



บริษัท ล่าซูน (ประเทศไทย) จำกัด (มหาชน)

Lam Soon (Thailand) Public Company Limited

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**Subject: To submit the Management Discussion and Analysis
For the three-month period ended 31 March 2026**

To: Directors and Managers of the Stock Exchange of Thailand

Lam Soon (Thailand) Pcl. (LST) and its subsidiaries would like to inform the operating results for the three-month period ended 31 March 2026. Total revenues were Baht 3,426.0 million, compared to for the same period in 2025 with revenues at Baht 3,125.1 million, increasing by 9.6%. The profit attributable to equity holders of the Company was Baht 132.1 million, compared to for the same period in 2025 with the profit at Baht 96.6 million, increasing by 36.7%.

The Company would like to submit the management discussion, financial performance analysis, and explanation for the three-month period ended 31 March 2026.

Please be kindly informed.

Sincerely yours,

(Mr. Poomkiet Chotichaicharin)
Managing Director

CC: The Securities and Exchange Commission

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Management Discussion and Analysis

For the three-month period ended 31 March 2026

1. Overall financial performance

For the three-month period ended 31 March 2026, the company's revenue from sales increased by Baht 217.3 million or 9.7% compared to the same period in 2025. This was due to a 30.2% increase in sales volume, while the average selling price per unit decreased by 15.7%. Gross profit increased by Baht 68.7 million or 50.8%, resulting in an increase in net profit of Baht 20.7 million, or 118.8%. The main factors contributing to this improvement were the significant increase in sales volume driven by unusual panic buying caused by geopolitical tensions between the United States and Iran, which prompted both customers and consumers to significantly increase their stock levels. At the same time, performance was supported by a recovery from last year's low base, as improved CPO availability enabled sales volume to rebound.

The palm plantation subsidiary company (UPOIC): sales increased from the same period in 2025 by Baht 159.0 million or 45.4%. This was mainly from the sales volume of CPO increased by 69.5%, while the sales volume of CPKO increased by 182.5%

The subsidiary company (UFC) decreased its revenue from sales by Baht 237.0 million or 36.3%. The income from beverage group decreased by Baht 213.9 million, the income from canned vegetables and fruits and other products decreased by Baht 23.0 million and Baht 0.1 million respectively.

As per above reasons, the profit attributable to equity holders of the Company for the three-month period ended 31 March 2026 was Baht 38.2 million, increasing by Baht 20.7 million or 118.8% compared to the same period in 2025.

(Note: The financial data of the subsidiaries presented above is based on their separate financial statements, prior to intercompany eliminations for consolidation purposes.)

2. Significant events and developments

During Q1/2026 the Company and subsidiaries continually proceeded with its investment projects from 2025. The details and progress of each key project were as follows: -

The Company:

- Bangpoo refinery plant (Bangpoo Industrial Estate, Samutprakarn Province) continued the construction of an oil refinery plant to accommodate rising production volumes and the capacity expansion of margarine plant which are scheduled for completion in 2026. Furthermore, to accommodate this expansion, the company has implemented a project to install an additional 2,500-ton storage tank and upgrade wastewater treatment system. These enhancements are designed to support full-scale production processes in the future.
- Trang crushing mill was invested to replace the Kernel pressing machine in 2025 to improve production efficiency and which already completed in March 2026. In addition, as part of ongoing production technology development, in Q1/2026 we invested to construct a Vertical Sterilizer system to replace the conventional Horizontal Sterilizer. This transition aims to enhance operational efficiency and overcome the limitations of the previous production process. Simultaneously, the Company has scaled up its production capacity from 45 to 60 tons of fresh fruit bunches (FFB) per hour, with completion scheduled for the first quarter of 2027.

Management Discussion and Analysis

For the three-month period ended 31 March 2026

Subsidiary UPOIC:

- Empty Fruit Bunch (EFB) Boiler Project: to use waste to generate energy. Overall project progress is currently at 40%.
- Mixed Lagoon Digester (MLD) Project: to use decanter cake as feedstock to produce biogas. Overall project progress is currently at 60%.

Subsidiary UFC:

UFC continues to invest in advanced production technology, rigorous food safety standards, and sustainable packaging to ensure reliable quality and environmental responsibility. Through responsible growth and operational excellence, UFC aims to create long-term value for consumers, society, and the business, while contributing positively to overall quality of life.

3. Operational overview

The changes in other major components were as follows: -

1. Revenues

Revenues from contracts with customers: Revenue from sales of the company and its subsidiaries increased by Baht 303.0 million or 10.0%, compared to the same period in 2025 mainly driven from higher sales of both the Company and subsidiary (UPOIC).

Other income: The Company and its subsidiaries had income other than those generated by normal operations at Baht 89.0 million or 2.6% of total revenues (Q1/2025: Baht 91.2 million) mainly came from gaining from change in fair value of biological assets, gain on exchange rate and selling scrap such as palm kernels and empty bunch.

2. Expenses

Cost of sales: The Company and its subsidiaries recorded cost of sales ratio for the period at 89.7% (Q1/2025: 91.7%). The cost of sales ratio under LST was 91.7% (Q1/2025: 93.9%) due to a 19.6% decline in the average unit cost of CPO.

Subsidiary (UPOIC) recorded cost of sales ratio at 88.5% (Q1/2025: 103.6%). The amount of CPO extraction increased by 14.2% and the amount of CPKO extraction increased by 0.9%. In addition, the average cost of FFB decreased by 15.6% as FFB production increased compared to the same period in 2025.

Subsidiary (UFC) recorded cost of sales ratio at 80.4% (Q1/2025: 81.0%).

Selling and distribution expenses: The Company and its subsidiaries recorded selling and distribution expenses at Baht 149.7 million (Q1/2025: Baht 134.3 million), increasing by Baht 15.3 million. LST's expenses increased by Baht 29.5 million mainly from transportation costs and warehouse rent in line with sales increased. The subsidiaries' expenses decreased by Baht 14.2 million from export expenses in line with sales decreased.

Administrative expenses: The Company and its subsidiaries' administrative expenses were Baht 89.2 million (Q1/2025: Baht 65.7 million), increasing by Baht 23.5 million. LST's expenses increased by Baht 16.9 million mainly from employee welfare and office rent. The subsidiaries' expenses increased by Baht 6.6 million mainly from employee welfare.

Management Discussion and Analysis For the year ended 31 December 2025

3. Profits

Gross profit (GP): GP of the Company and its subsidiaries increased by Baht 93.2 million or 37.2%. The gross profit ratio of total sales was 10.3% (Q1/2025: 8.3%).

Profit for the period: Profit attributable to equity holders of the Company was Baht 132.1 million (Q1/2025: Baht 96.6 million), increasing by Baht 35.5 million or 36.7%.

4. Summary of financial position

The changes in other major components were as follows: -

1. Assets

As of 31 March 2026, the total assets of the Company and its subsidiaries were Baht 9,246.9 million, an increase of Baht 618.5 million or 7.2%. The major reasons are as follows:

Cash and cash equivalents: The Company and its subsidiaries' cash and cash equivalents was Baht 828.4 million (31 December 2025: Baht 864.0 million), decreasing by Baht 35.6 million or 4.1%. Cash and cash equivalents under the Company decreased by Baht 79.5 million from trade and other receivables while cash and cash equivalents under the subsidiaries increased by Baht 43.9 million from operating profits.

Trade and other receivables: The Company and its subsidiaries recorded trade receivables-unrelated parties (after less allowance for expected credit losses) at Baht 1,791.1 million, accounting for 19.4% of total assets (31 December 2025: Baht 1,321.9 million or 15.3%), increasing by Baht 469.3 million from A/R which was not yet due. The average collection period was 44 days. (31 December 2025: 40 days).

The Company and its subsidiaries recorded returned cheques and A/R aging over 12 months at Baht 4.7 million or 0.3% of trade receivables-unrelated parties (31 December 2025: Baht 5.4 million or 0.4%). In the meantime, the Company and its subsidiaries already set the allowance for expected credit losses at 59.3% of this value (31 December 2025: 51.6%).

Inventory: The Company and its subsidiaries' inventory were worth Baht 2,315.0 million or 25.0% of total assets, decreasing by Baht 8.5 million (31 December 2025: Baht 2,323.5 million or 26.9%). At the Company level, there was an increase of Baht 3.0 million from raw materials in transit to support the customer's demands. Inventories under the subsidiaries decreased by Baht 11.5 million from reduction in safety stock volume.

Property, plant and equipment: The Company at the group level recorded a net value of 2,995.6 million Baht (31 December 2025: Baht 2,798.7 million), an increase of 196.9 million Baht or 7.0%, mainly from factory buildings and machinery, and equipment.

2. Liabilities

As of 31 March 2026, the total liabilities of the Company and its subsidiaries were Baht 3,004.8 million (31 December 2025: Baht 2,542.5 million). Such liabilities were mainly derived of loans from financial institutions amounting to Baht 1,454.3 million, comprising short-term loans and long-term loans from financial institutions which the Group has complied with financial covenants attached to the loan agreements. In addition, there was trade and other payables at Baht 944.1 million.

Management Discussion and Analysis For the three-month period ended 31 March 2026

The Company group had loans from financial institutions of Baht 1,454.3 million comprising:

- 1) Baht 1,382.2 million in short-term loans to the Company and a subsidiary
- 2) Baht 72.1 million in long-term loans to a subsidiary

Key financial ratios:

	31 March 2026	31 December 2025	31 March 2025
Debt to Equity Ratio (times)	0.48	0.42	0.39
Interest Coverage Ratio (times)	48.31	36.24	35.23
Debt Service Coverage Ratio (times)	0.19	0.94	0.28

3. Financial liquidity

As of 31 March 2026, the Company and its subsidiaries had lower financial liquidity than 2025 as cash and cash equivalents was Baht 828.4 million, decreasing by 35.6 million Baht (31 December 2025: Baht 864.0 million). The main factors for changes in cash flow from operating, investing, and financing activities were as follows:

(Unit: Million Baht)	31 March 2026	31 December 2025
Cash flows from (used in) operating activities	(126.2)	643.1
Cash flows from used in investing activities	(187.2)	(586.0)
Cash flows from financing activities	277.8	217.4

Key financial ratios:

	31 March 2026	31 December 2025
Current Ratio (times)	2.10	2.35
Quick Ratio (times)	1.07	1.10

4. Shareholders' equity

The Company group's shareholders' equity increased by Baht 156.2 million or 2.6% because of net income for the period at Baht 156.2 million.

Key financial ratios:

	31 March 2026	31 December 2025
Return on equity (ROE) (%)	2.53	1.89
Return on asset (ROA) (%)	1.75	1.37

5. Factors potentially affecting future operations and growth

The significant factors and risks that may impact the strategic direction and expansion opportunities of the company and its subsidiaries are as follows:

Management Discussion and Analysis

For the three-month period ended 31 March 2026

Risk 1: Palm Oil Price Volatility

Risk characteristics

Being a commodity, the price of CPO is highly volatile. In some periods, there is a shortage while in other periods there is an oversupply. The monthly average price of CPO in Q1/2026 ranged between 33.2 - 38.7 Baht/Kg, representing a wide price gap at 5.5 Baht/Kg. (Q1/2025: 38.2 - 46.7 Baht/Kg).

Risk-related consequences

The high volatility of local prices across different periods presents a formidable challenge for inventory management.

Risk management measures

- Closely monitor news related to situation of commodities
- Exercise a very careful step when sourcing raw materials
- Secure quality raw materials from selected suppliers
- Manage sales in alignment with raw material costs

Risk 2: Palm Oil and FFB as Controlled Goods

Risk characteristics

Palm oil is a controlled goods according to the announcement of the Central Committee on Goods and Services Prices No. 20 B.E. 2564. However, the current measures to control palm oil are only applicable to transportation, no longer price controls or price ceiling. The Department of Internal Trade only requires companies to notify the details of purchased and sales of palm oil, stock, and storage location, and announces the price calculation structure to estimate FFB price as a guideline for determining the price for industries.

Risk-related consequences

Palm oils remain subject to import controls and are regulated by government authorities. Therefore, inventory management might be limited.

Risk management measures

Closely monitor changes in relevant laws and government policies and establish contingency plans to address policy related changes. Increase the proportion of value-added products to diversify revenue stream.

Management Discussion and Analysis

For the three-month period ended 31 March 2026

Risk 3: Climate change

Risk characteristics

Since the major raw material of the Company comes from agricultural product, its future operating performance is to a large extent dependent on uncontrollable factors such as weather condition, rainfall level, and the volume of Fresh Fruit Bunch (FFB) harvested in Thailand in each season. Recently there have been fluctuations in weather conditional that is very uncommon.

Risk-related consequences

Climate change has increased the volatility in palm output across different periods, leading to price fluctuation.

Risk management measures

- Closely monitor data related to weather conditions, output trend, and palm oil price.
- Analyse the relationship between climatic conditions and price volatility.
- Adjust production plan and raw material sourcing plan to enhance flexibility in response to changing weather conditions and price fluctuation.

Risk 4: Middle East Geopolitical Conflict Crisis

Risk characteristics

The escalation of the Middle East conflict, which intensified in late February 2026, has led to sustained volatility in global energy and plastic resin prices.

Risk-related consequences

- Surge in energy prices: Concerns regarding crude oil supply from the Middle East have driven global benchmarks higher. This has resulted in a corresponding increase in fuel costs and diesel prices across multiple countries.

- Increase in demand for biodiesel: As fossil-based diesel prices rise, the energy sector has increasingly pivoted toward biodiesel as a viable alternative. This shift has boosted demand for biodiesel both domestically and globally. Consequently, the demand for CPO, the primary feedstock for biodiesel production, particularly in Southeast Asia, has intensified. This correlation means palm oil prices are now more closely linked to global energy trends rather than food demand alone, leading to higher price levels and increased market volatility.

Management Discussion and Analysis

For the three-month period ended 31 March 2026

- Impact on plastic resin prices: As plastic resins are downstream petrochemical products, the spike in crude oil prices has directly inflated the cost of petrochemical feedstocks. This has increased the costs of packaging, industrial materials, and the overall production costs for the palm oil and biodiesel industries.

Risk management measures

The Company has closely been closely monitoring geopolitical situations and energy price fluctuations. We have implemented comprehensive risk management strategies covering raw materials, packaging, energy, and logistics costs. To mitigate potential disruptions, we have diversified our procurement sources and logistics service providers.

Furthermore, the Company has adopted a packaging efficiency policy aimed at reducing dependence on petroleum-based plastic resins. This includes re-design packaging, reducing plastic consumption per unit, and exploring alternative materials. These initiatives serve to buffer the Company against raw material price volatility while simultaneously supporting our long-term corporate sustainability goals.

The four aforementioned risks represent the primary challenges for the current accounting period and may impact business operations throughout the year. However, other risks may emerge that could affect future operations. Additional details regarding risk factors can be found in the 2025 One Report, pages 53 - 58.