12 November 2026

**Subject** Management Discussion and Analysis for the Financial Statements for Q2 Fiscal Year 2026/2027 Ended 30 September 2026

**To:** Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statements for the second quarter of fiscal year 2026/2027 ended 30 September 2026 of Eastern Polymer Group Public Company Limited (the "Company"), which have been reviewed by the Company's auditor, the Company would like to provide the following additional clarification:

**1. Overview of Business Operations, Key Developments, and Summary of Performance Results.**

The Company's operating results for Q2 FY2026/2027 ended 30 September 2026 showed significant changes as follows:

| Unit: Million Baht | | | | YoY | | QoQ | |
|---|---|---|---|---|---|---|---|
| | Q2 2026/27 | Q1 2026/27 | Q2 2025/26 | Increase (Decrease) | | Increase (Decrease) | |
| | Jul 26 - Sep 26 | Apr 26 - Jun 26 | Jul 25 - Sep 25 | | | | |
| Revenue from sale of goods | 3,936.5 | 3,642.2 | 3,435.9 | 500.6 | 14.6% | 294.3 | 8.1% |
| Cost of Good sold | 2,541.4 | 2,291.9 | 2,321.2 | 220.2 | 9.5% | 249.5 | 10.9% |
| Gain (Loss) on Exchange | 31.5 | -2.2 | -14.6 | 46.1 | 316.0% | 33.7 | -1557.3% |
| Selling and administrative expense | 971.3 | 919.5 | 834.7 | 136.6 | 16.4% | 51.8 | 5.6% |
| Expected credit loss on a forward looking basis | 42.3 | 46.8 | -2.1 | 44.4 | -2114.9% | -4.5 | -9.6% |
| Finance costs | 51.5 | 36.0 | 30.4 | 21.1 | 69.3% | 15.5 | 43.2% |
| Share of profit from investment in associates | 92.8 | 95.5 | 68.5 | 24.3 | 35.5% | -2.7 | -2.8% |
| Net Profit | 432.5 | 446.2 | 317.2 | 115.3 | 36.4% | -13.7 | -3.1% |

**Revenue from sale**

Revenue from sales of goods in Q2 FY2026/2027 amounted to 3,936.5 MB, representing an increase of 500.6 MB, or 14.6% YoY, and an increase of 8.1% QoQ.

The changes in sales across all three product groups are detailed below:

- **Aeroflex Group**
- Sales of the Aeroflex Group in Q2 FY2026/2027 increased by 27.2% YoY and 8.8% QoQ, driven by continued growth in demand for thermal and cold insulation products in the U.S. market.
- The U.S. market continued to deliver strong performance. Sales of Aeroflex USA Inc. continued to increase, driven by demand for premium-grade insulation products, including Ultra Low Temperature Insulation and Air Ducting System products, particularly from project-based customers in industries where investment activities remain ongoing, including data centers and related supply chains, such as the semiconductor and cloud industries, as well as the food and beverage, hospital, pharmaceutical, and automotive industries.
- The capacity expansion of Aeroflex USA Inc. is progressing with the installation of new machinery in line with plan to support increasing demand for insulation products and further growth going forward.
- Meanwhile, sales of Aeroflex's Thailand operations increased compared with both the same period of the previous fiscal year and the previous quarter, mainly driven by exports.
- **Aeroklas Group**
- Sales of the Aeroklas Group in Q2 FY2026/2027 increased by 5.3% YoY and 11.2% QoQ.

- For domestic operations, Aeroklas sales increased compared with the previous quarter, supported by key products such as bedliners and sidesteps. Deliveries to certain OEM customers were slightly delayed toward the end of the quarter as customers were affected by flooding in their operating areas. However, deliveries are expected to return to normal in the following quarter.
- For the Australian business, the operations of Aeroklas Asia Pacific Group Pty. Ltd. (AAPG) became more stable following adjustments to its strategy and operating structure, together with continued cost and expense control.
- During the quarter, AAPG made progress in improving operational efficiency and reducing costs associated with TJM branches by adjusting service formats to better meet customer needs in each area. AAPG also expanded its export customer base.
- 4 Way Suspension Products Pty. Ltd., under the Tough Dog brand, continued to deliver sales growth in both domestic and international markets, with an emphasis on cost and expense management alongside accelerating sales growth to support profitability and further growth going forward.
- During the quarter, Aeroklas Automotive South Africa (Pty) Ltd. (ASA) contributed a full quarter of operations to the operating performance of the Aeroklas Group, in line with plan.
- **EPP**
- Sales of Eastern Polypack Co., Ltd. in Q2 FY2026/27 increased by 16.5% YoY and 0.3% QoQ. Although overall private consumption improved compared with the previous quarter, partly supported by government measures, competition in the industry remained intense. Nevertheless, Eastern Polypack Co., Ltd. continued to maintain strong customer confidence through its product quality, production capabilities, and internationally recognized certifications, including TIS, GHP/HACCP, and BRC.

**The cost of goods sold**

In Q2 FY2026/2027, the Company's cost of goods sold amounted to 2,541.4 MB, increasing by 220.2 MB, or 9.5% YoY, and increasing by 10.9% QoQ. The rate of increase in cost of goods sold was lower than the rate of increase in sales compared with the same period last year, but higher than the rate of increase in sales compared with the previous quarter.

The gross profit margin was affected by higher raw material prices and promotional activities in the plastic packaging business. The Company therefore continues to diversify raw material sourcing to maintain average raw material costs at an appropriate level, together with continued cost management and operational efficiency improvements.

**Profit on exchange**

In Q2 FY2026/2027, the Company recorded a foreign exchange gain of 31.5 MB, compared to a foreign exchange loss of 14.6 MB in the same period last year and a foreign exchange loss of 2.2 MB in the previous quarter.

During the quarter, the foreign exchange result consisted of an unrealized gain of 24.9 MB and a realized gain of 6.6 MB. During the quarter, the Thai Baht depreciated against the U.S. Dollar and Australian Dollar.

**Selling and administrative expenses**

In Q2 FY2026/2027, the Company's selling and administrative expenses amounted to 971.3 MB, increasing by 136.6 MB, or 16.4% YoY, and increasing by 5.6% QoQ.

The increase in selling and administrative expenses was mainly attributable to higher operating expenses from overseas businesses, including selling expenses and freight costs affected by higher energy prices, as well as expenses relating to organizational efficiency improvements in Australia.

**Expected credit loss provision**

In Q2 FY2026/2027, the Company recorded an expected credit loss (ECL) provision of 42.3 MB, compared to a reversal of ECL provision of 2.1 MB in the same period last year and an ECL provision of 46.8 MB in the previous quarter.

During the quarter, the joint venture business in South Africa continued to face a slowdown in the automotive industry due to the impact of energy prices. Nevertheless, Aeroklas Co., Ltd. and its joint venture partner continued to work together to improve production efficiency, cost control, and working capital management, while assessing the joint venture's ability to repay outstanding obligations.

**Financial Cost**

In Q2 FY2026/2027, the Company recorded financial costs of 51.5 MB, increasing by 21.1 MB compared to financial costs of 30.4 MB in the same period last year, and increasing from financial costs of 36.0 MB in the previous quarter.

Financial costs during the quarter included a foreign exchange gain of 4.0 MB from foreign currency loans, decreasing from 25.0 MB in the same period last year and 14.0 MB in the previous quarter. The Company maintains foreign currency loans to balance the impact of foreign exchange fluctuations.

**The share of profit from investment in associates**

In Q2 FY2026/2027, the Company recorded a share of profit from investments in associates and joint ventures of 92.8 MB, increasing by 24.3 MB compared to 68.5 MB in the same period last year. The increase was supported by improved operating performance from associates and joint ventures in India, Thailand, and China. Compared with the previous quarter, share of profit decreased by 2.7 MB from 95.5 MB.

**Net Profit**

In Q2 FY2026/2027, the Company recorded a net profit of 432.5 MB, increasing by 115.3 MB, or 36.4% YoY. The improvement was supported by higher sales and gross profit across all business segments. However, net profit decreased by 3.1% QoQ due to higher selling and administrative expenses, particularly sales support expenses and freight costs.

**Financial Position**

| Million Baht | | | | YoY | | QoQ | |
|---|---|---|---|---|---|---|---|
| | Q2 2026/27 | Q1 2026/27 | Q2 2025/26 | Increase (Decrease) | | Increase (Decrease) | |
| | Jul 26 - Sep 26 | Apr 26 - Jun 26 | Jul 25 - Sep 25 | | | | |
| Current Asset | 9,208.2 | 9,443.7 | 8,544.9 | 663.4 | 7.8% | -235.5 | -2.5% |
| Non - Current Asset | 12,331.6 | 12,165.6 | 11,711.6 | 620.0 | 5.3% | 166.0 | 1.4% |
| Total Asset | 21,539.8 | 21,609.3 | 20,256.4 | 1,283.4 | 6.3% | -69.5 | -0.3% |
| Interest bearing debt | 4,874.4 | 4,834.0 | 5,023.9 | -149.5 | -3.0% | 40.4 | 0.8% |
| Current Liabilities | 4,765.7 | 4,891.3 | 4,236.3 | 529.4 | 12.5% | -125.7 | -2.6% |
| Non - Current Liabilities | 2,699.7 | 2,770.9 | 3,199.0 | -499.3 | -15.6% | -71.3 | -2.6% |
| Total Liabilities | 7,465.3 | 7,662.3 | 7,435.3 | 30.1 | 0.4% | -196.9 | -2.6% |
| Paid Up Capital | 2,800.0 | 2,800.0 | 2,800.0 | 0.0 | 0.0% | 0.0 | 0.0% |
| Retained earnings (unappropriate) | 7,284.1 | 7,216.3 | 6,257.2 | 1,026.9 | 16.4% | 67.8 | 0.9% |
| Total Equity | 14,074.5 | 13,947.1 | 12,821.2 | 1,253.3 | 9.8% | 127.4 | 0.9% |

**Asset**

As of 30 September 2026, the Company had total assets of THB 21,539.8 million, decreasing by 0.3% from the previous quarter. Cash and cash equivalents amounted to THB 2,085.6 million, current assets amounted to THB 9,208.2 million, and non-current assets amounted to THB 12,331.6 million.

**Liability**

As of 30 September 2026, the Company had total liabilities of THB 7,465.3 million, decreasing by 2.6% from the previous quarter. Interest-bearing debt amounted to THB 4,874.4 million, and total current liabilities amounted to THB 4,765.7 million.

**Shareholder's equity**

As of 30 September 2026, the Company had shareholders' equity of THB 14,074.5 million. Unappropriated retained earnings amounted to THB 7,284.1 million.

**Liability**

| | | Q2 2026/27 | Q1 2026/27 | Q2 2025/26 |
|---|---|---|---|---|
| | Unit | Jul 26 - Sep 26 | Apr 26 - Jun 26 | Jul 25 - Sep 25 |
| Debt to Equity Ratio | Time | 0.53 | 0.55 | 0.58 |
| Interest Coverage Ratio | Time | 16.09 | 17.08 | 17.31 |
| Debt Service Coverage Ratio | Time | 1.07 | 1.05 | 0.91 |
| Liquidity Ratio | Time | 1.93 | 1.93 | 2.02 |
| Return on Equity | % | 14.57 | 13.46 | 9.69 |
| Return on Asset | % | 9.37 | 8.52 | 6.14 |

- Debt-to-equity ratio stood at 0.53 times, decreasing from 0.55 times in the previous quarter and 0.58 times in the same period last year.
- Interest coverage ratio stood at 16.09 times, compared to 17.31 times in the same period last year.

**3. Factors affecting the performance of the Company (forward looking)**

Key factors affecting the Company's operating performance may be categorized as follows: 1) success in overseas business operations; 2) success in research and development for new product innovation; 3) success in capacity expansion, production process enhancement through technological advancement across the Group, as well as expansion of distribution channels in various forms; 4) volatility in raw material prices; 5) foreign exchange fluctuations; and 6) domestic and global economic conditions and events.

During the quarter, geopolitical conflicts, particularly in the Middle East and between Russia and Ukraine, together with uncertainties relating to trade policies and import tariffs, remained key risks to the global economy and supply chains. These factors may lead to volatility in energy prices, raw material prices, and freight costs, as well as pressure on the Group's operating costs.

At the same time, foreign exchange fluctuations may affect export revenue, imported raw material costs, and the translation of overseas subsidiaries' operating results into Thai Baht. The Company therefore closely monitors these developments and manages procurement, inventory, and foreign exchange risks, together with cost and expense control across the Group, in order to maintain competitiveness and profitability.

**4. Sustainability Developments**

The growth of Eastern Polymer Group Public Company Limited ("EPG") remains aligned with the Company's vision to grow through innovation by developing quality products that contribute to society and enhance quality of life, while strengthening its business network to support expansion in global markets and drive sustainable growth.

**Awards and Recognition**

For fiscal year 2025/2026 ended 31 March 2026:

- The Company received an "Excellent CG Scoring" or 5-star rating under the Corporate Governance Report of Thai Listed Companies (CGR) 2025 conducted by the Thai Institute of Directors Association (IOD).
- The Company and its subsidiaries, namely Aeroflex Co., Ltd., Aeroklas Co., Ltd., and Eastern Polypack Co., Ltd., were certified as members of the "Thai Private Sector Collective Action Against Corruption" (CAC) at the "CAC Change Agent" (3-Star) level by the Thai Private Sector Collective Action Against Corruption Committee. This recognition reflects the Group's commitment to conducting business with good corporate governance principles while promoting anti-corruption practices throughout its business network.
- The Company was selected as one of the "Thailand Sustainability Investment" stocks or SET ESG Ratings 2025 at the "AA" level by The Stock Exchange of Thailand.
- The Company received the "Certificate for Excellence in Investor Relations South East Asia 2025" from the IR Impact Awards – South East Asia held at the Singapore Exchange (SGX). The award reflects the capability, expertise, and professionalism of EPG's management and investor relations team in delivering transparent, comprehensive, and consistent communication with stakeholders.

**Carbon Footprint for Organization and Product**

For fiscal year 2025/2026 ended 31 March 2026, Aeroflex Co., Ltd. received the Carbon Footprint for Organization (CFO) certification from the Thailand Greenhouse Gas Management Organization (Public Organization) ("TGO") for the 9th consecutive year, and also received Carbon Footprint of Product (CFP) certification.
Eastern Polypack Co., Ltd. received Carbon Footprint for Organization certification for the 6th consecutive year, while Aeroklas Co., Ltd. received Carbon Footprint for Organization certification for the 4th consecutive year and was also awarded Carbon Footprint of Product (CFP) certification.

**Net Zero Emission Roadmap**

Aeroflex Co., Ltd. has announced its targets to achieve Carbon Neutrality by 2032 and Net Zero Emissions by 2042 through three key strategies:

1. **Green Manufacturing** – utilizing solar energy to reduce greenhouse gas emissions by more than 2,500 tCO2e per year.
2. **Take Back Program** – collecting end-of-life products from customers for proper waste management and recycling processes.
3. **Circular Economy** – recycling material scraps into new products while developing lightweight, high-performance products to enhance resource efficiency and sustainability.

Respectfully Your,

***Mr. Veerasit Pratuengsukpong***

Chief Financial Officer

Eastern Polymer Group Public Company Limited