



บริษัท สหวิริยาสตีลอินดัสตรี จำกัด (มหาชน)  
SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED

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ISO 9001  
ISO 14001  
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ISO/TS 16949  
ISO/IEC 17025

บริษัทหลักชั้นนำด้านนวัตกรรมและความเชื่อมั่น  
Leading Innovative and Reliable Steel Company

-Translation-

**Management Discussion and Analysis for Year 2022**

Sahaviriya Steel Industries Public Company Limited (the "Company") would like to clarify operating results and financial status of the Company and its subsidiaries for Year 2022 period ended 31 December 2022 as follows:

Unit: million Baht	2022	2021	Δ YoY
Sales and service revenues	33,933	35,313	-4%
Cost of sales and service	33,528	32,309	+4%
Gross profit (loss)	406	3,005	-86%
SG&A	871	824	+6%
Consolidated EBITDA <sup>1)</sup>	(578)	1,657	N.A.
Profit (Loss) on foreign exchange liabilities under the plan	(690)	(1,785)	N.A.
Adjustment for decrease in debts guarantee	-	586	-100%
Finance costs	1,790	1,633	+10%
Net profit (loss) attributable to owners of the Company	(2,923)	(536)	N.A.

<sup>1)</sup> Consolidated EBITDA: EBITDA of the consolidated financial statement which included the provision (or reversal) for loss on decline in value of inventories and provision (or reversal) for loss under onerous contracts = Net Profit + Interest + Tax + Depreciation and Amortization

**Operating Performance**

**1. Revenues**

The Company and its subsidiaries recorded sales and service revenues Baht 33,933 million, down 4% yoy. HRC Sales Volume was 1,067k tons, dropped by 11% yoy. HRC Average Selling Price was Baht 30,037/ton or approx. USD 860/ton, slightly decreased from the previous year but there were fluctuations during the year due to the volatility of the situation in the world market. The total HRC sales volume included SSI Principal Products (SPP) 22%, Innovated Value Products (IVP) 38%, and Customized Prime Products (CPP) 40%.

**2. Cost of Sales and Services**

The Company and its subsidiaries recorded total cost of sales and services Baht 33,528 million, including net provision for loss on decline in value of inventories Baht 44 million. The cost of sales and services increased 4% yoy from Baht 32,309 million in the same period last year due to the increase in average raw material costs despite lower sales volume.

**3. SG&A and Finance Costs**

The Company and its subsidiaries recorded SG&A Baht 871 million, up 6% from Baht 824 million in the same period last year. The Company and its subsidiaries recorded finance costs Baht 1,790 million, up 10% yoy from Baht 1,633 million in the same period of the previous year due to the

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accumulation of deferred interest in accordance with the Plan and the interest arisen from short term loan from related parties during the year.

#### 4. Profit

The Company and its subsidiaries recorded **Gross Profit** Baht 406 million, decreased from Baht 3,005 million. **Consolidated EBITDA** dropped from Baht 1,657 million to negative Baht 578 million. **Net Loss** was Baht 2,923 million, down from net loss Baht 536 million in the former year. The substantial decrease in consolidated EBITDA and net loss were mainly results of 1) the decrease in sales volume due to the uncertainty of the global situation and the decline in selling price following the world steel price in the second half of the year while the cost of raw material of the Company remained high from the prior purchase, resulting in the significant drop in gross profit; 2) unrealized foreign exchange loss on foreign currency denominated liabilities under the Plan, totaling Baht 690 million.

#### Financial Position

Unit: million Baht	31 Dec. 22	31 Dec. 21	Δ Change
Cash and cash equivalents	552	496	+11%
Inventories	7,536	8,021	-6%
Property, plant and equipment	11,274	10,543	+7%
Other assets	3,582	4,219	-15%
<b>Total Assets</b>	<b>22,945</b>	<b>23,279</b>	<b>-1%</b>
Trade accounts payable	4,930	4,845	+2%
Current contract liabilities	659	550	+20%
Liabilities under rehabilitation plan	32,464	32,049	+1%
Short-term loan from related parties	1,520	-	+100%
Other Liabilities	1,470	906	+62%
<b>Total Liabilities</b>	<b>41,043</b>	<b>38,350</b>	<b>+7%</b>
Equity attributable to owners of the Company	(18,563)	(15,578)	N.A.
<b>Total liabilities and shareholders' equity</b>	<b>22,945</b>	<b>23,279</b>	<b>-1%</b>

#### 1. Assets

As at 31 December 2022, the Company and its subsidiaries had total assets Baht 22,945 million, slightly decreased from Baht 23,279 million as at 31 December 2021.

#### 2. Liabilities

As at 31 December 2022, the Company and its subsidiaries had total liabilities Baht 41,043 million, up 7% from Baht 38,350 million as at 31 December 2021, mainly due to the short-term loan from related parties amounting to Baht 1,520 million to be used as working capital of the Company.

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The Company and its subsidiaries has total liabilities under rehabilitation plan Baht 32,464 million. The liabilities under the Plan comprises 1) debt under the Plan due within 1 year Baht 1,359 million, down from Baht 1,420 million 2) debt under the Plan due over 1 year Baht 31,104 million, an increase from Baht 30,629 million at the end of year 2021, due to the aforementioned foreign exchange loss.

### 3. Equity

As at 31 December 2022, equity attributable to owners of the Company was negative Baht 18,563 million, down from negative Baht 15,578 million as at 31 December 2021, as a result of the aforementioned losses of the Company.

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