Management Discussion and Analysis

For Quarter 2 Ending June 30, 2026

Unit: Million baht

Performance	Q2/2026	%	Q1/2026	%	Q2/2025	%	Change		1H/2026	%	1H/2025	%	Change
							%YoY	%QoQ					% YoY
Total revenues	362.3	101.7	272.4	102.4	473.1	101.2	(23.4)	33.0	634.7	102.0	761.8	101.1	(16.7)
Revenue from sales	356.4	100.0	266.1	100.0	467.6	100.0	(23.8)	33.9	622.5	100.0	753.7	100.0	(17.4)
Other income	2.5	0.7	0.9	0.4	2.3	0.5	8.7	177.8	3.4	0.5	3.6	0.5	(5.6)
Net foreign exchange gain	3.4	1.0	5.4	2.0	3.2	0.7	6.3	(37.0)	8.8	1.4	4.5	0.6	95.6
Cost of sales	301.6	84.6	248.5	93.4	386.4	82.6	(21.9)	21.4	550.0	88.4	661.6	87.8	(16.9)
Gross Profit	54.8	15.4	17.6	6.6	81.2	17.4	(32.5)	211.4	72.5	11.6	92.1	12.2	(21.3)
% GPM	15.4		6.6		17.4		(2.0)	8.8	11.6		12.2		(0.6)
Selling and administrative expenses	61.6	17.3	57.7	21.7	69.4	14.8	(11.2)	6.8	119.2	19.1	126.1	16.7	(5.5)
Distribution costs	28.4	8.0	21.4	8.0	34.0	7.2	(16.5)	32.7	49.7	8.0	59.9	7.9	(17.0)
Administrative expenses	33.2	9.3	36.3	13.6	35.4	7.6	(6.2)	(8.5)	69.5	11.2	66.2	8.8	5.0
SG&A	61.6	17.3	57.7	21.7	69.4	14.8	(11.2)	6.8	119.2	19.1	126.1	16.7	(5.5)
% SG&A to Sale	17.3		21.7		14.8		2.5	(4.4)	19.1		16.7		(2.4)
Profit (loss) from operating activities	(0.9)	(0.3)	(33.8)	(12.7)	17.3	3.7	(105.2)	(97.3)	(34.6)	(5.6)	(25.9)	(3.4)	33.6
Finance costs	3.4	1.0	3.3	1.2	1.2	0.3	183.3	3.0	6.8	1.1	2.4	0.3	183.3
Income tax expenses	(2.1)	(0.6)	(1.1)	(0.4)	(0.8)	(0.2)	162.5	90.9	(3.1)	(0.5)	(1.2)	(0.1)	158.3
Net Profit (loss)	(2.2)	(0.6)	(36.0)	(13.5)	16.9	3.6	(113.0)	(93.9)	(38.3)	(6.2)	(27.1)	(3.6)	41.3
% Net NPM	(0.6)		(13.5)		3.6		(4.2)	12.9	(6.2)		(3.6)		(2.6)
EBITDA	40.7	11.4	3.3	1.2	54.2	11.6	(24.9)	1133.3	44.1	7.1	42.7	5.7	3.3

Overview of business operations

The operating results of Royal Plus Public Company Limited ("The Company"), based on its financial performance for the second quarter of 2026, showed total revenue of 362.3 million baht, decreasing 23.4% YoY while increasing 33.0% QoQ, which was mainly driven by a recovery in sales in North America due to seasonal factors. However, overall sales remained under pressure from elevated inflation and economic conditions in the United States, alongside labor and immigration-related policy measures that softened consumer confidence in certain segments. Additionally, ongoing geopolitical tensions and the recent disruptions in the Strait of Hormuz further constrained overall sales performance. Notwithstanding these prevailing headwinds, the Company continued to pursue its strategy to expand its distribution network and introduce new products into new markets to establish strategic partnerships, including co-branded product development initiatives, in furtherance of sustainable revenue growth across regions. As a result, sales in several regions recorded strong growth YoY, with Oceania increasing by 330.0%, Africa by 157.9%, Latin America & the Caribbean by 110.5%, and domestic sales of 100% coconut water under the "COCO ROYAL" brand by 6.3%. The Company remains committed to maintaining product quality and manufacturing standards, cultivating long-term relationships with its trade partners, and enhancing brand recognition and business opportunities through continued participation in major international trade exhibitions.

Cost of sales for the second quarter of 2026 amounted to 301.6 million baht, representing 84.6% of sales revenue. Cost of sales decreased by 21.9% YoY but increased by 21.4% QoQ, with the latter primarily driven by elevated fixed costs and rising fuel costs incurred in the production process. Gross profit margin stood at 15.4%, reflecting an improvement from the previous quarter, consistent with the increase in sales, notwithstanding the elevated cost environment.

Selling and administrative expenses for the second quarter of 2026 were 61.6 million baht or 17.3% of sales revenue, declining 11.2% YoY, while increasing 6.8% QoQ. This sequential increase was primarily driven by higher promotional expenditures and export-related costs resulting from the recent disruptions in the Strait of Hormuz. Notwithstanding the foregoing, more effective management of selling and administrative expenses resulted in a net loss of 2.2 million baht for the quarter, representing a sequential improvement from the previous quarter.

Revenue from sales

For the second quarter of 2026, the revenue from sales was 356.4 million baht, a decrease of 111.2 million baht or 23.8% YoY. The decline was primarily from a 42.6% reduction in sales in North America amid domestic economic weakness and elevated inflation, compounded by labor and immigration-related measures that led certain consumer groups to defer discretionary spending. European sales declined by 21.6%, and Middle East sales declined by 9.7% as a result of regional geopolitical conflict and the Strait of Hormuz closure, which resulted in a significant backlog of containers awaiting shipment. Asia sales decreased by 3.0% due to evolving consumer behavior. Notwithstanding the foregoing, the Company's accelerated expansion into new distribution regions resulted in strong growth YoY, with Oceania increasing by 330.0%, Africa by 157.9%, Latin America & the Caribbean by 110.5%, and domestic sales of 100% coconut water under the "COCO ROYAL" brand by 6.3%.

For the six-month period of 2026, the revenue from sales was 622.5 million baht, a decrease of 131.2 million baht or 17.4% YoY, reflecting a slowdown with North America declining by 40.3%, Europe by 5.3%, and Asia by 6.4%. This decline was partially offset by strong growth, including a 352.5% increase in Oceania, 92.1% expansion in Africa, and 47.5% growth in Latin America & the Caribbean YoY, while domestic sales of 100% coconut water increased by 13.8% YoY. Notably, notwithstanding ongoing regional geopolitical tensions, the Company achieved sales growth of 13.6% YoY in the Middle East.

Cost of sales

For the second quarter of 2026, cost of sales was 301.6 million baht or 84.6% of sales revenue, a decrease of 84.8 million baht or 21.9% YoY, consistent with the decline in sales volumes and the corresponding reduction in production-related costs, including raw materials, consumable supplies, overtime, and repair and maintenance expenses. However, depreciation expense remained elevated, and fuel and energy costs increased as a result of the ongoing geopolitical tension.

For the six-month period of 2026, cost of sales was 550.0 million baht or 88.4% of sales revenue, a decrease of 111.6 million baht or 16.9% YoY.

Net gain in foreign exchange

For the second quarter of 2026, the net foreign exchange gain was 3.4 million baht or 1.0% of sales revenue, an increase of 0.2 million baht or 6.3% YoY, attributable to foreign exchange volatility. The Company maintains an appropriate foreign exchange risk management policy designed to optimize outcomes for the Company, rather than to generate trading profit from currency movements.

For the six-month period of 2026, the net foreign exchange gain was 8.8 million baht or 1.4% of sales revenue, an increase of 4.3 million baht or 95.6% YoY.

Gross profit

For the second quarter of 2026, gross profit was 54.8 million baht or 15.4% of sales revenue, decreasing when compared to 17.4% of sales revenue in the same period of the previous year. This margin compression was primarily attributable to the significant decline in sales revenue, while fixed costs, such as depreciation expenses, remained elevated. Nevertheless, the Company recognizes the importance of stringent cost controls and remains highly focused on developing products that align with consumer needs, alongside expanding sales channels to achieve its targeted gross profit margin.

For the six-month period of 2026, gross profit was 72.5 million baht, a decrease of 19.6 million baht or 21.3% YoY.

Selling and Distribution Expenses

For the second quarter of 2026, selling and distribution expenses were 28.4 million baht, a decrease of 5.6 million baht or 16.5% YoY, reflecting more effective budget management and control, together with adjustments to the marketing activity plan. The Company nonetheless continued its promotional and marketing initiatives in order to strengthen brand awareness and expand its customer base, including participation in THAIFEX – Anuga Asia 2026, held in Thailand.

For the six-month period of 2026, selling and distribution expenses were 49.7 million baht, a decrease of 10.2 million baht or 17.0% YoY, consistent with the factors described above for the second quarter, reflecting the Company's disciplined management of the marketing budget and its focus on activities generating the most cost-effective returns.

Administrative Expenses

For the second quarter of 2026, administrative expenses were 33.2 million baht, a decrease of 2.2 million baht or 6.2% YoY. Effective management of administrative costs successfully offset a modest increase in operational support costs, which included the allowance for slow-moving inventory, asset depreciation, and system development expenses.

For the six-month period of 2026, administrative expenses were 69.5 million baht, increasing 3.3 million baht or 5.0% YoY, attributable primarily to work permit fees for foreign labor pursuant to SMETA standard requirements, system development costs, asset depreciation, and a higher allowance for slow-moving inventory in accordance with the Company's age-based provisioning policy.

Net Profit (Loss)

For the second quarter of 2026, the Company reported a net loss of 2.2 million baht or 0.6% of sales revenue, representing a decrease of 19.1 million baht or 113.0% YoY, compared to a net profit of 16.9 million baht in the corresponding period of the prior year.

For the six-month period of 2026, the Company reported a net loss of 38.3 million baht or 6.2% of sales revenue, representing an increase of 11.2 million baht or 41.3% YoY, compared to a net loss of 27.1 million baht in the corresponding period of the prior year.

The Company's Statement of Financial Position

(Unit: Million Baht)	30 June 2026	31 December 2025	% change
Total current assets	406.9	355.9	14.3%
Total non-current assets	1,527.7	1,461.0	4.6%
Total Assets	**1,934.6**	**1,816.9**	**6.5%**
Total current liabilities	457.8	338.6	35.2%
Total non-current liabilities	321.2	281.3	14.2%
Total Liabilities	**779.0**	**619.9**	**25.7%**
Capital	1,008.7	1,008.7	0.0%
Retained earnings	146.9	188.3	(22.0%)
Total shareholders' equity	**1,155.6**	**1,197.0**	**(3.5%)**

Assets

As of 30 June 2026, total assets stood at 1,934.6 million baht, increasing 6.5% from year-end 2025. Current assets amounted to 406.9 million baht, increasing 14.3%, attributable primarily to increases in trade receivables, inventories, and other current assets, partially offset by a decrease in cash and cash equivalents following the repayment of current liabilities and investment in fixed assets. Non-current assets totaled 1,527.7 million baht, increasing 4.6%, reflecting primarily increases in property, plant and equipment, intangible assets, and deposits for asset acquisitions in support of the Company's production capacity expansion plan.

Liabilities

As of 30 June 2026, total liabilities amounted to 779.0 million baht, increasing 25.7% from year-end 2025, comprising current liabilities of 457.8 million baht, an increase of 35.2%, and non-current liabilities of 321.2 million baht an increase of 14.2%. The increase reflected primarily long-term finance lease liabilities in support of the Company's production capacity, together with an increase in provisions for employee benefits.

Shareholders' Equity

As of 30 June 2026, total shareholders' equity stood at 1,155.6 million baht, decreasing 3.5% from year-end 2025, reflecting primarily the Company's net loss from operations of 38.3 million baht for the first six months of 2026, together with a loss of 3.1 million baht arising from changes in other components of equity relating to cash flow hedges.

Key Financial Ratios

Financial Ratios	Quarter 2	
	2026	2025
GPM / Gross Profit Margin (%)	15.39	17.36
NPM / Net Profit Ratio (%) *	(0.62)	3.58
EPS / Earnings per share (Baht)	(0.00)	0.03
ROA / Return on Assets (%)	(4.76)	(1.70)
ROE / Return on Equity (%)	(7.60)	(2.32)
Current Ratio (times)	0.89	0.72
D/E Ratio / Debt to Equity Ratio (times)	0.67	0.45
BVPS / Book Value per Share (Baht)	1.72	1.87

* Ratio of net profit to total revenue of the Company.

Liquidity and Capital Resources

Cash Flow Statement (Million Baht)	1H/2026	1H/2025	% change
Cash flows from operating activities			
Net cash flow from operating activities	20.9	132.1	(84.2%)
Cash flows from investing activities			
Net cash from (used in) investing activities	(114.8)	(128.7)	(10.8%)
Cash flows from financing activities			
Net cash from (used in) financing activities	32.7	28.0	16.8%
Cash and cash equivalents net increase (decrease)	**(61.1)**	**31.4**	**(294.6%)**
Cash and cash equivalents at beginning of period	93.6	77.5	20.8%
Cash and cash equivalents at end of period	**32.4**	**108.9**	**(70.2%)**

As of 30 June 2026, cash and cash equivalents amounted to 32.4 million baht. Net cash from operating activities amounted to 20.9 million baht. Net cash used in investing activities amounted to 114.8 million baht, reflecting primarily capital expenditures of 131.6 million baht for machinery, equipment, hardware, and software, and 16.8 million baht from asset disposals. Net cash from financing activities amounted to 32.7 million baht, comprising 20.8 million baht from short-term borrowings and bank overdrafts, 56.0 million baht from long-term borrowings, and 44.1 million baht for loan repayments.