

**TATA Steel Thailand PLC
Welcomes to Media Meeting**

**Operating Results of Q3/FY23 (October – December 2022)
& 9MFY23 Performance (April – December 2022)**

February 6, 2023

Disclaimer



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**
- **Q3 & 9M FY23 Performance**
- **Business Outlook**

Improving quality of life of our communities of Q3FY23 –

More than 21,000 Beneficiaries



Relationship with Community & Government Agencies

1. **All 3 Plants:** Visited communities & local press nearby the plants during the New Year festival.



Environmental Conservation

1. **Tata Group companies in Thailand:** arranged “**FORest FOR Life FOR our Beloved KING Year 11th**” by planted **1,000 mangrove trees** and released **10,000 fishes** at Klong Tumru Community, Chonburi.



2. **SISCO:** arranged project “**TATA STEEL preserving the forest for the community & employee birthday activity**” by planted 200 trees at Phra Phutthabat Noi community forest, Saraburi.



Supporting Religion, Culture & Education

1. **TSTH & NTS:** Granted **20 sets of second-hand** computers at Ban Phan Sadeth Nok school, Chonburi.
2. **SISCO:** Joined Tha Luang Plannt Group for **Phapa Samakki** at Wat Mounngnoi and Wat Soonthorn Thep Mune, Saraburi.
3. **NTS & SCSC:** Supported Loy Krathong Festival at Maptaphut community, Rayong and Borwin Sub-District, Chonburi.
4. **SCSC:** Joined the Annual Masjid Tea Tradition to support the renovation of Muslim Mosque Islamic Community, Rayong.



Supporting Non-Profit Organization

1. **TSTH & SISCO:** Arranged “**Steel Volunteer to Help Flood Victims**” by donated **7,200 bottles of Drinking Water** for **1,083 people** at Bang Khamot, Ban Krua, Tha Luang, Champa SubDistrict, Saraburi.



Awards and Recognitions in Q3FY23



TSTH has been selected as a member of **Thailand Sustainability Investment (THSI) 2022** from The Stock Exchange of Thailand.



TSTH received **Sustainability Disclosure Awards 2022** from Thaipat Institute.



TSTH received **TCC Best Club Badge 2022** from Thai Chamber of Commerce.



SCSC received **Certificate of Excellent Practices Establishment on Occupational Safety & Health 2022 in National Level** for the 4th consecutive year from Department of Labor Protection & Welfare, Ministry of Labor.



SISCO received **Certificate of Carbon Footprint for Organization 2022** from Thailand Greenhouse Gas Management Organization.

- **Corporate Citizenship**

- **Update on Business Environment and Markets**

- **Q3 & 9M FY23 Performance**

- **Business Outlook**

Global economic outlook for 2023

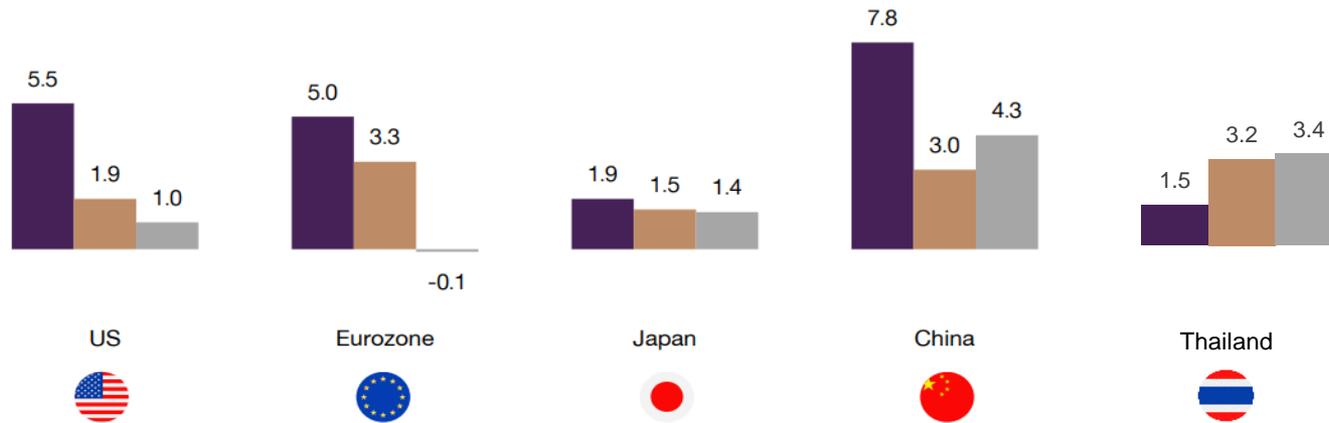
The global economy was expecting significant slowdown in 2023 amid rising uncertainties from the effects of monetary policy tightening and inflation



Global economic growth in 2021 2022 and 2023

Unit: %YOY

■ 2021 ■ 2022F ■ 2023F



Major risks to global economic recovery



- **Inflation** is expected to stay above targets for 1-2 years from persistently high food and energy prices.



- **Monetary policy tightening continuing**, policy rate hikes are slowing but remain higher than anticipated.



- **High debt globally** tight financial conditions, increasing risks of default on debt repayment



- **The unresolved Russia-Ukraine War** prolonging energy and food crises.

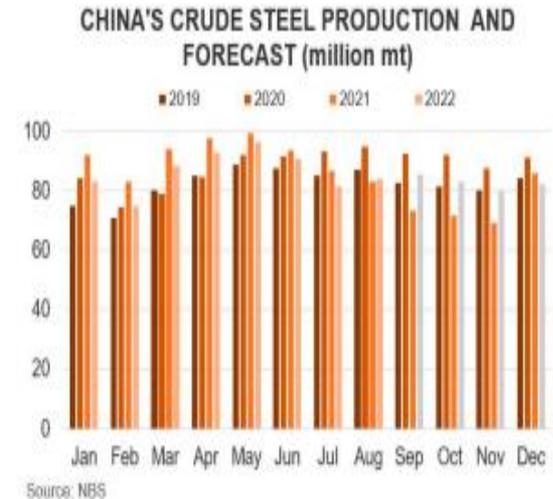
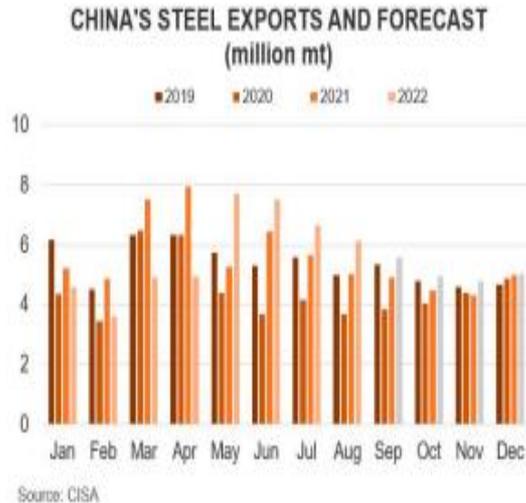
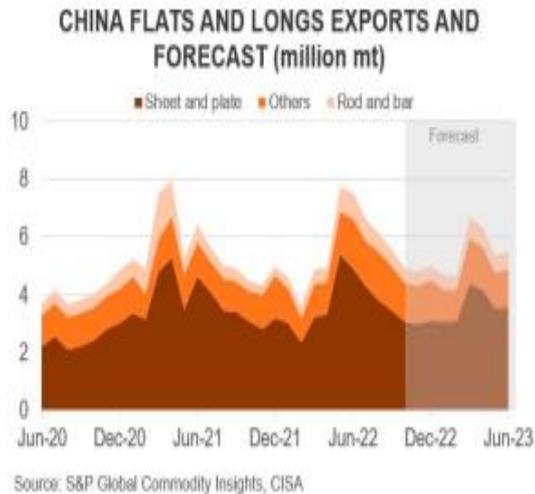


- **US-China Tech war** affecting production and investment plans in some specific industries in the global market.



- **Uncertainties surrounding China's Zero-Covid policies** may reduce Chinese tourist arrival numbers and impair Thai exports.

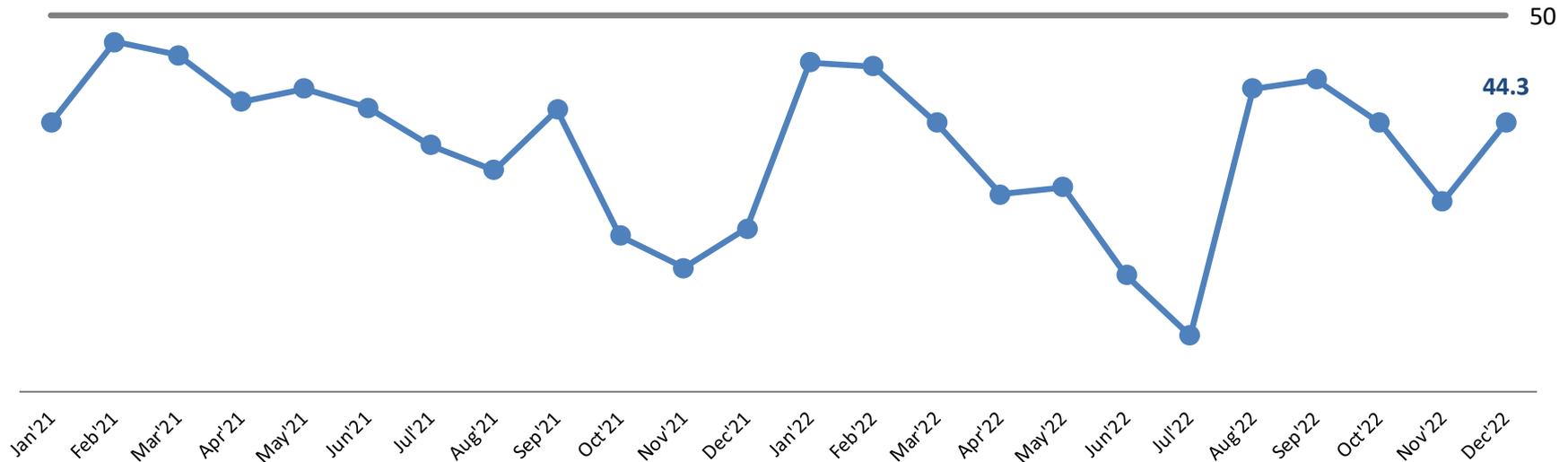
China production, exports at similar levels to last year



- Crude steel output expected to reach 1,027 million mt in 2022, down 0.5% and further drop 0.3% in 2023
- New capacity due under production restrictions.
- China's steel exports will reach 66.42 million mt in 2022; Flat steel products 43 million mt and longs 7 million mt.

Source : SBB Plats

China: Steel PMI



- Dec'22 : Steel PMI increased by 4.2 p.p. to 44.3% from inventory build up in winter. As for January, steel prices may move sideways amid the approach of the Chinese New Year holiday.
- Steel prices will likely move up in 2023 after the long holiday as China has issued policies to boost the development of the real estate industry, which will exert a positive impact on the steel market.

Source: TSL China Desk

Southeast Asia will be the next steel capacity growth

ASEAN STEEL CAPACITY EXPANSION 2022-2030



Source : SEASI

ASEAN intergrated steel capacity expansion (million mt/year)

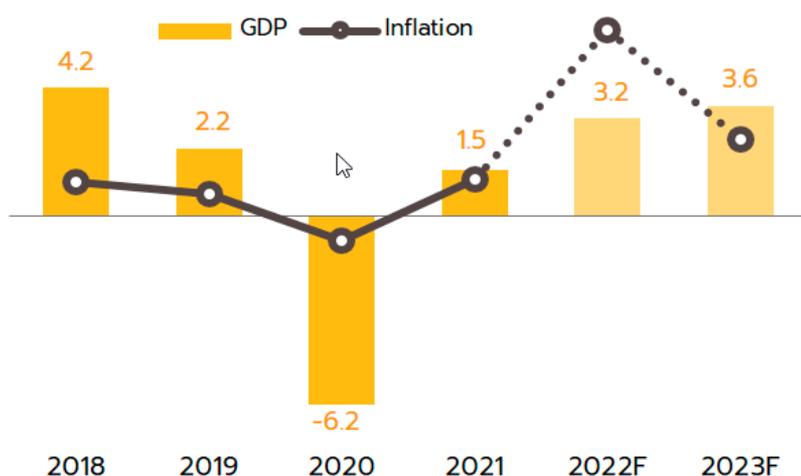
	(million mt/year)	Start date	Project status
Philippines			
Panhua Group	10	2022	Construction
Steel Asia Manufacturing/HBIS	8	2023	Delayed
Steel Asia Manufacturing*	1.2	Unknown	Delayed
Indonesia			
Dexin Steel Indonesia	2.5	2023	Delayed
Fuhai Group Indonesia	3	Unknown	Construction
Krakatau-POSCO	3	2026	Delayed
Hebei Bishi	3	2023	Awaiting approval
Gunung Raja Paksi Steel	1.5	2022	Construction
Vietnam			
Vina Roma Steel	1.1	2025	Planning
Hoa Phat	5.6	2023	Construction
Formosa Ha Tinh	14	Unknown	Planning
Malaysia			
Wan'an Iron&Steel	5	2024	Delayed
Eastern Steel	1.3	Unknown	Planning
Alliance Steel	6.5	Unknown	Delayed
Oriental Shield	2.5	2024	Delayed
Myanmar			
Kunming Iron&Steel	4	Unknown	Planning
Cambodia			
Baowu	3.1	Unknown	Planning
Total	75.3		

Source: S&P Global Commodity Insights

*EAF

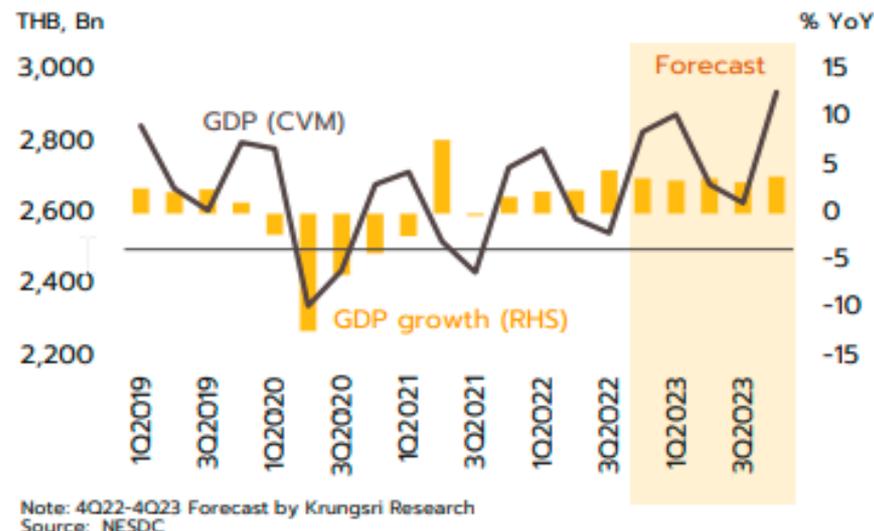
Thai Economy in 2022 and Outlook for 2023

GDP Growth and Inflation (%)



Note: 2022-23 Forecast by Krungsri Research
Source: NESDC, MOC y

Thai GDP Forecast (2022-2023)



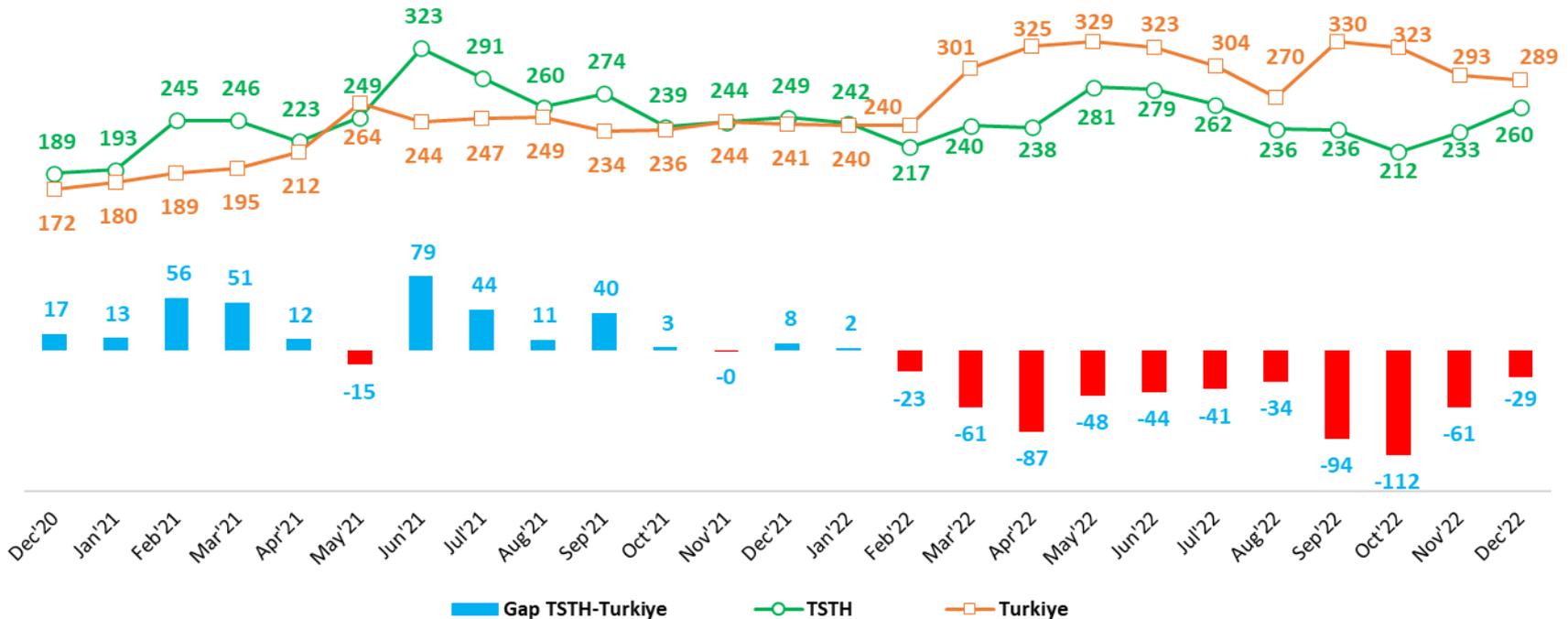
Note: 4Q22-4Q23 Forecast by Krungsri Research
Source: NESDC

- Thai economy expanding by 3.2% through 2022, by the success of the vaccination program and the abating of the Covid-19 pandemic.
- In 2023, Thai economy is expected to return to or surpass its size prior to the outbreak of Covid-19
- Investment will also benefit from growth in the service sector, continuing expenditure on infrastructure, mainly from the Eastern Economic Corridor (EEC).
- Headline inflation is expected to slip back into the Bank of Thailand's target range by mid2023.

Rebar spread comparison between Turkey and TSTH



Spread (USD/Ton)



➤ Increase in energy price pressure for increasing with spread in Thai steel market

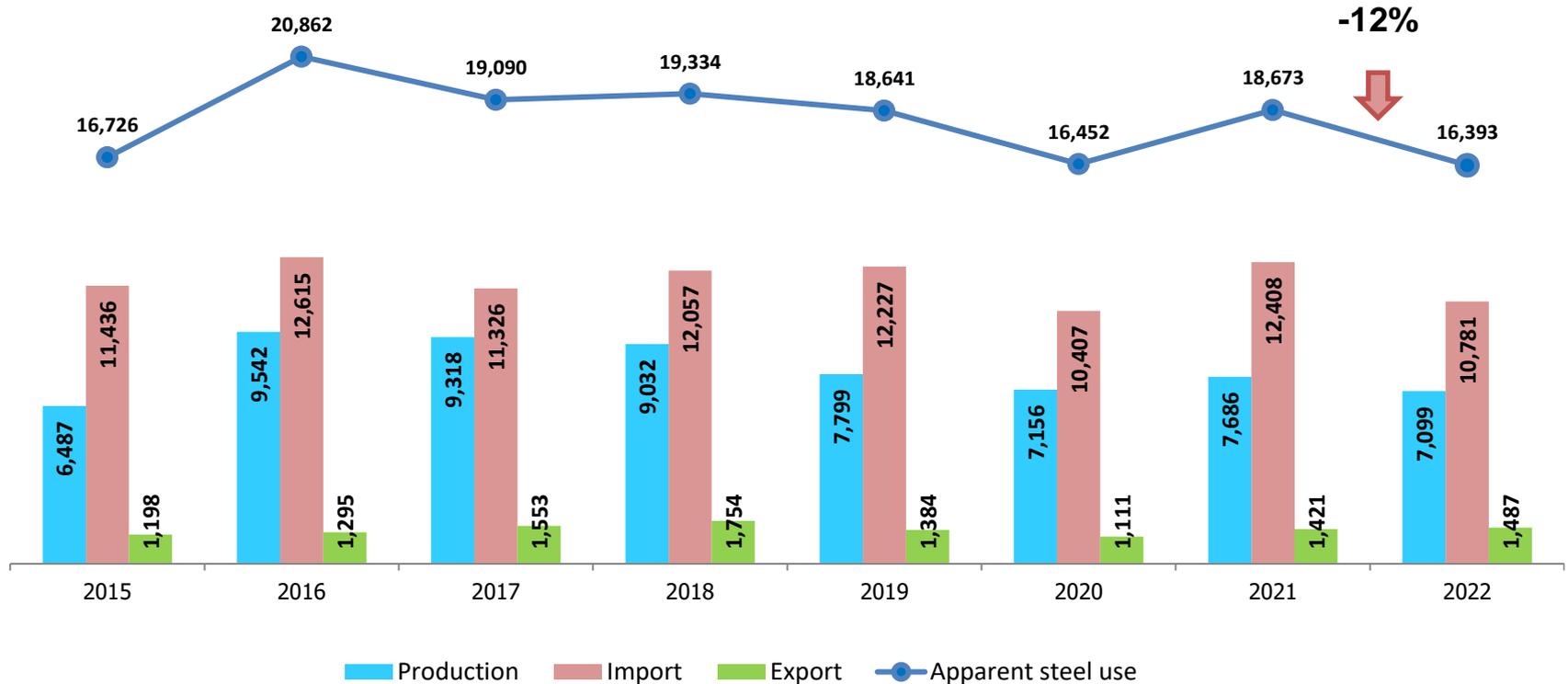
Source : Metal Expert, TSTH analysis

Thailand apparent finished steel consumption



Total steel consumption decreased by -12% in 2022 declined from weak demand in country and sluggish economy.

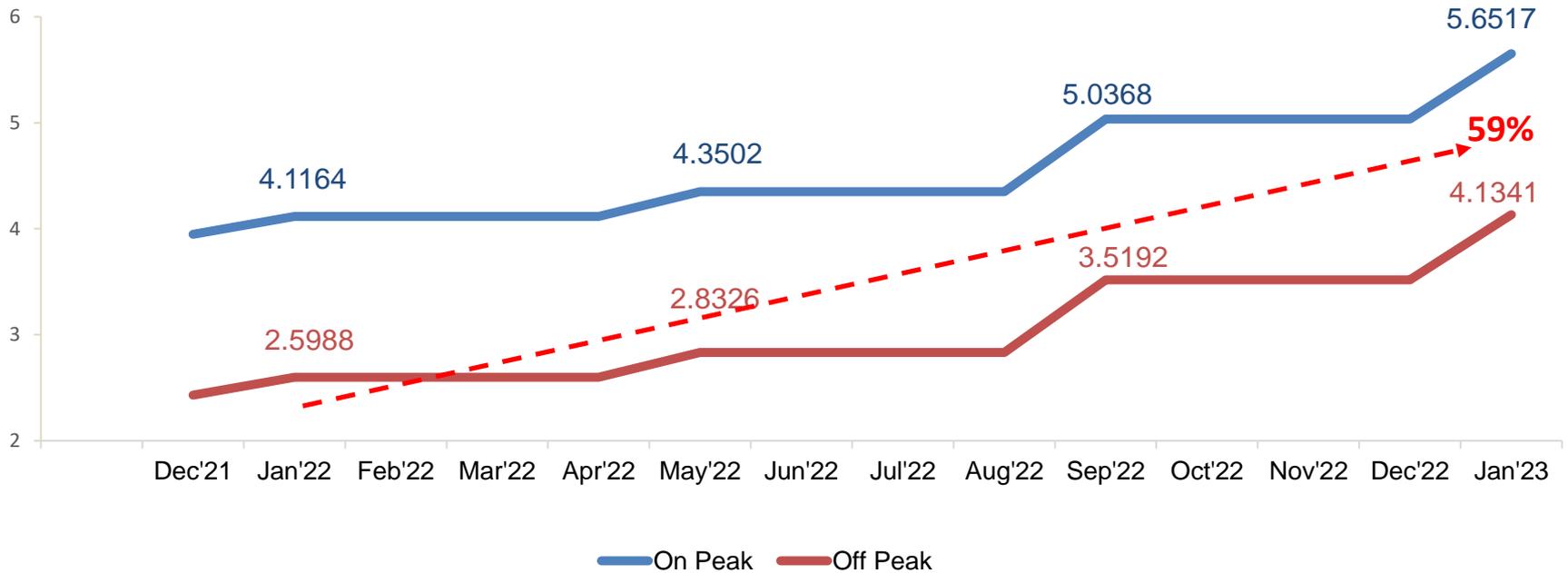
Thailand Apparent Steel Consumption ('000 tonnes)



- **Corporate Citizenship**
- **Update on Business Environment and Markets**
- **Q3 & 9M FY23 Performance**
- **Business Outlook**

- ❑ Low demand from sluggish market sentiments, customers holding high inventory
- ❑ China economy continued to remain subdued, cheaper exports flooding ASEAN
- ❑ Appreciation of baht adding to the import pressure and further dampening domestic price.
- ❑ At the same time, Raw material prices remained strong on supply constraints impacting margin.
- ❑ High energy cost and inability to pass on the cost increase in a subdued market has significantly depressed margin
- ❑ Unprecedented movement in Forex rate – baht appreciated by almost 10% within 2 weeks in November and continues to strengthen vis-à-vis US\$.

Unit THB/Kwh

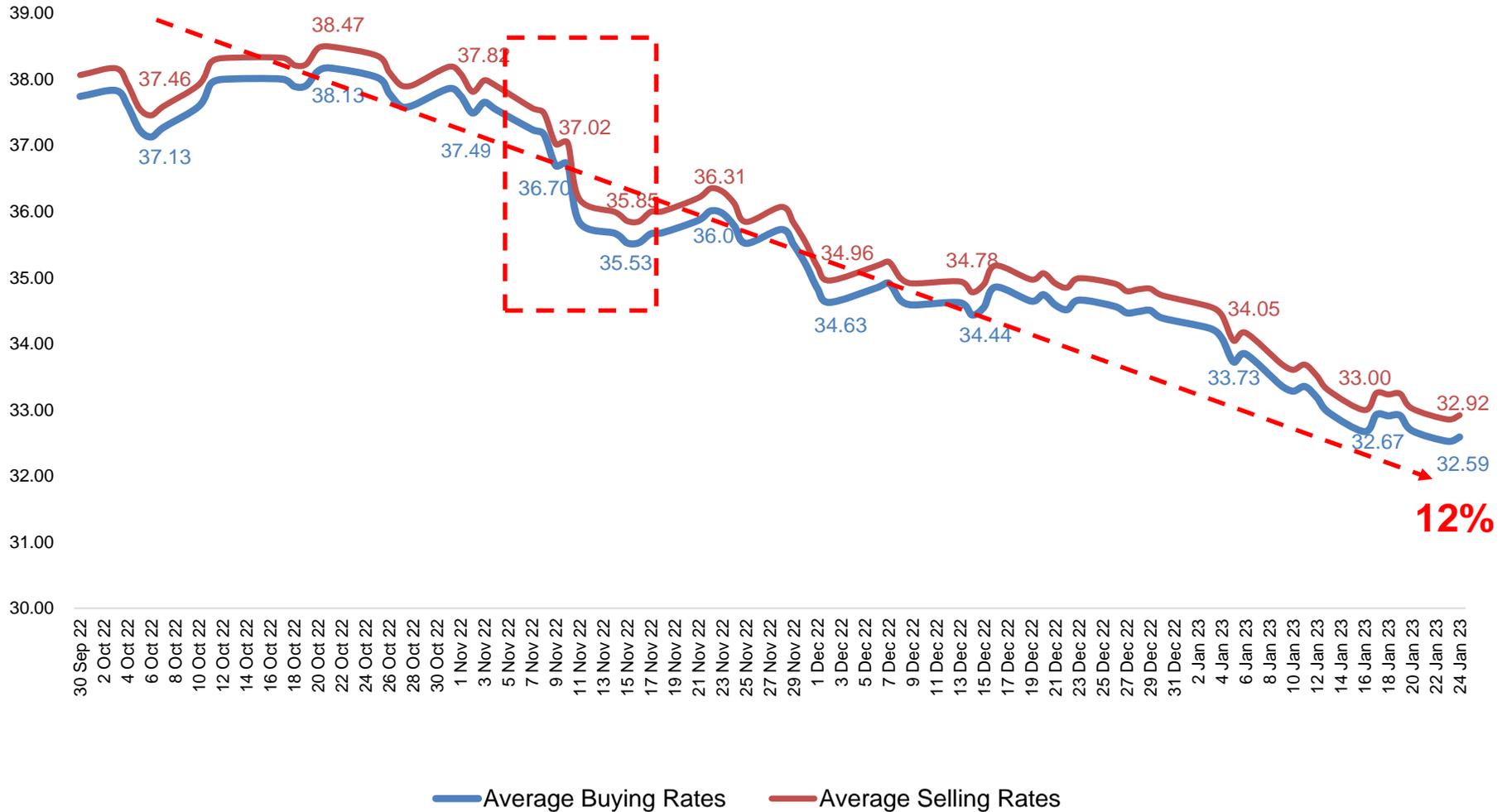


FT Rate	Dec'21	Jan'22	Feb'22	Mar'22	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23
Baht/Kwh)	-0.1532	0.0139	0.0139	0.0139	0.0139	0.2477	0.2477	0.2477	0.2477	0.9343	0.9343	0.9343	0.9343	1.5492

Exchange rate movement

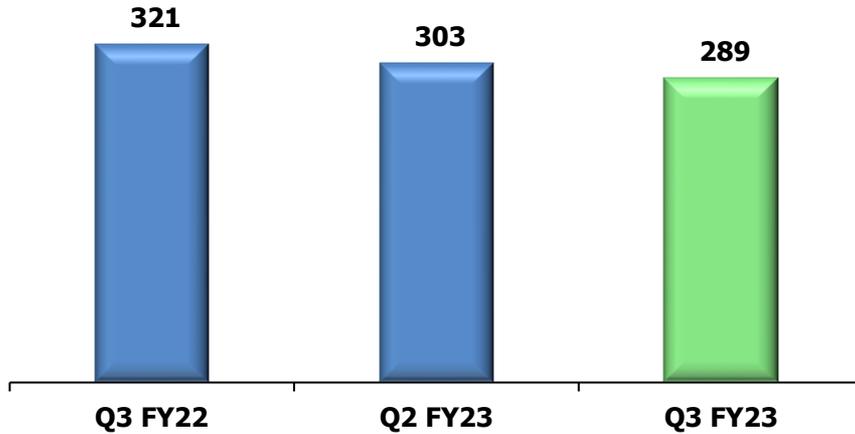


Unit : THB/USD

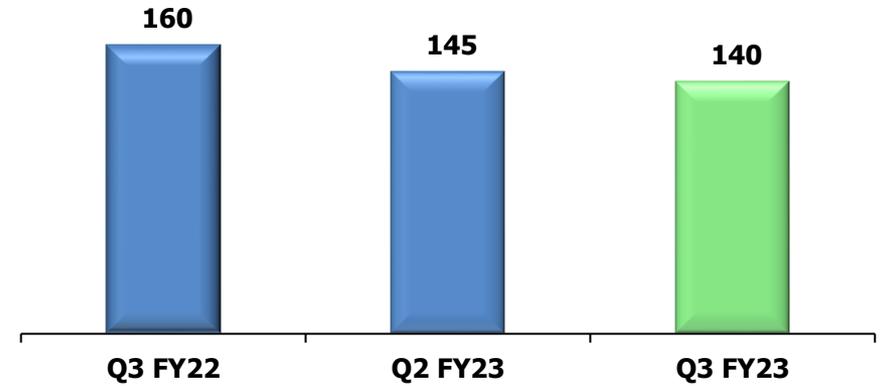


Sales Volume Q3 FY23 - Lower sales volume from sluggish domestic demand. However, the export volume was higher supported by rebar exports to India.

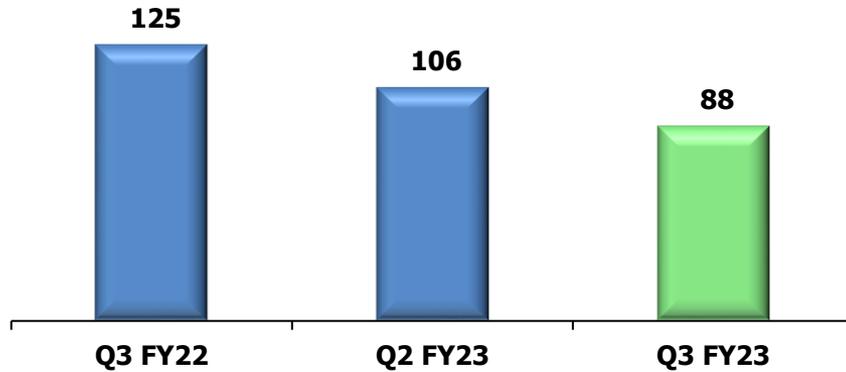
Total sales



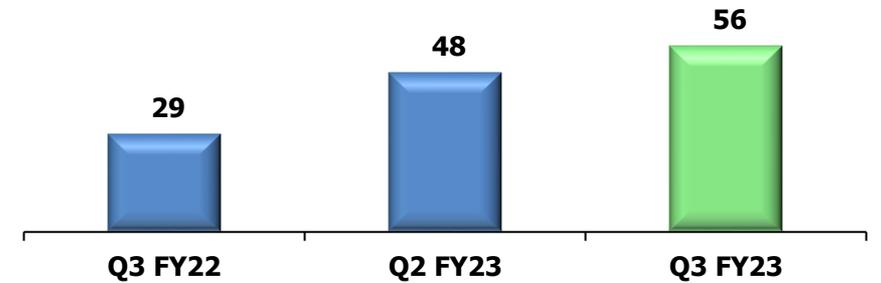
Dom. Rebars + Cut & bend



Dom. Wire Rods

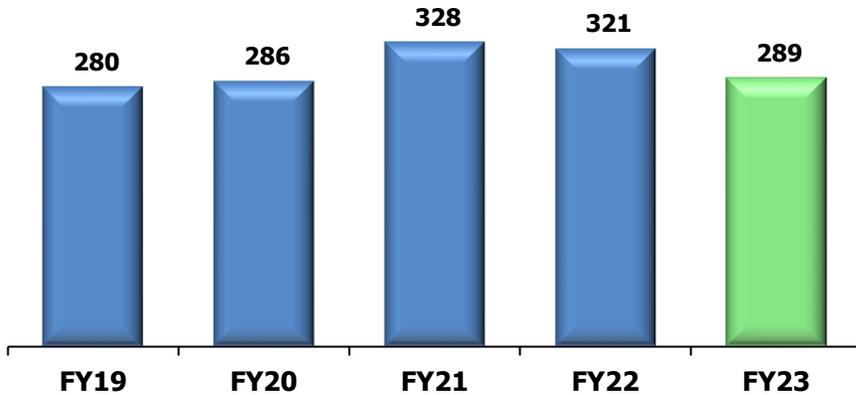


Export

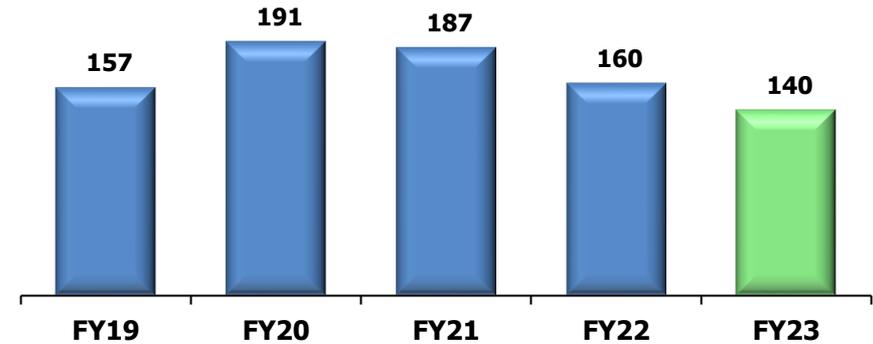


Sales Volume Trend for Q3

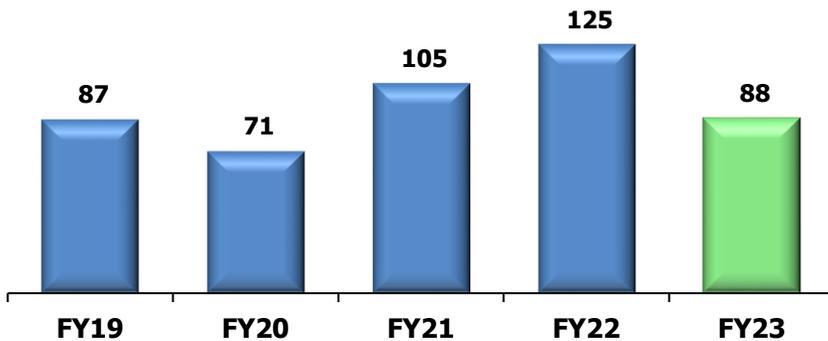
Total Sales



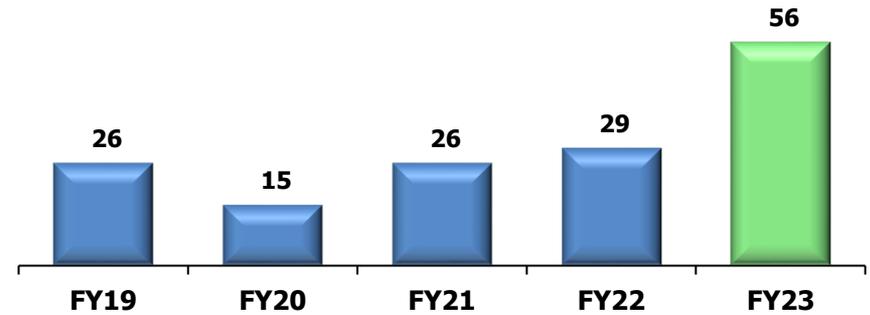
Dom. Rebars + Cut & Bend



Dom. Wire Rods

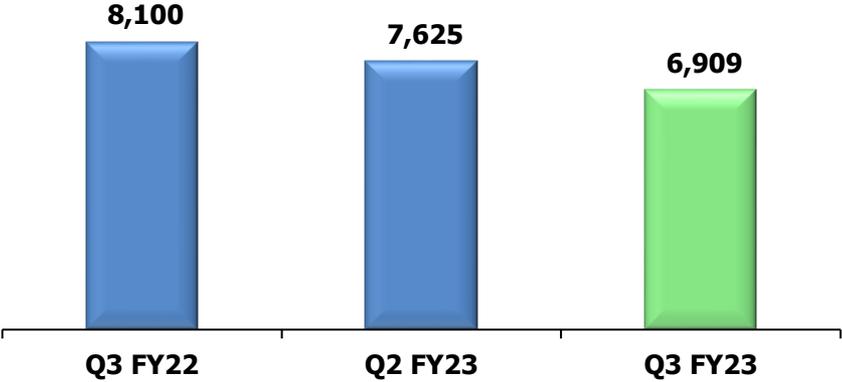


Export



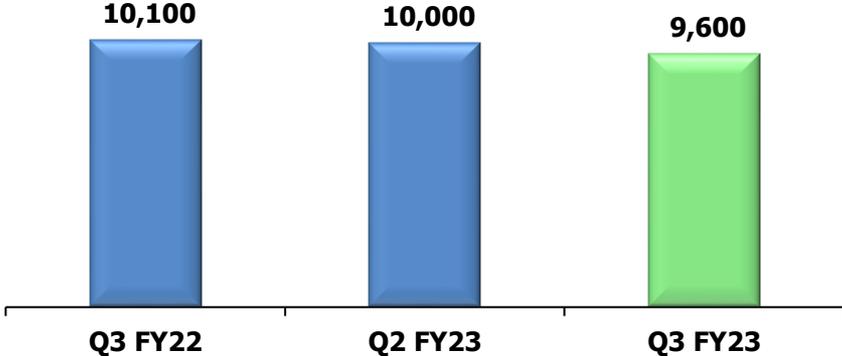
Financial Performance Q3 FY23

Revenue from sales

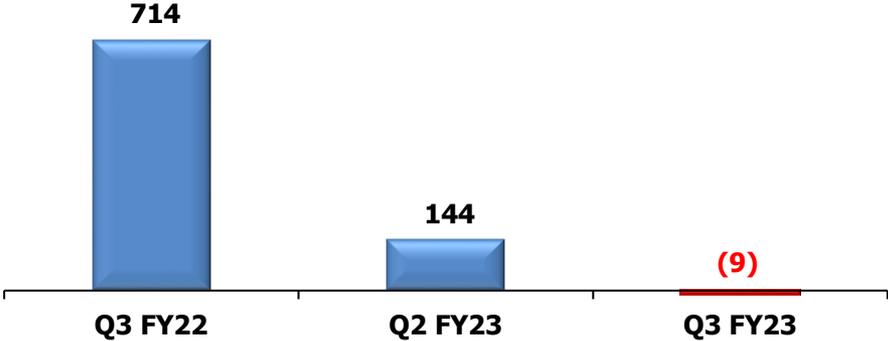


Spread (THB/Ton)

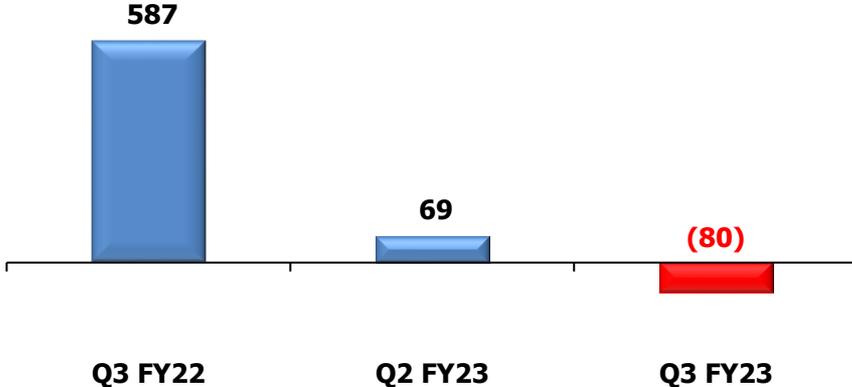
(Difference between sales price and raw material price)



EBITDA

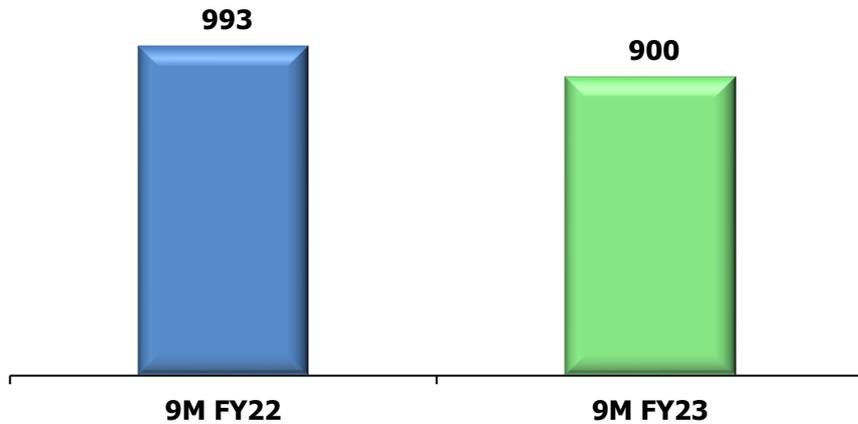


Profit (Loss) before tax

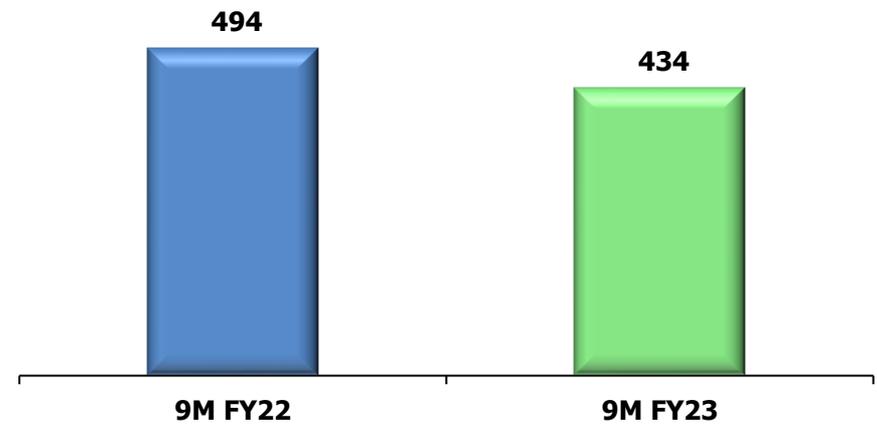


Sales Volume 9M FY23

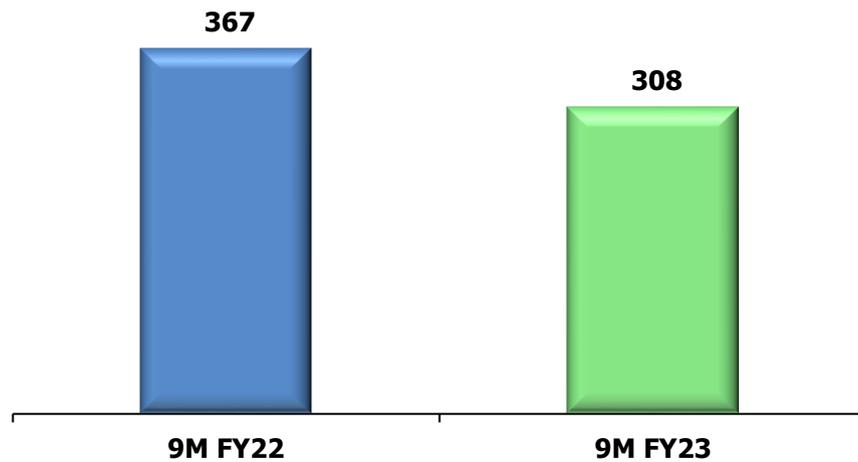
Total sales



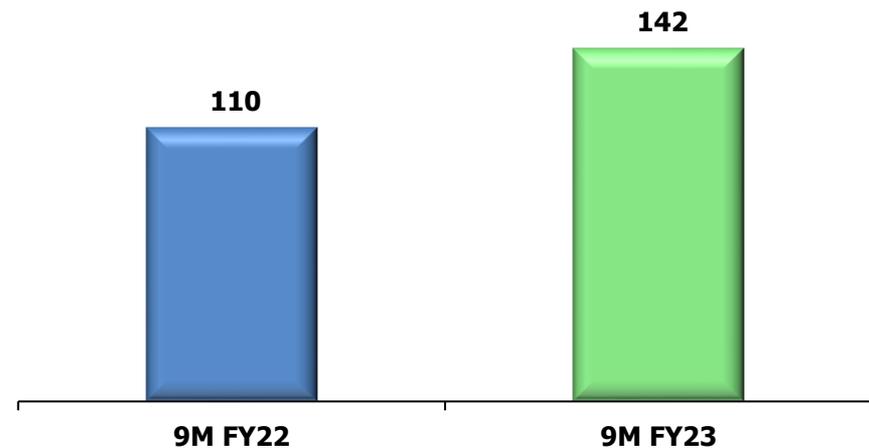
Dom. Rebars + Cut & bend



Dom. Wire Rods

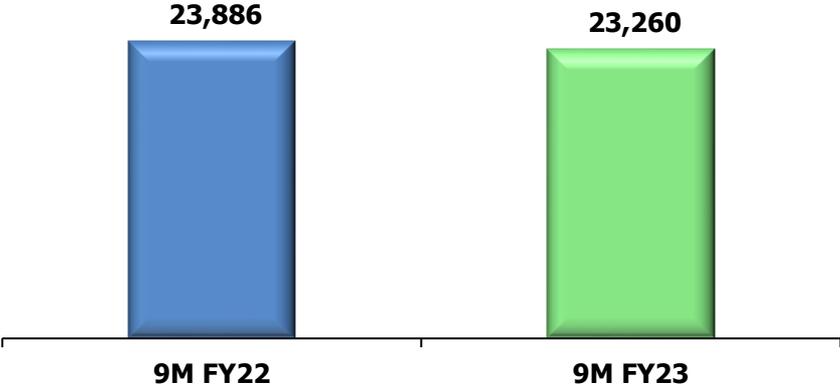


Export



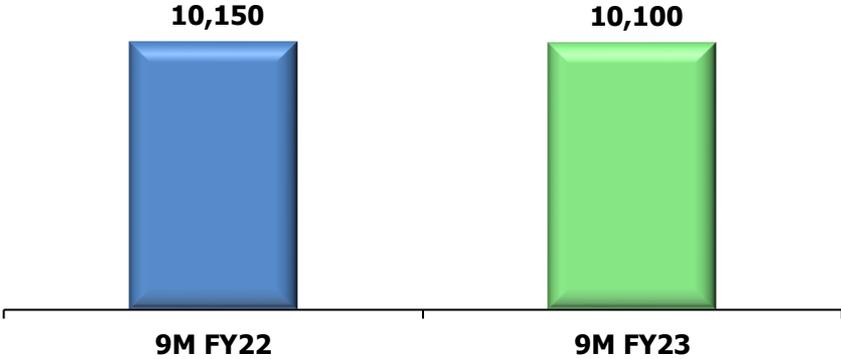
Financial Performance 9M FY23

Revenue from sales

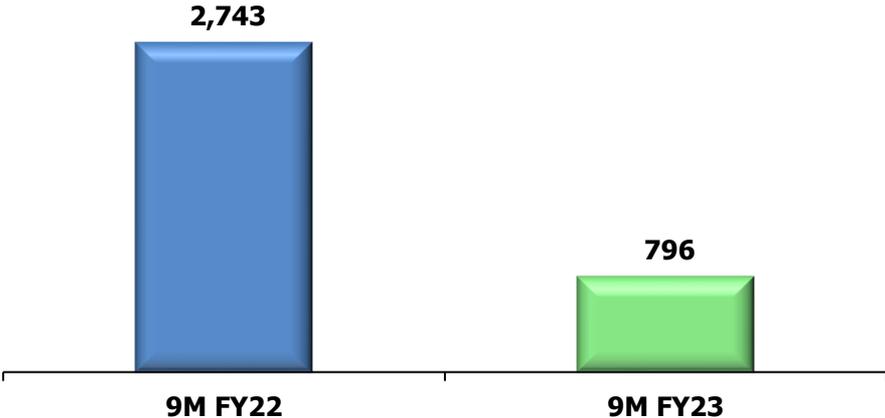


Spread (THB/Ton)

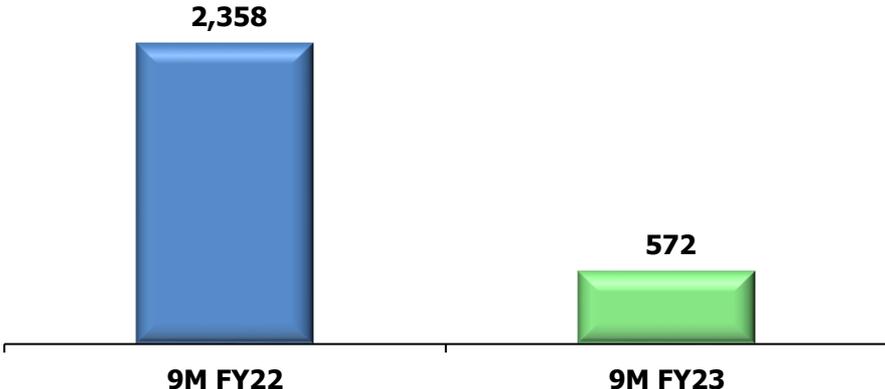
(Difference between sales price and raw material price)



EBITDA



Profit before tax

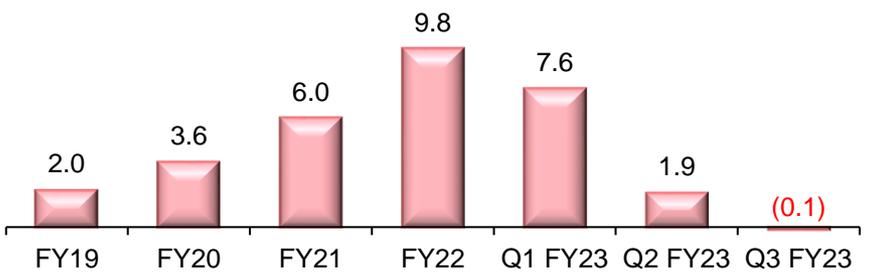


Key Financial Indicators



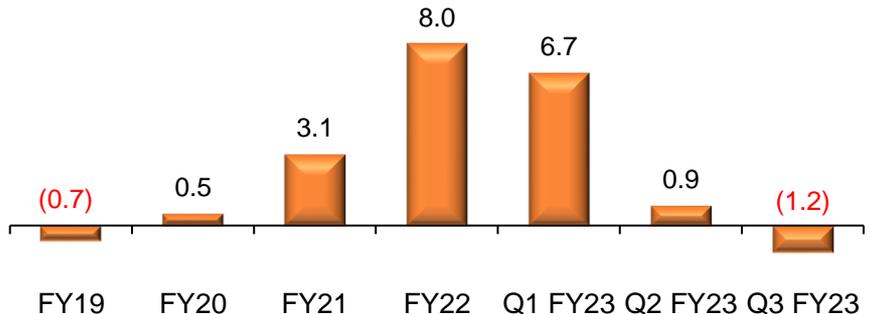
EBITDA Margin (%)

↑
Good



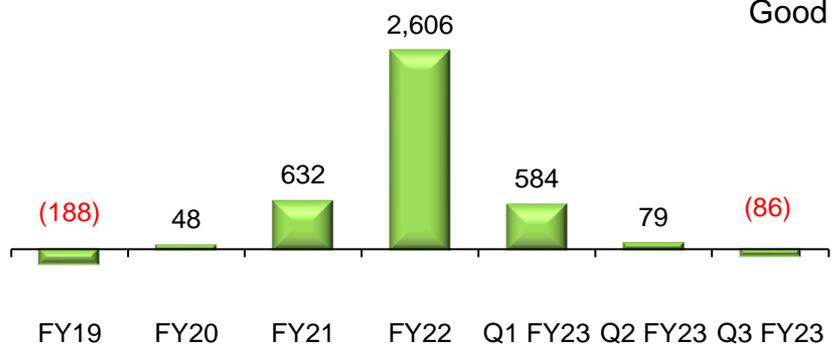
PBT/Sales (%)

↑
Good



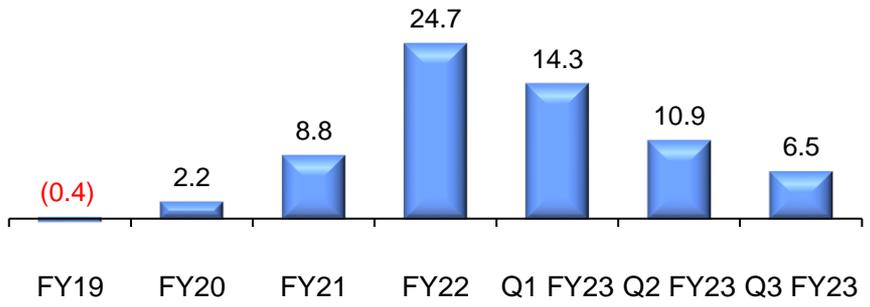
Profit (Loss) for the year (Mn THB)

↑
Good



ROIC (%)

↑
Good



(Annualized)

- **Corporate Citizenship**
- **Update on Business Environment and Markets**
- **Q3 & 9M FY23 Performance**
- **Business Outlook**

- Civil construction seen to grow in the short-term, but risks in the global economy and political uncertainty hinder growth in the long term.
- Softening demand in global market puts price pressure in international and domestic markets along with sluggish economy and limitation of purchasing power to affect local demand.
- China open country will support high number of tourism to Thailand and will support economic
- An estimated 1.89-1.91m vehicles will come off Thai production lines in 2023, which would represent an increase of 3-4% from 2022.
- Electricity price increase affects production cost amid difficulty to pass on the increase to customers in a sluggish domestic market.
- Weak demand in China has led producers to export more with low prices, resulting in more price competition, especially in HCWR and MCWR
- In 2023, exports of steel, iron, cement, fertilizers, aluminum and electricity to EU have to show evidence about greenhouse gas emissions and carbon fee.
- Uncertainty in Forex impacting exports

Thank you for your attention