SRITRANG GLOVES™

「Touch Of Life™」

Company Presentation I 3Q21

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

9 November 2021



MSCI ESG100 2021 Environmental • Social • Governance

FTSE SET50 Index

SGX

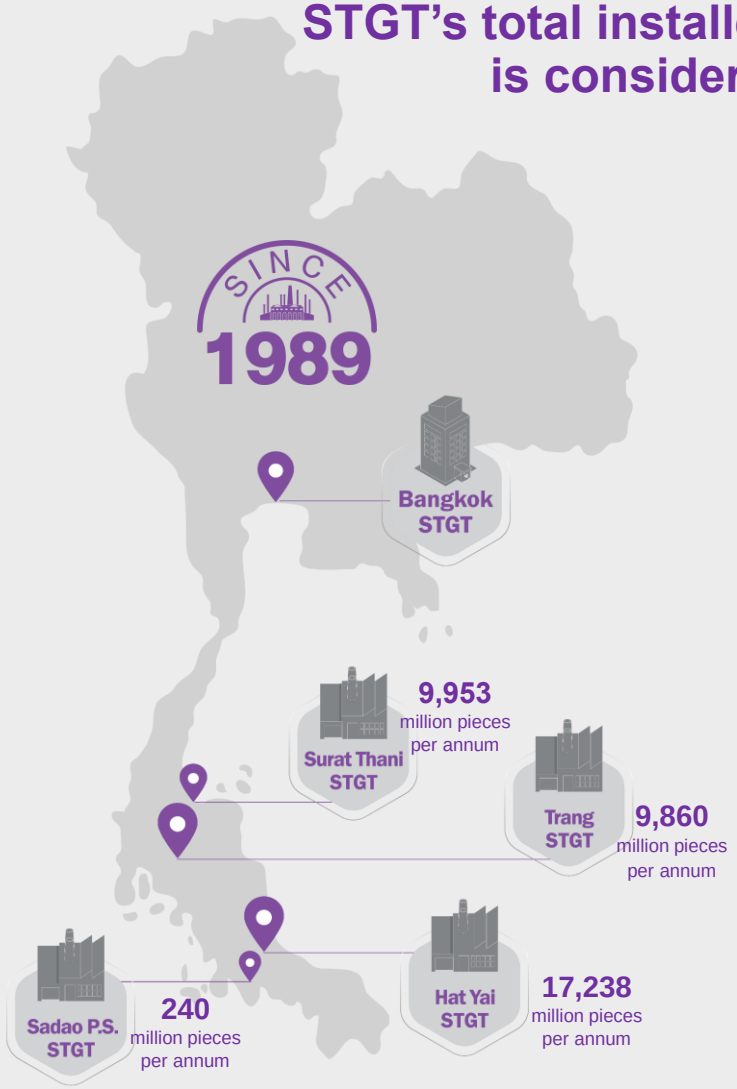
SET The Stock Exchange of Thailand



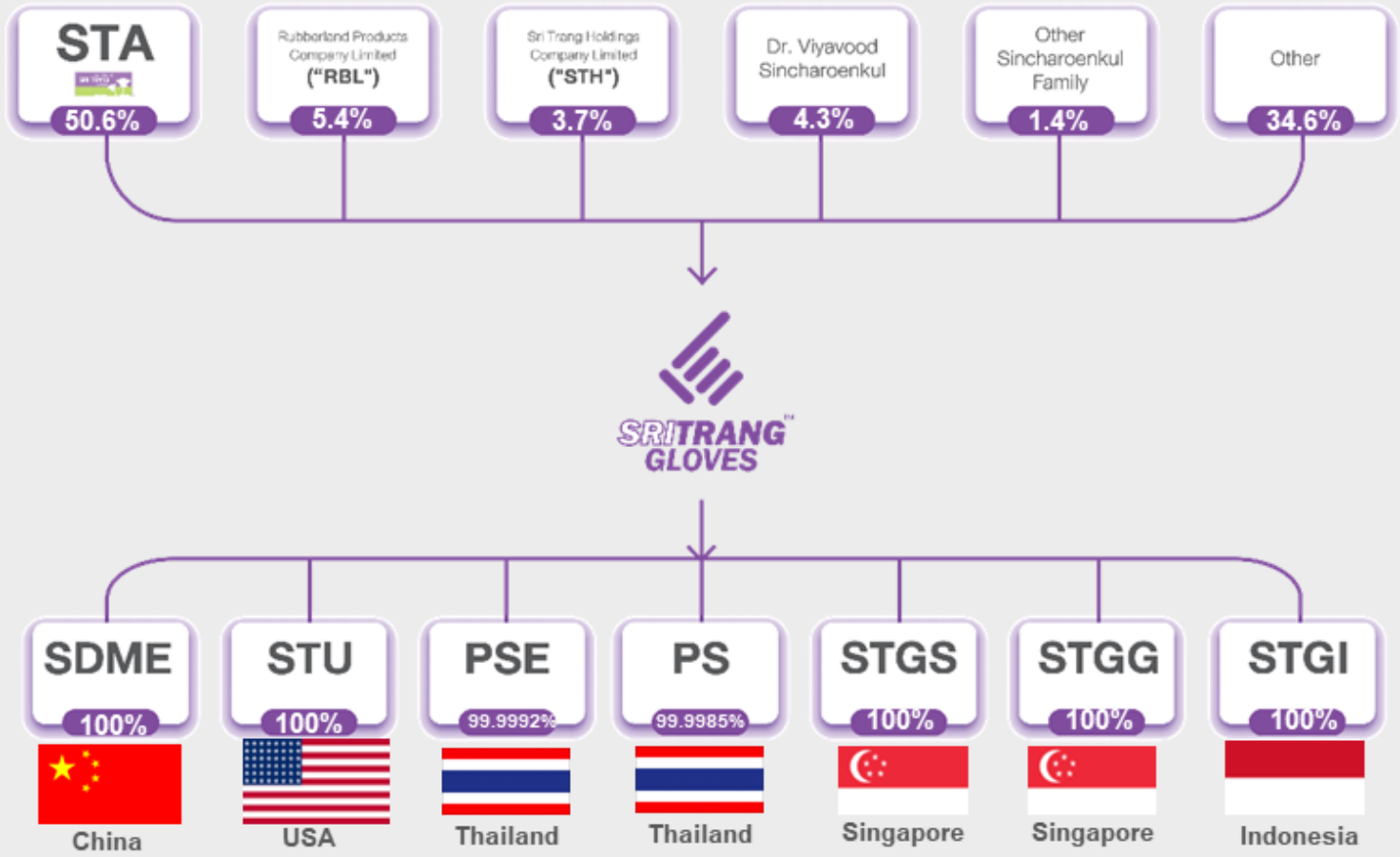
COMPANY
OVERVIEW

STGT At Glance 3Q/2021

STGT's total installed capacity approx. 37,000 million pieces per annum is considered world's top 5 rubber gloves manufacturer



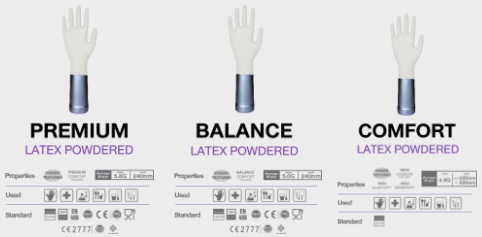
Group Structure



as of 1/11/2021

STGT's Products

LATEX POWDERED: NRPD



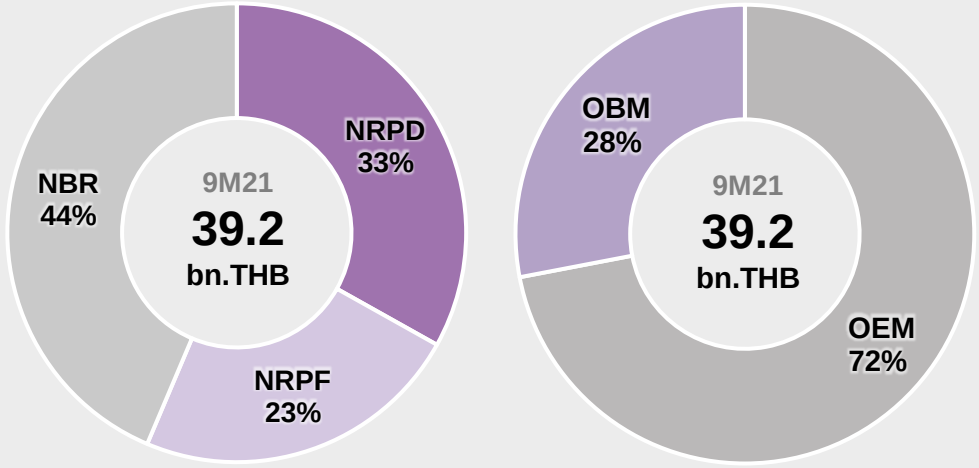
LATEX POWDER-FREE: NRPF



NITRILE: NBR



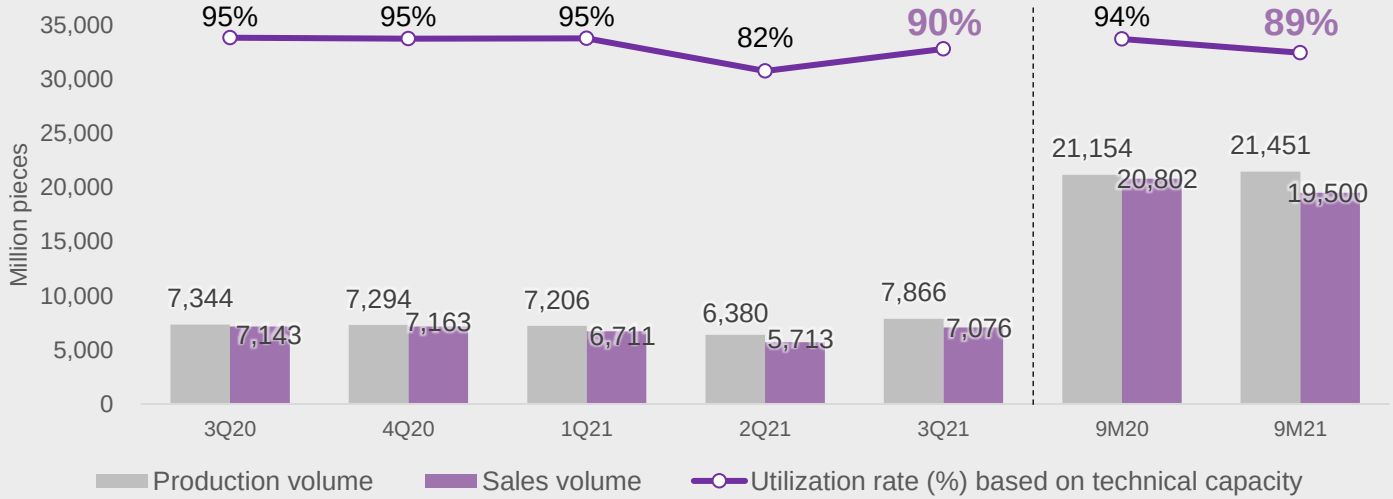
STGT's Product Mix by Gloves Sales



*Non-glove sales revenue is excluded of THB 52.4 million.

9-month data as of 30/09/2021

Sales Volume & Production



STGT's Brands

SRITRANG GLOVES · SRITRANG SATORY · I'M GLOVE · FINNX · Super Care · Super Gard · Sriex · GLOVES · Ventyv™ · POLYMED · WELLGUARD · 施睿康 · SRITECH

STGT's Key Competitive Advantages

1. Unique Product Mix:

Good mix of affordable NR gloves allows us to penetrate to emerging countries where double or triple digits growth is prominent, and NBR gloves balance our revenue from mature markets.

2. Security of supply:

Access to sufficient and high-quality supply of concentrated latex from STA Group. Our factories are located proximity to the main source of concentrated latex of the world.

3. Low transportation and inventory handling costs:

STGT's production facilities are located next to STA Group's concentrated latex factories and short distance to the seaports.

4. No burden on import tax (CESS) of concentrated latex:

As a domestic manufacturer, STGT's NR latex procurement is free from import tax.

5. Lower energy cost:

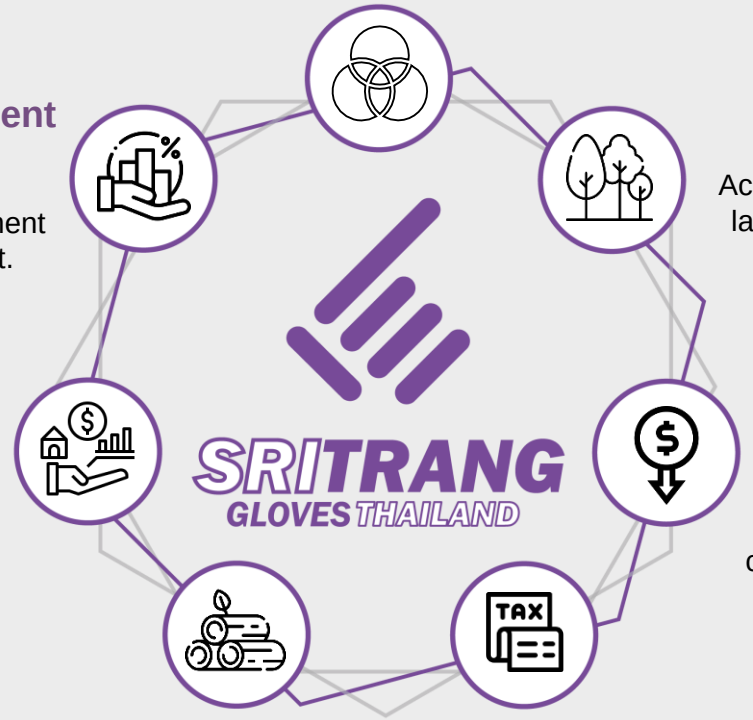
Access to abundance of biomass woodchip as a main fuel source comparing to fossil base (natural gas) which is typically used by competitors in other countries.

6. Interest subsidy

from Thai Government for long-term loans at the maximum rate of 3% till 2026.

7. Tax benefit from the Board of Investment Thailand (BOI):

5-8 year tax holidays from capacity expansion investment enables us to have effective tax rate at a single digit.



An Industry with High Barrier to Entry



Capital-Intensive Business in Nature

- Glove business requires significant upfront investments in high technology machinery as well as well-equipped production plant

Time-Consuming Construction of Production Facilities

- With its production complexity, a conventional period of construction of 18-24 months required for glove manufacturing

Licensing Requirements

- As a medical related products, prior approval from FDA or other relevant regulatory bodies are required to export and market rubber examination gloves into any countries
- The average time required for approval varies from country to country, yet usually longer than 6 months

Incumbent's Advantages due to Learning Curve and Superior Production Process

- Over three decade in glove industry and our switchable production facilities enables us to be flexible in responding to any change of market demand

FINANCIAL
HIGHLIGHT



STGT's Financial Highlights



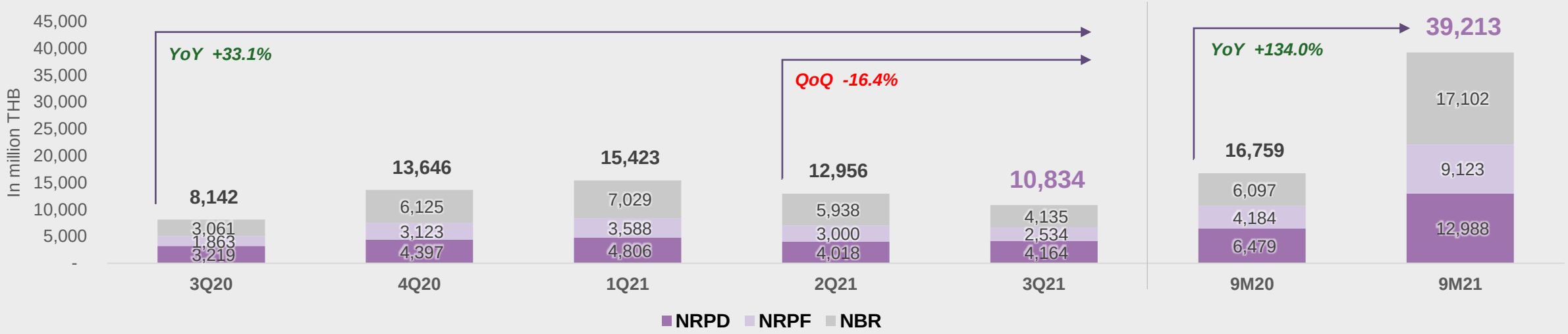
- **Sales volume increased QoQ**
  - Thanks to the resume of our production after the COVID-19 cases in 2Q21
  - The containers & ocean vessel space shortage problem has been improved from 2Q21, yet less than expected.
- **ASP decreased QoQ**
  In line with the market trend due to the increase in new supply
- **Special incomes booked in 3Q21**
  - Interest refund from RAOT in the amount of THB 150 million
  - Insurance claim THB 50 million.
- **Top end profitability margin**
  among international and local peers
- **Continued dividend payment**
  - **1.25 THB per share on December 2021**

3Q21 Financial Highlights

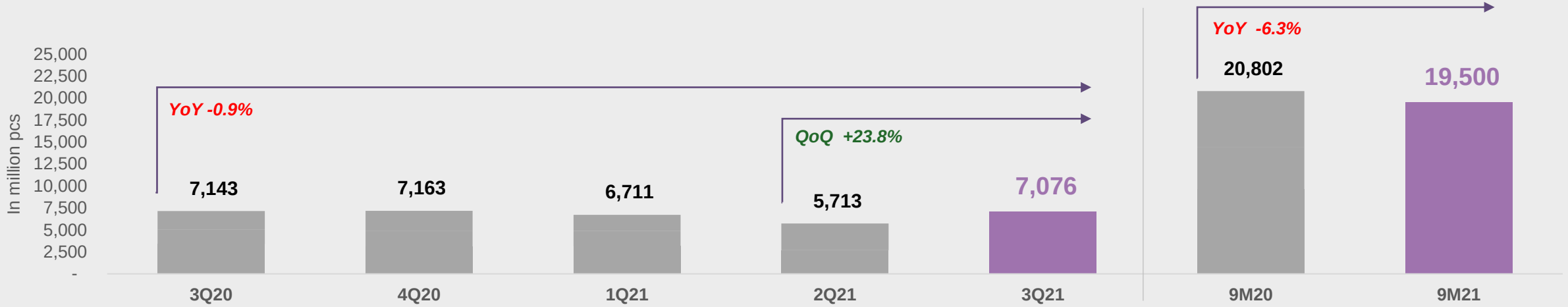
(In million THB)	3Q21	2Q21	%QoQ	Restated 3Q20	%YoY	9M21	Restated 9M20	%YoY
Volume (in million pcs.)	7,075.9	5,713.5	*23.8%*	7,143.3	*-0.9%*	19,500.3	20,801.9	*-6.3%*
Sales revenue	10,864.0	12,967.7	*-16.2%*	8,192.6	*32.6%*	39,265.4	16,867.5	*132.8%*
COGS	(5,272.9)	(4,317.2)	*22.1%*	(3,265.5)	*61.5%*	(13,603.3)	(9,777.5)	*39.1%*
Gross profit	**5,591.16**	**8,650.44**	***-35.4%***	**4,927.17**	***13.5%***	**25,662.09**	**7,090.02**	***261.9%***
Other income	254.4	39.9	*537.9%*	120.4	*111.3%*	288.6	165.9	*73.9%*
SG&A	(591.7)	(471.9)	*25.4%*	(251.0)	*135.7%*	(1,462.6)	(727.6)	*101.0%*
Gain (loss) on exchange rate, net	233.3	133.8	*74.4%*	139.3	*67.5%*	640.2	171.6	*273.1%*
Other gains, net	(499.9)	(215.7)	*131.7%*	(108.8)	*359.4%*	(1,206.8)	(154.5)	*681.2%*
Operating profit (loss)	**4,987.2**	**8,136.5**	***-38.7%***	**4,827.0**	***3.3%***	**23,921.4**	**6,545.5**	***265.5%***
EBITDA	5,321.7	8,468.0	*-37.2%*	5,115.5	*4.0%*	24,905.0	7,325.6	*240.0%*
EBIT	5,013.5	8,164.9	*-38.6%*	4,827.0	*3.9%*	23,999.4	6,545.5	*266.7%*
Finance income	26.3	28.4	*-7.4%*	8.9	*195.3%*	77.9	10.4	*652.2%*
Finance costs	(31.0)	(31.5)	*-1.5%*	(32.4)	*-4.4%*	(94.7)	(110.0)	*-13.9%*
EBT	4,982.5	8,133.4	*-38.7%*	4,803.5	*3.7%*	23,904.7	6,445.9	*270.9%*
Tax	(449.7)	(853.3)	*-47.3%*	(398.7)	*12.8%*	(2,040.2)	(558.1)	*265.6%*
Net profit	4,532.8	7,280.1	*-37.7%*	4,404.8	*2.9%*	21,864.5	5,887.8	*271.4%*
GP margin	51.5%	66.7%	*-15.2%*	60.1%	*-8.7%*	65.4%	42.0%	*23.3%*
EBITDA margin	49.0%	65.3%	*-16.3%*	62.4%	*-13.5%*	63.4%	43.4%	*20.0%*
Net profit margin	41.7%	56.1%	*-14.4%*	53.8%	*-12.0%*	55.7%	34.9%	*20.8%*
Financial Ratio								
Current ratio	6.55	5.82	*12.6%*	6.51	*0.7%*	6.55	6.51	*0.7%*
Cash cycle (days)	48.48	58.60	*-17.3%*	26.43	*83.4%*	34.97	40.05	*-12.7%*
IBD/E	0.22	0.21	*4.4%*	0.19	*13.7%*	0.22	0.19	*13.7%*
Interest coverage ratio	161.74	259.53	*-37.7%*	148.83	*8.7%*	253.47	59.51	*326.0%*
ROA	33.4%	54.9%	*-21.4%*	52.4%	*-18.9%*	54.4%	23.5%	*30.8%*
ROE	44.5%	74.6%	*-30.1%*	69.0%	*-24.5%*	72.3%	31.0%	*41.3%*

Sales Revenue

Sales Revenue and Sales Growth

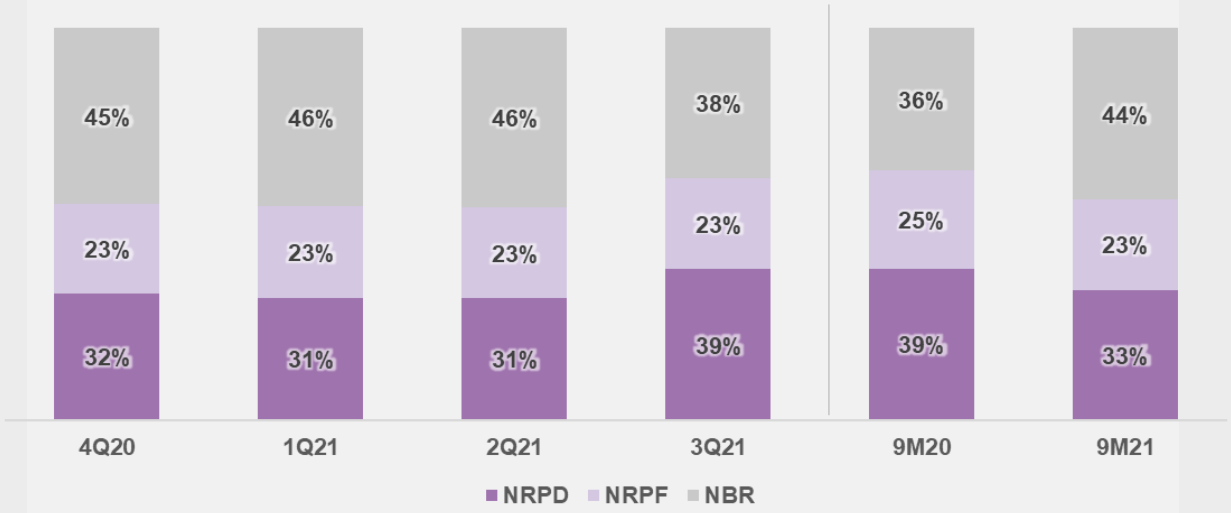


Sales Volume and Volume Growth

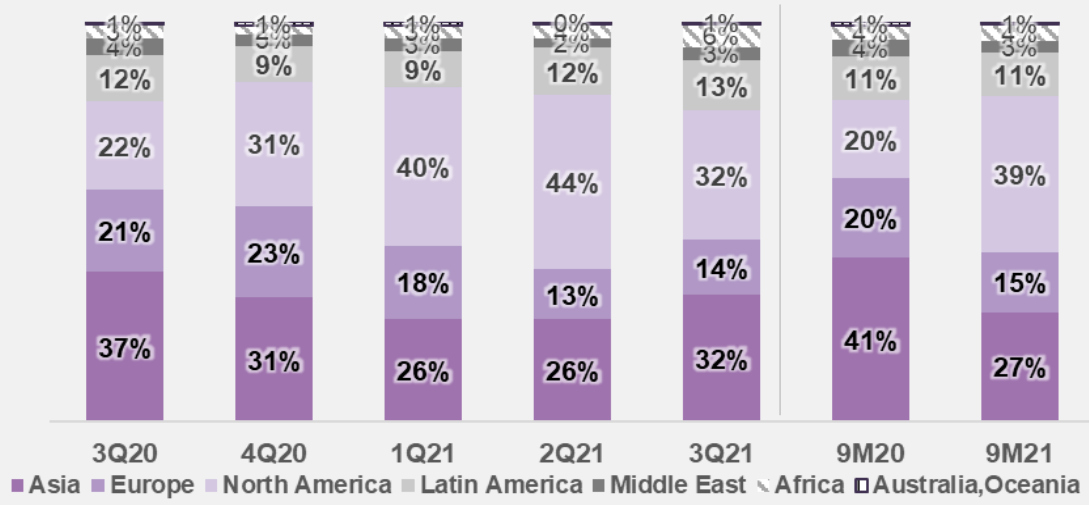


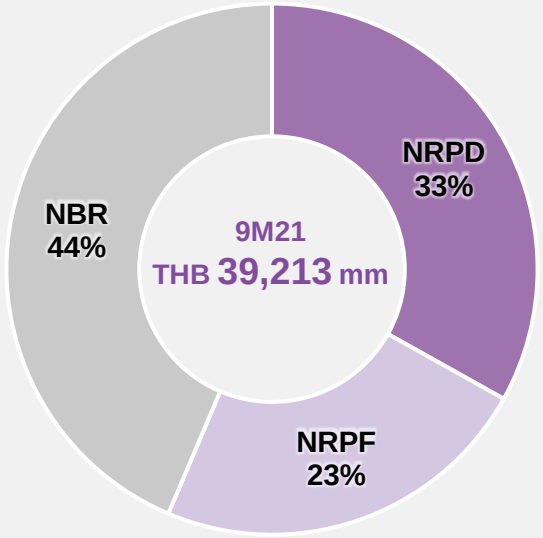
Gloves' Sales Revenue Breakdown

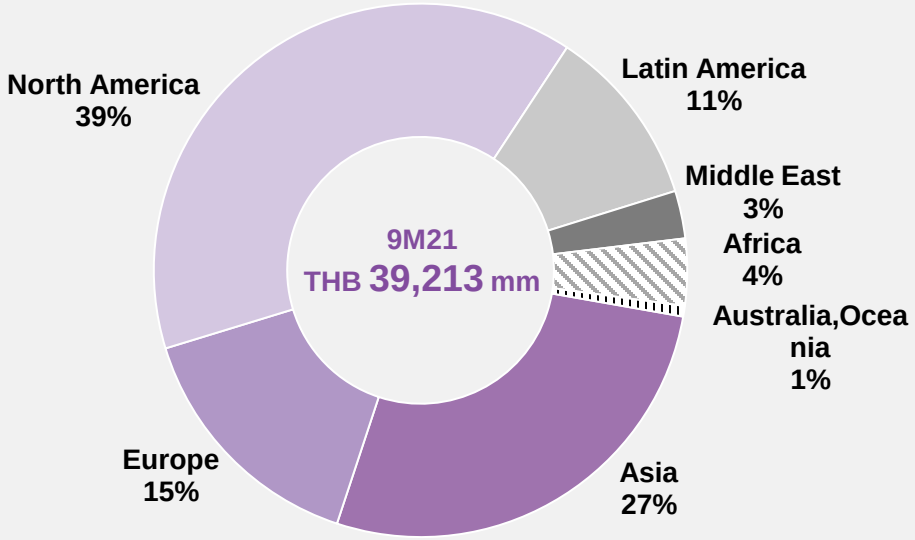
Sales Revenue by Products



Sales Revenue by Geography

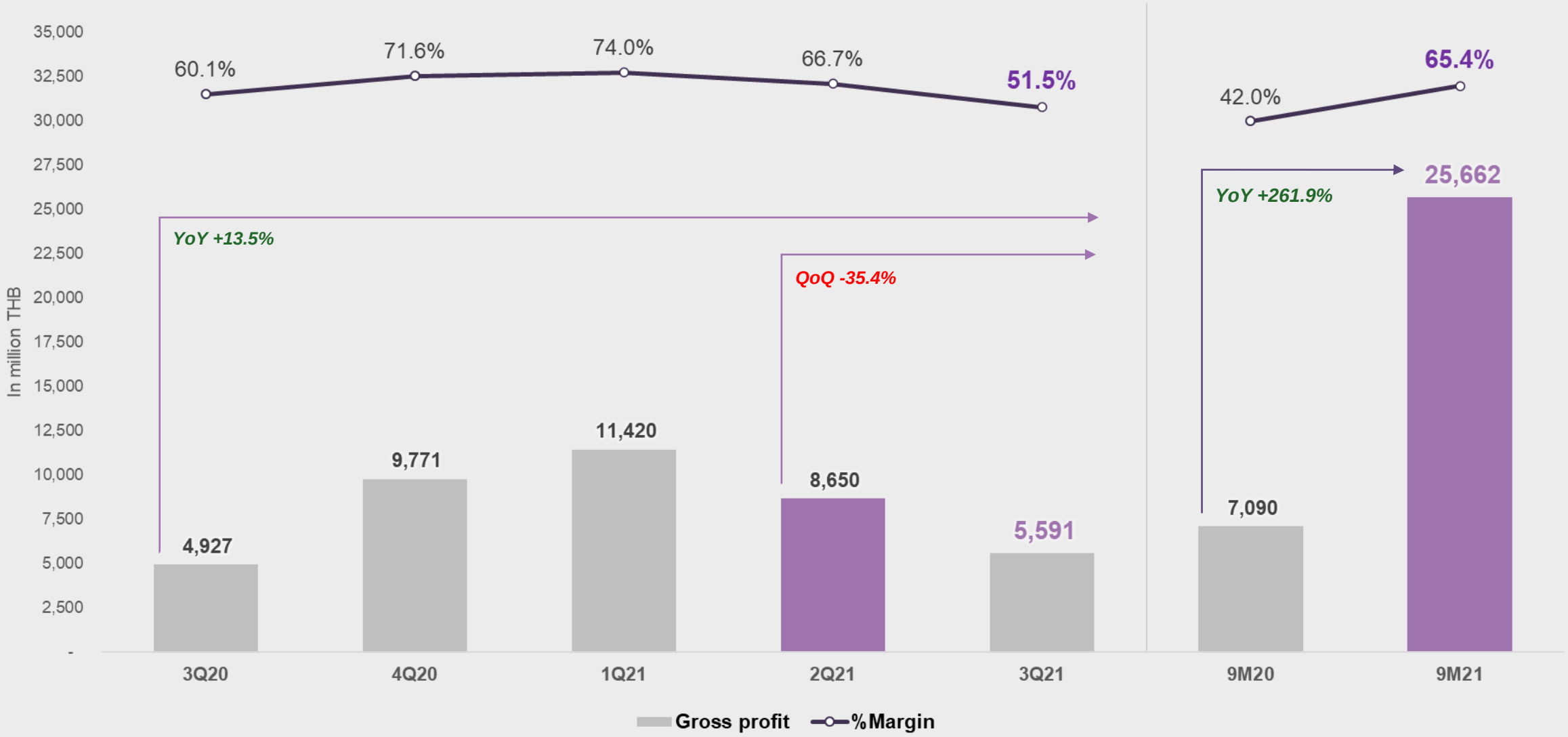






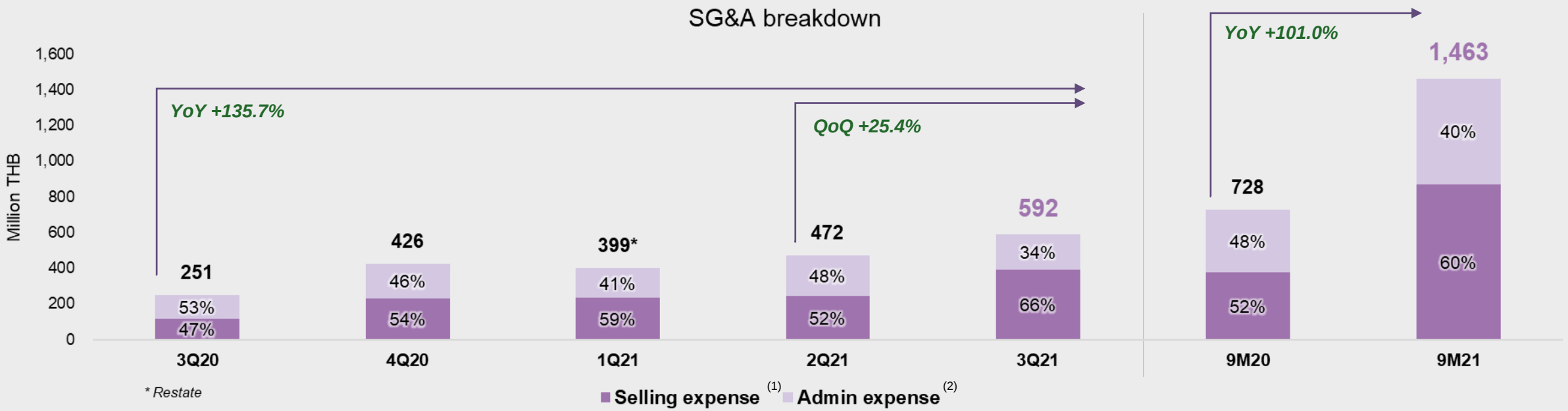
Gross Profit Margin
Raw Materials Decreased Slower than ASP

Gross Profit and Gross Profit Margin

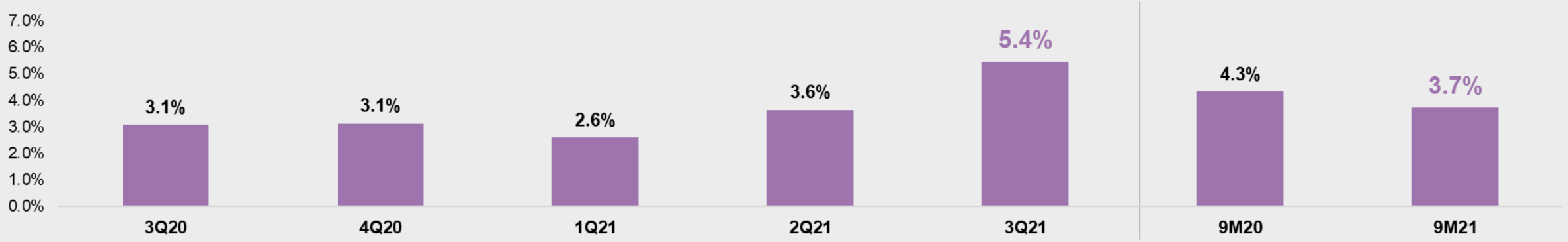


SG&A Increased due to The Logistic Costs

SG&A Breakdown



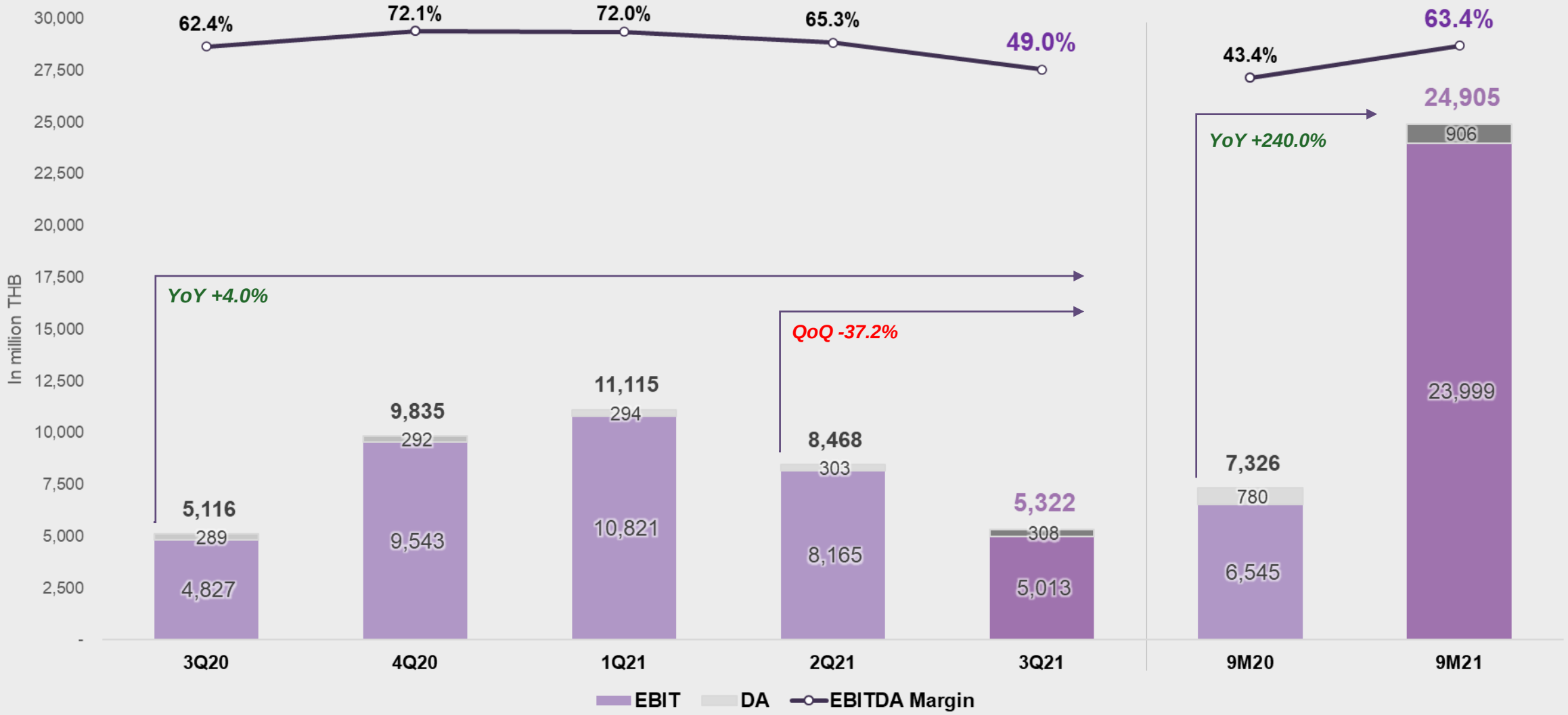
SG&A/Sales



Note: (1) includes transportation, salary, commission, promotional expenses and insurance
(2) includes salary, office rental, professional fee and bank charge

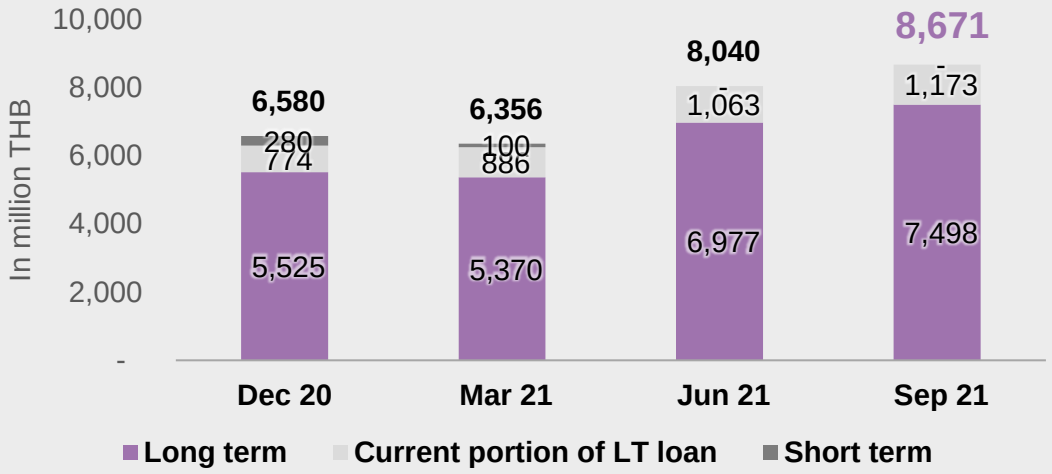
EBITDA Margin
Declined in line with Gross Profit Margin

EBITDA and EBITDA Margin

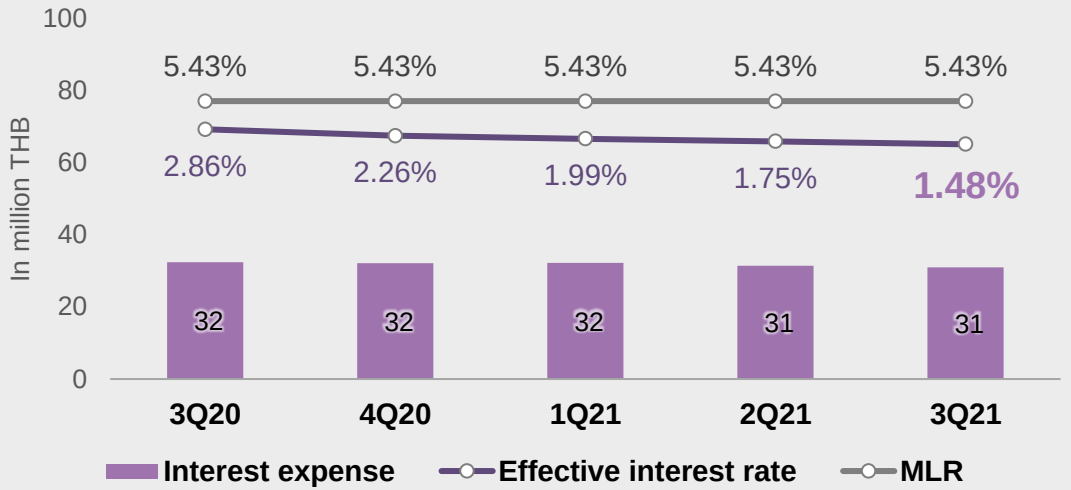


Low Interest Expenses

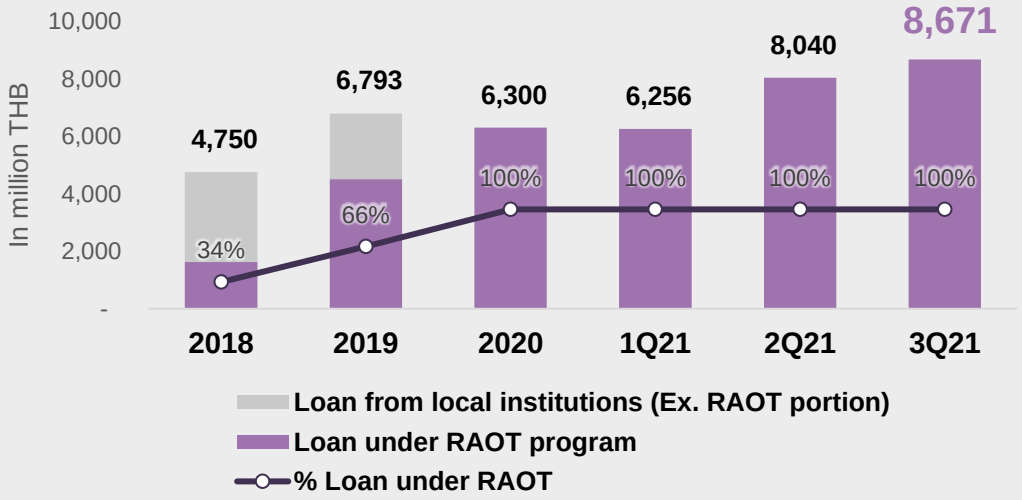
Short Term & Long-Term Loan



Interest Expense



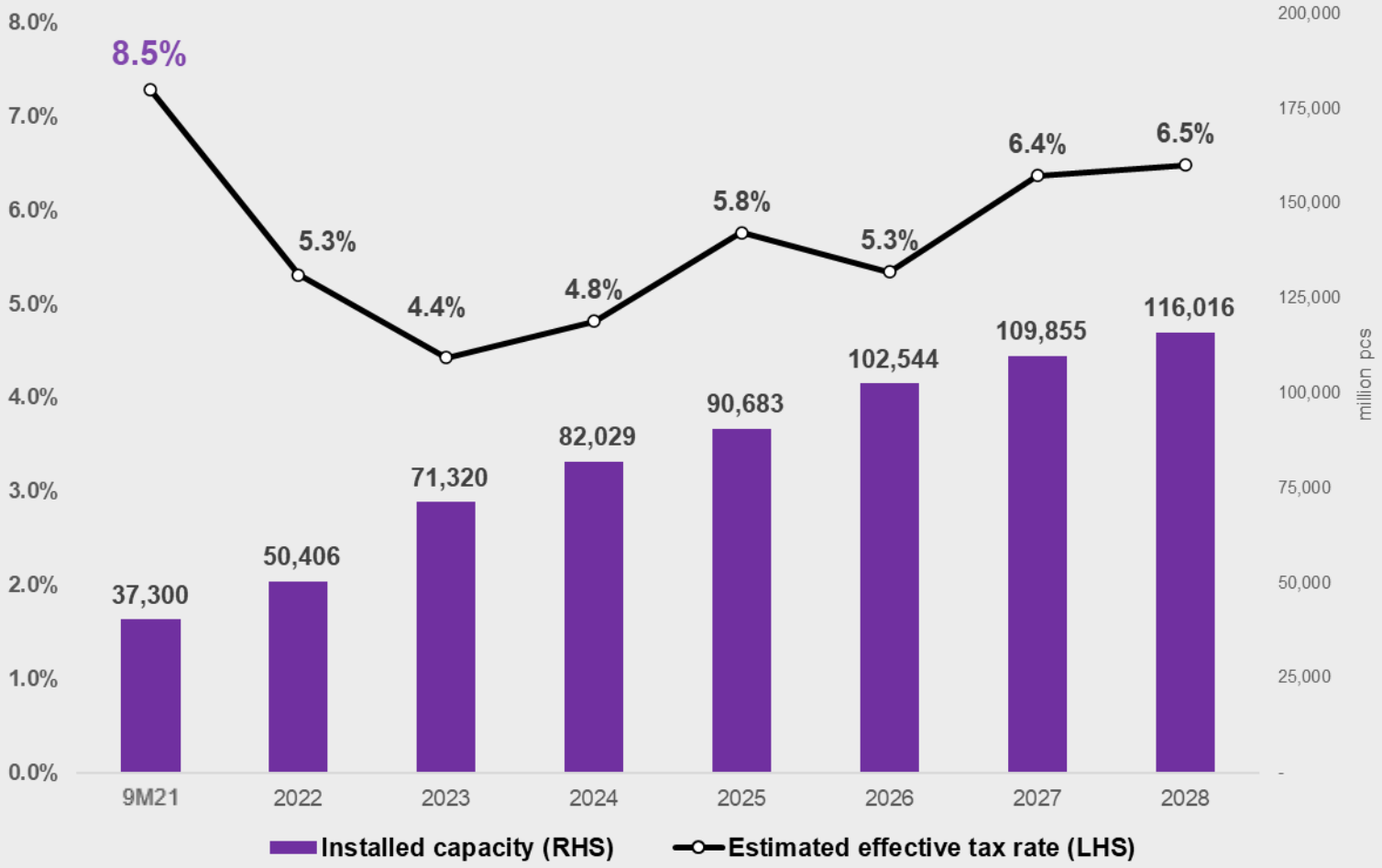
Loan under RAOT Subsidy Scheme



- **RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.**
- **100% of our term-loan is under RAOT interest subsidy scheme**
- **In 3Q21, STGT received the interest refund in the amount of THB 150 million from RAOT.**

Effective Tax Rate Estimated in Single Digit

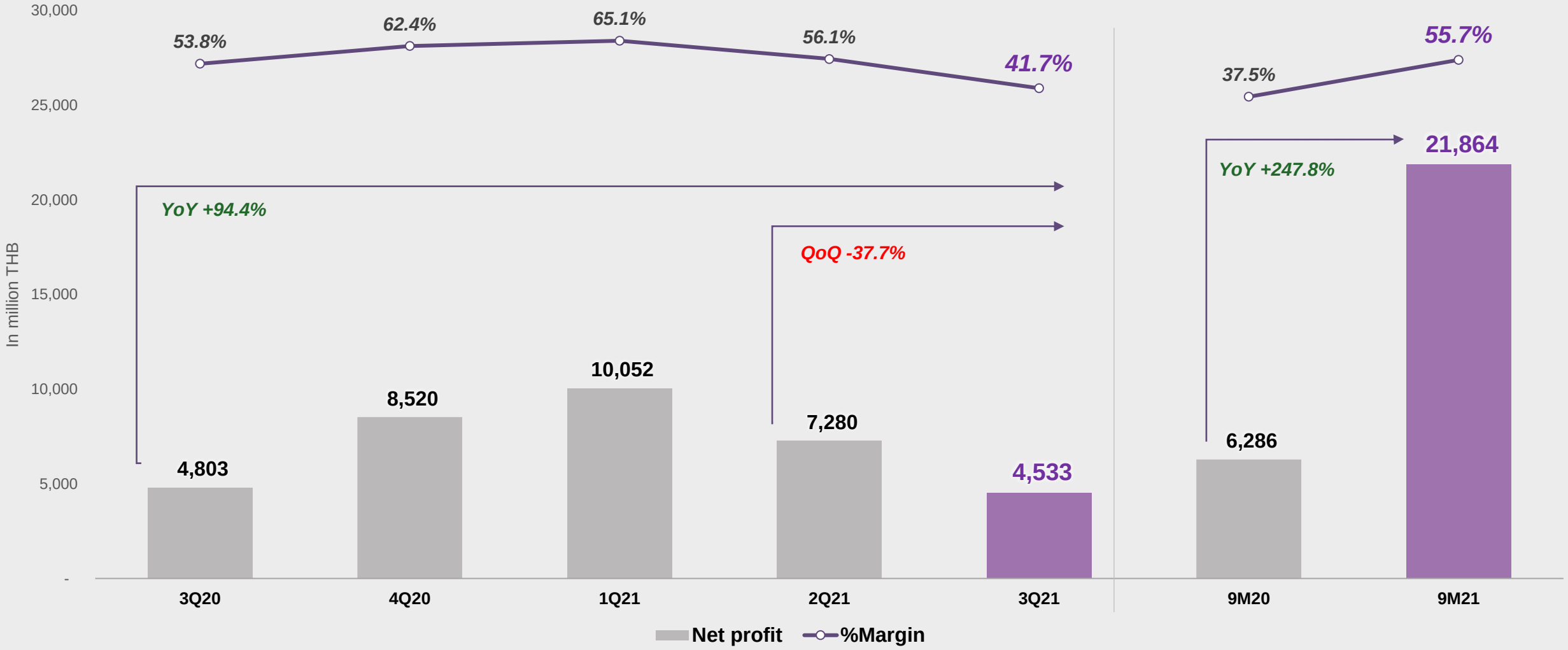
Estimated Effective Tax Rate 2021 - 2028



- **Effective tax rate was at 9.0% in 3Q21 and was at 8.5% in 9M21.**
- **With new committed investment in the future, our effective tax rate will remain at single digit for the next 5-8 years.**
- **Thanks to tax heaven scheme from the Board of Investment in Thailand (BOI) for the 5-8 years tax free for new investment.**

A Decrease in Net Profit Margin
But Remained in The Top End of Glove Industry

Net profit and Net profit Margin



Remarkable Dividend Payment

The Company has a dividend policy to pay dividend distributions to shareholders

At least 50 percent of its net profit
based on the Company's separate financial statements

Moreover, the Company deemed it appropriate to determine the interim dividend payments for the year 2021.



Record Date	Declaration Date	Payable Date	Amount [Baht per Share]	% of PAT*
2021				
Nov 22, 2021	*Nov 8, 2021*	*Dec 7, 2021*	*1.25*	*81% [3Q21]*
Aug 24, 2021	Aug 10, 2021	Sep 7, 2021	1.25	47% [2Q21]
May 27, 2021	May 12, 2021	Jun 10, 2021	1.50	42% [1Q21]
Apr 16, 2021	Feb 16, 2021	Apr 28, 2021	2.00	55% [YE20]
2020				
Nov 30, 2020	Nov 13, 2020	Dec 09, 2020	0.625	

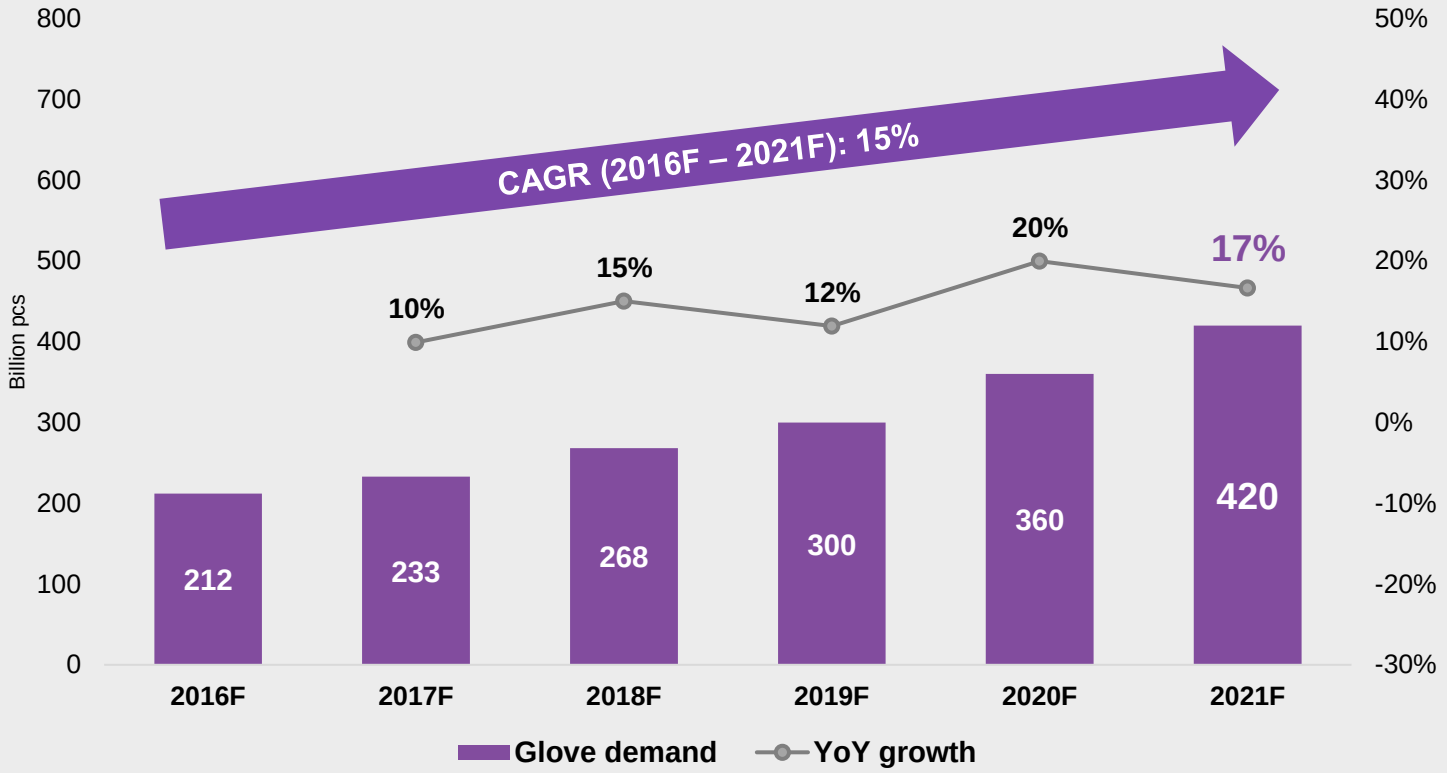
Note: *Separate Financial Statements



GLOVES
BUSINESS

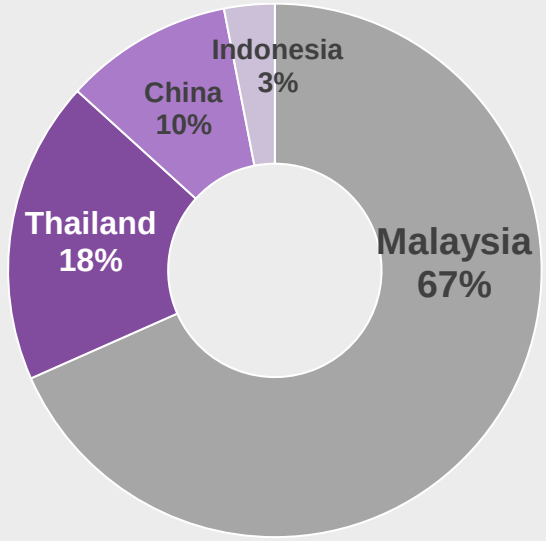
Double Digit Growth
for Long-Term Global Glove Demand

Forecasted Global Rubber Glove Demand during 2016 - 2021



Global Market Share
Estimation for 2021

Source: MARGMA



Source: MARGMA, STGT forecast and 2020 HIDA Research & Analyst Market Report

Gloves are Necessities in Our Daily Lives & in Various Industries

Increasing Application for Rubber Gloves

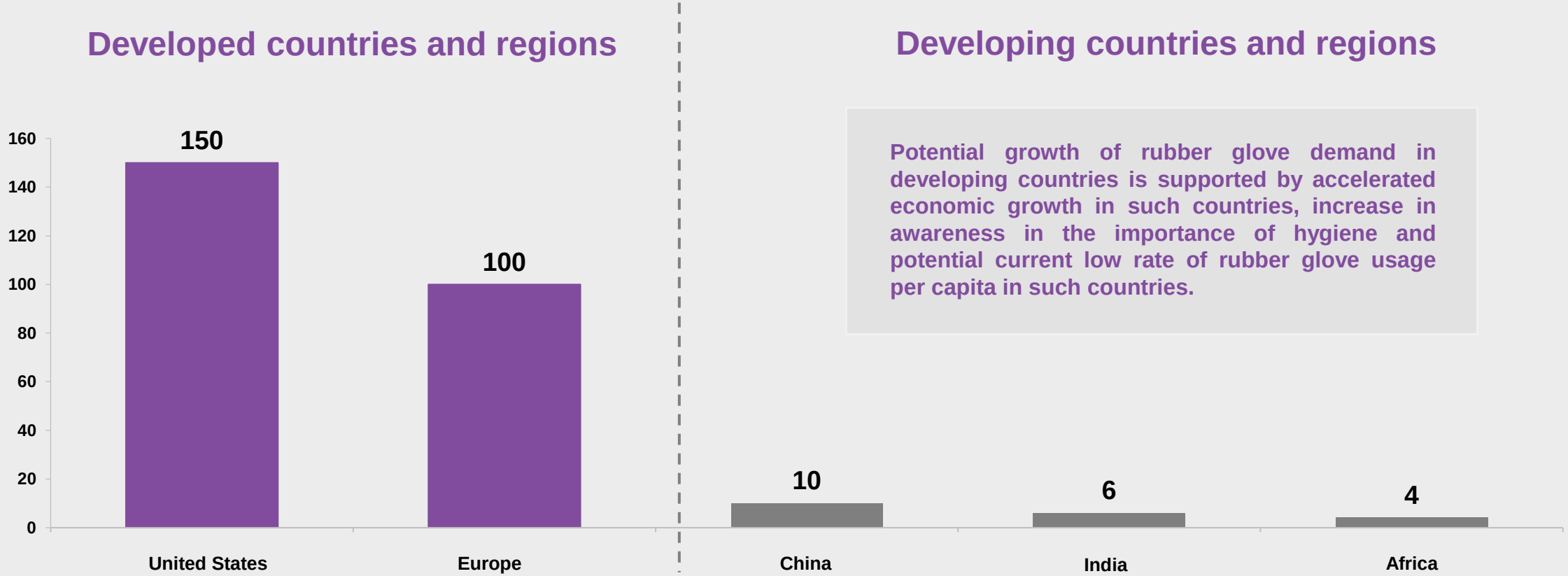


Medical & Dental **Pharmaceutical & Laboratory** **Food & Catering Industry** **Electronics** **Beauty and cosmetics** **Transportation**

Services &Hospitality **Household** **Specialized medical applications**

Low Glove Consumption per Capita in Emerging Market

Forecasted Rubber Glove Consumption per Capita in Developed and Developing Countries in 2019

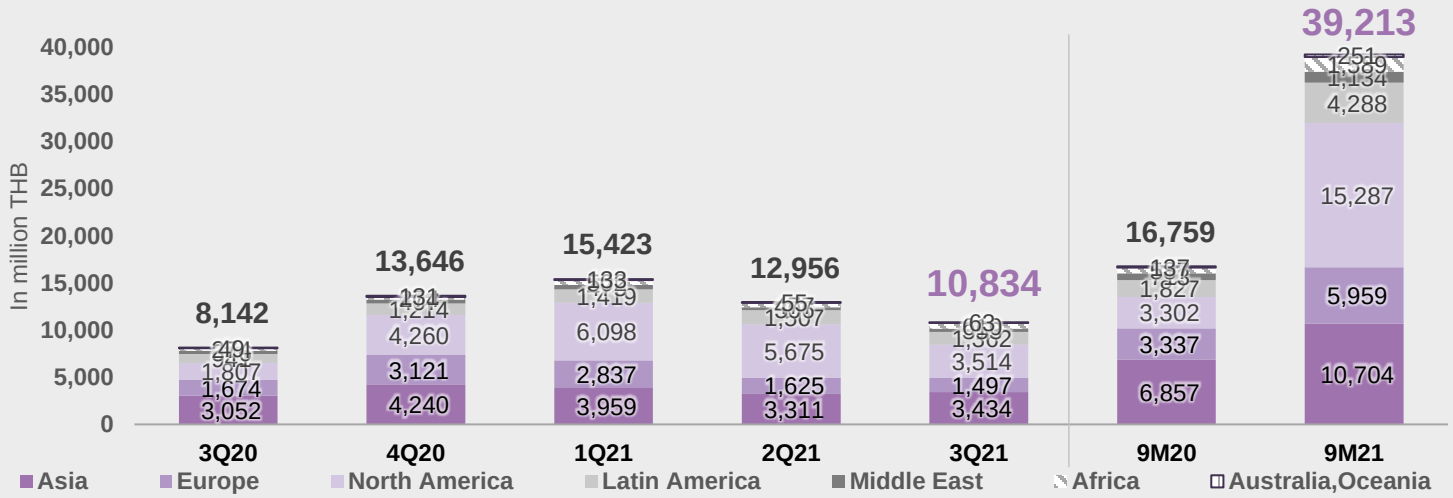


Potential growth of rubber glove demand in developing countries is supported by accelerated economic growth in such countries, increase in awareness in the importance of hygiene and potential current low rate of rubber glove usage per capita in such countries.

Source: *Mordor Intelligence 2020, adb and Company*

STGT's Market Diversification

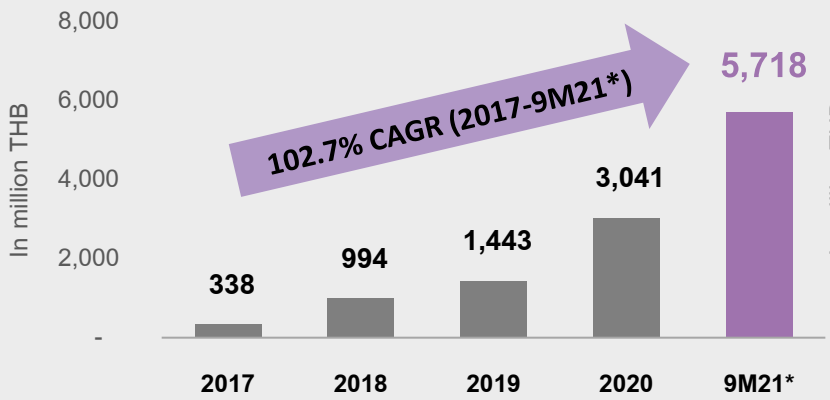
Gloves' Sales Revenue by Region



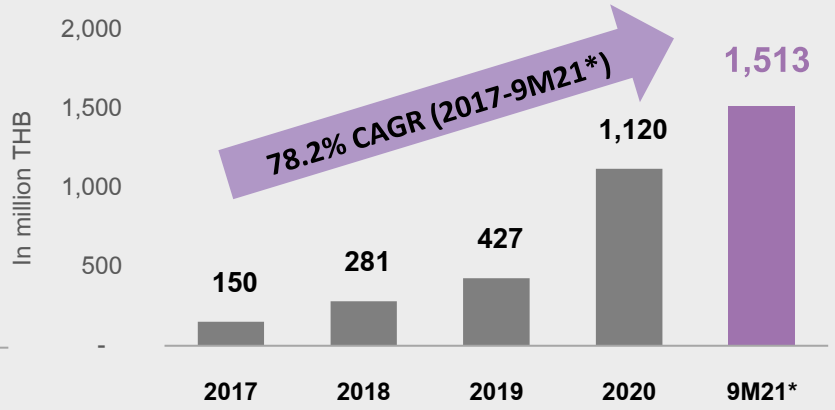
- **Sales portion in Asia market increased QoQ driven by latex glove demand.**
- **Sales volume increased QoQ in every region, excepting for North America where highly competitive market.**

High Growth Region

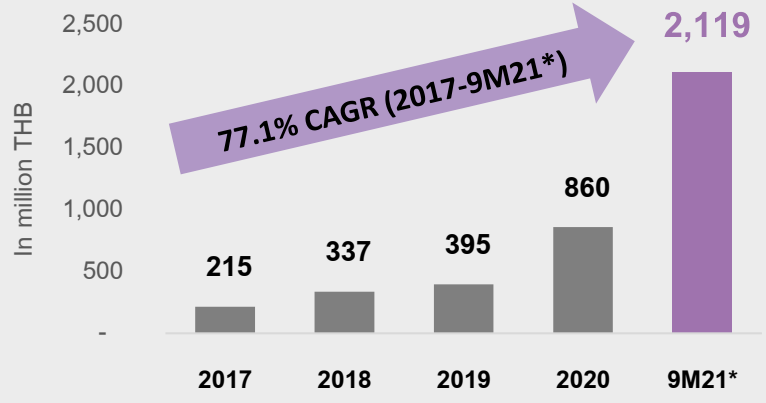
Latin America Sales Revenue



Middle East Sales Revenue



Africa Sales Revenue



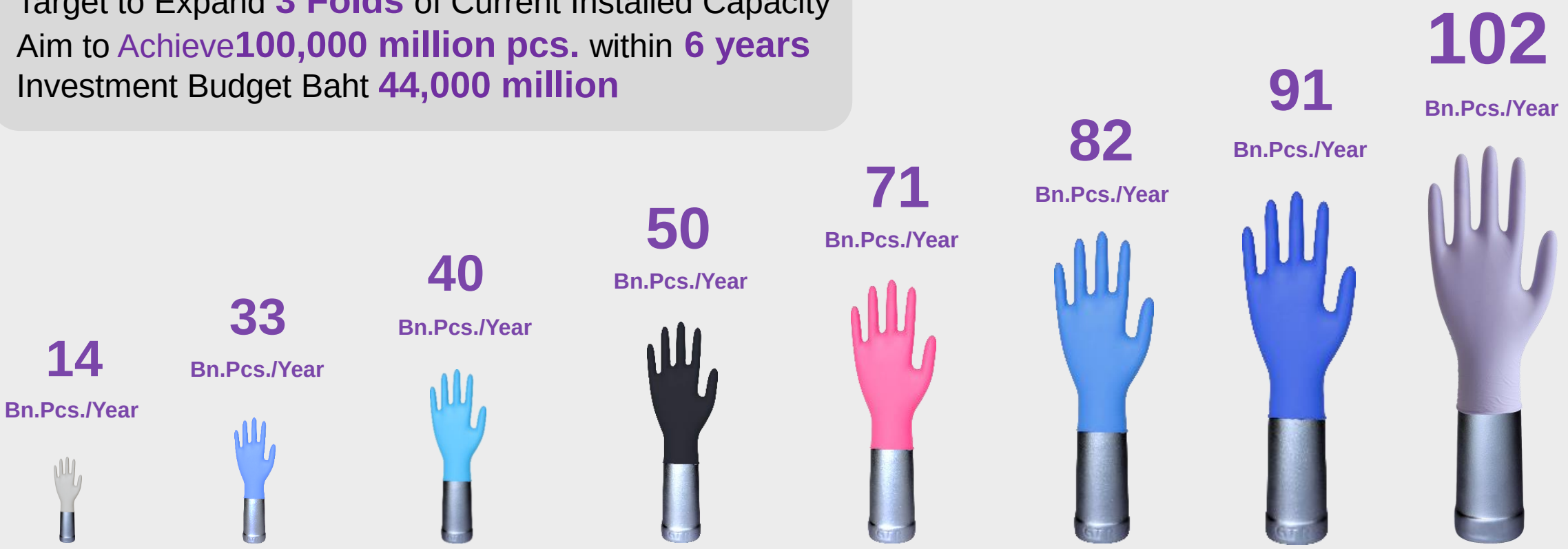
*Annualised 9M21

BUSINESS
OUTLOOKS



Aggressive Capacity Expansion Plan
from more than 30 years in rubber glove industry

Target to Expand **3 Folds** of Current Installed Capacity
Aim to Achieve **100,000 million pcs.** within **6 years**
Investment Budget Baht **44,000 million**

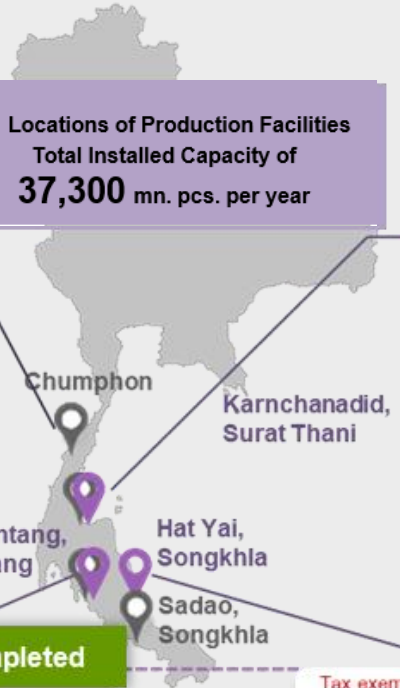


Avg. Annual Growth Rate = 24%

STGT's Capacity Expansion Plan

Strategic Location for Key Suppliers and Tax Privileges

4 Locations of Production Facilities
Total Installed Capacity of 37,300 mn. pcs. per year



1 Surat Thani Plant



Installed Capacity[1]	5,703 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Completed — Tax exemption: 5 Years

Project	SR2 (1Q21)
Installed Capacity	2,177 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Completed — Tax exemption: 5 Years

Project	SR3 (2Q21)
Installed Capacity	3,992 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

2 Hat Yai Plant



Installed Capacity[1]	17,278 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Completed — Tax exemption: 8 Years

Project	PS (3Q21)
Installed Capacity	2,903 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New — Tax exemption: 8 Years

Project	ANV (1Q22)
Installed Capacity	7,258 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

3 Trang Plant



Installed Capacity[1]	10,092 mm pieces per year
Main Raw Material	Concentrated Latex

New — Tax exemption: 5 Years

Project	TG3 (4Q21)
Installed Capacity	3,110 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New — Tax exemption: 5 Years

Project	TG4 (3Q22)
Installed Capacity	7,465 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

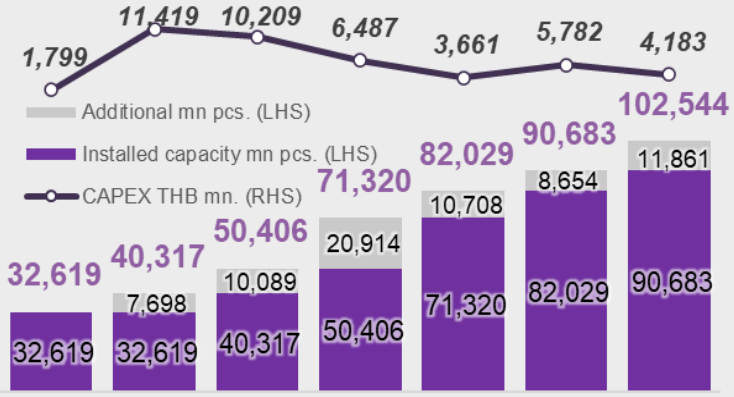
New — Tax exemption: 5 Years

Project	TG5 (1Q23)
Installed Capacity	6,169 mm pieces per year
Main Raw Material	Concentrated Latex

New

Project	CP (1Q22)
Installed Capacity	13,064 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Capacity & CAPEX



Completed Projects in 2021

SR2 Plant in Surat Thani



Commercial Run	June 2021
Installed Capacity	2.2 bn.pcs/year



SR3 Plant in Surat Thani



Commercial Run	July 2021
Installed Capacity	4.0 bn.pcs/year



PS Plant in Songkhla



Commercial Run	3Q21
Installed Capacity	2.9 bn.pcs/year





On-Going Projects

To be completed in 2021

TG3 Plant in Trang





Commercial Run	4Q21
Installed Capacity	3.1 bn.pcs/year

To be completed in 2022

ANV Plant in Songkhla





Commercial Run	1Q22
Installed Capacity	7.3 bn.pcs/year

CP Plant in Chumphon





Commercial Run	1Q22
Installed Capacity	13.1 bn.pcs/year

NEW

SPECTRUM™ Latex Powder-Free Gloves

SRITRANG GLOVES THAILAND

Natural gloves, Nature your protection, Nature our world

1. MULTICOLOUR **2. More variety** **3. High Quality Standard** **4. Cheaper than Nitrile Gloves** **5. Attract targeted customers**

ISO 11193 · EN 455 · FDA 510(k) · JIS

Medical Grade
Comply with global medical regulation

Lock Steady Grip
Hold your tools with confidence

High Flexibility
Up to 900% elongation

Soft & Comfort
Like wearing silk

Food Contact Compliance
The perfect choice for food handling

Micro Textured at Fingertip
Enhanced precise control

Made from Renewable Resource
Lower carbon footprint

Made from Renewable Energy
Woodchip thermal power

Low Protein
Made from SRI TRANG's special aging recipe of natural rubber latex



Latex Gloves with No Protein Allergy

Opportunity of Latex Glove is Back!



STGT's New Product = Game Changer

Change in molecule of the protein in natural rubber



- **Latex Glove** with no protein allergy
- **Latex Glove** is biodegradable faster than Nitrile Glove **100 times**
- **Latex Glove** is **low carbon product** as it's made from natural based raw material comparing to Nitrile Glove which is petroleum based raw material.
- **Latex Glove** made from natural raw material causing **lower pollution.**
- **Latex Glove** is **cheaper comparing to Nitrile Glove.**
- **Latex Glove** helps **increase the rubber consumption in Thailand** encouraging income distribution to Thai rubber farmers.

Strategy for Post-COVID Situation



Capacity Expansion

to gain market share and capture high growth markets.

Switchable Production Lines

allow for flexible proportions of latex and nitrile gloves to reach an optimal product mix.

Market Expansion to Various Countries

from 140 countries in 2020 to 170 countries in 6M21, and **we expect to reach >190 countries in the next three years**. We also plan to set up new subsidiaries in Singapore, Vietnam, the Philippines and Indonesia to support market expansion and distribution.

Gear Toward Leading Production Productivity

using **2.8** workers/ a million piece of gloves in 2020 and **2.17** workers/ a million piece of gloves in 9M21 to **1.65** workers/ a million piece of gloves in 2024 and to be **1.0** workers/ a million piece of gloves in 2026

Innovation Breakthrough of NR Gloves

strengthen advantage of NR gloves and rid of concerns to attract new groups of customers.

Continue to Invest in Better Technology

to sharpen production efficiency and lower cost of production in long-run.

SRITRANG™ GLOVES

「THANK YOU VERY MUCH」