ASX RELEASE

BlueScope

Date: 7 January 2026

BlueScope rejects highly opportunistic takeover proposal from SGH and Steel Dynamics

The Board of BlueScope today announced that it has unanimously rejected the unsolicited, non-binding, indicative and conditional takeover proposal received from a consortium comprising SGH Limited (SGH, ASX:SGH) and Steel Dynamics, Inc. (Steel Dynamics, NASDAQ:STLD).

The takeover proposal offered to acquire all of the shares in BlueScope by way of a scheme of arrangement at a price of $30.00 cash per share, less the value of future dividends paid by BlueScope. Given the time required to implement any takeover of BlueScope, the effective value of the proposal for BlueScope shareholders would be less than $30.00 per share, with all upside value for the sole benefit of the consortium. The takeover proposal was subject to numerous conditions, including the consortium undertaking extensive due diligence on the Company on an exclusive basis and securing significant debt financing.

The Board unanimously rejected the takeover proposal on the basis that it very significantly undervalued BlueScope.

BlueScope Chair, Jane McAloon, said, “Let me be clear – this proposal was an attempt to take BlueScope from its shareholders on the cheap. It drastically undervalued our world-class assets, our growth momentum, and our future – and the Board will not let that happen.

"This is the fourth time we've said no, and the answer remained the same – BlueScope is worth considerably more than what was on the table.

“The BlueScope team is well recognised for driving and delivering value for our shareholders and customers. Since its restructure was completed in financial year 2017, BlueScope has invested over $3.7 billion in growth projects, delivered over $3.8 billion of shareholder returns and achieved an 18% average return on invested capital.

“Under the experienced leadership of the incoming MD&CEO, Tania Archibald, the Board is highly confident that management will continue to deliver superior shareholder value.”

The consortium’s takeover proposal failed to adequately recognise the value of BlueScope’s assets and comes at a time of lower steel spreads in Asia. If steel spreads and FX rates reverted to historical average levels, this would be expected to generate an additional $400 to $900 million of EBIT per annum relative to FY2025.

The takeover proposal also failed to adequately reflect the value expected to be delivered from various initiatives, including:

1. The acceleration in free cash generation as the current $2.3 billion capital program is completed,
2. The targeted $500 million per annum earnings uplift from growth initiatives and investments well underway,
3. BlueScope’s ongoing business improvement initiatives, including the $200 million of cost and productivity improvements expected to be delivered in FY2026, and
4. The monetisation of BlueScope's 1,200 hectare land portfolio, now being rezoned and developed

The takeover proposal also fails to appropriately value the significant synergies and other benefits available to the consortium. Further, given the consortium are seeking to debt-fund the takeover, and BlueScope had virtually no net debt at FY2025, the bidders are seeking to use BlueScope’s balance sheet to help fund their opportunistic takeover proposal.

The Board of BlueScope previously considered and unanimously rejected three separate unsolicited approaches. In late 2024, a different Steel Dynamics-led consortium offered $27.50 and then $29.00 per share for all of BlueScope. In both proposals, Steel Dynamics would have acquired BlueScope's North American businesses.

In early 2025, Steel Dynamics offered to acquire all of BlueScope, retain its North American operations, and distribute the non-North American assets to BlueScope shareholders, valuing North America at $24.00 per share and asserting the value of the remaining assets to be at least $9.00 per share.

These approaches were rejected as they significantly undervalued BlueScope and its future prospects, and presented significant execution risk in relation to regulatory outcomes.

The Board of BlueScope continues to optimise value for its shareholders across all of its businesses and regularly assesses all options to accelerate realisation of this value.

Further information on BlueScope's high-quality assets and growth platform is set out in the attached appendix.

BlueScope shareholders are not required to take any action in relation to this matter.

Authorised for release by: The Board of BlueScope Steel Limited

For further information about BlueScope:

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BLUESCOPE FACTSHEET

BlueScope

BlueScope's high-quality assets and growth platform

Strategic asset base and premium brand portfolio

- Leading premium flat steel producer with best-in-class North Star mini-mill in the US
- Integrated steelworks at Port Kembla and Glenbrook, complemented by world-leading metal coating and painting network
- Global leadership in coated and painted steel for building and construction; iconic brands including COLORBOND® and TRUECORE® steel
- Diversified operations across Australia/New Zealand, Asia, and North America; multi-end-use segments reduce export market exposure

Resilient business model with near-term earnings and cash flow momentum

- $130 million in net savings delivered in FY2025; on track for $200 million annual earnings improvement by FY2026; reviewing further improvement opportunities – update to be provided at 1H FY2026 results
- Near-term cash generation, including an expected $250 million from reduced working capital, and $250 million of proceeds from the Tata BlueScope Steel sale and West Dapto land transaction proceeds
- An expected $500 million per annum reduction in capex from FY2027 following the completion of recent capex investments

Compelling growth pipeline targeting $500m EBIT uplift by 2030

- North Star mini-mill volume expansion: +300ktpa capacity by FY2028
- Expanded coated steel capacity in Australia to support COLORBOND® and TRUECORE® steel demand
- Volume growth initiatives in Southeast Asia;
- New electric arc furnace in New Zealand enhancing business performance

Substantial land monetisation upside

- 1,200-hectare non-operational land portfolio with material value creation potential
- The value achieved for the sale of land at West Dapto, which was announced on 30 December 2025, implies a potential value of up to $2.8 billion for the land portfolio, to be realised over time[1]
- Recent Glenbrook battery storage ground lease demonstrates progressive asset monetisation capability

Upside from cyclical recovery

- If steel spreads and FX rates reverted to historical average levels, this would be expected to generate an additional $400 to 900 million of EBIT per annum, relative to FY2025

Proven value creation

- Average return on invested capital of 18% since FY2017, exceeding cost of capital
- $3.7 billion invested in growth; $3.8 billion returned to shareholders via dividends and buy-backs since FY2017
- Robust balance sheet; proven ability to deliver value through the cycle
- Over $3 billion invested in North America since FY2017, taking BlueScope's total investment in the region to $5.5 billion

BlueScope's value pillars

- High-quality asset portfolio with global reach and scale
- Resilient, diversified business model with proven execution capability
- Significant earnings growth opportunity from organic initiatives and land monetisation

1. Calculated as a simple implied multiple of $2.3 million per hectare value from recent West Dapto transaction across 1,200ha land, not including adjustments for portion of developable land, timing of delivery of value uplift from rezoning and development

BlueScope's high-quality assets and growth platform

7 January 2026

BlueScope Steel Limited. ASX Code: BSL
ABN: 16 000 011 058
Level 24, 181 William Street, Melbourne, VIC, 3000

Pictured:
North Wollongong Surf Club in NSW, featuring SUPERDURA® stainless steel in Surfmist, in LYSAGHT® CUSTOM ORB® profile

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Authorised for release by the Board of BlueScope Steel Limited

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INTRODUCTION

BlueScope's Board has unanimously rejected a highly opportunistic takeover proposal from a consortium of SGH Holdings and Steel Dynamics

- Takeover proposal would have seen SGH acquire all of BlueScope's shares via scheme of arrangement at a price of $30.00 cash per share
  - SGH proposed to on-sell BlueScope's North American businesses to Steel Dynamics
- Proposal was subject to a significant number of conditions, including undertaking extensive due diligence, exclusivity and the consortium securing significant debt financing
- The BlueScope Board unanimously rejected the takeover proposal on the basis that it very significantly undervalued BlueScope
- The Board has strong conviction in BlueScope's value, underpinned by its:
  - High-quality asset portfolio;
  - Resilient business model; and
  - Significant earnings growth opportunity

OUR PURPOSE, OUR BOND AND OUR STRATEGY

BlueScope

Our Purpose:

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

Our Bond

Our Customers
are our partners

Our People
are our strength

Our Shareholders
are our foundations

Our Local Communities
are our homes

Our Strategy

TRANSFORM

DELIVER A STEP CHANGE IN CUSTOMER EXPERIENCE AND BUSINESS PERFORMANCE

GROW

GROW OUR PORTFOLIO OF SUSTAINABLE STEELMAKING AND WORLD LEADING COATING, PAINTING AND STEEL PRODUCTS BUSINESSES

DELIVER

DELIVER A SAFE WORKPLACE, AN ADAPTABLE ORGANISATION AND STRONG RETURNS

PILLARS OF BLUESCOPE'S VALUE

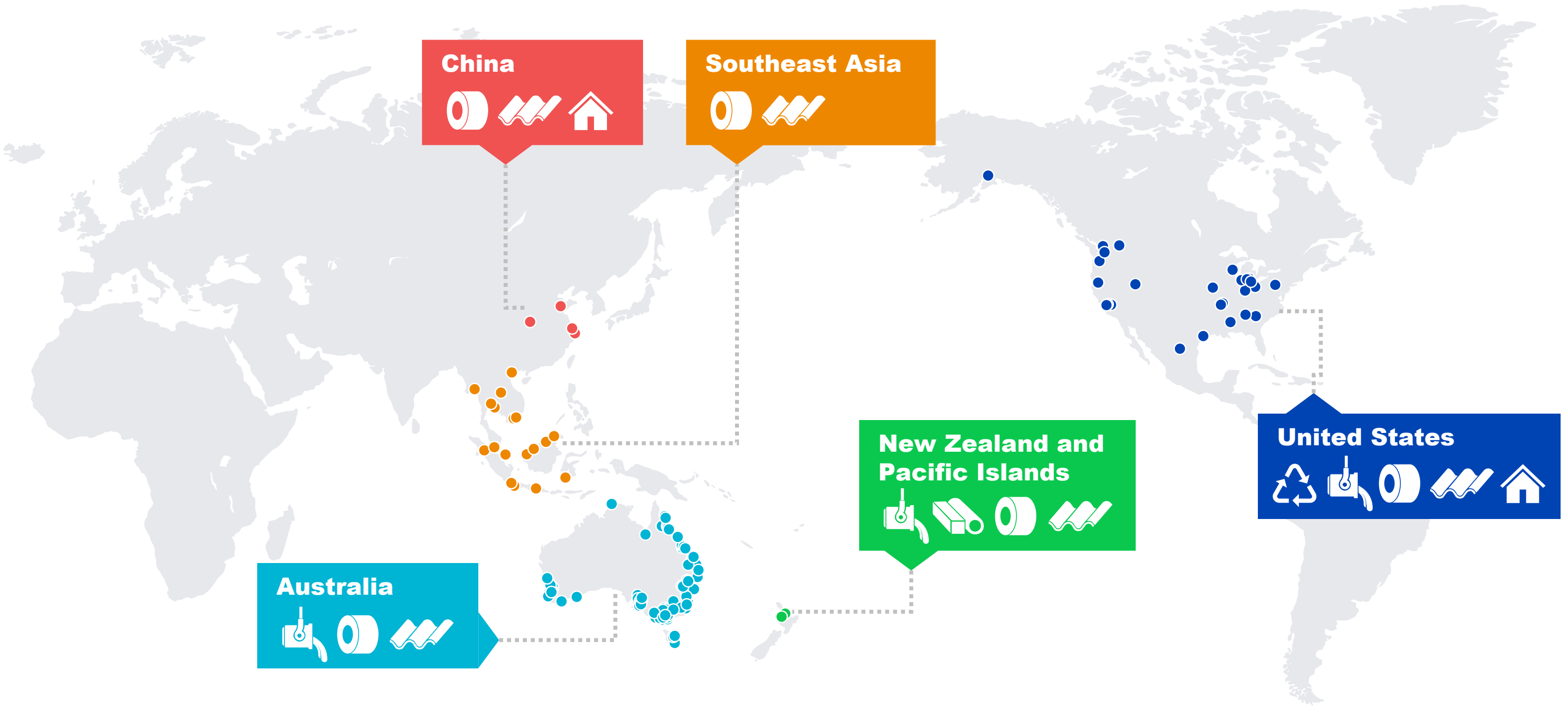
BlueScope's value is underpinned by its high-quality asset portfolio, resilient business model and significant earnings growth opportunity

High-quality asset portfolio	Resilient business model	Significant earnings growth opportunity
Footprint of quality assets across North America, Asia and Australasia	Multi-domestic strategy (producing in country for country)	Cost and productivity initiatives
		Growth investments and initiatives
	Diversified product and market exposure	Upside from 1,200ha land portfolio
Leading brands and channels		Enhanced near-term cash generation
	Disciplined financial management	Spread and FX upside

A HIGH-QUALITY ASSET PORTFOLIO

An undervalued, high-performing and high-quality global asset base

BlueScope's operating footprint



Key

- Recycling (scrap metal)
- Steelmaking (flat products)
- Metal coating and painting
- Long products (rebar)
- Steel buildings and systems
- Steel building materials and components

Core asset base value[1]

Total net operating assets[2]

$11.7Bn

($26.70/sh)

FY2026 capex investment[3]

~$1.5Bn

(~$3.40/sh)

Implied potential land value[4]

up to $2.8Bn

(to be realised over time)

1. Indication of BlueScope's core physical asset base value, not inclusive of other key assets such as brands, intellectual property, customer relationships etc.
2. As at 30 June 2025
3. FY2026 expected capex, not included in FY2025 net operating assets
4. Calculated as a simple implied multiple of $2.3M per hectare value from recent West Dapto transaction across 1,200ha land, not including adjustments for portion of developable land, timing of delivery of value uplift from rezoning and development

LEADING BRANDS AND CHANNELS

A portfolio of many well-known and respected brands support BlueScope's premium products; clear focus on maintaining strong channels to market and knowing its customers

	Brands	Channels
Australia	Colorbond®, Zincalume®, Truecore®, TruSpec®	LYSAGHT, Orrcon Steel, BlueScope Distribution®, Impact Steel, Fielders, Metalcorp – Everything in Steel, Ranbuild – Better sheds. Bigger choice.
New Zealand	Colorsteel, Zincalume®, Galvsteel®, Axxis® – Steel for Framing	Pacific Steel® – Certain Strength, Steltech® – Optimised Steel - Smart Solutions
Asia	Clean, Colorbond®, SACVIỆT®, Butler®, BlueScope Zacs®	LYSAGHT®, Butler®, BlueScope Zacs®
North America	Butler®, Steelscape, Varco Pruden, ASC Building Products®, BlueScope Coated Products	Butler®, Varco Pruden, AEP Span®, ASC Building Products®

Value of brands and channels

Brand recognition

- Established brands create pull-through demand and drive customer and channel loyalty

Margin resilience

- Branded products command price premiums, reducing exposure to commodity steel cycles

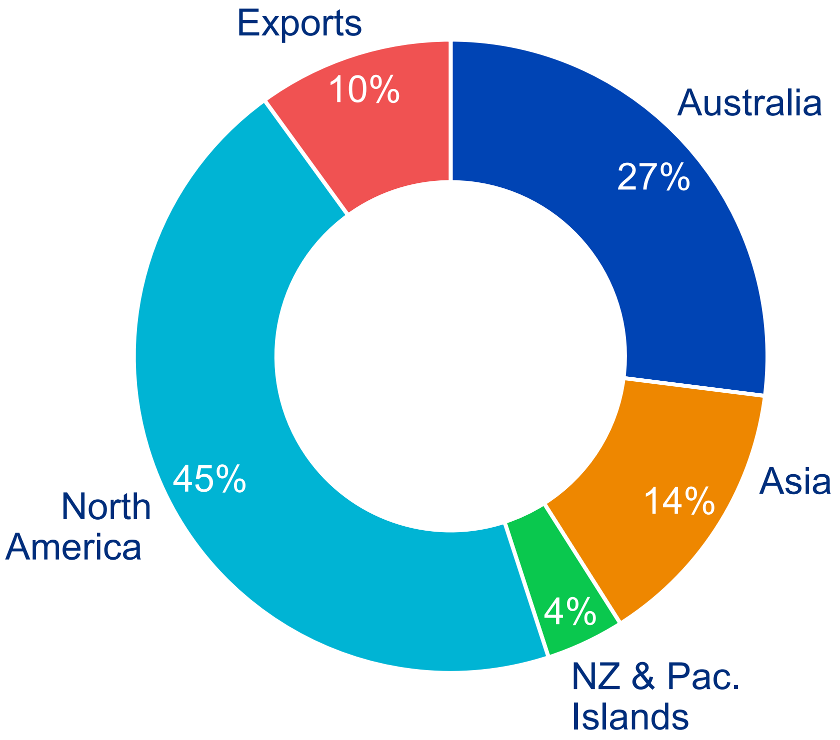
Integrated channels

- Distribution networks and rollforming businesses provide direct customer relationships and market insight

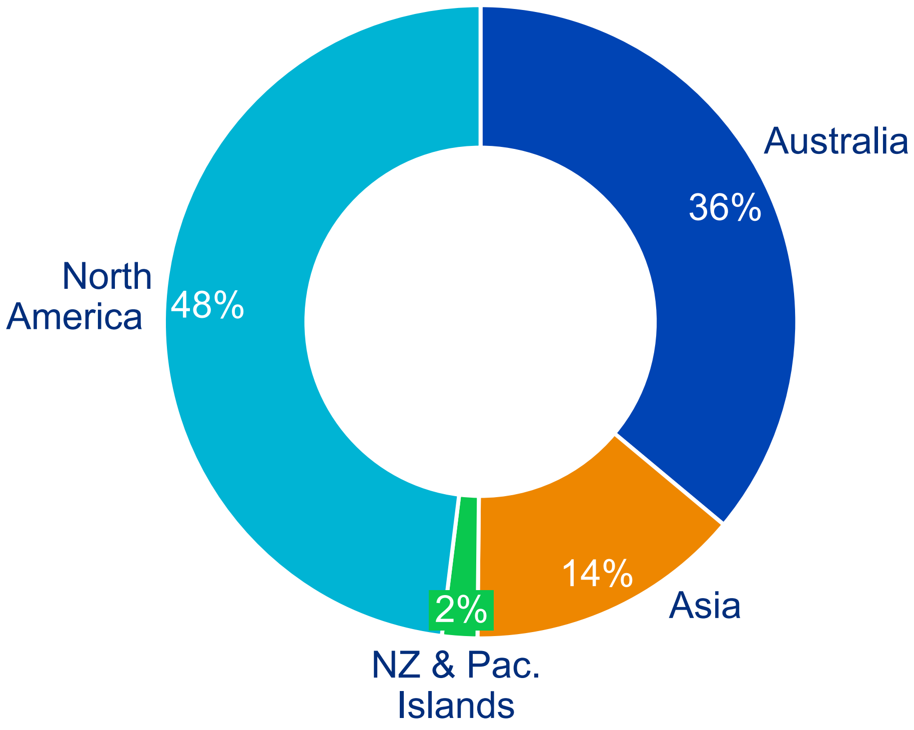
MULTI-DOMESTIC STRATEGY

Producing in country, for country; enhancing margins by selling as close to point of production as possible, reducing freight costs and exposure to low price export markets

FY2025 volume by region[1]



FY2025 underlying EBITDA by region[1]

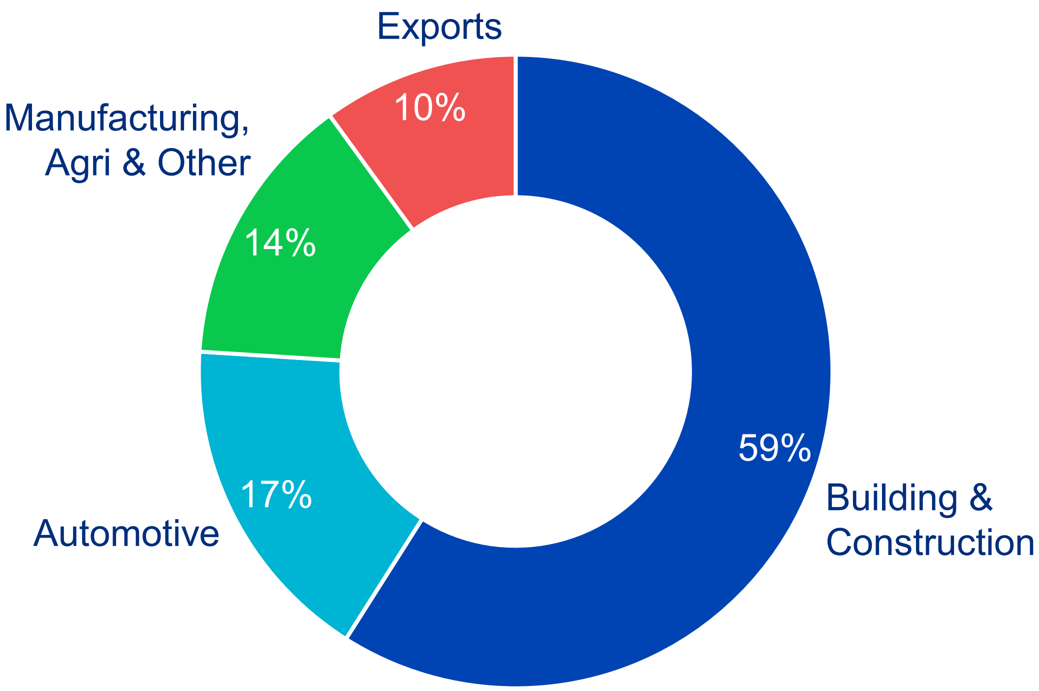


1. Excludes corporate and eliminations

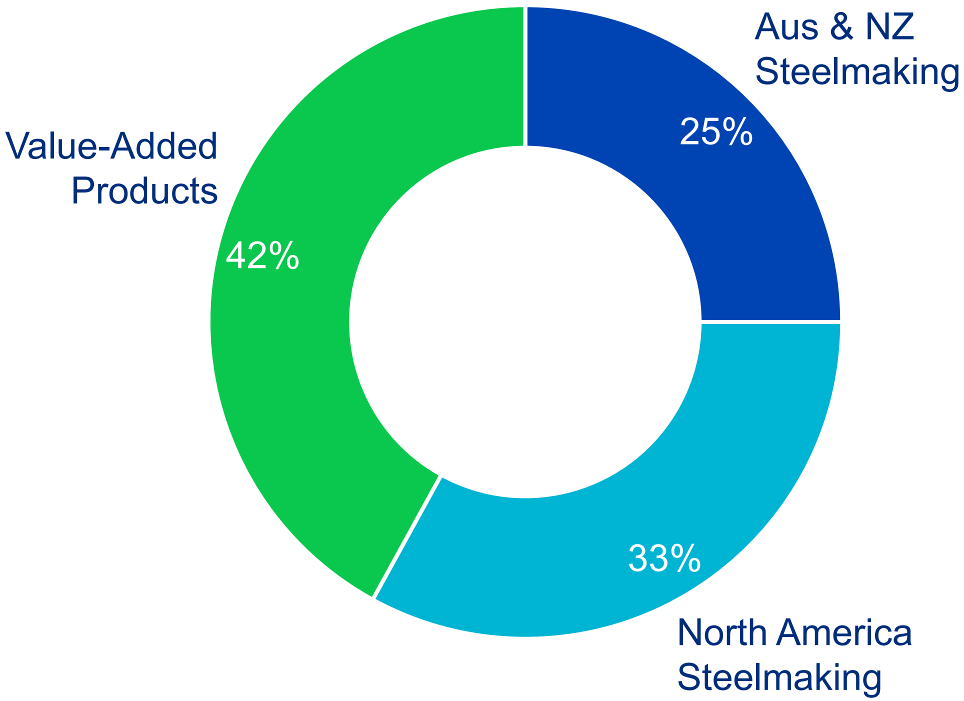
DIVERSIFIED PRODUCT AND MARKET EXPOSURE

Predominantly exposed to the building and construction segment, supporting demand for higher margin, value-added steel products

FY2025 volume by end-use segment[1]



FY2025 volume by product grouping[1]



1. Excludes corporate and eliminations

GUIDED BY OUR FINANCIAL FRAMEWORK

Supported BlueScope's capital discipline since its establishment in 2017

Returns Focus

- Focus on delivering return on invested capital greater than cost of capital through the cycle
- Also focused on maximising free cash generation

Average ROIC (since FY2017)

18%

Robust Capital Structure

- Maintaining a strong balance sheet and strong credit metrics
- Retaining capacity in the short to medium term to fund investment for growth and major projects

Average net cash (since FY2017)

$166M

Disciplined Capital Allocation

- Maintain safe and reliable operations, and support decarbonisation pathways
- Disciplined competition for capital between growth and shareholder returns

Shareholder returns (since FY2017)

>$3.8Bn

BLUESCOPE'S SIGNIFICANT EARNINGS GROWTH OPPORTUNITY

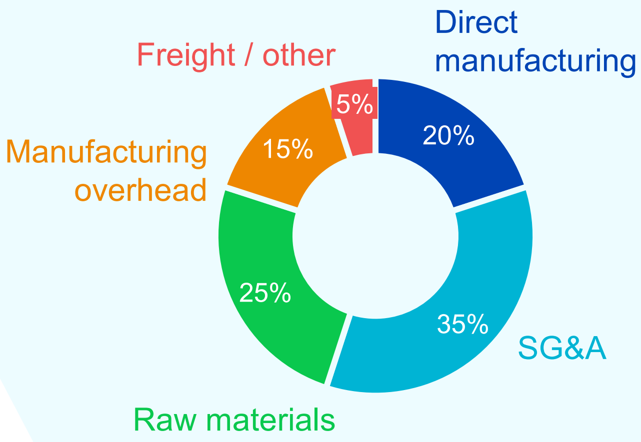
	Target annual EBIT improvement	
Cost and productivity initiatives	**$200M+**	• Targeting $200M net improvement on FY2024 cost base • $130M delivered in FY2025; on track to meet target in FY2026
Growth	**$500M+**	• Targeted annual earnings contribution from growth initiatives and investments by 2030; range of projects well underway across all geographies
	Property upside	• Positioning 1,200ha portfolio for significant progressive value realisation
Spread and FX	**~$400M to ~$900M**	• An improvement in spread levels would offer meaningful upside, even allowing for unfavourable FX

COST AND PRODUCTIVITY INITIATIVES

Initiatives well progressed to deliver target $200M net annual earnings improvement in FY2026[1]; reviewing further improvement opportunities – update to be provided at 1H FY2026 results

	Net saving[1]
1H FY2025 delivered[2]	$70M
FY2025 delivered	**$130M**
FY2026 target	**$200M+**

Breakdown of FY2025 gross cost initiatives



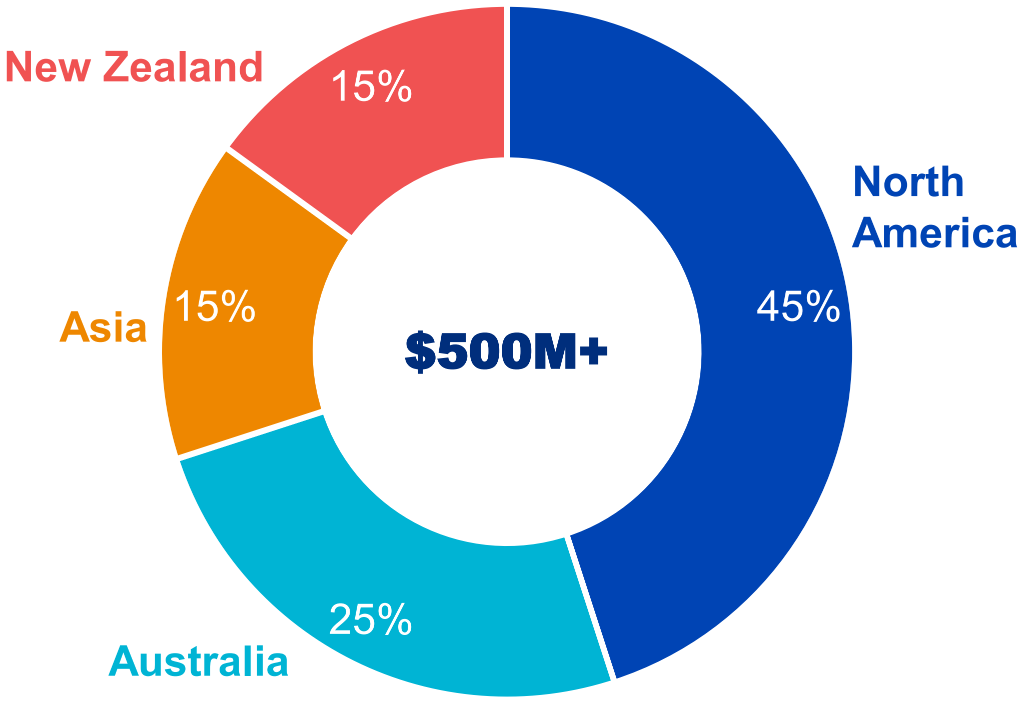
- FY2025 net savings achieved mainly in North America and Asia, with Australia seeing particular escalation in energy and labour costs
- Australian contribution largely expected in 2H FY2026

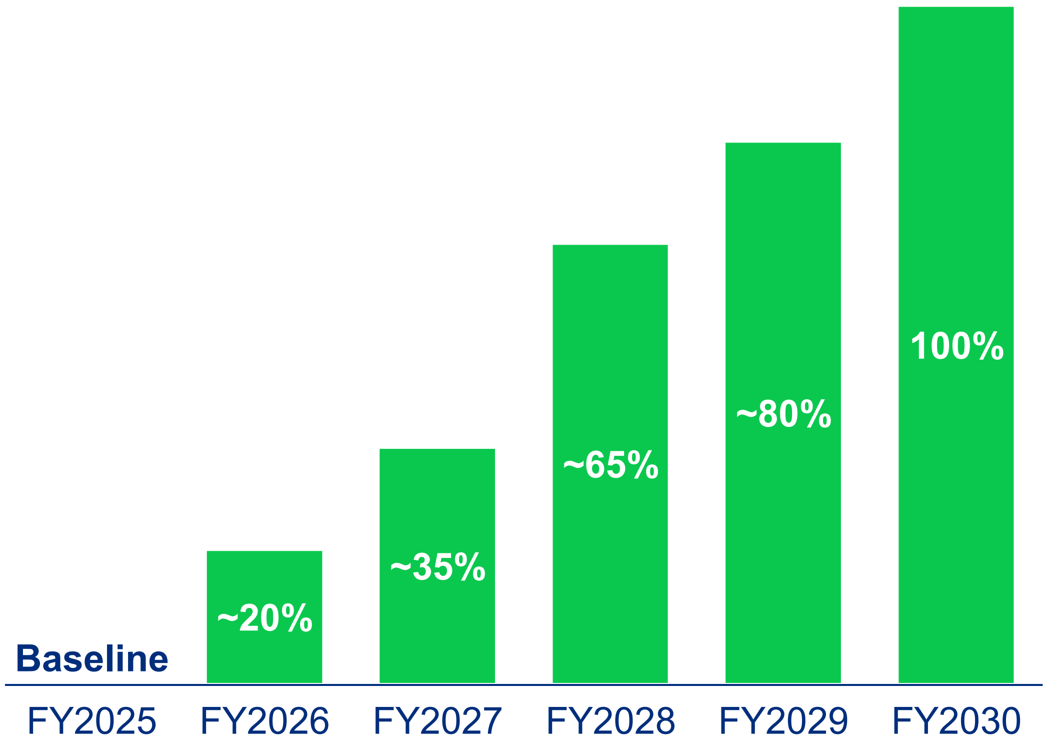
1. On FY2024 cost base
2. On 2H FY2024 cost base

TARGET GROWTH INITIATIVES TO FY2030

Growth initiatives underway to drive $500M EBIT uplift to FY2030

Target annual underlying EBIT contribution from growth investments by FY2030





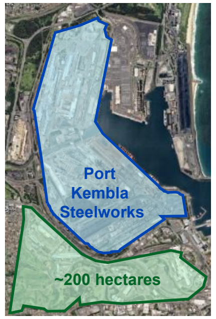
1. Target incremental annual EBIT performance in FY2030

SUBSTANTIAL VALUE IN LAND PORTFOLIO

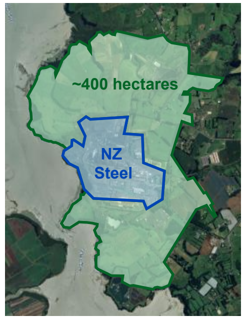
Over 1,200 hectares of high-potential strategic non-operational land, being positioned for significant progressive value realisation

Sites

Port Kembla
NSW, Australia

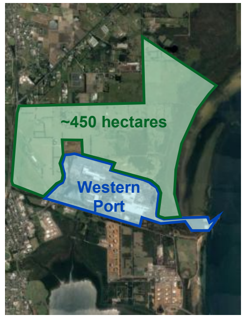


Glenbrook
New Zealand



West Dapto
NSW, Australia

Western Port
VIC, Australia



Potential land uses

Energy	Data centres, renewables, Battery Energy Storage Systems (BESS)
Logistics	Warehousing, rail, hardstand, port
Downstream Businesses / Manufacturing	Downstream / aligned businesses, other industrials
R&D / Social Infrastructure	Educational precincts, industrial innovation parks

Examples of value realisation

33ha Residential Land Sale
West Dapto, NSW

- Agreed to sell 33ha to one of Australia's largest home builders for $76M ($2.3M/ha)
  - **Implies a potential land value of up to $2.8Bn for the total 1,200ha portfolio, to be realised over time[1]**
- Will feature BlueScope's premium products (COLORBOND® and TRUECORE® steel)

Grid-Scale Battery Lease
Glenbrook, NZ

- Ground lease with Contact Energy for 100MW BESS
- Expanding existing lease from 2.9ha to 3.3ha for an additional 200W of BESS
- Provides land development uplift and lease income with no capital requirement

1. Calculated as a simple multiplication of $2.3M per hectare across 1,200ha land, not including adjustments for portion of developable land, timing of delivery of value uplift for rezoning and development

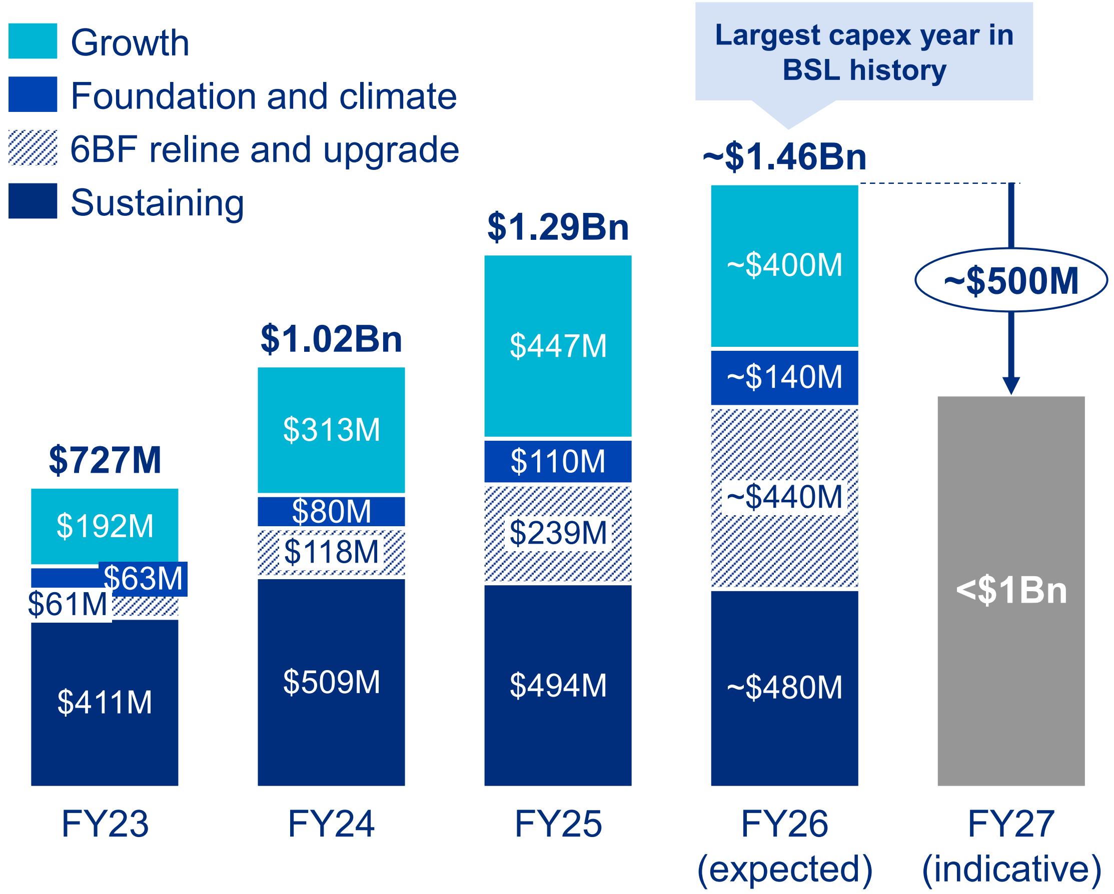
ENHANCED NEAR-TERM CASH GENERATION

Near term cash generation will be improved by non-repeat of capex spend, working capital release and proceeds from recent transactions

FY2026: working capital and sale proceeds

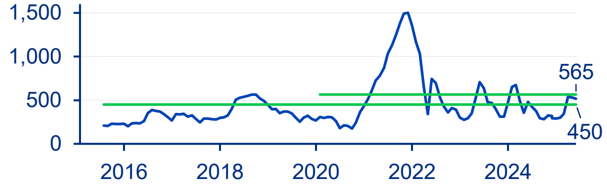
Item	Description	Amount
Working Capital Release	• Includes release from the progressive realisation of current BlueScope Properties Group projects	**~$250M**
50% TBSL JV Interest Sale	• Proceeds from recently completed sale • Received late in 1H FY2026	**$179M**
West Dapto Land Sale	• Proceeds of the recently announced sale • Expected to be received in 2H FY2026	**$76M**
	Total	**~$500M**

FY2027: reduction in capex spend



SPREAD AND FX UPSIDE (FROM FY2025)

An improvement in spread levels would offer meaningful upside, even allowing for unfavourable FX

<table>
<tr><th></th><th></th><th></th><th colspan="2">Historical average[1]</th><th colspan="2">Annual EBIT impact[2]</th></tr>
<tr><th></th><th>History</th><th>FY2025 average</th><th>10-year average</th><th>5-year average</th><th>10-year average</th><th>5-year average</th></tr>
<tr><td>US Spread</td><td>
</td><td>US$367/t</td><td>US$450/t</td><td>US$565/t</td><td>+A$400M</td><td>+A$900M</td></tr>
<tr><td>Asia Spread</td><td>
</td><td>US$207/t</td><td>US$260/t</td><td>US$265/t</td><td>+A$225M</td><td>+$A250M</td></tr>
<tr><td>A$:US$</td><td>
</td><td>0.65</td><td>0.71</td><td>0.69</td><td>-A$250M</td><td>-A$200M</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td colspan="2">~A$400M to ~$900M</td></tr>
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1. Average month East Asia HRC spread, US Midwest HRC spread and A$:US$ FX rate over the 5- and 10-year period to June-25.
2. EBIT impact relative to FY2025 forecast average using the following sensitivity factors: +A$44M EBIT per +US$10/t spread of US spread, +A$43M EBIT per +US$10/t of Asia spread and +A$29M EBIT per +1c of A$:US$ FX rate. Note the FX sensitivity is applied to both FY2025 base EBIT and spread sensitivity EBIT impacts.

BLUESCOPE: A LEADING PREMIUM STEEL PRODUCER WITH PROVEN RETURNS AND STRONG GROWTH TRAJECTORY

Strategic Asset Base	• Advantaged platform in US, including best-in-class EAF facility • Extensive Australasian manufacturing network and integrated value chains
Premium Brand Portfolio	• A global leader in metal coating and painting for building and construction • Portfolio of iconic brands and margin enhancing value-added products
Resilient Business Model	• Multi-domestic strategy focused on serving customers from in-country assets • Robust balance sheet and disciplined financial framework
Compelling Growth Pipeline	• Initiatives and investments focused on strengthening and growing our core • Targeting annual EBIT uplift of ~$500 million by 2030
Proven Value Creation	• Track record of returns; >$3.8Bn in dividends and buy-backs since FY2017 • History of growth through investment; >$3.7Bn invested since FY2017