

# EASTERN POLYMER GROUP

## THAILAND / CONSTRUCT

## EPG TB

BUY

UNCHANGED

## Aeroflex หนุนเติบโต Aeroklas ยังถดถอย

- คาดกำไรสุทธิ 4QFY25 (ม.ค.-มี.ค. 2025) +51.5% q-q, +61.7% y-y จากการตั้งสำรอง ECL ที่ลดลง แต่กำไรปกติ คาด +45.0% q-q, -1.1% y-y
- ธุรกิจ Aeroflex ที่สหรัฐมีวัตถุดิบเพียงพอถึงสิ้นปีแล้ว แต่ Aeroklas ยังเหนื่อย
- แนวโน้มกำไรยังฟื้นช้าตามอุตสาหกรรมยานยนต์

TARGET PRICE	THB4.00
CLOSE	THB2.34
UP/DOWNSIDE	+70.9%
PRIOR TP	THB4.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.6%

## 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 (%)	-	(39.8)	(20.5)	-
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. (%)	-	-	-	-
EPS growth (%)	17.7	(16.2)	(3.8)	20.2
Core P/E (x)	4.6	5.4	5.7	4.7
Dividend yield (%)	9.4	6.2	8.8	10.6
EV/EBITDA (x)	4.5	4.7	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

## คาดการณ์ 4QFY25 ฟื้นตัวจากการตั้งสำรอง ECL ที่ลดลง

เรคาดกำไรสุทธิของ EPG ใน 4QFY25 (ม.ค.-มี.ค. 2025) ที่ 248 ล้านบาท +51.5% q-q, +61.7% y-y การเติบโตแรงมาจากการตั้งสำรอง ECL ที่ลดลงเป็นหลัก ECL ดังกล่าวมาจากบริษัทรวมในแอฟริกาใต้ที่เป็นผู้ผลิตชิ้นส่วนยานยนต์ ประสบปัญหาสภาพคล่อง จึงเริ่มตั้งสำรองผลขาดทุนทางเครดิตที่คาดว่าจะเกิดขึ้นตั้งแต่ต้นปี FY23 (เม.ย.-มี.ค. 2023) ปัจจุบันผ่านมา 3 ปี เราคาดว่าไตรมาสจะเป็นไตรมาสสุดท้ายหรือใกล้สุดท้ายที่จะตั้ง ECL และปริมาณลดลงเป็นลำดับ ไตรมาสนี้เราตั้งสมมติฐานการตั้ง ECL 51 ล้านบาท

## กำไรปกติฟื้น q-q จากอัตรากำไรขั้นต้นที่มีแนวโน้มดีขึ้น

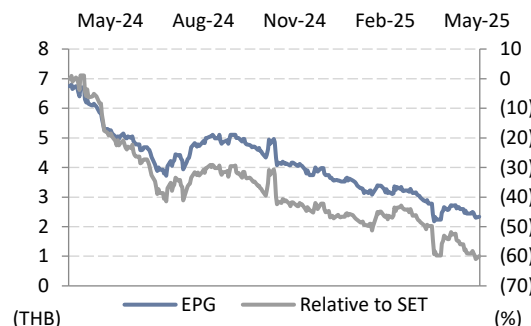
หัก ECL และ FX gain/loss เราคาดกำไรปกติ 300 ล้านบาท (+45.0% q-q, -1.1% y-y) ส่วนทางรายได้รวมที่ -3.7% q-q, -6.9% y-y เนื่องจากอัตรากำไรขั้นต้นที่คาดว่าจะปรับขึ้น (ได้ประโยชน์จากราคาน้ำมันดิบที่ลดลง) ชดเชยรายได้ที่ลดลงได้ ธุรกิจที่ยังสดใสคือธุรกิจจนวน Aeroflex เราคาดรายได้ +8.8% y-y อัตรากำไรขั้นต้นดีขึ้นเป็น 52.0% จาก 45.5% จากต้นทุนวัตถุดิบที่ปรับลง ขณะที่ธุรกิจยานยนต์ Aeroklas แยกตามอุตสาหกรรม เราคาดรายได้ -15.0% y-y อัตรากำไรขั้นต้น 31% ส่วนรายได้ EPP มีการแข่งขันสูง เราคาดรายได้ -6.0% y-y แต่อัตรากำไรขั้นต้นดีขึ้นจากต้นทุนวัตถุดิบที่ลดลงและการปรับกระบวนการผลิต

## ผลกระทบจากภาษีจำกัดต่อ Aeroflex แต่กดดัน Aeroklas

ผลกระทบของ Reciprocal tariff ต่อธุรกิจ Aeroflex ในสหรัฐที่ต้องนำเข้าวัตถุดิบจากไทยปี 2025 มีจำกัด เพราะโรงงานในสหรัฐได้นำเข้าวัตถุดิบจากไทยเพียงพอใช้ถึงสิ้นปี 2025 แล้ว หลังจากนั้น ถ้ายังมีการขึ้นภาษีนำเข้าจากไทย 10% หรือมากกว่านั้น บริษัทจำเป็นต้องปรับราคาขาย แต่ธุรกิจที่ยังเหนื่อยคือ Aeroklas ร้าน TJM ในออสเตรเลียซึ่งมีค่าใช้จ่ายในการดำเนินงานสูงอยู่แล้ว การขายที่ซบเซาเพราะภาวะเศรษฐกิจในออสเตรเลีย เป็นไปได้ที่อาจมีการตั้งสินค้าล้าสมัย ขณะที่บ.รวมในแอฟริกาใต้ ปัจจุบันยังไม่ได้ซื้อสรุปเรื่องปริมาณและราคาของการผลิตรถยนต์รอบใหม่จากความไม่แน่นอนของ Trump tariff

## แนวโน้มกำไรยังฟื้นช้า คุมโดยธุรกิจ Aeroklas

กำไรปกติปี FY25 น่าจะจบปีที่ 1,184 ล้านบาท (-17.7% y-y) ทั้งที่ รายได้รวมคาดว่าจะเติบโต 5.1% y-y จาก Aeroflex เป็นหลัก (คาด +11.0% y-y) แต่ค่าใช้จ่ายในการขายและบริหารและการตั้งสำรอง ECL กดดันกำไร แนวโน้มกำไรปี FY26 ยังน่าจะถูกกดดันจากธุรกิจ Aeroklas ต่อเนื่อง เราคาดกำไรปี FY26 -1.8% y-y



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(12.0)	(30.8)	(64.0)
Relative to country (%)	(14.7)	(26.4)	(58.1)
Mkt cap (USD m)	198		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	26		
Major shareholder	Vitoorapakorn Holding Co., Ltd. (60%)		
12m high/low (THB)	6.95/2.12		
Issued shares (m)	2,800.00		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530  
jitra.a@fssia.com, +66 2646 9966

## Investment thesis

We estimate EPG's 4QFY25 net profit (January-March 2025) at THB248m, jumping 51.5% q-q and 61.7% y-y, primarily driven by a significant reduction in ECL provisions. Excluding ECLs and FX gains/losses, we estimate core profit at THB300m in 4QFY25 (+45.0% q-q, -1.1% y-y), despite total revenue likely dropping by 3.7% q-q and 6.9% y-y, supported by improved gross margin after lower oil prices.

The Aeroflex insulation business should continue to stand out, while the Aeroklas automotive unit (48% of total revenue) should remain weak. It should continue into FY26 when profit would remain under pressure from Aeroklas. We maintain our core profit projection for FY26 to decline by 1.8% y-y.

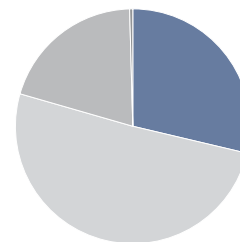
## Company profile

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

[www.epg.co.th](http://www.epg.co.th)

## Principal activities (revenue, 2024)

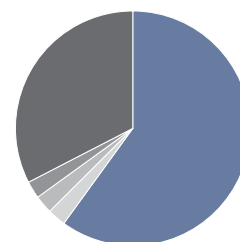
- Aeroflex - 28.7 %
- Aeroklas - 50.8 %
- EPP - 20.1 %
- Other service - 0.4 %



Source: Eastern Polymer Group

## Major shareholders

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



Source: Eastern Polymer Group

## Catalysts

Key potential catalysts include 1) a robust recovery in China's economy, 2) lower costs of PP, HDPE, and ABS, and 3) a 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) the fluctuation in foreign exchange rates.

## Event calendar

Date	Event
29 May 2025	FY25 earnings announcement

## Key assumptions

Year to Mar 31	FY25E (%)	FY26E (%)	FY27E (%)
<b>Revenue growth</b>			
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
<b>Gross margin</b>			
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

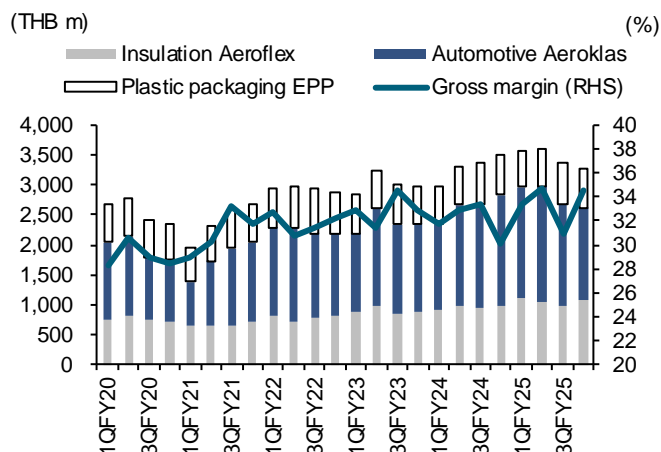
## Exhibit 1: EPG - 4QFY25 earnings preview

End 31 March	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	----- Change -----		FY24	FY25E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	3,526	3,590	3,620	3,407	3,282	(3.7)	(6.9)	13,227	13,899	5.1
Cost of sales	(2,465)	(2,394)	(2,366)	(2,354)	(2,151)	(8.6)	(12.8)	8,999	9,264	2.9
Gross profit	1,061	1,196	1,255	1,053	1,131	7.4	6.6	4,228	4,634	9.6
Operating costs	(830)	(902)	(947)	(844)	(825)	(2.2)	(0.6)	3,102	3,518	13.4
Operating profit	230	294	308	209	306	46.3	32.8	1,126	1,117	(0.8)
Operating EBITDA	496	560	567	466	561	20.5	13.1	2,114	2,153	1.9
Other income	12	37	27	25	23	(9.8)	92.0	88	112	26.8
Interest expense	(50)	(51)	(60)	(52)	(52)	(0.2)	4.5	194	215	10.6
Associates	110	98	92	42	52	24.8	(52.7)	463	284	(38.8)
<b>Extraordinary</b>										
FX gain/(loss) & ECL	(149)	(87)	(207)	(43)	(51)	19.9	(65.7)	(251)	(388)	nm
<b>Net profit</b>	<b>154</b>	<b>254</b>	<b>130</b>	<b>164</b>	<b>248</b>	<b>51.5</b>	<b>61.7</b>	<b>1,187</b>	<b>796</b>	<b>(32.9)</b>
<b>Core profit*</b>	<b>303</b>	<b>340</b>	<b>338</b>	<b>207</b>	<b>300</b>	<b>45.0</b>	<b>(1.1)</b>	<b>1,438</b>	<b>1,184</b>	<b>(17.7)</b>
Reported EPS (THB)	0.05	0.09	0.05	0.06	0.09	51.4	61.7	0.42	0.28	(32.9)
Core EPS (THB)	0.11	0.12	0.12	0.07	0.11	45.0	(1.1)	0.51	0.42	(17.7)
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	30.1	33.3	34.7	30.9	34.5	3.6	4.4	32.0	33.3	1.4
Operating margin	6.5	8.2	8.5	6.1	9.3	3.2	2.8	8.5	8.0	(0.5)
EBITDA margin	14.1	15.6	15.7	13.7	17.1	3.4	3.0	16.0	15.5	(0.5)
Core profit margin	8.6	9.5	9.3	6.1	9.1	3.1	0.5	10.9	8.5	(2.4)
SG&A / Sales	23.5	25.1	26.2	24.8	25.1	0.4	1.6	23.5	25.3	1.9
<b>Revenue breakdown</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q %)</b>	<b>(y-y %)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(y-y %)</b>
Aeroflex	977	1,121	1,046	983	1,063	8.1	8.8	3,796	4,213	11.0
Aeroklas	1,853	1,840	1,934	1,709	1,564	(8.5)	(15.6)	6,715	7,047	5.0
EPP	682	616	626	696	641	(7.9)	(6.0)	2,659	2,578	(3.0)
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Aeroflex	45.5	47.0	52.3	46.4	52.0	5.6	6.5	46.8	49.4	2.7
Aeroklas	28.6	33.2	32.3	30.4	31.0	0.6	2.4	31.2	31.8	0.6
EPP	11.1	8.3	11.8	9.6	13.0	3.4	1.9	12.2	10.7	(1.5)

Note: \* Core profit excludes ECLs and FX gains/losses

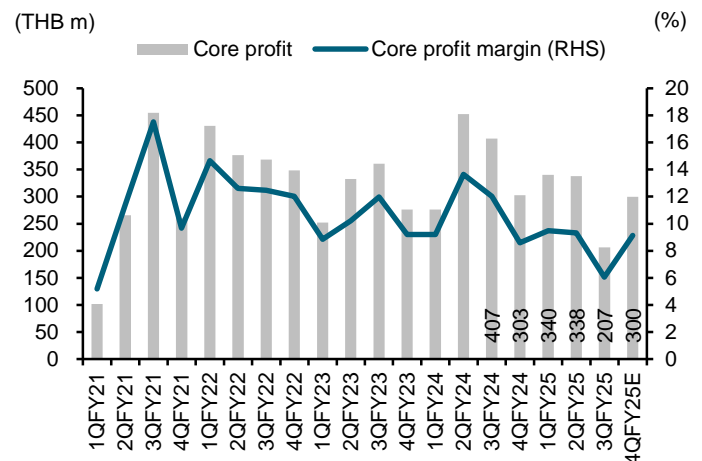
Sources: EPG, FSSIA estimates

## Exhibit 2: Revenue structure and gross margin



Sources: EPG, FSSIA estimates

## Exhibit 3: Core profit and core profit margin



Sources: EPG, 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)
<b>Gross profit</b>	<b>3,991</b>	<b>4,228</b>	<b>4,698</b>	<b>4,671</b>	<b>4,947</b>
Other operating income	59	88	115	104	100
Operating costs	(2,872)	(3,102)	(3,555)	(3,548)	(3,582)
<b>Operating EBITDA</b>	<b>2,094</b>	<b>2,202</b>	<b>2,262</b>	<b>2,251</b>	<b>2,500</b>
Depreciation	(916)	(988)	(1,004)	(1,024)	(1,034)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,178</b>	<b>1,214</b>	<b>1,258</b>	<b>1,227</b>	<b>1,465</b>
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
<b>Profit before tax</b>	<b>1,173</b>	<b>1,232</b>	<b>929</b>	<b>1,272</b>	<b>1,531</b>
Tax	(92)	(21)	(104)	(101)	(125)
<b>Profit after tax</b>	<b>1,082</b>	<b>1,211</b>	<b>825</b>	<b>1,171</b>	<b>1,406</b>
Minority interests	(6)	(24)	(12)	(12)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,076</b>	<b>1,187</b>	<b>813</b>	<b>1,159</b>	<b>1,393</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>146</b>	<b>251</b>	<b>392</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,222</b>	<b>1,438</b>	<b>1,205</b>	<b>1,159</b>	<b>1,393</b>
<b>Per share (THB)</b>					
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
<b>Growth</b>					
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
<b>Operating performance</b>					
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)	2023	2024	2025E	2026E	2027E
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)
<b>Cash flow from operations</b>	<b>1,217</b>	<b>1,795</b>	<b>862</b>	<b>1,089</b>	<b>849</b>
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)
<b>Cash flow from investing</b>	<b>(1,715)</b>	<b>(666)</b>	<b>(535)</b>	<b>(212)</b>	<b>(194)</b>
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
<b>Cash flow from financing</b>	<b>582</b>	<b>(1,067)</b>	<b>(98)</b>	<b>(1,078)</b>	<b>(724)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	129	229	0	0	0
<b>Net other adjustments</b>	<b>129</b>	<b>229</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>213</b>	<b>291</b>	<b>229</b>	<b>(201)</b>	<b>(69)</b>
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
<b>Per share (THB)</b>					
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)
<b>Tangible fixed assets (net)</b>	<b>5,824</b>	<b>5,764</b>	<b>5,954</b>	<b>6,044</b>	<b>6,114</b>
<b>Intangible fixed assets (net)</b>	<b>1,235</b>	<b>1,318</b>	<b>1,310</b>	<b>1,303</b>	<b>1,296</b>
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
<b>Current assets</b>	<b>7,252</b>	<b>7,778</b>	<b>8,672</b>	<b>8,300</b>	<b>8,516</b>
Other assets	1,215	1,569	1,486	1,493	1,523
<b>Total assets</b>	<b>18,543</b>	<b>19,801</b>	<b>20,794</b>	<b>20,654</b>	<b>21,092</b>
Common equity	11,876	12,436	12,829	13,309	13,805
Minorities etc.	32	53	56	57	59
<b>Total shareholders' equity</b>	<b>11,908</b>	<b>12,489</b>	<b>12,885</b>	<b>13,366</b>	<b>13,864</b>
Long term debt	2,969	2,990	3,698	3,284	2,669
Other long-term liabilities	536	590	616	596	597
<b>Long-term liabilities</b>	<b>3,506</b>	<b>3,580</b>	<b>4,315</b>	<b>3,880</b>	<b>3,266</b>
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
<b>Current liabilities</b>	<b>3,130</b>	<b>3,732</b>	<b>3,594</b>	<b>3,407</b>	<b>3,962</b>
<b>Total liabilities and shareholders' equity</b>	<b>18,543</b>	<b>19,801</b>	<b>20,794</b>	<b>20,654</b>	<b>21,092</b>
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					
<b>Per share (THB)</b>					
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
<b>Financial strength</b>					
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
<b>Recurring P/E (x) *</b>	<b>5.4</b>	<b>4.6</b>	<b>5.4</b>	<b>5.7</b>	<b>4.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>9.2</b>	<b>7.8</b>	<b>9.3</b>	<b>9.7</b>	<b>8.0</b>
Reported P/E (x)	6.1	5.5	8.1	5.7	4.7
Dividend yield (%)	12.0	9.4	6.2	8.8	10.6
Price/book (x)	0.6	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	4.7	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 4: 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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 5: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	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](https://www.settrade.com); FSSIA's compilation

### Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2.41</b>	<b>2.48</b>
BESG environmental pillar score	—	—	—	1.74	1.74
BESG social pillar score	—	—	—	2.04	2.22
BESG governance pillar score	—	—	—	3.84	3.90
<b>ESG disclosure score</b>	<b>—</b>	<b>31.98</b>	<b>31.85</b>	<b>49.40</b>	<b>49.40</b>
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
<b>Environmental</b>					
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 7: 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
<b>Social</b>					
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
<b>Governance</b>					
<b>Board size</b>	—	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>No. of independent directors (ID)</b>	—	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
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	—	—	—	—	—
<b>No. of executives / company managers</b>	—	<b>9</b>	<b>9</b>	<b>9</b>	<b>11</b>
No. of female executives	—	2	2	2	1
Executive share ownership guidelines	No	No	No	No	No
<b>Size of audit committee</b>	—	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	—	3	3	3	3
Audit committee meetings	—	4	4	4	4
Audit meeting attendance %	—	100	83	92	100
<b>Size of compensation committee</b>	—	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
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
<b>Size of nomination committee</b>	—	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of nomination committee meetings	—	2	3	3	3
Nomination meeting attendance %	—	90	93	100	93
<b>Sustainability governance</b>					
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 ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <a href="#">SETESG inclusion</a> , 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. <a href="#">SETESG Index</a> 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainalytics</a>	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 &amp; 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

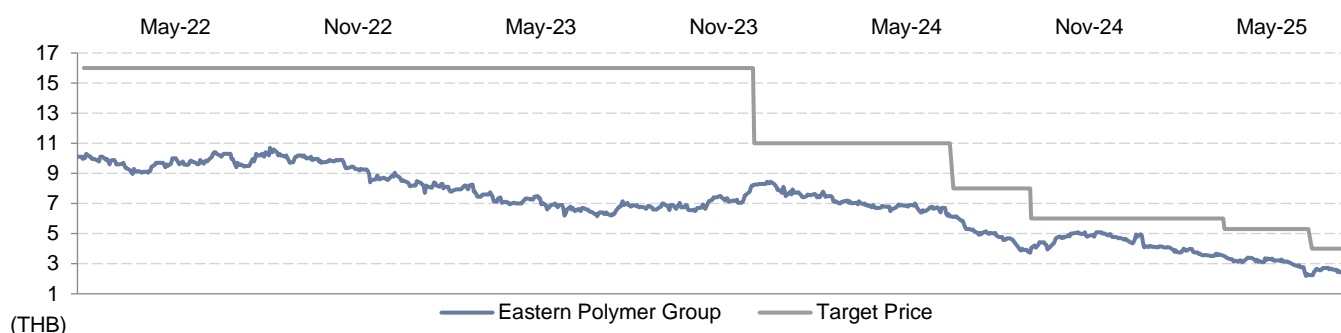
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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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	11-Apr-2025	BUY	4.00

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 2.34	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 19-May-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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