

Mumbai, April 25, 2019

## Tata Steel reports consolidated financial results for the quarter and full year ended March 31, 2019

### Key Highlights:

- Health and Safety: Lost Time injury frequency rate per mn man hours worked of Tata Steel group reduced to 0.47 in FY19
- FY19 Consolidated steel production as well as deliveries jumped 17%YoY to 27.11 mn tons and 26.80 mn tons, respectively; India<sup>1</sup> production surged 35%YoY to 16.81 mn tons while deliveries grew 33%YoY to 16.26 mn tons
- 4QFY19 Consolidated steel production and deliveries grew 27%YoY and 29%YoY, respectively; India<sup>1</sup> production and deliveries increased by 46%YoY and 55%YoY in 4QFY19, respectively
- Consolidated revenues increased 27%YoY to Rs.157,669 crores in FY19 and 26%YoY to Rs.42,424 crores in 4QFY19
- Consolidated adjusted EBITDA grew 55%YoY to Rs.30,734 crores FY19; 4QFY19 EBITDA increased by 33%YoY to Rs.7,814 crores as compared to Rs.5,857 crores in 4QFY18
- India<sup>1</sup> adjusted EBITDA jumped to Rs.23,883 crores in FY19 and Rs.5,661 crores in 4QFY19
- Consolidated reported PAT was Rs. 9,098 crores in FY19 and Rs.2,295 crores in 4QFY19
- The liquidity position of the group remains robust at Rs.15,284 crores comprising of Rs.5,937 crores in cash and cash equivalents and Rs.9,347 crores in undrawn bank lines
- Gross debt decreased by Rs.8,781 crores during 4QFY19
- The Board of Directors recommended a dividend of Rs.13.00 per fully paid equity share and Rs.3.25 per partly paid equity share.

### Tata Steel India and Consolidated Highlights

(Figures in Rs. crore unless otherwise specified)

Key profit & Loss account items	India <sup>1</sup>				Consolidated <sup>2</sup>			
	Q4FY19	Q4FY18	FY19	FY18	Q4FY19	Q4FY18	FY19	FY18
Production (mn tn) <sup>3</sup>	4.48	3.07	16.81	12.48	7.21	5.70	27.11	23.17
Deliveries (mn tn)	4.72	3.03	16.26	12.15	7.52	5.85	26.80	22.89
Turnover	24,647	16,281	88,987	60,519	42,424	33,705	157,669	124,110
Adjusted EBITDA <sup>4</sup>	5,661	4,491	23,883	15,334	7,814	5,857	30,734	19,768
PBT before exceptional items	3,592	3,363	15,420	10,005	4,241	3,810	16,027	11,357
Exceptional Charges	67	(1,607)	(74)	(3,366)	11	11,376	(121)	9,599
PAT from Continuing Operations	2,285	1,031	9,652	4,170	2,353	14,603	9,187	17,564
PAT from Discontinued Operations	-	-	-	-	(58)	85	(89)	199
<b>Reported PAT (A)</b>	<b>2,285</b>	<b>1,031</b>	<b>9,652</b>	<b>4,170</b>	<b>2,295</b>	<b>14,688</b>	<b>9,098</b>	<b>17,763</b>
Other Comprehensive Income (B)					(101)	4,509	8	(3,078)
Total Comprehensive Income (A+B)					2,197	19,197	9,106	14,685
<b>Diluted EPS (Rs.)</b>	<b>20.44</b>	<b>96.84</b>	<b>87.74</b>	<b>128.10</b>				

1. India includes Tata Steel Standalone and Tata Steel BSL on proforma basis without inter-company eliminations; Tata Steel BSL financials are consolidated from 18th May, 2018 2. Consolidated figures don't include NatSteel Holding and Tata Steel Thailand as it is classified as 'Asset held for sale'; 3. Production numbers for consolidated financials are calculated using Crude steel for India and liquid steel for Europe 4. EBITDA restated to exclude share of JV and Associates, and adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings

**Key Operating and Financial Highlights of full year and the quarter:**

- India<sup>1</sup> steel production grew by 35%YoY to 16.81 mn tons in FY19 with the acquisition of Tata Steel BSL as well as ramp-up at both Kalinganagar and Tata Steel BSL. India<sup>1</sup> steel deliveries jumped 33%YoY to 16.26 mn tons in FY19 and now account for more than 62% of consolidated volumes.
- India<sup>1</sup> operations continued to gain market share in chosen segments. Industrial Products and Projects segment sales grew by 42%YoY. Branded products, Retail & Solutions segment sales grew by 30%YoY; Automotive segment sales increased by 21%YoY. Automotive steel sales volume crossed 2.25 million mark in FY19.
- India<sup>1</sup> revenues from operations for the year increased by 47%YoY to Rs.88,987 crores driven by higher volumes and better realizations.
- India<sup>1</sup> adjusted EBITDA for the year increased by 56%YoY to Rs.23,883 crores. EBITDA margin stood at 26.8% and adjusted EBITDA/t was Rs.14,687/t.
- Tata Steel remains focused on operational efficiencies and minimizing environmental impact. Tata Steel Jamshedpur has been able to reduce CO<sub>2</sub> emission intensity to 2.28 tCO<sub>2</sub>/tcs in FY19. Solid waste utilization was in excess of 99%.
- In February 2019, Moody's upgraded the long-term corporate family rating of Tata Steel Limited by 1 notch from 'Ba3' to 'Ba2', with a stable outlook; Recently, S&P affirmed the long-term issuer credit ratings of 'BB-' on Tata Steel while revising the outlook to 'Positive' from 'Stable'.
- Tata Steel BSL is focused on ramping up production and realizing synergies. Tata Steel BSL has launched Tata Steel's brands including Tata Shaktee, Tata Kosh and Tata Structura.

**Key corporate developments:**

- The Board of Directors of Tata Steel and Tata Steel BSL have proposed a merger of both the companies in the interest of maximizing value to all stakeholders. The merger will drive operational synergies and efficiencies, reduce the regulatory burden and simplify the group structure. Both Boards have relied on valuation reports and fairness opinions provided by independent experts and recommend a merger ratio of 15 shares of Tata Steel BSL for every 1 share of Tata Steel. The merger is subject to shareholders and other regulatory approvals.
- Tata Steel and thyssenkrupp AG are working together to secure the required regulatory approvals for the proposed 50:50 joint venture in Europe. The European Commission has issued its 'Statement of Objection' for which both Tata Steel and thyssenkrupp AG have recently submitted a comprehensive package of proposed remedies.
- Tata Steel Kalinganagar Phase II expansion project is progressing well and is on track as per schedule to complete in FY22.
- The acquisition process of Usha Martin's steel business through Tata Sponge Iron Limited, a subsidiary of Tata Steel, has recently been completed for a cash consideration of Rs. 4,094

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1. India includes Tata Steel Standalone and Tata Steel BSL on proforma basis without inter-company eliminations

crores. It comprises of specialized 1 MTPA alloy based manufacturing capacity in long products segment based in Jamshedpur and captive power plants.

- Tata Steel has extended its debt maturity profile by raising Rs. 4,315 crores through 15 years non-convertible debentures.
- Tata Steel BSL has completed its capital restructuring and has refinanced its short term debt into long term loan.
- South-East Asia operating entities have been classified as 'Assets held for Sale'; the process for 70% stake divestment is expected to be completed in 1QFY20.

### Management Comments:

#### Mr. T V Narendran, CEO & Managing Director:

"Tata Steel continues to grow its footprint in India in terms of volumes, downstream capability and product portfolio.

Our strategy of focusing on operational excellence, strong customer relationships, superior distribution network and brands is paying rich dividends. Despite subdued steel markets and weak growth in our key customer segments, this year our volumes in India grew by over 33% leading to a significant improvement in our overall profitability and cashflows.

The proposed merger of Tata Steel BSL with Tata Steel will accelerate operational synergies and simplify our corporate structure. Our 5 MTPA Kalinganagar Phase II expansion will help us to further consolidate our presence in India and strengthen our financial performance. We are excited about the recently completed acquisition of the 1 MTPA steel business of Usha Martin which is an important milestone in our plans to grow our long products business. We continue to work closely with the European Commission on seeking approvals for our planned European steel JV with thyssenKrupp."

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

"2018-19 has been a strategically important year for Tata Steel with multiple challenges and opportunities including opportunities for implementing its long-term growth challenges. The Company progressed significantly on its goals in FY19 with strong operating performance, realignment of the portfolio towards India and achieving a significant deleveraging of its Balance Sheet. We will continue to target a further reduction in the gross debt by another one billion dollars by the end of Financial Year 2020.

Tata Steel reported one of the highest ever consolidated adjusted EBITDA with a record growth of 55%YoY to Rs.30,734 crores and 27%YoY increase in revenues to Rs.157,669 crores in FY19. Consolidated reported profit after tax for the year stood at Rs.9,098 crores, which is a diluted EPS of Rs.87.74, representing a strong underlying performance of the company. On an underlying basis, this was a significant increase from the previous year's profits. The integration of the Tata Steel BSL with the parent is progressively very well and will be aided by the proposed merger.

In the fourth quarter, we reduced our consolidated gross debt further by Rs.8,781 crores. Despite the liquidity issues in the domestic markets, we were able to extend our debt maturity profile by successfully raising Rs.4,315 crores through 15 years non-convertible debentures and completing the long-term financing for Tata Steel BSL."

**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 33 million tonnes per annum (MTPA). 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 \$20.41 billion (INR 133,016 crore) in FY18. In 2018, Tata Steel acquired Bhushan Steel Ltd (now renamed as Tata Steel BSL Ltd). Currently, Tata Steel's consolidated India crude steel production capacity stands at 18.6 MTPA.

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 retained the Industry Leader position in FY18 and ranked second overall in the DJSI assessment, 2017. The Company has been recognised as the Climate Disclosure Leader in 'Steel category' by CDP (2017). Besides being a member of the World Steel Climate Action Programme, Tata Steel has won several awards including the Prime Minister's Trophy for the best performing integrated steel plant for 2016-17, 'Corporate Strategy Award' by Mint (2018), Golden Peacock Award for Risk Management (2018) and Best Risk Management Framework & Systems Award (2019) by CNBC TV18. The Company also received the 'Most Ethical Company' award from Ethisphere Institute for the eight time (2019), Steel Sustainability Champions (2018) by the World Steel Association, Dun & Bradstreet Corporate Awards (2018), Golden Peacock HR Excellence Award by Institute of Directors (2018), 'Best Companies To Work For' recognition by Business Today, 'Asia's Best Integrated Report' award by the Asia Sustainability Reporting Awards (2017), among several others.

In 2018, the Company launched a corporate brand campaign #WeAlsoMakeTomorrow. ([www.wealsomaketomorrow.com](http://www.wealsomaketomorrow.com))

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