บมจ. ลีพัฒนาผลิตภัณฑ์
LEE FEED MILL PCL

*(Translation)*

Ref.No. LEE11/2026

11 November 2026

**Subject : Management Discussion and Analysis for the third quarter ended 30 September 2026**
**To : President of The Stock Exchange of Thailand**

Lee Feed Mill Public Company Limited and its subsidiaries ("the Company") would like to explain the operating results for the third quarter ended 30 September 2026, as follows:

## 1. Executive Summary

The Company is principally engaged in the manufacture and distribution of animal feed. The operating performance for the third quarter of 2026 declined from both the same quarter of the previous year and the preceding quarter, mainly due to lower sales volume. In addition, livestock farmers' purchasing power remained weak, prompting customers to exercise greater caution in managing costs and placing animal feed orders.

For Q3/2026, the Company recorded sales revenue of THB 584 million, a decrease of 25% from the same period of the previous year and 2% from the preceding quarter. The gross profit margin declined from 17% to 9% due to an increase in cost of sales, resulting in gross profit of THB 50 million. Profit attributable to the shareholders of the Company was THB 17 million (THB 0.020 per share), down 81% year-on-year and 37% quarter-on-quarter. Operating profit for the quarter was THB 18 million, comprising other income and gains on financial assets totaling THB 14 million (including a corporate income tax refund for 2020 of THB 8.83 million), and profit after selling and administrative expenses of THB 17 million.

For the nine-month period, sales revenue amounted to THB 1,840 million, down 18%, and profit attributable to the Company amounted to THB 85 million, down 61%. Gross profit margin was 11.5%, compared with 16.0% in the corresponding period of the previous year.

Nevertheless, As of 30 September 2026, the Group maintained a strong financial position, with total assets of THB 3,168 million, total liabilities of THB 345 million and a low debt-to-equity ratio of 0.12 times. During the first nine months, the Company generated operating cash flow of THB 160 million and paid dividends of THB 178 million, while retaining cash and other current financial assets totaling more than THB 1,360 million.

| Items | Q3/2025 | Q2/2026 | Q3/2026 | YoY | QoQ | 9M/2025 | 9M/2026 | YTD |
|---|---|---|---|---|---|---|---|---|
| **Sales revenue** | **778** | **593** | **584** | **-25%** | **-2%** | **2,252** | **1,840** | **-18%** |
| Gross profit | 135 | 73 | 50 | -63% | -32% | 360 | 212 | -41% |
| **Operating profit** | **102** | **33** | **18** | **-82%** | **-45%** | **235** | **101** | **-57%** |
| Net profit | 89 | 25 | 16 | -82% | -36% | 221 | 85 | -62% |

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| Items | Q3/2025 | Q2/2026 | Q3/2026 | YoY | QoQ | 9M/2025 | 9M/2026 | YTD |
|---|---|---|---|---|---|---|---|---|
| **Profit attributable to the Company** | **88** | **27** | **17** | **-81%** | **-37%** | **219** | **85** | **-61%** |
| **Earnings per share (THB)** | **0.100** | **0.030** | **0.020** | **-80%** | **-33%** | **0.240** | **0.010** | **-58%** |
| Gross profit margin | 17% | 12% | 9% | -8% | -3% | 16% | 12% | -4% |
| Operating profit margin | 13% | 6% | 3% | -10% | -3% | 10% | 5% | -5% |
| Net profit margin | 11% | 4% | 3% | -8% | -1% | 10% | 5% | -5% |

**2. Business Overview, Economic and Industry Factors Affecting Operations**

The animal feed industry continued to be affected by farmers' purchasing power, livestock prices, price competition and volatility in key raw materials, including corn, soybean meal, fishmeal, rice bran and broken rice. Consequently, customers became more cautious in placing orders and placed greater emphasis on farming costs.

The Company therefore continued to focus on raw material cost management, procurement planning, production efficiency control and the adjustment of product strategies to suit market conditions, with a view to maintaining competitiveness and mitigating the impact of cost volatility on its operating results. In addition, the Company continued to operate prudently, with particular emphasis on trade receivable risk management and disciplined sales policies, in order to sustain its competitiveness and financial stability.

**3. Significant Events and Developments**

On 10 August 2026, the Board of Directors' Meeting No. 3/2026 resolved to approve the disposal of treasury shares repurchased under the Company's share repurchase programs for financial management purposes, as approved by the Board of Directors' Resolutions No. 1/2023 dated 24 February 2023, No. 2/2024 dated 12 March 2024, and No. 2/2025 dated 9 May 2025. The total number of treasury shares repurchased is 31,200,201 shares, representing 3.38 percent of the Company's total issued shares (as of the approval date). The disposal period is from 17 August 2026 to 21 August 2026. The disposal price of the treasury shares shall not be lower than 85% of the average closing price of the Company's shares over the five trading days prior to each disposal date. Upon expiry of the disposal period, if the Company is unable to dispose of all treasury shares or dispose of only a portion thereof, the Company will proceed with a reduction of its paid-up capital by cancelling all treasury shares remaining undisposed.

During the period, the Company disposed of 9,950 treasury shares for Baht 24,676, resulting in a surplus on disposal of treasury shares of Baht 480, and transferred Baht 24,196 from the treasury stock reserve to unappropriated retained earnings. Subsequently, upon expiry of the disposal period, the Company reduced its paid-up capital from Baht 922,180,251 to Baht 890,990,000 by cancelling 31,190,251 treasury shares which had not been disposed of (par value of Baht 1 each). The Company registered the reduction in its registered

and paid-up share capital with the Ministry of Commerce on 7 September 2026 and transferred Baht 75.85 million from the treasury stock reserve to unappropriated retained earnings.

As at 30 September 2026, the Company had no treasury stock outstanding.

On 11 November 2026, the Company's Board of Directors' meeting No. 4/2026 passed a resolution approving a program for management purposes to repurchase up to 40 million shares (par value of Baht 1 each), or 4.49 percent of the total number of shares in issue. The maximum budget of the program is Baht 100 million. The shares are to be repurchased on the Stock Exchange of Thailand from 18 November 2026 to 17 May 2027 The share resales period is determined after 3 months from the completion date of share repurchase but not later than 3 years.

## 4. Operating Results for the third Quarter of 2026

Statement of Comprehensive Income (Consolidated Financial Statements)

| Items (THB million) | Quarter 3/2025 | Quarter 2/2026 | Quarter 3/2026 | YoY (%) | QoQ (%) | Nine months 2025 | Nine months 2026 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| **Sales revenue** | 778 | 593 | 584 | -25% | -2% | 2,252 | 1,840 | -18% |
| **Cost of sales** | (643) | (520) | (534) | -17% | 3% | (1,892) | (1,628) | -14% |
| **Gross profit** | **135** | **73** | **50** | **-63%** | **-32%** | **360** | **212** | **-41%** |
| Other income | 3 | 5 | 10 | 233% | 100% | 10 | 18 | 80% |
| Selling and administrative expenses | (45) | (48) | (45) | 0% | -6% | (138) | (141) | 2% |
| Reversal (Impairment) on AR | 0 | (1) | (1) | N.M. | 0% | 2 | (2) | N.M. |
| Gains (losses) on Financial Assets | 11 | 6 | 4 | -64% | -33% | 3 | 15 | 400% |
| Gains (losses) on Biological Assets | (2) | (2) | 0 | N.M. | N.M. | (2) | (1) | -50% |
| **Operating profit** | **102** | **33** | **18** | **-82%** | **-45%** | **235** | **101** | **-57%** |
| Finance income | 5 | 3 | 3 | -40% | 0% | 15 | 9 | -40% |
| Finance costs | (1) | (1) | (1) | 0% | 0% | (2) | (2) | 0% |
| **Profit before income tax** | **106** | **35** | **20** | **-81%** | **-43%** | **248** | **108** | **-56%** |

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| Items (THB million) | Quarter 3/2025 | Quarter 2/2026 | Quarter 3/2026 | YoY (%) | QoQ (%) | Nine months 2025 | Nine months 2026 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Income tax | (17) | (10) | (4) | -76% | -60% | (27) | (23) | -15% |
| **Net profit** | **89** | **25** | **16** | **-82%** | **-36%** | **221** | **85** | **-62%** |
| **Profit attribute to the Company** | **88** | **27** | **17** | **-81%** | **-37%** | **219** | **85** | **-61%** |
| **Earnings per share (THB/share)** | **0.100** | **0.030** | **0.020** | **-80%** | **-33%** | **0.240** | **0.100** | **-58%** |

**Financial Ratios Relative to Sales**

| Items (Percent) | Quarter 3/2025 | Quarter 2/2026 | Quarter 3/2026 | YoY (%) | QoQ (%) | Nine months 2025 | Nine months 2026 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| **Gross profit margin** | **17.4%** | **12.3%** | **8.6%** | **-8.8%** | **-3.7%** | **16.0%** | **11.5%** | **-4.5%** |
| **S&A expenses to sales** | **5.8%** | **8.1%** | **7.7%** | **+1.9%** | **-0.4%** | **6.1%** | **7.7%** | **+1.5%** |
| **Operating profit margin** | **13.1%** | **5.6%** | **3.1%** | **-10.0%** | **-2.5%** | **10.4%** | **5.5%** | **-4.9%** |
| **Net profit margin** | **11.4%** | **4.2%** | **2.7%** | **-8.7%** | **-1.5%** | **9.8%** | **4.6%** | **-5.2%** |

According to the consolidated financial statements for the third quarter ended 30 September 2026, the Company recorded net profit of THB 16 million, with profit attributable to the Company's shareholders of THB 17 million, or THB 0.02 per share. Net profit decreased by THB 9 million, or 36%, from Q2/2026, when net profit was THB 25 million (profit attributable to the Company of THB 27 million, or THB 0.03 per share). Net profit also decreased by THB 73 million, or 82%, from Q3/2025, when net profit was THB 89 million (profit attributable to the Company of THB 88 million, or THB 0.10 per share).

**Operating Results Analysis for the third quarter**

**Revenues from sales**

Aquatic animal feed accounted for 53% of the Company's sales revenue, terrestrial animal feed for 45%, pet food for 1%, and breeding stock and agricultural plants for 1%.

Sales revenue in Q3 amounted to THB 584 million, a decrease of THB 9 million, or 2%, from Q2 and THB 194 million, or 25%, from the corresponding period of the previous year. For the nine-month period, revenue amounted to THB 1,840 million, a decrease of THB 412 million, or 18%, from the corresponding

period of the previous year. Demand for animal feed recovered unevenly across animal species, while farmers delayed orders, resulting in a decline in the Company's sales revenue.

**Cost of Sales and Gross Profit Margin**

Cost of sales in Q3 amounted to THB 534 million, a decrease of THB 109 million, or 17%, year-on-year, but an increase of THB 14 million, or 3%, quarter-on-quarter, despite a 2% decline in revenue. Gross profit in Q3 amounted to THB 50 million, a decrease of THB 23 million, or 32%, from the previous quarter and THB 85 million, or 63%, from the corresponding period of the previous year. The main reason was that the cost-of-sales-to-revenue ratio increasing from 82.6% to 91.4%. Gross profit margin in Q3 was 8.6%, compared with 12.3% in the previous quarter and 17.4% in the corresponding period of the previous year. For the nine-month period, gross profit amounted to THB 212 million, down 41%, and gross profit margin was 11.5%, compared with 16.0% in the corresponding period of the previous year.

**Other income**

Other income amounted to THB 10 million, compared with THB 5 million in the previous quarter and THB 3 million in the corresponding period of the previous year. The increase was mainly attributable to the recognition of a corporate income tax refund for 2020 of THB 8.83 million by Lee Pattana Ahan Sat Company Limited, a subsidiary. This was a non-recurring item. Excluding this item, other income for the quarter would have been approximately THB 1 million. For the nine-month period, other income amounted to THB 18 million, an increase of 80% from THB 10 million.

**Selling and administrative expenses**

Selling and administrative expenses amounted to THB 45 million, down from THB 48 million in the previous quarter and unchanged from THB 45 million in the corresponding period of the previous year. Selling and administrative expenses as a percentage of sales were 7.7%, compared with 8.1% in the previous quarter and 5.8% in the corresponding period of the previous year. The year-on-year increase in the ratio reflected lower sales revenue while expenses remained unchanged. For the nine-month period, expenses amounted to THB 141 million, an increase of THB 3 million, or 2%, despite an 18% decline in revenue. Accordingly, the expense-to-sales ratio increased from 6.1% to 7.7%.

**Expected Credit Losses (Reversal) on Accounts Receivable**

The Company recognized expected credit losses on receivables of THB 1 million, broadly in line with the THB 1 million loss in the previous quarter, compared with THB 0.15 million in the corresponding period of the previous year. For the nine-month period, the Company recognized losses of THB 2 million, compared with a reversal of the loss allowance of THB 2 million in the corresponding period of the previous year.

**Gain (Loss) on Financial Assets at Fair Value through Profit or Loss**

The Company recorded gains from changes in the value of financial assets measured at fair value through profit or loss of THB 4 million, compared with gains of THB 6 million in the previous quarter and THB 11 million in the corresponding period of the previous year. These gains arose from the fair value

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measurement of investments in equity instruments of both unlisted and listed companies. They represent unrealized accounting gains reflecting fair values based on market prices at the reporting date. For the nine-month period, gains amounted to THB 15 million, compared with THB 3 million in the corresponding period of the previous year. The Company held other current financial assets of THB 1,312 million, or 41% of total assets. Gains and losses on these assets therefore fluctuate with market prices and affect profit in each quarter.

**Gain (Loss) arising from the Changes in Fair Value of Biological Assets**

Gains from changes in the fair value of biological assets in Q3 amounted to THB 0.01 million, compared with losses of approximately THB 2 million in both the previous quarter and the corresponding period of the previous year. These gains (losses) arose from changes in the fair value of biological assets at the reporting date. For the nine-month period, losses amounted to approximately THB 1 million, compared with approximately THB 2 million in the corresponding period of the previous year.

**Income Tax Expense**

Income tax expense amounted to THB 4 million, compared with THB 10 million in the previous quarter and THB 17 million in the corresponding period of the previous year. The decrease wAs oftributable to lower profit before income tax of THB 20 million (Q2/2026: THB 35 million; Q3/2025: THB 106 million), together with deferred tax adjustments arising from the origination and reversal of temporary differences. The effective tax rate for the quarter was approximately 20%, compared with 16% in the corresponding period of the previous year and 29% in the previous quarter. For the nine-month period, the effective tax rate was approximately 21%, compared with 11% in the previous year. The aforementioned tax refund for 2020 was recognized in other income and therefore did not affect the effective tax rates stated above.

## 5. Consolidated Financial Position as of 30 September 2026

| Statement of Financial Position | 31 Dec 2025 | | 30 Sep 2026 | | Change | |
|---|---|---|---|---|---|---|
| | THB million | % | THB million | % | THB million | % |
| **Assets** | | | | | | |
| Cash and cash equivalents | 31 | 1 | 50 | 2 | 19 | 62 |
| Trade and other current receivables | 191 | 6 | 168 | 5 | (23) | (12) |
| Inventories | 610 | 19 | 591 | 19 | (20) | (3) |
| Other current financial assets | 1,364 | 42 | 1,312 | 41 | (52) | (4) |
| Other current assets | 15 | 0 | 21 | 1 | 6 | 39 |
| **Total current assets** | 2,211 | 68 | 2,142 | 68 | (70) | (3) |
| Investment properties | 14 | 0 | 14 | 0 | - | - |
| Property, plant and equipment | 973 | 30 | 949 | 30 | (24) | (2) |

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| Statement of Financial Position | 31 Dec 2025 | | 30 Sep 2026 | | Change | |
|---|---|---|---|---|---|---|
| | THB million | % | THB million | % | THB million | % |
| Right-of-use assets | 31 | 1 | 30 | 1 | (1) | (3) |
| Non-current biological assets | 25 | 1 | 25 | 1 | 1 | 4 |
| Other non-current assets | 9 | 0 | 9 | 0 | - | - |
| **Total non-current assets** | 1,052 | 32 | 1,027 | 32 | (24) | (2) |
| **Total assets** | 3,263 | 100 | 3,169 | 100 | (94) | (3) |
| **Liabilities and Equity** | | | | | | |
| Trade and other current payables | 141 | 4 | 156 | 5 | 15 | 11 |
| Corporate income tax payable | 25 | 1 | 3 | 0 | (22) | (87) |
| Other current liabilities | 19 | 1 | 21 | 1 | 2 | 10 |
| **Total current liabilities** | **185** | **6** | **180** | **6** | **(5)** | **(3)** |
| Employee benefit obligations | 102 | 3 | 104 | 3 | 2 | 2 |
| Deferred tax liabilities | 36 | 1 | 37 | 1 | 1 | 3 |
| Other non-current liabilities | 23 | 1 | 24 | 1 | 1 | 4 |
| **Total non-current liabilities** | **161** | **5** | **165** | **5** | **4** | **2** |
| **Total liabilities** | 346 | 11 | 345 | 11 | (1) | (0) |
| Equity attributable to the Company's | 2,888 | 89 | 2,795 | 88 | (93) | (3) |
| Non-controlling interests | 29 | 1 | 29 | 1 | - | - |
| **Total shareholders' equity** | 2,917 | 89 | 2,824 | 89 | (93) | (3) |
| **Total liabilities and shareholders' equity** | 3,263 | 100 | 3,169 | 100 | (94) | (3) |

**Total Assets**

As of 30 September 2026, the Company had total assets of THB 3,169 million, comprising current assets of THB 2,142 million, or 68% of total assets, and non-current assets of THB 1,027 million, or 32% of total assets. Total assets decreased by THB 94 million, or 3%, from year-end 2025 (THB 3,263 million). The decrease was mainly attributable to reductions of THB 52 million in other current financial assets, THB 24 million in property, plant and equipment (as depreciation exceeded new capital expenditure), THB 23 million in receivables and THB 19 million in inventories, while cash increased by THB 19 million. Major asset categories comprised financial assets at 41%, property, plant and equipment at 30%, inventories at 19% and trade receivables at 5%. The average collection period in the current quarter was approximately 27 days (Q3/2025: 24 days). The Group has consistently emphasized cash sales, extending credit only to customers with a sound payment record and collateral. The Company determines its loss allowance after deducting the value of

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collateral. These customers have continued to repay the Company in installments. The Company is therefore confident that its allowance for expected credit losses is adequate.

**Total Liabilities**

As of 30 September 2026, the Company had total liabilities of THB 345 million, comprising current liabilities of THB 180 million, or 52% of total liabilities, and non-current liabilities of THB 165 million, or 48% of total liabilities. Current liabilities mainly comprised trade payables arising from raw material purchases under normal commercial credit terms. Total liabilities decreased by THB 1 million from year-end 2025.

The Company had no guarantees for third parties, contingent liabilities, investment commitments in projects or other similar obligations that could affect the Group's financial position or operating results, other than cross-guarantees of liabilities within the Group.

The Company's debt-to-equity ratio was 0.12 times as at both 30 September 2026 and 31 December 2025, which is considered low compared with companies in the same industry.

**Shareholders' Equity**

As of 30 September 2026, the Company had total equity of THB 2,824 million, a decrease of THB 93 million, or 3%, from THB 2,917 million at year-end 2025, attributable to dividend payments of THB 178 million in Q2/2026.

The Company's return on equity was 4.56%, and its return on assets was 4.03%.

**Liquidity**

| Statement of Cash Flows | (THB million) |
|---|---|
| **Cash and cash equivalents as of 1 January 2026** | **31** |
| Net cash from (used in) operating activities | 160 |
| Net cash from (used in) investing activities | 49 |
| Net cash from (used in) financing activities | (190) |
| **Cash and cash equivalents as of 30 September 2026** | **50** |

Net cash increased by THB 19 million during the nine-month period ended 30 September 2026 (from THB 31 million As of 1 January 2026 to THB 50 million As of 30 September 2026).

Net cash flows from operating activities were 160 million baht (compared to 497 million baht in the same period of the previous year), decreasing mainly due to lower profit and the working capital effect of inventory reduction in the prior year. Net cash received from investing activities was 50 million baht, primarily driven by cash received from other current financial assets of 66 million baht. Net cash used in financing activities was 190 million baht, consisting mainly of the annual dividend payment for 2025 amounting to 178 million baht

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**Key Financial Ratios**

| Financial Ratios | | Q3/2025 | Q2/2026 | Q3/2026 | Nine months 2025 | Nine months 2026 |
|---|---|---|---|---|---|---|
| **Operating Efficiency Ratios** | | | | | | |
| Average collection period | Days | 24 | 23 | 27 | 26 | 27 |
| Average inventory holding | Days | 77 | 90 | 90 | 87 | 101 |
| **Profitability Ratios** | | | | | | |
| Return on assets | % | 8.33% | 6.29% | 4.03% | 9.22% | 3.52% |
| Return on equity | % | 9.50% | 7.19% | 4.56% | 10.41% | 3.98% |
| **Liquidity Ratios** | | | | | | |
| Current ratio | Times | 12.40 | 11.28 | 11.89 | 12.40 | 11.89 |
| **Leverage Risk Ratios** | | | | | | |
| Interest coverage ratio | Times | 110.47 | 103.86 | 71.27 | 123.97 | 63.34 |
| Debt-to-equity ratio | Times | 0.12 | 0.13 | 0.12 | 0.12 | 0.12 |
| **Per-Share Ratios** | | | | | | |
| Basic earnings per share | THB | 0.100 | 0.030 | 0.020 | 0.240 | 0.100 |
| Book value per share | THB | 3.22 | 3.15 | 3.17 | 3.22 | 3.17 |

## 6. Factors That May Affect Future Operations or Growth

**Government Monitoring of Product Price Controls**

Animal feed is subject to price controls administered by the Department of Internal Trade, Ministry of Commerce, the government agency responsible for overseeing the standard selling prices announced by each company. Manufacturers may seek approval to adjust prices in response to changes in production costs. However, selling price adjustments may not always keep pace with increases in production costs.

**Volatility in Raw Materials Costs**

Major raw materials, accounting for approximately 80% of the cost structure, comprise corn, soybean meal, fishmeal, rice bran and broken rice. Their prices are subject to considerable volatility, depending on demand and output, adverse weather conditions or natural disasters, as well as geopolitical issues affecting raw material prices and transportation costs.

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**Foreign Exchange Rate Volatility**

Although some essential raw materials are imported from overseas, the Company's main source of revenue comes from domestic sales. As a result, the Company is exposed to foreign exchange rate risk. However, the Company cushions such risk by means of forward exchange rate contracts and continuous currency monitoring.

**Energy Costs and Production Efficiency**

Electricity and energy costs are significant components of production costs. Therefore, the Company places importance on improving production efficiency, managing production capacity, and making investments that help reduce energy costs over the long term.

**7. Sustainability Developments**

In 2026, the Company continues to implement its environmental management approach, focusing on efficient energy consumption, control of waste generated from the production process, and development of greenhouse gas data systems to support the management of the organization’s carbon footprint going forward.

Please be informed accordingly.

Yours faithfully,

(Mr. Nipon Leelasithorn)
Chairman of the Executive Board
and Managing Director