



Date 7 November 2025

Subject Management Discussion and Analysis of Operating Results for Quarter 3/2025

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 30 September 2025, which has been reviewed by certified public accountants as follows

Operating Results of the Company

(Unit : Million Baht)

Operating Results	Quarter 3		Changed		% of Sales	
	2025	2024	Inc(Dec)	Inc(Dec)%	Q3 2025	Q3 2024
Sales of goods	861.45	874.59	(13.14)	(1.50)%	100.00%	100.00%
Cost of sales	(588.90)	(611.43)	(22.53)	(3.68)%	(68.36)%	(69.91)%
Gross profit	272.55	263.16	9.39	3.57%	31.64%	30.09%
Other income	3.23	4.23	(1.00)	(23.64)%	0.37%	0.48%
Selling expenses	(53.00)	(54.20)	(1.20)	(2.21)%	(6.15)%	(6.20)%
Administrative expenses	(67.53)	(63.29)	4.24	6.70%	(7.84)%	(7.24)%
Other gain (loss), net	(0.22)	-	0.22	0.00%	(0.03)%	(0.00)%
Finance cost	(6.78)	(5.03)	1.75	34.79%	(0.79)%	(0.58)%
Profit before income tax	148.25	144.87	3.38	2.33%	17.21%	16.56%
Income tax	(29.85)	(16.81)	13.04	77.57%	(3.47)%	(1.92)%
Net profit for the period	118.40	128.06	(9.66)	(7.54)%	13.74%	14.64%

Operating Results	Quarter 3	Quarter 2	QoQ		% of Sales	
	2025	2025	Inc(Dec)	Inc(Dec)%	Q3 2025	Q2 2025
Sales of goods	287.85	308.73	(20.88)	(6.76)%	100.00%	100.00%
Cost of sales	(197.17)	(208.50)	(11.33)	(5.43)%	(68.50)%	(67.53)%
Gross profit	90.68	100.23	(9.55)	(9.53)%	31.50%	32.47%
Other income	1.04	1.10	(0.06)	(5.45)%	0.36%	0.36%
Selling expenses	(18.16)	(15.98)	2.18	13.64%	(6.31)%	(5.18)%
Administrative expenses	(22.47)	(22.08)	0.39	1.77%	(7.81)%	(7.15)%
Other gain (loss), net	(0.09)	(0.13)	(0.04)	(30.77)%	(0.03)%	(0.04)%
Finance cost	(2.43)	(2.12)	0.31	14.62%	(0.84)%	(0.69)%
Profit before income tax	48.57	61.02	(12.45)	(20.40)%	16.87%	19.76%
Income tax	(9.74)	(12.37)	(2.63)	(21.26)%	(3.38)%	(4.01)%
Net profit for the period	38.83	48.65	(9.82)	(20.18)%	13.49%	15.76%



For the operating results for 9-month and 3-month period ended 30 September 2025, total sales revenue of the company amounted to Baht 861.45 million and Baht 287.85 million, accordingly and net profit for 9-month and 3-month period ended 30 September 2025 amounted to Baht 118.40 million and Baht 38.83 million, accordingly. The details are as follows:

Sales of goods

For the 9-month period of 2025, sales of goods of the company amounted to Baht 861.45 million, which decreased from the same period of the previous year by Baht 13.14 million or 1.50%. The main reason was the decline in raw material prices, leading the company to adjust its selling prices in line with market prices. In addition, the company continuously implemented promotional campaigns to maintain and expand its market share, resulting in a slight decrease in sales revenue compared to the previous year.

Compared to the quarter 2 year 2025, the company's sales revenue decreased by Baht 20.88 million or 6.76%, mainly due to the continued decline in raw material prices, which caused the company to adjust its selling prices in line with market prices, resulting in lower revenue than the previous quarter.

The majority of the company's revenue still from KJL standard products which mainly consisted of standard 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 72.62 percent of total revenue in quarter 3 year 2025.

Cost of sales

For the 9-month period of 2025, the company's cost of sales amounted to Baht 588.90 million, which decreased from the same period of previous year by Baht 22.53 million or 3.68%, which is consistent with the decline in revenue. The main reasons for this decrease were a slight reduction in raw material prices. The Company maintained its machine utilization rate at 70–80% and implemented Industry 4.0 production control technology through investments in automated machinery, resulting in improved production efficiency and more effective cost control.

Compared to the quarter 2 year 2025, the company's cost of sales decreased by Baht 11.33 million or 5.43%, mainly due to lower raw material costs, employee expenses, and maintenance costs, which were in line with the decline in revenue. However, the ratio of cost of sales to sales remained relatively consistent with the previous period.



Selling expenses

For the 9-month period of 2025, the company's selling expenses amounted to Baht 53.00 million, which decreased from the same period of previous year by Baht 1.20 million or 2.21%. This was mainly due to a reduction in certain marketing expenses, such as advertising and public relations costs, to improve spending efficiency. However, the Company continued to organize seminar activities aimed at promoting safety and enhancing the capabilities of electricians, engineers, and designers nationwide. These activities included the "Electric Power Gathering" seminar, which focuses on providing knowledge about proper electrical system installation. During this quarter, the seminar was held in several provinces, namely Chiang Mai, Bangkok, Phuket, Rayong, Ayutthaya, Surat Thani, and Udon Thani. In addition, the Company also organized the "Electric Power Gathering - Solar Rooftop" seminar to provide knowledge about the proper installation of rooftop solar power generation systems, which was held in Chiang Mai during this quarter.

Compared to the quarter 2 year 2025, the company's selling expenses increased by Baht 2.18 million or 13.64%, mainly due to higher seminar expenses than the previous quarter and promotional expenses related to the launch of the new InnoFAST Series products.

Administrative expenses

For the 9-month period of 2025, the company's administrative expenses amounted to Baht 67.53 million, which increased from the same period of previous year by Baht 4.24 million or 6.70%. Mainly due to higher employee-related expenses and consulting fees to support the Company's continuous ESG development. However, the ratio of administrative expenses to sales remained relatively consistent with the previous year.

Compared to the quarter 2 year 2025, the company's administrative expenses increased by Baht 0.39 million or 1.77%. However, which remained at a similar level of the previous quarter.

Finance cost

For the 9-month period of 2025, the company's finance cost amounted to Baht 6.78 million, which increased from the same period of previous year by Baht 1.75 million or 34.79%. 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 2 year 2025, the company's finance costs slightly increased by Baht 0.31 million or 14.62%. The company borrowed funds for working capital and for investment in the Innovation Campus, while the Company also made partial loan repayments in according to the loan agreement terms.

Net profit

For the 9-month period of 2025, the company's net profit amounted to Baht 118.40 million, which decreased from the same period of previous year by Baht 9.66 million or 7.54%, with a net profit margin of 13.74%. 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 2 year 2025, the company's net profit increased by Baht 9.82 million or 20.18%. Mainly due to lower revenue resulting from the Company's ongoing sales promotion activities, coupled with an increase in expenses as mentioned above.

Statement of Financial Position

(Unit : Million Baht)

Financial Position	At 30 Sep 2025	At 31 Dec 2024	Inc(Dec)	Inc(Dec)%
Total current assets	446.61	464.71	(18.10)	(3.89)%
Total non-current assets	988.47	792.47	196.00	24.73%
Total assets	1,435.08	1,257.18	177.90	14.15%
Total current liabilities	602.62	495.33	107.29	21.66%
Total non-current liabilities	150.34	72.85	77.49	106.37%
Total liabilities	752.96	568.18	184.78	32.52%
Issued and fully paid-up share capital	116.00	116.00	-	0.00%
Share premium	379.97	379.97	-	0.00%
Retained earnings - Appropriated	11.60	11.60	-	0.00%
Retained earnings - Unappropriated	174.55	181.43	(6.88)	(3.79)%
Total equity	682.12	689.00	(6.88)	(1.00)%
Total liabilities and equity	1,435.08	1,257.18	177.90	14.15%

Assets

As of September 30, 2025, the company's total assets increased by Baht 177.90 million, or 14.15%, 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 building is expected to be completed in the fourth quarter of 2025.

Liabilities

As of September 30, 2025, the company's total liabilities increase by Baht 184.78 million or 32.52% compared to the year ended 2024. The main reasons were the borrowing from financial institutions to support business operations and invest in the KJL Innovation Campus (KiN) building, as well as an increase in accrued tax expenses after the Company had fully utilized the tax privileges under the Board of Investment (BOI) promotion scheme in 2024.

Equity

As of September 30, 2025, the company's shareholders' equity decreased by Baht 6.88 million or 1.00% compared to the year ended 2024. The decrease was mainly due to the offset between the Company's net profit of 118.40 million baht and dividend payments totaling 125.28 million baht made during the second and third quarters.

Liquidity and capital adequacy

(Unit : Million Baht)

Cashflow	Quarter 3			
	2025	2024	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	168.32	104.50	63.82	61.07%
Net cash generated from (used in) investing activities	(233.16)	(131.75)	101.41	76.97%
Net cash generated from (used in) financing activities	46.34	16.68	29.66	177.82%
Net increase (decrease) in cash and cash equivalents	(18.50)	(10.57)	(7.93)	(75.02)%
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	39.81	42.02	(2.21)	(5.26)%

As of September 30, 2025, the company had net cash and cash equivalents of Baht 39.81 million, a decrease of Baht 18.50 million from the beginning of the period. This was primarily due to 1) Net cash generated from operating activities of Baht 168.32 million, mainly from cash received from sales of goods. 2) Net cash generated from financing activities of Baht 46.34 million, primarily from borrowings from financial institutions to support business operations and investment in the KJL Innovation Campus (KiN) building, offset by dividend payments. 3) Net cash used in investing activities of Baht 233.16 million, primarily due to payments for factory construction and additional purchases of machinery and equipment totaling Baht 233.27 million.

Key Financial Ratios

Key Financial Ratios	Unit	For the period ended 30 September 2025	For the year ended 31 December 2024	Inc(Dec)
Current Ratio	(time)	0.74	0.94	(0.20)
Cash Cycle	(day)	62.71	50.48	12.23
Debt to Equity ratio	(time)	1.10	0.82	0.28

Current Ratio

For the 9-month period of 2025, the company's liquidity ratio was 0.74 times, a decrease of 0.20 times compared to 2024. This was due to investments in the KJL Innovation Campus (KiN) building and machinery to expand production capacity during the year.

Cash Cycle

For the 9-month period of 2025, the company's cash cycle was 62.71 days, an increase of 12.23 days from 2024. This was mainly due to a longer average collection period. However, the company continues to closely monitor receivables to ensure timely payments. Additionally, the average inventory turnover period slightly increased due to higher stock levels of new 2025 products. While this resulted in a slower cash cycle, it did not significantly impact the company's overall liquidity.

Debt to Equity Ratio

For the 9-month period of 2025, the company's total debt to equity ratio was 1.10 times, which increased from 2024 to 0.82 times. The main reason was the borrowing from financial institutions to support business operations and invest in the KJL Innovation Campus (KiN) building.