



MILL 004/2024

14 February 2023

Subject: Management's Discussion and Analysis of Year 2023, ending 31 December 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 year 2023, ending 31 December 2023, which are interim by auditors and approved by the Board of Directors of the Company, the details are as follows;

Economics overview

In the year 2023, The overall Thai economy expanded at a slower pace. This was in line with tourism sector income and export values that decelerated due to a slow recovery in world demand. and partly from structural factors that hold back the recovery of the industrial production export sector. and tourism sector. As a result, industrial production indicators and private investment is also in a slower direction. Government spending shrank due to capital expenditures of both the central government and state enterprises. However, private consumption indicators and the service sector continued to expand and were important driving forces of the Thai economy. The overall real estate market was stable from the previous quarter in line with 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.

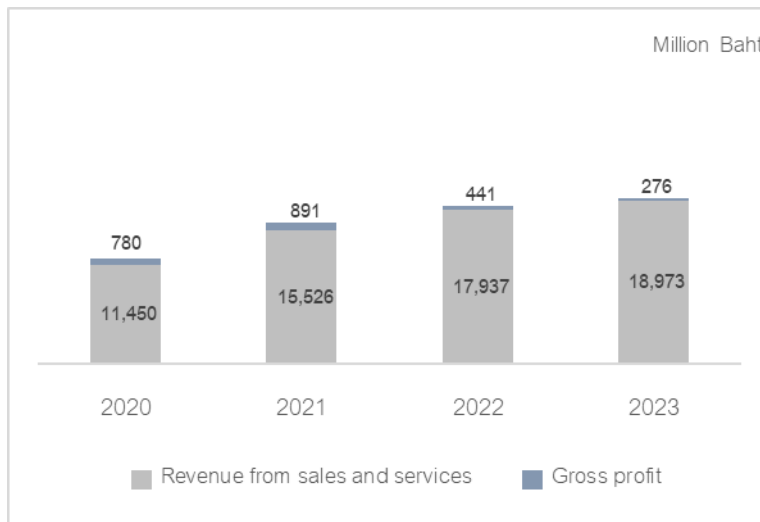
According to the Iron and Steel Institute of Thailand, in the 4th quarter of 2023, Thailand had a total consumption of finished steel products of 3.78 million tons, expanding 1.8 percent from the same period last year.

Performance summary in the year 2023.

Performance	2023	2022	YoY	
	Million Baht	Million Baht	+/- Million Baht	%
Total revenues	19,149	18,629	520	2.79
Revenues from sale and services	18,973	17,937	1,036	5.78
COGS	18,696	17,496	1,200	6.86
Gross profit	276	441	-164	-37.32
SG&A	437	488	-51	-10
Financial cost	-676	-530	-146	28
Net profit	-953	159	-1112	-700
EBITDA	-74	909	-877	-96



In the year 2023, the company had sales from steel products totaling 966,857 tons, an increase of 119,436 tons from the previous year. or equivalent to 14.09 percent. The company's income from sales and services was 18,973 million baht, an increase of 5.78 percent compared to the same period last year. The cost of sales and services was 18,696 million baht, an increase of 6.86 percent, higher than the rate of increase in income. As a result, the company's gross profit for 2023 is at 276 million baht, a decrease of 37.32 percent from the previous year.



Selling and administrative expenses were at 437 million baht, a decrease of 51 million baht from better expense management. Finance costs were at 676 million baht, an increase of 28 percent, mainly from market interest rates that have continued to increase since the end of 2022. In 2023, the company had special expenses incurred in the amount of 692 million baht, divided into expenses resulting from stopping production in the amount of 152 million baht, allowance for expected credit losses of 193 million baht, from impairment assets costs of 311 million baht and others 36 million baht resulted in a net loss of 953 million baht and EBITDA of -74 million baht, while net loss from operations was 261 million baht and EBITDA from Operations are at 618 million baht.



At the end of 2023, the company had total assets of 20,945 million baht, an increase of 450 million baht, coming from current assets of 13,736 million baht, an increase of 185 million baht. The main cause was an increase in trade receivables of 1,502 million baht from increased sales. Meanwhile, advance payments for goods decreased by 619 million baht from the request for raw materials to be used in product production. Inventories decreased by 146 million baht. This is because some spare parts have been transferred to machinery in the non-current asset category. Loans to related businesses decreased by 280 million baht, mainly due to debt repayment from associated companies. Non-current assets increased by 265 million baht due to the transfer of spare parts in the amount of 287 million baht from inventory items to machinery items.

Total liabilities were at 14,130 million baht, an increase of 676 million baht compared to 2022, resulting from short-term loans from financial institutions increasing by 1,368 million baht from credit lines drawn from financial institutions to support working capital from increased sales. Trade payables decreased by 502 million baht from payments for raw materials. Advances received for goods decreased by 481 million baht from the delivery of goods to customers. Shareholders' equity was 6,820 million baht, a decrease of 494 million baht from operating losses in 2023, while non-controlling shareholders' equity of subsidiaries increased by 267 million baht.

Please be informed accordingly.

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director