

# SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis Q1 2026

as of 31 March 2026 | 8 May 2026



## Performance Overview

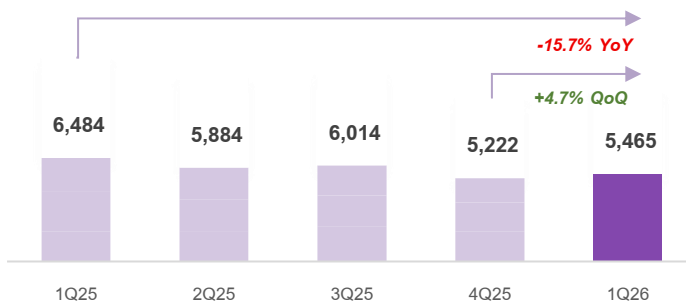
Our performance results for 1Q/2026 recovered significantly following the resumption of normal operations after the flooding incident late last year. The Company reported a net profit of THB 384.1 million, together with a 4.1% QoQ increase in revenue, in line with the recovery in sales volume to 9.16 billion pieces.

## Profit and Loss Analysis

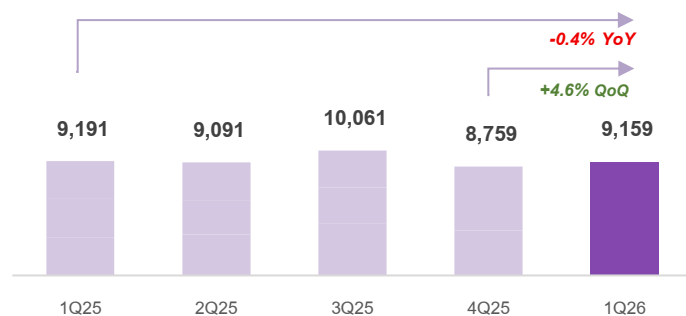
The Company reported a net profit of THB 384.1 million in 1Q/2026, representing a net profit margin of 7.0%, recovering from a net loss of THB 503.8 million in the previous quarter, following the resumption of normal operations after the flooding incident in late 2025, together with the partial recognition of insurance compensation income. However, net profit decreased 9.5% YoY due to lower average selling prices, in line with lower raw material costs compared to the previous year. The details are as follows:

- **Sales revenue** in 1Q/2026 amounted to THB 5,485.1 million, increasing 4.1% QoQ from higher sales volume and average selling prices. Compared to the same period last year, sales revenue decreased 16.2% YoY due to lower average selling prices, in line with the decline in raw material prices.
  - **Sales volume** in 1Q/2026 amounted to 9,159 million pieces, increasing 4.6% QoQ from all product types, gradually recovering following the flooding incident in surrounding areas of Hat Yai District, Songkhla Province, where some of the Company's factories are located, in late last year. Compared to the same period last year, sales volume slightly decreased by 0.4% YoY.
  - **The ASP** of all glove products in 1Q/2026, in USD terms, increased 1.9% QoQ to USD 18.98 per 1,000 pieces. However, due to the appreciation of the Thai Baht by 1.8% QoQ, ASP in THB increased only slightly by 0.1% QoQ. Compared to the same period last year, ASP declined in line with lower NR latex prices, with ASP in USD terms decreasing 9.1% YoY. Combined with the appreciation of the Thai Baht by 7.0% YoY, ASP in THB decreased 15.4% YoY.

## Gloves' Revenue (THB million)



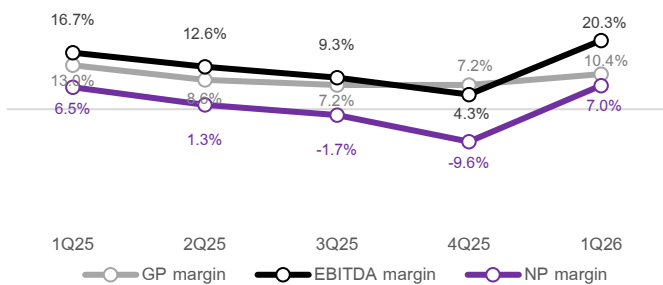
## Gloves' Sales Volume (Million pieces)



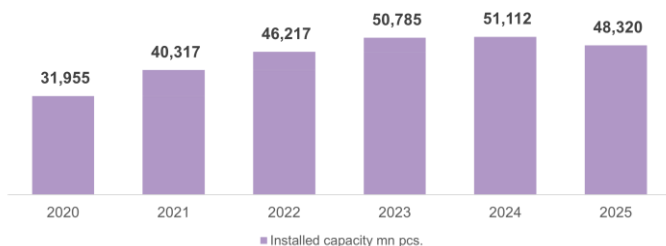
- **Utilization rate** in 1Q/2026 increased to 84.2% from 78.2% in the previous quarter, reflecting the resumption of normal operations. In 1Q/2025, utilization rate was 79.4%.
- **Cost of goods sold (COGS)** in 1Q/2026 amounted to THB 4,916.7 million, increasing slightly by 0.5% QoQ. Although sales volume increased during the quarter, unit costs declined mainly due to lower energy costs, particularly lower woodchip prices, together with lower fixed costs per unit following the increase in utilization rate. As a result, overall COGS remained relatively stable compared to the previous quarter. Meanwhile, natural rubber latex prices increased by 2.0% QoQ, while NBR latex prices decreased by 2.3% QoQ. Compared to the same period last year, COGS decreased 13.7% YoY, mainly due to lower NR latex and NBR latex costs, which declined 12.5% YoY and 24.0% YoY, respectively. The Company continues to focus on cost management, production efficiency improvement, as well as the continuous implementation of automation systems and AI technologies to support operations, in order to manage raw material price volatility and long-term industry competition.

- **Gross profit** in 1Q/2026 amounted to THB 568.4 million, increasing 50.7% QoQ, supported by higher sales volume together with lower unit costs from effective cost management. Compared to the same period last year, gross profit decreased 33.1% YoY, mainly due to average selling prices declining at a faster pace than the decrease in raw material costs, together with the appreciation of the Thai Baht by 7.4% YoY. Gross profit margin in this quarter was 10.4%, increasing from 7.2% in the previous quarter, but decreasing from 13.0% in the same period last year.
- **Other income** in 1Q/2026 amounted to THB 330.5 million, increasing 157.0% QoQ and 535.9% YoY, mainly due to the partial recognition of insurance compensation income totaling THB 284.0 million from damages caused by the flooding incident in late last year, as mentioned above.
- **SG&A** in 1Q/2026 amounted to THB 418.4 million, representing SG&A to sales ratio of 7.6%, returning to a normal level after the recognition of non-recurring expenses in administrative expenses during 4Q/2025, which were mainly related to damages from the flooding incident. As a result, SG&A decreased 62.5% QoQ. Compared to the same period last year, SG&A increased slightly by 1.6% YoY. SG&A to sales ratio in 1Q/2026 was 7.6%, increasing from 6.3% in the same period last year.
- **Finance costs** in 1Q/2026 amounted to THB 41.2 million, decreasing 15.9% QoQ due to the repayment of long-term borrowings during the quarter. Compared to the same period last year, finance costs decreased 36.9% YoY, mainly due to the repayment of short-term borrowings and debentures during the year.
- **EBITDA** in 1Q/2026 amounted to THB 1,114.0 million, increasing 389.0% QoQ, supported by the recovery in sales volume together with improved cost management. Compared to the same period last year, EBITDA increased 1.9% YoY. EBITDA margin in this quarter was 20.3%, increasing from 4.3% in the previous quarter and 16.7% in the same period last year.

### Margin (%)



### Installed Capacity (Million pcs.)

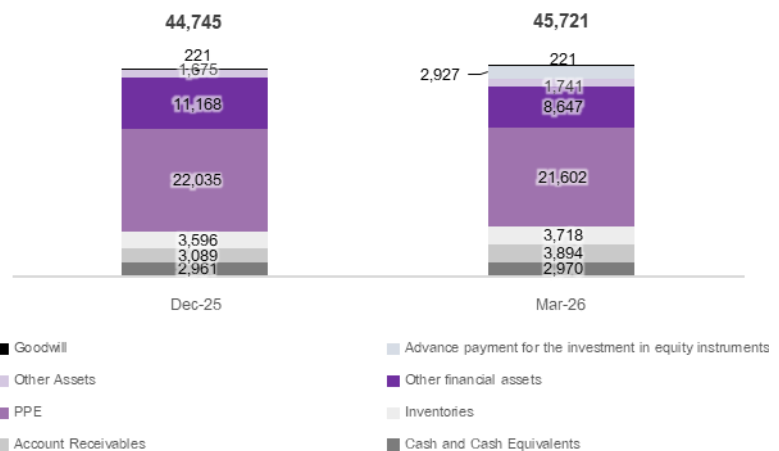


### Financial Position Analysis

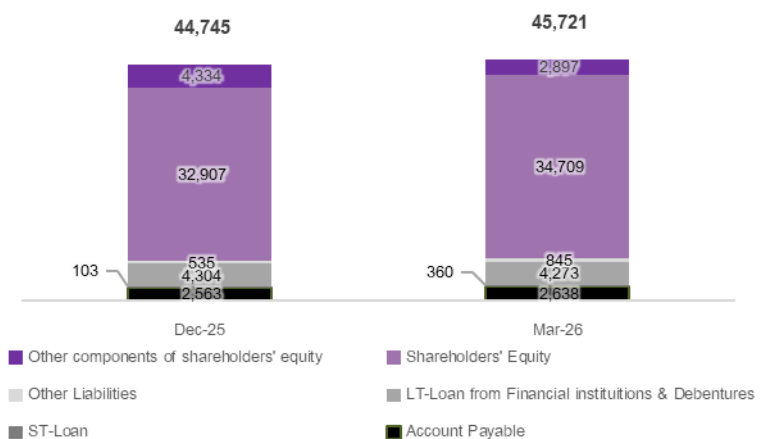
As of March 31, 2026, the Company's total assets amounted to THB 45,721.0 million, increasing slightly by 2.2% from 31 December 2025, mainly due to a 26.0% increase in trade receivables in line with higher sales toward the end of the quarter.

Total liabilities amounted to THB 8,115.2 million, increasing 8.1% from 31 December 2025, mainly due to a 12.2% increase in long-term borrowings from financial institutions. Total shareholders' equity amounted to THB 37,605.8 million, decreasing 1.0% from 31 December 2025.

### Asset (THB million)



### Liabilities and Shareholders' Equity (THB million)



### Cash Flows Analysis

For 1Q/2026, net cash at the end of the period amounted to THB 2,970.1 million, decreasing by THB 9.4 million.

- Net cash generated from operating activities amounted to THB 201.3 million, primarily driven by operating profit during 1Q2026 of THB 741.7 million, offset by an increase in operating assets of THB 497.9 million, resulting in cash generated from operations of THB 243.8 million. This was combined with interest received of THB 12.7 million, interest paid of THB 50.9 million, and income tax paid of THB 4.2 million.

- Net cash used in investing activities amounted to THB 50.4 million, mainly due to cash payments for purchases of land, buildings and equipment, and intangible assets totaling THB 171.1 million. Meanwhile, the Company received cash from financial assets of THB 116.8 million and dividend income of THB 3.9 million.
- Net cash used in financing activities amounted to THB 48.6 million, mainly due to short term borrowings of THB 253.3 million, net repayments of long term borrowings from financial institutions of THB 22.6 million, repayments of lease liabilities of THB 13.6 million, and cash payments for share repurchases of THB 265.7 million.

### **Key Financial Ratios**

- Interest coverage ratio for 1Q/2026 was 27.05 times, increasing from 5.53 times in the previous quarter, mainly due to higher profit in this quarter. The ratio reflects the Company's strong cash flow position and sufficient ability to service interest obligations.
- Current ratio As of March 31, 2026, stood at 2.19 times, increasing from 2.17 times as of 31 December 2025, mainly due to the increase in current assets, particularly trade receivables, while current liabilities increased at a lower pace.
- Cash conversion cycle for 1Q/2026 was 48.76 days, decreasing slightly from 50.56 days in the previous quarter. The decrease was mainly due to a shorter Days Inventory Outstanding (DIO), while Days Payables Outstanding (DPO) increased. Meanwhile, Days Sales Outstanding (DSO) increased compared to the previous quarter.
- Net interest-bearing debt-to-equity ratio (Net IBD to equity) as of March 31, 2026 was 0.04 times, remaining stable compared to 31 December 2025.

### ***Business Strategy***

- The Company remains committed to continuously reducing production costs by integrating various technologies to enhance manufacturing efficiency and eliminate redundancies, thereby achieving Economies of Scale. Furthermore, the Company is exploring the feasibility of implementing Artificial Intelligence (AI) to optimize machinery performance. This ensures the delivery of high-quality products at sustainable, competitive prices, ultimately generating profits for the Company and strong returns for our shareholders.
- Our unique Product Mix (NR:NBR) and manufacturing flexibility allow us to seamlessly switch production between Natural Rubber Powder-Free (NRPF) gloves and Nitrile (NBR) gloves. Combined with our strategic plant locations in Thailand, a global hub for premium concentrated latex, the Company is well-positioned to produce high-quality rubber gloves that meet diverse global demands.

### ***Our business strategy will focus on:***

- **Maintaining our position as a leading producer and distributor of natural rubber gloves**, capitalizing on our competitive advantage over competitors in access to high-quality NR latex at lower costs and benefiting from no CESS levy on raw materials.
- **Increasing production of specialty gloves that respond to specific customer demand**, with current offers of over 85 types, including non-detectable protein gloves, surgical gloves, and diamond-textured gloves that are used in the industrial sector. This year, we have further developed and improved on our products, such as latex surgical gloves that enable medical personnel to wear double layers more comfortably.
- **Growing our customer base** from currently 175 countries to over 190 countries within the next 2 years. This approach also helps diversify revenue across multiple regions, including Asia, the United States, Europe, and Latin America.
- **Managing utilization rate and profitability** to achieve optimal profitability and provide reasonable returns in the long run as the glove industry is going through the normalization period.
- **Improving production efficiency through the use of automation and technologies including AI** To reduce costs and minimize labor dependency throughout the entire production chain, the Company has implemented automation covering raw material preparation, auto-stripping and stacking, and automated packaging, extending to our Smart Warehouse systems. This includes the deployment of SAM (Sri Trang AI Machine) and AI Vision Cameras for quality inspection to enhance precision in quality control, reduce waste, and strengthen our long-term competitive advantage.
- **Building on and maintaining our ESG leadership**, by prioritizing social and environmental responsibility and good corporate governance to align with today's sustainable values. This commitment positions us to achieve sustainable growth and maintain leadership in the global glove industry.

### ***Sustainable Business Operations (ESG)***

STGT emphasizes sustainable business operations throughout the business value chain under the concept of "Clean World Clean Gloves," focusing on product quality, environmentally friendly production, and creating business value for stakeholders. In Q1/2026, the Company undertook significant ESG activities as follows:

#### ***Environmental***

- **STGT received certification as a Climate Action Leading Organization (CALO), reinforcing leadership in quality rubber gloves and commitment to global sustainability.**



- **STGT received 7 CSR-DIW Awards, reinforcing its ongoing commitment to responsible business practices toward society, communities, and environment.**



The Company received certification as a Climate Action Leading Organization (CALO) from the Thailand Greenhouse Gas Management Organization (TGO), reflecting its commitment to managing greenhouse gas emissions in a comprehensive and internationally aligned with encompassing emissions accounting, reduction target-setting, and transparent and verifiable reporting. The Company has declared its commitment to achieve Net Zero Emissions by 2050, in line with Thailand's national policy and the Paris Agreement, through initiatives focusing on energy efficiency improvement, resource optimization, adoption of environmentally friendly technologies and innovations, and engagement of employees and stakeholders across the value chain.

The Company received a total of **7 awards** under the CSR-DIW to MIND for Sustainability Project 2025, organized by the Department of Industrial Works, comprising the CSR-DIW Continuous Award for factories maintaining ongoing compliance and the CSR-DIW Award for factories achieving first-time certification. These awards reflect the Company's commitment to conducting business based on a balanced approach across economic, social, and environmental dimensions, fostering harmonious and sustainable coexistence between industry and local communities.

**Social**

- **STGT pays it forward donating medical rubber gloves to support the Thai Red Cross Society's blood donation drive to welcome the new year 2026.**



The Company donated medical rubber gloves to the Thai Red Cross Society's Mobile Blood Donation Unit in support of a blood donation campaign held at Park Ventures Ecoplex, Bangkok, marking the beginning of the Company's continued social contribution activities in 2026. The initiative also encouraged employees to participate in blood donation, fostering a culture of giving within the organization and reinforcing the Company's longstanding commitment to public-spiritedness. The Company recognizes that supporting public health and promoting community well-being is an essential component of sustainable business operations and remains committed to strengthening Thailand's public health system and improving the long-term quality of life of Thai society.

**Governance & Economic**

- **STGT achieved EcoVadis "Silver" sustainability rating, ranking in the Top 15% globally.**



Sri Trang Group has been assessed with an "Excellent" (5-star) rating for Corporate Governance by the Thai Institute of Directors (Thai IOD), in collaboration with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). STA has achieved the "Excellent" rating for the 7th consecutive year, while STGT has maintained this top-tier rating for the 4th consecutive year.



## 1Q26 Key Financial Information (unit: THB million)

	1Q26	4Q25	%QoQ	1Q25	%YoY
Volume (in million pcs.)	9,158.8	8,758.6	4.6%	9,191.2	-0.4%
Sales revenue	5,485.1	5,267.7	4.1%	6,545.8	-16.2%
COGS	(4,916.7)	(4,890.5)	0.5%	(5,696.5)	-13.7%
<b>Gross profit</b>	<b>568.4</b>	<b>377.2</b>	<b>50.7%</b>	<b>849.3</b>	<b>-33.1%</b>
Other income	330.5	128.6	157.0%	52.0	535.9%
SG&A	(418.4)	(1,115.8)	-62.5%	(411.8)	1.6%
Gain (loss) on exchange rate, net	92.0	(54.5)	NM	(12.8)	NM
Other gain (loss), net	(89.3)	55.8	NM	(10.1)	NM
<b>Operating profit (loss)</b>	<b>483.3</b>	<b>(608.7)</b>	<b>NM</b>	<b>466.6</b>	<b>3.6%</b>
EBITDA	1,114.0	227.8	389.0%	1,093.2	1.9%
EBIT	502.1	(583.9)	NM	518.5	-3.2%
Finance income	18.8	24.8	-24.0%	51.9	-63.7%
Finance costs	(41.2)	(49.0)	-15.9%	(65.2)	-36.9%
EBT	460.9	(632.9)	NM	453.3	1.7%
Tax	(76.9)	129.0	NM	(29.0)	164.6%
<b>Net profit</b>	<b>384.1</b>	<b>(503.8)</b>	<b>-176.2%</b>	<b>424.2</b>	<b>NM</b>
GP margin	10.4%	7.2%	44.7%	13.0%	-2.6%
EBITDA margin	20.3%	4.3%	369.6%	16.7%	3.6%
Net profit margin	7.0%	-9.6%	-173.2%	6.5%	0.5%
<b>Financial Ratio</b>					
Current ratio	2.19	2.17	0.9%	2.24	-1.8%
Cash cycle (days)	48.76	50.56	-3.6%	53.47	-8.8%
Net IBD/E	0.04	0.04	13.8%	0.03	54.8%
Interest coverage ratio	22.74	5.53	311.0%	16.76	35.7%
ROA	3.4%	-4.4%	NM	3.5%	-2.9%
ROE	4.2%	-5.4%	NM	4.5%	-6.5%

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”) is one of the world’s largest producers of examination gloves. STGT located in strategic raw material locations in Thailand. STGT offers a wide range of high-quality examination gloves for medical and non-medical purposes including Natural Rubber Powdered (NRPD), Natural Rubber Powdered-Free (NRPF) and Nitrile Butadiene Rubber (NBR) gloves that are distributed to 175 countries worldwide. As of 30 March 2026, STGT employed around 8,480 people in all operating units worldwide including in Thailand, USA, the PRC, Singapore, Vietnam, Indonesia, and Philippines. STGT is listed on the Stock Exchange of Thailand under Consumer Products/Personal Products & Pharmaceuticals sector and on the Singapore Exchange under healthcare services and medical equipment, supplies & distribution sector. For more information, please visit [www.sritranggloves.com](http://www.sritranggloves.com)

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