บริษัท โฮม พอตเทอรี่ จำกัด(มหาชน)
119 หมู่ 15 ต. สบปราบ อ.สบปราบ จ.ลำปาง 52170
Tel : (+66) 054-858996 Fax : (+66) 054-296556
www.homepottery.com

HOME POTTERY

Home Pottery Public Company Limited
119 Moo 15 T. Sobprab A. Sobprab Lampang 52170 Thailand
Tel : (+66) 054-858996 Fax : (+66) 054-296556
www.homepottery.com

July 27, 2026

Subject: Management Discussion and Analysis For the year ended December 31, 2025

To: The President, The Stock Exchange of Thailand

Home Pottery Public Company Limited ("The Company") would like to submit the Management Discussion and Analysis of the Company's operation for the year 2025 ended 31 December, 2025 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
(Unit: Million Baht)	31/12/2025	31/12/2024 (Restated)	31/12/2025	31/12/2024 (Restated)	(Million Baht)	%
Revenue from Sales	311.56	300.44	277.71	254.87	22.84	8.96
Gain on exchange	0.81	0.00	0.60	0.47	0.13	27.66
Other income	4.39	4.00	3.42	3.02	0.40	13.25
Total Revenue	**316.76**	**304.44**	**281.73**	**258.36**	**23.37**	**9.05**
Cost of Sales	249.07	221.48	233.70	193.78	39.92	20.60
Cost of distributions	25.37	24.05	18.39	18.18	0.21	1.16
Administrative Expenses	25.58	24.99	17.97	18.05	-0.08	-0.44
Loss from fair value						
measurement of derivatives - net	0.10	0.37	0.10	0.38	-0.28	-73.68
Loss on exchange	0.00	0.15	0.00	0.00	0.00	0.00
Total Expenses	**300.12**	**271.04**	**270.16**	**230.39**	**39.77**	**17.26**
Profit from operating activities	**16.64**	**33.40**	**11.57**	**27.97**	**-16.40**	**-58.63**
Financial costs	-3.89	-2.30	-3.61	-2.10	1.51	71.90
Profit before tax	**12.75**	**31.10**	**7.96**	**25.87**	**-17.91**	**-69.23**
Tax income (expenses)	-1.27	-1.08	-0.29	0.08	0.37	-462.50
Profit for the year	**11.48**	**30.02**	**7.67**	**25.95**	**-18.28**	**-70.44**
Profit attributable to :						
Equity holders of the parent	11.40	29.94				
Non- controlling interests	0.08	0.08				

The separate financial statements of Home Pottery Public Company Limited (the "Company") for the year ended 31 December 2025 reported **total revenue of Baht 281.73 million**. **Cost of sales** amounted to **Baht 233.70 million**, while ** cost of distributions, administrative expenses, loss on fair value measurement of derivative-net instruments, and financial cost of totaled **Baht 40.07 million**. As a result, the Company reported **net profit for the year of Baht 7.67 million**. The significant changes in the Company's operating results compared with the previous year are summarized as follows:

Sales Revenues:

In 2025, the Company reported sales revenue of **Baht 277.71 million**, an increase of **Baht 22.84 million**, or **8.96%**, from the previous year, mainly driven by higher sales volume.

Although export volume and sales continued to increase, the continued appreciation of the Thai Baht reduced the value of export revenue when translated into Thai Baht. In addition, the Company was unable to immediately adjust selling prices for overseas customers under the prevailing market conditions. Geopolitical uncertainties also affected customers' purchasing decisions, resulting in delayed purchase orders and lower-than-expected growth in new orders.

Cost of sales, Cost of distributions and Administrative Expenses:

In 2025, the Company reported cost of sales of Baht 233.70 million, an increase of Baht 39.92 million, or 20.60%, from Baht 193.78 million in 2024. The increase was primarily attributable to the initial phase of production process improvements and production line upgrades to support new product manufacturing, resulting in higher production costs during the transition period. Consequently, gross profit amounted to Baht 44.01 million, representing a gross profit margin of 15.85%, compared with 23.97% in the previous year. The Company expects the gross profit margin to gradually improve as production efficiency increases and cost management becomes more effective.

In 2025, cost of distribution and administrative expenses amounted to Baht 36.36 million, compared with Baht 36.23 million in the previous year. The slight increase was primarily attributable to higher transportation expenses in line with increased sales volume.

Net profit and Net profit margin

In 2025, the Company reported net profit for the year of Baht 7.67 million, representing a net profit margin of 2.72% of total revenue, compared with Baht 25.95 million in the previous year. The decrease in net profit was mainly attributable to the lower gross profit margin resulting from the continued appreciation of the Thai Baht and higher production costs incurred during the initial phase of production process improvements. In addition, the Company was unable to immediately adjust selling prices due to slower customer demand, which further affected profitability.

For the year ended 31 December 2025, the consolidated financial statements reported sales revenue of Baht 311.56 million, cost of sales of Baht 249.07 million, and net profit for the year of Baht 11.48 million. The higher net profit compared with the separate financial statements was primarily attributable to the subsidiary's more efficient cost and expense management, resulting in a higher net profit margin at the consolidated level.

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The year 2025 marked an important transition for the Company in strengthening its foundation for sustainable growth. During the year, the Company faced challenges from external factors, including the appreciation of the Thai Baht and the slowdown in the global economy resulting from geopolitical conflicts. In response, the Company implemented a strategic transformation by diversifying business risks and developing new products to enhance its long-term competitiveness.

Product Portfolio Transformation and Diversification

- The Company introduced new product categories, including stoneware products, to reduce reliance on existing core products affected by slower overseas demand and to diversify business risks.
- The Company introduced higher value-added products, including lifestyle products, to respond to changing market demand and meet the needs of new target customer segments.
- The expansion of the product portfolio required production line improvements and a production learning process, resulting in a temporary increase in cost of sales during the year. These investments are expected to enhance production efficiency in the long term.

In summary, the decline in profitability in 2025 was primarily a temporary impact from the Company's business adaptation and production structure improvements. As the new production processes become more stable and the new product channels gradually contribute to revenue generation, the Company expects to strengthen its revenue structure and improve operational efficiency over the long term.

Best Regards,

Home Pottery Public Company Limited

Mr.Nipat Chourkittisopon

Acting Managing Director