ASX RELEASE

BlueScope

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BlueScope delivers FY2026 underlying EBIT of $1.27 billion; ramps up returns and value delivery

FY2026 Headlines

Reported NPAT:	$802.0M
Underlying NPAT[1]:	$851.2M
Underlying EBIT[1]:	$1,273.4M
Underlying EBIT ROIC:	10.7%

Capital Management

- Announced 65.0cps final ordinary dividend and 70.0cps final dividend for FY2026, completing the plan to deliver $3 per share in CY2026
- Plan to deliver total $3 per share of shareholder returns in FY2027

BlueScope today reported FY2026 net profit after tax (NPAT) of $802 million, a 857 per cent increase on FY2025.

Managing Director and CEO, Tania Archibald said, "FY2026 was a defining year for BlueScope. Our robust results demonstrate the quality of our assets and management discipline through a period of significant investment and change.

"Underlying EBIT of $1.27 billion[1] was materially higher than FY2025, on stronger US spreads, record Southeast Asia performance, solid cost performance and record despatches of COLORBOND® and TRUECORE® steel in Australia. This was despite sustained low Asian steel spreads, off the back of record Chinese steel exports.

"In February we committed to accelerate value across four pillars. We advanced our major projects through the peak capital expenditure period, with two now moving from construction into ramp-up. In New Zealand the new lower-emissions Electric Arc Furnace (EAF) is transforming our steelmaking and delivers a flexible demand-responsive model. And at Erskine Park in Western Sydney, the new state-of-the-art metal coating line will underpin long-term growth in value-added products, including COLORBOND® and TRUECORE® steel.

"At the same time, we have fully delivered our initial $200 million cost and productivity program. We have reset our functional operating model to drive efficiency and leverage scale and capability, which will support the delivery at least $150 million of additional cost benefits in FY2027. We also accelerated value realisation from our surplus land portfolio, with two transactions executed during the year.

"These actions position BlueScope for higher earnings, stronger cash generation and greater shareholder returns.

"We also continued to embed sustainability across the business. The New Zealand EAF is now being ramped up and will deliver a major structural reduction in emissions – reducing the site's emissions by more than half.

"In Australia, we are progressing our assessment of lower emissions iron and steelmaking technology, including through Project NeoSmelt, which offers a potential decarbonisation pathway to 2050 and could help lay the foundations for a future green iron industry.

"BlueScope's FY2026 result reflects the strength of a diversified portfolio built to perform through the cycle, and a business now shifting decisively from investment to delivery of enhanced shareholder returns. This result was delivered by the effort of our people, through a period of significant change. I thank them for their hard work, and I thank our customers and shareholders for their continued support," Ms Archibald said.

1. Underlying financial results for FY2026 reflect the Company's assessment of financial performance after excluding (pre-tax): restructuring and redundancy costs ($79.8M), business development costs ($27.4M), earnings from a business to be discontinued ($18.5M), costs relating to climate related investments ($7.4M) and operating disruptions ($0.2M), along with a gain on the sale of a joint venture interest ($57.0M) and a gain on discontinued operations ($4.4M). A full reconciliation of underlying adjustments is available in BlueScope's FY2026 Annual Report.

Accelerating Value Delivery

FY2026 was a year of delivery.

BlueScope completed a planned CEO succession, responded to unsolicited acquisition proposals with a clear focus on shareholder value, progressed its major projects through peak capital expenditure, completed execution of cost and productivity programs, accelerated land value realisation and rebased shareholder returns materially higher.

The Company is now at its inflection point. As the $2.5 billion investment program moves into its final phase, capital expenditure is ramping down and shareholder returns are ramping up. BlueScope is well positioned for higher earnings, stronger cash flows and greater returns as it enters its next phase of delivery.

On commencing as Managing Director and CEO on 2 February 2026, Tania Archibald highlighted four areas in which the Company would accelerate value delivery, with good progress made across each area in the second half:

Drive execution of existing initiatives. BlueScope advanced its major projects through the peak capital expenditure period, with the New Zealand Electric Arc Furnace and Western Sydney Metal Coating Line moving into commissioning and ramp-up, alongside progress on the North Star debottlenecking, Port Kembla Plate Mill upgrade and No.6 Blast Furnace reline. Further, the $200 million cost and productivity program was fully delivered at the end of FY2026.

Deliver a simpler, leaner, more agile BlueScope. The Company reset its operating model to bring global functional teams together, delivering standardisation, sharper accountability and a platform for ongoing improvement. This shift has supported a range of initiatives that are expected to deliver net benefit of at least $150 million in FY2027.

Accelerate surplus land value realisation. BlueScope progressed initiatives across its 1,200 hectare land portfolio, including the completed sale of a 33ha portion of the West Dapto site, progress on ground lease opportunities in Glenbrook and West Dapto, rezoning activities in Port Kembla and a process commenced for a 65ha logistics hub at Western Port.

Put the balance sheet to work and rebase returns. BlueScope lifted its net debt target to up to $1.5 billion and its distribution target to at least 75 per cent of free cash flow, with the execution of this set out under Shareholder Returns below.

Together these actions position BlueScope to convert a period of significant investment into sustained higher earnings, stronger cash generation and materially higher shareholder returns.

Shareholder Returns

With major investments nearing completion and earnings resilience improving, BlueScope has evolved the settings within its Financial Framework. The Company now targets net debt of up to $1.5 billion, with the ability to move above that level when needed, and has lifted its distribution target to at least 75 per cent of free cash flow.

For FY2026, the Board declared an unfranked final ordinary dividend of 65 cents per share and an unfranked special dividend of 70 cents per share[1], together $1.35 per share to be paid in 1H FY2027. On their payment in October, this completes the plan to deliver $3.00 per share in shareholder returns across the 2026 calendar year, comprising the 65 cents per share interim dividend and $1.00 per share special dividend paid in 2H FY2026, and the FY2026 dividends noted above to be paid in 1H FY2027.

BlueScope plans to again deliver $3.00 per share (approximately $1.3 billion) in shareholder returns during the 2027 calendar year[2], comprising a $1.30 per share annual ordinary dividend and $1.70 per share (approximately $750 million) through a combination of on-market buy-backs, special dividends or other methods.

Improved cash flow generation and earnings resilience underpin these enhanced return levels.

1. Reflects conversion of the previously announced $310M buy-back program at 1H FY2026 results (equivalent to 70cps) to a special dividend, given the buy back was unable to be transacted during 2H FY2026.
2. Announcements of future dividends and franking are subject to the Company's financial performance, business conditions, growth opportunities, capex and working capital requirements, amount and timing of tax payments and the Board's determination at the relevant time.

FY2026 Results

Australia

- Delivered underlying EBIT of $188 million in FY2026, 28 per cent lower than FY2025.
  - Underlying EBIT in in 2H FY2026 was $66 million, 45 per cent lower than 1H FY2026.
- Softer 2H FY2026 performance on sustained low Asian steel spreads, partly offset by stronger volumes.
  - Softer spread on lower domestic pricing and higher raw materials, broadly in line with lagged benchmark movements.
- Stronger domestic despatches, with increases across all end use segments.
  - Record COLORBOND® and TRUECORE® steel sales[1].
- Non-repeat of the one-off, retrospective GST credit in 1H FY2026 ($22 million).
  - Resilient cost performance despite impacts from Middle East conflict.

North America

- Delivered underlying EBIT of $1,034 million in FY2026, 101 per cent higher than FY2025.
  - Underlying EBIT in 2H FY2026 was $587 million, 31 per cent higher than 1H FY2026.
- North Star delivered EBIT of $805 million in FY2026 ($484 million in 2H FY2026) on materially stronger spreads, noting specific sales mix relative to benchmark[2].
  - Price realisation reflects more stable pricing mechanisms (which represent less than 10% of volumes).
  - Business continued to operate at 100% utilisation, including early debottlenecking volumes.
  - Unfavorable translation impact from a stronger A$:US$.
- Buildings and Coated Products North America delivered EBIT of of $230 million in FY2026 ($101 million in 2H FY2026).
  - BlueScope Buildings delivered a softer performance in the half due to lower volumes (largely on seasonality) and higher raw material costs.
  - BCP performance improved as turnaround efforts continued during the half.
  - Steelscape performance improved in the half on higher volumes.
  - Unfavorable translation impact across the segment from a stronger A$:US$.

Asia[3]

- Delivered underlying EBIT of $177 million in FY2026, 28 per cent higher than FY2025.
  - Underlying EBIT in in 2H FY2026 was $81 million, 17 per cent lower than 1H FY2026.
- Southeast Asia delivered a record full year EBIT of of $157 million in FY2026 ($77 million in 2H FY2026).
  - Record FY2026 result with strength maintained 2H FY2026, as slightly higher volumes and robust cost performance largely offsetting lower prices.
  - Improved performance in Thailand on stronger volumes; slightly softer across Indonesia, Malaysia and Vietnam.
- China contributed of $16 million in FY2026 ($2 million in 2H FY2026), with the second half softer than the first on typical seasonality and weak demand in line with China domestic macroeconomic conditions.

New Zealand and Pacific Islands

- Delivered underlying EBIT of negative $1 million in FY2026, 92 per cent higher than FY2025.
  - Underlying EBIT in 2H FY2026 was $16 million, 192 per cent higher than 1H FY2026.
- Domestic despatches remained stable in 2H FY2026 as macroeconomic conditions and construction activity remained soft.
  - Overall mix improved, including record COLORSTEEL® volumes in the year.

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1. COLORBOND® steel despatch volumes 654kt in FY2026; 332kt in 2H FY2026 TRUECORE® steel despatch volumes 155kt in FY2026; 80kt in 2H FY2026
2. Benchmark prices are illustrative only, and may not be representative of realised mill prices due to a range of factors. Movements in prices across the majority of sales correlate with Midwest regional benchmark pricing, on a short lag; a minority of sales are priced on a longer term basis. Accordingly the degree of correlation between realised and benchmark prices can vary in a given half but is more fully reflected over the medium term.
3. On 31 December 2025, BlueScope sold its 50 per cent interest in Tata BlueScope Steel to its joint venture partner, Tata Steel, delivering a $57 million net recognised pre-tax gain on the sale. There was no contribution from the business in the second half.

- Cost performance improved, particularly on lower energy costs and reduced maintenance requirement on soon to be decommissioned ironmaking equipment.
- EAF installation was largely completed in the half, with the hybrid EAF model to reduce earnings volatility with lower emissions product, flexible production capacity and reduced energy costs
  – FY2027 expected to be a transition year; next phase of energy contract to commence in Dec-26.

Corporate and Eliminations

- Corporate costs and eliminations of $125 million in FY2026, 22 per cent lower than FY2025.
  – Corporate costs and eliminations in 2H FY2026 were $34 million, 63 per cent lower than 1H FY2026.
- 2H FY2026 included the $76 million profit on the West Dapto land sale, which was partly offset by the unfavourable impact of exchange rates on intercompany eliminations.

For more information regarding BlueScope's FY2026 results and performance, see BlueScope's FY2026 Reporting Suite (including the Annual Report, Investor Presentation, Supplementary Materials and data sets), available at bluescope.com/investors. Of note, the FY2026 Annual Report this year integrates BlueScope's Corporate Governance Statement, along with its sustainability reporting - including the mandatory climate-related disclosures under ASRS S2.

1H FY2027 Outlook

BlueScope has entered FY2027 with solid momentum.

Operating conditions remain mixed, with continued strength in North America, recovery underway in Australia and strong momentum across Southeast Asia, while Chinese overcapacity continues to weigh on Asian spreads.

The Company expects underlying EBIT in 1H FY2027 to be in the range of $860 million to $960 million.

Expectations are subject to spread, foreign exchange and market conditions[1].

Market Briefing

BlueScope will host a market briefing at 10:00am (AEST) today, 17 August 2026. A live webcast and archived recording of the briefing will be available at bluescope.com/investors.

1. Refer to BlueScope's FY2026 Investor Presentation and Supplementary Materials (available at bluescope.com/investors and on the ASX platform) for 1H FY2027 outlook assumptions and sensitivities.

Authorised for release by: the Board of BlueScope Steel Limited

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