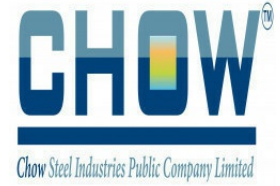


CHOW

บริษัท เซวล์ สตีล อินดัสทรี จำกัด (มหาชน)
CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED

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CG Report Score :

THSI List : -

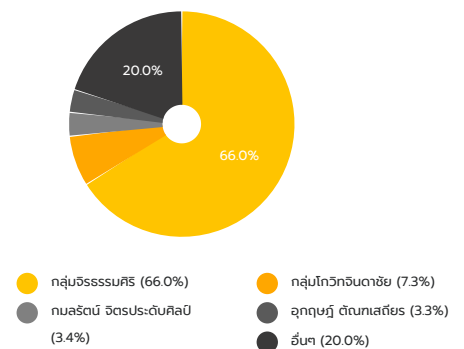
Stock Data (21/11/2019)

	YTD	2018	2017
Paid-up (MB)	800.00	800.00	800.00
Listed share (M)	1,040.00	1,040.00	800.00
Par (B)	1.00	1.00	1.00
Market Cap (MB)	1,192.00	3,248.00	3,728.00
Price (B./share)	1.49	4.06	4.66
EPS (B.)	-0.09	-0.15	0.32

Statistics (21/11/2019)

	P/E	P/BV	Div.Yield
CHOW (x)	-	1.01	-
INDUS - mai (x)	30.21	1.11	4.80
INDUS - SET (x)	17.99	1.00	5.48
mai (x)	23.55	1.56	2.88
SET (x)	19.54	1.79	3.13

Shareholder Structure (15/05/2019)



Company Background

- Chow Steel Industries PCL. (CHOW) operates business of producing and selling steel billet to the domestic and foreign rolling mills for further rolling into Long Products by using steel melting technology of Electric Induction Furnace (EIF) with total production capacity of 730,000 tons per year.
- CHOW established Chow Energy PCL. (CEPL) is aimed at shareholding restructuring in its subsidiaries. The restructuring will help to enhance clarity of business structure, whereby CHOW will continue its core business of manufacturing and distribution of steel billet, while CEPL will operate business as a Holding Company by holding shares in other entities engaging in business relating to investment in, production and distribution of electricity from various kinds of energy.

Key Development of Company

SEP 2019	COD solar plant in Japan "Aomori", 7.21 MW, which makes the company holds 8 projects total capacity of 67.12 MW
MAR 2019	Sell 4 solar power plants, 5.38 MW, to Infrastructure Funds in Japan
JAN 2019	Signing OEM Agreement to produce 400,000 Tons per year of Steel Billets
OCT 2018	COD solar plant in Japan "Fukui 1 and 6" projects, 2.78 MW, which makes the company holds 11 projects total capacity of 63.71 MW
JUL 2018	Sell Kyotango solar power plant, 4.02 MW, to Infrastructure Funds in Japan

Revenue Structure

Period : 30 Sep

(Unit : MB)

	9M/2019	%	9M/2018	%	2018	%	2017	%
Revenues from sales and services	1,181.22	85.32	3,211.98	91.68	4,063.98	94.30	3,676.01	87.06
- Revenues from steel business	564.76	40.79	2,443.42	69.74	3,082.14	71.52	2,265.87	53.66
- Revenues from renewable power business	616.46	44.53	768.56	21.94	981.84	22.78	1,410.14	33.40
Gain on sales of power plant projects	98.48	7.11	213.66	6.10	214.51	4.98	172.55	4.09
Gain on exchange	75.39	5.45	56.53	1.61	-	-	129.84	3.07
Other income	29.36	2.12	21.42	0.61	312.5	0.72	244.07	5.78
Total revenues	1,384.45	100.00	3,503.59	100.00	4,309.74	100.00	4,222.47	100.00

Financial Ratios

	9M/2019	9M/2018	2018	2017
ROE (%)	-23.82	19.78	-8.90	19.01
ROA (%)	1.07	6.10	2.53	5.55
D/E (x)	8.19	6.93	8.87	7.78
GP Margin (%)	21.06	11.96	8.85	17.10
EBIT Margin (%)	19.82	13.61	7.55	16.97
NP Margin (%)	-5.03	3.65	-2.83	6.07

Business Plan

- The company have an important plan to improve the production process for more efficiency and develop the sales solution by signing OEM Agreement with new potential customer to produce Steel Billet 400,000 MT/year which can fully control the fluctuation of raw material price to turnaround the performance.
- The company continues to expand its renewable energy business by focusing on potential overseas projects for both of existing market and new market which give a worthwhile return.

Investment Highlight

2019	Invest in 3 solar power plant projects, with a total installed capacity of 172.80 MW in Australia
2019	Signing OEM Agreement to produce 400,000 Tons per year of Steel Billets

Risk Factor

- Risks of fluctuations in long steel prices** Long steel prices depend on the demand and supply within the construction industry, consumer demand and domestic and international production abilities. According to this, the company sets the policy to base its production on purchase orders, in order to set selling prices in accordance to its costs of production and the market situation at that time.
- Risk from the efficiency and stability of solar power plants** such as the efficiency of the main equipment, losses in electricity generation or transmission system problems. So the company has monitored the operation of the power plant through Supervisory Control And Data Acquisition system (SCADA) which can be monitored 24 hours a day and can detect and solve problems that occur on time.
- Risk from compliance with laws and regulations** The company has renewable energy business in Thailand and Japan which are governed by laws and regulations that may be modified or changed from the current version. However, the company has made the best effort to ensure that the company operations comply with laws and regulations, especially in Japan, the company hire Japanese legal firm to review and advise on compliance with relevant laws and regulations before investment.

Awards

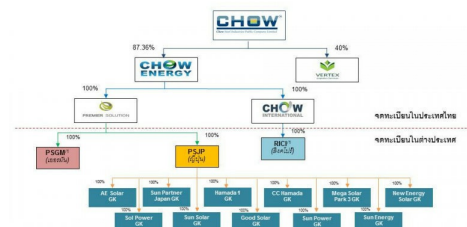
2019	Certified as a member of Private Sector Collective Action Coalition against Corruption (CAC) by Thai Institute of Directors (IOD)
2019	Received Silver Award "Happy PVD Company" by SEC
2019	Received an outstanding award of Thailand Labour Management Excellence Award 2019
2019	Green Mining Award 2019 and CSR-DPIM Continues Award 2019 from Department of Primary Industries and Mines
2018	CSR-DPIM Award 2018 from Department of Primary Industries and Mines
2018	Asia Responsible Entrepreneurship Awards 2018 in Investment in People

Capital Structure

(Unit : MB)

	9M/2019	9M/2018	2018	2017
Current Liabilities	1,440.56	4,796.47	6,097.96	4,798.79
Non-Current Liabilities	9,668.24	10,414.95	11,755.07	11,039.70
Shareholders' Equity	1,180.13	1,503.31	1,324.84	1,419.55

Company Structure



Company Image

