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May 14<sup>th</sup>, 2026

**Subject:** Management Discussion & Analysis (MD&A) for the Financial Statements of the 1st Quarter of Fiscal Year 2026 Ended as of March 31, 2026

**To:** The President  
The Stock Exchange of Thailand

Aapico Hitech Public Company Limited (“the Company”) would like to explain the consolidated financial statements of the Company for the 1st quarter of fiscal year 2026 ended as of March 31, 2026, which can be summarized as follows:

**1) Profit & Loss Analysis: Q1 2026 (3 Months)**

(Unit : Million Baht unless otherwise stated)	Q1 2025	Q1 2026	Change	
			Amount	% Change
Total Revenues	6,830.6	6,419.1	-411.5	-6.0%
Sales and service income	6,746.2	6,333.3	-412.9	-6.1%
Gains on exchange rate	1.5	5.6	4.1	273.0%
Other income	82.9	80.2	-2.7	-3.3%
Cost of sales and services	6,080.6	5,673.9	-406.7	-6.7%
Gross Profit	665.6	659.4	-6.2	-0.9%
Gross Profit Margin (%)	9.9%	10.4%	0.5%	
SG&A expenses	399.0	424.3	25.3	6.3%
EBIT before share of profit from investment in associates and joint ventures	351.0	320.9	-30.1	-8.6%
Share of profit from investment in associates and joint ventures	60.9	80.3	19.4	31.9%
EBIT	411.9	401.2	-10.7	-2.6%
Finance income	15.7	14.9	-0.8	-5.1%
Finance cost	77.5	73.1	-4.4	-5.7%
Income tax expenses	42.6	27.2	-15.4	-36.1%
Net profit attributable to equity holders	306.2	314.4	8.2	2.7%
Net profit attributable to equity holders Margin (%)	4.5%	4.9%	0.4%	
Net profit (loss) attributable to equity holders (exclude Gain (Loss) on exchange rate)	304.7	308.7	4.0	1.3%
Net profit (loss) attributable to equity holders Margin (%) (exclude Gain (Loss) on exchange rate)	4.5%	4.8%	0.3%	

**Total revenues** decreased by 6.0% year-on-year. Sales and service income decreased by 6.1%, driven by a 5.7% decrease in the automotive parts businesses and 7.1% decrease in dealership businesses. The decrease in overall revenue was due to the following reasons:

1) **Automotive Parts Business**; Revenue from this segment decreased in Q1 2026, primarily due to lower sales from Thailand and China operations. Revenue from Thailand decreased by 13.5% despite slightly higher production volumes, mainly due to lower steel prices, which resulted in lower average selling prices, as well as the end of production of VinFast EV vehicles which the company had received orders, while revenue from China decreased by 12.3% due to a pressure from price competition. Meanwhile, revenue from the Portugal and Malaysia operations continued to grow, increased by 11.7% and 34.3% respectively. Overall, the Company's geographically diversified structure helped reduce country-specific risks, with growth in Portugal and Malaysia partially offsetting the declines in Thailand and China.

2) **Car Dealerships and Service Center Business**; Revenue from the car dealership business decreased in Q1 2026, mainly due to 10.0% decrease in revenue from the Malaysia dealership business. While sales of Proton vehicles continued to show growth, mainly driven by the new Proton models and the Proton e.MAS EV models, Honda sales declined significantly due to intense competition from Chinese automotive brands and the strong recovery of Proton in the domestic market. In Q1 2026, Malaysia's EV market grew strongly, with Proton becoming the country's No.1 EV brand following the successful launch of the Proton e.MAS series, while Honda continued to face challenges due to the lack of a competitive mass-market EV model. For Thailand operations, revenue from the dealership business decreased slightly by 0.4%. This was mainly due to lower Mitsubishi sales, which primarily consist of internal combustion engine (ICE) vehicles. However, MG vehicle sales continued to grow, supported by improving demand for EVs and HEVs, higher fuel prices, and increasingly competitive EV pricing. The growth in MG sales partially offset the decline in Mitsubishi sales, resulting in only a slight decrease in dealership revenue in Thailand.

**Cost of sales and services** decreased in line with lower sales. Gross profit decreased by 0.9% from Baht 665.6 million in Q1 2025 to Baht 659.4 million in Q1 2026, at a lower rate than the decline in sales, resulting in an improvement in gross profit margin from 9.9% in Q1 2025 to 10.4% in Q1 2026. This was partly attributable to a slightly higher contribution from the automotive parts manufacturing business, which generates higher margins than the dealership business, as well as a significant improvement in the performance of our Portugal operations.

**Selling and administrative expenses** increased by 6.3% from Baht 399.0 million in Q1 2025 to Baht 424.3 million in Q1 2026.

**Gain on foreign currency exchange rate** was Baht 5.6 million in Q1 2026, compared to Baht 1.5 million in Q1 2025.

**Share of profit from investment in associates and joint ventures** was at Baht 80.3 million in Q1 2026, compared to Baht 60.9 million in Q1 2025. The increase was mainly driven by higher profit contributions from joint venture companies.

**Finance income and Finance cost** was Baht 14.9 million and Baht 73.1 million in Q1 2026, compared to Baht 15.7 million and Baht 77.5 million in Q1 2025 respectively. Finance income mainly comprised interest income from the proceeds of the SACL divestment, which have been maintained as USD deposits in the UK since late 2023. However, interest income decreased compared to the same period last year due to lower interest rates. Finance expenses also decreased as a result of lower lending interest rates compared to the same period last year. Consequently, net finance cost reduced to Baht 58.2 million, compared to Baht 61.8 million in Q1 2025.

**Net profit (loss) attributable to equity holders** was Baht 314.4 million in Q1 2026, compared to net profit of Baht 306.2 million in Q1 2025. The net profit margin increased from 4.5% in Q1 2025 to 4.9% in Q1 2026.

**Net profit (loss) attributable to equity holders exclude Gain (Loss) on exchange rate** was Baht 308.7 million in Q1 2026, compared to net profit of Baht 304.7 million in Q1 2025. The net profit margin increased from 4.5% in Q1 2025 to 4.8% in Q1 2026, mainly due to improve overall gross profit margin, an increase in profit sharing from associates and joint ventures, as well as lower net interest expenses and tax expenses.

## 2) Financial Position Analysis

(Unit : Million Baht)	December 2025	March 2026	Change	
			Amount	% Change
Total Assets	23,240.5	<b>24,073.6</b>	833.1	3.6%
Total Liabilities	11,819.0	<b>12,117.1</b>	298.1	2.5%
Total Equities	11,421.5	<b>11,956.5</b>	535.0	4.7%

In Q1 2026, the Company's total assets increased by Baht 833.1 million, mainly driven by higher trade account receivable, inventories and investments in properties. Total liabilities increased by Baht 298.1 million, primarily due to increase in trade and other payables. Total shareholders' equity increased by Baht 535.0 million, largely attributed to profits generated during the period.

## 3) Key Financial Performance

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
<b>Return on equity (ROE)</b>	6.6%	6.7%	7.0%	6.8%	<b>6.6%</b>
<b>Return on asset (ROA)</b>	3.0%	3.2%	3.3%	3.2%	<b>3.1%</b>
<b>Interest Bearing Debt / Equity (IBD/Equity)</b>	0.5	0.5	0.5	0.5	<b>0.5</b>

**Return on equity (ROE) and Return on assets (ROA)** as of Q1 2026 were at 6.6% and 3.1% respectively. Interest bearing debts to equity (IBD/Equity) ratio remained at 0.5 times as at Q1 2026.

## 4) Thailand Automotive Industry

(Unit: Cars)	Quarter 1		
	2025	2026	% Change
<b>Production</b>	351,062	<b>369,751</b>	5.3%
<b>Domestic</b>	153,193	<b>182,083</b>	18.9%
<b>Export</b>	224,471	<b>219,994</b>	-2.0%

Total vehicle production volume in Q1 2026 increased by 5.3% year-on-year to 369,751 units, compared to 351,062 units in the same period last year. Domestic sales rose significantly by 18.9% to 182,083 units, compared to 153,193 units in Q1 2025, supported by strong demand for passenger cars, SUVs, and PPVs, driven

by increased adoption of EVs and improved consumer sentiment. Export volume decreased marginally by 2.0% to 219,994 units, compared to 224,471 units in the same period last year. The decline was mainly attributable to lower shipments to the Middle East due to geopolitical disruptions, despite growth in exports to markets such as Australia, Africa, and Europe. In terms of product mix, exports of ICE passenger cars continued to decline, while electrified vehicles, particularly HEVs and BEVs, showed strong growth.

Overall, Thailand's automotive industry in Q1 2026 showed early signs of recovery, supported by robust domestic demand and a gradual shift toward electrified vehicles. However, the export sector remains unclear due to external uncertainties, including geopolitical risks and evolving global market conditions.

For 2026, the Federation of Thai Industries (FTI) expected the vehicle production to grow by approximately 3% to 1,500,000 units, divided into 950,000 units for export and 550,000 units for domestic sale.

Amid a challenging business environment, the Company maintained stability and managed market volatility prudently, resulting in a solid overall financial position, with adequate liquidity and a low interest-bearing debt-to-equity ratio of 0.5 times.

Looking ahead, AAPICO will continue to expand its global footprint to drive sustainable revenue growth and profitability, as reflected in the establishment of a new joint venture in the United States, marking the Group's entry into a high-potential market. Growth will be supported by strategic collaborations with leading automotive and technology partners, with a focus on EV components, automation, and cost efficiency, alongside continued organic expansion within existing operations. For 2026, the Federation of Thai Industries (FTI) expects the industry to grow by approximately 3%, which is in line with the Group's expected growth. With a solid order pipeline, AAPICO remains confident in its medium- to long-term growth prospects and its ability to deliver sustainable value to shareholders.

Yours sincerely,



(Mr. Yeap Swee Chuan)  
President and CEO