

Date: **19 March 2020**

## MARKET UPDATE AND WITHDRAWAL OF EARNINGS GUIDANCE

On 24 February 2020 BlueScope advised that the outlook for underlying earnings before interest and tax in 2H FY2020 was similar to 1H FY2020 (which was \$302.4 million). At the time the Company noted that the expectations were subject to spread, foreign exchange and market conditions – including impacts from COVID-19.

Unaudited Group performance during the half to date has been in line with our expectations. Demand in Australia has remained robust, led by building sector and distribution channel demand. North Star despatch volume and spreads have remained stable, and performance across the Building Products and New Zealand & Pacific Steel segments has been in-line with expectations. Our China operations are ramping-up in line with the progressive resumption of business activity across the country.

Over the past few weeks, the increasing rate of COVID-19 transmission across the globe has seen a rapid expansion in the measures taken by governments to slow the rate of infection, with a corresponding decline in sentiment and economic outlook. Most recently we have experienced business interruption due to national shutdown in Malaysia, and overnight it was announced that a number of automakers in North America would temporarily cease production. It is not yet clear what impact this will have on North Star's despatch volumes.

Given this unprecedented environment and economic uncertainty, BlueScope believes it is prudent to withdraw its outlook for 2H FY2020.

BlueScope Managing Director and CEO, Mark Vassella said "As ever, the safety and wellbeing of all BlueScope people is our most important priority. Across our global footprint, business units are implementing measures to reduce the chance of COVID-19 transmission in the workplace, and they have protocols in place to look after any employees who contract the virus, and their colleagues.

"In recent years BlueScope has put a lot of work into transforming the business and is well equipped to operate in this challenging environment. The balance sheet is strong, with net debt at 31 December 2019 of \$47 million, or \$358 million net cash including the impact of operating lease capitalisation, and liquidity of \$2.5 billion.

"We are in a strong position to withstand these uncertain times and for when the virus risk recedes and economies rebound," Mr Vassella said.

A further update on trading conditions will be provided when appropriate.

**Authorised for release by:** The Board of BlueScope Steel Limited.

**For further information about BlueScope:** [www.bluescope.com](http://www.bluescope.com)

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