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TMT-CP012/2025

May 9, 2025

Subject: Management Discussion and Analysis for the first quarter of 2025

To: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 2/2025 held on May 9, 2025, approved the Financial Statement ending March 31, 2025. The Company and its subsidiary would like to clarify the operating result in the first quarter, with a net profit of 59.68 million baht, a decrease of 27.76% compared to the first quarter of 2024. The changes in operating results compared to the same period last year were detailed as follows:

Sales Revenue

Sales revenue totaled 4,516.52 million baht, a decrease of 486.30 million baht (-9.72%) due to a 14.52% decline in average selling prices. This decrease is attributed to the ongoing challenges faced by the global steel industry in the first quarter of 2025, stemming from persistent macroeconomic deceleration. In particular, the trade tensions between the United States and China have impacted investor confidence and global economic activity. This situation has led to a slowdown in steel demand across several regions, resulting in a decline in steel prices. Furthermore, China, a major global steel producer and exporter, encountered persistent challenges within its domestic real estate sector. This ongoing situation has resulted in the continued release of surplus steel into the global market at lower prices. Consequently, Thai steel producers are facing significant price pressure from lower-cost imported steel, leading to a softening of domestic selling prices during the first quarter of the year.

Gross Profit

The gross profit margin was 6.74%, an increase from 6.30% in the same period last year. This was driven by a 5.61% rise in sales volume as domestic steel consumption expanded during the first quarter from governmental construction and infrastructure projects. Furthermore, effective inventory management enabled the company to maintain its market share and expand its customer base. This was facilitated by the comprehensive range of products, services, and solutions, encompassing quality, product diversity, sufficient inventory, and timely delivery. These factors contribute to the stability and continuity of our customers' business operations.

Expenses

Selling expenses amounted to 59.93 million baht, an increase of 3.26 million baht (+5.75%), corresponding to the rise in sales volume, from the increase in marketing expenses, transportation, and fuel.

Administrative expenses totaled 154.67 million baht, an increase of 18.79 million baht (+13.83%) compared to the same period of last year. This increase was partly due to a one-time trade risk insurance discount of approximately 3.34 million baht received in the first quarter of 2024, which lowered the expense base compared to the period. Additional expenses include a rise in doubtful debt reserves of approximately 1.66 million baht and increased employee welfare and employee development expenses of 4.41 million baht. The remaining 9.38 million baht was attributed to higher depreciation of buildings and office equipment, software programs, and office expenses.

Interest expenses were 36.22 million baht, a decrease of 8.87 million baht (-19.66%) compared to the previous year, from the lower interest rates and a reduction in long-term loan utilization from financial institutions.

Summary of Key Financial Performance

Financial Performance	Q1/2024	Q4/2024	Q1/2025	Change YoY (%)	Change QoQ (%)
Sales Revenue (Million Baht)	5,002.82	4,463.65	4,516.52	-9.72%	1.18%
Gross Profit Margin (%)	6.30%	4.82%	6.74%	0.44%	1.93%
Selling Expenses (Million Baht)	56.67	59.13	59.93	5.75%	1.36%
Administrative Expenses (Million Baht)	135.88	172.96	154.67	13.83%	-10.57%
Interest Expenses (Million Baht)	45.08	45.57	36.22	-19.66%	-20.52%
Net Profit (Million Baht)	82.61	-31.46	59.68	-27.76%	289.69%

Environmental, Social, and Governance (ESG) Initiatives

The company prioritizes sustainable business practices, emphasizing Environmental, Social, and Governance (ESG) principles, and undertaking key activities from January to March 2025, as follows:

Environmental: Manage operational processes to reduce greenhouse gas emissions in alignment with its carbon neutrality goals. This includes the continuous development and improvement of operational efficiency and the use of solar rooftop electricity, which resulted in a reduction of approximately 945 tons of carbon dioxide equivalent, or 0.0035 tons of carbon dioxide equivalent per ton of production, and electricity cost savings of approximately 6.3 million baht in the first quarter. Additionally, the company has implemented energy conservation projects, efficient resource utilization, and water and waste management plans.

Social: Commit to creating shared value with communities and stakeholders. Supporting the Institute of Electrical and Electronics Engineers, Mahanakorn University of Technology, by providing structural steel for the enerG-Up project, which focuses on developing floating platforms for electricity-generating turbines for educational purposes and to advance alternative energy innovation among students. Furthermore, the company has provided continuous employee training, with an average of 4.25 training hours per employee in the first quarter.

Governance: Conduct the business under the principles of good corporate governance and diligently oversee a subsidiary to ensure strict adherence to these principles. The Annual General Meeting of Shareholders was held on April 3rd at 2:00 PM, via an electronic meeting (E-AGM). This format enabled shareholders to express their opinions, raise questions to the Board of Directors, and fully exercise their voting rights on important agenda items.

Remark: Details of sustainability operations can be found at www.tmtsteel.co.th (Page Sustainability, Corporate Governance and News)

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer