

11 APRIL 2025

EQUITY RESEARCH - COMPANY REPORT

EASTERN POLYMER GROUP

THAILAND / CONSTRUCT

FINANSIA

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★★

EPG TB

BUY

UNCHANGED

TARGET PRICE	THB4.00
CLOSE	THB2.32
UP/DOWNSIDE	+72.4%
PRIOR TP	THB5.30
CHANGE IN TP	-24.5%
TP vs CONSENSUS	-5.1%

Indirect impact from trade tariffs

- Aeroklas automotive plastic parts business which contributes 52% of total revenue should see an indirect impact from weak demand.
- Aeroflex insulation business should not see any impact due to six months of raw material stockpiled in advance.
- Earning projections revised down but financially strong.

Indirect impact from trade tariffs

We have assessed the impact of the 25% U.S. import tariff on all vehicles (effective 3 April 2025) and the Reciprocal Tariff, which is currently on a 90-day suspension to allow negotiations while a minimum 10% tariff is in effect. We anticipate an indirect impact on EPG's Aeroklas automotive plastic parts business (52% of total revenue) from weak demand. We have decreased our FY26 (ending March 2026) revenue forecast for Aeroklas to THB6.9b, decreasing 6.0% y-y before an anticipated recovery of 5.0% y-y in FY27 as conditions improve.

Aeroflex and EPP should see no impact from trade tariffs

EPG's Aeroflex insulation business (30% of total revenue), which has a production facility in the U.S. and imports raw materials from Thailand, should not face an immediate impact. It has already stockpiled enough raw materials to last six months of production. Moreover, since the U.S. market is a premium segment, the company believes it can gradually adjust its selling prices. EPP plastic packaging unit, which relies mainly on the domestic market will have no significant impact from the trade war.

Earnings forecast revised down to reflect rising risks

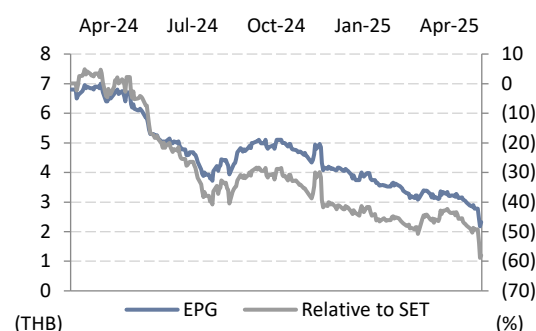
We have cut our core profit forecasts for FY25–FY27 by 9%/22%/18%, to THB1.20b, THB1.16b, and THB1.39b, respectively. It represents a plunge of 16.2% y-y in FY25, followed by a further slight drop of 3.8% y-y in FY26, before recovering in FY27. The downgrade mainly reflects lower sales projections for Aeroklas automotive unit and a slight reduction in our gross margin assumptions.

Slash TP but retain BUY call on strong financial position

Due to a delayed recovery, we have cut our TP to THB4.00, based on -1SD of its five-year average. EPG has declined steadily over the past three years, in line with its slowing profit growth and rising costs from overseas expansion. The stock traded at -2SD of its five-year average and 47% below its book value at end December 2024. We maintain our BUY call as we believe EPG can weather this difficult period due to support from its strong financial position with a low net D/E of 0.5x and estimated cash on hand of THB1.6b (or THB0.58 per share) at the end of FY25.

KEY STOCK DATA

YE Nov (THB m)	2024	2025E	2026E	2027E
Revenue	13,227	14,335	14,192	14,924
Net profit	1,187	813	1,159	1,393
EPS (THB)	0.42	0.29	0.41	0.50
vs Consensus (%)	-	(42.9)	(24.9)	-
EBITDA	2,202	2,262	2,251	2,500
Recurring net profit	1,438	1,205	1,159	1,393
Core EPS (THB)	0.51	0.43	0.41	0.50
Chg. In EPS est. (%)	-	(8.6)	(22.4)	(19.6)
EPS growth (%)	17.7	(16.2)	(3.8)	20.2
Core P/E (x)	4.5	5.4	5.6	4.7
Dividend yield (%)	9.5	6.3	8.9	10.7
EV/EBITDA (x)	4.5	4.6	4.5	4.1
Price/book (x)	0.5	0.5	0.5	0.5
Net debt/Equity (%)	27.1	30.6	27.1	26.2
ROE (%)	11.8	9.5	8.9	10.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(29.3)	(34.8)	(66.1)
Relative to country (%)	(26.6)	(21.4)	(57.9)
Mkt cap (USD m)	190		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	26		
Major shareholder	Vitoorapakorn Holding Co., Ltd. (60%)		
12m high/low (THB)	7.05/2.12		
Issued shares (m)	2,800.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Given rising risks from trade tariffs, we have revised down our core profit forecasts for FY25–FY27 by 9%/22%/18%, to THB1.20b, THB1.16b, and THB1.39b, respectively. It represents a plunge of 16.2% y-y in FY25, followed by a further slight drop of 3.8% y-y in FY26, before recovering in FY27. The downgrade mainly reflects lower sales projections for Aeroklas automotive unit and a slight reduction in our gross margin assumptions.

Due to a delayed recovery, we have cut our TP to THB4.00, based on -1SD of its five-year average. We maintain our BUY call as we believe EPG can weather this difficult period due to support from its strong financial position with a low net D/E of 0.5x and estimated cash on hand of THB1.6b (or THB0.58 per share) at the end of FY25.

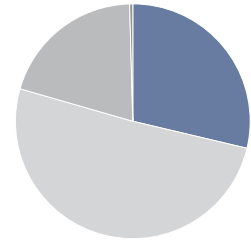
Company profile

EPG is a holding company, investing in its affiliates that engage in 1) thermal insulation business operated by Aeroflex Co., Ltd., 2) automotive and accessories business operated by Aeroklas Co., Ltd., and 3) plastic and packaging business operated by Eastern Polypack Co., Ltd.

www.epg.co.th

Principal activities (revenue, 2024)

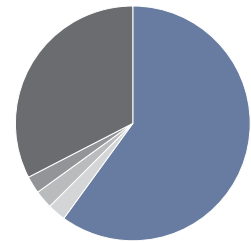
- Aeroflex - 28.7 %
- Aeroklas - 50.8 %
- EPP - 20.1 %
- Other service - 0.4 %



Source: Eastern Polymer Group

Major shareholders

- Vitoorapakorn Holding Co., Ltd. - 60.0 %
- Thai NVDR - 2.5 %
- Mr. Pawat Vitoorapakorn - 2.5 %
- Mr. Chalileo Vitoorapakorn - 2.4 %
- Others - 32.6 %



Source: Eastern Polymer Group

Catalysts

Key potential catalysts include 1) a robust recovery of China's economy; 2) lower costs of PP, HDPE, and ABS; and 3) faster-than-expected growth of subsidiaries and associates.

Risks to our call

Downside risks to our EV/EBITDA-based TP include 1) slow demand for pickup trucks and plastic packaging; 2) rising costs of oil-linked raw materials; 3) rising cost of funds; and 4) fluctuation in foreign exchange rates.

Event calendar

Date	Event
May 2025	FY25 earnings announcement

Key assumptions

Year to Mar 31	FY25E	FY26E	FY27E
	(%)	(%)	(%)
Revenue growth			
AFC - Aeroflex	11.3	6.0	7.0
ARK - Aeroklas	9.8	(6.0)	5.0
EPP - Eastern Polypack	(1.0)	2.5	2.5
Gross margin			
AFC - Aeroflex	48.0	48.2	48.6
ARK - Aeroklas	32.0	31.8	32.0
EPP - Eastern Polypack	10.0	10.0	9.0

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in blended gross margin, we project EPG's FY25 core profit to change by 4%, all else being equal.
- For every 1% change in SG&A to sales, we project EPG's FY25 core profit to change by 7%, all else being equal.
- For every 1% change in borrowing rate, we project EPG's FY25 core profit to change by 8%, all else being equal.

Source: FSSIA estimates

Indirect impact from trade tariffs

We have assessed the impact of the 25% U.S. import tariff on all vehicles (effective 3 April 2025) and the Reciprocal Tariff, which is currently on a 90-day suspension to allow negotiations while a minimum 10% tariff is in effect. We anticipate an indirect impact on EPG's Aeroklas automotive plastic parts business from weak demand. In contrast, the Aeroflex insulation business should see limited impact, and there should be no impact on the EPP plastic packaging business, which relies mainly on the domestic market.

- EPG's Aeroflex business, which has a production facility in the U.S. and imports raw materials from Thailand, should not face an immediate impact. It has already stockpiled enough raw materials to last six months of production. Moreover, since the U.S. market is a premium segment, the company believes it can gradually adjust its selling prices.
- President Trump's 25% import tariff on all foreign-made cars and trucks, effective 3 April 2025, should directly hit Japanese, South Korean, and German automakers, which rely heavily on the U.S. as a key market. Also, this move affects the entire supply chain, including Thai assemblers and auto parts manufacturers.

EPG's Aeroklas business, which produces automotive plastic parts, has seen record-high revenues over the past three years. It now accounts for 52% of total revenue. However, with global automakers gradually cutting production targets, we have revised down our FY26 (ending March 2026) revenue forecast for Aeroklas to THB6.9b, decreasing 6.0% y-y before an anticipated recovery of 5.0% y-y in FY27 as conditions improve.

- The EPP business accounted for 18% of total revenue in 9MFY25 but contributed only 8% of the group's total gross profit since it operates with the lowest gross margin of just 10%. Since 93% of EPP's revenue comes from the domestic market, the trade war does not affect it directly. However, there may be indirect effects, such as raw material (plastic resin) costs remaining low for an extended period, which could offset higher pricing pressure from Chinese products.

Earnings forecast revised down to reflect rising risks

We have cut our core profit forecasts for FY25–FY27 by 9%/22%/18%, to THB1.20b, THB1.16b, and THB1.39b, respectively. It represents a plunge of 16.2% y-y in FY25, followed by a further slight drop of 3.8% y-y in FY26, before recovering in FY27. The downgrade mainly reflects lower sales projections for Aeroklas automotive unit and a slight reduction in our gross margin assumptions.

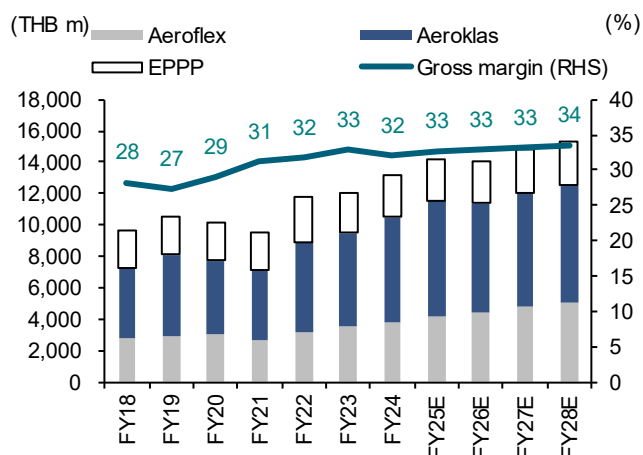
A key ongoing issue for EPG remains high SG&A expenses at TJM, while there are signs of improved ECL provisions from an associate in South Africa. In 3QFY25 (September-December 2024), ECL dropped to THB58m, down from an average of THB104m per quarter in the prior two quarters. We expect one final provision of around THB50m in 4QFY25 (January-March 2025), likely marking the last quarter with such charges.

Exhibit 1: Key changes in assumptions

Year to Mar 31	Current			Previous			Change		
	FY25E (THB m)	FY26E (THB m)	FY27E (THB m)	FY25E (THB m)	FY26E (THB m)	FY27E (THB m)	FY25E (%)	FY26E (%)	FY27E (%)
Total revenue	14,335	14,192	14,924	14,491	15,248	15,990	(1.1)	(6.9)	(6.7)
AFC - Aeroflex	4,226	4,480	4,793	4,226	4,480	4,749	0.0	0.0	0.9
ARK - Aeroklas	7,373	6,931	7,277	7,528	7,980	8,379	(2.1)	(13.1)	(13.1)
EPP - Eastern Polypack	2,632	2,697	2,765	2,632	2,697	2,768	0.0	0.0	(0.1)
Total cost of goods sold	9,637	9,521	9,950	9,582	10,093	10,574	0.6	(5.7)	(5.9)
Gross profit	4,698	4,671	4,975	4,909	5,155	5,416	(4.3)	(9.4)	(8.1)
SG&A	3,555	3,548	3,582	3,695	3,736	3,726	(3.8)	(5.0)	(3.9)
ECL	289	0	0	234	0	0	23.5	nm	nm
EBITDA	2,147	2,147	2,427	2,218	2,443	2,724	(3.2)	(12.1)	(10.9)
Equity income	278	264	277	349	342	335	(20.3)	(22.8)	(17.3)
Core profit	1,205	1,159	1,418	1,318	1,494	1,733	(8.6)	(22.4)	(18.2)
Net profit	813	1,159	1,418	924	1,494	1,733	(12.0)	(22.4)	(18.2)
Margins	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	32.8	32.9	33.3	33.9	33.8	33.9	(1.1)	(0.9)	(0.5)
AFC - Aeroflex	48.0	48.2	48.6	50.6	51.2	51.2	(2.6)	(3.0)	(2.6)
ARK - Aeroklas	32.0	31.8	32.0	32.6	32.3	32.3	(0.6)	(0.5)	(0.3)
EPP - Eastern Polypack	10.0	10.0	10.0	10.3	9.0	8.5	(0.3)	1.0	1.5
EBITDA margin	15.0	15.1	16.3	15.3	16.0	17.0	(0.3)	(0.9)	(0.8)
Core profit margin	8.4	8.2	9.5	9.1	9.8	10.8	(0.7)	(1.6)	(1.3)
SG&A to Sales	24.8	25.0	24.0	25.5	24.5	23.3	(0.7)	0.5	0.7

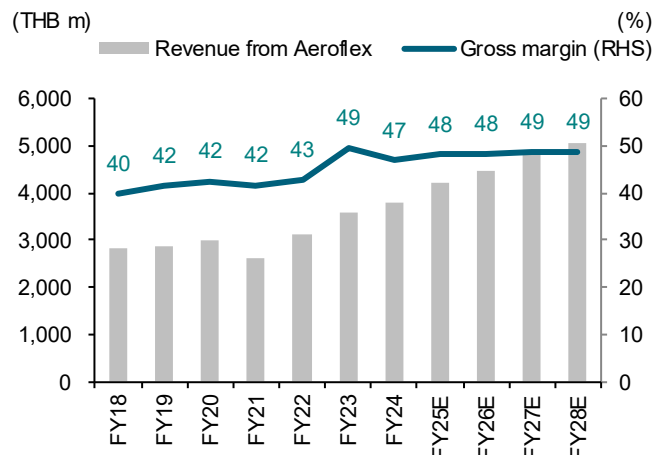
Source: FSSIA estimates

Exhibit 2: Total revenue and gross margin



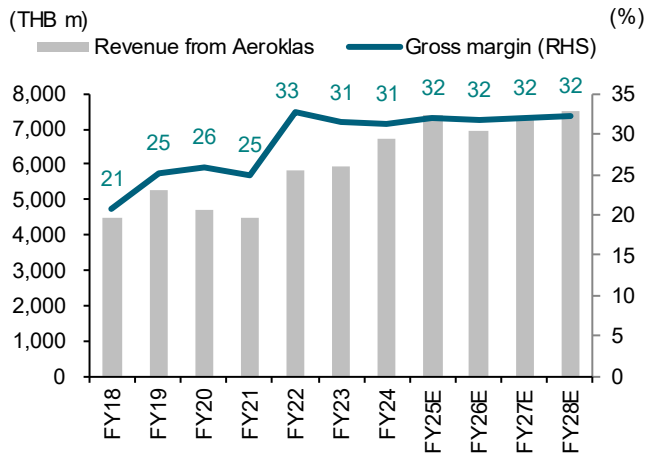
Sources: EPG, FSSIA estimates

Exhibit 3: Aeroflex: Revenue and gross margin



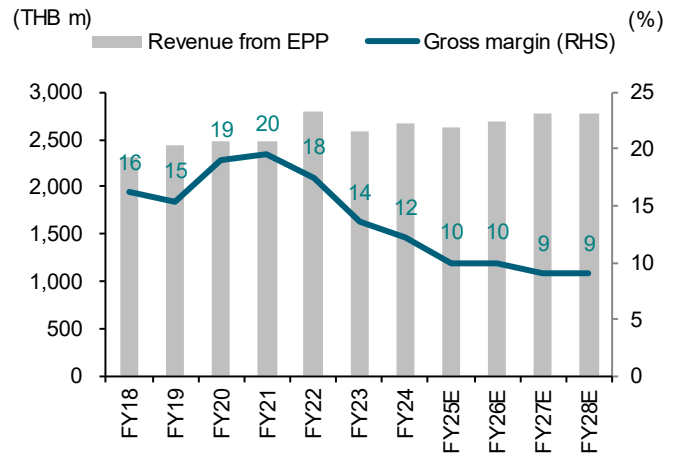
Sources: EPG, FSSIA estimates

Exhibit 4: Aeroklas: Revenue and gross margin



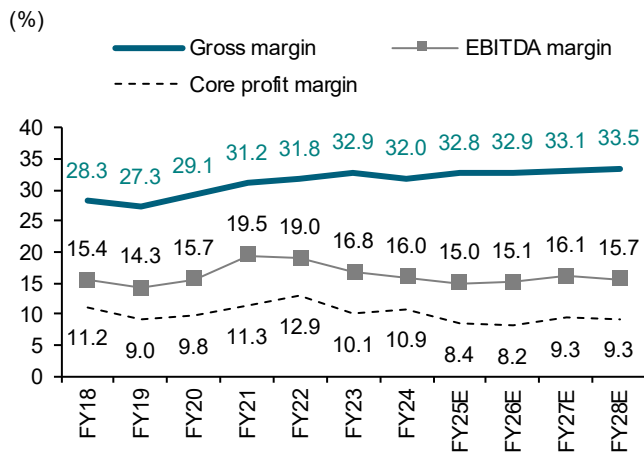
Sources: EPG, FSSIA estimates

Exhibit 5: EPP: Revenue and gross margin



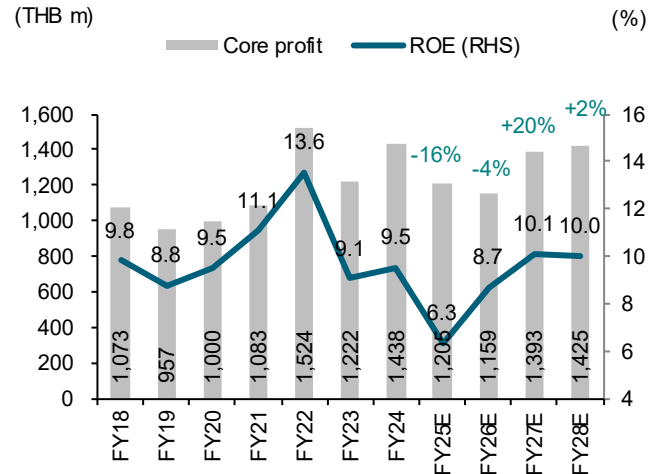
Sources: EPG, FSSIA estimates

Exhibit 6: Margins



Sources: EPG, FSSIA estimates

Exhibit 7: Core profit and ROE



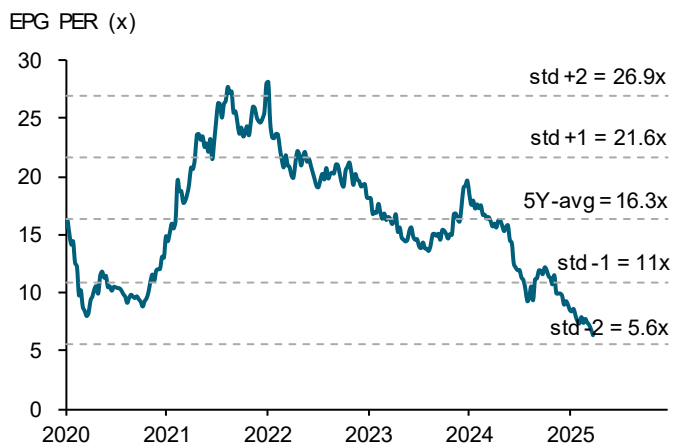
Sources: EPG, FSSIA estimates

Slash TP but retain BUY call on strong financial position

Due to a delayed recovery, we have cut our TP to THB4.00, based on -1SD of its five-year average (from our previous THB5.30, which was based on -0.5SD). EPG has declined steadily over the past three years, in line with its slowing profit growth and rising costs from overseas expansion. The stock traded at -2SD of its five-year average and 47% below its book value at end December 2024.

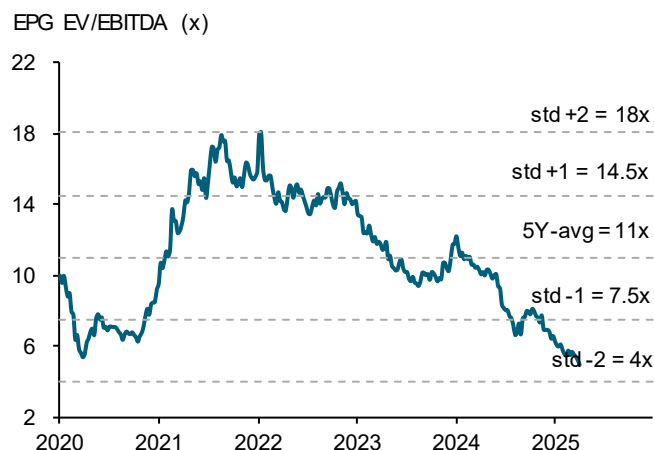
We maintain our BUY call as we believe EPG can weather this difficult period due to support from its strong financial position with a low net D/E of 0.5x and estimated cash on hand of THB1.6b (or THB0.58 per share) at the end of FY25.

Exhibit 8: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: One-year rolling forward EV/EBITDA band



Sources Bloomberg, FSSIA estimates

Exhibit 10: Peers comparison as of 10 April 2025

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)	25E (x)	26E (x)
Thailand														
Eastern Polymer Group	EPG TB	BUY	2.32	4.00	72	190	5.4	5.6	9.5	8.9	0.5	0.5	4.6	4.5
Thai Stanley Electric	STANLY TB	HOLD	218.00	210.00	(4)	489	11.0	9.5	6.9	8.0	0.8	0.8	5.1	4.6
Aapico Hitech	AH TB	HOLD	11.00	13.50	23	108	4.9	4.0	7.5	8.6	0.4	0.3	4.5	3.9
Somboon Advance Technology	SAT TB	BUY	10.60	13.60	28	132	5.7	5.1	9.2	10.0	0.5	0.5	1.7	1.3
Inoue Rubber(Thailand)	IRC TB	REDUCE	11.10	12.40	12	62	10.3	9.1	5.0	5.5	0.5	0.5	0.2	0.0
Thailand average						982	7.5	6.7	7.6	8.2	0.5	0.5	3.2	2.9
Regional														
Magna International*	MGA US	n/a	32.13	n/a	n/a	9,051	6.7	5.3	10.9	12.7	0.8	0.7	3.7	3.3
AMCOR*	AMCR US	n/a	9.02	n/a	n/a	13,037	12.3	11.3	26.5	28.0	3.0	2.7	9.9	8.2
Samvardhana Motherson Intern*	MOTHERSO IN	n/a	113.01	n/a	n/a	9,721	22.1	17.7	12.5	13.4	2.5	2.2	9.1	8.2
LEAR*	LEA US	n/a	76.33	n/a	n/a	4,087	6.3	5.2	13.9	14.5	0.8	0.8	3.6	3.4
CIE Automotive*	CIE SM	n/a	20.85	n/a	n/a	2,845	7.0	6.3	21.1	20.2	1.4	1.2	5.2	4.9
NHK SPRING*	5991 JP	n/a	1,429.00	n/a	n/a	2,309	6.7	6.7	11.1	10.5	0.7	0.7	3.8	3.5
Regional average						41,049	10.2	8.7	16.0	16.5	1.5	1.4	5.9	5.3
Overall average						42,031	8.9	7.8	12.2	12.7	1.1	1.0	4.7	4.2

Sources: *Bloomberg, FSSIA estimates

Financial Statements

Eastern Polymer Group

Profit and Loss (THB m) Year Ending Nov	2023	2024	2025E	2026E	2027E
Revenue	12,125	13,227	14,335	14,192	14,924
Cost of goods sold	(8,134)	(8,999)	(9,637)	(9,521)	(9,977)
Gross profit	3,991	4,228	4,698	4,671	4,947
Other operating income	59	88	115	104	100
Operating costs	(2,872)	(3,102)	(3,555)	(3,548)	(3,582)
Operating EBITDA	2,094	2,202	2,262	2,251	2,500
Depreciation	(916)	(988)	(1,004)	(1,024)	(1,034)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,178	1,214	1,258	1,227	1,465
Net financing costs	(101)	(194)	(215)	(218)	(212)
Associates	243	463	278	264	277
Recurring non-operating income	243	463	278	264	277
Non-recurring items	(146)	(251)	(392)	0	0
Profit before tax	1,173	1,232	929	1,272	1,531
Tax	(92)	(21)	(104)	(101)	(125)
Profit after tax	1,082	1,211	825	1,171	1,406
Minority interests	(6)	(24)	(12)	(12)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,076	1,187	813	1,159	1,393
Non-recurring items & goodwill (net)	146	251	392	0	0
Recurring net profit	1,222	1,438	1,205	1,159	1,393
Per share (THB)					
Recurring EPS *	0.44	0.51	0.43	0.41	0.50
Reported EPS	0.38	0.42	0.29	0.41	0.50
DPS	0.28	0.22	0.15	0.21	0.25
Diluted shares (used to calculate per share data)	2,800	2,800	2,800	2,800	2,800
Growth					
Revenue (%)	3.0	9.1	8.4	(1.0)	5.2
Operating EBITDA (%)	(8.6)	5.1	2.7	(0.5)	11.1
Operating EBIT (%)	(19.2)	3.0	3.6	(2.5)	19.5
Recurring EPS (%)	(19.8)	17.7	(16.2)	(3.8)	20.2
Reported EPS (%)	(32.6)	10.3	(31.5)	42.6	20.2
Operating performance					
Gross margin inc. depreciation (%)	32.9	32.0	32.8	32.9	33.1
Gross margin exc. depreciation (%)	40.5	39.4	39.8	40.1	40.1
Operating EBITDA margin (%)	17.3	16.6	15.8	15.9	16.7
Operating EBIT margin (%)	9.7	9.2	8.8	8.6	9.8
Net margin (%)	10.1	10.9	8.4	8.2	9.3
Effective tax rate (%)	7.8	1.7	11.2	7.9	8.2
Dividend payout on recurring profit (%)	64.1	42.8	33.7	50.0	50.0
Interest cover (X)	14.0	8.6	7.2	6.8	8.2
Inventory days	178.1	174.1	171.1	182.6	174.4
Debtor days	64.6	64.0	64.2	65.8	63.4
Creditor days	66.2	74.4	73.7	68.8	63.7
Operating ROIC (%)	10.6	11.5	10.5	9.8	11.5
ROIC (%)	8.7	10.1	8.2	7.7	8.8
ROE (%)	10.3	11.8	9.5	8.9	10.3
ROA (%)	7.6	8.6	6.9	6.6	7.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Aeroflex	3,563	3,796	4,226	4,480	4,793
Aeroklas	5,936	6,715	7,373	6,931	7,277
EPP	2,585	2,659	2,632	2,697	2,765
Other service	42	57	104	85	89

Sources: Eastern Polymer Group; FSSIA estimates

Financial Statements

Eastern Polymer Group

Cash Flow (THB m) Year Ending Nov	2023	2024	2025E	2026E	2027E
Recurring net profit	1,222	1,438	1,205	1,159	1,393
Depreciation	916	988	1,004	1,024	1,034
Associates & minorities	(243)	(463)	(278)	(264)	(277)
Other non-cash items	(53)	59	17	(577)	(641)
Change in working capital	(626)	(227)	(1,086)	(254)	(661)
Cash flow from operations	1,217	1,795	862	1,089	849
Capex - maintenance	0	0	0	0	0
Capex - new investment	(760)	(602)	(94)	(74)	(44)
Net acquisitions & disposals	104	27	0	0	0
Other investments (net)	(1,059)	(91)	(441)	(138)	(150)
Cash flow from investing	(1,715)	(666)	(535)	(212)	(194)
Dividends paid	(840)	(728)	(406)	(580)	(697)
Equity finance	0	0	0	0	0
Debt finance	1,422	(339)	309	(498)	(27)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	582	(1,067)	(98)	(1,078)	(724)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	129	229	0	0	0
Net other adjustments	129	229	0	0	0
Movement in cash	213	291	229	(201)	(69)
Free cash flow to firm (FCFF)	(397.12)	1,323.18	541.31	1,095.08	866.50
Free cash flow to equity (FCFE)	1,052.51	1,018.64	635.50	378.38	627.90

Per share (THB)

FCFF per share	(0.14)	0.47	0.19	0.39	0.31
FCFE per share	0.38	0.36	0.23	0.14	0.22
Recurring cash flow per share	0.66	0.72	0.70	0.48	0.54

Balance Sheet (THB m) Year Ending Nov	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	12,460	13,007	14,201	15,315	16,419
Less: Accumulated depreciation	(6,636)	(7,243)	(8,247)	(9,271)	(10,305)
Tangible fixed assets (net)	5,824	5,764	5,954	6,044	6,114
Intangible fixed assets (net)	1,235	1,318	1,310	1,303	1,296
Long-term financial assets	236	232	232	232	232
Invest. in associates & subsidiaries	2,782	3,139	3,139	3,281	3,412
Cash & equivalents	1,113	1,404	1,633	1,431	1,362
A/C receivable	2,184	2,451	2,592	2,527	2,658
Inventories	3,851	3,791	4,304	4,200	4,346
Other current assets	105	131	143	142	149
Current assets	7,252	7,778	8,672	8,300	8,516
Other assets	1,215	1,569	1,486	1,493	1,523
Total assets	18,543	19,801	20,794	20,654	21,092
Common equity	11,876	12,436	12,829	13,309	13,805
Minorities etc.	32	53	56	57	59
Total shareholders' equity	11,908	12,489	12,885	13,366	13,864
Long term debt	2,969	2,990	3,698	3,284	2,669
Other long-term liabilities	536	590	616	596	597
Long-term liabilities	3,506	3,580	4,315	3,880	3,266
A/C payable	1,415	1,850	1,637	1,565	1,558
Short term debt	1,658	1,803	1,878	1,764	2,322
Other current liabilities	56	79	79	78	82
Current liabilities	3,130	3,732	3,594	3,407	3,962
Total liabilities and shareholders' equity	18,543	19,801	20,794	20,654	21,092
Net working capital	4,667	4,446	5,323	5,226	5,513
Invested capital	15,958	16,468	17,444	17,579	18,090

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	4.24	4.44	4.58	4.75	4.93
Tangible book value per share	3.80	3.97	4.11	4.29	4.47

Financial strength

Net debt/equity (%)	29.5	27.1	30.6	27.1	26.2
Net debt/total assets (%)	19.0	17.1	19.0	17.5	17.2
Current ratio (x)	2.3	2.1	2.4	2.4	2.1
CF interest cover (x)	18.9	9.3	4.4	3.1	4.2

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	5.3	4.5	5.4	5.6	4.7
Recurring P/E @ target price (x) *	9.2	7.8	9.3	9.7	8.0
Reported P/E (x)	6.0	5.5	8.0	5.6	4.7
Dividend yield (%)	12.1	9.5	6.3	8.9	10.7
Price/book (x)	0.5	0.5	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.5	0.5
EV/EBITDA (x) **	4.8	4.5	4.6	4.5	4.1
EV/EBITDA @ target price (x) **	7.0	6.6	6.7	6.6	6.0
EV/invested capital (x)	0.6	0.6	0.6	0.6	0.6

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Eastern Polymer Group; FSSIA estimates

Eastern Polymer Group (EPG TB)

FSSIA ESG rating

★ ★ ★ ★

59.63 /100

Exhibit 11: FSSIA ESG score implication

Rating	Score	Implication
★ ★ ★ ★ ★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★ ★ ★ ★ ★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★ ★ ★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★ ★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 12: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AH	44.82	--	Y	Y	5.00	4.00	Certified	--	49.81	--	--	34.05	--	3.56	--
EPG	59.63	--	Y	Y	5.00	4.00	Certified	Low	54.46	--	--	41.43	34.00	2.93	--
IRC	32.75	--	--	Y	5.00	4.00	--	--	62.24	--	--	47.74	--	--	--
STANLY	9.00	--	--	--	4.00	--	--	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	—	2.41	2.48
BESG environmental pillar score	—	—	—	1.74	1.74
BESG social pillar score	—	—	—	2.04	2.22
BESG governance pillar score	—	—	—	3.84	3.90
ESG disclosure score	—	31.98	31.85	49.40	49.40
Environmental disclosure score	—	1.24	1.24	45.94	45.94
Social disclosure score	—	18.44	18.05	26.06	26.06
Governance disclosure score	—	76.10	76.10	76.10	76.10
Environmental					
Emissions reduction initiatives	No	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No
GHG scope 1	—	—	—	1	2
GHG scope 2 location-based	—	—	—	32	50
GHG Scope 3	—	—	—	0	40
Carbon per unit of production	—	—	—	—	—
Biodiversity policy	No	No	No	No	No
Energy efficiency policy	No	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	112	106
Renewable energy use	—	—	—	1	1
Electricity used	—	—	—	97	104
Fuel used - natural gas	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 14: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	0	0
Total waste	—	—	—	1	2
Waste recycled	—	—	—	1	1
Waste sent to landfills	—	—	—	0	0
Environmental supply chain management	No	No	No	Yes	Yes
Water policy	No	No	No	Yes	Yes
Water consumption	—	—	—	70	71
Social					
Human rights policy	No	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No
Pct women in workforce	—	42	41	44	42
Pct disabled in workforce	—	—	1	1	1
Business ethics policy	No	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	0	—	0	0
Total recordable incident rate - employees	—	0	—	1	1
Training policy	No	No	Yes	Yes	Yes
Fair remuneration policy	No	Yes	Yes	Yes	Yes
Number of employees – CSR	—	3,116	3,162	2,755	2,806
Employee turnover pct	—	—	—	—	—
Total hours spent by firm - employee training	—	—	—	44,436	36,478
Social supply chain management	No	No	No	Yes	Yes
Governance					
Board size	—	9	9	9	9
No. of independent directors (ID)	—	4	4	4	4
No. of women on board	—	0	0	0	0
No. of non-executive directors on board	—	8	8	8	8
Company conducts board evaluations	No	Yes	Yes	Yes	Yes
No. of board meetings for the year	—	5	6	6	6
Board meeting attendance pct	—	98	92	98	100
Board duration (years)	—	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	—	—	—	—	—
Age of the oldest director	—	—	—	—	—
No. of executives / company managers	—	9	9	9	11
No. of female executives	—	2	2	2	1
Executive share ownership guidelines	No	No	No	No	No
Size of audit committee	—	3	3	3	3
No. of ID on audit committee	—	3	3	3	3
Audit committee meetings	—	4	4	4	4
Audit meeting attendance %	—	100	83	92	100
Size of compensation committee	—	5	5	5	5
No. of ID on compensation committee	—	3	3	3	3
No. of compensation committee meetings	—	2	3	3	3
Compensation meeting attendance %	—	90	93	100	93
Size of nomination committee	—	5	5	5	5
No. of nomination committee meetings	—	2	3	3	3
Nomination meeting attendance %	—	90	93	100	93
Sustainability governance					
Verification type	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

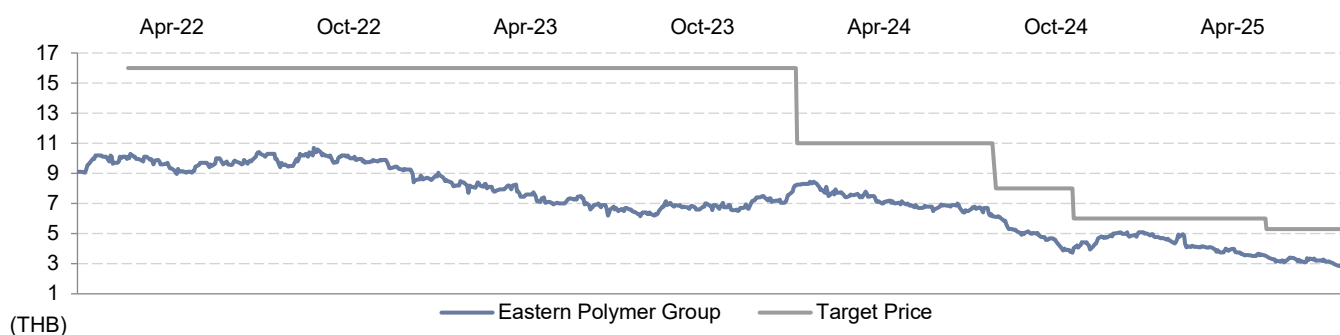
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History of change in investment rating and/or target price

Eastern Polymer Group (EPG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-May-2022	BUY	16.00	07-Jun-2024	BUY	8.00	28-Jan-2025	BUY	5.30
21-Dec-2023	BUY	11.00	15-Aug-2024	BUY	6.00			

Jitra Amornthum started covering this stock from 21-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Eastern Polymer Group	EPG TB	THB 2.32	BUY	Downside risks to our EV/EBITDA-based TP include 1) slow demand for pickup trucks and plastic packaging; 2) rising costs of oil-linked raw materials; 3) rising cost of funds; and 4) the fluctuation in foreign exchange rates.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 10-Apr-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). 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 (N). 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 (U). 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.