

EASTERN POLYMER GROUP

THAILAND / CONSTRUCT

EPG TB

BUY

UNCHANGED

กำไรผ่านจุดต่ำสุด ทอยยฟื้นตัวอย่างช้า ๆ

- กำไรปกติผ่านจุดต่ำสุดไปแล้วใน 3QFY25 (ต.ค.-ธ.ค. 2025) การฟื้นตัวเป็นไปอย่างช้า ๆ โดยเฉพาะธุรกิจ Aeroklass และ EPP
- มาร์จิ้นของ Aeroflex แข็งแกร่งหนุนธุรกิจอื่นและไม่ถูกระทบจากภาษีการค้าเพราะนำเข้าวัตถุดิบเพียงพอลงถึงสิ้นปีแล้ว
- Valuation ถูกเพียง -2SD ของ EV/EBITDA เฉลี่ย 5 ปี downside จำกัด

TARGET PRICE	THB4.00
CLOSE	THB2.48
UP/DOWNSIDE	+61.3%
PRIOR TP	THB4.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+28.2%

KEY STOCK DATA

YE Nov (THB m)	2025	2026E	2027E	2028E
Revenue	13,864	13,733	14,421	15,144
Net profit	796	1,109	1,341	1,444
EPS (THB)	0.28	0.40	0.48	0.52
vs Consensus (%)	-	(9.1)	1.1	4.0
EBITDA	2,276	2,213	2,443	2,525
Recurring net profit	1,177	1,109	1,341	1,444
Core EPS (THB)	0.42	0.40	0.48	0.52
Chg. In EPS est. (%)	-	(4.2)	(0.4)	(0.1)
EPS growth (%)	(17.1)	(5.8)	20.9	7.7
Core P/E (x)	5.9	6.3	5.2	4.8
Dividend yield (%)	5.6	8.0	9.7	10.4
EV/EBITDA (x)	4.4	4.5	4.0	3.7
Price/book (x)	0.6	0.5	0.5	0.5
Net debt/Equity (%)	24.7	23.3	21.0	17.3
ROE (%)	9.4	8.7	10.2	10.5

รายได้ปี FY25 พลาดเป้า กลยุทธ์ปี FY26 ควบคุมต้นทุนและรายจ่าย

หลังจาก EPG รายงานผลประกอบการปี FY25 (เม.ย. 2024 – มี.ค. 2025) โดยมีรายได้รวม +4.8% y-y อัตรากำไรขึ้น 33.5% ปรากฏว่ารายได้ต่ำกว่าเป้าที่บริษัทตั้งไว้ในช่วงต้นปีที่จะเติบโต 8-10% y-y แต่อัตรากำไรขึ้นต้นทำได้ดี อยู่กรอบบนของเป้าที่ตั้งไว้ 30-33% ด้วยภาวะเศรษฐกิจในปีที่เต็มไปด้วยความท้าทายทั้งในและต่างประเทศ ผู้บริหารจึงตั้งเป้า FY26 รายได้รวมทรงตัว อัตรากำไรขึ้นต้น 30-33% กลยุทธ์ในปีนี้นอกจากเน้นนวัตกรรมเหมือนเดิม ยังเน้นการบริหารจัดการและลดต้นทุน และควบคุมค่าใช้จ่ายในการขายและบริหารไม่ให้สูงกว่าปีก่อนที่ 25% ของรายได้รวม

มุมมองระยะยาวในปี FY26; มาร์จิ้นของ Aeroflex ที่แข็งแกร่งหนุนธุรกิจอื่น

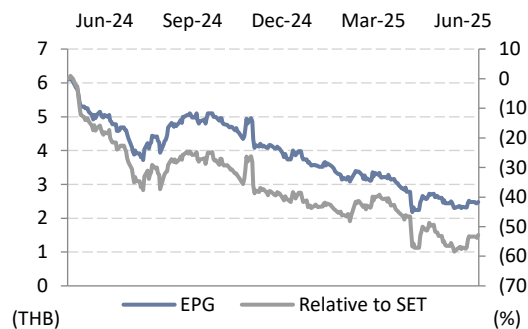
เราปรับกำไรปกติปี FY26 ลงเล็กน้อย 4.2% ส่วนปี FY27-FY28 ใกล้เคียงประมาณการเดิม โดยเราคาดการณ์ในปี FY26 ลดลง 1% y-y เรา conservative กว่าบริษัทเล็กน้อยสำหรับรายได้จากธุรกิจ Aeroklas และ EPP โดยอิงจากรายได้ในช่วงครึ่งหลังของปี FY25 ซึ่งสะท้อนภาพกำลังซื้อยานยนต์ที่อ่อนแอทั่วโลก และสะท้อนการแข่งขันทางด้านราคาของตลาด EPP ไว้พอสมควร ส่วน Aeroflex เราเชื่อว่าบริษัทจะทำอัตรากำไรขึ้นต้นได้สูงกว่าเป้าที่ตั้งไว้ ซึ่งบริษัททำได้ถึง 50.1% ในงวด 2HFY25 โรงงาน Aeroflex ในสหรัฐนำเข้าวัตถุดิบจากไทยเพียงพอจนถึงสิ้นปี 2025 แล้ว จึงไม่ได้รับผลกระทบจากภาษีการค้าของสหรัฐที่ปรับขึ้นต่อไปในอนาคต ส่วน EPP เราตั้งสมมติฐานอัตรากำไรขึ้นต้น conservative กว่าบริษัทเพราะกังวลเรื่องการแข่งขันจากสินค้าจีน

การตั้งสำรอง ECL ผ่านจุดสูงสุดไปแล้ว หากมีความเสี่ยง จะจำกัดมาก

ประเด็นการตั้งสำรองผลขาดทุนด้านเครดิตที่คาดว่าจะเกิดขึ้น (ECL) ที่สูงในช่วง 2 ปีที่ผ่านมา 292 ล้านบาทและ 325 ล้านบาทในปี FY24-FY25 ตามลำดับ บริษัทเชื่อว่าไม่น่าตั้งสำรอง ECL แล้วหรือหากมี ประเมินว่าไม่เกิน 20-25 ล้านบาท เพราะบริษัทได้ตั้งสำรองลูกหนี้การค้าที่ค้างชำระเกิน 180 วันครบเต็มจำนวนแล้ว และหาก JV ชำระเงินที่ค้างชำระกับ EPG บริษัทจะไม่จำเป็นต้องตั้ง ECL อีก ทั้งนี้ เราไม่ได้นำ ECL ในประมาณการเพราะถือเป็นรายการพิเศษที่เป็น non-recurring item

ทอยยฟื้นตัวอย่างช้า ๆ; Valuations ถูกมาก

เราคำนวณกำไรปกติปี FY26 -5.8% y-y ก่อนจะฟื้นตัวสูงขึ้น 20.9% y-y ในปี FY27 หรือคิดเป็นอัตราการเติบโตเฉลี่ย 7.0% CAGR ในปี FY26-FY28 เราเชื่อว่ากำไรปกติผ่านจุดต่ำสุดไปแล้วใน 3QFY25 (ต.ค.-ธ.ค. 2025) การฟื้นตัวเป็นไปอย่างช้า ๆ เพราะรายได้หลัก 50% มาจากธุรกิจ Aeroklas ยังเผชิญความท้าทายข้างหน้า แม้จะปรับกำไรลงแต่ EBITDA แทบไม่เปลี่ยนแปลง ประกอบกับ Book value สิ้นปี FY25 อยู่ที่ 4.48 บาท/หุ้น เราจึงคงราคาเป้าหมาย 4.00 บาทตามเดิม (อิง EV/EBITDA 7.50 เท่า) แนะนำซื้อเพราะ Valuation ที่ถูกเพียง -2SD ของ EV/EBITDA เฉลี่ย 5 ปี



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	(23.5)	(60.6)
Relative to country (%)	5.4	(19.9)	(54.0)
Mkt cap (USD m)	213		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	26		
Major shareholder	Vitoorapakorn Holding Co., Ltd. (60%)		
12m high/low (THB)	6.35/2.12		
Issued shares (m)	2,800.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

EPG's earnings appear to have bottomed in FY25, and a gradual recovery should lay ahead.

Despite short-term headwinds for Aeroklas and EPP from the global auto slowdown and pricing pressure, strong gross margin performance in Aeroflex and improved cost controls provide downside support.

We cut our FY26 core profit forecast by 4.2% due to a slightly slower-than-expected recovery, while FY27-FY28E remain intact. We now expect FY26 profit to decline by 5.8% y-y, but expect a strong rebound of 20.9% y-y in FY27, implying a three-year CAGR of 7.0%. EPG's valuation remains attractive, trading at -2SD below its five-year EV/EBITDA average. We maintain our BUY rating on its long-term recovery potential and limited downside risk.

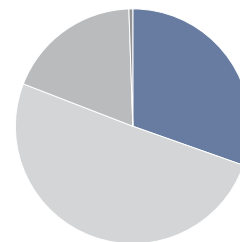
Company profile

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, 2025)

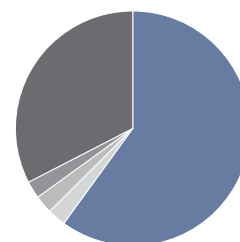
- Aeroflex - 30.4 %
- Aeroklas - 50.5 %
- EPP - 18.6 %
- Other service - 0.5 %



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 in China's economy; 2) lower costs of PP, HDPE, and ABS; and 3) the 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
23 July 2025	Shareholders' meeting date
1 August 2025	Ex-dividend date
20 August 2025	Dividend payment date

Key assumptions

Year to Mar 31	FY26E (%)	FY27E (%)	FY28E (%)
Revenue growth			
AFC – Aeroflex	5.0	6.5	6.5
ARK – Aeroklas	(6.0)	4.0	4.0
EPP - Eastern Polypack	3.0	5.0	5.0
Gross margin			
AFC - Aeroflex	48.8	48.8	48.8
ARK – Aeroklas	31.8	32.0	32.2
EPP - Eastern Polypack	10.5	11.0	11.0

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in blended gross margin, we project EPG's FY26 core profit to change by 4%, all else being equal.
- For every 1% change in SG&A to sales, we project EPG's FY26 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

FY25 missed revenue; FY26 focus on cost control

After EPG reported its FY25 (April 2024 to March 2025) earnings with total revenue growing 4.8% y-y and a gross profit margin of 33.5%, it became clear that revenue fell short of the company's initial full-year target of 8-10% y-y growth. However, the gross margin performed well, reaching the upper end of the company's guidance range of 30-33%.

The lower-than-expected revenue growth was mainly due to a decline in revenue from the automotive parts from Aeroklas and EPP, especially in the second half of the year, reflecting the global slowdown in the automotive industry. Meanwhile, the EPP business continued to face intense competition.

For FY26E (ending March 2026), amid ongoing economic challenges both domestically and internationally, management is guiding for flat y-y total revenue. The company targets revenue growth of +5% y-y for Aeroflex, -5% y-y for Aeroklas, and +5% y-y for EPP. The overall gross profit margin is expected to remain within the 30-33% range.

In addition to its continued focus on innovation, EPG's strategy this year emphasizes cost management, expense reduction, and keeping SG&A expenses below or equal to the prior year's level of 25%.

Exhibit 1: Company's targets vs our assumptions for FY26E performance

	Company's targets		Our assumptions	
	Revenue growth (y-y%)	Gross margin (%)	Revenue growth (y-y%)	Gross margin (%)
Total revenue	0	30-33%	(1)	33.3
- Aeroflex	+5	43-45%	+5	48.8
- Aeroklas	(5)	30-33%	(6)	31.8
- EPP	+5	12-15%	+3	10.5

Sources: EPG, FSSIA estimates

Cautious FY26 view; strong Aeroflex margin supports outlook

We have revisited our estimates and cut our FY26 core profit forecast by 4.2% from the previous projection. However, our profit forecasts for FY27-FY28 remain largely unchanged.

For FY26, we now expect total revenue to decline by 1% y-y. Our assumptions are slightly more conservative than the company's, particularly for Aeroklas and EPP, as we base our outlook on the weaker revenue performance seen in 2HFY25 (October 2024 to March 2025), which already reflected the impact of soft global automotive demand. Our assumptions also factor in continued pricing pressure in the EPP segment.

We believe the company will be able to deliver a stronger-than-targeted gross margin in the Aeroflex business. In 2HFY25, Aeroflex achieved a gross margin of 50.1%. Additionally, the Aeroflex plant in the US has already secured sufficient raw material imports from Thailand to last through the end of 2025. As a result, it is not expected to be affected by any further increases in US trade tariffs.

For the EPP business, we have adopted more conservative assumptions than the company in terms of both revenue growth and gross margin. The company believes that improvements in production processes and product re-design have enhanced manufacturing efficiency, alongside efforts to expand its export market base. As a result, it is targeting a gross margin of 12-15% in FY26.

However, given that EPP's gross margin has been on a declining trend over the past two years despite various strategic adjustments by the company, we have only seen a notable improvement in 4QFY25. Moreover, there is a risk of increased competition from Chinese products should they be redirected to markets like Thailand due to limited access to the US market.

As such, we prefer to take a wait-and-see approach and have assumed a gross margin of 10.5% for EPP in FY26, slightly below the 11.0% achieved in the previous year.

Regarding the high ECL provisions recorded over the past two years – THB292m in FY24 and THB325m in FY25 – the company believes further ECL provisions are unlikely. If any are required, the company estimates them to be limited to THB20m-25m. This is because the company has already made full provisions for trade receivables that are over 180 days past due. Moreover, if the JV settles its outstanding cash payments with EPG, there would be no need for additional ECL charges.

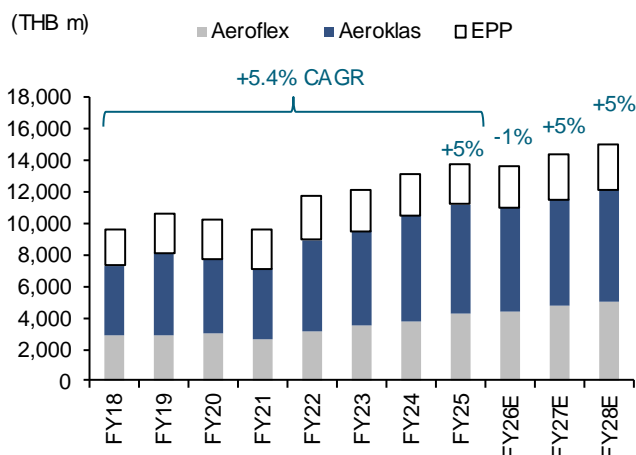
In our forecasts, we have not included ECL provisions, as we consider them to be non-recurring items.

Exhibit 2: Key changes in assumptions

Year to Mar 31	Current				Previous			Change		
	FY25A (THB m)	FY26E (THB m)	FY27E (THB m)	FY28E (THB m)	FY26E (THB m)	FY27E (THB m)	FY28E (THB m)	FY26E (%)	FY27E (%)	FY28E (%)
Total revenue	13,864	13,733	14,421	15,144	14,192	14,924	15,385	(3.2)	(3.4)	(1.6)
AFC - Aeroflex	4,215	4,426	4,713	5,020	4,480	4,793	5,033	(1.2)	(1.7)	(0.3)
ARK - Aeroklas	6,997	6,577	6,840	7,114	6,931	7,277	7,495	(5.1)	(6.0)	(5.1)
EPP - Eastern Polypack	2,578	2,655	2,788	2,928	2,697	2,765	2,765	(1.6)	0.8	5.9
Gross profit	4,645	4,574	4,843	5,112	4,671	4,907	5,113	(2.1)	(1.3)	(0.0)
SG&A	3,510	3,516	3,562	3,741	3,548	3,582	3,692	(0.9)	(0.6)	1.3
Interest expense	211	200	176	161	216	212	195	(7.5)	(16.8)	(17.6)
EBITDA	2,170	2,115	2,348	2,433	2,179	2,392	2,483	(2.9)	(1.8)	(2.0)
Equity income	280	260	273	284	264	272	275	(1.4)	0.5	3.5
ECL	325	0	0	0	0	0	0	0.0	0.0	0.0
Core profit	1,177	1,109	1,341	1,444	1,157	1,347	1,446	(4.2)	(0.4)	(0.1)
Net profit	796	1,109	1,341	1,444	1,157	1,347	1,446	(4.2)	(0.4)	(0.1)
Key ratios	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	33.5	33.3	33.6	33.8	32.9	32.9	33.2	0.4	0.7	0.5
AFC - Aeroflex	49.8	48.8	48.8	48.8	48.2	48.6	48.7	0.6	0.2	0.1
ARK - Aeroklas	31.7	31.8	32.0	32.2	31.8	32.0	32.2	0.0	0.0	0.0
EPP - Eastern Polypack	11.0	10.5	11.0	11.0	10.0	9.0	9.0	0.5	2.0	2.0
SG&A to Sales	25.3	25.6	24.7	24.7	25.0	24.0	24.0	0.6	0.7	0.7
EBITDA margin	15.7	15.4	16.3	16.1	15.4	16.0	16.1	0.0	0.3	(0.1)
Core profit margin	8.5	8.1	9.3	9.5	8.2	9.0	9.4	(0.1)	0.3	0.1

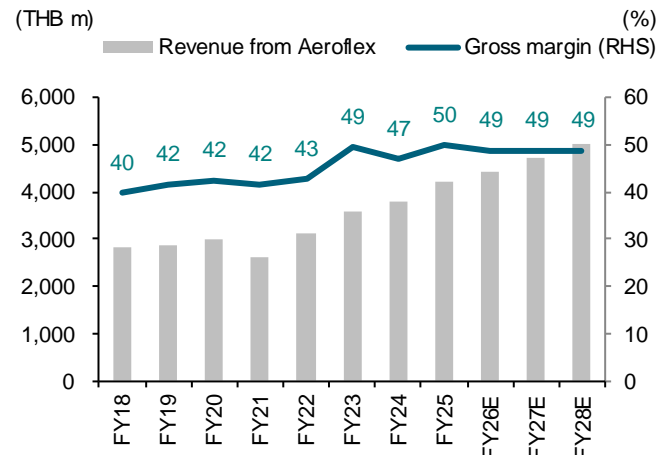
Sources: EPG, FSSIA estimates

Exhibit 3: Revenue structure



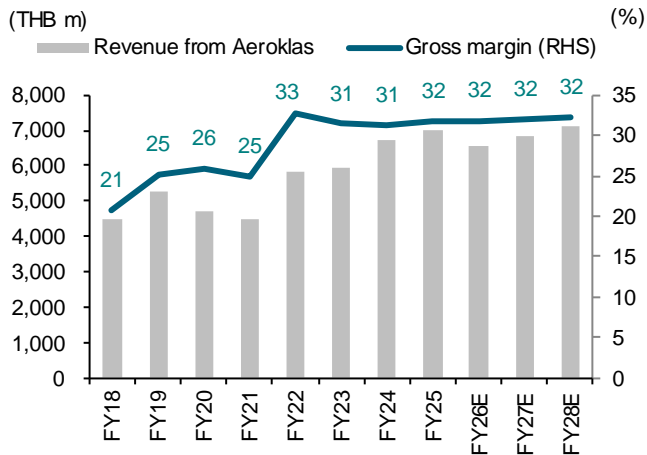
Sources: EPG, FSSIA estimates

Exhibit 4: Revenue and gross margin – Aeroflex



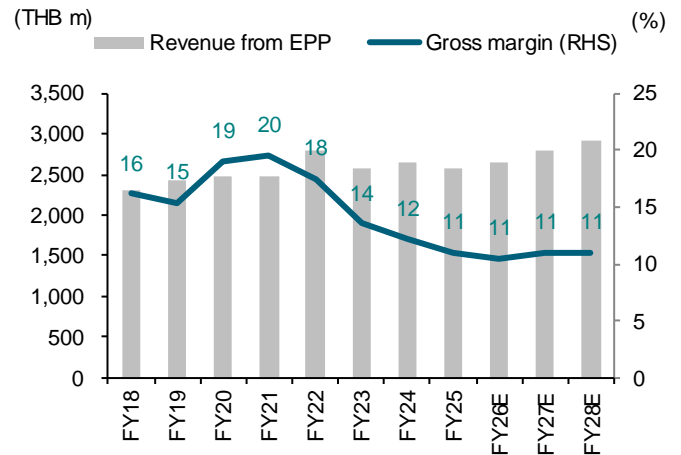
Sources: EPG, FSSIA estimates

Exhibit 5: Revenue and gross margin – Aeroklas



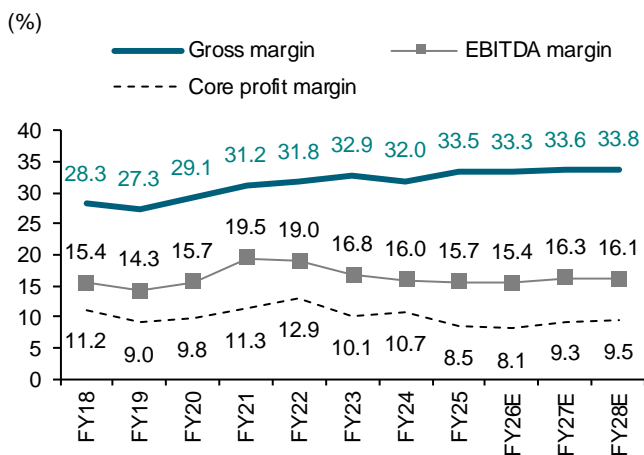
Sources: EPG, FSSIA estimates

Exhibit 6: Revenue and gross margin – EPP



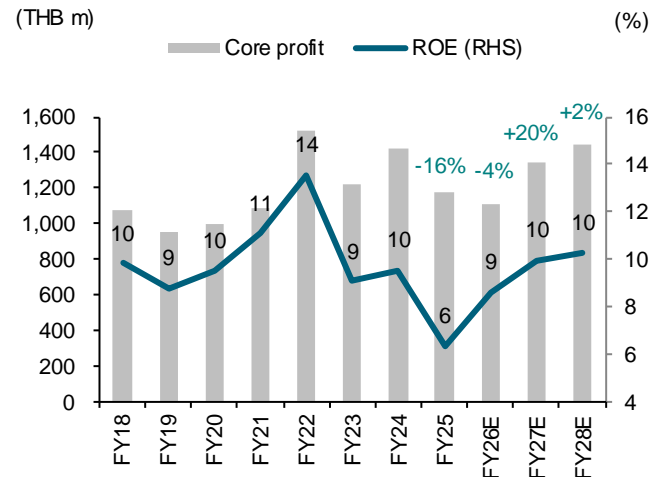
Sources: EPG, FSSIA estimates

Exhibit 7: Margins



Sources: EPG, FSSIA estimates

Exhibit 8: Core profit and ROE



Sources: EPG, FSSIA estimates

Gradual recovery; valuations still attractive

Following our earnings revision, we now forecast the FY26 core profit to decline by 5.8% y-y, before rebounding strongly by 20.9% y-y in FY27. This translates to a three-year CAGR of 7.0% during FY26-FY28. We believe its core profit bottomed out in 3QFY25 (October-December 2025), but EPG's recovery should remain gradual, as Aeroklas, which accounts for around 50% of total revenue continues to face headwinds.

Despite the downward earnings revision, our EBITDA forecast remains largely unchanged. With an FY25 year-end book value at THB4.48 per share, we maintain our TP at THB4.00, based on an EV/EBITDA multiple of 7.5x.

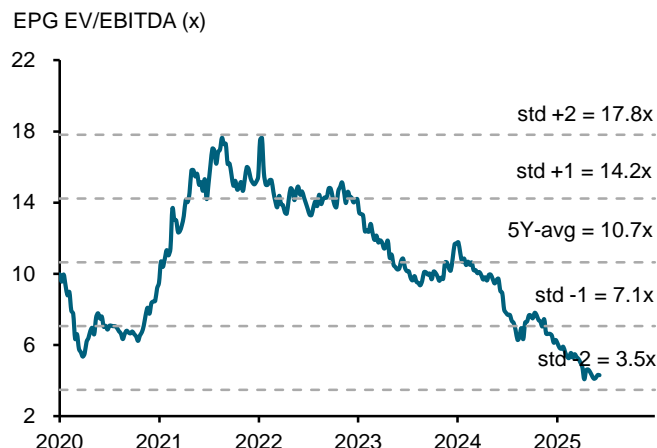
We maintain our BUY rating on EPG, as its current valuation is cheap at approximately -2SD below its five-year average EV/EBITDA.

Exhibit 9: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 10: One-year rolling forward EV/EBITDA band



Sources: Bloomberg, FSSIA estimates

Exhibit 11: Peers comparison as of 6 June 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Thailand														
Eastern Polymer Group	EPG TB	BUY	2.48	4.00	61	213	5.9	6.3	9.4	8.7	0.6	0.5	4.4	4.5
Thai Stanley Electric	STANLY TB	HOLD	202.00	210.00	4	475	10.2	8.8	6.9	8.0	0.7	0.7	4.7	4.3
Aapico Hitech	AH TB	HOLD	13.60	13.50	(1)	140	6.0	4.9	7.5	8.6	0.4	0.4	4.9	4.3
Somboon Advance Technology	SAT TB	BUY	12.10	13.60	12	158	6.5	5.8	9.2	10.0	0.6	0.6	2.2	1.8
Inoue Rubber (Thailand)	IRC TB	REDUCE	11.40	12.40	9	67	10.6	9.4	5.0	5.5	0.5	0.5	0.3	0.1
Thailand average						1,053	7.8	7.0	7.6	8.1	0.6	0.5	3.3	3.0
Regional														
Magna International	MGA US	n/a	36.62	n/a	n/a	10,317	8.0	6.4	10.8	11.8	0.8	0.8	4.2	3.9
AMCOR	AMCR US	n/a	9.11	n/a	n/a	20,815	12.6	11.2	23.6	27.4	1.9	1.9	13.0	7.9
Samvardhana Motherson Int.	MOTHERSO IN	n/a	157.49	n/a	n/a	13,139	29.8	24.6	12.5	12.5	3.3	3.0	11.6	10.5
LEAR	LEA US	n/a	88.47	n/a	n/a	4,730	7.7	6.6	13.0	13.4	1.0	0.9	4.3	4.1
CIE Automotive	CIE SM	n/a	23.95	n/a	n/a	3,275	8.2	7.4	20.2	19.1	1.6	1.4	5.8	5.5
NHK SPRING	5991 JP	n/a	1,581.50	n/a	n/a	2,550	7.5	7.7	11.0	10.6	0.8	0.8	4.4	4.2
Regional average						54,826	12.3	10.7	15.2	15.8	1.6	1.5	7.2	6.0
Overall average						55,880	10.3	9.0	11.7	12.3	1.1	1.0	5.5	4.6

Sources: Bloomberg, FSSIA estimates

Financial Statements

Eastern Polymer Group

Profit and Loss (THB m) Year Ending Nov	2024	2025	2026E	2027E	2028E
Revenue	13,227	13,864	13,733	14,421	15,144
Cost of goods sold	(8,999)	(9,219)	(9,159)	(9,578)	(10,032)
Gross profit	4,228	4,645	4,574	4,843	5,112
Other operating income	88	105	98	95	93
Operating costs	(3,102)	(3,510)	(3,516)	(3,562)	(3,741)
Operating EBITDA	2,202	2,276	2,213	2,443	2,525
Depreciation	(988)	(1,036)	(1,056)	(1,067)	(1,061)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,214	1,240	1,156	1,376	1,464
Net financing costs	(213)	(211)	(200)	(176)	(161)
Associates	463	280	260	273	284
Recurring non-operating income	463	280	260	273	284
Non-recurring items	(233)	(381)	0	0	0
Profit before tax	1,232	928	1,217	1,474	1,588
Tax	(21)	(119)	(96)	(120)	(130)
Profit after tax	1,211	808	1,121	1,354	1,457
Minority interests	(24)	(12)	(13)	(13)	(13)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,187	796	1,109	1,341	1,444
Non-recurring items & goodwill (net)	233	381	0	0	0
Recurring net profit	1,420	1,177	1,109	1,341	1,444
Per share (THB)					
Recurring EPS *	0.51	0.42	0.40	0.48	0.52
Reported EPS	0.42	0.28	0.40	0.48	0.52
DPS	0.22	0.14	0.20	0.24	0.26
Diluted shares (used to calculate per share data)	2,800	2,800	2,800	2,800	2,801
Growth					
Revenue (%)	9.1	4.8	(0.9)	5.0	5.0
Operating EBITDA (%)	2.3	3.3	(2.8)	10.4	3.4
Operating EBIT (%)	(1.8)	2.1	(6.8)	19.0	6.4
Recurring EPS (%)	10.9	(17.1)	(5.8)	20.9	7.7
Reported EPS (%)	4.7	(32.9)	39.3	20.9	7.7
Operating performance					
Gross margin inc. depreciation (%)	32.0	33.5	33.3	33.6	33.8
Gross margin exc. depreciation (%)	39.4	41.0	41.0	41.0	40.8
Operating EBITDA margin (%)	16.6	16.4	16.1	16.9	16.7
Operating EBIT margin (%)	9.2	8.9	8.4	9.5	9.7
Net margin (%)	10.7	8.5	8.1	9.3	9.5
Effective tax rate (%)	1.7	12.9	7.9	8.1	8.2
Dividend payout on recurring profit (%)	43.4	33.3	50.0	50.0	50.0
Interest cover (X)	7.9	7.2	7.1	9.4	10.9
Inventory days	174.1	168.6	170.4	167.7	168.7
Debtor days	64.0	64.8	65.8	63.4	61.5
Creditor days	74.4	76.3	71.0	68.8	67.2
Operating ROIC (%)	11.5	10.8	10.2	11.8	12.3
ROIC (%)	10.1	8.2	7.7	8.8	9.1
ROE (%)	11.7	9.4	8.7	10.2	10.5
ROA (%)	8.6	6.9	6.4	7.3	7.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Aeroflex	3,796	4,215	4,426	4,713	5,020
Aeroklas	6,715	6,997	6,577	6,840	7,114
EPP	2,659	2,578	2,655	2,788	2,928
Other service	57	74	75	79	83

Sources: Eastern Polymer Group; FSSIA estimates

Financial Statements

Eastern Polymer Group

Cash Flow (THB m) Year Ending Nov	2024	2025	2026E	2027E	2028E
Recurring net profit	1,420	1,177	1,109	1,341	1,444
Depreciation	988	1,036	1,056	1,067	1,061
Associates & minorities	(463)	(280)	(260)	(273)	(284)
Other non-cash items	59	454	(602)	(975)	(17)
Change in working capital	(227)	(1,025)	(331)	(506)	(515)
Cash flow from operations	1,776	1,362	972	654	1,688
Capex - maintenance	0	0	0	0	0
Capex - new investment	(602)	(579)	(74)	(44)	(55)
Net acquisitions & disposals	27	48	0	0	0
Other investments (net)	(91)	342	(142)	(361)	(526)
Cash flow from investing	(666)	(189)	(216)	(405)	(581)
Dividends paid	(728)	(448)	(554)	(670)	(722)
Equity finance	0	0	0	0	0
Debt finance	(339)	(335)	247	(96)	83
Other financing cash flows	0	(38)	0	0	0
Cash flow from financing	(1,067)	(821)	(308)	(766)	(639)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	248	138	0	0	0
Net other adjustments	248	138	0	0	0
Movement in cash	291	489	449	(518)	469
Free cash flow to firm (FCFF)	1,323.18	1,383.66	955.88	424.16	1,268.06
Free cash flow to equity (FCFE)	1,019.00	937.45	1,003.08	152.14	1,190.76
Per share (THB)					
FCFF per share	0.47	0.49	0.34	0.15	0.45
FCFE per share	0.36	0.33	0.36	0.05	0.43
Recurring cash flow per share	0.72	0.85	0.47	0.41	0.79
Balance Sheet (THB m) Year Ending Nov	2024	2025	2026E	2027E	2028E
Tangible fixed assets (gross)	13,007	13,757	14,903	16,040	17,142
Less: Accumulated depreciation	(7,243)	(8,278)	(9,335)	(10,402)	(11,463)
Tangible fixed assets (net)	5,764	5,479	5,569	5,639	5,679
Intangible fixed assets (net)	1,318	1,140	1,134	1,128	1,122
Long-term financial assets	232	230	230	230	230
Invest. in associates & subsidiaries	3,139	3,253	3,399	3,535	3,535
Cash & equivalents	1,404	1,894	2,342	1,824	2,293
A/C receivable	2,451	2,469	2,483	2,529	2,572
Inventories	3,791	3,770	3,796	4,022	4,268
Other current assets	131	121	137	144	151
Current assets	7,778	8,254	8,759	8,519	9,284
Other assets	1,569	1,532	1,537	1,573	1,610
Total assets	19,801	19,887	20,628	20,623	21,460
Common equity	12,436	12,537	12,892	13,462	14,084
Minorities etc.	53	57	58	60	62
Total shareholders' equity	12,489	12,594	12,950	13,522	14,146
Long term debt	2,990	2,036	2,396	1,728	1,800
Other long-term liabilities	590	633	655	716	782
Long-term liabilities	3,580	2,669	3,051	2,444	2,583
A/C payable	1,850	1,571	1,581	1,627	1,677
Short term debt	1,803	2,971	2,958	2,930	2,942
Other current liabilities	79	81	88	100	113
Current liabilities	3,732	4,624	4,627	4,658	4,731
Total liabilities and shareholders' equity	19,801	19,887	20,628	20,623	21,460
Net working capital	4,446	4,708	4,748	4,968	5,202
Invested capital	16,468	16,341	16,617	17,072	17,377
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.44	4.48	4.60	4.81	5.03
Tangible book value per share	3.97	4.07	4.20	4.41	4.63
Financial strength					
Net debt/equity (%)	27.1	24.7	23.3	21.0	17.3
Net debt/total assets (%)	17.1	15.7	14.6	13.7	11.4
Current ratio (x)	2.1	1.8	1.9	1.8	2.0
CF interest cover (x)	8.6	8.2	6.4	2.1	8.7
Valuation	2024	2025	2026E	2027E	2028E
Recurring P/E (x) *	4.9	5.9	6.3	5.2	4.8
Recurring P/E @ target price (x) *	7.9	9.5	10.1	8.4	7.8
Reported P/E (x)	5.8	8.7	6.3	5.2	4.8
Dividend yield (%)	8.9	5.6	8.0	9.7	10.4
Price/book (x)	0.6	0.6	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.5
EV/EBITDA (x) **	4.7	4.4	4.5	4.0	3.7
EV/EBITDA @ target price (x) **	6.6	6.3	6.4	5.8	5.4
EV/invested capital (x)	0.6	0.6	0.6	0.6	0.5
* 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 12: 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 13: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG	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 14: 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 15: 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 Sustainability	The Sustainability's 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><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+																	
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><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></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
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																		
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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

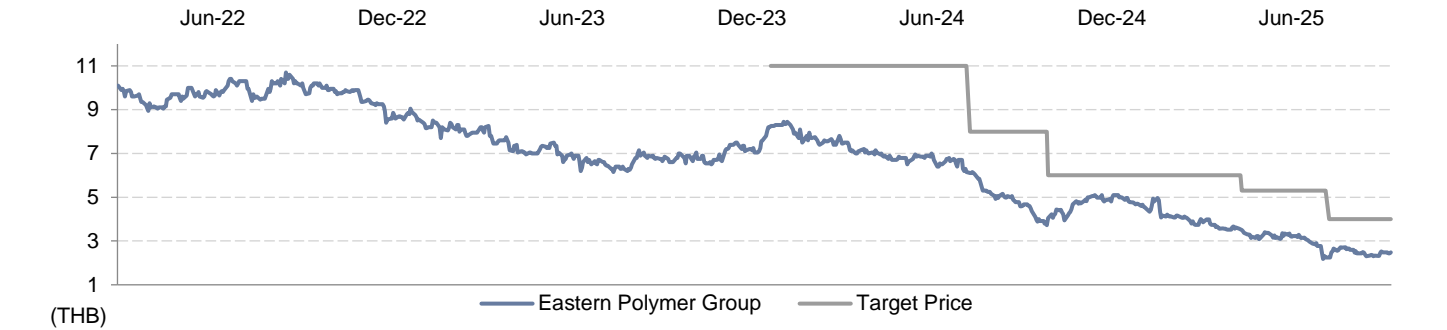
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History of change in investment rating and/or target price

Eastern Polymer Group (EPG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Dec-2023	BUY	11.00	15-Aug-2024	BUY	6.00	11-Apr-2025	BUY	4.00
07-Jun-2024	BUY	8.00	28-Jan-2025	BUY	5.30			

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 2.48	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 06-Jun-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.