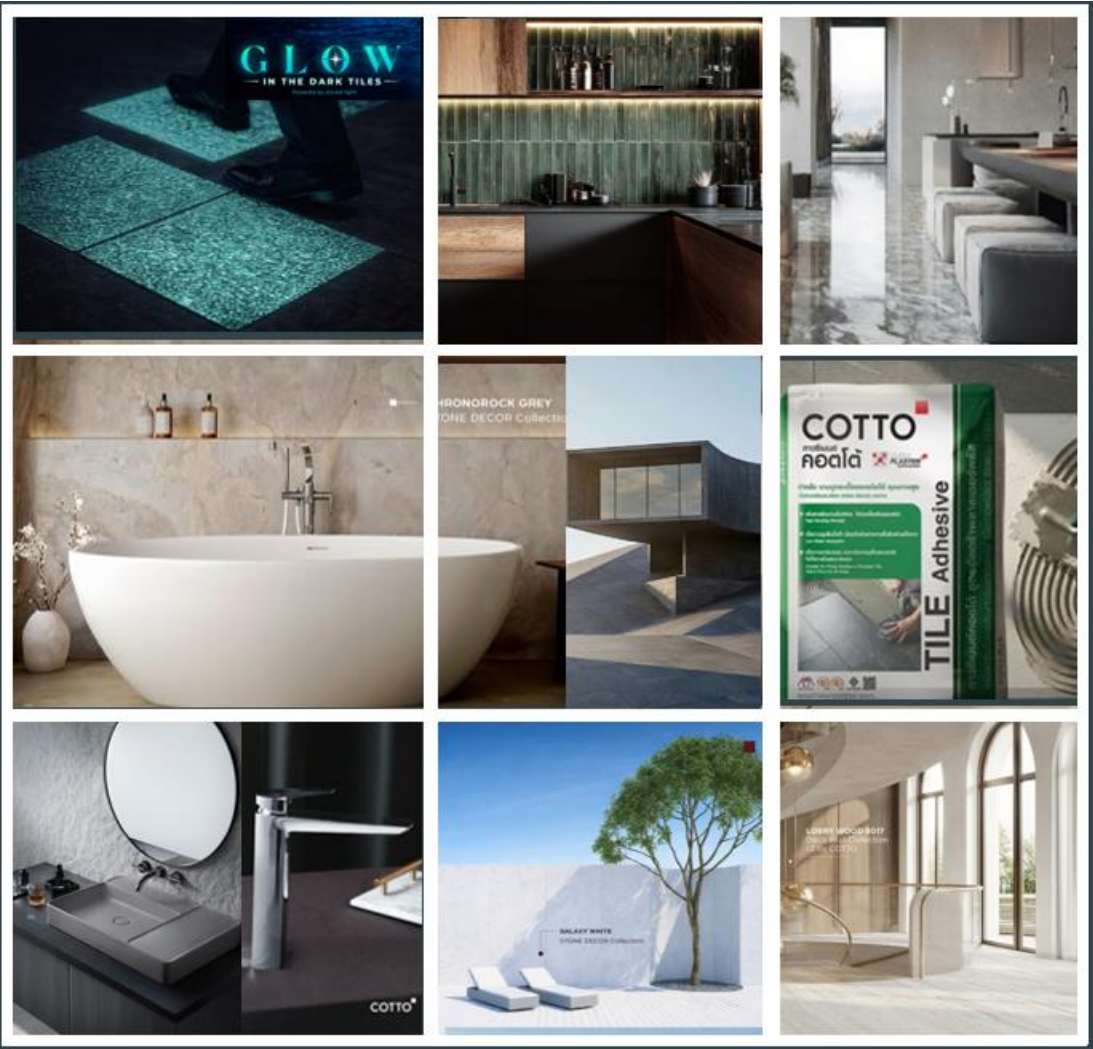


Management Discussion and Analysis: MD&A

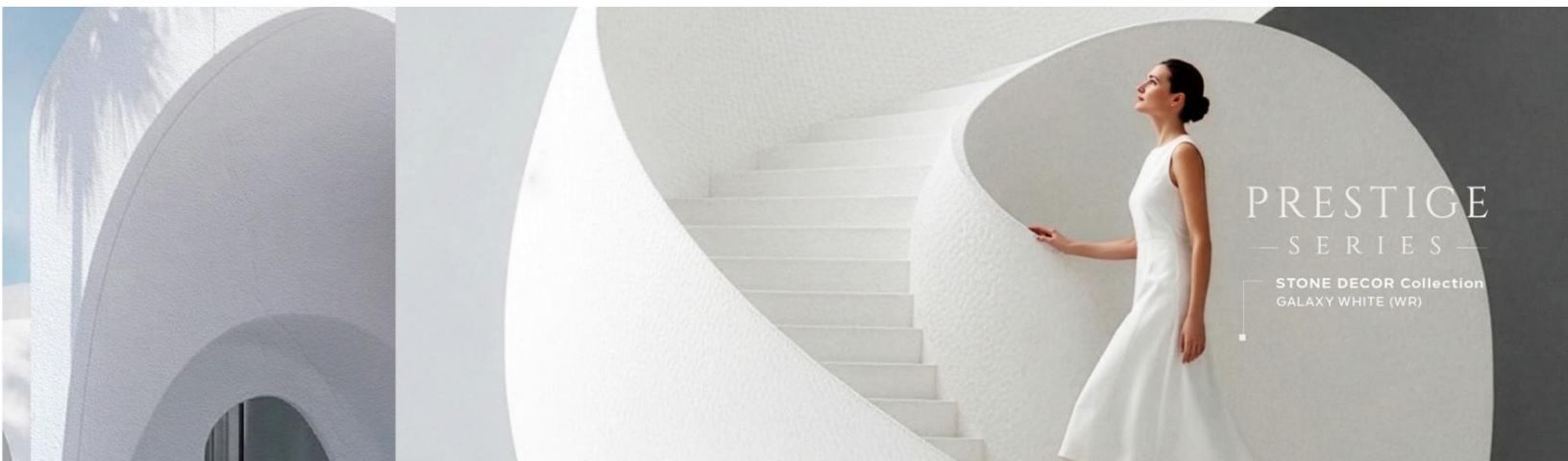
The Operating Results of the 1st Quarter of 2026

SCG Decor Public Company Limited (SCGD)

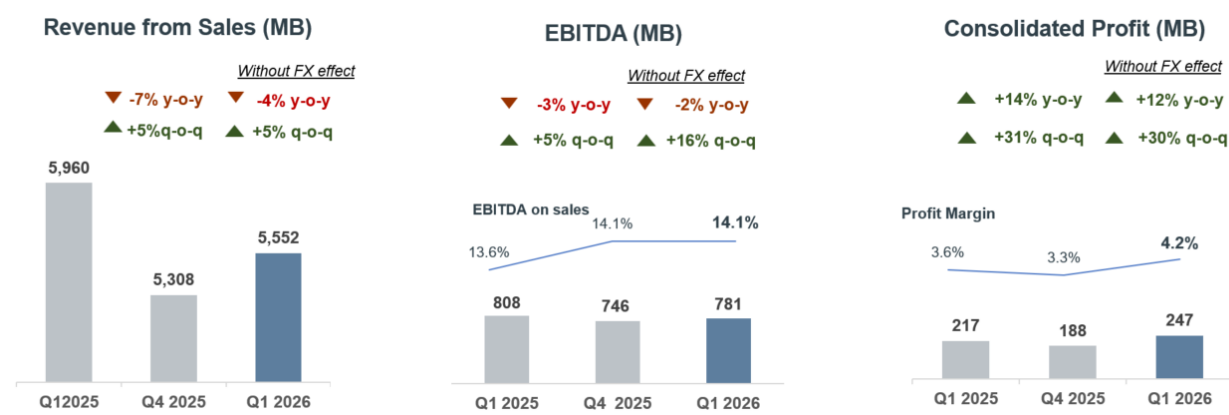


Management Discussion and Analysis: MD&A**Summary of Key Operating Results in Q1 2026**

1. **The Company continued to demonstrate solid profitability** Profit attributable to owners of the Company amounted to 247 million Baht, representing a net profit margin of 4.2%. EBITDA stood at 780 million Baht, with an EBITDA margin of 14.1%, improving from the same period last year and maintained from the previous quarter.
2. To better reflect the Company's underlying operating **performance based on cash flows from operations**, the Company reported Adjusted Cash EBITDA of 761 million Baht, while profit attributable to owners of the Company on an adjusted basis (Adjusted Profit) amounted to 232 million Baht.
3. **The Company recorded sales revenue of 5,552 million Baht**, representing a +5% increase from last quarter, but a -7% decline from the same period last year. Excluding the impact of foreign currency translation into Thai Baht from overseas operations, sales revenue would have declined by only -4% from the same period last year, mainly supported by improved sales performance in Vietnam.
4. **The Company maintained a strong financial position**, with net debt to EBITDA remaining stable at 1.1 times compared to the previous quarter and improving from 1.5 times in the same period last year. Net debt to equity ratio remained unchanged at 0.2 times. The Company was only limitedly affected by the geopolitical tensions in the Middle East and has implemented measures to mitigate volatility in energy prices arising from such uncertainties.



Operating results of Q1 2026



Year-on-year basis

In the first quarter of 2026, the Company continued to demonstrate resilient profitability. EBITDA amounted to 780 million Baht, representing a -3% decline, primarily due to maintenance expenses increased following a planned shutdown at Vietnam plant during the Tet holiday. Profit attributable to owners of the Company amounted to 247 million Baht, increasing by +14%. Sales revenue totaled 5,552 million Baht, declining by -7% as a result of softened demand in Thailand, partially offset by higher sales volumes in Vietnam.

However, excluding the impact of foreign currency translation from overseas operations into Thai Baht (Vietnam, the Philippines, and Indonesia), which better reflects the underlying operating performance of each country, EBITDA would have decreased by -2%, while profit attributable to owners of the Company would have increased by +12%. Sales revenue would have declined by only -4%.

Quarter-on-quarter basis

the Company reported a +5% increase in EBITDA and a +31% increase in profit attributable to owners of the Company, while sales revenue increased by +5%, mainly driven by improved sales performance in Thailand.

On a constant currency basis, excluding foreign currency translation effects from overseas operations (Vietnam, the Philippines, and Indonesia), EBITDA increased by +16%, while profit attributable to owners of the Company increased by +30%. Sales revenue also increased by +5%.

Table 1 – Operating Results and Operating Results in Adjusted Cash basis ⁽¹⁾

| Operating Result | unit | Q1 | | Q4 | change | |
|--|------|-------|-------|-------|--------|-------|
| | | 2026 | 2025 | 2025 | % YoY | % QoQ |
| Revenue from Sales | MB | 5,552 | 5,960 | 5,308 | -7% | 5% |
| Total Revenue | MB | 5,679 | 6,081 | 5,413 | -7% | 5% |
| Reported EBITDA ⁽²⁾ | MB | 780 | 808 | 746 | -3% | 5% |
| Net Profit | MB | 241 | 218 | 180 | 11% | 34% |
| Profit attributable to owners of the company | MB | 247 | 217 | 188 | 14% | 31% |

| Operating Result in Adjusted cash basis ⁽³⁾ | unit | Q1 | | Q4 | change | |
|--|------|-------|-------|-------|--------|-------|
| | | 2026 | 2025 | 2025 | % YoY | % QoQ |
| Revenue from Sales | MB | 5,552 | 5,960 | 5,308 | -7% | 5% |
| Total Revenue | MB | 5,679 | 6,081 | 5,413 | -7% | 5% |
| Adjusted Cash EBITDA | MB | 761 | 788 | 734 | -3% | 4% |
| Adjusted Net Profit | MB | 226 | 202 | 170 | 12% | 33% |
| Adjusted Profit | MB | 232 | 201 | 178 | 15% | 30% |

Remark:

(1) Operating Results in Adjusted cash basis reflect the underlying business performance, focusing primarily on cash flows generated from core operations.

(2) Reported EBITDA is calculated as profit before finance costs, income tax, depreciation, and amortization. It included dividend income from associates and gains or losses from exchange rate fluctuations on loans.

(3) Adjusted items in adjusted Cash basis were NRV & Stock Adjustment, Asset Impairment, Negative goodwill / Gain from bargain purchase and Cease business.

Profitability ratios of Q1 2026

The Company recorded a gross profit margin of 26.4%, declining from 26.7% in the previous quarter and 26.5% in the same period last year. The decrease was in line with lower sales volumes, the appreciation of the Thai Baht, and higher maintenance expenses incurred at the Vietnam operations during the Tet holiday period. However, EBITDA on Sales remained resilient at 14.1%, in line with the previous quarter and improving from 13.6% in the same period last year. At the same time, the Company reported a net profit margin of 4.2%, increasing from 3.3% in the previous quarter and from 3.6% in the same period last year, driven by effective cost control measures, resulting in continued improvement in selling and administrative expense management.

Table 2 – Key Financial Ratios

| Key Financial Ratio | unit | Q1 | | Q4 |
|--|------|-------|-------|-------|
| | | 2026 | 2025 | 2025 |
| EBITDA on Sales ⁽¹⁾ | % | 14.1% | 13.6% | 14.1% |
| Net Profit Margin ⁽²⁾ | % | 4.2% | 3.6% | 3.3% |
| Profit margin which attributable to owners of the company ⁽³⁾ | % | 4.3% | 3.6% | 3.5% |
| Return on Equity ⁽⁴⁾ | % | 4.7% | 3.6% | 5.0% |
| Return on Total Assets ⁽⁵⁾ | % | 2.5% | 1.9% | 2.4% |
| Key Financial Ratio in Adjusted cash basis | | | | |
| Adjusted cash EBITDA on Sales ⁽⁶⁾ | % | 13.7% | 13.2% | 13.8% |
| Adjusted Net profit margin ⁽⁷⁾ | % | 4.0% | 3.3% | 3.1% |

Remark:

(1) EBITDA on Sales is calculated by dividing Reported EBITDA by Revenue from Sales.

(2) Net Profit Margin is calculated by dividing profit (or loss) for the period/year by total Revenue.

(3) Profit margin which attributable to owners of the company is calculated by profit attributable to owners of the company divided by total Revenue.

(4) Return on Equity (ROE) is calculated by dividing the trailing-12-month Net profit attributable to owners of the company by the average shareholders' equity excluding NCI.

(5) Return on Total Assets (ROA) is calculated by dividing the trailing-12-month profit for the period by the average total assets.

(6) Adjusted cash EBITDA on Sales is calculated by dividing Adjusted cash EBITDA by Revenue from Sales.

(7) Adjusted Net Profit Margin is calculated by dividing Adjusted Net Profit by total Revenue.

Cost of Goods Sold and overall Expenses decreased

Cost of Good Sold in Q1 2026 was 4,087 million Baht, decreased by 291 million Baht from the same period last year, in line with lower sales volumes, and increased by 195 million Baht from the previous quarter, corresponding to higher sales volumes.

Energy cost for tile production per square meter continued to decline and remained stable quarter-on-quarter at 29 Baht per square meter, driven by the continued use of alternative energy sources. **Selling and administrative expenses declined** to 1,192 million Baht, decreasing by 100 million Baht from the same period last year and in line with the previous quarter. The reduction was attributable to disciplined cost control and benefits derived from the business restructuring initiatives.

Financial Position

Total Assets

As of March 31, 2026, the Company reported total assets of 37,220 million Baht, with cash and cash equivalents amounting to 9,114 million Baht.

Total Liabilities and Shareholders' Equity

The Company maintained a strong financial position. As of March 31, 2026, total liabilities amounted to 17,342 million Baht, of which interest-bearing debt totaled 12,563 million Baht, while shareholders' equity stood at 19,878 million Baht.

The net debt to EBITDA ratio remained stable at 1.1 times compared to the previous quarter and improved from 1.5 times in the same period last year. The net debt to equity ratio also remained unchanged at 0.2 times.

Table 3 – Financial position

| Financial Status | unit | Q1 | | Q4 | change | |
|-----------------------------------|-------|--------|--------|--------|--------|-------|
| | | 2026 | 2025 | 2025 | % YoY | % QoQ |
| Total Assets | MB | 37,220 | 39,429 | 36,588 | -6% | 2% |
| Total Liabilities | MB | 17,342 | 18,787 | 17,131 | -8% | 1% |
| Net Debt | MB | 3,449 | 4,648 | 3,524 | -26% | -2% |
| Total Shareholder's Equity | MB | 19,878 | 20,642 | 19,457 | -4% | 2% |
| Net Debt to Equity ⁽¹⁾ | times | 0.2 | 0.2 | 0.2 | | |
| Net Debt to EBITDA ⁽²⁾ | times | 1.1 | 1.5 | 1.1 | | |

Remark:

(1) Net Debt to Equity Ratio is calculated by dividing net debt by total shareholders' equity.

(2) Net Debt to EBITDA Ratio is calculated by dividing net debt by trailing-12-month reported EBITDA.

Key strategies in Q1 2026

- **Leverage strength of Decor surface business** - PRIME reported total sales volume of 11.8 million square meters, representing a +12% increase from the same period last year and a +2% increase from the previous quarter. This included glazed porcelain tile sales of over 3.9 million square meters, an increase of +44% from the same period last year, across both domestic and export markets. Key export markets in the first quarter included South Korea, Taiwan, European countries, and the Philippines, where PRIME currently manufactures for export due to its more competitive cost structure compared with local production.
- **Grow Bathroom business in ASEAN** - The Company generated overseas sanitary ware 141 million Baht, an increase of +14% from the same period last year and +4% from the last quarter. The number of overseas sanitary ware distributors increased to 212, up from 201 in the previous year.
- **Expansion of new products and complementary products**
 - **Growth of New Product Categories in Thailand** - To diversify the product portfolio amid a slowdown in core markets. In the first quarter of 2026, sales from new products amounted to 244 million Baht, increasing by +21% from the same period last year and +17% from the previous quarter. These products include new decorative surface such as Stone Decor and Clay Decor, tile adhesive and grout sourcing products, bathroom furniture, water tanks, and imported SPC (Stone Plastic Composite) products.
 - **Enhancing profitability in SPC (Stone Plastic Composite) Products from in-house production at the Thailand facility**, achieving cost competitiveness comparable to globally imported players. As a result, sales volume increased to 320,000 square meters, representing an +11% increase from the same period last year.
 - **Growth in Complementary Products** - Sales of complementary products in both domestic and overseas markets amounted to 114 million Baht, increasing by +6% from the same period last year and +7% from the previous quarter. Key products included tile adhesives and grouts, kitchen countertop surfaces, and doors and windows.
- **Serving All Customer Segments** with High Value-Added (HVA) and Smart Value Products (SVP) - High Value-Added (HVA) products accounted for 36% of total sales revenue, while Smart Value Products (SVP)—designed to meet demand across all customer segments with good quality, certified standards, and affordable pricing during a market slowdown—accounted for 18% of total sales. In the first quarter of 2026, PRIME Vietnam launched an innovative tile solution integrating technology into tile surface to absorb light during daytime and store energy, to create a subtle luminous effect in low-light conditions.

- **Enhancing Competitiveness through Continuous Energy Cost Reduction** - The Company continued to reduce energy costs through increased use of alternative energy sources. Biomass fuel accounted for more than 25% of total thermal energy consumption, following the completion in February 2026 of an additional biomass Hot Air Generator (HAG) unit at the Nong Khae Industrial Estate, Saraburi Province. Solar energy usage accounted for 13.6% of the Company's total electricity consumption for production.
- **Working Capital Management and Financial Cost Reduction** - contributing to overall cost efficiency and supporting sustainable profitability

Mitigation Measures for Potential Impacts from the Middle East Conflict

The Company's export exposure to the Middle East remains limited, accounting for less than 1% of total export sales. Nevertheless, the Company has put in place mitigation measures to address potential impacts arising from volatility in global oil prices, which may affect key energies used in tile production, namely natural gas and coal, as well as higher domestic transportation costs driven by increased fuel prices. Key mitigation measures include the following:

1. Considering appropriate product price to reflect increases in production costs.
2. Increasing the use of alternative energy sources, to reduce reliance on higher energy prices.
3. Raising safety stock levels for critical raw materials, alongside ongoing discussions with key suppliers to secure continuity of supply for coal and other essential inputs, thereby mitigating logistics risks and price volatility.
4. Engaging with logistics and transportation partners to manage and mitigate fluctuations in energy-related transportation costs.
5. Enhancing production efficiency and managing regional production optimization, while closely controlling operating expenses in line with sales levels.
6. Revisiting and prioritizing the capital expenditure by cancelling or deferring investment projects with limited returns

Q2 2026's market outlook

In the domestic market, Thailand's demand is expected to remain subdued as the real estate sector continues to face pressure from weakened purchasing power and remains in a wait-and-see mode pending clearer direction on government economic stimulus measures. In addition, volatility in global energy prices may exert pressure on the overall cost structure of manufacturers, highlighting the continued need to manage selling prices in a manner that appropriately reflects underlying production costs.

In overseas markets, Vietnam is expected to continue its growth trajectory, supported by an acceleration of construction activities ahead of the rainy season, as well as an anticipated increase in public investment disbursement. These factors are expected to underpin demand in the construction and surface decoration materials sectors. Nevertheless, the domestic market remains subject to close monitoring amid a prolonged high interest rate environment, which may affect business activity and buyer confidence. Moreover, geopolitical tensions in the Middle East could indirectly contribute to inflationary pressure and higher logistics costs in Vietnam. However, government support measures, including reductions in fuel taxes, price stabilization initiatives, and the promotion of biofuels, are expected to help mitigate cost pressures and support overall economic stability. In Indonesia, domestic demand is expected to continue growing in line with GDP growth. This outlook is supported by government measures to manage volatility in oil and energy prices, which help sustain consumer and business confidence. Meanwhile, demand in the Philippines is expected to moderate, with ongoing pressure from weak domestic demand, elevated inflation risks, and market volatility, primarily driven by high oil and diesel prices. Nevertheless, the Company continues to closely monitor market conditions and remains focused on prudent risk management.

Update on KIA Case

In late 2023, KIA and KKM filed lawsuits against the relevant Indonesian government agencies, requesting the court to revoke claims asserted by the relevant authorities and requesting the court to demand the relevant authorities to unblock KIA's and KKM's access to Ministry of Law ("MOL", formerly known as Ministry of Law and Human Rights) system.

Subsequently, both the Jakarta State Administrative Court, the State Administrative High Court of Jakarta (at the appeal level), and recently, in late 2025, the Supreme Court (at the cassation level) dismissed the cases. Therefore, on December 18, 2025, KIA and KKM filed the case review, for the Supreme Court to reconsider the decisions. Simultaneously, coordination has been established with the Indonesian ministries overseeing economic and investment affairs to expedite the resolution of these issues.

Appendix

Table shows the Market Growth Rate for Ceramic Tiles in Q1 2026

| Countries | compared to 2025 | |
|-----------------|------------------|-----------|
| | Vs. Q1/25 | Vs. Q4/25 |
| Thailand | ▼ | ▲ |
| Vietnam | ▲ | ▼ |
| Indonesia | ▲ | ▼ |
| The Philippines | ▲ | ▲ |

Performance by country for Q1 2026

Revenue from operations in Thailand accounted for 66% of Revenue from sales. Decor surface business and other businesses¹ amounted to 2,606 million Baht, representing a -9% decline from the same period last year, but a +10% increase from the previous quarter. Revenue from Bathroom business totaled 1,228 million Baht, decreasing by -3% from the same period last year, while increasing by +6% compared with the previous quarter.

Revenue from business in Vietnam accounted for 20% of Revenue from sales, contributing 1,160 million Baht, declining by -2% from the same period last year and -7% from the previous quarter. Reported revenue was impacted by the appreciation of the Thai Baht when consolidating overseas results into Thai Baht. On a local currency basis (Vietnamese Dong, prior to translation into Thai Baht), sales revenue increased by +9% from the same period last year, supported by improved domestic demand and higher export volumes, and declined by only -6% compared with the previous quarter from seasonal.

Revenue from business in the Philippines accounted for 9% of Revenue from sales, contributing 497 million Baht, declining by -10% from the same period last year, but increasing by 22% from the previous quarter. On a local currency basis (Philippine Peso, prior to translation into Thai Baht), sales revenue declined by only -1% from the same period last year and increased by +26% from the previous quarter.

Revenue from business in Indonesia accounted for 5% of Revenue from sales, contributing 264 million Baht, decreasing by -12% from the same period last year and -17% from the previous quarter. On a local currency basis (Indonesian Rupiah, prior to translation into Thai Baht), sales revenue declined by -2% from the same period last year and -14% from the previous quarter from seasonal.

¹ Other Businesses mainly operate in industrial estate sector