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TMT-CP 023/2019

August 8, 2019

Subject : Management Discussion and Analysis for the second quarter of 2019

To : President  
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 3/2019 held on August 8, 2019, approved the interim financial information ended June 30, 2019. The Company's second quarter's net profit was Baht 107.63 million, decreased by 11.16% compared to the same period last year. The changes in operating result were as follows:

1. Revenue from sales was Baht 4,155.80 million, decreased by 2.83% compared to the same period last year. This decreasing resulted from decreasing in selling quantity of 1.21% and the average selling price of 1.54% compared to the same period last year; resulting from domestic and global market steel price decline from excess supply in the market and ending safeguard measure on imported hot rolled alloyed steel products.
2. Gross profit margin was 7.12% compared to the same period last year at 5.80%, resulted from an effective Company's inventory management which could secure supply for sales whilst the price still fluctuated and the market price increased from the previous quarter. Although the competition was quite high in the market, the Company could improve the gross profit margin when compare to the same period last year.
3. Selling expenses decreased Baht 0.39 million or 0.79%, mainly from decreasing of transportation and marketing expenses according to the sales volume. Administrative expenses increased Baht 16.61 million or 20.63%; resulting from the employee benefit expenses - retirement and personnel expenses according to the new accounting standards.
4. Interest expenses increased Baht 2.24 million or 8.28%; resulted from the higher average interest rate in the money market when compared with the same period last year.

Please be informed accordingly.

Yours sincerely,

*-Signed-*

(Mr. Paisal Tarasansombat)

Chief Executive Officer