11 August 2026

To: President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis (MD&A) for the second quarter of 2026 ended as at 30 June 2026

P.C.S. Machine Group Holding Public Company Limited ("the Company") would like to inform the Management Discussion and Analysis (MD&A) for the second quarter of 2026 ending at 30 June 2026 as follow;

Summary of Automotive Industry for the second quarter of 2026

The Automotive Industry Club, the Federation of Thai Industries, reported the information of overall automotive industry in the second quarter of 2026 as follows.

- Total production of cars was 347,461 units, decreasing 7.0% compared to the same period of 2025 at 373,659 units and decreasing 6.0% from the first quarter of 2026 at 369,751 units. This was mainly due to global economic uncertainty, the conflict in the Middle East, trade barriers, and intense competition in the electric vehicle market. The proportion of production consisted of 71.9% Internal Combustion Engine vehicles (ICE), 19.0% Hybrid Electric Vehicles (HEV), 7.0% Battery Electric Vehicles (BEV), and 2.1% other vehicle types.
- The production of 1-ton pickup trucks, including Pick-Up Passenger Vehicles (PPV), totaled 210,800 units, decreasing 7.2% compared to the second quarter of 2025 of 226,707, mainly due to lower export production resulting from global economic volatility, despite a recovery in domestic production from the low base during 2024–2025. Production also decreased 14.1% from the first quarter of 2026 of 245,357 units, mainly due to lower export production and seasonal factors associated with the long holidays in April. The proportion of production consisted of 99.6% ICE and 0.4% BEV.
- Domestic car sales were 164,883 units, increasing 10.3% compared to the same period of 2025 at 149,501 units, driven by increasing popularity of electric vehicles following higher oil prices, government support for solar cell installations, and more affordable vehicle prices. However, most electric vehicles sold in Thailand continued to be imported. Domestic car sales decreased 9.4% from the first quarter of 2026 at 182,083 units, following vehicle deliveries from the Motor Show in the first quarter of 2026. The proportion of domestic sales consisted of 42.9% ICE, 20.9% HEV, 33.3% BEV, and 2.9% other vehicle types.
- Vehicle exports were 201,105 units, decreasing 14.1% compared to the same period of 2025 at 234,886 units and decreasing 8.6% from the first quarter of 2026 at 219,994 units. This was mainly due to the impact of the conflict in the Middle East and risks associated with transportation through the Strait of Hormuz, resulting in slower exports to the Middle East, Asia, Australia and Oceania, and Europe. Meanwhile, exports to Africa, North America, Central America, and South America continued to expand. The proportion of vehicle exports consisted of 86.4% ICE, 11.4% HEV, 1.8% BEV, and 0.4% other vehicle types.

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Impact of the Automotive Industry on the Company's Operations

The Company has prepared for the transition of the automotive industry by continuously developing electric vehicle (EV) components while maintaining its customer base in the internal combustion engine (ICE) segment. Although the growth of electric vehicles in Thailand has primarily affected the passenger car segment, the impact on the Company remains limited, as commercial vehicles, which represent the Company's market in the ICE segment, continue to have a high proportion of production for export. The Company continues to closely monitor industry trends while enhancing production efficiency through advanced technologies and the use of clean energy to improve energy efficiency, reduce environmental impacts and costs, enhance product quality, and strengthen its long-term competitiveness.

Financial Overview for Quarterly Comparison of the second quarter of 2026

(Unit : Baht million)

Descriptions	Q2-2026	Q1-2026	Q2-2025	Changes QoQ (%)	Changes YoY (%)	Ratio to Sales Q2-2026	Ratio to Sales Q1-2026	Ratio to Sales Q2-2025
Sales Revenue	543.9	675.6	722.9	-19.5%	-24.8%			
Other Revenue	10.3	10.9	2.7	-5.5%	>100%			
Total Revenue	554.2	686.5	736.2	-19.3%	-24.7%			
Cost of Goods Sold	455.6	514.1	565.0	-11.4%	-19.4%	83.8%	76.1%	78.2%
Gross Profits	88.3	161.5	157.9	-45.3%	-44.1%	16.2%	23.9%	21.8%
SG&A	48.1	49.1	56.3	-2.0%	-14.6%	8.8%	7.3%	7.8%
Net Profit	53.8	124.8	116.9	-56.9%	-54.0%	9.7%	18.2%	15.9%
- Local Business	50.5	120.9	116.9	-58.2%	-56.8%	9.3%	17.9%	16.2%
- Overseas Business	(0.2)	(4.0)	(10.6)					
- Gain (Loss) on Fx (Unrealized)	3.5	7.9	10.6					

Financial Summary for the Statement of Comprehensive Income for the second quarter of 2026

The Company recorded lower sales revenue compared to the previous year, mainly due to a slowdown in orders for electric vehicle components from a major customer. However, demand for internal combustion engine vehicle components and pickup truck components showed a slight recovery. The Company continued to maintain profitability and a strong financial position.

- The Company recorded Sales Revenue of Baht 543.9 million, decreasing 24.8% from Baht 722.9 million in the second quarter of 2025 and decreasing 19.5% from Baht 675.6 million in the first quarter of 2026. The main reason was a significant decline in indirect export sales of EV automotive parts to a major customer, while sales to domestic customers in internal combustion engine (ICE) parts and pickup truck components increased.

- Cost of goods sold to sales revenue ratio increased to 83.8%, compared to 78.2% in the second quarter of 2025 and 76.1% in the first quarter of 2026. This was due to the decline in sales revenue, resulting in certain fixed costs not being reduced in a timely manner. In addition, raw material costs increased following higher oil prices resulting from uncertainties in the Middle East. Nevertheless, the Company has closely monitored and strictly managed costs during the period.
- Gross profit for the second quarter of 2026 was Baht 88.3 million, representing a gross profit margin of 16.2%, decreasing from 21.8% or Baht 157.9 million in the second quarter of 2025 and decreasing from 23.9% or Baht 161.5 million in the first quarter of 2026. This was mainly due to the decline in sales revenue and the higher proportion of cost of goods sold.
- Selling and administrative expenses were Baht 48.1 million, representing 8.8% of sales revenue, decreasing from Baht 56.3 million or 7.8% of sales revenue in the second quarter of 2025 and decreasing from Baht 49.1 million or 7.3% of sales revenue in the first quarter of 2026. The Company has continuously implemented expense control measures in response to domestic automotive industry conditions and to maintain its long-term competitiveness.
- For the second quarter of 2026, the Company recorded an unrealized gain on foreign exchange of Baht 3.5 million due to the depreciation of Thai Baht against the Euro during the quarter. However, if the Euro depreciates (or Thai Baht appreciates), this would result in an unrealized foreign exchange loss accordingly.
- Net profit for the second quarter of 2026 was Baht 53.8 million, with a net profit margin of 9.7% and basic earnings per share of Baht 0.037. This compares to net profit of Baht 116.9 million in the second quarter of 2025 and Baht 124.8 million in the first quarter of 2026. Excluding unrealized foreign exchange gain (loss), the Company would record normal operating net profit of Baht 50.3 million, decreasing from Baht 106.3 million in the second quarter of 2025 and Baht 116.5 million in the first quarter of 2026. Although net profit decreased compared to the previous year, the Company remained profitable and maintained strong liquidity amid the continued economic slowdown.

Financial Overview for the first half-year period of 2026

Description	1st Half-Year 2026	1st Half-Year 2025	Changes YoY (%)	Ratio to Sales H1-2026	Ratio to Sales H1-2025
Sales Revenue	1,219.4	1,502.3	-7.8%		
Other Revenue	9.9	6.2	-60.3%		
Total Revenue	1,240.7	1,531.2	-7.8%		
Cost of Goods Sold	969.7	1,122.0	-9.2%	79.5%	74.7%
Gross Profit	249.7	380.3	-3.3%	20.5%	25.3%
SG&A	97.2	107.4	-7.9%	8.0%	7.1%
Net Profit	178.6	305.2	-2.5%	14.4%	19.9%
- Local Business	171.4	299.1	-6.9%	14.1%	19.9%
- Overseas Business	(4.2)	(16.7)			
- Gain on FX (Unrealized)	11.4	22.8			

Financial Summary for the First Half-Year Period of 2026

- The Company recorded Sales Revenue of Baht 1,219.4 million, decreasing 18.8% from Baht 1,502.3 million in the same period of 2025.
- Cost of goods sold to sales revenue ratio was 79.5%, increasing from 74.7% in the same period of 2025.
- Gross profit was Baht 249.7 million, representing a gross profit margin of 20.5%, decreasing from 25.3% in the same period of 2025.
- Selling and administrative expenses were Baht 97.2 million, representing 8.0% of sales revenue, slightly decreasing from Baht 107.4 million in the same period of 2025.
- Net profit was Baht 178.6 million, decreasing from Baht 305.2 million in the same period of 2025, with a net profit margin of 14.4%, decreasing from 19.9% in the same period of 2025.
- Although the Company's operating performance was pressured by the economic slowdown, global economic uncertainty, and changes in the automotive industry, the Company continued to maintain a satisfactory level of profitability compared to overall industry conditions.

Cash Flow Statement

(Unit : Baht million)

Descriptions	As at 30 Jun 2026	As at 30 Jun 2025	Changes +/(-)
Cash flows from operating activities	289.6	439.0	(149.4)
Cash flows used in investing activities	(484.6)	(90.1)	(394.5)
Cash flows used in financing activities	(184.9)	(479.0)	294.1
Net increase (decrease) in cash	**(385.2)**	**(148.7)**	
Cash and cash equivalents	**120.0**	**214.9**	

The Company's cash and cash equivalents (saving accounts only) as of 30 June 2026 totaled Baht 120.0 million (as at 31 December 2025: Baht 502.6 million). However, including all cash, savings deposits, special savings deposits, fixed deposits, and investments, the Company's total cash on hand amounted to Baht 3,024.5 million at the end of the second quarter of 2026.

(+) Cash flow from operating activities was Baht 289.6 million.

(-) Cash flow used in investing activities was Baht 484.6 million, mainly due to investments in special savings deposits for liquidity management, including investments in machinery and equipment to support production amounting to Baht 17.4 million.

(-) Cash flow used in financing activities was Baht 184.9 million, mainly due to the annual dividend payment to shareholders in May 2026.

Statement of Financial Position

(Unit: Baht million)

Descriptions	As of 30 Jun 2026	As of 31 Dec 2025	Changes + / (-)
Current Assets	3,818.8	3,790.5	28.3
Non-current Assets	1,889.9	1,991.0	(101.1)
Total Assets	5,708.7	5,781.5	(72.8)
Current Liabilities	263.2	340.5	(77.3)
Non-current Liabilities	402.4	400.6	1.8
Total Liabilities	665.6	741.1	(75.5)
Paid-up Share Capital	1,525.0	1,525.0	-
Share Premium	2,741.7	2,741.7	-
Retained Earnings	671.9	667.3	4.6
Total Shareholders' Equity	5,043.1	5,040.4	2.7

Total Assets as of 30 June 2026 were Baht 5,708.7 million.

- Current Assets increased by Baht 28.3 million, mainly due to investments in special savings deposits, resulting in an increase of Baht 497.2 million. This was partially offset by a decrease of Baht 382.6 million in bank deposits classified as cash equivalents.
- Non-current Assets decreased by Baht 101.1 million, mainly due to a decrease in machinery and equipment, primarily from depreciation expense for the six-month period of 2026 of Baht 123.2 million, offset by purchases of machinery, equipment, and production support systems during the period amounting to Baht 15.7 million.

Total liabilities as of 30 June 2026 were Baht 665.6 million, decreasing by Baht 75.5 million from the end of 2025. The decrease was mainly due to a reduction in short-term current liabilities to trade suppliers of Baht 78.5 million. The Company had neither short-term nor long-term borrowings from any financial institution, as the Company continued to maintain positive operating results and improving liquidity.

Equity as of 30 June 2026 was Baht 5,043.1 million, increasing by Baht 2.7 million compared to the end of 2025, mainly due to total comprehensive income for the period, net of dividend payments during the period.

The company continues to maintain a strong financial position, with a low debt-to-equity ratio (D/E) of 0.13 times (31 December 2025: 0.15 times) and no debt from financial institutions. This results in financial flexibility to accommodate fluctuations in the domestic economy and automotive industry, as well as future investment plans. Furthermore, the company continues to generate returns for shareholders and utilize assets efficiently, with a Return on Equity (ROE) of 8.30% and a Return on Asset (ROA) of 7.33%.

Outlook and Factors Affecting Future Operations

Despite the continued challenges in the economic environment and automotive industry, the Company views the current conditions as an opportunity to prepare for future growth. Available production capacity provides an opportunity for the Company to leverage its extensive experience and expertise in automotive component manufacturing, across both steel and aluminum applications, and extend these capabilities to other industries.

The company is therefore focused on upgrading its capabilities based on its existing expertise through investment in advanced manufacturing technologies. This is to support the production of more complex and high-value-added parts, as well as to meet advanced quality requirements and manufacturing specifications. This will open up opportunities in new industries, diversify beyond the automotive industry, and strengthen long-term competitiveness.

Please be informed accordingly.

Sincerely Yours,

(Mr. Banlang Rungrotkitiyot)
Chief Executive Officer