Investor Q&A: Earnings Call (Opportunity Day)

Date: August 27, 2026

Q1: With the full-year revenue target set at Bt3,300m and 1H26 revenue achieved at Bt1,443m:

- **Is management still confident in hitting this target?**
- **How prepared is current plant capacity to support this ramp-up?**
- **Are there any labor bottlenecks or vessel/container booking concerns for US exports?**

A:

- **Revenue Target:** Management remains fully confident in achieving the total revenue target of Bt3,300m, with the transformer business contributing approximately Bt2,900m. We are highly confident this target will be achieved.
- **Production Capacity:** Our facility is fully equipped with no operational issues. Current capacity can comfortably support revenue recognition of Bt800m–Bt900m per quarter (to recognize the remaining ~Bt1,600m across Q3 and Q4).

Q2: Q2/26 Gross Profit Margin (GPM) softened to ~37% from 43.8% in Q1/26 due to rising global copper prices:

- **What is the expected GPM trend for Q3 and Q4?**
- **How many months of copper prices are currently hedged?**
- **What proportion of the US export portfolio uses price-adjustment mechanisms (K-Factor/LME copper index) to protect margins?**

A:

- **GPM Outlook for Q3–Q4:** The GPM moderation to 37% in Q2 is a normal fluctuation driven by the revenue product mix of that quarter. We expect Q3 and Q4 GPM to comfortably exceed our minimum baseline policy of 20%. Once GPM surpasses this baseline, management shifts focus toward maintaining consistent Earnings Per Share (EPS), targeting Bt2.00 per share for the full year (approx. Bt0.50 per quarter).
- **Copper Hedging Strategy:** Cost management is driven via Cost Sheets. Once a quotation transitions into a confirmed customer order, we immediately lock in copper prices according to the Cost Sheet to eliminate price volatility risk.
- **K-Factor (LME-indexed) Contracts:** US export orders utilize the K-Factor copper price adjustment formula across nearly 100% of contracts in practice. (While initial trial projects might not have included it, all subsequent projects specify K-Factor formulas to lock in margins).

Q3: In the Q2 financial statements, trade receivables overdue 'past due but not exceeding 3 months' surged from Bt52m in Q1 to Bt265m in Q2. Are these receivables mostly from

public or private sector clients, and do you expect to collect and convert this fully into Operational Cash Flow (OCF) in Q3/26?

A:

- **Client Segment:** The majority of these overdue receivables belong to domestic private sector clients.
- **Collection & Management:** Management clarifies that an increase in trade receivables from Bt92m to Bt265m is normal for a business generating average quarterly revenue of Bt750m. We closely monitor collections and will push for maximum recovery in Q3, while maintaining flexibility and compromise considering the domestic economic slowdown and long-term client relationships.

Q4: What is the status of the accumulated loss clearance and the Bt515m capital increase for subsidiary L.D.S. Metal Works (LDS)? How will these new funds be utilized (e.g., inter-company debt restructuring vs. investing in machinery/enclosure production lines for large transformers)?

A:

- **Primary Objective:** The primary purpose is inter-company debt restructuring and financial optimization to strengthen LDS's balance sheet.
- **Utilization of Surplus Capital:** Surplus funds beyond inter-company debt settlement will be allocated to two areas:
    1. Enhancing operational liquidity.
    2. Investing in facility and tool upgrades to improve manufacturing efficiency for large transformer enclosures in the future.

Q5: What is the estimated value of the large transformer shipped to the US in mid-May 2026? What is the value of the 12 smaller units shipped in mid-August 2026?

A:

- **Large Power Transformer:** Valued at an average of Bt70m+ per unit.
- **12 Smaller Units:** Exact individual pricing cannot be specified as these are auxiliary/interconnecting transformers designed to pair with large power units. Confirmed pricing details will be updated on our corporate website in due course.

Q6: With 2H26 export backlog to be recognized at Bt962m plus 1H26 recognized export sales of Bt105m, why is the full-year export sales forecast still set at Bt900m? Is Bt900m overly conservative?

A:

- **Conservative Guidance:** Management acknowledges that the full-year export sales forecast of Bt900m is quite conservative, given that actual 2H26 export backlog pending delivery stands at Bt962m.

Q7: The US unit shipped in May 2026 was presumably included in Q2/26 foreign sales of Bt119m (per financial notes). Why was gross margin for this segment lower than the 20% baseline target, despite exports generally yielding higher margins?

A: Reason for Lower Blended Margin: The May export unit was indeed recognized in Q2. However, the reported export GPM appears lower because it represents a blended calculation across transformers, services, and other activities. Certain product mix components do not yield high margins across all job scopes. Nevertheless, core transformer product margins remain strong, and overall consolidated GPM continues to align with our policy of no less than 20%.

Q8: Were any non-transformer products exported overseas? Were Q2/26 sales from steel structure & fabrication (Bt20m) domestic or export?

A: Revenue Source: Steel structure and fabrication sales were entirely domestic. The company currently does not export non-transformer product lines overseas.

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Q9: There appears to be significantly higher potential to secure projects from MEA, given that the Bidding-in-Process value jumped from Bt500m last quarter to Bt7.4bn this quarter. Where did this substantial increase come from?

A: The sharp increase in MEA's Bidding-in-Process from Bt500m to Bt7.4bn (or approximately Bt7.5bn in round figures) stems from new budget allocations announced in mid-2026. This newly released budget significantly elevates our opportunity to win projects from MEA. We expect this positive development to become clearer and contribute to revenue recognition starting next year and into the following year.

Q10: Revenue target for 2026 is Bt3,300m. With 1H26 revenue at Bt1,443m and pending deliveries at Bt1,649m (totaling approx. Bt3,092m), there is still a shortfall of about Bt200m. Where will the remaining revenue come from, and are you still confident in meeting the target?

A: Management remains fully confident in achieving the revenue target. The remaining gap of approximately Bt200m is typical, as it pertains to Distribution Transformers, which operate on a short order-to-delivery lead time (Short Backlog). We expect to secure new orders for production and delivery within the second half of this year.

Q11: Does the Backlog as of July 31, 2026 include the collaboration agreement with Siemens Energy? What is the expected gross profit margin (GPM) for this project?

A: For export orders under strategic partnership collaborations, the company anticipates an average Gross Profit Margin (GPM) exceeding 25%, varying according to the specific scope and specifications of each project.

Q12: Is the win rate for MEA bids higher than for overseas projects? What win rate do you expect? Additionally, how much export bidding pipeline remains?

A:

- **Win Rate (Success Rate):** For domestic transformer tenders (including MEA projects), the company projects an average success rate of approximately 20 -25 %, based on historical data and standard estimates.
- **Export Bidding Pipeline:** As of July 31, 2026, the company holds an Export Bidding-in-Process pipeline valued at Bt3,650m.

Q13: How does the GPM trend for the current backlog compare to what was achieved in 1H26?

A:

- **GPM Outlook:** Management expects 2H26 GPM to be lower than 1H26, as 1H26 transformer GPM reached an exceptionally high level of 38.40%.
- **Management Strategy:** Strategy will shift toward optimizing Earnings Per Share (EPS) and Cash Flow, while maintaining a baseline consolidated GPM policy of no less than 20%.

Q14: What is your outlook on government grid expansion this year and next year? How significant is this growth compared to recent years, and how will TRT benefit?

A:

- **Infrastructure Growth:** The power sector is experiencing strong tailwinds driven by rapid global investments in large-scale, high-power-consuming Data Centers. This necessitates government adjustments to the PDP (Power Development Plan), leading to increased substation investments and the expansion of the primary 500 kV transmission grid.
- **Benefit to TRT:** TRT stands to benefit directly and significantly as a key player in the domestic large power transformer market. As the 500 kV grid expands, 500 kV transformers will become key tender items where TRT has a strong competitive edge.

Q15: Under the Collaboration Agreement with Siemens Energy for 42 production slots through November 2028, does TRT still have remaining capacity to take on other power transformer orders next year, and how much?

A:

- **Remaining Capacity:** Yes, we definitely have remaining production capacity available for other clients.
- **Capacity Expansion:** Starting next year (2027), the company will expand its large power transformer production capacity by 50%.
- **Allocation:** Originally, our maximum capacity was 2 units/month (with actual production averaging 1 unit/month this year). From 2027 onward, output will increase to 3 units/month. We have allocated this new capacity equally: 1.5 units/month for exports and 1.5 units/month for domestic demand, providing ample slots to serve other clients concurrently.

Q16: When will the capacity expansion noticeably impact company revenue? Does the high advance deposit balance indicate that you are waiting for this capacity expansion?

A:

- **Revenue Recognition Timeline:** The capacity expansion will clearly drive top-line growth starting in 2027. For 2026, we target average quarterly revenue of Bt750m (approx. Bt3,000m for the full year). For 2027, we target 20% growth to Bt3,600m, or Bt900m per quarter, enabled by the 50% capacity expansion in large power transformers.
- **High Advance Deposits:** The increase in advance deposits corresponds directly to the inflow of new backlog under standard contractual terms, rather than simply awaiting capacity expansion.

Q17: Could you provide an update on domestic and international market conditions, particularly demand and competition for large power transformers?

A:

- **Global Market Environment:** The market for large power transformers is currently a "Seller’s Market" and will remain so in the near term, driven by overwhelming global demand that exceeds worldwide manufacturing capacity.
- **Competitive Landscape:** Price competition in the large transformer segment has decreased significantly (though competition remains intense in small and medium Transformer segments). Expanding our capacity to 3 units/month next year puts TRT in a position to selectively accept high-margin orders and clients.

Q18: How is the company benefiting from the massive Data Center investment wave, and how sustainable is this revenue?

A:

- **Direct Benefits:** TRT benefits directly and substantially. The global Data Center surge—driven by AI infrastructure—requires immense power, compelling governments to accelerate grid expansions and build high-voltage substations.
- **Sustainability:** This trend is expected to be long-lasting, as Data Center developments show no signs of slowing down, while infrastructure resource shortages persist globally.

Q19: Was the Gross Margin expansion this quarter driven more by Operating Leverage from higher volumes, or by a High-Margin Product Mix?

A:

- **A Combination of Both:** In addition to achieving better operational efficiency (Operating Leverage) from higher production volumes, strong global demand for large transformers allowed us to refine our commercial strategy. By steering away from price-competitive markets, we reserved capacity for export projects and specialized high-margin products, leading to a substantial margin expansion.

Q20: Are there any plans for a capital increase?

A:

- **Current Status:** There is currently "no concrete capital increase plan for this year"; it remains merely an exploratory concept for the future.
- **Future Conditions:** In 2027, our priority is to successfully execute and optimize the current 50% capacity expansion. If global demand for large power transformers continues to surge to a point where doubling our manufacturing facility (doubling capacity) becomes viable, a formal capital raise would be evaluated at that time.

Q21: What is the current Backlog, and in which quarters will it be recognized?

A:

- **Backlog Figure:** As presented in slide 28, the total transformer backlog as of July 31, 2026 stands at Bt3,433.5m.
- **Revenue Recognition:** Bt1,421m (41.4%) will be recognized during the remainder of 2026 (August–December), while the remaining Bt2,012.5m (58.6%) will be delivered and recognized in 2027.

Q22: What key factors will drive exponential revenue growth over the next 2–3 years?

A: The primary growth catalyst is the surge in global demand for large power transformers, spearheaded by the expansion of Data Centers and their substantial power grid requirements.

Q23: How has the competitive landscape evolved compared Year-over-Year (YoY)?

A: Price competition has eased considerably. The large transformer market has shifted to a "Seller's Market," granting us stronger pricing power to select high-margin contracts while avoiding aggressive price-war segments.

Q24: What is the average revenue generated per 1 production slot (1 unit)?

A: For large power transformers, 1 unit (equivalent to 1 production slot) generates an average revenue of approximately Bt70m.

Q25: What is your current capacity, and what will it expand to per month after upgrades?

A:

- **Current Capacity:** Maximum capacity for large power transformers is 2 units/month, with actual production averaging 1 unit/month in 2026.
- **Expansion Plan:** Starting in 2027, capacity will expand by 50% to 3 units/month, structured to support 1.5 units/month for export and 1.5 units/month for domestic orders.

Q26: What is the full-year GPM outlook, excluding raw material price volatility?

A: TRT maintains a minimum baseline GPM policy of no less than 20%. Once GPM comfortably exceeds 20%, management prioritizes optimizing Earnings Per Share (EPS) and Cash Flow over chasing percentage GPM figures.

Q27: Will dividend payouts increase in the second half of the year?

A: Driven by strong cash flows this year, we paid interim dividends for the first two quarters and expect to maintain dividend payments across all 4 quarters in 2026. Our policy is to pay consistent dividends 2 to 4 times per year, subject to prevailing cash flow levels.

Q28: Are the units shipped to the US Step-down or Step-up transformers? Are the 23 units designated for a single project or multiple projects?

A:

- **Product Type:** The majority are Step-down transformers (stepping voltage down from 230 kV to 34.5 kV) to supply Data Center power systems.
- **Project Distribution:** Deliveries are spread across multiple clients and projects across various US states, rather than tied to a single project.

Q29: What is the current transformer backlog, what percentage will be recognized in 2H26, and is there any risk of delivery deferrals similar to 2025?

A:

- **Backlog Value:** Bt3,433.5m (Slide 28).
- **2H26 Recognition:** Bt1,421m (41.4% of backlog) is scheduled for delivery between August and December 2026.
- **Deferral Risk:** We acknowledge external risks. The primary bottleneck for large transformers lies in Bulk Vessel logistics. As our contracts are on FAS terms (Free Alongside Ship at Laem Chabang Port), revenue is recognized upon delivery to the port. International vessel shortages or geopolitical conflicts could cause clients to defer collection—an external factor beyond our operational control but we will try our best to mitigate this risk.