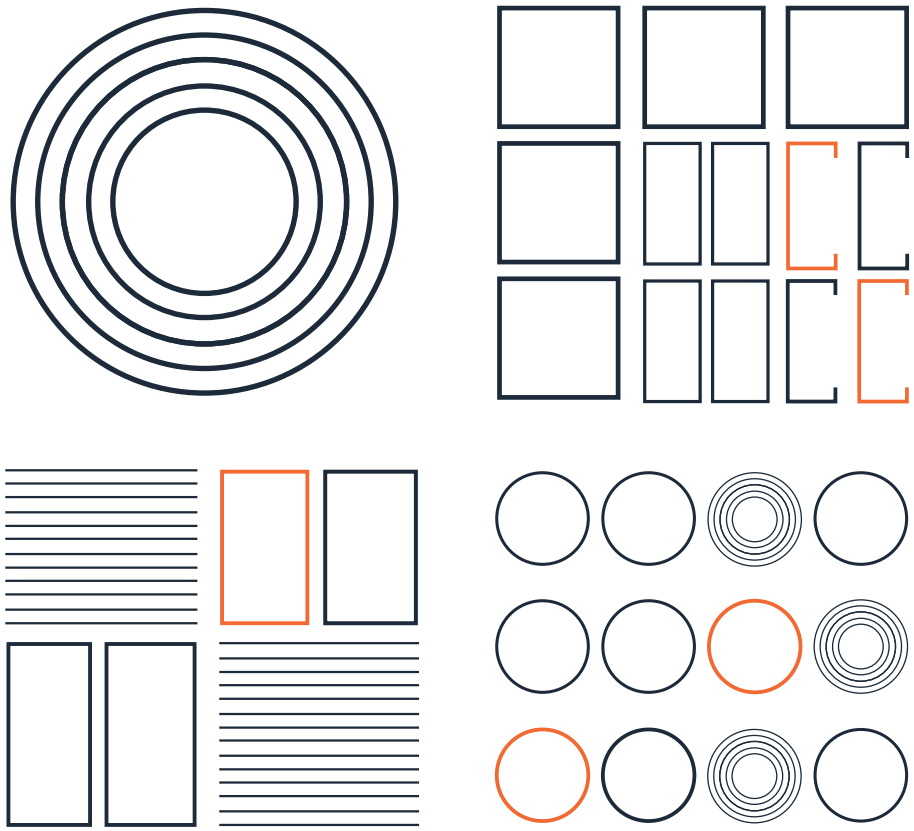
TMT

Management Discussion and Analysis Quarter 3/2026

Ending September 30, 2026



Business Overview, Economic and Industry Conditions Affecting Operations

In Q3 2026, import prices of hot-rolled coil (HRC) in Southeast Asia softened from the high levels of the previous quarter, standing at approximately USD 528 per ton at the end of September, although they remained higher than in the same period of the previous year. Meanwhile, China's crude steel consumption in the first 8 months declined by 4.0% from the same period of the previous year, whereas China's exports of semi-finished and finished steel products increased by 2.8%, indicating that the volume of Chinese steel entering overseas markets continued to rise amid weakening steel demand in China.

In Thailand, consumption of finished steel products in the first 9 months of 2026 totaled 13.67 million tons, down 1.2% from the same period of the previous year. Consumption of long products, which are used in construction and structural works, decreased by 1.0%, while consumption of flat products, which are used in manufacturing and processing, decreased by 1.4%. Meanwhile, total imports of finished steel in the first 9 months declined by 1.3%, while imports from China increased by 1.5% and accounted for 48% of total imports. Competition from imported products therefore remains a factor that the Company continues to monitor amid softening domestic steel demand. (Source: Iron and Steel Institute of Thailand, October 2026 report)

For Q4 2026, the Company expects investment in infrastructure and the implementation of construction projects to help sustain steel demand in the domestic market and related downstream industries. The Company therefore places emphasis on efficient inventory management, focusing on supply security and adequacy, together with systematic risk management to assess, monitor and prepare measures to address factors that may affect its business operations, costs and supply chain. The Company also continues to develop its information systems to support decision-making, enhance operational agility, and build strong relationships with customers, business partners and stakeholders across the supply chain. In addition, the Company remains committed to continuously improving its work processes through Lean management principles, along with the adoption of digital technologies in its business operations, in order to strengthen its adaptability and maintain its competitiveness amid continued economic uncertainty.

Summary of Significant Events and Developments

Significant events during the quarter and subsequent to the end of the reporting period are as follows:

- On 10 September 2026, the Company paid an interim dividend from its operating results for the period from 1 January – 30 June 2026 at the rate of 0.25 baht per share on 870,758,034 shares, totaling 217,689,509 baht, pursuant to the resolution of the Board of Directors' Meeting held on 13 August 2026 and in accordance with the Company's dividend policy.
- On 30 September 2026, the Company renewed a land lease agreement with Combine Asset Co., Ltd., a related party, for the period from October 2026 to October 2029, with a transaction value of 14,400,000 baht over the 3-year lease term.
- On 1 October 2026, the Company allocated, in full, all 15,000,000 units of the Warrants to Purchase Newly Issued Ordinary Shares of the Company offered to Executives and Employees No. 2 (TMT ESOP-W2) at an offering price of 0 baht per unit, and reported the allocation results to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand on 8 October 2026.

Summary of Operating Results

Revenue from Sales

In this quarter, the Company's sales volume was derived from steel processing at 43%, cold-formed structural steel production at 41%, and steel sourcing for distribution at 16%. Products processed and manufactured by the Company accounted for a combined 84% of total sales volume, as the Company focuses on developing value-added products to increase revenue from its core business.

In Q3 2026, the Company recorded revenue from sales of 4,835.80 million baht, an increase of 373.35 million baht or 8.37% compared with the same quarter of the previous year. The increase was mainly driven by a 7.20% rise in the average selling price, in line with market prices that remained higher than in the previous year, together with a 1.18% increase in sales volume.

For the 9-month period, the Company recorded revenue from sales of 13,885.97 million baht, an increase of 4.59% from the same period of the previous year, with sales volume increasing by 1.17%.

The Company recorded other income of 18.40 million baht, a decrease of 0.63 million baht or 3.30% from the same quarter of the previous year. Such income was related to the Company's normal business operations, and there were no significant items of other income arising outside the normal course of business during the quarter.

Cost of Sales and Gross Profit

In Q3, the Company's cost of sales amounted to 4,500.33 million baht, an increase of 6.49% from the same quarter of the previous year, resulting from higher raw material prices in line with market price trends and a 1.18% increase in sales volume. However, cost of sales increased at a lower rate than revenue from sales, which rose by 8.37%.

The Company recorded a gross profit of 335.47 million baht, an increase of 99.04 million baht or 41.89%. The gross profit margin increased to 6.94% from 5.30% in the same quarter of the previous year, owing to a 7.20% increase in the average selling price. In addition, the Company was able to manage raw material costs and maintain inventory levels appropriate to customer demand and market conditions.

Selling Expenses, Administrative Expenses and Finance Costs

In Q3, the Company's selling expenses amounted to 65.74 million baht, an increase of 6.06 million baht or 10.16% compared with the same quarter of the previous year. The increase was mainly due to a 4.01 million baht increase in freight expenses resulting from higher fuel prices and higher sales volume, while the remaining increase of approximately 2.05 million baht was mostly attributable to higher advertising, public relations and marketing expenses.

Administrative expenses amounted to 173.49 million baht, an increase of 22.03 million baht or 14.54% compared with the same quarter of the previous year. The increase was mainly attributable to employee benefits and compensation, which rose in line with the Company's operating performance by a total of approximately 12.10 million baht; an increase of 4.34 million baht in the allowance for expected credit losses, resulting from the adjustment of provision rates based on forward-looking factors under more stringent risk management; an increase of 3.11 million baht in trade credit insurance premiums due to a low base in the same quarter of the previous year; an increase of 1.54 million baht in computer software expenses; and the remaining 0.94 million baht in other expenses.

Interest expenses amounted to 22.14 million baht, a decrease of 8.23 million baht or 27.09% compared with the same quarter of the previous year, owing to lower interest rates.

Profit

The Company recorded a net profit of 74.00 million baht, an increase of 62.27 million baht or 530.78% compared with the same quarter of the previous year, representing a net profit margin of 1.53%, up from 0.26%. The improved performance was driven by a 99.04 million baht increase in gross profit from core operations and an 8.23 million baht decrease in interest expenses.

For the 9-month period, the Company recorded a net profit of 474.90 million baht, an increase of 372.01% from the same period of the previous year, with a gross profit margin of 9.67% compared with 6.13%, and a net profit margin of 3.42% compared with 0.76% in the same period of the previous year. The Company continues to place importance on risk management amid volatile market conditions, focusing on maintaining sales volume, managing costs and inventory, controlling expenses, and appropriately managing its financial structure.

Net profit attributable to owners of the Company for Q3 2026 amounted to 74.64 million baht, compared with 12.29 million baht in the same quarter of the previous year, and for the 9-month period amounted to 476.60 million baht, compared with 102.13 million baht in the same period of the previous year. The share of profit from the subsidiary was a loss attributable to non-controlling interests, reflecting expenses incurred in developing the digital platform business, which currently generates revenue solely from the Company.

Summary of Key Financial Performance

Operating Results (million baht)	Q3/25	Q2/26	Q3/26	Change (YoY)	Change (QoQ)	9M/25	9M/26	Change (YoY)
Revenue from sales	4,462.45	4,356.98	4,835.80	8.37%	10.99%	13,276.27	13,885.97	4.59%
Gross profit margin (%)	5.30%	14.80%	6.94%	+1.64	-7.86	6.13%	9.67%	+3.54
Selling expenses	59.67	63.51	65.74	10.16%	3.51%	175.93	194.34	10.47%
Admin. expenses	151.46	205.11	173.49	14.54%	-15.42%	467.24	548.67	17.43%
Interest expenses	30.37	23.23	22.14	-27.09%	-4.70%	101.01	68.04	-32.64%
Net profit	11.73	299.39	74.00	530.78%	-75.28%	100.61	474.90	372.01%
Net profit margin (%)	0.26%	6.87%	1.53%	+1.27	-5.34	0.76%	3.42%	+2.66

Note: Changes in profit margins are presented in percentage points.

Summary of Financial Position

Assets

As of 30 September 2026, the Company had total assets of 8,728.74 million baht, an increase of 490.52 million baht or 5.95% from the end of 2025, when total assets amounted to 8,238.21 million baht. The increase was mainly due to a 606.30 million baht increase in current assets, comprising increases of 480.04 million baht in inventories, 139.07 million baht in advance payments for goods, and 114.04 million baht in trade and other current receivables. These increases were in line with product price levels and business activity, which were higher than at the end of the previous year, while cash and cash equivalents decreased by 128.66 million baht.

The Company had total liabilities of 5,362.87 million baht, an increase of 320.39 million baht or 6.35% from 5,042.48 million baht at the end of 2025. The increase was mainly due to a 202.55 million baht increase in trade and

other current payables in line with purchase volumes, and a net increase of 141.21 million baht in long-term borrowings. During the period, the Company drew down new long-term loans of 500 million baht to support investment in operational efficiency improvement projects, strengthen liquidity and support long-term business expansion, and made scheduled repayments of long-term loans of 358.35 million baht. Short-term borrowings decreased by 37.70 million baht. Compared with the end of the previous quarter, total liabilities decreased by 227.74 million baht or 4.07%, mainly due to the repayment of short-term borrowings of 292.93 million baht in line with working capital cash flow management.

Shareholders' equity increased to 3,365.87 million baht from 3,195.74 million baht at the end of 2025, an increase of 5.32%. The increase was attributable to net profit for the 9-month period of 474.90 million baht, less dividend payments of 304.76 million baht. These dividends comprised a dividend from the 2025 operating results at the rate of 0.10 baht per share and an interim dividend for 2026 at the rate of 0.25 baht per share.

Quality of Assets and Receivables

Asset Structure and Inventory Quality

As of 30 September 2026, the Company had non-current assets of 3,367.91 million baht, representing 38.58% of total assets, a decrease of 115.78 million baht or 3.32% from 3,483.69 million baht as of 31 December 2025. The decrease was mainly due to depreciation and amortization recognized during the period, with property, plant and equipment, net decreasing by 114.05 million baht and right-of-use assets, net decreasing by 7.88 million baht, while intangible assets, net increased to 59.88 million baht from investment in information systems of 17.42 million baht.

In terms of inventory quality, the Company recorded a reversal of the allowance for decline in net realizable value (NRV) of 10.04 million baht. As a result, the remaining allowance decreased to 2.61 million baht from 12.65 million baht at the end of 2025, as average market prices during the period were higher than the cost of inventories. The average inventory period was 44 days, down from 46 days in the previous quarter and 51 days in the same quarter of the previous year, reflecting inventory management aligned with customer demand and market price trends.

Trade Receivables Quality and Collection Management

At the end of Q3 2026, the Company had trade and other current receivables, net, of 2,865.39 million baht, an increase from 2,751.35 million baht at the end of 2025, in line with revenue from sales that was higher than at the end of the previous year.

By aging, trade receivables not yet due increased to 2,223.08 million baht from 1,999.37 million baht at the end of 2025, representing 76.2% of trade receivables before allowance. Most of the increase in receivables remained within normal trade credit terms, while overdue receivables decreased across all aging brackets. Receivables overdue by 6–12 months decreased to 17.06 million baht from 54.23 million baht at the end of 2025, and receivables overdue by more than 12 months decreased to 43.66 million baht from 48.14 million baht at the end of 2025.

The Company's average collection period was 56 days, down from 61 days in the same quarter of the previous year, owing to a higher proportion of sales to wholesalers, which have shorter credit terms.

At the end of Q3 2026, the Company had an allowance for expected credit losses of 81.58 million baht, a net increase of 13.06 million baht from 68.52 million baht at the end of 2025, partly due to the adjustment of provision rates based on forward-looking factors under more stringent risk management. Having considered this allowance together with the collateral held against receivables, the Company is of the view that the allowance is appropriate and sufficient to cover credit risk, consistent with its prudent approach to managing receivables quality.

Debt Obligations and Debt Servicing Capability

As of 30 September 2026, the Company's debt-to-equity ratio (D/E Ratio) was 1.59 times, a slight increase from 1.58 times at the end of 2025, as liabilities increased at a higher rate than shareholders' equity.

The interest coverage ratio for the first 9 months of 2026 was 13.30 times, down from 15.42 times for the first 6 months, as EBITDA in Q3 was lower than in Q2. However, the ratio improved significantly from 4.68 times in the same period of the previous year, as earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 432.53 million baht to 905.07 million baht, and interest expenses decreased by 32.97 million baht. The Company's interest-servicing capability was therefore higher than in the previous year.

The Company had short-term borrowings from financial institutions of 3,326.97 million baht, down from 3,619.90 million baht at the end of the previous quarter, which were mainly used as working capital for trade receivables and inventories with a combined value of 4,922.28 million baht. These short-term borrowings are revolving in nature: when the Company collects payments from customers and sells its products, the proceeds are used to repay the loans, after which new borrowings are drawn to purchase raw materials and goods and to extend trade credit in the next cycle. In addition, the Company has interest payment obligations on its short-term and long-term borrowings, as well as long-term borrowings repayable in installments, of which the portion due within 1 year amounted to 426.65 million baht, down from 496.61 million baht at the end of the previous quarter. The Company's ability to meet these obligations, as measured by the Debt Service Coverage Ratio (DSCR), was 1.94 times[1], an improvement from 1.57 times at the end of the previous quarter [calculated as trailing 12-month EBITDA / (trailing 12-month interest expenses + current portion of long-term borrowings due within 1 year)]. The Company therefore has sufficient liquidity to manage its business efficiently and to sustainably accommodate risks from volatility as well as investments for growth.

[1] Calculated excluding short-term borrowings, as these are revolving facilities that can be redrawn upon repayment with proceeds from product sales and collections from receivables, which are short-term in nature and have a combined value higher than the short-term borrowings.

Basis of Information for the Analysis of Operating Results and Financial Position

This analysis of the Company's operating results and financial position has been prepared based on the consolidated financial statements for Q2 2026 for the period ended 30 June 2026 and the consolidated financial statements for Q3 2026 for the period ended 30 September 2026, which have been reviewed by a certified public accountant and approved by the Board of Directors.

Factors That May Affect Future Operations or Growth

- **Changing customer needs** may affect the Company's ability to retain its customer base, its sales volume, and the development of products and services that meet market demand. The Company therefore focuses on developing products and services that create value for customers, alongside the continuous development of its digital platform, to enhance customer experience and respond to customer needs effectively.
- **Changes in government policies and relevant standards** may affect costs, regulatory compliance, disclosure and future business operations. The Company therefore continuously monitors government measures, product standards, and regulations relating to safety, the environment, finance and taxation. The Company also compiles corporate and product carbon footprint data and is preparing for sustainability-related disclosures in accordance with relevant standards such as IFRS S1 and IFRS S2.

- **Changing business environment**, in terms of competition, costs, technology and resources, may affect selling prices, profit margins, competitiveness, and the continuity of raw material supply. The Company therefore manages costs and inventory, sources additional alternative raw materials and products, maintains relationships with business partners, and adjusts its sales and service strategies in line with market conditions.
- **Innovation, technology and human capital** are factors that may affect the Company's adaptability, operational efficiency and long-term growth. The Company is therefore driving its Digital Transformation by adopting modern technologies and machinery in its operations, together with developing employees' innovation and digital skills to support future growth.
- **Emerging Risks**, such as geopolitical conflicts, particularly the war in the Middle East, and global megatrends, may affect the supply chain, energy costs, logistics, market demand and business approaches in the medium to long term. The Company therefore continuously monitors and analyzes global trends, the geopolitical situation, government policies, relevant standards and customer behavior in order to prepare both short-term and long-term contingency plans and adjust its strategies in line with the changing business environment.

Environmental, Social and Governance (ESG) Performance

Environmental: The Company manages its environmental performance under the ISO 14001:2015 system and has set a target to reduce the carbon intensity of its Scope 1 and 2 greenhouse gas emissions by 20% from the base year (2022) by 2030, together with a long-term target by 2050 in alignment with Thailand's Net Zero goal. These targets are pursued through energy conservation projects, water management, efficient resource utilization, and the use of renewable energy from solar rooftops, which currently have an installed capacity of 6.30 MW. Toward the end of Q3, the Company completed the installation of an additional 3.38 MW expansion, which will begin generating electricity in Q4, bringing total generating capacity to 9.68 MW.

As a result of implementing the greenhouse gas reduction plan through various projects and activities, the carbon intensity of Scope 1 and 2 emissions for the first 9 months of 2026 was 0.01010 tCO2e per ton of production, a decrease of 3.81% from the same period of the previous year and approximately 16% lower than the base-year level of 0.01197 tCO2e per ton of production.

Social: The Company opened its facilities as a learning space for students and faculty members from various educational institutions to study steel manufacturing and processing, to be applied in teaching and learning. The Company also organized the Campus “Career Insight Series” activity at the Faculty of Engineering, King Mongkut's University of Technology Thonburi, where the Company's engineers shared their experiences with a total of 47 students. In addition, the Company provided steel and tools to the Air Defense Center, 1st Army Area (Engineer Unit), to produce 15 sets of medical supply storage shelves, which were donated to Wang Noi Hospital, Phra Nakhon Si Ayutthaya Province. The Company places continuous emphasis on developing the capabilities of employees at all levels. In the first 9 months of 2026, employees received an average of approximately 15 hours of training per person, and the Company received the Bronze Level award in the Excellence in Learning and Development category at the HR Excellence Award Thailand 2026, organized by Human Resources Online.

Governance: The Company conducts its business in accordance with good corporate governance principles and oversees its subsidiaries to ensure good governance and accountability to all stakeholder groups. The Company received a 5-star “Excellent” rating in the 2026 Corporate Governance Report (CGR) assessment for the 6th consecutive year, ranking in the Top Quartile among listed companies with a market capitalization of 1,501–3,000 million baht. The Company also received its 3rd recertification as a member of Thailand's Private Sector Collective Action Against Corruption (CAC).

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