COMPANY UPDATE

DELTA ELECTRONICS (DELTA TB)

THAILAND / SET / ELECTRONICS COMPONENTS

Globlex Securities Co., Ltd.

15 September 2026

EB overhang for attractive buying?

- USD1.5b EB for DELTA could create ST share price overhang
- Medium to Long-term outlook remain promising on solid growths
- Maintain BUY and a TP of THB330

Launching a second USD1.5b Exchangeable Bond for DELTA

On 14 Sep-26, Delta Electronics Inc (Taiwan), the parent company of Delta, announced its issuance of USD1.5b zero-coupon Exchangeable Bond (EB), which con be converted into Delta's shares. There will be two EB tranches of 1) a USD0.5b 1-year EB with the initial exchange price of THB266.8, a 15% premium on Delta's market closing price of THB252 on 13 Sep-26, which will entitle EB holders for 24.9m shares of Delta; and 2) USD1.0b 5-year zero coupon EB with the initial exchange price of THB301.6 (30% premium) for 22m shares of Delta.

Short-term overhang but long-term promising outlook

We are neutral on Delta given 1) this second EB issuance is timely to fund DELTA's and Delta Electronics' high investments in R&D and capacity expansions to serve strong demands for its power electronics products for AI. This differs from the first EB launched in Jan-25 when DELTA's net profit growth and visibility remained lower than today's outlook in 2026E-28E; 2) no dilution as convertible shares are for DELTA's shares owned by Delta group, similar to Jan-25's EB launch; 3) only 1.1-1.2% of shares will be changed hands if EB holders decide to exercise to convert into DELTA's shares vs 0.85% for Jan-25 EB.

Delta group still owns 60% stake in DELTA post EB conversion

Post USD1.5b EB conversion into DELTA's shares (1.2%), we estimate that Delta Group still owns 60% stake in DELTA via its three subsidiaries. We think the move is a timely step to take advantage on DELTA's high valuation, which reflects DELTA's stronger and more visible earnings growth momentum in 2026 that will estimate to last at least until 2028 based on global announced investments in AI data center projects.

Visible and solid profit growth protects share price downside

We still project a strong net profit growth in 2H26 into 2027-28, with net profit forecasts of THB30.1b in 2026 (+26% y-y, 1H26 15.1b), rising to THB35.3b in 2027 (+15% y-y), and THB40.5b in 2028 (+15% y-y). We still believe our net profit forecasts have more upsides considering that DELTA's indicated backlog orders are higher-than-expected (2H26>1H26) and the demand outlook for DELTA's competitive products, particularly power electronics and power supplies for AI data centers, are superior to global competitors.

Maintain BUY and a TP of THB330

Maintain BUY and a TP of THB330. While in short-term share price could face overhang on the EB, we think share price downside is protected by 1) small share portion of 1.1-1.2% to change hands, without any dilution; 2) upside on stronger-than-expected profit outlook.

Analyst

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ESG Rating : n.a.

CG Rating :

BUY

Target Price 12M (THB)	**330.00**
VS. BB Consensus TP (%)	+0.5%
Share Price (THB)	252.00
Upside/Downside	+31.0%

Share Data

Market Cap (THB m)	3,143,401.67
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

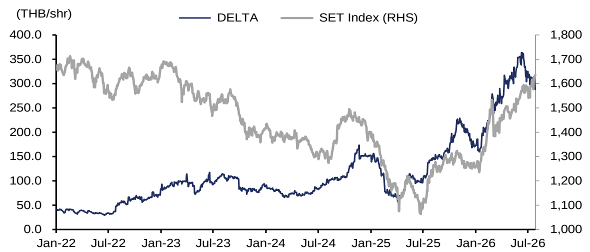
Financial forecast

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 (%)		(9.8)	(26.4)	(36.6)
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	101.98	89.04	77.53
P/BV (x)	22.31	26.06	22.20	18.97
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	(6.67)	(30.58)	(1.18)	45.66
Market	(5.61)	(30.52)	(12.46)	15.32
12M High/Low (THB)				372.00 / 155.00



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
Delta Electronics Inc.	5.54

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.

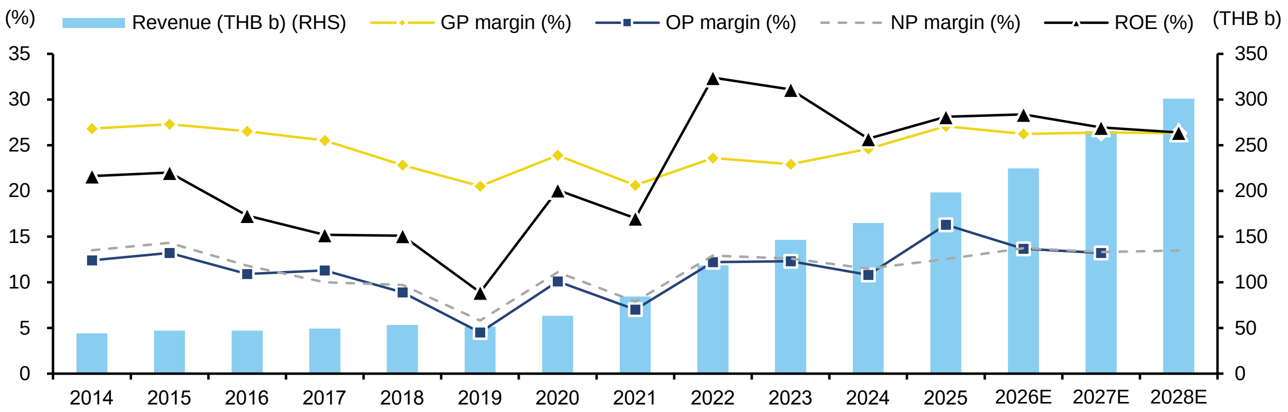
Source: SETSMART, SET

Exhibit 1: DELTA's shareholder structure as of June-26

Shareholder	(m shares)	% stake
Delta Electronics International (Singapore)	5,345	42.8
Citi (nominee)	1,728	13.9
Delta International Holding B.V.	1,585	12.7
Delta Electronics Inc	691	5.5
UBS AG ong Kong Branch (nominee)	546	4.4
HSBC	542	4.3
Thai NVDR	422	3.4
Other	1,614	12.9
Total	**12,474**	**100.0**
Delta group	7,621	61.1

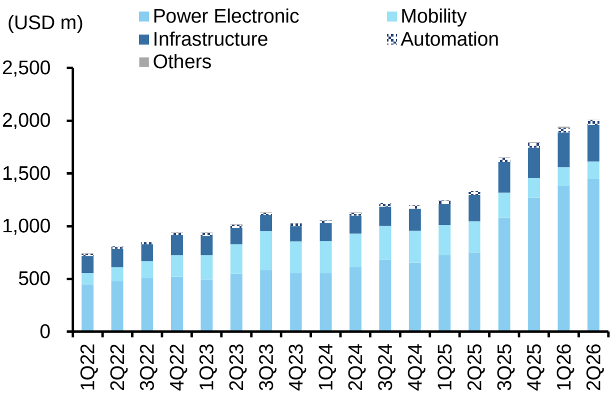
Sources: SET

Exhibit 2: Revenue and profitability



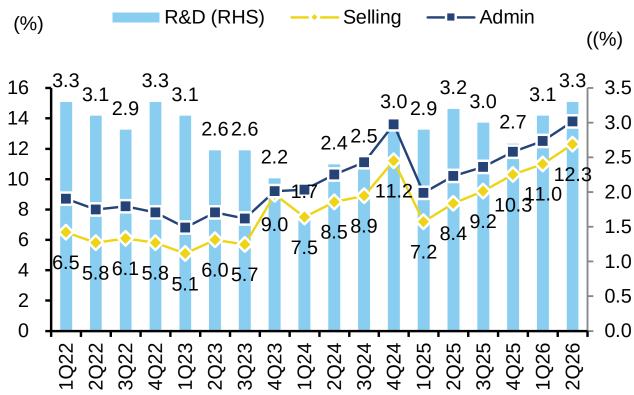
Sources: DELTA; Globlex Research

Exhibit 3: Quarterly revenue breakdown by segment



Sources: DELTA

Exhibit 4: Quarterly expenses (R&D, SG&A)



Sources: DELTA

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	101.98	89.04	77.53
P/BV (x)	23.80	22.31	26.06	22.20	18.97
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

DELTA ELECTRONICS (DELTA TB)| THAILAND / SET / ELECTRONICS COMPONENTS

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.

SET ESG Ratings 2025 | Thai Listed Companies — As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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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 (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.