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29th February 2024

Subject Clarification on Operating Results of the Year 2023
Attention Director and Manager, The Stock Exchange of Thailand

TCM Corporation Public Company Limited and its subsidiaries, collectively referred to as the "Corporate Group," would like to provide clarification on the operating result and financial statement for the year 2023 compared to 2022.

At the end of 2023, the Corporate Group recorded a net profit of 81.62 million baht, which is a decrease of 50.78 million baht from the net profit of 132.40 million baht recorded in 2022. Further details regarding the changes can be found in the attached Management Discussion and Analysis report.

Please be informed accordingly.

Yours 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



Carpets Inter®

RT acoustic

RTSTUDIO



Alstons

ASHLEYMANOR

amxdesign

Alexander & James

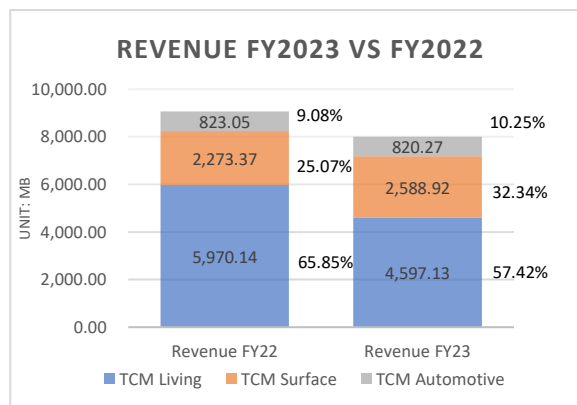
Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") have reported a decrease in operating profit in 2023 compared to last year. Despite the business turnaround of TCM Surface, as sales growth is higher than expected, TCM Living experienced a substantial decline in revenue due to an unfavourable market situation in Europe. The efficient expense control exercise, as implemented by TCM Living last year, has played a vital role in maintaining its gross profit in the year 2023. However, the ongoing interest rate hike in the UK has resulted in a significant decline in overall net profit for the year.

On a consolidated basis, total revenue from sales and services for FY 2023 was recorded at 8,006.32 million baht compared to 9,066.57 million baht in the prior year, an 11.69% decrease. However, EBITDA was 596.20 million baht, an increase of 5.22% from the previous year. Net profit was 81.62 million baht, a decrease from 132.40 million baht in the previous year. Net profit attributable to owners of the parent was 50.25 million baht.

FY2023 Performance

In 2023, TCM Surface made remarkable revenue growth, while TCM Living experienced a business slowdown. As a result, the revenue contribution by TCM Living decreased from 65.85% last year to 57.42% in FY 2023. On the other hand, revenue contribution by TCM Surface accounted for 32.34%, an increase from 25.07% in the prior year. TCM Automotive represented a slight increase in revenue contribution to 10.25% compared to 9.08% in 2022.



Highlight from each business.

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - Revenue decreased from market conditions, whereas a higher gross margin was recorded due to the efficient cost control measures. - Sales dropped 23.00% YoY, mainly from the market conditions and the slowdown economy. Although the business was affected by the increase in overheads and labour costs, the company has managed to enhance its production efficiency, which helped boost its gross profit margin from 14.54% last year to 18.91% this year. - However, selling and administrative expenses continued to be a challenge as the cost of living in the UK is still on the rise. In addition, financial costs were significantly higher due to rising interest rates. After deducting the inter-company expenses, financial costs, tax, and exchange rates, the Group reported a net loss of 57.57 million baht.
TCM Surface	<ul style="list-style-type: none"> - A favourable market environment on top of the success in internal cost control and production efficiency improvement has resulted in remarkable revenue growth and profitability for 2023. - Revenue increased by 13.88% YoY, primarily due to the market recovery, particularly in the hospitality segment, while other segments continue to grow steadily.

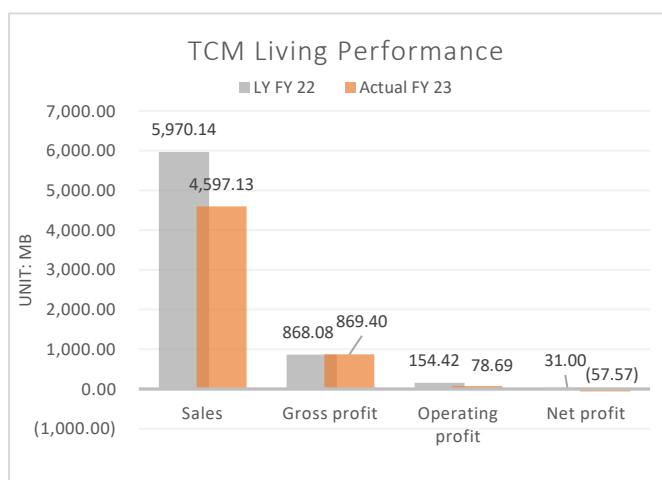
Business Group	Highlights
	<ul style="list-style-type: none"> - The gross profit margin was improved from GP 37.73% in the previous year to 41.34% this year due to growing sales and adjustments in selling prices to reflect increasing raw material costs and higher overheads. The Group also benefits from operational efficiency improvements. - The percentage of selling and administrative expenses to sales was lower than the previous year, mainly from the tight control of overall costs in order to maintain the company's liquidity. - The Group reported a net profit of 76.12 million baht after deducting inter-company expenses, financial costs, tax, and exchange rates. Net profit in 2023 was 177.56% higher compared to the prior year. This is a tremendous record of profitability contributed by TCM Surface over the past five years.
TCM Automotive	<ul style="list-style-type: none"> - Steady performance in line with market conditions. - Revenue aligned with the result in the previous year. Gross profit margin improved from production efficiency as machineries were enhanced and overhauled. Additionally, car carpets, which are products with higher margins, represented a higher percentage of total sales in the year 2023. - Selling and administrative expenses have increased YoY, mainly due to the business expansion of the Group to the Geo-textile segment. - After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 63.07 million baht, a 14.75% decrease YoY.

Performance by Group of Business

TCM Living

Unit: MB

Details	Actual FY2023	Last Year FY2022	Diff % YoY	% of sales FY2023	% of sales FY2022
Revenue from Sales and Services	4,597.13	5,970.14	-23.00%	100.00%	100.00%
Cost of Sales and Services	(3,727.73)	(5,102.06)		-81.09%	-85.46%
Gross Profit	869.40	868.08	0.15%	18.91%	14.54%
Other incomes	5.31	29.97	-82.27%	0.12%	0.50%
Selling expenses	(426.67)	(416.93)	-2.34%	-9.28%	-6.98%
Administrative expenses	(369.35)	(332.70)	-11.02%	-8.03%	-5.57%
Profit (Loss) from Exchange Rate	0.00	0.00	0.00%	0.00%	0.00%
Fair Value Adjustments to Derivatives (Forex)	0.00	6.00	-100.00%	0.00%	0.10%
Operating Income (EBIT)	78.69	154.42	-49.04%	1.71%	2.59%
Amortization - Intangible assets	(45.37)	(45.33)	-0.09%	-0.99%	-0.76%
Financial Costs from operation	(60.74)	(30.83)	-96.98%	-1.32%	-0.52%
Tax Income (Expenses)	40.30	2.92	1281.99%	0.88%	0.05%
Corporate Expenses - Shared	(24.22)	(21.46)	-12.83%	-0.53%	-0.36%
Financial Costs from non-operation	(46.24)	(28.72)	-61.03%	-1.01%	-0.48%
Net Profit (Loss) for the Period	(57.57)	31.00	-285.74%	-1.25%	0.52%
EBITDA	159.91	224.16	-28.66%	3.48%	3.75%



TCM Living

The furniture market in the UK is gradually returning to normalcy, with the purchasing demand showing a decline after an overwhelming demand caused by the COVID-19 lockdown. In 2023, net sales decreased by 23% compared to the previous year, indicating a challenging year for the industry due to the reduced levels of consumer confidence and discretionary spending in the UK. These factors were caused by inflationary pressures and the increased cost of living in the past 12 months.

The gross profit contribution of TCML improved from the prior year despite lower volumes.

The gross profit margin of 18.91% reflects a higher manufacturing mix in 2023 volume over the preceding year, which was 14.54%. The increase in margin was due to the closing of the J28 factory in Q1/2023, which improved manufacturing efficiencies, offsetting the inflationary cost pressures along with the benefit of normalised container prices and positively affecting the import side of the business.

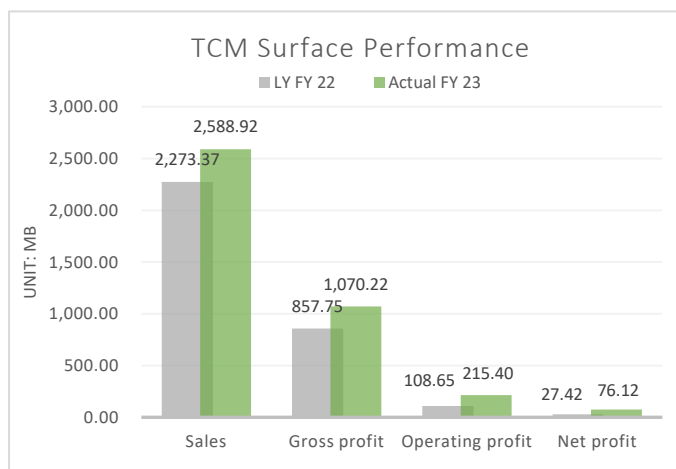
The other business income is 5.31 million baht, reduced from the previous year, which had extra income from selling the Arlo & Jacob business in Q1/2022. Total Selling and Administrative expenses were 796.02 million baht, which were well controlled across all entities. They came in considerably lower than management expectations despite inflationary pressure as we continuously strive to maintain an appropriate cost basis for the business.

Upon deduction of inter-company expenses, financial costs, which experienced a significant interest rate increase, and taxes, the Group incurred a loss of 57.57 million baht, reduced from the net profit of 31.00 million baht recorded in the previous year, amounting to a YoY decrease of 285.74%. The EBITDA was 159.91 million baht, with a decline of 28.66% YoY.

TCM Surface

Unit: MB

Details	Actual FY2023	Last Year FY2022	Diff % YoY	% of sales FY2023	% of sales FY2022
Revenue from Sales and Services	2,588.92	2,273.37	13.88%	100.00%	100.00%
Cost of Sales and Services	(1,518.70)	(1,415.61)		-58.66%	-62.27%
Gross Profit	1,070.22	857.75	24.77%	41.34%	37.73%
Other incomes	10.66	6.23	71.28%	0.41%	0.27%
Selling expenses	(370.96)	(332.54)	-11.55%	-14.33%	-14.63%
Administrative expenses	(482.30)	(420.09)	-14.81%	-18.63%	-18.48%
Profit (Loss) from Exchange Rate	(3.17)	(25.65)	87.64%	-0.12%	-1.13%
Fair Value Adjustments to Derivatives (Forex)	(9.06)	22.94	-139.51%	-0.35%	1.01%
Operating Income (EBIT)	215.40	108.65	98.26%	8.32%	4.78%
Amortisation - Intangible assets	(18.31)	(18.31)	0.00%	-0.71%	-0.81%
Financial Costs from operation	(4.42)	(2.12)	-108.66%	-0.17%	-0.09%
Tax Income (Expenses)	(4.88)	23.50	-120.78%	-0.19%	1.03%
Corporate Expenses - Shared	(14.04)	(11.58)	-21.27%	-0.54%	-0.51%
Financial Costs from non-operation	(97.62)	(72.71)	-34.25%	-3.77%	-3.20%
Net Profit (Loss) for the Period	76.12	27.42	177.56%	2.94%	1.21%
EBITDA	308.90	206.09	49.89%	11.93%	9.07%



TCM Surface

The Group recorded sales revenue of 2,588.92 million baht, an increase of 13.88% YoY. This was mainly due to the global recovery in the tourism and hospitality sectors. Although operating costs, including transportation, labour, and raw material prices, 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 into improving production efficiency during the past 2-3 years. As a result, the gross profit margin improved to 41.34%, compared to 37.73% in the

prior year. In addition, the launch of the new RT Acoustic products received a good response, and the launching of the RT Studio brand focused on collaboration with well-known designers to reach high-end customers who favour art and home decoration.

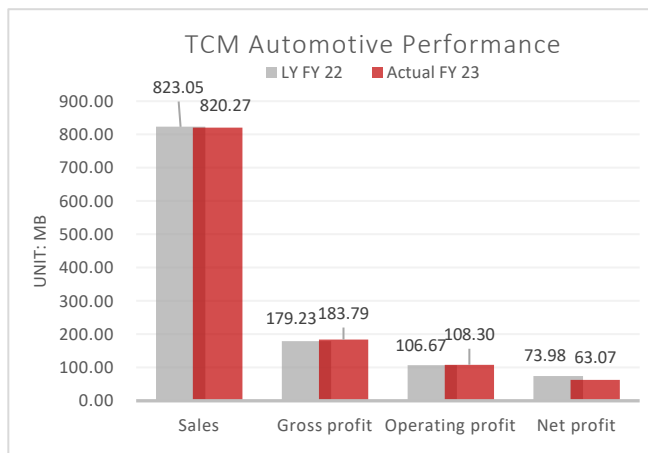
Total Selling and Administrative Expenses were 853.23 million baht, or 32.96% of the sales revenue, which improved from 33.11% in the prior year. This resulted in restructuring the company and adopting new technologies to increase efficiency and reduce operating expenses.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 76.12 million baht, significantly improved from the net profit of 27.42 million baht in 2022, despite the increased financial expenses from the higher interest rate. The EBITDA was 308.89 million baht, increased by 49.89%YoY.

TCM Automotive

Unit: MB

Details	Actual FY2023	Last Year FY2022	Diff % YoY	% of sales FY2023	% of sales FY2022
Revenue from Sales and Services	820.27	823.05	-0.34%	100.00%	100.00%
Cost of Sales and Services	(636.48)	(643.82)		-77.59%	-78.22%
Gross Profit	183.79	179.23	2.54%	22.41%	21.78%
Other incomes	9.92	7.02	41.22%	1.21%	0.85%
Selling expenses	(33.82)	(30.50)	-10.88%	-4.12%	-3.71%
Administrative expenses	(53.54)	(51.23)	-4.51%	-6.53%	-6.22%
Profit (Loss) from Exchange Rate	1.96	2.14	-8.59%	0.24%	0.26%
Operating Income (EBIT)	108.30	106.67	1.54%	13.20%	12.96%
Amortisation - Intangible assets	(22.12)	(11.63)	-90.12%	-0.85%	-0.51%
Financial Costs from operation	(2.21)	(0.87)	-153.79%	-0.27%	-0.11%
Tax Income (Expenses)	(16.53)	(16.40)	-0.84%	-2.02%	-1.99%
Corporate Expenses - Shared	(4.38)	(3.79)	-15.57%	-0.53%	-0.46%
Net Profit (Loss) for the Period	63.07	73.98	-14.75%	7.69%	8.99%
EBITDA	127.40	136.38	-6.58%	15.53%	16.57%



TCM Automotive

The automotive industry in both domestic and global markets has shown a steady yet slower pace of growth. The group's revenue in 2023 was aligned with the previous year, with a slight decrease of 0.34%. However, the gross profit margin improved, reaching 22.41%, higher than the 21.78% of the previous year. This increase in profit is due to the rise in incoming sales orders, especially for car carpet products that generate higher margins than fabric and PU/PVC seat upholstery, as well as efficiency improvements.

Selling and administrative expenses were well controlled and at the same level as the previous year.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 63.07 million baht, or a 14.75% decrease YoY. The EBITDA was 127.40 million baht, or a 6.58% decrease YoY.

Consolidated Performance

Unit: THB million

Consolidated Statement	FY2023	FY2022	Diff
			% YoY
Revenue			
Revenue from Sales and Services	8,006.32	9,066.57	-11.69%
Other Incomes	25.89	43.22	100.00%
Gain from exchange rate	0.00	0.00	-100.00%
Gain from fair value adjustments to derivatives	0.00	28.94	0.00%
Total revenue	8,032.22	9,138.72	-12.11%
Expenses			
Cost of sales and services	(5,905.03)	(7,173.13)	17.68%
Selling expenses	(831.45)	(779.97)	-6.60%
Administrative & Corporate expenses	(1,011.50)	(904.48)	-11.83%
Loss from exchange rate	(1.21)	(23.51)	94.83%
Loss from fair value adjustments to derivatives	(9.06)	0.00	-100.00%
Total expenses	(7,758.25)	(8,881.09)	12.64%
Net profit before TAX	273.96	257.63	6.34%
Financial costs	(211.23)	(135.25)	-56.17%
Tax expenses	18.88	10.02	88.44%
Profit (loss) for the quarter	81.62	132.40	-38.36%
Profit (loss) for TCMC	50.25	74.00	-32.09%
EBITDA	596.22	566.63	5.22%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	
Basic earnings per share (Baht)	0.07	0.10	

Other Incomes

In 2023, the Corporate Group recorded other incomes of 25.89 million baht, which were derived from interest income, rental fees, sale of assets, scrap selling, etc., reduced from the prior year, which had extra income received from selling Arlo & Jacob in Q1/2022 and the fair value adjustments to derivatives gained, recorded by TCM Surface and TCM Living.

Financial Costs

The Corporate Group incurred total financial costs of 211.18 million baht in 2023, which was higher than the previous year's 135.25 million baht due to the increase in interest rates. The financial costs consist of 67.36 million baht from normal operations, a rise of 99.18% YoY, and 143.87 million baht from acquisitions, a 41.83% YoY increase. However, the percentage of incremental financial costs from acquisitions was lower than that of operations, mainly due to the repayment of bank loans by the Group during the year.

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 31 December 2023,	As of 31 December 2022,	Change	
			Million Baht	%
Total Assets	7,763.09	8,321.97	(558.88)	-6.72%
Total Liabilities	5,102.84	5,709.51	(606.66)	-10.63%
Shareholders' Equity	2,660.25	2,612.46	47.79	1.83%
D/E Ratio	1.92:1	2.19:1		

On a consolidated basis, the Company's total assets and liabilities decreased by 6.72% and 10.63%, respectively. The shareholder's equity increased by 1.83%. The D/E ratio was improved to 1.92x at the end of 2023 compared to 2.19x at the end of 2022 due to the partial repayment of bank loans.

Key Financial Ratios

Key Financial Ratios	FY2023	FY2022
Current ratio (times)	1.21	1.08
Quick ratio (times)	0.82	0.72
Account Receivable Turnover (times)	6.06	6.41
Account Payable Turnover (times)	4.16	4.75
Inventory turnover (times)	6.28	7.29
D/E ratio (times)	1.92	2.19
Return on equity (%)	2.13	3.22
Return on assets (%)	1.05	1.59
Assets turnover (times)	1.03	1.09

The Corporate Group's financial ratios for the year ending 31 December 2023 showed a slight improvement in liquidity position. The current ratio increased from 1.08 to 1.21x, and the quick ratio increased from 0.72x to 0.82x. However, the account receivable turnover decreased from 6.41x to 6.06x, and the account payable turnover decreased from 4.75x to 4.16x due to partial shipments of big projects, which took longer production and delivery lead times.



Management Discussion and Analysis

FY2023

The debt-to-equity ratio improved from 2.19x in the previous year to 1.92x in 2023. This was due to partial loan repayment in 2023, the lower drawdown of the working capital line, as well as a decrease in trade payables.

The company's return on equity, return on assets, and asset turnover decreased due to an 11.69% YoY decrease in total revenue in 2023.