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บริษัท ไทย ออโต ทูลส์ แอนด์ ดาย จำกัด (มหาชน)

THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED

45/6, 45/9 หมู่ 11 ตำบลคูบางหลวง อำเภอลาดหลุมแก้ว จังหวัดปทุมธานี 12140 โทร.02-598-3876-9 แฟกซ์. 02-598-3874

45/6, 45/9 MOO11 KUBANGLUANG, LATLUMKAEO, PATHUMTHANI 12140 TEL.02-598-3876-9 FAX. 02-598-3874

www.thaiautotools.co.th

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Subject : Management Discussion & Analysis of Performance Results for 2nd Quarter in Year 2026 ended June 30, 2026

To : President

The Stock Exchange of Thailand

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2nd QUARTER IN YEAR 2026

1. Business and Economic Overview

The nature of the business operations of THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED is divided into 2 main types of business operations as follows:

1. Business design and manufacture tools for the automotive industry ("Tooling").
    1.1 Stamping Die
    1.2 Checking Fixtures
    1.3 Assembly Jigs
2. Automotive Press Parts Automotive Press Parts and EDP : Electro Deposition Painting

<u>Thailand Automotive Industry 2nd quarter in year 2026</u>

(Unit : Cars)	**(Jan - Jun)**		**Change**	
	2025	**2024**	**Unit**	**% Change**
Export Production	449,161	475,013	-25,852	-5.44
Domestic Production	268,051	249,702	18,349	7.35
Total Production	717,212	724,715	-7,503	-1.04

Reference: The Federation of Thai Industries (Automotive Industry)

In the first half of the year (January–June), Thailand's total vehicle production stood at 717,212 units, representing a year-on-year decline of 1.04% compared to the same period in 2025. This contraction was primarily driven by headwinds in the export sector amid global economic uncertainty. In response to these market conditions, the Federation of Thai Industries (FTI) has revised its full-year automotive production forecast downward from 1.5 million units to 1.45 million units. Meanwhile, the target for domestic market production remains unchanged at 550,000 units.

Regarding the overall automotive industry in Q2, production for export declined by 5.44% year-on-year (compared to Q2 2025), primarily impacted by ongoing conflicts in the Middle East. Key operational disruptions included challenges in maritime shipping and the closure of transit routes through the Strait of Hormuz, resulting in a significant contraction of vehicle exports to Middle Eastern markets during the first half of the year. Another factor affecting export production is the fierce price competition with electric vehicles (EVs) from China, driven by their market entry and the establishment of production bases. Additionally, trade and environmental barriers — such as the EURO 6 standard and carbon regulations, with major European trading partners enforcing stricter emissions criteria and automotive standards and along with the uncertainty surrounding U.S.A tax and trade policies, have placed significant pressure on manufacturers. These factors compel them to rapidly adapt their technologies to comply with increasingly stringent export regulations.

In Q2, domestic vehicle production continued its steady expansion, achieving a 7.35% year-on-year growth in the first half of the year (H1) compared to the same period in 2025. This momentum was primarily driven by the government's EV3.0 and EV3.5 policy measures, which require automakers to produce electric vehicles domestically to offset earlier import subsidies. Furthermore, rising domestic demand and consumer preference for Hybrid Electric Vehicles (HEV) led manufacturers to ramp up HEV production to meet local market demand.

2. Business Performance

(Unit: million baht) Consolidated financial statements	For the six month period ended 30 June		Change	
	2026	**2025**	**Amount Increase (Decrease)**	**% Increase (Decrease)**
Revenue from contracts with customers	1,188.29	1,375.86	(187.57)	(13.63)
Other income	1.36	0.43	0.93	216.28
Total revenues	1,189.65	1,376.29	(186.64)	(13.56)
Cost of sales and services	1,053.34	1,234.82	(181.48)	(14.70)
Selling and distribution expenses	12.81	14.75	(1.94)	(13.15)
Administrative expenses	60.23	58.55	1.68	2.87
Total expenses	1,126.38	1,308.12	(181.74)	(13.89)
Operating profit	63.27	68.17	(4.90)	(7.19)
Finance income	0.16	0.13	0.03	23.08
Finance cost	(13.14)	(17.97)	(4.83)	(26.88)
Profit before income tax expenses	50.29	50.33	(0.04)	(0.08)
Income tax expenses	(8.91)	(7.79)	1.12	14.38
Profit for the year	41.38	42.54	(1.16)	(2.73)
Net Profit Margin (%)	3.48	3.09		

Revenue from contracts with customers decreased by THB 187.57 million, or 13.63 primarily due to a decline in revenue from the automotive parts manufacturing business of THB 134.94 million, or 11.03 and the tooling design and manufacturing business of THB 52.63 million, or 34.61 This decline was mainly attributable to a slowdown in purchase orders from customers in the internal combustion engine (ICE) vehicle and pickup truck segments, which were directly affected by export-related challenges and the ongoing technological transition, as discussed above, amid continued weak domestic purchasing power.

Cost of sales and services cost of sales decreased by THB 181.48 million, or 14.70 compared with the same period of the previous year, in line with the decline in revenue from contracts with customers. The decrease was primarily attributable to lower raw material costs, direct labor costs, and other production-related expenses.

Selling and distribution expenses decreased by THB 1.94 million, or 13.15 primarily due to lower delivery and transportation expenses, advertising expenses, and entertainment expenses, which declined in line with the decrease in sales revenue.

Administrative expenses increased by THB 1.68 million, or 2.87 primarily due to higher employee welfare expenses, social security contributions, and other administrative expenses. Despite the increase, administrative expenses remained at a manageable level and did not have a material impact on the Company's overall operating results.

Profit for the year decreased by THB 1.16 million, or 2.73 primarily due to the slowdown in sales revenue. Nevertheless, the net profit margin improved compared with the previous year, as management effectively controlled the cost of sales and operating expenses. As a result, the overall reduction in expenses exceeded the decline in revenue, helping to support the Company's profitability.

3. Financial position

(Unit: Million Baht) Consolidated financial statements	As of 30 June		Change	
	2026	2025	Amount Increase (Decrease)	% Increase (Decrease)
Assets	2,134.71	2,285.77	(151.06)	(6.61)
Liabilities	973.25	1,168.58	(195.33)	(16.72)
Shareholders' equity	1,161.46	1,117.19	44.27	3.96

The Company's Financial Position As of 30 June 2026, the Company reported total assets of THB 2,134.71 million, representing a 6.61 decrease compared with the same period of the previous year. The decline was primarily attributable to lower trade receivables and other current receivables, in line with the slowdown in operating revenue.

Meanwhile, total liabilities amounted to THB 973.25 million, a decrease of THB 195.33 million, or 16.72 compared with the same period of the previous year. The reduction was mainly driven by the repayment of borrowings from financial institutions, as well as decreases in trade payables and other current payables.

Total shareholders' equity amounted to THB 1,161.46 million, representing an increase of THB 44.27 million, or 3.96 compared with the same period of the previous year. The increase was primarily attributable to the recognition of net profit earned during the reporting period.

Key Financial Ratios

Key Financial Ratios	Unit	As of 30 June	
		2026	2025
Return on Equity (ROE)	%	7.26	8.20
Return on Assets (ROA)	%	3.74	3.77
Debt to Equity Ratio (D/E Ratio)	times	0.84	1.05

The return on equity As of 30 June 2026, the Return on Equity (ROE) was 7.26 representing a decrease compared with the same period of the previous year. The decline was primarily attributable to lower net profit, resulting from the challenging economic environment and slower sales, which reduced the Company's ability to generate returns on shareholders' investment. Nevertheless, the Company was able to maintain its return on equity at an appropriate level.

The return on assets As of 30 June 2026, the Return on Assets (ROA) was 3.74 representing a decrease compared with the same period of the previous year. The decline reflected a slowdown in the Company's ability to utilize its assets to generate profit, in line with the decrease in net profit. However, the change was relatively modest, indicating that the Company continued to manage its assets effectively and generate returns efficiently.

The debt-to-equity ratio As of 30 June 2026, the Debt-to-Equity Ratio (D/E Ratio) decreased to 0.84 times. This significant decline was primarily attributable to the recognition of increased net profit, which strengthened shareholders' equity, together with the continuous repayment of borrowings from financial institutions. As a result, the Company's debt burden decreased, leading to a clear reduction in financial risk.

4. Factors affecting the growth of the company in the future

1) The advent of AI Automation technology to increase production efficiency.

Amid structural shifts in the automotive industry, Thai Auto Tools Group has strategically adopted AI Automation technologies as key drivers for Operational Excellence. The Group focuses on enhancing workforce potential by transitioning from traditional, manual processes to developing AI Automation Specialists—professionals tasked with overseeing and controlling automated systems.

To support future manufacturing technologies, the Group prioritizes Upskilling and Reskilling its technicians and engineers, enabling them to control, analyze, and maintain advanced automated systems. In addition, to improve production efficiency and cost management, Robotic Arm systems have been integrated into automotive parts manufacturing lines alongside 3D Mold Design and Simulation Software. This integration enhances forming precision, reduces raw material loss, and shortens parts development timelines.

Consequently, these operational advancements strengthen the Group's cost control capabilities and waste reduction, effectively supporting Margin protection and providing a robust buffer against raw material price volatility in the market.

2) Factors related to economic direction and government policy

The Federation of Thai Industries (FTI) has revised its 2026 vehicle production forecast downward to 1,450,000 units, primarily due to the ongoing conflict between the U.S.A and Iran, which continues to impact export performance. Conversely, domestic vehicle production showed a positive trend, expanding by 7.35%. This growth was largely driven by the government's EV3.5 policy—which mandates local production to offset prior imports—and Local Content requirements encouraging the use of domestically manufactured components.

Furthermore, the government's target to position Thailand as a regional Electric Vehicle (EV) Hub, alongside support measures for Hybrid Electric Vehicles (HEV/PHEV), provides crucial support to local manufacturers. Leveraging its comprehensive One-Stop Service capabilities, Thai Auto Tools Group maintains high service standards and retains its core client base, while actively positioning itself to expand into new and diverse customer segments.

5. Sustainability development

In alignment with national climate goals, the Group has established targets to reduce greenhouse gas emissions and is currently actively pursuing its mid-term target: reducing Scope 1 and Scope 2 emissions by 40% against the Business as Usual (BAU) baseline by 2030.

In accordance with these sustainability commitments and ongoing reduction initiatives, the Group presents its Carbon Footprint Assessment Report for Q2 (Six-Month Period ending June 30, 2026), summarized as follows:

Greenhouse Gas Emission Sources	**Required Data**	**2026 Jan. – Jun. (Unit: Ton Co_2e)**	**2025 Jan. – Jun. (Unit: Ton Co_2e)**	**Change (Unit: Ton Co_2e)**
Scope 1	Direct greenhouse gas emissions: - Stationary combustion. - Mobile combustion. - Other movements.	646	656	-10
Scope 2	Indirect greenhouse gas emissions from energy use.	1,970	2,083	-113
Scope 3	Other indirect greenhouse gas emissions: - Paper use. - Raw material use.	43,795	46,411	-2,389
Total		**46,411**	**48,923**	**-2,512**

Please be informed accordingly.

Yours faithfully,

THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED

- Mr. Payung Sakdasawit -

(Mr. Payung Sakdasawit)

Chairman of the Executive Committee