



**KCE ELECTRONICS  
PUBLIC COMPANY LIMITED**  
Registration No. 0107535000354

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November 11, 2025

The Director and Manager

The Stock Exchange of Thailand

Re: Information on Third Quarter of 2025 Operating Results

**Management Commentary on Q3 Strategic Developments**

**Company Strategy and Group Restructuring**

As part of its ongoing strategic initiatives to enhance operational efficiency and optimize group structure, the Company is preparing the merger of its subsidiaries, Chemtronic Technology (Thailand) Co., Ltd. (“CT”), in which the Company holds 94.75% of total issued shares, and Chemtronic Products Co., Ltd. (“CTP”), in which the Company holds 94.96% of total issued shares.

The objective of this restructuring is to enhance management efficiency, particularly in relation to production capacity expansion of Chemtronic Products Co., Ltd., and to streamline administrative functions within the group. The amalgamation is expected to be completed by the first quarter of 2026 (Q1'26).

This transaction represents an internal restructuring within the group under common control and therefore will not have any significant impact on the Company’s operations or financial position. Furthermore, this transaction does not constitute a Connected Transaction nor a Transaction in relation to the Acquisition or Disposition of Assets of a Listed Company under the relevant regulations.

It is also noted that Chemtronic Technology (Thailand) Co., Ltd. has not been in operation for the past four years. Accordingly, the merger aligns with the Company’s strategic direction to divest non-profitable or non-operating businesses and streamline focus on core operations for long-term sustainable growth.

**Progress Update on New Factory Construction Plan**

The Company would like to inform that the plan for the construction of a new factory has been temporarily postponed. This decision reflects the Company’s consideration of the current production capacity, which remains below 70%, and the strategic intent to optimize existing resources while maintaining cost efficiency and financial stability.

In place of new facility investment, the Company continues to focus on upgrading its existing factories in Bangkok and Ayutthaya with advanced machinery and high-technology equipment. This approach is deemed more appropriate under the present market environment, while also supporting future growth opportunities in high-technology product segments to meet evolving customer demand.

The Company will prioritize investment in essential machinery that enhances technological capability and enables greater flexibility in responding to market and technological changes. The construction of a new factory for capacity expansion will proceed once there is a clearer and stronger outlook for demand growth. Further updates on this matter will be provided to shareholders and stakeholders in due course.

### Third Quarter of 2025 Operating Results

KCE Electronics PCL has the pleasure of reporting the operating results of the Company and its subsidiaries ("the Group") for the third quarter of 2025 based on reviewed consolidated financial statements for the three-month period ended September 30, 2025. The Group's revenue are total at Bt3,519.9 million with a net profit of Bt297.4 million, compared to Bt3,852.1 million total revenue and Bt216.3 million net profit in the third quarter of 2024. A summary of the Company's operating performance in the third quarter of 2025 and 2024 is shown in the following table:

#### Operating performance

[Amount: in Million Baht]	3Q25	2Q25	<u>%Change</u> Q-o-Q [3Q25 VS. 2Q25]	3Q24	<u>%Change</u> Y-o-Y [3Q25 VS. 3Q24]
FX: THB/USD	32.1587	33.0165		34.6118	
FX: THB/EUR	37.3613	37.1186		37.8910	
Total Revenue	3,519.9	3,343.1	+5.29	3,852.1	-8.62
Sales Revenue	3,443.9	3,285.4	+4.82	3,802.3	-9.43
[Sales Revenue, USD	\$107.1	\$99.5	+7.62	\$109.9	-2.52]
Cost of Sales	2,708.2	2,690.6		3,032.8	
Gross margin, (%)	21.4%	18.1%		20.2%	
Selling & Administration	473.6	435.3	+8.81	588.1	-19.47
Operating profit *	291.8	179.3	+62.71	385.7	-24.34
Net Profit	297.4	182.1	+63.28	216.3	+37.48
Net Profit Margin (%)	8.6%	5.5%		5.7%	

[Remark \* Excludes foreign exchange rate effects and special exceptional items]

#### **Total Revenue**

The total consolidated revenue for 3Q25 was reported at Bt3,519.9 million, representing an increase of 5.3% quarter-over-quarter (Q-o-Q) but decrease by 8.6% year-over-year (Y-o-Y). This total includes Bt3,443.9 million from product sales and Bt76.0 million from other income.

Other income in 3Q25 increased from Bt57.7 million in 2Q25 and Bt49.8 million in 3Q24. The higher other income compared to 3Q24 was mainly attributable to increased supply parts scrap sales of Bt5.7 million, a foreign exchange gain of Bt7.5 million, and a gain on disposal of fixed assets of Bt8.8 million.

#### **Sales Revenue**

In 3Q25, consolidated product sales revenue totaled Bt3,443.9 million, representing an increase of 4.82% quarter-on-quarter (Q-o-Q) but a decrease of 9.43% year-on-year (Y-o-Y) in Thai Baht terms. When measured in USD, sales increased by 7.62% Q-o-Q and declined by only 2.52% Y-o-Y. The key factor behind the larger decline in Baht terms was the appreciation of the Thai Baht against the U.S. Dollar, which negatively affected revenue translation. The stronger Baht reduced revenue recognition by approximately Bt53.2 million compared to 2Q25, and by Bt169.1 million compared to 3Q24.

This currency impact remained a major factor contributing to the decline in sales revenue in Thai Baht, particularly when compared with the same period last year. (Table 1)

In 3Q25, the total volume of PCB shipments increased by 3.01% Q-o-Q but decreased by 3.26% Y-o-Y. Shipments of special-grade PCBs (HDI) rose significantly by 10.90% from 2Q25, following the slowdown

in the previous quarter due to machinery installation and testing activities, but decreased by 9.53% compared to 3Q24. (Table 5)

Compared to 2Q25, the improvement in HDI shipments reflects the gradual recovery in production efficiency and stronger order momentum from key customers. As of the end of September 2025, the Company maintained a backlog of approximately USD 6.5 million, mostly comprising HDI PCB orders, indicating a continued growth trend in this high-technology product segment.

In USD terms, HDI sales increased by 20.3% from the previous quarter, driven by a shift in product mix toward high multi-layer PCBs, which are higher in complexity and unit price. This shift aligns with the global industry trend toward more sophisticated electronic components. The Company recognizes this as both an opportunity and a challenge, and therefore continues to focus on process development and technology enhancement to meet future demand for high-technology PCBs.

From a regional perspective, sales to the Americas region continued to show strong performance, with sales in USD terms increasing by 15.5% Q-o-Q. (Table 4)

The Company also continues to pursue opportunities for new customers and new markets, particularly in non-automotive segments, while expanding its presence in the automotive electronics market to support long-term growth.

### **Cost of Sales and Gross Profit**

In 3Q25, the Company reported a gross profit margin of 21.4%, improving from 18.1% in 2Q25 and 20.2% in 3Q24. The margin improvement was primarily driven by the Company's ongoing cost reduction initiatives, which continued to yield savings from 2Q25, particularly in labor costs and power consumption as a result of new machinery installation.

This operational efficiency improvement stemmed from increased automation that replaced certain skilled labor tasks, leading to enhanced cost efficiency and improved product quality, especially for HDI PCB products, which have become more complex and technologically demanding compared to previous generations.

Another key contributor to the improved margin was cost optimization in chemical usage, supported by the integration of new suppliers and active price negotiation. These initiatives positively impacted production costs in 3Q25 and will continue to deliver benefits as further testing and implementation progress in subsequent quarters.

On the other hand, the cost of raw materials increased, mainly from higher copper prices, which raised the cost of sales by approximately 0.55% quarter-on-quarter and 0.42% year-on-year. (Table 2)

Production utilization remained below optimal levels at 67%, slightly up from 66% in 2Q25 but lower than 71% in 3Q24, reflecting both ongoing market softness and temporary disruptions from new machine installation. As a result, the Company continued to bear fixed overhead costs, including depreciation, factory maintenance, and permanent labor expenses, despite the lower production capacity.

Overall, the Company's continued focus on cost optimization and operational efficiency enabled it to achieve a gross profit margin of 21.4% in 3Q25, showing notable improvement over the prior quarter. These initiatives remain a strategic priority, positioning the Company to enhance long-term competitiveness and resilience amid ongoing macroeconomic challenges.

### **Administrative and Selling Expenses**

**Total selling, general, and administrative expenses** amounted to Bt473.6 million in 3Q25, or 13.8% of sales, higher than Bt435.3 million or 13.2% of sales in 2Q25, but lower than Bt588.1 million or 15.5% of sales in the same period of the previous year.

**Selling expenses** for 3Q25 totaled Bt88.3 million, representing 2.6% of sales, compared to Bt80.1 million or 2.4% of sales in 2Q25, but a decrease from Bt121.7 million or 3.2% of sales in 3Q24.

The Y-o-Y decrease was primarily attributable to a reduction in freight costs by Bt12.2 million, following the normalization of logistics conditions. In 3Q24, freight costs were elevated due to a container shortage, which required the Company to shift certain shipments from sea freight to air freight, leading to higher costs.

In addition, 3Q25 selling staff costs of UK and Germany, new subsidiaries, amounted to Bt23.8 million, compared to commission expenses of Bt34.9 million recorded in 3Q24. The difference was mainly due to a change in expense structure following the acquisition of the Company's UK and Germany sales offices as subsidiaries, resulting in the reclassification of related selling expenses under the subsidiary entities.

**Administrative expenses** for 3Q25 totaled Bt385.3 million, representing 11.2% of sales, an increase from Bt355.2 million (10.8% of sales) in 2Q25, but a decrease from Bt466.4 million (12.3% of sales) in 3Q24.

The Y-o-Y decrease was primarily due to the inclusion of a foreign exchange (FX) loss of Bt169.9 million in 3Q24. Excluding this FX impact, administrative expenses in 3Q25 increased by Bt88.8 million, mainly attributable to higher administrative costs from the new subsidiaries in the UK, Germany and Circuit Holding in Thailand, totaling Bt28.4 million and an increase of Bt18.6 million in amortization of customer relationship assets recognized under purchase price allocation (PPA) accounting.

In addition, administrative expenses increased due to an asset impairment provision of Bt13.7 million, related to the replacement of old equipment with new high-efficiency machinery, and an increase in bad debt reserve and legal fee of Bt16.9 million, following a review of specific customers' financial conditions.

In contrast, administrative expenses in 3Q24 included a one-time inventory provision adjustment of Bt9.8 million from KCEI, a subsidiary undergoing liquidation.

### **Net Profit**

The Group reported a consolidated net profit of Bt297.4 million for the third quarter of 2025 (3Q25), representing 8.6% of total sales, a significant improvement compared to 5.5% in 2Q25 and 5.7% in 3Q24.

This strong performance was achieved despite external challenges such as the appreciation of the Thai Baht and the rising trend in global raw material prices, both of which exerted pressure on margins during the period. The improvement in profitability was mainly driven by the Company's effective cost reduction and operational efficiency initiatives, which successfully offset the negative impacts of foreign exchange and material cost increases.

As a result, basic earnings per share (EPS) for 3Q25 improved to Bt0.25, compared to Bt0.15 in the previous quarter, reflecting the Company's continued focus on cost discipline, process optimization, and sustainable profit generation.

### **Total Asset**

Total assets as of September 30, 2025, amounted to Bt18,188.6 million, consisting of current assets of Bt8,763.5 million, net property, plant and equipment of Bt7,324.9 million, intangible assets of Bt900.4 million, contract costs assets of Bt313.4 million, investment property of Bt149.4 million, right-of-use assets of Bt48.0 million, goodwill of Bt491.7 million, investments in associates of Bt25.8 million; deferred tax assets of Bt119.7 million and other non-current assets of Bt51.8 million.

Total assets decreased by Bt227.1 million, to Bt18,188.6 million as of the end of 3Q25, compared with Bt18,415.7 million as of December 31, 2024. The decline was primarily attributable to the following factors:

- Trade and other receivables decreased by Bt258.2 million, mainly due to lower sales and the impact of the strengthened Thai Baht. In addition, a Doubtful Debt Reserve of Bt13.9 million was recorded during the period to cover potential credit risks following a prudent review.
- Property, plant, and equipment (PP&E) recorded a net decrease of Bt320.5 million, as depreciation expenses exceeded capital expenditures (CAPEX). Total CAPEX for the nine-month period amounted to Bt439.5 million, primarily related to ongoing investments in machinery and equipment upgrades aimed at improving production efficiency and reducing operating costs.

Conversely, certain asset categories increased as a result of the acquisition of a sales and distribution office in UK and Germany, which has now been consolidated as subsidiaries:

- Goodwill increased by Bt41.4 million, including Bt38.7 million arising from the acquisition of the German subsidiary.
- Intangible assets increased by Bt268.9 million, mainly from the recognition of customer relationship assets in Germany of Bt320.9 million, net of amortization of Bt48.8 million recorded during the period from the acquisition.
- Inventories increased by Bt87.1 million, primarily due to the inclusion of inventory balances from the newly acquired German subsidiary. In addition, the Company increased its stock of raw materials, particularly laminate and prepreg products, as part of its inventory management strategy to mitigate the impact of rising material prices. This proactive approach aims to ensure production continuity and cost efficiency in anticipation of further upward trends in raw material prices.

### **Total Liabilities**

Total liabilities increased by Bt501.0 million, rising from Bt4,597.6 million at the end of 2024 to Bt5,098.6 million as of September 30, 2025. The key drivers of this increase were:

- An increase in short-term and long-term loans from financial institutions totaling Bt289.9 million, mainly for share purchase of new subsidiaries and new machinery investment.
- An increase in trade and other current payables by Bt127.4 million, primarily due to the higher level of raw material purchases, particularly for laminate and prepreg products, in line with the inventory buildup explained earlier. The increase reflected the Company's strategy to secure sufficient material supply amid the rising price trend of key raw materials. This temporary increase in trade payables corresponds with the timing of material procurement. The Company will continue to monitor the market closely and plan appropriately for inventory levels going forward.
- An increase in deferred tax liabilities of Bt77.9 million due to the amortization of customer relationship assets and an increase in provisions for employee benefits of Bt38.4 million, mainly associated with the acquisition of the German subsidiary.

As of September 30, 2025, Net Interest-bearing Debt to Equity ratio was 0.11 times compared to 0.08 times as of December 31, 2024

### **Shareholders' Equity**

As of Sep 30, 2025, shareholders' Equity was Bt13,090.0 million, a decrease of Bt728.0 million from Bt13,818.1 million as of December 31, 2024 due mainly to operating profit of from the period amounted Bt718.9 million, net with dividend payment of Bt1,446.9 million.

## Analysis of performance

**Table 1:** Foreign currency exchange rates and sales in foreign currency

		3Q 2025		2Q 2025		Q-o-Q Effect		3Q 2024		Y-o-Y Effect	
Currency	Rates	Sales	Rates	Sales	%	Gain (Loss)	Rates	Sales	%	Gain (Loss)	
USD	32.1587	\$63.50	33.0165	\$60.27	(2.6)	(54.47)	34.6118	\$66.30	(7.1)	(155.78)	
EUR	37.3613	€11.47	37.1186	€10.17	0.7	2.78	37.8910	€12.17	(1.4)	(6.08)	
JPY	0.2160	¥0.05	0.2219	¥0.05	(2.6)	0.00	0.2257	¥0.00	(4.3)	0.00	
CNY	4.4565	¥23.63	4.5207	¥25.62	(1.4)	(1.52)	4.7625	¥25.05	(6.4)	(7.23)	
Total effect					M Baht	(53.21)			M Baht	(169.09)	

**Table 2:** Raw material prices and purchased volume

Key Material	3Q 2025		2Q 2025		Q-o-Q Effect		3Q 2024		Y-o-Y Effect		
	Unit price	Volume	Unit price	Volume	%	'000 US\$	Unit price	Volume	%	'000 US\$	
Copper Foil (KCE)	KG.	\$12.98	415,126	\$12.08	448,054	7.51	376.62	\$12.51	487,067	3.81	197.86
Copper Foil (TLM)	KG.	\$12.63	659,125	\$12.09	708,179	4.46	355.25	\$12.30	707,426	2.71	219.38
Copper Anode	KG.	\$10.45	533,600	\$9.92	434,400	5.34	282.47	\$9.95	496,604	4.97	263.76
Fiber glass	METRE	\$0.50	3,157,266	\$0.49	3,679,824	3.79	58.07	\$0.46	4,505,709	8.47	124.18
					Total US\$	1,072.41			Total US\$	805.18	

The effect from copper usage on product sales price was increase about 0.55% Q-o-Q and 0.42% Y-o-Y

(Amount: in Million Baht)

	3Q 2025			3Q 2024		
	Stock Filling	Usage	Unrealized revenue (Higher Usage)	Stock Filling	Usage	Unrealized revenue (Higher Usage)
July	331.1	298.2	32.9	273.3	300.1	(26.8)
August	274.7	304.6	(29.9)	301.6	338.7	(37.1)
September	255.4	322.7	(67.3)	315.0	322.1	(7.1)
Total 3Q	861.2	925.5	(64.3)	889.9	960.9	(71.0)

**Table 4:** Sales and volume shipment, by Region (PCB Sales @ Factory price)

							%Increase/(Decrease)		
		3Q24	4Q24	Y2024	1Q25	2Q25	3Q25	Y-o-Y	Q-o-Q
Region		3Q24	4Q24	Y2024	1Q25	2Q25	3Q25	3Q25 / 3Q24	3Q25 / 2Q25
EUROPE	SALES-USD	45,561,417	39,104,614	189,252,548	41,105,235	42,048,400	43,940,215	(3.56)	4.50
	VOLUME-SQFT	3,039,597	2,593,986	12,967,571	2,883,734	2,963,165	2,870,147	(5.57)	(3.14)
AMERICA	SALES-USD	21,014,606	17,104,910	76,986,077	20,271,145	17,389,842	20,078,988	(4.45)	15.46
	VOLUME-SQFT	1,614,860	1,348,041	5,985,905	1,670,028	1,425,880	1,610,006	(0.30)	12.91
ASIA (Excl.CHINA)	SALES-USD	4,120,387	4,437,820	16,536,083	4,216,397	4,540,020	4,409,701	7.02	(2.87)
	VOLUME-SQFT	317,993	329,936	1,278,235	326,016	351,454	342,243	7.63	(2.62)
CHINA	SALES-USD	8,320,069	8,343,464	36,307,871	7,958,629	7,443,008	7,267,254	(12.65)	(2.36)
	VOLUME-SQFT	661,473	668,592	2,908,898	672,747	620,711	598,593	(9.51)	(3.56)
LOCAL	SALES-USD	11,819,587	11,030,873	40,863,438	10,520,305	10,430,039	11,877,478	0.49	13.88
	VOLUME-SQFT	1,085,215	954,426	3,712,078	976,097	948,925	1,079,389	(0.54)	13.75
TOTAL-USD		90,836,066	80,021,681	359,946,017	84,071,712	81,851,309	87,573,636	(3.59)	6.99
TOTAL-SQFT		6,719,139	5,894,981	26,852,688	6,528,622	6,310,135	6,500,377	(3.26)	3.01

**Table 5:** Sales and volume shipment, by Product mix (PCB Sales @ Factory price)

							%Increase / (Decrease)		
		3Q24	4Q24	Y2024	1Q25	2Q25	3Q25	Y-o-Y	Q-o-Q
Product-Mix		3Q24	4Q24	Y2024	1Q25	2Q25	3Q25	3Q25 / 3Q24	3Q25 / 2Q25
02 Layer	SALES-US\$	9,047,875	7,850,281	34,595,880	8,057,654	8,075,432	8,655,828	(4.33)	7.19
	VOLUME-SQFT	963,127	834,369	3,703,663	892,077	885,642	931,601	(3.27)	5.19
04 Layer	SALES-US\$	32,580,199	28,242,087	128,558,723	31,638,711	31,281,872	30,815,633	(5.42)	(1.49)
	VOLUME-SQFT	2,821,451	2,449,201	11,235,501	2,864,430	2,788,754	2,726,241	(3.37)	(2.24)
06 + Layer	SALES-US\$	20,602,575	19,069,991	80,861,830	20,975,394	20,218,512	21,306,482	3.42	5.38
	VOLUME-SQFT	1,337,169	1,220,376	5,196,427	1,420,629	1,332,556	1,397,342	4.50	4.86
Special Grade	SALES-US\$	28,605,416	24,859,321	115,929,585	23,399,953	22,275,493	26,795,694	(6.33)	20.29
	VOLUME-SQFT	1,597,392	1,391,036	6,717,097	1,351,486	1,303,183	1,445,193	(9.53)	10.90
TOTAL-USD		90,836,066	80,021,681	359,946,017	84,071,712	81,851,309	87,573,636	(3.59)	6.99
TOTAL-SQFT		6,719,139	5,894,981	26,852,688	6,528,622	6,310,135	6,500,377	(3.26)	3.01

**Table 6:** KCE - Production Capacity

Maximum Capacity:

1Q 2025 – 4Q 2025 2.10 million Sq.ft./month for Lat Krabang Plant

1Q 2025 – 4Q 2025 1.50 million Sq.ft./month for HiTech Ayutthaya Plant

Actual Capacity Utilization in 3Q 2025 67% to available capacity
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**Table 7:** Capital Expenditure

**CAPEX Plan - Y2025**      **Bt 1,046 million** (exclude Rojana New Factory)

Consisted of      Bt 553 million /Efficiency Improvement of Lat Krabang Plant  
                            Bt 445 million /Efficiency Improvement of HiTech Plant  
                            Bt 48 million /Efficiency Improvement of Thai Laminate

Actual investment in 9 Months 2025   Bt 439.5 million

Forwarded for your information.

Sincerely yours,



(Mrs. Voraluksana Ongkosit)

Executive Vice Chairperson

