# DELTA ELECTRONICS (DELTA TB)

THAILAND / SET / ELECTRONICS COMPONENTS

14 January 2026

Globlex Securities Co., Ltd.

## Time to upgrade on this AI angel

- Expect a softer q-q but markedly stronger y-y 4Q25E net profit
- AI remains a key growth driver for both revenue and margin
- Upgrade to BUY with a TP of THB210

### Strong growth to continue in 4Q25E

We project 4Q25 net profit (NP) at THB6b, down from a NP of THB7.4b in 3Q25 and but up from a NP of THB2.2b in 4Q24, bringing 2025 net profit to THB23.4b. Key points are 1) continued strong revenue from power electronics AI and data centers; 2) transitional revenue ramp-up from two production plants Wellgrow 3 and Wellgrow 5; 3) poorer net profits from EV; 4) raw material bottleneck; 5) FX loss.

### AI again will be a heroic product in 4Q25E-2026E

We expect revenue from power electronics to continue its strong growth trajectory, accounting for over 2/3 of total revenue, led by 58% (vs 55% in 3Q25) revenue portion from AI-related products. Operating profit margin will remain high, supported by power electronics (21-22%) and infrastructure (8-9%) to offset the depressed operating margin from EV (-2-3%) as demand continued its downtrend.

### Timely capacity expansions to underline growth

While DELTA has already completed the expansion of two plants Wellgrow 3 and Wellgrow 5 since 3Q25, we expect revenue contributions from these two new plants to remain limited during the transition period in 2H25-1H26, given 1) Wellgrow 3 plant will focus on producing components, which include automotive and AI applications; 2) Wellgrow 5 plant will mainly manufacture AI power system and the complicated liquid cooling products; thereby requiring a period of finetuning. As a result, not until 2H26E do we expect significant revenue and profit contributions from Wellgrow 3 & 5. DELTA currently expands three new production plants and one R&D center in Bangpoo Industrial Estate (IE), scheduled to be completed in mid-2027 to bring total production plants to 7 plants in Bangpoo IE.

### Three negative factors in 4Q25

On negative side, DELTA will face challenges from 1) the stronger currency of THB1/USD in 4Q25, which could reduce DELTA's operating margin by 0.9% pts; 2) absence of cTHB1b compensation revenue from clients and THB0.4b inventory reversal in 3Q25; 3) bottleneck for raw materials that partially limit DELTA's production and sales volume in 4Q25.

### Upgrade to BUY with a TP of THB210

We upgrade DELTA from HOLD to BUY and maintain our TP of THB210. Since our downgrading in Oct-25, DELTA's share price has plunged by 45% from its peak of THB232 seen on 28 Oct-25 to current share price of THB160. We now think DELTA's continued strong earnings growth momentum in 4Q25-2026, driven by AI demand growth globally, will be he key catalyst for share price to our TP.

**Analyst**

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**ESG Rating : A**

**CG Rating :** ▲▲▲▲▲

## BUY (from HOLD)

| | |
|---|---|
| **Target Price 12M (THB)** | **210.00** |
| VS. BB Consensus TP (%) | +11.1% |
| Share Price (THB) | 159.50 |
| Upside/Downside | +31.7% |

### Share Data

| | |
|---|---|
| Market Cap (THB m) | 1,989,573.67 |
| Par (THB) | 0.10 |
| Free Float (%) | 23.57 |
| Issued shares (m shares) | 12,474 |

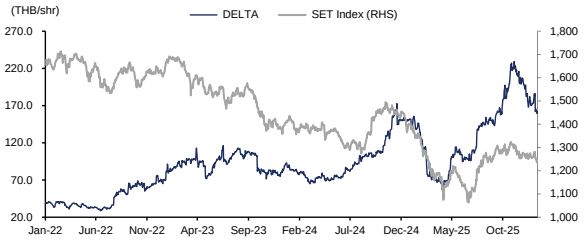
### Financial forecast

| 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 (%) | | (0.1) | 0.2 | (10.1) |
| 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 (%) | | 0.0 | 0.0 | 0.0 |
| DPS (THB) | 0.46 | 0.94 | 1.24 | 1.42 |
| P/E (x) | 100.44 | 85.08 | 64.55 | 56.36 |
| P/BV (x) | 23.80 | 20.35 | 16.98 | 14.49 |
| ROE (%) | 25.68 | 26.32 | 28.68 | 27.75 |
| Dividend yield (%) | 0.30 | 0.59 | 0.77 | 0.89 |

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|---|---|---|---|---|
| Stock | (12.36) | (11.14) | 47.00 | (7.80) |
| Market | (11.03) | (7.42) | 33.42 | (5.98) |
| 12M High/Low (THB) | | | | 232.00 / 51.25 |




### Major Shareholders (%) as of 28 Feb 2025

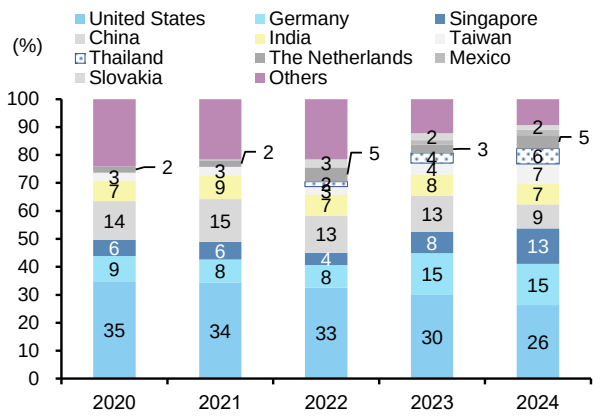
| | |
|---|---|
| Delta Electronics Int'l (Singapore) Pte.Ltd | 42.85 |
| Delta International Holding Limited B.V. | 14.18 |
| CITI (NOMINEES) LIMITED-CBHK | 13.86 |

### 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.

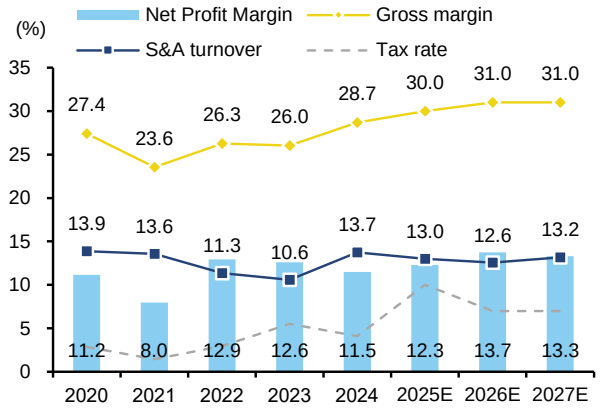
Source: SETSMART, SET

## Exhibit 1: Revenue breakdown by geography (%)




Sources: DELTA; Globlex Research

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




Sources: DELTA; Globlex Research

## Exhibit 3: Key Financial Ratio

| | Revenue (THB Bn) | GP Margin (%) | OP Margin (%) | NP Margin (%) | EPS (THB per share) | ROE (%) | D/E ratio (Times) | Quick ratio (Times) |
|---|---|---|---|---|---|---|---|---|
| 9M'2025 | 140.4 | 26.4% | 13.0% | 12.5% | 1.41 | 26.8% | 0.60 | 1.12 |
| 2024 | 164.7 | 24.6% | 10.8% | 11.5% | 1.66 | 25.7% | 0.54 | 1.27 |
| 2023 | 146.4 | 22.9% | 12.3% | 12.6% | 1.48 | 30.1% | 0.6 | 1.13 |
| 2022 | 118.6 | 23.6% | 12.2% | 12.9% | 1.23 | 31.9% | 0.66 | 1.17 |
| 2021 | 84.3 | 20.6% | 7.0% | 7.9% | 0.54 | 17.0% | 0.67 | 1.11 |
| 2020 | 63.2 | 23.9% | 10.1% | 11.1% | 0.57 | 20.1% | 0.52 | 1.66 |
| 2019 | 51.2 | 20.5% | 4.5% | 5.8% | 0.24 | 8.9% | 0.39 | 2.04 |
| 2018 | 53.1 | 22.8% | 8.9% | 9.7% | 0.41 | 15.1% | 0.42 | 2.22 |
| 2017 | 49.3 | 25.5% | 11.3% | 10.0% | 0.40 | 15.2% | 0.42 | 2.37 |
| 2016 | 46.9 | 26.5% | 10.9% | 11.8% | 0.44 | 17.3% | 0.45 | 2.48 |
| 2015 | 46.9 | 27.3% | 13.2% | 14.3% | 0.54 | 22.0% | 0.43 | 2.71 |

Sources: DELTA

| 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** |

| Profit & loss (THB m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Dec** | **2023** | **2024** | **2025E** | **2026E** | **2027E** |
| **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** | **922** | **2,126** | **2,307** | **2,769** | **3,253** |
| 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** |

| 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 |

| Cash flow (THB m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Dec** | **2023** | **2024** | **2025E** | **2026E** | **2027E** |
| **Operating cash flow** | **10,712** | **29,461** | **25,151** | **35,380** | **40,521** |
| 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** | **(2,802)** | **(23,543)** | **(30,879)** | **(47,063)** | **(55,924)** |
| 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 | 85.08 | 64.55 | 56.36 |
| P/BV (x) | na | 23.80 | 20.35 | 16.98 | 14.49 |
| Dividend yield (%) | na | 0.30 | 0.59 | 0.77 | 0.89 |
| Divdend payout ratio (%) | 30.47 | 30.30 | 50.00 | 50.00 | 50.00 |

# GENERAL DISCLAIMER

## 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 (target price* - current price) / 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.