



TSTH 068/2021 RM/SS/SJ

October 18, 2021

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the second quarter of FY2022 (July-September 2021)

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

1. Operating Results

Thailand economy during the second quarter (July-September) of the financial year 2022 was affected by the containment measures and slowdown in exports. Bank of Thailand (BOT) had recently lowered its economic growth forecast for calendar year 2021 to 0.7% in the backdrop of extended lockdown, more critical zones and labor shortage. State enterprise construction also decelerated due to no new projects entering the construction phase amid ongoing projects. Private construction decreased across all construction types except industrial. Meanwhile, Thai baht continues to depreciate.

In this economic backdrop, the deliveries for the current quarter at 326 K Tons, was lower as compared to previous quarter but better by around 5% than the same quarter previous year. For the 6-months period, sales volume at 672 K Tons was better than previous year by 10%. The revenue from sales was higher than previous quarter as well as same quarter previous year supported by improved steel price.

Total inventory was higher by 259 Mn THB as compared to March 2021 from the increased price of finished goods and metallic. However, it is lower in terms of tonnage. In number of days' term, it was at 44 days at end-September 2021 compared to 43 days end-March 2021.

Operating Results compared with previous quarter & previous year

1.1 Revenue from sales and related services

Sales volume in the current quarter at 326 K Tons, was lower by 6% as compared to the previous quarter mainly on account of lower rebars sales due to sluggish domestic demand resulting from 3rd wave of Covid-19 pandemic. However, this was mitigated by the export of billets. As compared to the same quarter previous year it was higher by 5%.

For the 6-months period ended September 30, 2021, the Company's sales volume at 672 K Tons was higher than 595 K Tons in the same period previous year primarily due to improvement in domestic wire rod sales volume coupled with billet export sales despite lower domestic rebars sales.

Revenue from sales and related services in the current quarter was at 7,894 Mn THB, almost at par as compared to the previous quarter. As compared to the same quarter previous year and 6-months period last year, the revenue from sales were higher mainly from price improvement, in line with the increase in metallic price in the backdrop of the recovery of the world economy.

TATA STEEL (THAILAND)

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1.2 Profit (Loss) Before Tax

The Company reported a profit before tax of 922 Mn THB in the current quarter against a profit of 849 Mn THB tax in the previous quarter. The profit before tax in the same quarter the previous year was at 139 Mn THB. 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 6-months period, the Company reported a profit of 1,771 Mn THB against a profit of 218 Mn THB in the same period the previous year mainly attributable to the higher selling price and higher sales volume of finished goods coupled with billet export.

2. Statement of Financial Position

2.1 Assets

As on September 30, 2021, **the total assets** have increased by 941 Mn THB over March 31, 2021 mainly from:

- Increase in trade and other receivables 525 Mn THB due to reduced factoring of Account Receivable during the end of the quarter due to healthy cash position.
- Increase in cash and cash equivalents by 340 Mn THB.
- Increase in inventories 259 Mn THB mainly on account of higher price of finished goods and metallic.
- Reduction in properties, plant and equipment (136) Mn THB from normal depreciation.
- Reduction in right-of-use assets, net (23) Mn THB from normal depreciation.

2.2 Liabilities and Shareholders' Equity

As on September 30, 2021, **the total liabilities & shareholder equity** have increased by 941 Mn THB over March 31, 2021 mainly from:

- Increase in shareholders' equity by 1,772 Mn THB from the current year net profit. Consequently, the retained earnings (deficit) at the consolidated financial statement is reduced to (686) Mn THB.
- Reduction in trade and other payables by (456) Mn THB mainly related to metallic.
- Reduction in short term working capital borrowings by (343) Mn THB is in line with the improved cash generated from operations.
- Reduction in lease liabilities by (30) Mn THB.

Please be informed accordingly.

Sincerely yours,
Tata Steel (Thailand) Public Company Limited

(Mr. Rajiv Mangal)
President and CEO

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