

Thailand's AI champion

- Solid 4Q25 and 2025 net profits boosted by rising AI revenues
- Manageable capex should continue to drive growth
- Maintain BUY and lifted TP to THB250

Stronger 4Q25 performance beat market and our expectations

4Q25 net profit (NP) was THB7.3b, down 2.5% q-q but up 237% y-y, driven by stronger revenues from power electronics, which grew 94% y-y to USD1.27b, a record high, along with infrastructure and automation to more than offset the weak revenue from mobility.

Robust revenue growth continued

All but mobility saw significant revenue growths in 4Q25, led by power electronics to USD1.27b (+94% y-y), infrastructure USD290m (+38% y-y), and automation USD43m (+34% y-y), to more than offset the poor revenue of mobility at USD183m (-39% y-y), bringing overall revenue to USD1.8b, up 50% y-y and 9% q-q. DELTA guided a 40% y-y on data center revenue (55% of revenue in 2025) in 2026, up from 31% y-y in 2025 (20% y-y in THB), indicating that DELTA's growth remains sanguine ahead.

AI is again the champion

AI is now contributing over 50% of revenue, mostly from power electronics and infrastructure, which a combined revenue of USD1.6b in 4Q25, accounting for 87% of total revenue. GPM continued to rise from the increasing AI revenue, reaching 29.2% in 4Q25, down slightly from 30.2% in 3Q25 but up markedly from 22.8% in 4Q24. NPM stayed elevated at 12.5% in 4Q25 vs 13.9% in 3Q25 and 5.3% in 4Q24.

Capex vs growth should not be DELTA's concern

Unlike most hyperscalers' swelling capex that have led to their share price plunges recently, we think DELTA should manage its capex of USD300m annually to fund its capacity growths for Bangpu new factories to accommodate the future demand growths. DELTA's net profit should hit USD1.0b mark within 2027 and free cash flows from operations should be in the range of USD0.9-1.2b annually in 2026-28, more than sufficient to fund not only its annual USD0.3b capex but also R&D expense (2.5%-3.0% of revenue) and dividends.

Maintain BUY and raised TP to THB250

We maintain BUY and lifted our TP from THB210, based on 85x 2026E P/E, to THB250, now based on 88x 2027E P/E, as we think DELTA's earnings visibility is high, supported its sound strategies of growth and its competitive AI products that should continue to ride on global AI capex spending.

Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	250.00
VS. BB Consensus TP (%)	+21.8%
Share Price (THB)	221.00
Upside/Downside	+13.1%

Share Data

Market Cap (THB m)	2,756,713.37
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	198,153	224,619	265,572	300,847
Net profit	24,814	30,824	35,304	40,545
Core net profit	24,814	30,824	35,304	40,545
vs Consensus (%)		(1.3)	(12.9)	(10.8)
Net profit growth (%)	31.0	24.2	14.5	14.8
Core net profit growth (%)	31.0	24.2	14.5	14.8
EPS (THB)	1.99	2.47	2.83	3.25
Core EPS (THB)	1.99	2.47	2.83	3.25
Chg from previous (%)		0.0	0.0	#DIV/0!
DPS (THB)	0.60	1.24	1.42	1.63
P/E (x)	86.96	89.43	78.09	67.99
P/BV (x)	22.31	22.85	19.46	16.64
ROE (%)	28.09	28.36	26.92	26.39
Dividend yield (%)	0.35	0.56	0.64	0.74

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	32.34	4.74	47.83	27.75
Market	17.38	(7.56)	29.46	11.90
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: Summary of 4Q25/2025 operations

	4Q24	3Q25	4Q25			2024	2025	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	41,747	53,214	57,714	8.5	38.2	164,733	198,153	20.3
Operating costs	(37,558)	(42,179)	(44,498)	5.5	18.5	(140,135)	(157,689)	12.5
EBITDA	4,189	11,035	13,216	19.8	215.5	24,598	40,464	64.5
EBITDA margin (%)	10.0	20.7	22.9	nm	nm	14.9	20.4	nm
Depn & amort.	(1,857)	(1,874)	(2,329)	24.3	25.5	(6,738)	(8,194)	21.6
EBIT	2,332	9,161	10,887	18.8	366.8	17,860	32,270	80.7
Interest expense	(81)	(7)	(26)	291.7	(67.9)	(167)	(64)	(61.9)
Interest & invt inc	92	46	57	22.8	na	285	253	na
Other income	111	262	249	(4.9)	124.7	1,841	(3,889)	(311.2)
Associates' contrib	0	0	0	na	na	(0)	1	na
Exceptionals	106	(732)	(2,681)	266.1	na	(70)	315	na
Pretax profit	2,560	8,731	8,486	(2.8)	231.5	19,748	28,887	46.3
Tax	(405)	(1,289)	(1,230)	(4.6)	203.9	(810)	(4,073)	402.8
Tax rate (%)	15.8	14.8	14.5	nm	nm	4.1	14.1	nm
Minority interests	-	-	-	na	na	-	-	na
Net profit	2,155	7,441	7,256	(2.5)	236.7	18,939	24,814	31.0
Non-recurring				na	na	-	-	na
Core net profit	2,155	7,441	7,256	(2.5)	236.7	18,939	24,814	31.0
EPS (THB)	0.17	0.60	0.58	(2.5)	236.7	1.52	1.99	31.0
Core EPS (THB)	0.17	0.60	0.58	(2.5)	236.7	1.52	1.99	31.0

Sources: DELTA; Globlex Research

Exhibit 2: Target price valuation

P/E (x)	EPS (THB/share)		
	2025E	2026E	2027E
	1.99	2.47	2.83
85	170	338	241
86	172	342	244
87	174	345	247
88	176	218	250
89	178	353	253
90	180	357	256
91	182	361	258
92	184	365	261

Sources: DELTA; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	15,701	20,288	17,028	8,872	1,245
Account receivable	32,906	45,936	60,707	78,171	97,954
Inventories	31,697	34,731	39,478	46,675	52,875
Others	2,227	3,118	3,224	3,597	4,152
Non-current assets					
Net fixed assets	37,721	45,688	59,418	72,900	86,132
Others	2,844	4,369	4,369	4,369	4,369
Total Assets	123,097	154,131	184,225	214,584	246,727
Current liabilities					
Account payable	35,793	45,228	51,409	60,783	68,856
ST borrowing	245	428	428	428	428
Others	2,089	6,612	6,612	6,612	6,612
Long-term liabilities					
Long-term debts	1,211	1,037	1,037	1,037	1,037
Others	3,817	4,098	4,098	4,098	4,098
Total liabilities	43,155	57,404	63,585	72,958	81,032
Paid-up capital	1,247	1,247	1,247	1,247	1,247
Retained earnings	81,961	100,981	124,894	145,881	169,951
Others	(3,266)	(5,502)	(5,502)	(5,502)	(5,502)
Minority interest	0	0	0	0	0
Shareholders' equity	79,942	96,727	120,640	141,626	165,696

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	12.5	20.3	13.4	18.2	13.3
Operating profit	8.8	64.5	2.4	14.3	15.0
EBITDA	8.8	64.5	2.4	14.3	15.0
Net profit	2.8	31.0	24.2	14.5	14.8
Core net profit	2.8	31.0	24.2	14.5	14.8
EPS	2.8	31.0	24.2	14.5	14.8
Core EPS	2.8	31.0	24.2	14.5	14.8
Profitability (%)					
Gross margin	28.7	31.2	31.0	31.0	31.0
Operation margin	14.9	20.4	18.4	17.8	18.1
EBITDA margin	14.9	20.4	18.4	17.8	18.1
Net margin	11.5	12.5	13.7	13.3	13.5
ROE	25.7	28.1	28.4	26.9	26.4
ROA	16.4	17.9	18.2	17.7	17.6
Stability					
Interest bearing debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	0.0
Interest coverage (x)	107.0	506.7	100.0	100.0	100.0
Interest & ST debt coverage (x)	43.3	65.6	41.7	45.0	48.5
Cash flow interest coverage (x)	0.7	0.4	0.4	0.4	0.4
Current ratio (x)	2.2	2.0	2.1	2.0	2.1
Quick ratio (x)	1.3	1.3	1.3	1.3	1.3
Net debt (THB m)	(14,245)	(18,822)	(15,562)	(7,406)	221
Activity					
Asset turnover (X)	1.2	1.0	1.0	1.7	3.7
Days receivables	72.9	84.6	98.6	107.4	0.0
Days inventory	98.5	93.0	93.0	93.0	0.0
Days payable	111.2	121.1	121.1	121.1	0.0
Cash cycle days	60.2	56.5	70.5	79.3	0.0

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue					
Revenue	164,733	198,153	224,619	265,572	300,847
Cost of goods sold	(117,498)	(136,353)	(154,987)	(183,245)	(207,585)
Gross profit	47,235	61,800	69,632	82,327	93,263
Operating expenses	(22,637)	(21,336)	(28,201)	(34,987)	(38,839)
Operating profit	24,598	40,464	41,431	47,340	54,424
EBIT	17,860	32,270	30,682	35,058	40,304
Depreciation	(6,738)	(8,194)	(10,749)	(12,282)	(14,120)
EBITDA	24,598	40,464	41,431	47,340	54,424
Non-operating income					
Other incomes	812	878	2,246	2,656	3,008
Other non-op income	1,314	(4,514)	523	597	687
Non-operating expense	(237)	252	(307)	(351)	(403)
Interest expense	(167)	(64)	(307)	(351)	(403)
Other non-op expense	(70)	315	0	0	0
Equity income/(loss)	(0)	1	0	0	0
Pre-tax Profit	19,748	28,887	33,144	37,961	43,596
Extraordinary items					
Current taxation	(810)	(4,073)	(2,320)	(2,657)	(3,052)
Minorities	0	0	0	0	0
Net Profit	18,939	24,814	30,824	35,304	40,545
Core net profit	18,939	24,814	30,824	35,304	40,545
EPS (THB)	1.52	1.99	2.47	2.83	3.25
Core EPS (THB)	1.52	1.99	2.47	2.83	3.25

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
Operating cash flow	29,461	21,878	24,019	27,660	31,222
Net profit	18,939	24,814	30,824	35,304	40,545
Depre. & amortization	6,738	8,194	10,749	12,282	14,120
Change in working capital	5,431	(2,997)	(12,870)	(14,566)	(17,288)
Others	(1,647)	(8,134)	(4,684)	(5,359)	(6,155)
Investment cash flow	2,166	(2,179)	4,214	7,247	10,017
Net CAPEX	(14,778)	(16,161)	(10)	(9)	(9)
Change in LT investment	16,944	13,982	4,224	7,256	10,025
Change in other assets	0	0	0	0	1
Free cash flow	31,627	19,699	28,233	34,907	41,238
Financing cash flow					
Financing cash flow	(23,543)	(15,112)	(31,493)	(43,063)	(48,866)
Change in share capital	0	0	0	0	0
Net change in debt	0	0	0	0	0
Dividend paid	(5,738)	(7,484)	(7,484)	(15,412)	(17,652)
Others	(17,805)	(7,628)	(24,009)	(27,651)	(31,214)
Net cash flow	8,084	4,587	(3,260)	(8,156)	(7,627)
Per share (THB)					
EPS	1.52	1.99	2.47	2.83	3.25
Core EPS	1.52	1.99	2.47	2.83	3.25
CFPS	2.06	2.65	3.33	3.81	4.38
BVPS	6.41	7.75	9.67	11.35	13.28
Sales/share	13.21	15.89	18.01	21.29	24.12
EBITDA/share	1.97	3.24	3.32	3.80	4.36
DPS	0.46	0.60	1.24	1.42	1.63
Valuation					
P/E (x)	100.44	86.96	89.43	78.09	67.99
P/BV (x)	23.80	22.31	22.85	19.46	16.64
Dividend yield (%)	0.30	0.35	0.56	0.64	0.74
Dividend payout ratio (%)	30.30	30.16	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.