

Tata Steel Results Presentation

Financial quarter ended 31st December 2024

Dalma Viewpoint at Jamshedpur, Municipal solid waste dump transformed into a lush green picnic area

January 27, 2025

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



Safety & Health Excellence Recognition

for online purging assistance model that ensures zero high potential risk incident



Behavior-based program

“5 Safe steps Forward” campaign to improve safety awareness at shop floors



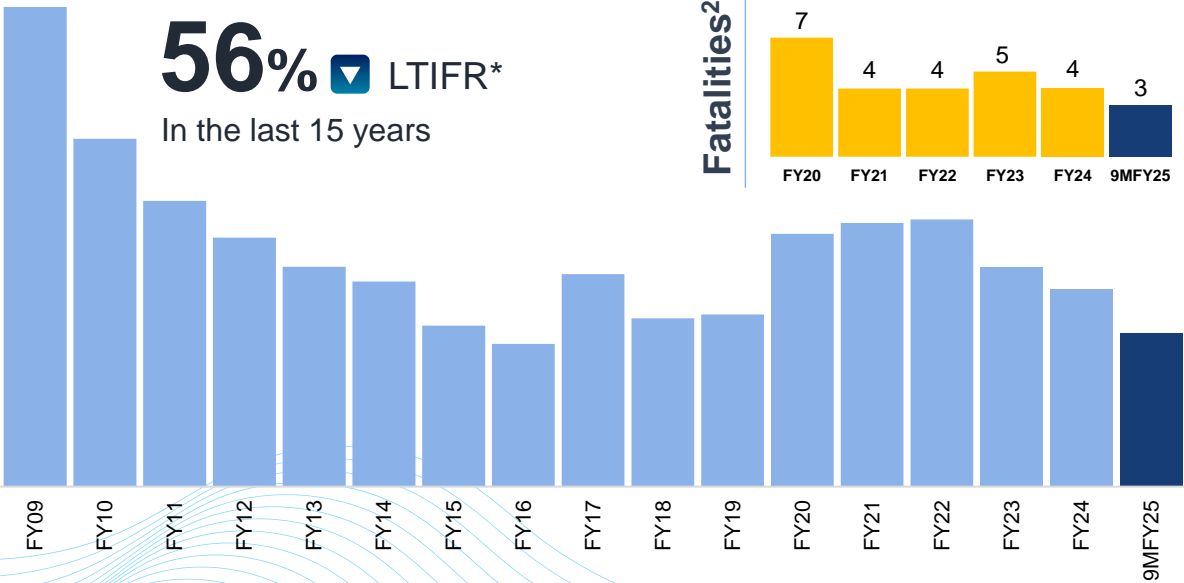
Health and Wellness

140 health awareness sessions covering 9,500+ employees¹ across locations



Accountability

“SpeakUp” helpline to report safety concerns anonymously



Improving quality of life of our communities

Social capital and scalable change models to enable deep societal impact

36 lakh+
lives impacted¹



68
targets prioritised
across 15 relevant
UN SDG goals

>₹1,975 cr
spent² since FY21



Rural and Urban Education

22,000+ out of school
children brought back to
education system

Public Health and Nutrition

96% redressal rate
in high-risk cases
among pregnant women
and children

Grassroots Sports

27,000+ children
and youth engaged
in rural sports

Tribal Identity

44,000+ people enrolled
in tribal language
classes

Grassroots Governance

~₹4,800 crore public
funds unlocked directly
to communities



Dignity for Disabled

11,000+ PwD connected
through SABAL
programme

Public Infrastructure

140+ structures relevant
for community have
been completed

Gender & Youth Empowerment

2,200+ women
enrolled in leadership
trainings

Water Resources

41.6 million cubic
feet water storage
capacity created

Climate Resilient Livelihoods

31,000+ households
adopted climate resilient
agri practices

Strategic Update



- India's largest blast furnace at Kalinganagar is ramping up well
- 1st annealed coil from the 2.2 MTPA Cold Roll Mill produced in December 2024
- Structural transformation underway at UK operations
- Became 1st Indian steelmaker to introduce biochar in blast furnace to lower carbon emissions

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 broader focus areas, and we collaborate with reputed global bodies for policy advocacy



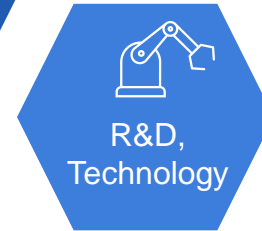
Committed to responsible growth; multiple initiatives underway



Transitioning to greener steelmaking



Committed to 35 – 40% emission reduction by 2030



United Nations Global Compact



India : Pursuing multiple initiatives for a sustainable future

Carbon emission reduction underway

via multiple levers

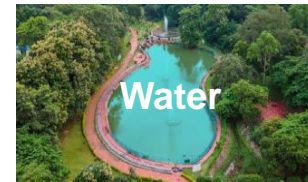


Broader initiatives to conserve water, preserve nature

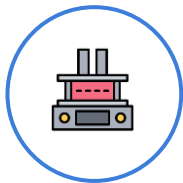
and drive circularity



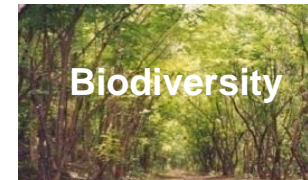
Process improvement such as improvement in blast furnace fuel rates, waste heat utilisation



>60% reduction in specific water consumption in last 15 years through range of initiatives



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



Biodiversity management plans for all sites and investing in nature-based solutions like bamboo based bio-char



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



Increase content of renewable / recycled resources in products and 0.5 MTPA steel recycling plant setup in Haryana

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

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

Journeying towards a sustainable future

EAF to be operational by 2027 - 28



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

Commenced discussions with the Dutch government
for decarbonisation support

Government support is key

Phase 1

- » Shutdown of one of the blast furnaces
- » Replaced by DRP – EAF by 2030
- » Utilise H₂ as it becomes cost competitive

Phase 2

- » Shutdown of remaining blast furnace
- » Transition to greener steelmaking

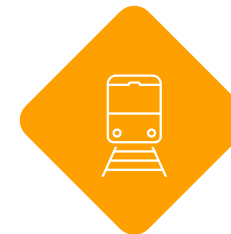
Collaborating with diverse partners
to drive sustainability



Partnership with Ecolog to create a sustainable energy corridor between the Netherlands and Norway



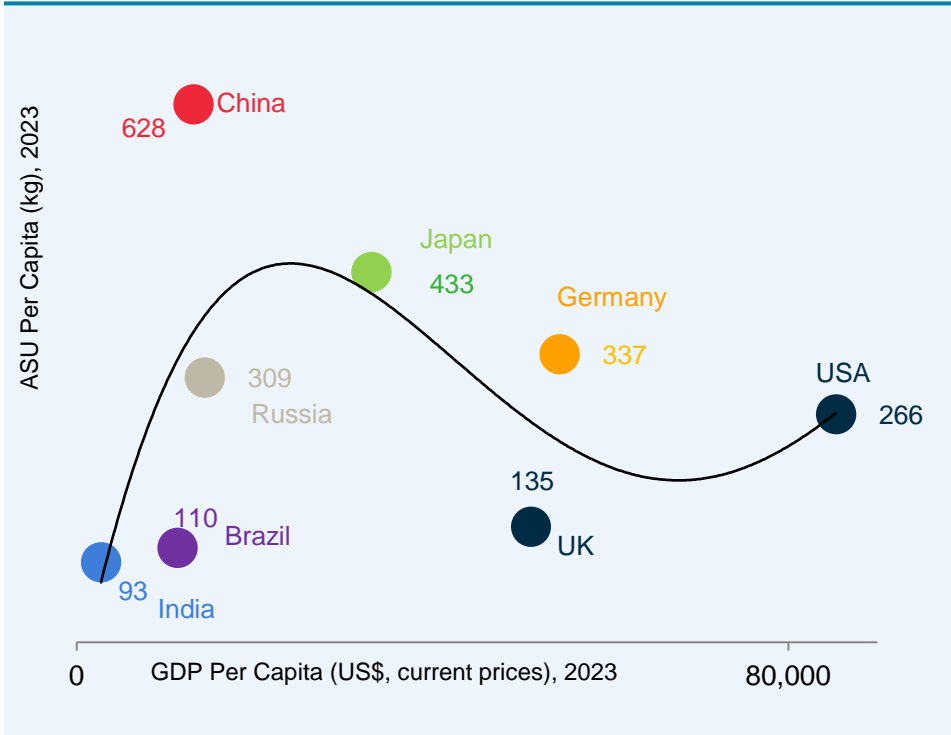
Collaboration with European Space Agency to conduct research on ISS to improve electric motor steel quality



Cooperation with Deutsche Bahn Cargo to transport steel coils by train on green electricity

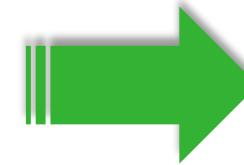
India steel remains a bright spot aided by the economic growth cycle

India steel per capita consumption is at an inflection point



Domestic demand to be driven by wide range of factors

136
million tons in
FY2024



>200
million tons in
FY2030e



Urbanisation,
Mega Cities



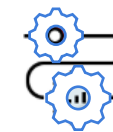
Investment cycle,
Public & private



Demographics,
Disposable income



Government
policy



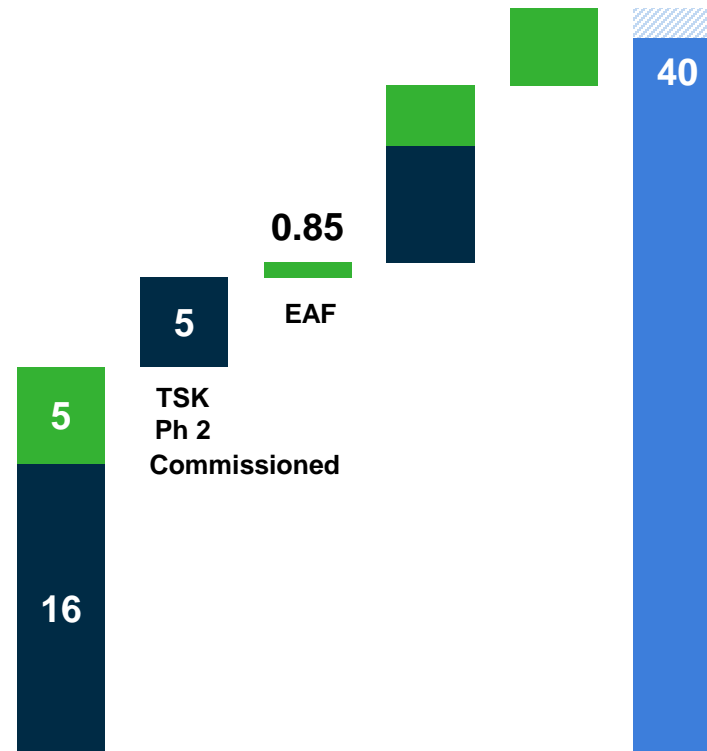
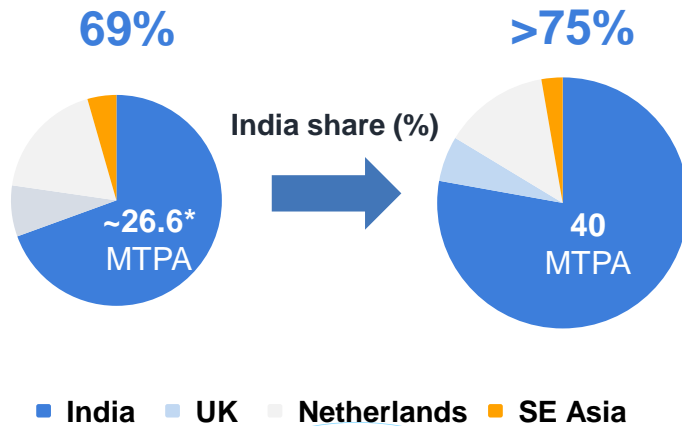
Industry life cycle,
Product mix

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

Investments set to drive sector leading returns



Dominant
manufacturing base
+
Brownfield optionality
across multiple sites



Flats (A)	~21.2 MTPA*	➡	~27 MTPA	
Longs (B)	~5.4 MTPA	➡	~13 MTPA	
Crude Steel (A+B)	~26.6 MTPA*	➡	40 MTPA	
Upstream	~42 MTPA Iron ore	➡	60 - 65 MTPA	
Downstream	Tubes	1.3 MTPA	↓	~4 MTPA
	Wires	0.6 MTPA	↓	~1 MTPA
	Tinplate	0.38 MTPA	↓	~1 MTPA
	DI Pipe	0.45 MTPA	↓	~1 MTPA

Multi-pronged strategy to enable leadership in chosen segments

Customer centricity and innovation to drive evolution of product mix

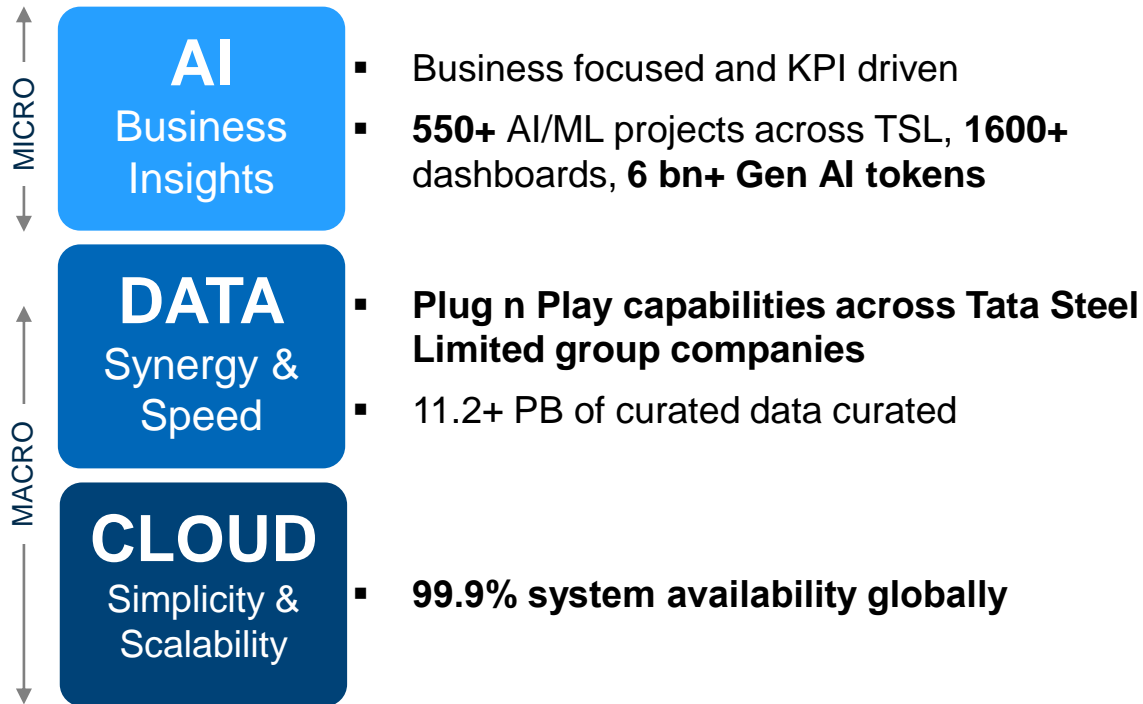
Status of ongoing project

Application / Product

<ul style="list-style-type: none"> Ramp up to rated capacity underway Commissioned Coke Oven Battery #3A in December 2024 	<p>Capacity expansion</p> <p>5 MTPA @ Kalinganagar</p>	<ul style="list-style-type: none"> Additional hi-strength hot rolled steel for Oil & Gas, L&E and Engineering segments
<ul style="list-style-type: none"> Equipment delivery on site has started Project on schedule 	<p>Capacity expansion</p> <p>0.85 MTPA @ Ludhiana</p>	<ul style="list-style-type: none"> Construction-grade steel rebar to cater growing requirements; pioneering low carbon steel
<ul style="list-style-type: none"> Combi mill work under implementation 	<p>Finishing capacity</p> <p>0.5 MTPA @ Jamshedpur</p>	<ul style="list-style-type: none"> Aids in catering to hi-end requirements of Automotive customers (2W, PV among others)
<ul style="list-style-type: none"> 1st Annealed Coil was produced in Dec'24 Capacity of CAL line is around 0.9 MTPA 	<p>Downstream</p> <p>2.2 MTPA CRM complex</p>	<ul style="list-style-type: none"> Hi-strength cold rolled steel for Automotive, Consumer durables and Industrial applications
<ul style="list-style-type: none"> 100 KTPA Structural Tube mill commissioned Setup of 42 KTPA LRPC line in progress 	<p>Downstream</p> <p>Tubes and Wires</p>	<ul style="list-style-type: none"> Expands volume as well as presence of the Branded & Retail vertical Enhance presence in Infrastructure segment

Embracing Digital and Technology to create and unlock value

7-layer architecture© for digital transformation



AI, key enabler of Business Excellence

Manufacturing Excellence

- AI assisted Exception management & improved Predictability
- Pre-emptive & Preventive safety management

Process and Safety Analytics

Functional Excellence

- AI assisted Intelligent Automation, Event Prediction & Ecosystem Intelligence

Price predictions, Automated risk analysis

Customer Experience

- Personalised experience across channels

Complaint management, E-commerce recommends

External Benchmarking

WORLD ECONOMIC FORUM

78% of Steel Production from **Global Lighthouse Sites**

TATA BUSINESS EXCELLENCE GROUP

Rated “**Synergized**” in DATOM Assessment (2022)

Gartner

Advanced leadership in Digital Execution

Global Top 6% in COVID Response

IFQM

Indian Foundation for Quality Management

ET CIO.com Awards

Focus on consolidating position as a global cost leader



- Cost improvement measures across geographies



- Connected solutions and strategic project deployment to improve performance



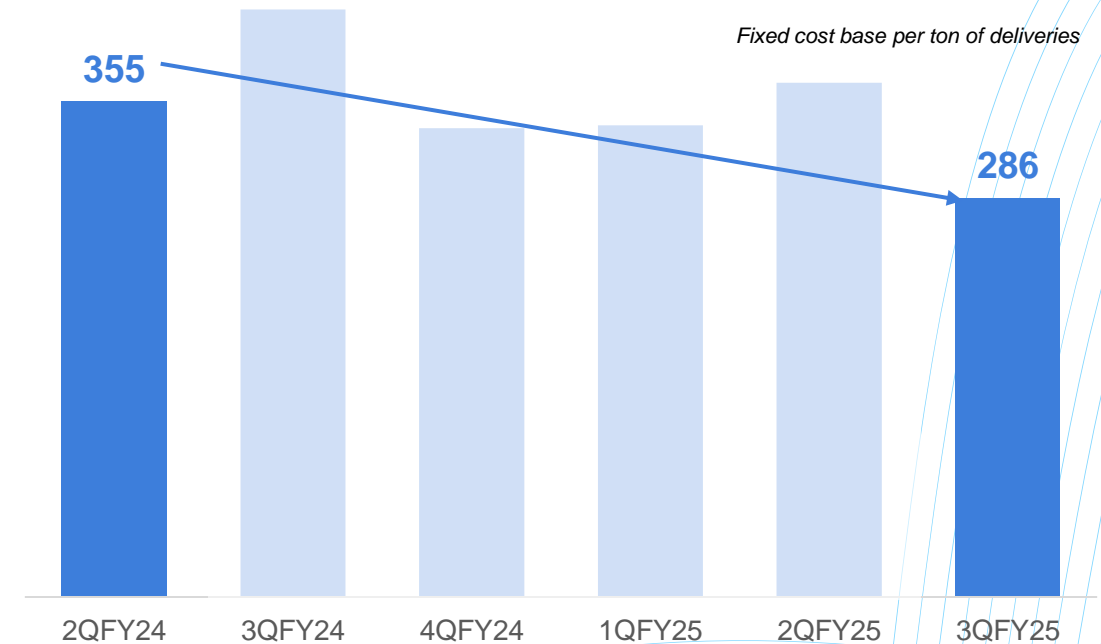
- Optimisation of raw material related costs



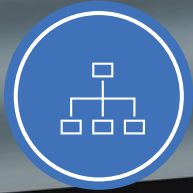
- Digitally enabled sustainable supply chain

Structural transformation in progress at UK

Since Sep'23, UK fixed cost base has declined by around 20% or £69 per ton



Financial Management to enable returns across cycle



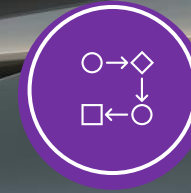
Balance sheet management

- » 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

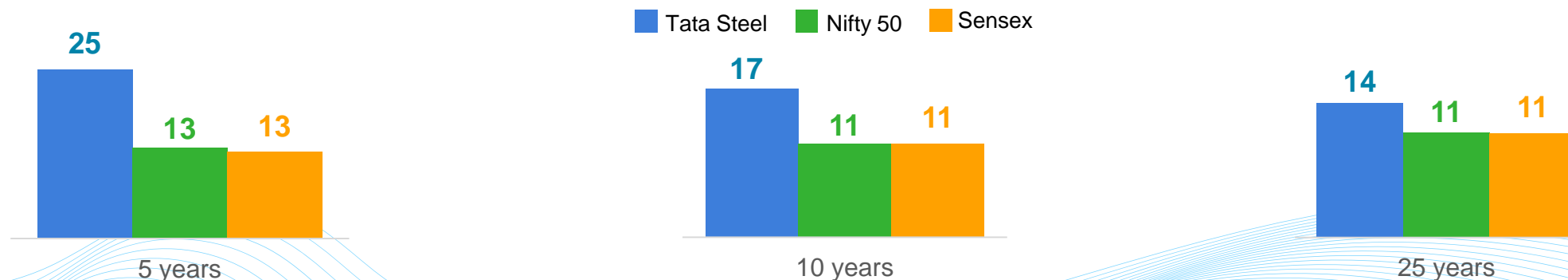
- » Portfolio restructuring
- » Value accretive investments (ROIC : 15%)



Operational excellence

- » Minimise working capital
- » Continuous improvement programs

Total Shareholder Returns¹ (%)

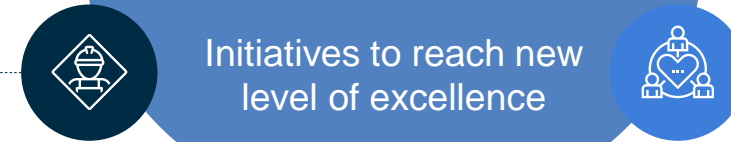


Becoming culturally future ready

#India's First-ever All-Women Shift in iron ore mine



"Women@Mines" and "Tejaswini" initiatives to empower women for all roles in mining operations



Initiatives to reach new level of excellence

Talent Preparedness for growth to 40 MTPA

- ✓ Talent integration post mergers
- ✓ Focus on skill for all categories of people

Focus on productivity and restructuring

- ✓ Cost competitiveness
- ✓ Building talent pipeline for decarb projects

Fostering a Future Ready Culture

- ✓ Culture of safety : *Zero Harm*
- ✓ Achieved 20% diversity for the 1st time in India

Business Update



- Consolidated Adj. EBITDA at Rs 7,155 crores, which translates to a margin of 13%
- India EBITDA margin at around 24%
- India volumes make up close to 70% of total deliveries
- Capital expenditure for the quarter was Rs 3,868 crores

Elevated China exports and slowdown in key regions weigh on spreads

- Global steel prices were subdued across key regions between Oct – Dec'24. US steel prices were down 2% while EU steel prices declined by around 5%
- China steel prices were below \$500/t despite stimulus measures. China steel exports were around 110 million tons in CY2024, up >20% YoY

- Raw material prices diverged during the quarter. Coking coal prices declined by 7% to below \$200/t while Iron ore prices were rangebound between \$100 - \$110/t levels
- Overall, Steel spot spreads were mixed across key regions. China steel spot spreads were rangebound while EU steel spot spreads remained under pressure

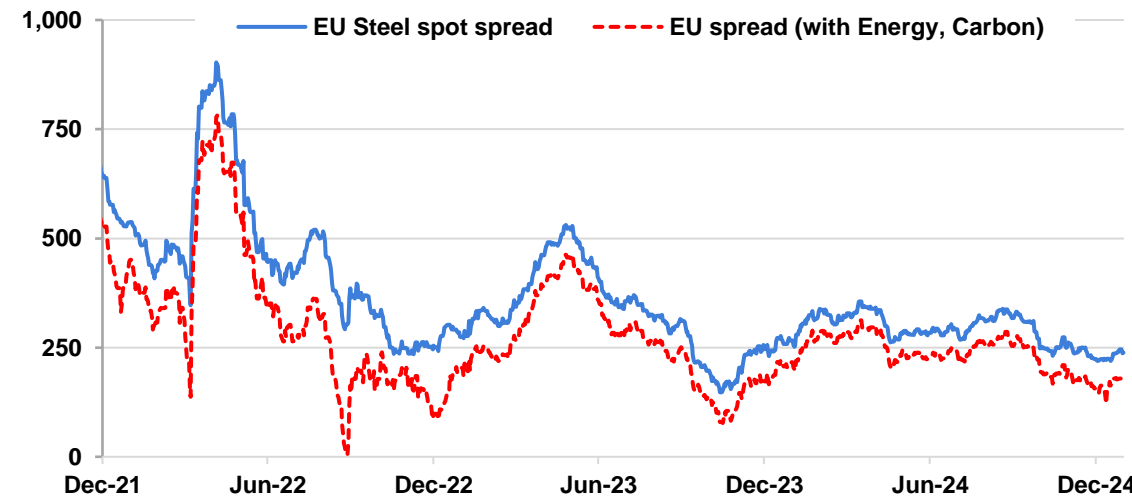
China Steel spot spreads (Domestic, Export)

HRC spot gross spreads (\$/t)



EU Steel spread including energy, carbon costs

HRC spot gross spreads (\$/t)

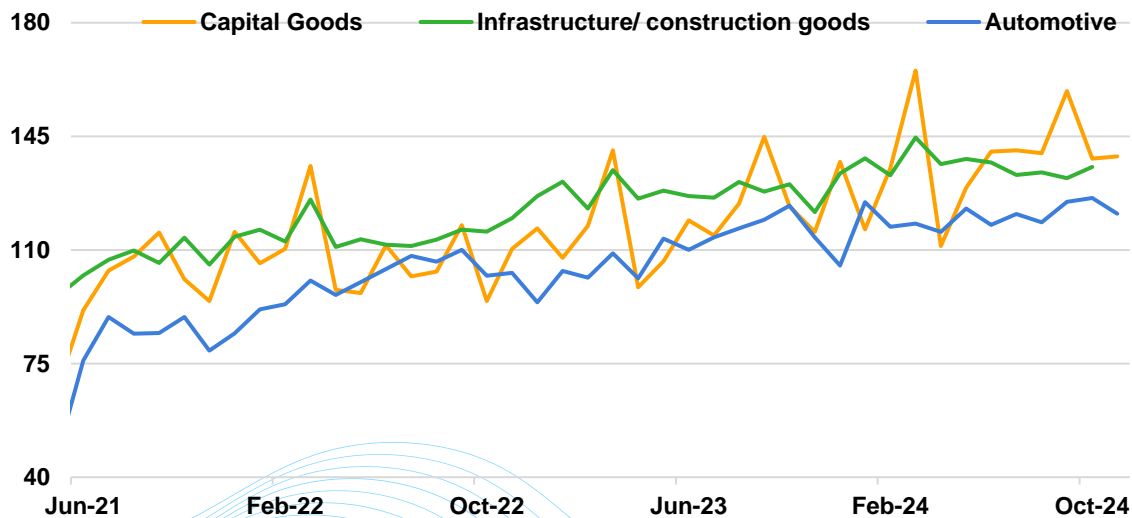


India steel demand continued to grow while EU demand was subdued

India

- India apparent steel demand continued to grow but the momentum eased. Manufacturing PMI fell to 12-month low in December 2024
- India continued to be a net steel importer and DGTR has initiated investigation to consider safeguard duty

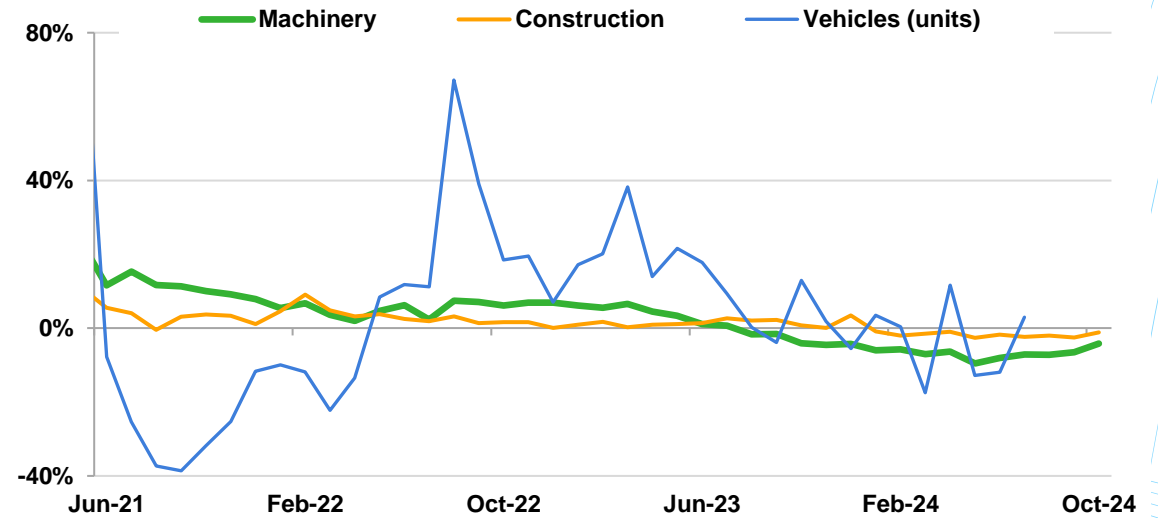
Key steel consuming sectors*



Europe

- In the EU, steel consuming sectors have been adversely impacted by subdued demand dynamics and steady imports
- Separately, ECB has reduced interest rates by 100 bps in 2024, but concerns persist about inflation & energy costs

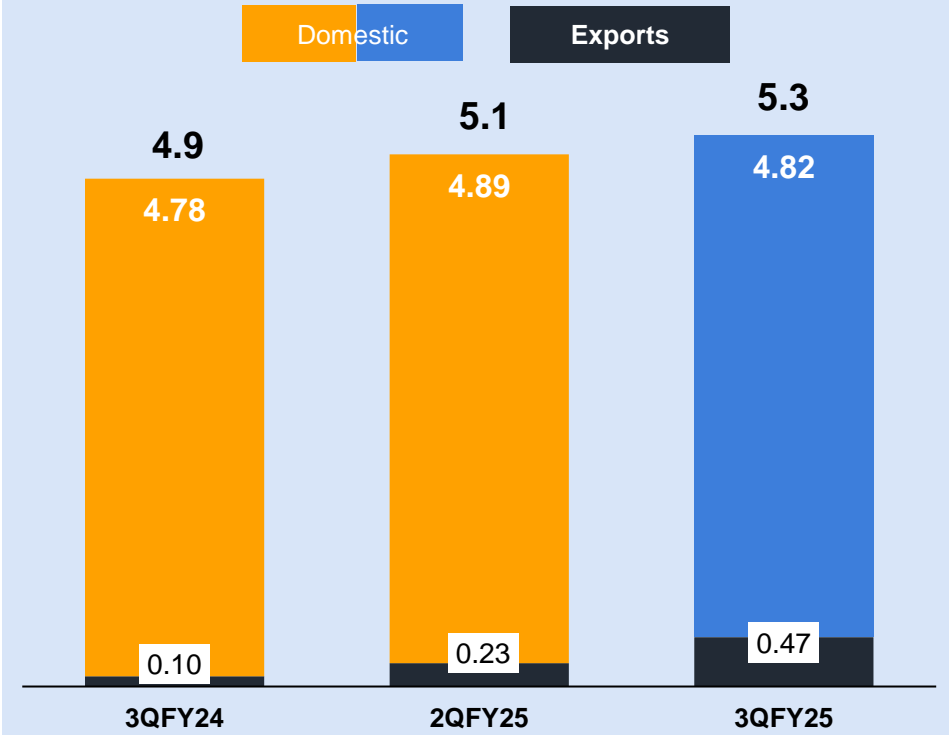
Key steel consuming sectors (% YoY growth)



India sales were 'best ever 3Q', up 4% QoQ and 8% YoY

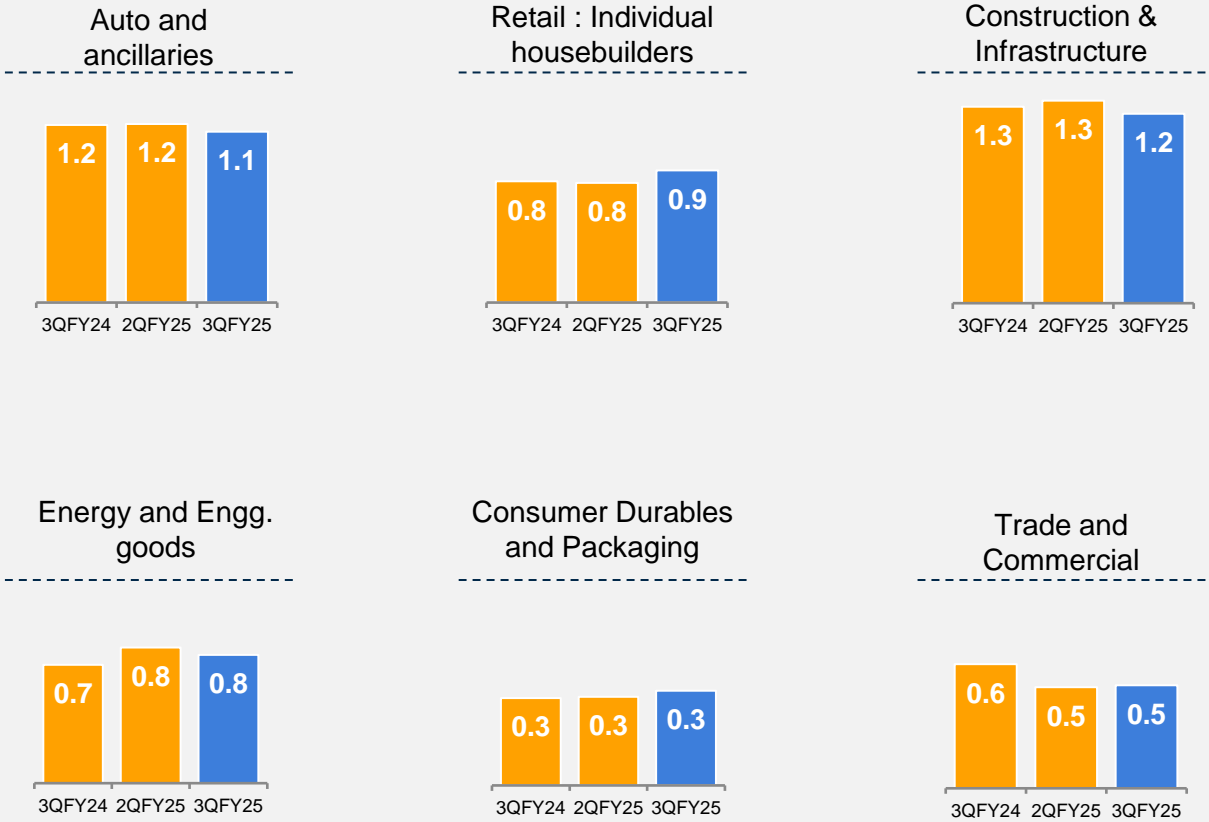
Tata Steel India deliveries (mn tons)

9MFY24	9MFY25	% YoY
14.5	15.3	6%



India includes Tata Steel Standalone and Neelachal Ispat Nigam Limited

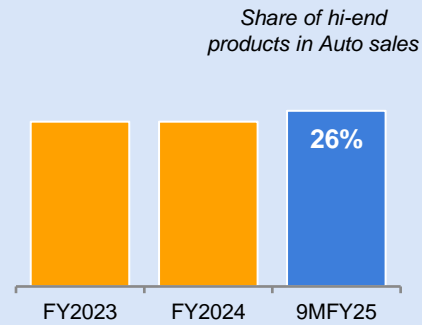
End use sectors (mn tons)



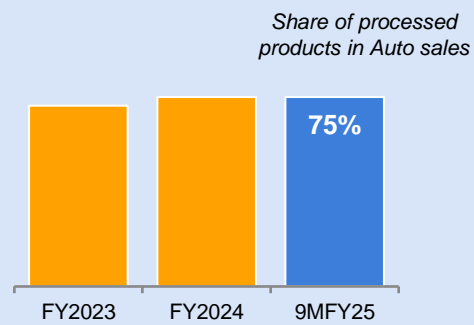
Auto: Consolidating the position of “Preferred Steel Supplier”



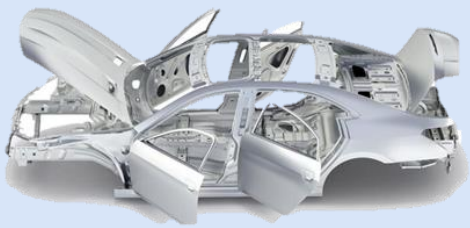
- Enriched product offerings for evolving customer requirements



- Focus on enhancing downstream processing capabilities



- TSK CAL has received facility approvals from major PV OEMs




- Value creation for key OEM customers via advanced technical support



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

Create your dream home today!
Visit www.Aashiyana.tatasteel.com



Chosen for consistency

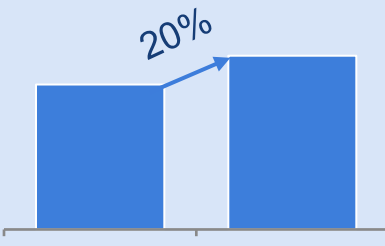
Trusted for Quality

Selected for Durability

350 orders placed daily*

- Tata Tiscon Retail sales had best-ever quarterly sales

Consistent growth across quarters in FY2025



Quarter	Sales
9MFY24	Base
9MFY25	Base + 20%

- Leveraging physical & virtual reach via Aashiyana, an e-commerce platform for Individual Home Builders

11,000+


+

37%

Dealer base

YoY growth in 9MFY25 GMV of Aashiyana

- Simplifying customer journey via ready-to-use solutions



9MFY25

40%

9MFY24

- 30+ service centers across India, aid in shaping construction market practices



Tata Steel Consolidated

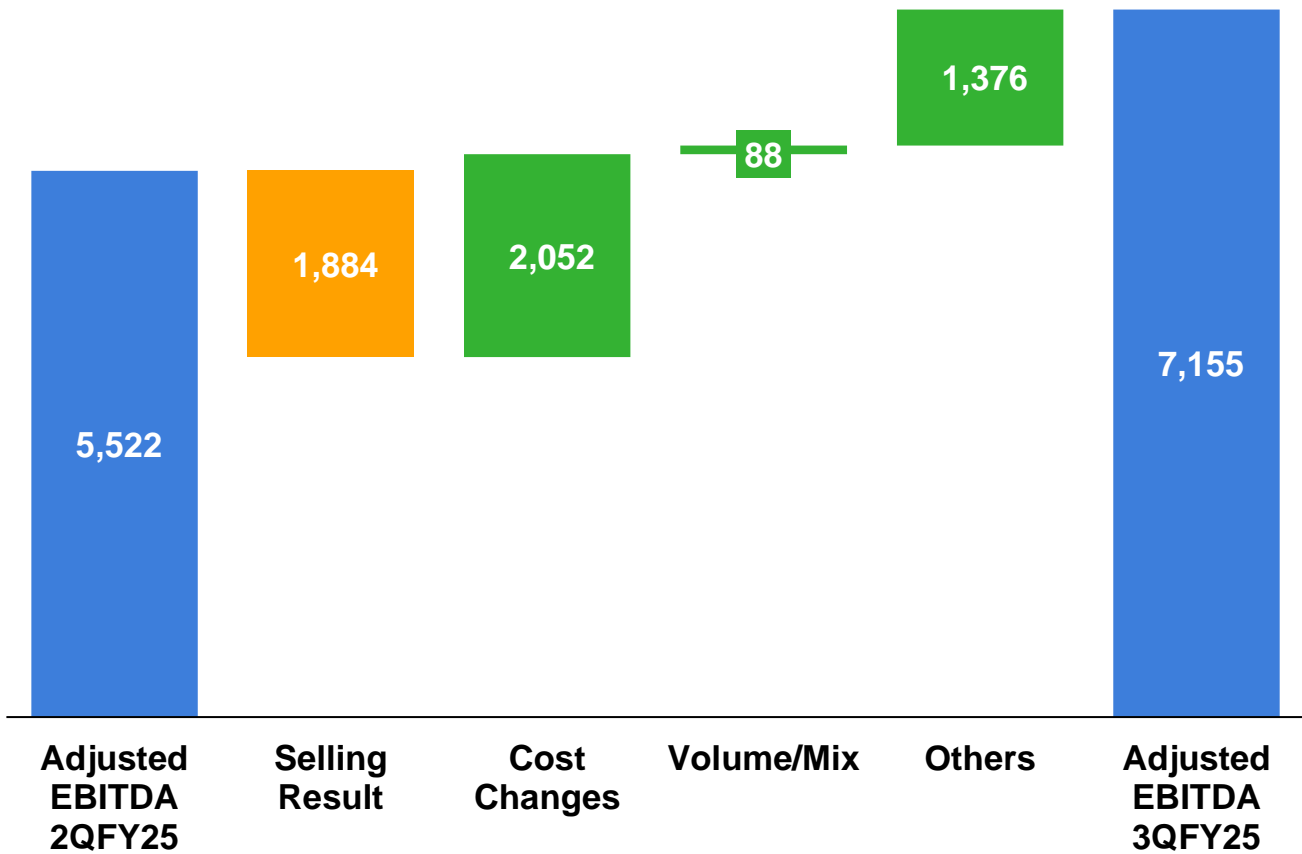
(All figures are in Rs. Crores unless stated otherwise)

	3QFY25	2QFY25	3QFY24
Production (mn tons)¹	7.77	7.69	7.58
Deliveries (mn tons)	7.72	7.52	7.15
Total revenue from operations	53,648	53,905	55,312
Raw material cost ²	23,429	24,690	22,126
Change in inventories	501	(747)	321
Employee benefits expenses	6,072	6,327	6,527
Other expenses	17,742	17,494	20,075
EBITDA	5,994	6,224	6,334
Adjusted EBITDA³	7,155	5,522	5,742
Adjusted EBITDA per ton (Rs.)	9,263	7,345	8,035
Other income	221	599	228
Finance cost	1,804	1,971	1,881
Pre-exceptional PBT	1,798	2,146	2,262
Exceptional items (gain)/loss	126	(18)	334
Tax expenses	1,377	1,405	1,406
Reported PAT	295	759	522
Other comprehensive income	(857)	732	1,041

Key drivers for QoQ change:

- **Revenues:** were broadly stable, higher volumes in India were offset by drop in realisations across geographies
- **Raw Material cost:** moved lower primarily driven by closure of both the blast furnaces in UK by September
- **Change in inventories:** QoQ movement reflects one time build up in 2Q as UK operations moved from traditional steelmaking to purchased substrate
- **Other expenses:** were higher due to FX movement on intercompany debt / receivables. Excluding FX, Other expenses declined by around Rs 1,615 crores
- **Exceptional loss:** primarily relates to Employee Separation Scheme in India
- **Other Comprehensive income:** primarily relates to foreign currency translation differences

Consolidated 3QFY25 EBITDA¹ stood at Rs 7,155 crores

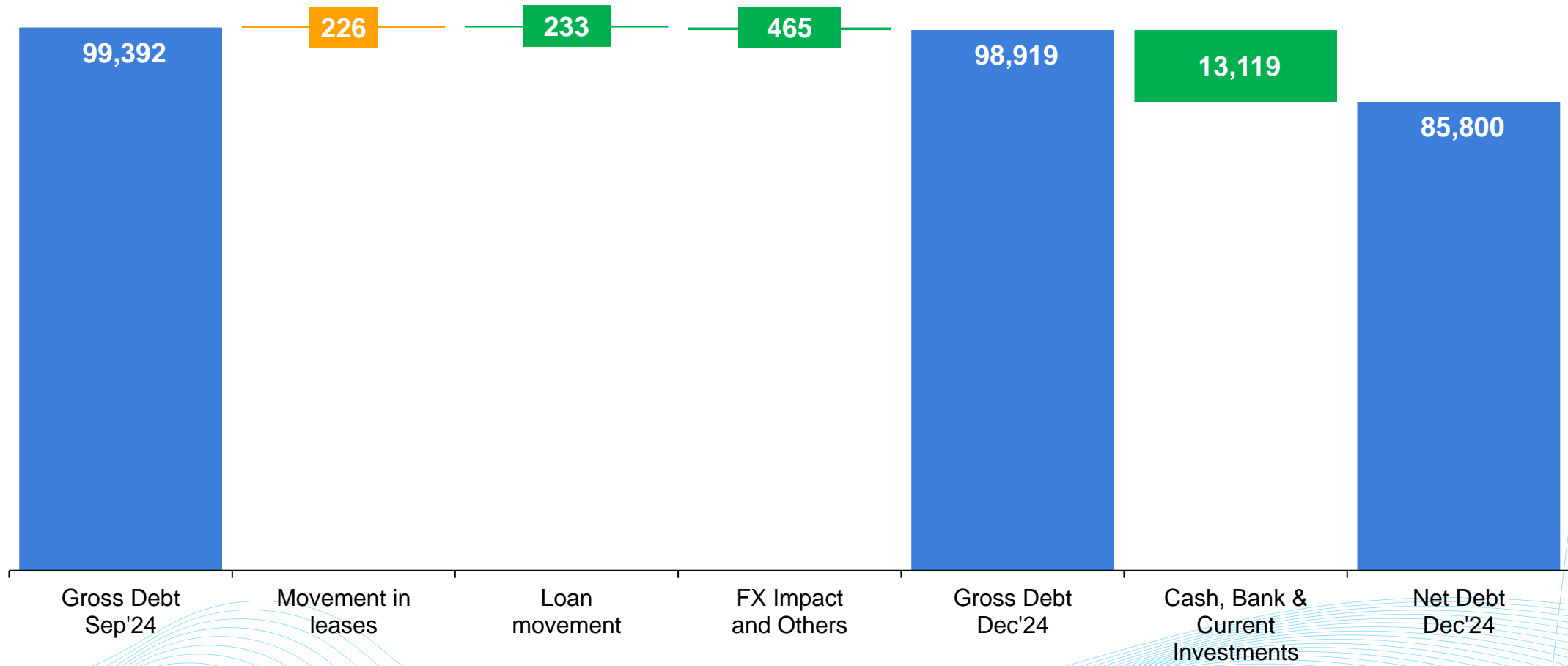


- **Selling Result:** primarily driven by lower realisations across geographies
- **Cost Changes:** primarily driven by closure of heavy end assets in UK and decline in coking coal consumption cost across geographies
- **Volume/Mix:** primarily driven by higher deliveries in India
- **Others:** relates to emission rights costs, NRV provision in Netherlands among others

¹EBITDA adjusted for changes on account of FX movement on intercompany debt / receivables, NRV – Net Realisable Value

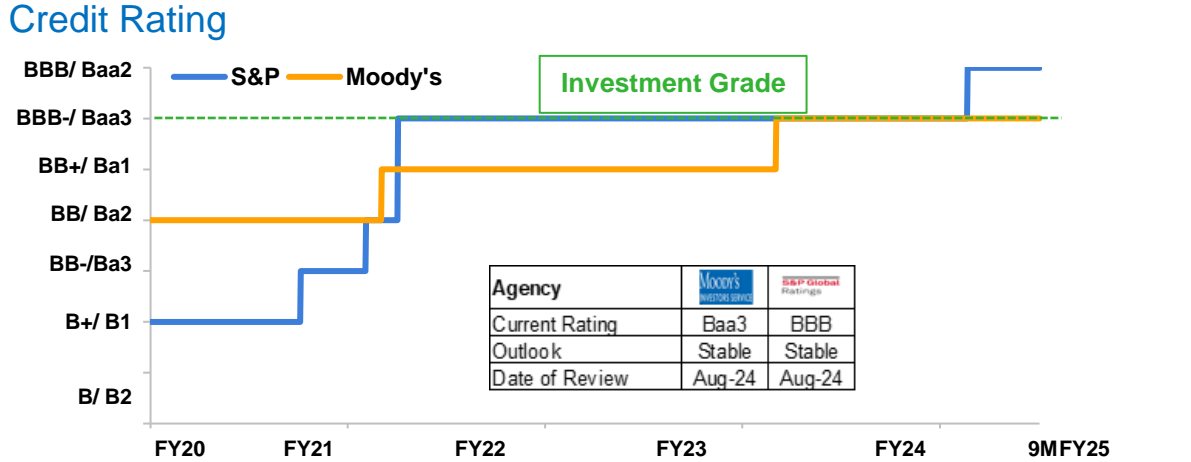
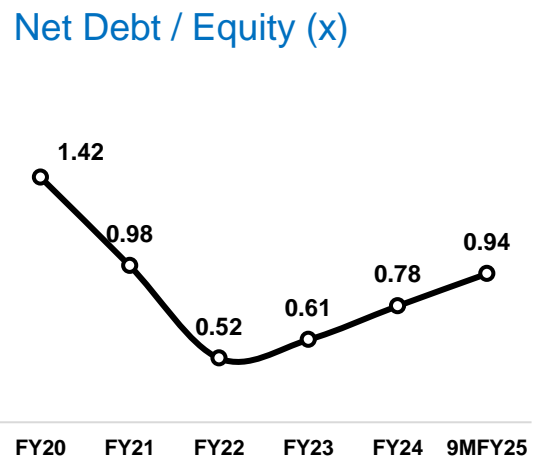
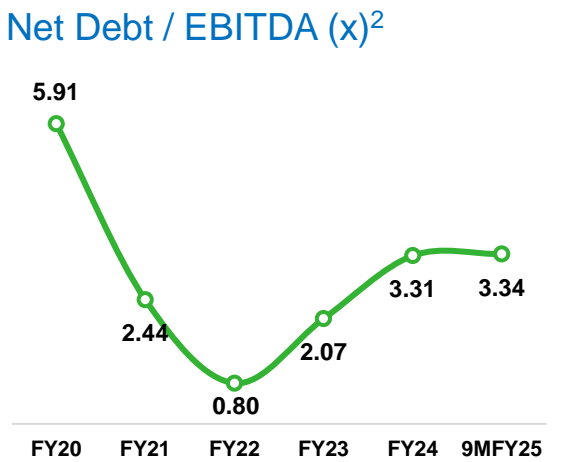
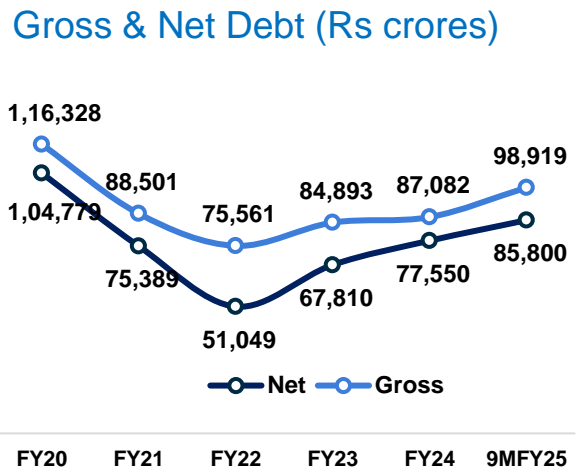
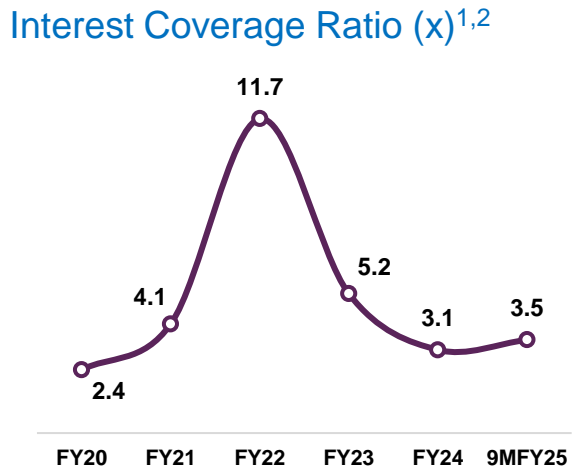
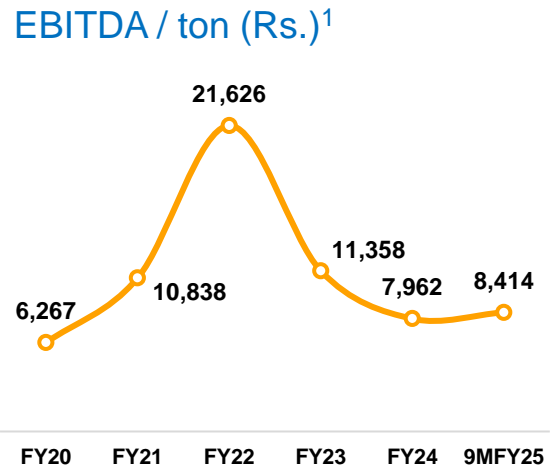
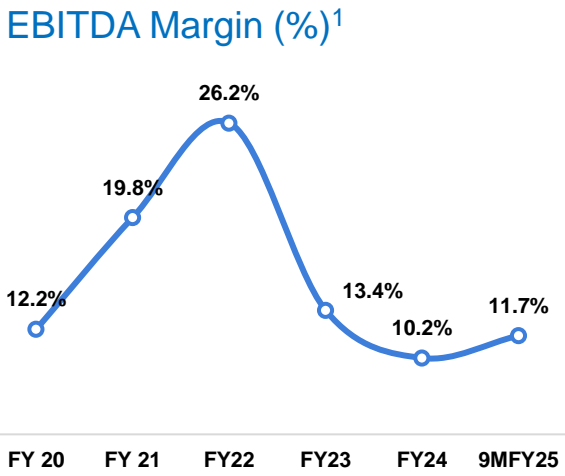


Net debt stood at Rs 85,800 crores





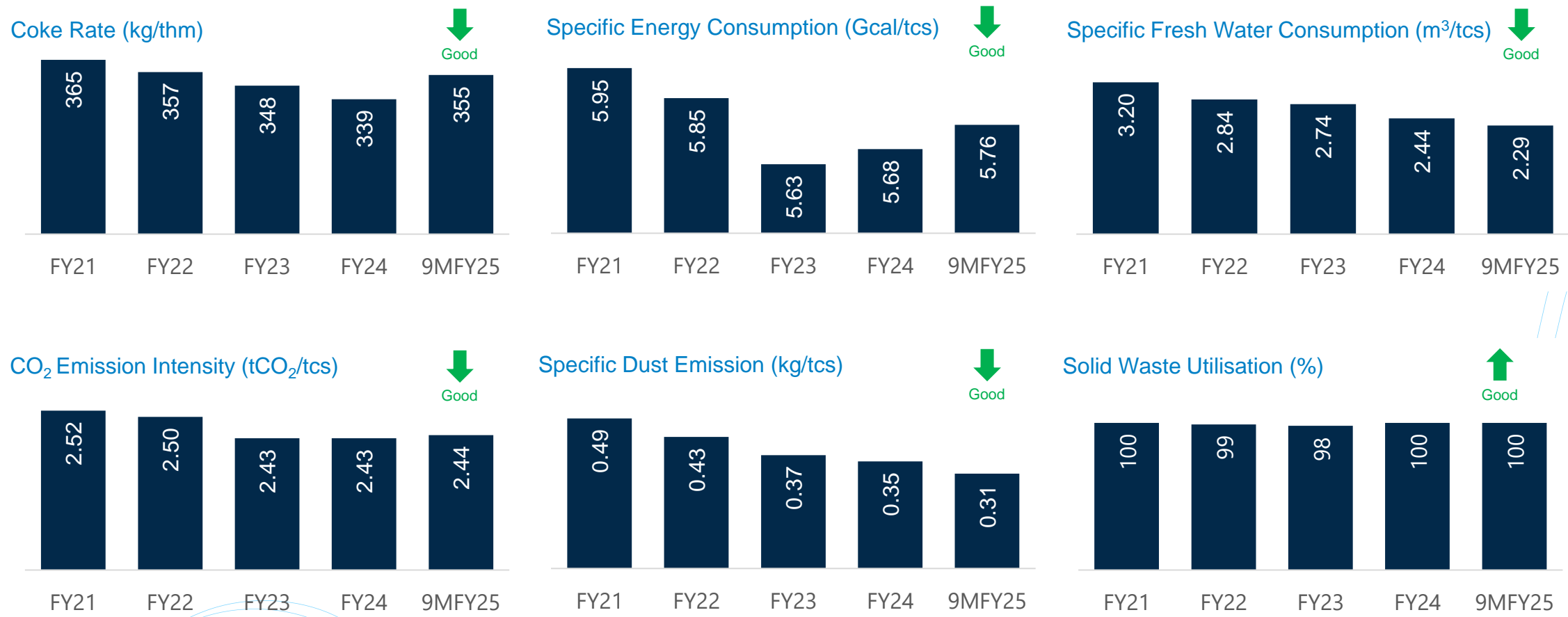
Key financial credit metrics



Annexures

Vision for tomorrow's mining spaces - Naxtra Park spanning 12,500 m² at one of our mining site in India

Tata Steel Standalone : Key operating parameters



Tata Steel Standalone¹

(All figures are in Rs. Crores unless stated otherwise)	3QFY25	2QFY25	3QFY24
Production (mn tons)	5.41	5.06	5.13
Deliveries (mn tons)	5.29	5.11	4.88
Total revenue from operations	32,760	32,399	34,686
Raw material cost ²	13,928	13,808	13,593
Change in inventories	(220)	107	(921)
Employee benefits expenses	1,956	1,940	1,884
Other expenses	9,596	9,935	11,835
EBITDA	7,624	6,734	8,301
Adjusted EBITDA³	7,523	6,712	8,291
Adjusted EBITDA per ton (Rs.)	14,214	13,131	16,994
Other income	456	851	326
Finance cost	1,080	1,133	1,038
Pre-exceptional PBT	5,321	4,772	6,061
Exceptional items (gain)/loss	146	(14)	(10)
Tax expenses	1,296	1,195	1,373
Reported PAT	3,879	3,591	4,699
Other comprehensive income	(375)	8	167

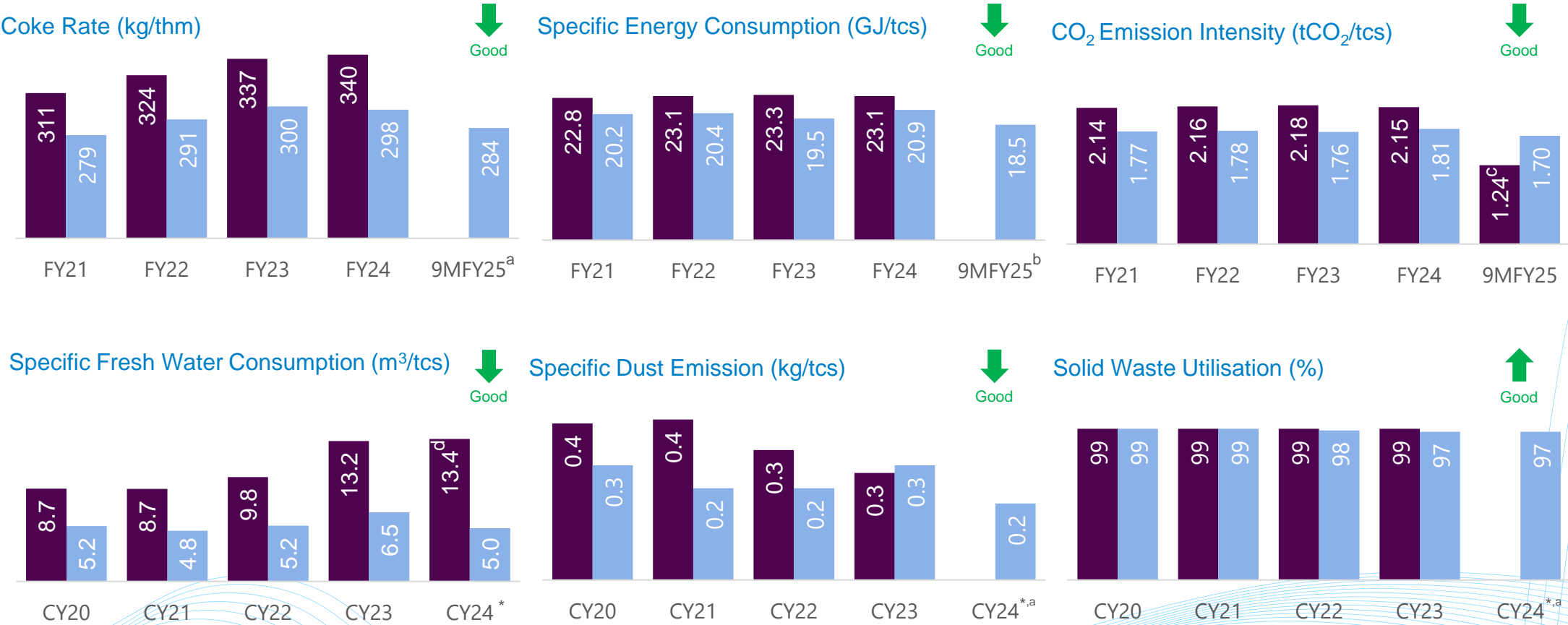
Key drivers for QoQ change:

- **Total Revenues:** were marginally higher primarily driven by higher volumes despite drop in realisations
- **Raw Material cost:** was broadly similar, with higher raw material consumption given higher production being offset by decline in coking coal costs & scrap purchase
- **Change in Inventories:** primarily driven by inventory build-up during the quarter
- **Other Expenses:** moved lower on QoQ basis upon decline in freight & handling charges, repairs & maintenance and regulatory charges
- **Exceptional Items:** primarily relates to Employee Separation Scheme

Tata Steel UK and Netherlands : Key operating parameters

TSUK

TSN



Note : a. For TSUK, given transition in business model - coke rate, specific dust & solid waste are not applicable / meaningful and hence excluded, b. 9MFY25 TSUK Specific energy consumption is being assessed, c. TSUK carbon emission intensity is calculated as carbon emissions from all TSUK assets divided by tonnes of processed hot rolled coil, d. 9MFY25 figure for TSUK is per ton of hot rolled coil and *TSUK & TSN report KPIs on a calendar basis aligned to regulatory requirements & *CY24 is estimate. CO₂ emission intensity as per worldsteel methodology

Tata Steel Netherlands

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

	3QFY25	2QFY25	3QFY24
Liquid Steel production (mn tons)	1.76	1.66	1.19
Deliveries (mn tons)	1.53	1.50	1.30
Total revenue from operations	13,867	14,101	12,923
Raw material cost ¹	6,825	6,839	5,350
Change in inventories	16	(403)	1,250
Employee benefits expenses	2,756	2,765	3,068
Other expenses	4,271	4,657	4,469
EBITDA	(1)	243	(1,215)
EBITDA per ton (Rs.)	(7)	1,622	(9,370)

Key drivers for QoQ change:

- **Deliveries:** were higher by 2% and include volumes to UK operations. Excluding transfers to UK, External deliveries were up 7% on QoQ basis
- **Revenues:** were marginally lower as drop in steel realisations offset the improvement in volumes
- **Raw Material cost:** was broadly stable with NRV provision being offset by lower purchases
- **Other Expenses:** declined primarily as a result of lower power & fuel expenses partly offset by higher emission rights related costs



Tata Steel UK

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

	3QFY25	2QFY25	3QFY24
Liquid Steel production (mn tons)	-	0.39	0.72
Deliveries (mn tons)	0.57	0.63	0.64
Total revenue from operations	5,665	6,515	6,294
Raw material cost ¹	3,300	4,714	3,255
Change in inventories	709	(327)	105
Employee benefits expenses	950	1,189	1,210
Other expenses	1,441	2,527	3,381
EBITDA	(735)	(1,589)	(1,657)
EBITDA per ton (Rs.)	(12,965)	(25,239)	(26,063)

Key drivers for QoQ change:

- **Revenues:** declined on lower deliveries as well as drop in realisations due to subdued demand dynamics
- **Raw Material cost:** decreased upon cessation of liquid steel production partly offset by higher purchases
- **Change in Inventories:** 2Q there was one time build up in inventory as operations transitioned from traditional steelmaking to purchased substrate
- **Other expenses:** witnessed significant decline with closure of BFs leading to lower maintenance, emissions, consumables and bulk gas related costs

Tata Steel Investor Relations

Investor enquiries

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*Building bridges – Steel supplied for City Footbridge
in South Wales, UK*