19 February 2024

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Re: Compliance with Listing Rule 4.2A for the six months ended 31 December 2023

Dear Sir,

In accordance with Listing Rule 4.2A, BlueScope Steel Limited (ASX Code: BSL) provides its financial report for the six months ended 31 December 2023. This half-year financial report should be read in conjunction with the most recent annual financial report.

Attached are the Results for Announcement to the Market and 1H FY2024 Half-Year Report, which includes the Half-Year Earnings Report, Half-Year Directors' Report and Half-Year Financial Report.

Yours sincerely,

Penny Grau

Penny Grau
Company Secretary
BlueScope Steel Limited

Authorised for release by the Board of BlueScope Steel Limited

For further information about BlueScope: www.bluescope.com

BlueScope Contacts

Media
Michael Reay
Head of Corporate Affairs
T +61 2 4240 1100
M +61 (0) 437 862 472
E Michael.Reay@bluescope.com

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

Results for Announcement to the Market

19 February 2024: The Company today reported its financial results for the six months ended 31 December 2023. Comparisons are provided to the six months to 31 December 2022, unless otherwise stated.

$M unless marked	1H FY2024	1H FY2023	Variance	Variance %
Sales revenue from continuing operations	**8,538.8**	9,323.8	(785.0)	(8%)
Reported NPAT	**439.3**	598.9	(159.6)	(27%)
Underlying NPAT[1]	**473.7**	614.4	(140.7)	(23%)
Interim ordinary dividend (cents)[2]	**25.0**	25.0	-	-
Reported earnings per share (cps)	**97.3**	128.2	(30.9)	(24%)
Underlying earnings per share (cps)	**104.9**	131.5	(26.6)	(20%)
Net tangible assets per share ($)[3]	**18.24**	17.09	1.16	7%

1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. Underlying adjustments include discontinued operations, acquisitions and disposals of businesses, asset impairments/write-backs, restructuring costs and other unusual transactions. Tables 12, 13 and 14 provide reconciliations of underlying earnings to reported earnings.
2. The 1H FY2024 interim dividend is fully franked, with a record date of 26 February 2024.
3. Net tangible assets include all right of use leased assets.

1H FY2024 Financial Detail

$M unless marked	1H FY2024	1H FY2023	Variance	Variance %
EBITDA - underlying[1]	**1,057.6**	1,172.2	(114.6)	(10%)
EBIT - reported[1]	**681.8**	834.4	(152.6)	(18%)
EBIT - underlying[1]	**718.4**	851.1	(132.7)	(16%)
Return (Underlying EBIT) on invested capital (%)	**13.4%**	23.4%	-10.0%	
Net Debt / (Cash)	**(613.7)**	(606.1)	(7.6)	1%
Gearing	**N/A - net cash**	N/A - net cash	-	-
Leverage (net debt / LTM underlying EBITDA)	**N/A - net cash**	N/A - net cash	-	-

1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. Underlying adjustments include discontinued operations, acquisitions and disposals of businesses, asset impairments/write-backs, restructuring costs and other unusual transactions. Tables 12, 13 and 14 provide reconciliations of underlying earnings to reported earnings.

Financial Commentary

- **Sales revenue of $8,538.8M was 8% lower than 1H FY2023**, on lower selling prices and lower despatch volumes.
- **Underlying EBIT of $718.4M was 16% lower than 1H FY2023**, due to lower steel spreads and higher costs.
- **Underlying NPAT decreased 23% to $473.7M**, mainly due to lower underlying EBIT.
- **Reported NPAT decreased 27% to $439.3M**, mainly due to lower underlying EBIT.
- **Funding and shareholder returns:**
  - Retained investment grade credit ratings from S&P Global Ratings and Moody's.
  - $614M net cash position at 31 December 2023.
  - Financial liquidity of $3,172M at 31 December 2023, including $816M in NS BlueScope Coated Products joint venture.
  - $306M returned to shareholders during 1H FY2024, through dividends and buy-backs.
  - 25.0 cents per share interim fully franked dividend announced for 1H FY2024.
  - The Board has approved an increase of the buy-back program, to allow up to $400M to be bought over the next 12 months. The timing and value of stock purchased will be dependent on the prevailing market conditions, share price and other factors.
- **Group outlook:**
  - Underlying EBIT in 2H FY2024 is expected to be in the range of $620M to $690M[1]. Expectations are subject to spread, foreign exchange and market conditions.

Other information required by Listing Rule 4.2A

This report is based on the consolidated financial statements for the half-year ended 31 December 2023, which have been reviewed by Ernst & Young. Additional information supporting the Appendix 4D disclosure requirements can be found in the 1H FY2024 Half Year Report which contains the Directors' Report and the financial statements and accompanying notes for the half year ended 31 December 2023.

1. Refer to 2H FY2024 Outlook section on page 17 of this document for outlook assumptions.

Half-Year Report
1H FY2024

BlueScope

Our Purpose

We create and inspire smart solutions in steel, to strengthen our communities for the future.

Our Bond

Our Bond outlines the guiding principles strengthening our business.

It identifies our key stakeholders, guides how we work together and conduct ourselves and continues to be our benchmark for success and choosing to do what is right

Our Customers are our partners

Our success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

Our Shareholders are our foundations

Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us all stronger.

Our People are our strength

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and family life. Our experience, teamwork and ability to deliver steel inspired solutions are our most valued and rewarded strengths.

Our Local Communities are our homes

Our success relies on communities supporting our business and products. In turn, we care for the environment, create wealth, respect local values, and encourage involvement. Our strength is in choosing to do what is right.

Contents

Cover Image: Polo House in Strath Creek, VIC featuring COLORBOND® steel in Shale Grey™

Section

01.

Earnings Report

Operations and Strategy

Description of Operations

BlueScope is a global leader in metal coating and painting for building and construction, employing approximately 16,500 people at over 160 sites in 15 countries.

Principally focussed on the Asia-Pacific region, the Group manufactures and markets a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of building products.

Our businesses

Australia

BlueScope is Australia's largest steel manufacturer, employing around 7,000 people at approximately 100 sites. The operations are a mix of large manufacturing plants, rollforming facilities and distribution centres, producing and selling quality branded products primarily for the Australian building and construction industry.

North America

BlueScope operates five businesses across North America, employing around 4,500 people: North Star BlueScope Steel, BlueScope Recycling and Materials, Buildings North America, BlueScope Coated Products and NS BlueScope North America.

North Star is a low-cost regional supplier of hot rolled coil, based in Ohio, serving automotive, construction and manufacturing end-use industries. North Star is highly efficient, operates at industry leading utilisation rates and is strategically located near its customers and in one of the largest scrap regions of North America. BlueScope Recycling and Materials (BRM) is a full-service, ferrous scrap metal recycler with three processing facilities in the region in which North Star operates.

Buildings North America, BlueScope Coated Products and NS BlueScope North America collectively focus on the large non-residential construction industry, supplying quality engineered buildings systems and high-quality metal coated and painted steel building products.

Asia

BlueScope has an extensive footprint across Asia, employing around 3,500 people in the region. The operations in Thailand, Indonesia, Vietnam, Malaysia, India and China all primarily serve the domestic building and construction industries in each country in which it operates.

BlueScope operates in partnership with Nippon Steel Corporation (NSC) across Southeast Asia (and the West Coast of North America at NS BlueScope North America) and with Tata Steel in India. Both are 50/50 joint ventures with BlueScope controlling and therefore consolidating the joint venture with NSC, and jointly controlling and therefore equity accounting the joint venture with Tata Steel.

New Zealand and Pacific Islands

The New Zealand Steel business is the only steel producer in New Zealand, with operations also including the Waikato North Head iron sands mine, the Pacific Steel long products business and the Pacific Islands businesses. In the region, the business employs around 1,500 people, and produces a range of flat and long steel products, primarily for domestic use.

In summary

BlueScope has outstanding assets and capability

- Strong operating leverage from a diverse business portfolio.
- A global leader in metal coating and painting for building and construction.
- Iconic industrial brand position of COLORBOND® steel.
- Integrated and resilient Australian business delivering returns across the cycle.
- Expanded footprint across the US flat steel value chain, providing an exciting platform for growth.
- One of the most productive and profitable mini-mills in the US in North Star.
- Expansive footprint across high growth Asian markets.

A Resilient Business Delivering Returns Through the Cycle

Diversified business delivering through-cycle quality earnings

- Leading positions in Australia and NZ; best-in-class steelmaking in the US
- Suite of premium branded products and solutions that enhance margins

Performance underpinned by high quality assets, robust balance sheet and disciplined approach to capital allocation

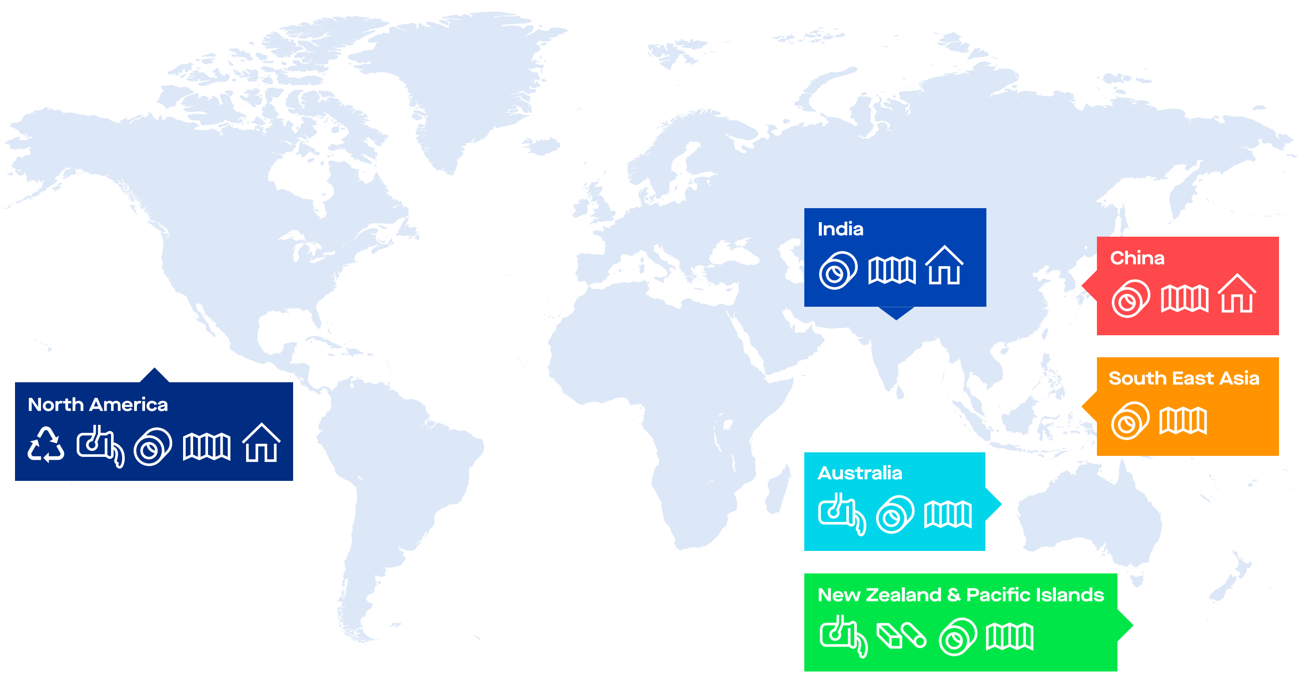
Outstanding growth opportunities across core business

- Continued product shift towards premium branded products in Australia / NZ
- Volume growth from investments in advantaged US steelmaking asset
- Growing coating and painting capability in the US

Securing long-term future through decarbonisation program and sustainability approach

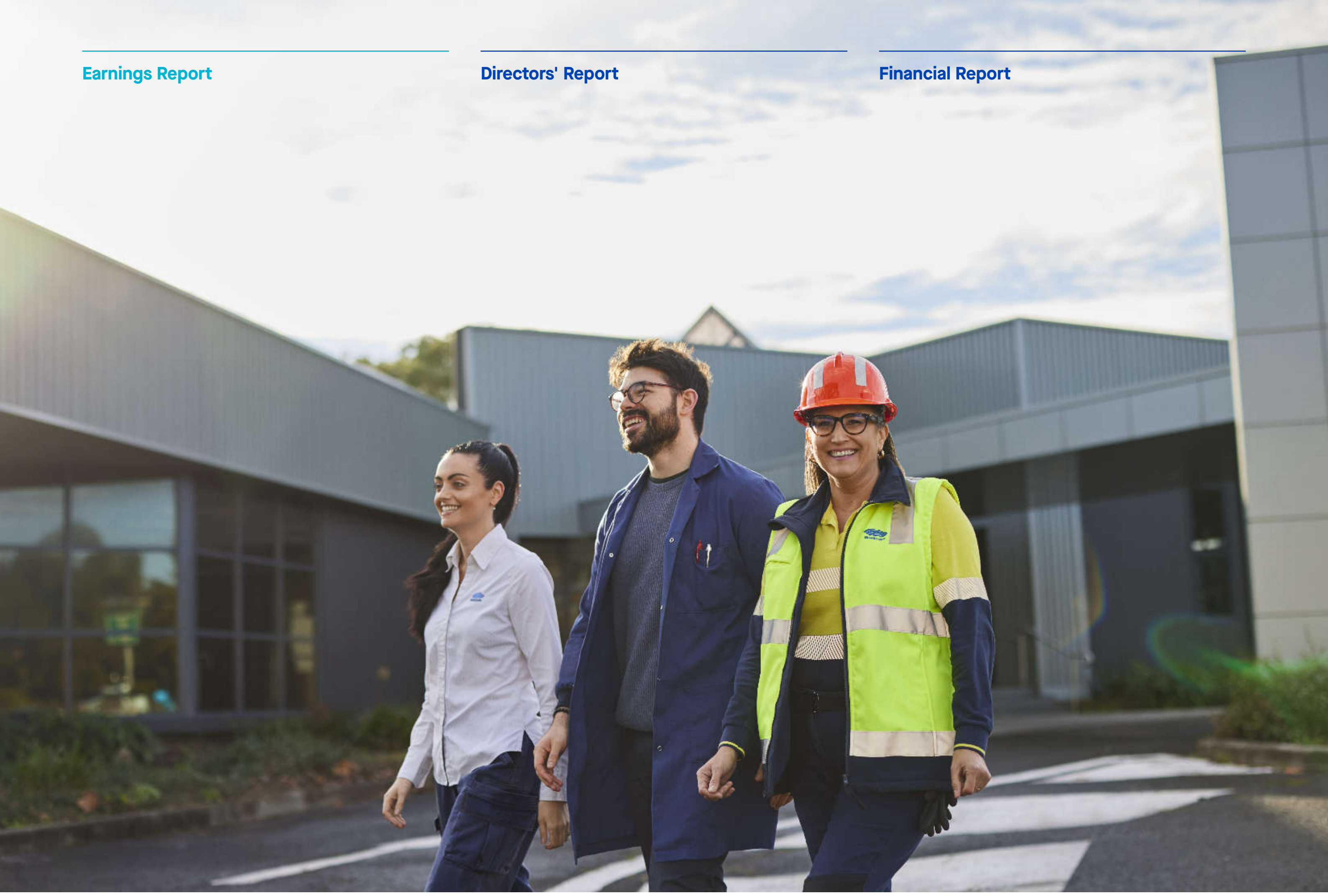
BlueScope's Operating Footprint

15 countries	160+ sites	16,500 employees



KEY

RAW MATERIALS	UPSTREAM	MIDSTREAM		DOWNSTREAM	
Recycling (scrap metal)	Steelmaking (flat products)	Metal coating and painting	Long products (rebar, wire)	Steel building materials and components	Steel buildings and systems



Well Positioned for the Favourable Long Term Outlook for Steel

The global green revolution driving demand for steel as a critical input for a clean energy future (incl. wind, solar and transmission infrastructure)

Steel intensive building and construction supported by a robust pipeline of public infrastructure and non-residential investment

Preference for lower density and regional housing maintained by consumers post-pandemic

Transition to the digital economy driving demand for steel intensive e-commerce infrastructure including warehouses, distribution centres and data centres

Recognition of the importance of domestic supply chains and sovereign manufacturing capability, given macroeconomic volatility

Consolidation and rationalisation in the US steel industry supporting enhanced supply-side discipline

Focus on overproduction and emissions reduction in China's steel industry improving regional industry conditions

Our Strategy and Financial Framework

Our Strategy

Our Strategy sets out how we will deliver on Our Purpose and deliver strong returns and sustainable outcomes over the next five years and beyond. Our Strategy drives transformation and growth, while continuing to deliver on core expectations for our stakeholders. Core elements of Our Strategy include investment in carbon reduction technologies, product and service innovation, and delivering a safe, inclusive and diverse workplace.

Transform	Grow	Deliver
Deliver a step change in customer experience and business performance	Grow our portfolio of sustainable steelmaking and world leading coating, painting and steel products businesses	Deliver a safe workplace, an adaptable organisation and strong returns

Our Financial Framework

Since 2017, our Financial Framework has provided clarity, both internally and to our investors, as to how we approach business performance measurement, capital allocation, the balance sheet and shareholder returns.

The Framework is comprised of three pillars:

		1H FY2024 Highlights
Returns Focus	• ROIC > WACC on average through the cycle • ROIC incentives for management and employees • Maximise free cash flow generation	13.4% ROIC
Robust Capital Structure	• Strong balance sheet, with a target of around $400M net debt[1] • Retain strong credit metrics • Intent to have financial capacity through the cycle to make opportunistic investments or to fund reinvestment in or a shutdown of steelmaking if not cash positive • Leverage for M&A if accompanied by an active debt reduction program	$614M Net Cash $3.2Bn Liquidity Investment Grade Credit Ratings
Disciplined Capital Allocation	• Invest to maintain safe and reliable operations, to support achievement of decarbonisation pathways, and in foundation and new technologies • Returns-focussed process with disciplined competition for capital between: – Growth capital – value creating investments and M&A – Shareholder returns (distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and on-market share buy-backs[2])	$155M Invested for Growth $306M Returned to Shareholders

1. In the short- to medium-term, BlueScope will retain balance sheet capacity to fund investment for growth and major projects.
2. On-market share buy-backs are an effective method of returning capital to shareholders given the flexibility they provide in managing BlueScope's capital and for the EPS enhancement they can deliver.

More information on BlueScope's Strategy and Financial Framework can be found at https://www.bluescope.com/about-us/our-strategy/

Project and Strategy Update

North America

Projects Underway

North Star Debottlenecking

- Ramp-up of initial expansion progressing well.
  - 320kt produced from expansion in 1H FY2024.
- Debottlenecking program under assessment.
  - Targeting an additional 500ktpa; concept cost estimate of $150M.
  - Projects include cooling and downcoiler upgrades, slab temperature upgrades and ladle isle flow upgrades.

BlueScope Recycling

- Integration complete, business performing well.
  - Processed 30% of North Star's 1H FY2024 scrap requirements.
- North Star sustainability and earnings enhanced via value-in-use assessments, tailoring supply to order book and improved supply visibility.
- Progressing initiatives to achieve ~40% scrap self sufficiency.
  - Installing pre-shredders and leveraging AI and robotics for enhanced nonferrous recovery.

BlueScope Coated Products

- Acquired 7 under-utilised paint lines for below replacement cost
  - Accelerated our positioning for US painted strategy and expanded execution options
- Work is underway to address near-term under-utilisation and progressing single-bill offering and COLORBOND® trials
- Medium- to longer-term US coated and painted opportunity remains attractive

Advancing Our US Value Chain Integration

Commencing feasibility study to further integrate US value chain through addition of cold rolling and metal coating capacity.

- Existing upstream footprint and acquisition of seven paint lines provides opportunity to integrate components of BlueScope's US value chain.
  - Commenced feasibility study with a focus on a potential new midstream facility, along with seeding and acquisition options.
  - Supports US growth strategy through supply of high quality feed to underpin painted growth (including roll out of COLORBOND® steel).
- Initially considering the addition of a total 550kt of cold rolling and metal coating capacity.
  - To be delivered in a phased approach to 2030, to grow capacity modular steps aligned with execution of broader painted growth opportunity.
  - Preliminary total capital estimate of up to ~US$1.2Bn across next seven years (if fully executed).
- Update to be provided in 2H CY2024.

Location	Site	Product	Capacity (per annum)
Delta, OH	North Star	Hot Rolled Coil	3.5mt *(post expansion)*
Midwest locations logical for supply chain *incl. Ohio, Indiana, Michigan and Tennessee*	New Midstream Facility: Pickle Line	Pickled Hot Rolled Coil	550kt
	Cold Rolling Mill	Cold Rolled Coil	550kt
	Metal Coating Line *(x2)*	Metallic Coated Coil *(Galvanised / Galvalume)*	550kt
Middletown, OH, Marietta, GA & Jackson, MI	BlueScope Coated Products	Painted Coil *(including COLORBOND® steel)*	~450kt

Australia

Projects Underway

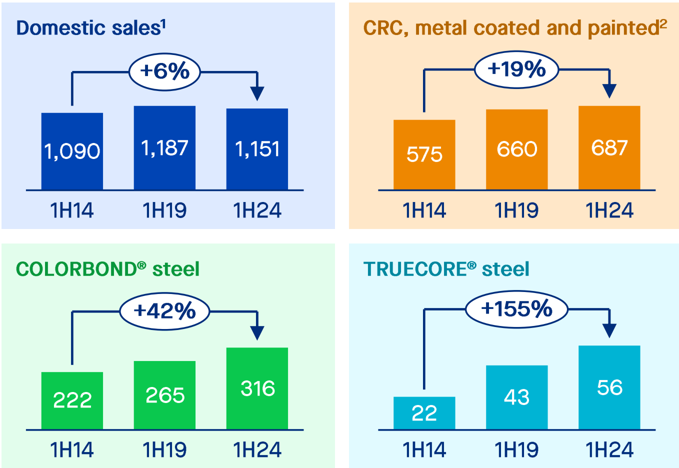
6BF Reline & Upgrade	MCL7 in Western Sydney
• Project to secure future of ironmaking at PKSW underway. – Commenced early works, incl. mobilising contractors and installation of key equipment. – Long lead-time items advanced. • Transition from existing 5BF to relined 6BF expected in mid to late-2026. – Continue to expect a total capital cost of ~$1.15Bn. – ~$140M grant from Australian Government to partly offset capital costs over next 3 years.	• Additional metal coating capacity to •support continued shift towards premium branded products. • Project progressing to plan. – Civil work nearing completion. – Equipment supply on track. • Expect commissioning by the end ofCY2025. – Total capacity of 240ktpa, located adjacent to Western Sydney paint line. – Total capital cost expectation remains at ~$415M.

Premium Branded Products and Value-Adding Solutions

Shifting increasing proportions of ASP's steel production into premium branded products and value-adding solutions – a through-cycle growth opportunity.

- Greater than system volume growth in premium branded products and value-adding solutions driven by:
  - Alignment of product offerings to meet favourable demand preferences for design, durability, utility and efficiency.
  - Ongoing innovation and extension of product applications, which have opened new avenues for growth (e.g. cladding, facades, light gauge framing).
  - Continued investment in company's customer-centric initiatives, to bolster through-channel demand
- Growth to continue, particularly in premium branded products on continued innovation and investment.

Despatch volumes by category / product (kt)



1. Domestic sales reflect ex-mill volumes.
2. Includes cold rolled, metal coated, painted and other.

Positioning Substantial Portfolio of Land for Strategic Value

Includes ~1,200-hectares of adjacent landholdings, to be positioned for strategic value.

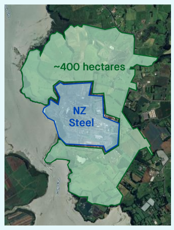
- Reviewing potential use for land through Master Planning processes
  - Considering interaction with existing operations and implications for potential use
  - Potential uses to be reviewed in concert with associated long-term planning requirements
  - Opportunities may range from long-term leasing through to sale
- Execution model under development
  - Program to be led by corporate function
  - Initial focus on determining potential use opportunity for each site

Port Kembla, NSW

- ~200ha, 80km from Sydney on a deep-water port
- Completed Master Plan considers mixed commercial use; signed MoU with NSW Gov't for Super TAFE

Glenbrook, NZ

- ~400ha, 40km from Auckland
- Master Planning process underway
- Determining potential industrial uses that complement operations

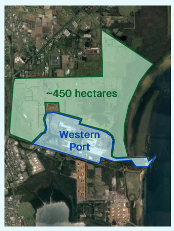


West Dapto, NSW

- ~200ha, 80km from Sydney near a major residential development area
- Potential future uses include residential and mixed commercial use depending on approvals

Western Port, VIC

- ~450ha, 60km from Melbourne, on a deep-water port
- Master Planning process to be commenced; wide spectrum of potential uses to be considered



Sustainability Update

Climate Change

In 1H FY2024, BlueScope continued to make progress on its decarbonisation journey, having commenced execution of the project to install a new Electric Arc Furnace (EAF) at New Zealand Steel's Glenbrook works. The business also continues to support research into hydrogen-based ironmaking processes utilising New Zealand ironsands, in partnership with Victoria University, Wellington.

In Australia, in addition to the partnership with Rio Tinto and BHP, BlueScope made significant progress in its Australian Direct Reduced Iron (DRI) Options Study, completing the first phase of the project which narrowed iron and steelmaking options, with a focus on DRI technologies. Work is now underway to understand how to unlock the enablers (such as energy supply and government support) that will underpin these identified options. BlueScope also deepened its collaborations with global steelmaking technology partners thyssenKrupp, Tata Steel & POSCO, to better understand potential technology pathways for lower emissions iron and steelmaking.

Further progress has been made on a range of projects to optimise existing operating assets at the Port Kembla Steelworks, including commencing feasibility for the installation of a new Plate Mill furnace, enhancing the facility's efficiency and reducing emissions. BlueScope also signed memorandums of understanding with three Australian biochar providers and is now pursuing potential funding opportunities with governments. Hot torpedo lid trials are in the final stages of equipment design and fabrication, which will reduce the heat loss in the transfer of liquid iron to the Basic Oxygen Furnace to allow an increase in scrap consumption.

Multiple projects across non-steelmaking sites are set to deliver gas and electricity use improvements. Projects include the replacement of a gas-fired oven for the paint line at our Western Port facility in Australia and the investigation of a paint oven upgrade at Steelscape's Rancho Cucamonga site in the US. Small-scale solar projects are progressing across ASEAN sites, delivering efficiency in our energy use and emissions reductions. Under this program of work, a fivemegawatt capacity solar farm was completed and became operational in Malaysia during the period.

Partnering with Rio Tinto and BHP

Working together to unlock ironmaking decarbonisation using Pilbara ores

- Focus is on developing Electric Smelter Furnace (ESF) technology
  - Technology has the potential to unlock emissions intensity reduction of >80% through Hydrogen DRI-ESF process (compared to Blast Furnace process)
- Collaboration provides a platform to develop and potentially invest in a pilot facility
  - Leverages BlueScope's unique operating experience in ESF technology and Rio Tinto's and BHP's deep knowledge of Pilbara iron ores

New Zealand Steel EAF

BlueScope and NZ Government agreed to co-fund NZ$300M in decarbonisation of NZ Steel

- Reduces NZ Steel's Scope 1 and 2 greenhouse gas emissions by more than 45%
  - Project on schedule
  - Initial construction and equipment supply contracts commenced
- Domestic scrap supply contract in place
  - Expect commissioning during FY2026
  - Total capital cost estimate remains at NZ$300M
  - NZ$140M co-funded by the New Zealand Government

Health, Safety and Environment (HSE)

BlueScope's integrated HSE strategy has embraced a people centred approach and embedded a culture of learning from our people. In 1H FY2024, BlueScope progressed the roll out of its HSE culture, systems and reporting to recently acquired businesses, and continued its focus on balanced indicators to build capability and drive focus on controlling critical risk/life changing events.

In October 2023, BlueScope was recognised by the Worldsteel Association for safety culture and leadership in the 2023 Safety and Health Excellence Recognition program. As an example of this leadership, BlueScope played a significant role as the founding sponsor and key contributor to the Global Safety Innovation Summit in Wollongong, NSW in February 2024, bringing leading companies and experts together to explore and share ways of improving the delivery of safe work.

In 1H FY2024, BlueScope employees identified 271 team-based HSE risk control improvement projects to be completed across FY2024. These projects build capacity in how we manage material risks, to reduce the likelihood of life-changing and significant events. In addition, during the half 22 environmental improvement projects were submitted as entries in the annual BlueScope Environmental Awards, which resulted in a reduction of approximately 8,300 megawatt hours in electricity consumption, a saving of around 290,000 gigajoules of natural gas and approximately $3.3M in annualised cost savings.

Since 2020, 1,835 of BlueScope's leaders have participated in expert-led HSE risk management workshops, with over 300 of BlueScope's supply chain and industry partners also participating during this time, including a BlueScope sponsored Worldsteel Association workshop held during the half. In addition, 374 employees were involved in business-led HSE learning programs in 1H FY2024, as this lead metric shifts from leaders to incorporate broader workforce participation and learning.

The lagging injury metric TRIFR was 7.6 per million hours worked in 1H FY2024, above the top end of the long term historical range of 5-7, with the inclusion of recent scrap and coil painting acquisitions. The injury profile during the half continued to be mostly lower severity injuries (e.g. sprains, lacerations), with one of the injuries resulting in a permanent incapacity, and seven having had the potential to be a fatal incident.

Regulatory Proceedings

On 29 August 2023, the Federal Court awarded a penalty of $57.5M against BlueScope, in relation to the civil proceeding brought by the ACCC. This penalty has been paid to the Commonwealth of Australia, and BlueScope has since appealed the findings.

At June 2023, in the absence of a final determination of the matter, BlueScope recognised a provision for an estimate of penalty and legal costs of $45.0M. BlueScope recognised an additional one-off cost in 1H FY2024 to cover the full amount of the penalty.

Sustainable Supply Chain

BlueScope seeks to foster responsible business practices and uphold human rights through engagement, risk assessment and improvement activities, and endeavours to partner with suppliers who share our core values.

BlueScope has completed the Engage and Assess process with 458 suppliers since the start of its responsible sourcing program in late FY2019. Around 70% of all assessments have been through the EcoVadis process, 73% of which have been low risk, 24% have been medium risk and 3% have been high risk.

145 assessments were completed during 1H FY2024, which included a mix of new supplier assessments, re-assessments and shared assessments[1]. There was a significant increase in shared assessments identified through the new EcoVadis IQ Plus module which was implemented in October. The module provides visibility of ESG risks across more of our suppliers (including those who have not previously been assessed).

Our on-site audit program has continued in 1H FY2024, with four onsite audits of supplier sites undertaken. All four audits identified high-risk issues, indicating the process is correctly identifying high-risk suppliers for auditing. The procurement teams have engaged with each supplier to implement corrective actions and to improve their processes and controls.

The global procurement teams continued to increase their responsible sourcing knowledge and engagement with suppliers. In September 2023, the BlueScope Buildings North America business hosted a Sustainability Summit which was attended by key customers and suppliers.

BlueScope's updated Supplier Code of Conduct was launched both internally and to suppliers during the half. Several supplier webinars were hosted to explain the importance of our Supplier Code of Conduct and our expectations of suppliers as it relates to sustainability.

Social Impact, Inclusion and Diversity

Living Our Purpose and Our Bond form a strong basis of our culture. We continue to build on these foundations through an inclusive workforce which reflects the diversity of the communities in which we operate.

Female representation continues to be a key focus for the Company, as we strive to build a workforce which reflects the diversity of the communities in which we operate. In terms of our performance year to date, we are stable in our current position and have detailed strategies in place to further drive female representation. Beyond gender strategies are continuing to gain traction across the business units, designed to suit local community needs.

We continue to drive our Social Impact program of work, and heavily engage with business leaders on potential risk areas in each of the geographic regions. A third-party audit was conducted in Thailand in late 1H FY2024, which was focussed on our contractor workforce. Following this, a remediation plan is being developed, aligned to our remediation principles. More information on this audit will be included in our FY2024 Sustainability Reporting Suite.

1. Shared assessments are those that suppliers have done for other customers that they then share with BlueScope.

Group Financial Review

1H FY2024 Highlights

Sales from continuing operations

$8,538.8M

↓ 8% on 1H FY2023

Reported NPAT

$439.3M

↓ 27% on 1H FY2023

Underlying EBIT

$718.4M

↓ 16% on 1H FY2023

Underlying ROIC[1]

13.4%

↓ from 23.4% in 1H FY2023

Capital Management

Fully franked interim dividend of 25.0cps

Extension of buy-back to allow up to $400M to be bought over next 12 months

Net Cash

$613.7M

↑ from $606.1M at 31 Dec 22

1. Return on Invested Capital – calculated as last 12 months' underlying EBIT over trailing 13 month average capital employed.

Financial Summary

Table 1: Financial summary

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Underlying earnings per share (cps)	**104.9**	131.5	(20%)
Net Debt / (Cash)	**(613.7)**	(606.1)	(1%)
Gearing %	**N/A - net cash**	N/A - net cash	-
Leverage (net debt / LTM underlying EBITDA)	**N/A - net cash**	N/A - net cash	-

1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. Underlying adjustments included discontinued operations, acquisitions and disposals of businesses, asset impairments/write-backs and restructuring costs. Tables 12, 13 and 14 explain why the Company has disclosed underlying results and provide reconciliations of underlying earnings to reported earnings.

Revenue

The 8% decrease in sales revenue from continuing operations was primarily due to lower selling prices and lower despatch volumes, partially offset by favourable impacts from a weaker Australian dollar exchange rate (A$:US$).

Earnings Before Interest & Tax

The 16% decrease in underlying EBIT reflects:

- $104.9M spread decrease, primarily due to:
  - lower domestic prices ($796.8M)
  - Partially offset by lower raw material costs ($636.4M), particularly lower coal costs at ASP, and higher export prices ($55.6M)
- $3.5M favourable impact of volume/mix
- $45.6M unfavourable movement in costs, comprised of:
  - $10.3M cost improvement initiatives, primarily at ASP, CPA and North Star
  - $0.9M unfavourable volume impact on costs
  - $67.9M unfavourable impact of general cost escalation including higher labour costs, provision adjustments and maintenance costs, partly offset by lower freight costs
  - $12.9M favourable movement in other costs
- $14.1M favourable translation impact from a weaker A$:US$ exchange rate

The $152.6M (18%) decrease in reported EBIT reflects the movement in underlying EBIT discussed above and $19.8M unfavourable net underlying adjustments as outlined in Tables 13 and 14.

Finance Costs and Funding

Net finance costs decreased in 1H FY2024 by $21.3M compared to 1H FY2023, largely due to higher interest income on cash and investments due to rising interest rates in 1H FY2024, and a non-repeat of the interest incurred on the now retired US$300M Reg-S Bonds in 1H FY2023.

Financial liquidity was $3,171.7M at 31 December 2023 ($3,317.1M at 30 June 2023), comprised of $1,833.9M committed undrawn bank debt capacity and $1,337.8M cash. Liquidity in the NS BlueScope Coated Products JV was $816.0M, which is included in the Group liquidity measure.

Tax

1H FY2024 tax expense of $165.9M (1H FY2023 $175.2M), equivalent to an effective tax rate of 24.4% (1H FY2023 21.8%), was impacted by lower profits in the current period and the recognition of previously unrecognised timing differences in the comparative period.

The BlueScope Australian consolidated tax group made $115.4M in corporate income tax payments in 1H FY2024, generating franking credits to allow both the final dividend paid in 1H FY2024 (in respect of FY2023) to be fully franked, and franking credits to be attached to the 1H FY2024 interim dividend.

Dividend and Capital Management

BlueScope's capital management policy:

- The Group pursues a returns-focussed process with disciplined competition for capital that balances annual shareholder returns and long term profitable growth.
- Having regard to the above, the current policy is to distribute at least 50% of free cash flow to shareholders in the form of consistent dividends and buy-backs.
- In the short- to medium-term, BlueScope will retain balance sheet capacity to fund investment for growth and major projects.
- In the longer term, BlueScope will continue to target around $400M net debt.

Dividend:

- Since August 2021, BlueScope has targeted an annual ordinary dividend of 50cps per annum. Aligned to this, the Board has approved the payment of an interim ordinary dividend of 25.0 cents per share in regards to 1H FY2024, which will be fully franked for Australian tax purposes.
- As the dividend is fully franked, there is no requirement for it to be declared to be conduit foreign income, and there are no New Zealand imputation credits attached to the interim dividend. BlueScope's dividend reinvestment plan will not be active for the interim dividend.
- Relevant dates for the interim dividend are as follows:
  - Ex-dividend share trading commences: 23 February 2024.
  - Record date for dividend: 26 February 2024.
  - Payment of dividend: 26 March 2024.
- The Board intends to review the dividend level during 2024, in light of the growth and resilience of BlueScope's business portfolio, the reduced share count[1] and the medium-term macroeconomic and industry outlook.

Buy-back:

- BlueScope will continue to use on-market share buy-backs to supplement the payment of consistent dividends. Buy-backs are attractive given the flexibility they provide in managing BlueScope's capital and for the EPS enhancement they can deliver.
- During 1H FY2024, $193M of shares were bought through the buy-back program.
- The Board has approved an increase in the scale and tenor of the buy-back program to allow up to $400M to be bought over the next 12 months. The timing and value of stock purchased will be dependent on the prevailing market conditions, share price and other factors.

Financial Position

Net assets increased $30.7M to $11,061.4M at 31 December 2023 from $11,030.7M at 30 June 2023. Net assets were higher as a result of foreign exchange translation (approximately $180M) primarily as a result of a stronger A$:US$. This was more than offset by an increase in net assets in their functional currency.

Significant movements in underlying currency were:

- $310M decrease in creditors mainly due to lower volumes and prices for raw material and other purchases
- $200M increase in property, plant and equipment
- $150M decrease in provisions due largely to decreased employee bonus provisions
- $70M decrease in the provision for income tax due to tax payments exceeding tax expense
- Partially offset by a $340M decrease in receivables due to lower volumes and selling prices, a $90M decrease in inventories and an $85M decrease in cash.

1. 145.2 million shares bought back and cancelled since FY2017, delivering a 31% improvement in earnings per share (EPS)

2H FY2024 Outlook

Group outlook:

- Underlying EBIT in 2H FY2024 is expected to be in the range of $620M to $690M. Slightly below 1H FY2024 in an environment of unprecedented softness in Asian steel spreads – reinforcing the strength of BlueScope's diversified business model.
- For the purposes of the outlook, the Company has made the following 2H FY2024 average assumptions[1]:
  - Lagged spreads:
    - US mini-mill benchmark spreads to be ~US$510/t[2].
    - Asian benchmark spreads to be ~$145/t[3].
  - –Unlagged prices:
    - East Asian HRC price of ~US$575/t.
    - 62% Fe iron ore price of ~US$125/t CFR China.
    - Index hard coking coal price of ~US$285/t FOB Australia.
    - A$:US$ at US$0.67.
- Relative to 1H FY2024, expect higher underlying net finance costs, a lower underlying tax rate and higher profit attributable to non-controlling interests.

Expectations for the performance across our businesses in 2H FY2024 relative to 1H FY2024 are as follows:

- Australia:
  - Expect a result less than half that of 1H FY2024, due to weaker benchmark spreads and unfavourable realised pricing. Similar domestic volumes and conversion costs are expected.
- North America:
  - Expect a significantly higher result than 1H FY2024.
  - North Star – expect a result approaching double that of 1H FY2024, due to higher benchmark spreads and favourable realised pricing[4]. Also expect an additional contribution from expansion volumes and improved conversion costs.
  - Buildings and Coated Products North America – expect a result slightly below that of 1H FY2024, as continued easing of cyclically strong margins are part offset by BPG project sales.
- Asia:
  - Expect a result around three quarters that of 1H FY2024.
  - Southeast Asia and India – expect a similar result to 1H FY2024.
  - China – expect a softer result on typical seasonality.
- New Zealand and Pacific Islands:
  - Expect a result approaching double 1H FY2024, due to a non-repeat of higher conversion costs driven by maintenance shuts and improved domestic despatches.
- Intersegment, Corporate & Group:
  - Expect unfavourable performance compared to 1H FY2024 on non-repeat of profit in stock benefit.

1. All volumes quoted in metric tonnes.
2. 2H FY2023 US mini-mill lagged benchmark spread expectation reflects a ~US$105/t increase on 1H FY2024 (US$405/t).
3. Infers an FOB iron ore estimate by deducting the Baltic cape index freight cost from CFR China iron ore price. 2H FY2023 Asian lagged benchmark spread expectation reflects a ~US$85/t decrease on 1H FY2024 (US$230/t).
4. 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 is more fully reflected over the medium-term.

Business Unit Reviews

Australia

BlueScope's Australian business, Australian Steel Products (ASP), employs around 7,000 employees at approximately 100 sites, being a mix of large manufacturing plants, rollforming facilities and distribution centres across Australia.

The business specialises in flat steel products, including hot rolled coil, cold rolled coil, plate and value-added metallic coated and painted steel solutions. Its key focus is on higher value, branded products for the building and construction industry.

The Port Kembla Steelworks – in New South Wales' Illawarra region – is the largest steel production facility in Australia, with an annual crude steel production capacity of over three million tonnes.

BlueScope's branded products are recognised leaders in Australia, and include COLORBOND® steel, TRUECORE® steel, ZINCALUME® metallic coated steel, TRU-SPEC® steel.

The ASP segment includes LYSAGHT® and FIELDERS® building products, Orrcon Steel® pipe and tube manufacturing and distribution, and BlueScope Distribution across Australia.

Financial Performance – 1H FY2024 vs. 1H FY2023

Sales revenue

The $502.7M decrease in sales revenue was primarily due to lower despatch volumes and lower domestic selling prices.

EBIT performance

The $16.1M decrease in underlying EBIT was primarily due to lower realised spreads on lower domestic selling prices, partially offset by lower raw material costs, particularly lower coal costs.

Return on invested capital

ROIC decreased to 14.5% driven by lower EBIT and higher net operating assets. Net operating assets at 31 December 2023 were $59.3M higher than at 31 December 2022, driven by higher fixed assets, partially offset by lower receivables and inventory.

Underlying adjustments in reported EBIT are set out in tables 13 and 14.

Key Financial and Operational Measures

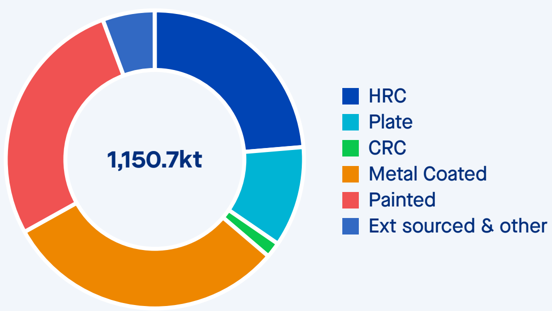
Table 2: ASP financial performance

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**3,587.0**	4,089.7	(12%)	3,840.5
Reported EBIT	**235.2**	273.8	(14%)	218.3
Underlying EBIT	**257.7**	273.8	(6%)	263.3
NOA (pre tax)	**3,554.3**	3,495.0	2%	3,466.0
Underlying EBIT ROIC	**14.5%**	23.7%	-9.2%	14.4%

Table 3: ASP steel sales volume

'000 tonnes	1H FY2024	1H FY2023	Var %	2H FY2023
Domestic				
- ex mill	**1,084.8**	1,088.1	(0.3%)	1,164.3
- ext sourced	**65.9**	71.1	(7%)	51.6
Export	**380.6**	519.2	(27%)	430.8
Total	**1,531.4**	**1,678.5**	**(9%)**	**1,646.6**

Chart 1: 1H FY2024 ASP domestic sales volume mix



Sales and operations

Domestic mill sales

1H FY2024 domestic sales volumes ex-mill decreased 3.3kt on 1H FY2023 to 1,084.8kt. Despatch volumes were slighter lower in 1H FY2024 as minor softening in residential and manufacturing segments was partially offset by stronger non-residential and engineering segments.

Sales into the residential construction segment decreased slightly in 1H FY2024 compared to 1H FY2023. Whilst detached housing approvals have moderated from their recent record levels, demand has been supported by ongoing strength in the Alterations and Additions sub-segment, along with targeted campaigns that continue to focus on consumers, builders, and fabricators, which saw total sales of COLORBOND® steel remain at historically robust levels in the half.

During 1H FY2024, builders continued to work through the tail end of the extended pipeline coming out of prior years' elevated demand environment, covering both new detached dwellings and alterations and additions.

Sales into non-residential construction were higher in 1H FY2024 compared to 1H FY2023, and remained broadly resilient supported by a number of factors. A robust pipeline of projects and continued strengthening of approvals has supported both Commercial and Industrial as well as Social and Institutional activity. The Social and Institutional sub-segment continues to be supported by government investment in major health and education projects.

The pipeline of projects across the Commercial and Industrial sub-segment continues to support demand, with improving supply chains further strengthening sentiment. Investment in factories and retail segments was stronger, and demand for new warehousing continued to be buoyed by the shift towards e-commerce.

Sales into the engineering segment were higher in 1H FY2024 compared to 1H FY2023, with activity in these sectors supported by the national infrastructure plan, particularly in roads and rail. Demand in the manufacturing sector was down slightly on 1H FY2023.

Sales into the mining segment were slightly higher in this period following post pandemic strength. We see further long-term growth opportunities in plate products with increased demand in infrastructure, defence and renewables segments. A project to upgrade the Plate Mill is currently being assessed to support this growth in demand.

Demand in the agriculture segment was lower in 1H FY2024. After a sustained period of solid investment in this segment following severe drought and bushfire impacts, this is now normalising.

Export sales

Despatches to export customers in 1H FY2024 (380.6kt) were lower than 1H FY2023 (519.2kt), driven by a sell down of inventory that occurred during 1H FY2023. Export margins were lower in 1H FY2024 than the prior calendar period due to lower global steel prices.

Export coke sales

In 1H FY2024, export coke despatch volumes were 328.5kt, reflecting a 22% increase on 1H FY2023 due to timing of shipments. Margins were lower in 1H FY2024 with tighter coke market conditions driven by higher coal price leading to spread compression.

North America

BlueScope operates five businesses in North America, employing around 4,500 people. BlueScope's North American operations are represented in two reporting segments; North Star and Buildings and Coated Products North America (BCPNA). The North Star reporting segment comprises the North Star BlueScope Steel (North Star) and BlueScope Recycling and Materials (BRM) businesses. The BCPNA segment comprises Buildings North America (BNA), BlueScope Coated Products (BCP) and NS BlueScope Coated Products (Steelscape and ASC Profiles).

Established in 1996 in Delta, Ohio, North Star is one of the most efficient steel mills in North America producing high quality hot rolled coil from electric arc furnaces, using scrap metal, pig iron and alloys. North Star is consistently rated as one of the top producers of flat rolled steel in North America in the annual Jacobson Survey of steel customers measuring customer satisfaction. The business services the US domestic automotive, non-residential construction manufacturing and agricultural end-use segments, predominantly through service centres.

BRM is a full-service, ferrous and non-ferrous scrap metal recycler, primarily focussed on supplying North Star's scrap requirements. The business operates across three sites in Delta, Ohio (adjacent to North Star), Waterloo, Indiana and Mansfield, Ohio.

Servicing the low-rise non-residential construction segment, BNA is a leader in engineered building solutions (EBS), pre-fabricating the likes of distribution centres, factories and stores. BNA provides an integrated offering of building products and services through its portfolio of brands, including the highly recognised BUTLER® and VARCO PRUDEN™ engineered building brands. The BNA business also includes the BlueScope Properties Group (BPG), which develops industrial real estate, consisting predominantly of warehouses and distribution centres.

BCP is the second largest metal painter in the US, with a total capacity of around 900,000 tonnes per annum across seven facilities; five light gauge and two heavy gauge coil painting facilities. The business predominantly serves commercial and industrial construction applications, and is known for its customer service levels, particularly related to flexibility of paint systems on both steel and aluminium substrates.

BlueScope operates the NS BlueScope Coated Products business on the West Coast of the US as part of its 50/50 joint venture with Nippon Steel Corporation (NSC). This includes the Steelscape metal coating and painting business and the ASC Profiles building products business, both of which primarily serve the Western US non-residential construction industry.

Key Financial and Operational Measures

Table 4: North America performance

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**3,502.3**	3,510.7	(0.2%)	3,509.2
Reported EBIT	**401.1**	464.5	(14%)	466.4
Underlying EBIT	**416.7**	483.6	(14%)	481.1
NOA (pre tax)	**5,330.4**	5,349.1	(0.3%)	5,442.3
Underlying EBIT ROIC	**16.4%**	27.6%	-11.2%	17.9%
Despatches	**233.8**	390.6	(40%)	255.1

Table 5: North Star performance

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**1,790.9**	1,633.6	10%	1,846.0
Reported EBIT	**200.0**	194.6	3%	238.4
Underlying EBIT	**201.2**	201.5	(0.1%)	241.5
NOA (pre tax)	**3,482.1**	3,487.0	(0.1%)	3,561.6
Underlying EBIT ROIC	**12.3%**	26.6%	-14.3%	12.6%
Despatches	**1,330.2**	1,089.4	22%	1,264.5

Table 6: North Star performance in US$M

US$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**1,169.4**	1,096.0	7%	1,244.8
Underlying EBITDA	**177.3**	173.4	2%	206.2
Underlying EBIT	**132.3**	136.1	(3%)	161.2

Table 7: BCPNA performance

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**1,768.6**	1,903.5	(7%)	1,737.4
Reported EBIT	**196.2**	265.1	(26%)	238.0
Underlying EBIT	**210.7**	277.3	(24%)	249.6
NOA (pre tax)	**1,854.0**	1,862.8	(0.5%)	1,891.3
Underlying EBIT ROIC	**24.3%**	28.9%	-4.6%	27.7%
Despatches	**630.0**	754.5	(17%)	677.9

Financial Performance – 1H FY2024 vs. 1H FY2023

Sales revenue

The $8.4M decrease in sales revenue was primarily due to lower selling prices, partially offset by higher despatches, and the favourable translation impact of a weaker A$:US$.

EBIT performance

The $66.9M decrease in underlying EBIT was due to:

- **North Star:** Delivered an underlying EBIT of $201.2M in 1H FY2024, compared to $201.5M in 1H FY2023. Lower spreads in 1H FY2024 were offset by higher despatches from the ongoing ramp up of the expansion, as well as lower costs.
- **BCPNA:** Delivered an underlying EBIT of $210.7M in 1H FY2024, compared to $277.3M in 1H FY2023. The decrease was primarily driven by lower margins, which are easing after a period of particular strength.

Return on invested capital

ROIC decreased to 16.4% driven by lower EBIT, partially offset by lower net operating assets. Net operating assets at 31 December 2023 were $18.7M lower than at 31 December 2022, driven by lower intangibles and higher payables, partially offset by higher inventory, higher receivables and lower capital creditors.

Underlying adjustments in reported EBIT are set out in tables 13 and 14.

Sales and operations

North Star (including BRM)

Benchmark Midwest steel prices and spreads softened during the first half of 1H FY2024, impacted by United Auto Workers strike activities and associated distributor destocking. Following the resolution of the strike in October, steel prices and spreads increased rapidly, as inventories were replenished and large mills increased prices as service centre demand recovered.

Demand for North Star's product remained solid throughout 1H FY2024 – with North Star again dispatching at full capacity through the period, other than during the scheduled maintenance outage in November 2023. Approximately 320kt was produced from the expansion project in 1H FY2024 during the ongoing ramp up process, which is progressing well. Whilst underlying demand remains robust, activity levels in the automotive segment were impacted by the previously mentioned strike activity. Activity across the non-residential construction sector continued to strengthen during 1H FY2024.

BRM continued to perform well during 1H FY2024, processing 30% of North Star's scrap requirement, with work continuing to increase processing capabilities to be able to supply around 40% of North Star's post-expansion total scrap requirement. Supply of hot briquetted iron continued in 1H FY2024 under the multi-year contract with Cleveland-Cliffs from their Toledo HBI plant, as part of North Star's diversified metallics supply arrangements.

Buildings and Coated Products North America

Buildings North America

Lower earnings 1H FY2024 compared to 1H FY2023 as spreads between pricing and raw material costs eased after a period of particular strength. 1H FY2024 despatches were 8% lower than the prior corresponding period primarily driven by timing of project deliveries.

Key initiatives being progressed to drive improved performance and support future growth potential include:

- A continued focus on segmentation to better understand, identify, prioritise and organise around the greatest opportunities for growth.
- The design and development of an extended data platform, to generate efficient, accurate and reliable business intelligence and customer insights.
- Foundational technology investment to modernise and provide a holistic digital engineering and customer experience.
- Continued investment in engineering and manufacturing capacity to enable business expansion.

BlueScope Properties Group (BPG) deferred its anticipated 1H FY2024 sale to 2H FY2024, and is expecting earnings to materialise during 2H FY2024 through project sales.

BlueScope Coated Products

Against stable end-use segment activity, the BCP integration program progressed slower than expected in 1H FY2024, with performance during the half impacted by production and quality challenges. A program of work is underway to address underperformance with a focus on operational performance, quality and supply chain optimisation.

The medium- to longer-term opportunity provided by BCP remains attractive - accordingly, the business continued to progress initiatives such as its single-bill and COLORBOND® offerings.

NS BlueScope Coated Products (Steelscape & ASC Profiles)

SteelScape (coating and painting) sales volume increased by 12% in 1H FY2024 compared to 1H FY2023, as customer sentiment improved in the half. In this supportive environment, some customers shifted from a focus on reducing inventory levels to building, reflecting improved activity levels during the period.

ASC Profiles (building components) sales volume decreased 9% in 1H FY2024 compared to 1H FY2023 primarily due to lower market demand and projects being delayed in the decking segment. Downstream spreads are declining as the high-priced Deck backlog is worked through and new orders are placed at lower sales price.

Asia

The business has an extensive footprint of metallic coating, painting and steel building product operations in Thailand, Indonesia, Vietnam Malaysia, India and China, primarily servicing the domestic residential and non-residential building and construction industries in each country in which it operates. Collectively, these businesses employ around 3,500 people, and form the Coated Products Asia (CPA) reporting segment.

BlueScope is a technology leader in metal coated and painted steel building products, with a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of building products.

BlueScope operates its Southeast Asian businesses in partnership with Nippon Steel Corporation (NSC) and in India with Tata Steel. Both are 50/50 joint ventures, with BlueScope controlling and therefore consolidating the joint venture with NSC, and jointly controlling and therefore equity accounting the joint venture with Tata Steel.

The BlueScope China business is wholly owned by BlueScope and is comprised of metal coating, painting and Lysaght operations, and Engineered Buildings Solutions (EBS).

Financial Performance – 1H FY2024 vs. 1H FY2023

Sales revenue

The $331.5M decrease in sales revenue was primarily due to lower despatch volumes in China.

EBIT performance

The $33.7M increase in underlying EBIT was due to:

- **Southeast Asia:** Delivered an underlying EBIT of $53.2M in 1H FY2024, compared to $(19.2)M loss in 1H FY2023. The increase was driven by significantly higher margins on lower steel feed costs.
- **China:** Delivered an underlying EBIT of $40.3M in 1H FY2024, compared to $73.5M in 1H FY2023. The decrease was driven by lower despatch volumes, partially offset by higher margins.
- **India:** Delivered an underlying EBIT of $2.6M (50% basis) in 1H FY2024, compared to $11.4M in 1H FY2023. The decrease was driven by lower margins, partially offset by higher despatches.

Return on invested capital

ROIC increased to 16.4% driven by higher EBIT and lower net operating assets. Net operating assets at 31 December 2023 were $171.0M lower than at 31 December 2022, driven by lower inventory, lower fixed assets and lower receivables, partially offset by lower payables.

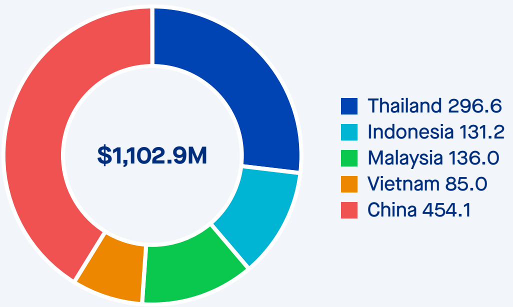
Underlying adjustments in reported EBIT are set out in tables 13 and 14.

Key Financial and Operational Measures

Table 8: CPA performance[1]

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**1,102.2**	1,433.7	(23%)	1,196.9
Reported EBIT	**95.7**	62.0	54%	29.6
Underlying EBIT	**95.7**	62.0	54%	79.6
NOA (pre tax)	**990.7**	1,161.7	(15%)	998.3
Underlying EBIT ROIC	**16.4%**	10.4%	+6.0%	12.4%
Despatches	**530.9**	491.0	8%	513.2

Chart 2: 1H FY2024 Segment geographic sales revenue, $M[1]



1. Revenue and despatch data excludes India, which is equity accounted, and intersegment eliminations.

Table 9: India performance

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Tata BlueScope Steel (100% basis)				
Sales Revenue	**383.0**	266.8	44%	357.0
Underlying EBIT	**10.4**	27.3	(62%)	21.7
Underlying NPAT	**4.9**	22.5	(78%)	17.9
Despatches	**215.7**	132.1	63%	193.9
BlueScope share (50% basis)				
Underlying equity accounted profit	**2.6**	11.4	(77%)	9.1

Sales and operations

Southeast Asia

1H FY2024 sales volumes across the ASEAN business decreased by 3% on 1H FY2023 levels, driven by increased competition from imports and aggressive pricing due to excess capacity in the region impacting particularly the retail segment.

Demand in the project segment was stable. In the retail segment, the business continues to focus on the Authorised Dealer network, with a growing focus on alternative distribution channels in some segments.

Cost and productivity improvement programs continue to deliver incremental benefits, and the business is now balancing robust cost discipline to address the high inflationary environment and investment in future growth.

Sales and operations (cont)

China

Following a soft first half of calendar 2023, the Chinese economy showed some slight improvement through the end of the year, however activity in key steel consuming sectors (such as real estate) remained challenged. The muted economic performance saw lower than expected levels of infrastructure related stimulus programs impacting building and construction activity.

BlueScope China delivered a softer half-year underlying EBIT in 1H FY2024 compared to the record performance in 1H FY2023, impacted by a reduction in despatch volume of around 40%, due to lower levels of construction activity, particularly driven by softer demand from the electric vehicle manufacturing sector.

Sales volume of coated products decreased 25% in 1H FY2024 on the prior corresponding period, with less pull-through from downstream Buildings and Components businesses. However, the ongoing successful promotion of Next Generation ZINCALUME® steel continues to position the business as a premium supplier of coated steel, which has combined with the focus on sectors of the economy that are showing higher than GDP growth levels to deliver robust margins.

India (in joint venture with Tata Steel (50/50) for all operations)

Despatch volumes in the Tata BlueScope Steel (TBSL) business increased 63% in 1H FY2024, compared to 1H FY2023, whilst average selling prices softened period on period. TBSL margins were softer in 1H FY2024 compared to the prior corresponding period, as the business integrated product from the new supply agreement.

The growth in volume is a result of the Supply Agreement with Tata Steel, which was signed in late FY2023. In total, 88kt of products were supplied under the agreement in 1H FY2024. This supply agreement provides an exciting growth opportunity for Tata BlueScope Steel and the team is working closely with Tata Steel to enhance the quality of the products and optimise the cost of production, so as to establish a premium position for these products.

New Zealand & Pacific Islands

The New Zealand & Pacific Islands (NZPI) business comprises the Waikato North Head mine, New Zealand Steel, Pacific Steel and the Pacific Islands businesses.

As the only steel producer in New Zealand, New Zealand Steel uses locally sourced ironsand to manufacture up to approximately 650,000 tonnes each year of steel slab and billet at the Glenbrook Steelworks, south of Auckland. NZPI produces a range of flat and long steel products for domestic and export use, and supplies all major industries including construction, manufacturing, infrastructure, packaging and agriculture.

NZPI employs around 1,500 people and includes Pacific Steel New Zealand (rolling mill and wire drawing facilities), and the Pacific Islands business, with facilities in Fiji, New Caledonia and Vanuatu which manufacture and distribute the LYSAGHT® range of products and long steel products through Pacific Steel Fiji.

Financial Performance – 1H FY2024 vs. 1H FY2023

Sales revenue

The $35.7M increase in sales revenue was primarily due to higher export despatches.

EBIT performance

The $60.2M decrease in underlying EBIT was primarily due to marginally weaker domestic selling prices, higher energy costs and planned and unplanned maintenance shuts.

Return on invested capital

ROIC decreased to 8.3% driven by lower EBIT and higher net operating assets. Net operating assets at 31 December 2023 were $114.3M higher than at 31 December 2022, driven by higher fixed assets and higher receivables, partially offset by lower payables.

Sales and operations

Domestic sales

1H FY2024 domestic sales of both flat and long product volumes held flat on 1H FY2023, however softened from previous peaks reflecting slowing economic conditions and a rebalancing of customer inventory levels.

Domestic flat despatch volumes were 2% lower in 1H FY2024 compared to 1H FY2023, and domestic pricing on a range of products was impacted by softer regional steel price indices. In terms of product demand:

- Demand for metal coated and COLORSTEEL® products declined compared to 1H FY2023 as residential new builds slowed and customer inventory levels rebalanced.
- Demand for AXXIS® steel for light gauge residential steel framing into new builds also softened in 1H FY2024, on softer residential new builds, especially for project home builders.

Sales of domestic long products in 1H FY2024 increased 3% on 1H FY2023 levels, despite slowing economic conditions and a level of uncertainty associated with national election outcomes, which impacted the infrastructure sector late in the half.

Key Financial and Operational Measures

Table 10: NZPI financial performance

$M	1H FY2024	1H FY2023	Var %	2H FY2023
Sales Revenue	**497.4**	461.7	8%	500.9
Reported EBIT	**25.5**	85.7	(70%)	42.9
Underlying EBIT	**25.5**	85.7	(70%)	42.9
NOA (pre tax)	**878.2**	763.9	15%	820.8
Underlying EBIT ROIC	**8.3%**	40.7%	-32.4%	18.0%

Table 11: NZPI steel sales volume

'000 tonnes	1H FY2024	1H FY2023	Var %	2H FY2023
Domestic flats	**105.5**	108.0	(2%)	106.4
Domestic longs	**79.7**	77.3	3%	86.1
Domestic	**185.2**	**185.3**	**(0.1%)**	**192.5**
Export flats	**79.2**	26.1	203%	57.3
Export longs	**6.1**	5.2	17%	10.8
Export	**85.3**	**31.3**	**173%**	**68.1**

Export sales

Stronger production volumes and pockets of attractive pricing for export flat products supported growth in export volumes, which increased 173% in 1H FY2024 compared to 1H FY2023, although pricing reflected lower regional steel prices compared to the prior period, which ultimately drove lower profitability overall.

Vanadium

Sales of Vanadium slag by-products have been an ongoing cost-offset for the New Zealand operation for a number of years. The business also buys in both ferro and nitrided vanadium as inputs into the steelmaking process, mainly for rebar strengthening purposes, which has the effect of dampening any price related increase in the vanadium slag contribution. The 1H FY2024 net vanadium contribution was approximately $3.2m lower than 1H FY2023, primarily due to softer global index pricing.

Detailed Explanatory Tables

(A) Detailed Income Statement

The Group comprises five reportable operating segments: Australian Steel Products; North Star BlueScope Steel; Buildings and Coated Products North America; Building Products Asia & North America and New Zealand & Pacific Islands.

Table 12: Detailed income Statement

	Revenue		Reported Result[1]		Underlying Result[2]	
$M	**1H FY2024**	**1H FY2023**	**1H FY2024**	**1H FY2023**	**1H FY2024**	**1H FY2023**
Sales revenue/EBIT[3]						
Australian Steel Products	**3,587.0**	4,089.7	**235.2**	273.8	**257.7**	273.8
North Star BlueScope Steel	**1,790.9**	1,633.6	**200.0**	194.6	**201.2**	201.5
Buildings and Coated Products North America	**1,768.6**	1,903.5	**196.2**	265.1	**210.7**	277.3
Coated Products Asia	**1,102.2**	1,433.7	**95.7**	62.0	**95.7**	62.0
New Zealand and Pacific Islands	**497.4**	461.7	**25.5**	85.7	**25.5**	85.7
Discontinued operations	**0.0**	0.0	**1.5**	2.3	**0.0**	0.0
Segment revenue/EBIT[3]	**8,746.1**	**9,522.2**	**754.1**	**883.5**	**790.8**	**900.3**
Inter-segment eliminations	**(207.3)**	(198.4)	**15.2**	33.6	**15.2**	33.6
Segment external revenue/EBIT	**8,538.8**	**9,323.8**	**769.4**	**917.2**	**806.0**	**933.9**
Other revenue/(net unallocated expenses)	**54.8**	33.8	**(87.6)**	(82.8)	**(87.6)**	(82.8)
Total revenue/EBIT[3]	**8,593.6**	**9,357.6**	**681.8**	**834.4**	**718.4**	**851.1**
Borrowing costs			**(32.5)**	(38.7)	**(31.3)**	(37.9)
Interest Revenue			**33.1**	18.4	**33.1**	18.4
Profit/(loss) from ordinary activities before income tax			**682.4**	**814.1**	**720.2**	**831.6**
Income tax (expense)/benefit			**(165.8)**	(175.2)	**(169.1)**	(177.2)
Profit/(loss) from ordinary activities after income tax expense			**516.6**	**638.8**	**551.1**	**654.4**
Net (profit)/loss attributable to outside equity interest			**(77.3)**	(40.0)	**(77.4)**	(40.0)
Net profit/(loss) attributable to equity holders of BlueScope Steel			**439.3**	**598.9**	**473.7**	**614.4**
Basic Earnings per share (cents)			**97.3**	128.2	**104.9**	131.5

1. The financial report has been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are compliant with International Financial Reporting Standards (IFRS). References to 'reported' financial information throughout this report are consistent with IFRS financial information disclosed in the financial report.
2. References to 'underlying' information are to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011. Non-IFRS financial information, while not subject to audit or review, has been extracted from the financial report, which has been audited by our external auditors.
3. Performance of operating segments is based on EBIT which excludes the effects of interest and tax. The Company considers this a useful and appropriate segment performance measure because Group financing (including interest expense and interest income) and income taxes are managed on a Group basis and are not allocated to operating segments.

(B) Reconciliation of Underlying Earnings to Reported Earnings

The Company has provided an analysis of unusual items included in the reported IFRS financial information. These items have been considered in relation to their size and nature, and have been adjusted from the reported information to assist readers to better understand the financial performance of the underlying operating business. Throughout this report the Group has used the term 'reported' to reference IFRS financial information and 'underlying' to reference non-IFRS financial information. These adjustments are assessed on a consistent basis from period to period and include both favourable and unfavourable items. Non-IFRS financial information while not subject to audit or review has been extracted from the financial report which has been reviewed by BlueScope's external auditors. An explanation of each adjustment and reconciliation to the reported IFRS financial information is provided in the table below.

Table 13: Reconciliation of Underlying Earnings to Reported Earnings

	EBITDA $M		EBIT $M		NPAT $M		EPS $[1]	
	1H FY2024	1H FY2023	1H FY2024	1H FY2023	1H FY2024	1H FY2023	1H FY2024	1H FY2023
Reported Earnings	**1,021.0**	**1,155.5**	**681.8**	**834.4**	**439.3**	**598.9**	**0.97**	**1.28**
Underlying adjustments:								
Net (gains) / losses from businesses discontinued[2]	**(1.5)**	(2.3)	**(1.5)**	(2.3)	**(0.4)**	(1.1)	**(0.00)**	(0.00)
Business development and acquisition costs[3]	**15.6**	15.9	**15.6**	15.9	**12.4**	12.6	**0.03**	0.03
Operating disruptions[4]	**-**	3.2	**-**	3.2	**-**	2.5	**-**	0.01
Legal provisions[5]	**22.5**	-	**22.5**	-	**22.5**	-	**0.05**	-
Tax asset impairment[6]	**-**	-	**-**	-	**-**	1.6	**0.00**	0.00
Underlying Operational Earnings	**1,057.6**	**1,172.2**	**718.4**	**851.1**	**473.7**	**614.4**	**1.05**	**1.32**

1. EPS is based on the average number of shares on issue during the respective reporting periods of 451.7M in 1H FY2024 and 467.1M in 1H FY2023.
2. 1H FY2024 reflects royalty revaluation gain ($1.7M pre-tax) relating to the previously sold Taharoa iron sands operations and foreign exchange translation losses within the closed Lysaght Taiwan business ($0.2M pre-tax). 1H FY2023 reflects royalty revaluation gain ($2.3M pre-tax) relating to the previously sold Taharoa iron sands operations, foreign exchange translation gains within the closed Lysaght Taiwan business ($0. 3M pre-tax), and losses from the discontinued Engineered Buildings ASEAN business ($0.3M pre-tax).
3. 1H FY2024 reflects costs associated with the acquisition of the US coil coatings business ($14.4M pre-tax) and the US ferrous scrap steel recycling businesses ($1.2M pre-tax). 1H FY2023 reflects costs associated with the acquisition of the US coil coatings business ($9.0M pre-tax) and the US ferrous scrap steel recycling businesses ($5.2M pre-tax), and pre-commissioning costs associated with the expansion project at North Star ($1.7M pre-tax).
4. 1H FY2023 reflects costs relating to storm damage at US coil coatings business Rancho Cucamonga site ($3.2M pre-tax).
5. 1H FY2024 reflects additional provision raised and paid during the period, arising from the civil proceedings against BlueScope brought by the ACCC
6. 1H FY2023 reflects write back of previously impaired deferred tax assets in New Zealand ($1.6M).

Table 14: Segmental underlying EBIT adjustments

1H FY2024 EBIT Underlying Adjustments $M	ASP	North Star	BCPNA	CPA	NZPI	Corp	Discon Ops	PISE	Total
Net (gains) / losses from businesses discontinued	-	-	-	-	-	-	(1.5)	-	**(1.5)**
Business development and acquisition costs	-	1.2	14.4	-	-	-	-	-	**15.6**
Legal provisions	22.5	-	-	-	-	-	-	-	**22.5**
Underlying Adjustments	**22.5**	**1.2**	**14.4**	**-**	**-**	**-**	**(1.5)**	**-**	**36.6**

(C) Cash Flow Statement

Table 15: Consolidated cash flow statement

$M	1H FY2024	1H FY2023	Variance %
Reported EBITDA	**1,021.0**	**1,155.5**	**(12%)**
Adjust for non cash items			
- Share of profits from associates and joint venture partnership not received as dividends	**6.7**	7.0	(4%)
- Expensing of share-based employee benefits	**10.9**	11.7	(7%)
- Impaired assets	**0.0**	(0.6)	100%
- Net (gain) loss on sale of assets	**0.1**	(0.4)	114%
Cash EBITDA	**1,038.7**	**1,173.2**	**(11%)**
Changes in working capital	**(69.3)**	210.1	(133%)
Gross operating cash flow	**969.4**	**1,383.3**	**(30%)**
Finance costs	**(30.5)**	(39.9)	24%
Interest received	**31.8**	18.2	75%
Tax paid	**(249.8)**	(256.1)	2%
Net cash from operating activities	**720.9**	**1,105.4**	**(35%)**
Capex: payments for P,P&E and intangibles	**(466.3)**	(353.8)	(32%)
Other investing cash flows	**11.5**	(165.7)	107%
Cash from operating and investing (post-tax)	**266.0**	**586.0**	**(55%)**
Buy-backs of equity	**(193.0)**	(119.9)	(61%)
Dividends to BSL shareholders	**(113.5)**	(117.2)	3%
Dividends to non-controlling interests[1]	**(6.6)**	(39.8)	83%
Net drawing / (repayment) of borrowings	**(33.5)**	(13.3)	(151%)
Net drawing / (repayment) of leases	**(57.4)**	(55.3)	(4%)
Other	**0.0**	0.0	100%
Net Increase / (decrease) in cash held	**(137.9)**	**240.5**	**(157%)**

1. These dividend payments primarily relate to dividend payments to Nippon Steel Corporation (NSC) in respect of the NS BlueScope Coated Products joint venture.

Section

02.

Directors' Report

1H FY2024 Directors' Report

The Directors of BlueScope Steel Limited ('the Company') present their report on the consolidated entity ('BlueScope' or 'the Group') consisting of BlueScope Steel Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of the Company during the half-year period and up to the date of this Directors' Report, except as otherwise stated:

- Jane McAloon AM (Chair)
- Mark Vassella (Managing Director and Chief Executive Officer)
- Ewen Crouch AM
- Rebecca Dee-Bradbury
- Jennifer Lambert
- Kathleen Conlon
- K'Lynne Johnson
- ZhiQiang Zhang
- Peter Alexander
- Alistair Field (appointed 15 January 2024)
- John Bevan (retired 21 November 2023)

Review of Operations

A review of the Group's operations during the half-year and the results of those operations is set out in the accompanying 1H FY2024 Earnings Report contained on pages 3 to 28. The 1H FY2024 Earnings Report is incorporated by reference into, and forms part of, this Directors' Report.

Matters subsequent to the half-year ended 31 December 2023

Grant funding - Australian Government's Powering the Regions Fund

On 31 January 2024, the Federal Government announced that BlueScope was successful in its application for grant funding in the first round of the Powering the Regions Fund (PRF), as part of the Critical Inputs to Clean Energy Industries (CICEI) program. Under the grant, BlueScope was awarded a total gross amount of $136.8 million in funding to partly offset the capital cost of the No.6 Blast Furnace reline and upgrade project at the Port Kembla steelworks.

Other than matters outlined elsewhere in the half-year financial report, no other matters or circumstances have arisen since 31 December 2023 that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group in subsequent financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 31 of the Directors' Report for the half-year ended 31 December 2023.

Rounding of amounts

BlueScope is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

This report has been made in accordance with a resolution of the Directors.

Jane McAloon
Chair

19 February 2024

Mark Vassella
Managing Director and Chief Executive Officer

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

Auditor's independence declaration to the directors of BlueScope Steel Limited

As lead auditor for the review of the half-year financial report of BlueScope Steel Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of BlueScope Steel Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
19 February 2024

Glossary

1H	Six months ended 31 December in the relevant financial year
1H FY2023	Six months ended 31 December 2022
1H FY2024	Six months ended 31 December 2023
2H	Six months ended 30 June in the relevant financial year
2H FY2023	Six months ending 30 June 2023
2H FY2024	Six months ending 30 June 2024
6BF	No.6 Blast Furnace (at PKSW)
ASP	Australian Steel Products segment
A$, $	Australian dollar
BCP	BlueScope Coated Products
BCPNA	Buildings and Coated Products North America segment
BlueScope or the Group	BlueScope Steel Limited and its subsidiaries (i.e. the consolidated group)
BNA	Buildings North America
BPG	BlueScope Properties Group
BRM	BlueScope Recycling and Materials
the Company	BlueScope Steel Limited (i.e. the parent entity)
CPA	Coated Products Asia segment
CY2023	Calendar year ended 31 December 2023
CY2024	Calendar year ended 31 December 2024
DPS	Dividend per share
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBS	Engineered building solutions, a key product offering of BNA and Building Products
EPS	Earnings per share
ESG	Environmental, social and governance matters
FY2023	12 months ending 30 June 2023
FY2024	12 months ending 30 June 2024
GHG	Greenhouse gas
HRC	Hot rolled coil steel
HSE	Health, safety and environment
IFRS	International Financial Reporting Standards
IRR	Internal rate of return
Leverage, or leverage ratio	Net debt over LTM underlying EBITDA
LTM	Last twelve months
mt	Million metric tonnes
Net debt, or ND	Gross debt less cash
NOA	Net operating assets pre-tax
North Star	North Star BlueScope Steel
NPAT	Net profit after tax
NSC	Nippon Steel Corporation
NZ$	New Zealand dollar
NZPI	New Zealand & Pacific Islands segment
NZ Steel	New Zealand Steel
PCI	Pulverised Coal Injection
PKSW	Port Kembla Steelworks
PPA	Power purchase agreement
ROIC	Return on invested capital (or ROIC), last 12 months' underlying EBIT over trailing 13 month average capital employed
ROU	Right of use
TBSL	Tata BlueScope Steel
TRIFR	Total recordable injury frequency rate (recordable injuries per million hours worked)
US	United States of America
US$	United States dollar

Section

03.

Financial Report

Financial Report Contents

Consolidated statement of comprehensive income

For the half-year ended 31 December 2023

	Note	December 2023 $M	December 2022 $M
CONTINUING OPERATIONS			
Revenue from continuing operations	2	**8,593.6**	9,357.6
Other income	3	**58.7**	75.2
Changes in inventories of finished goods and work in progress		**(30.3)**	(194.5)
Raw materials and consumables used		**(5,201.4)**	(5,825.6)
Employee benefits expense		**(1,232.8)**	(1,151.2)
Depreciation and amortisation expense		**(339.3)**	(321.1)
Freight on external despatches		**(354.7)**	(409.3)
External services		**(507.9)**	(474.9)
Finance costs	3	**(32.5)**	(38.7)
Other expenses		**(275.9)**	(217.5)
Share of net profits of associates and joint ventures accounted for using the equity method		**3.4**	11.8
Profit before income tax		**680.9**	811.8
Income tax expense	4	**(165.8)**	(174.9)
Profit from continuing operations		**515.1**	636.9
DISCONTINUED OPERATIONS			
Profit from discontinued operations after income tax		**1.5**	2.0
Profit for the half-year		**516.6**	638.9
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified subsequently to profit or loss:			
Net gain / (loss) on cash flow hedges		**2.8**	(16.8)
Net gain / (loss) on net investments in foreign subsidiaries		**(1.1)**	4.0
Exchange differences on translation of foreign operations attributable to BlueScope Steel Limited		**(162.5)**	105.3
Income tax on items that may be reclassified subsequently to profit or loss		**(0.1)**	3.9
Exchange fluctuations transferred to profit on translation of foreign operations disposed	3.2	**0.2**	-
Items that will not be reclassified subsequently to profit or loss:			
Net actuarial gains on defined benefit and retirement plans		**(8.3)**	10.4
Investment revaluation		**(1.0)**	0.2
Exchange differences on translation of foreign operations attributable to non-controlling interests		**(14.6)**	10.2
Income tax on items that will not be reclassified subsequently to profit or loss		**2.3**	(2.9)
Other comprehensive income (loss) for the half-year		**(182.3)**	114.3
Total comprehensive income for the half-year		**334.3**	753.2
Profit for the half-year is attributable to:			
Owners of BlueScope Steel Limited		**439.3**	598.9
Non-controlling interests		**77.3**	40.0
Profit for the half-year		**516.6**	638.9
Total comprehensive income for the half-year is attributable to:			
Owners of BlueScope Steel Limited		**271.6**	703.0
Non-controlling interests		**62.7**	50.2
Total comprehensive income for the half-year		**334.3**	753.2
Earnings per share for profit attributable to owners of BlueScope Steel Limited from:		**Cents**	Cents
Continuing operations:			
Basic earnings per share	6	**96.9**	128.0
Diluted earnings per share	6	**96.2**	127.2
Total operations:			
Basic earnings per share	6	**97.3**	128.2
Diluted earnings per share	6	**96.6**	127.5

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2023

	Note	December 2023 $M	June 2023 $M
ASSETS			
Current assets			
Cash and cash equivalents		**1,337.8**	1,489.8
Trade and other receivables		**1,435.9**	1,854.0
Contract assets		**106.9**	54.4
Inventories		**3,021.3**	3,141.0
Operating intangible assets		**70.7**	73.4
Derivative financial instruments		**11.2**	15.5
Deferred charges and prepayments		**140.9**	129.7
Total current assets		**6,124.7**	6,757.8
Non-current assets			
Trade and other receivables		**38.2**	37.8
Inventories		**79.5**	77.7
Operating intangible assets		**219.5**	209.2
Derivative financial instruments		**14.8**	18.4
Investments accounted for using the equity method		**129.2**	141.4
Other investments - fair value through other comprehensive income		**26.3**	27.0
Property, plant and equipment		**5,759.6**	5,642.2
Right-of-use assets		**367.6**	386.9
Intangible assets		**2,405.2**	2,513.9
Deferred tax assets		**99.2**	113.8
Deferred charges and prepayments		**5.3**	7.3
Retirement benefit assets	7	**1.7**	1.7
Total non-current assets		**9,146.1**	9,177.3
Total assets		**15,270.8**	15,935.1
LIABILITIES			
Current liabilities			
Trade and other payables		**1,836.9**	2,176.8
Borrowings		**82.2**	63.4
Lease liabilities		**99.6**	108.9
Current tax liabilities		**9.5**	78.6
Provisions		**545.7**	706.9
Contract liabilities		**299.9**	277.0
Deferred income		**6.0**	52.8
Derivative financial instruments		**10.9**	10.0
Total current liabilities		**2,890.7**	3,474.4
Non-current liabilities			
Trade and other payables		**28.5**	31.0
Borrowings		**124.8**	181.4
Lease liabilities		**417.4**	432.8
Deferred tax liabilities		**487.6**	532.8
Provisions		**204.8**	201.7
Contract liabilities		**7.6**	8.2
Retirement benefit obligations	7	**26.3**	17.6
Deferred income		**1.8**	2.2
Derivative financial instruments		**19.9**	22.3
Total non-current liabilities		**1,318.7**	1,430.0
Total liabilities		**4,209.4**	4,904.4
Net assets		**11,061.4**	11,030.7
EQUITY			
Contributed equity	8	**2,505.0**	2,673.0
Reserves		**517.1**	693.5
Retained profits		**7,420.0**	7,100.9
Total equity attributable to owners of BlueScope Steel Limited		**10,442.1**	10,467.4
Non-controlling interests		**619.3**	563.3
Total equity		**11,061.4**	11,030.7

The consolidated statement of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statement of changes in equity

As at 31 December 2023

		Attributable to owners of BSL				
31 December 2023	**Note**	**Contributed equity $M**	**Reserves $M**	**Retained profits $M**	**Non-controlling interests $M**	**Total equity $M**
Balance as at 1 July 2023		**2,673.0**	**693.5**	**7,100.9**	**563.3**	**11,030.7**
Profit for the half-year		-	-	439.3	77.3	516.6
Other comprehensive income (loss)		-	(161.7)	(6.0)	(14.6)	(182.3)
Total comprehensive income (loss) for the half-year		**-**	**(161.7)**	**433.3**	**62.7**	**334.3**
Transactions with owners in their capacity as owners:						
Shares purchased on market; net of shares used for employee share awards (treasury shares)	8	22.2	-	-	-	22.2
Share-based payment expense		-	10.9	-	-	10.9
Settlement of employee share awards	8	0.7	(27.8)	-	-	(27.1)
Share buy-backs	8	(193.0)	-	-	-	(193.0)
Dividends paid		-	-	(113.5)	(6.6)	(120.1)
Tax credit recognised directly in equity from share-based payments	8	2.1	-	-	-	2.1
Other		-	2.2	(0.7)	(0.1)	1.4
		(168.0)	(14.7)	(114.2)	(6.7)	(303.6)
Balance as at 31 December 2023		**2,505.0**	**517.1**	**7,420.0**	**619.3**	**11,061.4**

		Attributable to owners of BSL				
31 December 2022	**Note**	**Contributed equity $M**	**Reserves $M**	**Retained profits $M**	**Non-controlling interests $M**	**Total equity $M**
Balance as at 1 July 2022		**2,958.0**	**516.9**	**6,307.6**	**665.6**	**10,448.1**
Profit for the half-year		-	-	598.9	40.0	638.9
Other comprehensive income		-	96.6	7.5	10.2	114.3
Total comprehensive income for the half-year		**-**	**96.6**	**606.4**	**50.2**	**753.2**
Transactions with owners in their capacity as owners:						
Shares purchased on market; net of shares used for employee share awards (treasury shares)	8	3.8	-	-	-	3.8
Share-based payment expense		-	11.7	-	-	11.7
Settlement of employee share awards	8	(6.7)	(20.5)	-	-	(27.2)
Share buy-backs	8	(107.3)	-	-	-	(107.3)
Dividends paid		-	-	(117.2)	(39.8)	(157.0)
Tax credit recognised directly in equity from share-based payments	8	1.6	-	-	-	1.6
		(108.6)	(8.8)	(117.2)	(39.8)	(274.4)
Balance as at 31 December 2022		**2,849.4**	**604.7**	**6,796.8**	**676.0**	**10,926.9**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the consolidated financial statements.

Consolidated statement of cash flows

For the half-year ended 31 December 2023

	Note	December 2023 $M	December 2022 $M
Cash flows from operating activities			
Receipts from customers		**9,414.8**	10,507.8
Payments to suppliers and employees		**(8,485.1)**	(9,162.9)
		929.7	1,344.9
Dividends received - associates and joint ventures		**10.1**	18.8
Dividends received - other		**1.0**	1.4
Interest received		**31.8**	18.2
Other revenue received		**28.6**	18.2
Finance costs paid		**(30.5)**	(39.9)
Income taxes paid		**(249.8)**	(256.1)
Net cash inflow from operating activities		**720.9**	1,105.5
Cash flows from investing activities			
Payments for business acquisitions, net of cash acquired	10	**14.5**	(160.3)
Payments for other investments		**(3.7)**	(7.0)
Payments for property, plant and equipment		**(462.2)**	(350.1)
Payments for intangibles		**(4.3)**	(3.7)
Proceeds from sale of property, plant and equipment		**0.9**	1.6
Net cash (outflow) from investing activities		**(454.8)**	(519.5)
Cash flows from financing activities			
Proceeds from borrowings		**172.6**	246.5
Repayment of borrowings		**(206.1)**	(259.8)
Repayment of principal component of lease liabilities		**(57.4)**	(55.3)
Dividends paid to Company's shareholders		**(113.5)**	(117.2)
Dividends paid to non-controlling interests in subsidiaries		**(6.6)**	(39.8)
Share buy-backs	8	**(193.0)**	(119.9)
Net cash (outflow) from financing activities		**(404.0)**	(345.5)
Net increase / (decrease) in cash and cash equivalents		**(137.9)**	240.5
Cash and cash equivalents at the beginning of the year		**1,488.7**	1,675.1
Effects of exchange rate changes on cash and cash equivalents		**(14.0)**	2.8
Cash and cash equivalents, net of overdrafts, at the end of the half-year		**1,336.8**	1,918.4

The consolidated statement of cash flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

About this report

Reporting entity

BlueScope Steel Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. The registered office of the Company is Level 24, 181 William Street, Melbourne, Victoria, Australia 3000. The nature of the operations and principal activities of the Group are described in note 1.1 and the Directors' Report.

The financial report of BlueScope Steel Limited for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors' on 19 February 2024.

Basis of preparation

The half-year financial report is a general purpose condensed financial report, which:

- Has been prepared in accordance with the requirements of the Australian *Corporations Act 2001*, and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with IFRS Accounting Standard IAS 34 *Interim Financial Reporting*.
- Does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by BlueScope Steel Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*
- Has adopted the accounting policies and methods of computation consistent with those adopted and disclosed in the Group's consolidated financial statements for the year ended 30 June 2023.
- Has been prepared on a historical cost basis, except for certain derivative financial instruments and other investments which are measured at fair value.
- Is presented in Australian dollars rounded to the nearest hundred thousand dollars, unless otherwise stated, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or before 1 July 2023.
- Does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.
- Has been prepared on a going concern basis of accounting as, at the time of approving the financial statements, the Directors' have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Key accounting judgements and estimates

The preparation of the financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas of the financial statements involving significant judgements in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those that applied to the financial statements for the year ended 30 June 2023. These estimates and judgements are reviewed on an ongoing basis. Refer to note 5.1 for a summary of the key accounting estimates and judgements applied in assessing the impairment of non-financial assets.

1. Segment information

1.1 Description of segments

The Group has identified its operating segments based on the information that is regularly reviewed and used by the chief operating decision maker (Managing Director and Chief Executive Officer) for the purposes of allocating resources and assessing performance.

The following summary describes the operations of the Group's reportable segments, which comprise individually material operating segments and an aggregation of operating segments when they have similar economic characteristics and satisfy the aggregation criteria.

Change in reporting segments and restated comparative segment information

As announced in July 2023, changes have been made to reporting segments to consolidate and simplify the reporting of the North America operations. The Building Products North America operating segment is now aggregated in the Buildings and Coated Products North America reporting segment. It was previously aggregated in the Building Products Asia and North America reporting segment, which has been renamed Coated Products Asia.

With this change the Group now has two reporting segments that represent the North America operations, and a single reporting segment representing Asia operations. Comparative segment information has been restated to reflect these changes.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

Segment	Description
Australian Steel Products (ASP)	• ASP produces and markets a range of high value coated and painted flat steel products for Australian building and construction customers as well as providing a broader offering of commodity flat steel products. • Products are primarily sold to the Australian domestic market, with some volume exported. • Key brands include zinc/aluminium alloy coated - ZINCALUME® steel and galvanised and zinc/aluminium alloy-coated pre-painted COLORBOND® steel. • Main manufacturing facilities are at Port Kembla (NSW) and Western Port (VIC). • This operating segment also operates pipe and tube manufacturing, and a network of roll-forming and distribution sites throughout Australia, acting as a major steel product supplier to the building and construction, manufacturing, transport, agriculture and mining industries.
North Star BlueScope Steel	• North Star BlueScope Steel is a low-cost regional supplier of hot rolled coil, based in Ohio, serving automotive, construction and manufacturing end-use industries. North Star is highly efficient, operates at industry leading utilisation rates and is strategically located near its customers and in one of the largest scrap regions of North America. • This operating segment also includes BlueScope Recycling and Materials which is a full-service ferrous scrap metal recycler, primarily focussed on supplying North Star's scrap steel requirements. It has processing facilities in Waterloo (Indiana), Mansfield (Ohio) and Delta (Ohio), adjacent to the North Star facility.
Buildings and Coated Products North America	• Leader in engineered building solutions, servicing the low-rise non-residential construction needs of customers from an engineering and manufacturing base in North America. • This segment includes the coil paintings operation that extend nationally throughout BlueScope Coated Products (BCP). BCP is the second largest metal painter in the US, with seven facilities predominantly serving commercial and industrial construction applications. • This segment also includes the BlueScope Properties Group which develops industrial properties, predominantly warehouses and distribution centres. • Following the change in reporting segments, the Building Products North America operating segment, representing the US operations of the joint venture with Nippon Steel Corporation (NSC), is aggregated in this segment.
Coated Products Asia (formerly Building Products Asia and North America)	• Technology leader in metal coated and painted steel building products, principally focused on the Asia-Pacific region, with a wide range of branded products that include pre-painted COLORBOND® steel, zinc/aluminium alloy-coated ZINCALUME® steel and the LYSAGHT® range of products. • This segment has an extensive footprint of metal coating, painting and steel building product operations in Thailand, Indonesia, Vietnam, Malaysia and India, primarily servicing the residential and non-residential building and construction industries across Asia. • This segment also aggregates the Building Products China operating segment, comprising metal coating, painting, Lysaght operations and engineered building solutions. • BlueScope operates in ASEAN and the west coast of North America in partnership with NSC and in India with Tata Steel. Both are 50/50 joint ventures, with BlueScope controlling and therefore consolidating the joint venture with NSC, and jointly controlling and therefore equity accounting the joint venture with Tata Steel. The ASEAN operating segments of the joint venture with NSC are aggregated in this segment, as is the interest in the Tata BlueScope joint venture.
New Zealand & Pacific Islands	• Consists of three primary business areas: New Zealand Steel, Pacific Steel and BlueScope Pacific Islands. • New Zealand Steel is the only steel producer in New Zealand, producing slab, billet, hot rolled coil and value added coated and painted products for both domestic and export markets across the Pacific Region. Operations include the manufacture and distribution of the LYSAGHT® range of products in Fiji, New Caledonia and Vanuatu and rod and bar in Fiji. • Pacific Steel is the sole producer of long steel products such as rod, bar, reinforcing coil and wire in New Zealand. • This segment also includes the Waikato North Head iron sands mine which supplies iron sands to the Glenbrook Steelworks.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

1.2 Information about reportable segments

Performance of operating segments is based on EBIT, which represents earnings excluding the effects of Group financing (including interest expense and interest income) and income taxes, as these items are managed on a Group basis.

Sales between segments are carried out at an arm's length basis and are eliminated on consolidation. The revenue from external parties is measured in a manner that is consistent with the consolidated statement of comprehensive income.

Segment assets and liabilities are measured in a manner consistent with the consolidated statement of financial position. Cash and liabilities arising from borrowings and leases are not considered to be segment assets and liabilities due to these being managed by the Group's centralised treasury function.

Segment information for the reportable segments for the year ended 31 December 2023 is as follows:

December 2023	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America $M	Coated Products Asia $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M	Consolidated North America[1] $M
Segment sales revenue	**3,587.0**	**1,790.9**	**1,768.6**	**1,102.2**	**497.4**	**-**	**8,746.1**	**3,502.3**
Intersegment revenue	(74.0)	(57.2)	-	(5.8)	(70.3)	-	(207.3)	-
Sales revenue from external customers	**3,513.0**	**1,733.7**	**1,768.6**	**1,096.4**	**427.1**	**-**	**8,538.8**	**3,502.3**
Other revenue							54.8	
Total revenue from continuing operations							**8,593.6**	
Segment EBIT	**235.2**	**200.0**	**196.2**	**95.7**	**25.5**	**1.5**	**754.1**	**401.1**
Comprises:								
Depreciation and amortisation expense	169.5	69.0	39.8	39.8	20.7	-	338.8	108.8
Share of profit / (loss) from associates and joint ventures	-	0.7	-	2.7	-	-	3.4	0.7
Segment assets	**4,883.3**	**3,979.9**	**2,370.3**	**1,474.6**	**1,160.2**	**16.1**	**13,884.4**	**6,339.3**
Segment liabilities	**(1,328.9)**	**(497.8)**	**(516.3)**	**(483.9)**	**(282.1)**	**(3.0)**	**(3,112.0)**	**(1,008.9)**
Comprises:								
Investments in associates and joint ventures	-	0.5	-	128.7	-	-	129.2	0.5
Additions to non-current assets[2]	312.2	67.4	31.9	16.1	59.0	-	486.6	99.3

1. Consolidated North America is the total of North Star BlueScope Steel and Buildings and Coated Products North America. It is included to provide a summary of total North America operations.
2. Other than financial assets and deferred tax.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

December 2022	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America[1] $M	Coated Products Asia[1] $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M	Consolidated North America[2] $M
Segment sales revenue	**4,089.7**	**1,633.6**	**1,903.5**	**1,433.6**	**461.7**	**-**	**9,522.1**	**3,510.7**
Intersegment revenue	(122.8)	(26.4)	(0.3)	(16.0)	(32.8)	-	(198.3)	(0.3)
Sales revenue from external customers	**3,966.9**	**1,607.2**	**1,903.2**	**1,417.6**	**428.9**	**-**	**9,323.8**	**3,510.4**
Other revenue							33.8	
Total revenue from continuing operations							**9,357.6**	
Segment EBIT	**273.8**	**194.6**	**265.1**	**62.0**	**85.7**	**2.3**	**883.5**	**464.5**
Comprises:								
Depreciation and amortisation expense	171.9	55.8	38.0	39.8	14.9	-	320.4	93.7
Net impairment expense / (write-back)	-	-	-	(0.6)	-	-	(0.6)	-
Share of profit / (loss) from associates and joint ventures	-	0.4	-	11.4	-	-	11.8	0.4
Segment assets	**4,811.6**	**3,941.1**	**2,365.5**	**1,727.0**	**1,035.2**	**16.5**	**13,896.9**	**6,296.4**
Segment liabilities	**(1,316.5)**	**(454.1)**	**(502.7)**	**(565.3)**	**(271.2)**	**(3.2)**	**(3,113.0)**	**(947.3)**
Comprises:								
Investments in associates and joint ventures	-	0.7	-	128.3	-	-	129.0	0.7
Additions to non-current assets[3]	225.8	162.4	51.1	19.7	33.8	-	492.8	213.4

1. Restated comparative segment information following the change in reporting segments. Refer to note 1.1.
2. Consolidated North America is the total of North Star BlueScope Steel and Buildings and Coated Products North America. It is included to provide a summary of total North America operations.
3. Other than financial assets and deferred tax.

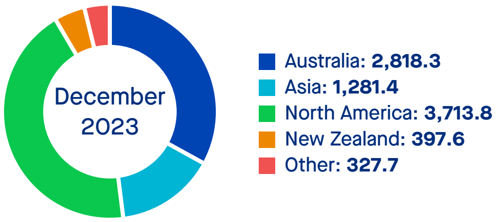
Notes to the consolidated financial statements

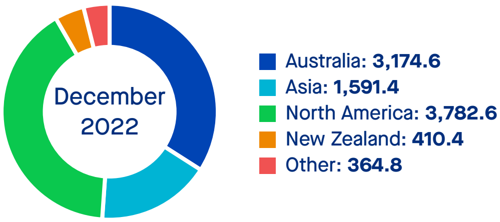
For the half-year ended 31 December 2023

1.3 Geographical information

The Group's geographical regions are based on the location of markets and customers.

Segment revenue ($M)





1.4 Reconciliation segment information

A reconciliation of segment EBIT, assets and liabilities to the consolidated financial statements is as follows:

Segment EBIT

	December 2023 $M	December 2022 $M
Total segment EBIT	**754.1**	883.5
Intersegment eliminations	**15.2**	33.6
Interest income	**33.1**	18.4
Finance costs	**(32.5)**	(38.7)
Discontinued operations	**(1.5)**	(2.3)
Corporate operations	**(87.5)**	(82.7)
Profit before income tax from continuing operations	**680.9**	811.8

Segment assets

	December 2023 $M	June 2023 $M
Segment assets	**13,884.4**	14,453.3
Intersegment eliminations	**(267.3)**	(404.8)
Unallocated:		
Deferred tax assets	**99.2**	113.8
Cash	**1,337.8**	1,489.8
Accrued interest receivable	**2.5**	1.2
Corporate operations	**214.2**	281.8
Total assets	**15,270.8**	15,935.1

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

Segment liabilities

	December 2023 $M	June 2023 $M
Segment liabilities	**3,112.0**	3,701.3
Intersegment eliminations	**(259.4)**	(381.4)
Unallocated:		
Borrowings	**207.0**	244.8
Lease liabilities	**517.0**	541.7
Current tax liabilities	**9.5**	78.6
Deferred tax liabilities	**487.6**	532.8
Accrued borrowing costs payable	**3.0**	2.7
Corporate operations	**132.7**	183.9
Total liabilities	**4,209.4**	4,904.4

2. Revenue

	December 2023 $M	December 2022 $M
Sales revenue from contracts with customers	**8,538.8**	9,323.8
Other revenue:		
Interest	**33.1**	18.4
Other	**21.7**	15.4
Total other revenue	**54.8**	33.8
Total revenue from continuing operations	**8,593.6**	9,357.6

2.1 Disaggregation of sales revenue from contracts with customers

December 2023	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America $M	Coated Products Asia $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M
External sales revenue recognition							
Point in time	3,513.0	1,733.7	907.9	767.2	427.1	-	7,348.9
Over time	-	-	860.7	329.2	-	-	1,189.9
Total external sales revenue	**3,513.0**	**1,733.7**	**1,768.6**	**1,096.4**	**427.1**	**-**	**8,538.8**
External sales revenue by destination							
Australia	2,815.2	-	-	3.1	-	-	2,818.3
Asia	208.4	-	-	1,072.9	-	-	1,281.3
North America	211.5	1,733.7	1,768.6	-	-	-	3,713.8
New Zealand	15.8	-	-	-	381.8	-	397.6
Other	262.1	-	-	20.4	45.3	-	327.8
Total external sales revenue	**3,513.0**	**1,733.7**	**1,768.6**	**1,096.4**	**427.1**	**-**	**8,538.8**
External sales revenue by category							
Steelmaking products	971.6	1,644.4	-	-	61.8	-	2,677.8
Building products	2,328.0	-	907.9	767.2	365.3	-	4,368.4
Engineered building solutions	-	-	860.7	329.2	-	-	1,189.9
Other	213.4	89.3	-	-	-	-	302.7
Total external sales revenue	**3,513.0**	**1,733.7**	**1,768.6**	**1,096.4**	**427.1**	**-**	**8,538.8**

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

December 2022	Australian Steel Products $M	North Star BlueScope Steel $M	Buildings & Coated Products North America[1] $M	Coated Products Asia[1] $M	New Zealand & Pacific Islands $M	Discontinued Operations $M	Total $M
External sales revenue recognition							
Point in time	3,966.9	1,607.2	918.5	839.8	428.9	-	7,761.3
Over time	-	-	984.7	577.8	-	-	1,562.5
Total external sales revenue	**3,966.9**	**1,607.2**	**1,903.2**	**1,417.6**	**428.9**	**-**	**9,323.8**
External sales revenue by destination							
Australia	3,153.6	-	-	21.0	-	-	3,174.6
Asia	226.0	-	-	1,365.5	-	-	1,591.5
North America	272.2	1,607.2	1,903.2	-	-	-	3,782.6
New Zealand	17.6	-	-	0.8	392.0	-	410.4
Other	297.5	-	-	30.3	36.9	-	364.7
Total external sales revenue	**3,966.9**	**1,607.2**	**1,903.2**	**1,417.6**	**428.9**	**-**	**9,323.8**
External sales revenue by category							
Steelmaking products	1,171.1	1,500.5	-	-	65.3	-	2,736.9
Building products	2,574.3	-	918.5	839.8	363.6	-	4,696.2
Engineered building solutions	-	-	984.7	577.8	-	-	1,562.5
Other	221.5	106.7	-	-	-	-	328.2
Total external sales revenue	**3,966.9**	**1,607.2**	**1,903.2**	**1,417.6**	**428.9**	**-**	**9,323.8**

1. Restated comparative segment information following the change in reporting segments. Refer to note 1.1.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

3. Other income and expenses

	Note	December 2023 $M	December 2022 $M
Profit before income tax includes the following specific income and expenses from continuing operations:			
Other income:			
Carbon permit income	3.1	**48.7**	62.0
Government grants		**5.5**	1.1
Insurance recoveries		**0.6**	0.1
Net gain on sale of PP&E and ROU lease termination		**-**	0.4
Net gain on sale of subsidiary	3.2	**1.1**	-
Net foreign exchange gains		**2.8**	11.6
Total other income		**58.7**	75.2
Finance costs:			
Interest on lease liabilities		**(15.5)**	(14.2)
Interest and finance charges on other liabilities		**(7.8)**	(16.8)
Ancillary finance charges		**(8.3)**	(7.1)
Provisions: unwinding of discount		**(0.9)**	(0.6)
Total finance costs		**(32.5)**	(38.7)
Inventory net realisable value write-back / (expense)		**(23.3)**	4.6
Legal expense	3.3	**(22.5)**	-
From discontinued operations:			
Other income:			
Royalty revaluation	3.4	**1.7**	2.3
Net foreign exchange gains		**-**	0.2
Total other income from discontinued operations		**1.7**	2.5

3.1 Carbon permit income

Carbon permit income arises from New Zealand Government's Emissions Trading Schemes (ETS). Emission unit permits (EU), granted on a calendar year, are recorded as intangible assets at their fair value with a corresponding entry to deferred income. Income is recognised based on production outputs.

3.2 Sale of subsidiary

In November 2023, BlueScope sold it's 30% investment in NS BlueScope Lysaght (B) Sdn Bhd for $0.9M ($0.7M recognised as deferred consideration receivable). As part of the disposal of the investment, $1.1M of reserves was transferred to profit or loss.

3.3 Legal matters

ACCC civil cartel proceedings

In August 2019 the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings against BlueScope and one of its former employees in the Federal Court alleging contraventions of the Australian competition law cartel provisions. On 9 December 2022, the Federal Court found against BlueScope and its former employee on nine allegations of its former employee attempting to induce certain suppliers of flat steel products in Australia to reach an understanding on pricing.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

At the year end 30 June 2023, in the absence of a final determination of the matter, BlueScope recognised a provision for an estimate of penalty and legal costs of $45.0M. On 29 August 2023, a penalty of $57.5M was awarded against BlueScope and this existing provision was increased to reflect the full amount of the penalty. BlueScope has since made the payment as required.

On 22 September 2023, BlueScope filed a notice of appeal. If BlueScope is successful in its appeal, it may have the whole of the liability decision set aside (in which case the full penalty amount will be recoverable) or some of contraventions dismissed (in which case the size of the penalty will be reduced).

3.4 Royalty revaluation

Within discontinued operations, current and prior period include the royalty revaluation gain relating to the previously sold Taharoa iron sands business. It represents the estimated fair value of potential future royalties payable under the sale agreement. Royalties received during the half-year were $1.7M.

4. Income tax

	December 2023 $M	December 2022 $M
Profit from continuing operations before income tax expense	**680.9**	811.8
Profit from discontinued operations before income tax expense	**1.5**	2.2
Less: Share of net profits of associates and joint ventures accounted for using the equity method	**(3.4)**	(11.8)
Adjusted total profit before tax	**679.0**	802.2
Income tax expense is attributable to:		
Continuing operations	**165.8**	174.9
Discontinued operations	**-**	0.2
Total income tax expense	**165.8**	175.1
Effective tax rate	**24.4%**	21.8%

The Group's effective tax rate is lower than the Australian 30% statutory tax rate primarily due to lower tax rates in North America and Asia and the recognition of timing differences during the year.

5. Carrying value of non-financial assets

5.1 Key accounting judgements and estimates (carrying value assessment)

The Group tests property, plant and equipment, right of use assets and intangible assets with definite useful lives when there is an indicator of impairment. Goodwill and other intangible assets with indefinite useful lives are tested at least annually for any impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets, other than goodwill, that have previously suffered impairment are reviewed for possible reversal of the impairment at each period date.

All cash generating units (CGUs) were tested for impairment at the reporting date. The recoverable amounts of CGUs have been determined on a consistent basis to 30 June 2023. The basis of determining the key assumptions are listed below:

Key assumptions	Basis of estimation
Future cash flows	• VIU calculations use post-tax cash flows, inclusive of working capital movements which are based on financial projections approved by the Group covering a two and a half year forecast period, being the basis of the Group's forecasting and planning processes, or up to four and a half years where circumstances pertaining to a specific CGU support a longer period. • Cash flows beyond the forecast period are extrapolated to provide a maximum of 30 years with adjustments where necessary to reflect changes in long-term operating conditions. No terminal value is calculated.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

Key assumptions	Basis of estimation
Growth rate	• The growth rate used to extrapolate the cash flows for each CGU beyond the forecast period does not exceed 2.5% (June 2023: 2.5%). • The growth rate represents a steady indexation rate which does not exceed the Group's expectations of the long-term average growth rate for the business in which each CGU operates.
Discount rate	• The discount rate applied to the cash flows has been assessed to reflect the time value of money and the perceived risk profile of the industry in which each CGU operates. • The base post-tax discount rates range from 8.8% to 9.1% (June 2023: 8.8% to 9.1%). • Given the differing characteristics, currencies, and geographical locations of the Group's CGUs, where appropriate the base discount rate is adjusted by a country risk premium (CRP) to reflect country specific risks. Such adjustments do not reflect risks for which cash flow forecasts have already been adjusted. The CRP is derived from a range of externally sourced foreign country risk ratings.
Raw material costs	• Based on commodity price forecasts derived from a range of external commodity forecasters.
Selling prices	• Based on management forecasts, taking into account commodity steel price forecasts derived from a range of external commodity forecasters.
Sales volumes	• Based on management forecasts, taking into account external forecasts of underlying economic activity for the market sectors and geographies in which each CGU operates.
Foreign exchange rates	• Key foreign exchange rates, most prominently AUD:USD and NZD:USD, are based on forecasts derived from a range of external financial institutions.
Climate related risks	• BlueScope considers climate change and other sustainability risks when determining the carrying value of each CGU. • The Group has climate change action plans, greenhouse gas emission reduction targets for its steelmaking sites and environmental management, water stewardship and other sustainability initiatives. The Company reports these in its annual Sustainability Report, together with a Climate Action Report (available on the Company's website). Operating and capital expenditure associated with these initiatives is, to the extent necessary, taken into account when determining the recoverable value of each CGU. • Specifically regarding climate change and greenhouse gas emission reductions, the cash flows: – include estimates of the operating and capital expenditure required to achieve the Group's 2030 carbon reduction targets. – include consideration of the revisions to the Safeguard Mechanism (SGM) which are effective from 1 July 2023. Further information on SGM estimates and assumptions is below. – do not include the operating and capital expenditure that may be required to achieve the Group's 2050 net zero emissions goal as it is uncertain, and is highly dependent on several enablers, including: the development and diffusion of ironmaking technologies to viable, commercial scale; access to affordable, firmed large-scale renewable energy; availability of appropriate volumes of affordable green hydrogen (with natural gas enabling the transition); access to appropriate quality and sufficient quantities of economic raw materials; and supportive policies across all these enablers to underpin decarbonisation investment and avoid carbon leakage. • Where applicable, a cost of carbon net of assistance, in jurisdictions where legislation has been enacted, in particular in New Zealand, is taken into account based on a continuation of legislation as it is currently enacted.
Safeguard mechanism (ASP CGU)	• For the ASP CGU, both the Port Kembla Steelworks (PKSW) and the Western Port Works are in scope for the SGM, with PKSW at greater risk of impact given its Scope 1 emissions profile and current reduction trajectory. • A cost to comply with the SGM has been forecast for PKSW based on the guidance of the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Amendment (Reforms) Rules 2023.* The cost refers to the forecast cost to acquire Australian Carbon Credit Units (ACCUs) to offset any emissions above the relevant Scope 1 emission intensity baseline. • The key assumptions used include the PKSW and industry production Scope 1 emission intensity factors, production planning volumes, forecast ACCU prices based on external analyst forecasts, and consideration of PKSW as a trade exposed baseline adjusted facility and eligibility for a differential concessional decline rate. • The forecast does not include any amendments to pricing or other mitigating strategies to recover any incremental costs from the SGM.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

5.2 Cash generating units with significant goodwill

The results of impairment testing for CGUs with significant goodwill, and consideration of changes in key assumptions, are as follows:

Buildings North America

Buildings North America is tested for impairment on a VIU basis using two and a half year cash flow projections, followed by a long-term growth rate of 2.5% for a further 27.5 years. Post-tax VIU cash flows are discounted utilising a 8.8% post-tax discount rate (June 2023: 8.8%).

At 31 December 2023 the recoverable amount of this CGU is 1.4 times (June 2023: 1.5 times) the carrying amount of $554M (June 2023: $544M), including non-current assets and net working capital. This CGU is most sensitive to assumptions in relation to North American non-residential building and construction activity. Taking into account external forecasts the Group expects non-residential building and construction activity to decline until the end of FY2025. However, non-residential building and construction activity in North America is uncertain. To illustrate the sensitivity of these assumptions, if they were to differ such that the expected cash flow forecasts for Buildings North America were to decrease by approximately 30% across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

BlueScope Coated Products

BlueScope Coated Products is tested for impairment on a VIU basis using two and a half year cash flow projections, followed by a long-term growth rate of 2.5% for a further 27.5 years. Post-tax VIU cash flows are discounted utilising post-tax discount rate of 8.8% (June 2023: 8.8%).

At 31 December 2023 the recoverable amount of the CGU is 1.1 times (June 2023: 1.4 times) the carrying amount of $708M (June 2023: $753M), including non-current assets and net working capital. This CGU is also most sensitive to assumptions in relation to North American non-residential building and construction activity, as noted above for the Buildings North America CGU. To illustrate the sensitivity of these assumptions, if they were to differ, such that the expected cash flow forecasts for BlueScope Coated Products were to decrease by approximately 10% across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

North Star BlueScope Steel

North Star BlueScope is tested for impairment on a VIU basis using four and a half year cash flow projections, followed by a long-term growth rate of 2.5% for a further 25.5 years. Post-tax VIU cash flows are discounted utilising post-tax discount rate of 9.1% (June 2023: 9.1%).

At 31 December 2023 the recoverable amount of the CGU is 2.5 times (June 2023: 2.1 times) the carrying amount of $3,482M (June 2023: $3,562M), including non-current assets and net working capital. This CGU is most sensitive to assumptions in relation to the spread between North American hot rolled coil and purchased scrap steel prices. Recognised external forecasters expect spreads to decrease moderately from the current level by the end of FY2025. To illustrate the sensitivity of these assumptions, if they were to differ, such that the expected cash flow forecasts for North Star BlueScope Steel were to decrease by approximately 61% across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

5.3 Sensitivity of carrying amounts

The carrying value of property, plant and equipment of the Group is sensitive to the cash forecasts of the Australian Steel Products and New Zealand and Pacific Islands CGUs, as they are exposed to global steel macroeconomic factors. For Australian Steel Products, its recoverable value is also sensitive to the outcomes of the SGM. The recoverable amount of these CGUs is determined taking into account the key assumptions set out above.

Australian Steel Products (ASP)

For ASP, recognised external forecasters estimate the Australian dollar relative to the US dollar to strengthen in the long-term relative to the half year ended 31 December 2023 and estimate Asian commodity steel prices to be similar, with a decrease in iron ore and coking coal average costs relative to the half year ended 31 December 2023. The Group believes that the long-term assumptions adopted are appropriate.

ASP is exposed to variable macroeconomic factors and domestic demand, and to illustrate the sensitivity of these assumptions, if they were to differ such that the expected cash flow forecasts were to decrease by approximately 10% across the forecast period, without implementation of mitigation plans, the recoverable amount would be equal to the carrying amount.

The SGM presents potential risk to the carrying value of ASP to the extent it results in incremental costs being borne in the form of acquiring ACCUs to offset emissions above the relevant Scope 1 emission intensity baseline. The potential additional cost to comply with the SGM is dependent on a range of factors including future emissions intensity, production volume, ACCU prices and the Scope 1 baseline reductions rates applied under the SGM, including consideration of PKSW as a trade exposed baseline adjusted facility. Although assumptions and estimates have been made about these factors, the final outcome may be different. To express the sensitivity of the ASP recoverable value to the cost of complying with the SGM, an increase in the cost to comply with the SGM by 20% in each year of the 30-year cash flow forecast for impairment testing, without any mitigating strategies, would reduce the recoverable amount of ASP by $52M.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

New Zealand and Pacific Islands (NZPI)

For NZPI, recognised external forecasters estimate the New Zealand dollar relative to the US dollar to strengthen in the long-term relative to the half year ended 31 December 2023 and estimate global commodity steel prices to be similar relative to the half year ended 31 December 2023 in the longer term. The Group believes that the long-term assumptions adopted are appropriate.

NZPI recognised partial impairment of its non-financial assets in FY2016 and FY2020 and as at 31 December 2023 has approximately $154M (June 2023: $160M) available to be reversed. NZPI is exposed to variable global macroeconomic factors such as commodity steel prices and exchange rates, together with regional New Zealand factors such as domestic demand and energy costs, which impact its cash flows. While the CGU has delivered cash flows over the last two years which, if such cash flows were to continue, could support a reversal, after taking into account the variable historical earnings performance of the CGU through the economic cycle and the range of possible long-term forecast scenarios, the Company has determined that the recoverable value is consistent with the carrying value.

6. Earnings per share

	Basic		Diluted	
	December 2023 Cents	December 2022 Cents	December 2023 Cents	December 2022 Cents
Continuing operations	**96.9**	128.0	**96.2**	127.2
Discontinued operations	**0.4**	0.2	**0.4**	0.3
Earnings per share	**97.3**	128.2	**96.6**	127.5

6.1 Earnings used in calculating earnings per share

	December 2023 $M	December 2022 $M
Continuing operations	**437.8**	597.8
Discontinued operations	**1.5**	1.1
Profit used in calculating basic earnings per share	**439.3**	598.9

6.2 Weighted average number of shares used as the denominator

	December 2023 Number	December 2022 Number
Weighted average number of ordinary shares (basic)	**451,652,053**	467,126,000
Weighted average number of share rights	**3,321,330**	3,007,823
Weighted average number of ordinary and potential ordinary shares (diluted)	**454,973,383**	470,133,823

6.3 Calculation of earnings per share

Basic earnings / (loss) per share

Calculated as net profit / (loss) attributable to the owners of the Company divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings / (loss) per share

Calculated by dividing the net profit / (loss) attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued upon the conversion of all dilutive potential ordinary shares into ordinary shares.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

7. Retirement benefit obligations / (assets)

7.1 Defined benefit plans

Country	Fund type	Description
New Zealand	Pension Fund and Retirement Savings Plan (closed to new participants)	New Zealand employees are members of the New Zealand Steel Pension Fund.
USA	Pension Plan (closed to new participants)	Certain BlueScope Coated Products (BCP) employees are members of two pension plans (BCP Pension Fund).

Defined benefit funds provide defined lump sum benefits based on an employee's years of service and salary. Actuarial assessments of the defined benefit funds are made at no more than three-yearly intervals, with summary assessments performed annually. The last formal actuarial assessments for the New Zealand Steel Pension Fund was made as at 31 December 2023. For the BCP Pension Fund the last actuarial assessment was made as at 30 June 2023 with a net asset position of $1.7M recognised as at 31 December 2023.

The net liability is not immediately payable. Any plan surplus will be realised through reduced future Group contributions.

	New Zealand Pension Fund	
	December 2023 $M	June 2023 $M
Present value of the defined benefit obligation	**(263.3)**	(254.0)
Fair value of defined benefit plan assets	**237.0**	236.4
Net retirement benefit (obligation) / asset	**(26.3)**	(17.6)
Average duration of defined benefit plan obligation (years)	**11.0**	12.0
Significant actuarial assumptions		
Discount rate	**4.6%**	4.8%
Salary growth rate	**2.0%**	2.0%

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

8. Contributed equity

	Ordinary shares		Treasury shares	
	Shares	$M	Shares	$M
At 1 July 2022	470,602,388	2,987.7	(1,517,531)	(29.7)
Share buybacks	(6,611,534)	(107.3)	-	-
Shares purchased on market	-	-	(1,450,000)	(23.6)
Share rights settled	-	(6.7)	1,402,914	27.4
Share rights - excess tax deduction	-	1.6	-	-
At 31 December 2022	**463,990,854**	**2,875.3**	**(1,564,617)**	**(25.9)**
Share buybacks	(8,424,812)	(165.0)	-	-
Shares purchased on market	-	-	(600,000)	(11.8)
Share rights settled	-	-	6,646	0.2
Share rights - excess tax deduction	-	0.2	-	-
At 30 June 2023 and 1 July 2023	**455,566,042**	**2,710.5**	**(2,157,971)**	**(37.5)**
Share buybacks	(9,661,193)	(193.0)	-	-
Shares purchased on market	-	-	(300,000)	(6.4)
Share rights settled	-	0.7	1,706,549	28.6
Share rights - excess tax deduction	-	2.1	-	-
At 31 December 2023	**445,904,849**	**2,520.3**	**(751,422)**	**(15.3)**

Share buy-backs

As at 31 December 2023, a total of 9,661,193 shares had been bought back at an average cost of $19.98 (including $0.2M brokerage costs) as part of the FY2024 share buy-back program.

The Board has approved an increase in the scale and tenor of the buy-back program to allow up to $400M to be bought over the next 12 months. The timing and value of the stock purchased will be dependent on the prevailing market conditions, share price and other factors.

Share rights - settled and tax deduction

As at 31 December 2023, $0.7M was recorded in share capital representing accounting expense in excess of shares acquired on-market for the settled equity schemes. The tax deduction recorded in share capital represents the estimated tax deduction in excess of accounting expense recognised for share right awards issued to employees.

Treasury Shares

Treasury shares are shares purchased in BlueScope Steel Limited that are held by the BlueScope Employee Share Trust for the purpose of issuing shares under employee share right awards. In September 2023, 300,000 shares were purchased on market at an average cost of $21.33. As at 31 December 2023, 751,422 shares at average cost of $20.40 are available to be utilised for future settlement of equity share award schemes.

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

9. Dividends

9.1 Ordinary shares

	Parent entity			
	Date paid	Franked	Cents per share	Amount $M
Declared and paid during the period				
December 2023:				
FY23 final ordinary dividend (fully franked)	17 October 2023	100% franked	**25.0**	**113.5**
Total dividends paid			**25.0**	**113.5**
December 2022:				
FY22 final ordinary dividend (unfranked)	12 October 2022	0% franked	25.0	117.2
Total dividends paid			25.0	117.2

9.2 Dividends not recognised at half year-end

For the half-year ended 31 December 2023, the Directors have approved the payment of a fully franked dividend of 25 cents per fully paid ordinary share. The proposed dividend expected to be paid, but not recognised as a liability at half-year end, is $111.5M.

The Company's Dividend Reinvestment Plan (DRP) is not active for the FY24 interim dividend.

10. Business combinations

In July 2023, $14.5M (US$ 9.8M) was received for final adjustment to the purchase price as part of the Coatings business acquisition from Cornerstone Buildings Brands in June 2022.

Prior period included a total of $147.8M for the purchase of the US recycling businesses and $12.5M (US $8.6M) additional acquisition costs paid for the Coatings business acquisition

11. Contingencies

11.1 Contingent liabilities

The Group had contingent liabilities as at 31 December 2023 in respect of:

Outstanding legal matters

There are a range of individually immaterial outstanding legal matters that were contingent on court decisions, arbitration rulings and private negotiations to determine amounts required for settlement.

Taxation

The Group operates in many countries across the world, each with separate taxation authorities, which results in significant complexity. At any point in time there are tax computations which have been submitted but not agreed by those tax authorities and matters which are under discussion between Group companies and the tax authorities. The Group provides for the amount of tax it expects to pay taking into account those discussions and professional advice it has received. While the conclusion of such matters may result in amendments to the original computations, the Group does not believe that such adjustments will have a material adverse effect on its financial position, although such adjustments may be significant to any individual year's income statement.

Regulatory

The Group is subject to extensive government laws and regulation, including environmental, greenhouse gas emissions, tax, occupational health and safety, competition law and trade restrictions in each of the countries in which it operates. The Group is also subject to risks posed by the conduct of our employees and other participants in the supply chain and to the risk of regulatory investigations into compliance with government laws and regulations which could be lengthy and costly.

11.2 Contingent assets

There are no material contingent assets required for disclosure as at 31 December 2023 (2022: Nil).

Notes to the consolidated financial statements

For the half-year ended 31 December 2023

12. Subsequent events

Grant funding - Australian Government's Powering the Regions Fund

On 31 January 2024, the Federal Government announced that BlueScope was successful in its application for grant funding in the first round of the Powering the Regions Fund, as part of the Critical Inputs to Clean Energy Industries program. Under the grant, BlueScope was awarded a total gross amount of $136.8 million in funding to partly offset the capital cost of the No.6 Blast Furnace reline and upgrade project at the Port Kembla steelworks.

Other than matters outlined elsewhere in the half-year financial report, no other matters or circumstances have arisen since the end of the half-year financial period that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

13. New accounting standards

13.1 New and amended accounting pronouncements adopted

All new and amended Australian Accounting Standards and Interpretations mandatory from 1 July 2023, and relevant to the Group, have been adopted. These include the following:

- AASB 17 *Insurance Contracts*
- AASB 2021-5 *Deferred tax related to assets and liabilities arising from a single transaction*
- AASB 2021-2 *Disclosure of accounting policies and definition of accounting estimates*
- AASB 2023-2 *International Tax Reform - Pillar Two Model Rules*

The adoption of the new and amended standards has not resulted in any changes to the financial results or position of the Group.

13.2 New accounting standards, amendments and interpretations not yet adopted

There are a number of new and amending accounting standards effective for reporting periods beginning from or after 1 July 2024 with early adoption permitted. While these remain subject to ongoing assessment, the Group has not early adopted any of the new and amending standards and they have not been applied in preparing the financial report.

The following amending standard relevant to the Group are not expected to have a significant impact upon the Group's consolidated financial statements:

Reference	Description
AASB 2020-1, 2020-6, 2022-6 *Classification of Liabilities as Current or Non-current* (effective 1 July 2024)	The requirements of AASB 101 *Presentation of Financial Statements* are amended to clarify that a liability, that is neither held for trading nor part of an entity's normal operating cycle, is classified as non-current if an entity has the right to defer settlement for at least 12 months after the reporting period. Furthermore, an entity is to disclose information about covenants relating to non-current liabilities for which the right to defer settlement for at least 12 months is subject to the entity adhering to certain conditions. The Group will adopt these amendments and include disclosures in the consolidated financial statements for the year ending 30 June 2025.

Directors' declaration

In the Directors' opinion:

a. the financial statements and notes set out on pages 35 - 54 are in accordance with the *Corporations Act 2001*, including:
   i. complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Directors.

Jane McAloon
Chair

Mark Vassella
Managing Director and Chief Executive Officer

19 February 2024

Building a better working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's review report to the members of BlueScope Steel Limited

Conclusion

We have reviewed the accompanying half-year financial report of BlueScope Steel Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
Melbourne
19 February 2024

BlueScope

Read our reports at
bluescope.com

Level 24, 181 William Street
Melbourne, Victoria 3000 Australia

bluescope.com