

PERMSIN STEEL WORKS PUBLIC COMPANY LIMITED

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

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Date November 09,2023

Subject: Management Discussion and Analysis for the 3rd quarter in year 2023 period ended 30 September 2023
Attention: Director and Manager of the Stock Exchange of Thailand

Permsin Steel Works Public Company Limited (PERM) reports the financial performance for the 3rd quarter in year 2023 for the three-month period and the nine-month period.

For the three-month period, the Company has net loss amounted to Baht 89.29 million which is compared with the same period last year shown net loss amounted to Baht 415.76 million for the nine-month period, the Company has net loss amounted to Baht 261.26 million which is compared with the same period last year shown net loss amounted to Baht 398.06 million decreasing of Baht 127.80 million or the rate 32.85 %. It is mainly due to:

Operating results	For the three-month period			For the nine-month period		
	Quarter 3/2023 Million Baht	Quarter 3/2022 Million Baht	Change %	Quarter 3/2023 Million Baht	Quarter 3/2022 Million Baht	Change %
Sales and service income	943.23	1,075.23	12.30	2,830.22	4,239.23	33.24
Total revenues	946.22	1,077.86	12.20	2,837.05	4,251.78	33.27
Net profit (loss)	(89.27)	(415.76)	78.50	(261.26)	(389.06)	32.85

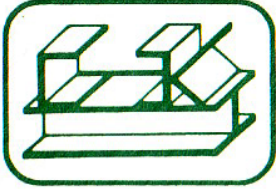
Analysis of the operating results

Net profit

The Company has net loss for the three-month period ended 30 September 2023 amounted to Baht 89.26million, which is compared with the same period shown net loss amounted to Baht 415.76 million decreasing of Baht 326.49million or 78.50%. For the nine-month period, the Company has net profit amounted to Baht 261.26 million decreasing from the same period last year amount to Baht 127.80million or the rate 32.85% mainly due to:

1. Revenue

The Company has total revenues in the three-month period for the 3rd quarter for year 2023 amounted to Baht 946.22 million decreasing of Baht 131.99 million or the rate 12.21% for the nine- month period shown amount Baht 2,837.05 million when compare the same period last year decrease 1)414.73 million baht or the rate 33.27 Due to the fluctuation of prices in the steel industry, prices decreased. Customers are delaying orders. To wait to see the purchase price only as needed. It will cause sales to decrease.



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2. Expenses

2.1 Cost of sales and services for the three-month period for the 3rd quarter in year 2023 amounted to Baht 916.53 million decreasing of Baht 399.88 million or 30.40% compared with the same period last year. For the nine-month period, the cost of sales and services amounted to Baht 2,718.13million decreasing of Baht 1,528.44 million or 35.99 % due to the decrease of variable cost in the same direction of decrease in sales.

2.2 In the quare 3 year2023 selling expense and administrative expense amount 73.97 million baht decrease amount 2.92 million baht or the rate 3.80 % when compare with the same period last year and period 9 months amount 236.03 million baht increase amount 24.11million baht or the rate 11.38 % when compare with the same period last year due to the company has management administrative expense increase

2.3 Exchange loss in the Q3 year 2023 in period 3 months show 5.27 million baht decrease amount 88.08 million baht or the rate 94.40 % in period nine-month exchange loss 33.03 million baht decrease amount 95.47 million bath or the rate 74.30 due to the company has fix forward protect risk for exchange rate

3 Financial cost (Interest Expenses)

Financial cost (Interest Expenses) for the three-month period for the 3rd quarter in year 2023 amounted to 40.07 million, which is compared with the same period last year Baht 23.46 million), increasing of Baht 16.61 million or 70.80%. For the nine-month period in year 2023, financial cost amounted to Baht 102.25 million, which is compared with the same period in last year (Baht 54.34 million), increasing of Baht 47.91 million or 88.18% because the Company has increase in using of letter of credit and trust receipt for purchasing coil from abroad.

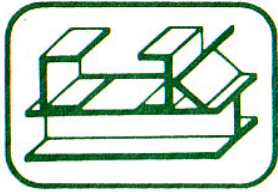
Analysis of the Financial Position

Assets

Company and its subsidiary's asset as follow

Million baht

Assets	30 September 2023	31 December 2022	△ %
Trade Receivables	100.49	143.06	-29.76%
Inventories	1,756.04	1,490.87	+17.79%
Property, Plant and Equipment	2,277.67	2,209.00	+3.11%
Others	288.77	491.35	-41.23%
Total Assets	4,422.97	4,335.28	+2.02%



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As at 30 September 2023, the Company has total assets amounted to 4,422.97 million increasing of Baht 87.69 million, which is compared with the end of year 2022 The increase in total assets is resulted from the increase in inventories property plant and equipment

For the 3rd quarter in year 2023, the inventories, amounted to Baht 1,756.04 million, is increased of Baht 265.18 million or 17.79%, which is compared with the end of year 2022 because the Company has contact for purchasing in advance and the purchasing arrival at end of period.

Property, plant and equipment-net amounted to Baht 2,277.68 million increasing of Baht 68.67 million or 3.11% mainly due to machine and budling in subsidiaries company

Liabilities and shareholders' Equity

Liabilities and shareholders can be summarized as follows

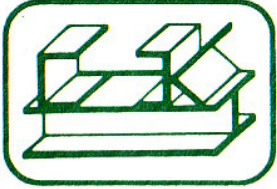
Liabilities and shareholders' Equity	30 September 2023	31 December 2022	Million baht
			△ %
Bank overdraft and short-term loans from financial institutions	2,564.81	2,175.93	+17.87%
Trade payable	303.09	297.53	+1.87 %
Long Term – Loans	552.38	591.12	-6.55 %
Other Liabilities	106.79	113.55	-5.95 %
Shareholders 'Equity	895.89	1,157.15	-22.58 %
Total liabilities and shareholder's Equity	4,422.97	4,335.28	+2.02 %

As at 30 September 2023, the Company has liabilities amounted to Baht 3,527.07 million increasing of Baht 348.95million or 10.98% 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 lone

Trade payable as at 30 September 2023, the Company has trade payable amounted to Baht 282.29 million decreasing of Baht 66.60 million or 19.09% because the Company import the goods.

Shareholders' equity

Shareholders' equity as at 30 September 2022 amounted to Baht 895.89million decreasing of Baht 261.26million or 22.58%, which is compared with the end of year 2022, 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 3rd quarter year 2023 compared with the same period in the last year.

Please be informed accordingly

Sincerely Yours,

(Mr. Chukiat Yongvongpaibul)

Director