

May 28, 2026

Subject Management Discussion and Analysis for the year ended 31st March 2026

To President of the Stock Exchange of Thailand
Secretary of the Office of Securities and Exchange Commission

Lohakit Metal Plc. (the "Company") would like to notify the financial status and operating performance for the year ended 31st March 2026 of the Company and its subsidiaries as details below:

(Unit: Baht millions)

Consolidated financial statement	For the year ended 31 st March			
	Apr 2025 - Mar 2026	Apr 2024 - Mar 2025	Change	% Change
Revenue from sales & service	2,643.69	2,690.38	-46.69	-1.7%
Other income	21.37	27.85	-6.48	-23.3%
Total revenue	2,665.06	2,718.23	-53.17	-2.0%
Cost of goods sold & service	2,280.08	2,361.17	-81.09	-3.4%
Selling & distribution expenses	53.50	52.38	1.12	2.1%
Administrative expenses	120.57	115.66	4.91	4.2%
Total expenses	2,454.15	2,529.21	75.06	-3.0%
Earning before interest and tax	210.91	189.02	21.89	11.6%
Finance cost	-3.68	-3.68	-	-
Share of profit from investment in associate	-0.26	2.21	-2.47	-111.8%
Income tax expenses	-41.84	-37.55	-4.29	11.4%
Net profit	165.13	150.00	15.13	10.1%
Minority interest in subsidiary	-46.10	-44.19	-1.91	4.3%
Net profit of the Company	119.03	105.81	13.22	12.5%

1. Operating Performance

For the year ended 31st March 2026 the Company and its subsidiaries had net profit of Baht 119.03 million or increased by Baht 13.22 million or 12.5 percent from previous year with the net profit of Baht 105.81 million. Despite the increase in operating results in the period, due to the rapid growth of the domestic Data Center and Semiconductor industries, copper sales and weight increased in the second of the year. While market prices for other metal product groups have continuously declined, high-quality, standardized raw materials have been consistently sourced from multiple channels, resulting in a higher profit margin in this year. In addition, the economic situation abroad has begun to recover and the policy interest rate has stabilized the first quarter of 2026, has not yet stimulated the overall domestic economy. Construction and tourism continue to contract, and high level of household debt in the country, it has affected the approval of commercial vehicle loans. As a result, the production and sales of automobiles are remaining stagnant, and electrical appliance exports have not yet recovered.

The profit before interest and tax increased by Baht 21.89 million whereas corporate tax increased by 4.29 million. This was due to the company and a subsidiary's operating profit increased. The financial costs remain unchanged from last year, while the net profit of the subsidiary's minority shareholders increased by 1.91 million baht in the current year.

1.1 Revenue

For the year ended 31st March 2026, the Company and its subsidiaries had revenue from sales and service of Baht 2,643.69 million compared with Baht 2,690.38 million in the same period of the previous year, which decreased by 1.7 percent. This is because the data center and semiconductor industries are expanding within the country, as result of the increased volume of copper product. While domes automotive industry has not yet recovered, resulting in the sales weight of automotive exhaust pipes continuing to decline, and the sales weight decreased in the aluminum, galvanized steel, and stainless steel groups. However, overall volume and total sales decreased this quarter. This is coupled with the average selling price of all major product groups continuously decreasing in line with the declining price of metal commodities in the current year. This is due to sufficient production capacity in the region to meet demand, but continuously contracting purchasing power both domestically and internationally. The commercial lending situation remains tight, without policy relaxation in sight to ease borrowing.

The majority sales of Company comprised of metal like stainless steel and non-ferrous metal like copper and aluminum whereas sales of a new subsidiary company mostly came from Stainless Copper and Aluminum as the main product groups among various industries, mainly in particular for automotive, electrical appliance and construction.

1.2 Other income

Other income consists of interest income, gain from asset sales and revenue from scrap sales. For the year ended 31st March 2026, the Company and its subsidiaries had other income of Baht 21.37 million or decreased by 23.3 percent.

The significant other income is income from scrap sales which are the results from the processing of cold rolled stainless steel sheet and coil such cut to length as per customers' requirements. The Company and its subsidiaries therefore sold scrap and disposal of unused machines and equipment to record as the other income.

1.3 Cost of goods sold & service

Majority of cost of goods sold are cost of raw material are cold rolled stainless steel sheet, coil and pipes which the Company and its subsidiaries process. For the year ended 31st March 2026, the Company and its subsidiaries had cost of goods sold of Baht 2,280.08 million, or accounting for 85.55 percent of the total revenue in comparing with Baht 2,361.17 million, or accounting for 86.86 percent of total revenue of previous year. Cost of goods sold decreased by 3.4 percent whereas sales & service decreased by 1.7 percent.

1.4 Selling & distribution expenses

Selling & distribution expenses mostly consist of sale staff expenses, transportation expenses and promotional expenses. For the year ended 31st March 2026, the Company and its subsidiaries had selling expenses of Baht 53.50 million, compared with selling expenses of Baht 52.38 million in the same period the previous year, which increased by 2.1 percent. Most of these expenses are staff expenses and delivery costs. This already includes the write-off of bad debts from a subsidiary.

For the period of year ended 31st March 2026, the selling & distribution expenses were 2.02 percent, slight increased when comparing to 1.95 percent of revenue from sales and service in the same period of previous year.

1.5 Administrative expenses

Administrative expenses consist of executive expenses and staff expenses other than sale department, office rental expenses and other management and administrative expenses. For the year ended 31st March 2026, the Company and its subsidiaries had administrative expenses of Baht 120.57 million, compared with administrative expenses of Baht 115.66 million in the previous year which increased by 4.2 percent. Mainly due to the effect of adjusting the employee benefit reserve calculation this year.

For the year ended 31st March 2026, the administrative expenses was 4.52 percent of total revenue, slightly increased in compared with administrative expenses of 4.25 percent of total revenue in the same period of the previous year.

1.6 Earning (loss) before interest and tax and Net Profit (loss)

For the year ended 31st March 2026, the Company and its subsidiaries had profit before interest and tax of Baht 210.91 million. After deducting the finance cost of Baht 3.68 million, income tax of Baht 41.84 million, net profit sharing to minority shareholders of subsidiary of Baht 46.10 million and adding the loss sharing from investment in related of Baht -0.26 million, the net profit of the Company and its subsidiaries stood at Baht 119.03 million, the net profit of Baht 165.13 million. When comparing to the profit before interest and tax and the net profit of the same period of the previous year which stood at Baht 150.00 million and Baht 105.81 million respectively, the net profit of the present year increased by 12.5 percent.

1.7 Share of income from investment in associate

In April 2009, the Company invested in the ordinary shares of Mory Lohakit (Thailand) Co.,Ltd. ,who is the marketing and sale force for the company and its subsidiaries and joint venture, by holding 49 percent of total shares. On 30 October 2025, The Company entered into purchase partially ordinary shares form an existing shareholder, totaling 2,000 shares. This resulted the Company's shareholding form 49% to 51%. However the company and its associates retain their management authority unchanged from the previous shareholding proportion. Therefore, the company continues to manage the investment as an associate company. As for the periods ended 31st March 2026, the company and its subsidiaries recognized share of loss, by using equity method, of Baht 0.26 million and recognized share of profit in amounting of Baht 2.21 million in consolidated income statements respectively.

1.8 Income tax expense

For the year ended 31st March 2026, the Company and its subsidiaries had corporate tax of Baht 41.84 million or increased by 11.4 percent. This was due to the company and a subsidiary's had net profit increased.

1.9 Profit sharing to minority shareholders of subsidiary company

On Oct 1 2010, the company sold partial investment in a subsidiary company to Japanese alliance, Mory Industrial Inc., As of 31st March 2026, the Company and its subsidiaries recognized profit sharing to minority shareholders according to the percentage of its shareholding in full year which was amount of Baht 46.10 million, increased from amount by Baht 44.19 million of previous year by 4.3 percent. The lower profit share was due to increased net profit of the subsidiary, a manufacturer of exhaust pipe in the automotive industry.

1.10 Profitability

For the year ended 31st March 2026, the Company and its subsidiaries had higher gross profit margin of 13.75 percent compared with gross profit margin of 12.24 percent in the same period the previous year. The main reason due to a policy of sourcing high-quality raw materials from multiple channels, resulting in a continuous decrease in the average cost of raw materials. This has led to wider gross profit margins. While the sales weight and volume of copper products increased in the growing domestic Data Center and Semiconductor industries, the overall sales weight remained lower than the previous year, as average market prices decreased in both the metallic and non-metallic markets. In line with the decline in average market prices across both ferrous and non-ferrous metal markets, the Group has nevertheless maintained its strategy to drive sales in a contracting market throughout the year, aiming to achieve its established profit targets.

For the year ended 31st March 2026, the Company and its subsidiaries had net profit margin of 4.47 percent decreased in compared with net profit of 3.89 percent in the same period of the previous year.

(Unit: Baht million)

Consolidated balance sheets	As at 31st Mar 2026		As at 31st Mar 2025	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	439.23	20.51%	361.44	17.16%
Account receivable, trade and others	654.37	30.55%	576.65	27.38%
Inventories	532.94	24.88%	640.53	30.41%
Other current assets	3.48	0.16%	6.55	0.31%
Total current assets	1,630.02	76.10%	1,585.17	75.26%
Non-current assets				
Restricted bank deposits	46.18	2.16%	46.18	2.19%
Investment in associate	5.34	0.25%	10.23	0.49%
Non-Current Financial Assets (Long-term investment)	2.74	0.13%	2.56	0.12%
Property, plant and equipment	423.69	19.78%	437.41	20.77%
Intangible assets	8.95	0.42%	8.30	0.39%
Deferred tax assets	13.70	0.64%	12.79	0.61%
Other non-current assets	11.03	0.52%	3.56	0.17%
Total non-current assets	511.63	23.90%	521.03	24.74%
TOTAL ASSETS	2,141.65	100.00%	2,106.20	100.00%
LIABILITIES				
Current liabilities				
Short term loans from banks	127.37	5.95%	80.09	3.80%
Account payables, trade and others	376.67	17.59%	431.26	20.48%
Lease payable due within one year	4.19	0.20%	1.91	0.09%
Income tax payable	21.59	1.01%	19.93	0.95%
Other current liabilities	11.66	0.54%	7.30	0.35%
Total current liabilities	541.48	25.29%	540.49	25.67%
Non-current liabilities				
Lease Payable	7.33	0.34%	1.26	0.06%
Provision for long-term employee benefits	40.35	1.88%	34.00	1.61%
Total non-current liabilities	47.68	2.22%	35.26	1.67%
TOTAL LIABILITIES	589.16	27.51%	575.75	27.34%
SHAREHOLDERS' EQUITY				
Shareholder equity				
Registered capital	383.00		383.00	
Issued and Paid up capital	383.00	17.88%	383.00	18.18%
Premium on stock	519.67	24.27%	519.67	24.67%
Retained earnings				
Legal reserve	38.30	1.79%	38.30	1.82%
Un-appropriated	450.18	21.02%	430.68	20.45%
Non-controlling interest of the subsidiary	161.34	7.53%	158.80	7.54%
Total shareholders' equity	1,552.49	72.49%	1,530.45	72.66%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,141.65	100.00%	2,106.20	100.00%

2. Financial Status

2.1 Assets

As for the assets value as at and 31st March 2026 and 31st March 2025, the Company and its subsidiaries had total assets of Baht 2,141.65 million and Baht 2,106.20 million respectively. The Company and its subsidiaries operated integrated stainless center which provided many kinds of services such as procurement, transformation, manufacture and stainless products wholesale and a subsidiary who is the finish goods trader of metal and non-ferrous metal. Therefore, the Company and its subsidiaries' major assets are inventories, account receivables, land, plant and equipment as details below:

2.1.1 Inventories: As at and 31st March 2026 and 31st March 2025 the Company and its subsidiaries had net inventories of Baht 532.94 million (or 24.88 percent of total assets) and Baht 640.53 million (or 30.41 percent of total assets) respectively.

2.1.2 Trade account receivables – other parties: As at and 31st March 2026 and 31st March 2025, the Company and its subsidiaries had Trade account receivables, net – other parties of Baht 654.37 million (or 30.55 percent of total assets) and Baht 576.65 million (or 27.38 percent of total assets) respectively.

2.1.3 Land, plant and equipment - Land and improvements, building, machinery, office equipment, vehicles and work on progress of construction: As at and 31st March 2026 and 31st March 2025, the Company and its subsidiaries had Land, plant and equipment – net of Baht 423.69 million (or 19.78 percent of total assets) and Baht 437.41 million (or 20.77 percent of total assets) respectively.

2.1.4 Restricted bank deposit: As at and 31st March 2026 and 31st March 2025, the Company and its subsidiaries had net value of Baht 46.18 million (or 2.16 percent of total assets and 2.19 percent of total assets) respectively. The restricted fix deposit by a subsidiary was used as guarantee for loans from financial institution.

2.1.5 Deferred tax assets: As at and 31st March 2026 and 31st March 2025, the Company and its subsidiaries had net value of Baht 13.70 million and Baht 12.79 million respectively (0.64 percent and 0.61 percent of total assets respectively).

2.2 Liabilities

The total liabilities of the Company and its subsidiaries as at and 31st March 2026 and 31st March 2025 stood at Baht 541.48 million and Baht 540.49 million respectively. The current and total liabilities decreased net due to reduced purchasing of goods to ensure sufficient stock balance to support the decreased customer order.

2.2 Shareholders' equity

As at and 31st March 2026 and 31st March 2025, shareholders' equity was Baht 1,552.49 million and Baht 1,530.45 million or increased by Baht 22.04 million. The major changes were the net profit amounting to Baht 160.50 million and dividend payment of Baht 138.47 million. Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,391.15 million and Baht 161.34 million respectively.

Debt to Equity ratio as at and 31st March 2026 and 31st March 2025 were 0.38 and 0.38 times respectively.

(Unit: Baht million)

Consolidated cash flows statement	As at 31st Mar 2026	As at 31st Mar 2025
Net cash from operating activities	185.94	46.39
Net cash used in investing activities	-12.66	-4.33
Net cash used in financing activities	-95.41	-96.62
Effect of exchange rate to cash and cash equivalent	-0.08	-0.26
Net increase (decrease) in cash	77.79	-54.82

3. Cash flows

For the year ended 2026 and 2025, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 185.94 million, consisting of baht 211.84 million positively from operating performance and net negative in working capital of Baht -25.90 million. The net positive cash flow in working capital came from the high operating net profit by off-set lower account receivable and account payable was consistent with sales volume decreased.

Net cash flow from investing activities was amount to -12.66 million baht. According to net negative due to the company and a subsidiary invested in the truck overhaul spare-part of machine and ERP software by -19.82 million baht, off-set net dividend receipt by baht 4.85 million form the associated company , other income receipt by baht 2.11 million in during the period.

The financing part was net Baht -95.41 million with net receipt of short term loan of Baht 47.28 million and settled lease liabilities net of Baht -4.22 million and payment of dividend by Baht -138.47 million.

In total, net cash for the period was increased by Baht 77.79 million.

Sincerely yours,

Signed: Mr. Vittawat Akarapongpisak
(Mr. Vittawat Akarapongpisak)
Deputy Managing Director