บมจ. ลีพัฒนาผลิตภัณฑ์
LEE FEED MILL PCL.

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Ref.No. LEE 09/2026

10 August 2026

**Subject : Management Discussion and Analysis for the second quarter ended 30 June 2026**
**To : President of The Stock Exchange of Thailand**

Lee Feed Mill Public Company Limited and its subsidiaries ("the Company") would like to explain the operating results for the year ended 30 June 2026, as follows:

## 1. Executive Summary

The Company is principally engaged in the manufacture and distribution of animal feed. The operating performance for the second quarter of 2026 declined from both the same quarter of the previous year and the preceding quarter, mainly due to lower sales volume. In addition, livestock farmers' purchasing power remained weak, prompting customers to exercise greater caution in managing costs and placing animal feed orders.

| Financial Highlights (Unit: Million Baht) | Quarter 2/2025 | Quarter 1/2026 | Quarter 2/2026 | YoY (%) | QoQ (%) |
|---|---|---|---|---|---|
| Sales | 714 | 663 | 593 | -17% | -11% |
| Gross Profit | 128 | 88 | 74 | -42% | -16% |
| Gross Profit Margin | 18% | 13% | 12% | -6% | -1% |
| Net Profit | 78 | 41 | 27 | -65% | -34% |
| Profit attribute to the Company | 76 | 41 | 27 | -64% | -34% |
| Cash flows from operation | 451 | 65 | 101 | -77% | 55% |

According to the consolidated financial statements for the second quarter ending 30 June 2026, the Company had net profit attributable to equity holders of the Company of Baht 27 million, equivalent to Baht 0.03 per share, representing decreases of 64% year-on-year and 34% quarter-on-quarter. Nevertheless, the Company maintained a strong financial position and liquidity, with a debt-to-equity ratio of 0.13 times and a current ratio of 11.28 times.

## 2. Business Overview, Economic and Industry Factors Affecting Operations

In the second quarter of 2026, the Thai economy slowed from the previous quarter due to pressures from energy prices, the cost of living and heightened geopolitical uncertainty. These factors weakened private consumption and the purchasing power of certain business sectors.

The animal feed industry continued to be affected by farmers' purchasing power, livestock prices, price competition and volatility in key raw materials, including corn, soybean meal, fishmeal, rice bran and

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broken rice. Consequently, customers became more cautious in placing orders and placed greater emphasis on farming costs.

The Company therefore continued to focus on raw material cost management, procurement planning, production efficiency control and the adjustment of product strategies to suit market conditions, with a view to maintaining competitiveness and mitigating the impact of cost volatility on its operating results. In addition, the Company continued to operate prudently, with particular emphasis on trade receivable risk management and disciplined sales policies, in order to sustain its competitiveness and financial stability.

## 3. Significant Events and Developments

During the second quarter of 2026, the Company had no significant events or extraordinary transactions that materially affected its business operations, financial position, or operating performance. Nevertheless, the Company continued to closely monitor key factors, including raw material costs, exchange rates, and market conditions in the animal feed industry.

On 10 August 2026, the Board of Directors' Meeting No. 3/2026 resolved to approve the disposal of treasury shares repurchased under the Company's share repurchase programs for financial management purposes, as approved by the Board of Directors' Resolutions No. 1/2023 dated 24 February 2023, No. 2/2024 dated 12 March 2024, and No. 2/2025 dated 9 May 2025. The total number of treasury shares repurchased amounted to 31,200,201 shares, representing 3.38% of the Company's total issued shares (as of the approval date). The disposal period is from 17 August 2026 to 21 August 2026. The disposal price of the treasury shares shall not be lower than 85% of the average closing price of the Company's shares over the five trading days prior to each disposal date. Upon expiry of the disposal period, if the Company is unable to dispose of all treasury shares or dispose of only a portion thereof, the Company will proceed with a reduction of its paid-up capital by cancelling all treasury shares remaining undisposed.

## 4. Operating Results for the second quarter of 2026

Statement of Comprehensive Income (Consolidated Financial Statements)

| Items (Unit: Million Baht) | Quarter 2/2025 | Quarter 1/2026 | Quarter 2/2026 | YoY (%) | QoQ (%) |
|---|---|---|---|---|---|
| Sales | 714 | 663 | 593 | -17% | -11% |
| Cost of sales | (586) | (575) | (519) | -11% | -10% |
| **Gross profit** | **128** | **88** | **74** | **-42%** | **-16%** |
| Other income | 4 | 3 | 6 | 50% | 100% |
| Selling and Administrative expenses | (46) | (48) | (48) | 4% | 0% |
| Reversal (Impairment) on AR | 0 | 0 | (1) | N.M. | N.M. |
| Gain (Loss) on Financial Assets | (2) | 5 | 6 | N.M. | 20% |

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| Items (Unit: Million Baht) | Quarter 2/2025 | Quarter 1/2026 | Quarter 2/2026 | YoY (%) | QoQ (%) |
|---|---|---|---|---|---|
| Gain (Loss) on Biological Assets | 0 | 0 | (2) | N.M. | N.M. |
| **Operating profit** | **84** | **48** | **35** | **-58%** | **-27%** |
| Finance income | 5 | 3 | 3 | -40% | 0% |
| Finance cost | (1) | (1) | (1) | 0% | 0% |
| **Profit before income tax** | **88** | **50** | **37** | **-58%** | **-26%** |
| Income tax expenses | (10) | (9) | (10) | 0% | 11% |
| **Net profit** | **78** | **41** | **27** | **-65%** | **-34%** |
| **Profit attribute to the Company** | **76** | **41** | **27** | **-64%** | **-34%** |
| **Earnings per share (฿)** | **0.09** | **0.05** | **0.03** | **-67%** | **-40%** |

Financial Ratios Relative to Sales

| Items | Quarter 2/2025 | Quarter 1/2026 | Quarter 2/2026 | YoY (%) | QoQ (%) |
|---|---|---|---|---|---|
| Gross profit margin | 18% | 13% | 12% | -6% | -1% |
| S&A expenses to sales | 6% | 7% | 8% | 2% | 1% |
| Operating profit margin | 12% | 7% | 6% | -6% | -1% |
| Net profit margin | 11% | 6% | 5% | -6% | -1% |

## Operating Results Analysis for the second quarter

### Revenues from sales

The Company's revenue comprises 55% from aquaculture feed, 43% from livestock feed, 1% from pet food and 1% from livestock breeds and agricultural crops.

The Company recorded revenues of Baht 593 million, representing decreases of 17% from the same period of the previous year and 11% from the preceding quarter. The decreases were mainly attributable to lower sales volume, together with the economic slowdown, which caused livestock farmers to exercise greater caution in managing farming costs and to place greater emphasis on the cost-effectiveness of animal feed. These factors affected order volumes and customers' selection of products appropriate to prevailing market conditions.

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### Cost of Sales and Gross Profit Margin

Cost of sales for the second quarter of 2026 amounted to Baht 519 million, decreasing by 11% from the same quarter of the previous year and by 10% from the preceding quarter. However, cost of sales declined at a slower rate than sales revenue due to volatility in raw material prices and energy costs, coupled with lower production volume, which affected capacity utilization efficiency.

Nevertheless, the Company continued to effectively manage production costs through raw material procurement planning, feed formulation management, alignment of plant capacity utilization with order volumes, and the use of electricity generated by its solar rooftop project, which partially mitigated the impact of energy costs. As a result, the Company recorded gross profit of Baht 74 million, decreasing by 42% year-on-year and 16% quarter-on-quarter. Gross profit margin was 12%, compared with 18% in the previous year and 13% in the preceding quarter.

### Other Income

Other income was Baht 6 million, increasing from Baht 4 million in the same quarter of the previous year and increasing from Baht 3 million in the preceding quarter. The increase was mainly attributable to higher dividend income from investments in financial assets. Such other income was not derived from the Company's core operations.

### Selling and Administrative Expenses

Selling and administrative expenses for the second quarter of 2026 amounted to Baht 48 million, increasing by 4% from the same period of the previous year and remaining comparable to the preceding quarter. As a percentage of sales revenue, however, selling and administrative expenses increased to 8%, from 6% in the previous year and 7% in the preceding quarter, as sales revenue declined while most expenses were fixed in nature.

### Expected Credit Losses (Reversal) on Accounts Receivable

The Company recognized an allowance for doubtful accounts of Baht 1 million, whereas no significant amount was recognized in the same quarter of the previous year or the preceding quarter. The allowance resulted from an assessment of debtors' repayment capacity and credit risk as at the reporting date in accordance with applicable accounting requirements. The Company continues to monitor the quality of trade receivables and assess the adequacy of the allowance for doubtful accounts on an ongoing basis.

### Gain (Loss) on Financial Assets at Fair Value through Profit or Loss

The Company recorded a gain of Baht 6 million from fair value changes in financial assets (FVTPL), compared with a loss of Baht 2 million in the same quarter of the previous year and a gain of Baht 5 million in the preceding quarter. The change was attributable to the fair value measurement of investments in equity instruments of both listed and non-listed companies as of the end of the reporting period. Such gain represented an unrealized gain arising from the adjustment of fair value based on market value as of the reporting date.

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### Gain (Loss) arising from the Changes in Fair Value of Biological Assets

The Company recorded a loss of Baht 2 million from changes in the fair value of biological assets, whereas no significant gain or loss from such item was recognized in the same quarter of the previous year or the preceding quarter. Such gain or loss arises from changes in the fair value of biological assets at the end of the accounting period.

### Income Tax Expense

The Company recorded income tax expense of Baht 10 million, comprising current income tax arising from operating results and deferred income tax arising from temporary differences between the accounting and tax bases.

## 5. Consolidated Financial Position as of June 30, 2026

| Statement of financial position | 31 Dec 2025 | | 30 Jun 2026 | | Change | |
|---|---|---|---|---|---|---|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| **Assets** | | | | | | |
| Cash and cash equivalents | 31 | 1 | 45 | 1 | 14 | 45 |
| Trade and other current receivables | 191 | 6 | 164 | 5 | (27) | (14) |
| Inventories | 610 | 19 | 630 | 20 | 20 | 3 |
| Other current financial assets | 1,364 | 42 | 1,281 | 40 | (83) | (6) |
| Other current assets | 15 | 0 | 17 | 1 | 1 | 6 |
| **Total current assets** | **2,211** | **68** | **2,137** | **68** | **(75)** | **(3)** |
| Investment properties | 14 | 0 | 14 | 0 | 0 | 0 |
| Property, plant and equipment | 973 | 30 | 944 | 30 | (29) | (3) |
| Right-of-use assets | 31 | 1 | 32 | 1 | 1 | 3 |
| Non-current biological assets | 24 | 1 | 25 | 1 | 1 | 4 |
| Other non-current assets | 10 | 0 | 10 | 0 | 1 | 11 |
| **Total non-current assets** | **1,052** | **32** | **1,025** | **32** | **(26)** | **(2)** |
| **Total assets** | **3,263** | **100** | **3,162** | **100** | **(101)** | **(3)** |
| **Liabilities and shareholders' equity** | | | | | | |
| Trade and other current payables | 141 | 4 | 154 | 5 | 13 | 9 |
| Income tax payable | 25 | 1 | 16 | 1 | (9) | (36) |

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| Statement of financial position | 31 Dec 2025 | | 30 Jun 2026 | | Change | |
|---|---|---|---|---|---|---|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Other current liabilities | 19 | 1 | 20 | 1 | 1 | 5 |
| **Total current liabilities** | **185** | **6** | **190** | **6** | **5** | **3** |
| Provision for employee benefits | 102 | 3 | 104 | 3 | 2 | 2 |
| Deferred tax liabilities | 36 | 1 | 37 | 1 | 1 | 3 |
| Other non-current liabilities | 23 | 1 | 24 | 1 | 1 | 4 |
| **Total non-current liabilities** | **161** | **5** | **165** | **5** | **4** | **2** |
| **Total liabilities** | **346** | **11** | **355** | **11** | **9** | **3** |
| Equity attributable to owners of the Company | 2,888 | 89 | 2,778 | 88 | (110) | (4) |
| Non-controlling interests | 29 | 1 | 29 | 1 | 0 | 0 |
| **Total shareholders' equity** | **2,917** | **89** | **2,807** | **89** | **(110)** | **(4)** |
| **Total liabilities and shareholders' equity** | **3,263** | **100** | **3,162** | **100** | **(101)** | **(3)** |

➢ Total Assets

As of June 30, 2026, the Company had total assets of Baht 3,162 million, comprising current assets of Baht 2,137 million, representing 68% of total assets, and non-current assets of Baht 1,025 million, representing 32% of total assets. Total assets decreased by Baht 101 million, or 3%, from the end of 2025. The principal assets comprised financial assets of 40%, property, plant and equipment of 30%, inventories of 20%, and trade receivables of 5%. The average collection period in the current quarter was approximately 23 days. The Company has consistently emphasized cash sales and extends credit only to customers with satisfactory payment records and collateral. Allowances are recognized after deducting the value of collateral, and these customers have continued to make installment repayments to the Company. The Company is therefore confident that its allowance for doubtful accounts is adequate.

➢ Total Liabilities

As of June 30, 2026, the Company had total liabilities of Baht 355 million, comprising current liabilities of Baht 190 million, representing 54% of total liabilities, and non-current liabilities of Baht 165 million, representing 46% of total liabilities. Current liabilities principally comprise trade payables arising from raw material purchases under normal trade credit terms. Total liabilities increased by Baht 9 million from the end of 2025, mainly due to an increase in trade payables.

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The Company had no guarantees provided to third parties, contingent liabilities, investment commitments, or other similar obligations that could affect its financial position or operating performance, except for cross-guarantees of liabilities among companies within the Group.

The Company's debt-to-equity ratio was 0.13 times as at both June 30, 2026, and December 31, 2025, which was low compared with companies in the same industry.

- **Shareholders' Equity**

As of June 30, 2026, the Company had shareholders' equity of Baht 2,807 million, decreasing by Baht 110 million, or 4%, from 2025 due to dividend payments of Baht 178 million during the second quarter.

The Company's return on equity (ROE) was 7.19%, while return on assets (ROA) was 6.29%.

- **Liquidity**

| Cash flow statement | (Unit: Baht million) |
|---|---|
| **Cash and cash equivalents as of 1 January 2026** | **31** |
| Net cash flows from (used in) operating activities | 101 |
| Net cash flows from (used in) investing activities | 98 |
| Net cash flows from (used in) financing activities | (185) |
| **Cash and cash equivalents as of 30 June 2026** | **45** |

For the six-month period ended June 30, 2026, the Company's net cash flow increased by Baht 14 million. Net cash provided by operating activities amounted to Baht 101 million, net cash provided by investing activities amounted to Baht 98 million, and net cash used in financing activities amounted to Baht 185 million.

The Company's current ratio was 11.28 times and 11.93 times as at June 30, 2026 and December 31, 2025, respectively.

- **Key Financial Ratios**

| Key Financial Ratios | | Quarter 2/2025 | Quarter 1/2026 | Quarter 2/2026 |
|---|---|---|---|---|
| **Efficiency Ratio** | | | | |
| Average Collecting Period | days | 22 | 27 | 23 |
| Average Sale Period | days | 85 | 89 | 90 |

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| Key Financial Ratios | | Quarter 2/2025 | Quarter 1/2026 | Quarter 2/2026 |
|---|---|---|---|---|
| **Profitability Ratio** | | | | |
| Return on Assets | % | 7.54% | 7.65% | 6.29% |
| Return on Equity | % | 8.63% | 8.70% | 7.19% |
| **Liquidity Ratio** | | | | |
| Current Ratio | times | 9.85 | 10.40 | 11.28 |
| **Leverage Ratio** | | | | |
| Interest Coverage Ratio | times | 93.03 | 120.15 | 103.86 |
| Debt to Equity Ratio | times | 0.14 | 0.13 | 0.13 |
| **Per share Ratio** | | | | |
| Earnings per share | Baht | 0.09 | 0.05 | 0.03 |
| Book Value per Share | Baht | 3.11 | 3.32 | 3.15 |

6. Factors That May Affect Future Operations or Growth

- Government Monitoring of Product Price Controls

The Ministry of Commerce's Department of Internal Trade, a government organization in charge of monitoring the selling prices declared by each business. However, producers may request authorization to modify prices in response to fluctuations in production costs. Nevertheless, price adjustments may not always occur in a timely manner to reflect increases in production costs.

- Volatility in Raw Material Costs

Approximately 80% of the company's production costs are attributed to raw materials such as maize, soybean meal, fish meal, rice bran, and broken rice. Prices for these materials are highly volatile, influenced by supply and demand dynamics, agricultural yields, and unpredictable weather conditions or natural disasters. In addition, geopolitical tensions also affect raw material prices and transportation costs.

- Foreign Exchange Rate Volatility

Although some essential raw materials are imported from overseas, the Company's main source of revenue comes from domestic sales. As a result, the Company is exposed to foreign exchange rate risk. However, the Company cushions such risk by means of forward exchange rate contracts and continuous currency monitoring.

- Energy Costs and Production Efficiency

Electricity and energy costs are significant components of production costs. Therefore, the Company places importance on improving production efficiency, managing production capacity, and making investments that help reduce energy costs over the long term.

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**7. Sustainability Developments**

In 2026, the Company continues to implement its environmental management approach, focusing on efficient energy consumption, control of waste generated from the production process, and development of greenhouse gas data systems to support the management of the organization's carbon footprint going forward.

Please be informed accordingly.

Yours faithfully,

(Mr. Nipon Leelasithorn)
Chairman of the Executive Director,
and Managing Director