



บริษัท สาเล่อุตสาหกรรม จำกัด (มหาชน)
Salee Industry Public Company Limited.

SLI. 009/2026

10 August 2026

Subject : Management Discussions & Analysis for 2nd Quarter 2026 Financial Statement

To : Managing Director
Market for Alternative Investment

1. Overview of Business Operation, Economic and Industry Situation effected to Company

1.1 The Company Group has main business in two groups :-

- 1.1.1 Plastic parts manufacturing business operated by Salee Industry Plc. (The Company) and Petchsiam (Thailand) Co.,Ltd. (PST)
- 1.1.2 Self-adhesive label manufacturing business operated by Salee Printing Plc. (SLP)

Plastic parts manufacturing business

- A) Original Equipment Manufactures (OEM) customers operated by The Company
The customers would bring the plastic part to be a part for the product which they produce and export. The customers would be in various industries ex. electrical appliance industry, electronic industry, automotive industry, office equipment industry, etc. This helps to diversify risks of The Company in line with our business strategies.
- B) Modern trade customers operated by PST
The customers will distribute our plastic products to end user through modern trade stores ex. BigC, Lotus, Makro, Thai Watsadu, Homepro, etc.

Self-adhesive label manufacturing business

Most of customers are in consumer products industry and bring the label to be a part of the product for both local consumption and export. Customers almost are multinational company for consumer products. This business is in a good trend as it is necessary product for our daily use.

1.2 Slow down in world economy leads to lower purchasing power and war in some areas effected to products demand and reducing in domestic purchasing power from

low growth of GDP projection by Office of The National Economic and Social Development Council (NESDC) at 1.5-2.5% in 2026.

1.3 At the end of 1st quarter 2026, production cost and energy cost increased in line with the increase in oil price derived from Middle East war especially plastic resin cost which was mainly the cost for plastic parts manufacturing business. The oil price and plastic resin price slightly decreased at the end of 2nd quarter 2026 but the prices remained at a high level.

1.4 High Competitive situation in both Plastic parts manufacturing business and Self-adhesive label manufacturing business as there are many manufacturer in these industries. However, as we focus on high quality products customers, this makes lower competition for us.

2. Summary of key events and development

2.1 The Company held the annual shareholders meeting for year 2026 on 23 April 2026 and had key agenda item to approve the cash dividend payment to 1,520,484,068 common shareholders at Baht 0.012 per share (One point two satangs) totally amounting to 18,245,808.82 Baht. The record date to determine the names of shareholders who have the right to receive cash dividend payment will be on April 30, 2026 and dividend payment will be made on May 22, 2026.

2.2 The Subsidiary, Salee Printing Plc., held the annual shareholders meeting for year 2026 on 23 April 2026 to approve the transfer of reserve funds and share premium to offset the company's accumulated losses. This made the company could make dividend payment if it has profit and retained earnings in the future.

3. Summary of operating results

3.1 Sales and service revenue

Revenue

In 2nd quarter 2026, the Company and subsidiaries had a total revenue at Baht 385 million which increased from Baht 345 million at the same period last year or equal to 12% increase. The reason was that there was a higher sales in OEM business of plastic parts as more investment from multinational company especially in electrical appliance industry and electronic industry.

For 6 months period ended 30 June 2026, the Company and subsidiaries had a total revenue at Baht 756 million which increased from Baht 698 million at the same period last year or equal to 8% increase.

Plastic parts manufacturing business

A) Original Equipment Manufactures (OEM) customers operated by The Company

In 2nd quarter 2026, total revenue from plastic part manufacturing business for this group amounting Baht 132 million equal to 33% of total group revenue and increased at 47% compared to last year as more investment from multinational company especially in electrical appliance industry and electronic industry to avoid trade war between US and China.

For 6 months period ended 30 June 2026, the Company had a total revenue at Baht 246 million which increased from Baht 179 million at the same period last year or equal to 37% increase.

B) Modern trade customers operated by PST

In 2nd quarter 2026, total revenue from plastic products manufacturer business for this group amounting Baht 101 million equal to 26% of total group revenue and decreased at 4% compared to the same period last year as domestic purchasing power remained weak from overall economic slowdown. Therefore, PST tried to launch more new plastic products to catch up customer needs.

For 6 months period ended 30 June 2026, the Company had a total revenue at Baht 210 million which decreased from Baht 215 million at the same period last year or equal to 2% decrease.

Self-adhesive label manufacturing business

In 2nd quarter 2026, total revenue from Self-adhesive label manufacturing business amounting Baht 161 million equal to 41% of total group revenue and increased at 12% compared to the same period last year. Therefore, SLP expanded more customers base and increase more main customers. This help to maintained sales revenue and created more growth in the future, even there were an intense industry competition.

Therefore, total revenue for each business and percentage to total group revenue are shown without eliminating intercompany transactions.

3.2 Cost of sales and selling and administrative expenses

Cost of sales and selling and administrative expenses

In 2nd quarter 2026, cost of sales was at 73% which decreased from the same period last year at 77% as more utilization of capacity and some cost of sales were fixed cost which did not increase with increased sales. For 6 months period ended 30 June 2026, cost of sales was at 74% which decreased from the same period last year at 76%.

In 2nd quarter 2026, Selling and administrative expenses amounting to Baht 69 million which decreased from the same period last year at baht 71 million. The percentage of selling and administrative expenses to sales revenue was at 18% which decreased from the same period last year at 21% as some selling and administrative expenses were fixed expenses which did not increase with increased sales. For 6 months period ended 30 June 2026, the percentage of selling and administrative expenses to sales revenue was at 19% which decreased from the same period last year at 21%.

Therefore, the Company and subsidiaries tried to reduce any necessary expenses and improved working process to be more efficiency.

Plastic parts manufacturing business

A) Original Equipment Manufactures (OEM) customers operated by The Company

In 2nd quarter 2026, cost of sales for plastic part manufacturing business for this group was at 76% of sales which decreased from 85% at the same period last year as sales turnover increased at 54% which some cost of sales were fixed cost and did not increase with increased sales. For 6 months period ended 30 June 2026, cost of sales for plastic part manufacturing business for this group was at 77% of sales which decreased from 83% at the same period last year.

The Company tried to reduce manufacturing waste by recling those waste in production line to decrease cost of manufacturing.

In 2nd quarter 2026, selling and administrative expenses for plastic part manufacturing business was at 19% of sales which decreased from 26% at the same period last year as some expenses were fixed expenses and did not

increase with increased sales. For 6 months period ended 30 June 2026, selling and administrative expenses for plastic part manufacturing business was at 20% of sales which decreased from 25% at the same period last year.

B) Modern trade customers operated by PST

In 2nd quarter 2026, cost of sales for plastic products manufacturing business for this group was at 77% of sales which was equal to the same period last year. For 6 months period ended 30 June 2026, cost of sales for plastic products manufacturing business for this group was at 76% of sales which decreased from 78% at the same period last year.

In 2nd quarter 2026, selling and administrative expenses for plastic part manufacturing business was at 22% which was equal to the same period last year. For 6 months period ended 30 June 2026, selling and administrative expenses for plastic products manufacturing business was at 22% which decreased from 23% at the same period last year.

Self-adhesive label manufacturing business

In 2nd quarter 2026, cost of sales for Self-adhesive label manufacturing business was at 72% of sales which decreased from 74% at the same period last year as the sales turnover increased and SLP tried to expand more customers base and increase more main customers. Besides, SLP had a better control for cost and expenses which made lower cost of sales to complete with others. For 6 months period ended 30 June 2026, cost of sales for Self-adhesive label manufacturing business was at 72% of sales which decreased from 73% at the same period last year.

In 2nd quarter 2026, selling and administrative expenses for Self-adhesive label manufacturing business was at 17% of sales which decreased from 20% at the same period last year as some expenses were fixed expenses and did not increase with increased sales. For 6 months period ended 30 June 2026, selling and administrative expenses for Self-adhesive label manufacturing business was at 18% of sales which slightly decreased from 19% at the same period last year.

Cost of fund

The Company and subsidiaries had an interest expenses in 2nd quarter 2026 amounting to Baht 0.19 million which decreased Baht 0.02 million comparing to the same period last year amounting to Baht 0.21 million as the decrease in lease liabilities.

Therefore, as of 30 June 2026 the interest rate for short-term loans of the Company and subsidiaries was about 2.50 – 2.69% per year.

Corporate income taxes

In 2nd quarter 2026, the Company and subsidiaries had an income taxes to pay Baht 8.27 million which increased Baht 6.47 million comparing to the same period last year amounting to Baht 1.80 million as profit from operation increased.

3.3 Profit

Net income

In 2nd quarter 2026, the Company and subsidiaries had a total revenue at Baht 385 million which increased from Baht 345 million at the same period last year or equal to 12% increase and had a net profit of Baht 23.40 million, comparing to a net profit of Baht 8.14 million at the same period last year or 187% increase as the sales turnover increased as described above.

In 2nd quarter 2026, the Company and subsidiaries had a gross profit amounting Baht 101 million which increased Baht 22 million compared to the same period last year or equal to 29% increase. The reason for increased gross profit was increased sales as some cost of sales were fixed cost and did not increase with increased sales.

In 2nd quarter 2026, the percentage of selling and administrative expenses to sales revenue was at 18% which decreased from the same period last year at 21% as some selling and administrative expenses were fixed expenses which did not increase with increased sales. Besides, the Company and subsidiaries tried to reduce unnecessary expenses and improve production process to reduce cost and expenses.

Plastic parts manufacturing business

A) Original Equipment Manufactures (OEM) customers operated by The Company

In 2nd quarter 2026, net income for plastic part manufacturing business for this group was at Baht 13.02 million which increased more than 1,000% compared to the same period last year at Baht 1.15 million as the sales turnovers increased at 54%. The Company used more capacity to

manufacture and some cost and expenses were fixed cost and expenses and did not increase with increased sales.

B) Modern trade customers operated by PST

In 2nd quarter 2026, net income for plastic products manufacturing business for this group was Baht 1.74 million compared to Baht 2.25 million at the same period last year or 23% decrease as the sales turnover decreased from lower demand in domestic consumption.

Self-adhesive label manufacturing business

In 2nd quarter 2026, there was net income amounting to Baht 14.49 million compared to Baht 7.11 million at the same period last year or 104% increase as the sales turnover increased and better control in cost and expenses.

4. Financial Position

4.1 Assets

Total assets

Total assets of the Company and subsidiaries was Baht 1,842 million as of 30 June 2026 which increased about 2% compared to Baht 1,810 million as of 31 December 2025 as fixed deposit at Banks and inventory increased.

The Company and subsidiaries had total assets turnover ratio at 0.83 times in 2nd quarter 2026 compared to at 0.83 times in 2nd quarter 2025 (annualized for analytical purposes).

Account receivables

The Company and subsidiaries had an account receivables amounting to Baht 388 million and Baht 376 million as of 30 June 2026 and 31 December 2025 respectively which the ratio of account receivables to total assets were equal to 21.04% and 20.79% respectively.

The Company and subsidiaries had average collection period at 92 days in 2nd quarter 2026 which decreased from 96 days in 2nd quarter 2025 (annualized for analytical purposes) as the sales turnover of OEM business for plastic parts operated by the Company heavily increased and it had shorter collection period for account receivables. However, the Company and subsidiaries tried to avoid having long-term outstanding debts.

As of 30 June 2026, the Company and subsidiaries had account receivables which overdue more than 12 months amounting to Baht 0.72 million and the Company and subsidiaries already made fully allowance for doubtful account which was in line with their policy.

Inventory

The Company and subsidiaries had an inventory amounting to Baht 175 million as of 30 June 2026 compared to Baht 139 million as of 31 December 2025 which the ratio of inventory to total assets were equal to 9.51% and 7.70% respectively

The Company and subsidiaries had average inventory period at 53 days in 2nd quarter 2026 which increased from 51 days in 2nd quarter 2025 (annualized for analytical purposes) as at that period, there were a Middle East conflicts, the Company and subsidiaries purchased more to keep stock for raw material to protect the shortage of raw material for production and could support our customer in time. The Company and subsidiaries tried to control production process to produce only the products which we were sure to sell it all by setting regularly the meeting between the production planner and sales team. Therefore, the Company and subsidiaries had a policy to set up provision for slow-moving/obsolete inventory which did not move more than 1 year.

Land building and equipments, right-of-use and intangible assets

The Company and subsidiaries had Land building and equipments, right-of-use and intangible assets amounting to Baht 632 million and Baht 668 million as of 30 June 2026 and 31 December 2025 respectively which the ratio of Land building and equipments, right-of-use and intangible assets to total assets were equal to 34.33% and 36.92% respectively. In 2nd quarter 2026, the Company and subsidiaries had more depreciation than investment in new machine and equipments.

4.2 Debts

Total debts

As of 30 June 2026, the Company and subsidiaries had total debts amounting to Baht 278 million and could be divided to current liabilities of Baht 207 million and non-current liabilities of Baht 71 million which total debts increased Baht 3 million compared to Baht 275 million as of 31 December 2025 as increase in short-term loan.

The ratio of Debts to Equities (D/E ratio) of the Company and subsidiaries was at 0.18 times as of 30 June 2026 which was equal to as of 31 December 2025.

Therefore, as of 30 June 2026 interate rate for short-term loans from banks would be at 2.50 – 2.69%

4.3 liquidity

4.3.1 Sources and uses of fund

As of 30 June 2026, the Company and subsidiaries had the ratio of current assets to current liabilities at 4.93 times which increased from 4.63 times as of 31 December 2025 as increase in deposit at Banks and inventory.

As of 30 June 2026, the Company and subsidiaries had a liquidity from cash flow amounting to Baht 118 million which decreased about Baht 5 million from the amount as of 31 December 2025 which mostly occurred from the receipt of operation activities at amounting to Baht 48 million which most of them were the depreciation and profit from operation. The use of the investment activities at amounting to Baht 39 million which most of them were fixed deposit at Banks and the purchase of new machines and equipments. And the use of the financing activities at amounting to Baht 13 million which most of them was dividend payment.

From the Company and subsidiaries' cash flow, it shown that the Company and subsidiaries had adequate cash flow to pay the debts and to comply with the conditions of the loans which in the past, the Company and subsidiaries had no any problems concerning the liquidity to pay the debts.

4.3.2 Capital expenditure

In 2nd quarter 2026, the Company and subsidiaries expanded their investment by purchasing new machines and equipments to increase their capacity and replace the old items amounting to Baht 18 million by using their own fund.

4.3.3 Liquidity adequacy

From 2nd quarter 2026 financial statement, source of fund shown that cash flow come from some expenses which had no been paid in cash ex. depreciations etc. and profit from operation. This made us having

adequate fund to reserve for the increase of needed working capital of business. Besides, the Company and subsidiaries also received the good support from Banks for making the loans as our D/E ratio was at only 0.18 times as of 30 June 2026.

4.4 Equities

Total equities

As of 30 June 2026, the Company and subsidiaries had total equities amounting to Baht 1,564 million which increased from Baht 1,535 million as of 31 December 2025 as profit from operation. Capital structure consisted of debts amounting to Baht 278 million and equities amounting to Baht 1,564 million equal to D/E ratio at 0.18 times.

In 2nd quarter 2026, the Company and subsidiaries had return on assets (ROA) at 5.11% compared to 1.86% in 2nd quarter 2025 (annualized for analytical purposes) as higher profit with increased sales.

In 2nd quarter 2026, the Company and subsidiaries had return on equities (ROE) at 7.95% compared to 2.82% in 2nd quarter 2025 (annualized for analytical purposes) as higher profit with increased sales.

5. Factors that may effect operations and future growth

5.1 Adequacy of raw material and technology

The Company and subsidiaries tried to prevent the problems of adequacy of raw material by sourcing more suppliers, not to depend on less suppliers. For problem of adequacy of technology, the Company and subsidiaries built a good relationship with machine producer to catch up new technology for production purpose.

5.2 Increase in raw material price and labor cost

If raw material price and labor cost increased, the Company and subsidiaries would get the strong effect. However, the Company and subsidiaries tried to avoid the problem for raw material price increase by sourcing from more suppliers including importing from abroad. For labor cost, we tried to use more automation technology in our production line to decrease dependence on labor.

5.3 Current obligations and might be in the future

At the present, the Company and subsidiaries had no problems about current obligations as our D/E ratio was at only 0.18 times and we still have available credit line with banks for our future project.

5.4 Impact from Middle East Conflict

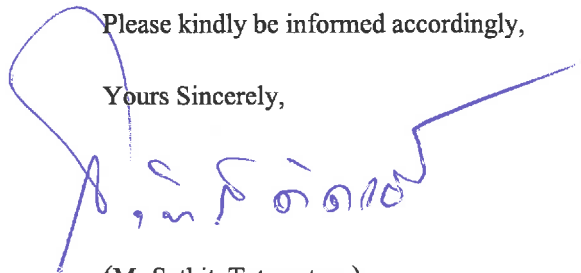
The conflict in the Middle East began to affect the Group toward the end of the first quarter of 2026 til now. The Group started to observe a sharp increase in oil prices, as well as shortages of plastic resin raw materials and/or significant increases in plastic resin prices, which resulted in higher production and transportation costs. Even, at the present, the oil price and plastic resin prices decreased but they were still at a high level.

The Group has attempted to mitigate the impact of such circumstances by increasing raw material inventory levels in order to maintain production costs during the period of price adjustment negotiations with customers which the customers mostly understood the situation. Besides, some customers in our OEM for plastic parts business would be responsible to support raw material for production or determine the raw material price in the selling price so the Company would not get the effect from increase in raw material price. The Group has optimized logistics by consolidating deliveries to maximize truck utilization and reduce delivery frequency, thereby helping to lessen the impact of rising fuel prices.

As the Group's business is largely directly related to plastic resins, which are downstream products of the oil refining process, the Group cannot avoid the impact arising from these circumstances. Nevertheless, the Group has made every effort to minimize such impacts and maintain its competitiveness within the industry.

Please kindly be informed accordingly,

Yours Sincerely,



(Mr.Sathit Tatawatorn)

Chairman of Executive Board

Salae Industry Public Company Limited