

Delays, not derailed growths

- A weak 1Q26 result due to lower sales volume
- Impacts of delays of capacity expansion/ warehouse construction
- Downgrade to HOLD and cut TP to THB4.8

Growth slowed down in 1Q26

1Q26 net profit (NP) of THB254m (-36% q-q, -58% y-y), on lower revenue to THB7.2b (-0.3% q-q, -17% y-y), driven by weaker sales in export to be offset by higher domestic markets. EBITDA was THB491m, up 15% q-q but down 39% y-y and EBITDA margin rose to 6.8%, up from 5.9% in 4Q25 but down from 9.3% in 4Q25. Interest expense stabilized at THB135m, flat q-q but down 3% y-y. Core net profit was THB303m, up 34% q-q but down 49% y-y. Revenue from domestic market dropped by 16% y-y to THB5.1b while revenue from export plunged to THB2.1b, down 29% q-q and 20% y-y.

Two “options to delays” have financial cons but strategic pros

During 1Q26 analyst meeting, management delivered two key strategic decisions that we think though financially negative but strategically positive. First, the new THB1.5b production plant with 0.3mtpa capacity will be delayed for the third time (1st time due to drought, 2nd time due to Thailand-Cambodia border dispute), citing the rising risk for demand and prices as the U.S.-Iran war remains in place. Second, NER will also delay the construction of the new warehouse to replace the fire-hit one, citing the higher cost from THB72m (insurance claim) to THB97m, propelled by the higher construction material costs.

Option to delay capacity expansion

We now revise our projection for NER’s capacity, previously being expanded by 30% to 0.82mtpa (+0.15mtpa in 2Q27E and +0.15mtpa in 3Q27E), down to current 0.51mtpa. However, we think management’s decision to delay is sound, considering that the natural rubber supply is projected to plunge markedly in coming 2H26-2027 as a result of the super El Nino impact.

More cash for dividend and liquidity

In 2026-30E, the rubber price is projected for an uptrend thanks to the structural declines in the growing areas in all three key producing countries, particularly Indonesia where palm growing has continued to replaced natural rubber growing due to the superior palm price over rubber price. In Thailand, the highly anticipated super El Nino is likely to erode the rubber productions mainly in Northeast are where NER’s production plants are unfortunately located.

Downgrade to HOLD; TP cut to THB4.8

We downgrade from BUY to HOLD and trimmed our TP from THB7.4, previously based on 7x 2026E P/E, down to THB4.8, now based on 4.5x 2026E P/E, to reflect 1) EPS cuts on delayed capacity expansion impact; 2) lower sales volume in 2026E as a result of El Nino; 3) prolonged supply shortage in 2026E-28E due to limited growing areas.

Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

HOLD (from BUY)

Target Price 12M (THB)	4.80
VS. BB Consensus TP (%)	-14.9%
Share Price (THB)	4.42
Upside/Downside	+8.6%

Share Data

Market Cap (THB m)	8,167.23
Par (THB)	0.50
Free Float (%)	63.75
Issued shares (m shares)	1,848

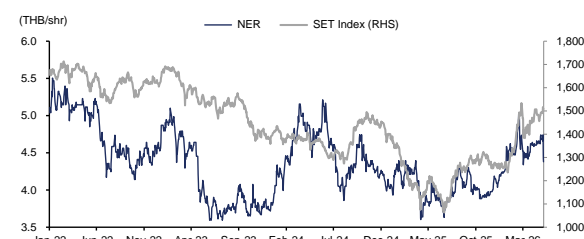
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	30,240	31,633	30,226	32,612
Net profit	1,885	1,671	1,443	1,458
Core net profit	1,652	1,671	1,443	1,458
vs Consensus (%)		(5.1)	(29.6)	(39.7)
Net profit growth (%)	14.0	(11.3)	(13.7)	1.0
Core net profit growth (%)	(1.1)	1.1	(13.7)	1.0
EPS (THB)	1.02	0.90	0.78	0.79
Core EPS (THB)	0.89	0.90	0.78	0.79
Chg from previous (%)		(14.68)	(48.28)	(50.38)
DPS (THB)	0.36	0.45	0.39	0.39
P/E (x)	4.39	4.89	5.66	5.60
P/BV (x)	0.85	0.75	0.71	0.66
ROE (%)	20.71	16.25	12.89	12.22
Dividend yield (%)	8.04	10.23	8.83	8.93

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(8.68)	(6.36)	6.25	(1.34)
Market	(11.29)	(15.89)	(8.17)	(17.56)
12M High/Low (THB)				5.40 / 3.88



Major Shareholders (%) as of 24 Apr 2026

Mr. Chuwit Jungtanasomboon	17.60
Mr. Jirayut Jungtanasomboon	3.47
Mrs. Suphaporn Jansereewithaya	1.38

Company Profile

Manufactures and distributes Ribbed Smoked Sheet, Standard Thai Rubber and Mixtures Rubber for manufacturers in automotive industry and traders

Source: SETSMART, SET

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Exhibit 1: Summary of 1Q26 operations

	1Q25	4Q25	----- 1Q26 -----		2025	2026E	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)		(THB m)
Revenue	8,698	7,231	7,208	(0.3)	(17.1)	30,240	35,854	18.6
Operating costs	(7,890)	(6,804)	(6,717)	1.3	14.9	(28,014)	(33,262)	(18.7)
EBITDA	808	427	491	15.0	(39.2)	2,226	2,593	16.5
EBITDA margin (%)	9.3	5.9	6.8	na	na	7.4	7.2	na
Depn & amort.	(60)	(55)	(52)	6.1	(13.9)	(235)	(263)	(11.9)
EBIT	748	372	439	18.1	(41.3)	1,991	2,330	17.0
Interest expense	(139)	(135)	(135)	(0.2)	(3.2)	(548)	(454)	17.2
Interest & invt inc	-	-	-	na	na	-	-	na
Other income	3	9	3	(67.6)	(14.5)	190	190	-
Associates' contrib	-	-	-	na	na	-	-	na
Exceptionals	14	183	(50)	(127.0)	(446.0)	79	-	nm
Pretax profit	626	430	258	(40.0)	(58.8)	1,945	2,066	6.3
Tax	(17)	(35)	(3)	90.3	(80.4)	(60)	(107)	(77.9)
Tax rate (%)	2.8	8.1	1.3	(83.8)	(52.4)	3.1	5.2	67.4
Minority interests	-	-	-	na	na	-	-	na
Net profit	609	395	254	(35.6)	(58.2)	1,885	1,959	4.0
Non-recurring	14	169	(49)	(129.0)	(451.1)	232	-	nm
Core net profit	595	227	303	33.9	(49.0)	1,652	1,959	18.6
EPS (THB)	0.38	0.24	0.16	(35.6)	(58.2)	1.02	1.06	4.0
Core EPS (THB)	0.37	0.14	0.19	33.9	(49.0)	0.89	1.06	18.6

Sources: NER; Globlex Research

Exhibit 2: 1Q26 key performance

	1Q25	4Q25	1Q26	(q-q%)	(y-y%)
Revenue by product	7,197	4,659	4,927	5.8	(31.5)
RSS	1,158	756	765	1.2	(33.9)
RSS-Mixture	849	615	517	(15.9)	(39.1)
STR20	5,190	3,288	3,645	10.9	(29.8)
STR-Mixture	1,499	2,567	2,279	(11.2)	52.0
Revenues by Geography	8,698	7,231	7,208	(0.3)	(17.1)
Domestic	6,077	4,259	5,098	19.7	(16.1)
Export	2,621	2,972	2,110	(29.0)	(19.5)

Sources: NER; Globlex Research

Exhibit 3: Key changes in assumptions and EPS forecasts

THB m	----- Current -----			----- Previous -----			----- Change (%) -----		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	31,633	30,226	32,612	35,854	48,450	52,765	(11.8)	(37.6)	(38.2)
Gross profit	3,026	3,075	3,319	3,429	4,925	5,367	(11.8)	(37.6)	(38.2)
Operating profit	2,289	2,351	2,546	2,593	3,762	4,113	(11.7)	(37.5)	(38.1)
Net profit	1,671	1,443	1,458	1,959	2,781	2,945	(14.7)	(48.1)	(50.5)
EPS (THB/share)	0.90	0.78	0.79	1.06	1.51	1.59	(14.7)	(48.3)	(50.4)
Key assumptions									
Average utilisation rate (%)	56.1	53.6	57.9	63.6	86.1	93.9	(7.5)	(32.5)	(36.0)
Total sales volume (ton)	468,840	447,860	483,464	531,840	719,860	784,264	(11.8)	(37.8)	(38.4)
Average selling price (THB/kg)	67.5	67.5	67.5	67.4	67.3	67.3	0.1	0.3	0.2
RSS Price (THB/kg)	70.0	70.0	70.0	70.0	70.0	70.0	0.0	0.0	0.0
STR20 and STR-Mixture price (THB/kg)	67.0	67.0	67.0	67.0	67.0	67.0	0.0	0.0	0.0
RSS-Mixture price (THB/kg)	68.0	68.0	68.0	68.0	68.0	68.0	0.0	0.0	0.0

Sources: NER; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	221	60	7,046	15,620	14,641
Account receivable	805	917	1,034	1,146	1,267
Inventories	16,213	17,029	17,990	17,075	18,421
Others	30	2	2	2	2
Non-current assets					
Net fixed assets	1,683	1,515	2,120	2,502	2,827
Others	506	483	483	483	483
Total Assets	19,457	20,005	28,675	36,827	37,641
Current liabilities					
Account payable	247	244	258	245	264
ST borrowing	5,209	5,541	5,541	5,541	5,541
Others	78	3	4	3	4
Long-term liabilities					
Long-term debts	5,257	4,455	11,955	19,455	19,455
Others	180	53	53	53	53
Total liabilities	10,969	10,298	17,811	25,298	25,318
Paid-up capital	924	924	924	924	924
Retained earnings	5,992	7,212	8,310	8,917	9,654
Others	1,572	1,572	1,630	1,688	1,746
Minority interest	0	0	0	0	0
Shareholders' equity	8,488	9,707	10,864	11,529	12,323

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (y-y%)					
Sales	9.6	10.2	4.6	(4.4)	7.9
Operating profit	5.1	2.0	(6.9)	2.7	8.3
EBITDA	4.0	2.0	(8.9)	0.3	6.9
Net profit	6.9	14.0	(11.3)	(13.7)	1.0
Core net profit	5.7	(1.1)	1.1	(13.7)	1.0
EPS	6.9	14.0	(11.3)	(13.7)	1.0
Core EPS	5.7	(1.1)	1.1	(13.7)	1.0
Profitability (%)					
Gross margin	11.0	10.5	9.6	10.2	10.2
Operation margin	8.8	8.1	7.2	7.8	7.8
EBITDA margin	7.9	7.4	6.4	6.7	6.7
Net margin	6.0	6.2	5.3	4.8	4.5
ROE	20.7	20.7	16.2	12.9	12.2
ROA	9.1	9.6	6.9	4.4	3.9
Stability					
Interest bearing debt/equity (x)	1.2	1.0	1.6	2.2	2.0
Net debt/equity (x)	1.2	1.0	1.0	0.8	0.8
Interest coverage (x)	5.1	4.5	5.0	3.4	3.1
Interest & ST debt coverage (x)	0.4	0.4	0.4	0.4	0.4
Cash flow interest coverage (x)	(0.1)	0.1	0.0	0.1	0.0
Current ratio (x)	3.1	3.1	4.5	5.8	5.9
Quick ratio (x)	0.2	0.2	1.4	2.9	2.7
Net debt (THB m)	10,244	9,937	10,451	9,377	10,355
Activity					
Asset turnover (X)	1.5	1.5	1.3	0.9	0.9
Days receivables	9.9	10.4	11.3	13.2	13.5
Days inventory	224.5	224.0	223.4	235.7	221.2
Days payable	3.4	3.3	3.2	3.4	3.2
Cash cycle days	231.0	231.1	231.5	245.5	231.5

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue					
Revenue	27,448	30,240	31,633	30,226	32,612
Cost of goods sold	(24,436)	(27,078)	(28,607)	(27,152)	(29,292)
Gross profit	3,012	3,162	3,026	3,075	3,319
Operating expenses	(601)	(704)	(737)	(723)	(773)
Operating profit	2,411	2,458	2,289	2,351	2,546
EBIT	2,411	2,458	2,289	2,351	2,546
Depreciation	(232)	(235)	(263)	(319)	(374)
EBITDA	2,179	2,223	2,026	2,032	2,172
Non-operating income					
Other incomes	(30)	190	190	190	190
Other non-op income	29	79	0	0	0
Non-operating expense	(469)	(548)	(454)	(701)	(825)
Interest expense	(469)	(548)	(454)	(701)	(825)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	1,708	1,945	1,762	1,522	1,537
Extraordinary items					
Current taxation	(55)	(60)	(91)	(79)	(80)
Minorities	0	0	0	0	0
Net Profit	1,652	1,885	1,671	1,443	1,458
Core net profit	1,670	1,652	1,671	1,443	1,458
EPS (THB)	0.89	1.02	0.90	0.78	0.79
Core EPS (THB)	0.90	0.89	0.90	0.78	0.79

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
Operating cash flow	(688)	973	687	2,333	140
Net profit	1,652	1,885	1,671	1,443	1,458
Depre. & amortization	232	235	263	319	374
Change in working capital	(2,423)	(977)	(1,065)	790	(1,448)
Others	(149)	(170)	(182)	(219)	(245)
Investment cash flow	(488)	(701)	(1,063)	(1,261)	(1,360)
Net CAPEX	(151)	(67)	(700)	(700)	(700)
Change in LT investment	99	(104)	0	0	0
Change in other assets	(436)	(531)	(363)	(561)	(660)
Free cash flow	(1,175)	272	(376)	1,072	(1,220)
Financing cash flow	2,571	(211)	597	(1,012)	8,266
Change in share capital	0	0	58	58	58
Net change in debt	29	79	0	0	0
Dividend paid	(573)	(573)	(573)	(836)	(721)
Others	3,115	283	1,111	(234)	8,929
Net cash flow	1,396	61	221	60	7,046

Per share (THB)					
EPS	0.89	1.02	0.90	0.78	0.79
Core EPS	0.90	0.89	0.90	0.78	0.79
CFPS	1.02	1.15	1.05	0.95	0.99
BVPS	4.59	5.25	5.88	6.24	6.67
Sales/share	14.86	16.37	17.12	16.36	17.65
EBITDA/share	1.18	1.20	1.10	1.10	1.18
DPS	0.36	0.36	0.45	0.39	0.39
Valuation					
P/E (x)	5.43	4.39	4.89	5.66	5.60
P/BV (x)	1.06	0.85	0.75	0.71	0.66
Dividend yield (%)	7.41	8.04	10.23	8.83	8.93
Dividend payout ratio (%)	40	35	50	50	50

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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.