



TSTH 003/2022 RM/SS/SJ

January 20, 2022

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the third quarter of FY2022 (October-December 2021)

Tata Steel (Thailand) Public company Limited ("Company") would like to report the company's operating results for the third quarter of FY2022 (October-December 2021) as under:

1. Operating Results

Thailand has been witnessing significant adverse impact on its tourism and hospitality sectors from the Covid-19 pandemic. The recent efforts to reopen the country has been severely impacted by the onset of the new Omicron variant. This has had a consequential adverse impact on the market sentiments, disposable income and the Thailand economy as a whole. Private consumption (c.50% of GDP) has not shown a clear improvement, having been weighed down by the pandemic. The construction sector declined for the first time in three quarters by 4.1 percent, following a contraction in public construction especially government construction. Private construction also declined, as a result of the lower activities in construction of residential buildings as well as the slowdown of construction in the service and transportation category and other construction. Meanwhile, construction of non-residential buildings (such as commercial buildings and factory buildings) rebounded to a strong growth.

On exchange rates, the volatility of the Baht to the US dollar remained high due to uncertainties surrounding the Covid-19 situation as well as from the impact of the monetary policies implemented by many advanced economies amid high inflationary pressures.

In this economic backdrop, the deliveries for the current quarter was at 321 KTONs, as compared to 326 KTONs in the previous quarter. For the 9-months period ended December 31, 2021, the Company's sales volume at 993 KTONs was better than previous year by 6%. The revenue from sales was higher than previous quarter as well as same quarter last year.

Operating Results compared with previous quarter & previous year

1.1 Revenue from sales and related services

Sales volume in the current quarter at 321 KTONs, was lower by 2% as compared to the previous quarter mainly due to long holidays in December.

For the 9-months period ended December 31, 2021, the Company's sales volume at 993 KTONs was higher by 6% or 56 KTONs as compared to the same period previous year.

Revenue from sales and related services in the current quarter was at 8,100 Mn THB, higher than previous quarter from price improvement. As compared to the same quarter previous year and 9-months period last year, the revenue from sales were higher by 50% and 60% respectively, mainly from price improvement, in line with the increase in metallic and other raw material price in the backdrop of the recovery of the world economy.

TATA STEEL (THAILAND)

บริษัท ทاتا สตีล (ประเทศไทย) จำกัด (มหาชน) Tata Steel (Thailand) Public Company Limited

1.2 Profit Before Tax

The Company reported a profit before tax of 587 Mn THB in the current quarter. As compared to the same quarter previous year the better performance in the current period is attributable to higher selling price resulting in improved spread from the recovery of the world economy.

For the 9-months period, the Company reported a profit of 2,358 Mn THB against a profit of 271 Mn THB in the same period the previous year mainly attributable to the higher selling price and higher sales volume.

2. Statement of Financial Position

2.1 Assets

As on December 31, 2021, **the total assets** have increased by 1,468 Mn THB over March 31, 2021 mainly from:

- Increase in inventories 927 Mn THB mainly on account of higher price of metallic and billet.
- Increase in trade and other receivables 586 Mn THB from reduced factoring of Account Receivable during the end of the quarter due to healthy cash position.
- Increase in cash and cash equivalents by 190 Mn THB.
- Reduction in properties, plant and equipment (197) Mn THB from normal depreciation.
- Reduction in right-of-use assets, net (37) Mn THB from normal depreciation.

2.2 Liabilities and Shareholders' Equity

As on December 31, 2021, **the total liabilities & shareholder equity** have increased by 1,468 Mn THB over March 31, 2021 mainly from:

- Increase in shareholders' equity by 2,359 Mn THB from the current year net profit. Consequently, the retained earnings (deficit) at the consolidated financial statement is reduced to (99) Mn THB.
- Reduction in short term working capital borrowings by (441) Mn THB is in line with the improved cash generated from operations.
- Reduction in trade and other payables by (408) Mn THB.
- Reduction in lease liabilities by (27) Mn THB.
- Reduction in current income tax payable (25) Mn THB.

Please be informed accordingly.

Sincerely yours,
Tata Steel (Thailand) Public Company Limited

(Mr. Rajiv Mangal)
President and CEO