Delta Electronics (2308.TW)

GM and revenue to see sequential growth in 4Q26E, further expansion by 30%+ in 5Y; Reiterate Buy

2308.TW	12m Price Target: **NT$4,120.00**	Price: **NT$1,335.00**	Upside: **208.6%**

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 takeaways from Delta's results call (October 29th) include:

(1) Management expects both revenue and GM to go up sequentially in 4Q26, with some price adjustment likely to occur in 4Q26/1Q27. 4Q GM could further improve due to some reversal in inventory write-offs, as the weaker-than-expected 3Q26 GM was primarily due to the large inventory write-offs with ~2.0ppt negative impact (we observed a sharp expansion in GM by 3.2ppt in 2024 following significant inventory write-offs of ~2.0ppt in 2023). Looking ahead, we continue to see increasing AI exposure for Delta to support the GM expansion (2026E GM at 36.1% per GSe vs. 34.3% in 2025).

(2) The company's BOD has approved building a new large-scale production site in Penang, Malaysia, and expect the site to reach similar scale as the Thailand operations within 5Y, subject to market demand (Thailand accounts for 30%+ of Delta's total capacity per our estimate).

(3) For HVDC products, the company started to see some initial shipment for +-400VDC solution, which is in line with expectation and mentioned that 800VDC solution is driven by Nvidia that is progressing more slowly (we expect 800VDC contribution to increase sharply along with the ramp up of next-generation AI server in 2H27). The company is positive that datacenters architecture will migrate increasingly toward HVDC in the longer term, but did mention some near term risk in the pace of deployment due to the shortage of skilled labor.

(4) In terms of new products, Delta mentioned SOFC product will enter MP in 2027E, with the first production line having capacity of 100MW+ (equivalent to US$300-400mn revenue contribution if fully utilized per GSe), which is mainly for sampling with clients. Several large clients have expressed interest in testing the new product, further capacity expansion will depend on successful verification, with equipment procurement requiring 6-10M (the company could

Key Data

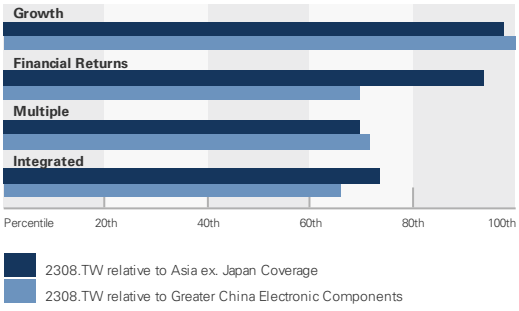
Market cap: NT$3.5tr / $106.4bn
Enterprise value: NT$3.5tr / $105.9bn
3m ADTV: NT$21.3bn / $666.4mn
Taiwan
Greater China Electronic Components
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (NT$ mn) New	**554,885.2**	**761,021.1**	**1,130,676.6**	**2,091,190.6**
Revenue (NT$ mn) Old	554,885.2	768,416.3	1,140,640.4	2,082,620.0
EBITDA (NT$ mn)	111,771.1	162,046.7	296,938.1	648,599.0
EPS (NT$) New	**23.14**	**39.43**	**73.32**	**172.20**
EPS (NT$) Old	23.14	40.49	75.23	172.30
P/E (X)	26.0	33.9	18.2	7.8
P/B (X)	5.8	10.9	8.4	5.4
Dividend yield (%)	1.9	1.5	2.7	6.4
CROCI (%)	31.3	29.1	39.6	67.2

	9/26	12/26E	3/27E	6/27E
EPS (NT$)	9.14	12.70	12.47	16.72

GS Factor Profile



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

Goldman Sachs does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html. Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.

BUY

Delta Electronics (2308.TW)

Rating since Oct 24, 2018

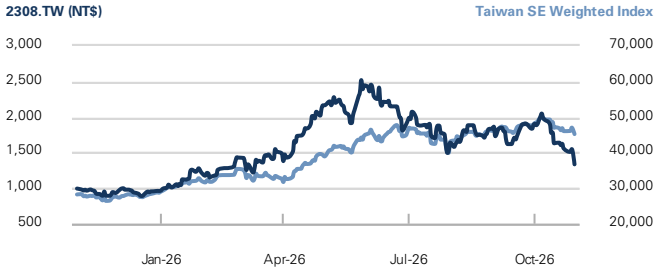
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	26.0	33.9	18.2	7.8
P/B (X)	5.8	10.9	8.4	5.4
FCF yield (%)	3.2	(0.4)	1.8	5.0
EV/EBITDAR (X)	13.4	21.3	11.6	5.2
EV/EBITDA (excl. leases) (X)	13.4	21.3	11.6	5.2
CROCI (%)	31.3	29.1	39.6	67.2
ROE (%)	24.1	34.9	51.9	85.0
Net debt/equity (%)	(39.2)	(21.6)	(19.5)	(24.1)
Net debt/equity (excl. leases) (%)	(39.2)	(21.6)	(19.5)	(24.1)
Interest cover (X)	39.3	40.1	39.6	60.9
Days inventory outst, sales	61.0	56.3	51.6	44.8
Receivable days	71.4	70.0	66.9	61.6
Days payable outstanding	81.9	67.9	55.7	51.1
DuPont ROE (%)	18.5	26.5	38.4	60.0
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$)	402,630.9	532,944.5	658,636.0	859,551.9
Average capital employed (NT$)	196,978.7	250,247.9	350,883.6	482,620.4
BVPS (NT$)	103.20	122.91	159.57	245.67

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	31.8	37.1	48.6	85.0
EBITDA growth	53.8	45.0	83.2	118.4
EPS growth	70.6	70.4	86.0	134.8
DPS growth	65.7	69.9	86.0	134.8
EBIT margin	15.1	18.0	23.7	29.4
EBITDA margin	20.1	21.3	26.3	31.0
Net income margin	10.8	13.5	16.8	21.4

Price Performance



	3m	6m	12m
Absolute	(12.7)%	(38.3)%	32.2%
Rel. to the Taiwan SE Weighted Index	(22.9)%	(46.9)%	(17.3)%

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

Income Statement (NT$ mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	554,885.2	761,021.1	1,130,676.6	2,091,190.6
Cost of goods sold	(364,728.6)	(486,352.5)	(681,327.6)	(1,190,308.3)
SG&A	(57,481.8)	(72,976.6)	(89,659.5)	(130,638.8)
R&D	(48,742.7)	(64,912.2)	(92,218.2)	(155,311.3)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**111,771.1**	**162,046.7**	**296,938.1**	**648,599.0**
Depreciation & amortization	(27,839.1)	(25,266.9)	(29,466.9)	(33,666.9)
EBIT	**83,932.1**	**136,779.8**	**267,471.2**	**614,932.2**
Net interest inc./(exp.)	1,578.5	1,369.8	(1,944.1)	(3,435.1)
Income/(loss) from associates	0.0	–	–	–
Pre-tax profit	**87,866.0**	**145,181.3**	**267,471.2**	**615,932.2**
Provision for taxes	(19,929.7)	(33,143.0)	(62,617.5)	(142,198.9)
Minority interest	(7,827.9)	(9,625.0)	(14,390.1)	(26,441.5)
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**60,108.4**	**102,413.3**	**190,463.6**	**447,291.8**
Post-tax exceptionals	–	–	–	–
Net inc. (post-exceptionals)	**60,108.4**	**102,413.3**	**190,463.6**	**447,291.8**
EPS (basic, pre-except) (NT$)	**23.14**	**39.43**	**73.32**	**172.20**
EPS (diluted, pre-except) (NT$)	**23.14**	**39.43**	**73.32**	**172.20**
EPS (basic, post-except) (NT$)	**23.14**	**39.43**	**73.32**	**172.20**
EPS (diluted, post-except) (NT$)	**23.14**	**39.43**	**73.32**	**172.20**
DPS (NT$)	11.60	19.71	36.66	86.10
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	151,957.1	210,354.4	338,192.7
Accounts receivable	125,020.2	166,799.1	247,819.5	458,343.1
Inventory	101,478.3	133,247.3	186,665.1	326,111.9
Other current assets	18,110.1	18,110.1	18,110.1	18,110.1
Total current assets	**395,780.8**	**470,113.6**	**662,949.2**	**1,140,757.9**
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**	**758,684.6**	**992,053.3**	**1,506,195.1**
Accounts payable	94,451.5	86,610.7	121,332.3	211,972.7
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	133,924.5	177,949.7	306,363.8
Total current liabilities	**209,665.0**	**222,899.3**	**301,646.1**	**520,700.6**
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**	**372,463.9**	**496,210.7**	**760,265.2**
Preferred shares	1.0	1.0	1.0	1.0
Total common equity	268,058.0	319,264.6	414,496.4	638,142.3
Minority interest	**57,331.0**	**66,956.0**	**81,346.1**	**107,787.6**
Total liabilities & equity	**639,618.6**	**758,684.6**	**992,053.3**	**1,506,195.1**
Net debt, adjusted	(127,664.4)	(83,449.3)	(96,846.7)	(179,685.0)

Cash Flow (NT$ mn)

	12/25	12/26E	12/27E	12/28E
Net income	60,108.4	102,413.3	190,463.6	447,291.8
D&A add-back	27,839.1	25,266.9	29,466.9	33,666.9
Minority interest add-back	7,827.9	9,625.0	14,390.1	26,441.5
Net (inc)/dec working capital	(24,348.1)	(81,388.7)	(99,716.6)	(259,330.0)
Other operating cash flow	27,047.0	–	–	–
Cash flow from operations	**98,474.3**	**55,916.4**	**134,603.9**	**248,070.1**
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)	(51,206.6)	(95,231.8)
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**	**(6,206.6)**	**(50,231.8)**
Total cash flow	**33,712.9**	**784.9**	**58,397.3**	**127,838.3**
Free cash flow	52,383.0	(14,083.6)	64,603.9	178,070.1

Source: Company data, Goldman Sachs Research estimates.

expand its SOFC capacity by multiple times within 1Y per our estimates).

(5) Delta mentioned that order visibility has extended further and noted that datacenter deployment plans are now extended into 2030E. However, the company's near-term revenue and GM performance remains sensitive to the pace of client order pull-ins. Datacenter deployment could face delays in the near term due to geopolitical risk and shortage of components/labor/electricity, potentially leading to greater volatility in the company's financial performance.

(6) The company mentioned that AI already accounted for 50%+ of total revenue (tracking faster than previous target of 25%+) and expects liquid cooling related products to account for 13% of total revenue in 2026 (higher than previous target of 12%+).

Investment view

We maintain our positive view on Delta's revenue/profitability outlook over the coming years, underpinned by its increasing exposure in AI (see here). We now expect GM/OPM will expand by 8ppt+/14ppt+ in 2028 vs. 2025, due to the increasing contribution from the high margin AI power products (expand from 9% in 2025 to 69% in 2028E). We believe the GM contraction in 3Q26 is manageable, with potential reversals of inventory write-offs providing additional upside to margins going forward (historically, the company saw solid GM expansion in 2020/2024 following significant inventory write-offs in 2019/2023). Meanwhile, with contributions from HVDC power racks to ramp up from 3Q26 and order visibility extending further, we expect 3Q26 GM of 34.2% to mark the low point in 2026-28E, and we expect sequential GM expansion in every subsequent quarter through 2028.

We believe Delta is well-positioned to capture a leading market share in the HVDC power rack market (50-70% market share in 2027-2030E per our estimates) supported by its industry leading AC to DC conversion capabilities. With its latest expansion in Malaysia that is expected to reach similar scale as Thailand operations in 5Y time frame (Thailand is currently the largest manufacturing hub for Delta), we believe Delta could maintain its leading market share in the HVDC power rack market with its time to market capacity. We expect HVDC solution to be the key revenue/profitability driver going forward as its dollar content per watt to be 3x+ more than the company's current key PSU products.

The company continues to make progress with its new SOFC products and is expected to ramp up in 2027 with initial capacity of 100MW+. We expect each additional 100MW of fully utilized SOFC capacity could contribute ~1% to Delta's 2027E revenue. We believe Delta could capture some market share amid the electricity shortage environment, as SOFC offers an attractive alternative power solution given its speed-to-power, reliability, and deployment flexibility (see here).

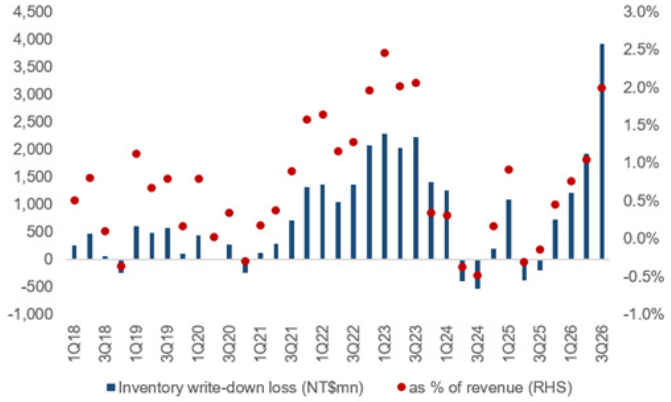
Overall, we maintain our positive view on Delta's long term growth prospects, supported by its leading position in the most critical segment of the AI datacenter power industry. We expect the company to sustain solid earnings growth over the coming year. Maintain our Buy rating on Delta and 12m TP at NT$4,120.

3Q26 earnings recap

Delta's 3Q26 core business (OPI) was 18/16% lower than both GSe/BBG consensus while

3Q26 GM missed GSe/BBG consensus by 3.2/2.0ppt as 3Q26 GM was affected by a ~2.0ppt impact from an inventory write-off. On earnings, Delta's 3Q net income was 16% lower than GSe mainly due to the GM miss.

Exhibit 1: Delta recorded a significant inventory write-off in 3Q26, impacting GM by ~2.0ppt



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: Delta 3Q26 result comp table

Delta (2308.TW)	3Q26			QoQ		YoY		Bloomberg consensus	
P&L (NT$mn)	Actual	GS est.	Diff (%)	2Q26	QoQ	3Q25	YoY	Consensus	%
Revenue	197,059	206,674	-5%	183,256	8%	150,318	31%	206,722	-5%
Gross profits	67,155	77,065	-13%	65,308	3%	52,416	28%	74,514	-10%
Operating profits	32,620	39,864	-18%	30,570	7%	24,809	31%	39,031	-16%
Pre-tax income	33,666	40,114	-16%	35,000	-4%	26,983	25%	40,801	-17%
Net earnings	23,495	27,805	-16%	25,137	-7%	18,606	26%	29,599	-21%
EPS, NT$	9.04	10.71	-16%	9.68	-7%	7.16	26%	10.43	-13%
Gross margin (%)	34.1%	37.3%	-3.2ppt	35.6%	-1.6ppt	34.9%	-0.8ppt	36.0%	-2.0ppt
EBIT margin (%)	16.6%	19.3%	-2.7ppt	16.7%	-0.1ppt	16.5%	0.0ppt	18.9%	-2.3ppt
Net margin (%)	11.9%	13.5%	-1.5ppt	13.7%	-1.8ppt	12.4%	-0.5ppt	14.3%	-2.4ppt

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

Earnings revisions

We revise down our 2026E EPS by 3% by factoring the actual 3Q26 results and revise down 2027E EPS by 3% by applying a more conservative margin assumption for the Power Electronics business due to rising material cost (we revise down our 2026/27/28E GM by 0.9/0.6/0.2ppt), and expecting some negative impact in shipments due to the potential shortage in materials (we revise down revenue estimates by 1/2% for 2026/27E).

In this report, we introduce our 2029E estimates.

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.	2029E New
Sales	761,021	768,416	-1%	1,130,677	1,140,640	-1%	2,091,191	2,082,620	0%	3,095,440
Gross Profit	274,669	283,949	-3%	449,349	459,861	-2%	900,882	901,377	0%	1,388,356
EBIT	136,780	142,022	-4%	267,471	274,806	-3%	614,932	616,957	0%	987,689
Net Income	102,413	105,181	-3%	190,464	195,420	-3%	447,292	447,569	0%	720,384
EPS (NT$)	**39.43**	**40.49**	-3%	**73.32**	**75.23**	-3%	**172.20**	**172.30**	0%	**277.33**
Ratio analysis										
Gross margin	36.1%	37.0%	-0.9pp	39.7%	40.3%	-0.6pp	43.1%	43.3%	-0.2pp	44.9%
EBIT margin	18.0%	18.5%	-0.5pp	23.7%	24.1%	-0.4pp	29.4%	29.6%	-0.2pp	31.9%
Net margin	13.5%	13.7%	-0.2pp	16.8%	17.1%	-0.3pp	21.4%	21.5%	-0.1pp	23.3%

Source: Company data, Goldman Sachs Global Investment Research

Valuation

We reiterate our Buy rating on Delta with an unchanged 12-m TP of NT$4,120, 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$mn	1Q26	2Q26	3Q26	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	1Q28E	2Q28E	3Q28E	4Q28E	2025	2026E	2027E	2028E	2029E
Revenue	159,353	183,256	197,059	221,354	221,563	264,182	303,457	341,474	414,546	476,419	556,972	643,254	554,885	761,021	1,130,677	2,091,191	3,095,440
Gross profit	58,961	65,308	67,464	82,936	86,194	104,211	120,836	138,107	173,810	204,761	241,463	280,849	190,157	274,669	449,349	900,882	1,388,356
Operating expense	(30,544)	(34,738)	(34,535)	(38,073)	(38,552)	(43,854)	(45,519)	(53,953)	(67,156)	(67,652)	(70,735)	(80,407)	(106,224)	(137,889)	(181,878)	(285,950)	(400,667)
Operating income	28,417	30,570	32,929	44,863	47,642	60,357	75,318	84,154	106,653	137,110	170,727	200,442	83,932	136,780	267,471	614,932	987,689
Pretax income	31,093	35,000	33,976	45,113	47,642	60,357	75,318	84,154	106,903	137,360	170,977	200,692	87,866	145,181	267,471	615,932	987,689
Taxes expense	(7,258)	(7,831)	(7,678)	(10,376)	(10,958)	(14,184)	(17,700)	(19,776)	(25,122)	(31,593)	(39,325)	(46,159)	(19,930)	(33,143)	(62,618)	(142,199)	(227,168)
Net income	20,556	25,137	23,734	32,987	32,374	43,433	53,957	60,699	74,614	101,418	125,677	145,583	60,108	102,413	190,464	447,292	720,384
EPS, NT$	**7.91**	**9.68**	**9.14**	**12.70**	**12.47**	**16.72**	**20.78**	**23.37**	**28.73**	**39.05**	**48.39**	**56.05**	**23.14**	**39.43**	**73.32**	**172.20**	**277.33**
Ratio analysis and assumption																	
As % of sales																	
Gross margin	37.0%	35.6%	34.2%	37.5%	38.9%	39.4%	39.8%	40.4%	41.9%	43.0%	43.4%	43.7%	34.3%	36.1%	39.7%	43.1%	44.9%
Operating expense ratio	19.2%	19.0%	17.5%	17.2%	17.4%	16.6%	15.0%	15.8%	16.2%	14.2%	12.7%	12.5%	19.1%	18.1%	16.1%	13.7%	12.9%
Operating margin	17.8%	16.7%	16.7%	20.3%	21.5%	22.8%	24.8%	24.6%	25.7%	28.8%	30.7%	31.2%	15.1%	18.0%	23.7%	29.4%	31.9%
Net margin	12.9%	13.7%	12.0%	14.9%	14.6%	16.4%	17.8%	17.8%	18.0%	21.3%	22.6%	22.6%	10.8%	13.5%	16.8%	21.4%	23.3%
QoQ growth (%)																	
Revenue	-1%	15%	8%	12%	0%	19%	15%	13%	21%	15%	17%	15%	-	-	-	-	-
Gross profit	5%	11%	3%	23%	4%	21%	16%	14%	26%	18%	18%	16%	-	-	-	-	-
Operating income	8%	8%	8%	36%	6%	27%	25%	12%	27%	29%	25%	17%	-	-	-	-	-
Net income	19%	22%	-6%	39%	-2%	34%	24%	12%	23%	36%	24%	16%	-	-	-	-	-
YoY growth (%)																	
Revenue	34%	48%	31%	37%	39%	44%	54%	54%	87%	80%	84%	88%	32%	37%	49%	85%	48%
Gross profit	56%	48%	29%	48%	46%	60%	79%	67%	102%	96%	100%	103%	39%	44%	64%	100%	54%
OPEX	29%	37%	25%	29%	26%	26%	32%	42%	74%	54%	55%	49%	19%	30%	32%	57%	40%
Operating income	102%	64%	33%	70%	68%	97%	129%	88%	124%	127%	127%	138%	76%	63%	96%	130%	61%
Net income	101%	80%	28%	90%	57%	73%	127%	84%	130%	134%	133%	140%	71%	70%	86%	135%	61%

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: AVC, AWSC, Airtac International Group, Asus, Auras, Chenbro, Co-Tech Development Corp., Compal, Delta Electronics, E Ink, Elite Material, Fositek, GCE, Gigabyte, HTC Corp., Hiwin Corp., ITEQ Corp, Inventec, Kinsus, Lotes, NYPCB, Pegatron, Quanta, Shengyi Tech, Shennan Circuits, Taiwan Union Technology Corp., Unimicron Technology, Victory Giant, WNC, WUS, 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$1,335.00)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Delta Electronics (NT$1,335.00)

Goldman Sachs had a non-securities services client relationship during the past 12 months with: Delta Electronics (NT$1,335.00)

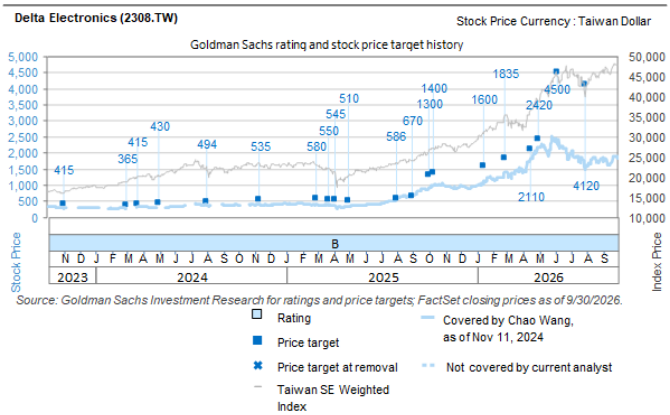
Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	58%	43%

As of October 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,094 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$)	Closing price (NT$)
30-Jul-26	4,120.00	1,530.00
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

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; registered market maker. 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, make a market or act as liquidity provider in, and buy or sell, any securities, derivatives, or other financial instruments referred to in this research (including any financial instruments issued by the companies referred to herein), 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

10282.

© 2026 Goldman Sachs.

You are permitted to store, display, analyze, modify, reformat, and print the information made available to you via this service only for your own use. You may not resell or reverse engineer this information to calculate or develop any index for disclosure and/or marketing or create any other derivative works or commercial product(s), data or offering(s) without the express written consent of Goldman Sachs. You are not permitted to publish, transmit, or otherwise reproduce this information, in whole or in part, in any format to any third party without the express written consent of Goldman Sachs. You may not use, extract, download or retrieve this information, in whole or in part, to train, finetune, adjust, influence the weights or behavior of, or otherwise develop or improve a machine learning or artificial intelligence model or system, or provide or reproduce this information, in whole or in part, as a prompt or input to any such system without the express written consent of Goldman Sachs. Furthermore, you may not bulk download this information, or employ any robot, spider, crawler, scraper, automated agent, or other electronic means to scrape, harvest, extract, or retrieve this information, without the express written consent of Goldman Sachs. A breach of the above terms may result in termination of your right to access this service.