UNITED PAPER PUBLIC COMPANY LIMITED

บริษัท ยูไนเต็ด เปเปอร์ จำกัด (มหาชน) Registered No.0107547000281

No. 6/2026

August, 13 2026

Subject : Management Discussion and Analysis for Q2 of FY2026

To : Director and Manager, the Stock Exchange of Thailand

Dear Sirs,

The company would like to clarify its operational results for the year 2026 compared to 2025 as follows:

Business Operations Overview, Economy, and Industry Conditions Affecting Performance.

Overall, in Q2/2026, the Thai economy slowed down. However, it was still a seasonally favorable period for the kraft paper industry, driven by the Thai fruit season. On the other hand, pressures from the ongoing conflict in the Middle East continued to keep raw material costs such as transportation, fuel, energy, and other inputs at persistently high levels.

Summary of Operating Results.

Revenue from Sales or Services. Unit : Million Baht

	Q2/2026	Q1/2026	% Change	Q2/2026	Q2/2025	% Change
Kraft paper	1,042.52	1,046.60	▼ 4.08%	1,042.52	952.47	▲ 9.45%
Electricity	1.73	1.24	▲ 39.52%	1.73	4.02	▼ 56.97%

The company's paper sales slightly decreased compared to Q1/2026. However, when compared to the same period last year, sales increased slightly both in terms of volume and selling price.

Meanwhile, the Company has focused primarily on producing steam and electricity to support its manufacturing processes. To reduce the burden of energy costs, electricity generation for sale to the Provincial Electricity Authority has been reduced.

Cost of Sales, Selling and Administrative Expenses. Unit: Million Baht

	Q2/2026	Q1/2026	% Change	Q2/2026	Q2/2025	% Change
Cost of Goods Sold	756.81	818.35	▼ 7.52%	756.81	776.28	▼ 2.51%
Cost of Delivery	1.73	1.71	▲ 1.17%	1.73	1.45	▲ 19.31%
Administration Expense	17.58	19.21	▼ 8.49%	17.58	16.91	▲ 3.96%

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The cost of goods sold decreased compared to Q1/2026 and the same period last year, due to higher production volume which helped reduce fixed costs. Selling expenses increased slightly compared to Q1/2026 and the same period last year. Administrative expenses declined slightly compared to Q1/2026 but rose marginally compared to the same period last year.

Profit / Loss. Unit: Million Baht

	Q2/2026	Q1/2026	% Change	Q2/2026	Q2/2025	% Change
Gross Margin	288.46	230.43	▲ 25.18%	288.46	180.97	▲ 59.40%
Profit Before Tax	269.79	211.14	▲ 27.78%	269.79	164.79	▲ 63.72%
Net Profit	220.33	174.47	▲ 26.29%	220.33	138.19	▲ 59.44%

With higher seasonal sales volume, the unit cost decreased. As a result, gross profit, operating profit, and net profit increased significantly compared to Q1/2026 and the same period last year.

Summary of Financial Position.

Assets. Unit: Million Baht

	30 Jun 2026	31 Dec 2025	% Change
Trade and other current receivables	1,097.83	908.92	▲ 20.78%
Other current financial assets	650.00	700.00	▼ 7.14%
Total current assets	4,123.23	3,717.18	▲ 10.92%
Property, plant and equipment	1,408.12	1,496.64	▼ 5.91%
Total non-current assets	1,449.26	1,539.17	▼ 5.84%
Total assets	5,572.49	5,256.35	▲ 6.01%

The Company continues to maintain its existing credit sales policy. However, with higher sales volume, the value of trade receivables has increased accordingly. Upon analyzing the aging of receivables, they remain within the specified framework and are not past due.

Non current assets decreased compared to 2025, mainly due to lower investment in fixed assets resulting from differences in the timing of the two accounting periods.

Liabilities

Unit: Million Baht

	30 Jun 2026	31 Dec 2025	% Change
Trade and other current payables	399.19	325.26	▲ 22.73%
Corporate income tax payable	98.10	57.64	▲ 70.19%
Total current liabilities	499.99	386.16	▲ 29.48%
Total non-current liabilities	62.36	59.84	▲ 4.21%
Total liabilities	562.34	446.00	▲ 26.09%

Trade payables and other current liabilities increased in line with higher procurement and contracting activities to support the seasonal rise in production and sales. Meanwhile, accrued corporate income tax increased due to accumulated amounts within the tax payment cycle, which has not yet reached its due date.

Liquidity.

The Company had a brought-forward cash balance of THB 1,574.17 million, an increase of approximately THB 235.53 million year-on-year. Operating activities generated THB 495.68 million, which was allocated to investments including THB 50.00 million in deposits with financial institutions, THB 32.04 million in fixed asset investments, and THB 195.00 million in dividend payments. As a result, the cash balance at the end of Q2/2026 stood at THB 1,809.70 million.

Key Financial Ratios.	Q2/2026	FY2025
Liquidity Ratio	8.39	9.63
Debt-to-Equity Ratio	0.11	0.09
Inventory Turnover Ratio	8.24	9.14
Net Profit Margin	18.90%	13.70%

Shareholders' Equity.

Unit: Million Baht

	30 Jun 2026	31 Dec 2025	% Change
Total shareholders' equity	5,050.15	4,810.35	▲ 4.99%

Overall, changes in shareholders' equity reflected the Company's operating results. An additional dividend was paid to shareholders at the rate of THB 0.30 per share, totaling THB 195.00 million, which was distributed on May 22, 2026.

Sincerely yours,

(Mr.Wachara Chinsettawong)

Managing Director