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TMT-CP014/2023

May 12, 2023

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

To: President

The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 2/2023 held on May 12, 2023, approved the Financial Statement that ended on March 31, 2023. The Company and its subsidiary would like to clarify its operating result in the first quarter with a net profit of 204.75 million baht, an increase of 61.30% compared to the same period last year. The changes in operating results were detailed as follows:

1. Sales revenue was 5,465.56 million baht, a decrease of 788.21 million baht (-12.60%), because of a 13.33% decrease in average selling price compared to the same period last year, from the weakening of global and domestic steel price. The price of iron ore and steel products generally decreased due to the accumulated re-stocking demand in preparation for the opening of China and other countries after the easing of the COVID-19 measures were higher than the actual usage demand. In addition, China's economic stimulus policy is still delayed and has not implemented as well as the ongoing inflation and geopolitical conflicts are causing concerns about steel demand that may slow down, which effect to weaken steel price compared to the previous year. However, the price trend in Q1 this year has recovered higher than in Q4 last year.
2. Gross profit margin was 8.62%, an increase from the same period last year which was 5.16%, from a higher sales volume of 0.80% compared to the same period last year. Also, efficient inventory management of the company upholds the inventory costs to move in line with the market cost better than last year.
3. Selling expenses totaled 58.57 million baht or an increase of 5.47 million baht (+10.30%) due to an increase in transportation and fuel cost compared to the same period last year. Administrative expenses totaled 145.77 million baht or an increase of 39.23 million baht (+36.82%) compared to the same period last year from an increase in employee expenses, office expenses and maintenance.
4. Interest expenses totaled 35.94 million baht or an increase of 9.47 million baht (+35.79%), compared to the same period last year, from the higher loan usage following the growth of business and the higher interest rates.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer