NORTH EAST RUBBER (NER TB)

THAILAND / SET / AGRIBUSINESS

Globlex Securities Co., Ltd.

6 August 2026

As good as it gets

- 2Q26 net profit of THB436m was In line on higher margins
- El Nino-hit rubber supplies will continue to limit upsides in 2H26-27
- Maintain HOLD and TP of THB4.8

2Q26 net profit rebound was in line

2Q26 net profit (NP) of THB436m (+72% q-q, -21% y-y), on lower revenue to THB7.1b (-0.9% q-q, -6% y-y), driven by weaker sales in export and domestic markets on the limited rubber supplies. EBITDA was THB628m, up 28% q-q but down 11% y-y and EBITDA margin rose to 8.8%, up from 6.8% in 1Q26 but down from 9.3% in 2Q25. Interest expense dipped to THB132m, up 2% q-q but down 4% y-y. Core net profit was THB447m, up 34% q-q but down 49% y-y. Revenue from domestic market dropped by 6% y-y to THB7.1b while revenue from export plunged to THB5.6b, up 10% q-q but down 8% y-y.

Upsides from margin expansion, not sales volume growth

During 2Q26 analyst meeting, management confirmed NER's growth strategies in 2026-27. First, NER is unlikely to see sales volume upside over 0.45mtpa in 2026-27 considering that the rubber supply in Thailand will face draught from the impact of Super El Nino that will hit Thailand during 2H26-1H27. Second, earnings upside in 2026-27 will hence come from margin expansion, not volume growth, as rubber price is still on uptrend on tighter supply. We project gross profit margin to rise from 10.2% in 2Q26 towards 13-14% by mid-2027.

Opportunistic growth on capacity expansion on 3rd plant

Management remains sanguine on its long-term growth outlook, maintaining the capacity expansion of 0.3mtpa despite multiple delays on the rising risk for demand and prices. In short-term, NER is likely to start the construction of the new warehouse to replace the fire-hit one under THB72m (insurance claim) budget as construction material costs are now subsiding.

Prolonged tighter rubber supply in Thailand and Indonesia

In 2026-30E, the rubber price is projected for an uptrend thanks to the structural declines in the growing areas in Thailand and Indonesia. In Indonesia, palm growing has continued to replace natural rubber growing due to the superior palm price over rubber price. In Thailand, the current super El Nino is expected to erode the rubber productions mainly in Northeast area where NER's production plants are unfortunately located.

Maintain HOLD and a TP of THB4.8

We maintain HOLD and our TP of THB4.8, based on 4.5x 2026E P/E. We think the rising risk for rubber supply should continue to curb any upsides for NER in 2026-27, in the forms of limited sales volume, capacity expansion, and increasing working capital as the price will continue to rise while supply is scarce.

Analyst

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ESG Rating : AAA

CG Rating :

HOLD

Target Price 12M (THB)	**4.80**
VS. BB Consensus TP (%)	-6.4%
Share Price (THB)	4.50
Upside/Downside	+6.7%

Share Data

Market Cap (THB m)	8,315.17
Par (THB)	0.50
Free Float (%)	63.75
Issued shares (m shares)	1,848

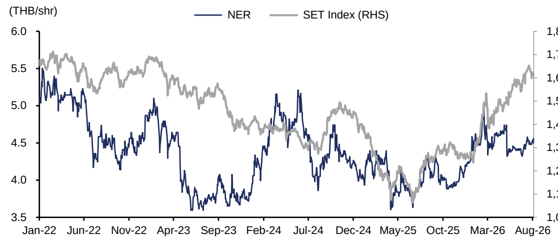
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	30,240	31,633	30,226	32,612
Net profit	1,885	1,671	1,443	1,458
Core net profit	1,652	1,671	1,443	1,458
vs Consensus (%)		4.1	(15.5)	(21.4)
Net profit growth (%)	14.0	(11.3)	(13.7)	1.0
Core net profit growth (%)	(1.1)	1.1	(13.7)	1.0
EPS (THB)	1.02	0.90	0.78	0.79
Core EPS (THB)	0.89	0.90	0.78	0.79
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.36	0.45	0.39	0.39
P/E (x)	4.39	4.98	5.76	5.70
P/BV (x)	0.85	0.77	0.72	0.67
ROE (%)	20.71	16.25	12.89	12.22
Dividend yield (%)	8.04	10.05	8.68	8.77

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	1.81	(3.43)	(5.86)	0.45
Market	1.90	(10.61)	(21.27)	(21.40)
12M High/Low (THB)				5.40 / 4.08



Major Shareholders (%) as of 24 Apr 2026

Mr. Chuwit Jungtanasomboon	17.60
Mr. Jirayut Jungtanasomboon	3.47
Mrs. Suphaporn Jansereewitthaya	1.38

Company Profile

Manufactures and distributes Ribbed Smoked Sheet, Standard Thai Rubber and Mixtures Rubber for manufacturers in automotive industry and traders

Source: SETSMART, SET

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Exhibit 1: Summary of 2Q26/6M26 operations

	2Q25	1Q26	---------------- 2Q26 ------------------			6M25	6M26	chg.	2026E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	**7,585**	**7,208**	**7,144**	***(0.9)***	***(5.8)***	**16,283**	**14,351**	***(11.9)***	**31,633**
Operating costs	(6,878)	(6,717)	(6,516)	*3.0*	*5.3*	(14,768)	(13,233)	*10.4*	(29,345)
EBITDA	**707**	**491**	**628**	***27.8***	***(11.2)***	**1,514**	**1,118**	***(26.1)***	**2,289**
EBITDA margin (%)	*9.3*	*6.8*	*8.8*	*na*	*na*	*9.3*	*7.8*	*na*	7.2
Depn & amort.	(61)	(52)	(52)	*(0.0)*	*(15.5)*	(121)	(103)	*14.7*	(263)
EBIT	**646**	**439**	**576**	***31.1***	***(10.8)***	**1,393**	**1,015**	***(27.1)***	**2,026**
Interest expense	(137)	(135)	(132)	*2.4*	*(4.1)*	(276)	(266)	*3.7*	(454)
Interest & invt inc	-	-	-	*na*	*na*	-	-	*na*	-
Other income	3	3	4	*31.8*	*16.3*	7	7	*0.7*	190.4
Associates' contrib	-	-	-	*na*	*na*	-	-	*na*	-
Exceptionals	65	(50)	(11)	*77.8*	*(117.0)*	79	(61)	*(176.7)*	-
Pretax profit	**576**	**258**	**437**	***69.6***	***(24.1)***	**1,203**	**695**	***(42.2)***	**1,762**
Tax	(22)	(3)	(1)	*75.4*	*(96.3)*	(40)	(4)	*89.4*	(91)
Tax rate (%)	*3.9*	*1.3*	*0.2*	*(85.5)*	*(95.1)*	*3.3*	*0.6*	*(81.6)*	5.2
Minority interests	-	-	-	*na*	*na*	-	-	*na*	-
Net profit	**554**	**254**	**436**	***71.5***	***(21.2)***	**1,163**	**691**	***(40.6)***	**1,671**
Non-recurring	62	(49)	(11)	*77.5*	*(117.7)*	76	(60)	*(178.8)*	-
Core net profit	**492**	**303**	**447**	***47.5***	***(9.1)***	**1,087**	**751**	***(30.9)***	**1,671**
EPS (THB)	0.34	0.16	0.27	*71.5*	*(21.2)*	0.72	0.43	*(40.6)*	0.90
Core EPS (THB)	0.30	0.19	0.28	*47.5*	*(9.1)*	0.67	0.46	*(30.9)*	0.90

Sources: NER; Globlex Research

Exhibit 2: 2Q26/6M26 key performance

	2Q25	1Q26	2Q26	(q-q%)	(y-y%)	6M25	6M26	(y-y%)
Revenue by product	**6,372**	**4,927**	**5,825**	***18.2***	***(8.6)***	**13,569**	**10,752**	***(20.8)***
RSS	790	765	906	*18.4*	*14.7*	1,948	1,671	*(14.2)*
RSS-Mixture	961	517	499	*(3.5)*	*(48.1)*	1,810	1,016	*(43.9)*
STR20	4,621	3,645	4,420	*21.3*	*(4.3)*	9,811	8,065	*(17.8)*
STR-Mixture	1,210	2,279	1,316	*(42.3)*	*8.8*	2,709	3,595	*32.7*
Revenues by Geography	**7,585**	**7,208**	**7,144**	***(0.9)***	***(5.8)***	**16,283**	**14,352**	***(11.9)***
Domestic	6,088	5,098	5,613	*10.1*	*(7.8)*	12,165	10,711	*(12.0)*
Export	1,497	2,110	1,531	*(27.4)*	*2.3*	4,118	3,641	*(11.6)*

Sources: NER; Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Current assets					
Cash & ST investment	221	60	7,046	15,620	14,641
Account receivable	805	917	1,034	1,146	1,267
Inventories	16,213	17,029	17,990	17,075	18,421
Others	30	2	2	2	2
Non-current assets					
Net fixed assets	1,683	1,515	2,120	2,502	2,827
Others	506	483	483	483	483
Total Assets	**19,457**	**20,005**	**28,675**	**36,827**	**37,641**
Current liabilities					
Account payable	247	244	258	245	264
ST borrowing	5,209	5,541	5,541	5,541	5,541
Others	78	3	4	3	4
Long-term liabilities					
Long-term debts	5,257	4,455	11,955	19,455	19,455
Others	180	53	53	53	53
Total liabilities	**10,969**	**10,298**	**17,811**	**25,298**	**25,318**
Paid-up capital	924	924	924	924	924
Retained earnings	5,992	7,212	8,310	8,917	9,654
Others	1,572	1,572	1,630	1,688	1,746
Minority interest	0	0	0	0	0
Shareholders' equity	**8,488**	**9,707**	**10,864**	**11,529**	**12,323**

Profit & loss (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Revenue	**27,448**	**30,240**	**31,633**	**30,226**	**32,612**
Cost of goods sold	(24,436)	(27,078)	(28,607)	(27,152)	(29,292)
Gross profit	**3,012**	**3,162**	**3,026**	**3,075**	**3,319**
Operating expenses	(601)	(704)	(737)	(723)	(773)
Operating profit	**2,411**	**2,458**	**2,289**	**2,351**	**2,546**
EBIT	**2,411**	**2,458**	**2,289**	**2,351**	**2,546**
Depreciation	(232)	(235)	(263)	(319)	(374)
EBITDA	**2,179**	**2,223**	**2,026**	**2,032**	**2,172**
Non-operating income	**(2)**	**270**	**190**	**190**	**190**
Other incomes	(30)	190	190	190	190
Other non-op income	29	79	0	0	0
Non-operating expense	**(469)**	**(548)**	**(454)**	**(701)**	**(825)**
Interest expense	(469)	(548)	(454)	(701)	(825)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	**1,708**	**1,945**	**1,762**	**1,522**	**1,537**
Extraordinary items					
Current taxation	(55)	(60)	(91)	(79)	(80)
Minorities	0	0	0	0	0
Net Profit	**1,652**	**1,885**	**1,671**	**1,443**	**1,458**
Core net profit	**1,670**	**1,652**	**1,671**	**1,443**	**1,458**
EPS (THB)	**0.89**	**1.02**	**0.90**	**0.78**	**0.79**
Core EPS (THB)	**0.90**	**0.89**	**0.90**	**0.78**	**0.79**

Key ratios					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Growth (y-y%)					
Sales	9.6	10.2	4.6	(4.4)	7.9
Operating profit	5.1	2.0	(6.9)	2.7	8.3
EBITDA	4.0	2.0	(8.9)	0.3	6.9
Net profit	6.9	14.0	(11.3)	(13.7)	1.0
Core net profit	5.7	(1.1)	1.1	(13.7)	1.0
EPS	6.9	14.0	(11.3)	(13.7)	1.0
Core EPS	5.7	(1.1)	1.1	(13.7)	1.0
Profitability (%)					
Gross margin	11.0	10.5	9.6	10.2	10.2
Operation margin	8.8	8.1	7.2	7.8	7.8
EBITDA margin	7.9	7.4	6.4	6.7	6.7
Net margin	6.0	6.2	5.3	4.8	4.5
ROE	20.7	20.7	16.2	12.9	12.2
ROA	9.1	9.6	6.9	4.4	3.9
Stability					
Interest bearing debt/equity (x)	1.2	1.0	1.6	2.2	2.0
Net debt/equity (x)	1.2	1.0	1.0	0.8	0.8
Interest coverage (x)	5.1	4.5	5.0	3.4	3.1
Interest & ST debt coverage (x)	0.4	0.4	0.4	0.4	0.4
Cash flow interest coverage (x)	(0.1)	0.1	0.0	0.1	0.0
Current ratio (x)	3.1	3.1	4.5	5.8	5.9
Quick ratio (x)	0.2	0.2	1.4	2.9	2.7
Net debt (THB m)	10,244	9,937	10,451	9,377	10,355
Activity					
Asset turnover (X)	1.5	1.5	1.3	0.9	0.9
Days receivables	9.9	10.4	11.3	13.2	13.5
Days inventory	224.5	224.0	223.4	235.7	221.2
Days payable	3.4	3.3	3.2	3.4	3.2
Cash cycle days	231.0	231.1	231.5	245.5	231.5

Cash flow (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Operating cash flow	**(688)**	**973**	**687**	**2,333**	**140**
Net profit	1,652	1,885	1,671	1,443	1,458
Depre.& amortization	232	235	263	319	374
Change in working capital	(2,423)	(977)	(1,065)	790	(1,448)
Others	(149)	(170)	(182)	(219)	(245)
Investment cash flow	**(488)**	**(701)**	**(1,063)**	**(1,261)**	**(1,360)**
Net CAPEX	(151)	(67)	(700)	(700)	(700)
Change in LT investment	99	(104)	0	0	0
Change in other assets	(436)	(531)	(363)	(561)	(660)
Free cash flow	**(1,175)**	**272**	**(376)**	**1,072**	**(1,220)**
Financing cash flow	**2,571**	**(211)**	**597**	**(1,012)**	**8,266**
Change in share capital	0	0	58	58	58
Net change in debt	29	79	0	0	0
Dividend paid	(573)	(573)	(573)	(836)	(721)
Others	3,115	283	1,111	(234)	8,929
Net cash flow	**1,396**	**61**	**221**	**60**	**7,046**

Per share (THB)					
EPS	0.89	1.02	0.90	0.78	0.79
Core EPS	0.90	0.89	0.90	0.78	0.79
CFPS	1.02	1.15	1.05	0.95	0.99
BVPS	4.59	5.25	5.88	6.24	6.67
Sales/share	14.86	16.37	17.12	16.36	17.65
EBITDA/share	1.18	1.20	1.10	1.10	1.18
DPS	0.36	0.36	0.45	0.39	0.39
Valuation					
P/E (x)	5.43	4.39	4.98	5.76	5.70
P/BV (x)	1.06	0.85	0.77	0.72	0.67
Dividend yield (%)	7.41	8.04	10.05	8.68	8.77
Divdend payout ratio (%)	40	35	50	50	50

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ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment NER promotes sustainable natural rubber production through responsible raw material sourcing, renewable energy adoption, biomass utilization, and energy efficiency improvements. The company also focuses on reducing greenhouse gas emissions, improving water management, and minimizing waste while supporting sustainable rubber supply chains.	AAA	4.33
Social NER works closely with rubber farmers to promote sustainable agricultural practices and improve livelihoods through knowledge sharing and long-term partnerships. The company also prioritizes employee health and safety, human capital development, and community support through education and local development initiatives.		4.89
Governance NER maintains a robust governance framework with independent board oversight, enterprise risk management, internal controls, and anti-corruption measures. Sustainability is integrated into business operations through transparent ESG disclosure, responsible procurement, and ethical business practices.		4.94
Overall | CG Score: Excellent (5-star) | CAC: Certified		**4.68**

Bloomberg ESG scores reflect FY2025 data (latest available). SET ESG Rating as of April 2026 (Globlex Research). CG rating reflects 2025 Thai IOD survey. SET ESG Rating as of 9 January 2026.
Sources: SET, Thai IOD, CAC, Bloomberg, Globlex Securities Research

SET ESG Ratings 2025 | Thai Listed Companies — As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	**NER**
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

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

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

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

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: 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: 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: 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.