

Mumbai, February 06, 2023

## Tata Steel Consolidated EBITDA of Rs 25,472 crores for the first nine months of the financial year; Net debt stands at Rs 71,706 crores

### Highlights:

- Consolidated Revenues in the first nine months of the financial year were up 3% YoY to Rs 1,80,391 crores despite volatile operating environment across geographies. Consolidated EBITDA stood at Rs 25,472 crores, with an EBITDA margin of ~14%. Consolidated Profit after Tax stood at Rs 6,509 crores.
- During the quarter, Consolidated Revenues stood at Rs 57,084 crores and EBITDA was Rs 4,154 crores, with an EBITDA margin of ~7%. Profitability was affected by sharp drop in realisations and spreads in Europe.
- The company spent Rs 3,632 crores on capex during the quarter. At Kalinganagar, phased commissioning of 6 MTPA pellet plant has begun. Work on 2.2 MTPA Cold Roll Mill complex and 5 MTPA expansion is ongoing.
- In Punjab, work has commenced on enabling activities with respect to 0.75 MTPA Electric Arc Furnace, which is an important milestone in our journey to reduce emissions.
- Net debt stood at Rs.71,706 crores, with Net Debt to EBITDA at 1.76x and Net Debt to Equity at 0.65x.
- The British Steel Pension Scheme (BSPS) with Tata Steel UK as Sponsor has completed a substantial part of its de-risking journey with ~60% of its liabilities insured. The buy-in transaction along with actuarial movements has resulted in a non-cash deferred tax expense of Rs 1,783 crores and increased the overall deferred tax expense for the quarter to Rs 2,150 crores.
- India<sup>1</sup> deliveries stood at 4.74 million tons and were up 7% YoY primarily driven by 11% growth in domestic deliveries, which has also enabled an improvement in product mix.
- Neelachal Ispat Nigam Limited (NINL) has begun operations and is being ramped to rated capacity of around 1 MTPA. Tata Tiscon rebars are being made from NINL billets.

### Financial Highlights:

Key Profit & Loss account items (All figures are in Rs. Crores unless stated otherwise)	India <sup>1</sup>			Consolidated		
	3QFY23	2QFY23	3QFY22	3QFY23	2QFY23	3QFY22
Production (mn ton) <sup>2</sup>	5.00	4.80	4.81	7.56	7.56	7.76
Deliveries (mn ton)	4.74	4.91	4.42	7.15	7.23	7.01
<b>Turnover</b>	<b>32,325</b>	<b>34,114</b>	<b>33,641</b>	<b>57,084</b>	<b>59,878</b>	<b>60,783</b>
EBITDA	4,982	4,907	12,422	4,154	6,271	15,853
EBITDA per ton (Rs. Per ton)	10,510	9,986	28,116	5,806	8,673	22,610
<b>Adjusted EBITDA<sup>3</sup></b>	<b>4,412</b>	<b>3,929</b>	<b>12,434</b>	<b>2,727</b>	<b>5,817</b>	<b>15,890</b>
Adjusted EBITDA per ton (Rs. Per ton)	9,305	7,997	28,144	3,812	8,045	22,663
PBT before exceptional items	2,732	2,779	10,600	243	2,625	12,359
Exceptional Items (gain)/loss	7	19	193	(160)	19	193
Profit after Tax	1,918	1,993	7,787	(2,502)	1,297	9,598
<b>Underlying PAT<sup>4</sup></b>	<b>1,918</b>	<b>1,993</b>	<b>7,787</b>	<b>(332)</b>	<b>1,438</b>	<b>9,242</b>

1. India includes Tata Steel Standalone and Tata Steel Long Products on proforma basis adjusted for intercompany purchase and sale;

2. Production numbers for consolidated financials are calculated using crude steel for India, liquid steel for Europe and saleable steel for SEA;

3. Adjusted for changes on account of FX movement on intercompany debt / receivables; 4. Adjusted for one off tax charges

## Management Comments:

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

“Tata Steel has delivered steady growth in India volumes despite the volatile operating environment. Domestic deliveries stood at around 13.7 million tons in the first nine months of the financial year and were up 4% YoY. Broad based growth was witnessed across most segments. For the quarter, domestic deliveries were up 11% YoY and grew at a faster pace than India apparent steel consumption aiding in retaining market leadership position across chosen segments. Our crude steel production touched 5 million tons in 3QFY23 for the first time in India, with Neelachal Ispat Nigam limited commencing operations. We are presently expanding our capacities across multiple sites at Tata Steel Kalinganagar, Neelachal Ispat Nigam Limited and the Electric Arc Furnace at Ludhiana in Punjab and at our downstream plants across India. Moving to Europe, our deliveries were lower in 9MFY23 due to slowdown in demand. Recession concerns weighed on steel prices, which coupled with elevated energy costs affected our performance. Looking ahead, there is visible pick up in steel prices across key regions on improved China demand outlook and sustained spending on infrastructure in India. We continue to progress on our sustainability journey to achieve net zero by 2045 through multiple pathways. Finally, I am happy to share that World Economic Forum has recognised Tata Steel as Global Diversity Equity & Inclusion Lighthouse and we have also been awarded Great Place to Work certification for the sixth time in a row.”

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

“Global steel prices have witnessed steady moderation amidst inflationary pressures and concerns about economic slowdown in the first nine months of the financial year. Despite this, our consolidated revenues were up 3% YoY to Rs 1,80,391 crores and EBITDA stood at Rs 25,472 crores, which translates to an EBITDA margin of 14%. Standalone EBITDA margin was higher at 21%. During the quarter, Consolidated revenues stood at Rs 57,084 crores and EBITDA was Rs 4,154 crores. In India, steel prices were subdued even as raw material costs moved lower. While this increased margins at standalone operations from around 16% in 2Q to ~18% in 3Q, European operations witnessed margin compression due to lower realisations and elevated input costs. Free cash flow generated for the quarter stood at Rs 1,588 crores largely due to favourable movement in working capital. We continue to invest in capacity growth in India, taking our capital expenditure to Rs 3,632 crores for the quarter and Rs 9,746 crores for the year to date. Our net debt has remained broadly stable on QoQ basis at Rs 71,706 crores and our liquidity position remains strong. We made further progress on derisking the British Steel Pension Scheme (BSPS) by expanding our insurance coverage on liabilities from 30% to 60%. Depending on market conditions, the residual insurance of 40% of liabilities will be completed in the first half of the calendar year 2023 and there will be a commensurate non-cash deferred tax expense. We continue to remain focused on cost optimisation, operational improvements and working capital management to maximise cashflows and are making progress on proposed merger of seven listed and unlisted entities.”

## About Tata Steel

Tata Steel is among the most geographically diversified steel producers in the world and is one of the top global steel companies with an annual crude steel capacity of 34 million tonnes per annum and has operations and commercial presence across the world. The group recorded a turnover of US \$32.8 billion 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 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.

To know more, visit [www.tatasteel.com](http://www.tatasteel.com) and [www.wealsomaketomorrow.com](http://www.wealsomaketomorrow.com).

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