DELTA ELECTRONICS (DELTA TB)

THAILAND / SET / ELECTRONICS COMPONENTS

Globlex Securities Co., Ltd.

24 August 2026

Returning "Alpha" for rising DELTA

- A 9-week, 33% share price plunge offers attractive buy
- 2H26-27 growth momentum acceleration is deeply underestimated
- Solid BUY with a TP of THB330

Share price underperformance could end sooner than later

DELTA's share price has declined by 33% from its peak at THB372 within the past nine weeks despite the global AI and tech share price rallies, underperforming both SET (flat in the same 9 weeks) and electronics peers – HANA (+121%), KCE (+148%), and CCET (-10%). We believe the main reason behind DELTA's share price underperformance is its disappointing 2Q26 and the rich valuation, not the slower or -change in growth trajectory in 2H26-2027.

Visibly higher margins on the table in 2H26-2027

Fundamentally, we project DELTA's net profit 2H26 to grow h-h, potentially rising to THB17-20b vs THB15b booked in 1H26. We think DELTA will see significant improvements in GPM and NPM by at least 3-4% pts, rising from the bottoms of 27.4% GPM and 9.2% NPM in 2Q26 to 30-32% GPM and 11-13% NPM in 2H26, lifted by 1) relieving raw material (RM) costs particularly for the "rush orders" to serve the customers' needs in 2Q26; 2) the absence, if not reversal of inventory provision booked in 2Q26 for the higher-than-usual inventory restocking to curb the risk for RM shortages in 2H26-2027; 3) a normalized product mix with lower sales of high-royalty AI-related products using DELTA (Taiwan) (>1/3 of revenue in 2Q26); and higher sales of AI-related products using DELTA's own technology (2/3).

Revenue growth momentum to accelerate in 2H26E

Despite the slowdown in revenue growth of 46.5% y-y in 2Q26 and 45.1% y-y in 1H26 due to 2Q26 hiccup, we believe DELTA could retain its 50%-70% y-y revenue growth in 2026. This implies that its revenue growth in 2H26 should attain 50-70% y-y. Management confirms that the orders and backlogs are "much stronger" than previously forecast and with the RM disruptions already resolved in July.

Timely ramp-up and capacity expansion further solidify growth

With higher margin and revenue growth outlooks, we project DELTA to post not only a rebound but also an accelerating earnings growth momentum, likely to surprise the market's expectations. On top of the organic margin and order recoveries, DELTA's timely capacity growth from two new production plants in Bangpoo Industrial Estate (IE) and the fast-rising utilization rates of two plants in Wellgro IE, mostly serving the high-margin Ai-related products (power supplies, cooling).

Time to reload Thailand's AI growth play

We maintain BUY and a TP of THB330. We think DELTA deserves rich valuation on its multiple rich premiums, including Thailand's largest market cap stock, major direct global AI play for power supplies, and its high growths and rising margins and ROEs.

Analyst

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ESG Rating : n.a.

CG Rating :

BUY

Target Price 12M (THB)	**330.00**
VS. BB Consensus TP (%)	-1.6%
Share Price (THB)	254.00
Upside/Downside	+29.9%

Share Data

Market Cap (THB m)	3,218,244.56
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

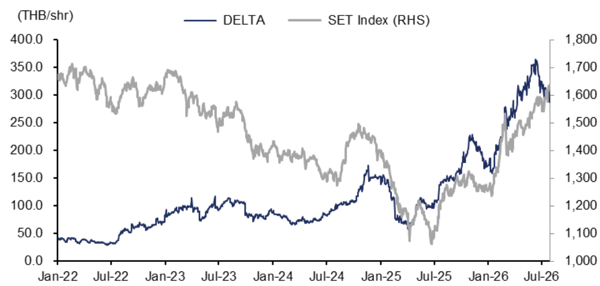
Financial forecast

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 (%)		(16.9)	(29.9)	(38.4)
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	0.0
DPS (THB)	0.60	1.24	1.42	1.63
P/E (x)	86.96	102.79	89.75	78.14
P/BV (x)	22.31	26.26	22.37	19.12
ROE (%)	28.09	28.36	26.92	26.39
Dividend yield (%)	0.35	0.49	0.56	0.64

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(14.57)	(20.86)	10.26	49.13
Market	(12.49)	(24.84)	1.10	16.41
12M High/Low (THB)				372.00 / 141.00



Major Shareholders (%) as of 27 Feb 2026

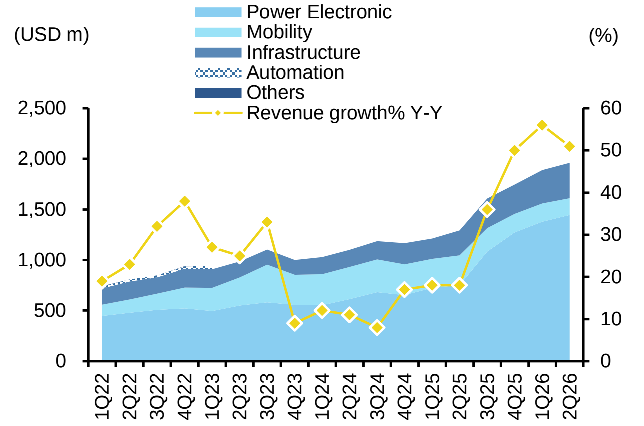
Delta Electronics Int'l (Singapore) Pte.Ltd	42.85
CITI (Nominees) Limited-CBHK	13.86
Delta International Holding Limited B.V.	12.71

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.

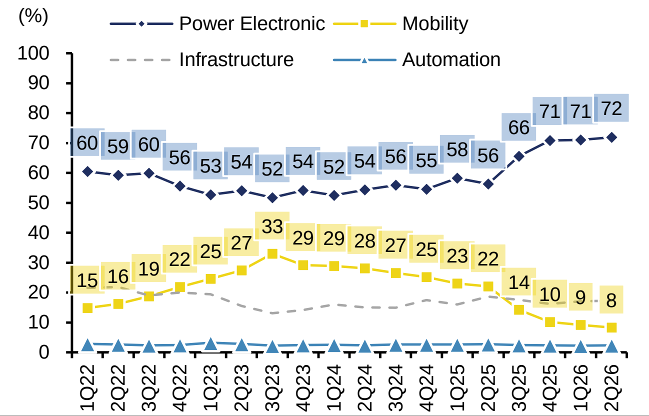
Source: SETSMART, SET

Exhibit 1: Quarterly revenue breakdown by segment



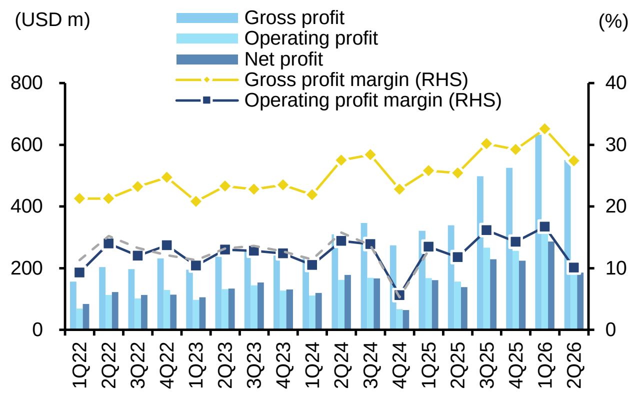
Sources: DELTA; Globlex Research

Exhibit 2: Quarterly revenue breakdown by segment (%)



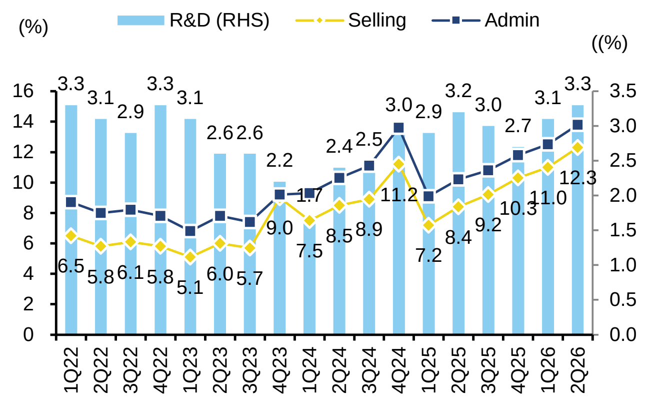
Sources: DELTA; Globlex Research

Exhibit 3: Profitability



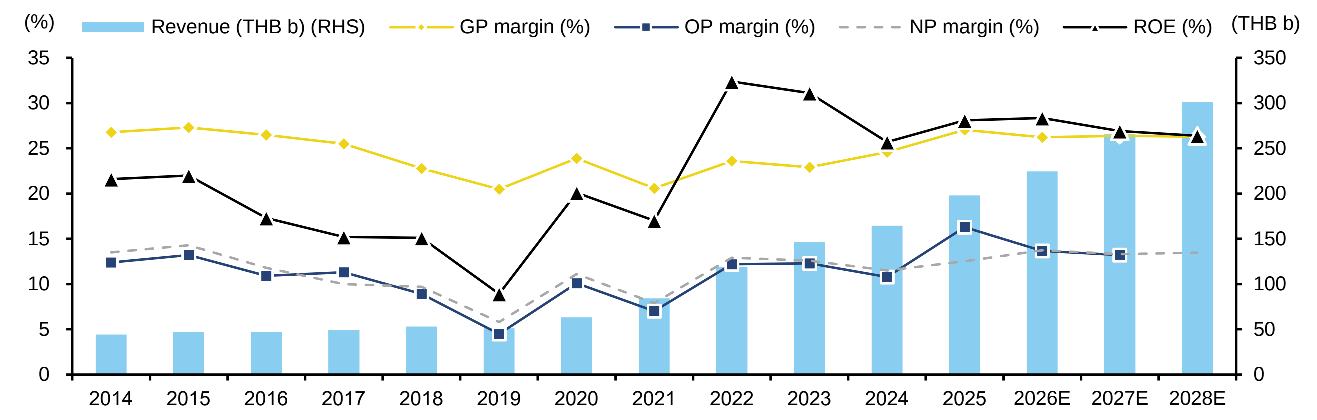
Sources: DELTA; Globlex Research

Exhibit 4: Key expenses to sales ratios



Sources: DELTA; Globlex Research

Exhibit 5: Revenue, margins, and ROE



Sources: DELTA; Globlex Research

Globlex Securities Co., Ltd.

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**

Profit & loss (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
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	**2,126**	**(3,636)**	**2,769**	**3,253**	**3,695**
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**

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

Cash flow (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
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	**(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	102.79	89.75	78.14
P/BV (x)	23.80	22.31	26.26	22.37	19.12
Dividend yield (%)	0.30	0.35	0.49	0.56	0.64
Divdend payout ratio (%)	30.30	30.16	50.00	50.00	50.00

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ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment As a power electronics/thermal management manufacturer, DELTA's most material exposure is production energy use and Scope 1-2 emissions. Renewable electricity reached 54% of consumption in 2024 (RE54, from 6% solar self-generation, 2% green electricity products, 46% I-REC), up sharply from 9% in 2021, against Delta Group's RE100 target of 100% by 2030 and a 90% Scope 1+2 cut by 2030 (2021 base). Water withdrawal rose to 971.1 million litres in 2024 (+41% y-y) as reporting scope expanded to India and newer Thai plants, pushing withdrawal intensity 12% above the 2030 reduction-target trajectory. VOC emissions totaled 107.35 tons (intensity 0.0265 tons/MUSD), mainly from PCB flux removers and India diesel generators. Thailand plants hold UL 2799A Zero Waste to Landfill (Platinum) certification since 2021.	n.a.	5.69
Social DELTA employed 25,301 people across Thailand, India and Slovakia operations in 2024. Employee turnover held at 9.4% (Thailand group, excluding contract-expiry leavers). Workplace safety was strong: zero work-related fatalities and zero occupational-disease fatalities for the eighth consecutive year, with a declining LTIFR trend since 2021. Average training reached 60 hours/FTE in 2024, already exceeding the Company's own 40-hour target set for 2025 — relevant given DELTA's dependence on skilled engineering talent for R&D and manufacturing.		3.68
Governance Governance is structurally shaped by DELTA's Taiwanese parent group: Delta Electronics Int'l (Singapore), Delta International Holding B.V., and Delta Electronics Inc. collectively hold ~62% of shares (42.85% + 13.77% + 5.54%), limiting free float and board independence in practice. The Board comprises 9 directors, 3 independent (33.3%, meeting the SEC one-third minimum) and 3 female (33.3%); the Company's own disclosure flags that the Chairman is not an independent director and that fewer than half the Board is independent. The Company recorded 3, 3 and 2 corruption-related cases in 2023, 2024 and 2025 respectively, each resulting in dismissal or termination of the relevant employee/supplier relationship. DELTA is a certified Thai CAC member with active whistleblowing channels.		4.09
Overall | CG Score: Excellent (5-star, 9th consecutive year) | CAC: Certified	**n.a.**	**4.57**

Bloomberg ESG scores reflect FY2025 data (latest available). SET ESG Rating as of April 2026 (Globlex Research). CG rating reflects 2024 Thai IOD survey.
Sources: DELTA Sustainable Development Report 2025, DELTA Annual Report 2025 (Form 56-1 One Report), Bloomberg, Globlex Securities Research.

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.