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12 November 2021

Subject      Clarification on Operating Results of the Third Quarter of Year 2021  
Attention     Director and manager, The Stock Exchange of Thailand

TCM Corporation Public Company Limited and its subsidiaries (together referred to as "Corporate Group") would like to clarify the operating result and financial statement of the third quarter of the year 2021 compared to the third quarter of year 2020 as follows.

The Corporate Group has net loss of Baht 1.79 million at the end of the third quarter of year 2021 compared to net profit of Baht 113.74 million at the same period of year 2020. The performance was reduced by Baht 115.53 million or 101.57 percent. Details of the changes are described in the Management Discussion and Analysis as attached herewith.

Please be informed accordingly.

Your faithfully,  
For and on behalf of TCM Corporation Public Company Limited

A handwritten signature in blue ink that reads "Noppaporn A.".

(Mrs.Noppaporn Aphiwatthanakul)  
Financial Director

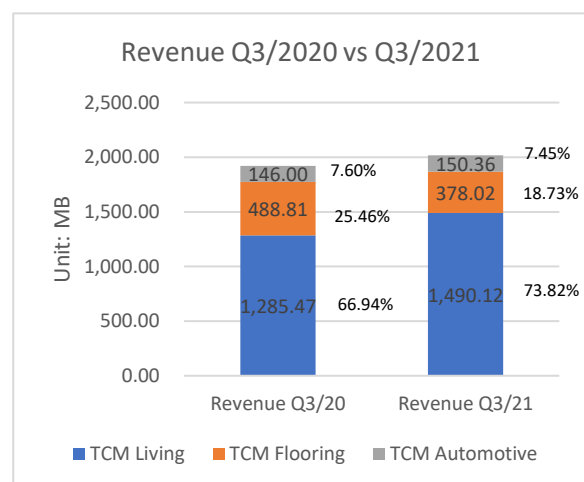
## Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of THB 2,018.50 million for the third quarter of year 2021, increased from THB 1,920.18 million or by 5.11 percent in the same period of the previous year. EBITDA was THB 103.25 million, decreased from the same period of the previous year by 52.90 percent. Net loss was THB 1.79 million decreased from THB 113.74 million net profit of the previous year. Net loss attributable to owners of the parent was THB 9.19 million.

## Q3/2021 Performance

The Covid-19 pandemic still had a significant impact on the Company's businesses in the third quarter of 2021. The business groups were affected by the global shipping crisis, shortage and rising of raw material prices, which hold the businesses back from the recovery.

Revenue contribution from TCM Living was 73.82 percent increased from 66.94 percent in the previous year. Revenue contribution from TCM Flooring was 18.73 percent decreased from 25.46 percent in the previous year. Whereas, revenue contribution from TCM Automotive was 7.45 percent slightly decreased from 7.60 percent in the same period of the previous year.



## Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> <li>- Revenue increased by 15.92% from the previous year as a result of economic recovery after the COVID-19 pandemic. Retail stores operate as usual, which makes the spending increased. Nevertheless, the costs control was not quite satisfactory, due to the continuing international supply chain crisis, increase in raw material prices, and labor shortage. All those factors still remain as business drawbacks since last year.</li> <li>- Selling and administrative expenses were increased after incorporating the operating expenses of Arlo &amp; Jacob, a retail business that the Company recently acquired in Q2/2021. Added up by the disruption from the Covid-19, the overall selling and administrative expenses was higher when compared to the same period of the previous year.</li> <li>- After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, the Group reported a net profit of THB 7.38 million.</li> </ul>
TCM Flooring	<ul style="list-style-type: none"> <li>- Revenue decreased by 22.67% from the same period of the year 2020 as tourism industry was significantly interrupted by the COVID-19. At the beginning of 2020, there were order backlogs in the pipeline which were scheduled to deliver in the third quarter of the year. On the other hand, pending orders for delivery in Q3/2021 was minimal and inadequate to support sales growth for the quarter.</li> </ul>

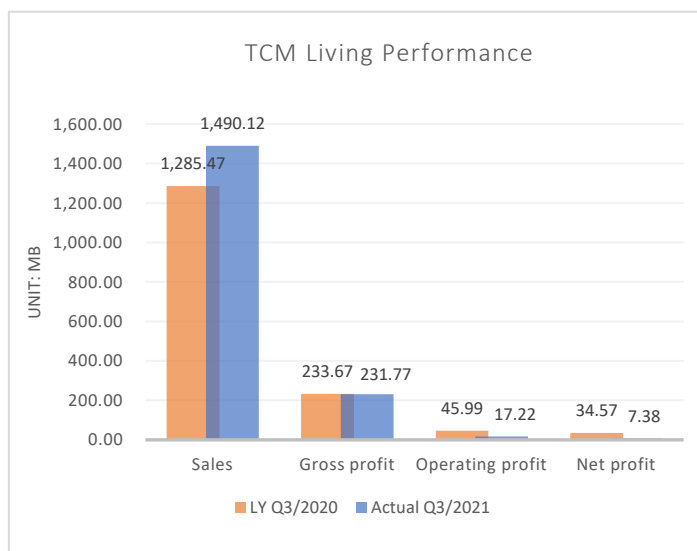
Business Group	Highlights
	<ul style="list-style-type: none"> <li>Cost of goods sold was recorded higher compared to the previous year, due to the lower incoming orders. Selling and administrative expenses were increased compared to the same period of the previous year. As a result of the salary reduction and excess A/R provision reversal in Q3/2020. In addition, there were severance pays for the labor cutting in Q3/2021.</li> <li>After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 21.15 million.</li> </ul>
TCM Automotive	<ul style="list-style-type: none"> <li>Revenue increased by 2.99% from the same period of the previous year, mainly due to the continuing recovery in automobile industry since end of last year. However, the COVID-19 still has impact to the business. There were overseas car manufacturers temporary cease their operations, adding up by the global computer chip shortage which the operator estimated that the situation may be prolonged until the end of 2023.</li> <li>Costs improved to 76.87% from the higher volume of sales orders.</li> <li>Total selling and administrative expenses increased aligned with the higher sales volume. Therefore, the Group reported net profit of THB 11.98 million, higher than that reported in the same period of the previous year.</li> </ul>

## Performance by Group of Business

### TCM Living

Unit: MB

Details	Actual Q3/2021	Last Year Q3/2020	Diff % YoY	Actual 9M/2021	Last Year 9M/2020	Diff % YoY
Revenue from Sales and Services	1,490.12	1,285.47	15.92%	4,010.60	2,623.20	52.89%
Cost of Sales and Services	(1,258.35)	(1,051.80)		(3,393.66)	(2,164.23)	
<b>Gross Profit</b>	<b>231.77</b>	<b>233.67</b>	-0.82%	<b>616.94</b>	<b>458.97</b>	34.42%
% Margin	15.55%	18.18%		15.38%	17.50%	
Other incomes	0.00	0.29	-99.19%	0.01	0.19	-94.43%
Selling expenses	(104.69)	(86.58)	20.92%	(279.45)	(204.99)	36.33%
Administrative expenses	(112.50)	(96.83)	16.18%	(297.79)	(212.67)	40.02%
Profit (Loss) from Exchange Rate	2.63	(4.57)	157.65%	0.00	0.00	0.00%
<b>Operating Income (EBIT)</b>	<b>17.22</b>	<b>45.99</b>	-62.56%	<b>39.71</b>	<b>41.50</b>	-4.33%
% EBIT to Total Sales	1.16%	3.58%		0.99%	1.58%	
<b>EBITDA</b>	<b>49.16</b>	<b>67.86</b>	-27.56%	<b>127.70</b>	<b>112.88</b>	13.13%
Fair Value Adjustments to Derivatives (Forex)	27.59	13.56	-103.41%	37.90	18.51	-104.77%
Financial Costs	(12.56)	(11.14)	12.79%	(34.87)	(34.17)	2.06%
Tax Income (Expenses)	(19.17)	(10.76)	78.17%	(32.99)	(9.54)	245.63%
Corporate Expenses (Shared)	(5.69)	(3.08)	84.76%	(13.19)	(12.15)	8.53%
<b>Net Profit (Loss) for the Period</b>	<b>7.38</b>	<b>34.57</b>	-78.65%	<b>(3.45)</b>	<b>4.14</b>	-183.20%
% to Total Sales	0.50%	2.69%		-0.09%	0.16%	



## TCM Living

After the release of UK lockdown measure in Q2/2021, retail businesses were reopening and received a large number of orders. As a result, the revenue was recorded higher than those in the same period of the previous year. However, the costs control was not quite satisfactory, due to the shortage of raw materials supply and the limited in shipping capacity available internationally. Those were the main issues which have been prolonged since last year. In addition, business operations of some overseas suppliers, especially Vietnam and Malaysia, were also interrupted by Covid-19 as they could not arrange shipping of their products as planned, causing the higher cost in the business group

record.

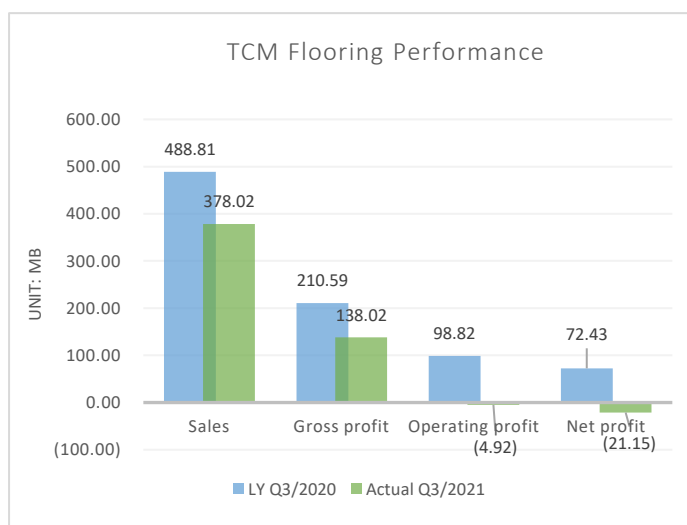
Total Selling and Administrative Expenses was THB 217.19 million, increased from those in Q3/2020, which was under the UK lockdown. The benefit from government furlough scheme during the lockdown has been lifted. For Q3/2021, the Group has suffered from unfavorable factors including the additional operating expenses of Arlo & Jacob; our newly acquired business in Q2/2021 which operating under 5 retail stores throughout the UK. Shipping costs also increased year on year, and continue to rise accompanied by an increase in the cost of road transportation. The widely publicized haulage crisis has caused fuel price increases.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 7.38 million, decreased by 78.65 percent from the net profit of THB 34.57 million in the same period of the previous year. The EBITDA was THB 49.16 million, decreased by 27.56 percent compared to Q2/2020.

## TCM Flooring

Unit: MB

Details	Actual Q3/2021	Last Year Q3/2020	Diff % YoY	Actual 9M/2021	Last Year 9M/2020	Diff % YoY
Revenue from Sales and Services	378.02	488.81	-22.67%	1,050.72	1,461.71	-28.12%
Cost of Sales and Services	(240.00)	(278.23)		(664.74)	(860.79)	
<b>Gross Profit</b>	<b>138.02</b>	<b>210.59</b>	-34.46%	<b>385.98</b>	<b>600.91</b>	-35.77%
<b>% Margin</b>	<b>36.51%</b>	<b>43.08%</b>		<b>36.73%</b>	<b>41.11%</b>	
Other incomes	6.43	3.65	76.01%	18.00	57.61	-68.76%
Selling expenses	(69.61)	(61.24)	13.66%	(183.96)	(228.98)	-19.66%
Administrative expenses	(90.40)	(85.45)	5.79%	(298.85)	(362.23)	-17.50%
Profit (Loss) from Exchange Rate	10.64	31.28	-65.97%	35.64	16.21	119.91%
<b>Operating Income (EBIT)</b>	<b>(4.92)</b>	<b>98.82</b>	-104.98%	<b>(43.20)</b>	<b>83.52</b>	-151.72%
<b>% EBIT to Total Sales</b>	<b>-1.30%</b>	<b>20.22%</b>		<b>-4.11%</b>	<b>5.71%</b>	
<b>EBITDA</b>	<b>24.80</b>	<b>129.30</b>	-80.82%	<b>48.73</b>	<b>171.78</b>	-71.63%
Fair Value Adjustments to Derivatives (Forex)	(9.70)	(9.01)	7.64%	(25.71)	(4.77)	439.42%
Financial Costs	(23.29)	(31.77)	-26.70%	(68.93)	(83.80)	-17.74%
Tax Income (Expenses)	17.72	6.19	186.50%	36.60	14.22	157.46%
Corporate Expenses (Shared)	(0.96)	8.20	111.75%	(6.84)	(4.33)	57.73%
<b>Net Profit (Loss) for the Period</b>	<b>(21.15)</b>	<b>72.43</b>	-129.20%	<b>(108.08)</b>	<b>4.84</b>	-2335.27%
<b>% to Total Sales</b>	<b>-5.59%</b>	<b>14.82%</b>		<b>-10.29%</b>	<b>0.33%</b>	



## TCM Flooring

Hospitality sector still remains highly vulnerable to the impact of COVID-19. It is unexpected that normal business activities of our core customers such as hotels, casinos, movie theatres, entertainment complex, and convention centres, will be back in full recovery in the near term. TCM Flooring therefore expanded the target market to other sectors which is considered less affected, such as residential and corporate office customers. The Group reported Revenue from Sales and Services at THB 378.02 million, dropped from the same period in prior year given that the Group had backlog orders in hand carried from last quarter of 2019.

However, the Group has earned a benefit from cost control exercise and become a lean organization effectively. The gross margin stood at 36.51 percent in Q3/2021, lower than those of previous year that the expenses were cut tremendously in tandem with shrinking demand as a result of COVID impact last year.

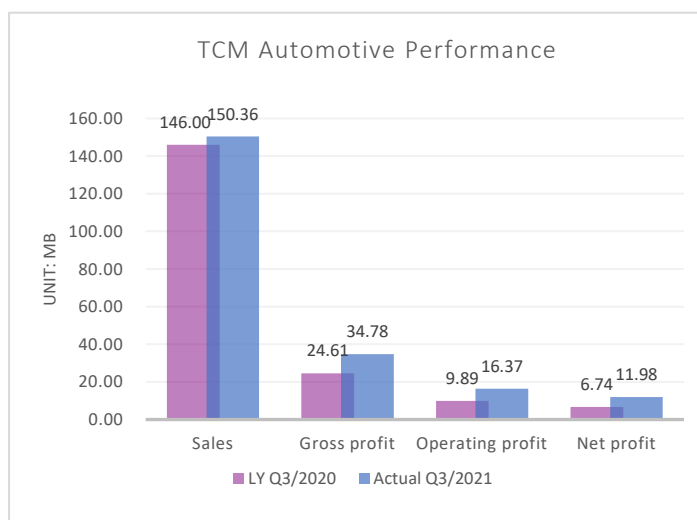
Total Selling and Administrative Expenses was THB 160.01 million, increased from those in Q3/2020 which was recorded at THB 146.70 million, but they were still in line with the Q2/2021. The increased of the expenses are from the obsolete marketing material write off and higher sampling cost due to increased activities in Q3/2021 amounted to THB 3.5 million and there was severance paid in Q3/2021 to further align the business. Whereas, in Q3/2020 there were salary reduction and excess A/R provision reversal amounted to THB 20 million. Therefore, the expenses in Q3/2020 showed lower than that in Q3/2021.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 21.15 million, decreased from the net profit of THB 72.43 million in Q3/2020. The EBITDA was THB 24.80 million, decreased by 80.82 percent compared to Q3/2020

## TCM Automotive

Unit: MB

Details	Actual Q3/2021	Last Year Q3/2020	Diff % YoY	Actual 9M/2021	Last Year 9M/2020	Diff % YoY
Revenue from Sales and Services	150.36	146.00	2.99%	542.86	433.69	25.17%
Cost of Sales and Services	(115.58)	(121.39)		(420.31)	(369.25)	
<b>Gross Profit</b>	<b>34.78</b>	<b>24.61</b>	41.33%	<b>122.55</b>	<b>64.44</b>	90.18%
<b>% Margin</b>	<b>23.13%</b>	<b>16.86%</b>		<b>22.58%</b>	<b>14.86%</b>	
Other incomes	1.24	1.04	18.70%	7.65	1.86	311.24%
Selling expenses	(7.26)	(4.86)	49.25%	(23.68)	(15.73)	50.50%
Administrative expenses	(12.32)	(11.01)	11.94%	(33.53)	(33.46)	0.21%
Profit (Loss) from Exchange Rate	(0.07)	0.10	-161.96%	0.98	0.17	485.87%
<b>Operating Income (EBIT)</b>	<b>16.37</b>	<b>9.89</b>	65.62%	<b>73.98</b>	<b>17.28</b>	328.14%
<b>% EBIT to Total Sales</b>	<b>10.89%</b>	<b>6.77%</b>		<b>13.63%</b>	<b>3.98%</b>	
<b>EBITDA</b>	<b>29.30</b>	<b>22.08</b>	32.65%	<b>112.92</b>	<b>54.47</b>	107.31%
Financial Costs	(0.24)	(0.19)	28.66%	(0.46)	(0.51)	-9.82%
Tax Income (Expenses)	(3.29)	(2.30)	43.190%	(14.71)	(3.80)	286.833%
Corporate Expenses (Shared)	(0.87)	(0.66)	30.37%	(2.06)	(2.62)	-21.29%
<b>Net Profit (Loss) for the Period</b>	<b>11.98</b>	<b>6.74</b>	77.77%	<b>56.75</b>	<b>10.35</b>	448.43%
<b>% to Total Sales</b>	<b>7.97%</b>	<b>4.61%</b>		<b>10.45%</b>	<b>2.39%</b>	



## TCM Automotive

Car production in Thailand was in uptrend compared to the same period in 2020. The Group reported Revenue from Sales and Services higher than the same period of the previous year by 2.99 percent. Gross profit margin stood at 23.13 percent close to the pre-COVID period. However, when compared to Q2/2021 the revenue from sales and services were reduced from THB 170.07 million in Q2/2021 to THB 150.36 million in Q3/2021, resulting from the shortage in the global supply of semiconductors and impact from the COVID-19 to the South-East Asia automotive manufacturers

which caused several carmakers to temporarily shut down and suspend production.

Selling and Administrative expenses moved upward due to market expansion to non-automotive market and new product development by the Group to cover a changing in customer's demand.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 11.98 million or 7.97 percent of the revenue from sales and services. The EBITDA was THB 29.30 million, or 19.48 percent of the revenue from sales and services.

## Consolidated Performance

Unit: THB million

Consolidated Statement	Q3/2021	Q3/2020	Diff	9M/2021	9M/2020	Diff
			% YoY			%YoY
<b>Revenue</b>						
Revenue from Sales and Services	2,018.50	1,920.28	5.11%	5,604.18	4,518.60	24.02%
Other Incomes	7.67	4.99	53.79%	25.66	59.66	100.00%
Gain from exchange rate	13.21	26.81	-50.72%	36.62	16.37	-38.63%
Gain from fair value adjustments to derivatives	17.89	4.55	292.90%	0.00	13.74	-100.00%
<b>Total revenue</b>	<b>2,057.27</b>	<b>1,956.64</b>	<b>5.14%</b>	<b>5,666.46</b>	<b>4,608.38</b>	<b>22.96%</b>
<b>Expenses</b>						
Cost of sales and services	(1,613.93)	(1,451.41)	-11.20%	(4,478.71)	(3,394.28)	-31.95%
Selling expenses	(181.55)	(152.68)	-18.91%	(487.09)	(449.70)	-8.31%
Administrative & Corporate expenses	(222.74)	(188.83)	-17.96%	(652.26)	(627.46)	-3.95%
Loss from exchange rate	0.00	0.00	0.00%	0.00	0.00	0.00%
Loss from fair value adjustments to derivatives	0.00	0.00	0.00%	0.00	0.00	0.00%
<b>Total expenses</b>	<b>(2,018.23)</b>	<b>(1,792.93)</b>	<b>-12.57%</b>	<b>(5,618.06)</b>	<b>(4,471.44)</b>	<b>-25.64%</b>
<b>Net profit before TAX</b>	<b>39.04</b>	<b>163.71</b>	<b>-76.15%</b>	<b>48.40</b>	<b>136.94</b>	<b>-64.65%</b>
Financial costs	(36.09)	(43.10)	16.25%	(104.27)	(118.48)	12.00%
Tax expenses	(4.74)	(6.87)	31.05%	(11.09)	0.87	-1373.90%
<b>Profit (loss) for the quarter</b>	<b>(1.79)</b>	<b>113.74</b>	<b>-101.57%</b>	<b>(66.96)</b>	<b>19.33</b>	<b>-446.47%</b>
<b>Profit (loss) for TCMC</b>	<b>(9.19)</b>	<b>89.48</b>	<b>-110.27%</b>	<b>(93.15)</b>	<b>(2.08)</b>	<b>-4382.20%</b>
<b>EBITDA</b>	<b>103.25</b>	<b>219.24</b>	<b>-52.90%</b>	<b>289.35</b>	<b>339.13</b>	<b>-14.68%</b>
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125		763,201,125	763,201,125	
Basic earnings per share (Baht)	(0.01)	0.12		(0.12)	(0.00)	

## Other Incomes

In Q3/2021, the Corporate Group had other incomes of THB 7.67 million from interests, rental fees, sale of assets, and scrap selling etc. compared to THB 4.99 million in the same period of the previous year. The Group also benefit from foreign exchange gain of THB 17.89 million recorded by TCM Living.

## Financial Costs

The Corporate Group had financial cost of THB 36.09 million Q3/2021, decreased from THB 43.10 million in the same period of the previous year, resulted from loan repayment to the bank.

## Statement of Financial Position

Statement of consolidated financial position	As of 30 September, 2021	As of 31 December, 2020	Unit THB million	
			Change	
			Million Baht	%
Total Assets	8,711.55	7,970.57	740.98	9.30%
Total Liabilities	5,938.21	5,239.74	698.47	13.33%
Shareholders' Equity	2,773.34	2,730.83	42.51	1.56%
D/E Ratio	2.14:1	1.92:1		

The Corporate Group's total assets as of 30 September 2021 were higher than the total assets as of 31 December 2020 by THB 740.98 million or 9.30 percent. Total liabilities as of 30 September 2021 were higher than the total liabilities as of 31 December 2020 by THB 698.47 million or 13.33 percent. Shareholders' equity as of 30 September 2021 was higher than that as of 31 December 2020 by THB 42.51 million or 1.56 percent, due to the differences on translating financial statements and adoption of new financial reporting standards no. 16 regarding lease agreement. As a result, D/E ratio at the end of the period was at 2.14:1 higher than 1.92:1 as of the year end 2020.

## Key Financial Ratios

Key Financial Ratios	Q3/2021	FY 2020
Current ratio (times)	1.32	1.57
Quick ratio (times)	0.87	1.14
Account Receivable Turnover (times)	5.45	4.95
Account Payable Turnover (times)	4.03	3.97
Inventory turnover (times)	6.42	6.15
D/E ratio (times)	2.14	1.96
Return on equity (%)	(3.49)	(1.74)
Return on assets (%)	(0.63)	(0.00)
Assets turnover (times)	0.64	0.85

The Group recorded a current ratio at 1.32x and quick ratio at 0.87x as at 30 September 2021, slightly decreased from 1.57x and 1.14x in FY 2020 respectively. However, the Group's liquidity and cash cycle still remain healthy as account receivable turnover stood at 5.45, improved from 4.95 in prior year. During the pandemic disruption, the extension of credit term to customers was taken into consideration thoroughly.

Similarly, the Group's ability to meet payments to suppliers still remained strong as can be seen from the account payable turnover of 4.03x as at 30 September 2021 compared to those of 3.97x in previous year. Finished products in stock were lower with the effort to decrease inventory stock. Inventory turnover improved from 6.15 in FY 2020 to 6.42 in Q3 2021.



## Management Discussion and Analysis

Q3/2021

Debt to equity ratio was at 2.14 in Q3 2021, slightly increased from 1.96 in FY 2020 since the Group still remains under loan repayment grace period as granted from the bank. Return on equity, return on assets, and asset turnover were reportedly unfavourable as well as the Group's financial result as adversely caused by COVID-19 disruption.