

Management Discussion and Analysis: MD&A for Year 2025

Performance Summary of Year 2025

The Thai economy is showing a clear decelerating trend, following a decline in consumption and income levels. High household debt remains a significant pressure on private consumption. Meanwhile, growth in the automotive industry remains stagnant due to intense competition and weak demand in both domestic and international markets.

In 2025, the Company recorded a significant increase in motorcycle battery production volume, resulting from the production capacity expansion project completed late the previous year. Regarding sales, the automotive battery product line was restructured to better meet market demand. The Company has also continued to focus on enhancing production efficiency, reducing energy and resource consumption, and maintaining standards for Occupational Health, Safety, and Environment. Consequently, the Company reported a net profit of 242.77 million Baht, an increase of 70.35 million Baht or 40.8% compared to 2024.

1. Operating Results

Unit: Million baht	2025	2024	YoY
Sales of goods	2,863.78	2,884.31	(0.7%)
Cost of sales	2,084.73	2,196.98	(5.1%)
Gross margin	779.05	687.33	13.3%
Other income	14.31	5.80	146.8%
Selling and administrative expenses	517.92	491.52	5.4%
Finance cost	0.50	0.55	(10.2%)
Income tax expenses	32.17	28.64	12.4%
Net profit	242.77	172.42	40.8%
Earnings per share (Baht/share)	2.26	1.60	40.8%

Year 2025 operating results

- i. Sales of goods: The Company's revenue from sale of goods decreased by 0.7% or 20.52 million baht compared to 2024. This variance was primarily driven by a decline in automotive battery sales to both domestic and international manufacturers resulting from strategic realignments, and a reduction in export revenue. The latter was impacted by the prolonged situation in Myanmar and the Thailand–Cambodia border conflict during the second half of 2025. Furthermore, the economic downturn led to an approximately 3% year-on-year decrease in automotive and motorcycle battery sales to domestic retail business.

However, sales revenue from the domestic automotive replacement battery market rose by 18% compared to 2024. This growth was driven by a product line optimization to better align with market demand and enhance competitiveness. Additionally, sales revenue from motorcycle batteries to both domestic and international manufacturers increased slightly from the previous year, as market demand remained stable.

- ii. Cost of sales: The Company's cost of sales stood at 2,084.73 million baht, representing 72.80% of sales of goods. This reflects a decrease from 76.17% in 2024, primarily driven by a decline in the price of lead—a key raw material—and the appreciation of the Thai Baht against the US Dollar.
- iii. Selling and Administrative expenses: For 2025, the Company recorded total selling and administrative expenses of 517.92 million baht, representing 18% of sales of goods. Compared to 2024, Selling and Administrative (S&A) expenses increased by 26.40 million baht, with the expense-to-revenue ratio increasing by approximately 1%. Selling expenses increased by 10.51 million baht, primarily due to a 4.97 million baht increase in excise tax aligned with higher domestic sales, along with higher local freight and export costs, online media expenses, and sales-related personnel costs. Administrative expenses increased by 15.89 million baht, mainly driven by personnel expenses and costs associated with the implementation of the Enterprise Resource Planning (ERP) system.

2. Financial Position

Table showing summaries of financial position :

Unit: Million baht	Dec 31, 2025	Dec 31, 2024	Increase/ (Decrease)	%
Assets				
Current assets				
Cash and cash equivalents	733.42	562.82	170.60	30.3%
Trade and other current receivables	359.16	375.73	(16.56)	(4.4%)
Inventories	329.24	343.40	(14.16)	(4.1%)
Other current assets	2.00	2.15	(0.15)	(7.1%)
Total current assets	1,423.83	1,284.10	139.73	10.9%
Non-current assets				
Property, plant, and equipment	456.71	469.68	(12.96)	(2.8%)
Other non-current assets	77.83	59.90	17.94	29.9%
Total non-current assets	534.55	529.58	4.97	0.9%
Total assets	1,958.38	1,813.68	144.70	8.0%
Liabilities and shareholders' equity				
Current liabilities				
Trade and other current payables	379.34	429.34	(50.00)	(11.6%)
Other current liabilities	30.82	25.30	5.52	21.8%
Total current liabilities	410.16	454.63	(44.47)	(9.8%)
Total non-current liabilities	158.39	138.49	19.90	14.4%
Total liabilities	568.55	593.12	(24.57)	(4.1%)
Shareholders' equity	1,389.83	1,220.55	169.28	13.9%
Total liabilities and shareholders' equity	1,958.38	1,813.68	144.70	8.0%

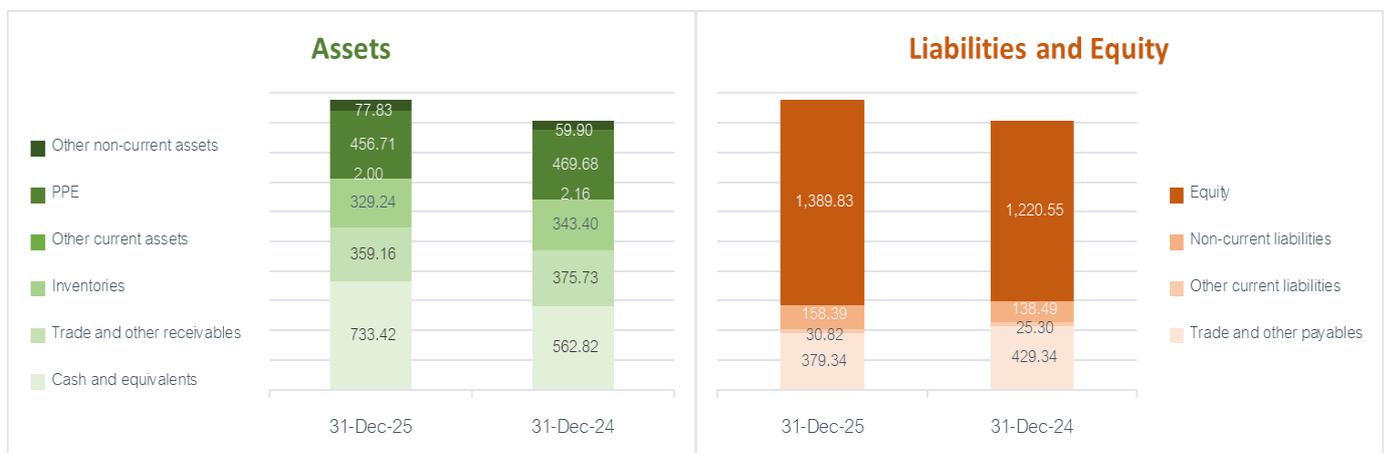
2.1 The Company's total assets as of December 31, 2025 amounted to 1,958.38 million baht, consisting of 1,423.83 million baht in current assets and 534.55 million baht in non-current assets. Current assets increased by 139.73 million baht compared to the balance as of December 31, 2024. Specifically, cash and cash equivalents rose by 170.60 million baht. Beyond the increase in net profit, this growth was primarily driven by a reduction in trade payables, trade receivables, and inventories, resulting from more efficient inventory and raw material management, as well as improved account receivable management. Meanwhile, non-current assets increased by 4.97 million Baht, mainly attributed to the Enterprise Resource Planning (ERP) software which was under implementation in 2025.

2.2 The Company's total liabilities as of December 31, 2025 amounted to 568.55 million baht, a decrease of 24.57 million baht compared to the balance as of December 31, 2024. This reduction was primarily driven by a 50.00 million baht decrease in trade payables and other current payables, while other current liabilities remained relatively stable. On the other hand, non-current liabilities increased by 19.90 million baht, mainly attributed to provisions for long-term employee benefits.

2.3 The Company's shareholders' equity as of December 31, 2025 amounted to 1,389.83 million baht, an increase of 169.28 million baht, or 14%, compared to the end of the previous year. The increase was attributable to the following:

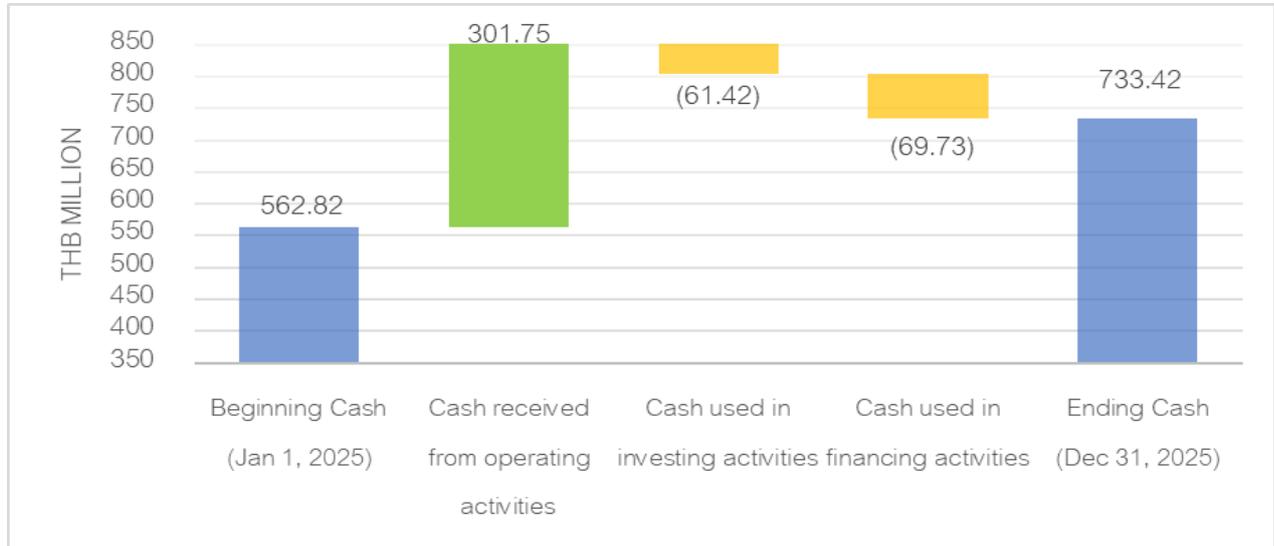
- (+) Profits of the year 2025 amounted to 242.77 million baht.
- (-) Other comprehensive income, such as actuarial loss amounted to 7.98 million baht
- (-) Dividend payment to shareholders for the 2024 operating results amounted to 65.51 million baht

Chart summarizing the financial position :



3. Cash flows

Chart summarizing cash flows of the year :



As of December 31, 2025, the Company recorded cash and cash equivalents totaling 733.42 million baht. Details of each activity were summarized as follows:

3.1 Net cash flows received from operating activities totaled 301.75 million baht. Key issues affecting changes were the followings:

- (+) Operating profits of 361.53 million baht;
- (+) Decrease in trade and other current receivables of 18.07 million baht;
- (+) Decrease in inventories of 12.93 million baht;
- (+) Decrease in other current assets of 0.15 million baht;
- (-) Increase in trade and other non-current receivables of 5.55 million baht;
- (-) Decrease in trade and other current payables of 51.36 million baht;
- (-) Employee benefit payments of 4.64 million baht;
- (+) Interest received of 2.42 million baht;
- (-) Interest paid of 0.50 million baht;
- (-) Corporate Income Tax payment of 31.33 million baht

3.2 Net cash flows used in investing activities amounted to 61.42 million baht. This comprised 61.67 million baht in payments for the acquisition of machinery, equipment, and intangible assets, offset by 0.26 million baht in cash proceeds from the disposal of machinery and equipment.

3.3 Net cash flows used in financing activities amounted to 69.73 million baht, consisting of dividend payments to shareholders of 65.51 million baht and lease liability repayments of 4.21 million baht.

4. Financial ratio

Key financial ratio items :

	2025	2024
Profitability ratio (%)		
Gross profit margin	27.20	23.83
Operating profit margin	9.62	6.99
Net profit margin	8.48	5.98
Return on equity (ROE)	18.60	14.84
Efficiency ratio (%)		
Return on asset (ROA)	12.87	10.10
Return on fixed assets	67.31	50.81
Liquidity ratio (times)		
Current ratio	3.47	2.82
Quick ratio	2.66	2.06
Average account receivable turnover	8.34	7.59
Average collection period (days)	44	48
Average account payable turnover	10.42	10.34
Average payment period (days)	35	35
Financial policy ratio (times)		
Total debts to total equity	0.41	0.49
Interest coverage ratio	691.49	556.08
Debt service coverage ratio	103.73	72.67
Dividend payout (%)	26.99	25.71
Fully diluted (baht)		
Book value per share	12.91	11.34
Earnings (loss) per share	2.26	1.60
Dividend payout per share	0.609	0.412

Regarding profitability, the gross profit margin, operating profit margin, and net profit margin all increased from 2024. This improvement was driven by external factors, such as the decline in lead prices (a key raw material), alongside the Company's internal production cost optimization. In terms of liquidity, the current ratio and quick ratio as of December 31, 2025, improved year-over-year due to an increase in cash and cash equivalents, while trade payables decreased.

Over the past three years, the average collection period has consistently declined, driven by the Company's enhanced accounts receivable follow-up processes. In 2025, the average collection period was 44 days, a decrease from 48 days in 2024. This follows a higher period of 54 days in 2023, which resulted from an increase in receivables from new distributors and new motorcycle battery sales projects. Meanwhile, the average payment period in 2025 remained stable at 35 days, consistent with 2024 levels.

In 2025, the debt-to-equity (D/E) ratio stood at 0.41, a decrease from 0.49 as of December 31, 2024, primarily driven by the reduction in current liabilities, specifically trade payables. Furthermore, the interest coverage ratio and debt service coverage ratio (DSCR) both increased compared to 2024, as a result of the growth in profitability.

In terms of dividend payment, the Annual General Shareholders' Meeting 2025, which was held on April 9th, 2025, passed the resolution to pay dividend from the operating results of 2024 for 107,625,000 shares at Baht 0.6088 per share. The dividend was paid on May 9th, 2025. The Board of Directors' Meeting No. 1/2026 on February 13th, 2026, passed the resolution to propose to the Annual General Shareholders' Meeting to pay dividend from the operating results of 2025 for 107,625,000 shares at Baht 0.9023 per share, totaling Baht 97.11 million.