

If AI play in SET I s your goal, it's it

- DELTA is set to benefit from global AI growth, backed by its unique ODM model and strong U.S. demand.
- 2Q25 profit is expected to rise slightly to THB5.5–6.0b, driven by strong demand despite FX and cost pressures.
- Maintain BUY at TP of THB125

The only AI beneficiary in Thai stock market

DELTA is Thailand's only player that has capability (as Original Design Manufacturing) and business structure that enables DELTA to ride on the AI industry growth, mainly in US market. Hence, the visible and solid demand for AI data center, propelled by US AI corporates. We believe DELTA's revenue and net profit growths will continue to strengthen, even under the heightening risks from Israel-Iran war and tariff war given global AI technology growth is here to stay strong regardless.

Expect only slightly softening 2Q25

We project 2Q25 net profit of THB5.5b-THB6.0b, slightly up from THB5.5b in 1Q25, due to the impact of strengthening THB/USD, slightly higher SG&A and R&D expenses, but still strongly supported by high demands for its power electronics and infrastructure products to more than offset the continued weak demand for Auto EV.

AI demand growth remains robust

The global Artificial Intelligence (AI) Market is at a strategic inflection point—moving from experimental adoption to enterprise-wide transformation. AI is now becoming central to corporate innovation, operations, and competitive differentiation. Based on MarketsandMarkets, AI market size is projected to grow from USD372b in 2025 to USD2.41tr by 2032, at a CAGR of 30.6%, fueled by advancements in machine learning, natural language processing (NLP), computer vision, and their integration into real-world industry workflows. The AI vendor landscape is shaped by leaders such as Google, IBM, Microsoft, Amazon, NVIDIA, and OpenAI, among others, competing across AI infrastructure platforms, cloud-based AI tools, verticalized AI applications, AI development frameworks

Strengths in business model is key

We think the risk for DELTA to be reduced in weight after the change in market cap calculation methodology will be insignificant to DELTA's share price given the impact has already been known and hence priced in by the market via the share unloading in the past few months. Hence, we think DELTA's continued strong fundamentals should propel its share price rerating and sustain P/E at high level to reflect DELTA's strengths in innovation and AI-driven portfolio.

The only fairy stock in SET?

We maintain BUY and a TP of THB125. We believe DELTA's strengths in business model, solid industry AI demand, and scarcity premium as the only stock in SET that has the undisputable core competitiveness in innovation, AI-driven growth, and sustainably high margin.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	125.00
VS. BB Consensus TP (%)	+73.5%
Share Price (THB)	98.00
Upside/Downside	+27.6%

Share Data

Market Cap (THB m)	1,222,433.98
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

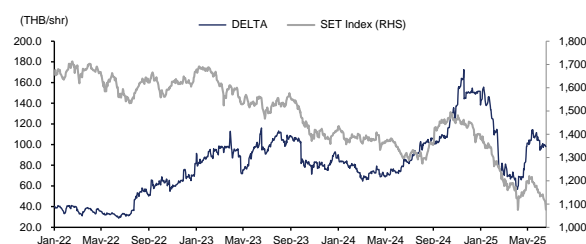
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	164,733	179,983	196,792	215,332
Net profit	18,939	20,925	21,999	24,153
Core net profit	18,939	20,925	21,999	24,153
vs Consensus (%)		8.6	(2.6)	(6.7)
Net profit growth (%)	2.8	10.5	5.1	9.8
Core net profit growth (%)	2.8	10.5	5.1	9.8
EPS (THB)	1.52	1.68	1.76	1.94
Core EPS (THB)	1.52	1.68	1.76	1.94
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.46	0.84	0.88	0.97
P/E (x)	100.44	58.42	55.57	50.61
P/BV (x)	23.80	12.82	11.42	10.15
ROE (%)	25.68	23.88	21.74	21.23
Dividend yield (%)	0.30	0.86	0.90	0.99

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(14.41)	38.03	(35.31)	(35.74)
Market	(6.50)	48.32	(17.33)	(17.79)
12M High/Low (THB)				173.50 / 51.25



Major Shareholders (%) as of 28 Feb 2025

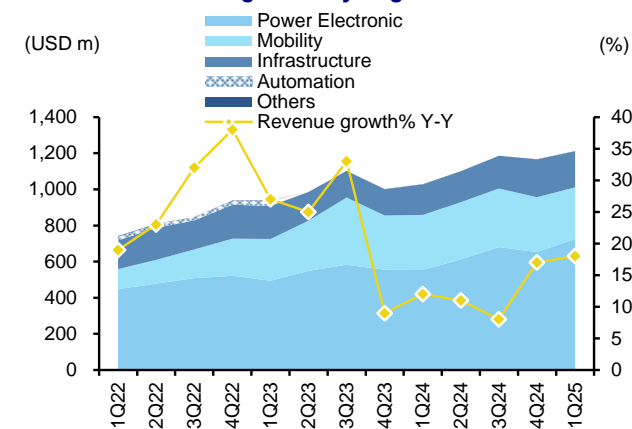
Delta Electronics Int'l (Singapore) Pte. Ltd.	42.85
Delta International Holding Limited B.V.	14.18
CITI (NOMINEES) LIMITED-CBHK	13.86

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.

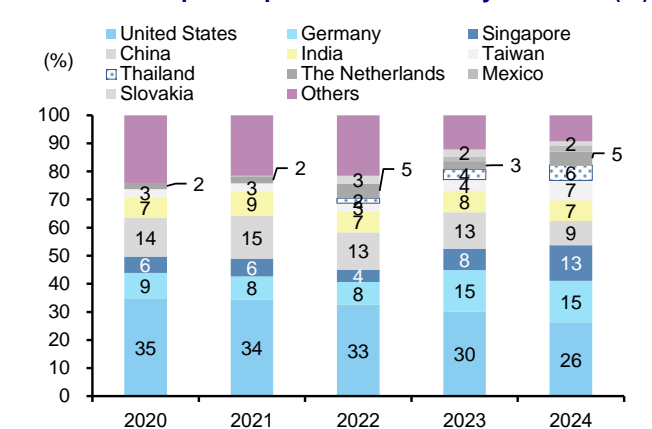
Source: SETSMART, SET

Exhibit 1: Revenue growth by segment



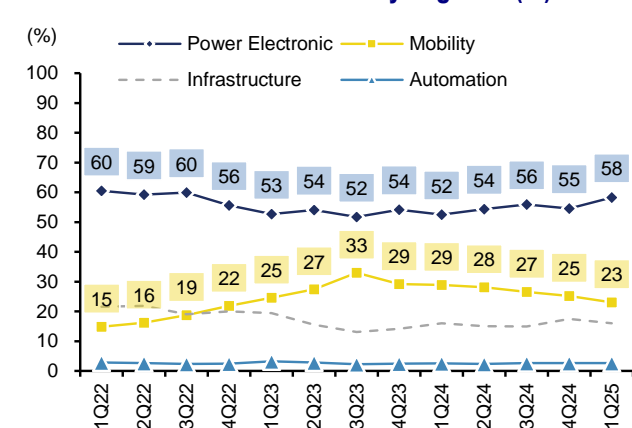
Sources: BBGI; Globlex Research

Exhibit 2: Net profit upside breakdown by business (%)



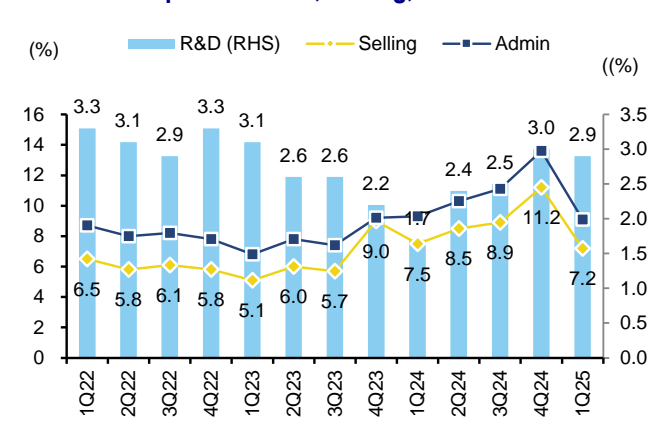
Sources: BBGI; Globlex Research

Exhibit 3: Revenue breakdown by segment (%)



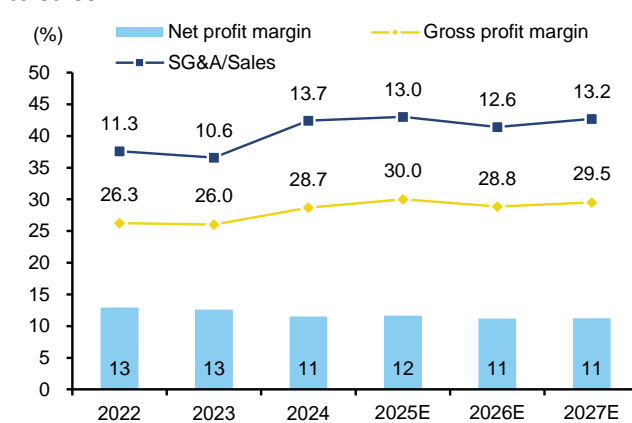
Sources: Name of source

Exhibit 4: Expenses: R&D, Selling, Admin



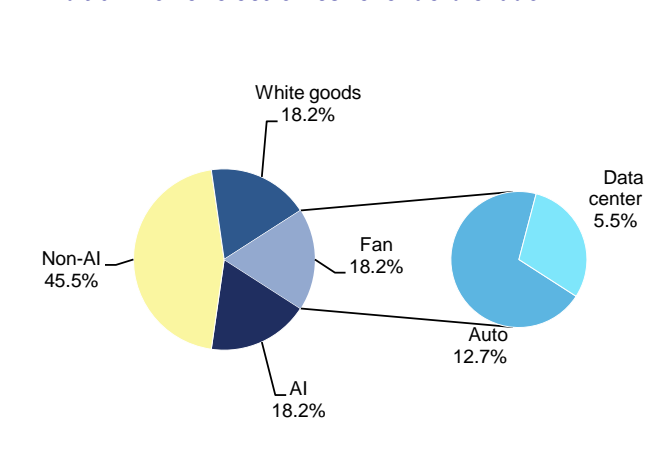
Sources: Name of source

Exhibit 5: Net profit margin, gross profit margin, SG&A to sales

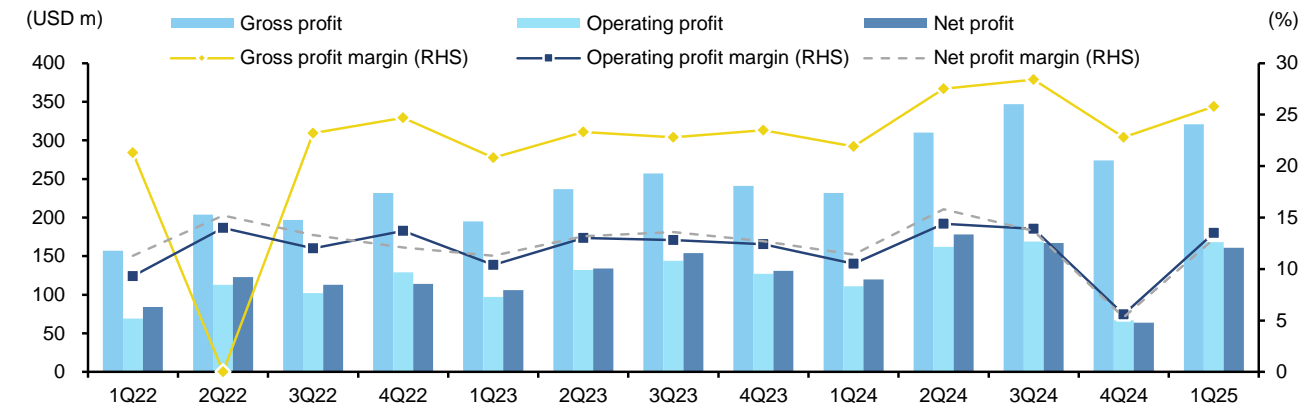


Sources: Name of source

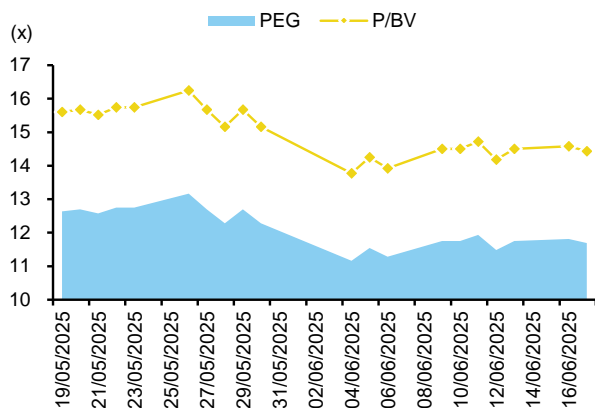
Exhibit 6: Power electronics revenue breakdown



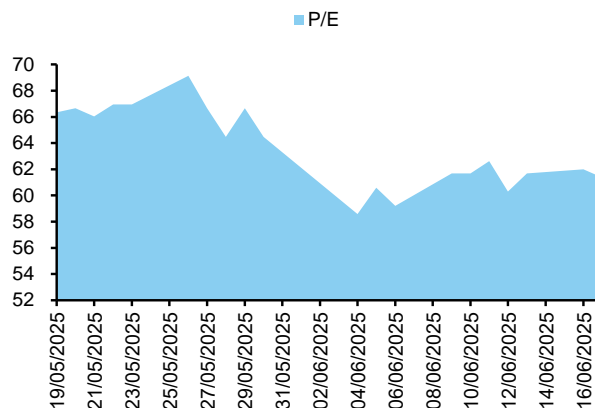
Sources: Name of source

Exhibit 7: SoTP valuation

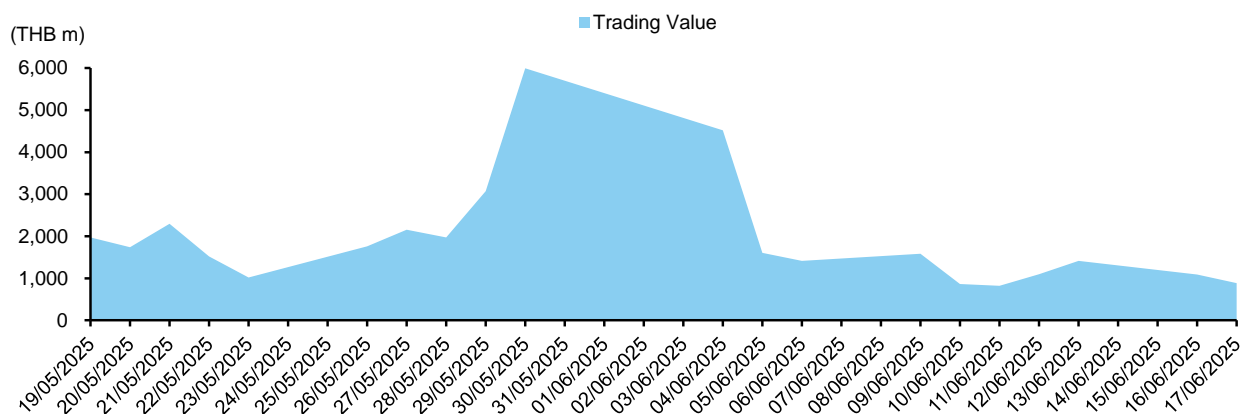
Sources: BBGI; Globlex Research

Exhibit 8: PEG and P/BV ratio

Sources: SET

Exhibit 9: P/E ratio

Sources: SET

Exhibit 10: Delta's trading value (THB m)

Sources: SET

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	7,617	15,701	18,085	17,148	18,080
Account receivable	33,237	32,906	32,544	32,149	31,716
Inventories	32,747	31,697	33,988	37,773	40,937
Others	1,965	2,227	2,433	2,661	2,911
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	141,257	157,281	174,243

Current liabilities					
Account payable	32,096	35,793	38,380	42,654	46,227
ST borrowing	2,607	245	438	438	438
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	45,934	50,208	53,782
Paid-up capital	1,247	1,247	1,247	1,247	1,247
Retained earnings	68,626	81,961	97,341	109,091	122,480
Others	(2,334)	(3,266)	(3,266)	(3,266)	(3,266)
Minority interest	0	0	0	0	0
Shareholders' equity	67,539	79,942	95,322	107,072	120,461

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	23.5	12.5	9.3	9.3	9.4
Operating profit	27.9	8.8	24.4	4.8	9.8
EBITDA	27.9	8.8	24.4	4.8	9.8
Net profit	20.1	2.8	10.5	5.1	9.8
Core net profit	20.1	2.8	10.5	5.1	9.8
EPS	20.1	2.8	10.5	5.1	9.8
Core EPS	20.1	2.8	10.5	5.1	9.8
Profitability (%)					
Gross margin	26.0	28.7	30.0	28.8	29.5
Operation margin	15.5	14.9	17.0	16.3	16.4
EBITDA margin	15.5	14.9	17.0	16.3	16.4
Net margin	12.6	11.5	11.6	11.2	11.2
ROE	30.1	25.7	23.9	21.7	21.2
ROA	18.5	16.4	15.8	14.7	14.6
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	34.1	35.2	37.3
Cash flow interest coverage (x)	0.3	0.7	0.5	0.5	0.5
Current ratio (x)	2.1	2.2	2.1	2.0	1.9
Quick ratio (x)	1.1	1.3	1.2	1.1	1.0
Net debt (THB m)	(4,041)	(14,245)	(16,435)	(15,498)	(16,431)
Activity					
Asset turnover (X)	1.3	1.2	1.1	1.2	2.5
Days receivables	82.9	72.9	66.0	59.6	53.8
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	53.3	46.9	41.0

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	146,371	164,733	179,983	196,792	215,332
Cost of goods sold	(108,273)	(117,498)	(125,988)	(140,019)	(151,749)
Gross profit	38,098	47,235	53,995	56,774	63,583
Operating expenses	(15,483)	(22,637)	(23,398)	(24,708)	(28,369)
Operating profit	22,616	24,598	30,597	32,066	35,215
EBIT	18,008	17,860	22,659	23,747	26,079
Depreciation	(4,608)	(6,738)	(7,938)	(8,319)	(9,136)
EBITDA	22,616	24,598	30,597	32,066	35,215
Non-operating income	922	2,126	2,186	2,373	2,598
Other incomes	192	812	1,800	1,968	2,153
Other non-op income	729	1,314	386	405	444
Non-operating expense	566	(237)	(227)	(237)	(261)
Interest expense	(109)	(167)	(227)	(237)	(261)
Other non-op expense	675	(70)	0	0	0
Equity income/(loss)	0	(0)	(0)	(0)	(0)
Pre-tax Profit	19,496	19,748	24,618	25,882	28,415
Extraordinary items					
Current taxation	(1,073)	(810)	(3,693)	(3,882)	(4,262)
Minorities	0	0	0	0	0
Net Profit	18,423	18,939	20,925	21,999	24,153
Core net profit	18,423	18,939	20,925	21,999	24,153
EPS (THB)	1.48	1.52	1.68	1.76	1.94
Core EPS (THB)	1.48	1.52	1.68	1.76	1.94

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow	10,712	29,464	22,090	23,390	25,557
Net profit	18,423	18,939	20,925	21,999	24,153
Depre. & amortization	4,608	6,738	7,938	8,319	9,136
Change in working capital	(10,155)	5,431	645	871	826
Others	(2,163)	(1,644)	(7,418)	(7,799)	(8,558)
Investment cash flow	(10,435)	2,166	7,919	9,516	11,923
Net CAPEX	(11,589)	(14,778)	(10)	(10)	(9)
Change in LT investment	1,154	16,944	7,929	9,526	11,932
Change in other assets	0	0	0	0	0
Free cash flow	277	31,630	30,009	32,906	37,480
Financing cash flow	(2,802)	(23,546)	(27,625)	(33,843)	(36,548)
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)	(10,463)	(11,000)
Others	2,811	(17,808)	(21,887)	(23,380)	(25,548)
Net cash flow	(2,525)	8,084	2,384	(937)	932

Per share (THB)					
EPS	1.48	1.52	1.68	1.76	1.94
Core EPS	1.48	1.52	1.68	1.76	1.94
CFPS	1.85	2.06	2.31	2.43	2.67
BVPS	5.41	6.41	7.64	8.58	9.66
Sales/share	11.73	13.21	14.43	15.78	17.26
EBITDA/share	1.81	1.97	2.45	2.57	2.82
DPS	0.45	0.46	0.84	0.88	0.97
Valuation					
P/E (x)	na	100.44	58.42	55.57	50.61
P/BV (x)	na	23.80	12.82	11.42	10.15
Dividend yield (%)	na	0.30	0.86	0.90	0.99
Dividend 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

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

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.