



TOA Paint (Thailand) Public Company Limited

Management Discussion & Analysis

Q1/2026

Ended on March 31, 2026

-Translation-

No. TOA 09/2026

May 15, 2026

Subject: Management Discussion and Analysis for the First Quarter of 2026 ended March 31, 2026

To: The President
The Stock Exchange of Thailand

TOA Paint (Thailand) Public Company Limited (the “Company” or “we” or “our” or “us”) would like to inform management discussion and analysis for its results of operations from the financial statements for the first quarter of fiscal year 2026 ended March 31, 2026 as follows:

1. Overview of Business Operation, Industry and Economic Trends

The overall Thai economy in the first quarter of 2026 experienced a slowdown and faced severe volatility due to the cumulative negative impact of household debt, which remains at a high level. This has directly affected domestic purchasing power and led to weakened private consumption. Despite the government's efforts to accelerate budget disbursements to stimulate economic activity, investment remains cautious as most firms are concerned about rising production costs following global energy price trends.

The intensifying conflict in the Middle East has significantly exacerbated the Thai economic situation, particularly for industry groups related to oil refineries. These sectors have been directly impacted by surging crude oil prices, which have driven up the prices of downstream products such as solvents and binders, key raw materials in the production of architectural paints and coatings, in line with rising petrochemical feedstock costs. Consequently, firms are facing severe pressure on profit margins.

In the construction and real estate sectors, the primary target groups for paint and coating products, there are continued signs of delays in investment and new construction planning. This is due to the rising costs of construction materials, such as steel, cement, and chemical products, which have generally increased in line with energy and transportation costs following global oil price trends. This situation further exacerbates an already stagnant market burdened by household debt, leading to a downward trend in ownership transfers. Meanwhile, consumers are delaying purchasing decisions to wait for more clarity on the situation. Consequently, firms must accelerate strategic adjustments by enhancing raw material stock management efficiency and seeking production formulas that improve cost management to cope with the potentially prolonged impact of energy price volatility.

2. Key Events and Developments

1. The Company achieved a major milestone by winning three prestigious awards at the BrandAge Awards 2026. These awards reflect nationwide consumer confidence in TOA as the No.1 market leader and a gold-standard organization. The Company is recognized for its excellence across all dimensions, including innovation, robust business performance, transparency, good corporate governance, and a steadfast commitment to social responsibility and environmental sustainability.



2. The Company has announced a major digital milestone by winning the "Best Brand Performance on Social Media" award in the Construction Material category at the 14th Thailand Social Awards, the country's largest social media awards ceremony. This achievement reinforces the success of its content strategy in capturing the hearts of modern consumers.



3. The Company won the prestigious 'Corporate of the Year' award in the 'Living & Property' category for the 2nd consecutive year. Presented at the 5th The People Awards 2026 under the theme "Shine Your Path," this award reflects the organization's relentless commitment to transforming its business into a 'Total Solution for Living,' truly elevating the quality of life for modern consumers.



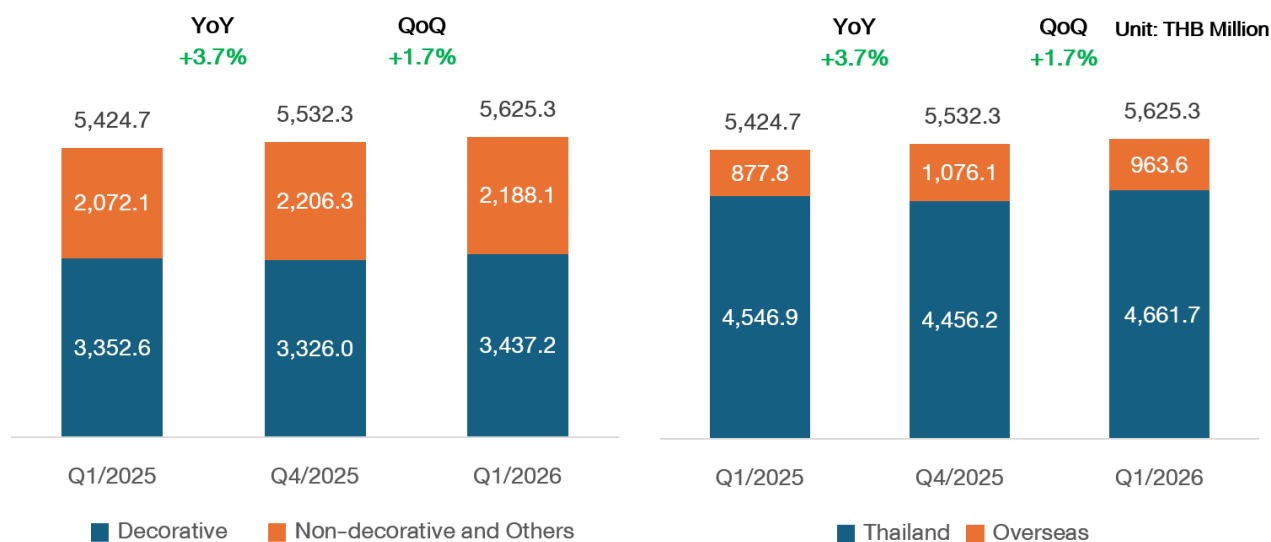
3. Operating Results

3.1 Operating Results for Q1/2026

Income Statement (THB Million)	Q1/2025	Q4/2025	Q1/2026	% Change	
				YoY	QoQ
Sales Revenue	5,424.7	5,532.3	5,625.3	3.7%	1.7%
Cost of Sales	(3,408.9)	(3,295.9)	(3,353.3)	-1.6%	1.7%
Gross Profit	2,015.8	2,236.5	2,271.9	12.7%	1.6%
Gross Profit Margin	37.2%	40.4%	40.4%		
Other Income	42.4	52.9	56.2	32.6%	6.2%
Selling Expenses	(679.4)	(809.4)	(750.2)	10.4%	-7.3%
Administrative Expenses	(373.6)	(360.7)	(392.6)	5.1%	8.8%
Gains (Losses) on exchange rates and fair value of financial assets measured at fair value through profit or loss	(63.9)	(81.7)	40.8	-163.8%	-149.9%
Profit before finance cost and income tax	941.3	1,037.5	1,226.2	30.3%	18.2%
Profit for the period	733.1	844.4	953.2	30.0%	12.9%
Net Profit (Excluding Gains & Losses on exchange rates and fair value of financial assets measured at fair value through profit or loss)	797.0	926.1	912.5	14.5%	-1.5%

Remarks YoY compares performance between Q1/2026 and Q1/2025
QoQ compares performance between Q1/2026 and Q4/2025

Sales Revenue

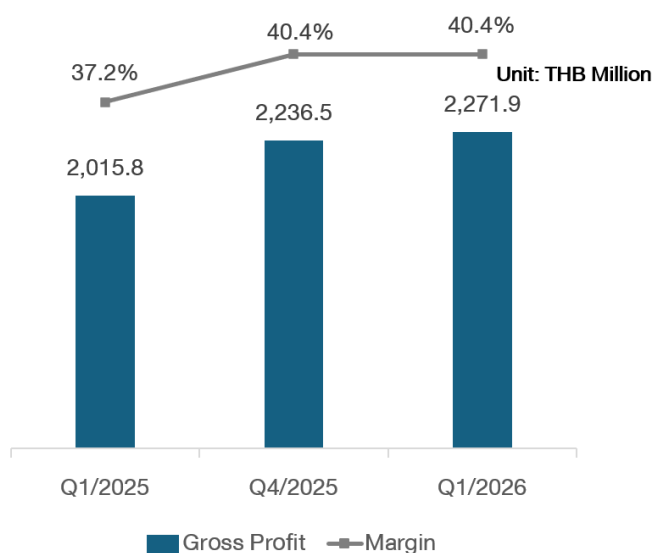


Sales revenue for Q1/2026 was THB 5,625.3 million.

- **YoY** : Compared to Q1/2025, **sales revenue increased by THB 200.6 million, or 3.7%**. The growth was driven by continuous growth in international markets, such as Myanmar, Vietnam, Laos, and Cambodia, through aggressive expansion in retail and project segments, domestic sales further increased due to accelerated orders from retailers for inventory stockpiling in anticipation of price hikes following the conflict in the Middle East. Additionally, product price adjustments were implemented in March 2026 to reflect costs and market trends, resulting in sales growth across both the decorative and non-decorative segments.

- **QoQ** : Compared to Q4/2025, **sales revenue increased by THB 93.0 million, or 1.7%**. The growth was driven by domestic sales growth as previously mentioned. However, international sales experienced a slight slowdown, particularly in Vietnam and Myanmar, as sales in Q4 typically represent the peak period for construction and renovation activities.

Gross Profit



Gross profit for Q1/2026 was THB 2,271.9 million, representing a gross profit margin of 40.4%.

- **YoY** : The gross profit margin in Q1/2026 increased to 40.4% from 37.2% in Q1/2025. The Company was able to maintain high margins throughout the first two months of the quarter, driven by efficient production cost and supply chain management. Although the Company began to face pressure in March from rising raw material costs following global market trends, it has successfully managed margins by adjusting selling prices to appropriately reflect product value and cost directions. This was further supported by inventory management strategies leveraging cost advantages, the procurement of raw materials from additional sources, and the integration of other tested alternative materials to mitigate the impacts of raw material supply constraints.
- **QoQ** : The gross profit margin in Q1/2026 remained stable compared to Q4/2025 at 40.4%, driven by supporting factors in the same direction as previously mentioned for the YoY period.

Selling Expenses

Selling expenses for Q1/2026 was THB 750.2 million.

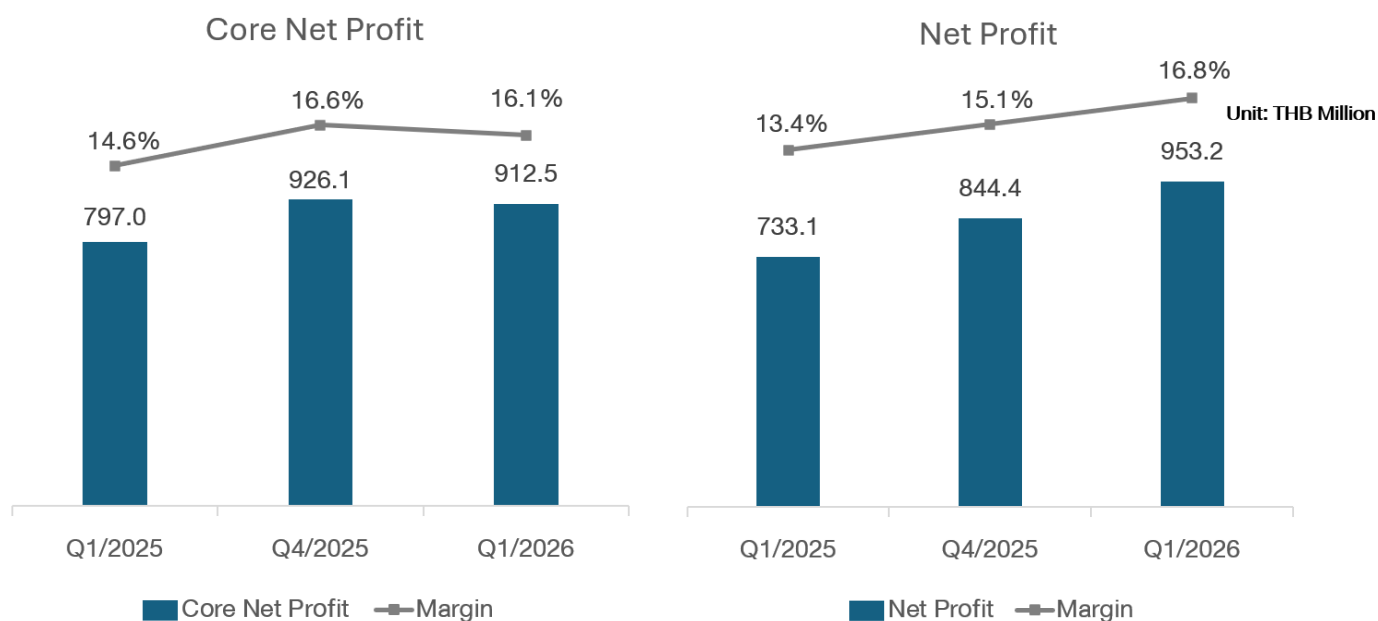
- **YoY** : Compared to Q1/2025, **increased by THB 70.8 million, or 10.4%**, due to an increase in sales and marketing employee costs, advertising costs, commissions and transportation costs.
- **QoQ** : Compared to Q4/2025, **decreased THB 59.2 million, or 7.3%**, due to a decrease in advertising expenses, for which the majority of the previous year's budget was utilized in Q4, along with sales promotion expenses that had accelerated toward the end of the year.

Administrative Expenses

Administrative expenses for Q1/2026 was THB 392.6 million.

- **YoY** : Compared to Q1/2025, **increased by THB 19.0 million, or 5.1%**, due to an increase in employee costs.
- **QoQ** : Compared to Q4/2025, **increased by THB 31.9 million, or 8.8%**, due to an increase in employee costs, and expenses for public charities and sports promotion.

Profit for the period



The core net profit (equity holders of the company, excluding fair value adjustments of financial assets and foreign exchange differences) for Q1/2026 was THB 912.5 million.

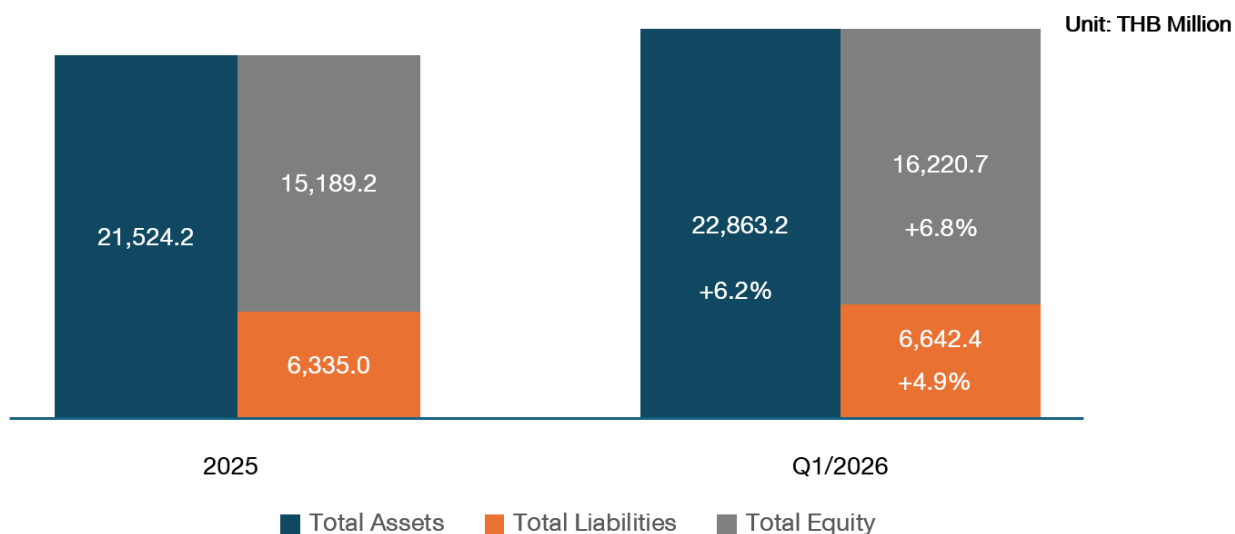
- **YoY** : Compared to Q1/2025, **the profit increased by THB 115.5 million, or 14.5%**, driven by increased sales and a higher gross profit margin compared to the same period last year.
- **QoQ** : Compared to Q4/2025, **the profit decreased by THB 13.6 million, or 1.5%**.

Profit attributable to equity holders of the company for Q1/2026 was THB 953.2 million.

- **YoY** : Compared to Q1/2025, **the profit increased by THB 220.1 million, or 30.0%**, driven by increased operating profit along with the recognition of foreign exchange gains in Q1/2026, which marked a recovery from the losses recorded during the same period last year.
- **QoQ** : Compared to Q4/2025, **the profit increased by THB 193.3 million, or 12.9%**, driven by increased operating profit along with the recognition of foreign exchange gains in Q1/2026, which marked a recovery from the losses recorded during the previous quarter.

4. Financial Position & Key Financial Ratios

4.1 Financial Position



Total Assets

Total assets as of March 31, 2026, were THB 22,863.2 million.

- Increased by THB 1,339.0 million from December 31, 2025, which were THB 21,524.2 million, due to investments in other current financial assets, trade and other receivables, and inventories.

Total Liabilities

Total Liabilities as of March 31, 2026, were THB 6,642.4 million.

- Increased THB 307.4 million from December 31, 2025, which were THB 6,335.0 million, due to corporate income tax, and trade and other payables.

Shareholders' Equity

Total Shareholders' Equity as of March 31, 2026, were THB 16,220.7 million.

- Increased THB 1,031.5 million from December 31, 2025, which were THB 15,189.2 million, due to an increase in profit for the period.

4.2 Key Financial Policy Ratios

Ratio	Unit	As of December 31, 2025	As of March 31, 2026
Current Ratio	Times	3.03	3.10
Interest-bearing Debt to Equity Ratio	Times	0.08	0.07
Interest Coverage Ratio	Times	109.61	125.45
Total Liability to Equity Ratio	Times	0.42	0.41
Return on Equity Ratio	%	20.7	20.9

The Company has a low debt-to-equity ratio, reflecting sufficient liquidity and a strong financial position. Meanwhile the return on equity increased following an increase in net profit in Q1/2026 compared to the same period last year.

5. Factors that Could Impact Future Performance

The Thai economic outlook for the second quarter and throughout 2026 faces a critical turning point due to the emergence of a "new cost base." This shift is primarily driven by surging energy prices following the escalated conflict in the Middle East. This situation directly impacts the import costs of petrochemical precursors and specialty chemicals, forcing manufacturers to confront significant raw material procurement challenges. Some suppliers have been compelled to delay deliveries or temporarily suspend operations due to logistical disruptions and rising input costs. Meanwhile, adjusting selling prices to align the new cost base remains a challenge amidst ongoing uncertainty and the slow expansion of Thai economy.

The real estate and construction sectors, the primary end-user groups, are likely to face their most severe slowdown in nearly a decade. Property transfers are projected to decrease significantly due to weak purchasing power and high household debt levels, which have prompted financial institutions to maintain strict credit approval standards. Simultaneously, rising development costs for new projects, driven by higher energy and raw material prices, have pressured developers to either increase housing prices or delay new project launches to maintain financial stability. These factors are driving adjustments throughout the entire supply chain, with an emphasis on more stringent inventory management and financial planning, alongside accelerating the development of cost-saving and energy-efficient product innovations to enhance competitiveness and sustain business through this challenging period.

The Company has implemented a proactive strategy to navigate economic volatility by focusing on risk diversification. This includes expanding the product portfolio beyond decorative paints into non-decorative segments such as construction chemicals, gypsum boards, tiles, and sanitary ware. Furthermore, the Company has expanded its business base into the ASEAN Economic Community (AEC) to seek new opportunities and establish stable regional growth. In tandem, the Company is enhancing its risk management systems to ensure high agility, emphasizing adaptable strategies that can be adjusted to real-time situations. This ensures the Company can respond to complex external factors with maximum speed and efficiency, ultimately maintaining competitiveness and achieving sustainable long-term growth.

6. Key Developments in Sustainability

In the first quarter of 2026, the Company continued to prioritize the integration of sustainability principles into its strategic direction, expanding its role from a leader in the paint industry to a provider of integrated paint and construction material solutions (Total Solution). Key developments in Environmental, Social, and Governance (ESG) during this period are summarized as follows:

- **Environmental**

- **Elevating Green Product Standards**

The Company has been certified with the EPD (Environmental Product Declaration), or ISO 14025 standard environmental labels, which assess the environmental impact throughout a product's entire life cycle. This certification covers 33 paint products across all packaging sizes and 6 gypsum board products. Obtaining the EPD label allows the Company to broaden its access to corporate clients with Green Procurement policies, as well as the growing demand for real estate development under green building standards. In the first quarter, the Company's products were selected for corporate building projects following LEED standards, supporting the Company's strategy to further expand its green procurement customer base.

Product Innovation for Building Energy Efficiency

The Company launched TOA SuperShield, developed with heat-reflective properties of up to 99.2%. This helps reduce heat accumulation on building walls and lessens the energy load on air conditioning systems. Test results indicate that the product can reduce air conditioning energy consumption by an average of 38.3%, thereby reducing indirect greenhouse gas emissions from the electricity use of building occupants. This product is part of a development strategy to support both climate change mitigation and adaptation, meeting the needs of real estate developers managing building energy costs amidst rising average temperatures. The Company expects that positive reception from both general consumers and commercial real estate developers will be a key growth driver in 2026.

- **Social**

Empowering Youth through Sports



In the first quarter, the Company expanded its youth development collaborations through sports at both international and domestic levels. In partnership with the National Basketball Association (NBA), the Company hosted the “NBA Rising Stars Invitational Thailand Qualifiers presented by TOA,” a selection process for youth athletes under 18 to represent the country at the NBA Rising Stars Invitational 2026 in Singapore. Additionally, in collaboration with the Basketball Sport Association of Thailand, the Company organized the “TOA 3x3 Basketball All Thailand - Domestic Power 2026” for the 4th consecutive year, spanning 15 venues nationwide across 11 competition categories, ranging from under 12s to the general public for both men and women. This competition is part of the “Domestic Power Youth Development” project for 2026 under the National Sports Development Fund. The Company has continuously supported the Thai basketball community through its partnership with the Basketball Sport Association of

Thailand for over 15 years, as part of its strategy to build brand awareness among consumers nationwide.

- **Governance**

Recognition of Corporate Credibility and Brand Excellence



The Company has received recognition from various external institutions for its sustainability, innovation, and brand strength, including "The Most Trend Setter Product" and "Leading of Environmental Product" awards from the Future Trends Awards 2026. For the second consecutive year, it was honored with the "Corporate of the Year" award in the Living & Property category at The People Awards 2026. Recognitions from the BrandAge Awards 2026 include Thailand's Most Admired Company, Thailand's Most Admired Brand, and the Market Leader Brand award. Furthermore, the Company received the Best Brand Performance on Social Media award in the Construction Materials category at the 14th Thailand Social Awards.

The aforementioned awards and assessments from external institutions reflect the development of products that meet today's changing lifestyles, the capability to innovate eco-friendly products, and the strength of the brand in the eyes of consumers and real estate customers. These achievements serve as a vital foundation supporting the long-term business transition toward becoming a Total Solution provider, while fostering confidence among corporate clients, business partners, and investors.

Please be informed accordingly,

Yours Sincerely,

(Acting Sub Lt. Surasak Mandaeng)

Chief Financial Officer