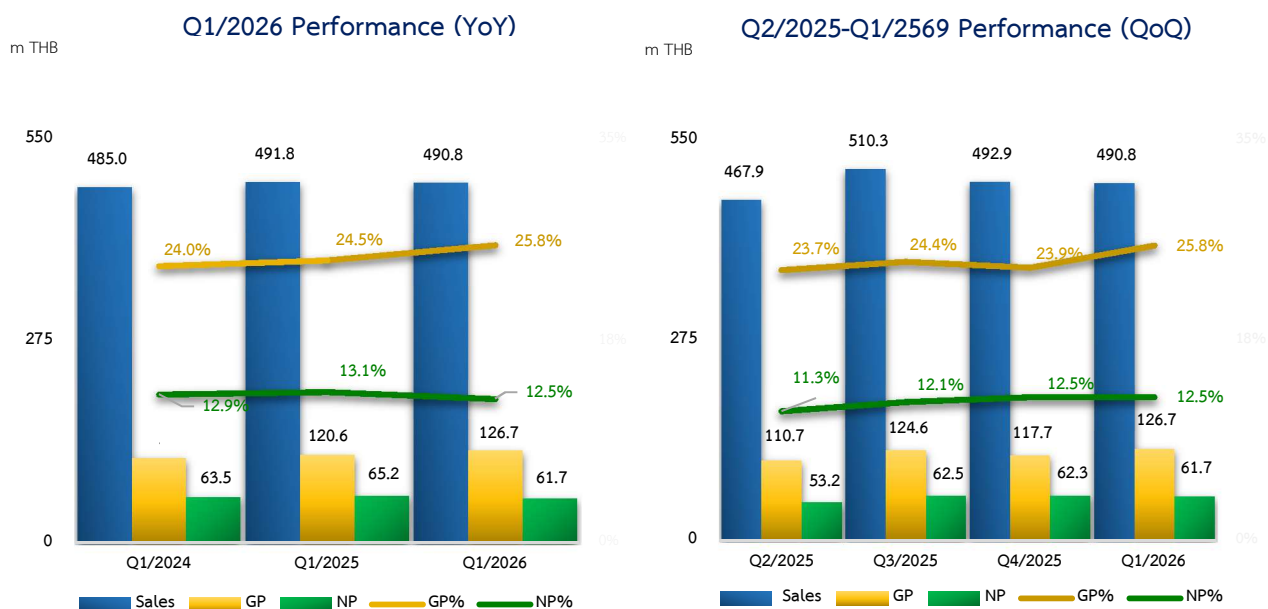


Management Discussion and Analysis for Q1/2026

Summary of Key Operating results

Consolidated Financial Performance for Q1/2026



Sales revenue in Q1/2026 has recorded THB 490.8 million, representing an decrease of 0.2% compared to sales revenue in Q1/2025. Revenue from sales this year decreased slightly due to lower sales volume and a decline in the average selling price. However, the conflict in the Middle East at the end of the quarter did not affect sales revenue because customer demand remained high. The company adjusted selling prices due to higher raw material costs and transportation expenses. Sales revenue is expected to be slightly higher than normal.

Considering profitability, based on the consolidated financial statements in Q1/2026, the Company reported gross profit of THB 126.7 million, representing an increase of 5.1% compared to the gross profit recorded in the Q1/2025. In terms of net profit, the Company reported net profit of THB 61.7 million for the first quarter of 2026, representing a decrease of 4.6% compared to the net profit of Q1/2025. The main reason for the decrease in the company's profitability is the share of profit and loss from investments in associate companies and joint ventures. Due to a loss share of THB 5.3 million in Q1/2026, compared to a profit share of THB 1.7 million in Q1/2025, this is primarily due to a decrease in revenue from the investment in Starprint Vietnam JSC. (an associate company) compared to the same period last year. This is attributed to lower profitability margins and exchange rate fluctuations between the Thai baht and the Vietnamese dong. Additionally, losses are incurred in the joint venture, StarUnion Packaging Co., Ltd. (SUP). SUP is currently in the initial stages of production and sales, and will begin recognizing revenue and expenses such as labor costs, depreciation, and interest expenses arising from the investment.

Consolidated Financial Statements Q1/2026

Unit: Million THB

Operating Results from Consolidated Financial Statement	Q 1		%Y-o-Y
	2026	2025	
Revenue from sales	490.8	491.8	(0.2%)
Cost of sales	364.1	371.2	(1.9%)
Gross profit	126.7	120.6	5.1%
<i>Gross profit margin (%)</i>	<i>25.8%</i>	<i>24.5%</i>	<i>5.3%</i>
Administrative expense	57.7	53.4	8.1%
EBITDA	91.3	90.3	1.1%
Profit for the period	61.7	65.2	(5.4%)
<i>Net profit margin (%)</i>	<i>12.5%</i>	<i>13.1%</i>	

Cost of Sales and Gross Profit Margin

In Q1/2026, the Company recorded cost of sales of THB 364.1 million, representing a cost of sales margin of 74.2% of sales revenue, a decrease of 1.9% compared to the cost of sales in 2025. Considering the gross profit margin of 25.8% in the first quarter of 2026, it increased by 5.3% compared to the gross profit margin of the same period in 2025. This is due to efficient cost management strategies, as detailed below.

- (1) **Energy Management** SFLEX has begun utilizing solar energy as a substitute for purchased electricity. In 2020, the company installed and began using a 0.99 MW solar rooftop system. Currently, it has invested in an additional 1.5 MW solar rooftop system. This investment will reduce the company's factory production costs through the use of renewable energy.
- (2) **Raw Material Procurement Management** The company manages raw materials through two key approaches:
 - (2.1) Increasing the number of suppliers for each type of raw material to improve bargaining power and secure suitable materials for production.
 - (2.2) Upstream investment in film production (a key raw material) through the installation of Blow Film machinery, with current production capacity of approximately 300 tons per month, reducing reliance on imports or external suppliers.
- (3) **Machinery Replacement and Upgrades** The company has invested in new machinery to replace old equipment, improving production efficiency, reducing waste, and decreasing labor requirements.

Summary of Financial Positions as of 31 March 2026

Unit: Million THB

Balance sheet	Consolidated		Change	
	31-Mar-26	31-Dec-25	MB	%
Total assets	2,279.6	2,245.4	34.2	1.5%
Total liabilities	1,078.1	1,087.7	(9.6)	(0.9%)
Total shareholder's equity	1,201.5	1,157.7	43.8	3.8%

Total Assets amounted to THB 2,279.6 million, an increase of 1.5% compared to total assets of THB 2,245.4 million as of the end of 2025. The increase in assets was primarily driven by higher cash and cash equivalents of THB 31.4 million, trade and other receivables of THB 59.4 million, investments in joint ventures and associates of THB 4.3 million, pledged deposits of THB 20.0 million, and other current assets of THB 43.9 million. These increases in assets were mainly attributable to the expansion of the company's business operations. However, the company's inventory as of 31 December 2025 amounted to THB 307.1 million, a decrease of THB 91.4 million compared to inventory of THB 398.5 million as of 31 December 2024.

Total Liabilities amounted to THB 1,078.1 million, a decrease of THB 9.6 million or 0.9% compared to the end of 2025. The decrease in total liabilities as of Q1/2026 was mainly due to a reduction in short-term borrowings used for working capital of THB 33.0 million and a decrease in long-term loans of THB 56.0 million. However, in line with prudent liability management principles, the company is currently in the process of restructuring its credit facilities. The objective is to align financing for investments in fixed assets, such as tools, equipment, and machinery, to be funded through long-term borrowings.

Total Shareholders' Equity amounted to THB 1,201.4 million, compared to THB 1,157.7 million as of Q1/2026, representing an increase of 3.8% or THB 43.8 million compared to the end of 2025. The increase was primarily derived from net profit, offset by dividend payments and treasury share repurchases during the period.



Key Financial Ratios (Consolidation)

	Unit	Q1	
		2026	2025
Profitability Ratios			
Gross Profit Margin: GP	%	25.81	24.51
Net Profit Margin: NP	%	12.45	13.10
Return on Assets: ROA *	%	10.91	11.65
Return on Equity: ROE *	%	20.92	22.21
Liquidity Ratios			
Current Ratio	times	1.18	1.32
Quick Ratio	times	0.62	0.67
Asset Efficiency Ratios			
Accounts Receivable Turnover *	times	5.35	5.70
Accounts Payable Turnover *	times	5.73	6.20
Cash Cycle	days	27.67	41.08
Asset Turnover *	times	0.88	0.89
Finished Goods Turnover *	times	15.75	10.18
Leverage & Solvency Ratios			
Debt to Equity Ratio: D/E	times	0.90	0.90
Interest coverage ratio : ICR	times	14.27	11.56

* Annualized calculation

Note:

Profitability Ratios	Unit	
Gross Profit Margin: GP	%	Gross Profit / Net Sales
Net Profit Margin: NP	%	Net Profit / Total Revenue
Return on Assets: ROA	%	Net Profit / Average Total Assets
Return on Equity: ROE	%	Net Profit / Average Shareholders' Equity
Liquidity Ratios		
Current Ratio	times	Current Assets / Current Liabilities
Quick Ratio	times	(Cash and Cash Equivalents + Marketable Securities + Trade Receivables and Notes Receivable) / Current Liabilities
Asset Efficiency Ratios		
Accounts Receivable Turnover	times	Net Sales / Average (Trade Receivables before Allowance for Doubtful Accounts + Notes Receivable)
Accounts Payable Turnover	times	Purchases or Cost of Sales / Average (Trade Payables + Notes Payable)
Cash Cycle	days	Average Collection Period + Average Finished Goods Period – Average Payment Period
Asset Turnover	times	Total Revenue / Average Total Assets
Finished Goods Turnover	times	Cost of Sales / Average Finished Goods
Leverage & Solvency Ratios		
Debt to Equity Ratio: D/E	times	Total Liabilities / Shareholders' Equity
Interest coverage ratio : ICR	times	EBITDA / Interest Expense from Operations and Investing

Consolidated Cash Flow Summary as of March 31, 2026

SFLEX generated net cash flows from operating activities of THB 79.8 million. Cash flows from operating activities were derived from profit for the period, adjusted for non-cash accounting items and changes in working capital, including trade and other receivables, depreciation and amortization, as well as changes in operating assets and liabilities.

The Company recorded net cash outflows from investing activities amounting to THB 44.5 million, primarily attributable to investments in machinery and equipment for capacity expansion and efficiency enhancement.

Net cash outflows from financing activities amounted to THB 31.2 million, mainly resulting from a reduction in long-term borrowings, net of an increase in short-term borrowings utilized for working capital purposes.

Overall, the combined effect of the above three cash flow components resulted in an increase in cash and cash equivalents of THB 4.6 million.

Unit: Million THB

Cash Flow	JAN-MAR		Change
	2026	2025	
Net cash received from (used in) operating activities	79.8	54.8	25.0
Net cash used in investing activities	(44.5)	(16.8)	(27.7)
Net cash received from (used in) financing activities	(31.2)	6.4	(37.6)
Translation adjustment	0.5	(1.9)	2.4
Cash and cash equivalents increase (decrease)-net	4.6	42.5	(37.9)



ESG and Sustainable development



Starflex Public Company Limited partnered with Thai Union Graphics Company Limited to officially launch the “Starunion Packaging” factory. The facility will produce high-performance flexible packaging for the food and consumer goods industries in both domestic and international markets, with a focus on international standards and environmental sustainability. The factory is located in Sinsakhon Industrial Estate and has an initial production capacity of 200 million pouches per year. The company plans to expand capacity to 800 million pouches annually within five years, while targeting revenue of 1 billion baht by the fifth year of operations (March 2, 2026).

Management of social responsibility



Starflex Public Company Limited donated funds to the Thai Red Cross Society to support its mission of providing assistance and relief to disaster victims in various areas across the country. This initiative forms part of the company’s corporate social responsibility policy, which aims to support social welfare efforts and enhance the quality of life of people affected by natural disasters and emergency situations.(January 9, 2026)



Mr. Pakorn Malakul Na Ayudhya, Chairman of Starflex Public Company Limited, together with the company’s management team, respectfully presented an Advanced Life Support Ambulance (ALS), related ambulance documentation, and a helicopter-compatible ventilator for royal donation to Phanom Dong Rak Hospital in Commemoration of His Majesty the King’s 80th Birthday Anniversary in Phanom Dong Rak District. In addition, a donation of 300,000 baht was graciously presented for charitable purposes at royal discretion, with the aim of expanding public access to modern and efficient healthcare services for people across the region. (February 19, 2026)





Starflex Public Company Limited joined in expanding educational opportunities and promoting technology learning skills for students at Ban Pong Yo School in Lopburi Province. Mr. Sompote Valyasevi, Chief Executive Officer of Starflex Public Company Limited, together with Apichart Karunkornsakul, President of the Social Innovation Foundation, in collaboration with Chularat Hospital Public Company Limited and the Mirror Foundation, continued to support education and youth development in Thailand through a computer donation project. A total of 12 computers were donated to Ban Pong Yo School in Lopburi Province to enhance the quality of education and learning in digital technology, online media, and the creative application of technology. The initiative aims to help students gain faster and more effective access to educational resources.

(February 11, 2026)



Starflex Public Company Limited donated funds to Thammasat University Hospital in support of the Knee Replacement Surgery Fund. The donation aims to assist underprivileged patients who require knee replacement surgery but lack sufficient financial resources and access to medical treatment. (March 24, 2026)