



28 April 2026

No. ACC/HO 0016/26

Topic: Management Discussion and Analysis for Quarter1/2026

To: President
The Stock Exchange of Thailand

In the first quarter of 2026, the Thai economy continued to experience a slowdown, pressured by geopolitical tensions in the Middle East. These conflicts led to an ongoing rise in energy costs, which subsequently weakened consumer confidence and purchasing power. Additionally, the Company growth was affected by a high base effect from the previous year due to the government's "Easy E-Receipt" stimulus measure in 2025, which allowed tax deductions of up to 30,000 Baht. The absence of similar measures in 2026 resulted in a decline in sales compared to the same period last year.

Despite these challenges, the Company benefited from a seasonal surge in demand for cooling appliances in March. The robust sales of air conditioners and fans partially offset the sluggish performance from earlier in the quarter. This was driven by the "Seasonal Agile Strategy," characterized by systematic supply chain management and proactive marketing initiatives, enabling the Company to respond to customer needs with speed and accuracy. Furthermore, the Company enhanced its product mix and margin optimization by increasing the proportion of high-margin products, particularly Private Brands. This was executed alongside stringent SG&A cost controls and effective energy cost risk management to strengthen the Company's financial position and ensure readiness for sustainable growth once consumer purchasing power normalizes.

Regarding revenue-driven strategies, the Company continued ongoing marketing activities, such as the monthly "Double Day" campaigns. Furthermore, a free appliance repair event was hosted from March 6–8, 2026, across all HomePro and Mega Home stores to extend product lifespans, while at the same time fostering customer lifetime engagement. Such initiatives serve as a catalyst for

customers to upgrade from older models to energy-saving products ahead of the summer season. This was facilitated through the "Trade-in Program," allowing customers to exchange old or irreparable appliances for discounts on new purchases, a strategic move that integrates Circular Economy principles with Service Excellence to drive operational performance.

The Company continues to prioritize growth and efficiency through the "Hybrid Store" model, which synergizes the core strengths of HomePro and Mega Home. This model enables the Company to cater to a broader range of customer segments while optimizing cost management and internal resource allocation for maximum benefit.

As of the end of the first quarter of 2026, the Company operated a total of 133 stores, comprising 87 HomePro stores, 4 HomePro S stores, 21 Mega Home stores, 14 Hybrid Stores, and 7 HomePro stores in Malaysia. There were no new store openings during this quarter.

The financial results of the Company and its subsidiaries for the first quarter of 2026 ended 31 March 2026, which have been reviewed by an auditor, are as follows:

Table 1: Financial Summary for the three-month period of the year 2026 and 2025

Unit: Million Baht

Consolidated Financial Statement	Q1'2026	%	Q1'2025	%	Increase (Decrease)	% Change
Revenue from contracts with customers	16,041.90	100.00%	17,547.44	100.00%	-1,505.54	-8.58%
Rental income	472.09	2.94%	471.29	2.69%	0.80	0.17%
Other income	635.06	3.96%	635.73	3.62%	-0.68	-0.11%
Total revenues	17,149.05	106.90%	18,654.46	106.31%	-1,505.42	-8.07%
Cost of sales and service	11,774.13	73.40%	12,952.75	73.82%	-1,178.62	-9.10%
Gross profit	4,267.77	26.60%	4,594.69	26.18%	-326.92	-7.12%
Cost of rental	196.97	1.23%	207.83	1.18%	-10.86	-5.22%
Selling and administrative expenses	3,262.40	20.34%	3,192.43	18.19%	69.97	2.19%
Profit before finance cost and income tax expenses	1,915.55	11.94%	2,301.46	13.12%	-385.91	-16.77%
Share of profit (loss) from investment in associates	0.12	0.00%	0.00	0.00%	0.12	5950.00%
Finance Income	4.57	0.03%	5.65	0.03%	-1.07	-18.97%
Finance cost	170.67	1.06%	177.05	1.01%	-6.38	-3.60%
Profit before income tax expenses	1,749.57	10.91%	2,130.06	12.14%	-380.49	-17.86%
Income tax expenses	345.60	2.15%	422.68	2.41%	-77.08	-18.24%
Profit for the period	1,403.97	8.75%	1,707.38	9.73%	-303.41	-17.77%

The Company reported a net profit for the first quarter of 2026 of 1,403.97 million Baht, representing a decrease of 303.41 million Baht or 17.77% compared to the same period last year. The primary contributing factors are as follows:

1. Total revenue amounted to THB 17,149.05 million, representing a decrease of THB 1,505.42 million or down 8.07%, comprising of the following:
 - 1.1. Revenue from contracts with customers, which comprises revenue from the sale of goods and revenue from Home Service (Chang HomePro), amounted to THB 16,041.90 million, representing a decrease of THB 1,505.54 million or down 8.58% compared to the same period last year. This contraction was primarily attributed to the high base effect in the first quarter of 2025, which was significantly bolstered

by the government's "Easy E-Receipt" stimulus measure. In contrast, no similar stimulus programs were implemented during the first quarter of 2026. This factor, coupled with the continued domestic economic slowdown and rising energy costs, pressured consumer confidence and purchasing power. Nevertheless, the Company benefited from a seasonal surge in demand for cooling appliances toward the end of the quarter, which helped mitigate some of the impact from the aforementioned challenges.

- 1.2. Rental income amounted to THB 472.09 million, representing a slight increase of THB 0.80 million or up 0.17% from the previous year. This growth was driven by higher rental income across HomePro stores and Market Village shopping malls, particularly in key tourist destinations.
- 1.3. Other income amounted to THB 635.06 million, representing a slight decrease of THB 0.68 million or down 0.11%. This decline was primarily due to fewer co-promotional activities with vendors across both in-store and online channels, as well as lower marketing fee received corresponding to the decline in sales, compared to the same period last year.
2. Gross profit from the sales of goods and Home Service (Chang HomePro) amounted to THB 4,267.77 million, representing a decrease of THB 326.92 million or down 7.12% compared to the previous year. Despite the decrease in absolute value, the gross profit margin as percentage of sales increased from 26.18% in the previous year to 26.60%. This improvement was driven by effective product mix management, particularly the increased sales proportion of high-margin products and the continued Private Brand expansion. These initiatives partially offset the lower volume discounts received, as procurement was strategically adjusted in alignment with current consumer demand.
3. Cost of rental and related services amounted to THB 196.97 million, a decrease of THB 10.86 million or down 5.22%, due to the decrease in maintenance and depreciation costs from rented space.
4. Selling and administrative expenses amounted to THB 3,262.40 million, representing an increase of THB 69.97 million or up 2.19% compared to the previous year. The SG&A as a percentage of sales was 20.34%, up from 18.19% in the previous year. The primary drivers of this increase included higher depreciation and repair expenses. However, these were partially offset by reductions in certain costs, such as marketing expenses.
5. Finance income amounted to THB 4.57 million, representing a decrease of THB 1.07 million or down 18.97%, from lower interest income.
6. Financial cost amounted to THB 170.67 million, representing a decrease of THB 6.38 million or up 3.60%. This reduction was primarily driven by the refinancing of maturing high-interest debentures, which were replaced by new issuances at lower interest rates. However, interest in short-term loans and lease liabilities (Right-of-Use assets) increased slightly in accordance with TFRS16.
7. Income tax expenses amounted to THB 345.60 million, representing a decrease of THB 77.08 million or down 18.24% compared to the previous year as a result of the decrease in earnings before tax.

Summary of Financial Position

Assets

As of March 31, 2026, the Company and its subsidiaries reported total assets of THB 69,156.66 million, representing a decrease of THB 1,491.81 million or 2.11% from December 31, 2025. This decline was primarily driven by significant movements in key asset categories, including a decrease in cash and cash equivalents of 1,343.50 million Baht, a reduction in trade and other receivables of 455.58 million Baht, and a decrease in property, plant, and equipment of 141.54 million Baht. These decreases were partially offset by increases in certain items, notably inventories, which rose by 400.64 million Baht, as well as other current assets and right-of-use assets, which increased by 67.16 million Baht and 86.48 million Baht, respectively.

Liabilities

As of March 31, 2026, the Company and its subsidiaries reported total liabilities of THB 41,723.32 million, representing a decrease of THB 2,827.93 million or 6.35% from December 31, 2025. This included a decrease in interest-bearing debt of THB 2,140.73 million. Consequently, the Total Debt-to-Equity (D/E) ratio was 1.52 times, while the Interest-Bearing Debt-to-Equity ratio was recorded at 0.60 times.

Shareholder's equity

As of March 31, 2026, total shareholders' equity of the Company and its subsidiaries amounted to THB 27,433.34 million, representing an increase of THB 1,336.12 million or 5.12% from December 31, 2025. Additionally, the Return on Equity (ROE) was recorded at 20.98%.

Liquidity

For the period ended March 31, 2026, the Company and its subsidiaries reported a net decrease in cash and cash equivalents of THB 1,343.50 million, driven by cash flows from the following activities:

Net cash flows from operating activities increased THB 2,447.41 million.

Net cash flows used in investing activities decreased THB 1,350.95 million.

Net cash flows used in financing activities decreased THB 2,445.61 million.

Regarding the liquidity position as of March 31, 2026, the Company and its subsidiaries reported current assets of THB 20,852.17 million and current liabilities of THB 23,595.24 million, resulting in a current ratio of 0.88 times. The Company has secured short-term financing facilities sufficiently to maintain liquidity, including an overdraft and bill of exchange, as well as international trade credit lines.

Sincerely yours,

(Ms. Wannee Juntamongkol)

Executive Vice President – Finance and Investment