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TMT-CP040/2021

August 13, 2021

Subject: Management Discussion and Analysis for the second quarter of 2021

To: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 3/2021 held on August 13, 2021, approved the financial statements ended June 30, 2021. The Company would like to clarify its operating result in the second quarter with the net profit of Baht 604.66 million, increased by 610.20% compared to the same period last year. The changes in operating result were detailed as follows:

1. Revenue from sales was Baht 5,215.97 million or increased 47.28%. As a rise of the average selling price at 66.21% and the decreasing of sales quantity by 11.31% compared to the same period last year leading by the global and local steel prices uptrend from the recovery of the global economy after the decline of the COVID-19 pandemic, which accelerated the demand of steel consumption globally in constructions and various industries meanwhile, the supply in every level of steel supply chain could not deliver as demand which drive a quick rise of steel price globally. While in this 2nd quarter, a long holidays for Songkran and the quick rise in price diminished the demand to stock made the lower sales quantity this year.
2. The gross profit margin was 18.46%, increased from 6.60% at the same period last year by effective inventory management under the fluctuations of higher steel price, including appropriate sales strategy to all customer segments, which had strengthened the gross profit margin compared to the previous year.
3. Selling expenses increased Baht 6.92 million or 17.39% from the marketing expenses also fuel and transportation costs due to the higher oil price in this quarter. Administrative expenses increased by Bath 76.53 million or 97.40% from the employee's benefit and welfare, allowance for expected credit loss, directors' bonus and consultants' fee compared to the same period last year.
4. Interest expenses increased by Baht 2.08 million or 9.97% compared to the same period last year by the higher proportion of long-term loans also the short-term loan from financial institutions that increased following the growth of its business.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer