



TCM CORPORATION PLC.  
2044/24 New Petchburi Road,  
Bangkapi, Huaykwang,  
Bangkok, 10310

T: +66 2 318 3960  
F: +66 2 318 3962

[www.tcm-corporation.com](http://www.tcm-corporation.com)

17 May 2022

Subject      Clarification on Operating Results of the First Quarter of Year 2022  
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 first quarter of the year 2022 compared to the first quarter of the year 2021 as follows.

The Corporate Group has net profit of Baht 54.02 million at the end of the first quarter of the year 2022 compared to net loss of Baht 15.29 million at the same period of year 2021. The performance was increased by Baht 69.31 million. 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, appearing to read "Noppaporn A.".

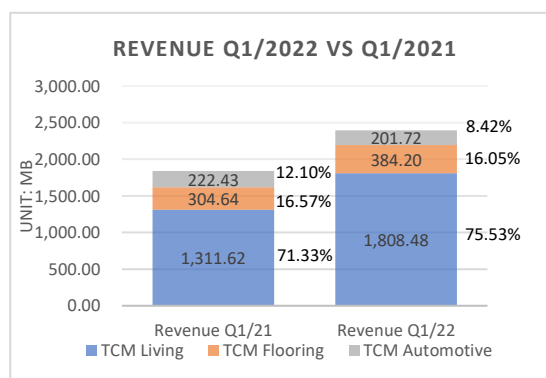
(Mrs.Noppaporn Aphiwatthanakul)  
Financial Director

## Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of THB 2,394.40 million for the first quarter of the year 2022, increased from THB 1,838.69 million or by 30.22 percent compared to the same period of the previous year. EBITDA was THB 167.98 million, increased from the previous year by 63.60 percent. Net profit recorded at THB 54.02 million compared to the net loss of THB 15.29 million in the previous year. Net profit attributable to owners of the parent was THB 19.16 million, mainly resulted from the effort in cost saving, working efficiency improvement in TCM Living group, as well as the recovery in market environment as covid situation globally is being in downturn.

## Q1/2022 Performance

As of Q1/2022, Revenue contribution from TCM Living was 75.53 percent increased from 71.33 percent in the previous year. Revenue contribution from TCM Flooring was 16.05 percent slightly decreased from 16.57 percent in the previous year. Whereas, revenue contribution from TCM Automotive was 8.42 percent decreased from 12.10 percent in the previous year.



## Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> <li><b>Significant revenue growth, better control over net profit margins</b></li> <li>Revenue increased by 37.88%, mainly due to increasing demand throughout the first quarter, and carried over orders from the end of 2021. In addition, the Group has restructured internal operation and improved operation efficiency since the end of previous year. As a result, gross profit margins from manufacturing products improved. However, they were offset by the incremental costs of imported products due to higher shipping cost and incremental raw material prices.</li> <li>The percentage of selling and administrative expenses to sales was lower compared to the same period of the previous year, due to operational restructuring and revenue increased.</li> <li>After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, plus the one-time income from selling Arlo Living business at THB 31.22 million, the Group reported a net profit of THB 92.88 million.</li> </ul>
TCM Flooring	<ul style="list-style-type: none"> <li><b>Market has started to recover, but material and transportation costs still impacted.</b></li> <li>Revenue increased by 26.11% from the same period of the previous year, as the market has started to recover and there are more incoming orders than previous year.</li> <li>Cost of goods sold ratio was recorded higher rate than the previous year as benefit from salary reduction and cost cutting in the previous year has been lifted. For Q1 this year, there were impact from supply chain crisis, global inflation and conflict between</li> </ul>

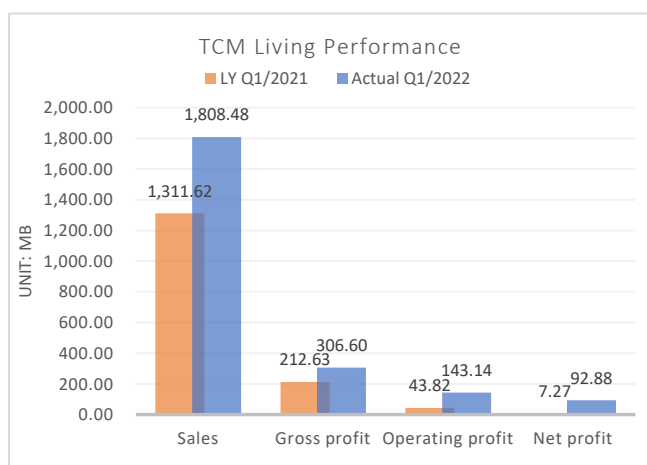
Business Group	Highlights
	<p>Ukraine-Russia, which caused the incremental of raw material costs and transportation costs continuously.</p> <ul style="list-style-type: none"> <li>- The percentage of selling and administrative expenses to sales was lower compared to the same period of the previous year, due to strict expenses control to reserve cash flow.</li> <li>- After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 56.71 million.</li> </ul>
TCM Automotive	<ul style="list-style-type: none"> <li>- <b>Industry growth was at slower pace due to material shortage.</b></li> <li>- Revenue decreased by 9.31% from the previous year, which was in line with slower growth in automobile industry. Although, the global demand has been risen, but product delivery by automotive manufacturers has been delayed as mainly suffered from unfavorable factors such as material shortage, semi-conductor shortage, which still remains on going at present, added up by the factories shut down in some areas, resulted from COVID-19 and conflict between Ukraine-Russia.</li> <li>- Cost ratio increased by 2.3%, from the lower incoming orders.</li> <li>- The percentage of selling and administrative expenses to sales was nearly the same rate to the same period of the previous year,</li> <li>- After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 17.85 million, decreased from the same period of the previous year.</li> </ul>

## Performance by Group of Business

### TCM Living

Unit: MB

Details	Actual Q1/2022	Last Year Q1/2021	Diff % YoY	% of sales Q1/2022	% of sales Q1/2021
Revenue from Sales and Services	1,808.48	1,311.62	37.88%	100.00%	100.00%
Cost of Sales and Services	(1,501.88)	(1,098.99)		-83.05%	-83.79%
<b>Gross Profit</b>	<b>306.60</b>	<b>212.63</b>	<b>44.19%</b>	<b>16.95%</b>	<b>16.21%</b>
Other incomes	31.22	0.00	704993.24%	1.73%	0.00%
Selling expenses	(109.68)	(94.95)	15.51%	-6.06%	-7.24%
Administrative expenses	(85.00)	(73.86)	15.08%	-4.70%	-5.63%
Profit (Loss) from Exchange Rate	0.00	0.00	0.00%	0.00%	0.00%
<b>Operating Income (EBIT)</b>	<b>143.14</b>	<b>43.82</b>	<b>226.66%</b>	<b>7.92%</b>	<b>3.34%</b>
<b>EBITDA</b>	<b>159.48</b>	<b>53.04</b>	<b>200.67%</b>	<b>8.82%</b>	<b>4.04%</b>
Amortisation - Intangible assets	(11.62)	(15.52)	25.14%	-0.64%	-1.18%
Fair Value Adjustments to Derivatives (Forex)	2.40	(1.52)	-257.64%	0.13%	-0.12%
Financial Costs	(11.77)	(10.12)	16.25%	-0.65%	-0.77%
Tax Income (Expenses)	(20.93)	(5.27)	297.38%	-1.16%	-0.40%
Corporate Expenses (Shared)	(8.34)	(4.12)	102.40%	-0.46%	-0.31%
<b>Net Profit (Loss) for the Period</b>	<b>92.88</b>	<b>7.27</b>	<b>1178.15%</b>	<b>5.14%</b>	<b>0.55%</b>



## TCM Living

TCM Living has delivered an impressive revenue as furniture demand was continuing on the hike. The group also benefit from carried over orders from the end of 2021 due to international transportation problem, shortage in container and labour. However, the material costs remained in high level due to increasing inflation rate in UK and Europe and situation unrest between Ukraine-Russia. As a result, gross profit margin was deteriorated and has not been improved as planned. To respond to the unfavourable market environment, the Group has

adjusted products prices and also emphasized on cost saving, and production efficiency to ensure its business competence and its capability to cope with changes in the future.

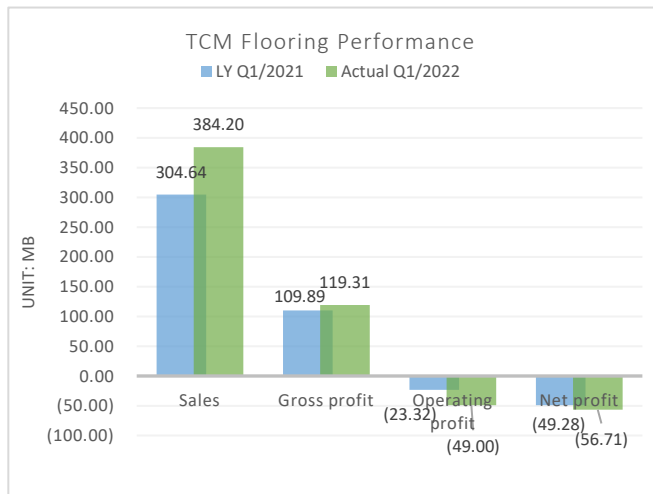
The Group has other income of THB 31.22 million which was a profit from the sales of Arlo Living business in the first quarter of 2022. Total selling and administrative expenses were THB 194.68 million, increased from those in Q1/2021. However, in term of percentage to sales, the total expenses were 2 percent lower than the previous year, as benefit from internal management restructuring and efficiency improvement.

When include Forex gain of THB 2.4 million, inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 92.88 million, tremendously increased by 1,178.15 percent from the net profit of THB 7.27 million in the same period of the previous year. The EBITDA was THB 159.15 million, increased by 200.67 percent compared to the same period of the year 2021.

## TCM Flooring

Unit: MB

Details	Actual Q1/2022	Last Year Q1/2021	Diff % YoY	% of sales Q1/2022	% of sales Q1/2021
Revenue from Sales and Services	384.20	304.64	26.11%	100.00%	100.00%
Cost of Sales and Services	(264.89)	(194.75)		-68.95%	-63.93%
<b>Gross Profit</b>	<b>119.31</b>	<b>109.89</b>	<b>8.57%</b>	<b>31.05%</b>	<b>36.07%</b>
Other incomes	5.62	1.85	202.97%	1.46%	0.61%
Selling expenses	(67.46)	(55.04)	22.57%	-17.56%	-18.07%
Administrative expenses	(101.49)	(96.98)	4.65%	-26.42%	-31.83%
Profit (Loss) from Exchange Rate	(4.98)	16.96	-129.35%	-1.30%	5.57%
<b>Operating Income (EBIT)</b>	<b>(49.00)</b>	<b>(23.32)</b>	<b>-110.13%</b>	<b>-12.75%</b>	<b>-7.65%</b>
<b>EBITDA</b>	<b>(24.91)</b>	<b>2.49</b>	<b>-1102.45%</b>	<b>-6.48%</b>	<b>0.82%</b>
Amortisation - Intangible assets	(4.58)	(4.58)	0.00%	-1.19%	-1.50%
Fair Value Adjustments to Derivatives (Forex)	3.66	(13.67)	-126.76%	0.95%	-4.49%
Financial Costs	(18.45)	(22.13)	-16.63%	-4.80%	-7.27%
Tax Income (Expenses)	14.12	16.94	-16.64%	3.68%	5.56%
Corporate Expenses (Shared)	(2.47)	(2.53)	-2.29%	-0.64%	-0.83%
<b>Net Profit (Loss) for the Period</b>	<b>(56.71)</b>	<b>(49.28)</b>	<b>-15.09%</b>	<b>-14.76%</b>	<b>-16.18%</b>



## TCM Flooring

From the recovery of the tourism industry and hospitality sector, which was the Group's core customers, added up with our attempt to penetrate the new market during the past 2 years, thus, the revenue from sales and services of the Group was THB 384.20 million, or 26.11 percent increased from the same period of the previous year, even if it is still unable to return to the same amount as before the Covid-19 situation.

The global inflation and conflict between Ukraine-Russia, and the unrecovered market situation from Covid-19 impact have caused the incremental of raw material prices and production costs, which

decelerated the incoming order volume. Also, the increased of transportation expenses made the gross profit decreased from 36.07 percent to 31.05 percent. In addition, in Q1/2021 there were salary cut and several expenses cut, therefore the cost of goods sold in Q1/2021 was in the lower range than in a normal situation.

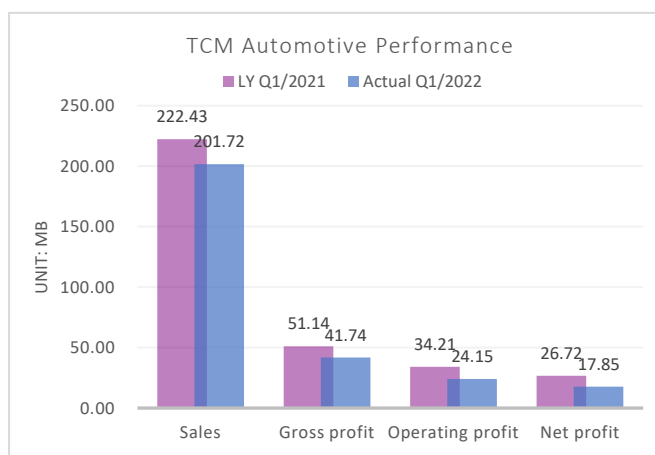
Total Selling and Administrative Expenses was THB 168.95 million, increased from the same period of the previous year which was recorded at THB 152.02 million. However, in term of percentage to sales, the total expenses were 6 percent lower than the previous year, as a result of operational restructuring to align with existing production capacity and including strictly expenses control to reserve cash flow.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 56.71 million, decreased from the net loss of THB 49.28 million in the same period of the previous year.

## TCM Automotive

Unit: MB

Details	Actual Q1/2022	Last Year Q1/2021	Diff % YoY	% of sales Q1/2022	% of sales Q1/2021
Revenue from Sales and Services	201.72	222.43	-9.31%	100.00%	100.00%
Cost of Sales and Services	(159.97)	(171.29)		-79.31%	-77.01%
<b>Gross Profit</b>	<b>41.74</b>	<b>51.14</b>	<b>-18.37%</b>	<b>20.69%</b>	<b>22.99%</b>
Other incomes	1.36	1.77	-23.33%	0.67%	0.80%
Selling expenses	(7.59)	(9.11)	-16.60%	-3.77%	-4.09%
Administrative expenses	(11.74)	(10.38)	13.11%	-5.82%	-4.67%
Profit (Loss) from Exchange Rate	0.38	0.79	-51.05%	0.19%	0.35%
<b>Operating Income (EBIT)</b>	<b>24.15</b>	<b>34.21</b>	<b>-29.41%</b>	<b>11.97%</b>	<b>15.38%</b>
<b>EBITDA</b>	<b>33.42</b>	<b>47.15</b>	<b>-29.13%</b>	<b>16.57%</b>	<b>21.20%</b>
Financial Costs	(0.21)	(0.11)	93.00%	-0.10%	-0.05%
Tax Income (Expenses)	(5.39)	(6.72)	-19.780%	-2.67%	-3.02%
Corporate Expenses (Shared)	(0.70)	(0.66)	6.16%	-0.34%	-0.29%
<b>Net Profit (Loss) for the Period</b>	<b>17.85</b>	<b>26.72</b>	<b>-33.21%</b>	<b>8.85%</b>	<b>12.01%</b>



## TCM Automotive

Car production in Thailand in Q1/2022 has inevitably been impacted from the shortage of semiconductors and the situation unrest between Ukraine-Russia. There were car manufactures shut down their factories temporarily as suffered from the shortage of spare parts. Also, some suppliers and manufacturers located nearby the area of battle zone have ceased their production.

The revenue from sales and services of the Group was THB 201.72 million, or 9.31 percent decreased from THB 222.43 million in the same period of the previous year. The gross margin was

20.69 percent, decrease from 22.99 percent in the previous year, due to the decrease in orders volume.

Selling and Administrative expenses slightly decreased compared to the same period of the previous year, even with the decline in sales. However, in term of percentage to sales, the total expenses were 0.8 percent higher than the same period last year.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 17.85 million or 8.85 percent of the revenue from sales and services. The EBITDA was THB 33.42 million, or 16.57 percent of the revenue from sales and services.

## Consolidated Performance

Unit: THB million			
Consolidated Statement	Q1/2022	Q1/2021	Diff % YoY
<b>Revenue</b>			
Revenue from Sales and Services	2,394.40	1,838.69	30.22%
Other Incomes	38.19	3.63	952.91%
Gain from exchange rate	0.00	0.00	0.00%
Gain from fair value adjustments to derivatives	6.05	17.74	-65.89%
<b>Total revenue</b>	<b>2,438.64</b>	<b>1,860.06</b>	<b>31.11%</b>
<b>Expenses</b>			
Cost of sales and services	(1,926.74)	(1,465.03)	-31.52%
Selling expenses	(184.73)	(159.10)	-16.11%
Administrative & Corporate expenses	(225.93)	(208.63)	-8.29%
Loss from exchange rate	(4.59)	0.00	-100.00%
Loss from fair value adjustments to derivatives	0.00	(15.18)	100.00%
<b>Total expenses</b>	<b>(2,341.99)</b>	<b>(1,847.93)</b>	<b>-26.74%</b>
<b>Net profit before TAX</b>	<b>96.65</b>	<b>12.12</b>	<b>697.12%</b>
Financial costs	(30.43)	(32.37)	5.97%
Tax expenses	(12.20)	4.95	-346.17%
<b>Profit (loss) for the quarter</b>	<b>54.02</b>	<b>(15.29)</b>	<b>453.30%</b>
<b>Profit (loss) for TCMC</b>	<b>19.16</b>	<b>(34.11)</b>	<b>156.16%</b>
<b>EBITDA</b>	<b>167.98</b>	<b>102.68</b>	<b>63.60%</b>
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	
Basic earnings per share (Baht)	0.03	(0.04)	

## Other Incomes

In Q1/2022, the Corporate Group had other incomes of THB 38.19 million. There was THB 31.22 million from selling of Arlo Living and the rest were from interests, rental fees, subsidy from government, sale of assets, and scrap selling etc. compared to THB 3.63 million in the previous year. The Group also benefit from fair value adjustments to derivatives gain of THB 6.05 million, recorded by TCM Living.

## Financial Costs

The Corporate Group had financial cost of THB 30.43 million, decreased from THB 32.37 million in the previous year, resulted from loan repayment to the bank.

## Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 31 March, 2022	As of 31 December, 2021	Change	
			Million Baht	%
Total Assets	8,408.32	8,509.94	(101.62)	-1.19%
Total Liabilities	5,751.48	5,822.56	(71.09)	-1.22%
Shareholders' Equity	2,656.84	2,687.38	(30.53)	-1.14%
D/E Ratio	2.16:1	2.17:1		

The Corporate Group's total assets as of 31 March 2022 were lower than the total assets as of 31 December 2021 by THB 101.62 million or 1.19 percent. Total liabilities as of 31 March 2022 were lower than the total liabilities as of 31 December 2021 by THB 71.09 million or 1.22 percent. Shareholders' equity as of 31 March 2022 was lower than that as of 31 December 2021 by THB 30.53 million or 1.14 percent. As a result, D/E ratio at the end of the period was at 2.16:1 lower than 2.17:1 as of the year end 2021.

## Key Financial Ratios

Key Financial Ratios	Q1/2022	FY 2021
Current ratio (times)	1.23	1.25
Quick ratio (times)	0.86	0.89
Account Receivable Turnover (times)	6.50	5.63
Account Payable Turnover (times)	5.07	4.46
Inventory turnover (times)	8.19	7.12
D/E ratio (times)	2.16	2.17
Return on equity (%)	0.84	-6.57
Return on assets (%)	0.64	-1.41
Assets turnover (times)	1.15	0.91

The Group recorded a current ratio at 1.23x and quick ratio at 0.86x as at 31 March 2022, slightly decreased from 1.25x and 0.89x in FY2021 respectively. However, the Group's liquidity and cash cycle still remain healthy as account receivable turnover stood at 6.50, improved from 5.63 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 5.07x as at 31 March 2022 compared to those of 4.46x in previous year. Finished products in stock were lower with the effort to decrease inventory stock. Inventory turnover improved from 7.12 in FY2021 to 8.19 in Q1/2022.



## Management Discussion and Analysis

Q1/2022

Debt to equity ratio was at 2.16x in Q1/2022, decreased from 2.17x in FY2021 while the Group remained under loan repayment grace period as granted from the bank. Return on equity, return on assets, and asset turnover were improved as well as the Group's financial result.