

Stone One Public Company Limited
Management Discussion and Analysis

Quarter 3 Ending 30 September 2026
(STX:TB)

www.stoneone.co.th

Management Discussion and Analysis Q3/2026

1. Executive Summary

For the consolidated financial results for Q3/2026, the Company reported total revenue of THB 64.10 million, decreasing by THB 41.87 million or -39.51% YoY. For the 9M/2026 total revenue amounted to THB 231.14 million, decreasing by THB 76.54 million or -24.88% compared to the same period of the previous year. This revenue decline was primarily attributable to reduced granite revenue from the Nong Kha quarry in Chonburi, which has entered the final phase of mine closure, resulting in lower production and sales activities during Q3/2026. The company has prepared an asset management plan for the Nong Kha plant following the cessation of production in Q4/2026. This includes considering the relocation of operational machinery and equipment to the company's other mines, as well as a plan to dispose of assets, along with the workforce reduction. Furthermore, in Q3/2026, the Company commenced recognizing depreciation expenses for the buildings and machinery at its new Khao Yoi quarry following the completion of construction. This, together with employee and other overhead costs incurred during the initial stage of quarry excavation in 2026, resulted in higher operating expenses.

In addition to the aforementioned factors, the Company's performance was further impacted by a substantial decline in sales of large-sized granite (Bigrock), which decreased significantly from 206,800 tons in 9M/2025 to only 28,100 tons in 9M/2026. Consequently, the Company reported a consolidated net loss of THB 10.01 million for Q3/2026 and a cumulative net loss of THB 10.60 million for 9M/2026. EBITDA for Q3/2026 was THB 4.13 million, a decrease of THB 20.93 million compared to Q3/2025, while total EBITDA for 9M/2026 was THB 28.61 million, down THB 88.35 million, largely due to a one-time item from the recovery of historical trade receivables amounting to THB 55.12 million in the previous year.

2. Economic and Construction Industry Outlook

According to research by SCB EIC, Thailand's economic remained relatively flat in Q3, supported by investment, electronic and digital exports, and government cost-of-living relief, though recovery failed to filter down broadly. Rising domestic fuel prices driven by Middle East conflicts further squeezed purchasing power and heightened inflation. Despite household debt dropping to a six-year low of 85.2% of GDP in Q2 2026, household financial health remains constrained by tight credit and liquidity, while rising unemployment—particularly among youth—signals labor market vulnerability. Additionally, severe late-September to October 2026 flooding is projected to reduce full-year GDP growth by approximately 0.1 percentage point and trigger short-term inflation via fresh food price spikes. The adverse impact on the business sector primarily manifests through reduced purchasing power and household expenditure, logistics and supply chain disruptions, and direct damage to properties, facilities, and inventory.

According to research by SCB EIC, 2027 construction investment faces persistent headwinds, with public construction constrained by a reduced FY2027 capital budget and private activity remaining flat. Operators must navigate Middle East geopolitical risks, fiscal constraints, and tighter safety regulations. Concurrently, the building materials sector is expected to contract due to fierce price competition, declining volumes from sluggish demand, and rising import pressure, particularly in steel and ceramic tiles.

3. Operation Performance according to Consolidated Financial Statement

Unit: Thousand Baht

Income Statement	Q3/2026	Q3/2025	Increase/(Decrease)		9M/2026	9M/2025	Increase/(Decrease)	
Revenue from sales & services	56,702	97,638	(40,937)	(41.93%)	204,443	280,811	(76,367)	(27.20%)
Revenue from sales of by-products	6,768	7,401	(633)	(8.56%)	20,924	20,542	382	1.86%
Other income	629	932	(303)	(32.50%)	5,770	6,324	(554)	(8.75%)
Total revenue	**64,098**	**105,971**	**(41,873)**	**(39.51%)**	**231,138**	**307,677**	**(76,539)**	**(24.88%)**
Cost & Expenses								
Cost of sales & services	54,706	74,901	(20,194)	(26.96%)	180,917	219,232	(38,315)	(17.48%)
Gross profit	**1,995**	**22,738**	**(20,743)**	**(91.23%)**	**23,526**	**61,579**	**(38,052)**	**(61.79%)**
Selling and administrative expenses	18,652	20,222	(1,570)	(7.76%)	59,734	64,019	(4,284)	(6.69%)
Reversal of expected credit losses	(1,293)	(1,313)	20	(1.52%)	(3,918)	(55,116)	51,198	(92.89%)
Total costs & expenses	**72,066**	**93,810**	**(21,744)**	**(23.18%)**	**236,734**	**228,135**	**8,599**	**3.77%**
Earnings before interest and taxes	(7,967)	12,161	(20,129)	(165.51%)	(5,596)	79,542	(85,138)	(107.04%)
Finance costs	1,217	436	782	179.45%	4,292	917	3,375	368.14%
(Loss) profit before income tax	**(9,184)**	**11,726**	**(20,910)**	**(178.32%)**	**(9,888)**	**78,625**	**(88,514)**	**(112.58%)**
Income tax expenses	823	2,145	(1,322)	(61.62%)	714	24,164	(23,450)	(97.05%)
(Loss) profit for the period	**(10,008)**	**9,581**	**(19,589)**	**(204.45%)**	**(10,602)**	**54,461**	**(65,063)**	**(119.47%)**
Comprehensive (expense) income	**(7,526)**	**9,581**	**(17,107)**	**(178.55%)**	**(8,121)**	**53,956**	**(62,077)**	**(115.05%)**
EBITDA	**4,130**	**25,055**	**(20,925)**	**(83.52%)**	**28,614**	**116,962**	**(88,348)**	**(75.54%)**

The Company reported a total revenue from operations for Q3/2026 of THB 64.10 million, a decrease of THB 41.87 million or -39.51% YoY. For 9M/2026, cumulative revenue stood at THB 231.14 million, decreasing by THB 76.54 million or -24.88% compared to the same period of the previous year. The decline was mainly due to lower revenue from main products, services, and other income across both periods. Meanwhile, sales of by-products decreased in the quarterly results but increased overall for the nine-month period, with details as follows:

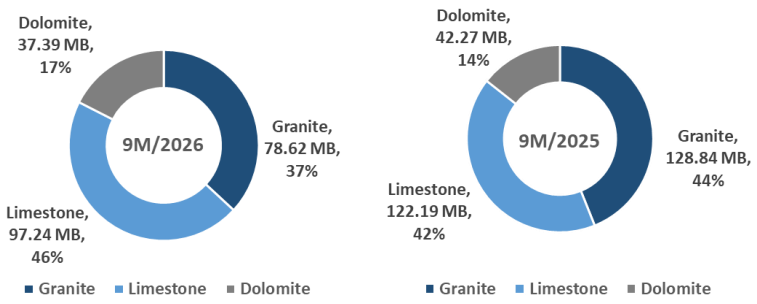
Revenue from sales and services in Q3/2026 amounted to THB 56.70 million, representing a decrease of THB 40.94 million or -41.93% YoY due to revenue from product sales decreased by THB 40.83 million and transportation service revenue decreased by THB 0.11 million. The decline in sales revenue was primarily driven by a THB 29.17 million decrease in granite sales, following the production closure at the end of Q3/2026 to prepare for the final phase of quarry closure. Additionally, limestone sales decreased by THB 8.67 million and dolomite sales declined by THB 2.98 million, impacted by seasonal rainfall which lowered overall quarry output and increased moisture levels in raw stone, affecting the production of certain dolomite products.

Revenue from sales and services in 9M/2026 stood at THB 204.44 million, a decrease of THB 76.37 million or -27.20% YoY. This was due to a THB 80.44 million drop in product sales revenue, whereas transportation service revenue increased by THB 4.07 million. The decline in product sales was primarily due to a THB 49.10 million drop in granite revenue, mainly due to a reduction of 178,700 tons in Bigrock sales as client construction projects had no requirement for large-sized stone unlike the previous year. Additionally, limestone revenue decreased by THB 26.46 million due to production capacity constraints during the first two months of 2026 while awaiting explosive permit renewals, which suspended quarry-blasting operations to feed the production line, coupled with sluggish construction activity and intensified market competition. Meanwhile, dolomite revenue declined by THB 4.88 million as certain clients adjusted their production plans, leading to lower order volumes during the year.

Revenue from by-product sales increased in Q3/2026 stood at THB 6.77 million, a decrease of THB 0.63 million driven by lower sales of granite aggregate dust from the Nong Kha quarry. For cumulative revenue in 9M/2026, revenue reached THB 20.92 million, a slight increase of THB 0.38 million, driven by limestone aggregate dust sales from the Chom Bueng quarry.

Other income for Q3/2026, decreased by THB 0.30 million YoY, while cumulative 9M/2026 other income declined by THB 0.55 million, driven by lower interest income during the year.

Proportion of Revenue



Cost of sales and services in Q3/2026 totaled THB 54.71 million, a decrease of THB 20.19 million, or -26.96% YoY. For 9M/2026, cost of sales and services stood at THB 180.92 million, decreasing by THB 38.32 million or -17.48% compared to the same period of the previous year. However, the percentage decrease in cost of sales and services was lower than the decrease in revenue. Consequently, the gross margin for Q3/2026 decreased to 3.52%, while the cumulative gross margin for 9M/2026 stood at 11.51%. This drop was primarily due to costs associated with the new quarry incurred in 2026, ahead of its commercial operations scheduled to begin in early 2027. The margin decline was further exacerbated by a significant drop in Bigrock sales, which carry high margins, coupled with higher production costs driven by year-over-year increases in fuel prices and mining contractor fees.

The cost structure for 9M/2026, The variable cost amounted to THB 107.54 million, decreasing by THB 35.91 million YoY, aligning with lower production and sales volumes during the nine months, fixed costs stood at THB 73.37 million, a decrease of THB 2.41 million or -3.2% YoY, mainly due to a reduction in employee-related expenses. Overall, the production cost structure in 9M/2026 comprised variable 59% and fixed costs 41%, compared with 65% to 35% in the previous year.

Selling and administrative expenses in Q3/2026 amounted to THB 18.65 million, decreasing by THB 1.57 million or -7.76% YoY. For 9M/2026, cumulative SG&A stood at THB 59.73 million, decreasing by THB 4.28 million or -6.69% compared to the same period of the previous year. SG&A expenses decreased mainly due to lower staff costs and advisory fees for the new quarry acquisition in the previous year.

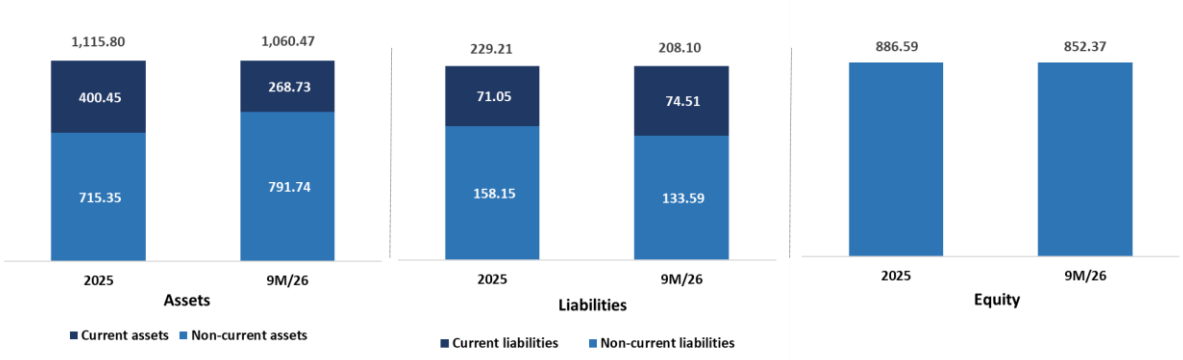
Expected credit loss, the Company recovered payments of THB 1.29 million in Q3/2026 and THB 3.92 million in 9M/2026, down THB 51.20 million YoY. This decrease was mainly due to a one-time allowance reversal of THB 53.80 million in 1H/2025 following a successful debt compromise agreement with former trade receivables.

Finance Costs for Q3/2026 amounted to THB 1.22 million, increasing by THB 0.78 million YoY. For 9M/2026, cumulative revenue stood at THB 4.29 million, increasing by THB 3.38 million compared to the same period of the previous year, driven by debt service obligations from loans funding the investment and crushing plant construction at the new quarry.

As a result of the above factors, the Company reported a net loss of THB 10.01 million in Q3/2026, a decrease of THB 19.59 million. For 9M/2026, the net loss stood at THB 10.60 million, resenting a decrease of THB 65.06 million. In 2025, the company recorded a one-time net profit increase of THB 34.48 million resulting from the reversal of credit losses net of deferred tax assets (DTA). Meanwhile, the company reported total comprehensive losses of THB 7.53 million for Q3/2026 and THB 8.12 million for the cumulative 9M/2026 period, following the remeasurement of employee benefit obligations.

4. Analysis of Statement of Financial Position

Unit: Million Baht



Total Assets

As of September 30, 2026, the company reported total assets of THB 1,060.47 million, a decrease of THB 55.33 million, or -4.96%, from December 31, 2025, primarily due to the following factors:

Current assets amounted to THB 268.73 million, a decrease of THB 131.72 million, or -32.89%, mainly from:

- Cash and cash equivalents decrease by THB 85.42 million, primarily driven by the investments in the construction of the new quarry.
- Trade and other receivables decreased by THB 30.08 million, mainly due to lower sales during the period.
- Short-term loans to other parties decreased by THB 15.00 million.

Non-current assets amounted to THB 791.74 million, an increase of THB 76.39 million or 10.68% mainly from:

- Investment properties increased by THB 20.46 million as a result of the transfer of land ownership in Q1/2026
- Property, plant and equipment – net increased by THB 49.70 million, while right-of-use assets – net increased by THB 2.06 million, mainly due to assets from the new Khao Yoi quarry, primarily consisting of buildings, machinery, and equipment.
- Net deferred excavation costs increased by THB 3.25 million, driven by mining development activities at the Khao Yoi quarry.

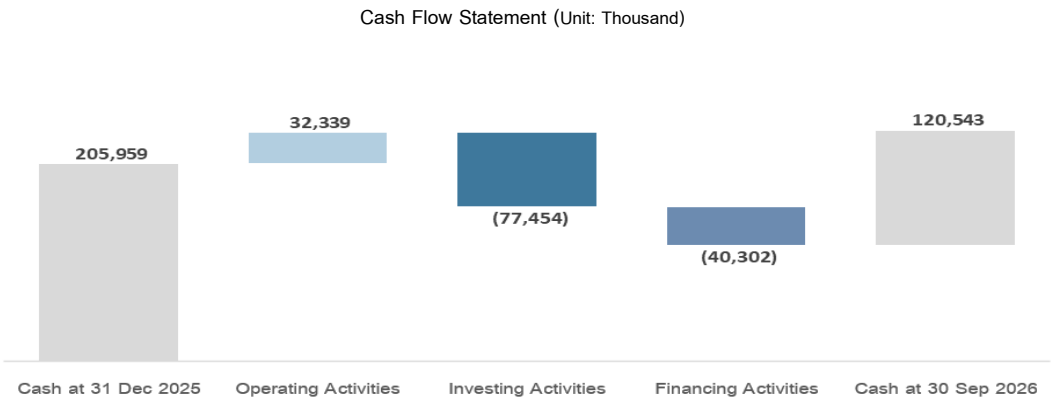
Liabilities and Equity

As of September 30, 2026, the company had total liabilities of THB 208.10 million, a decrease of THB 21.10 million, or -9.21% from December 31, 2025. This change in total liabilities was attributed to an increase of THB 5.18 million in the borrowings from financial institutions, a decrease of THB 6.49 million in lease liabilities. a decrease of THB 11.57 million in trade payables, a decrease of THB 7.39 million in employee benefit obligations, and a decrease of THB 0.85 million in other liabilities.

Total Equity

As of September 30, 2026, the company had shareholder equity of THB 852.37 million, a decrease of THB 34.23 million, or -3.86% from December 31, 2025. This reflected an increase in retained earnings driven by net loss during the nine-month period amounting to THB 8.12 million and dividend payment of THB 26.10 million in Q2/2026.

5. Analysis of Cash flows



As of September 30, 2026, the company and its subsidiaries had cash and cash equivalents of THB 120.54 million, a decrease of THB 85.42 million from December 31, 2025. This was primarily driven by the following:

- **Net cash flow from operating activities** amounted to THB 32.34 million, This was mainly driven by operating cash flow of THB 26.84 million generated from this year's performance, adjusted by the change in operating assets and liabilities and income tax of THB 5.50 million.
- **Net cash used in investing activities** totaled THB 77.45 million, mainly due to cash payments for the acquisition of fixed assets amounting to THB 72.36 million, contractor deposits of THB 2.56 million for the construction of the Khao Yoi Quarry and THB 3.40 million for quarry deferred excavation costs.
- **Net cash used in financing activities** was THB 40.30 million, primarily attributed to net drawdowns of short-term borrowings from financial institutions of THB 15.00 million, payments of lease liabilities and loan principal totaling THB 25.00 million, interest expenses of THB 4.20 million, and dividend payments to shareholders in Q2/2026 of THB 26.10 million.

6. Key Financial Ratios

Financial Ratios	Q3/2026	Q3/2025
Gross Profit Margin (%)	3.52	23.29
Net Profit Margin (%)	-15.61	9.04
EBITDA Margin (%)	6.44	23.64
Return on Assets (ROA) (%)	-1.21	6.35
Return on Equity (ROE) (%)	-1.52	7.01
	Q3/2026	2025
Current Ratio (Times)	3.61	5.64
Net Debt to EBITDA (Times)	1.39	-0.38
Net Debt to Equity (Times)	0.05	-0.05
Debt to Equity Ratio (Times)	0.24	0.26
Book Value per Share (Baht)	2.78	2.89

8. Sustainability Development

The Company integrates ESG sustainability across all operations, focusing on the following key areas:

Governance and Economic Dimension

The Company is committed to upholding the highest standards of corporate governance, guided by ethical integrity and legal compliance to maximize long-term shareholder value through transparent and accountable management, free from conflicts of interest. We prioritize systematic risk management and robust internal controls while fostering continuous professional development for our Board of Directors and executives. Furthermore, we remain dedicated to the equitable treatment of all stakeholders. In 2026, the Company established a strategic framework to formally declare its intent to join the Thai Private Sector Collective Action Against Corruption (CAC), reaffirming our commitment to transparency and sustainable integrity across all levels of the organization.

Environment Dimension

The Company prioritizes sustainable resource management with specific 2026 targets: reducing fuel consumption by 0.5%, Specific Electricity Consumption (SEC) by 2.8%, water usage by 2.0%, and waste by 0.5%. To mitigate climate change, we aim to decrease greenhouse gas emissions by 2.0% through energy management and carbon sequestration. By leveraging modern technology to control air, noise, and vibration pollution, we ensure full legal compliance and maintain stakeholder confidence.

Social Dimension

The Company operates with integrity, upholding human rights and fostering employee development while ensuring strict contractual compliance with customers, partners, and creditors. We actively engage with local communities to mitigate operational impacts. For 2026, we aim to maintain employee training standards and enhance occupational health and safety measures to further reduce work-related accidents and illnesses compared to 2025.

Q3/2026 CSR Activities update

- Supported career development and occupational promotion for Nong Kha Village, Chonburi Province.
- Providing community development funds for areas surrounding the mining site to Moo 11, Ban Nong Kha, Chonburi Province, and Bang Phra Town Municipality, Chonburi Province.
- Provided financial support for the Home-Grown Kitchen Garden Project.

