



MILL 002/2023

28 February 2023

Subject: Management's Discussion and Analysis of the Year 2022, Ending 31 December 2022.

Attention: President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited ("the Company") and its subsidiaries would like to notify the performance the Year 2022, Ending 31 December 2022, which are interim by auditors and approved by the Board of Directors of the Company. The details are as follows;

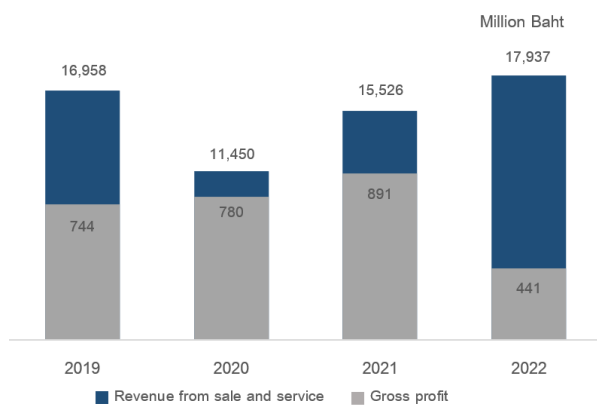
Economics overview

In 2022, the steel industry in Thailand has been affected by concerns about the global economic situation caused due to the conflict between Russia and Ukraine, leading to trade sanctions and a protracted energy crisis. Furthermore, the slowdown in the Chinese economy has contributed to a decrease in Chinese steel supply due to the Zero COVID measures, rising energy and natural gas costs, resulting in higher inflation, increase in raw material prices and production costs to the point of economic slowdown, causing demand in various fields, including the industrial sector that uses steel to slow down as well, affecting both consumption and production of steel industry in Thailand.

According to the Iron and Steel Institute of Thailand, in 2022, Thailand had a total finished steel consumption of 16.39 million tons, which was a decrease of 12.21 percent as compared with the previous year. The main reason was a decrease in flat steel consumption at 10.22 million tons or 16.00 percent and a decrease in long steel consumption at 6.17 million tons or 5.12 percent.

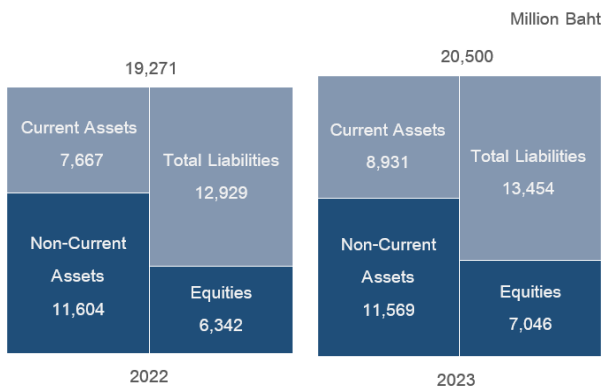
Performance summary of the year 2022.

Performance	2022	2021	YoY	
	Million Baht	Million Baht	+/-Million Baht	%
Total revenues	18,629	15,812	2,817	17.81
Revenues from sale and services	17,937	15,526	2,411	15.52
COGs	17,496	14,636	2,860	19.55
Gross profit	441	891	(450)	(50.54)
SG&A	505	409	96	23.56
Financial cost	530	508	22	4.24
Net profit	159	379	(220)	(58.06)
EBITDA	909	1,131	(222)	(19.61)



In 2022, the Company had sales of steel products at 847,421 tons which was an increase of 87,606 tons from the previous year or 11.53 percent, resulting in the sales and service income of the Company at 17,937 million baht, which was an increase of 15.52 percent from 15,526 million baht in 2021, This was due to an increase in average selling prices in line with steel prices in the world market, along with an increase in raw material prices and production costs.

Cost of sales and services in 2022 were at 17,496 million baht which was an increase of 19.55 percent as compared with the previous year. The Company has a gross profit for the year 2022 at 441 million baht, a decrease of 450 million baht from the previous year or 50.54 percent. The selling and administrative expenses were at 488 million baht which was an increase of 23.56 percent from the previous year. This was due to an increase in employee benefits, including advertising and public relations expenses. The finance cost was at 530 million baht, close to the finance cost in 2021 which was an increase of 4.24 percent compared with the previous year. As a result, the company's net profit was 159 million baht and EBITDA was 909 million baht which was an increase of 19.61 percent from the previous year.



As of December 31, 2022, the Company had total assets in the amount of 20,500 million baht, an increase of 1,229 million baht from the same period of previous year, mainly due to an increase in trade receivables of 2,128 million baht from awaiting the payments due for goods. In this regard, the increase in trade accounts receivable is in line with the increase in revenue from sales and services while advance payments for goods decreased by 720 million baht.

Total liabilities of the Company as of 31 December 2022 were at 13,454 million baht which was an increase of 525 million baht from the year 2021, the issuance and offering of debentures of a subsidiary by receiving money in the amount of 400 million baht and an increase in trade payables of 112 million baht.

Equity of the Company as of December 31, 2022 were at 7,046 million baht which was an increase of 704 million baht from the full year performance of 2022, including the allocation of newly issued ordinary shares to specific investors (PP) in the amount of not more than 462 million shares at a par value of 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