



ที่ MILL 007/2022

13 May 2022

Subject: Management's Discussion and Analysis of quarter 1, 2022, Ending 31 March 2022.**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 quarter 1, 2022, Ending 31 March 2022, which are interim 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;

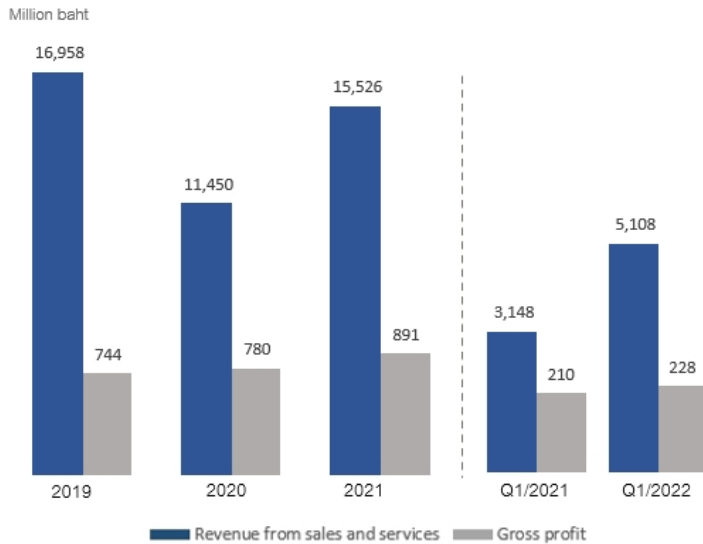
Economics overview

In the first quarter of 2022, the Thai economy improved from the previous quarter. in line with the increase in export value However, the domestic steel industry was affected by the conflict between Russia and Ukraine. which affects the steel supply in the world market causing volatility in raw material prices that tend to rise. In addition, headline inflation rose sharply in line with energy prices and fresh food prices. It also affects higher production costs and cost of living. As a result, private consumption remains uncertain. and the recovery of industrial investment continues to slow down.

From the Iron and Steel Institute of Thailand, Quarter 1 of 2022, Thailand finished steel consumption was at 4.04 million tons decreased by 17.8% when compared with the same previous year, divided into long steel consumption was at 1.57 million tons decreased by 19.7% from the same previous year, the flat steel consumption was at 2.47 million tons decreased by 16.6% when compared with quarter 1 of 2021.

Performance summary in of quarter 1, 2022.

Performance	Q1/2022	Q1/2021	YoY	
	Million Baht	Million Baht	+/- Million Baht	Percentage
Total revenues	5,150	3,194	1,956	61
Revenues from sale and services	5,108	3,148	1,960	62
Cost of sales and services	4,879	2,938	1,941	66
Gross profit	228	210	18	9
SG&A	104	103	1	1
Financial cost	124	131	- 7	- 5
Net Profit*	111	54	57	103
EBITDA	293	241	52	22

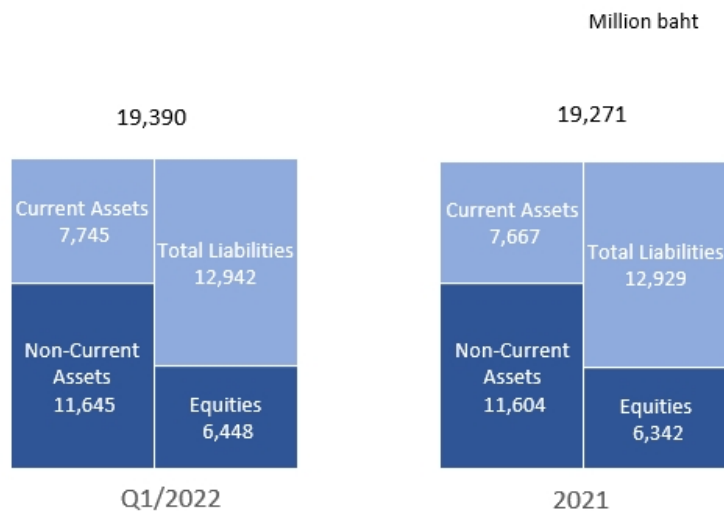


For the quarter 1 of 2022, the Company had the Revenue from sales and services in the amount of 5,108 million baht increased by 62% mostly from the sale volume of Steel bar and Billet and raw material prices has increased result in the Company has opportunity to get more profit, Cost of sales of goods and rendering services were at 4,879 million baht increased by 66% when compared with the same previous year, which increased from raw material price has increased due to

Ukraine and Russia conflict result in the Company had Gross profit 228 million baht increased by 9% from the same previous year.

Financial costs were at 124 million baht decreased by 5% when compared with the same previous year due to long-term loan repayment.

Investment in the associates of the Company start take profit, in quarter 1 of 2022, the Company had Share of profit of associates and joint venture in the amount of 69 million baht increased by 37% as above result in the Company had Net profit 111 million baht increased 57 million baht and EBITDA was at 293 million baht increased by 22% from the same previous year.



As of March 31, 2022, the Company had total asset in the amount of 19,390 million baht which was increased 119 million baht from trade accounts receivable 962 million baht from waiting payment at due, Advance payments for inventories decreased 509 million baht from delivery product to customer at due, Short term loan to related party decreased 394 million baht

Total liabilities of the Company were at 12,942 million baht increased 13 million baht, Short-term loan from financial institute increased 410 million baht, Long-term loans from financial institutions decreased 71 million baht from long-term repayment loan, Trade account payable decreased 182 million baht from payment to raw material, advance received decreased 116 million baht from delivery product to customers.



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

Equity as of March 31, 2022, was at 6,448 million baht increased 106 million baht from the Company performance in the period first 3 months.

Please be inform accordingly.

Yours sincerely,

.....

(Ms. Jureerat Lapanavanich)

Director