



February 19, 2021

To: The President
The Stock Exchange of Thailand

Re: 2020 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to announce the Company's 2020 operating results based on the audited consolidated financial statements ended 31 December 2020 as follows.

Management's Discussion and Analysis

The following management's discussion and analysis should be read in conjunction with the consolidated financial statements and notes to financial statements. If not defined otherwise, all financial information presented in this document are in Thai Baht. The company presents its financial statements in accordance with the Thai Financial Reporting of Thailand (TFRS), which has been adjusted in accordance with the International Financial Reporting Standards (IFRS). All the financial information discussed herein is for the fiscal year ending 31 December 2020, 2019, 2018 and has been prepared on consolidated basis.

Consolidated financial information		2020	2019	2018
Total assets	million baht	57,219	46,255	48,201
Total liabilities	million baht	19,611	13,073	14,260
Total shareholders' equity	million baht	37,607	33,182	33,941
Registered capital	million baht	1,259	1,259	1,259
Paid-up capital	million baht	1,247	1,247	1,247
Key financial ratios				
Liquidity ratios				
Current ratio	times	2.47	2.98	3.07
Quick ratio	times	1.62	2.04	2.26
Cash ratio	times	0.51	0.44	0.43
Receivable turnover	times	5.30	4.75	4.71
Average collection period	days	68	76	76
Inventory turnover	times	4.44	4.45	4.74
Average inventory turnover period	days	81	81	76
Account payable turnover	times	4.62	4.80	5.03
Average payment period	days	78	75	72
Cash Conversion Cycle	days	71	82	81
Financial data and profitability ratios				
Sales revenues	million baht	63,208	52,047	53,067
change %	(%)	21.4%	(1.9%)	7.8%
Gross profit	million baht	15,119	10,636	12,123
Gross profit margin	(%)	23.92%	20.44%	22.84%



Consolidated financial ratios		2020	2019	2018
Financial data and profitability ratios (continuous)				
Operating expense (include Research and Development)	million baht	8,762	8,314	7,378
Operating expenses (include Research and Development) to sales	(%)	13.86%	15.97%	13.90%
Operating profit margin	(%)	10.06%	4.46%	8.94%
Other income to total revenues	(%)	1.40%	0.88%	1.08%
Net profit	million baht	7,102	2,960	5,126
change of net profit %	(%)	139.92%	(42.26%)	4.00%
Net profit margin	(%)	11.24%	5.69%	9.66%
Net profit to total revenues	(%)	11.08%	5.64%	9.56%
Return on Equity	(%)	20.06%	8.80%	15.44%
Efficiency Ratios				
Return on Assets	(%)	13.77%	6.29%	10.88%
Return on fixed assets	(%)	76.06%	46.88%	82.27%
Asset turnover	times	1.24	1.12	1.14
Financial Policy Ratios				
Debt to Equity	times	0.52	0.39	0.44
Interest coverage	times	4,918	2,924	545
Dividend payout	(%)	x%*	75.86%	55.96%

* Pending for approval from the 2021 annual shareholders' meeting

Operating results for the year 2020, 2019, and 2018

Unit: Baht million

	2020		2019		Increased (Decrease)		2018		Increased (Decrease)	
		%		%		%		%		%
Revenue and Services Income	63,208.0	100.00	52,046.7	100.00	11,161.3	21.44	53,066.6	100.00	10,141.4	19.11
Cost of sales and services	48,089.1	76.08	41,411.0	79.56	6,678.2	16.13	40,944.0	77.16	7,145.2	17.45
Gross profit	15,118.9	23.92	10,635.7	20.44	4,483.1	42.15	12,122.7	22.84	2,996.2	24.72
Operating expenses	8,762.4	13.86	8,314.0	15.97	448.4	5.39	7,378.3	13.90	1,384.1	18.76
Operating profit	6,356.4	10.06	2,321.7	4.46	4,034.7	173.78	4,744.3	8.94	1,612.1	33.98
Other income	895.4	1.42	460.9	0.89	434.5	94.27	577.6	1.09	317.9	55.03
Other expenses	68.4	0.11	46.8	0.09	21.6	46.11	270.5	0.51	(202.1)	(74.71)
Finance Income	110.3	0.17	236.0	0.45	(125.7)	(53.27)	230.9	0.44	(120.6)	(52.24)
Investment Gain	15.5	0.02	11.1	0.02	4.5	40.33	52.7	0.10	(37.2)	N/A
Profit before income tax	7,309.3	11.56	2,982.9	5.73	4,326.4	145.04	5,335.0	10.05	1,974.2	37.01
Income tax expenses	207.6	0.33	22.9	0.04	184.7	805.19	208.6	0.39	(1.0)	(0.46)
Net profit for the period	7,101.6	11.24	2,960.0	5.69	4,141.7	139.92	5,126.4	9.66	1,975.2	38.53

Breakdown of sales revenues by business group

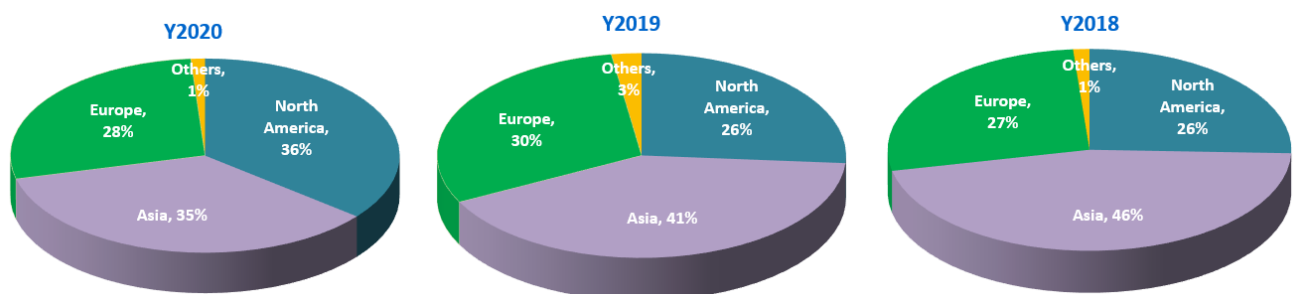
Product Group	2020		2019		2018	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	45,020	71.2%	32,296	62.0%	39,465	74.4%
Infrastructure Group	16,252	25.7%	17,463	33.6%	11,150	21.0%
Automation Group	1,811	2.9%	2,120	4.1%	2,009	3.8%
Others	125	0.2%	168	0.3%	443	0.8%
Total Sales Revenues	63,208	100.0%	52,047	100.0%	53,067	100.0%

Note

- **Power electronics segment** is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances, electric vehicle. The main products are DC-DC Converter, Power supply for Computer & Server, Custom Design product, powertrain and electronics components for EV, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.
- **Infrastructure segment** is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure. The main products are Telecommunication system, Renewable energy, Energy storage and High power etc.
- **Automation segment** is a business segment which designs, manufactures, and installations of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.

In 2020, consolidated sales revenues amount 63,208 million baht were increased 21.4% and 19.1% from 2019 and 2018 respectively, this was mainly due to the boost up in sales of Power Electronic business group, especially the sales in Cloud Computing, Data Center and Electric Vehicle Solutions

Sales revenues breakdown by geographic location



In 2020, sales revenues in the North America markets was remarkable increased from 26% to be 36% , on the other hand, the Asia market was decreased from 41% to be 36% of total sales, while the Europe markets remained in the average range over the past 3 years.

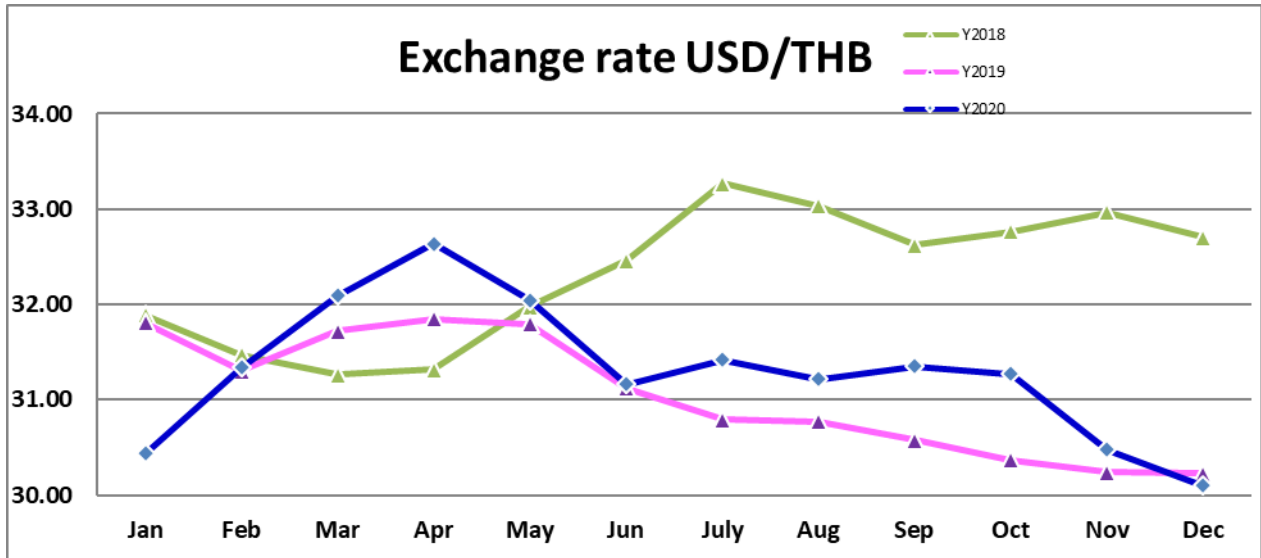
Other income

Other income worth 895 million baht in 2020 consists of the following key items;

- Interest income of 110 million baht, a decrease of 126 and 121 million baht from 2019 and 2018 respectively due to lower deposit interest rate in 2020 compare to 2019 and 2018.



- Foreign exchange gain of 388 million baht, an increase of 356 and 211 million baht from 2019 and 2018 respectively due to the baht against USD more stable in 2020, however, the company still follows a prudent policy to hedge the net position of each currency to minimize potential impact from exchange rate fluctuation.



Source : Bank of Thailand

Cost of sales and expenses

Cost of sales

In 2020, cost of sales accounted for 76.1% of total sales, lower than that of 2019 and 2018 of 79.6% and 77.2%, respectively, major contribute from product mixed different, after the boost up of Cloud Computing, Data Center and Electric Automotive business in this year.

Selling and administrative expenses

Selling and administrative expenses (including research and development) in 2020, an increase of 5.4% from 2019 and 14.0% from 2018 respectively due to a significant increase in Sales Revenue as previously mentioned

Net profit

The company's Operating Profit in 2020 was 10.1%, rose up from 4.5% in 2019 and 8.8% in 2018 respectively caused by higher revenue and lower cost of production. Consequently, net profit in 2020 was 11.2% or 7,102 million baht compare to 5.7% and 9.7% in 2019 and 2018 Earnings per share was 5.69 baht in 2020 compare to 2.37 baht in 2019 and 4.12 baht in 2018.



Assets and Liabilities

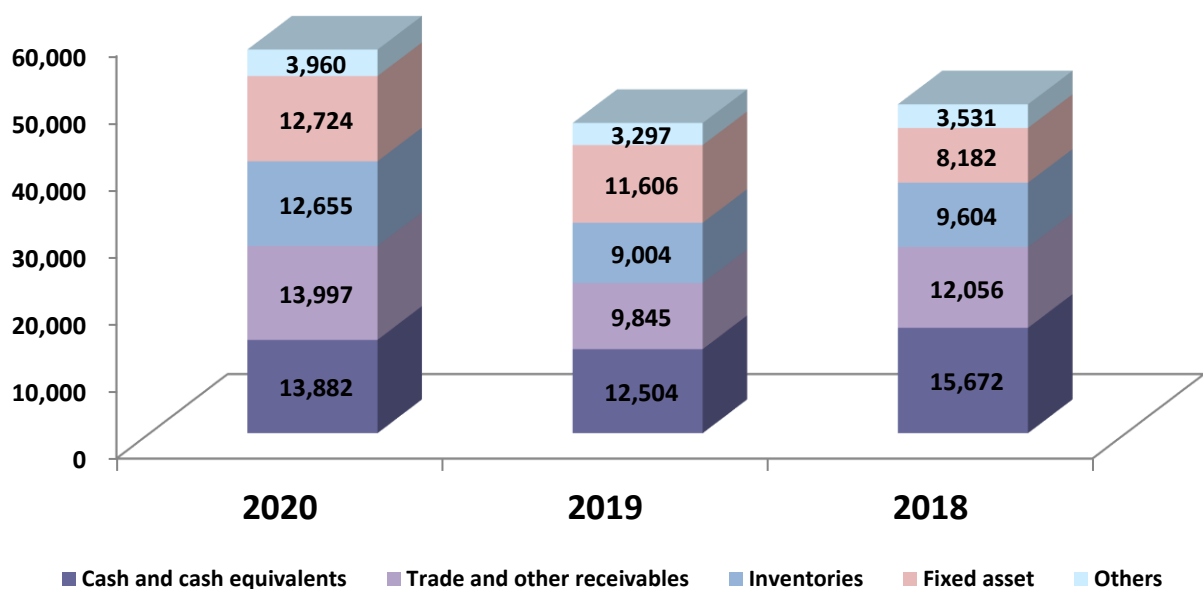
Assets

As at 31 December 2020, the company had total assets worth 57,219 million baht, increase of 23.7% from 2019 and 16.7% from 2018. Return on asset was 13.8% in 2020 increase from 6.3% and 10.9% in 2019 and 2018 respectively. Some of the changes in key assets are summarized below.

Major assets and the changes in the assets are summarized as follows;

				2020 VS 2019	2020 VS 2018
	31 December	31 December	31 December	Increase	Increase
	2020	2019	2018	(Decrease)	(Decrease)
Cash and cash equivalents	13,882	12,504	15,672	11.0%	(11.4%)
Current investments	0	2	223	(100.0%)	(100.0%)
Trade and other receivables	13,997	9,845	12,056	42.2%	16.1%
Inventories	12,655	9,004	9,604	40.6%	31.8%
Other Current Assets	1,917	1,292	1,165	48.4%	64.6%
Investments in associated	0	464	536	(100.0%)	(100.0%)
Consolidation goodwill	437	418	438	4.5%	(0.3%)
Property, plant and equipment	12,724	11,606	8,182	9.6%	55.5%
Other assets	1,606	1,121	1,168	43.3%	37.4%
Tota Assets	57,219	46,255	49,045	23.7%	16.7%

Breakdown of assets in 2020, 2019 and 2018





- **Cash and bank deposits** as at 31 December 2020 amounted to 13,882 million baht, increase 11.0% from 2019 and decrease 11.4% from 2018, due to an increase in current year Net Profit and construction delays in India from the Covid-19 pandemic.
- **Net trade receivables** as at 31 December 2020 of 13,997 million baht an increase of 42.2% and 16.1% from 2019 and 2018 respectively. Resulting from an increase in Sales Revenue
- **Inventories** as at 31 December 2020 amounted to 12,655 million baht, an increase of 40.6% from 2019 and 31.8% from 2018 respectively. Reflected to the strong customer demand and tight supply in key electronics component from Covid-19 pandemic and worldwide demand increase
- **Property, plant and equipment** amounted to 12,724 million baht, an increase of 9.7% from 2019 and 55.6% from 2018 due to investments in Research & Development center and new factories in India and Thailand.

Liabilities and Liquidity

As at 31 December 2020, the company had total liabilities of 19,611 million baht, an increase of 50.0% from 2019 and 31.3% from 2018 due to an increase in raw material purchasing and trade payable.

Breakdown of major liabilities

				2020 VS 2019	2020 VS 2018
	31 December	31 December	31 December	Increase	Increase
	2020	2019	2018	(Decrease)	(Decrease)
Trade and other payables	16,181	10,255	12,432	57.8%	30.2%
Liabilities and provision from tax as:	258	239	239	7.9%	7.9%
Other current liabilities	731	458	350	59.6%	108.8%
Provision for long-term employee b	1,542	1,427	1,234	8.0%	25.0%
Other non-current liabilities	899	694	681	29.6%	32.0%
Total liabilities	19,611	13,073	14,936	50.0%	31.3%

Return on equity

As at 31 December 2020, shareholders' equity amounted to 37,607 million baht, go up 13.3% from 2019 and 10.8% from 2018 contribute from an increase in current year Net Profit. At the same time, return on equity in 2020 go up to 20.1%, compare to 8.8% in 2019 and 15.4% in 2018 resulting from above mentioned issues

Please be informed accordingly.

Yours sincerely,

Anusorn Muttaraid
Director