CAPITAL BRIEF

‘Off the charts’: Behind Ryan Stokes-led SGH’s extra $2b for BlueScope

A week after threatening to walk, SGH boss Ryan Stokes has produced a “best and final” $15 billion bid for the steelmaker, reigniting a takeover standoff that appeared to have frozen.

HUGO MATHERS
2:53pm on 18 February 2026

New BlueScope CEO Tania Archibald pictured at BlueScope’s Port Kembla steelworks in 2024. AAP/Dean Lewins.

“Frankly, we’ll move on,” **SGH** managing director **Ryan Stokes** told analysts almost exactly one week ago, seemingly despondent with his company’s flailing pursuit of the country’s largest steelmaker, **BlueScope**.

In the background, SGH, together with its consortium partner **Steel Dynamics**, was privately piecing together an improved takeover offer, unveiled this morning, which has heaped an extra $2 billion on the table. The companies have said it’s their “best and final” offer, valuing the target at $15 billion.

Market sources familiar with the offer, granted anonymity to discuss confidential information, called it a “very significant uplift”.

“The multiples were already off the charts in the earlier offer,” they told *Capital Brief*. “This just moves them even further off the charts.”

The sources said SGH and Nasdaq-listed Steel Dynamics have not only made a 14% improvement on their initial offer, but have also swallowed a 6% foreign exchange movement that has reduced the Australian-dollar value of BlueScope’s US earnings since the consortium’s opening play. The combined 20% bump, they noted, is around twice the average seen in ASX control deals.

The new all-cash proposal represents a multiple of 10.8 times EBITDA for fiscal 2025, and more than 20 times EBIT. It marks a 47% premium to BlueScope’s undisturbed share price, and more than 30% premium to where the stock has traded at any point over the past 15 years.

Despite making strides towards BlueScope’s own $16 billion self-valuation, the sources dismissed the idea that BlueScope’s lavish shareholder payouts or reported talks with other prospective buyers triggered the improved proposal.

“I don’t think there’s anything new in terms of what BlueScope has produced over the intervening weeks that would have changed the valuation,” a source said.

“After all this time, no alternative bidders have emerged, which is a proof point for the ‘bird in the hand’ argument. Despite speculation, nothing has materialised, so the cash offer looks like a compelling value opportunity for shareholders.”

Macquarie analyst **Peter Steyn** said in a client note that the new offer “more fully recognises the latest value in BlueScope’s property portfolio”.

But SGH and Steel Dynamics have privately rejected the $2.8 billion price tag BlueScope has recently attached to its Australian land holdings. BlueScope CEO **Tania Archibald**, in an interview with *Capital Brief* this week, distanced herself from that figure — which also divided analysts — acknowledging it was a rough extrapolation of its recent $76 million sale of residential land in West Dapto, New South Wales.

That dispute had been part of a larger war of words between BlueScope and the joint suitors since the previous bid was announced. SGH and Steel Dynamics bemoaned the steelmaker’s lack of constructive engagement over the proposal after being publicly scolded by BlueScope chair **Jane McAloon** for attempting to buy the company “on the cheap” with an offer that “drastically undervalued” its assets.

Balfour Capital Group director **Hersh Oberoi** told *Capital Brief* the consortium’s previous offer was “definitely an attempt to acquire strategic assets cheaply which the board rejected”.

“It was definitely an attempt to test the waters before adding another $2 billion to the offer,” he said.

“BlueScope’s balance-sheet strength and ability to return capital to shareholders reinforce the board’s message that the company is not under pressure to transact, which naturally raises the hurdle any bidder must clear to secure a deal.”

BlueScope told shareholders this morning that its board is “considering and evaluating” the new offer. But **RBC Capital Markets** analyst **Owen Birrell** isn’t expecting a deal any time soon.

“At the $34-per-share price point, it serves more as a tool to put pressure on the BlueScope board to engage and to allow SGH and Steel Dynamics to conduct due diligence, rather than a ‘knock-out’ offer,” he wrote in a note to clients.

“We have stated previously that our mid-cycle implied value is in the mid-$30-per-share range, and that an offer will need to be ‘at least’ at this level to be successful.”

A source close to BlueScope told *Capital Brief* the board “won’t rush” and will consider the offer “in the next few days”.

Balfour’s Oberoi expects the board to “move cautiously” and allow “staged engagement” before opening the books for full or exclusive due diligence.