

Rising growth but stretching valuation

- Solid 3Q25 net profit boosted by AI growths
- Margins up, cost down led to our EPS forecast upgrades
- Yet we downgrade from BUY to HOLD with a revised TP THB210

AI growth led to a record high 3Q25 net profit (again)

3Q25 net profit (NP) was THB7.4b, up 26% y-y and 61% q-q, beating market consensus by 35% and ours by 20%. Excluding FX gain and other one-time items, 3Q25 core NP was THB6.7b, up 12% q-q and 8% y-y, still 10% higher than our estimate. Revenue rose to THB53.2b (+23% y-y, +20% q-q) from the strong AI power electronics and data center to more than offset the weak sales of EV mobility.

Margins up along with profits

Gross profit rose to USD498m while gross profit margin surged to 30.2%, up from 25.4% in 2Q24 and 228.4% in 3Q24, driven by the rising revenue of the high-margin power electronics. Net profit jumped to THB7.4b on net profit margin of 13.9% due to 1) the higher sales portion of power electronics to 65%, up from 56% in 2Q25; 2) higher SG&A to sales to 10.8%; 3) higher effective tax rate to 14.8%, up from 14.2% in 2Q25 due to the impact of Global Minimum Tax pillar 2 law enforced since 1 January 2025. Royalty fee increased as the sales of the high-royalty AI products jumped in 3Q25.

AI revenue growths on power electronics and infrastructure

Revenue from power electronics surged to 2/3 of total revenue, led by 55% revenue portion from AI-related products (50% in power electronics and 5% in infrastructure), far outpacing revenue from infrastructure, automation, and mobility EV. Operating profit margin was driven by power electronics (21.7%), infrastructure (8.6%) and EV mobility (8.8%), to more than offset the depressed margin automation (-2.9%), which saw continued declining revenue as a result of the poor market in Europe and North America.

4Q25-2026 outlook looks brighter

Management is guiding a q-q stronger 4Q25 performance and still maintain 15-20% y-y revenue growth target, which we think is conservative given the revenue from the high-margin power electronics remains brisk, backed by the pent-up demands from the second wave of Data center using the more powerful chips that require higher-performance power supplies, the core competitiveness of Delta. The capacity expansion in Bangpoo should position Delta well for the ne3xt growth phase that we think could serve its growth strategy in 2026-30.

Downgrade to HOLD and raised TP to THB210

While still being bullish on growths, we downgrade DELTA from BUY to HOLD as we think share price now ahead of its fundamentals. We lifted our TP from THB196 to THB210, still based on 85x 2026E P/E, to reflect 1) EPS forecast upgrades by 10.7%/6.9%/7.2% in 2025E-27E on stronger demands for AI products but weaker-than-expected EV revenue; 2) higher P/E by 10x to reflect DELTA's higher net profit margins and growths.

Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

HOLD (from BUY)

Target Price 12M (THB)	210.00
VS. BB Consensus TP (%)	+32.1%
Share Price (THB)	205.00
Upside/Downside	+2.4%

Share Data

Market Cap (THB m)	2,557,132.31
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

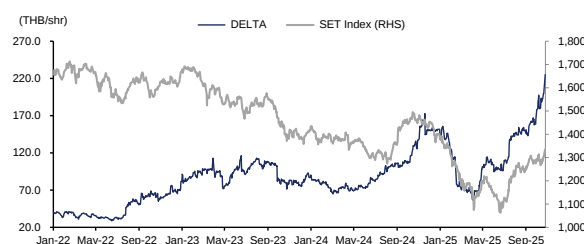
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	164,733	189,967	224,619	265,572
Net profit	18,939	23,385	30,824	35,303
Core net profit	18,939	23,385	30,824	35,303
vs Consensus (%)		10.4	15.3	5.2
Net profit growth (%)	2.8	23.5	31.8	14.5
Core net profit growth (%)	2.8	23.5	31.8	14.5
EPS (THB)	1.52	1.87	2.47	2.83
Core EPS (THB)	1.52	1.87	2.47	2.83
Chg from previous (%)		10.7	6.9	7.2
DPS (THB)	0.46	0.94	1.24	1.42
P/E (x)	100.44	109.35	82.96	72.43
P/BV (x)	23.80	26.15	21.83	18.63
ROE (%)	25.68	26.32	28.69	27.76
Dividend yield (%)	0.30	0.46	0.60	0.69

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	25.00	45.91	171.52	34.43
Market	21.62	34.64	137.00	43.26
12M High/Low (THB)	207.00 / 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.

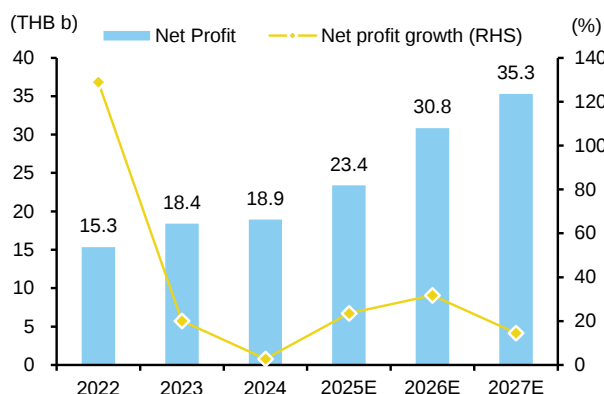
Source: SETSMART, SET

Exhibit 1: Summary of 3Q25/9M25 operations

	3Q24	2Q25	3Q25		9M24	9M25	chg.	2025E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	43,225	44,490	53,214	19.6	23.1	122,986	140,440	14.2
Operating costs	(35,457)	(35,836)	(42,179)	17.7	19.0	(102,576)	(113,192)	10.3
EBITDA	7,768	8,654	11,035	27.5	42.1	20,410	27,248	33.5
EBITDA margin (%)	18.0	19.5	20.7	nm	nm	16.6	19.4	nm
Depn & amort.	(1,779)	(2,132)	(1,874)	(12.1)	5.3	(4,882)	(5,865)	20.1
EBIT	5,989	6,522	9,161	40.5	53.0	15,528	21,383	37.7
Interest expense	(29)	(12)	(7)	(46.8)	(77.4)	(86)	(38)	(56.1)
Interest & invt inc	85	86	46	(46.2)	na	192	196	na
Other income	291	129	262	103.3	(10.1)	702	629	(10.3)
Associates' contrib	(0)	0	0	na	na	(0)	1	na
Exceptionals	(285)	(1,327)	(732)	(44.8)	na	853	(1,771)	na
Pretax profit	6,050	5,398	8,731	61.8	44.3	17,189	20,401	18.7
Tax	(139)	(768)	(1,289)	67.8	826.3	(405)	(2,842)	601.6
Tax rate (%)	2.3	14.2	14.8	nm	nm	2.4	13.9	nm
Minority interests	-	-	-	na	na	-	-	na
Net profit	5,911	4,629	7,441	60.8	25.9	16,783	17,559	4.6
Non-recurring	(285)	(1,327)	750	na	na	-	-	na
Core net profit	6,196	5,956	6,691	12.3	8.0	16,783	17,559	4.6
EPS (THB)	0.47	0.37	0.60	60.8	25.9	1.35	1.41	4.6
Core EPS (THB)	0.50	0.48	0.54	12.3	8.0	1.35	1.41	4.6

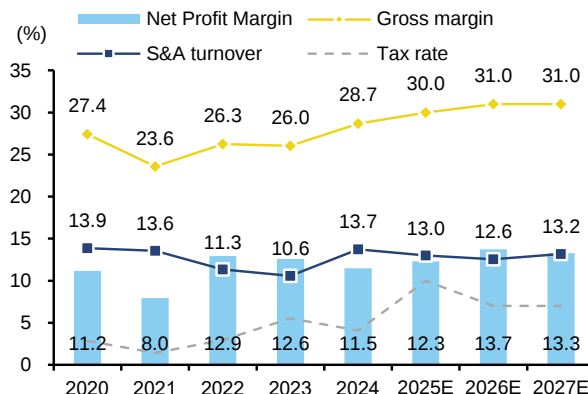
Sources: Delta, Globlex Research

Exhibit 2: Net profit vs net profit growth



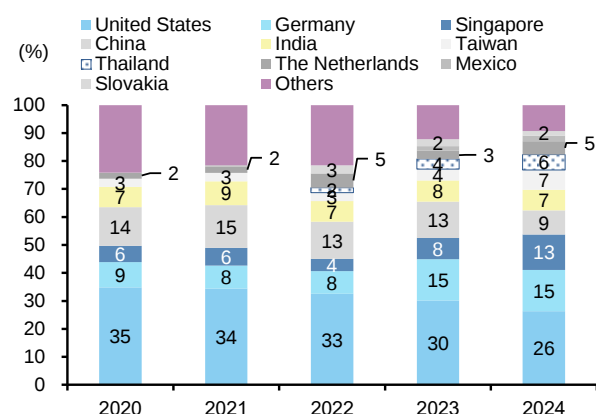
Sources: DELTA; Globlex Research

Exhibit 3: Net profit margin, gross profit margin, S&A turnover, effective tax rate



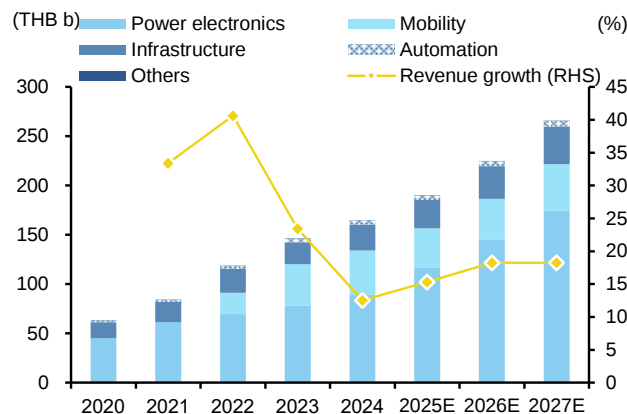
Sources: DELTA; Globlex Research

Exhibit 4: Revenue breakdown by geography (%)



Sources: DELTA; Globlex Research

Exhibit 5: Revenue breakdown by segment vs revenue growth



Sources: DELTA; Globlex Research

Exhibit 6: Key changes in assumptions

(THB m)	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	189,967	224,619	265,572	192,655	221,225	261,272	(1.4)	1.5	1.6
Gross profit	56,990	69,632	82,327	53,943	66,368	78,381	5.6	4.9	5.0
Operating profit	32,294	41,431	47,340	28,898	38,592	43,961	11.8	7.4	7.7
Net profit	23,385	30,824	35,303	21,130	28,824	32,919	10.7	6.9	7.2
EPS (THB/share)	1.87	2.47	2.83	1.69	2.31	2.64	10.7	6.9	7.2
Key assumptions	Current			Previous			% pts change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue growth (%)	15.3	18.2	18.2	17.0	14.8	18.1	(1.6)	3.4	0.1
Power electronics	30.0	25.0	20.0	28.0	20.0	20.0	2.0	5.0	0.0
Mobility	-10.0	2.0	15.0	0.0	2.0	15.0	(10.0)	0.0	0.0
Infrastructure	10.0	15.0	15.0	10.0	15.0	15.0	0.0	0.0	0.0
Automation	6.0	10.0	15.0	6.0	10.0	15.0	0.0	0.0	0.0
% revenue	100.0	100.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Power electronics	61.2	64.7	65.7	59.4	62.1	63.1	1.8	2.6	2.6
Mobility	21.2	18.3	17.8	23.2	20.6	20.1	(2.0)	(2.3)	(2.3)
Infrastructure	15.2	14.8	14.3	15.0	15.0	14.6	0.2	(0.2)	(0.2)
Automation	2.4	2.2	2.1	2.3	2.2	2.2	0.0	(0.0)	(0.0)
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)

Sources: DELTA; Globlex Research

Exhibit 7: P/E valuation justification

Premium factors	P/E (x)	% of total P/E
Delta (Taiwan)	35	41
AI & EV in SET scarcity	13	15
Liquidity	2	2
SET 50 index	10	12
Growth	15	18
Margin	5	6
Return (ROE)	5	6
Total P/E	85	100

Sources: Globlex Research

Exhibit 8: Valuation and TP

P/E (x)	EPS (THB/share)		
	2025E	2026E	2027E
	1.87	2.47	2.83
82	154	288	540
83	156	292	547
84	157	295	553
85	159	210	394
86	161	302	567
87	163	306	573
88	165	309	580

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	7,617	15,701	18,325	22,604	27,743
Account receivable	33,237	32,906	34,806	37,052	39,708
Inventories	32,747	31,697	35,873	41,811	49,434
Others	1,965	2,227	2,407	2,727	3,008
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	145,618	171,745	200,492

Current liabilities					
Account payable	32,096	35,793	40,509	47,214	55,822
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	47,870	54,575	63,183
Paid-up capital	1,247	1,247	1,247	1,247	1,247
Retained earnings	68,626	81,961	99,767	119,188	139,328
Others	(2,334)	(3,266)	(3,266)	(3,266)	(3,266)
Minority interest	0	0	0	0	0
Shareholders' equity	67,539	79,942	97,748	117,169	137,309

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	23.5	12.5	15.3	18.2	18.2
Operating profit	27.9	8.8	31.3	28.3	14.3
EBITDA	27.9	8.8	31.3	28.3	14.3
Net profit	20.1	2.8	23.5	31.8	14.5
Core net profit	20.1	2.8	23.5	31.8	14.5
EPS	20.1	2.8	23.5	31.8	14.5
Core EPS	20.1	2.8	23.5	31.8	14.5
Profitability (%)					
Gross margin	26.0	28.7	30.0	31.0	31.0
Operation margin	15.5	14.9	17.0	18.4	17.8
EBITDA margin	15.5	14.9	17.0	18.4	17.8
Net margin	12.6	11.5	12.3	13.7	13.3
ROE	30.1	25.7	26.3	28.7	27.7
ROA	18.5	16.4	17.4	19.4	19.0
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	49.4	55.6	58.9
Cash flow interest coverage (x)	0.3	0.7	0.5	0.6	0.6
Current ratio (x)	2.1	2.2	2.1	2.1	2.1
Quick ratio (x)	1.1	1.3	1.2	1.2	1.2
Net debt (THB m)	(4,041)	(14,245)	(16,869)	(21,148)	(26,287)
Activity					
Asset turnover (X)	1.3	1.2	1.1	1.2	2.6
Days receivables	82.9	72.9	66.9	60.2	54.6
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	54.2	47.5	41.9

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	146,371	164,733	189,967	224,619	265,572
Cost of goods sold	(108,273)	(117,498)	(132,977)	(154,987)	(183,245)
Gross profit	38,098	47,235	56,990	69,632	82,327
Operating expenses	(15,483)	(22,637)	(24,696)	(28,201)	(34,987)
Operating profit	22,616	24,598	32,294	41,431	47,340
EBIT	18,008	17,860	23,916	30,682	35,058
Depreciation	(4,608)	(6,738)	(8,378)	(10,749)	(12,282)
EBITDA	22,616	24,598	32,294	41,431	47,340
Non-operating income					
Other incomes	192	812	1,900	2,246	2,656
Other non-op income	729	1,314	408	523	597
Non-operating expense	566	(237)	(239)	(307)	(351)
Interest expense	(109)	(167)	(239)	(307)	(351)
Other non-op expense	675	(70)	0	0	0
Equity income/(loss)	0	(0)	(0)	(0)	(0)
Pre-tax Profit	19,496	19,748	25,984	33,144	37,961
Extraordinary items					
Current taxation	(1,073)	(810)	(2,598)	(2,320)	(2,657)
Minorities	0	0	0	0	0
Net Profit	18,423	18,939	23,385	30,824	35,303
Core net profit	18,423	18,939	23,385	30,824	35,303
EPS (THB)	1.48	1.52	1.87	2.47	2.83
Core EPS (THB)	1.48	1.52	1.87	2.47	2.83

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Net profit	18,423	18,939	23,385	30,824	35,303
Depre. & amortization	4,608	6,738	8,378	10,749	12,282
Change in working capital	(10,155)	5,431	(1,381)	(1,508)	(1,705)
Others	(2,163)	(1,647)	(5,231)	(4,684)	(5,359)
Investment cash flow	(10,435)	2,166	8,352	15,961	20,542
Net CAPEX	(11,589)	(14,778)	(10)	(10)	(9)
Change in LT investment	1,154	16,944	8,362	15,971	20,551
Change in other assets	0	0	0	0	0
Free cash flow	277	31,627	33,503	51,341	61,063
Financing cash flow					
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)	(11,693)	(15,412)
Others	2,811	(17,805)	(25,141)	(35,370)	(40,512)
Net cash flow	(2,525)	8,084	2,624	4,279	5,139

Per share (THB)					
EPS	1.48	1.52	1.87	2.47	2.83
Core EPS	1.48	1.52	1.87	2.47	2.83
CFPS	1.85	2.06	2.55	3.33	3.81
BVPS	5.41	6.41	7.84	9.39	11.01
Sales/share	11.73	13.21	15.23	18.01	21.29
EBITDA/share	1.81	1.97	2.59	3.32	3.80
DPS	0.45	0.46	0.94	1.24	1.42
Valuation					
P/E (x)	na	100.44	109.35	82.96	72.43
P/BV (x)	na	23.80	26.16	21.82	18.62
Dividend yield (%)	na	0.30	0.46	0.60	0.69
Dividend payout ratio (%)	30.47	30.30	50.00	50.00	50.00

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Analyst Certification

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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.