



THAI NIPPON RUBBER

Management Discussion and Analysis

Thai Nippon Rubber Industry Public
Company Limited

Q1/2026

WE CAN
MAKE YOU FEEL
WOW
EVERYDAY



Executive Summary



Operating Highlights	Q1/25	Q4/25	Q1/26	Change +/-	
Unit: Million Baht				%YoY	%QoQ
Revenue from Sales and Services	435	480	445	2.3%	(7.3%)
Gross Profit	110	107	92	(16.4%)	(14.0%)
EBIT	58	7	69	19.0%	885.7%
EBITDA	90	38	102	13.3%	168.4%
Net (Loss) Profit	43	2	57	32.6%	2,750.0%
Gross Profit Margin (%)	25.3%	22.3%	20.7%	(4.6%)	(1.6%)
EBIT Margin (%)	13.3%	1.5%	15.5%	2.2%	14.0%
EBITDA Margin (%)	20.7%	7.9%	22.9%	2.2%	15.0%
Net (Loss) Profit Margin (%)	9.9%	0.4%	12.8%	2.9%	12.4%

Notes: Values may differ by one decimal point due to rounding

Thai Nippon Rubber Industry Public Company Limited (TNR) and its subsidiaries are specialists in the manufacture and distribution of condoms and lubricant gels, the manufacture of paper boxes and other printing services, the manufacture of products extracted from medicinal herbs. The Group also engages in the production of herbal extract products and provides analytical, research, and testing services to identify active compounds in all types of medicinal herbs and agricultural crops. The Group operates under the vision of being a leader in the manufacture and distribution of high-quality and diverse condoms and lubricant gels that meet the needs of customers worldwide, primarily under its main trademarks, "ONETOUCH™" and "PLAYBOY Condoms." In addition, the Group provides Original Equipment Manufacturing (OEM) services and participates in tender businesses in the global market.

In Q1/2026, the Group reported total revenue from sales and services of Baht 445 million, increased by Baht 10 million or 2.3% compared to Q1/2025, due to the increase in sales of products under the Company's own brand products (OBM) through online channels, together with the increase in revenue from domestic tender businesses. However, The Group reported the Gross Profit of Baht 92 million, decreased by Baht 18 million or 16.4% from the same period of the previous year, due to the impact of foreign exchange volatility, particularly the appreciation of the Thai Baht, which affected the value of revenue from international markets when converted back into Thai Baht. Despite the decrease in Gross Profit, the Group was still able to generate Net Profit of Baht 57 million, increased by Baht 14 million or 32.6% compared to Q1/2025.

For 2026, the Group expects its operating performance to improve from the previous year, driven by the condom and lubricant businesses through the continued expansion of overseas markets, particularly the United States and China. The Company has already established a solid foundation in distribution channels and marketing activities and will accelerate growth through online channels under the PLAYBOY Condoms brand, which represents a high-margin sales channel. In the United States market, the Company distributes its products through major online platforms, including Walmart and Amazon, and is currently in discussions to place products on physical retail shelves. In the European market, the Company plans to expand its distributor network by approximately 20 additional distributors to enhance its distribution capabilities. In addition, the Company focuses on expanding its original equipment manufacturing business to offset the decline in revenue from Tender projects. In the domestic market, the Company continues to expand its online sales channels through major platforms, including TikTok, Lazada, and Shopee to enhance direct access to consumers and support the growth of products under the Company's own brand products (OBM).

Furthermore, the Company expects growth from testing and analytical laboratory services under TNR Bioscience for hemp and cannabis products, to support the expansion of the cannabis industry for both domestic distribution and export to international markets, particularly in Europe. As a result, this positions the Company as the only operator in Thailand capable of issuing recognized Certificates of Analysis (COA) for the export of hemp and cannabis-derived products, which constitutes a key supporting factor for the continuous competitive potential of the business going forward.

The Group continues to focus on cost management, operational efficiency improvement, and close management of risks arising from foreign exchange volatility to maintain earnings stability, while expanding sales channels and new markets to support sustainable long-term growth.

Significant Events



The 2025 Green Industry Flag Award Ceremony: "Green Grow Growth for Sustainability: Governance Towards Sustainability"

Thai Nippon Rubber Industry Public Company Limited (TNR) participated in the 2025 Environmental Governance Certificate and Flag Award Ceremony. The Company received the Green Star White Flag Award for Excellent Factory under the project to promote public participation in factory supervision, marking its fifth consecutive year of recognition.



TNR Participated in the "CSR-DIW Award 2025" Ceremony

Thai Nippon Rubber Industry Public Company Limited (TNR) attended the 2025 CSR-DIW Continuous award and certificate presentation ceremony under the annual slogan "Mind as One: Sustaining Industry, Empowering Communities." This prestigious award reflects the Company's continuous commitment to conducting business with social responsibility and care for surrounding communities.

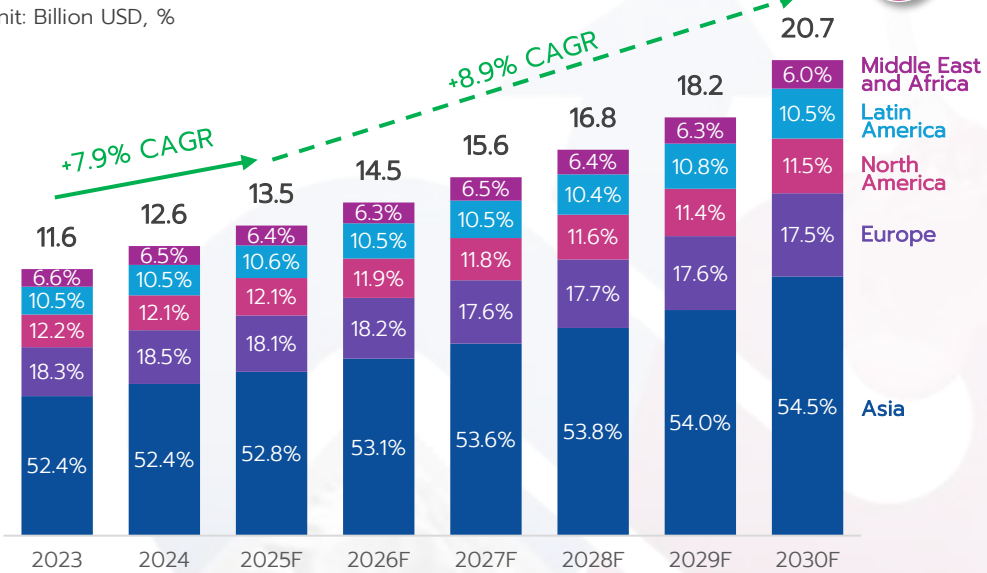


TNR Participated in the Asia Environmental and Waste Management Expo 2026

Mr. Chakrapong Chupayak, Senior Production Manager and Management Representative for Energy Management, was invited as a panel speaker on the topic "Climate Change Act: An Obligation to Bear or an Opportunity for Thai Industries to Seize" at the Asia Environmental and Waste Management Expo 2026, held at Hall 5-6, IMPACT Arena, Muang Thong Thani, Pathum Thani. The session offered new perspectives on environmental legislation from experts in the public and private sectors, with a focus on preparing Thai industries for the future implementation of related laws.

Global Condom Market Value Trend

Unit: Billion USD, %



Region	CAGR	
	2023-2025F	2025-2030F
Middle East and Africa	+6.8%	+7.5%
Latin America	+8.3%	+8.8%
North America	+7.2%	+7.9%
Europe	+7.2%	+8.2%
Asia	+8.3%	+9.6%

The global condom market was valued at USD 12.6 billion in 2024, which Grandview Research forecasts that the market value will expand to USD 20.7 billion by 2030, representing a Compound Annual Growth Rate (CAGR) of approximately 8.9% during the period 2025–2030. Supporting growth factors includes 1) increased awareness regarding the prevention of sexually transmitted infections/HIV 2) wider accessibility through retail stores and online channels 3) product innovation such as latex-free, ultra-thin, and textured varieties and 4) public campaigns from government agencies and public health organizations.

Source: Grandview Research



Strategy



Product Innovation

- **Dynamic Product Launches**
 - Non-latex
 - Ultra-thin
 - CBD-infused
 - Lubricants
- **Co-create new lines with global partners** (PLBY, Calvin Klein, Victoria's Secret)
- **Strengthen house brands across all segments** from Niptex to GASYM
- **Top in class OEM services** and supporting partners with effective tools

Operational Efficiency

- **Optimize production capacity** and product standardization across markets
- **Improve cost efficiency** and agility in supply chain operations
- **Strengthen collaboration** between manufacturing and market teams
- **Sustainable Development Operations**



Marketing Excellence

- **Strengthen global brand presence**
 - Creative campaigns and event marketing
- **Enhance consumer engagement**
 - Experiential activities and premium positioning
- **Build brand exclusivity** with limited editions and targeted awareness programs

International Expansion

- **Enter 20+ new markets**
 - Across the Americas, Asia, Africa, and Europe
- **Establish U.S. retail foundation** and expand trade show participation
- **Deepen distributor partnerships** to drive sustainable global growth

Strategic Direction



2026



- Launch new premium products
- Expand online distribution channels in both domestic and international markets
- Expand presence in global markets
- Increase the proportion of revenue contribution from OEM business
- Initiate U.S. retail foundation and convenient store Thailand rollout

Market Entry & Product Innovation



2027

- Seek for more global collaborations
- New Product Development
- Expand retail presence and integrated marketing communication campaigns in Thailand
- Deepen distributor relations and premium positioning
- U.S. retail Expansion

Strengthen Partnerships & Expand Collaboration



2028

- Continue to maximize consumer experiences through innovation
- Engage end users with effective marketing campaigns
- Introduce limited-edition packaging for exclusivity
- Drive engagement through festivals and experiences
- Strengthen U.S. retail presence and new launches in Thailand

Maximize Consumer Engagement & Experience

Driving Business for Sustainability (ESG)



E Environment



"CSR-DIW Award 2025"



Support the Faculty of Public Health, Burapha University



Provided scholarships to students in nearby schools



Blood Donation Activity



Industrial Estate Engagement Meeting



Environmental management study visit



Received Carbon Footprint Certification



Supported the ECO World-Class Eco-Industrial City



Supported activities at the Student Showcase Fair



Attended the "Faculty of Public Health Anniversary"



Factory & Partner Visit Consultation



Factory standard audit

S Social

G Governance

Operating Results



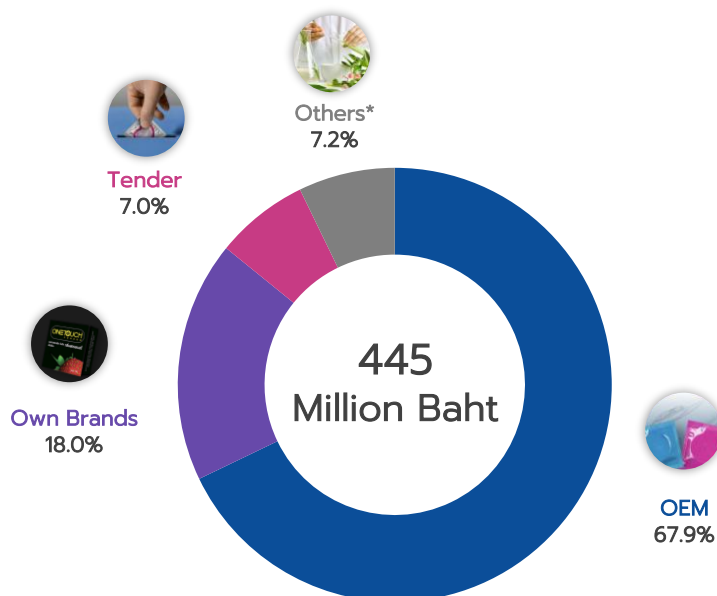
Overall Operating Results	Q1/25	Q4/25	Q1/26	Change +/-	
Unit: Million Baht				%YoY	%QoQ
Revenue from Sales and Services	435	480	445	2.3%	(7.3%)
Cost of Goods Sold	(325)	(373)	(353)	8.6%	(5.4%)
Gross Profit	110	107	92	(16.4%)	(14.0%)
Other Income	2	5	2	0.0%	(60.0%)
Reversal of Allowance for Impairment of Trademark	-	-	-	-	-
Selling Expenses	(22)	(34)	(35)	59.1%	2.9%
Administrative Expenses	(40)	(37)	(34)	(15.0%)	(8.1%)
Reversal of (Losses) Allowance for Expected Credit Losses	-	(3)	(3)	-	0.0%
Other Expenses	8	(31)	47	487.5%	(251.6%)
Financial Costs	58	7	69	19.0%	885.7%
Operating Profit	(4)	(6)	(4)	0.0%	(33.3%)
Profit (Loss) Before Income Tax	54	1	65	20.4%	6,400.0%
Corporate Income Tax (Reversal)	(11)	1	(8)	(27.3%)	(900.0%)
Net (Loss) Profit	43	2	57	32.6%	2,750.0%

Notes: Values may differ by one decimal point due to rounding

Q1/2026 Revenue Structure



By Product Group



Notes: Values may differ by one decimal point due to rounding, *Others including the manufacturing of paper box products and other printing services, as well as products extracted from medicinal herbs and the provision of analysis, research, and testing services to identify active ingredients in medicinal herbs and all types of agricultural crops.

Operating Results

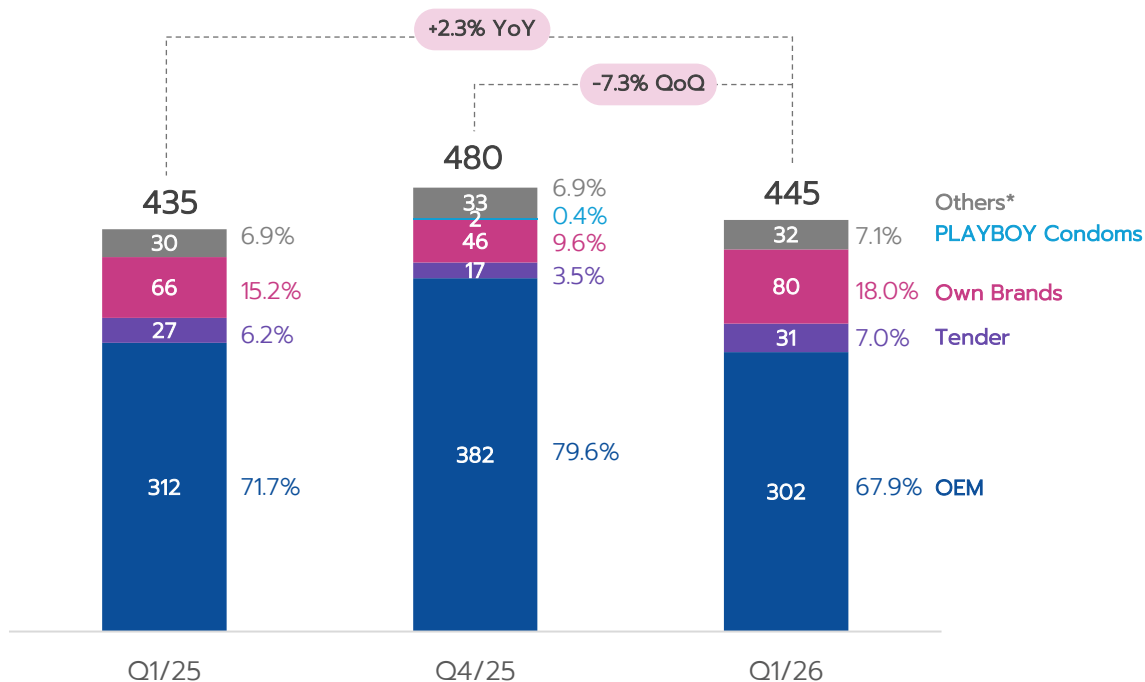


Operating Revenue Structure	Q1/25	Q4/25	Q1/26	Change +/-	
Unit: Million Baht				%YoY	%QoQ
Revenue from Sales and Services					
OEM	312	382	302	(3.2%)	(20.9%)
Own Brands	27	17	31	14.8%	82.4%
Tender	66	46	80	21.2%	73.9%
PLAYBOY Condoms	-	2	-	n/a	(100.0%)
Others*	30	33	32	6.7%	(3.0%)
Total Revenue from Sales and Services	435	480	445	2.3%	(7.3%)
Other Income	2	5	2	0.0%	(60.0%)
Total Revenue	437	485	447	2.3%	(7.8%)

Notes: Values may differ by one decimal point due to rounding, *Others including the manufacturing of paper box products and other printing services, as well as products extracted from medicinal herbs and the provision of analysis, research, and testing services to identify active ingredients in medicinal herbs and all types of agricultural crops

1 Revenue from Sales and Services

Unit: Million Baht



YoY

Q1/2026 vs Q1/2025

In Q1/2026, the Group reported total **Revenue from Sales and Services** of Baht 445 million, increased by Baht 10 million or 2.3% compared to Q1/2025, mainly due to the following reasons:

- 1) The increase in revenue from products under the Company's own brand products (OBM), particularly through online sales channels, which had helped expand the Company's customer base and increase opportunities to directly reach consumers, supporting revenue growth.
- 2) The increase in revenue from the Tender business, particularly from government projects.

Overall, the Company achieved higher sales in both volume and value terms, while the recognition of international sales value was affected by foreign exchange volatility, particularly the appreciation of the Thai Baht. The Company recorded sales using an average exchange rate in Q1/2026 of Baht 31.65 per USD (compared to Baht 33.69 per USD in Q1/2025). In addition, if the Company applied the same exchange rate as in the prior-year period, sales would have increased by approximately Baht 467 million.

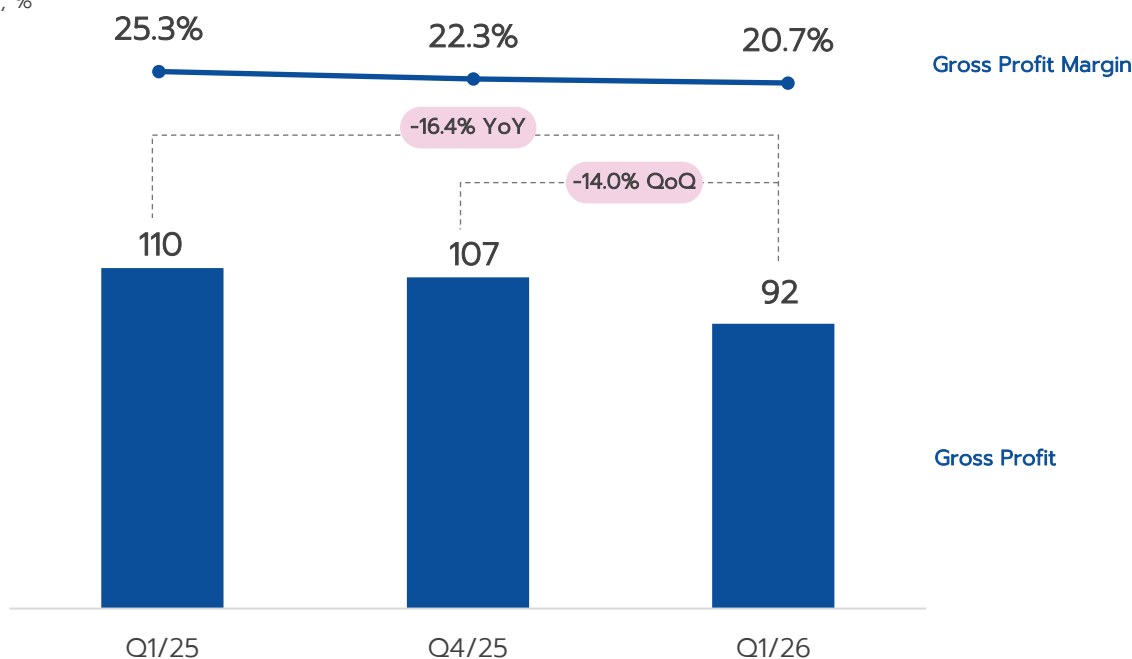
QoQ

Q1/2569 vs Q4/2568

In Q1/2026, the Group reported total **Revenue from Sales and Services** of Baht 445 million, decreased by Baht 35 million or 7.3% compared to Q4/2025, mainly due to the decrease in revenue from the OEM business, particularly orders from international customers such as Russia and Indonesia, as customers had placed and received large orders in Q4/2025.

2 Gross Profit and Gross Profit Margin

Unit: Million Baht, %



YoY

Q1/2026 vs Q1/2025

Gross Profit: In Q1/2026, the Group reported Gross Profit of Baht 92 million, decreased by Baht 18 million or 16.4% compared to Q1/2025, mainly due to the foreign exchange volatility, particularly the appreciation of the Thai Baht. The Company recorded sales using an average exchange rate in Q1/2026 of Baht 31.65 per USD (compared to Baht 33.69 per USD in Q1/2025). If the Company applied the same exchange rate as in the prior-year period, gross profit would have increased to THB 114 million, which is higher than the gross profit recorded in Q1/2025.

In addition, the Company continues to effectively manage production costs through appropriate raw material cost management, control of labor costs and manufacturing expenses, and continuously enhancing production process efficiency.

Meanwhile, **Gross Profit Margin** in Q1/2026 was 20.7%, if the Company had applied the same exchange rate as in Q1/2025 for revenue recognition, the gross profit margin would have been 24.4%.

QoQ

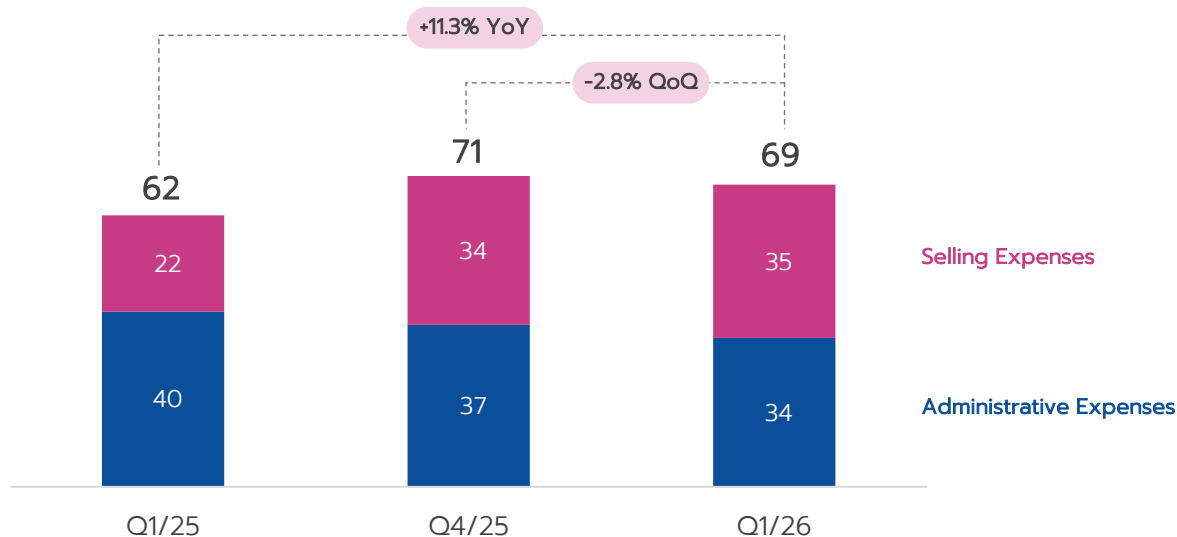
Q1/2026 vs Q4/2025

Gross Profit: In Q1/2026, the Group reported Gross Profit of Baht 92 million, decreased by Baht 15 million or 14.0% compared to Q4/2025, mainly due to the decrease in revenue from the OEM business, particularly orders from international customers such as Russia and Indonesia, as customers had placed and received large orders in Q4/2025.

In addition, the Company continues to effectively manage production costs through appropriate raw material cost management, control of labor costs and manufacturing expenses, and continuously enhancing production process efficiency.

3 Selling and Administrative Expenses

Unit: Million Baht, %



YoY

Q1/2026 vs Q1/2025

In Q1/2026, the Group reported **Selling and Administrative Expenses** of Baht 69 million, increased by Baht 7 million or 11.3% compared to Q1/2025 mainly from:

Selling Expenses: In Q1/2026, the Group reported Selling Expenses of Baht 35 million, increased by Baht 13 million compared to Q1/2025, mainly due to the increase in online marketing expenses to support the Company's own-brand products (OBM) sales growth. Nonetheless, this marketing investment resulted in the increase in sales from online channels compared to Q1/2025, reflecting the effectiveness of the direct-to-consumer market expansion strategy.

Administrative Expenses: In Q1/2026, the Group reported Administrative Expenses of Baht 34 million, decreased by Baht 6 million compared to Q1/2025, mainly due to the decrease in amortization expenses for the PLAYBOY trademark, as in Q1/2025, the Company had not yet produced and distributed products under the trademark. As a result, the related expenses were recognized under administrative expenses.

QoQ

Q1/2026 vs Q4/2025

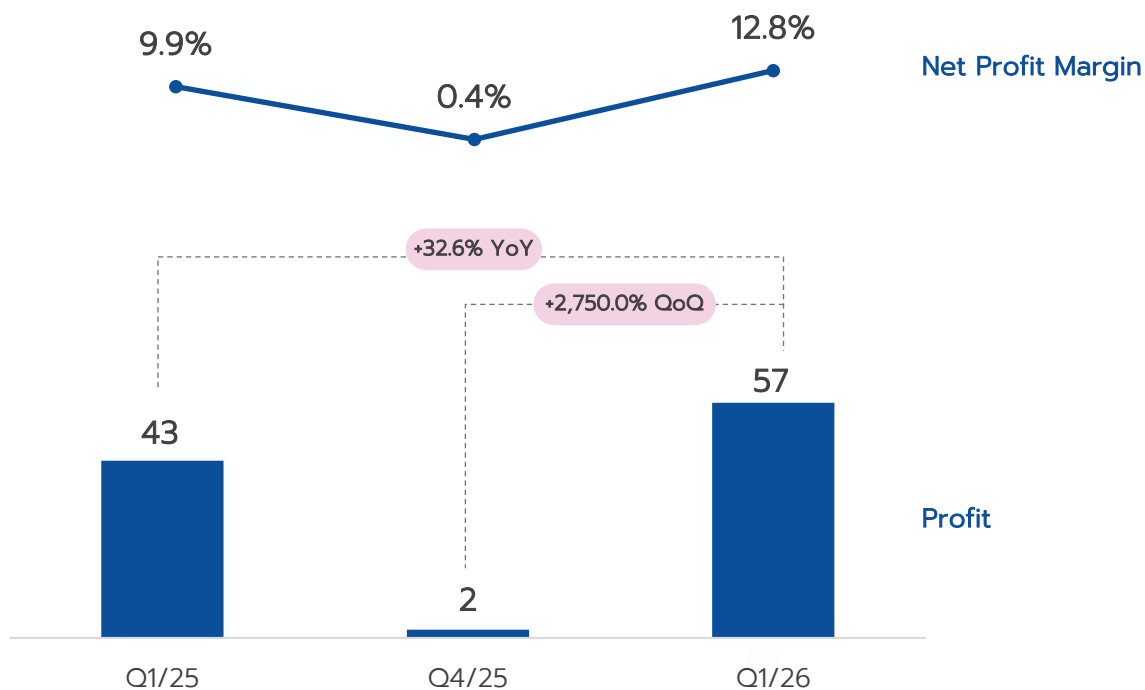
In Q1/2026, the Group reported **Selling and Administrative Expenses** of Baht 69 million, decreased by Baht 2 million or 2.8% compared to Q4/2025 mainly from:

Selling Expenses: In Q1/2026, the Group reported Selling Expenses of Baht 35 million, increased by Baht 1 million compared to Q4/2025, mainly due to the increase in online marketing expenses to support the Company's own-brand products (OBM) sales growth. Nonetheless, this marketing investment resulted in the increase in sales from online channels compared to Q4/2025, reflecting the effectiveness of the direct-to-consumer market expansion strategy.

Administrative Expenses: In Q1/2026, the Group reported Administrative Expenses of Baht 34 million, decreased by Baht 3 million compared to Q4/2025, mainly due to the management of employee-related expenses.

4 Net Profit and Net Profit Margin

Unit: Million Baht, %



YoY

Q1/2026 vs Q1/2025

Net Profit: In Q1/2026, the Group reported Net Profit of Baht 57 million, increased by Baht 14 million or 32.6% compared to Q1/2025, mainly due to the increase in revenue from sales and services, which increased in both sales volume and sales value. Moreover, the Group recognized the unrealized foreign exchange gain as of the end of Q1/2026.

As a result, **Net Profit Margin** in Q1/2026 was 12.8%, increased from 9.9% in Q1/2025.

QoQ

Q1/2026 vs Q4/2025

Net Profit: In Q1/2026, the Group reported Net Profit of Baht 57 million, increased by Baht 55 million or 2,750.0% compared to Q4/2025, mainly due to the impact of foreign exchange volatility, whereby the Group recognized the unrealized foreign exchange loss of Baht 31 million in Q4/2025, compared to the unrealized foreign exchange gain of THB 47 million in Q1/2026.

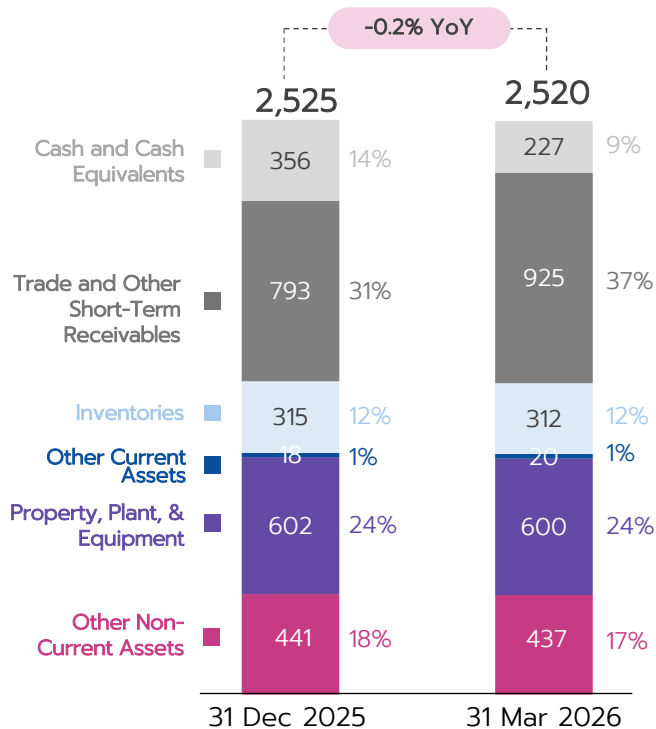
As a result, **Net Profit Margin** in Q1/2026 was 12.8%, increased from 0.4% in Q1/2025.

Statement of Financial Position

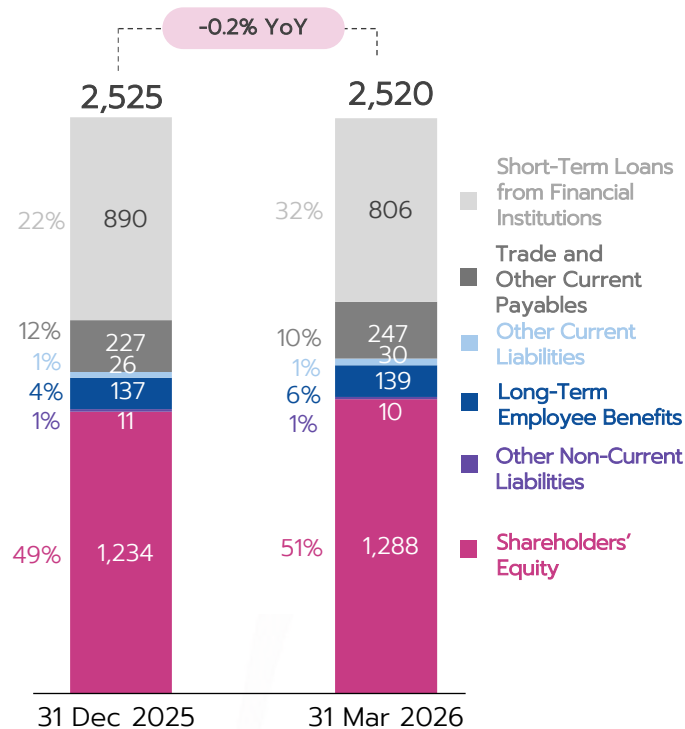


Unit: Million Baht, %

Assets



Liabilities and Equity



1 Total Assets

As of March 31, 2026, the Group reported total assets of Baht 2,520 million, decreased by Baht 5 million or 0.2% from December 31, 2025. The details are as follows:

- **Cash and Cash Equivalents:** was Baht 227 million, decreased by Baht 129 million, due to the Group's management of cash flow, working capital and management of foreign currency fluctuation risks.
- **Trade and Other Short-Term Receivables:** was Baht 925 million, increased by Baht 132 million, due to the increase in the Company's foreign trade receivables in 2025; however, such receivables are expected to be gradually settled within 2026.
- **Inventories:** was Baht 312 million, decreased by Baht 3 million, as the Company have delivered products to customers as usual.
- **Property, Plant and Equipment:** was Baht 600 million, decreased by Baht 2 million, mainly due to investments in machinery and equipment of Baht 25 million (mostly for machine efficiency improvement), offset by depreciation for the period of Baht 27 million.

2 Total Liabilities

As of March 31, 2026, the Group reported total liabilities of Baht 1,232 million, decreased by Baht 59 million or 4.6% from December 31, 2025. The details are as follows:

- **Short-Term Loans from Financial Institutions:** was Baht 806 million, decreased by Baht 84 million, due to the Group's management of foreign currency fluctuation risks, as well as the management of cash flow and working capital.
- **Trade and Other Current Payables:** was Baht 247 million, increased by Baht 20 million, mainly due to payments for raw material purchases, which is normal for the business cycle.

3 Total Shareholders' Equity

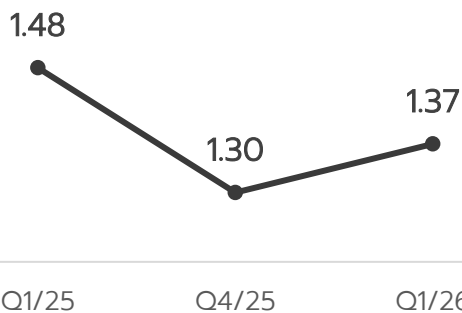
As of March 31, 2026, the Group reported total Shareholders' Equity of Baht 1,288 million, increased by Baht 54 million or 4.4% from December 31, 2025, mainly due to profit from the Q1/2026.

Key Financial Ratios



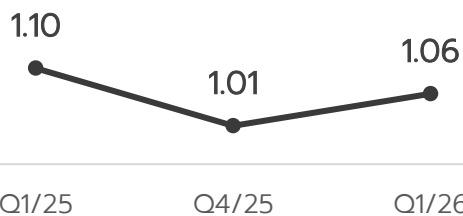
Current Ratio

Unit: times



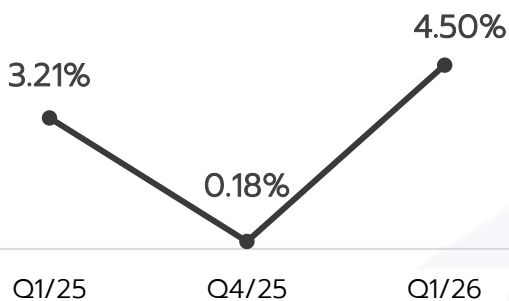
Quick Ratio

Unit: times



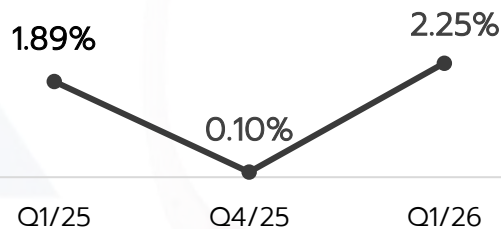
ROE Ratio

Unit: %



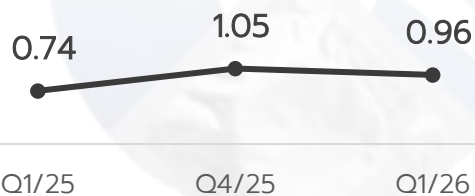
ROA Ratio

Unit: %



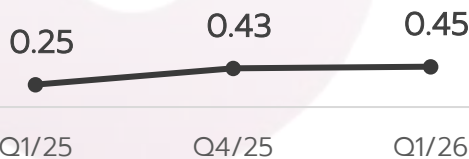
D/E Ratio

Unit: times



Interest Bearing Debt to Equity Ratio

Unit: times



Please be informed accordingly.

Yours faithfully,

.....
(Mr. Wisit Tirayuwat)

Chief Financial Officer

The authorized person to disclose information
Thai Nippon Rubber Industry Public Company Limited

