



Date 7 May 2026

Subject Management Discussion and Analysis of Operating Results for Quarter 1/2026

To Director and Manager The Stock Exchange of Thailand

Kijcharoen Engineering Electric Public Company Limited (“the Company”) would like to clarify the Management Discussion and Analysis of the Company operating result for the period ended 31 March 2026, which has been reviewed by certified public accountants as follows

Operating Results of the Company

(Unit : Million Baht)

Operating Results	Quarter 1		Changed		% of Sales	
	2026	2025	Inc(Dec)	Inc(Dec)%	Q1 2026	Q1 2025
Sales of goods	307.88	264.87	43.01	16.24%	100.00%	100.00%
Cost of sales	(227.44)	(183.23)	44.21	24.13%	(73.87)%	(69.18)%
Gross profit	80.44	81.64	(1.20)	(1.47)%	26.13%	30.82%
Other income	0.97	1.09	(0.12)	(11.01)%	0.32%	0.41%
Selling expenses	(20.96)	(18.87)	2.09	11.08%	(6.81)%	(7.12)%
Administrative expenses	(25.55)	(22.96)	2.59	11.28%	(8.30)%	(8.67)%
Other gain (loss), net	(0.13)	-	0.13	0.00%	(0.04)%	-%
Finance cost	(2.53)	(2.24)	0.29	12.95%	(0.82)%	(0.85)%
Profit before income tax	32.24	38.66	(6.42)	(16.61)%	10.47%	14.60%
Income tax	(6.57)	(7.73)	(1.16)	(15.01)%	(2.13)%	(2.92)%
Net profit for the period	25.67	30.93	(5.26)	(17.01)%	8.34%	11.68%

Operating Results	Quarter 1	Quarter 4	QoQ		% of Sales	
	2026	2025	Inc(Dec)	Inc(Dec)%	Q1 2026	Q4 2025
Sales of goods	307.88	261.46	46.42	17.75%	100.00%	100.00%
Cost of sales	(227.44)	(208.60)	18.84	9.03%	(73.87)%	(79.78)%
Gross profit	80.44	52.86	27.58	52.18%	26.13%	20.22%
Other income	0.97	1.10	(0.13)	(11.82)%	0.32%	0.42%
Selling expenses	(20.96)	(20.20)	0.76	3.76%	(6.81)%	(7.73)%
Administrative expenses	(25.55)	(20.99)	4.56	21.72%	(8.30)%	(8.03)%
Other gain (loss), net	(0.13)	0.05	0.18	(360.00)%	(0.04)%	0.02%
Finance cost	(2.53)	(2.55)	(0.02)	(0.78)%	(0.82)%	(0.98)%
Profit before income tax	32.24	10.27	21.97	213.92%	10.47%	3.93%
Income tax	(6.57)	(1.79)	4.78	267.04%	(2.13)%	(0.68)%
Net profit for the period	25.67	8.48	17.19	202.71%	8.34%	3.24%



For the operating results for quarter 1 year 2026, total sales revenue of the company amounted to Baht 307.88 million and net profit for the period amounted to Baht 25.67 million mainly due to the following reasons:

Sales of goods

For quarter 1 year 2026, sales of goods of the company amounted to Baht 307.88 million, which increased from the same period of the previous year by Baht 43.01 million or 16.24% and increase from the quarter 4 year 2025 by Baht 46.42 million or 17.75%. Due to the company's adjustment of its sales promotion programs to be more appropriate and efficient, together with the fact that in the previous quarter revenue was temporarily impacted by accounting recognition under financial reporting standards—specifically related to the estimation of sales discounts and promotional expenses, which were one-off items and have already ceased—the company is able in this quarter to recognize revenue more in line with actual sales volume.

The Company's revenue structure remains primarily driven by KJL standard products, including switchboard cabinets, cable trays, plastic products, and 5K product lines. The continued contribution from these core products reflects the Company's strong market position and consistent demand. The Company places significant emphasis on maintaining product quality and ensuring timely delivery, which are key factors supporting customer confidence and repeat orders. As a result, revenue from KJL standard products accounted for 68.45% of total sales revenue for the first quarter of 2026.

Cost of sales

For quarter 1 year 2026, the company's cost of sales amounted to Baht 227.44 million, which increased from the same period of previous year by Baht 44.21 million or 24.13%, compared to the quarter 4 year 2025, the company's cost of sales increased by Baht 18.84 million or 9.03%, this is consistent with the increase in revenue; however, the cost of sales grew at a higher rate. This was primarily due to intensified sales promotion activities compared to the previous year, aimed at encouraging customers to purchase in larger volumes, thereby enabling the Company to maintain and expand its market share. In addition, the cost of raw materials has begun to increase in line with prevailing economic conditions, further contributing to the rise in cost of sales.

Gross profit

For quarter 1 year 2026, the Company reported gross profit of Baht 80.44 million, a decrease of Baht 1.20 million, or 1.47%, compared to the quarter 4 year 2025, gross profit increased by Baht 27.58 million, or 52.18%. The gross profit margin in quarter 1 year 2026 was 26.13%, which declined compared to the same period last year due to the aforementioned increase in cost of sales. Nevertheless, the gross profit margin showed a significant recovery compared to quarter 4 year 2025, as the Company was able to manage its sales promotion programs more efficiently.



Selling expenses

For quarter 1 year 2026, the company's selling expenses amounted to Baht 20.96 million, which increased from the same period of previous year by Baht 2.09 million or 11.08%, compared to quarter 4 year 2025, the Company's selling expenses increased by Baht 0.76 million, or 3.76%, primarily due to expenses incurred in supporting ongoing sales promotion activities to drive revenue growth. However, the ratio of selling expenses to revenue declined compared to both the previous quarter and the same period last year, reflecting improved efficiency in marketing expenditures, whereby the Company was able to generate revenue at a higher proportion relative to the expenses incurred. The Company has continuously organized seminar activities to promote safety and enhance the capabilities of electricians, engineers, and designers nationwide. These include the "Electricians Power Gathering" seminars, which focus on providing knowledge about proper electrical system installation. During this quarter, the Company held three such seminars in Chiang Mai, Nakhon Ratchasima, and Chonburi. In addition, the Company organized "Electricians Power Gathering: Solar Roof" seminars to provide knowledge on the proper installation of rooftop solar power systems. In this quarter, 2 sessions were held in Ayutthaya and Udon Thani.

Administrative expenses

For quarter 1 year 2026, the company's administrative expenses amounted to Baht 25.55 million, which increased from the same period of previous year by Baht 2.59 million or 11.28%, compared to the quarter 4 year 2025, the company's administrative expenses increased by Baht 4.56 million or 21.72%. The increase was primarily driven by investments in human resources to support business expansion, as well as the engagement of sustainability consultants to establish a foundation for operations in line with ESG frameworks and to elevate the Company's standards toward international sustainability practices. However, the ratio of administrative expenses to revenue remained at a level comparable to previous periods.

Finance cost

For quarter 1 year 2026, the company's finance cost amounted to Baht 2.53 million, which increased from the same period of previous year by Baht 0.29 million or 12.95%. The primary reason was an increase in borrowings to support higher working capital requirements compared to the same period last year.

Compared to the quarter 4 year 2025, the company's finance costs slightly decreased by Baht 0.02 million or 0.78%. As a result of the Company's partial repayment of short-term borrowings and in accordance with the terms of the loan agreements.

Net profit

For quarter 1 year 2026, the company's net profit amounted to Baht 25.67 million, which decreased from the same period of previous year by Baht 5.26 million or 17.01%, with a net profit margin of 8.31%. The increase was primarily attributable to intensified sales promotion activities compared to the previous year, as well as a slight rise in raw material costs, which led to higher overall production costs. Nevertheless, the Company has implemented Industry 4.0 production control systems through investments in automation machinery, enhancing production efficiency and enabling more effective cost control.

Compared to the quarter 4 year 2025, the company's net profit increased by Baht 17.19 million or 202.71%. This was due to the Company's optimization of its sales promotion programs to enhance effectiveness, while continuing to maintain efficient cost management as described above.

Statement of Financial Position

(Unit : Million Baht)

Financial Position	At 31 Mar 2026	At 31 Dec 2025	Inc(Dec)	Inc(Dec)%
Total current assets	470.66	473.87	(3.21)	(0.68)%
Total non-current assets	1,085.35	1,072.95	12.40	1.16%
Total assets	1,556.01	1,546.82	9.19	0.59%
Total current liabilities	649.20	674.82	(25.62)	(3.80)%
Total non-current liabilities	190.53	181.39	9.14	5.04%
Total liabilities	839.73	856.21	(16.48)	(1.92)%
Issued and fully paid-up share capital	116.00	116.00	-	0.00%
Share premium	379.97	379.97	-	0.00%
Retained earnings - Appropriated	11.60	11.60	-	0.00%
Retained earnings - Unappropriated	208.71	183.04	25.67	14.02%
Total equity	716.28	690.61	25.67	3.72%
Total liabilities and equity	1,556.01	1,546.82	9.19	0.59%

Assets

As of March 31, 2026, the company's total assets increased by Baht 9.19 million, or 0.59%, compared to the year ended 2025. The increase was primarily driven by investment in the KJL Innovation Campus (KiN), which is being developed to enhance capabilities in advanced technology and innovation, as well as to expand access to new industries. The project includes the establishment of a Metal Design Lab and a Electrical Total Solution, along with the creation of a Brand Experience to strengthen competitive advantage. This represents a continuation of investments from the previous year. The construction of the facility is expected to be completed in Q2 or Q3 2026.

Liabilities

As of March 31, 2026, the company's total liabilities amounted to Baht 839.73 million, a decrease of Baht 16.48 million or 1.92% compared to the year ended 2025. The decrease was mainly attributable to a reduction in trade payables and contract liabilities. Trade and other payables declined as the Company made payments for goods and services to its suppliers in accordance with normal payment terms. Meanwhile, contract liabilities decreased significantly due to the gradual recognition of revenue from the delivery of goods and services in line with contractual performance obligations, particularly for customers who had placed orders and made advance payments in prior periods.

Equity

As of March 31, 2026, the company's shareholders' equity increased by Baht 25.67 million or 3.72% compared to the year ended 2025. This increase was a result of the net profit generated during the first quarter of 2026, which was equal to the same amount.

Liquidity and capital adequacy

(Unit : Million Baht)

Cashflow	Quarter 1			
	2026	2025	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	(4.22)	86.14	(90.36)	(104.90)%
Net cash generated from (used in) investing activities	(34.51)	(98.55)	(64.04)	(64.98)%
Net cash generated from (used in) financing activities	9.14	27.96	(18.82)	(67.31)%
Net increase (decrease) in cash and cash equivalents	(29.59)	15.55	(45.14)	290.29%
Cash and cash equivalents at the beginning of the period	43.48	58.31	(14.83)	(25.43)%
Cash and cash equivalents at the end of the period	13.89	73.86	(59.97)	(81.19)%

As of March 31, 2026, the company had net cash and cash equivalents of Baht 13.89 million, a decrease of Baht 59.97 million from the beginning of the period. This was primarily due to 1) Net cash used in operating activities amounted to Baht 4.22 million, primarily due to an increase in receivables pending collection under normal credit terms, as well as a slight delay in payments from certain customers. Meanwhile, payments to suppliers remained in line with normal terms, resulting in higher cash outflows. 2) Net cash generated from financing activities of Baht 9.14 million, resulting from borrowings from financial institutions to support working capital and investment in the KJL Innovation Campus. 3) Net cash used in investing activities amounted to Baht 34.51 million, primarily due to cash outflows for the construction of the KJL Innovation Campus (KiN) and the acquisition of machinery and equipment.

**Key Financial Ratios**

Key Financial Ratios	Unit	For the period ended 31 March 2026	For the year ended 31 December 2025	Inc(Dec)
Current Ratio (times)	(time)	0.72	0.70	0.02
Cash Cycle (days)	(day)	66.33	65.08	1.25
Debt to Equity ratio (times)	(time)	1.17	1.24	(0.07)

Current Ratio

For the three-month period of 2026, the company's liquidity ratio was 0.72 times, an increase of 0.02 times compared to 2025.

Cash Cycle

For the three-month period of 2026, the company's cash cycle was 66.33 days, an increase of 1.25 days from 2025. The Company's net collection period, after offsetting the payment period, increased slightly. Nevertheless, the Company continues to closely monitor receivables to ensure timely settlement by customers. In addition, the average payment period decreased, reflecting more efficient management of trade payables. As a result, the Company's cash conversion cycle lengthened; however, this did not affect the Company's overall liquidity.

Debt to Equity Ratio

For the three-month period of 2026, the company's total debt to equity ratio was 1.17 times, which slightly decreased from 2025 to 0.07 times.