

## PERMSIN STEEL WORKS PUBLIC COMPANY LIMITED

4,95-96 Moo 6 Rama 2 Rd., Kokkam Muang – Samutsakorn, Samutsakorn 74000 Thailand

Tel: (662) 416-9978-84 Fax : (662) 034 825 078

Email: [contact@permsin.com](mailto:contact@permsin.com)

Date November 10,2022

Subject: Management Discussion and Analysis for the 3<sup>rd</sup> quarter in year 2022 period ended 30 September 2022  
Attention: Director and Manager of the Stock Exchange of Thailand

Permsin Steel Works Public Company Limited (PERM) reports the financial performance for the 3<sup>rd</sup> quarter in year 2022 for the three-month period and the nine-month period.

For the three-month period, the Company has net loss amounted to Baht 415.76 million which is compared with the same period last year shown net loss amounted to Baht 16.48 million For the nine-month period, the Company has net loss amounted to Baht 389.06 million which is compared with the same period last year shown net profit amounted to Baht 390.07 million decreasing of Baht 779.13 million or the rate 199.74 %. It is mainly due to:

Operating results	For the three-month period			For the nine-month period		
	Quarter 3/2022 Million Baht	Quarter 3/2021 Million Baht	Change %	Quarter 3/2022 Million Baht	Quarter 3/2021 Million Baht	Change %
Sales and service income	1,075.23	1,629.16	34.00	4,239.23	4,762.26	10.98
Total revenues	1,077.86	1,631.58	33.94	4,251.78	4,770.98	10.88
Net profit (loss)	(415.76)	(16.48)	2,422.82	(389.06)	390.07	199.74

### Analysis of the operating results

#### Net profit

The Company has net loss for the three-month period ended 30 September 2022 amounted to Baht 415.76 million, which is compared with the same period shown net loss amounted to Baht 16.48 million decreasing of Baht 399.28 million or 2,422.82 %. For the nine-month period, the Company has net loss amounted to Baht 389.06 million decreasing from the same period last year amount to Baht 779.13 million or the rate 199.74 % mainly due to:

#### 1. Revenue

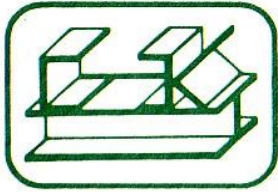
The Company has total revenues in the three-month period for the 3<sup>rd</sup> quarter for year 2022 amounted to Baht

1,077.86 million decreasing of Baht 553.71 million or the rate 33.94 % for the nine- month period shown amount Baht

4,251.78 million when compare the same period last year decrease 519.20million baht or the rate 10.88% because

steel industry recession make the price drop resulting in consumers Slow down to see the situation, the price will be

the lowest, resulting in the purchase of products as necessary



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- 1.1 Cost of sales and services for the three-month period for the 3<sup>rd</sup> quarter in year 2022 amounted to Baht 1,316.40 million decreasing of Baht 98.19 million or 6.90% compared with the same period last year. For the nine-month period, the cost of sales and services amounted to Baht 4,246.57 million increasing of Baht 346.00 million or 8.87 % due to the increase of high cost of product and situation price in the market drop and slow down
- 1.2 In the Q 3 year2022 selling expense and administrative expense amount 76.89million baht increase amount 18.81 million baht or the rate 32.40 % when compare with the same period last year and period 9 months amount 211.92 million baht increase amount 33.17 million baht or the rate 18.56 % when compare with the same period last year due to the company has management administrative expense increase
- 1.3 Exchange loss in the Q3 year 2022 in period 3 months show 93.35million baht decrease amount 50.95 million baht or the rate 35.30 % in period nine-month exchange loss 128.49 million baht decrease amount 63.14 baht or the rate 32.95 due to the company has protect risk by take forward rate when open LC

### 2. Financial cost (Interest Expenses)

Financial cost (Interest Expenses) for the three-month period for the 3<sup>rd</sup> quarter in year 2022 amounted to 23.47million, which is compared with the same period in prior year (Baht 17.53 million), increasing of Baht 5.93 million or 33.80%. For the nine-month period in year 2022, financial cost amounted to Baht 54.34 million, which is compared with the same period in last year (Baht 34.85 million), increasing of Baht 19.49 million or 55.91% because the Company has increase in using of letter of credit and trust receipt for purchasing coil from abroad.

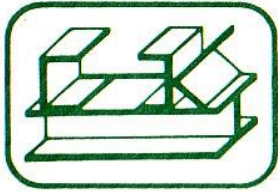
### Analysis of the Financial Position

#### Assets

Company and its subsidiary's asset as follow

Million baht

Assets	30 September 2022	31 December 2021	△ %
Trade Receivables	217.72	148.44	+46.67%
Inventories	2,030.59	2,511.92	-19.16%
Property, Plant and Equipment	2,119.44	1,863.98	+13.71%
Others	357.17	249.82	+42.97%
<b>Total Assets</b>	<b>4,725.35</b>	<b>4,774.16</b>	<b>-1.02%</b>



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As at 30 September 2022, the Company has total assets amounted to 4,725.35 million decreasing of Baht 48.81million, when compared with the end of year 2021 The decrease in inventories.

For the 3<sup>rd</sup> quarter in year 2022, the inventories, amounted to Baht 2,030.59 million, is decreased of Baht 481.33 million or 19.16%, which is compared with the end of year 2021 because the Company has sale inventories for control amount for balance

Property, plant and equipment-net amounted to Baht 2,119.44 million increasing of Baht 255.46million or the rate 13.71% mainly due to machine and budling in subsidiaries company

### Liabilities and shareholders' Equity

Liabilities and shareholders can be summarized as follows

Million baht

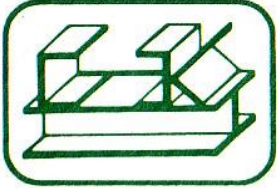
Liabilities and shareholders' Equity	30 September 2022	31 December 2021	$\triangle$ %
Bank overdraft and short term loans from financial institutions	2,448.37	2,152.00	+13.77%
Trade payable	407.52	421.03	-3.21%
Long Term – Loans	552.87	389.61	+41.90%
Other Liabilities	86.89	151.58	-42.68%
Shareholders 'Equity	1,229.70	1,659.94	-25.92%
Total liabilities and shareholder's Equity	4,725.35	4,774.16	-1.02%

As at 30 September 2022, the Company has liabilities amounted to Baht 3,495.65 million increasing of Baht 381.43 million or 12.25% because the Company has increased the purchase of coil from abroad by using letter of credit and trust receipt. While the Company used credit short term loan.

Trade payable as at 30 September 2022, the Company has trade payable amounted to Baht 407.52million decreasing of Baht 13.52 million or 3.21% because the Company import the goods.

### Shareholders' equity

Shareholders' equity as at 30 September 2022 amounted to Baht 1,229.70 million decreasing of Baht 430.24 million or 25.92 %, which is compared with the end of year 2021, due to net loss for this period.



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Thus, the above are main reasons for the 20% significant change in the operation results for the 3<sup>rd</sup> quarter year 2022 compared with the same period in the last year.

Please be informed accordingly

Sincerely Yours,

A handwritten signature in black ink, appearing to be 'Chukiat Yongvongpaibul', written in a cursive style.

(Mr. Chukiat Yongvongpaibul)

Director