

Glittering insulator continues

- Solid, sustainable insulator growth will now be strengthened by improving net profit of auto parts unit
- Capacity expansion for U.S. insulator will timely capture growths
- Maintain BUY and a TP of THB8.80

Insulator now dominates over 2/3 of EPG's net profit

EPG is projected to continue benefiting from the booming demands for its insulator (Aeroflex), both for its U.S.-based and Thailand-based production plants in the next 2-3 years, driving net profit contribution from insulator to EPG to over 2/3 of total net profit (NP) despite only 40% revenue contribution. EPG's auto parts unit (Aeroklas) should see meaningful improvement on the narrower loss from the Australian unit while EPP performance will stay in black but with limited growth.

U.S. insulator demand growth drives 50% capacity expansion

It is now manifest that EPG is one of the most beneficiaries for global AI and data center upcycle, riding on the fast-growing demands for insulators in the U.S. for the geopolitical-driven policies of plant relocation, new production factories, and AI data centers. Since 2025, EPG's 8ktp insulator production plant has seen its utilization rate rising from 60% in the beginning of 2025 to 71% in 1QFY27 (Apr-Jun 2027). EPG plans to expand its U.S. insulator capacity to 10ktpa by Dec-26 (+2ktpa) and to 12ktpa by Jun-27 (+2ktpa), with the progress of securing land and ordering machinery for new production lines.

Thailand-based insulator further strengthens EPG's net profit

On top of strong performance for U.S. insulator, EPG's Thailand-based insulator now witnesses stronger demands for both local and export markets. Of 26ktpa capacity, the plant produces 1) raw materials and semi-finished insulator, mostly exported for the U.S. plant; and 2) final product insulator to be exported worldwide mostly in Asia and Middle East, Africa, and Australia markets. We project NP contribution from Thailand-based insulator at 1/3 and the U.S.-based plant at 1/3 of EPG's total net profit, with remaining from Aeroklas and EPP.

Solid 2QFY27 net profit of THB448m (+1.4% q-q, +42% y-y)

We project 2Q2FY27 (Jul-Sep 2027) NP at THB448m, up slightly from THB442m in 1QFY27. Key drivers are 1) stronger-for-longer NP from insulator with GPM at 50.4% up from 49.6% in 1QFY27; 2) improving NP from Aeroklas with GPM at 35%, flat q-q, on narrower loss from TJM thanks to continued cost reduction effort and solid NP from "TOP DOG" at THB25m; 3) EPP GPM will dip to 15%, down from 19.5% in 1QFY27 on the rising promotion cost and higher competition.

Time to reload Thailand's insulator king on AI and FDI upcycles

After a share price consolidation in the past four months, we now expect EPG's share price to likely outperform again on the back of its continued strong NP growths from the U.S. and AI-driven insulator business and the improving earnings from auto parts on narrow loss of Australian unit, to more than offset the weak EPP packaging unit.

Analyst

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	8.80
VS. BB Consensus TP (%)	+4.0%
Share Price (THB)	6.50
Upside/Downside	+35.4%

Share Data

Market Cap (THB m)	18,200
Par (THB)	1.00
Free Float (%)	25.83
Issued shares (m shares)	2,800

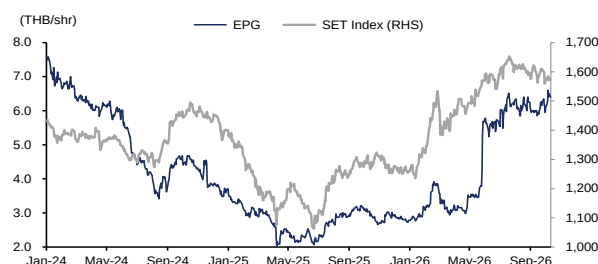
Financial forecast

Year ending Mar	FY26	FY27E	FY28E	FY29E
Revenue (THB m)	13,581	14,085	14,692	15,428
Net profit (THB m)	1,295	1,452	1,634	1,891
Core net profit (THB m)	1,295	1,452	1,634	1,891
vs Consensus (%)		(3.2)	(2.1)	6.1
Net profit growth (%)	62.7	12.1	12.5	15.7
Core net profit growth (%)	62.7	12.1	12.5	15.7
EPS (THB/share)	0.46	0.52	0.58	0.68
Core EPS (THB/share)	0.46	0.52	0.58	0.68
Chg in core EPS (%)		0.00	0.00	0.00
DPS (THB/share)	0.27	0.16	0.18	0.20
P/E (x)	7.00	12.53	11.14	9.63
P/BV (x)	0.68	1.28	1.18	1.08
ROE (%)	9.95	10.50	11.00	11.73
Dividend yield (%)	8.33	2.39	2.69	3.12

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	8.33	9.24	101.86	128.87
Market	11.10	11.37	90.60	82.74
12M High/Low (THB)				6.70 / 2.76



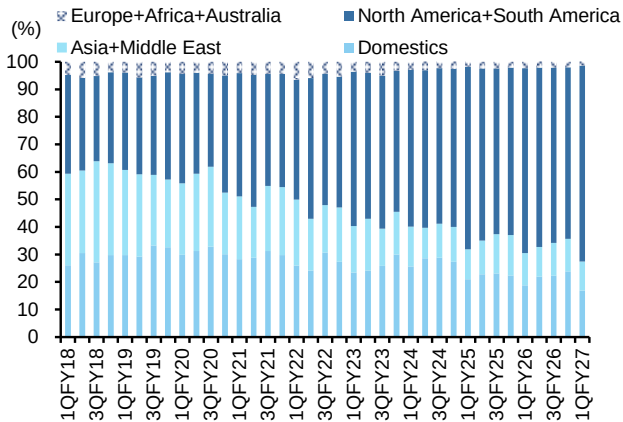
Major Shareholders (%) as of 4 Aug 2026

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

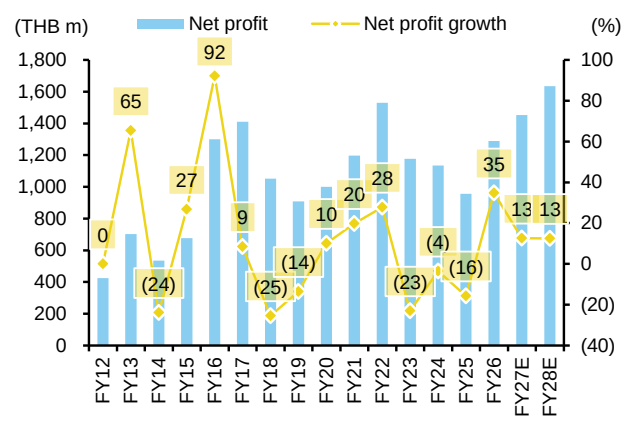
Company Profile

EPG is a holding company, and mainly invests in innovative polymer and plastic convertor 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"

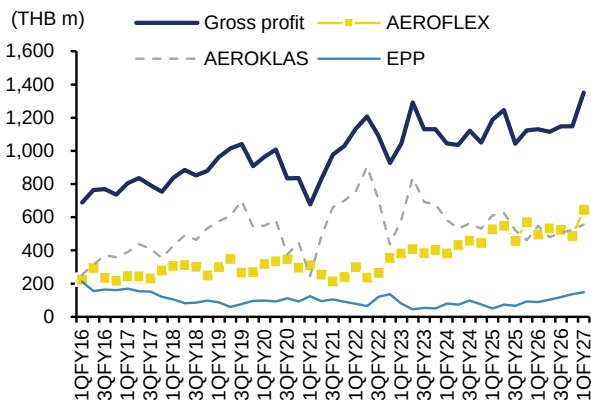
Source: SETSMART, SET

Exhibit 1: Aeroflex (insulator)'s revenue breakdown (%)

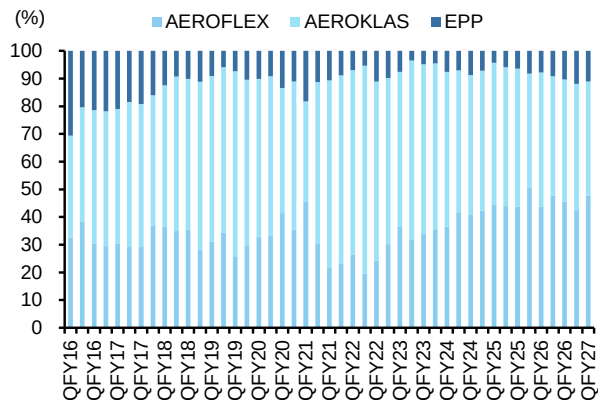
Sources: EPG; Globlex Research

Exhibit 2: Net profit vs net profit growth

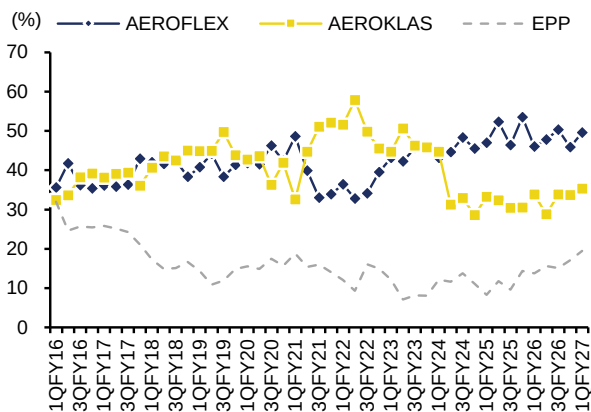
Sources: EPG; Globlex Research

Exhibit 3: Gross profit breakdown

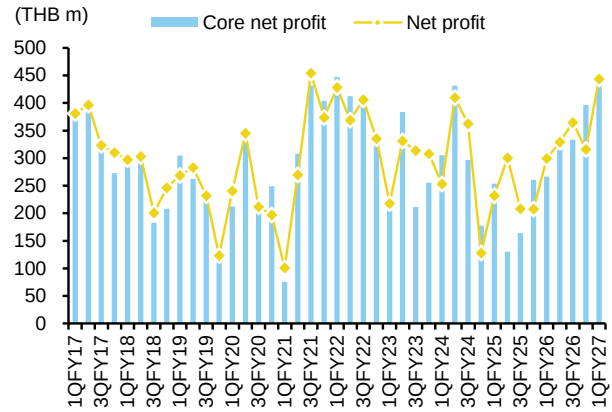
Sources: EPG

Exhibit 4: Gross profit breakdown (%)

Sources: EPG

Exhibit 5: Gross profit margin by segment

Sources: EPG

Exhibit 6: Core net profit vs net profit

Sources: EPG

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E	Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E
Current assets						Revenue	13,864	13,581	14,085	14,692	15,428
Cash & ST investment	1,894	2,793	3,103	5,131	7,347	Cost of goods sold	(8,305)	(8,043)	(8,382)	(8,668)	(8,948)
Account receivable	2,469	2,238	2,238	2,238	2,238	Gross profit	5,559	5,538	5,703	6,024	6,480
Inventories	3,770	3,798	3,444	3,562	3,677	Operating expenses	(3,835)	(3,453)	(3,581)	(3,735)	(3,922)
Others	121	106	649	677	711	Operating profit	1,724	2,085	2,122	2,289	2,558
Non-current assets						EBIT	810	1,123	1,169	1,334	1,601
Net fixed assets	5,360	5,312	4,769	3,832	2,894	Depreciation	(952)	(953)	(953)	(955)	(956)
Others	6,273	6,641	6,641	6,641	6,641	EBITDA	1,762	2,076	2,122	2,289	2,558
Total Assets	19,887	20,888	20,844	22,081	23,508	Non-operating income	(84)	139	131	137	144
Current liabilities						Other incomes	0	0	0	0	0
Account payable	1,571	1,726	1,796	1,858	1,918	Other non-op income	(84)	139	131	137	144
ST borrowing	2,971	2,720	1,000	1,000	1,000	Non-operating expense	202	150	254	278	278
Others	81	98	100	105	110	Interest expense	(116)	(167)	(143)	(119)	(119)
Long-term liabilities						Other non-op expense	318	317	397	397	397
Long-term debts	551	768	1,500	1,500	1,500	Equity income/(loss)	0	0	0	0	0
Others	2,118	2,108	2,108	2,108	2,108	Pre-tax Profit	928	1,412	1,554	1,749	2,023
Total liabilities	7,293	7,419	6,504	6,570	6,635	Extraordinary items					
Pai-up capital	2,800	2,800	2,800	2,800	2,800	Current taxation	(119)	(100)	(102)	(115)	(133)
Retained earnings	6,179	7,054	7,925	9,096	10,458	Minorities	(12)	(17)	0	0	0
Others	3,558	3,546	3,546	3,546	3,546	Net Profit	796	1,295	1,452	1,634	1,891
Minority interest	57	69	69	69	69	Core net profit	796	1,295	1,452	1,634	1,891
Shareholders' equity	12,594	13,469	14,340	15,511	16,873	EPS (THB)	0.28	0.46	0.52	0.58	0.68
Key ratios						Core EPS (THB)	0.28	0.46	0.52	0.58	0.68
Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E	Cash flow (THB m)					
Growth (%YoY)						Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E
Sales	9.1	4.8	(2.0)	3.7	4.3	Operating cash flow	1,371	2,761	2,420	2,646	2,907
Operating profit	(9.7)	0.3	21.0	1.8	7.8	Net profit	796	1,295	1,452	1,634	1,891
EBITDA	(9.7)	2.6	17.8	2.2	7.8	Depre.& amortization	952	953	953	955	956
Net profit	10.3	(32.9)	62.7	12.1	12.5	Change in working capital	(491)	389	(116)	(80)	(84)
Core net profit	10.3	(32.9)	62.7	12.1	12.5	Others	115	124	131	137	144
EPS	10.3	(32.9)	62.7	12.1	12.5	Investment cash flow	490	899	310	2,028	2,216
Core EPS	10.3	(32.9)	62.7	12.1	12.5	Net CAPEX	608	905	(68)	(78)	(78)
Profitability (%)						Change in LT investment	(118)	(6)	378	2,105	2,294
Gross margin	40.1	40.8	40.5	41.0	42.0	Change in other assets	0	0	0	0	0
Operation margin	12.4	15.4	15.1	15.6	16.6	Free cash flow	1,861	3,660	2,730	4,674	5,123
EBITDA margin	12.7	15.3	15.1	15.6	16.6	Financing cash flow	(1,371)	(2,761)	(2,420)	(2,646)	(2,907)
Net margin	5.7	9.5	10.3	11.1	12.3	Change in share capital	0	0	0	0	0
ROE	3.8	7.5	7.6	8.3	9.3	Net change in debt	157	(34)	(988)	0	0
ROA	3.7	5.4	5.6	6.2	7.0	Dividend paid	(756)	(756)	(582)	(463)	(529)
Stability						Others	(772)	(1,971)	(850)	(2,183)	(2,378)
Interest bearing debt/equity (x)	0.3	0.3	0.2	0.2	0.1	Net cash flow	490	899	310	2,028	2,216
Net debt/equity (x)	0.1	0.1	n.a.	n.a.	n.a.	Per share (THB)					
Interest coverage (x)	7.0	6.7	8.2	11.2	13.4	EPS	0.28	0.46	0.52	0.58	0.68
Interest & ST debt coverage (x)	0.3	0.4	1.0	1.2	1.4	Core EPS	0.28	0.46	0.52	0.58	0.68
Cash flow interest coverage (x)	0.2	0.4	0.4	0.4	0.4	CFPS	0.63	0.81	0.86	0.92	1.02
Current ratio (x)	1.8	2.0	3.3	3.9	4.6	BVPS	4.48	4.79	5.10	5.51	6.00
Quick ratio (x)	0.9	1.1	1.8	2.5	3.2	Sales/share	4.95	4.85	5.03	5.25	5.51
Net debt (THB m)	1,629	695	(603)	(2,631)	(4,847)	EBITDA/share	0.63	0.74	0.76	0.82	0.91
Activity						DPS	0.27	0.27	0.16	0.18	0.20
Asset turnover (X)	0.7	0.7	0.7	0.7	0.7	Valuation					
Days receivables	64.8	63.2	58.0	55.6	52.9	P/E (x)	10.13	7.00	12.53	11.14	9.63
Days inventory	166.2	171.7	157.7	147.5	147.7	P/BV (x)	0.64	0.68	1.28	1.18	1.08
Days payable	75.2	74.8	76.7	76.9	77.0	Dividend yield (%)	9.38	8.33	2.39	2.69	3.12
Cash cycle days	155.8	160.2	139.0	126.2	123.6	Dividend payout ratio (%)	94.98	58.37	30.00	30.00	30.00

EASTERN POLYMERS (EPG TB) | THAILAND / SET / INDUSTRIAL
ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment EPG continues to improve resource efficiency through energy conservation, renewable energy adoption, and greenhouse gas reduction initiatives across its manufacturing facilities. The company also emphasizes circular economy practices by increasing the use of recycled materials, reducing waste, and improving water management to minimize its environmental footprint.	AA	2.90
Social EPG prioritizes employee health and safety, human capital development, and workplace diversity while supporting communities through education, environmental conservation, and social development programs. The company also promotes responsible supply chain management and stakeholder engagement to create sustainable value.		6.90
Governance EPG maintains a strong governance framework through independent board oversight, enterprise risk management, anti-corruption measures, and transparent ESG disclosure. The company received a SET ESG Rating of AA and a 5-star CGR rating, reflecting its commitment to good corporate governance and sustainable business practices.		3.50
Overall CG Score: Excellent (5-star) CAC: Certified	AA	4.15

Bloomberg ESG scores reflect FY2025 data (latest available). SET ESG Rating as of April 2026 (Globlex Research). CG rating reflects 2025 Thai IOD survey. SET ESG Rating as of 9 January 2026.

Sources: SET, Thai IOD, CAC, Bloomberg, Globlex Securities Research

SET ESG Ratings 2025 | Thai Listed Companies

As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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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.