Translation

August 11, 2026

Subject: Management discussion and analysis for the period ended 30 June 2026

Attn: The Managing Director, the Stock Exchange of Thailand

Pacific Pipe Public Company Limited would like to clarify the operating results of the period that ended June 30,2026

Business Overview

Impact of External Factors and Production Costs

The steel industry continued to experience significant volatility during the second quarter of 2026, primarily driven by escalating geopolitical tensions between the United States and Iran. These tensions had a direct impact on energy costs, increased freight rates, and disruptions to supply chains across the Persian Gulf region. As a result, domestic hot-rolled coil (HRC) producers faced higher raw material costs due to the need to diversify their sourcing strategies. Consequently, producers were compelled to increase selling prices to levels higher than those seen at the beginning of the year. However, the continued export of steel from China, supported by its substantial excess production capacity, together with intense price competition from regional producers, remained key factors limiting further increases in steel prices.

Demand Recovery and Government Support Mechanisms

Despite continued pressure from rising raw material and energy costs during the second quarter of 2026, the Thai structural steel market was supported by the stricter enforcement of anti-dumping (AD) measures and enhanced inspections of imported structural steel products that did not comply with Thai Industrial Standards Institute (TISI) requirements. These measures helped improve competitive pressure from imported products, reinforced confidence among domestic customers, and contributed to maintaining structural steel prices at appropriate levels despite the volatility of global market costs.

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Company Overview

Performance (Unit : Million Baht)	Quarter 2/2026 (Unit : Million Baht)	Quarter 2/2025 (Unit : Million Baht)	QoQ Change (Unit : Million Baht)	QoQ Change (%)
Sales and service income (Million Baht)	2,145.73	1,697.01	448.72	26.44%
Gross Profit (%)	19.33%	7.00%	-	12.33%
Selling and distribution expenses (Million Baht)	45.81	35.48	10.33	29.12%
Administrative expenses (Million Baht)	78.83	64.94	13.89	21.38%
Finance cost (Million Baht)	8.41	12.43	-4.02	-32.34%
Net profit (loss) (Million Baht)	298.90	24.40	274.50	1125.00%

Operating Results

1. In the current period, the Company recorded total revenue from sales and services of THB 2,145.73 million, an increase of THB 448.72 million, or 26.44%, compared with the same period of the prior year. The increase was primarily attributable to higher sales volume, driven by the recovery in domestic steel demand, along with higher selling prices resulting from rising raw material costs, freight expenses, and supply constraints. Despite ongoing market challenges, the Company continued to deliver solid growth by leveraging its competitive strengths in products certified in accordance with Thai Industrial Standards Institute (TISI) and international standards. These strengths reinforced customer confidence and enabled the Company to effectively meet market demand.
2. The Company's gross profit margin was 19.33% of revenue from sales and services, improving from 7.00% in the same period of the prior year. The improvement in gross profit margin during the quarter was primarily attributable to higher steel market prices in the second quarter, driven by geopolitical factors, together with effective supply chain and inventory management that ensured adequate stock availability. In addition, the Company efficiently managed raw material procurement and maintained effective control over production costs. Furthermore, the Company recognized a reversal of the net realizable value (NRV) allowance for inventories amounting to THB 10.18 million, which was deducted from the cost of goods sold.
3. Selling expenses amounted to THB 45.81 million, an increase of THB 10.33 million, or 29.12%, compared with the same period of the prior year. This was primarily attributable to higher transportation costs, in line with the increase in sales volume and the rise in fuel prices.
4. Administrative expenses amounted to THB 78.83 million, an increase of THB 13.89 million, or 21.38%, compared with the same period of the prior year. This was primarily attributable to higher general operating expenses, including staff expenses and trade credit insurance premiums.
5. Finance costs amounted to THB 8.41 million, a decrease of THB 4.02 million, or 32.34%, compared with the same period of the prior year, due to a continued decline in interest rates.

Statement of Financial Position

Performance (Unit : Million Baht)	30 June 2026 (Unit : Million Baht)	31 December 2025 (Unit : Million Baht)	QoQ Change (Unit : Million Baht)
Total Assets (Million Baht)	4,413.58	3,875.70	537.88
Total liabilities (Million Baht)	2,122.76	1,989.22	133.54
Total shareholders' equity (Million Baht)	2,290.82	1,886.48	404.34

1. Total assets as at 30 June 2026 amounted to THB 4,413.58 million, an increase of THB 537.88 million compared with year-end 2025, mainly due to increases in cash of THB 220.71 million, trade receivables of THB 203.73 million, and inventories of THB 101.74 million.
2. Total liabilities as at 30 June 2026 amounted to THB 2,122.76 million, an increase of THB 133.54 million compared with year-end 2025, mainly due to increases in short-term borrowings from financial institutions of THB 63.20 million ,trade payables of THB 44.89 million, and other current liabilities of THB 17.41 million.
3. Shareholders' equity as at 30 June 2026 amounted to THB 2,290.82 million, an increase of THB 404.34 million compared with year-end 2025, This was primarily due to an increase in the Company's retained earnings of THB 425.82 million an increase in the market value adjustment of land of THB 31.33 million. and dividend paid of THB 52.80 million.

Yours faithfully

\- Signed by -

(Mr. Pert Leevilaikunratt)

Chief Financial Officer