

**- Translation -**

Ref: THE 009/2022

May 17,2022

Subject: Management Discussion and Analysis Quarter 3 Ending 31 Mar 2022

To: President

The Stock Exchange of Thailand

CC: Corporate Finance Department

Securities and Exchange Commission

We, The Steel Public Company Limited (the "Company"), hereby submit the financial statements of the company and subsidiaries for the 1<sup>st</sup> quarter ended March 31, 2022, and would like to clarify differences of the operating result for the 1<sup>st</sup> quarter ended March 31,2022 compared with 2021 as follows:

**1. Statement of Comprehensive Income**

Total revenues from sale of the Company and subsidiaries for the 1<sup>st</sup> quarter ended March 31,2022 equaled Baht 3,647.05 million compared with Baht 3,202.78 million for the same period of 2021, revenue increased Baht 444.27 million or 13.87% due to sale quantity reduced around 15.95%, effected from imported raw metal from abroad had been reduced, because transportation system was affected by COVID-19 and war between Russia and Ukraine, resulting raw material was rare but selling price increased around 33.01%, resulting gross profit of this quarter Baht 226.22 million, while gross profit in 1<sup>st</sup> quarter 2021 was only Baht 408.76 million.

Selling and administrative expense of 1<sup>st</sup> quarter 2022 totally Baht 109.93 million compared with Baht 97.93 million for the same quarter of 2021, increased Baht 12.0 million due to annual staff salary adjustment and transportation expense which was increased in line with sale growth. Financial cost was Baht 14.37 million in this quarter compared with Baht 9.74 million of 1<sup>st</sup> quarter, 2021, increased Baht 4.63 million due to interest rates had increased. And there was profit recognition from associated company Baht 22.60 million in this quarter, while profit recognition of Baht 112.59 million in 1<sup>st</sup> quarter of 2021. After deducting all expenses and income tax, the company reported net profit attributable to Parent Company for the 1<sup>st</sup> quarter of 2022 equaled Baht 208.09 million, compared to net profit of Baht 349.41 million for the same quarter of 2021, decreasing of profit Baht 141.32 million or 40.45%.

**2. Statement of Financial Position**

Total Assets of the Company as at March 31, 2022 equaled Baht 6,035.36 million compared with Baht 5,607.34 million as at December 31, 2021, assets increased Baht 428.02 million caused from increasing of inventories around Baht 100 million and receivable around 322 million, resulting from drastically increased of sale. Since there was profit of associated Company in this quarter, caused the value of investment in associated Company also increased around Baht 32 million.

Total liabilities increased from Baht 3,079.67 million as at December 31, 2021 to Baht 3,299.59 million as at March 31,2022, increased Baht 219.92 million due to more purchasing, caused more using of short term loans and account payables. However, there was profit in this quarter, resulting D/E ratio decreased from 1.22 as at December 31, 2021 to 1.21 as at March 31, 2022.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

(Mr.Suroj Jiraphongtrakul)

Director