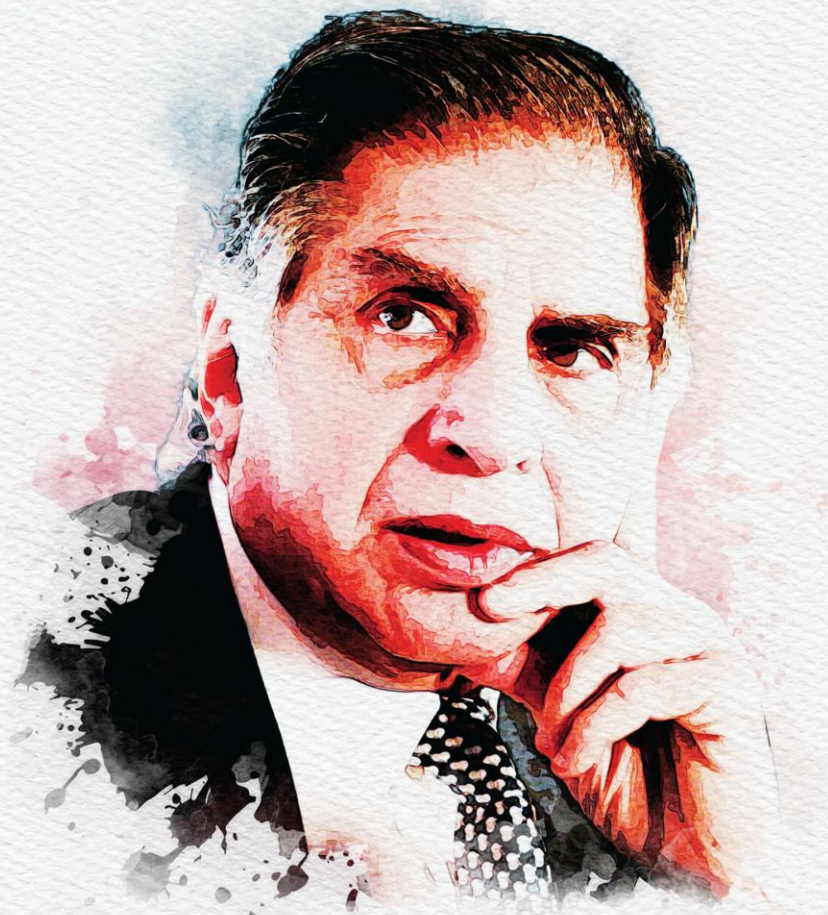


Tata Steel Results Presentation

Financial quarter ended 30th September 2024

November 06, 2024



RATAN N TATA

28.12.1937 - 09.10.2024

Mr. Ratan Tata was a visionary leader whose contributions transformed not just our Company but the entire nation.

His legacy of innovation, integrity and philanthropy will forever be a beacon for us. Mr. Tata's commitment to giving back to the community and his compassionate leadership have left an indelible mark on the fabric of our organisation.

As we mourn his loss, we also celebrate his extraordinary life and vow to honour his memory by continuing to uphold the values he cherished.

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

Get a go-ahead before going ahead!



Make the processes safer!



Handle risks responsibly!







Handle the changes with care!

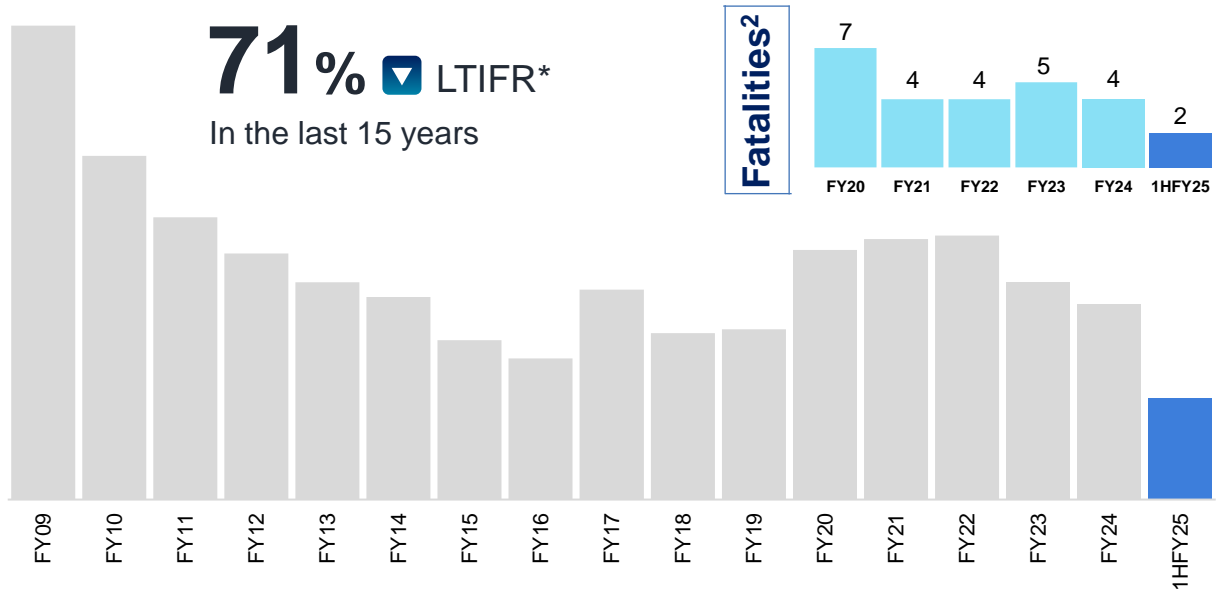


Make safety protocols your friend!



#SteelSafetyDay2024

			
Digital enabled Safety	Process Safety	Behavioral Safety	Occupational Health
Safety command centre inaugurated at Meramandali	Cross functional audits on safety standards	Training on risk perception and decision making	Wellness recognition policy



Improving quality of life of our communities

Social capital and scalable change models to enable deep societal impact

23 lakh+
lives impacted¹



68 targets
prioritised across
15 relevant
UN SDG goals

>₹1,800 crs.
spent² since FY21



Rural & Urban Education

21,000+ out of school children brought back to education system



Tribal Identity

37,000+ people enrolled in tribal language classes



Public Infrastructure

57 structures relevant for community have been completed



Public Health & Nutrition

90% redressal rate in high-risk cases among pregnant women and children



Grassroots Governance

>₹1,258 crore public funds unlocked directly to communities



Gender & Youth Empowerment

3,000+ women changemakers enabled via leadership trainings



Climate resilient Livelihoods

19,056 households adopted climate resilient agri practices



Grassroots Sports

12,300+ children and youth engaged in rural sports



Dignity for Disabled

5,900+ PwD connected through SABAL programme



Water Resources

29.5 million cubic feet water storage capacity created



*5 MTPA Blast Furnace
commissioned at Kalinganagar
site in September 2024*

TATA STEEL

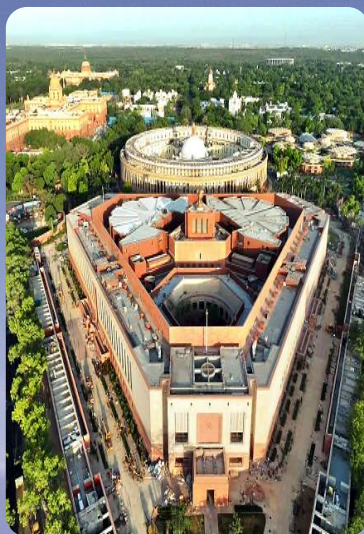


Strategic Update

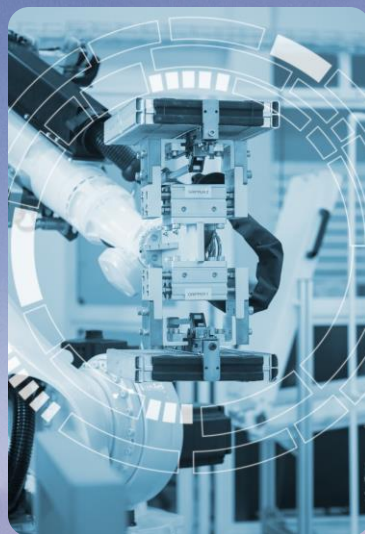
Tata Steel is focused on creating sustainable value



**Leadership in
Sustainability**



**Leadership in
India**



**Leadership in
technology and
digital**



**Consolidate
position as global
cost leader**



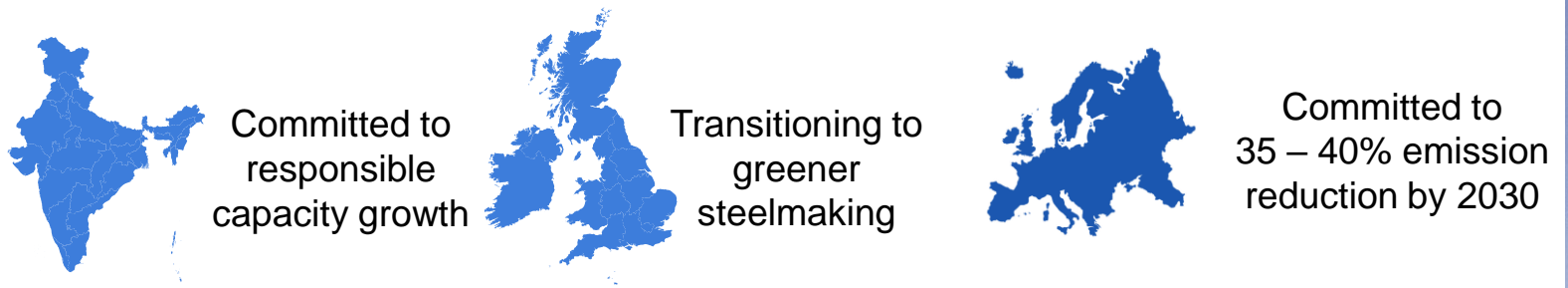
**Robust
financial health**



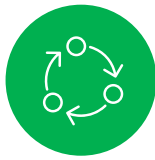
**Become
future ready**

Sustainability is at the core of our strategy

Route and pace of decarbonisation being calibrated across geographies



Our ESG goals underpin the focus areas



Circular economy



Air emissions, Dust



Biodiversity, Water



Employees, Community



Supply chain



R&D, Technology

Net Zero emissions
by
2045

Leadership in Sustainability

India : Piloting emerging technologies to reduce emissions

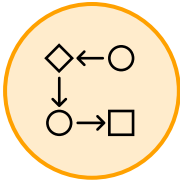
Process improvement



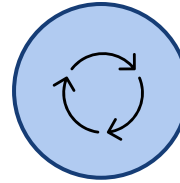
Carbon direct avoidance



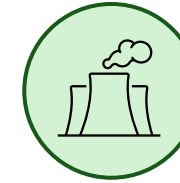
Carbon Capture & Utilisation



Hisarna



EasyMelt



COG Injection

- » Use of lower quality raw material & recycling of steelmaking slag
- » Lower CO₂ footprint and capex due to nil requirement of coke and agglomerates
- » Off gases produced amenable for carbon capture solutions

- » Facilitate continuation of blast furnace technology with much lower CO₂ footprint
- » Substitution of coke with syn-gas in blast furnace. Syn-gas to be generated using coke oven gas

- » Improved efficiency of blast furnace with respect to CO₂ footprint
- » Substitution of coke partially with fuel gases generated like coke oven gas


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

Leadership in Sustainability


Journeying towards a sustainable future

EAF to be operational by 2027 - 28


Safely decommissioned BF#5 in 1st week of July and BF#4 in September 2024




Secured slab and hot rolled coil substrate to run downstream operations



Grant Funding Agreement (GFA) signed with the UK government for £500 million



Order for EAF placed with Tenova, Application for permits underway and national grid contract for high voltage connection in place



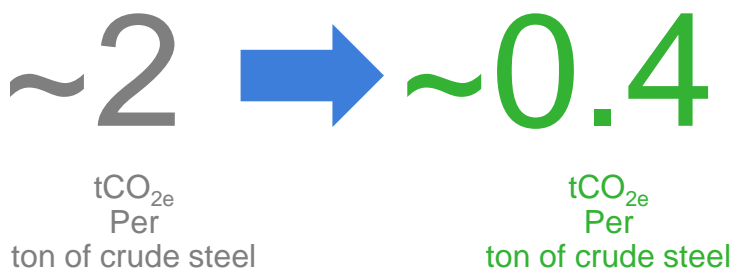
Multiple initiatives to aid

affected employees

Voluntary Redundancy Aspiration, generous support package

Transition Board setup with UK and the Welsh government

Committed towards reskilling and training of employees



Netherlands: Committed to achieve 35 – 40% CO_{2e} reduction¹ by 2030

Commenced discussions with the Dutch government for decarb support

Government support is key

- Phase 1 of decarbonising operations
 - » Shutdown of one of the blast furnaces
 - » Replaced by DRP – EAF by 2030
 - » Utilise H₂ as it becomes cost competitive
- Phase 2 of decarbonising operations
 - » Shutdown of remaining blast furnace



Targeted research for green transition :
*Optimisation of pellet characteristics
for DRP - EAF*



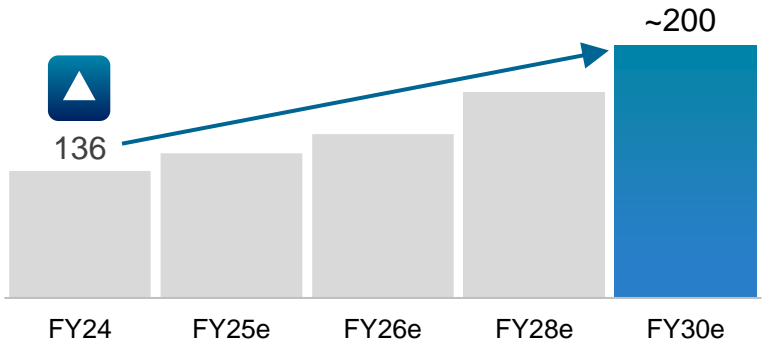
Roadmap plus program to *reduce air
emissions, including dust
and noise pollution*



Independently validated reduced
carbon steel solns. *to aid customers
meet Scope 3 emission targets*

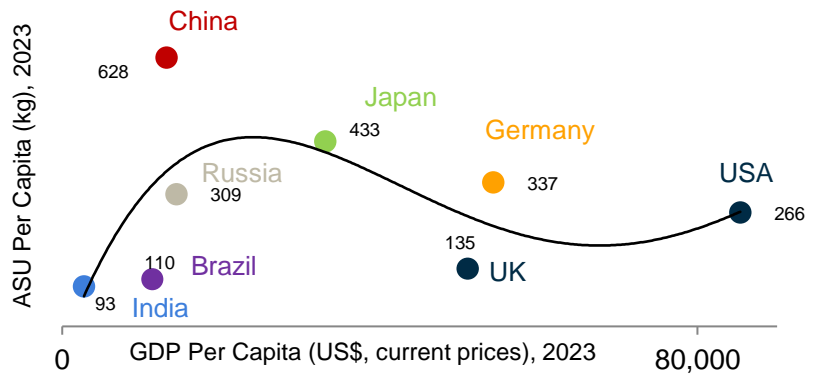
India steel remains a bright spot aided by the economic growth cycle

India steel demand forecast (in mn tons)



Apparent steel use and GDP per capita

Leadership in India



Key Trends



590 million

Expected population to live in Indian cities by 2030



Rs 143 trillion

Expected Investments by India towards its infrastructure by 2030



USD 4,000

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

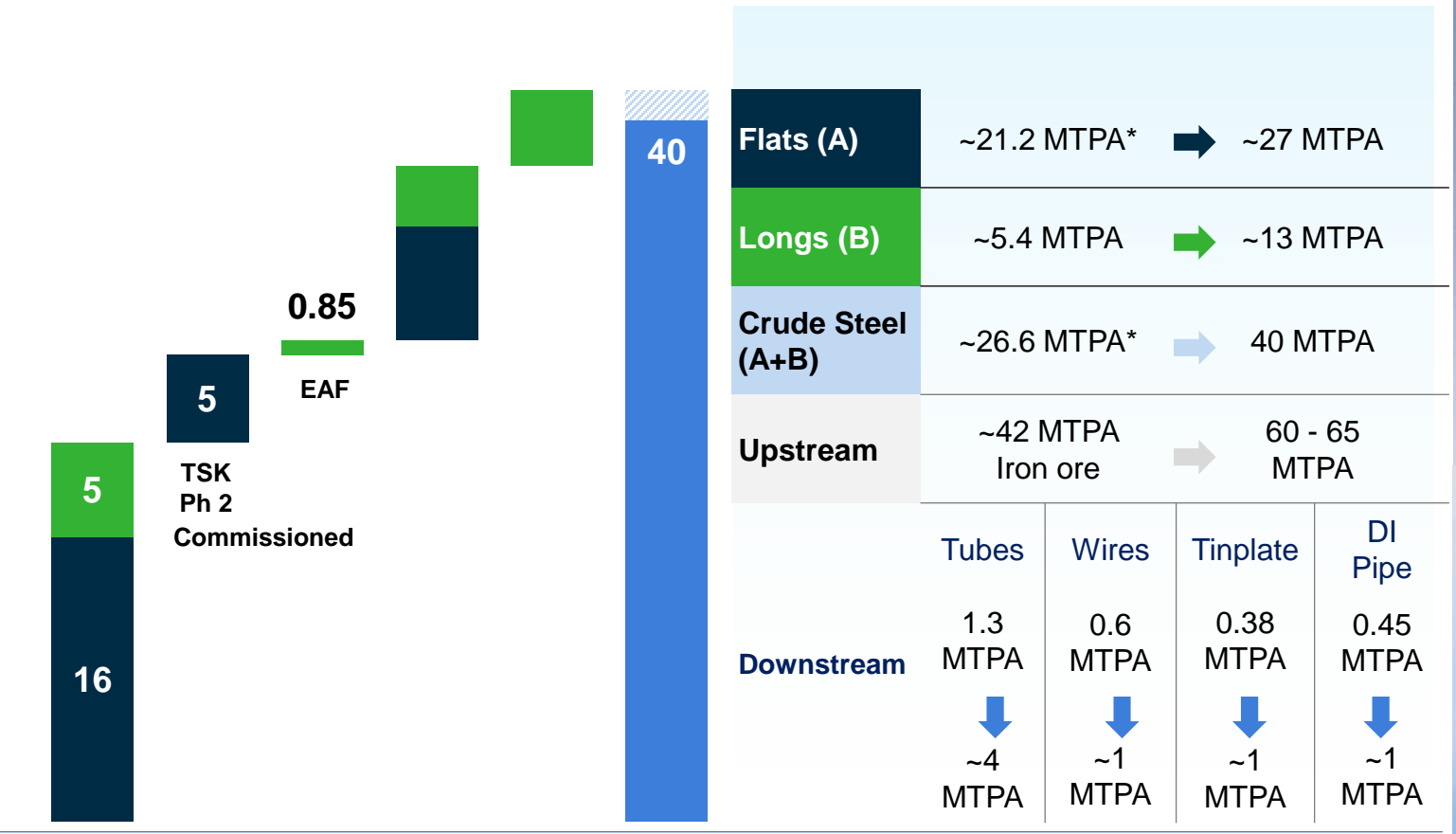
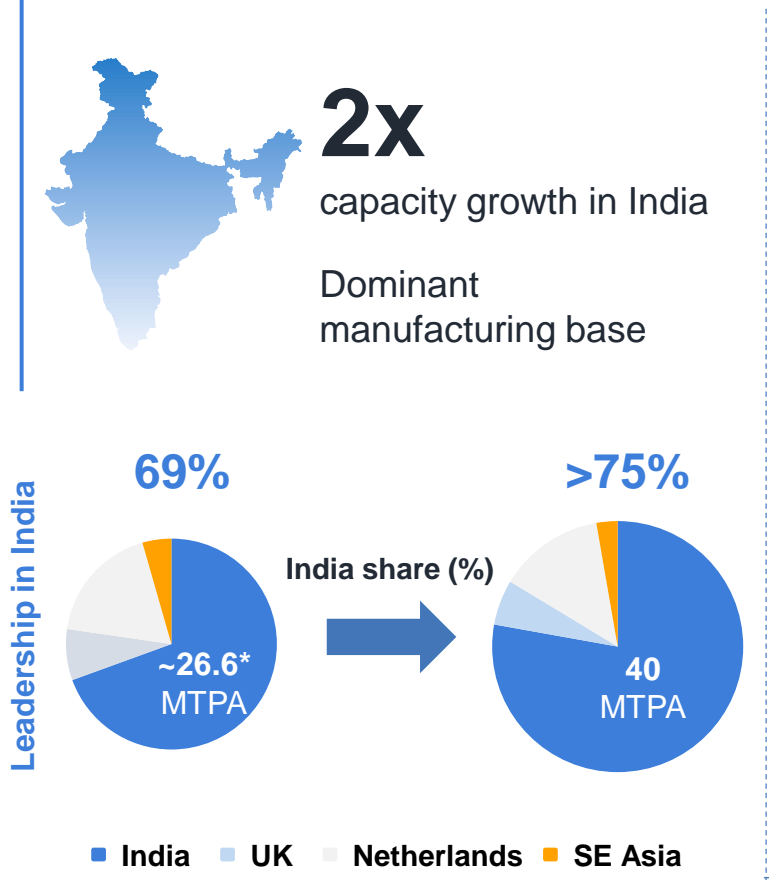


~300 MTPA

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



Commissioned India's largest blast furnace at Kalinganagar

Kalinganagar expansion to enhance product mix and cost savings

5 MTPA expansion with State-of-the-art Features

- **Best-in-class technology**
 - » Blast furnace with a volume of 5870 m³
 - » World's largest TRT with 35 MW power capacity
 - » Use of evaporative cooling system in BF (1st in India)
- **Responsible growth**
 - » Zero process water discharge with rainwater harvesting
 - » 20% lower power consumption compared to conventional designs
 - » Top combustion stoves → optimise fuel consumption

Phase 2 Kalinganagar expansion to aid meet evolving needs in chosen segments

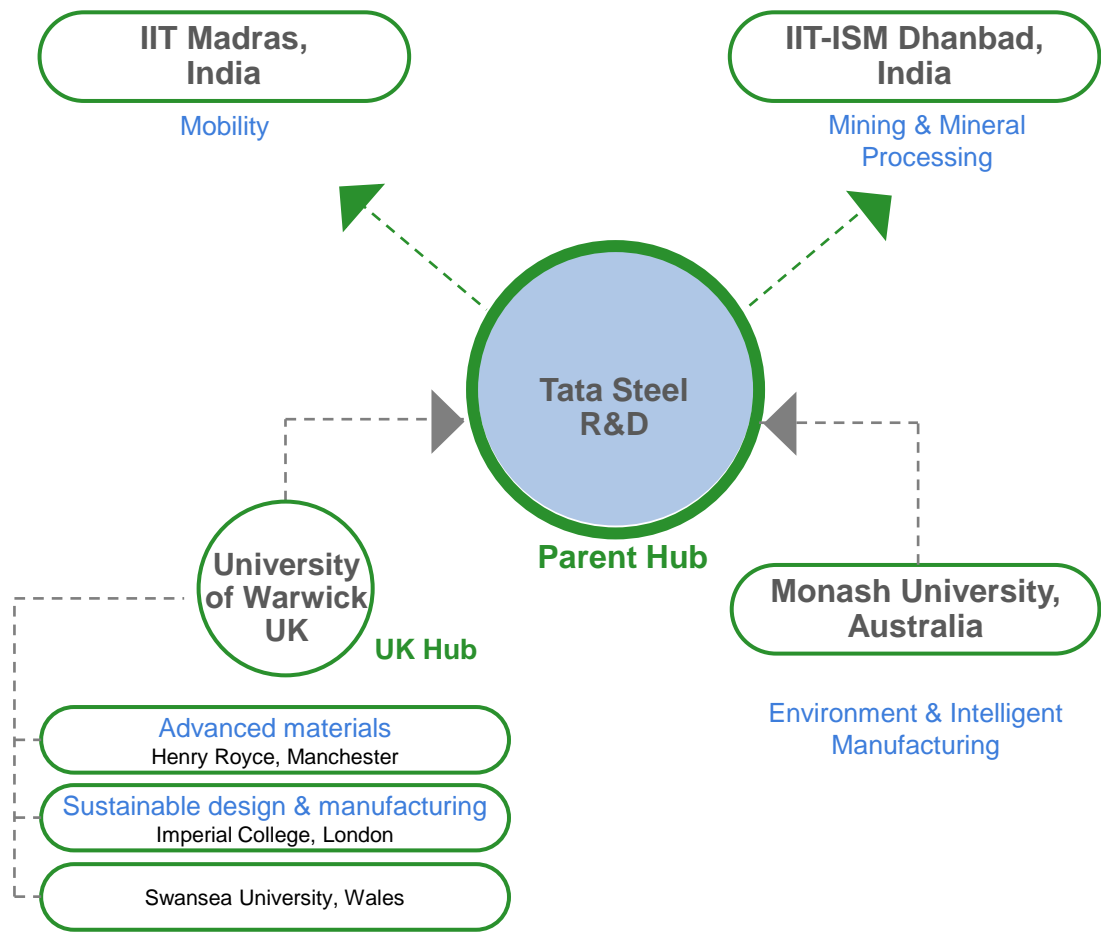
- **Key facilities in Phase II expansion include 2.2 MTPA CRM complex and ~ 6 MTPA Pellet plant**
 - » CRM Complex : Have initiated commissioning of Continuous Annealing Line
- **Automotive**
 - » Cold Rolled (CR) coils and sheets upto 1180 MPa
 - » GA (Galvannealed) upto 980 MPa
 - » Aluminum-Silicon coated for high temperature applications
- **Energy, Engineering and Construction**
 - » Zn-Al-Mg coated for solar, construction & infrastructure and general engineering
 - » Additional hi-strength hot rolled for use in lifting & excavation and oil & gas among others

Embracing Digital and Technology to create and unlock value

Leadership in technology and digital



Tata Steel Centres for Innovation : Satellite R&D Centres to leverage national and global technology ecosystem



Focus on consolidating position as a global cost leader

Strategic investment to augment cost leadership



- **Focus on raw material**
 - » 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

Robust financial health



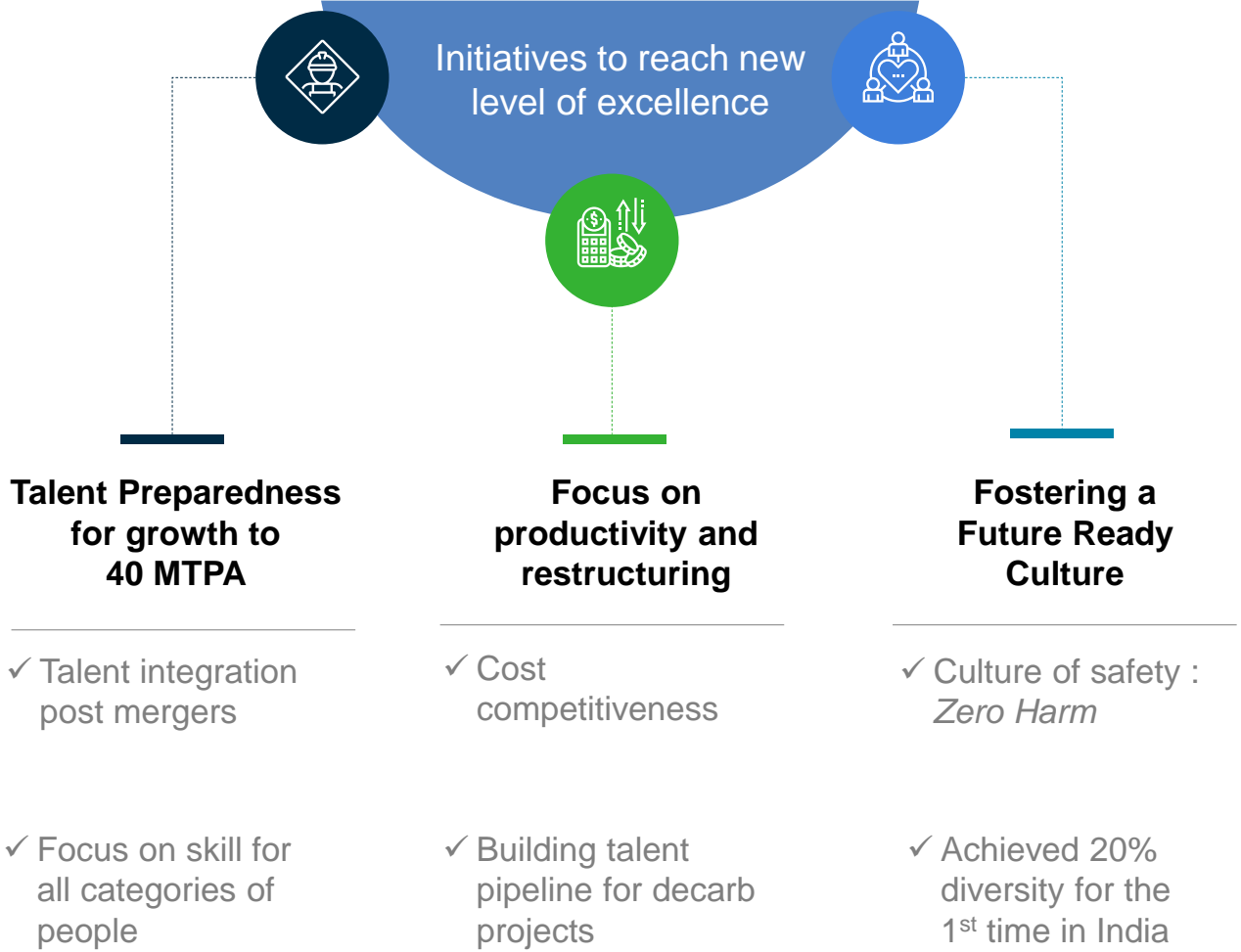
- **Balance sheet management**
 - » Optimise Capital Structure & Cost
 - » Target Net debt to EBITDA <2.5 – 3.0x across cycle
 - » Proactive financing to drive flexibility and reduce costs

- **Capital allocation**
 - » Value accretive investments (ROIC : 15%)
 - » Portfolio restructuring

- **Operational excellence**
 - » Minimise working capital
 - » Continuous improvement programs

Becoming culturally future ready

Become future ready





TATA STEEL



Business Update

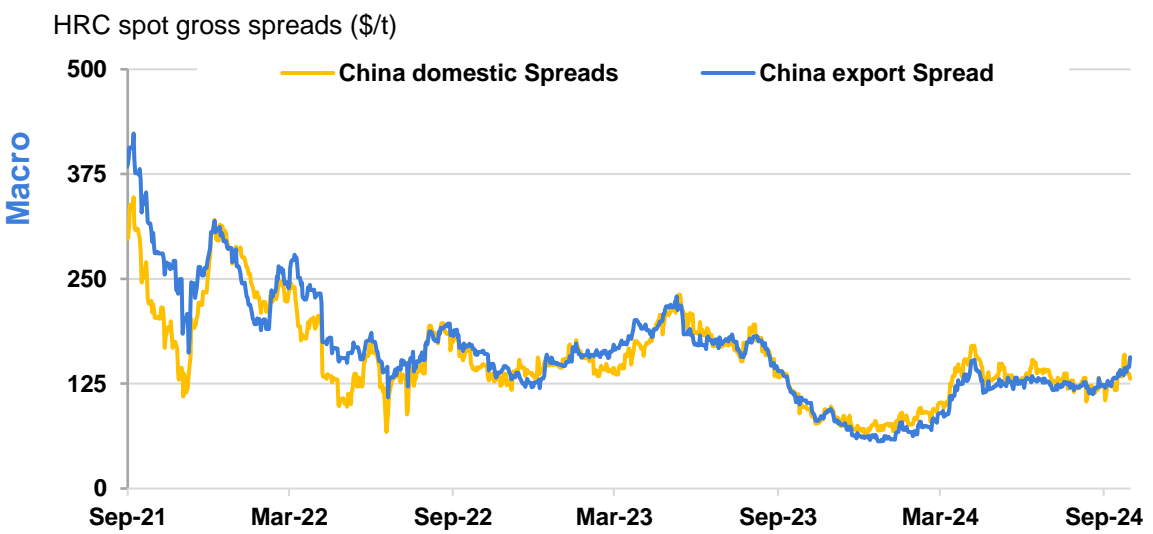
Tata Steel Netherlands inaugurated decoiler and automated sheet packaging line at a steel service center, showcases focus on downstream

Global steel weighed by concerns about China despite stimulus

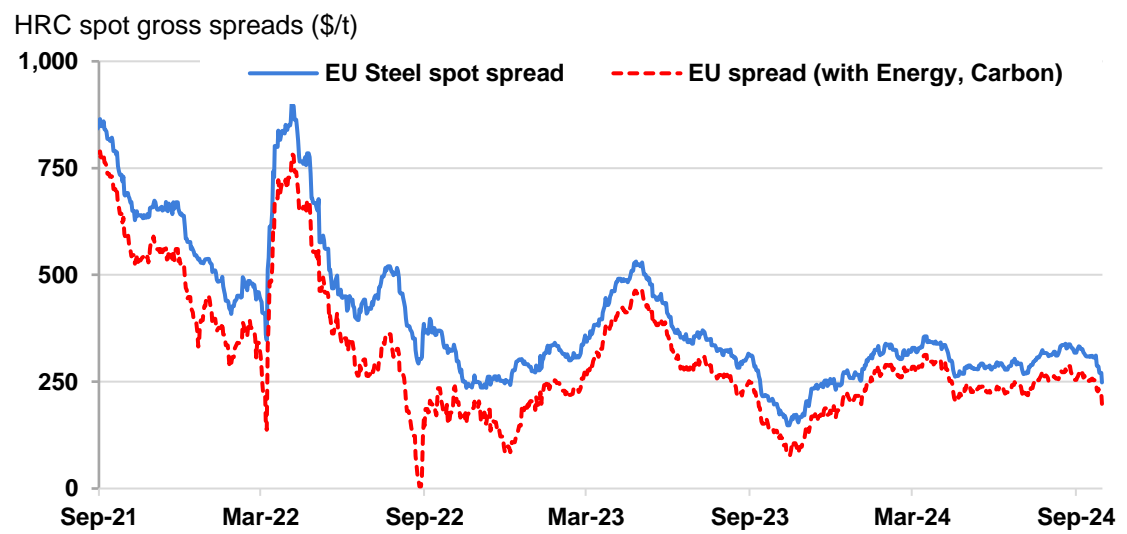
- Global steel prices diverged across key regions during the July – September quarter. US steel prices were up 5% while EU steel prices declined by 7%
- China steel prices were under pressure for most of the quarter but witnessed an increase to \$500 per ton post the announcement of stimulus measures on 24th September

- Raw material prices moderated during the quarter. Coking coal prices declined by 14% while Iron ore prices moved below \$90/t before recovering and moving above \$100/t
- Overall, Steel spot spreads were mixed across key regions. China steel spot spreads were rangebound while EU steel spot spreads remained under pressure

China Steel spot spreads (Domestic, Export)



EU Steel spread including energy, carbon costs

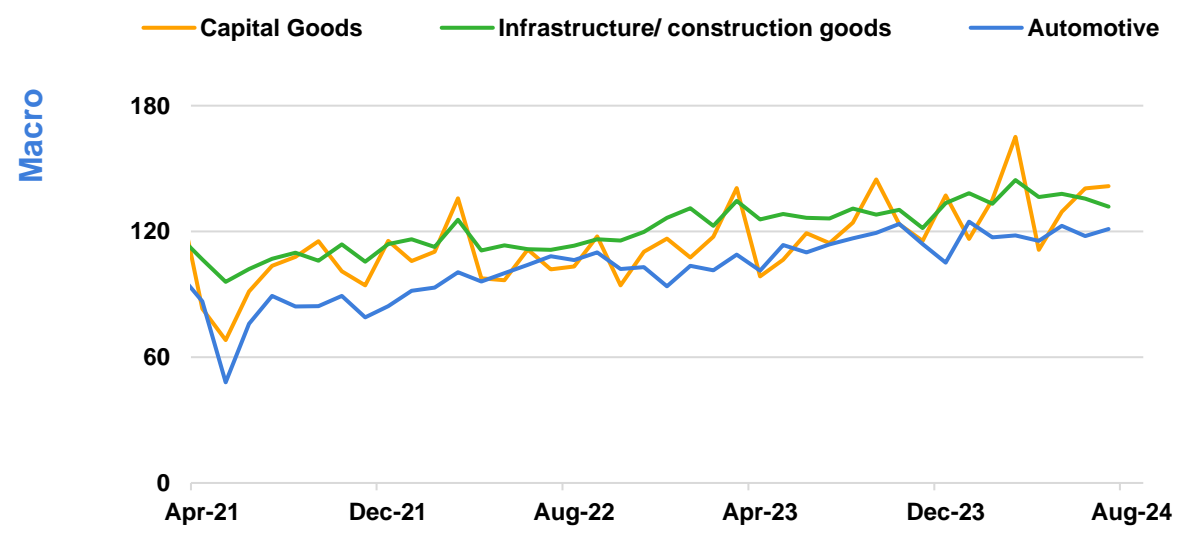


India steel demand continued to grow while EU demand was subdued

India

- Indian apparent steel demand continued to grow despite seasonal rains weighing on select segments
- Steel imports remain elevated, and India govt. has initiated anti-dumping investigation on imports from Vietnam

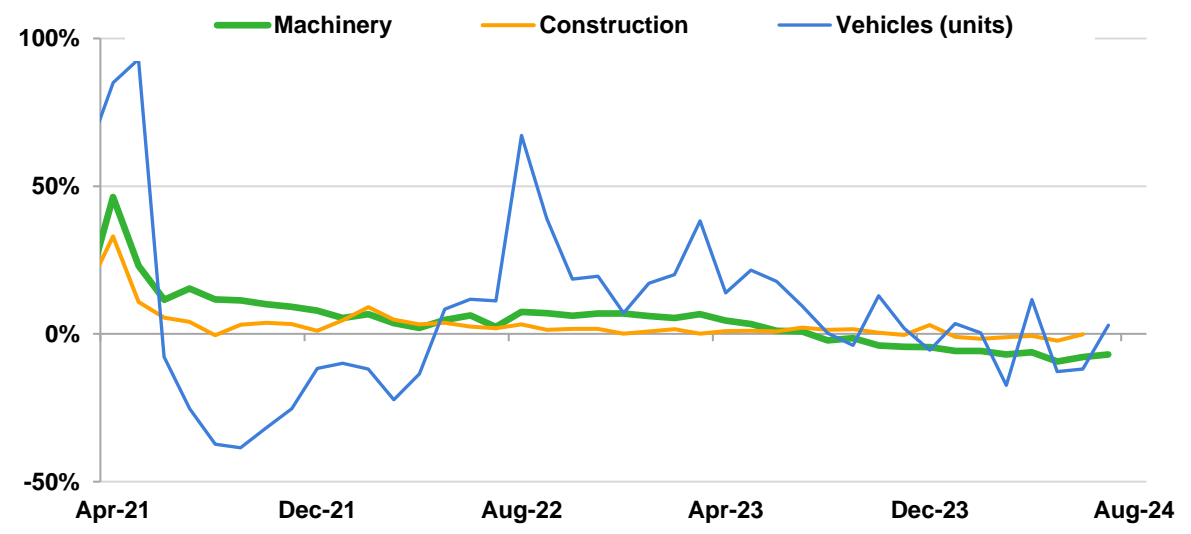
Key steel consuming sectors*



Europe

- EU steel demand continued to be weak. Manufacturing PMI was at 45 in September, lowest reading for the year
- ECB reduced interest rates by 25 bps in September amidst moderating inflation and subdued economic activity

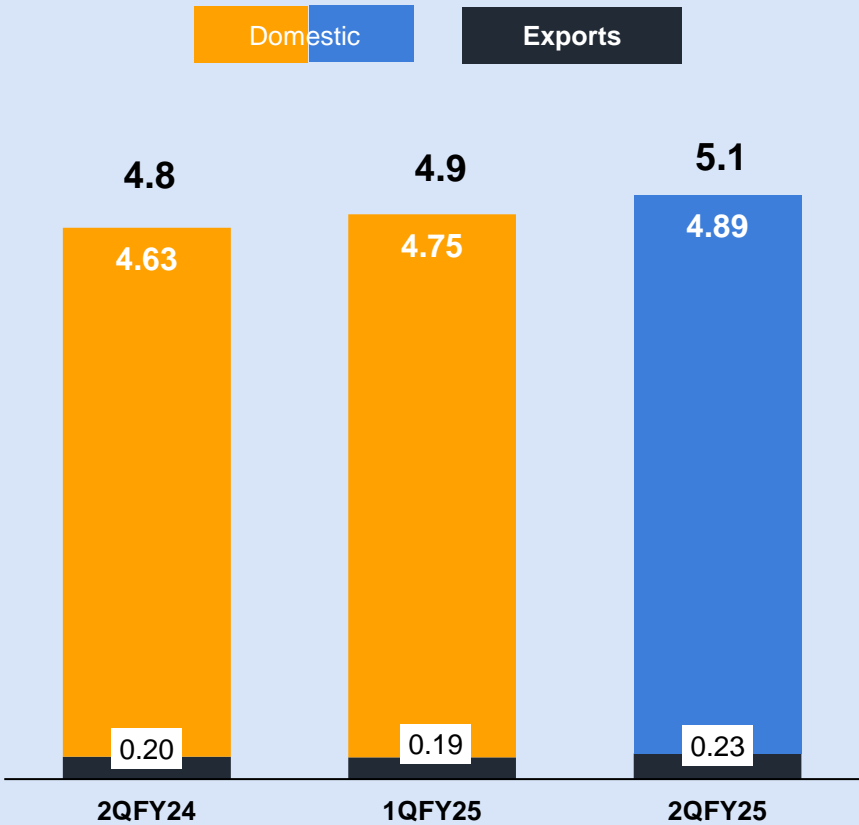
Key steel consuming sectors (% YoY growth)



In 2QFY25, India sales were driven by 6% YoY rise in domestic deliveries

Business update

Tata Steel India deliveries (mn tons)



India includes Tata Steel Standalone and Neelachal Ispat Nigam Limited

End use sectors



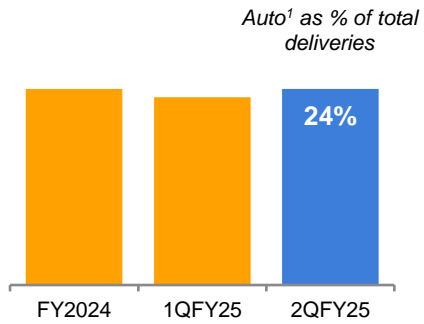
Auto: Consolidating the position of “Preferred Steel Supplier”

Business update

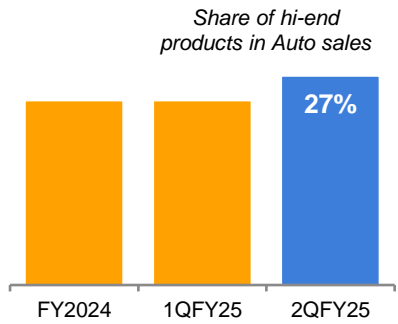


Continuous Annealing Line (CAL), TSK

- Strong relationship with OEMs continues to drive healthy sales



- Enriched product offerings for emerging needs in future models



- Wider width range in CR products from TSK II CAL facility

Grade approvals underway with OEMs



- JIT supplies via expanding service center network across major auto hubs

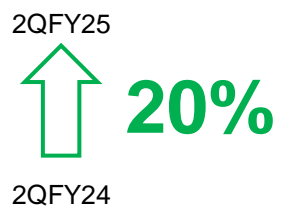


Poised to double in retail & shaping construction via ready-to-use solns.

Focus on enhancing premium retail play



Tata Tiscon
Retail Sales



Consistent growth
driven by



Leverage 11,000+ dealer base for
physical reach

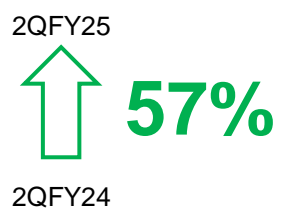
New service offerings on Aashiyana,
e-commerce platform

Business update

Simplifying customer journey via value accretive ready-to-use solutions



Ready-to-use
solutions sales



30+ Service Centers; 2 new service centers in 2QFY25

Tata Steel Consolidated

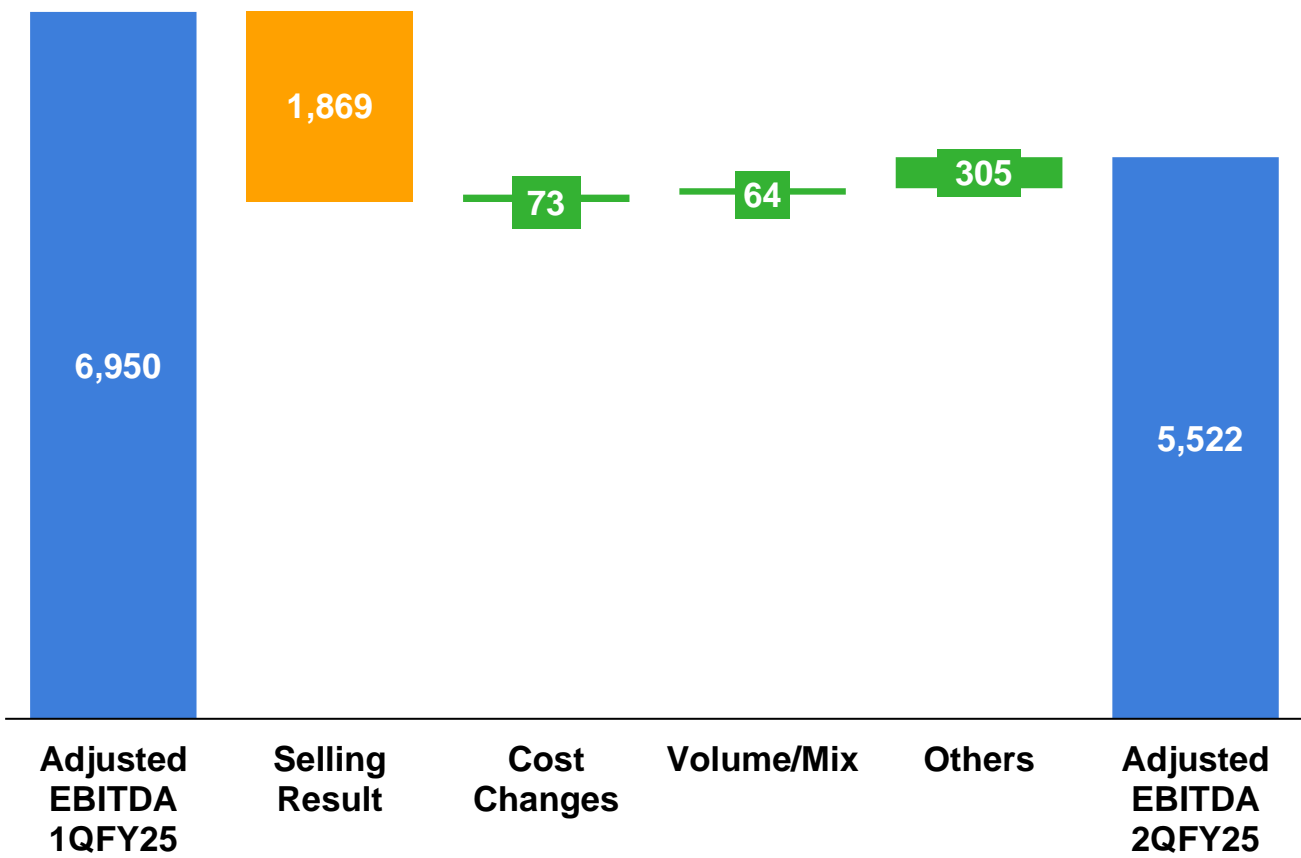
(All figures are in Rs. Crores unless stated otherwise)

	2QFY25	1QFY25	2QFY24
Production (mn tons)¹	7.69	8.00	7.31
Deliveries (mn tons)	7.52	7.39	7.07
Total revenue from operations	53,905	54,771	55,682
Raw material cost ²	24,690	24,993	25,147
Change in inventories	(747)	(2,570)	756
Employee benefits expenses	6,327	6,467	5,917
Other expenses	17,494	19,187	19,594
EBITDA	6,224	6,822	4,315
Adjusted EBITDA³	5,522	6,950	4,147
Adjusted EBITDA per ton (Rs.)	7,345	9,407	5,869
Other income	599	260	228
Finance cost	1,971	1,777	1,959
Pre-exceptional PBT	2,146	2,735	160
Exceptional items (gain)/loss	(18)	358	6,899
Tax expenses	1,405	1,458	(228)
Reported PAT	759	919	(6,511)
Other comprehensive income	732	176	(774)

Key drivers for QoQ change:

- **Revenues:** witnessed marginal decline of 2% primarily due to lower realisations in India and Netherlands
- **Raw Material cost:** was lower primarily driven by decline in coking coal consumption cost
- **Change in inventories:** has been primarily driven by inventory build up at UK and Netherlands
- **Other expenses:** declined due to lower consumables, royalty and rates & taxes
- **Exceptional items:** primarily reflects credit relating to Employee Separation Scheme at Standalone
- **Other Comprehensive income:** primarily relates to foreign currency translation differences

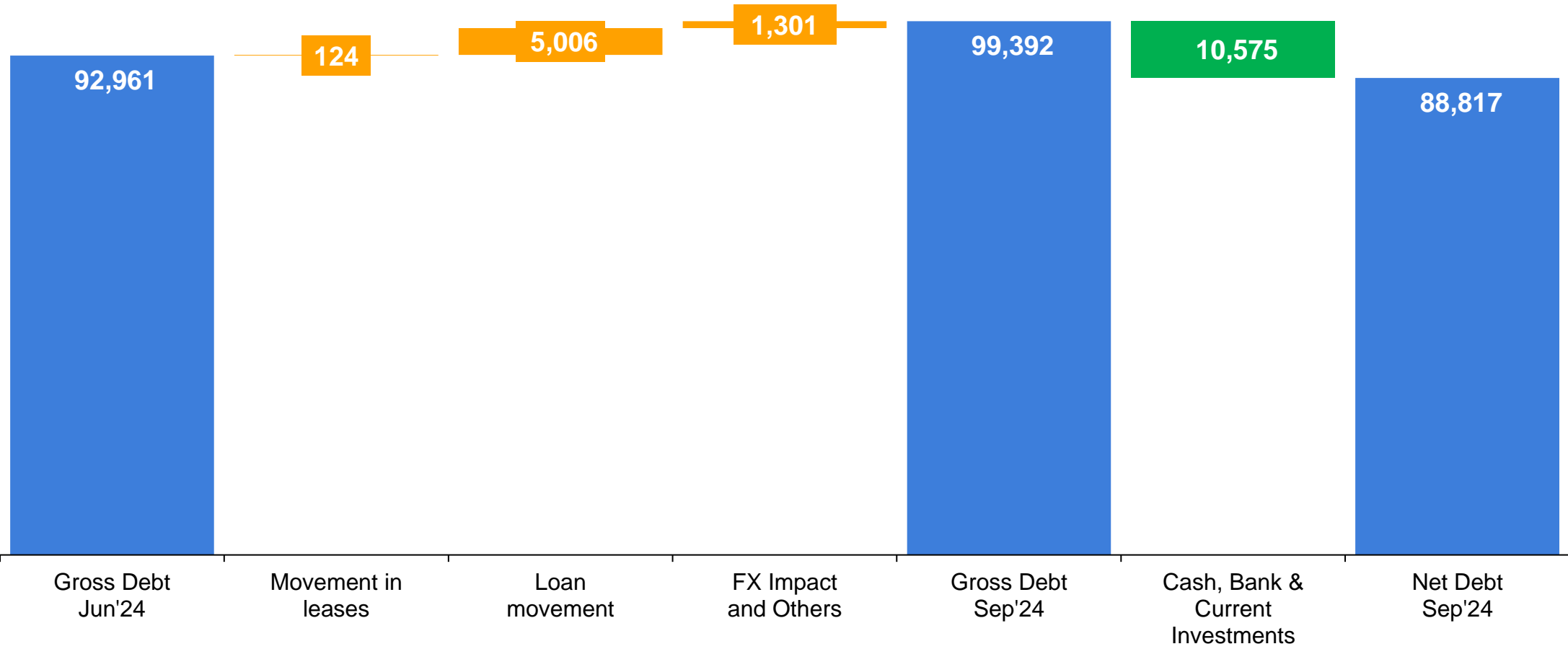
Consolidated 2QFY25 EBITDA¹ stood at Rs 5,522 crores



- **Selling Result:** primarily driven by lower realisations in India and Netherlands
- **Cost Changes:** were driven by decline in coking coal consumption cost across geographies
- **Volume/Mix:** primarily driven by higher deliveries in India
- **Others:** relates to lower employee benefit expenses and dividend income

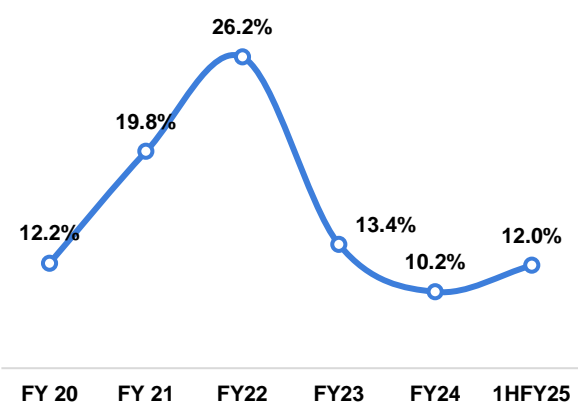
¹EBITDA adjusted for changes on account of FX movement on intercompany debt / receivables

Net debt stood at Rs 88,817 crores

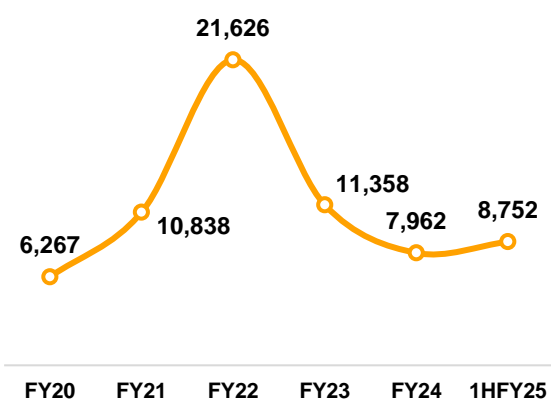


Key financial credit metrics

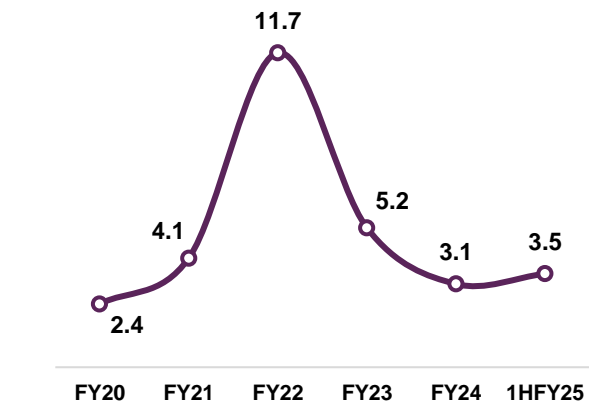
EBITDA Margin (%)¹



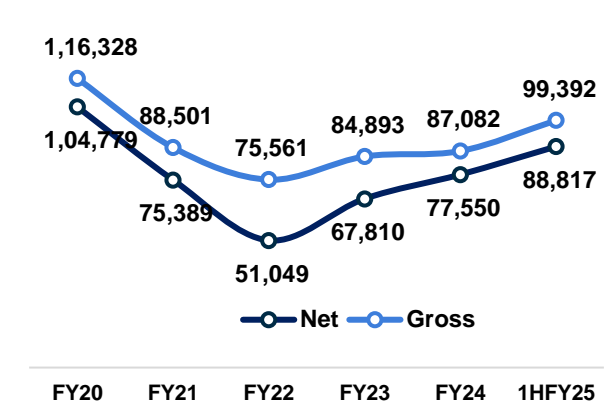
EBITDA / ton (Rs.)¹



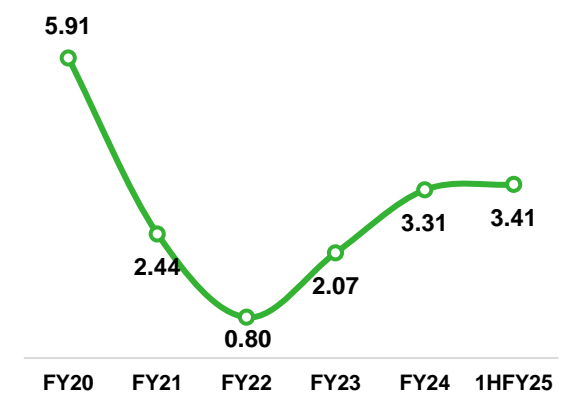
Interest Coverage Ratio (x)^{1,2}



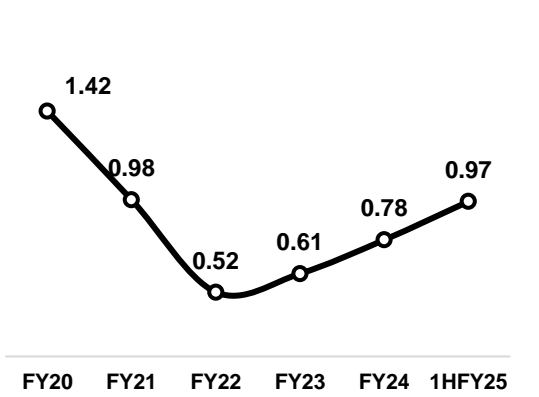
Gross & Net Debt (Rs crores)



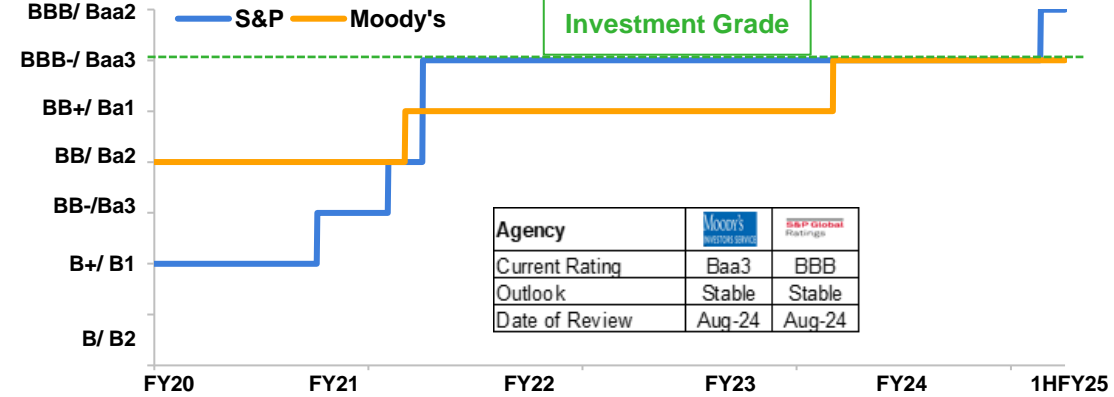
Net Debt / EBITDA (x)²



Net Debt / Equity (x)



Credit Rating



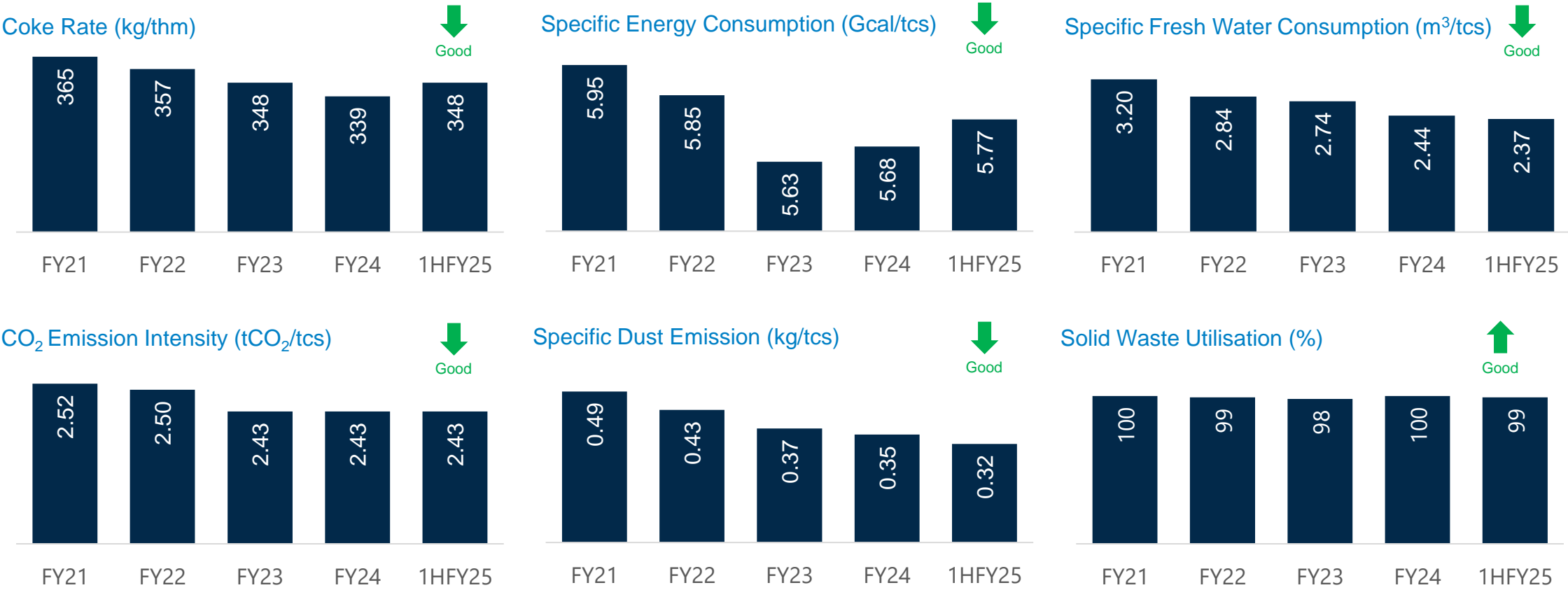
Business update

Annexures



Solar installations at Tata Steel Kalinganagar

Tata Steel Standalone : Key operating parameters



Tata Steel Standalone¹

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

	2QFY25	1QFY25	2QFY24
Production (mn tons)	5.06	5.01	4.91
Deliveries (mn tons)	5.11	4.94	4.82
Total revenue from operations	32,399	32,958	34,198
Raw material cost ²	13,808	13,305	14,531
Change in inventories	107	(536)	571
Employee benefits expenses	1,940	2,139	1,883
Other expenses	9,935	11,274	10,308
EBITDA	6,734	6,754	7,035
Adjusted EBITDA³	6,712	6,757	6,571
Adjusted EBITDA per ton (Rs.)	13,131	13,677	13,646
Other income	851	374	822
Finance cost	1,133	925	1,116
Pre-exceptional PBT	4,772	4,702	5,129
Exceptional items (gain)/loss	(14)	237	12,993
Tax expenses	1,195	1,134	627
Reported PAT	3,591	3,331	(8,491)
Other comprehensive income	8	154	193

Key drivers for QoQ change:

- **Total Revenues:** were marginally lower, with drop in realisations being partly offset by higher volumes QoQ
- **Raw Material cost:** was higher due to change in value of chrome ore inventory. Excl. this, RM cost was marginally lower driven by lower coal consumption cost
- **Change in Inventories:** primarily driven by broadly stable inventory position vs. build up in 1Q
- **Other Expenses:** declined due to lower royalty relating to chrome ore inventory. Excl. this, Other expenses were lower primarily due to reduction in rates & taxes
- **Exceptional Items:** primarily reflects credit relating to Employee Separation Scheme

Key operating parameters

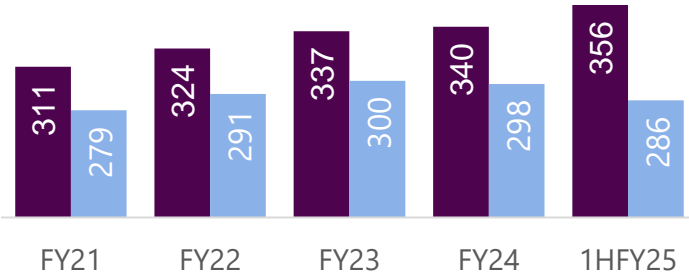
TSUK

TSN

Coke Rate (kg/thm)



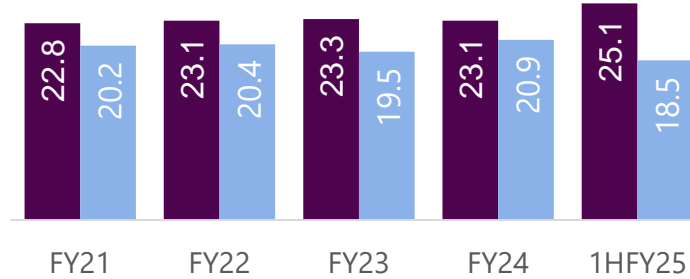
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Specific Energy Consumption (GJ/tcs)



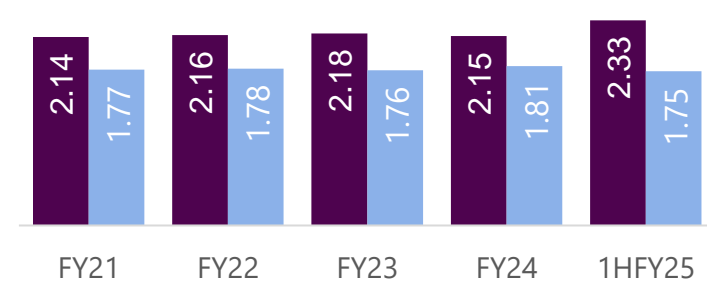
Good



CO₂ Emission Intensity (tCO₂/tcs)



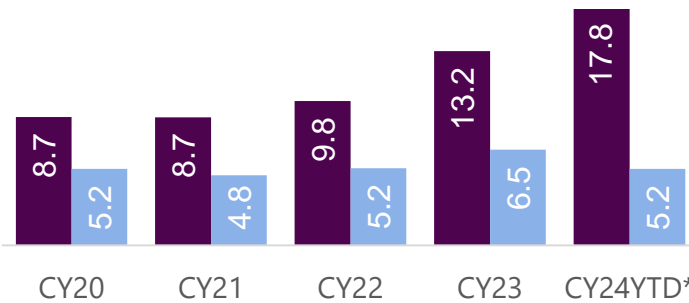
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Specific Fresh Water Consumption (m³/tcs)



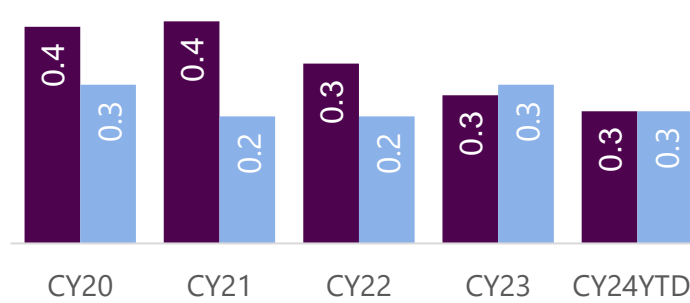
Good



Specific Dust Emission (kg/tcs)



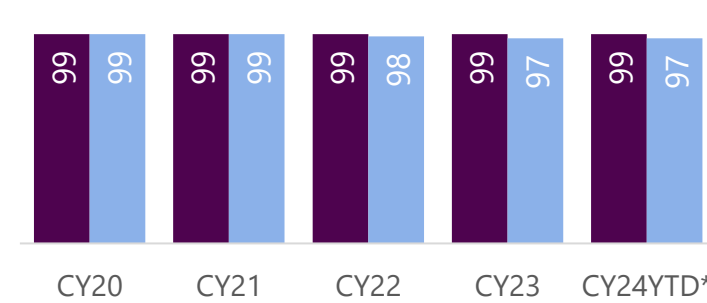
Good



Solid Waste Utilisation (%)



Good



Tata Steel Netherlands

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

	2QFY25	1QFY25	2QFY24
Liquid Steel production (mn tons)	1.66	1.69	1.19
Deliveries (mn tons)	1.50	1.47	1.23
Total revenue from operations	14,101	14,167	12,961
Raw material cost ¹	6,839	7,280	7,049
Change in inventories	(403)	(608)	(39)
Employee benefits expenses	2,765	2,783	2,536
Other expenses	4,657	4,260	4,560
EBITDA	243	453	(1,145)
EBITDA per ton (Rs.)	1,622	3,075	(9,303)

Key drivers for QoQ change:

- **Deliveries:** were higher by 2% and include volumes to UK operations. Excluding transfers to UK, External deliveries moved lower on QoQ basis
- **Revenues:** decreased upon drop in steel realisations given subdued demand dynamics
- **Raw Material cost:** declined QoQ primarily due to lower coking coal and iron ore consumption cost
- **Other Expenses:** increased on account of higher emission costs, consumables and bulk gas related costs

Tata Steel UK

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

	2QFY25	1QFY25	2QFY24
Liquid Steel production (mn tons)	0.39	0.68	0.76
Deliveries (mn tons)	0.63	0.68	0.73
Total revenue from operations	6,515	6,810	7,288
Raw material cost ¹	4,714	5,347	3,876
Change in inventories	(327)	(1,407)	312
Employee benefits expenses	1,189	1,185	1,121
Other expenses	2,527	2,640	3,346
EBITDA	(1,589)	(955)	(1,367)
EBITDA per ton (Rs.)	(25,239)	(14,076)	(18,802)

Key drivers for QoQ change:

- **Deliveries:** were marginally lower due to subdued demand dynamics. The remaining blast furnace (BF #4) was safely decommissioned on 30th September
- **Revenue:** declined in line with deliveries but was broadly stable on per ton basis
- **Raw Material Cost:** declined primarily due to lower raw material consumption given closure of one of the blast furnaces at the beginning of the quarter
- **Change in Inventories:** on account of stock build up during the quarter

Tata Steel Investor Relations

Investor enquiries

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