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

CSP 019/2021

August 13, 2021

Subject : Management Discussion and Analysis for the three-months period ended June 30,2021

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 June 30,2021. The company had net profit of Baht 88.01 million. The last year's had net profit of Baht 1.69 million results to net profit increased by Baht 86.32 million due to the following reasons:

1. Revenue

Total revenue was Baht 579.18 million increase of Baht 74.89 million from the previous year or 14.85% by the following main reasons:

Revenue from sales amount of Baht 579.17 million increased by Baht 78.61 million or 15.70% due to the average selling price of the period increased by 61.69%, caused by the market price of steel has increased steadily while the sales volume decreased by 28.44% when compared to the previous year due to the situation of the Covid-19 epidemic. As a result, the Samut Prakarn factory has to be closed from April 22, 2021 to May 15, 2021, a total of 20 working days, resulting in a decrease in sales volume.

2. Expenses

Total expenses were Baht 468.15 million decrease of Baht 35.03 million from the previous year or 6.96%.

2.1 Cost of goods sold was Baht 430.83 million decreased from last year Baht 35.78 million or 7.67% due to drop of sales volume. In the second quarter of 2021, the company recorded an allowance for loss from product value reduction in the amount of Baht 0.23 million because the selling price after the end of the period began to decline according to the market conditions.

2.2 Administrative expenses amounted to Baht 23.07 Million, increased by Baht 2.13 Million or 10.17% compared to the previous year. Regarding to an increase in the recognition of doubtful accounts from the previous period. As a result, administrative expenses are slightly increased.

2.3 Financial costs Baht 6.96 million decreasing of Baht 3.92 million from the same period of last year or 36.03% 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