

**Media Meeting**

**Operating Results of Q3/FY24 (October – December 2023)**

**TATA Steel Thailand PLC**

**January 31, 2024**

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.

- **Update on Business Environment and Markets**
- **Q3FY24 Performance**
- **Business Outlook**
- **New products improvement and Corporate Citizenship**

## World



- Global growth remains highly dependent on Asian economies.
- Inflation under control
- Supply Chains not yet disrupted, despite the recent Middle East / Red sea issues.



- Global growth loses momentum amid post-covid tailwinds, tighter monetary policies, less fiscal support
- Risks to the near-term outlook remain tilted downside including high geopolitical tensions in Middle East and Europe.

## China



- People's Bank of China encouraging banks to provide more support to private sector.
- Short-term rebound in policy support.



- Global supply chains are reducing exposure to China
- Slowdown in inbound foreign direct investment (FDI) into China
- Economic stimulus meet structural headwinds.

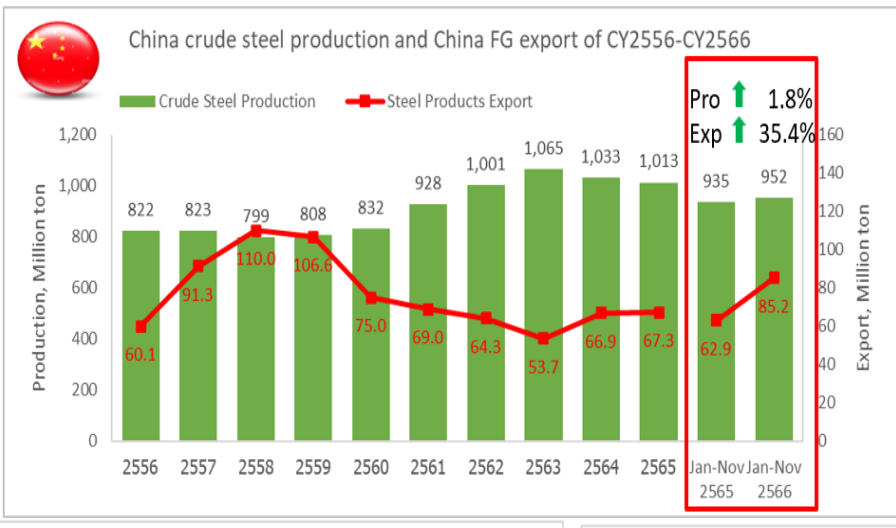
## Thailand



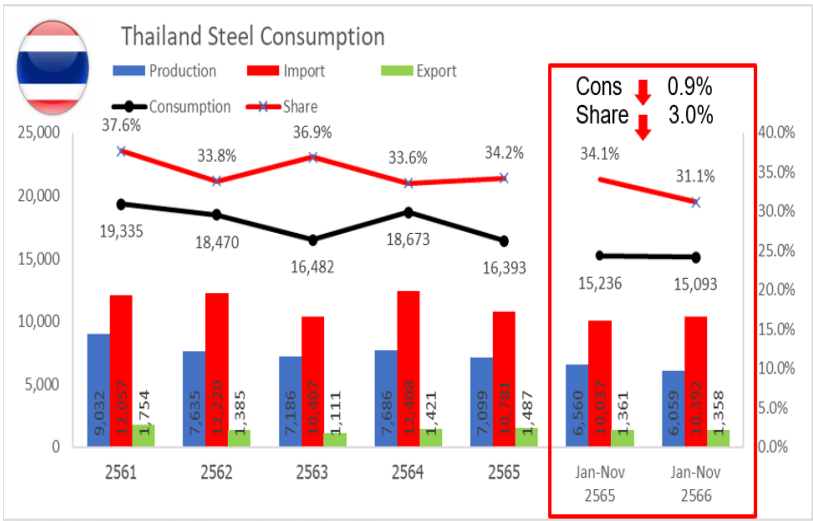
- Inflation eased
- Expanding private consumption
- Government Attention towards energy prices for Jan – Apr 24
- Recovering tourism activity (and benefitting from visa free arrivals)
- Expectation on higher public spending and policy supports after 2024 government budget bill approval



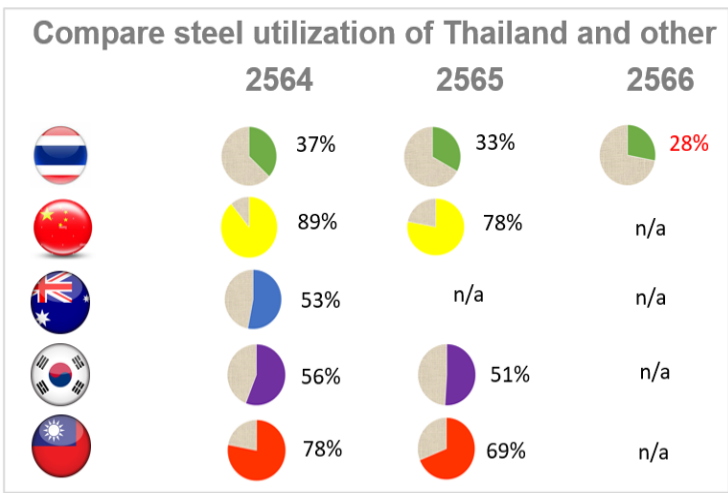
- Government spending in 2023
- Thai exports hurt by global economy slowdown and exports will be limited
- Impact of drought (El Niño)
- Higher borrowing costs amid high household debt



China finished steel exports increased 35.4% y-o-y to 85.2 million tons in 11 months of 2023 which is highest in last 7 years. This is due to weak consumption within China.



Thailand total steel consumption marginally dropped compared to previous year.

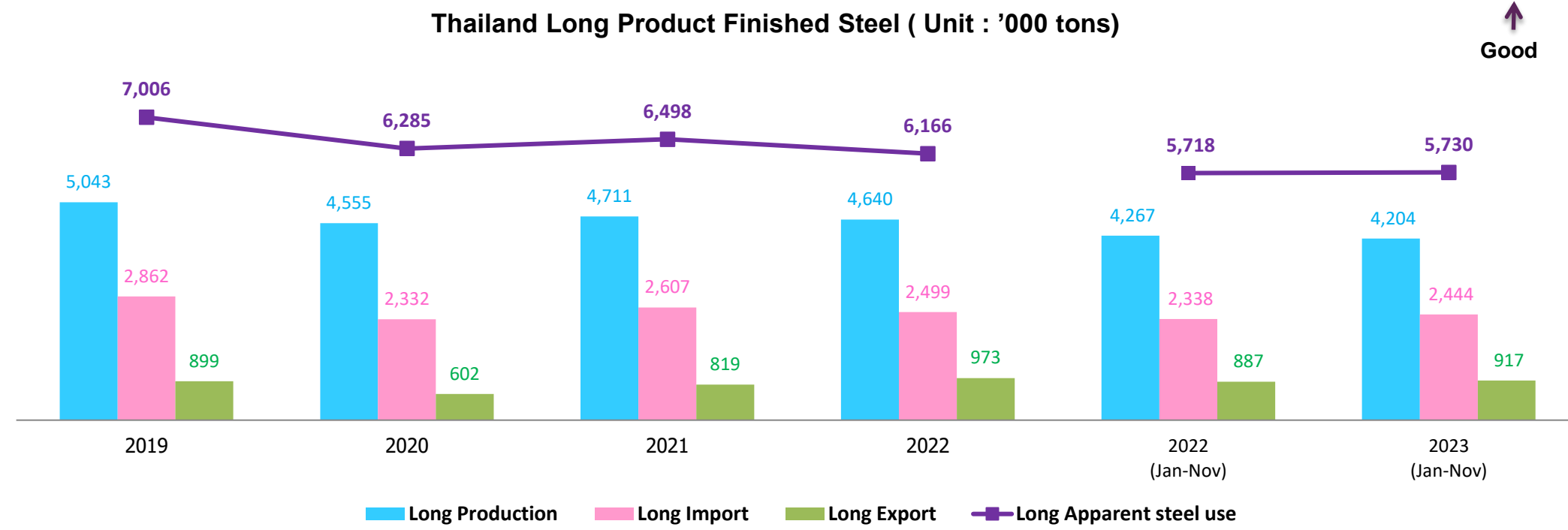


Steel capacity utilization in Thailand dropped to 28%. For example, import of wire rods increased 10.5% y-o-y in 2023, whilst consumption in Thailand decreased 9.1% y-o-y. Accordingly, utilization of domestic wire rods producers reduced.

# Annual Steel Long Products consumption has remained at similar level during 2020 – 2023 and approx. 10% lower than 2019 levels



↑  
Good



- The reduction in government spending is impacting long products steel consumption.
- It is hoped that things will change with supporting factors including the return to expansion of exports, favorable growth of private consumption and investment; and the continual recovery of tourism sector.
- It is also expected that government spending will accelerate from July23 onwards.

Source : NESDC, SCB EIC, ISIT (Jan'24)

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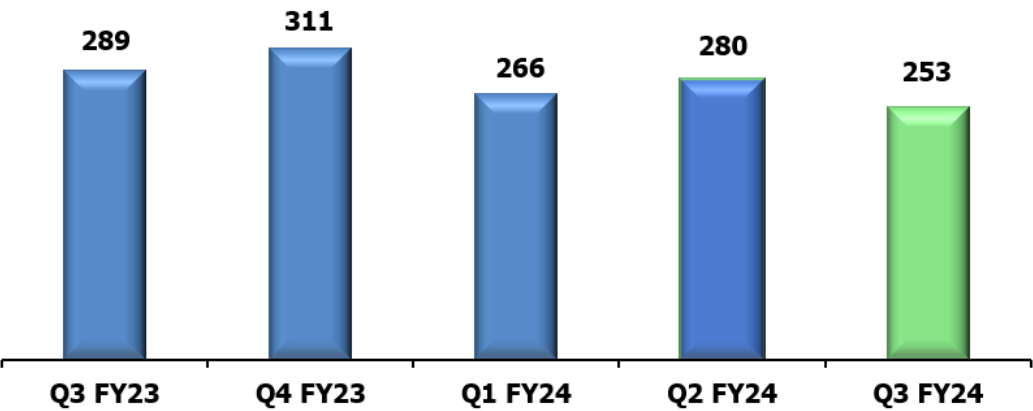
- **New Products Improvement and Corporate Citizenship**

# Sales Volume in Q3 FY24

Good  
Unit : KTon



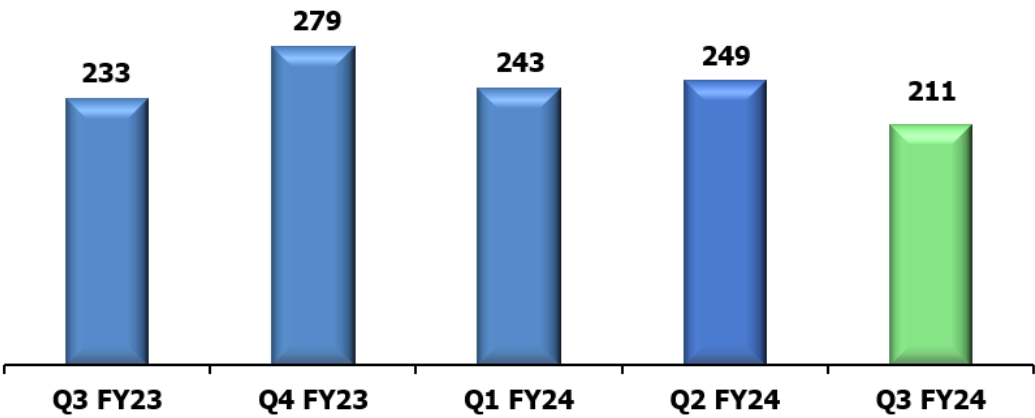
Total sales



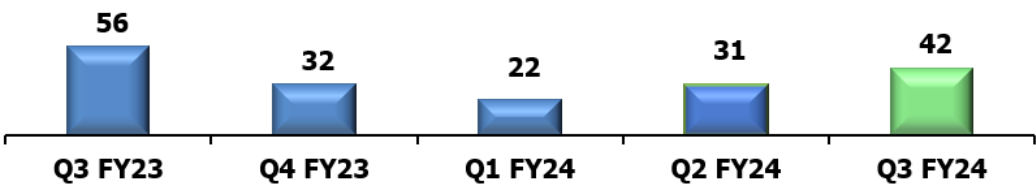
- Low domestic demand
- Surge in low priced wire rod imports
- Weak international markets

The above factors adversely impacted deliveries in the quarter under review

Domestic



Export





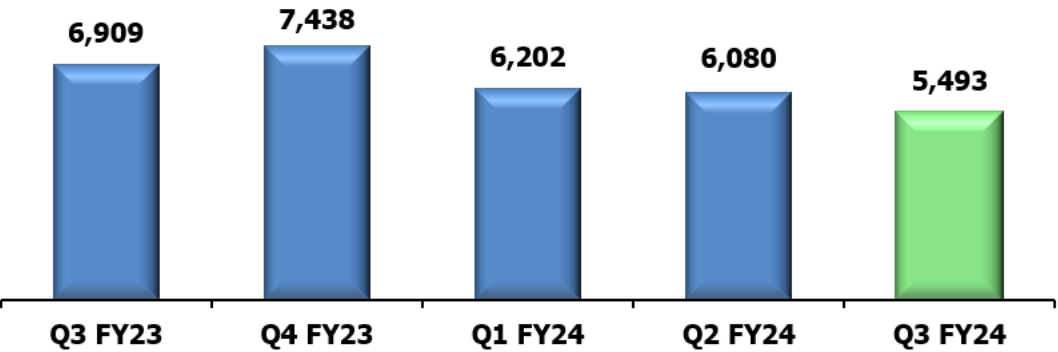


Good

Unit : Million THB

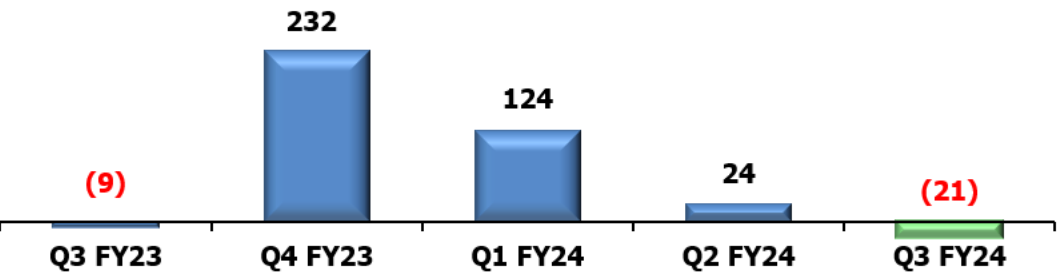


## Revenue from sales

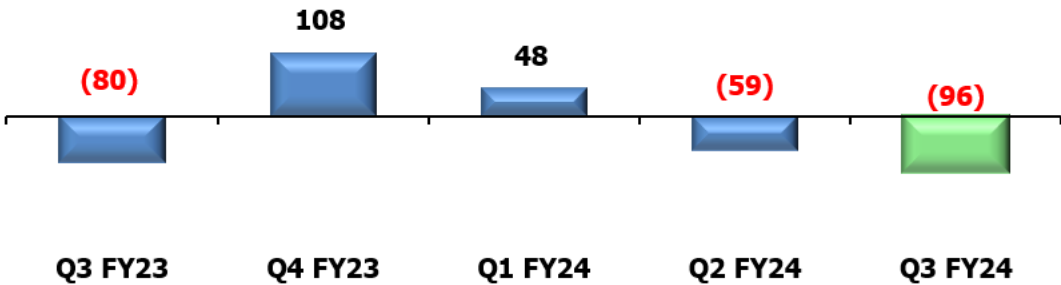


- Lower sales volumes impacted Revenues
- Working Capital (inventory and debtors) remained under control
- Profits were impacted lower sales volumes / prices, and not compensated by commensurate reduction in scrap prices










## EBITDA



## Profit (Loss) Before Tax



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GDP Growth (%YoY)	2022	2023F	2024F
 Global	3%	2.70%	2.50%↓
 US	2.10%	2.30%	1.60%↓
 Euro	3.50%	0.50%	0.70%↑
 UK	7.50%	0.50%	0.40%↓
 Japan	1.40%	1.70%	1.20%↓
 China	3.00%	5.30%	4.60%↓
 India	6.70%	6.30%	6.30%↔
 ASEAN-5	6.30%	4.40%	4.90%↑
 Thailand	2.60%	2.60%	3.00%↑

- There are growth related challenges in major economies of the world.
- In 2024, based on published reports, Thailand economy is expected to grow at 3% YoY (private 3% and public sector 1.7% growth)
- **In Thailand, the government is trying a lot of options:**
  - Expediting the process of budget approval
  - Digital Wallet
  - 'Easy-E-Receipt' scheme
  - Control energy prices during first quarter of 2024
  - Introduction of Visa-Free travel for some arrivals
  - Discussing policy rates

**We also hope that some of the mega projects which are in public domain discussions will move forward faster.**

Project Name	Project Value (MB)
<b>Ongoing form 2023</b>	
Expressway (Rama 3 -Dao Khanong) Phase 1	27,700
Motorway (Rama 2 - Phase1)	10,500
High Speed train Thai-Chinese	116,600
Lopburi Paknampoe Double Track Railway	18,699
Mortoway Bangyai Kanjanaburi	55,927
MRT Purple line (South)	75,250
Den Chai- Chieng Khong Double Track Railway	72,919
Ban Pai-Nakhon Panom Double Track Railway	55,300
Motorway (Rama 2 -Phase 2)	19,700
<b>New project Start from 2024</b>	
MRT Dark Red line	6,570
MRT Light Red line	15,671
MRT Orange line (West)	76,632
Knong Khan-Nong Khai Double Track Railway	29,748
Jira-Ubon Ratchathani Double Track Railway	36,683
Expressway Jatuchod – 3rd Ringroad (Bangkok)	24,060
Expressway Katoo – Patong (Phuket)	14,670
Nakhon Ratchasima-Nong Khai high speed train	252,400

# Key issues that will need to be watched for, in 2024:

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- Geopolitical tensions – may lead to increased protectionism or may lead to supply chain disruptions
- Delayed impact of high policy rates in 2022 and 2023 resulting in a sudden global economic slowdown
- Uncertain impact of policy stimulus in China – may lead further drop in internal demand and more exports
- Elections around the world ~40 countries including US, UK, India – may lead to changes in policies
- Decarbonization progress in Europe – will provide challenges and opportunities to all
- Extreme weather impacts
- AI development and adoption

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## Rebar for high-speed train spec

Rebar bars SR24&SD40 for The Thai-Chinese high-speed train projects is TIS rebar with higher properties than general Thai standards conforms to Chinese standards, consumption of rebar around 600 k Tons. Tata Tiscon rebar is currently used around 70% of such projects.



## Rebar NonT

NonT rebars are the deformed bar that has not use Thermal Mechanical Treatment in rolling process, which has higher properties (fatigue) that are better than normal rebar. Most of this are used in infrastructure work, such as bridge, elevated roads, tunnels, buildings. NonT is the most accepted on the market. especially government agencies.



หน้าตัดเหล็ก NON T



## Wire rod for Tire Cord

Tata Steel supplies wire rod grade 72A/82A for producing Tire Cord or wire to reinforce automobile tires. Tata Steel wire rod is made from scrap route which low CO2 emission and the properties to pass Japanese production standards. The products can be shipped to Japan, Vietnam, Malaysia and Indonesia which tends to have sales that continue to grow.



## Australian standard rebar (AS/NZS)

Tata Tiscon Rebar applied for a production license according to Australian Standards (AS/NZS 4617) in April 2023. Currently, the product is being shipped to Australia. continuously.



# Improving Quality of Life of Communities in Q3 FY24



## Supporting Religion, Culture & Education

1. **TSTH & SCSC:** donated **20 sets of second-hand computers and taught fundamental computer usage** for students at the Ban Kao Wangkaew School, Chon Buri.



2. **NTS & SISCO:** NTS participated in **Phapa Samakki** at 5 temples in Chonburi. SISCO joined with Tha-Luang Plant Group at Wat Bua Ngam, Saraburi for the same Buddhist promotion activity.



3. **SCSC:** joined the **Annual Masjid Tea Tradition** to support Muslim Mosque Islamic Community, Rayong as part of cultural promotion.



## Environmental Conservation

1. **TSTH & all 3 Plants:** arranged **“Tata Steel Thailand Restore the Earth Project”** by planting **1,000 mangrove trees** at Bangpu Nature Education Center, Samut Prakan Province.



2. **SCSC:** surveyed Ta Kuan School to plan for the **installation of solar cells** on the school buildings, aiming to reduce electricity expenses and promoting the use of clean energy.



## Promoting Health & Safety Awareness

1. **TSTH & SISCO:** arranged activity to improve safety conditions and reduce accidents in community by **painting the road signs in station platform** at Tha Ruea railway station in Phra Nakhon Si Ayutthaya Province.



2. **NTS & SISCO:** joined campaign for **Promoting Safe Driving during 7 Dangerous Days of Songkran Festival** with local government agencies in Chonburi & Saraburi.



# Awards and Achievement in Q3 FY24



TSTH has been listed on  
**SET ESG Ratings 2023 at "A" level**  
by the Stock Exchange of Thailand.

TSTH received  
**CGR 5-star rating in "Excellent" level**  
from Thai Institute of Directors (Thai IOD).



TSTH received  
**Sustainability Disclosure Award 2023**  
from Thaipat Institute.



TSTH received  
**Annual Compliance Report (ACR)**  
Results from Tata Sons sustained  
**'Advanced'** status in all  
the 4 pillars of the LBE framework.



# Suggestions for improvements

- Waste as a source of competitive advantage
- Focus policies toward high end quality products, with lower carbon footprint, and with focus on environment protection, and construction safety
- Digitalization of tax regime
- Policy focus toward fairness in imports
- Annual renewal process of the licenses which permit steel imports
- Promote Made in Thailand



Thank you for your attention