

Potential winner under new government

- Solid 4Q25 as expected on healthy demand and margin
- Margin-driven growth in 2026 and capacity-driven growth in 2027
- Maintain BUY and raised our TP to THB7.4

As strong as it should be in 4Q25

4Q25 net profit (NP) of THB395m (+21% q-q, +10% y-y), on higher revenue to THB7.2b (+8% q-q, -19% y-y), driven by weaker sales in domestic to be offset by higher overseas markets. EBITDA was THB427m, down 17% q-q and 38% y-y and EBITDA margin dipped to 5.9%, down from 7.7% in 3Q25 and 7.7% in 4Q24. Interest expense dipped to THB135m, down 2% q-q and 4% y-y. Core net profit was THB227m, down 33% q-q and 53% y-y. Revenue from domestic market dropped by 34% y-y to THB4.3b while revenue from export surged to THB3.0b, up 24% y-y.

Solid 2025 performance as expected

2025 NP grew to THB1.9b, up 13% y-y, driven by higher sales volume to boost revenue to THB30.2b (+10% y-y), which included a one-time THB127m insurance claim booked in 4Q25. Revenue from sales from domestic market grew 5% y-y to THB21.5b and export up by 26% y-y to THB8.8b. Sales volume rose to 475kt in 2025, up from 439kt in 2024 thanks to stronger demand and NER's superior marketing strategy to secure demands in domestic market, mostly from Chinese rubber tire producers. Gross profit margin dipped to 9.7% in 2025, down from 10.1% in 2024 on the y-y lower selling price.

Price upside in 2026E and volume upside in 2027E

We project NER will expand its capacity by 30% to 0.82mtpa, up from current 0.51mtpa, to be completed in 2Q27 (0.15mtpa) and 3Q27 (0.15mtpa), a 6-month delay from its original plan. Yet as the rubber price is now heading on the uptrend after recent plunge, we think NER will benefit from the wider margins in 2026 before reaping gains from capacity expansion in 2027.

Silver lining growth for NER's rubber for auto demands

We believe NER is one of Thailand's attractive investments in "Thailand's agriculture and auto ventures" as the new government, led by the capable Ministers of Commerce/Agriculture under Phum Jai Thai party to potentially accelerate exports of Thai agricultural products as well as domestic investments and demands for agricultural and automotive industries, two of Thailand's industry backbones.

Maintain BUY; TP raise to THB7.4

We maintain BUY and raise our TP from THB6.3 to THB7.4, based on 7x 2026E P/E as we roll over valuation to 2026. We believe NER's capability of ramping up sales volume from 475kt in 2025 to 500kt in 2026 and its timely capacity expansion to capture higher rubber price 2027 will catalyze NER's share price to our TP.

Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

| | |
|-------------------------------|-------------|
| Target Price 12M (THB) | 7.40 |
| VS. BB Consensus TP (%) | +11.3% |
| Share Price (THB) | 5.30 |
| Upside/Downside | +20.8% |

Share Data

| | |
|--------------------------|----------|
| Market Cap (THB m) | 9,793.29 |
| Par (THB) | 0.50 |
| Free Float (%) | 63.75 |
| Issued shares (m shares) | 1,848 |

Financial forecast

| YE Dec (THB m) | 2025 | 2026E | 2027E | 2028E |
|----------------------------|--------|--------|--------|--------|
| Revenue | 30,240 | 35,854 | 48,450 | 52,765 |
| Net profit | 1,885 | 1,959 | 2,781 | 2,944 |
| Core net profit | 1,652 | 1,959 | 2,781 | 2,944 |
| vs Consensus (%) | | 1.3 | 26.4 | 5.1 |
| Net profit growth (%) | 14.0 | 4.0 | 41.9 | 5.9 |
| Core net profit growth (%) | (1.1) | 18.6 | 41.9 | 5.9 |
| EPS (THB) | 1.02 | 1.06 | 1.51 | 1.59 |
| Core EPS (THB) | 0.89 | 1.06 | 1.51 | 1.59 |
| Chg from previous (%) | | 0.52 | 8.87 | na |
| DPS (THB) | 0.36 | 0.53 | 0.75 | 0.80 |
| P/E (x) | 4.39 | 5.00 | 3.52 | 3.33 |
| P/BV (x) | 0.85 | 0.88 | 0.75 | 0.67 |
| ROE (%) | 20.71 | 18.79 | 23.02 | 21.31 |
| Dividend yield (%) | 8.04 | 10.00 | 14.20 | 15.03 |

Source: Financial Statement and Globlex securities

Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|--------------------|--------|-------|-------|-------------|
| Stock | 10.88 | 26.19 | 19.37 | 18.30 |
| Market | (3.57) | 9.27 | 1.11 | 1.61 |
| 12M High/Low (THB) | | | | 5.35 / 3.88 |



Major Shareholders (%) as of 25 Aug 2025

| | |
|-----------------------------|-------|
| Mr. Chuwit Jungtanasomboon | 21.93 |
| Mr. Jirayut Jungtanasomboon | 3.47 |
| Miss Aphisak Theppadungporn | 1.31 |

Company Profile

Manufactures and distributes Ribbed Smoked Sheet, Standard Thai Rubber and Mixtures Rubber for manufacturers in automotive industry and traders

Source: SETSMART, SET

GLOBLEX SECURITIES PUBLIC COMPANY LIMITED WILL BE ENGAGED TO ACT, IS ACTING AS OR HAS BEEN ACTING AS ONE OF UNDERWRITERS AND IS EXPECTED TO BE ENGAGED AS A CO UNDERWRITER THE OFFERING OF DEBT INSTRUMENTS

Exhibit 1: Summary of 4Q25/2025 operations

| | 4Q24 | 3Q25 | ----- 4Q25 ----- | | | 2024 | 2025 | chg. (y-y%) |
|------------------------|--------------|--------------|------------------|---------------|---------------|---------------|---------------|----------------|
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | |
| Revenue | 8,934 | 6,727 | 7,231 | 7.5 | (19.1) | 27,448 | 30,240 | 10.2 |
| Operating costs | (8,250) | (6,211) | (6,804) | (9.5) | 17.5 | (25,020) | (28,014) | (12.0) |
| EBITDA | 684 | 517 | 427 | (17.3) | (37.6) | 2,429 | 2,226 | (8.3) |
| EBITDA margin (%) | 7.7 | 7.7 | 5.9 | na | na | 8.8 | 7.4 | na |
| Depn & amort. | (62) | (59) | (55) | 6.4 | (10.6) | (232) | (235) | (1.2) |
| EBIT | 622 | 458 | 372 | (18.7) | (40.2) | 2,197 | 1,991 | (9.4) |
| Interest expense | (129) | (137) | (135) | 1.8 | 4.1 | (469) | (548) | (16.8) |
| Interest & invt inc | - | - | - | na | na | - | - | na |
| Other income | 3 | 4 | 9 | 157.4 | 253.7 | (30) | 190 | 728.1 |
| Associates' contrib | - | - | - | na | na | - | - | na |
| Exceptionals | (125) | (12) | 183 | 1,630.5 | (247.1) | 29 | 79 | 177.7 |
| Pretax profit | 371 | 312 | 430 | 37.7 | 15.9 | 1,708 | 1,945 | 13.9 |
| Tax | (12) | 14 | (35) | (342.8) | 196.9 | (55) | (60) | (8.8) |
| Tax rate (%) | 3.2 | (4.6) | 8.1 | 276.3 | 156.2 | 3.2 | 3.1 | (4.5) |
| Minority interests | - | - | - | na | na | - | - | na |
| Net profit | 359 | 327 | 395 | 21.0 | 10.0 | 1,652 | 1,885 | 14.0 |
| Non-recurring | (121) | (13) | 169 | 1,444.9 | (239.6) | (18) | 232 | 1,389.2 |
| Core net profit | 480 | 339 | 227 | (33.2) | (52.8) | 1,670 | 1,652 | (1.1) |
| EPS (THB) | 0.22 | 0.20 | 0.24 | 21.0 | 10.0 | 0.89 | 1.02 | 14.0 |
| Core EPS (THB) | 0.30 | 0.21 | 0.14 | (33.2) | (52.8) | 0.90 | 0.89 | (1.1) |

Sources: NER; Globlex Research

Exhibit 2: 4Q25/2025 key performance

| | 4Q24 | 3Q25 | 4Q25 | (q-q%) | (y-y%) | 2024 | 2025 | (y-y%) |
|------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|-------------|
| Revenue by product | 7,125 | 5,000 | 4,659 | (6.8) | (34.6) | 27,445 | 30,231 | 10.2 |
| RSS | 1,146 | 761 | 756 | (0.7) | (34.0) | 4,018 | 3,465 | (13.8) |
| RSS-Mixture | 7,246 | 669 | 615 | (8.1) | (91.5) | 14,302 | 16,669 | 16.6 |
| STR20 | (68) | 3,570 | 3,288 | (7.9) | (4,935.3) | 5,850 | 7,003 | 19.7 |
| STR-Mixture | 610 | 1,727 | 2,567 | 48.6 | 320.8 | 3,275 | 3,094 | (5.5) |
| Revenues by Geography | 8,936 | 6,727 | 7,231 | 7.5 | (19.1) | 27,448 | 30,241 | 10.2 |
| Domestic | 6,547 | 5,029 | 4,259 | (15.3) | (34.9) | 20,485 | 21,453 | 4.7 |
| Export | 2,389 | 1,698 | 2,972 | 75.0 | 24.4 | 6,963 | 8,788 | 26.2 |

Sources: NER; Globlex Research

Exhibit 3: Key changes in assumptions and EPS forecasts

| THB m | Current | | | Previous | | | Change (%) | | |
|--------------------------------------|---------|---------|---------|----------|---------|---------|------------|-------|--------|
| | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E |
| Revenue | 35,854 | 48,450 | 52,765 | 44,132 | 52,369 | 59,337 | (18.8) | (7.5) | (11.1) |
| Gross profit | 3,429 | 4,925 | 5,367 | 4,187 | 5,323 | 6,036 | (18.1) | (7.5) | (11.1) |
| Operating profit | 2,593 | 3,762 | 4,113 | 3,125 | 4,067 | 4,625 | (17.0) | (7.5) | (11.1) |
| Net profit | 1,959 | 2,781 | 2,945 | 1,949 | 2,554 | 2,797 | 0.5 | 8.9 | 5.3 |
| EPS (THB/share) | 1.06 | 1.51 | 1.59 | 1.05 | 1.38 | 1.51 | 0.5 | 8.9 | 5.3 |
| Key assumptions | | | | | | | | | |
| Average utilisation rate (%) | 63.6 | 86.1 | 93.9 | 80.8 | 93.1 | 105.6 | (17.2) | (7.0) | (11.7) |
| Total sales volume (ton) | 531,840 | 719,860 | 784,264 | 675,280 | 778,080 | 882,080 | (21.2) | (7.5) | (11.1) |
| Average selling price (THB/kg) | 67.4 | 67.3 | 67.3 | 65.4 | 67.3 | 67.3 | 3.2 | (0.0) | 0.0 |
| RSS Price (THB/kg) | 70.0 | 70.0 | 70.0 | 68.0 | 70.0 | 70.0 | 2.9 | 0.0 | 0.0 |
| STR20 and STR-Mixture price (THB/kg) | 67.0 | 67.0 | 67.0 | 65.0 | 67.0 | 67.0 | 3.1 | 0.0 | 0.0 |
| RSS-Mixture price (THB/kg) | 68.0 | 68.0 | 68.0 | 66.0 | 68.0 | 68.0 | 3.0 | 0.0 | 0.0 |

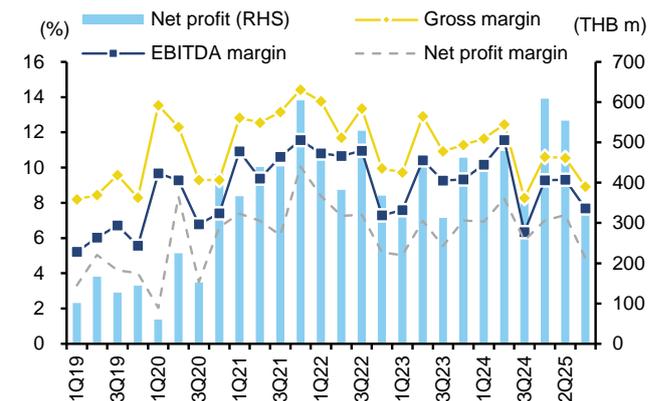
Sources: NER: Globlex Research

Exhibit 4: Rubber futures price



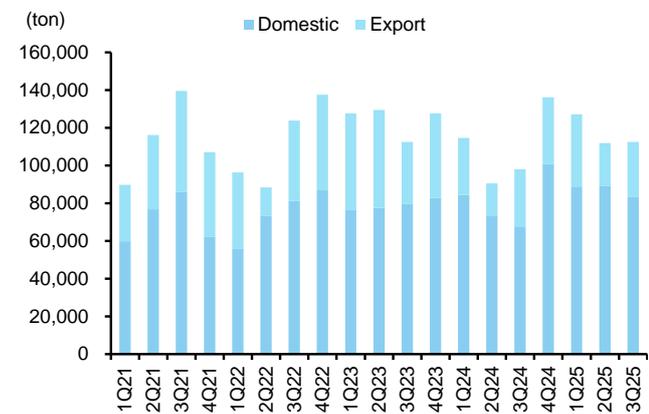
Sources: Trading Economics

Exhibit 5: Net profit vs margins



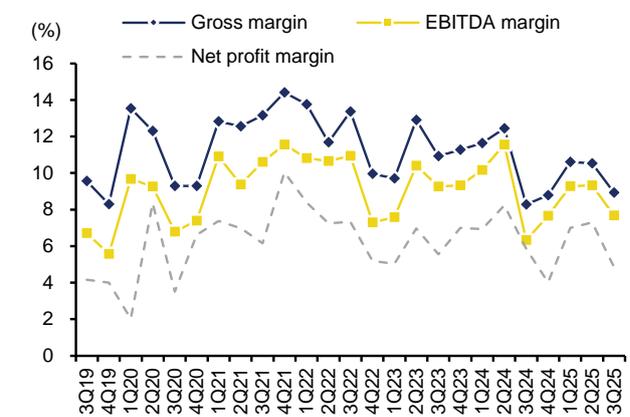
Sources: NER: Globlex Research

Exhibit 6: Sales volume breakdown by domestic vs export



Sources: NER: Globlex Research

Exhibit 7: Key margins



Sources: NER: Globlex Research

| Balance sheet (THB m) | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Current assets | | | | | |
| Cash & ST investment | 221 | 60 | 4,952 | 6,871 | 5,561 |
| Account receivable | 805 | 917 | 1,050 | 1,229 | 1,425 |
| Inventories | 16,213 | 17,029 | 20,391 | 27,372 | 29,807 |
| Others | 30 | 2 | 2 | 3 | 3 |
| Non-current assets | | | | | |
| Net fixed assets | 1,683 | 1,515 | 2,120 | 2,502 | 2,827 |
| Others | 506 | 483 | 483 | 483 | 483 |
| Total Assets | 19,457 | 20,005 | 28,998 | 38,459 | 40,105 |
| Current liabilities | | | | | |
| Account payable | 247 | 244 | 292 | 392 | 427 |
| ST borrowing | 5,209 | 5,541 | 5,541 | 5,541 | 5,541 |
| Others | 78 | 3 | 4 | 5 | 6 |
| Long-term liabilities | | | | | |
| Long-term debts | 5,257 | 4,455 | 11,955 | 19,455 | 19,455 |
| Others | 180 | 53 | 53 | 53 | 53 |
| Total liabilities | 10,969 | 10,298 | 17,846 | 25,448 | 25,483 |
| Paid-up capital | 924 | 924 | 924 | 924 | 924 |
| Retained earnings | 5,992 | 7,212 | 8,598 | 10,400 | 11,953 |
| Others | 1,572 | 1,572 | 1,630 | 1,688 | 1,746 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| Shareholders' equity | 8,488 | 9,707 | 11,152 | 13,011 | 14,622 |

| Key ratios | | | | | |
|----------------------------------|--------|-------|--------|--------|--------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Growth (y-y%) | | | | | |
| Sales | 9.6 | 10.2 | 18.6 | 35.1 | 8.9 |
| Operating profit | 5.1 | 2.0 | 5.5 | 45.1 | 9.3 |
| EBITDA | 4.0 | 2.0 | 4.8 | 47.8 | 8.6 |
| Net profit | 6.9 | 14.0 | 4.0 | 41.9 | 5.9 |
| Core net profit | 5.7 | (1.1) | 18.6 | 41.9 | 5.9 |
| EPS | 6.9 | 14.0 | 4.0 | 41.9 | 5.9 |
| Core EPS | 5.7 | (1.1) | 18.6 | 41.9 | 5.9 |
| Profitability (%) | | | | | |
| Gross margin | 11.0 | 10.5 | 9.6 | 10.2 | 10.2 |
| Operation margin | 8.8 | 8.1 | 7.2 | 7.8 | 7.8 |
| EBITDA margin | 7.9 | 7.4 | 6.5 | 7.1 | 7.1 |
| Net margin | 6.0 | 6.2 | 5.5 | 5.7 | 5.6 |
| ROE | 20.7 | 20.7 | 18.8 | 23.0 | 21.3 |
| ROA | 9.1 | 9.6 | 8.0 | 8.2 | 7.5 |
| Stability | | | | | |
| Interest bearing debt/equity (x) | 1.2 | 1.0 | 1.6 | 1.9 | 1.7 |
| Net debt/equity (x) | 1.2 | 1.0 | 1.1 | 1.4 | 1.3 |
| Interest coverage (x) | 5.1 | 4.5 | 5.7 | 5.4 | 5.0 |
| Interest & ST debt coverage (x) | 0.4 | 0.4 | 0.4 | 0.6 | 0.6 |
| Cash flow interest coverage (x) | (0.1) | 0.1 | (0.1) | (0.2) | 0.0 |
| Current ratio (x) | 3.1 | 3.1 | 4.5 | 6.0 | 6.2 |
| Quick ratio (x) | 0.2 | 0.2 | 1.0 | 1.4 | 1.2 |
| Net debt (THB m) | 10,244 | 9,937 | 12,545 | 18,126 | 19,436 |
| Activity | | | | | |
| Asset turnover (X) | 1.5 | 1.5 | 1.5 | 1.4 | 1.3 |
| Days receivables | 9.9 | 10.4 | 10.0 | 8.6 | 9.2 |
| Days inventory | 224.5 | 224.0 | 210.6 | 200.3 | 220.2 |
| Days payable | 3.4 | 3.3 | 3.0 | 2.9 | 3.2 |
| Cash cycle days | 231.0 | 231.1 | 217.6 | 206.0 | 226.2 |

| Profit & loss (THB m) | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Revenue | | | | | |
| Revenue | 27,448 | 30,240 | 35,854 | 48,450 | 52,765 |
| Cost of goods sold | (24,436) | (27,078) | (32,425) | (43,525) | (47,398) |
| Gross profit | 3,012 | 3,162 | 3,429 | 4,925 | 5,367 |
| Operating expenses | (601) | (704) | (836) | (1,163) | (1,254) |
| Operating profit | 2,411 | 2,458 | 2,593 | 3,762 | 4,113 |
| EBIT | 2,411 | 2,458 | 2,593 | 3,762 | 4,113 |
| Depreciation | (232) | (235) | (263) | (319) | (374) |
| EBITDA | 2,179 | 2,223 | 2,330 | 3,444 | 3,739 |
| Non-operating income | | | | | |
| Other incomes | (30) | 190 | 190 | 190 | 190 |
| Other non-op income | 29 | 79 | 0 | 0 | 0 |
| Non-operating expense | (469) | (548) | (454) | (701) | (824) |
| Interest expense | (469) | (548) | (454) | (701) | (825) |
| Other non-op expense | 0 | 0 | 0 | 0 | 1 |
| Equity income/(loss) | 0 | 0 | 0 | 0 | 0 |
| Pre-tax Profit | 1,708 | 1,945 | 2,066 | 2,933 | 3,105 |
| Extraordinary items | | | | | |
| Current taxation | (55) | (60) | (107) | (152) | (161) |
| Minorities | 0 | 0 | 0 | 0 | 0 |
| Net Profit | 1,652 | 1,885 | 1,959 | 2,781 | 2,945 |
| Core net profit | 1,670 | 1,652 | 1,959 | 2,781 | 2,944 |
| EPS (THB) | 0.89 | 1.02 | 1.06 | 1.51 | 1.59 |
| Core EPS (THB) | 0.90 | 0.89 | 1.06 | 1.51 | 1.59 |

| Cash flow (THB m) | | | | | |
|-----------------------------|--------------|-----------|------------|-----------|--------------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Operating cash flow | | | | | |
| Operating cash flow | (688) | 973 | (1,422) | (4,252) | 398 |
| Net profit | 1,652 | 1,885 | 1,959 | 2,781 | 2,945 |
| Depre. & amortization | 232 | 235 | 263 | 319 | 374 |
| Change in working capital | (2,423) | (977) | (3,447) | (7,059) | (2,596) |
| Others | (149) | (170) | (198) | (292) | (326) |
| Investment cash flow | | | | | |
| Investment cash flow | (488) | (701) | (1,063) | (1,261) | (1,360) |
| Net CAPEX | (151) | (67) | (700) | (700) | (700) |
| Change in LT investment | 99 | (104) | 0 | 0 | 0 |
| Change in other assets | (436) | (531) | (363) | (561) | (660) |
| Free cash flow | | | | | |
| Free cash flow | (1,175) | 272 | (2,485) | (5,513) | (962) |
| Financing cash flow | | | | | |
| Financing cash flow | 2,571 | (211) | 2,706 | 5,573 | 5,915 |
| Change in share capital | 0 | 0 | 58 | 58 | 58 |
| Net change in debt | 29 | 79 | 0 | 0 | 0 |
| Dividend paid | (573) | (573) | (573) | (980) | (1,391) |
| Others | 3,115 | 283 | 3,221 | 6,494 | 7,247 |
| Net cash flow | 1,396 | 61 | 221 | 60 | 4,952 |
| Per share (THB) | | | | | |
| EPS | 0.89 | 1.02 | 1.06 | 1.51 | 1.59 |
| Core EPS | 0.90 | 0.89 | 1.06 | 1.51 | 1.59 |
| CFPS | 1.02 | 1.15 | 1.20 | 1.68 | 1.80 |
| BVPS | 4.59 | 5.25 | 6.04 | 7.04 | 7.91 |
| Sales/share | 14.86 | 16.37 | 19.40 | 26.22 | 28.56 |
| EBITDA/share | 1.18 | 1.20 | 1.26 | 1.86 | 2.02 |
| DPS | 0.36 | 0.36 | 0.53 | 0.75 | 0.80 |
| Valuation | | | | | |
| P/E (x) | 5.43 | 4.39 | 5.00 | 3.52 | 3.33 |
| P/BV (x) | 1.06 | 0.85 | 0.88 | 0.75 | 0.67 |
| Dividend yield (%) | 7.41 | 8.04 | 10.00 | 14.20 | 15.03 |
| Dividend payout ratio (%) | 40 | 35 | 50 | 50 | 50 |

GENERAL DISCLAIMER Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.