



Date 9 May 2025

Subject Management Discussion and Analysis of Operating Results for Quarter 1/2025

To Director and Manager The Stock Exchange of Thailand

Kijcharoen Engineering Electric Public Company Limited (“the Company”) would like to clarify the Management Discussion and Analysis of the Company operating result for the period ended 31 March 2025, which has been reviewed by certified public accountants as follows

Operating Results of the Company

(Unit : Million Baht)

Operating Results	Quarter 1		Changed		% of Sales	
	2025	2024	Inc(Dec)	Inc(Dec)%	Q1 2025	Q1 2024
Sales of goods	264.87	284.50	(19.63)	(6.90)%	100.00%	100.00%
Cost of sales	(183.23)	(202.60)	(19.37)	(9.56)%	(69.18)%	(71.21)%
Gross profit	81.64	81.90	(0.26)	(0.32)%	30.82%	28.79%
Other income	1.09	1.06	0.03	2.83%	0.41%	0.37%
Selling expenses	(18.87)	(19.51)	(0.64)	(3.28)%	(7.12)%	(6.86)%
Administrative expenses	(22.96)	(23.48)	(0.52)	(2.21)%	(8.67)%	(8.25)%
Other gain (loss), net	-	-	-	-%	-%	-%
Finance cost	(2.24)	(1.56)	0.68	43.59%	(0.85)%	(0.55)%
Profit before income tax	38.66	38.41	0.25	0.65%	14.60%	13.50%
Income tax	(7.73)	(3.79)	3.94	103.96%	(2.92)%	(1.33)%
Net profit for the period	30.93	34.62	(3.69)	(10.66)%	11.68%	12.17%

Operating Results	Quarter 1	Quarter 4	QoQ		% of Sales	
	2025	2024	Inc(Dec)	Inc(Dec)%	Q1 2025	Q4 2024
Sales of goods	264.87	329.76	(64.89)	(19.68)%	100.00%	100.00%
Cost of sales	(183.23)	(225.20)	(41.97)	(18.64)%	(69.18)%	(68.29)%
Gross profit	81.64	104.56	(22.92)	(21.92)%	30.82%	31.71%
Other income	1.09	1.18	(0.09)	(7.63)%	0.41%	0.36%
Selling expenses	(18.87)	(20.13)	(1.26)	(6.26)%	(7.12)%	(6.10)%
Administrative expenses	(22.96)	(18.69)	4.27	22.85%	(8.67)%	(5.67)%
Other gain (loss), net	-	(0.26)	(0.26)	(100.00)%	-%	(0.08)%
Finance cost	(2.24)	(2.25)	(0.01)	(0.44)%	(0.85)%	(0.68)%
Profit before income tax	38.66	64.41	(25.75)	(39.98)%	14.60%	19.53%
Income tax	(7.73)	(11.10)	(3.37)	(30.36)%	(2.92)%	(3.37)%
Net profit for the period	30.93	53.31	(22.38)	(41.98)%	11.68%	16.17%



For the operating results for quarter 1 year 2025, total sales revenue of the company amounted to Baht 264.87 million and net profit for the period amounted to Baht 30.93 million mainly due to the following reasons:

Sales of goods

For quarter 1 year 2025, sales of goods of the company amounted to Baht 264.87 million, which decreased from the same period of the previous year by Baht 19.63 million or 6.90% and decrease from the quarter 4 year 2024 by Baht 64.89 million or decreased by 19.68 percent. This was primarily due to the continued delivery of promotional products in previous periods, which led to customers holding sufficient inventory to meet their needs. Additionally, the average selling price declined in line with the decrease in raw material costs. The majority of the company's revenue still from KJL standard products which mainly consisted of electrical switchboard cabinet, wireway, plastic product and 5K product. The company has always placed importance on product quality and fast delivery and thus has gained the trust of major customers. Mainly the company's revenues is still from KJL standard products with a proportion of 71.68 percent of total revenue in quarter 1 year 2025.

Cost of sales

For quarter 1 year 2025, the company's cost of sales amounted to Baht 183.23 million, which decreased from the same period of previous year by Baht 19.37 million or 9.56%, which is consistent with the decline in revenue. The main reasons for this decrease were a slight reduction in raw material prices and lower machinery maintenance costs, as it was not yet time for scheduled maintenance.

Compared to the quarter 4 year 2024, the company's cost of sales decreased by Baht 41.97 million or 18.64%, which is also in line with the decline in revenue. This decrease was due to lower raw material costs in accordance with reduced sales, and lower labor costs in the production department as a result of decreased overtime. However, the cost of sales to revenue ratio remained similar to previous periods.

Selling expenses

For quarter 1 year 2025, the company's selling expenses amounted to Baht 18.87 million, which decreased from the same period of previous year by Baht 0.64 million or 3.28%. The main reason for the decrease was a slight reduction in advertising and public relations expenses. Nevertheless, the Company continued to organize the "Electric Power Gathering" seminar. This seminar aimed to educate participants on proper electrical system installation to promote safety and enhance the capabilities of electricians, engineers, and designers nationwide. In this quarter, the company held the seminars in Chiang Mai, Bangkok, and Phuket.

Compared to the quarter 4 year 2024, the company's selling expenses decreased by Baht 1.26 million or 6.26%, in line with the decline in revenue. Toward the end of 2024, the Company also undertook activities to support the expansion of its distributor network and KJL membership to align with its strategic objectives.



Administrative expenses

For quarter 1 year 2025, the company's administrative expenses amounted to Baht 22.96 million, which decreased from the same period of previous year by Baht 0.52 million or 3.28%. The ratio of administrative expenses to sales remained relatively consistent with the previous year.

Compared to the quarter 4 year 2024, the company's administrative expenses increased by Baht 4.27 million or 22.85%. mainly due to the reversal of an allowance for doubtful accounts after the company recovered payment from a customer with an outstanding debt of over one year in the previous quarter. Additionally, the company incurred higher professional fees in Q1 this year to support its ongoing ESG development efforts.

Finance cost

For quarter 1 year 2025, the company's finance cost amounted to Baht 2.24 million, which increased from the same period of previous year by Baht 0.68 million or 43.59%. This was due to the company still having excess liquidity in 2024, which was used to make early repayments on some short-term loans.

Compared to the quarter 4 year 2024, the company's finance costs slightly decreased by Baht 0.01 million or 0.44%. The company borrowed funds for working capital and repaid part of the loans according to the loan agreement terms.

Net profit

For quarter 1 year 2025, the company's net profit amounted to Baht 30.93 million, which decreased from the same period of previous year by Baht 3.69 million or 10.66%, with a net profit margin of 11.68%. The main reason for the decrease is that in 2024, the company received corporate income tax exemptions for net profits generated from promoted activities under the Board of Investment (BOI).

Compared to the quarter 4 year 2024, the company's net profit decreased by Baht 22.38 million or 16.17%. This was primarily due to the continued implementation of promotional campaigns aimed at maintaining market competitiveness, along with an increase in administrative expenses as previously mentioned. Additionally, in the prior year, the Company benefited from corporate income tax exemptions on net profits derived from investment promotion activities approved by the Board of Investment (BOI), which were not applicable in the current period.

Statement of Financial Position

(Unit : Million Baht)

Financial Position	At 31 Mar 2025	At 31 Dec 2024	Inc(Dec)	Inc(Dec)%
Total current assets	443.78	464.71	(20.93)	(4.50)%
Total non-current assets	877.09	792.47	84.62	10.68%
Total assets	1,320.87	1,257.18	63.69	5.07%
Total current liabilities	518.32	495.33	22.99	4.64%
Total non-current liabilities	82.62	72.85	9.77	13.41%
Total liabilities	600.94	568.18	32.76	5.77%
Issued and fully paid-up share capital	116.00	116.00	-	-%
Share premium	379.97	379.97	-	-%
Retained earnings - Appropriated	11.60	11.60	-	-%
Retained earnings - Unappropriated	212.36	181.43	30.93	17.05%
Total equity	719.93	689.00	30.93	4.49%
Total liabilities and equity	1,320.87	1,257.18	63.69	5.07%

Assets

As of March 31, 2025, the company's total assets increased by Baht 63.69 million, or 5.07%, compared to the year ended 2024. The increase was mainly due to investment in the KJL Innovation Campus (KiN) building, established to increase capabilities of new technology and innovation development to accessed new industries by creating Metal Design Lab and Metal Total Solution as well as creating brand experiences and opportunities to gain competitive advantage. The buildings are expected to be completed in Quarter 4 2025.

Liabilities

As of March 31, 2025, the company's total liabilities amounted to Baht 600.94 million, an increase of Baht 32.76 million or 5.77% compared to the year ended 2024. The increase was primarily attributable to short-term borrowings from financial institutions to support working capital and investment in the KJL Innovation Campus. and higher accrued tax expenses following the full utilization of tax benefits under the Board of Investment (BOI) promotion scheme in 2024.

Equity

As of March 31, 2025, the company's shareholders' equity increased by Baht 30.93 million or 4.49% compared to the year ended 2024. This increase was a result of the net profit generated during the first quarter of 2025, which was equal to the same amount.

Liquidity and capital adequacy

(Unit : Million Baht)

Cashflow	Quarter 1			
	2025	2024	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	86.14	25.55	60.59	237.14%
Net cash generated from (used in) investing activities	(98.55)	(31.92)	66.63	208.74%
Net cash generated from (used in) financing activities	27.96	4.91	23.05	469.45%
Net increase (decrease) in cash and cash equivalents	15.55	(1.46)	17.01	1,165.07%
Cash and cash equivalents at the beginning of the period	58.31	52.59	5.72	10.88%
Cash and cash equivalents at the end of the period	73.86	51.13	22.73	44.46%

As of March 31, 2025, the company had net cash and cash equivalents of Baht 73.86 million, an increase of Baht 22.73 million from the beginning of the period. This was primarily due to 1) Net cash generated from operating activities of Baht 86.14 million, mainly from cash received from sales of goods. 2) Net cash generated from financing activities of Baht 27.96 million, resulting from borrowings from financial institutions to support working capital and investment in the KJL Innovation Campus. 3) Net cash used in investing activities of Baht 98.55 million, primarily due to payments for factory construction and additional purchases of machinery and equipment totaling Baht 95.85 million.

Key Financial Ratios

Key Financial Ratios	Unit	For the period ended 31 March 2025	For the year ended 31 December 2024	Inc(Dec)
Current Ratio (times)	(time)	0.86	0.94	(0.08)
Cash Cycle (days)	(day)	64.47	50.48	13.99
Debt to Equity ratio (times)	(time)	0.83	0.82	0.01

Current Ratio

For the three-month period of 2025, the company's liquidity ratio was 0.86 times, a decrease of 0.08 times compared to 2024.

Cash Cycle

For the three-month period of 2025, the company's cash cycle was 64.47 days, an increase of 13.99 days from 2024. This was mainly due to a slight increase in the net average collection period after offsetting the payment period. Nonetheless, the Company continues to closely monitor receivables to ensure timely collections. In addition, the average inventory turnover period increased as the Company built up inventory levels for new product lines and to prepare for promotional campaigns planned for the next quarter. Although this resulted in a longer cash cycle, it did not impact the Company's overall liquidity position.



Debt to Equity Ratio

For the three-month period of 2025, the company's total debt to equity ratio was 0.83 times, which slightly increased from 2024 to 0.01 times.