

Delta Electronics (Thailand)

(DELTA.BK/DELTA TB)*

Neutral · Downgraded

Price as of 9 Jan 2024	85.25
12M target price (Bt/shr)	88.00
Unchanged/Revised up(down) (%)	(12.0)
Upside/downside (%)	3.2

Key messages

แนวโน้ม megatrend AI จะช่วยหนุนกำไรของ DELTA ในปี 2567 ในขณะที่ความไม่แน่นอนในกลุ่มยานยนต์ยังคงเป็นความท้าทาย เราปรับลดคำแนะนำจาก “ซื้อ” เป็น “ถือ” โดยประเมินราคาเป้าหมายสิ้นปี 2567 ที่ 88.00 บาท

Trading data

Mkt cap (Btbn/US\$m)	1,057/26,3429
Outstanding shares (mn)	12,474
Foreign ownership (mn)	11,738
3M avg. daily trading (mn)	14
52-week trading range (Bt)	72.3 – 117.5
Performance (%)	3M 6M 12M
Absolute	1.8 -14.4 0.7
Relative	2.8 -10.2 19.9

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	0.14	0.13	0.10	0.17
2022	0.22	0.34	0.33	0.33
2023	0.29	0.37	0.44	

Share price chart



Source: SET

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แนวโน้ม megatrend AI จะขับเคลื่อนกำไรในปี 2567F

Event

ประมาณการ 4Q66 และอัปเดตแนวโน้มของบริษัท

Impact

ประมาณการ 4Q66: กำไรจากธุรกิจหลักจะลดลง YoY และ QoQ

เราคาดว่ากำไรจากธุรกิจหลักของ DELTA ใน 4Q66F จะอยู่ที่ 4.3 พันล้านบาท (-2% YoY, -14% QoQ) ซึ่งจะทำให้กำไรจากธุรกิจหลักเพิ่มปีอยู่ที่ 1.73 หมื่นล้านบาท (+19% YoY) และเป็นไปตามประมาณการเต็มปีของเรา ทั้งนี้ กำไรที่อ่อนตัว YoY ใน 4Q66F จากยอดขายที่เติบโตในระดับปานกลางหักล้างกันไปกับอัตรากำไรขั้นต้นที่ลดลงจาก product mix ที่แย่ลง และอัตรากำไรขั้นต้นของกลุ่มยานยนต์อ่อนแอ เพราะมีการตั้งสำรอง ในขณะที่เดียวกัน กำไรที่ลดลง QoQ เป็นเพราะยอดขายลดลง เนื่องจากความกังวลเกี่ยวกับการเติบโตของเศรษฐกิจโลกทำให้ลูกค้าเลือกที่จะรอดูสถานการณ์ไปก่อน เราคาดว่ายอดขายใน 4Q66 ของ DELTA จะอยู่ที่ 1 พันล้านดอลลาร์ฯ (+8% YoY, -10% QoQ) ซึ่งจะทำให้ยอดขายในปี 2566F อยู่ที่ 4.1 พันล้านดอลลาร์ฯ (+23% YoY) เป็นไปตามประมาณการของเรา ในขณะที่คาดว่าอัตรากำไรขั้นต้นจะลดลงมาอยู่ที่ 22.3% (-2.2ppts YoY, -0.3ppts QoQ) เพราะ product mix แย่ลง และอัตรากำไรขั้นต้นของกลุ่มยานยนต์อ่อนแอเพราะมีการตั้งสำรอง

แนวโน้ม megatrend AI จะขับเคลื่อนวัฏจักรการอัพเกรดอุปกรณ์ในปี 2567F แต่ยังมีความไม่แน่นอนสำหรับกลุ่มยานยนต์; de-rate PER เพื่อสะท้อนความเสี่ยง

ในบทวิเคราะห์กลยุทธ์ของ KGI Taiwan เรื่อง *AI & easing liquidity to lift Taiex to 20,000 in 2024F* ที่เผยแพร่เมื่อวันที่ 1 ธันวาคม 2566 ทางทีมวิจัยคาดว่าเทคโนโลยี AI จะช่วยขับเคลื่อนวัฏจักรการอัพเกรดอุปกรณ์ใน 2H67F และ AI server จะเป็นปัจจัยกระตุ้นหลักสำหรับการเติบโตของอุปสงค์ server ในปี 2567F ดังนั้น จึงคาดว่ายอดขายจัดส่ง server ทั่วโลกจะโต 15% YoY ในปี 2567F (Figure 2) โดยที่ยอดจัดส่ง AI server จะโตถึง 230% YoY (คิดเป็น 14% ของจัดส่ง server ทั้งหมด) (Figure 6) เราคิดว่า DELTA น่าจะได้อานิสงส์จากแนวโน้ม megatrend นี้ เพราะ 25-30% ของรายได้รวมมาจากยอดขาย data center แต่อย่างไรก็ตามภาพกลุ่มอุตสาหกรรมยานยนต์ยังคงมีความเสี่ยงจากปัจจัยที่ไม่เอื้ออำนวยของเศรษฐกิจมหภาค (KGI Taiwan ปรับลดการเติบโตโดยยอดขายลดรถยนต์ของโลกลงจาก +2% YoY เหลือ -1% YoY ในปี 2567) ทั้งนี้ DELTA มีรายได้จากกลุ่มยานยนต์ประมาณ 30% ของรายได้รวม ทั้งนี้ บริษัทตั้งเป้าอัตราการเติบโตของรายได้ปี 2567F ที่ 15-20% (สูงกว่าสมมติฐานของเราที่ 14%) เพื่อสะท้อนความเสี่ยงข้างต้น เราจึงมีการปรับลด PER จากเดิม 64.0X (ค่าเฉลี่ยในอดีต +1.0 S.D.) เป็น 55.0X (ค่าเฉลี่ยในอดีต +0.5 S.D.)

Valuation & action

เราปรับลดราคาเป้าหมายสิ้นปี 2567 จาก 100.00 บาท เป็น 88.00 บาท อิงจาก PER 55.0X (ค่าเฉลี่ยในอดีต +0.5 S.D.) และ ปรับลดคำแนะนำจาก “ซื้อ” เป็น “ถือ”

Risks

ภัยธรรมชาติ, มีการปิดโรงงานนอกแผน, ลูกค้าเปลี่ยนไปสั่งสินค้าจาก supplier รายอื่น, ขาดแคลนวัตถุดิบ, เงินบาทแข็งค่าขึ้น (เราใช้สมมติฐานอัตราแลกเปลี่ยนปี 2566-67 ที่ 33.80 บาท/ดอลลาร์ฯ)

Key financials and valuations

Year end Dec 31	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F
Revenue (Btmn)	62,341	82,994	117,211	136,752	156,187
Gross profit (btmm)	15,097	16,954	27,571	31,064	36,321
SG&A (Btmn)	8,762	11,435	13,447	15,043	17,181
Net profit (Btmn)	7,102	6,699	15,279	16,605	19,793
Normalized profit (Btmn)	6,828	6,075	14,498	16,605	19,793
EPS (Bt)	0.6	0.5	1.2	1.3	1.6
Normalized EPS (Btmn)	0.5	0.5	1.2	1.3	1.6
DPS (Bt)	0.3	0.2	0.4	0.5	0.6
EPS growth (%)	139.9	(5.7)	128.1	8.7	19.2
Normalized EPS growth (%)	126.9	(11.0)	138.7	14.5	19.2
P/E (X)	125.0	86.2	71.4	64.0	53.7
P/B (X)	22.7	12.7	18.9	16.0	13.4
EV/EBITDA (X)	89.9	56.6	54.5	47.5	39.9
Net debt to Equity (%)	(36.9)	(11.1)	(15.4)	(25.4)	(28.4)
Dividend yield (%)	0.4	0.4	0.5	0.6	0.7
Return on Equity (%)	20.1	17.0	31.8	27.5	27.2

Source: Company data, KGI Securities Research

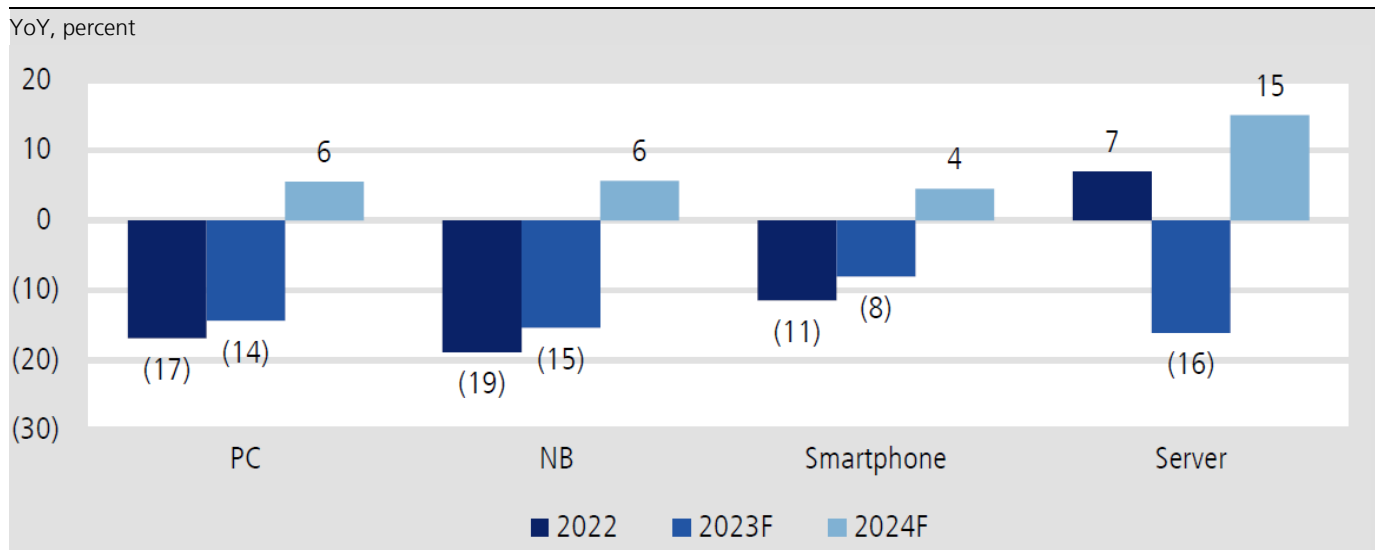
Figure 1: DELTA's 4Q23F earnings preview

	4Q23F	4Q22	%YoY	3Q23	%QoQ	2023F	2022	%YoY
Revenue from sales	36,682	34,606	6.0	40,478	(9.4)	145,294	118,558	22.6
Cost of goods sold	28,505	26,117	9.1	31,333	(9.0)	112,890	90,618	24.6
Gross profit	8,177	8,489	(3.7)	9,145	(10.6)	32,404	27,940	16.0
SG&A expense	3,801	3,829	(0.7)	4,098	(7.2)	14,931	13,447	11.0
EBIT	4,498	4,451	1.1	5,629	(20.1)	18,858	15,765	19.6
Net profit	4,332	4,125	5.0	5,429	(20.2)	18,043	15,279	18.1
Normalized profit	4,332	4,436	(2.3)	5,049	(14.2)	17,274	14,498	19.1
EPS (Bt)	0.35	0.33	5.0	0.44	(20.2)	1.45	1.22	18.1
Normalized EPS (Bt)	0.35	0.36	(2.3)	0.40	(14.2)	1.38	1.16	19.1

Percent	4Q23F	4Q22	ppts	3Q23	ppts	2023F	2022	%YoY
Gross margin	22.3	24.5	(2.2)	22.6	(0.3)	22.3	23.6	(1.3)
SG&A to sales	10.4	11.1	(0.7)	10.1	0.2	10.3	11.3	(1.1)
EBIT margin	12.3	12.9	(0.6)	13.9	(1.6)	13.0	13.3	(0.3)
Net margin	11.8	11.9	(0.1)	13.4	(1.6)	12.4	12.9	(0.5)

Assumption	4Q23F	4Q22	%YoY	3Q23	%QoQ	2023F	2022	%YoY
Sales (US\$m)	1,017	939	8.3	1,129	(9.9)	4,100	3,338	22.8
FX (Bt/US\$)	35.6	36.4	(2.3)	35.4	0.6			

Source: KGI Securities Research

Figure 2: IT hardware devices – NB, PC, smartphone and server shipments to grow in 2024F


Source: Gartner, KGI Securities Research (Taiwan)

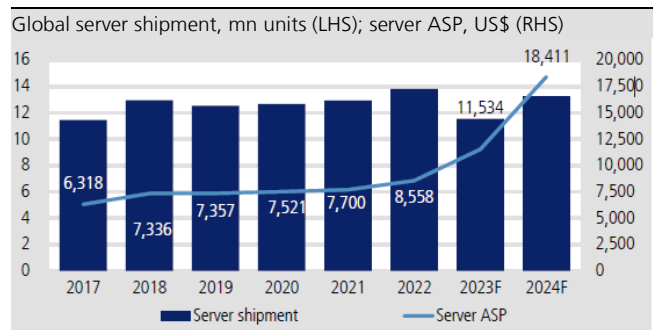
Figure 3: Server shipments cut to a contraction of 17% YoY in 2023F before growing 15% YoY in 2024F

Shipment (mn units)	2018	2019	2020	2021	2022	2023F	2024F
Global server	13.0	12.5	12.7	12.9	13.8	11.5	13.3
Enterprise	10.5	10.0	9.7	9.8	10.3	8.3	9.4
Self-build ODM	2.5	2.6	3.0	3.1	3.6	3.3	3.9

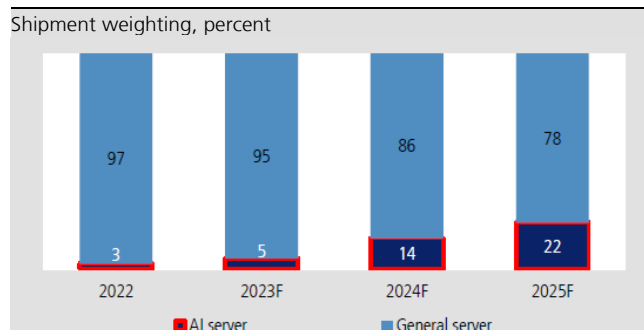
YoY growth	2018	2019	2020	2021	2022	2023F	2024F
Global server	13.1	(3.2)	1.1	1.9	6.9	(16.5)	15.0
Enterprise	8.9	(4.6)	(3.2)	1.5	4.6	(19.2)	13.0
Self-build ODM	34.9	2.5	17.9	3.4	14.3	(8.8)	20.0

Shipment weighting	2018	2019	2020	2021	2022	2023F	2024F
Global server	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Enterprise	80.8	80.0	76.4	76.0	74.6	72.2	70.7
Self-build ODM	19.2	20.8	23.6	24.0	26.1	28.7	29.3

Source: KGI Securities Research (Taiwan)

Figure 4: Server ASP uptrend on computing performance upgrades and AI server booster


Source: Gartner; KGI Securities Research (Taiwan)

Figure 5: AI weighting of server shipments to expand from 5% in 2023F to 22% in 2025F


Source: Gartner; KGI Securities Research (Taiwan)

Figure 6: AI server penetration rate of total server shipments up from 5% in 2023F to 22% in 2025F

Shipment (K units)	2022	2023F	2024F	2025F
AI server	371.0	578.0	1,905.0	3,309.0
General server	13,444.0	10,954.0	11,357.0	11,942.0
Total server	13,815.0	11,532.0	13,262.0	15,251.0
YoY growth	2022	2023F	2024F	2025F
AI server		56.0	230.0	74.0
General server		(19.0)	4.0	5.0
Total server	7.0	(17.0)	15.0	15.0
Weighting	2022	2023F	2024F	2025F
AI server	2.7	5.0	14.4	21.7
General server	97.3	95.0	85.6	78.3
Total server	100.0	100.0	100.0	100.0

Source: Gartner, KGI Securities Research (Taiwan)

Figure 7: Assumptions

Key assumption	unit	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F
Sales	US\$mn	1,365	1,322	1,445	1,638	1,648	1,999	2,604	3,337	4,046	4,621
growth	% YoY	0.8	(3.1)	9.3	13.4	0.6	21.3	30.3	28.1	21.2	14.2
Gross margin	%	27.3	26.5	25.5	23.2	20.3	24.2	20.4	23.5	22.7	23.3
Exchange rate	Bt/US\$	34.4	35.5	34.1	32.4	31.0	31.2	32.0	35.1	33.8	33.8

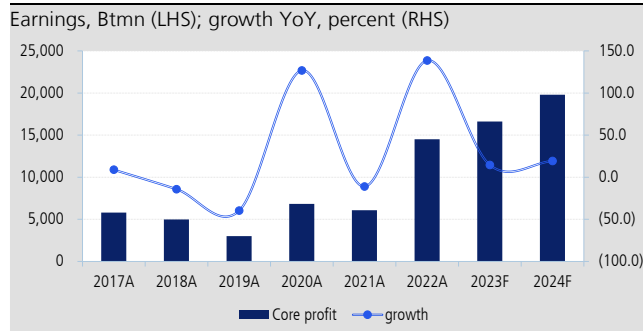
Source: KGI Securities Research

Figure 8: Company profile

Delta Electronics (Thailand) PCL (DELTA) was founded in 1990 and is one of the world's leading producers of power supplies and electronics components comprising cooling fans, EMI filters and solenoids. DELTA's key power management products consist of switching power supply, DC-DC converters and solar inverters. The products are widely used in applications for automotives, medical, telecommunications, IT, automation and more.

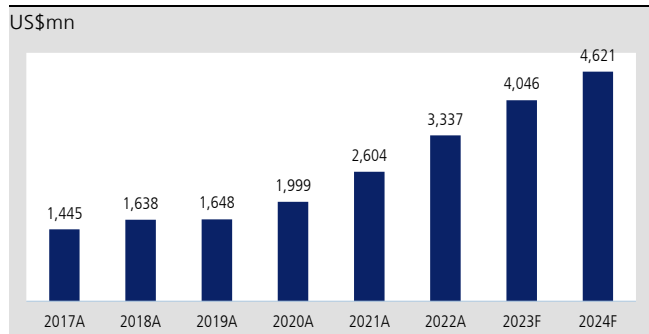
Source: Company data

Figure 9: Core earnings



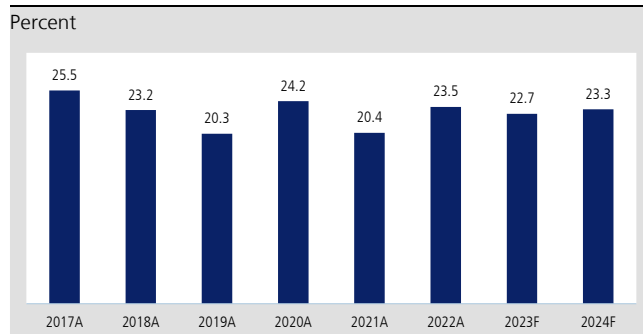
Source: Company data, KGI Securities Research

Figure 10: Sales assumption



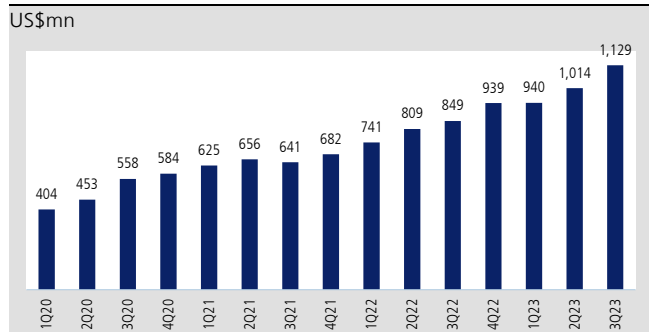
Source: Company data, KGI Securities Research

Figure 11: Gross margin assumption



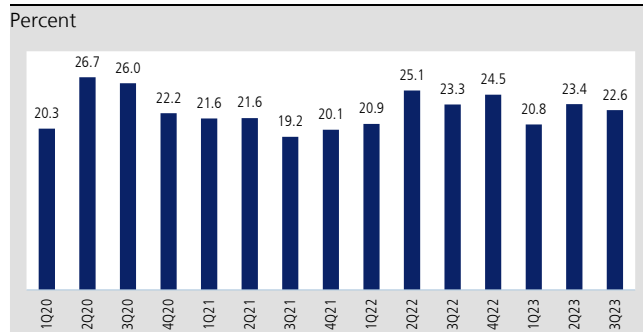
Source: Company data, KGI Securities Research

Figure 12: Sales quarterly



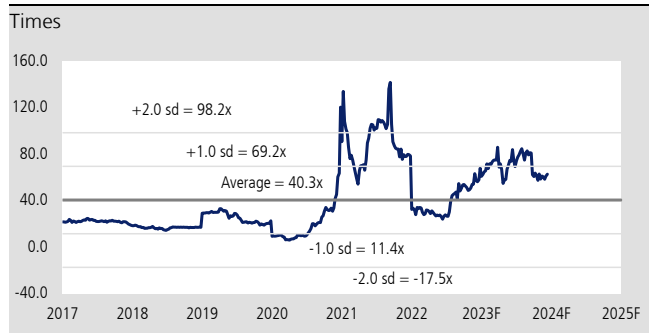
Source: Company data, KGI Securities Research

Figure 13: Gross margin



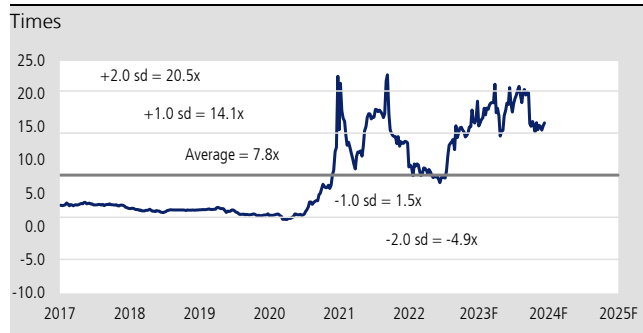
Source: Company data, KGI Securities Research

Figure 14: PER Band



Source: KGI Securities Research

Figure 15: PBV Band



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A
Income Statement (Btmn)											
Revenue	19,039	20,640	21,320	23,320	24,623	28,004	31,324	34,606	32,294	35,840	40,478
Cost of good sold	14,935	16,181	17,217	18,626	19,486	20,988	24,027	26,117	25,581	27,472	31,333
Gross profit	4,103	4,459	4,103	4,693	5,137	7,016	7,298	8,489	6,713	8,369	9,145
Operating expense	2,731	3,130	2,793	2,781	2,943	3,152	3,524	3,829	3,236	3,796	4,098
Other income	174	138	(157)	49	76	101	175	140	92	135	147
Operating profit	1,546	1,466	1,153	1,961	2,270	3,965	3,949	4,800	3,569	4,708	5,194
Depreciation of fixed asset	527	560	627	655	691	723	799	874	947	1,066	1,188
Operating EBITDA	2,073	2,026	1,780	2,616	2,961	4,688	4,748	5,674	4,516	5,774	6,383
Non-Operating income	0	0	0	0	331	0	0	(0)	0	0	0
Interest income	0	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	0	331	0	0	(0)	0	0	0
Non-Operating expense	(0)	(1)	393	(2)	(3)	(4)	(0)	(12)	(25)	(22)	(34)
Interest expense	(0)	(1)	(1)	(2)	(3)	(4)	(0)	(12)	(25)	(22)	(34)
Other non-op. expense	0	0	393	(0)	0	0	0	0	0	0	0
Equity income	(0)	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	1,816	1,699	1,152	2,134	2,819	4,312	4,175	4,439	3,735	4,947	5,595
Current taxation	(60)	(44)	45	(38)	(39)	(48)	(65)	(314)	(121)	(279)	(167)
Minorities	(1)	(0)	5	0	0	0	0	0	0	0	0
Extra items	251	223	375	168	200	346	215	(311)	155	234	380
Net profit	1,756	1,655	1,191	2,096	2,780	4,263	4,110	4,125	3,614	4,668	5,429
Normalized profit	1,505	1,432	1,209	1,928	2,249	3,918	3,895	4,436	3,459	4,434	5,049
EPS (Bt)	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4
Normalized EPS (Bt)	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.3	0.4	0.4
Margin (%)											
Gross profit margin	21.6	21.6	19.2	20.1	20.9	25.1	23.3	24.5	20.8	23.4	22.6
Operating EBIT margin	8.1	7.1	5.4	8.4	9.2	14.2	12.6	13.9	11.1	13.1	12.8
Operating EBITDA margin	10.9	9.8	8.3	11.2	12.0	16.7	15.2	16.4	14.0	16.1	15.8
Net profit margin	9.2	8.0	5.6	9.0	11.3	15.2	13.1	11.9	11.2	13.0	13.4
Growth (%YoY)											
Revenue growth	49.3	41.2	21.0	28.0	29.3	35.7	46.9	48.4	31.2	28.0	29.2
Operating EBIT growth	166.0	(22.0)	(54.9)	10.4	46.8	170.4	242.7	144.7	57.2	18.7	31.5
Operating EBITDA growth	91.7	(15.6)	(42.3)	13.6	42.8	131.4	166.8	116.9	52.5	23.2	34.4
Net profit growth	105.1	(17.9)	(54.9)	32.1	58.3	157.6	245.0	96.8	30.0	9.5	32.1
Normalized profit growth	137.4	(29.2)	(52.3)	18.0	49.4	173.5	222.1	130.1	53.8	13.2	29.6

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Btmn)	2020	2021	2022	2023F	2024F
Total Assets	57,219	69,338	90,984	107,923	126,574
Current Assets	42,452	48,764	66,025	77,476	91,407
Cash&ST Investment	13,882	6,572	10,142	17,772	23,508
Inventories	12,655	19,581	25,049	26,331	29,866
Account Receivable	13,997	20,593	28,132	30,317	34,626
Other	1,917	2,019	2,702	3,055	3,407
Non-current Assets	14,767	20,574	24,959	30,446	35,167
LT Investment	284	268	248	289	330
Net Fixed Assets	12,724	18,583	22,700	27,810	32,156
Others	1,759	1,723	2,012	2,348	2,681
Total Liabilities	19,611	27,934	36,305	41,627	47,128
Current liabilities	17,170	24,736	32,670	38,313	43,343
Account Payable	16,181	22,049	30,202	35,591	40,368
ST borrowing	0	1,594	945	945	945
Others	989	1,093	1,523	1,777	2,029
Long-term liabilities	2,441	3,198	3,635	3,314	3,785
Long-term debts	0	368	795	0	0
Others	2,441	2,831	2,841	3,314	3,785
Shareholders' Equity	37,607	41,404	54,680	66,295	79,446
Common stock	1,247	1,247	1,247	1,247	1,247
Capital surplus	1,492	1,492	1,492	1,492	1,492
retained earnings	39,216	41,776	55,265	66,881	80,031
Preferred stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2020	2021	2022	2023F	2024F
Growth (%YoY)					
Sales	21.9	33.1	41.2	16.7	14.2
OP	144.0	(9.8)	144.6	14.3	19.1
EBITDA	98.3	(1.7)	105.5	16.8	18.4
NP	139.9	(5.7)	128.1	8.7	19.2
Normalized profit	126.9	(11.0)	138.7	14.5	19.2
EPS	139.9	(5.7)	128.1	8.7	19.2
Normalized EPS	126.9	(11.0)	138.7	14.5	19.2
Profitability (%)					
Gross margin	24.2	20.4	23.5	22.7	23.3
Operating margin	10.9	7.4	12.8	12.5	13.1
EBITDA margin	15.0	11.1	16.1	16.1	16.7
Net margin	11.4	8.1	13.0	12.1	12.7
ROAA	13.7	10.6	19.1	16.7	16.9
ROAE	20.1	17.0	31.8	27.5	27.2
Stability					
Gross debt/equity (%)	52.1	67.5	66.4	62.8	59.3
Net debt/equity (%)	(36.9)	(11.1)	(15.4)	(25.4)	(28.4)
Interest coverage (x)	6,217.5	1,689.6	807.8	984.6	2,158.8
Interest&ST debt coverage	6,217.5	4.3	16.3	17.8	21.4
Cash flow interest coverage	6,006.6	458.7	664.6	1,352.3	2,379.4
Cash flow/interest&ST debt	6,006.6	1.2	13.4	24.4	23.6
Current ratio (x)	2.5	2.0	2.0	2.0	2.1
Quick ratio (x)	1.7	1.2	1.3	1.3	1.4
Net debt (Btmn)	(13,882)	(4,610)	(8,402)	(16,827)	(22,563)
Per share data (Bt)					
EPS	0.6	0.5	1.2	1.3	1.6
Normalized EPS	0.5	0.5	1.2	1.3	1.6
CFPS	0.6	0.1	1.0	1.9	1.8
BVPS	3.0	3.3	4.4	5.3	6.4
Sales/share	5.1	6.8	9.5	11.1	12.7
EBITDA/share	0.7	0.7	1.5	1.8	2.1
DPS	0.3	0.2	0.4	0.5	0.6
Activity					
Asset turnover (x)	1.1	1.2	1.3	1.3	1.2
Days of receivables	82	91	88	81	81
Days of inventory	96	107	101	90	90
Days of payable	123	120	122	122	122
Cash cycle	55	77	67	49	49

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Revenue	63,208	84,318	118,558	138,324	157,981
Cost of good sold	48,089	66,960	90,618	106,789	121,122
Gross profit	15,119	17,358	27,940	31,535	36,859
Operating expense	8,762	11,435	13,447	15,043	17,181
Other income	439	203	492	638	728
Operating Profit	6,795	6,127	14,985	17,130	20,407
Depreciation of fixed asset	2,075	2,368	3,087	4,890	5,654
Operating EBITDA	8,870	8,495	18,071	22,020	26,061
Non-operating income	111	54	331	0	0
Interest income	111	54	0	0	0
Other non-op income	0	0	331	0	0
Non-operating expense	(96)	(397)	(20)	(17)	(9)
Interest expense	(1)	(4)	(20)	(17)	(9)
Other non-op expense	(95)	(393)	0	0	0
Equity income/(loss)	61	0	0	0	0
Pretax profit	7,259	6,801	15,746	17,113	20,398
Current taxation	(189)	(98)	(467)	(507)	(605)
Minorities	(50)	4	0	0	0
Extra item	369	1,018	450	0	0
Net profit	7,102	6,699	15,279	16,605	19,793
Normalized profit	6,828	6,075	14,498	16,605	19,793
EPS (Bt)	0.6	0.5	1.2	1.3	1.6
Normalized EPS (Bt)	0.5	0.5	1.2	1.3	1.6

Source: KGI Securities Research

Cash Flow

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Operating cash flow	7,014	1,848	12,972	23,528	22,492
Net profit	7,102	6,699	15,279	16,605	19,793
Depreciation&Amortization	2,075	2,368	3,087	4,890	5,654
Change in working capital	(2,162)	(7,220)	(5,394)	2,033	(2,955)
Others					
Investment cash flow	(2,960)	(8,217)	(7,176)	(10,114)	(10,113)
Net CAPEX	(3,391)	(8,227)	(7,203)	(10,000)	(10,000)
Change in LT investment	429	10	27	(114)	(113)
Change in other assets	2	0	0	0	0
Free cash flow	4,055	(6,369)	5,795	13,414	12,378
Financing cash flow	(2,676)	(941)	(2,225)	(5,784)	(6,642)
Change in share capital	0	0	0	0	0
Net change in debt	0	1,961	(221)	(795)	0
Change in other liabs	(2,676)	(2,902)	(2,003)	(4,990)	(6,642)
Net cash flow	1,378	(7,310)	3,571	7,630	5,736

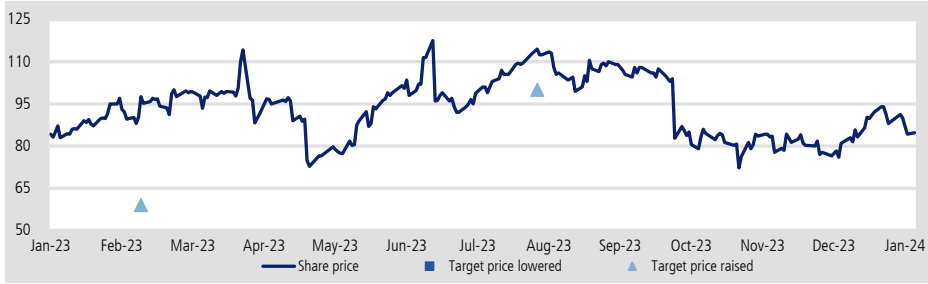
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- Revenue	+ COGS Revenue	+ Depreciation Revenue	+ Operating expense Revenue	= Operating margin
2020	76.1%		3.3%	13.9%	6.8%
2021	79.4%		2.8%	13.6%	4.2%
2022	76.4%		2.6%	11.3%	9.6%
2023F	77.2%		3.5%	10.9%	8.4%
2024F	76.7%		3.6%	10.9%	8.9%
Year	1/ Revenue	+ Working capital Revenue	+ Net PPE Revenue	+ Other assets Revenue	= Capital Turnover
2020	(0.0)		0.2	0.7	1.1
2021	(0.1)		0.2	0.6	1.4
2022	(0.0)		0.2	0.6	1.4
2023F	0.0		0.2	0.6	1.3
2024F	(0.0)		0.2	0.6	1.3
Year	1/ Operating margin	x Capital turnover	x Cash tax rate	= After-tax return on Inv. capital	
2020	6.8%	1.1	2.6%	0.2%	
2021	4.2%	1.4	1.4%	0.1%	
2022	9.6%	1.4	3.0%	0.4%	
2023F	8.4%	1.3	3.0%	0.3%	
2024F	8.9%	1.3	3.0%	0.3%	

Source: KGI Securities Research

Delta Electronics (Thailand) - Recommendation & target price history



Date	Rating	Target	Price
10-Oct-23	Outperform	100.00	83.25
2-Aug-23	Neutral	100.00	114.50
16-Feb-23	Underperform	59.00	97.60

Source: KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B. GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFCO	SEAFCO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEEP
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNGTHAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRI SAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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