

BlueScope Steel Shares Surge After \$8.8 Billion Takeover Bid



Scrap metal heated in a steel furnace at BlueScope Steel Ltd. Port Kembla steelworks in Port Kembla, Australia. *Photographer: Brent Lewin/Bloomberg*

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❖ Takeaways by Bloomberg AI

- BlueScope Steel Ltd. shares surged after the company said it was considering a A\$13.2 billion takeover bid by Steel Dynamics Inc. and SGH Ltd.
- The offer of A\$30 per share for BlueScope is a 23% premium to Monday's closing price and will allow Steel Dynamics to take over the company's North American operations.
- The proposal is non-binding and indicative, and is subject to numerous conditions including exclusivity and a unanimous board recommendation, and relies on "highly conditional debt funding support."

BlueScope Steel Ltd. shares surged in Sydney, after the company said it was considering a A\$13.2 billion (\$8.8 billion) takeover bid by US steelmaker Steel Dynamics Inc. and Australian conglomerate SGH Ltd.

Long-time suitor Steel Dynamics and Kerry Stokes-controlled SGH offered A\$30 per share for BlueScope, a 23% premium to Monday's closing price, under a deal that will allow the US buyer to take over the company's North American operations with SGH retaining the remainder. Shares in Australia's largest steelmaker closed 21% higher at A\$29.54 on Tuesday.

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Steel Dynamics, SGH made A\$30/share offer for BlueScope

BlueScope Steel Ltd

Last price A\$



Source: Bloomberg

The offer, which BlueScope has said is non-binding and indicative, marks a step toward further consolidation in the strategically important steel sector. BlueScope has long been viewed as a potential takeover target given the scale of its North American operations, which have become a particularly attractive proposition since the Trump administration imposed steep tariffs on steel to shield US producers.

“This speaks to a structural re-rating of US steel from cyclical exposure to strategic infrastructure,” according to Steve Alain Lawrence, chief investment officer at Balfour Capital Group. “Aligning those assets with a domestic US operator signals recognition that steel now sits alongside ports, power grids, logistics networks, and data infrastructure as a generational asset class.”

BlueScope's North American operations accounted for about 45% of revenue, according to the company's 2025 annual report. It owns a steel mill in Ohio, about 80 miles from a Steel Dynamics-owned operation, as well as a building products business.

"The acquisition of BlueScope's North American Assets will be highly complementary to our existing operations and further expands our capabilities domestically," Steel Dynamics Chief Executive Officer Mark Millett said in a statement. "The combination of BSL's North American teams and assets with SDI would be an excellent fit in every sense and create value for all stakeholders."

Steel Dynamics shares closed 2.4% lower in New York on Monday.

"This transaction is not a surprise – North American steel mills have eyed BlueScope's North Star mill in Ohio as an attractive asset for a while," analysts at Citigroup Inc. wrote in a note Monday. "The challenge was separating the North American assets from the rest of the company."

BlueScope also disclosed that it had previously rebuffed other takeover approaches, including when a separate Steel Dynamics-led consortium made bids at A\$27.50 and A\$29 a share in late 2024.

In early 2025, Steel Dynamics, which is based in Fort Wayne, Indiana, offered to acquire all of the Australian steelmaker, retain its North American operations, and distribute the other assets to BlueScope shareholders. That proposal valued the North America business at A\$24 per share and asserted the value of the remaining assets to be at least A\$9 per share, according to the statement.

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

BlueScope said the most recent proposal was subject to numerous conditions including exclusivity and a unanimous board recommendation, and relies on "highly conditional debt funding support."

Pension fund AustralianSuper, BlueScope's biggest shareholder, declined to comment.

BlueScope has appointed UBS AG as financial adviser. SGH is working with Barrenjoey and Goldman Sachs Group Inc., while Steel Dynamics has brought in JPMorgan Chase & Co.

– *With assistance from Amy Bainbridge and Katharine Gemmell*



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