



CSP 012/2022

November 14, 2022

Subject : Management Discussion and Analysis for the three-months period ended September 30, 2022

To : President
The Stock Exchange of Thailand

CSP Steel Center Public Company Limited would like to clarify the operating results for the three-months period ended September 30, 2022. The company had net loss of Baht 91.69 million. The last year's had net profit of Baht 127.97 million results to net profit decreased by Baht 219.66 million due to the following reasons:

1. Revenue

Total revenue was Baht 713.77 million decrease of Baht 113.82 million from the previous year or 13.75% by the following main reasons:

Revenue from sales amount of Baht 713.72 million decreased by Baht 113.24 million or 13.69% due to the average selling price of the period decreased by 4.86%, caused by the market price of steel has decreased steadily and sales volume decreased by 9.28% when compared to the previous year. The lower sales volume were in view of the domestic demand during the rainy season and flooding. Including uncertainty from global economic issues. The conflict between Russia and Ukraine remains tense. As a result, industrial demand, including the production and consumption of steel products, slowed down. The domestic steel industry is also affected by the aforementioned problems. As a result, the company has reduced sales.

2. Expenses

Total expenses were Baht 828.12 million increase of Baht 161.29 million from the previous year or 24.19%. The main reasons were:

2.1 Cost of goods sold was Baht 772.53 million increased from last year Baht 150.46 million or 24.19% due to company raw material cost and cost of power remains high. In the third quarter of 2022, the company recorded an allowance for loss from product value reduction in the amount of Baht 46.22 million because the selling price after the end of the period declined according to the market conditions.



บริษัท ซีเอสพี สตีลเซ็นเตอร์ จำกัด (มหาชน)
CSP STEEL CENTER PUBLIC COMPANY LIMITED

- 2.2 Administrative expenses amounted to Baht 21.40 Million, decreased by Baht 1.94 Million or 8.31% compared to the previous year due to the consultation fee reduction and an allowance for doubtful accounts receivable decreased. As a result, administrative expenses are decreased.
- 2.3 Loss on foreign exchange in the amount of Baht 16.82 million increasing of Baht 8.43 million from the same period of last year or 100.51% which was an unrealized foreign exchange gain of 16.67 million baht, and was a realized foreign exchange loss of 0.15 million baht. As a result of the baht depreciated from the third quarter of 2021.
- 2.4 Financial costs Baht 11.11 million increasing of Baht 3.49 million from the same period of last year or 45.85% due to increasing of short-term loans from financial institutions, which the company has borrowed for purchasing goods and raw materials, including working capital of the company.

Please be informed accordingly,

Yours faithfully

(Mr. Weerasak Chaisupat)
Managing Director