



# **Directors' Report**

## **Fiscal Year 2017**

### **(Ended March 31, 2017)**



## ➤ **Business environment**

- **TSTH performance in FY17**
- **Outlook for FY18**



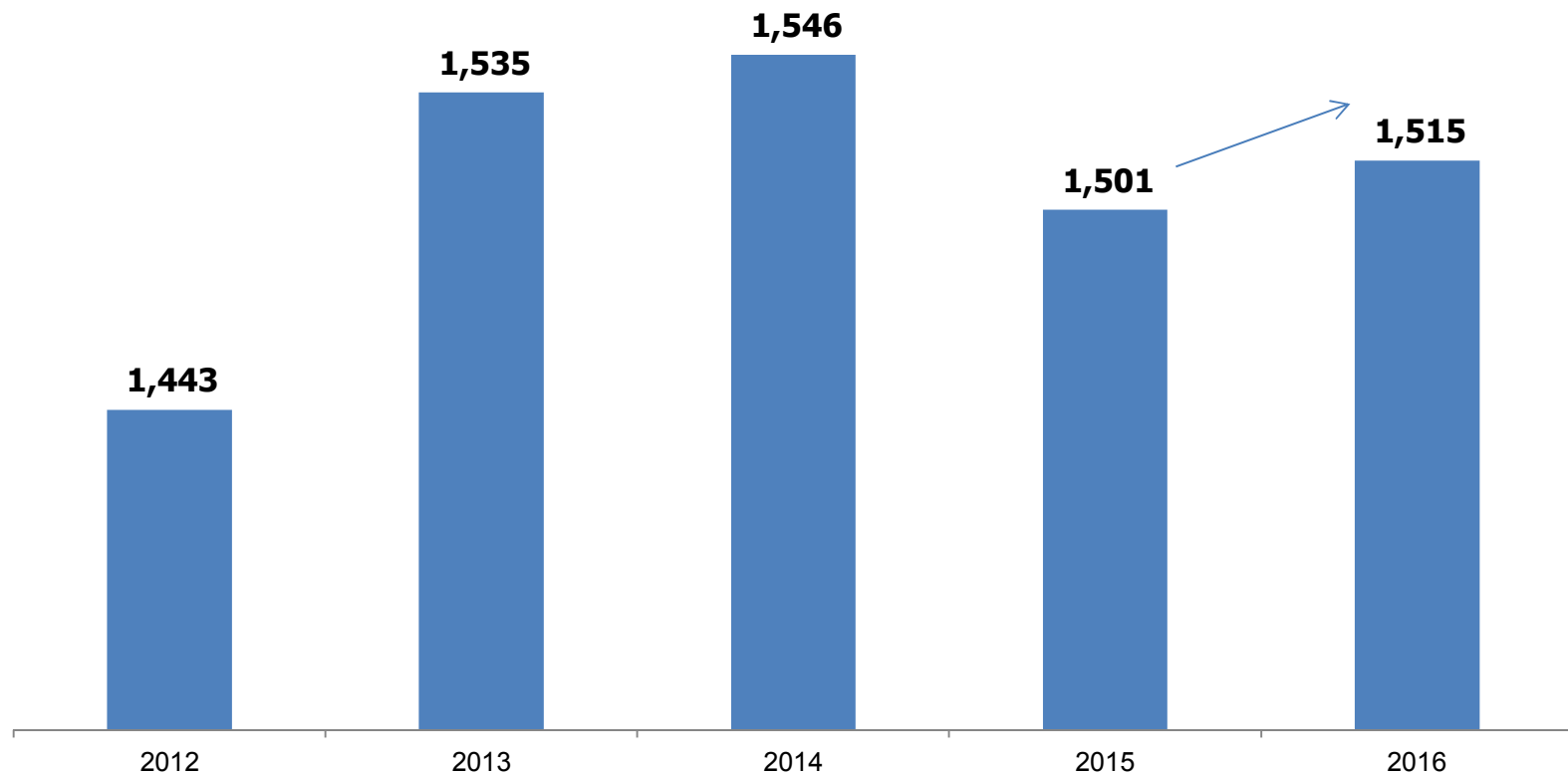
# World steel consumption improved slightly in 2016



UOM: Million Tons

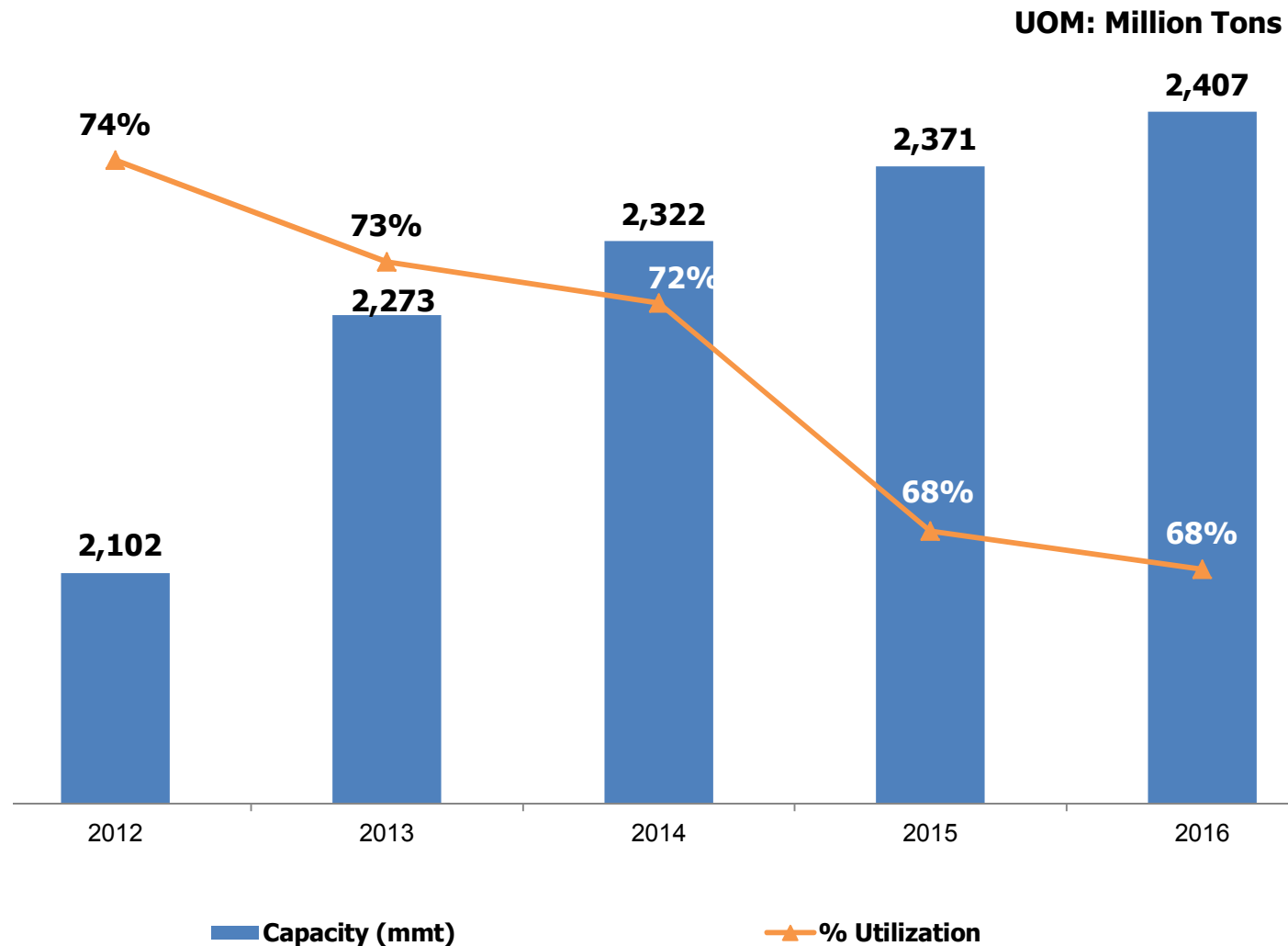


Good





# Over capacity persists world-wide leading to low capacity utilization





# ASEAN continues to be a high growth region



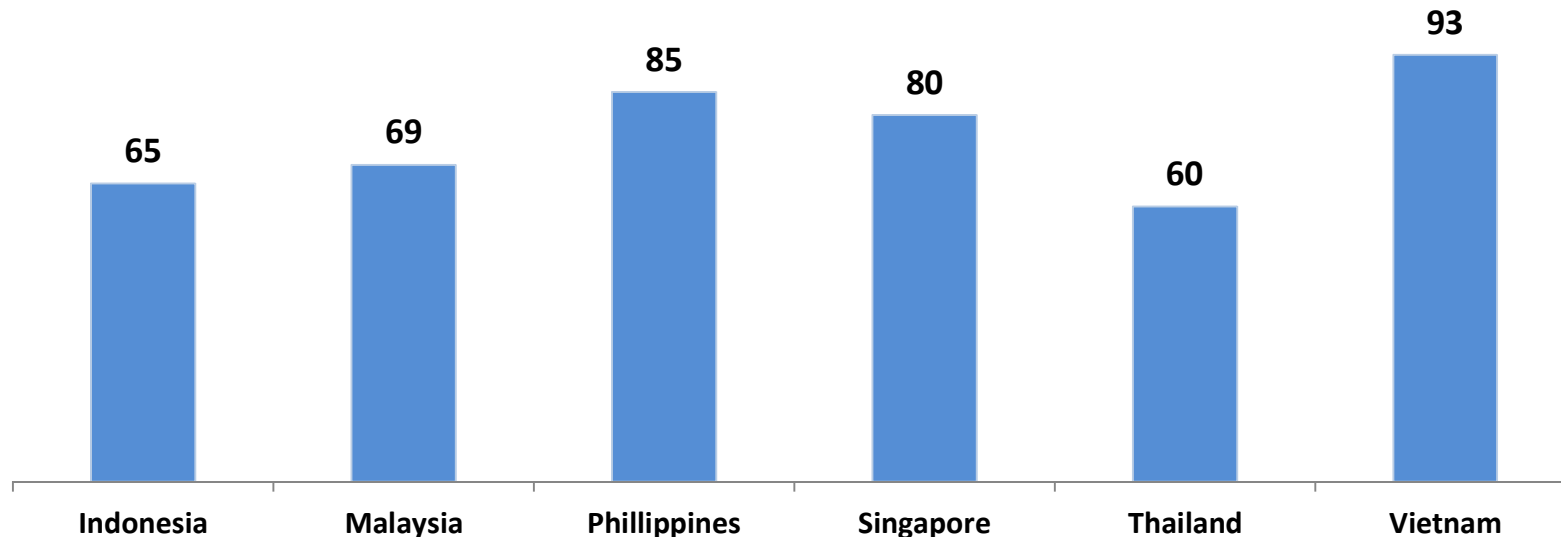
GDP growth rate (%)

Country	2014	2015	2016	2017 (f)	2018 (f)
World	3.5	3.4	3.1	3.5	3.6
China	7.3	6.9	6.7	6.6	6.2
India	7.2	7.9	6.8	7.2	7.7
Southeast Asia	4.6	4.7	4.8	4.9	5.1
Cambodia	7.1	7.0	7.0	6.9	6.8
Laos	8.0	7.5	6.9	6.8	6.7
Myanmar	8.0	7.3	6.3	7.5	7.6
Vietnam	6.0	6.7	6.2	6.5	6.3
Thailand	0.9	2.8	3.2	3.4	3.3



# Steel industry in ASEAN is dominated by Construction

% share of Construction sector in total steel demand



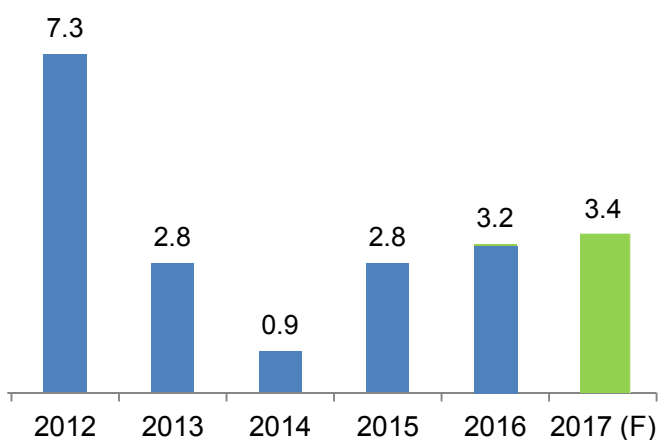
**Construction sector in the region is mainly driven by Government mega projects**



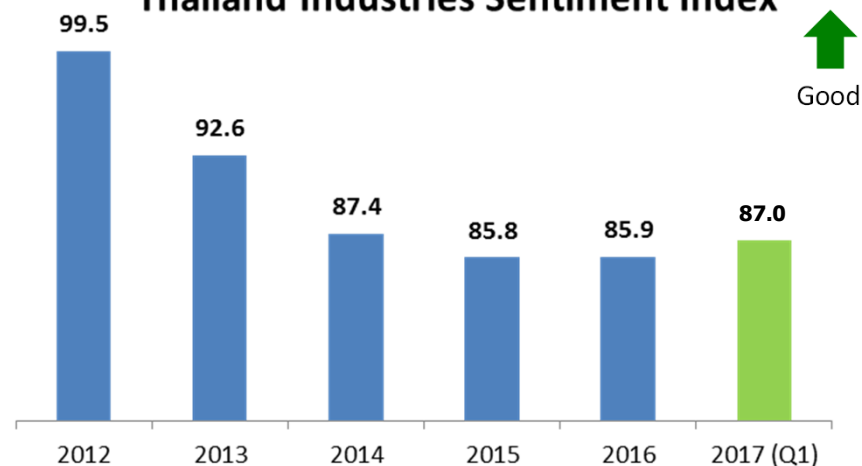
# Business environment in Thailand



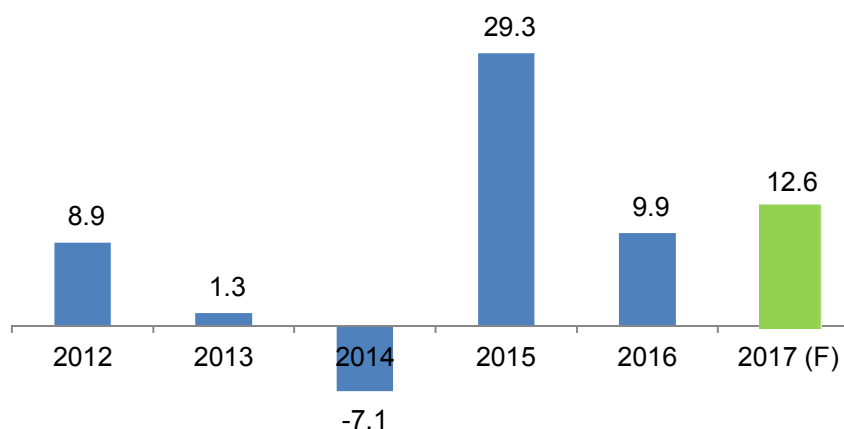
## GDP Trend



## Thailand Industries Sentiment Index



## Public Investment

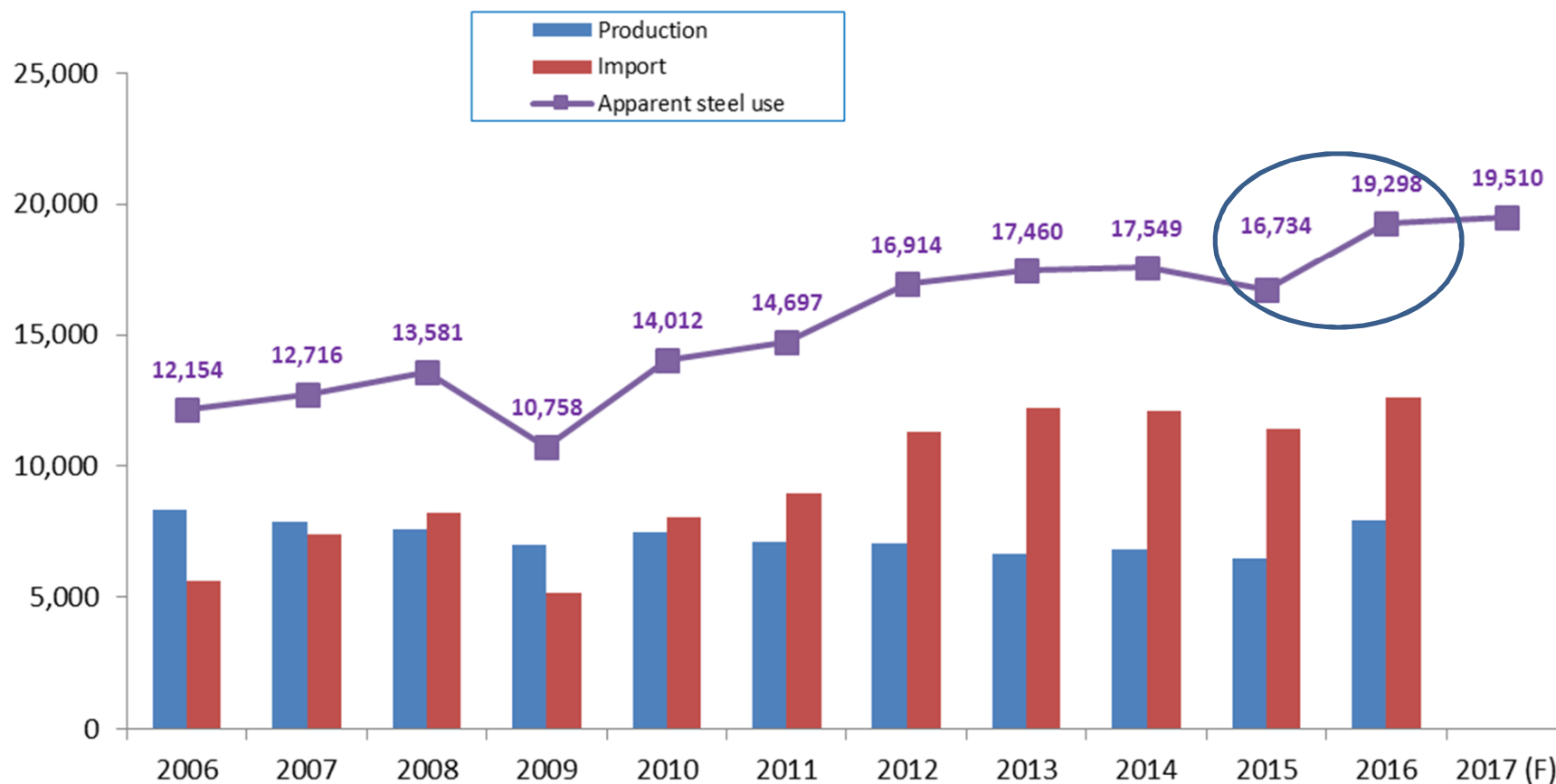




# Thailand steel consumption revived in 2016



Unit : '000 Tons





➤ **Business environment**

➤ **TSTH performance in FY17**

➤ **Outlook for FY18**



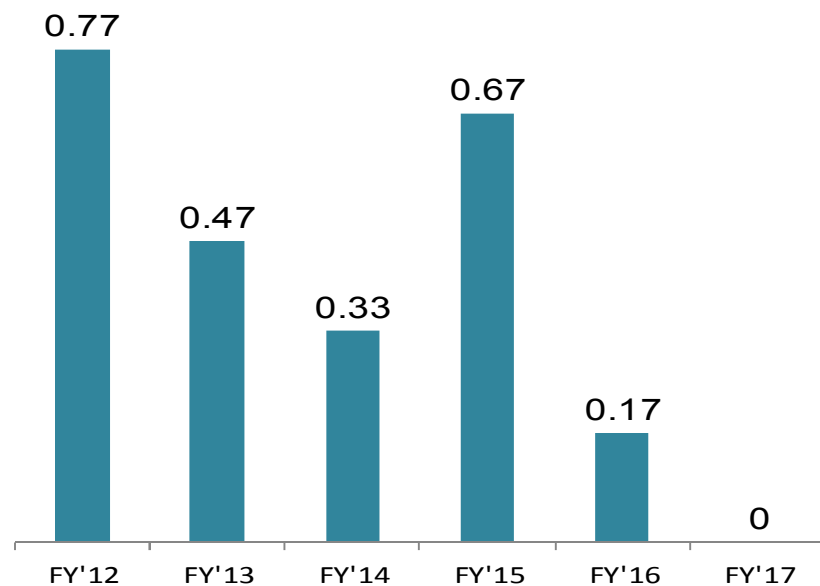
# OSHE Performance



## Lost Time Injury Frequency Rate



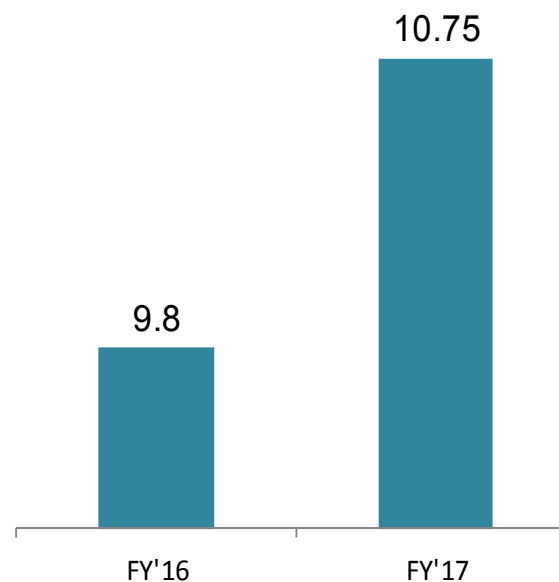
Good



## Health Index



Good



- Zero lost time injury during the year
- NTS and SCSC plants reached 5 and 4 years without any lost time injury



# Corporate Social Responsibility



**“Grow Smart with Tata Steel” libraries have reached 248 schools in 52 Provinces**



**Employees & the Company donated for southern flood relief**



**Tata Group in Thailand held the 5th “Forest For Life For our beloved King”**

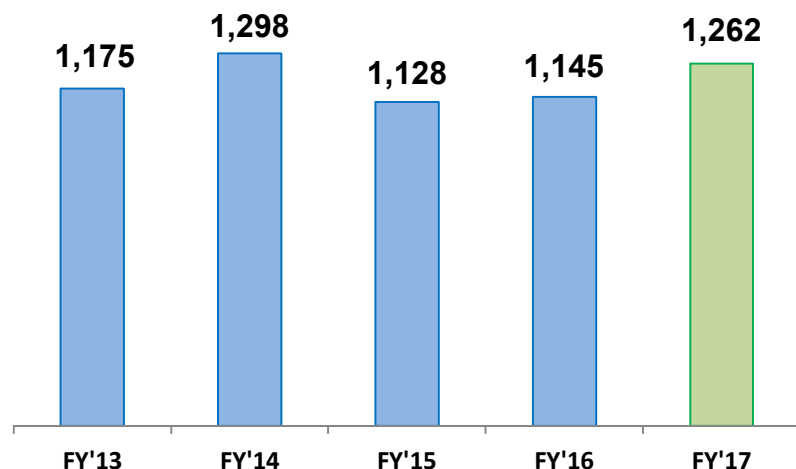
**100% of the employees participated in at least one CSR activity and collectively spent 10,123 Hours (8.3 working hours/employee)**



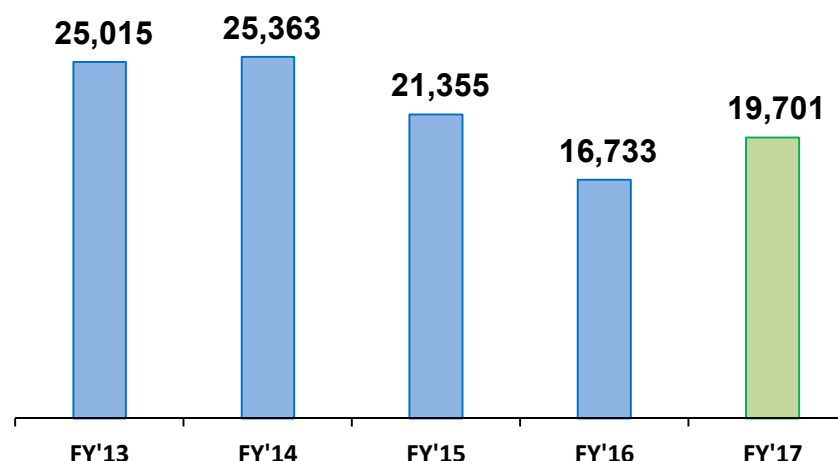
# Key Performance Indicators



Sales volume ('000 tons)



Revenue (Million THB)



## Growth in Fy17 over Fy16

Revenue : 17 %

Sales volume : 10%



# Product category sales volume

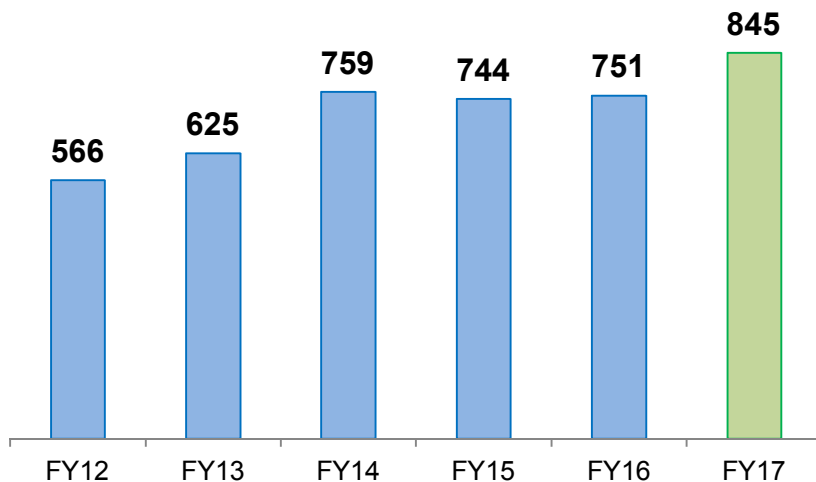


Unit : '000 tons

**Domestic Rebars (incl. Cut&Bend)**



Good

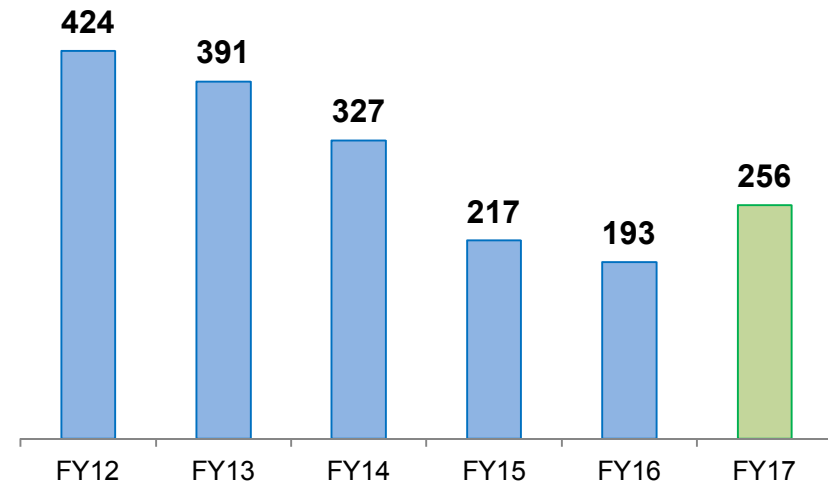


**Steady increase on volume of Rebars**

**Domestic Wire Rods**



Good

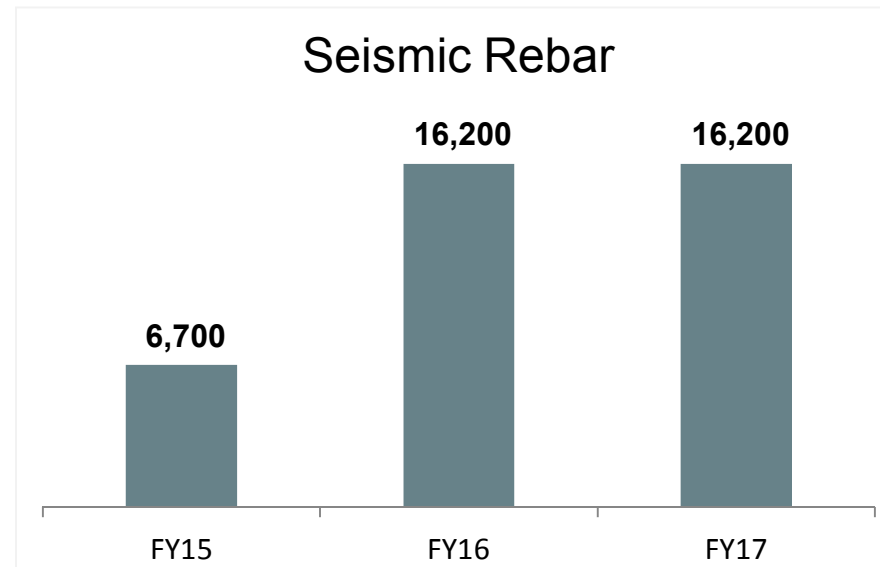
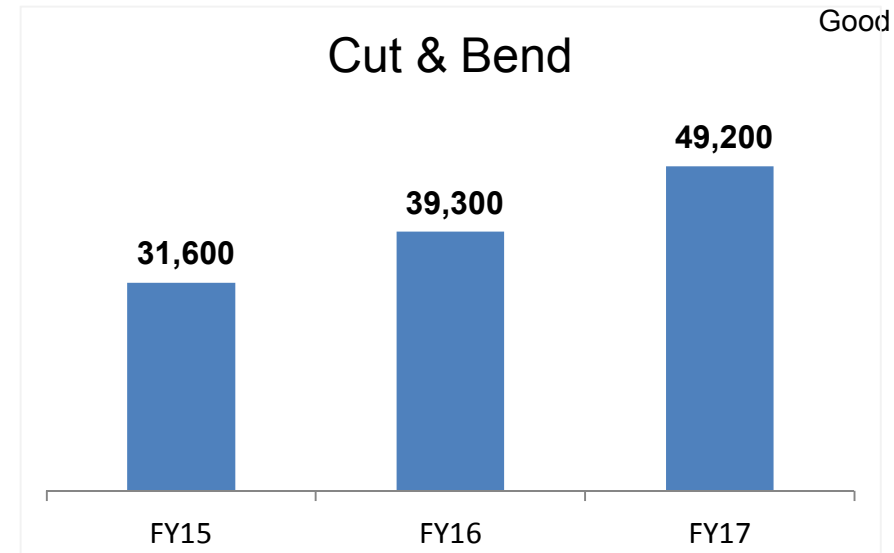
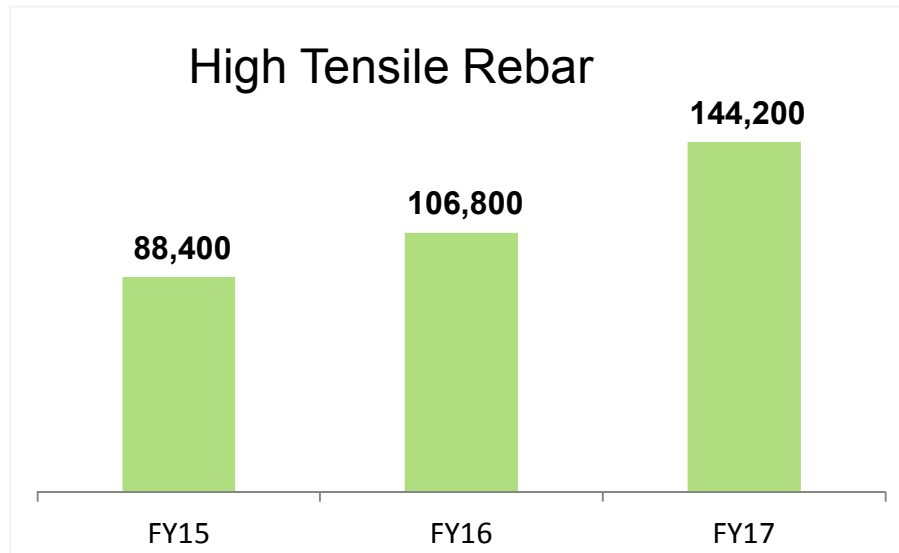


**Recovery in sales volume**



# Value added products sale volume

Unit : Tons

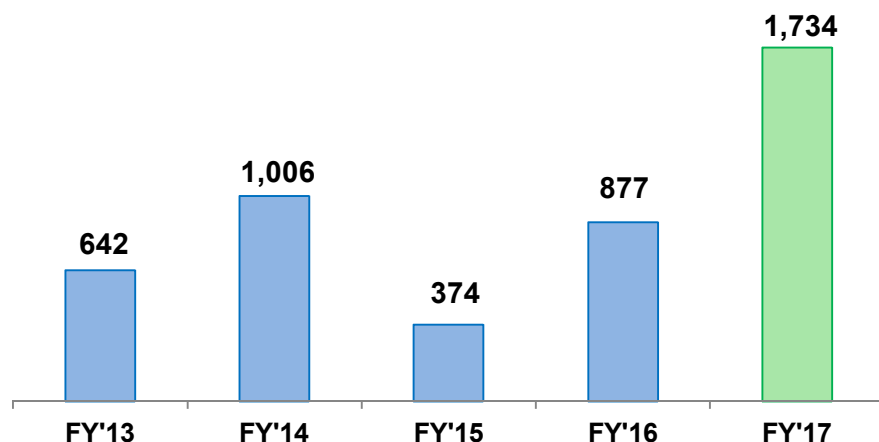




# Financial performance



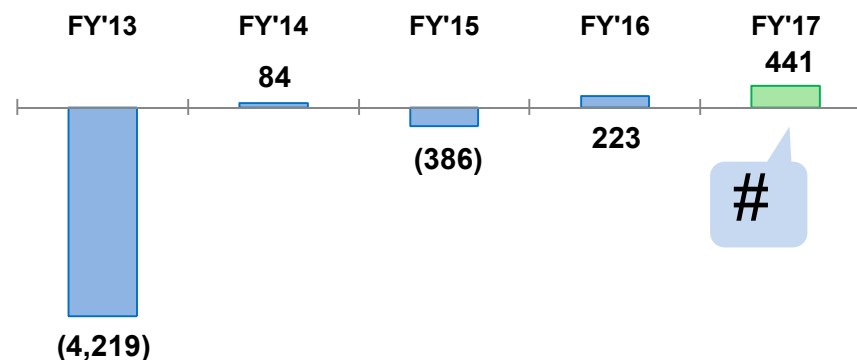
## EBITDA (Million THB)



## PBT (Million THB)



Good



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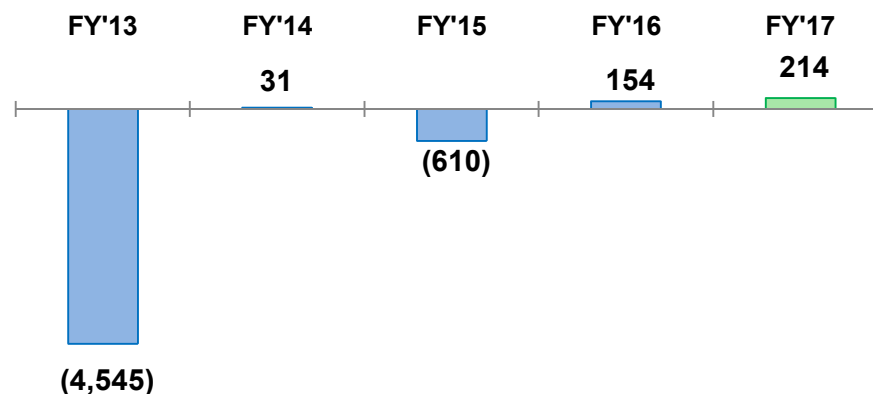
Fy'17 Includes the one-off impact of:

- a) Impairment of MBF Asset 528 MB.
- b) Provision/write-off of obsolete fixed assets/old raw material inventory 90 MB.
- c) Write off the income tax refund of previous years 100 MB.

## PAT (Million THB)



Good





# Rewards & Recognitions



**Prime Minister's Industry Award  
on Safety Management to SCSC**



**Thailand ICT Excellence  
Award 2017**



**Green Star Award to SCSC**



**Gold Award at ICQCC 2016**



**CSR – DIW Award to Sisco**



- **Business environment**
- **TSTH performance in FY17**

➤ **Outlook for FY18**



# Outlook for FY18



## Business Outlook

- Infrastructure projects key to steel demand in Thailand
- Strong Chinese domestic demand
  - Less exports
  - High raw material prices
- Reduced free trade

## Focus areas

- ✓ Higher Wire Rods sales through new products and services
- ✓ Close coordination with contractors for Government projects
- ✓ Improve cost efficiency further



A thick, solid blue curved line that starts on the left, rises to a peak in the center, and then curves down towards the right.

**Thank You for the attention**



# Key Infrastructure Projects Planned in Thailand



## Double track railways:

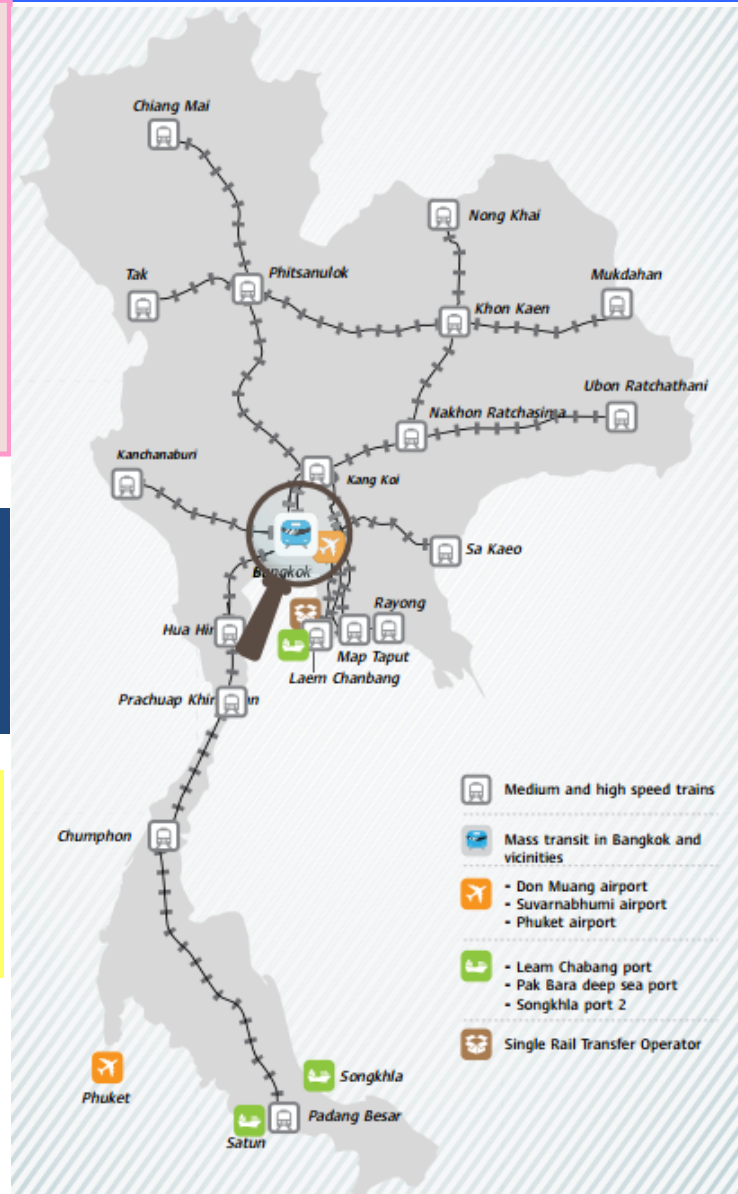
- Chachoengsao-Khlong Sip Kao–Kaeng Khoi: 106 Km
- Thanon Chira Junction-Khon Kaen: 185 Km
- Prachuap Khiri Khan-Chumphon: 167 Km
- Lopburi-Pak Nam Pho: 148 Km
- Map Kabao-Chira Junction: 132 Km
- Nakhon Pathom-Hua Hin: 169 Km

## Air transportation project:

- Suvarnabhumi Airport phase 2 project
- New runway project
- New terminal project

## Motorways:

- Pattaya-Map Ta Phut: 32 Km
- Bang Pa-In–Nakhon Ratchasima: 196 Km
- Bang Yai–Kanchanaburi: 96 Km



## Thai-China high-speed rail:

- Bangkok-Kaeng Khoi: 133 Km
- Kaeng Khoi–Nakhon Ratchasima: 138.5 Km
- Nong Khai-Nakhon Ratchasima: 355 Km
- Kaeng Khoi-Maptaphut: 246.5 Km

## Bangkok Metropolitan Region

### MRTA projects:

- Green-North-Line (Mo Chit – Saphan Mai – Khu Khot: 19 Km)
- Pink-Line (Khae Rai - Min Buri: 34.5 Km)
- Orange-Line (Taling Chan - Min Buri: 30.6 Km)
- Yellow –Line (Lat Phrao – Samrong: 30.4 Km)
- Purple-South-Line (Tao Pun – Rat Burana: 23.6 Km)

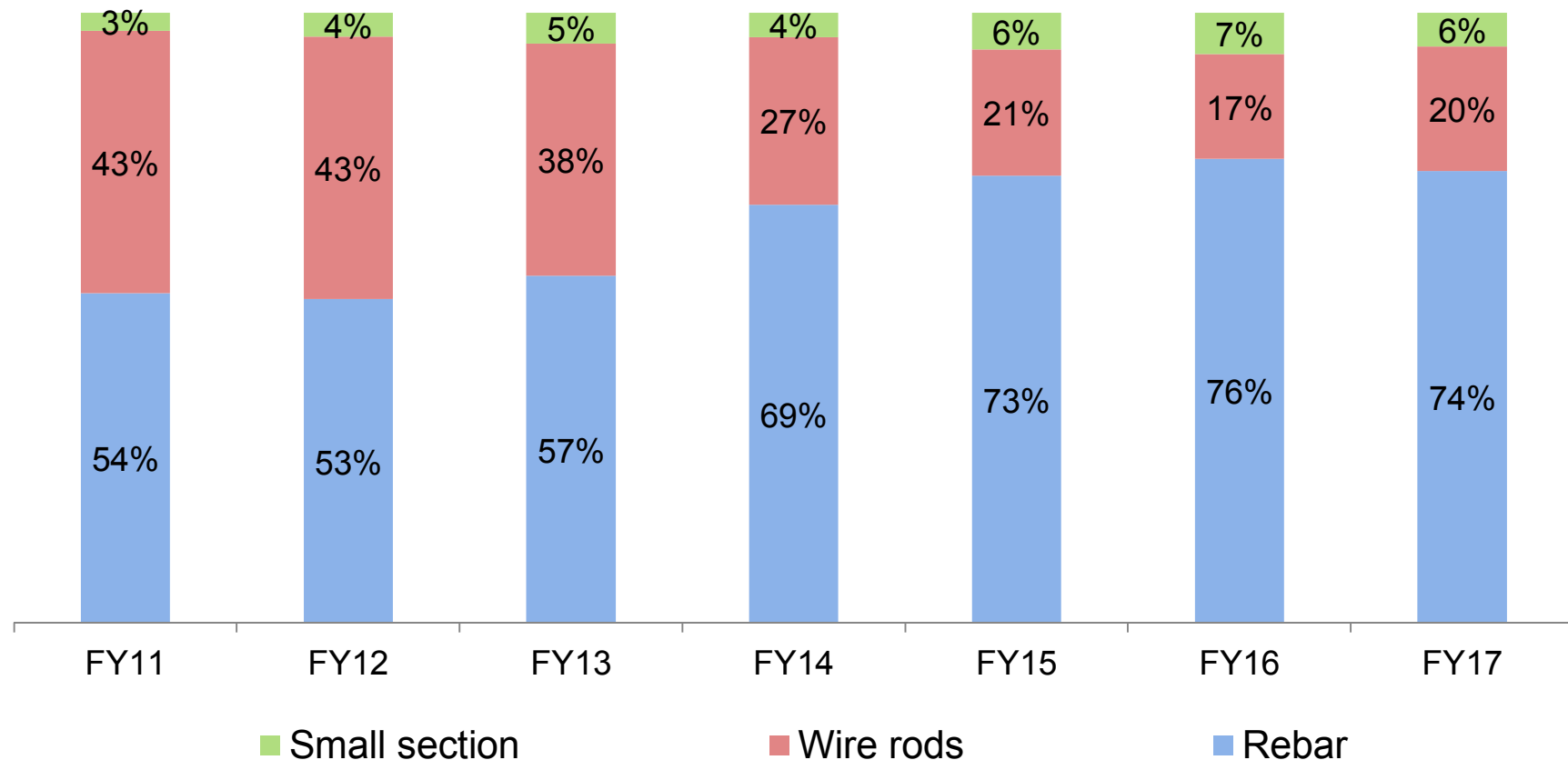
### Airport rail link: The extended section

## Marine transportation projects:

- Coastal port development project at Laem Chabang A port
- Single Rail Transfer Operator Project at Laem Chabang Port



# Richer Product Mix: Higher Wire Rods sales





# MBF assets



Figures in Mn Baht

	Original investment FY09	Book value FY13	Impairment		Book value as on 31 Mar'17
			Mar'13	Mar'17	
Building	1,253	1,125	(1,125)	0	0
Machine	2,396	1,857	(871)	(465)	521
<b>Total</b>	<b>3,649</b>	<b>2,982</b>	<b>(1,996)</b>	<b>(465) *</b>	<b>521</b>

Remark : MBF mothball in Aug 2011

\*Excluding write off of spare parts and store supplies (63) Mn Baht