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14th November 2024

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

TCM Corporation Public Company Limited and its subsidiaries, collectively called the "TCMC", would like to clarify the operating results and financial statements for the third quarter of 2024, ending 30th September 2024, compared to the third quarter of 2023, ending 30th September 2023, as follows.

TCMC had a net loss of 74.96 million baht at the end of the third quarter of 2024, compared to a net profit of 7.43 million baht in 2023. The performance was decreased by 82.39 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

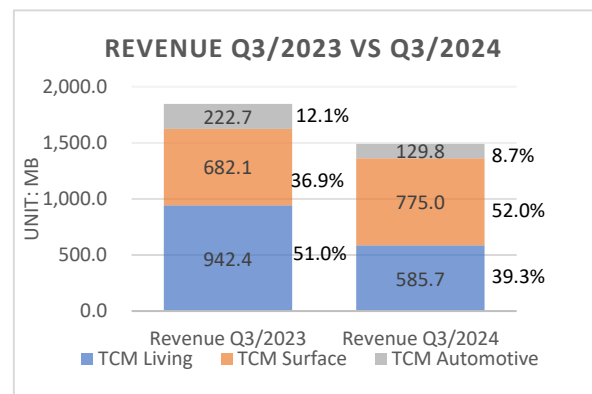
Overview

In Q3/2024, TCM Corporation Public Company Limited and its subsidiaries (collectively, "TCMC") reported a year-over-year revenue decline. Although the surface business achieved positive revenue and earnings growth, particularly in the Thai and U.S. markets, this growth was insufficient to offset declines in the Living and Automotive sectors. Challenges in the UK furniture industry primarily impacted the Living sector, while the Automotive sector faced reduced car production in Thailand, driven by limited hire-purchase loans and a sluggish economy. Overall, these factors contributed to a decrease in TCMC's operating performance.

TCMC Group's total revenue from sales and services for Q3/2024 declined by 19.3% from 1,490.46 million baht, compared to 1,847.17 million baht in the prior year. EBITDA was 84.91 million baht, a 46.4% decrease from the previous year. The group reported a net loss of 74.96 million baht, compared to a net profit of 7.43 million baht in the same period last year. Net loss attributable to owners of the parent was 48.51 million baht.

Q3/2024 Performance

The proportion of each business has changed. Due to the slowdown in the UK markets, in Q3/2024, TCM Living accounted for 39.3% of total sales and service revenue, down from 51.02% in the previous year. TCM Surface accounted for 52%, higher than last year when it accounted for 36.93% of total sales and service revenue. Meanwhile, TCM Automotive represented 8.71% of total sales and service revenue, compared to 12.05% in the previous year.



Highlights from each business.

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - The furniture industry is facing significant challenges, leading to declining sales. In addition, the change in the supply chain strategy of key customers, as reported a few quarters earlier, showed the full impact on P&L. - Sales Decline: TCM Living group sales decreased by 37.85% due to a downturn in the UK furniture market and changes in customer purchasing habits. - Reduced Profit Margins: Gross margin fell from 19.48% to 15.93% due to increased costs in living, energy, transportation, and supply chain disruptions. - Decreased Operating Expenses: Total selling and administrative expenses decreased but represent a higher percentage of sales due to the lower sales volume. - Restructuring Costs: One-time costs of circa 3.29 million baht were to reduce capacity and streamline operations for the projected market slowdown in the coming quarters. - Net Loss: The Group reported a net loss of 116.39 million baht, a 103% increase from the previous year.
TCM Surface	<ul style="list-style-type: none"> - Strong sales, including backlog orders. The incremental capacity in Axminster carpet at the right timing resulted in strong sales growth, particularly in the USA, Thailand, and EMEA regions, driving increased profitability despite rising costs.

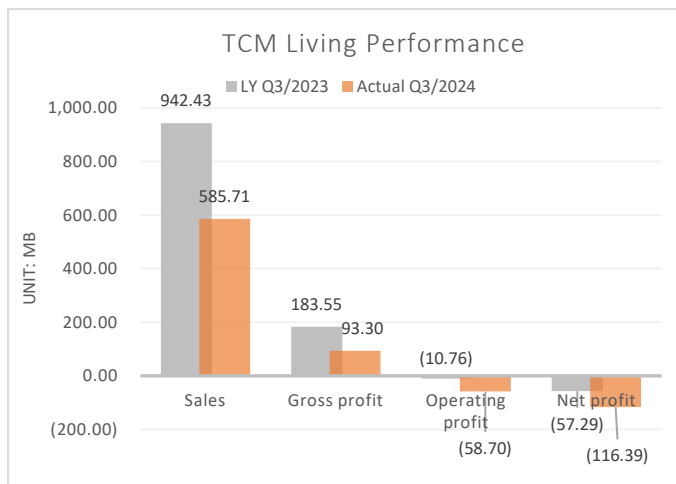
Business Group	Highlights
	<ul style="list-style-type: none"> - Revenue Growth: Sales revenue increased by 13.6% to 774.97 million baht, driven by strong performance in the USA (now contributing 35.5% of sales) and the EMEA region (nearly doubling its sales). - Improved Profitability: Despite rising costs in transportation, labour, and materials, the gross margin increased to 41.62% due to higher operational efficiency. This resulted in a net profit of 45.62 million baht, up from 39.3 million baht in the same period last year. - Strategic Initiatives: Selling and administrative expenses rose to 219.3 million baht due to investments in sales growth initiatives, including exhibitions, product promotion, and sales team expansion. These initiatives are expected to generate orders in the last quarter of the year and into 2025.
TCM Automotive	<ul style="list-style-type: none"> - The automotive industry in Thailand faces a significant downturn, impacting sales and profitability. - Market Challenges: The industry faces challenges, including a weakened economy, rising EV popularity, high household debt, and stricter lending practices, resulting in production and sales declines. - Financial Impact: The Group reports a 41.71% decrease in sales revenue and a reduced gross margin of 17.42% from 23.19% in the same period last year. - Net Loss: These factors contributed to a net loss of 4.19 million baht, compared to last year's net profit of 25.42 million baht. EBITDA also declined by 79.42%.

Performance by Group of Business

TCM Living

Unit: MB

Details	Actual Q3/2024	Last Year Q3/2023	Diff % YoY	Actual 9M 2024	Last Year 9M 2023	Diff % YoY
Revenue from Sales and Services	585.71	942.43	-37.85%	2,210.26	3,583.49	-38.32%
Cost of Sales and Services	(492.41)	(758.88)		(1,856.81)	(2,848.59)	
Gross Profit	93.30	183.55	-49.17%	353.46	734.90	-51.90%
% Margin	15.93%	19.48%		15.99%	20.51%	
Other incomes	0.02	(2.56)	100.80%	0.06	(0.57)	110.31%
Selling expenses	(81.93)	(122.38)	33.06%	(273.50)	(336.93)	18.83%
Administrative expenses	(70.09)	(69.60)	-0.72%	(245.36)	(286.15)	14.25%
Fair Value Adjustments to Derivatives (Forex)	(0.00)	0.23	-100.02%	0.01	(0.67)	102.11%
Operating Profit (Loss)	(58.70)	(10.76)	-445.60%	(165.33)	110.58	-249.50%
% EBIT to Total Sales	-10.02%	-1.14%		-7.48%	3.09%	
Amortisation - Intangible assets	(11.85)	(11.67)	-1.55%	(35.83)	(33.78)	-6.06%
Financial Costs from operation	(12.97)	(16.83)	22.94%	(45.74)	(43.98)	-4.01%
Tax Income (Expenses)	(14.01)	5.21	-368.83%	9.44	(5.33)	277.07%
Corporate Expenses - Shared	(5.84)	(6.31)	7.53%	(20.36)	(20.02)	-1.72%
Financial Costs from non-operation	(13.02)	(16.93)	23.09%	(36.29)	(38.44)	5.58%
Net Profit (Loss) for the Period	(116.39)	(57.29)	-103.17%	(294.12)	(30.97)	-849.82%
% to Total Sales	-19.86%	-6.08%		-13.30%	-0.86%	
EBITDA	(39.23)	11.10	-453.55%	(98.57)	170.39	-157.85%



TCM Living

The furniture industry is encountering several challenges, including the economic downturn in the UK, a lacklustre market environment, and significant shifts in customer business strategies toward direct purchases. As a result, the TCM Living group has recorded a 37.85% decrease in sales.

Gross margin fell to 15.93% from 19.48% last year due to higher living, energy, and transportation costs, along with conflicts and closures in the Red Sea. This led to increased delivery times and shipping costs, impacting the entire supply chain.

Total selling and administrative expenses were 152.02 million baht, a decrease from 191.98

million baht in the previous year. However, the percentage of sales increased due to a reduction in sales volume. Additionally, there were one-time restructuring costs of GBP 73,000 (3.3 million baht) associated with the capacity reduction plan. This plan aims to streamline operations to adapt to the anticipated decrease in sales and demand in the upcoming quarters and beyond.

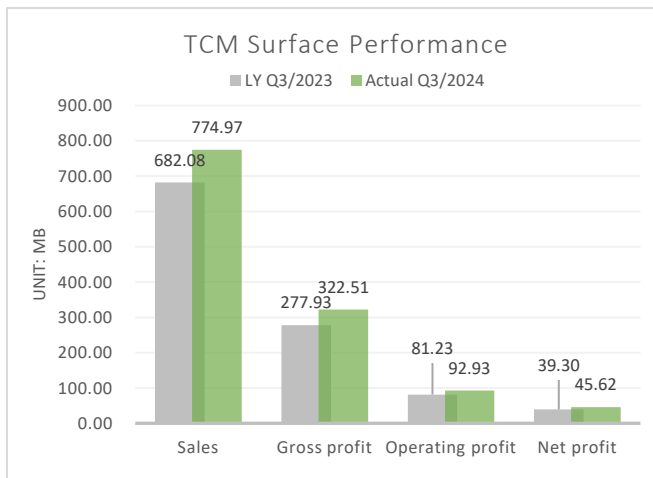
After accounting for inter-company expenses, financial costs, and taxes, the Group reported a net loss of 116.39 million baht, representing a 103% increase from the net loss of 57.29 million baht in the previous year. The EBITDA was -39.23 million baht, down from 11.1 million baht in the corresponding period of 2023.

TCM Surface

Details	Actual Q3/2024	Last Year Q3/2023	Diff % YoY
Revenue from Sales and Services	774.97	682.08	13.62%
Cost of Sales and Services	(452.46)	(404.15)	
Gross Profit	322.51	277.93	16.04%
% Margin	41.62%	40.75%	
Other incomes	0.60	5.69	-89.38%
Selling expenses	(99.60)	(82.49)	-20.74%
Administrative expenses	(119.70)	(116.78)	-2.50%
Profit (Loss) from Exchange Rate	(61.32)	(2.52)	-2331.85%
Fair Value Adjustments to Derivatives (Forex)	50.43	(0.60)	8520.33%
Operating Profit (Loss)	92.93	81.23	14.40%
% EBIT to Total Sales	11.99%	11.91%	
Amortisation - Intangible assets	(4.58)	(4.58)	0.00%
Financial Costs from operation	(3.07)	(1.42)	-116.63%
Tax Income (Expenses)	(13.49)	(12.04)	-12.10%
Corporate Expenses - Shared	(3.30)	(2.40)	-37.58%
Financial Costs from non-operation	(22.86)	(21.50)	-6.35%
Net Profit (Loss) for the Period	45.62	39.30	16.08%
% to Total Sales	5.89%	5.76%	
EBITDA	115.44	105.05	9.89%

Unit: MB

Actual 9M 2024	Last Year 9M 2023	Diff % YoY
1,855.26	1,780.64	4.19%
(1,098.89)	(1,079.11)	
756.37	701.52	7.82%
40.77%	39.40%	
2.11	7.94	-73.45%
(299.72)	(259.81)	-15.36%
(352.45)	(346.29)	-1.78%
(45.43)	37.70	-220.51%
33.27	(42.55)	178.20%
94.16	98.51	-4.42%
5.08%	5.53%	
(13.73)	(13.73)	0.00%
(7.18)	(4.26)	-68.59%
5.44	10.65	-48.87%
(11.47)	(7.99)	-43.52%
(68.92)	(67.56)	-2.02%
(1.71)	15.61	-110.92%
-0.09%	0.88%	
160.71	167.64	-4.13%



TCM Surface

The group recorded sales revenue at 774.97 million baht, an increase of 13.6% from the same period last year, primarily driven by the USA, which contributed 35.5%, up from 25.6% last year. The EMEA region also saw significant growth, almost doubling compared to the same period last year, although it still contributes a small percentage to the overall sales. Meanwhile, the Asia market experienced softer sales due to heightened competition from Chinese players.

Despite the impact of rising transportation costs, labour costs, and material costs, the Company has adjusted product prices accordingly. Operational efficiency improvements over the past few years raised

the group's gross margin to a record high of 41.62%, surpassing all previous figures.

Total selling and administrative expenses amounted to 219.3 million baht, an increase from the previous year's 199.3 million baht. However, as a percentage of sales revenue, it decreased by 1 percentage point to 28.3%. In addition to general inflation, the increase is attributed to the company's strategic initiatives to boost sales. These initiatives include participating in various exhibitions, promoting Acoustic products, and expanding overseas sales departments, which have necessitated increased travel to engage with customers. The company anticipates an acceleration of orders into the first quarter of 2025.

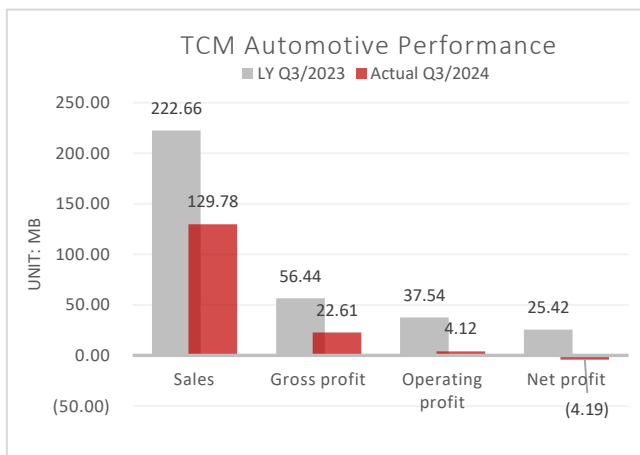
After accounting for inter-company expenses, financial costs, and taxes, the Group reported a net profit of 45.62 million baht, compared to the same period of the previous year when it reported a net profit of 39.30 million baht.

TCM Automotive

Details	Actual Q3/2024	Last Year Q3/2023	Diff % YoY
Revenue from Sales and Services	129.78	222.66	-41.71%
Cost of Sales and Services	(107.17)	(166.22)	
Gross Profit	22.61	56.44	-59.94%
% Margin	17.42%	25.35%	
Other incomes	0.98	2.13	-53.89%
Selling expenses	(6.84)	(8.04)	14.98%
Administrative expenses	(13.04)	(13.33)	2.18%
Profit (Loss) from Exchange Rate	0.40	0.33	20.74%
Operating Profit (Loss)	4.12	37.54	-89.01%
% EBIT to Total Sales	3.18%	16.86%	
Amortisation - Intangible assets	(5.25)	(5.54)	5.13%
Financial Costs from operation	(0.56)	(0.50)	-12.18%
Tax Income (Expenses)	(1.46)	(5.14)	71.61%
Corporate Expenses - Shared	(1.04)	(0.94)	-10.72%
Net Profit (Loss) for the Period	(4.19)	25.42	-116.48%
% to Total Sales	-3.23%	11.42%	
EBITDA	8.70	42.28	-79.42%

Unit: MB

Actual 9M 2024	Last Year 9M 2023	Diff % YoY
482.51	622.95	-22.54%
(380.05)	(468.49)	
102.46	154.46	-33.66%
21.23%	24.79%	
4.91	7.35	-33.29%
(21.61)	(25.56)	15.45%
(35.66)	(41.92)	14.94%
0.28	1.01	-72.64%
50.38	95.34	-47.16%
10.44%	15.31%	
(15.93)	(16.55)	3.77%
(1.79)	(1.72)	-3.60%
(7.33)	(12.88)	43.13%
(3.61)	(2.78)	-29.74%
21.73	61.41	-64.61%
4.50%	9.86%	
64.80	109.87	-41.02%



TCM Automotive

In the third quarter of 2024, Thailand's automobile industry continues to deteriorate, arising from a dimmed economic outlook, BEV's penetration, and relatively high household debt, which, in turn, stricter Bank credit approval criteria, particularly affecting the pickup truck segment, which constitutes a significant portion of our customer base.

In September, Thailand's total car production decreased by 25.4% YoY, while domestic car sales fell by 37.1% YoY, marking the lowest monthly sales figure in over four years. Exports also experienced a decline of

17.6% YoY. This downward trend in production and sales may necessitate further revisions to the official production target by the Federation of Thai Industries (FTI), which was already reduced to 1.7 million units by the end of July from an initial target of 2 million units at the beginning of the year.

The business group reported 41.71% lower sales revenue than the previous year, with a gross margin of 17.42%, reduced from the same period last year of 25.35% due to unfavourable factors mentioned above.

Total selling and administrative expenses, as a percentage of sales, increased to 15.31% from 9.6% in the same period last year. This increase is attributed to fixed costs and the impact of high operating leverage, resulting from a significant decrease in top-line figures.

After subtracting inter-company expenses, financial costs, and taxes, the Group reported a net loss of 4.19 million baht, compared to last year's net profit of 25.42 million baht. The EBITDA was 8.7 million baht, a 79.42% decline from Q3/2023.

Consolidated Performance

Unit: THB million

Consolidated Statement	Q3/2024	Q3/2023	Diff	9M2024	9M2023	Diff
			% YoY			% YoY
Revenue						
Revenue from Sales and Services	1,490.46	1,847.17	-19.31%	4,548.03	5,987.07	-24.04%
Other Incomes	1.61	5.26	-69.47%	7.07	14.72	-51.95%
Gain from exchange rate	0.00	0.00	0.00%	0.00	38.71	-100.00%
Fair Value Adjustments to Derivatives (Forex)	50.43	0.00	100.00%	33.29	0.00	100.00%
Total revenue	1,542.50	1,852.43	-16.73%	4,588.39	6,040.50	-24.04%
Expenses						
Cost of sales and services	(1,057.29)	(1,334.78)	20.79%	(3,351.68)	(4,412.75)	24.05%
Selling expenses	(188.36)	(212.92)	11.53%	(594.82)	(622.29)	4.41%
Administrative & Corporate expenses	(229.44)	(225.60)	-1.70%	(718.47)	(752.67)	4.54%
Loss from exchange rate	(60.92)	(2.19)	-2682.88%	(45.15)	0.00	-100.00%
Loss from fair value adjustments to derivatives	0.00	(0.36)	100.00%	0.00	(43.21)	100.00%
Total expenses	(1,536.01)	(1,775.86)	13.51%	(4,710.12)	(5,830.92)	19.22%
Net profit before TAX	6.48	76.56	-91.53%	(121.73)	209.58	-158.08%
Financial costs	(52.49)	(57.18)	8.20%	(159.92)	(155.96)	-2.54%
Tax expenses	(28.96)	(11.96)	-142.10%	7.56	(7.57)	199.90%
Profit (loss) for the quarter	(74.87)	7.43	-1108.18%	(274.00)	46.05	-694.98%
Profit (loss) for TCMC	(48.18)	3.87	-1343.86%	(227.50)	14.23	-1700.01%
EBITDA	84.91	158.42	-46.40%	126.94	447.89	-71.66%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125		763,201,125	763,201,125	
Basic earnings per share (Baht)	(0.06)	0.01		(0.30)	0.02	

Other Incomes

In the third quarter of 2024, TCMC reported other incomes totalling 1.61 million baht, which were generated from interest income, rental fees, asset sales, and scrap selling, among other sources, compared to 5.26 million baht in Q3/2023. In Q3/2024, the profit from the fair value adjustment of derivative contracts amounted to 50.43 million baht. This will offset the foreign exchange loss of 60.92 million baht from the TCM Surface business group's FX derivatives hedge.

Financial Costs

The Company's total financial costs amounted to 52.49 million baht, with 16.60 million baht from operations and 35.89 million baht from financial expenses arising from acquisitions. This amount was lower than that of the same period last year due to the lower interest rate. 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 September 30, 2024	As of December 31, 2023	Unit THB million	
			Change	
			Million Baht	%
Total Assets	7,379.13	7,763.09	(383.96)	-4.95%
Total Liabilities	5,057.28	5,102.84	(45.57)	-0.89%
Shareholders' Equity	2,321.85	2,660.25	(338.39)	-12.72%
D/E Ratio	2.18:1	1.92:1		

On a consolidated basis, the company's total assets decreased by 383.96 million baht or -4.95%, and liabilities decreased by 45.57 million baht or 0.89%. Shareholders' equity decreased by 338.39 million baht or 12.72%. The D/E ratio increased to 2.18x at the end of Q3/2024 compared to 1.92x at FYE 31 December 2023, primarily due to a decline in earnings performance despite a slight reduction in liabilities.

Key Financial Ratios

Key Financial Ratios	Q3 2024	FY2023
Current ratio (times)	1.03	1.21
Quick ratio (times)	0.63	0.82
Account Receivable Turnover (times)	5.91	6.06
Account Payable Turnover (times)	3.99	4.16
Inventory turnover (times)	5.58	6.28
D/E ratio (times)	2.18	1.92
Return on equity (%)	(9.09)	2.13
Return on assets (%)	(3.23)	1.05
Assets turnover (times)	0.89	1.03

As of 30 September 2024, the Group's current ratio stood at 1.03 times, and the quick ratio was 0.63 times, reflecting a decrease from 1.21 times and 0.82 times, respectively, at the end of 2023. Nevertheless, the Group maintained adequate liquidity. Working capital turnover slightly decreased due to lower sales, with accounts receivable turnover declining from 6.06 times to 5.91 times, accounts payable turnover improving from 4.16 times to 3.99 times, and inventory turnover decreasing from 6.28 times to 5.58 times.

The debt-to-equity ratio was reported at 2.18 times, higher than the year-end period of 1.92 times, due to an increase in total liabilities and a significant decline in TCM's living and automotive business, which caused the Return on Equity, Return on Asset and Assets turnover to drop.