TOA Paint (Thailand) Public Company Limited

Management Discussion & Analysis

Q2/2026

Ended on June 30, 2026

-*Translation*-

No. TOA 13/2026

August 13, 2026

Subject: Management Discussion and Analysis for the Second Quarter of 2026 ended June 30, 2026

To: The President
The Stock Exchange of Thailand

TOA Paint (Thailand) Public Company Limited (the "Company" or "we" or "our" or "us") would like to inform management discussion and analysis for its results of operations from the financial statements for the second quarter of fiscal year 2026 ended June 30, 2026 as follows:

1. Overview of Business Operation, Industry and Economic Trends

During the first half of 2026, Thailand's economy showed signs of recovery although growth remained concentrated in specific business sectors. The main drivers were the expansion of merchandise exports, government economic stimulus spending, and continued private investment, particularly in the technology sector. However, domestic purchasing power remained under pressure from high living costs, slowing agricultural income, and persistent household debt. Consequently, overall consumer confidence and spending were cautious throughout the past six months.

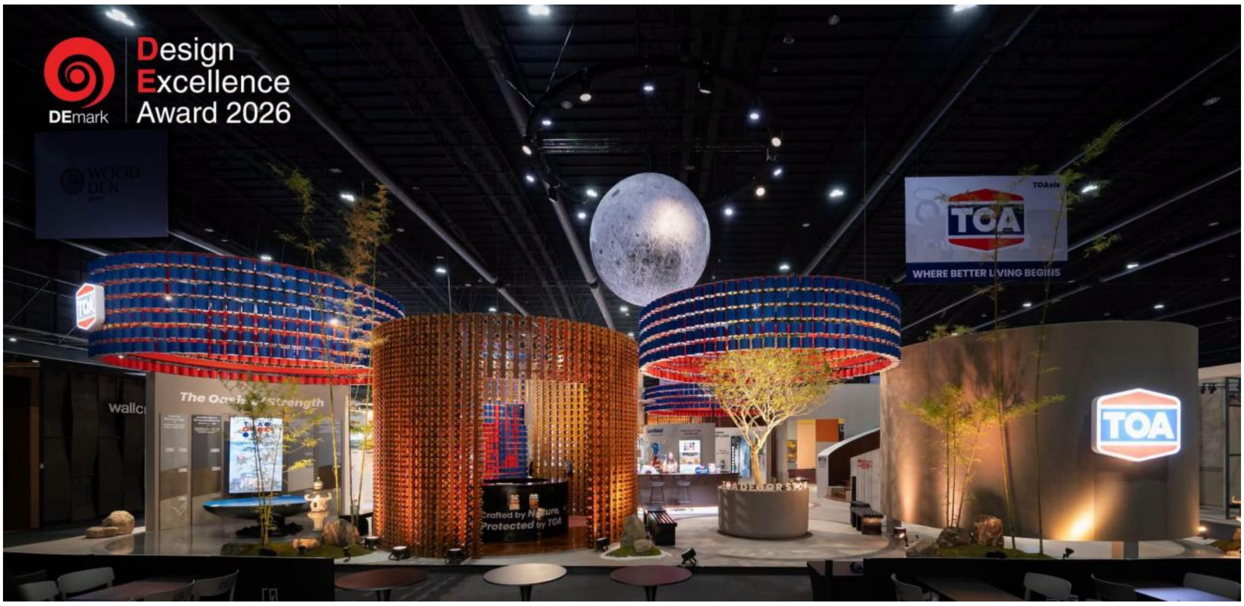
Meanwhile, ongoing conflicts in the Middle East impacted industrial operational costs through volatility in global energy markets. A prior surge in oil prices drove up transportation and energy expenses across supply chains, elevating raw material costs for the petrochemical and chemical sectors. Although crude oil prices began to moderate in late June, cumulative cost burdens and supply chain margin pressures remained significant headwinds to business recovery.

A volatile cost environment continued to impact Thailand's construction industry throughout the first half of the year, driving up construction material prices due to elevated production and transportation costs. Concurrently, the real estate sector faced weakening consumer purchasing power, particularly in the low-to-mid-tier residential segments, driven by rising living costs and stricter financial institution credit approval criteria. Consequently, during the first half of 2026, real estate developers prioritized inventory management of existing projects while delaying new project launches to maintain financial balance and mitigate business risks.

2. Key Events and Developments

1. The Company reaffirmed its leadership in sustainable innovation as the first paint manufacturer in Thailand to receive Environmental Product Declaration (EPD) certifications across a total of 33 product lines. This significant milestone highlights TOA’s comprehensive sustainability journey, spanning carbon measurement and reduction to transparent environmental disclosures, which directly supports the advancement of green building standards and sustainable healthcare facilities in Thailand.

2. The TOA-SIS Pavilion, created by Looklen Architects for Architect'26, earned the DEmark Award 2026 in Excellence in Interior Design. Rooted in sustainability, the exhibit highlighted TOA's diverse product range and repurposed more than 3,000 used paint cans into functional architectural features, demonstrating TOA's dedication to eco-friendly innovation and circular resource management.

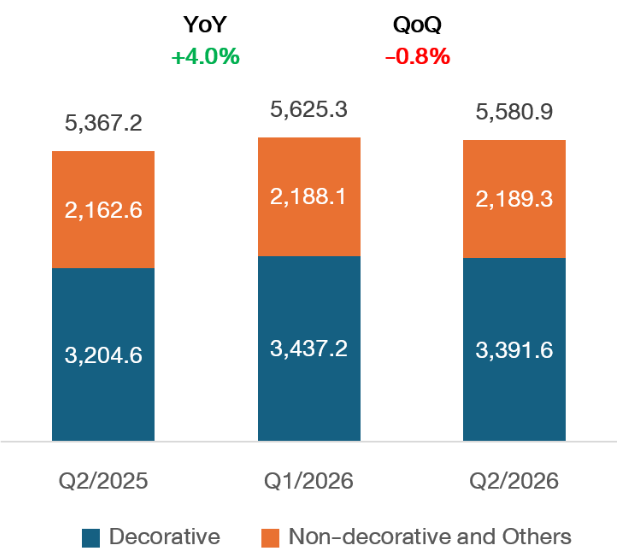


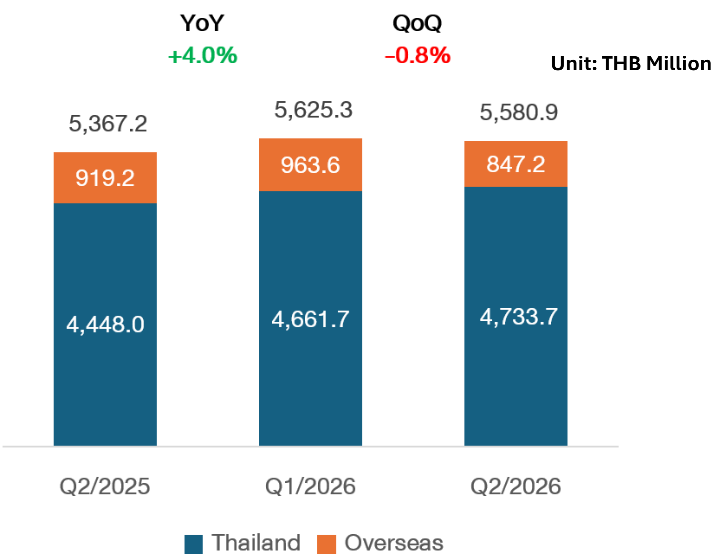
3. Operating Results

3.1 Operating Results for Q2/2026

Income Statement (THB Million)	Q2/2025	Q1/2026	Q2/2026	% Change	
				YoY	QoQ
Sales revenue	5,367.2	5,625.3	5,580.9	4.0%	-0.8%
Cost of sales	(3,330.0)	(3,353.3)	(3,345.7)	0.5%	-0.2%
Gross profit	**2,037.3**	**2,271.9**	**2,235.2**	**9.7%**	**-1.6%**
Gross profit margin	**38.0%**	**40.4%**	**40.1%**		
Dividend and other income	56.2	56.2	63.0	12.1%	12.1%
Selling expenses	(740.8)	(750.2)	(815.6)	10.1%	8.7%
Administrative expenses	(386.0)	(392.6)	(397.7)	3.0%	1.3%
Gains (Losses) on exchange rates and fair value of financial assets measured at fair value through profit or loss	(121.0)	40.8	(76.1)	-37.1%	-286.6%
Profit before finance cost and income tax	845.7	1,226.2	1,008.7	19.3%	-17.7%
Finance cost	(10.8)	(9.3)	(8.9)	-17.7%	-4.2%
Income tax expenses	(172.6)	(246.6)	(263.6)	52.7%	6.9%
Profit for the period	**651.8**	**953.2**	**717.7**	**10.1%**	**-24.7%**
Net profit (excluding gains & losses on exchange rates and fair value of financial assets measured at fair value through profit or loss)	**772.8**	**912.5**	**793.9**	**2.7%**	**-13.0%**

Remarks YoY compares performance between Q2/2026 and Q2/2025
QoQ compares performance between Q2/2026 and Q1/2026





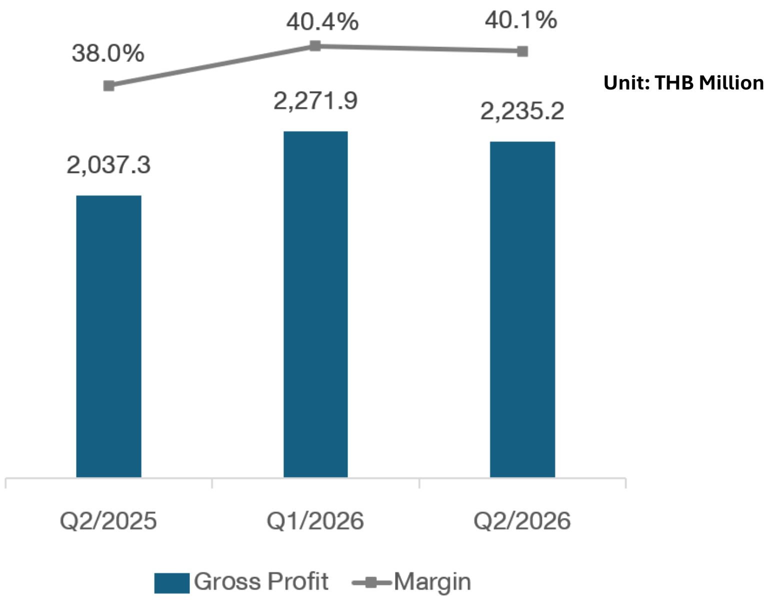
Sales Revenue

Sales revenue for Q2/2026 was THB 5,580.9 million.

- **YoY :** Compared to Q2/2025, **sales revenue increased by THB 213.7 million, or 4.0%**, driven by sales growth for both decorative and non-decorative products in Thailand through new product launches and the push for existing home repairs across both traditional retail and modern trade channels, as well as product price adjustments in March 2026 to reflect costs and market trends. Overseas sales slowed down due to lower sales in Myanmar resulting from stricter import controls on raw material and finished goods.

- **QoQ :** Compared to Q1/2026, **sales revenue decreased by THB 44.4 million, or 0.8%**, driven by a decline in overseas sales, although sales in Thailand continued to grow, as explained above.

Gross Profit



Gross profit for Q2/2026 was THB 2,235.2 million, representing a gross profit margin of 40.1%.

- **YoY : The gross profit margin in Q2/2026 increased to 40.1% from 38.0% in Q2/2025**. The Company was able to maintain high gross margins through efficient production cost and supply chain management, despite pressure from rising raw material costs from the Middle East conflict. Margins were further supported by adjusting selling prices to appropriately reflect product value and cost trends.
- **QoQ** : **The gross profit margin in Q2/2026 decreased to 40.1% compared to Q1/2026 at 40.4%**.

Selling Expenses

Selling expenses for Q2/2026 were THB 815.6 million.

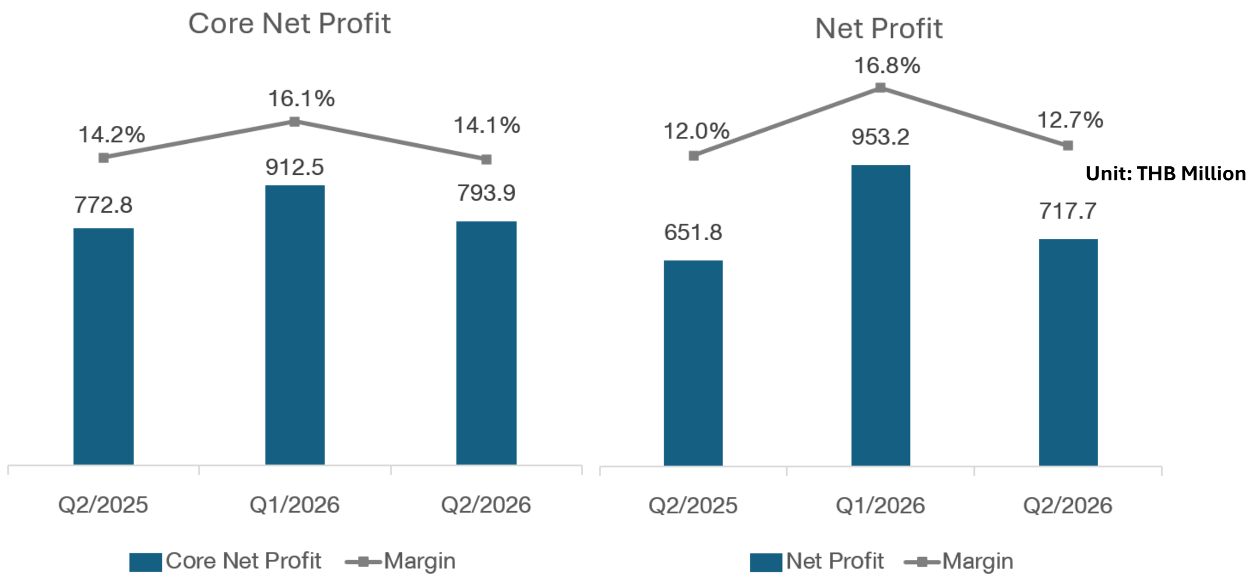
- **YoY :** Compared to Q2/2025, **increased by THB 74.8 million, or 10.1%**, due to an increase in commissions, transportation, and sales and marketing employee costs.
- **QoQ :** Compared to Q1/2026, **increased THB 65.4 million, or 8.7%**, due to an increase in sales promotion expenses and transportation costs.

Administrative Expenses

Administrative expenses for Q2/2026 were THB 397.7 million.

- **YoY :** Compared to Q2/2025, **increased by THB 11.7 million, or 3.0%**, due to expenses incurred from optimizing the leased space contract to fit the operational requirements of a subsidiary in Vietnam.
- **QoQ :** Compared to Q1/2026, **increased by THB 5.1 million, or 1.3%**.

Profit for the period



The core net profit (equity holders of the company, excluding fair value adjustments of financial assets and foreign exchange differences) for Q2/2026 was THB 793.9 million.

- **YoY :** Compared to Q2/2025, **the profit increased by THB 21.1 million, or 2.7%**, driven by higher sales and a higher gross profit margin compared to the same period last year.
- **QoQ :** Compared to Q1/2026, **the profit decreased by THB 118.6 million, or 13.0%**, driven by lower international sales and higher selling and administrative expenses.

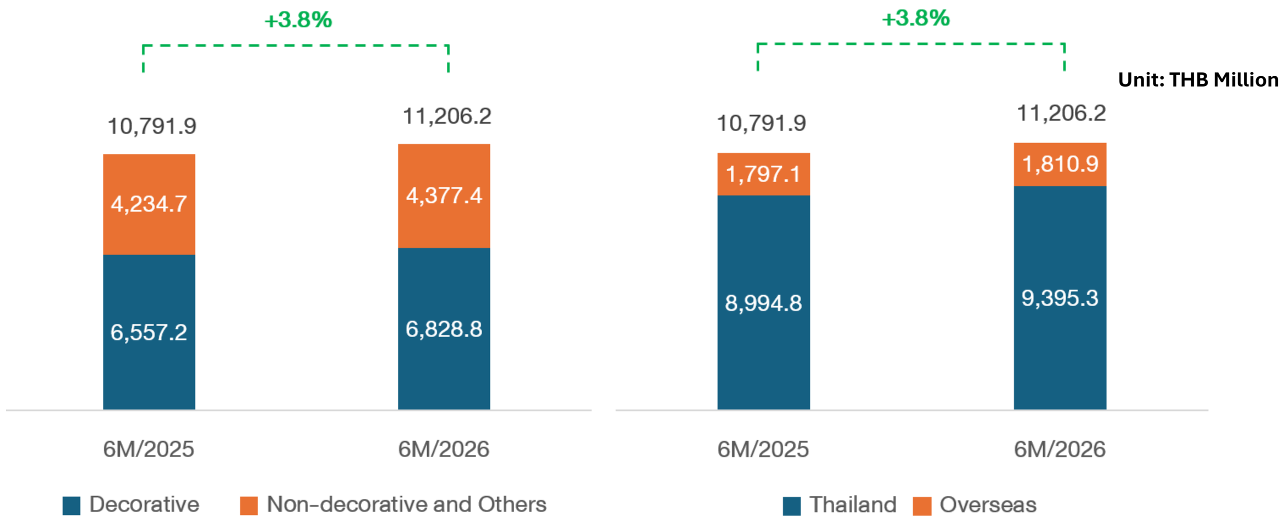
Profit attributable to equity holders of the company for Q2/2026 was THB 717.7 million.

- **YoY :** Compared to Q2/2025, **the profit increased by THB 65.9 million, or 10.1%**, driven by increased operating profit along with lower foreign exchange losses in Q2/2026.
- **QoQ :** Compared to Q1/2026, **the profit decreased by THB 235.5 million, or 24.7%**, driven by decreased operating profit along with the recognition of foreign exchange losses in Q2/2026, compared to foreign exchange gains in Q1/2026.

3.2 Operating Results for 6M/2026

Income Statement (THB Million)	6M/2025	6M/2026	% Change YoY
Sales revenue	10,791.9	11,206.2	3.8%
Cost of sales	(6,738.9)	(6,699.1)	-0.6%
Gross profit	**4,053.1**	**4,507.1**	**11.2%**
Gross profit margin	**37.6%**	**40.2%**	
Dividend and other income	98.5	119.2	21.0%
Selling expenses	1,420.2	1,565.8	10.3%
Administrative expenses	759.6	790.3	4.0%
Gains (Losses) on exchange rates and fair value of financial assets measured at fair value through profit or loss	(184.9)	(35.3)	-80.9%
Profit before finance cost and income tax	1,786.9	2,234.8	25.1%
Finance cost	(22.8)	(18.1)	-20.3%
Income tax expenses	(361.7)	(510.2)	41.0%
Profit for the period	**1,384.9**	**1,671.0**	**20.7%**
Net profit (Excluding Gains & Losses on exchange rates and fair value of financial assets measured at fair value through profit or loss)	**1,569.8**	**1,706.3**	**8.7%**

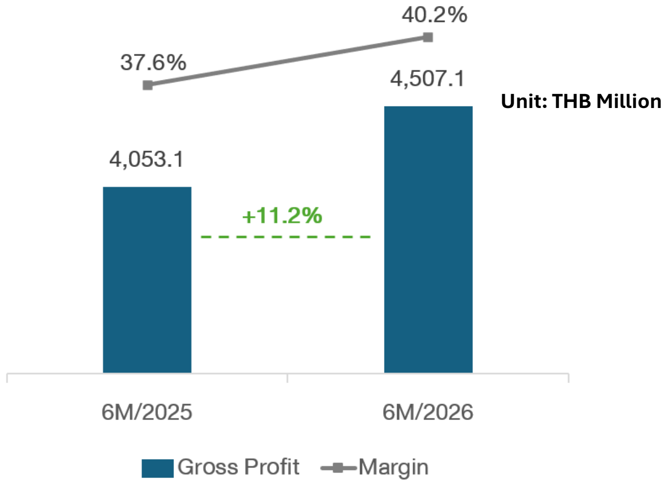
Sales Revenue



Sales revenue for 6M/2026 was THB 11,206.2 million.

- **YoY :** Compared to 6M/2025, **sales revenue increased by THB 414.3 million, or 3.8%**, driven by domestic sales growth across both decorative and non-decorative products. This was supported by accelerated orders from retailers for inventory stockpiling in anticipation of price hikes following the conflict in the Middle East. Additionally, product price adjustments were implemented in March 2026 to reflect costs and market trends. Overseas markets such as Vietnam, Laos, and Cambodia grew through aggressive expansion in retail and project channels, while sales in Myanmar were negatively impacted by stricter import controls on raw materials and finished goods.

Gross Profit



Gross profit for 6M/2026 was THB 4,507.1 million, representing a gross profit margin of 40.2%.

- **YoY : The gross profit margin in 6M/2026 increased to 40.2% from 37.6% in 6M/2025**, driven by efficient production cost and supply chain management that achieved continuous cost reductions, as well as effective mitigation of the impacts from unrest in the Middle East. This was also supported by adjustments to production plans and raw material procurement, alongside selective selling price increases to reflect rising costs.

Selling Expenses

Selling expenses for 6M/2026 were THB 1,565.8 million.

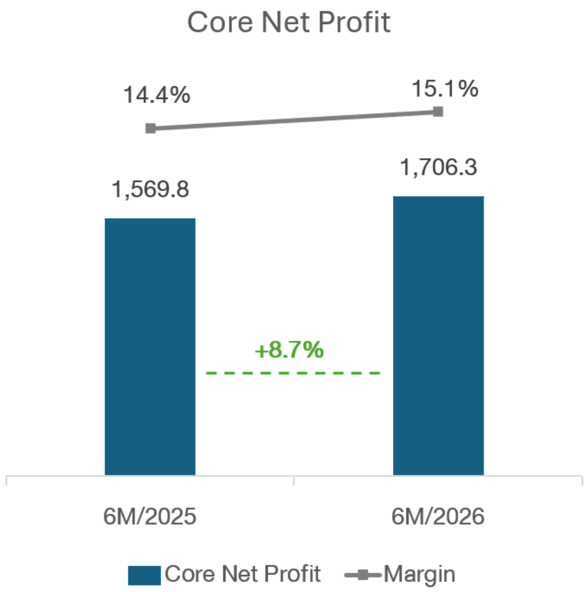
- **YoY :** Compared to 6M/2025, **increased by THB 145.6 million, or 10.3%**, due to an increase in sales and marketing employee expenses, commissions, transportation expenses, and advertising expenses, respectively.

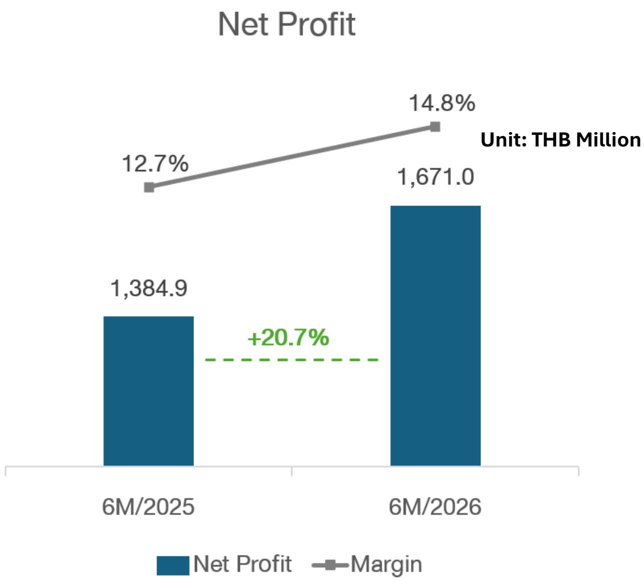
Administrative Expenses

Administrative expenses for 6M/2026 were THB 790.3 million.

- **YoY :** Compared to 6M/2025, **increased by THB 30.7 million, or 4.0%**, due to an increase in employee expenses.

Profit for the period





The core net profit (equity holders of the company, excluding fair value adjustments of financial assets and foreign exchange differences) for 6M/2026 was THB 1,706.3 million.

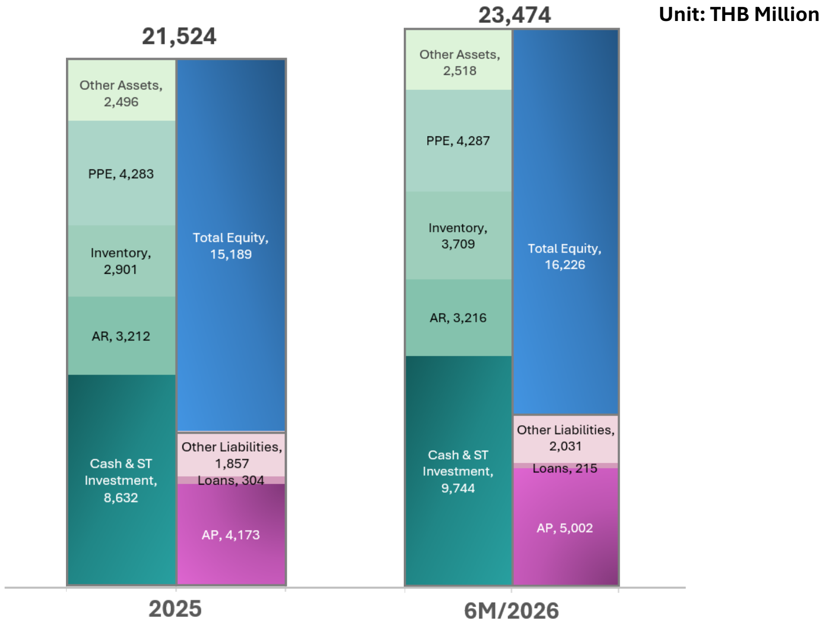
- **YoY :** Compared to 6M/2025, **the profit increased by THB 136.5 million, or 8.7%**, driven by higher sales and a higher gross profit margin compared to the same period last year.

Profit attributable to equity holders of the company for 6M/2026 was THB 1,671.0 million.

- **YoY :** Compared to 6M/2025, **the profit increased by THB 286.1 million, or 20.7%**, driven by higher core net profit along with lower foreign exchange losses in 6M/2026.

4. Financial Position & Key Financial Ratios

4.1 Financial Position



Total Assets

Total assets as of June 30, 2026, were THB 23,473.6 million.

- **Increased by THB 1,949.4 million, or 9.1%** from December 31, 2025, which were THB 21,524.2 million, due to an increase in inventories, investments in other current financial assets, and cash and cash equivalents.

Total Liabilities

Total Liabilities as of June 30, 2026, were THB 7,247.2 million.

- **Increased THB 912.2 million, or 14.4%** from December 31, 2025, which were THB 6,335.0 million, due to an increase in trade and other payables, and corporate income tax payable.

Shareholders' Equity

Total Shareholders' Equity as of June 30, 2026, was THB 16,226.4 million.

- **Increased THB 1,037.1 million, or 6.8%** from December 31, 2025, which were THB 15,189.2 million, due to an increase in profit for the period.

4.2 Key Financial Policy Ratios

Ratio	Unit	As of December 31, 2025	As of June 30, 2026
Current Ratio	Times	3.03	2.86
Interest-bearing Debt to Equity Ratio	Times	0.08	0.06
Interest Coverage Ratio	Times	109.61	132.71
Total Liability to Equity Ratio	Times	0.42	0.45
Return on Equity Ratio	%	20.72	21.35

The Company has a low debt-to-equity ratio, reflecting sufficient liquidity and a strong financial position. Meanwhile the return on equity increased following an increase in net profit in 6M/2026 compared to the same period last year.

5. Factors that Could Impact Future Performance

Thailand's economic outlook for the second half of 2026 is expected to face complex challenges and expand at a slower pace than the first half, driven by weakening government stimulus momentum alongside elevated production costs. Amid volatile conflicts in the Middle East causing periodic surges in global crude oil prices, raw material and feedstock prices across petrochemical and imported chemical segments remain consistently high. Consequently, manufacturers must manage supply chains with caution amidst fragile consumer purchasing power and a vulnerable domestic economic recovery.

For the real estate sector and construction industry in the second half of 2026, operations are expected to proceed with caution as consumer purchasing power remains under pressure from household debt burdens and strict financial institution lending criteria. Consequently, the overall market focus remains on managing and clearing existing inventory rather than accelerating new project launches, while companies must maintain tight liquidity management to cope with construction material costs that remain elevated from earlier impacts.

Amid the challenging business environment in the second half of 2026, the Company continues to drive its proactive strategies. We remain focused on risk diversification through expanding our non-decorative product portfolio, such as construction chemicals, gypsum boards, tiles, and sanitary ware. Simultaneously, we are expanding business opportunities into the ASEAN Economic Community (AEC) market while enhancing our risk management system to be highly agile, enabling timely adaptation to market volatility. Furthermore, we are accelerating the development of cost-reducing and energy-saving innovations to bolster our competitive edge and drive stable and sustainable growth.

6. Key Developments in Sustainability

In the 2nd quarter of 2026, the Company continued to drive its strategy toward becoming an integrated paint and construction material solution provider (Total Solutions), while actively operating in alignment with its goal to achieve net-zero greenhouse gas emissions by 2050. Building upon key developments from the first quarter across green products, youth development through sports, and brand confidence enhancement, the Company expanded its role into collaborations with educational institutions to create learning spaces for Thai youth. Key developments in Environment, Social, and Governance (ESG) during this period are summarized as follows:

- **Environmental**

Climate Governance

The Company has consistently prepared and verified its Corporate Carbon Footprint on an annual basis, serving as a critical baseline to track progress toward its Net Zero GHG Emissions target by 2050. This ongoing effort reflects the Company's commitment to systematic greenhouse gas management, enhancing data transparency to support disclosure under relevant reporting frameworks, and utilizing key insights to plan future emission reductions across both production processes and its entire value chain.

Elevating Environmental Product Standards and Expanding Value Chain Impacts

The Company built upon the Environmental Product Declaration (EPD) certifications obtained in the first quarter by expanding into real estate development projects of corporate clients with Green Procurement policies and Green Building standards. Additionally, the Company received an honorary plaque from the Thailand Environment Institute for maintaining Green Label certification for over 25 consecutive years, reflecting its long-standing commitment to environmental product standards.

In addition to securing EPD certifications, the Company extended its low-carbon products across the value chain by offering TOA SuperShield, launched in the first quarter, which helps reduce air conditioning energy consumption by an average of 38.3%. Furthermore, the 4SEASONS paint series received the Carbon Reduction Label from the Thailand Greenhouse Gas Management Organization (Public Organization), driving greenhouse gas reductions across the national real estate and construction sectors.

- **Social**

Empowering Youth through Sports

The Company continued its ongoing support for youth development through basketball by building on first-quarter efforts, as the "TOA 3x3 Basketball All Thailand 2026" tournament, organized for the 4th consecutive year in partnership with the Basketball Sport Association of

Thailand across 15 locations nationwide. The tournament progressed during the 2nd quarter to provide young athletes across 11 competition categories with a platform to develop their potential and demonstrate international-level skill. Building upon its collaboration with the National Basketball Association (NBA) following initial selection trials in the first quarter, the Company also hosted the "NBA Rising Stars Invitational Thailand Final Match presented by TOA" from May 23–24, 2026, selecting under-18 youth athletes to represent Thailand at the NBA Rising Stars Invitational 2026 in Singapore and reflecting over 15 years of dedicated support for Thai basketball.

Creating Shared Value with Communities and Educational Institutions

In the 2nd quarter, the Company expanded its social development role through academic collaborations, partnering with Chulalongkorn University to renovate and develop learning spaces for schools in upcountry provinces by combining its expertise in paints and construction materials with the design capabilities of university faculty and students to create educational environments conducive to youth development. Executed across two schools, Wat Khok School in Pathum Thani Province and Wat Khao Wana Phuttaram School in Chonburi Province, this initiative highlights the elevation of the Company's social projects through educational partnerships, driving sustainable, positive impacts for Thai communities and youth.

Please be informed accordingly,

Yours Sincerely,

(Acting Sub Lt. Surasak Mandaeng)

Chief Financial Officer