

Financial Performance Overview

Net profit for the first nine months was THB 438.6 million, more than doubling compared with the same period of last year. Despite the significant and rapid appreciation of THB in Q3/2024 and the impact of high latex costs carried over from the previous quarter, we saw positive signs from an increase in sales volume, which rose to 9,593 million pieces, up 13.8% QoQ and 26.3% YoY.

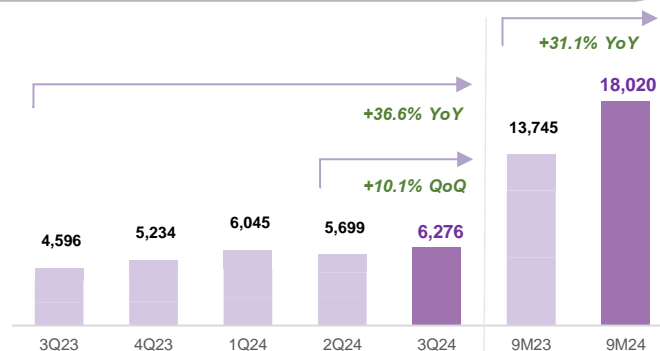
Profit and Loss Analysis

We had a net loss of THB 86.5 million in Q3/2024, decreasing by 122.9% QoQ or 282.4% YoY, with a net loss margin of -1.3%. The loss primarily resulted from the rapid appreciation of THB.

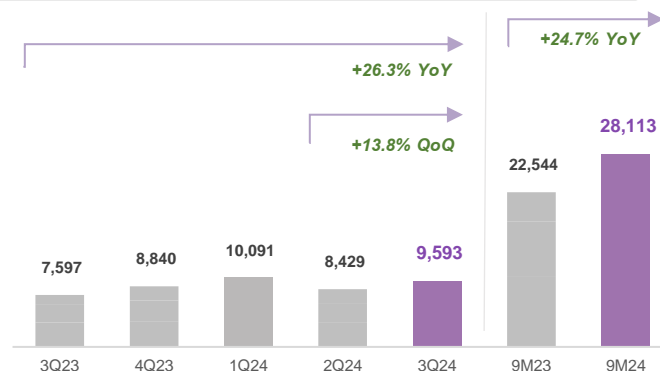
- **Sales revenue** in Q3/2024 totaled THB 6,443.2 million, increasing by 12.3% QoQ and 35.9% YoY.
- **The ASP** in Q3/2024 was THB 654 per 1,000 pieces (USD 18.89). We were able to raise selling prices despite stiff industry competition amid an ongoing oversupply, with the ASP in USD increasing by 2.1% QoQ and 9.3% YoY. However, the rapid appreciation of THB, which went up by 5.2% QoQ against USD, meant that the ASP in THB declined by 3.2% QoQ. Compared with Q3/2023, the ASP increased by 8.1%.
- **Sales volume** in Q3/2024 reached 9,593 million pieces, growing by 13.8% QoQ and 26.3% YoY 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. This situation has begun to ease in Q3/2024, although freight rates on certain routes remain elevated from early-year levels.
- **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.



Gloves' Revenue (THB million)



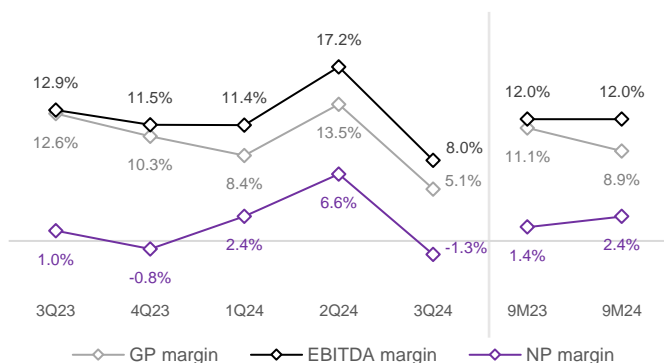
Gloves' Sales Volume (Million pieces)



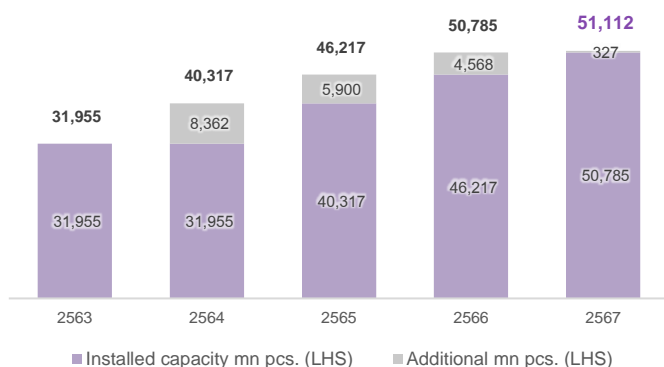
- **Cost of goods sold (COGS)** in Q3/2024 was THB 6,112.8 million, up by 23.2% QoQ and 47.5% YoY. NR latex costs decreased by 4.7% QoQ but rose 54.2% YoY, while NBR latex costs increased by 8.9% QoQ and 37.2% YoY. Excluding NR and NBR latex costs, costs per 1,000 pieces went up because of lower utilization rate, higher energy costs from woodchips, and inventory provisions based on net realizable value, which was affected by the lowest exchange rate since the start of 2023.
- **Gross profit** in Q3/2024 totaled THB 330.4 million, down by 57.3% QoQ and 44.5% YoY, with a gross profit margin of 5.1%, down from 13.5% in Q2/2024.
- **SG&A** in Q3/2024 amounted to THB 386.1 million, down by 8.4% QoQ and 24.8% YoY. The percentage of SG&A to sales revenue was 6.0%, down from 7.3% in Q2/2024, mainly because of lower allowance for doubtful debts, which have partially been collected. However, transportation costs went up alongside higher sales volume and a higher proportion of sales on CIF terms.

- **Finance costs** for Q3/2024 totaled THB 75.2 million, slightly increasing by 2.6% QoQ on account of the start of short-term borrowings in late Q2/2024. However, finance costs decreased by 5.3% YoY as long-term borrowings had gradually been repaid in each quarter.
- **EBITDA** in Q3/2024 totaled THB 512.8 million, a decrease of 48.0% QoQ and 16.2% YoY, with an EBITDA margin of 8.0%, down from 17.2% in Q2/2024 and 12.9% in Q3/2023.

Margin (%)



Installed Capacity (Million pcs.)



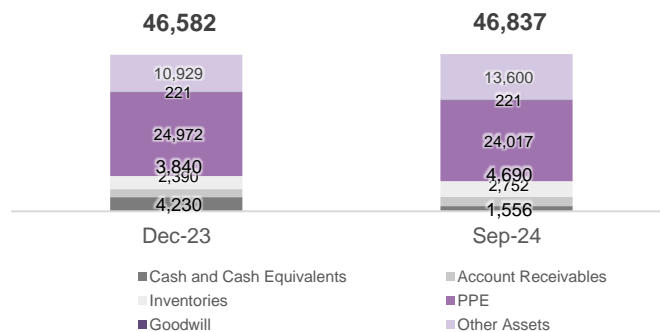
Financial Positions Analysis

- As of 30 September 2024, our total assets stood at THB 46,836.7 million, a slight increase of 0.5% from 31 December 2023. This increase was primarily attributable to investments in financial assets using cash and bank deposits, an increase in accounts receivable from higher sales, and higher inventory resulting from delayed customer orders due to elevated freight rates and logistical challenges across multiple shipping routes. These increases offset the depreciation of property, plant and equipment.
- Total liabilities amounted to THB 10,129.6 million, up by 3.9% from 31 December 2023, mainly due to an increase in accounts payable.
- Total equity stood at THB 36,707.2 million, a slight decrease of 0.4% from 31 December 2023.

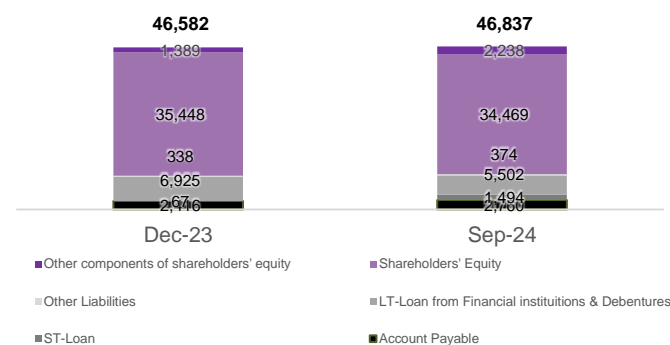
Note: The majority of STGT's loans consist of long-term borrowings under a loan support program from the Rubber Authority of Thailand (RAOT), with an interest rate subsidy of up to 3.0% per annum, to support production capacity expansion.



Assets (THB million)



Liabilities & Shareholders' Equity (THB million)



Cash Flows Analysis

For the first nine months of 2024, net cash at the end of the period was THB 1,556.0 million,

- THB 1,076.0 million in cash flow from operations consisted of THB 1,980.9 million in operating income, THB 872.2 million in change in working capital, THB 266.0 million of received interest, minus THB 245.1 million in interest payments and THB 53.6 million in income tax payments.
- THB 2,079.3 million in cash flow from investments consisted of THB 1,235.5 million in investments in financial assets and THB 730.8 million in investments in property, plant, equipment and intangible assets.
- THB 1,439.3 million in cash flow from financing consisted of THB 1,408.7 million in repayments of long-term loans from financial institutions, THB 1,432.5 million in dividend payments, minus THB 1,426.4 million in short-term borrowings.

Key Financial Ratios

- **Interest Coverage Ratio** for Q3/2024 was 11.99 times, up from 1.19 times in the previous quarter. This increase was mainly attributable to higher cash flow from operations, as Q2/2024 saw an increase in inventory, leading to lower cash flow from operations than in this quarter.
- **Current Ratio** as of 30 September 2024 stood at 2.00 times, down from 3.63 times as of 31 December 2023. This decline was primarily due to a reduction in current assets, mainly cash used for financial investments, and

an increase in inventory and accounts receivable, while current liabilities rose due to higher short-term borrowings and accounts payable.

- **Cash Conversion Cycle** for Q3/2024 stood at 50.27 days, down from 54.71 days in the previous quarter. This improvement came because of a decrease in Days Inventory Outstanding (DIO) as average inventory levels were lower than in the previous quarter while cost of goods sold increased. Additionally, Days Sales Outstanding (DSO) decreased as accounts receivable declined while revenue increased. Days Payables Outstanding (DPO) also decreased as a result of shorter payment terms on raw material purchases.
- **Net Interest-Bearing Debt to Equity Ratio (Net IBD to Equity)** as of 30 September 2024 stood at 0.04 times, up from (0.07)* times as of 31 December 2023. This change primarily resulted from an increase in short-term borrowings and a reduction in long-term borrowings during the first nine months of 2024, along with a decrease in cash used for financial investments, while shareholders' equity remained relatively unchanged.

*Including other current financial assets of fixed deposits over than 3 months that included as short-term investment.

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 71 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.
- **Expansion of margin through value-adding activities** with regard to off-grade products at our overseas subsidiaries to maximize the resources.
- **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.

We are strongly committed to environmental, social and governance issues (ESG)

STGT has focused on sustainable business practices across the entire value chain under the **"Clean World Clean Gloves"** concept, emphasizing product quality, ESG considerations, business resilience and risk management. This approach aims to build business value for stakeholders and earn trust from customers, consumers, and all relevant parties. Key ESG achievements in this Q3/2024 include:

Environmental

- Our Trang facility received a certificate of recognition for its participation in the "Promotion of Greenhouse Gas Emission Target Setting for the Industry Sector to Achieve Net Zero through Science-Based Targets" project. The Trang facility has set a five-year pathway from 2024 to 2028, targeting an 18.52% reduction in Scope 1 and Scope 2 greenhouse gas emissions compared to the 2023 baseline by 2028. The action plan includes initiatives such as installing rooftop and floating solar power systems with a total installed capacity of 7.556 megawatts, converting 18 forklifts from fossil fuels to electric, and switching four-wheel loaders to electric. These measures are expected to reduce the greenhouse gas emissions at the Trang facility by 4,858 tons of carbon dioxide equivalent. Additionally, STGT was awarded the "Outstanding Greenhouse Gas Management Leader Award 2024" or Climate Action Leading Organization (CALO) as a member of the Thailand Carbon Neutral Network (TCNN). This award reflects STGT's commitment to sustainable operations, aligning with its environmental targets to reduce greenhouse gas emissions and manage energy efficiently.
- The Hat Yai facility received the Green Industry Award, Level 4: Green Culture, from the Ministry of Industry. This award demonstrates the collective environmental consciousness of employees and their commitment to eco-friendly practices, positioning STGT as a key driver for Thailand's sustainable green industry development.



Social

The Hat Yai and Anwar facilities received certificates of recognition under the "1 Organization 1 CSR 1 Household 1 Year" project by the Department of Community Development, Ministry of Interior. This project aligns with the government's policy to eradicate poverty and promote sustainable development across all age groups, in line with the sufficiency economy concept. STGT provided essential supplies, including rice, dry food, and survival kits, and supported livelihood development for vulnerable groups and households. This participation aligns with STGT's corporate social responsibility policy to improve community well-being alongside business growth.

Governance & Economic

STGT delivered rubber gloves that comply with the EU Deforestation Regulation (EUDR) to European customers, with traceable raw materials through STA's Sri Trang Friends application and GPS Rubber system. This traceability supports global standards and reinforces STGT's market adaptability amid rapidly changing global dynamics, providing a competitive edge.



- STGT received the SX TSCN Sustainability Award at the SX Partnerships for the Goals: TSCN Business Partner Conference 2024 and the Platinum-level Business Partners Award at the ThaiBev Business Partner Award. These awards highlight STGT's exemplary role in the Thailand Supply Chain Network (TSCN), supporting sustainable development and driving Thailand's industry on a global stage.



- STGT received a Co-Creator Award at the National Health Product Protection Conference, recognizing its contributions to developing systems and mechanisms for medicine and medical supply chain management. This award underlines STGT's dedication to producing high-quality products that meet international standards and its vision to "Deliver Care to Every Touch Worldwide" as a global leader in sustainable glove production.
- On October 30, 2024, STGT received the SET Awards 2024 for Sustainability Excellence in the Highly Commended category for the second consecutive year. This prestigious award celebrates STGT's continuous ESG efforts, underscoring the commitment of all employees to environmental, social, and governance (ESG) goals. Under the "Clean World Clean Gloves" concept, STGT ensures high product quality and customer satisfaction worldwide while prioritizing eco-friendly practices and ESG targets.





3Q24 Key Financial Information (unit: million THB)

	3Q24	2Q24	%QoQ	3Q23	%YoY	9M24	9M23	%YoY
Volume (in million pcs)	9,593.0	8,429.2	13.8%	7,596.7	26.3%	28,113.2	22,543.6	24.7%
Sales Revenue	6,443.2	5,735.6	12.3%	4,740.9	35.9%	18,229.2	14,359.0	27.0%
COGS	(6,112.8)	(4,962.0)	23.2%	(4,145.5)	47.5%	(16,614.6)	(12,758.5)	30.2%
Gross profit	330.4	773.6	-57.3%	595.4	-44.5%	1,614.5	1,600.4	0.9%
Other income	38.4	39.8	-3.5%	45.1	-15.0%	107.9	118.0	-8.6%
SG&A	(386.1)	(421.5)	-8.4%	(513.2)	-24.8%	(1,231.0)	(1,469.9)	-16.3%
Gain (loss) on exchange rate, net	(355.5)	23.3	NM	57.7	NM	(187.1)	128.6	NM
Other gains, net	290.9	(16.5)	NM	(101.8)	NM	158.6	(139.5)	NM
Operating profit (loss)	(81.9)	398.7	NM	83.1	NM	463.0	237.7	94.8%
EBITDA	512.8	985.4	-48.0%	607.6	-15.6%	2,190.0	1,725.3	26.9%
EBIT	(16.5)	489.5	NM	(8.7)	88.5%	711.6	485.6	46.5%
Finance income	65.5	90.8	-27.9%	98.2	-33.3%	248.6	247.9	0.3%
Finance costs	(75.2)	(73.3)	2.6%	(79.4)	-5.3%	(220.8)	(229.7)	-3.8%
EBT	(91.6)	416.2	NM	102.0	NM	490.7	255.9	91.7%
Tax	5.1	(37.8)	NM	(54.6)	NM	(52.1)	(61.0)	-14.6%
Net profit	(86.5)	378.4	NM	47.4	NM	438.6	195.0	125.0%
GP margin	5.1%	13.5%	-8.4%	12.6%	-7.4%	8.9%	11.1%	-2.3%
EBITDA margin	8.0%	17.2%	-9.2%	12.8%	-4.9%	12.0%	12.0%	-2.8%
Net profit margin	-1.3%	6.6%	-7.9%	1.0%	-2.3%	2.4%	1.4%	1.0%
Financial Ratio								
Current ratio	2.00	2.32	-13.8%	3.86	-48.3%	2.00	3.86	-48.3%
Cash cycle (days)	50.27	54.71	-8.1%	63.34	-20.6%	46.25	55.78	-17.1%
IBD/E	0.04	0.04	25.5%	0.22	-79.5%	0.04	0.20	-77.9%
Interest coverage ratio	11.99	1.19	906.0%	8.21	46.0%	(4.22)	4.92	NM
ROA	-0.7%	3.1%	-122.9%	0.4%	-281.7%	1.2%	0.5%	0.7%
ROE	-0.9%	3.9%	-4.8%	0.5%	-1.4%	2.4%	0.7%	1.7%

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 September 2024, STGT employed around 10,750 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

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