



MILL 013/2566

14 November 2023

Subject: Management's Discussion and Analysis of Quarter 3, ending 30 September 2023

Attention: President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited ("the Company") and its subsidiaries would like to notify the Company's and its affiliates' performance of quarter 3, 2023, ending 30 September 2023, which are interim by auditors and approved by the Board of Directors of the Company, the details are as follows;

Economics overview

During the third quarter of 2023, the Thai economy expanded from the previous quarter following improved private consumption and service sectors in line with the number of Thai and foreign tourists. However, private investment decreased from the machinery and equipment category after accelerating previously, coupled with government spending contracting from both current and capital expenditures.

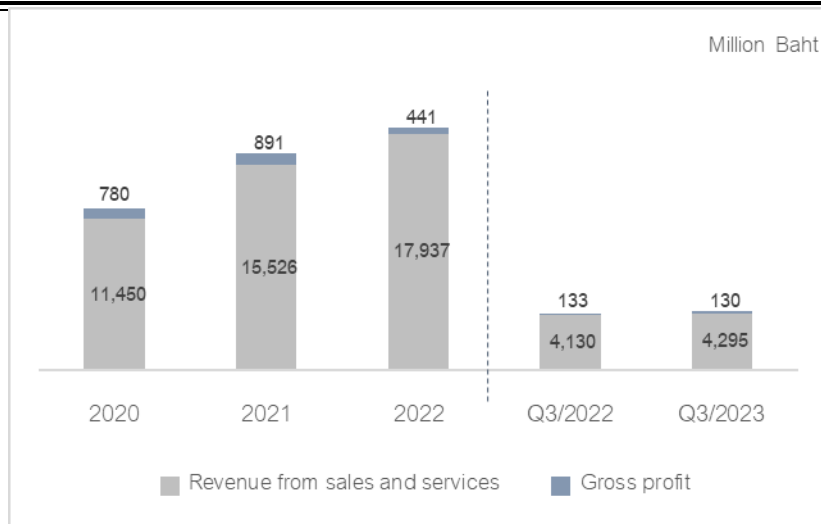
The overall real estate market was stable from the previous quarter following demand for housing in Bangkok and surrounding areas. Meanwhile, demand from abroad has slowed down somewhat. This is reflected in the decreasing value of foreign money transfers. This is consistent with housing supply decreasing from the previous quarter.

According to the Iron and Steel Institute of Thailand, in the third quarter of 2023, Thailand had a total consumption of finished steel products of 4.04 million tons, expanding 3.6 percent from the same period last year.

Performance summary in the third quarter of 2023.

Performance	Q3/2023	Q3/2022	YoY	
	Million Baht	Million Baht	+/-Million Baht	%
Total revenues	4,327	4,251	76	1.79
Revenues from sale and services	4,295	4,130	165	3.98
COGS	4,165	3,997	168	4.20
Gross profit	130	133	-3	-2.61
SG&A	107	123	-16	-13.16
Financial cost	-179	-139	-40	28.93
Net profit*	-201*	22	-223	-1,013.13
EBITDA*	32*	212	-179	-85

*Net operating profit was -88 million baht and operating EBITDA was 145 million baht.



For the third quarter of 2023, the company had sales and service income of 4,295 million baht, an increase of 3.98 percent compared to the same period last year due to the economic recovery after the COVID-19 situation last year. The cost of sales and services was 4,165 million baht, an increase of 4.20 percent, higher than the rate of increase in income. As a result, the company's gross profit in the third quarter of 2023 was 130 million baht, similar to the same period last year.

Selling and administrative expenses were at 107 million baht, a decrease of 16 million baht from better expense management. Financial costs were at 179 million baht, an increase of 29 percent, mainly from market interest rates that have continued to increase since the end of last year. In the third quarter of 2023, the company had special expenses in the amount of 113 million baht, divided into losses from fair value measurement of financial assets in the amount of 69 million baht and expenses resulting from the shutdown of production in the amount of 44 million baht. Resulting in the company having a net loss of 200 million baht and EBITDA of 32 million baht, while net loss from operations was 88 million baht and EBITDA from operations was 145 million baht.



As of September 30, 2023, the company's total assets were 20,772 million baht, an increase of 272 million baht. The main reason was a decrease in inventories of 611 million baht. Advance payments for goods increased by 957 million baht due to the sale of products and orders for raw materials. to produce additional products for sale Loans to related businesses decreased by 282 million baht, mainly due to debt repayment from associated



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MILLCON STEEL PUBLIC COMPANY LIMITED

companies and other receivables decreased by 41 million baht, while trade receivables decreased by 253 million baht from debt repayment from debtors.

Total liabilities decreased by 231 million baht compared to 31 December 2022, due to trade payables decreasing by 277 million baht from payment for goods and advances received for goods decreased by 363 million baht due to the delivery of goods to customers. Meanwhile, long-term loans from financial institutions increased by 97 million baht because the company received loans to support operations of associated companies from banks. The shareholders' equity of the company as of September 30, 2023 was at 7,549 million baht, an increase of 503 million baht as a result of an increase in the interests of non-controlling shareholders of subsidiaries of 281 million baht and an issuance of new shares in September 2023

Please be informed accordingly.

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director