

From solid ground to upbeat growth

- Expect a solid y-y 3QFY25/26 on success in restructuring
- Catalysts: Aeroflex growth, turnarounds in TJM and South Africa
- Maintain BUY and a TP of THB4.3 with 21-23% EPS upgrades

Expect 3QFY25/26 to be another milestone for improvement

We project 3QFY25/26 (Oct-Dec 2025) at THB305m, up 86% y-y but down 3% q-q due to seasonality. EPG has continued to successfully generate a y-y improvement in quarterly NPs since its FY23/24 peak as the restructuring strategies gradually yield results in curbing net losses for TJM and associate in South Africa while enhancing net profit growths and profitability for the Aeroflex, EPP, and other associates.

Aeroflex to generate strong revenue and net profit

Aeroflex is projected to post a continued solid performance, with gross profit margin (GPM) to hit 48%, up from 47.8% in 2QFY25/26. Again, Aeroflex U.S. will be a real hero, seeing strong 20% y-y revenue growth and higher net profit margin (NPM) at 16%, thanks to the solid demands for its insulations used for production plants, both new and old (on upgrade), from the Trump's policy "Make America Great Again" by accelerating the production bases back to U.S. On top of this the pent-up demands for AI and data centers continued to put fuel into the growth fire for EPG's insulator, which we now project demand growth of 20% y-y in the next three years.

TJM's lower loss and absence of ECL in South Africa are key

Under Aeroklas (auto parts) division, we expect the net profit to gradually recover from net losses to be positive and growing net profits. The key catalysts are 1) the restructuring to reduce costs for TJM, whose net loss will dwindle piecemeal from -THB330m peak in FY24/25 down to -THB270m in FY25/26 and likely to decline further by THB50m-70m annually. The auto part associate in South Africa is now under the operational restructuring aimed and will not contribute either loss and gain in the next three years.

Revised up EPS by 21%-23% in FY25/26-FY27/28

We revised up our EPS forecasts in FY25/26-FY27/28 by 21%-23% to reflect the higher-than-expected gross profit margins for business units particularly Aeroflex, whose GPM is significantly boosted by the strong revenue growth from Aeroflex U.S.A. Meanwhile, Aeroklas' GPM will be boosted by the gradual decline in net loss from TJM while EPP's GPM is projected to stabilize at 16-17% on the back of successful operational optimization.

Maintain BUY at a TP of THB4.3

We maintain BUY and a TP of THB4.3, based on 10x FY2025/26 P/E. In our view, EPG is one of few Thai companies in SET that has proven capability, diversified portfolio, and competitive advantages in product (insulator), market (U.S., Asia, Australia, Africa) with a sustained and high margins.

Analyst

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ESG Rating : AA

CG Rating : 

BUY

Target Price 12M (THB)	4.30
VS. BB Consensus TP (%)	+13.2%
Share Price (THB)	2.98
Upside/Downside	+44.3%

Share Data

Market Cap (THB m)	8,344.00
Par (THB)	1.00
Free Float (%)	26.21
Issued shares (m shares)	2,800

Financial forecast

YE Mar (THB m)	FY25	FY26E	FY27E	FY28E
Revenue	13,864	14,591	15,132	15,784
Net profit	796	1,203	1,285	1,365
Core net profit	796	1,203	1,285	1,365
vs Consensus (%)		2.1	0.2	2.5
Net profit growth (%)	(32.9)	51.1	6.8	6.2
Core net profit growth (%)	(32.9)	51.1	6.8	6.2
EPS (THB)	0.28	0.43	0.46	0.49
Core EPS (THB)	0.28	0.43	0.46	0.49
Chg from previous (%)		22.52	21.71	21.24
DPS (THB)	0.27	0.13	0.14	0.15
P/E (x)	10.13	6.94	6.49	6.11
P/BV (x)	0.64	0.63	0.59	0.55
ROE (%)	7.66	9.35	9.41	9.35
Dividend yield (%)	9.38	4.32	4.62	4.91

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	4.20	(1.97)	2.05	4.93
Market	1.68	(2.63)	(4.04)	3.01
12M High/Low (THB)				3.74 / 2.12



Major Shareholders (%) as of 28 Nov 2025

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

Company Profile

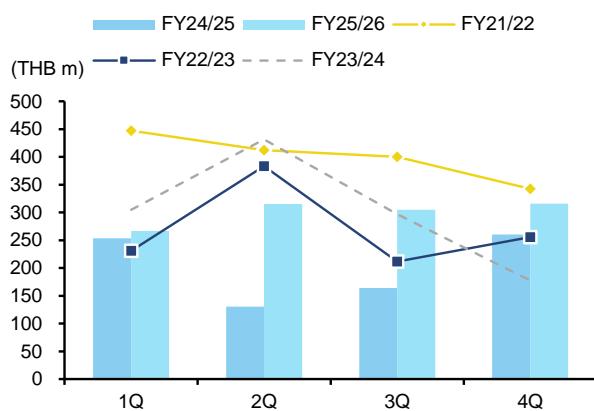
EPG is a holding company, and mainly invests in innovative polymer and plastic convertor company, including: (1) manufacturing and distribution of insulation, heat and cold, operated by Aeroflex company limited (AFC), the flagship company under the trademark "AEROFLEX" (2) manufacturing and distribution 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

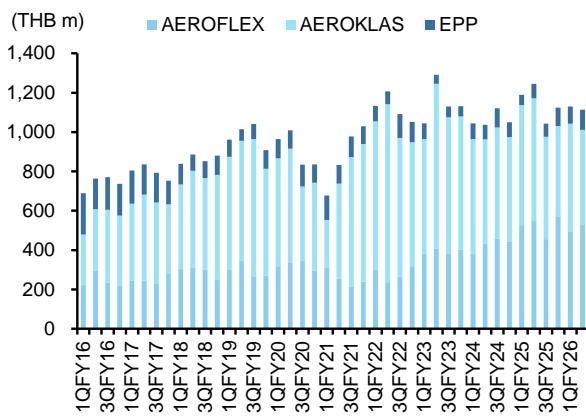
Exhibit 1: Key changes in assumptions and EPS forecasts

(THB m)	Current			Previous			Change (%)		
	FY25/26E	FY26/27E	FY27/28E	FY25/26E	FY26/27E	FY27/28E	FY25/26E	FY26/27E	FY27/28E
Revenue	14,591	15,132	15,784	14,591	15,132	15,784	0.0	0.0	0.0
Gross profit	4,956	5,173	5,436	4,710	4,919	5,171	5.2	5.2	5.1
Operating profit	919	987	1,070	674	733	804	36.4	34.7	33.0
Net profit	1,203	1,285	1,365	982	1,056	1,126	22.5	21.7	21.2
EPS (THB/shr)	0.43	0.46	0.49	0.35	0.38	0.40	22.5	21.7	21.2
Key assumptions									
Aeroflex Utilisation rate (%)	65	65	65	65	65	65	0.0	0.0	0.0
Aeroklas utilisation rate (%)	64	57	60	64	57	60	0.0	0.0	0.0
EPP utilisation rate (%)	60	60	63	60	60	63	0.0	0.0	0.0
Gross margin - Aeroflex (%)	46.6	46.2	46.0	46.6	46.2	46.0	0.0	0.0	0.0
Gross margin - Aeroklas (%)	27.3	26.9	25.7	27.3	26.9	25.7	0.0	0.0	0.0
Gross margin - EPP (%)	15.9	15.2	14.4	15.9	15.2	14.4	0.0	0.0	0.0

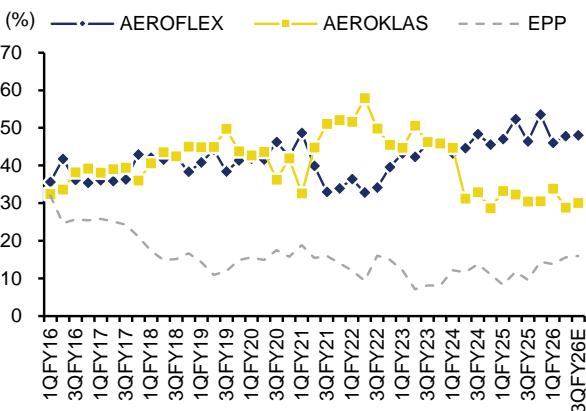
Sources: EPG; Globlex Research

Exhibit 2: Quarterly net profits


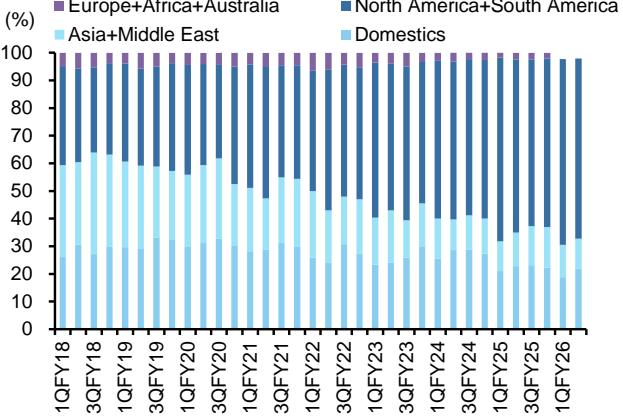
Sources: EPG; Globlex Research

Exhibit 4: Quarterly gross profit by segment


Sources: EPG; Globlex Research

Exhibit 3: Quarterly gross profit margins by segment


Sources: EPG; Globlex Research

Exhibit 5: Quarterly gross profit by segment (%)


Sources: EPG; Globlex Research

Balance sheet (THB m)					
Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E
Current assets					
Cash & ST investment	1,404	1,894	1,853	3,608	5,401
Account receivable	2,451	2,469	2,469	2,469	2,469
Inventories	3,791	3,770	3,568	3,701	3,860
Others	131	121	672	697	728
Non-current assets					
Net fixed assets	5,704	5,360	4,769	3,833	2,896
Others	6,319	6,273	6,273	6,273	6,273
Total Assets	19,801	19,887	19,605	20,581	21,626
Current liabilities					
Account payable	1,850	1,571	1,650	1,711	1,785
ST borrowing	1,574	2,971	1,000	1,000	1,000
Others	308	81	85	88	92
Long-term liabilities					
Long-term debts	1,791	551	1,500	1,500	1,500
Others	1,789	2,118	2,118	2,118	2,118
Total liabilities	7,312	7,293	6,353	6,417	6,495
Pai-up capital	2,800	2,800	2,800	2,800	2,800
Retained earnings	5,831	6,179	6,838	7,749	8,717
Others	3,805	3,558	3,558	3,558	3,558
Minority interest	53	57	57	57	57
Shareholders' equity	12,489	12,594	13,253	14,164	15,132

Key ratios					
Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E
Growth (%YoY)					
Sales	3.0	9.1	4.8	5.2	3.7
Operating profit	(13.0)	(9.7)	0.3	8.6	3.7
EBITDA	(13.0)	(9.7)	2.6	6.2	3.7
Net profit	(32.6)	10.3	(32.9)	51.1	6.8
Core net profit	(32.6)	10.3	(32.9)	51.1	6.8
EPS	(32.6)	10.3	(32.9)	51.1	6.8
Core EPS	(32.6)	10.3	(32.9)	51.1	6.8
Profitability (%)					
Gross margin	38.8	40.1	40.5	40.5	40.5
Operation margin	13.0	12.4	12.8	12.8	12.8
EBITDA margin	13.0	12.7	12.8	12.8	12.8
Net margin	9.0	5.7	8.2	8.5	8.6
ROE	6.0	3.8	6.3	6.5	6.6
ROA	4.5	3.7	4.5	4.8	4.9
Stability					
Interest bearing debt/equity (x)	0.3	0.3	0.2	0.2	0.2
Net debt/equity (x)	0.2	0.1	0.0	n.a.	n.a.
Interest coverage (x)	4.2	7.0	9.0	11.7	12.7
Interest & ST debt coverage (x)	0.5	0.3	0.8	0.9	1.0
Cash flow interest coverage (x)	0.3	0.2	0.3	0.4	0.4
Current ratio (x)	2.1	1.8	3.1	3.7	4.3
Quick ratio (x)	1.0	0.9	1.6	2.2	2.7
Net debt (THB m)	1,962	1,629	647	(1,108)	(2,901)
Activity					
Asset turnover (X)	0.7	0.7	0.7	0.8	0.7
Days receivables	64.0	64.8	61.8	59.5	57.1
Days inventory	172.3	166.2	154.2	147.3	146.9
Days payable	73.6	75.2	67.7	68.1	67.9
Cash cycle days	162.6	155.8	148.3	138.7	136.1

Profit & loss (THB m)					
Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E
Revenue	13,227	13,864	14,591	15,132	15,784
Cost of goods sold	(8,096)	(8,305)	(8,683)	(9,005)	(9,393)
Gross profit	5,131	5,559	5,908	6,127	6,391
Operating expenses	(3,414)	(3,835)	(4,036)	(4,186)	(4,366)
Operating profit	1,718	1,724	1,872	1,941	2,025
EBIT	814	810	919	987	1,070
Depreciation	(903)	(952)	(953)	(954)	(955)
EBITDA	1,718	1,762	1,872	1,941	2,025
Non-operating income	148	(84)	120	126	133
Other incomes	0	0	0	0	0
Other non-op income	148	(84)	120	126	133
Non-operating expense	269	202	296	313	313
Interest expense	(194)	(116)	(102)	(84)	(84)
Other non-op expense	463	318	397	397	397
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	1,232	928	1,335	1,426	1,515
Extraordinary items					
Current taxation	(21)	(119)	(132)	(141)	(150)
Minorities	(24)	(12)	0	0	0
Net Profit	1,187	796	1,203	1,285	1,365
Core net profit	1,187	796	1,203	1,285	1,365
EPS (THB)	0.42	0.28	0.43	0.46	0.49
Core EPS (THB)	0.42	0.28	0.43	0.46	0.49

Cash flow (THB m)					
Year ending Mar	FY24	FY25	FY26E	FY27E	FY28E
Operating cash flow	2,481	1,371	2,008	2,272	2,341
Net profit	1,187	796	1,203	1,285	1,365
Depre.& amortization	903	952	953	954	955
Change in working capital	295	(491)	(267)	(93)	(112)
Others	96	115	120	126	133
Investment cash flow	291	490	(40)	1,755	1,793
Net CAPEX	784	608	(115)	(460)	(460)
Change in LT investment	(493)	(118)	75	2,214	2,253
Change in other assets	0	0	0	0	0
Free cash flow	2,772	1,861	1,968	4,027	4,133
Financing cash flow	(2,481)	(1,371)	(2,008)	(2,272)	(2,341)
Change in share capital	0	0	0	0	0
Net change in debt	92	157	(1,022)	0	0
Dividend paid	(728)	(756)	(544)	(373)	(397)
Others	(1,845)	(772)	(442)	(1,899)	(1,943)
Net cash flow	291	490	(40)	1,755	1,793
Per share (THB)					
EPS	0.42	0.28	0.43	0.46	0.49
Core EPS	0.42	0.28	0.43	0.46	0.49
CFPS	0.75	0.63	0.77	0.80	0.83
BVPS	4.44	4.48	4.71	5.04	5.38
Sales/share	4.72	4.95	5.21	5.40	5.64
EBITDA/share	0.61	0.63	0.67	0.69	0.72
DPS	0.27	0.27	0.13	0.14	0.15
Valuation					
P/E (x)	9.39	10.13	6.94	6.49	6.11
P/BV (x)	0.90	0.64	0.63	0.59	0.55
Dividend yield (%)	6.78	9.38	4.32	4.62	4.91
Dividend payout ratio (%)	63.69	94.98	30.00	30.00	30.00

GENERAL DISCLAIMER

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.