



# Opportunity Day Q1/2024



# TCMC: Q1/2024 Overview

TCM Surface and TCM Automotive maintain performance. TCM Living faces significant challenges due to industry sentiment and group customers supply chain change.

## TCM Living

High interest rates impact the cost of borrowing to previously unseen levels impacting profitability

UK is gripped by cost of living crisis, affecting big ticket item purchase confidence

## TCM Surface

Market Recovery. Seasonality performance. Exceed expectation in Q4/2023 left less delivery in Q1/2024.

## TCM Automotive

Resilient Growth in a Shifting Market. Demand slightly softer than LY. Debt free operation.

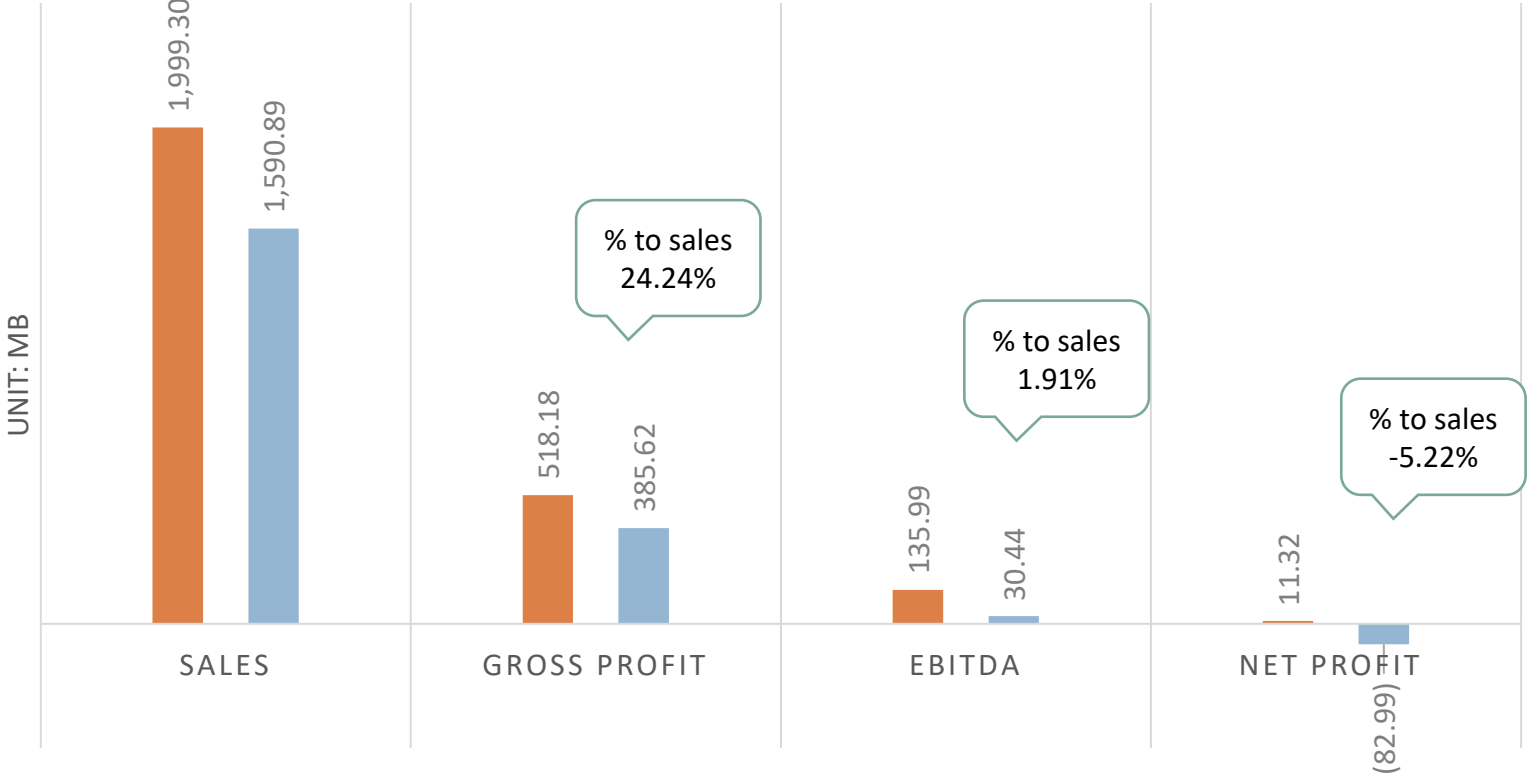
# TCMC Consolidated Performance

Challenges from TCM Living Dominates Overall Performance.



## CONSOLIDATED PERFORMANCE Q1/2024

LY Q1/2023 Actual Q1/2024

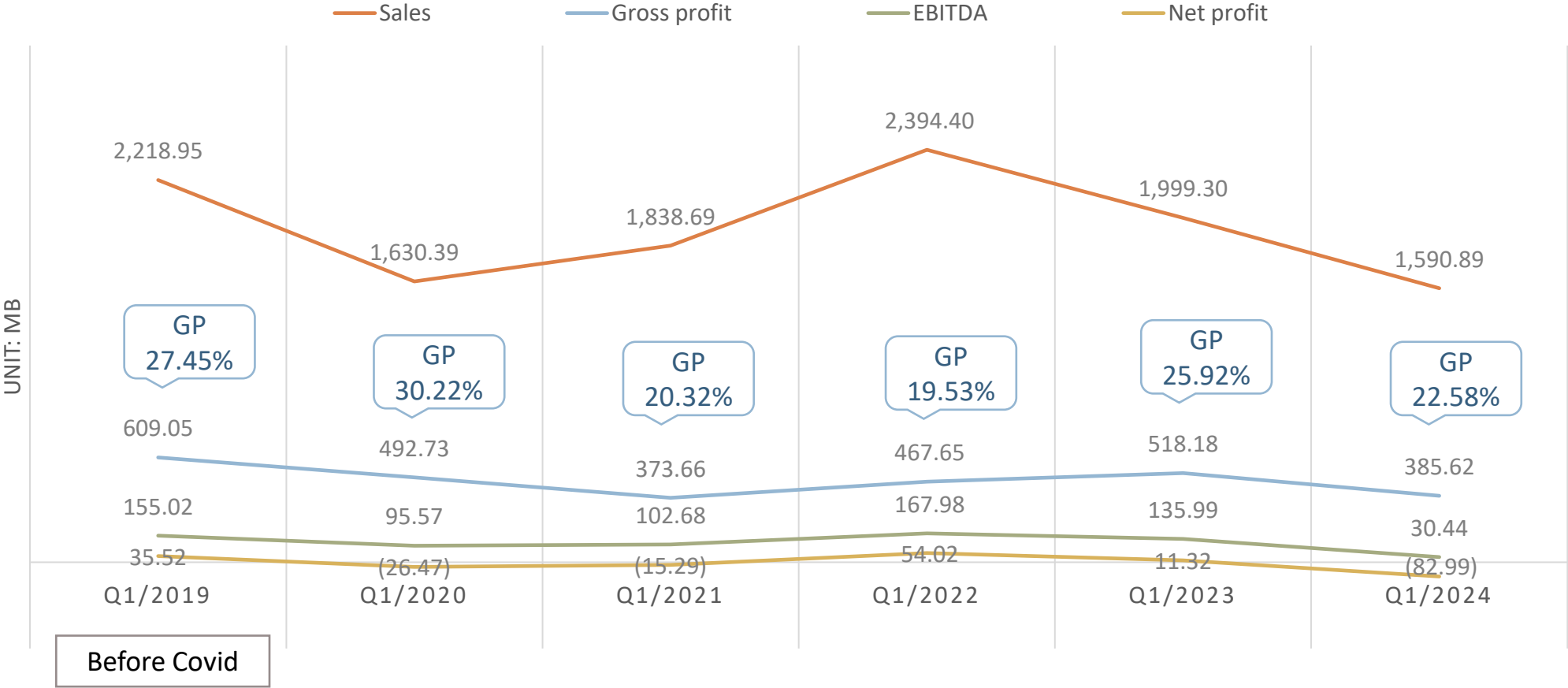


# TCMC Consolidated Performance



Lowest revenue since Covid, mainly caused by Living business

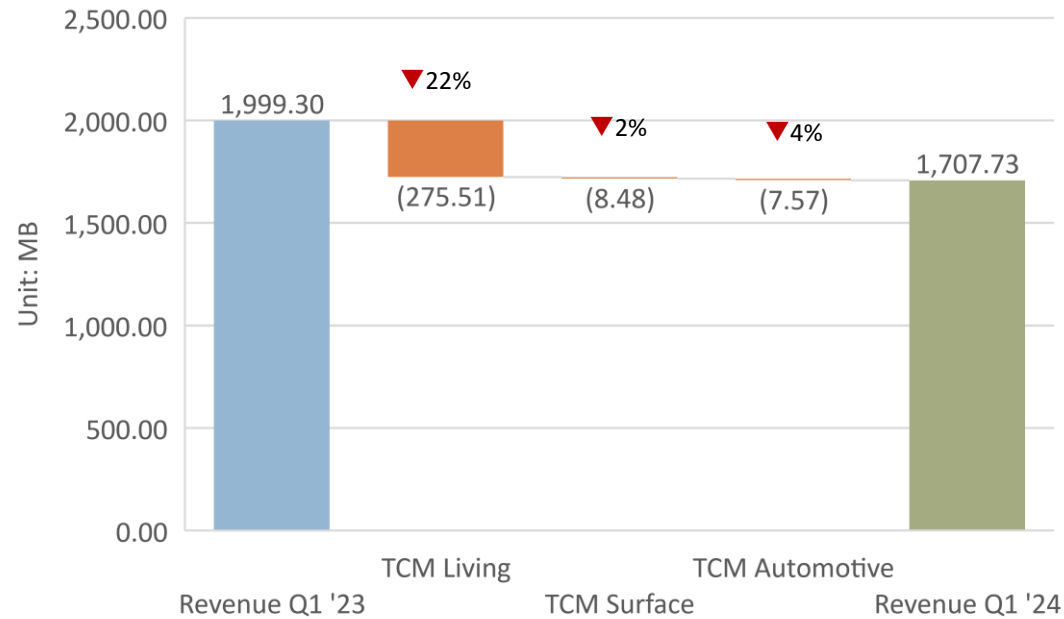
## CONSOLIDATED PERFORMANCE Q1 2019-2024



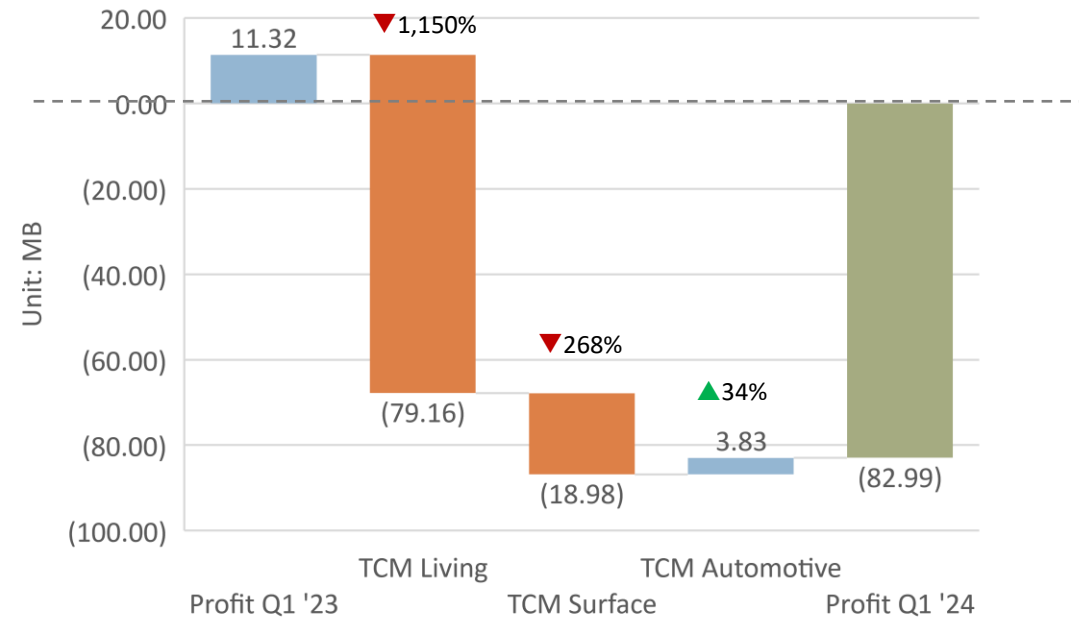
# Q1/2024 The Change of Revenue and Net Profit by Business

Highest impact from Living. Seasonality caused the lower revenue for Surface.

Change of **Revenue** by Business group



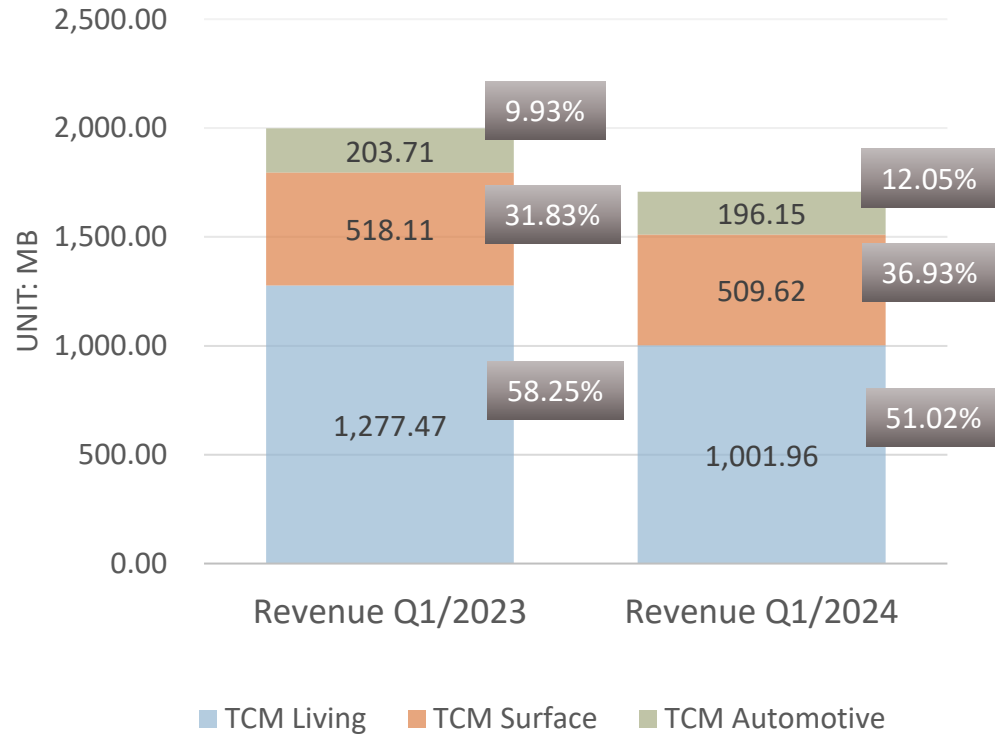
Change of **Profit** by Business group



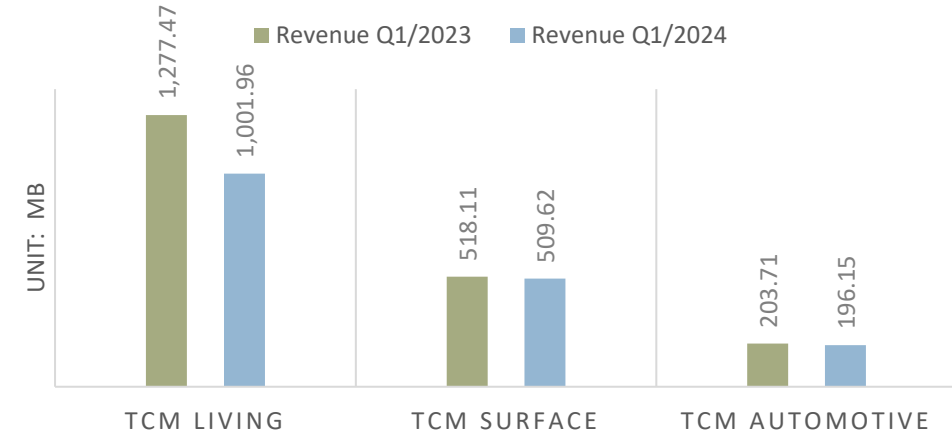
# YoY Comparison by Business

TCM Surface contribution grew from 32% to 37%.

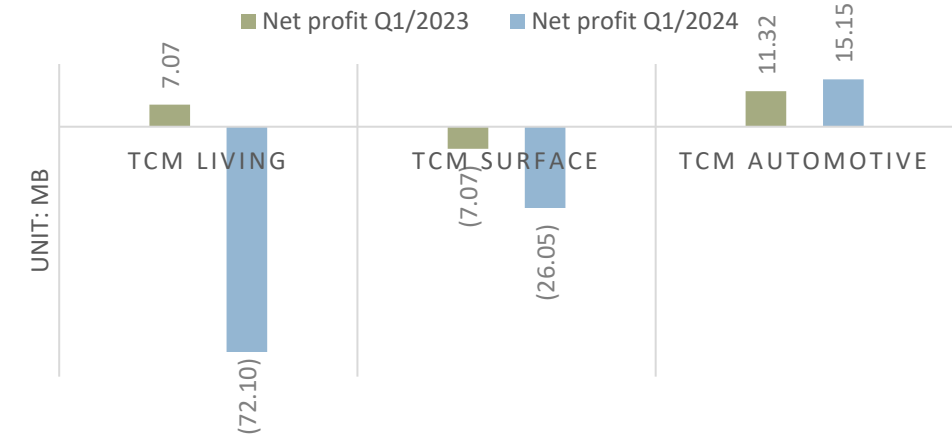
## REVENUE Q1/2023 VS Q1/2024



## NET SALES Q1/2023 VS Q1/2024



## NET PROFIT Q1/2023 VS Q1/2024



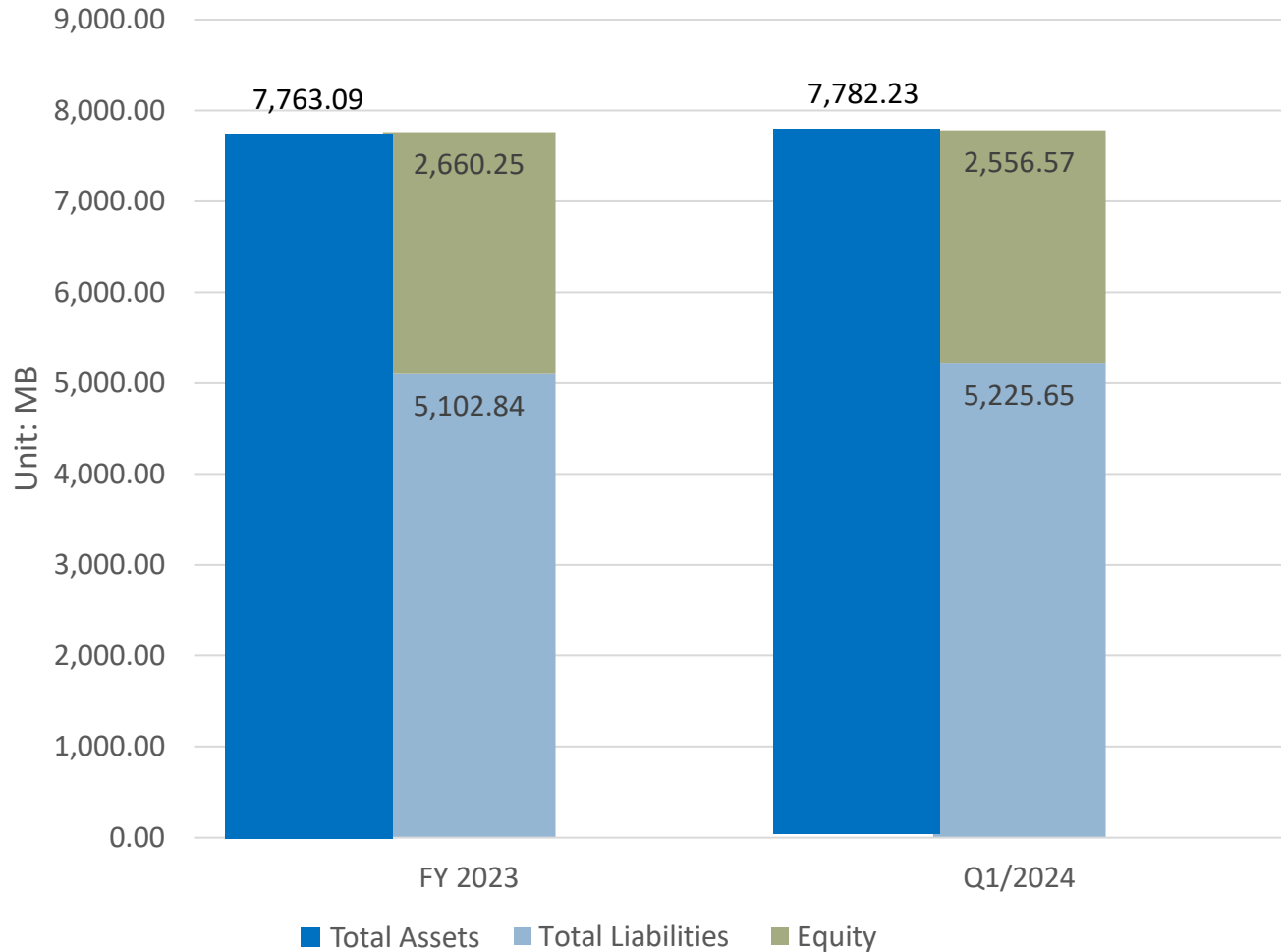
\*Net Profit included all expenses (Corp, Tax, financial costs)

# Financial Statement – Key Ratio

Better asset management. Lower liquidity ratio



## Statement of Financial Position



| Current Ratio (Times) |         |
|-----------------------|---------|
| FY2023                | Q1/2024 |
| 1.21                  | ▼ 1.12  |

| Account Receivable Turnover (times) |         |
|-------------------------------------|---------|
| FY2023                              | Q1/2024 |
| 6.06                                | ▲ 6.37  |

| Quick Ratio (Times) |         |
|---------------------|---------|
| FY2023              | Q1/2024 |
| 0.82                | ▼ 0.73  |

| Account Payable Turnover (times) |         |
|----------------------------------|---------|
| FY2023                           | Q1/2024 |
| 4.16                             | ▲ 4.38  |

| D/E Ratio |         |
|-----------|---------|
| FY2023    | Q1/2024 |
| 1.92      | ▲ 2.04  |

| Inventory Turnover (Times) |         |
|----------------------------|---------|
| FY2023                     | Q1/2024 |
| 6.28                       | ▲ 6.54  |

| Return on equity (%) |         |
|----------------------|---------|
| FY2023               | Q1/2024 |
| 2.13                 | ▼ -3.39 |

| Assets Turnover (Times) |         |
|-------------------------|---------|
| FY2023                  | Q1/2024 |
| 1.03                    | ▼ 0.98  |

| Return on Assets (%) |         |
|----------------------|---------|
| FY2023               | Q1/2024 |
| 1.05                 | ▼ -1.07 |



A&J - Customer's house



**TCM LIVING**<sup>®</sup>  
Performance Q1/2024





**Alstons**  
Sofas for Living



**ASHLEY MANOR**  
a new design language

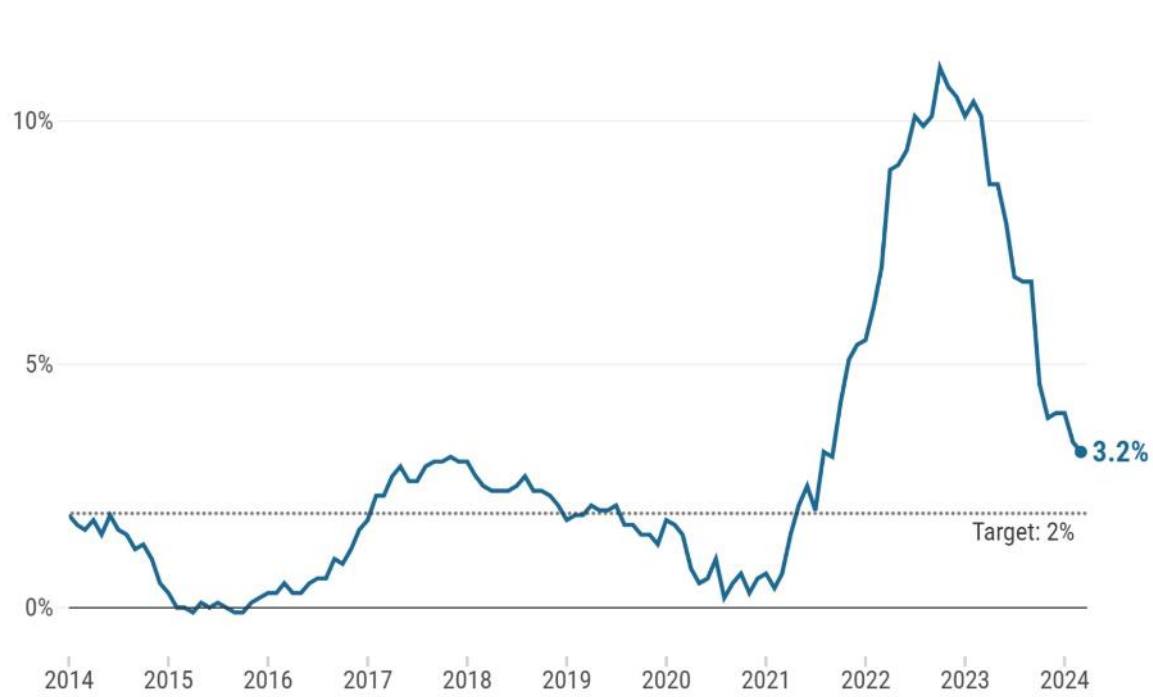


**amxdesign**  
the leather experts



**Alexander & James**  
GREAT BRITISH SOFA DESIGN

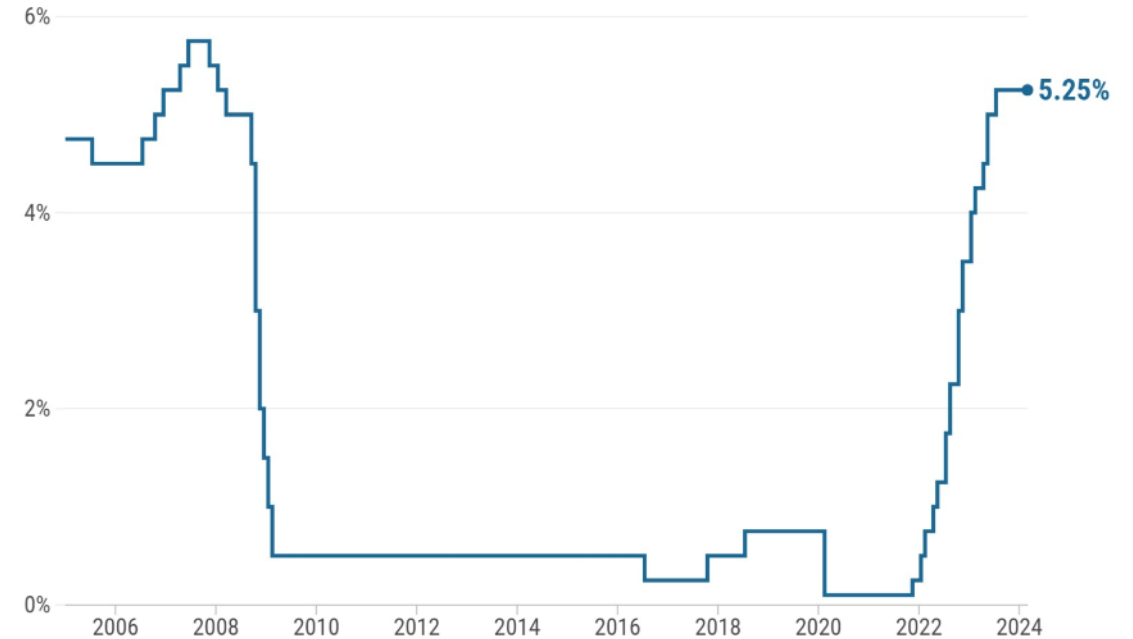
## UK inflation fell to 3.2% in March 2024



Sources: Bank of England • ONS  
Created with flourish.studio

**Graph:** UK inflation eased to 3.2% in the year to March 2024, but remains above the Bank of England's 2.0% target.

## Bank of England rates stay at 5.25%



Source: Bank of England  
Created with flourish.studio

## Trading toughens for ScS as sofa retailer reports drop in profits

The firm said gross margins reduced as the cost of providing credit to customers increased

- Directors at furniture retailer ScS say they are pleased with the firm's resilient full-year performance, despite seeing a significant fall in profit.
- In new results posted just a day after it was revealed Italian group Poltroneseofà SpA has made [an offer](#) to take the firm private, ScS told investors gross sales fell from £344.7m in 2022 to £343.5m in the year to the end of July. Against what it said was a challenging market in which consumers faced continued economic pressure, the Sunderland-based soft furnishings specialist said underlying pre-tax profits fell from £13.8m to £7.2m.
- Those numbers include the performance of modular sofa brand [Snug](#), which ScS rescued from administration in January this year. ScS said Snug, the first acquisition in its history, is an "exciting young business with great potential" as it reported underlying pre-tax losses of £1.9m for the business.



# DFS profits almost halve in ‘tough economic climate’

- DFS profits plunged by close to 50% in its preliminary results for the 52 weeks ended 25 June 2023.
- The furniture retailer posted a pre-tax profit of £29.7m for the 52 weeks ended 25 June 2023, down 49.2% from £58.5m in 2021/22.
- Revenue from continuing operations also fell by 5.3% to £1.09bn from £1.15bn the previous year, reflecting “a very weak market and high levels of input cost inflation”.



## New sofa start-up aims to "put an end to fast furniture"

**Keep Sofas**® aims to transform the furniture industry by ending the trend of 'fast furniture'. Co-founders James Rubin-Smith and Rob Hudson, with past experience at M&S and Made, focus on creating durable, thoughtful, and timeless sofa designs.

**Environmental Impact:** The company addresses the disposal of three million sofas annually, constituting 42% of bulky furniture waste. Legislation to reduce organic pollutants has shifted disposal methods from landfill to incineration, which contributes to global warming. Keep promotes buying durable furniture to reduce this cycle.

**Sustainable Production:** Sofas are handcrafted in small batches in North Wales, using renewable, sustainably sourced, and recyclable materials, including a foam-free filling called Ultraflex, partly made from recycled plastic bottles.

**Industry Change Advocacy:** Rubin-Smith envisions Keep as a catalyst for change, aiming to collaborate with other industry players to advocate for sustainability in furniture design and production.

**Quality and Durability:** Keep's products feature pocket spring systems from Spinks in Yorkshire, and sofas come with lifetime-guaranteed frames and Aquaclean fabric covers that are easy to remove and replace.





## Economic

- Challenging Economic Climate
- Inflation reduces but remains higher than Government targets - 3.2% (CPI – March 24). UK interest rates remain at 5.25% with uncertainty over expectations in H2 FY24
- Shortage of skilled labour – UK unemployment rate at 4.3% (ONS Data)
- UK National minimum wages increased by 10%.



## Industry

- Upholstery commonly sells on financing. High interest rate significantly softens demand. Interest Free offers reduced from four to three years
- Group Retailer margin reduced significantly from high financing costs and pressured to manufacturer profitability.
- Independence retailer has less impact from economy.
- Recent Red Sea crisis continues to extend lead times in Q1 with current delays being 3-4 weeks



## Social

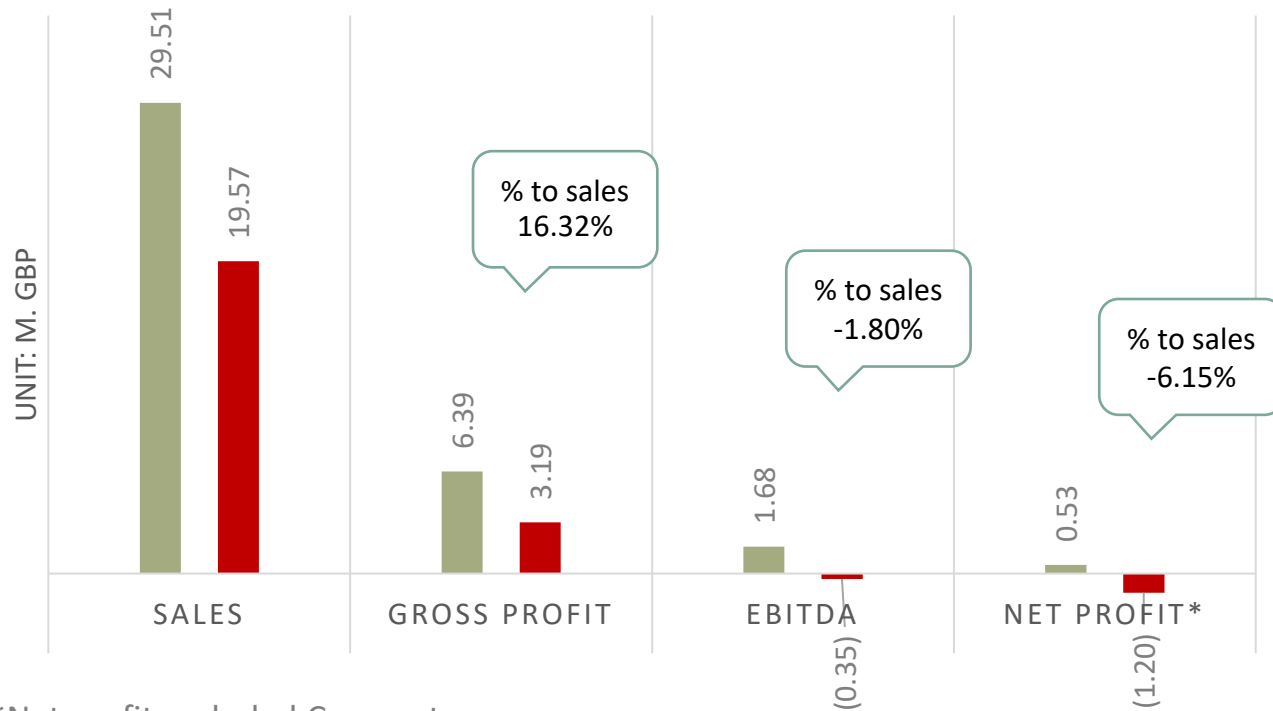
- Weak consumer confidence.
- Demand softens significantly challenged by increase in cost of living & discretionary spend choices
- Cost of living crisis challenging customers ongoing commitment to ESG

# TCM Living Performance Q1/2024

Challenges Persist for Living: Softer Demand especially in Group Retailer. High Interest Rate Pressure Profitability and led to Supply Chain Change.

## TCM LIVING PERFORMANCE

■ Q1/2023 ■ Q1/2024



\*Net profit excluded Corporate expenses

| Q1/2024                              | Amounts (M. GBP) | YoY    | QoQ    |
|--------------------------------------|------------------|--------|--------|
| Turnover                             | 19.57            | ▼ 34%  | ▼ 15%  |
| Gross Profit                         | 3.19             | ▼ 50%  | ▲ 5%   |
| EBITDA                               | -0.35            | ▼ 121% | ▼ 49%  |
| Net Profit (excl. TCM Corp Expenses) | -1.20            | ▼ 325% | ▼ 264% |

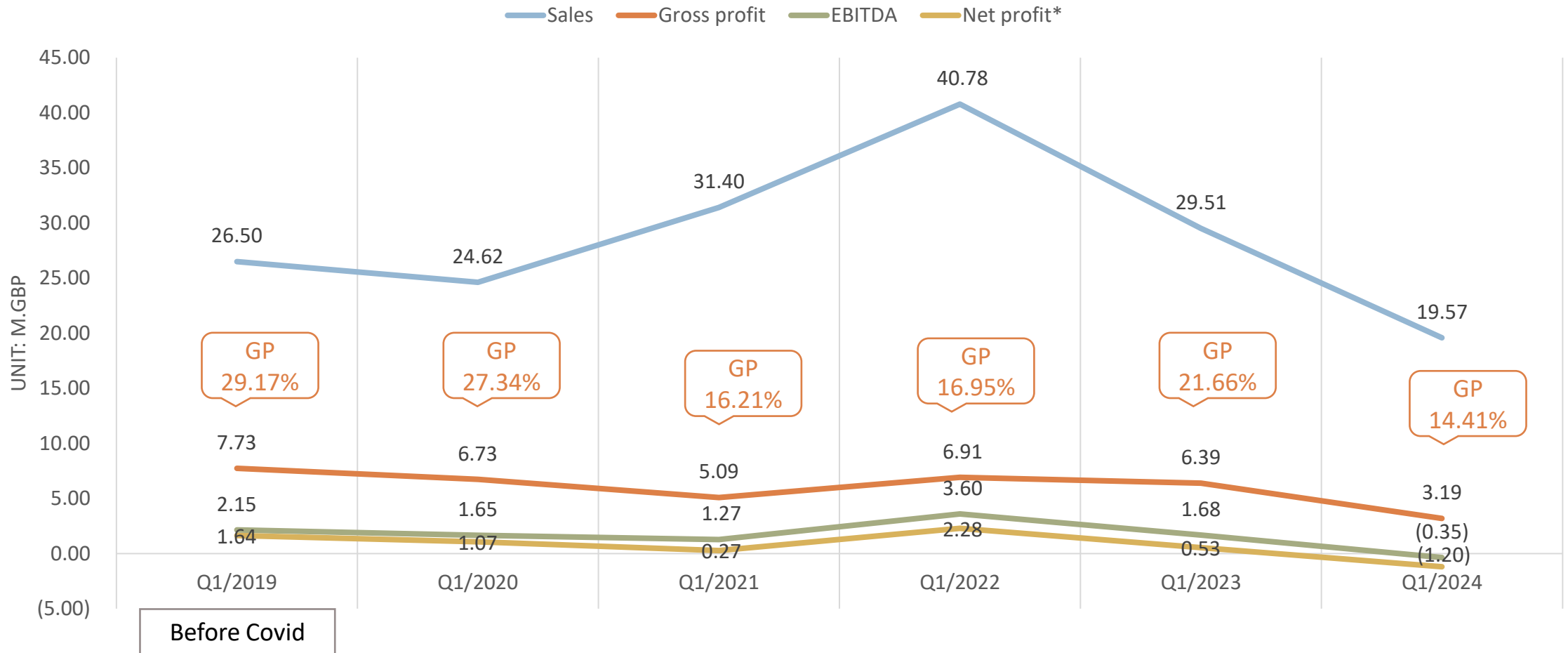
### Highlights

- Sharp drop in demand following peak sales during the Covid lockdown.
- Economic downturn, high Interest rates shrinks profit margin from providing credit to customers, shift Group retailer to direct purchases, bypassing TCML
- Independent retailer and export still grow.

# Performance Y-O-Y

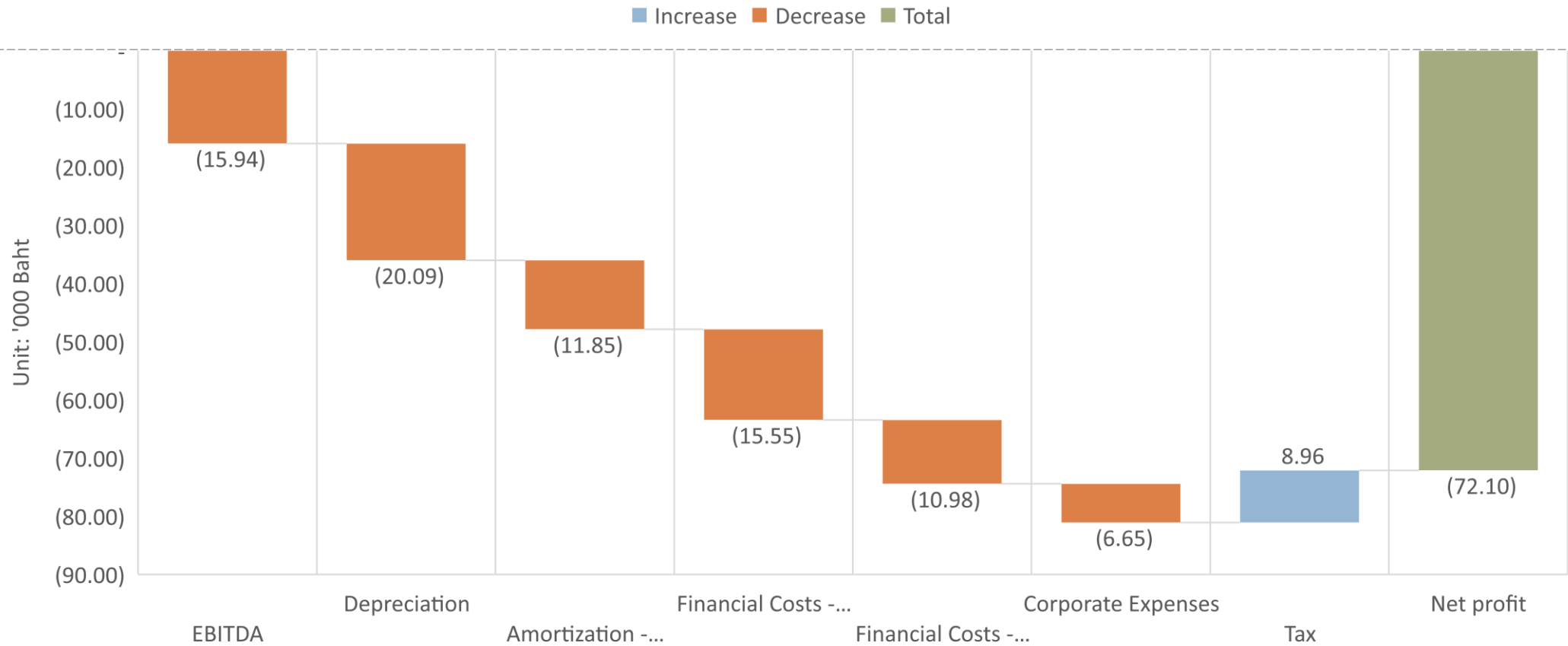
Lowest performance due to overall industry softened and supply chain system of group retailers change to cope with the declining profitability.

## TCM Living Performance





## TCM Living EBITDA to Net Profit



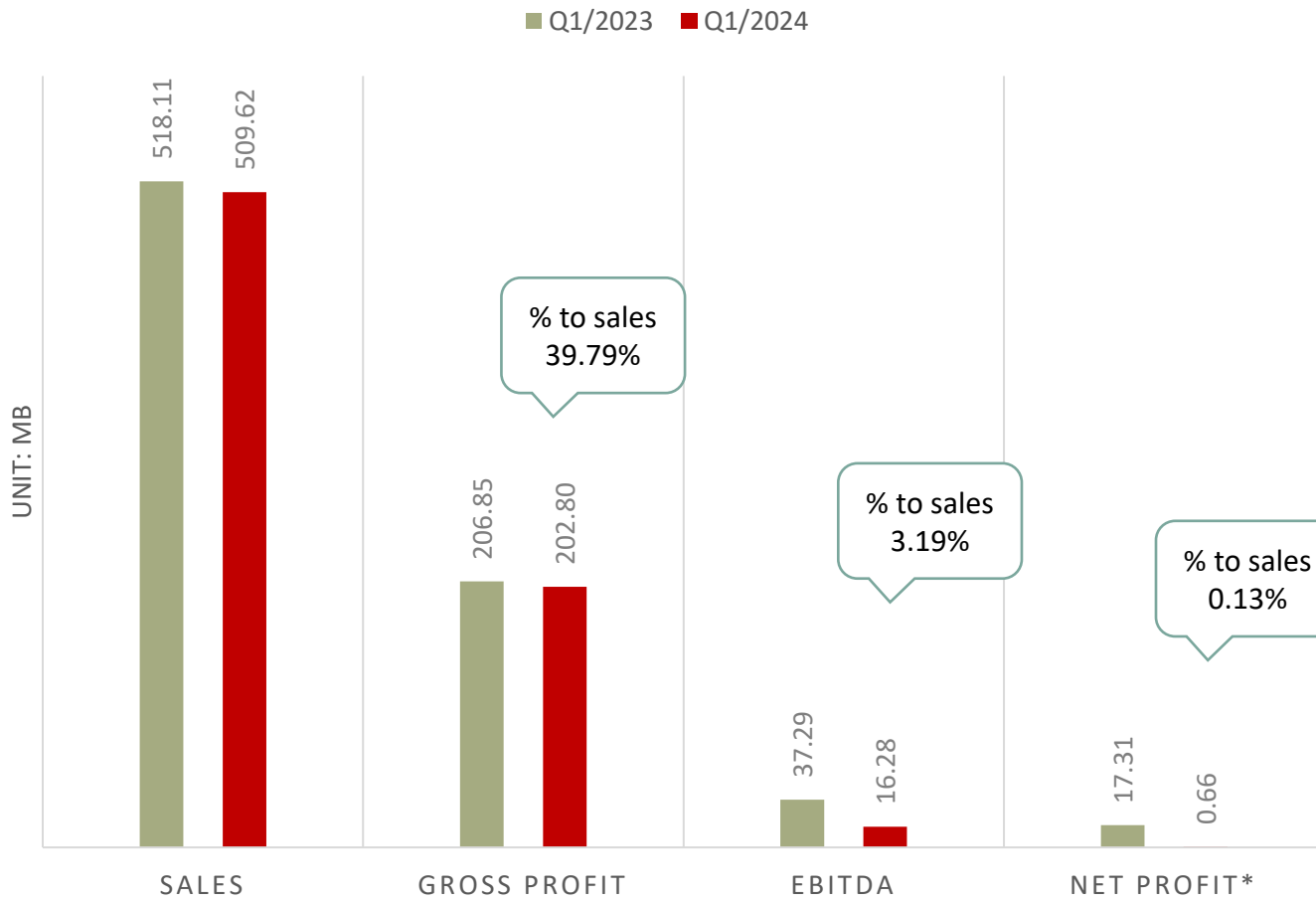


Performance Q1/2024



Seasonality caused lower revenue. Higher spending in new products launch and marketing.

## TCM SURFACE PERFORMANCE



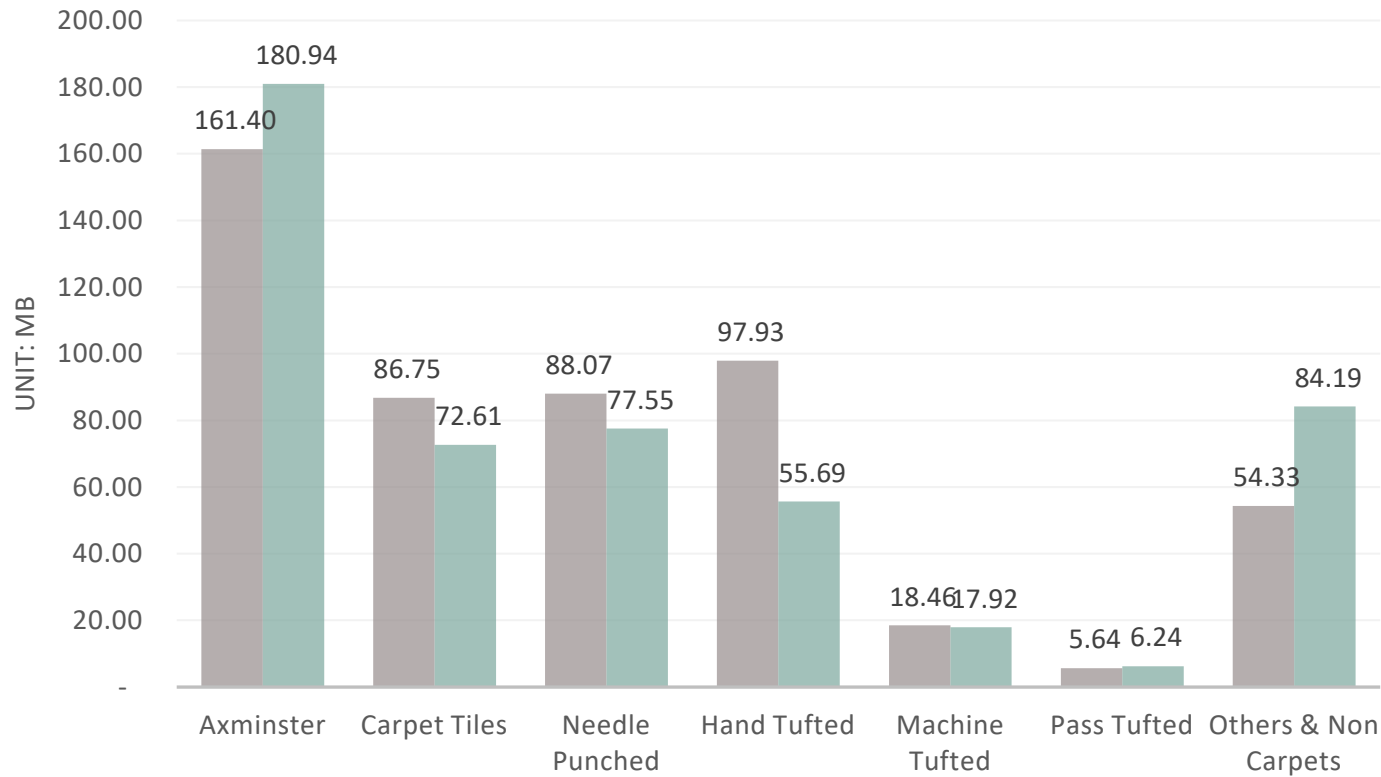
| Total Secured Business (BNI + Inv) |             |
|------------------------------------|-------------|
| Unit: MB                           | % to budget |
| As of Apr 2023                     | 53.81%      |
| As of Apr 2024                     | 56.95%      |

| Q1/2024                          | Amounts (MB) | YoY   | QoQ   |
|----------------------------------|--------------|-------|-------|
| Turnover                         | 509.62       | ▼ 2%  | ▼ 37% |
| Gross Profit                     | 202.80       | ▼ 2%  | ▼ 45% |
| EBITDA                           | 16.28        | ▼ 56% | ▼ 88% |
| Net Profit (excl. Corp Expenses) | 0.66         | ▼ 96% | ▼ 99% |

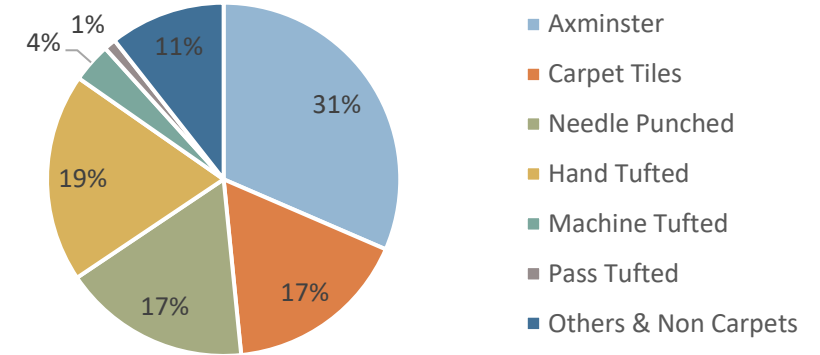
\*Net profit excluded Corporate expenses

### Sales by Products

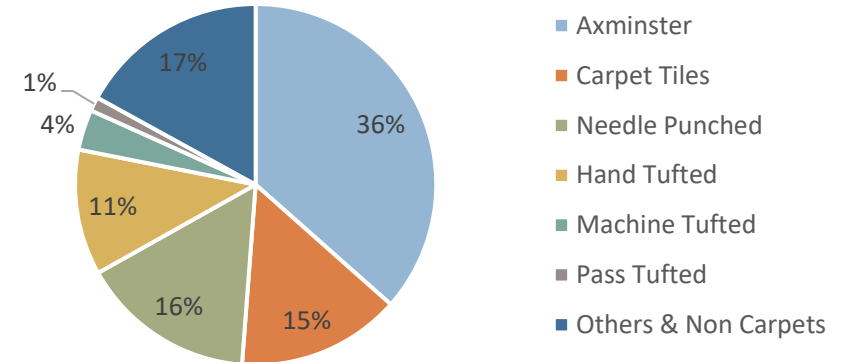
■ Q1/2023 ■ Q1/2024



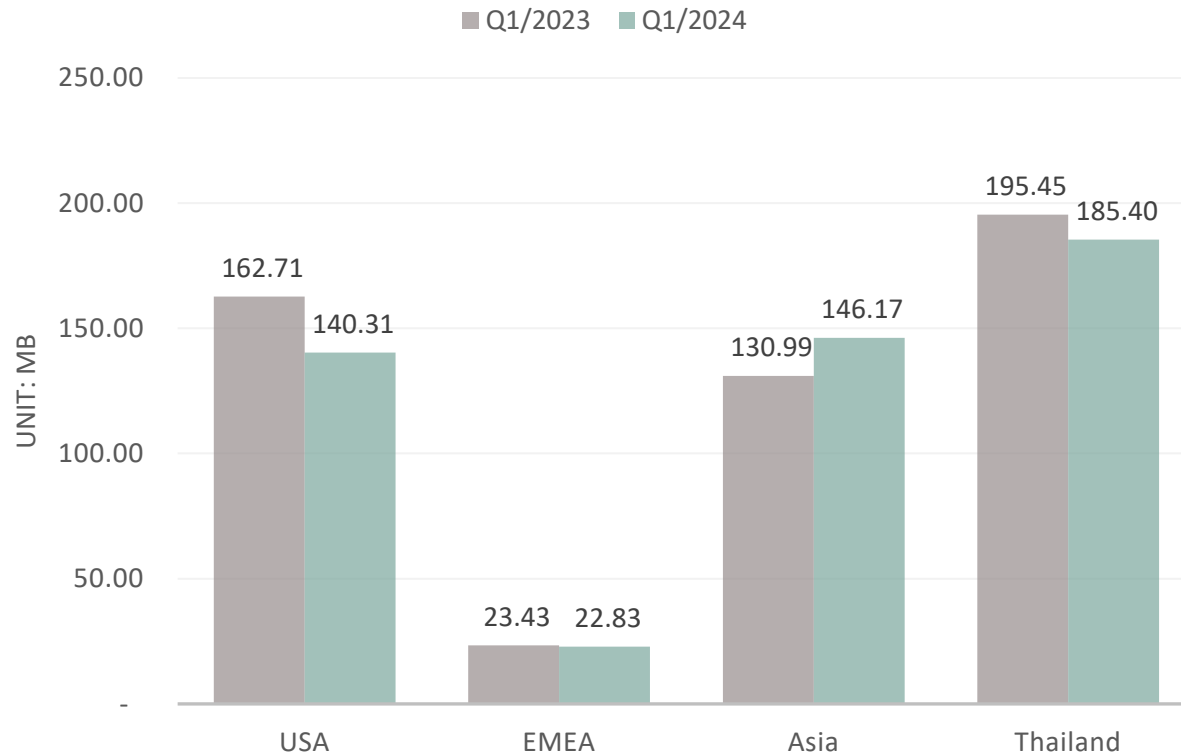
### Sales by Products Q1/2023



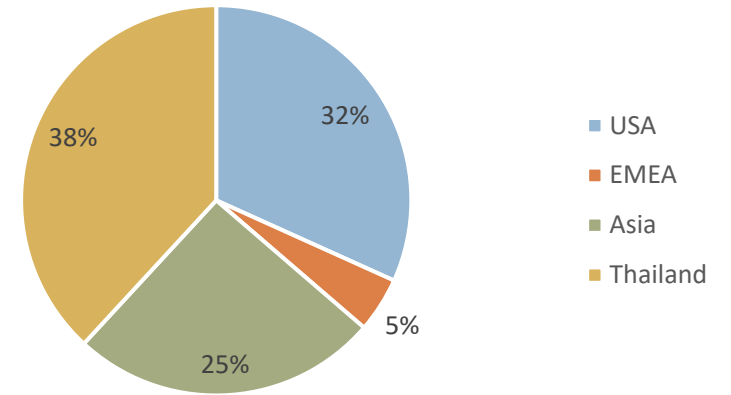
### Sales by Products Q1/2024



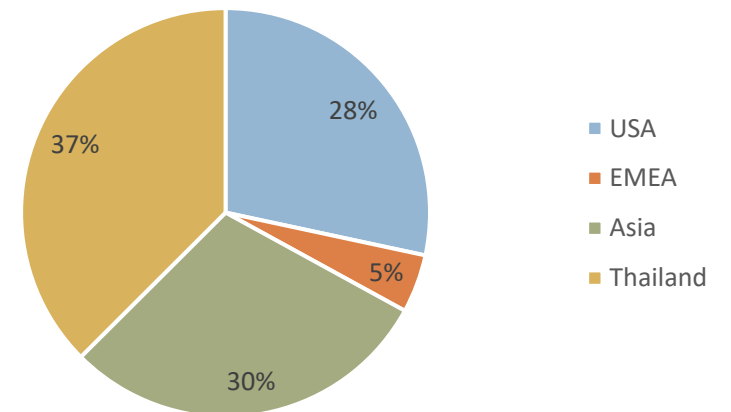
### Sales by Regions



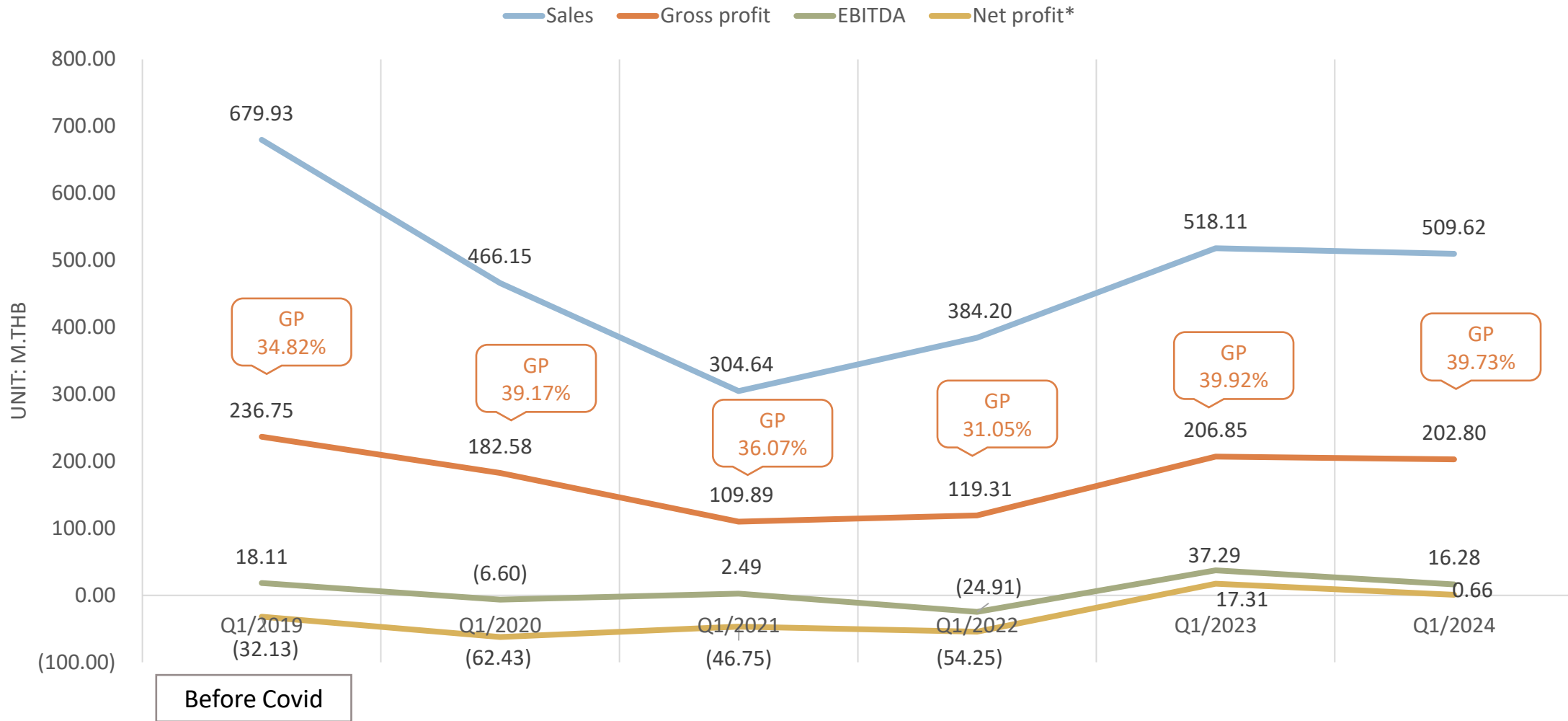
### Sales by Regions Q1/2023



### Sales by Regions Q1/2024

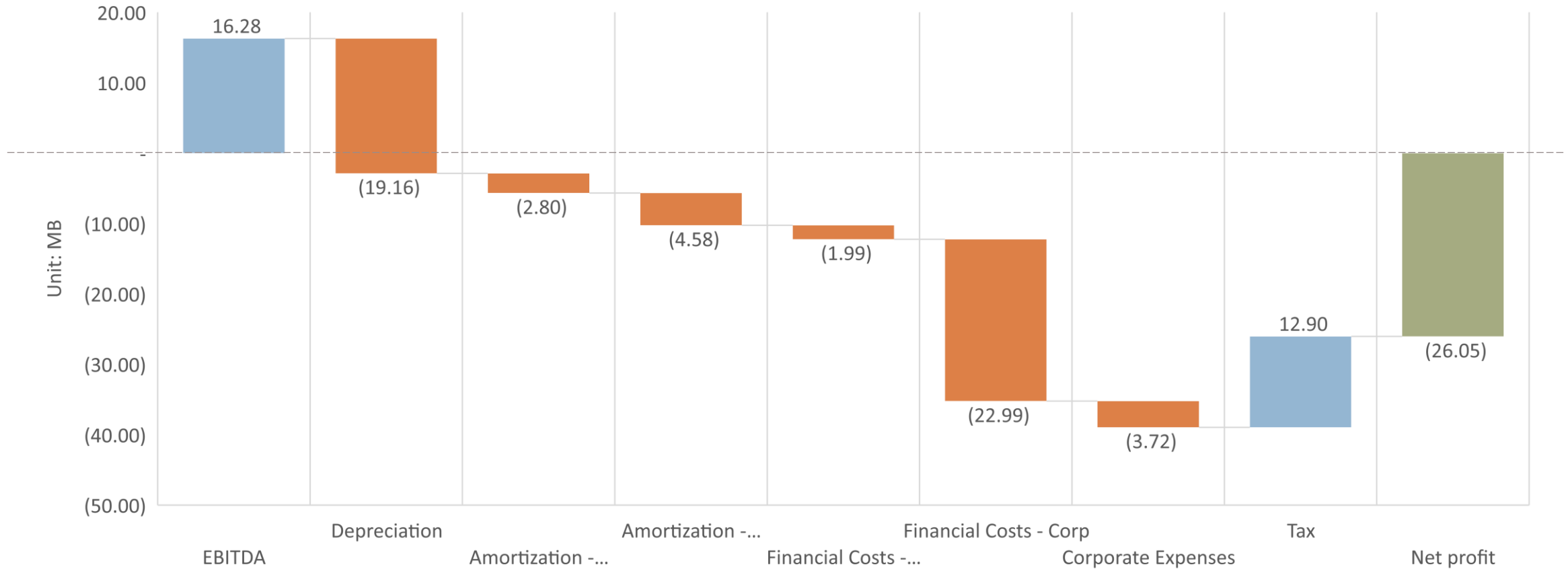


## TCM Surface Performance



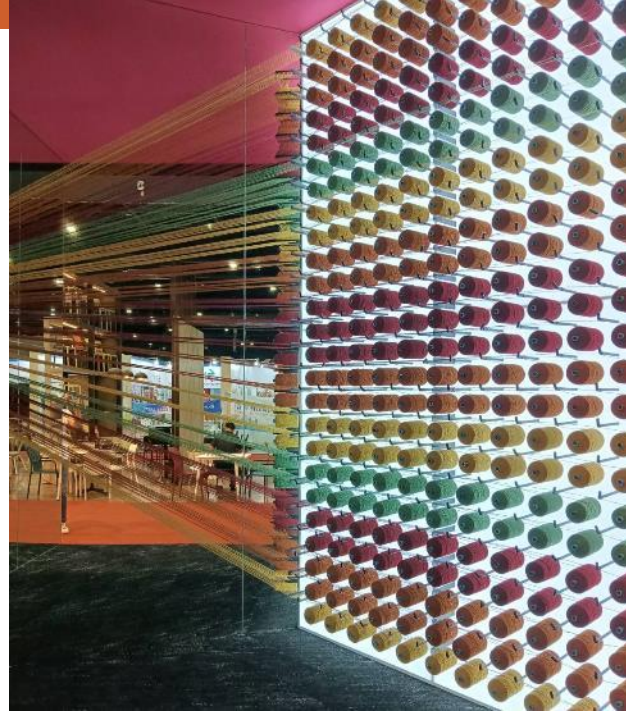
### TCM Surface EBITDA to Net Profit

■ Increase ■ Decrease ■ Total





# Activities



## EVENT DESCRIPTION\_ HIGHLIGHTS AND ACTIVITIES



- DEMONSTRATION ROOM AND BAFFLE : RT ACOUSTIC
- ROYAL THAI HT/MOOKV MASTERPIECE
- ROYAL THAI WEAVING GALLERY
- HANDMADE YARN PANEL WITH LEFTOVER YARN MATCHING COLOR
- PR of RT ACOUSTIC AWARD CEREMONY

## EVENT DESCRIPTION\_ HIGHLIGHTS AND ACTIVITIES



Acoustic Design Award-30 April

# VISITOR ENGAGEMENT



- OVERALL VISITOR OF THE EXHIBITION PERSONS 5,000 PER DAY = 30,000 PEOPLE FOR 6 DAYS (INFORMED BY THE ORGANIZERS= REF UPON REQUEST)
- OVERALL VISITORS OF OUR STAND = 600 PERSONS.
- ALL REGISTERED CONTACT = 240 LEADS (SEE FULL LISTS ATTACHED)
- SIRIPONG (ACOUSTIC LEADS) = 55 LEADS
- THITIPONG'S TEAM + UPCOUNTRY = 74 LEADS
- PANIDA'S TEAM = 60 LEADS
- EXPORT AND RTPL (OEM)= 8 LEADS
- MARKETING TO NURTURE = 43 LEADS

# Acoustic Updates

## ASA Trang : Roadshow

The roadshow was successful in promoting the Royal Thai Surface and design contest 2024. We received potential leads from ASA Northern to Southern, and the sales rep will follow up accordingly.



## Design Contest

We have received an invitation to join the advisory of the Faculty of Architecture at Chulalongkorn University for those students who are submitting the design to our design contest campaign. We are confident that our contributions will significantly impact the future of architectural education and research.

# Strong Relationship

## The Standard Boutique Hotel (Orange Grove)

Quality : Axminster (Corridor), Machine Tufted (Guestroom), Hand Tufted (Area Rugs) Qty: 2,999.95 sq.m  
ID firm : Ministry Of Design / Main Con: Sunray

The Standard Singapore will be developed by Invictus Developments, a boutique real estate investment company owned by the family of Indonesian businessman Bachtiar Karim. The 143-key hotel will feature The Standard's signature F&B concepts, and arts and cultural programming along with an infinity pool and pool bar set within a lush botanical courtyard.



We were only specified for the corridors but having a good relationship and support from the ID definitely helps to turn the table around and from a corridor specification only to the entire hotel which included the guestroom and area rugs which was supposed to be under *estes* (<https://www.etesse.com.sg/>). Sunray was trying all ways to counter propose and swap ours out but the ID stand firm and supported us by rejecting all counter offers.



# Eco-friendly selection



**Choosing eco-friendly packaging for all carpet tile boxes, especially EcoSoft and EcoSquare, is a significant stride towards our Net Zero mission. Our FSC-certified boxes made from recycled materials represent our dedication to sustainability, making them the ideal choice.**



**FSC\* Recycled labels** identify products which are made with 100% recycled fiber. The mobius loop in the top left-hand corner identifies the percentage of recycled fiber.

### **How does it differ from other recycled labels?**

The FSC Recycled label was introduced in order to recognize the important role that recycling paper and timber plays in protecting the world's forests. Unlike general 'recycled' claims, which require no verification, the FSC Recycled label provides assurance that all the wood or paper in a product has been verified as genuinely recycled. And the forest is being managed in a way that preserves biological diversity and benefits the lives of local people and workers, while ensuring it sustains economic viability.

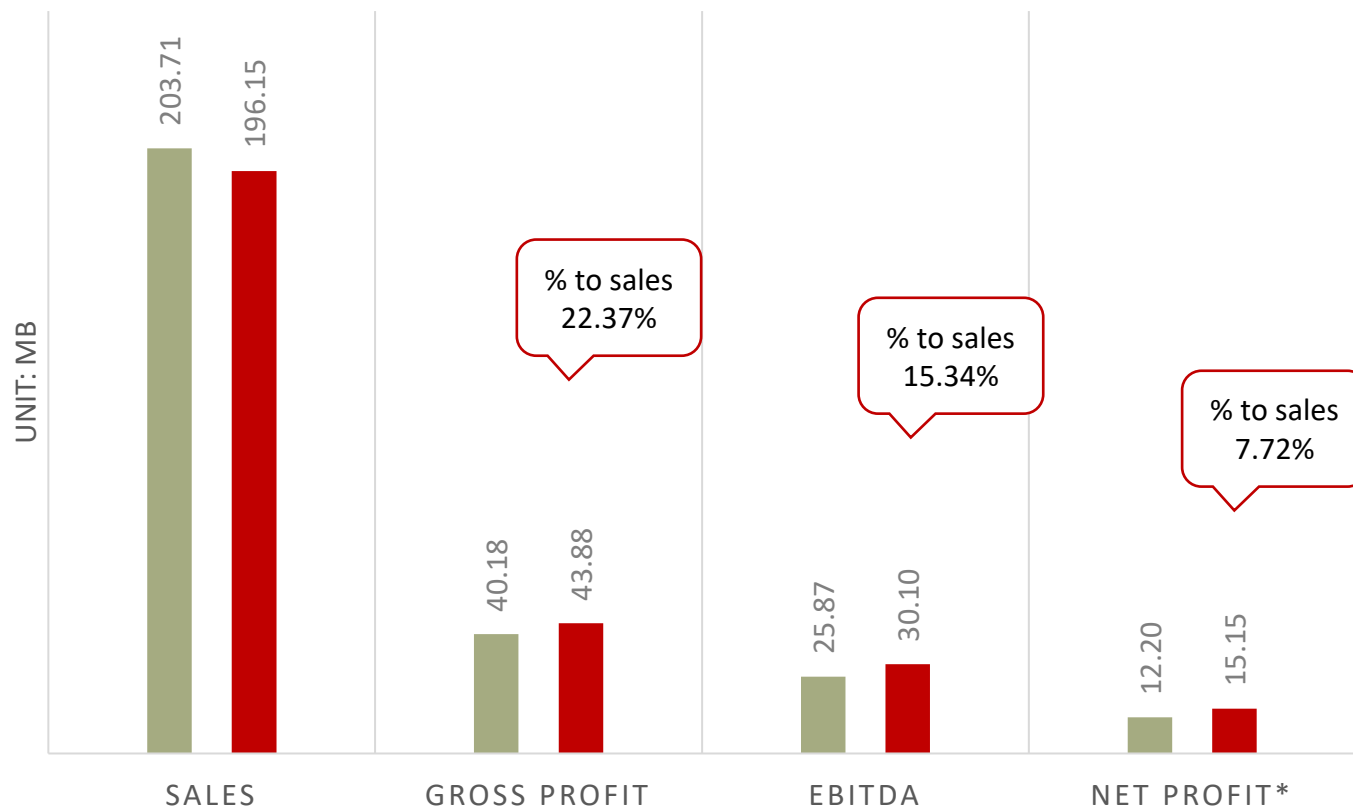




 **TCM** AUTOMOTIVE®  
Performance Q1/2024

## TCM AUTOMOTIVE PERFORMANCE

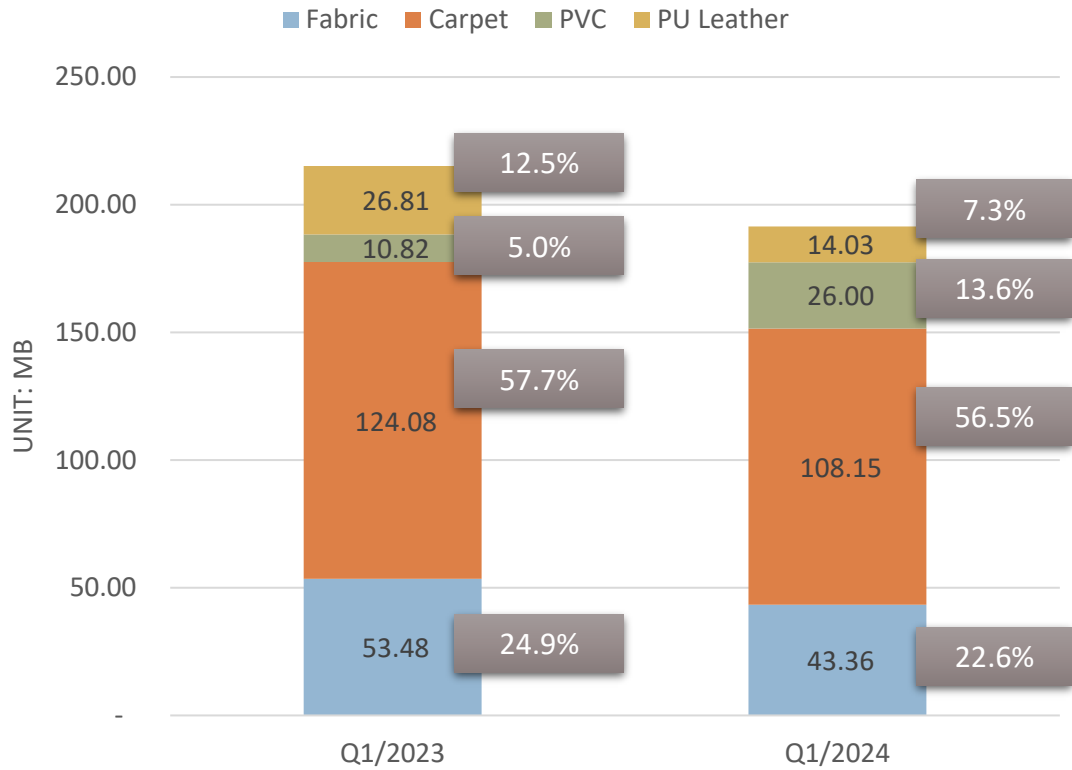
■ Q1/2023 ■ Q1/2024



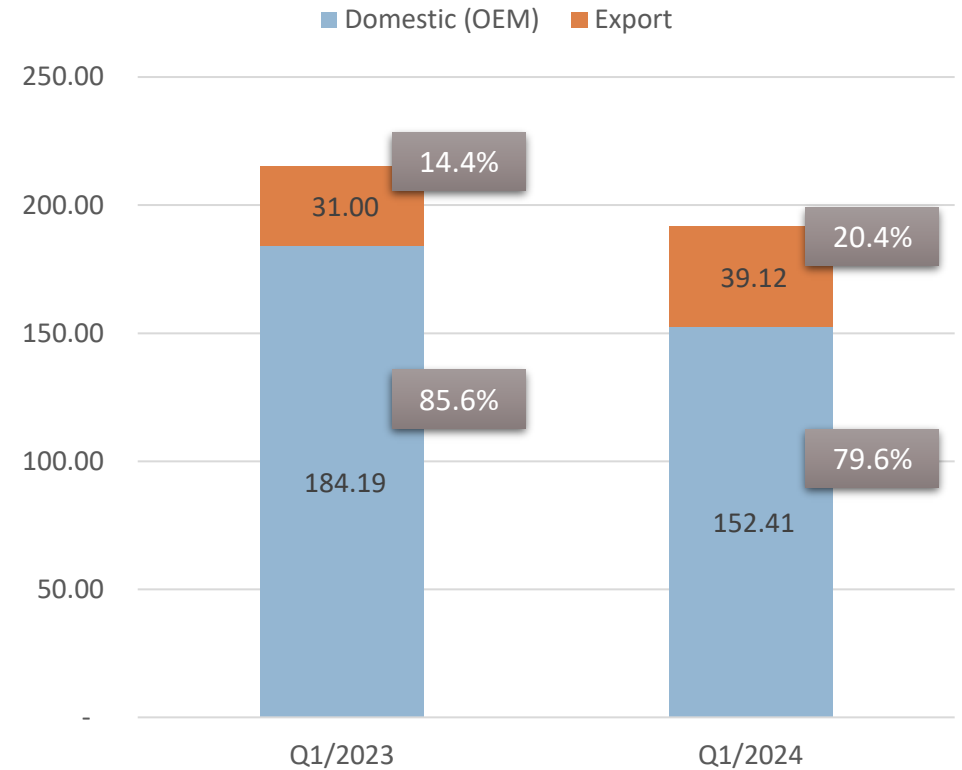
| Q1/2024                          | Amounts (MB) | YoY   | QoQ    |
|----------------------------------|--------------|-------|--------|
| Turnover                         | 196.15       | ▼ 4%  | ▼ 1%   |
| Gross Profit                     | 43.88        | ▲ 9%  | ▲ 50%  |
| EBITDA                           | 30.10        | ▲ 16% | ▲ 72%  |
| Net Profit (excl. Corp Expenses) | 15.15        | ▲ 24% | ▲ 365% |

\*Net profit excluded Corporate expenses

Revenue by Products



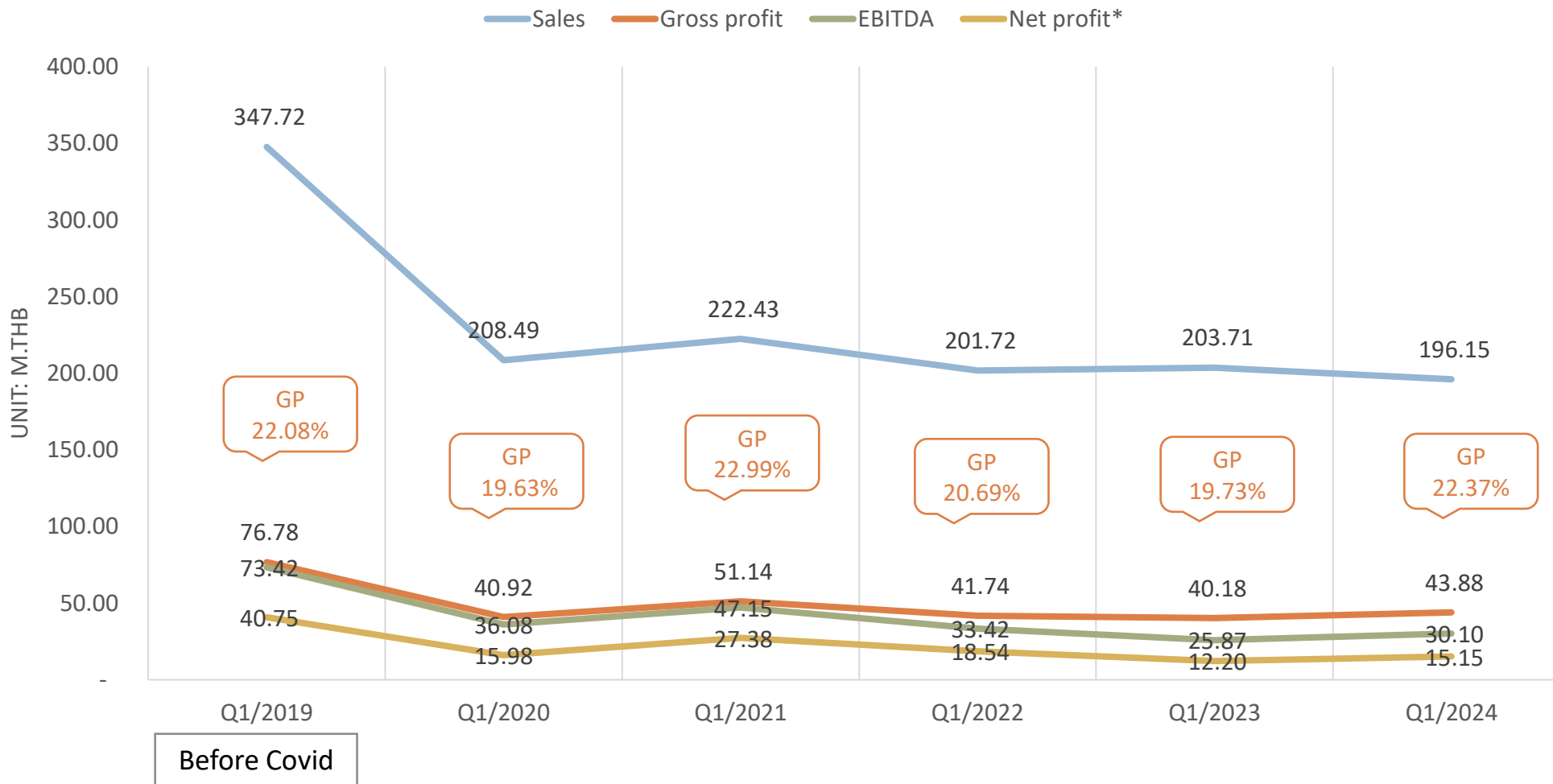
Revenue by Market



# Historical Performance

Market is slightly soft. GP improved from efficiency improvement.

## TCM Automotive Performance

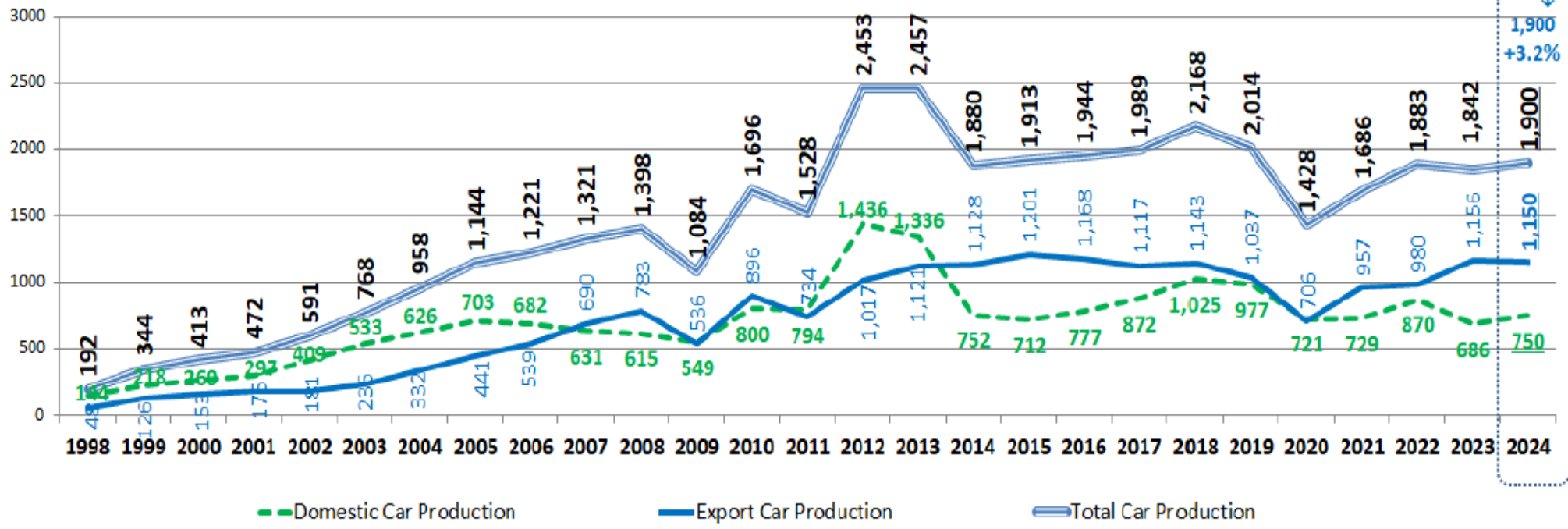


### TCM Automotive EBITDA to Net Profit



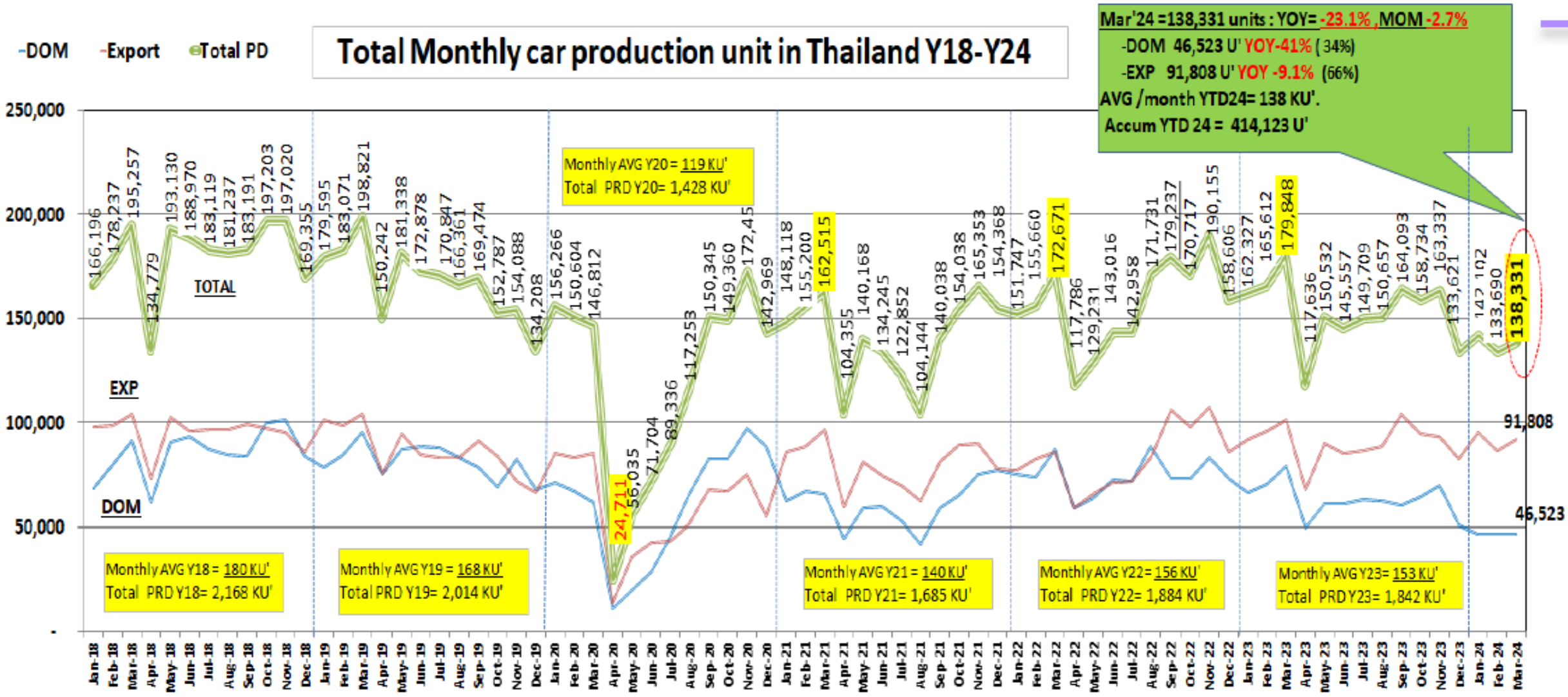
Well recover despite a shortage of spare part.

**Thailand Yearly Automotive Production Unit Trend Y1998-2024 :**



2,000  
+8.6%  
↓  
1,900  
+3.2%

**Y2024 Forecast by FTI**  
**Total = 2,000K > revised 1,900K**  
**1.Dom : 950K > 750K (35%)**  
**2.Exp : 1,050K > 1,150K (65%)**  
**Negative factors :**  
 -Domestic purchase power decline ;  
 Household debt ( impacting to domestic car sales ) causing stricter loan  
 Car repo rate get higher  
 -New BEV entrants with rapid high rate  
 \*\*\*\*\*  
**Remark**  
 Y2023 Forecast by FTI revise  
 Yearly Growth by 4%>0.9%>-2.2%  
 Total : 1,950K>1,900K>1,850K >Act=1,842K  
 1.Dom : 900K > 850K >800K> Act = 686K  
 2.EXP : 1,050K >Act=1,156K





# Q&A





# Global Presence • Aesthetic Excellence • Business Integrity

## Contact :

Address: TCM Corporation Plc.  
2054 New Petchburi Road, Bangkapi, Huaykwang,  
Bangkok, 10310 Thailand  
Tel: +66 (0) 2 318 3960

## Investor Relations :

E-mail: [ir@tcm-corporation.com](mailto:ir@tcm-corporation.com)  
Tel: +66 (0) 2 318 3960 ext. 412