Management's Discussion and Analysis 3/2026

Phatra Group Public Company Limited : PHAT

Connecting to the World

เชื่อมโยงคุณค่า สู่โลกที่ยั่งยืน

Management's Discussion and Analysis (MD&A) – Q3/2026

Executive Overview and Significant Events

For the third quarter ended 30 September 2026, the Company reported total revenue of THB 476.03 million and a net loss of THB 21.31 million. Compared with the same period of 2025, both total revenue and net profit declined. The most significant change from the previous year was the increase in raw material costs, which reduced the gross profit margin to 0.92%, down from the approximately 10% the Company had previously achieved.

The main factor affecting raw material prices was the seasonal decline in the supply of oil palm fresh fruit bunches (Seasonal Effect). According to data from the Department of Internal Trade, Ministry of Commerce, on the production, consumption, and remaining stock of palm oil, compiled from information reported by operators under the notification of the Central Committee on Prices of Goods and Services, the volume of oil palm fruit used by the industry to produce crude palm oil in Q3/2026 was approximately 4.65 million tons. This was down from approximately 5.35 million tons in Q2/2026, a decrease of 13.13%. This data clearly reflects a quarter-on-quarter decline in the volume of oil palm fruit entering the industry's crude palm oil production process.

Adjusting the Crude Palm Oil Sales Strategy Amid Market Volatility

During the third quarter of 2026, crude palm oil prices in overseas markets were not attractive enough to support exports. Although overseas demand remained high, the Company assessed that it was not an appropriate time to sell (Unfavorable market Conditions). The Company therefore adjusted its strategy by reducing its crude palm oil sales volume in line with the prevailing risks. In Q3/2026, the Company delivered only 9,674.94 tons of crude palm oil to its trading partners, a decrease of more than 40% from the same period last year.

The lower sales volume does not indicate a decline in the Company's ability to generate revenue. For the nine-month period of 2026, the Company delivered 46,552 tons of crude palm oil (CPO) to its trading partners, an increase of 15% from the previous year. This represented revenue of more than THB 1,700 million, up 26% from the same period last year. This demonstrates that the Company has gained significantly greater flexibility this year in both Inventory Management and Sales Management. In addition, the Company has recently expanded its customer base by more than five new customers, delivering over 6,000 tons of oil to them during the third quarter of 2026.

Figure1: Crude Palm Oil Sale Volume

Crude Palm Oil (CPO) Sales Volume	2025	2026	YoY%
CPO Sales Volume – 3Q 3M (Tons)	16,401.55	9,674.94	-41.01%
CPO Sales Volume – YTD 9M (Tons)	40,441.90	46,551.83	15.11%

Source: Phatra Group Public Company Limited: PHAT

Balance Sheet

Items	As of December 31 2025		As of September 30 2026	
	THB Million	Share of Total Assets (%)	THB Million	Share of Total Assets (%)
Cash and Cash Equivalents	18.20	2.56	114.36	10.75
Trade Receivables – Net	16.15	2.27	5.48	0.52
Other Receivables from Asset Sales	-	-	0.60	0.06
Inventories – Net	169.22	23.82	413.05	38.83
Other Current Assets	5.01	0.71	9.46	0.89
Total Current Assets	**208.58**	**29.36**	**542.95**	**51.04**
Restricted Bank Deposits	30.00	4.22	35.02	3.29
Other Non-current Financial Assets	0.08	0.01	0.08	0.01
Other Receivables from Asset Sales	-	-	1.22	0.11
Long-term Prepayments for Assets	16.19	2.28	9.33	0.88
Land, Buildings and Equipment – Net	436.49	61.43	450.97	42.39
Right-of-use Assets – Net	10.35	1.46	12.24	1.15
Intangible Assets – Net	2.33	0.33	2.14	0.20
Deferred Tax Assets	1.47	0.21	3.52	0.33
Other Non-current Assets	5.06	0.71	6.30	0.59
Total Non-current Assets	**501.97**	70.64	**520.82**	**48.96**
Total Assets	**710.56**	100.00	**1,063.77**	100.00

Items	As of December 31 2025		As of September 30 2026	
	THB Million	Share of Total Assets (%)	THB Million	Share of Total Assets (%)
Short-term Loans from Financial Institutions	180.00	25.33	344.00	67.85
Trade and Other Payables – Related Parties	0.31	0.04	0.14	0.03
Trade and Other Payables – Third Parties	11.18	1.57	15.43	3.04
Current Portion of Long-term Borrowings Due within One Year	-	-	-	-
Lease Liabilities – Current Portion	4.22	0.59	4.53	0.89
Long-term Loans from Financial Institutions	32.03	4.51	33.52	6.61
Debentures	-	-	1.11	0.22
Other Current Liabilities	9.17	1.29	4.77	0.94
Total Current Liabilities	**236.91**	33.34	**403.50**	**79.59**
Lease Liabilities – Non-current Portion	3.91	0.55	4.51	0.89
Long-term Loans from Financial Institutions	118.45	16.67	94.65	18.67
Employee Benefit Obligations	3.71	0.52	4.31	0.85
Total Non-current Liabilities	**126.08**	17.74	**103.47**	**20.41**
Total Liabilities	**362.99**	51.09	**506.97**	100.00

Items	As of December 31	As of September 30
	2025	2026
	THB Million	THB Million
Shareholders' Equity	347.57	556.82

Financial Position

As of 30 September 2026, the Company had total assets of THB 1,063.77 million, an increase of THB 353.21 million, or 49.71%, from the end of the previous year. The increase was mainly attributable to inventories, which rose by THB 243.83 million, and cash, which rose by THB 96.16 million.

As of 30 September 2026, the Company's total liabilities increased by THB 143.98 million, or 39.67%, from the end of the previous year. This was mainly due to short-term borrowings from financial institutions of THB 164 million. The increase in short-term borrowings reflects the Company's working capital management for the purchase of raw materials for palm oil production.

Shareholders' equity increased by more than THB 200 million, driven by the capital increase from the Company's listing on the Market for Alternative Investment (mai) in August 2026. As a result, the net interest-bearing debt to equity ratio decreased from 0.92 times to 0.66 times, supported by the THB 96.16 million increase in cash over the same period.

Consolidated Income Statement

Unit: THB Million	2024	2025				2026		
	Q1*	Q1*	Q2*	Q3*	YE	Q1	Q2	Q3
Revenues								
Revenue from Crude Palm Oil and Palm Kernel Sales	314.69	266.48	721.22	649.22	2,333.76	776.34	732.55	466.53
Revenue from By-product Sales	10.29	5.00	9.55	9.07	38.21	8.30	10.62	9.50
Total Revenues	**324.98**	**271.47**	**30.76**	**658.29**	**2,371.97**	**784.63**	**743.17**	**476.03**
Cost of Sales	(330.95)	(301.15)	(603.11)	(594.71)	(2,179.25)	(752.54)	(723.30)	(471.64)
Gross Profit (Loss)	**(5.98)**	**(29.67)**	**127.65**	**63.58**	**192.72**	**32.10**	**19.88**	**4.39**
Gain (Loss) on Foreign Exchange	-	-	-	1.73	3.21	(3.48)	0.35	(1.86)
Other Income	0.10	0.59	0.17	0.11	2.32	0.38	3.80	0.19
Profit (Loss) Before Expenses	**(5.88)**	**(29.09)**	**127.83**	**65.41**	**198.26**	**29.00**	**24.02**	**2.72**
Selling Expenses	(0.14)	(0.11)	(0.12)	(0.71)	(16.79)	(10.05)	(11.49)	(6.84)
Administrative Expenses	(12.51)	(13.16)	(9.40)	(10.98)	(54.69)	(12.35)	(9.09)	(12.52)
Total Selling and Administrative Expenses	**(12.64)**	**(13.28)**	**(9.52)**	**(11.69)**	**(71.48)**	**(22.40)**	**(20.58)**	**(19.36)**
Operating Profit (Loss)	**(18.52)**	**(42.36)**	**118.31**	**53.72**	**126.79**	**6.61**	**3.44**	**(16.64)**
Finance Costs	(4.84)	(4.74)	(4.59)	(4.16)	(17.39)	(4.61)	(4.76)	(4.67)
Other Gains (Expenses), Net	0.02	0.04	0.04	0.04	(0.31)	1.47	0.58	
Profit (Loss) for the Period	**(23.34)**	**(47.06)**	**113.75**	**49.60**	**109.09**	**3.47**	**(0.73)**	**(21.31)**

* Restated due to new classification of items

* Palm Oil Crop

* Palm Kernel Crop

Business Overview and Outlook

Overall, the agricultural industry faced several challenges this year, including a delayed harvest season caused by drought and volatility in global oil prices, both of which affected the Company's approach to inventory and sales management. Recognizing the uncertainty and volatility in the market, the Company has taken steps to reduce risk across several areas, including palm oil production and storage, and liquidity management at a time when the world is facing multiple crises.

The Company remains committed to financial discipline and quality growth. Its business plan therefore continues to focus on prudent growth (Growth with optimal risk) by diversifying risk across finance, marketing, and its product range, in order to prepare for future uncertainties.