



Stone One Public Company Limited Management Discussion and Analysis

Quarter 1 Ending 31 March 2026
(STX:TB)



Management Discussion and Analysis Q1/2026

1. Executive Summary

For the consolidated financial results for Q1/2026, the Company reported total revenue of THB 82.43 million, decreasing by THB 27.65 million or -25.12% YoY. The decline was primarily attributable to the absence of Bigrock sales following the completion of a major customer project at the end of 2025. In addition, the overall construction and real estate sectors, which represent the Company's key customer base, continued to face a challenging operating environment during the quarter. The residential property market remained soft, while investment in commercial real estate projects showed limited recovery. Furthermore, political uncertainty surrounding the government election during Q1/2026 affected overall business sentiment and delayed certain private sector investment decisions. Meanwhile, rising global geopolitical tensions, particularly the Iran conflict, contributed to higher oil prices in March, which increased transportation and construction-related costs. As a result, demand for industrial construction stone products softened during the quarter. Revenue from granite and limestone products decreased by THB 17.81 million and THB 14.56 million, respectively, while dolomite revenue increased by THB 1.05 million due to customer base expansion. Revenue from by-products also slightly declined by THB 0.26 million. Meanwhile, the Company continued to incur operating expenses and costs related to the preparation and development of the new quarry project to support future business expansion and long-term growth. Combined with the softer revenue performance during the quarter, these factors placed short-term pressure on operating results, resulting in a net loss of THB 0.51 million for Q1/2026. Nevertheless, the Company remained EBITDA-positive, at THB 11.79 million.

2. Economic and Construction Industry Outlook

According to research by SCB EIC, Thailand's economic growth forecast for 2026 has been revised down to 1.4% from the previous 1.8%, primarily due to the Middle East conflict impacting the Thai economy through the following key factors.

- Exports decline amid global slowdown, while imports rise on higher energy costs.
- The number of foreign tourists declines due to fewer available flights and higher air travel costs.
- Energy prices and inflation accelerate, undermining the purchasing power and confidence of households and businesses, further compounding their existing fragilities.
- While government spending helps cushion the impact, its effectiveness may be constrained by public debt nearing the ceiling.

According to the construction industry outlook published by SCB Economic Intelligence Center, overall construction investment in 2026 is projected to grow modestly. Public sector construction investment is expected to expand by approximately 3%, supported by the timely establishment of a new government and the scheduled commencement of the FY2027 fiscal budget disbursement. However, downside risks remain from geopolitical

tensions in the Middle East, which could increase material costs and potentially divert government budget allocations toward energy price stabilization measures. Meanwhile, private sector construction investment is projected to grow by only 2%, reflecting delays in investment decisions within the industrial and residential sectors amid ongoing economic uncertainty. In addition, the construction materials price index is expected to increase by 2.6%, primarily driven by higher oil prices, resulting in elevated overall project costs across the construction industry.

3. Significant event after the reporting period

On 30 April 2026, the Annual General Meeting of Shareholders for the year 2026 resolved to approve the payment of dividends from net profit for the year ended 31 December 2025 at THB 0.085 per share, totaling THB 26.10 million. The dividend payment is scheduled to be made to shareholders on 29 May 2026.

On 15 May 2026, the Board of Directors' Meeting resolved to approve the registered capital increase of Boonthavorn Mining Co., Ltd., a wholly owned subsidiary of the Company. The capital increase is intended to strengthen liquidity, support investment in the development and construction of the new quarry, and provide working capital for future operations.

Transaction	Before Capital Increase	After Capital Increase
Registered Capital	12,000,000 Baht Ordinary 120,000 Shares Par Value of 100 Baht/Share	60,000,000 Baht Ordinary 600,000 Shares Par Value of 100 Baht/Share

Progress Update of Khao Yoi Quarry Project Following the Company's acquisition of 100% of the ordinary shares in Boonthavorn Mining Co., Ltd. ("BTV") in Q2/2025, the Company entered into a Turn-Key Project construction agreement for the installation of a fully integrated production system. However, certain external factors, including timing adjustments in related regulatory and permitting processes, have resulted in delays in obtaining permits associated with the construction and development of the new quarry beyond the original timeline. In addition, ongoing international conflicts have led to a significant increase in diesel fuel prices, which has further affected and delayed the Company's quarry development plan. As a result, the Company currently expects to commence commercial operations and begin recognizing revenue from the new quarry project from early Q4/2026 onwards.

4. Operation Performance according to Consolidated Financial Statement

Unit: Thousand Baht

Income Statement	3M/2026	3M/2025	Increase/(Decrease)	
Revenue				
Revenue from sales and services	72,914	101,325	(28,411)	(28.04%)
Revenue from sales of by-products	6,022	6,283	(260)	(4.14%)
Other income	3,496	2,476	1,021	41.23%
Total revenue	82,432	110,084	(27,651)	(25.12%)
Cost & Expenses				
Cost of sales & services	63,020	76,939	(13,919)	(18.09%)
Gross profit	9,894	24,386	(14,492)	(59.43%)
Selling and administrative expenses	19,789	22,453	(2,664)	(11.86%)
Expected credit losses (ECL)	(1,313)	(52,501)	51,188	(97.50%)
Total costs & expenses	18,477	(30,048)	48,525	(161.49%)
Earnings before interest and taxes	935	63,192	(62,257)	(98.52%)
Finance cost	1,985	194	1,790	921.10%
Profit (loss) before income tax	(1,049)	62,998	(64,047)	(101.67%)
Income tax expenses	(538)	21,878	(22,416)	(102.46%)
Net profit for the period	(511)	41,120	(41,631)	(101.24%)
EBITDA	11,788	75,379	(63,591)	(84.36%)

The Company reported total revenue from operations for Q1/2026 of THB 82.43 million, representing a decrease of THB 27.65 million or -25.12% YoY. The decline was primarily attributable to weaker sales of the Company's core granite and limestone products, in line with intensified industry competition and the slowdown in construction activities amid the economic slowdown. In addition, the real estate sector continued to face high property inventory levels and elevated household debt, which continued to weigh on purchasing power and new project developments. Furthermore, the geopolitical conflict involving Iran and escalating international tensions resulted in a sharp increase in energy prices, adversely affecting transportation costs and overall construction costs across the industry. The Company's revenue decreased due to the following factors:

Revenue from sales and services in Q1/2026 amounted to THB 72.91 million, representing a decrease of THB 28.41 million or -28.04% YoY, mainly attributable to the following factors:

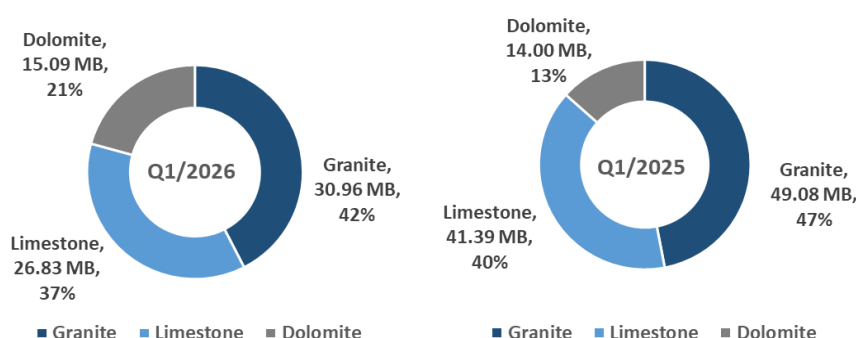
Revenue from product sales decreased by THB 31.33 million, comprising a decline in granite product revenue of THB 17.81 million. Revenue from Bigrock sales decreased by THB 15.11 million compared to the same period of the previous year, primarily due to the absence of purchase orders from a major customer, as the land reclamation project utilizing Bigrock products had already been completed. In addition, sales of 20 mm construction stone decreased by THB 2.70 million, driven by declines in both sales volume and selling prices as a result of weaker market conditions and intensified competition as mentioned above. Furthermore, revenue from

limestone products decreased by THB 14.56 million, while revenue from dolomite products increased by THB 1.05 million, supported by the expansion of new customers during the quarter.

Revenue from services increased by THB 2.92 million, driven by higher sales of dolomite products in this quarter.

Other income consisted of revenue from the sales of by-products from granite and limestone, in Q1/2026 amounted to THB 6.02 million, a decrease of THB 0.26 million or -4.14% compared with the same period last year. Meanwhile, other income in Q1/2026 increased by THB 1.02 million, or 41.23%, to THB 3.50 million, mainly due to collections from long-outstanding trade receivables.

Proportion of Revenue



Cost of sales and services in Q1/2026 totaled THB 63.02 million, a decrease of THB 13.92 million, or -18.09%, compared with the same period last year, The variable cost amounted to THB 38.98 million, decreasing by THB 13.52 million YoY, primarily driven by lower cost of goods sold in line with the reduced sales volume, fixed costs remained relatively stable at THB 24.04 million, a slight decrease of THB 0.39 million or -1.6% YoY, mainly due to a reduction in employee-related expenses. Overall, the production cost structure in Q1/2026 comprised variable 62% and fixed costs 38%, compared with 68% to 32% in the previous year.

Selling and administrative expenses in Q1/2026 amounted to THB 19.79 million, a decrease of THB 2.66 million or -11.86% YoY. The decrease was mainly attributable to lower employee-related expenses, as well as the absence of advisory fees incurred in connection with the new quarry acquisition transaction in Q1/2025, which had resulted in higher-than-normal expenses during the prior-year period.

Expected credit loss in Q1/2026, the Company received the payment of Baht 1.31 million from trade receivables that had a full allowance for expected credit losses, resulting in a reversal of the allowance for expected credit losses. In contrast, in Q1/2025, the Company received THB 52.50 million from a debt settlement agreement with a trade receivable, whereby part of the debt was forgiven and the remaining outstanding balance was settled in a lump-sum payment.

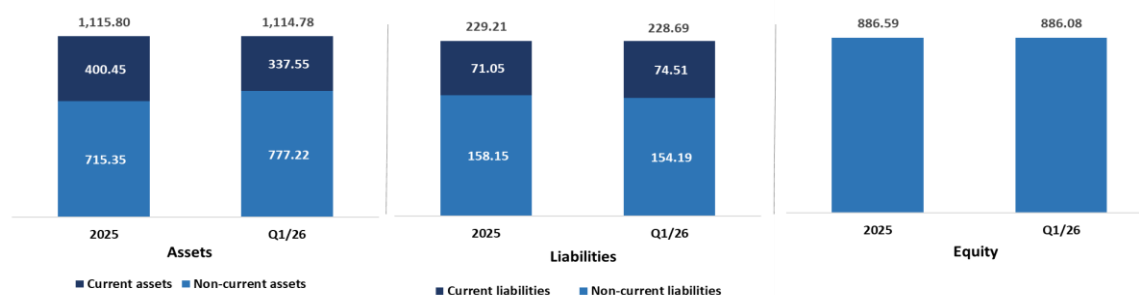
Finance Costs for Q1/2026 amounted to THB 1.98 million, increasing by THB 1.79 million YoY, mainly due to long-term loan obligations and lease liabilities for machinery acquired to support the construction of the new quarry.

Income Tax Expense in Q1/2026, stood at THB -0.54 million, a decrease of THB 22.42 million or -102.46% YoY. This was mainly due to the write-off of deferred tax assets in Q1/2025 following the collection of long-outstanding trade receivables during that period.

As a result of the above factors, the Company reported a net loss of THB 0.51 million in Q1/2026, decreasing by THB 41.63 million or -101.24% YoY. The decline was primarily due to the high base effect from Q1/2025, during which the Company recognized a significant reversal of expected credit losses following the settlement of long-outstanding trade receivables. In addition, softer industry conditions and expenses related to the development of the new quarry project continued to impact operating performance in the current quarter. Nevertheless, the Company reported positive EBITDA of THB 11.79 million in Q1/2026, a decrease of THB 63.59 million or -84.36% YoY. Earnings per share (EPS) was a loss of THB -0.002, compared to THB 0.13 in the previous year.

5. Analysis of Statement of Financial Position

Unit: Million Baht



Total Assets

As of March 31, 2026, the company reported total assets of THB 1,114.78 million, a decrease of THB 1.02 million, or -0.09%, from December 31, 2025, primarily due to the following factors:

Current assets amounted to THB 337.55 million, a decrease of THB 62.90 million, or -15.71%, mainly from:

- Cash and cash equivalents decrease by THB 34.60 million, primarily due to investments in the development and construction of the new quarry project.
- Trade and other receivables decreased by THB 8.80 million, mainly due to lower sales during the period. In addition, short-term loans to other parties decreased by THB 15.00 million as a result of the transfer of land ownership from a debtor in settlement of outstanding principal and accrued interest.
- Inventories –net decreased by THB 4.20 million, mainly due to the reduction in blasted granite rock inventory, as operations at the Nong Kha Quarry have ceased blasting activities since December 2025 following the depletion of remaining rock reserves. However, the Nong Kha Quarry is expected to continue production operations until mid-2026.

Non-current assets amounted to THB 777.22 million, an increase of THB 61.87 million or 8.65% mainly from:

- Investment properties increased by THB 20.46 million as a result of the transfer of land ownership from a loan

debtor in settlement of outstanding debt obligations

- Property, plant and equipment – net increased by THB 31.19 million, while right-of-use assets – net increased by THB 7.39 million, mainly driven by construction-in-progress for the new Khao Yoi quarry, including investments in buildings, machinery, and equipment.

Liabilities and Equity

As of March 31, 2026, the company had total liabilities of THB 228.69 million, a slight decrease of THB 0.51 million, or -0.22% from December 31, 2025. The changes in liabilities were mainly attributable to an increase of THB 11.01 million in lease liabilities and short term loan borrowings from financial institutions, while trade and other payables decreased by THB 9.28 million. Employee benefit obligations decreased by THB 1.53 million, and other liabilities decreased by THB 0.71 million.

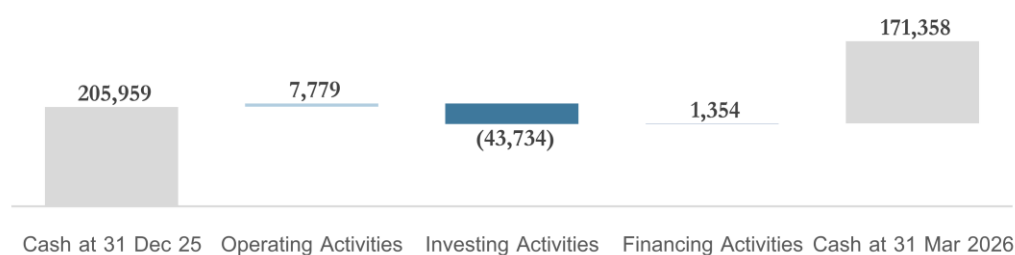
Currently, The Company's debt structure comprises approximately 24 % fixed-rate and 76 % floating-rate borrowings, aligned with its financial cost management strategy in response to prevailing market conditions.

Total Equity

As of March 31, 2026, the company had shareholders' equity of THB 886.08 million, a decrease of THB 0.51 million, or -0.06% from December 31, 2025 due to the net loss reported in Q1/2026.

6. Analysis of Cash flows

Cash Flow Statement (Unit: Thousand)



As of March 31, 2026, the company and its subsidiaries had cash and cash equivalents of THB 171.36 million, a decrease of THB 34.60 million from December 31, 2025. This was primarily driven by the following:

- **Net cash flow from operating activities** amounted to THB 7.78 million, The operating result of period of in Q1/2026 improved cash position THB 10.71 million, adjusted by the change in operating assets and liabilities and income tax of THB -2.93 million.
- **Net cash used in investing activities** totaled THB -43.73 million, mainly due to cash payments for the acquisition of fixed assets and advance payments for the construction of the Khao Yoi Quarry project totaling THB 42.48 million, as well as cash payments for excavation costs for new quarry amounting to THB 1.17 million.

- Net cash used in financing activities was THB 1.35 million, mainly from the utilization of short term loan amounting to THB 9 million and payments for lease liabilities and interest expenses totaled THB 7.65 million.

7. Key Financial Ratios

Financial Ratios	Q1/2026	Q1/2025
Gross Profit Margin (%)	13.57	24.07
Net Profit Margin (%)	-0.62	37.35
EBITDA Margin (%)	14.30	68.47
Earnings Per Share (Baht)	-0.002	0.13
Return on Assets (ROA) (%)	-0.05	8.40
Return on Equity (ROE) (%)	-0.06	9.21
	Q1/2026	2025
Current Ratio (Times)	4.53	5.64
Debt to Equity Ratio (Times)	0.26	0.26
Interest-Bearing Debt to Equity Ratio (Times)	0.17	0.17
Book Value/Share (Baht)	2.88	2.95

8. Sustainability Development

The Company integrates ESG sustainability across all operations, focusing on the following key areas:

Governance and Economic Dimension

The Company is committed to upholding the highest standards of corporate governance, guided by ethical integrity and legal compliance to maximize long-term shareholder value through transparent and accountable management, free from conflicts of interest. We prioritize systematic risk management and robust internal controls while fostering continuous professional development for our Board of Directors and executives. Furthermore, we remain dedicated to the equitable treatment of all stakeholders. In 2026, the Company established a strategic framework to formally declare its intent to join the Thai Private Sector Collective Action Against Corruption (CAC), reaffirming our commitment to transparency and sustainable integrity across all levels of the organization.

Environment Dimension

The Company prioritizes sustainable resource management with specific 2026 targets: reducing fuel consumption by 0.5%, Specific Electricity Consumption (SEC) by 2.8%, water usage by 2.0%, and waste by 0.5%. To mitigate climate change, we aim to decrease greenhouse gas emissions by 2.0% through energy management and carbon sequestration. By leveraging modern technology to control air, noise, and vibration pollution, we ensure full legal compliance and maintain stakeholder confidence.

Social Dimension

The Company operates with integrity, upholding human rights and fostering employee development while ensuring strict contractual compliance with customers, partners, and creditors. We actively engage with local communities to mitigate operational impacts. For 2026, we aim to maintain employee training standards and enhance occupational health and safety measures to further reduce work-related accidents and illnesses compared to 2025.

Q1/2026 CSR Activities update

- Sponsored gifts and prizes for the 2026 National Children's Day events at 13 schools located in Phetchaburi (3), Chonburi (3), and Ratchaburi (7).
- Donation of stone products to Nong Bua Khai Village and Khao Hua Khon Village in Ratchaburi Province to assist with local infrastructure improvements.
- Sponsored the establishment of 8 public service checkpoints during the Songkran Festival to support community safety and convenience.

