



February 15, 2023

To: The President  
The Stock Exchange of Thailand

Re: 2022 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to announce the Company's 2022 operating results based on the audited consolidated financial statements ended 31 December 2022 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 2022, 2021, 2020 and has been prepared on consolidated basis.

Consolidated financial information		2022	2021	2020
Total assets	million baht	90,984	69,338	57,219
Total liabilities	million baht	36,305	27,934	19,611
Total shareholders' equity	million baht	54,680	41,404	37,607
Registered capital	million baht	1,259	1,259	1,259
Paid-up capital	million baht	1,247	1,247	1,247
<b>Key financial ratios</b>				
<b>Liquidity ratios</b>				
Current ratio	times	2.04	2.00	2.47
Quick ratio	times	1.18	1.11	1.62
Cash ratio	times	0.43	0.09	0.51
Receivable turnover	times	4.87	4.88	5.30
Average collection period	days	74	74	68
Inventory turnover	times	4.06	4.15	4.44
Average inventory turnover period	days	89	87	81
Account payable turnover	times	4.35	4.37	4.62
Average payment period	days	83	82	78
Cash Conversion Cycle	days	80	78	71
<b>Financial data and profitability ratios</b>				
Sales revenues	million baht	118,558	84,318	63,208
change %	(%)	40.6%	33.4%	21.4%
Gross profit	million baht	27,940	17,358	15,119
Gross profit margin	(%)	23.57%	20.59%	23.92%



Consolidated financial ratios		2022	2021	2020
<b>Financial data and profitability ratios (continuous)</b>				
Operating expense (include Research and Development)	million baht	13,447	11,435	8,762
Operating expenses (include Research and Development) to sales	(%)	11.34%	13.56%	13.86%
Operating profit margin	(%)	12.22%	7.02%	10.06%
Other income to total revenues	(%)	1.11%	1.70%	1.42%
Net profit	million baht	15,345	6,699	7,102
change of net profit %	(%)	129.06%	(5.67%)	139.92%
Net profit margin	(%)	12.94%	7.94%	11.24%
Net profit to total revenues	(%)	12.80%	7.81%	11.08%
Return on Equity	(%)	31.94%	16.96%	19.80%
<b>Efficiency Ratios</b>				
Return on Assets	(%)	19.14%	10.59%	13.77%
Return on fixed assets	(%)	89.29%	57.92%	76.06%
Asset turnover	times	1.50	1.36	1.24
<b>Financial Policy Ratios</b>				
Debt to Equity	times	0.66	0.67	0.52
Interest coverage	times	870	336	4,918
Dividend payout	(%)	32.52%*	31.66%	57.99%

\* Pending for approval from the 2023 annual shareholders' meeting

## Operating results for the year 2022, 2021, and 2020

Unit: Baht million

	2022		2021		Increased (Decrease)		2020		Increased (Decrease)	
		%		%		%		%		%
Revenue and Services Income	118,558.0	100.00	84,318.4	100.00	34,239.6	40.61	63,208.0	100.00	55,350.0	87.57
Cost of sales and services	90,617.6	76.43	66,959.9	79.41	23,657.6	35.33	48,089.1	76.08	42,528.4	88.44
Gross profit	27,940.4	23.57	17,358.5	20.59	10,582.0	60.96	15,118.9	23.92	12,821.5	84.80
Operating expenses	13,447.3	11.34	11,435.3	13.56	2,012.1	17.60	8,762.4	13.86	4,684.9	53.47
Operating profit	14,493.1	12.22	5,923.2	7.02	8,569.9	144.68	6,356.4	10.06	8,136.6	128.01
Other income	1,327.2	1.12	1,459.9	1.73	(132.7)	(9.09)	895.4	1.42	431.8	48.22
Other expenses	74.7	0.06	636.2	0.75	(561.6)	(88.27)	164.7	0.26	(90.0)	(54.67)
Finance Income	65.8	0.06	54.1	0.06	11.7	21.61	111.4	0.18	(45.6)	(40.92)
Investment Gain	0.0	-	0.0	-	0.0	#DIV/0!	60.8	0.10	(60.8)	(100.00)
Profit before income tax	15,811.5	13.34	6,801.0	8.07	9,010.4	132.49	7,259.4	11.48	8,552.1	117.81
Income tax expenses	466.9	0.39	97.7	0.12	369.2	377.83	207.6	0.33	259.3	124.91
Net profit for the period	15,344.5	12.94	6,703.3	7.95	8,641.2	128.91	7,051.8	11.16	8,292.7	117.60
Non-controlling interest of the subsidiary	0.0	-	(4.3)	(0.01)	4.3	(100.00)	0.4	0.00	(0.4)	(100.00)
Shareholders of subsidiary before combination	0.0	-	0.0	-	0.0	#DIV/0!	49.4	0.08	(49.4)	(100.00)
Net profit for Equity holders of the company	15,344.5	12.94	6,699.0	7.94	8,645.5	129.06	7,101.6	11.24	8,242.9	116.07

## Breakdown of sales revenues by business group

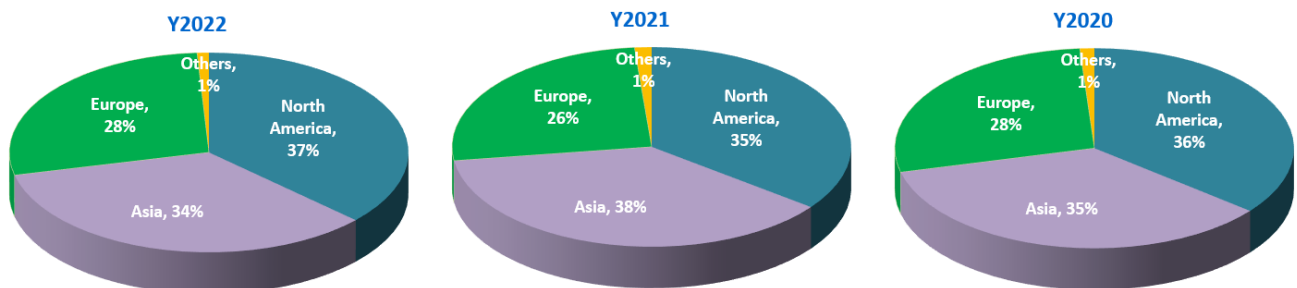
Product Group	2022		2021		2020	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	91,252	77.0%	61,369	72.8%	45,020	71.2%
Infrastructure Group	24,185	20.4%	20,685	24.5%	16,252	25.7%
Automation Group	3,009	2.5%	2,098	2.5%	1,811	2.9%
Others	112	0.1%	166	0.2%	125	0.2%
<b>Total Sales Revenues</b>	<b>118,558</b>	<b>100.0%</b>	<b>84,318</b>	<b>100.0%</b>	<b>63,208</b>	<b>100.0%</b>

### 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 2022, consolidated sales revenues amount 118,558 million baht were increased 40.6% and 87.6% from 2021 and 2020 respectively, this was mainly contribute from the strong customer demand in cloud storage and data center-related products along with the remarkable growth of Electric Vehicle Solutions and the related Automotive Thermal Solution

## Sales revenues breakdown by geographic location

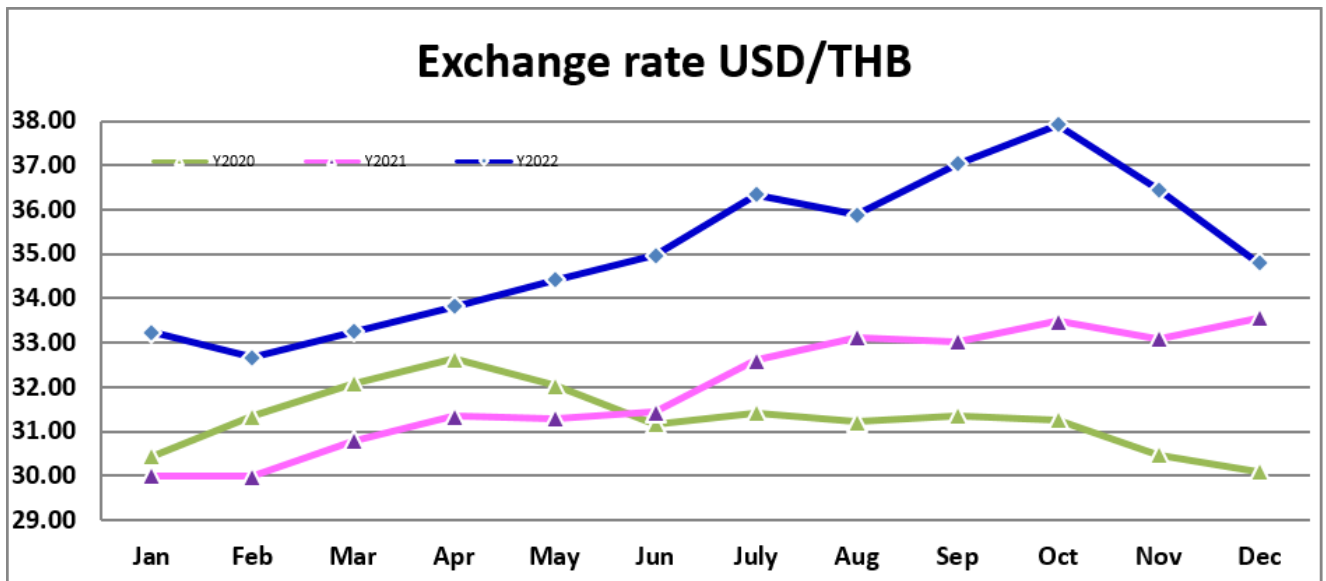


In 2022, sales revenues proportion in Asia markets was decreased from 38% to be 34% , on the other hand, the North America and Europe sales revenues proportion were increased from 35% and 26% to be 37% and 28% respectively.



## Other income

- Other income worth 331 million baht came from an Insurance compensation income, in Q1'2022 the Company have received a letter from the insurer confirming the amount of the flooding claims that will be paid for losses of assets amounting to USD 9.9 million or approximately THB 331 million which was incurred in Q3 2021. Subsequently, the company have received insurance compensation due to flooding and recorded this amount as Insurance compensation income due to flooding in the second quarter of the current year
- Foreign exchange gain of 450 million baht, decrease of 568 million baht from 2021 due to USD against other major currency was significantly strengthen after FED have raised up interest rate 7 times from 0.25% to 4.50% during 2022. It caused higher cost when hedging position of the company. 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 2022, cost of sales accounted for 76.4% of total sales, compare to 79.4% and 76.1% for 2021 and 2020 respectively, the significant increase in 2021 was impacted from the raising of material price especially for those of semiconductor and metal part which was keep in uptrend during 2020 - 2021 before turning to be downtrend in the second half of 2022.



### Selling and administrative expenses

Selling and administrative expenses (including research and development) in 2022, an increase of 17.6% and 53.5% from 2021 and 2020 respectively due to the increasing of transportation which is in the same direction with the increase in Sales Revenue, up 40.6% and 87.6% from 2021 and 2020 respectively, coupled with a significant increase in research and development activities in Europe, In response to those of EV customers between 2021 and 2022

### **Net profit**

The company's Operating Profit in 2022 was 12.2%, compare to 7.0% and 10.0% in 2021 and 2020 respectively, the major increase from 2021 contribute from the remarkable sale revenue growth along with the weaken in the purchasing price of above mentioned component. Consequently, net profit in 2022 was 12.9% or 15,345 million baht compare to 7.9% and 11.2% in 2021 and 2020. Earnings per share was 12.30 baht in 2022 compare to 5.37 baht in 2021 and 5.69 baht in 2020.

### **Assets and Liabilities**

#### **Assets**

As at 31 December 2022, the company had total assets worth 90,984 million baht, increase of 31.2% from 2021 and 59.0% from 2020. Return on asset was 19.1% in 2022 compare to 10.6% and 13.8% in 2021 and 2020 respectively. Some of the changes in key assets are summarized below.

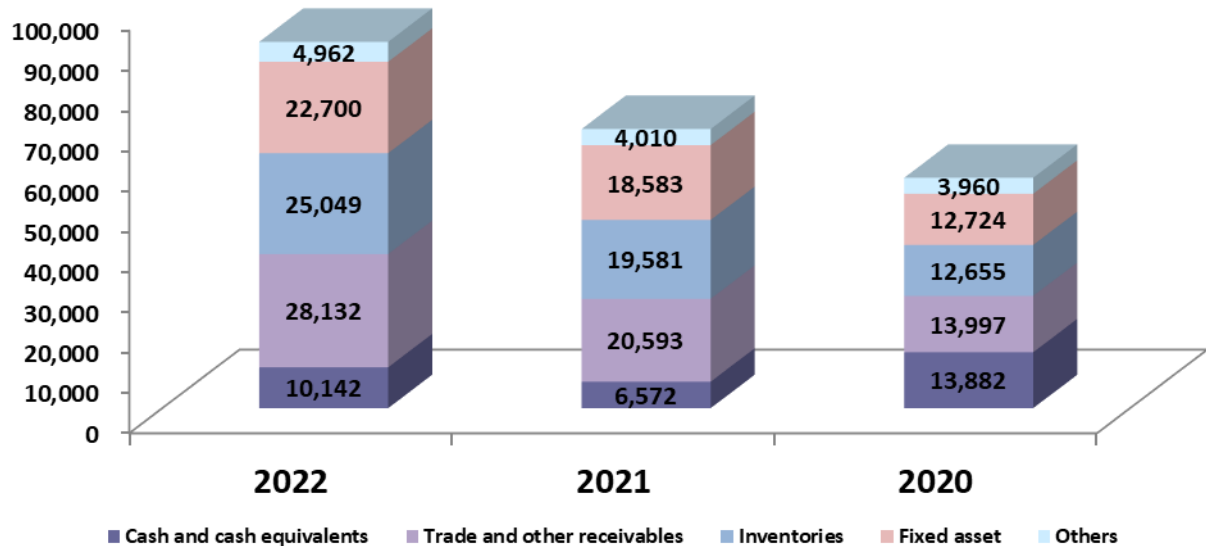
Major assets and the changes in the assets are summarized as follows;

	31 December 2022	31 December 2021	31 December 2020	2022 VS 2021 Increase (Decrease)	2022 VS 2020 Increase (Decrease)
Cash and cash equivalents	10,142	6,572	13,882	54.3%	(26.9%)
Trade and other receivables	28,132	20,593	13,997	36.6%	101.0%
Inventories	25,049	19,581	12,655	27.9%	97.9%
Other Current Assets	2,702	1,663	1,917	62.4%	40.9%
Right-of-use assets	482	530	377	(8.9%)	28.0%
Consolidation goodwill	437	443	437	(1.5%)	(0.1%)
Property, plant and equipment	22,700	18,583	12,724	22.2%	78.4%
Other assets	1,341	1,374	1,229	(2.4%)	9.1%
<b>Tota Assets</b>	<b>90,984</b>	<b>69,338</b>	<b>57,219</b>	31.2%	59.0%



## Breakdown of assets in 2022, 2021 and 2020

Million, THB



- **Cash and bank deposits** as at 31 December 2022 amounted to 10,142 million baht, increase 54.3% from 2021 and decrease 26.9% from 2020 respectively due to the increasing of Net cash flows from operating activities in 2022
- **Net trade receivables** as at 31 December 2022 of 28,132 million baht an increase of 36.6% and 101.0% from 2021 and 2020 respectively. Resulting from the remarkable increase in Sales Revenue in North America and Europe as mentioned earlier
- **Inventories** as at 31 December 2022 of 25,049 million baht, an increase of 27.9% and 97.9% from 2021 and 2020 respectively. Reflecting the strong customer demand in cloud storage and data center-related products along with Electric Vehicle Solutions
- **Property, plant and equipment** as at 31 December 2022 amounted to 22,700 million baht, an increase of 22.2% and 78.4% from 2021 and 2020 respectively due to the investment in the research & development centers and new factories in India and Thailand along with the capacity expansion in the current factories in Thailand.

## Liabilities and Liquidity

As at 31 December 2022, the company had total liabilities of 36,305 million baht, an increase of 30.0% and 85.1% from 2021 and 2020 respectively due to an increase in raw material purchasing and capital expenditure spending in Thailand, India and Slovakia respectively



## Breakdown of major liabilities

	31 December	31 December	31 December	2022 VS 2021	2022 VS 2020
	2022	2021	2020	Increase (Decrease)	Increase (Decrease)
Bank overdrafts and short-term loans	945	1,594	0	(40.7%)	N/A
Trade and other payables	30,202	22,049	16,181	37.0%	86.6%
Liabilities&provision from tax assessment	258	258	258	0.0%	0.0%
Other current liabilities	1,265	835	731	51.5%	72.9%
Provision for long-term employee benefit	1,329	1,596	1,542	(16.7%)	(13.8%)
Other non-current liabilities	2,306	1,603	899	43.9%	156.5%
Total liabilities	<b>36,305</b>	<b>27,934</b>	<b>19,611</b>	30.0%	85.1%

## Return on equity

As at 31 December 2022, shareholders' equity amounted to 54,680 million baht, go up 32.1% and 45.4% from 2021 and 2020 respectively contribute from current year Net Profit. At the same time, return on equity in 2022 rose up to 31.9%, compare to 17.0% in 2021 and 20.1% in 2020 resulting from above mentioned issues

Please be informed accordingly.

Yours sincerely,

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Chang Tsai-hsing  
Director