

Tata Steel (Thailand) Plc. welcomes Analyst Team

Presentation: Operating Results for Q2FY18
(July - September 2017)

November 2, 2017



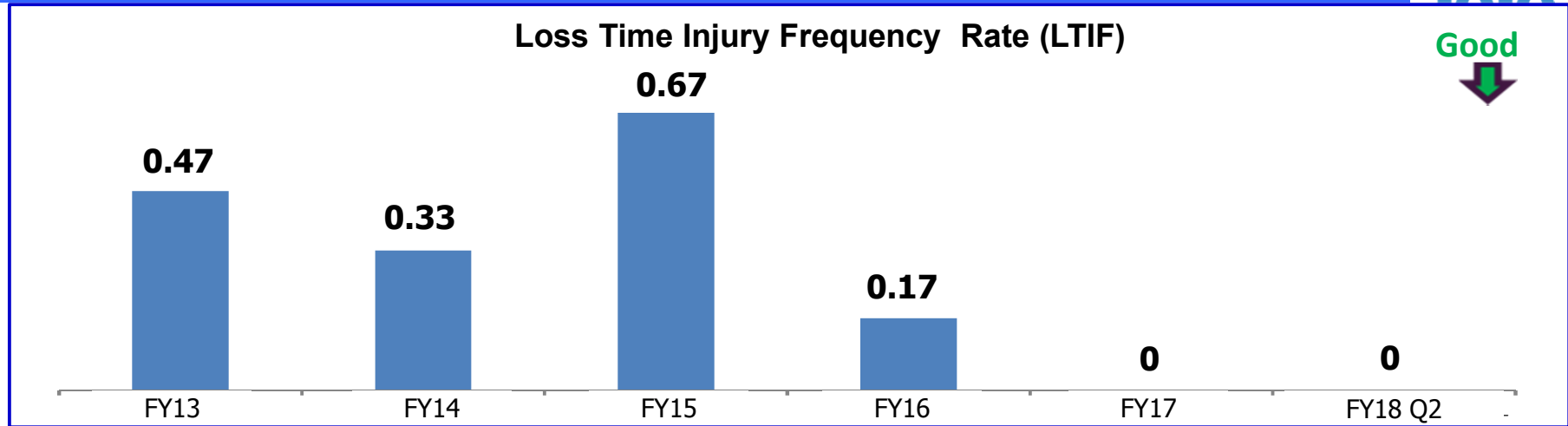
Disclaimer



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.

- Corporate Citizenship
- Update on Business Environment and Markets
- Q2 FY18 Performance
- Business Outlook

Safety & Environment



Awards:

1. NTS was granted "Prime Minister's Industry Award 2017" on Safety Management by Prime Minister of Thailand.
2. NTS and SCSC got "National Safety Award 2017" from Ministry of Labor.
3. All 3 Plants got "Green Industry Award, Level 4: Green Culture" from Ministry of Industry.
4. NTS and SISCO got "Carbon Footprint for Organization (CFO) Certificate" from Thailand Greenhouse Gas Management Organization.

Prime Minister's Award 2017



National Safety Award 2017



Green Industry Level 4 Award



Carbon Footprint for Organization



Mission on Corporate Social Responsibility



Community Nearby Plant



SCSC and SISCO plants received "CSR – DIW Awards" from the Department of Industrial Works



NTS joined with local community for planting "Marigold flowers for the Late King Rama IX"

Children in Remote Area



TSTH granted "Grow Smart with Tata Steel" Book Corners No. 254-258 in 3 Southern Border Provinces.

Environment



"TSTH Reforestation for celebrate Her Majesty the Queen's Birthday Year 2" at Rayong province.

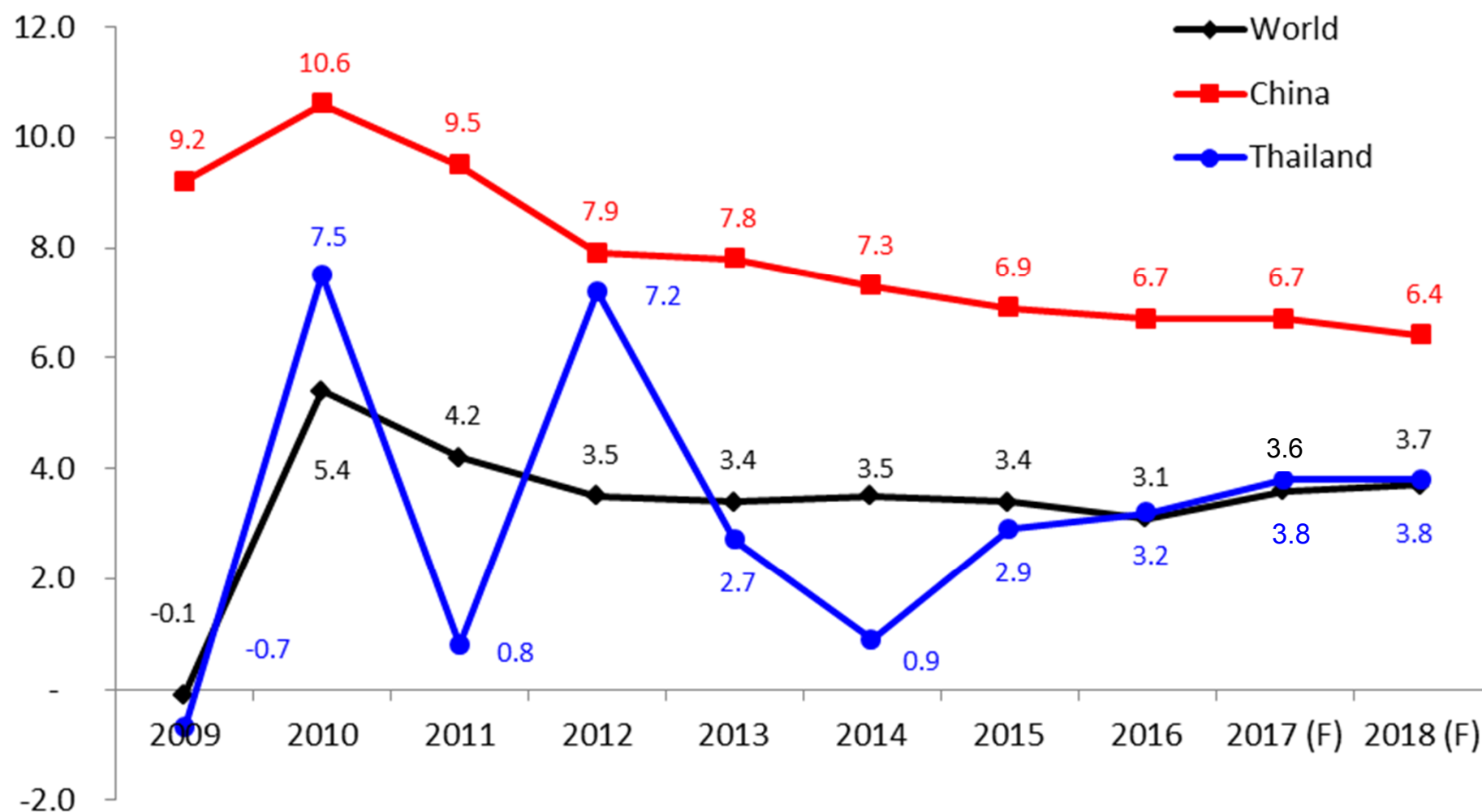
Non – Profit Organization



TSTH supported 5.6 Tons of rebar for constructing the concrete dam to the 45th volunteering Engineer students camp of Chulalongkorn University

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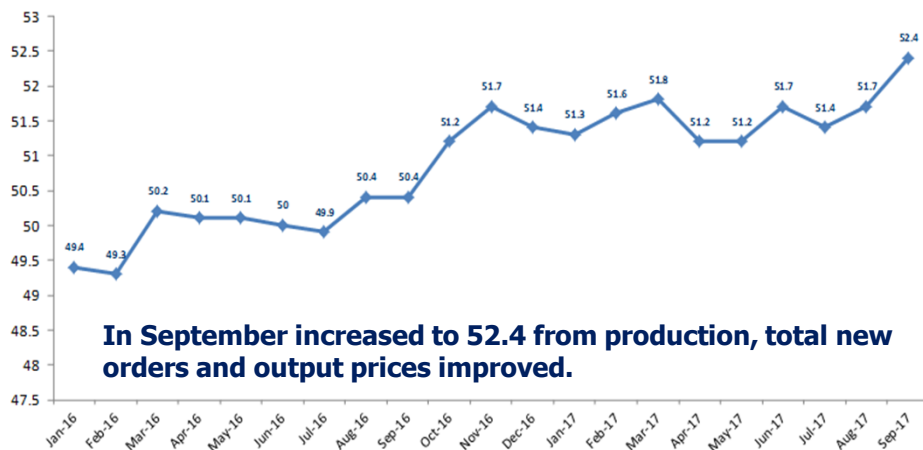
World Economic Growth (GDP)



China: Strong steel demand resulting in high prices (both raw material and finished steel)



PMI - China



SteelHome China Steel Price Index (SHCNSI)(2016-10-02--2017-10-02)

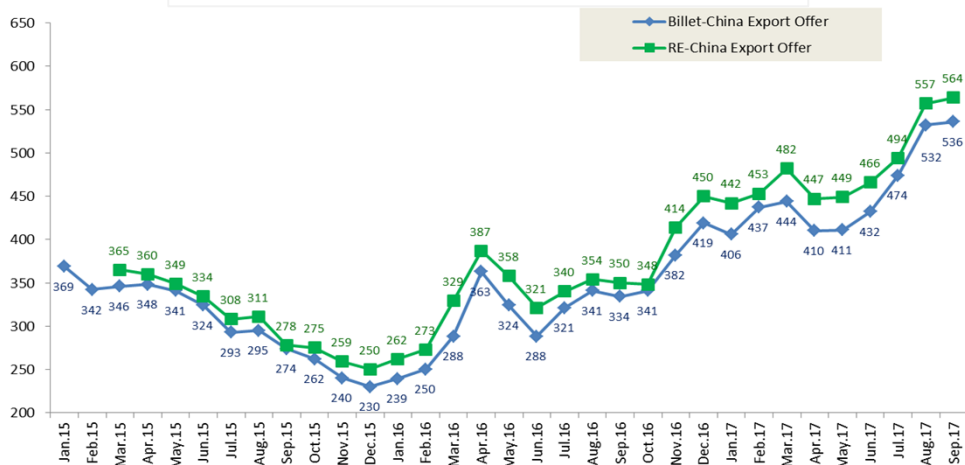
After June 2017 raw material prices have continued increase pushing the steel price to follow the same way



PMI : Purchasing Manager Index

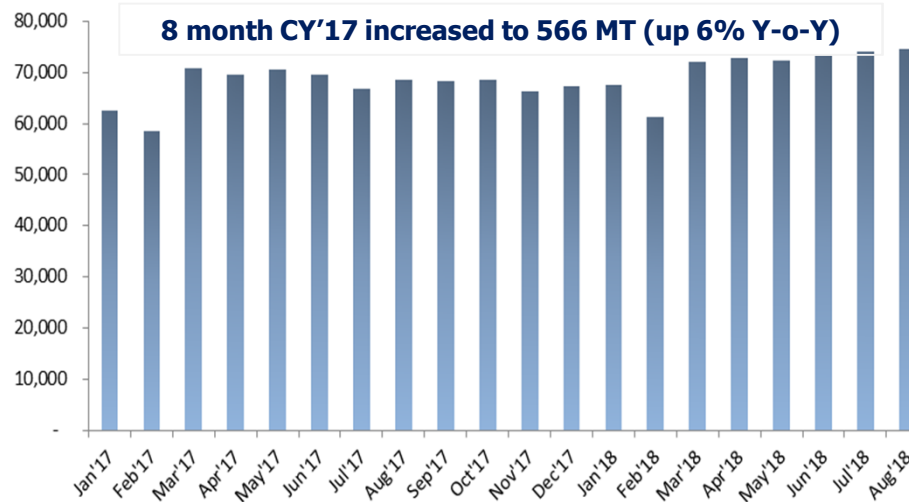
Billet & Rebar price movement

Q2 CY17, increased from raw material price



China Crude Steel Production ('000)

8 month CY'17 increased to 566 MT (up 6% Y-o-Y)



TATA STEEL (THAILAND)

Source: Steel home, Metal Expert, World Steel Association, National Bureau of Statistics of China

Raw Material supply risks due to production concentration in China



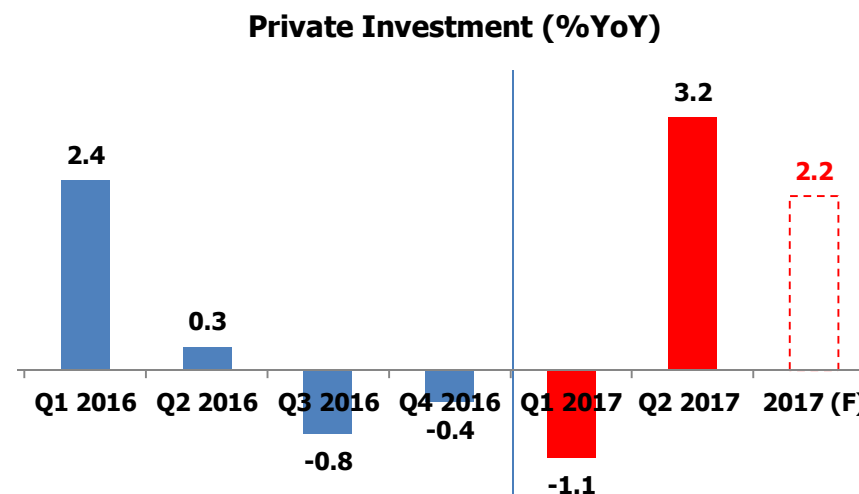
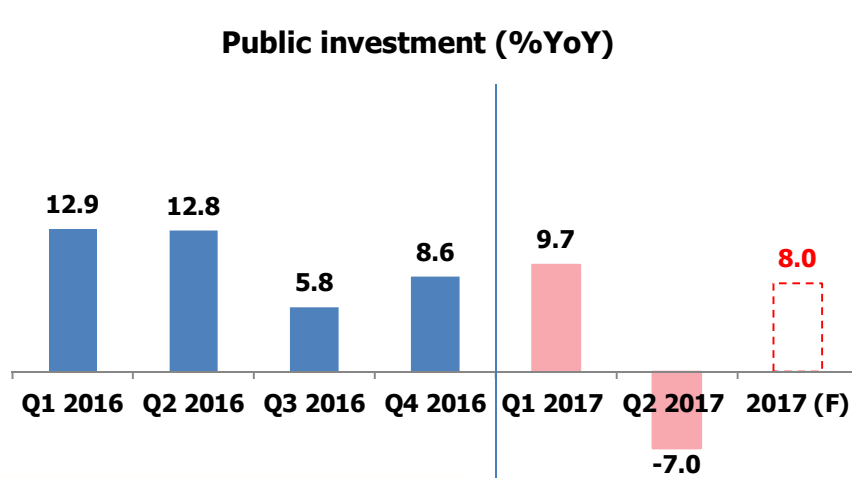
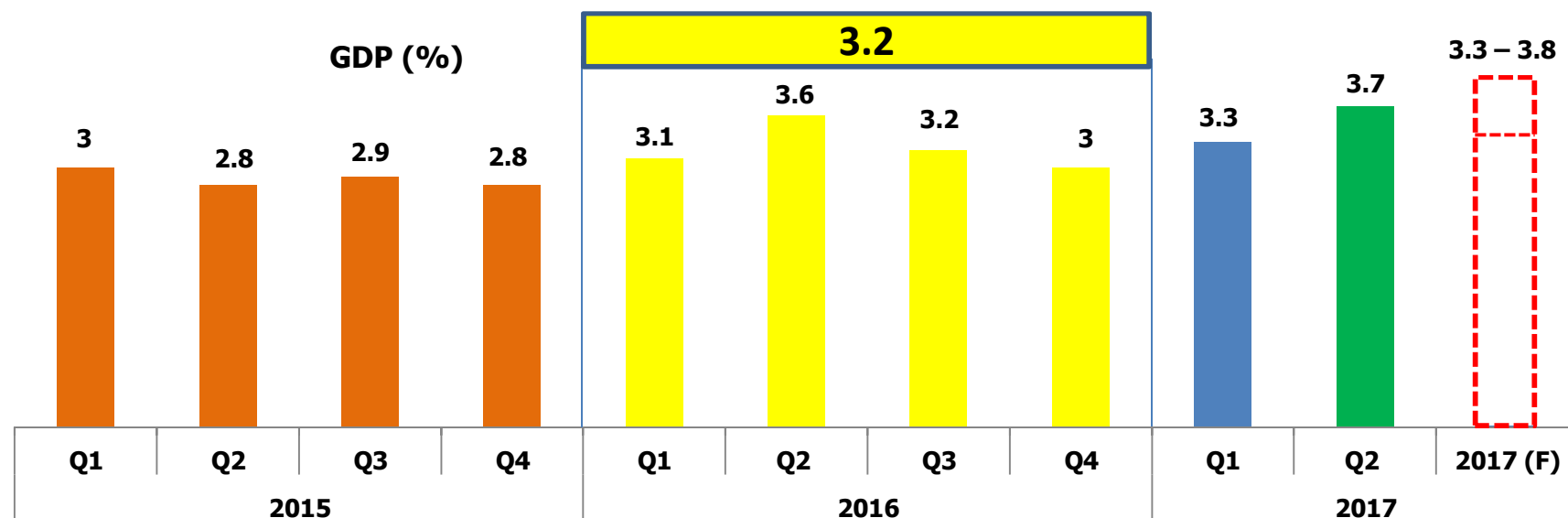
- Graphite Electrode prices sky-rocketed
 - Acute shortage of needle coke
 - High demand of electrode in China due to closure of Induction furnaces
 - Non availability of blast furnace route billets
 - Many international suppliers closed down in last few years
- Ferro alloys cost going up
 - Chinese Govt tighten environment norms leading to shortage of material availability
- Magnesite (used in refractory and steel making operations) price up
 - Supply restricted due to mining control in China
 - Non availability from other sources

Cost of steel from Electric Arc Furnace route set to rise

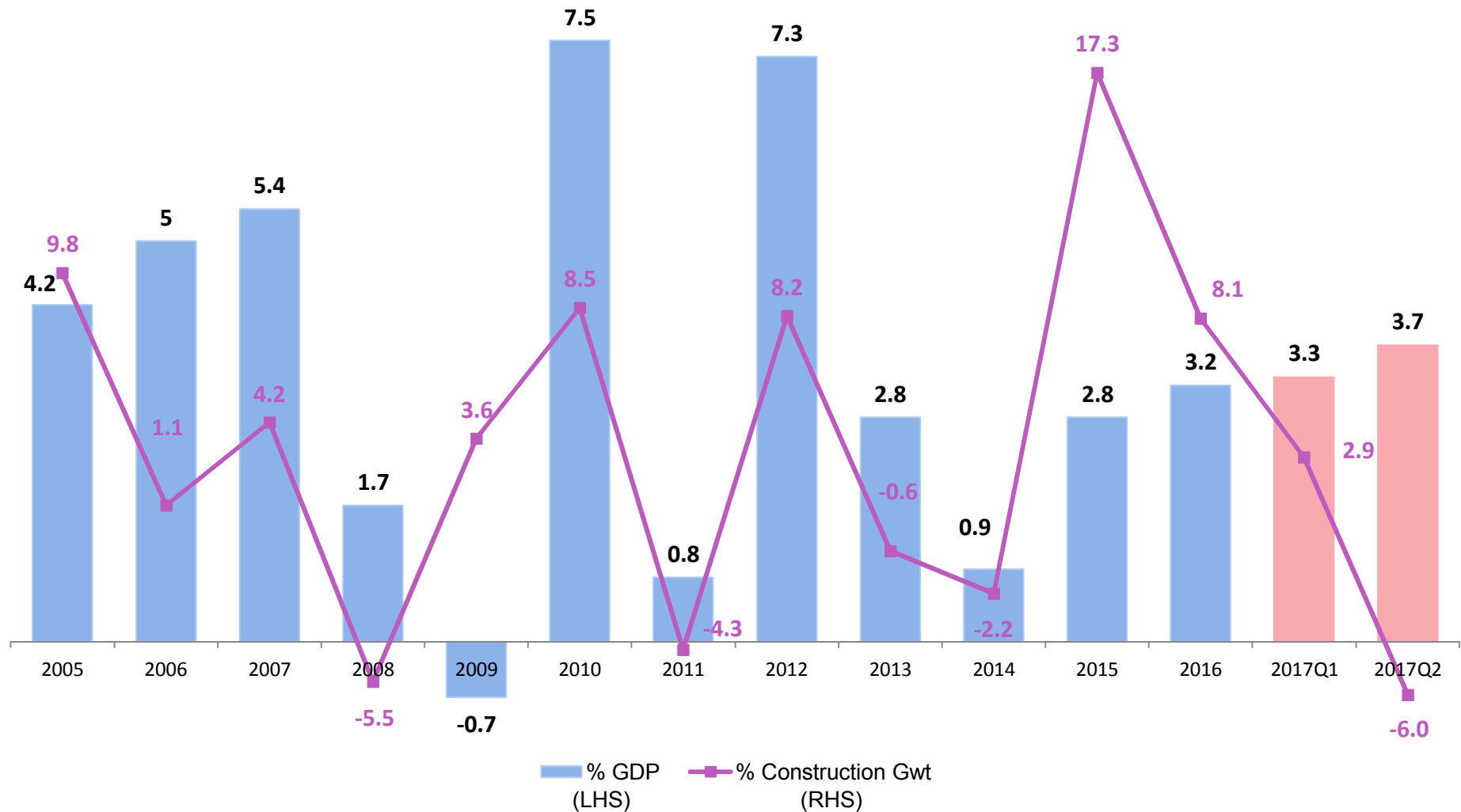
Thailand Economy - Key indicators



Thailand GDP grew 3.7% in Q2, accelerating from 3.3% in Q1, contributed mainly by a stronger growth of export and tourism sectors



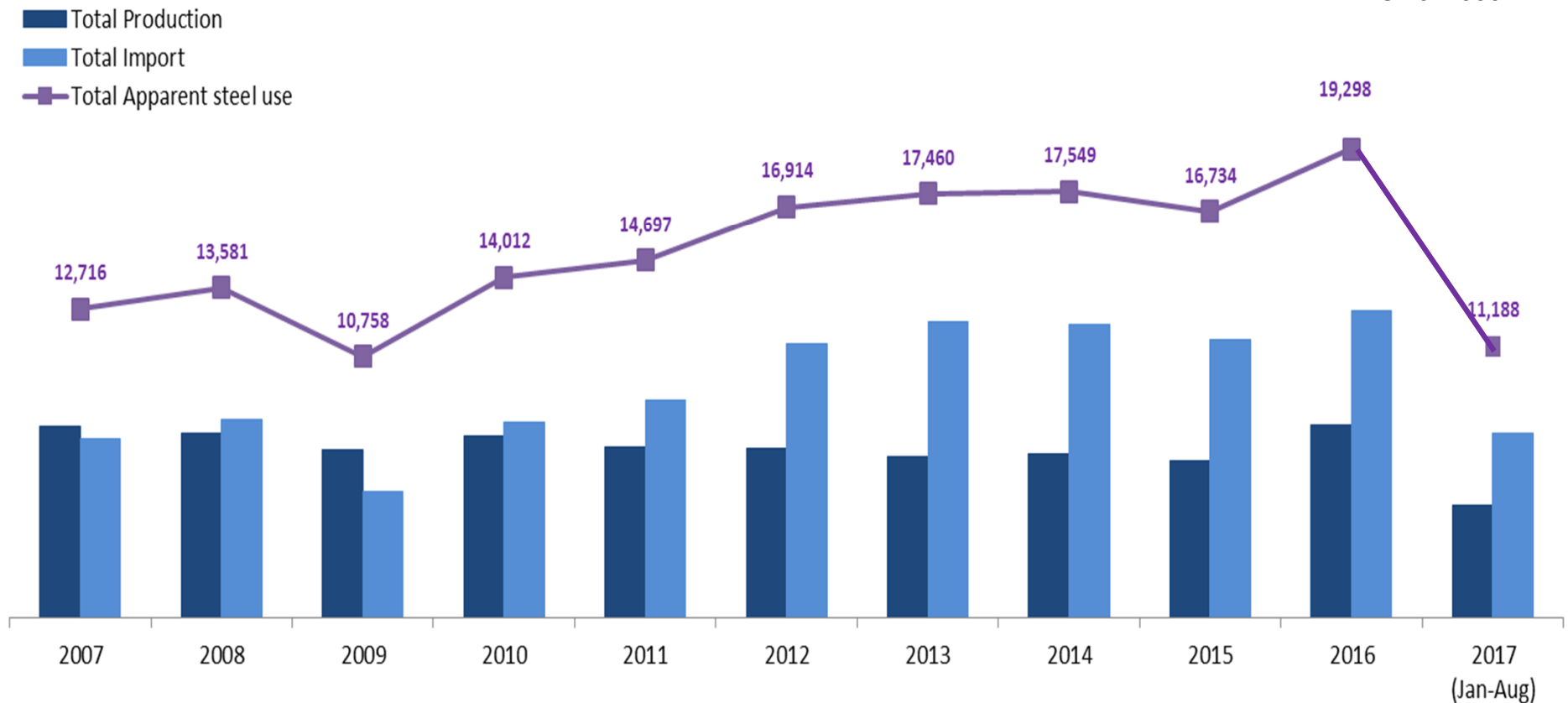
Thailand GDP and Construction sector growth



Thailand Steel Sector : Y-o-Y apparent consumption declined in 2017



Unit : '000 MT



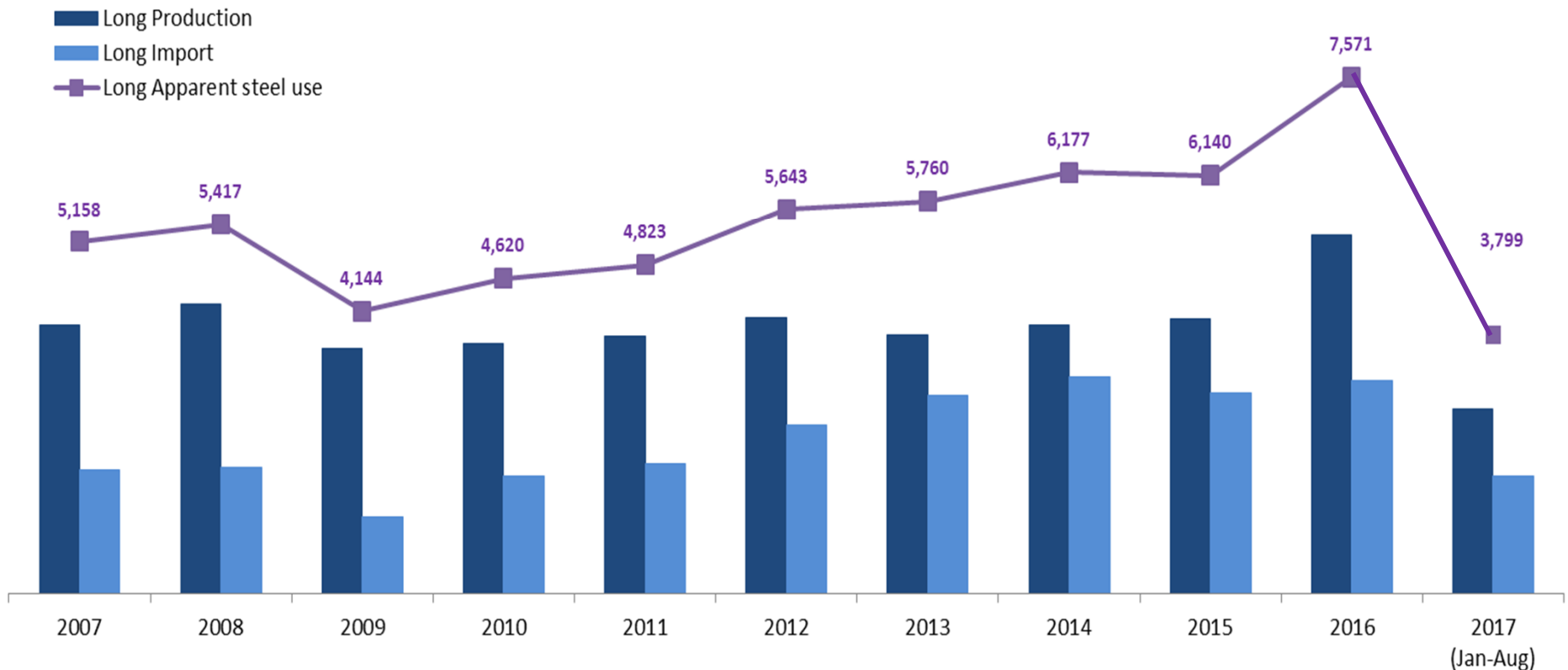
	Jan-Aug'17	Jan-Aug'16	Growth y-o-y (%)
Finished Steel	Tonnes	Tonnes	
Consumption	11,187,712	12,995,510	-13.9%
Production	4,639,303	5,242,389	-11.5%
Import	7,608,635	8,626,493	-11.8%

Source: ISIT

Long products steel consumption in Thailand declined significantly due to low Private investments & some mega projects postponed



Unit : '000 MT



	Jan-Aug'17	Jan-Aug'16	Growth y-o-y (%)
Long Steel	Tonnes	Tonnes	
Consumption	3,799,445	5,147,228	-26.2%
Production	2,711,494	3,540,500	-23.4%
Import	1,721,497	2,166,528	-20.5%

Source: ISIT

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Value Added Products Sales

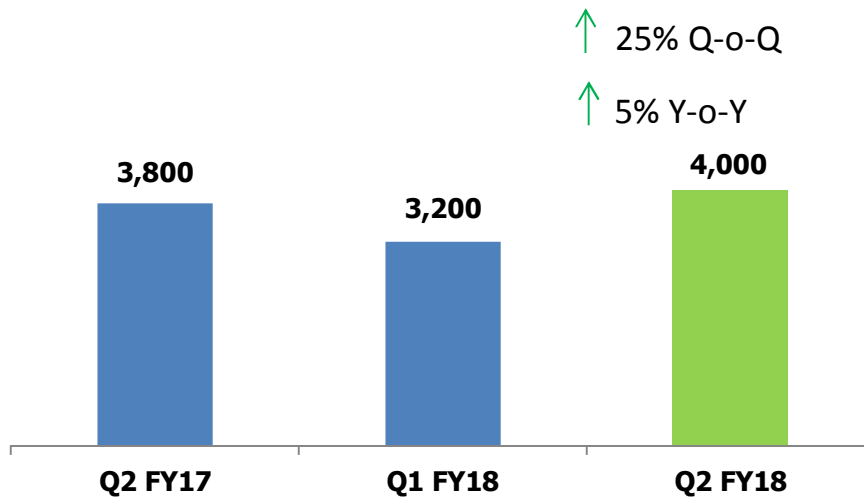


Good

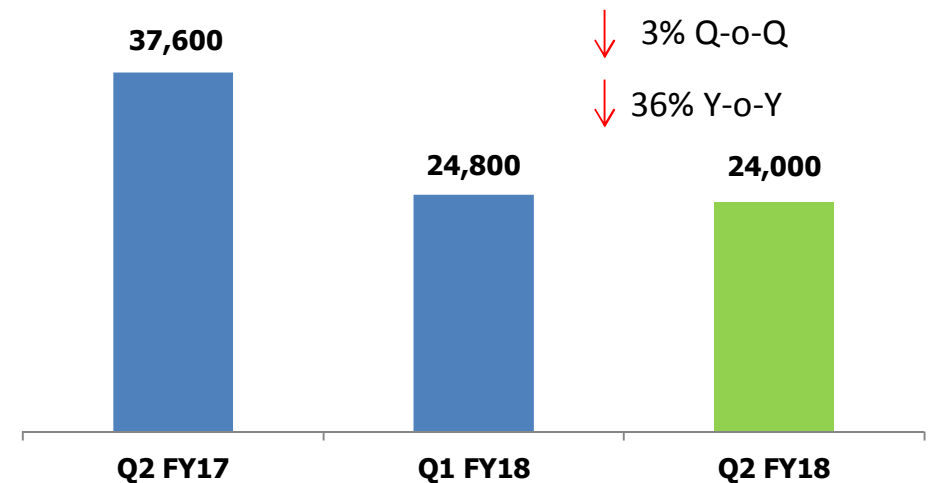
Unit : Tons



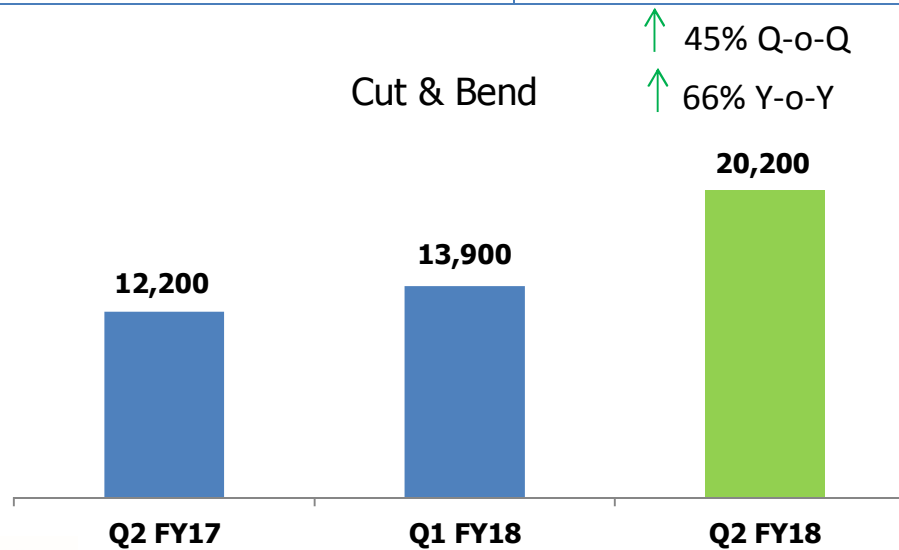
Seismic Rebar



High Tensile Rebar



Cut & Bend



Sales Volume

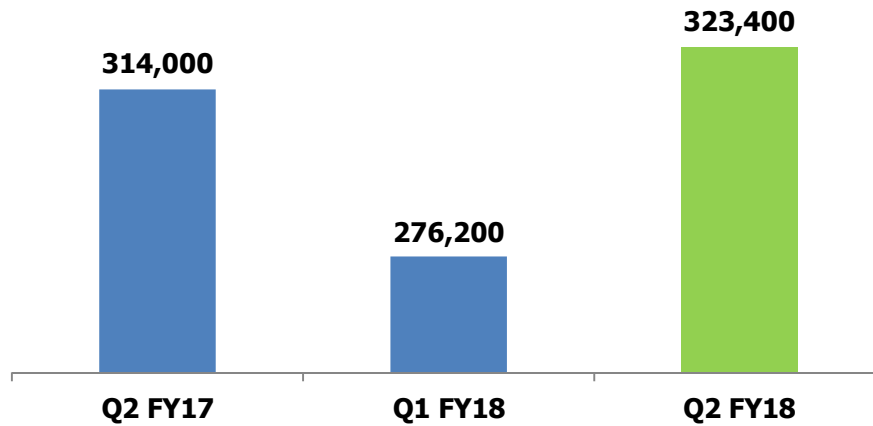


Unit : Tons



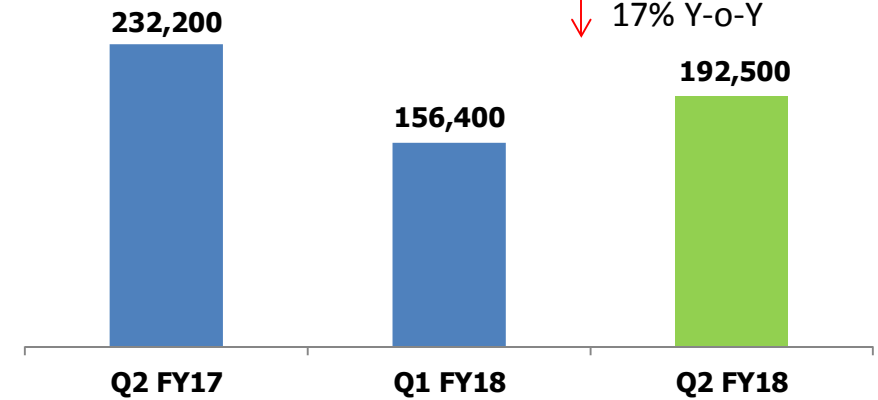
Total Sales

↑ 17% Q-o-Q
↑ 3% Y-o-Y



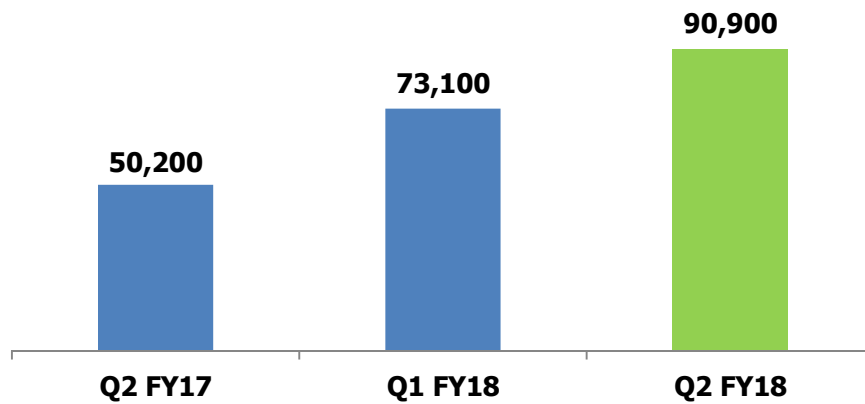
Domestic Rebars + CAB

↑ 23% Q-o-Q
↓ 17% Y-o-Y



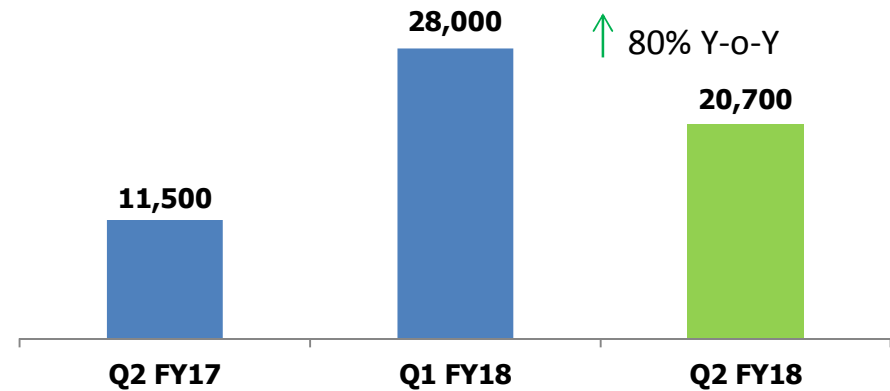
Domestic Wire Rods

↑ 24% Q-o-Q
↑ 81% Y-o-Y



Export

↓ 26% Q-o-Q
↑ 80% Y-o-Y



Financial Performance



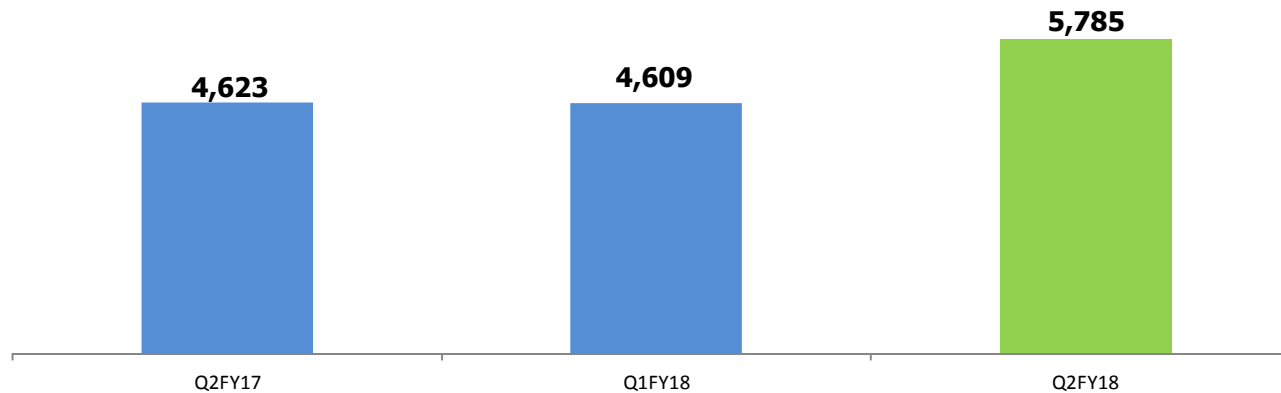
Good

Unit : Mn THB



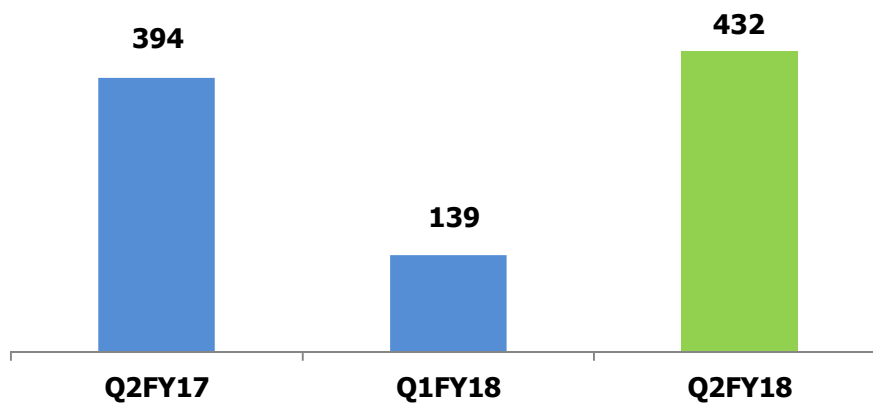
Net Sales

↑ 26% Q-o-Q
↑ 25% Y-o-Y



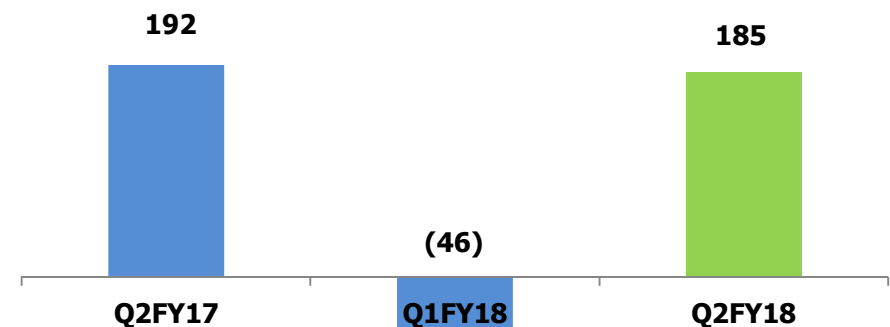
EBITDA

↑ 211% Q-o-Q
↑ 10% Y-o-Y



PAT

↑ 502% Q-o-Q
↓ 4% Y-o-Y

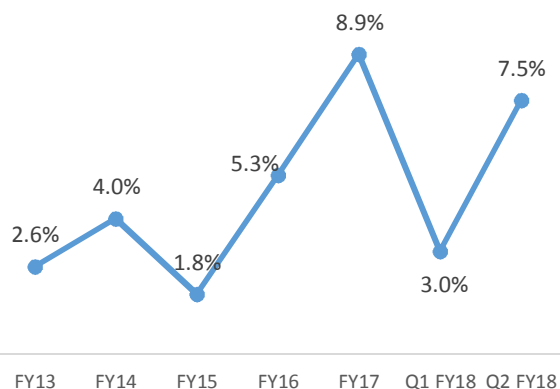


Key Ratios

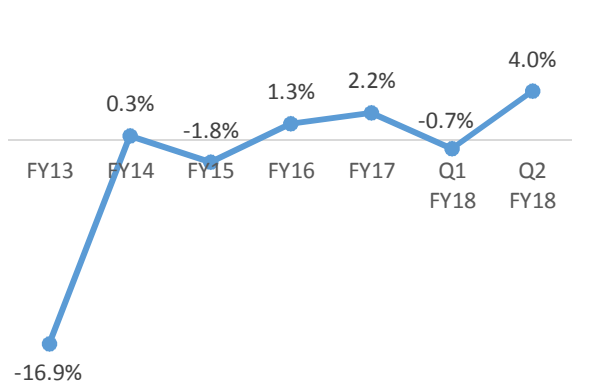


Profitability

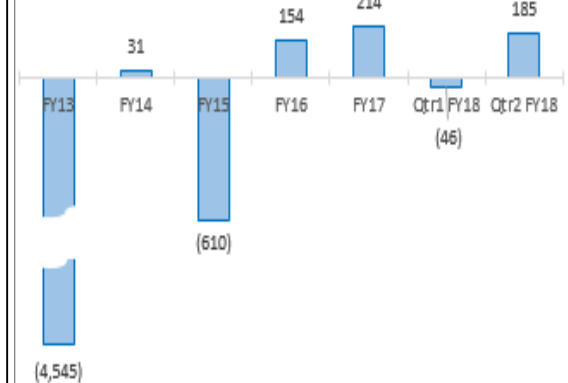
EBITDA Margin



PBT/Sales

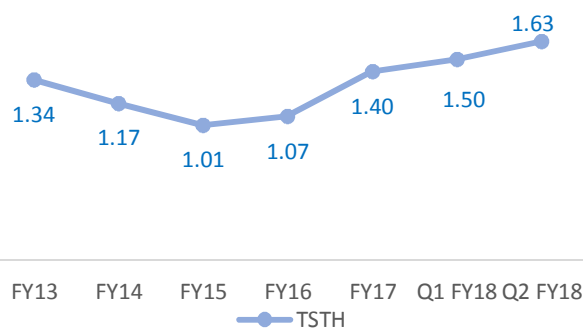


PAT Performance

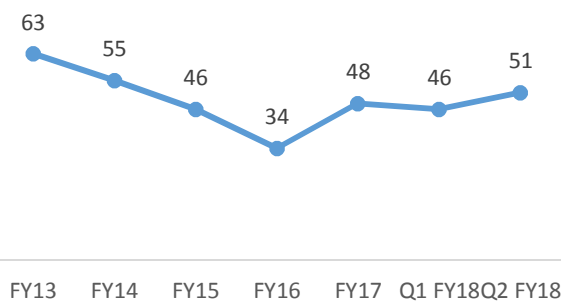


Working Capital

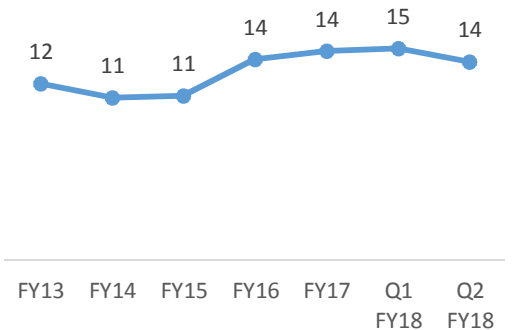
Current Ratio



Inventory in no.of days



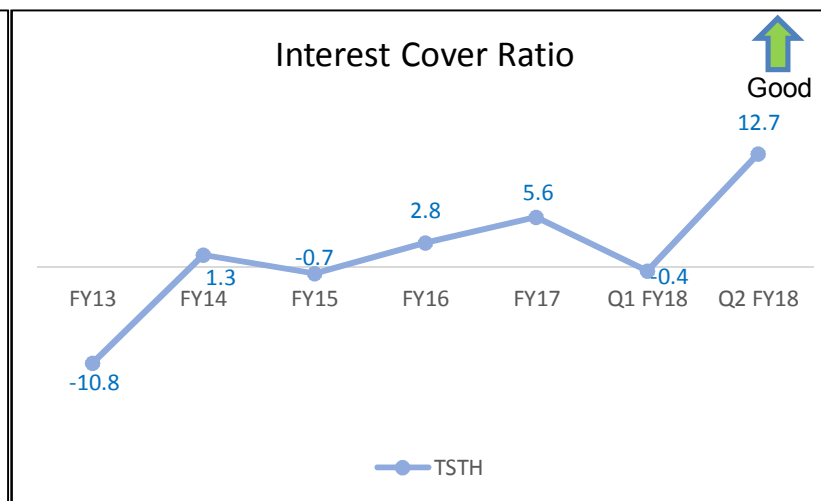
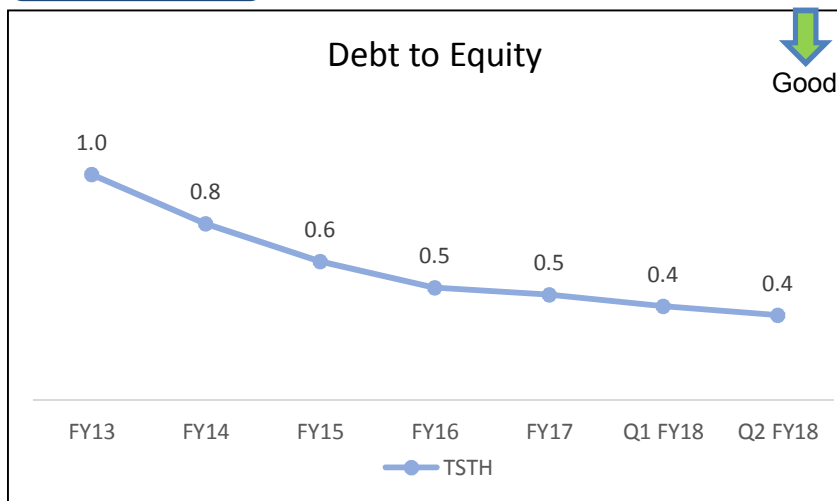
Debtors in no. of days



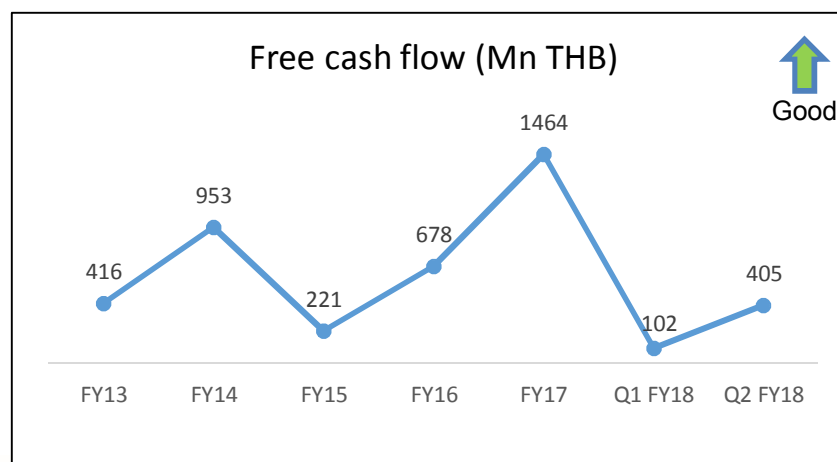
Key Ratios



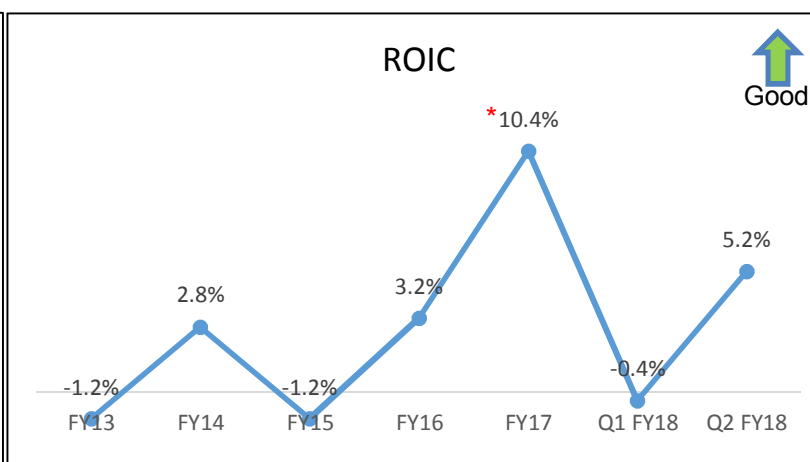
Stability



Cash Flow



Shareholder's return



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Business Outlook



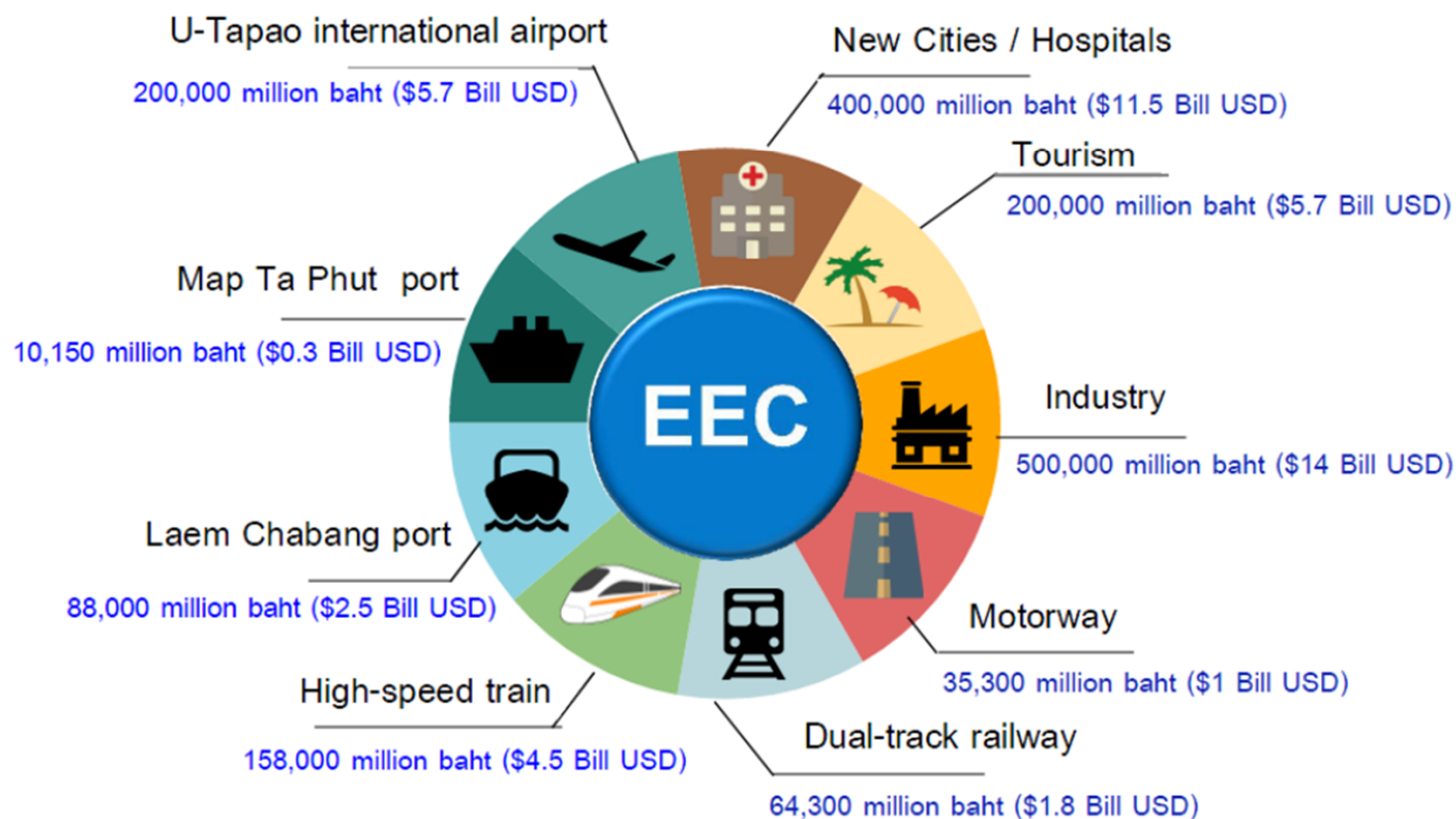
- Drop in iron ore and scrap price has created big uncertainty in the market. Impact of production cuts in China will be watched closely. Customers buying what is necessary.
- Prices of Raw Materials like graphite electrode, refractories, Ferro alloys expected to be high due to lower availability from China.
- China exports likely to be at low level, positive sentiment for local producers.
- Public investment in the area of infrastructure projects likely to resume. At the same time, Royal cremation ceremony and uncertainty of political situation may have some impact on private investments in Q3 Fy18. Many holidays in Oct and Dec.
- Manpower cost in Thailand likely to go up
- We expect domestic rebar sales to be under pressure. Cut & Bend sales momentum expected to continue. Wire rods sales expected to remain healthy.

Eastern Economic Corridor (EEC) Development



Combined Public and Private Investments at least

1.5 Trillion baht (\$43Billion USD) in the first 5 years



EEC – Priority Projects to Start in 2017



U-Tapao Airport

- 3 million tourists
- MRO (Maintenance Repair & Overhaul center)
First phase by Thai Airways and strategic alliances
- Start constructing 2nd runway
- Grant concession for new city airport

Laem Chabang Port

- Provide PPP for bidding 3rd phase

High Speed Rail

- Provide PPP for bidding to connect 3 airports

Target Industries

- Acquire lead investors for target industries
 - Bioeconomy
 - Auto, Auto part, Electronics, and Robotics
 - Aviation, Maintenance and Related Businesses
 - Medical Hub

New Cities

- Develop city planning and identify location
-

A thick, solid blue curved line that starts on the left side of the slide, rises to a peak in the middle, and then curves downwards towards the right side.

Thank you for your attention

Financial Performance H1FY18 compared to H1FY17



Item	Unit	H1 FY'18	H1 FY'17
Total Sales Volume	('000 tons)	600	615
Net Sales	MB	10,394	9,219
EBITDA	MB	571	903
Profit/(Loss) before tax	MB	200	570
Profit/(Loss) after tax	MB	139	408