# STONE ONE PUBLIC COMPANY LIMITED
# MANAGEMENT DISCUSSION AND ANALYSIS

Quarter 2 Ending 30 June 2026

(STX:TB)

www.stoneone.co.th

# Management Discussion and Analysis Q2/2026

## 1. Executive Summary

For the consolidated financial results for Q2/2026, the Company reported total revenue of THB 84.61 million, decreasing by THB 7.02 million or -7.66% YoY. For the first half of 2026 total revenue amounted to THB 167.04 million, decreasing by THB 34.67 million or -17.19% compared to the same period of the previous year. The decrease in revenue was primarily driven by a significant decline in sales of Bigrock this year, as construction projects of major customer that required Bigrock during their initial phases reached completion. Furthermore, revenue from 20 mm aggregates in H1/2026 also experienced a drop. The decline was mainly attributed to higher overall construction costs, driven by geopolitical conflicts that escalated global oil prices. This surge directly impacted energy and transportation costs across the supply chain, leading to a continued slowdown in both residential and non-residential construction markets. Nevertheless, ongoing public sector infrastructure projects remained the primary catalyst sustaining overall construction activity.

To mitigate the burden of rising production costs resulting from the aforementioned surge in oil prices, the Company adjusted the selling prices of its core products upward in Q2/2026. Overall, the Company's costs and expenses remained elevated during the year, primarily due to costs and expenses associated with the construction and development of the new quarry, which continued to weigh on operating performance. Consequently, the Company reported a consolidated net loss of THB 0.08 million for Q2/2026 and a net loss of THB 0.60 million for 6M/2026. EBITDA for Q2/2026 was THB 12.70 million, representing a decrease of THB 3.83 million or -23.19% compared to Q2/2025, while total EBITDA for 6M/2026 reached THB 24.48 million.

## 2. Economic and Construction Industry Outlook

According to research by SCB EIC, Thailand's economic growth forecast for 2026 has been upgraded to 2.0% (from 1.7%). This upward revision follows the easing of tensions in the Middle East, coupled with continued solid expansion in exports and investment across select industries. However, the Thai economy is expected to slow down in the subsequent period due to the lagged impact of elevated energy and production costs from the earlier peak of the conflict, which have begun passing through to inflation and household purchasing power. Although additional support is provided by the 400-billion-baht Emergency Decree borrowing facility, the recovery remains K-shaped—concentrated mainly in large corporations and technology-related sectors, while low-to-middle-income households and SMEs remain vulnerable. For 2027, the economy is projected to grow at a similar rate of 1.9%, reflecting constraints from a lack of new growth drivers, tight financial conditions, and persistently high external risks.

According to the construction industry outlook published by Tris Rating dated 6 July 2026, Public infrastructure and industrial construction will drive Thailand's E&C industry in 2026, offsetting a sluggish private sector (residential and commercial). Key risks—including US trade policy shifts, Middle East tensions, and domestic political and operational uncertainties—may cause project delays. Additionally, rising operational costs and intense foreign contractor competition will continue to compress profit margins.

3. Significant event after the reporting period

Progress Update of Khao Yoi Quarry: Following the Company's acquisition of 100% of the ordinary shares in Boonthavorn Mining Co., Ltd. ("BTV") in Q2/2025, the Company entered into a Turn-Key Construction Project contract to build a crushing plant and install major production machinery for maximum operational efficiency. Construction progress is now near completion, and commercial operations are expected to commence by the end of the third quarter of 2026.

Closure of the Nong Kha Quarry, Chonburi Province: As the granite reserves at the Nong Kha Quarry are nearing depletion and aggregate production can no longer be sustained, the Company plan to cease the operations at the Nong Kha Quarry in early Q4/2026. The Company has prepared a post-closure asset management plan to relocate usable machinery to other quarries and dispose of unneeded assets to maximize utilization and reduce costs. The site will also be maintained and rehabilitated in full regulatory compliance.

4. Operation Performance according to Consolidated Financial Statement

Unit: Thousand Baht

| Income Statement | Q2/2026 | Q2/2025 | Increase/(Decrease) | | 6M/2026 | 6M/2025 | Increase/(Decrease) | |
|---|---|---|---|---|---|---|---|---|
| Revenue from sales & services | 74,828 | 81,847 | (7,019) | (8.58%) | 147,742 | 183,173 | (35,431) | (19.34%) |
| Revenue from sales of by-products | 8,134 | 6,858 | 1,276 | 18.60% | 14,156 | 13,141 | 1,015 | 7.73% |
| Other income | 1,645 | 2,917 | (1,271) | (43.59%) | 5,142 | 5,392 | (251) | (4.65%) |
| Total revenue | 84,607 | 91,622 | (7,015) | (7.66%) | 167,039 | 201,706 | (34,666) | (17.19%) |
| Cost & Expenses | | | | | | | | |
| Cost of sales & services | 63,190 | 67,392 | (4,202) | (6.23%) | 126,211 | 144,332 | (18,121) | (12.55%) |
| Gross profit | 11,638 | 14,455 | (2,818) | (19.49%) | 21,531 | 38,841 | (17,310) | (44.57%) |
| Selling and administrative expenses | 21,293 | 21,344 | (51) | (0.24%) | 41,083 | 43,797 | (2,714) | (6.20%) |
| Reversal of expected credit losses | (1,313) | (1,303) | (10) | 0.77% | (2,625) | (53,803) | 51,178 | (95.12%) |
| Total costs & expenses | 83,171 | 87,433 | (4,262) | (4.88%) | 164,668 | 134,325 | 30,343 | 22.59% |
| Earnings before interest and taxes | 1,436 | 4,189 | (2,753) | (65.72%) | 2,371 | 67,381 | (65,009) | (96.48%) |
| Finance costs | 1,091 | 287 | 804 | 280.00% | 3,075 | 481 | 2,594 | 538.84% |
| (Loss) profit before income tax | 345 | 3,902 | (3,557) | (91.15%) | (704) | 66,899 | (67,603) | (101.05%) |
| Income tax expenses | 429 | 142 | 287 | 202.74% | (109) | 22,019 | (22,129) | (100.50%) |
| (Loss) profit for the period | (83) | 3,760 | (3,844) | (102.22%) | (595) | 44,880 | (45,475) | (101.33%) |
| Comprehensive (expense) income | (83) | 3,255 | (3,338) | (102.56%) | (595) | 44,375 | (44,970) | (101.34%) |
| EBITDA | 12,696 | 16,528 | (3,833) | (23.19%) | 24,484 | 91,907 | (67,424) | (73.36%) |

The Company reported a total revenue from operations for Q2/2026 of THB 84.61 million, representing a decrease of THB 7.02 million or -7.66% YoY. For 6M/2026, cumulative revenue stood at THB 167.04 million, decreasing by THB 34.67 million or -17.19% compared to the same period of the previous year. The decline was primarily attributed to a drop in revenue from core product sales, and other income, on both a quarterly and six-month cumulative basis. Conversely, revenue from by-product sales recorded growth, with the details outlined below:

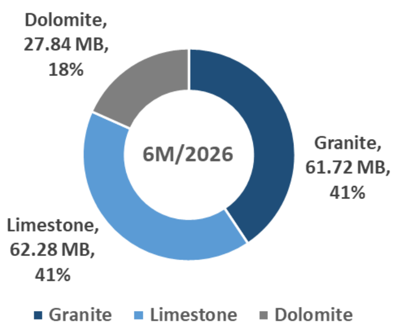
Revenue from sales and services in Q2/2026 amounted to THB 74.83 million, representing a decrease of THB 7.02 million or -8.58% YoY due to revenue from product sales decreased by THB 8.28 million, whereas transportation service revenue increased by THB 1.26 million. The decline in sales revenue was primarily driven by lower sales across product categories, with granite sales decreasing by THB 2.12 million, limestone sales dropping by THB 2.78 million, and dolomite sales declining by THB 3.38 million.

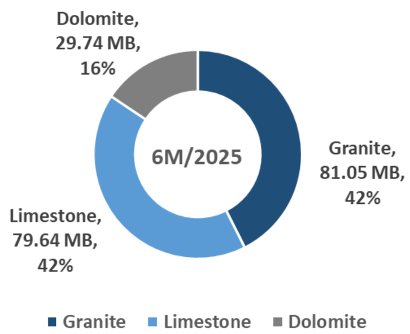
Revenue from sales and services in 6M/2026 stood at THB 147.74 million, representing a decrease of THB 35.43 million or -19.34% YoY. This was due to a THB 39.60 million drop in product sales revenue, whereas transportation service revenue increased by THB 4.17 million. The decline in product sales revenue was primarily driven by lower sales across key product lines, with granite sales decreasing by THB 19.93 million, limestone sales dropping by THB 17.79 million, and dolomite sales declining by THB 1.90 million.

Revenue from by-product sales increased in Q2/2026 and 6M/2026, driven by an aggressive marketing strategy implemented in the second quarter and higher customer uptake of granite dust products during Q2/2026.

Other income, which mainly comprises gain on disposal of fixed assets and interest income, decreased in both Q2/2026 and 6M/2026. Although the Company recorded other income from the recovery of historical trade receivables, total other income still declined compared to the same period of the previous year.

Proportion of Revenue




Cost of sales and services in Q2/2026 totaled THB 63.19 million, a decrease of THB 4.20 million, or -6.23% YoY. For 6M/2026, cost of sales and services stood at THB 126.21 million, decreasing by THB 18.12 million or -12.55% compared to the same period of the previous year. However, the percentage decrease in cost of sales and services was lower than the decrease in revenue, mainly due to an increase in fuel costs and higher service fees charged by contractors for quarry excavation and loading activities. In addition, the Company incurred costs related to the development of a new quarry in 2026, which were not incurred in the corresponding period of the previous year. Consequently, the gross profit margin for Q2/2026 declined to 15.55%, compared to 17.66% in Q2/2025, while the gross margin for H1/2026 stood at 14.57%, adjusting from 21.20% recorded in the same period of the previous year.

The cost structure for 6M/2026, The variable cost amounted to THB 77.39 million, decreasing by THB 16.81 million YoY, aligning with lower production and sales volumes during the first six months, fixed costs stood at THB 48.82 million, a slight decrease of THB 1.31 million or -2.6% YoY, mainly due to a reduction in employee-related expenses. Overall, the production cost structure in 6M/2026 comprised variable 61% and fixed costs 39%, compared with 65% to 35% in the previous year.

**Selling and administrative expenses** in Q2/2026 amounted to THB 21.29 million, slightly decrease of THB 0.51 million or -0.24% YoY. For 6M/2026, cumulative SG&A stood at THB 41.08 million, decreasing by THB 2.71 million or -6.20% compared to the same period of the previous year. SG&A expenses decreased at a lower rate than the decline in revenue, primarily due to additional operational costs and overhead expenses incurred from the operation of the new Khao Yoi Quarry.

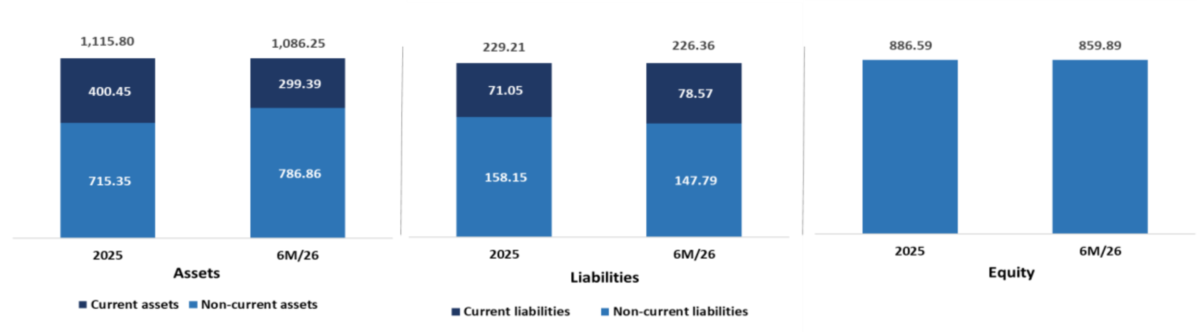
**Expected credit loss**, the Company recovered payments of THB 1.31 million in Q2/2026 and THB 2.63 million in 6M/2026 from trade receivables that had been fully provisioned for expected credit losses. For 6M/2025, the Company recorded a reversal of allowance for expected credit losses amounting to THB 53.80 million, which was a one-time transaction resulting from a successful debt compromise agreement with former trade receivables.

**Finance Costs** for Q2/2026 amounted to THB 1.09 million, increasing by THB 0.80 million YoY. For 6M/2026, cumulative revenue stood at THB 3.07 million, increasing by THB 2.59 million compared to the same period of the previous year, mainly due to long-term loan obligations incurred for the investment in the new quarry's crushing plant construction.

As a result of the above factors, the Company reported a net loss of THB 0.08 million in Q2/2026, a decrease of THB 3.84 million or -102.22% YoY. For 1H/2026, the net loss stood at THB 0.60 million, resenting a decrease of THB 45.48 million or -101.33% compared to the same period of the previous year. This was mainly due to a one-time net gain of THB 34.48 million recognized in 1H/2025 from the reversal of expected credit losses, net of the related deferred tax asset (DTA). Excluding this one-time item, consolidated net profit for 1H/2026 decreased by THB 10.99 million YoY. Meanwhile, the Company recorded EBITDA of THB 12.70 million, down by THB 3.83 million or -23.19%, and THB 24.48 million for 1H/2026, a decrease of THB 67.42 million or -73.36% compared to the same period of the previous year. The decline was mainly due to aforementioned one-time gain from trade receivable collections in 1H/2025, which resulted in EBITDA being higher than the normal operating level.

5. Analysis of Statement of Financial Position

Unit: Million Baht




Total Assets

As of June 30, 2026, the company reported total assets of THB 1,086.25 million, a decrease of THB 29.55 million, or -2.65%, from December 31, 2025, primarily due to the following factors:

Current assets amounted to THB 299.39 million, a decrease of THB 101.06 million, or -25.24%, mainly from:

- Cash and cash equivalents decrease by THB 67.69 million, primarily driven by the investments in the construction of the new quarry.
- Trade and other receivables decreased by THB 14.68 million, mainly due to lower sales during the period. In addition, short-term loans to other parties decreased by THB 15.00 million as a result of the transfer of land ownership from a debtor in settlement of outstanding principal and accrued interest.
- Inventories - net decreased by THB 3.06 million, mainly due to a reduction in semi-finished granite products used in the production of 20 mm aggregate for sale.

Non-current assets amounted to THB 786.86 million, an increase of THB 71.51 million or 10.00% mainly from:

- Investment properties increased by THB 20.46 million as a result of the transfer of land ownership from a loan debtor in settlement of outstanding debt obligations.
- Property, plant and equipment – net increased by THB 42.95 million, while right-of-use assets – net increased by THB 4.25 million, mainly due to construction in progress at the new Khao Yoi Quarry and additional investments in machinery and equipment under lease agreements

Liabilities and Equity

As of June 30, 2026, the company had total liabilities of THB 226.36 million, a slight decrease of THB 2.85 million, or -1.24% from December 31, 2025. This change in total liabilities was attributed to an increase of THB 2.48 million in the lease liabilities and borrowings from financial institutions, a decrease of THB 3.58 million in trade payables, a decrease of THB 0.58 million in employee benefit obligations, and a decrease of THB 1.17 million in other liabilities.

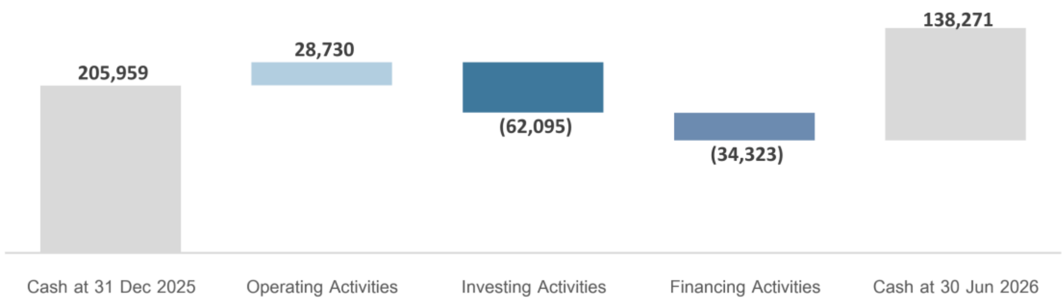
Currently, The Company's debt structure comprises approximately 22.30% fixed-rate and 77.70% floating-rate.

### Total Equity

As of June 30, 2026, the company had shareholder equity of THB 859.89 million, a decrease of THB 26.70 million, or -3.01% from December 31, 2025. This reflected an increase in retained earnings driven by net loss during the six-month period amounting to THB 0.59 million and dividend payment of THB 26.10 million in Q2/2026.

## 6. Analysis of Cash flows

Cash Flow Statement (Unit: Thousand)




As of June 30, 2026, the company and its subsidiaries had cash and cash equivalents of THB 138.27 million, a decrease of THB 67.69 million from December 31, 2025. This was primarily driven by the following:

- **Net cash flow from operating activities** amounted to THB 28.73 million, The operating result of period of in Q2/2026 improved cash position THB 22.13 million, adjusted by the change in operating assets and liabilities and income tax of THB 6.60 million.
- **Net cash used in investing activities** totaled THB 62.09 million, mainly due to cash payments for the acquisition of fixed assets amounting to THB 58.52 million and contractor deposits of THB 2.56 million for the construction of the Khao Yoi Quarry.
- **Net cash used in financing activities** was THB 34.32 million, primarily attributed to net drawdowns of short-term borrowings from financial institutions of THB 10.00 million, payments of lease liabilities and loan principal totaling THB 15.20 million, interest expenses of THB 3.01 million, and dividend payments to shareholders in Q2/2026 of THB 26.10 million.

## 7. Key Financial Ratios

| Financial Ratios | Q2/2026 | Q2/2025 |
|---|---|---|
| Gross Profit Margin (%) | 15.55 | 17.66 |
| Net Profit Margin (%) | -0.10 | 4.10 |
| EBITDA Margin (%) | 15.01 | 18.04 |
| Earnings Per Share (Baht) | -0.0003 | 0.0122 |
| Return on Assets (ROA) (%) | 0.58 | 7.38 |
| Return on Equity (ROE) (%) | 0.73 | 8.13 |
| | Q2/2026 | 2025 |
| Current Ratio (Times) | 3.81 | 5.64 |
| Debt to Equity Ratio (Times) | 0.26 | 0.26 |
| Interest-Bearing Debt to Equity Ratio (Times) | 0.18 | 0.17 |
| Book Value/Share (Baht) | 2.80 | 2.89 |

## 8. Sustainability Development

The Company integrates ESG sustainability across all operations, focusing on the following key areas:

### Governance and Economic Dimension

The Company is committed to upholding the highest standards of corporate governance, guided by ethical integrity and legal compliance to maximize long-term shareholder value through transparent and accountable management, free from conflicts of interest. We prioritize systematic risk management and robust internal controls while fostering continuous professional development for our Board of Directors and executives. Furthermore, we remain dedicated to the equitable treatment of all stakeholders. In 2026, the Company established a strategic framework to formally declare its intent to join the Thai Private Sector Collective Action Against Corruption (CAC), reaffirming our commitment to transparency and sustainable integrity across all levels of the organization.

### Environment Dimension

The Company prioritizes sustainable resource management with specific 2026 targets: reducing fuel consumption by 0.5%, Specific Electricity Consumption (SEC) by 2.8%, water usage by 2.0%, and waste by 0.5%. To mitigate climate change, we aim to decrease greenhouse gas emissions by 2.0% through energy management and carbon sequestration. By leveraging modern technology to control air, noise, and vibration pollution, we ensure full legal compliance and maintain stakeholder confidence.

## Social Dimension

The Company operates with integrity, upholding human rights and fostering employee development while ensuring strict contractual compliance with customers, partners, and creditors. We actively engage with local communities to mitigate operational impacts. For 2026, we aim to maintain employee training standards and enhance occupational health and safety measures to further reduce work-related accidents and illnesses compared to 2025.

### Q2/2026 CSR Activities update

- Provided educational scholarships to residents of Moo 5, Ban Talat Khwai, Ratchaburi Province.
- Donated crushed rock to the Ratchaburi Provincial Public Health Office.
- Provided handicraft tools and equipment to the local community in Moo 11, Ban Nong Kha, Chonburi Province.
- Provided agricultural support equipment to the farmers' group in Ban Nong Bua Khai, Ratchaburi Province.