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14th August 2024

Subject Clarification on Operating Results of the Second Quarter of the Year 2024
Attention Director and Manager, The Stock Exchange of Thailand

TCM Corporation Public Company Limited and its subsidiaries, collectively referred to as the "TCMC", would like to clarify the operating results and financial statements for the second quarter of 2024 compared to the second quarter of 2023 as follows.

TCMC had a net loss of 116.14 million baht at the end of the second quarter of 2024 compared to a net profit of 27.30 million baht in the same period of 2023. The performance was decreased by 143.44 million baht.

Details of the changes are described in the Management Discussion and Analysis, which is attached herewith.

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

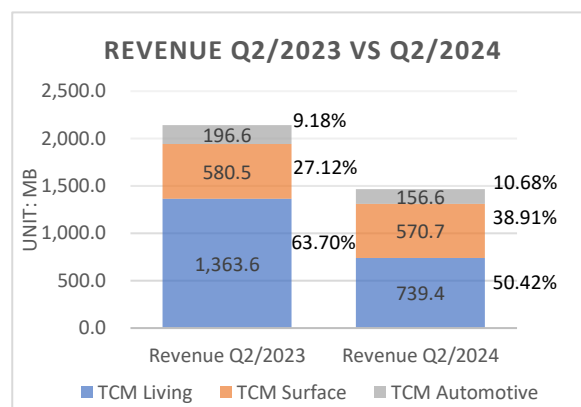
Overview

In Q2/2024, TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as "TCMC") reported a decrease in revenue compared to the previous year. This was mainly because of the corrections in the UK furniture industry. The overall market demand was reduced by 25%. The further hit on the group customer sector (large retail chain), which used to enjoy furniture instalment prices in a low-interest rate environment (0.5%), now faces a high-interest rate environment (5.5%). This pushes the supply chain pressure in search of more profitability in various forms, resulting in industry consolidation. Together with the off-season sales of both the Surface and Living business, as well as the soft sales of the Automotive business, this resulted in a loss in the overall operating performance.

The TCMC's total revenue from sales and services for Q2/2024 was 1,466.68 million baht, compared to 2,140.61 million baht in the prior year, representing a 31.48% decrease. EBITDA was 5.88 million baht, a 96.17% decrease from the previous year. The net loss was 116.14 million baht, a decrease from the net profit of 27.30 million baht in the same period last year. Net loss attributable to owners of the parent was 101.59 million baht.

Q2/2024 Performance

Due to the slowdown in the UK and European markets, in Q2/2024, TCM Living accounted for 50.42% of total sales and service revenue, down from 63.70% in the previous year. TCM Surface accounted for 38.91%, higher than last year when it accounted for 27.12% of total sales and service revenue. Meanwhile, TCM Automotive accounted for 10.68%, higher than last year 9.18% of total sales and service revenue.



Highlight from each business.

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - The furniture market in Europe was dull. Retail business changes strategy to reduce costs - The business group's revenue decreased by 45.77% YoY due to unfavourable market conditions. The cost of living remains high, people are spending cautiously, and many have replaced their sofas during lockdowns, delaying purchases for now. Consequently, sales fell across the entire industry. Additionally, higher interest rates in the previous period affected large British furniture stores. Therefore, they have switched to ordering products from other sources to reduce costs or pulling production into their factories where sales have fallen due to consumer belt-tightening. - Gross margin decreased from 20.15% last year to 15.65% this year. As a result of rising wages across the UK, rising raw material costs and significantly higher energy bills. - Selling and administrative expenses were substantially decreased due to the overall reduction of overhead caused by the consolidation of the plants to reduce costs, which was implemented in the first quarter of last year and will result in this year's record. - After accounting for inter-company expenses, financial costs, taxes, and exchange rate-related expenses, the Group reported a net loss of 105.63 million baht.
TCM Surface	<ul style="list-style-type: none"> - Increasing efficiency keeps the %GP steady despite the business's low season. Order on hand remains strong.

Business Group	Highlights
	<ul style="list-style-type: none"> - Revenue decreased by 1.69% YoY, aligning with last year. The cost ratio is also performing well, surpassing pre-COVID levels. This is notable despite a 19% decrease in sales revenue from 2019. - The business group had higher selling and administrative expenses than last year. This was due to boosting sales through product roadshows, promoting brands to connect with new customers and acoustic products. In addition, overseas sales departments travel more to reach customers. Expect orders to come in the second half of the year. - After deducting inter-company expenses, financial costs, and taxes, the Group reported a net loss of 21.28 million baht. This is lower than the same period of the previous year, with higher performance due to a favourable tax of 14.34 million baht

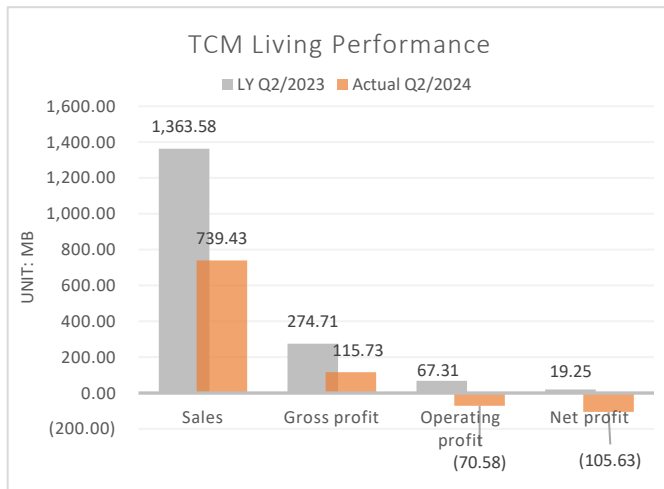
TCM Automotive	<ul style="list-style-type: none"> - The business group's performance in response to the market situation. - Thailand's total car manufacturing forecast was revised down from 2 million to 1.9 million, and now 1.75 million cars per year this year. - Revenue decreased by 20.34% YoY, which aligns with the market. Automotive production in Thailand weakened slightly due to a decline in pickup truck lending. Exports are still growing well. - Gross margins declined due to decreased sales revenue and product mix. - The overall Selling and administrative expenses as a percentage of sales decreased from the same period last year. - After deducting the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 10.77 million baht, a 56.34% decrease YoY.
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Performance by Group of Business

TCM Living

Unit: MB

Details	Actual Q2/2024	Last Year Q1/2023	Diff % YoY	Actual 6M 2024	Last Year 6M 2023	Diff % YoY
Revenue from Sales and Services	739.43	1,363.58	-45.77%	1,624.55	2,641.06	-38.49%
Cost of Sales and Services	(623.69)	(1,088.87)		(1,364.39)	(2,089.70)	
Gross Profit	115.73	274.71	-57.87%	260.16	551.35	-52.81%
% Margin	15.65%	20.15%		16.01%	20.88%	
Other incomes	0.03	1.02	-97.40%	0.04	1.99	-98.05%
Selling expenses	(86.97)	(91.58)	5.04%	(191.57)	(214.54)	10.71%
Administrative expenses	(99.37)	(116.25)	14.52%	(175.26)	(216.56)	19.07%
Fair Value Adjustments to Derivatives (Forex)	0.00	(0.59)	100.03%	0.01	(0.90)	101.57%
Operating Profit (Loss)	(70.58)	67.31	-204.85%	(106.62)	121.33	-187.87%
% EBIT to Total Sales	-9.54%	4.94%		-6.56%	4.59%	
Amortisation - Intangible assets	(12.15)	(11.32)	-7.34%	(23.98)	(22.10)	-8.51%
Financial Costs from operation	(17.30)	(14.88)	-16.24%	(32.81)	(27.22)	-20.51%
Tax Income (Expenses)	14.49	(2.84)	609.67%	23.45	(10.54)	322.43%
Corporate Expenses - Shared	(7.88)	(7.27)	-8.44%	(14.53)	(13.71)	-5.98%
Financial Costs from non-operation	(12.22)	(11.75)	-3.97%	(23.24)	(21.44)	-8.42%
Net Profit (Loss) for the Period	(105.63)	19.25	-648.57%	(177.72)	26.32	-775.14%
% to Total Sales	-14.29%	1.41%		-10.94%	1.00%	
EBITDA	(49.10)	86.54	-156.73%	(59.30)	159.32	-137.22%



TCM Living

The furniture business faces challenges from the economic downturn in the UK, a dull market situation, and large customer shifts in their business strategies to direct purchases. As a result, the company's trading business (AMX Design) has decreased significantly. Hence, The TCM Living group recorded a decrease in sales of 45.77%.

Gross margin declined to 15.65% from 20.15% in the previous year. This was due to the higher cost of living, energy, and transportation costs, as well as conflicts and closures of the Red Sea. As a result, delivery time and shipping costs increased, affecting the business's entire supply chain.

Total selling and administrative expenses were 186.34 million baht, a decrease from 207.83 million baht in the previous year, but the percentage of sales increased due to lower sales volume. However, expenses remained within management's expectations. There were also one-time costs from the capacity reduction plan, leading to lower production costs in the coming quarters and beyond.

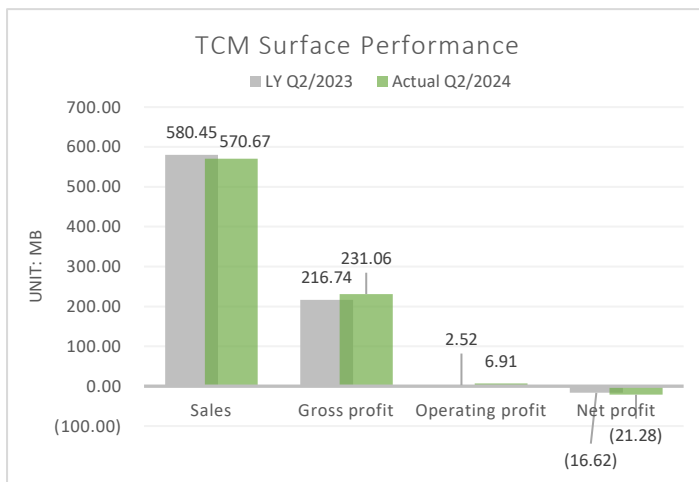
After deducting financial costs, taxes, and exchange rate movements, the Group reported a net loss of 105.63 million baht, which decreased by 648.57% from the net profit of 19.25 million baht in the same period of the previous year. The EBITDA was -49.10 million baht, which decreased by 156.73% compared to the same period of the year 2023.

TCM Surface

Details	Actual Q2/2024	Last Year Q1/2023	Diff % YoY
Revenue from Sales and Services	570.67	580.45	-1.69%
Cost of Sales and Services	(339.61)	(363.71)	
Gross Profit	231.06	216.74	6.61%
% Margin	40.49%	37.34%	
Other incomes	0.97	1.20	-19.19%
Selling expenses	(103.18)	(95.08)	-8.52%
Administrative expenses	(117.78)	(114.35)	-2.99%
Profit (Loss) from Exchange Rate	(11.88)	33.37	-135.61%
Fair Value Adjustments to Derivatives (Forex)	7.71	(39.35)	119.60%
Operating Profit (Loss)	6.91	2.52	173.90%
% EBIT to Total Sales	1.21%	0.43%	
Amortisation - Intangible assets	(4.58)	(4.58)	0.00%
Financial Costs from operation	(2.11)	(1.63)	-29.59%
Tax Income (Expenses)	6.03	14.34	-57.95%
Corporate Expenses - Shared	(4.45)	(3.18)	-40.06%
Financial Costs from non-operation	(23.07)	(24.10)	4.24%
Net Profit (Loss) for the Period	(21.28)	(16.62)	-28.03%
% to Total Sales	-3.73%	-2.86%	
EBITDA	28.98	25.29	14.59%

Unit: MB

Actual 6M 2024	Last Year 6M 2023	Diff % YoY
1,080.29	1,098.56	-1.66%
(646.43)	(674.97)	
433.86	423.59	2.42%
40.16%	38.56%	
1.50	2.25	-33.11%
(200.12)	(177.32)	-12.86%
(232.75)	(229.51)	-1.41%
15.89	40.22	-60.48%
(17.16)	(41.95)	59.10%
1.23	17.28	-92.88%
0.11%	1.57%	
(9.16)	(9.16)	0.00%
(4.10)	(2.83)	-44.61%
18.93	22.68	-16.52%
(8.17)	(5.59)	-46.06%
(46.07)	(46.07)	0.00%
(47.32)	(23.69)	-99.79%
-4.38%	-2.16%	
45.26	62.58	-27.67%



TCM Surface

Q1 and Q2 were the low seasons of the Surface business. As a result, sales and service revenue was 570.67 million baht, a decrease of 1.69% from the same period last year. Despite the impact of rising transportation costs, labour costs, and material costs, the Company has adjusted product prices accordingly. The improvement in operational efficiency over the past few years allowed the business group to achieve a gross margin of 40.49%, higher than the previous year.

Total Selling and Administrative Expenses amounted to 220.95 million baht, equivalent to 38.72% of sales revenue. This is an increase from

the previous year's 209.43 million baht, or 36.08% of sales revenue. Besides general inflation, the rise is due to the Company's efforts to increase sales by participating in various exhibitions, promoting acoustic products, and expanding overseas sales departments, which increased travel to reach customers. The Company expects orders to arrive in the second half of the year.

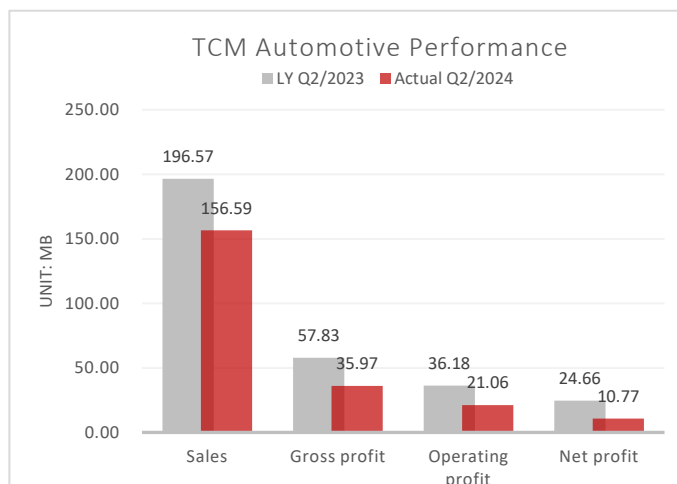
After accounting for inter-company expenses, financial costs, and taxes, the Group reported a net loss of 21.28 million baht, compared to the same period of the previous year when it reported a net loss of 16.62 million baht. Last year, there was a positive tax result of 14.34 million baht, while this period had a positive tax effect of 6.03 million baht.

TCM Automotive

Details	Actual Q2/2024	Last Year Q1/2023	Diff % YoY
Revenue from Sales and Services	156.59	196.57	-20.34%
Cost of Sales and Services	(120.61)	(138.74)	
Gross Profit	35.97	57.83	-37.80%
% Margin	22.97%	29.42%	
Other incomes	3.23	4.12	-21.54%
Selling expenses	(7.05)	(8.68)	18.76%
Administrative expenses	(11.23)	(17.44)	35.59%
Profit (Loss) from Exchange Rate	0.14	0.35	-60.02%
Operating Profit (Loss)	21.06	36.18	-41.79%
% EBIT to Total Sales	13.45%	18.40%	
Amortisation - Intangible assets	(5.20)	(5.51)	5.73%
Financial Costs from operation	(0.61)	(1.02)	40.66%
Tax Income (Expenses)	(3.09)	(4.01)	23.05%
Corporate Expenses - Shared	(1.40)	(0.97)	-44.92%
Net Profit (Loss) for the Period	10.77	24.66	-56.34%
% to Total Sales	6.88%	12.55%	
EBITDA	26.00	41.72	-37.67%

Unit: MB

Actual 6M 2024	Last Year 6M 2023	Diff % YoY
352.73	400.29	-11.88%
(272.89)	(302.28)	
79.85	98.01	-18.53%
22.64%	24.49%	
3.92	5.23	-24.90%
(14.77)	(17.52)	15.66%
(22.62)	(28.59)	20.89%
(0.12)	0.68	-118.30%
46.25	57.81	-19.99%
13.11%	14.44%	
(10.68)	(11.02)	3.08%
(1.23)	(1.23)	-0.11%
(5.87)	(7.74)	24.22%
(2.57)	(1.84)	-39.45%
25.92	35.99	-27.97%
7.35%	8.99%	
56.10	67.59	-17.00%



TCM Automotive

In the second quarter of 2024, Thailand's automobile industry remained stable and gradually contracted. The Federation of Thai Industries (FTI) announced a decrease in Thailand's 2024 automobile production estimation forecast from the target of 2 million units set at the beginning of the year to 1.7 million units by the end of July.

The business group reported lower sales revenue than the previous year, accounting for 20.34%, with a gross margin of 22.97%. This was reduced from the same period last year, 29.42%, due to product mix.

Total sales and administrative expenses in Q2/2024, as a percentage of sales, were lower than in the same period last year at 11.68% and 13.29%, respectively.

After subtracting inter-company expenses, financial costs, and taxes, the Group reported a net profit of 10.77 million baht or 6.88% of the revenue from sales and services. This is lower than last year's net profit of 24.66 million baht. The EBITDA was 16.61 million baht, accounting for 16.61% of the revenue from sales and services.

Consolidated Performance

Unit: THB million

Consolidated Statement	Q2/2024	Q2/2023	Diff	6M 2024	6M 2023	Diff
			% YoY			% YoY
Revenue						
Revenue from Sales and Services	1,466.68	2,140.61	-31.48%	3,057.57	4,139.91	-26.14%
Other Incomes	4.23	6.34	-33.25%	5.47	9.46	-42.20%
Gain from exchange rate	0.00	33.71	-100.00%	15.77	40.90	-61.44%
Fair Value Adjustments to Derivatives (Forex)	7.71	0.00	100.00%	0.00	0.00	0.00%
Total revenue	1,478.62	2,180.66	-32.19%	3,078.81	4,190.26	-26.52%
Expenses						
Cost of sales and services	(1,089.11)	(1,596.84)	31.80%	(2,294.38)	(3,077.96)	25.46%
Selling expenses	(197.20)	(195.35)	-0.95%	(406.46)	(409.38)	0.71%
Administrative & Corporate expenses	(258.83)	(275.34)	6.00%	(489.03)	(527.06)	7.22%
Loss from exchange rate	(11.74)	0.00	-100.00%	0.00	0.00	0.00%
Loss from fair value adjustments to derivatives	0.00	(39.93)	100.00%	(17.14)	(42.85)	59.99%
Total expenses	(1,556.88)	(2,107.46)	26.13%	(3,207.02)	(4,057.25)	20.96%
Net profit before TAX	(78.26)	73.19	-206.93%	(128.21)	133.01	-196.39%
Financial costs	(55.30)	(53.38)	-3.61%	(107.44)	(98.78)	-8.76%
Tax expenses	17.43	7.49	132.85%	36.52	4.40	730.38%
Profit (loss) for the quarter	(116.14)	27.30	-525.39%	(199.13)	38.62	-615.54%
Profit (loss) for TCMC	(101.59)	9.27	-1195.74%	(179.31)	10.36	-1830.98%
EBITDA	5.88	153.55	-96.17%	42.06	289.49	-85.47%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125		763,201,125	763,201,125	
Basic earnings per share (Baht)	(0.13)	0.01		(0.23)	0.01	

Other Incomes

In quarter 2 of 2024, TCMC recorded other incomes of 4.23 million baht derived from interest income, rental fees, asset sales, scrap selling, etc., compared to 6.34 million baht in Q2/2023. In Q2/2024, the profit from the fair value adjustment of derivative contracts amounted to Baht 7.71 million baht. This will offset the foreign exchange loss of 11.74 million baht from the TCM Surface business group's advanced derivatives exchange.

Financial Costs

The Company's total financial costs amounted to 55.30 million baht, with 20.01 million baht from operations and 35.29 million baht from financial expenses arising from acquisitions. This amount was higher than that of the same period last year due to the investment in machinery. Meanwhile, the financial costs stemming from the acquisition decreased because of the gradual repayment of loans to reduce the principal.

Statement of Financial Position

Statement of consolidated financial position	As of 30 June, 2024	As of 31 December, 2023	Unit THB million	
			Change	
			Million Baht	%
Total Assets	7,612.31	7,763.09	(150.78)	-1.94%
Total Liabilities	5,152.85	5,102.84	50.01	0.98%
Shareholders' Equity	2,459.46	2,660.25	(200.79)	-7.55%
D/E Ratio	2.10:1	1.92:1		

On a consolidated basis, the company's total assets decreased by 150.78 million baht or 1.94%, and liabilities increased by 50.01 million baht or 0.98%. Shareholders' equity decreased by 200.79 million baht or 7.55%. The D/E ratio increased to 2.10x at the end of Q2/2024 compared to 1.92x at FYE 31 December 2023.

Key Financial Ratios

Key Financial Ratios	Q2/2024	FY 2023
Current ratio (times)	1.02	1.21
Quick ratio (times)	0.60	0.82
Account Receivable Turnover (times)	6.25	6.06
Account Payable Turnover (times)	4.14	4.16
Inventory turnover (times)	5.71	6.28
D/E ratio (times)	2.10	1.92
Return on equity (%)	(6.32)	2.13
Return on assets (%)	(2.05)	1.05
Assets turnover (times)	0.91	1.03

As of 30 June 2024, the Group's current ratio was 1.02 times, and the quick ratio was 0.60 times, lower than the end of 2023, which was 1.21 times and 0.82 times, respectively. However, the Group remained well-liquid, with accounts receivable turnover improving from 6.06 times to 6.25 times, account payable turnover decreasing from 4.16 times to 4.14 times, and inventory turnover ratio decreased due to lower sales.

The debt-to-equity ratio was reported at 2.10 times, higher than the year-end period of 1.92 times, due to an increase in total liabilities and from the low seasons of the business in Q1-Q2, which caused the Return on Equity, Return on Asset and Assets turnover to drop.