MC GROUP

# Management Discussion and Analysis
## for the operation results of the first quarter of fiscal year 2027 (1 Jul – 30 Sep 2026)

MC Group Public Company Limited and its subsidiaries ("the Company") summarized the operating results of the first quarter of the fiscal year 2027 (1 Jul – 30 Sep 2026) as follows:

### Overall Economic and Industry Overview

In the first quarter of fiscal year 2027 (1 Jul – 30 Sep 2026), the Consumer Confidence Index decreased to 48.9, compared with 50.2 in June, owing to ongoing concerns over the Russia–Ukraine war and the U.S.–Iran conflict, which continued to pose risks to crude oil prices and key shipping routes, while flooding in several areas remained a further source of uncertainty. Partially offsetting these pressures, the government's economic stimulus measures — in particular the "Thais Help Thais Plus" scheme, which alleviates the public's cost of living and supports small traders in sustaining their businesses — served as a positive factor supporting consumer confidence, which may in turn affect the Thai economy.

### Overall Performance for Q1 FY2027

| Unit: THB million | Q1 FY26 | Q4 FY26 | Q1 FY27 | Change | Change |
|---|---|---|---|---|---|
| | Jul - Sep 25 | Apr - Jun 26 | Jul - Sep 26 | YoY | QoQ |
| Sales Revenue | 901 | 906 | 963 | 6.8% | 6.2% |
| Gross Profit | 581 | 594 | 636 | 9.6% | 7.1% |
| Gross Profit Margin | 64.4% | 65.6% | 66.1% | 1.7% | 0.5% |
| SG&A | 431 | 465 | 476 | 10.5% | 2.3% |
| %SG&A | 47.8% | 51.4% | 49.5% | 1.6% | -1.9% |
| Other Revenue | 13 | 14 | 9 | -25.3% | -33.3% |
| EBITDA | 265 | 249 | 281 | 6.2% | 13.1% |
| %EBITDA | 29.0% | 27.0% | 28.9% | -0.1% | 1.9% |
| NPAT | 123 | 106 | 125 | 1.9% | 18.0% |
| %NPAT | 13.4% | 11.5% | 12.8% | -0.6% | 1.3% |

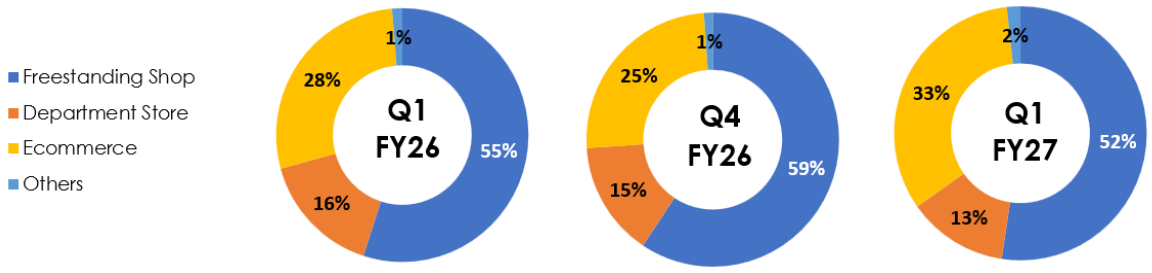
### Revenue

For the first quarter of fiscal year 2027, The company reported sales revenue of THB 963 million.

Compared with the same period of the previous year, this represents an increase of THB 62 million, or 6.8% due to continued growth of online channel revenue and the retention of the offline customer base amid uncertainty in the economic conditions, war, politics and global circumstances, which affected consumer confidence and led to lower out-of-home spending.

Compared with the preceding quarter, this represents an increase of THB 57 million, or 6.2% due to continued growth of online channel revenue and the retention of the offline customer base amid uncertainty in the economic conditions, war, politics and global circumstances, which affected consumer confidence and led to lower out-of-home spending too.

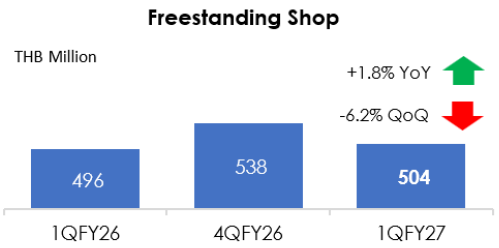
Revenue breakdown by channel




For the first quarter of fiscal year 2027, revenue breakdown by channels consisted of revenue from free-standing shop 52%, Department stores 13%, E-commerce 33% and other channels 2%.

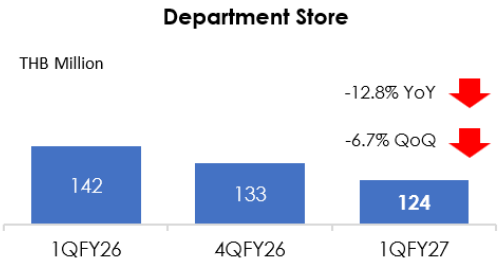
- **Freestanding Shop**

  Sales revenue from freestanding shop Q1 FY27 was THB 504 million. Compared with the same period of the previous year, this represents an increase of THB 9 million, or 1.8%. Compared with the preceding quarter, this represents a decrease of THB 33 million, or 6.2%



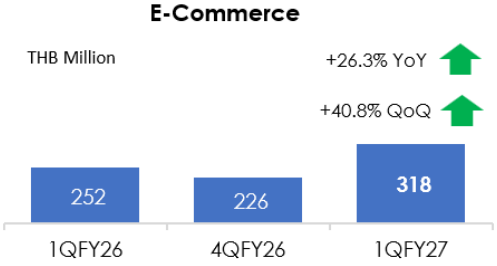

- **Department Store**

  Sales revenue from Department Stores Q1 FY27 was THB 124 million. Compared with the same period of the previous year, this represents a decrease of THB 18 million, or 12.8%. Compared with the preceding quarter, this represents a decrease of THB 9 million, or 6.7%




- **E-commerce**

  Sales revenue from E-commerce Q1 FY27 was THB 318 million. Compared with the same period of the previous year, this represents an increase of THB 66 million, or 26.3%. Compared with the preceding quarter, this represents an increase of THB 92 million, or 40.9%



As of 30 Sep 2026 and 30 Jun 2026, the Company had a total of 572 and 567 point of sales respectively details as follows:

| By Distribution Channel | Apparel and Lifestyle Products under "MC Group" | | |
|---|---|---|---|
| | 30 Sep 2026 | 30 Jun 2026 | Increase (+) / Decrease (-) from FY2026 |
| Free-standing Shop | 435 | 433 | +2 |
| Modern Trade | 128 | 129 | -1 |
| Mobile Unit | 9 | 5 | +4 |
| **Total POS** | **572** | **567** | **+5** |

**Gross Profit**

For the first quarter of fiscal year 2027, the company's gross profit was THB 636 million with gross profit margin of 66.1%.

Compared with the same period of the previous year, this represents an increase of THB 56 million with gross profit margin increase from 64.4% due to continuous promotion management and channel-based product allocation.

Compared with the preceding quarter, this represents an increase of THB 42 million with gross profit margin increase from 65.6% due to continuous promotion management too.

**Selling, General and Administrative Expenses (SG&A)**

For the first quarter of fiscal year 2027, SG&A was THB 476 million with SG&A to sales of 49.5%

Compared with the same period of the previous year, this represents an increase of THB 45 million, or 10.5% with SG&A to sales increase from 47.8% due to an increase in online channel expenses, while the Company continued to maintain disciplined and consistent spending control.

Compared with the preceding quarter, this represents an increase of THB 11 million, or 2.3% with SG&A to sales decrease from 51.4% due to continue to maintain disciplined and consistent spending control.

**Earnings before interest, Taxes, Depreciation and Amortization (EBITDA)**

For the first quarter of fiscal year 2027, EBITDA was THB 281 with EBITDA margin of 28.9% of total revenue.

Compared with the same period of the previous year, this represents an increase of THB 16 million, or 6.2%.

Compared with the preceding quarter, this represents an increase of THB 33 million, or 13.1% with a net profit margin increase from 27.0%.

**Net Profit**

For the first quarter of fiscal year 2027, the Company had a net profit of THB 125 million with a net profit margin of 12.8%.

Compared with the same period of the previous year, this represents an increase of THB 2 million, or 1.9% with a net profit margin decrease from 13.4%.

Compared with the preceding quarter, this represents an increase of THB 19 million, or 18.0% with a net profit margin increase from 11.5%.

Financial Position Analysis

Statement of Financial Position

| *(THB million)* | 30 Sep 2026 | 30 Jun 2026 | % Change |
|---|---|---|---|
| Cash and short-term investments | 2,086 | 1,983 | 5% |
| Account receivables | 190 | 179 | 6% |
| Inventory | 1,246 | 1,053 | 18% |
| Right-of-use assets | 1,142 | 1,148 | 0% |
| Other assets | 1,153 | 1,152 | 0% |
| **Total Assets** | **5,817** | **5,516** | **5%** |
| Account payables | 420 | 211 | 99% |
| Interest-bearing liabilities | 0 | 0 | 0% |
| Lease liabilities | 1,199 | 1,199 | 0% |
| Other liabilities | 379 | 410 | -8% |
| **Total Liabilities** | **1,997** | **1,820** | **10%** |
| Equity attributable to the firm | 3,819 | 3,695 | 3% |
| Non-controlling interest | 1 | 1 | 0% |
| **Shareholders' Equity** | **3,819** | **3,696** | **3%** |

**Assets**

As of 30 Sep 2026, the Company reported total assets of THB 5,817 million, an increase 5% or THB 301 million from the period 30 June 2026 mainly comprised of

- Inventory increased THB 193 million from THB 1,053 million on 30 June 2026 to 1,246 million on 30 Sep 2026 to prepare for high season sales.
- Cash and short-term investments increased THB 103 million from THB 1,983 million on 30 June 2026 to THB 2,086 million on 30 Sep 2026

**Liabilities**

As of 30 Sep 2026, total liabilities were THB 1,997 million compared to THB 1,820 million on 30 June 2026, an increase of THB 178 million mainly from THB 209 million increased in Account payables.

**Shareholders' Equity**

As of 30 Sep 2026, the Company reported THB 3,819 million of shareholders' equity, an increase of THB 123 million from THB 3,696 million on 30 June 2026 from Q1 FY27 performance of THB 125 million.

**Liquidity**

As of 30 Sep 2026, the Company's cash, cash equivalent, and short-term investment of THB 2,086 million increased THB 103 million from 30 June 2026 due to:

- Cash provided by operating activities was THB 193 million mainly from THB 125 million Profit before income tax expenses.
- Net Cash outflow from investing activities was THB 34 million from THB 27 million cash paid for property, plant and equipment.
- Net Cash outflow from financing activities was THB 56 million from THB 43 million of liabilities under finance lease agreements.

**Key Financial Ratios**

| Financial Ratios | | For period ended | |
|---|---|---|---|
| | | 30 Sep 2026 | 30 Jun 2026 |
| Liquidity Ratios | | | |
| Current Ratio* | times | 3.5 | 3.9 |
| Average Days Receivable | days | 17 | 16 |
| Average Days in Inventory | days | 285 | 248 |
| Average Days Payable | days | 86 | 48 |
| Cash cycle | days | 216 | 216 |
| Efficiency Ratios | | | |
| Return on Assets (Annualized) | % | 16.0 | 16.6 |
| Return on Equity (Annualized) | % | 18.4 | 18.9 |
| Leverage Ratios | | | |
| Debt to Equity Ratio | times | 0.5 | 0.5 |

*Exclude Current portion of lease liabilities, Current Ratio were 5.1 and 6.3 times for 30 Sep 2026 and 30 Jun 2026, respectively.

**Development and future growth trends**

For fiscal year 2027, the Company target to grow both sales and profits in all channels, online and offline, using the experience and resources that are abundant from the foundation of more than 50 years, consisting of sales points covering both online and offline, having factory with expertise and having its own distribution center with expansion plan for the future growth. The company has continuously studied and developed plans for other channels, such as expanding channels abroad and trading, mergers, and acquisitions, including related business with readiness and agility and can do it immediately when confident.

In terms of plans to achieve the goals, the company has a plan to continue growth on online channel, expand its retail stores, continuously improve existing sales points and close low-profitable sales points.

**Overview of Sustainability Developments**

The Company is committed to integrating sustainability into its core business operations under good corporate governance principles, while taking into account the interests of all stakeholder groups. These efforts have been recognized through various awards and certifications, including ISO 9001 for Quality Management and ISO/IEC 27001:2022 for Information Security Management, making the Company the first fashion and lifestyle retail company in Thailand to achieve this certification. The Company also received the highest "AAA" rating in the SET ESG Ratings 2025 for the second consecutive year from the Stock Exchange of Thailand, as well as the Commended Sustainability Award in the Sustainability Excellence category at the SET Awards 2025.

In terms of corporate governance, the Company received a full score of 100 in the 2025 AGM Checklist assessment, achieving the highest rating of "Excellent and Exemplary" from the Thai Investors Association. The Company also received an "Excellent" rating in the 2026 Corporate Governance Report of Thai Listed Companies (CGR) for the eighth consecutive year from the Thai Institute of Directors Association.

In the areas of environment and climate change, the Company places importance on energy management and reducing greenhouse gas emissions. The Company regularly monitors climate-related issues, their potential impacts on business operations, and the progress of related initiatives. The Company also continues to invest in Solar Rooftop projects at its head office buildings, Mc Fulfilment Center, and Mc Outlet stores to increase the use of clean energy, improve energy efficiency, and reduce electricity costs.

The Company also focuses on efficient resource use and promotes the principles of the Circular Economy. The use of environmentally friendly materials and components in its products has continued to increase. The Company also works with business partners to develop T-shirts made from fabric scraps generated during the production process, recycling these materials to create additional value and reduce production waste. In addition, the Company has shifted to recycled plastic packaging and introduced Returnable Cartons for transporting products between warehouses and stores, helping reduce single-use packaging and improve resource efficiency.

The Company continues to promote environmental awareness among employees through waste separation and campaigns to reduce the use of water, electricity, and paper, as well as the "No Bag Campaign" to reduce plastic bag consumption. On the social front, the Company places importance on respecting human rights, employee well-being and development, community engagement, and listening and responding to stakeholder expectations throughout the value chain. These efforts support sustainable business growth and long-term value creation.

**Respectfully yours**



**Virach Seripanu**
**Director**