



TSTH 060/2022 RM/SS/SJ

October 20, 2022

To: President  
The Stock Exchange of Thailand

**Subject: Report of the Company's Operating Results for the second quarter of FY2023 (July-September 2022)**

Tata Steel (Thailand) Public company Limited ("Company") would like to report the company's operating results for the second quarter of FY2023 (July-September 2022) as under:

## 1. Operating Results

Prolonged uncertainty from global economic issues, rising energy cost and weak domestic consumption in China has caused steel demand to drop. At the same time, raw material price remains strong on supply concerns. Production cost has seen significant increase on account of increase in cost of power and natural gas.

In this economic backdrop, the overall market sentiments in Thailand remained low during the current quarter. The deliveries of the Company for the current quarter were at 303 K Tons.

### Operating Results compared with previous quarter & previous year

#### 1.1 Revenue from sales and related services

Sales volume in the current quarter at 303 K Tons, was lower by 2% as compared to 308 K Tons in the previous quarter and 326 K Tons in the same quarter last year. For the 6-months period ended September 30, 2022, the Company's sales volume at 611 K Tons was lower by 9% compared to the same period previous year. The lower sales volume were in view of the sluggish domestic demand coupled with the absence of billets exported in the second quarter last year. This was partly offset by higher rebar exports.

Revenue from sales and related service in the current quarter was at 7,625 Mn THB lower than the previous quarter by 13% mainly from lower price reflecting the market sentiments. As compared to the same quarter last year, it was lower by 3% primarily due to lower sales volume.

For the 6-months period, the revenue from sales was at 16,351 Mn THB higher by 4% compared to last year mainly from price improvements seen in the previous quarter in line with the increase in metallic price. This was partly offset by lower price in the current quarter and lower sales volume.

#### 1.2 Profit Before Tax

The Company reported a profit before tax of 69 Mn THB in the current quarter against a profit of 584 Mn THB for previous quarter from lower spread on account of lower price, higher conversion cost from higher cost of power, fuel & natural gas, and lower domestic sales volume. As compared to the profit of 922 Mn THB in the same quarter last year, current quarter profit was lower mainly from higher cost of power, coke, ferro alloys, fuel & natural gas, lower spread on account of higher metallic price and lower sales volume from sluggish domestic demand.

**TATA STEEL (THAILAND)**

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

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For the 6-month period, the Company has reported a profit of 653 Mn THB against a profit of 1,771 Mn THB for the same period previous year. The variation is attributable to higher conversion cost from higher cost of ferro alloys, coke, power, fuel & natural gas, lower sales volume, partly offset by higher spread.

## **2. Statement of Financial Position**

### **2.1 Assets**

As on September 30, 2022, the total assets have decreased by (33) Mn THB over March 31, 2022 mainly from:

- Reduction in cash & cash equivalents by (150) Mn THB.
- Reduction in inventories (88) Mn THB.
- Reduction in properties, plant and equipment (41) Mn THB from normal depreciation (111) Mn THB and additions during the period 70 Mn THB.
- Increase in other current assets 61 Mn THB mainly from VAT refundable 53 Mn THB.
- Increase in trade and other receivables 184 Mn from lower utilization of Factoring Arrangements in view of healthy cash position.

### **2.2 Liabilities and Shareholders' Equity**

As on September 30, 2022, the total liabilities & shareholder equity have decreased by (33) Mn THB over March 31, 2022 mainly from:

- Reduction in short-term working capital borrowings by (146) Mn THB reflecting healthy cash situation.
- Reduction in trade and other payables (125) Mn THB.
- Reduction in employee benefit obligations (23) Mn THB.
- Reduction in lease liabilities by (16) Mn THB.
- Increase in shareholders' equity by 267 Mn THB from the current net profit 663 Mn THB and dividend payment (421) Mn THB.

Please be informed accordingly.

Sincerely yours,  
Tata Steel (Thailand) Public Company Limited

(Mr. Rajiv Mangal)  
President and CEO