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TMT-CP018/2022

May 11, 2022

Subject: Management Discussion and Analysis for the first quarter of 2022

To: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 2/2022 held on May 11, 2022, approved the financial statements ended on March 31, 2022. The Company would like to clarify its operating result in the first quarter with a net profit of Baht 126.94 million, which declined 70.00% compared to the same period last year. The changes in operating results were detailed as follows:

1. Revenue from sales was Baht 6,253.77 million or an increase of Baht 1,148.03 million (+22.49%) since the average selling price was 31.18% higher compared to the same period last year. Due to the higher level of steel prices both global and domestic due to the reduction of China's production and exports by the carbon emission reduction policy and the impact of the COVID-19 epidemic during the first quarter also, the effects of the Russia-Ukraine war. Consequently, supply constraints resulted in a decrease in global steel supplies.
2. Gross profit margin was 5.16%, a decrease from the same period last year at 14.39%, by a drop in sales volume of 6.70% due to a shrink in overall domestic steel consumption. Although the selling price level is higher than the same period last year, due to the direction of the price from the end of last year until the second month of this year slowed down and continued to rise in the third month. Therefore, the spread in the first quarter of this year was narrower compared to the same period last year.
3. Selling expenses were Baht 53.10 million or increased by Baht 3.99 million (+8.12%) from the transportation and fuel cost including marketing expenses compared to the same period last year. Administrative expenses were Baht 106.55 million, or a decrease of Baht 37.76 million, (-26.17%) from the employee's welfare and other expenses by the relief of the COVID-19 impacts, compared to the same period last year.
4. Interest expenses were Baht 26.47 million or increased by Baht 0.31 million (+1.18%), compared to the same period last year, from the higher short-term loan usage and the increase of long-term loan proportion following the growth of the business.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer

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