

Mumbai, July 25, 2022

**Tata Steel reports consolidated EBITDA at Rs 15,047 crores;
Net debt to EBITDA <1.0x**

Highlights:

- Consolidated EBITDA of Rs 15,047 crores. On QoQ basis, EBITDA margin improved to 24% while EBITDA per ton increased by Rs 3,780 to Rs 22,717.
- Consolidated Profit after tax stood at Rs.7,714 crores.
- Net debt of Rs.54,504 crores. Net Debt to EBITDA at 0.87x and Net Debt to Equity at 0.48x.
- The 6 MTPA Pellet plant at Kalinganagar will be commissioned in 3QFY23 followed by the Cold Roll Mill complex and the 5 MTPA expansion.
- Tata Steel Long Products, a subsidiary of Tata Steel, has completed the acquisition of Neelachal Ispat Nigam Limited on 4th July 2022.
- India¹:
 - Deliveries were marginally lower by 2% YoY due to moderation in exports following the imposition of 15% export duty. Consequently, domestic deliveries were successfully ramped up by leveraging our strong marketing network and agile business model.
 - Revenue per ton rose by Rs. 8,534 QoQ to Rs. 83,625 per ton due to long term contracts and product mix.
 - Reported EBITDA stood at Rs.9,582 crores, which translates to an EBITDA per ton of Rs 23,557.
- Europe operations:
 - Revenue per ton increased by £154 QoQ to £1,248 per ton due to long term contracts and product mix.
 - Achieved highest ever quarterly EBITDA at £621 million, which translates to an EBITDA per ton of £290.

Financial Highlights:

Key Profit & Loss account items (All figures are in Rs. Crores unless stated otherwise)	India ^{1,2,3}			Consolidated ^{2,3}		
	1QFY23	4QFY22	1QFY22	1QFY23	4QFY22	1QFY22
Production (mn ton) ⁴	4.92	4.90	4.63	7.74	7.62	7.88
Deliveries (mn ton)	4.07	5.12	4.15	6.62	8.01	7.11
Turnover	34,015	38,480	29,377	63,430	69,324	53,465
Reported EBITDA	9,582	12,539	13,924	15,047	15,174	16,185
Reported EBITDA per ton (Rs. Per ton)	23,557	24,469	33,568	22,717	18,937	22,779
Adjusted EBITDA⁵	8,270	11,942	13,595	14,348	15,891	15,892
Adjusted EBITDA per ton (Rs. Per ton)	20,332	23,305	32,774	21,661	19,832	22,366
PBT before exceptional items	7,903	10,800	11,881	11,945	12,139	12,259
Exceptional Items (gain)/loss	55	76	(153)	39	274	182
Reported Profit after Tax	5,783	7,899	9,112	7,714	9,835	9,768

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. Production numbers for consolidated financials are calculated using crude steel for India, liquid steel for Europe and saleable steel for SEA; 5. Adjusted for fair value changes and revaluation of offshore liabilities on account of FX rate movement

Management Comments:

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

“This has been a challenging quarter for the Global and Indian economy with rising interest rates, supply chain constraints and slowdown in China due to COVID. Despite these multiple headwinds, Tata Steel has delivered a strong performance with an improvement in margins. Our strong marketing franchise and superior business model in India enabled us to successfully pivot and increase our domestic deliveries to counter the 15% duty imposed on steel exports in the middle of the quarter. We continue to drive value accretive growth in India backed by investments in customer relationships, brands and distribution networks and remain well positioned to benefit from the buoyant automotive & retail housing demand and the government spend on infrastructure. Our European business delivered a sharp improvement in performance as long term contracts and product mix helped drive a strong increase in realizations. We are geared towards commissioning the 6 MTPA pellet plant at Kalinganagar in 3QFY23 which will drive cost savings followed by the CRM complex and the 5 MTPA expansion project. Our subsidiary, Tata Steel Long Products, has completed the strategic acquisition of Neelachal Ispat Nigam Limited and will drive growth of our long products business. We continue to progress on our sustainability journey and are committed to being net zero by 2045. We are also focused on making Tata Steel more diverse & inclusive and were ranked 3rd among manufacturing companies by Great Place to Work in India.”

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

“Tata Steel continues to deliver operationally and financially despite the complex operating environment, sudden impact of regulatory changes and the heightened volatility in commodity prices. Our Consolidated revenues for the quarter stood at Rs 63,430 crores and our consolidated EBITDA stood at Rs 15,047 crores, despite the sharp rise in input costs especially coking coal and gas prices in Europe. Our EBITDA margin increased QoQ from 22% to 24% and EBITDA per ton increased from Rs 18,937 to Rs 22,717. Consolidated PAT for the quarter stood at Rs 7,714 crores. In India, Standalone revenue stood at Rs 32,021 crores and EBITDA was Rs 9,616 crores. In Europe, we achieved highest ever quarterly EBITDA of £621 million, which translates to an EBITDA per ton of £290. We expect that volatility in terms of steel price and input cost movement to continue in the next quarter but expect the spreads to stabilise in the second half of the year. We spent Rs 2,725 crores on capital expenditure in line with our annual capex guidance as we progress on our Kalinganagar expansion. The volatility in commodity prices and immediate impact of the export duty in India have led to an increase in working capital but our cost improvement and other initiatives along with expected pickup in demand in the second half of the year should result in normalisation of working capital. In spite of significant working capital pressures, the Net debt stood at Rs 54,504 crores and our financial metrics continue to remain strong with Net debt to EBITDA <1.0x. We remain committed to our annual deleveraging target of \$1 billion in line with our capital allocation strategy to reduce our debt. I am happy to report that the 10:1 stock split has received the necessary approvals and the Company has set 29th July, 2022 as the record date to give effect to the split.”

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.

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