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บริษัท ไทย ออโต ทูลส์ แอนด์ ดาย จำกัด (มหาชน)
THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED
45/6, 45/9 หมู่ 11 ตำบลคูบางหลวง อำเภอลาดหลุมแก้ว จังหวัดปทุมธานี 12140 โทร.02-598-3876-9 แฟกซ์. 02-598-3874
45/6, 45/9 MOO11 KUBANGLUANG, LATLUMKAEO, PATHUMTHANI 12140 TEL.02-598-3876-9 FAX. 02-598-3874
www.thaiautotools.co.th

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Subject : Management Discussion & Analysis of Performance Results for 3rd Quarter in Year 2026 ended September 30, 2026

To : President
The Stock Exchange of Thailand

MANAGEMENT DISCUSSION AND ANALYSIS FOR 3rd QUARTER IN YEAR 2026

1. Business and Economic Overview

The nature of the business operations of THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED is divided into 2 main types of business operations as follows:

1. Business design and manufacture tools for the automotive industry (“Tooling”).
   - 1.1 Stamping Die
   - 1.2 Checking Fixtures
   - 1.3 Assembly Jigs
2. Automotive Press Parts Automotive Press Parts and EDP : Electro Deposition Painting

Thailand Automotive Industry 3rd quarter in year 2026

(Unit : Cars)	(Jan – Sep)		Change	
	2026	2025	Unit	% Change
Export Production	686,647	710,888	-24,241	-3.41
Domestic Production	393,383	364,953	28,430	7.79
Total Production	1,080,030	1,075,841	4,189	0.39

Reference: The Federation of Thai Industries (Automotive Industry)

Based on the 9-month automotive production figures (January–September), total output reached 1,080,030 units, up 0.39% year-on-year. This increase was driven by a 7.79% YoY growth in production for the domestic market, supported by a higher production share of Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), and Hybrid Electric Vehicles (HEVs). Conversely, production for export declined by 3.41% compared to the same period in 2025. According to the Federation of Thai Industries (Automotive Industry Club), the pickup truck segment the country's designated "Product Champion" continues to contract. The industry anticipates government stimulus measures to revive local demand and safeguard the Product Champion status of this segment.

Regarding the automotive industry overview for the third quarter, despite impacts from severe flooding in late September that affected several auto parts manufacturing plants, the full-year 2026 production target remains unchanged at 1,450,000 units. This comprises 900,000 units for export and 550,000 units for domestic sales. Furthermore, the Federation of Thai Industries is actively pushing for revisions to excise tax structures on Completely Built Up (CBU) imports to ensure a level playing field for manufacturers investing in local production facilities. The FTI is also collaborating with the government on stimulus measures for the pickup truck market, advocating for more flexible loan guarantee policies to encourage financing approval.

In term of export production over the nine-month period, output declined by 3.41% year-on-year compared to 2025. This contraction was primarily driven by the ongoing conflict in the Middle East spanning over nine months which directly impaired pickup truck exports (the country's Product Champion) to the region. However, export growth to Asian markets demonstrated a strong recovery, rising by 27.16% year-on-year and partially offsetting the decline in the Middle Eastern market.

2. Business Performance

(Unit: million baht) **Consolidated financial statements**	**For the nine month period ended 30 September**		**Change**	
	2026	**2025**	**Amount Increase (Decrease)**	**% Increase (Decrease)**
Revenue from contracts with customers	1,801.10	2,2002.79	(201.69)	(10.07)
Other income	1.39	0.46	0.93	202.17
Total revenues	1,802.49	2,003.25	(200.76)	(10.02)
Cost of sales and services	1,593.07	1,790.97	(197.90)	(11.05)
Selling and distribution expenses	19.95	22.12	(2.17)	(9.81)
Administrative expenses	86.98	87.23	(0.25)	(0.29)
Total expenses	1,700.00	1,900.32	(200.32)	(10.54)
Operating profit	102.49	102.93	(0.44)	(0.43)
Finance income	0.23	0.19	0.04	21.05
Finance cost	(19.46)	(26.51)	(7.05)	(26.59)
Profit before income tax expenses	83.26	76.61	6.65	8.68
Income tax expenses	(18.60)	(14.89)	3.71	24.92
Profit for the year	64.66	61.72	2.94	4.76
Net Profit Margin (%)	3.59	3.08		

Revenue from contracts with customers decreased by 201.69 million baht, or 10.07 percent, primarily due to a contraction in revenue from the automotive parts manufacturing business 131.87 million baht, or 7.43 percent and the tool design and manufacturing business 69.82 million baht, or 30.48 percent this decline resulted from a slowdown in orders from customers in the automotive industry, particularly those in the internal combustion engine and pickup truck segments, which were affected by the prolonged conflict in the Middle East. Furthermore, market demand is shifting towards electric and hybrid vehicles, coupled with sluggish domestic purchasing power, resulting in an overall decrease in the company's revenue.

Cost of sales and services decreased by 197.90 million baht, or 11.05 percent, compared to the same period of the previous year. This decrease mirrored the decline in revenue from contracts with customers. The main factors contributing to the decrease were lower raw material costs, direct labor costs, and production-related expenses.

Selling and distribution expenses decreased by 2.17 million baht, or 9.81 percent. This was primarily due to a decrease in advertising, entertainment, travel, and vehicle expenses, which mirrored the decline in sales revenue.

Administrative expenses decreased by 0.25 million baht, or 0.29 percent, which is similar to the same period last year. The main factors contributing to this decrease are lower costs for office equipment, fees, and other miscellaneous expenses.

Financial costs decreased by 7.05 million baht, or 26.59 percent. This was primarily due to management securing lower-interest financing to replace high-interest loans, coupled with a reduction in the principal balance of long-term loans.

Profit for the year increased by 2.94 million baht, or 4.76 percent, and the net profit margin expanded to 3.59 percent. The main factors contributing to this improvement were a greater decrease in the cost of goods sold and services, as well as operating expenses, compared to a decrease in revenue. Combined with lower financial costs, this resulted in overall improved performance.

3. Financial position

(Unit: Million Baht)	**As of 30 September**		**Change**	
Consolidated financial statements	**2026**	**2025**	**Amount Increase (Decrease)**	**% Increase (Decrease)**
Assets	2,173.64	2,226.57	(52.93)	(2.38)
Liabilities	988.90	1,090.19	(101.29)	(9.29)
Shareholders' equity	1,184.74	1,136.38	48.36	4.26

The Company's Financial Position as of September 30, 2026, the company's total assets amounted to 2,173.64 million baht, a decrease of 2.38 percent compared to the same period of the previous year. This was primarily due to a decrease in trade receivables and other current receivables, which aligns with the slowdown in operating revenue.

Total liabilities amounted to 988.90 million baht, a decrease of 101.29 million baht, or 9.29 percent. This was primarily due to the repayment of loans from financial institutions and a decrease in trade payables and other current liabilities, reflecting a decline in the volume of goods and services purchased in line with the production plan.

Shareholders' equity amounted to 1,184.74 million baht, an increase of 48.36 million baht or 4.26 percent. This increase is primarily due to the accumulation of profits from continuous operations up to the current period.

Key Financial Ratios

Key Financial Ratios	Unit	As of 30 September	
		2026	2025
Return on Equity (ROE)	%	7.43	7.84
Return on Assets (ROA)	%	3.92	3.68
Debt to Equity Ratio (D/E Ratio)	times	0.83	0.96

The return on equity as of September 30, 2026, was 7.43%, a slight decrease compared to the same period of the previous year. This was primarily due to an expansion of the shareholder equity base from accumulated profits. Despite facing a slowing economy and sales, the company was still able to maintain a suitable level of return on equity.

The return on assets as of September 30, 2026, was 3.92%, an increase compared to the same period of the previous year. This reflects improved performance and asset management capabilities to generate better profits, driven by net profit growth.

The debt-to-equity ratio as of September 30, 2026, has decreased significantly to just 0.83 times, driven by equity growth and consistent repayment of loans from financial institutions. This has resulted in a more stable financial structure and reduced financial risk for the company.

4. Factors affecting the growth of the company in the future

1) The advent of AI Automation technology to increase production efficiency.

In response to structural shifts in the automotive industry, Thai Auto Tools Group has strategically integrated AI Automation as a core driver of operational excellence. The Group focuses on elevating human capital by transitioning workforce capabilities from traditional manual operations toward specialized AI Automation Specialist roles responsible for overseeing automated systems.

To support next-generation manufacturing technology, optimize production efficiency, and manage costs, the Group prioritizes upskilling and reskilling its technicians and engineers to operate, analyze, and maintain advanced automated systems. Key initiatives include implementing robotic arms across automotive part production lines and utilizing 3D mold design and simulation software. These advancements enhance forming precision, reduce material scrap rates, and shorten part development lead times.

These operational enhancements strengthen cost control and waste reduction, enabling the Group to maintain robust margin protection and effectively mitigate the impacts of raw material price volatility and market fluctuations.

2) Factors related to economic direction and government policy

Although overall automotive exports in Q3/2026 were impacted by ongoing conflicts in the Middle East and the closure of the Strait of Hormuz leading to a contraction in pickup truck exports to the region the Federation of Thai Industries (FTI) maintains its full-year 2026 production target at 1,450,000 units. This comprises 900,000 units for export and 550,000 units for domestic sales.

For the domestic market, cumulative production over the first nine months (Jan–Sep 2026) grew by 7.79% year-on-year to 393,383 units. Key growth drivers included the EV3.5 policy, which mandates local offset production against earlier imports, alongside government incentives encouraging local content sourcing for auto parts.

Furthermore, state policies positioning Thailand as a regional EV Hub, combined with excise tax restructuring to promote New Energy Vehicles (NEVs)—including Battery Electric Vehicles (BEVs) and Hybrid Electric Vehicles (HEVs/PHEVs)—have driven exponential growth in EV sales and production. Leveraging its comprehensive end-to-end capabilities, Thai Auto Tools Group continues to uphold high production standards and retain its core customer base, while strategically positioning itself to capture new opportunities within the growing electric and hybrid vehicle segments.

5. Sustainability development

In alignment with national climate goals, the Group has established targets to reduce greenhouse gas emissions and is currently actively pursuing its mid-term target: reducing Scope 1 and Scope 2 emissions by 40% against the Business as Usual (BAU) baseline by 2030.

In accordance with these sustainability commitments and ongoing reduction initiatives, the Group presents its Carbon Footprint Assessment Report for Q3 (Nine-Month Period ending September 30, 2026), summarized as follows:

Greenhouse Gas Emission Sources	**Required Data**	**2026 Jan. – Sep. (Unit: Ton Co_2e)**	**2025 Jan. – Sep. (Unit: Ton Co_2e)**	**Change (Unit: Ton Co_2e)**
Scope 1	Direct greenhouse gas emissions: - Stationary combustion. - Mobile combustion. - Other movements.	971	974	-3
Scope 2	Indirect greenhouse gas emissions from energy use.	2,979	3,167	-188
Scope 3	Other indirect greenhouse gas emissions: - Paper use. - Raw material use.	67,355	67,361	-6
Total		**71,305**	**71,502**	**-197**

Please be informed accordingly.

Yours faithfully,

THAI AUTO TOOLS AND DIE PUBLIC COMPANY LIMITED

- Mr. Payung Sakdasawit -

(Mr. Payung Sakdasawit)

Chairman of the Executive Committee