

Tata Steel (Thailand) Plc. welcomes Media Team

Presentation:

Operating Results of Q2 (July – September 2021) &
H1FY22 (April – September 2021)

October 20, 2021



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 & H1FY22 Performance**
- **Business Outlook**

Improving quality of life of our communities of Q2FY22 –

More than 11,836 Beneficiaries



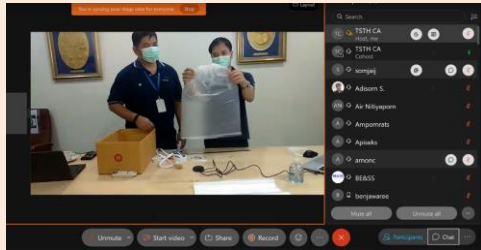
Supporting the Communities nearby the plants

- **TSTH & all 3 Plants:** Donated **17,640 bottles of Drinking Water** to the communities e.g., The Mirror Foundation in Bangkok, Tha Lan Subdistrict Municipality in Saraburi, IEAT Map Ta Phut in Rayong, Bowin Subdistrict Administrative Organization in Chonburi.



Health & Safety Awareness

- **TSTH & all 3 Plants:** Arranged **“Help Box for Doctor” Project by employees’ making PPE leg covers 20,000 pairs** & donated to hospitals at 4 locations.



Supporting Religion, Culture & Education

- **TSTH & all 3 Plants:** Participated on **“Buddhist Lent Day”** at **6 Temples** (TSTH: Wat Phra Si Mahathat, NTS: Wat Bo-Win, Wat Santhikiri, Wat Phan Sadet Nai, SCSC: Wat Sophon Wanaram & SISCO: Wat Buangam)



- **SCSC:** Supported **scholarships** for monks and novices at Wat Nong Fab & Nong Nam Yen communities.



Environmental Conservation

- **SCSC:** Operated **waste separation in the plant of 966 Kilograms for recycling** by participating in Parpa-Samaggi Ceremony of IEAT Map Ta Phut at Wat Soi Khiri.



Community Development

- **NTS:** Expanded **Chinese Sausage Market** of Noen Kra Bok Community Enterprise to Amata City Rayong Industrial Estate.



Supporting Non Profit Organization

- **NTS:** Employees donated **50 Kilograms of used boxes** for recycling & producing **Paper Bed** for COVID-19 patients.



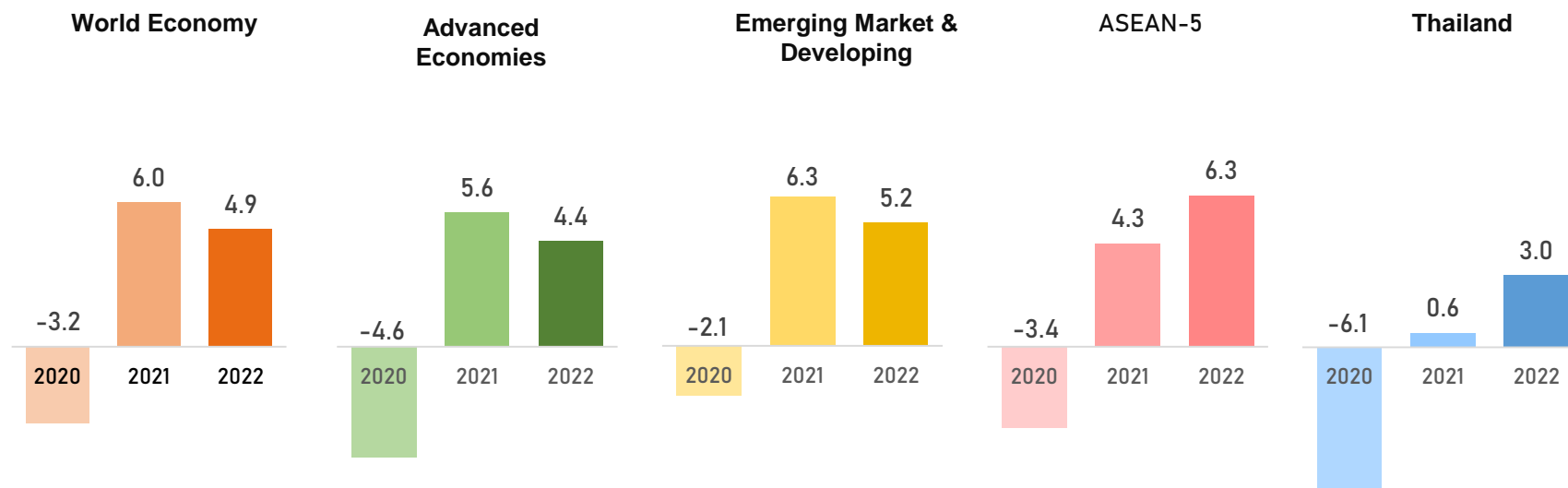
Awards and Recognitions



- TSTH received **Thailand Sustainability Investment Award (THSI) 2021** from The Stock Exchange of Thailand (SET).
- NTS and SCSC received **Gold Plus prize (highest level) of Eco Factory** award from Department of Industrial Works.
- SISCO received **Carbon Footprint of Organization certification** from Thailand Greenhouse Gas Management Organization (Public Organization).
- SCSC and SISCO received **“Thailand Labour Management Excellence Award 2021”** in National Level, and SISCO received **Excellence Department of OSHE** from Department of Labour Protection and Welfare, Ministry of Labour.

- **Corporate Citizenship**
- **Update on Business Environment and Markets**
- **Q2 & H1FY22 Performance**
- **Business Outlook**

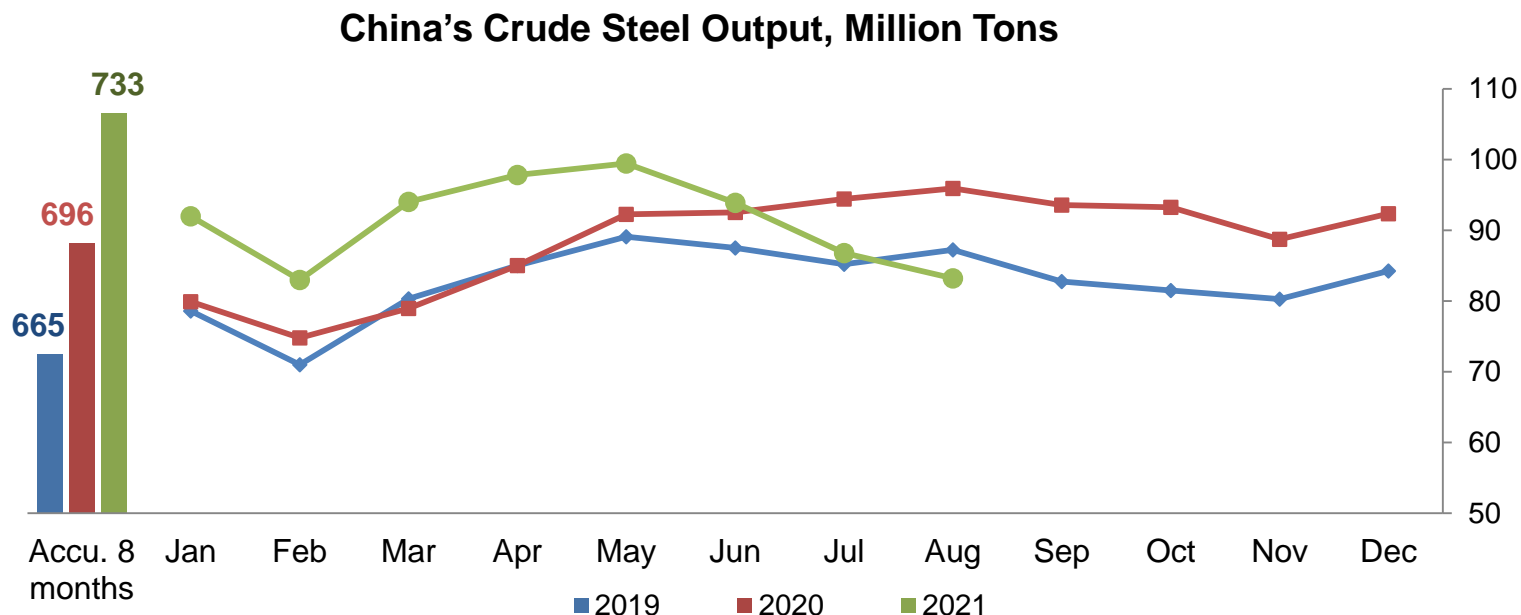
Uncertainty remains from COVID-19 pandemic despite the global economic recovery



- ❑ The global economic recovery continues, but with a widening gap between advanced economies and many emerging markets & developing economies.
- ❑ A strong global recovery is underway, but it is too uneven: some countries are still struggling and many people remain out of work.
- ❑ Vaccination rates vary substantially around the world, limiting the ability of some countries to fully reopen and increasing tensions in global trade and supply chains.

Source : IMF (Jul 2021) , OECD (Sep 2021) and Krungsri Research (Sep 2021)

China announces cut in steel production in H2 CY2021



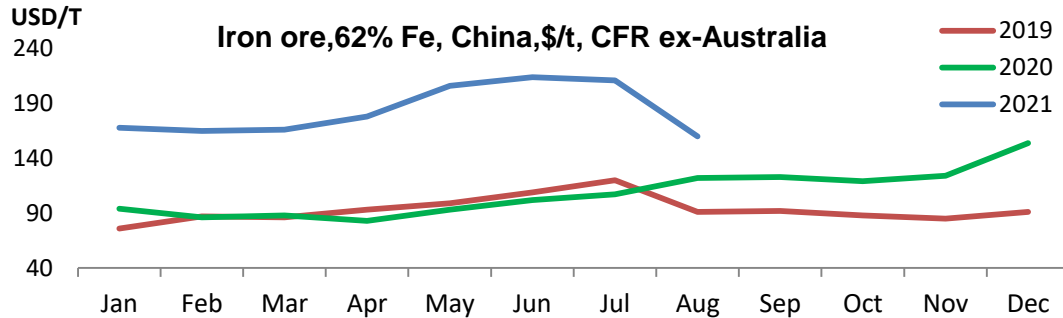
- In the first half of 2021, Chinese steel mills have churned out nearly 12% more crude steel compared to the same period in 2020 supported by Improving profit margins, strong demand and high steel prices.
- Chinese Government wants to meet environmental norms and have advised steel industry not to produce more than 2020.
- This has impacted international Iron Ore price but have also supported finished steel prices. As a result, Chinese export offers are at elevated prices and steel is getting imported there.

Source : NBS

Iron Ore and Coking coal prices have remained volatile

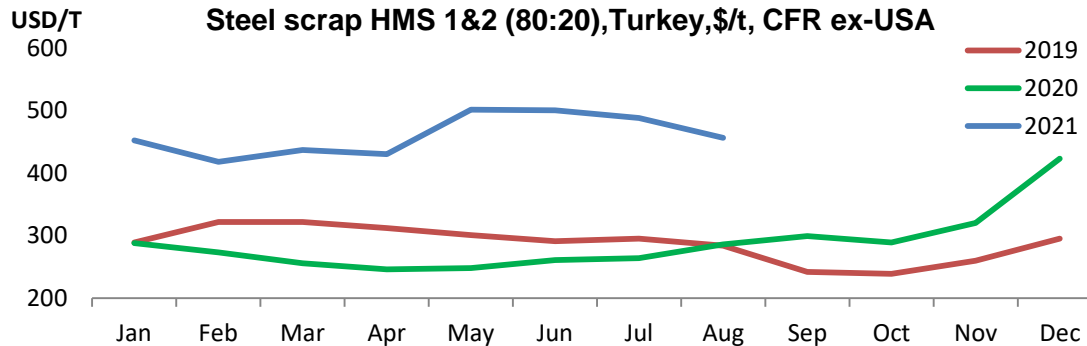


Iron Ore Price



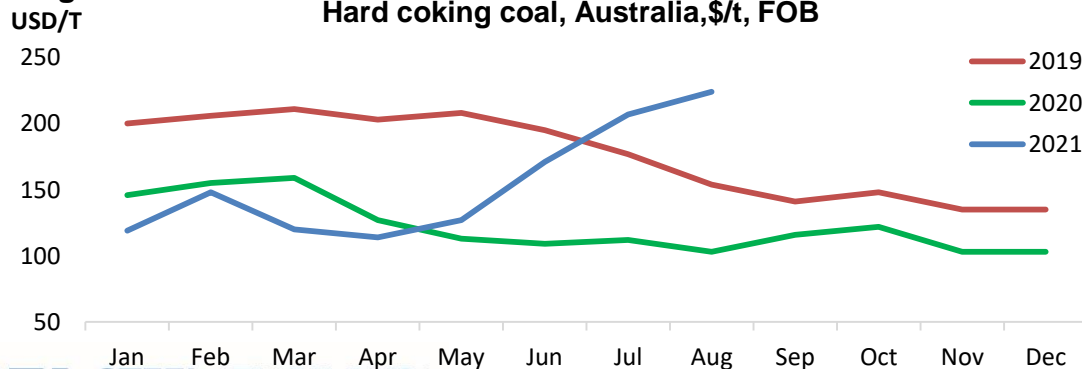
- Significant decline in Iron ore price after China announced production cuts.

Steel scrap Price



- Scrap price has largely remained stable and elevated on supply side issues and strong margins for steel companies.

Coking coal

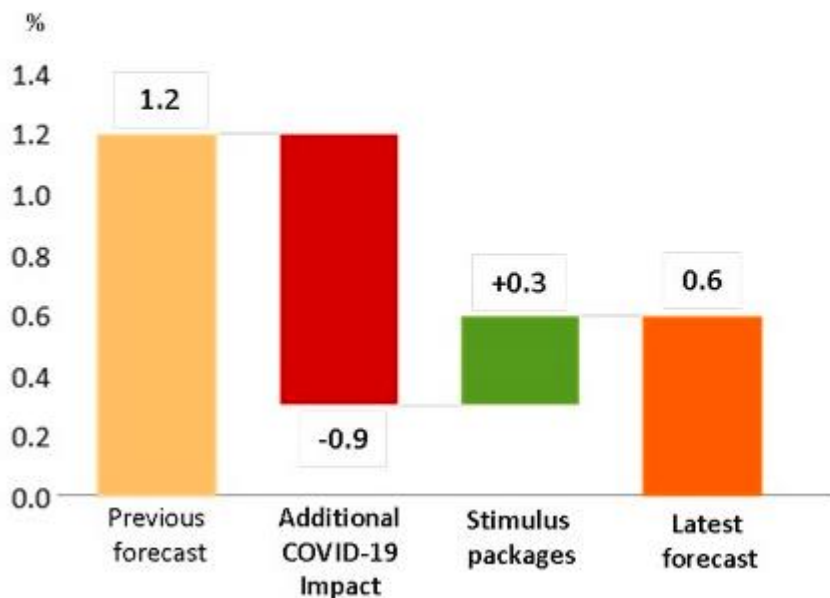


- Coking coal prices have gone up significantly on surge in demand.

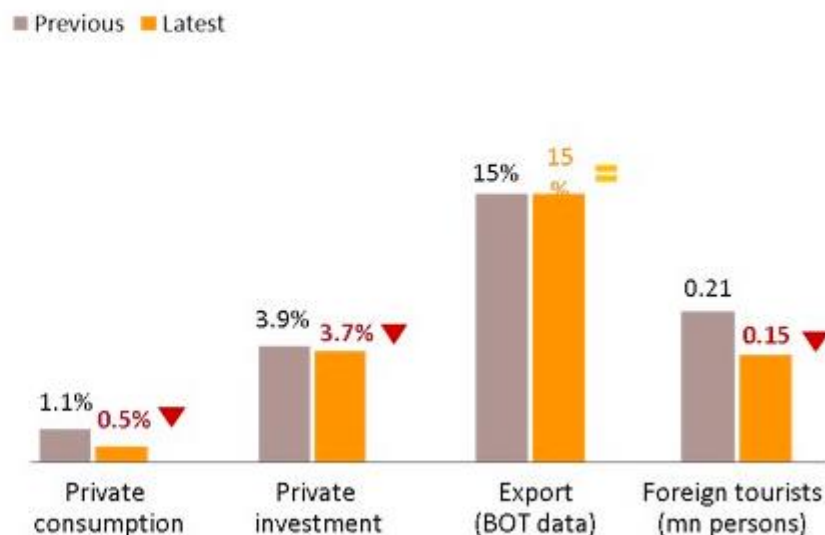
Source : Metal Expert

Thailand Economy: Uncertainties remain high even as COVID-19 cases drop

2021 Thai GDP growth forecast



Forecast of 2021 key economic indicators



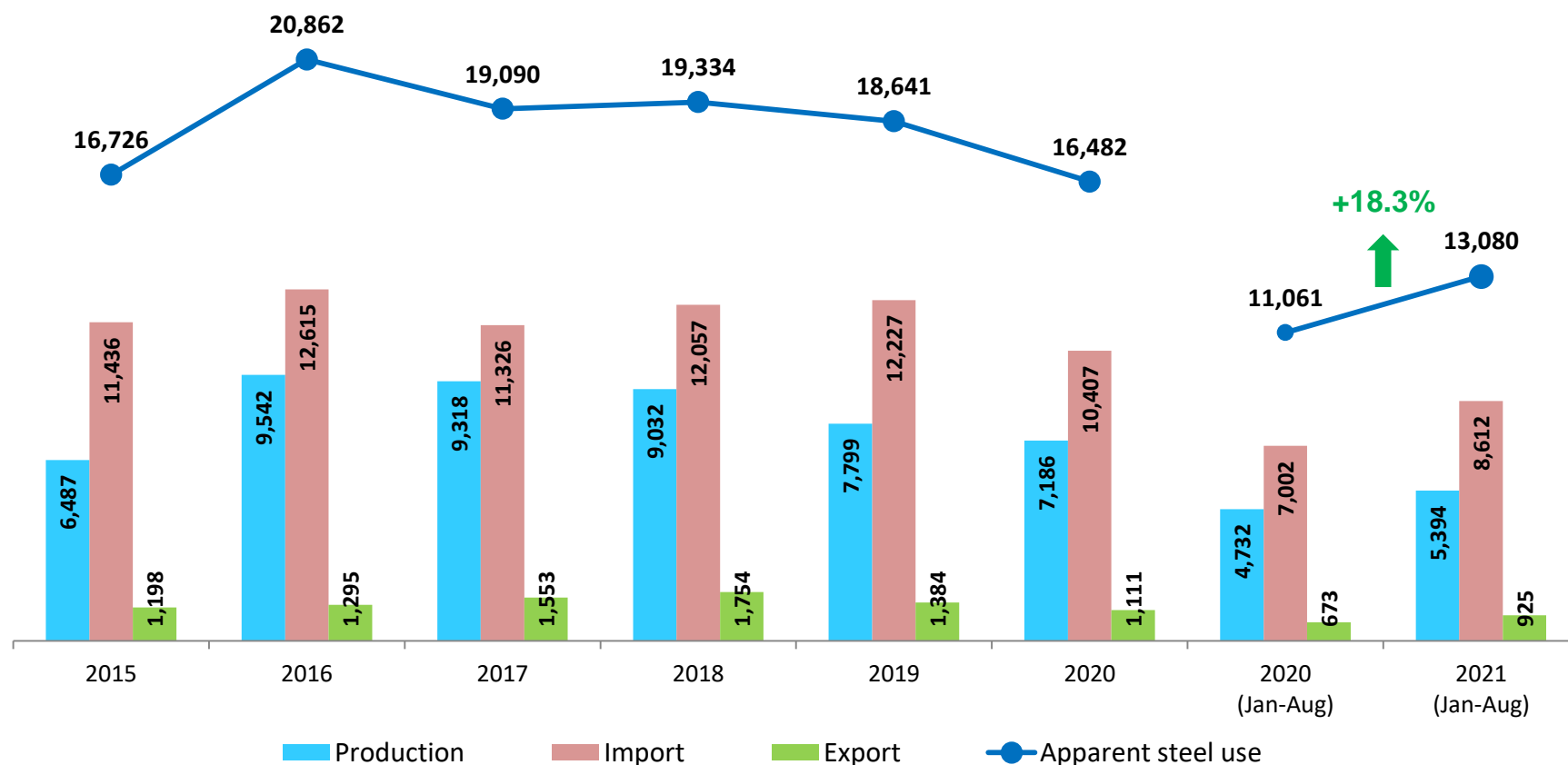
- GDP growth forecast for 2021 is at 0.6%
- Export sector remains a key driver of economy, backed by rising external demand and reopening in many countries
- Current Account running in deficit. Thai Baht has weakened significantly.
- Shortage of foreign labour likely to persist

Source : Krungsri Research, Bangkok post , SCB EIC

Thailand apparent finished steel consumption

Total steel consumption increased by 18.3% in 1st 8 months supported by low base of last year and continuous rising steel prices in both of raw material and apparent products.

Thailand Apparent Steel Consumption ('000 tonnes)



Source : ISIT

- **Corporate Citizenship**
- **Update on Business Environment and Markets**
- **Q2 & H1FY22 Performance**
- **Business Outlook**

Sales Volume Q2FY22 – Lower domestic rebar sale compensated by higher exports

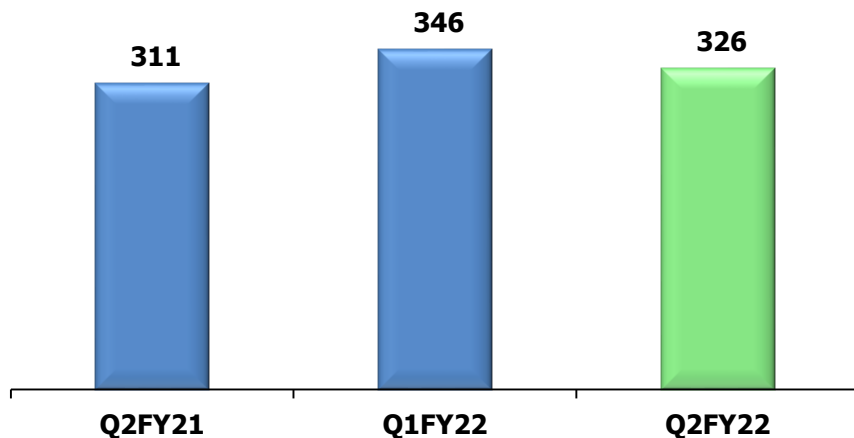


Good

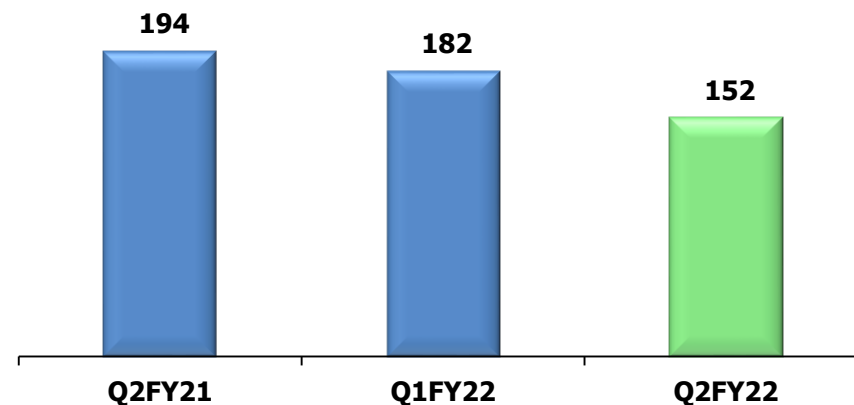
Unit : '000 Ton



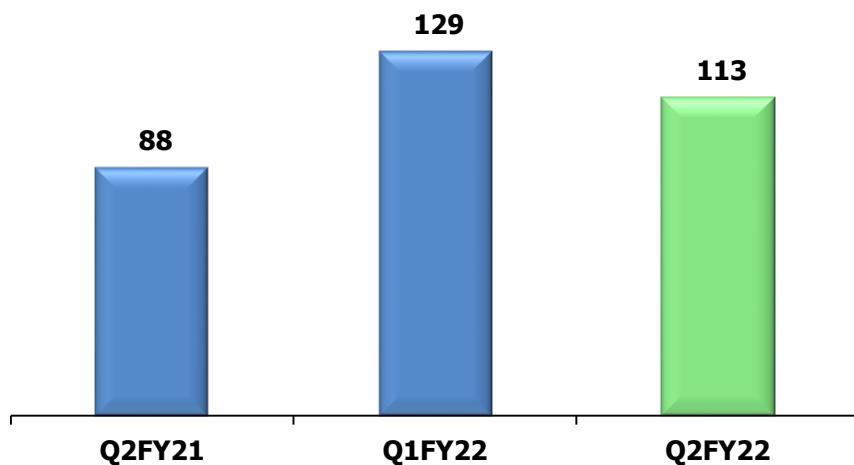
Total sales



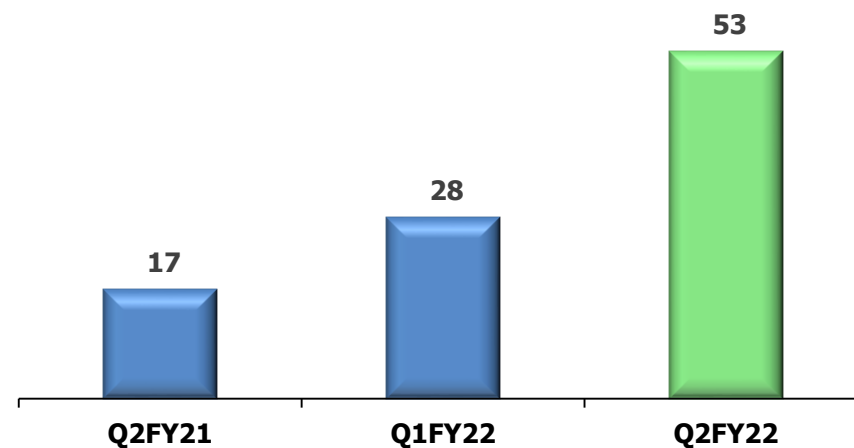
Dom. Rebars + Cut & bend



Dom. Wire Rods



Export

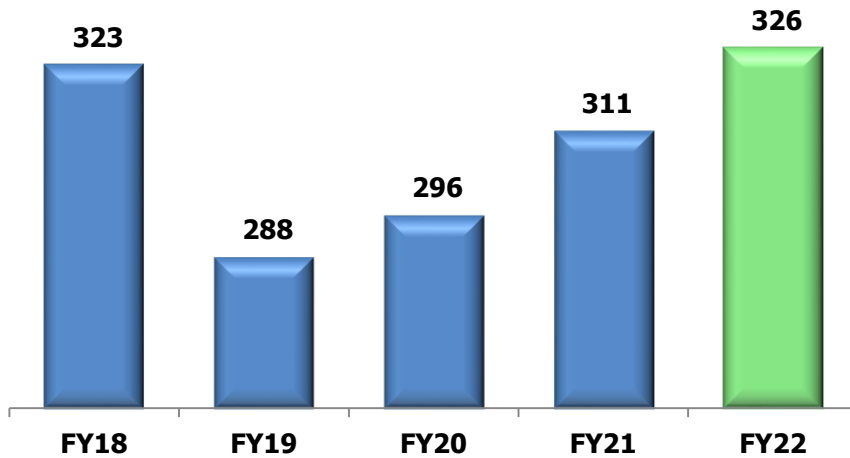


Q2 Sales Volume: highest in last 5 years

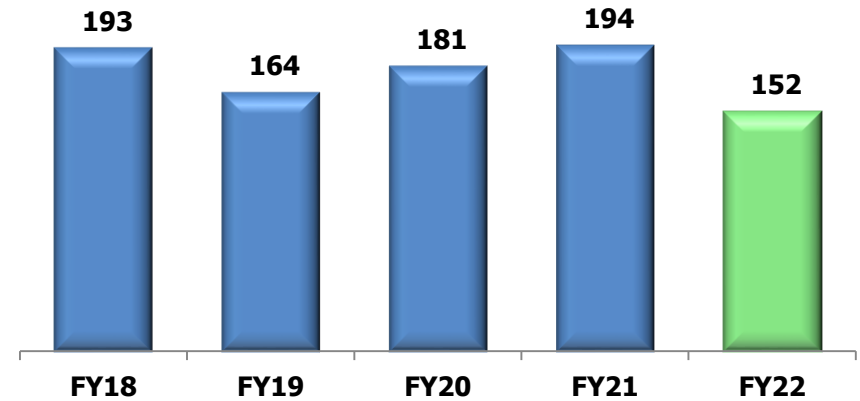
Unit : '000 Ton



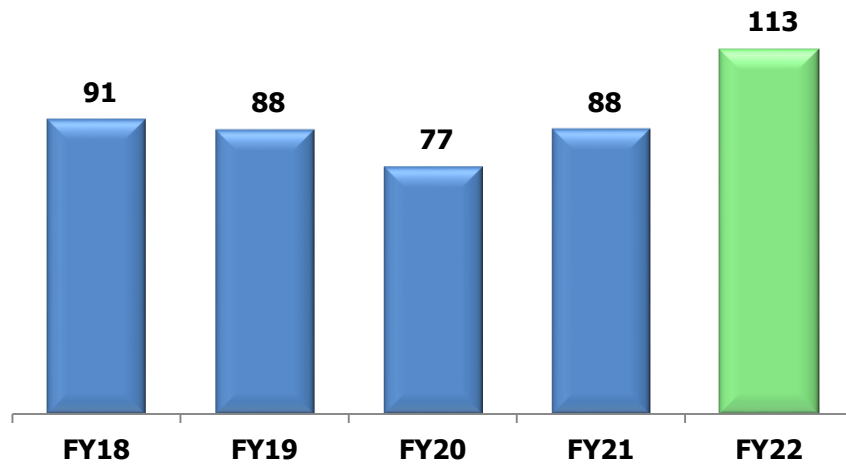
Total Sales



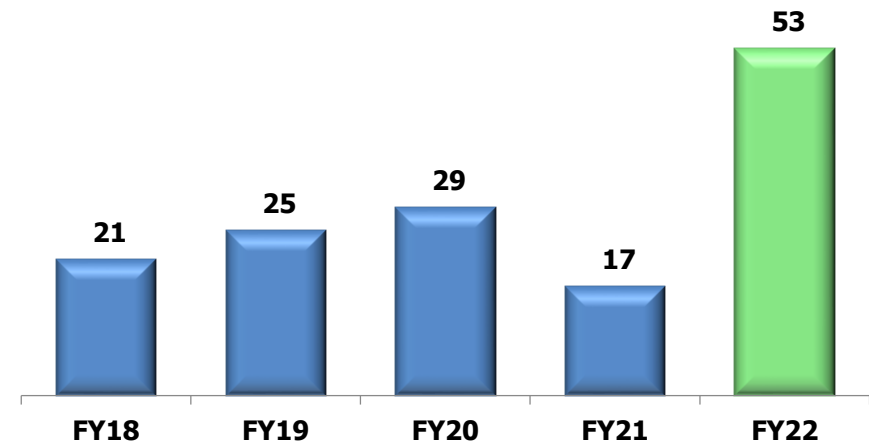
Dom. Rebars + Cut & bend



Dom. Wire Rods



Export

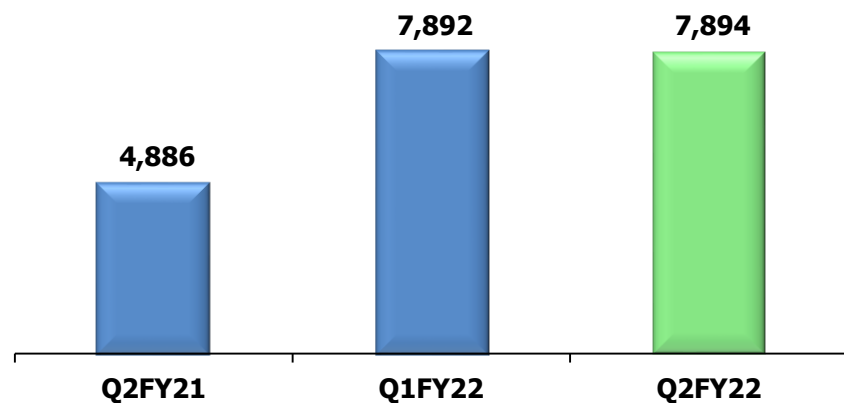


Financial Performance Q2FY22

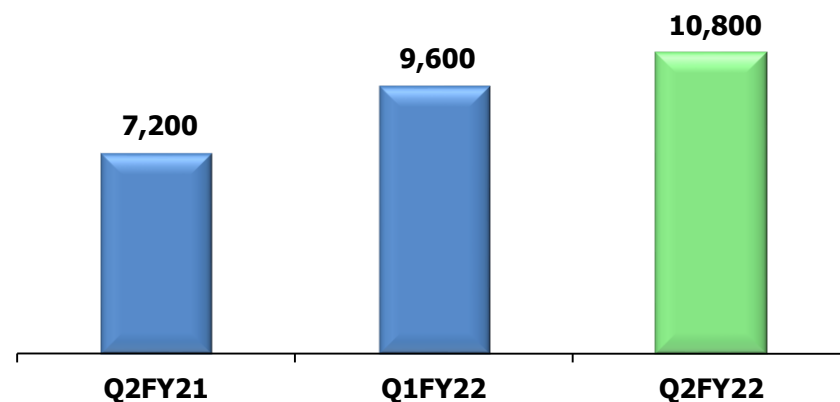
Unit : Million THB



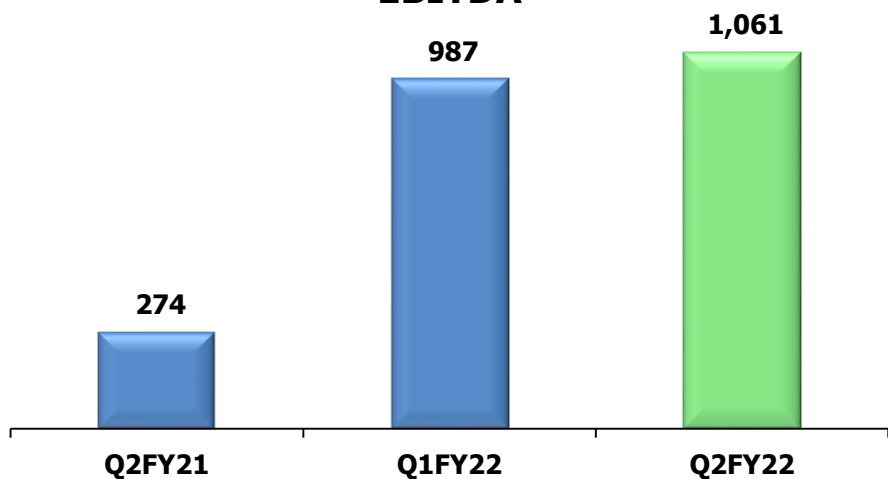
Revenue from sales



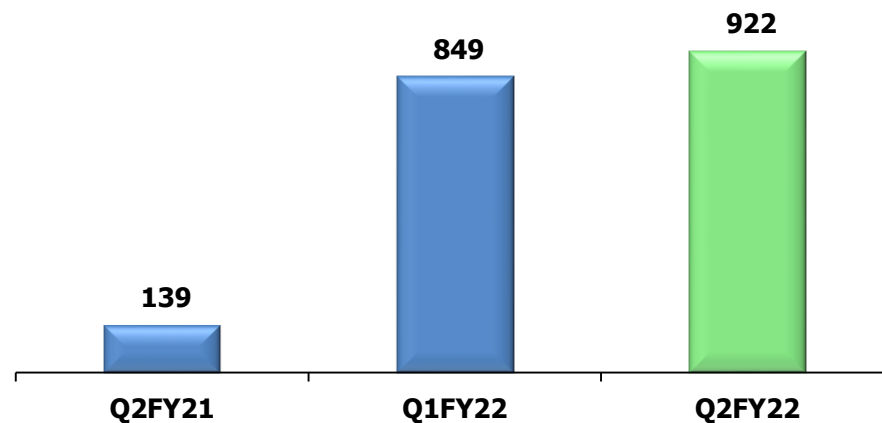
Spread (THB/Ton)



EBITDA



Profit before tax

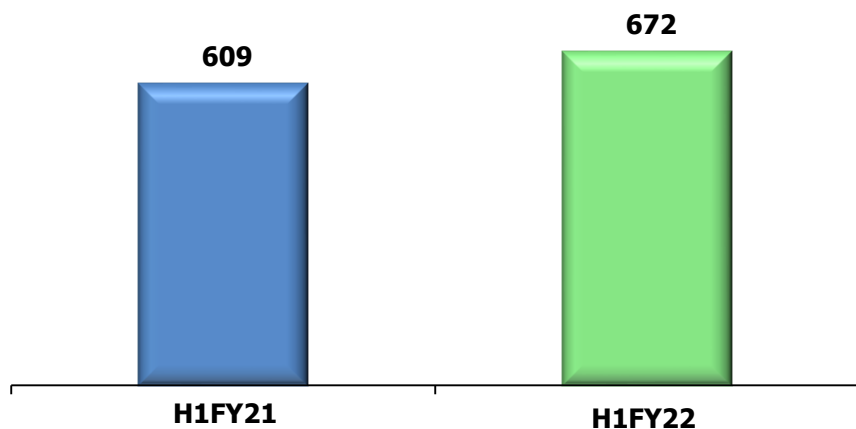


Sales Volume H1FY22

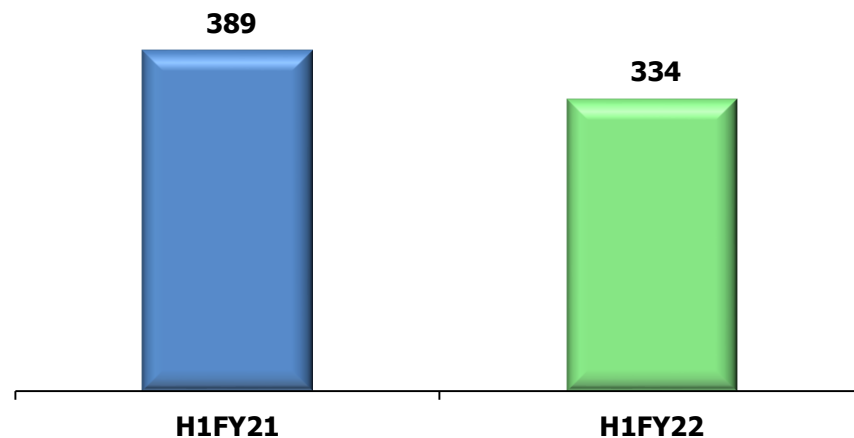
Unit : '000 Ton



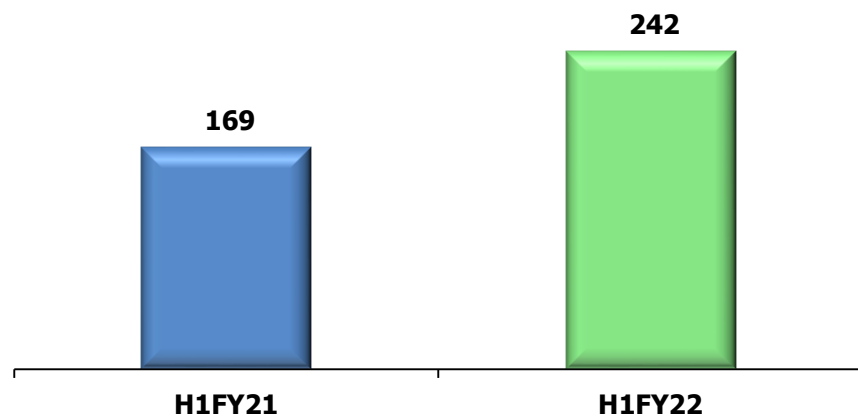
Total sales



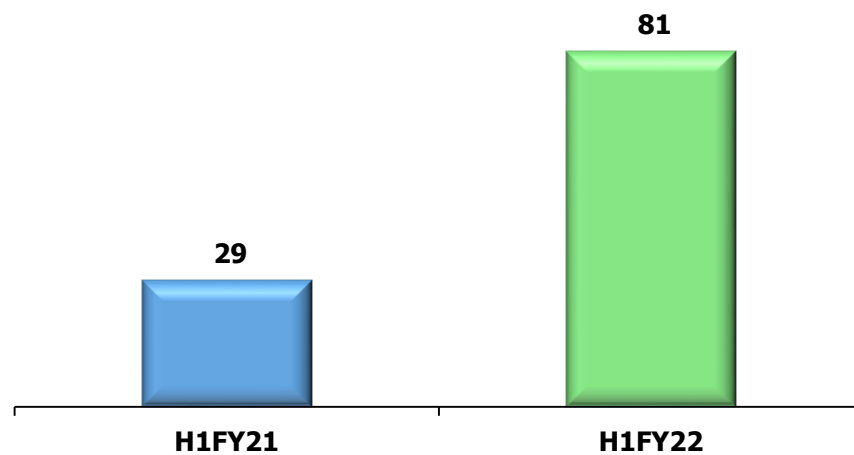
Dom. Rebars + Cut & bend



Dom. Wire Rods



Export

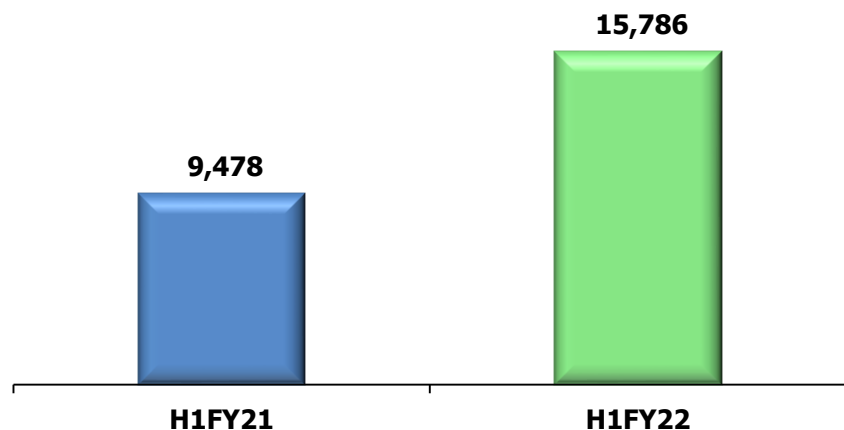


Financial Performance H1FY22

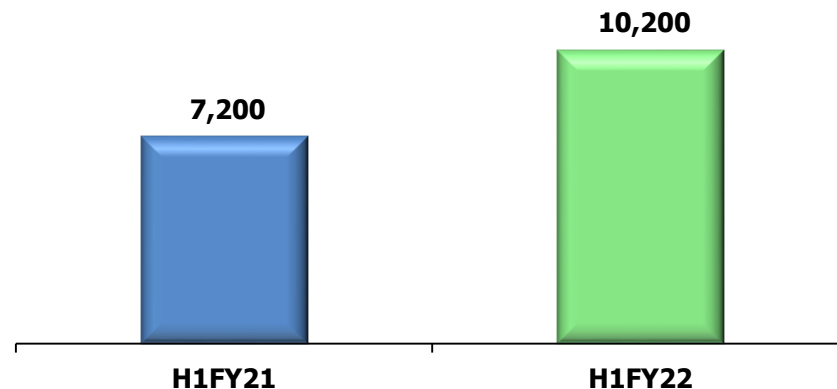
Unit : Million THB



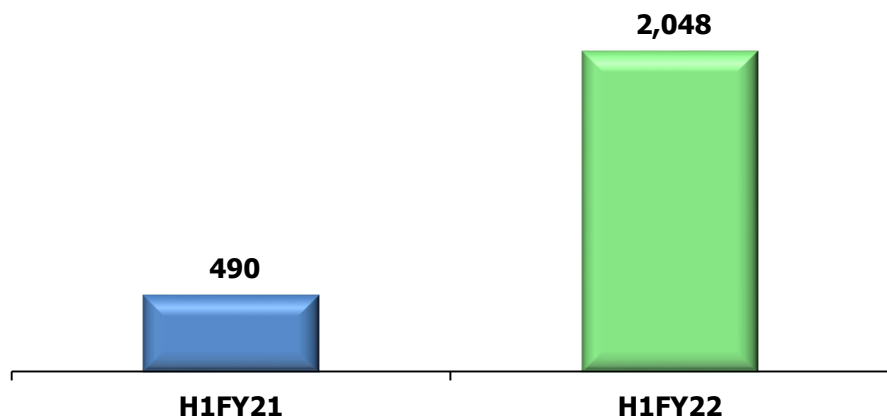
Revenue from sales



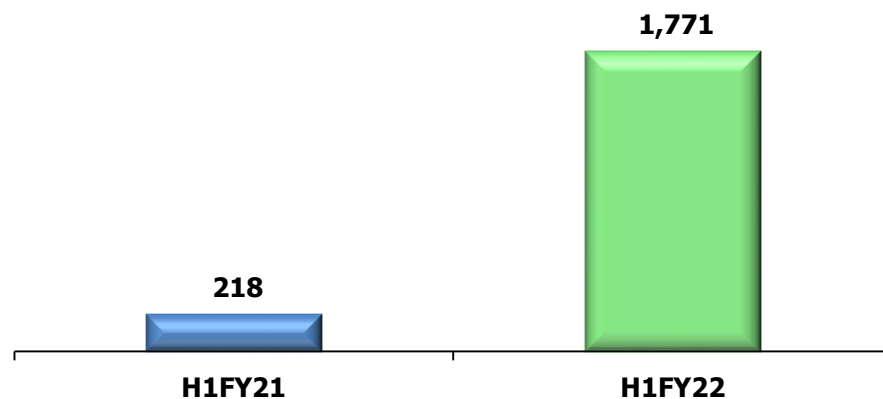
Spread (THB/Ton)



EBITDA



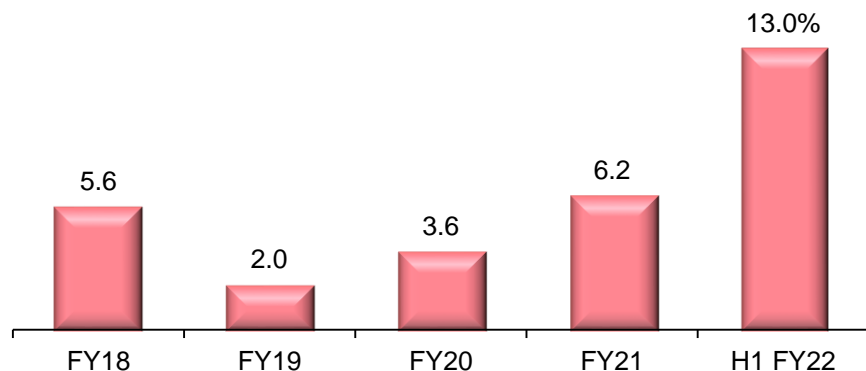
Profit before tax



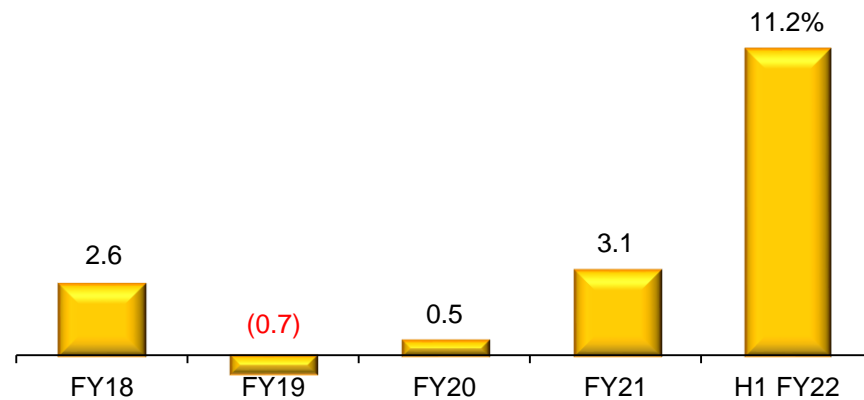
Key Financial Indicators



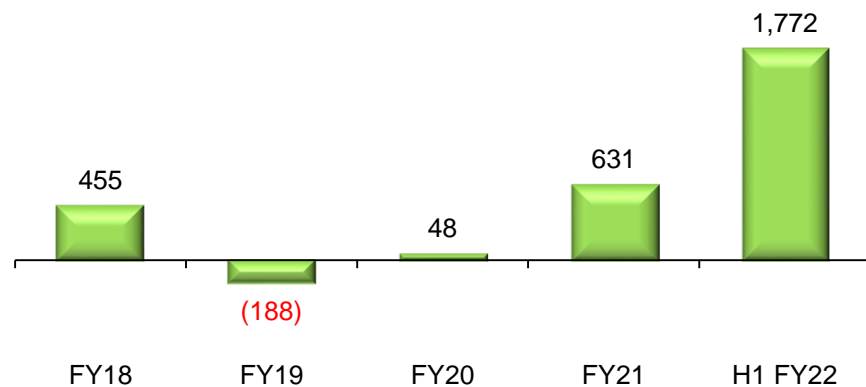
EBITDA Margin



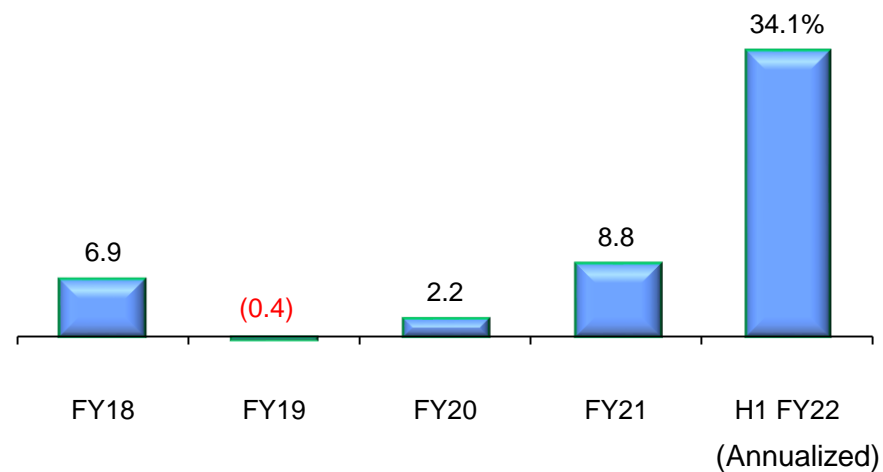
PBT/Sales



Profit (Loss) for the year



ROIC (%)



Key Initiatives undertaken by the Company



- ❑ Exported Billet for the first time
- ❑ 2nd export consignment to Canada booked
- ❑ Technology initiatives to upgrade quality of Wire rods
- ❑ Digital initiatives: E Procurement already implemented, Go live for Phase 1 (HR Information System, Employee Self Service & Manager Self Service)
- ❑ Vaccine for all employees and contractors. Over 98% will be fully vaccinated by Oct end.

- **Corporate Citizenship**
- **Update on Business Environment and Markets**
- **Q2 & H1 FY22 Performance**
- **Business Outlook**

- Business sentiment expected to improve with new budget year, receding monsoon and improvement in COVID-19 situation.
- International prices remain firm supported in demand revival in local markets and production cuts in China.
- Scrap availability expected to remain tight from increasing competition in domestic market and very high freight rates for imported material.
- Wire rods business remain strong with elevated offers from China and less offer from other geographies.

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

Thank you for your attention