

No. CEO/007/2023

May 11, 2023

Subject : Company's operating results for the 1st quarter of 2023 ended March 31, 2023
 To : The President
 The Stock Exchange of Thailand

Yuasa Battery (Thailand) Public Company Limited (“the Company”) would like to clarify operating results for the first quarter of 2023 ended March 31, 2023 as follows:

Performance Overview, Q1/2023

As the Thai economy has showed the signs of continuous recovery, while exports value has been increasing along with the productivity, in the first quarter of 2023, the Company recorded higher sales revenue in all markets compared to the first quarter of the previous year. The Company posted a net profit of 22.69 million baht, down 0.74 million baht or 3.16% when compared to 2022.

1. Operating Results

Operating result overview

Unit: Million THB

ITEM	Q1/2022	Q1/2023	Increase/ (Decrease)	Changes (%)
Sales of goods	592.07	638.80	46.73	7.89%
Cost of sales	461.47	505.30	43.83	9.50%
Gross margin	130.60	133.50	2.90	2.22%
Other income	2.56	2.26	(0.30)	(11.72%)
Selling and administrative expenses	103.72	107.20	3.48	3.36%
Finance cost	0.22	0.19	(0.03)	(12.73%)
Income tax expenses	5.79	5.67	(0.12)	(2.04%)
Profit for the periods	23.43	22.69	(0.74)	(3.15%)
Earnings per share (THB/share)	0.22	0.21	(0.01)	(3.16%)

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Table showing common-size income statement

ITEM	Q1/2022	Q1/2023
(Ratio per sales of goods)		
Sales of goods	100.00%	100.00%
Cost of sales	77.94%	79.10%
Gross margin	22.06%	20.90%
Other income	0.43%	0.35%
Selling and administrative expenses	17.52%	16.78%
Finance cost	0.04%	0.03%
Income tax expenses	0.98%	0.89%
Profit for the periods	3.96%	3.55%

The Company posted a net profit of 22.69 million baht, or 0.21 baht per share. The net profit was down 0.74 million baht or 3.16% compared to the same period of the previous year in which the Company posted a net profit of 23.43 million baht. The details are provided as follows:

1.1 Sales of goods: The Company recorded total sales revenue of 638.80 million baht, an increase from the same period last year of 7.89% or 46.73 million baht. The sales growth was from the OEM Market, Replacement Market, Export Market and other markets of 3.90%, 6.01%, 23.07% and 13.11%, respectively. The revenue growth in the Export Market was resulted from higher export volume following economic recovery. Another positive factor was the depreciation of the baht when compared to the same period last year.

1.2 Cost of sales: The Company's cost of sales totaled 505.30 million baht, representing 79.10% of the total sales revenue. Cost of sales ratio increased 1.16% from the previous year, with the main causes being pricing pressure following the intense competition in the market as well as the energy and fuel costs in production.

1.3 Selling and administrative expenses: The Company's selling and administrative expenses totaled 107.20 million baht or 16.78% of sales revenue. The expenses rose 3.48 million baht compared with the same period last year. The main causes were the increased royalty fees, which followed higher sales revenue. Nevertheless, selling and administrative expense ratio to sales of goods decreased from 17.52% in the first quarter of 2022.

2. Financial position

Table showing summaries of financial position

Unit: Million THB

ITEM	Dec 31, 2022	Mar 31, 2023	Increase/ (Decrease)	Changes (%)
Asset				
Current Assets				
Cash and cash equivalents	414.82	298.41	(116.41)	(28.06%)
Trade and other receivables	393.45	352.92	(40.53)	(10.30%)
Inventories	317.65	407.14	89.49	28.17%
Other current assets	8.77	16.64	7.87	89.82%
Total current assets	1,134.68	1,075.11	(59.57)	(5.25%)
Non-Current assets				
Property, Plant and Equipment	407.65	403.59	(4.06)	(1.00%)
Other non-current assets	36.09	35.76	(0.33)	(0.91%)
Total non-current assets	443.74	439.35	(4.39)	(0.99%)
Total assets	1,578.42	1,514.47	(63.95)	(4.05%)
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	399.36	301.24	(98.12)	(24.57%)
Other current liabilities	50.44	59.49	9.05	17.94%
Total current liabilities	449.8	360.73	(89.07)	(19.80%)
Total non-current liabilities	106.13	108.56	2.43	2.29%
Total liabilities	555.94	469.29	(86.65)	(15.59%)
Shareholders' equity	1,022.48	1,045.18	22.69	2.22%
Total liabilities and shareholders' equity	1,578.42	1,514.47	(63.95)	(4.05%)

2.1 The Company's total assets as of March 31, 2023 totaled 1,514.47 million baht, consisting of current assets of 1,075.11 million baht and non-current assets of 439.35 million baht. Current assets decreased 59.57 million baht compared to the amount as of December 31, 2022. Cash and cash equivalents decreased 116.41 million baht due to the shortened payment terms for raw materials. Meanwhile, trade and other receivables decreased 40.53 million baht following debt monitoring. Another factor contributed to decrease of receivables was the decrease in sales revenue.

2.2 The Company's total liabilities as of March 31, 2023 were 469.29 million baht, down from the total liabilities as of December 31, 2022 by 86.65 million baht. This was due to the decrease of trade and other payables by 98.12 million baht, which followed changes in the payment terms for raw materials.

Meanwhile, other current liabilities and non-current liabilities increased 9.05 million baht and 2.43 million baht, respectively. These were resulted from income tax payables, owing to the profit from the first quarter of 2023, operating expenses, lease liabilities, and the reserves for long-term employee benefits.

2.3 The Company's shareholders' equity as of March 31, 2023 totaled 1,045.18 million baht, an increase of 22.69 million baht or 2.2% from the end of last year. It was resulted from the Company's profit in the first quarter of 2023.

3. Cash flows

Table showing cash flow overview

Unit: Million THB

ITEM	Q1/2022	Q1/2023	Up (Down)
Net cash flows from (used in) operating activities	9.40	(98.98)	(108.38)
Net cash flows used in investing activities	(8.36)	(16.45)	(8.09)
Net cash flows used in financing activities	(1.09)	(0.97)	0.12
Net increase (decrease) in cash and cash equivalents	(0.04)	(116.40)	(116.36)

3.1 Net cash flows used in operating activities totaled 98.98 million baht; while net cash flows from operations in the same period last year totaled 9.40 million baht. This was due to changes in the procurement of raw materials.

3.2 Net cash flows used in investing activities totaled 16.45 million baht — 16.25 million baht of which was spent on the purchase of buildings and equipment; 0.11 million baht was intangible assets and 0.10 million baht was advanced payment for non-current assets.

3.3 Net cash flows used in financing activities totaled 0.97 million baht. The amount was the repayment of lease liabilities.

4. Financial ratio

Major financial ratio items

ITEMS	Units	Q1/2022	Q1/2023
Liquidity ratio			
Current ratio **	(times)	2.52	2.98
Quick ratio **	(times)	1.80	1.81
Receivable turnover	(times)	1.70	1.71
Collection period	(days)	54	53
Payable turnover	(times)	1.35	1.44
Payment period	(days)	68	63
Profitability ratio			
Gross profit margin	(%)	22.06	20.90
Operating profit margin	(%)	4.97	4.47
Net profit margin	(%)	3.96	3.55

** Ratios as of Dec 31, 2022 and Mar 31, 2023.

The Company's current ratio as of March 31, 2023 was 2.98 times, up from 2.52 times as of March 31, 2022. This was due to the lower rate of decrease in current assets than the rate of decrease in current liabilities. Meanwhile, quick ratio was close to that as of the end of last year as the rate of decrease in cash and cash equivalents as well as trade and other receivables was higher than the rate of decrease in total current assets, and was close to the rate of decrease in current liabilities.

In the first quarter of 2023, receivable turnover was 1.71 times, while an average collection period was 53 days, a decrease from last year's collection period of 54 days. The main reason was the close and continuous debt monitoring. An average payment period was 63 days, down from last year's payment period of 68 days. This was due to the shortened payment period in return for lower prices of raw materials. Nevertheless, the shortened average payment period did not affect the Company's liquidity management.

Gross profit ratio was 20.90%, which was lower than the same period of last year. It was resulted from the competitiveness in the market as well as increases in production expenses, e.g., electricity and fuel costs.

Please be informed accordingly.

Your sincerely,



Mr. Akira Kiyomizu

Chief Executive Officer