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11 August 2022

Subject Clarification on Operating Results of the Second 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 second quarter of the year 2022 compared to the second quarter of the year 2021 as follows.

The Corporate Group has net profit of Baht 6.38 million at the end of the second quarter of the year 2022 compared to net loss of Baht 37.70 million at the same period of year 2021. The performance was increased by Baht 44.07 million, or 116.92 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.".

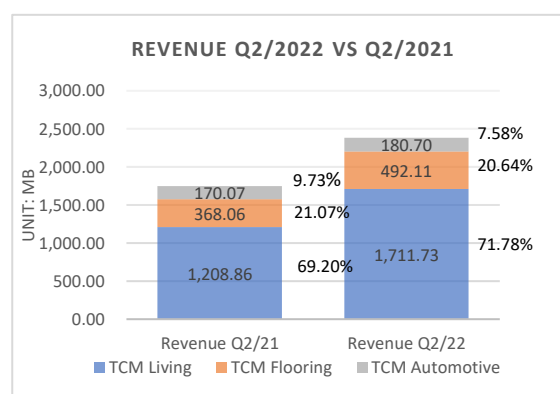
(Mrs.Noppaporn Aphiwatthanakul)  
Financial Director

## Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of THB 2,384.53 million for the second quarter of the year 2022, increased from THB 1,746.99 million or by 36.49 percent compared to the same period of the previous year. EBITDA was THB 124.99 million, increased from the previous year by 53.95 percent. Net profit recorded at THB 6.38 million compared to the net loss of THB 37.70 million of the previous year. Net profit attributable to owners of the parent recorded a relatively small loss of THB 6.23 million. This was contributed mainly by the recovery in TCM Flooring business as covid situation globally becomes more under control, the effort in cost saving, and working efficiency improvement of all businesses.

## Q2/2022 Performance

As of Q2/2022, Revenue contribution from TCM Living was 71.78 percent increased from 69.20 percent in the previous year. Revenue contribution from TCM Flooring was 20.64 percent slightly decreased from 21.07 percent in the previous year. Whereas, revenue contribution from TCM Automotive was 7.58 percent decreased from 9.73 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 41.60%, mainly due to constant market demand. In addition, the Group has restructured internal operation and improved operation efficiency since the end of previous year in an attempt to boost its profitability. As a result, gross profit margin was remained in line with those of the same period in previous year despite the impact from the incremental costs of transportation and raw material.</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, the Group reported a net profit of THB 13.33 million.</li> </ul>
TCM Flooring	<ul style="list-style-type: none"> <li>- <b>Market has shown a substantial recovery, but raw material cost and transportation cost still remained as major drawback.</b></li> <li>- Revenue increased by 33.70% from the same period of the previous year as the market has started to recover. Volume of the incoming orders was higher than those in the previous year.</li> <li>- Cost of goods sold ratio was recorded higher than the previous year, as there were impact from supply chain crisis, global inflation and conflict between Ukraine-Russia.</li> </ul>

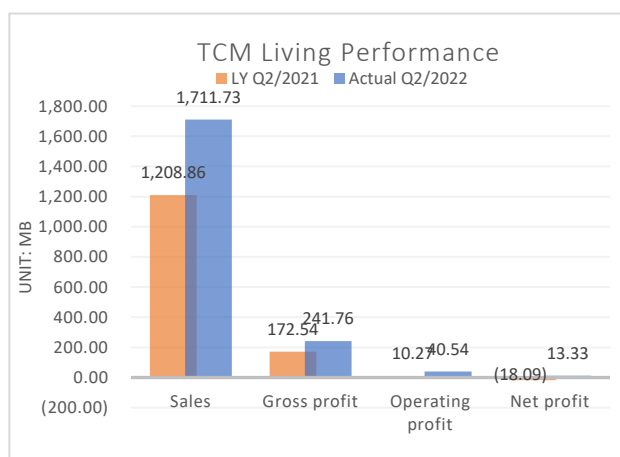
Business Group	Highlights
	<p>This has led to the significant increase in raw material costs and transportation costs.</p> <ul style="list-style-type: none"> <li>- The percentage of selling and administrative expenses to sales was lower compared to the same period of the previous year, due to strict 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 17.67 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 increased by 6.25% YoY, but decreased from the previous quarter as a result of slower growth in automobile industry. Although global demand has been risen, most of the leading automobile manufacturers still suffered from the shortage of semi-conductor, hiccup in production volume caused by the closure of production facilities during COVID pandemic, and the situation between Ukraine-Russia.</li> <li>- Cost ratio increased by 3.38% resulted from the higher raw material costs and transportation costs. Sales mix also mainly represented by lower margin products which brought up the higher cost ratio.</li> <li>- The percentage of selling and administrative expenses to sales was nearly the same rate YoY.</li> <li>- After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 10.72 million, decreased from the same period of the previous year.</li> </ul>

## Performance by Group of Business

### TCM Living

Unit: MB

Details	Actual Q2/2022	Last Year Q2/2021	Diff % YoY	Actual 6M/2022	Last Year 6M/2021	Diff % YoY
Revenue from Sales and Services	1,711.73	1,208.86	41.60%	3,520.21	2,520.48	39.66%
Cost of Sales and Services	(1,469.97)	(1,036.32)		(2,971.85)	(2,135.31)	
<b>Gross Profit</b>	<b>241.76</b>	<b>172.54</b>	40.11%	<b>548.35</b>	<b>385.17</b>	42.37%
<b>% Margin</b>	<b>14.12%</b>	<b>14.27%</b>		<b>15.58%</b>	<b>15.28%</b>	
Other incomes	(0.38)	0.00	-9477.32%	30.85	0.01	365792.23%
Selling expenses	(109.34)	(79.81)	36.99%	(219.01)	(174.76)	25.32%
Administrative expenses	(91.51)	(79.83)	14.63%	(176.49)	(162.86)	8.37%
Profit (Loss) from Exchange Rate	0.00	(2.63)	100.00%	0.00	(2.63)	100.00%
<b>Operating Income (EBIT)</b>	<b>40.54</b>	<b>10.27</b>	294.70%	<b>183.69</b>	<b>44.92</b>	308.97%
<b>% EBIT to Total Sales</b>	<b>2.37%</b>	<b>0.85%</b>		<b>5.22%</b>	<b>1.78%</b>	
<b>EBITDA</b>	<b>56.91</b>	<b>25.71</b>	121.36%	<b>216.43</b>	<b>78.57</b>	175.46%
Amortization - Intangible assets	(11.32)	(16.08)	29.59%	(22.96)	(22.43)	-2.35%
Fair Value Adjustments to Derivatives (Forex)	5.12	11.83	56.71%	7.52	10.31	27.09%
Financial Costs	(13.38)	(12.19)	9.81%	(25.15)	(22.31)	12.74%
Tax Income (Expenses)	0.12	(8.55)	-101.35%	(20.81)	(13.81)	50.68%
Corporate Expenses (Shared)	(7.74)	(3.38)	128.80%	(10.87)	(7.50)	44.94%
<b>Net Profit (Loss) for the Period</b>	<b>13.33</b>	<b>(18.09)</b>	173.67%	<b>111.42</b>	<b>(10.83)</b>	1128.99%
<b>% to Total Sales</b>	<b>0.78%</b>	<b>-1.50%</b>		<b>3.17%</b>	<b>-0.43%</b>	



## TCM Living

TCM Living has delivered an impressive sales revenue as furniture demand was continuing on the hike. However, raw material costs remained in high level due to the increasing inflation rate globally, shortage in container and labour, and the situation unrest between Ukraine-Russia. This has led to the deteriorated gross margin which is considered lower than expected. To respond to the unfavourable market environment, the Group has adjusted product 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.

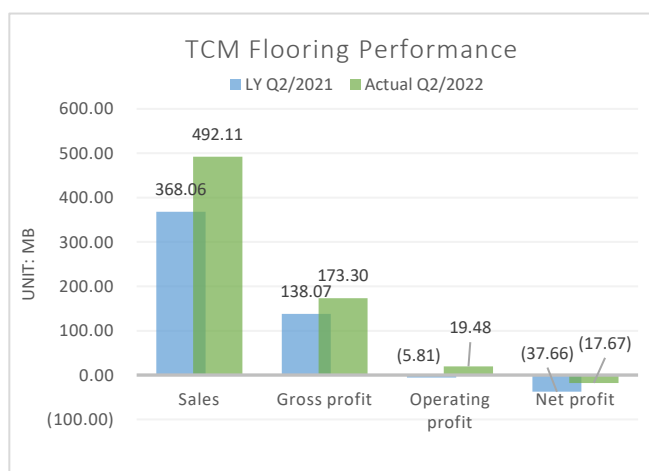
Total selling and administrative expenses were THB 200.85 million, increased from those in Q2/2021. However, in term of percentage to sales, the total expenses were 1.48 percent lower than the previous year, as benefit from internal management restructuring and efficiency improvement.

When including Forex gain of THB 5.12 million, inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 13.33 million, increased by 173.67 percent from the net loss of THB 18.09 million in the same period of the previous year. EBITDA was THB 56.91 million, increased by 121.36 percent YoY.

## TCM Flooring

Unit: MB

Details	Actual Q2/2022	Last Year Q2/2021	Diff % YoY	Actual 6M/2022	Last Year 6M/2021	Diff % YoY
Revenue from Sales and Services	492.11	368.06	33.70%	876.30	672.70	30.27%
Cost of Sales and Services	(318.80)	(230.00)		(583.69)	(424.75)	
<b>Gross Profit</b>	<b>173.30</b>	<b>138.07</b>	25.52%	<b>292.61</b>	<b>247.96</b>	18.01%
<b>% Margin</b>	<b>35.22%</b>	<b>37.51%</b>		<b>33.39%</b>	<b>36.86%</b>	
Other incomes	1.90	9.72	-80.45%	2.31	11.57	-80.02%
Selling expenses	(77.69)	(59.31)	30.98%	(145.15)	(114.35)	26.93%
Administrative expenses	(98.17)	(102.32)	-4.06%	(199.65)	(199.30)	0.18%
Profit (Loss) from Exchange Rate	20.13	8.04	150.41%	15.16	25.00	-39.36%
<b>Operating Income (EBIT)</b>	<b>19.48</b>	<b>(5.81)</b>	435.50%	<b>(34.72)</b>	<b>(29.12)</b>	-19.22%
<b>% EBIT to Total Sales</b>	<b>3.96%</b>	<b>-1.58%</b>		<b>-3.96%</b>	<b>-4.33%</b>	
<b>EBITDA</b>	<b>44.99</b>	<b>19.00</b>	136.72%	<b>15.04</b>	<b>24.27</b>	-38.02%
Amortization - Intangible assets	(4.58)	(4.58)	0.00%	(9.16)	(9.16)	0.00%
Fair Value Adjustments to Derivatives (Forex)	(20.54)	(2.35)	773.77%	(16.88)	(16.02)	5.39%
Financial Costs	(18.58)	(23.51)	-20.95%	(37.03)	(45.64)	-18.86%
Tax Income (Expenses)	9.92	1.93	413.41%	24.04	18.88	27.37%
Corporate Expenses (Shared)	(3.38)	(3.35)	0.87%	(5.84)	(5.87)	-0.49%
<b>Net Profit (Loss) for the Period</b>	<b>(17.67)</b>	<b>(37.66)</b>	53.06%	<b>(79.59)</b>	<b>(86.93)</b>	8.44%
<b>% to Total Sales</b>	<b>-3.59%</b>	<b>-10.23%</b>		<b>-9.08%</b>	<b>-12.92%</b>	



## TCM Flooring

The Group recorded revenue from sales and services at THB 492.11 million, significantly increased by 33.70 percent YoY. The pick up in flooring business was mainly benefit from the recovery in tourism industry and hospitality sector as well as the expansion to cover new market sector during the past 2 years. This reflected the hardworking of the Group in order to bring its business back on track despite the fact that business volume still behind pre-COVID time.

Production costs were disrupted by uncontrollable factors including conflict between Ukraine-Russia, rising inflation rates in many countries,

and slow down market activities during COVID time. This has resulted in the increasing raw material prices and transportation costs so that our gross profit substantially decreased from 37.51 percent to 35.22 percent.

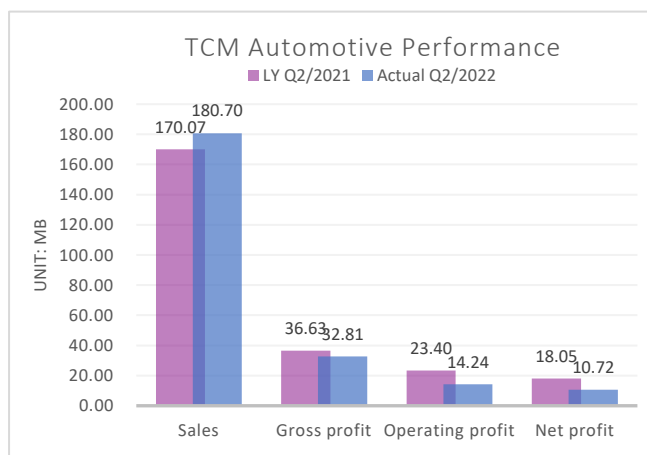
Total Selling and Administrative Expenses was THB 175.86 million, increased from the same period of the previous year which was recorded at THB 161.63 million. However, in term of percentage to sales, the total expenses were 8.17 percent lower than the previous year, as a result of operational restructuring to be lean organization with high efficiency, 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 17.67 million, decreased from the net loss of THB 37.66 million in the same period of the previous year.

## TCM Automotive

Unit: MB

Details	Actual Q2/2022	Last Year Q2/2021	Diff % YoY	Actual 6M/2022	Last Year 6M/2021	Diff % YoY
Revenue from Sales and Services	180.70	170.07	6.25%	382.42	392.50	-2.57%
Cost of Sales and Services	(147.89)	(133.44)		(307.86)	(304.72)	
<b>Gross Profit</b>	<b>32.81</b>	<b>36.63</b>	-10.43%	<b>74.56</b>	<b>87.77</b>	-15.06%
<b>% Margin</b>	<b>18.16%</b>	<b>21.54%</b>		<b>19.50%</b>	<b>22.36%</b>	
Other incomes	0.69	4.64	-85.17%	2.04	6.41	-68.11%
Selling expenses	(7.43)	(7.31)	1.64%	(15.03)	(16.42)	-8.48%
Administrative expenses	(12.29)	(10.82)	13.61%	(24.04)	(21.20)	13.37%
Profit (Loss) from Exchange Rate	0.46	0.26	79.79%	0.85	1.04	-18.70%
<b>Operating Income (EBIT)</b>	<b>14.24</b>	<b>23.40</b>	-39.15%	<b>38.39</b>	<b>57.61</b>	-33.37%
<b>% EBIT to Total Sales</b>	<b>7.88%</b>	<b>13.76%</b>		<b>10.04%</b>	<b>14.68%</b>	
<b>EBITDA</b>	<b>23.09</b>	<b>36.48</b>	-36.70%	<b>56.50</b>	<b>83.63</b>	-32.43%
Financial Costs	(0.21)	(0.11)	86.30%	(0.42)	(0.22)	89.78%
Tax Income (Expenses)	(2.32)	(4.69)	-50.675%	(7.71)	(11.42)	-32.483%
Corporate Expenses (Shared)	(0.99)	(0.54)	84.43%	(1.69)	(1.19)	41.45%
<b>Net Profit (Loss) for the Period</b>	<b>10.72</b>	<b>18.05</b>	-40.62%	<b>28.57</b>	<b>44.78</b>	-36.20%
<b>% to Total Sales</b>	<b>5.93%</b>	<b>10.62%</b>		<b>7.47%</b>	<b>11.41%</b>	



## TCM Automotive

Car production in Thailand in Q2/2022 has inevitably been impacted from the shortage of semiconductors and the situation unrest between Ukraine-Russia. There were car manufacturers 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 180.70 million, decreased from Q1/2022 but increased 6.25 percent compared to the

same period of the previous year. Gross margin was 18.16 percent, decreased from 21.54 percent in the previous year, due to the incremental costs of raw materials and transportation, plus the larger revenue proportion of high-cost products.

Selling and Administrative expenses slightly increased compared to the same period of the previous year, but considered in line with the increasing sales order volume.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 10.72 million or 5.93 percent of the revenue from sales and services. The EBITDA was THB 23.09 million, or 12.78 percent of the revenue from sales and services.

## Consolidated Performance

Unit: THB million

Consolidated Statement	Q2/2022	Q2/2021	Diff	6M/2022	6M/2021	Diff
			% YoY			% YoY
<b>Revenue</b>						
Revenue from Sales and Services	2,384.53	1,746.99	36.49%	4,778.92	3,585.68	33.28%
Other Incomes	2.21	14.36	-84.59%	35.20	17.99	100.00%
Gain from exchange rate	20.60	5.66	263.67%	16.01	23.41	-11.03%
Gain from fair value adjustments to derivatives	0.00	9.48	-100.00%	0.00	0.00	-100.00%
<b>Total revenue</b>	<b>2,407.34</b>	<b>1,776.49</b>	<b>35.51%</b>	<b>4,830.13</b>	<b>3,627.08</b>	<b>33.17%</b>
<b>Expenses</b>						
Cost of sales and services	(1,936.66)	(1,399.75)	-38.36%	(3,863.40)	(2,864.78)	-34.86%
Selling expenses	(194.46)	(146.44)	-32.79%	(379.19)	(305.53)	-24.11%
Administrative & Corporate expenses	(229.97)	(220.89)	-4.11%	(450.70)	(429.52)	-4.93%
Loss from exchange rate	0.00	0.00	0.00%	0.00	0.00	0.00%
Loss from fair value adjustments to derivatives	(15.42)	0.00	-100.00%	(9.36)	(5.71)	-64.05%
<b>Total expenses</b>	<b>(2,376.51)</b>	<b>(1,767.08)</b>	<b>-34.49%</b>	<b>(4,702.65)</b>	<b>(3,605.53)</b>	<b>-30.43%</b>
<b>Net profit before TAX</b>	<b>30.83</b>	<b>9.42</b>	<b>227.41%</b>	<b>127.48</b>	<b>21.54</b>	<b>491.79%</b>
Financial costs	(32.17)	(35.81)	10.14%	(62.61)	(68.17)	8.16%
Tax expenses	7.72	(11.31)	168.27%	(4.48)	(6.35)	29.53%
<b>Profit (loss) for the quarter</b>	<b>6.38</b>	<b>(37.70)</b>	<b>116.92%</b>	<b>60.39</b>	<b>(52.99)</b>	<b>213.98%</b>
<b>Profit (loss) for TCMC</b>	<b>(6.23)</b>	<b>(49.85)</b>	<b>87.51%</b>	<b>12.93</b>	<b>(83.96)</b>	<b>115.40%</b>
<b>EBITDA</b>	<b>124.99</b>	<b>81.19</b>	<b>53.95%</b>	<b>287.98</b>	<b>186.47</b>	<b>54.44%</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)	(0.07)		0.02	(0.11)	

## Other Incomes

In Q2/2022, the Corporate Group had other incomes of THB 2.21 million from interests, rental fees, sale of assets, and scrap selling etc. compared to THB 14.36 million which there was subsidy from government in the previous year. The Group also benefit from fair value adjustments to derivatives gain of THB 5.12 million, recorded by TCM Living.

## Financial Costs

The Corporate Group had financial cost of THB 32.17 million, decreased from THB 35.81 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 June 30, 2022	As of December 31, 2021	Change	
			Million Baht	%
Total Assets	8,625.00	8,531.74	93.26	1.09%
Total Liabilities	5,998.47	5,844.36	154.11	2.64%
Shareholders' Equity	2,626.53	2,687.38	(60.85)	-2.26%
D/E Ratio	2.28:1	2.17:1		

The Corporate Group's total assets as of 30 June 2022 were higher than the total assets as of 31 December 2021 by THB 93.26 million or 1.09 percent. Total liabilities as of 30 June 2022 were higher than the total liabilities as of 31 December 2021 by THB 154.11 million or 2.64 percent. Shareholders' equity as of 30 June 2022 was lower than that as of 31 December 2021 by THB 60.85 million or 2.26 percent. As a result, D/E ratio at the end of the period was at 2.28:1 higher than 2.17:1 as of the year end 2021.

## Key Financial Ratios

Key Financial Ratios	Q2/2022	FY 2021
Current ratio (times)	1.14	1.25
Quick ratio (times)	0.80	0.89
Account Receivable Turnover (times)	6.12	5.63
Account Payable Turnover (times)	4.81	4.46
Inventory turnover (times)	8.10	7.12
D/E ratio (times)	2.28	2.17
Return on equity (%)	(0.28)	(6.57)
Return on assets (%)	0.70	(1.41)
Assets turnover (times)	1.12	0.91

The Group recorded a current ratio at 1.14x and quick ratio at 0.80x as at 30 June 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 6.12, 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 4.81x as at 30 June 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 8.10 in Q2/2022.



## Management Discussion and Analysis

Q2/2022

Debt to equity ratio was at 2.28x in Q2/2022, decreased from 2.17x in FY2021 as a result of higher account receivable from higher sales and production volume. Return on equity, return on assets, and asset turnover were improved as well as the Group's financial result.