

Thailand's AI insulator avenger

- EPG, along with DELTA, HANA, BCPG, WHAUP, now emerges as one of Thailand's AI avenger stocks
- Insulator demand growth from AI data center will be the key catalyst
- Maintain BUY and lifted TP to THB8.8

A world-class insulator producer in Thailand's avenger AI team

EPG now proves itself as the AI-driven company, with net profit estimated to be 2/3 from insulator unit Aeroflex, the product sold to AI data center and new factories. EPG, along with Thailand's DELTA (power supplies), HANA (thermoelectric cooling), BCPG (power in U.S.), and WHAUP (water for data center), all could see strong earnings growth momentums in the AI supercycle in 2026-28E.

Aeroflex's profits from strength to strength

In FY2026/27E onwards, we project EPG to see even higher portion of earnings generated from insulator at 65-75%, and later supported by the recovering net profits from Aeroklas (auto parts) and EPP (packaging) units. EPG's U.S.-based insulator production plant with a capacity of 8,000tpa should continue to be EPG's crown jewel to contribute over 1/3 of total net profits in the next three years while insulator sales in domestic market and exports are likely to grow meaningfully in 2027-28E on the surging demands.

Aeroklas' growth is looming

Aeroklas will see meaningful rebounds in net profits in 2H26-2028, premised on 1) the demands for new models of pickups for Ford and Toyota in Thailand (2H26E) and South Africa (2Q26E onwards); 2) lower losses from TJM from THB0.1b to THB40m a quarter by 1H27E; 3) growing profits from Tough Dog to THB100-150m annually on rising demands; 4) higher aggregate equity incomes in the range of THB120m-200m a quarter from many JVs both in Thailand and overseas.

U.S. insulator is EPG's hidden gem

We highlight that EPG's insulator production plant in U.S. is poised to be EPG's long-term growth engine, considering that 1) its capacity expansion could serve rising demands for AI data center and new relocated plant sites in U.S. for years to come; 2) EPG plans to expand capacity to 15ktpa in the future as utilization rate for the existing plant is rising fast to approach its effective maximum running at 85%.

Maintain BUY and lifted TP to THB8.80

We maintain BUY and lifted our TP from THB4.3 to THB8.8, based on 17x 2026E P/E, justified by 1) our upgrades on EPS forecasts in FY2026E-27E-FY27E-28E to reflect the higher gross profit margins and revenue growths; 2) higher forward P/E from 10x to 12x 2026E EV/EBITDA, implying 17x 2026E P/E, which we think is reasonable on EPG's high and visible growth outlook, supported by its innovative insulator unit and the high net profit exposure in the U.S. market.

Analyst

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	8.80
VS. BB Consensus TP (%)	+61.2%
Share Price (THB)	5.80
Upside/Downside	+51.7%

Share Data

Market Cap (THB m)	8,512.00
Par (THB)	1.00
Free Float (%)	26.21
Issued shares (m shares)	2,800

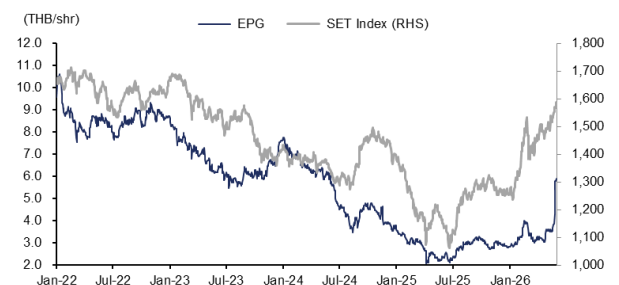
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	13,864	13,581	14,085	14,692
Net profit	796	1,295	1,452	1,634
Core net profit	796	1,295	1,452	1,634
vs Consensus (%)		0.0	2.4	10.0
Net profit growth (%)	(32.9)	62.7	12.1	12.5
Core net profit growth (%)	(32.9)	62.7	12.1	12.5
EPS (THB)	0.28	0.46	0.52	0.58
Core EPS (THB)	0.28	0.46	0.52	0.58
Chg from previous (%)		7.68	13.02	19.75
DPS (THB)	0.27	0.27	0.16	0.18
P/E (x)	10.13	12.54	11.18	9.94
P/BV (x)	0.64	1.21	1.14	1.05
ROE (%)	7.66	9.95	10.50	11.00
Dividend yield (%)	9.38	4.66	2.68	3.02

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	61.11	48.72	94.63	104.23
Market	53.24	44.91	55.94	64.03
12M High/Low (THB)				6.15 / 2.20



Major Shareholders (%) as of 28 Nov 2025

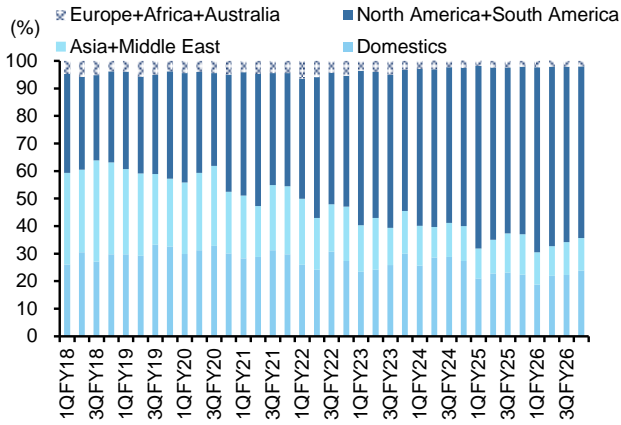
Vitoorapakorn holding	60.00
Mr. Pawat Vitoorapakorn	2.51
Mr. Chalio Vitoorapakorn	2.41

Company Profile

EPG is a holding company, and mainly invests in innovative polymer and plastic converter company, including: (1) manufacturing and distribution of insulation, heat and cold, operated by Aeroflex company limited (AFC), the flagship company under the trademark "AEROFLEX" (2) manufacturing and distribution of car accessories, operated by Aeroklas company limited (ARK) under the trademark "AEROKLAS" and (3) manufacturing and distribution of plastic packaging operated by Eastern Polypack company limited (EPP) under the trademark "EPP"

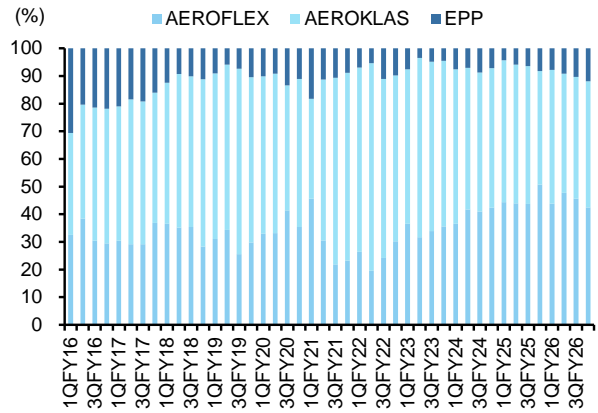
Source: SETSMART, SET

Exhibit 1: Quarterly revenue breakdown



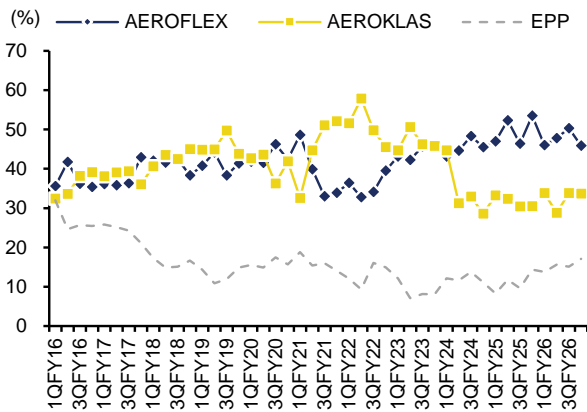
Sources: EPG; Globlex Research

Exhibit 2: Quarterly gross profit breakdown



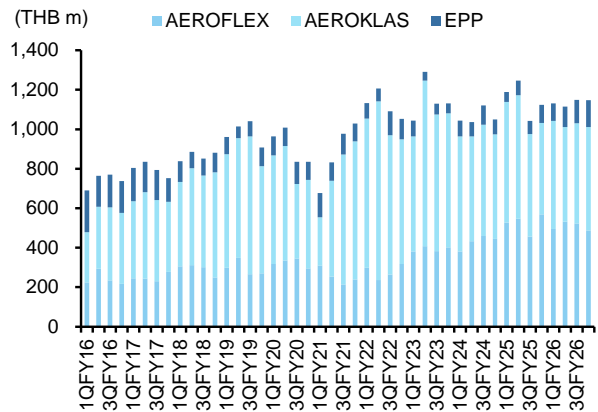
Sources: EPG; Globlex Research

Exhibit 3: Quarterly gross profit margin by segment



Sources: EPG; Globlex Research

Exhibit 4: Quarterly gross profit breakdown



Sources: EPG; Globlex Research

Exhibit 5: Key changes in EPS forecasts and assumptions

THB m	Current			Previous			Change (%)		
	FY2026/27E	FY2027/28E	FY2028/29E	FY2026/27E	FY2027/28E	FY2028/29E	FY2026/27E	FY2027/28E	FY2028/29E
Revenue	14,085	14,692	15,428	15,132	15,784	15,428	(6.9)	(6.9)	0.0
Gross profit	4,750	5,069	5,524	4,919	5,171	5,524	(3.4)	(2.0)	0.0
Operating profit	1,169	1,334	1,601	733	804	1,601	59.6	65.9	0.0
Net profit	1,452	1,634	1,891	1,056	1,126	1,891	37.6	45.2	0.0
EPS (THB)	0.52	0.58	0.68	0.38	0.40	0.68	37.6	45.2	0.0
Utilisation rate									
Aeroflex (%)	65	65	70	61	62	62	4.0	3.0	8.0
Aeroklas (%)	64	64	79	57	60	75	6.4	3.2	3.9
EPP (%)	60	63	65	60	63	65	0.0	0.0	0.0
GPM (%)									
Aeroflex	46.2	46.0	46.2	44.0	45.0	45.0	2.2	1.0	1.2
Aeroklas	26.9	25.7	25.7	25.0	25.5	25.6	1.9	0.2	0.1
EPP	15.2	14.4	14.1	15.2	14.4	14.1	0.0	0.0	0.0

Sources: EPG; Globlex Research

Exhibit 6: Target price valuation

2026E EPS	P/E (x)								
0.52	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.00	
Target price	7.26	7.78	8.30	8.82	9.34	9.85	10.37	10.89	

Sources: EPG; Globlex Research

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E	Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E
Current assets						Revenue					
Cash & ST investment	1,404	1,894	2,793	3,103	5,131	Revenue	13,227	13,864	13,581	14,085	14,692
Account receivable	2,451	2,469	2,238	2,238	2,238	Cost of goods sold	(8,096)	(8,305)	(8,043)	(8,382)	(8,668)
Inventories	3,791	3,770	3,798	3,444	3,562	Gross profit	5,131	5,559	5,538	5,703	6,024
Others	131	121	106	649	677	Operating expenses	(3,414)	(3,835)	(3,453)	(3,581)	(3,735)
Non-current assets						Operating profit					
Net fixed assets	5,704	5,360	5,312	4,769	3,832	Operating profit	1,718	1,724	2,085	2,122	2,289
Others	6,319	6,273	6,641	6,641	6,641	EBIT	814	810	1,123	1,169	1,334
Total Assets	19,801	19,887	20,888	20,844	22,081	Depreciation	(903)	(952)	(953)	(953)	(955)
Current liabilities						EBITDA					
Account payable	1,850	1,571	1,726	1,796	1,858	EBITDA	1,718	1,762	2,076	2,122	2,289
ST borrowing	1,574	2,971	2,720	1,000	1,000	Non-operating income					
Others	308	81	98	100	105	Other incomes	0	0	0	0	0
Long-term liabilities						Other non-op income					
Long-term debts	1,791	551	768	1,500	1,500	Other non-op income	148	(84)	139	131	137
Others	1,789	2,118	2,108	2,108	2,108	Non-operating expense	269	202	150	254	278
Total liabilities	7,312	7,293	7,419	6,504	6,570	Interest expense	(194)	(116)	(167)	(143)	(119)
Pai-up capital	2,800	2,800	2,800	2,800	2,800	Other non-op expense	463	318	317	397	397
Retained earnings	5,831	6,179	7,054	7,925	9,096	Equity income/(loss)	0	0	0	0	0
Others	3,805	3,558	3,546	3,546	3,546	Pre-tax Profit	1,232	928	1,412	1,554	1,749
Minority interest	53	57	69	69	69	Extraordinary items					
Shareholders' equity	12,489	12,594	13,469	14,340	15,511	Current taxation	(21)	(119)	(100)	(102)	(115)
Key ratios						Cash flow (THB m)					
Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E	Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E
Growth (%YoY)						Operating cash flow					
Sales	3.0	9.1	4.8	(2.0)	3.7	Operating cash flow	2,481	1,371	2,761	2,420	2,646
Operating profit	(13.0)	(9.7)	0.3	21.0	1.8	Net profit	1,187	796	1,295	1,452	1,634
EBITDA	(13.0)	(9.7)	2.6	17.8	2.2	Depre. & amortization	903	952	953	953	955
Net profit	(32.6)	10.3	(32.9)	62.7	12.1	Change in working capital	295	(491)	389	(116)	(80)
Core net profit	(32.6)	10.3	(32.9)	62.7	12.1	Others	96	115	124	131	137
EPS	(32.6)	10.3	(32.9)	62.7	12.1	Investment cash flow					
Core EPS	(32.6)	10.3	(32.9)	62.7	12.1	Net CAPEX	784	608	905	(68)	(78)
Profitability (%)						Change in LT investment					
Gross margin	38.8	40.1	40.8	40.5	41.0	Change in other assets	0	0	0	0	0
Operation margin	13.0	12.4	15.4	15.1	15.6	Free cash flow	2,772	1,861	3,660	2,730	4,674
EBITDA margin	13.0	12.7	15.3	15.1	15.6	Financing cash flow					
Net margin	9.0	5.7	9.5	10.3	11.1	Change in share capital	0	0	0	0	0
ROE	6.0	3.8	7.5	7.6	8.3	Net change in debt	92	157	(34)	(988)	0
ROA	4.5	3.7	5.4	5.6	6.2	Dividend paid	(728)	(756)	(756)	(582)	(463)
Stability						Others					
Interest bearing debt/equity (x)	0.3	0.3	0.3	0.2	0.2	Others	(1,845)	(772)	(1,971)	(850)	(2,183)
Net debt/equity (x)	0.2	0.1	0.1	n.a.	n.a.	Net cash flow	291	490	899	310	2,028
Interest coverage (x)	4.2	7.0	6.7	8.2	11.2	Per share (THB)					
Interest & ST debt coverage (x)	0.5	0.3	0.4	1.0	1.2	EPS	0.42	0.28	0.46	0.52	0.58
Cash flow interest coverage (x)	0.3	0.2	0.4	0.4	0.4	Core EPS	0.42	0.28	0.46	0.52	0.58
Current ratio (x)	2.1	1.8	2.0	3.3	3.9	CFPS	0.75	0.63	0.81	0.86	0.92
Quick ratio (x)	1.0	0.9	1.1	1.8	2.5	BVPS	4.44	4.48	4.79	5.10	5.51
Net debt (THB m)	1,962	1,629	695	(603)	(2,631)	Sales/share	4.72	4.95	4.85	5.03	5.25
Activity						EBITDA/share					
Asset turnover (X)	0.7	0.7	0.7	0.7	0.7	EBITDA/share	0.61	0.63	0.74	0.76	0.82
Days receivables	64.0	64.8	63.2	58.0	55.6	DPS	0.27	0.27	0.27	0.16	0.18
Days inventory	172.3	166.2	171.7	157.7	147.5	Valuation					
Days payable	73.6	75.2	74.8	76.7	76.9	P/E (x)	9.39	10.13	12.54	11.18	9.94
Cash cycle days	162.6	155.8	160.2	139.0	126.2	P/BV (x)	0.90	0.64	1.21	1.14	1.05
						Dividend yield (%)	6.78	9.38	4.66	2.68	3.02
						Dividend payout ratio (%)	63.69	94.98	58.37	30.00	30.00

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Analyst Certification

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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.