



26 April 2016

To: The President  
The Stock Exchange of Thailand

Re: Q1-2016 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to notify the Company's Q1-2016 (Jan-Mar) operating results based on its reviewed consolidated financial statements ended 31 March 2016 as follows.

### Highlights on Q1-2016 Operating results

Unit : Million Baht	<u>Q1-16</u>		<u>Q1-15</u>		<u>Q4-15</u>		<u>% Change</u>	
	Amount	%	Amount	%	Amount	%	Q1-16 VS Q1-15	Q1-16 VS Q4-15
Sales Revenue	11,203	100.0	10,987	100.0	12,382	100.0	2.0	(9.5)
Gross profit	2,956	26.4	3,038	27.7	3,491	28.2	(2.7)	(15.3)
Operating profit	1,114	9.9	1,523	13.9	1,581	12.8	(26.9)	(29.5)
Net profit	1,250	11.2	1,559	14.2	1,711	13.8	(19.8)	(26.9)
<b>EPS (Baht)</b>	<b>1.00</b>		<b>1.25</b>		<b>1.37</b>			

Sales revenues of this quarter amounting to Baht 11,203 million, went up 2.0% from those of the same period last year. Sales growth remains attributed to Mobile Power Supplier, which increased about 17.7% over the same quarter of last year because of an increase in the demand of adapter for power tool equipment in America market. Fan & Thermal management product's sales also grew 16.9% from those of the same period last year. These cooling fans are customised design products which can be used in various areas to serve our customers who are mainly the reputable world class automotive, telecommunication, IT, household appliances and industrial equipment manufacturers. In addition, Industrial Automation's sales booked a 30% growth due to the increasing sales in EMEA and India market. However, Embedded power supplies sales, especially for computer storage and networking power supply, reduced about 9.0% from those of the same period last year owing to the decreasing sales in America and Asia zone.

Gross profit of this quarter amounted to Baht 2,956 million, 2.7% down from the same period last year due to the decline in Embedded power supplies' sales. This resulted in a lower gross margin from 27.7% in the same period last year to 26.4%. In addition, selling and administrative expenses including R&D (SGA) of this quarter rose 21.6% or Baht 327 million from the same period last year. Major increased items in SGA were R&D expenses to support the future growth. The ratio of SGA/sales therefore rose from 13.8% in the same period last year to 16.4% in this quarter and resulted in the decrease of operating profit of this quarter by 26.9% from the same period last year and also a lower operating profit margin, from 13.9% in the same period last year to 9.9%. Net profit in this quarter was booked at Baht 1,250 million, 19.8% down from the same period last year with EPS of Baht 1.00, compared to Baht 1.25 in Q1-15.

## Highlights on Financial Position

Unit : Million Baht	31 Mar 16	31 Dec 15	%Change
Cash and Cash equivalents	21,262	20,488	3.8
Trade and other receivables	9,169	9,654	(5.0)
Inventories	6,203	6,141	1.0
Property, plant and equipment	5,244	4,942	6.1
Others	2,464	2,377	3.7
<b>Total Assets</b>	<b>44,342</b>	<b>43,602</b>	<b>1.7</b>
Bank overdrafts and short-term loans	196	190	3.2
Trade and other payable	9,789	10,111	(3.2)
Others	2,755	2,743	0.4
<b>Total Liabilities</b>	<b>12,740</b>	<b>13,044</b>	<b>(2.3)</b>
<b>Total Shareholders' equity</b>	<b>31,602</b>	<b>30,558</b>	<b>3.4</b>
<b>Total Liabilities and shareholders' equity</b>	<b>44,342</b>	<b>43,602</b>	<b>1.7</b>

### Total Assets

As of 31 March 2016, total assets of the Company and its subsidiaries stood at Baht 44,342 million, 1.7% up from those of 31 December 2015. Major changes in key assets are summarized below.

**Cash and Cash equivalents** as of 31 March 2016 amounted to Baht 21,262 million, an increase of Baht 774 million or 3.8% from 31 December 2015 which was mainly earned from its operations.

**Net trade and other receivables** as of 31 March 2016 were Baht 9,169 million, an decrease of Baht 485 million or 5.0% from 31 December 2015. Most of the outstanding balance of trade and other receivables, almost 87% of total net trade and other receivables, were under current due. Average collection period increased from 69 day to 76 day as a result of some delay payments of the account receivables in Argentina caused by the currency exchange control of Argentina's government in 2015 which affected the payment of the client. However such control has been removed since January 2016 and the overdue account receivables are expected to be gradually paid off by Q3 this year.

**Property, plant and equipment** as of 31 March 2016 amounted to Baht 5,244 million, an increase of Baht 302 million or 6.1% from those of 31 December 2015. Major investment items are the purchase of land for R&D center and sales office buildings in Bangalore, India. The land has gradually been purchased since last year to accommodate the growing operations. In addition, the Company itself has also purchased some machinery and molds totaling Baht 162 million to enhance its production efficiency and some are for replacement.



### **Total Liabilities**

As of 31 March 2016, total liabilities of the Company and its subsidiaries stood at Baht 12,740 million, 2.3% up from those of 31 December 2015. Major change in liabilities is described below.

**Trade and other payables** as of 31 March 2016 were Baht 9,789 million, a decrease of Baht 322 million or 3.2% from 31 December 2015. This was mostly due to repayments of other account payables and trade payables.

### **Shareholders' Equity**

As of 31 March 2016, shareholders' equity of the Company and its subsidiaries were Baht 31,602 million, an increase of Baht 1,044 million or 3.4% from those of 31 December 2015. This was attributable to the profits generated during the first three month operations totally amount Baht 1,250 million.

Please be informed accordingly.

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Anusorn Muttaraid  
Director