Delta Electronics (2308.TW)

Upward revision in CAPEX to support strong demand through 2028E; Reiterate Buy with new TP of NT$4,120 (from NT$4,500)

2308.TW	12m Price Target: **NT$4,120.00**	Price: **NT$1,530.00**	Upside: **169.3%**

Key takeaways from Delta's results call today (July 30th) include:

(1) Delta revised up its CAPEX investment in 2026 to be NT$70bn (previous guidance was expected to be 10%+ higher than 2025, implying NT$50bn+). The company also expects CAPEX to remain at a similar or higher level in 2027 if industry growth remains strong. Delta mentioned that its capacity expansion investments are planned on a 2+ year forward-looking basis (was 1+ year previously) and is currently expanding in multiple regions (including Thailand, mainland China, US, Taiwan, etc).

(2) Management expects 2H26 revenue to outperform 1H26 mainly due to the ramp up of new products and increasing contribution from projects with CSP customers. Management mentioned that achieving a GM of ~35% in 2H26 is a reasonable target, but the actual level will remain subject to the product mix. However, we believe the 2Q26 GM of 35.6% was seeing a negative impact from inventory write-offs (~1.0ppt negative impact) and we continue to see GM to be driven by higher AI exposure going forward (2026 GM at 37.0% per GSe).

(3) For HVDC products, the company believes shipment for both +-400VDC and 800VDC solutions will start in 3Q26, and expects more contribution in 2027. The +-400VDC solution is expected to see more shipment as Delta mentioned that some CSP clients are more aggressive in adopting this solution while the 800VDC solution is mainly driven by Nvidia's architecture.

(4) In terms of new products, Delta has already shipped the SOFC solution to a couple of customers for testing, and expects to have a trail production line ready by the end of 2026 and complete a new production line in 2027. As for SST, Delta mentioned the solution is being adopted by some clients, mainly for smaller scale data centers, and expects that commercialization still takes time.

BUY

Chao Wang
+886(2)2730-4195 | kuan-chao.wang@gs.com
Goldman Sachs (Asia) L.L.C., Taipei Branch

Allen Chang
+852-2978-2930 | allen.k.chang@gs.com
Goldman Sachs (Asia) L.L.C.

Al Wang
+886(2)2730-4081 | al.wang@gs.com
Goldman Sachs (Asia) L.L.C., Taipei Branch

Key Data

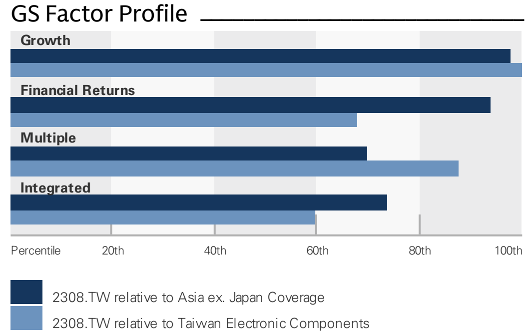
Market cap: NT$4.0tr / $122.8bn
Enterprise value: NT$4.0tr / $122.2bn
3m ADTV: NT$25.4bn / $800.9mn
Taiwan
Taiwan Electronic Components
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (NT$ mn) New	**554,885.2**	**768,416.3**	**1,140,640.4**	**2,082,620.0**
Revenue (NT$ mn) Old	554,885.2	795,488.6	1,185,408.4	2,159,528.4
EBITDA (NT$ mn)	111,771.1	167,289.0	304,273.0	650,623.8
EPS (NT$) New	**23.14**	**40.49**	**75.23**	**172.30**
EPS (NT$) Old	23.14	45.14	84.94	188.18
P/E (X)	26.0	37.8	20.3	8.9
P/B (X)	5.8	12.4	9.5	6.2
Dividend yield (%)	1.9	1.3	2.5	5.6
CROCI (%)	31.3	29.8	40.5	67.4

	6/26	9/26E	12/26E	3/27E
EPS (NT$)	9.68	10.71	12.20	11.86

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates. See disclosures for details.

Delta Electronics (2308.TW)

BUY

Rating since Oct 24, 2018

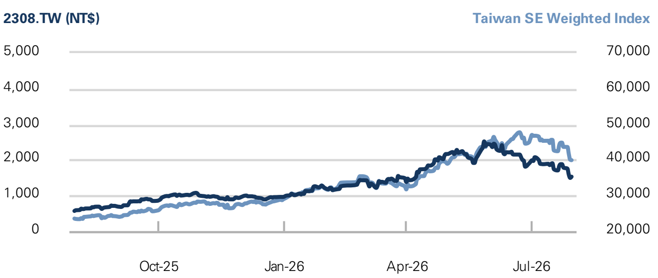
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	26.0	37.8	20.3	8.9
P/B (X)	5.8	12.4	9.5	6.2
FCF yield (%)	3.2	(0.3)	1.7	4.5
EV/EBITDAR (X)	13.4	23.7	13.0	6.0
EV/EBITDA (excl. leases) (X)	13.4	23.7	13.0	6.0
CROCI (%)	31.3	29.8	40.5	67.4
ROE (%)	24.1	35.7	52.9	84.4
Net debt/equity (%)	(39.2)	(22.0)	(20.4)	(25.0)
Net debt/equity (excl. leases) (%)	(39.2)	(22.0)	(20.4)	(25.0)
Interest cover (X)	39.3	41.6	40.7	61.1
Days inventory outst, sales	61.0	55.6	51.1	44.7
Receivable days	71.4	69.7	66.9	61.9
Days payable outstanding	81.9	68.1	55.6	51.2
DuPont ROE (%)	18.5	27.1	39.0	59.5
Turnover (X)	0.9	1.0	1.1	1.4
Leverage (X)	2.0	2.0	2.0	2.0
Gross cash invested (ex cash) (NT$)	402,630.9	533,000.6	658,289.2	856,665.5
Average capital employed (NT$)	196,978.7	250,276.0	350,738.3	481,003.9
BVPS (NT$)	103.20	123.44	161.06	247.21

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	31.8	38.5	48.4	82.6
EBITDA growth	53.8	49.7	81.9	113.8
EPS growth	70.6	75.0	85.8	129.0
DPS growth	65.7	74.5	85.8	129.0
EBIT margin	15.1	18.5	24.1	29.6
EBITDA margin	20.1	21.8	26.7	31.2
Net income margin	10.8	13.7	17.1	21.5

Price Performance



	3m	6m	12m
Absolute	(29.3)%	25.4%	188.7%
Rel. to the Taiwan SE Weighted Index	(31.1)%	0.7%	69.6%

Source: FactSet. Price as of 30 Jul 2026 close.

Income Statement (NT$ mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	554,885.2	768,416.3	1,140,640.4	2,082,620.0
Cost of goods sold	(364,728.6)	(484,467.2)	(680,779.5)	(1,181,242.7)
SG&A	(57,481.8)	(73,104.0)	(90,719.6)	(129,836.1)
R&D	(48,742.7)	(68,822.9)	(94,335.2)	(154,584.2)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**111,771.1**	**167,289.0**	**304,273.0**	**650,623.8**
Depreciation & amortization	(27,839.1)	(25,266.9)	(29,466.9)	(33,666.9)
EBIT	**83,932.1**	**142,022.2**	**274,806.1**	**616,957.0**
Net interest inc./(exp.)	1,578.5	1,369.8	(1,885.6)	(3,265.1)
Income/(loss) from associates	0.0	–	–	–
Pre-tax profit	**87,866.0**	**149,627.3**	**274,806.1**	**616,957.0**
Provision for taxes	(19,929.7)	(34,301.8)	(64,351.6)	(142,417.0)
Minority interest	(7,827.9)	(10,144.3)	(15,034.9)	(26,971.1)
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**60,108.4**	**105,181.2**	**195,419.6**	**447,568.9**
Post-tax exceptionals	–	–	–	–
Net inc. (post-exceptionals)	**60,108.4**	**105,181.2**	**195,419.6**	**447,568.9**
EPS (basic, pre-except) (NT$)	**23.14**	**40.49**	**75.23**	**172.30**
EPS (diluted, pre-except) (NT$)	**23.14**	**40.49**	**75.23**	**172.30**
EPS (basic, post-except) (NT$)	**23.14**	**40.49**	**75.23**	**172.30**
EPS (diluted, post-except) (NT$)	**23.14**	**40.49**	**75.23**	**172.30**
DPS (NT$)	11.60	20.25	37.62	86.15
Div. payout ratio (%)	50.1	50.0	50.0	50.0

Balance Sheet (NT$ mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	151,172.2	153,804.2	215,727.1	346,773.2
Accounts receivable	125,020.2	168,420.0	250,003.4	456,464.6
Inventory	101,478.3	132,730.8	186,514.9	323,628.1
Other current assets	18,110.1	18,110.1	18,110.1	18,110.1
Total current assets	**395,780.8**	**473,065.0**	**670,355.6**	**1,144,976.2**
Net PP&E	142,039.8	186,773.0	227,306.1	263,639.3
Net intangibles	75,326.3	75,326.3	75,326.3	75,326.3
Total investments	4,876.2	4,876.2	4,876.2	4,876.2
Other long-term assets	21,595.5	21,595.5	21,595.5	21,595.5
Total assets	**639,618.6**	**761,636.0**	**999,459.7**	**1,510,413.4**
Accounts payable	94,451.5	86,275.0	121,234.7	210,358.3
Short-term debt	2,364.1	2,364.1	2,364.1	2,364.1
Short-term lease liabilities	–	–	–	–
Other current liabilities	112,849.4	135,308.5	180,427.7	306,502.3
Total current liabilities	**209,665.0**	**223,947.6**	**304,026.5**	**519,224.7**
Long-term debt	21,142.6	66,142.6	111,142.6	156,142.6
Long-term lease liabilities	–	–	–	–
Other long-term liabilities	83,422.0	83,422.0	83,422.0	83,422.0
Total long-term liabilities	**104,564.6**	**149,564.6**	**194,564.6**	**239,564.6**
Total liabilities	**314,229.6**	**373,512.2**	**498,591.1**	**758,789.3**
Preferred shares	1.0	1.0	1.0	1.0
Total common equity	268,058.0	320,648.6	418,358.4	642,142.8
Minority interest	**57,331.0**	**67,475.3**	**82,510.2**	**109,481.3**
Total liabilities & equity	**639,618.6**	**761,636.0**	**999,459.7**	**1,510,413.4**
Net debt, adjusted	(127,664.4)	(85,296.4)	(102,219.4)	(188,265.5)

Cash Flow (NT$ mn)

	12/25	12/26E	12/27E	12/28E
Net income	60,108.4	105,181.2	195,419.6	447,568.9
D&A add-back	27,839.1	25,266.9	29,466.9	33,666.9
Minority interest add-back	7,827.9	10,144.3	15,034.9	26,971.1
Net (inc)/dec working capital	(24,348.1)	(82,828.8)	(100,407.9)	(254,450.9)
Other operating cash flow	27,047.0	–	–	–
Cash flow from operations	**98,474.3**	**57,763.5**	**139,513.5**	**253,755.9**
Capital expenditures	(46,091.3)	(70,000.0)	(70,000.0)	(70,000.0)
Acquisitions	(159.3)	–	–	–
Divestitures	141.8	–	–	–
Others	(7,105.4)	–	–	–
Cash flow from investing	**(53,214.2)**	**(70,000.0)**	**(70,000.0)**	**(70,000.0)**
Repayment of lease liabilities	–	–	–	–
Dividends paid (common & pref)	(20,312.7)	(30,131.5)	(52,590.6)	(97,709.8)
Inc/(dec) in debt	84,439.4	45,000.0	45,000.0	45,000.0
Other financing cash flows	(75,673.9)	0.0	0.0	0.0
Cash flow from financing	**(11,547.2)**	**14,868.5**	**(7,590.6)**	**(52,709.8)**
Total cash flow	**33,712.9**	**2,632.0**	**61,923.0**	**131,046.1**
Free cash flow	52,383.0	(12,236.5)	69,513.5	183,755.9

Source: Company data, Goldman Sachs Research estimates.

(5) In terms of supply chain risk, the company continues to see tight supply conditions across various materials but is still able to secure supply given its strong supplier relationships. Pricing adjustment to reflect higher costs will require discussion with clients and the ability to pass costs on to customers is still dependent on the products.

(6) The company expects AI to contribute 25%+ of total revenue and expects liquid cooling related products to account for 12%+ of total revenue in 2026.

Investment view

We maintain our positive view on Delta's revenue/profitability outlook in the coming years (see here), and we expect GM/OPM will further increase by 10ppt+/14ppt+ in 2028 vs. 2025, due to the increasing contribution from AI power products (expand from 9% in 2025 to 69% in 2028E), whose margin profile is much higher than Delta's corporate average. In order to meet with the strong AI power demand, the company has revised up its 2026 CAPEX guidance to reach NT$70bn (vs. previous guidance of ~NT$50bn) and continues to expand capacity in multiple regions. With new the 12kW PSU to ramp up from 2Q26 and more contribution from HVDC power racks starting in 3Q26, we expect 2Q26 GM of 35.6% to mark the low point in 2026-28E, followed by sequential margin expansion through 2028E.

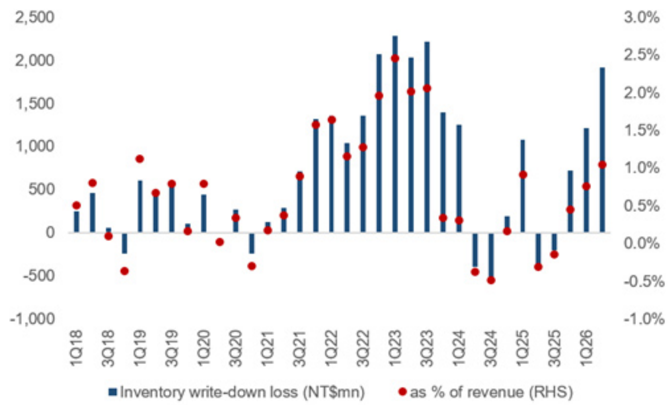
Moreover, following management's comments from the latest results call, we see meaningful revenue upside from the adoption of the HVDC solution, which is expected to start in 3Q26, with dollar content per watt to be 3x+ more than the company's current key PSU products. Moreover, the company continues to develop next-gen SST solution for future CSPs' HVDC datacenters, which could deliver 10x+ dollar content per watt than existing products. For HVDC power rack and SST solutions, we expect Delta to capture a leading market share in both markets (50-70%+ in 2027E-2030E), supported by its industry leading AC to DC conversion capabilities. These offerings are likely to become key revenue and profit drivers for the company for at least the next five years.

Overall, we maintain our positive view on Delta, and expect the company to continue delivering solid earnings growth in the long term, considering the company's leading position in the most critical segment of the AI datacenter power industry. Maintain our Buy rating on Delta, and lower our 12m TP from NT$4,500 to NT$4,120.

2Q26 earnings recap

Delta's 2Q26 core business (OPI) was 21/9% lower than both GSe/BBG consensus while 2Q26 GM miss GSe/BBG consensus by 3.1/0.8ppt as GM performance normalized without penalty income that occurred in 1Q26 (which lifted GM by ~0.7ppt). Moreover, 2Q26 GM was partially offset by a ~1.0ppt impact from an inventory write-off. On earnings, Delta's 2Q net income was 13% lower than GSe due to the lower contribution from Delta Thailand.

Exhibit 1: Delta recorded an inventory write-off in 2Q26, impacting GM by ~1.0ppt



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: Delta 2Q26 result comp table

Delta (2308.TW)	2Q26			QoQ		YoY		Bloomberg consensus	
P&L (NT$mn)	Actual	GS est.	Diff (%)	1Q26	QoQ	2Q25	YoY	Consensus	%
Revenue	183,256	193,064	-5%	159,353	15%	124,035	48%	182,833	0%
Gross profits	65,308	74,705	-13%	58,961	11%	44,049	48%	66,610	-2%
Operating profits	30,570	38,602	-21%	28,417	8%	18,669	64%	33,766	-9%
Pre-tax income	35,000	38,852	-10%	31,093	13%	19,571	79%	34,915	0%
Net earnings	25,137	28,766	-13%	20,556	22%	13,948	80%	24,846	1%
EPS, NT$	9.68	11.08	-13%	7.91	22%	5.37	80%	9.47	2%
Gross margin (%)	35.6%	38.7%	-3.1ppt	37.0%	-1.4ppt	35.5%	0.1ppt	36.4%	-0.8ppt
EBIT margin (%)	16.7%	20.0%	-3.3ppt	17.8%	-1.2ppt	15.1%	1.6ppt	18.5%	-1.8ppt
Net margin (%)	13.7%	14.9%	-1.2ppt	12.9%	0.8ppt	11.2%	2.5ppt	13.6%	0.1ppt

Source: Company data, Goldman Sachs Global Investment Research, Bloomberg

Earnings revisions

We revise down our 2026/27/28E EPS by 10/11/8% by applying a more conservative margin assumption for the Power Electronics business (we revise down our 2026/27/28E GM by 1.8/2.1/1.9ppt), and expecting some negative impact in shipments due to the potential shortage in materials (we revise down revenue estimates by3/4/4% for 2026/27/28E).

Exhibit 3: Earning revision table

Delta P&L (NT$ mn)	2026E New	2026E Old	Diff.	2027E New	2027E Old	Diff.	2028E New	2028E Old	Diff.
Sales	768,416	795,489	-3%	1,140,640	1,185,408	-4%	2,082,620	2,159,528	-4%
Gross Profit	283,949	308,505	-8%	459,861	503,019	-9%	901,377	974,773	-8%
EBIT	142,022	161,200	-12%	274,806	306,449	-10%	616,957	668,469	-8%
Net Income	105,181	117,246	-10%	195,420	220,639	-11%	447,569	488,813	-8%
EPS (NT$)	**40.49**	**45.14**	-10%	**75.23**	**84.94**	-11%	**172.30**	**188.18**	-8%
Ratio analysis									
Gross margin	37.0%	38.8%	-1.8pp	40.3%	42.4%	-2.1pp	43.3%	45.1%	-1.9pp
EBIT margin	18.5%	20.3%	-1.8pp	24.1%	25.9%	-1.8pp	29.6%	31.0%	-1.3pp
Net margin	13.7%	14.7%	-1.1pp	17.1%	18.6%	-1.5pp	21.5%	22.6%	-1.1pp

Source: Company data, Goldman Sachs Global Investment Research

Valuation

We reiterate our Buy rating on Delta with a new 12-m TP of NT$4,120 (from NT$4,500), based on an unchanged 26.5x P/E multiple (+1.6x STDV higher than Delta's past 15-year average valuation), and maintain our valuation period at 2028E and discounted back to 2027 at a CoE of 11%.

Exhibit 4: P&L table

NT$mn	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2024	2025	2026E	2027E	2028E
Revenue	118,919	124,035	150,318	161,613	159,353	183,256	206,674	219,134	220,386	264,174	321,136	334,945	421,148	554,885	768,416	1,140,640	2,082,620
Gross profit	37,788	44,049	52,416	55,903	58,961	65,308	77,065	82,615	85,679	105,457	131,246	137,479	136,580	190,157	283,949	459,861	901,377
Operating expense	(23,752)	(25,380)	(27,607)	(29,485)	(30,544)	(34,738)	(37,201)	(39,444)	(40,110)	(43,853)	(48,170)	(52,921)	(88,928)	(106,224)	(141,927)	(185,055)	(284,420)
Operating income	14,036	18,669	24,809	26,418	28,417	30,570	39,864	43,171	45,568	61,604	83,075	84,558	47,652	83,932	142,022	274,806	616,957
Pretax income	15,663	19,571	26,983	25,649	31,093	35,000	40,114	43,421	45,568	61,604	83,075	84,558	51,316	87,866	149,627	274,806	616,957
Taxes expense	(3,620)	(4,237)	(6,062)	(6,011)	(7,258)	(7,831)	(9,226)	(9,987)	(10,481)	(14,477)	(19,523)	(19,871)	(10,925)	(19,930)	(34,302)	(64,352)	(142,417)
Net income	10,231	13,948	18,606	17,324	20,556	25,137	27,805	31,684	30,799	44,388	59,183	61,050	35,229	60,108	105,181	195,420	447,569
EPS, NT$	**3.94**	**5.37**	**7.16**	**6.67**	**7.91**	**9.68**	**10.71**	**12.20**	**11.86**	**17.09**	**22.79**	**23.51**	**13.56**	**23.14**	**40.49**	**75.23**	**172.30**
Ratio analysis and assumption																	
As % of sales																	
Gross margin	31.8%	35.5%	34.9%	34.6%	37.0%	35.6%	37.3%	37.7%	38.9%	39.9%	40.9%	41.0%	32.4%	34.3%	37.0%	40.3%	43.3%
Operating expense ratio	20.0%	20.5%	18.4%	18.2%	19.2%	19.0%	18.0%	18.0%	18.2%	16.6%	15.0%	15.8%	21.1%	19.1%	18.5%	16.2%	13.7%
Operating margin	11.8%	15.1%	16.5%	16.3%	17.8%	16.7%	19.3%	19.7%	20.7%	23.3%	25.9%	25.2%	11.3%	15.1%	18.5%	24.1%	29.6%
Net margin	8.6%	11.2%	12.4%	10.7%	12.9%	13.7%	13.5%	14.5%	14.0%	16.8%	18.4%	18.2%	8.4%	10.8%	13.7%	17.1%	21.5%
QoQ growth (%)																	
Revenue	4%	4%	21%	8%	-1%	15%	13%	6%	1%	20%	22%	4%	-	-	-	-	-
Gross profit	8%	17%	19%	7%	5%	11%	18%	7%	4%	23%	24%	5%	-	-	-	-	-
Operating income	31%	33%	33%	6%	8%	8%	30%	8%	6%	35%	35%	2%	-	-	-	-	-
Net income	43%	36%	33%	-7%	19%	22%	11%	14%	-3%	44%	33%	3%	-	-	-	-	-
YoY growth (%)																	
Revenue	30%	20%	34%	42%	34%	48%	37%	36%	38%	44%	55%	53%	5%	32%	38%	48%	83%
Gross profit	40%	25%	34%	59%	56%	48%	47%	48%	45%	61%	70%	66%	17%	39%	49%	62%	96%
OPEX	21%	14%	21%	21%	29%	37%	35%	34%	31%	26%	29%	34%	17%	19%	34%	30%	54%
Operating income	90%	42%	51%	147%	102%	64%	61%	63%	60%	102%	108%	96%	16%	76%	69%	93%	125%
Net income	78%	40%	51%	141%	101%	80%	49%	83%	50%	77%	113%	93%	5%	71%	75%	86%	129%

Source: Company data, Goldman Sachs Global Investment Research

Investment Thesis & PT methodology and risks

Delta Electronics is the largest vendor of power supply components globally (in terms of sales) and a key servo motor/inverter/PLC supplier in mainland China. It is also a key supplier for the EV/server power industry, holding one of the largest market shares in both markets. We are positive on Delta's long-term growth opportunity driven by multiple factors (EV/EV charger/5G infrastructure/Datacenter power/ESS etc.) in the coming years. We also expect demand for its AI server power and cooling systems to deliver solid growth given the increasing demand for high computing performance AI servers, which will require higher efficiency power components and better cooling systems to improve the overall performance. Trading at a 1-year forward P/E multiple that is below our target multiple, we believe the stock is undervalued, given the company's strong revenue outlook (50%+ 2025-28E CAGR) for its growth sectors (including EV & EV charging / green capex & renewable energy / cloud computing / smart manufacturing / satellite communication & smart connectivity), and its leadership in the power component industry. We are Buy rated. Key downside risks include: (1) slower-than-expected AI server power consumption growth momentum, (2) potential market share loss risk in AI server DC-DC power system or the potential design change on AI server DC-DC system, and (3) slower than expected of future products deployment, including power rack, SST and SOFC.

Valuation methodology: We are Buy rated on Delta. Our 12m TP of NT$4,120 is based on a target P/E multiple of 26.5x (1.6x s.d. higher than Delta's past 15-year average valuation) applied to our 2028E EPS and discounted back to 2027 at a CoE of 11%.

Key downside risks: (1) slower-than-expected AI server power consumption growth momentum, (2) potential market share loss risk in AI server DC-DC power system or the potential design change on AI server DC-DC system, and (3) slower than expected of future products deployment, including power rack, SST and SOFC.

Disclosure Appendix

Reg AC

We, Chao Wang, Allen Chang and Al Wang, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

Contributing Authors: Chao Wang Goldman Sachs (Asia) L.L.C., Taipei Branch, Allen Chang Goldman Sachs (Asia) L.L.C., Al Wang Goldman Sachs (Asia) L.L.C., Taipei Branch.

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Delta Electronics is/are relative to the other companies in its/their coverage universe: AWSC, Airtac International Group, Co-Tech Development Corp., Delta Electronics, Elite Material, GCE, Hiwin Corp., ITEQ Corp, Kinsus, Lotes, NYPCB, Taiwan Union Technology Corp., Unimicron Technology, Win Semiconductors Corp., Yageo Corp., Zhen Ding Technology Holding

Company-specific regulatory disclosures

The following disclosures relate to relationships between The Goldman Sachs Group, Inc. (with its affiliates, "Goldman Sachs") and companies covered by Goldman Sachs Global Investment Research and referred to in this research.

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Delta Electronics (NT$1,530.00)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Delta Electronics (NT$1,530.00)

Goldman Sachs had a non-securities services client relationship during the past 12 months with: Delta Electronics (NT$1,530.00)

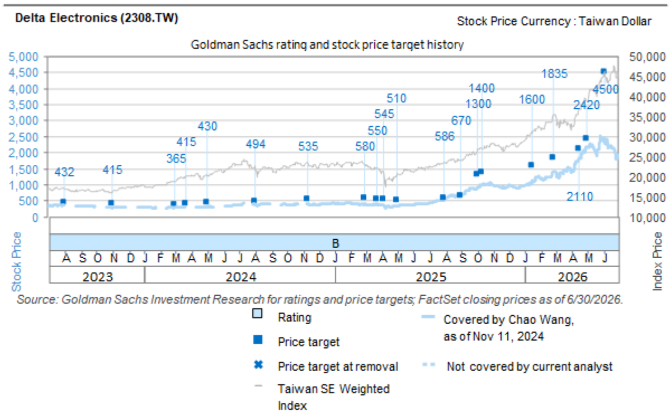
Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	59%	43%

As of July 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,104 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Price target and rating history chart(s)



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.

Target price history table(s)

Delta Electronics (2308.TW)

Date of report	Target price (NT$)	Closing price (NT$)
05-Jun-26	4,500.00	2,300.00
30-Apr-26	2,420.00	2,165.00
16-Apr-26	2,110.00	1,845.00
26-Feb-26	1,835.00	1,430.00
15-Jan-26	1,600.00	1,045.00
10-Oct-25	1,400.00	999.00
02-Oct-25	1,300.00	894.00
31-Aug-25	670.00	711.00
31-Jul-25	586.00	567.00
30-Apr-25	510.00	333.50
06-Apr-25	545.00	369.50
24-Mar-25	550.00	392.00
27-Feb-25	580.00	402.00
11-Nov-24	535.00	401.00
01-Aug-24	494.00	424.00
02-May-24	430.00	309.50
21-Mar-24	415.00	338.00
01-Mar-24	365.00	293.50
01-Nov-23	415.00	287.00
01-Aug-23	432.00	372.50

Price targets shown in table(s) are unadjusted for corporate actions.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details, a copy of the annual compliance audit report and other relevant information and disclosures can be found at this link: https://www.goldmansachs.com/worldwide/india/research-analyst. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Ratings, coverage universe and related definitions

Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Early-Stage Biotech, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction Lists, which are selected from Buy rated stocks on the respective region's Investment Lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction Lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.

Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, and in certain other circumstances. **Early-Stage Biotech (ES).** An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company has neither a drug, treatment or medical device that has passed a Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device. **Rating Suspended (RS).** Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS).** Goldman Sachs has suspended coverage of this company. **Not Covered (NC).** Goldman Sachs does not cover this company.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.goldmansachs.com/disclosures/cftc_fcm_disclosures. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY