



Date 8 August 2025

## Subject Management Discussion and Analysis of Operating Results for Quarter 2/2025

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

**Operating Results of the Company**

(Unit : Million Baht)

Operating Results	Quarter 2		Changed		% of Sales	
	2025	2024	Inc(Dec)	Inc(Dec)%	Q2 2025	Q1 2025
Sales of goods	573.60	583.38	(9.78)	(1.68)%	100.00%	100.00%
Cost of sales	(391.73)	(408.59)	(16.86)	(4.13)%	(68.29)%	(70.04)%
<b>Gross profit</b>	<b>181.87</b>	<b>174.79</b>	<b>7.08</b>	<b>4.05%</b>	<b>31.71%</b>	<b>29.96%</b>
Other income	2.19	2.52	(0.33)	(13.10)%	0.38%	0.43%
Selling expenses	(34.84)	(37.30)	(2.46)	(6.60)%	(6.07)%	(6.39)%
Administrative expenses	(45.05)	(42.55)	2.50	5.88%	(7.85)%	(7.29)%
Other gain (loss), net	(0.13)	(0.03)	0.10	333.33%	(0.02)%	(0.01)%
Finance cost	(4.35)	(3.42)	0.93	27.19%	(0.76)%	(0.59)%
<b>Profit before income tax</b>	<b>99.69</b>	<b>94.01</b>	<b>5.68</b>	<b>6.04%</b>	<b>17.38%</b>	<b>16.11%</b>
Income tax	(20.11)	(9.32)	10.79	115.77%	(3.51)%	(1.60)%
<b>Net profit for the period</b>	<b>79.58</b>	<b>84.69</b>	<b>(5.11)</b>	<b>(6.03)%</b>	<b>13.87%</b>	<b>14.52%</b>

Operating Results	Quarter 2	Quarter 1	QoQ		% of Sales	
	2025	2025	Inc(Dec)	Inc(Dec)%	Q2 2025	Q1 2025
Sales of goods	308.73	264.87	43.86	16.56%	100.00%	100.00%
Cost of sales	(208.50)	(183.23)	25.27	13.79%	(67.53)%	(69.18)%
<b>Gross profit</b>	<b>100.23</b>	<b>81.64</b>	<b>18.59</b>	<b>22.77%</b>	<b>32.47%</b>	<b>30.82%</b>
Other income	1.10	1.09	0.01	0.92%	0.36%	0.41%
Selling expenses	(15.98)	(18.87)	(2.89)	(15.32)%	(5.18)%	(7.12)%
Administrative expenses	(22.08)	(22.96)	(0.88)	(3.83)%	(7.15)%	(8.67)%
Other gain (loss), net	(0.13)	-	0.13	0.00%	(0.04)%	-%
Finance cost	(2.12)	(2.24)	(0.12)	(5.36)%	(0.69)%	(0.85)%
<b>Profit before income tax</b>	<b>61.02</b>	<b>38.66</b>	<b>22.36</b>	<b>57.84%</b>	<b>19.76%</b>	<b>14.60%</b>
Income tax	(12.37)	(7.73)	4.64	60.03%	(4.01)%	(2.92)%
<b>Net profit for the period</b>	<b>48.65</b>	<b>30.93</b>	<b>17.72</b>	<b>57.29%</b>	<b>15.76%</b>	<b>11.68%</b>



For the operating results for 6-month and 3-month period ended 30 June 2025, total sales revenue of the company amounted to Baht 573.60 million and Baht 308.73 million, accordingly and net profit for 6-month and 3-month period ended 30 June 2025 amounted to Baht 79.58 million and Baht 48.65 million, accordingly. The details are as follows:

#### Sales of goods

For the 6-month period of 2025, sales of goods of the company amounted to Baht 573.60 million, which decreased from the same period of the previous year by Baht 9.78 million or 1.68%. This decline was due to the continued promotional product shipments in late 2024, which resulted in customers having sufficient inventory to meet their needs during the first quarter of 2025. Additionally, the selling price dropped in line with the decline in raw material costs.

Compared to the quarter 1 year 2025, the company's sales revenue increased by Baht 43.86 million or 16.56%, mainly due to the continuation of promotional campaigns from March 2025, which helped stimulate customer purchases.

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 73.53 percent of total revenue in quarter 2 year 2025.

#### Cost of sales

For the 6-month period of 2025, the company's cost of sales amounted to Baht 391.73 million, which decreased from the same period of previous year by Baht 16.86 million or 4.13%, 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 1 year 2025, the company's cost of sales increased by Baht 25.27 million or 13.79%, which is in line with the increase in revenue. This was mainly due to higher raw material costs in line with revenue growth, and an increase in production staff expenses resulting from overtime work during the second quarter. However, the cost of sales to revenue ratio remained relatively consistent with the previous period.



### Selling expenses

For the 6-month period of 2025, the company's selling expenses amounted to Baht 34.84 million, which decreased from the same period of previous year by Baht 2.46 million or 6.60%. This was mainly due to a reduction in certain marketing expenses, such as advertising and public relations costs, to improve spending efficiency. 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, Phuket, Rayong and Ayutthaya.

Compared to the quarter 1 year 2025, the company's selling expenses decreased by Baht 2.89 million or 15.32%, primarily due to lower expenses related to seminar activities and promotional campaigns.

### Administrative expenses

For the 6-month period of 2025, the company's administrative expenses amounted to Baht 45.05 million, which increased from the same period of previous year by Baht 2.50 million or 5.88%. The ratio of administrative expenses to sales remained relatively consistent with the previous year.

Compared to the quarter 1 year 2025, the company's administrative expenses decreased by Baht 0.88 million or 3.83%, which is a relatively similar amount.

### Finance cost

For the 6-month period of 2025, the company's finance cost amounted to Baht 4.35 million, which increased from the same period of previous year by Baht 0.93 million or 27.19%. 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 1 year 2025, the company's finance costs slightly decreased by Baht 0.12 million or 5.36%. The company borrowed funds for working capital and repaid part of the loans according to the loan agreement terms.

### Net profit

For the 6-month period of 2025, the company's net profit amounted to Baht 79.58 million, which decreased from the same period of previous year by Baht 5.11 million or 6.03%, with a net profit margin of 13.87%. 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 1 year 2025, the company's net profit increased by Baht 17.72 million or 57.29%. This was driven by higher revenue resulting from the company's continued promotional campaigns carried over from the end of the previous quarter, along with reduced expenses as mentioned above.

Statement of Financial Position

(Unit : Million Baht)

Financial Position	At 30 Jun 2025	At 31 Dec 2024	Inc(Dec)	Inc(Dec)%
Total current assets	440.22	464.71	(24.49)	(5.27)%
Total non-current assets	933.92	792.47	141.45	17.85%
<b>Total assets</b>	<b>1,374.14</b>	<b>1,257.18</b>	<b>116.96</b>	<b>9.30%</b>
Total current liabilities	583.55	495.33	88.22	17.81%
Total non-current liabilities	103.20	72.85	30.35	41.66%
<b>Total liabilities</b>	<b>686.75</b>	<b>568.18</b>	<b>118.57</b>	<b>20.87%</b>
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	179.82	181.43	(1.61)	(0.89)%
<b>Total equity</b>	<b>687.39</b>	<b>689.00</b>	<b>(1.61)</b>	<b>(0.23)%</b>
<b>Total liabilities and equity</b>	<b>1,374.14</b>	<b>1,257.18</b>	<b>116.96</b>	<b>9.30%</b>

Assets

As of June 30, 2025, the company's total assets increased by Baht 116.96 million, or 9.30%, 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 June 30, 2025, the company's total liabilities increase by Baht 118.57 million or 20.87% compared to the year ended 2024. The increase was primarily due to short-term borrowings used as working capital and higher tax expenses following the full utilization of tax benefits under the Board of Investment (BOI) promotion scheme in 2024.

Equity

As of June 30, 2025, the company's shareholders' equity decreased by Baht 1.61 million or 0.23% compared to the year ended 2024. The main reason was the offset between the company's net profit of Baht 79.58 million and the annual dividend payment of Baht 81.19 million, which was paid during the second quarter.

Liquidity and capital adequacy

(Unit : Million Baht)

Cashflow	Quarter 2			
	2025	2024	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	132.76	64.69	68.07	105.22%
Net cash generated from (used in) investing activities	(166.87)	(88.25)	78.62	89.09%
Net cash generated from (used in) financing activities	16.77	20.06	(3.29)	(16.40)%
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(17.34)</b>	<b>(3.50)</b>	<b>(13.84)</b>	<b>(395.43)%</b>
Cash and cash equivalents at the beginning of the period	58.31	52.59	5.72	10.88%
<b>Cash and cash equivalents at the end of the period</b>	<b>40.97</b>	<b>49.09</b>	<b>(8.12)</b>	<b>(16.54)%</b>

As of June 30, 2025, the company had net cash and cash equivalents of Baht 40.97 million, a decrease of Baht 17.34 million from the beginning of the period. This was primarily due to 1) Net cash generated from operating activities of Baht 132.76 million, mainly from cash received from sales of goods. 2) Net cash generated from financing activities of Baht 16.77 million, resulting from short-term borrowings used to support the company's business expansion and working capital needs, offset by dividend payments. 3) Net cash used in investing activities of Baht 166.87 million, primarily due to payments for factory construction and additional purchases of machinery and equipment totaling Baht 167.14 million.

Key Financial Ratios

Key Financial Ratios	Unit	For the period ended 30 June 2025	For the year ended 31 December 2024	Inc(Dec)
Current Ratio	(time)	0.75	0.94	(0.19)
Cash Cycle	(day)	61.05	50.48	10.57
Debt to Equity ratio	(time)	1.00	0.82	0.18

Current Ratio

For the 6-month period of 2025, the company's liquidity ratio was 0.75 times, a decrease of 0.19 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 6-month period of 2025, the company's cash cycle was 61.05 days, an increase of 10.57 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 6-month period of 2025, the company's total debt to equity ratio was 1.00 times, which increased from 2024 to 0.18 times. The main reason for this increase was the borrowings from financial institutions to support the company's working capital.