

## Tata Steel (Thailand) Plc. welcomes Analyst Teams

**Presentation: Operating Results for Q1FY19 (April - June 2018)**

August 28, 2018



## Disclaimer

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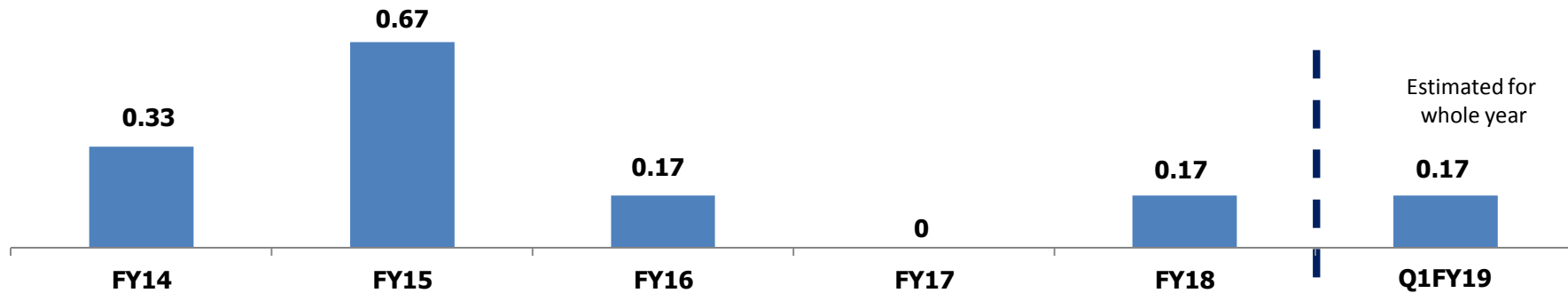
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- **Corporate Citizenship**
- **Update on Business Environment and Markets**
- **Q1 FY19 Performance**
- **Business Outlook**

# Safety & Environment



Loss Time Injury Frequency Rate (LTIF)



## Key Initiatives taken :

1. SCSC celebrated Safety Day achieved 5 years without LTI.
2. World Environment Day Activity: Tree planting & reducing the use of plastic.
3. Contractor Safety Meeting Year 2

SCSC celebrate Safety Day



Contractor Safety Meeting



World Environment Day





# Mission on Corporate Social Responsibility



## Community Nearby Plant



SISCO held the activity "Painting for better safety in communities" at the train station and school nearby plant.

NTS knowledge sharing on Stewed Pork Leg with Rice for supporting local villagers' vocation.

## Environment



"SCSC Jit-Ar-Sa" Project: Released valuable fish species at Suchada Beach, Rayong Province.

## Children in Remote Area



"Grow Smart with Tata Steel" Book Corners granted to schools No.278-282 at Suphanburi Province, currently covered 57 Provinces.

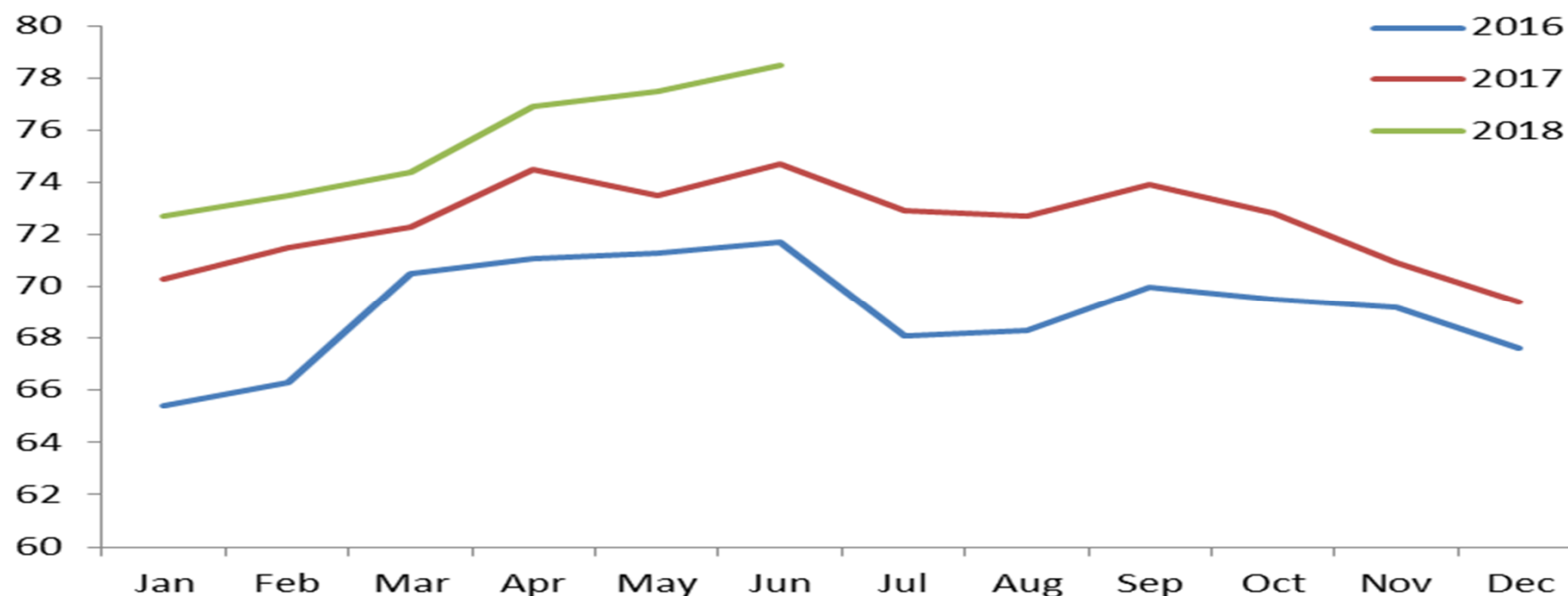
## Non – Profit Organization



TSTH Employees Birthday Activity: Donated necessary items and entertained children at Kredtrakarn Protection and Occupational Development Centre.

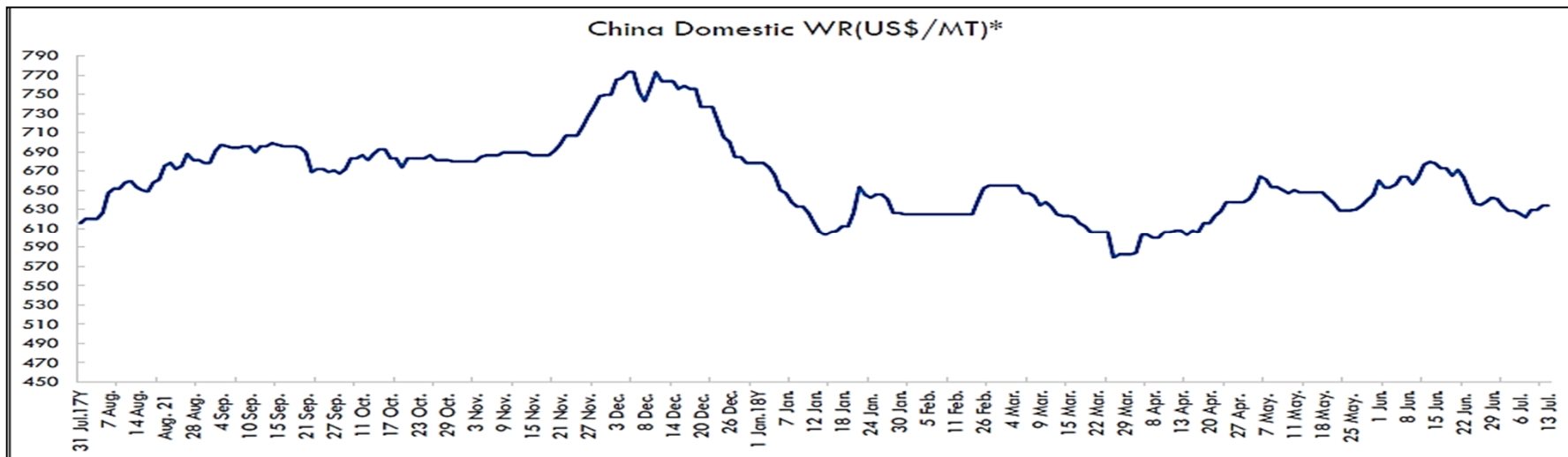
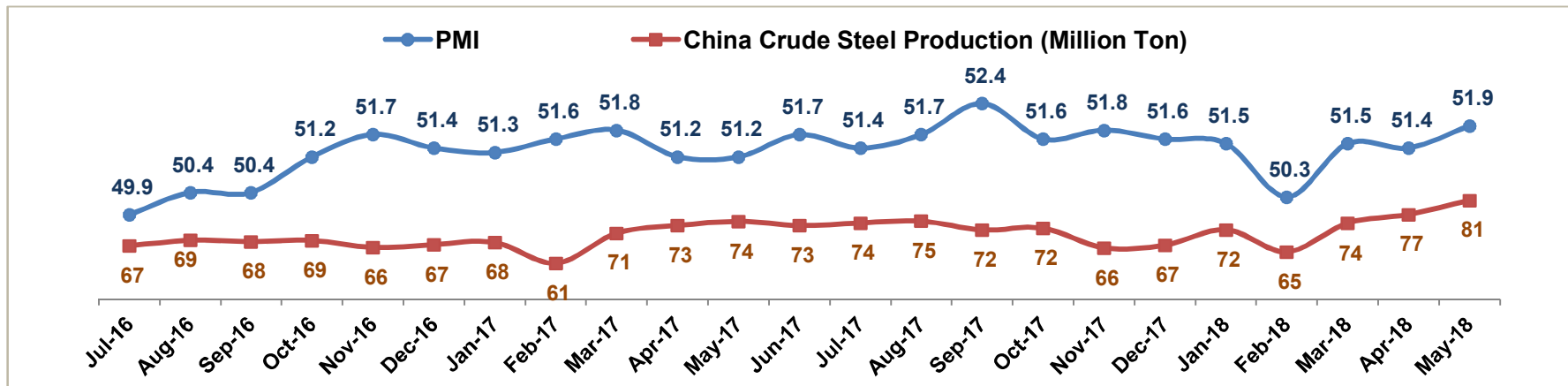
- Corporate Citizenship
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# Global capacity utilization



- Global steel output grew by 4.6% Y-o-Y in 2018 (Jan-June). Expected Apparent steel use to grow by 1.8% in 2018.
- Closure of capacity in China and better economic scenario supporting higher capacity utilization.
- Capacity utilization in Thailand for Long steel is around 40%.

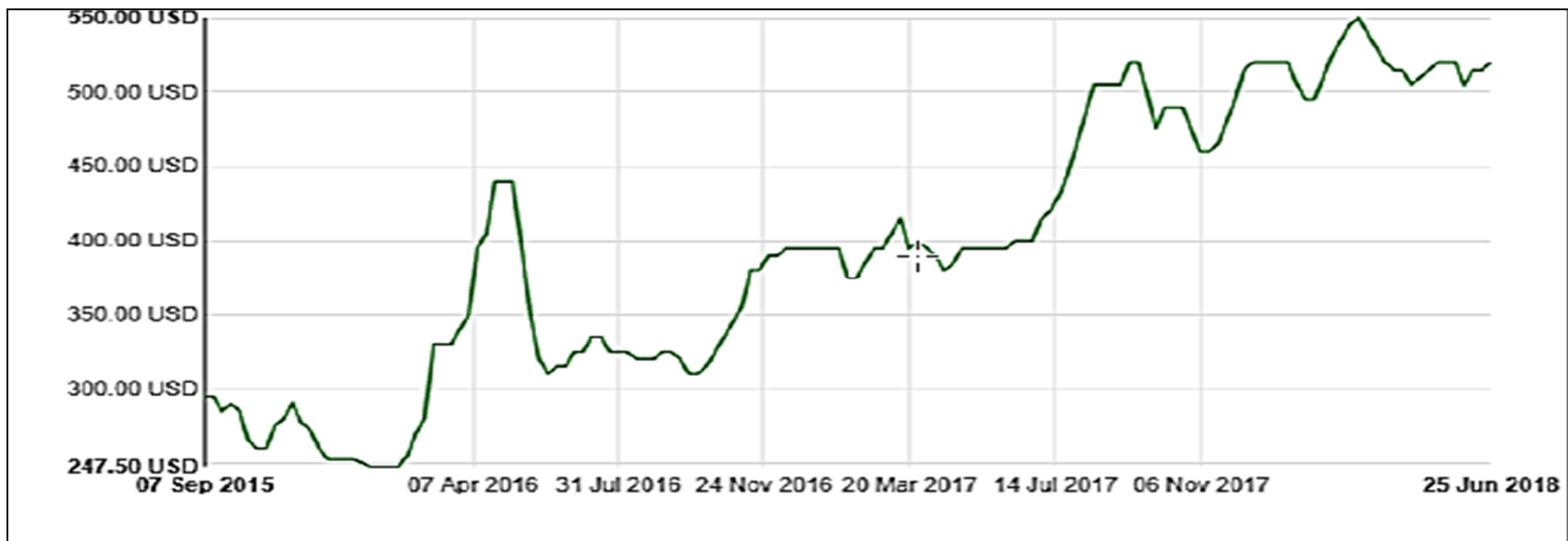
# Steel situation in China: stable demand & price, rising production



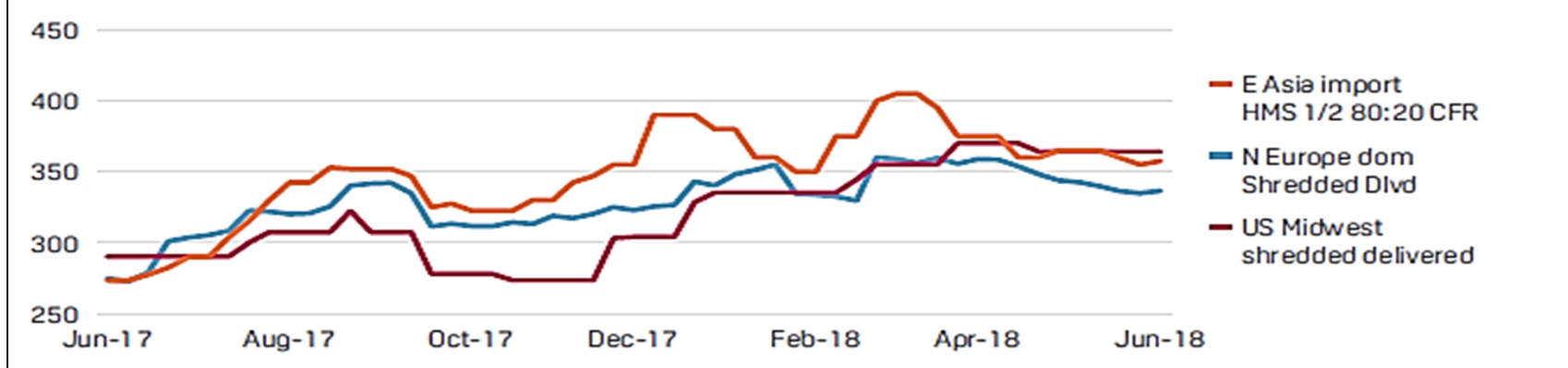
## Raw material price movement: Both billets and scrap price continue to be strong



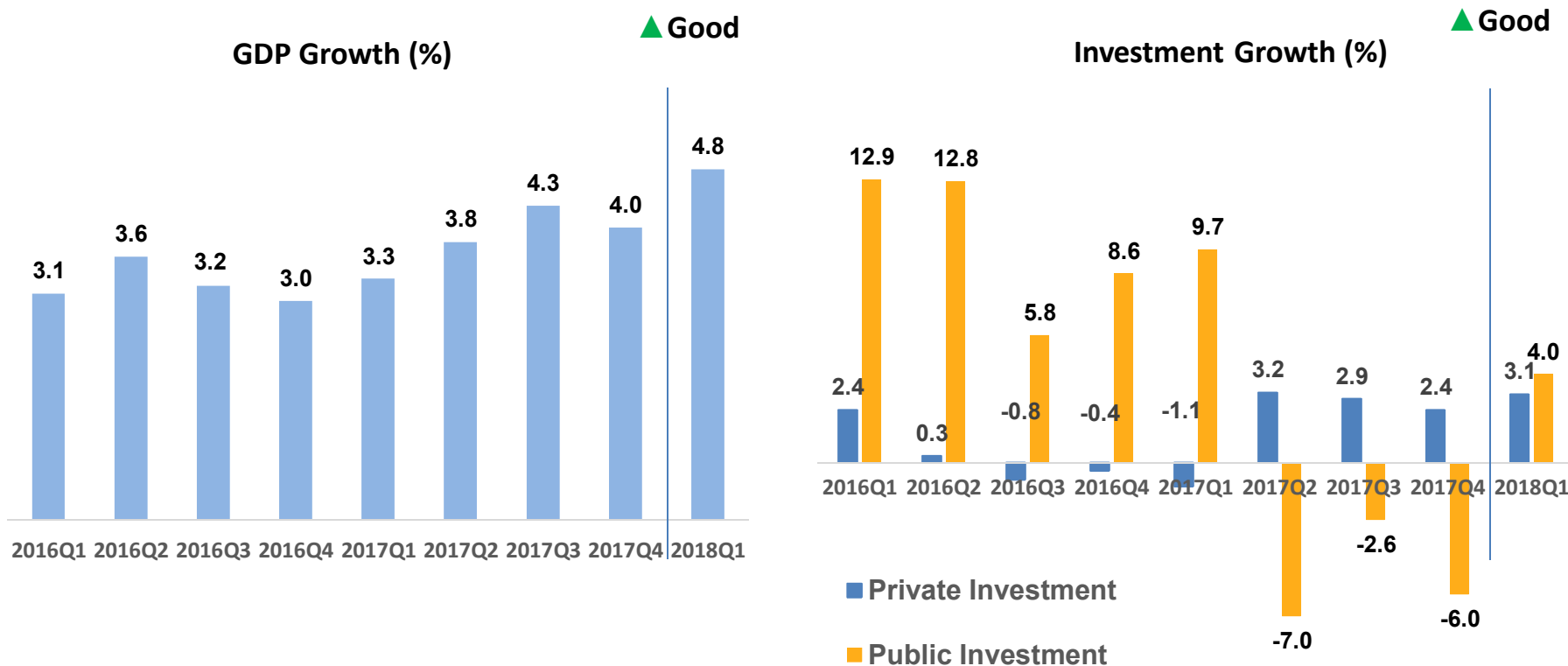
**Billet FOB Black sea**



**SCRAP (\$/mt)**



# Thailand Economy



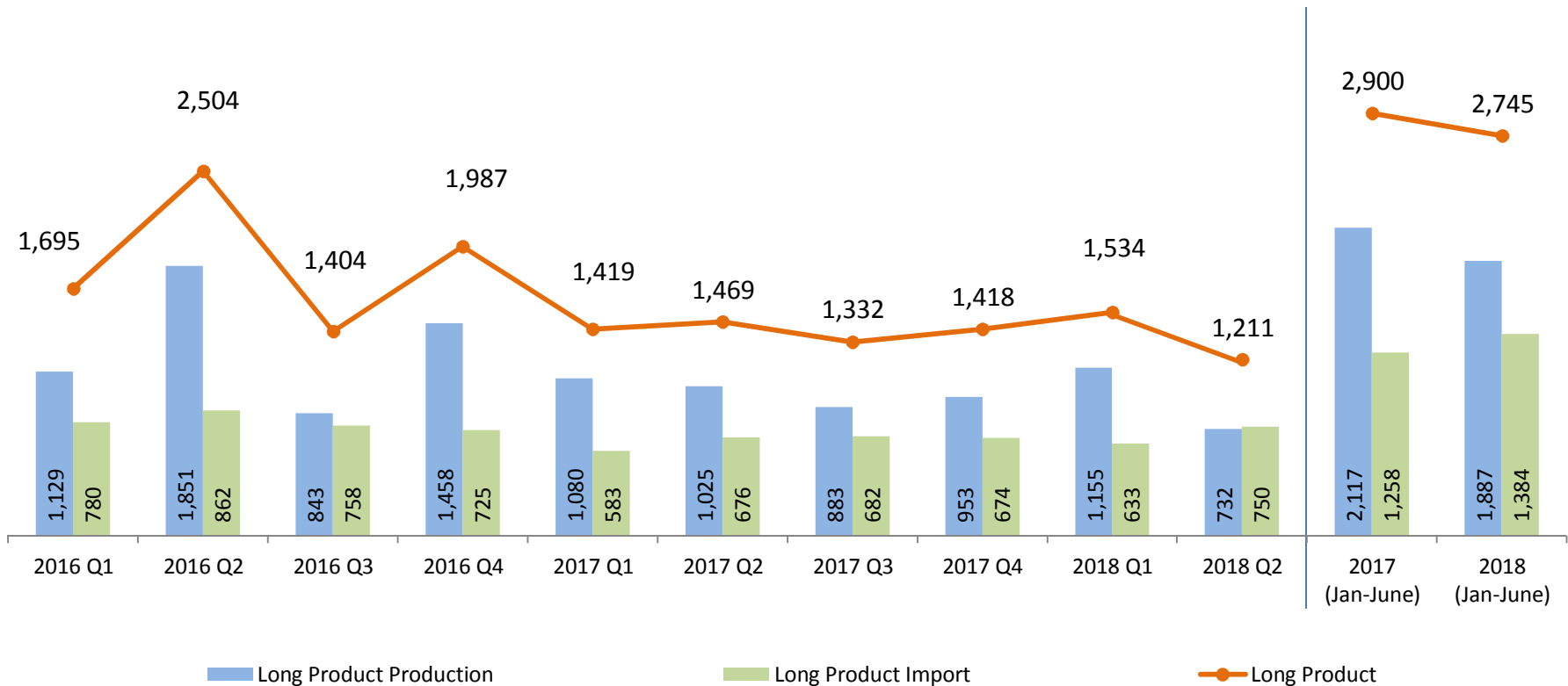
- In Q1'18 major contribution to GDP growth continued from export and tourism related business.
- Public and private investment growth in Q1'18 due to private investment in EEC project and public investment in growth of state-owned enterprise investment.
- NESDB revised new GDP growth that is 4.2-4.7% in 2018.



# Thailand Long Products Consumption



Unit : '000 tons



- Q1 consumption increased by 6.4% (y-o-y) due to growth in private investment.
- However Q2 consumption has again slowed down due to Government investment delay.
- H1'18 data released shows consumption decreased by 5.4% (y-o-y).

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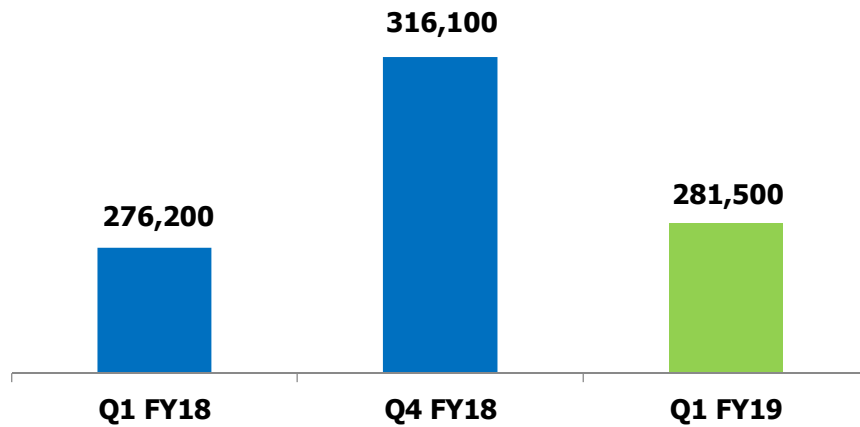
# Sales Volume



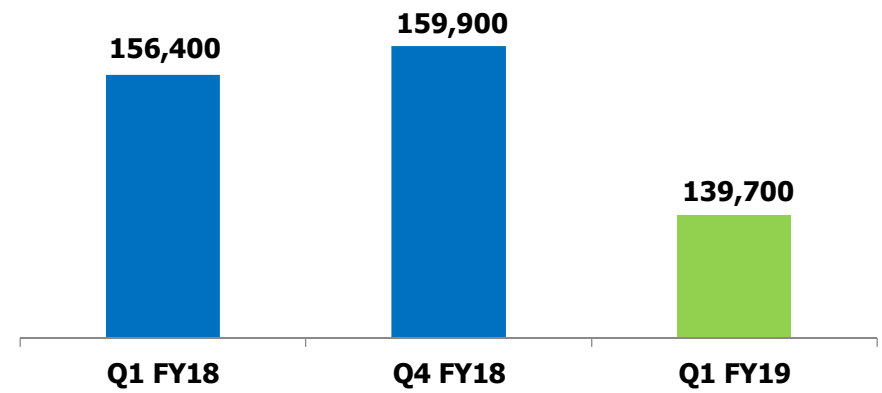
▲ Good

Unit : Tons

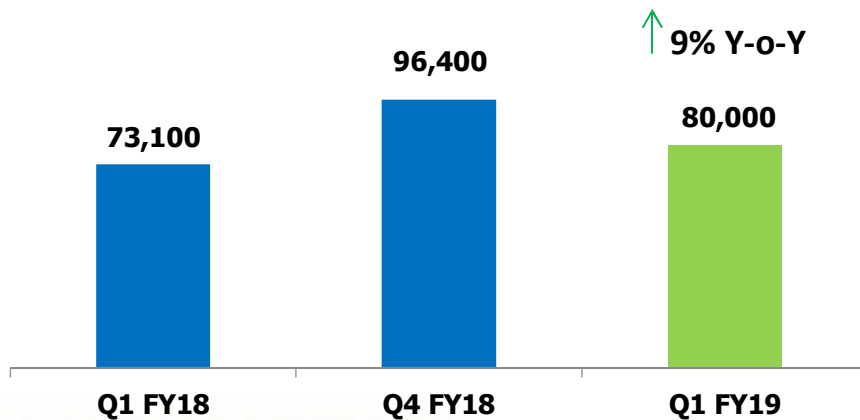
Total sales



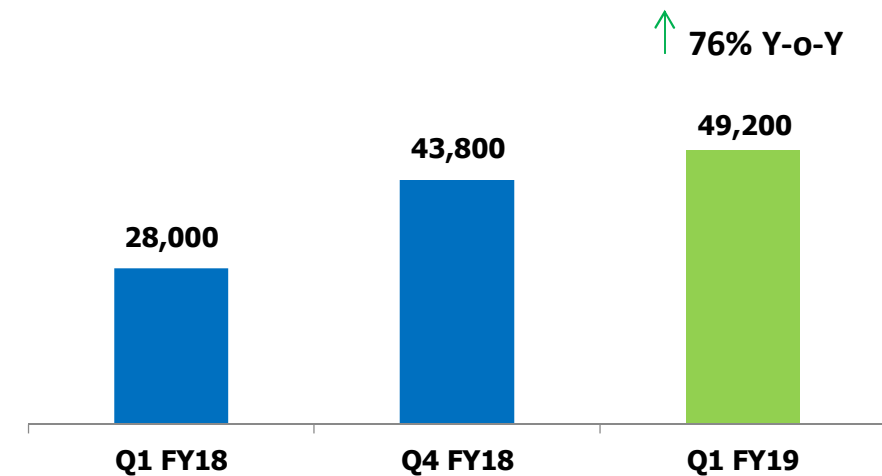
Domestic Rebars + CAB



Domestic Wire Rods



Export



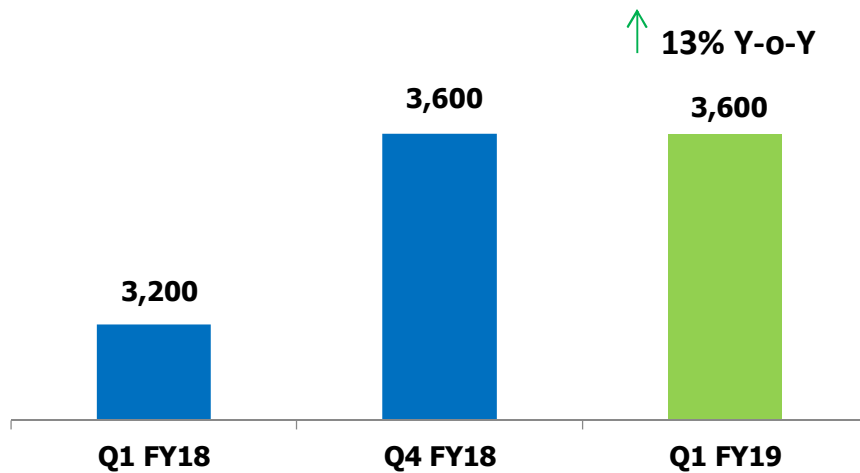
# Value Added Products Sales

▲ Good

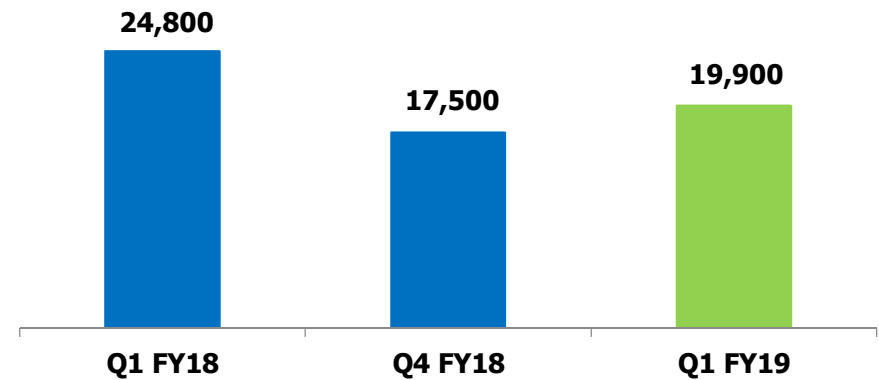
Unit : Tons



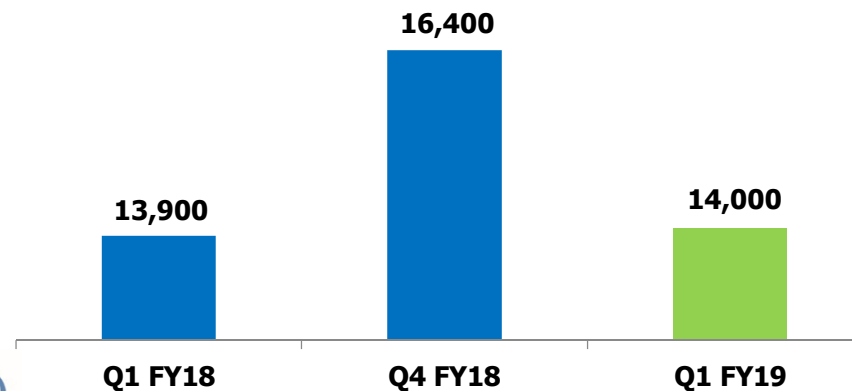
Seismic Rebar



High Tensile Rebar



Cut & Bend



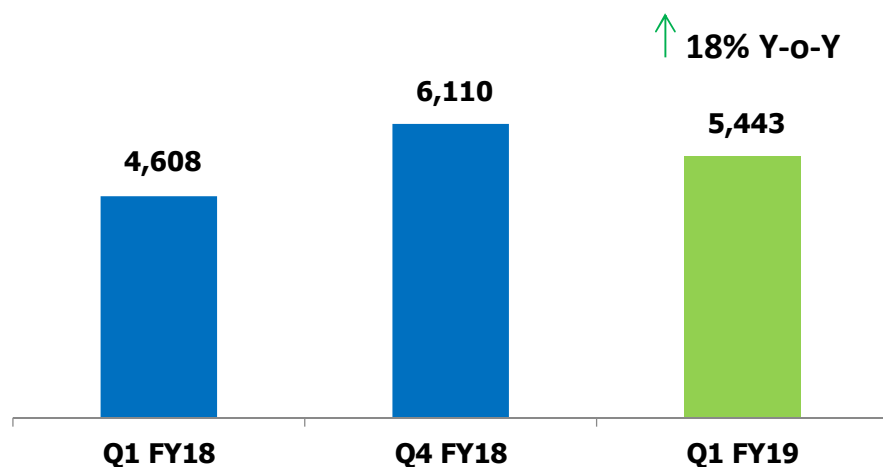
# Financial Performance

▲ Good

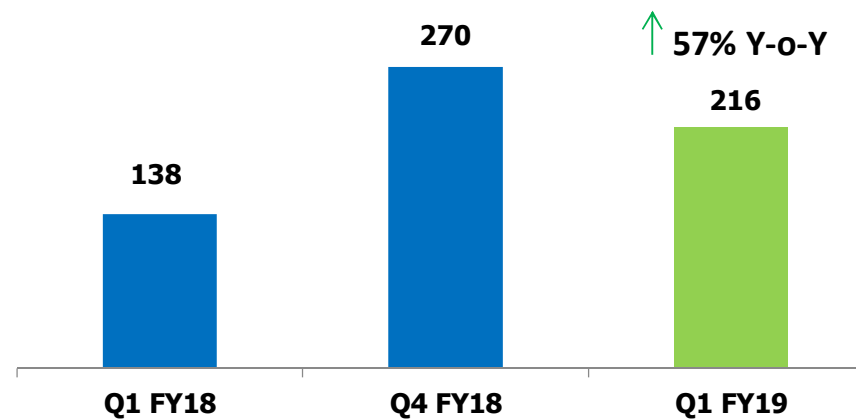
Unit : Mn THB



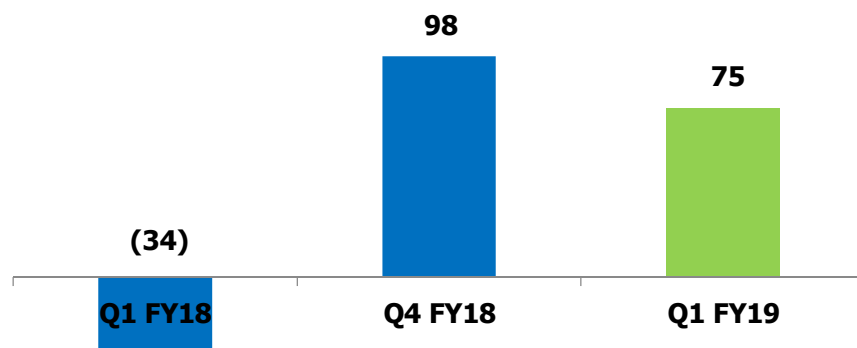
Net sales



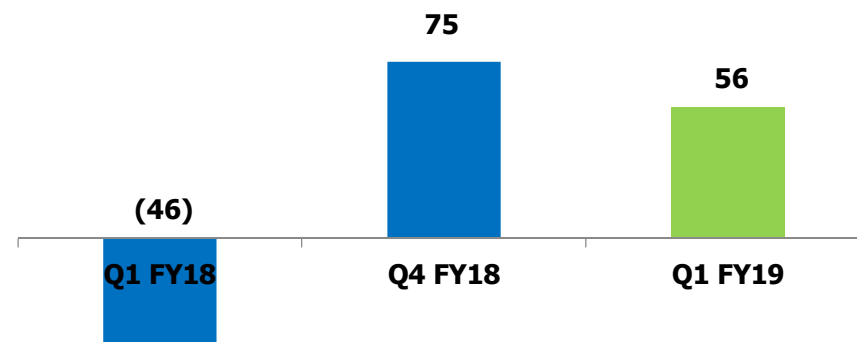
EBITDA



Profit (Loss) before tax



Profit (Loss) after tax

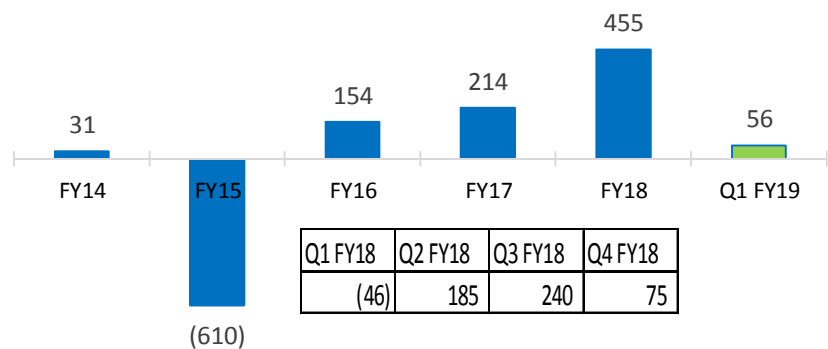


# Key Ratios



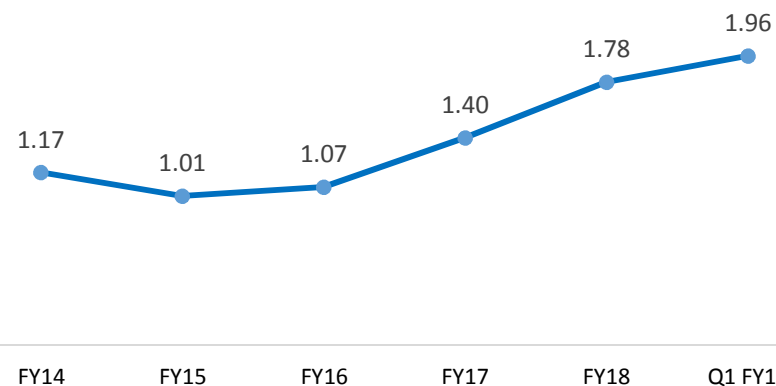
## Profitability

Profit (Loss) after tax (Mn THB)



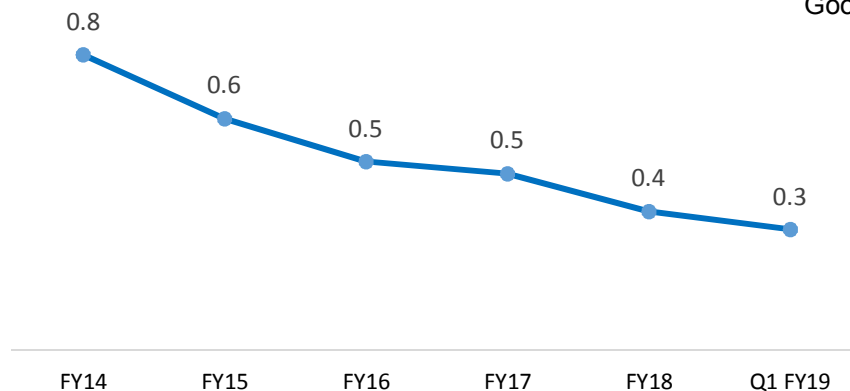
## Working Capital

Current Ratio



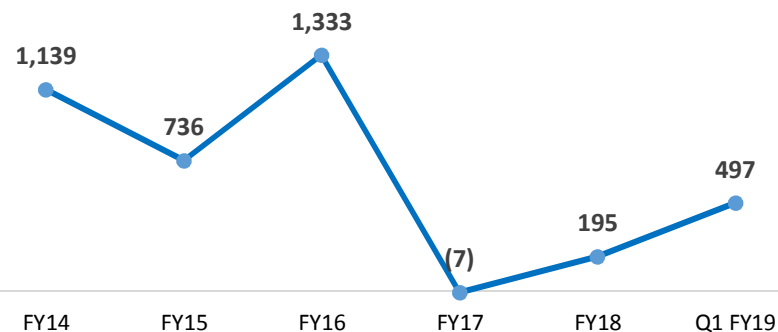
## Stability

Debt to Equity



## Cash Flow

Free cash flow (Mn THB)





## Key Initiatives undertaken

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- **Expand specialty Wire Rods supplies.**
- **First lot of Rebar sent to Myanmar.**
- **Continuous expansion of Retail sale (both Modern Trade and Traditional Channel).**
- **Successfully defended anti-dumping investigation by Australia.**
- **Trial underway to reduce Graphite Electrode consumption.**

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- Chinese domestic demand likely to remain strong. Low inventory and tightening of environment norms are expected to keep exports under check.
- International scrap prices to remain elevated.
- Exports of wire rods from Vietnam filling void due to lower exports from China.
- Rebar demand in Thailand remains sluggish.
- Demand subdued in neighboring countries and India due to monsoon season.

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**Thank you for your attention**

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## Financial Performance Q1 FY19 compared to Q4 FY18



Q1 FY'18	Item	Unit	Q4 FY'18	Q1 FY'19
276	Total Sales Volume	Thousand Tons	316	281
4,608	Net Sales	MB	6,110	5,443
138	EBITDA	MB	270	216
(34)	Profit/(Loss) before tax	MB	98	75
(46)	Profit/(Loss) after tax	MB	75	56