MC GROUP

Management Discussion and Analysis

for the operation results of fiscal year 2026 (1 Jul 2025 – 30 Jun 2026)

MC Group Public Company Limited and its subsidiaries ("the Company") summarized the operating results of the fiscal year 2026 (1 July 2025 – 30 June 2026) details as follows

Overall Economic and Industry Overview

In the fourth quarter of the fiscal year 2026 (1 Apr – 30 Jun 2026), the Consumer Confidence Index was 50.2 increased from 45.5 in Mar 2026 due to government measures that alleviated the cost of living, stimulated consumer spending, and increased income for small-scale entrepreneurs, along with the easing of tensions in the Middle East and declining production and transportation costs. However, persistently high household and corporate debt levels, the ongoing uncertainty surrounding the Middle East conflict, and U.S. tariff measures remain negative factors weighing on consumer confidence.

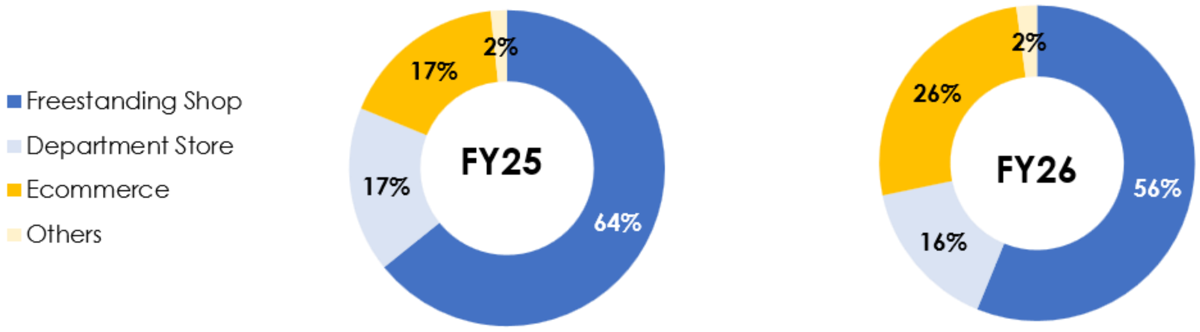
Overall Performance of FY2026

Unit: THB million	12 - Month Period		Change
	Jul 25 - Jun 26	Jul 24 - Jun 25	
Sales Revenue	4,402	4,152	6.0%
Gross Profit	2,810	2,655	5.8%
Gross Profit Margin	63.8%	63.9%	-0.1%
SG&A	1,944	1,760	10.4%
%SG&A	44.2%	42.4%	1.8%
Other Revenue	49	70	-30.3%
EBITDA	1,339	1,376	-2.7%
%EBITDA	30.1%	32.6%	-2.5%
NPAT	701	760	-7.8%
%NPAT	15.7%	18.0%	-2.3%

Revenue

For FY2026, The company reported sales revenue of THB 4,402 million increased THB 250 million or 6.0%, This growth was underpinned by growth momentum in online channels and to preserve offline customer base in economic volatility and geopolitical tensions situation. affecting consumer confidence and leading to less spending outside.

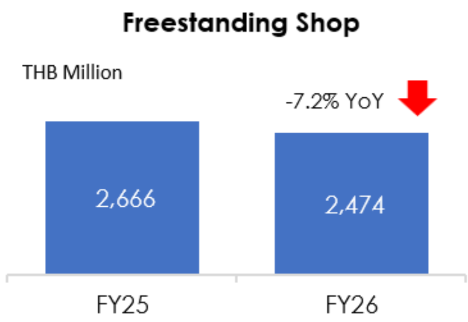
Revenue break down by channel



For fiscal year 2026, revenue breakdown by channels consisted of revenue from free-standing shop 56%, Department stores 16%, E-commerce 26% which was increased from 17% previous year and other channels 2%

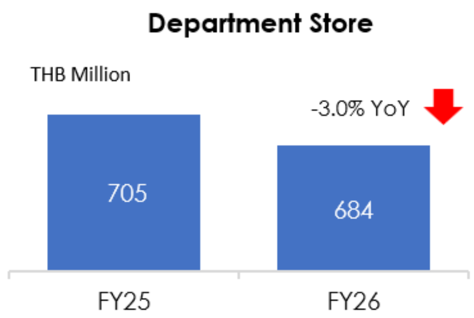
- Freestanding Shop

  Sales revenue from freestanding shop in FY26 was THB 2,474 million decreased THB 192 million or -7.2% YoY. From economic situation and consumer confidence.



- Department Store

  Sales revenue from Department Stores in FY26 was THB 684 million decreased THB 21 million or -3.0% YoY. From economic situation and consumer confidence.



- E-commerce

  Sales revenue from E-commerce in FY26 was THB 1,152 million continued growth by THB 440 million or 61.8% YoY. From customer behavior change and online platform growth.

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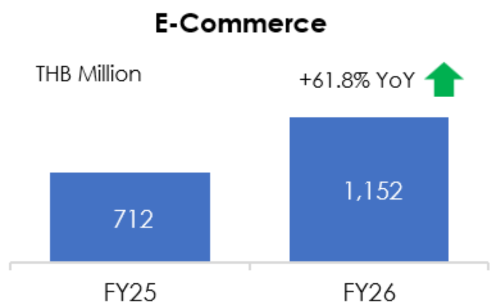

As of 30 Jun 2026 and 30 Jun 2025, the Company had a total of 567 and 563 point of sales respectively details as follows

By Distribution Channel	Apparel and Lifestyle Products under “MC Group”		
	30 Jun 2026	30 Jun 2025	Increase (+) / Decrease (-) from end FY2025
Free-standing Shop	433	426	+7
Modern Trade	129	131	-2
Mobile Unit	5	6	-1
Total	567	563	+4

Gross Profit

For FY2026, the company’s gross profit was THB 2,810 million increased THB 155 million or 5.8% YoY, The gross profit margin was 63.8% compared to 63.9% in the same period of the previous year from continuous sales promotion management to stimulate sales from the slow economic recovery.

Selling, General and Administrative Expenses (SG&A)

For FY2026, SG&A was THB 1,944 million increased by THB 184 million or 10.4% YoY and SG&A to sales changed from 42.4% previous year to 44.2% and increase fee in marketplace channel.

Earnings before interest, Taxes, Depreciation and Amortization (EBITDA)

For FY2026, EBITDA was THB 1,339 million decreased of THB 37 million or 2.7% YoY and an EBITDA margin of 30.1% decreased from 32.6% in the same period last year.

Net Profit

For FY2026, the Company had a net profit of THB 701 million, compared to the same period of the previous year, the net profit decreased by THB 59 million or 7.8%, with a net profit margin of 15.7%, decreased from 18.0% in the previous year as a result of ongoing efforts to drive sales during a period of slow economic rebound, with changes in the cost mix. Despite these shifts, the Company continues to adhere to a stringent expense management policy.

Financial Position Analysis

Statement of Financial Position

(THB million)	30 Jun 2026	30 Jun 2025	% Change
Cash and short-term investments	1,983	1,984	0%
Account receivables	179	207	-14%
Inventory	1,053	1,109	-5%
Right-of-use assets	1,148	1,105	4%
Other assets	1,152	1,095	5%
Total Assets	5,516	5,500	0%
Account payables	211	209	1%
Interest-bearing liabilities	0	0	-
Lease liabilities	1,199	1,142	5%
Other liabilities	410	431	-5%
Total Liabilities	1,820	1,782	2%
Equity attributable to the firm	3,695	3,717	-1%
Non-controlling interest	1	1	0%
Shareholders' Equity	3,696	3,718	-1%

Assets

As of 30 Jun 2026, the Company reported total assets of THB 5,516 million, an increased THB 16 million from the period 30 June 2025 mainly:

- Right-of-use assets increased THB 43 million from THB 1,105 million on 30 June 2025 to 1,148 million on 30 June 2026.
- Property, plant and equipment increased THB 36 million from THB 633 million on 30 June 2025 to 669 million on 30 June 2026.
- Inventories decreased THB 56 million from THB 1,109 million on 30 June 2025 to 1,053 million on 30 June 2026.
- Trade and other current receivables decreased THB 28 million from THB 207 million on 30 June 2025 to 179 million on 30 June 2026.

Liabilities

As of 30 Jun 2026, total liabilities were THB 1,820 million compared to THB 1,782 million on 30 June 2025, an increase of THB 38 million mainly from THB 56 million increased in Lease liabilities.

Shareholders' Equity

As of 30 Jun 2026, the Company reported THB 3,696 million of shareholders' equity, an decrease of THB 22 million from THB 3,718 million on 30 June 2025 from dividend paid of THB 737 million offset with FY26 performance of THB 701 million.

Liquidity

As of 30 Jun 2026, the Company's cash, cash equivalent, and short-term investment of THB 1,983 million decreased THB 1 million from 30 June 2025 due to

- Cash provided by operating activities was THB 1,065 million mainly from THB 871 million Profit before income tax expenses.
- Net Cash outflow from investing activities was THB 123 million from THB 124 million cash paid for property, plant and equipment.
- Net Cash outflow from financing activities was THB 943 million from THB 737 million from dividend payment and THB 162 million of liabilities under finance lease agreements.

Key Financial Ratios

Financial Ratios		For period ended	
		30 Jun 2026	30 Jun 2025
Liquidity Ratios			
Current Ratio*	times	3.9	3.9
Average Days Receivable	days	16	18
Average Days in Inventory	days	248	289
Average Days Payable	days	48	47
Cash cycle	days	216	260
Efficiency Ratios			
Return on Assets (Annualized)	%	16.6	17.4
Return on Equity (Annualized)	%	18.9	20.4
Leverage Ratios			
Debt to Equity Ratio	times	0.5	0.5

*Exclude Current portion of lease liabilities, Current Ratio were 6.3 and 6.2 times for 30 Jun 2026 and 30 Jun 2025, respectively.

Development and future growth trends

For fiscal year 2026, the Company aims to drive sales growth, with a strategic focus on online channels. In the offline segment, our priority is to retain our existing customer base while capturing new markets, leveraging over 50 years of heritage and a comprehensive ecosystem. This foundation includes an extensive omni-channel network, specialized manufacturing expertise, and an in-house distribution center which plan to expand in near future. Furthermore, we are actively evaluating expansion into international markets and exploring M&A opportunities in related industries, maintaining the agility to act when conditions align. To achieve our targets, we will continue our digital expansion, invest in proprietary retail outlets, and optimize our physical footprint by renovating key locations and phasing out underperforming sites.

Overview of Sustainability Developments

The Company is committed to integrating sustainability into its core business operations under good corporate governance principles, while taking into account the interests of all stakeholder groups. These efforts have been recognized through various awards and certifications, including ISO 9001 for Quality Management and ISO/IEC 27001:2022 for Information Security Management, making the Company the first fashion and lifestyle retail company in Thailand to achieve this certification. The Company also received the highest "AAA" rating in the SET ESG Ratings 2025 for the second consecutive year from the Stock Exchange of Thailand, as well as the Commended Sustainability Award in the Sustainability Excellence category at the SET Awards 2025.

In terms of corporate governance, the Company received a full score of 100 in the 2025 AGM Checklist assessment, achieving the highest rating of "Excellent and Exemplary" from the Thai Investors Association. The Company also received an "Excellent" rating in the 2025 Corporate Governance Report of Thai Listed Companies (CGR) for the seventh consecutive year from the Thai Institute of Directors Association.

In the areas of environment and climate change, the Company places importance on energy management and reducing greenhouse gas emissions. The Company regularly monitors climate-related issues, their potential impacts on business operations, and the progress of related initiatives. The Company also continues to invest in Solar Rooftop projects at its head office buildings, Mc Fulfilment Center, and Mc Outlet stores to increase the use of clean energy, improve energy efficiency, and reduce electricity costs.

The Company also focuses on efficient resource use and promotes the principles of the Circular Economy. The use of environmentally friendly materials and components in its products has continued to increase. The Company also works with business partners to develop T-shirts made from fabric scraps generated during the production process, recycling these materials to create additional value and reduce production waste. In addition, the Company has shifted to recycled plastic packaging and introduced Returnable Cartons for transporting products between warehouses and stores, helping reduce single-use packaging and improve resource efficiency.

The Company continues to promote environmental awareness among employees through waste separation and campaigns to reduce the use of water, electricity, and paper, as well as the "No Bag Campaign" to reduce plastic bag consumption. On the social front, the Company places importance on respecting human rights, employee well-being and development, community engagement, and listening and responding to stakeholder expectations throughout the value chain. These efforts support sustainable business growth and long-term value creation.

Respectfully yours

Virach Seripanu

Director