



30 July 2019

To: The President  
The Stock Exchange of Thailand

Re: Q2-2019 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to notify the Company's Q2-2019 (Apr-Jun) operating results based on its reviewed consolidated financial statements ended 30 June 2019 as follows.

### Highlights on Q2-2019 Operating results

Unit : Million Baht	Q2-19		Q2-18		Q1-19		% Change	
	Amount	%	Amount	%	Amount	%	Q2-19 VS Q2-18	Q2-19 VS Q1-19
Sales Revenue	13,915	100.0	13,126	100.0	12,949	100	6.0	7.5
Gross profit	2,772	19.9	2,889	22.0	2,978	23.0	(4.0)	(6.9)
Operating profit	658	4.7	1,141	8.7	979	7.6	(42.3)	(32.8)
Net profit	868	6.2	1,387	10.6	1,083	8.4	(37.4)	(19.9)
<b>EPS (Baht)</b>	<b>0.70</b>		<b>1.11</b>		<b>0.87</b>			

Sales revenues and Service Income of this quarter amounting to Baht 13,915 million, went up 6.0% compared with the same quarter last year and 7.5% up from the last quarter this year. Major contributions were increased demand in Network Switch products and Industrial Tools products.

Gross profit in this quarter amounted to Baht 2,772 million, a 4.0% drop from the same quarter last year and a 6.9% drop from the last quarter this year. This was due to the slowdown in the telecommunication business in India and weakened of demand in the electronics component market which impacted inventory revaluation. As a result of the above factors, Q2'19 gross margin dropped to 19.9%, compared to 22.0% in the same quarter last year and 23.0% in last quarter this year.

Selling and administrative expenses (including research and development – R&D) in Q2'19 went up 21.0% from Q2'18 and up 5.8% from Q1'19 due to R&D and sales force investments for new product development and enhancement to catch up with the rapidly changing technology and the dynamics of borderless marketing.

Operating profit in Q2-19 totaled Baht 658 million, Baht 483 million down from the same quarter last year, making a drop from 8.7% to 4.7% in operating profit margin. This follows the increase of Selling and Administrative expenses as mentioned previously. Net profit in this quarter is Baht 868 million, a 37.4% drop from the same period last year, with EPS of Baht 0.70, compared to Baht 1.11 in Q2-18.



### Highlight on Financial Position

Unit : Million Baht	30 Jun 2019	31 Dec 2018	% Change
Cash and cash equivalents	12,179	15,608	(22.0)
Current investments	2	223	(99.2)
Trade and other receivables	11,480	11,558	(0.7)
Inventories	10,003	9,461	5.7
Investments in associated companies	506	536	(5.6)
Consolidation goodwill	425	438	(3.0)
Property, plant and equipment	9,935	8,177	21.5
Other assets	2,574	2,200	17.0
<b>Total Assets</b>	<b>47,104</b>	<b>48,201</b>	<b>(2.3)</b>
Trade and other payables	11,792	11,801	(0.1)
Liabilities and provision from tax assessments	239	239	0.0
Other current liabilities	283	317	(10.6)
Provision for long-term employee benefit	1,353	1,234	9.6
Other non-current liabilities	694	668	4.0
<b>Total liabilities</b>	<b>14,362</b>	<b>14,260</b>	<b>0.7</b>
<b>Total shareholders' equity</b>	<b>32,742</b>	<b>33,941</b>	<b>(3.5)</b>
<b>Total liabilities and shareholders' equity</b>	<b>47,104</b>	<b>48,201</b>	<b>(2.3)</b>

### Total Assets

As at 30 June 2019, the company had total assets worth Baht 47,104 million, this is an insignificant change from assets in 31 December 2018. Some changes in key assets are summarized below:

**Net trade and other receivables** as of 30 June 2019 were Baht 11,480 million, a decrease of Baht 78 million or 0.7% down from the balance as of 31 December 2018. Most of the outstanding balance of trade and other receivables, almost 89% of total net trade and other receivables, were under current due.

**Inventory (net)** as of 30 June 2019 amounted to Baht 10,003 million, an increase of Baht 542 million or 5.7% from 31 December 2018. The major increased item is raw material which is a result of the telecommunication business slowdown.



**Property, plant and equipment** as of 30 June 2019 amounted to Baht 9,935 million, an increase of Baht 1,758 million or 21.5% from 31 December 2018. The company and its subsidiaries have invested in a Research & Development center and a new factory in India. It also invested in machinery and equipment for replacement and improvement of production capacity and efficiency aiming for production automation in Thailand under the scheme of “Delta Smart Manufacturing”.

### **Total Liabilities**

As of 30 June 2019, total liabilities of the company and its subsidiaries stood at Baht 14,362 million, slightly up from those of 31 December 2018. Major changes were in Provision for Long-Term Employee Benefit and Accrued Expenses.

### **Shareholders' Equity**

As of 30 June 2019, shareholders' equity of the company and its subsidiaries were Baht 32,742 million, a decrease of Baht 1,199 million or 3.5% from those of 31 December 2018. This is the net result of profits generated during the first half of this year and dividend paid out during this quarter.

Please be informed accordingly.

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Anusorn Muttaraid  
Director