13 August 2026 | Alla Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance Overview

During the first six months of 2026, the Group continued to operate amid economic conditions pressured by external factors. As a result, customers in the industrial sector remained cautious in allocating budgets, with many revising project plans and postponing implementation schedules to preserve financial liquidity. These factors directly affected the recognition of project revenue during the current period. Nevertheless, the Group's backlog at the end of the second quarter of 2026 increased to THB 374 million, representing a 38% increase from the end of the previous year. This reflects customers' continued confidence in the Group's products, which remain key components in industrial projects. The backlog is expected to be gradually recognized as revenue in subsequent periods as the postponed projects progress according to their revised schedules.

In addition, the Group continued to achieve growth in its strategic target businesses, particularly its clean energy solutions (Solar Solutions), driven by increasing demand from businesses seeking to optimize energy costs. At the same time, revenue from after-sales services continued to grow, strengthening the proportion of recurring income and enhancing the stability of the Group's revenue base.

In terms of operating performance, net profit declined compared with the same period of the previous year. The primary reasons were the slowdown in project revenue recognition and a lower gross profit margin resulting from higher raw material and production costs, together with intensified price competition within the industry. In response, the Group adopted a prudent pricing strategy to maintain its customer base and market share. Despite these challenges, through effective cost management, the Group successfully maintained an overall gross profit margin of 30% for the first six months of the year. During the period, the Group also commenced its organizational development initiative under the Stock Exchange of Thailand's Jump+ Program by appointing experienced consultants to establish a solid foundation for long-term sustainable growth.

As of the end of the second quarter of 2026, the Group maintained a strong financial position, supported by high liquidity and a low debt-to-equity ratio. This reflects the Group's robust capital structure and its readiness to support the execution of new projects and future business expansion as economic conditions gradually improve.

Consolidated Financial Performance for the second quarter and the six-month period of 2026

Operating Income						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2026	2Q 2025	%Chg.	6M 2026	6M 2025	%Chg.
Revenues from contracts with customers	150,420	155,281	(3%)	277,063	338,475	(18%)
Other income	359	266	35%	605	524	15%
Total Operating Income	150,779	155,547	(3%)	277,668	338,999	(18%)

Revenues structure						
	6M 2026		6M 2025		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales and services						
Crane and Electric Hoist	72,542	26%	148,813	44%	(76,271)	(51%)
Loading Dock and Equipment	32,144	12%	50,449	15%	(18,305)	(36%)
Warehouse system and Equipment	478	0%	1,356	0%	(878)	(65%)
Solar cell system	48,680	18%	30,616	9%	18,064	59%
EV Charging Station	-	0%	115	0%	(115)	(100%)
Total revenue from sales and services	153,844	56%	231,349	68%	(77,505)	(34%)
Revenue from after-sales service						
Crane and Electric Hoist	91,677	33%	81,286	24%	10,391	13%
Loading Dock and Equipment	30,653	11%	25,388	8%	5,265	21%
Solar cell system	80	0%	-	0%	80	100%
Training center	809	0%	452	0%	357	79%
Total revenue from after-sales service	123,219	44%	107,126	32%	16,093	15%
Other income	605	0%	524	0%	81	15%
Total Operating Income	277,668	100%	338,999	100%	(61,331)	(18%)

Total operating revenue for the Group amounted to THB 151 million in the second quarter of 2026, representing a decrease of THB 5 million, or 3%, compared with the same period of the previous year. For the first six months of 2026, total operating revenue amounted to THB 278 million, a decrease of THB 61 million, or 18%, from the corresponding period of the previous year. The changes in revenue by business segment are summarized as follows:

1. **Material Handling System:** Revenue decreased compared with the same period of the previous year, primarily due to customers revising project plans and postponing project implementation in response to prevailing economic conditions. In addition, the timing of revenue recognition for project-based contracts varies depending on individual project delivery schedules. As a result, the recognition of revenue from certain projects has been deferred to subsequent periods.
2. **Clean Energy Solutions:** Revenue from the sale and installation of solar energy systems increased by THB 18 million, or 59%, compared with the same period of the previous year. This growth was primarily driven by increasing demand from both private enterprises and government agencies seeking to reduce electricity costs, as well as the adoption of environmental, social and governance (ESG) initiatives. The performance is in line with the Group's strategy to expand its revenue base from renewable energy businesses.
3. **After-sales Services:** Revenue increased across all service categories, reflecting the Group's strategic initiative to increase the proportion of recurring income. This strategy aims to reduce earnings volatility associated with project-based businesses while creating a more balanced and resilient revenue structure.

Operating Expenses						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2026	2Q 2025	%Chg.	6M 2026	6M 2025	%Chg.
Cost of sales and services	110,860	104,413	6%	194,225	222,771	(13%)
Selling expenses	9,676	9,073	7%	18,965	18,047	5%
Administrative expenses	22,113	26,369	(16%)	44,974	48,053	(6%)
Total Operating Expenses	142,649	139,855	2%	258,164	288,871	(11%)

Total operating expenses for the Group amounted to THB 143 million in the second quarter of 2026, representing a decrease of THB 3 million, or 2%, compared with the same period of the previous year. For the first six months of 2026, total operating expenses amounted to THB 258 million, a decrease of THB 31 million, or 11%, from the corresponding period of the previous year.

- Cost of sales and services increased during the three-month period compared with the same period of the previous year, primarily due to higher raw material and production costs. For the six-month period, however, cost of sales and services declined in line with the slowdown in revenue from project contracts, reflecting the lower volume of project activities during the period.

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- Selling expenses remained broadly unchanged compared with the same period of the previous year, with no significant fluctuations.
- Administrative expenses decreased compared with the same period of the previous year, mainly attributable to improvements in the Group's operating structure, enhanced management efficiency, and continued discipline in controlling operating expenses.

Other Items						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2026	2Q 2025	%Chg.	6M 2026	6M 2025	%Chg.
Finance income	651	808	(19%)	1,040	1,610	(35%)
Finance cost	(132)	(173)	(24%)	(274)	(357)	(23%)
Income tax expenses	(1,569)	(3,222)	(51%)	(3,894)	(10,168)	(62%)
Total Other Items	(1,050)	(2,587)	(59)%	(3,128)	(8,915)	(65%)

- Finance income and Finance cost did not change significantly.
- Income tax expenses decreased in line with the operating profits.

Profitability Analysis						
(Thousand Baht)	For the three-month periods			For the six-month periods		
	2Q 2026	2Q 2025	%Chg.	6M 2026	6M 2025	%Chg.
Gross profit	39,560	50,868	(22%)	82,838	115,704	(28%)
Gross profit margin	26%	33%		30%	34%	
Net profit	7,080	13,105	(46%)	16,376	41,213	(60%)
Net profit margin	5%	8%		6%	12%	
Basic earnings per share (Baht)	0.012	0.022	(45%)	0.027	0.069	(61%)

- Gross profit decreased compared with the same period of the previous year, consistent with the slowdown in project-related revenue. The gross profit margin also declined, primarily due to higher raw material and production costs, together with intensified price competition within the industry. As a result, the Group adopted a prudent pricing strategy to maintain its customer base and market share.
- Net profit and net profit margin declined in line with the decrease in gross profit, mainly as a result of lower revenue and the contraction in the gross profit margin during the period.

Consolidated Financial Position for the six-month period of 2026

Financial Position			
(Thousand Baht)	June 2026	December 2025	%Chg.
Total Assets	1,143,455	1,191,837	(4%)
Total Liabilities	216,690	221,448	(2%)
Total Shareholders' Equity	926,765	970,389	(4%)

- Total assets decreased by THB 48 million, or 4%, with the key movements as follows:
  - Cash and Cash Equivalents: Decreased by THB 126 million, primarily due to the investment of excess liquidity in fixed deposits amounting to THB 60 million, capital expenditure of THB 6 million, and dividend payments totaling THB 60 million.
  - Trade and Other Current Receivables: Decreased by THB 22 million, mainly due to collections received in accordance with payment terms, together with a lower proportion of revenue from project-based contracts.
  - Inventories: Increased by THB 33 million as a result of purchases of raw materials and goods in transit to support the production and delivery of the Group's backlog in line with the project execution plan.
  - Other Current Financial Assets: Increased by THB 60 million, reflecting the investment of excess liquidity in fixed deposits.
  - Other Current Assets: Increased by THB 19 million, primarily due to higher prepaid expenses relating to imported goods to support customer orders, as well as an increase in retention receivables.
- Total liabilities decreased by THB 5 million, or 2%, with the key movements as follows:
  - Trade and Other Current Payables: Decreased by THB 9 million, mainly due to the settlement of trade payables and operating expenses in accordance with normal payment terms during the period.
  - Income Tax Payable: Decreased by THB 10 million, in line with the lower operating results and profitability during the period.
  - Deposits Received in Advance: Increased by THB 26 million, consistent with the growth in the Group's backlog, reflecting the continued receipt of new customer orders.

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- Total shareholders' equity decreased by THB 44 million, or 4%. Shareholders' equity increased by THB 16 million from net profit for the period but was reduced by THB 60 million as a result of dividend payments.

Liquidity and Capital Management

Cash Flows		
(Thousand Baht)	6M 2026	6M 2025
Net cash from (used in) operating activities	(54)	83,663
Net cash used in investing activities	(64,779)	(72,572)
Net cash used in financing activities	(61,578)	(97,526)
Net decrease in cash and cash equivalents	**(126,411)**	**(86,435)**
Beginning cash and cash equivalents	361,014	316,845
Ending cash and cash equivalents	**234,603**	**230,410**

For the six-month period of 2026, the Group's cash and cash equivalents decreased by a net amount of THB 126 million. The Group's opening net cash balance was THB 361 million, resulting in a closing net cash balance of THB 235 million. The details of cash flows from each activity are as follows:

- Net cash flows from operating activities amounted to THB 0.05 million.
- Net cash used in investing activities amounted to THB 65 million, primarily attributable to the investment of excess liquidity in fixed deposits totaling THB 60 million and capital expenditure of THB 6 million for property, plant and equipment.
- Net cash used in financing activities amounted to THB 62 million, mainly due to the dividend payment of THB 60 million made in May 2026.

Ratios Analysis		
	6M 2026	6M 2025
Return on Asset (%)	6.34%	10.39%
Return on Equity (%)	6.24%	10.43%
Current ratio (x)	5.23	5.08
Total debt to equity (x)	0.23	0.23

Return on Assets (ROA) and Return on Equity (ROE) decreased by 4.05% and 4.19%, respectively, in line with the decline in the Group's profitability compared with the same period of the previous year.

The Current Ratio and Debt-to-Equity Ratio (D/E Ratio) remained broadly unchanged, reflecting the Group's continued ability to maintain adequate liquidity and a sound capital structure.

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