

Performance Overview

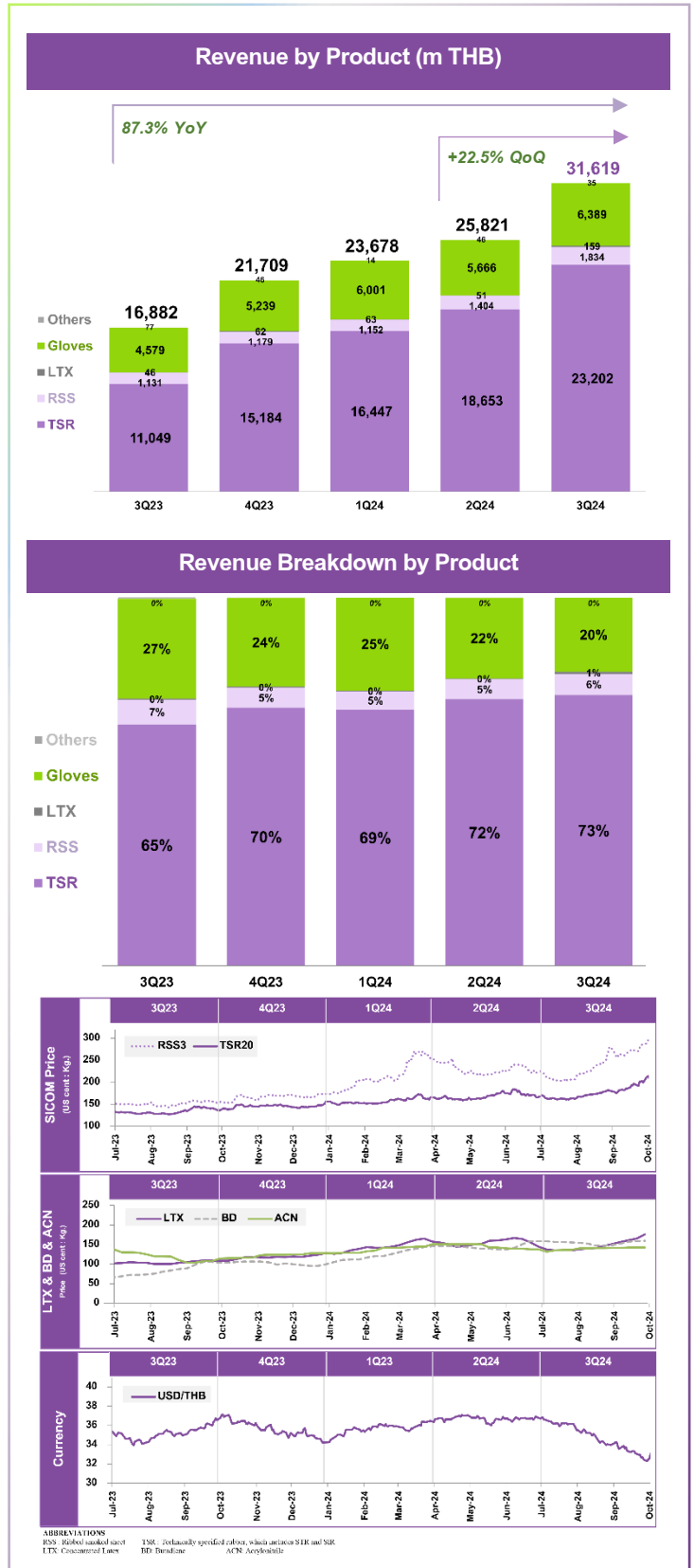
In Q3/2024, STA recorded THB 517.3 million in net profit, driven by the performance of NR, which saw higher sales volume and ASP driven by robust demand, particularly for EUDR rubber, whose increased proportion contributed to a higher profit margin.

- NR recorded higher revenue on the back of robust demand from tire producers for both non-EUDR and EUDR rubber. The cost-plus model of and strong demand for EUDR rubber in particular, contributed to higher ASP and gross profit margin, which increased to 11.8% from 10.8% in Q2/2024 and 8.0% in Q3/2023.
- Glove bore the brunt of the rapidly appreciating THB, which had an impact on the ASP. The high latex costs carried over from Q2/2024 also contributed to a lower profit margin. However, an increase in sales volume reflected a positive trend in demand.

Key Financial Ratios

	3Q24	3Q23	2Q24	FY23
Gross Profit Margin	10.4%	8.8%	12.2%	9.7%
EBITDA Margin	5.9%	4.0%	8.3%	4.7%
Net Profit Margin	1.6%	-2.4%	2.4%	-0.5%
Current Ratio (Times)	1.86	4.23	2.07	3.27
Net D/E Ratio (Times)	0.73	0.36	0.68	0.54
Fixed Asset Turnover (Times)*	2.08	2.41	1.89	1.63
Collection Period (Days)*	26	26	24	29
Payment Period (Days)*	6	6	5	7

Note:
* Annualized
** Adjusting for (reversal) allowance of inventory cost and realized items from hedging



Statement of Comprehensive Income

Statement of Comprehensive Income (Unit: THB million)	3Q24	3Q23	%YoY	2Q24	%QoQ	9M24	9M23	%YoY
Revenues from sales of goods and services	31,618.5	16,882.5	87.3%	25,820.5	22.5%	81,116.9	62,535.8	29.7%
Cost of sales and services	(28,326.5)	(15,403.2)	83.9%	(22,674.8)	24.9%	(72,806.5)	(56,355.2)	29.2%
Gross Profit	3,292.0	1,479.3	122.5%	3,145.7	4.7%	8,310.4	6,180.5	34.5%
SG&A	(2,047.0)	(1,702.7)	20.2%	(1,995.8)	2.6%	(5,832.0)	(5,777.9)	0.9%
Other income and dividend income	63.1	41.4	52.3%	68.1	-7.4%	176.2	255.7	-31.1%
Gain (loss) on exchange rates	(279.9)	108.6	-357.6%	21.1	-1426.3%	(46.5)	(1.9)	2378.2%
Other gain (loss)	(198.1)	(206.0)	-3.8%	(118.0)	67.8%	(675.5)	119.9	-663.4%
Profit from operating activities	830.1	(279.3)	NM	1,121.1	-26.0%	1,933.3	786.2	149.0%
Share of profit (loss) from investments in associate and JV	8.7	10.3	-14.8%	48.9	-82.1%	70.9	(41.0)	NM
EBITDA	1,881.1	667.6	181.8%	2,150.7	-12.5%	4,946.5	3,429.5	44.2%
EBIT	838.8	(269.1)	NM	1,170.0	-28.3%	2,004.2	745.3	168.9%
Finance income	95.8	155.1	-38.3%	119.6	-19.9%	318.7	372.6	-14.5%
Finance cost	(452.2)	(352.5)	28.3%	(435.1)	4.0%	(1,278.7)	(1,080.5)	18.3%
Income tax (expense)	(17.6)	54.6	-132.2%	(92.7)	-81.0%	(70.7)	(0.6)	11898.0%
Net profit for the period	464.8	(411.9)	NM	761.8	-39.0%	973.5	36.8	2547.2%
Attributed to equities holders of the Company	517.3	(410.2)	NM	628.4	-17.7%	816.0	(12.3)	NM
Attributed to non-controlling interests of the subsidiaries	(52.5)	(1.6)	3149.3%	133.4	-139.4%	157.5	49.1	220.7%

Revenue by Product (THB million)

Products	3Q24	3Q23	%YoY	2Q24	%QoQ	9M67	9M66	% YoY
TSR*	23,201.6	11,049.4	110.0%	18,652.8	24.4%	58,301.6	45,374.1	28.5%
%	73.4%	65.4%		72.2%		71.9%	72.6%	
Glove*	6,389.0	4,579.1	39.5%	5,666.4	12.8%	18,056.8	13,795.6	30.9%
%	20.2%	27.1%		21.9%		22.3%	22.1%	
RSS	1,834.0	1,130.6	62.2%	1,404.2	30.6%	4,390.1	2,916.6	50.5%
%	5.8%	6.7%		5.4%		5.4%	4.7%	
LTX	159.3	46.4	243.4%	51.5	209.5%	273.6	293.3	-6.7%
%	0.5%	0.3%		0.2%		0.3%	0.5%	
Other**	34.8	76.9	-54.8%	45.6	-23.7%	94.9	156.3	-39.3%
%	0.1%	0.5%		0.2%		0.1%	0.2%	
รวม	31,618.5	16,882.5	87.3%	25,820.5	22.5%	81,116.9	62,535.8	29.7%

Note:

* Revenue from TSR and Gloves is net from hedge accounting.

** Comprised revenue from the provision of certain services (such as logistics research and development and information technology services) to our associates and a joint venture entity as well as other third parties. In addition, natural rubber revenue includes TSR, RSS and LTX products.

Total Revenue from products and services

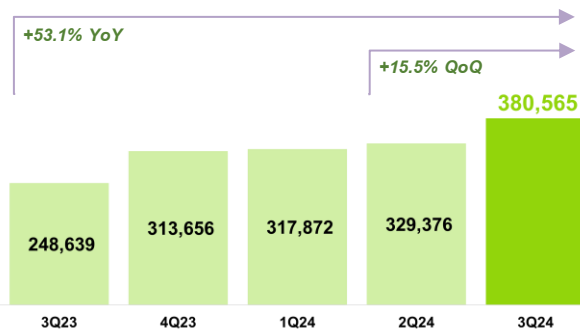
- Total revenue from products and services in Q3/2024 amounted to THB 31,618.5 million, increasing by 22.5% QoQ and 87.3% YoY on the back of higher revenue from NR.

Natural Rubber

Revenue from NR (THB million)

- In Q3/2024, revenue from NR, which accounted for 79.7% of total revenue, was THB 25,194.8 million, growing by 25.3% QoQ and 106.1% YoY.
- The QoQ increase in revenue was driven by sales volume that grew by 15.5% and the ASP that rose by 4.4%, the sixth consecutive quarter of ASP increase.
- The YoY increase in revenue came on the back of sales volume that grew by 53.1% and the ASP that rose by 29.1%.
- Geographically in Q3/2024, the portion of sales revenue from China was 53.4%, while Thailand and other countries in Asia contributed 14.3% and 14.2% of sales revenue, respectively. The Americas and Europe made up 10.0% and 7.8% of sales revenue respectively. Other markets accounted for 0.3% of sales revenue.

NR Sales volume (Tons)



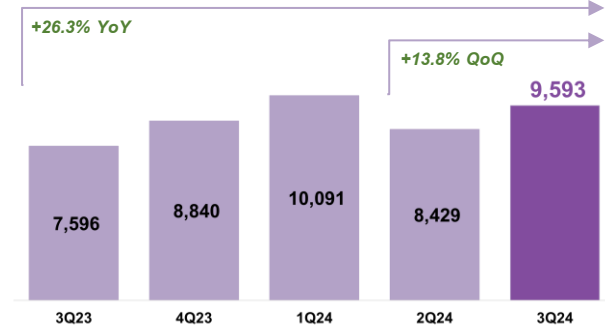
- Sales volume of NR in Q3/2024 totaled 380,565 tons, growing by 15.5% QoQ and 53.1% YoY and the fourth consecutive quarter of volume growth.
- Sale volume of EUDR rubber totaled 62,755 tons, accounting for 16.5% of total sales volume.
- The growth in sales volume was driven by robust demand from tire producers, particularly for EUDR rubber as Q3/2023 was the period when tire producers were stocking up in preparation for the implementation of the EU Deforestation Regulation.
- Utilization rate increased to 54.9% from 50.2% in Q2/2024 as production returned to normal following the end of wintering period.

Gloves

Revenue from gloves (THB million)

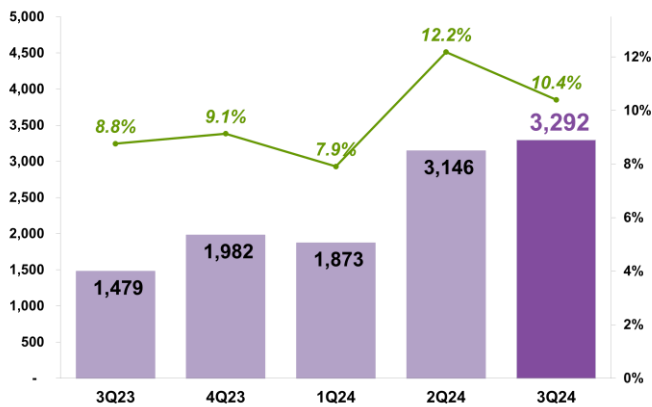
- In Q3/2024, revenue from gloves, which accounted for 20.2% of total revenue, amounted to THB 6,389.0 million, growing by 12.8% QoQ and 39.5% YoY. The QoQ increase in revenue resulted from sales volume that grew by 13.8%.
- The ASP in USD also increased by 2.1%. However, the rapid appreciation of THB, which went up by 5.2% against USD, meant that the ASP in THB declined by 3.2% QoQ.
- The YoY growth in revenue was driven by sales volume that grew by 26.3% as demand had gradually recovered and the ASP that rose by 8.2%.

Glove sales volume (million pieces)



- Sales volume for gloves in Q3/2024 totaled 9,593 million pieces, growing by 13.8% QoQ across all products and regions.
- The QoQ growth in sales volume was partly derived from postponed shipments from the previous quarter due to the seaport congestion during the Red Sea crisis, which led to prolonged shipping times across many routes and rapidly rising freight rates, prompting some customers to delay shipments.
- Utilization rate in Q3/2024 was 77.1%, a slight decrease from the previous quarter. However, the average utilization rate over the first nine months of this year stood at 81.8%, up by 20.1% from 61.7% during the same period of last year, indicating an improvement in the oversupply situation and a positive trend in production and sales volume.

Gross Profit (THB million) and Gross Profit Margin (%)



- Gross profit in Q3/2024 totaled THB 3,292.0 million, increasing by 4.7% QoQ and 122.5% YoY, with a gross profit margin of 10.4%, down from 12.2% in Q2/2024 but up from 8.8% in Q3/2023.
- The increase in gross profit was driven by the higher gross profit margin of NR, which increased to 11.8% in Q3/2024, from 10.8% in Q2/2024 and 8.0% in Q3/2023, driven by robust demand, particularly for EUDR rubber, which is sold based on a cost-plus model and can command higher margin.
- The gross profit margin of Gloves, however, decreased to 5.0% in Q3/2024, from 17.2% in Q2/2024, as the rapid appreciation of THB against USD led to a decrease in ASP in THB. The high latex costs carried over from the previous quarter also negatively impacted margin.

Selling, General & Administrative Expenses (SG&A)

- SG&A in Q3/2024 totaled THB 2,047.0 million, increasing by 2.6% QoQ and 20.2% YoY.
- The QoQ increase mainly resulted from higher CESS and transportation and freight costs, which increased in tandem with sales volume, while administrative expenses decreased on account of lower allowance for doubtful debts at a subsidiary level.
- The YoY increase likewise resulted from higher CESS and transportation and freight costs, which rose alongside sales volume, while administrative expenses decreased on account of higher utilization rate.
- The percentage of SG&A to sales revenue in Q3/2024 was 6.5%, lower than 7.7% in Q2/2024 and 10.1% in Q3/2023.

EBITDA

- EBITDA in Q3/2024 totaled THB 1,881.1 million, decreasing by 12.5% QoQ but increasing by 181.8% YoY, with an EBITDA margin of 5.9%, down from 8.3% in Q2/2024 but up from 4.0% in Q3/2023, as NR continued to perform solidly while Gloves felt the impact of the rapidly appreciating THB.
- In Q3/2024, we recorded THB 477.9 million in realized loss on FX and other transactions, representing a 393.2 % QoQ and 391.3% YoY increase in loss.

Share of Loss from Associates and Joint Ventures

- Share of profit from associates and joint ventures in Q3/2024 totaled THB 8.7 million, decreasing by 82.1% QoQ and 14.8% YoY because of the weakened performance of the NR joint venture. The performance of the hydraulic hose joint venture remained solid.

Finance Costs

- Finance costs in Q3/2024 totaled THB 452.2 million, increasing by 4.0% QoQ and 28.3% YoY on account of an increase in working capital to purchase raw materials.

Net Profit

- Net profit in Q3/2024 totaled THB 517.3 million, decreasing by 17.7% QoQ but improving from a net loss of THB 410.2 million in Q3/2023, with a net profit margin of 1.6%, down from 2.4% in Q2/2024 but improving from -2.4% in Q3/2023.
- The performance in Q3/2024 reflected the strength of the NR business, which benefited from robust demand and selling prices that increased in tandem with NR prices on the market. The Gloves business, on the other hand, bore the brunt of the rapid appreciation of THB against USD.
- For the first nine months of the year, we recorded THB 816.0 million, an improvement over a net loss of THB 12.3 million during the same period of the previous year, with a net profit margin of 1.0%.

Sustainability Highlights for Q3/2024

Environmental

- Sri Trang Group's Success in Greenhouse Gas Management**



STA was honored with the "Outstanding Climate Action Leading Organization (CALO) Award for 2024" in recognition of its exemplary leadership in greenhouse gas (GHG) management. As a member of the Thailand Carbon Neutral Network (TCNN), this accolade highlights the Sri Trang Group's commitment to reducing GHG emissions and addressing climate change impacts. With the "STA Road to Net Zero" policy, the Company has set a strategic goal to reach carbon neutrality and net-zero GHG emissions across the organization by 2050.

- Sri Trang Agro-Industry Sikao Branch's Carbon Footprint Registration Towards Net Zero**



Sri Trang Agro-Industry Public Company Limited, Sikao Branch, has registered its Carbon Footprint of Organization (CFO) with the Thailand Greenhouse Gas Management Organization (TGO). This achievement follows the branch's participation in a training program on greenhouse gas assessment at both organizational and product levels, as part of the Human Resource Development Project for Greenhouse Gas Verification Systems, aligning with national and international standards. This initiative supports Thailand's goal of achieving net-zero greenhouse gas emissions.

Social

- Rubberland Products Co., Ltd., Mukdahan Branch, received the Outstanding Workplace Safety Award and the Outstanding Labor Relations Award for 2023 from the Mukdahan Provincial Department of Welfare and Labor Protection.
- Sri Trang Agro-Industry Public Company Limited, Kalasin Branch, and Rubberland Products Co., Ltd., Mukdahan Branch, were honored with the Exemplary Enterprises and State-Owned Enterprises Award for Good Labor Practices based on the Sufficiency Economy Philosophy, as well as the Outstanding Workplace Welfare Committee Award for 2024 from the Ministry of Labour.
- Sri Trang Agro-Industry Public Company Limited, Huai Nang Branch, Trang Branch, and Star Light Express Company received the Provincial-Level Outstanding Model Workplace Award for Safety, Occupational Health, and Work Environment for 2024, granted by the Department of Welfare and Labour Protection and presented by the Deputy Governor of Trang Province.

Governance & Economic

- STA Achieves 'Gold' Rating from EcoVadis, Ranking in the Top 5% of Companies Worldwide for Sustainability**



In August, Sri Trang Agro-Industry Public Company Limited (STA) achieved a 'Gold' rating from EcoVadis, ranking in the top 5% of companies globally among over 130,000 companies across 220+ industries and 180+ countries. EcoVadis, a globally recognized leader in sustainability ratings for business supply chains, is renowned for its comprehensive methodology that assesses ESG (Environmental, Social, and Governance) management systems. The evaluation examines three core aspects: Policies, Actions, and Results across four main areas: 1) Environment, 2) Labor & Human Rights, 3) Ethics, and 4) Sustainable Procurement. This certification underscores the quality of STA's sustainability management system and its dedication to fostering transparency throughout the value chain.

Performance Analysis by NR Product



Technically Specified Rubber (TSR)

- Revenue from TSR in Q3/2024 accounted for 73.4% of total revenue and rose by 24.4% QoQ and 110.0% YoY.
- The QoQ growth in revenue came on the back of sales volume that rose by 14.0% QoQ, the fourth consecutive quarter of volume growth, and the ASP that rose 4.7% in tandem with SICOM prices, which were buoyed by robust demand, especially for EUDR rubber, on which tire producers were stocking up in preparation of the implementation of the EU Deforestation Regulation.
- The YoY increase in revenue was also driven by sales volume that grew by 56.6% as we faced a shortage of raw materials during Q3/2023 because of El Niño, and the ASP that rose by 28.1%.
- Sales volume of EUDR TSR totaled 55,322 tons.
- Gross profit margin of TSR in Q3/2024 improved from Q2/2024 and was much higher than in Q3/2023 because of the increase proportion of EUDR rubber, which could command higher margin. The margin of non-EUDR rubber also increased because of robust demand.



Ribbed Smoked Sheet (RSS)

- Revenue from RSS in Q3/2024 accounted for 5.8% of total revenue and grew by 30.6% QoQ and 62.2% YoY.
- The QoQ growth in revenue was driven by sales volume that grew by 32.1% while the ASP decreased by 1.2%.
- The YoY growth in revenue was driven both by sales volume that grew by 32.1% and the ASP that increased by 48.7%.
- The QoQ and YoY increase in the ASP was driven by the overall NR demand.
- Sales volume of EUDR RSS totaled 7,166 tons.
- Gross profit margin of RSS in Q3/2024 was slightly higher than in Q2/2024 but was lower than in Q3/2023.



Concentrated Latex (LTX)

- Revenue from LTX in Q3/2024 accounted for 0.5% of total revenue and rose by 209.5% QoQ and 243.4% YoY.
- The QoQ increase in revenue resulted from sales volume that grew by 197.4% and the ASP that rose by 4.1% in tandem with NR prices on the market.
- The YoY growth in revenue was driven by sales volume that grew by 141.7% and the ASP that rose by 42.1%.
- The majority of our LTX production is reserved for STGT and because LTX sales transactions between STA and STGT are deemed connected transactions, revenues from such transactions are not recorded in the profit and loss statement.
- Sales volume of EUDR LTX in Q3/2024 (excluding sales to STGT) was 268 tons.

NR Industry Overview

- In Q3/2024, the NR industry continued the recovery that had started in early this year. The average price of TSR20 on SICOM in Q3/2024 was 175.1 cent/kg, up by 4.1% QoQ and 31.2% YoY as the market was buoyed by demand for both non-EUDR and EUDR rubber, on which tire producers were stocking up in preparation for the implementation of the EU Deforestation Regulation.

NR supply

- The NR supply situation in Q3/2024 in Thailand, the world's largest NR-producing country, has returned to normal as the wintering period, which lasted from February until May, gave way to the start of the harvest season in June. This is in contrast with the situation in 2023, when El Niño prolonged the wintering period, and the start of the harvest season was delayed by 1.5-2 months as a result. Additionally, the floodings in the north and northeastern parts of the country have had no effect on NR supply in the regions.
- According to the National Oceanic and Atmospheric Administration (NOAA)*, as of October 2024, El Niño has settled into an ENSO-neutral status and there is a 60% chance of La Niña emerging during the period from September to November and it is expected to persist until January-March 2025. La Niña will bring higher rainfall and its potential impact on NR supply in Thailand will be:
 - Heavy rainfall could lead to fewer tapping days. In this scenario, NR supply will decrease.
 - Normal rainfall level will lead rubber trees to provide higher yields.
- There is also the possibility that high durian and palm prices will induce rubber farmers in the east and south of Thailand to abandon rubber in favor of durian and palm trees.
- NR supply situation in Indonesia, the world's second-largest NR producing country, remains unchanged as demand for block rubber from the country (SIR) from non-China tire producers has significantly decreased, leading to a price decline. As a result, rubber farmers in the country no longer have any incentive to produce NR. Other factors like weather conditions no longer have any significant impact on the country's NR supply.
- NR supply in Ivory Coast, the world's third-largest NR-producing country, continued to provide high yields, growing by over 16% during the past year. We have set up two procurement centers to purchase raw materials a view to exploiting the country's high growth potential and a processing facility was also commissioned in April 2024. At the same time, we will also need to monitor the impact La Niña could potentially have on NR supply in the region.

- **NR demand** in Q3/2024 was driven by demand for non-EUDR and EUDR rubber, with tire producers from Europe, Japan, Korea, India, the US and Thailand stocking up on EUDR rubber in preparation for the implementation of the EUDR regulation. Overall demand has significantly improved compared with the same period in 2023, when non-China producers were lowering their inventories.
- **NR prices** in Q4/2024 have been volatile. At the start of Q4/2024, the market continued its momentum from Q3/2024 and received a boost from the Chinese government's announcement of a stimulus, which sent the price of TSR20 on SICOM to move past 190 cent/kg to reach a high of 218 cent/kg. However, the proposal to delay by one year the implementation of the EU Deforestation Regulation has caused uncertainty and led the price of TSR20 to move between 190-200 cent/kg following the announcement.

References:

- 1) Climate Prediction Center (CPC), NOAA
- 2) NOAA Coral Reef Watch



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