

Tata Steel

16 May 2026

Operator: Ladies and gentlemen, good day and welcome to the Tata Steel analyst call. Please note that this meeting is being recorded. All the attendees' audio and video has been disabled from the back end and will be enabled subsequently. I would now like to hand the conference over to Ms. Samita Shah. Thank you and over to you, ma'am.

Management: Thank you, Gunshuk. Good afternoon everyone on this Saturday afternoon, and welcome to our call to discuss our results for the fourth quarter and the full year financial year FY26. We have with us Mr. Narendran, our CEO and Managing Director, and Mr. Chatterjee, our Executive Director and CFO. They will make a few opening comments and then we will take any questions you may have.

As always, the discussion will be covered by the safe harbor clause on the first page of our presentation. I hope you've had a chance to go through the presentation which was uploaded on our website yesterday. So with that, I will request Naren to make a few opening comments. Thank you.

Management: Thanks, Samita and hello everyone. A few comments before I hand over to Kaushik. Tata Steel delivered a strong performance in FY26 with improved margins expanding across operating geographies despite subdued pricing and challenges during the year. The performance is a cumulative impact of multiple decisions and disciplined execution over the last few years and positions us well for the next phase of growth and value creation.

India for us is a key anchor of our growth strategy, with annual crude steel production and deliveries increasing 8% year-on-year to around 23 million tons. And the successful ramp-up of the 5 million tons per annum expansion at Kalinganagar, alongside the commissioning of the downstream facilities, reflects our value-led growth strategy for India.

This is supported by a strong marketing network and deep customer engagement, and we maximized deliveries to chosen segments. Some segmental highlights are as follows. The automotive and special products business delivered best-ever quarterly and annual volumes. Our continuous annealing and galvanizing line at Kalinganagar, which is a state-of-the-art facility, secured over 25 new grade approvals across ultra-high strength steels and coated products, enabling customers to meet evolving safety and lightweighting requirements.

FY26 also marked a shift in our approach to customer relationship from engagement-led initiatives to solution-oriented partnerships, anchored in innovation and AI-led enablement. As a result, our branded and retail segment continued to scale, and Tata Tiscon, a retail brand, achieved the best-ever annual volumes while Tata Steelium, our cold-rolled brand, achieved robust growth in the volumes with a 28% year-on-year growth.

Innovation continues to differentiate our construction solutions and help cater to complex project requirements. We deployed the Inquik modular bridge system at the Varanasi-Ranchi-Kolkata expressway in just 24 days and introduced a first-of-its-kind mobile bore pile cage solution, significantly enhancing onsite efficiency.

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In discerning segments, we strengthened our presence in shipbuilding and oil and gas, aided by international certifications that enable us to participate in higher specification and globally competitive orders with stringent quality and reliability requirements. Our downstream businesses, including tubes, wires, and colors, achieved the best-ever sales, while tinplate achieved record annual sales of the PAXEL edible oil cans.

We remain committed to our India growth agenda with continued investments across capacity, downstream integration, and sustainable steelmaking. During the year, we commissioned our scrap-based 0.75 million ton electric arc furnace at Ludhiana, and progress continues on the proposed expansion at Neelachal, which will support the next phase of value-accretive growth.

In UK, annual deliveries stood at 2.2 million tons, reflecting subdued demand dynamics. We welcome the recently announced revisions to safeguard measures, including 60% reduction in tariff-free quotas and higher duties, which are expected to support a more balanced market environment. Continued and calibrated policy support will be critical to enable a sustained recovery in the market.

In Netherlands, the liquid steel production was broadly stable at 6.7 million tons, while deliveries were 6.1 million tons. Policy measures including tighter safeguards effective from July 1 and the ongoing implementation of CBAM are reshaping trade flows and enabling preference for local supply.

Recently, our operations had been impacted by a temporary suspension of the direct steel plant at IJmuiden following emission observations. However, we have now resolved the issue and the plant is expected to restart soon with due regulatory clearance. Separately, we continue to deeply engage with the province and the environmental regulators on emissions compliance at our coke and gas production facilities and the future of these facilities.

I must emphasize that the company has undertaken several measures in the last 2 years to enhance its environment standards in the coke and gas plants. Given the age of these plants, we are now considering closure of these plants in the future. However, any decision on closure of these plants will have to be done in a safe, planned, and controlled manner.

Finally, the developments in West Asia have increased costs and supply chain risks around energy, freight, and some raw materials. In the near term, improved pricing trends across India, Netherlands, and UK should help absorb these cost pressures. In India, upstream are largely operational, though there are some impact on our downstream galvanizing, tinplate, and color-coated lines because of the shortage of some critical inputs like propane. We are actively trying to mitigate this and most of the lines are now back in full operation. We continue to monitor the evolving situation closely with a close eye on the demand dynamics. With that, I will now hand over to Kaushik for his comments. Thank you.

Management: Good afternoon or good evening to all those who have joined in. In recent years, the global markets have been continuously being reshaped by repeated disruptions, including the pandemic, the geopolitical tensions, supply chain dislocations, and evolving regulatory frameworks. Together, these factors have led to a very highly uncertain and volatile operating environment, especially for the long and complex industries like steel.

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In the quarter ended March 2026 and for financial year 2025–26, Tata Steel has delivered a resilient and a consistent performance through a series of deliberate value–accretive actions across our portfolio to navigate multi–year troughs in steel prices while managing unprecedented levels of uncertainty.

I will today talk on three areas: firstly on the performance management, secondly on balance sheet, and thirdly on some recent developments in Netherlands and the UK.

Firstly on performance, the financial year 2025–26 was challenging on one hand but represents the continuation of a strategic journey and in many ways is a precursor to also what lies ahead. The focus is clearly on the quality of earnings. Our consolidated EBITDA increased by 35% year–on–year from 25,802 crores in the full year ended March 2025 to 34,848 crores in the full year ended March 2026. The consolidated EBITDA margin expanded by 320 bps from 12% to 15%.

Our full–year performance demonstrates the impact of the cost transformation program, which has achieved about 10,868 crores of savings across geographies. India delivered a cost transformation benefits of 3,927 crores. Key cost efficiencies were driven by purchase optimization of spares, reduced refractory consumption, increased use of coastal waterways which offer a structural cost advantage over other modes of transport, higher power wheeling, and leaner coal mix.

UK achieved a cost benefit of about 1,958 crores driven by calibrated and focused spending on maintenance cost and maintenance management, stronger spares management discipline, and insourcing of product testing. Netherlands delivered a benefits of about 4,983 crores via optimization of coal blend leading to decline in procurement cost and deployed value–in–use concept to improve operating efficiencies such as fuel rate, scrap consumption, and so on. In terms of execution, the cost transformation program has achieved about 95% compliance to the stated plan of about 11,500 crores. The key variation to the 100% compliance was the delay in Tata Steel Netherlands restructuring, which has since been completed.

In financial year 2027, we are aiming to achieve additional cost transformation savings of about 7,100 crores versus the FY26 level. We have also enhanced in the last financial year our working capital efficiency and released around 6,000 crores of cash during the year, especially in India and Netherlands through very focused management of working capital.

Let me now speak on the India business as it continues to be our core growth engine and our anchor in terms of the future strategy of Tata Steel. India now contributes about 74% of Tata Steel's total crude steel production. At a geographic level, India continues with its industry–leading performance with EBITDA margin growing at about 17% year–on–year to 34,272 crores. The EBITDA margin was about 24% and similar to the 10–year average even in a challenging year.

Our performance in UK and Netherlands have also improved materially on a year–on–year basis. UK losses have now narrowed to about 168 million to negative 217 million while Netherlands EBITDA almost tripled to 267 million. Combined, the UK and Netherlands EBITDA turned positive for the financial year 2025–26.

Secondly, our performance also demonstrates the cash flow orientation of the entire company. Operating cash flow before capex and dividend increased from 17,700 crores in the previous year to

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29,254 crores in financial year 2026, and free cash flows of 10,738 crores were significantly higher compared to the previous year.

Our capacity expansion in India in phase two of Kalinganagar is now complete and this is being complemented by focused investment in downstream facilities and portfolio simplification, strengthening our product mix and enhancing our margin profile. We continue to focus on growing the India business, some of which we had discussed in our earlier calls.

Moving to the fourth quarter performance provided on slide 28 of the presentation, our consolidated revenue stood at about 63,270 crores and EBITDA was 9,953 crores translating to an EBITDA margin on a consolidated basis to 16%. Higher realizations and improved volumes in India were complemented by savings on account of cost transformation.

Tata Steel standalone revenues for the quarter were at about 38,448 crores and EBITDA was 9,439 crores. On a per-ton basis, the EBITDA witnessed a sequential improvement of 2,100 rupees per ton, primarily driven by the higher volumes and steel realizations. Our wholly owned subsidiary Neelachal Ispat recorded 402 crores of EBITDA, up 15% quarter-on-quarter and reflecting an EBITDA margin of 27%. We have received the board approval to merge NINL with Tata Steel, subject to necessary approvals and permissions, and we are looking to complete the transaction in financial year 2027.

Moving to UK, steel prices remain below 500 pounds per ton until the end of February. Since then, with the onset of the West Asia conflict, along with the UK government indicating higher and tighter steel safeguard measures, it has driven a meaningful uplift in hot-rolled coil prices. During the January–March 2026 quarter, Tata Steel UK EBITDA improved by 15 million pounds to negative 48 million pounds. Most of the recent spot price improvement is expected to flow through the P&L in Q1 and Q2 of FY27.

In the UK, steel safeguard measures that were originally introduced to support the domestic production are set to expire on June 30, 2026. We welcome the proposed new trade framework and will continue to engage constructively with the government on areas that require further refinement. Effective July 1, 2026, the revised safeguard regime proposes a 60% reduction in the import quotas alongside an increase in the tariff from 25% to 50% with the objective of ensuring that 40–50% of the steel demand in the UK is met from domestic production.

For our UK operation, this represents a very meaningful step. Over the last 2 years, we have reduced fixed cost by about 50% from a base of approximately 1 billion pounds in FY24. However, weak demand conditions and the influx of low-cost imports have continued to weigh on performance with EBITDA losses of around 98 pounds per ton. The revised framework therefore has the potential to materially improve the operating conditions and performance. With price increases coming through in Q1, we expect quarter-on-quarter improvement in the earnings going forward in the UK.

The work is progressing on the 3 million ton electric arc furnace in Port Talbot. Major demolition work has been completed and securing access to high-power electricity is critical for our planned transition. While we are working with the electricity system operator and the National Grid for new electrical infrastructure, National Grid has formally alerted us that their connectivity project is

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delayed. This is critical for Tata Steel UK for the project commissioning, and we are in conversation with National Grid and the UK government on resolution of the issues.

In Netherlands, the fourth quarter EBITDA at about 58 million euros translates to about 34 euros per ton. Higher volumes and improvement in costs were mostly offset by a drop in realization on a quarter-on-quarter basis. As in the past years, a lot of focus in Netherlands has been on cash flow management, and the company continues to perform exceedingly well on the cash flow management and is effectively net debt free in spite of very challenging operating and regulatory conditions.

Let me now come to the balance sheet. Our priority is to keep the balance sheet strong and robust. Post-pandemic, we prioritized deleveraging in FY21 and FY22 and reduced debt by about 40,000 crores including prepayment of about 3.6 billion dollars of offshore obligation. Gross debt currently stands at about 77,550 crores and net debt was 67,445 crores. The net debt to EBITDA stood at 1.93 times and net debt to equity was 0.65 times.

We have successfully navigated several challenges in the last financial year and have also continued to invest in the India growth story. Going forward, we will continue to focus on capital allocation and cash flow to keep the balance sheet strong. Our liquidity remains robust at 31,000 crores including 10,000 crores of cash and cash equivalent.

Gross debt reached about 92,382 crores and the net debt stood at about 82,100 crores. For the last few years we have been focusing on onshoring of overseas debt to mitigate the rupee depreciation risks. This has certainly been very beneficial, particularly in the last year. If we had not proactively undertaken the onshoring, gross debt would have been significantly higher by about 12,500 crores on account of INR depreciation alone. The equity stake in acquisitions that you often see in the disclosures in Tata Steel Holding actually relates to this onshoring initiative. As a result the overseas debt has come down from about 50% of the total debt in 2021 to 18% of the total debt in 2025-26. By FY28 it will go down further when our overseas dollar bonds are repaid. The only overseas debt that will remain is the working capital line for our overseas businesses.

I would also like to mention since all of you keep asking me about deleveraging, in the last 12 months we have actually prepaid around 9,100 crores of debt from our internal cash during the year. You don't see the same on the face of the financial statement because the overseas debt is now valued at 94 to a dollar versus 88 to a dollar a year back which accounts for about 4,200 crores and there is increase in the leased asset which is about 2,500 crores. Hence you only see 2,400 crores as the reduction on a net basis. Collectively these measures reinforce Tata Steel's position as one of the few steel companies globally rated as an investment grade by international rating agencies. Our year end net debt to EBITDA has reduced to 2.3 times, down by one turn compared to 3.3 times two years back.

During FY26 our total spend on capex was about 14,000 crores on a consolidated basis and we intend to increase the allocation of the same in FY27 to around 20,000 crores of which more than 60% will be spent in India. I would now like to explain a bit on what you would have seen in the press release and filing on the material uncertainty in Tata Steel Netherlands. Over the last 2 years as Narendran mentioned a lot of work has been undertaken in the coke and gas plants and the company has resolved many issues raised by the environmental agencies. As he mentioned that

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many of the standard requirements are actually above the industry standards and some of them are technically not doable and not followed anywhere else in the world. After careful assessment we have agreed therefore to close down the CGPs in a planned, controlled and a safe manner in the future. We are currently in discussion with the province and the environmental agency on the timeline that ensures a controlled and a safe closure in sequence in the future.

As mentioned in the filing, we have received a letter post the balance sheet date from the local environmental agencies regarding their intent to revoke permits without any specifics. This causes the material uncertainty element for Tata Steel Netherlands while preparing the basis for the financial statements. Additionally the local regulatory environment is evolving with authorities proposing standards that go beyond sometimes the EU norms and global practices. Notwithstanding these challenges, we are committed to operating in a safe, compliant and environmentally sustainable manner and we are deeply engaged with the environmental agency, the provincial leadership and the government for a mutually accepted resolution.

With respect to decarbonization of our steelmaking facilities in Netherlands, we continue to remain engaged with relevant authorities on the transition roadmap. Lastly, on the ongoing crisis in West Asia as Narendran has already mentioned, it has some implication on the cost side on our near term performance. While our upstream operations, meaning the crude steel production, has remained largely unaffected, the downstream operations initially faced some supply chain constraints as he mentioned on propane. We managed to mitigate the impact via a range of initiatives including alternate fuel, shipping routes and preponing shutdowns in some cases. Cost remain a focus area, however we will continue our cost transformation program in Financial Year 2027 where we expect these initiatives to mitigate a certain proportion of the pressures.

Before I close, I am happy to share that the Board of Directors has proposed a dividend of 4 rupees per share for fully paid shares of face value of 1 rupee each. With that I will end my comments and open the floor for questions. Thank you so much.

Operator: Thank you, sir. We will now begin with the question and answer session. We will be taking questions on audio and chat. To join the audio questions queue, please mention your full name and email ID in the chat box. Kindly stick to a maximum of two questions per participant and rejoin the queue should you have a follow-up question. We will unmute your mic so that you can ask your question. To ask questions on chat, please type in your question along with your full name and email ID in the chat box. We will wait for a moment as the queue assembles.

The first question for today is from Sumangal Nevatia of Kotak Securities. Sumangal, please go ahead and ask your question.

Sumangal Nevatia – Kotak Securities: Thanks for the chance. Firstly on the topic of the closure of coke and gas plants, just want to understand if we replace this with the market purchase, what is the cost impact? And then on a broader question given so much regulatory uncertainty in the region and constant surprises, is there a case to revisit our entire investment plan in the region?

Management: Koushik? You're on mute Kaushik.

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Management: Sorry Sumangal. So to your question on the cost penalty so to speak on buying of coke, I think given the fact that we are still assessing as far as the timing is concerned, there will be an impact because we will not have the gases in particular and the credits that go into coke making. But other than that we are also looking at options to supply from various sources which could also include India. We will have some time to plan for it. That is what our base case assumption is and that is why we are deeply engaged with the government, the province and the regulator.

On the second issue of the case for reinvestment, actually some of these are prerequisites to be resolved before we undertake any large investments. So, while the point is very valid, I think that's precisely the conversation that we are having at this point of time with the various stakeholders. It is not that the coke and gas plant shutdown affects the plant or the volumes as such because there are alternative ways to do that. But to look at the future and the new configuration of assets to invest, we need to resolve some of these issues before we take on any large commitments.

Sumangal Nevatia – Kotak Securities: Okay. I missed the early part, so we are saying that there's not much cost impact as per us?

Management: No, I am saying there is a cost impact but there is also an offsetting impact that is possible. Especially because the CO₂ will go down, as I said there are pluses and minuses. The negatives are that the coke oven gas which is used as an energy source will not be there. There will be a freight which will be incurred for bringing in the coke. On the other end the CO₂ will go down. So there is a net impact; it also depends on at what time this transition happens.

Sumangal Nevatia – Kotak Securities: Got it. And with respect to the delay in the electrical backup and infrastructure for UK, what sort of delays are we seeing and what is the best case estimate for commissioning of that plant?

Management: So that is again being discussed. I think we have just been formally told that there is a delay. We are working with the UK government and the National Grid and ESO, which is the electricity supplier, to see if we can mitigate. But somewhere between say 6 months to 8 months will certainly be there, maybe higher after we have built the plant. The initial estimate was somewhere around 18 months, it has come down to 12 months and we are actively working to see if we can reduce it further. But there will be some delays imminent.

Sumangal Nevatia – Kotak Securities: Okay, understand. My second question is with respect to NINL expansion. So we have not yet heard any progress on the exact timelines and capex. So any update on that? And generally if we are seeing a lot of players adding capacity aggressively, looks like at least from the math that we might lose market share over next 5–7 years. So is this a concern for us and any shift or change of expansion pace for us that we can expect?

Management: Koushik, do you want to give an indication on the NINL timelines and then I will address the second part?

Management: So for NINL, Sumangal, initial work on the site preparation has already started. We are getting permissions on different parts. The FEL3 which is our basis for making the final allocation of capital is also very advanced. In the next few months we should be able to announce that. One of the reasons is that there is a lot of work that needs to be done on the site because this is going to

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be a 10 million ton site. We are careful from a regulatory point of view to get all the approvals so that we can do it and equally be tight on the capex. We are fairly advanced in that; we will take a few months and come back and announce. That is then going to ensure that we can execute it quickly. That's as far as the NINL is concerned.

Management: On the market share question, Sumangal, the key point is market share in what? Because the way we are looking at it is we are more interested in market share in key segments and attractive segments. We want to make sure that our market share in the segments that we target or the attractive segments, as we call them, is at least twice our overall market share. That is why our focus is a lot more on downstream, a lot more on value-added products, solutions, and so on.

So while we have the optionality to grow the upstream, even with the existing sites between Kalinganagar, Meramandali and Neelachal plus Jamshedpur at 11 million tons, we already have the optionality to grow to 45-50 million tons in India. Once we start the Maharashtra site which was also announced, that potentially adds another 6-10 million tons. So that optionality is available for Tata Steel which was not there 10 years back when we were operating largely out of Jamshedpur.

The question is how fast do we want to build and where, based on the demand, based on the balance sheet and many other things. But what we are very clear about is in the market segments that we are strong in, which we think are very important like automotive, oil and gas, and the retail franchise that we have, we will continue to be the dominant player and the number one player in all these segments.

Sumangal Nevatia – Kotak Securities: Understand. I'll fall back in the queue. Thank you and all the best.

Operator: Thank you, sir. The next question is from Satyadeep Jain of Ambit Capital. Satyadeep, please go ahead.

Satyadeep Jain – Ambit Capital: Hi, am I audible?

Management: Yes.

Satyadeep Jain – Ambit Capital: Naren and Kaushik, I just wanted to understand regarding the previous question. You mentioned that for the coke oven, you may buy coke from India or somewhere else. I'm just trying to understand because the auditors have flagged the material concern to going concern, it seems like it is not just coke. If you can just get coke from India, why flag material risk to going concern? We understand some rolling and casting facilities have also been shut down. Can you clarify, and in case you shut down these facilities for 5 years before DRI comes, what do you do with the labor there?

Management: Go ahead Kaushik.

Management: Satyadeep, let me first deal with the auditor's question which I thought I had explained. We were in discussion with all of the stakeholders in a deep engagement, almost on a daily basis, by our colleagues in Netherlands. The letter which had come in did not have any definitive pathway, dates or transition specifics. From the perspective of an auditor, or even the company, these specifics are necessary to get into the next level of planning and creating the

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investments.

When a letter comes in that does not mention a specific date or a year, the auditors are naturally going to say that there is no way to verify the specifics, which actually creates the uncertainty. That is what has been used, stating the company is in receipt of a letter. First of all, the coke ovens cannot be shut down in any unplanned manner. As I have said in the past, a coke oven is more like a chemical factory than a steel factory. The coke ovens in UK were the last major facility to shut down because it cools down on its own; you have to give time, there's a make-safe requirement, and there is also a permit requirement to undertake a shutdown. If a letter lands which does not articulate that sequential path for a planned, controlled, and safe manner, then it creates an unhandleable uncertainty. That's why it has been flagged here.

I share your concern and that is also our concern in some ways because that is precisely what we want to do. The coke ovens are 40-50 years old. The standard for some of the designs of the coke ovens is not technically feasible anymore. We said we will shut down. We were anyway going to shut down soon after the first phase of the DRI EAF would have come out. This is now potentially earlier than that. That transit gap or intermediate gap would have been filled by purchase of coke, which I think is perfectly fine. There will be cost penalties, but as I said, there are CO2 benefits which will also come in. There will be a net effect out of that. But this is more about the physicality, not about the financials. That is what created the material uncertainty.

We hope that this will get resolved in the coming months as we are engaged with the government and everybody sees the logic of doing it safely. We can't shut down in an unsafe manner because then the regulator would be responsible, not Tata Steel Netherlands. These are the kinds of things that we are working on and that is the basis on which the auditors have said that TSN is prepared on a going concern, but there is material uncertainty given this letter. The cause of the material uncertainty is only this letter; it's nothing else and that needs to be understood.

Management: The DSP is subject to something slightly different. There were some emissions from the DSP which exceeded the limits, so we had, in the interest of due transparency with the regulator, declared it to them. Jointly it was looked at and we have closed the DSP. Some changes have been made, some trials are being run, and we hope the DSP should be back up if we have all the requisite approvals later this month. That's on the DSP side. On the other question, yes, obviously if you shut down facilities, that will have an impact on labor in those facilities. That's why this whole transition needs to be planned well. That has been our submission to the regulators as well because some parts of the site will then be shutting down earlier than what was originally planned. The transition will happen, firstly, as Kaushik said, once we are clear that we have a social license to operate going forward as well, and then whenever we are ready with the investments.

Management: Satyadeep, just to add to what Naren said, if there is any permanent shutdown of any facility, the people will have to be restructured in; that is given. That's what we've done in the UK also. That is an inevitable consequence of a shutdown whether it's planned or unplanned. In case of unplanned, it becomes a lot more complex to handle.

Satyadeep Jain - Ambit Capital: Secondly, on the transition to DRI. While you're saying that you will have an agreement with the government, in the context of when this entire investment was made by Corus back in the day, the regulatory landscape changed over time. This entire ability to revoke

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permits came a few years ago, much after the initial investment. How do you grandfather this when you are looking at how the regulatory landscape can change later on after you make the investment? While you evaluate all of this, in case there is a plan to not go ahead with this investment, does it mean you accelerate India investment? Why not explore global majors for tie-ups like some other players are doing? Is that something you have explored to accelerate expansion in India?

Management: Let me put it this way, I don't think India growth is being held back because of anything that we do in Europe. If anything, we've done what we wanted to do in India. The second comment I want to make is, in our view, we felt that it's better for us to go ourselves. We have had joint ventures in the past; we still have a joint venture with Nippon Steel for a continuous annealing line and we had a joint venture with BlueScope for the color coating line. We believe that in our home market, we should ideally be by ourselves because this is our core market, this is where our strength is, this is where we have a strong franchise and hence we actually want to build capacities by ourselves in India.

Management: I just wanted to say that actually we think there is power in consolidation and in fact we are buying out our JV partners in India because the synergies that we see in the marketplace in Manufacturing Excellence and supply chain actually make us very clear that if we have to leverage the power of size, it has to be consolidated rather than fragmented. We think it is important for us to have one large way of moving forward. As I told you, we are merging now NINL, we bought over Color, and we are buying out many of our JV partners across the value chain. That gives the leverage and the power to be stronger in the market. I must re-emphasize that the India growth is not impacted by what is happening or not happening in the rest of the portfolio.

Satyadeep Jain – Ambit Capital: And what about change in regulatory landscape in Netherlands, how do you grandfather?

Management: That's a good question and an important question. The joint letter of intent had a few condition precedents on both sides. There are condition precedents which the government has to fulfill and condition precedents that we have to fulfill. Some of the condition precedents also require the regulator to fulfill because they are a party in some way—the province is a party in the JLOI. Before we get into anything which is binding, a lot of this has to be contractually agreed. We are not there at this point of time. No investor, including us, will make an investment unless it is not just grandfathered, it is contractually guaranteed to run its course across a certain minimum period of the life cycle by which the recovery of the investment happens. In all of this, even the government is an investor, so that is even more important.

We are not there as yet as far as the FID is concerned. These are the pre-conditions that we need to resolve before we get there. The JLOI is live and active. We are in active conversation, but these are very important things because end of the day there will also be a certain judgment to be taken on how this works. We will have to do that work as we discuss with the regulator and understand the planned way of doing it because we are also very conscious—apart from our own money, we will not take public money to make investments which are at risk.

Operator: Thank you, sir. The next question is from Alok Deora of Motilal Oswal. Alok, please go ahead.

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Alok Deora – Motilal Oswal: And congratulations on good numbers. Just had a couple of questions. First is on the NSR. We saw good improvement in the fourth quarter. If you could just highlight what the pricing has been in April and May and what we could expect in the near term in terms of the realizations. Second on the coal cost—what was the coal consumption cost for Q4 and what we could look at in the first quarter?

Management: As far as realizations are concerned, in India we expect Q1 to be about 6,000 rupees higher than Q4. In UK, we expect it to be about 80 pounds higher in Q1 compared to Q4. In Netherlands, we expect it to be again about 80 euros higher in Q1 compared to Q4. In terms of coal, the delta increase we expect in Q1 for India over Q4 is 15 dollars per ton. In Netherlands, it is about 10 dollars a ton. As you know in UK, we don't buy coal. The iron ore increase in Netherlands is expected to be about 5 dollars per ton, Q1 over Q4.

I just want to add here that some of this suggests that the spreads are going to increase significantly. There will be an improvement in spreads certainly in India, but there are many other costs which are coming in beyond coal and iron ore because of West Asia, as Kaushik mentioned. Some of that will add to the cost, but overall, yes, we expect margin expansion in India and in UK and some margin compression in Netherlands because of the issues that we have had with the DSP and we would have lost almost one and a half months of production.

Alok Deora – Motilal Oswal: Sure. So the other cost which you mentioned for India in the first quarter—how much could that be on a per ton basis?

Management: Let that quarter finish because it is still a very evolving situation. We don't want to give you something and then come out with something else.

Alok Deora – Motilal Oswal: Sure. And also, if you could just highlight some bits on the India demand because we are seeing some of the competitors also increasing their capex guidance for this year and next year—big numbers are coming out. What is your view on the India demand over the next 2 to 3 years if you could throw some color on that.

Management: So the India demand is expected to be strong. The big assumption is that there is infrastructure-led growth. Hopefully the current macroeconomic situation will not provoke a rethink on the spend on infrastructure because that is a big part of India's steel demand growth. It has been more investment-led growth rather than consumption-led growth; more infrastructure-led growth than consumption-led growth. If that continues, then obviously the demand growth on steel will be greater than the GDP growth rate.

Till 2 months back we were expecting at least 8–10% growth in steel demand going forward. Now as the GDP—if we are going to recalibrate the GDP and say the GDP will grow a bit less—the steel demand may grow a bit less. The automotive sector is quite strong and continues to be strong. We need to see the impact of rising fuel prices, particularly on commercial vehicles, but passenger vehicles are strong and two-wheelers are strong. Construction had a bit of a slowdown and an impact of labor not being there. I do see some pain with the MSMEs as well because there is pressure at the end of the value chain. Some of them are also struggling with working capital issues. So far it is good and looks positive, but obviously it is not insulated totally from what's happening around the world.

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Operator: Thank you. The next question is from Pallav Agarwal of Antique. Pallav, please go ahead.

Pallav Agarwal – Antique: Pallav here. Regarding volume guidance for FY27, given that we have only the EAF coming on stream, will there be any debottlenecking at Jamshedpur which can add to the volumes?

Management: The volume will be at least 2 million tons better in this financial year compared to the previous financial year, with most of it coming in India. This is largely because the Kalinganagar ramp up is pretty much complete. Ludhiana is only 0.5 million tons in this; we have not taken the full Ludhiana volume because it is still being ramped up, but you will have pretty much the full Kalinganagar volume. We expect it to be 2 million tons plus for next financial year—rather this financial year—compared to the previous financial year.

Pallav Agarwal – Antique: Sure, so the Ludhiana profitability would be lower than the general blast furnace profitability?

Management: Yes, it will be lower. But the whole model is different. The profitability there from a conversion point of view will be lower, but you're going to save about 3,000 rupees of transportation cost. Otherwise that same steel we would have spent 3,000 rupees moving it from Jamshedpur to Ludhiana. When you look at it from a price minus transportation cost point of view, you will have a higher price there; the cost may be higher than making steel out of iron ore and coal, but your realization if you net it of freight will also be higher compared to what we would have shipped from here. Secondly, we are less insulated by the weakening rupee and also the coal prices. Some of the cost increases that we will face when we are importing coal, paying for freight, and buying in dollars—the Ludhiana plant is insulated from all that because you are using scrap.

Management: And if I could add, Pallav, if carbon taxes come in, then obviously that adjustment will also happen because it is far more carbon efficient.

Pallav Agarwal – Antique: Sure. Also, just on the value-added proportion going up—how much of a potential EBITDA per ton can that add by increasing the proportion of steel pipes or other value-added products in the mix?

Management: Typically our downstream businesses, even if you take the steel being transferred to them at market prices, add anything from 5–10% EBITDA. This is incremental EBITDA you will get from the downstream businesses. That is why we have always had downstream and we are planning to grow it. The tubes business which is now 1.2 million tons, we want to take it to about 4 million tons. The wires business, where we are the fourth or fifth largest in the world, is close to 700,000 tons and we want to take it to a million tons.

In terms of the packaging business, between Europe and India we are one of the largest in the world again and we want to double the India capacity, which we already announced last year. We feel that we can do much more in color-coated steels. We were in some sense limited by the JV, and that's why we bought out BlueScope's share and we plan to double the size of the colors business also in the next 12 to 24 months. We want our downstream businesses to be at least about 50–60% of our volume. The objective is to sell less hot-rolled in the market and sell more value-added products. By selling hot-rolled you are always under pressure on prices and international prices; it's a

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commodity you're selling to the tube makers. We feel with less hot-rolled in the mix and more cold-rolled, galvanized, packaging steel, and more value-added products, we would be better equipped to deal with the cyclical nature which is inherent in the business. Demand is always there, but it is a question of protecting the profitability.

Pallav Agarwal – Antique: Sure, sir. Lastly, any plans on monetizing our online platform which I think is doing fairly well? Is that something that we will look at?

Management: No plans just yet to spin it off and monetize at value. But yes, this is a very important part of our route to market. As you saw, the retail business GMV is growing very fast. This is being sold with no discounts at the same EBITDA margin that you see in the rest of Tata Steel, and this is almost 5,000 crores now. We have what we call DigiCA which is for the SME business, which is also growing well. Currently we are focused on selling what we produce and enhancing our reach. Particularly in the retail business, we now have orders coming from Indians living across the world who are doing construction in India—maybe building homes or buying steel for their parents or relatives. We get orders from all over the world now. We see it as a platform to access customers who we didn't have access to earlier. We are focused on building it as a very important channel and route to market for ourselves.

Pallav Agarwal – Antique: Sure, sir. Thank you so much.

Operator: The next question is from Pinakin Parekh of HSBC. Pinakin, please go ahead.

Pinakin Parekh – HSBC: Thank you very much. My first question is on Netherlands and the situation with the CGP. When we go back to the UK operations, we have seen EBITDA losses of 13,000 crores over the last 3 years. Given the entire uncertainty that we are seeing in Netherlands, first of all, what would be the immediate cost impact because of buying coke or gas from the plant? How will the profitability be impacted? Second, if closures happen earlier in the next 12–18 months, is there a possibility that the Netherlands operations become loss-making at current steel prices and current cost structure?

Management: Let me address that and then Kaushik can add to it. With the exception of maybe one or two years—which was 2–3 years back when we did the blast furnace relining—every year in the last 18 years, the Netherlands business has been EBITDA positive and cash positive. That is why, as Kaushik said earlier, it is debt-free even today. Going forward, if the coke ovens close, we expect it to continue to be EBITDA positive—maybe making less EBITDA than we had hoped we would make, but it will always be EBITDA positive. So far the Netherlands operation has operated without any support from India, and we expect that to continue.

This whole material uncertainty issue, as Kaushik said, was because the letter did not give any timeline. It is like saying that if you don't have a planned closure, then there is a material uncertainty to some assets on that site. I think that is largely the messaging. The business going forward will continue to be EBITDA positive. The other thing is obviously as you have seen in the last few months, and going forward, we expect steel prices in Europe to be closer to the steel prices in the US. It was traditionally closer to the steel prices in the US, but over the last 2–3 years the gap had widened. That gap is closing now because Europe is also putting restrictions on movement of steel, whether through quotas or through CBAM and everything else. We expect the pricing to be better

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in Europe going forward. We expect Tata Steel Netherlands operations to continue on an EBITDA positive basis even if the coke ovens are closed. Obviously there will be some margin compression, but we expect them to take care of themselves. The key question is the investments in the future and whether we have the social license to operate for that. Those decisions will be taken once we are comfortable that we have a social license to operate for the future as much as we are seeking one now.

Management: Broadly the same. The issue is always on the safe and orderly closure, which I think is also something the regulators want very clearly. We will have to come to that. Once that happens, there are projects which are to be undertaken to segregate physically the coke and gas plants with the rest of the plant. That will take time and that is the reason why we are saying safe and controlled closure. Once that happens, you have a new operating model where you will import the coke from outside, be it from India or elsewhere, and you run it on that basis. But that will not make this site unviable; it can actually continue on the same basis. Whether it has the affordability to make a large investment to transit or not is a question that we are testing at this point of time. Apart from affordability is obviously whether the goalposts on regulatory standards will keep changing. If these two are satisfied, there is a path forward. If not, there is an alternative path forward too.

We are just now in that evaluation stage and exploring, as we are engaged very deeply. It is a very serious issue as far as the new investment is concerned, and therefore all of this has to be resolved before any commitment for new investment is done by Tata Steel Netherlands itself or whether we will be looking to take the public money that the government has offered us.

Pinakin Parekh – HSBC: Thank you. Just two more quick questions. The first is on UK. Given that there is going to be a delay between the plant commissioning and the electricity infrastructure, how will the plant operate without the infrastructure? And will it be EBITDA positive without the electricity infrastructure? The second is in terms of Neelachal. Given that we are still in the process of getting all the approvals, what is the earliest estimate of the first steel?

Management: On the first one on UK, two things. One is we hope to be EBITDA positive during this year now that the prices have started improving. That can continue till such time the EAF starts—we can continue to supply the slabs from here and continue to convert into steel. Now that the prices and the policy changes that we have sought have come, we are expecting the business itself to be EBITDA positive going forward.

While as Kaushik said there is currently a visible delay of about 12 months on the electricity supply, what we are trying to see is to get at least some connection, one line, as soon as the plant is ready so that we can do some trials. We can test out some of the equipment so that we don't waste that time waiting for the full electricity connection. Then what we are planning to do is a ramp-up that we had scheduled after the commissioning; we are seeing how to compress that to make sure that we catch up on the project IRR that we had targeted. We do the preparatory work before the full electricity connection is there, then we can hopefully do a quicker ramp-up.

Management: To add to what Naren mentioned on UK, till last year we had been sending about 1.2 million tons of slab to UK. We are increasing that from Tata Steel Kalinganagar to about 1.8 million tons. There is a reason why I'm saying this because we often look at the UK EBITDA as a standalone. The Port Talbot facilities in UK are effectively now the fifth hot strip mill for Tata Steel. If we actually

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look at what the system EBITDA is that we talk about, we make about say 7,000–8,000 rupees per ton of EBITDA on the transfer of the slabs to UK on a market basis. With the increase in prices, we are seeing about 4,500 rupees per ton of EBITDA by UK itself on the volumes that we transfer. So on a system basis for the slabs going to the UK, we make as Tata Steel consolidated about 12,000 rupees per ton of EBITDA. That model will continue till the EAF starts, and then as Naren mentioned, when the power lines get commissioned, we will then do the initial hot trials and then move on to the part of using it. There is no point where we will not be having the power lines while we have the EAF; that is not going to happen on a full-fledged basis. On NINL, between July and September we should be able to get the FID, and once we get that, the target date is somewhere around 2029–30.

Pinakin Parekh – HSBC: Thank you, sir.

Operator: Thank you, sir. The next question is from Inderjeet Agarwal of CLSA. Inderjeet, please go ahead.

Inderjeet Agarwal – CLSA: Thank you for the chance. I have a couple of questions. First, of the 12,000 crore capex in India, can you split it by project? Broadly.

Management: Inderjeet, it is very difficult to give offhand those kinds of numbers, but effectively there are certain downstream expansion projects that are going on, be it the tinsplate, wires, and so on. There is HR Gal, HR PGL in Tarapur. Then there is a coke ovens project which is in Jamshedpur. There is a tail-end of the payment that has to be done as far as Kalinganagar is concerned, and then there are the sustainable projects. There is some allocation for NINL. All of those make up for it. Then there are also projects on the mining side. All of that taken into account is 12,000 crores. If you are looking at whether we have allocated money for NINL, the answer is yes.

Inderjeet Agarwal – CLSA: That's helpful. So after the 2 million ton increase this year, over the next 2–3 years, we will hardly have any volume growth in India. Is that understanding correct? Or what kind of volume growth can we have in India, let's say from FY27 to FY30?

Management: There are two or three things here. One is, of course, once the EAF comes, we can use those slabs to convert into finished products in India, and there are some projects that we are thinking of in terms of a plate mill and various other downstream. That is one possibility. The other thing is, more than the volume growth, we will have a lot of value growth because of all the projects that Kaushik just mentioned. In terms of the HR PGL line, which is a 0.8 million ton line, the tinsplate capacity is another 0.3–0.4 million tons of capacity, and the tubes and wires which we will be value-adding during the time. You will see a higher percentage of downstream in our mix. The steelmaking may be close to where it is till the big volumes come up in Neelachal. We also plan that in the next year or so we will announce the next EAF project, possibly in Maharashtra, and that is something also which can be built like you saw in Ludhiana—we built that in 2 years. So that can come up quite fast.

Operator: Thank you, sir. Before we take the next question, I would like to remind the participants to please limit your audio question to two per participant. The next question is from Tarang Agrawal of Old Bridge Capital. Tarang, please go ahead.

Tarang Agrawal – Old Bridge Capital: Hi. Good afternoon. Am I audible?

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Operator: Yes, please.

Tarang Agrawal – Old Bridge Capital: Okay. Sir, on the India business, we see end-use consumption in the retail sector slowing down from what you've delivered over the past 2 years. It used to be about 2.8 million tons about 2 years back, then moved to 3.4 and about 3.5 million tons this year. While in your opening comments you did allude to Tiscon and Steelium achieving record volumes, I just wanted to get some clarification in terms of what's happening in those end-use sectors.

Management: As far as Tiscon is concerned, we sell Tata Tiscon to projects and we sell Tata Tiscon to retail. Retail for us is far more attractive than projects. Over the years we have increased or pretty much doubled our sales to retail, which was at one point in time 100,000–120,000 tons a month and is today over 200,000 tons a month. While the overall Tiscon may not have grown, the mix has changed very significantly.

You would see the Tata Tiscon to projects has come down because that is a little bit more price-driven market. As far as Steelium is concerned, a lot of the Steelium sales will also depend on further value addition options. As the galvanizing lines come up in Kalinganagar, we will have less cold-rolled to sell. If we have cold-rolled, we would rather sell it to auto because that gives us better realizations than to sell it to distribution, or we sell it as galvanized, which gives us better realizations than selling cold-rolled as it is. You will see this going up and down depending on what the right product mix is to sell. That may be what you're seeing in the numbers, but we can get back more specifically because I don't remember the exact numbers at a product level.

Tarang Agrawal – Old Bridge Capital: Is Ashiana a channel for the retail end-use consumption?

Management: Yes. The customers who buy on Ashiana are individuals—the individual house builder is a target market for us as far as retail is concerned. That is where we sell more than 200,000 tons of Tata Tiscon. It is an order generation platform. People come on the platform and place the order, and the fulfillment is done by our physical distribution chain. Anywhere in India, within 72 hours, if you place the order, you will get the steel through our dealer network, which has over 10,000 dealers now across the country. And this is exclusively only Tata products. It includes steel, Pravesh, tubes, wires, everything. 90–95% of the sale is Tata Tiscon.

Operator: Thank you, sir. The next question is from Amit Dixit of Goldman Sachs. Amit, please go ahead.

Amit Dixit – Goldman Sachs: Am I audible?

Operator: Yes, please.

Amit Dixit – Goldman Sachs: Two questions. One is on the capacity expansion plans. If we look at your annual reports over the last 5 years, it has been vacillating between 35 to 40 million tons of India capacity by FY30. We have significant brownfield optionality, maybe more than our peers in India, and we have decades of experience. Why can't we pursue parallel expansions across our projects? Brownfield expansion, replicating the similar furnace, and of course not ceding the market share to the peers. Balance sheet is in a great state now at 2.3 times net debt to EBITDA and 10,000 crores of free cash flow last year, and India consumption is expected to double by FY32. What is

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stopping us?

Management: Thanks, Amit. You are right. The optionality today is that we can operate parallelly, whereas when you had only Jamshedpur, you had to operate sequentially. When we had Kalinganagar, you could operate parallelly in two sites. Now we can operate parallelly in four sites. The Neelachal expansion of 5 million tons—the blast furnace will be an exact replica of the 5 million ton blast furnace that we have in Kalinganagar. We are replicating assets wherever we can. The steel melt shop will be different because it is a long products plant. Parallelly we are working on the Bhushan 1.5 million ton expansion, which will take it to 6.5 million tons.

There is a change in the way we do projects. Earlier we used to announce a project and then get all the approvals. Now we announce a project only after we get all the approvals and we have an FEL3 level of detailing. Our ability to stick to the schedule and the cost is then very high because we've gone into a great level of detail. That is been a difference in approach than what we did traditionally. That's why you see the announcements happening only when we have all the approvals in place and an FEL3 level of readiness; once we announce it, then we can move much faster.

Case in point is the Ludhiana project. We built it in 2 years because FEL3 level of detailing was done and all the approvals were in place. We announced the board approval about 2 years back. We were supposed to get it started in April this year and we started it in March. We expect going forward all the projects that Kaushik talked about—the HR galvanizing line, the tinplate line, or the combi mill that we recently commissioned—will follow this approach to compress the execution time and do it on time with no overruns when all approvals are in place.

Strategically we feel it is not just about steelmaking capacity. Let's understand one thing, the cost of iron ore in India is going up. The value pools will shift. Value pools are not necessarily upstream going forward. Some of those value pools will shift downstream. We have been buffered a bit because we have had our own iron ore, but if you generally look at the cost of iron ore in India, it is really going up. Everyone is bidding over 100% to acquire the iron ore. The cost of coal will keep going up because India has no choice but to import a lot of coking coal. With the rupee where it is, input costs for steelmaking are going up. We need to focus a lot more on the downstream than we have done. We probably have a good downstream presence compared to many of our peers, but we want to do even more. That is why we feel that this is an area which we need to grow much faster than in upstream. A lot of our focus on investments over the last year, whether it is acquiring JV partners or building new facilities, has been on that.

The third thing is we want to strengthen our entire value chain. As Kaushik just mentioned, even in logistics—we are buying out some of our partners because we want to control the entire value chain, which can help us in our competitiveness. The way we deploy capital and the way we see the value may be different from the way some of our peers see it, but we have the optionality. Even with the current sites we have the optionality to go to 45–50 million tons. If at some point of time we see that there is still a lot of money upstream despite the iron ore prices, you can always do it.

We also need to keep in mind the capacity to execute projects in India. You are going to the same two or three people to execute on the projects. You don't want to get stuck doing multiple projects which can't happen as you plan. We believe having that optionality open with brownfield keeps the cost of expansion lower and you can pace it better. When you acquire, like we did for Bhushan, you

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have a single bullet of 35,000 crores going in and your balance sheet gets disturbed. But when you do this, the cash flows that we generate in India more than take care of what we need to spend. That is our point of view.

Amit Dixit – Goldman Sachs: The second question is on TMILL in increasing stake over there. I would say a very prudent move. Logistics is something that we are literally struggling with in the steel industry. What kind of investments are we seeing over there, in either slurry pipelines or rake procurement or any such thing to do with logistics?

Management: When TMILL started, it was actually started as a port operations and shipping kind of logistics company. But today 80% of its revenue comes from rail. It is one of the biggest operators in the country and it operates about 55 rakes now. A lot of our movement is through TMILL. It also manages a lot of warehouses for us to do just-in-time delivery for our procurement. TMILL is also looking at waterways movement because the government is looking at the waterways connecting Kalinganagar to Paradip and Angul. Logistics is a very important part of our cost; Tata Steel is 5% of the freight revenue of Indian Railways. Because we move so much iron ore, coal, and steel, common sense says logistics are very important and hence we thought that we should simplify as much as possible. Now we are buying out IQ, which is a German company that has been with us for more than 20 years. We still have NYK with us. With NYK we have another company called Tata NYK which does the shipping. Tata NYK does the shipping, and TMILL, which is Tata Steel and NYK going forward, will do a lot more on the ground.

Management: TMILL is very strategic. When you talked about the slurry, our slurry company is the JV that we have with Lloyds, BRPL, and we will expand that slurry pipeline. We are looking at that transport and logistics very importantly. We will look at doubling capacity there. The entire logistics space, between rail logistics, waterways logistics, and slurry, are the three very important ones that will be the frame going forward. It was best that we consolidate our holding versus keeping it at 50%. It was already a JV with 51% holding. It will go to 74% and NYK is the balance. We will look at the next stage of growth in our logistics and want to make it integral to our growth plans. It has been a profitable venture for all the three partners; the capital has been returned many times over. It is a question of now making it the larger landscape, and BRPL will look at the slurry pipeline as one of the key areas to grow in the future, not just in the East, but potentially later on in Western India also.

Operator: Thank you, sir. The next question is from Ashish Kejriwal of Nuvama. Ashish, please go ahead.

Ashish Kejriwal – Nuvama: Sir, two questions from me. One, when we guide about 6,000 rupees price increase in first quarter, I hope we are including our auto contracts also, or this is over and above that?

Management: This includes part of the auto contracts, but most of the benefit from the auto increases will come in Q2. We will get some of it in Q1.

Ashish Kejriwal – Nuvama: Great. And secondly, we were discussing about value addition as a way forward for our Indian business, but at the same time we haven't discussed much on the Maharashtra venture. Any update on that project?

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Management: On Maharashtra, we identify the land. We identify mining sites. We will be talking about it as we get more into finality. Hopefully in the next 3 months or so we will give you an update in the Q1 meeting about where we are on the land and more specifics about it. I don't want to say it now because we need to get formal approvals in place. In Maharashtra specifically, it is not being circumspect; it is actually a more definitive part. We know exactly what we want to do. The government is on our side in terms of supporting these investments. We have to work together and make it more definitive and then we will make those investments. It is a question of how we pace it up, and in Maharashtra in particular, I will be able to give you more specifics in the next call.

Ashish Kejriwal – Nuvama: Sure. Lastly on Europe. If I understand correctly, now we may have to purchase coke from the market in case if we have to close it. If we need to close our blast furnace to reduce emissions and don't reach an agreement with the government, do you think we will close down or look for a joint venture, or can we go ahead with the investment to reduce the carbon emissions?

Management: We have a very detailed work done as to how it will get closed and that is being shared with the regulators and the environmental agencies. That is why we have a path to go forward. It is not in the next 12 months; it will require time. We are in discussion regarding that time because there is a way in which we can do it by segregating the coke oven circuit to the rest of the plant and also ensuring that it is a make-safe closure. If that happens, then there is a path forward which is the best path at this point of time. There will be cost penalties, but the way we will optimize it within the overall Tata Steel system, we should be okay. If it goes beyond that, then we will have to look at different alternative scenarios and what actually works for both for the Tata Steel Netherlands business and its business continuity as well as for Tata Steel as a primary shareholder.

Operator: Thank you, sir. The next question is from Ritesh Shah of Investec. Ritesh, please go ahead.

Ritesh Shah – Investec: Thanks for the opportunity. Can you give color on the 6,000 rupees of pricing increase into Q1, if you could break it up by April, May, and probably the pass-through from Q4?

Management: Rather than give you month-wise, I can say that prices went up in March and April. Long products have some softening, largely driven by the secondary producers. There is some pressure in long products in May. Flat products are still holding out because prices in China have gone up about 20-25 dollars in the last 3-4 weeks. International prices are going up. Indian flat product producers also have export options now, and export prices are not too bad. Flat products appear better overall; they are very auto-driven and auto so far has been strong. Long products are a little bit more sensitive to construction. Construction has struggled a bit in the last couple of months simply because of the elections and labor going home to vote. The guidance of 6,000 is largely driven by what we have seen so far till May. We are not expecting any significant upside beyond May, apart from the auto contracts. Auto contracts are still being finalized and normally you raise the debit notes once they are finalized, so some of the money will come in in the next quarter. We are expecting maybe 30% of the benefit to come in this quarter and 70% of the benefit to come in next quarter.

Ritesh Shah – Investec: Wonderful. My second question is on Tata Steel Netherlands and UK. Kaushik, there are multiple permutations for Netherlands coke oven, gas plants, and CBAM. How

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should we look at normalized spreads if one had to assign a scenario with a higher probability? How should one understand the impact of CBAM?

Management: For Netherlands, our base assumption for spreads is business as usual for the next 12 months at least. Whatever you have seen in the historical spread adjusted for the CBAM uplift happening in the market today and for the coal prices that have moved up—the spreads are no different. There is no adjustment of any combination that we have in our base case scenario for financial year 2027 and financial year 2028. We have to look at the conversations currently happening with the regulator to see the timing, because there is a physical timeline required to make a safe and controlled closure.

UK typically, if you look at it post-EAF, good EAFs work in the range of 6–8% EBITDA margin. Our assumption is the same. But we have more value-added products in the portfolio, so we should be able to get better than that. Fixed costs are anyway being driven down. When the EAF comes in, it should not have any big changes in fixed cost, but power and scrap will replace the cost of slabs or hot-rolled being bought at this point of time.

Operator: Thank you, sir. I would now like to hand over the conference to Ms. Samita Shah for the chat questions. Over to you, ma'am.

Management: Continuing on the questions on UK, there are a couple around this. In terms of the import quota reduction which has happened in the UK, how does it affect the sale of slabs from India to UK? Also, when do we expect UK to break even given the increase in prices?

Management: Slabs are excluded from quotas. Regarding the break-even, given that prices have gone up significantly since March, the prices in UK have caught up with the prices in Europe—in fact they are slightly higher. The EBITDA losses will shrink this quarter compared to last quarter and will shrink again next quarter. Whether it shrinks enough to be positive next quarter is something we are still working out because the Middle East impact on gas prices and energy costs in UK is something that is being calculated. We are heading in the right direction because we have the policy support that we had sought.

Management: Thank you. Given the guidance we have given in both Europe and UK, is there significant spread expansion expected in both these geographies?

Management: Prices are going up in both places. Q1 prices will be about 80 pounds higher per ton in UK compared to Q4 and in Netherlands it will be about 80 euros per ton higher. Coal costs in Netherlands are going up by about 10 dollars. There is an expansion from that point of view. EBITDA losses in UK should shrink and come closer to zero during this quarter and next quarter. In Netherlands this quarter, because we will lose about 2 months of DSP production—about 200,000 tons of production—there is an impact on our performance. While we will be EBITDA positive, we will not see a better EBITDA than in the previous quarter despite the price hike. Once the operation gets back to normal, we will start seeing the benefits of that. Overall the plan this year on an EBITDA basis is higher than the plan for last year in Netherlands also.

Management: Thank you. Some questions on the lawsuit in Tata Steel Netherlands—if there is any update on the status there, please.

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Management: There is no material update other than the fact that we have time to file our defense on the mass claim. Experts are studying the parts raised in the claim, and we are working on it. When we have to submit, we will do the submission and defend it.

Management: Thank you. We will move to India now. Some questions on the iron ore and coal production in India in FY26.

Management: Iron ore would be close to 45 million tons.

Management: Yes, it is about 44 million tons.

Management: We will about 45 million tons and I think we have sold about 4 million tons. We will continue to produce what we need for our own use and maximize sales. The challenge in iron ore is always about logistics and evacuating the material; when we have logistics constraints, the priority is on our own in-house consumption. As far as coal is concerned, after washing, we have roughly about 3 million tons of coal available for consumption. What we produce as raw coal is maybe closer to 6 million tons.

Management: Visibility on iron ore sourcing post-2030—is there any color around that that we can provide?

Management: We will continue to participate in auctions but we will be prudent and will not bid beyond what makes sense. We will focus on the iron ore leases available closer to Eastern India because most of our capacity is coming in the East. The second part of the post-2030 strategy is hinged on iron ore availability in Maharashtra. The third part of the plan is to look at imports. We have already got a shipment from Canada with very high-quality ore. While that may not be the most important part of our plan post-2030, it allows us to test the logistics and the impact that good quality iron ore has. Indian ore quality is not necessarily the best due to high alumina. With low alumina, you can have better value in use. We are looking at imports also as an option. With most of our capacity moving closer to the sea at Kalinganagar, Neelachal, and Bhushan, imports become a better option than for an inland site like Jamshedpur.

We also have the optionality of our own leases when they come up for bidding in 2030. We will decide on what should be a bidding strategy for our own leases and what we want to keep.

Management: Thank you. Is there any update on the Hysarna project and our thought on this going forward?

Management: The Hysarna and Easy Melt projects are very important for the future. The advantage of Hysarna is it can use any raw material including poor quality iron ore and poor quality coal. You don't need a coke oven or a sinter plant. We have been at it for more than 10 years and our pilot plant in Netherlands is doing quite well. We are also working with Nucor on this project. They are also very keen to build a plant in the US because they need iron feed into their electric arc furnaces. We have the opportunity to set up a commercial scale plant in India which may be close to a million tons. Nucor will work very closely with us and the engineering is being done for that. We are very excited about this project and it can be a game changer because it gives you even more optionalities as far as raw materials are concerned.

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Tata Steel

16 May 2026

Management: Thank you. And the last question for today—what is the amount of the foreign exchange debt in India?

Management: Is it 18% of the consolidated?

Management: That is 17,000 crores.

Management: The foreign exchange debt in India is somewhere around 5,000–6,000 crores. It is 750 million of that ECB and to clarify, it is fully hedged. We don't have a currency exposure on that.

We have taken most of the questions. Thank you everyone for your participation today, especially on a Saturday. I hope this helped you better understand the results and look forward to connecting with you next time. Thank you and goodbye.

Management: Thank you for joining us. Thanks.

Management: Thank you very much.

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