



24 April 2017

To: The President
The Stock Exchange of Thailand

Re: Q1-2017 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to notify the Company's Q1-2017 (Jan-Mar) operating results based on its reviewed consolidated financial statements ended 31 March 2017 as follows.

Highlights on Q1-2017 Operating results

Unit : Million Baht	Q1-17		Q1-16		Q4-16		% Change	
	Amount	%	Amount	%	Amount	%	Q1-17 VS Q1-16	Q1-17 VS Q4-16
Sales Revenue	12,127	100.0	11,203	100.0	12,800	100.0	8.3	(5.3)
Gross profit	3,218	26.5	2,956	26.4	3,312	25.9	8.9	(2.8)
Operating profit	1,377	11.4	1,114	9.9	1,408	11.0	23.6	(2.2)
Net profit	1,348	11.1	1,250	11.2	1,533	12.0	7.9	(12.0)
EPS (Baht)	1.08		1.00		1.23			

Sales revenues of this quarter amounting to Baht 12,127 million, went up 8.3% from those of the same period last year. Sales growth was contributed from all product groups, particularly Telecom Power Systems which increased about 16.8% over the same quarter of last year because of an increase of sales revenues in India and America. With the continuous growth in Indian telecommunication industry and being the world's third largest internet market, there would be significant business opportunities in the market. The other sales growth contributions are also from Mobile Power Supply, which its sales rose about 10.9% over the same quarter of last year because of the continuous increase in demands of adapter for power tool equipment in America market, and Fan & Thermal management product group, which its sales grew 6.1% from those of the same period last year.

Gross profit of this quarter amounted to Baht 3,218 million, 8.9% up from the same period last year largely due to the sales growth. Gross margin, hence, stood at 26.5%, which is about the same rate as that of the same period last year. Although selling expenses rose approximately 5.6% from those of the same period last year, mainly due to the increase in people costs particularly to strengthen the sales force team for ASEAN and India market, the overall selling and administrative expenses including R&D (SGA) in this quarter of Baht 1,841 million remain stable when compared with the same period last year. The ratio of SGA/sales therefore declined from 16.4% in the same period last year to 15.2% in this quarter, resulting in a higher operating profit of 23.6% from that of the same period last year with a profit margin of 11.4%, compared to 9.9% in the same period last year. Net profit in this quarter was booked at Baht 1,348 million, 7.9% up from the same period last year, with EPS of Baht 1.08, compared to Baht 1.00 in Q1-16.



Other matter

On 4 April 2017, Delta Greentech (Netherlands) B.V., a wholly owned subsidiary, sold 51 percent interests in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC and its 100% interests in Delta Greentech (USA) Corporation and Delta Greentech (Brazil) SA to a related company at a price of approximately USD 24.85 million, or approximately Baht 856 million, which is close to price assessed by an independent valuer. The related company sold all of its 100% investment in Eltek, s.r.o. (“Eltek SK”) at a price of approximately USD 22.00 million, in part payment for the purchase of these subsidiaries. The remaining purchase price of USD 2.85 million is to be paid in cash. However, as a result of the sale, the subsidiary’s shareholdings in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC decreased to 49 percent. The remaining balances of these investments has therefore been recorded as investments in associated companies. The valuation of fair market value of the remaining investment and the consolidation goodwill for the post sale of investment transaction are still on process. In addition, the Company has classified the assets and liabilities which related to the disposed subsidiary companies as assets held for sales.

Highlights on Financial Position

Unit : Million Baht	31 Mar 17	31 Dec 16	%Change
Cash and Cash equivalents	18,978.9	19,685.4	(3.6)
Trade and other receivables	8,377.8	10,696.5	(21.7)
Inventories	7,374.4	7,296.8	1.1
Assets held for sales	3,101.5	-	-
Property, plant and equipment	6,040.2	5,965.7	1.2
Others	2,568.8	3,106.3	(5.6)
Total Assets	46,441.6	46,319.3	0.3
Bank overdrafts and short-term loans	-	321.1	-
Trade and other payable	9,571.3	11,349.1	(15.7)
Dividend payable	3,742.1	-	-
Liabilities associated with assets held for sales	1,616.6	-	-
Others	2,264.6	2,758.0	(17.9)
Total Liabilities	17,194.6	14,428.2	19.2
Total Shareholders’ equity	29,247.0	31,891.1	(8.3)
Total Liabilities and shareholders’ equity	46,441.6	46,319.3	0.3

Total Assets

As of 31 March 2017, total assets of the Company and its subsidiaries stood at Baht 46,442 million, which were insignificantly changed from those of 31 December 2016. Some changes in key assets are summarized below.



Net trade and other receivables as of 31 March 2017 were Baht 8,378 million, reduced Baht 2,319 million or 21.7% from those of as at 31 December, 2016. This was partly caused by the classification of the net trade and other receivables which related to the disposed subsidiary companies as assets held for sales according to the above mentioned sale of investment in 51% of its interests in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC and 100% interests in Delta Greentech (USA) Corporation and Delta Greentech (Brazil) SA. Together with a better collection, the average collection period decreased from 77 days to 74 days. Most of the outstanding balance of trade and other receivables, almost 89% of total net trade and other receivables, were under current due.

Inventory (net) as of 31 March 2017 amounted to Baht 7,374 million, an increase of Baht 78 million or 1.1 % from those of 31 December 2016, mainly increase in stocks at hub which aimed to promptly support our customer requirements. Inventory turnover days therefore rose from 70 days in Q1-16 to 76 days.

Advance payment for land as of 31 March 2017 amounted to Baht 209 million. An India's subsidiary had paid advance payment for a purchase of 125 Acres (approx. 316 Rais) plot of land amounting INR 396 million (equivalent to THB 209 million) or 50% of the total land value. This plot of land is expected to be used for manufacturing site to support business expansion.

Total Liabilities

As of 31 March 2017, total liabilities of the Company and its subsidiaries stood at Baht 17,195 million, 19.2% up from those of 31 December 2016. Major change in liabilities is dividend payable of Baht 3,742 million. The Company had declared the dividend in this quarter and the payment is to be made in April 2017.

Shareholders' Equity

As of 31 March 2017, shareholders' equity of the Company and its subsidiaries were Baht 29,247 million, a decrease of Baht 2,644 million or 8.3% from those of 31 December 2016 following the declaration of the dividend payment of Baht 3,742 million as described above.

Please be informed accordingly.

Anusorn Muttaraid
Director