



24 July 2018

To: The President  
The Stock Exchange of Thailand

Re: Q2-2018 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to notify the Company's Q2-2018 (Apr-Jun) operating results based on its reviewed consolidated financial statements ended 30 June 2018 as follows.

### Highlights on Q2-2018 Operating results

Unit : Million Baht	Q2-18		Q2-17		Q1-18		% Change	
	Amount	%	Amount	%	Amount	%	Q2-18 VS Q2-17	Q2-18 VS Q1-18
Sales Revenue	13,144	100.0	12,296	100.0	12,528	100.0	6.9	4.9
Gross profit	2,889	22.0	3,123	25.4	2,731	21.8	(7.5)	5.8
Operating profit	1,158	8.8	1,441	11.7	1,020	8.1	(19.7)	13.5
Net profit	1,387	10.6	843	6.9	1,054	8.4	64.6	31.6
<b>EPS (Baht)</b>	<b>1.11</b>		<b>0.68</b>		<b>0.85</b>			

Overall performances of the company in this quarter have been affected from unfavorable conditions including the strong appreciation of THB/USD, which strengthened from the average rate of Baht 34.2863/USD in Q2-17 to Baht 31.9468/USD in the same period this year.

Sales revenues of this quarter amounted to Baht 13,144 million, went up 6.9% from those of the same period last year. However, if the impact on the fluctuation of THB/USD is not taken into consideration, sales growth in this quarter would become approx. 15.5% over the same period of last year.

Sales growth remains driven by Power Electronics business group, especially power supplies for automotive sector (Electric Vehicle Solutions) which increased from the same period of last year at 15.1%. This is due to the increasing demands in Europe and America markets following the recovery in economy in these regions. Another outstanding product is DC FAN and Standard Industrial Power Supplies which increased from the same period of last year at 10.0% and 9.5% respectively.

Meanwhile, Sales revenues of this quarter went up 4.9% from last quarter, Sales growth was driven by the strong recovery of power supplies for Computer & Networking and DC-DC Power which increased from last quarter at 20% and 23% respectively.

Gross profit of this quarter amounted to Baht 2,889 million, 7.5% down from the same quarter of last year mainly because of the significant appreciation of THB/USD cause material cost increase in term of



THB which has resulted in higher cost of goods sold, As a results, gross margin has reduced to 22.0%, dropped from 25.4% from the same quarter of last year.

Meanwhile, Gross profit of this quarter went up from last quarter in the same direction with Sales revenues at 5.8% which was driven by the strong recovery of power supplies for Computer & Networking and DC-DC Power.

In the same period last year, the Company has booked a major expense item incurred by tax assessment totaling Baht 992 million. This amount consists of;

- 1) provision for tax assessment (including penalties and surcharges) during the year 1997-2000 which the Company has to pay to the Revenue Department by the judgement of the Supreme Court announced on 26 June 2017 for the amount of Baht 734 million, and
- 2) provisions totaling Baht 258 million and the existing provision of Baht 100 million) for tax assessment (including penalties and surcharges) for the year 2001-2006 for the total amount of Baht 557 million,

After included the above expenses, Net profit in this quarter amount Baht 1,387 million, increase from the same period last year at 64.6%, with EPS of Baht 1.11 in Q2-18, compared to Baht 0.68 in Q2-17.

Meanwhile, Net profit of this quarter went up from last quarter at 31.6% which was driven by the strong recovery of power supplies for Computer & Networking and DC-DC Power together with the significantly depreciation of THB/USD especially in the 2<sup>nd</sup> Half of June

### Highlights on Financial Position

Unit : Million Baht	30 Jun 18	31 Dec 17	%Change
Cash and Cash equivalents	15,607	17,320	(9.9)
Trade and other receivables	11,310	10,468	8.0
Inventories	8,480	7,684	10.4
Investments in associated companies	750	593	26.6
Property, plant and equipment	7,422	7,258	2.3
Others	3,224	2,695	19.6
<b>Total Assets</b>	<b>46,793</b>	<b>46,018</b>	<b>1.7</b>
Bank overdrafts and short-term loans	0	229	(100)
Trade and other payable	12,211	10,480	16.5
Others	2,588	2,835	(8.7)
<b>Total Liabilities</b>	<b>14,799</b>	<b>13,544</b>	<b>9.3</b>
<b>Total Shareholders' equity</b>	<b>31,994</b>	<b>32,473</b>	<b>(1.5)</b>
<b>Total Liabilities and shareholders' equity</b>	<b>46,793</b>	<b>46,017</b>	<b>1.7</b>



### **Total Assets**

As of 30 June 2018, total assets of the company and its subsidiaries stood at Baht 46,793 million, insignificantly changed from those of 31 December 2017. Some changes in key assets are summarized below.

**Net trade and other receivables** as of 30 June 2018 were Baht 11,310 million, an increase of Baht 842 million from its balance as of 31 December 2017. Most of the outstanding balance of trade and other receivables, almost 90% of total net trade and other receivables, were under current due.

**Inventory (net)** as of 30 June 2018 amounted to Baht 8,480 million, an increase of Baht 796 million or 10% from those of 31 December 2017. The major increase item is raw material which is aimed to promptly support the expected higher production volume in second quarter.

**Investments in associated companies** as of 30 June 2018 amounted to Baht 750 million, increasing approx. Baht 157 million. The major item is the additional capital injection in Delta Greentech Electronic Industry LLC of approx. Baht 95 million to support its business expansion.

### **Total Liabilities**

As of 30 June 2018, total liabilities of the company and its subsidiaries stood at Baht 14,799 million, an increase of Baht 1,255 million from those of 31 December 2017. Major change in liabilities is trade and other payable and the main items are raw material trade payable and accrued expenses.

### **Shareholders' Equity**

As of 30 June 2018, shareholders' equity of the company and its subsidiaries were Baht 31,994 million, an decrease of Baht 479 million from those of 31 December 2017. because of the dividend at Baht 2,744 million was paid out during this quarter

Please be informed accordingly.

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Anusorn Muttaraid  
Director