

Delta Electronics Thailand **DELTA**Delta Electronics Thailand
Public Company LimitedBloomberg
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Fears DeepSeek will hurt AI demand

DELTA's share price has been pulled down by concern over the low-cost DeepSeek AI, which could undermine high-end GPU chip demand, since DELTA plays a key role in the powering and cooling of Nvidia GPUs in AI and data centers. We also see potential for consensus to revise down DELTA's 4Q24 projections due to weak EV demand and also bring down 2025 estimates to reflect the implementation of the GMT. The market is also likely to derate DELTA's valuation, currently trading at a high 74x 2025 PE, in view of slower growth expectations. We maintain our Underperform rating with a 2025 TP of Bt103.0 based on +0.5 SD above its 5-year historical PE mean.

Issue #1: Concern over the low-cost DeepSeek AI platform. DELTA's share price has been hurt by concerns over the impact of the new DeepSeek AI, which may undermine high-end GPU chip demand. DELTA plays a key role in the powering and cooling of Nvidia GPUs in AI and data centers, producing DC power supply, power modules, thermal management and energy efficiency within the high-end GPU ecosystems for Nvidia. The US restrictions on the export of artificial intelligence chips made by Nvidia, specifically the H20 and chips of similar sophistication (in addition to bans on Nvidia's most advanced AI chips, the A100 and H100, since September 2022 and the A800 and H800 since October 2023), are a significant concern. Notably, the H20 chip features lower specifications than the H100, with 41% fewer GPU cores and 28% lower performance. If demand for Nvidia's high-end GPU chips declines, it will also damage demand for DELTA's AI-related products. We thus see a chance the contribution of DELTA's AI-related products will be lower than our estimate of 20% by end-2025 (end-2024F: 10%).

Issue #2: 4Q24 earnings to be hurt by low EV demand. 4Q24 earnings will be eroded by low EV demand. We estimate 4Q24 core profit at Bt5.0bn in 4Q24, below the Bloomberg consensus of Bt5.5bn, down 15.4% QoQ but up 6% YoY. The YoY increase reflects strong high-margin AI-related demand, while the QoQ decline reflects weak EV-related product demand as well as the absence of one-time inventory adjustments seen in 2Q24 and 3Q24. In 2025, we expect DELTA's core earnings to increase by only 1.5% due to the implementation of the GMT. We also expect earnings downgrades by the market.

Issue #3: Expect a valuation derating. DELTA currently trades at a high valuation of 74x 2025 PE, reflecting high expectations for strong growth in AI-related product demand. However, investors are likely to derate DELTA's valuation in the next couple of quarters due to lowered growth expectations for AI-related product demand and the implementation of GMT. We also expect consensus to revise their 2025 earnings forecasts down to reflect the implementation of the GMT.

Action/Recommendation. We maintain our Underperform rating with a 2025 TP of Bt103.0 based on PE of 61x or at +0.5 SD above its 5-year historical PE mean.

Key risks are changes in purchasing power, a weaker-than-expected automotive industry and exchange rate volatility. Key ESG are labor management and supplier management.

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	118,558	146,371	166,631	190,745	219,367
EBITDA	(Btmn)	18,229	22,529	24,569	28,639	32,361
Core profit	(Btmn)	14,564	17,716	20,831	21,155	23,592
Reported profit	(Btmn)	15,345	18,422	20,913	21,155	23,592
Core EPS	(Bt)	1.2	1.4	1.7	1.7	1.9
DPS	(Bt)	0.40	0.45	0.50	0.51	0.57
P/E, core	(x)	107.9	88.7	75.5	74.3	66.6
EPS growth, core	(%)	156.2	21.6	17.6	1.6	11.5
P/BV, core	(x)	28.7	23.3	19.1	16.2	13.8
ROE	(%)	30.4	29.0	27.8	23.6	22.4
Dividend yield	(%)	0.3	0.4	0.4	0.4	0.5
EBITDA growth	(x)	105.4	23.6	9.1	16.6	13.0

Source: InnovestX Research

Tactical:UNDERPERFORM
(3-month)

Stock data

Last close (Jan 31) (Bt)	126.00
Target price (Bt)	103.00
Mkt cap (Btbn)	1,571.70

12-m high / low (Bt)	173.5 / 63.3
Avg. daily 6m (US\$mn)	62.95
Foreign limit / actual (%)	100 / 93
Free float (%)	23.1
Outstanding Short Position (%)	0.42

Share price performance

(%)	1M	3M	12M
Absolute	(17.4)	(8.7)	60.0
Relative to SET	(12.0)	1.8	66.1

INVX core earnings vs consensus

Earnings vs consensus	2024F	2025F
Consensus (Bt mn)	22,023	23,760
INVX vs Consensus (%)	(5.4)	(11.0)

Earnings momentum	YoY	QoQ
INVX 1Q25 core earnings	down	down

2024 Sustainability/2022 ESG Score

SET ESG Ratings	A
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Bloomberg ESG Score and Rank in the sector

ESG Score and Rank	4.21	1/8
Environmental Score and Rank	5.77	1/8
Social Score and Rank	2.72	1/8
Governance Score and Rank	3.89	4/8

Source: SET, InnovestX Research, Bloomberg Finance L.P.

Analyst

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Value proposition

DELTA is a Thai electronics company that currently ranks first on the SET by market capitalization. It has a strong reputation with global companies, especially for power electronics, power supply solutions, AC-DC and DC-DC converters, and thermal fan management system products. DELTA operates seven production facilities in Thailand, two factories in Slovakia and three factories in India.

DELTA focuses on the power electronics segment, which contributed 54% of its 9M24 revenue. The mobility segment was driven by EV power, with 2024 growth estimated at 10-15%, now representing 28% of DELTA's total revenue. The infrastructure revenue segment, ICT, energy, and industrial infrastructure, contributed 15% of 9M24 revenue. Its automation revenue segment, consisting of industrial and building, contributed 2.6% of 9M24 revenue. DELTA also has high growth potential revenue from AI-related products, currently accounting for ~10% of its revenue (end of 2024), but growth may be tempered by the introduction of a new, less-expensive form of AI. Growth has been driven by DC power supply, power modulated and thermal management for AI data centers.

Business outlook

We expect net profit to grow 17.5% in 2024, backed by strong demand for high-margin AI-related products and strong demand for e-mobility due to the continued EV growth trend (expect 10-15% growth in 2024). Energy-efficient solutions for data centers, telecom power and EV-charging businesses are expected to grow 10-15% in 2024. However, we expect a 1% increase in royalty fees to parent DELTA Taiwan (65% holding) and tax expenses to impact earnings in 2024. For 2025, we expect DELTA's core earnings to grow only 1.6% on the implementation of the Global Minimum Tax (GMT).

Bullish views	Bearish views
1. Continued strong demand for AI-related products in the medium to long term driven by mass AI adoption around the world	1. Short-term weakness in EV demand due to price wars and cost-reduction programs
2. Strong ramp-up in its own AI-related products and new liquid cooling system development. DELTA is best positioned to capture the high-growth demand momentum for powering and cooling in AI data centers.	2. Potential for underutilized capacity if order or project delays occur during the current investment cycle.

Key catalysts

Factor	Event	Impact	Comment
4Q24F earnings outlook	Expect earnings to be weaker QoQ on slow demand for its EV-related products but still increase YoY on strong demand on AI-related products.	Down QoQ but higher YoY	We expect 4Q24F core profit to decline QoQ due to weak EV-related demand, especially from Europe where incentive programs are fading out. However, we expect core profit to grow YoY on strong AI-related demand.
2024 core earnings outlook	Expected to grow 17.5% to a record high on the back of strong high-margin AI-related product demands.	Increase YoY	We expect earnings to grow 17.5% in 2024F to a record high on the back of strong high-margin AI-related product demand.

Sensitivity Analysis

Factor	Earnings impact	TP impact
1% rise in sales revenue (Dollar term)	0.1%	Bt0.1/sh.
Bt1.0 per US\$ depreciation	2.7%	Bt2.0/sh.

Our view on ESG

DELTA is committed to quality management and is a leader in the industry in terms of its commitment to environmental, social, and governance (ESG) issues. The company exports its products to all over the world, and its customers in Europe are particularly demanding in terms of ESG compliance. As a result, DELTA's ESG policies are among the best in the industry. Key ESG issues for DELTA include labor management and supplier management. The company has a good track record in both areas.

ESG Ratings and Indices

Bloomberg ESG Financial Materiality Score 4.21 (2022)

Rank in Sector 1/8

Environmental Issue (E)

- DELTA uses the IECQ/QC080000 quality management system standard and promotes the Green Product Management (GPM) system in its major plants. The implementation of the IECQ standard is based on the risk characteristics of each material. The GPM system is a guideline for DELTA to share environmental information in the supply chain. Recently, DELTA has issued international environmental requirements, such as the EU's latest RoHS 2.0 and REACH SVHC, to its supplier partners for reference and compliance.
- We believe that DELTA's environmental management is relatively good. This is because the company sells its products to Europe and the United States, where it must comply with strict regulations, such as the development of environmentally friendly products. This is in line with DELTA's environmental ESG score, which is higher than the industry average.

Governance Issue (G)

- The DELTA Board of Directors is aware of and emphasizes doing business under the principles of good governance. The company has drafted and approved a good governance policy since 2007. It has been reviewed for appropriateness with the company's business context at least once a year to ensure it is appropriate for the current situation and complies with the 2017 Corporate Governance Code for Listed Companies (CG Code), which has been reviewed in detail by the Corporate Governance Committee. This is to ensure that the Board of Directors and all employees adhere to it as a guideline for their work.
- DELTA has a policy of treating employees fairly and providing equal opportunities for career advancement based on each individual's aptitude and abilities. DELTA continuously develops its personnel by organizing training both domestically and internationally to improve their work abilities. DELTA attaches equal importance to its safety, occupational health, and work environment policies as it does to its other business goals.
- We believe that governance factors may still need to be considered, based on issues such as the roles and responsibilities of the Board of Directors, disclosure of executive and director compensation

Disclaimer

Bloomberg ESG Scores rate companies on their level of management of financially material industry-specific ESG issues. Bloomberg offers four financially material scores, for overall ESG, as well as Environmental, Social, and Governance. Values range from 0 to 10; 10 is best. To review the fully transparent methodology, see ESG Financial Materiality Score Model in Bloomberg.

	CG Rating	DJSI	SETESG	SET ESG Ratings
DELTA	5	Yes	No	A

Source: Thai Institute of Directors and SET

Social Issue (S)

- DELTA is committed to conducting business in accordance with its social responsibility policy, including treating stakeholders fairly. The company supports various international standards, such as the International Labor Office Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the Global Reporting Initiative (GRI).
- We believe that labor issues will be a significant factor for DELTA, as the company requires a relatively large workforce. Some of the workers will also have highly specialized skills. Therefore, we give more weight to social factors than to other ESG factors.

ESG Financial Materiality Score and Disclosure

	2022	2023
ESG Financial Materiality Score	4.21	—
Environment Financial Materiality Score	5.77	—
GHG Scope 1 ('000 metric tonnes)	2.1	2.7
GHG Scope 2 Location-Based ('000 metric tonnes)	62.4	73.4
Energy Efficiency Policy	Yes	Yes
Renewable Energy Use ('000 MWh)	12.9	63.6
Waste Reduction Policy	Yes	Yes
Water Policy	Yes	Yes
Social Financial Materiality Score	2.72	—
Human Rights Policy	Yes	Yes
Community Spending (millions)	1	19
Women in Workforce (%)	71	73
Business Ethics Policy	Yes	Yes
Health and Safety Policy	Yes	Yes
Lost Time Incident Rate (per 100 employees)	0	0
Employee Training (hours)	918,3171,333,420	
Governance Financial Materiality Score	3.89	—
Size of Audit Committee (persons)	3	3
Num of Independent Directors on Audit (persons)	3	3
Company Conducts Board Evaluations	Yes	Yes
Num of Independent Directors on Compensation (person)	2	2
Num of Women on Board (persons)	1	2
Num of Independent Directors (persons)	4	3

Source: Bloomberg Finance L.P.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	52,047	63,208	84,318	118,558	146,371	166,631	190,745	219,367
Cost of goods sold	(Btmn)	41,411	48,089	66,960	90,618	112,881	126,307	143,059	164,525
Gross profit	(Btmn)	10,636	15,119	17,358	27,940	33,491	40,325	47,686	54,842
SG&A	(Btmn)	(8,314)	(8,762)	(11,435)	(13,447)	(15,483)	(20,412)	(23,843)	(27,421)
Other income	(Btmn)	461	895	1,460	1,327	1,120	1,675	1,210	503
Interest expense	(Btmn)	236	110	50	46	74	162	166	169
Pre-tax profit	(Btmn)	2,997	7,259	6,801	15,811	18,983	21,441	24,888	27,755
Corporate tax	(Btmn)	23	208	98	467	561	528	3,733	4,163
Equity a/c profits	(Btmn)	25	61	0	0	0	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	2,942	6,664	5,686	14,564	17,716	20,831	21,155	23,592
Extra-ordinary items	(Btmn)	0	0	0	331	0	0	0	0
Net Profit	(Btmn)	2,974	7,052	6,703	15,345	18,422	20,913	21,155	23,592
EBITDA	(Btmn)	4,486	9,070	8,873	18,229	22,529	24,569	28,639	32,361
Core EPS	(Btmn)	0.24	0.53	0.46	1.17	1.42	1.67	1.70	1.89
Net EPS	(Bt)	0.24	0.57	0.54	1.23	1.48	1.68	1.70	1.89
DPS	(Bt)	0.18	0.33	0.17	0.40	0.45	0.50	0.51	0.57

Balance Sheet (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	32,646	42,452	48,409	66,025	75,566	85,091	101,814	122,541
Total fixed assets	(Btmn)	13,609	14,767	20,929	24,959	32,579	39,391	42,415	44,499
Total assets	(Btmn)	46,255	57,219	69,338	90,984	108,145	124,482	144,229	167,040
Total loans	(Btmn)	206	263	1,738	1,081	2,641	0	0	0
Total current liabilities	(Btmn)	10,952	17,170	24,736	32,670	36,176	37,949	42,800	49,009
Total long-term liabilities	(Btmn)	2,121	2,441	3,380	3,635	4,431	4,356	4,443	4,532
Total liabilities	(Btmn)	13,073	19,611	28,116	36,305	40,606	42,305	47,243	53,541
Paid-up capital	(Btmn)	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Total equity	(Btmn)	33,182	37,607	41,222	54,680	67,539	82,177	96,986	113,500
BVPS	(Bt)	2.66	3.01	3.30	4.38	5.41	6.59	7.78	9.10

Cash Flow Statement (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	2,997	7,259	6,801	15,811	19,496	21,441	24,888	27,755
Depreciation and amortization	(Btmn)	1,735	2,206	2,508	3,190	4,521	4,657	4,796	4,940
Operating cash flow	(Btmn)	5,236	7,233	335	12,193	13,313	21,313	34,006	37,751
Investing cash flow	(Btmn)	(4,969)	(3,610)	(6,244)	(6,550)	(12,003)	(8,500)	(3,000)	(2,059)
Financing cash flow	(Btmn)	(2,869)	(2,330)	(2,233)	(2,419)	(3,502)	(2,740)	(21,036)	(22,916)
Net cash flow	(Btmn)	(2,602)	1,293	(8,142)	3,224	(2,193)	10,072	9,970	12,776

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	20.4	23.9	20.6	23.6	22.9	24.2	25.0	25.0
Operating margin	(%)	4.5	10.1	7.0	12.2	12.3	12.0	12.5	12.5
EBITDA margin	(%)	8.6	14.3	10.5	15.4	15.4	14.7	15.0	14.8
EBIT margin	(%)	6.2	11.7	8.1	13.4	13.0	13.0	13.1	12.7
Net profit margin	(%)	5.7	11.2	8.0	12.9	12.6	12.6	11.1	10.8
ROE	(%)	8.9	18.8	14.4	30.4	29.0	27.8	23.6	22.4
ROA	(%)	6.4	12.9	9.0	18.2	17.8	17.9	15.7	15.2
Net D/E	(x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest coverage	(x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt service coverage	(x)	19.0	44.8	44.5	11.1	22.1	9.2	0.0	0.0
Core PER	(x)	646.6	285.5	334.6	130.6	107.4	91.3	89.9	80.6
PBV	(x)	57.3	50.6	46.1	34.8	28.2	23.1	19.6	16.8
Payout Ratio	(%)	75.5	58.4	31.6	32.5	30.5	30.0	30.0	30.0

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total sales	(US\$ mn)	1,636	1,999	2,604	3,337	4,109	4,629	5,358	6,162
- Power Electronics	(US\$ mn)	877	1,048	1,506	1,957	2,183	2,510	2,722	3,047
- Mobility (EV Power)	(US\$ mn)	156	207	397	605	1,179	1,297	1,686	2,023
- Infrastructure	(US\$ mn)	539	686	631	686	633	696	806	927
- Automation	(US\$ mn)	60	53	66	85	110	121	140	161
- Others	(US\$ mn)	5	4	4	4	4	4	4	4
Total GPM	(%)	20.4	23.9	20.6	23.6	22.9	24.2	25.0	25.0
FX	(THB/US\$)	31.1	31.3	32	35.75	35.0	35.3	35.6	35.6

Financial statement

Profit and Loss Statement

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total revenue	(Btmn)	34,606	32,294	35,840	40,478	37,759	37,989	41,772	43,225
Cost of goods sold	(Btmn)	26,117	25,581	27,472	31,333	28,495	30,017	30,550	31,298
Gross profit	(Btmn)	8,489	6,713	8,369	9,145	9,264	7,972	11,222	11,927
SG&A	(Btmn)	(3,829)	(3,236)	(3,796)	(4,098)	(4,353)	(4,252)	(5,403)	(5,938)
Other income	(Btmn)	140	156	237	300	428	461	487	362
Interest expense	(Btmn)	14	11	6	89	(32)	16	35	56
Pre-tax profit	(Btmn)	4,504	3,735	4,948	5,596	5,217	4,420	6,718	6,050
Corporate tax	(Btmn)	(314)	(121)	(279)	(167)	(506)	(113)	(153)	(139)
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
Core profit	(Btmn)	4,501	3,459	4,434	5,047	4,775	3,815	5,634	5,989
Extra-ordinary items	(Btmn)	(311)	155	234	382	(64)	493	0	0
Net Profit	(Btmn)	4,190	3,614	4,668	5,429	4,711	4,308	6,565	5,911
EBITDA	(Btmn)	13,373	11,075	13,371	14,805	15,364	14,144	18,720	19,989
Core EPS	(Btmn)	3.61	2.77	3.55	0.00	0.00	0.00	0.00	0.00
Net EPS	(Bt)	3.36	2.90	3.74	4.35	3.78	3.44	5.24	4.72

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total current assets	(Btmn)	66,025	68,025	71,834	77,635	75,566	76,904	77,227	81,147
Total fixed assets	(Btmn)	24,959	26,487	28,913	31,535	32,579	35,725	37,800	37,613
Total assets	(Btmn)	90,984	94,512	100,747	109,170	108,145	112,629	115,027	118,760
Total loans	(Btmn)	1,806	900	2,732	1,779	3,432	2,224	993	1,409
Total current liabilities	(Btmn)	32,670	32,745	38,310	40,707	36,176	34,846	36,367	36,715
Total long-term liabilities	(Btmn)	1,829	2,818	1,170	2,409	999	2,236	4,554	4,831
Total liabilities	(Btmn)	36,305	36,463	42,212	44,895	40,606	39,306	40,921	41,546
Paid-up capital	(Btmn)	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Total equity	(Btmn)	54,680	58,049	58,535	64,275	67,539	73,323	74,106	77,214
BVPS	(Bt)	43.8	46.5	46.9	51.5	54.1	58.8	59.4	61.9

Cash Flow Statement (Btmn)

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Core Profit	(Btmn)	3,459	4,434	5,047	4,775	3,815	5,634	5,989	3,459
Depreciation and amortization	(Btmn)	970	1,090	1,209	1,339	1,476	1,591	1,814	970
Operating cash flow	(Btmn)	5,879	328	5,631	1,474	4,979	7,598	11,643	5,879
Investing cash flow	(Btmn)	(2,237)	(3,060)	(3,431)	(3,275)	(4,388)	(3,219)	(3,022)	(2,237)
Financing cash flow	(Btmn)	(934)	(3,233)	(1,059)	1,724	(1,300)	(5,958)	(541)	(934)
Net cash flow	(Btmn)	2,539	(2,952)	(1,490)	(2,525)	1,478	(2,949)	6,440	2,539

Key Financial Ratios

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Gross margin	(%)	24.5	20.8	23.4	22.6	24.5	21.0	26.9	27.6
Operating margin	(%)	13.5	10.8	12.8	12.5	13.0	9.8	13.9	13.9
EBITDA margin	(%)	38.6	34.3	37.3	36.6	40.7	37.2	44.8	46.2
EBIT margin	(%)	13.9	11.2	13.4	13.2	14.1	11.0	15.1	14.7
Net profit margin	(%)	12.1	11.2	13.0	13.4	12.5	11.3	15.7	13.7
ROE	(%)	7.7	6.2	8.0	8.4	7.0	5.9	8.9	7.7
ROA	(%)	4.6	3.8	4.6	5.0	4.4	3.8	5.7	5.0
Net D/E	(x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest coverage	(x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt service coverage	(x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Main Assumptions

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total sales	(Btmn)	939	940	1,014	1,129	1,027	1,057	1,128	1,219
- Power Electronics	(Btmn)	522	495	549	583	556	554	613	681
- Mobility (EV Power)	(Btmn)	205	231	278	372	299	305	317	324
- Infrastructure	(Btmn)	188	183	158	147	145	169	170	182
- Automation	(Btmn)	23	30	29	25	25	27	27	32
- Others	(Btmn)	1	1	1	1	1	1	1	0
Total GPM	(%)	24.5	20.8	23.4	22.6	24.5	21.0	26.9	27.6
FX	(THB/US\$)	36.6	34.1	34.6	35.3	35.8	35.9	36.5	33.5

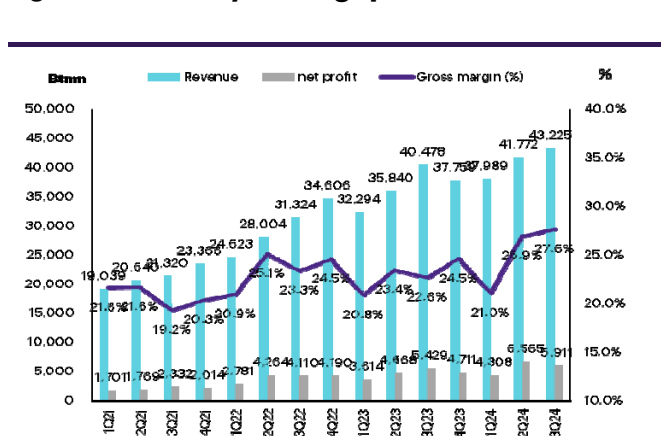
Appendix

Figure 1: 4Q24 Previews: Core earnings are expected to grow YoY but down QoQ

P & L (Btmn)	4Q23	1Q24	2Q24	3Q24	4Q24F	% Chg YoY	% Chg QoQ
Total revenue	37,759	37,989	41,772	43,225	41,064	8.8	-5.0
Cost of goods sold	(28,495)	(30,017)	(30,550)	(31,298)	(30,182)	5.9	-3.6
Gross profit	9,264	7,972	11,222	11,927	10,882	34.1	-8.8
SG&A	(4,353)	(4,252)	(5,403)	(5,938)	(5,749)	32.1	-3.2
Other income/expense	428	461	487	362	365	-14.6	1.0
Interest expense	32	(16)	(35)	(56)	(56)	-274.6	0.0
Pre-tax profit	5,371	4,165	6,271	6,295	5,443	30.2	-13.5
Corporate tax	(506)	(113)	(153)	(139)	(555)	9.7	299.1
Equity a/c profits	-	-	-	-	-	n.a.	n.a.
Core profit	4,775	3,815	5,634	5,989	4,999	4.7	-16.5
Extra-ordinary items	(64)	493	931	(78)	0	n.a.	n.a.
Net Profit	4,711	4,308	6,565	5,911	4,999	6.1	-15.4
EBITDA	15,364	14,144	18,720	19,989	18,758	22.1	-6.2
Core EPS (Bt)	3.83	3.05	4.50	4.78	3.99	4.3	-16.5
Financial Ratio (%)							
Gross margin	24.5	21.0	26.9	27.6	26.5	2.0	-1.1
SG&A/Revenue	11.5	11.2	12.9	13.7	14.0	2.5	0.3
EBITDA margin	40.7	37.2	44.8	46.2	45.7	5.0	-0.6
Net profit margin	12.5	11.3	15.7	13.7	12.2	-0.3	-1.5

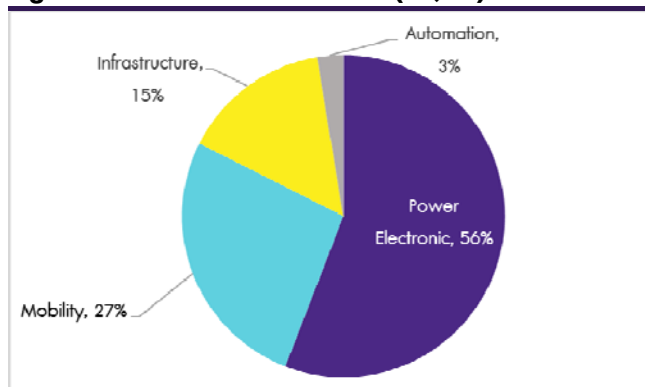
Source: DELTA and InnovestX Research

Figure 2: Quarterly earnings performance



Source: Company data and InnovestX Research

Figure 4: Revenue breakdown (3Q24)



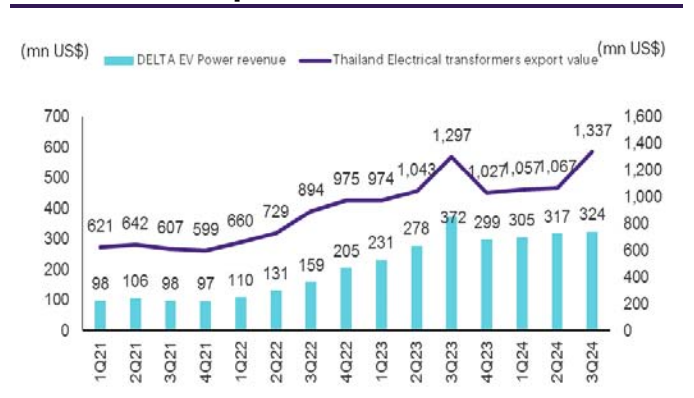
Source: Company data and InnovestX Research

Figure 6: Valuation summary (price as of Jan 31, 2025)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
DELTA	Underperform	126.00	103.0	(17.9)	88.7	75.5	74.3	22	18	2	23.3	19.1	16.2	29	28	24	0.4	0.4	0.4	69.8	64.0	54.9
HANA	Neutral	23.60	33.0	43.5	9.5	17.6	13.7	(16)	(46)	28	0.7	0.7	0.7	8	4	5	4.2	3.7	5.1	6.8	9.7	7.3
KCE	Neutral	22.00	29.0	34.6	16.6	14.6	13.8	(31)	13	6	1.9	1.8	1.6	12	12	12	2.7	2.7	2.9	9.0	8.8	9.2
Average					38.3	35.9	34.0	(9)	(5)	12	8.6	7.2	6.2	16	15	14	2.4	2.3	2.8	28.5	27.5	23.8

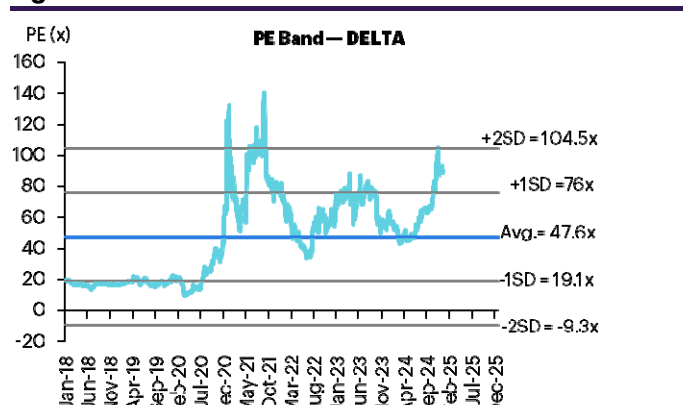
Source: InnovestX Research

Figure 3: DELTA's EV revenue vs Thailand Transformer's export value trend



Source: MOC, Company data and InnovestX Research

Figure 5: PE Band



Source: Company data and InnovestX Research

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Companies with Good CG Scoring

A5, ADD, AIE, ALUCON, AMC, AMR, ARIN, ASEFA, ASIA, ASN, BIG, BIOTEC, BIS, BJCHI, BLC, BVG, CEN, CGH, CHARAN, CHAYO, CHIC, CHOTI, CITY, CMC, CPANEL, CSP, DEXON, DOD, DPAINT, DV8, EASON, EE, EFORL, EKH, ESTAR, ETL, FNS, GBX, GENCO, GTB, GYT, ICN, IIG, IMH, IRCP, J, JCKH, JMT, JPARK, JR, JSP, JUBILE, KBS, KCAR, KIAT, KISS, KK, KWC, LDC, LEO, MCA, META, MGC, MITSIB, MK, NAM, NOVA, NTV, NV, OGC, PACO, PANEL, PHG, PIN, PRAPAT, PRI, PRIN, PROEN, PROS, PTC, READY, ROCTEC, SABUY, SALEE, SAMCO, SANKO, SCI, SE, SE-ED, SINGER, SISB, SKN, SKY, SMD100, SMIT, SORKON, SPG, SST, STC, STOWER, STP, SVR, SWC, TAKUNI, TC, TFI, TMC, TMI, TNP, TOPP, TRU, UEC, UOBKH, VL, WAVE, WFX, WIUK, XO, XPG, YUASA, ZAA

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Declared (ประกาศเจตนารมณ์)

ACE, ALT, AMARIN, AMC, ANI, APCO, ASAP, B52, BLAND, BYD, CFARM, CHASE, CHG, DEXON, DITTO, ECL, EVER, FLOYD, GREEN, HL, HUMAN, ICN, IHL, IP, ITC, JDF, JMART, K, KJL, LDC, LIT, MITSIB, MJD, MOSHI, NEX, NTSC, PLE, PLUS, POLY, PQS, PRI, PRIME, PROEN, PROUD, PTC, RT, S, SAWAD, SCAP, SCGD, SFT, SHR, SINGER, SINO, SJWD, SKE, SNNP, SOLAR, SONIC, SUPER, TBN, TMI, TPAC, TPP, TQM, UOBKH, UREKA, VNG, WELL, WIN, XPG

N/A

24CS, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALLA, ALPHAX, ALUCON, AMARC, AMR, ANAN, AOT, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, AURA, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BROCK, BSM, BSRC, BTC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHAO, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, EE, EFORL, EKH, EMC, ESTAR, ETL, EURO, F&D, FANCY, FE, FM, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GTB, GTV, GYT, HFT, HTECH, HYDRO, I2, IIG, IMH, IND, INGRS, INSET, IRC, IRCP, IROYAL, IT, ITD, ITNS, ITTHI, IVF, J, JAK, JCK, JCKH, JCT, JKN, JMT, JPARK, JSP, JUBILE, KAMART, KBS, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KK, KKC, KLINI, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LEE, LEO, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEDEZE, METCO, MGC, MGI, MGT, MICRO, MIDA, MK, ML, MORE, MPJ, MST, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NKT, NL, NNCL, NOVA, NPK, NSL, NTV, NV, NVD, NWR, NYT, OHTL, OKJ, ONEE, ORN, PACO, PAF, PANEL, PCC, PCE, PEACE, PEER, PERM, PF, PHG, PICO, PIN, PIS, PJW, PLT, PMC, PMTA, PORT, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, PSP, PTL, QTCG, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, RSXYZ, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAV, SAWANG, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SEI, SGF, SHANG, SIAM, SICT, SIMAT, SISB, SK, SKN, SKY, SLP, SMART, SMD100, SMT, SNPS, SO, SPA, SPCG, SPG, SPREME, SPVI, SQ, SR, SRS, STANLY, STC, STECH, STECON, STELLA, STI, STP, STPI, STX, SUC, SUN, SUTHA, SVR, SWC, SYNEX, TACC, TAN, TAPAC, TATG, TC, TCC, TCJ, TCMC, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMAN, TMC, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TSR, TTA, TTI, TTT, TTW, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UBE, UMI, UMS, UNIQ, UP, UPOIC, UTP, UVAN, VARO, VL, VPO, VRANDA, VS, WARRIX, WAVE, WFX, WGE, WINDOW, WINMED, WINNER, WORK, WP, XBIO, YGG, YONG, ZAA, ZIGA

Explanations

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