COMPANY UPDATE

EASTERN POLYMERS (EPG TB)

THAILAND / SET / INDUSTRIAL

19 November 2026

Mispriced on misunderstood demand

- EPG's demand risk for insulator, both U.S. and Asia, is low
- 50% capacity expansion by mid-2027 will drive EPG's U.S. insulator growth momentum
- Maintain BUY and a TP of THB8.80

One step-back before a large jumping growth starting 2027

Following sequentially strong quarter results in 4QFY25/26-2QFY26/27 (Jan to Sep 2026) with net profit (NP) ranging at THB0.4b, we think EPG will see a softer 3QFY26/27 before a materially stronger series of quarterly NPs ranging at THB0.45b-0.50b, starting 4QFY26/27 (Jan-Mar 2027). Key drivers are 1) the 50% rise in Aeroflex (insulator) capacity in U.S. from 8ktpa to 10ktpa by Dec-26 and to 12ktpa in mid-27; and 2) the meaningfully improving NP for Aeroklas, coming from the turnaround of TJM in Australia and the demand growth for auto parts in Thailand.

Demand risk is low for EPG's insulator

Management confirms that EPG sees limited or no downside risk for insulator demand in U.S. market, despite the recent rule to potentially slow down the growth in data center in U.S. EPG's Aeroflex revenue strength is generated from the robust U.S. demand for insulation products, chiefly from new plants and relocations, with only 10-15% demands estimated to come from new data centers.

GPM to improve materially in 12-24 months ahead

We project overall GPM to stay at 35%-37% in the next 12-24 months, backed by the rising GPM of Aeroflex to 51-53% (51.7% in 2QFY26/27), propelled by brisk demand from AI data centers and most importantly the benefits from U.S. relocation policies. Aeroklas GPM is projected to gradually improve from 32.4% in 2QFY26/27 to 35%, backed by the additions of higher-margin auto parts revenue and the narrowing loss for TJM. EPP GPM should bounce back from 12.3% in 2QFY26/27 to wards 19-20% as demands for packaging recover.

U.S. data center slowdown has no material impacts to EPG

We think investors misunderstand the consequence of U.S. new rule to restrict China's access via the Remote Access Security Act (RASA). On 17 Nov-26, Nvidia warned its customers that any clients that will deploy Nvidia's GPU for data centers rented to Chinese customers will risk facing bans on buying Nvidia's GPU. Yet our analysis indicated that EPG's insulator production plant in U.S. is unlikely to see any impact to its demand growth momentum. In 3QFY26/27, Aeroflex in U.S. generated 71% of Aeroflex revenue.

A key winner on Thailand's FDI boom and U.S. relocations

We maintain BUY and our TP of THB8.8, based on FY2027E P/E. We reiterated our conviction BUY on EPG as one of Thailand's FDI/AI winners and U.S. plant relocation policy, capitalizing on EPG's Aeroflex innovative insulator products.

Analyst

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	**8.80**
VS. BB Consensus TP (%)	+1.3%
Share Price (THB)	5.38
Upside/Downside	+63.6%

Share Data

Market Cap (THB m)	15,064.00
Par (THB)	1.00
Free Float (%)	25.83
Issued shares (m shares)	2,800

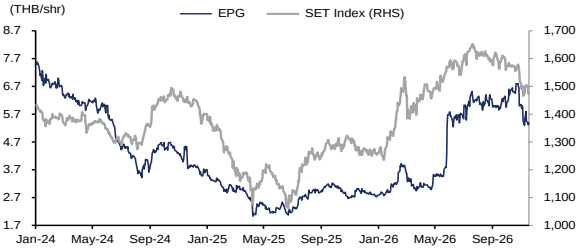
Financial forecast

YE Dec (THB m)	FY26	FY27E	FY28E	FY29E
Revenue	13,581	14,085	14,692	15,428
Net profit	1,295	1,452	1,634	1,891
Core net profit	1,295	1,452	1,634	1,891
vs Consensus (%)		(3.5)	(5.8)	1.5
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)	0.46	0.52	0.58	0.68
Core EPS (THB)	0.46	0.52	0.58	0.68
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.27	0.16	0.18	0.20
P/E (x)	7.00	10.37	9.22	7.97
P/BV (x)	0.68	1.06	0.98	0.90
ROE (%)	9.95	10.50	11.00	11.73
Dividend yield (%)	8.33	2.89	3.25	3.77

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(17.23)	(14.60)	52.84	89.44
Market	(11.55)	(5.92)	57.59	62.11
12M High/Low (THB)				6.85 / 2.78



Major Shareholders (%) as of 04 Aug 2025

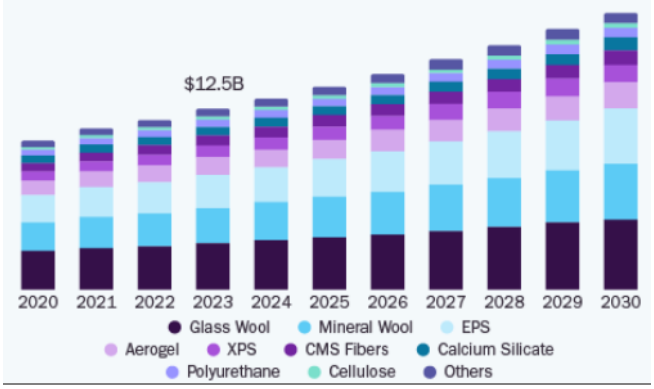
Vitoorapakorn holding	60.00
Mr. Pawat Vitoorapakorn	2.51
Mr. Chalieo Vitoorapakorn	2.41

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"

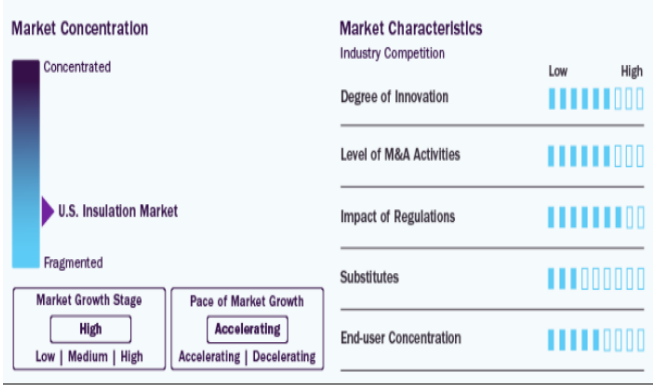
Source: SETSMART, SET

Exhibit 1: U.S. insulation market growth in 2020-30E



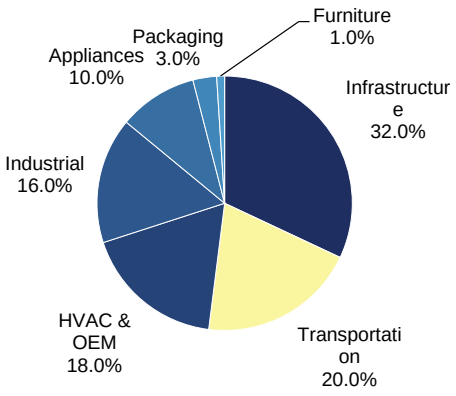
Sources: Grand View Research

Exhibit 2: U.S. insulation market – concentration and characteristics



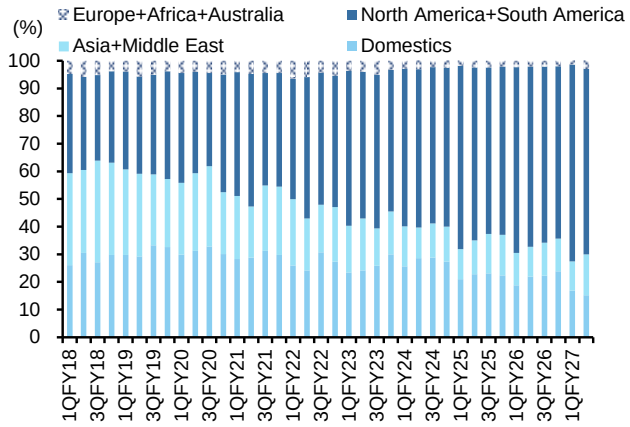
Sources: Grand View Research

Exhibit 3: Title



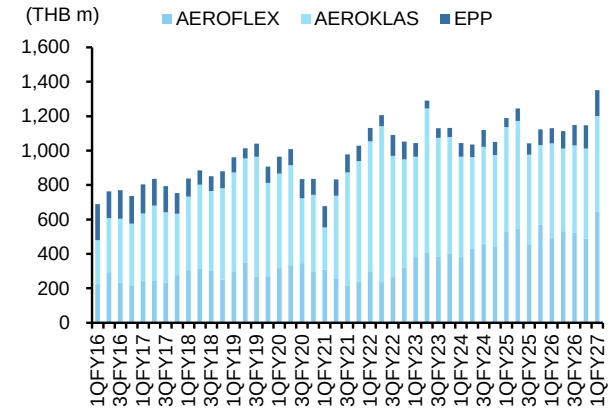
Sources: Grand View Research

Exhibit 4: Aeroflex revenue breakdown by region



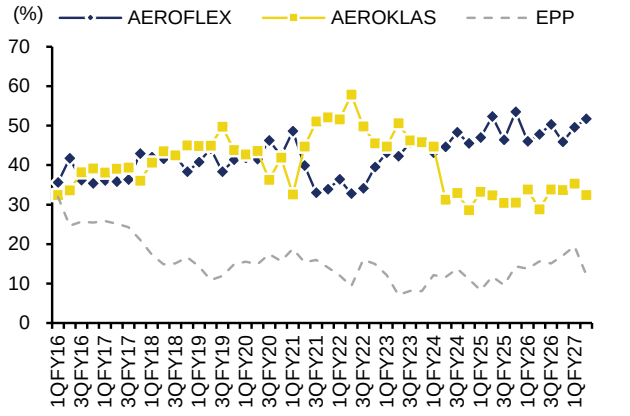
Sources: EPG

Exhibit 5: Gross profit breakdown by segment



Sources: EPG

Exhibit 6: Gross profit margin by segment



Sources: EPG

Balance sheet (THB m) Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E
Current assets					
Cash & ST investment	1,894	2,793	3,103	5,131	7,347
Account receivable	2,469	2,238	2,238	2,238	2,238
Inventories	3,770	3,798	3,444	3,562	3,677
Others	121	106	649	677	711
Non-current assets					
Net fixed assets	5,360	5,312	4,769	3,832	2,894
Others	6,273	6,641	6,641	6,641	6,641
Total Assets	**19,887**	**20,888**	**20,844**	**22,081**	**23,508**
Current liabilities					
Account payable	1,571	1,726	1,796	1,858	1,918
ST borrowing	2,971	2,720	1,000	1,000	1,000
Others	81	98	100	105	110
Long-term liabilities					
Long-term debts	551	768	1,500	1,500	1,500
Others	2,118	2,108	2,108	2,108	2,108
Total liabilities	**7,293**	**7,419**	**6,504**	**6,570**	**6,635**
Pai-up capital	2,800	2,800	2,800	2,800	2,800
Retained earnings	6,179	7,054	7,925	9,096	10,458
Others	3,558	3,546	3,546	3,546	3,546
Minority interest	57	69	69	69	69
Shareholders' equity	**12,594**	**13,469**	**14,340**	**15,511**	**16,873**

Profit & loss (THB m) Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**13,864**	**13,581**	**14,085**	**14,692**	**15,428**
Cost of goods sold	(8,305)	(8,043)	(8,382)	(8,668)	(8,948)
Gross profit	**5,559**	**5,538**	**5,703**	**6,024**	**6,480**
Operating expenses	(3,835)	(3,453)	(3,581)	(3,735)	(3,922)
Operating profit	**1,724**	**2,085**	**2,122**	**2,289**	**2,558**
EBIT	**810**	**1,123**	**1,169**	**1,334**	**1,601**
Depreciation	(952)	(953)	(953)	(955)	(956)
EBITDA	**1,762**	**2,076**	**2,122**	**2,289**	**2,558**
Non-operating income	**(84)**	**139**	**131**	**137**	**144**
Other incomes	0	0	0	0	0
Other non-op income	(84)	139	131	137	144
Non-operating expense	**202**	**150**	**254**	**278**	**278**
Interest expense	(116)	(167)	(143)	(119)	(119)
Other non-op expense	318	317	397	397	397
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	**928**	**1,412**	**1,554**	**1,749**	**2,023**
Extraordinary items					
Current taxation	(119)	(100)	(102)	(115)	(133)
Minorities	(12)	(17)	0	0	0
Net Profit	**796**	**1,295**	**1,452**	**1,634**	**1,891**
Core net profit	**796**	**1,295**	**1,452**	**1,634**	**1,891**
EPS (THB)	**0.28**	**0.46**	**0.52**	**0.58**	**0.68**
Core EPS (THB)	**0.28**	**0.46**	**0.52**	**0.58**	**0.68**

Key ratios Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E
Growth (%YoY)					
Sales	9.1	4.8	(2.0)	3.7	4.3
Operating profit	(9.7)	0.3	21.0	1.8	7.8
EBITDA	(9.7)	2.6	17.8	2.2	7.8
Net profit	10.3	(32.9)	62.7	12.1	12.5
Core net profit	10.3	(32.9)	62.7	12.1	12.5
EPS	10.3	(32.9)	62.7	12.1	12.5
Core EPS	10.3	(32.9)	62.7	12.1	12.5
Profitability (%)					
Gross margin	40.1	40.8	40.5	41.0	42.0
Operation margin	12.4	15.4	15.1	15.6	16.6
EBITDA margin	12.7	15.3	15.1	15.6	16.6
Net margin	5.7	9.5	10.3	11.1	12.3
ROE	3.8	7.5	7.6	8.3	9.3
ROA	3.7	5.4	5.6	6.2	7.0
Stability					
Interest bearing debt/equity (x)	0.3	0.3	0.2	0.2	0.1
Net debt/equity (x)	0.1	0.1	n.a.	n.a.	n.a.
Interest coverage (x)	7.0	6.7	8.2	11.2	13.4
Interest & ST debt coverage (x)	0.3	0.4	1.0	1.2	1.4
Cash flow interest coverage (x)	0.2	0.4	0.4	0.4	0.4
Current ratio (x)	1.8	2.0	3.3	3.9	4.6
Quick ratio (x)	0.9	1.1	1.8	2.5	3.2
Net debt (THB m)	1,629	695	(603)	(2,631)	(4,847)
Activity					
Asset turnover (X)	0.7	0.7	0.7	0.7	0.7
Days receivables	64.8	63.2	58.0	55.6	52.9
Days inventory	166.2	171.7	157.7	147.5	147.7
Days payable	75.2	74.8	76.7	76.9	77.0
Cash cycle days	155.8	160.2	139.0	126.2	123.6

Cash flow (THB m) Year ending Mar	FY25	FY26	FY27E	FY28E	FY29E
Operating cash flow	**1,371**	**2,761**	**2,420**	**2,646**	**2,907**
Net profit	796	1,295	1,452	1,634	1,891
Depre.& amortization	952	953	953	955	956
Change in working capital	(491)	389	(116)	(80)	(84)
Others	115	124	131	137	144
Investment cash flow	**490**	**899**	**310**	**2,028**	**2,216**
Net CAPEX	608	905	(68)	(78)	(78)
Change in LT investment	(118)	(6)	378	2,105	2,294
Change in other assets	0	0	0	0	0
Free cash flow	**1,861**	**3,660**	**2,730**	**4,674**	**5,123**
Financing cash flow	**(1,371)**	**(2,761)**	**(2,420)**	**(2,646)**	**(2,907)**
Change in share capital	0	0	0	0	0
Net change in debt	157	(34)	(988)	0	0
Dividend paid	(756)	(756)	(582)	(463)	(529)
Others	(772)	(1,971)	(850)	(2,183)	(2,378)
Net cash flow	**490**	**899**	**310**	**2,028**	**2,216**

Per share (THB)					
EPS	0.28	0.46	0.52	0.58	0.68
Core EPS	0.28	0.46	0.52	0.58	0.68
CFPS	0.63	0.81	0.86	0.92	1.02
BVPS	4.48	4.79	5.10	5.51	6.00
Sales/share	4.95	4.85	5.03	5.25	5.51
EBITDA/share	0.63	0.74	0.76	0.82	0.91
DPS	0.27	0.27	0.16	0.18	0.20
Valuation					
P/E (x)	10.13	7.00	10.37	9.22	7.97
P/BV (x)	0.64	0.68	1.06	0.98	0.90
Dividend yield (%)	9.38	8.33	2.89	3.25	3.77
Divdend 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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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 (target price* - current price) / 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.