



## S. Khonkaen Foods PCL. and its subsidiaries ("Group")

### Management Discussion and Analysis For period ended 30 September 2025

#### Business Overview

| Statements of Income (Consolidated)<br>January – September                     | Quarter 3/2025 |              | Quarter 3/2024 |              | Change<br>(%YOY) |
|--|----------------|--------------|----------------|--------------|------------------|
|  | (THB Mn.)      | (%)          | (THB Mn.)      | (%)          |                  |
| Revenue from Sales   | 2,628.9        | 100.0%       | 2,436.8        | 100.0%       | 7.9%             |
| Cost of Sales  | (1,948.8)      | -74.1%       | (1,807.7)      | -74.2%       | 7.8%             |
| <b>Gross Margin</b>  | <b>680.1</b>   | <b>25.9%</b> | <b>629.1</b>   | <b>25.8%</b> | <b>8.1%</b>      |
| Selling and Distribution Expenses  | (311.0)        | -11.8%       | (281.1)        | -11.5%       | 10.6%            |
| Administrative Expenses  | (267.8)        | -10.2%       | (242.8)        | -10.0%       | 10.3%            |
| Loss from rental and service   | (2.9)          | -0.1%        | (4.4)          | -0.2%        | -33.4%           |
| Gain (Loss) on changes in fair value less<br>cost to sale of biological assets | (23.0)         | -0.9%        | 15.0           | 0.6%         | -253.3%          |
| Other income   | 36.5           | 1.4%         | 24.7           | 1.0%         | 47.5%            |
| Other expense  | -              | 0.0%         | (0.7)          | 0.0%         | -100.0%          |
| <b>EBIT</b>  | <b>111.9</b>   | <b>4.3%</b>  | <b>139.9</b>   | <b>5.7%</b>  | <b>-20.0%</b>    |
| Financial Cost   | (28.3)         | -1.1%        | (28.9)         | -1.2%        | -2.1%            |
| Tax Expenses   | (11.1)         | -0.4%        | (20.9)         | -0.9%        | -47.0%           |
| <b>Profit/(Loss)</b>   | <b>72.4</b>    | <b>2.8%</b>  | <b>90.0</b>    | <b>3.7%</b>  | <b>-19.6%</b>    |
| Equity holders of the Company  | 79.7           | 3.0%         | 102.1          | 4.2%         | -22.0%           |
| Earnings per Share (THB/Share)   | 0.25           |              | 0.32           |              |                  |

| Statement of Income (Consolidated)<br>July – September                         | Quarter 3/2025 |              | Quarter 3/2024 |              | Change<br>(%YOY) |
|--|----------------|--------------|----------------|--------------|------------------|
|  | (THB Mn.)      | (%)          | (THB Mn.)      | (%)          |                  |
| Revenue from Sales   | 822.8          | 100.0%       | 841.2          | 100.0%       | -2.2%            |
| Cost of Sales  | (614.9)        | -74.7%       | (632.6)        | -75.2%       | -2.8%            |
| <b>Gross Margin</b>  | <b>207.9</b>   | <b>25.3%</b> | <b>208.6</b>   | <b>24.8%</b> | <b>-0.3%</b>     |
| Selling and Distribution Expenses  | (100.4)        | -12.2%       | (96.3)         | -11.4%       | 4.3%             |
| Administrative Expenses  | (87.7)         | -10.7%       | (79.1)         | -9.4%        | 10.9%            |
| Loss from rental and service   | (1.1)          | -0.1%        | (0.6)          | -0.1%        | 99.3%            |
| Gain (Loss) on changes in fair value less<br>cost to sale of biological assets | (42.1)         | -5.1%        | 4.6            | 0.5%         | -1024.9%         |
| Other income   | 9.5            | 1.2%         | 4.7            | 0.6%         | 101.0%           |
| Other expense  | -              | 0.0%         | (0.2)          | 0.0%         | -100.0%          |
| <b>EBIT</b>  | <b>(14.0)</b>  | <b>-1.7%</b> | <b>41.7</b>    | <b>5.0%</b>  | <b>-133.5%</b>   |
| Financial Cost   | (9.2)          | -1.1%        | (9.4)          | -1.1%        | -2.2%            |
| Tax Expenses   | 5.4            | 0.7%         | (1.8)          | -0.2%        | -398.6%          |
| <b>Profit/(Loss)</b>   | <b>(17.7)</b>  | <b>-2.2%</b> | <b>30.4</b>    | <b>3.6%</b>  | <b>-158.3%</b>   |
| Equity holders of the Company  | (14.8)         | -1.8%        | 34.2           | 4.1%         | -143.2%          |
| Earnings per Share (THB/Share)   | (0.05)         |              | 0.02           |              |                  |

**Revenue :**

The Group has sales revenue of THB 822.8 million in Q3/2025, representing a decrease of 2.2% compared to the same quarter of the previous year (a decrease of 11.0% compared to Q2/2025). For the nine-month period, the Group generated cumulative sales revenue of THB 2,628.9 million, an increase of 7.9% compared to the same period of the previous year.

The majority of revenue from sales in Q3/2025 continued to be derived from the processed meat products business, which has maintained steady growth. This was driven by the sustained popularity of fermented pork products among consumers, coupled with the launch of new products to stimulate sales. In addition, the Group also recorded higher revenue from the swine farming business, attributable to an increase in market prices for live pigs as well as a higher number of pigs sold.

**Gross profit :**

The Group has gross profit of THB 207.9 million in Q3/2025, representing 25.3% of sales revenue, a decrease of 0.3% compared to the same quarter of the previous year (a decrease of 14.5% compared to Q2/2025). For the nine-month period, gross profit total THB 680.1 million, representing 25.9% of sales revenue, an increase of 8.1% compared to the same period of the previous year.

In Q3/2025, the Group's gross profit decreased compared to the same period of the previous year, primarily due to higher marketing expenses in line with the Group's market expansion strategy.

However, the cumulative gross profit for the nine-month period increased year-on-year, mainly driven by the improved performance of the swine farming business, resulting from higher market prices of live pigs and lower feed costs. These factors contributed to the overall improvement in the Group's profitability.

**Others :**

The Group recognized a loss from changes in fair value less costs to sell of biological assets in Q3/2025 amounting to THB 42.1 million, representing 5.1% of sales revenue, a decrease of 1,024.9% compared to the same quarter of the previous year (a decrease of 1,043.8% compared to Q2/2025). For the nine-month period, the Group recorded a loss from changes in fair value less costs to sell of biological assets totaling THB 23 million, representing 0.9% of sales revenue, a decrease of 253.3% compared to the same period of the previous year.

The loss from changes in fair value less costs to sell of biological assets increased in Q3/2025 due to a decline in market prices for live pigs, resulting in an increase in the loss from changes in fair value less costs to sell of biological assets compared to Q3/2024.

**Net profit**

**attributable to the Company :**

The Group has net loss attributable to the Company of THB 14.8 million in Q3/2025, representing 1.8% of sales revenue, a decrease of 143.2% compared to the same quarter of the previous year (a decrease of 140% compared to Q2/2025). For the nine-month period, net profit attributable to the Company total THB 79.7 million, representing 3% of sales revenue, a decrease of 22% compared to the same period of the previous year.

The net profit attributable to the Company in Q3/2025 decreased due to higher loss from changes in fair value of biological assets and an increase in selling expenses resulting from contract modifications, leading to an overall decline in the Group's net profit.

## Core Business

| Revenue from sales (consolidated) | Quarter 3/2025<br>(3 months : Jul - Sep) |              |               | Quarter 3/2025<br>(9 months : Jan - Sep) |             |
|-----------------------------------|--|--------------|---------------|--|-------------|
|                                   | (THB Mil.)                               | (%YOY)       | (%QOQ)        | (THB Mil.)                               | (%YOY)      |
| Segment information               |  |              |               |  |             |
| <b>Revenue from Sales</b>         | <b>822.8</b>                             | <b>-2.2%</b> | <b>-11.0%</b> | <b>2,628.9</b>                           | <b>7.9%</b> |
| Processed food from meat          | 442.4                                    | -3.4%        | -11.3%        | 1,398.1                                  | 3.7%        |
| Processed seafood                 | 267.8                                    | 0.8%         | -8.2%         | 850.5                                    | 8.2%        |
| Restaurants                       | 21.8                                     | 25.9%        | -11.3%        | 69.6                                     | 22.7%       |
| Swine farm                        | 90.8                                     | -9.3%        | -17.4%        | 310.7                                    | 26.5%       |

### Revenue from sales

#### 1. Processed Food from Meat

The Group has revenue from processed food from meat of THB 442.4 million in Q3/2025, representing 53.8% of total sales, a decrease of 3.4% compared to the same quarter of the previous year (a decrease of 11.3% compared to Q2/2025). Gross profit from this segment was THB 127.8 million, representing 28.9% of revenue from this business, an increase of 9.6% compared to the same quarter of the previous year (a decrease of 2.7% compared to Q2/2025).

For the nine-month period, sales revenue from the processed meat products business total THB 1,398.1 million, representing 53.2% of total sales, an increase of 3.7% compared to the same period of the previous year. Gross profit for the period was THB 373.2 million, representing 26.7% of revenue from this business, an increase of 2.1% compared to the same period of the previous year.

The Group's sales revenue from processed meat products continued to grow, supported by sales promotion strategies that have enhanced consumer preference for the Company's products. In addition, the Company launched new products to meet consumer demand, resulting in higher sales and gross profit margins.

#### 2. Processed Seafood

The Group has revenue from processed seafood THB 267.8 million in Q3/2025, representing 32.5% of total sales, an increase of 0.8% compared to the same quarter of the previous year (a decrease of 8.2% compared to Q2/2025). Gross profit from this segment was THB 59.3 million, representing 22.2% of revenue from this business, a decrease of 20.7% compared to the same quarter of the previous year (a decrease of 11.3% compared to Q2/2025).

For the nine-month period, sales revenue from the processed seafood business total THB 850.5 million, representing 32.4% of total sales, an increase of 8.2% compared to the same period of the previous year. Gross profit for the period was THB 203.8 million, representing 24% of revenue from this business, a decrease of 9.4% compared to the same period of the previous year.

The Group's gross profit margin decreased compared to the same period last year, primarily due to the modification of the sales proportion after the discontinuation of certain products. This resulted in a decline in both the sales proportion and the overall gross profit margin of the Group.

#### 3. Quick Service Restaurants (QSR)

The Group has revenue from quick service restaurants of 21.8 million in Q3/2025, representing 2.6% of total sales, an increase of 25.9% compared to the same quarter of the previous year (a decrease of 11.3% compared to Q2/2025). Gross profit from this segment was THB 8.9 million, representing 41.1% of sales revenue, a decrease of 4% compared to the same quarter of the previous year (a decrease of 15.1% compared to Q2/2025).

For the nine-month period, sales revenue from the restaurant business total THB 69.6 million, representing 2.6% of total sales, an increase of 22.7% compared to the same period of the previous year. Gross profit for the period was THB 28.9 million, representing 41.5% of sales revenue, an increase of 20.7% compared to the same period of the previous year.

The Group's revenue from the restaurant segment increased due to the opening of new branches in strategic locations, the closure of loss-making branches.

#### ***4. Swine Farming***

The Group has revenue from swine farming of THB 90.8 million in Q3/2025, representing 11% of total sales, a decrease of 9.3% compared to the same quarter of the previous year (a decrease of 17.44% compared to Q2/2025). Gross profit from this segment was THB 10.9 million, representing 12% of sales revenue, an increase of 34.2% compared to the same quarter of the previous year (a decrease of 67.3% compared to Q2/2025).

For the nine-month period, cumulative sales revenue from the farm business totaled THB 310.7 million, representing 11.8% of total sales, an increase of 26.5% compared to the same period of the previous year. Gross profit for the period was THB 72.3 million, representing 23.3% of sales revenue, an increase of 406.5% compared to the same period of the previous year.

The swine farming business has a decrease in sales revenue in Q3/2025 due to a decline in the average selling price per pig. However, the Group's gross profit increased as a result of more efficient cost control processes, leading to a reduction in unit cost.

#### ***Revenue from rental and services***

The Group has revenue from rental and service of THB 4.2 million in Q3/2025, representing 0.5% of total sales, a decrease of 13.4% compared to the same quarter of the previous year (a decrease of 1.66% compared to Q2/2025).

For the nine-month period, cumulative rental and service income total THB 13 million, representing 0.5% of total sales, a decrease of 4.6% compared to the same period of the previous year.

The decrease in rental and service income was primarily due to the absence of revenue from processed food production services recognized in the previous year. During the current period, the Group restructured this business segment, resulting in a decline in revenue from this category.

#### ***Selling and distribution expenses***

The Group has selling and distribution expenses of THB 100.4 million in Q3/2025, representing 12.2% of total sales, an increase of 4.3% compared to the same quarter of the previous year (a decrease of 9.4% compared to Q2/2025).

For the nine-month period, cumulative selling and distribution expenses total THB 311 million, representing 11.8% of total sales, an increase of 10.6% compared to the same period of the previous year.

The increase in selling and distribution expenses was in line with revenue growth and mainly resulted from higher promotional and marketing expenses.

#### ***Administrative expenses***

The Group has administrative expenses of THB 87.7 million in Q3/2025, representing 10.7% of total sales, an increase of 10.9% compared to the same quarter of the previous year (a decrease of 3.6% compared to Q2/2025).

For the nine-month period, cumulative administrative expenses total THB 267.8 million, representing 10.2% of total sales, an increase of 10.3% compared to the same period of the previous year.

The increase in administrative expenses was primarily due to organizational restructuring and enhanced employee compensation to support the Company's growth strategy.

#### Financial Highlights as of September 30, 2025

| Statement of Financial Position<br>(Consolidated) | September 30, 2025 |               | December 31, 2024 |               | Change       |
|---|--------------------|---------------|-------------------|---------------|--------------|
|   | (THB Mil.)         | (%)           | (THB Mil.)        | (%)           | (% YOY)      |
| <b>Total Assets</b>                               | <b>3,223.2</b>     | <b>100.0%</b> | <b>3,261.6</b>    | <b>100.0%</b> | <b>-1.2%</b> |
| <b>Current Assets</b>                             | <b>1,112.1</b>     | <b>34.5%</b>  | <b>1,232.9</b>    | <b>37.8%</b>  | <b>-9.8%</b> |
| - Cash and cash equivalents                       | 160.1              | 5.0%          | 209.3             | 6.4%          | -23.5%       |
| - Trade and other receivables                     | 527.0              | 16.3%         | 608.5             | 18.7%         | -13.4%       |
| - Inventories                                     | 316.3              | 9.8%          | 272.4             | 8.4%          | 16.1%        |
| - Biological assets                               | 74.9               | 2.3%          | 106.7             | 3.3%          | -29.8%       |
| - Other current assets                            | 33.8               | 1.1%          | 36.0              | 1.0%          | -6.0%        |
| <b>Non-Current Assets</b>                         | <b>2,111.1</b>     | <b>65.5%</b>  | <b>2,028.7</b>    | <b>62.2%</b>  | <b>4.1%</b>  |
| - Investment Properties                           | 612.0              | 19.0%         | 608.2             | 18.6%         | 0.6%         |
| - Property, Plant, and Equipment                  | 1,305.0            | 40.5%         | 1,255.2           | 38.5%         | 4.0%         |
| - Right-of-use Assets                             | 98.4               | 3.1%          | 83.2              | 2.6%          | 18.2%        |
| - Biological asset (non-current)                  | 19.2               | 0.6%          | 14.3              | 0.4%          | 34.0%        |
| - Other non-current assets                        | 76.5               | 2.4%          | 67.8              | 2.1%          | 12.9%        |
| <b>Total Liabilities</b>                          | <b>1,875.0</b>     | <b>58.2%</b>  | <b>1,859.2</b>    | <b>57.0%</b>  | <b>0.9%</b>  |
| <b>Current Liabilities</b>                        | <b>1,333.1</b>     | <b>41.4%</b>  | <b>1,350.3</b>    | <b>41.4%</b>  | <b>-1.3%</b> |
| - Bank overdraft                                  | 750.0              | 23.3%         | 764.0             | 23.4%         | -1.8%        |
| - Trade and other payable                         | 429.0              | 13.3%         | 435.3             | 13.3%         | -1.5%        |
| - Current portion of long-term loan               | 92.1               | 2.9%          | 84.7              | 2.5%          | 8.7%         |
| - Other current liabilities                       | 62.0               | 1.9%          | 66.3              | 2.0%          | -6.3%        |
| <b>Non-Current Liabilities</b>                    | <b>541.9</b>       | <b>16.8%</b>  | <b>508.9</b>      | <b>15.6%</b>  | <b>6.5%</b>  |
| - Lease liabilities – exceed 1 year               | 87.1               | 2.7%          | 80.3              | 2.5%          | 8.4%         |
| - Long term loan – exceed 1 year                  | 337.2              | 10.5%         | 313.3             | 9.6%          | 7.6%         |
| - Provision for retirement benefit                | 91.3               | 2.8%          | 84.7              | 2.6%          | 7.8%         |
| - Other non-current liabilities                   | 26.3               | 0.8%          | 30.6              | 0.9%          | -14.0%       |
| <b>Total Shareholders' Equity</b>                 | <b>1,348.2</b>     | <b>41.8%</b>  | <b>1,402.4</b>    | <b>43.0%</b>  | <b>-3.9%</b> |
| - Equity holders of the Group                     | 1,325.5            | 41.1%         | 1,359.2           | 41.7%         | -2.5%        |
| - Non-controlling interests                       | 22.7               | 0.7%          | 43.2              | 1.3%          | -47.4%       |

#### Assets

The Group's total assets amounted to THB 3,223.2 million, a decrease of 1.2% compared to the end of the previous year, the decrease was mainly due to a decline in market prices of live pigs, resulting in a reduction in the fair value of the Group's biological assets. In addition, the Group improved its receivables management efficiency, leading to a decrease in trade accounts receivable.

### *Liabilities*

The Group's total liabilities amounted to THB 1,875 million, an increase of 0.9% compared to the end of the previous year. Current liabilities decreased by 1.3%, while non-current liabilities increased by 6.5% due to long-term borrowings drawn for investment in fixed assets in the swine farming business. As of September 30, 2025, the Group's debt-to-equity ratio stood at 1.4 times.

### *Shareholders' Equity*

The Group has total shareholders' equity amounted to THB 1,348.2 million, representing a 3.9% decrease compared to the end of the previous year.