

## Solid 3QFY26 is just the beginning

- Stronger-than-expected 3QFY26 net profit as a conviction for investment thesis ahead
- Three-pronged growths from start-of-the-art patented insulator, coming auto parts growth, and intrinsic cost savings overseas
- Maintain BUY and a TP of THB4.30

### Stronger 3QFY26 performance a big positive surprise

3QFY26 net profit (NP) was THB336m, up 7% q-q and 105% y-y, driven by stronger revenues from Aeroflex and EPP to drive EBITDA up to THB676m, up 23% q-q and 45% y-y. The EBITDA margin was 20.2% vs 15.9% in 2QFY26. Aeroklas revenue remained weak due to the seasonally lower demands.

### Aeroflex revenue continued to grow handsomely

3QFY26 Aeroflex (insulator) revenue rose to THB3.3b (-3% q-q, -2% y-y), boosted by higher revenue from U.S. market, which now accounts for 64% of total Aeroflex' revenue in 3QFY26. Revenue from domestic market stood at 22.2% of total revenue, up 0.3% q-q to timely offset the other export markets including Asia+Middle East (12% of total revenue) and Europe/Africa/Australia (2.1%).

### Improving profitability from strength to strength

Overall GPM continued its uptrend to 34.5% in 3QFY26, up from 32.4% in 2QFY26 and 30.7% in 3QFY25, boosted by improving GPM from Aeroflex to 50.3%, up from 47.8% in 2QFY26 and 46.4% in 3QFY25, thanks to the strong demands from AI data centers and the benefit of relocation policy in U.S. Aeroklas GPM also improved to 33.8%, up from 28.8% in 2QFY26 and 30.4% in 3QFY25 on the higher utilization rates. In 2026, we expect Aeroklas to see improving margin and revenue given the coming new pickup models to be launched.

### Insulator profit leads the charges

Looking forward, we remain sanguine on PEG's net profit outlook, propelled by the stronger revenue and margins across all three business segments. Aeroflex will remain the key catalyst, led by the growing demand to drive up utilization rate further to 75%-80% by the end of 2026, up from 67% currently. TJM's low loss on SG&A cost optimization and the absence of loss and impairment from South Africa would no longer be earnings drags, if not drivers, in 2026-27.

### Top pick in Thai small and mid-cap play in AI data center

We maintain BUY and a TP of THB4.30, based on 10x FY2025/26E EV/EBITDA. We believe EPG is one of Thailand's most attractive investments, premised on 1) EPG as a beneficiary of U.S. AI data center and relocation policy; 2) structural improvements in cost structures on lower SG&A expense (TJM) and a turnaround of South African associate in Aeroklas umbrella.

#### Analyst

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ESG Rating : AA

CG Rating : 

**BUY**

**Target Price 12M (THB)**

**4.30**

VS. BB Consensus TP (%)

+8.0%

Share Price (THB)

3.34

Upside/Downside

+28.7%

#### Share Data

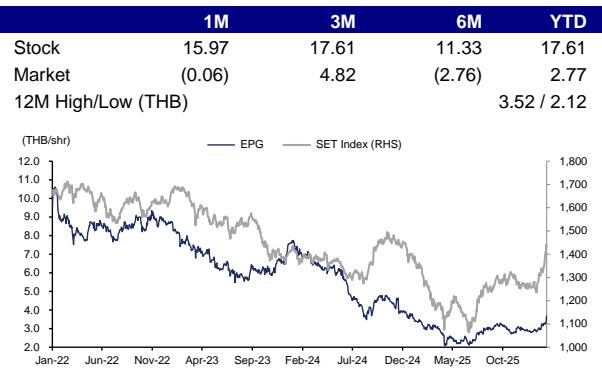
|                          |          |
|--------------------------|----------|
| Market Cap (THB m)       | 9,352.00 |
| Par (THB)                | 1.00     |
| Free Float (%)           | 26.21    |
| Issued shares (m shares) | 2,800    |

#### 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 (%)           |        | 2.8    | (5.7)  | (4.7)  |
| 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 (%)      | 0.00   | 0.00   | 0.00   | 0.00   |
| DPS (THB)                  | 0.27   | 0.13   | 0.14   | 0.15   |
| P/E (x)                    | 10.13  | 7.78   | 7.28   | 6.85   |
| P/BV (x)                   | 0.64   | 0.71   | 0.66   | 0.62   |
| ROE (%)                    | 7.66   | 9.35   | 9.41   | 9.35   |
| Dividend yield (%)         | 9.38   | 3.86   | 4.12   | 4.38   |

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)



#### 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: Summary of 3QFY26/9MFY26 operations**

|                        | 3QFY25<br>Dec 24 | 2QFY26<br>Sep 25 | 3QFY26<br>Dec 25 |              | 9MFY25       | 9MFY26        | chg.          | FY26E        |               |
|------------------------|------------------|------------------|------------------|--------------|--------------|---------------|---------------|--------------|---------------|
|                        | (THB m)          | (THB m)          | (THB m)          | (q-q%)       | (y-y%)       | (THB m)       | (THB m)       | (y-y%)       | (THB m)       |
| <b>Revenue</b>         | <b>3,407</b>     | <b>3,458</b>     | <b>3,345</b>     | <b>(3.3)</b> | <b>(1.8)</b> | <b>10,617</b> | <b>10,157</b> | <b>(4.3)</b> | <b>14,591</b> |
| Operating costs        | (2,941)          | (2,908)          | (2,668)          | 8.2          | 9.3          | (9,019)       | (8,388)       | 7.0          | (12,719)      |
| <b>EBITDA</b>          | <b>466</b>       | <b>550</b>       | <b>676</b>       | <b>22.9</b>  | <b>45.3</b>  | <b>1,598</b>  | <b>1,769</b>  | <b>10.7</b>  | <b>1,872</b>  |
| EBITDA margin (%)      | 13.7             | 15.9             | 20.2             | na           | na           | 15.1          | 17.4          | na           | 12.8          |
| Depn & amort.          | (256)            | (258)            | (347)            | (34.5)       | (35.4)       | (781)         | (863)         | (10.4)       | (953)         |
| <b>EBIT</b>            | <b>209</b>       | <b>292</b>       | <b>329</b>       | <b>12.7</b>  | <b>57.4</b>  | <b>817</b>    | <b>906</b>    | <b>10.9</b>  | <b>919</b>    |
| Interest expense       | (11)             | (30)             | (25)             | 16.9         | (140.1)      | (64)          | (92)          | (44.0)       | (102)         |
| Interest & invt inc    | (11)             | 25               | 45               | 82.1         | 499.0        | (130)         | 51            | 139.5        | 120           |
| Associates' contrib    | 42               | 68               | 64               | (5.9)        | 54.6         | 232           | 207           | (10.4)       | 2             |
| Exceptionals           | (48)             | (15)             | (35)             | (140.7)      | 26.3         | (223)         | (83)          | 63.0         | 397           |
| <b>Pretax profit</b>   | <b>181</b>       | <b>340</b>       | <b>378</b>       | <b>11.1</b>  | <b>108.3</b> | <b>632</b>    | <b>990</b>    | <b>56.7</b>  | <b>1,335</b>  |
| Tax                    | (14)             | (23)             | (41)             | (80.2)       | (197.5)      | (73)          | (66)          | 9.9          | (132)         |
| Tax rate (%)           | 7.7              | 6.8              | 11.0             | na           | na           | 11.6          | 6.7           | na           | 9.9           |
| Minority interests     | (4)              | (2)              | -                | 100.0        | 100.0        | (11)          | (6)           | 48.3         | 0             |
| <b>Net profit</b>      | <b>164</b>       | <b>315</b>       | <b>336</b>       | <b>6.7</b>   | <b>105.2</b> | <b>548</b>    | <b>918</b>    | <b>67.6</b>  | <b>1,203</b>  |
| Non-recurring          | (44)             | (14)             | (31)             | (129.9)      | 28.9         | (192)         | (78)          | na           | 0             |
| <b>Core net profit</b> | <b>208</b>       | <b>329</b>       | <b>368</b>       | <b>11.8</b>  | <b>76.8</b>  | <b>740</b>    | <b>996</b>    | <b>34.5</b>  | <b>1,203</b>  |
| EPS (THB)              | 0.06             | 0.11             | 0.12             | 6.7          | 105.2        | 0.20          | 0.33          | 67.6         | 0.43          |
| Core EPS (THB)         | 0.07             | 0.12             | 0.13             | 11.8         | 76.8         | 0.26          | 0.36          | 34.5         | 0.43          |

Sources: EPG, Globlex Research

**Exhibit 2: 3QFY26 Revenue and gross profit breakdown by segment**

|                                  | 3QFY25         | 2QFY26         | 3QFY26         | ----- Change ----- |             |
|----------------------------------|----------------|----------------|----------------|--------------------|-------------|
|                                  | Dec 24         | Sep 25         | Dec 25         | (q-q%)             | (y-y%)      |
| Revenue from sales (THB m)       | 3,388          | 3,436          | 3,323          | (3.3)              | (1.9)       |
| AEROFLEX                         | 983            | 1,112          | 1,041          | (6.4)              | 5.9         |
| AEROKLAS                         | 1,709          | 1,666          | 1,497          | (10.1)             | (12.4)      |
| EPP                              | 696            | 658            | 785            | 19.2               | 12.8        |
| <b>Gross profit margin (%) *</b> | <b>30.7</b>    | <b>32.4</b>    | <b>34.5</b>    | <b>2.1</b>         | <b>3.8</b>  |
| AEROFLEX                         | 46.4           | 47.8           | 50.3           | 2.5                | 3.9         |
| AEROKLAS                         | 30.4           | 28.8           | 33.8           | 5.0                | 3.4         |
| EPP                              | 9.6            | 15.6           | 15.1           | (0.5)              | 5.5         |
| <b>Gross profit (THB m)</b>      | <b>1,042.6</b> | <b>1,113.9</b> | <b>1,148.2</b> | <b>3.1</b>         | <b>10.1</b> |
| AEROFLEX                         | 456.2          | 531.5          | 523.6          | (1.5)              | 14.8        |
| AEROKLAS                         | 519.6          | 479.7          | 506.0          | 5.5                | (2.6)       |
| EPP                              | 66.8           | 102.7          | 118.5          | 15.4               | 77.5        |

\* Note: Change in margin % is represented in ppt change

Sources: EPG; Globlex Research

**Exhibit 3: 3QFY26 Aeroflex revenue breakdown (%)**

| Aeroflex revenue breakdown (%)         | 3QFY25 | 2QFY26 | 3QFY26 | ----- Change ----- |            |
|--|--------|--------|--------|--------------------|------------|
|  | Dec 24 | Sep 25 | Dec 25 | (q-q% pts)         | (y-y% pts) |
| Domestics                              | 23.1   | 21.9   | 22.2   | 0.3                | (0.9)      |
| Asia + Middle East                     | 14.2   | 10.8   | 12.0   | 1.2                | (2.2)      |
| North America + South America          | 60.3   | 65.2   | 63.7   | (1.5)              | 3.4        |
| Europe + Africa + Australia and others | 2.4    | 2.2    | 2.1    | (0.1)              | (0.3)      |

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          |
| <b>Current assets</b>            |               |               |               |               |               | <b>Revenue</b>               | <b>13,227</b>  | <b>13,864</b>  | <b>14,591</b>  | <b>15,132</b>  | <b>15,784</b>  |
| Cash & ST investment             | 1,404         | 1,894         | 1,853         | 3,608         | 5,401         | Cost of goods sold           | (8,096)        | (8,305)        | (8,683)        | (9,005)        | (9,393)        |
| Account receivable               | 2,451         | 2,469         | 2,469         | 2,469         | 2,469         | <b>Gross profit</b>          | <b>5,131</b>   | <b>5,559</b>   | <b>5,908</b>   | <b>6,127</b>   | <b>6,391</b>   |
| Inventories                      | 3,791         | 3,770         | 3,568         | 3,701         | 3,860         | Operating expenses           | (3,414)        | (3,835)        | (4,036)        | (4,186)        | (4,366)        |
| Others                           | 131           | 121           | 672           | 697           | 728           | <b>Operating profit</b>      | <b>1,718</b>   | <b>1,724</b>   | <b>1,872</b>   | <b>1,941</b>   | <b>2,025</b>   |
| <b>Non-current assets</b>        |               |               |               |               |               | <b>EBIT</b>                  | <b>814</b>     | <b>810</b>     | <b>919</b>     | <b>987</b>     | <b>1,070</b>   |
| Net fixed assets                 | 5,704         | 5,360         | 4,769         | 3,833         | 2,896         | Depreciation                 | (903)          | (952)          | (953)          | (954)          | (955)          |
| Others                           | 6,319         | 6,273         | 6,273         | 6,273         | 6,273         | <b>EBITDA</b>                | <b>1,718</b>   | <b>1,762</b>   | <b>1,872</b>   | <b>1,941</b>   | <b>2,025</b>   |
| <b>Total Assets</b>              | <b>19,801</b> | <b>19,887</b> | <b>19,605</b> | <b>20,581</b> | <b>21,626</b> | <b>Non-operating income</b>  | <b>148</b>     | <b>(84)</b>    | <b>120</b>     | <b>126</b>     | <b>133</b>     |
| <b>Current liabilities</b>       |               |               |               |               |               | Other incomes                | 0              | 0              | 0              | 0              | 0              |
| Account payable                  | 1,850         | 1,571         | 1,650         | 1,711         | 1,785         | Other non-op income          | 148            | (84)           | 120            | 126            | 133            |
| ST borrowing                     | 1,574         | 2,971         | 1,000         | 1,000         | 1,000         | <b>Non-operating expense</b> | <b>269</b>     | <b>202</b>     | <b>296</b>     | <b>313</b>     | <b>313</b>     |
| Others                           | 308           | 81            | 85            | 88            | 92            | Interest expense             | (194)          | (116)          | (102)          | (84)           | (84)           |
| <b>Long-term liabilities</b>     |               |               |               |               |               | Other non-op expense         | 463            | 318            | 397            | 397            | 397            |
| Long-term debts                  | 1,791         | 551           | 1,500         | 1,500         | 1,500         | <b>Equity income/(loss)</b>  | 0              | 0              | 0              | 0              | 0              |
| Others                           | 1,789         | 2,118         | 2,118         | 2,118         | 2,118         | <b>Pre-tax Profit</b>        | <b>1,232</b>   | <b>928</b>     | <b>1,335</b>   | <b>1,426</b>   | <b>1,515</b>   |
| <b>Total liabilities</b>         | <b>7,312</b>  | <b>7,293</b>  | <b>6,353</b>  | <b>6,417</b>  | <b>6,495</b>  | Extraordinary items          |                |                |                |                |                |
| Pai-up capital                   | 2,800         | 2,800         | 2,800         | 2,800         | 2,800         | Current taxation             | (21)           | (119)          | (132)          | (141)          | (150)          |
| Retained earnings                | 5,831         | 6,179         | 6,838         | 7,749         | 8,717         | Minorities                   | (24)           | (12)           | 0              | 0              | 0              |
| Others                           | 3,805         | 3,558         | 3,558         | 3,558         | 3,558         | <b>Net Profit</b>            | <b>1,187</b>   | <b>796</b>     | <b>1,203</b>   | <b>1,285</b>   | <b>1,365</b>   |
| Minority interest                | 53            | 57            | 57            | 57            | 57            | <b>Core net profit</b>       | <b>1,187</b>   | <b>796</b>     | <b>1,203</b>   | <b>1,285</b>   | <b>1,365</b>   |
| <b>Shareholders' equity</b>      | <b>12,489</b> | <b>12,594</b> | <b>13,253</b> | <b>14,164</b> | <b>15,132</b> | <b>EPS (THB)</b>             | <b>0.42</b>    | <b>0.28</b>    | <b>0.43</b>    | <b>0.46</b>    | <b>0.49</b>    |
|                                  |               |               |               |               |               | <b>Core EPS (THB)</b>        | <b>0.42</b>    | <b>0.28</b>    | <b>0.43</b>    | <b>0.46</b>    | <b>0.49</b>    |
| <b>Key ratios</b>                |               |               |               |               |               |                              |                |                |                |                |                |
| <b>Year ending Mar</b>           | <b>FY24</b>   | <b>FY25</b>   | <b>FY26E</b>  | <b>FY27E</b>  | <b>FY28E</b>  | <b>Cash flow (THB m)</b>     |                |                |                |                |                |
| <b>Growth (%YoY)</b>             |               |               |               |               |               | <b>Year ending Mar</b>       | <b>FY24</b>    | <b>FY25</b>    | <b>FY26E</b>   | <b>FY27E</b>   | <b>FY28E</b>   |
| Sales                            | 3.0           | 9.1           | 4.8           | 5.2           | 3.7           | <b>Operating cash flow</b>   | <b>2,481</b>   | <b>1,371</b>   | <b>2,008</b>   | <b>2,272</b>   | <b>2,341</b>   |
| Operating profit                 | (13.0)        | (9.7)         | 0.3           | 8.6           | 3.7           | Net profit                   | 1,187          | 796            | 1,203          | 1,285          | 1,365          |
| EBITDA                           | (13.0)        | (9.7)         | 2.6           | 6.2           | 3.7           | Depre.& amortization         | 903            | 952            | 953            | 954            | 955            |
| Net profit                       | (32.6)        | 10.3          | (32.9)        | 51.1          | 6.8           | Change in working capital    | 295            | (491)          | (267)          | (93)           | (112)          |
| Core net profit                  | (32.6)        | 10.3          | (32.9)        | 51.1          | 6.8           | Others                       | 96             | 115            | 120            | 126            | 133            |
| EPS                              | (32.6)        | 10.3          | (32.9)        | 51.1          | 6.8           | <b>Investment cash flow</b>  | <b>291</b>     | <b>490</b>     | <b>(40)</b>    | <b>1,755</b>   | <b>1,793</b>   |
| Core EPS                         | (32.6)        | 10.3          | (32.9)        | 51.1          | 6.8           | Net CAPEX                    | 784            | 608            | (115)          | (460)          | (460)          |
| <b>Profitability (%)</b>         |               |               |               |               |               | Change in LT investment      | (493)          | (118)          | 75             | 2,214          | 2,253          |
| Gross margin                     | 38.8          | 40.1          | 40.5          | 40.5          | 40.5          | Change in other assets       | 0              | 0              | 0              | 0              | 0              |
| Operation margin                 | 13.0          | 12.4          | 12.8          | 12.8          | 12.8          | <b>Free cash flow</b>        | <b>2,772</b>   | <b>1,861</b>   | <b>1,968</b>   | <b>4,027</b>   | <b>4,133</b>   |
| EBITDA margin                    | 13.0          | 12.7          | 12.8          | 12.8          | 12.8          | <b>Financing cash flow</b>   | <b>(2,481)</b> | <b>(1,371)</b> | <b>(2,008)</b> | <b>(2,272)</b> | <b>(2,341)</b> |
| Net margin                       | 9.0           | 5.7           | 8.2           | 8.5           | 8.6           | Change in share capital      | 0              | 0              | 0              | 0              | 0              |
| ROE                              | 6.0           | 3.8           | 6.3           | 6.5           | 6.6           | Net change in debt           | 92             | 157            | (1,022)        | 0              | 0              |
| ROA                              | 4.5           | 3.7           | 4.5           | 4.8           | 4.9           | Dividend paid                | (728)          | (756)          | (544)          | (373)          | (397)          |
| <b>Stability</b>                 |               |               |               |               |               | Others                       | (1,845)        | (772)          | (442)          | (1,899)        | (1,943)        |
| Interest bearing debt/equity (x) | 0.3           | 0.3           | 0.2           | 0.2           | 0.2           | <b>Net cash flow</b>         | <b>291</b>     | <b>490</b>     | <b>(40)</b>    | <b>1,755</b>   | <b>1,793</b>   |
| 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)       |                              |                |                |                |                |                |
| <b>Activity</b>                  |               |               |               |               |               |                              |                |                |                |                |                |
| 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         |                              |                |                |                |                |                |

## 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.