

Tata Steel - Corporate Presentation

Morgan Stanley India Investment Forum 2024

June 12, 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

> Structural trends are reshaping global steel industry dynamics over time

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



China's transition to consumption
led economic growth



Focus on Decarbonisation
across sectors

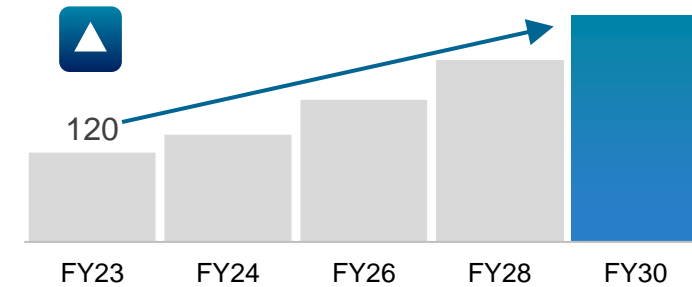


Geopolitical events / conflicts

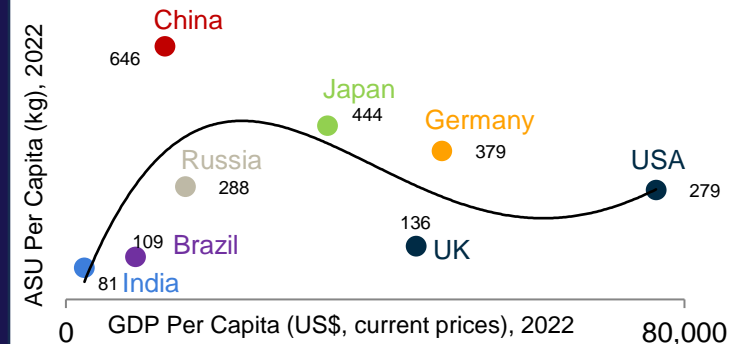


Technological progress

India steel demand forecast (in mn tons)



Apparent steel use and GDP per capita



Urbanisation



Capex cycle



Rise in living
standards



**Tata Steel is
well positioned
to “Grow with
Purpose” and
create value**



**Scaling up in India, high
growth market**



**Net Zero by 2045
Transforming UK & Netherlands**



**Leveraging technology &
digital to create value**



**Consolidate position as
global cost leader**



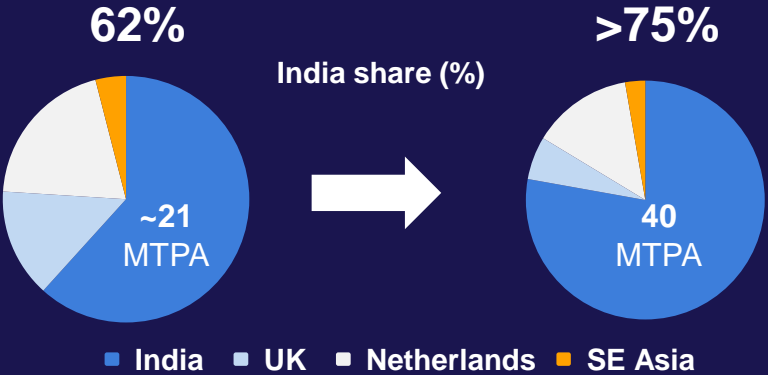
**Robust financial health;
Delivering sustained returns**



Becoming future ready

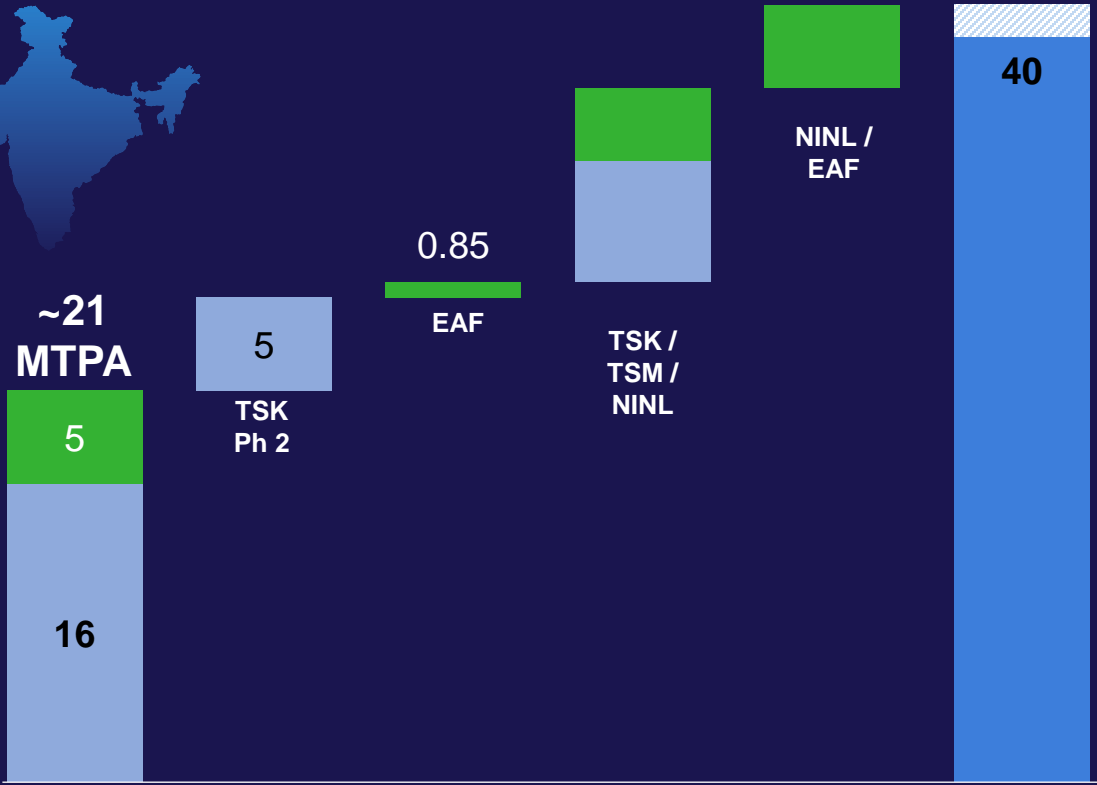
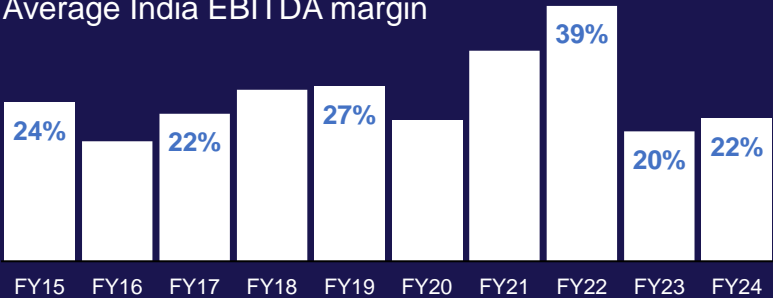
> Scaling up to capitalise on India growth opportunity

Manufacturing sites with available land bank to double capacity to 40 MTPA



25%

Average India EBITDA margin



> Investments focused upon sector leading returns

Phased commissioning of 5 MTPA expansion at Kalinganagar



Stove heating initiated at the 5 MTPA blast furnace



Flats	~16 MTPA	➡	~27 MTPA
Longs	~5 MTPA	➡	~13 MTPA
Upstream Iron ore	38 MTPA	➡	60 - 65 MTPA

*6 MTPA Pellet plant commissioned



- > Cold Rolled Products – From 4.3 MTPA to 6.5 MTPA
- > Tubes – From 1.3 MTPA to ~4 MTPA
- > Ductile Iron Pipes - From 0.45 MTPA to ~1 MTPA
- > Tinplate – From 0.38 MTPA to ~1 MTPA
- > Wires – From 0.55 MTPA to ~1 MTPA



> Capacity growth and Customer focus to aid strong market presence



Vehicle teardown studies and benchmarking



Construction Service Centers



Micro-segmentation to mitigate market volatility



Aashiyana, One stop virtual shop



“Preferred Steel Supplier” for Auto segment



Poised to grow 2x in high margin retail



Multiple routes to engage



Innovating to solutions



> Sustainability is at the core of our strategy

Route and Pace of decarbonisation to be calibrated across geographies



Pursuing multiple initiatives & committed to responsible growth in India

- Process improvement such as Coke dry quenching, blast furnace fuel rates



- Carbon Direct Avoidance : Bio char injection, Hydrogen injection, EAFs



- Carbon Capture & Utilisation : 5 TPD pilot plant, CO₂ sequestration



Progressing on transformation to sustainable business

- BF - BOF based steelmaking with downstream of around 3 mn tons



- Intermediate financially viable configuration to retain presence



- 3 MTPA EAF with UK govt. support of £500 mn, majorly reduced emissions



Committed to achieve 35 – 40% CO₂ emission reduction by 2030; Govt. support key

- Roadmap plus to achieve significant redn. in emissions, dust, odour & noise



- Transition to DRI – EAF based steelmaking being considered



- Discussions with government and technology partners are underway



> Embracing Digital and Technology to create and unlock value



> Focus on creating a digitally enabled sustainable Supply Chain

**Material
moved**

~80 MT of raw materials, 15+ countries
~29 MT of finished goods, 79+ countries



- ◆ Digital platforms to connect with customers and channel partners – *Nexus eCommerce, Compass, DigECA etc.*
- ◆ Enhance visibility and transparency in logistics - *Control tower app for consignment tracking*
- ◆ Sustainable Supply chain - *21 EV's & 32 LNG carriers, usage of biofuels and Zeremis® Delivered¹ in Netherlands*
- ◆ Initiatives to optimize inventory and improve process efficiencies – *iSCM (Integrated Supply Chain Management)*



Note : EV - Electric Vehicle, LNG – Liquefied Natural Gas, 1. Zero emission logistics solutions

> Financial Management to enable returns across cycle

Value Drivers

Balance sheet management

- Optimise capital structure and cost
- Target Net Debt to EBITDA <2.5x across cycle
- Proactive financing to drive flexibility and reduce costs

Capital allocation

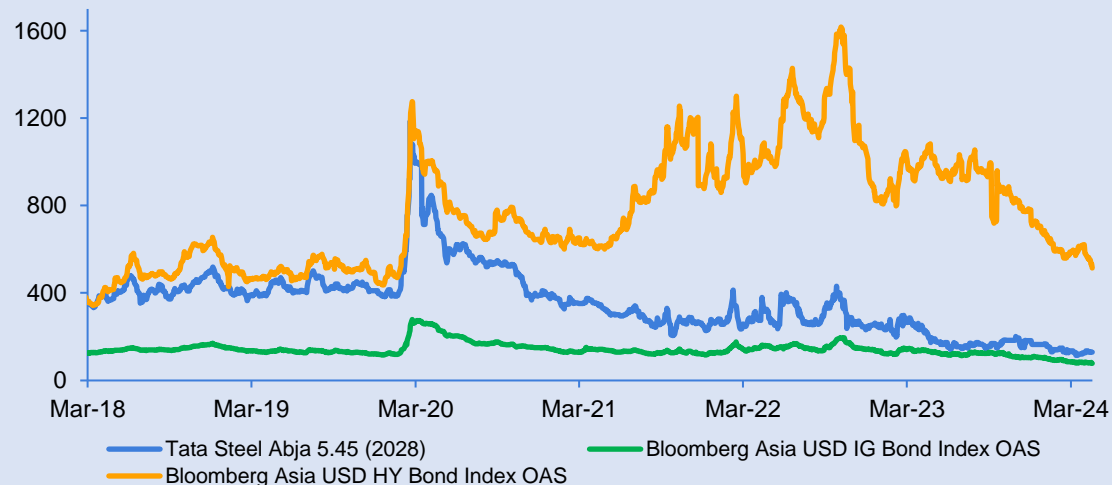
- Value accretive investments (ROIC : 15%)
- Portfolio restructuring

Operational excellence

- Minimize working capital
- Continuous improvement programs

Outcome

Bond spreads converged to Investment grade



Total Shareholder Returns (%)



➤ Becoming culturally future ready → platform for future value creation

100 tonne dumper at Noamundi mines, India



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



Certified as 'Great Place to Work' for the 7th consecutive year



**Talent Preparedness
for growth to 40
MTPA**

✓ Talent integration
post M&A & merger

✓ Readiness for
growth

**Developing
Capabilities for
Tomorrow**

✓ Focus on skill and
agile behaviours

✓ Internal talent
marketplace

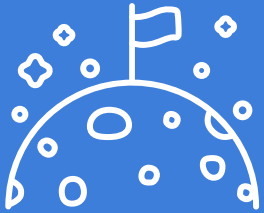
**Fostering a Future
Ready Culture**

✓ Culture of safety :
Zero Harm

✓ Women@Mines,
recruitment of 100+
transgenders



> FY2025, a transition year for Tata Steel



Most respected and
valuable steel company
globally by 2030

Tata Steel India

Commissioning of **TSK phase 2 – blast furnace, coke oven**

Progress on **Electric Arc Furnace** project in Ludhiana

Improving **operational & market perf. to benchmark level** in industry

Augmentation of **raw material portfolio**

Tata Steel Netherlands

Steps towards **clean & green steel** and reaching a binding agreement with the government for state aid

Performance optimization focusing on **productivity improvement**

Tata Steel UK

Wind down of blast furnaces and coke ovens

Sourcing of hot rolled coils/slabs for **downstream operations**

Initiation of the **electric arc furnace** project



Thank you

