

# SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis Q2 2025

as of 30 June 2025 | 8 August 2025



## Financial Result Overview

*Amid uncertainty stemming from the announcement of the US Reciprocal Tariffs, which led to increased competition in the glove industry throughout Q2 2025, we recorded THB 77.1 million in net profit, with a net profit margin of 1.3%.*

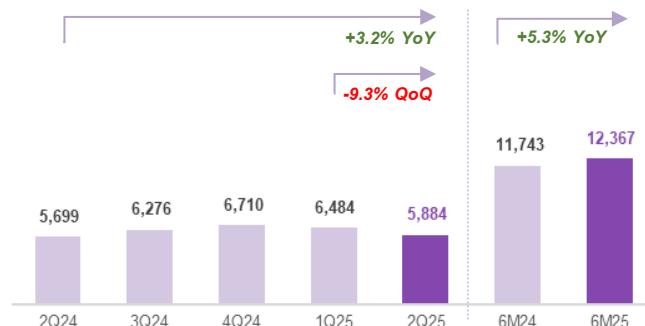
### Profit and Loss Analysis

In Q2 2025, we recorded a net profit of THB 77.1 million, decreasing 81.8% QoQ and 79.6% YoY, with a net profit margin of 1.3%. The decline of profit resulted mainly from the impact of US reciprocal tariffs, which led to increased price competition and wait-and-see situation of some US customers for the final rate of tariff.

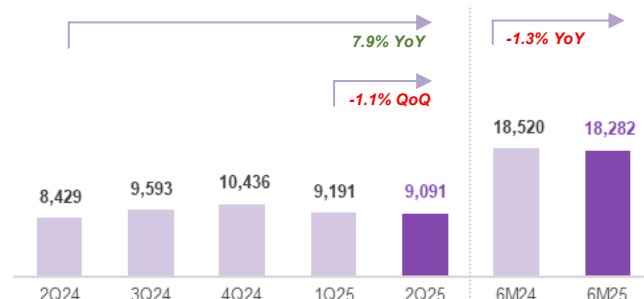
- **Sales revenue** in Q2 2025 totaled THB 5,997.2 million, decreasing 8.4% QoQ but increasing by 4.6% YoY.
- **Sales volume** in Q2 2025 was 9,091 million pieces, slightly down by 1.1% QoQ because of wait-and-see situation of some US customers for the final rate of tariff but remaining solid on the back of our diversified customer base. Sales volume increased 7.9% YoY on the back of the recovery in demand worldwide.
- **The ASP** in Q2 2025 was THB 647 per 1,000 pieces (USD 19.64), decreasing 8.3% QoQ because of increased price competition and the appreciation of THB, which went up 2.5% against USD. The ASP in USD increased 6.2% YoY, however the appreciation of THB, which went up by 9.8% against USD, led to a 4.3% YoY decline in ASP.
- **Utilization rate** in Q2 2025 was 75.8%, down from 79.4% in Q1 2025 and 81.3% in Q2 2024.
- **Cost of goods sold (COGS)** in Q2 2025 was THB 5,479.2 million, decreasing by 3.8% QoQ because of lower raw material and other costs including energy, packaging, and chemicals. NR latex price decreased by 7.1% QoQ and NBR latex price by 8.6% QoQ, leading to lower costs per unit. Compared YoY, COGS rose by 10.4% because of higher raw material prices and sales volume. We will continue to implement measures to control costs and improve efficiency in anticipation of volatility in raw materials and other costs.



Gloves' Revenue (THB million)



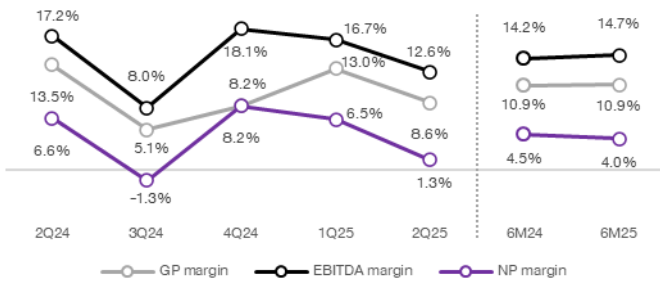
Gloves' Sales Volume (Million pieces)



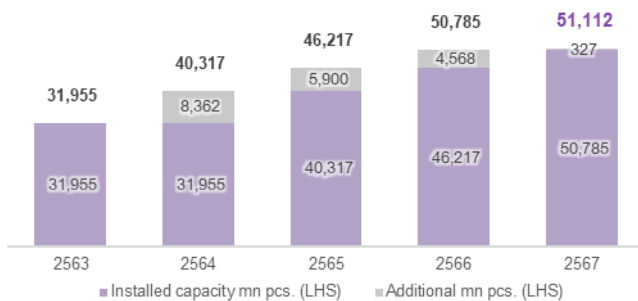
- **Gross profit** in Q2 2025 totaled THB 518.0 million, declining by 39.0% QoQ and 33.0% YoY, with a gross profit margin of 8.6%, down from 13.0% in Q1 2025 and 13.5% in Q2 2024 because the ASP went down more than costs while THB also appreciated against USD.
- In Q1 2025, we recorded THB 35.5 million in other income, decreasing by 31.7% QoQ and 10.7% YoY.
- **SG&A** in Q2 2025 totaled THB 434.2 million, up by 5.4% QoQ because of increased depreciation, which resulted from lower utilization rate. The percentage of SG&A to sales revenue increased to 7.2% from 6.3% in Q1 2025 and 7.3% in Q2 2024.
- Finance costs in Q2 2025 totaled THB 64.1 million, decreasing by 1.7% QoQ and 12.5% YoY as long-term borrowings had gradually been repaid.
- **EBITDA** in Q2 2025 totaled THB 1,093.2 million, decreasing by 31.1% QoQ but increasing by 23.6% YoY, with an EBITDA margin of 12.6%, down from 16.7% in Q1 2025 and 17.2% in Q2 2024.



### Margin (%)



### Installed Capacity (Million pcs.)



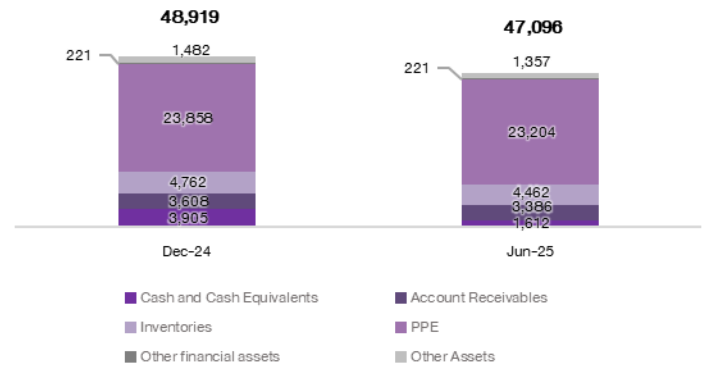
### Financial Position Analysis

- As of March 31, 2025, total assets stood at THB 48,101.2 million, decreasing by 1.7% from December 31, 2024. The decrease resulted from lower cash and cash equivalents, primarily fixed deposits of over 3 months. The value of property, plant and equipment also decreased as a result of depreciation.
- Total liabilities amounted to THB 9,330.7 million, decreasing by 10.3% from December 31, 2024 following the repayment of short-term and long-term loans from financial institutions.
- Total equity stood at THB 38,770.5 million, increasing by 0.7% from December 31, 2024.

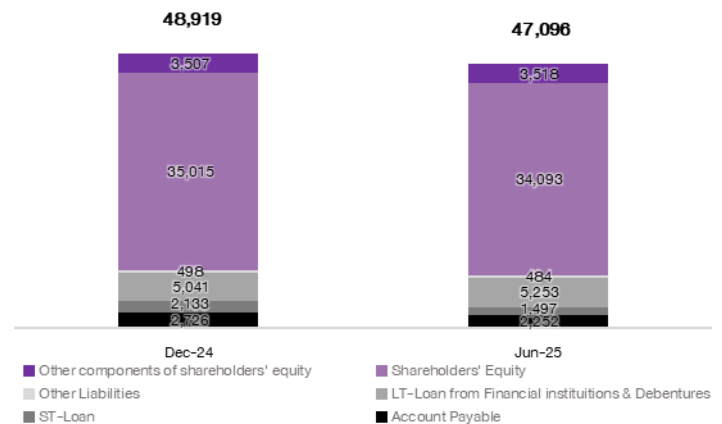
Note: The majority of STGT's loans consist of long-term borrowings under a loan support program from the Rubber Authority of Thailand (RAOT), with an interest rate subsidy of up to 3.0% per annum, to support production capacity expansion.



### Asset (THB million)



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



### Cash Flows Analysis

In Q2 2025, net cash at the end of the period was THB 1,611.9 million, decreasing by THB 2,293.5 million from the beginning of the period.

- THB 1,910.6 million in cash flow from operations consisted of THB 1,739.6 million in profit from operations in Q2 2025, net of THB 139.5 million in change in working capital, THB 137.3 million in received interest, THB 132.6 million in interest payments, and THB 27.9 million in income tax refunds.
- THB 2,150.4 million in cash flow used in investing activities was mainly from THB 1,362.9 million in fixed deposits of over 3 months (classified under other current financial assets), THB 571.2 million in purchases of property, plant, equipment and intangible assets, and THB 227.5 million in purchases of other financial assets.
- THB 1,872.8 million in cash flow used in financing activities consisted of THB 1,432.6 million in dividend payments, THB 1,065.2 million in repayment of long-term loans, and THB 635.2 million in repayment of short-term loans. This was partially offset by THB 1,280.0 million in proceeds from new long-term borrowings.

## Key Financial Ratios

- Interest Coverage Ratio in Q2 2025 was 11.74 times, down from 16.76 times in the previous quarter, mainly due to a decline in EBITDA. Nevertheless, the ratio remained at a level that reflects strong cash flow and the Company's ability to service interest payments effectively.
- Current Ratio as of June 30, 2025 stood at 2.07 times, up from 1.94 times as of December 31, 2024, primarily due to a decrease in current liabilities, particularly short-term borrowings from financial institutions and trade payables, while current assets declined at a slower pace.
- Cash Conversion Cycle in Q2 2025 was 58.38 days, up from 53.47 days in the previous quarter, driven by an increase in Days Sales Outstanding (DSO) and Days Inventory Outstanding (DIO), while Days Payables Outstanding (DPO) declined due to a higher proportion of raw material purchases with shorter payment terms.
- Net Interest-Bearing Debt to Equity Ratio (Net IBD to Equity) as of June 30, 2025 stood at 0.06\* times, up from 0.05\* times as of December 31, 2024, mainly due to a decline in cash and cash equivalents as well as shareholders' equity.

## Business Strategy

- With our unique product mix (NR/NBR), flexible production lines capable of alternating between producing NRPF and NBR gloves, and a production base in Thailand, a prime location for high-quality NR latex, we are well positioned to deliver high-quality gloves to consumers worldwide.
- We are committed to reducing production costs through the use of automation and advanced technologies to eliminate redundancies and achieve economies of scale. We are also exploring the application of Artificial Intelligence (AI) to enhance machinery efficiency to produce high-quality, competitively-priced products sustainably. These efforts will enable us to achieve profits and deliver solid returns to shareholders.

### 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 minimize costs and labor and improve product quality. Projects that are already underway include Gloves Defect Detection system, QC Digital Transformation, and Smart Energy System.
- **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 Q2 2025, the Company undertook significant ESG activities as follows:

### Environmental

- **Sri Trang Gloves (Thailand) Public Company Limited, Hat Yai Branch, joined the "Industrial Enterprise Development and Enhancement Project for the Application of Circular Economy Principles in Organizations."** This initiative reflects the Company's strong commitment to sustainable business practices and environmental stewardship. In collaboration with academic experts, the Company reviewed its production processes, conducted pilot trials, and assessed opportunities to improve operations by reusing waste rubber sludge generated during manufacturing. Through this project, waste rubber and sludge were collected and transformed experimentally into new value-added products. This not only reinforces the Company's dedication to maximizing resource efficiency and minimizing environmental impact but also creates opportunities for sustainable value creation for stakeholders and the community in the long term.

- The Company expanded its **solar cell installation project** in three phases. The total electricity generation capacity from all three phases amounts to 6,275 megawatt-hours. Reinforcing its commitment to sustainable and environmentally responsible practices.

## Social



- The Company joined the **Asia's Most Comprehensive Food and Beverage Trade Fair, "THAIFEX – ANUGA ASIA 2025"** held at IMPACT Exhibition and Convention Center, Muang Thong Thani, from May 27 to 31, 2025. Under the concept of "Protecting Every Touch with Care" to deliver safety to lives worldwide, STGT showcased a wide range of natural rubber and synthetic rubber gloves produced through clean and environmentally friendly processes. These gloves are certified to international standards, suitable for medical and food-grade applications with confidence. This participation reinforces STGT's role as Thailand's leading rubber glove manufacturer, committed to innovation, quality enhancement, and driving Thai products continuously into the global market.

## Governance & Economic

- **STGT Receives Two Prestigious Awards from the ASEAN Corporate Governance Scorecard Assessment, Reinforcing Its Commitment to Corporate Governance Excellence.**



Sri Trang Gloves (Thailand) Public Company Limited (STGT) received the Top 50 ASEAN Public Listed Companies (PLCs) award at the ASEAN Corporate Governance Conference and Awards 2025. The Company was selected as one of the 50 leading listed companies with the highest scores in the regional assessment based on the regional assessment under the ASEAN Corporate Governance Scorecard (ACGS). STGT was also one of only 16 Thai companies recognized on this international stage. In addition,

the Company received the ASEAN Asset Class PLCs award, which is granted to companies scoring 97.50 points or higher, reflecting the company's commitment as a global leader in the rubber glove industry, operating with sustainability and good corporate governance.

- **STGT Recognized in S&P Global's The Sustainability Yearbook 2025 for the Second Consecutive Year, Reflecting Excellence in Global Sustainability Practices**



On May 20, 2025 Sri Trang Gloves (Thailand) Public Company Limited (STGT), received a certificate at the S&P Global Sustainability Yearbook Distinction Ceremony, in recognition of STGT's inclusion in the Sustainability Yearbook 2025 for the second consecutive year under the *Healthcare Equipment & Supplies* industry category. STGT's strengths lie in its commitment to human rights and non-discrimination, occupational health and safety, and employee development planning. The company has also set a target to reduce greenhouse gas emissions by 20% by 2029 and achieve Net Zero by 2050, reflecting its strong commitment to sustainable business practices in line with its vision: "Clean World, Clean Gloves."



## 2Q25 Key Financial Information (unit: THB million)

	2Q25	1Q25	%QoQ	2Q24	%YoY	6M25	6M24	%YoY
Volume (in million pcs.)	9,091.1	9,191.2	-1.1%	8,429.2	7.9%	18,282.3	18,520.3	-1.3%
Sales revenue	5,997.2	6,545.8	-8.4%	5,735.6	4.6%	12,543.0	11,786.0	6.4%
COGS	(5,479.2)	(5,696.5)	-3.8%	(4,962.0)	10.4%	(11,175.7)	(10,501.9)	6.4%
Gross profit	518.0	849.3	-39.0%	773.6	-33.0%	1,367.3	1,284.1	6.5%
Other income	35.5	52.0	-31.7%	39.8	-10.7%	87.5	69.5	25.8%
SG&A	(434.2)	(411.8)	5.4%	(421.5)	3.0%	(845.9)	(844.9)	0.1%
Gain (loss) on exchange rate, net	(112.8)	(12.8)	781.0%	23.3	-583.4%	(125.6)	168.4	-174.5%
Other gain (loss), net	100.9	(10.1)	NM	(16.5)	NM	90.8	(132.3)	NM
Operating profit (loss)	107.5	466.6	-77.0%	398.7	-73.0%	574.1	544.9	5.4%
EBITDA	752.8	1,093.2	-31.1%	985.4	-23.6%	1,846.0	1,677.2	10.1%
EBIT	158.5	518.5	-69.4%	489.5	-67.6%	677.0	728.0	-7.0%
Finance income	51.0	51.9	-1.8%	90.8	-43.9%	102.9	183.1	-43.8%
Finance costs	(64.1)	(65.2)	-1.7%	(73.3)	-12.5%	(129.4)	(145.7)	-11.2%
EBT	94.3	453.3	-79.2%	416.2	-77.3%	547.6	582.3	-6.0%
Tax	(17.3)	(29.0)	-40.5%	(37.8)	-54.4%	(46.3)	(57.2)	-19.0%
Net profit	77.1	424.2	-81.8%	378.4	-79.6%	501.3	525.2	-4.5%
GP margin	8.6%	13.0%	-33.4%	13.5%	-4.9%	10.9%	10.9%	0.0%
EBITDA margin	12.6%	16.7%	-24.8%	17.2%	-4.6%	14.7%	14.2%	0.5%
Net profit margin	1.3%	6.5%	-80.2%	6.6%	-5.3%	4.0%	4.5%	-0.5%
Financial Ratio								
Current ratio	2.07	2.24	-7.6%	2.32	-10.9%	2.07	2.32	-10.9%
Cash cycle (days)	58.38	53.47	9.2%	54.71	6.7%	53.93	50.99	5.8%
Net IBD/E	0.06	0.03	113.0%	0.04	65.7%	0.06	0.04	65.7%
Interest coverage ratio	11.74	16.76	-30.0%	13.45	-12.7%	14.27	11.51	23.9%
ROA	0.3%	3.5%	-90.9%	3.1%	-89.5%	2.1%	2.2%	-3.5%
ROE	0.4%	4.5%	-90.8%	3.9%	-89.6%	2.7%	2.8%	-4.2%

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 June 2025, STGT employed around 9,974 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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