

TATA STEEL

#WeAlsoMakeTomorrow



ONWARDS
AND UPWARDS



Results Presentation

Financial quarter and full year ended March 31, 2021

May 05, 2021

www.tatasteel.com



Safe harbor statement

Statements in this presentation 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

Delivered strong performance despite COVID-19 driven disruptions



Highest Ever quarterly EBITDA and India PAT

- Consolidated EBITDA grew 48%QoQ and 3x YoY to Rs.14,290 crores
- India¹ EBITDA grew 40%QoQ and 2.7x YoY to Rs.12,295 crores
- India¹ profit after tax grew 83%QoQ to Rs.8,846 crores

- Consolidated EBITDA grew 71%YoY to Rs.30,892 crores
- India¹ EBITDA grew 62%YoY to Rs.28,587 crores
- India¹ profit after tax grew 3x YoY to Rs.16,695 crores



Strong Free cashflows

- Generated free cash flow of Rs.8,826 crores

- Generated free cash flow of Rs.23,748 crores



Disciplined Capital allocation

- Accelerated capex allocation for Pellet plant and CRM complex at Kalinganagar; restarted work on 5 MTPA expansion

- Calibrated annual capex to Rs.6,979 crores

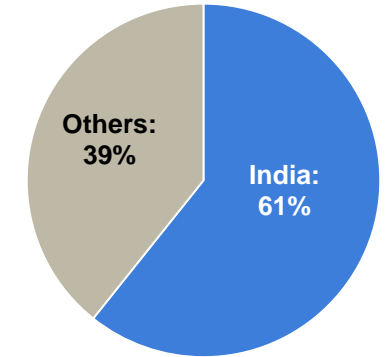


Sharp Deleveraging

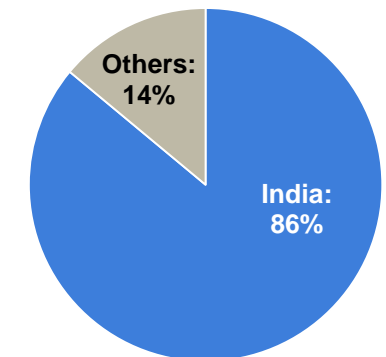
- Net debt reduced Rs.10,781 crores
- Net Debt to EBITDA reduced sharply to 2.44x

- Net debt reduced by Rs.29,390 crores

India¹ constitutes 60% of FY21 deliveries (mn tons)



India¹ constitutes 86% of FY21 EBITDA (Rs. crores)



1. India includes Tata Steel Standalone, Tata Steel BSL (TSBSL) and Tata Steel Long Products (TSLP) on proforma basis without inter-company eliminations

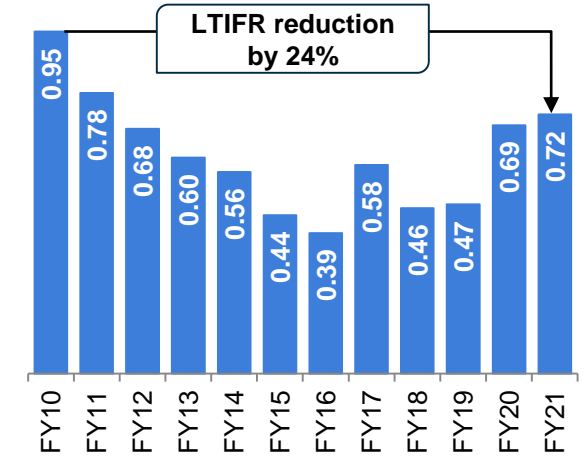
Committed towards excellence in Safety and Health

Safety



remains a top priority

- Trained 13,000+ workforce on various safety standards at Safety Leadership Development Centre in FY21
- Reduced red-risk incidents by 61%YoY in FY21
- Developed e-Learning modules on safety standards for effective learning and deployment
- Installed 89 additional cameras at strategic locations of Jamshedpur plant to strengthen surveillance through video analytics



Health



Continues to be a focus area

- Rapidly augmented COVID testing capability to 1,000 tests per day; undertaking RT-PCR and RAT tests across operating locations
- Vaccination campaign: Opened vaccination centers; more than 84%¹ of the eligible employees received their first dose of vaccination by end of April 2021
- 56% High risk cases transformed to moderate or low risk cases in FY21 related to lifestyle diseases

TATA STEEL
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TMH begins, 'Online Booking Facility', for you and your family's vaccination!

Use **TMH Vishwas** portal/app to book your slot.

Don't forget to register yourself on the **CO-WIN** app before booking slots through **TMH Vishwas**.

TMH

1. Across locations at Tata Steel standalone, Tata Steel BSL and Tata Steel Long Products

LTIFR: Lost Time Injury Frequency Rate per million-man hours worked, for Tata Steel Group; Red Risk: Incidents are classified into red, yellow & blue based on the consequence of event and likelihood of its occurrence. Red risk is with very high consequence and likelihood of occurrence; High risk cases: High risk cases across Tata Steel India as per the health index measurement based on BMI, cholesterol, blood pressure and sugar; RT-PCR: Reverse Transcription Polymérase Chain Reaction; RAT: Rapid Antigen Test; TMH: Tata Medical Hospital

Supporting our communities and the country during the crisis



Fighting COVID

- **Oxygen for medical purposes:** currently supplying about 1,000 tons of liquid oxygen per day to different parts of India
- **Vaccination drive:** Completed 50,000+ vaccinations through centers opened at operating locations by end of April 2021



Education

- **30 Model schools:** 25 schools have been handed over to the Government of Odisha till date
- **Lockdown Learning Model:** 1,36,000+ children provided with academic support through both digital and physical means
- **Jyoti Fellowship:** 2,400+ students were awarded fellowships



Livelihood

- **Promotion of Systematic Rice Intensification and Dry Land Farming:** 17,000+ farmers covered
- **Agri-allied interventions:** 9,200+ farmers taken up fishery, poultry, dairy, etc.
- **Nutrition programme:** 6,000+ kitchen gardens established
- **Technical institutions:** 900+ youth enrolled across courses

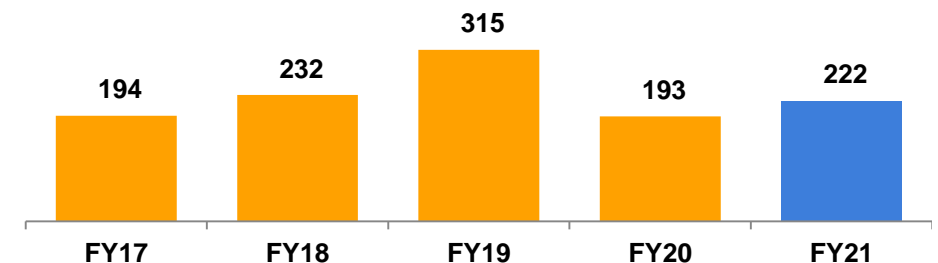


Health

- **Maternal and New-born Survival Initiative (MANSI):** 56,545 pregnant women, mothers and children reached; successfully tracking high risk cases digitally amidst the pandemic
- **Reginal Initiative for Safe Sexual Health by Today's Adolescents (RISHTA):** 3,772 adolescents reached by conducting awareness session on reproductive and sexual health



Spent >Rs.1,150 crores on CSR
(TSL Standalone over last 5 years)




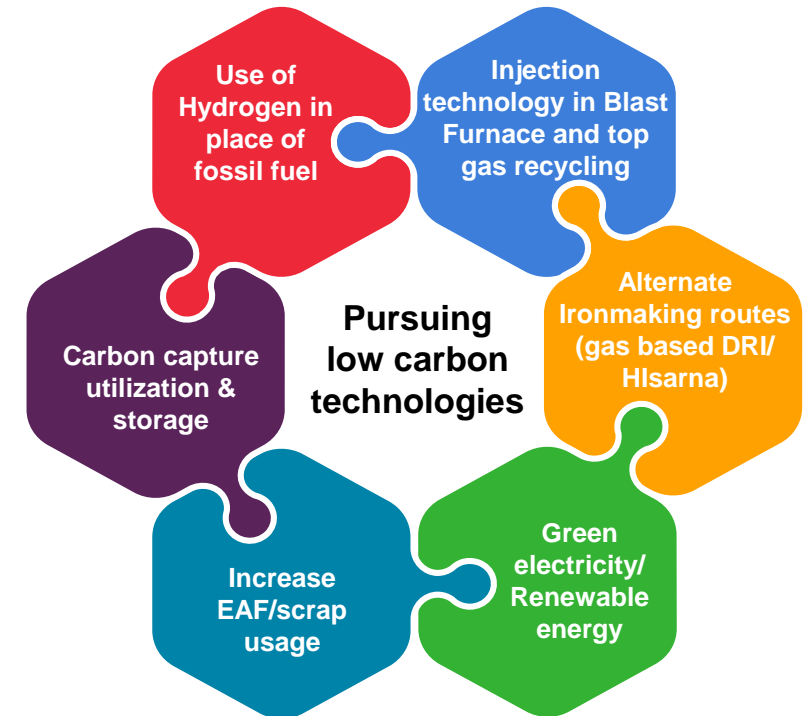
Sustainability is deeply embedded in Tata Steel ecosystem

- Recognized as Steel Sustainability Champion for 4th consecutive year by Worldsteel Association
- Recognised by Ethisphere, for the 10th time, as one of the 2021 World’s Most Ethical Companies
- Achieved best ever Specific water consumption and Specific stack dust emission at Jamshedpur in FY21
- Tata Steel Jamshedpur won 1st Prize in IIM National Sustainability Awards in Integrated Steel Plants category for FY20



Our Sustainability goals – way forward

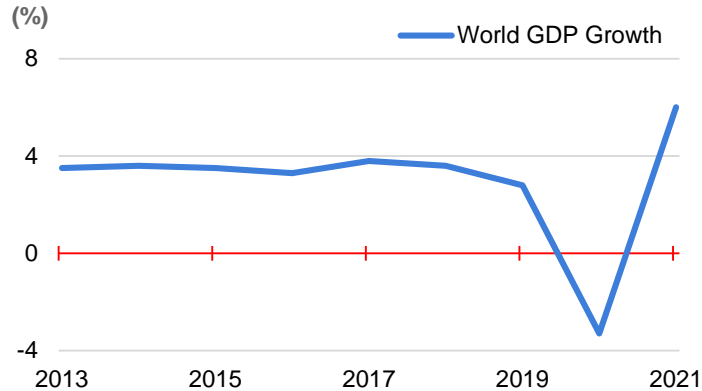
- 
- Improving transparency and disclosures by engaging in sector initiatives for best practices, certification, traceability, and policy advocacy; align our climate change disclosures with recommendations of “Task Force on Climate-related Financial Disclosures”
 - Deploying Responsible Supply Chain Policy across value chain by engaging supply chain partners through awareness creation and 3rd party assessment
 - Contributing towards the future circular economy by – i) using low-quality raw materials, ii) securing value from by-products, iii) increasing scrap recycling, and iv) innovating in products that are lighter, more durable, flexible, re-usable and 100% recyclable at end-of-life
 - Implementing the best available technologies to improve energy efficiency and reduce emissions intensity; pursuing implementation of low carbon technologies through a variety of measures
 - Collaborating with customers to develop environmentally sustainable products using ‘Life Cycle Assessment’ approach and Environmental Product Declaration / GreenPro Certification



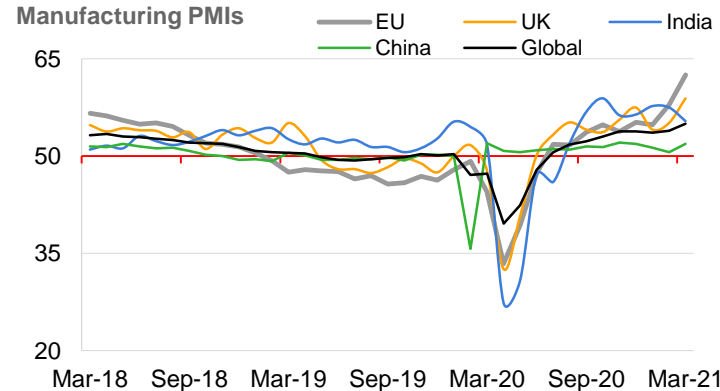
Policy support necessary to drive enabling technology, infrastructure and make “Net Zero” steel competitive

Global steel prices and spreads have increased significantly due to multiple megatrends

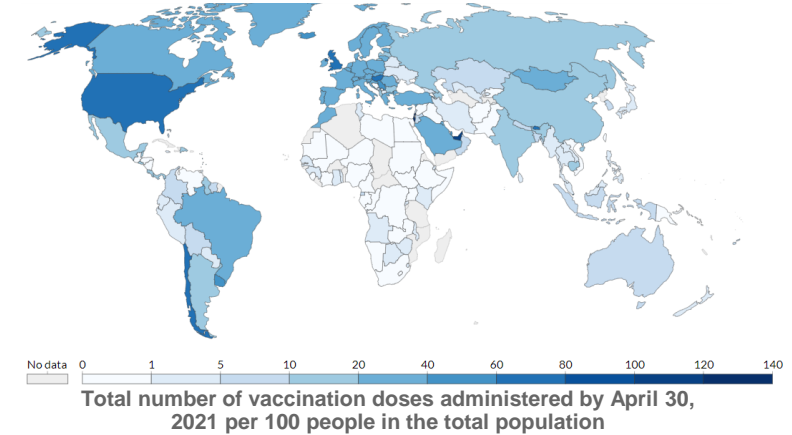
Accommodative policies aiding business sentiments and supporting economic recovery



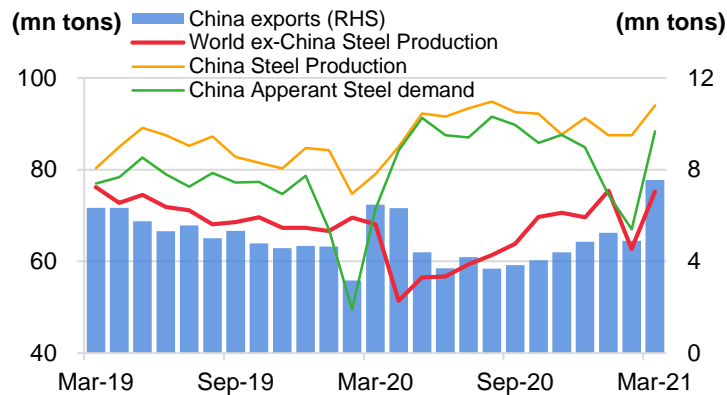
Manufacturing activities have rebounded strongly; another wave of COVID-19 is a key risk



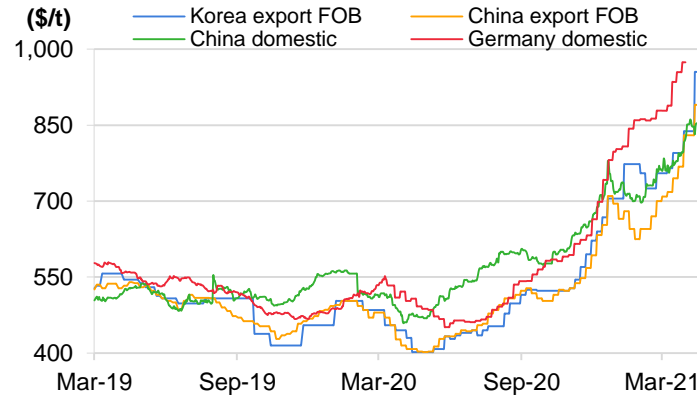
Increasing vaccination is a key to support economic recovery



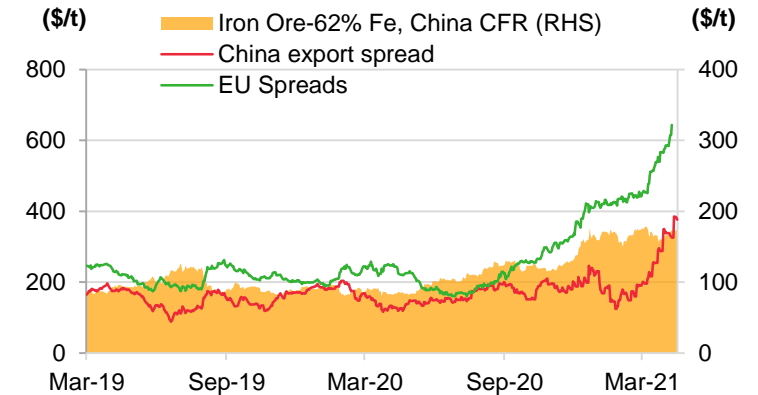
China steel demand continues to be robust; exports increased in Mar'21 ahead of export rebate cut expectation



Steel prices have improved significantly with recovering demand, lagging supplies and lower import pressure



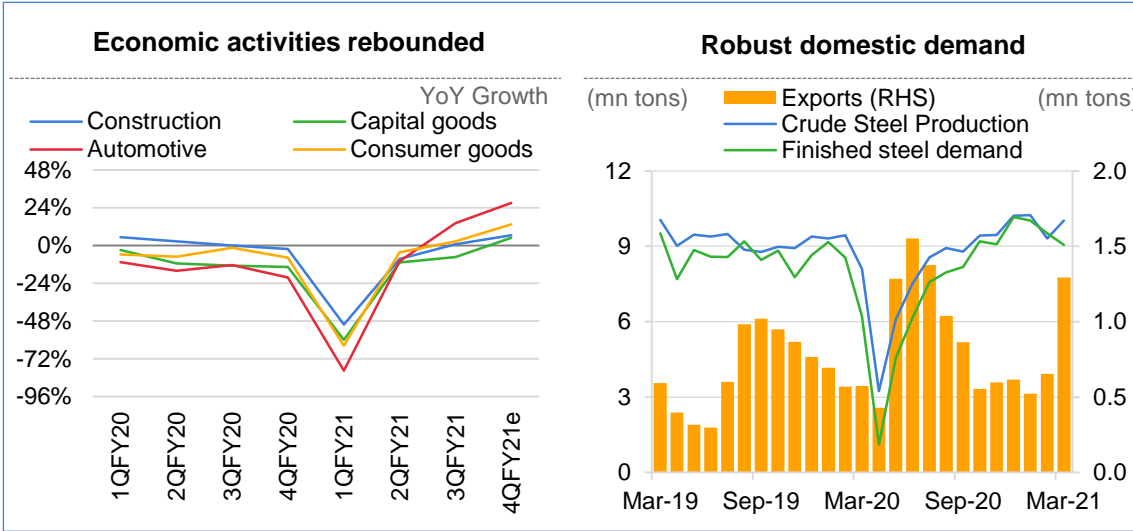
Steel spreads have increased; Integrated steel players insulated from buoyant Iron Ore prices



Sources: World Steel Association, IMF, Bloomberg, Steelmint, Our world in Data, Morgan Stanley and Tata Steel; China HRC spot spreads = China HRC exports FOB – 1.65x Iron Ore (62% Fe China CFR) - 1x Coal (Premium HCC China CFR); EU HRC spot spreads = HRC (Germany) - 1.6x iron ore (fines 65%, China spot, R'dam) - 0.7x premium hard coking coal (Australia spot, R'dam) - 0.1x scrap (HMS, R'dam)

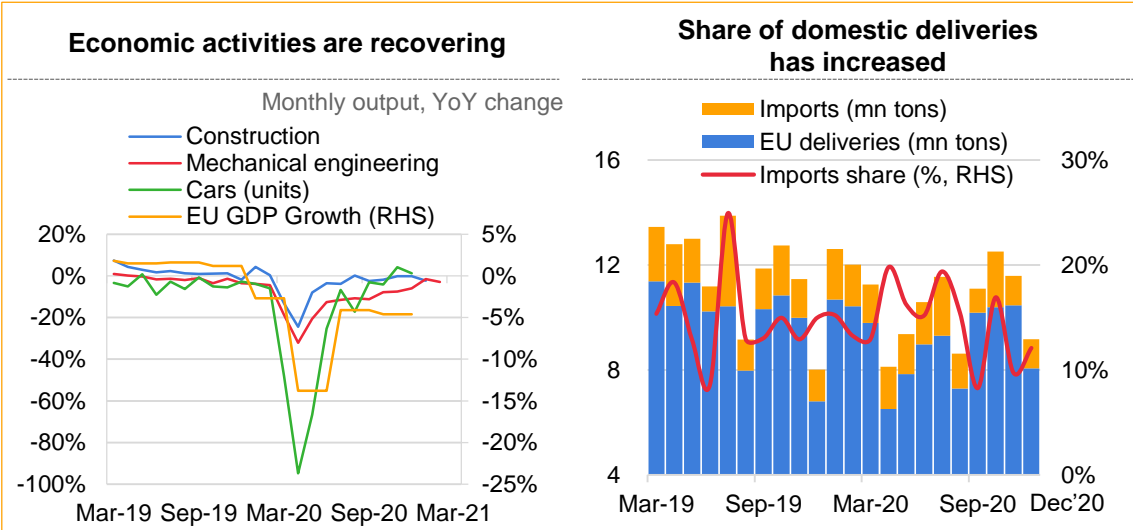
Steel Industry is in a structural upcycle

INDIA



- Most of the steel consuming sectors in India witnessed broad based pick up; 4QFY21 apparent steel consumption jumped by 19.5%YoY, partly due to base effect
- Indian steel prices continues to improve amidst robust demand and Iron ore cost pressure; further upside potential from elevated import parity prices
- Rising infections due to 2nd wave of COVID-19 is a key risk

EUROPE



- The EU economy is recovering gradually; resurgence in COVID-19 infections remain a key risk
- EU steel demand recovery is ongoing; automotive segment is witnessing a robust recovery
- Steel demand improvement is outpacing supply; leading to strong increase in steel prices and spot spreads

Sources: Bloomberg, SIAM, Joint Plant Committee, MOSPI, CMIE, Eurofer, Eurostat and Tata Steel

Highest ever consolidated EBITDA

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	4QFY21	3QFY21	4QFY20	FY21	FY20
Production (mn tons)¹	8.02	7.74	7.90	28.54	30.63
Deliveries (mn tons)	7.83	7.41	7.06	28.50	28.88
Total revenue from operations	49,977	41,902	36,009	1,56,294	1,48,972
Raw material cost ²	16,758	15,227	14,739	55,423	64,097
Change in inventories	(1,642)	(842)	(1,519)	1,517	(490)
EBITDA	14,290	9,652	4,824	30,892	18,103
Adjusted EBITDA³	13,933	8,394	5,024	28,926	17,427
EBITDA per ton (Rs.)	18,253	13,021	6,838	10,838	6,267
Pre exceptional PBT from continuing operations	10,348	5,747	1,983	14,887	3,549
Exceptional items ⁴	(991)	(154)	(3,854)	(1,043)	(4,930)
Tax expenses	2,195	1,582	(255)	5,654	(2,553)
Reported profit after tax	7,162	4,011	(1,615)	8,190	1,172

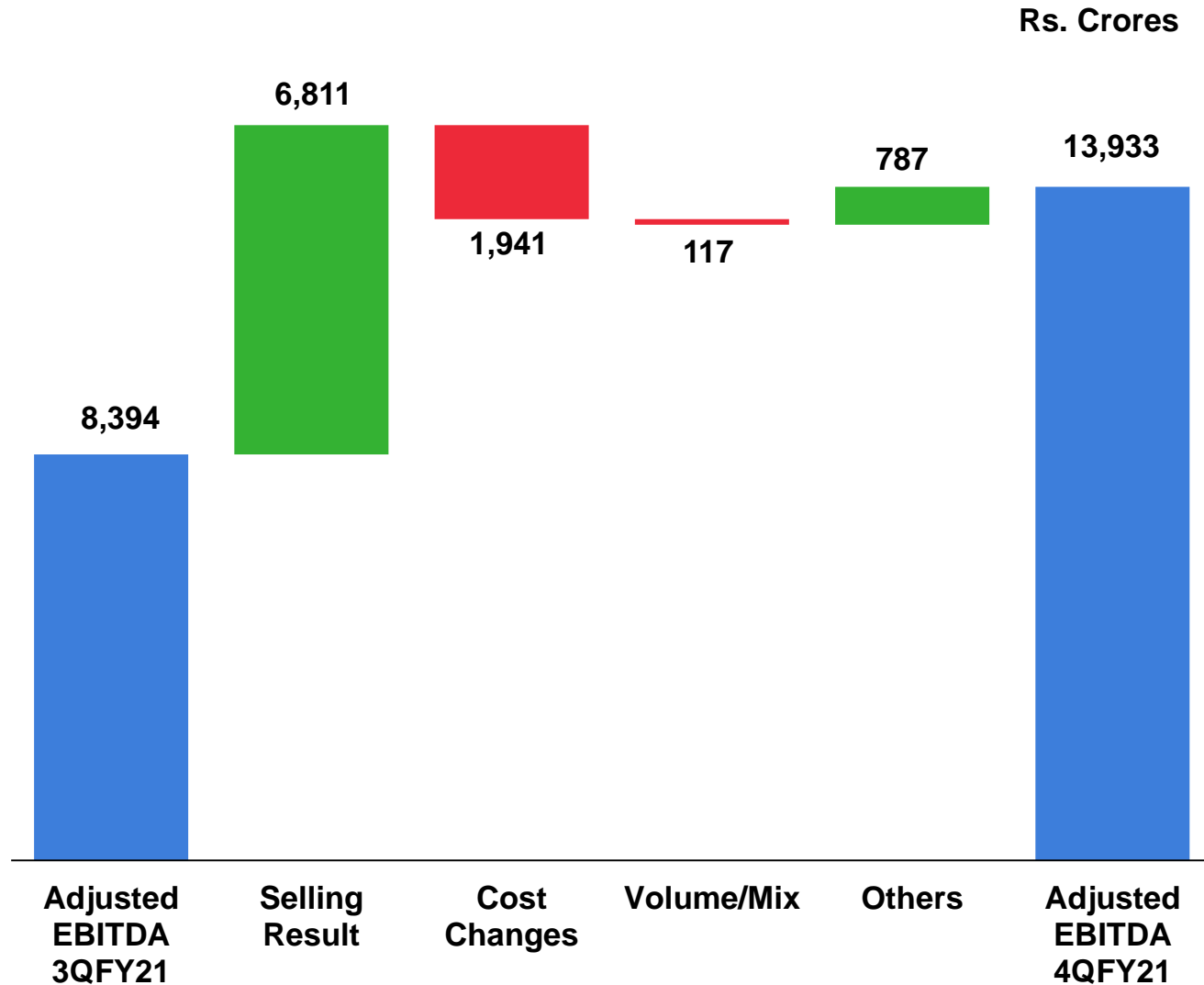
1. Production Numbers: Standalone, Tata Steel BSL & Tata Steel Long Products - Crude Steel Production, Europe - Liquid Steel Production; SEA - Saleable Steel Production

2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

3. Adjusted for fair value changes on account of revaluation gain/loss on external/ internal company debts/ receivables at TS Global Holdings and FX rate movement on investments in T Steel Holdings

4. Exceptional items primarily includes net impairment charge of assets at overseas operating entities

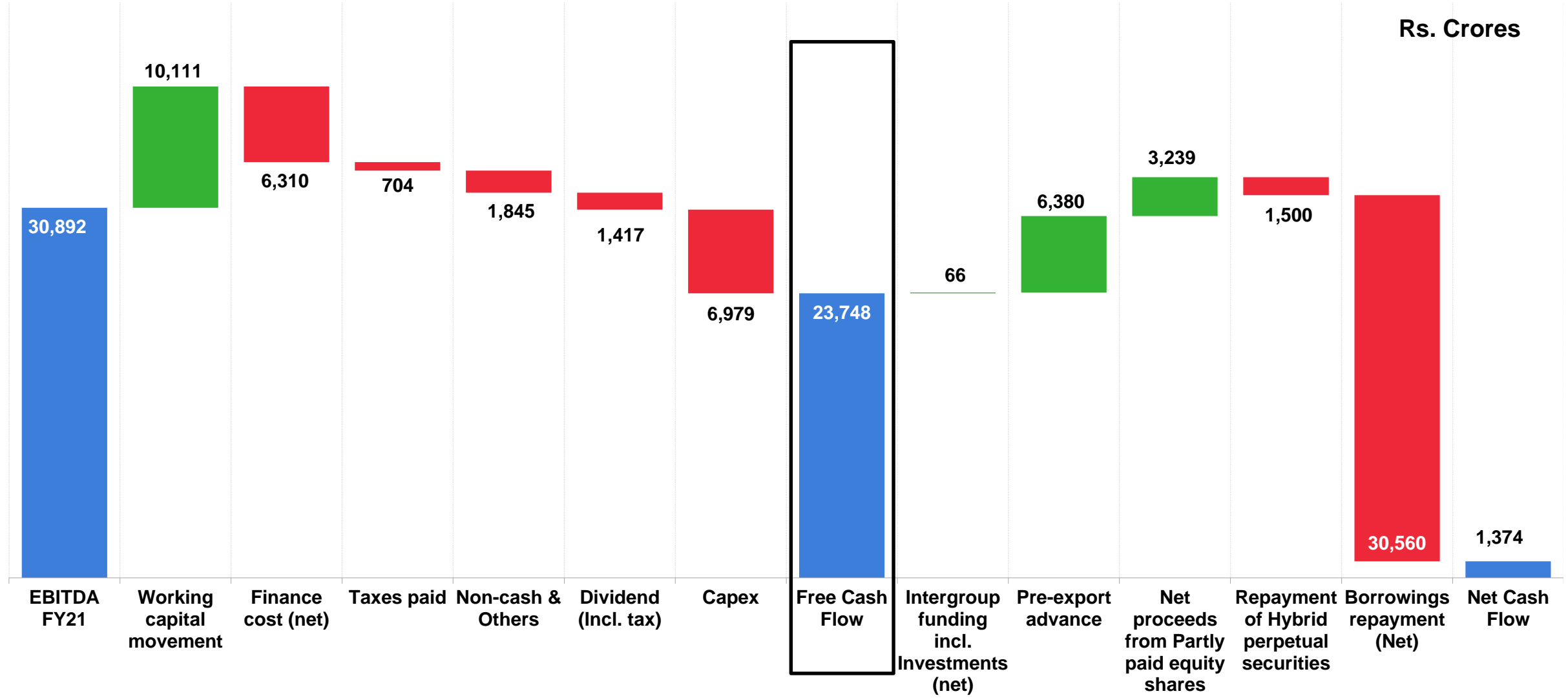
Consolidated EBITDA¹ bridge



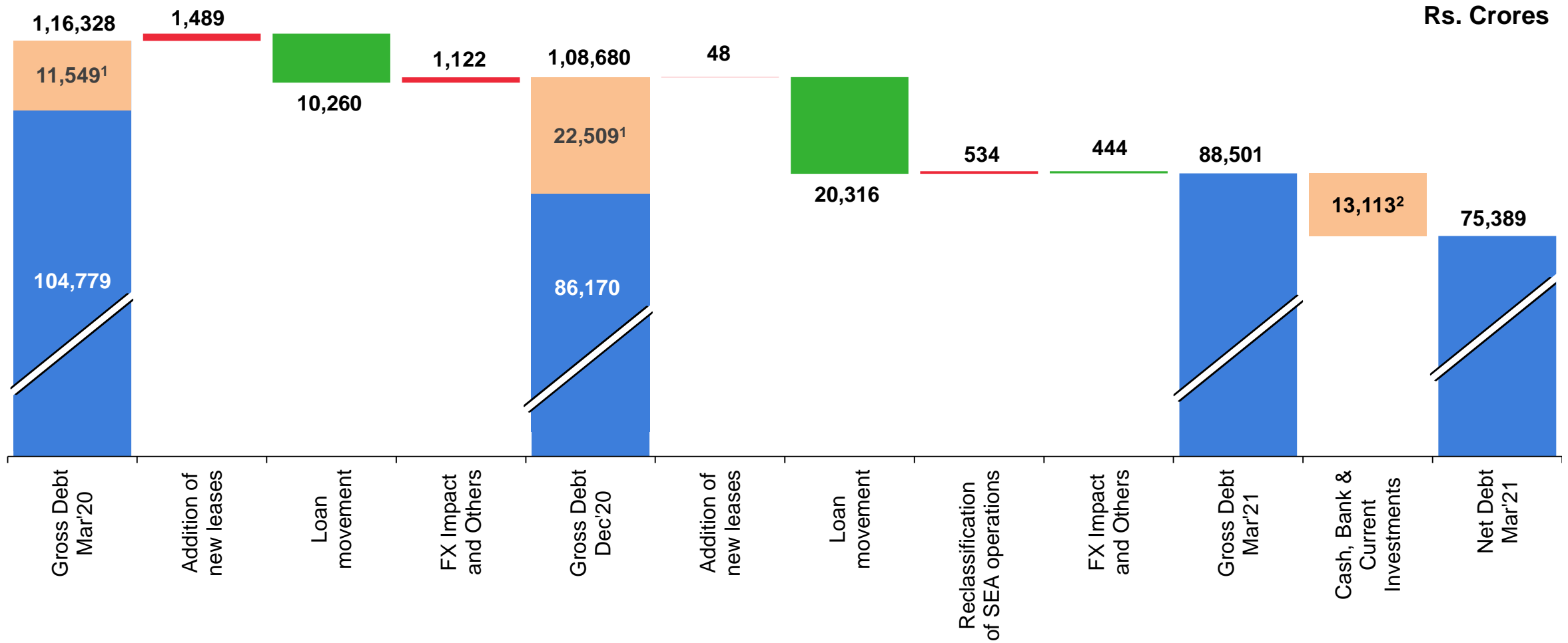
- Selling Result: Sharply improved with increase in steel prices across entities
- Cost Changes: Higher production along with higher iron ore prices, partly offset by lower price of imported coal
- Volume/Mix: Higher steel deliveries was more than offset by unfavourable mix at Tata Steel Europe
- Others: Lower one-offs at TSE in 4QFY21; partially offset by increase in royalty charges

1. EBITDA adjusted for revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings

Generated free cash flows of Rs.23,748 crores in FY21



Consolidated net debt declined by more than 28% in FY21



1. Cash, bank & current investments

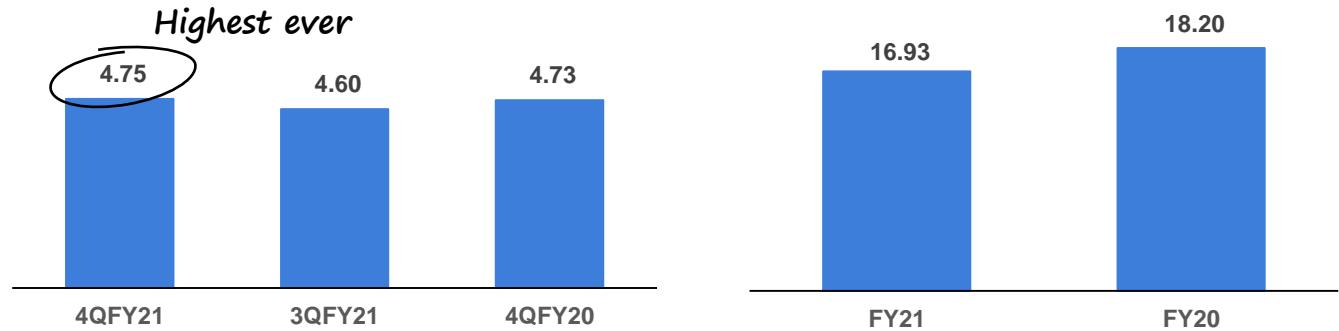
2. Cash, bank & current investments including balance for SEA operations which has been reclassified as continuing operations in 4QFY21

Highest ever annual deliveries in India¹ despite COVID-19 driven disruption

(all figures in mn tons)

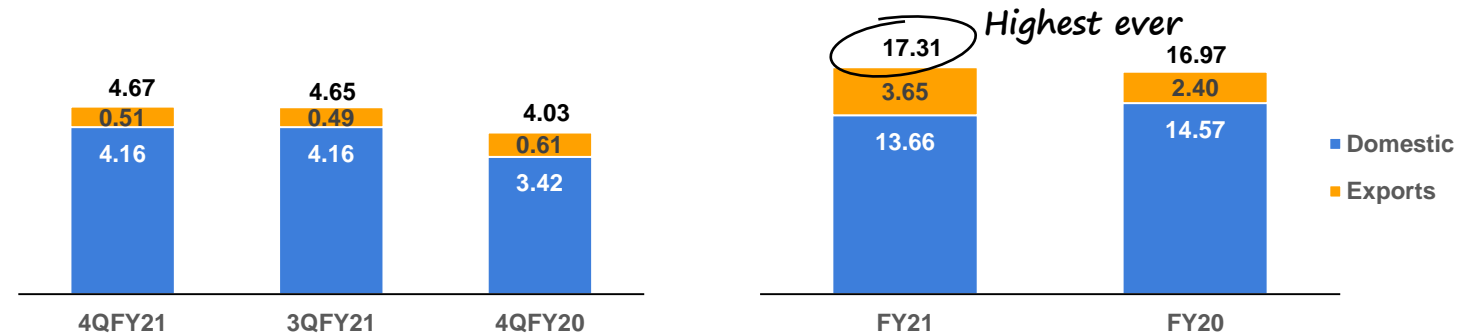
Crude Steel Production

- Achieved the highest ever quarter production with a 3%QoQ growth
- FY21 production was lower by 7%YoY due to the pandemic driven disruption in 1QFY21



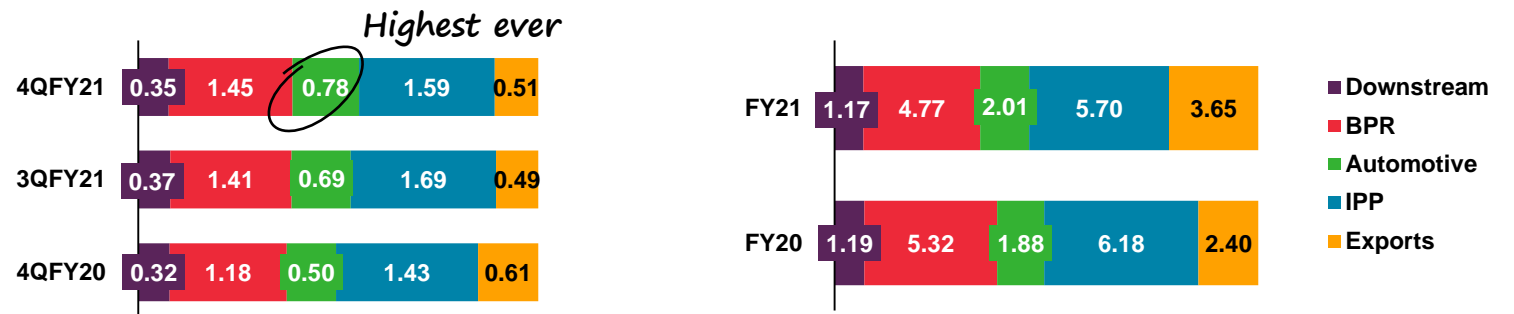
Delivery Volumes

- 4QFY21 delivery volume increased 16%YoY as domestic deliveries increased 22%YoY; exports were at 11% of overall deliveries
- Achieved highest ever annual delivery volume in FY21 despite the pandemic driven disruption in 1QFY21



Segmental Deliveries

- 'Branded Products & Retail' segment deliveries grew 3%QoQ and 23%YoY in 4QFY21
- 'Automotive & Special Products' segment deliveries crossed 2 mn tons mark in FY21; registering a 7%YoY growth



1. India includes Tata Steel Standalone, Tata Steel BSL (TSBSL) and Tata Steel Long Products (TSLP) on proforma basis without inter-company eliminations;
 2. Downstream indicates transfers to downstream units

Strategic focus to continuously enhance value added portfolio

Automotive & Special Products



Branded Products & Retail



- First Indian steel supplier to collaborate with a leading PV OEM for Joint exercise to benchmark customer's product with competition
- 'Branded Product & Retail' segment registered volumes growth of 23%YoY in ECA segment supported by new brand launches and higher volumes from Tata Steel BSL
- Executed first ever commercial supplies of API X70 in plate form for LSAW application to a reputed pipe manufacturer

Industrial Products and Projects

#BuildingTheNation

TATA STEEL
WeAlsoMakeTomorrow

- 6.2kT TMT Supplied
- 8.5kT Tisco ReadyBuild Supplied
- 5.2kT LRPC Supplied
- 528MT Tubes Supplied

MUMBAI INFRASTRUCTURE SUPPORTED BY TSL
Line 3 of Mumbai Metro

Project Description
The Colaba-Bandra-SEEPZ line, also called Line 3 of the Mumbai Metro, is an ongoing project being implemented by the Mumbai Metro Rail Corporation Limited (MMRCL). Once completed, the 33.5 km long line will be the first underground metro line in Mumbai with 27 stations.

Customers: J Kumar Infra, L&T STEC, Dogus Soma

Mar'18 (Ongoing) - Project Started

Downstream¹

Showcasing success at every stage
Auditorium, Anurag Group of Institution, Telangana

The latest landmark is an auditorium in Hyderabad for the Anurag Group of Institutions of Telangana. The on campus auditorium will showcase budding talent and hold Tru Talks for youth while encouraging their talent to blossom.

Total quantity of Tata Structura hollow sections: 60 MT

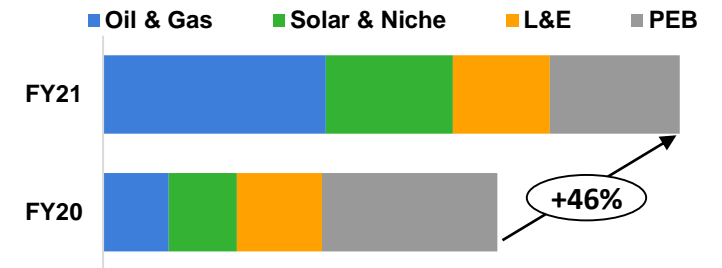
- Successfully concluded a blockchain based trade transaction in exports; reduced the payment cycle by about 10 working days
- Tubes division sales grew 12%YoY in 4QFY21 enabled by strong engagement with customers, focus on increasing rural penetration and digital platforms
- Wires division achieved highest ever quarterly production and delivery volumes in 4QFY21; LRPC market share grew to ~55%

1. Downstream divisions include Tubes, Wires, Bearings, etc.; PV: Passenger Vehicle; OEM: Original Equipment Manufacturer; ECA: Emerging Corporate Accounts; LSAW: Longitudinal Submerged Arc-Welding Pipe; LRPC: Low Relaxation Pre-stressed Steel Strand

Increasing presence in high-end value added engineering segment in India

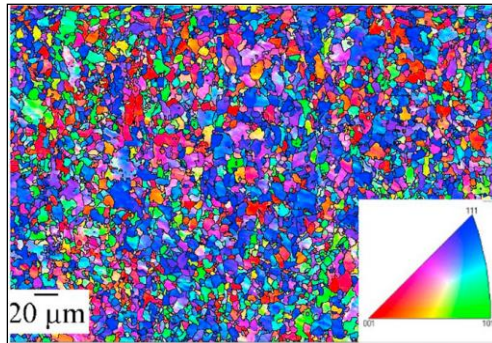
- FY21 deliveries in high-end value-added engineering segment grew 46%YoY driven by increased focus on mix enrichment, new product development and mill approvals
- Strengthened customer relationship and increased share of business with collaborative initiatives for value enhancement like – i) Value Analysis and Value Engineering (VAVE) and Customer Service Teams (CST), and ii) technical engagements for knowledge sharing and cross learning

High-end value added deliveries grew 46%YoY



Oil & Gas

- Deliveries grew 3.4x; supplies to key prestigious projects like -
 - Kochi Kootanad Bangalore Mangalore pipeline (100% share of business)
 - Srikakulam Angul Pipeline Project (50% share of business)
 - Kandla Gorakhpur LPG Pipeline (33% share of business)
- Ramped-up commercial deliveries from Tata Steel Kalinganagar post successful development of X65 & X70 API grades:
 - For HSAW, LSAW & ERW pipes from single chemistry
 - Fine grained, thermo-mechanically rolled and texture controlled to achieve excellent low temperature impact and fracture toughness
 - Judicial combination of micro alloy addition to cater both station and heat treatable bend pipes



Solar & Niche

- Deliveries grew 87%YoY driven by market development initiatives
- Developed new grades for structural and transmission tower applications



Lifting & excavation

- Deliveries grew 14%YoY driven by increased market engagement efforts
- Developed ultrasonic tested guaranteed material and one high strength grade in FY21 for telescopic boom



New initiatives pursued in India are progressing well

Aashiyana¹



- Highest ever quarterly gross revenue generated through 'Aashiyana' of Rs.308 crores in 4QFY21, an increase of 38% QoQ and 200% YoY. Generated a revenue of Rs.726 crores in FY21, an increase of 130%YoY
- Served 5,800+ consumers in 4QFY21, registering a growth of 32%QoQ; witnessed 98%QoQ increase in number of total visitors to 7,75,000+

Service & Solutions



- Tata Pravesh achieved best-ever quarterly performance in 4QFY21 with 30,000+ confirmed orders and 25,000+ installations; best-ever yearly performance with 80,000+ installations in FY21, a growth of 40%YoY
- Nest-In registered best-ever quarterly performance in 4QFY21; completed first major G+1 project through Light Gauge Steel Frame construction

Steel Recycling Business



- Completed shredder erection; commissioning expected in May'21
- Launched brands for Ferrous Scrap: Tata FerroBaled® and Tata FerroShred® – 1st in the world
- Launched FerroHaat™ App to build a digital supply chain for scrap; 1st of its kind mobile app in the world

New Material Business



- Enhancing manufacturing capacity of composites business by on-site fabrication of large chemical tanks
- Onboarded 6 manufacturing and supply partners in the composites business with a focus on asset light model
- Registered trademarks for Graphene Enriched fabrics "FABOUR" and Graphene coating solutions "WONDRA"

1. Aashiyana is an online platform by Tata Steel targeted towards 'Individual home builder' segment

Tata Steel Standalone: Highest ever EBITDA

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	4QFY21	3QFY21	4QFY20	FY21	FY20
Total revenue from operations	21,203	17,966	14,211	64,869	60,436
Raw material cost ¹	4,376	4,166	4,338	15,015	18,970
Change in inventories	(104)	307	(980)	1,464	(564)
EBITDA	9,206	6,737	3,661	21,952	15,096
Adjusted EBITDA²	9,206	6,737	3,661	21,952	14,740
EBITDA per ton (Rs.)	27,828	20,175	12,573	17,764	12,251
Pre exceptional PBT from continuing operations	7,507	5,071	1,914	15,022	8,315
Exceptional items ³	949	(226)	(2,009)	2,773	(1,704)
Tax expenses	1,863	1,231	341	4,189	(133)
Reported PAT	6,594	3,615	(437)	13,607	6,744

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products
2. FY20 EBITDA is adjusted for fair value changes on account of exchange rate movement on Preference share investments in T Steel Holdings, however, there is no adjustment from 4QFY20 onwards as the investment was converted into equity
3. 4QFY21 exceptional items primarily includes Rs. 1,082 crores gain on transfer of investments held in Jamshedpur Continuous Annealing and Processing Company Private Limited and Tata Bluescope Private Limited to Tata Steel Downstream Products Limited (a wholly owned subsidiary of Tata Steel) as a part of India footprint re-organisation

Tata Steel BSL:
Highest ever
EBITDA; focussed
on deleveraging

<i>Consolidated financial statements (All figures are in Rs. Crores unless stated otherwise)</i>	4QFY21	3QFY21	4QFY20	FY21	FY20
Crude Steel production (mn tons)	1.18	1.11	1.12	4.08	4.46
Deliveries (mn tons)	1.19	1.15	0.98	4.31	4.14
Total revenue from operations	7,321	5,881	4,274	21,419	18,199
Raw material cost ¹	3,284	2,846	2,564	10,024	10,819
Change in inventories	(114)	59	(395)	694	(254)
EBITDA	2,583	1,634	775	5,481	2,370
EBITDA per ton (Rs.)	21,648	14,223	7,908	12,707	5,727
EBITDA Margin (%)	35.3%	27.8%	18.1%	25.6%	13.0%
Reported PAT	1,912	913	8	2,516	(617)

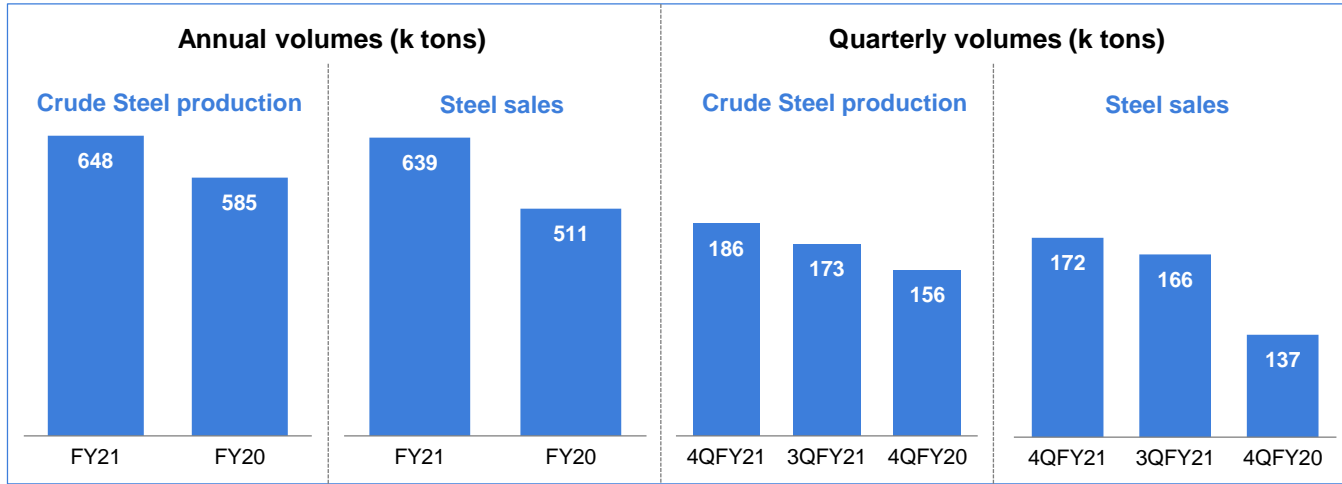
**Key
updates**

- Generated strong free cashflow driven by superior operating performance and working capital release
- Gross debt reduced with prepayment of Rs.5,500 crores in FY21
- Focus on improving operational KPI and market share, and enrich product mix:
 - Fuel rate improved to 518 kg/thm in 4QFY21 vs. 525 kg/thm in 3QFY21
 - Improved market share in Automotive (5% in FY21 vs 4% in FY20) and Appliance segments (32% in FY21 vs 29% in FY20) driven by new product offerings and increase in share of business with key customers
 - Developed and commercialized HR for wheels application in 4QFY21 for a large auto OEM
- Post approval by Shareholders, Tata Steel and Tata Steel BSL have filed a joint “Scheme Petition” with the NCLT to sanction the merger scheme with effect from 1st April 2019

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

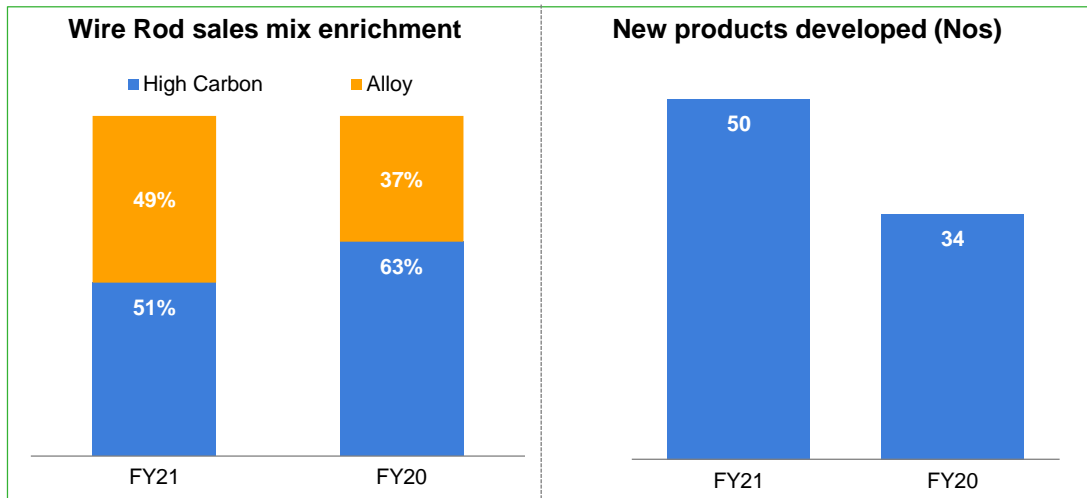
Tata Steel Long Products: Consistent improvement in operations and marketplace

Highest ever annual volumes despite COVID-19 driven disruptions



- Steel production grew on the back of debottlenecking at steel melting shop and arcing – improved 7%QoQ and 19%YoY in 4QFY21 while FY21 production increased 11%YoY
- Steel Sales volume grew with higher production and improved market conditions – improved 4%QoQ and 25%YoY in 4QFY21 while FY21 sales increased 25%YoY

Focus on product mix diversification and enrichment



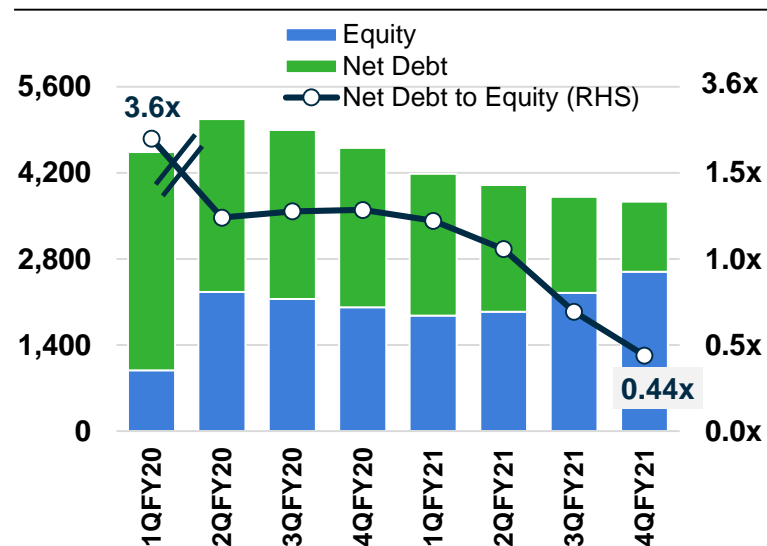
- Alloy Wire rod:** i) increased alloy Wire Rod mix to 49% in FY21 vs. 37% in FY20, ii) increased market share to 20% in FY21 vs. 12% in FY20; supported by increased share in 2Ws segment
- Increased focus on new product development to enrich mix and expand market
- Automotive segment:** i) domestic market share grew to 15% in FY21 vs. 12% in FY20; maintained leadership position in CV with 38% market share, iii) registered 2X growth in Auto component exports segment

Alloy wire rod includes niche segment of Low Carbon Wire Rod; 2W: Two Wheelers; CV: Commercial Vehicles

Tata Steel Long Products: Highest ever EBITDA; focussed on deleveraging

<i>Consolidated financial statements (All figures are in Rs. Crores unless stated otherwise)</i>	4QFY21	3QFY21	4QFY20	FY21	FY20
Total revenue from operations	1,547	1,364	1,008	4,750	3,490
Raw material cost	672	549	528	2,182	2,392
Change in inventories	-33	1	(22)	56	(210)
EBITDA	506	440	132	1,154	184
EBITDA per ton (Rs.)¹	29,439	26,471	9,632	18,057	3,603
EBITDA Margin (%)	32.7%	32.2%	13.1%	24.3%	5.3%
Reported PAT	340	304	(133)	572	(516)

Net Debt & Equity (Rs. crores)



- Free Cashflow generation driven by stronger operating performance and focus on working capital control
- Sharp deleveraging with net debt reduced by Rs.422 crores in 4QFY21 and by Rs.1,452 crores in full year FY21
- Gearing improved to 0.44x within 2 years of acquisition

1. EBITDA/Steel deliveries

Tata Steel Europe: Strong operating performance

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	4QFY21	3QFY21	4QFY20	FY21	FY20
Liquid Steel production (mn tons)	2.66	2.59	2.64	9.56	10.26
Deliveries (mn tons)	2.47	2.11	2.39	8.82	9.29
Total revenue from operations	17,258	14,070	13,588	56,051	55,939
Raw material cost ¹	7,798	6,583	5,890	24,662	25,894
Change in inventories	(579)	(1,179)	(46)	74	561
EBITDA	1,194	(724)	65	(618)	(664)
EBITDA per ton (Rs.)	4,841	(3,438)	272	(701)	(715)

Key updates

- Steel deliveries improved 17%QoQ in 4QFY21 with improving market condition and seasonally better quarter;
- Reported EBITDA sharply improved in 4QFY21 with higher deliveries and strong steel prices, while underlying performance was much stronger; full year profitability primarily impacted by COVID-19 pandemic
- Launched 8 new products in 4QFY21 with applications in automotive, mobile lifting equipment and pipelines

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Tata Steel SEA:

Strong performance with higher capacity utilization

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	4QFY21	3QFY21	4QFY20	FY21	FY20
Saleable Steel production (mn tons)	0.61	0.54	0.53	2.06	2.17
Deliveries (mn tons)	0.64	0.59	0.60	2.21	2.40
Total revenue from operations	3,178	2,540	2,414	9,589	9,945
Raw material cost ¹	2,686	1,742	1,622	7,043	6,848
Change in inventories	(624)	(41)	22	(670)	75
EBITDA	295	114	144	549	366
EBITDA per ton (Rs.)	4,584	1,929	2,402	2,488	1,523

Key updates

- Steel production improved 13%QoQ and 15%YoY in 4QFY21 while steel sales improved by 9%QoQ and 7%YoY on the back of demand recovery
- Reported EBITDA improved in 4QFY21 with higher deliveries and robust spreads
- Tata Steel Thailand launched readymade footings for deep and shallow foundation with end-use application in construction segment
- SEA operations have been re-classified to “Continuing Operations” from “Held for Sale”

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Business Outlook

Steel demand

- Global steel demand is expected to expand by 5.8% in CY21 with recovering economy and progressive COVID-19 vaccination across regions
 - India steel demand continues to be buoyant; supported by economic recovery, government spending and improved liquidity
 - Demand recovery in EU and UK is expected to be healthy, driven by recovery in all steel consuming sectors, especially Automotive
 - Re-imposition of mobility restrictions amidst resurgence of COVID-19 infection, and policy support tapering may impact domestic demand recovery, however, international markets offer attractive opportunities
-

Steel prices

- Asian steel prices are expected to remain buoyant amidst strong demand recovery, pollution control driven production curbs in China and elevated raw material prices
 - Indian and European steel prices to remain resilient, supported by strong international prices, robust steel demand, supply tightness and high iron ore prices
-

Iron Ore prices

- Seaborne iron ore prices are expected remain elevated with buoyant demand from China coupled with increasing steel capacity utilization in World ex-China economies
-

Coking Coal prices

- Coking coal prices should remain calm in near term amidst ongoing geopolitical conflict between China and Australia
-

Annexure – I: Tata Steel Consolidated QoQ variations

Rs Crores	4QFY21	3QFY21	Key Reasons
Income from operations	48,951	41,112	Higher with improved steel realisation and higher deliveries across geographies
Other operating income	1,027	791	Higher primarily at Standalone and Tata Steel BSL
Raw materials consumed	13,236	12,537	Primarily due to higher production and higher cost of iron ore bearing material at TSE, TSBSL and TSLP, partly offset by lower coking coal cost
Purchases of finished, semis & other products	3,522	2,690	Higher primarily at Standalone and SEA operating entities
Changes in inventories	(1,642)	(842)	Primarily due to higher inventory value
Employee benefits expenses	5,391	5,464	Lower primarily at Tata Steel Europe
Other expenses	15,286	12,486	Higher mainly due higher royalty charges, higher deliveries and unfavorable FX impact at overseas entities
Depreciation & amortisation	2,392	2,342	At par
Other income	272	218	Higher with higher interest income on income tax refund for earlier year
Finance cost	1,866	1,786	Higher primarily at Standalone; largely offset by lower interest with reduction in debt level
Exceptional Items	(991)	(154)	Mainly due to net impairment of assets at overseas entities and charge under special Early Separation Scheme at Jharia location
Tax	2,195	1,582	In-line with profitability level
Other comprehensive income	(1,031)	(1,807)	Primarily on account of re-measurement gain/loss on actuarial valuation and FX translation impact

Annexure – II: Tata Steel Standalone QoQ variations

Rs Crores	4QFY21	3QFY21	Key Reasons
Income from operations	20,818	17,670	Due to improved realisations and favourable mix
Other operating income	385	296	Primarily due to higher sale of seconds steel and reversal of old liabilities no longer required
Raw materials consumed	3,899	3,778	Higher with increased production and improved product mix, partially offset by lower coal consumption cost
Purchases of finished, semis & other products	477	387	Primarily due to higher purchase of wire rods
Changes in inventories	(104)	307	Due to marginal increase in inventory level
Employee benefits expenses	1,353	1,341	Primarily due to higher bonus provision, partially offset by lower leave salary provision on change in discount rate
Other expenses	6,391	5,450	Primarily due to higher royalty expenses with increase in iron ore prices, and higher Freight & handling charges
Depreciation & amortisation	1,041	971	At par
Other income	190	141	Primarily due to higher interest income
Finance cost	830	800	Lower interest with reduction in debt level was more than offset by provision for interest under the Income tax act
Exceptional Items	949	(226)	Primarily reflects gain on transfer of investments held in JCAPCPL and Tata Bluescope to TSDPL; partially offset by charge under special Early Separation Scheme at Jharia location
Tax	1,863	1,231	In-line with profitability level
Other comprehensive income	361	17	Primarily on account of higher gain on re-measurement of actuarial valuation of employee benefits and fair value adjustments of non-current investments

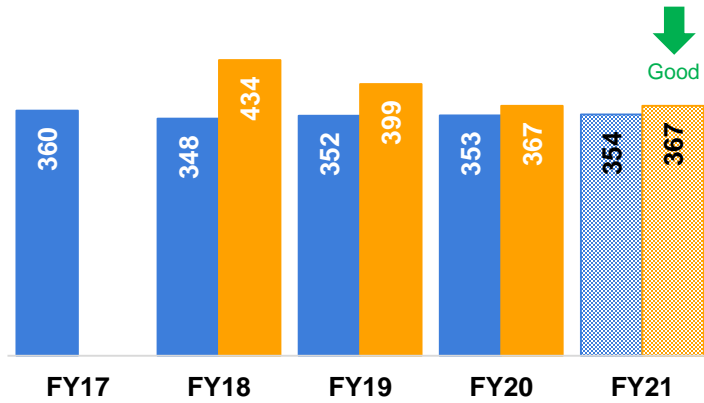
Annexure – III: Tata Steel Long Products QoQ variations

Rs Crores	4QFY21	3QFY21	Key Reasons
Income from operations	1,547	1,364	Higher with improved steel and DRI realisations along with increased volume for both Steel and DRI
Raw materials consumed	672	549	Primarily due to higher production of steel and DRI and increased iron ore price, partially offset by lower coking coal prices
Changes in inventories	(33)	1	Primarily due to higher closing price of inventory
Employee benefits expenses	50	56	Primarily due to lower impact of actuarial valuation
Other expenses	360	347	Primarily due to increase in royalty on higher iron ore prices along with higher steel and DRI delivery volumes
Depreciation & amortisation	84	85	At par
Other income	15	36	3QFY21 included one off write-back with favourable judgement on entry tax litigation
Finance cost	46	57	Due to pre-payment of term loans
Exceptional Items	-	-	
Tax	43	(0)	Higher due to creation of Deferred tax liability
Other comprehensive income	4	1	At par

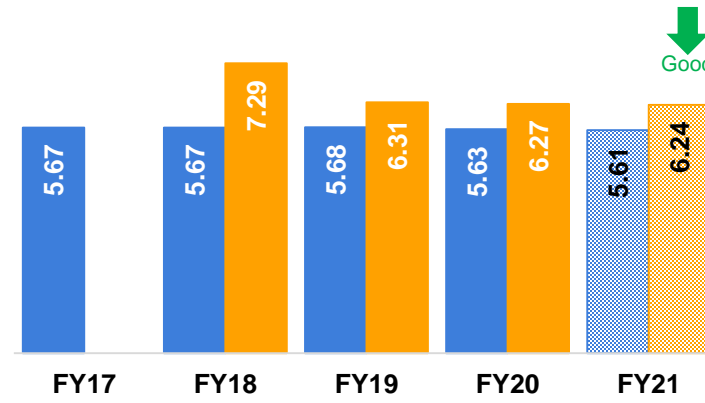
Annexure – IV: Tata Steel Standalone

■ Tata Steel Jamshedpur
 ■ Tata Steel Kalinganagar

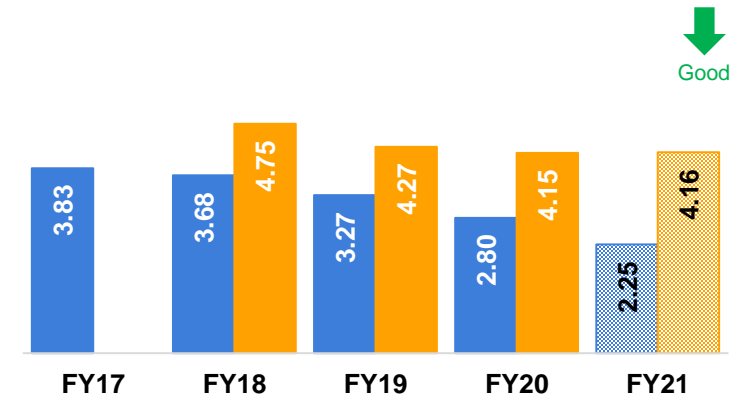
Coke Rate (kg/tcs)



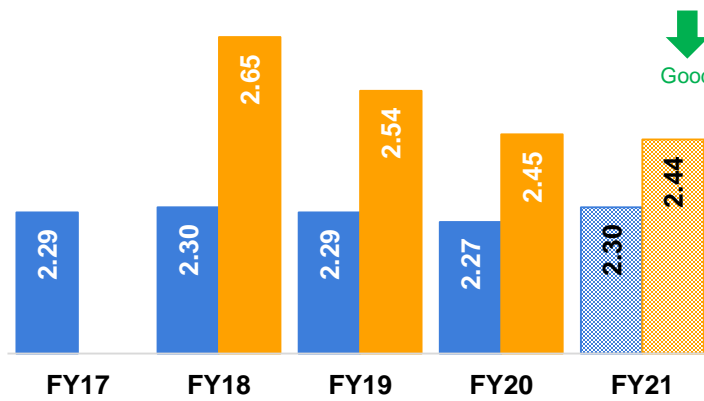
Specific Energy Consumption (Gcal/tcs)



Specific Water Consumption (m³/tcs)



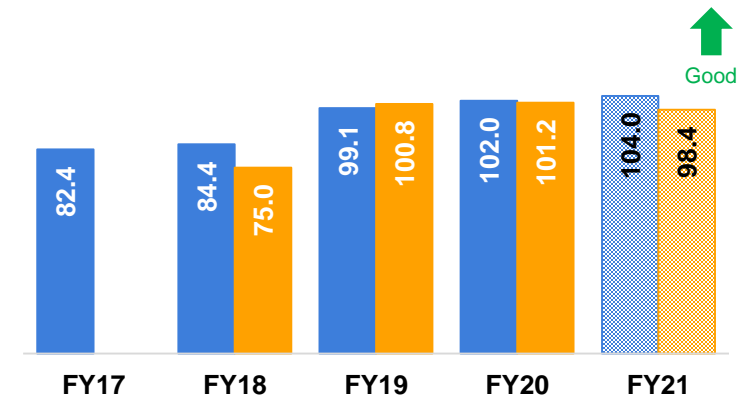
CO₂ Emission Intensity (tCO₂/tcs)



Specific Dust Emission (kg/tcs)



Solid Waste utilisation (%)

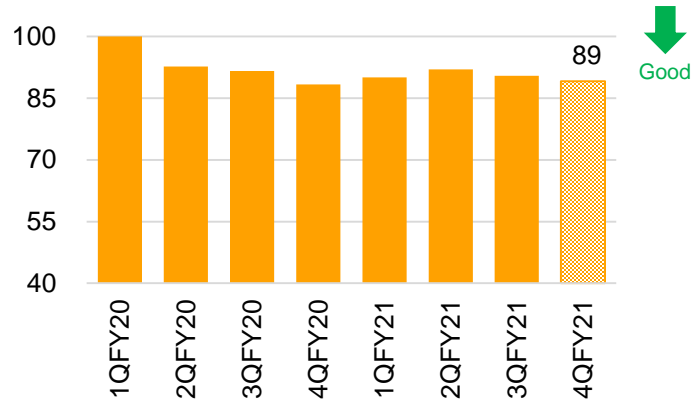


Continued focus on operational efficiencies and minimizing environmental impact

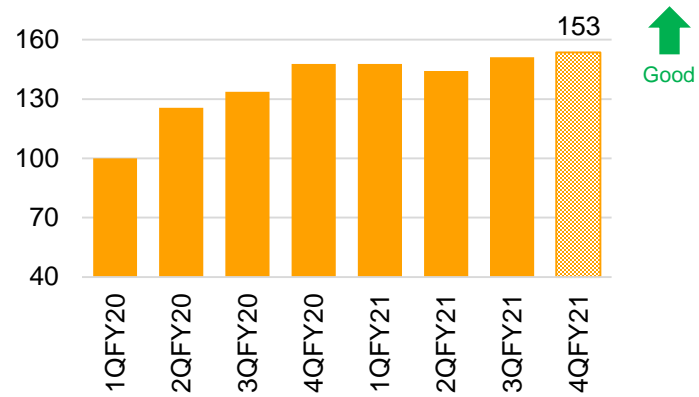
Annexure – V: Tata Steel Long Products

(all figures are indexed; 1QFY20=100)

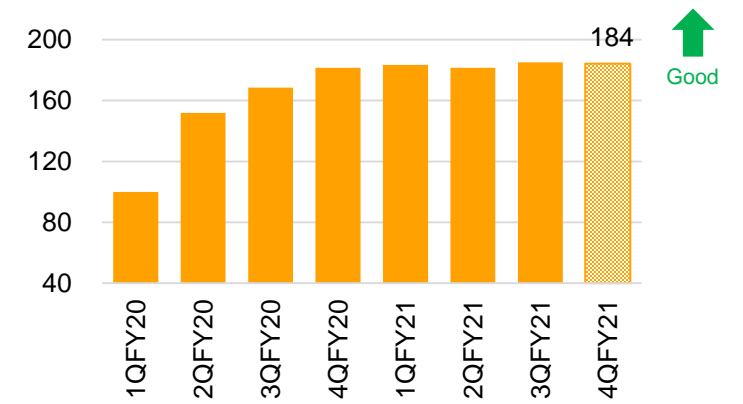
Coke rate (kg/thm)



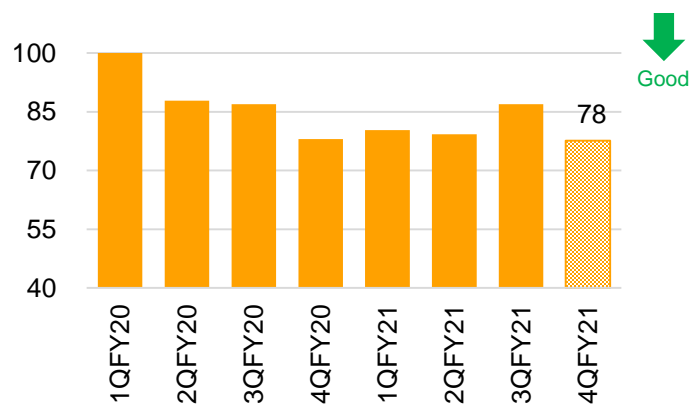
PCI rate (kg/thm)



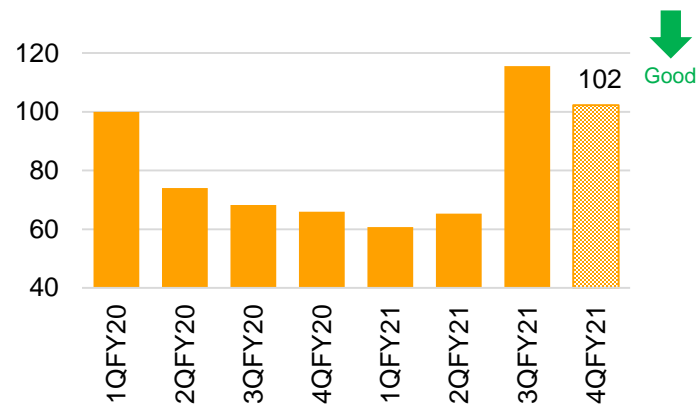
Raw Material handling through Rake (%)



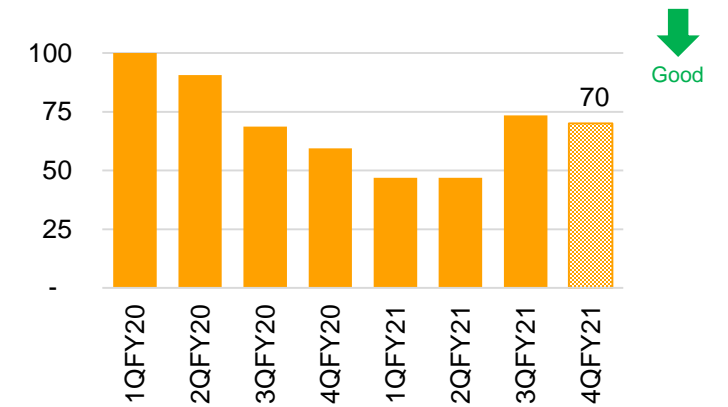
Power consumption (kwh/tcs)



Electrode consumption¹ (kg/tcs)



Oil consumption at Mill² (ltr/ts)



Consistent improvement in key operational parameters

1. Increased due to Arcing in 3QFY21 and 4QFY21
2. Increased due to lower availability of Blast Furnace gas on account BF MSD/ interruptions during 3QFY21 and 4QFY21



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