



**S. Khonkaen Foods PCL. and its subsidiaries (“Group”)**  
**Management Discussion and Analysis**  
**For period ended 31 March 2026**

**Business Overview**

| Statements of Income (Consolidated)<br>January – March                         | Quarter 1/2026 |              | Quarter 1/2025 |              | Change<br>(%YOY) |
|--|----------------|--------------|----------------|--------------|------------------|
|  | (THB Mn.)      | (%)          | (THB Mn.)      | (%)          |                  |
| Revenue from Sales   | 809.4          | 100.0%       | 881.4          | 100.0%       | -8.2%            |
| Cost of Sales  | (605.1)        | -74.8%       | (652.4)        | -74.0%       | 7.3%             |
| <b>Gross Margin</b>  | <b>204.3</b>   | <b>25.2%</b> | <b>228.9</b>   | <b>26.0%</b> | <b>-10.7%</b>    |
| Selling and Distribution Expenses  | (103.8)        | -12.8%       | (99.8)         | -11.3%       | -4.1%            |
| Administrative Expenses  | (101.8)        | -12.6%       | (89.2)         | -10.1%       | -14.1%           |
| Loss from rental and service   | 0.1            | 0.0%         | (1.4)          | -0.2%        | 109.2%           |
| Gain (Loss) on changes in fair value less<br>cost to sale of biological assets | (1.4)          | -0.2%        | 22.8           | 2.6%         | -106.3%          |
| Other income   | 8.5            | 1.1%         | 11.6           | 1.3%         | -26.4%           |
| Other expense  | -              | 0.0%         | -              | 0.0%         | 0.0%             |
| <b>EBIT</b>  | <b>6.0</b>     | <b>0.7%</b>  | <b>73.0</b>    | <b>8.3%</b>  | <b>-91.8%</b>    |
| Financial Cost   | (7.8)          | -1.0%        | (9.5)          | -1.1%        | 18.0%            |
| Tax Expenses   | (2.8)          | -0.3%        | (9.0)          | -1.0%        | 68.5%            |
| <b>Profit/(Loss)</b>   | <b>(4.7)</b>   | <b>-0.6%</b> | <b>54.5</b>    | <b>6.2%</b>  | <b>-108.6%</b>   |
| <b>Equity holders of the Company</b>   | <b>(1.5)</b>   | <b>-0.2%</b> | <b>57.5</b>    | <b>6.5%</b>  | <b>-102.7%</b>   |
| <b>Earnings per Share (THB/Share)</b>  | <b>(0.00)</b>  |              | <b>0.18</b>    |              |                  |

**Revenue :**

The Group has sales revenue of THB 809.4 million in Q1/2026, representing a decrease of 8.2% compared to the same quarter of the previous year and a decrease of 6.8% compared to Q4/2025. The Group's sales revenue in Q1/2026 continued to be primarily derived from processed meat products and processed seafood products. Revenue from both core business segments declined as a result of increased trade discounts implemented to stimulate sales and maintain market competitiveness. Meanwhile, sales from the swine farm business decreased due to the decline in market pork prices since the beginning of the year.

**Gross profit :**

The Group has gross profit of THB 204.3 million in Q1/2026, representing a gross profit margin of 25.2% of sales revenue. Gross profit decreased by 10.7% compared to the same quarter of the previous year and decreased by 12.7% compared to Q4/2025.

The main reason for the decrease in gross profit in Q1/2026 was the impact of increased trade discounts.

**Others :**

The Group recognized a loss from changes in fair value less costs to sell of biological assets amounting to THB 1.4 million in Q1/2026, representing 0.2% of sales revenue. This represented a decrease of 106.3% compared to the same quarter of the previous year and a decrease of 104.7% compared to Q4/2025. The increase in the loss from changes in fair value less costs to sell of biological assets was primarily attributable to the decline in market pork prices.

**Net profit**

*attributable to the Company :*

The Group has a net loss attributable to the Company of THB 1.5 million in Q1/2026, representing 0.2% of sales revenue. Net profit decreased by 102.7% compared to the same quarter of the previous year and by 102.7% compared to Q4/2025.

The decrease in net profit attributable to the Company in Q1/2026 was primarily due to the swine farm business, which was affected by declining market pork prices. As a result, the Company recognized a higher loss from changes in fair value less costs to sell of biological assets. In addition, the restaurant business closed certain branches that did not meet performance targets, resulting in additional expenses and losses related to such branch closures.

### Core Business

| Revenue from sales<br>Segment information | Quarter 1/2026<br>(3 months : Jan - Mar) |              |              |
|---|--|--------------|--------------|
|   | (THB Mil.)                               | (%YOY)       | (%QOQ)       |
| <b>Revenue from Sales</b>                 | <b>809.4</b>                             | <b>-8.2%</b> | <b>-6.8%</b> |
| Processed food from meat                  | 433.2                                    | -5.2%        | -11.4%       |
| Processed seafood                         | 273.3                                    | -6.1%        | -4.8%        |
| Restaurants                               | 16.9                                     | -27.8%       | -10.6%       |
| Swine farm                                | 86.0                                     | -21.7%       | 17.7%        |

#### *Revenue from sales*

##### *1. Processed Food from Meat*

The Group has revenue from processed meat products of THB 433.2 million in Q1/2026, accounting for 53.3% of total sales revenue. Revenue from this business segment decreased by 5.2% compared to the same quarter of the previous year and by 11.4% compared to Q4/2025. The segment reported gross profit of THB 116.6 million, representing a gross profit margin of 26.9% of revenue from this business segment. Gross profit increased by 2.2% compared to the same quarter of the previous year but decreased by 14.1% compared to Q4/2025.

The Group's revenue from the processed meat business declined due to increased trade discounts, together with the economic slowdown and weakened consumer purchasing power, which resulted in lower demand for processed food products.

##### *2. Processed Seafood*

The Group recorded revenue from processed seafood products of THB 273.3 million in Q1/2026, accounting for 33.8% of total sales revenue. Revenue from this business segment decreased by 6.1% compared to the same quarter of the previous year and by 4.8% compared to Q4/2025. The segment reported gross profit of THB 68.8 million, representing a gross profit margin of 25.2% of revenue from this business segment. Gross profit decreased by 11.3% compared to the same quarter of the previous year and by 19.9% compared to Q4/2025.

The Group's revenue from the processed seafood business declined due to a slowdown in market demand, resulting from the weaker economic conditions and reduced consumer purchasing power.

### ***3. Quick Service Restaurants (QSR)***

The Group has restaurant business revenue of THB 16.9 million in Q1/2026, accounting for 2.1% of total sales revenue. Revenue from this business segment decreased by 27.5% compared to the same quarter of the previous year and by 10.6% compared to Q4/2025. The segment reported gross profit of THB 6.5 million, representing a gross profit margin of 38.4% of sales revenue. Gross profit decreased by 30.9% compared to the same quarter of the previous year and by 10.3% compared to Q4/2025.

The decrease in revenue from the restaurant business was mainly attributable to the closure of two branches that did not meet performance targets, resulting in lower sales revenue. In addition, the branch closures adversely affected fixed cost management and the profitability of the business.

### ***4. Swine Farming***

The Group has farm business revenue of THB 86.1 million in Q1/2026, accounting for 10.6% of total sales revenue. Revenue from this segment decreased by 21.7% compared to the same quarter of the previous year but increased by 17.67% compared to Q4/2025. The segment reported gross profit of THB 11.9 million, representing a gross profit margin of 13.8% of sales revenue. Gross profit decreased by 57.3% compared to the same quarter of the previous year but increased by 210.7% compared to Q4/2025.

The decrease in revenue from the farm business was primarily due to declining market pork prices, which resulted in lower revenue from swine sales. In addition, the Company recognized a higher loss from changes in fair value less costs to sell of biological assets, which further impacted the overall performance of the farm business.

### ***Revenue from rental and services***

The Group recorded revenue from rental and service income of THB 8.1 million in Q1/2026, accounting for 1% of total sales revenue. Revenue from this segment decreased by 297% compared to the same quarter of the previous year and by 291.81% compared to Q4/2025.

The decrease in rental and service income was mainly due to in the same period of the previous year, the Group derived revenue from manufacturing service operations. However, in the current quarter, the Group has ceased such manufacturing service business, resulting in a decline in rental and service income compared to the same period of the previous year.

### ***Selling and distribution expenses***

The Group recorded selling and distribution expenses of THB 103.8 million in Q1/2026, accounting for 12.8% of total sales revenue. Selling and distribution expenses increased by 4.1% compared to the same quarter of the previous year but decreased by 4.8% compared to Q4/2025.

The increase in selling and distribution expenses compared to the same period of the previous year was mainly due to changes in commercial contract terms, as well as the Group's increased focus on marketing activities for secondary products in the processed meat business.

### ***Administrative expenses***

The Group recorded administrative expenses of THB 101.8 million in Q1/2026, accounting for 12.6% of total sales revenue. Administrative expenses increased by 14.1% compared to the same quarter of the previous year and by 12% compared to Q4/2025.

The increase in administrative expenses compared to the same period of the previous year was mainly due to the closure of two restaurant branches, which resulted in the recognition of losses and related expenses arising from such branch closures.

#### Financial Highlights as of March 31, 2026

| Statement of Financial Position<br>(Consolidated) | March 31, 2026        |                      | December 31, 2025     |                      | Change              |
|---|-----------------------|----------------------|-----------------------|----------------------|---------------------|
|   | (THB Mil.)            | (%)                  | (THB Mil.)            | (%)                  | (%YOY)              |
| <b>Total Assets</b>                               | <b><u>3,330.6</u></b> | <b><u>100.0%</u></b> | <b><u>3,383.1</u></b> | <b><u>100.0%</u></b> | <b><u>-1.6%</u></b> |
| <b>Current Assets</b>                             | <b>1,266.6</b>        | <b>38.0%</b>         | <b>1,281.7</b>        | <b>37.6%</b>         | <b>-1.2%</b>        |
| - Cash and cash equivalents                       | 183.4                 | 5.5%                 | 221.1                 | 6.4%                 | -17.0%              |
| - Trade and other receivables                     | 567.6                 | 17.0%                | 590.5                 | 17.5%                | -3.9%               |
| - Inventories                                     | 373.9                 | 11.2%                | 330.8                 | 9.8%                 | 13.0%               |
| - Biological assets                               | 97.1                  | 2.9%                 | 103.6                 | 3.1%                 | -6.3%               |
| - Other current assets                            | 43.7                  | 1.3%                 | 35.7                  | 0.9%                 | 26.5%               |
| <b>Non-Current Assets</b>                         | <b>2,063.9</b>        | <b>62.0%</b>         | <b>2,101.4</b>        | <b>62.4%</b>         | <b>-1.8%</b>        |
| - Investment Properties                           | 609.4                 | 18.3%                | 610.7                 | 18.1%                | -0.2%               |
| - Property, Plant, and Equipment                  | 1,273.4               | 38.2%                | 1,300.6               | 38.4%                | -2.1%               |
| - Right-of-use Assets                             | 85.2                  | 2.6%                 | 93.1                  | 2.8%                 | -8.5%               |
| - Biological asset (non-current)                  | 19.2                  | 0.6%                 | 19.3                  | 0.6%                 | -0.4%               |
| - Other non-current assets                        | 76.8                  | 2.3%                 | 77.7                  | 2.6%                 | -1.3%               |
| <b>Total Liabilities</b>                          | <b><u>1,954.0</u></b> | <b><u>58.7%</u></b>  | <b><u>2,006.1</u></b> | <b><u>59.3%</u></b>  | <b><u>-2.6%</u></b> |
| <b>Current Liabilities</b>                        | <b>1,444.7</b>        | <b>43.4%</b>         | <b>1,474.0</b>        | <b>43.6%</b>         | <b>-2.0%</b>        |
| - Bank overdraft                                  | 885.0                 | 26.6%                | 890.0                 | 26.3%                | -0.6%               |
| - Trade and other payable                         | 407.8                 | 12.2%                | 416.3                 | 12.3%                | -2.0%               |
| - Current portion of long-term loan               | 84.9                  | 2.5%                 | 85.4                  | 2.5%                 | -0.6%               |
| - Other current liabilities                       | 67.1                  | 2.0%                 | 82.3                  | 2.4%                 | -18.5%              |
| <b>Non-Current Liabilities</b>                    | <b>509.2</b>          | <b>15.3%</b>         | <b>532.1</b>          | <b>15.7%</b>         | <b>-4.3%</b>        |
| - Lease liabilities – exceed 1 year               | 78.0                  | 2.3%                 | 82.4                  | 2.4%                 | -5.4%               |
| - Long term loan – exceed 1 year                  | 295.4                 | 8.9%                 | 316.3                 | 9.4%                 | -6.6%               |
| - Provision for retirement benefit                | 108.7                 | 3.3%                 | 102.6                 | 3.0%                 | 3.2%                |
| - Other non-current liabilities                   | 27.1                  | 0.8%                 | 30.8                  | 0.9%                 | -3.1%               |
| <b>Total Shareholders' Equity</b>                 | <b><u>1,376.6</u></b> | <b><u>41.3%</u></b>  | <b><u>1,377.0</u></b> | <b><u>40.7%</u></b>  | <b><u>0.0%</u></b>  |
| - Equity holders of the Group                     | 1,358.1               | 40.8%                | 1,358.2               | 40.1%                | 0.0%                |
| - Non-controlling interests                       | 18.4                  | 0.6%                 | 18.8                  | 0.6%                 | -2.1%               |

#### Assets

The Group has total assets amounted to THB 3,330.6 million, a decrease of 1.6 percent compared to the end of previous year. This decrease was mainly due to cash flow management and the adjustment of liquidity strategies to align with economic conditions and market interest rate trends.

### *Liabilities*

The Group had total liabilities of THB 1,954.0 million, representing a decrease of 2.6% compared to the end of the previous year. Current liabilities declined by 2.0% due to the Group's loan repayments aimed at managing cash flow and reducing financial costs from interest expenses. As of 31 March 2025, the Group's debt-to-equity ratio stood at 1.4 times.

### *Shareholders' Equity*

The Group has total shareholders' equity amounted to THB 1,376.6 million, representing a 0.03% increase compared to the end of the previous year.