

No. CEO/008/2023

August 10, 2023

Subject: Company's operating results for the 2<sup>nd</sup> quarter of 2023 ended June 30, 2023  
Which changed greater than 20%

To: The President  
The Stock Exchange of Thailand

Yuasa Battery (Thailand) Public Company Limited ("the Company") would like to clarify the operating results for the second quarter of 2023 ended June 30, 2023, as follows:

### Performance Overview, Q2/2023

For the second quarter of 2023, the Company posted a net profit of 29.17 million baht, increasing by 6.48 million baht from the first quarter or 28.6%, and increasing by 11.07 million baht or 61.1% compared to the second quarter of 2022.

### 1. Operating Results

Unit: Million baht	Q2/ 2023	Q1/ 2023	QoQ	Q2/ 2022	YoY	6M 2023	6M 2022	YoY
Sales of goods	653.61	638.80	2.3%	645.35	1.3%	1,292.40	1,237.42	4.4%
Cost of sales	510.16	505.30	1.0%	520.09	(1.9%)	1,015.46	981.55	3.5%
Gross margin	143.45	133.50	7.5%	125.27	14.5%	276.94	255.87	8.2%
Other income	2.95	2.26	30.4%	3.67	(19.7%)	5.21	6.23	(16.3%)
Selling and administrative expenses	110.96	107.20	3.5%	103.77	6.9%	218.16	207.49	5.1%
Finance cost	0.18	0.19	(6.0%)	0.21	(12.2%)	0.37	0.42	(12.0%)
Income tax expenses	6.08	5.67	7.2%	6.85	(11.3%)	11.75	12.64	(7.0%)
Net profit	29.17	22.69	28.6%	18.11	61.1%	51.87	41.54	24.9%
Earnings per share (Baht/share)	0.27	0.21	28.6%	0.17	61.1%	0.48	0.39	24.9%

#### 1.1 Quarterly operating results

- i. Sales of goods: The Company recorded sales of goods totaling 653.61 million baht, an increase of 2.3% or 14.81 million baht compared to the first quarter of 2023.

\ The higher sales...

The higher sales was from a growth of 13.7% in the replacement market (REM) due to customer base expansion — especially in the motorcycle battery market — and an increase of 20.5% in other markets. Meanwhile, sales revenue in the OEM market decreased by 12.0%, owing to operators experiencing parts shortages, leading to the postponement of orders. Revenue from exports decreased by 2.0% due to the regulatory changes in an importing country, which caused the delay in exports.

Compared with the same period in 2022, sales of goods increased by 1.3% or 8.26 million baht as a consequence of an increase in sales in the motorcycle OEM market in which the demand of some customers was on the rise.

ii. Cost of sales: The Company's cost of sales totaled 510.16 million baht, an increase from the last period in which the cost of sales of 505.30 million baht was recorded. The increase of 1.0% has resulted from the cost of raw materials. It represented a decline of 1.9% from the same period last year due to the decreased cost of raw materials and direct labor cost.

iii. Selling and administrative expenses: The Company's selling and administrative expenses totaled 110.96 million baht or 16.98% of sales of goods. Compared with the first quarter of 2023, the ratio of selling and administrative expenses to sales of goods rose 0.20% and the amount increased by 3.76 million baht, mainly due to excise taxes which varied according to domestic sales and the increase in sales and marketing expenses.

In comparison with the same period of last year, the ratio of selling and administrative expenses to sales of goods increased by 0.90% with an increase in value of 7.19 million baht, owing to the same reasons for the increase from the first period of the year. Another factor was the increased royalty fees, which followed higher sales volume and revenue.

## 1.2 Six-month operating results

i. Sales of goods: The Company recorded 4.4% higher sales of goods than in the first six months of the previous year or an increase of 54.98 million baht, owing to the growth in the export market, OEM market, and domestic REM market by 8.7%, 6.8% and 2.3%, respectively. This was the result of the higher product demand, especially motorcycle batteries. Meanwhile, sales revenue in other markets was down 3.0% or 0.47 million baht.

ii. Cost of sales: The Company's cost of sales totaled 1,015.46 million baht or 78.6% of sales of goods. The ratio decreased from the first six months of 2022, which stood at 79.3%. The main reason was the lower prices of lead, the main raw material. The London Metal Exchange's average price of pure lead has moved from 2,270 USD/Ton to 2,130 USD/Ton.

- iii. Selling and administrative expenses: Compared with the first six months of 2022, selling and administrative expenses increased by 10.67 million baht, while their ratio to sales of goods rose by 0.1% due to excise taxes and royalty fees following sales of goods and the increase in sales and marketing expenses.

## 2. Financial Position

Table showing summaries of financial position

Unit: Million baht	Jun 30, 2023	Dec 31, 2022	Increase/ (Decrease)	%
<b>Assets</b>				
Current assets				
Cash and cash equivalents	305.64	414.82	(109.17)	(26.3%)
Trade and other receivables	361.33	393.45	(32.12)	(8.2%)
Inventories	377.62	317.65	59.97	18.9%
Other current assets	18.88	8.77	10.12	115.4%
Total current assets	1,063.47	1,134.68	(71.21)	(6.3%)
Non-current assets				
Property, plant, and equipment	414.12	407.65	6.47	1.6%
Other non-current assets	35.40	36.09	(0.69)	(1.9%)
Total non-current assets	449.52	443.74	5.78	1.3%
<b>Total assets</b>	<b>1,512.99</b>	<b>1,578.42</b>	<b>(65.43)</b>	<b>(4.1%)</b>
<b>Liabilities and shareholders' equity</b>				
Current liabilities				
Trade and other payables	320.59	399.36	(78.77)	(19.7%)
Other current liabilities	45.52	50.44	(4.92)	(9.8%)
Total current liabilities	366.11	449.80	(83.69)	(18.6%)
Total non-current liabilities	109.75	106.13	3.62	3.4%
Total liabilities	475.87	555.94	(80.07)	(14.4%)
Shareholders' equity	1,037.12	1,022.48	14.64	1.4%
<b>Total liabilities and shareholders' equity</b>	<b>1,512.99</b>	<b>1,578.42</b>	<b>(65.43)</b>	<b>(4.1%)</b>

2.1 The Company's total assets as of June 30, 2023, totaled 1,512.99 million baht, consisting of current assets of 1,063.47 million baht and non-current assets of 449.52 million baht. Current assets decreased by 71.21 million baht compared to the amount as of December 31, 2022. Cash and cash equivalents decreased by 109.17 million baht due to the shortened payment terms for raw materials and the increase in raw material inventories following the increased sales forecast in the first quarter. Meanwhile, trade and other receivables decreased by 32.12 million baht on account of effective debt management. Overdue receivable value portions were reduced from 26% to 7%. The value of non-current assets, on the other hand, increased by 5.78 million baht, mostly from the additions of buildings, machinery, and equipment.

2.2 The Company's total liabilities as of June 30, 2023, were 475.87 million baht, down from the total liabilities as of December 31, 2022, by 80.07 million baht. This was due to the decrease of trade and other payables by 78.77 million baht, which followed changes in the payment terms for raw materials. Meanwhile, other current liabilities decreased by 4.92 million baht owing to the payment of corporate income tax payables. Non-current liabilities, on the contrary, increased by 3.62 million baht, mainly due to the accrued employee benefits.

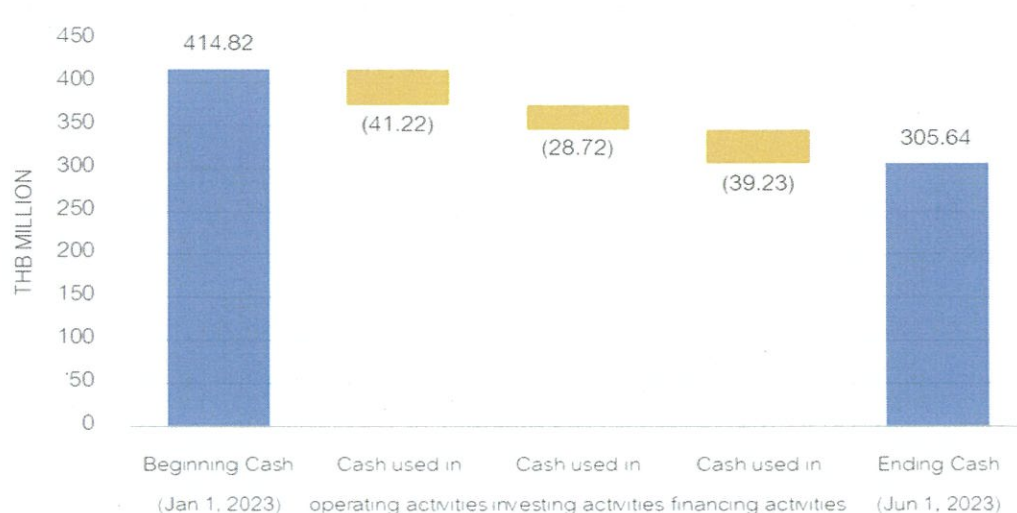
2.3 The Company's shareholders' equity as of June 30, 2023, totaled 1,037.12 million baht, an increase of 14.64 million baht or 1.4% from the end of last year as a consequence of:

(+) Profits in the first six months of 2023 amounted to 51.87 million baht.

(-) Dividend payment to the shareholders derived from 2022's operating results of 37.23 million baht.

### 3. Cash flows

Chart summarizing cash flows of 6-month period



As of June 30, 2023, the Company recorded cash and cash equivalents totaling 305.64 million baht. Details of each activity were summarized as follows:

- 3.1 Net cash flows used in operating activities totaled 41.22 million baht. Key issues affecting changes were the followings:
- (+) Operating profits of 95.66 million baht;
  - (+) Decreased trade and other receivables totaling 32.95 million baht;
  - (-) Increased inventories totaling 59.42 million baht;
  - (-) Increased other current assets totaling 10.11 million baht;
  - (-) Decreased trade and other payables totaling 82.42 million baht;
  - (-) Cash paid for employee benefits of 0.65 million baht;
  - (+) Increased other current liabilities totaling 0.78 million baht.

3.2 Net cash flows used in investing activities totaled 28.72 million baht — 25.68 million baht of which was spent on buildings, machinery, and equipment; 0.37 million baht was the inquisition of intangible assets and 2.85 million baht was advanced payment for fixed asset acquisition.

3.3 Net cash flows used in financing activities totaled 39.23 million baht — 2 million baht of which was payment of lease liabilities, while 37.23 million baht was the dividend paid.

#### 4. Financial ratio

Key financial ratio items

	Q2/ 2023	Q1/ 2023	Q2/ 2022	6M2023	6M2022
<b>Profitability ratio (%)</b>					
Gross profit margin	21.95	20.90	19.41	21.43	20.68
Operating profit margin	5.42	4.47	3.90	4.95	4.41
Net profit margin	4.46	3.55	2.81	4.01	3.36
Return on equity (ROE)	2.80	2.20	1.89	5.04	4.39

	Q2/ 2023	Q1/ 2023	Q2/ 2022
<b>Liquidity ratio (times)</b>			
Current ratio*	2.98	2.98	2.48
Quick ratio*	1.82	1.81	1.74
Account Receivable turnover	1.92	1.79	1.82
Collection period (days)	47	51	50
Account Payable turnover	2.59	2.15	2.13
Payment period (days)	35	42	43

\*ratio as of June 30, 2023; March 31, 2023; and June 30, 2022.

The Company's current ratio and quick ratio as of June 30, 2023, stood in the same range as the end of the previous quarter and increased from the same period of 2022 as a consequence of the decrease in the current payables. The average collection period was 47 days, down from the previous quarter of 51 days. The decrease was due to close and continuous debt monitoring. The payment period was shorter compared to the previous quarter, owing to the payment term shortening for lower raw material prices. Nevertheless, the shorter payment period did not affect the Company's liquidity management.

The quarterly and six-month profitability was higher quarter-on-quarter and year-on-year — mainly due to the prices of raw materials in production. Although the ratio of selling and administrative expenses to sales of goods went higher, the operating profit margin, net profit margin, and ROE were higher than in previous operating periods.

Please be informed accordingly.

Yours sincerely,



Mr. Akira Kiyomizu

Chief Executive Officer