



ที่ MILL 001/2022

วันที่ 28 February 2022

Subject: Management's Discussion and Analysis of the Year 2021, Ending 31 December 2021.**Attention:** President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited ("the Company") would like to notify the Company's and its affiliates' performance of Year 2021, Ending 31 December 2021, which are verified by auditors approved by the office of SEC, and which are also approved by the Board of Directors of the Company. The details are as follow;

Economics overview

In the year 2021, China Steel industry has limit export and reducing production capacity result in demand of the steel consumption and world's steel price were increased including the Covid-19 outbreak slightly decrease due to most of population received Covid-19 vaccine, and result in production part in industry slightly improve.

According to the Iron Steel institute of Thailand, Thailand steel consumption in the year 2021 was at 18.74 million tons increased by 13.9% from the previous year, long product steel consumption was at 6.47 million tons divided into Bar & HR section was at 3.76 million tons increased by 1.3%, and Wire rod was at 2.34 million tons increased by 4.7% from the previous year, and Flat product steel consumption was at 12.27 million tons increased by 20.7% when compered with the year 2020.

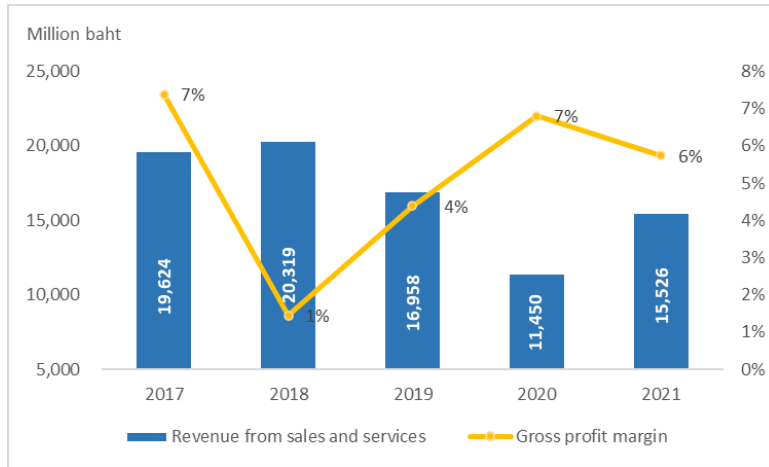
Performance summary of the Year 2021

Performance	2021	2020	YoY	
	Million Baht	Million Baht	+/-Million Baht	%
Total revenues	15,812	11,641	4,171	36
Revenues from sale and services	15,526	11,450	4,076	36
COGs	14,635	10,670	3,965	37
Gross profit	891	780	111	14
SG&A	409	483	- 74	- 15
Financial cost	508	558	- 50	- 9
Net profit	379	- 168	547	325
EBITDA	1,131	940	191	20

Remark *Net profit above does not include the operating results of Kobelco Millcon steel Co., Ltd. ("KMS "), a 50% joint venture with Kobe Steel Limited. which is production and distribution of ordinary grade wire rod and special grade wire rod. At present, the production and distribution of special grade wire rods for the automobile industry



has been completed, and able to resume profitable operations, in the year 2021, KMS had net profit 369 million baht, and if included KMS profit, the Company had net profit of 564 million baht.

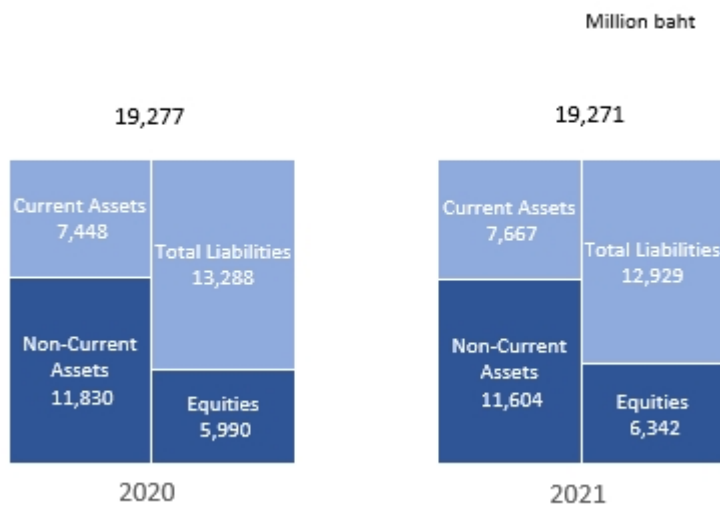


In the year 2021, the Company had the Revenue from sale and services in the amount of 15,526 million baht increased by 36% from the previous year including world steel price due to the average sale price has increased following to world's steel price while raw material increase result in Cost of sales and service were at 14,635 million baht increased by

37% result in the Company had Gross profit 891 million baht increased 14% and had Gross profit margin was at 6%.

Selling, General and Administrative Expense (SG&A) decreased 74 million baht or 15% when compared with previous year from the transportation cost and expenses management of the Company. Financial cost decreased 50 million baht or 9% from the repayment to long-term loan of the Company.

From the reason above, resulted in the Company had net profit in the amount of 379 million baht, increased 325 million baht, and had EBITDA 1,131 million baht increased by 20% when compared with the previous year.



As of 31 December 2021, the Company had total asset in the amount of 19,271 million baht, included current asset in the amount of 7,667 million baht decreased 219 million baht which decreased from trade account receivable 512 million baht from the Company has received payment at due from customers, inventories increased 400 million baht from producing product for customers, and financial assets increased 140 million baht ,

while non-current asset was at 11,604 million baht decreased 226 million baht mainly from disposal of investments in associates.



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

Total liabilities were at 12,929 million baht decreased 359 million baht, long-term loan from the financial institution decreased 341 million baht from repayment to long term loan at due, advance receive for goods decreased 434 million baht from the Company has delivered products to customers

The shareholders' equity as of December 31, 2021, was at 6,342 million baht, increased 353 million baht, which resulted in debt to equity ratio of the Company decreased from the year 2020 which was at 2.22 to 2.04 in the year 2021.

Please be inform accordingly.

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director