

Management Discussion and Analysis: MD&A for Year 2024

Performance Highlight

The Thai economy overall had been growing but with more divergent growth across sectors. High household debt continued to weigh on private consumption. The automotive industry deteriorated due to structural and industry-specific factors and intensified competition. The high contraction of manufacturing output for domestic auto sales stems from several factors including industry-specific, cyclical, and structural factors.

In 2024 the Company successfully completed motorcycle battery production capacity improvement project and other continuous projects to reduce consumption of energy and resources, along with the management of occupational health and safety and the environment. For the year 2024, the Company posted a net profit of 172.42 million baht, increasing by 49.39 million baht from the year 2023 or 40.1%.

1. Operating Results

| Unit: Million baht | 2024 | 2023 | YoY |
|-------------------------------------|---------------|---------------|--------------|
| Sales of goods | 2,884.31 | 2,654.64 | 8.7% |
| Cost of sales | 2,196.98 | 2,053.90 | 7.0% |
| Gross margin | 687.33 | 600.74 | 14.4% |
| Other income | 5.80 | 7.46 | (22.3%) |
| Selling and administrative expenses | 491.52 | 453.00 | 8.5% |
| Finance cost | 0.55 | 0.69 | (19.3%) |
| Income tax expenses | 28.64 | 31.49 | (9.1%) |
| Net profit | 172.42 | 123.03 | 40.1% |
| Earnings per share (Baht/share) | 1.60 | 1.14 | 40.1% |

Year 2024 operating results

- i. Sales of goods: The Company recorded 8.7% higher sales of goods than in the previous year or an increase of 229.67 million baht, owing to the growth in the motorcycle battery sales in all markets particularly motorcycle OEM export market from a project of one manufacturer. The automotive battery sales revenue from the replacement market increased by 20.6% from the previous year, contributed by growth of sales to dealers and retail businesses. However, sales revenue from domestic automotive OEM markets decreased by 32.0% following the contraction in domestic automotive sales, while sales revenue from the automotive battery export market declined by 32.0% mainly due to the situation in Myanmar including delays from import license restrictions.

- ii. Cost of sales: The Company's cost of sales totaled 2,196.98 million baht or 76.17% of sales of goods. The ratio decreased from the year 2023, which stood at 77.37%. The main reasons were the variance in sales portions of motorcycle and automotive batteries as the two categories have different gross profit margins, and the price adjustment in domestic replacement market (REM) to offset the increase in product cost.
- iii. Selling and administrative expenses: The Company's selling and administrative expenses totaled 491.52 million baht or 17.04% of sales of goods. Compared with the year 2023, the ratio of selling and administrative expenses to sales of goods was at the same level, and the amount increased by 38.52 million baht. The selling expenses increased by 35.33 million baht, from which an increase of 6.23 million baht was due to sales promotional activities. The increase in selling expenses also included an increase in expenses relating to sales personnels and an increase in royalty fees, excise taxes and product delivery and export expenses which followed higher sales volume and revenue. In addition to the increase in selling expenses, administrative expenses increased by 3.19 million baht, mainly from an increase in personnel expenses. Apart from the personnel expenses, depreciation expenses of software that would be replaced by the new ERP system and the loss on disposal of asset in the motorcycle battery assembly line improvement project were other factors of the increase in administrative expenses.

2. Financial Position

Table showing summaries of financial position :

| Unit: Million baht | Dec 31, 2024 | Dec 31, 2023 | Increase/ (Decrease) | % |
|--------------------------------|-----------------|-----------------|-------------------------|--------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 562.82 | 247.58 | 315.23 | 127.3% |
| Trade and other receivables | 369.70 | 424.44 | (54.73) | (12.9%) |
| Inventories | 343.40 | 430.43 | (87.03) | (20.2%) |
| Other current assets | 8.18 | 9.57 | (1.39) | (14.5%) |
| Total current assets | 1,284.10 | 1,112.02 | 172.09 | 15.5% |
| Non-current assets | | | | |
| Property, plant, and equipment | 469.68 | 444.22 | 25.46 | 5.7% |
| Other non-current assets | 59.90 | 43.45 | 16.45 | 37.9% |
| Total non-current assets | 529.58 | 487.66 | 41.91 | 8.6% |
| Total assets | 1,813.68 | 1,599.68 | 214.00 | 13.4% |

| Unit: Million baht | Dec 31, 2024 | Dec 31, 2023 | Increase/ (Decrease) | % |
|---|-----------------|-----------------|-------------------------|--------------|
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Trade and other payables | 399.12 | 323.05 | 76.07 | 23.5% |
| Other current liabilities | 55.52 | 56.09 | (0.57) | (1.0%) |
| Total current liabilities | 454.64 | 379.14 | 75.49 | 19.9% |
| Total non-current liabilities | 138.49 | 117.97 | 20.51 | 17.4% |
| Total liabilities | 593.12 | 497.12 | 96.01 | 19.3% |
| Shareholders' equity | 1,220.55 | 1,102.57 | 117.99 | 10.7% |
| Total liabilities and shareholders' equity | 1,813.68 | 1,599.68 | 214.00 | 13.4% |

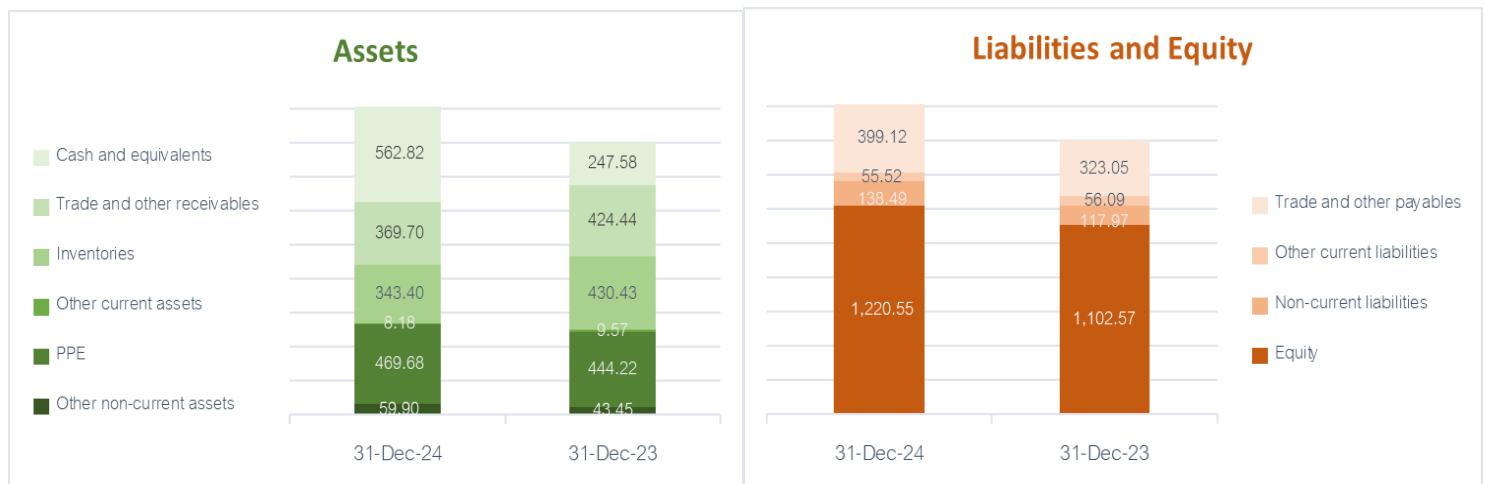
2.1 The Company's total assets as of December 31, 2024, totaled 1,813.68 million baht, consisting of current assets of 1,284.10 million baht and non-current assets of 529.58 million baht. Current assets increased by 172.09 million baht compared to the amount as of December 31, 2023. Cash and cash equivalents increased by 315.23 million baht, mainly due to the change in raw material inventories which was at a higher level in 2023 due to the revision of sales forecast and the accumulation for temporary suspension of one motorcycle battery assembly line during capacity improvement project. Meanwhile, trade and other receivables decreased by 54.73 million baht on account of strengthened account receivable management. The value of non-current assets increased by 41.91 million baht, mostly from the addition of machinery and equipment particularly from the production capacity improvement projects.

2.2 The Company's total liabilities as of December 31, 2024, were 593.12 million baht an increase of 96.01 million baht from the total liabilities as of December 31, 2023. This was mainly due to the increase of trade and other payables by 76.07 million baht. Other current liabilities were at a comparable level as at the end of the previous year, and non-current liabilities increased by 20.51 million baht, mainly due to the accrued employee benefits.

2.3 The Company's shareholders' equity as of December 31, 2024, totaled 1,220.55 million baht, an increase of 117.99 million baht or 10.7% from the end of the previous year as a consequence of:

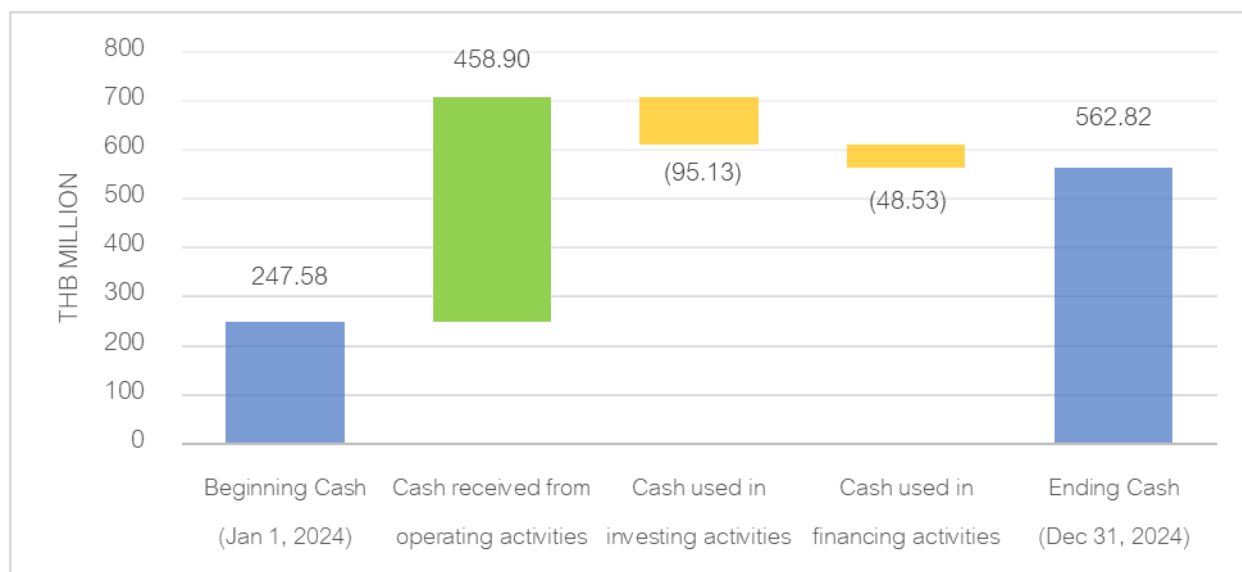
- (+) Profits of the year 2024 amounted to 172.42 million baht.
- (-) Other comprehensive income, such as actuarial loss amounted to 10.09 million baht
- (-) Dividend payment to the shareholders derived from 2023's operating results of 44.33 million baht.

Chart summarizing the financial position :



3. Cash flows

Chart summarizing cash flows of the year :



As of December 31, 2024, the Company recorded cash and cash equivalents totaling 562.82 million baht. Details of each activity were summarized as follows:

3.1 Net cash flows from operating activities totaled 458.90 million baht. Key issues affecting changes were the following:

- (+) Operating profits of 276.01 million baht;
- (+) Trade and other receivables decrease 54.19 million baht;
- (+) Inventories decrease 87.22 million baht;
- (+) Other current assets decrease 1.39 million baht;
- (+) Trade and other payables increase 74.97 million baht;
- (-) Cash paid for employee benefits 4.61 million baht;

- (-) Other current liabilities decrease 2.68 million baht;
- (+) Cash received from interest income 1.70 million baht;
- (-) Cash paid for interest expenses 0.47 million baht;
- (-) Case paid for corporate income tax 28.84 million baht

3.2 Net cash flows used in investing activities totaled 95.13 million baht — 78.70 million baht of which was spent on machinery and equipment, and 16.81 million baht was the acquisition of intangible assets. The Company also received cash from the sales of machinery and equipment totaling 0.38 million baht.

3.3 Net cash flows used in financing activities totaled 48.53 million baht — 4.20 million baht of which was the payment of lease liabilities, while 44.33 million baht was the dividend paid.

4. Financial ratio

Key financial ratio items :

| | 2024 | 2023 |
|---------------------------------------|--------|----------|
| Profitability ratio (%) | | |
| Gross profit margin | 23.83 | 22.63 |
| Operating profit margin | 6.99 | 5.85 |
| Net profit margin | 5.98 | 4.63 |
| Return on equity (ROE) | 14.84 | 11.58 |
| Efficiency ratio (%) | | |
| Return on total assets (ROA) | 10.10 | 7.74 |
| Return on net fixed assets | 50.81 | 41.53 |
| Liquidity ratio (times) | | |
| Current ratio | 2.82 | 2.93 |
| Quick ratio | 2.05 | 1.77 |
| Receivable turnover | 7.59 | 6.78 |
| Collection period (days) | 48 | 54 |
| Payable turnover | 10.34 | 8.93 |
| Payment period (days) | 35 | 41 |
| Financial policy ratio (times) | | |
| Debt to equity | 0.49 | 0.45 |
| Times interest earned (cash basis) | 556.08 | 2,701.00 |
| Debt service coverage (cash basis) | 65.58 | 54.44 |
| Dividend payout (%) | 25.71 | 30.26 |
| Fully diluted (baht) | | |
| Book value per share | 11.34 | 10.24 |
| Earnings (loss) per share | 1.60 | 1.14 |
| Dividend payout per share | 0.412 | 0.346 |

Concerning profitability, the Company's gross profit margin, operating profit margin and net profit margin increased from the year 2023 mainly as a consequence of the improvement on production cost. As for the liquidity, current ratio was lower than the previous year due to the increase in trade and other payables while the quick ratio as of December 31, 2024, increased from the figure as of December 31, 2023 owing to the increase in cash and cash equivalents.

In 2024 the average collection period was 48 days – shorter than in 2023 which was 54 days. The decrease was due to management of account receivables, and partly due to the higher amount of trade receivables in 2023 from new customers and new motorcycle battery sale project. The average payment period decreased from that in the previous year, owing to the payment term shortening for lower raw material prices. Nevertheless, the shorter payment period did not affect the Company's liquidity management.

At the end of 2024 debt to equity was 0.49 times which was higher than the ratio of 0.45 as of December 31, 2023 due to the increase in current liabilities. Times interest earned decreased from the year 2023 due to the increase in interest expenses while the debt service coverage, on the other hand, increased from that of the previous year mainly because the Company's higher earnings before interest, taxes, depreciation and amortization.

In terms of dividend payment, the Annual General Shareholders' Meeting 2024, which was held on April 9th, 2024, passed the resolution to pay dividend from the operating results of 2023 for 107,625,000 shares at Baht 0.412 per share. The dividend was paid on May 9th, 2024. The Board of Directors' Meeting No. 1/2025 on February 13th, 2025, passed the resolution to propose to the Annual General Shareholders' Meeting to pay dividend from the operating results of 2024 for 107,625,000 shares at Baht 0.6088 per share, totaling Baht 65.52 million.