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TMT-CP046/2021

November 12, 2021

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

To: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 5/2021 held on November 12, 2021, approved the financial statements ended September 30, 2021. The Company would like to clarify its operating result in the third quarter with the net profit of Baht 341.34 million, increased by 119.03% compared to the same period last year. The changes in operating result were detailed as follows:

1. Revenue from sales was Baht 5,644.29 million or increased by Baht 1,879.17 million (+49.91%), since the average selling price was higher by 73.82% compared to the same period last year, following the domestic steel prices that remained stable at a high level due to a short-term decline in steel supply from China and other countries that tend to reserve their capacity for domestic usage, creating the concern about the adequacy of steel supply in local market. Meanwhile, in the 3rd quarter, the construction sector was affected by COVID-19 outbreak due to the workers' camp and construction sites lockdown as the disease control measures in maximum and strict control zones, leading to a decline in overall steel consumption. As a result, the sales volume decreased by 14.64% compared to the same period last year.
2. Gross profit margin was 10.72%, increased from 9.39% in the same period last year, as a result of an effective inventory management while steel prices were rising, as well as an appropriate sales strategy for all customer segments, which had strengthened the gross profit margin over the previous year.
3. Selling expenses were Baht 44.82 million or increased by Baht 0.24 million (+0.54%) from the marketing expenses. Administrative expenses were Baht 128.59 million, or increased by Baht 19.08 million, (+17.43%) from the employee's benefits and welfare, COVID-19 disease control and prevention expenses, and the allowance for expected credit loss, compared to the same period last year.
4. Interest expenses were Baht 24.22 million or increased by Baht 5.12 million (+26.78%), compared to the same period last year, from the higher short term loan usage and the increasing of long-term loan proportion following the growth of business.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer

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