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Subject Clarification on Operating Results of the Third Quarter of the 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 third quarter of 2023 compared to the third quarter of 2022 as follows.

The Corporate Group had a net profit of 7.43 million baht at the end of the third quarter of 2023, compared to a net profit of 16.66 million baht in the same period of 2022. The performance was decreased by 9.23 million baht. Details of the changes are described in the Management Discussion and Analysis, as attached herewith.

Please be informed accordingly.

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

Noppaporn A.

(Mrs. Noppaporn Aphiwatthanakul)
Financial Director



Carpets Inter[®]

RT acoustic



Alstons

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Alexander & James

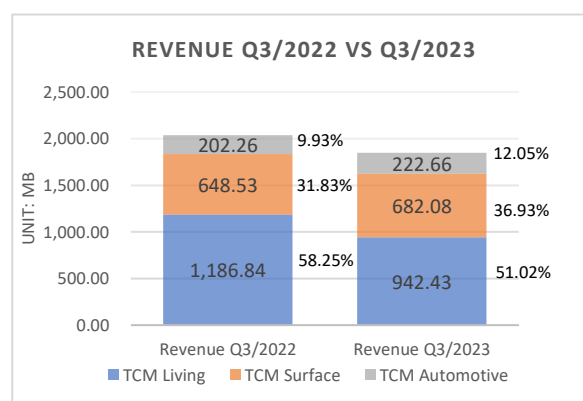
Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") have reported a decrease in operating profit in the third quarter of 2023 compared to the same period last year. Even though the sales revenue of TCM Surface group had recovered as forecast, the revenue from TCM Living was significantly decreased due to an unfavourable market situation. In addition, Q3 is a summer holiday in the UK and is usually the lowest season for TCM Living business.

For Q3/2023, total revenue from sales and services was recorded at 1,847.17 million baht compared to 2,037.63 million Baht in the prior year, which was a 9.35% decrease. However, EBITDA was 158.42 million baht, an increase of 36.41% from the previous year. Net profit was 7.43 million baht, a decrease from those of 16.66 million baht in the previous year. Net profit attributable to owners of the parent was 3.87 million baht.

Q3/2023 Performance

In the third quarter of the year 2023, TCM Surface made a remarkable recovery, while TCM Living experienced a slowdown in the market. This resulted in a reduction in revenue proportion for TCM Living to 51.02% compared to 58.25% in the same period of the previous year. On the other hand, TCM Surface saw an increase in its revenue proportion to 36.93%. Similarly, TCM Automotive saw an increase in its revenue proportion to 12.05% compared to the same quarter of the previous year.



Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - Revenue decreased from market conditions. Increasing efficiency results in higher gross margins. - Sales dropped 20.59% YoY from the market and economy condition, including a long holiday in the UK. Although the business was affected by the increase in raw material price and labour cost, the company has managed to enhance efficiency, which helped boost its gross profit margin from 12.70% last year to 19.48% this year. - Overhead costs are being well controlled, better than the target, even though they were increased compared to last year, as a result of rising of the cost of living and overhead expenses. - After taking out the inter-company expenses, higher financial costs, due to rising of interest rates, higher tax rate, and exchange rates related, the Group reported a net loss of 57.29 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 5.17% YoY driven by market recovery and a higher influx of sales orders. - In addition to growing sales, selling price adjustment also helped reduce the cost ratio. In Q3/2023, product pricing was adjusted to reflect increasing raw material

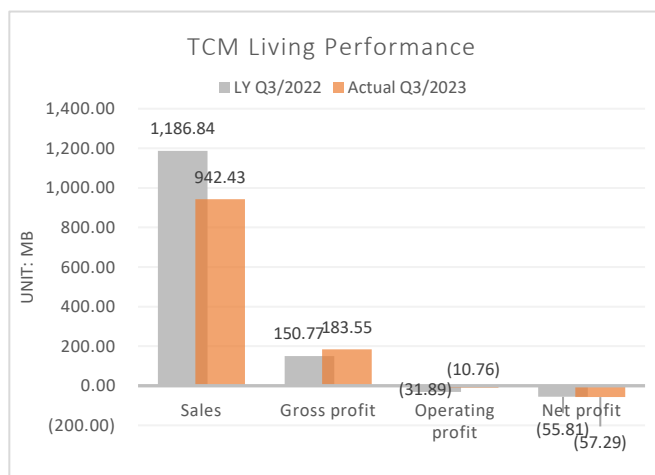
Business Group	Highlights
	<p>prices and higher transportation costs. The Group also benefit from efficiency improvements internally.</p> <ul style="list-style-type: none"> - Newly developed products launch i.e., outdoor rugs and acoustic panels. - The percentage of selling and administrative expenses to sales was aligned with the same period of the previous year. Still, there has been a slight increase due to the introduction of new products into the market. - After deducting inter-company expenses, and higher financial costs, due to rising of interest rates, higher tax amounts, and exchange rates related, the Group reported a net profit of 39.30 million baht.
TCM Automotive	<ul style="list-style-type: none"> - Gradually recovered in line with market conditions. - Revenue increased by 10.08% YoY. The automotive industry returns to normal after recovering from the chip shortage issue. The rise in productivity and sales has led to an increase in the gross margin compared to the previous year. - Selling and administrative expenses as a percentage of sales have slightly increased YoY. - After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 25.42 million baht, 39.12% increased YoY.

Performance by Group of Business

TCM Living

Unit: MB

Details	Actual Q3/2023	Last Year Q3/2022	Diff % YoY	% of sales Q3/2023	% of sales Q3/2022
Revenue from Sales and Services	942.43	1,186.84	-20.59%	100.00%	100.00%
Cost of Sales and Services	(758.88)	(1,036.06)		-80.52%	-87.30%
Gross Profit	183.55	150.77	21.74%	19.48%	12.70%
Other incomes	(2.56)	(0.47)	-447.73%	-0.27%	-0.04%
Selling expenses	(122.38)	(98.40)	-24.37%	-12.99%	-8.29%
Administrative expenses	(69.60)	(84.42)	17.56%	-7.38%	-7.11%
Profit (Loss) from Exchange Rate	0.00	0.00	0.00%	0.00%	0.00%
Fair Value Adjustments to Derivatives (Forex)	0.23	0.63	-62.65%	0.02%	0.05%
Operating Income (EBIT)	(10.76)	(31.89)	66.26%	-1.14%	-2.69%
Amortization - Intangible assets	(11.67)	(11.21)	-4.10%	-1.24%	-0.94%
Financial Costs from operation	(16.83)	(7.81)	-115.45%	-1.79%	-0.66%
Tax Income (Expenses)	5.21	9.66	-46.05%	0.55%	0.81%
Corporate Expenses - Shared	(6.31)	(7.04)	10.31%	-0.67%	-0.59%
Financial Costs from non-operation	(16.93)	(7.53)	-124.96%	-1.80%	-0.63%
Net Profit (Loss) for the Period	(57.29)	(55.81)	-2.64%	-6.08%	-4.70%
EBITDA	11.10	(13.86)	180.04%	1.18%	-1.77%



TCM Living

Q3 revenue reduced by 20.59% over prior year reflecting a slowdown in order intake, particularly within the import businesses as the cost-of-living crisis has started to take effect in the UK and reduce the consumers discretionary spend. With the long holiday in England, people prioritise travel expenditures over shopping during this time.

The gross profit contribution of TCML improved by 32.78 million baht from Q3 FY22 despite lower volumes and the gross margins achieved reflected an increase of 6.77% in the period compared to the depressed prior year margins. The

Gross Profit margin of 19.48% reflects a higher manufacturing mix in Q3 volume over prior year, improved manufacturing efficiencies offsetting the current inflationary cost pressures along with the benefit of normalised container prices positively affecting the import side of the business.

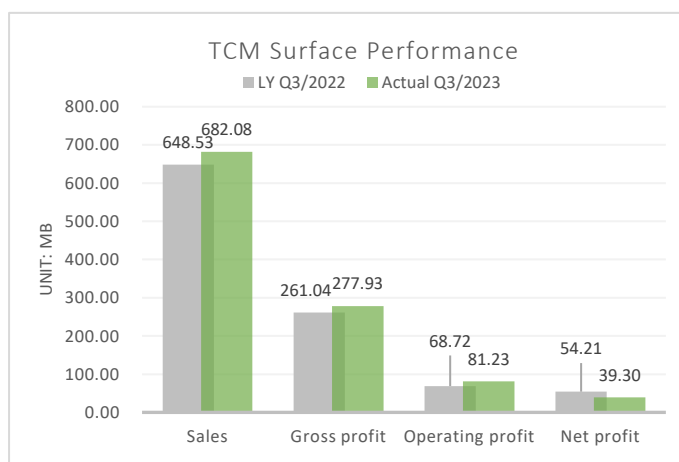
Selling and Administrative expenses were well controlled across all entities. They came in considerably lower than management expectations as we continuously strive to maintain an appropriate cost basis for the business. This was demonstrated by the consolidation of the manufacturing sites in the Midlands in Q1, which will realise significant savings in the future. Q3's overhead costs came in at 4.97% higher than the prior year due to significant increases in the cost of living in the UK, inflation, and overseas exhibition expenditure.

After the deduction of financial costs, which the interests rate was increased to 5.25%, taxes and exchange rate movements, the Group made a loss of 57.29 million baht for the quarter compared to a loss of 55.81 million baht in the prior year. The EBITDA was 11.10 million baht, which increased by 180.04 %YoY.

TCM Surface

Unit: MB

Details	Actual Q3/2023	Last Year Q3/2022	Diff % YoY	% of sales Q3/2023	% of sales Q3/2022
Revenue from Sales and Services	682.08	648.53	5.17%	100.00%	100.00%
Cost of Sales and Services	(404.15)	(387.49)		-59.25%	-59.75%
Gross Profit	277.93	261.04	6.47%	40.75%	40.25%
Other incomes	5.69	2.72	109.08%	0.83%	0.42%
Selling expenses	(82.49)	(89.03)	7.34%	-12.09%	-13.73%
Administrative expenses	(116.78)	(109.62)	-6.54%	-17.12%	-16.90%
Profit (Loss) from Exchange Rate	(2.52)	19.50	-112.93%	-0.37%	3.01%
Fair Value Adjustments to Derivatives (Forex)	(0.60)	(15.89)	96.23%	-0.09%	-2.45%
Operating Income (EBIT)	81.23	68.72	18.20%	11.91%	10.60%
Amortisation - Intangible assets	(4.58)	(4.58)	0.00%	-0.67%	-0.71%
Financial Costs from operation	(1.08)	(0.59)	-82.32%	-0.16%	-0.09%
Tax Income (Expenses)	(12.04)	10.25	-217.39%	-1.76%	1.58%
Corporate Expenses - Shared	(2.40)	(1.66)	-44.46%	-0.35%	-0.26%
Financial Costs from non-operation	(21.84)	(17.93)	-21.76%	-3.20%	-2.77%
Net Profit (Loss) for the Period	39.30	54.21	-27.51%	5.76%	8.36%
EBITDA	105.05	95.10	10.47%	15.40%	14.66%



TCM Surface

The Group recorded sales revenue at 682.08 million baht, or an increase by 5.17% YoY. This was largely due to the recovery in the tourism industry and hospitality sector globally. Although operating costs including transportation, labour, and raw material prices, still remained on the high side, TCM Surface was able to adjust the 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 two years. As a result, the gross profit margin

improved to 40.75%, compared to 40.25% in the prior year. In addition, the launch of the new RT Acoustic products received a good response, resulting in a slight increase in gross margin.

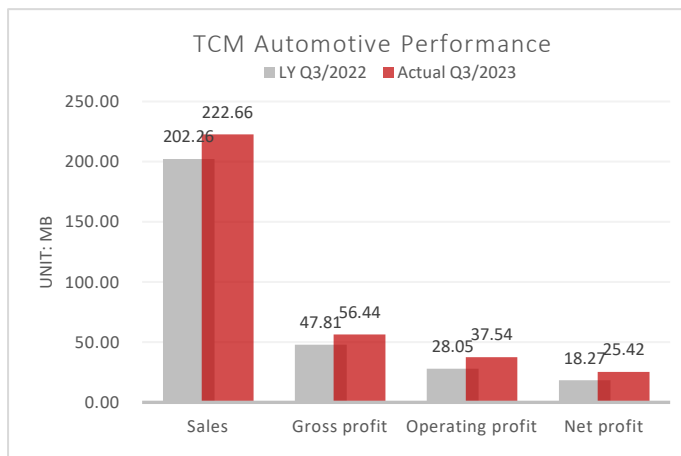
Total Selling and Administrative Expenses were 199.27 million baht, or 29.22% of the sales revenue, which is in the same range as those of 198.65 million baht or 30.63% in the prior year. The situation can be regarded as being well under control.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 39.30 million baht, a decrease from net profit of 54.21 million baht in the same period of the previous year. This was mainly due to the higher interest rates and the lack of tax benefits as recorded in previous year. The EBITDA was 105.05 million baht, which increased by 10.47 %YoY.

TCM Automotive

Unit: MB

Details	Actual Q3/2023	Last Year Q3/2022	Diff % YoY	% of sales Q3/2023	% of sales Q3/2022
Revenue from Sales and Services	222.66	202.26	10.08%	100.00%	100.00%
Cost of Sales and Services	(166.22)	(154.46)		-74.65%	-76.36%
Gross Profit	56.44	47.81	18.06%	25.35%	23.64%
Other incomes	2.13	0.45	377.95%	0.96%	0.22%
Selling expenses	(8.04)	(7.73)	-4.06%	-3.61%	-3.82%
Administrative expenses	(13.33)	(13.11)	-1.63%	-5.98%	-6.48%
Profit (Loss) from Exchange Rate	0.33	0.64	-47.86%	0.15%	0.32%
Operating Income (EBIT)	37.54	28.05	33.80%	16.86%	13.87%
Amortisation - Intangible assets	(5.54)	(3.75)	-47.66%	-0.81%	-0.58%
Financial Costs from operation	(0.50)	(0.23)	-112.32%	-0.22%	-0.12%
Tax Income (Expenses)	(5.14)	(4.89)	-5.17%	-2.31%	-2.42%
Corporate Expenses - Shared	(0.94)	(0.91)	-3.33%	-0.42%	-0.45%
Net Profit (Loss) for the Period	25.42	18.27	39.12%	11.42%	9.03%
EBITDA	42.28	34.90	21.14%	18.99%	17.25%



TCM Automotive

During the third quarter of 2023, the automotive industry in Thailand and abroad experienced a positive trend, resulting in an 10.08% increase in sales compared to the previous year. The gross profit margin also improved, reaching 25.35%, which is higher than the 23.64% of the same period in the previous year. This increase in profit is due to an increase in incoming sales orders and efficiency improvements.

Selling and Administrative expenses in Q3/2023 decreased compared to the same period

of the previous year, reaching 9.60% and 10.30%, respectively.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 25.42 million baht or 11.42% of the revenue from sales and services. The EBITDA was 42.28 million baht or 21.14% increased YoY.

Consolidated Performance

Consolidated Statement	Q3/2023	Q3/2022	Unit: THB million
			Diff % YoY
<u>Revenue</u>			
Revenue from Sales and Services	1,847.17	2,037.63	-9.35%
Other Incomes	5.26	2.70	94.78%
Gain from exchange rate	0.00	20.13	-100.00%
Gain from fair value adjustments to derivatives	0.00	0.00	0.00%
Total revenue	1,852.43	2,060.47	-10.10%
<u>Expenses</u>			
Cost of sales and services	(1,334.78)	(1,581.76)	15.61%
Selling expenses	(212.92)	(195.16)	-9.10%
Administrative & Corporate expenses	(225.60)	(232.54)	2.98%
Loss from exchange rate	(2.19)	0.00	-100.00%
Loss from fair value adjustments to derivatives	(0.36)	(15.26)	97.61%
Total expenses	(1,775.86)	(2,024.73)	12.29%
Net profit before TAX	76.56	35.74	114.24%
Financial costs	(57.18)	(34.10)	-67.67%
Tax expenses	(11.96)	15.03	-179.62%
Profit (loss) for the quarter	7.43	16.66	-55.43%
Profit (loss) for TCMC	3.87	16.59	-76.65%
EBITDA	158.42	116.14	36.41%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	
Basic earnings per share (Baht)	0.01	0.02	

Other Incomes

In Q3/2023, the Corporate Group recorded other incomes of 5.26 million baht which were derived from interest income, rental fees, sale of assets, scrap selling etc., compared to 2.7 million in prior year. Foreign exchange loss was 2.19 million baht arose from forward contract booking by TCM Surface.

Financial Costs

The Corporate Group had total financial costs of 57.18 million baht in Q3/2023, which represented by financial costs from business operations and acquisition loans at 18.41 million baht and 38.77 million, respectively. The significant increase in financial costs when compared to those of 25.46 million baht in Q3/2022 was a result of interest rate hikes in the global market over the past 12 months.

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 30 September 2023,	As of 31 December 2022,	Change	
			Million Baht	%
Total Assets	8,053.65	8,318.84	(265.19)	-3.19%
Total Liabilities	5,364.67	5,661.38	(296.71)	-5.24%
Shareholders' Equity	2,688.99	2,657.47	31.52	1.19%
D/E Ratio	2.00:1	2.13:1		

On a consolidated basis, the total assets and total liabilities of the Company slightly decreased by 3.19% and 5.24%, respectively. The shareholder's equity slightly increased by 1.19%. The D/E ratio was considerably reduced to 2.00x at the end of Q3/2023 compared to 2.13x at FYE 31 December 2022, due to partially repayment of bank loan.

Key Financial Ratios

Key Financial Ratios	Q3/2023	FY 2022
Current ratio (times)	1.19	1.09
Quick ratio (times)	0.77	0.72
Account Receivable Turnover (times)	6.07	6.41
Account Payable Turnover (times)	3.95	4.75
Inventory turnover (times)	5.85	7.29
D/E ratio (times)	2.00	2.13
Return on equity (%)	4.47	4.56
Return on assets (%)	1.78	2.10
Assets turnover (times)	1.02	1.09

The Group's liquidity position still be able to meet its short-term debt obligations. The current ratio improved, and quick ratio stayed in the same range in Q3/2023 and FY 2022. The cash cycle remained at 30-32 days over the respective period.

Inventory turnover reduced as a result of higher volume of inventory stock mainly to meet production for product delivery at year end . Debt collection, payment to suppliers were well managed. Return on Asset and Return on Equity were slightly dropped as total revenue in Q3/2023 decreased by 9.35% YoY.