

BLUESCOPE STEEL LIMITED (BSL)

13 AUGUST 2018

RESULTS	Full Year 2018	Full Year 2017	CHANGE
Sales revenue (\$m)	11,578.2	10,529.8	+9.9%
Sales revenue consensus (\$m)	11,560.0		
EBIT – underlying (\$m)	1,269.3	1,105.4	+14.8%
EBIT – underlying consensus (\$m)	1,217.0		
Underlying NPAT (\$m)	826.0	652.4	+26.6%
Underlying NPAT consensus (\$m)	801.8		
Final Dividend (\$)	0.08	0.05	+60%

BlueScope Steel Ltd (BSL) looking at possibility to expand after solid result.

- **Aussie steel producer and supplier BlueScope Steel Limited (BSL)** recorded a 119% lift in reported Net Profit after Tax and a 27% lift in Underlying Profit after Tax boosted by a stronger second half thanks to higher steel costs both in Australia and globally. BSL's second half earnings result lifted by \$745 million helped by higher steel prices outpacing the lift in raw material costs.
- The Australian Steel products division posted a 28% lift to \$587 million, helped by domestic and export steel price, especially export coking coal and rises boosted by higher domestic (Hot Rolled Coil) HRC and plate sales. As well as a \$32.1 million one-off benefit from settlement of historical coal dispute recognised in the first half 2018 result.
- Earnings from BSL's North Star unit lifted 6% to \$431 million, boosted by a solid second half underlying earnings EBIT of \$285 million. The division continued to operate at 100% capacity over the period. BlueScope is currently running a comprehensive study into the expansion opportunities at North Star, looking at cost and returns over a 600,000 to 900,000 metric tonnes per annum increase. BSL confirmed it needs to look at the margins and the concerns an expansion in the project may open up further debottlenecking. BSL said it will update the market on its decision by February 2019.
- Building products in Asia and North America fell by 12% over the year to \$185 million. North America performed well and China Buildings business maintained positive a performance with a \$4.8 million profit up \$22.1 million last year, while South East Asia was hit by softer margins in high margin products. While Direct Building North American unit lifted 30% to \$75 million as the second half of the year offset early weakness thanks to robust sales increases especially in logistics and warehousing sales.
- BSL's New Zealand and Pacific Steel division posted an \$83 million lift in Underlying Earnings before Tax to \$112 million, \$71 million in the second half. The result was supported by higher export volumes up 37% and productivity improvements and cost savings
- BlueScope is on target for its expected 1H18 underlying EBIT or around 10% above 2H18. Today BlueScope said its \$300 million share buyback will be increased by another \$250 million over the next six months and BSL said it will pay a final dividend of \$0.08 on the 16th of October 2018.

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