

No. **QTC 0008/2026**
Date May 07, 2026
Subject Management Discussion and Analysis For Q.1/2026 Operating Results
Dear Committees and Manager of the Stock Exchange of Thailand

Operational Overview

In the first quarter of 2026, the power transformer industry in Thailand continuously growing. In line with the expansion of infrastructure investments in both public and private sectors, particularly projects related to power distribution and renewable energy systems, there is still a high demand. However, the industry is under pressure from fluctuations in main raw material prices and price competition. As a result, the company focused on effective cost management, along with ensuring product quality met standards by adopting cutting edge technology to reduce labor usage.

Analysis of Operating Results for the First Quarter of 2026

- **The company's operating income** amounted to 449.29 million baht, an increase of 66.62% compared to the same period last year. The main factor was the increase in revenue from the sales of transformers, which resulted from the delivery of large-scale projects to private sector customers. At the same time, revenue from the sale of power regulation equipment also increased due to the implementation of a market expansion strategy through the addition of various trade partners in each product group to cover the renewable energy business, especially the growing demand for rooftop solar power generation systems (Solar Rooftop) in both the residential sector and large-scale projects in the public and private sectors.
- **The company's gross profit** was 46.81 million baht, down 0.26% from the same period last year. However, the gross profit margin decreased to 10.42% from 17.41%, due to the first quarter of 2026, sales of domestic transformers to private sector projects. The company set the selling price at a competitive level, and the price of raw materials and cost of sales increased due to the impact of the Middle East conflict, resulting in a lower gross profit margin.
- **For the first quarter of 2026**, the company posted a net loss of 9.64 million baht, compared to a net profit of 3.97 million baht in the same period of 2025, representing a decrease in operating results of 13.61 million baht.

Financial Performance

Statement of Profit (Consolidated)	Q1'69	Change		Q1'68
	Million Baht	Million Baht	%	Million Baht
Income from sales and services	449.29	179.64	66.62%	269.65
Cost of sales and services	(402.47)	(179.76)	80.71%	(222.71)
Gross profit	46.81	(0.12)	(0.26)%	46.94
Other income	4.60	(1.93)	(29.56)%	6.53
Profit before expenses	51.41	(2.05)	(3.83)%	53.47
Selling expenses	(24.00)	(4.54)	23.33%	(19.46)
Administrative expenses	(35.02)	(7.65)	27.95%	(27.37)
Total expenses	(59.02)	(12.19)	26.03%	(46.83)
Profit before finance costs and income tax	(7.61)	(14.24)	(214.78)%	6.63
Share of loss from investments in associated company	(0.23)	(0.14)	155.56%	(0.09)
Finance costs	(2.58)	(1.95)	309.52%	(0.63)
Profit before income tax	(10.42)	(16.33)	(276.31)%	5.91
Income tax benefit (income tax)	0.78	2.73	(140.00)%	(1.95)
Profit for the period	(9.64)	(13.60)	(342.57)%	3.97

Analysis of Operational Results in Q1 2026

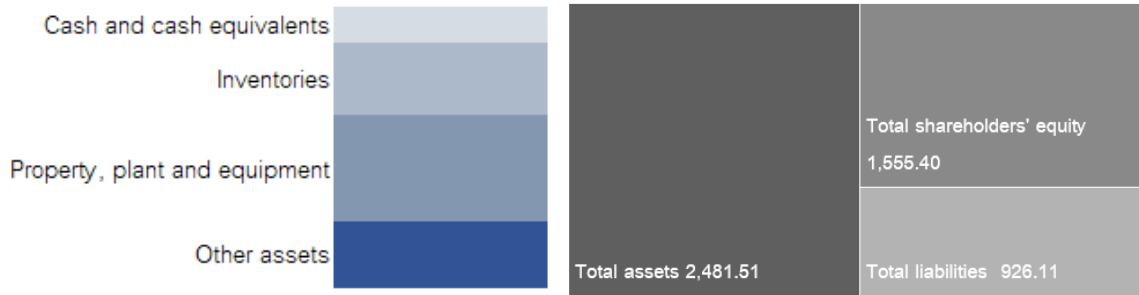
Revenue: The company has operating revenue of 449.29 million baht, an increase of 66.62 percent compared to the same period last year.

Type of Revenue	Q1'69	Change		Q1'68
	Million Baht	Million Baht	%	Million Baht
Revenue from sales of finished goods	259.08	107.05	70.41%	152.03
Revenue from the sale of electricity	12.41	(0.37)	(2.90)%	12.78
Revenue from sale of electric equipment business	141.99	57.20	67.46%	84.79
Revenue from electric vehicle charging station business	15.46	13.52	696.91%	1.94
Revenue from sales of raw materials and other equipment	1.22	0.81	197.56%	0.41
Revenue from Service	19.13	1.43	8.08%	17.7
Total Revenue from Sales and Service	449.29	179.64	66.62%	269.65

- Revenue from the business of manufacturing and selling transformers:** The company has revenue from the sale of transformers to private sector customers in the first quarter of 2026, which increased by 107.05 million baht compared to the same period last year, or equivalent to 70.41 percent, mainly due to deliveries in large-scale projects, especially renewable power plant projects.

- **Revenue from the sale of electricity:** The indirectly owned subsidiary sold electricity to government agencies in Q1 2026 amounting to 12.41 million baht, while in Q1 2025 it was 12.78 million baht, a decrease of 2.90 percent. The main reason was the decrease in the flexible electricity rate (FT) per unit.
- **Revenue from sale of electric equipment business:** In the first quarter of 2026, the subsidiary had revenue from selling electrical equipment and renewable energy of 141.99 million baht, an increase of 57.20 million baht compared to the first quarter of 2025, rising by 67.46 percent. This was due to the company's continuous market expansion strategy. In addition, the government has policies to support and provide incentives in terms of tax benefits for using renewable energy, as well as the rapid growth of the industrial sector, resulting in a continuous increase in energy demand.
- **Revenue from the EV Charging Station Business:** The Subsidiary increase in revenue from the EV Charging Station business. In the first quarter of 2026, revenue amounted to 15.46 million baht, compared to 1.94 million baht in the same period of the previous year, an increase of 13.52 million baht. This increase was driven by expanded investments in EV Charging Stations to support the growing number of commercial EV sectors.
- **Service Revenue:** Revenue from providing services such as checking, inspecting, and performing scheduled maintenance, as well as repairing electrical transformers for customers. It also involves selling and providing fully service of electrical equipment installation, including services for planning, installation supervision, inspection, maintenance, product warranty, and installation warranty. The company continues to maintain high-quality service standards to meet customer needs and provide convenience, as well as to retain existing customers and continuously expand the new customer base.
- **Cost of sales and services:** In the first quarter of 2026, the company had cost of sales and services of 402.47 million baht, representing a gross profit margin of 10.42 percent, whereas in the first quarter of 2025, the company had cost of sales and services of 222.71 million baht, representing a gross profit margin of 17.41 percent. The reason for the decrease in gross profit margin is due to intense market competition, making it necessary to adjust selling prices to remain competitive with rivals.
- **Selling and Administrative Expenses:** In the first quarter of 2026, the company had selling and administrative expenses of 59.02 million baht, an increase of 26.03 percent from the same period last year, which was 46.83 million baht. The main reasons were the increase in marketing expenses, transportation costs, and commissions, which corresponded with the growth in sales, as well as the increase in personnel expenses.
- **Financial Costs:** In the first quarter of 2026, the company incurred financial costs totaling 2.58 million baht, an increase from 0.63 million baht in the same period of the previous year. This increase was due to short-term loans taken out to fund working capital for the purchase of raw materials and finished goods, aimed at preventing shortages of goods or raw materials resulting from the impact of the energy crisis.

Financial position analysis



- **The Company's total assets** as of March 31, 2026, amounted to 2,481.51 million baht, an increase of 5.51% from the end of the previous year. The main factor was the increase in inventory by 122.81 million baht, or 22.04%, in line with the increase in the volume of raw materials to meet expanding purchase orders, as well as the stockpiling of raw materials in advance to mitigate the risk of raw material price fluctuations and the uncertainty of import lead times. In addition, trade receivables increased in line with the growth in sales revenue, particularly from private sector projects. At the same time, cash and cash equivalents decreased by 44.15% a result of using cash for working capital, i orders to reduce the finance costs on short-term loan.
- **The total liabilities of the company** as of March 31, 2026, amounted to 926.11 million baht, an increase of 17.71 percent from the end of the previous year, mainly due to an increase in advance receipts from customers. At the same time, trade payables and other payables also increased, in line with the volume of raw material orders and expenses related to the expanded operations.
- **Shareholders' equity** as of March 31, 2026, amounted to 1,555.40 million baht, a decrease of 0.62 percent. This decrease was mainly caused by a reduction in retained earnings due to the company operating at a loss.

The company's business sustainability goals

QTC Energy Public Company Limited has set a target to achieve net zero greenhouse gas emissions, considering operations in a step-by-step manner according to a roadmap and pathway that align with the business context and the potential for long-term greenhouse gas reduction. In the first quarter of 2026, the company is still in the process of developing a system for collecting and calculating greenhouse gas emissions data, therefore has not yet reported numerical greenhouse gas emission figures. However, the company has begun reviewing and accelerating greenhouse gas reduction project plans to align more effectively with the Net Zero target.

Under this review, the company has decided to adjust the transition approach for official cars. In the first quarter of 2026, three electric vehicles (EVs) were introduced to replace the existing gasoline engine cars. This action occurred earlier than the timeline set in the original pathway. Moreover, from a strategic assessment, the company considers that switching from gasoline engine cars to hybrid engines may not sufficiently reduce greenhouse gas emissions and carries the risk of not achieving the long-term greenhouse gas reduction targets as planned. Therefore, the adoption of electric vehicles serves as a measure to significantly reduce Scope 1 and Scope 3 greenhouse gas emissions, even though it results in an increase in Scope 2 emissions due to electricity usage. However, the company assesses that this increase is proportionally lower than the greenhouse gas emissions from using fossil fuels in the previous format and still facilitates overall greenhouse gas management in the long term.



QTC ENERGY PUBLIC COMPANY LIMITED

คุณภาพแห่งความประณีต
QUALITY OF DETAILS >>
D - DYNAMICS E - ENVIRONMENT
T - TEAMWORK A - ACHIEVEMENT
I - INNOVATION L - LEADERSHIP S - SERVICE



“การทุจริตคอร์ปชั่น
เป็นสิ่งที่ยอมรับไม่ได้”

This approach reflects the company's commitment to carefully managing the energy transition and reducing greenhouse gas emissions, based on an assessment of strategic risks and opportunities, in order to support the Net Zero Emission goal and enhance the organization's sustainable competitiveness.

Yours Sincerely

Mr. Poonphiphat Tantasasin
Chief Executive Officer