

TATA STEEL

#WeAlsoMakeTomorrow



Results Presentation

**Second quarter and half year
ended September 30, 2021**

November 11, 2021

www.tatasteel.com |



Safe harbour 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

Tata Steel is focused on creating sustainable value



**Leadership in
India**



**Consolidate
position as global
cost leader**



**Robust financial
health**



**Leadership in
sustainability**



**Leadership position
in technology
and digital**



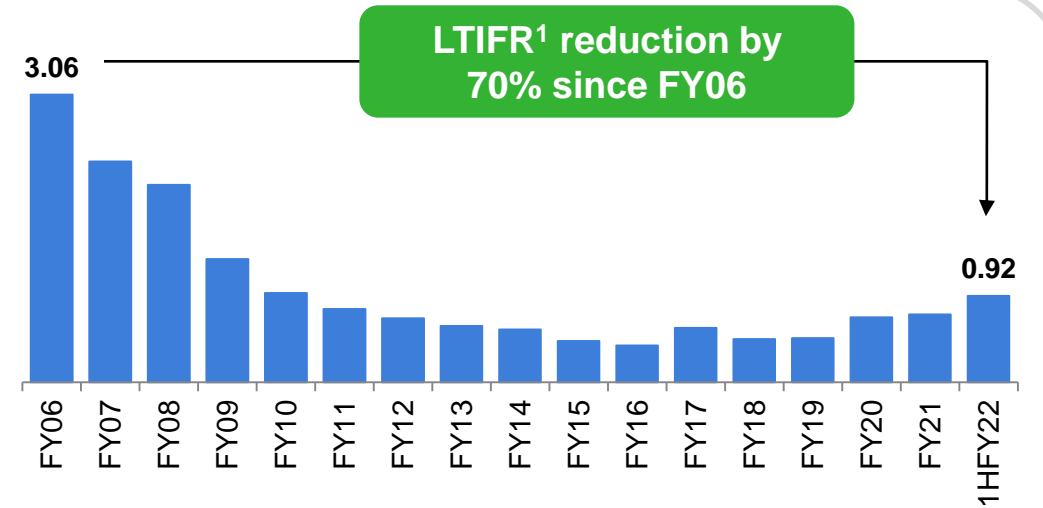
**Become culturally
future ready**

Committed towards excellence in Safety & Health of our employees



Safety remains a top priority

- Launched safety campaign on 'Slip/Trip/Fall' to improve awareness among the workforce
- 24%YoY reduction in First Aid Cases
- Launched pilot audit approach at TSUK to improve compliance with standards and codes of practice



Health continues to be a focus area

- Organized 'Healthy Heart Campaign' to beat cardiovascular diseases; covering 3,500+ employees
- COVID health screenings of 42,000+ employees and contract employees for early detection of high-risk cases



TATA STEEL
#WeAreWhoWeAre



Join in
for an enlightening session
Sudden Cardiac Arrest

by
iCare

Holy Family Hospital, Mumbai

September 29, 2021 | 11:00 a.m. – 12:00 noon

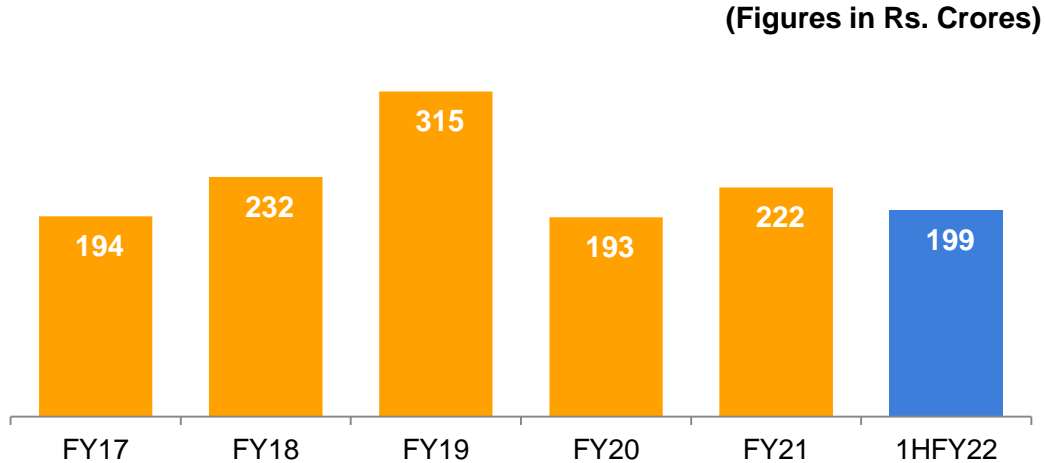


For questions call @ 0657-6640000

A joint initiative of Occupational Health Services and Tata Main Hospital

Improving quality of life of our communities

- Engaged with 1.9 million+ lives through our CSR program
- Spent more than Rs.1,350 crores¹ since FY17 on Signature programmes at regional scale as well as programmes for Communities proximate to our operations



Key areas for CSR initiatives



Rural & Urban Education



Dignity for the Disabled



Household Health & Nutrition



Household Livelihoods



Tribal Cultural Heritage



Water Resources



Grassroots Rural Governance



Grassroots Sports



Women & Youth Empowerment



Public Infrastructure

Standing with the nation during COVID-19 pandemic



Supporting the community



23 lakh+

Lives reached out¹



30,000+

Hours of volunteering¹

#ThoughtForFood

#DigitalBridges

#Sanjeevani

#CashForWork

#StitchinTime

#FromTheFarm

#FarRishta

#ApnokiSuno

#StrongerTogether



Health Support

- **Vaccination campaign:** 77%² of the eligible employees are fully vaccinated; more than 98% have received their first dose
- **Liquid Medical Oxygen:** more than 80,000 tons Liquid Medical Oxygen supplied till 31st October 2021
- **COVID care facilities:** helped the local administrations across our areas of operations with infrastructure support for setting up COVID-19 hospitals



COVID Hospital – Berhampur, Odisha







COVID Hospital – Duburi, Odisha

1. Cumulative during 1st and 2nd wave of COVID-19; 2. Across locations at Tata Steel standalone, Tata Steel BSL and Tata Steel Long Products as on 24th October 2021

Sustainability is deeply embedded in our ecosystem

Long term decarbonization roadmap created	Pursuing low carbon technologies	Circular Economy integrated as part of business model	Deploying Responsible Supply Chain Policy across value chain	Improving transparency and disclosures
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		2025 goals	2030 goals
	Climate change	<ul style="list-style-type: none"> ▪ TSI: Achieve <math><2\text{ tCO}_2\text{/tcs}</math> carbon emission 	<ul style="list-style-type: none"> ▪ TSI: Achieve <math><1.8\text{ tCO}_2\text{/tcs}</math> carbon emission ▪ TSE: 30% reduction in specific emissions over 2020
	Water	<ul style="list-style-type: none"> ▪ TSI: Achieve specific freshwater consumption of $2\text{ m}^3\text{/tcs}$ 	<ul style="list-style-type: none"> ▪ TSI: Achieve specific fresh-water consumption of $<1.5\text{ m}^3\text{/tcs}$, aim for water neutrality ▪ TSE: EU benchmark for water intensity
	Circular Economy	<ul style="list-style-type: none"> ▪ Achieve material efficiency of 99% 	<ul style="list-style-type: none"> ▪ Build 5 MTPA recycling business
	Bio-diversity	<ul style="list-style-type: none"> ▪ Develop and implement Biodiversity Management Plan for operations sites 	<ul style="list-style-type: none"> ▪ Aspire for no net loss of biodiversity

TSI – Tata Steel India (Tata Steel standalone and Tata Steel Long products); TSJ: Tata Steel Jamshedpur TSE – Tata Steel Europe; material efficiency is defined as percentage of crude steel and co-products (by-products) material out of total output material

Progressing towards sustainability goals

CO₂ capture plant



Commissioned 5 TPD CO₂ capture plant at Jamshedpur; first in India by a Steel company to extract CO₂ directly from Blast Furnace gas

Electric Vehicles for transportation



Flagged off first batch of Electric Vehicles at our stockyard for transportation of steel

Water treatment plant

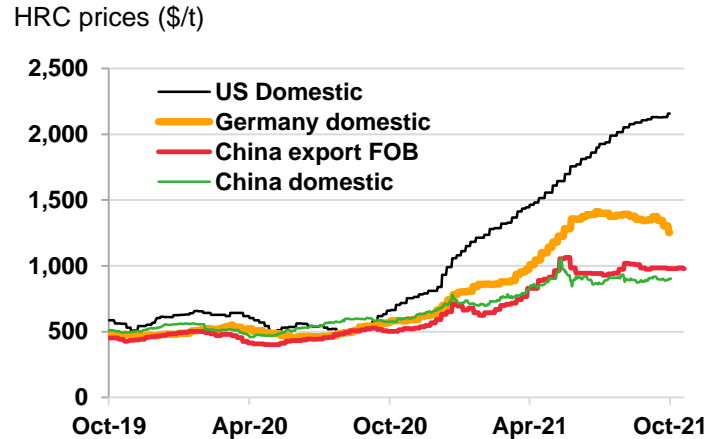


Commissioned 3,000 KLD water treatment plant at Noamundi, Jharkhand

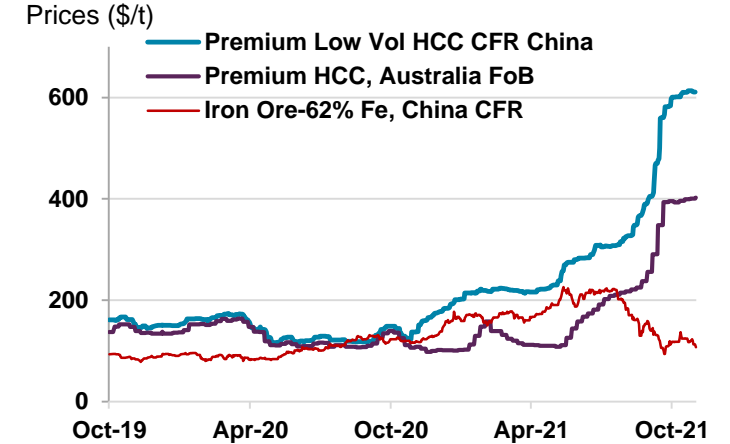
Steel prices remained rangebound; Coking coal supply disruption impacts steel spreads

- Global economic recovery continues
- Steel prices remained buoyant with western markets being at large premium
- Coking coal prices jumped sharply on supply chain disruptions
- Spot spreads soften as sharp rise in coal price is not fully offset by Iron ore price correction
- China's steel production continued to decline
- Chinese steel exports declined to multi-month low despite exports spreads being higher than domestic spreads

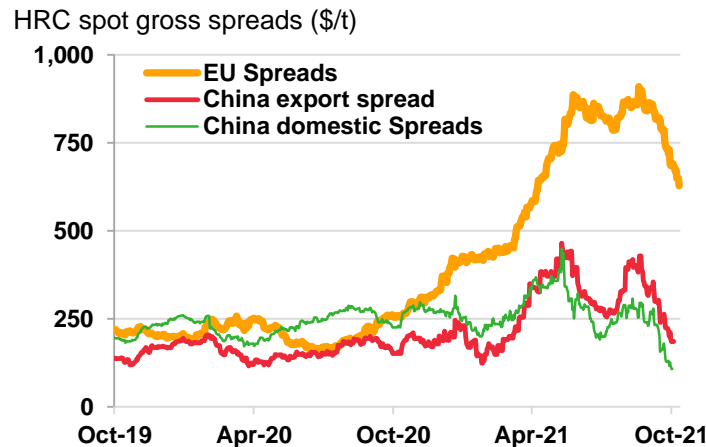
Regional steel prices remain buoyant



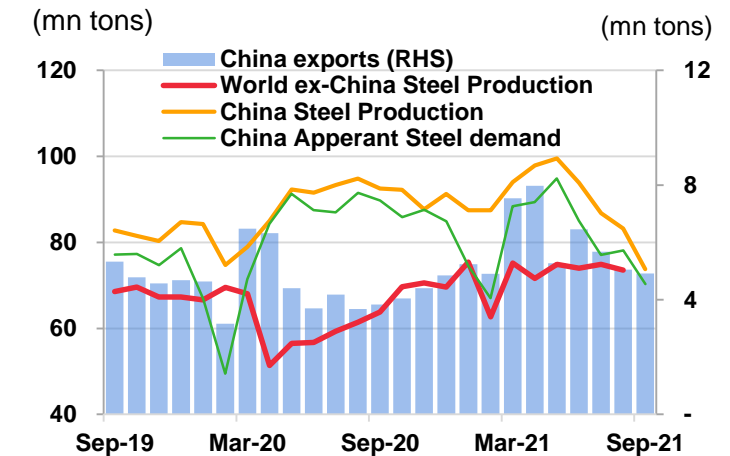
China CFR coking coal rose to \$600/t level...



... weighed upon spot spreads



China Steel production declining steadily



Sources: World Steel Association, IMF, Bloomberg, Steelmint, and Tata Steel; China HRC exports spot spreads = China HRC exports FOB – 1.65x Iron Ore (62% Fe China CFR) - 1x Coal (Premium HCC China CFR); China HRC domestic spot spreads = China HRC domestic prices – 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)

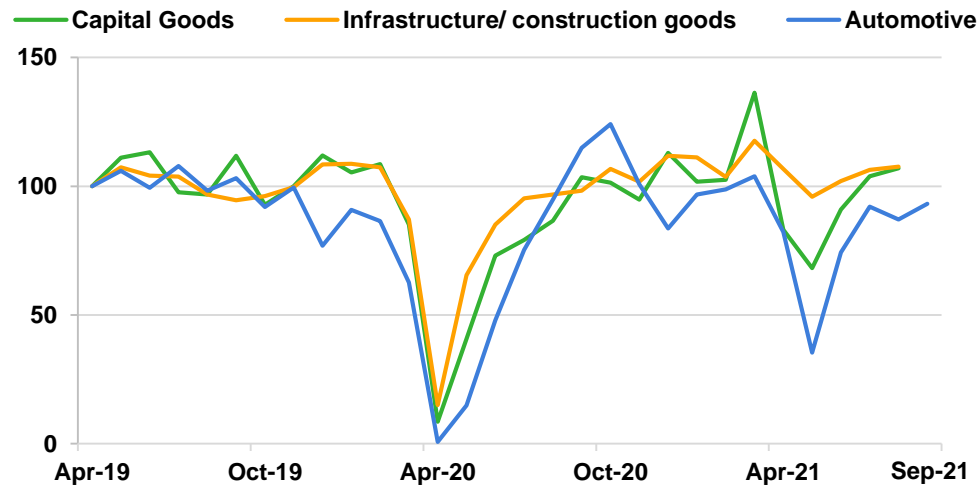
India steel demand affected by seasonality; European steel margins soften on rising energy cost



India

- Apparent steel consumption shrank by 2.3%QoQ in 2QFY22 amidst heavy rains/seasonality and 2nd wave of COVID-19
- Key steel consuming sector resumes recovery on steady vaccination and government spending; Automotive production remain impacted by semiconductor shortage

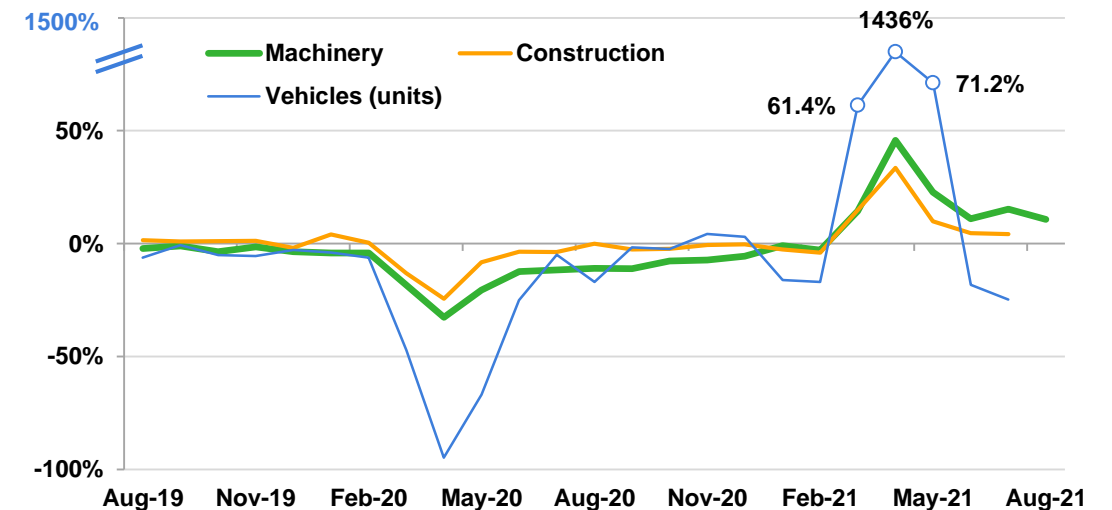
Key steel consuming sectors*



Europe

- Key steel consuming sectors growth remain robust; automotive sector yet to achieve pre-pandemic level
- European spot steel prices softened amidst narrowing demand-supply gap with rise in imports; higher coal and energy costs weighing upon gross spot spreads

Key steel consuming sectors (% YoY growth)

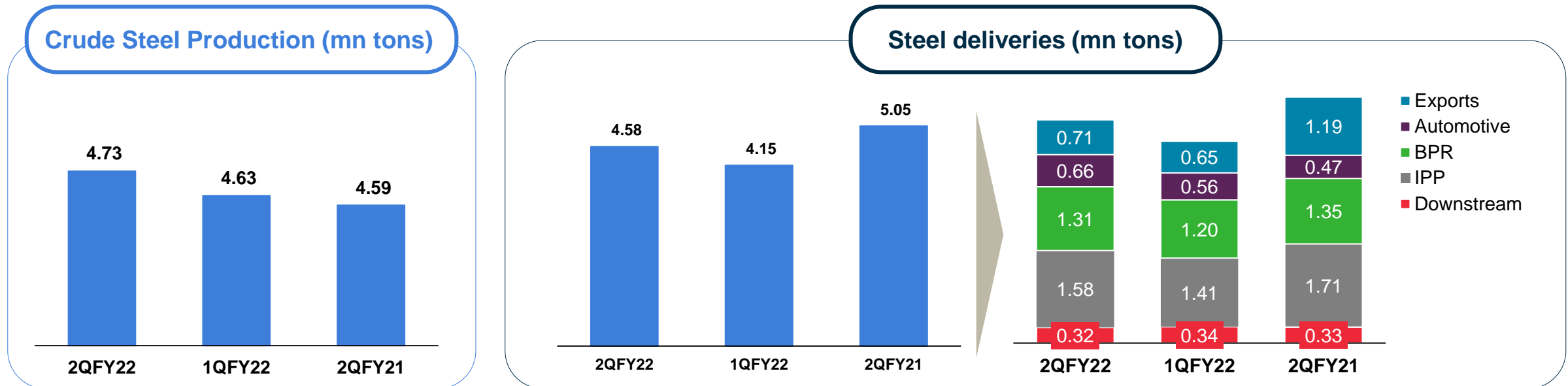


Sources: Bloomberg, SIAM, Joint Plant Committee, MOSPI, CMIE, Eurostat and Tata Steel

*Figures of Industrial Production for Capital Goods and Infrastructure/Construction are rebased to Apr'19=100 using FY12 index based sector weights; automotive is number of units produced as per SIAM, indexed Apr'19=100; growth of key steel consuming sector is calculated by removing sub-segments which do not consume steel

India¹: Deliveries increased despite the contraction in market demand

- Crude steel production increased by 2%QoQ and 3%YoY
- Overall deliveries increased 11%QoQ despite market demand contraction amidst seasonal weakness; deliveries were lower 9%YoY due to higher opening stock in 2QFY21 enabling stock liquidation in 2QFY21
- Sales volume to Automotive segment increased by 18%QoQ despite semiconductor shortage driven weakness in the sector



1. India includes Tata Steel Standalone and Tata Steel Long Products on proforma basis without inter-company eliminations; Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel

India¹: Market leadership in chosen segments

- Received approvals of 198 kg flat steel per vehicle for a new SUV of a leading OEM
- Highest ever quarterly sales in Infra & Engineering segment with 19%QoQ growth in 2QFY22
- Initiated first ever commercial supplies to a major player in mining excavator segment for E350 Gr C Ultrasonic Tested plates for excavator arm and frame application

Launched new and superior rebar Tata Tiscon 550SD for retail customers

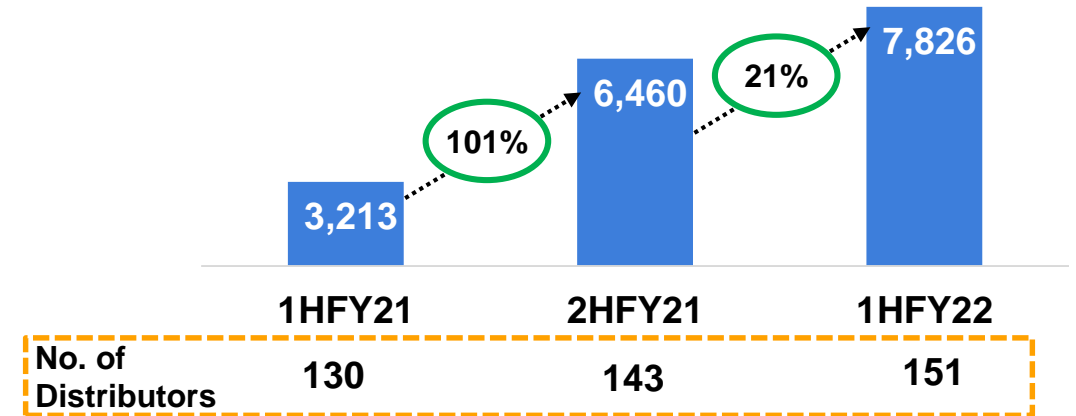


1. India includes Tata Steel Standalone and Tata Steel Long Products on proforma basis without inter-company eliminations; Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel

India¹: Micro-segmentation approach driven by Customer focus leading sales growth

- Servicing 80 microsegments – ensuring preferred supplier status on monthly basis with 10,000+ MSMEs pan India
- Augmenting channel capacity to improve reach and aid in ECA growth; more than 150 Channel partners on-boarded
- Launched new Coated Brands – GalvaRoS, Galvanova and Colornova – with sustainability attributes to cater to the evolving requirements of the customers
- Transforming the Hot Rolled and Cold Rolled retail markets through ECA retail brands - Tata Astrum Super and Tata Steelium Super
- DigEca: Digital Platform for ECAs and Channel to drive efficiency and insight generation for maximizing value added product sales

Gross Revenue through ECA (Rs. crores)



1. India includes Tata Steel Standalone and Tata Steel Long Products on proforma basis without inter-company eliminations; Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel

India¹: New products developed across customer segments

Auto: Car Seat belt assembly anchor plate

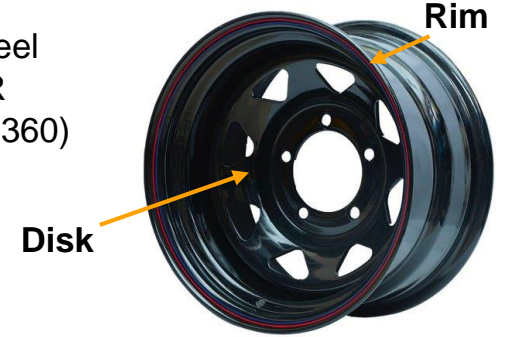


Auto: Reinforcement for Axle mounting; Grade (S315MC)



LH and RH part of the component

Auto: Disc wheel application; HR Grade (A03 Fe360)



Auto: Truck wheel Ri; Grade (SPFH 540 – 5.5 mm thickness)



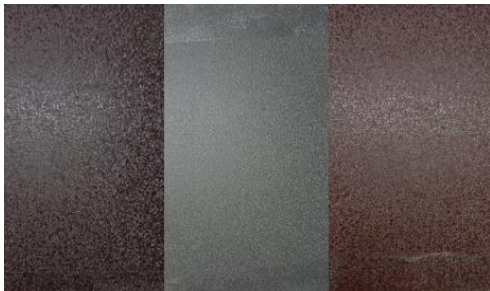
Auto: Handle-bar of 2-wheeler; ERW Tube Fin cut (22.23x2x760)



BPR: HR Astrum for fabrication and structural applications; Grade (HR U37 IS 2062 E350C)



BPR: PPGI/ PPGL coil for direct forming applications; Wrinkle Finish Coated Steel



IPP: API Line Pipe; Grade (X70 – 14.5 mm thickness)



IPP: Pole sheet of Hydroelectric Generator; Grade (S355MC)

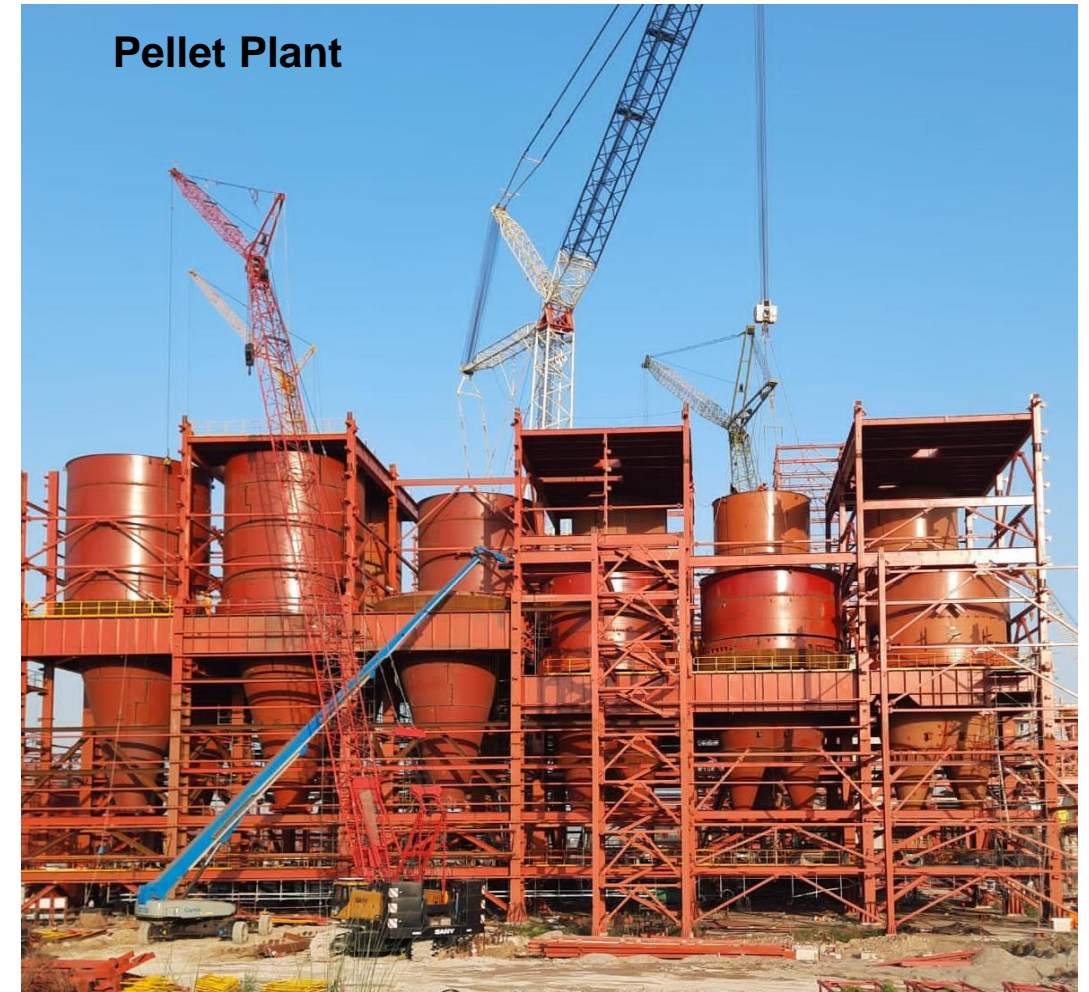


1. India means Tata Steel Standalone and Tata Steel Long Products on proforma basis without inter-company eliminations; ; Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel; Tata Steel India developed 53 new products; few of them are shown above

India: 5 MTPA TSK Phase II expansion driving value accretive growth in India

CRM complex capability	Width (in mm)	Thickness (in mm)	Capacity (in MTPA)
Pickling Line and Tandem Cold rolling Mill	1,870	0.3 - 2.3	2.2
Continuous Annealing Line	1,870	0.3 - 2.3	0.9
Continuous Galvanizing Line (non-auto)	1,560	0.3 - 2.3	0.53
Continuous Galvanizing Line (auto)	1,870	0.3 - 2.3	0.47

6 MTPA Pellet plant to drive cost savings and 2.2 MTPA CRM complex to drive product mix enrichment



India: New initiatives are progressing well

Aashiyana¹



'Aashiyana' generated gross revenue of Rs.338 crores in 2QFY22, registering 32%QoQ growth

Service & Solutions



Tata Pravesh and Nest In witnessed best ever quarterly operational performance

Steel Recycling Business



Commissioned shredding line during 2QFY22

New Material Business



Developed Graphene enriched rubber compound for industrial application of 'Dump Truck Liner'

1. Aashiyana is an online platform, by Tata Steel, targeted towards 'Individual home builder' segment;
2. FRP: Fibre-reinforced plastic

Business outlook is robust for 2HFY22 despite volatile raw material prices

Steel demand

- **Global steel demand** is expected to expand by 4.5% in CY21 with economic recovery
- **India steel demand** is expected to improve; supported by gov't's push for infrastructure spending and consumer demand with onset of festive season
- **EU Steel demand** recovery is expected to remain strong with 12.7% YoY growth in CY21
- Re-imposition of mobility restrictions amidst delta variants spread, supply-chain disruptions and upcoming tapering of liquidity support remain a risk

Steel prices

- **Asian steel prices** are expected to remain rangebound amidst supply tightness with strong demand recovery, and stricter Chinese pollution curbs and high coking coal prices
- **Indian steel prices** are expected to increase with demand improvement across segments and high coking coal prices
- **European steel prices** to remain resilient with continued supply tightness; steel supplies are at further risk due to high power and energy costs, especially in UK

Raw material prices

- **Seaborne iron ore prices** are now expected to remain rangebound after correction on lower china demand (till Beijing winter Olympics in Feb'22) and improved supply by large Iron ore players
- **Coking coal prices** are expected to correct with likely improvement in Australian supplies while geopolitical conflict between China and Australia continues
- **European power and energy costs** have risen sharply with further upward bias on potentially early and colder winters

Pathway for our future financial strategy



Short-term (FY22 targets)

Target	1HFY22 performance
<ul style="list-style-type: none"> Investment grade financial metrics; strong earnings and cashflow performance 	<ul style="list-style-type: none"> Achieved investment grade financial metrics Consolidated EBITDA of Rs.32,803 crores Generated free cash flow of Rs.6,876 crores
<ul style="list-style-type: none"> US\$2 bn+ gross debt reduction while prioritizing off-shore debt repayment 	<ul style="list-style-type: none"> Gross debt decreased to Rs.78,163 crores with repayment of Rs.11,424 crores in 1HFY22 (including Rs.10,408 crores of offshore debt)
<ul style="list-style-type: none"> Continued focus on capital allocation, cashflow and working capital management 	<ul style="list-style-type: none"> Won high quality Gandhalpada Iron ore mine Divested 100% stake in NatSteel Holdings, Singapore Tata Steel BSL merger into Tata Steel approved
<ul style="list-style-type: none"> Capex of Rs.10,000-12,000 crores 	<ul style="list-style-type: none"> Capex spent of Rs.4,202 crores

Medium-term (Across cycle targets)

Target Leverage

Net Debt/EBITDA at 2x
Interest Cover at 4x



Target RoIC

15%



Dividend Policy

Progressive dividend policy; robust pay-out



Tata Steel Consolidated: Highest ever quarterly EBITDA

(All figures are in Rs. Crores unless stated otherwise)	2QFY22	1QFY22	2QFY21
Production (mn tons)¹	7.77	7.88	7.25
Deliveries (mn tons)	7.39	7.11	7.93
Total revenue from operations	60,283	53,372	38,940
Raw material cost ²	22,218	20,044	13,059
Change in inventories	(3,103)	(3,292)	3,297
Employee benefits expenses	5,862	5,663	4,375
Other expenses	18,850	14,847	11,996
EBITDA	16,618	16,185	6,319
Adjusted EBITDA³	17,810	15,892	5,527
Adjusted EBITDA per ton (Rs.)	24,112	22,366	6,972
Other income	271	162	218
Finance cost	1,020	1,811	1,948
Pre exceptional PBT	13,604	12,259	2,231
Exceptional items (gain)/loss	(516)	182	(43)
Tax expenses	1,572	2,308	609
Reported PAT	12,548	9,768	1,665
Other comprehensive income	(715)	615	609

Key drivers for QoQ change:

- **Revenues:** improved across key entities with increase in realisation across geographies and higher deliveries at India; partially offset by lower deliveries at Europe
- **Raw Material cost:** increased primarily due to increase in purchased Iron ore and Coal consumption cost across key entities; including higher purchase of Finished & Semi-finished goods
- **Change in inventories:** inventory value increased primarily with higher prices across the geographies; inventory volume also increased at TSE
- **Other expenses:** increased primarily at Tata Steel standalone on account of higher royalty, rates & taxes; at Tata Steel Europe with higher energy cost along with adverse FX impact at overseas entities
- **Exceptional item:** for the quarter reflects gain on sale of NatSteel operations; partially offset by charge on Employees Separation Scheme

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 loan given to offshore entity
Note: 2QFY21 figures have been restated consequent to the re-classification of Southeast Asia operations from "Held for Sale" to "Continuing Operations" during 4QFY21

Tata Steel Standalone¹: Highest ever quarterly EBITDA

(All figures are in Rs. Crores unless stated otherwise)	2QFY22	1QFY22	2QFY21
Production (mn tons)	4.56	4.45	4.42
Deliveries (mn tons)	4.42	3.99	4.87
Total revenue from operations	32,582	27,596	21,601
Raw material cost ²	8,809	7,005	6,264
Change in inventories	(628)	(1,326)	1,688
Employee benefits expenses	1,543	1,546	1,316
Other expenses	9,428	7,073	6,608
EBITDA	13,557	13,370	5,824
Adjusted EBITDA³	13,574	13,040	5,824
Adjusted EBITDA per ton (Rs.)	30,739	32,712	11,965
Other income	382	284	220
Finance cost	730	773	1,220
Pre exceptional PBT from continuing operations	11,730	11,437	3,346
Exceptional items (gain)/loss	131	(153)	9
Tax expenses	2,891	2,810	798
Reported PAT	8,708	8,780	2,539
Other comprehensive income	163	31	17

1. Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel

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 FX rate movement on loan given to offshore entity

Key drivers for QoQ change:

- **Revenues:** increased mainly due to higher steel prices and deliveries; include impact of pass-through revenue for additional royalty charged to group companies (other than TSBSL)
- **Raw Material cost:** increased primarily due to increase in Coal and purchased pellet consumption cost with higher prices, higher scrap charge and higher purchase of Finished & Semi-finished goods
- **Change in inventories:** inventory value with increase in prices; partially offset by reduction in quantity
- **Other expenses:** increased primarily due to higher royalty, rates & taxes on account of MMDR Act amendment and higher reference prices for Ore; also reflects FX revaluation impact on loan given to offshore subsidiary
- **Exceptional item:** for the quarter primarily reflects charge under Employee Separation Scheme and Employees Family Protection Scheme for COVID-19

Tata Steel Europe: Strong operating performance

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY22	1QFY22	2QFY21
Liquid Steel production (mn tons)	2.56	2.67	2.15
Deliveries (mn tons)	2.14	2.33	2.27
Total revenue from operations	21,424	19,441	13,498
Raw material cost ¹	10,441	9,785	4,931
Change in inventories	(2,301)	(1,458)	1,444
Employee benefits expenses	3,762	3,588	2,627
Other expenses	6,222	6,001	5,000
EBITDA	3,340	1,533	(462)
EBITDA per ton (Rs.)	15,609	6,590	(2,036)

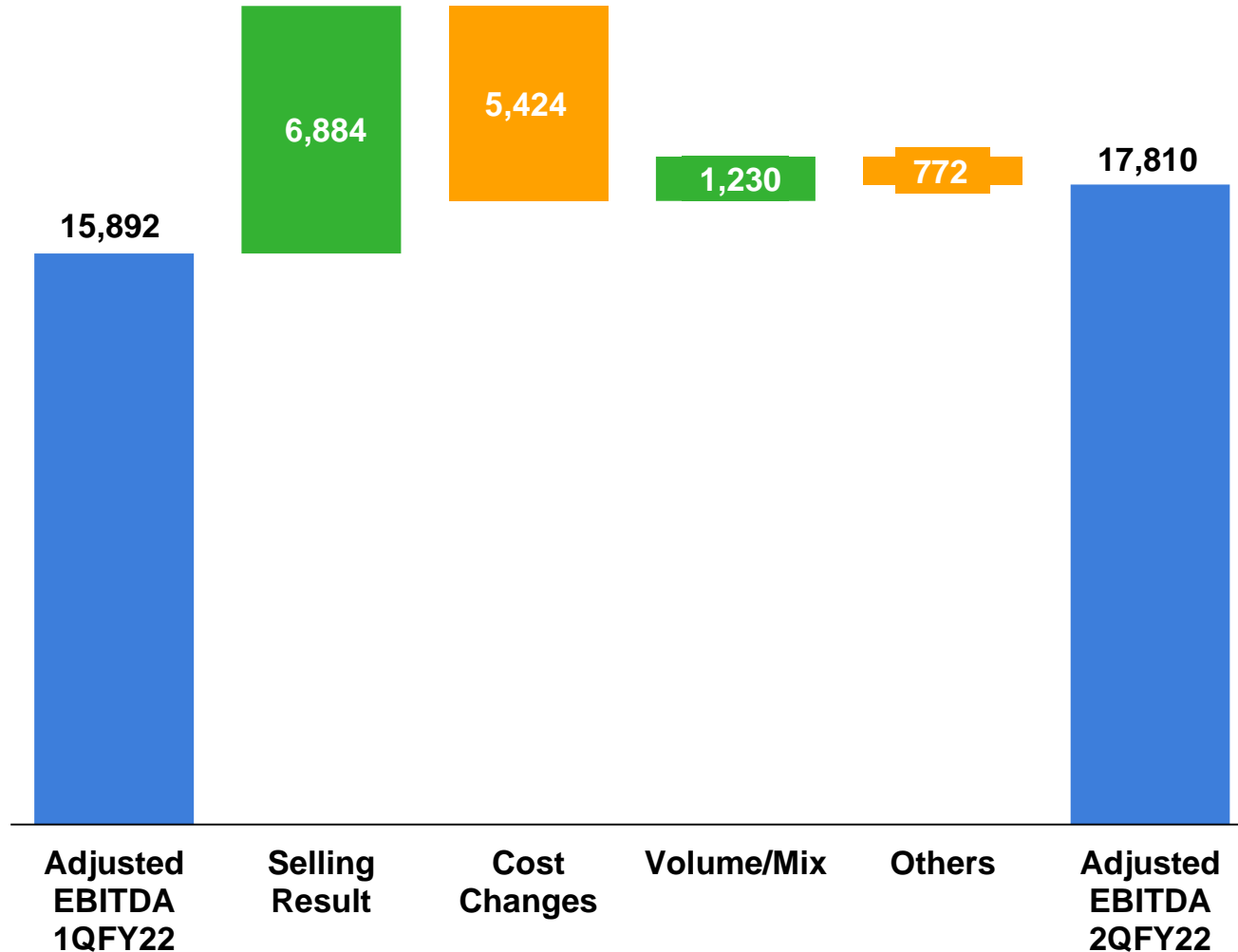
1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Key drivers for QoQ change:

- **Volumes:** deliveries declined by 8% due to seasonal impact as well as slowdown in automotive steel sales amidst semiconductor shortage
- **Revenues:** increased with improved steel realisations and sales mix, partially offset by lower deliveries
- **Raw Material cost;** increased primarily due to increase in Iron Ore and Coal consumption cost with higher prices due to lagged effect
- **Change in inventories:** inventory value increased with higher prices and lower deliveries
- **Other expenses:** increased primarily due to higher energy cost with higher repairs & maintenance expenses partially offset by lower provision on account of carbon emission rights

Achieved highest ever Consolidated EBITDA¹ despite higher raw material prices

Rs. Crores

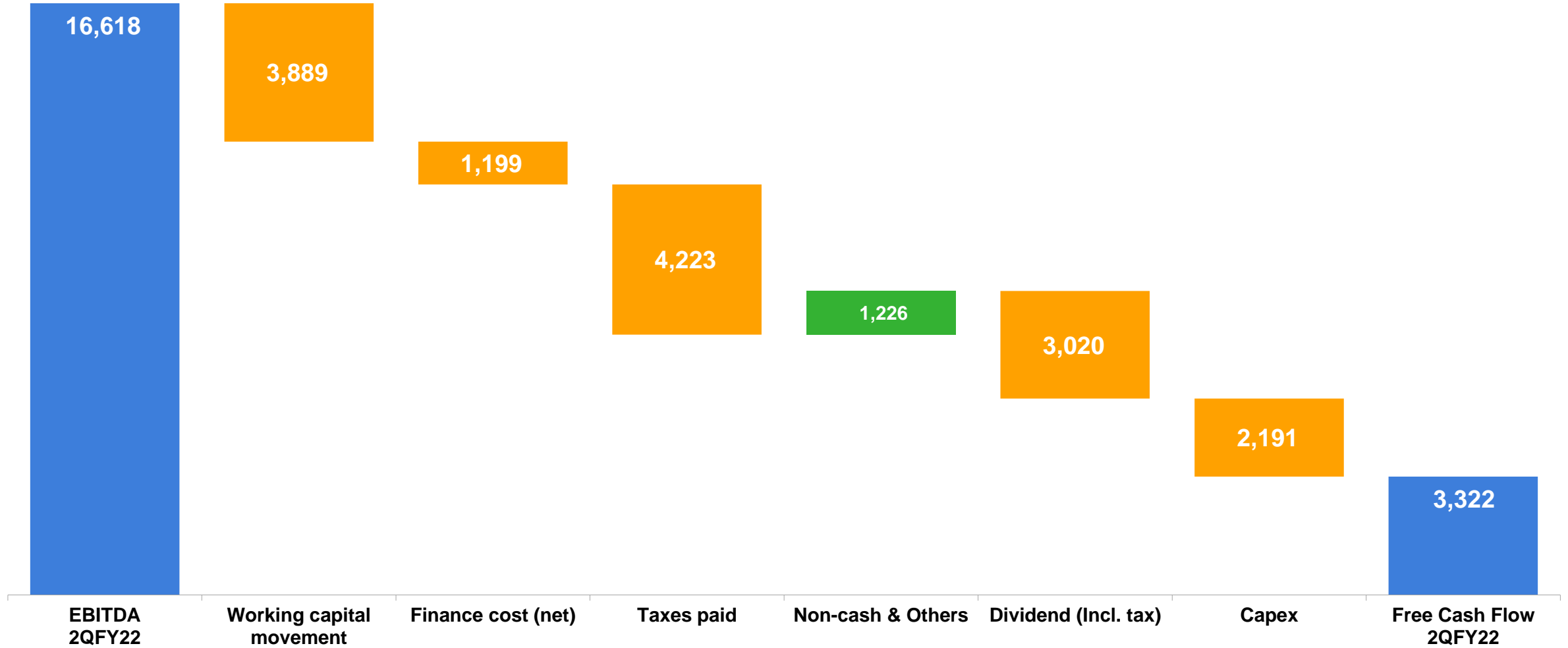


- **Selling Result:** primarily due to strong steel realisations across entities
- **Cost Changes:** Primarily due to increase in coking coal consumption cost and purchased Iron Ore cost across geographies along with higher purchase of Finished & Semi-finished goods
- **Volume/Mix:** Primarily due to higher steel deliveries in India
- **Others:** Primarily due to higher royalty, rates & taxes at Tata Steel India and higher energy cost at Tata Steel Europe; partially offset by lower carbon emission costs at Europe

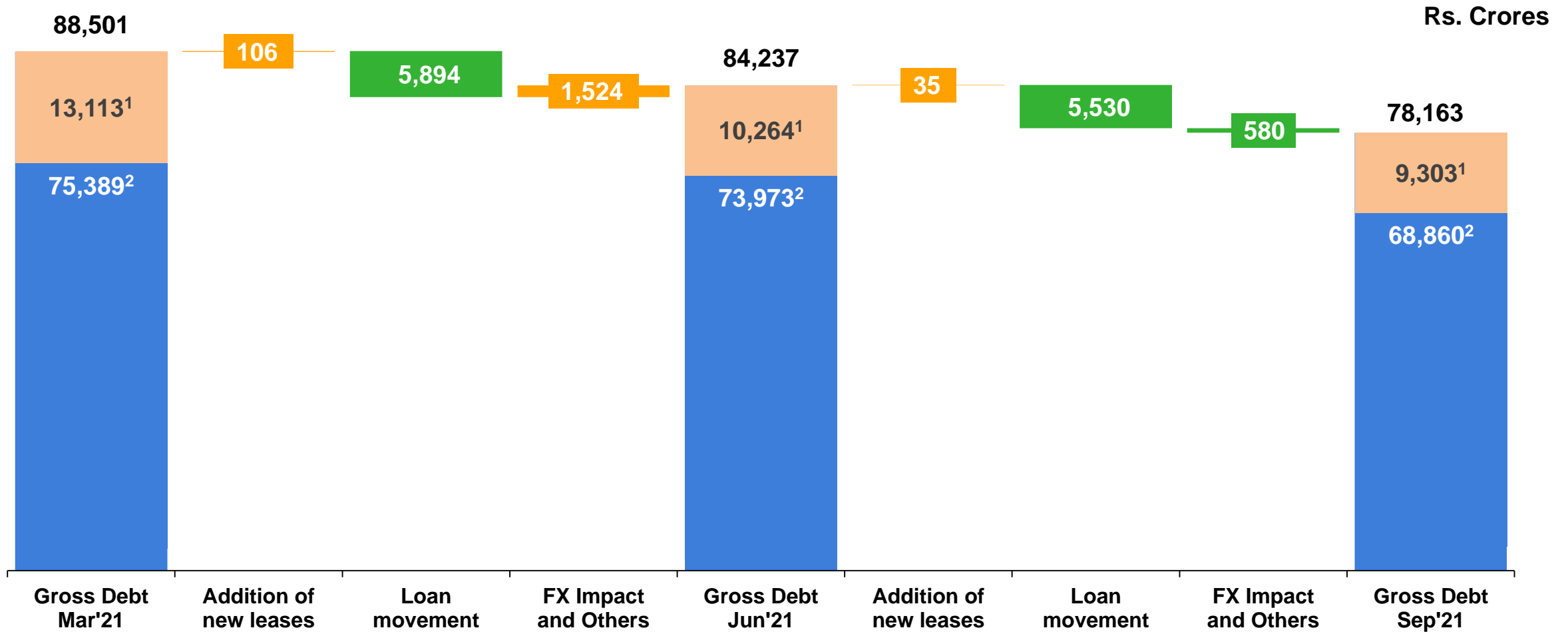
1. EBITDA adjusted for revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings and FX rate movement on loans to T Steel Holdings

Generated free cash flows of Rs.3,322 crores in 2QFY22

Rs. Crores



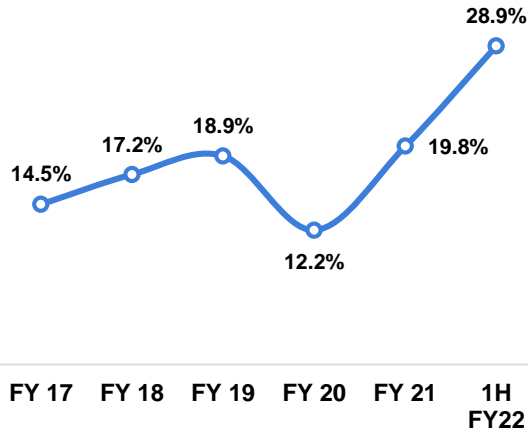
Debt repayment of Rs.11,424 crores in 1HFY22



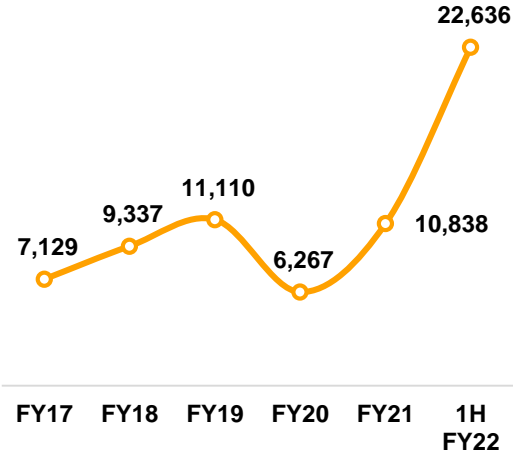
1. Cash, bank & current investments;
2. Net Debt

Key metrics are at investment grade levels

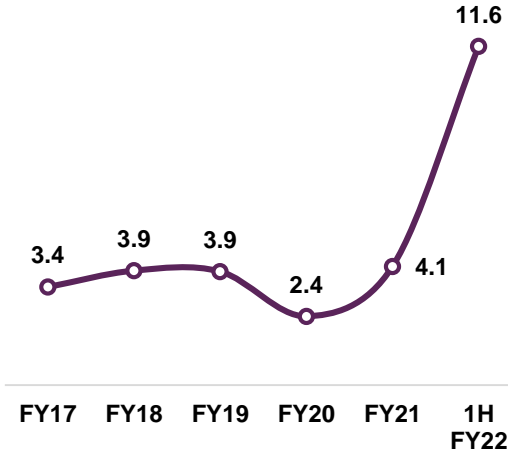
EBITDA Margin (%)¹



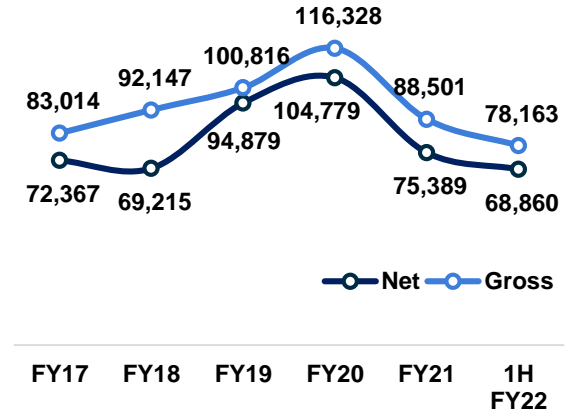
EBITDA / ton (Rs.)¹



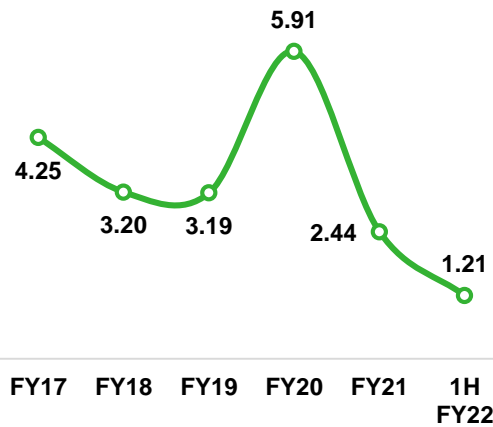
Interest Coverage Ratio (x)^{1,2}



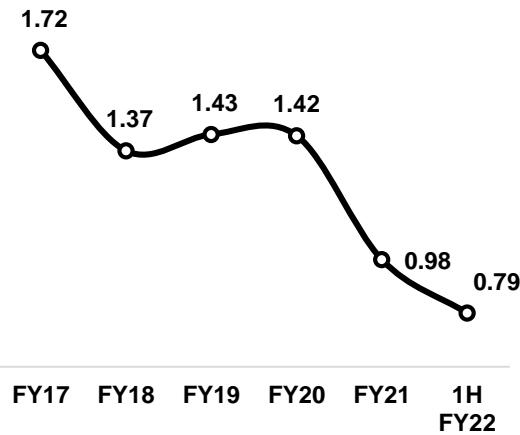
Gross & Net Debt (Rs. crore)



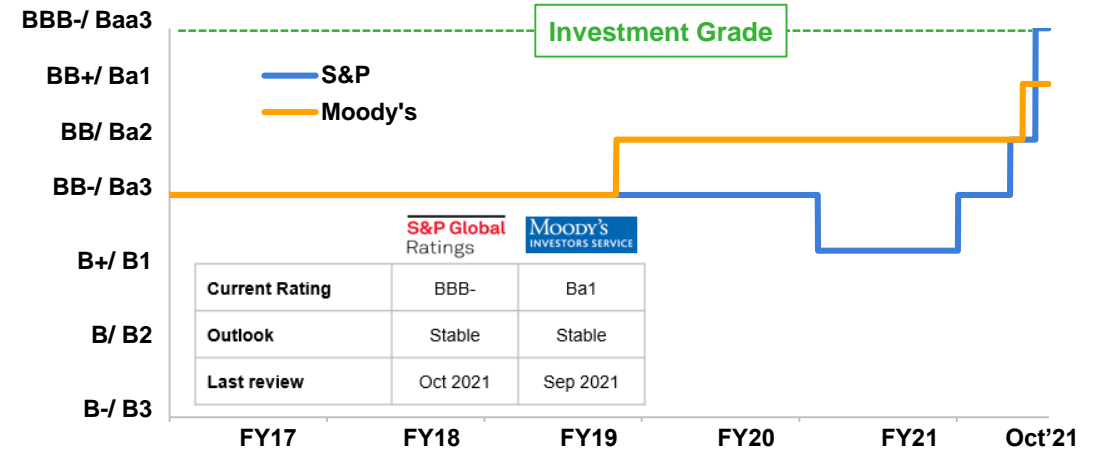
Net Debt / EBITDA (x)³



Net Debt / Equity (x)



Credit Rating



	S&P Global Ratings	Moody's Investors Service
Current Rating	BBB-	Ba1
Outlook	Stable	Stable
Last review	Oct 2021	Sep 2021

All data is on consolidated basis; 1. FY20 and FY21 includes Southeast Asia (SEA) Operations which is reclassified as continuing operations; 2. Interest Coverage Ratio: EBITDA / Interest for 1HFY22; 3. 1HFY22 based on 12 trailing month EBITDA

TATA STEEL

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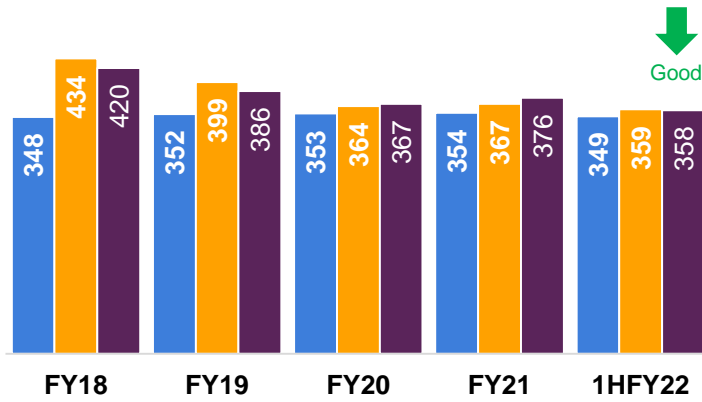


Annexures

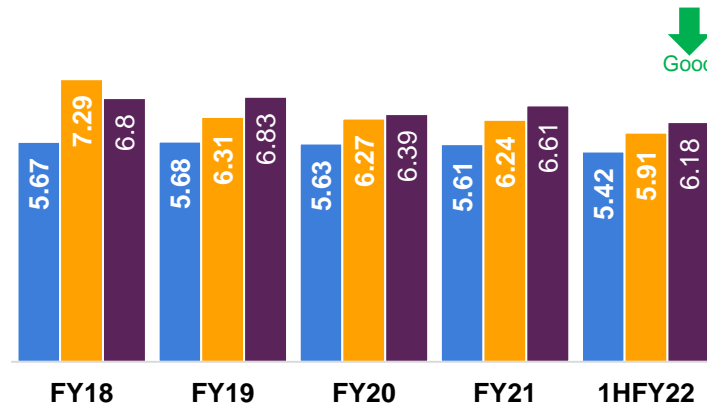
Tata Steel Standalone: Continued focus on operational efficiencies and minimizing environmental impact

■ Jamshedpur
■ Kalinganagar
■ Angul

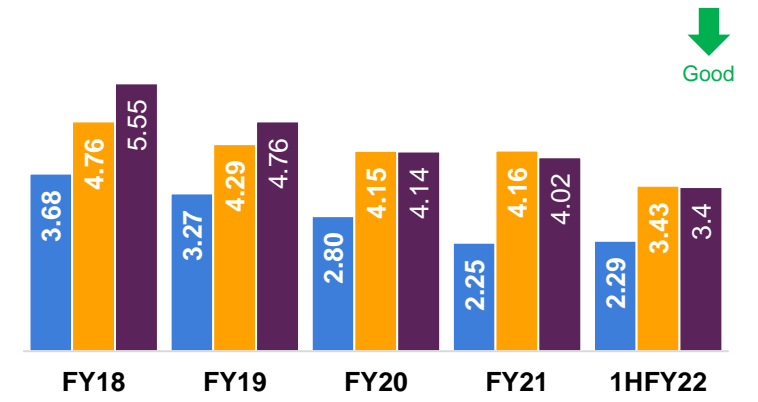
Coke Rate (kg/thm)



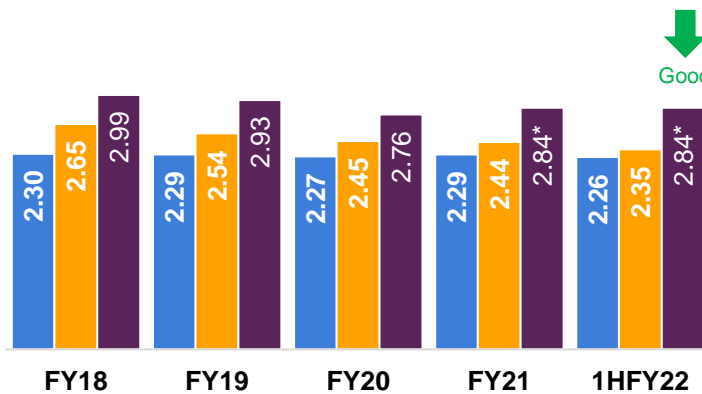
Specific Energy Consumption (Gcal/tcs)



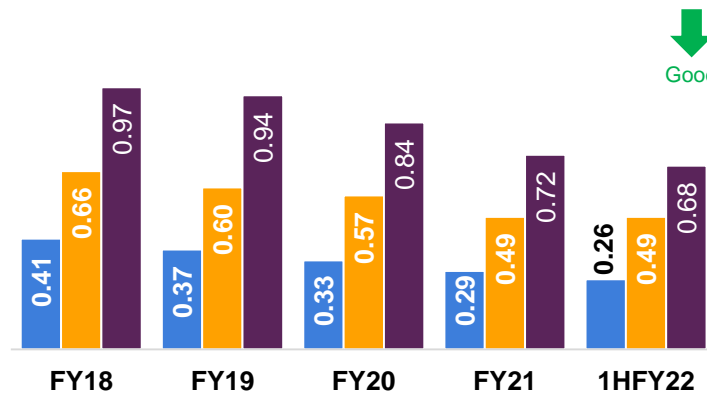
Specific Fresh Water Consumption (m³/tcs)



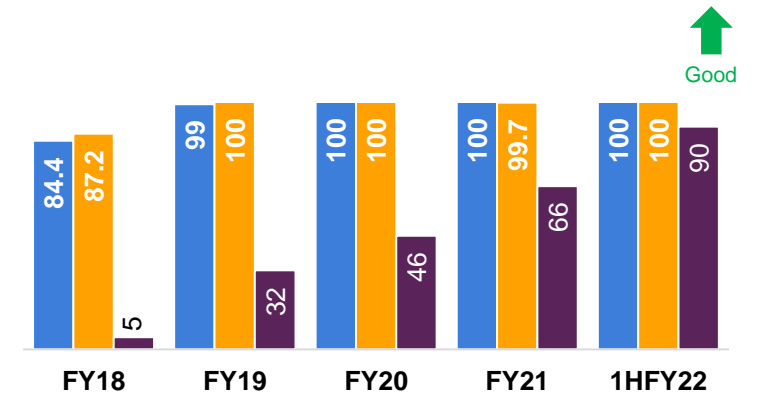
CO₂ Emission Intensity (tCO₂/tcs)



Specific Dust Emission (kg/tcs)



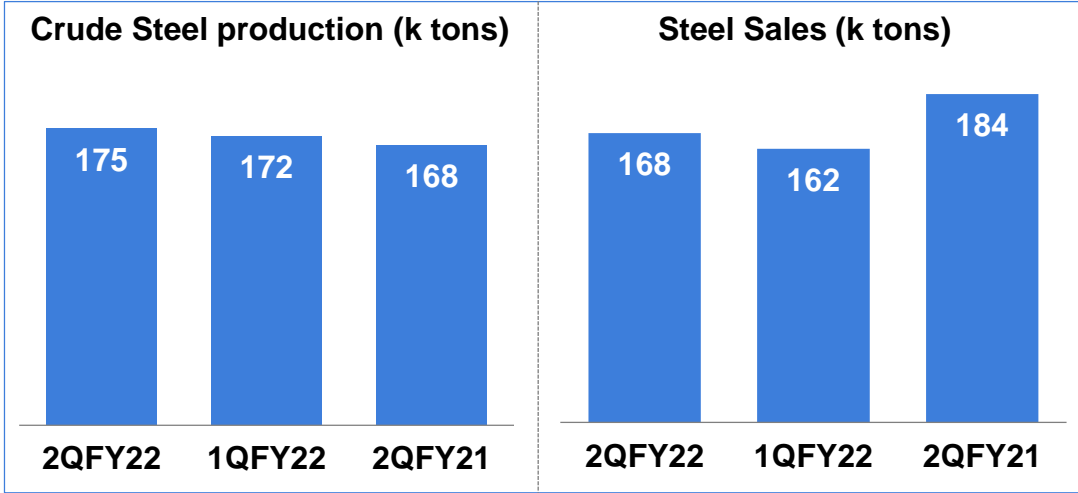
Solid Waste utilisation (%)



* CO₂ Emission Intensity was higher mainly due to lower capacity utilization than FY20, however, total emission was lower.

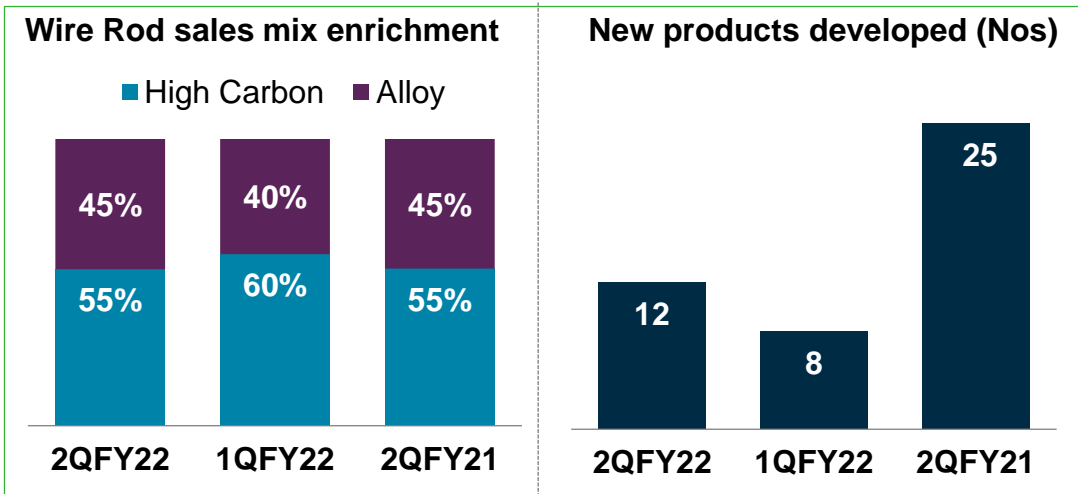
Tata Steel Long Products

Crude steel production and Steel sales volume increased on QoQ basis



- Steel production increased by 2% on QoQ and 4% on YoY basis despite planned maintenance shutdowns
- Steel sales volume increased by 4% QoQ basis with best ever quarterly sales of Rolled Products

Focus on product mix diversification and enrichment



- Best ever sales in Auto component exports segment with 17% QoQ growth
- Alloy Wire rod¹ improved on QoQ basis on new products development and demand picking-up after easing of the 2nd wave of COVID-19

1. Alloy wire rod includes niche segment of Low Carbon Wire Rod

Tata Steel Long Products: Continue to deleverage with strong FCF generation

<i>Consolidated financial statements</i> <i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY22	1QFY22	2QFY21
Total revenue from operations	1,637	1,688	1,186
Raw material cost ¹	1,032	752	577
Change in inventories	(47)	(23)	85
Employee benefits expenses	52	53	61
Other expenses	360	386	280
EBITDA	302	554	194
EBITDA per ton (Rs.)²	18,010	34,286	10,512
EBITDA Margin (%)	18.5%	32.9%	16.3%
Reported PAT	135	332	59

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products
2. EBITDA/Steel deliveries

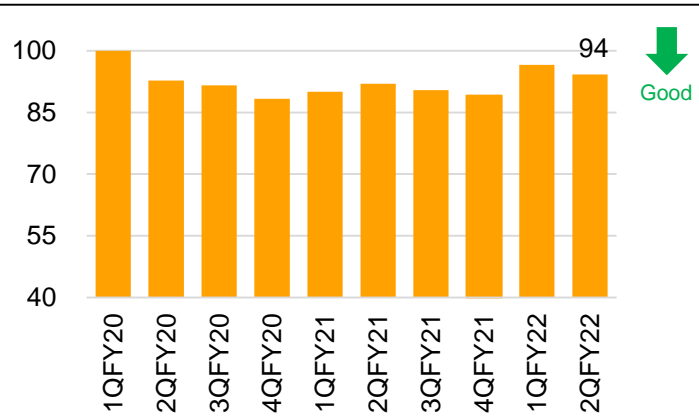
Key drivers for QoQ change:

- **Revenues:** increased with improved steel and DRI realisations; partially offset by lower DRI volume
- **Raw material cost:** increased primarily due to additional royalty provision on Iron ore for 1HFY22 amidst MMDR Amendment Act, 2021 and increased iron ore and coal prices
- **Change in inventories:** inventory value increased primarily with higher prices
- **Generated strong free cashflow:** of Rs.368 crores driven by stronger operating performance along with focus on working capital control
- **Continued deleveraging:** Net Debt declined to Rs.338 crores vs Rs.3,551 crores at the time of acquisition; Gearing improved to 0.11x in 2QFY22

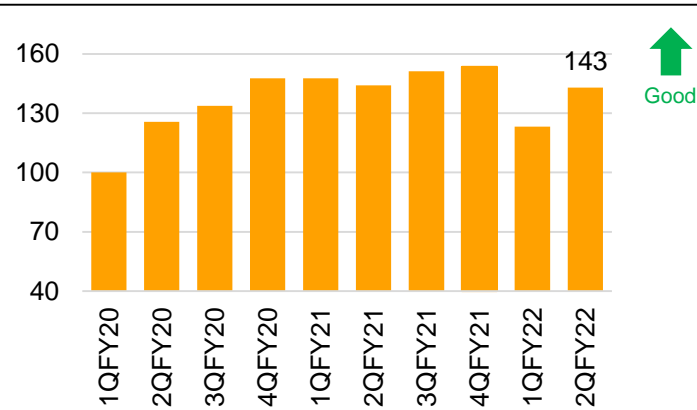
Tata Steel Long Products: consistent improvement in key operating parameters

(all figures are indexed; 1QFY20=100)

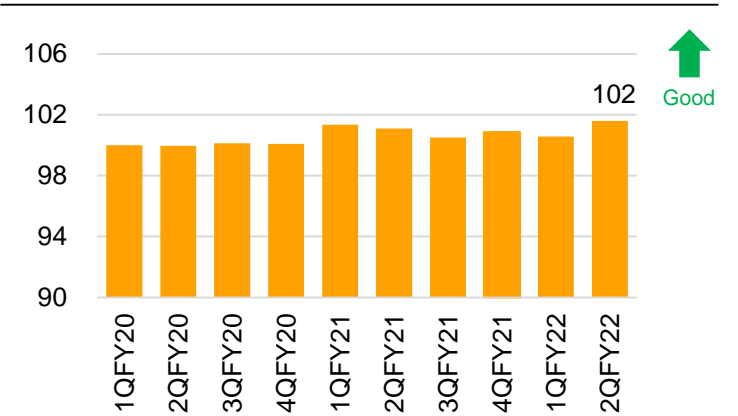
Coke rate¹



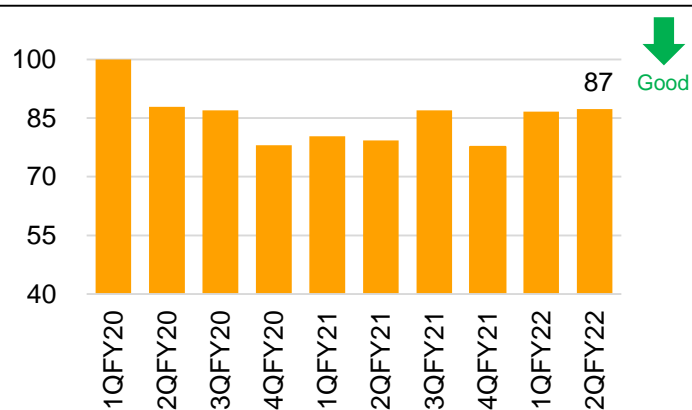
PCI rate



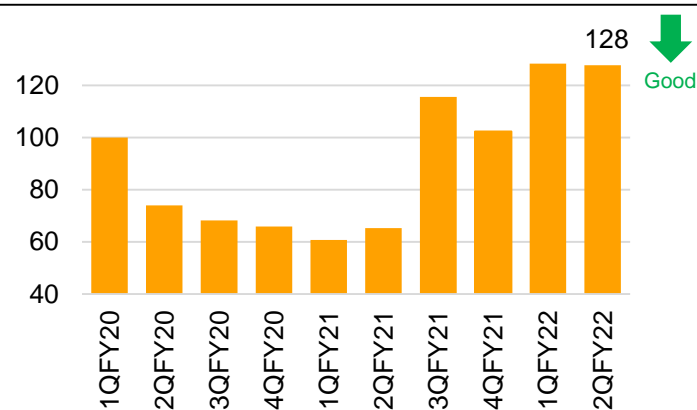
Crude Steel Yield



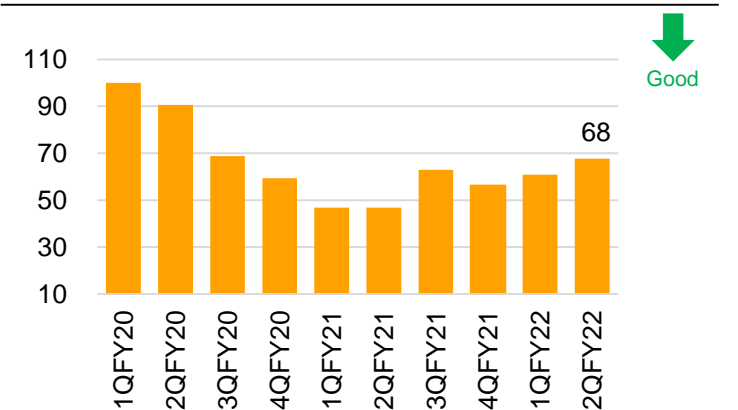
Power consumption



Electrode consumption²



Oil consumption at Mill³



1. Improved with improved Oxygen availability (Limited in 1QFY22 due to COVID lockdown); 2. Maintained through smooth operation and more production despite BF#2 disruption; 3. Increased due to lower availability of Blast Furnace gas on account BF#1 MSD.

Tata Steel SEA: Strong performance with higher steel prices

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY22	1QFY22	2QFY21
Saleable Steel production (mn tons)	0.48	0.59	0.51
Deliveries (mn tons)	0.59	0.63	0.55
Total revenue from operations	3,573	3,526	2,202
Raw material cost ¹	2,280	2,634	1388
Change in inventories	57	(320)	56
Employee benefits expenses	178	171	127
Other expenses	630	634	526
EBITDA	428	407	105
EBITDA per ton (Rs.)	7,244	6,475	1,922

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

Key drivers for QoQ change:

- **Volumes:** production and sales declined primarily due to , primarily due to lockdown in Malaysia and Thailand amidst the spread of COVID-19
- **Revenues:** improved with strong steel prices, partially offset by lower deliveries
- **EBITDA:** improved on the back of improved prices

Note: T S Global Holdings Singapore, a 100% indirect subsidiary of Tata Steel Limited, executed definitive agreements with TopTip Holding Pte Ltd., a Singapore based steel and iron ore trading company, to divest its 100% equity stake in NatSteel Holdings Pte. Ltd. for an Equity Value of US\$172 million (Rs.1,275 crores). The wires business of NatSteel in Thailand (Siam Industrial wires) has been retained by Tata Steel as part of the downstream wires portfolio. The transaction has been closed on September 30, 2021.



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