

US painting expansion – Coil Coatings acquisition

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

11 April 2022

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



IMPORTANT NOTICE

This presentation is not and does not form part of any offer, invitation or recommendation in respect of securities. Any decision to buy or sell BlueScope Steel Limited securities or other products should be made only after seeking appropriate financial advice. Reliance should not be placed on information or opinions contained in this presentation and, subject only to any legal obligation to do so, BlueScope does not accept any obligation to correct or update them. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

This presentation contains certain forward-looking statements, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “intend”, “anticipate”, “estimate”, “continue”, “assume” or “forecast” or the negative thereof or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performances or achievements, or industry results, expressed or implied by such forward-looking statements.

To the fullest extent permitted by law, BlueScope and its affiliates and their respective officers, directors, employees and agents, accept no responsibility for any information provided in this presentation, including any forward looking information, and disclaim any liability whatsoever (including for negligence) for any loss howsoever arising from any use of this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this.

Authorised for release by Mark Vassella, Managing Director & Chief Executive Officer

BlueScope Contact:

Don Watters, Treasurer & Head of Investor Relations

P +61 3 9666 4206

E don.watters@bluescope.com

COIL COATINGS ACQUISITION

BlueScope has agreed to acquire Coil Coatings from Cornerstone Building Brands, Inc.

Transaction overview

- Purchase price of US\$500M¹ on a cash and debt free basis
- Represents approximately 8.9x pro-forma CY2021 EBITDA of US\$56M, including operational and supply chain synergies of US\$12M (year three)
- Key focus is the medium- to longer-term opportunity the acquisition provides

Timing and closing conditions

- Targeting completion in calendar year 2022
- Subject to regulatory approvals and other customary closing conditions

Business overview

- Second largest metal painter in the US
- Annual capacity of ~900kt² across 7 sites
- Operates across two brands: Metal Coaters and Metal Prep
- Serves customers nationwide with a breadth of painting finishes and value-added services, predominately for building and construction applications

Expected financial impacts

- Funded from cash on balance sheet
- BlueScope expected to remain in pro-forma net cash position post completion³
 - Remains in a strong position to continue to execute previously announced projects and on-market buy-back
- Immediately EPS accretive

Strategic rationale

- 1** Rare opportunity to immediately fulfil previously flagged strategic growth initiative
- 2** Near-term synergies and potential for medium to longer-term growth through product development and branded products
- 3** Opportunity for future vertical integration across BlueScope's flat steel value-chain
- 4** Acquisition fully funded from cash; BlueScope remains in a strong position

1. Subject to customary adjustments

2. Metric tonnes

3. Pro-forma position based on 31 December 2021 net cash

Coil Coatings Business Overview



COIL COATINGS AT A GLANCE

The second largest provider of metal coil painting services in the US

Business overview

- Coil Coatings is the second largest metal coil painter in the US, with seven strategically located sites
- Manufacturing capabilities include a broad range of painting finishes for steel and aluminium substrates
- Paint finishes are designed for a wide range of applications, including building products and manufactured goods
- Also offers a range of value-added services such as slitting, embossing, levelling and cut to length

7	~900kt	~570
Highly versatile facilities	Total painting capacity ¹	Total team members

Brand	 METAL COATERS®	 METAL PREP®
Overview	Pre-painted light gauge metal substrates, specialising in toll processing of customer-owned metal	Pre-painted hot rolled steel providing heavy gauge coil coating solutions
Product type	Light gauge steel and aluminium	Heavy gauge steel
Sites	5	2
CY21 volume ¹	~410kt	~115kt

1. Metric tonnes

PERFORMANCE AND END-USE SEGMENTS

Strong financial performance with sales mix focussed on building and construction end-markets

Pro-forma adjusted CY2021 performance

Volume
(ktpa)

526¹

- Cornerstone Building Brands represents around 50% of sales volumes
- A five year agreement has been signed for continuing supply

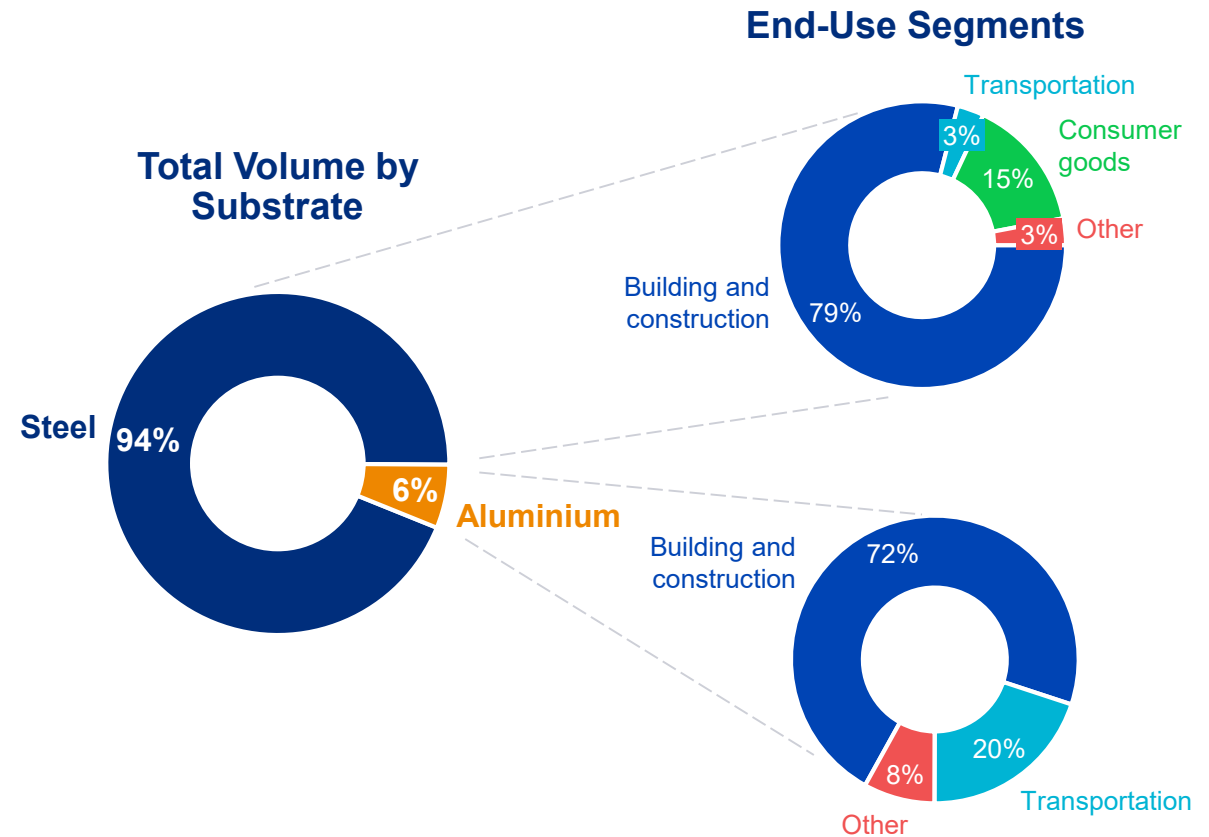
Revenue
(US\$M)

410

EBITDA²
(US\$M)



End-use segments



1. Metric tonnes.

2. Earnings before interest, tax, depreciation and amortisation. Annual depreciation & amortisation charge estimated at US\$20M, subject to finalisation of acquisition accounting adjustments.

3. Pro-forma EBITDA is an assessment of normalised earnings, including an estimate of operational costs under BlueScope ownership. Excludes one-off integration costs of ~US\$10M.

THE US PAINTED MARKET

A significant opportunity exists in the US painted market for BlueScope, with Coil Coatings located in key building and construction end-use demand regions

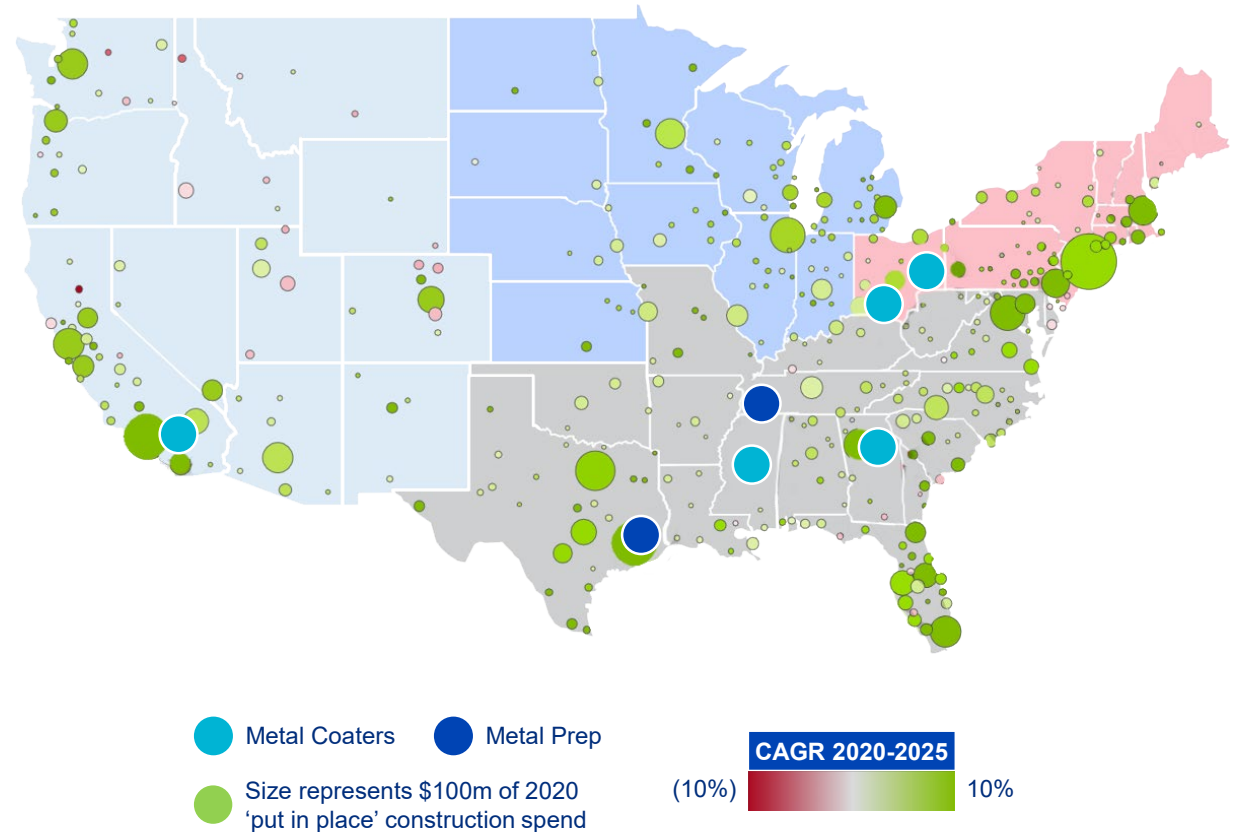
Market size

- Total US painted demand is around 4.5 million metric tonnes, having grown at 2% p.a. since 2015, and expected to continue grow at this rate to 2030
 - Predominantly supplied from domestic producers, with over 90% of demand in the Eastern US region
- Building and construction makes up two-thirds of current Eastern US demand, which is expected to increase by around 20% to 2030

US Painted Demand¹ (million metric tonnes)



Located in key end-use demand regions



Strategic Rationale

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

STRATEGIC RATIONALE

Consistent with Our Purpose and Strategy, Coil Coatings represents a compelling addition to BlueScope's North American business

- 1** **Rare opportunity to immediately fulfil previously flagged strategic growth initiative;** provides immediate access to the large and growing Eastern US region
- 2** **Near-term synergies and potential for medium to longer-term growth** through facility upgrades, product development, and branded products – consistent with our customer service and value proposition around the globe
- 3** **Opportunity for future vertical integration across BlueScope's flat steel value-chain**
- 4** **Acquisition fully funded from cash; BlueScope remains in a strong position** to continue to execute on its previously announced projects and on-market buy-back

1 RARE OPPORTUNITY TO IMMEDIATELY FULFIL OUR STRATEGIC GROWTH INITIATIVE

Provides immediate access to the large and growing Eastern US region

Recycling & Steelmaking



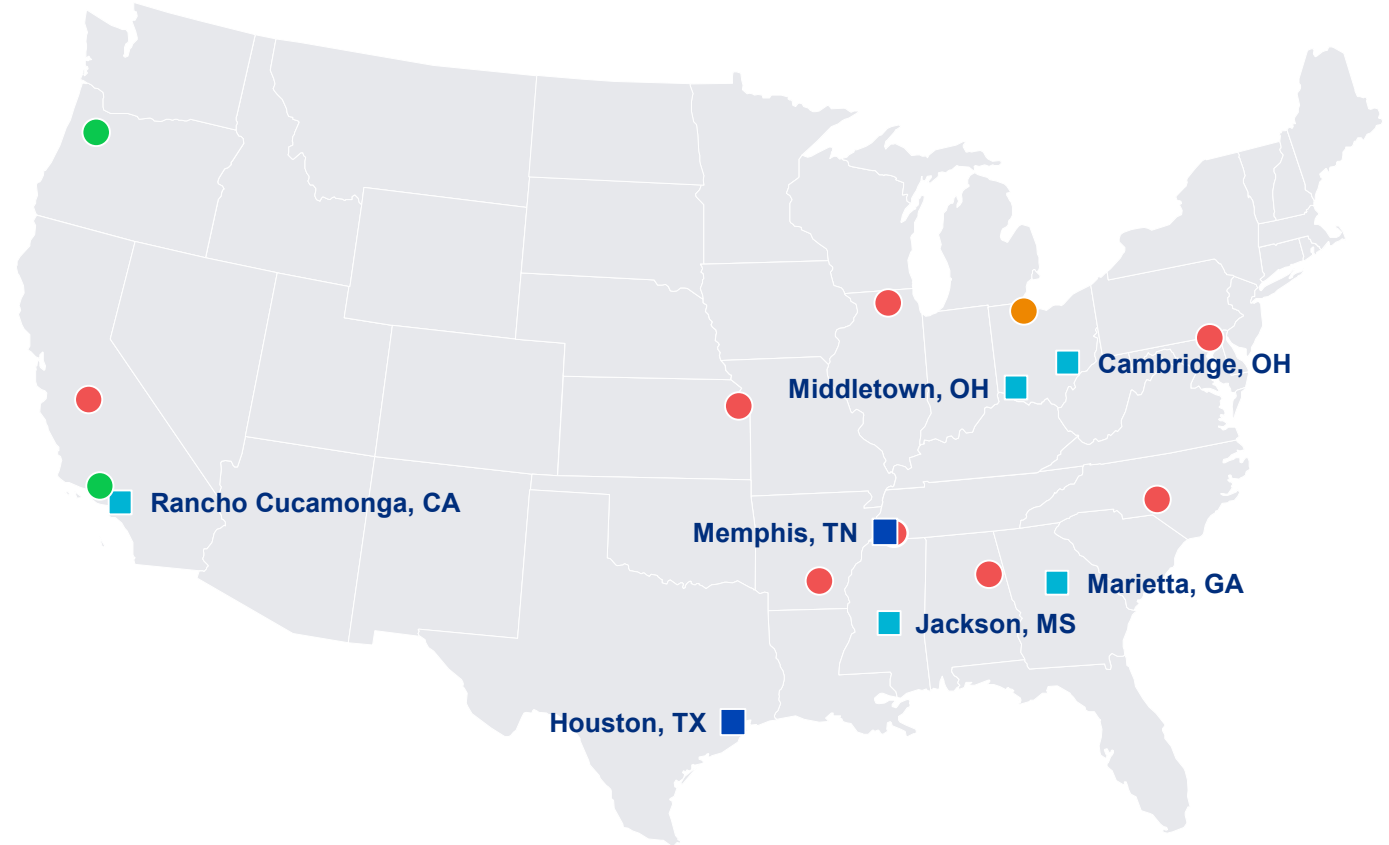
Cold Rolling & Metallic Coating



Coil Painting



Buildings & Components



■ Metal Prep ■ Metal Coaters ● North Star / BlueScope Recycling ● Steelscape ● BBNA

2 NEAR-TERM SYNERGIES AND POTENTIAL FOR MEDIUM TO LONGER-TERM GROWTH

Near term enhancement opportunities

- ✓ Drive increased utilisation across the network through customer volume growth
- ✓ Maximise run efficiency, streamlining paint supply and optimisation of inventory
- ✓ Estimated operational and supply chain synergies of US\$12 million per annum (year three)

Medium to longer-term enhancement opportunities

- ✓ Identified facility upgrade opportunities to increase capacity and improve efficiency
- ✓ Opportunity for further integration with BlueScope's US flat steel value chain
- ✓ Service offering enhancements
- ✓ Product differentiation, including development and branding – consistent with our global leadership position in painted steel products for building and construction applications

3 OPPORTUNITY FOR FUTURE VERTICAL INTEGRATION ACROSS BLUESCOPE'S FLAT STEEL VALUE-CHAIN

Recycling & Steelmaking



- North Star is a low-cost regional supplier of hot rolled coil, based in Ohio, serving the automotive, construction and manufacturing end-use industries
- BlueScope Recycling is a full service, ferrous scrap metal recycler with processing facilities

Cold Rolling & Metallic Coating



- Steelscape focussed on the West Coast region
- BlueScope actively assessing options for steel processing capability strategically located to North Star

Coil Painting



- Steelscape focussed on the West Coast region
- Coil Coaters offers packaged and toll-processed coil painting services to the manufacturing, construction, building, building products and transportation end-use industries primarily in the East US
- Operational knowledge enhanced through BlueScope's extensive painting operations

Buildings & Components



- ASC Profiles is a leading manufacturer of steel roof and wall products and structural roof and floor deck servicing the construction industry in the Western US
- Butler and Varco Pruden provide innovative building solutions for low-rise non-residential buildings
- BlueScope Properties Group is a developer of industrial properties, including warehouses and distribution centres

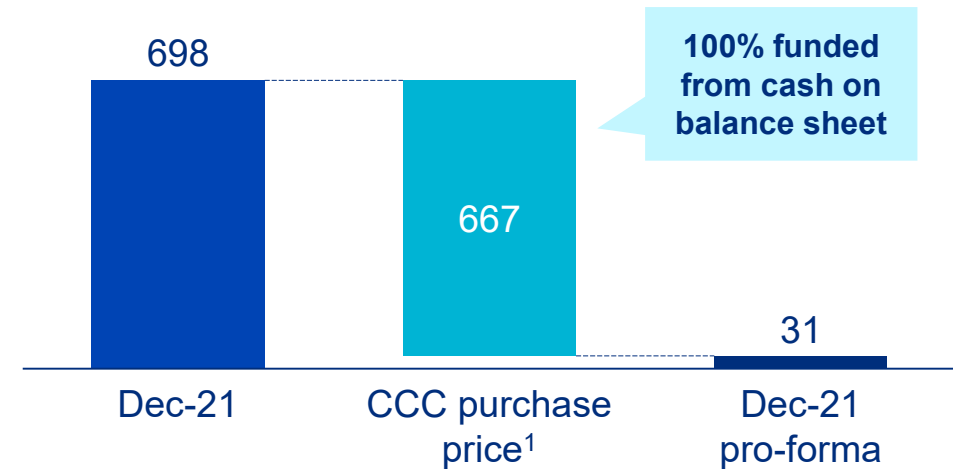
4 ACQUISITION FULLY FUNDED FROM CASH; BLUESCOPE REMAINS IN A STRONG POSITION

Attractive financial outcomes

- ✓ Operational and supply chain synergies and medium to longer-term growth potential
- ✓ Immediately EPS accretive
- ✓ Pro-forma net cash position maintained (31 December 2021)

Balance sheet discipline maintained

BlueScope net cash (A\$M)



BlueScope remains in a strong position to continue to execute on its previously announced projects and on-market buy-back

1. Conversion of US\$500M purchase price at indicative rate of US\$0.75. Subject to variation until transaction completion

Summary & Conclusion

SUMMARY AND CONCLUSION

Unique US painting opportunity for BlueScope

- ✓ Coil Coatings provides a rare opportunity for BlueScope to immediately fulfil a previously flagged strategic growth initiative, and provides immediate access to the large and growing Eastern US region
- ✓ Near-term synergies and potential for medium to longer-term growth, through product development and branded products, consistent with our customer service and value proposition around the globe
- ✓ Unlocks opportunity for future vertical integration across BlueScope's US flat steel value-chain
- ✓ Acquisition fully funded from cash; BlueScope remains in a strong position to continue to execute on its previously announced projects and on-market buy-back

Questions

US painting expansion – Coil Coatings acquisition

Mark Vassella

Managing Director and Chief Executive Officer

Tania Archibald

Chief Financial Officer

11 April 2022

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

