

AI upsides outweigh war downsides

- We project 1Q26 NP to reach a record THB8.1bn, driven by strong AI-led revenue and margin expansion.
- Growth supported by AI demand and capacity ramp-up, with minimal ME impact.
- Maintain BUY and lifted TP to THB330

Expect a new record high net profit of THB8.1b in 1Q26

We project 1Q26 net profit (NP) to reach a record high again at THB8.1b, up from THB7.3b in 4Q25, propelled by the continued rising revenue from the highly lucrative AI-related products that should saw revenue growth 30-40% y-y. As a result, revenue will grow 6% q-q to THB61b in 1Q26 while GPM and NPM should stay high on the higher revenue (60-65% of total revenue) from AI-related products, more than offsetting the weak revenues from EV (10-20% revenue).

Superior product mix on AI-driven revenue growth momentum

In 1Q26 we forecast DELTA to again manifest itself as an AI-driven, Thai company, as AI-related data center revenue growth will accelerate to account for almost 2/3 of total revenue. With solid demands on both existing (Nvidia's Blackwell) and new coming chip model (Rubin to be launched in 3Q26E), despite a soft seasonal 1Q, DELTA reiterates its demands for AI-related products to be 40% y-y in 1Q26, stronger than both its own guidance (30% y-y) and market's expectation (35% y-y).

Timely capacity expansion underlines super-growth profits

One of DELTA's impressive capability is its timely capacity expansion to capture the surging demands for data center globally. In 2H25, DELTA started running its two new plants at Wellgro Industrial Estate (IE) to produce liquid cooling components and power supply that will fully run in 2Q26 after a 6-month ramp-up. In 2Q26E, two more new plants will start up at Bangpoo IE, producing the high-demand, pent-up backlogs of AI power supply and infrastructure products.

Strengthening margins on rising AI and no ME war impacts

On top of the strong NP growth momentum, we anticipate improving margins across all metrics. GPM is projected to rise from 29.2% in 4Q25 to 31% and NPM to increase to 13-14% in 1Q26, even with the higher R&D-to-sales expense at 3.5%, up from 3.0% in 2025. FX gain, a reversal from FX loss in 4Q25, on the THB0.5/USD weakening currency, should further strengthen profitability in 1Q26. DELTA confirms that the impacts from the ongoing war in Middle East (ME) is infinitesimal to DELTA, both on revenue side (few customers in ME) and raw material risk (helium, sulphur) and freight costs as DELTA sells its products on FOB basis (pricing at port in Thailand).

Maintain BUY and lifted TP to THB330

We maintain BUY and lifted our TP from THB250 to THB330 (2026E 130x P/E), with the visible mammoth EPS upsides premised on stronger and longer-than-expected revenues from AI-related products, thanks to both data center industry demand growth supercycle and DELTA's own timely capacity expansion and unique product portfolio.

Analyst

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ESG Rating : -

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	330.00
VS. BB Consensus TP (%)	+36.3%
Share Price (THB)	301.00
Upside/Downside	+9.6%

Share Data

Market Cap (THB m)	3,791,734.61
Par (THB)	0.10
Free Float (%)	23.57
Issued shares (m shares)	12,474

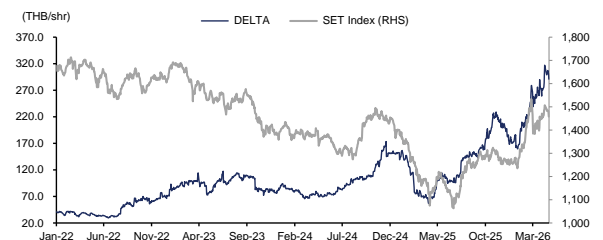
Financial forecast

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 (%)		(5.1)	(14.6)	(19.2)
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	121.81	106.35	92.60
P/BV (x)	22.31	31.12	26.51	22.66
ROE (%)	28.09	28.36	26.92	26.39
Dividend yield (%)	0.35	0.41	0.47	0.54

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	11.90	55.56	50.88	73.99
Market	8.36	37.88	32.79	48.11
12M High/Low (THB)				319.00 / 70.50



Major Shareholders (%) as of 27 Feb 2026

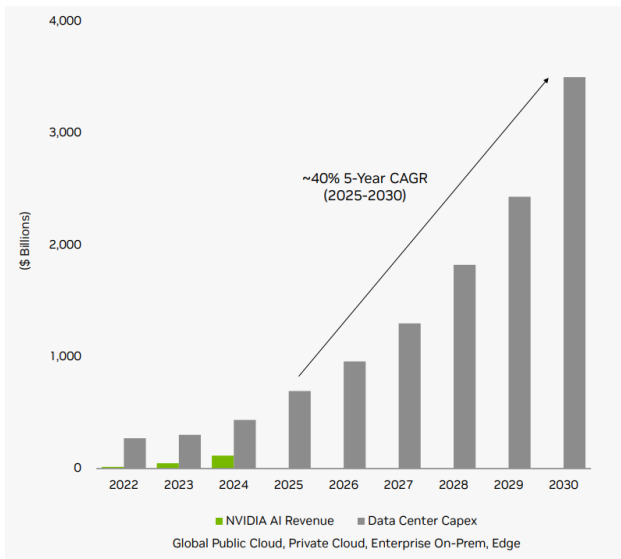
Delta Electronics Int'l (Singapore) Pte.Ltd	42.85
CITI (Nominees) Limited-CBHK	13.86
Delta International Holding Limited B.V.	12.71
Delta Electronics Inc.	5.54

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.

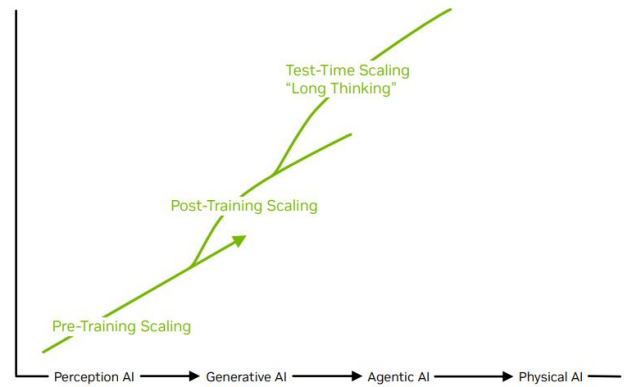
Source: SETSMART, SET

Exhibit 1: DATA center vs NVIDIA AI Revenue



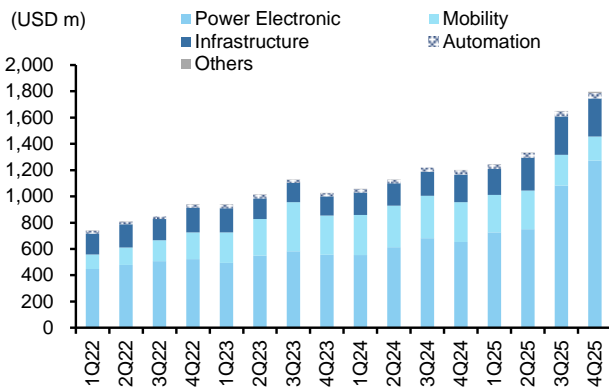
Sources: NVIDIA

Exhibit 2: USD3-4tr AI Infrastructure Spend by 2030



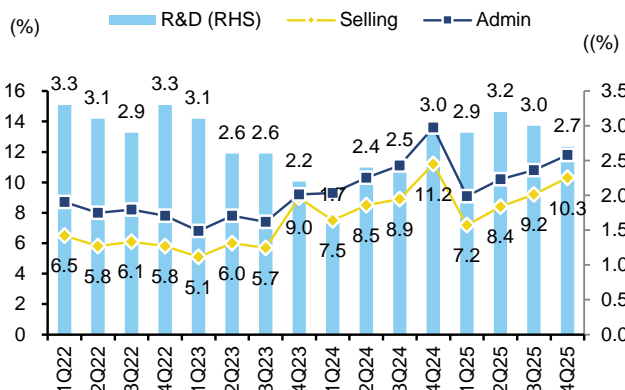
Sources: NVIDIA

Exhibit 3: DELTA's sales revenue breakdown by business



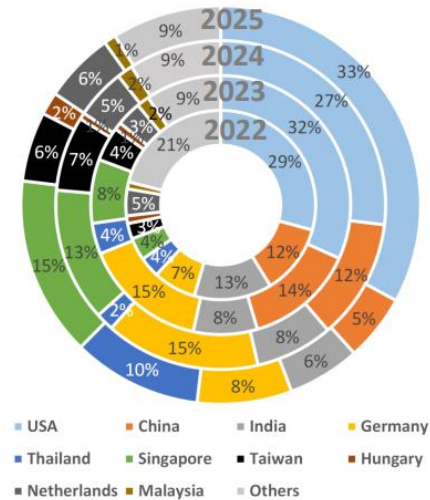
Sources: DELTA; Globlex Research

Exhibit 5: % Total SG&A



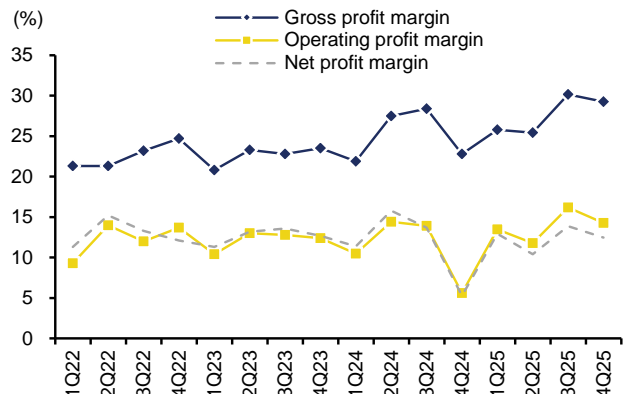
Sources: DELTA; Globlex Research

Exhibit 4: DELTA's sales revenue breakdown by geography



Sources: DELTA

Exhibit 6: Title



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

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

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)

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

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	121.81	106.35	92.60
P/BV (x)	23.80	22.31	31.12	26.51	22.66
Dividend yield (%)	0.30	0.35	0.41	0.47	0.54
Dividend payout ratio (%)	30.30	30.16	50.00	50.00	50.00

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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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

- 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.