บริษัท ซีเอสพี สตีลเซ็นเตอร์ จำกัด (มหาชน)
CSP STEEL CENTER PUBLIC COMPANY LIMITED

CSP 011/2021

May 17, 2021

Subject : Management Discussion and Analysis for the three-months period ended March 31,2021

To : President
The Stock Exchange of Thailand

CSP Steel Center Public Company Limited would like to clarify the operating results for the three-months period ended March 31,2021. The company had net profit of Baht 155.81 million. The last year's had net loss of Baht 9.44 million results to net profit increased by Baht 165.25 million or 1,750.53% due to the following reasons:

1. Revenue

Total revenue was Baht 853.22 million increase of Baht 166.30 million from the previous year or 24.21% by the following main reasons:

Revenue from sales amount of Baht 853.20 million increased by Baht 166.29 million or 24.21% due to the average selling price of all period increased by 28.11%, caused by the market price of steel has increased steadily while the sales volume decreased by 3.05% when compared to the previous year.

2. Expenses

Total expenses were Baht 692.17 million decrease of Baht 4.17 million from the previous year or 0.60%.

2.1 Cost of goods sold was Baht 654.62 million increased from last year Baht 9.36 million or 1.45% due to the increase of sales, resulting to cost of sales increased in the same direction. Also, there was a reversal of loss for diminishing value of inventories in the amount of Baht 0.52 million because of the increasing in steel prices according to the steel market situations and the costs of inventories are well controlled by the management.

2.2 Administrative expenses amounted to Baht 17.49 Million, increased by Baht 1.93 Million or 12.40% compared to the previous year. The reason is the previous year reversal of doubtful debts was 7.12 Million Baht but this period reversal of doubtful debts of 5.02 Million Baht from accepting debt repayment from debtors who had previously set up an allowance for doubtful accounts in the previous accounting period. Therefore, This period's amount is less than the previous amount in the same period. As a result, administrative expenses are slightly increased.

2.3 Financial costs Baht 7.70 million decreasing of Baht 5.68 million from last year or 42.45% due to the reduction of short-term loans from financial institutions, which the company has borrowed for purchasing goods and raw materials, including working capital of the company. These are in line with the management policy which try to reduce the inventories and raw material hoarding.

Please be informed accordingly,

Yours faithfully

(Mr. WeerasakChaisupat)
Managing Director