

Mumbai, May 03, 2022

## Tata Steel reports highest ever consolidated EBITDA at Rs 63,830 crores; Net debt to EBITDA improves to 0.8x

### Highlights:

- Highest ever consolidated EBITDA of Rs 63,830 crores with an EBITDA per ton of Rs 21,626. Profit after tax stood at Rs 41,749 crores
- Consolidated Free Cash Flow was Rs. 27,185 crores despite an increase in working capital of Rs. 9,618 crores, capex of Rs. 10,522 crores and taxes of Rs. 11,902 crores
- Gross debt stood at Rs.75,561 crores with net repayments of Rs.15,232 crores. Net debt declined to Rs.51,049 crores. Net debt to EBITDA improved to 0.80x; Net debt to equity improved to 0.52x.
- The 6 MTPA Pellet plant at Kalinganagar will be commissioned in 3QFY23 followed by the Cold Roll Mill complex and the 5 MTPA expansion.
- India<sup>1</sup>:
  - Achieved highest ever annual crude steel production of 19.06 million tons, with a growth of 13% YoY. Highest ever deliveries of 18.27 mn tons despite COVID 2<sup>nd</sup> wave related disruption early in financial year.
  - Broad based improvement in sales volume was witnessed across segments. Automotive was up 27% YoY, Branded Products and Retail was up 11% YoY while Industrial products & projects was up 11% YoY.
  - EBITDA stood at Rs.52,745 crores, translates to an EBITDA per ton of Rs 28,863
- Europe operations:
  - Revenues increased by 54% YoY to £8,876 million.
  - EBITDA stood at £1,199 million, translates to an EBITDA per ton of £133.
- The Board of Directors recommends a dividend of Rs. 51 per fully paid equity share and Rs 12.75 per partly paid equity shares. A 10:1 stock split is also recommended.

### Financial Highlights:

Key profit & Loss account items (All figures in Rs. Crores unless specified)	India <sup>1,2,3</sup>					Consolidated <sup>2,3,4</sup>				
	4QFY22	3QFY22	4QFY21	FY22	FY21	4QFY22	3QFY22	4QFY21	FY22	FY21
Production (mn tons) <sup>5</sup>	4.90	4.81	4.75	19.06	16.92	7.62	7.76	8.02	31.03	28.54
Deliveries (mn tons)	5.12	4.42	4.67	18.27	17.30	8.01	7.01	7.83	29.52	28.50
<b>Turnover</b>	<b>38,480</b>	<b>33,641</b>	<b>28,902</b>	<b>135,823</b>	<b>88,883</b>	<b>69,324</b>	<b>60,783</b>	<b>50,028</b>	<b>243,959</b>	<b>156,477</b>
Reported EBITDA	12,539	12,422	12,228	52,745	28,494	15,174	15,853	14,290	63,830	30,892
Reported EBITDA (Rs. per ton)	24,469	28,116	26,179	28,863	16,467	18,937	22,610	18,253	21,626	10,838
<b>Adjusted EBITDA<sup>6</sup></b>	<b>11,942</b>	<b>12,434</b>	<b>12,228</b>	<b>51,848</b>	<b>28,494</b>	<b>15,891</b>	<b>15,890</b>	<b>13,933</b>	<b>65,483</b>	<b>28,926</b>
Adjusted EBITDA (Rs. per ton)	23,305	28,144	26,179	28,372	16,467	19,832	22,663	17,797	22,186	10,148
PBT before exceptional items	10,800	10,600	9,972	45,211	18,483	12,139	12,359	10,348	50,361	14,887
Exceptional Items (gain)/loss	76	193	(949)	263	(741)	274	193	991	134	1,043
<b>Reported Profit after Tax</b>	<b>7,899</b>	<b>7,787</b>	<b>8,470</b>	<b>33,641</b>	<b>17,650</b>	<b>9,835</b>	<b>9,598</b>	<b>7,162</b>	<b>41,749</b>	<b>8,190</b>

1. India includes Tata Steel Standalone and Tata Steel Long Products on proforma basis without inter-company eliminations; 2. Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel. 3. Figures for previous periods have been regrouped and reclassified to conform to classification of current period, where necessary. 4. 4QFY21 figures have been restated consequent to the re-classification of South East Asia operations from "Held for Sale" to "Continuing Operations"; 5. Production numbers for consolidated financials are calculated using crude steel for India, liquid steel for Europe and saleable steel for SEA; 6. Adjusted for fair value changes on account of FX rate movement on loan given to T Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at TS Global Holdings

## Management Comments:

### Mr. T V Narendran, Chief Executive Officer & Managing Director:

“Tata Steel has again demonstrated its ability to deliver stellar results despite heightened complexity in the face of COVID as well as geopolitical tensions. Our Indian business showed broad based growth across our chosen segments due to our sustained focus on customer relationships, our distribution network and our portfolio of brands supported by our agile business model. Our European operations delivered robust performance as the transformation programme undertaken helped to leverage the strong business environment. We have pursued several initiatives to de-risk the business particularly across procurement and supply chain and continue to invest in technology and digitisation to drive productivity and improve our resilience. Kalinganagar expansion is progressing well and will drive cost savings as well as product mix enrichment. The acquisition of Neelachal Ispat Nigam Limited will be closed in 1QFY23 and we will scale it up rapidly to drive expansion of our high value retail business. I am happy to share that Tata Steel has been recognised as Steel sustainability champion for the fifth year in a row by the WorldSteel.”

### Mr. Koushik Chatterjee, Executive Director and Chief Financial Officer:

“We have closed the financial year with consistent and record operating and financial performance for the year, surpassing the previous best in FY21, with EBIDTA being 2x and Profit after Tax being >5x the previous year. This is despite the significant surge in international coal prices and inflationary impact of various commodities. Our full year consolidated revenues stood at Rs 2,43,959 crores and EBIDTA was Rs 63,830 crores which works out to a margin of 26% and EBITDA per ton of Rs 21,626. Our cash outflow for the capex in the year was Rs 10,522 crores, which is well within our earlier guidance. We continue to focus on deleveraging while advancing on our strategic growth priorities – our focus is on completion of the Kalinganagar expansion. Tata Steel has generated strong free cash flows of Rs 27,185 crores for the year despite higher working capital, taxes, and capex. While the Indian business continued to perform strongly with EBITDA margin of 39% and an EBITDA per ton of Rs 28,863, our European business generated the highest ever EBITDA of £1,199 million (Rs 12,164 crores) which translates to an EBITDA per ton of £133. We have repaid Rs 15,232 crores during the year. As a result of the strong financial performance, our Net Debt to EBIDTA has further improved to 0.8x and our financial metrics continue to be well within investment grade level. As part of the overall policy to reward the shareholders the Board has recommended a record dividend of Rs 51 per share and have also recommended the splitting of the shares to Rs 1 per share face value in a 10:1 split”

## About Tata Steel

Tata Steel is among the top global steel companies with an annual crude steel capacity of 34 million tonnes per annum. It is one of the world's most geographically diversified steel producers, with operations and commercial presence across the world. The group recorded a consolidated turnover of US \$32,836 million in the financial year ending March 31, 2022. **A Great Place to Work-Certified™** organisation, Tata Steel Ltd., together with its subsidiaries, associates, and joint ventures, is spread across five continents with an employee base of over 65,000. Tata Steel has been a part of the DJSI Emerging Markets Index since 2012 and has been consistently ranked amongst top 10 steel companies in the DJSI Corporate Sustainability Assessment since 2016. Besides being a member of ResponsibleSteel™, worldsteel's Climate Action Programme and World Economic Forum's Global Parity Alliance, Tata Steel has won several awards and recognitions including the World Economic Forum's Global Lighthouse recognition for its Jamshedpur, Kalinganagar and IJmuiden Plants, and Prime Minister's Trophy for the best performing integrated steel plant for 2016-17. The Company, ranked as India's most valuable Metals & Mining brand by Brand Finance, featured amongst CII Top 25 innovative Indian Companies in 2021 and top 10 sustainable organisations of India Hurun Research Institute in the 2021 Capri Global Capital Hurun India Impact 50, received Steel Sustainability Champion recognition from worldsteel for five years in a row, 'Most Ethical Company' award 2021 from Ethisphere Institute, RIMS India ERM Award of Distinction 2021, Masters of Risk - Metals & Mining Sector recognition at The India Risk Management Awards for the sixth consecutive year, and Award for Excellence in Financial Reporting FY20 from ICAI, among several others.

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