



February 15, 2024

To: The President
The Stock Exchange of Thailand

Re: 2023 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to announce the Company's 2023 operating results based on the audited consolidated financial statements ended 31 December 2023 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 2023, 2022, 2021 and has been prepared on consolidated basis.

Consolidated Financial Information		2023	2022	2021
Total Assets	million baht	108,145	90,984	69,338
Total Liabilities	million baht	40,606	36,305	27,934
Total Shareholders' Equity	million baht	67,539	54,680	41,404
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	2.07	2.02	2.00
Quick Ratio	times	1.11	1.17	1.11
Cash Ratio	times	0.38	0.48	0.09
Receivable Turnover	times	4.77	4.87	4.88
Average Collection Period	days	75	74	74
Inventory Turnover	times	3.91	4.06	4.15
Average Inventory Turnover Period	days	92	89	87
Account Payable Turnover	times	4.56	4.34	4.37
Average Payment Period	days	79	83	82
Cash Conversion Cycle	days	89	80	78
Financial Data and Profitability Ratios				
Sales Revenues	million baht	146,371	118,558	84,318
change %	(%)	23.5%	40.6%	33.4%
Gross Profit	million baht	33,491	27,940	17,358
Gross Profit Margin	(%)	22.88%	23.57%	20.59%



Consolidated Financial Ratios		2023	2022	2021
Financial Data and Profitability Ratios (Continued)				
Operating Expenses (including Research and Development)	million baht	15,483	13,447	11,435
Operating Expenses (including Research and Development) to sales	(%)	10.58%	11.34%	13.56%
Operating Profit Margin	(%)	12.30%	12.22%	7.02%
Other Income to Total Revenues	(%)	1.21%	1.11%	1.70%
Net Profit	million baht	18,423	15,345	6,699
change of net profit %	(%)	20.06%	129.06%	(5.67%)
Net Profit Margin	(%)	12.59%	12.94%	7.94%
Net Profit to Total Revenues	(%)	12.43%	12.80%	7.81%
Return on Equity	(%)	30.15%	31.94%	16.96%
Efficiency Ratios				
Return on Assets	(%)	18.50%	19.14%	10.59%
Return on Fixed Assets	(%)	87.60%	89.29%	57.92%
Asset Turnover	times	1.49	1.50	1.36
Financial Policy Ratios				
Debt to Equity	times	0.60	0.66	0.67
Interest Coverage	times	139	969	336
Dividend Payout	(%)	30.41%*	32.52%	31.66%

* Pending for approval from the 2024 annual shareholders' meeting

Operating Results for the Year 2023, 2022, and 2021

Unit: Baht million

	2023		2022		Increased (Decrease)		2021		Increased (Decrease)	
		%		%		%		%		%
Revenue and Services Income	146,371.3	100.00	118,558.0	100.00	27,813.4	23.46	84,318.4	100.00	62,053.0	73.59
Cost of sales and services	112,880.5	77.12	90,617.6	76.43	22,263.0	24.57	66,959.9	79.41	45,920.6	68.58
Gross profit	33,490.8	22.88	27,940.4	23.57	5,550.4	19.87	17,358.5	20.59	16,132.3	92.94
Operating expenses	15,482.7	10.58	13,447.3	11.34	2,035.4	15.14	11,435.3	13.56	4,047.5	35.39
Operating profit	18,008.1	12.30	14,493.1	12.22	3,515.0	24.25	5,923.2	7.02	12,084.9	204.03
Other income	1,795.6	1.23	1,327.2	1.12	468.4	35.29	1,459.9	1.73	335.7	22.99
Other expenses	491.4	0.34	74.7	0.06	416.8	558.27	636.2	0.75	(144.8)	(22.76)
Finance Income	183.4	0.13	65.8	0.06	117.6	178.57	54.1	0.06	129.3	238.77
Profit before income tax	19,495.7	13.32	15,811.5	13.34	3,684.2	23.30	6,801.0	8.07	12,694.7	186.66
Income tax expenses	1,073.2	0.73	466.9	0.39	606.2	129.83	97.7	0.12	975.4	998.17
Net profit for the period	<u>18,422.5</u>	12.59	<u>15,344.5</u>	12.94	<u>3,078.0</u>	20.06	<u>6,703.3</u>	7.95	<u>11,719.2</u>	174.83



Sales Revenues by Business Group

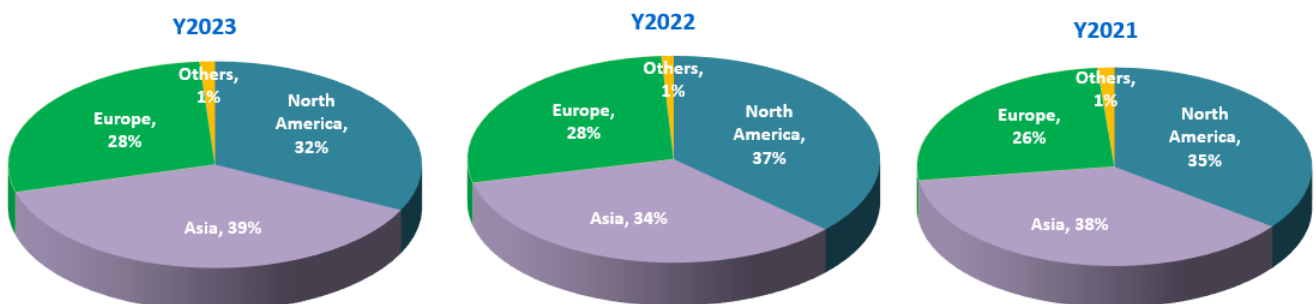
Business Group	2023		2022		2021	
	Revenue	%	Revenue	%	Revenue	%
Power Electronics	120,290	82.2%	91,252	77.0%	61,369	72.8%
Infrastructure	22,105	15.1%	24,185	20.4%	20,685	24.5%
Automation	3,830	2.6%	3,009	2.5%	2,098	2.5%
Others	146	0.1%	112	0.1%	166	0.2%
Total Sales Revenues	146,371	100.0%	118,558	100.0%	84,318	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 Products, Powertrain and Electronics Components for EV, Fan and Thermal Products, Adaptor Products for Industrial and Consumer, Solenoid and EMI Filters etc.
- **Infrastructure segment** is a business segment which designs, manufactures, and provides installation 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 provides installation of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.

In 2023, consolidated sales revenues amounted to 146,371 million baht, an increase of 23.5% and 73.6% from 2022 and 2021, respectively, attributable to Power Electronics maintaining its strong growth momentum with Electric Vehicle Solutions doubled sales record Y-o-Y alongside DC Power remarkable growth on the back of rising demand for power systems to support faster processing capabilities, as well as the proliferation of AI technology into datacenter and high-performance computing solutions that supports state-of-the-art applications across many industries and services.

Sales Revenues by Geography



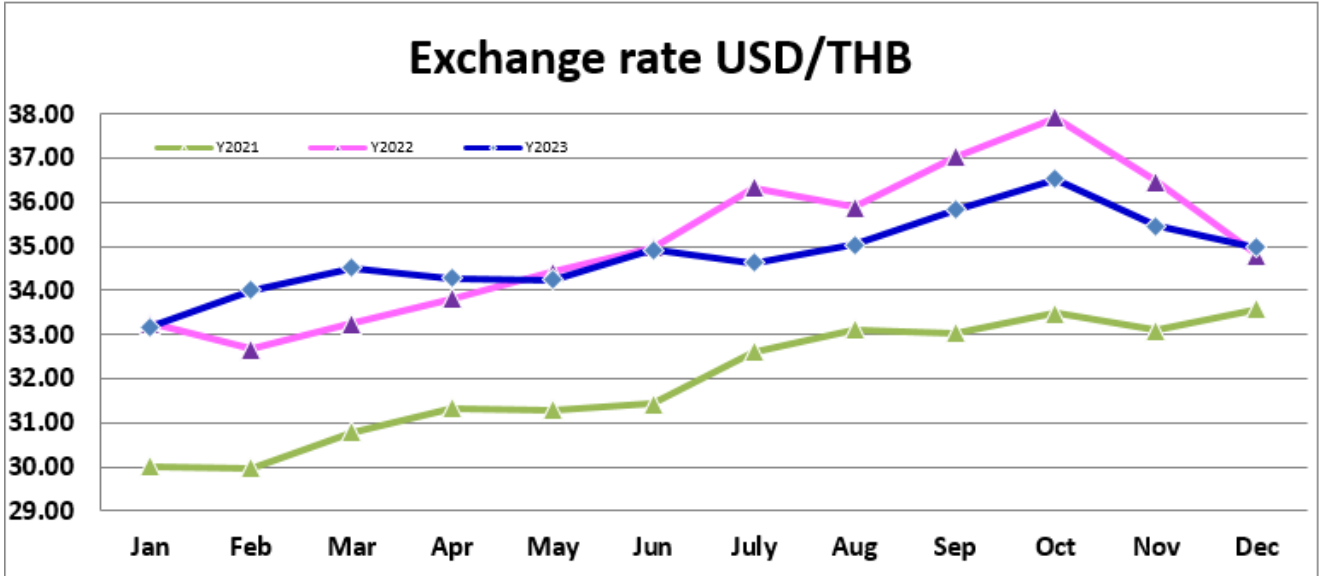
In 2023, sales revenues proportion in Asia markets rose from 34% to 39%. On the other hand, the North America sales revenues proportion dropped from 37% to 32% while Europe still maintained at 28% as previous year.

Other Income

Foreign exchange gain was 675 million baht, an increase of 225 million baht from 2022 due to USD was significantly strengthened against other major currencies following the FED maintained high



interest rate throughout 2023. This led to higher costs when hedging the position of the company against currency exchange risk. However, the company continued to follow a prudent policy to hedge the net position of each currency in order to minimize potential impact from exchange rate fluctuations.



Source : Bank of Thailand

Cost of Sales and Expenses

Cost of Sales

In 2023, cost of sales accounted for 77.1% of total sales, compared with 76.4% and 79.4% for 2022 and 2021, respectively. In 2023 Gross profit margin posted a slight drop Y-o-Y due to differing product mix, while the increase in 2021 was impacted from rising material prices especially for semiconductor and metal parts.

Selling and Administrative Expenses

Selling and administrative expenses (including research and development) in 2023 increased by 15.1% and 35.4% from 2022 and 2021, respectively due to royalty fee higher by 23.5% and 73.6% from 2022 and 2021, respectively in line with sales revenue. Moreover, research and development activities in Europe were ramped up to support automotive customers with intensified competition from Asian EV players whose market shares in Europe kept growing.

Net Profit

The company's Operating Profit Margin in 2023 was 12.3%, compared with 12.2% and 7.0% in 2022 and 2021, respectively. Profitability was maintained YoY due to a drop in selling and administrative expenses to sales had cushioned the softening gross margin. Consequently, Net Profit Margin for 2023 stood at 12.6% or 18,423 million baht, compared with 12.9% and 8.0% in 2022 and 2021, respectively. Earnings per share was 1.48 baht in 2023, a healthy rise from 1.23 baht in 2022 and 0.54 baht in 2021.



Assets and Liabilities

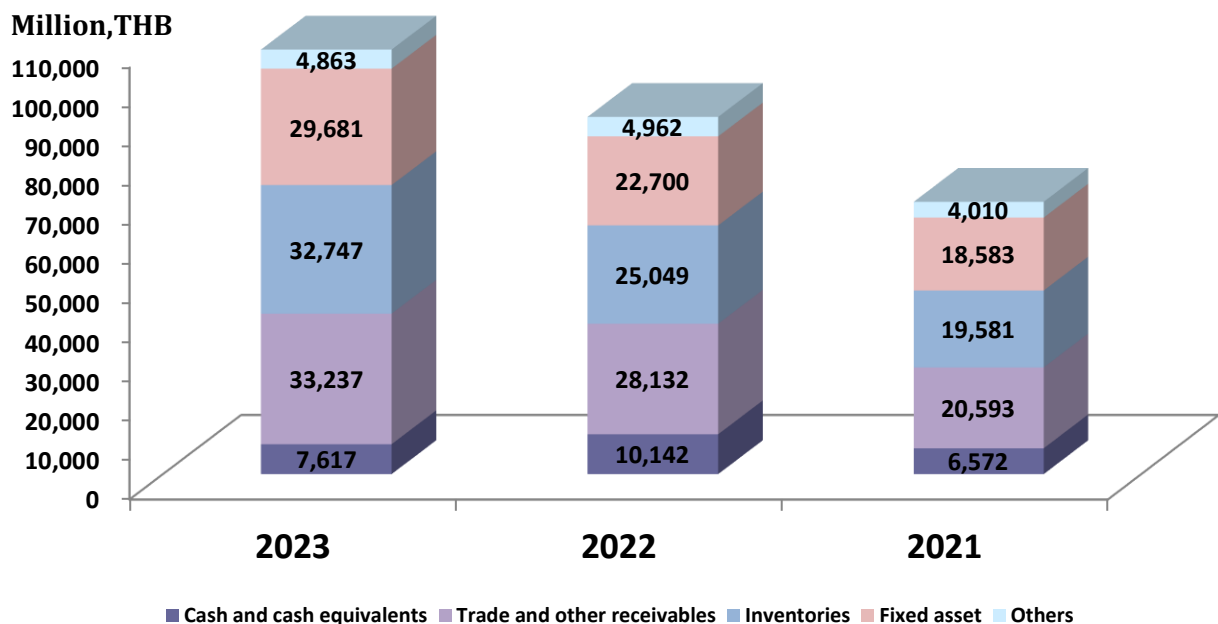
Assets

As at 31 December 2023, the company had Total Assets worth 108,145 million baht, an increase of 18.9% from 2022 and 56.0% from 2021. Return on Asset was robust at 18.5% for 2023, compared with 19.1% and 10.6% in 2022 and 2021, respectively. Some of the changes in key assets are summarized below.

Major assets and key changes are summarized as follows;

	31 December	31 December	31 December	2023 VS 2022	2023 VS 2021
	2023	2022	2021	Increase (Decrease)	Increase (Decrease)
Cash and cash equivalents	7,617	10,142	6,572	(24.9%)	15.9%
Trade and other receivables	33,237	28,132	20,593	18.1%	61.4%
Inventories	32,747	25,049	19,581	30.7%	67.2%
Other Current Assets	2,434	2,702	1,663	(9.9%)	46.3%
Right-of-use assets	525	482	530	9.0%	(0.8%)
Consolidation goodwill	444	437	443	1.7%	0.2%
Property, plant and equipment	29,681	22,700	18,583	30.8%	59.7%
Other assets	1,460	1,341	1,374	8.8%	6.3%
Tota Assets	108,145	90,984	69,338	18.9%	56.0%

Composition of Assets in 2023, 2022 and 2021





- **Cash and Bank Deposits** as at 31 December 2023 amounted to 7,617 million baht, lower by 24.9% from 2022 but rose 15.9% from 2021, respectively due to the Net cash flow used in Investing activity higher than Net cash flows from operating activities in 2023
- **Net Trade Receivables** as at 31 December 2023 was 33,237 million baht, an increase of 18.1% and 61.4% from 2022 and 2021, respectively, resulting from the remarkable increase in Sales Revenue in Asian market as mentioned earlier
- **Inventories** as at 31 December 2023 was 32,747 million baht, an increase of 30.7% and 67.2% from 2022 and 2021, respectively, attributable to the strong customer demand in Electric Vehicle Solutions as well as uprising power system for AI-related applications noted earlier
- **Property, plant and equipment** as at 31 December 2023 amounted to 29,681 million baht, an increase of 30.8% and 59.7% from 2022 and 2021, respectively, mainly driven by the investment in research & development centers and new factories in India and Thailand, along with capacity expansion in the existing factories in Thailand.

Liabilities and Liquidity

As at 31 December 2023, the company had Total Liabilities of 40,606 million baht, an increase of 11.8% and 45.4% from 2022 and 2021, respectively due to an increase in raw material procurement and capital expenditure across Thailand, India and Slovakia

Composition of Major Liabilities

				2023 VS 2022	2023 VS 2021
	31 December	31 December	31 December	Increase	Increase
	2023	2022	2021	(Decrease)	(Decrease)
Bank overdrafts and short-term loans	2,497	945	1,594	164.1%	56.7%
Trade and other payables	32,096	30,202	22,049	6.3%	45.6%
Income Tax Payable and Liabilities	677	682	383	(0.7%)	76.8%
Other current liabilities	906	841	710	7.7%	27.6%
Provision for long-term employee benef	1,579	1,329	1,596	18.8%	(1.1%)
Other non-current liabilities	2,852	2,306	1,603	23.7%	78.0%
Total liabilities	40,606	36,305	27,934	11.8%	45.4%

Return on Equity

As at 31 December 2023, Shareholders' Equity amounted to 67,539 million baht, a rise of 23.5% and 63.1% from 2022 and 2021, respectively, driven by the current year Net Profit, altogether leading to Return on Equity for 2023 at 30.2%, compared with 31.9% in 2022 and 17.0% in 2021

Please be informed accordingly.

Yours sincerely,

Chang Tsai-hsing
Director