

Ref.No. CEO/013/2024

November 12, 2024

Subject: Company's operating results for the 3<sup>rd</sup> quarter of 2024 ended September 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 third quarter of 2024 ended September 30, 2024, as follows:

### Performance Summary of Q3/2024

For the third quarter of 2024, the Company posted a net profit of 27.79 million baht, decreasing by 22.36 million baht from the second quarter or 44.6%, and decreasing by 2.70 million baht or 8.9% compared to the third quarter of 2023. In the second quarter of 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 amounted to 12.37 million baht.

### 1. Operating Results

Unit: Million baht	Q3/ 2024	Q2/ 2024	QoQ	Q3/ 2023	YoY	9M 2024	9M 2023	YoY
Sales of goods	720.31	710.32	1.4%	659.56	9.2%	2,137.80	1,951.96	9.5%
Cost of sales	552.41	547.60	0.9%	506.37	9.1%	1,635.94	1,521.83	7.5%
Gross margin	167.90	162.72	3.2%	153.19	9.6%	501.86	430.14	16.7%
Other income	0.65	5.06	(87.2%)	3.43	(81.1%)	1.26	8.65	(85.5%)
Selling & admin. expenses	133.42	120.26	10.9%	116.52	14.5%	365.25	334.68	9.1%
Finance cost	0.13	0.14	(3.9%)	0.17	(19.9%)	0.42	0.54	(22.7%)
Income tax expenses (benefits)	7.21	(2.77)	360.5%	9.45	(23.7%)	15.71	21.20	(25.9%)
Net profit	27.79	50.15	(44.6%)	30.49	(8.9%)	121.74	82.36	47.8%
Earnings per share (Baht/share)	0.26	0.47	(44.6%)	0.28	(8.9%)	1.13	0.77	47.8%

#### 1.1 Quarterly operating results

- Sales of goods: The Company recorded sales of goods totaling 720.31 million baht, an increase of 1.4% or 9.99 million baht compared to the second quarter of 2024.

\ The higher sales ...

Begin your journey with us.

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The higher sales were mainly contributed by a growth in the foreign and domestic motorcycle OEM market of 19.4% and 9.6%, respectively, while revenue from automotive battery export decreased by 44.8% from the second quarter. The factors that continued to affect sales in this period were the tightening loan approval criteria of financial institutions and the political situation in Myanmar.

Compared with the same period in 2023, sales of goods increased by 9.2% or 60.75 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 552.41 million baht which accounted for 76.7% of sales of goods, reduced from the 2<sup>nd</sup> quarter of 2024 and the 3<sup>rd</sup> quarter of 2023 in which 77.1% and 76.8% 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, 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 133.42 million baht or 18.5% of sales of goods. Compared with the second quarter of 2024, the ratio of selling and administrative expenses to sales of goods was 1.6% higher, and the amount increased by 13.16 million baht which was comprised of (1) an increase in selling and marketing expenses of 1.45 million baht from sales promotional activities and royalty fees that followed higher sales volume, and (2) an increase in administrative expenses of 11.71 million baht, mainly due to the loss on exchange rate and the loss on disposal of asset in the motorcycle battery assembly line improvement project in 2024.

In comparison with the same period of last year, the ratio of selling and administrative expenses to sales of goods increased by 0.9% with an increase in value of 16.90 million baht. The amount included an increase of 7.07 million baht in sales and marketing expenses from royalty fees and excise tax, transportation and export expenses, and sales promotional activities, and an increase of 9.83 million baht in administrative expenses mainly due to loss on exchange rate and loss on disposal of asset in the motorcycle battery assembly line improvement project in 2024.

## 1.2 Nine-month operating results

i. Sales of goods: The Company's sales of goods totaling 2,137.80 million baht, which was 9.5% higher than in the first nine months of the previous year or an increase of 185.83 million baht, mainly owing to the 60.0% growth in foreign OEM market from new project

of one manufacturer. The sales of goods in the replacement market also grew 15.1% from two main factors: 1) the higher sale volume of a major distributor which was an effect of the government's economic stimulus campaign during the first 2 months of 2024, and 2) the Company's domestic project sales.

- ii. Cost of sales: The Company's cost of sales totaled 1,635.94 million baht or 76.5% of sales of goods. The ratio decreased from the first nine months of 2023 which was at 78.0%. The main reasons were the increase in sale portion of motorcycle battery which has a higher gross profit margin and the price adjustment in domestic replacement market (REM) to offset the increase in product cost.
- iii. Selling and administrative expenses: Compared with the first nine months of 2023, selling and administrative expenses increased by 30.57 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 27.55 million baht from the increase in royalty fees and excise tax according to sales of goods, and the increase in sales promotional, marketing and transportation expenses, and (2) an increase in administrative expenses of 3.02 million baht, mainly due to the loss on disposal of asset in the motorcycle battery assembly line improvement project and personnel expenses.

## 2. Financial Position

Table showing summaries of financial position

Unit: Million baht	Sep 30, 2024	Dec 31, 2023	Increase/ (Decrease)	%
<b>Assets</b>				
Current assets				
Cash and cash equivalents	495.50	247.58	247.92	100.1%
Trade and other receivables	390.27	424.44	(34.16)	(8.0%)
Inventories	325.85	430.43	(104.58)	(24.3%)
Other current assets	10.33	9.57	0.76	7.9%
Total current assets	1,221.95	1,112.02	109.93	9.9%
Non-current assets				
Property, plant, and equipment	466.25	444.22	22.03	5.0%
Other non-current assets	53.02	43.45	9.57	22.0%
Total non-current assets	519.27	487.66	31.60	6.5%
<b>Total assets</b>	<b>1,741.22</b>	<b>1,599.68</b>	<b>141.53</b>	<b>8.8%</b>

- 3 -

\ Liabilities and shareholders' equity. ...

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Unit: Million baht	Sep 30, 2024	Dec 31, 2023	Increase/ (Decrease)	%
<b>Liabilities and shareholders' equity</b>				
Current liabilities				
Trade and other payables	389.78	323.05	66.73	20.7%
Other current liabilities	46.08	56.09	(10.01)	(17.8%)
Total current liabilities	435.86	379.14	56.72	15.0%
Total non-current liabilities	125.38	117.97	7.41	6.3%
Total liabilities	561.24	497.12	64.13	12.9%
Shareholders' equity	1,179.97	1,102.57	77.41	7.0%
<b>Total liabilities and shareholders' equity</b>	<b>1,741.22</b>	<b>1,599.68</b>	<b>141.53</b>	<b>8.8%</b>

2.1 The Company's total assets as of September 30, 2024, totaled 1,741.22 million baht, consisting of current assets of 1,221.95 million baht and non-current assets of 519.27 million baht. Current assets increased by 109.93 million baht compared to the amount as of December 31, 2023. Cash and cash equivalents increased by 247.92 million baht mainly due to profit from operating activities and the decrease of raw material, finished goods, and work-in-progress in inventories. The value of non-current assets also increased by 31.60 million baht, mostly from the additions of buildings, machinery, and equipment.

2.2 The Company's total liabilities as of September 30, 2024, were 561.24 million baht, increasing from the total liabilities as of December 31, 2023, by 64.13 million baht. This was due to the increase of trade and other payables by 66.73 million baht, and the increase of non-current liabilities by 7.41 million baht mainly due to the accrued employee benefits.

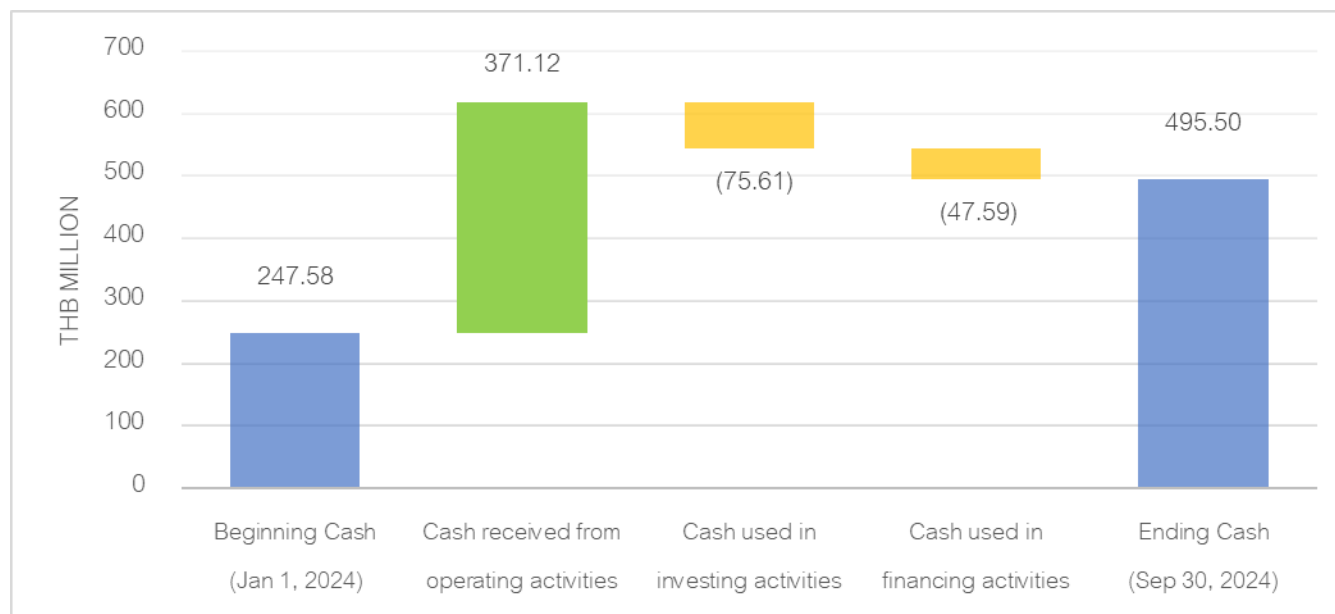
2.3 The Company's shareholders' equity as of September 30, 2024, totaled 1,179.97 million baht, an increase of 77.41 million baht or 7.0% from the end of last year as a consequence of:

(+) Profits in the first nine months of 2024 amounted to 121.74 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 9-month period



As of September 30, 2024, the Company recorded cash and cash equivalents totaling 495.50 million baht. Details of each activity were summarized as follows:

3.1 Net cash flows received from operating activities totaled 371.12 million baht. Key issues affecting changes were the followings:

- (+) Operating profits of 193.96 million baht;
- (+) Decreased trade and other receivables totaling 31.79 million baht;
- (+) Decreased inventories totaling 105.07 million baht;
- (-) Increased other current assets totaling 0.76 million baht;
- (+) Increased trade and other payables totaling 69.13 million baht;
- (-) Cash paid for employee benefits of 1.16 million baht;
- (+) Increased other current liabilities totaling 1.37 million baht;
- (+) Cash received from interest income of 0.77 million baht;
- (-) Cash paid for interest expenses of 0.24 million baht;
- (-) Cash paid for corporate income tax of 28.83 million baht.

3.2 Net cash flows used in investing activities totaled 75.61 million baht — 62.17 million baht of which was spent on buildings, machinery, and equipment; 13.78 million baht was the acquisition of intangible assets and 0.33 million baht was proceeds from sale of plant and equipment.

3.3 Net cash flows used in financing activities totaled 47.59 million baht — 3.25 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

	Q3/ 2024	Q2/ 2024	Q3/ 2023	9M2024	9M2023
<b>Profitability ratio (%)</b>					
Gross profit margin	23.31	22.91	23.23	23.48	22.04
Operating profit margin	4.88	6.69	6.08	6.45	5.33
Net profit margin	3.86	7.06	4.62	5.69	4.22

	Q3/ 2024	Q2/ 2024	Q3/ 2023
<b>Liquidity ratio (times)</b>			
Current ratio*	2.80	2.85	2.74
Quick ratio*	2.03	2.01	1.72
Account Receivable turnover**	7.94	7.64	7.03
Collection period (days)	46	48	52
Account Payable turnover**	11.18	10.89	8.79
Payment period (days)	33	34	42

\* ratios as at end of quarter      \*\* data of last four quarters until the period were used in calculation

The Company's current ratio and quick ratio as of September 30, 2024 were higher than the ratios at the end of the previous quarter and the same quarter of 2023, mainly due to the increase of cash and cash equivalent. The average collection period was 46 days, which was shorter than the average periods in the previous quarter and 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 nine-month profitability ratios were higher year-on-year. For quarterly profitability, comparing with the previous quarter and the same quarter of 2023, the gross profit margin was higher due to the difference in motorcycle battery and automotive battery sale portions and price adjustment in the domestic replacement market. The operating profit margin and the net profit margin, meanwhile, decreased from the previous quarter and the same period of last year owing to the loss on exchange rate and loss on disposal of asset in the motorcycle battery assembly line improvement project that occurred in the third quarter of 2024. In addition, in the previous quarter the Company had exercised 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,

*-signature-*

Mr. Tsunenori Yoshimura

Chief Executive Officer