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10 May 2023

Subject Clarification on Operating Results of the First Quarter of Year 2023
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 2023 compared to the first quarter of the year 2022 as follows.

The Corporate Group had net profit of 11.32 million baht at the end of the first quarter of the year 2023 compared to net profit of 54.02 million baht at the same period of year 2022. The performance was decreased by 42.70 million baht. 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

(Mrs. Noppaporn Aphiwatthanakul)
Financial Director



Carpets Inter®

RT acoustic



Alstons

ASHLEYMANOR

amxdesign

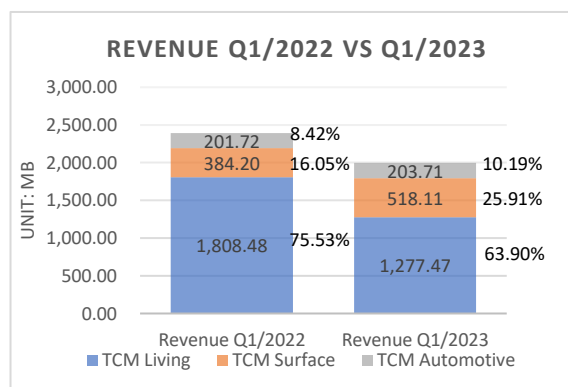
Alexander & James

Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of 1,999.30 million baht for the first quarter of the year 2023, decreased from 2,394.40 million baht or by 16.50% compared to the same period of the previous year. EBITDA was 119.77 million baht, decreased from the previous year by 25.74%. Net profit was recorded at 11.30 million baht compared to the net profit of 54.02 million baht in the previous year. Net profit attributable to owners of the parent was 1.09 million baht, mainly from market recovery and the performance improvement of TCM Surface. TCM Living met its targets for Q1/2023, but extra income and backlog orders from 2021 contributed to better-than-usual performance in Q1/2022.

Q1/2023 Performance

The increase in revenue contribution by Surface business from 16.05% in Q1/2022 to 25.91% in Q1/2023 has reflected the recovery in hospitality industry. Thus, revenue contribution by TCM Living was replaced proportionately and stood at 63.90% in Q1/2023 compared to 75.53% in the year earlier. Revenue from TCM Automotive had a slight change as recorded at 10.19% in Q1/2023 compared to 8.42% in Q1/2022.



Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> Healthy sales and profitability performance resulted by efficiency improvement. Sales volume in Q1/2023 was achieved as planned, but behind those in Q1/2022. When looking quarter by quarter, Q1/2022 also earned a benefit from the delay in product delivery in which the sales orders in Q4/2021 were mostly delivered in Q1/2022 due to container shortage problem globally. The gross profit margin stood at 21.66%, significantly improved from 16.95% in the prior year. Margin on manufacturing side was higher after emphasizing cost control and working efficiency. Selling and administrative expenses were substantially increased, mostly represented by one-time-cost incurred from the termination of a production site in an attempt to lower down the overhead expenses. Cost savings from manpower, factory rental, and other overheads will be realized in Q4 this year, resulted in the higher profitability at FY 2023. After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, the Group reported a net profit of 7.07 million baht.
TCM Surface	<ul style="list-style-type: none"> Favourable market environment. The efficiency and lean improvement help supporting positive results for Surface business. Revenue increased by 34.86% YoY as a benefit from the recovery in hospitality sector which has led to the higher volume of incoming sales order.

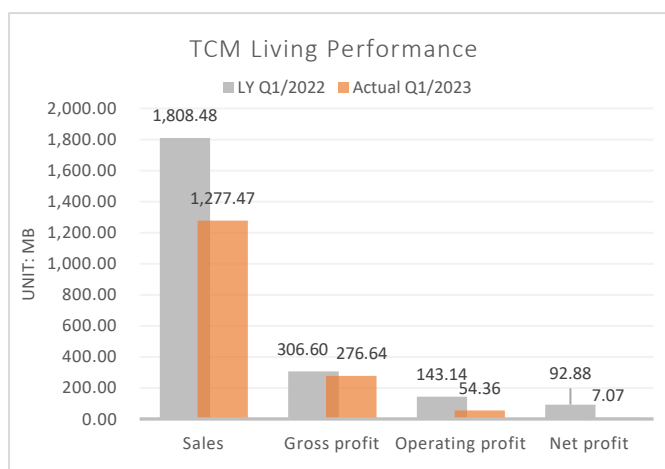
Business Group	Highlights
	<ul style="list-style-type: none"> - The cost of goods sold ratio was improved from growing sales and selling prices adjustment. Product pricing was adjusted to reflect increasing raw material prices and higher transportation costs. The Group also benefited from efficiency improvements internally, and favorable exchange rate of THB against USD. - New products launch i.e., outdoor rugs and acoustic panel. - The percentage of selling and administrative expenses to sales was lower compared to the same period of the previous year, due to efficient expenses control. - After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 7.10 million.
TCM Automotive	<ul style="list-style-type: none"> - Sales and profitability remained stable. Market movement and industry growth was at slower pace. - Revenue slightly increased by 0.99% YoY. Automotive industry in overall was maintaining in the same position as those in the preceding year. - Cost of sales went up by 3.67%, mainly from sales mix which represented higher by products with high production costs. This also incurred maintenance costs, and spare parts of some machineries which has been in production line for many years. - Selling and administrative expenses remained the same as prior year. - After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 11.32 million baht, 36.55% decreased YoY.

Performance by Group of Business

TCM Living

Unit: MB

Details	Actual Q1/2023	Last Year Q1/2022	Diff % YoY	% of sales Q1/2023	% of sales Q1/2022
Revenue from Sales and Services	1,277.47	1,808.48	-29.36%	100.00%	100.00%
Cost of Sales and Services	(1,000.83)	(1,501.88)		-78.34%	-83.05%
Gross Profit	276.64	306.60	-9.77%	21.66%	16.95%
Other incomes	0.97	31.22	-96.89%	0.08%	1.73%
Selling expenses	(122.96)	(109.68)	-12.11%	-9.63%	-6.06%
Administrative expenses	(100.29)	(85.00)	-17.99%	-7.85%	-4.70%
Profit (Loss) from Exchange Rate	0.00	0.00	0.00%	0.00%	0.00%
Operating Income (EBIT)	54.36	143.14	-62.03%	4.25%	7.92%
Amortization - Intangible assets	(10.81)	(11.62)	7.02%	-0.85%	-0.64%
Fair Value Adjustments to Derivatives (Forex)	(0.31)	2.40	-113.08%	-0.02%	0.13%
Financial Costs from operation	(12.41)	(5.99)	-107.24%	-0.97%	-0.33%
Tax Income (Expenses)	(7.70)	(20.93)	63.20%	-0.60%	-1.16%
Corporate Expenses - Shared	(6.44)	(8.34)	22.74%	-0.50%	-0.46%
Financial Costs from non-operation	(9.61)	(5.78)	-66.35%	-0.75%	-0.32%
Net Profit (Loss) for the Period	7.07	92.88	-92.39%	0.55%	5.14%
EBITDA	60.73	153.49	-60.43%	4.75%	8.49%



TCM Living

Q1 revenue reduced by 29.36% over prior year, reflecting the unusually high Q1/2022 order book that was driven by increased and pent-up demand following shipping delays experienced in the latter part of 2021 post the pandemic. Despite orders being challenged by cost-of-living crisis, the Q1 revenue levels achieved in FY2023 are in line with management expectation.

Gross Profit contribution of TCML reduced from Q1/2022 due to lower volumes but the margins achieved increased from 16.95% as reported in the previous year to 21.66% this year. This increase reflected improved manufacturing efficiencies being

achieved along with the benefit of normalised container prices positively affecting the import side of the business.

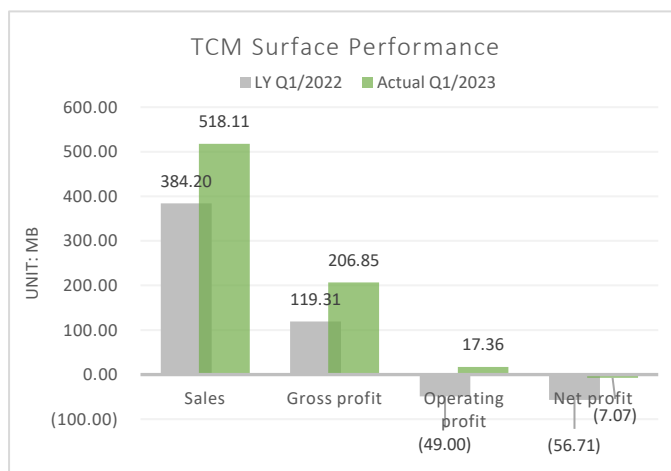
Selling and administrative expenses increased by 6.72% over prior year due to cost-of-living increases and inflationary pressures. Once again, these costs were within management expectations. The group also incurred 20.20 million baht or £490k re-organisational costs (One-time costs) relating to the consolidation of manufacturing sites which will realise significant savings over the remainder of the year and in future years.

After the deduction of one-time costs, financial costs, taxes and exchange rate movements, the Group returned a net profit of 7.07 million baht. Decreased by 92.39% from the net profit of 92.88 million baht in the same period of the previous year. The EBITDA was 60.73 million baht, decreased by 60.43% compared to the same period of the year 2022.

TCM Surface

Unit: MB

Details	Actual Q1/2023	Last Year Q1/2022	Diff % YoY	% of sales Q1/2023	% of sales Q1/2021
Revenue from Sales and Services	518.11	384.20	34.86%	100.00%	100.00%
Cost of Sales and Services	(311.25)	(264.89)		-60.08%	-68.95%
Gross Profit	206.85	119.31	73.38%	39.92%	31.05%
Other incomes	1.05	5.62	-81.35%	0.20%	1.46%
Selling expenses	(82.23)	(67.46)	-21.90%	-15.87%	-17.56%
Administrative expenses	(115.16)	(101.49)	-13.47%	-22.23%	-26.42%
Profit (Loss) from Exchange Rate	6.85	(4.98)	237.71%	1.32%	-1.30%
Operating Income (EBIT)	17.36	(49.00)	135.43%	3.35%	-12.75%
Amortisation - Intangible assets	(4.58)	(4.58)	0.00%	-0.88%	-1.19%
Fair Value Adjustments to Derivatives (Forex)	(2.60)	3.66	-171.15%	-0.50%	0.95%
Financial Costs from operation	(1.21)	(0.71)	-70.76%	-0.23%	-0.18%
Tax Income (Expenses)	8.34	14.12	-40.95%	1.61%	3.68%
Corporate Expenses - Shared	(2.41)	(2.47)	2.15%	-0.47%	-0.64%
Financial Costs from non-operation	(21.97)	(17.75)	-23.78%	-4.24%	-4.62%
Net Profit (Loss) for the Period	(7.07)	(56.71)	87.54%	-1.36%	-14.76%
EBITDA	38.68	(25.41)	252.24%	7.47%	-6.61%



TCM Surface

The Group recorded sales revenue at THB 518.11 million, a significant increase by 34.86% YoY. This was largely due to the recovery in tourism industry and hospitality sector globally. Although operating costs i.e., transportation, labour, and raw material prices remained on the high side, TCM Surface was able to adjust selling price to reflect that. Hence, profitability was improved favourably. In addition, the Group has put an effort in achieving cost control as well as improving production efficiency during the past 2 years. This includes the investment in new machineries, installation of solar

panels on factory roof top which has led to energy saving, lower water consumption, and reduction in raw material usage. As a result, our gross profit margin improved to 39.92%, compared to 31.05% in prior year.

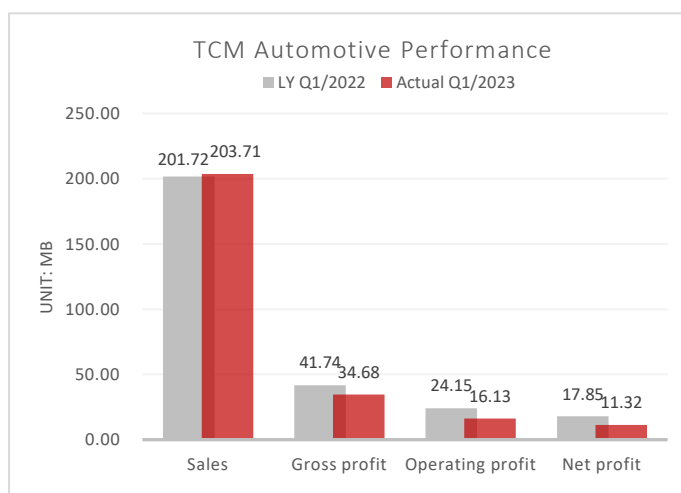
Total Selling and Administrative Expenses was 197.39 million baht, or 38.10% of the sales revenue, reduced from those of 168.95 million baht or 43.97% in prior year. This was mainly due to the restructuring of the organization and adoption of new technologies to increase efficiency and reduce operating expenses

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of 7.07 million baht, increased from the net loss of 56.71 million baht in the same period of the previous year.

TCM Automotive

Unit: MB

Details	Actual Q1/2023	Last Year Q1/2022	Diff % YoY	% of sales Q1/2023	% of sales Q1/2022
Revenue from Sales and Services	203.71	201.72	0.99%	100.00%	100.00%
Cost of Sales and Services	(169.03)	(159.97)		-82.98%	-79.31%
Gross Profit	34.68	41.74	-16.92%	17.02%	20.69%
Other incomes	1.11	1.36	-18.37%	0.54%	0.67%
Selling expenses	(8.83)	(7.59)	-16.30%	-4.34%	-3.77%
Administrative expenses	(11.16)	(11.74)	4.98%	-5.48%	-5.82%
Profit (Loss) from Exchange Rate	0.33	0.38	-13.07%	0.16%	0.19%
Operating Income (EBIT)	16.13	24.15	-33.19%	7.92%	11.97%
Financial Costs from operation	(0.21)	(0.21)	2.78%	-0.10%	-0.10%
Tax Income (Expenses)	(3.73)	(5.39)	30.88%	-1.83%	-2.67%
Corporate Expenses - Shared	(0.87)	(0.70)	-25.72%	-0.43%	-0.34%
Net Profit (Loss) for the Period	11.32	17.85	-36.55%	5.56%	8.85%
EBITDA	20.38	33.20	-38.63%	10.00%	16.46%



TCM Automotive

Car production in Thailand in Q1/2023 has inevitably been impacted by the shortage of semiconductors and raw materials. Despite the problem of raw material supply and the disruption from Ukraine-Russia war, TCM automotive still maintain its business performance favourably in Q1/2023. Revenue from sales and services slightly increased by 0.99% from the same period of the previous year. Gross margin was 17.02%, decreased from 20.69% in prior year. Higher cost of sales was due to the increase in raw material prices and transportation cost as well as the higher sales volume of products with lower gross margin.

Additionally, there have been issues with the spare parts of a long-serving machine, which have since been addressed.

Selling and Administrative expenses in Q1/2023 remained stable at 9.81% compared to 9.59% in Q1/2022.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 11.32 million baht or 5.56% of the revenue from sales and services. The EBITDA was 20.38 million baht, or 10% of the revenue from sales and services.

Consolidated Performance

Unit: THB million

Consolidated Statement	Q1/2023	Q1/2022	Diff % YoY
Revenue			
Revenue from Sales and Services	1,999.30	2,394.40	-16.50%
Other Incomes	3.12	38.19	100.00%
Gain from exchange rate	7.19	0.00	-81.18%
Gain from fair value adjustments to derivatives	0.00	6.05	0.00%
Total revenue	2,009.61	2,438.64	-17.59%
Expenses			
Cost of sales and services	(1,481.12)	(1,926.74)	23.13%
Selling expenses	(214.03)	(184.73)	-15.86%
Administrative & Corporate expenses	(251.72)	(225.93)	-11.42%
Loss from exchange rate	0.00	(4.59)	100.00%
Loss from fair value adjustments to derivatives	(2.92)	0.00	-100.00%
Total expenses	(1,949.79)	(2,341.99)	16.75%
Net profit before TAX	59.82	96.65	-38.10%
Financial costs	(45.41)	(30.43)	-49.20%
Tax expenses	(3.09)	(12.20)	74.68%
Profit (loss) for the quarter	11.32	54.02	-79.04%
Profit (loss) for TCMC	1.09	19.16	-94.32%
EBITDA	119.79	161.29	-25.73%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	
Basic earnings per share (Baht)	0.00	0.03	

Other Incomes

In Q1/2023, the Corporate Group recorded other incomes of 3.12 million baht which derived from interest income, rental fees, sale of assets, and scrap selling etc. When compared to Q1/2022, the Company recorded other income of 38.19 million Baht, of which 31.22 million Baht was from selling Arlo & Jacob. In Q1/2023 there was also 7.19 million Baht from foreign exchange gain by TCM Surface and TCM Automotive.

Financial Costs

In Q1/2023, the Corporate Group had total financial costs of 45.41 million baht which represented by financial cost from business operation and acquisition loan at 13.83 million baht and 31.58 million respectively. The significant increase in financial cost when compared to those of 23.53 million baht in Q1/2022 was a result of interest rate hike as simultaneously arose in the UK over the past 12 months.

The consolidated statement of Q1/2023 showed the net profit of 11.32 million baht compared to net profit of 54.02 million baht in Q1/2022. However, if deducted one-time costs and other incomes, the performance should read as follows:

Consolidated performance	Q1/2023	Q1/2022
Net Profit	11.32	54.02
Extra expenses/incomes		
Income from selling Arlo & Jacob		(31.22)
Costs from manufacture restructuring	20.6	
Net profit from operation	31.92	22.80
% diff	▲ 40%	

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 31 March, 2023	As of 31 December, 2022	Change	
			Million Baht	%
Total Assets	8,423.53	8,318.84	104.68	1.26%
Total Liabilities	5,811.13	5,661.38	149.75	2.65%
Shareholders' Equity	2,612.39	2,657.47	(45.07)	-1.70%
D/E Ratio	2.22:1	2.13:1		

On consolidated basis, total assets and total liabilities of the Company slightly increased by 1.26% and 2.65% respectively. Solid capital base still remained, but shareholder's equity went down slightly by 1.70%. D/E ratio was inconsiderably changed as stood at 2.22x at the end of Q1/2023 compared to 2.13x at FYE 31 December 2022.

Key Financial Ratios

Key Financial Ratios	Q1/2023	FY 2022
Current ratio (times)	1.07	1.09
Quick ratio (times)	0.70	0.72
Account Receivable Turnover (times)	5.55	6.41
Account Payable Turnover (times)	3.64	4.75
Inventory turnover (times)	5.54	7.29
D/E ratio (times)	2.22	2.13
Return on equity (%)	0.05	4.56
Return on assets (%)	0.13	2.10
Assets turnover (times)	0.96	1.46

The Group's liquidity position still be able to meet its short-term debt obligations. Current ratio and quick ratio stayed in the same range in Q1/2023 and FY 2022. Cash cycle remained at 30-31 days over the respective period. Debt collection, payment to suppliers, and stock control were well managed. Return on Asset and Return on Equity were significantly dropped as total revenue in Q1/2023 decreased by 17.59% YoY.