

Aug 13, 2025

Subject Management Discussion and Analysis for the period of three months ended 30th June 2025

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 period of three months ended 30th June 2025 of the Company and its subsidiaries as details below:

(Unit: Baht millions)

Consolidated financial statement	For the period of three months ended 30th June			
	Apr 2025 - June 2025	Apr 2024 - June 2024	Change	% Change
Revenue from sales & service	628.92	679.32	-50.40	-7.4%
Other income	6.33	7.08	-0.75	-10.6%
Total revenue	635.25	686.40	-51.15	-7.5%
Cost of goods sold & service	541.07	595.54	-54.47	-1.6%
Selling expenses	11.71	12.79	-1.08	-9.1%
Administrative expenses	28.96	28.02	0.94	3.4%
Total expenses	581.74	636.35	-54.61	-8.6%
Earning before interest and tax	53.51	50.05	3.46	6.9%
Financial expenses	-0.94	-0.88	-0.06	6.8%
Share of income from investment in associate	-0.15	0.53	-0.68	-128.3%
Income tax expenses	-10.60	-9.86	-0.74	7.5%
Net profit for the period	41.82	39.84	1.98	5.0%
Profit Sharing for non-controlling interest of a subsidiary company	-13.36	-9.60	-3.76	39.2%
Net profit for the company and its subsidiaries	28.46	30.24	-1.78	-5.9%

1. Operating Performance

For the period of the first three months ended 30 June 2025, the Company and its subsidiaries recorded a net profit for the company and its subsidiary in the amount of 28.46 million baht, a bit decreased of 1.78 million baht or an decreased of 5.9 percent. The current three-month performance has increased from profit in the same period the previous year. This was due to the market price tends to continue to decline and have begun to stabilize, causing the average cost of raw materials to decrease to an appropriate level, resulting in a higher profit margin in this quarter. Despite a decline in sales volume and sales, coupled with a policy interest rate cut in the second quarter of year, the overall domestic economy has not been stimulated. Both construction and tourism projects have begun to contract slightly. Domestic household debt remains high, impacting commercial bank loan approvals. Consequently, automobile production and sales in this segment have remained stable. Exports of electrical appliances have been accelerated in the first half of the year to mitigate the impact of the still-unclear reciprocal tariff.

In addition, the Company and its subsidiaries have recognized the share of profit of non-controlling interests of the subsidiaries in the amount of 13.36 million baht, an increase of 3.76 million baht or an increase of 39.2 percent from the same period of the previous year.

1.1 Revenue

For the period of three months ended 30th June 2025, the Company and its subsidiaries had revenue from sales and service of Baht 628.92 million compared with Baht 679.32 million in the same period of the previous year or decreased by 7.4 percent. This is due to the decreased sales weight in both metal and non-metal groups, coupled with the average selling price of all main product groups that have continuously declined and stable in line with the price conditions of metal commodities began since last year. However, at the same time, the sales weight in the automotive exhaust pipe product and the motorcycle has improved. However, the Company and its subsidiaries are focusing on increasing sales volume both domestically and internationally.

Most of the sales are from copper, aluminum, stainless steel and galvanized steel products, while most of the sales of the subsidiaries are from stainless steel and non-metal products such as copper and aluminum, which are sold to various industries, mostly automotive, electrical appliances and construction.

1.2 Other income

Other income consists of interest income, gain from asset sales and revenue from scrap sales. For the period of three months ended 30th June 2025, the Company and its subsidiaries had other income of Baht 6.33 million which decreased by 10.6 percent from the same period previous year. 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 recorded as the other income.

1.3 Cost of goods sold

Major cost of goods sold are cost of products consisting of cold rolled stainless steel sheet, Copper, Aluminum, Brass, Galvanized iron with various type as coil, sheet, pipe and axle. The Company and its subsidiaries procure finish quality product for sales as well as raw material for manufacture to quality product and sales. For the period of three months ended 30th June 2025, the Company and its subsidiaries had cost of goods sold of Baht 541.07 million, or accounting for 85.17 percent of the total revenue in comparing with Baht 595.54 million, or accounting for 86.76 percent of the total revenue of previous year. The cost of goods sold of the company and its subsidiaries decreased by 1.59 percent compared with the same period last year, while revenues from sales and services decreased by 7.4 percent. This is mainly due to the continuing decline of raw material prices and stable since last year, resulting in a decrease in average product costs.

1.4 Selling expenses

Selling expenses consist of sale staff expenses, transportation expenses and promotion expenses. For the period of three months ended 30th June 2025, the Company and its subsidiaries had selling expenses of Baht 11.71 million, compared with selling expenses of Baht 12.79 million in the same period of the previous year which decreased by Baht 1.08 million or 8.4 percent due to the decrease in marketing expenses. The selling expenses ratio for the period of three months ended 30th June 2025 was 1.86 percent of sale and service, a bit decrease in compared with selling expenses ratio of 1.88 percent of sale and service in the same period of the 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 period of three months ended 30th June 2025, the Company and its subsidiaries had administrative expenses of Baht 28.96 million, compared with administrative expenses of Baht 28.02 million in the same period of the previous year which increased by Baht 0.94 million or 3.4 percent.

The other increase is in area of personnel costs due to salary normally increased year by year and other administrative expenses. As such, the administrative expenses for the three months ended 30th

June 2025 was 4.56 percent of total revenue, a bit increase in compared with administrative expenses of 4.08 percent of total revenue in the same period of the previous year.

1.6 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. As for the period of three months ended 30th June 2025, the company and its subsidiaries recognized share of loss , by using equity method, of Baht 0.15 million in consolidated income statements in which decreased by Baht 0.68 million or 128.3 percent in comparison with the same period of previous year.

1.7 Earning (loss) before interest and tax and Net Profit (loss) for the period

For the period of three months ended 30th June 2025, the Company and its subsidiaries had profit before interest and tax of Baht 53.51 million. After deducting the financial expense of Baht 0.94 million and income tax of Baht 10.60 million and deducting the share of loss from investment of Baht -0.15 million, the net profit of the Company and its subsidiaries was at Baht 41.82 million. When comparing to the profit before interest and tax and the net profit of the same period of the previous year which were at Baht 50.05 million and Baht 39.84 million respectively, the profit before interest and tax and net profit of the present period increased by 6.9 percent and 5.0 percent respectively.

In addition, the company and its subsidiaries had loss sharing to minority interest in a subsidiary for the amount of Baht -0.15 million for the present period or a decrease by Baht 0.68 million from the same period of previous year. Therefore, the net profit for the company and its subsidiary for the three months ended as of 30th June 2025 decreased by Baht 1.78 million, from the net profit of 28.46 million Baht in comparison with the same period of previous year.

1.8 Income tax

For the three months ended 30th June 2025, the Company and its subsidiaries recognized tax income by Baht 10.60 million or increased by 7.5 percent. This was mainly due to improved profit from operating results of a subsidiary in current quarter.

1.9 Profit Sharing for non-controlling interest of a subsidiary company

On Oct 1' 2010, the company sold partial investment in a subsidiary company to Japanese alliance, Mory Industrial Inc. The Company and its subsidiaries recognized profit sharing to minority shareholders according to the percentage of shareholding of net profit in subsidiary was amount by Baht 13.36 million for the three months period ended 30th June 2025.

1.10 Profitability

For the period of three months ended 30th June 2025, the Company and its subsidiaries had gross profit margin of 13.97 percent, upper by 1.64 percent when compared with gross profit margin of 12.33 percent in the same period of the previous year. This was mainly due to the average price that has decreased in line with the world market price of metal or non-metal products, the average cost of goods has decreased and the demand for using the products has begun to improve. Although there is increased competition in the domestic market price, the marketing strategies of the Company and its subsidiaries have resulted in increased sales weight, resulting in a wider gross profit margin in this quarter compared to the same quarter of the previous year.

(Unit: Baht million)

Consolidated balance sheets	As at 30th June 2025		As at 31st Mar 2025	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	353.97	17.47%	361.44	17.16%
Account receivable, trade and others	528.85	26.10%	576.65	27.38%
Inventories	619.10	30.56%	640.53	30.41%
Other current assets	6.87	0.34%	6.55	0.31%
Total current assets	1,508.79	74.47%	1,585.17	75.26%
Non-current assets				
Restricted bank deposits	46.18	2.28%	46.18	2.19%
Investment in associate	5.23	0.26%	10.23	0.49%
Non-Current Financial Assets (Long-term investment)	2.32	0.11%	2.56	0.12%
Property, plant and equipment	429.75	21.21%	437.41	20.77%
Intangible assets	9.24	0.46%	8.30	0.39%
Deferred tax assets	13.46	0.66%	12.79	0.61%
Other non-current assets	11.08	0.55%	3.56	0.17%
Total non-current assets	517.26	25.53%	521.03	24.74%
TOTAL ASSETS	2,026.05	100.00%	2,106.20	100.00%
LIABILITIES				
Current liabilities				
Short term loans from banks	48.11	2.37%	80.09	3.80%
Account payables, trade and others	349.46	17.25%	431.26	20.48%
Lease payable due within one year	1.22	0.06%	1.91	0.09%
Income tax payable	31.05	1.53%	19.93	0.95%
Other current liabilities	7.43	0.37%	7.30	0.35%
Total current liabilities	437.27	21.58%	540.49	25.67%
Non-current liabilities				
Lease Payable	1.87	0.09%	1.26	0.06%
Provision for long-term employee benefits	34.79	1.73%	34.00	1.61%
Total non-current liabilities	36.66	1.82%	35.26	1.67%
TOTAL LIABILITIES	473.93	23.40%	575.75	27.34%
SHAREHOLDERS' EQUITY				
Shareholder equity				
Registered capital	383.00		383.00	
Issued and Paid up capital	383.00	18.90%	383.00	18.18%
Premium on stock	519.67	25.65%	519.67	24.67%
Retained earnings				
Legal reserve	38.30	1.89%	38.30	1.82%
Un-appropriated	459.15	22.66%	430.68	20.45%
Non-controlling interest of the subsidiary	152.00	7.50%	158.80	7.54%
Total shareholders' equity	1,552.12	76.60%	1,530.45	72.66%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,026.05	100.00%	2,106.20	100.00%

2. Financial Status

2.1 Assets

As for the assets value as at and 30th June 2025 and 31st March 2025, the Company and its subsidiaries had total assets of Baht 2,026.05 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 30th June 2025 and 31st March 2025 the Company and its subsidiaries had net inventories of Baht 619.10 million (or 30.56 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 30th June 2025 and 31st March 2025, the Company and its subsidiaries had Trade account receivables, net – other parties of Baht 528.85 million (or 26.10 percent of total assets) and Baht 573.65 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 30th June 2025 and 31st March 2025, the Company and its subsidiaries had Land, plant and equipment – net of Baht 429.75 million (or 21.21 percent of total assets) and Baht 473.41 million (or 20.77 percent of total assets) respectively.
- 2.1.4 Restricted bank deposit: As at and 30th June 2025 and 31st March 2025, the Company and its subsidiaries had net value of Baht 46.18 million (or 2.28 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 30th June 2025 and 31st March 2025, the Company and its subsidiaries had net value of Baht 13.46 million and Baht 12.79 million respectively (0.66 percent and 0.61 percent of total assets respectively).

2.2 Liabilities

The total liabilities of the Company and its subsidiaries as at and 30th June 2025 and 31st March 2025 stood at Baht 473.93 million and Baht 575.75 million respectively. The current and total liabilities decreased net due to settlement to short term loan and the purchase of goods decreased to reflect the decrease in customer orders.

2.3 Shareholders' equity

As at and 30th June 2025 and 31st March 2025, shareholders' equity was Baht 1,552.12 million and Baht 1,530.45 million or increase by 21.67 million. The major changes were the net profit amounting to Baht 41.82 million and dividend payment of Baht 20.16 million. Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,400.12 million and Baht 152.00 million respectively.

Debt to Equity ratio as at and 30th June 2025 and 31st March 2025 were 0.31 and 0.38 times respectively.

(Unit: Baht million)

Consolidated cash flows statement	As at 30th June 2025	As at 30th June 2024
Net cash from (used in) operating activities	43.91	4.83
Net cash used in investing activities	1.83	0.75
Net cash from (used in) financing activities	-53.15	-10.55
Effect of exchange rate to cash and cash equivalent	-0.06	0.02
Net increase (decrease) in cash	-7.47	-4.95

3. Cash flows

For the period ended June 2025 and 2024, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 43.91 million, consisting of baht 66.62 million positively from operating performance and net negative in working capital of Baht -22.71 million. The net positive cash flow in working capital came from the increased operating results in this quarter by off-set lower account receivable and account payable was consistent with sales volume decreased and still to the management of inventory to be sufficient for customer demand.

Net positive cash flow from investing activities was amount to 1.83 million baht. Mostly due to the dividend received from the associate company of baht 4.90 million by off-set the payment of software computer (ERP), Spare part and Equipment of -3.26 million baht.

The financing part was net Baht -53.15 million with mostly due to settlement to short term loan of Baht -31.98 million and pay off lease debt of Baht -1.01 million, including the payment of dividend by Baht -20.16 million.

In total, net cash for the period was decreased by Baht -7.47 million.

Sincerely yours,

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