Management Discussion and Analysis Translation
For the year ended December 31 2025 and December 31 2024
Operating and Financial Status

Overview

Operating results of the company in 2025, net profit increased by Bt. 44.91 million or 6.04 % from 2024.

Domestic sales in 2025, amounted to Bt. 2,771.52 million, a increased from 2024 by Bt. 53.06 million or 1.95%, resulted from modern trade distribution channel increased by Bt. 96.98 million or 8.94% traditional trade decreased by Bt.48.60 million or 4.15%.

Sales in the industrial in 2025, amounted to Bt. 428.83 million, a increased from 2024 by Bt. 38.38 million or 9.83%, driven by the growth of the reade-to-eat food manufacturing plants.

Export sales in 2025, amounted to Bt. 300.56 million, a decreased from 2024 by Bt. 73.62 million or 19.68%. The primary causes are attributed to the economic slowdown in the Americas, logistical constraints at the Thai-Cambodian border, and the prevailing internal unrest in Myanmar.

Cost of sales in 2025, amounted to Bt. 2,095.55 million, a decrease from 2024 by Bt. 74.62 million or 3.44%. Resulting from improved production process efficiency and lower raw materials and packaging prices.

Distribution costs in 2025, amounted to Bt. 320.88 million, an increased from 2024 by Bt. 9.66 million or 3.10%. Most of it comes from marketing support activities and advertising expenses.

Administrative expenses in 2025, amounted to Bt. 160.73 million, an increased from 2024 by Bt. 0.91 million or 0.57%. Most of this come from employee expenses.

Operating Analysis

Profitability

Thai Theparos Plc's net profit in 2025 increased by Bt. 44.91 million or 6.04% from the year 2024.

		2024	2025	Change	%
Net profit (Million Baht)		743.85	788.76	44.91	6.04
Gross Profit Margin	%	38.16	40.06	1.90	
Net Profit Margin	%	20.87	22.22	1.35	
Return on Equity	%	24.10	24.53	0.43	
Return on Total Assets	%	21.87	22.32	0.45	

	(in million Baht)	2024	%	2025	%	Change	%
1	Domestic Sales	2,718.46	76.40	2,771.52	77.90	53.06	1.95
	Industrial Sales	390.45	10.97	428.83	12.05	38.38	9.83
	Sales to associate	75.25	2.11	57.07	1.60	(18.18)	(24.16)
	Export Sales	374.18	10.52	300.56	8.45	(73.62)	(19.68)
	Total	3,558.34	100.00	3,557.98	100.00	(0.36)	(0.01)
	Less volume rebates	(49.24)	(1.38)	(61.88)	(1.74)	(12.64)	25.67
	Net Sales	3,509.10	98.62	3,496.10	98.26	(13.00)	(0.37)
2	Cost of Sales	2,170.17		2,095.55		(74.62)	(3.44)
	% of total sales of goods	61.84		59.94		(1.90)	
3	Distribution Expenses	311.22		320.88		9.66	3.10
	% of total sales of goods	8.87		9.18		0.31	
4	Administrative Expenses	159.82		160.73		0.91	0.57
	% of total sales of goods	4.55		4.60		0.04	
	Net Profit	743.85		788.76		44.91	6.04
	Earning Per Share	2.07		2.19			

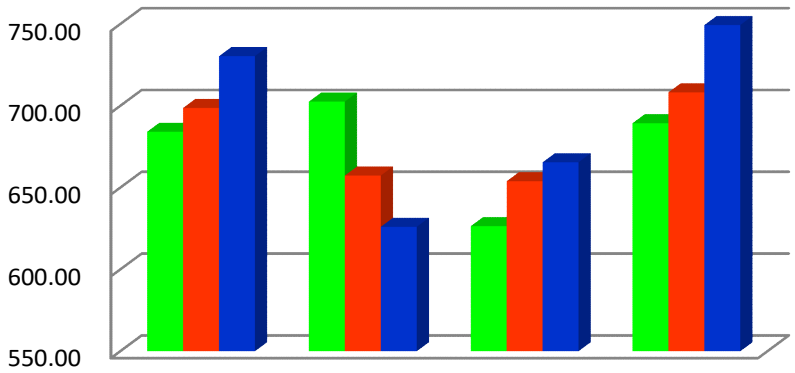
Operating Analysis

Profitability

Domestic sales in 2025 increased from 2024 by Bt. 53.06 million, or 1.95% increased from modern trade distribution channel an increased by Bt. 96.98 million, or 8.94%, traditional trade sales decreased by Bt. 48.61 million, or 4.15% due to the economic downturn, as customers are purchasing only enough stock for immediate sale and some major clients have ceased operations.

Sales in the industrial in 2025 increased from 2024 by Bt. 38.38 million, or 9.83%, %, driven by the growth of the ready-to-eat food manufacturing plants. However, we start to see slow down in June 2025.

Domestic sales by Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	Annual
2023	684.22	702.65	626.52	689.43	2,702.82
2024	698.78	657.43	653.97	708.28	2,718.46
2025	730.43	626.10	665.55	749.44	2,771.52

Export sales in 2025 decreased from 2024 by Bt. 73.62 million, or 19.68%. The primary causes are uncontrollable external factors, including the economic slowdown in the Americas and border trade disruptions resulting from the Thailand-Cambodia conflict and internal instability in Myanmar. These issues have directly impacted shipping volumes and trade value across Asia. Strong Thai Currency around 9% against USD in second half of 2025, our product became less competitive therefore our customers also try to reduce their inventory.

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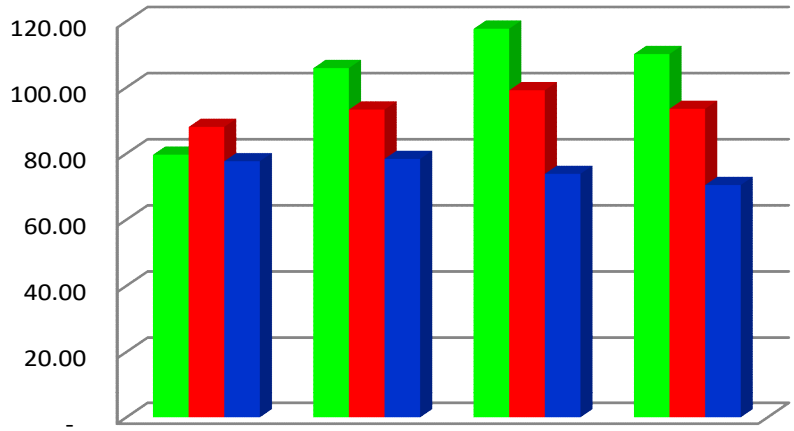
Export sales by Quarterly (Million Baht)

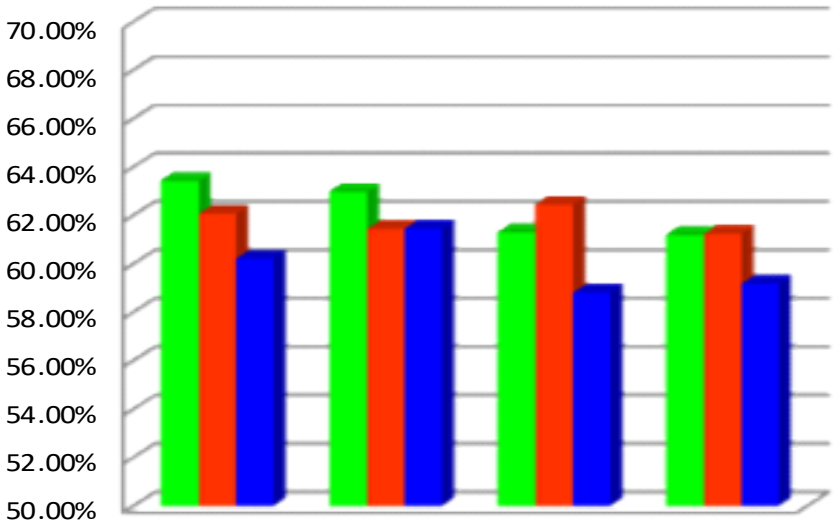


	Q1	Q2	Q3	Q4	Annual
2023	79.70	105.89	117.79	110.13	413.51
2024	88.10	93.33	99.18	93.57	374.18
2025	77.72	78.42	73.90	70.52	300.56

(Million Baht)	2024	2025	Change	%
Exter (Thailand) Limited	75.25	57.07	(18.18)	(24.16)

Sales to associates in 2025. The company had sales of products to Exter (Thailand) Limited decreased by Bt. 18.18 million. or 24.16%. This was caused by Exter (Thailand) Limited adjusting its raw material formulas and increasing the use of imported raw materials.

Cost of goods (% of sales) by Quarterly



	Q1	Q2	Q3	Q4	Annual
2023	63.47%	63.02%	61.34%	61.23%	64.67%
2024	62.12%	61.50%	62.50%	61.30%	62.26%
2025	60.28%	61.51%	58.87%	59.23%	61.80%

Cost of goods sold in 2025 decreased from 61.84% percentage of sales in 2024 compare to 59.94% percentage of sales in 2025 decreased 1.90%, Due to the costs of grain materials have decreased, the appreciation of the Thai Baht, and more efficient production processes.

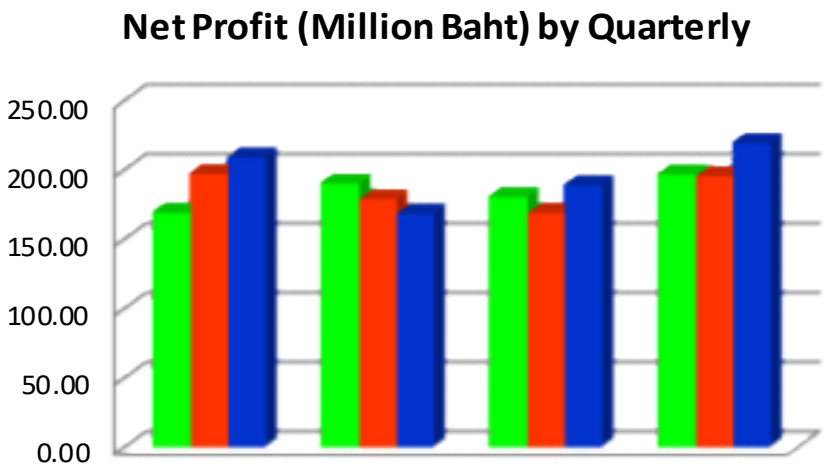
Distribution expenses of sales increased from 8.87% percentage of sales in 2024 compare to 9.81% percentage of sales in 2025 increased 0.31%. Most of it comes from marketing support activities and advertising expenses.

Administrative expenses in 2025 increased from 4.55% percentage of sales in 2024 compare to 4.60 percentage of sales in 2025 increased 0.04%. Most of this come from employee expenses.

From the reasons mentioned above performance for the year as of December 31, 2025. The company had a net profit of Bt. 788.76 million, and increase of Bt. 44.91 million than the same of 2024, an increased of 6.04%

Sauce has earnings before income tax (EBT) for year ended December 31, 2025 and December 31, 2024, as follows:-

		2024	2025	Change	%
Earning before income tax expense (Million baht)		929.78	986.06	56.28	6.05
EBT Margin	%	26.09	27.73	1.64	



	Q1	Q2	Q3	Q4	Annual
2023	169.88	190.90	181.36	197.46	739.60
2024	197.88	179.80	169.77	196.40	743.85
2025	209.70	169.43	189.65	219.98	788.76

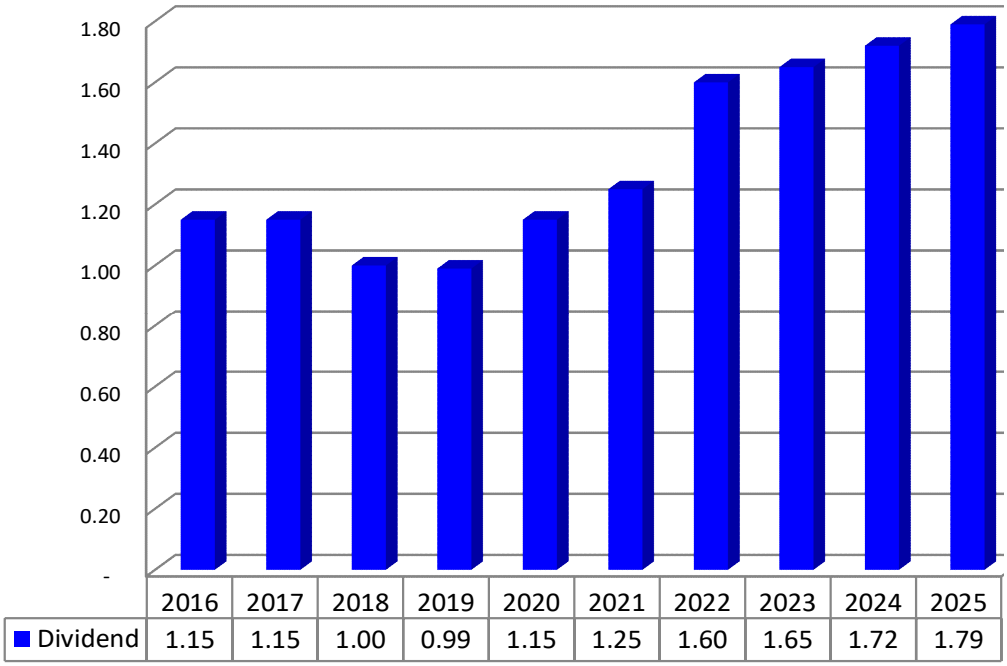
Dividend Policy

The Company has the policy to pay dividend to shareholders at not less than 50 percent of the net profit in each year and will be paid in the next year.

At the annual general meeting of the shareholders of the Company held on 23 April 2025, the shareholders approved the appropriation of dividend for 2024 amounting 360 million shares, and paid at Bt.1.79 per share, amounting to Bt. 644.40 million (payout ratio 86.63%). The shareholders must be listed on May 2, 2025 to be eligible for dividend payout. The payment was scheduled on May 19, 2025.

		2024	2025	Change	%
Net profit (Last year)		739.60	743.85	4.25	0.57
Dividends paid (Million Baht)		619.20	644.40	25.20	4.07
Dividends per share (Baht)		1.72	1.79	0.07	4.07
Dividends pay out	%	83.72	86.63		

Dividend payment by Annually (Baht)



Report and Analysis of Financial Position

Financial Structure

Debt Equity Ratios

Company have conservative financial policy which resulted in debt equity ratio 0.097 for 2025 and 0.102 for 2024. Have enough cash in order to prevent the price fluctuation of agricultural raw materials. Most of debt are current liabilities.

	2024		2025	
	Million Baht	%	Million Baht	%
Total liabilities	320.99	9.25	318.12	8.81
Equity	3,148.51	90.75	3,292.88	91.19
Total assets	**3,469.50**	**100.00**	**3,611.00**	**100.00**
Trade accounts payable	90.03	2.59	79.93	2.21
Income tax payable	91.80	2.65	100.07	2.77
Other accounts payable	103.33	2.98	98.90	2.74
Non current liabilities	35.83	1.03	39.22	1.09
Total liabilities	**320.99**	**9.25**	**318.12**	**8.81**
Issued and paid-up share capital	360.00	10.81	360.00	9.97
Premium on ordinary shares	615.60	18.47	615.60	17.05
Legal reserve retained earning	60.00	1.80	60.00	1.66
Unappropriated retained earning	1,988.27	59.67	2,257.28	62.51
Total equity	**3,023.87**	**90.75**	**3,292.88**	**91.19**
Debt Equity Ratios	**0.106**		**0.097**	

The company do not have long term loans for financing. The company uses most of its capital structure from shareholders' equity.

Liquidity

Cash flows

(Million Baht)	2024	2025	Change	%
Cash flows from operating activities	817.31	749.32	(67.99)	(8.32)
Net cash uses in investing activities	(209.04)	(195.84)	13.20	(6.31)
Net cash uses in financing activities	(619.14)	(644.20)	(25.06)	4.05
Net increase (decrease) in cash and cash equivalents	(10.87)	(90.72)	(79.85)	734.59

Cash flow from operating activities in 2025 decreased from 2024 in the amount of Bt. 67.99 million, decreased of 8.32% resulted from changes in operating assets and liabilities, mainly due to an increase in trade receivables by Bt. 30.96 million, an increase advance payment for raw materials by Bt. 86.32 million.

Net cash uses investing activities in 2025 decreased from 2024 in the amount of Bt. 13.20 million, due to a decrease in investment expenditures, alongside an increase in proceeds from the sale of equipment, interest income, and dividend income.

The cash flows uses in financing activities increased from higher dividend payout in the amount of Bt. 644.20 million.

(Million Baht)	2024	2025	Change	%
Current assets	2,437.58	2,579.09	141.51	5.81
Current liabilities	285.15	278.91	(6.24)	(2.19)
Current ratio (Time)	**8.55**	**9.25**	**0.70**	**8.17**

Current ratio

In 2025, Current ratio 9.25 times is increased 8.55 times in 2024. This result from the increased of current assets by Bt. 141.51 million, most of these are current investments by Bt. 120.69 million, advance payment for raw materials by Bt. 92.45 million and current liabilities decreased Bt. 6.24 million. Most of which were trade accounts payable by Bt. 10.10 million.

However, the company has strictly adhered to the financial management policy. The company has a high working capital ratio, there is no liquidity issue. As of December 31, 2025, the company has cash and cash equivalents of over Bt. 535.16 million and overdraft loan facility which has not been used from bank around Bt. 97.50 million to support the need for emergency funds.

The ability to pay debt and practice according to the loan

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities from trade account payable and accrued expenses. The company has performed its duty as a good debtor and paid debt in accordance with customer's trade agreement.

Quality of Assets

Change in Assets

As at December 31, 2025 Sauce has Bt. 3,611 million of total assets, the growth increased 4.08% compare to total assets of Bt. 3,469.50 million as at December 31, 2024.

(Million Baht)		2024	2025	Change	%
Current assets		2,437.58	2,579.09	141.51	5.81
Non current assets		1,031.92	1,031.91	(0.01)	(0.00)
Total assets		**3,469.50**	**3,611.00**	**141.50**	**4.08**
Current assets / Total assets	%	70.26	71.42	1.17	
Non current assets / Total assets	%	29.74	28.58	(1.17)	
Total assets	%	**100.00**	**100.00**	-	

As of December 31, 2025, company has current assets and non-current assets as 71.42% and 28.58% of the total assets compared to 70.26% and 29.74% as at December 31,2024.

Main Part of Assets

	2024	%	2025	%
	Million Baht		Million Baht	
Current investments	788.56	22.73	909.25	25.18
Property, plant and equipment	773.37	22.29	766.36	21.22
Inventories	572.85	16.51	554.60	15.36
Cash and cash equivalent	625.87	18.04	535.16	14.82
Trade receivables	383.91	11.07	424.58	11.76
Unused land	204.07	5.88	210.23	5.82
Advance payment for raw materials purchased	47.84	1.38	140.28	3.88
Investments in associates	42.32	1.22	45.96	1.27
Other receivables	9.39	0.27	7.71	0.21
Other current assets	7.16	0.21	6.51	0.18
Bank deposits under commitment	4.80	0.14	4.59	0.13
Deferred tax assets	4.84	0.14	3.48	0.10
Current portion of loan to associate	2.00	0.06	1.00	0.03
Other non-current assets	1.01	0.03	0.88	0.02
Intangible assets	0.35	0.01	0.27	0.01
Other long-term investment	0.16	0.00	0.14	-
Long-term loans to associate	1.00	0.03	-	-
Total assets	3,469.50	100.00	3,611.00	100.00

Company's policy to set the time commercial credit (Term credit)

The company categorizes sales as follows:

1. Cash sell
2. Credit sell

- traditional trade sales and Export sales give credit 30-45 days.
- Modern trade and Industrial sales give credit 60 days.

Million Baht		2024	2025	Change	%
Net / Sales		3,509.10	3,496.10	(13.00)	(0.37)
Trade accouts receivable -Net		383.91	424.58	40.67	10.59
Accouts receivable Turnover	Times	9.24	8.65	(0.59)	(6.39)
Average Collection Period	Days	39	42	3.00	7.69
Inventories Turnover	Times	3.83	3.72	(0.11)	(2.87)
Average Inventories Turnover Period	Days	95	98	3.00	3.16
Repayment Period	Days	15	14	(1.00)	(6.67)
Cash Cycle Period	Days	120	126	6.00	5.00

As of December 31, 2025 payment is tracked and credit is carried out strictly to customers.

The Accounts Receivable Turnover ratio in 2025 decreased by 0.59 times compared to 2024, resulting in a 3-day increase in the average collection period. This was primarily driven by the Modern Trade segment, which saw sales growth and operates on a 60-day credit term and industrial customers which delayed their payment due to slowdown economy. Additionally, a decline in sales volume led to a 0.11 times decrease in the inventory turnover rate, extending the inventory turnover period by 3 days year-over-year.

For trade receivables, adequate allowance for doubtful accounts has been made based on the facts as of 31 December 2025, has an allowance for doubtful accounts of Bt. 1.49 million which is at the same of December 31, 2024.

(Million Baht)	2024	2025	Change	%
Related parties	16.00	32.54	16.54	103.38
Other parties	371.81	393.53	21.72	5.84
Total	387.81	426.07	38.26	9.87
Less allowance for doubtful accounts	(3.90)	(1.49)	2.41	(61.79)
Net trade accounts receivable	**383.91**	**424.58**	**40.67**	**10.59**

Inventory are not deterated or obsolete.

(Million Baht)	2024	2025	Change	%
Finished goods	103.28	98.75	(4.53)	(4.39)
Work in process	135.78	123.81	(11.97)	(8.82)
Raw materials	335.65	334.16	(1.49)	(0.44)
Raw materials intransit	2.44	-	10.71	-
Suplies	0.73	0.57	(0.16)	(21.92)
Less allowance for decline in value	(5.03)	(2.69)	2.34	(46.52)
Total inventories	572.85	554.60	(18.25)	(3.19)

Long-term investment

(Million Baht)	2024	2025	Change	%
Investment in marketable equity security	0.16	0.14	(0.02)	(12.50)
Total long-term investment	0.16	0.14	(0.02)	(12.50)

Allowance for impairment losses

Unused land

(Million Baht)	2024	2025	Change	%
Unused land at cost	204.07	204.07	-	-
Land improrements		6.16	6.16	-
Less allowance for impairment losses	-	-	-	-
Net	204.07	210.23	6.16	3.02

The company has the land not used in operations which had been acquired for the purpose of plant expansion in 1994. The company had reconsidered the purpose and cancelled the expansion project since current plant is able to support the growth of the company. In Q3/2025 there was the land improvement amounting of Bt. 6.16 million.

According to the appraisal report of an independent appraiser dated August26, 2025, the independent appraised the land that has not been used to operate the company using the market price comparison method. With an appraised value of Bt. 293.56 million.

Tanawat Winyarat

(Mr. Tanawat Winyarat)

Deputy Managing Director