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Management Discussion and Analysis for the operating results for 2Q2026
Ekarat Engineering Public Company Limited and the subsidiaries

Operational Overview

The Company would like to report on the operating results and significant changes of the Company and its subsidiaries for the second quarter of 2026, ended June 30, 2026, as summarized below:

- **Total Revenue** for 2Q2026 amounted to THB 552.82 million, representing an increase of 29.33% compared to the same period of the previous year. The increase was mainly attributable to a 42.25% increase in revenue from transformer sales. For the six-month period, total revenue amounted to THB 887.13 million, a decrease of 11.00% from the corresponding period of the previous year.

- **Gross Profit** amounted to THB 175.02 million, representing an increase of 65.80% compared with the same period of the previous year. The gross profit margin was 31.88%. For the six-month period, gross profit amounted to THB 250.38 million, a decrease of 10.86% from the corresponding period of the previous year, while the gross profit margin was 28.38%.

- **Net profit** for 2Q2026 amounted to THB 53.07 million, representing an increase of 175.85% compared with the same period of the previous year. The net profit margin was 9.60%. For the six-month period, net profit amounted to THB 60.36 million, a decrease of 45.49% from the corresponding period of the previous year, while the net profit margin was 6.80%. The decrease was primarily attributable to the recognition of THB 52.60 million in gains from the disposal of the Rayong factory property during the first six months of 2025, which was a one-time gain.

- **Total Assets** as of June 30, 2026 amount to THB 2,412.14 million, representing an increase of 10.22% compared with 31 December 2025. The increase was mainly attributable to a 36.45% increase in trade and other receivables, resulting from higher domestic transformer sales during the period. In addition, inventories increased by 29.85%, primarily due to transformers under production to support orders from private sector customers and government agencies.

- **Total Liabilities** as of June 30, 2026 amount to THB 745.59 million, representing an increase of 53.25% compared with 31 December 2025. The increase was mainly attributable to higher Short-term loan from financial institution, primarily Trust Receipt (TR) financing used for the import of raw materials. In addition, trade payables increased due to higher purchases of domestic raw materials to support transformer production and the installation of a solar farm project for a government agency.

- **Shareholders' Equity** as of June 30, 2026 amounted to THB 1,666.54 million, a slight decrease of 2.08% compared with 31 December 2025. The decrease was primarily attributable to the payment of dividends for the 2025 operating results and the appropriation of net profit to the legal reserve. Nevertheless, the net profit generated from the Company's operations in 2Q2026 partially offset the decrease in shareholders' equity.

Statement of Comprehensive Income (Million Baht)	Quarter 2			6-Month Period		
	2026	2025	% YoY	2026	2025	% YoY
Revenues	548.92	424.67	29.26%	882.16	937.57	-5.91%
Costs	(373.90)	(319.11)	17.17%	(631.78)	(656.69)	-3.79%
Gross Profit	175.02	105.56	65.80%	250.38	280.88	-10.86%
Other income	3.90	2.78	40.06%	4.96	59.24	-91.62%
Total revenues	552.82	427.45	29.33%	887.12	996.81	-11.00%
Distribution costs	(61.66)	(35.61)	73.16%	(91.42)	(96.78)	-5.54%
Administrative expenses	(45.26)	(45.89)	-1.38%	(84.27)	(93.07)	-9.46%
Profit from operating activities	71.99	27.35	163.25%	82.58	151.18	-45.37%
Financial cost	(2.21)	(1.47)	50.59%	(3.83)	(3.80)	0.86%
Reversal of impairment loss	(0.06)	(1.11)	-94.26%	2.12	(0.28)	854.40%
Profit before income tax expenses	69.72	24.77	181.43%	80.87	147.10	-45.02%
Tax expenses	(16.65)	(5.54)	200.84%	(20.51)	(36.37)	-43.60%
Net profit	53.07	19.24	175.85%	60.36	110.73	-45.49%

Analyze the performance results in 2Q2026

Revenue:

The Company recorded operating revenue of THB 548.92 million, representing an increase of THB 124.25 million, or 29.26%, compared with the corresponding period of the previous year.

Item	Proportion	Revenues from operation (MB)			Gross Profit Margin	
	2Q2026	2Q2026	2Q2025	YoY%	2Q2026	2Q2025
Sales of goods	88.71%	486.94	342.30	42.25%	32.05%	23.12%
Services and maintenance	7.72%	42.35	58.55	-27.66%	46.80%	45.38%
Service of installing a solar panel	2.24%	12.32	17.51	-29.63%	11.89%	18.78%
Sales of electricity	1.33%	7.31	6.32	15.69%	34.13%	20.68%
Total revenues from operation	**100%**	**548.92**	**424.67**	**29.26%**	**31.88%**	**24.86%**

- **Revenue from sales of goods** increased by THB 144.64 million, or 42.25%, primarily due to the recognition of revenue from transformer sales to government agencies and domestic private sector customers following the gradual delivery of products during 2Q2026.
- **Revenue from services and maintenance** decreased by 16.19 million baht or about 27.66%, mainly due to lower revenue from subcontracting and general service contracts as a result of intensified market competition.
- **Revenue from service of installing a solar panel** decreased by THB 5.19 million or about 29.63%, as the Company recognized revenue based on the percentage of completion of solar power system installation projects in 2Q2026, the value of which was lower than that of the corresponding period of the previous year.
- **Revenue from sales of electricity** increased by THB 0.99 million or about 15.69%, primarily due to the recognition of interest income from electricity sales under financing arrangements with two private sector customers, together with higher revenue generated from the Company's power plant in Nonthaburi Province.

Costs:

The total costs from operation of the Company were THB 373.91 million, increased by THB 54.79 million or about 17.17% compared to the same quarter of last year.

Item	2Q2026		2Q2025		Variance	
	MB	%	MB	%	MB	%
Sales of goods	330.88	88.49%	263.16	82.46%	67.72	25.73%
Services and maintenance	22.53	6.03%	31.98	10.02%	-9.45	-29.54%
Service of installing a solar panel	10.85	2.90%	14.22	4.46%	-3.36	-23.66%
Sales of electricity	4.82	1.29%	5.01	1.57%	-0.19	-3.92%
Loss on devaluation of goods	4.82	1.29%	4.75	1.49%	0.07	1.61%
Total Costs	**373.91**	**100%**	**319.12**	**100%**	**54.79**	**17.17%**

- **Cost of goods sold** increased by THB 67.72 million, or 25.73%, in line with the increase in revenue from sales of goods.
- **Cost of services and maintenance** decreased by THB 9.45 million, or 29.54%, mainly due to lower subcontracting service costs, in line with the decrease in service volume.
- **Cost from service of installing a solar panel** decreased by THB 3.36 million, or 23.66%, as the Company recognized costs based on the completion progress of solar panel installation projects for several customers, which had lower project values compared with the corresponding period of the previous year.
- **Cost of electricity sold** decreased by 0.19 million baht or 3.92%, mainly due to lower depreciation expenses, as certain assets had been fully depreciated since 2Q2025, resulting in lower depreciation expenses in 2Q2026.

Distribution Costs amounted to THB 61.66 million, an increase of THB 26.05 million, or 73.16%, compared with the corresponding period of the previous year. The increase was mainly due to higher expenses related to transformer sales promotion activities.

Administrative Expenses amounted to THB 45.25 million, a decrease of THB 0.63 million, or 1.38%, compared with the corresponding period of the previous year. The decrease was mainly attributable to lower office expenses and employee-related expenses. Following the replacement of retired senior employees with new employees, salary and bonus expenses decreased.

Financial Costs amounted to THB 2.21 million, an increase of THB 0.74 million, or 50.59%, compared with the corresponding period of the previous year. This was mainly due to the Company's higher utilization of Trust Receipt (TR) facilities for raw material purchases in 2Q2026 compared with the same period of the previous year, resulting in higher interest expenses on Trust Receipts.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director