

GROWTH WITH PURPOSE

Tata Steel Results Presentation

Financial quarter ended June 30, 2023

July 24, 2023



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

TATA STEEL



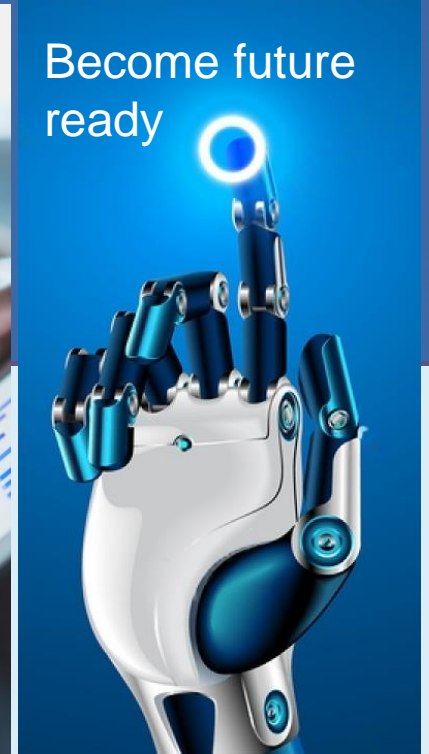
Business Update



Water harvesting, India

Focused on creating sustainable value

TATA STEEL

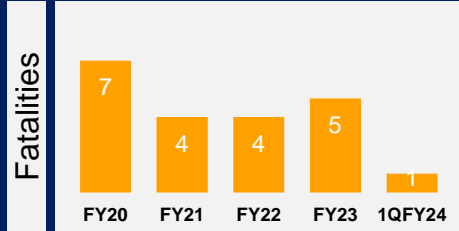
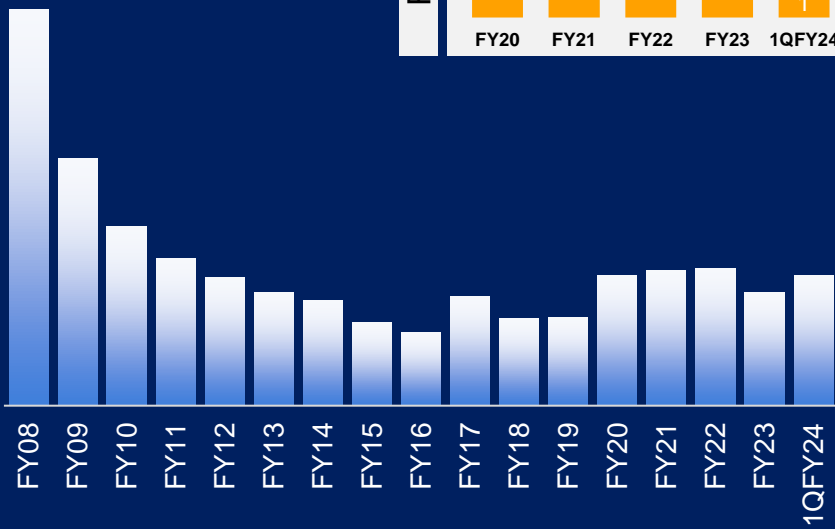


Focus on ‘Zero harm’

Committed towards excellence in Safety & Health of employees¹

Safety remains a top priority

67% ▼ LTIFR*
In the last 15 years



*Lost Time Injury Frequency Rate per million-man hours worked, for Tata Steel Group, Fatalities covers Tata Steel Standalone, Tata Steel Long products, SE Asia and Europe



Exposition on Human – Machine interface



Focus on health of employees

- Theme based safety & health awareness campaigns and focus on leveraging digital to minimise man – machine interface
 - Video analytics solutions help us capture potential safety hazards and enable proactive interventions
 - Awareness sessions on ‘Heat Stress’ and ‘Hypertension’ were organised apart from industrial hygiene assessments

Improving quality of life of our communities

Social capital and scalable change models to enable deep societal impact



Strengthening tomorrow : Through our initiative SABAL, >9,000 persons with disabilities were supported in capability building and provided platform for expression



Rural & Urban Education



Tribal Cultural Heritage



Women & Youth Empowerment



Household Livelihoods



Grassroots Sports



Household Health & Nutrition



Grassroots Rural Governance



Dignity for the Disabled



Water Resources

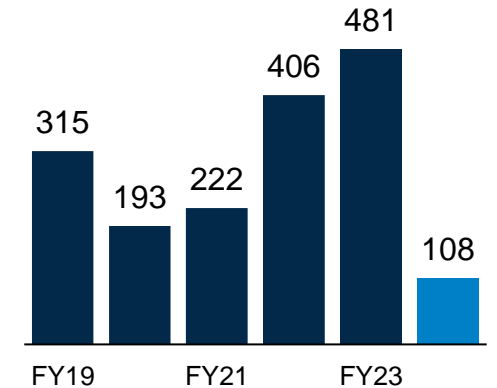


Public Infrastructure

11.2 Lakh+

Lives Impacted¹

>Rs 1,700 crores spent² since FY19



¹ Cumulative as on 1QFY24

² CSR Spending by Tata Steel Standalone

Net Zero by 2045

Pursuing sustainability through multiple pathways



Note : CCU – Carbon Capture & Utilisation, EAF – Electric Arc Furnace, TSE – Tata Steel Europe

Progressing on decarbonisation journey in Netherlands

Committed to achieve 35 – 40% CO₂ emission reduction by 2030

Programs underway to remain amongst most cost competitive sites in EU while becoming “green” and “clean”



Roadmap+ (2019 – 2025)

- Investment across installations to bring about significant reduction in emissions, dust, odour and noise
 - De-NOx unit for the pellet plant (largest environment installation in a pellet plant in the world)
 - Emission reduction installation for cold strip mill
 - Installation of dust screens and slag pits with mobile covering
 - Soundproofing measures on trains and conveyor belts



Transition to Green steel

- Discussions with government and technology partners are already underway

35 - 40%
CO₂ emission reduction

1st Blast Furnace (BF) replacement by 2030



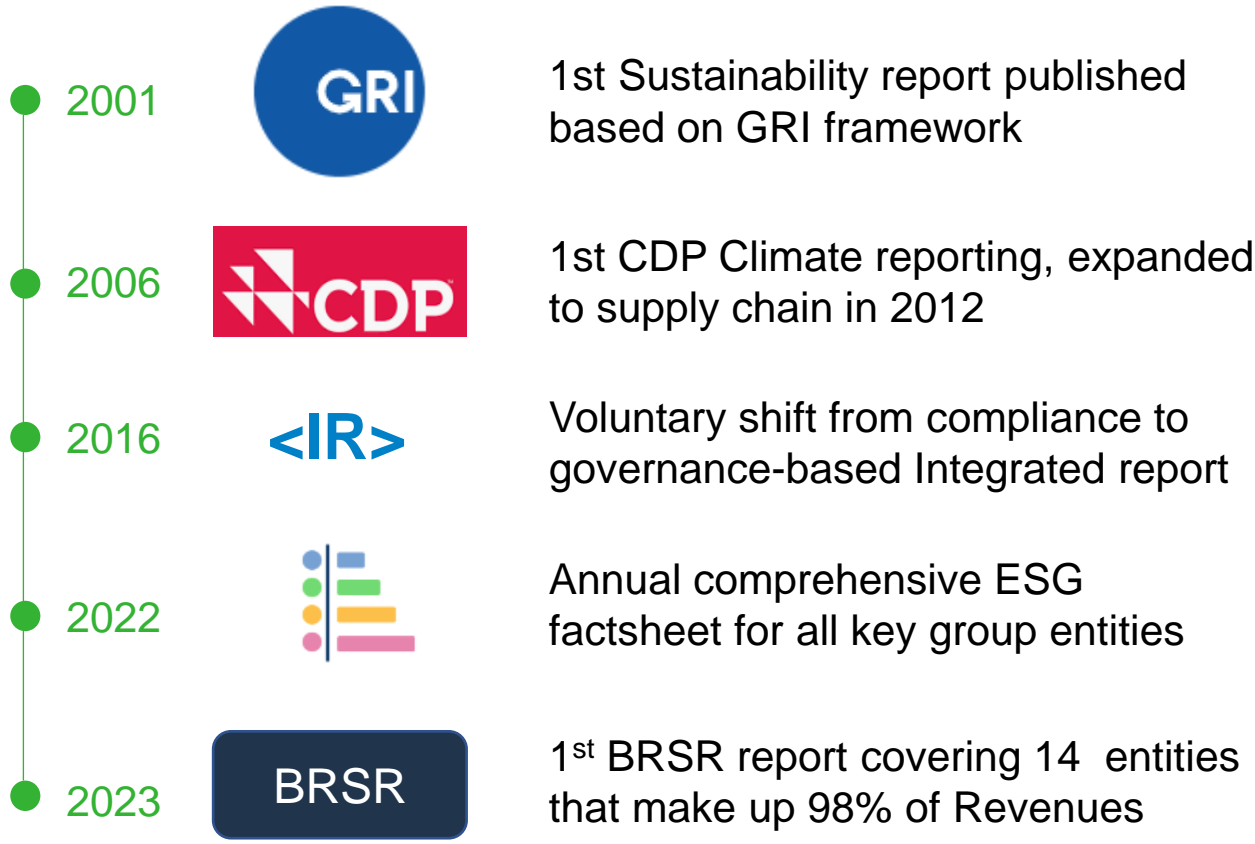
Further drop in emissions on 2nd BF replacement



Carbon neutrality by 2045

Demonstrating transparency through enhanced sustainability disclosures

Actively involved in development of global & national standards



Adopted and reporting



Sustainability champion since inception in 2018



Actively involved in global developments



Note : GRI – Global Reporting Initiative, BRSR – Business Responsibility and Sustainability Report, SDG – Sustainable Development Goals, CDP – Carbon Disclosure Project, ISSB – International Sustainability Standards Board (ISSB)

Business Responsibility and Sustainability report

Providing comprehensive non-financial inputs

- Consolidated report covering 14 major entities of Tata Steel Group
- Best – in – Class disclosure going beyond mandated requirements
- Active communication of Tata Steel’s approach and strategy on ESG issues
- Comprehensive materiality assessment by an independent 3rd party
- Expanded assurance of reported ESG disclosure to key subsidiaries

Key highlights



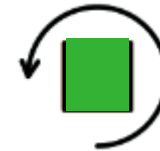
18.9% Workforce diversity



75 Affirmative action suppliers



23% of capex for environmental & social initiatives



LCA of products across geographies



11,782 hectares covered by BMP

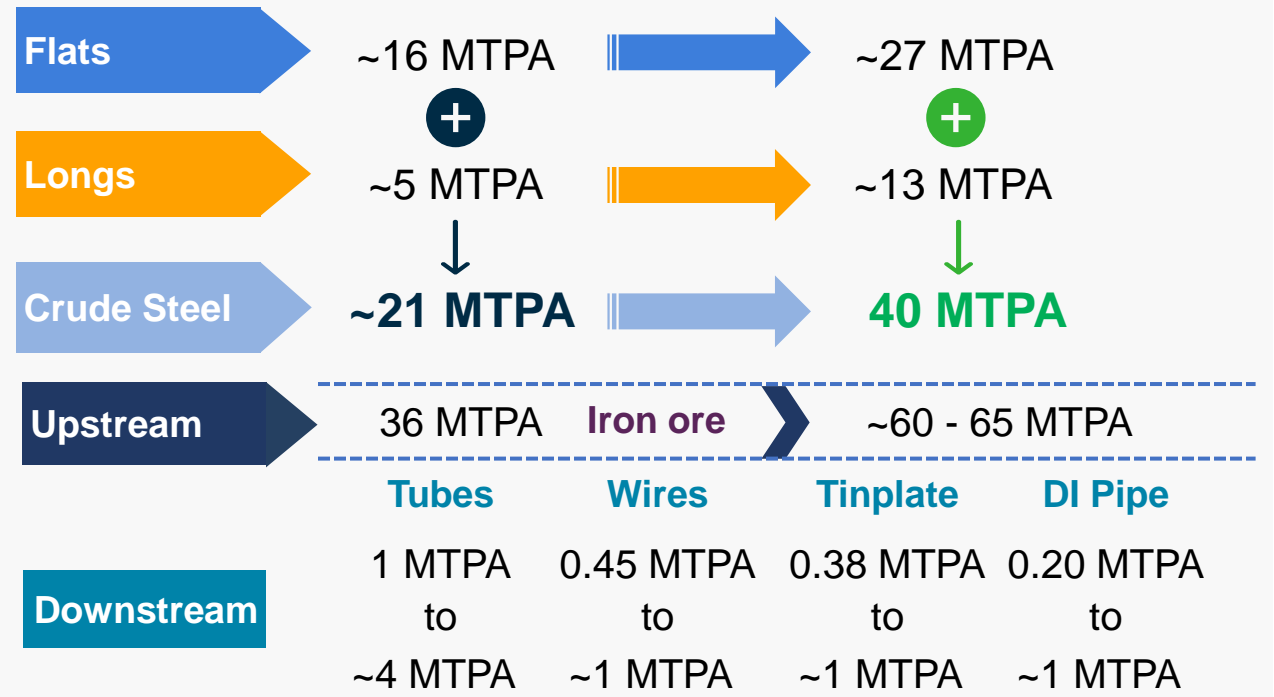
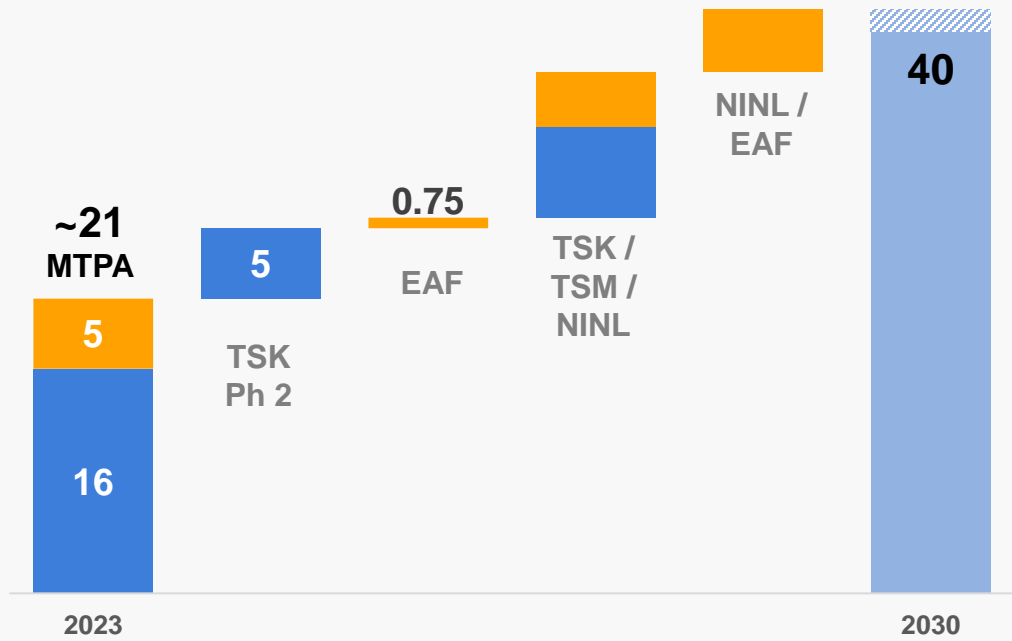
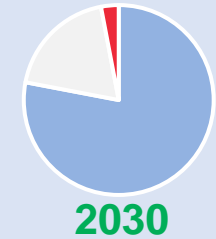
Tata Steel is scaling up to capitalise on India growth opportunity

Investments set to drive sector leading returns



2x capacity growth in India by 2030

Dominant manufacturing base



Note : TSK – Tata Steel Kalinganagar, EAF – Electric Arc Furnace, TSM – Tata Steel Meramandali, NINL – Neelachal Ispat Nigam Limited and DI – Ductile Iron

5 MTPA expansion progressing at Kalinganagar

Value added product mix to enable future ready portfolio



Tata Steel Kalinganagar
5 MTPA expansion

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

Future ready portfolio



High Tensile steel to meet lightweighting & safety needs



Advanced steel to serve Infra and Energy segments

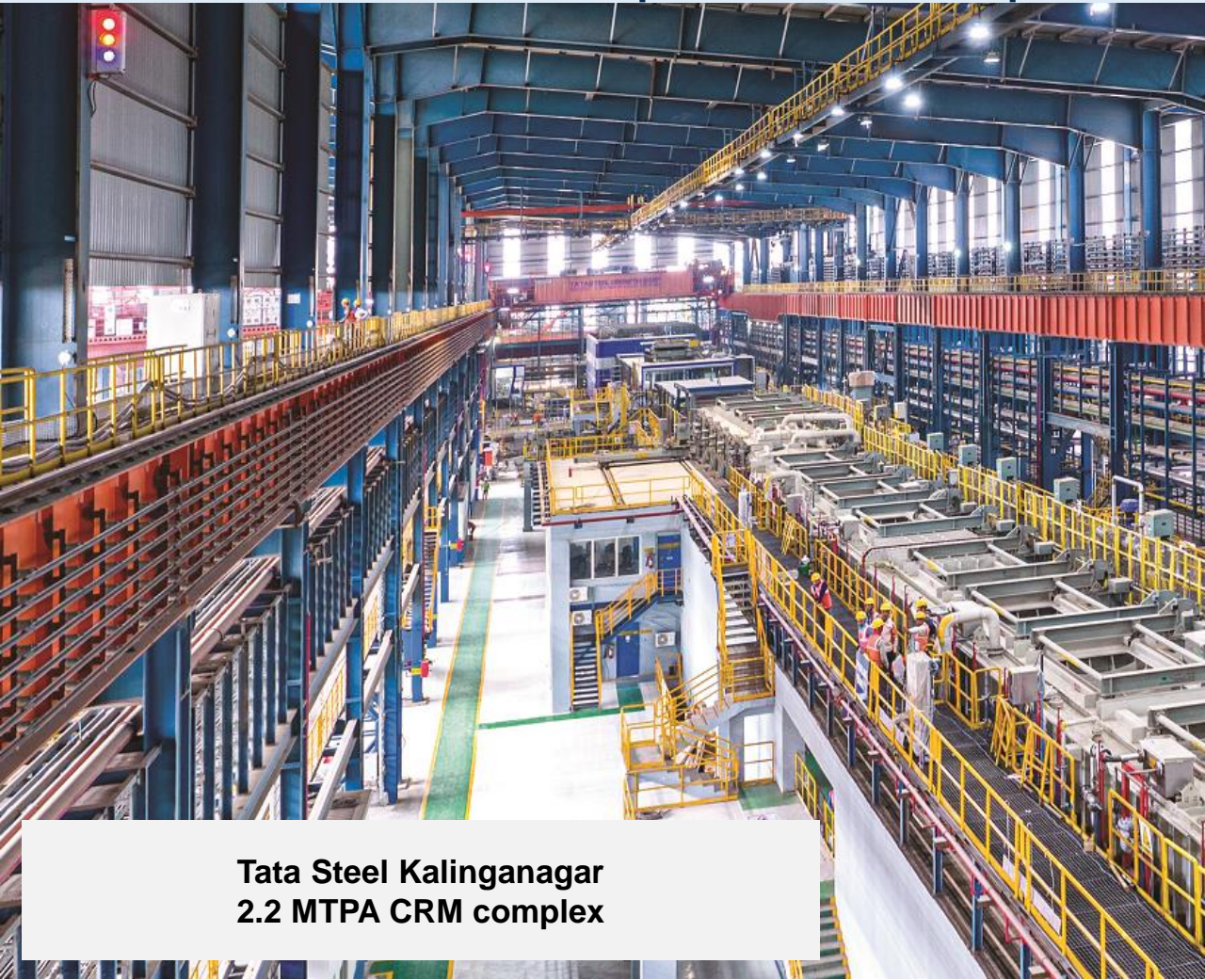
Eco-friendly design

*1st in India

- Top combustion stoves* → Optimal fuel consumption
- Dry gas cleaning plant → Maximise energy recovery
- Evaporative cooling system* → lower water intake
- Top gas recovery turbine → Energy recovery

5 MTPA expansion progressing at Kalinganagar

2.2 MTPA CRM complex to drive product mix and Pellet plant to drive savings



**Tata Steel Kalinganagar
2.2 MTPA CRM complex**



- Volumes to consolidate leadership position in chosen segments & drive benefits of scale



- 2.2 MTPA CRM complex to further the product portfolio, CAL & CGL lines work underway



- 6 MTPA pellet plant to drive cost savings and drive self sufficiency in pellets

Retail: Capacity investments to drive high margin business

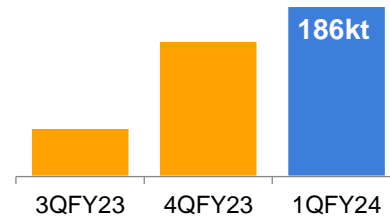
Well placed to leverage pan India growth



Neelachal Ispat Nigam Limited has ramped up well (Near Kalinganagar plant, Odisha)

■ Poised to double presence in retail segment driven by

- Capacity growth - NINL ramped up well & EAF work underway
- Serving Individual Homebuilders via Superbrand 'Tata Tiscon'



- 9,000+ dealers and digital platform Aashiyana
- Developing strong ecosystem to deliver superior experience



Note: EAF – Electric Arc Furnace, Influencers refers to Architect, Contractors & Engineers

Downstream: Value added growth for product mix enrichment

Tubes, Wires, Tinplate and Ductile Iron Pipe

Tubes

Wide product portfolio incl. HAR & ERW tubes



Leading manufacturer of pipes and tubes

Wires

Our LRPC strands are widely used in India



80% share of business in bullet train projects

Tinplate

Application in growing packaging industry



Market leadership in domestic tinplate industry

Ductile Iron Pipes

Tata Ductura, transportation of water and other uses



Increasing share of Ductile Iron Pipe of total deliveries

Value accretive consolidation with multiple benefits

TATA STEEL

Unlisted

Listed

Tata Steel Mining (TSML)

S&T Mining

Indian Steel & Wire Products

TSLP
Swap ratio 6.7

TCIL
Swap ratio 3.3

Tata Metalliks
Swap ratio 7.9

TRF Ltd.
Swap ratio 1.7

Filing of scheme with Stock Exchanges (Reg. 37)

Filing of 1st motion application with National Company Law Tribunal (NCLT)

Shareholders meetings and creditor meetings (if any)

Final order of NCLT



No objection letter from Stock Exchanges

Order of NCLT on first motion application

Filing of the second motion application with NCLT

Filing with Registrar to make scheme effective

TATA STEEL

Performance update



Solar panels at Tata Steel Kalinganagar

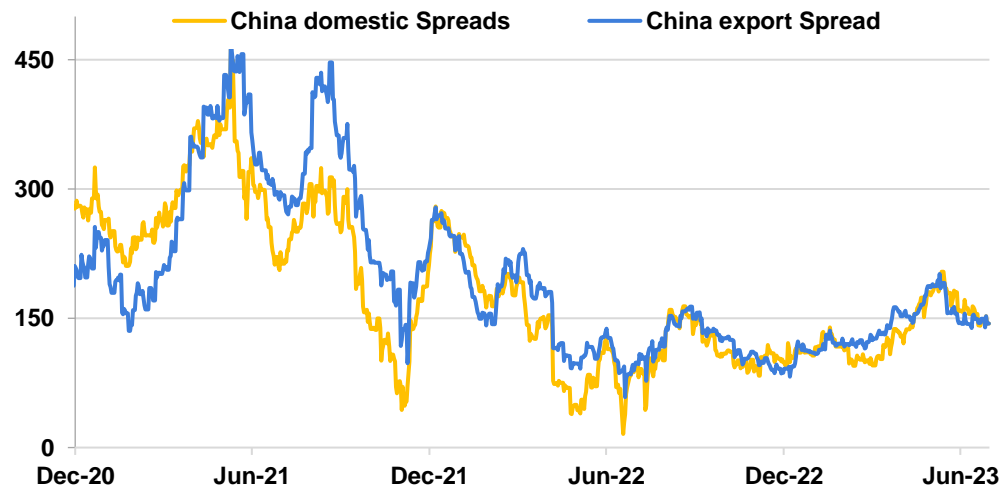
Slowdown in global economy has weighed on steel prices and spot spreads across regions

- Global steel prices moderated in the May – June period on sustained concerns about global recovery, esp. relating to China
- In China, stable production and subdued demand led to steel exports in June being >7.5 mn tons. May exports were the highest monthly figure since Sep 2016

- Raw material prices also moved lower during this period. Coking coal prices declined >25% to \$220/t levels while Iron ore prices were down around 10% to \$110/t
- Overall, Steel spot spreads moderated across the regions especially on demand dynamics. EU steel spot spreads were above \$250/t levels

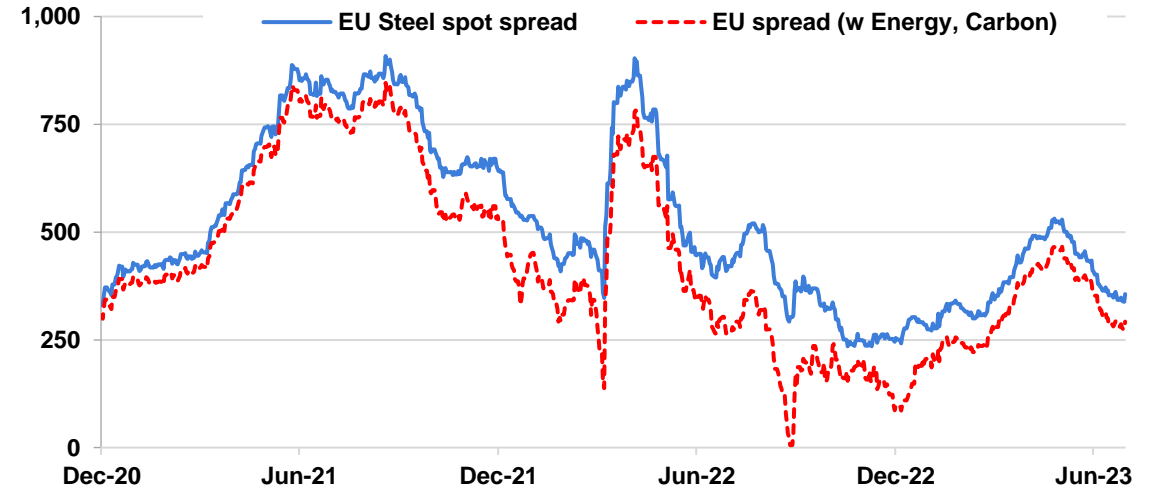
China Steel spot spreads (Domestic, Export)

HRC spot gross spreads (\$/t)



EU Steel spread including energy, carbon costs

HRC spot gross spreads (\$/t)



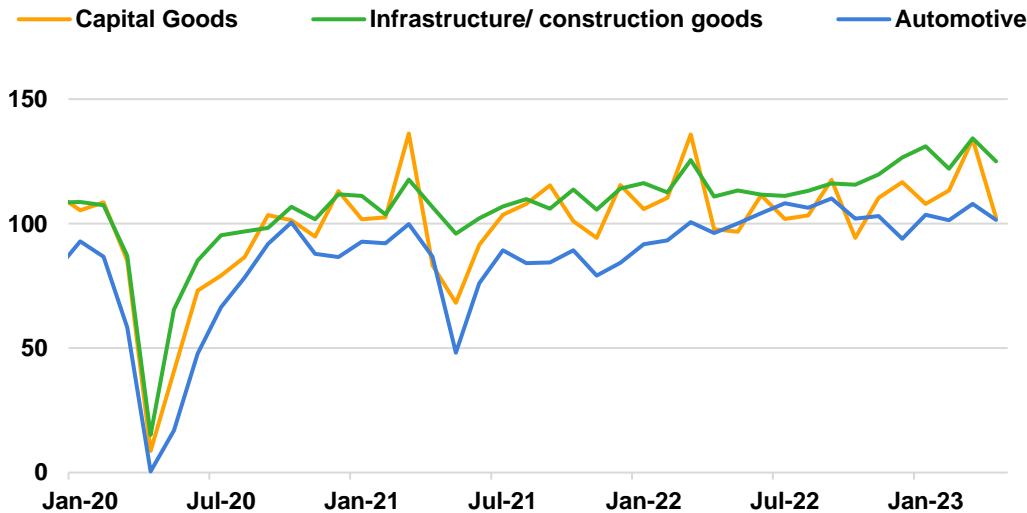
Sources: World Steel Association, IMF, Bloomberg, Steelmint; China HRC export spread = China HRC export FOB – 1.65x Iron Ore (62% Fe CFR) - 1x Coal (Premium HCC CFR); China HRC domestic spot spread is with China HRC domestic prices; EU HRC spot spreads = HRC (Germany) - 1.6x iron ore (fines 65%, R'dam) - 0.8x premium hard coking coal (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 continued to grow; European steel demand weighed down by economic slowdown

India

- Indian apparent steel consumption was up around 10% on YoY basis in 1QFY24
- Infrastructure / Construction continued to improve while auto production was up 3% YoY during 1QFY24

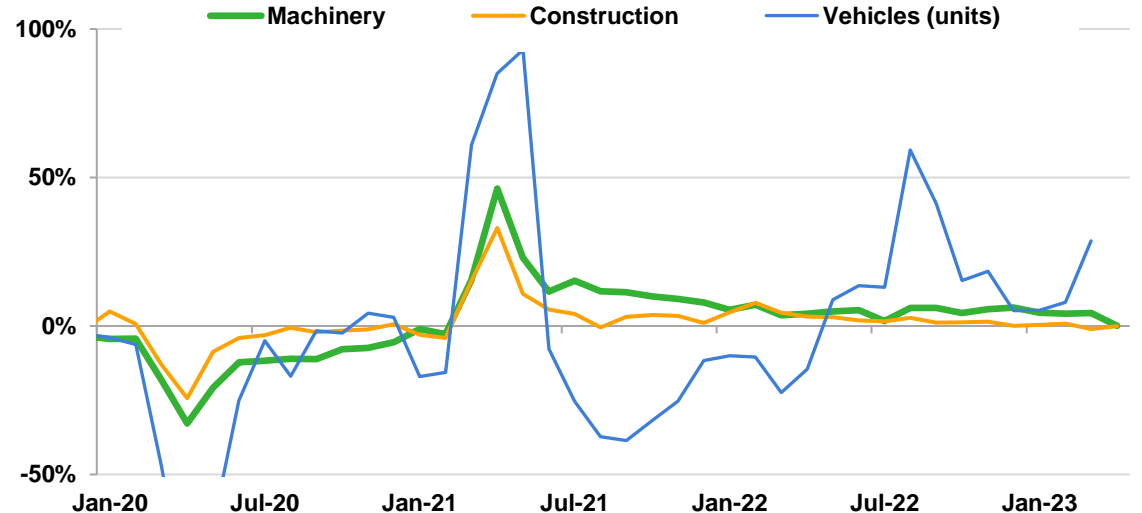
Key steel consuming sectors*



Europe

- Eurozone manufacturing PMI was at 43 in June, indicating the persistent concerns about economic activity
- ECB has hiked rates by 400 bps in the last twelve months. Inflation is presently at around 5.5%

Key steel consuming sectors (% YoY growth)



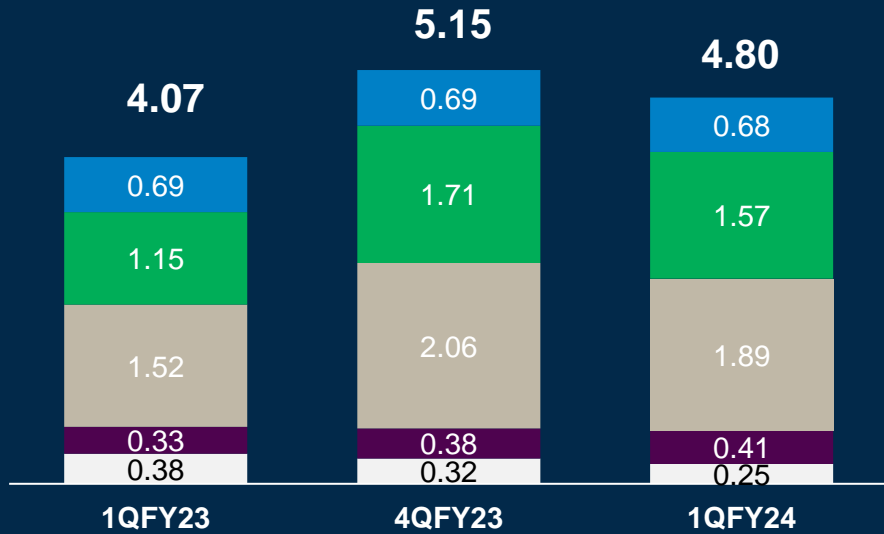
Sources: Bloomberg, SIAM, Joint Plant Committee, MOSPI, CMIE, Eurostat and Tata Steel, *Figures of Industrial Production for Capital Goods, Infrastructure/Construction, consumer durables and railways are rebased to Nov'18=100 using FY12 index based 19 sector weights; number of units produced as per SIAM; growth of key steel consuming sector is calculated by removing sub-segments which do not consume steel, ECB – European Central Bank

Steady increase in India sales to chosen segments

Domestic deliveries up >20% YoY on improving demand

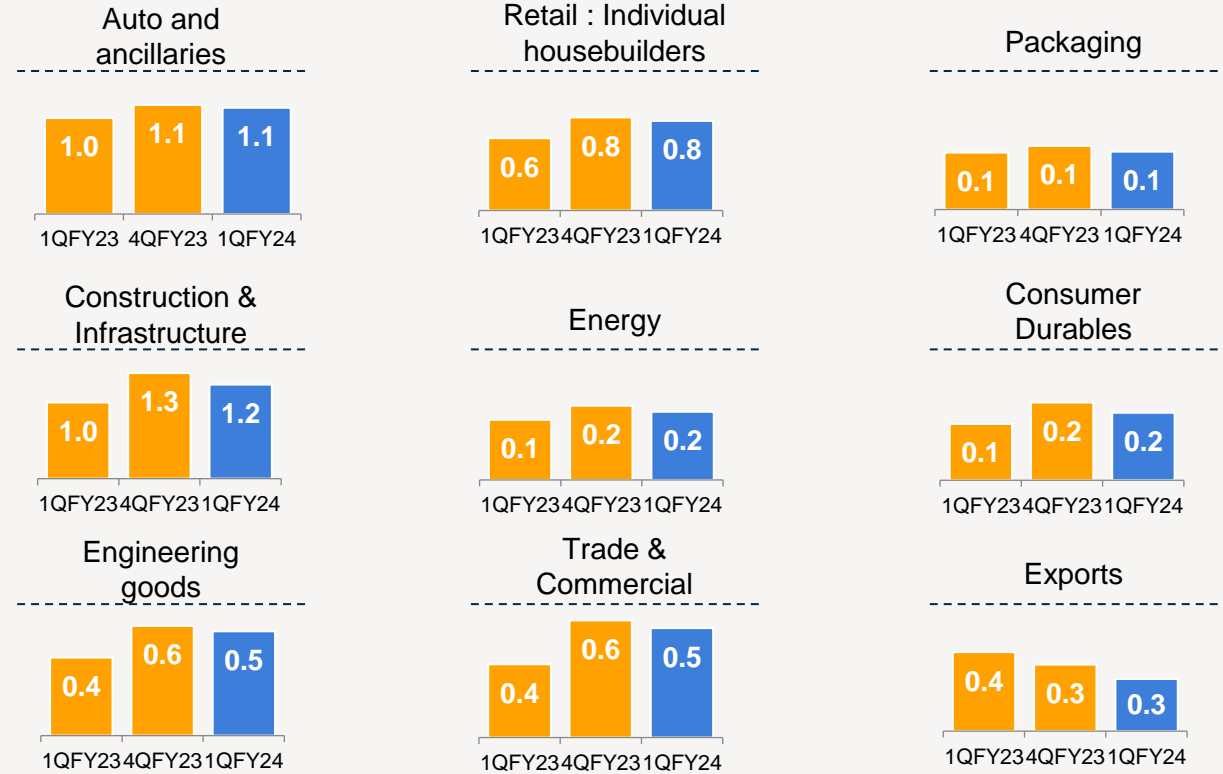
Business Verticals

mn tons



Automotive BPR IPP Downstream Exports

End use sectors



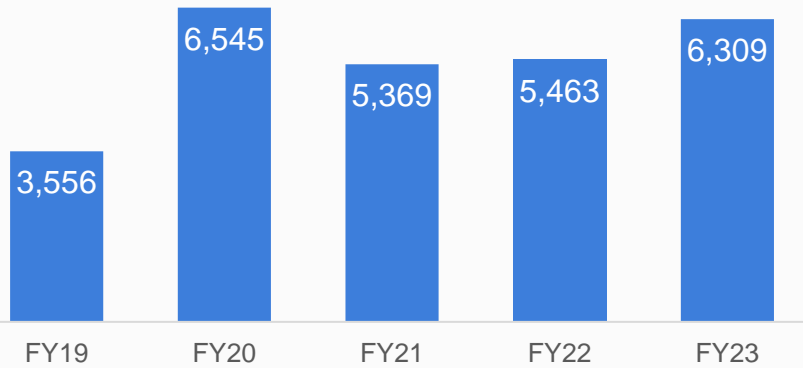
Note : 1QFY23 and 4QFY23 are estimates based on FY23 breakup, **Auto and ancillaries** incl. B2B and ECA sales, Wire & Specialty steel sales; **Retail** is B2C includes Tiscon, Shaktee, Galvanised Plain Retail, Tubes and Wires; **Packaging** incl. Tinplate, High Tensile steel strapping ,LPG, Drums & Barrels, **Construction & Infra** is B2B sales to construction companies; **Energy** incl. Oil & Gas, Wind, Solar etc.; **Consumer Durables** is sales to Furniture, Appliances; **Engineering** incl. Shipbuilding, Railways and Capital Goods etc.; 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

Focused on staying cost competitive through business cycles

Cost improvement initiatives to optimise cash flows

5-year cost savings at Tata Steel India¹

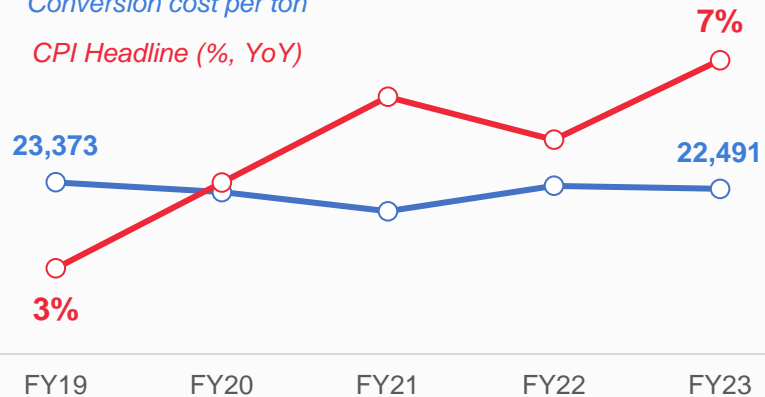
In Rs crores



Conversion cost per ton of deliveries

Conversion cost per ton

CPI Headline (% YoY)



Note : ¹ India incl. Tata Steel Standalone and Tata Steel Long Products, CPI – Consumer Price Index

Tata Steel Consolidated

(All figures are in Rs. Crores unless stated otherwise)	1QFY24	4QFY23	1QFY23
Production (mn tons)¹	7.13	7.80	7.74
Deliveries (mn tons)	7.20	7.78	6.62
Total revenue from operations	59,490	62,962	63,430
Raw material cost ²	25,961	25,988	31,319
Change in inventories	1,515	2,668	(8,099)
Employee benefits expenses	5,925	5,795	5,963
Other expenses	20,915	21,291	19,273
EBITDA	6,122	7,225	15,047
Adjusted EBITDA³	6,238	7,225	14,348
Adjusted EBITDA per ton (Rs.)	8,664	9,288	21,661
Other income	1,177	170	268
Finance cost	1,825	1,794	1,218
Pre exceptional PBT	1,842	3,309	11,945
Exceptional items (gain)/loss	(13)	(12)	39
Tax expenses	1,331	1,755	4,192
Reported PAT	525	1,566	7,714
Other comprehensive income	(3,173)	(195)	(6,611)

Key drivers for QoQ change:

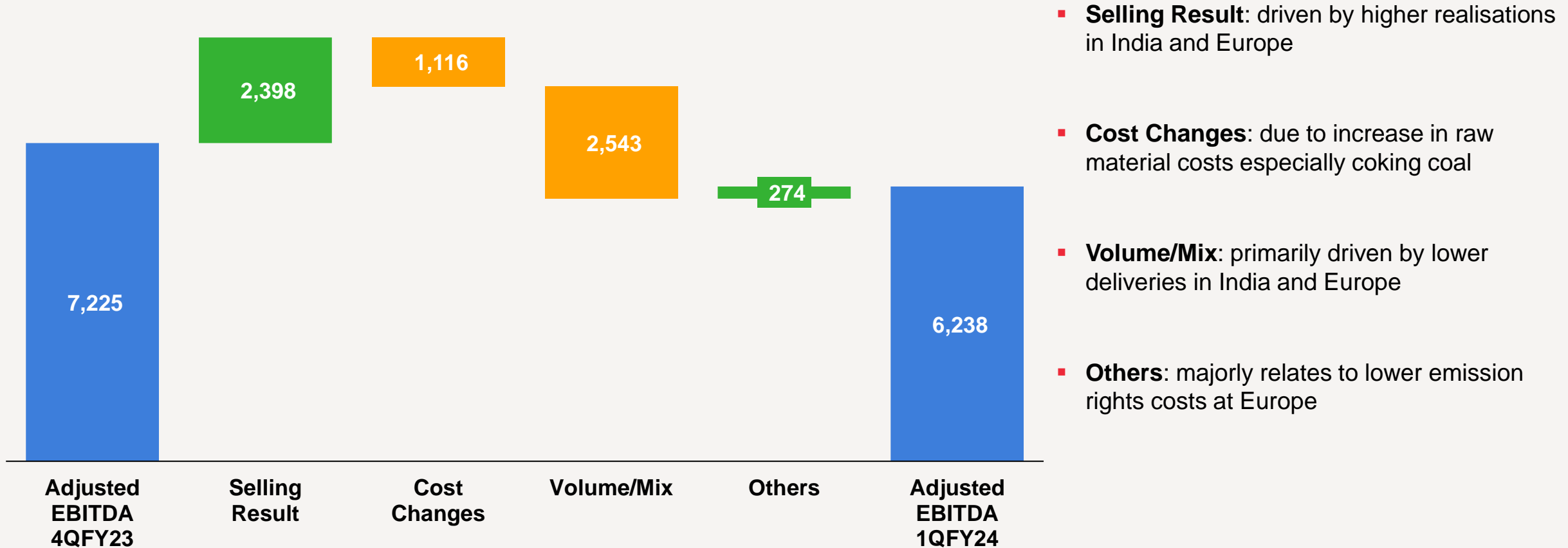
- **Revenues:** decreased by 6% due to lower volumes, partly offset by higher realisations across geographies
- **Raw Material cost:** was broadly similar as increase in India was mostly offset by decline at Europe due to relining of one of the blast furnaces
- **Change in inventories:** primarily due to drawdown in Europe
- **Other expenses:** decreased on lower emission rights costs and repairs, which were partly offset by higher royalty and power related expenses
- **Other Income:** primarily increased on execution of long-term lease agreement with Tata BlueScope with respect to color coated lines at Angul and Khopoli
- **Other comprehensive income:** primarily relates to remeasurement loss on defined benefit plans

1. Production Numbers: Standalone & Tata Steel Long Products - 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. BSPS - British Steel Pension Scheme

Consolidated 1QFY24 EBITDA¹ stood at Rs 6,238 crores

EBITDA margin was broadly stable at 10%

in Rs crores

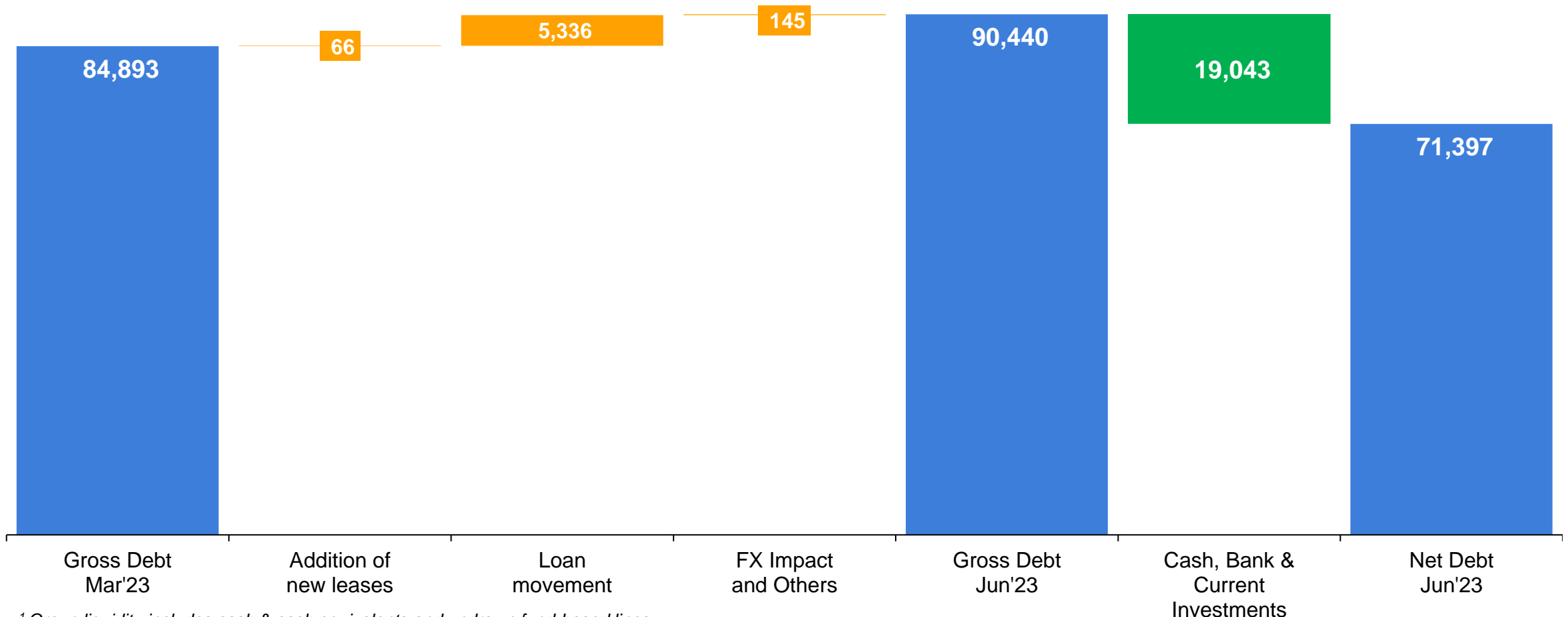


¹ EBITDA adjusted for changes on account of FX movement on intercompany debt / receivables

Net debt stood at Rs 71,397 crores

Group liquidity remains strong at Rs 30,569¹ crores

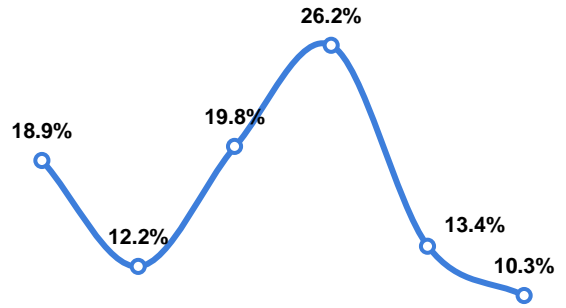
in Rs crores



¹ Group liquidity includes cash & cash equivalents and undrawn fund-based lines

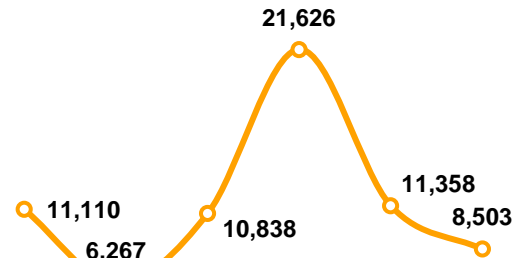
Key financial credit metrics

EBITDA Margin (%)¹



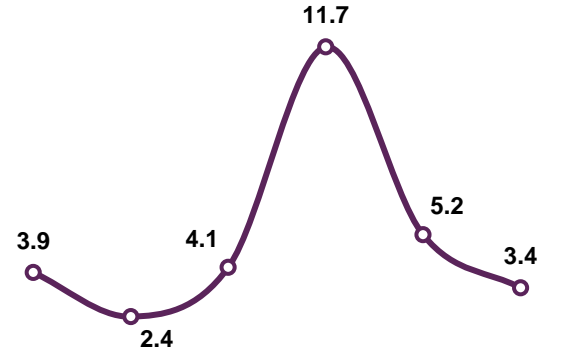
FY19 FY20 FY21 FY22 FY23 1QFY24

EBITDA / ton (Rs.)¹



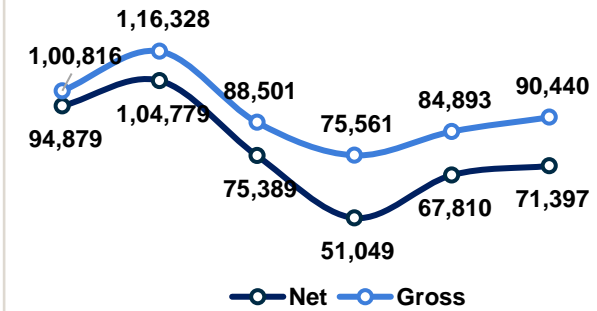
FY19 FY20 FY21 FY22 FY23 1QFY24

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



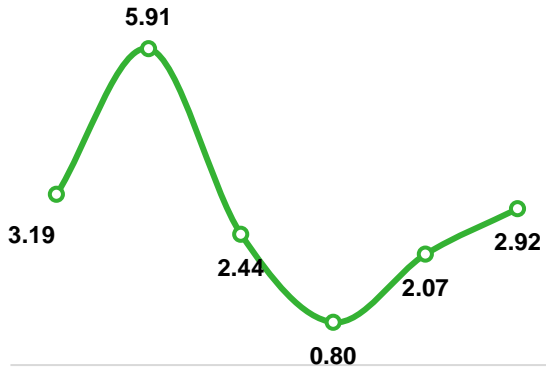
FY19 FY20 FY21 FY22 FY23 1QFY24

Gross & Net Debt (Rs. crore)



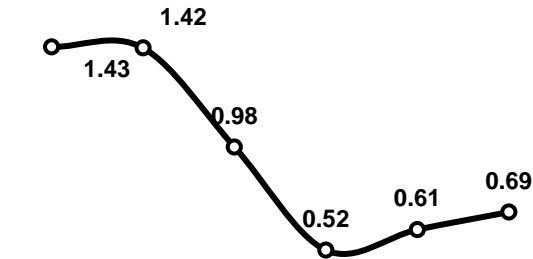
FY19 FY20 FY21 FY22 FY23 1QFY24

Net Debt / EBITDA (x)



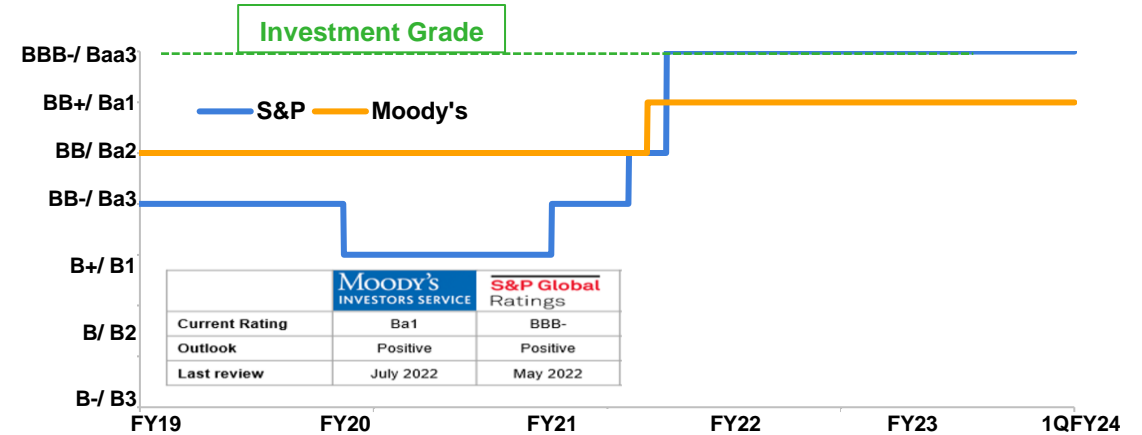
FY19 FY20 FY21 FY22 FY23 1QFY24

Net Debt / Equity (x)



FY19 FY20 FY21 FY22 FY23 1QFY24

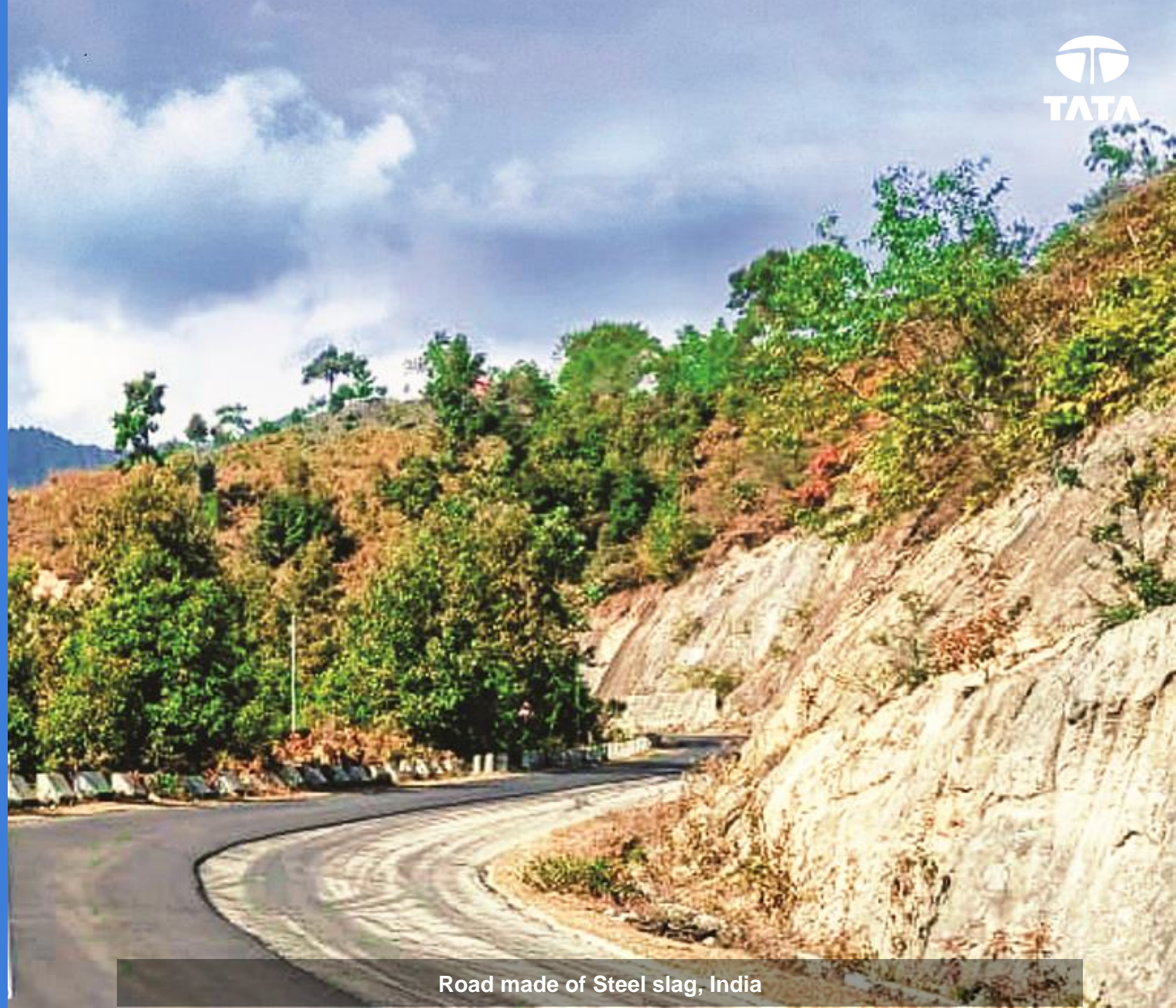
Credit Rating



	Moody's INVESTORS SERVICE	S&P Global Ratings
Current Rating	Ba1	BBB-
Outlook	Positive	Positive
Last review	July 2022	May 2022

Note : All data is on consolidated basis; 1. FY20 and FY21 incl. Southeast Asia Operations which is reclassified as continuing operations; 2. Interest Coverage Ratio: EBITDA / Interest

Annexures

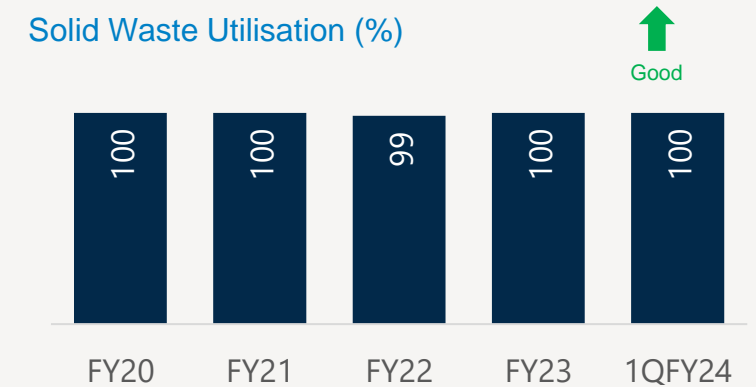
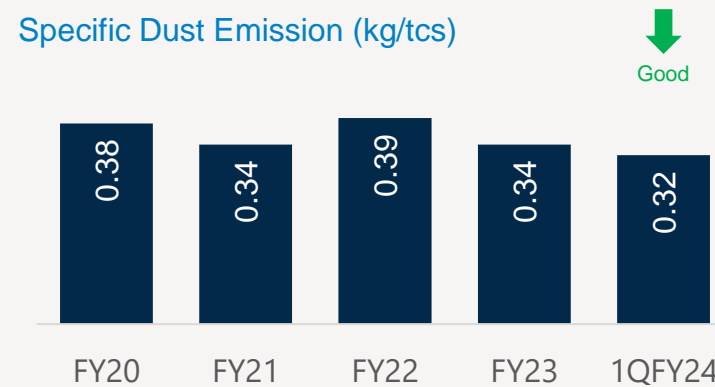
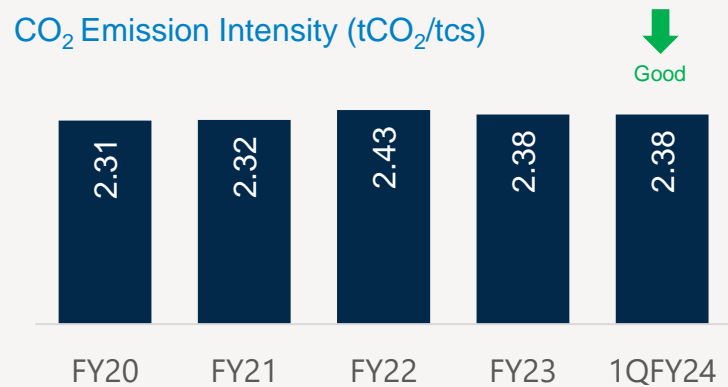
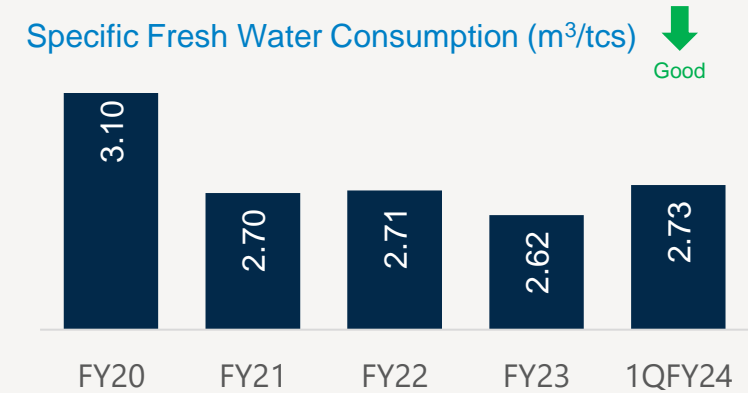
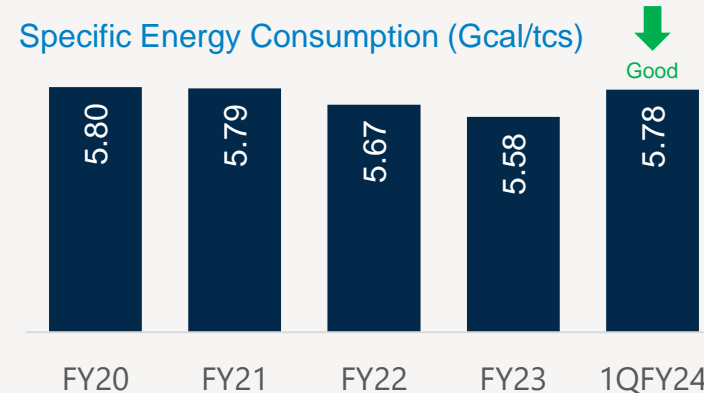
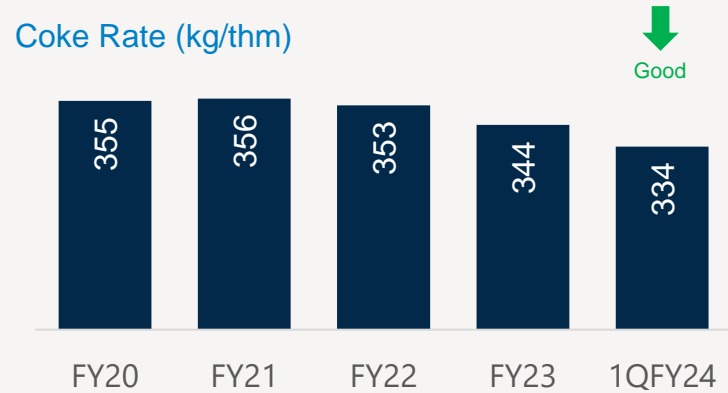


Road made of Steel slag, India

Tata Steel Standalone

Continued focus

on operational efficiencies and minimizing environmental impact



Note : CO₂ emission intensity calculated as per worldsteel methodology, From FY22, Standalone figures include performance of the amalgamated erstwhile business of Tata Steel BSL Limited

Tata Steel Standalone

(All figures are in Rs. Crores unless stated otherwise)	1QFY24	4QFY23	1QFY23
Production (mn tons)	4.65	4.82	4.73
Deliveries (mn tons)	4.62	4.98	3.89
Total revenue from operations	32,342	34,275	32,021
Raw material cost ¹	14,710	13,209	17,336
Change in inventories	(520)	1,471	(4,562)
Employee benefits expenses	1,565	1,820	1,540
Other expenses	10,127	9,646	8,139
EBITDA	7,348	8,089	9,616
Adjusted EBITDA²	7,403	8,318	8,304
Adjusted EBITDA per ton (Rs.)	16,014	16,719	21,326
Other income	1,642	665	736
Finance cost	1,016	1,038	722
Pre exceptional PBT	5,753	6,386	8,237
Exceptional items (gain)/loss	11	699	55
Tax expenses	1,471	1,666	2,068
Reported PAT	4,271	4,021	6,114
Other comprehensive income	159	66	4

Key drivers for QoQ change:

- **Revenues:** decreased on lower volumes, partly offset by higher net realisations

- **Raw Material cost:** primarily increased due to higher coking coal consumption cost and purchase of scrap

- **Other expenses:** increased on higher royalty and rates & taxes, partly offset by lower repairs to machinery

- **Other Income:** was higher on on execution of long-term lease agreement with Tata BlueScope with respect to color coated lines at Angul and Khopoli

- **Exceptional items:** primarily reflects charge relating to Employee Separation Scheme

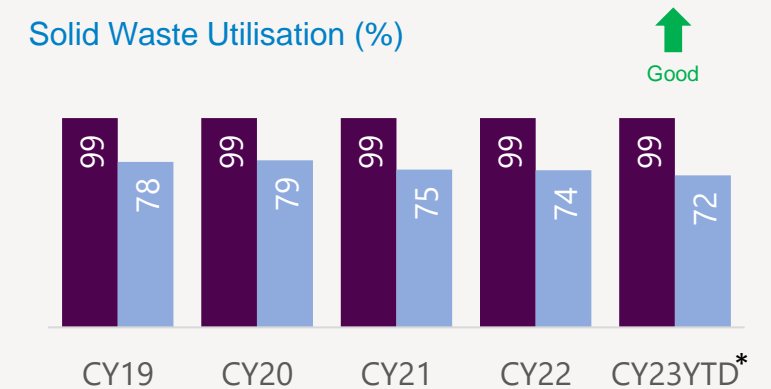
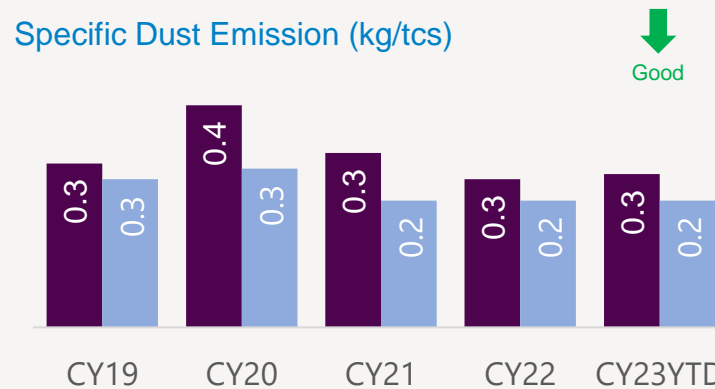
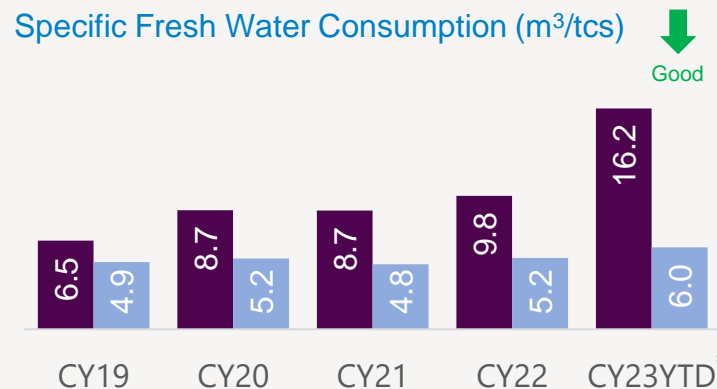
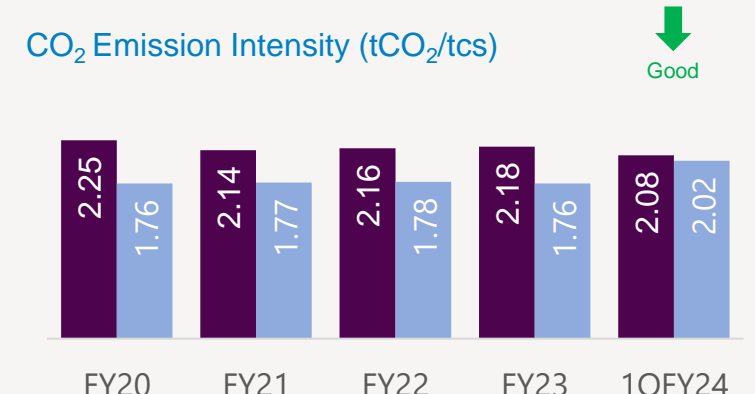
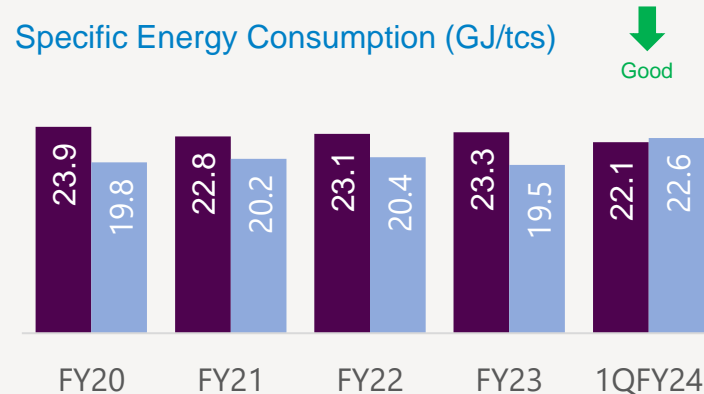
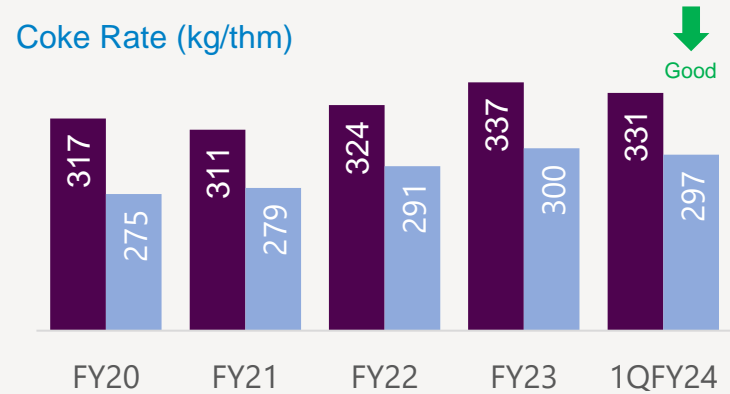
- **Tax expenses:** decreased inline with profitability

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products 2. Adjusted for changes on account of FX movement on intercompany debt / receivables

TSUK

TSN

Key operating parameters



Note : TSUK and TSN report KPIs on a calendar basis aligned to regulatory requirements in their geographies, TSN parameters have been affected by ongoing relining of one of the blast furnaces, CO₂ emission intensity as per worldsteel methodology, *CY23YTD is an estimate

Tata Steel Europe

(All figures are in Rs. Crores unless stated otherwise)	1QFY24	4QFY23	1QFY23
Liquid Steel production (mn tons)	1.79	2.27	2.44
Deliveries (mn tons)	1.99	2.16	2.14
Total revenue from operations	21,335	22,036	25,961
Raw material cost ¹	9,014	10,132	11,162
Change in inventories	2,043	1,148	(2,563)
Employee benefits expenses	3,820	3,448	3,929
Other expenses	8,063	8,942	7,415
EBITDA	(1,569)	(1,641)	6,037
EBITDA per ton (Rs.)	(7,890)	(7,610)	28,220

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Key drivers for QoQ change:

- **Revenues:** were lower on reduction in volumes, this was partly offset by increase in realisations

- **Raw Material cost:** was lower QoQ due to drop in production on reline of one of the blast furnaces at Ijmuiden

- **Change in Inventories:** charge was on consumption of slab stock inventory

- **Other Expenses:** decreased on lower emission rights costs, consumables and repairs on QoQ basis

- **Employee benefits expenses:** increased due to higher social security costs

Tata Steel Long Products

Key operating parameters

Coke rate (kg/thm)



Good



PCI rate (kg/thm)



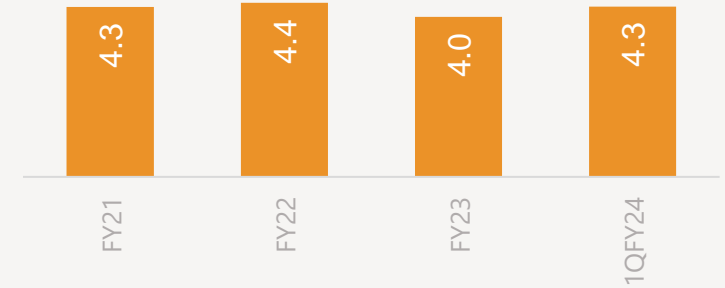
Good



Carbon Emission (tCO₂/tcs)



Good



Power consumption (kVAh/tcs)



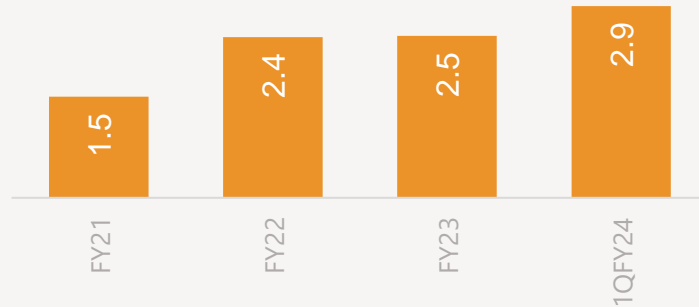
Good



Electrode consumption (kg/tcs)



Good



Crude Steel Yield (%)



Good



Note : CO₂ emission intensity calculated as per worldsteel methodology, PCI - Pulverised Coal Injection

Tata Steel Long Products (Consolidated with NINL)

(All figures are in Rs. Crores unless stated otherwise)	1QFY24 ¹	4QFY23 ¹	1QFY23
Total revenue from operations	3,568	3,016	1,994
Raw material cost ²	2,194	1,922	1,665
Change in inventories	154	25	(147)
Employee benefits expenses	107	117	61
Other expenses	951	995	484
EBITDA	166	2	(34)
EBITDA per ton (Rs.)³	4,689	46	(1,956)
EBITDA Margin (%)	5%	-	-
Reported PAT	(254)	(524)	(331)

1. Post acquisition of NINL, figures for 1QFY24 and 4QFY23 are on consolidated basis
 2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products
 3. EBITDA/Steel deliveries

Key drivers for QoQ change:

- **Revenues:** increased driven by ramp up at NINL, which is presently operating at run rate of around 1 MTPA (crude steel + pig iron on annualised basis)
- **Raw Material cost:** was higher due to higher production and rise in coking coal consumption cost
- **Other Expenses:** decreased upon stabilisation of NINL operations and lower consumables
- **EBITDA:** stood at Rs 166 crores vs. Rs 2 crores in 4QFY23

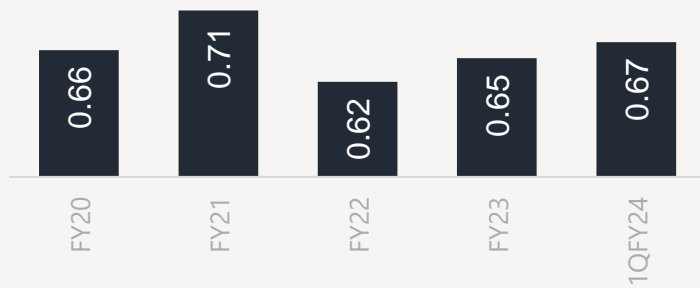
Tinplate Company of India Limited

Key operating parameters

CO₂ Emission Intensity (tCO₂/tFP)



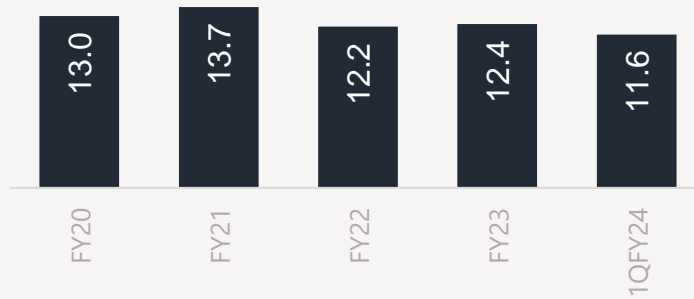
Good



Fresh Water Consumption (m³/tFP)



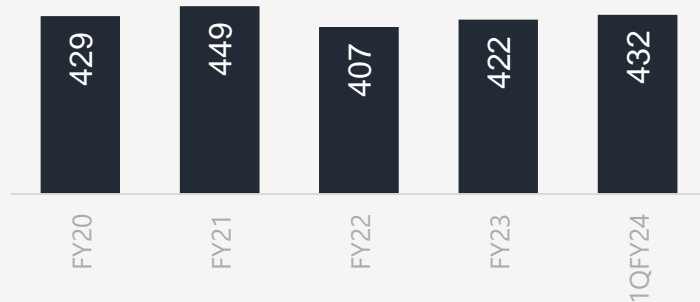
Good



Power consumption (kWh/tFP)



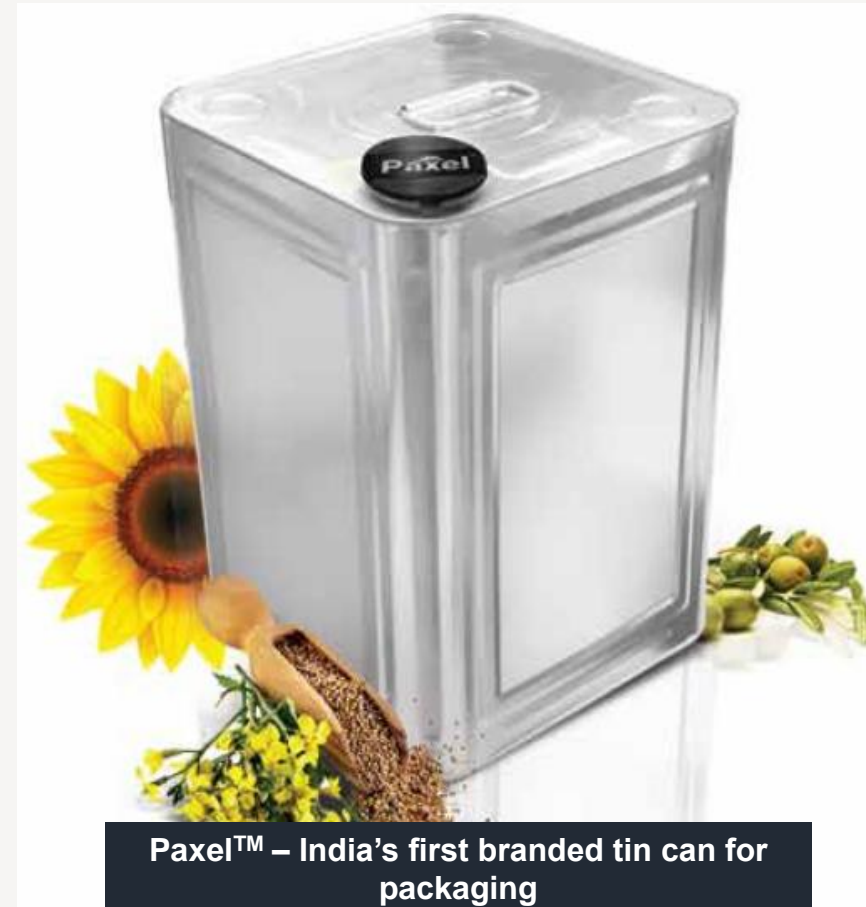
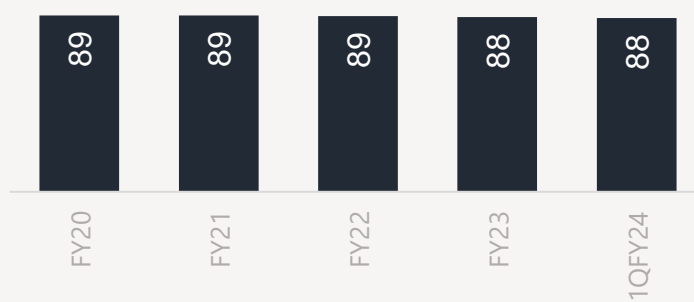
Good



CRM Material Yield (%)



Good



Paxel™ – India's first branded tin can for packaging

Note : CRM – Cold Rolled Mill, tFP – ton of finished product, CO₂ emission intensity calculated as per worldsteel methodology

Tinplate Company of India Limited

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

	1QFY24	4QFY23	1QFY23
Total revenue from operations	914	1,033	1,007
Raw material cost ¹	708	672	884
Change in inventories	(19)	51	(225)
Employee benefits expenses	38	38	39
Other expenses	180	190	188
EBITDA	14	88	125
EBITDA per ton (Rs.)²	1,531	8,385	17,380
EBITDA Margin (%)	1%	9%	12%
Reported PAT	3	57	85

1. Raw material cost includes raw material consumed

2. EBITDA/Steel deliveries

Key drivers for QoQ change:

- **Revenues:** decreased primarily due to lower sales volumes on QoQ basis

- **Raw Material cost:** was higher on QoQ basis

- **Change in Inventories:** decreased as usually there is a drawdown in 4Q followed by built up in 1Q

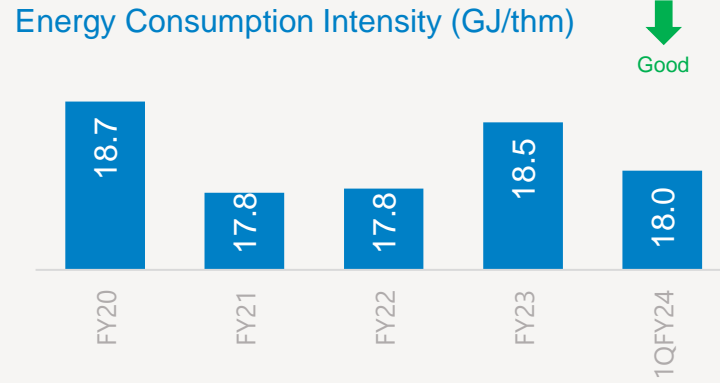
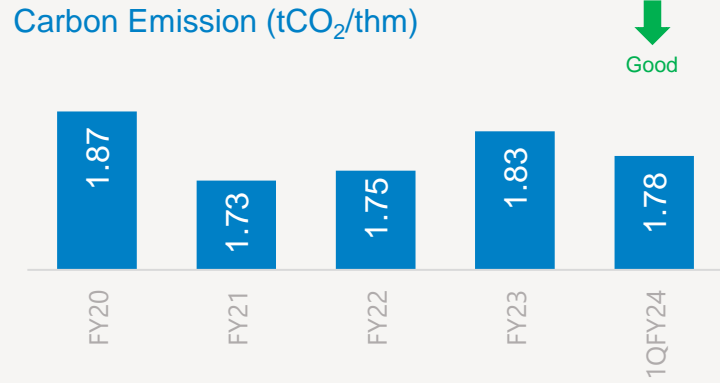
- **Other Expenses:** were lower QoQ due to lower maintenance related expenses

- **EBITDA:** stood at Rs 14 crores and Rs 1,531 on per ton basis

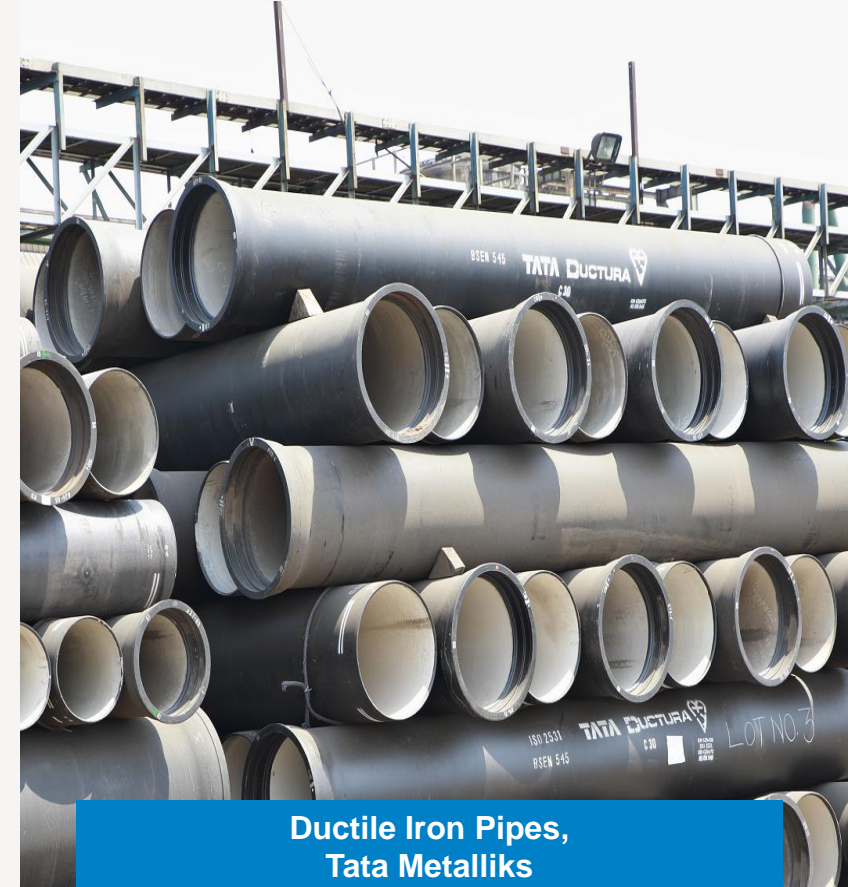
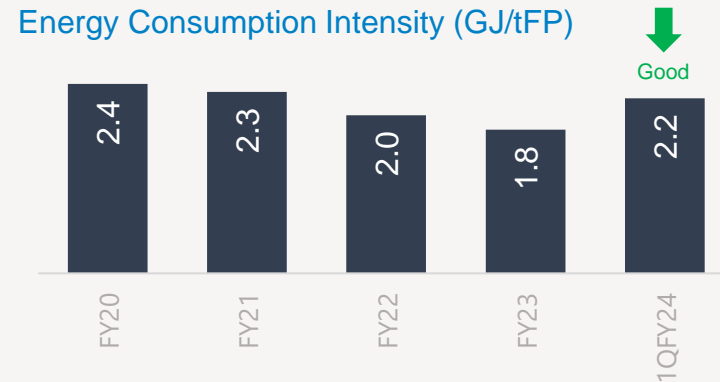
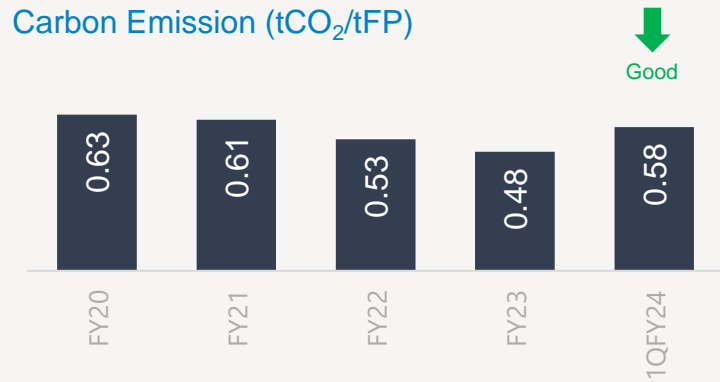
Tata Metaliks

Key operating parameters

Pig Iron business



Ductile Iron Pipe business



Note : tFP – ton of finished product, CO₂ emission intensity calculated as per worldsteel methodology

Tata Metaliks Limited

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

	1QFY24	4QFY23	1QFY23
Total revenue from operations	654	930	669
Raw material cost ¹	396	574	531
Change in inventories	13	12	(73)
Employee benefits expenses	42	47	38
Other expenses	164	200	147
EBITDA²	39	97	27
EBITDA per ton (Rs.)³	3,853	6,430	2,391
EBITDA Margin (%)	6%	10%	4%
Reported PAT	5	56	1

1. Raw material cost includes raw material consumed
 2. EBITDA = PBT + Interest + Depreciation
 3. EBITDA/Total deliveries
 4. DIP – Ductile Iron Pipe

Key drivers for QoQ change:

- **Revenues:** decreased mainly on account of lower deliveries. DIP⁴ share of total revenues increased QoQ
- **Raw Material cost:** was lower inline with production and decline in coking coal consumption cost
- **Employee benefit expenses:** was marginally lower as there were wage arrears in 4QFY23
- **Other Expenses:** declined on lower consumables and freight related costs
- **EBITDA:** margin was at 6%, translating to Rs 39 crores

Tata Steel Thailand

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

	1QFY24	4QFY23	1QFY23
Saleable Steel production (mn tons)	0.26	0.31	0.31
Deliveries (mn tons)	0.27	0.31	0.31
Total revenue from operations	1,472	1,786	1,966
Raw material cost ¹	878	1,171	1,591
Change in inventories	138	76	(189)
Employee benefits expenses	56	51	53
Other expenses	372	430	360
EBITDA	30	57	150
EBITDA per ton (Rs.)	1,146	1,827	4,891

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Key drivers for QoQ change:

- **Deliveries:** were lower on QoQ basis inline with production

- **Revenues:** decreased on lower volumes and steel realisations

- **EBITDA:** decreased on QoQ basis

Investor Relations Contact

Investor enquiries

Hriday Nair

hnair@tatasteel.com

Pavan Kumar

pavan.kumar@tatasteel.com

