



ที่ MILL 010/2022

14 November 2022

Subject: Management's Discussion and Analysis of Quarter 3, 2022, ending 30 September 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 3, 2022, ending 30 September 2022, which are interim by auditors and approved by the Board of Directors of the Company. The details are as follows;

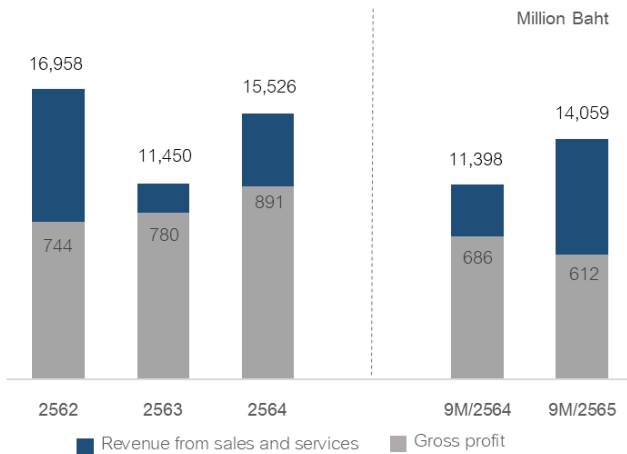
Economics overview

In the third quarter of 2022, the Thai economy improved from the previous quarter due to an increase in private consumption and private investment and consistency in industrial production. However, the steel industry in Thailand was affected from concerns about the global economic situation arising from the protracted conflict between Russia and Ukraine, resulting in a decline in China's domestic consumption, and increased costs of energy and natural gas. As a result, the inflation rate was higher, affecting the raw material prices and a corresponding increase in the production costs, followed by buyer's delayed purchases, waiting for price assessment. Following the increase, which eventually led to a drop in the demand of various downstream industries.

According to the Iron and Steel Institute of Thailand, during the third quarter of 2022, Thailand Finished Steel Consumption was at 3.9 million tons which was a decrease of 9.6% as compared with quarter 3 of 2021, long steel consumption was at 1.44 million tons which was an increase by 10.2% as compared with the same quarter of previous year, and consumption of flat steel was 2.47 million tons which was a decrease of 18.2% as compared to the same quarter of previous year.

Performance summary in of quarter 3, 2022.

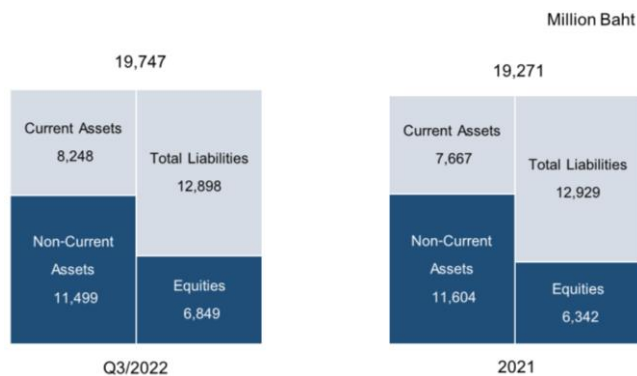
Performance	Q3/2022	Q3/2021	YoY	
	Million Baht	Million Baht	+/-Million Baht	%
Total revenues	4,251	3,362	888	26.4
Revenues from sale and services	4,130	3,216	914	28.4
COGs	3,997	2,995	1,001	33.4
Gross profit	133	221	- 87	-39.5
SG&A	123	96	27	28.2
Financial cost	139	124	15	12.4
Net profit	22	227	- 205	- 90.2
EBITDA	212	413	- 201	- 48.7



For quarter 3 of 2022, the Company had Revenue from sales and services in the amount of 4,130 million baht which was an increase of 28.4% as compared with the same quarter of previous year, mainly due to a rise in the sales of Billet that increased by 100%, as compared to the same quarter of previous year, which is in the same direction as the increasing consumption of long steel in Thailand. Otherwise, the Company had Gross profit in quarter 3 of 2022 which was at 133 million baht, For 9-month period of 2022, the Company had Revenue from sale and service and Net profit was at 14,059 million baht and 612 million baht respectively.

Cost of sales and services were at 3,997 million baht which was an increase of 33.4 % compared with the same quarter of previous year, which is in the same direction as the increase in sales and increase in the production costs which was caused by the rising inflation as above mentioned.

Finance costs were at 139 million baht, which was an increase by 12.4% compared with the same quarter of previous year, due to usage of working capital for business operations, according to the quantity of products from sales that increased. the Company's Net profit was at 22 million baht and EBITDA was at 212 million baht, a 48.7% decrease from the same quarter of previous year.



As of September 30, 2022, the Company has total assets in the amount of 19,747 million baht, an increase of 476 million baht, mainly due to an increase in trade accounts receivable of 1,748 million baht from awaited payments due and decrease in advance payments for products of 965 million baht.

Total liabilities of the Company were at 12,898 million baht, with short-term loans from financial institutions increased by 355 million baht to be used as working capital in the Company. Meanwhile, long-term borrowings from financial institutions decreased by 213 million baht due to the company's repayment of long-term loans as scheduled.

Equity as of September 30, 2022, was at 6,849 million baht, which was an increase 507 million baht from the operating results and mainly due to the approval in quarter 3 of 2022 for allocation of the Company's newly issued ordinary shares to specific investors (PP), which not more than 462 million shares, valued at 0.40 baht per share.



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

Please be informed accordingly.

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director