

Ref.No. CEO/010/2024

August 9, 2024

Subject: Company's operating results for the 2nd quarter of 2024 ended June 30, 2024
 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 2024 ended June 30, 2024, as follows:

Performance Summary of Q2/2024

For the second quarter of 2024, the Company posted a net profit of 50.15 million baht, increasing by 6.35 million baht from the first quarter or 14.5%, and increasing by 20.98 million baht or 71.9% compared to the second quarter of 2023. In May 2024 the Company exercised tax benefit from investment promotion by the Board of Investment of Thailand (BOI) for the solar cells installation on factory roof project, which amounted to 12.37 million baht.

1. Operating Results

Unit: Million baht	Q2/ 2024	Q1/ 2024	QoQ	Q2/ 2023	YoY	6M 2024	6M 2023	YoY
Sales of goods	710.32	707.16	0.4%	653.61	8.7%	1,417.49	1,292.40	9.7%
Cost of sales	547.60	535.93	2.2%	510.16	7.3%	1,083.53	1,015.46	6.7%
Gross margin	162.72	171.23	(5.0%)	143.45	13.4%	333.95	276.94	20.6%
Other income	5.06	3.47	45.6%	2.95	71.6%	8.53	5.21	63.7%
Selling & administrative expenses	120.26	119.50	0.6%	110.96	8.4%	239.76	218.16	9.9%
Finance cost	0.14	0.15	(5.9%)	0.18	(23.7%)	0.28	0.37	(23.9%)
Income tax expenses (benefits)	(2.77)	11.26	(124.6%)	6.08	(145.5%)	8.49	11.75	(27.7%)
Net profit	50.15	43.80	14.5%	29.17	71.9%	93.95	51.87	81.1%
Earnings per share (Baht/share)	0.47	0.41	14.5%	0.27	71.9%	0.87	0.48	81.1%

1.1 Quarterly operating results

- Sales of goods: The Company recorded sales of goods totaling 710.32 million baht, an increase of 0.4% or 3.16 million baht compared to the first quarter of 2024. The higher sales was from a growth of 18.7% in the replacement market (REM) due to domestic project sale

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that occurred in June. Meanwhile, sales revenue in the domestic motorcycle OEM market decreased by 28.0%, owing to the effect from financial institutions' stricter loan criteria. Revenue from automotive battery exports decreased by 20.7% as it continued to be affected by the limitation in export sales due to political situation in Myanmar.

Compared with the same period in 2023, sales of goods increased by 8.7% or 56.72 million baht, mainly as a consequence of higher demand from foreign motorcycle OEM market.

ii. Cost of sales: The Company's cost of sales totaled 547.60 million baht which accounted for 77.1% of sales of goods, varied from the 1st quarter of 2024 and the 2nd quarter of 2023 in which 75.8% and 78.1% of sales of goods, respectively, were recorded. The change has resulted from the variance in sales portions of motorcycle and automotive batteries as the two categories have different gross profit margins.

iii. Selling and administrative expenses: The Company's selling and administrative expenses totaled 120.26 million baht or 16.9% of sales of goods. Compared with the first quarter of 2024, the ratio of selling and administrative expenses to sales of goods were at about the same level and the amount increased by 0.76 million baht, mainly due to the increase in selling and marketing expenses of 1.39 million from the transportation and export expenses, sale promotion expenses, and excise taxes which varied according to domestic sales.

In comparison with the same period of last year, the ratio of selling and administrative expenses to sales of goods were at the same level with an increase in value of 9.30 million baht, which was comprised of (1) an increase in selling and marketing expenses of 8.74 million baht from sales promotional activities, transportation and export expenses, and royalty fees and excise tax according to sales of goods, and (2) an increase in administrative expenses of 0.56 million baht, mainly due to personnel and IT expenses.

1.2 Six-month operating results

i. Sales of goods: The Company recorded 9.7% higher sales of goods than in the first six months of the previous year or an increase of 125.08 million baht, owing to the 58.3% growth in foreign OEM market from new project of one manufacturer and the 13.9% growth in the replacement market from the addition of new distributors and the support of sale activities provided to existing distributors.

ii. Cost of sales: The Company's cost of sales totaled 1,083.53 million baht or 76.4% of sales of goods. The ratio decreased from the first six months of 2023 which was at 78.6%. The main reason was the increase in sale portion of motorcycle battery which has a higher gross profit margin.

- iii. Selling and administrative expenses: Compared with the first six months of 2023, selling and administrative expenses increased by 21.60 million baht with similar ratio to sales of goods. The increase in the amount was from (1) an increase in selling and marketing expenses of 20.48 million baht from the increase in royalty fees and excise tax according to sales of goods, and the increase in marketing and transportation expenses, and (2) an increase in administrative expenses of 1.11 million baht, mainly due to personnel expenses.

2. Financial Position

Table showing summaries of financial position

Unit: Million baht	Jun 30, 2024	Dec 31, 2023	Increase/ (Decrease)	%
Assets				
Current assets				
Cash and cash equivalents	417.67	247.58	170.09	68.7%
Trade and other receivables	406.14	424.44	(18.30)	(4.3%)
Inventories	333.37	430.43	(97.05)	(22.5%)
Other current assets	9.51	9.57	(0.06)	(0.6%)
Total current assets	1,166.69	1,112.02	54.68	4.9%
Non-current assets				
Property, plant, and equipment	468.94	444.22	24.72	5.6%
Other non-current assets	48.62	43.45	5.18	11.9%
Total non-current assets	517.56	487.66	29.89	6.1%
Total assets	1,684.25	1,599.68	84.57	5.3%
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	356.73	323.05	33.68	10.4%
Other current liabilities	52.56	56.09	(3.53)	(6.3%)
Total current liabilities	409.29	379.14	30.15	8.0%
Total non-current liabilities	122.78	117.97	4.81	4.1%
Total liabilities	532.07	497.12	34.95	7.0%
Shareholders' equity	1,152.18	1,102.57	49.62	4.5%
Total liabilities and shareholders' equity	1,684.25	1,599.68	84.57	5.3%

2.1 The Company's total assets as of June 30, 2024, totaled 1,684.25 million baht, consisting of current assets of 1,166.69 million baht and non-current assets of 517.56 million baht. Current assets increased by 54.68 million baht compared to the amount as of December 31, 2023. Cash and cash equivalents increased by 170.09 million baht mainly due to profit from operating activities and the decrease of raw material and finished goods inventories. The value of non-current assets also increased by 29.89 million baht, mostly from the additions of buildings, machinery, and equipment.

2.2 The Company's total liabilities as of June 30, 2024, were 532.07 million baht, increasing from the total liabilities as of December 31, 2023, by 34.95 million baht. This was due to the increase of trade and other payables by 33.68 million baht, and the increase of non-current liabilities by 4.81 million baht mainly due to the accrued employee benefits.

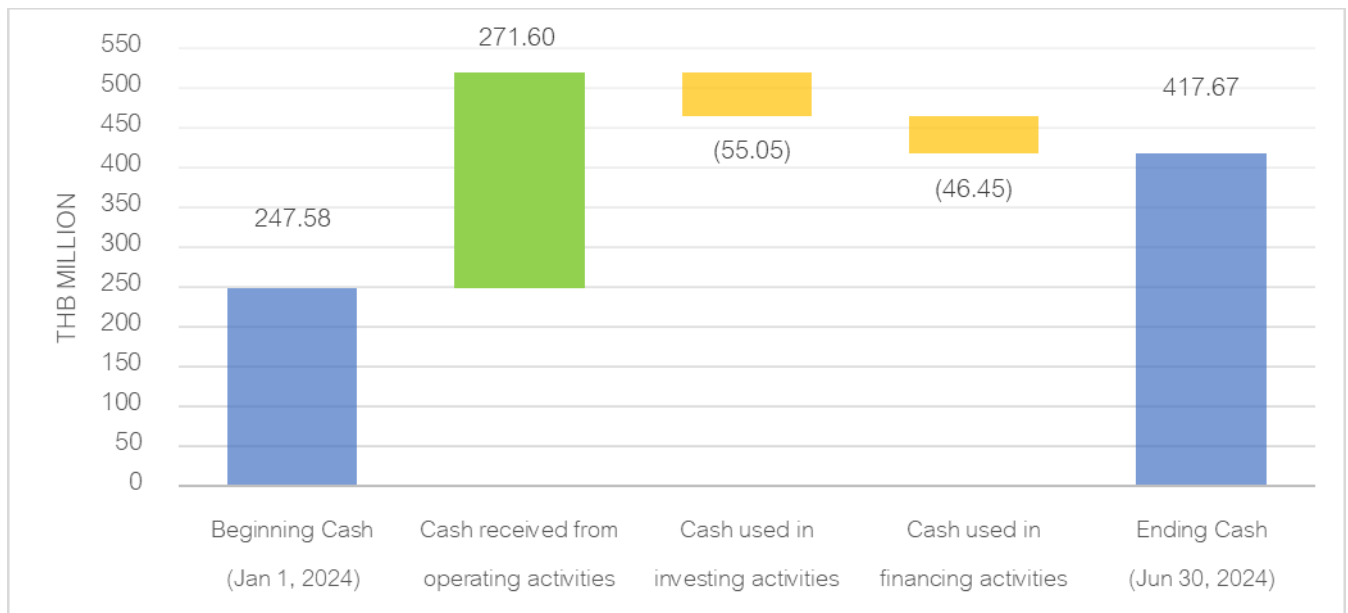
2.3 The Company's shareholders' equity as of June 30, 2024, totaled 1,152.18 million baht, an increase of 49.62 million baht or 4.5% from the end of last year as a consequence of:

(+) Profits in the first six months of 2024 amounted to 93.95 million baht.

(-) Dividend payment to the shareholders derived from 2023's operating results of 44.33 million baht.

3. Cash flows

Chart summarizing cash flows of 6-month period



As of June 30, 2024, the Company recorded cash and cash equivalents totaling 417.67 million baht. Details of each activity were summarized as follows:

3.1 Net cash flows received from operating activities totaled 271.60 million baht. Key issues affecting changes were the followings:

- (+) Operating profits of 135.97 million baht;
- (+) Decreased trade and other receivables totaling 18.44 million baht;
- (+) Decreased inventories totaling 97.89 million baht;
- (+) Increased trade and other payables totaling 32.51 million baht;
- (-) Cash paid for employee benefits of 1.16 million baht;
- (-) Decreased other current assets totaling 5.17 million baht;
- (+) Cash received from interest income of 0.75 million baht;
- (-) Cash paid for interest expenses of 0.20 million baht;
- (-) Cash paid for corporate income tax of 7.47 million baht.

3.2 Net cash flows used in investing activities totaled 55.05 million baht — 45.97 million baht of which was spent on buildings, machinery, and equipment; 9.29 million baht was the inquisition of intangible assets and 0.20 million baht was proceeds from sale of plant and equipment.

3.3 Net cash flows used in financing activities totaled 46.45 million baht — 2.12 million baht of which was payment of lease liabilities, while 44.33 million baht was the dividend paid to shareholders.

4. Financial ratio

Key financial ratio items

	Q2/ 2024	Q1/ 2024	Q2/ 2023	6M2024	6M2023
Profitability ratio (%)					
Gross profit margin	22.91	24.21	21.95	23.56	21.43
Operating profit margin	6.69	7.81	5.42	7.25	4.95
Net profit margin	7.06	6.19	4.46	6.63	4.01

	Q2/ 2024	Q1/ 2024	Q2/ 2023
Liquidity ratio (times)			
Current ratio*	2.85	3.03	2.90
Quick ratio*	2.01	2.05	1.82
Account Receivable turnover**	7.64	7.67	7.13
Collection period (days)	48	48	51
Account Payable turnover**	10.89	9.70	9.17
Payment period (days)	34	38	40

* ratios as at end of quarter

** data of last four quarters until the period were used in calculation

The Company's current ratio as of June 30, 2024 was lower than the ratios at the end of the previous quarter and the same quarter of 2023, mainly due to the increase of current liabilities in parts of trade and other payables. The quick ratio was affected by the same factor, but was still higher than the ratio at the end of the second quarter of last year because of the increase of cash. The average collection period was 48 days, which was comparable to the previous quarter and lower than in the same period of last year due to close and continuous debt monitoring. The payment period followed a declining trend, 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 six-month profitability ratios were higher year-on-year. For quarter-on-quarter, the gross profit margin and the operating profit margin were higher than in the same period of 2023 but less than in the first quarter of 2024 - mainly due to the difference in motorcycle battery and automotive battery sale portions. The net profit margin, meanwhile, increased from the first quarter of 2024 owing to the tax benefit from the Board of Investment of Thailand (BOI) for the solar cells installation on factory roof project.

Please be informed accordingly.

Yours sincerely,

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Mr. Tsunenori Yoshimura
Chief Executive Officer