S. Khonkaen Foods PCL. and its subsidiaries ("Group")

Management Discussion and Analysis
For period ended 30 September 2026

Business Overview

Statements of Income (Consolidated) January – September	Quarter 3/2026 (THB Mn.)	(%)	Quarter 3/2025 (THB Mn.)	(%)	Change (%YOY)
Revenue from Sales	2,405.6	100.0%	2,628.9	100.0%	-8.5%
Cost of Sales	(1,811.0)	-75%	(1,948.8)	-74.1%	7.1%
Gross Margin	594.6	24.7%	680.1	25.9%	-12.6%
Selling and Distribution Expenses	(304.9)	-12.7%	(311.0)	-11.8%	1.9%
Administrative Expenses	(273.0)	-11.3%	(267.8)	-10.2%	-1.9%
Gain (Loss) from rental and service	(0.8)	0.0%	(2.9)	-0.1%	72.3%
Gain (Loss) on changes in fair value less cost to sale of biological assets	(6.2)	-0.3%	(23.0)	-0.9%	73.0%
Other income	26.9	1.1%	36.5	1.4%	-26.2%
EBIT	36.5	1.5%	111.9	4.3%	-67.4%
Financial Cost	(23.1)	-1.0%	(28.3)	-1.1%	18.5%
Tax Expenses	(12.0)	-0.5%	(11.1)	-0.4%	-8.1%
Profit/(Loss)	1.4	0.1%	72.4	2.8%	-98.1%
Equity holders of the Company	12.5	0.5%	79.7	3.0%	-84.3%
Earnings per Share (THB/Share)	0.04		0.25		

Statements of Income (Consolidated) July – September	Quarter 3/2026 (THB Mn.)	(%)	Quarter 3/2025 (THB Mn.)	(%)	Change (%YOY)
Revenue from Sales	788.6	100.0%	822.8	100.0%	-4.2%
Cost of Sales	(592.4)	-75.1%	(614.9)	-74.7%	3.7%
Gross Margin	196.2	24.9%	207.9	25.3%	-5.6%
Selling and Distribution Expenses	(94.2)	-11.9%	(100.4)	-12.2%	6.2%
Administrative Expenses	(84.9)	-10.8%	(87.7)	-10.7%	3.2%
Gain (Loss) from rental and service	(2.0)	-0.3%	(1.1)	-0.1%	-77.1%
Gain (Loss) on changes in fair value less cost to sale of biological assets	(1.2)	-0.2%	(42.1)	-5.1%	97.2%
Other income	9.8	1.2%	9.5	1.2%	3.3%
EBIT	23.7	3.0%	(14.0)	-1.7%	269.9%
Financial Cost	(8.0)	-1.0%	(9.2)	-1.1%	13.4%
Tax Expenses	(7.1)	-0.9%	5.4	0.7%	-231.1%
Profit/(Loss)	8.6	1.1%	(17.7)	-2.2%	148.4%
Equity holders of the Company	13.4	1.7%	(14.8)	-1.8%	191.0%
Earnings per Share (THB/Share)	0.04		(0.04)		

Revenue :

The Group reported sales revenue of Baht 788.6 million in Q3/2026, a decrease of 4.2% compared to the same quarter of the previous year (a decrease of 2.4% compared to Q2/2026). Sales revenue for the nine-month period of 2026 totaled Baht 2,405.6 million, a decrease of 8.5% compared to the same period of the previous year..

Most of the Group's sales in Q3/2026 declined, mainly due to a significant decrease in sales volume resulting from the economic slowdown, together with the impact of government campaigns, which caused sales through the Modern Trade (MT) channel to decline, as well as flooding that affected product distribution in September.

Gross profit :

The Group reported gross profit of Baht 196.2 million in Q3/2026, representing 24.9% of sales revenue, a decrease of 5.6% compared to the same quarter of the previous year (a decrease of 1.1% compared to Q2/2026). Gross profit for the nine-month period of 2026 totaled Baht 594.6 million, representing 24.7% of sales revenue, a decrease of 12.6% compared to the same period of the previous year.

The decrease in gross profit in Q3/2026 was mainly due to lower sales revenue and sales volume, which resulted in higher fixed costs per unit, together with the continued decline in swine prices, a key factor directly contributing to the contraction in gross profit.

Others :

The Group recognized a loss from changes in fair value less costs to sell of biological assets of Baht 1.2 million in Q3/2026, representing 0.2% of sales revenue, a decrease of 97.2% compared to the same quarter of the previous year (an increase of 66.7% compared to Q2/2026). The loss from changes in fair value less costs to sell of biological assets for the nine-month period of 2026 totaled Baht 6.2 million, representing 0.3% of sales revenue, a decrease of 73.0% compared to the same period of the previous year. The loss decreased from the previous year as market pig prices declined at a slower rate.

Net profit attributable to the Company :

The Group reported net profit attributable to the Company of Baht 13.4 million in Q3/2026, representing 1.7% of sales revenue, an increase of 191.0% compared to the same quarter of the previous year (an increase of 2,141.6% compared to Q2/2026). Net profit attributable to the Company for the nine-month period of 2026 totaled Baht 12.5 million, representing 0.5% of sales revenue, a decrease of 84.3% compared to the same period of the previous year.

The increase in net profit attributable to the Company in Q3/2026 compared to Q3/2025 was mainly due to a lower loss from changes in fair value less costs to sell of biological assets, as market swine prices declined at a slower rate, resulting in a higher fair value of swine held at the end of the period. In addition, the Company managed and controlled its operating expenses more efficiently, despite slower sales growth. However, net profit attributable to the Company for the nine-month period of 2026 decreased compared to the same period of the previous year, mainly due to lower sales revenue while the Group continued to bear fixed operating costs. In addition, the restaurant business closed certain underperforming branches, resulting in additional expenses and losses related to these closures.

Core Business

Revenue from sales (consolidated)	Quarter 3/2026 (3 months : Jul - Sep)			Quarter 3/2026 (9 months : Jan - Sep)	
Segment information	(THB Mil.)	*(%YOY)*	(%QOQ)	(THB Mil.)	*(%YOY)*
Revenue from Sales	**788.6**	**-4.2%**	**-2.4%**	**2,405.7**	**-8.5%**
Processed food from meat	409.8	-7.4%	-8.3%	1,289.8	-7.7%
Processed seafood	268.1	0.1%	0.1%	809.2	-4.9%
Restaurants	11.9	-45.1%	-17.8%	43.4	-37.6%
Swine farm	98.7	8.7%	25.7%	263.3	-15.3%

Revenue from sales

1. Processed Food from Meat

The Group reported sales revenue from processed meat products of Baht 409.8 million in Q3/2026, representing 52.0% of total sales, a decrease of 7.4% compared to the same quarter of the previous year (a decrease of 8.3% compared to Q2/2026). Gross profit from this business segment amounted to Baht 109.7 million, representing 26.8% of segment revenue, a decrease of 14.2% compared to the same quarter of the previous year (a decrease of 5.4% compared to Q2/2026).

Sales revenue from processed meat products for the nine-month period of 2026 totaled Baht 1,289.7 million, representing 53.6% of total sales, a decrease of 7.8% compared to the same period of the previous year. Gross profit for the nine-month period amounted to Baht 342.8 million, representing 26.6% of segment revenue, a decrease of 8.1% compared to the same period of the previous year.

Revenue from the processed meat segment decreased due to the economic slowdown and continued weak consumer purchasing power, which led to lower demand for processed food products. Meanwhile, the gross profit margin declined due to the impact of tensions in the Strait of Hormuz, which drove up the costs of raw materials, packaging materials and transportation.

2. Processed Seafood

The Group reported sales revenue from processed seafood products of Baht 268.1 million in Q3/2026, representing 34.0% of total sales, an increase of 0.1% compared to the same quarter of the previous year (an increase of 0.1% compared to Q2/2026). Gross profit from this business segment amounted to Baht 58.2 million, representing 21.7% of segment revenue, a decrease of 1.9% compared to the same quarter of the previous year (a decrease of 1.3% compared to Q2/2026).

Sales revenue from processed seafood products for the nine-month period of 2026 totaled Baht 809.2 million, representing 33.6% of total sales, a decrease of 4.8% compared to the same period of the previous year. Gross profit for the nine-month period amounted to Baht 186.0 million, representing 23.0% of segment revenue, a decrease of 8.7% compared to the same period of the previous year.

Revenue from the processed seafood segment decreased, mainly due to slowing consumer purchasing power, particularly in the General Trade channel. In addition, higher raw material costs, especially for fish, resulted in a decline in the gross profit margin of this product group.

3. Quick Service Restaurants (QSR)

The Group reported revenue from the restaurant business of Baht 11.9 million in Q3/2026, representing 1.5% of total sales, a decrease of 45.1% compared to the same quarter of the previous year (a decrease of 17.8% compared to Q2/2026). Gross profit from this business segment amounted to Baht 5.0 million, representing 41.6% of segment revenue, a decrease of 44.4% compared to the same quarter of the previous year (a decrease of 18.3% compared to Q2/2026).

Revenue from the restaurant business for the nine-month period of 2026 totaled Baht 43.4 million, representing 1.8% of total sales, a decrease of 37.7% compared to the same period of the previous year. Gross profit for the nine-month period amounted to Baht 17.5 million, representing 40.4% of segment revenue, a decrease of 39.2% compared to the same period of the previous year.

Revenue from the restaurant segment decreased, mainly due to the closure of two underperforming branches. In addition, in Q3/2026, some consumer spending shifted to stores participating in the government's spending stimulus measures, and flooding in several areas reduced customer traffic. Lower revenue limited the restaurant business's ability to absorb fixed costs, resulting in reduced profitability.

4. Swine Farming

The Group reported revenue from the farm business of Baht 98.7 million in Q3/2026, representing 12.5% of total sales, an increase of 8.7% compared to the same quarter of the previous year (an increase of 25.65% compared to Q2/2026). Gross profit from this business segment amounted to Baht 21.6 million, representing 21.9% of segment revenue, an increase of 97.7% compared to the same quarter of the previous year (an increase of 106.3% compared to Q2/2026).

Revenue from the farm business for the nine-month period of 2026 totaled Baht 263.3 million, representing 10.9% of total sales, a decrease of 15.3% compared to the same period of the previous year. Gross profit for the nine-month period amounted to Baht 44.0 million, representing 16.7% of segment revenue, a decrease of 39.2% compared to the same period of the previous year.

Revenue from the farm business for the nine-month period decreased, mainly due to lower market swine prices, which reduced revenue from swine sales. However, in Q3/2026 (July–September), swine prices fluctuated at a slower rate, and the volume of swine sold increased, resulting in higher operating revenue in Q3/2026 compared to the previous period.

Revenue from rental and services

The Group reported revenue from rental and services of Baht 3.3 million in Q3/2026, representing 0.4% of total sales, a decrease of 22.6% compared to the same quarter of the previous year (a decrease of 33.24% compared to Q2/2026).

Revenue from rental and services for the nine-month period of 2026 totaled Baht 14.3 million, representing 0.6% of total sales, an increase of 9.8% compared to the same period of the previous year.

Revenue from rental and services for the nine-month period increased as the Group secured additional new tenants and managed its fixed expenses more effectively.

Selling and distribution expenses

The Group's selling and distribution expenses in Q3/2026 amounted to Baht 94.2 million, representing 11.9% of total sales, a decrease of 6.2% compared to the same quarter of the previous year (a decrease of 11.9% compared to Q2/2026).

Selling and distribution expenses for the nine-month period of 2026 totaled Baht 304.9 million, representing 12.7% of total sales, a decrease of 1.9% compared to the same period of the previous year.

Selling and distribution expenses decreased compared to the same period of the previous year as a result of expense control and management in line with sales, as well as the restructuring of the restaurant business through the closure of underperforming branches, which reduced the number of branches and overall operating expenses.

Administrative expenses

The Group's administrative expenses in Q3/2026 amounted to Baht 84.9 million, representing 10.8% of total sales, a decrease of 3.2% compared to the same quarter of the previous year (a decrease of 1.7% compared to Q2/2026).

Administrative expenses for the nine-month period of 2026 totaled Baht 273.0 million, representing 11.3% of total sales, an increase of 1.9% compared to the same period of the previous year.

Administrative expenses for the nine-month period increased compared to the same period of the previous year due to the closure of two restaurant branches, which resulted in the Company recognizing losses and related expenses from these closures.

International Business Segment

The Group's international business segment comprises operations in Europe, the Americas and China. For the nine-month period of 2026, the segment reported an accumulated net loss of Baht 25.1 million, an increase of 35.7% compared to the same period of the previous year. Performance in the Americas and China remained below the Group's targets in both production and distribution. This was partly due to slower consumption resulting from uncertainty over the war situation, as well as rapid regulatory changes in China, which delayed operations beyond the planned timeline. In addition, the Group's current product portfolio is not yet diverse enough to fully meet market demand.

In response to these factors, the Group plans to conduct further market research to assess consumer demand and business opportunities, and to develop and expand its distribution channels more effectively. The Group also plans to expand its customer base and diversify its product portfolio in line with market demand in each country, in order to support growth and improve long-term performance.

Nevertheless, performance in Europe showed an improving trend, with net operating profit increasing as a result of continued customer base expansion. The Group plans to build on this success by expanding the range of products offered and distributed. This plan is supported by positive feedback from customers, distributors and attendees at international trade expos, which reflects opportunities for future product development and market expansion.

Financial Highlights as of September 30, 2026

Statement of Financial Position (Consolidated)	September 30, 2026 (THB Mil.)	*(%)*	December 31, 2025 (THB Mil.)	*(%)*	Change *(%YOY)*
Total Assets	3,257.1	100.0%	3,383.1	100.0%	-3.7%
Current Assets	1,231.9	37.8%	1,281.7	37.6%	-3.9%
- Cash and cash equivalents	163.3	5.0%	221.1	6.4%	-26.2%
- Trade and other receivables	526.6	16.2%	590.5	17.5%	-10.8%
- Inventories	377.6	11.6%	330.8	9.8%	14.2%
- Biological assets	107.9	3.3%	103.6	3.1%	3.2%
- Other current assets	56.5	1.7%	35.7	0.9%	63.8%
Non-Current Assets	2,025.2	62.2%	2,101.4	62.4%	-3.6%
- Investment Properties	606.1	18.6%	610.7	18.1%	-0.8%
- Property, Plant, and Equipment	1,253.8	38.5%	1,300.6	38.4%	-3.6%
- Right-of-use Assets	74.9	2.3%	93.1	2.8%	-19.6%
- Biological asset (non-current)	16.8	0.5%	19.3	0.6%	-13.0%
- Other non-current assets	73.6	2.3%	77.7	2.6%	-5.4%
Total Liabilities	1,950.8	59.9%	2,006.1	59.3%	-2.8%
Current Liabilities	1,492.9	45.8%	1,474.0	43.6%	1.3%
- Bank overdraft	955.0	29.3%	890.0	26.3%	7.3%
- Trade and other payable	398.8	12.2%	416.3	12.3%	-4.2%
- Current portion of long-term loan	90.8	2.8%	85.4	2.5%	6.3%
- Other current liabilities	48.3	1.5%	82.3	2.4%	-41.3%
Non-Current Liabilities	457.9	14.1%	532.1	15.7%	-13.9%
- Lease liabilities – exceed 1 year	70.8	2.2%	82.4	2.4%	-14.1%
- Long term loan – exceed 1 year	246.4	7.6%	316.3	9.4%	-22.1%
- Provision for retirement benefit	115.6	3.5%	102.6	3.0%	9.7%
- Other non-current liabilities	25.1	0.8%	30.8	0.9%	-10.3%

Statement of Financial Position (Consolidated)	September 30, 2026 (THB Mil.)	(%)	December 31, 2025 (THB Mil.)	(%)	Change (%YOY)
Total Shareholders' Equity	**1,306.3**	**40.1%**	**1,377.0**	**40.7%**	**-5.14%**
- Equity holders of the Group	1,295.8	39.8%	1,358.2	40.1%	-4.6%
- Non-controlling interests	10.5	0.3%	18.8	0.6%	-43.8%

Assets

The Group's total assets amounted to Baht 3,257.1 million, a decrease of 3.7% compared to the end of the previous year. This was mainly due to a decrease in cash and cash equivalents following the dividend payment to shareholders, together with more effective management of receivables and collections, which resulted in lower trade receivables.

Liabilities

The Group's total liabilities amounted to Baht 1,950.8 million, a decrease of 2.8% compared to the end of the previous year, mainly due to the payment of accrued corporate income tax. As at September 30, 2026, the Group's debt-to-equity ratio was 1.5 times.

Shareholders' Equity

The Group has total shareholders' equity of Baht 1,306.3 million, a decrease of 5.14% compared to the end of the previous year.