



February 15, 2022

To: The President
The Stock Exchange of Thailand

Re: 2021 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to announce the Company's 2021 operating results based on the audited consolidated financial statements ended 31 December 2021 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 Standards (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 2021, 2020, 2019 and has been prepared on consolidated basis.

Consolidated financial information		2021	2020	2019
Total assets	million baht	69,338	57,219	46,255
Total liabilities	million baht	27,934	19,611	13,073
Total shareholders' equity	million baht	41,404	37,607	33,182
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	2.00	2.50	2.98
Quick ratio	times	1.11	1.66	2.04
Cash ratio	times	0.10	0.50	0.44
Receivable turnover	times	4.88	5.30	4.75
Average collection period	days	74	68	76
Inventory turnover	times	4.15	4.45	4.45
Average inventory turnover period	days	87	81	81
Account payable turnover	times	4.43	4.82	4.80
Average payment period	days	81	78	75
Cash Conversion Cycle	days	79	71	82
Financial data and profitability ratios				
Sales revenues	million baht	84,318	63,208	52,047
change %	(%)	33.4%	21.4%	(1.9%)
Gross profit	million baht	17,358	15,119	10,636
Gross profit margin	(%)	20.59%	23.92%	20.44%



Consolidated financial ratios		2021	2020	2019
Financial data and profitability ratios (continuous)				
Operating expense (include Research and Development)	million baht	11,435	8,762	8,314
Operating expenses (include Research and Development) to sales	(%)	13.56%	13.86%	15.97%
Operating profit margin	(%)	7.02%	10.06%	4.46%
Other income to total revenues	(%)	1.70%	1.40%	0.89%
Net profit	million baht	6,699	7,102	2,960
change of net profit %	(%)	(5.67%)	139.92%	(42.26%)
Net profit margin	(%)	7.94%	11.24%	5.69%
Net profit to total revenues	(%)	7.81%	11.08%	5.64%
Return on Equity	(%)	16.96%	20.11%	9.02%
Efficiency Ratios				
Return on Assets	(%)	10.59%	13.77%	6.42%
Return on fixed assets	(%)	57.92%	76.06%	46.88%
Asset turnover	times	1.36	1.24	1.12
Financial Policy Ratios				
Debt to Equity	times	0.67	0.52	0.39
Interest coverage	times	336	4,918	2,924
Dividend payout	(%)	31.66%*	57.99%	75.86%

* Pending for approval from the 2022 annual shareholders' meeting

Operating results for the year 2021, 2020, and 2019

Unit: Baht million

	2021		2020		Increased (Decrease)		2019		Increased (Decrease)	
		%		%		%		%		%
Revenue and Services Income	84,318.4	100.00	63,208.0	100.00	21,110.4	33.40	52,046.7	100.00	32,271.7	62.01
Cost of sales and services	66,959.9	79.41	48,089.1	76.08	18,870.8	39.24	41,411.0	79.56	25,549.0	61.70
Gross profit	17,358.5	20.59	15,118.9	23.92	2,239.6	14.81	10,635.7	20.44	6,722.7	63.21
Operating expenses	11,435.3	13.56	8,762.4	13.86	2,672.8	30.50	8,314.0	15.97	3,121.3	37.54
Operating profit	5,923.2	7.02	6,356.4	10.06	(433.3)	(6.82)	2,321.7	4.46	3,601.4	155.12
Other income	1,459.9	1.73	895.4	1.42	564.5	63.05	460.9	0.89	999.0	216.74
Other expenses	636.2	0.75	164.7	0.26	471.5	286.29	48.8	0.09	587.4	1203.88
Finance Income	54.1	0.06	111.4	0.18	(57.3)	(51.42)	238.0	0.46	(183.8)	(77.25)
Investment Gain	0.0	-	60.8	0.10	(60.8)	(100.00)	24.8	0.05	(24.8)	(100.00)
Profit before income tax	6,801.0	8.07	7,259.4	11.48	(458.4)	(6.31)	2,996.7	5.76	3,804.4	126.95
Income tax expenses	97.7	0.12	207.6	0.33	(109.9)	(52.93)	22.9	0.04	74.8	326.07
Net profit for the period	6,703.3	7.95	7,051.8	11.16	(348.5)	(4.94)	2,973.7	5.71	3,729.6	125.42
Non-controlling interest of the subsidiary	(4.3)	(0.01)	0.4	0.00	(4.7)	(1104.48)	8.3	0.02	(12.6)	(151.98)
Shareholders of subsidiary before combination	0.0	-	49.4	0.08	(49.4)	(100.00)	(22.1)	(0.04)	22.1	(100.00)
Net profit for Equity holders of the company	6,699.0	7.94	7,101.6	11.24	(402.6)	(5.67)	2,960.0	5.69	3,739.0	126.32

Breakdown of sales revenues by business group

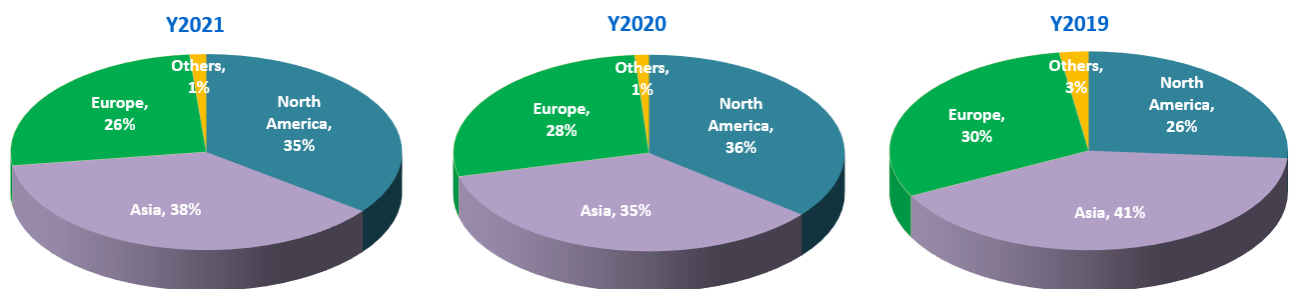
Product Group	2021		2020		2019	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	61,369	72.8%	45,020	71.2%	32,296	62.0%
Infrastructure Group	20,685	24.5%	16,252	25.7%	17,463	33.6%
Automation Group	2,098	2.5%	1,811	2.9%	2,120	4.1%
Others	166	0.2%	125	0.2%	168	0.3%
Total Sales Revenues	84,318	100.0%	63,208	100.0%	52,047	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 2021, consolidated sales revenues amount 84,318 million baht were increased 33.4% and 62.0% from 2020 and 2019 respectively, this was mainly contribute from the boost up of Electric Vehicle Solutions due to the coming of EV megatrend along with the steadily growth of Power Electronic business group, especially in Cloud Computing and Data Center segment

Sales revenues breakdown by geographic location



In 2021, sales revenues in Asia markets was increased from 35% to be 38% , on the other hand, the North America and Europe markets was slightly decrease from last years.

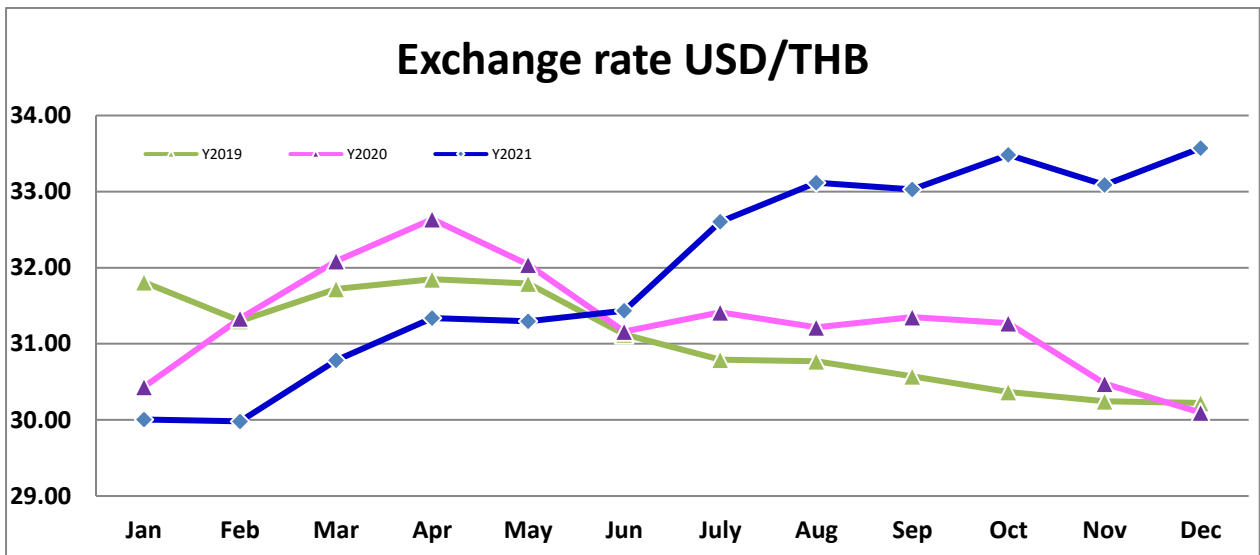
Other income

Other income worth 1,460 million baht in 2021 consists of the following key items;

- Interest income of 54 million baht, a decrease of 57 and 184 million baht from 2020 and 2019 respectively due to lower cash deposit and worldwide interest rate in 2021 compare to 2020 and 2019.



- Foreign exchange gain of 1,018 million baht, an increase of 630 and 985 million baht from 2020 and 2019 respectively due to USD against major currency was strengthen in 2021 after drop-down 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 2021, cost of sales accounted for 79.4% of total sales, compare to 76.1% and 79.6% for 2020 and 2019 respectively, the significant increase from 2020 cause from the raising of material price especially for those of semiconductor chip set reflecting the constraints of global semiconductor supply chain in the second half of 2021 to present.

Selling and administrative expenses

Selling and administrative expenses (including research and development) in 2021, an increase of 30.5% and 37.5% from 2020 and 2019 respectively. This is due to the dramatic increase in Shipping cost from ocean transportation bottlenecks along with the remarkable increase of R&D activities in Europe for those of EV customers (A significant increase in electric vehicles will be needed to achieve EU targets to cut CO₂ emissions from cars by 55% and vans by 50% within 2030)

Net profit

The company's Operating Profit in 2021 was 7.0%, compare to 10.1% and 4.5% in 2020 and 2019 respectively, the major decrease from 2020 impact from the raising of material price, Selling and Admin as mentioned earlier. Consequently, net profit in 2021 was 8.0% or 6,699 million baht compare to 11.2% and 5.7% in 2020 and 2019. Earnings per share was 5.37 baht in 2021 compare to 5.69 baht in 2020 and 2.37 baht in 2019.



Assets and Liabilities

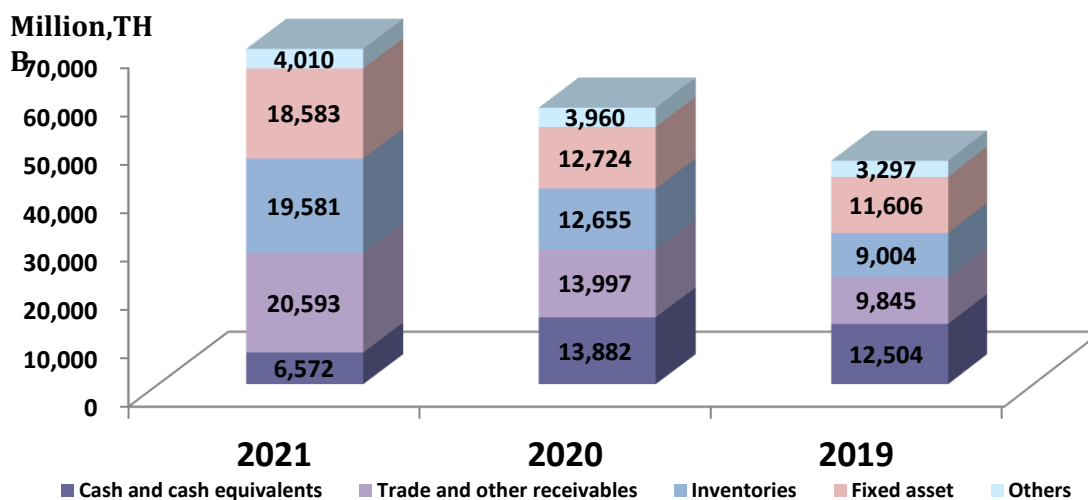
Assets

As at 31 December 2021, the company had total assets worth 69,338 million baht, increase of 21.2% from 2020 and 49.9% from 2019. Return on asset was 10.6% in 2021 compare to 13.8% and 6.3% in 2020 and 2019 respectively. Some of the changes in key assets are summarized below.

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

				2021 VS 2020	2021 VS 2019
	31 December	31 December	31 December	Increase	Increase
	2021	2020	2019	(Decrease)	(Decrease)
Cash and cash equivalents	6,572	13,882	12,504	(52.7%)	(47.4%)
Trade and other receivables	20,593	13,997	9,845	47.1%	109.2%
Inventories	19,581	12,655	9,004	54.7%	117.5%
Other Current Assets	2,019	1,917	1,292	5.3%	56.2%
Investments in associated	0	0	464	0.0%	(100.0%)
Consolidation goodwill	443	437	418	1.4%	6.0%
Property, plant and equipment	18,583	12,724	11,606	46.0%	60.1%
Other assets	1,548	1,606	1,121	(3.6%)	38.1%
Tota Assets	69,338	57,219	46,255	21.2%	49.9%

Breakdown of assets in 2021, 2020 and 2019



- **Cash and bank deposits** as at 31 December 2021 amounted to 6,572 million baht, decrease 52.7% and 47.4% from 2020 and 2019 respectively due to an increase in Account Receivables, Inventories and Property Plant and Equipment.



- **Net trade receivables** as at 31 December 2021 of 20,593 million baht an increase of 47.1% and 109.2% from 2020 and 2019 respectively. Resulting from remarkable increase in Sales Revenue
- **Inventories** as at 31 December 2021 of 19,581 million baht, an increase of 54.7% and 117.5% from 2020 and 2019 respectively. Reflecting the strong customer demand and the constraint of global semiconductor supply chain cause of longer order lead time and longer aging in non-critical items
- **Property, plant and equipment** as at 31 December 2021 amounted to 18,583 million baht, an increase of 46.0% and 60.1% from 2020 and 2019 respectively due to the investment in research & development centers and new factories in India and Thailand.

Liabilities and Liquidity

As at 31 December 2021, the company had total liabilities of 27,934 million baht, an increase of 42.4% and 113.7% from 2020 and 2019 respectively due to an increase in raw material purchasing and capital expenditure spending.

Breakdown of major liabilities

				2021 VS 2020	2021 VS 2019
	31 December	31 December	31 December	Increase	Increase
	2021	2020	2019	(Decrease)	(Decrease)
Bank overdrafts and short-term loans	1,594	0	0	N/A	N/A
Trade and other payables	22,049	16,181	10,255	36.3%	115.0%
Liabilities&provision from tax assessment	258	258	239	0.0%	7.9%
Other current liabilities	835	731	458	14.1%	82.1%
Provision for long-term employee benefit	1,596	1,542	1,427	3.5%	11.8%
Other non-current liabilities	1,603	899	694	78.3%	131.1%
Total liabilities	27,934	19,611	13,073	42.4%	113.7%

Return on equity

As at 31 December 2021, shareholders' equity amounted to 41,404 million baht, go up 10.1% and 24.8% from 2020 and 2019 respectively contribute from current year Net Profit. At the same time, return on equity in 2021 stood at 17.0%, compare to 20.1% in 2020 and 8.8% in 2019 resulting from above mentioned issues

Please be informed accordingly.

Yours sincerely,

Chang Tsai-hsing
Director