

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

Presentation: Operating Results for Q3FY18  
(October - December 2017)

February 2, 2018



## Disclaimer

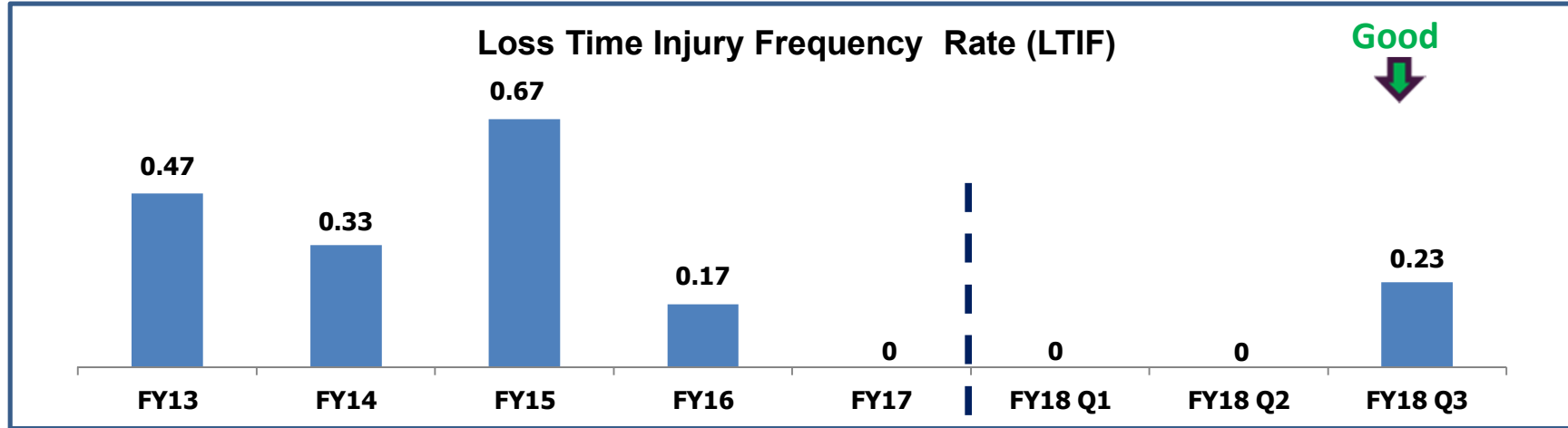
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Statements in this presentation describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, 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
- Q3 FY18 Performance
- Business Outlook

# Safety & Environment



## Awards:

1. SCSC received "Green Mining Awards 2017" from Department of Primary Industries and Mines (DPIM)
2. SISCO received "Safety Award in Provincial Level" from Labor Protection and Welfare Department of Saraburi Province.





# Mission on Corporate Social Responsibility



## Community Nearby Plant



NTS and Chonburi Vocational Education College arranged a cooking class of Red BBQ Pork with rice and noodles for local community people.

SCSC Beach Cleaning Day at Suchada Beach, Rayong Province.

## Children in Remote Area



Mobile Library and "Grow Smart with Tata Steel" Book Corners granted to schools No.267-272 at Nongbualamphu Province. (Reached 270 Schools in 54 Provinces)

## Environment



FORest FOR Lives FOR Our Beloved King year 6<sup>th</sup> at Klongtamru District, Chonburi Province.

## Non – Profit Organization



CSR on Employees' Birthday at Veterans General Hospital, Bangkok.



## Key Highlight



TSTH received **“Thailand Sustainability Investment Award”** from SET and **“Sustainability Report Award 2017”** in Recognition Level from Thai Listed Companies Association, The Securities and Exchange Commission and Thaipat Institute.



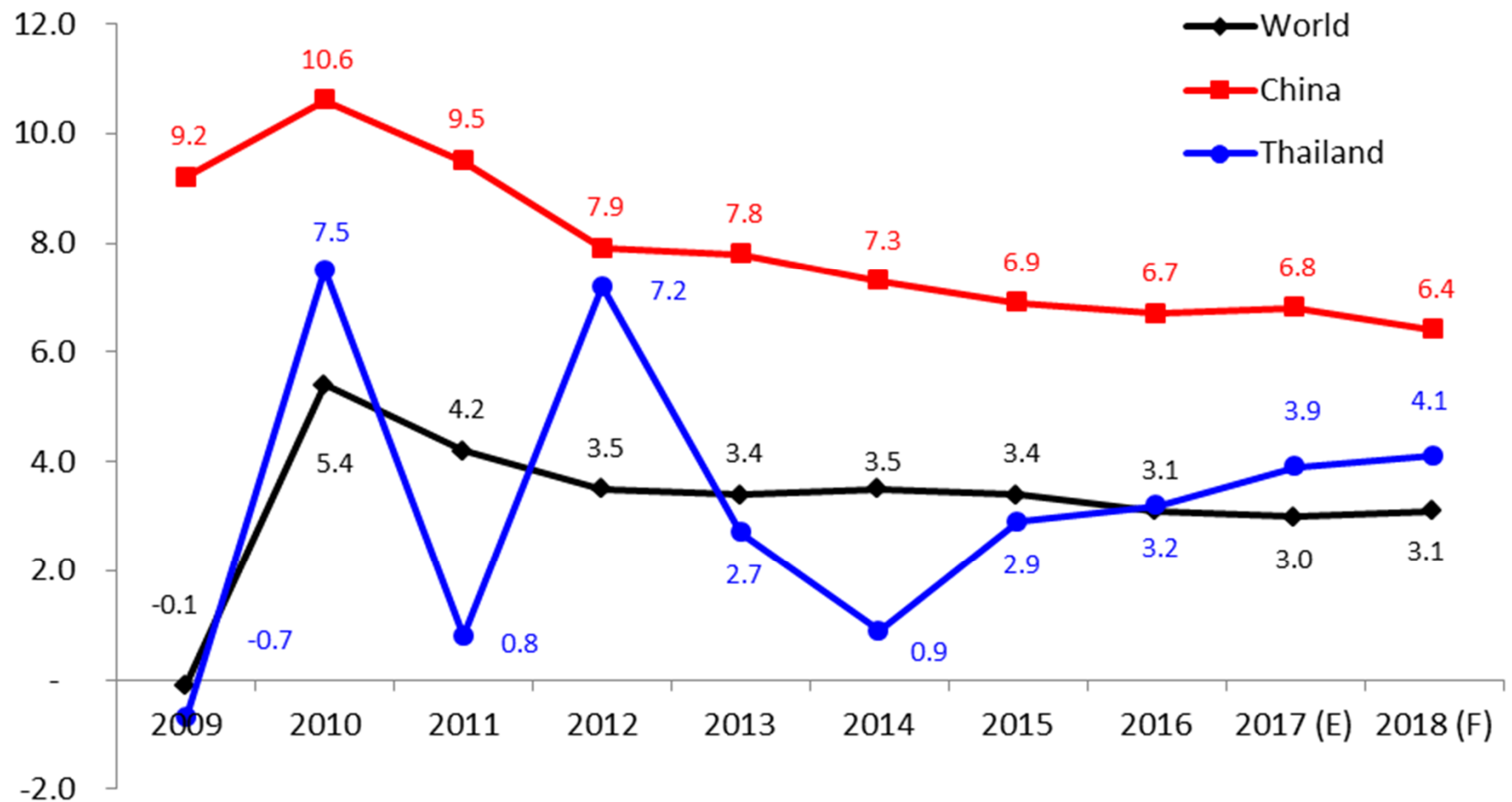
# Contents

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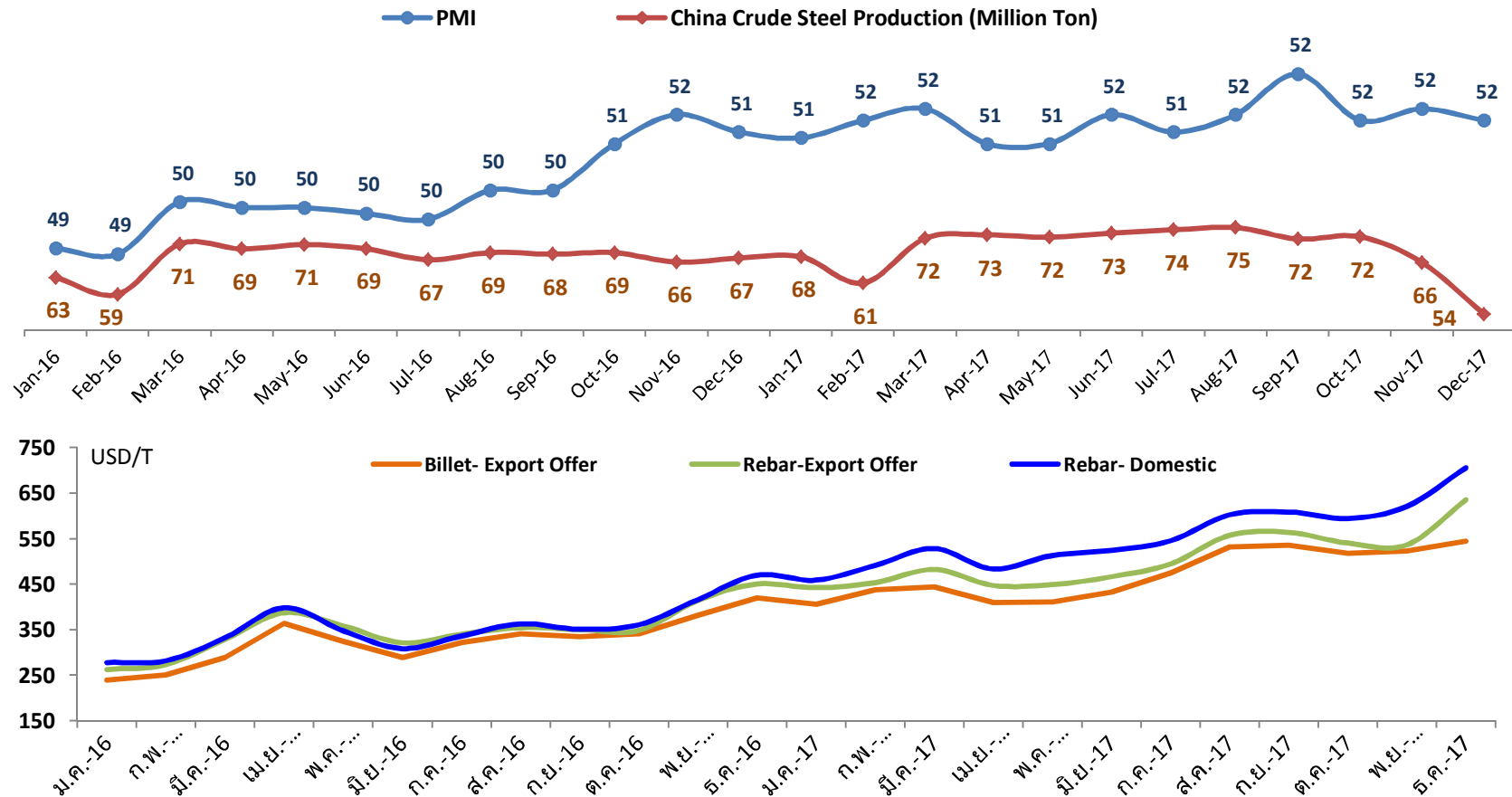


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# World Economic Growth (GDP)



# China: Steel situation

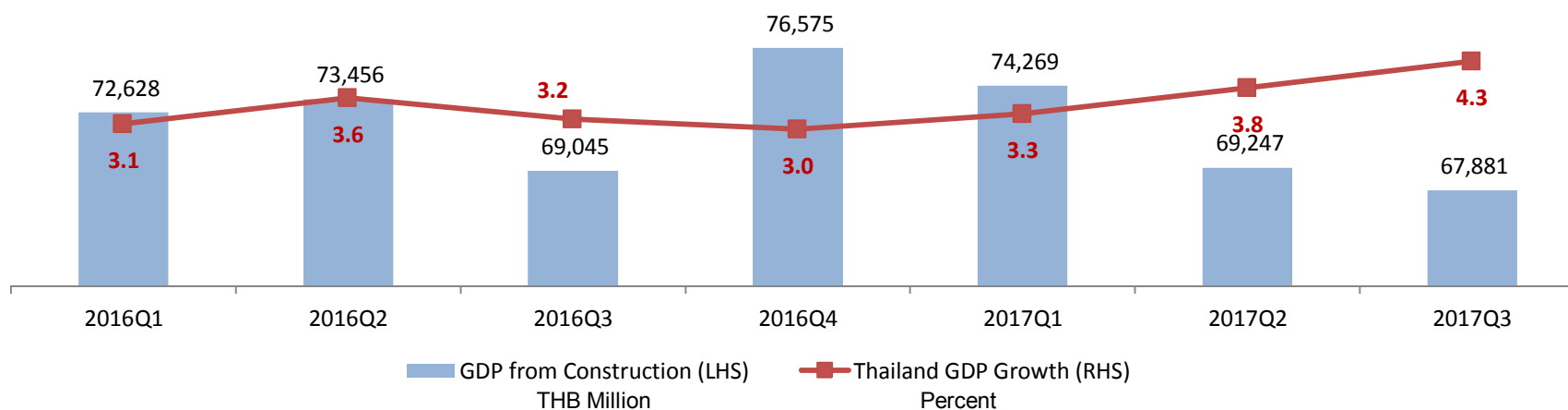


- Production cuts since Nov as a crackdown on pollution
- During 2017 crude steel production increased to 832 MT ( up 5.7% YoY) backed by better domestic demand.
- Over last 12 months, steel price in China has been rising. This has supported the price of finished goods and raw materials in the region & globally.
- Steel export in 2017 dropped by 30 % over 2016 to 75 MT

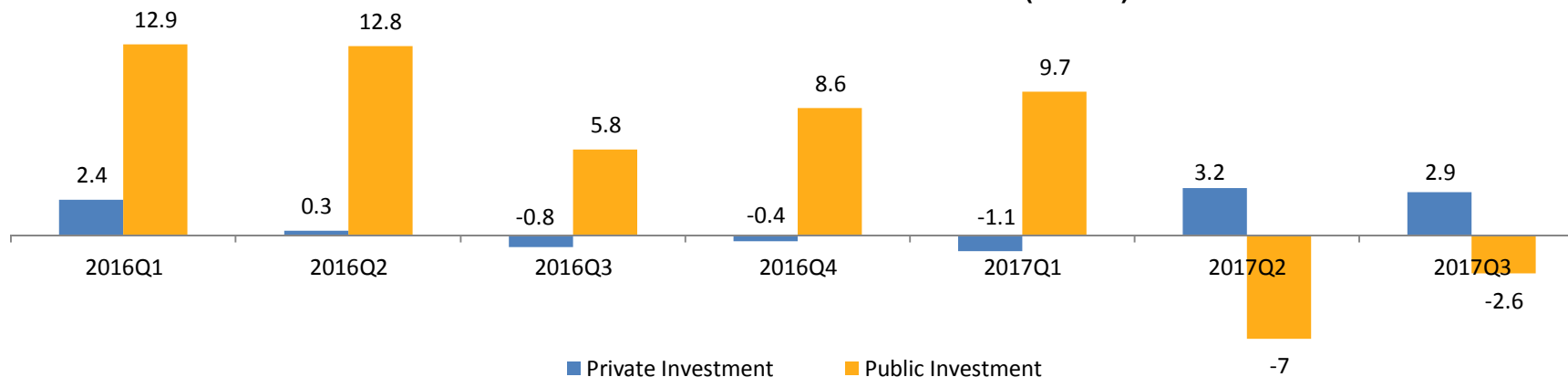
# Thailand Economy : Investment Trend



## Thailand GDP Growth & Construction Trend



## Private and Public Investment Trend (% YoY)

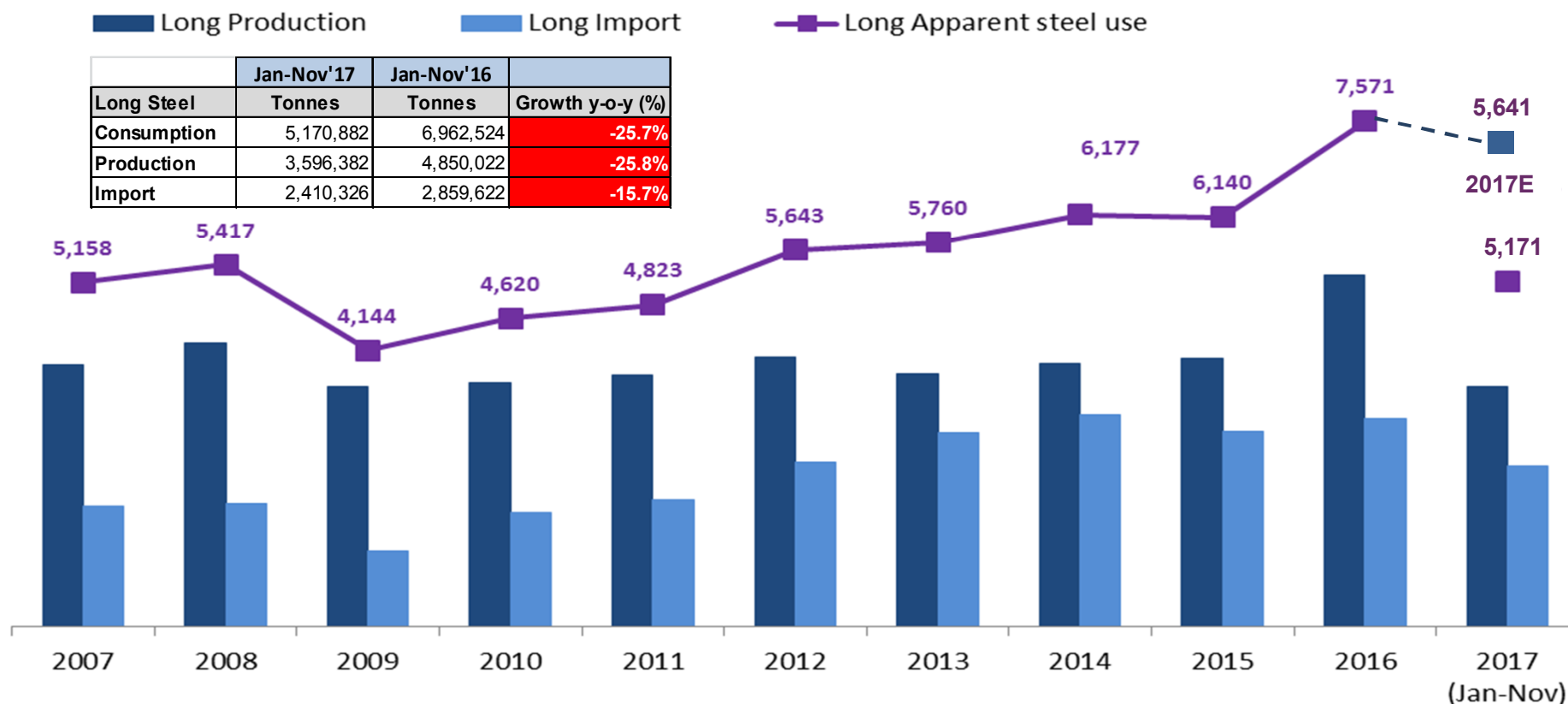


In 2017 GDP mainly growth in export and tourism while construction investment expanded only 0.2% in Q3 YoY. Public construction shown sign of recovery while private construction picked up slightly.

# Long products steel consumption Trend in Thailand



Unit : '000 MT



Long products steel consumption in Thailand declined significantly in 2017, expected -25% YoY

- Private investments and some government projects are postpone
- Delay in budget disbursement



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## Value Added Products Sales

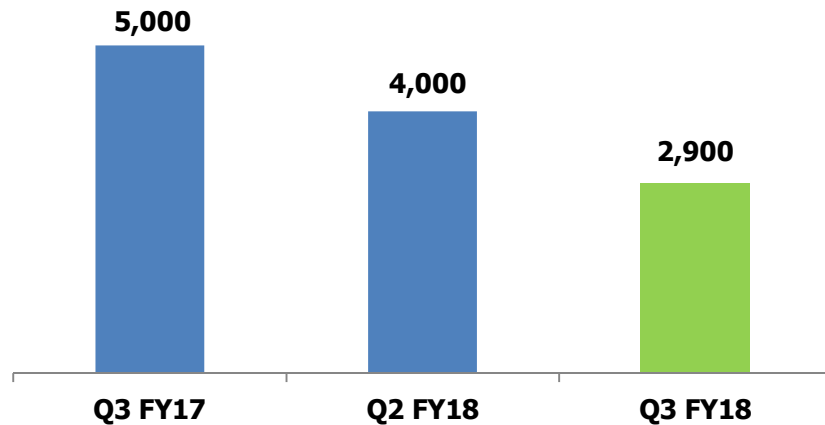


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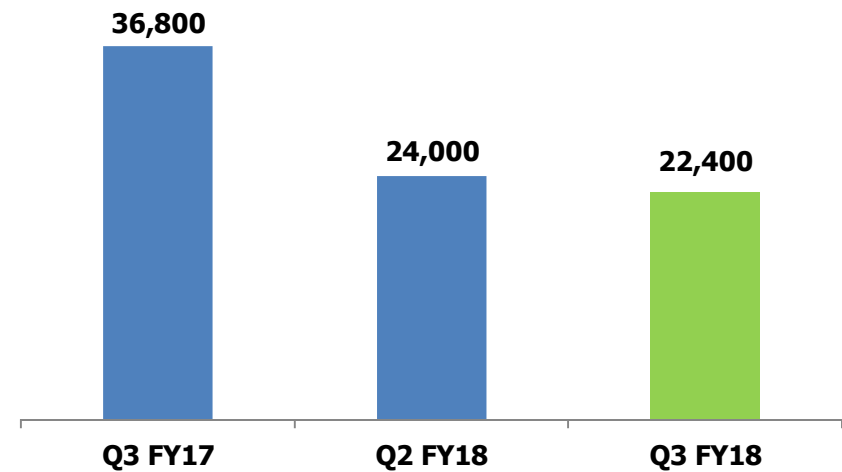
Unit : Tons



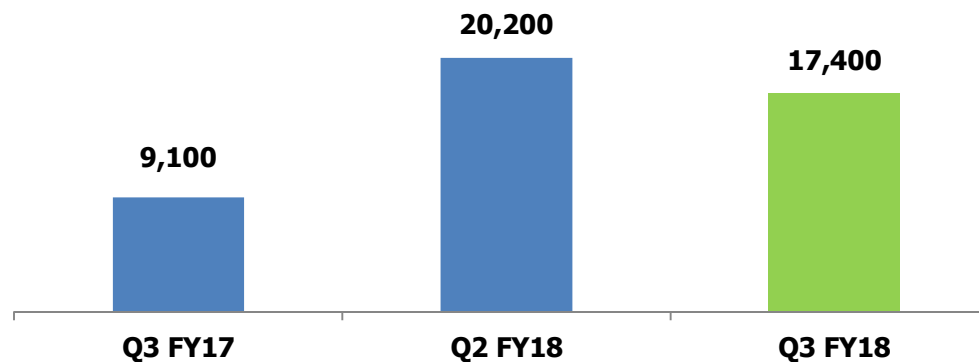
Seismic Rebar



High Tensile Rebar



Cut & Bend



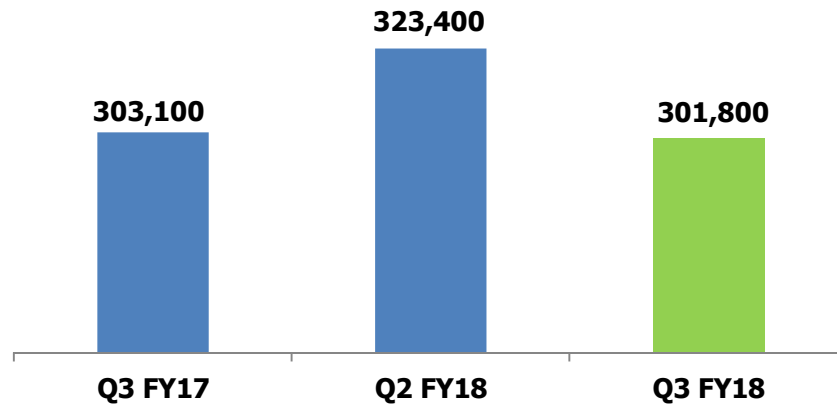
# Sales Volume

↑  
Good

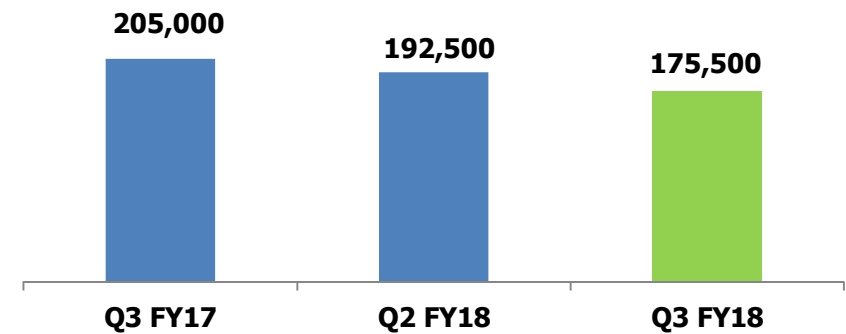
Unit : Tons



Total Sales

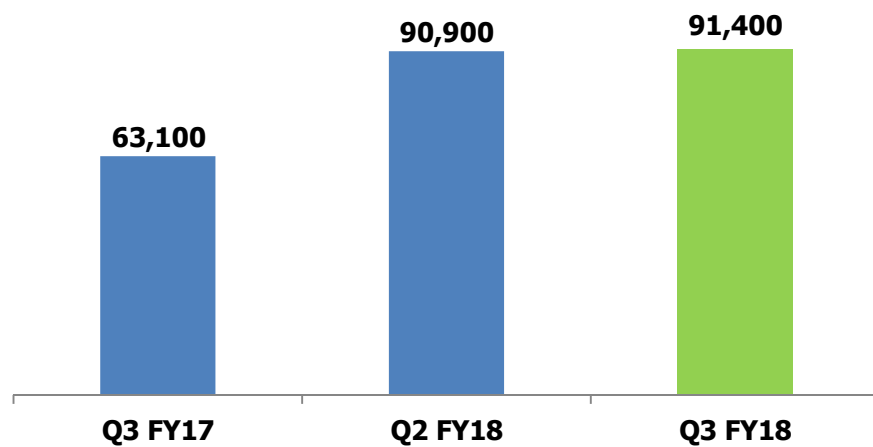


Domestic Rebars + CAB



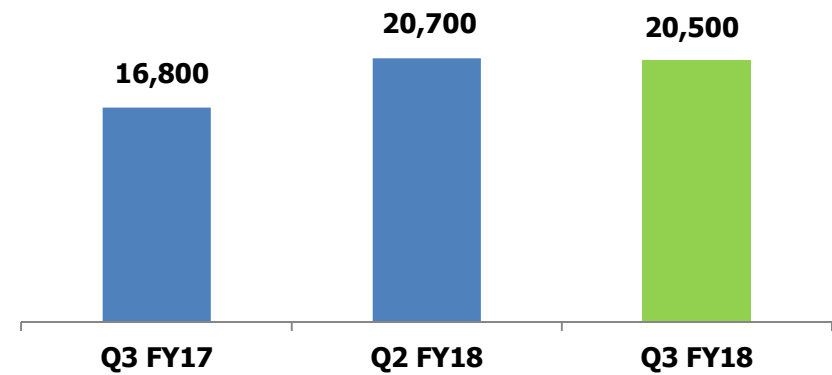
Domestic Wire Rods

↑ 45% Y-o-Y



Export

↑ 22% Y-o-Y



# Financial Performance



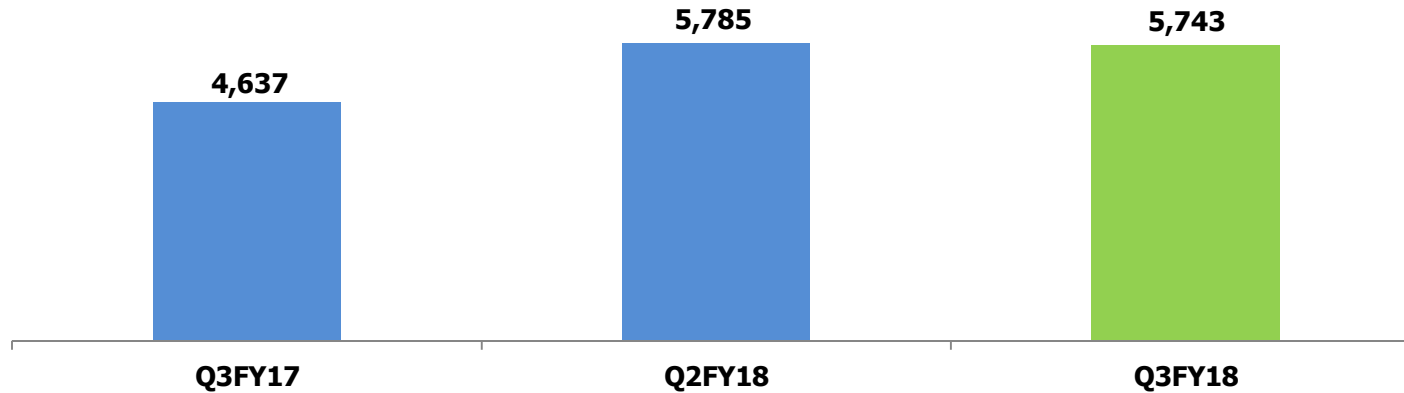
Good

Unit : Mn THB



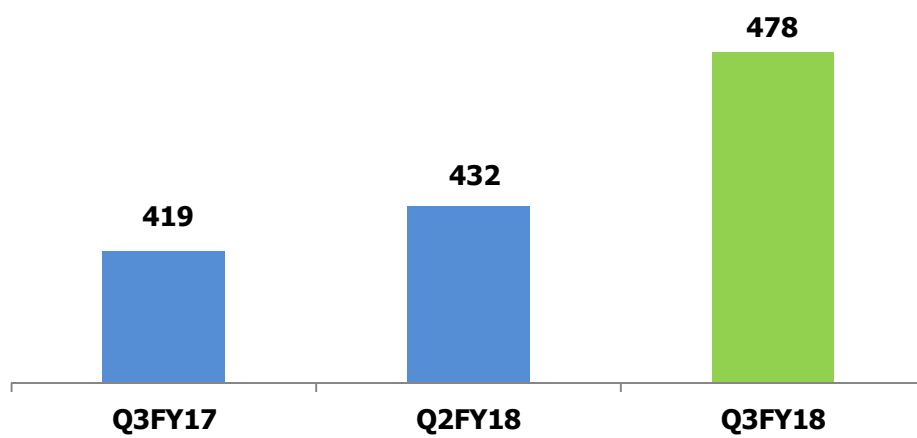
## Net Sales

↑ 24% Y-o-Y



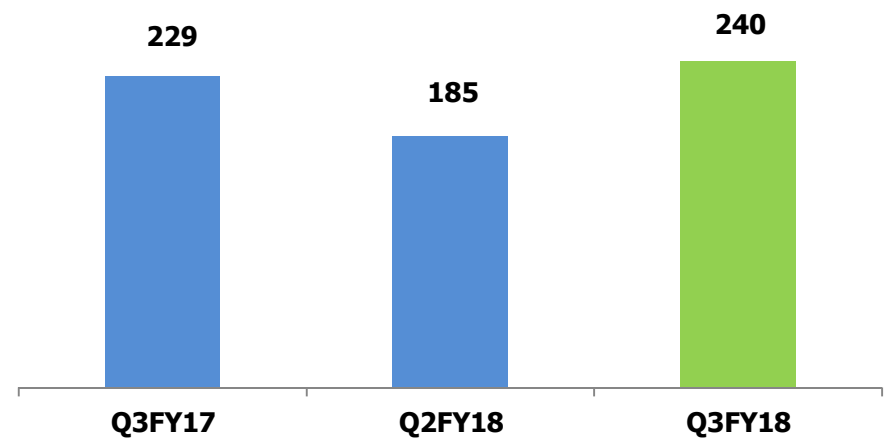
## EBITDA

↑ 11% Q-o-Q  
↑ 14% Y-o-Y



## PAT

↑ 30% Q-o-Q  
↑ 5% Y-o-Y



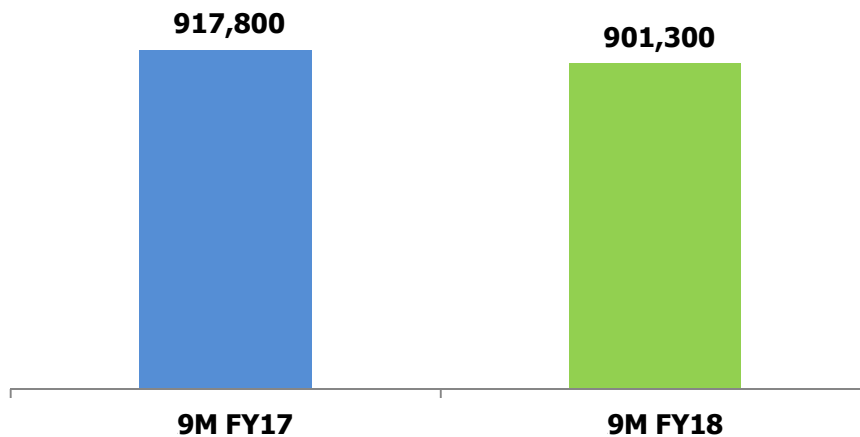
## Sales Volume: 9M FY18

↑  
Good

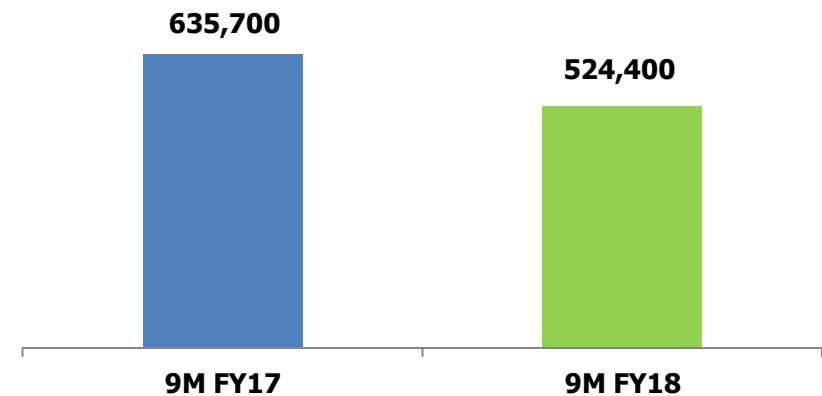
Unit : Tons



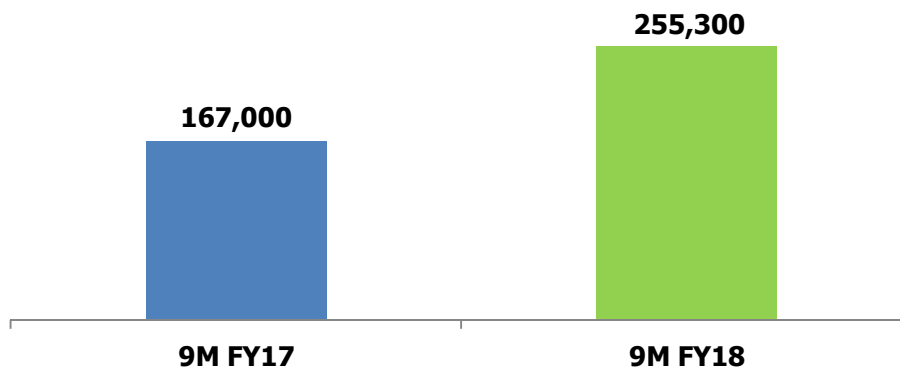
Total Sales



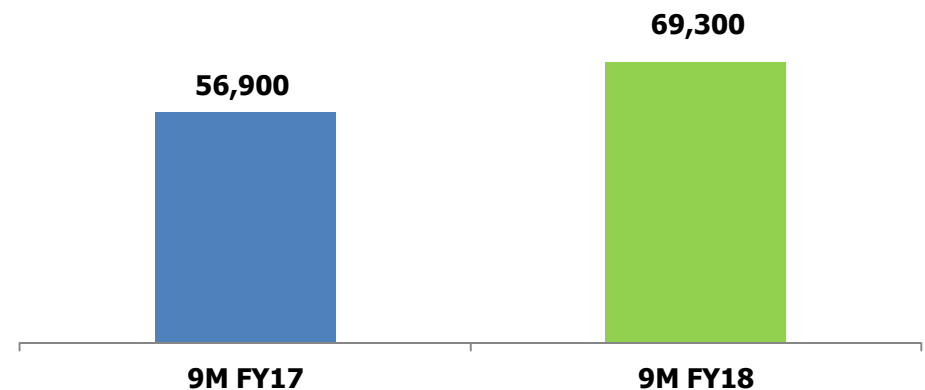
Domestic Rebars + CAB



Domestic Wire Rods ↑ 53% Y-o-Y



Export ↑ 22% Y-o-Y



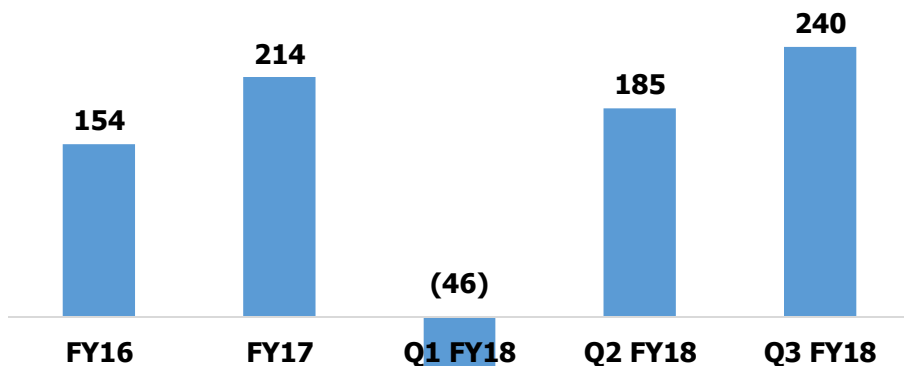
# Key Ratios



PAT Performance (Mn THB)



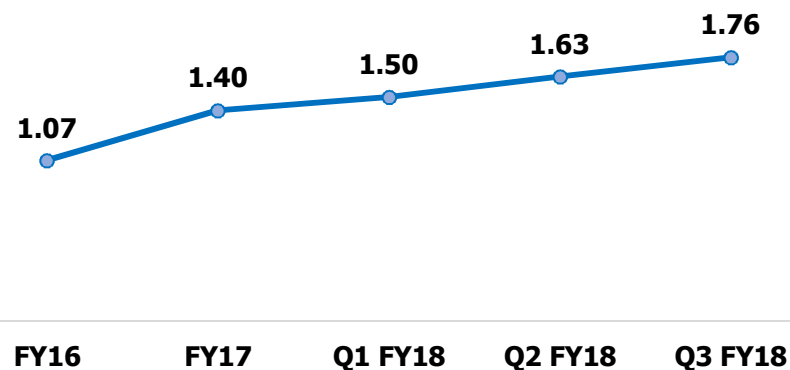
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Current Ratio



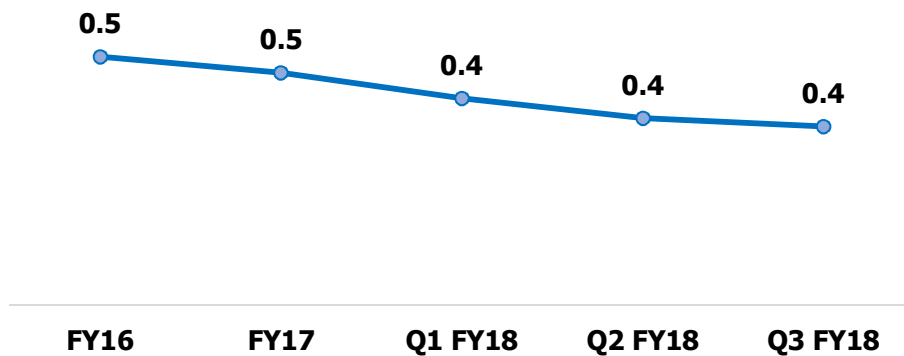
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Debt to Equity



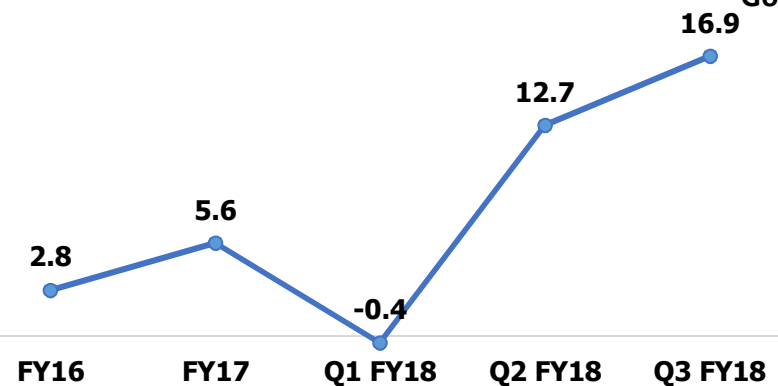
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Interest Cover Ratio



Good



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- While winter production cut in China continues, slowdown in domestic demand has resulted in drop in Wire Rod price thereby adversely impacting market sentiments in the region. However Chinese material continues to be uncompetitive in international markets
- Export of scrap from China dropped significantly in Q3. It is expected that domestic consumption will go up there leading to lower availability for exports
- International scrap price continue to be strong due to non availability of billets and good demand in Turkey & USA. Billets from Iran trying to make inroads in the region
- Rebar demand in Thailand remain sluggish though it is peak construction season. At the same time, demand seems to have picked up in India leading to export opportunities
- Demand for domestic wire rods expected to remain healthy

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**Thank you for your attention**

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## Financial Performance Q3 compared to Q2 FY18



Q3 FY'17	Item	Unit	Q3 FY'18	Q2 FY'18
303	Total Sales Volume	('000 tons)	302	323
4,637	Net Sales	MB	5,743	5,785
419	EBITDA	MB	478	432
256	Profit/(Loss) before tax	MB	287	233
229	Profit/(Loss) after tax	MB	240	185

## Financial Performance 9M FY18 compared to 9M FY17



Item	Unit	9M FY'18	9M FY'17
Total Sales Volume	('000 tons)	901	918
Net Sales	MB	16,137	13,856
EBITDA	MB	1,049	1,322
Profit/(Loss) before tax	MB	487	826
Profit/(Loss) after tax	MB	380	637