



Analyst Meeting
EPG: Financial Results
Q3 2023/24

Disclaimer



This document has been prepared by Eastern Polymer Group Public Company Limited (“EPG”) solely for the reference of intended recipients only.

The data, information, analysis and valuations contained herein in this document have been prepared based solely on information obtained from public sources on or prior to the date hereof. EPG has neither independently verified nor in the future intended to verify such information.

No representation or warranty, expressed or implied, is or will be made in relation to the accuracy or completeness of the information contained in this document or any oral information provided in connection therewith, or the data it generates and no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) is or will be accepted by EPG or their affiliates or by any of their respective officers, employees or agents in relation to it. In particular, no representation or warranty is given as to the achievement or reasonableness of future projections, estimates, prospects, returns, if any.

Any views contained herein are based on financial, economic, market and other conditions prevailing as at the date of this document. EPG does not intend, and therefore shall not be held liable, to update all the information contained herein this Document.

Any disclosure or distribution of the information in this document, partly or wholly, to third parties other than the intended recipients without prior written consent from EPG is strictly forbidden.

Agenda



Operational Highlights

Q3 2023/24 Financial Results

Q3 2023/24 Operational Highlights



Revenue

3,373.6 MB

+12.2% YoY

Gross Profit

1,120.7 MB

+8.0% YoY

SG&A

23.6 % to sale

Net Profit

304.9 MB

+43.3% YoY

- Q3 2023/24 Revenue increase 12.2 % YoY and 2.3% QoQ.
- Q3 2023/24 New high revenue from sale from YoY growth in all three businesses and the inclusion of 5 TJM retail stores in November 2023.

- EPG Q3 2023/24 Gross profit margin is at 33.2% in comparison to previous year at 34.5% and previous quarter at 32.7%.

- EPG Q3 2023/24 SGA to sale is at 23.6% in comparison to previous year of 23.9% and previous quarter of 22.5%. The higher SGA came from acquisition in 5 TJM retail stores in Australia.

- Q3 2023/24 net profit of 304.9 MB increase 43.3% YoY but drop 29.8% QoQ. The Net Profit margin is at 9.0% higher in comparison to previous year at 7.1% but lower than previous quarter at 13.2%
- In Q3 2023/24 Net profit is impacted by FX loss and ECL

Q3 2023/24 Operational Highlights



- The Aeroflex USA remains healthy due to demand for high quality insulation that is certified with safety standard. Moreover, the company also expand market segment in to Ultra Low Temperature Insulation and Air Ducting system.
- Operation from Thai Factory continue to improve due to organic demand of insulation from Area such as Japan and Thailand
- Our innovation allows the production of AEROROOF to be competitive in the roof insulation market.



- The automotive industry started to show signs of weakness in December due to contractions in both domestic and export markets.
- Aeroklas continue to focuses on producing lightweight automotive components and accessories, which are in demand within the automotive industry due to their energy-saving capabilities
- There is total 12 TJM Corporate Stores in Australia as of 30 December 2023 from the acquisition of 5 additional retail stores Starting in November 2023.



EASTERN POLYPACK

- EPP Operation improved from the upgrade the production facility and implementation of new strategy which allow EPP to operate more efficiently.

Agenda



Operational Highlights

Q3 2023/24 Financial Results

Q3 2023/24 Financial Results



Statement of Comprehensive Income (Million Baht)	Dec-22 Q3-2022/23	Sep-23 Q2-2023/24	Dec-23 Q3-2023/24	QoQ	YoY
Revenue from sales	3,005.9	3,299.3	3,373.6	2.3%	12.2%
<i>AEROFLEX</i>	838.7	969.6	950.0	-2.0%	13.3%
<i>AEROKLAS</i>	1,498.1	1,701.1	1,714.3	0.8%	14.4%
<i>EPP</i>	669.2	628.7	709.4	12.8%	6.0%
Cost of goods sold	1,968.7	2,219.9	2,252.9	1.5%	14.4%
Gross Profit	1,037.3	1,079.4	1,120.7	3.8%	8.0%
Other gains-net gain on exchange rate	-114.0	23.5	-67.7	-388.5%	-40.6%
SG&A	718.1	743.3	794.9	6.9%	10.7%
ECL	-20.2	-41.8	-45.5	8.9%	125.8%
Share of Profit from Investments in Associates	59.9	170.2	101.2	-40.6%	68.8%
EBIT	257.2	518.2	351.8	-32.1%	36.8%
Depre & Amor	231.7	234.9	250.1	6.5%	7.9%
EBITDA	488.9	753.1	677.0	-10.1%	38.5%
Core-EBITDA	550.9	571.0	575.9	0.9%	4.5%
Finance cost	19.9	54.2	37.9	-30.1%	90.5%
Income Tax	24.5	29.7	9.0	-69.7%	-63.3%
Net Profit	212.8	434.3	304.9	-29.8%	43.3%

Note: Q3 2023/24 ends on 31 December 2023

Core EBITDA = exclude FX, other income and equity sharing

Q3 2023/24 Financial Results



Ratios	Dec-22 Q3-2022/23	Sep-23 Q2-2023/24	Dec-23 Q3-2023/24
Gross Profit Margin	34.5%	32.7%	33.2%
EBITDA margin	16.3%	22.8%	20.1%
Core-EBITDA Margin	18.3%	17.3%	17.1%
EBITDA Margin incl. equity sharing	20.3%	22.5%	20.1%
Net Profit Margin	7.1%	13.2%	9.0%
ROE	10.1%	14.6%	7.1%
ROA	7.5%	9.4%	4.5%
D/E	0.69	0.56	0.58

Note: Q3 2023/24 ends on 31 December 2023

Core EBITDA = exclude FX, other income and equity sharing

Q3 2023/24 Financial Results



Statement of Financial Status (Million Baht)	Dec-22 Q3-2022/23	Sep-23 Q2-2023/24	Dec-23 Q3-2023/24
Current Asset	8,160.2	7,746.5	7,564.9
Non - Current Asset	11,575.9	11,490.6	11,717.3
Total Asset	19,736.1	19,237.0	19,282.3
Interest bearing debt	5,726.6	4,711.1	4,817.6
Current Liabilities	4,606.6	3,350.2	3,380.5
Non - Current Liabilities	3,424.0	3,554.9	3,696.0
Total Liabilities	8,030.7	6,905.2	7,076.5
Paid Up Capital	2,800.0	2,800.0	2,800.0
Retained earnings (unappropriate)	4,842.4	5,436.7	5,397.8
Total Equity	11,705.4	12,331.9	12,205.8

Note: Q3 2023/24 ends on 31 December 2023

Core EBITDA = exclude FX, other income and equity sharing

9M 2023/24 Financial Results



Statement of Comprehensive Income (Million Baht)	9M 2022/23	9M 2023/24	YoY
Revenue from sales	9,099.8	9,658.6	6.1%
<i>AEROFLEX</i>	2,689.2	2,819.2	4.8%
<i>AEROKLAS</i>	4,457.4	4,862.0	9.1%
<i>EPP</i>	1,953.2	1,977.4	1.2%
Cost of goods sold	6,107.7	6,516.1	6.7%
Gross Profit	2,992.1	3,142.5	5.0%
Other gains-net gain on exchange rate	-59.4	5.8	109.7%
SG&A	2,125.5	2,272.2	6.9%
ECL	-52.8	-100.3	90.1%
Share of Profit from Investments in Associates	159.6	353.4	121.4%
EBIT	971.1	1,222.8	25.9%
Depre & Amor	666.8	721.9	8.3%
EBITDA	1,637.9	2,019.8	23.3%
Core-EBITDA	1,533.3	1,592.2	3.8%
Finance cost	71.4	144.7	102.8%
Income Tax	71.5	29.5	-58.7%
Net Profit	828.2	1,048.5	26.6%

Note: Q3 2023/24 ends on 31 December 2023

Core EBITDA = exclude FX, other income and equity sharing

9M 2023/24 Financial Results



Ratios	9M 2022/23	9M 2023/24
Gross Profit Margin	32.9%	32.5%
EBITDA margin	18.0%	20.9%
Core-EBITDA Margin	16.9%	16.5%
EBITDA Margin incl. equity sharing	18.6%	0.0%
Net Profit Margin	9.1%	10.9%
ROE	14.6%	7.1%
ROA	11.3%	4.5%
D/E	0.69	0.58

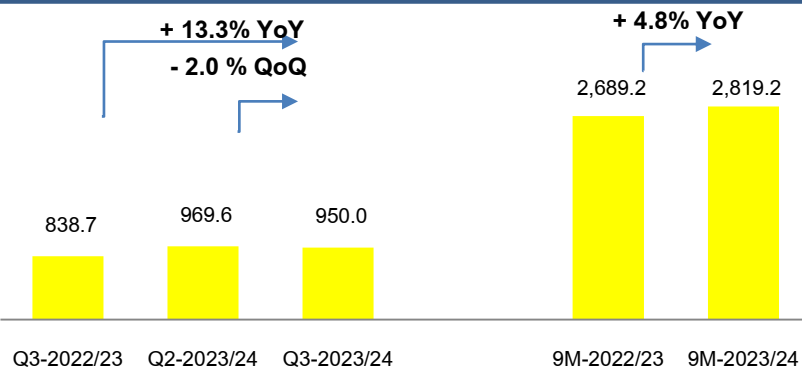
Note: Q3 2023/24 ends on 31 December 2023

Core EBITDA = exclude FX, other income and equity sharing

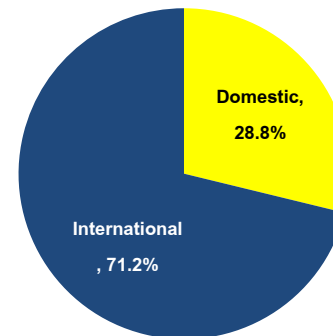
Q3 2023/24 Financial Results



AEROFLEX Revenue (MB)



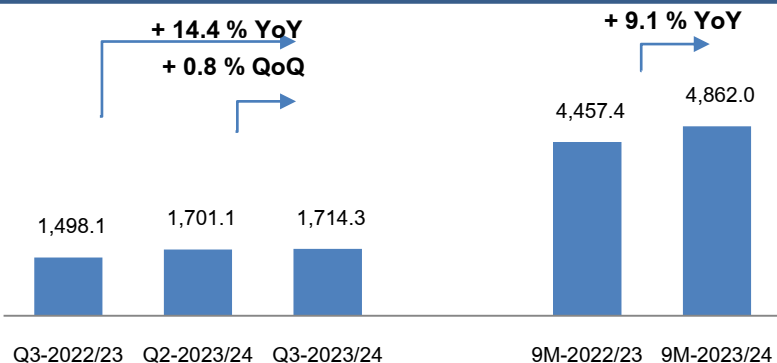
AEROFLEX Revenue break down by region



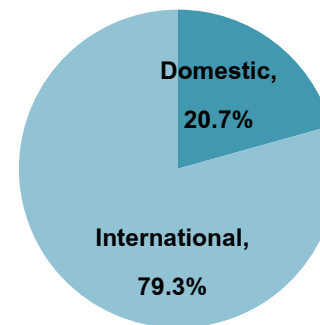
- Q3 23/24 revenue is at 950.0 MB increase 13.3% YoY and but drop 2.0% QoQ
- Sales in the United States continue to grow steadily due to the demand for premium-grade products and new product models for the Ultra Low Temperature Insulation and Air Ducting System industry, which have been well-received by customers. Sales in the domestic market have also improved due to private sector investments. However, sales in the ASEAN region have declined compared to the same period of the previous year, primarily because of delayed private sector investments.
- International Revenue is at 71.2% and Domestic is at 28.8%

Q3 2023/24 Financial Results

AEROKLAS Revenue (MB)



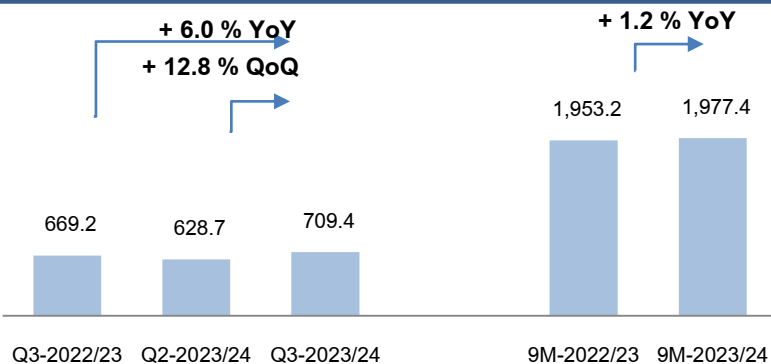
AEROKLAS Revenue break down by region



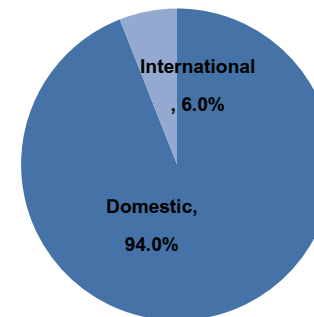
- Q3 23/24 revenue is at 1,714.3 MB increase 14.4% YoY and 0.8% QoQ
- Aeroklas revenue from sale has increased compared to the previous year with Thailand operation revenue close to the same period last year. While businesses in Australia are experiencing increased sales from the same period last year due to improving market conditions, Aeroklas Asia Pacific Group Pty. Ltd. in Australia has acquired the retail business operations of TJM from its distributors, totalling five outlets, on November 1, 2023. However, due to the extended holiday period in December, sales have slowed down compared to regular operations.
- International Revenue is at 79.3 % and Domestic is at 20.7%

Q3 2023/24 Financial Results

EPP Revenue (MB)



EPP Revenue break down by region



- Q3 23/24 revenue is at 709.4 MB increased 6.0 YoY and 12.8% QoQ
- The revenue from sale of EPP increased from the same period last year due to improvements in production processes and sales strategies. By targeting the market for cost-effective drinking cup packaging, the proportion has increased, compensating for the decline in orders for plastic food container packaging. Additionally, benefits have been derived from various year-end events and celebrations.
- International Revenue is at 6.0 % and Domestic is at 94.0 %



Innovation

- Aeroflex is currently studying the establishment of a licensee in Europe. As a result, the company is utilizing product innovation to align with European standards in preparation for future expansion.
- Continue to Invest in research and development for future production Generations.
- Develop more economical process.

Business Direction

- Aiming to be “Net Zero” Organization within twenty years such as investment in renewable energy via solar roof
- Maintain strong market presence in USA, Japan and domestic market.
- Aeroflex will penetrate more into Ducting system and Ultralow temperature in both overseas and domestic market.
- Expect solid insulation demand from relocation of Manufacturing plant especially in EEC zone.
- Increase Aerorroof Product penetration in domestic market.
- Enhance cost management via the use of Technology.



Innovation

- Maintain strong partnership with global Automakers from US Europe and Asia to offer high quality new products.
 - Aeroklas is “Light Weight Specialist” and Aeroklas is working with Various Automakers to offer new products for both ICE and EV automotive to help enhance Automobile’s energy efficiency.
 - Continue to develop the new Process Technology to speed up production and lowering cost.
-

Business Direction

- Utilize Strong Aeroklas Business Channel which includes OEM ODM and After Market via Aeroklas Brand.
- Consolidate growth via investment in Joint Venture in South Africa and Faraero,.Co.Ltd .
- As for Australian Operation, expect more diversify growth from AAPG via brand Aeroklas,TJM, Flexiglass, Bocar, and Toughdog.
- Aeroklas Fitment center is an important key to support Fleet and OEM work in Australia.
- AAPG already underwent IT system upgrade which enhance automation and will help save operating cost in the future.



Innovation

- EPP improved Factory efficiency and capacities from the use of high speed automation and manufacturing debottleneck.
 - Continue to do R&D packaging product to serve food industrial customer's needs, especially in food packaging segment.
 - Launching New Product to replace Styrofoam market (EPP-TF)
 - Able to switch to Bioplastic with no new investment in accordance to surge in environmental friendly products
-

Business Direction

- Enhance utilization through five oceans strategy i.e. enhance cross selling premium and general products.
- Enhance EPP brand awareness while Expand market share in food packaging and eici.
- The enforcement of Thai Industries standard will provide long term benefit for EPP as the retail stores and consumers will focus more on the use of high standard products. Further the use of standard will reduce overall pricing competition.
- Continue to grow from the industrial made to order that require high standard such as GMP HACCP and BRC

Capital Expenditure



E2023/24

E2024/25

E2025/26

Total

AEROFLEX

170 MB

60 MB

40 MB

270 MB

AEROKLAS

230 MB

110 MB

40 MB

380 MB

EPP

50 MB

20 MB

10 MB

80 MB

Total

450 MB

190 MB

90 MB

680 MB



MSCI GLOBAL SMALL CAP INDEXES

- MSCI THAILAND INDEX, May 12, 2015



- FTSE SET Mid-Cap Index, June 22, 2015
- FTSE SET Shariah Index



- SET100 indices, December 14, 2015
(SET100 indices to be used in the first half of 2016 [January 1-June 30, 2016])



- Awarded Excellent CG Scoring By Thai Institutional of Director (IOD)



- EPG received Asean Corporate Governance scorecard award in Asean asset class category



- EPG is rated with “AA” rating from SET ESG Rating



- Awarded Excellent CG Scoring By Thai Institutional of Director (IOD)



- EPG is a certified CAC member

Corporate Communication Division

+662 249 3976 ext 231

prapawadeen@aeroflex.co.th

+662 249 3976 ext 232

jetanana@aeroflex.co.th

IR@epg.co.th