

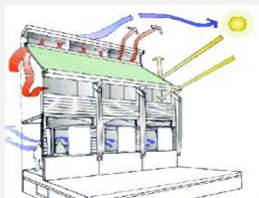
TARGET

Increase coated and painted pull-through margin and grow our rollforming volume and EBIT

STRATEGIC FOCUS

1

INNOVATION



- Agrished™ – form partnership to offer Integrated solution
- “Comfortable” Building Design Concept
- Smart accessories (louver/flashing/skylight)

2

SALES CAPABILITY



- Upskill the sales force – enhance capability to promote product to investors, designers and contractors and generate demand

3

CHANNEL EXPANSION



- Investor approach through different touch point and engagement
- Contractor alliance

Innovative new Lysaght® Agrished™ solution set to increase demand within and outside existing channel

Agriculture segment continues to grow and there is an emerging market trend of hi- tech large scale farming.

Lysaght® Agrished™ provides customers with solutions from planning, design, construction to materials for various types of farms, and is launching its latest integrated shed solution for a wide range of end uses, and is partnering with farming equipment providers to offer complete solution.

Features include:

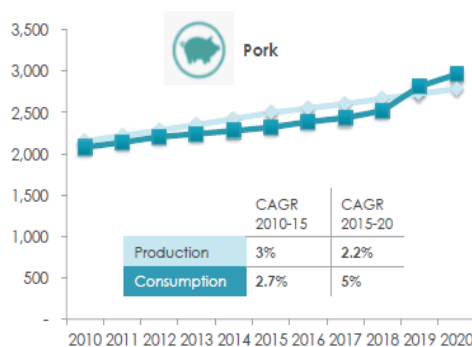
- Reduced interior temperatures
- Enhanced durability over existing material design
- Reduced maintenance costs during asset lifetime

Key objectives:

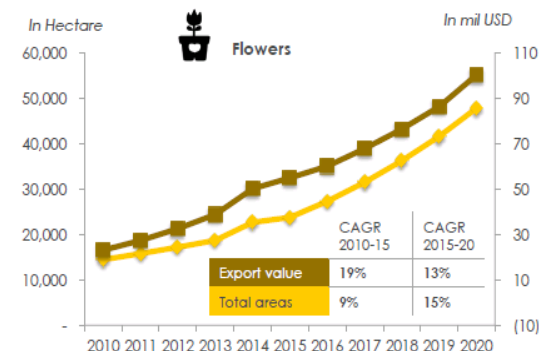
- Drive direct demand through existing channel
- Promote solution directly to investor



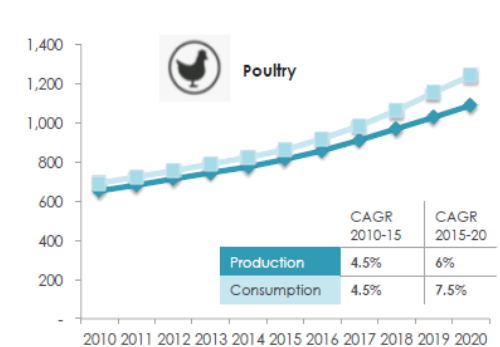
Swine Production & Consumption, 2010-2020
Unit: '000 tons



Flowers Total Output, 2010-2020



Poultry production & consumption, 2010-2020
Unit: '000 tons



Investing in development of innovation capabilities through the NS BlueScope Vietnam business



Training staff on:

- Design thinking
- Customer insights
- Problem solving
- Lean process
- Drive growth in new markets



2018 Achievements:

Employee engagement	63%
Business improvement ideas	842
Market facing ideas	340

Innovation forums:

- Monthly ideation sessions
- Focused quarterly ideation
- Annual innovation camp



RETAIL SEGMENT STRATEGY AND PROGRESS



NS BlueScope has been at the forefront of development in the retail market, with an evolving retail model

	2005	2010	2012	2015	2016	2017	2018
Retail model	Distributor model	Started to sell directly to rollformers	Retail pilot to focus on demand generation	Authorized Dealer set up and expansion	Enhanced ZACS® retail model Local builders engagement and loyalty		Continued focus on channel expansion
Key activities	Benchmarking with imported products	Local manufacturers started to expand their footprint	Launch of innovative product (ZACS® Fengshui) with 10 year warranty	Launch of value focused products (SacViet®)	Launch TK ZACS® and ZACS® Color with 5 year colour warranty	Launch ZACS® Wrinkle	Pilot new value focused ZACS® product
Retail presence	7 distributors	20 direct rollformers	45 direct rollformers	40 Authorised Dealers 60 direct rollformers	50 Authorised Dealers 55 direct rollformers	67 Authorised Dealers 45 direct rollformers	130 Authorised Dealers 20 direct rollformers

The set up of ZACS® Authorized Dealerships is an important milestone and further underpins growth in retail



Differentiated branded store and customer channel improvement



Continuous communication and innovation

Service oriented supply and distribution model



ZACS® Retail Model:
A combination of brand, channel and innovation, a leading supply chain model and sell out process focus

Contractor engagement and sell-out model



Integrated engagement across value chain to build our ZACS® brand

VISION

ZACS® to be the most premium coated and painted steel brand of first choice for rural retail customers

STRATEGIC FOCUS

CHANNEL

1

Expand our point of presence



AD



ZACS® builder



Specifier

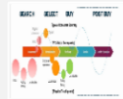
BRAND

2

Enhance consumer brands and experience



MDNS – house gallery



Post-buy user engagement

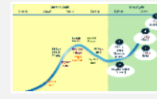


Digital

INNOVATION

3

Maintain ZACS® premium with continuous product refreshment



Product cycle



New coating technology

4

Differentiate our products and services



Call svc center



ZACS® apps



ZACS® house

CORE CAPABILITIES

TO MAINTAIN

Sell out capability

Trade MKT capability

Channel development capability

Innovation

TO DEVELOP

Technical services

Digital capability

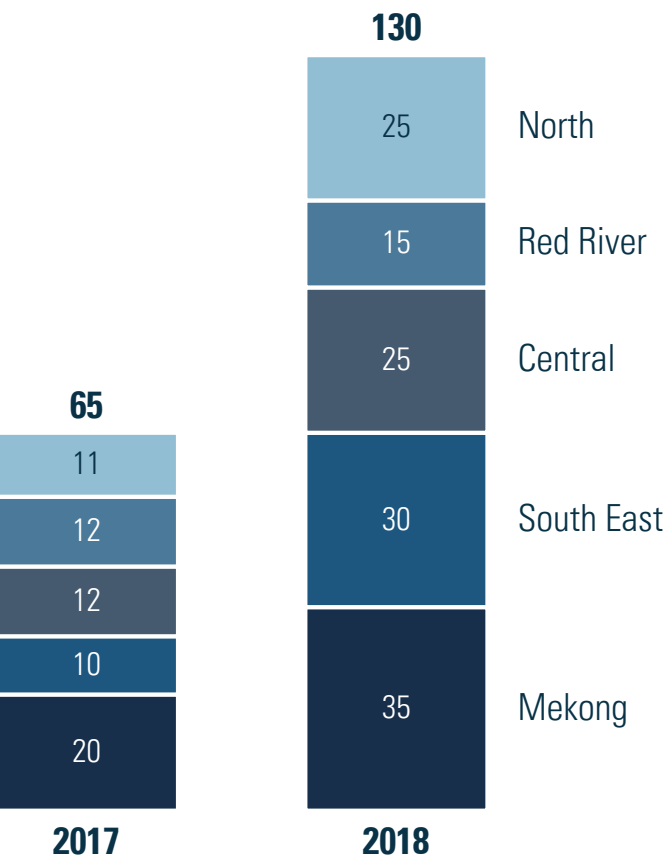
Branding capability

Customer manufacturing

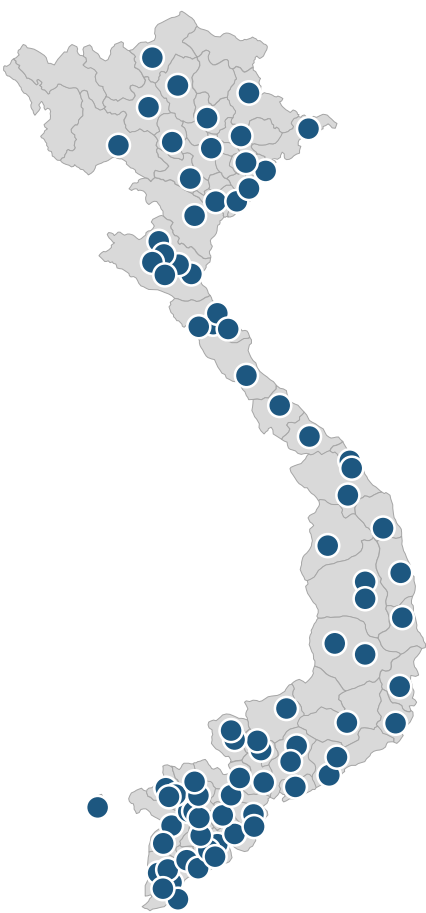
STRATEGIC INITIATIVES: EXPAND ZACS® LITE

ZACS® Lite: a low cost Authorised Dealer model, focusing on the mid-premium rollforming segment

Strong growth in presence



Dealership locations



ZACS® store



ZACS® lite store

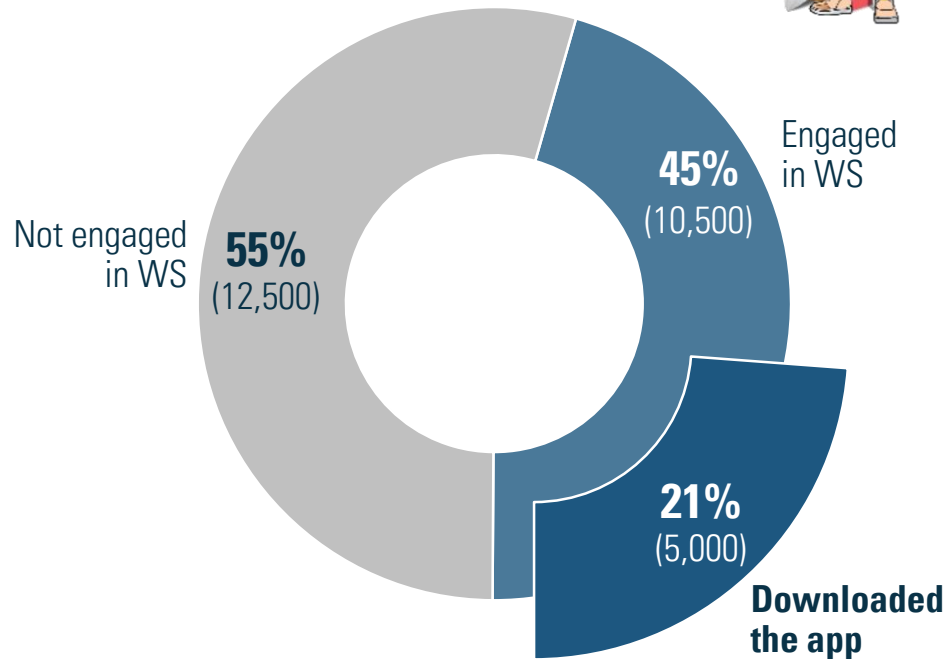


Consistent in-store display



Strong focus on engaging local builders and contractors as key advocates for ZACS®

NSBSV Local Builders database (23,000 Builders)



Recognition and Incentive

- Loyalty program
- Builders appreciation events



Professional & design skill development

- Product and technical training and workshops
- Technical information and Tools – digital app



Reputation and business development

- Certified ZACS® Builder: co-certified with Danang University
- Call centre to promote ZACS® Builder to Homeowner
- Builders profile on MDNS

Key focus

- To continuously engage local builders through different platforms of Mini WS, loyalty redemption, local builder apps offering and service support
- To qualify and select ZACS® builders as our key brand advocates in each different territory of the Authorised Dealer network

Driving communication initiatives to quickly generate brand awareness

Initiatives to increase brand awareness

TV SPONSORSHIP



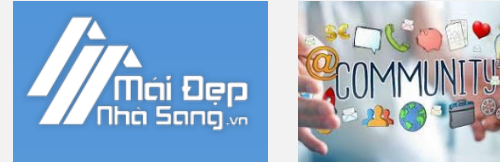
- Utilising the best prime time for brand exposure on national TV: highest rating program nationwide
- Sustain frequency for 12 weeks
- Relevant content for ZACS® target audience (rural skewed)

DIGITAL DATA CAMPAIGN



- Latest AI technology – sample profile and behaviour analysis
- Targeted communication to right LB, potential Users with brand contents
- Lead generation activities

“MAI DEP NHA SANG” SITE



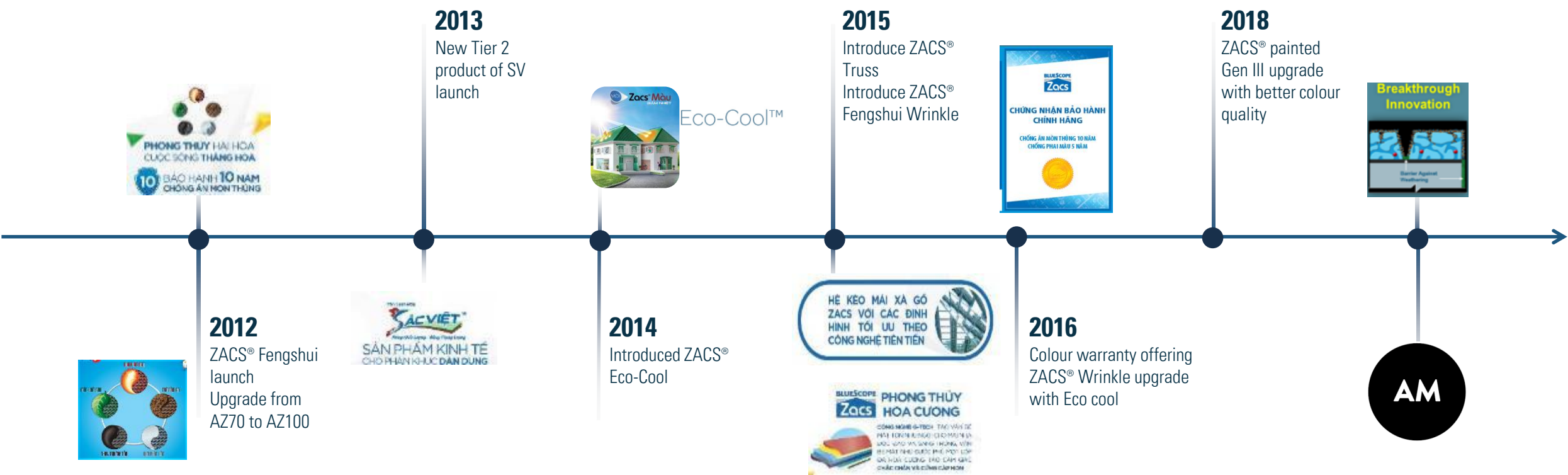
- Largest biggest forum to engage local builders, partners and home owners
- Place for brand association and engagement

OUTDOOR



- Petrol stations in North, NA-HT and selected central, Mekong province
- Local billboards in NA-HT

Innovation is a key foundation in our offer and solidifies our position as a premium supplier





SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY



A key focus for NS BlueScope Vietnam

Our Vision: To be a leader in creating a sustainable environment and community		External Engagement 100% customer awareness	Internal Engagement 100% employee awareness
Environment	3R program	<ul style="list-style-type: none"> 4mil kg CO2 saving in 8 years ~ 3% CO2 saving YoY Fresh water 3% reduction 	
	"Green" development	<ul style="list-style-type: none"> 90% green awareness of architects and contractors and investors 	
Community	Lifting rural housing standards	<ul style="list-style-type: none"> 1 million people have accessed our house gallery Engaged and trained 5,500 builders and 1,000 local specifiers 	
	ZACS® house donation	<ul style="list-style-type: none"> 50 BlueScope ZACS® houses to the underprivileged each year 	
	Safety sharing	<ul style="list-style-type: none"> 2 external programs per year 	

Program to reduce emissions, reduce water use and reduce waste at the Phu My plant

FY2019 KPIs	CO ² reduction	3%
	Reduction in fresh water consumption	3%
	Reduction in waste	5%

Action plan focus areas

- Liquid Waste
- Solid Waste
- Domestic Waste
- Fresh Water



Employee engagement

- Regular communication to employees program progress
- Encouraging employees contributing to the program



Promotional and educational activities to increase adoption of green buildings through the channel

"SUSTAINABILITY" AWARD



Co-organised by:



"GREEN BUILDING" SHARING



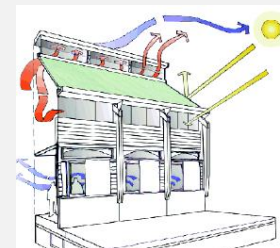
10 Green Building workshops for specifiers



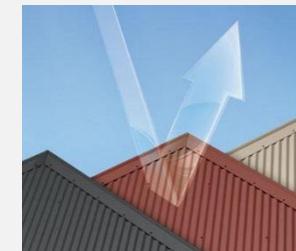
Green Building pre feasibility studies for 5 factory projects

"GREEN BUILDING" SOLUTION

Integrated GREEN solutions



New
" Comfortable"
Building
Design Concept



Colorbond®
THERMATECH®
"Green" Product
offer

The COLORBOND® journey to become the leader in “green” products in Vietnam

2013



- COLORBOND® Thermatech® launch with solar reflective technology to reduce heat
- Complying to the US Leadership in Energy and Environment Design (LEED)
- Green Building study trip for Green consultants and Architects to Malaysia

2014



- Member of Vietnam green building council (VGBC)
- Green buildings workshops series for customers and design consultants
- Green Building study trip in Thailand
- The first awards for customers of LEED green building standard projects

2015



- Become the member of US GBC (LEED)
- Continue to promote Green building to public and among customers together with COLORBOND® Thermatech®
- Green Building Study trip to Xian
- Second awards for customers of LEED green building

2016



- Green Building conference (With VIR) to explore TPP opportunities with green building certificate
- Green Study trip to Australia and Singapore
- Third awards for customers of LEED green building standard projects

2017



- Co-operation with green building consultants (GreenViet, Ardor) to provide free pre-feasibility analysis on green building
- Continue fourth awards for customers of LEED green building standard projects
- Speaker at EuroCham Da Nang and SEAISI on the role of steel on sustainability

Using our position as a leading and innovative supplier through the value chain to improve building standards

Initiatives

Rural house gallery

Engagement with local specifiers

Workshops for local builders

FORUM

UNIQUE "RURAL HOUSE DESIGN" WEBSITE

- Website for rural house design
- Provide free house designs / Tips on house construction / Best house material offers



CONTEST

RURAL HOUSE DESIGN CONTEST

- Enhance the design capability of local builders and local designers
- Select the best designs- give free designs to all key stakeholders



TRAINING

TRAINING WORKSHOPS FOR LOCAL BUILDER AND SPECIFIER

- Workshops in key cities to share green design and steel roofing solutions
- Mini workshops in secondary cities to reach local builders



Engaging with channel partners and customers to provide homes to those in need

Initiatives

BSZ authorized dealer engagement

BlueScope ZACS® builder engagement

ZACS® Donation house

Donation Scheme



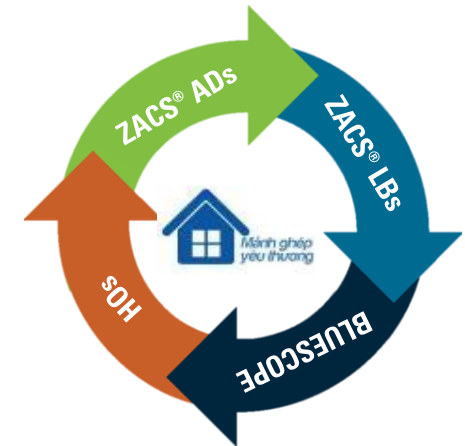
- Submissions from Authorised Dealers



- Production and delivery by Authorised Dealer
- Installation training to local builder

PR Activities

- Focus on promoting image of our key partners including Authorised Dealers and local builders
- Media coverage on National TV channels, Print and Digital



Creating opportunities and networks in which to share safety initiatives and best practice

Initiatives

Company engagement in HSE sharing

Customer engagement in HSE best practice

Customer engagement in Safety partnership event

MASS SHARING IN KEY PROVINCES



Workshop series for business
in key provinces

BEST PRACTICE SHARING



Safety sharing in BlueScope factories

PARTNERSHIP EVENT



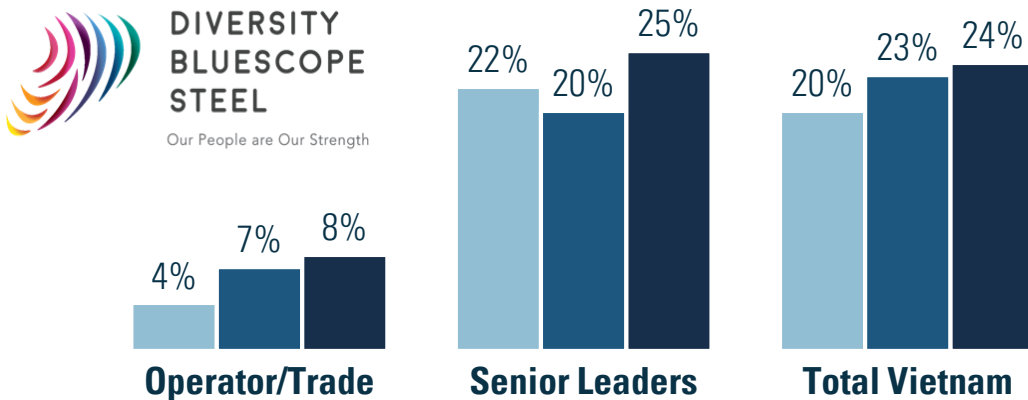
Safety sharing events between BSV
and business partners

A strong focus area that has shown improvement in performance over the past few years

Recent initiatives

- Unconscious Bias Training rolled out
- Round table discussion open to all employees covering topics such as:
 - How to embark on a successful career and achieve the next promotion
 - How to balance work and parenting
 - How to bridge the generational gap

Women in NS BlueScope Vietnam Workforce (%)



Case study: Diversity Partnerships

- NS BlueScope Vietnam was the gold sponsor for the 2018 Women in Vietnam Conference, held by Australian Consulate-General in Ho Chi Minh City in October. The Diversity Council participated in the event entitled “Be Part Of The Solution”
- Objectives of the partnership and event include:
 - Enhance Vietnamese women’s voices in decision-making and leadership through knowledge development, mentoring, and targeted discussions on leadership skills and opportunities for career advancement
 - Promote women’s economic empowerment and gender equality
 - Promote mentoring, support networks and skills development for women entrepreneurs
 - Develop greater understanding of health and well-being issues affecting women: breast cancer, domestic violence, trafficking, and maternal health





INVESTORS' VISIT TO ASEAN SITES

PACK 3: NS BLUESCOPE VIETNAM

Nhut Vo
Country President, NS BlueScope Vietnam

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