

From Virtues to Thrones AI angel

- Growth from strength to strength on phenomenal AI growths
- 2H25E-2027E net profit growth outlook likely beat market's view
- Maintain BUY and lifted TP to THB196; DELTA is Thailand's undisputed AI play

We turned more bullish again on DELTA's AI growth outlook

DELTA's net profit growth outlook has turned from strength to strength, with revenue growth surpassing not only the market's but also even DELTA's own expectations as demands from AI data centers globally have been surging at a phenomenal growth rate. Hence, we again turned more bullish on DELTA's net profit outlook in 2H25-2027, premised on its surging revenue growths of AI-related products embedded in power electronics and infrastructure segments.

Expect 2H25 net profit of THB11.1b vs 1H25 THB10.1b

We project 2H25 net profit of THB12b, up from THB10.1b in 1H25, driven by the stronger-than-expected demands for AI-related products in DELTA's power electronics and infrastructure products to more than offset the continued weak demand for Auto EV and even the negative impact of the strengthening THB/USD and higher R&D expenses.

AI demand growth remains robust, led by Oracle

The 30%+ surging share price of Oracle recently, triggered by its humongous guided RPO (Remaining Performance Obligation) or simply the backlog order of USD455b (+359% y-y) in the next four years, easily dwarfing USD366b Microsoft's latest RPO, clearly reflecting solid global demands for AI in the foreseeable future.

Full of catalysts ahead

DELTA is still filled with multiple catalysts in the next three years, including 1) near-term 2H25E for weaker THB/USD towards THE33/34/USD on the faster- and lower-than-Fed policy rate of bank of Thailand; 2) higher-for-longer demands for AI power supplies and cooling system under DELTA's infrastructure segment that we now project to grow at 28% y-y, 20% y-y, 20%-y-y in 2025E-27E, up from our previous forecasts of 12% y-y, 25% y-y, 20% y-y; 3) the potential upside on lower effective rate to 7% in 2026E-27E on Thailand's Board of Investment (BOI)'s recent greenlight for the Qualified Refundable Tax Credit (QRTC) that will allow multinational, export-driven firm to gain 5%-7% pts lower effective tax rate for DELTA to 7% (from 13%).

Still BUY and raised TP to THB196

We maintain BUY and lifted our TP from THB160 to THB196, still based on 85x P/E as we 1) rolled over valuation to 2026E, EPS forecast upgrades by 1%/22%/21% in 2025E-27E on stronger demands for AI products but partly offset by the negative impact of THB/USD strengthening by THB2/USD. We think our valuation premium of 85x 2026E P/E is justified by DELTA's unique business model strengths in AI products, cost control efficiency, and innovations.

Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	196.00
VS. BB Consensus TP (%)	+87.0%
Share Price (THB)	154.50
Upside/Downside	+26.9%

Share Data

Market Cap (THB m)	1,927,204.59
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

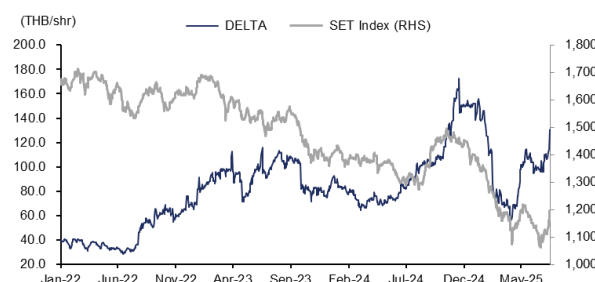
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	164,733	192,655	221,225	261,272
Net profit	18,939	21,130	28,824	32,919
Core net profit	18,939	21,130	28,824	32,919
vs Consensus (%)		2.7	18.1	13.3
Net profit growth (%)	2.8	11.6	36.4	14.2
Core net profit growth (%)	2.8	11.6	36.4	14.2
EPS (THB)	1.52	1.69	2.31	2.64
Core EPS (THB)	1.52	1.69	2.31	2.64
Chg from previous (%)		0.98	22.14	20.79
DPS (THB)	0.46	0.85	1.16	1.32
P/E (x)	100.44	91.21	66.86	58.54
P/BV (x)	23.80	20.17	16.91	14.52
ROE (%)	25.68	24.08	27.51	26.68
Dividend yield (%)	0.30	0.55	0.75	0.85

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	7.29	52.97	108.78	1.31
Market	4.88	35.58	92.51	10.14
12M High/Low (THB)	173.50 / 51.25			



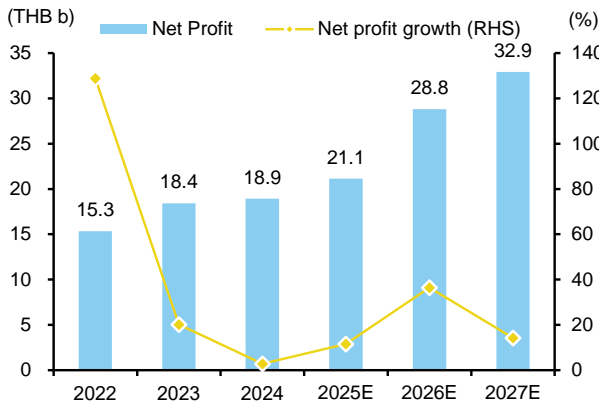
Major Shareholders (%) as of 28 Feb 2025

Delta Electronics Int'l (Singapore) Pte.Ltd	42.85
Delta International Holding Limited B.V.	14.18
CITI (NOMINEES) LIMITED-CBHK	13.86

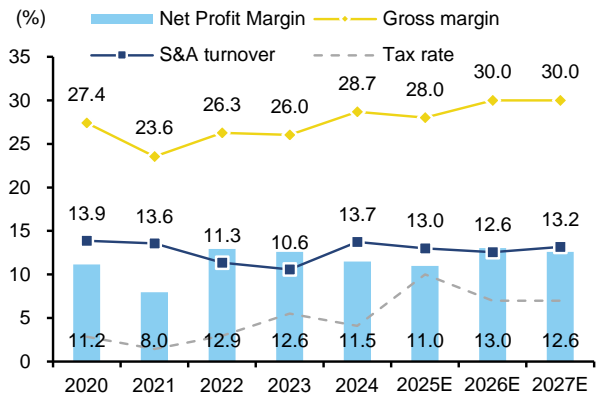
Company Profile

The Company's businesses are mainly involved in power management solutions and manufacture of electronic components i.e. DC fan, electromagnetic interference filter (EMI) and solenoid. Its operation has covered regions such as Asia, Europe and South America.

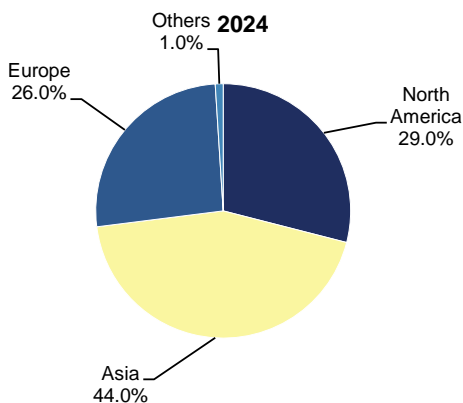
Source: SETSMART, SET

Exhibit 1: Net profit vs net profit growth

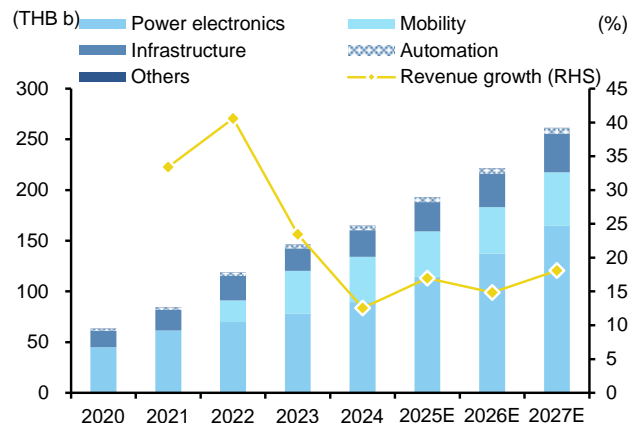
Sources: DELTA; Globlex Research

Exhibit 2: Net profit margin, gross profit margin, S&A turnover, effective tax rate

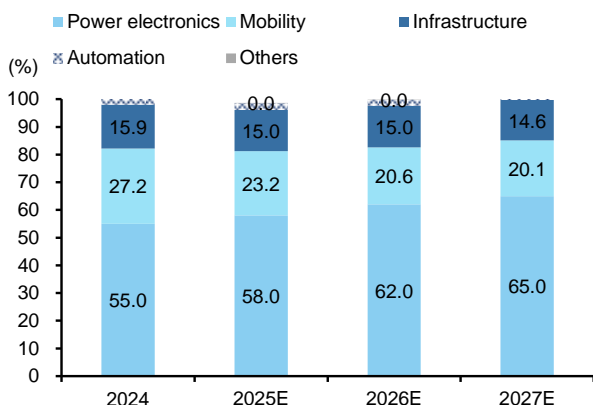
Sources: DELTA; Globlex Research

Exhibit 3: Revenue breakdown by market (%)

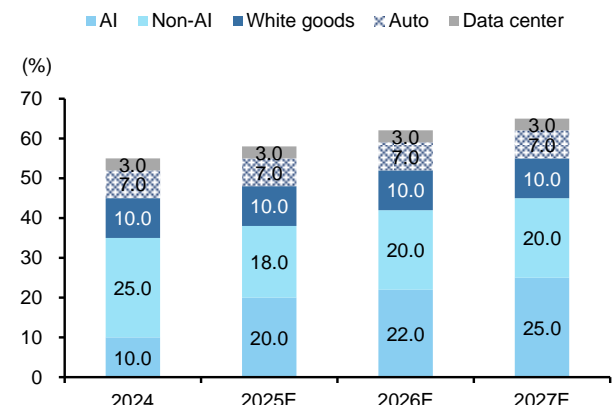
Sources: DELTA; Globlex Research

Exhibit 4: Revenue breakdown by segment vs revenue growth

Sources: DELTA; Globlex Research

Exhibit 5: Revenue breakdown by segment (%)

Sources: DELTA; Globlex Research

Exhibit 6: Power electronics revenue breakdown (%)

Sources: DELTA; Globlex Research

Exhibit 7: Key changes in assumptions

(THB m)	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	192,655	221,225	261,272	179,983	211,106	242,972	7.0	4.8	7.5
Gross profit	53,943	66,368	78,381	53,995	60,903	71,745	(0.1)	9.0	9.3
Operating profit	28,898	38,592	43,961	30,597	34,398	39,735	(5.6)	12.2	10.6
Net profit	21,130	28,824	32,919	20,925	23,600	27,253	1.0	22.1	20.8
EPS (THB/share)	1.69	2.31	2.64	1.68	1.89	2.18	1.0	22.1	20.8
Key assumptions							% pts chg(%)		
Revenue growth (%)	17.0	14.8	18.1	9.3	17.3	15.1	8	(2)	3
Power electronics	28.0	20.0	20.0	12.0	25.0	20.0	16	(5)	0
Mobility	0.0	2.0	15.0	6.0	6.0	6.0	(6)	(4)	9
Infrastructure	10.0	15.0	15.0	6.0	10.0	10.0	4	5	5
Automation	6.0	10.0	15.0	6.0	10.0	15.0	0	0	0
% revenue (%)	100	100	100	100	100	100	0	0	0
Power electronics	59	62	63	56	59	62	4	3	1
Mobility	23	21	20	26	24	22	(3)	(3)	(2)
Infrastructure	15	15	15	15	14	14	(0)	1	1
Automation	2	2	2	3	2	2	(0)	(0)	(0)
Others	0	0	0	0	0	0	(0)	(0)	(0)

Sources: DELTA; Globlex Research

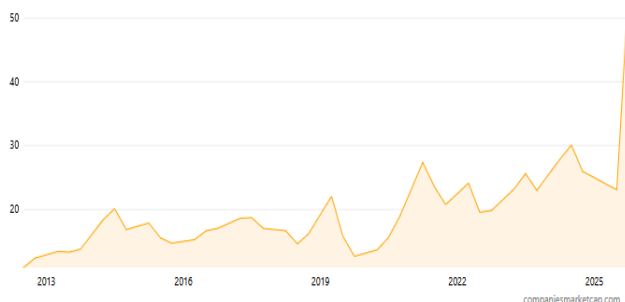
Exhibit 8: TTM P/E DELTA (Taiwan (2308.TW))

P/E ratio for Delta Electronics (2308.TW)

P/E ratio as of September 2025 (TTM): 48.1

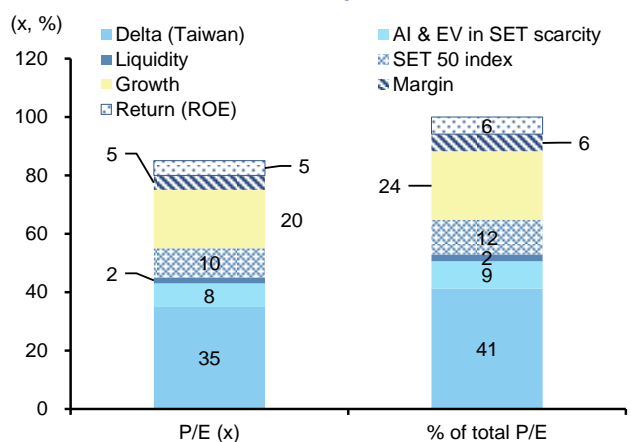
According to Delta Electronics's latest financial reports and stock price the company's current price-to-earnings ratio (TTM) is 48.0915. At the end of 2024 the company had a P/E ratio of 31.5.

P/E ratio history for Delta Electronics from 2012 to 2025



Sources: CompaniesMarketcap.com

Exhibit 9: Valuation premium justification for DELTA



Sources: Bloomberg; SET; Globlex Research

Exhibit 10: TP and P/E sensitivity

P/E (x)	EPS (THB/share)		
	2025E	2026E	2027E
	1.69	2.31	2.64
82	139	235	399
83	141	238	403
84	142	241	408
85	144	196	333
86	146	247	418
87	147	250	423
88	149	253	428
89	151	255	433

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	7,617	15,701	16,241	19,482	23,273
Account receivable	33,237	32,906	34,833	37,045	39,658
Inventories	32,747	31,697	37,420	41,776	49,338
Others	1,965	2,227	2,444	2,681	2,950
Non-current assets					
Net fixed assets	29,681	37,721	51,363	64,707	77,754
Others	2,898	2,844	2,844	2,844	2,844
Total Assets	108,145	123,097	145,144	168,535	195,818

Current liabilities					
Account payable	32,096	35,793	42,256	47,174	55,714
ST borrowing	2,607	245	245	245	245
Others	1,472	2,089	2,089	2,089	2,089
Long-term liabilities					
Long-term debts	969	1,211	1,211	1,211	1,211
Others	3,461	3,817	3,817	3,817	3,817
Total liabilities	40,606	43,155	49,617	54,536	63,075
Paid-up capital	1,247	1,247	1,247	1,247	1,247
Retained earnings	68,626	81,961	97,546	116,018	134,761
Others	(2,334)	(3,266)	(3,266)	(3,266)	(3,266)
Minority interest	0	0	0	0	0
Shareholders' equity	67,539	79,942	95,527	113,999	132,742

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	23.5	12.5	17.0	14.8	18.1
Operating profit	27.9	8.8	17.5	33.5	13.9
EBITDA	27.9	8.8	17.5	33.5	13.9
Net profit	20.1	2.8	11.6	36.4	14.2
Core net profit	20.1	2.8	11.6	36.4	14.2
EPS	20.1	2.8	11.6	36.4	14.2
Core EPS	20.1	2.8	11.6	36.4	14.2
Profitability (%)					
Gross margin	26.0	28.7	28.0	30.0	30.0
Operation margin	15.5	14.9	15.0	17.4	16.8
EBITDA margin	15.5	14.9	15.0	17.4	16.8
Net margin	12.6	11.5	11.0	13.0	12.6
ROE	30.1	25.7	24.1	27.5	26.7
ROA	18.5	16.4	15.8	18.4	18.1
Stability					
Interest bearing debt/equity (x)	0.1	0.0	0.0	0.0	0.0
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	164.7	107.0	100.0	100.0	100.0
Interest & ST debt coverage (x)	6.6	43.3	46.6	53.8	57.1
Cash flow interest coverage (x)	0.3	0.7	0.5	0.6	0.6
Current ratio (x)	2.1	2.2	2.0	2.0	2.0
Quick ratio (x)	1.1	1.3	1.1	1.1	1.1
Net debt (THB m)	(4,041)	(14,245)	(14,785)	(18,026)	(21,817)
Activity					
Asset turnover (X)	1.3	1.2	1.1	1.2	2.7
Days receivables	82.9	72.9	66.0	61.1	55.4
Days inventory	110.4	98.5	98.5	98.5	98.5
Days payable	108.2	111.2	111.2	111.2	111.2
Cash cycle days	85.1	60.2	53.3	48.4	42.7

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	146,371	164,733	192,655	221,225	261,272
Cost of goods sold	(108,273)	(117,498)	(138,712)	(154,858)	(182,890)
Gross profit	38,098	47,235	53,943	66,368	78,381
Operating expenses	(15,483)	(22,637)	(25,045)	(27,775)	(34,421)
Operating profit	22,616	24,598	28,898	38,592	43,961
EBIT	18,008	17,860	21,401	28,580	32,556
Depreciation	(4,608)	(6,738)	(7,497)	(10,012)	(11,405)
EBITDA	22,616	24,598	28,898	38,592	43,961
Non-operating income	922	2,126	2,291	2,699	3,167
Other incomes	192	812	1,927	2,212	2,613
Other non-op income	729	1,314	365	487	555
Non-operating expense	566	(237)	(214)	(286)	(326)
Interest expense	(109)	(167)	(214)	(286)	(326)
Other non-op expense	675	(70)	0	0	0
Equity income/(loss)	0	(0)	(0)	(0)	(0)
Pre-tax Profit	19,496	19,748	23,478	30,993	35,397
Extraordinary items					
Current taxation	(1,073)	(810)	(2,348)	(2,170)	(2,478)
Minorities	0	0	0	0	0
Net Profit	18,423	18,939	21,130	28,824	32,919
Core net profit	18,423	18,939	21,130	28,824	32,919
EPS (THB)	1.48	1.52	1.69	2.31	2.64
Core EPS (THB)	1.48	1.52	1.69	2.31	2.64

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow	10,712	29,461	22,690	32,782	37,658
Net profit	18,423	18,939	21,130	28,824	32,919
Depre. & amortization	4,608	6,738	7,497	10,012	11,405
Change in working capital	(10,155)	5,431	(1,211)	(1,673)	(1,669)
Others	(2,163)	(1,647)	(4,727)	(4,380)	(4,997)
Investment cash flow	(10,435)	2,166	6,268	13,796	18,194
Net CAPEX	(11,589)	(14,778)	(10)	(10)	(9)
Change in LT investment	1,154	16,944	6,278	13,806	18,203
Change in other assets	0	0	0	0	0
Free cash flow	277	31,627	28,958	46,578	55,852
Financing cash flow	(2,802)	(23,543)	(28,418)	(43,337)	(52,061)
Change in share capital	0	0	0	0	0
Net change in debt	0	0	0	0	0
Dividend paid	(5,613)	(5,738)	(5,738)	(10,565)	(14,412)
Others	2,811	(17,805)	(22,680)	(32,772)	(37,649)
Net cash flow	(2,525)	8,084	540	3,241	3,791

Per share (THB)					
EPS	1.48	1.52	1.69	2.31	2.64
Core EPS	1.48	1.52	1.69	2.31	2.64
CFPS	1.85	2.06	2.29	3.11	3.55
BVPS	5.41	6.41	7.66	9.14	10.64
Sales/share	11.73	13.21	15.44	17.74	20.95
EBITDA/share	1.81	1.97	2.32	3.09	3.52
DPS	0.45	0.46	0.85	1.16	1.32
Valuation					
P/E (x)	na	100.44	91.21	66.86	58.54
P/BV (x)	na	23.80	20.17	16.91	14.52
Dividend yield (%)	na	0.30	0.55	0.75	0.85
Dividend payout ratio (%)	30.47	30.30	50.00	50.00	50.00

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Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.