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**Subject** Clarification on Operating Results of the Third Quarter of Year 2020  
**Attention** Director and manager, The Stock Exchange of Thailand

TCM Corporation Public Company Limited and its subsidiaries (together referred to as “Corporate Group”) would like to clarify the operating result and financial statement of the third quarter of year 2020 compared to the third quarter of year 2019 as follows.

The Corporate Group has net profit of Baht 107.52 million at the end of the third quarter of year 2020 compared to net profit of Baht 9.78 million at the same period of year 2019. The net profit was increased by Baht 97.74 million or 999.49 percent. Details of the changes are described in the Management Discussion and Analysis as attached herewith.

Please be informed accordingly.

Your 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



## Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the “Corporate Group”) announced revenue from sales and services of THB 1,920.28 million for the third quarter of 2020, decreased from THB 2,085.13 million or by 7.91 percent in the same period of the previous year. EBITDA was THB 187.50 million, increased from the same period of the previous year by 29.96 percent. Net profit was THB 107.52 million, or 999.49 percent higher than the previous year. Net profit attributable to owners of the parent was THB 83.25 million.

The revenue from sales and services can be divided into incomes from TCM Flooring 25.46 percent, TCM Automotive 7.60 percent, and TCM Living 66.94 percent.

## Performance by Group of Business

### TCM Flooring

Unit THB million

Details	Q3/2020	Q3/2019	Change	% of sales	% of sales	9M/2020	% of sales
			% YoY	Q3/2020	Q3/2019		9M/2020
Revenue from Sales and Services	488.81	718.74	-31.99%	100.00%	100.00%	1,461.71	100.00%
Cost of Sales and Services	(278.23)	(447.17)	-37.78%	56.92%	62.22%	(860.79)	58.89%
<b>Gross Margin</b>	<b>210.59</b>	<b>271.57</b>	<b>-22.46%</b>	<b>43.08%</b>	<b>37.78%</b>	<b>600.91</b>	<b>41.11%</b>
Other incomes	3.65	(1.23)	397.27%	0.75%	0.17%	14.45	0.99%
Selling expenses	(61.24)	(105.56)	-41.98%	12.53%	14.69%	(228.98)	15.67%
Administrative expenses	(96.48)	(170.02)	-43.25%	19.74%	23.66%	(319.07)	21.83%
Profit (Loss) from exchange rate	31.28	3.56	778.28%	6.40%	0.50%	16.21	1.11%
Fair value adjustments to derivatives	(9.01)	0.00	N/A	1.84%	0.00%	(4.77)	-0.33%
<b>Operating income</b>	<b>78.79</b>	<b>(1.67)</b>	<b>4819.51%</b>	<b>16.12%</b>	<b>-0.23%</b>	<b>78.75</b>	<b>5.39%</b>
Post-employment benefits liabilities	0.00	0.00	N/A	0.00%	0.00%	0.00	0.00%
Corporate expenses (Shared)	8.20	(0.67)	1317.86%	1.68%	0.09%	(4.33)	0.30%
Financial cost	(31.77)	(30.30)	4.86%	6.50%	4.22%	(83.80)	5.73%
Tax income (expense)	6.19	13.66	-54.73%	-1.27%	1.90%	14.22	0.97%
<b>Net profit (loss) for the quarter</b>	<b>61.40</b>	<b>(18.98)</b>	<b>423.51%</b>	<b>12.56%</b>	<b>-2.64%</b>	<b>4.84</b>	<b>0.33%</b>
<b>EBITDA</b>	<b>81.45</b>	<b>44.47</b>	<b>83.16%</b>	<b>16.66%</b>	<b>6.19%</b>	<b>142.22</b>	<b>9.73%</b>

### TCM Flooring Performance

TCM Flooring had revenue from sales and services of THB 488.81 million, decreased by 31.99 percent from the same period of the previous year. Due to the impact of the Covid-19 pandemic, the Hospitality sector, which is our core customer, was directly affected by the disruption of the tourism industry. Including the impact of the Lock down measures in major cities.

Cost of sales and services was 56.92 percent of revenue, decreased from 62.22 percent in the same period of the previous year, due to the policy to restructure the organization prepared for the effect from COVID-19 pandemic, by maintaining the reduction in overtime and working hours to match with the volume of incoming orders, and reduce some headcounts in order to comply with the business and the economy as a whole. Including withholding all production-related costs and investments.

Selling, Distribution, and Administrative (SD&A) expenses amounted to THB 157.72 million, decreased from the same period of the previous year, caused by a policy to cut expenses to cope with the market situation, such as travel banned, cut all non-essential expenses, especially PR and marketing, cut headcounts and furlough some positions, reduced employees salary according to salary range from 10% - 30%, etc. Including the reduction of the business restructuring expenses, which completed in year 2020 such as ERP service fees, legal advisory fees, installation and relocation of equipment, machinery costs etc.

Profit from exchange rate was THB 31.28 million, while profit from derivatives amounted to THB 9.01 million, which was reported according to the Thai Financial Reporting Standards for financial instruments applied in 2020.

Apart from the expenses of the TCM Flooring, there were administrative expenses of the Corporate Office allocated to TCM Flooring amounted to THB 1.18 million, and returned expenses amounted to THB 9.38 million, which was the payback of the provision of the Don Muang factory that the company wrote off at the end of year 2019, but was able to sell off in the third quarter. As a result, the allocation of the Corporate Office became plus THB 8.20 million.

When combined with the financial costs and TAX, the net profit of TCM Flooring then amounted to THB 61.40 million, which was improved from net loss of THB 18.98 million in the same period of the previous year. The EBITDA was THB 81.45 million, increased from THB 44.47 million in the same period of the previous year.

## TCM Automotive

Unit THB million

Details	Q3/2020	Q3/2019	Change	% of sales	% of sales	9M/2020	% of sales
			% YoY	Q3/2020	Q3/2019		9M/2020
Revenue from Sales and Services	146.00	268.59	-45.64%	100.00%	100.00%	433.69	100.00%
Cost of Sales and Services	(121.39)	(208.93)	-41.90%	83.14%	77.79%	(369.25)	85.14%
<b>Gross Margin</b>	<b>24.61</b>	<b>59.65</b>	<b>-58.75%</b>	<b>16.86%</b>	<b>22.21%</b>	<b>64.44</b>	<b>14.86%</b>
Other incomes	1.04	0.92	13.82%	0.71%	0.34%	1.86	0.43%
Selling expenses	(4.86)	(9.32)	-47.80%	3.33%	3.47%	(15.73)	3.63%
Administrative expenses	(9.06)	(12.47)	-27.39%	6.20%	4.64%	(33.46)	7.71%
Profit (Loss) from exchange rate	0.10	0.45	-76.42%	0.07%	0.17%	0.17	0.04%
<b>Operating income</b>	<b>11.84</b>	<b>39.23</b>	<b>-69.82%</b>	<b>8.11%</b>	<b>14.60%</b>	<b>17.28</b>	<b>3.98%</b>
Post-employment benefits liabilities	0.00	0.00	N/A	0.00%	0.00%	(2.62)	0.60%
Corporate expenses (Shared)	(0.66)	(1.27)	-47.56%	0.45%	0.47%	(2.62)	<b>0.60%</b>
Financial cost	(0.19)	(0.17)	11.20%	0.13%	0.06%	(0.51)	0.12%
Tax income (expense)	(2.30)	(7.40)	68.952%	1.57%	2.75%	(3.80)	0.88%
<b>Net profit (loss) for the quarter</b>	<b>8.69</b>	<b>30.39</b>	<b>-71.41%</b>	<b>5.95%</b>	<b>11.32%</b>	<b>10.35</b>	<b>2.39%</b>
<b>EBITDA</b>	<b>21.62</b>	<b>44.01</b>	<b>-50.87%</b>	<b>14.81%</b>	<b>16.39%</b>	<b>67.09</b>	<b>15.47%</b>

## TCM Automotive Performance

TCM Automotive had revenue from sales and services of THB 146 million, decreased from the same period of the previous year by 45.64 percent, resulted from the decelerate of automotive industry and the effect from COVID-19 pandemic.

Cost of sales and services was 83.14 percent of revenue, increased from 77.79 percent in the same period of the previous year, which improved from the second quarter that had negative margin, resulted from increase in orders that were produced and delivered in the third quarter.

SD&A expenses amounted to THB 13.92 million, decreased from the same period of the previous year, as a result of various costs reduction efforts to accommodate the changing situation, with reduction in working days, reduction in salary of employees and executives in the ratio of 10% -50% etc.

Apart from the expenses of the TCM Automotive, there were administrative expenses of the Corporate Office allocated to TCM Automotive business amounted to THB 0.66 million, decreased from THB 1.27 million in the same period of the previous year.

When combined with the financial costs and TAX, the net profit of TCM Automotive then amounted to THB 8.69 million, decreased from net profit of THB 30.39 million in the same period of the previous year.

## TCM Living

Unit THB million

Details	Q3/2020	Q3/2019	Change	% of sales	% of sales	9M/2020	% of sales
			% YoY	Q3/2020	Q3/2019		9M/2020
Revenue from Sales and Services	1,285.47	1,097.80	17.10%	100.00%	100.00%	2,623.20	179.46%
Cost of Sales and Services	(1,051.80)	(841.67)	24.97%	81.82%	76.67%	(2,164.23)	148.06%
<b>Gross Margin</b>	<b>233.67</b>	<b>256.13</b>	<b>-8.77%</b>	<b>18.18%</b>	<b>23.33%</b>	<b>458.97</b>	<b>31.40%</b>
Other incomes	0.29	5.15	-94.35%	0.02%	0.47%	0.19	0.01%
Selling expenses	(86.58)	(116.05)	-25.40%	6.74%	10.57%	(204.99)	14.02%
Administrative expenses	(87.98)	(120.38)	-26.92%	6.84%	10.97%	(212.67)	14.55%
Profit (Loss) from exchange rate	0.00	(1.40)	100.00%	0.00%	-0.13%	0.00	0.00%
Fair value adjustments to derivatives	8.99	0.00	N/A	1.84%	0.00%	18.51	1.27%
<b>Operating income</b>	<b>68.40</b>	<b>23.45</b>	<b>191.74%</b>	<b>5.32%</b>	<b>2.14%</b>	<b>60.01</b>	<b>13.84%</b>
Corporate expenses (Shared)	(3.08)	(4.25)	-27.51%	0.24%	0.39%	(12.15)	0.83%
Financial cost	(17.14)	(11.81)	45.07%	1.33%	1.08%	(34.17)	2.34%
Tax income (expense)	(10.76)	(9.02)	-19.29%	0.84%	0.82%	(9.54)	0.65%
<b>Net profit (loss) for the quarter</b>	<b>37.42</b>	<b>(1.63)</b>	<b>2389.57%</b>	<b>2.91%</b>	<b>-0.15%</b>	<b>4.14</b>	<b>0.28%</b>
<b>EBITDA</b>	<b>84.43</b>	<b>31.47</b>	<b>168.24%</b>	<b>6.57%</b>	<b>2.87%</b>	<b>125.22</b>	<b>8.57%</b>

## TCM Living Performance

TCM Living had revenue from sales and services of THB 1,285.47 million, which was 17.10 percent higher than the same period of the previous year. After the release of the Lock down measure in England in early June, there were surge in demand for furniture and home decorations which has continued to today. Resulted in many of incoming orders during the period which has been delivered started from the third quarter through the first quarter of next year. However, when comparing only Pound to Pound performance, the revenue from sales and services were higher than the same period of the previous year by 21.65 percent

Cost of sales and services was 81.82 percent of revenue, increased from 76.67 percent in the same period of the previous year. As a result of the high demand which exceed our capacity, the company then required outsourcing some models, resulting in higher cost, and there were investments to increase production capacity. Including reallocation of cost items after the grouping of the two companies under the TCM Living Ltd to comply with the appropriate accounting standards.

SD&A expenses amounted to THB 174.56 million, decreased from the same period of the previous year, as a result of various costs reduction efforts to accommodate the changing situation, by cutting non-essential expenses, reduced marketing budget, travel banned, and reduction of salary in management level.

Profit from derivatives amounted to THB 8.99 million, which was reported according to the Thai Financial Reporting Standards for financial instruments applied in 2020.

Apart from the expenses of the TCM Living, there were administrative expenses of the Corporate Office allocated to TCM Living business amounted to THB 3.08 million, decreased from THB 4.25 million in the same period of the previous year.

When combined with the financial costs and TAX, the net profit of TCM Living then amounted to THB 37.42 million, increased from net loss of THB 1.63 million in the same period of the previous year. The EBITDA was THB 84.43 million, increased from THB 31.47 million in the same period of the previous year.

## Consolidated Performance

Unit THB million

Consolidated Statement	Q3/2020	Q3/2019	Change	9M/2020
			% YoY	
<b>Revenue</b>				
Revenue from Sales and Services	1,920.28	2,085.13	-7.91%	4,518.60
Other Incomes	4.99	4.84	3.03%	16.50
<b>Total revenue</b>	<b>1,925.27</b>	<b>2,089.97</b>	<b>-7.88%</b>	<b>4,535.11</b>
<b>Expenses</b>				
Cost of sales and services	(1,451.41)	(1,497.77)	-3.10%	(3,394.28)
Selling expenses	(152.68)	(230.92)	-33.88%	(449.70)
Administrative expenses	(193.52)	(302.88)	-36.11%	(565.20)
Corporate expenses	4.46	(6.19)	-172.12%	(19.11)
Fair value adjustments to derivatives	31.38	2.60	-1105.21%	16.37
Gain (loss) from exchange rate	(0.02)	0.00	N/A	13.74
Financial costs	(49.10)	(42.28)	16.12%	(118.48)
<b>Total expenses</b>	<b>(1,810.88)</b>	<b>(2,077.43)</b>	<b>-12.83%</b>	<b>(4,516.65)</b>
<b>Net profit before TAX</b>	<b>114.39</b>	<b>12.53</b>	<b>812.67%</b>	<b>18.45</b>
Tax expenses	(6.87)	(2.75)	149.49%	0.87
<b>Profit (loss) for the quarter</b>	<b>107.52</b>	<b>9.78</b>	<b>999.49%</b>	<b>19.33</b>
<b>Profit (loss) for TCMC</b>	<b>83.25</b>	<b>(9.76)</b>	<b>953.17%</b>	<b>(2.08)</b>
<b>EBITDA</b>	<b>187.50</b>	<b>144.28</b>	<b>29.96%</b>	<b>334.53</b>
Weighted average number of ordinary shares (shares)	763,201,125	763,188,975		763,201,125
Basic earnings per share (Baht)	0.11	(0.01)		(0.00)

## Other Incomes

The Corporate Group had other incomes of THB 4.99 million, compared to THB 4.84 million in the same period of the previous year. The other incomes were from interests, rental fees, assets selling, and scrap selling etc.

## Financial Cost

The Corporate Group had financial cost of THB 49.10 million in the third quarter of 2020, increased from THB 42.28 million in the third quarter of year 2019, resulted from the financial adjustment according to the Thai Financial Reporting Standards, financial instruments applied in 2020.

## Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 30 September, 2020	As of 31 December, 2019	Change	
			Million Baht	%
Total Assets	8,152.60	8,338.15	(185.55)	-2.23%
Total Liabilities	5,423.68	5,485.28	(61.60)	-1.12%
Shareholders' Equity	2,728.92	2,852.87	(123.95)	-4.34%
D/E Ratio	2.27:1	2.21:1		

The Corporate Group's total assets as of 30 September 2020 were lower than the total assets as of 31 December 2019 by THB 185.55 million or 2.23 percent. Total liabilities as of 30 September 2020 were lower than the total liabilities as of 31 December 2019 by THB 61.60 million or 1.12 percent. Shareholders' equity as of 30 September 2020 was lower than that as of 31 December 2019 by THB 123.95 million or 4.34 percent, due to the adoption of new financial reporting standards for financial instrument group, which has been effective since 1 January 2020, and effect from COVID-19 pandemic. As a result, D/E ratio at the end of the period was at 2.27:1 compared to year end 2019 at 2.21:1. (Considering only the part of major shareholders).