

TATA STEEL

 WeAlsoMakeTomorrow



Tata Steel Results Presentation

Financial quarter ended 30th June 2024

*Celebrating Kaamya Karthikeyan,
Supported by Tata Steel Adventure
Foundation, Kaamya became youngest
to climb Mt Everest from Nepal side*

July 31, 2024

Safe harbour statement

Statements in this presentation describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors



We are committed to ‘Zero Harm’

Journey towards excellence in Safety & Health of employees¹



Contractor Safety

Deployment of Management Standard for high-risk jobs



Process Safety

Developed CoE to deploy standardised procedures



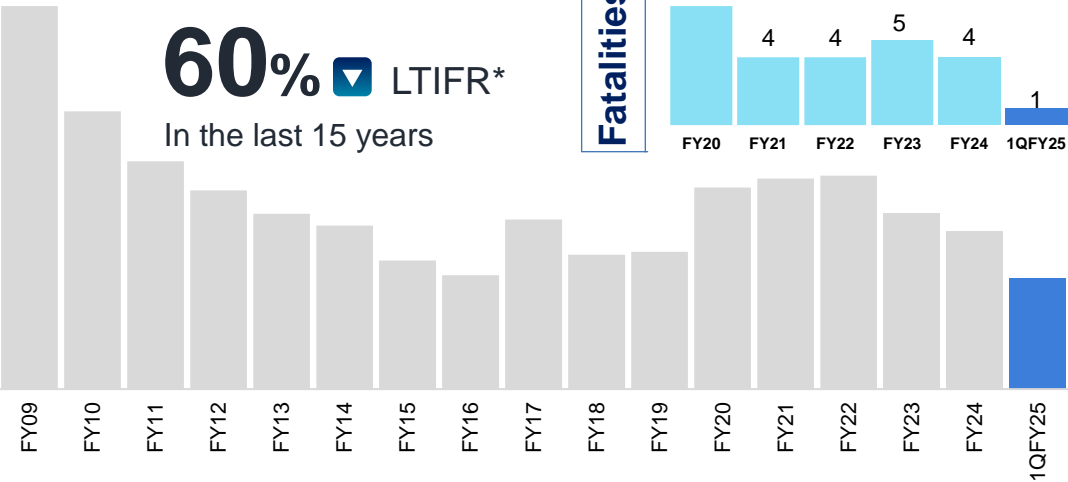
Road & Railway Safety

Anti-tilt mechanism (leveraging technology) across all dumpers



Occupational Health

‘Wellspring’, app to aid employees adopt healthy lifestyle



Comprehensive safety training to all individuals entering workplace



Note : 1. Employees refers to Permanent and Contract workforce, *Lost Time Injury Frequency Rate per million-man hours worked, for Tata Steel Group, 2. Fatalities covers Tata Steel Standalone, SE Asia and Europe; TSML included from 1st Sep'23 and Tinplate Company of India Ltd and Tata Metaliks included from 1st Oct'23, CoE – Centre of Excellence

Improving quality of life of our communities

Social capital and scalable change models to enable deep societal impact



13 lakh+

Lives Impacted¹



>₹1,755 crores

spent² since FY21



Rural & Urban Education

Structured learning for
7.4 lakh+ children



Tribal Identity

3 research documents emanated as
original forms of tribal assets



Public Infrastructure

26 structures created/ renovated



Public Health & Nutrition

1,400 high risk pregnant women
prevented from maternal mortality



Grassroots Governance

>₹10 crore public funds
unlocked directly to communities



Gender & Youth Empowerment

10 trained women elected in village
decision making positions



Climate resilient Livelihoods

1,778 households adopted climate
resilient agri practices



Grassroots Sports

7,400+ children and youth engaged in
rural sports



Dignity for Disabled

2,200+ PwD connected through
SABAL programme



Water Resources

15.5 million cubic feet water storage
capacity created

Strategic Update

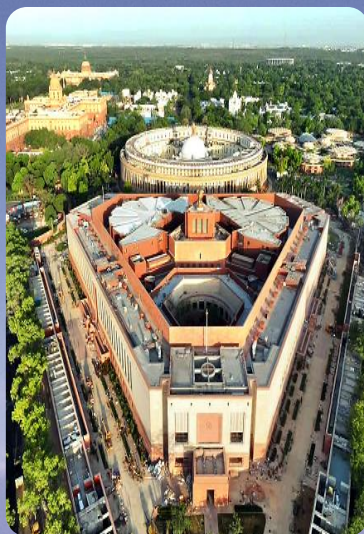


Kailash Top, Gamharia, Jamshedpur - a 30-acre ash mound transformed into a vibrant biodiversity park with 25,000 plants and shrubs

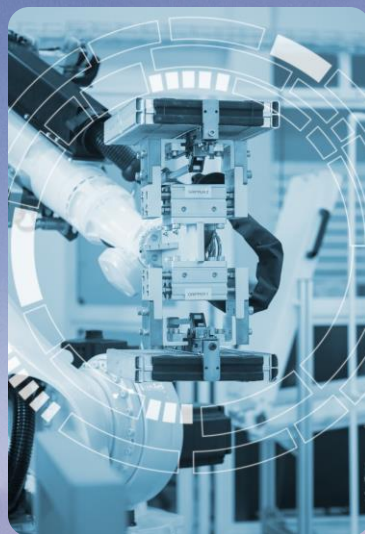
Tata Steel is focused on creating sustainable value



**Leadership in
Sustainability**



**Leadership in
India**



**Leadership in
technology and
digital**



**Consolidate
position as global
cost leader**



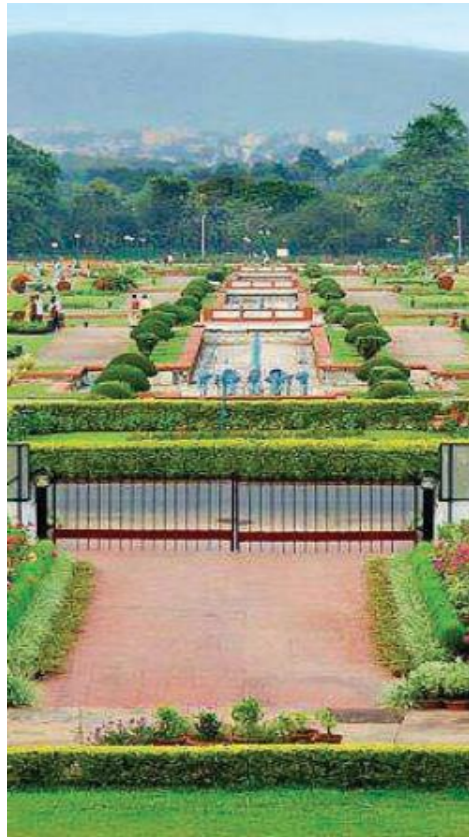
**Robust
financial health**



**Become
future ready**

Sustainability is at the core of our strategy

Route and pace of decarbonisation being calibrated across geographies



Net Zero emissions for Tata Steel 2045

Our ESG goals underpin the focus areas



Circular economy



Water, Air emissions



Biodiversity, Dust



Employees, Community



Supply chain



R&D, Technology



- Pursuing multiple initiatives and committed to responsible capacity growth
 - Process improvement, Carbon direct avoidance and Carbon Capture & Utilisation



- Pursuing decarbonisation to reduce 50 million tons CO_{2e} over a decade
 - Upon transition to green steel configuration, emission intensity of ~0.4 tCO_{2e} per tcs



- Committed to achieve 35 - 40% CO₂ emission reduction by 2030. Government support key
 - Discussions with government and technology partners are underway



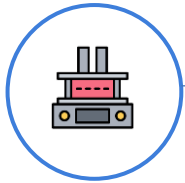
India : Pursuing multiple initiatives and committed to responsible growth



Carbon emission reduction via multiple levers



Process improvement such as improvement in blast furnace fuel rates, waste heat utilisation

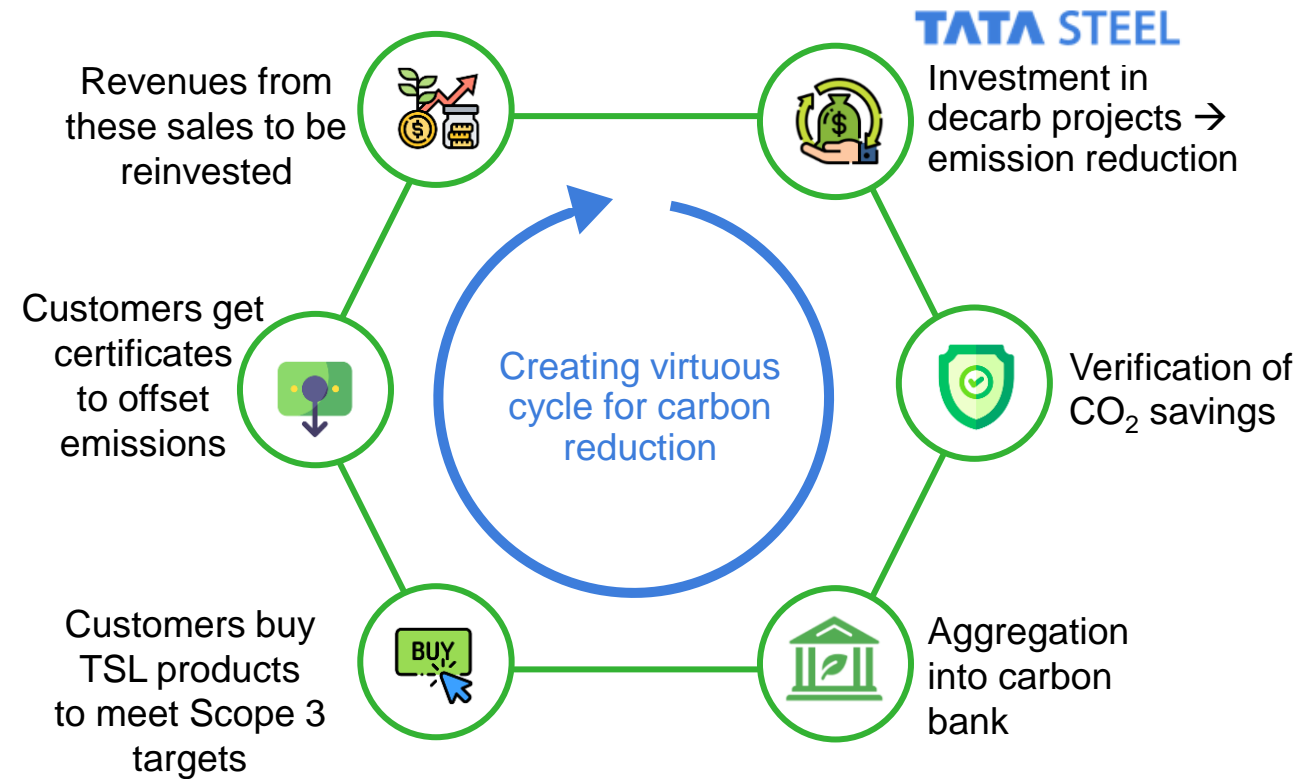


Carbon Direct Avoidance via bio-char / hydrogen injection at the blast furnace and EAFs



Carbon Capture & Utilisation - 5 TPD pilot plant at Jamshedpur to capture CO₂ from blast furnace

India's 1st carbon bank initiative to further carbon abatement



UK: Pursuing decarbonisation to reduce 50 mn tons CO_{2e} over a decade



Restructuring of existing operations on course



Intermediate financially viable configuration

- Secured most of the slab and hot rolled coil substrate to run downstream operations during transition to green steel
- Sustain significant market presence across steel end use segments in UK



Green steel configuration (Scrap based EAF)

- Carbon emission intensity of around 0.4 tCO_{2e} per ton of crude steel. Utilise locally available scrap
- Economically and Environmentally viable solution, with the UK government support



Netherlands: Committed to achieve 35 – 40% CO_{2e} reduction by 2030



Commenced discussions with Dutch government wrt decarbonisation strategy for Tata Steel Netherlands

- Presented the Green Steel Plan outlining the blueprint for the Netherlands' transition to low-CO₂ steelmaking

Government support is key wrt the transition plan

Phase 1

Phase 2

- Replace one of the blast furnace with a DRP – EAF by 2030
- DRP to initially run on natural gas and later transition to hydrogen as it becomes cost competitive
- Closure of the remaining blast furnace (i.e. BF 6)
- Transition to relatively green steelmaking operations in IJmuiden

- Roadmap plus programme underway to improve environmental performance around dust noise and odour
- Independently validated reduced carbon steel solutions to aid customers meet Scope 3 emission targets (Zeremis® Carbon lite and Zeremis® delivered)



Demonstrating transparency through sustainability disclosures

68 targets have been prioritised across 15 relevant UN SDG goals



Tata Steel's ESG performance disclosures with respect to Key Performance indicators are aligned with national and global standards



Global Reporting Initiative



Requirements of BRSR per SEBI



The Greenhouse Gas Protocol



Task Force on Climate related Financial disclosures



World Steel Association

Select highlights from recently published BRSR

100%

Covers Tata Steel Group's emission footprint

95%

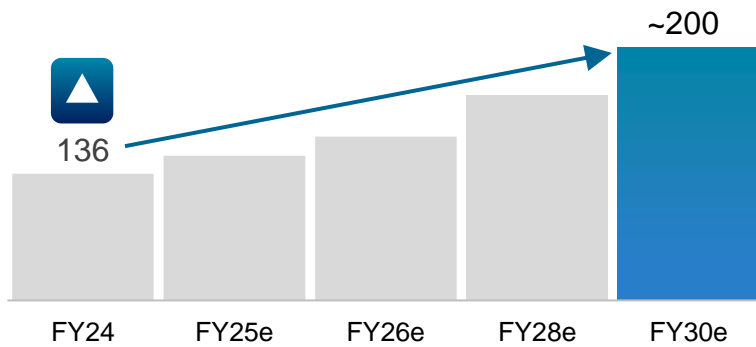
Critical suppliers assessed under Responsible Supply Chain policy in India

Zero

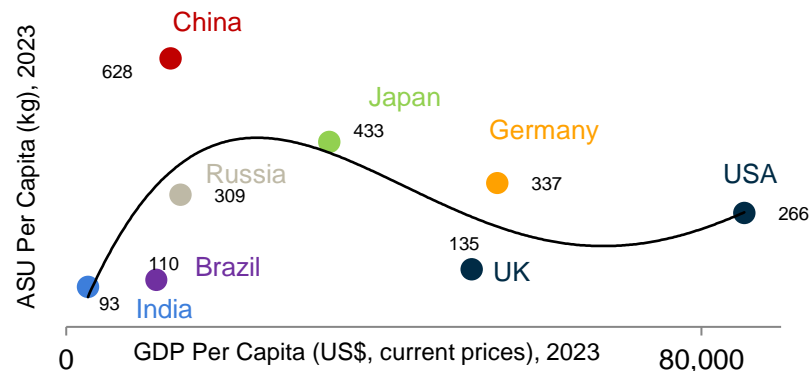
effluent discharge at Kalinganagar and Gamharia sites in India

India steel remains a bright spot aided by the economic growth cycle

India steel demand forecast (in mn tons)



Apparent steel use and GDP per capita



Key trends



590 million

Expected population to live in Indian cities by 2030



Rs 143 trillion

Expected Investments by India towards its infrastructure



USD 4,000

Forecast per capita income of India by 2030 (vs. \$2,450 now)



~300 MTPA

India's targeted crude steel capacity by FY30 - 31

Tata Steel is scaling up in India to capitalise on growth opportunity

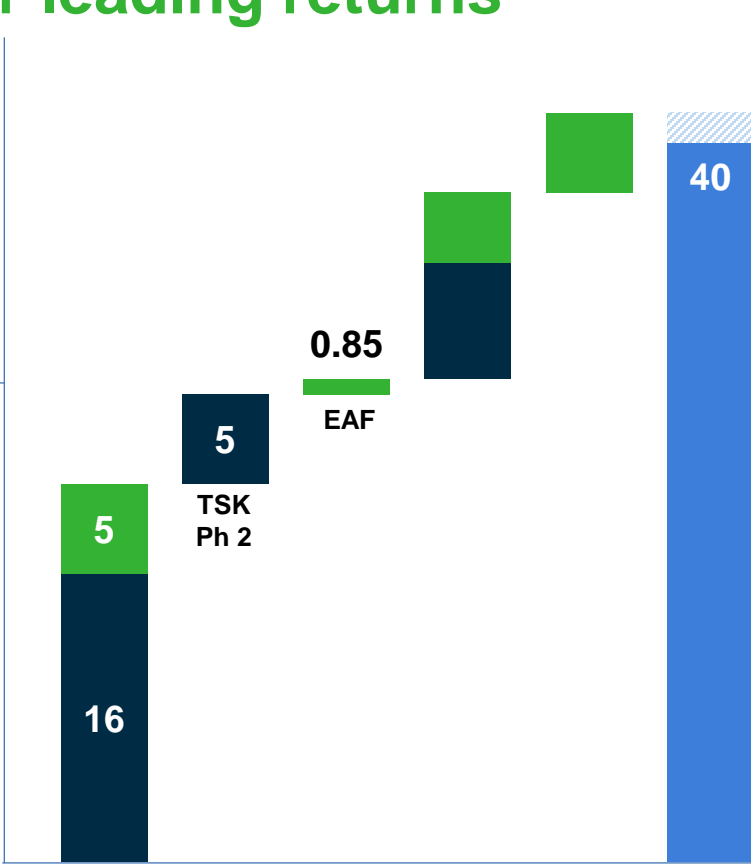
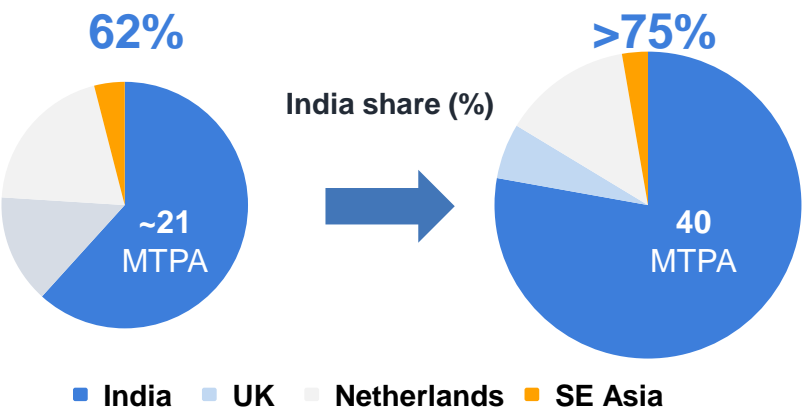
Investments set to drive sector leading returns

Results Presentation, July 2024



2x
capacity growth in India

Dominant
manufacturing base



Flats (A)	~16 MTPA	➡	~27 MTPA	
Longs (B)	~5 MTPA	➡	~13 MTPA	
Crude Steel (A+B)	~21 MTPA	➡	40 MTPA	
Upstream	38 MTPA Iron ore	➡	60 - 65 MTPA	
Downstream	Tubes	Wires	Tinplate	DI Pipe
	1.3 MTPA	0.55 MTPA	0.38 MTPA	0.45 MTPA
	↓ ~4 MTPA	↓ ~1 MTPA	↓ ~1 MTPA	↓ ~1 MTPA



Phased commissioning of 5 MTPA expansion at Kalinganagar

The largest Blast furnace in India at 5,870 cubic metres

Equipment trials and other commissioning works progressing well towards furnace start-up in Sep'24

- Commenced first stove heating (1 of 4 stoves)
Mar'24
- Commenced second stove heating (2 of 4 stoves)
May'24
- Commenced third stove heating (3 of 4 stoves)
Jun'24
- 90-day battery heating cycle commenced for both coke oven batteries
Jul'24
- Expected to commence fourth stove heating (Not required for blast furnace start-up)
Aug'24



Continuous Annealing Line – Strip threading for cold run in progress



► Embracing Digital and Technology to create and unlock value



Connected Operations
Connected Workforce

Connected Assets
Connected Platform



Tata Steel Aashiyana, our e-commerce platform to enhance reach



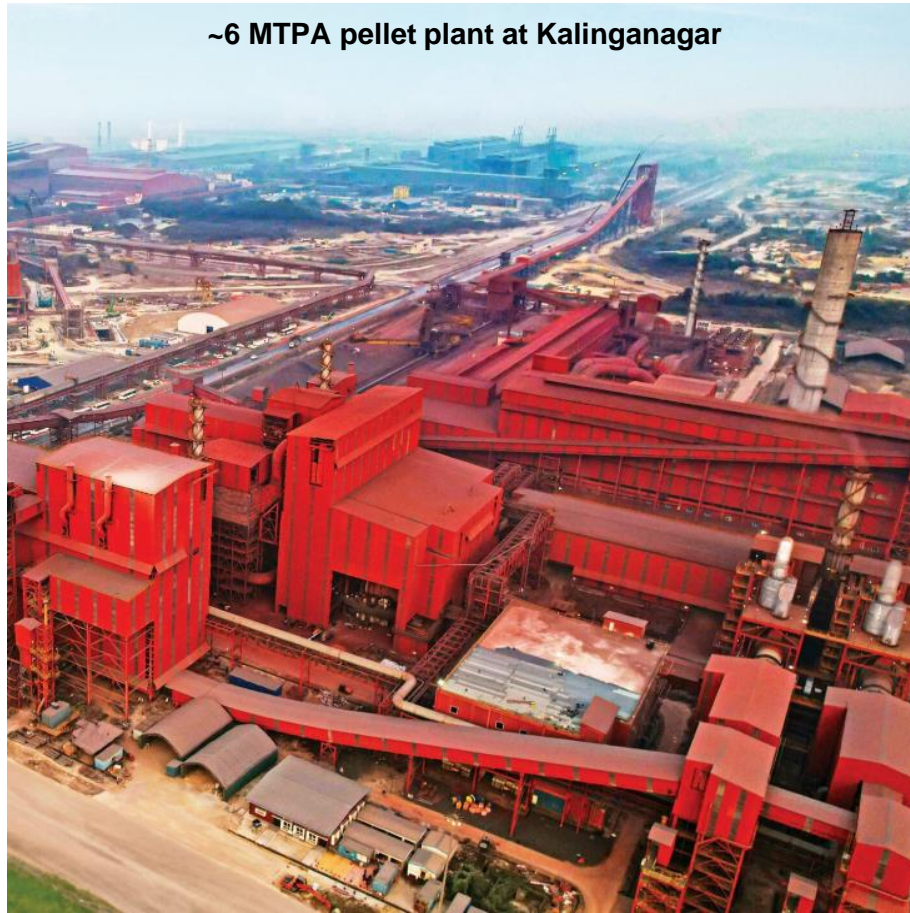
Centers of Innovation to further strategic advantage

Partnering with academia to pilot new technology



> Focus on consolidating position as a global cost leader

~6 MTPA pellet plant at Kalinganagar



Focus on raw material security

Scaling up iron ore mining in India and debottlenecking supply chain



Optimisation of raw material related costs

Pellet capacity of ~14.6 MTPA, blend of coal grades*



Continuous improvement programs

Achieved savings of >Rs 8,300 crs. in FY2024



Focused on digitally enabled sustainable supply chain

Usage of biofuels, End to end visibility of material movement



Agile ways of working to improve performance

Connected solutions & strategic project deployment via agile methods



Financial Management to enable returns across cycle



Balance sheet management

- › Optimise Capital Structure & Cost
- › Target Net debt to EBITDA <2.5 – 3.0x across cycle
- › Proactive financing to drive flexibility and reduce costs



Capital allocation

- › Value accretive investments (ROIC : 15%)
- › Portfolio restructuring

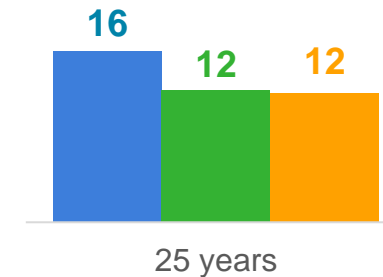


Operational excellence

- › Minimise working capital
- › Continuous improvement programs

Total Shareholder Returns¹ (%)

■ Tata Steel ■ Nifty 50 ■ Sensex



> Becoming culturally future ready

100 tonne dumper at Noamundi mines, India



First miner in India to deploy women in all shifts and onboard transgenders



Initiatives to reach new level of excellence



Talent Preparedness for growth to 40 MTPA

✓ Talent integration post merger

✓ Readiness for growth

Developing Capabilities for Tomorrow

✓ Focus on skill and agile behaviours

✓ Internal talent marketplace

Fostering a Future Ready Culture

✓ Culture of safety : *Zero Harm*

✓ Women@Mines, recruitment of 100+ transgenders



TATA STEEL



Business Update



Hlsarna, a promising steelmaking technology with the potential of at least 20% reduction in CO₂ emissions and energy consumption

Subdued demand in most regions weighed on steel prices and spreads

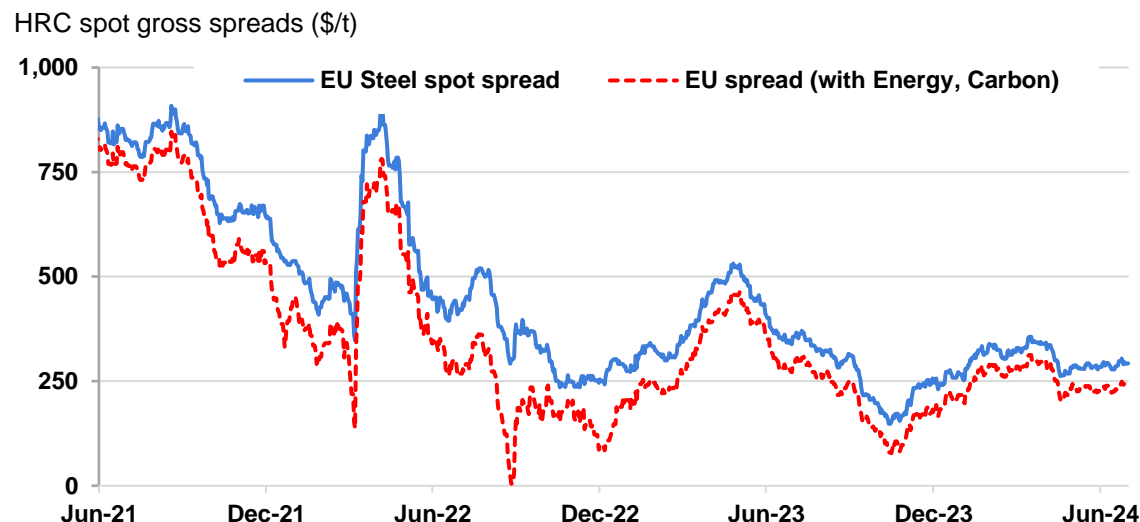
- Global steel prices moderated in Apr – Jun'24 period across key regions. US and EU steel prices were down between 8 – 17% while China prices were rangebound
- China steel exports continue to remain at an elevated level of 8 – 9 mn tons. While price arbitrage narrowed between EU / US and China, subdued demand remains an overhang

China Steel spot spreads (Domestic, Export)



- Raw material prices were rangebound during the quarter. Coking coal was mostly between \$250 - \$260 per ton while Iron ore prices were close to \$110 per ton levels
- Overall, Steel spot spreads moderated across key regions, EU steel spot spreads witnessed a decline >10% during the quarter

EU Steel spread including energy, carbon costs



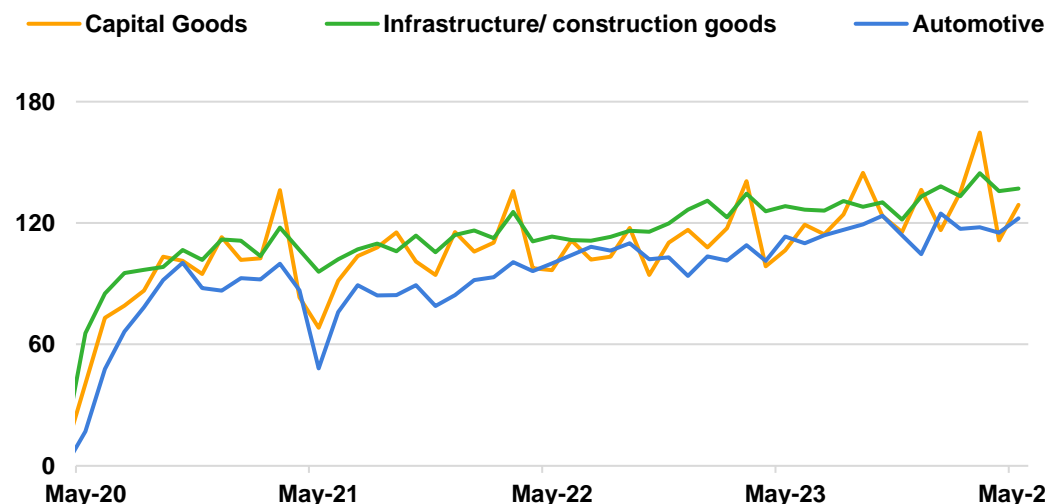
Source: World Steel Association, IMF, Bloomberg, Steelmint; China HRC export spread = China HRC export FOB – 1.65x Iron Ore (62% Fe CFR) – 1x Coal (Premium HCC CFR); China HRC domestic spread is with HRC domestic prices; EU HRC spot spreads = HRC (Germany) – 1.6x iron ore (fines 65%, R'dam) – 0.8x premium (HCC Aus) – 0.1x scrap (HMS, R'dam); EU spot spread incl. energy = EU HRC spot spread – Carbon cost – 0.5 x NG (\$/Mwh) – 0.15 x Electricity (\$/Mwh)

India steel demand remained steady while EU demand was subdued

India

- Indian apparent steel demand remained broadly steady despite some impact due to elections and heat waves
- Steel imports witnessed moderation on QoQ basis, however, India remained net importer for the quarter

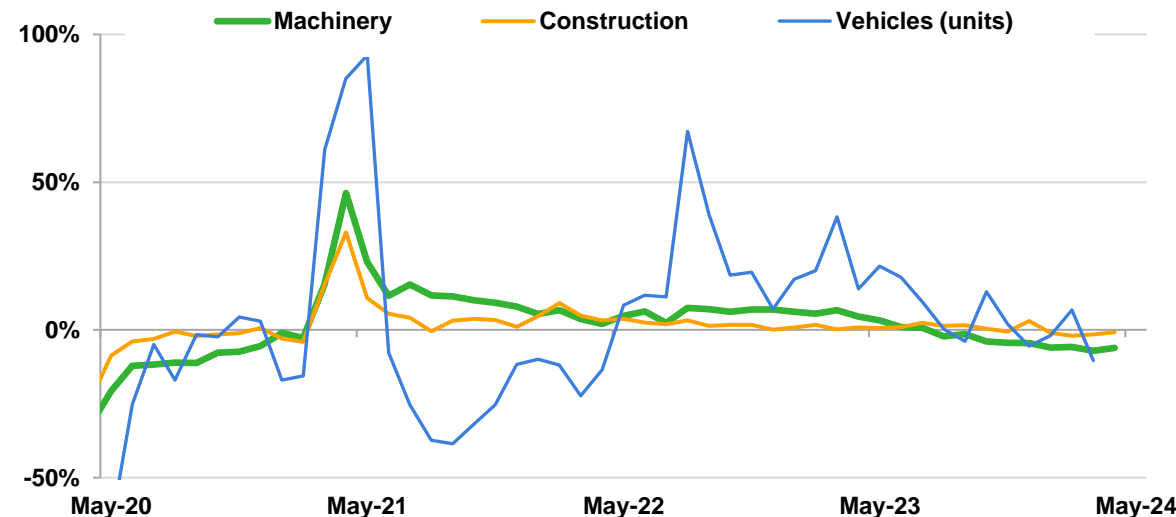
Key steel consuming sectors*



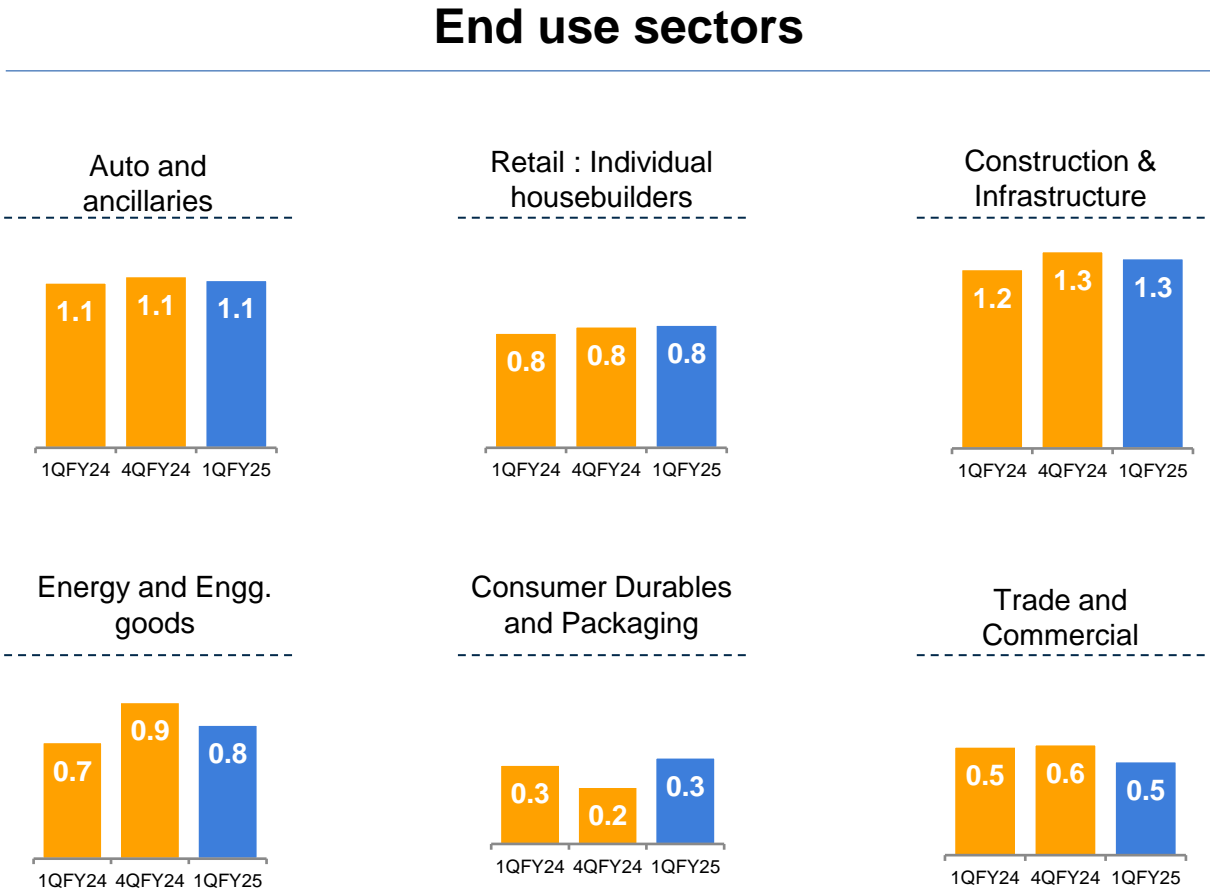
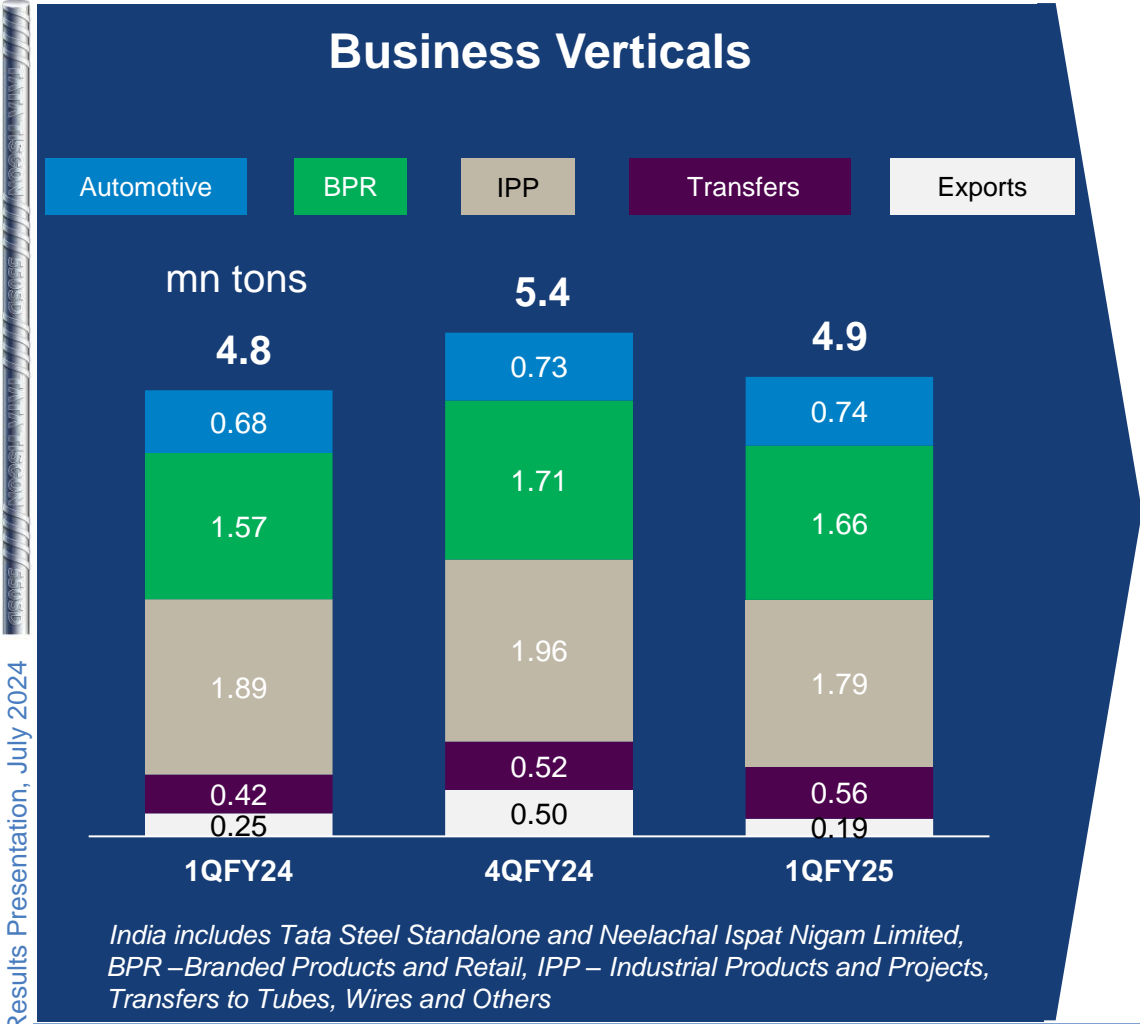
Europe

- EU steel demand was subdued, with construction and machinery being adversely impacted by high interest rates
- Steel imports have remained high and have led to EC extending safeguards with additional measures

Key steel consuming sectors (% YoY growth)



In 1QFY25, India sales were driven by 4% YoY rise in domestic deliveries



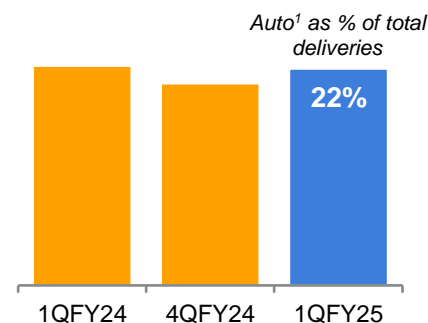
Results Presentation, July 2024

Note : **Auto and ancillaries** incl. B2B and ECA sales, Wire & Specialty steel sales; **Retail** is B2C includes Tiscon, Shaktee, Galvanised Plain Retail, Tubes and Wires; **Construction & Infra** is B2B sales to construction companies; **Energy** incl. Oil & Gas, Wind, Solar etc.; **Engineering** incl. Railways and Capital Goods etc.; **Consumer Durables** is sales to Furniture, Appliances; **Packaging** incl. Tinplate, High Tensile steel strapping ,LPG, Drums & Barrels and **Trade & Commercial** is sales to rerollers, fabrication etc., B2B – Business to Business, ECA – Emerging Corp. accounts, B2C – Business to Consumer and LPG – Liquefied Petroleum Gas

Auto: Consolidating the position of “Preferred Steel Supplier”



- Strong presence across all the automotive OEMs



- Enriched product offerings with hi-end grades from new facilities

Steady growth in high end auto sales



- Value creation for customer via advanced technical support



**Material
benchmarking**

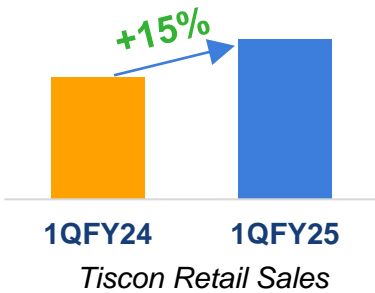
- Digital supply chain solutions for superior customer experience



**Supply chain
Visibility**

Poised to grow 2x in Retail and shaping construction market practices

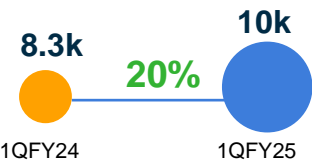
Envisaged capacity growth to aid volumes leveraging branded presence in high margin business



Enhancing footprint – 8,000+ pin code covered



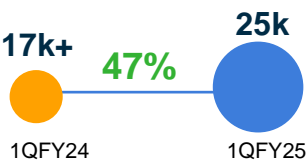
Physical Reach



Dealer base



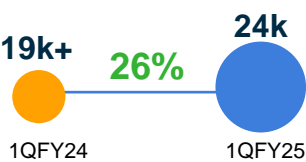
Digital Reach



Aashiyana Unique customers



Mindspace Reach



Active influencers

Ready-to-use solutions and 30+ service centres pan India to simplify customer's journey



Focus on attaining leadership in emerging and growing segments

Engineering Goods

Includes Railways and Capital Goods etc.

- Registered strong growth of ~19% YoY in 1QFY25
 - Driven by best-ever quarterly supplies in Railways, with addressable market share >40%
 - Presence in 1 out of every 5 equipment Lifting & Excavation segment
 - Focus on generating consumer insights via engagement platforms (e.g. RAILCON)

Energy

Includes Oil & Gas, Wind and Solar etc.

- Steady supplies during the quarter
 - Supplies to solar, which contributed to around 0.8 GW installations
- Successfully developed H₂ - compliant API X65 H grade for transportation of 100% pure gaseous hydrogen
- Commissioning of TSK II to aid further volume growth in sub segments

Consumer Durables and Packaging

Includes Tinplate, LPG and Appliances etc.

- Market leadership in domestic tinplate industry
 - High growth market in part driven by government initiatives
- Sales growth of 8% YoY in consumer durables for the quarter
 - Driven by product & Market development with major OEMs
 - Diversification of supplies in small electrical appliances

Tata Steel Consolidated

(All figures are in Rs. Crores unless stated otherwise)

	1QFY25	4QFY24	1QFY24
Production (mn tons)¹	8.00	7.92	7.13
Deliveries (mn tons)	7.39	7.98	7.20
Total revenue from operations	54,771	58,687	59,490
Raw material cost ²	24,993	24,273	25,961
Change in inventories	(2,570)	1,818	1,515
Employee benefits expenses	6,467	6,141	5,925
Other expenses	19,187	19,855	20,915
EBITDA	6,822	6,631	6,122
Adjusted EBITDA³	6,950	6,969	6,238
Adjusted EBITDA per ton (Rs.)	9,407	8,735	8,664
Other income	260	176	1,177
Finance cost	1,777	1,842	1,825
Pre-exceptional PBT	2,735	2,403	1,842
Exceptional items (gain)/loss	358	594	(13)
Tax expenses	1,458	1,254	1,331
Reported PAT	919	555	525
Other comprehensive income	176	(322)	(3,173)

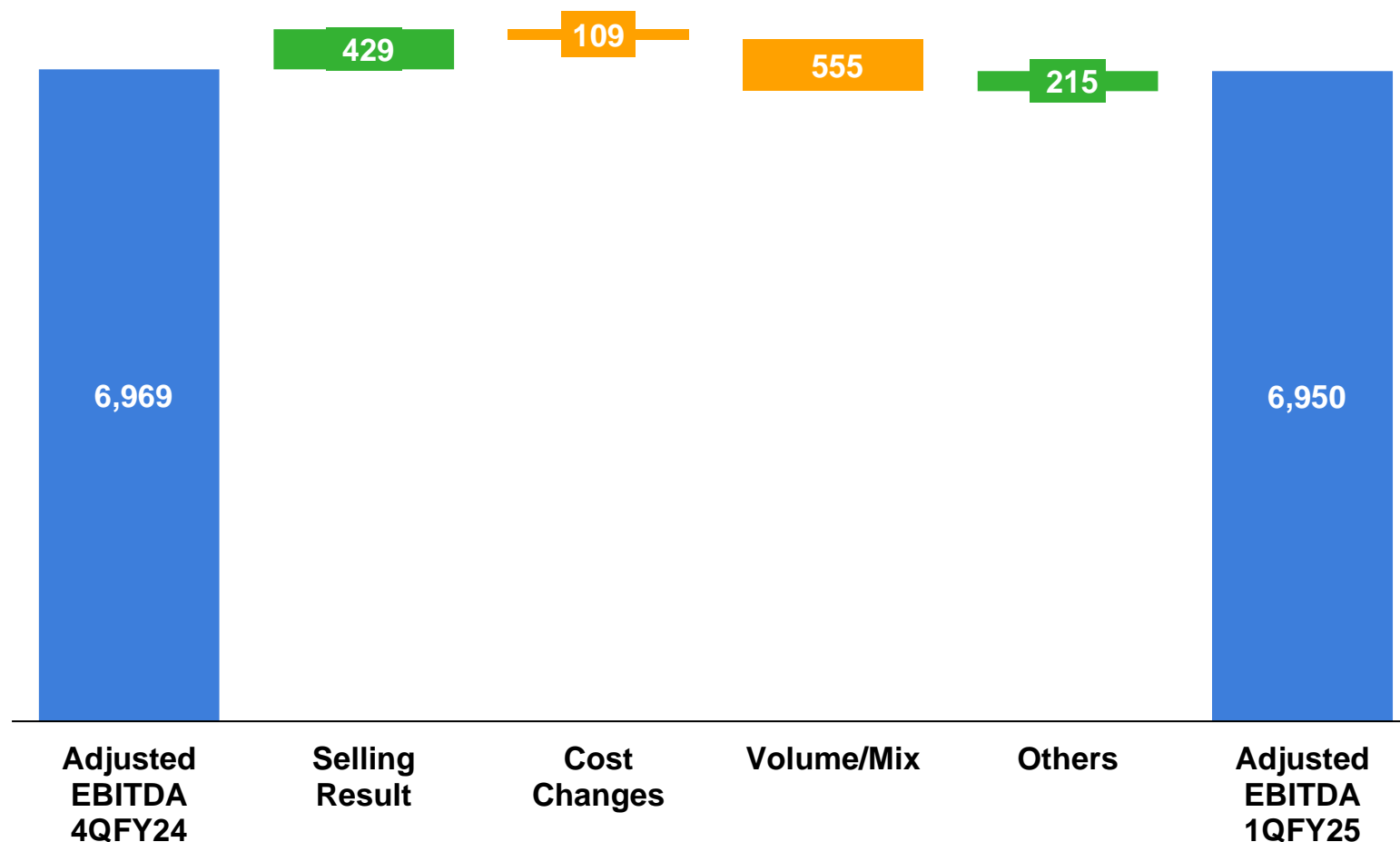
Key drivers for QoQ change:

- **Revenues:** decreased by 7% primarily due to lower volumes across geographies
- **Raw Material cost:** increased by 3% primarily driven by higher purchases at TSUK
- **Change in inventories:** has been driven by inventory build up; 4Q is seasonally strong quarter wrt volumes
- **Other expenses:** declined due to lower consumables and repairs to machinery, partly offset by royalty related expenses
- **Finance costs:** declined by 4% to Rs 1,777 crores
- **Exceptional items:** primarily relates to payment towards Electoral fund in India and increase in redundancy provision at TSUK

Note : 1. Production Numbers: Standalone & Neelachal Ispat Nigam Limited - Crude Steel Production, Europe - Liquid Steel Production; SEA - Saleable Steel Production. 2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products. 3. Adjusted for changes on account of FX movement on intercompany debt / receivables.

Consolidated 1QFY25 EBITDA¹ stood at Rs 6,950 crores

Results Presentation, July 2024

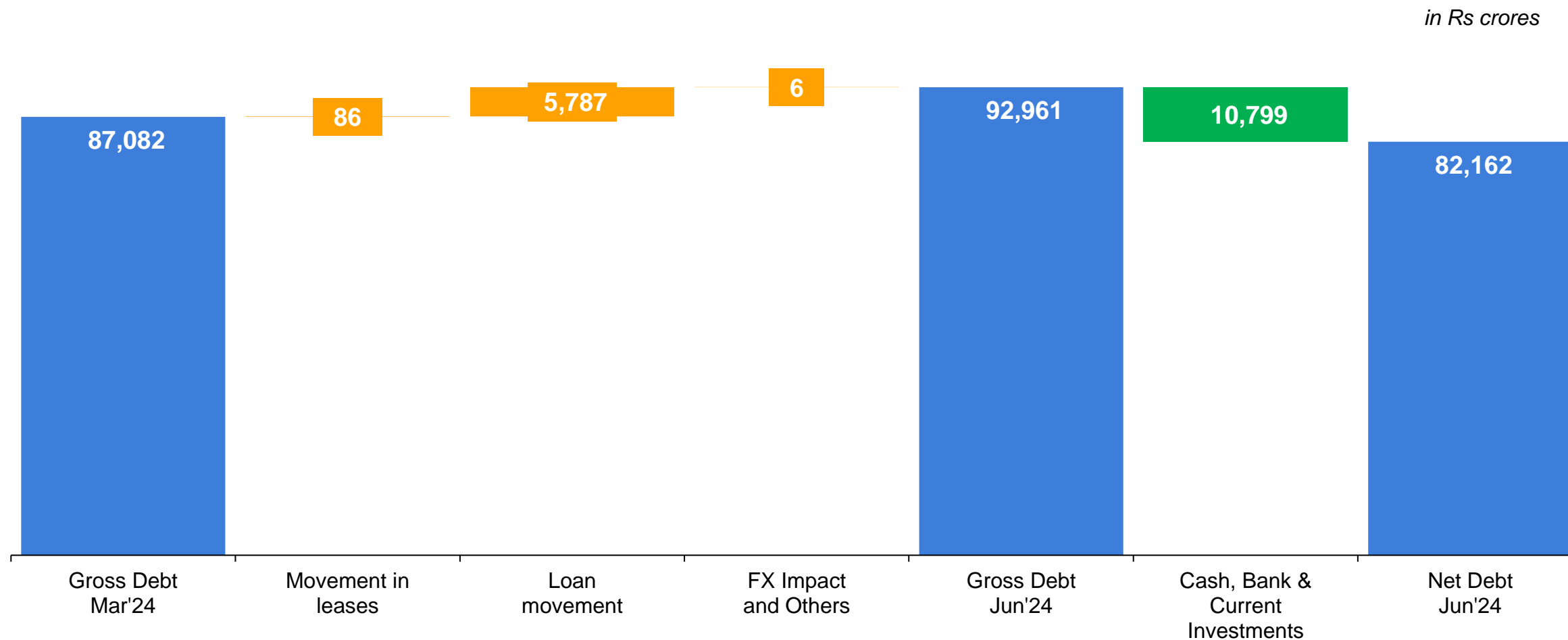


- **Selling Result:** driven by slightly higher realisations in India partly offset by drop in UK
- **Cost Changes:** were primarily driven by higher raw material costs at Netherlands operations
- **Volume/Mix:** primarily driven by lower deliveries in India
- **Others:** relates to MTM gain on financial instruments

¹ EBITDA adjusted for changes on account of FX movement on intercompany debt / receivables, MTM – Mark to Market

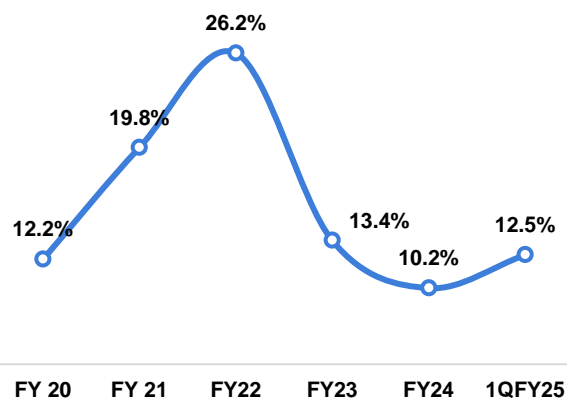
Net debt stood at Rs 82,162 crores

Results Presentation, July 2024

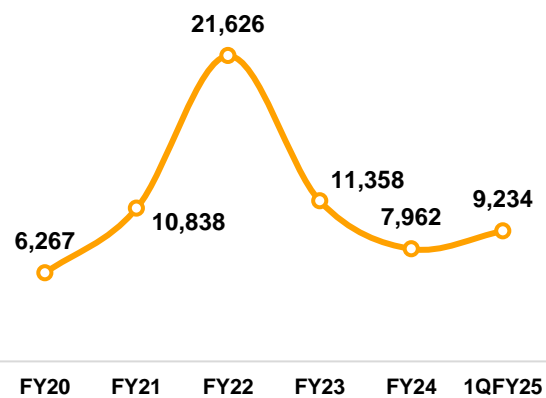


Key financial credit metrics

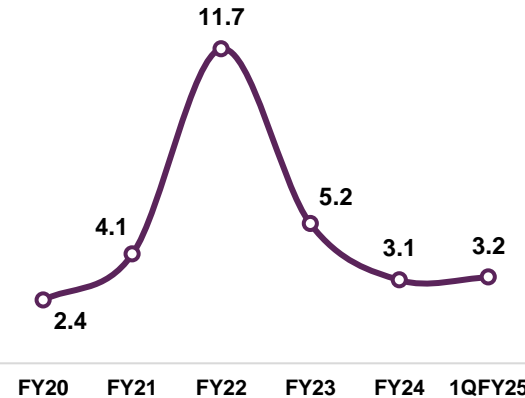
EBITDA Margin (%)¹



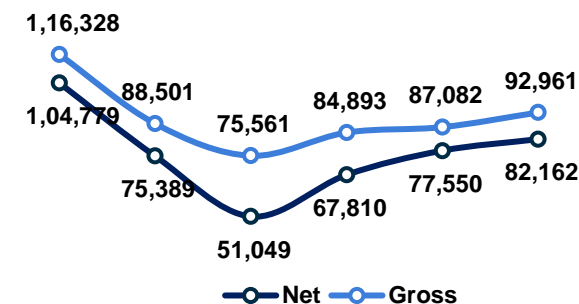
EBITDA / ton (Rs.)¹



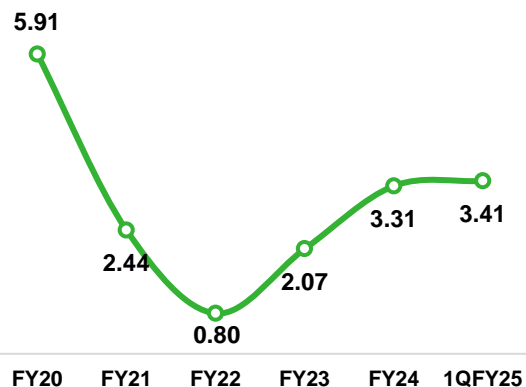
Interest Coverage Ratio (x)^{1,2}



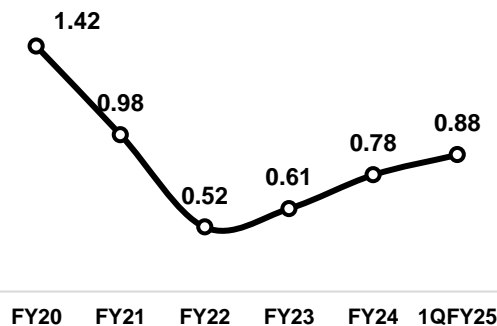
Gross & Net Debt (Rs crores)



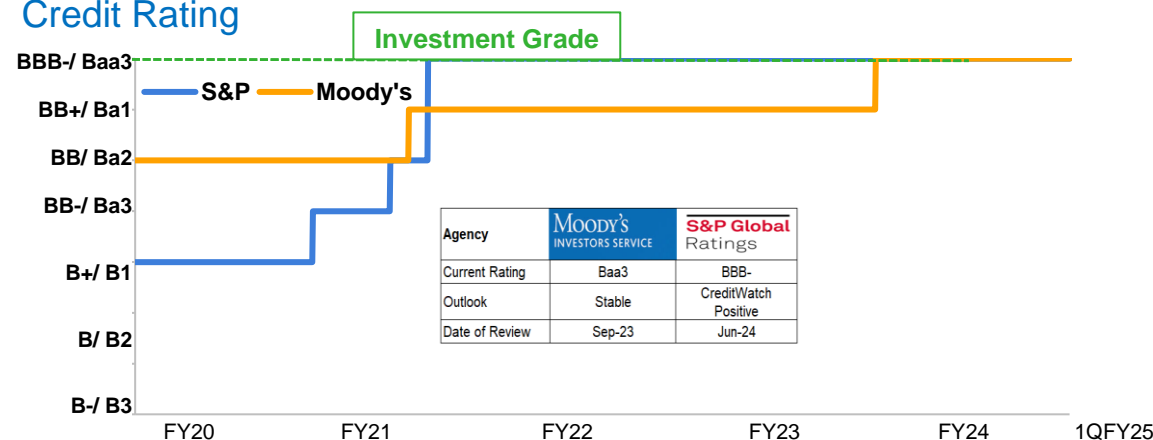
Net Debt / EBITDA (x)²



Net Debt / Equity (x)



Credit Rating





TATA STEEL

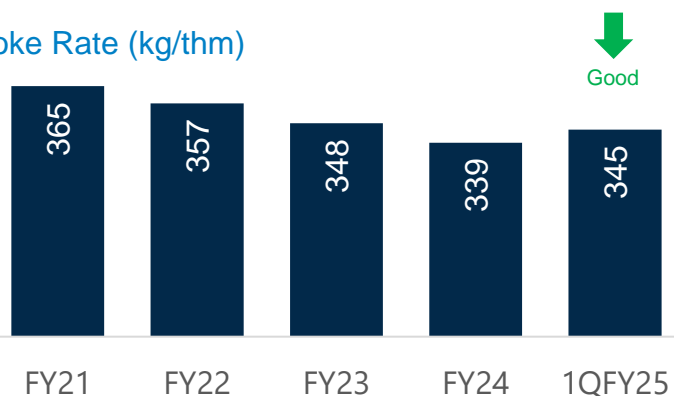


Annexures

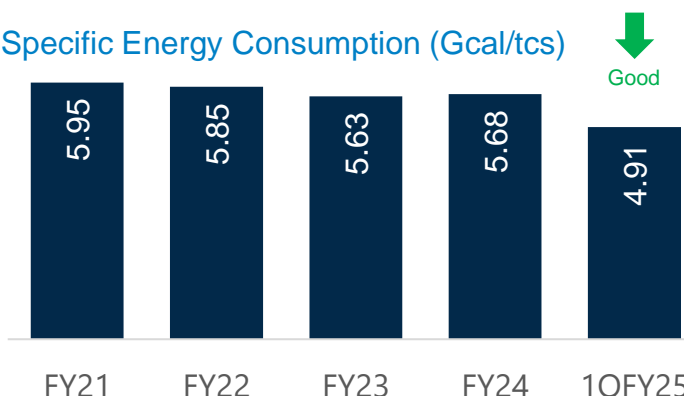
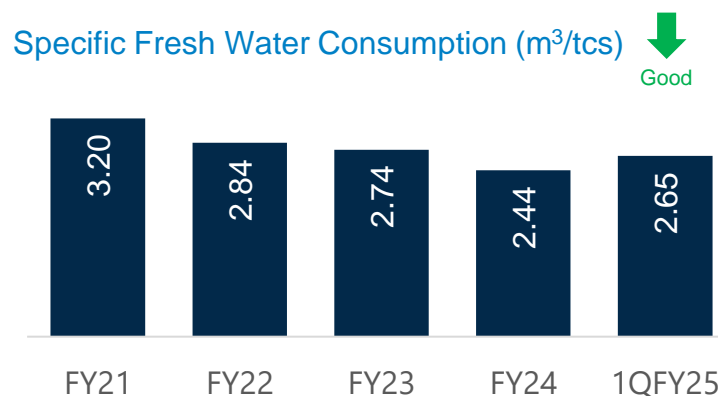
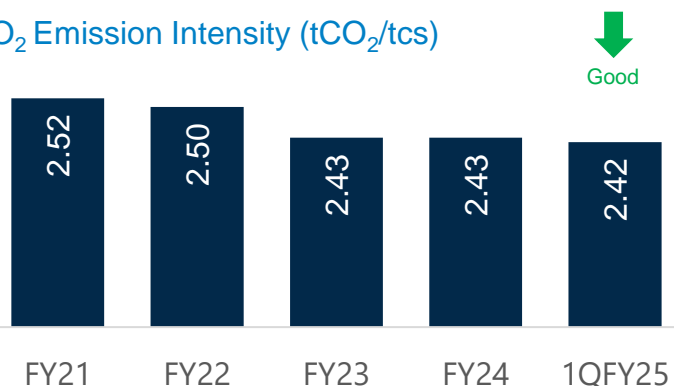
Rooftop solar installation at Hot Strip Mill, Jamshedpur plant

Tata Steel Standalone

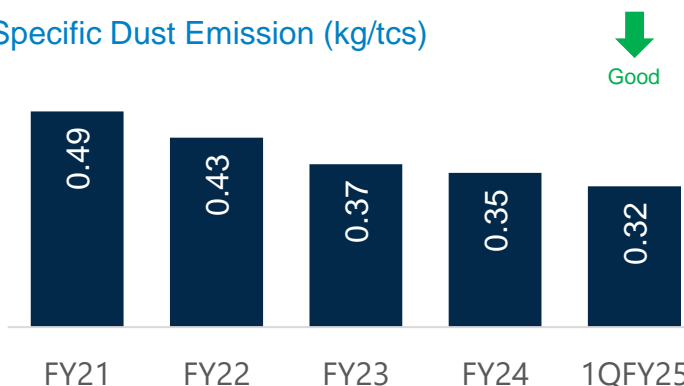
Coke Rate (kg/thm)



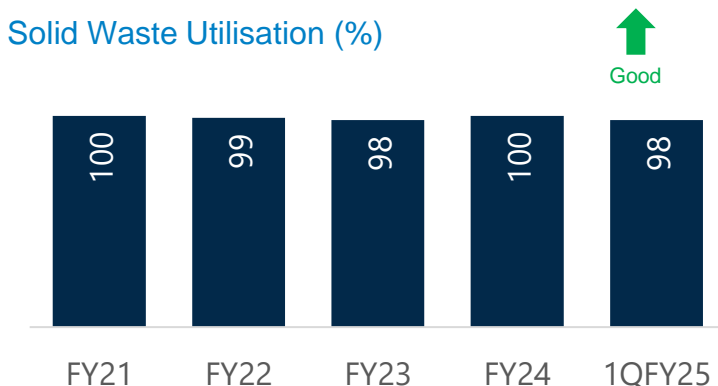
Specific Energy Consumption (Gcal/tcs)

Specific Fresh Water Consumption (m³/tcs)CO₂ Emission Intensity (tCO₂/tcs)

Specific Dust Emission (kg/tcs)



Solid Waste Utilisation (%)



Tata Steel Standalone¹

(All figures are in Rs. Crores unless stated otherwise)	1QFY25	4QFY24	1QFY24
Production (mn tons)	5.01	5.24	4.84
Deliveries (mn tons)	4.94	5.42	4.79
Total revenue from operations	32,960	36,540	35,487
Raw material cost ²	13,303	14,208	15,881
Change in inventories	(540)	1,186	(465)
Employee benefits expenses	2,125	1,962	1,720
Other expenses	11,299	11,114	11,643
EBITDA	6,750	8,214	7,600
Adjusted EBITDA³	6,753	8,200	7,655
Adjusted EBITDA per ton (Rs.)	13,667	15,125	15,970
Other income	372	477	1,484
Finance cost	925	926	1,020
Pre-exceptional PBT	4,699	6,102	5,688
Exceptional items (gain)/loss	237	642	11
Tax expenses	1,134	1,378	463
Reported PAT	3,329	4,083	5,214
Other comprehensive income	154	174	156

Key drivers for QoQ change:

- **Revenues:** decreased by 10%, broadly driven by lower volumes on QoQ basis
- **Raw Material cost:** includes non-cash credit of around Rs 1,100 crores driven by movement in inventory value of chrome ore. Excluding this, RM cost was slightly higher QoQ with higher purchases from NINL being offset by decline in coking coal consumption cost
- **Change in inventories:** driven by inventory build-up of ~0.1 mn tons during the quarter
- **Other expenses:** were higher due to chrome ore related royalty expenses. Excluding this, Other expenses were marginally lower upon decline in repairs to machinery and freight & handling charges
- **Exceptional items:** primarily relates to payment towards Electoral fund

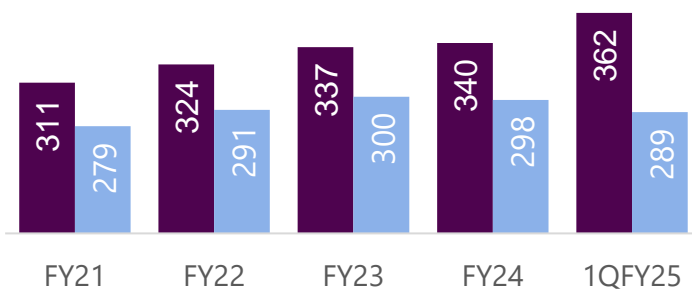
1. Tata Steel Standalone numbers have been restated from April 1, 2023, to reflect merger of AEL and BPPL; Figures for previous periods have been regrouped and reclassified to conform to classification of current period, where necessary; 2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products 3. Adjusted for changes on account of FX movement on intercompany debt / receivables

TSUK

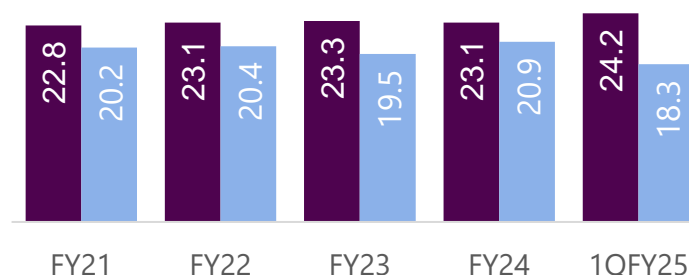
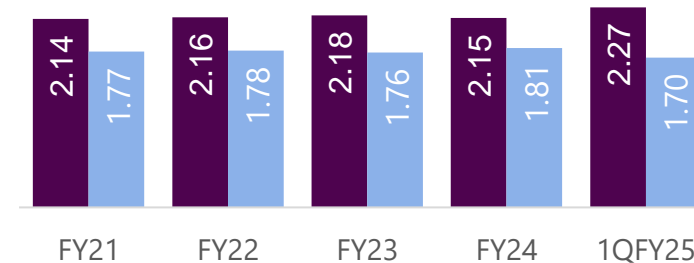
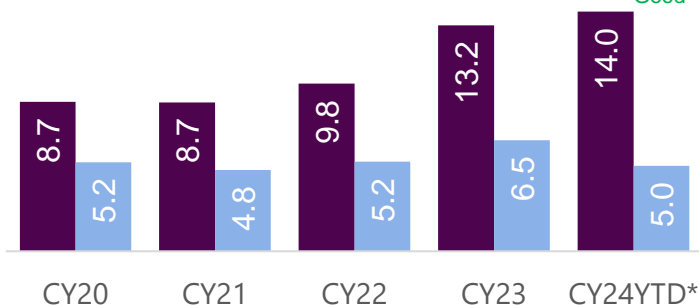
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Key operating parameters

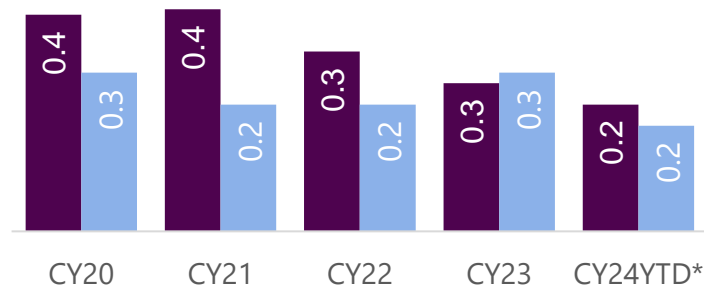
Coke Rate (kg/thm)



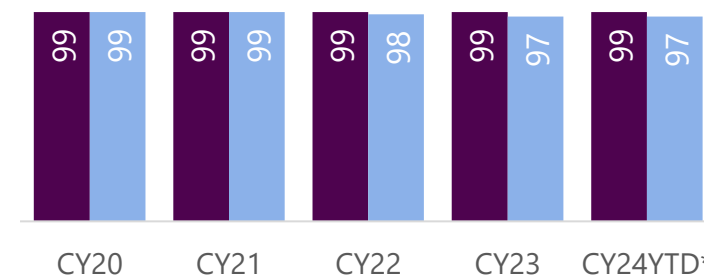
Specific Energy Consumption (GJ/tcs)

CO₂ Emission Intensity (tCO₂/tcs)Specific Fresh Water Consumption (m³/tcs)

Specific Dust Emission (kg/tcs)



Solid Waste Utilisation (%)



Tata Steel Netherlands

(All figures are in Rs. Crores unless stated otherwise)

	1QFY25	4QFY24	1QFY24
Liquid Steel production (mn tons)	1.69	1.48	0.94
Deliveries (mn tons)	1.47	1.43	1.37
Total revenue from operations	14,167	13,908	15,026
Raw material cost ¹	7,280	6,600	6,372
Change in inventories	(608)	230	2,265
Employee benefits expenses	2,783	2,771	2,691
Other expenses	4,260	4,603	4,871
EBITDA	453	(296)	(1,173)
EBITDA per ton (Rs.)	3,075	(2,063)	(8,574)

Key drivers for QoQ change:

- **Deliveries:** moved higher by 3% on higher production enabled by completion of reline of BF6 in early February
- **Revenues:** were broadly stable with higher steel sales being partly offset by decline in non-steel sales QoQ
- **Raw Material cost:** was higher QoQ due to rise in coking coal and iron ore consumption cost
- **Change in inventories:** were lower upon stock build up during the quarter
- **Other Expenses:** decreased primarily driven by decline in bulk gas and power & fuel related costs

Tata Steel UK

(All figures are in Rs. Crores unless stated otherwise)

	1QFY25	4QFY24	1QFY24
Liquid Steel production (mn tons)	0.68	0.66	0.85
Deliveries (mn tons)	0.68	0.69	0.75
Total revenue from operations	6,810	6,800	7,738
Raw material cost ¹	5,347	4,074	4,032
Change in inventories	(1,407)	(218)	(221)
Employee benefits expenses	1,185	1,044	1,129
Other expenses	2,640	2,288	3,196
EBITDA	(955)	(388)	(398)
EBITDA per ton (Rs.)	(14,076)	(5,614)	(5,331)

Key drivers for QoQ change:

- **Deliveries:** were broadly stable in line with production. BF #5 was shut down in early July
- **Revenues:** were broadly stable on QoQ basis
- **Raw Material cost:** was higher QoQ due to increase in purchases of finished and semi-finished goods
- **Change in inventories:** was driven by stock build up during the quarter
- **Other Expenses:** witnessed an increase QoQ as 4Q included credit relating to emission related costs and R&D expenses. Excl. this, Other expenses were down

Tata Steel Investor Relations

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