Management Discussion and Analysis: MD&A

The Operating Results of the 4th Quarter and Year 2025

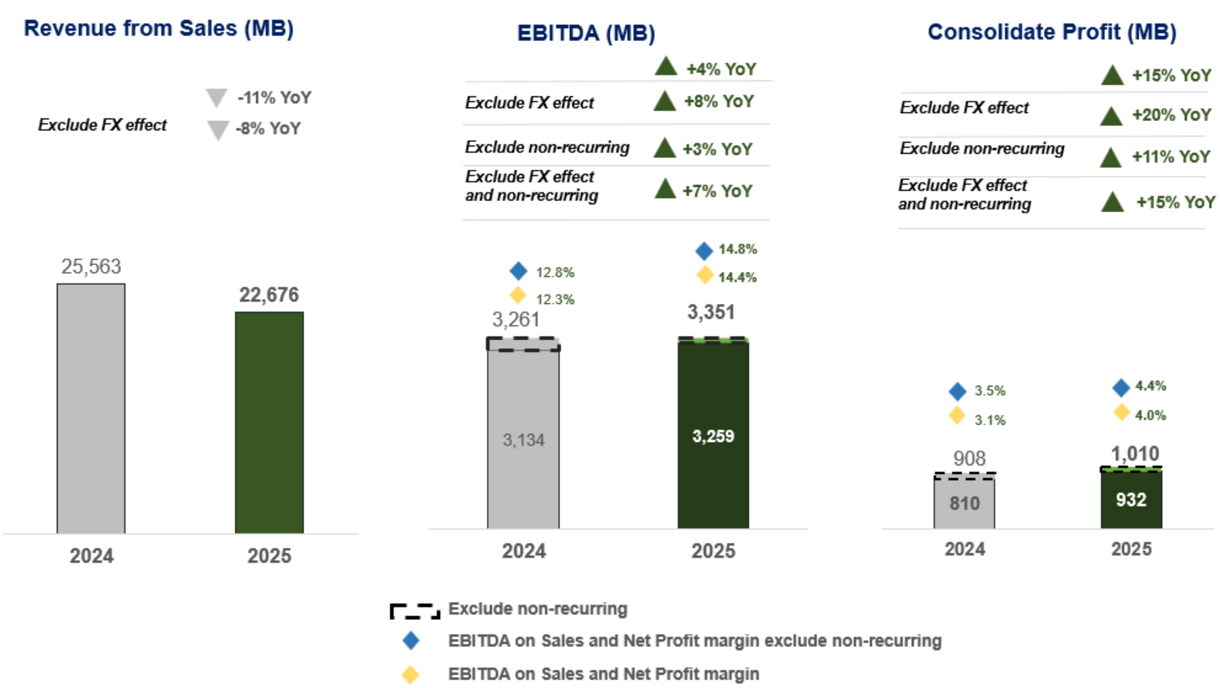
SCG Decor Public Company Limited (SCGD)

Management Discussion and Analysis (MD&A)

Summary of Key Operating Results in 2025

1. **Improved Profitability: exclude Non-recurring items, Profit attributable to owners of the Company's was 1,010 million Baht. Profit margin was 4.4%. EBITDA was 3,351 million Baht, and EBITDA on sales was 14.8%.**
2. **Increased production capacity of glazed porcelain tiles by 5 million square meters** at PRIME plant in Vietnam. The total glazed porcelain tile production capacity is now 19 million square meters, accounting for approximately 25% of total production capacity.
3. **First in ASEAN to initiate Biomass Gasifier in ceramic tile manufacturing** at PRIME plant in Vietnam.
4. Reduced costs by 330 million Baht **through increasing use of solar energy and biomass.**
5. **Received global-level awards for sustainability in both business operations and product branding.**

Operating Result of 2025 and Q4/ 2025



In 2025 the Company improved its profitability. EBITDA was 3,259 million Baht. Profit attributable to owners of the Company was 932 million Baht, an increase of +4% and +15% respectively comparing to last year. Revenue from sales was 22,676 million Baht, decreased by -11%.

However, these results were affected by foreign currencies translation in which the Company operates (Vietnam, the Philippines, and Indonesia) into Thai Baht. If excludes the impact of Thai Baht appreciation, which reflects the actual performance of the businesses in those countries, EBITDA increased by +8%, Profit attributable to owners of the Company would have increased by +20%, and revenue from sales would have decreased by -8% from the previous year.

Furthermore, considering the performance excluding non-recurring items, which were mostly business restructuring expenses, EBITDA would be 3,351 million Baht, and Profit attributable to owners of the Company would be 1,010 million Baht.

The Company's actual operating performance*, after excluding the effects of foreign currency translation and Non-recurring items*, **EBITDA increased by +7%, while Profit attributable to owners of the Company increased by +15% compared to last year.**

For the 4th quarter, the Profit attributable to owners of the Company was 188 million Baht, a decrease of -38% from the previous quarter but an increase of +135% from the same period last year. EBITDA was 746 million Baht, a decrease of -17% from the previous quarter and an increase of +24% from the same period last year. Meanwhile, the Company's revenue from sales was 5,308 million Baht, a decrease of -6% from the previous quarter and a decrease of -11% compared to the same period last year.

Considering the operating results without the effect of foreign currencies translation, the Profit attributable to owners of the Company would have increased to +149%, and EBITDA would have increased to +43%, while revenue from sales would have decreased by -8% compared to the same period last year.

Considering the operating results without non-recurring items, which were mostly business restructuring, the Profit attributable to owners of the Company would be 199 million Baht, a decrease of -31% from the previous quarter and an increase of +12% from last year. EBITDA would be 759 million Baht, a decrease of -13% from the previous quarter but an increase of +4% compared to the same period last year.

The Company's actual operating performance, after excluding the effects of foreign currency translation and Non-recurring items, **EBITDA decreased by -18% from the previous quarter and decreased by -6% from the same period last year as well as Profit attributable to owners of the Company decreased by -31% from the previous quarter but increased +15% from the same period last year.**

Table 1 – Operating Results and Operating Results excluding Non-Recurring Items

Operating Result	Unit	Q4		Q3	Change		January - December		Change
		2025	2024	2025	% YoY	% QoQ	2025	2024	% YoY
Revenue from Sales	MB	5,308	5,978	5,638	-11%	-6%	22,676	25,563	-11%
Total Revenue	MB	5,413	6,125	5,769	-12%	-6%	23,130	26,141	-12%
EBITDA (1)	MB	746	604	902	24%	-17%	3,259	3,134	4%
Net Profit	MB	180	73	308	147%	-42%	928	818	13%
Profit attributable to owners of the company	MB	188	80	305	135%	-38%	932	810	15%

Operating Result excluding restructuring and Non-Recurring items (Non-Recurring) (2)	Unit	Q4		Q3	Change		January - December		Change
		2025	2024	2025	% YoY	% QoQ	2025	2024	% YoY
Revenue from Sales	MB	5,308	5,978	5,638	-11%	-6%	22,676	25,563	-11%
Total Revenue	MB	5,413	6,125	5,769	-12%	-6%	23,130	26,141	-12%
EBITDA	MB	759	732	877	4%	-13%	3,351	3,261	3%
Net Profit	MB	190	171	292	11%	-35%	1,006	915	10%
Profit attributable to owners of the company	MB	199	177	289	12%	-31%	1,010	908	11%

Remark:

(1) EBITDA is calculated as profit before finance costs, income tax, depreciation, and amortization. It included dividend income from associates and gains or losses from exchange rate fluctuations on loans.

(2) Non-recurring items were the Business restructuring expense in Q1, Q2, and Q4 2025, and the Compensation from flooding damage in Q3 2025

Profitability Ratios for 2025 and Q4 2025

In 2025, **EBITDA on Sales and net profit margin were 14.4% and 4.0%,** respectively, due to efforts to reduce production costs, continuously reduce expenses, and launch innovative products with good profitability. Considering EBITDA on Sales and the net profit margin, **excluding non-recurring items, the Company's EBITDA on Sales and net profit margin were 14.8% and 4.4%, respectively.**

For the 4th quarter, **the Company's EBITDA on Sales was 14.1%, and net profit margin was 3.3%. Excluding the impact of non-recurring items, the Company's EBITDA on Sales was 14.3% and a net profit margin was 3.5%**

Table 2 – Key Financial Ratios

Key Financial Ratio	Unit	Q4		Q3	January - December	
		2025	2024	2025	2025	2024
EBITDA on Sales (1)	%	14.1%	10.1%	16.0%	14.4%	12.3%
EBITDA on Sales excluding Non-Recurring (2)	%	14.3%	12.2%	15.6%	14.8%	12.8%
Net Profit Margin (3)	%	3.3%	1.2%	5.3%	4.0%	3.1%
Net Profit Margin excluding Non-Recurring (4)	%	3.5%	2.8%	5.1%	4.4%	3.5%
Profit margin which attributable to owners of the company (5)	%	3.5%	1.3%	5.3%	4.0%	3.1%
Return on Equity (6)	%	5.0%	3.6%	4.4%	5.0%	4.2%
Return on Total Assets (7)	%	2.4%	1.8%	2.1%	2.4%	2.0%

Remark:

(1) EBITDA on Sales is calculated by dividing EBITDA excluded dividend income from associates by Revenue from Sales.

(2) EBITDA on Sales exclude non-recurring is calculated by dividing EBITDA exclude non-recurring and dividend income from associates by Revenue from Sales.

(3) Net Profit Margin is calculated by dividing profit (or loss) for the period/year by total Revenue.

(4) Net Profit Margin exclude non-recurring is calculated by dividing profit (or loss) for the period/year exclude non-recurring by total Revenue.

(5) Profit margin which attributable to owners of The Company is calculated by profit attributable to owners of The Company divided by total Revenue.

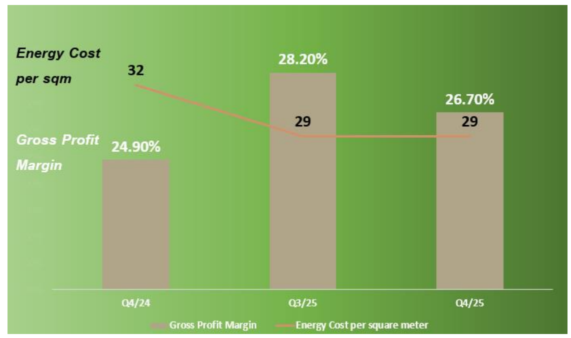
(6) Return on Equity (ROE) is calculated by dividing the trailing-12-month Net profit attributable to owners of The Company by the average shareholders' equity excluding NCI.

(7) Return on Total Assets (ROA) is calculated by dividing the trailing-12-month profit for the period by the average total assets.

Cost of Goods Sold and overall Expenses decreased

In Q4/ 2025, cost of sales decreased to 3,892 million Baht, a decrease of 154 million Baht compared to the previous quarter, and a decrease of 599 million Baht compared to the same period last year. Due to decreased sales volume, gross profit was 26.70**%,** a decrease from the previous quarter but an increase from Q4/ 2024.

The energy cost of tile production per square meter continued to decrease to a stable level from the previous quarter at 29 Baht per square meter due to the continuous replacement of alternative energy.



Total distribution costs and administrative expenses decreased to 1,196 million Baht, down 28 million Baht from the previous quarter and 228 million Baht from the same period last year, due to raw material price negotiation, reduced working capital through efficient inventory management, and business restructuring.

Financial position

Total Asset

As of 31 December 2025, the Company recorded total asset of 36,588 million Baht and cash and cash equivalents of 8,948 million Baht.

Total Liability and Shareholders' Equity

The Company maintain strong financial position. As of 31 December 2025, the Company record total liability of 17,131 million Baht, interest bearing debt of 12,473 million Baht, and shareholders' equity of 19,457 million Baht.

Net Debt to EBITDA was 1.1x decreased from the previous quarter and Net Debt to Equity remains at the same level as the previous quarter at 0.2x.

Table 3 – Financial position

Financial Status	Unit	Q4		Q3	Change	
		2025	2024	2025	% YoY	% QoQ
Total Assets	MB	36,588	39,823	37,064	-8%	-1%
Total Liabilities	MB	17,131	19,117	17,379	-10%	-1%
Net Debt	MB	3,488	4,644	4,052	-25%	-14%
Total Shareholder's Equity	MB	19,457	20,706	19,685	-6%	-1%
Net Debt to Equity (1)	times	0.2	0.2	0.2		
Net Debt to EBITDA (2)	times	1.1	1.5	1.1		

Remark:

(1) Net Debt to Equity Ratio is calculated by dividing net debt by total shareholders' equity.

(2) Net Debt to EBITDA Ratio is calculated by dividing net debt by trailing-12-month EBITDA excluding non-recurring.

Dividend:

The Board of Director of the Company resolved to propose to the Annual General Meeting of Shareholders the approval of 2025 annual dividend payment at a rate of 0.34 Baht per share, totaling 561 million Baht. An interim dividend of 0.15 Baht per share, totaling 247.50 million Baht, was already paid on 27 August 2025, and the remaining dividend is 0.19 Baht per share, total 313.50 million Baht (Dividend payout ratio 60%) Record date on 30 March 2026. Payment date 20 April 2026 (XD date 27 March 2026).

Key strategies of Q4/ 2025

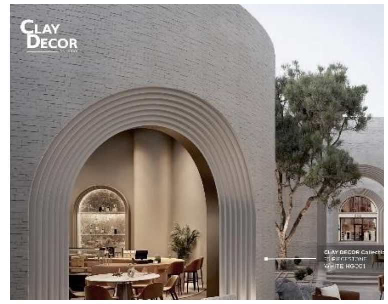
- **Positioned PRIME business in Vietnam as Growth Engine: the strategic Production and Export hub of the regions.** In 4th quarter, PRIME recorded an increase in decor surface sales volume to 11.6 million square meters, driven primarily by higher demand for glazed porcelain tiles in both domestic and international markets. Sales of glazed porcelain tiles rose to 3.9 million square meters, representing an increase of +8% QoQ and +35% YoY. For the full year, total glazed porcelain tile sales amounted to 13.5 million square meters, an increase of +25% compared to last year.

Glazed Porcelain size 80x160 CM

  In 2025, the Company expanded its glazed porcelain tile production capacity by 5 million square meters (as a replacement of existing capacity), bringing total production capacity to 19 million square meters.

  Furthermore, in 2026, **the Company received approval to further expand glazed porcelain tile production capacity additional 6.6 million square meters** at PRIME Dai Loc, located in central Vietnam. Upon completion, total glazed porcelain tile production capacity will reach 25.6 million square meters, representing approximately 32% of the Company's total production capacity.

- **Enhanced growth of New Product and Complementary business in Thailand to diversify its portfolio** during the slowdown in the core product market. In 4th quarter, total sales were 208 million Baht, an increase of +71% from the same period last year, resulting in total sales of 808 million Baht in 2025, increased +47% from last year.



Proportion of HVA (High Value Added) revenue was 39% of revenue from sales in the 4th quarter. For 2025 the proportion of HVA revenue of all regional business was higher than 2024.

This year the Company launched **Smart Value product (SVP) which are standard quality and affordable product for middle to mass market. The proportion of SVP revenue was 16% of revenue from sales.** SVP products will enhance the Company's competitive capabilities amid the sluggish domestic market conditions by enabling the Company to effectively meet consumer demand across all market segments during the economic slowdown.

- **Continuously reducing energy costs,** resulting in total saving over 330 million Baht over the past 5 years. Additionally, **negotiating lower raw material costs, reducing working capital, restructuring the business, and reducing financial costs** have enabled costs saving of 280 million Baht per year.

Progress on the Company's long-term growth strategy:

1. **Grow Bathroom business in ASEAN** through increasing number of bathroom distributors. **In 2025, the Company had revenue from Bathroom sales abroad of 520 million Baht** and had a total of 201 Bathroom distributors abroad, an increase from 170 last year.

2. **Leverage strength of Decor surface business** to a wider variety of decor surface products to respond to customer needs better. In 2025, **SPC (Stone Plastic Composite) products had a sales volume of 1.2 million square meters, an increase of +55%** compared to the same period last year while continuously reducing production costs in order to maintain competitiveness with imported products from world-class players. In the 4th quarter, production costs were reduced by another 20% from the costs at the beginning of 2025.

3. **Grow Complementary businesses**. **In 2025, the Company had sales of Complementary businesses of over 420 million Baht,** growing by 21% compared to the same period last year. The main products include Adhesive and Grout, kitchen worktop, and door and window panels.

Ongoing Sustainability (ESG) Operations

The Company operates in line with its goal to achieve net-zero greenhouse gas emissions by 2050. This is being pursued through investments in solar energy projects, as well as continuous improvements in production processes by increasing the proportion of biomass usage. In 2025, the Company was able to replace 13.6% of its electricity consumption with solar energy and substitute 23.5% of its thermal energy consumption with biomass fuel instead of fossil fuels, compared with the targets of 15% and 46% by 2030, respectively.

Moreover, the Company has been selected by the Stock Exchange of Thailand (SET) as one of the **"SET ESG Ratings" Sustainable Stocks at the AA level** in the Property and Construction (Propcon) sector, and enlisted into **SETESG Index** for 2025.

The Company also received a **Corporate Governance Report (CGR)** rating of **5** ("Excellent CG Scoring") for the second consecutive year in the Propcon sector, based on the corporate governance assessment of Thai listed companies 2025. Furthermore, the Company was honored with the **Outstanding Investor Relations Awards** at the **SET Awards 2025**. These recognitions reflect the Company's commitment to sustainable business growth in both Thailand and the ASEAN region, its ability to generate long-term value for investors, and its dedication to responsibility toward all stakeholders, alongside environmental and social stewardship through strong corporate governance practices.

Outlook Q1/ 2026

Overseas markets continue to grow, particularly in Vietnam, where Government have announcement on public sector projects in major cities such as Da Nang, Hanoi, and Ho Chi Minh City. In the Philippines, the market is driven by private sector activity, with inflation staying at a low and stable level. Indonesia is experiencing growth supported by economic expansion and increased home renovation activities ahead of the Idul Fitri holiday in March. Thailand market is expected to remain slow. Public sector projects are awaiting clarity after the general election in February.

Update on KIA Case

In late 2023, KIA and KKM filed lawsuits against the relevant Indonesian government agencies, requesting the alleged liability to be declared invalid and revoked and requesting KIA's and KKM's access to Ministry of Law ("MOL", formerly known as Ministry of Law and Human Rights).

Subsequently, both the Jakarta State Administrative Court, the State Administrative High Court of Jakarta (at the appeal level), and recently, in late 2025, the Supreme Court (at the cassation level) dismissed the cases. Therefore, KIA and KKM proceeded with the case review, for the Supreme Court to reconsider the decisions. Simultaneously, coordination has been established with the Indonesian ministries overseeing economic and investment affairs to expedite the resolution of these issues.

Appendix

Table shows the Market Growth Rate for Ceramic Tiles

Countries	Q4 / 2025		2025
	YoY	*QoQ*	*YoY*
Thailand	▼	▼	▼
Vietnam	⬌	▲	⬌
Indonesia	▲	▼	▲
The Philippines	▲	▼	▲

Analysis of the Company Performance in 2025 and Q4/2025 by Country

The proportion of sales revenue from businesses in Thailand is 65%. In 2025, the Decor Surface business and other businesses[1] had sales revenue of 10,524 million Baht, a decrease of -12% from last year. EBITDA was 1,637 million Baht, an increase of +4% from last year, as a result of cost reduction and continuous business restructuring. The 4th quarter, sales revenue was 2,379 million Baht, a decrease of -9% from the previous quarter and a decrease of -13% from the same period last year, in line with the continued weak market situation. EBITDA was 376 million Baht, a decrease of -14% from the previous quarter due to non-recurring item from business restructuring this quarter and a decrease in sales. However, compared to the same period last year, EBITDA increased by +31%.

The Bathroom business had sales revenue in 2025 of 4,793 million Baht, a decrease of -8% from last year. EBITDA was 670 million Baht, an increase of +22% from last year. The 4th quarter, sales revenue was 1,161 million Baht, a decrease of -5% from the previous quarter and a decrease of -7% from the same period last year. EBITDA was 166 million Baht, a decrease of -8% from the previous quarter, but an increase of +65% from the same period last year due to business restructuring.

[1] Other Businesses mainly operate in industrial estate sector

The proportion of revenue from the business in Vietnam is 21%. In 2025, sales revenue was 4,985 million Baht, a decrease of -9%from last year. EBITDA was 901 million Baht, a decrease of -1%. For the 4^{th} quarter, sales revenue was 1,241 million Baht, an increase of +2% from the previous quarter and a decrease of - 7% from last year. This was due to the impact of the conversion of revenue in Vietnamese Dong, which depreciated compared to the Thai Baht. However, **when considering revenue in Vietnamese Dong (before conversion to Thai Baht), revenue from sales increased by +3% compared to the previous quarter and by +2% compared to the same period last year,** as the market is gradually improving. EBITDA was 203 million Baht, a decrease of -21% from the previous quarter and stable compared to the last year.

The proportion of revenue from the business in the Philippines is 9%. In 2025, sales revenue was 1,950 million Baht, a decrease of -17% from last year. EBITDA was 132 million Baht, a decrease of -39% from last year. In the 4^{th} quarter, sales revenue was 406 million Baht, a decrease of -18% from the previous quarter and a decrease of -19% from the same period last year, due to high price competition. However, **when considering revenue in Philippine Pesos (before conversion to Thai Baht), revenue from sales would decrease by -16% compared to the previous quarter and decreased by-14% compared to the same period last year.** EBITDA was 1 million Baht, a decrease of -98% from the previous quarter and decrease -86% from the same period last year due to a decrease in sales from natural disasters and a slowdown in government projects.

The proportion of revenue from the business in Indonesia accounted for 5% of total revenue. In 2025, sales revenue was 1,238 million Baht, a decrease of -6% from last year. EBITDA was 54 million Baht, an increase of +124% from last year. In the 4^{th} quarter, sales revenue was 318 million Baht, an increase of +7% from the previous quarter, but a decrease of -4% from last year. However, **when considering revenue in Indonesian Rupiah (before conversion to Thai Baht), revenue from sales increased by +9% compared to the previous quarter and by +7% compared to the same period last year.** EBITDA was 36 million Baht, surging +414% from the previous quarter and +64% from the same period last year, driven by lower variable costs resulting from energy cost compensation received in October, as well as higher sales volumes and improved selling prices.