

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

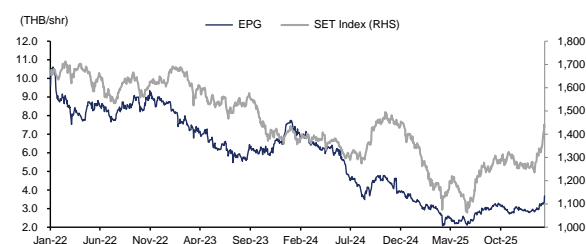
Financial forecast

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
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 (%)

	1M	3M	6M	YTD
Stock	15.97	17.61	11.33	17.61
Market	(0.06)	4.82	(2.76)	2.77
12M High/Low (THB)				3.52 / 2.12



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: Summary of 3QFY26/9MFY26 operations

	3QFY25 Dec 24 (THB m)	2QFY26 Sep 25 (THB m)	----- 3QFY26 ----- ----- Dec 25 -----			9MFY25 (THB m)	9MFY26 (THB m)	chg. (y-y%)	FY26E (THB m)
			(THB m)	(q-q%)	(y-y%)				
Revenue	3,407	3,458	3,345	(3.3)	(1.8)	10,617	10,157	(4.3)	14,591
Operating costs	(2,941)	(2,908)	(2,668)	8.2	9.3	(9,019)	(8,388)	7.0	(12,719)
EBITDA	466	550	676	22.9	45.3	1,598	1,769	10.7	1,872
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)
EBIT	209	292	329	12.7	57.4	817	906	10.9	919
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
Pretax profit	181	340	378	11.1	108.3	632	990	56.7	1,335
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
Net profit	164	315	336	6.7	105.2	548	918	67.6	1,203
Non-recurring	(44)	(14)	(31)	(129.9)	28.9	(192)	(78)	na	0
Core net profit	208	329	368	11.8	76.8	740	996	34.5	1,203
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 Dec 24	2QFY26 Sep 25	3QFY26 Dec 25	----- Change ----- (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
Gross profit margin (%) *	30.7	32.4	34.5	2.1	3.8
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
Gross profit (THB m)	1,042.6	1,113.9	1,148.2	3.1	10.1
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 Dec 24	2QFY26 Sep 25	3QFY26 Dec 25	----- Change ----- (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)					
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

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

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

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	7.78	7.28	6.85
P/BV (x)	0.90	0.64	0.71	0.66	0.62
Dividend yield (%)	6.78	9.38	3.86	4.12	4.38
Dividend payout ratio (%)	63.69	94.98	30.00	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.