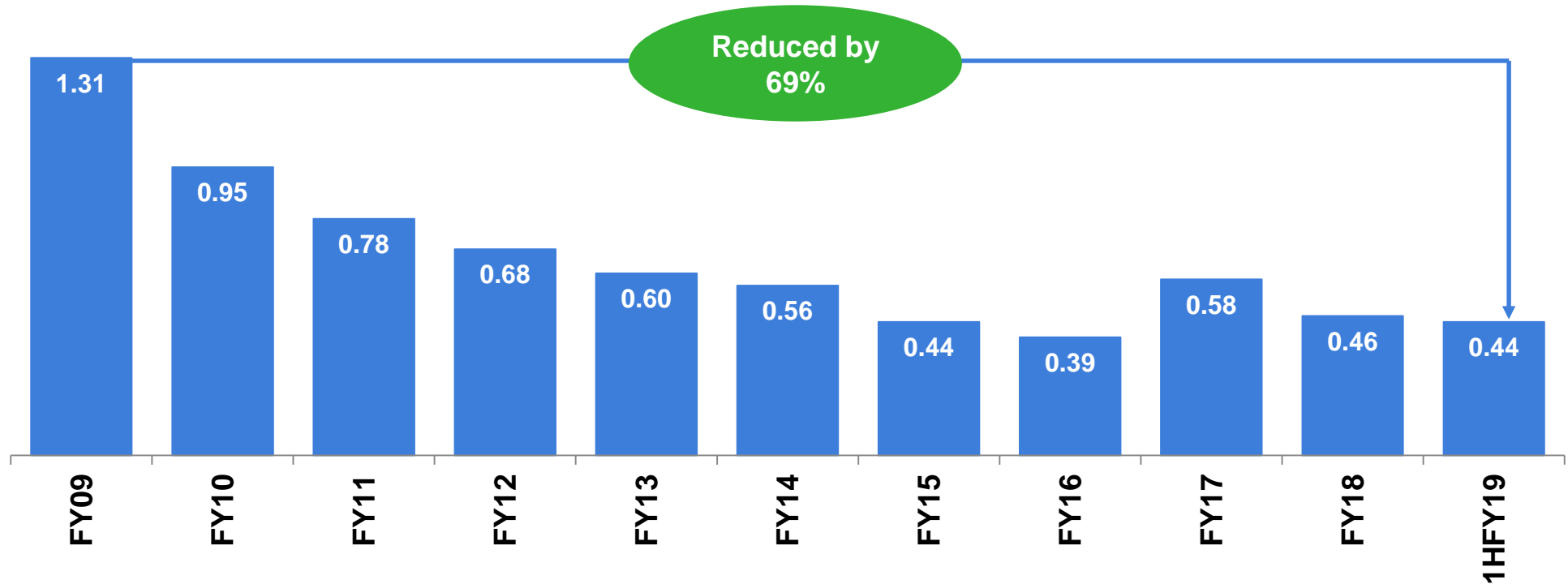




**Results Presentation**  
**Financial quarter ended September 30, 2018**  
November 13, 2018

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.



- LTIFR\* of Tata Steel group reduced to 0.44
- World Steel Association (WSA) has recognized Tata Steel's Process Safety Management practices as one of the best practices for the year 2018

\*LTIFR is Lost time injury frequency Rate per million man hours worked

# Engaging with neighbouring communities and improving their quality of life

India

## Education:

- ✓ Under Thousand Schools Programme, support extended to Odisha government's Ujwal (learning improvement) programme in 516 schools, covering 29,161 children
- ✓ 415 students enrolled in five residential bridging schools

## Livelihood:

- ✓ 12,676 farmers benefitted from agriculture and allied activities
- ✓ 3,228 youth skilled in various vocational trades; 1,389 youth completed training; 1,093 gainfully employed/ self-employed
- ✓ 6,843 empowered through self-help groups

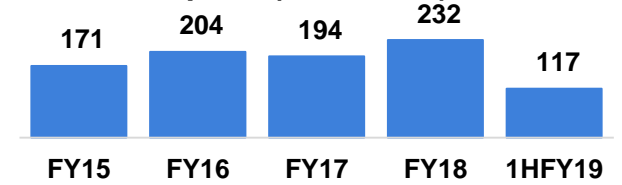
## Health & Sanitation:

- ✓ 2,31,046 footfalls recorded in primary health care clinics, mobile medical units and health camps.
- ✓ 1,547 pregnant women benefitted from **Ante-Natal & prenatal check-ups**
- ✓ Covered 13,109 adolescents under **Regional Initiative for Safe Sexual Health by Today's Adolescents (RISHTA)**
- ✓ Covered 5,988 mothers and children (newborns and infants) under **Maternal And Newborn Survival Initiative (MANSI)**
- ✓ 962 people benefitted in **Disability care units SPARSH**

Europe

- ✓ Employees across the UK are helping poor young girls and women by donating sanitary products at the schools close to Tata Steel's sites.
- ✓ Around 4,000 neighbors joined the centennial celebrations in IJmuiden. People from the community visited and children followed technical workshops.

Tata Steel Standalone – CSR Spend (Rs. crores)



# Key highlights

**Tata Steel India volumes at 4.32 mt, 58% of group deliveries**

**Consolidated EBITDA of Rs.9,000 crores**

**Tata Steel standalone EBITDA/t at Rs.19,241/t**

**TSK Phase II expansion on track**

**Tata Steel India sales growth stronger than market**

**Bhushan Steel normalised financials included**

**European Commission begins review of tKTSE JV**

**Definitive agreement for acquisition of UML's Steel business**

**Business Environment**

Operational Performance

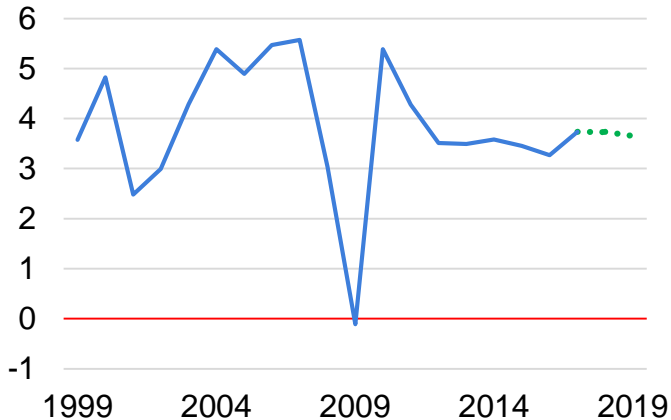
Financial Performance

Appendix

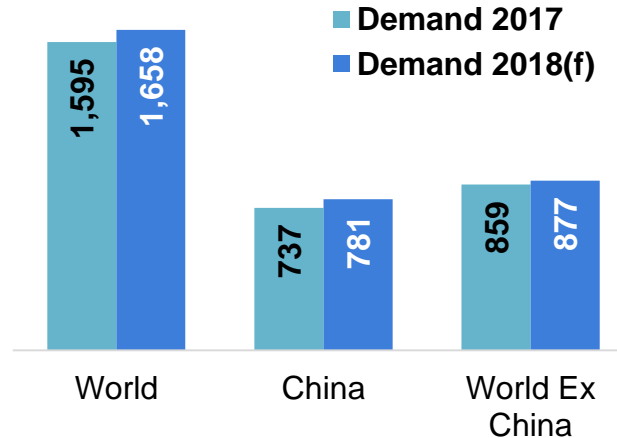
# Global steel demand was resilient with steady economic growth

- Economic growth remained steady on improved investment activities in developed economies and stabilization in emerging economies;
- Steel demand remained resilient with an estimate to grow at 3.9%YoY during CY2018
- Steel production grew by 4.7%YoY in 9MCY18; driven by higher production by China in the recent months
- Rising trade tensions, oil prices, interest rates in US coupled with sharp weakness of currencies are a cause of concern

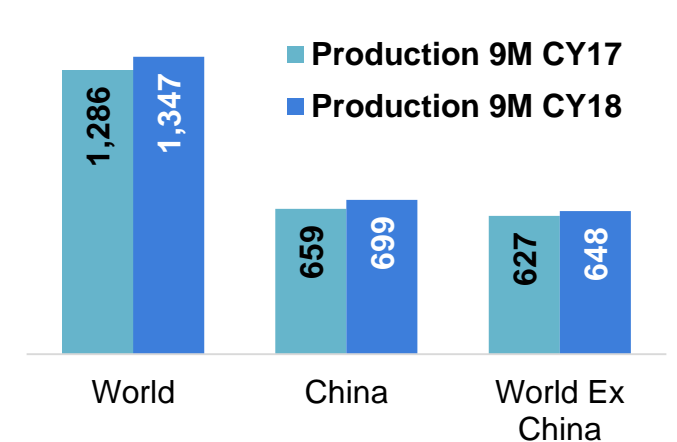
### World GDP growth (% YoY)



### Demand growth forecast (In mn tons)



### Crude steel production (in mn tons)

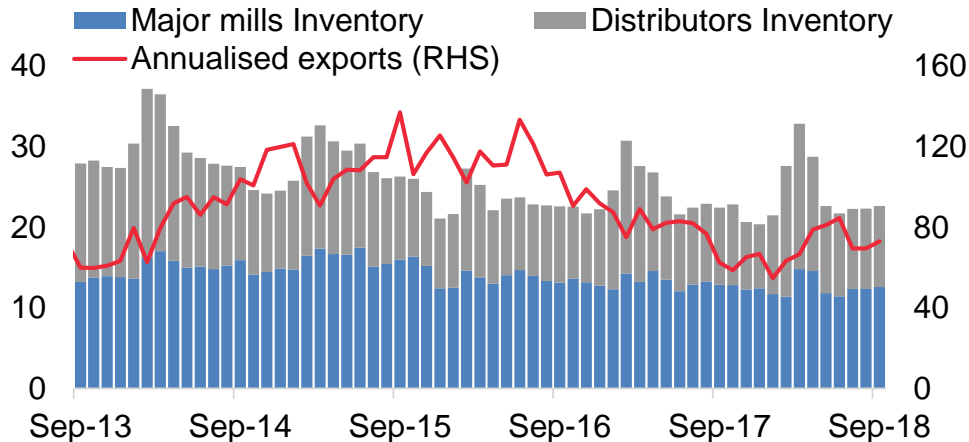


Source: IMF, World Steel Association, Bloomberg

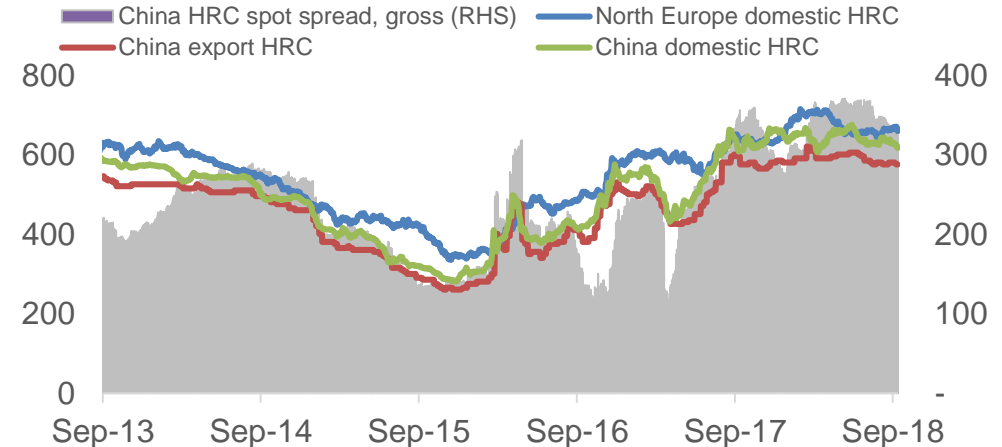
# Chinese steel prices witnessed some seasonal softness

- Apparent demand grew by 7.7%YoY in 9MCY18 compared to 6%YoY growth estimate for full year 2018; exports moderated to ~6 mn tons per month level
- Crude steel production increased by 6.1%YoY in 9MCY18. Production growth was higher in recent months with anticipation of annual winter cuts; leading to increase in raw material prices
- Steel prices witnessed some softness with weakening yuan and marginal increase in inventories at steel mills

China steel exports (mn tons)



Global HRC Prices and gross spread<sup>1</sup> (US\$ per ton)



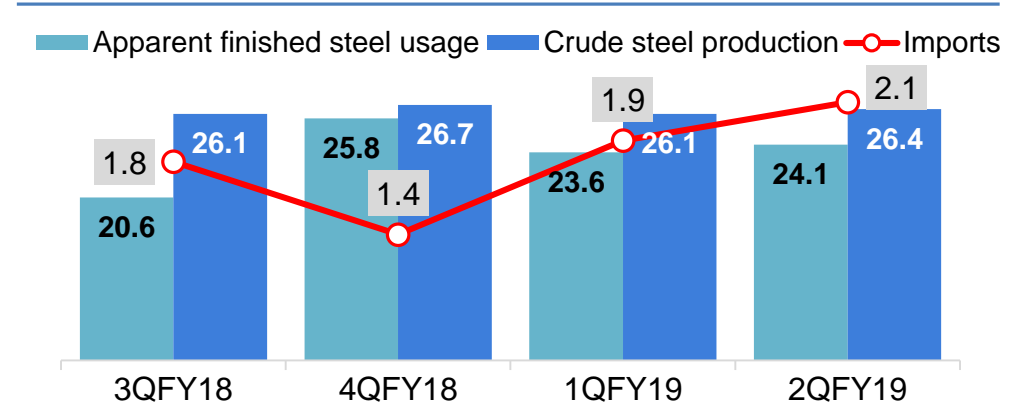
Source: Bloomberg, Morgan Stanley, 1. China HRC Export - China Weekly Hot Rolled Steel 3mm Export Price Shanghai, North Europe Domestic HRC - PLATTS TSI HRC N Europe Domestic Prod Ex-Mill, China Domestic HRC - China Domestic Hot Rolled Steel Sheet Spot Average Price, China HRC spot spreads = China HRC exports - (1.65 x Iron Ore Spot Price Index 62% + 0.7x SBB Premium Hard Coking Coal)



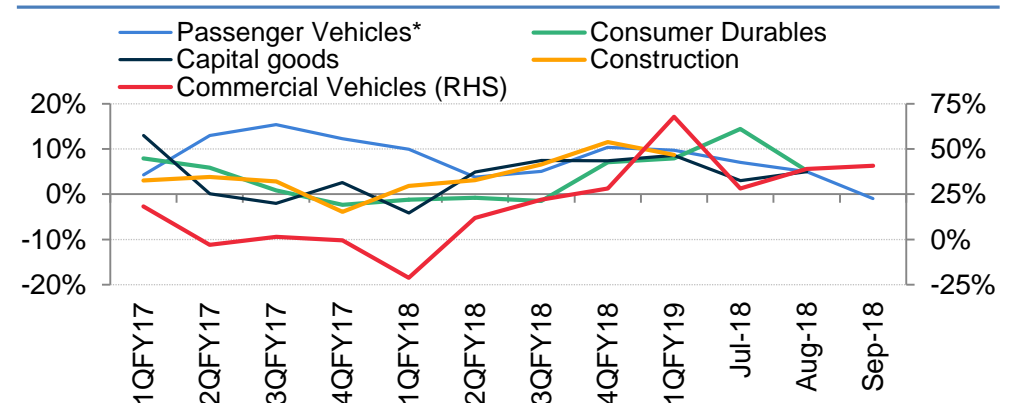
# Indian steel prices buoyant with robust domestic demand

- Domestic steel demand growth was robust despite monsoon driven seasonality.
- Economic activities remained strong with Indian government's continued focus on infrastructure development
- Steel imports continued to increase with diversion from steel surplus countries, however, supply remained tight as exports increased on the back of weaker Rupee.
- Steel prices improved amidst favourable demand-supply scenario, weakening Rupee and higher raw material prices

Steel production, demand and imports (mn tons)



Key steel consuming sectors (% Change, YoY)



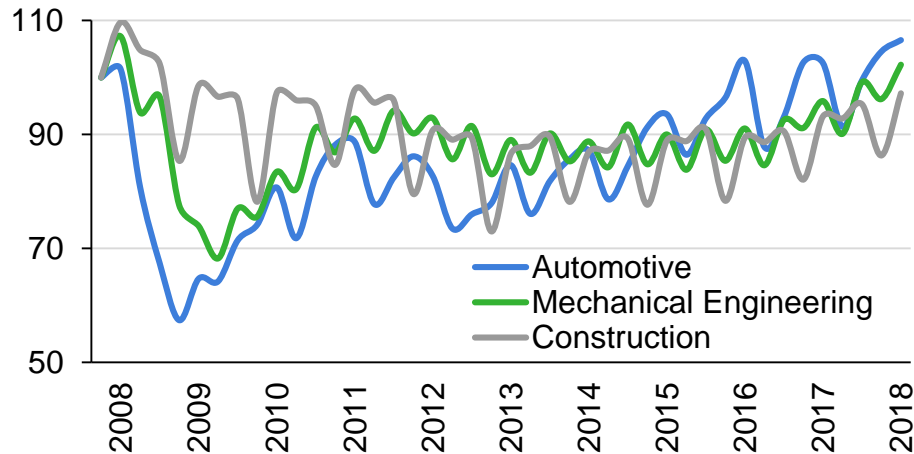
Source: Bloomberg, SIAM, MOSPI, Joint plant committee, World Steel Association

\* Excludes two and three wheelers production

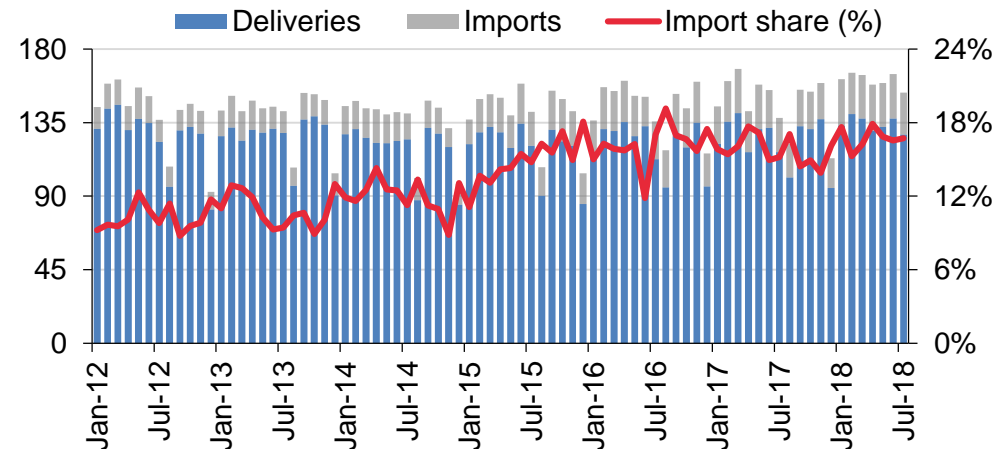
# Europe apparent steel demand supported by growth across sectors

- Eurozone economy grew 1.9%YoY and 0.3%QoQ during July-Sep 2018 quarter
- EU steel demand remained healthy driven by growth in main steel-using sectors
- However, imports continued to grow much faster than the domestic deliveries by EU mills

EU sector output<sup>1</sup> (rebased, 1Q 2008=100)



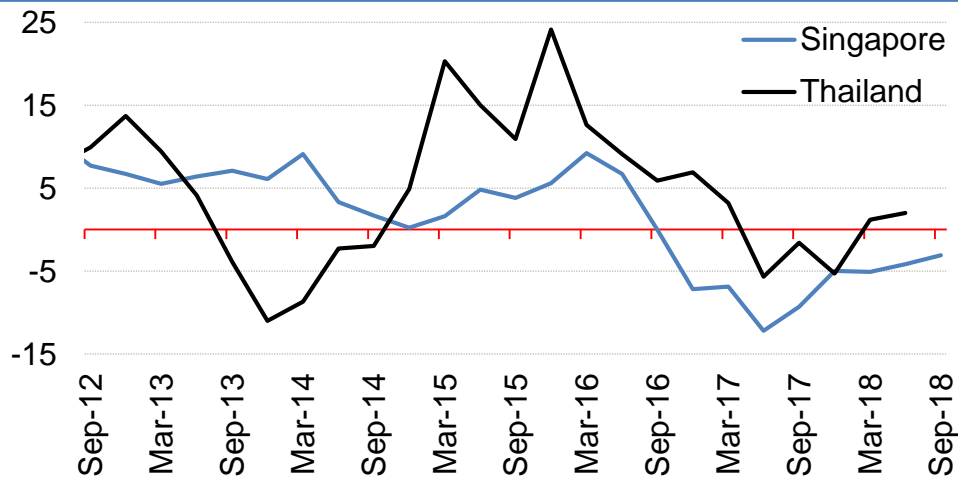
EU market supply (mn tons, annualized) and imports' share (%)



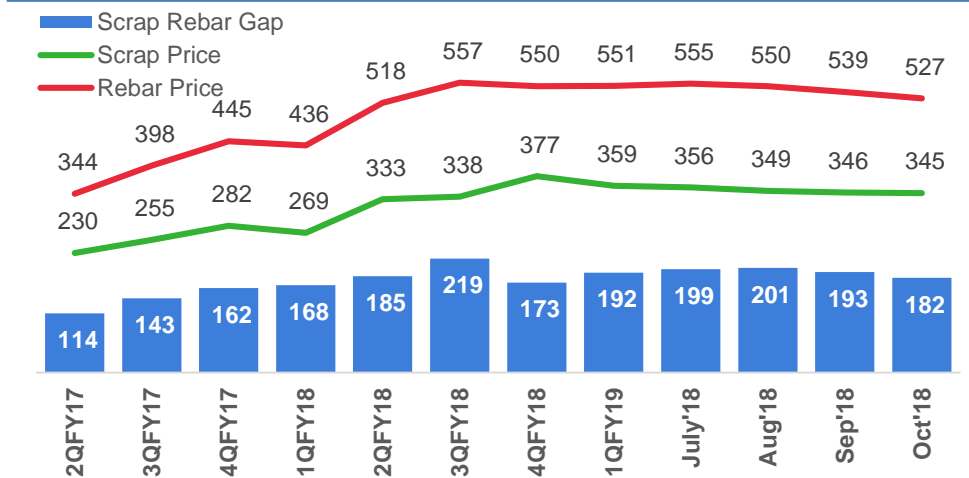
# SE Asia Rebar spreads improved marginally

- Long steel demand remained weak in Singapore and Thailand as construction sector remained sluggish
- South East Asia rebar spreads have softened in recent months with correction in rebar prices

Construction Growth (% Change, YoY)



South East Asia rebar-scrap spread (US\$/tonne)



Source: Bloomberg and ISSB, NESDB

Business Environment

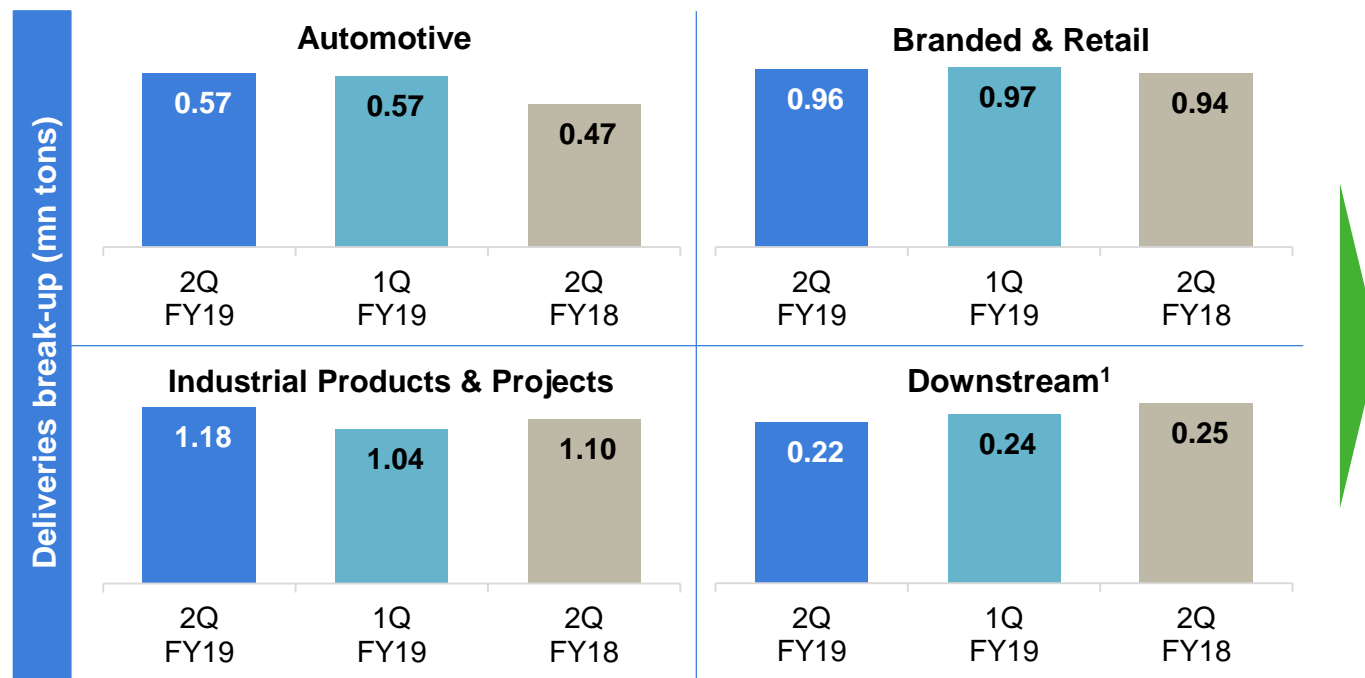
**Operational Performance**

Financial Performance

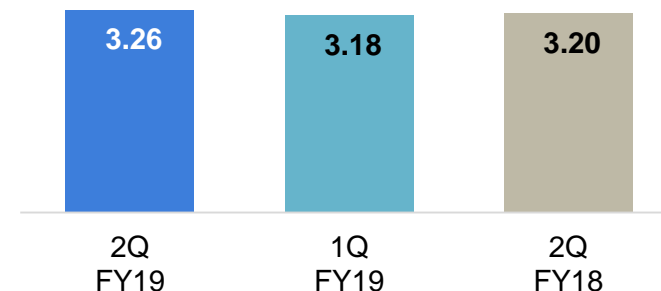
Appendix

# Tata Steel Standalone – continues to deliver strong growth

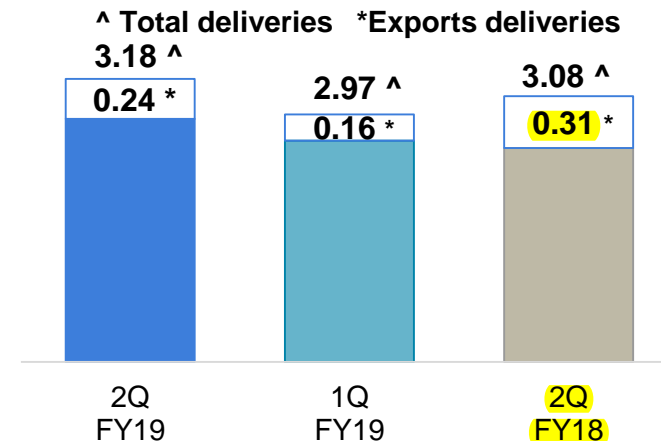
Deliveries grew by 7% QoQ as against 2.1%QoQ industry growth



## Crude Steel Production Volume (mn tons)



## Total deliveries volume (mn tons)



Note 1: 2QFY18 deliveries to TCIL included in downstream; however, 1QFY19 and 2QFY19 deliveries to TCIL included in Industrial Products & Exports due to change in business model

# Industrial Products, Projects & Exports (IPPE)

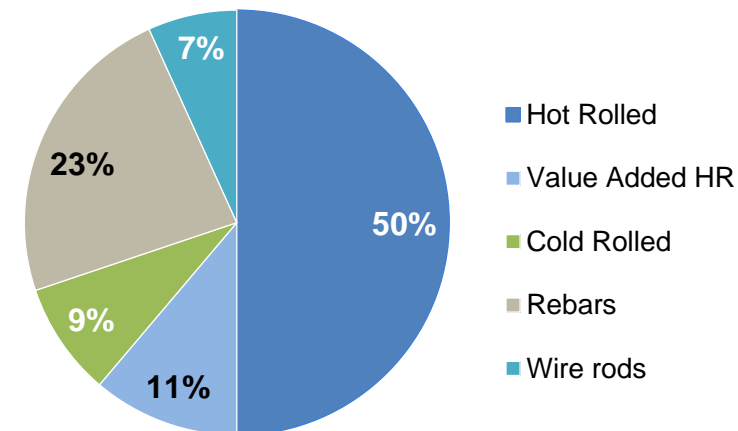
Auto	IPPE
Branded & Retail	Downstream



Products	Key markets	Key strategy
 <p><b>Hot Rolled Products</b></p>	 <p>L&amp;E    PEB    Cold Rollers LPG    MC/HC    Railways</p>	<ul style="list-style-type: none"> <li>Active engagement to develop future products and partnering with Industry Leaders (Engineering segments)</li> <li>Developed new grades for L&amp;E and PEB segments to enhance offerings</li> </ul>
 <p><b>Cold Rolled Products</b></p>	 <p>Drums &amp; Barrels    Furniture</p>	<ul style="list-style-type: none"> <li>Enhance presence in Packing and Furniture industry</li> </ul>
 <p><b>Rebars</b></p>	 <p><b>Construction Sector</b></p>	<ul style="list-style-type: none"> <li>Focus on value added products; market seeding activity for Sm@rtFAB (welded wire fabric for concrete reinforcements) is underway</li> </ul>
 <p><b>Wire rods</b></p>	 <p><b>Wire drawing for Auto &amp; Construction</b></p>	<ul style="list-style-type: none"> <li>Vendor managed inventory – Just In Time and assured supply</li> </ul>

- ✓ IPPE contributes ~40% of Tata Steel standalone deliveries
- ✓ 2.36 mn ton sales in 1HFY19
- ✓ Serving more than 6,000\* customers
- ✓ Focus on attaining market leadership in select segments

IPPE Product segment distribution for 1HFY19



L&E: Lifting and Excavation; PEB; Pre engineered buildings; VAP HR: Value added product HR; MCHC: Medium Carbon High Carbon

\*Includes ECA customers served through project distributors



## Market leading branded portfolio

Branded products sales contributes 41% of total sales



## Unparalleled Pan India reach\*

Touches 2.5 million customers every year across India



## Market leader in Auto Steel

Auto steel sales grew 21%YoY exceeds steel usage growth in Auto sector



## Most enriched product mix

Enriched/Value added products contribute to 69% of total deliveries



## Lowest cost producer

Both cash cost and conversion cost are one of the lowest among the global peers



## Focus on innovation and R&D

New products in 2QFY19: 12 developed and 6 commercialized



## Socially responsible corporate

CSR activities touch one million lives every year



## Sustainable business model

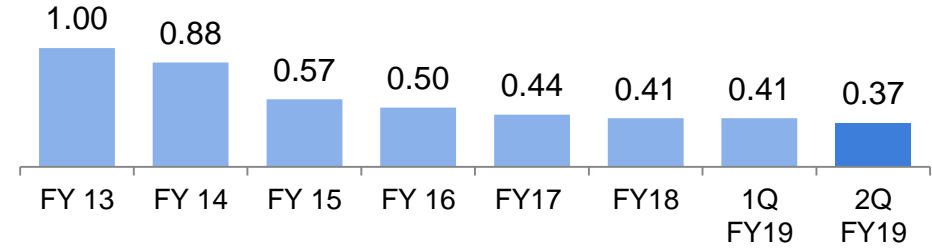
Domestic benchmark on various parameters

\*Network of ~12000 dealers and 24 stockyards (6 hubs + 18 spokes)

# Tata Steel Standalone – continued focus on operational efficiencies and minimizing environmental impact

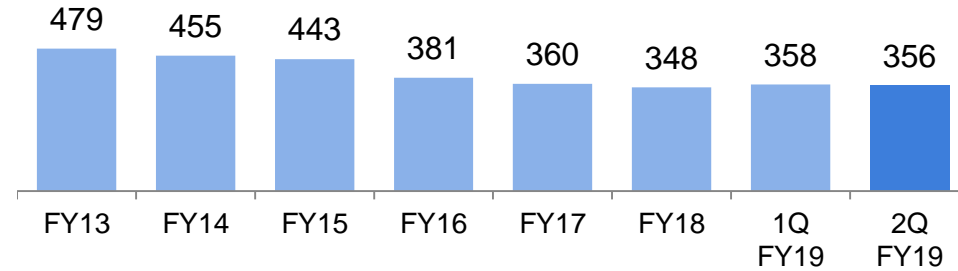
## Specific dust emission (kg/tcs)

63% reduction since FY13



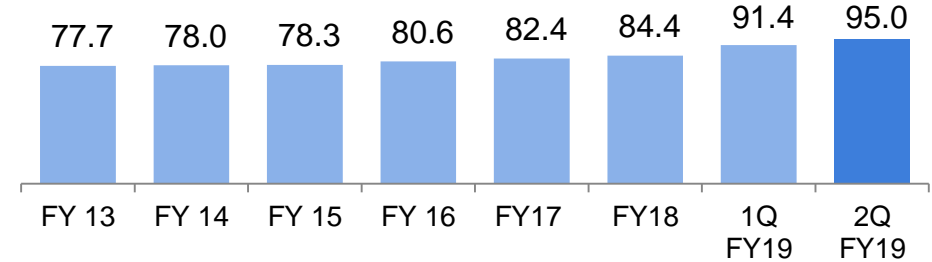
## Coke Rate (kg/tcs)

26% reduction since FY13



## Solid Waste Utilization (%)

22% better utilization since FY13



Note: All the above mentioned data is for Tata Steel Jamshedpur Operations

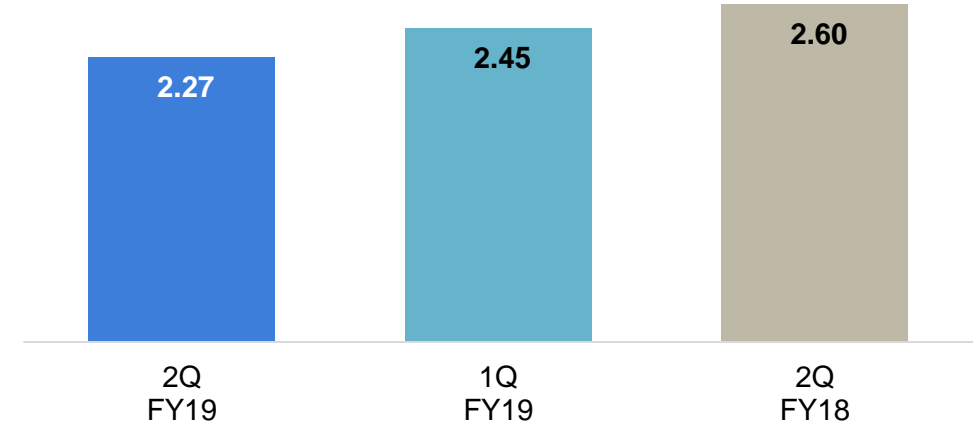


- 2QFY19 production was impacted by two unplanned outages, shutdowns for ongoing upgradation program and annual maintenance in seasonally weaker quarter
- Continues to strengthen sales mix with higher-value differentiated product sales exceeding 41% in 2QFY19
- Launched 5 new products in 2QFY19; including a new weathering grade steel for long-life structures, a premium wide automotive grade for forming applications and thicker hot rolled steel grades for cranes and heavy vehicles

Liquid Steel Production Volume (mn tons)



Saleable Steel Sales Volume (mn tons)

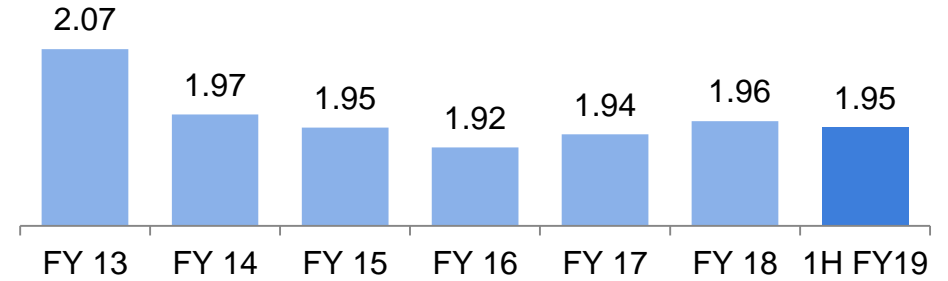


Saleable Steel Sales Volume (mn tons)

# Tata Steel Europe – continued focus on operational efficiencies and minimizing environmental impact

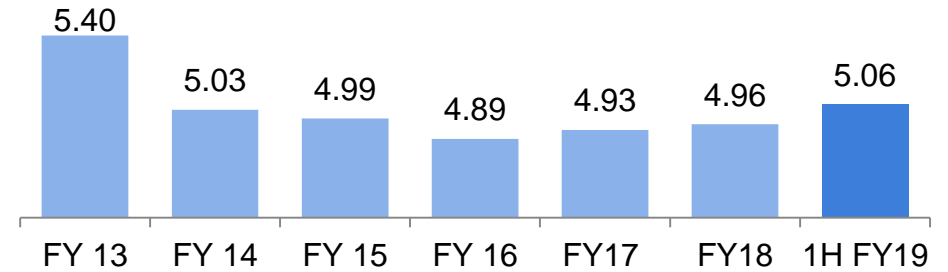
## CO2 emission intensity (tCO2/tcs)

5.8% reduction since FY13



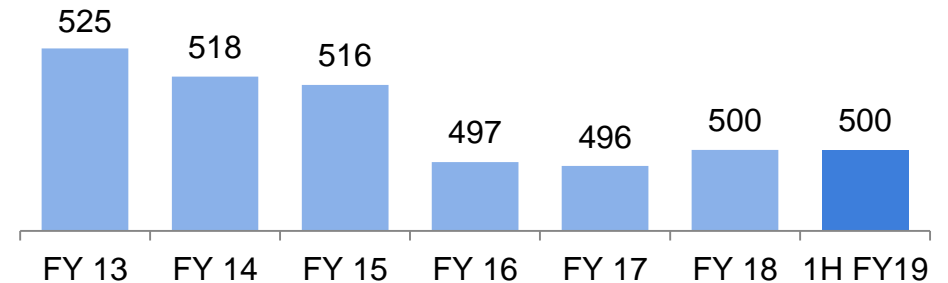
## Specific energy intensity\* (Gcal/tcs)

6.3% reduction since FY13



## Specific Fuel Rate (kg/thm)

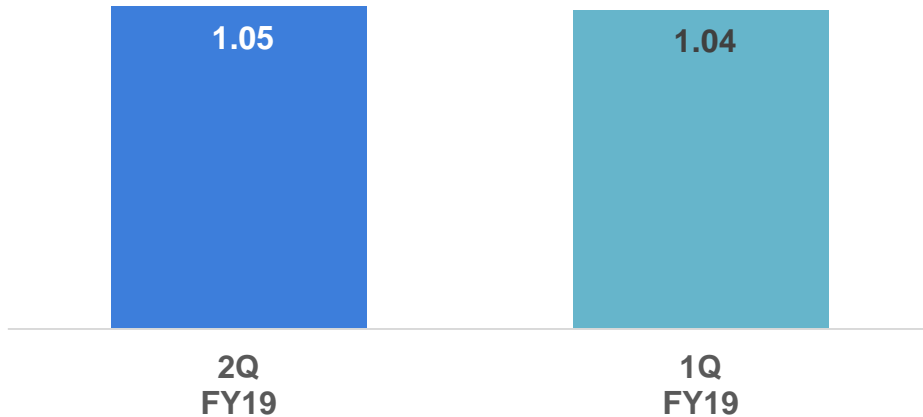
4.8% reduction since FY13



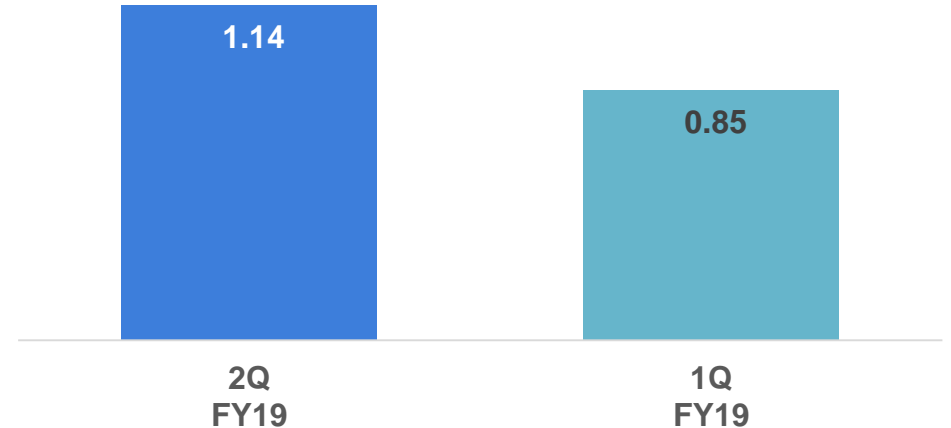
All the above mentioned data is for Tata Steel Europe

- 2QFY19 production was flattish with focus on improving operational KPIs including safety, maintenance and environmental practices
- Sales volume increased by 34%QoQ as improved marketing strategy helped in inventory reduction

Crude Steel Production Volume (mn tons)



Sales Volume (mn tons)

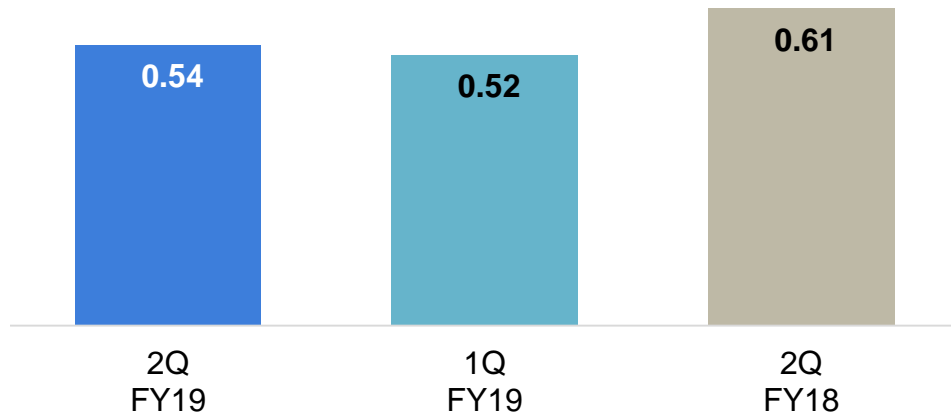


Sales Volume (mn tons)

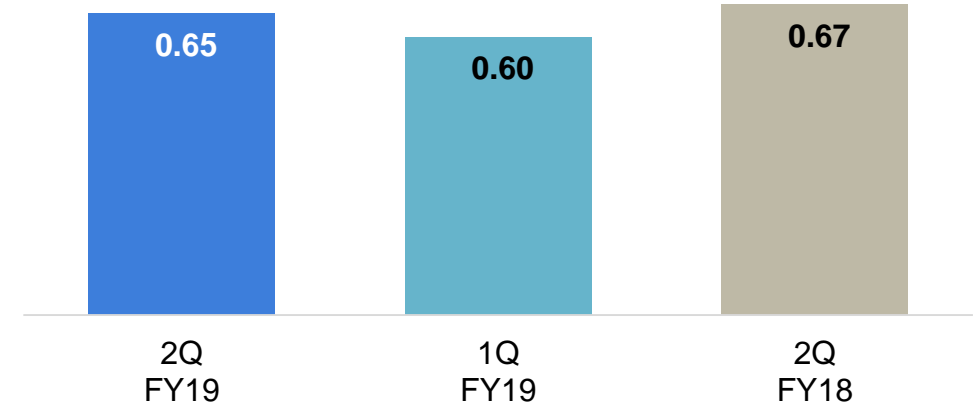
# Tata Steel SEA – volumes maintained despite weaker markets

- Overall production improved on QoQ basis
- Overall sales volumes increased 8%QoQ; primarily due to better exports by Nat steel; sales volumes at Thailand were broadly stable on QoQ basis

Saleable Steel Production Volume (mn tons)



Saleable Steel Sales Volume (mn tons)



*Saleable Steel Sales Volume (mn tons)*

<b>Kalinganagar – phase II (5MTPA expansion)</b>	<ul style="list-style-type: none"><li>✓ Cold roll mill (CRM) complex prioritized to improve product mix; Area grading and enabling activities of CRM complex has been completed</li><li>✓ Enabling work on rest of the project is in advanced stage; Engineering of all other process plants is also progressing well</li><li>✓ Expected completion: FY 2022</li></ul>
<b>Usha Martin limited</b>	<ul style="list-style-type: none"><li>✓ Signed definitive agreements for acquisition of the steel business of Usha Martin Limited</li><li>✓ Provides rich product basket in long products segment plus operating iron ore mine, an under development thermal coal mine and captive power plants</li><li>✓ Tata Sponge Iron Limited has been identified as a vehicle for this acquisition</li></ul>
<b>thyssenkrupp Tata Steel JV</b>	<ul style="list-style-type: none"><li>✓ Definitive agreements signed and both partners are currently working together to secure approvals from the relevant regulatory authorities</li><li>✓ European Commission (EC) has began Phase II review of the merger proposal. Discussions with the EC underway; it typically takes 90 days</li></ul>
<b>Maintenance activity for BF5 at Port Talbot</b>	<ul style="list-style-type: none"><li>✓ In 3QFY19, Blast Furnace-5 at Port Talbot operations has been down for life extension (by 5-7 years). It will be up in the early 4QFY19. The expected production loss is ~ 450 Kt</li></ul>

<p><b>Steel demand</b></p>	<p><b>India:</b></p> <ul style="list-style-type: none"> <li>✓ Demand expected to be stable; supported by continued government spending on infrastructure programs</li> <li>✓ Demand from automotive and white good sector expected to remain healthy; construction sector to pick up post monsoon</li> <li>✓ Stressed government finances and NBFC concerns weighs on the outlook</li> </ul>	<p><b>Europe:</b></p> <ul style="list-style-type: none"> <li>✓ EU steel demand recovery is expected to continue; expected to grow by 2.2% in 2018</li> <li>✓ Investment and construction continues to recover; auto segment may see slower growth</li> <li>✓ However, uncertainty due to global trade tensions is cause of concern</li> </ul>	<p><b>SEA:</b></p> <ul style="list-style-type: none"> <li>✓ Construction demand in Singapore remains sluggish</li> <li>✓ Private and public investment in Thailand expected to recover in 2019. Pick up by channel partners expected ahead of the peak construction season in Q4</li> </ul>
<p><b>Steel prices</b></p>	<p><b>India:</b> Improving demand coupled with depreciating rupee and rangebound raw material prices to keep prices stable in near term</p>	<p><b>Europe:</b> With the increase in imports and production in Europe, the prices are expected to come under pressure in medium term.</p>	<p><b>SEA:</b> Lower Chinese export volume in SE Asia are supporting steel prices, however, import cargoes from Turkey is a cause of concern.</p>
<p><b>Raw material prices</b></p>	<p><b>Iron Ore:</b> Market is structurally in oversupply and prices expected to be range bound</p> <p><b>Coking Coal:</b> Price went up in October and November 2018 ahead of winter pollution control measures in China; are expected to remain rangebound at these levels</p>		

Business Environment

Operational Performance

**Financial Performance**

Appendix

# Financial Performance

Rs Crores	Consolidated			Standalone		
	2QFY19	1QFY19	2QFY18	2QFY19	1QFY19	2QFY18
Total revenue from operations	<b>43,544</b>	37,833	32,464	<b>17,902</b>	16,405	14,221
Raw material cost <sup>1</sup>	<b>17,692</b>	15,520	12,981	<b>5,338</b>	4,947	4,530
Change in inventories	<b>(150)</b>	(1,520)	1,308	<b>(142)</b>	(655)	919
EBITDA	<b>9,000</b>	6,515	4,664	<b>6,113</b>	5,118	3,408
EBITDA/t	<b>12,131</b>	9,942	7,227	<b>19,244</b>	17,252	11,078
Pre exceptional PBT from continuing operations	<b>5,284</b>	3,384	2,170	<b>5,044</b>	3,908	2,003
Exceptional Charges	<b>164</b>	(344)	(45)	<b>(28)</b>	(335)	(27)
Profit/(Loss) from Discontinued operations	<b>(5)</b>	(3)	30	-	-	-
Reported PAT	<b>3,116</b>	1,934	1,018	<b>3,268</b>	2,318	1,294
Diluted EPS (For continuing and discontinued operations)	<b>31.06</b>	16.66	9.34	<b>28.13</b>	19.85	12.14

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products, 2. EBITDA restated to exclude share of JV and Associates



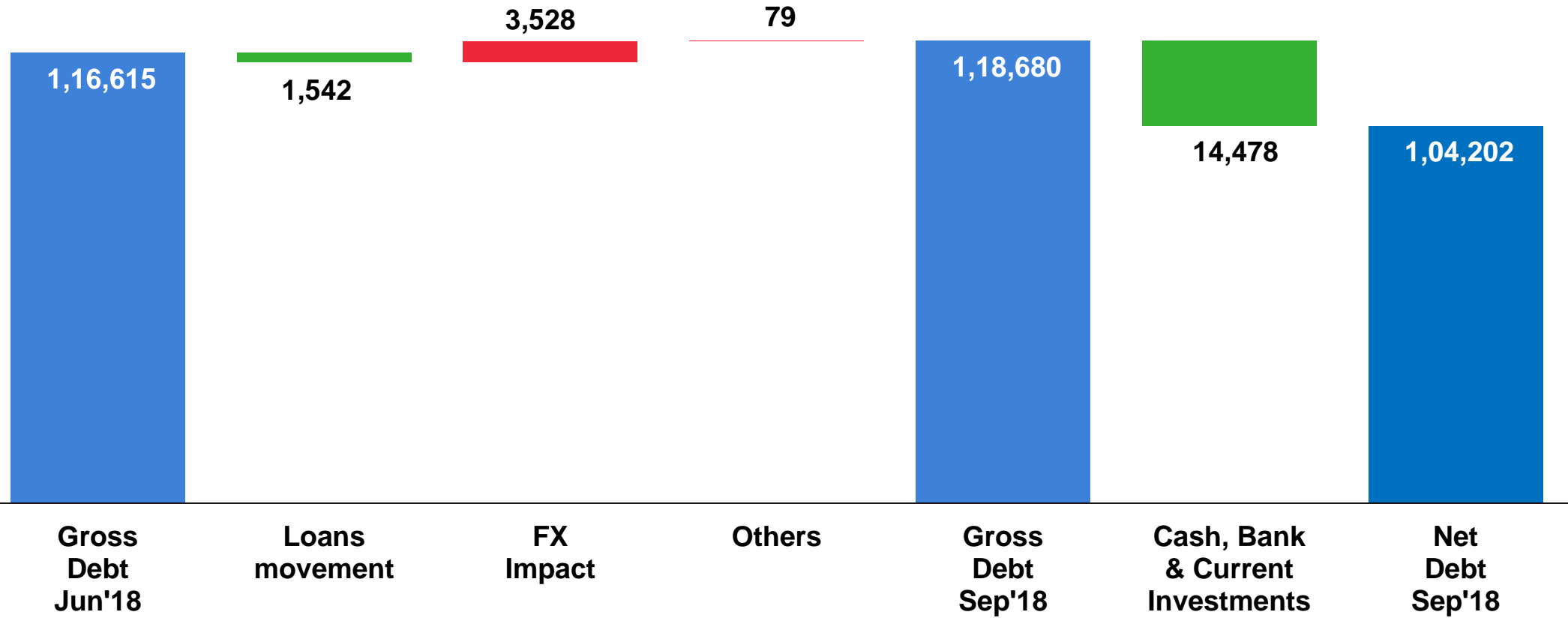
## Financial Performance contd..

Rs Crores	Europe			Bhushan Steel <sup>2</sup>		SEA			Others & Eliminations <sup>3</sup>		
	2QFY19	1QFY19	2QFY18	2QFY19	1QFY19	2QFY19	1QFY19	2QFY18	2QFY19	1QFY19	2QFY18
Turnover	<b>15,929</b>	16,429	15,006	<b>5,862</b>	2,108	<b>2,963</b>	2,604	2,424	888	286	814
Raw material cost <sup>1</sup>	<b>6,974</b>	7,585	6,637	<b>3,113</b>	1,116	<b>2,087</b>	1,940	1,626	<b>180</b>	(69)	187
Change in inventories	<b>(61)</b>	(898)	423	<b>86</b>	301	<b>26</b>	(98)	19	<b>(59)</b>	(170)	-53
EBITDA	<b>1,111</b>	1,667	732	<b>1,173</b>	66	<b>112</b>	112	140	<b>492</b>	(449)	385
EBITDA/t	<b>4,886</b>	6,806	2,816	<b>10,291</b>	NM	<b>1,736</b>	1,875	2,087	<b>NM</b>	NM	NM

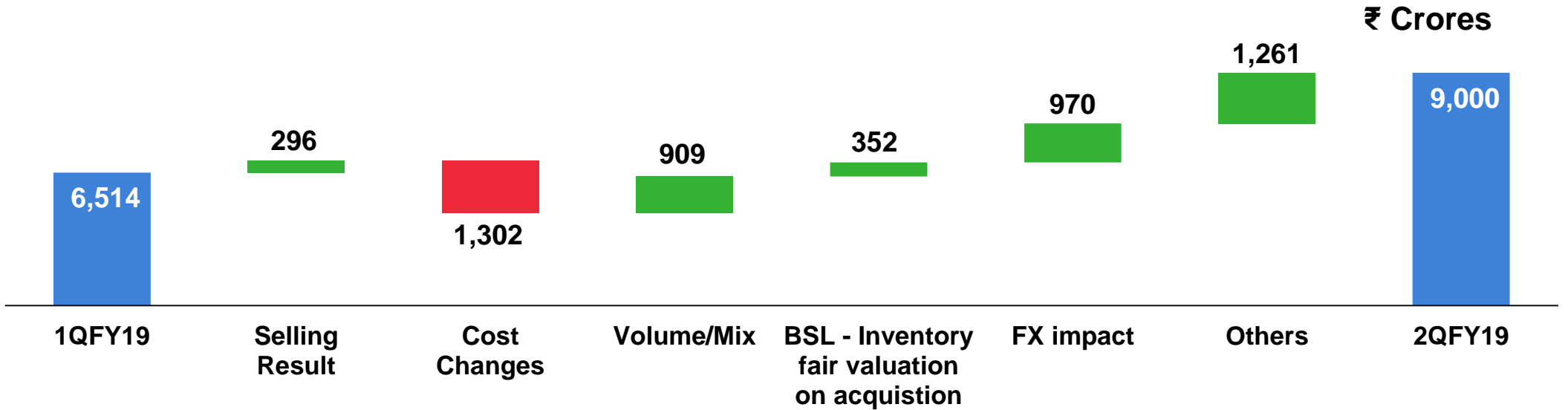
Others EBITDA improved due to overall better performance at Indian subsidiaries

# Consolidated Debt movement

₹ Crores

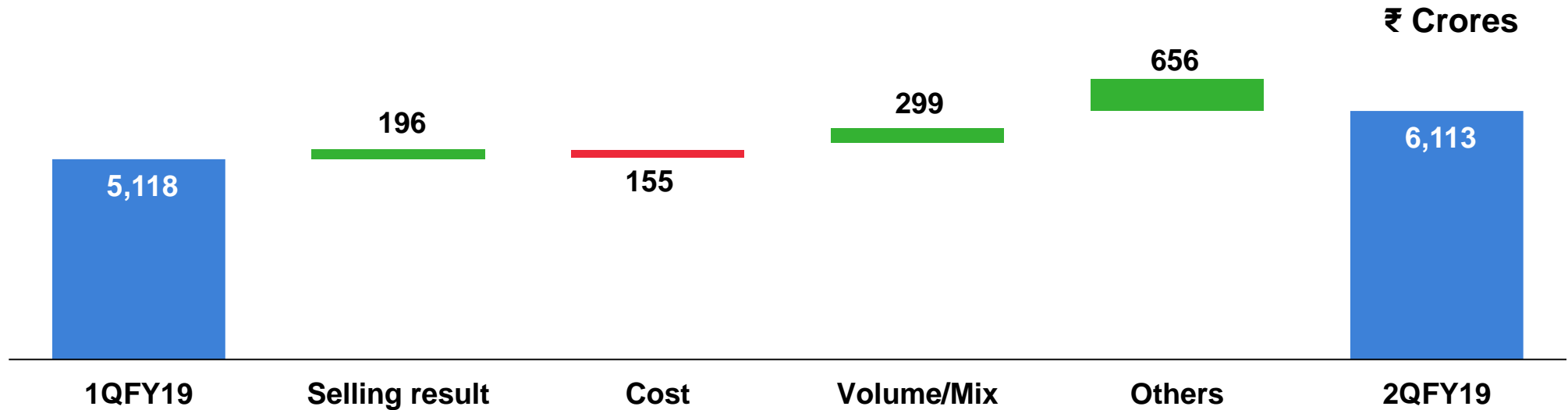


# Group EBITDA movement – 2QFY19 Vs. 1QFY19



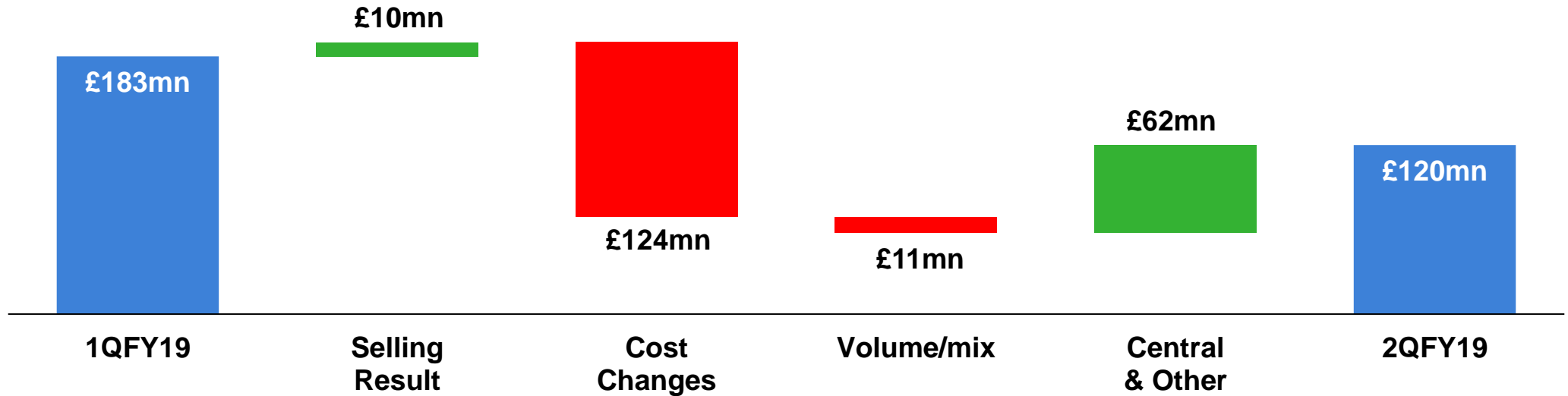
- Selling results improved on account of better realisations across the geographies
- Cost changes primarily reflect higher cost at Tata Steel Europe
- Volume/mix impact is favourable due to higher volumes at Tata Steel India and Bhushan steel
- Others are mainly at Tata Steel Europe and Tata Steel India

# Tata Steel Standalone EBITDA movement – 2QFY19 Vs. 1QFY19



- Selling results improved with better steel realisations
- Cost impact reflects primarily higher raw material costs
- Favourable volume/mix impact due to higher deliveries
- Others includes impact of favourable exchange gains in 2Q over 1Q, and one-time provisions included in 1Q

# Tata Steel Europe EBITDA movement – 2QFY19 Vs. 1QFY19



- Selling result improved on account of better realisations
- Cost changes impacted by: a) higher raw material & energy costs, and b) lower production volume and higher maintenance cost due to planned and unplanned production outages
- Volume/mix reflect lower sales volume impact

Business Environment

Operational Performance

Financial Performance

Appendix

## Standalone Results – QoQ Variations

Rs Crores	2QFY19	1QFY19	Key Reasons
Income from operations	<b>17,580</b>	16,154	Higher deliveries and marginal increase in realisations
Other operating income	<b>322</b>	251	Higher exports benefits
Raw materials consumed	<b>4,769</b>	4,576	Higher consumption of coal in-line with higher production and increase in other raw material prices
Purchases of finished, semis & other products	<b>569</b>	371	Purchase of slabs from Bhushan Steel
Changes in inventories	<b>(142)</b>	(655)	Increase in inventory levels
Employee benefits expenses	<b>1,377</b>	1,282	Charge taken for 'Post retiral Lumpsum benefits in lieu of extension of service' and increase in statutory contribution rates under "Coal Mines Pension Scheme"
Other expenses	<b>5,332</b>	5,759	Favourable exchange gains in 2Q over 1Q; one-off charge related to rates and taxes in 1Q
Depreciation & amortisation	<b>924</b>	987	Lower as 1QFY19 had one time amortisation charge for mines
Other income	<b>775</b>	506	Primarily on account of higher interest income on loan to Bhushan Steel and higher income from current investments
Finance cost	<b>804</b>	683	Higher due to short-term borrowings
Exceptional Items	<b>(28)</b>	(335)	Charge taken for employee separation scheme
Tax	<b>1,748</b>	1,255	In- line with increase in profitability
Other comprehensive income	<b>(6)</b>	22	Primarily due to charge driven by re-measurement on actuarial valuation of employee benefits & non current investments

# Consolidated Results– QoQ Variations

Rs Crores	2QFY19	1QFY19	Key Reasons
Income from operations	<b>42,947</b>	37,434	Consolidation of Bhushan Steel and higher volumes in Tata Steel Standalone
Other operating income	<b>597</b>	399	Primarily at Tata Steel Standalone
Raw materials consumed	<b>14,043</b>	12,530	Bhushan Steel consolidation for full quarter and higher RM consumption at Tata Steel Standalone; partly offset by lower consumption at TSE with lower production
Purchases of finished, semis & other products	<b>3,650</b>	2,990	Primarily at Tata Steel Standalone and Tata Steel Thailand
Changes in inventories	<b>(150)</b>	(1,520)	Primarily at Tata Steel Standalone and Tata Steel Europe
Employee benefits expenses	<b>4,996</b>	4,933	Primarily at Tata Steel Standalone
Other expenses	<b>12,086</b>	12,432	Primarily at Tata Steel Standalone, partly offset by Bhushan Steel Consolidation; 1Q included FX losses at key SEA financing entities
Depreciation & amortisation	<b>1,908</b>	1,806	Consolidation of Bhushan Steel; partly offset by decrease at Tata Standalone
Other income	<b>354</b>	347	Broadly in-line
Finance cost	<b>2,153</b>	1,670	Higher due to external borrowings for acquisition of Bhushan Steel
Exceptional Items	<b>164</b>	(344)	Primarily due to write-back of liabilities no longer required
Tax	<b>2,326</b>	1,104	Primarily at Tata Steel standalone and Europe
Other comprehensive income	<b>(1,811)</b>	1,747	Re-measurement gain on actuarial valuation and adverse impact of foreign currency translation differences





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