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TMT-CP023/2023

November 10, 2023

Subject: Management Discussion and Analysis for the third quarter of 2023

To: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 6/2023, dated November 10, 2023, has approved the financial statements for the third quarter ended September 30, 2023. In this regard, the Company and its subsidiary would like to clarify a significant change in operating results in the third quarter with a net profit of 80.44 million baht, an increase of 194.50% compared to the third quarter of last year with a net loss of 85.12 million baht. The reasons for this significant change, when analyzed in comparison with the same period last year, are as follows:

1. The revenue from sales was 5,096.30 million baht, a decrease of 335.47 million baht (-6.18%). Despite an increase in sales volume by 7.01%, the average selling price decreased by 12.35% compared to the same period last year. This was influenced by declining steel prices in both the domestic and global markets, as well as a slowdown in steel demand within China from the real estate and production sectors. Consequently, this led to an increase in inventory levels and surplus products being exported to other countries, while the demand for steel consumption remained sluggish.
2. The gross profit margin was 6.25%, increased from 0.73% last year, as the selling price has recovered in this quarter. In addition, effective production cost management, efficient inventory management, also variety and availability of steel products contributed to the rise in gross profit margins for this quarter.
3. The selling expenses of 55.69 million baht, 2 million baht increased (+3.73%) from the transportation expenses and fuel prices in accordance with the higher sales quantity. Administrative expenses of 137.33 million baht, 53.73 million baht increased (+64.27%), from employee expenses resulting from the previous year's net loss which caused various expenses to be reduced. Meanwhile this year the operating results were normal, therefore there was a difference in expenses that increased from the previous year, including maintenance costs, office supply expenses and other expenses.

บริษัท ทีเอ็มที สตีล จำกัด (มหาชน) TMT STEEL PUBLIC COMPANY LIMITED

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4. The interest expenses of 44.53 million baht, 14.73 million baht increase (+49.41%), from the higher interest rate following the amount of credit usage to support the growth of the business.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer

Remark: The information used for the preparation of the management's discussion and analysis for the third quarter ended September 30, 2023. The comparative information in 2022 is the interim separate financial statements. Since the company started investing in subsidiaries on March 16, 2023, the company has started preparing consolidated financial statements since the first quarter ended March 31, 2023.