

Mumbai, May 05, 2021

**Tata Steel reports highest ever consolidated quarterly EBITDA;  
Net Debt declines by >28% in FY21**

**Highlights:**

- Consolidated EBITDA of Rs.14,290 crores and consolidated Profit after tax of Rs.7,162 crores in 4QFY21.
- Consolidated EBITDA of Rs.30,892 crores and consolidated Profit after tax of Rs.8,190 crores in FY21.
- Consolidated Free Cash Flows of Rs.8,826 crores in 4QFY21 and Rs.23,748 crores in FY21.
- Net debt decreased by Rs.29,390 crores to Rs.75,389 crores. Net debt to EBITDA improved to 2.44x and Net debt to equity improved to 0.98x.
- The Pellet plant and Cold Roll Mill complex at Kalinganagar is under construction. The 5mtpa expansion project has been restarted.
- India<sup>1</sup> operations –
  - Achieved highest ever quarterly crude steel production of 4.75 mn tons; registered a 3%QoQ growth in 4QFY21. FY21 production stood at 16.92 mn tons.
  - Steel deliveries grew 16%YoY to 4.67 mn tons in 4QFY21. FY21 steel deliveries increased to 17.31 mn tons despite the pandemic led disruption in 1QFY21.
  - Achieved highest ever quarterly EBITDA of Rs.12,295 crores with 40%QoQ and 2.7x YoY growth in 4QFY21. This translates into an EBITDA per ton of Rs.26,309 and an EBITDA margin of 40.9%. FY21 EBITDA was Rs.28,587 crores.
  - Tata Steel standalone also registered highest ever quarterly EBITDA at Rs.9,206 crores with 37%QoQ and 2.5x YoY growth in 4QFY21. This translates into an EBITDA per ton of Rs.27,828 and an EBITDA margin of 43.4%. FY21 EBITDA was Rs.21,952 crores.
  - Tata Steel BSL registered its highest ever quarterly EBITDA of Rs.2,583 crores which translates into an EBITDA per ton of Rs.21,648. Tata Steel Long Products also registered its highest ever quarterly EBITDA of Rs.506 crores which translates into an EBITDA per ton of Rs.29,439 respectively. TSBSL and TSLP FY21 EBITDA increased to Rs.5,481 crores and Rs.1,154 crores respectively.
  - Shareholders have approved the merger of Tata Steel BSL with Tata Steel. A joint “Scheme Petition” has been filed with the NCLT to sanction the scheme with effect from 1<sup>st</sup> April, 2019. The merger of Tata Metaliks and Indian Steel and Wire Products with Tata Steel Long Products is also underway.
- Steel deliveries at Tata Steel Europe grew 17%QoQ and 3%YoY to 2.47 mn tons in 4QFY21. EBITDA improved sharply to £125 million in 4QFY21.
- Tata Steel is committed to sustainability of operations and is taking initiatives to adopt best available technologies for decarbonization and water neutrality. Tata Steel and Tata Steel Europe have been recognized as Steel Sustainability Champion for 4<sup>th</sup> consecutive year by the Worldsteel Association.
- The Board of Directors recommended a dividend of Rs.25 per fully paid equity share and Rs.6.25 per partly paid equity shares.

<sup>1</sup>India includes Tata Steel Standalone, Tata Steel BSL Ltd. and Tata Steel Long Products Ltd. on proforma basis without inter-company eliminations

**Financial Highlights:**

Key profit & Loss account items (All figures in Rs. Crores unless specified)	India <sup>1</sup>					Consolidated				
	4QFY21	3QFY21	4QFY20	FY21	FY20	4QFY21	3QFY21	4QFY20	FY21	FY20
Production (mn tons) <sup>2</sup>	4.75	4.60	4.73	16.92	18.20	8.02	7.74	7.90	28.54	30.63
Deliveries (mn tons)	4.67	4.65	4.03	17.31	16.97	7.83	7.41	7.06	28.50	28.88
Turnover	30,070	25,211	19,493	91,037	82,125	49,977	41,902	36,009	156,294	148,972
Reported EBITDA	12,295	8,811	4,568	28,587	17,650	14,290	9,652	4,824	30,892	18,103
Adjusted EBITDA <sup>3</sup>	12,295	8,811	4,568	28,587	17,294	13,933	8,394	5,024	28,926	17,427
Reported EBITDA (Rs. per ton)	26,309	18,931	11,339	16,515	10,400	18,253	13,021	6,838	10,838	6,267
PBT before exceptional items	9,803	6,289	1,923	18,154	7,260	10,348	5,747	1,983	14,887	3,549
Exceptional Charges	949	(226)	(2,144)	2,773	(1,796)	(991)	(154)	(3,854)	(1,043)	(4,930)
Reported Profit after Tax	8,846	4,832	(563)	16,695	5,611	7,162	4,011	(1,615)	8,190	1,172

1. India includes Tata Steel Standalone, Tata Steel BSL Limited and Tata Steel Long Products Limited on proforma basis without inter-company eliminations; 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 fair value changes on account of FX rate movement on investments in T Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at TS Global Holdings

**Management Comments:****Mr. T V Narendran, CEO & Managing Director:**

“First half of financial year 2021 was a challenging period with the uncertainties and complexities brought on by the COVID-19 pandemic. Indian economy and domestic steel demand has been improving since then with accommodative policies, government spending and relaxation in mobility restrictions. Despite a slow start in first quarter, we managed to deliver strong performance in India with broad-based, market-leading volume growth supported by our agile business model. All our segments, especially automotive, have performed extremely well due to our continuous focus on building strong customer relationships, superior distribution network, brands, and new product developments. We are also making good progress on our various initiatives to de-risk the business while our digital marketing platforms are helping us reach new markets and be future ready. The second wave of COVID-19 in India is a risk and we are working to minimize the impact on our employees and communities while meeting the requirements of our customers.

We continue to work on our strategic priorities to maximize shareholders value. Work on the pellet plant and CRM complex at Kalinganagar is progressing well. We have also restarted our 5mtpa expansion project which should be completed in FY24.”

**Mr. Koushik Chatterjee, Executive Director and CFO:**

“The fourth quarter performance has been stand out in terms of both earnings and cash flows, and helped the company to report one of the highest underlying performance for the full year in spite of the pandemic related disruptions during the first half of the financial year. The quarterly consolidated EBIDTA of Rs 14,290 crores and free cash flows after capex of about Rs.8,800 crores demonstrates the strength of the India business which had an EBIDTA margin of 41%. With disciplined capital allocation and tight working capital management through the year, Tata Steel’s full year free cash flow after capex was around Rs 24,000 crores.

We have reduced our gross debt by over Rs 20,000 crores during the quarter and full year de-leveraging was about Rs 28,000 crores. As a result, the year-end net debt was Rs 75,389 crores which is 28% lower compared to the previous year end. The aggressive prepayment of debt has resulted in a sharp improvement of the capital structure metrics with the Net Debt / Equity under 1x and Net Debt / EBITDA at around the long term target level of 2.44x.

In the current financial year, we will reduce the debt levels by more than a billion dollars and also enhance the capital allocation to our strategic capex program in India to complete the 5mtpa expansion in Kalinganagar. Given the strong, underlying performance of the company, the Board has recommended a dividend of Rs.25 per fully paid share. The company as a responsible citizen is also deeply committed to continue to provide resources and support to help the community in all possible ways during this unprecedented pandemic crisis in the country.”

**Disclaimer:**

Statements in this press release describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/ or other incidental factors.

**About Tata Steel**

Tata Steel group 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 (excluding SEA operations) recorded a consolidated turnover of US \$19.7 billion in the financial year ending March 31, 2020.

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 5 steel companies in the DJSI Corporate Sustainability Assessment since 2016. Besides being a member of ResponsibleSteel™ and worldsteel's Climate Action Programme, Tata Steel has won several awards and recognitions including the World Economic Forum's Global Lighthouse recognition for its Kalinganagar Plant - a first in India, 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, received the 'Honourable Mention' at the National CSR Awards 2019, Steel Sustainability Champion 2019 by worldsteel, CII Greenco Star Performer Award 2019, 'Most Ethical Company' award 2020 from Ethisphere Institute, Best Risk Management Framework & Systems Award (2020) by CNBC TV-18, and Award for Excellence in Financial Reporting FY20 by ICAI, among several others.

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