Tipco 011/2026

## Management Discussion and Analysis of Tipco Foods Public Company Limited

## Performance for the second quarter of 2026 and the six-month period ended June 30, 2026

### Comprehensive income statement for the second quarter of 2026 ended June 30, 2026 and 2025 – Continuing operations

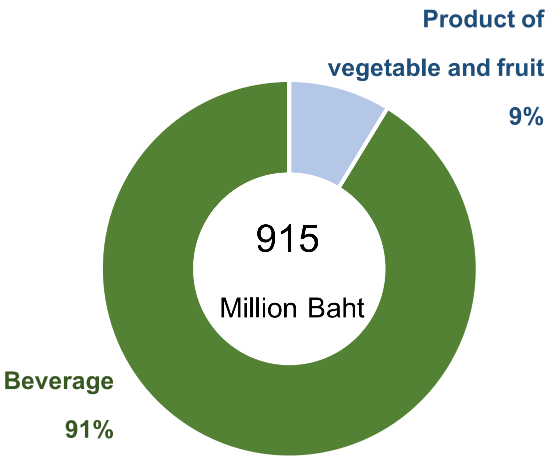
*Unit: Million Baht*

| Statement of comprehensive income | Consolidated financial statements | | Changes | | Consolidated financial statements | | Changes | |
|---|---|---|---|---|---|---|---|---|
| | Q2 2026 | Q2 2025 | Increase (Decrease) | % | For the six-month 2026 | For the six-month 2025 | Increase (Decrease) | % |
| **Profit or loss: Continuing operations** | | | | | | | | |
| Sales | 426 | 487 | (61) | (13%) | 915 | 1,015 | (100) | (10%) |
| Gain on exchange | 0 | 0 | 0 | 218% | 4 | 1 | 3 | 327% |
| Other income | 7 | 5 | 2 | 21% | 16 | 12 | 4 | 37% |
| **Total revenues** | **433** | **493** | **(60)** | **(12%)** | **936** | **1,027** | **(91)** | **(9%)** |
| Operating expenses | 402 | 468 | (66) | (14%) | 868 | 963 | (95) | (10%) |
| **Operating profit** | **30** | **25** | **5** | **20%** | **68** | **64** | **4** | **6%** |
| Share of profit from investment in associate | 97 | 92 | 5 | 5% | 203 | 195 | 8 | 4% |
| **Profit before finance cost and income tax expenses** | **127** | **118** | **9** | **8%** | **271** | **259** | **12** | **5%** |
| Finance cost | (11) | (18) | (7) | (39%) | (23) | (36) | (13) | (36%) |
| **Profit before income tax expenses** | **117** | **100** | **17** | **17%** | **248** | **223** | **25** | **11%** |
| Income tax benefit (expenses) | (3) | (7) | (4) | (57%) | (12) | (15) | (3) | (15%) |
| **Profit from continuing operations** | **113** | **93** | **20** | **22%** | **236** | **208** | **28** | **13%** |
| **Discontinued operations** | | | | | | | | |
| Loss for the period from discontinuing operations - net of income tax | (4) | (6) | (2) | (31%) | (10) | (11) | (1) | (15%) |
| **Profit (loss) for the period** | **109** | **87** | **22** | **26%** | **226** | **197** | **29** | **15%** |

Note: On September 24, 2025, the Board of Directors resolved to discontinue the canned pineapple manufacturing and distribution business of Tipco Pineapple Co., Ltd. The results of such operations have been classified as discontinued operations in accordance with accounting standards.

In the second quarter of 2026, Tipco Foods Public Company Limited (the "Company") and its subsidiaries recorded a consolidated net profit of THB 109 million, comprising a profit of THB 113 million from continuing operations and a loss of THB 4 million from discontinued operations. The improved performance reflected the successful execution of the Company's strategy to enhance profitability, with a focus on improving revenue quality prior to accelerating sales growth. The improvement in operating results was primarily supported by effective cost control and organizational restructuring, as well as prudent management of marketing expenditures and promotional activities. The Company continued to prioritize activities that generate appropriate returns while reducing commercial activities with low returns, thereby strengthening the foundation for sustainable growth.

**Structure of sales revenue for the six-month period ended June 30, 2026**




**Beverages (Continuing operations)**

Includes the ready-to-drink fruit and vegetable juice business and the bottled natural mineral water business.

**Plant, vegetable, and fruit products (Continuing operations)**

Includes plant, vegetable, and fruit products, health products, and agricultural products.

## Continuing operations

1. Sales revenue and gross profit

*Unit: Million Baht*

| Continuing operations | Beverage | | Changes | | Product of vegetable and fruit | | Changes | | Other | | Changes | | Consolidated financial statements | | Changes | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 2026 | Q2 2025 | Increase (Decrease) | % | Q2 2026 | Q2 2025 | Increase (Decrease) | % | Q2 2026 | Q2 2025 | Increase (Decrease) | % | Q2 2026 | Q2 2025 | Increase (Decrease) | % |
| Revenues from sales of goods | 385 | 437 | (52) | (12%) | 40 | 49 | (9) | (18%) | 1 | 1 | - | 0% | 426 | 487 | (61) | (13%) |
| Gross profit (Loss) | 138 | 156 | (18) | (12%) | 18 | 20 | (2) | (10%) | - | - | - | | 156 | 176 | (20) | (11%) |
| Gross Profit (Loss) Margin | 36% | 36% | 0% | | 45% | 41% | 4% | | 0% | 0% | 0% | | 37% | 36% | 1% | |

| Continuing operations | Beverage | | Changes | | Product of vegetable and fruit | | Changes | | Other | | Changes | | Consolidated financial statements | | Changes | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | For the six-month 2026 | For the six-month 2025 | Increase (Decrease) | % | For the six-month 2026 | For the six-month 2025 | Increase (Decrease) | % | For the six-month 2026 | For the six-month 2025 | Increase (Decrease) | % | For the six-month 2026 | For the six-month 2025 | Increase (Decrease) | % |
| Revenues from sales of goods | 835 | 938 | (103) | (11%) | 79 | 76 | 3 | 4% | 1 | 1 | - | 0% | 915 | 1,015 | (100) | (10%) |
| Gross profit (Loss) | 300 | 342 | (42) | (12%) | 38 | 33 | 5 | 15% | - | - | - | | 338 | 375 | (37) | (10%) |
| Gross Profit (Loss) Margin | 36% | 36% | 0% | | 48% | 43% | 5% | | 0% | 0% | 0% | | 37% | 37% | | (0%) |

In the second quarter of 2026, the Company and its subsidiaries recorded sales revenue from continuing operations of THB 426 million, representing a decrease of 13% compared with the same period of the previous year. For the first six months of 2026, sales revenue from continuing operations amounted to THB 915 million, a decrease of 10% compared with the same period of 2025.

The performance of the Company's principal business segments was as follows:

1.1. Beverage Business

Sales revenue from the beverage business decreased by 12% in the second quarter of 2026 compared with the same period of the previous year. The decline was primarily attributable to slower sales through the

Traditional Trade channel and in export markets, amid continued uncertainty in the global economy, geopolitical tensions in the Middle East, and volatility in the Thai Baht against the U.S. dollar.

Nevertheless, the Company continued to drive growth in the Modern Trade channel by enhancing distribution efficiency and optimizing shelf space management, resulting in continued improvements in consumer reach and sales effectiveness. Meanwhile, the mineral water product segment performed well, supported by seasonal market demand during key periods and sufficient production capacity to accommodate the continued growth.

In terms of products, the Company continued to develop new products and enhance product quality to meet evolving consumer preferences and strengthen its long-term competitiveness. In addition, the food service business continued to demonstrate growth prospects, supported by the recovery of the tourism sector, restaurants, hotels, and the continued organization of food-related events nationwide.

The gross profit margin of the beverage business remained stable at 36% in the second quarter of 2026, unchanged from the same period of the previous year. This stability reflected the effective management of costs and product mix, enabling the Company to maintain a healthy level of profitability despite lower sales amid economic conditions and continued volatility in global markets.

1.2. Plant-Based, Vegetable and Fruit Products Business

Sales revenue from the Plant-Based, Vegetable and Fruit Products business decreased by 18% in the second quarter of 2026 compared with the same period of the previous year, reflecting weaker market conditions and challenges related to raw material availability. In particular, the fresh Hom Suwan pineapple business was affected by the El Nino phenomenon, which resulted in extreme heat, variable rainfall, and unfavorable light intensity conditions for cultivation. These factors led to a decline in crop yields available for the market.

Nevertheless, the Company continued to maintain its profitability through improvements in operational efficiency, effective raw material management, and disciplined cost control, which helped mitigate the impact of tight supply conditions.

In addition, the plant extract product segment continued to perform well, supported by market demand and a satisfactory level of orders. The Company remained focused on prudent inventory management to maintain appropriate inventory levels. As a result, sales revenue from the Plant-Based, Vegetable and Fruit Products business for the first six months of 2026 increased by THB 3 million, or 4%, compared with the same period of the previous year.

The gross profit margin of the Plant-Based, Vegetable and Fruit Products business increased to 45% in the second quarter of 2026, from 41% in the same period of the previous year. The improvement reflected continued effectiveness in cost control, production management, and operational efficiency, enabling the Company to maintain strong profitability despite raw material constraints and challenging market conditions.

2. Operating Expenses

*Unit : Million Baht*

| Expenses | Consolidated financial statements | | Change | | Consolidated financial statements | | Change | |
|---|---|---|---|---|---|---|---|---|
| | Q2 2026 | Q2 2025 | Increase (Decrease) | % | For the six-month 2026 | For the six-month 2025 | Increase (Decrease) | % |
| Cost of sales and services | 270 | 311 | (41) | (13%) | 577 | 640 | (63) | (10%) |
| Selling expenses | 69 | 86 | (17) | (20%) | 167 | 176 | (9) | (5%) |
| Administrative expenses | 63 | 71 | (8) | (10%) | 124 | 147 | (23) | (16%) |
| **Total expenses** | **402** | **468** | **(66)** | **(14%)** | **868** | **963** | **(95)** | **(10%)** |

In the second quarter of 2026, the Company and its subsidiaries recorded total operating expenses of THB 402 million, representing a decrease of THB 66 million, or 14%, compared with the same period of the previous year. The decrease was primarily attributable to the following factors:

- Cost of sales decreased as a result of more efficient production management, together with prudent and flexible raw material planning, enabling the Company to effectively mitigate risks arising from fluctuations in raw material prices.
- Selling and distribution expenses decreased due to a disciplined focus on promotional activities through carefully managed campaigns, while certain marketing initiatives have been scheduled for implementation in the second half of the year.
- Administrative expenses decreased following organizational restructuring and the optimization of office space. These initiatives enabled the Company to significantly reduce its fixed cost burden while maintaining operational effectiveness and organizational agility.

3. Share of Profit from Investment in Associate

In the second quarter of 2026, the Company recognized a share of profit from investments in associates of THB 97 million, representing an increase of 5% compared with the same period of the previous year. For the first six months of 2026, the Company recognized a share of profit from investments in associates of THB 203 million, an increase of 4% year-on-year. The increase reflected the stable operating performance of the associates, which continued to be an important contributor to the Company's overall performance.

## Consolidated statement of financial position as of June 30, 2026

*Unit: Million Baht*

| Statement of financial position | Consolidated financial statements | | Changes | |
|---|---|---|---|---|
| | 30-Jun-26 | 31-Dec-25 | Increase (Decrease) | % |
| **Assets** | | | | |
| Current assets | 914 | 1,042 | (128) | (12%) |
| Non-current assets | 4,516 | 4,376 | 140 | 3% |
| **Total assets** | **5,430** | **5,418** | **12** | **0%** |
| **Liabilities and shareholders' equity** | | | | |
| **Liabilities** | | | | |
| Current liabilities | 1,040 | 1,205 | (165) | (14%) |
| Non-current liabilities | 448 | 507 | (59) | (12%) |
| **Total liabilities** | **1,488** | **1,712** | **(224)** | **(13%)** |
| **Shareholders' equity** | | | | |
| **Total shareholders' equity** | 3,942 | 3,706 | 236 | 6% |
| **Total liabilities and shareholders' equity** | **5,430** | **5,418** | **12** | **0%** |

1. Assets

As of June 30, 2026, the Company and its subsidiaries had total assets of THB 5,430 million, representing a net increase of THB 12 million from THB 5,418 million as of December 31, 2025. The increase was primarily attributable to higher investments in associates.

Meanwhile, total current assets decreased, primarily due to lower cash and cash equivalents and trade and other current receivables, reflecting effective working capital and receivables management, together with increased loan repayments.

2. Liabilities

As of June 30, 2026, the Company and its subsidiaries had total liabilities of THB 1,488 million, a decrease of THB 224 million from THB 1,712 million as of December 31, 2025. The decrease was primarily attributable to the continued repayment of short-term and long-term loans from financial institutions, resulting in lower debt obligations and finance costs, while enhancing the Company's financial flexibility.

3. Shareholders' Equity

The Company and its subsidiaries reported an increase in shareholders' equity of THB 236 million, from THB 3,706 million at the end of 2025 to THB 3,942 million as of 30 June 2026. The increase was mainly due to net profit generated during the period.

**Consolidated cash flow statement for the six-month period ended June 30, 2026**

*Unit : Million Baht*

| Cash flow statement | For the six-month 30 June 2026 |
|---|---|
| **Cash flows from operating activities** | |
| Net cash flows from operating activities | 200 |
| **Cash flows from investing activities** | |
| Net cash flows from investing activities | 38 |
| **Cash flows from financing activities** | |
| Net cash flows used in financing activities | (311) |
| **Net decrease in cash and cash equivalents** | **(72)** |
| Cash and cash equivalents at beginning of period | 244 |
| **Cash and cash equivalents at end of period** | **171** |

For the six-month period ended 30 June 2026, the Company and its subsidiaries had a net decrease in cash and cash equivalents of THB 72 million, resulting in cash and cash equivalents of THB 171 million at the end of the period. The change was mainly from the following three activities:

**1. Cash flows from operating activities**

Cash flow from operating activities improved significantly, reflecting better working capital management, quality revenue generation, and effective trade receivables management.

**2. Cash flows from investing activities**

Cash flow from investing activities was a net cash inflow, mainly from dividends received from an associate, offset by investments in fixed assets. The Company continues to focus on developing machinery to support the production of new beverage products and long-term growth opportunities.

**3. Cash flows from financing activities**

The Company utilized cash to repay short-term and long-term loans from financial institutions, as well as to pay dividends to shareholders. Cash management in financing activities was in line with the Company's established capital structure management policy.

**Key financial ratios from the consolidated financial statements for the six-month ended June 30, 2026**

**Continuing operations**

| Profitability ratios | Consolidated financial statements | | Changes |
|---|---|---|---|
| | 30-Jun-26 | 30-Jun-25 | |
| Gross Profit Margin | 37% | 37% | (0%) |
| EBITDA Margin | 38% | 34% | 4% |
| Net Profit Margin | 25% | 20% | 5% |
| Return on Equity | 6% | 6% | 0% |
| **Liquidity and The Capacity to pay ratios** | **30-Jun-26** | **31-Dec-25** | **Changes** |
| Current ratio (Times) | 0.88 | 0.86 | 0.02 |
| Debt to equity ratio (Times) | 0.38 | 0.46 | (0.08) |

Profitability improved significantly, driven by effective product mix management, cost structure optimization, and disciplined expense control aligned with the scale of the business. For the first six months of 2026, the Company and its subsidiaries maintained a gross profit margin of 37%, unchanged from the same period of the previous year, despite the prolonged economic slowdown, geopolitical uncertainties, and rising overall costs. The Company demonstrated resilience in managing these challenges, resulting in an increase in EBITDA margin to 38% from 34%. Consequently, the net profit margin and return on equity also improved compared with the previous year.

In terms of the Company's financial position, the Company continued to optimize its cost structure and manage its debt obligations, resulting in a stronger overall financial position. As of June 30, 2026, the Company's current ratio improved to 0.88 times from 0.86 times as of December 31, 2025. Meanwhile, the total debt-to-equity ratio decreased to 0.38 times from 0.46 times, primarily attributable to the repayment of loans from financial institutions.