

Management Discussion and Analysis Q2/2023

1. Highlights

	Unit: million Baht	2 nd Quarter 2023	2 nd Quarter 2022
Performance	Revenues	2,727	5,521
	Gross Profit (Loss)	(152)	582
	Net Profit (Loss)	(320)	304
	Unit: million Baht	30 June 2023	31 December 2022
Financial Status	Total Liabilities	750	792
	Total Asset	13,101	13,495
	Total Equity	12,351	12,703

2. Business Outlook

The reported quarter saw a surge in imports at lower prices which led to steep reduction in volumes and selling price of the company.

To protect from dumping of imports and to support the Domestic Industry, the Anti Dumping duty from Brazil, Turkey & Iran and the Anti-Dumping duty on imports from China & Malaysia was extended for a period of 5 years up to 2028.

3. Performance of the Company

• Revenue from sales and Net Profit (loss)

The Company reported revenue from sales at THB 2,727 million, which was lower than in last year quarter mainly due to a drop in sale volume by 35% and a decrease in average selling price by 24% compared to last year quarter. HRC production decreased by 82k tons as compared to Q2 2022 and the sales volumes dropped by 60 k tons as compared to last year quarter mainly due to pressure from imports.

The Company recorded a net loss of THB 320 million mainly due to reduction in selling prices, continuing high electricity and other sub raw material prices and one off loss from disposal of aged HRC inventory.

• Selling expenses

Selling expenses for 2nd Quarter 2023 amounted to THB 30 million or 37% lower mainly due to lower sales volume.

• Administrative expenses

Administrative expenses for 2nd Quarter 2023 amounted to THB 150 million and was higher by THB 22 million compared to last year quarter mainly due to higher waste disposal expenses and increase in loss from write-off of old assets which were replaced by new equipment.

4. Statement of financial positions

- **Total Assets**

As of 30 June 2023, the Company had total assets amounting to THB 13,101 million. Total current assets amounted to THB 4,462 million and total non-current assets amounted to THB 8,639 million. As compared with year ended 2022, the total assets decreased by THB 394 million as below:

1. Cash and cash equivalent increased by THB 266 million.
2. Accounts receivable increased by THB 72 million.
3. Inventory decreased by THB 475 million.
4. Other current assets decreased by THB 39 million.
5. Property, plant and equipment decreased by THB 223 million. (mainly due to depreciation).

- **Total Liabilities**

As of 30 June 2023, the Company had total liability amounting to THB 750 million. Total current liabilities amounted to THB 598 million and total non-current liabilities amounted to THB 152 million. As compared with the year ended 2022, the total liability decreased by THB 42 million or 5%, on account of:

1. Trade account payables decreased by THB 90 million.
2. Other payables and accrued expenses decreased by THB 19 million.
3. Advance received from customer increased by THB 35 million.
4. Other current liabilities increased by THB 30 million.

- **Total equity**

As of 30 June 2023, the Company had total equity of THB 12,351 million which decreased by THB 352 million from year ended 2022 due to net loss for this period of THB 352 million.