

Company performance

Fiscal Year 2019

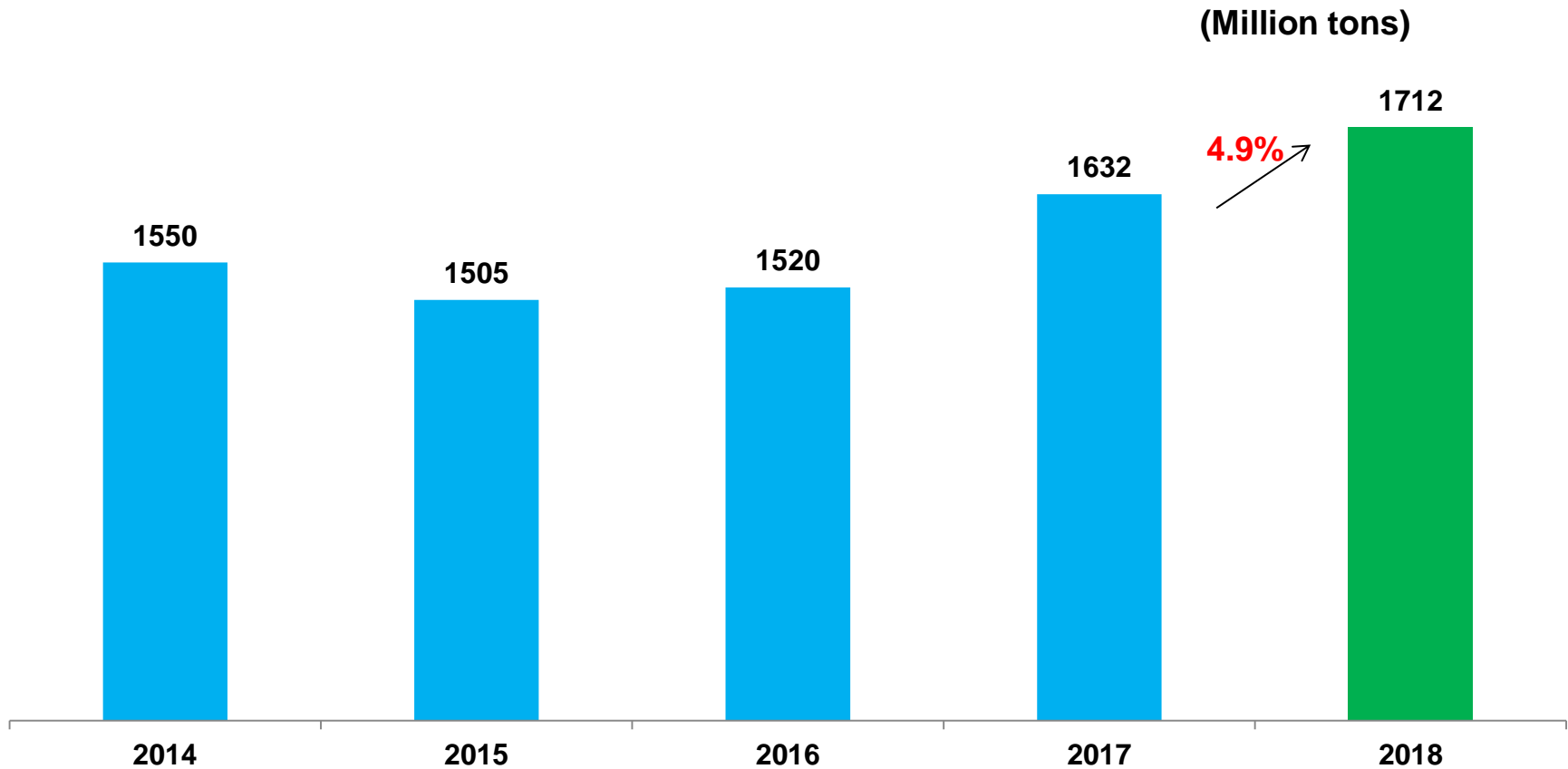
(Year ended March 31, 2019)

➤ Update on business environment

➤ TSTH performance in FY19

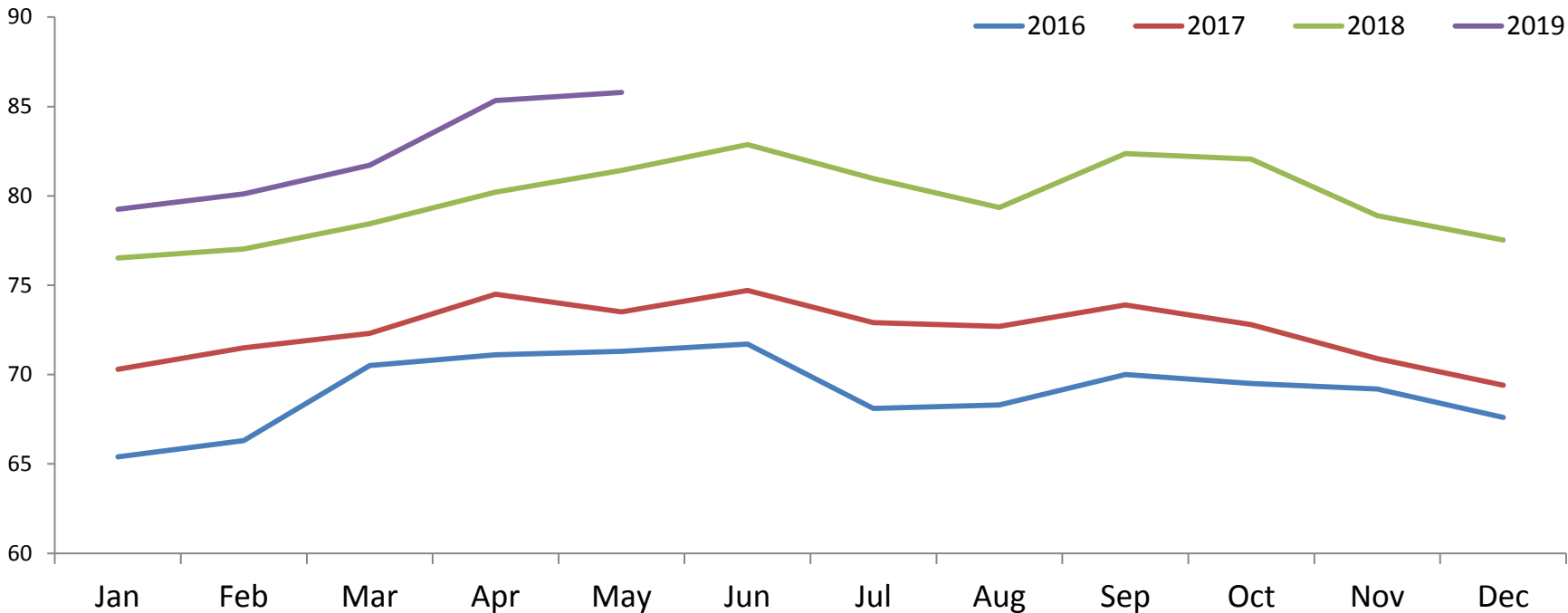
➤ Business outlook for FY20

World steel consumption has improved since 2015



- Higher consumption in China, India and Europe
- Expected to grow to 1735 and 1752 MT in 2019 and 2020 respectively

Global capacity utilization improved year-on-year

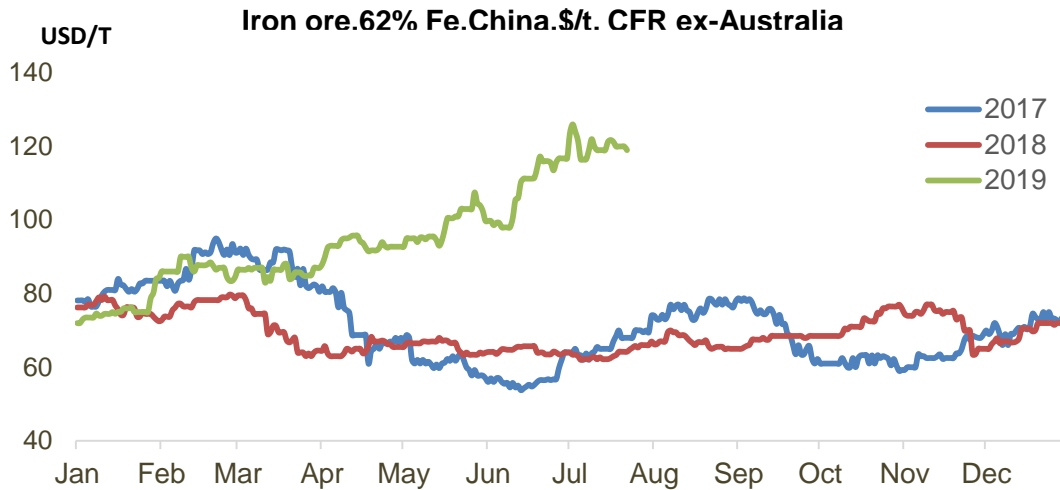


- **Closure of inefficient capacities supported this improvement**
- **Capacity utilization in ASEAN and Thailand remains below 50% and is a matter of concern**

Iron ore prices soar, Graphite electrode price stable

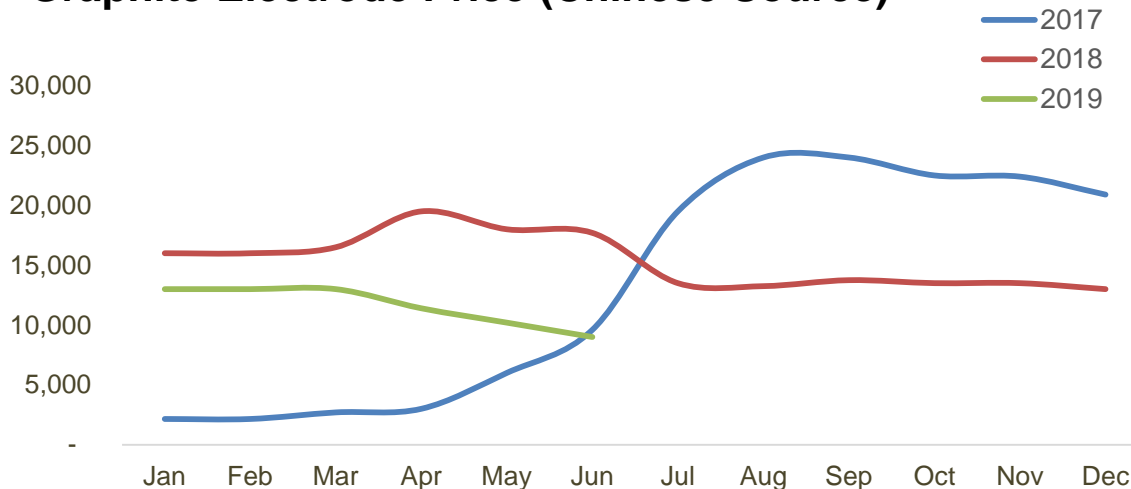


Iron Ore Price



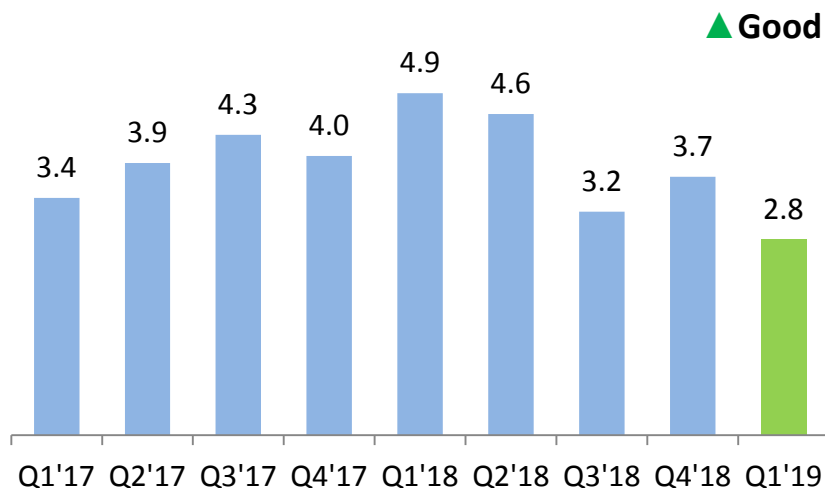
- Iron ore prices hit their highest level in five years
- Prices remain elevated and volatile after Brazil's dam disaster in Jan'2019

Graphite Electrode Price (Chinese Source)

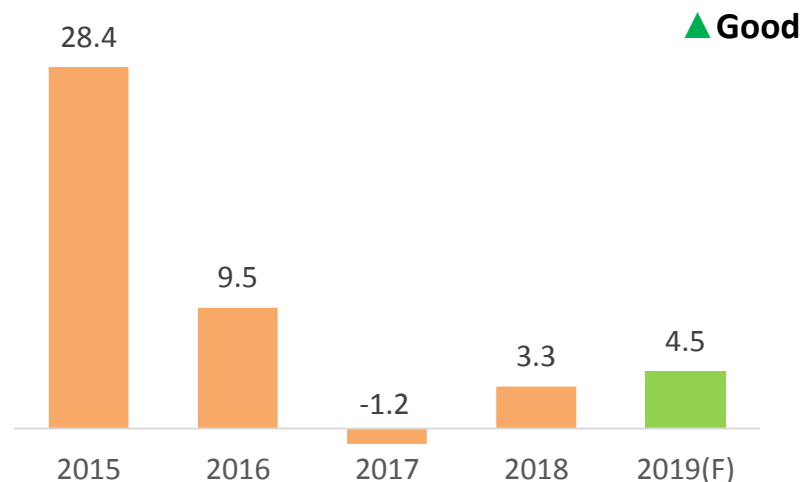


- Graphite electrode price was stable in H2 2018, and has started to weaken in 2019.

Thailand GDP Growth (%)



Public Investment Growth (%)

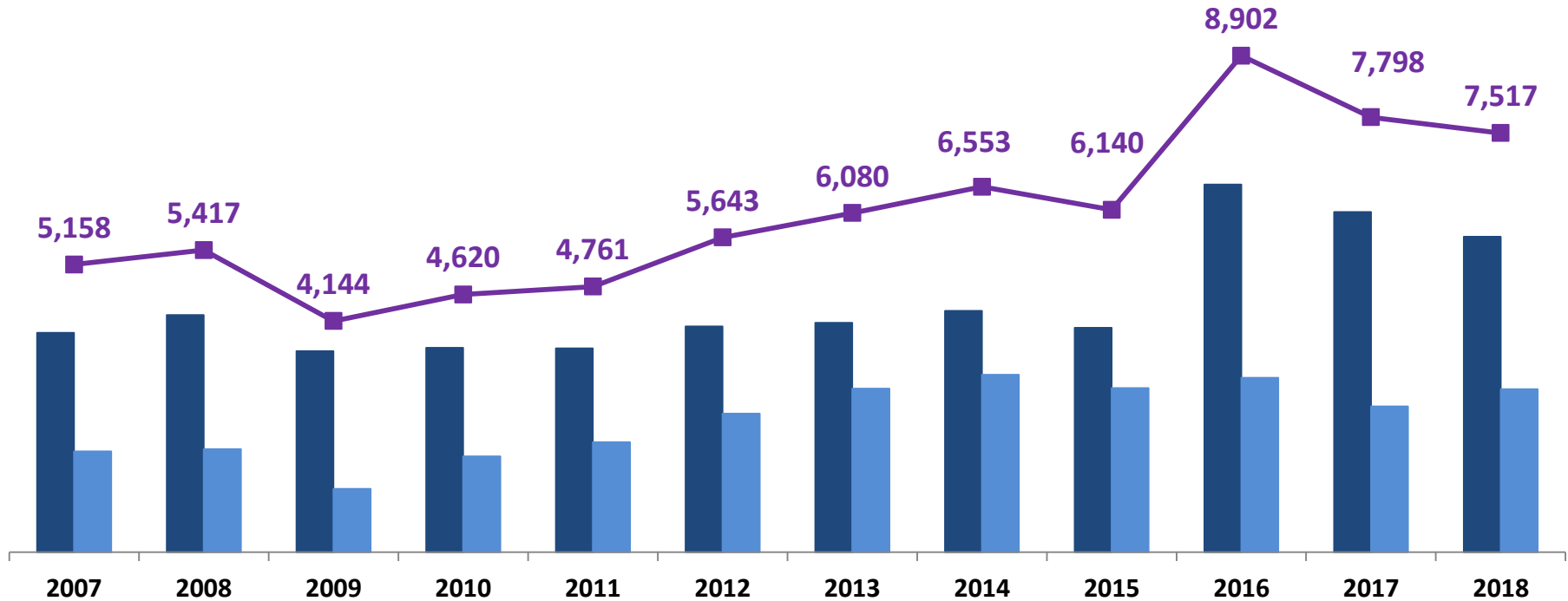


- **Slowdown in Thai economy from weak exports & tourism growth**
- **In Q1 2019, government disbursements shrank by -4.5% YoY compared to the -14.5% YoY contraction seen in 4Q18**

Thailand Long Products steel usage declined since 2016



Long Production Long Import Long Apparent steel use



- Production ↓ -7.3% ; Imports ↑ 11.7%
- At same time, production of lower quality steel from Induction Furnace route increased

➤ **Update on business environment**

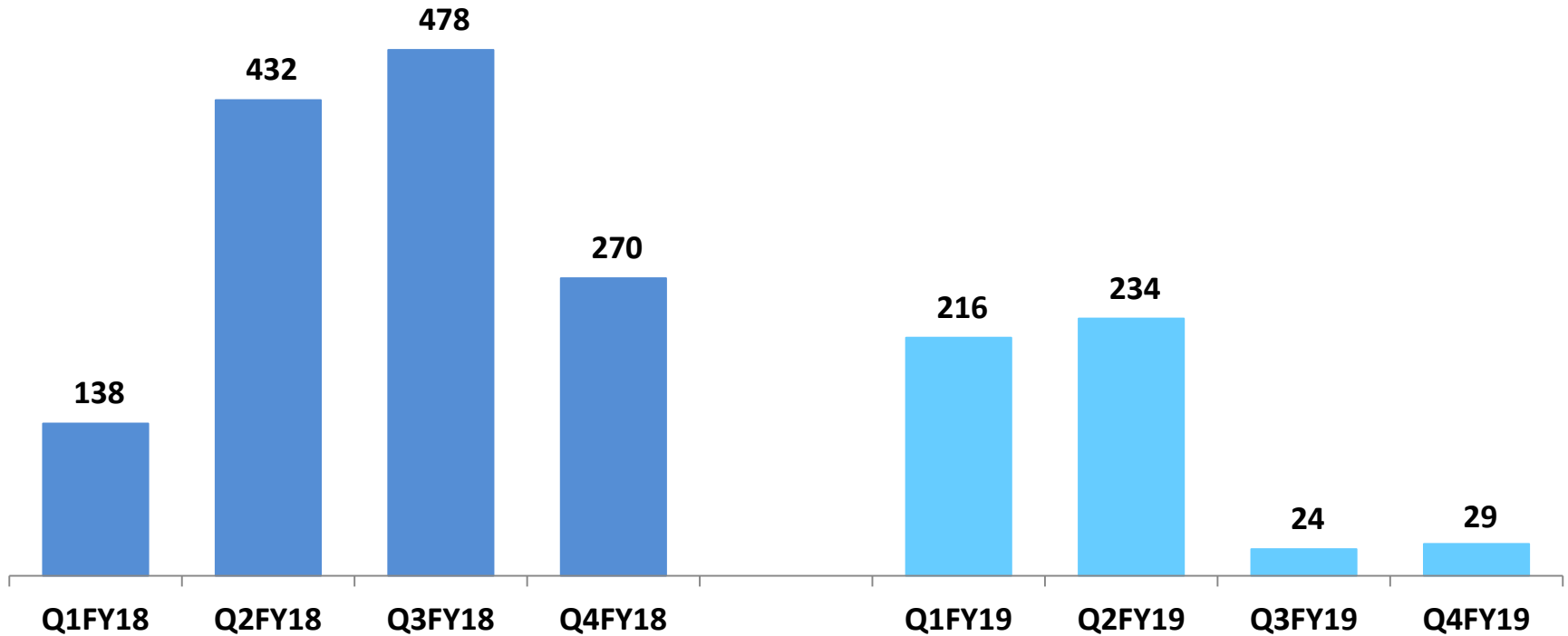
➤ **TSTH performance in FY19**

➤ **Business outlook for FY20**

Significant drop in EBITDA in H2 FY19

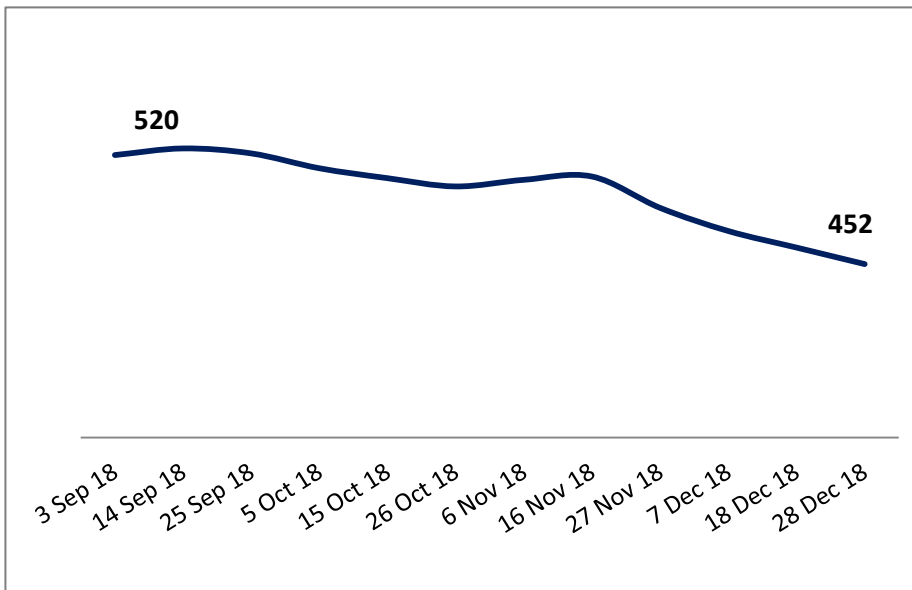


Unit: Mn THB

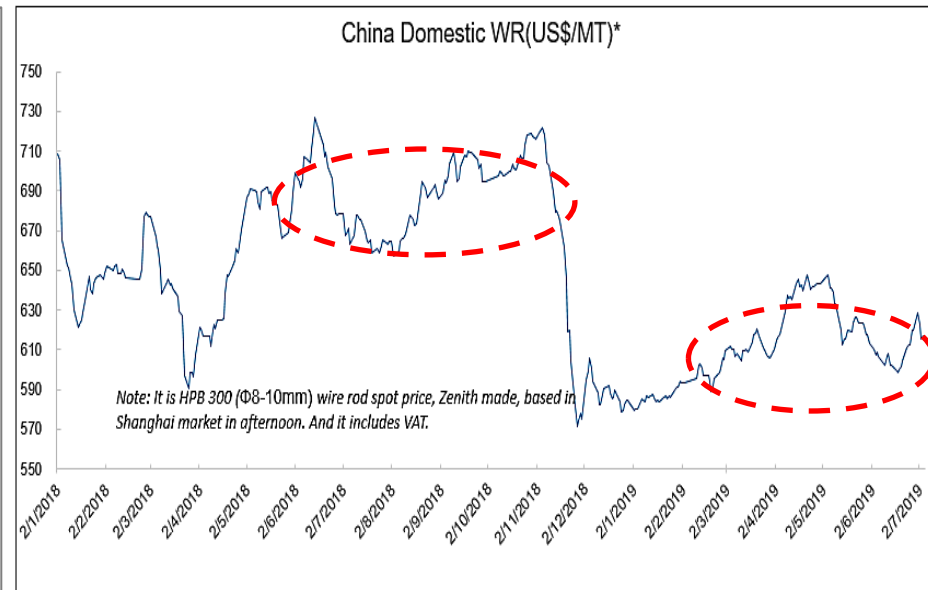


Combination of external and internal factors impacted H2 performance

Billet price dropped by 70 USD pmt



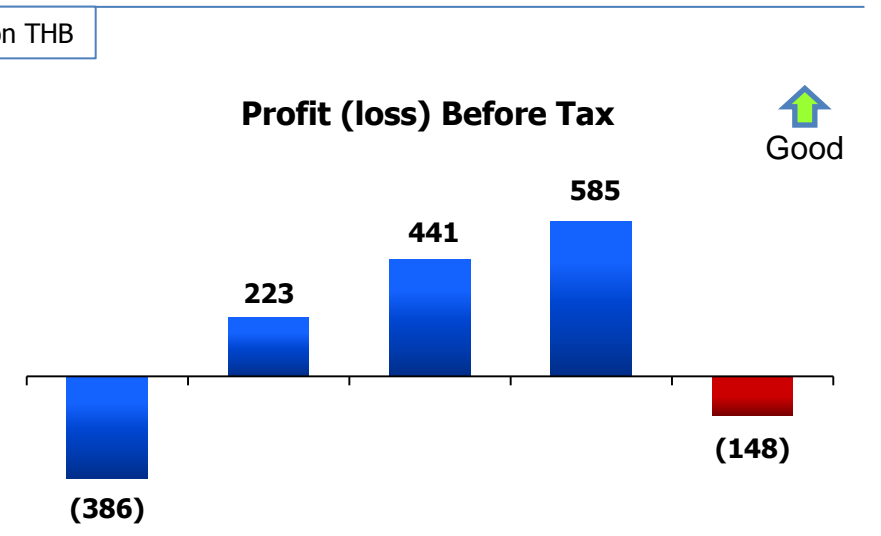
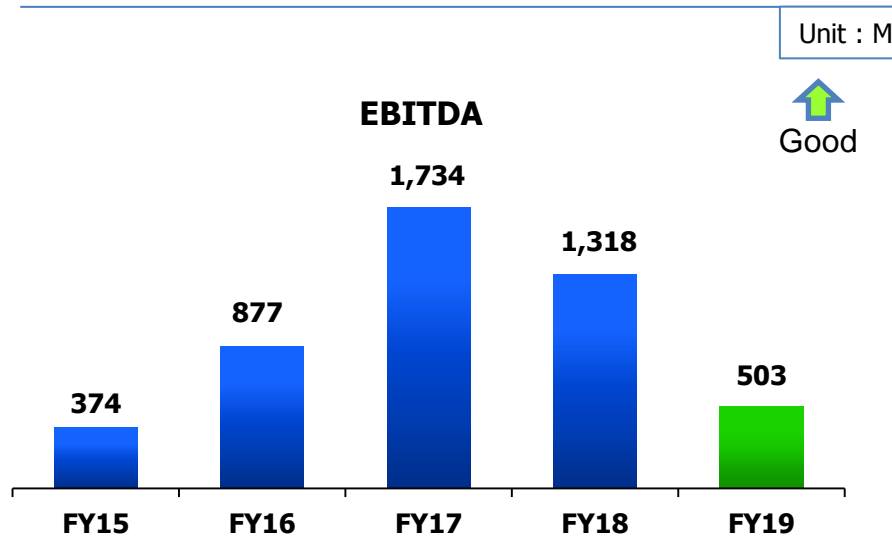
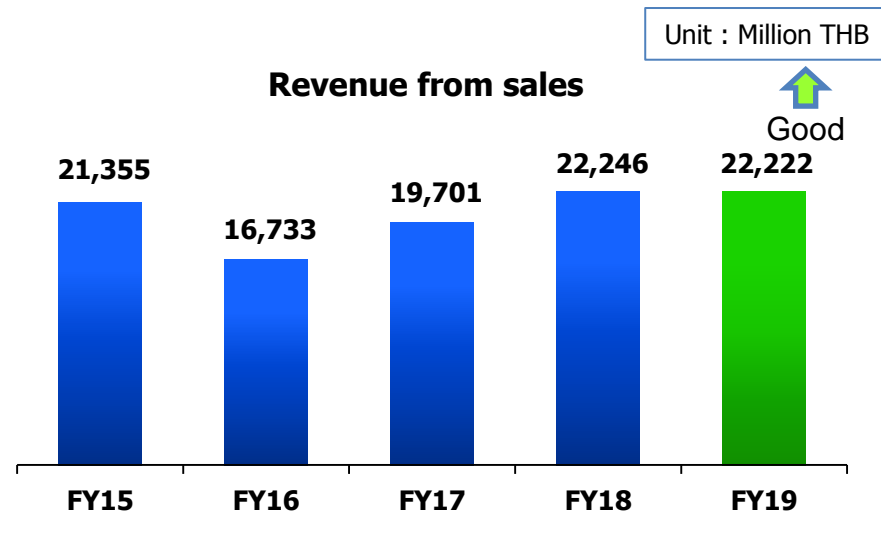
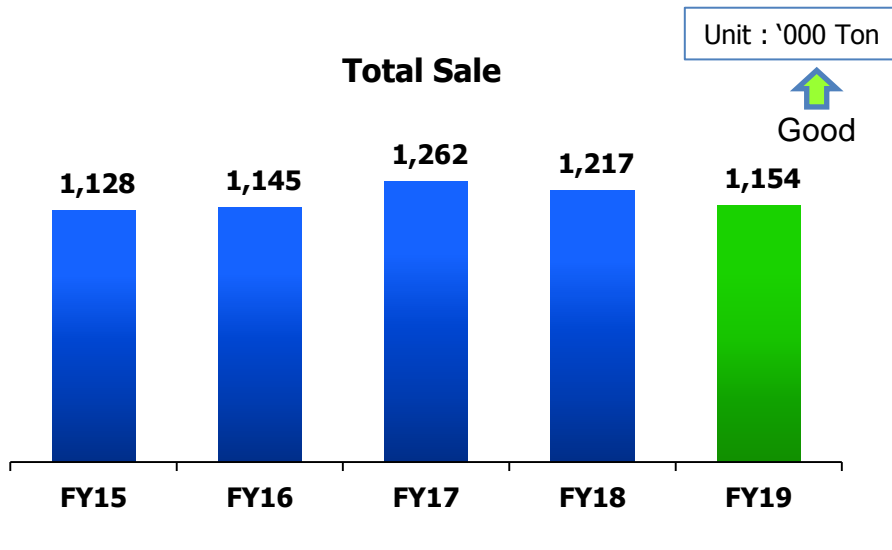
Price Movement – Spot Wire Rod (US\$/MT)



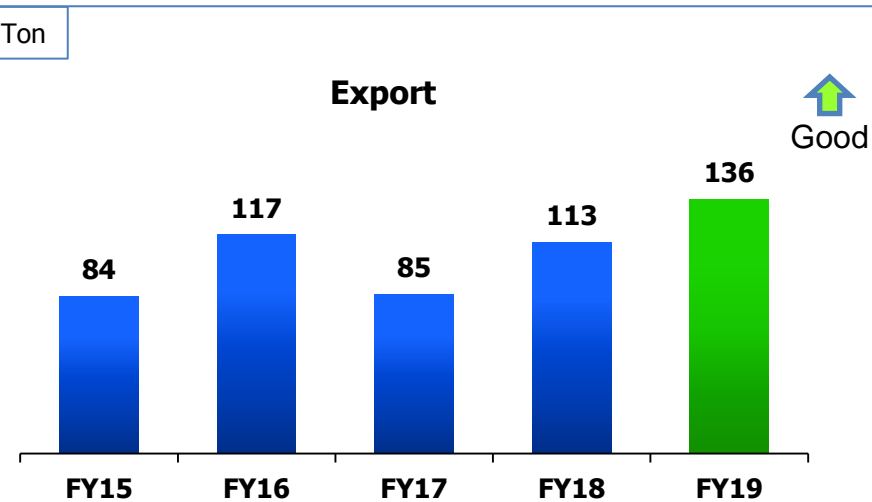
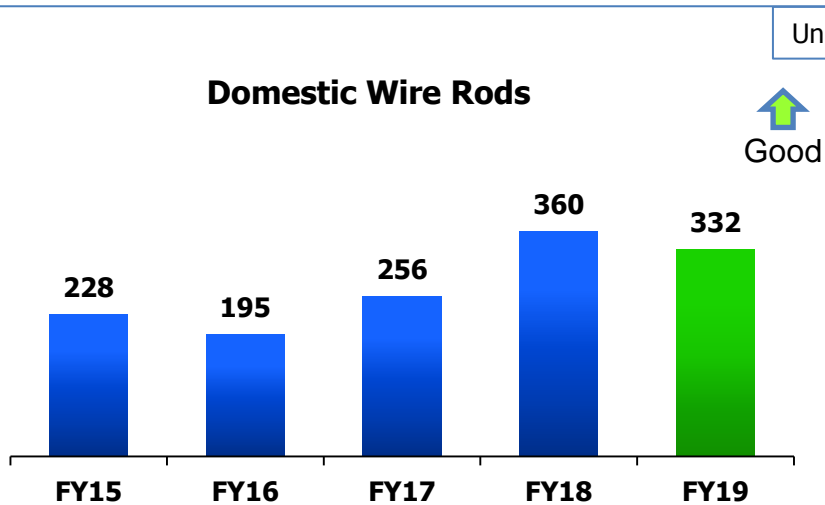
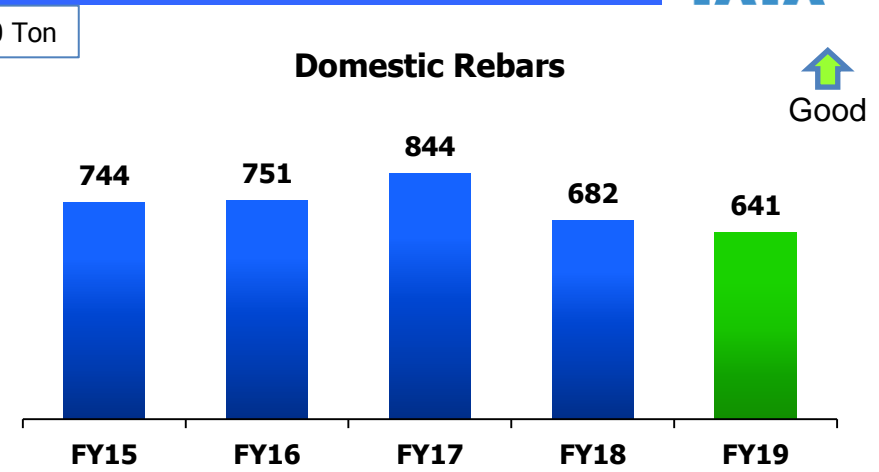
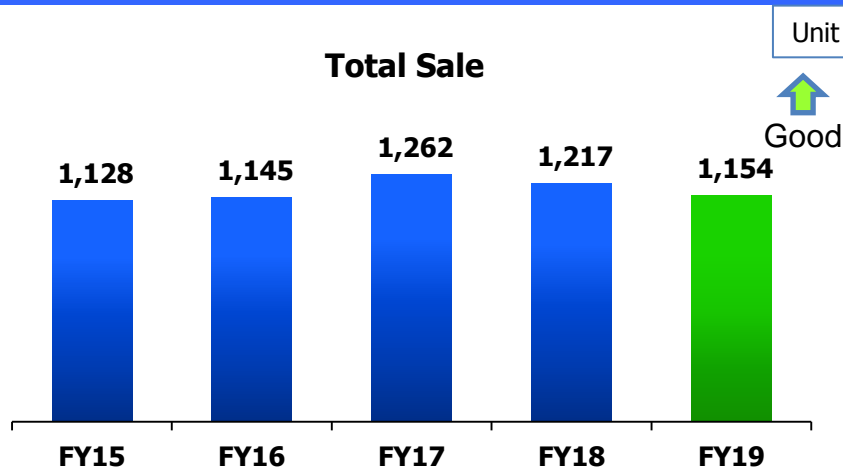
One-off: Internal

- Steel plant closed at SCSC for 25 days due an accident
- Provision for bad debt: 35 Mn THB

Weak domestic demand & sharp drop in prices in H2 impacted volume and profitability



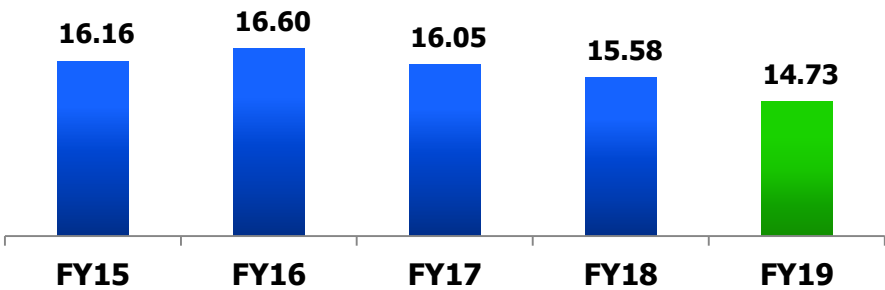
Product wise sales



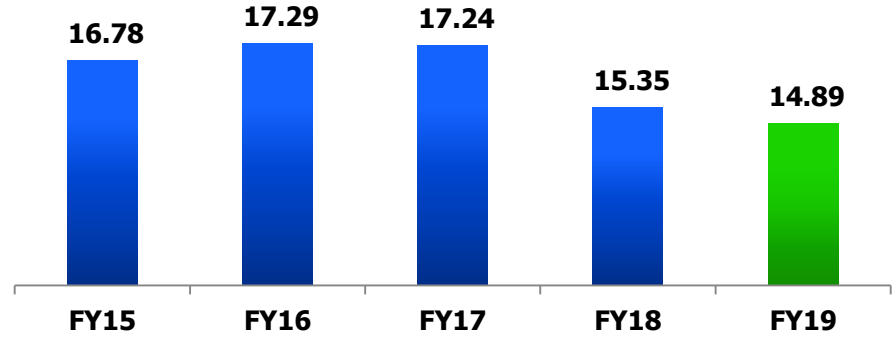
Operational KPI – improving trend



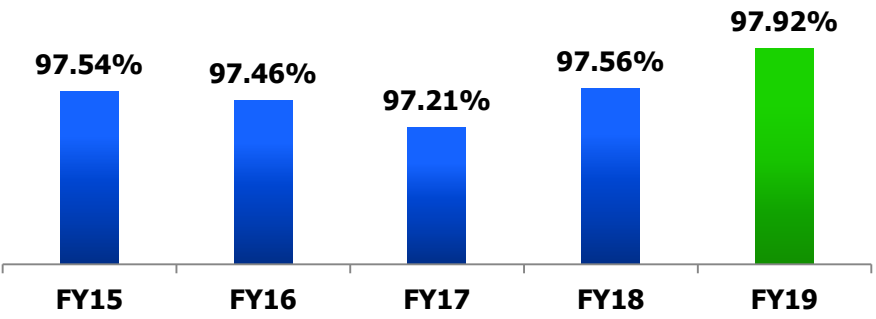
Ferro-Alloys (Kg/t)-NTS



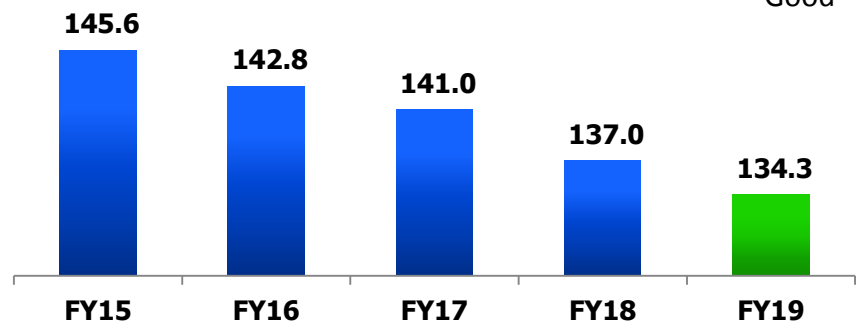
Steel Plant Natural Gas (CBM/t) - NTS



Rolling Plant Yield (%) -SISCO



Rolling Mill Repair & Maintenance (Mn THB) -SCSC

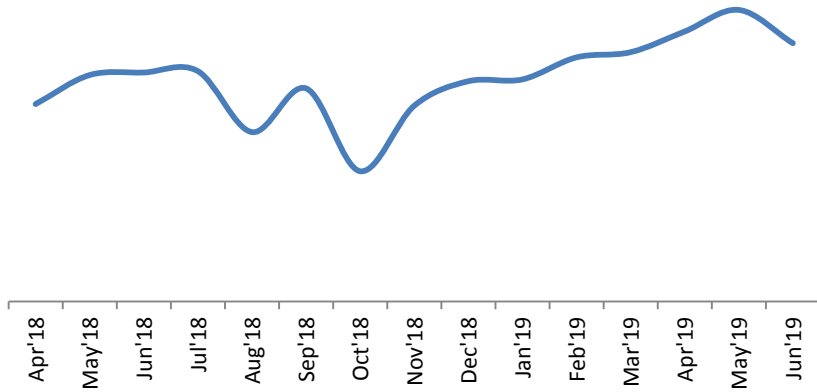


Operational KPIs FY19 - stable



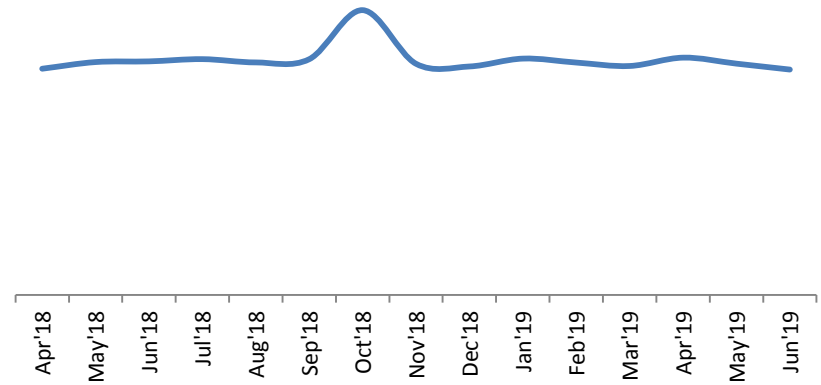
SP Yield (%) - SCSC

↑
Good



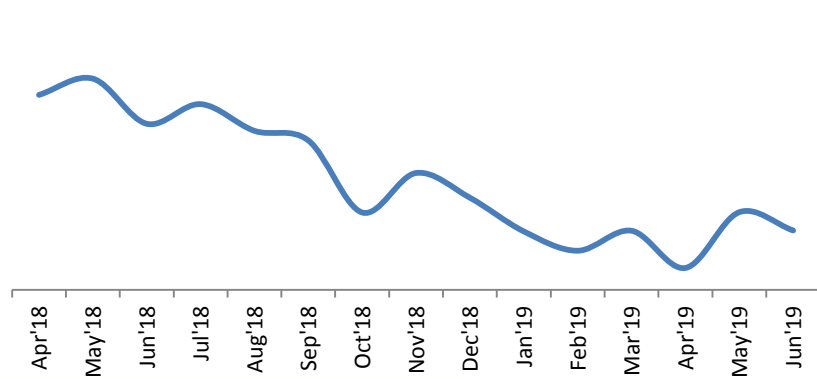
SP Power (Kwh/t) - SCSC

↓
Good



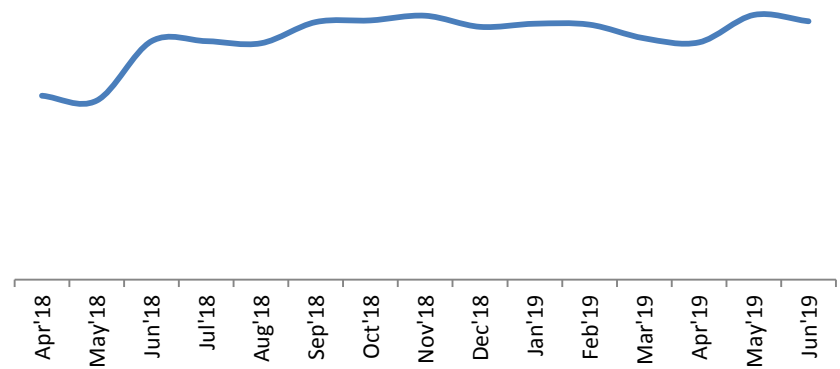
Graphite Electrode EAF (Kg/t) - SISCO

↓
Good



WR Yield (%) - SISCO

↑
Good



Awards & Recognitions



Prime Minister's Industry Award 2018:
Quality Management



SET Sustainability Awards 2018








Thailand Sustainability Investment (THSI) 2018



Thailand Labour Management
Excellence Award 2018

- **Update on business environment**
- **TSTH performance in FY19**
- **Business outlook for FY20**

- ❑ High raw material (Iron ore, Scrap and Coal) prices likely to have an adverse impact on the profitability of steel companies around the world 
- ❑ High uncertainty in business environment from unpredictable policies from US and it's ongoing issues with China. Impacting trade flows 
- ❑ New Government expected to revive growth. Positive for Construction steel 
- ❑ Plant conversion costs likely to be lower from increased availability of graphite electrode, ferro-alloys and other materials 
- ❑ Retail market growing at healthy rate in the country and neighboring countries 

Thank you for attention

