

Nov 12, 2025

Subject Management Discussion and Analysis for the period of three months and the period of 1st half ended 30th September 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 and the period of 1st half ended 30th September 2025 of the Company and its subsidiaries as details below:

(Unit: Baht millions)

Consolidated financial statement	For the period of three months ended 30 th Sept				For the period of 1st half ended 30 th Sept			
	July - Sept 2025	July - Sept 2024	Change	% Change	Apr - Sept 2025	Apr - Sept 2024	Change	% Change
Revenue from sales & service	585.81	669.05	-83.24	-12.4%	1,314.73	1,348.37	-133.64	-9.9%
Other income	5.00	7.02	-2.02	-28.8%	11.07	13.54	-2.47	-18.2%
Total revenue	590.81	676.07	-85.26	-12.6%	1,225.80	1,361.91	-136.11	-10.0%
Cost of goods sold & service	507.67	591.15	-83.48	-14.1%	1,048.74	1,186.69	-137.95	-11.6%
Selling expenses	12.83	12.66	0.17	1.3%	24.54	25.45	-0.91	-3.6%
Administrative expenses	30.56	30.48	0.08	0.3%	59.26	57.95	1.31	2.3%
Total expenses	551.06	634.29	83.23	-13.1%	1,132.54	1,270.09	-137.55	-10.8%
Earning before interest and tax	39.75	41.78	-2.03	-4.9%	93.26	91.82	1.44	1.6%
Financial expenses	-0.67	-0.93	0.26	-28.0%	-1.60	-1.81	0.21	-11.6%
Share of income from investment in associate	-0.04	0.56	-0.60	-107.1%	-0.20	1.10	-1.30	-118.2%
Corporate Income tax expenses	-7.92	-8.26	0.34	-4.1%	-18.52	-18.12	-0.40	2.2%
Net profit for the period	31.12	33.15	-2.03	-6.1%	72.94	72.99	-0.05	-0.1%
Profit Sharing for non-controlling interest of a subsidiary company	-9.51	-11.02	1.51	-13.7%	-22.87	-20.61	-2.26	11.0%
Net profit for the company and its subsidiaries	21.61	22.13	-0.52	-2.3%	50.07	52.38	-2.31	-4.4%

1. Operating Performance

For the period of three months ended 30th Sept 2025, the net profits for the company and its subsidiaries was Baht 21.61 million or decreased by Baht 0.52 million which was 2.3 percent, despite the decrease in operating results in the three-month period, The current three-month performance has decreased 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 fixed in the third 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.

For the period of 1st half year ended 30th Sept 2025, the Company and its subsidiaries reported operating profit of Baht 93.26 million, increased by Baht 1.44 million which increase of 1.6 percent and net profit of Baht 50.07 million or decreased by 4.4 percent while compared to the same period of last year which the net profit was Baht 52.38 million.

1.1 Revenue

For the period of three months ended 30th Sept 2025, the Company and its subsidiaries had revenue from sales and service of Baht 585.81 million compared with Baht 669.05 million in the same period of the previous year, which decreased by 12.4 percent. This is because the automotive industry has not yet recovered, resulting in the sales weight of automotive exhaust pipes continuing to decline, while the sales weight decreased in the aluminum, galvanized steel, and stainless steel groups, consisted with the average selling price of all main product groups continuously decreasing in line with the price of metal commodities, including the decreased sales weight of automobile and motorcycle exhaust pipe products, the impact of the commercial lending situation, and the stable purchasing power situation in both domestic and international markets.

For the period of 1st half of year ended 30th Sept 2025, the Company and its subsidiaries had revenue from sales and service of Baht 1,214.73 million compared with Baht 1,348.37 million in the same period of the previous year or decreased by 9.9 percent. This was mainly due to the volume of sales decreased in the first half of year, while the selling price of the category of aluminum, copper, galvanized steel and stainless steel in every group, included the volume of automotive exhaust pipe category increased compared to the same period last year. However, the Company and its subsidiaries are focused on increasing sales capacity both domestically and internationally.

The sales of company and its subsidiaries mostly came from Copper, Aluminum and stainless products.

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 and period of 1st half ended 30th Sept 2025, the Company and its subsidiaries had other income of Baht 5.00 million and 11.07 million baht respectively, which decreased by 28.8 percent for three month period and decreased by 18.2 percent for the 1st half year respectively. The significant other income is income from scrap sales which were 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 raw material such cold rolled stainless steel sheet and coil and special grade stainless which the Company and its subsidiaries process. For the period of three months ended 30th Sept 2025, the Company and its subsidiaries had cost of goods sold of Baht 507.67 million, or stood at 85.93 percent of the total revenue, decrease in comparing with Baht 591.15 million or stood at 87.44 percent of total revenue of previous year. However, cost of goods sold for the period of three months ended 30th Sept 2025 decreased by 1.5 percent, while the decrease in sales & services was 1.7 percent from the same period of previous year.

For the period of 1st half ended 30th Sept 2025, the Company and its subsidiaries had cost of goods sold of Baht 1,048.74 million, or stood at 85.56 percent of the total revenue in comparing with Baht 1,186.69 million, or stood at 87.13 percent of total revenue, or decreased by 1.6 percent while the decrease in sales & services was 1.7 percent from the same period of previous year. This is mainly due to the average cost of raw materials that has continuously decreased and remained stable, resulting in a decrease in average product costs.

1.4 Selling expenses

Selling expenses consist of sale staff expenses, transportation expenses, commissions and promotion expenses. For the period of three months and period of 1st half ended 30th Sept 2025, the Company and its subsidiaries had selling expenses of Baht 12.83 million and 24.54 million, compared with selling expenses of Baht 12.66 million and 25.45 million in the same periods of the previous year, or increased by 1.3 percent for three month period and decreased by 3.6 percent for the 1st half year respectively. The decrease of selling expense were due to better management control, as mainly in area of logistic, sales executive and marketing expenses even though the proportion of income decreased.

For the period of three months and 1st half ended 30th Sept 2025, the selling expenses were 2.19 percent and 2.02 percent of total sales and service respectively, compared with 1.89 percent and 1.89 percent in the same periods of previous year, due to mainly well cost control management.

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 and period of 1st half ended 30th Sept 2025, the Company and its subsidiaries had administrative expenses of Baht 30.56 million and 59.26 million, compared with administrative expenses of Baht 30.48 million and 57.95 million in the same period of the previous year ,or a bit increased by 0.3 percent for three month period and by 2.3 percent for the 1st half year respectively. Administrative expenses increased cause from the executive expenses. The Company and its subsidiaries had still controlled administrative expenses.

For the period of three months and 1st half ended 30th Sept 2025, the administrative expenses were 5.17 percent and 4.83 percent of total revenues respectively, compared with 4.51 percent and 4.26 percent in the same periods of 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 and 1st half year ended 30th Sept 2025, the company and its subsidiaries recognized share of loss, by using equity method, of Baht -0.04 million and -0.20 million or decreased by 107.1 percent for three month period and decreased by 118.2 percent for the 1st half year in consolidated income statements respectively.

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

For the period of three months and period of 1st half ended 30th Sept 2025, the Company and its subsidiaries had the earning before interest and tax of Baht 39.75 million and Baht 93.26 million respectively. After deducting the financial costs of Baht -0.67 million and Baht -1.60 million, adding the share of loss from investment of Baht -0.04 million and Baht -0.20 million, deducting the corporate income tax of Baht -7.92 million and Baht -18.52 million, the net profit of the Company and its subsidiaries were at Baht 31.12 million and Baht 72.94 million. When comparing to the same periods of the previous year, the earning before interest and tax and net profit for the period of the three months were both decreased by 4.9 percent and by 2.3 percent respectively, whereas the earning before interest and tax and net profit for the period of 1st half were both increased by 1.6 percent and decreased by 4.4 percent respectively.

In addition to the period of three month and period of 1st half ended 30th Sept 2025, the company and its subsidiaries had profit sharing to minority interest in a subsidiary for the amount of Baht 9.51 million and 22.87 million respectively. The decreased profit sharing was due to the low in net profit of a subsidiary for three month period but there is still a

higher net profit for the first half of the year. As a result, the net profit for the company and its subsidiary were amount of Baht 21.61 million and 50.07 million respectively.

1.8 Corporate income tax

For the period of three month and 1st half of year ended 30th Sept 2025, the Company and its subsidiaries recognized corporate tax expenses by Baht 7.92 million and 18.52 million respectively, decreased from the three month period same period and increased for the period of 1st half when compared with the same period of previous year by Baht 8.26 million and by Baht 18.12 million respectively as the result of high operating profit.

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. The Company and its subsidiaries recognized profit sharing to minority shareholders according to the percentage of shareholding of net profit in subsidiary through the period of its holding which was amount by Baht 9.51 million and 22.87 million for the period of three month and 1st half year ended 30th Sept 2025.

1.10 Profitability

For the period of three months ended 30th Sept 2025, the Company and its subsidiaries had gross profit margin of 13.34 percent, compared with gross profit margin of 11.64 percent in the same period of the previous year. This was primarily due to increased gross profit margins across all product groups, driven by lower average prices for metal and non-metal products, which resulted in lower average product costs. This was also attributed to a revised procurement strategy, which reduced costs through a more diversified selection of distributors. Despite heightened domestic price competition, the Company and its subsidiaries' lower-cost procurement strategy resulted in a wider gross profit margin this quarter.

For the period of 1st half ended 30th Sept 2025, the Company and its subsidiaries had gross profit margin of 13.66 percent compared with gross profit margin of 11.99 percent in the same period the previous year. This was mainly due to an increase in gross profit margin in all product categories even though the average selling price of metal or non-metal products decreased in line with world market prices. However, the average cost of raw materials decreased in the first half of the year, resulting in an increased gross profit margin with a slightly wider gross profit margin when compared to the same period in the 1st half year of the previous year.

(Unit: Baht million)

Consolidated balance sheets	As at 30th Sept 2025		As at 31st Mar 2025	
	Amount	%	Amount	%
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	355.80	18.16%	361.44	17.16%
Account receivable, trade and others	489.18	24.97%	576.65	27.38%
Inventories	585.70	29.90%	640.53	30.41%
Other current assets	4.63	0.24%	6.55	0.31%
Total current assets	1,435.31	73.27%	1,585.17	75.26%
<u>Non-current assets</u>				
Restricted bank deposits	46.18	2.36%	46.18	2.19%
Investment in associate	5.18	0.26%	10.23	0.49%
Non-Current Financial Assets (Long-term investment)	2.61	0.13%	2.56	0.12%
Property, plant and equipment	435.48	22.23%	437.41	20.77%
Intangible assets	9.16	0.47%	8.30	0.39%
Deferred tax assets	13.87	0.71%	12.79	0.61%
Other non-current assets	11.08	0.57%	3.56	0.17%
Total non-current assets	523.56	26.73%	521.03	24.74%
TOTAL ASSETS	1,958.87	100.00%	2,106.20	100.00%
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Short term loans from banks	42.07	2.15%	80.09	3.80%
Account payables, trade and others	310.84	15.87%	431.26	20.48%
Lease payable due within one year	3.82	0.20%	1.91	0.09%
Income tax payable	19.28	0.98%	19.93	0.95%
Other current liabilities	5.58	0.28%	7.30	0.35%
Total current liabilities	381.59	19.48%	540.49	25.67%
<u>Non-current liabilities</u>				
Lease payable	8.24	0.42%	1.26	0.06%
Provision for long-term employee benefits	35.59	1.82%	34.00	1.61%
Other non-current liabilities	-	-	-	-
Total non-current liabilities	43.83	2.24%	35.26	1.67%
TOTAL LIABILITIES	425.42	21.72%	575.75	27.34%
<u>SHAREHOLDERS' EQUITY</u>				
Shareholder equity				
Registered capital	383.00		383.00	
Issued and Paid up capital	383.00	19.55%	383.00	18.18%
Premium on stock	519.67	26.53%	519.67	24.67%
Retained earnings				
Legal reserve	38.30	1.95%	38.30	1.82%
Un-appropriated	430.97	22.00%	412.98	20.45%
Non-controlling interest of the subsidiary	161.51	8.25%	158.80	7.54%
Total shareholders' equity	1,533.45	78.28%	1,530.45	72.66%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,958.87	100.00%	2,106.20	100.00%

2. Financial Status

2.1 Assets

As for the assets value as at and 30th September 2025 and 31st March 2025, the Company and its subsidiaries had total assets of Baht 1,958.87 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 September 2025 and 31st March 2025 the Company and its subsidiaries had net inventories of Baht 585.70 million (or 29.90 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 September 2025 and 31st March 2025, the Company and its subsidiaries had Trade account receivables, net – other parties of Baht 489.18 million (or 24.97 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 30th September 2025 and 31st March 2025, the Company and its subsidiaries had Land, plant and equipment – net of Baht 435.48 million (or 22.23 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 30th September 2025 and 31st March 2025, the Company and its subsidiaries had net value of Baht 46.18 million (or 2.36 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 September 2025 and 31st March 2025, the Company and its subsidiaries had net value of Baht 13.87 million and Baht 12.79 million respectively (0.71 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 September 2025 and 31st March 2025 stood at Baht 425.42 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 September 2025 and 31st March 2025, shareholders' equity was Baht 1,533.45 million and Baht 1,530.45 million or increase by Baht 3.00 million. The major changes were the net profit amounting to Baht 72.94 million and dividend payment of Baht 69.95 million. Therefore, existing portions of company shareholding interest and non-controlling interest of subsidiary stood at Baht 1,371.94 million and Baht 161.51 million respectively.

Debt to Equity ratio as at and 30th September 2025 and 31st March 2025 were 0.28 and 0.38 times respectively.

(Unit: Baht million)

Consolidated cash flows statement	As at 30th September 2025	As at 30th September 2024
Net cash from (used in) operating activities	109.10	-11.77
Net cash used in investing activities	-4.64	-7.20
Net cash from (used in) financing activities	-110.03	-47.88
Effect of exchange rate to cash and cash equivalent	-0.07	-0.41
Net increase (decrease) in cash	-5.64	-67.26

3. Cash flows

For the 1st half year ended 30th September 2025 and 2024, the Company and its subsidiaries generated net increase in cash from operating activities of Baht 109.10 million, consisting of baht 98.58 million positively from operating performance and net positive in working capital of Baht 10.52 million. The net positive cash flow in working capital came from the net profit growth in the first half of the year, as well as the management of inventory to be sufficient to meet customer demand, and the decrease in product orders in line with the decrease in customer orders, resulting in a decrease in trade receivables and trade payables.

Net cash flow from investing activities was amount to -4.64 million baht, mostly dividend received from the investment in associate of Baht 4.95 million, and the Company and its subsidiary payment of vehicle, spare-part of machine, Equipment and intangible asset of Baht -9.93 million.

The financing part was net Baht -110.03 million by settlement for short term loan of Baht -38.02 million and Lease of Baht -2.06 million, included payment of dividend by Baht -69.95 million.

In total, net cash for the period was decreased by Baht -5.64 million.

Sincerely yours,

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