



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

MILL 001/2021

1 March 2021

Subject: Management's Discussion and Analysis of Year 2020, Ending 31 December 2020.

Attention: President

The Stock Exchange of Thailand

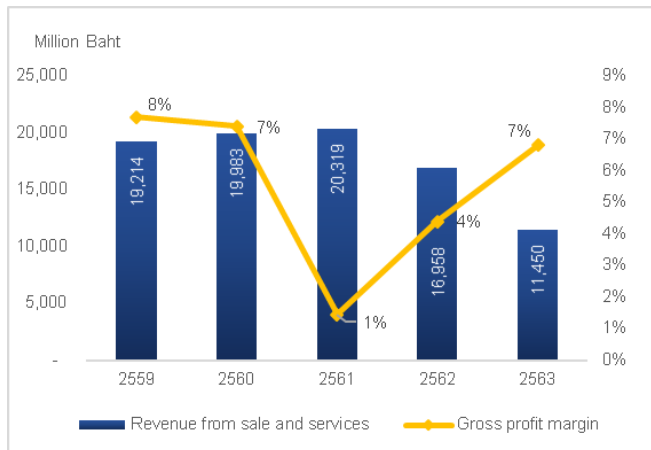
Millcon Steel Public Company Limited ("the Company") would like to notify the Company's and its affiliates' performance of Year 2020, Ending 31 December 2020, which are verified by auditors approved by the office of SEC, and which are also approved by the Board of Directors of the Company. The details are as follow;

Economics overview

From iron and steel institute of Thailand, the finished steel consumption of Thailand in 2020 was at 16.48 million tons, decreased by 11.6% compared with previous year. Due to long product finished steel and flat product finished steel of consumption decreased by 9.9% and 12.6% compared with previous year respectively. The long product finished steel consumption was at 6.3 million tons, divide to the steel bar consumption was at 3.7 million tons, decreased by 15.7% and wire rod product consumption was at 2.2 million tons, decreased by 3.3%. For the flat product consumption was at 10.2 million tons, decreased by 12.6% from the COVID-19 outbreak which affected to the customers demanding was decreased, also the downstream industries both production and consumption were slowdown.

Performance summary in of Year 2020

Performance	2020	2019	(YoY)	
	Million Baht	Million Baht	+/- Million Baht	Percentage
Total revenues	11,640	17,308	-5,668	-33
Revenues from sale and services	11,450	16,958	-5,508	-32
Cost of sales and services	10,670	16,214	-5,544	-34
Gross profit	780	744	36	5
SG&A	483	574	-91	-16
Financial cost	558	680	-122	-18
Net Profit	-168	-12	-156	-1,264
EBITDA	939	1,006	-66	-7



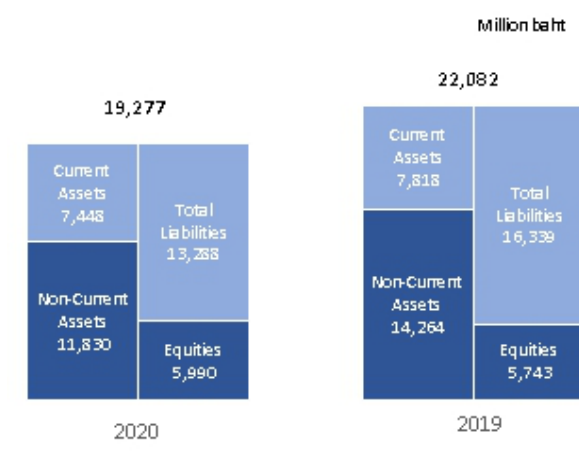
The COVID-19 outbreak situation in 2020 has reduced domestic steel demand. Also, the steel price was decreased from the world steel price. As a result, the company has a sales and service income of 11,450 million baht, decreased by 32% compared with the previous year while the Cost of sales and services decreased by 34% compared with previous year. However, From the investment in scrap handling machinery of the

subsidiary made the company had lower production costs and affected to the company had a gross profit of 780 million baht or 7% gross profit margin, higher than the previous year. Which is at 4%

In the part of the Selling, General and Administrative Expense were decreased 91 million baht compared with previous year, which reduced from the distribution cost and management of the administrative expenses, finance costs decreased by 18% compared with the previous year from the adjusting of the interest rate and long-term loan repayment affected to the financial cost had decreased.

In addition, the Company had a loss from impairment of asset held for sale in the amount of 183 million baht from Siam Solar Generation Public Company Limited ("Siam Solar") due to the company realized the profits of Siam Solar before. Causing such investments to have a higher book value than the selling price. However, the selling value has no lower than the cost that the Company bought.

From above mentioned, in 2020, the Company had loss profit 168 million baht.



As of December 30, 2020. The Company had total assets was at 19,277 million baht, decreased 2,805 million baht. Mainly from trade accounts receivable, decreased 1,086 million baht. Cause from the payment for products from the customers, and inventory decreased 1,080 million baht from the Company had already delivered to the customers, advances payment for goods, increased 1,048 million baht from ordering raw materials for produce products for sales.



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In addition, during year'2020, the Company had the plan to exist Siam Solar. Therefore, the subsidiary's asset was changed to held for sale in the amount of 1,170 million baht, and the effect of the classification of assets held for sale affected the other assets was reduced by note 13.

Total liabilities was at 13,288 million baht decreased 3,501 million baht, short-term loan decreased 220 million baht, Long-term Loan decreased 2,665 million baht from Long-term loan repayment 325 million baht, and from the Siam Solar does not have the status of a subsidiary of the Company, Trade payables decreased 797 million baht, and Advances received for goods increased 1,306 million baht.

The shareholders' equity as of 31 December 2020 was at 5,989 million baht, increased 247 million baht, which affected to the debt to equity ratio was decreased from 2019, which was at 2.85 to 2.22 in 2020.

Please be inform accordingly.

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director