



No : TATG-CS-009/2026

May 12, 2026

Subject : Management Discussion & Analysis of Performance Results for 1st Quarter in Year 2026
ended March 31, 2026To : President
The Stock Exchange of Thailand**MANAGEMENT DISCUSSION AND ANALYSIS FOR 1st QUARTER IN YEAR 2026****1. Business and Economic Overview**

The nature of the business operations of THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED is divided into 2 main types of business operations as follows:

1. Business design and manufacture tools for the automotive industry (“Tooling”).
 - 1.1 Stamping Die
 - 1.2 Checking Fixtures
 - 1.3 Assembly Jigs
2. Automotive Press Parts Automotive Press Parts and EDP : Electro Deposition Painting

Thailand Automotive Industry for 1st quarter in year 2026

(Unit : Cars)	(Jan - Mar)		Change	
	2025	2024	Unit	% Change
Export Production	249,343	235,718	13,625	5.78
Domestic Production	120,408	115,356	5,052	4.38
Total Production	369,751	351,074	18,677	5.32

Reference: The Federation of Thai Industries (Automotive Industry)



Regarding the automotive production volume in the first quarter of 2026 (Q1/2026), the total output reached 369,751 units, representing a 5.32% increase compared to 351,074 units during the same period in 2025. This serves as a positive signal following the industry's slowdown throughout 2025, indicating a gradual recovery in the manufacturing sector. Production for export totaled 249,343 units, an increase of 5.78% year-on-year. This growth was primarily driven by the expansion of domestic Electric Vehicle (EV) manufacturing for international markets. Meanwhile, production for the domestic market accounted for 120,408 units, up 4.83% compared to the same period in 2025. However, despite this recovery, the situation remains fragile. The fact that domestic growth lags behind export figures reflects ongoing pressure on local purchasing power.

The overall outlook for the automotive industry in the first quarter (Q1) has shown expansion compared to the same period in 2025. This growth was bolstered by the Bangkok International Motor Show and an acceleration in production for export. Notably, the Battery Electric Vehicle (BEV) segment continues to experience exponential growth. The government's EV 3.5 measures remain in effect until the end of 2027. However, in 2026, the offset production requirements have become more stringent, shifting to a 1:2 ratio (meaning for every 1 unit imported, 2 units must be manufactured locally in Thailand). Furthermore, the growth of electric vehicles is supported by geopolitical tensions, specifically the conflict between the United States and Iran. This situation has caused global oil prices to surge in many countries. Coupled with the preceding economic recession, these factors have led to a significant shift in consumer interest toward Battery Electric Vehicles (BEV) and Hybrid Electric Vehicles (HEV).

According to the report from the Federation of Thai Industries (FTI), the Pick-up Passenger Vehicle (PPV) segment continues to face significant challenges due to high levels of household debt and stringent loan approvals. The gradual nature of the economic recovery has directly impacted both the PPV segment and traditional Internal Combustion Engine (ICE) vehicles, which are currently undergoing a period of major structural adjustment amid the industry's ongoing transformation.

**2. Business Performance**

(Unit: million baht)	For the three month period ended		Change	
	31 March		Amount	%
Consolidated financial statements	2026	2025	Increase (Decrease)	Increase (Decrease)
Revenue from contracts with customers	611.27	676.46	(65.19)	(9.64)
Other income	0.05	0.04	0.01	25.00
Total revenues	611.32	676.50	(65.18)	(9.63)
Cost of sales and services	545.42	616.44	(71.02)	(11.52)
Selling and distribution expenses	6.18	7.85	(1.67)	(21.27)
Administrative expenses	29.49	28.64	0.85	2.97
Total expenses	581.09	652.93	(71.84)	(11.00)
Operating profit	30.23	23.57	6.66	28.26
Finance income	0.10	0.04	0.06	150.00
Finance cost	(6.56)	(9.11)	(2.55)	(27.99)
Profit before income tax expenses	23.77	14.49	9.27	63.93
Income tax expenses	(5.54)	(1.18)	4.36	369.49
Profit for the year	18.23	13.31	4.91	36.86
Net Profit Margin (%)	2.98	1.97		

Revenue from contracts with customers decreased by THB 65.19 million, or 9.64 primarily due to a decline in revenue from the automotive parts manufacturing business of THB 51.83 million, or 8.49 and the tooling design and manufacturing business of THB 13.39 million, or 20.39 This was mainly attributable to the continued slowdown in demand from internal combustion engine (ICE) vehicle and pickup truck customers amid a slow economic recovery and tighter lending policies, which negatively affected purchasing power and reduced order volumes in the market.



Cost of sales and services Costs decreased by THB 71.02 million, or 11.52 mainly driven by effective cost control measures in raw materials, direct labor, and employee-related expenses. The fact that costs declined at a higher rate than revenue reflects improved profitability, resulting in an expansion of the net profit margin compared to the same period last year.

Selling and distribution expenses decreased by 1.67 million baht, or 21.27 percent, primarily due to a decrease in transportation costs. Advertising and entertainment expenses also decreased, mirroring the decline in revenue.

Administrative expenses increased by 0.85 million baht, or 2.97 percent, primarily due to increases in welfare costs, social security contributions and other administrative expenses.

Profit for the year increase by 4.91 million baht, or 36.86 percent, was primarily due to efficient management of cost structure and operating expenses, resulting in a decrease in cost of goods sold, cost of services, and selling expenses compared to the same period of the previous year.

3. Financial position

(Unit: Million Baht)	As of 31 March		Change	
			Amount	%
	2026	2025	Increase (Decrease)	Increase (Decrease)
Assets	2,193.53	2,269.04	(75.51)	(3.33)
Liabilities	1,026.62	1,153.07	(126.45)	(10.97)
Shareholders' equity	1,166.91	1,115.97	50.94	4.56

The Company's Financial Position as of March 31, 2026, the company had total assets of 2,193.53 million baht, a decrease of 75.51 million baht or 3.33 percent compared to the previous year. This was primarily due to a decrease in trade receivables and other current receivables, which is consistent with the slowdown in operating revenue



Total liabilities amounted to 1,026.62 million baht, a decrease of 126.45 million baht or 10.97 percent. This was mainly due to the ability to repay loans from financial institutions, as well as a decrease in trade payables and other current liabilities due to the reduced volume of goods and services purchased in line with the production plan.

As for shareholders' equity, it amounted to 1,166.91 million baht, an increase of 50.94 million baht or 4.56 percent, which is due to the recognition of net profit in the current period.

Key Financial Ratios

Key Financial Ratios	Unit	As of 31 March	
		2026	2025
Return on Equity (ROE)	%	6.39	5.23
Return on Assets (ROA)	%	3.27	2.39
Debt to Equity Ratio (D/E Ratio)	times	0.88	1.04

The return on equity as of March 31, 2026, was 6.39 an increase compared to the previous year. This was primarily due to the expansion of the shareholder base from increased recognition of retained earnings during the year. However, the company continued to maintain its profitability and consistently generate returns for shareholders.

The return on assets as of March 31, 2026, the net profit margin stood at 3.27 representing an increase from the previous year. The Company was able to maintain strong profitability despite slower revenue growth and higher administrative expenses. This improvement was primarily attributable to enhanced efficiency in overall cost and expense management, resulting in a higher net profit margin.

The debt-to-equity ratio as of March 31, 2026, decreased to just 0.88 times. This significant decrease resulted from increased net profit recognition in equity, coupled with the continuous repayment of loans from financial institutions, leading to a significantly reduced debt burden and lower financial risk for the company.



4. Factors affecting the growth of the company in the future

1) The advent of AI Automation technology to increase production efficiency.

The Company prioritizes technological advancement alongside continuous personnel development to ensure our workforce remains highly capable and adaptable to rapid technological shifts. Currently, AI Automation is playing an increasingly prominent role within the automotive industry. Leading automobile manufacturers have fully integrated AI Automation into their assembly lines. In alignment with this trend, Thai Auto Tools Group has implemented AI Automation in our automotive parts manufacturing processes. This includes the deployment of Robotic Arms and the utilization of 3D computer software for mold design and forming simulation. These technologies are instrumental in enhancing operational efficiency and reducing manufacturing waste, enabling the Company to maintain a strong profit margin even amidst fluctuations in raw material prices.

2) Factors related to economic direction and government policy

The Federation of Thai Industries (FTI) has projected an annual automotive production target for 2026 at approximately 1,500,000 units. Data from the first quarter clearly indicates that Battery Electric Vehicles (BEVs) and Hybrid Electric Vehicles (HEVs) are the primary segments driving growth. This expansion is fueled by rising consumer demand, the mandatory local production requirements under the EV 3.5 measures to offset imports, and Local Content policies. While these supporting measures empower local manufacturers to compete more effectively, they have also led to intensified market competition. In this competitive landscape, Thai Auto Tools Group leverages its One-Stop Service capabilities to maintain high service standards and a loyal core customer base. Consequently, the Group remains highly competitive and resilient, even amidst the major transformation of the automotive industry.



5. Sustainability development

With reference from Solar Rooftop installation project size 2,033.60 kWp at THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED and 3 subsidiaries in Pathum Thani and Chonburi provinces. Thai Auto Tools Group would like to report the results of the Group's in 1st Quarter (Jan-March) of carbon footprint assessment ended March 31, 2026 as follow;

Greenhouse Gas Emission Sources	Required Data	2026	2026	Change (Unit: Ton Co ₂ e)
		Jan. – Mar. (Unit: Ton Co ₂ e)	Jan. – Mar. (Unit: Ton Co ₂ e)	
Scope 1	Direct greenhouse gas emissions: - Stationary combustion. - Mobile combustion. - Other movements.	337	316	21
Scope 2	Indirect greenhouse gas emissions from energy use.	968	1,048	-80
Scope 3	Other indirect greenhouse gas emissions: - Paper use. - Raw material use.	22,199	22,203	-4
Total		<u>23,504</u>	<u>23,567</u>	<u>-63</u>

Please be informed accordingly.

Yours faithfully,

THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED

- Mr. Payung Sakdasawit -

(Mr. Payung Sakdasawit)

Chairman of the Executive Committee