



# 1Q22 Presentation

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

10 MAY 2022



MSCI

ESG100  
Environmental • Social • Governance  
2021

FTSE SET50 Index

SGX SET  
The Stock Exchange of Thailand



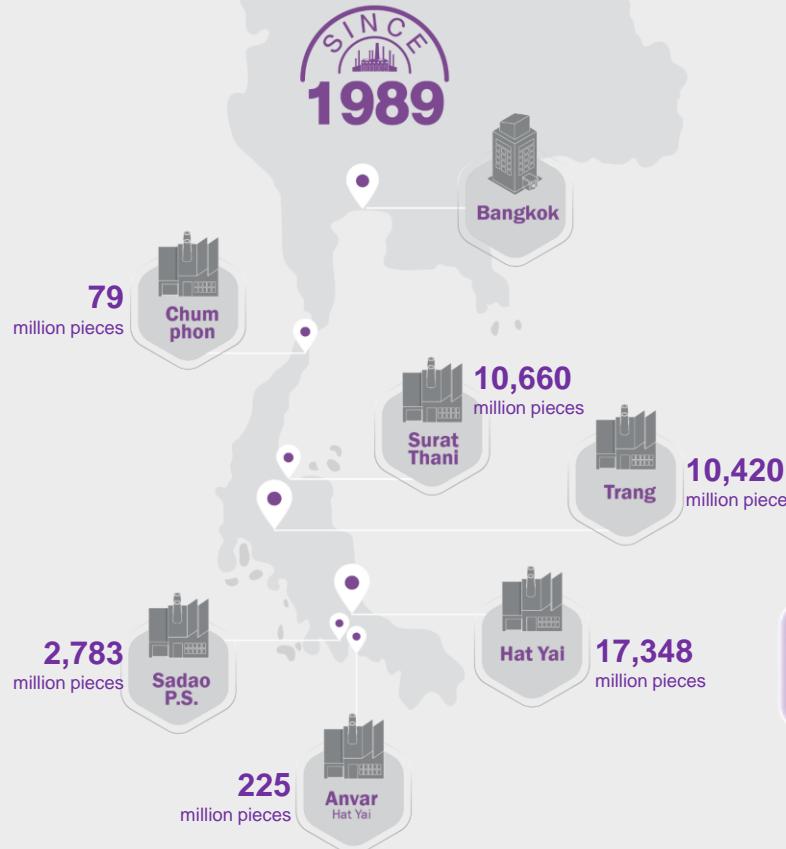
# COMPANY OVERVIEW

# STGT At Glance 1Q2022

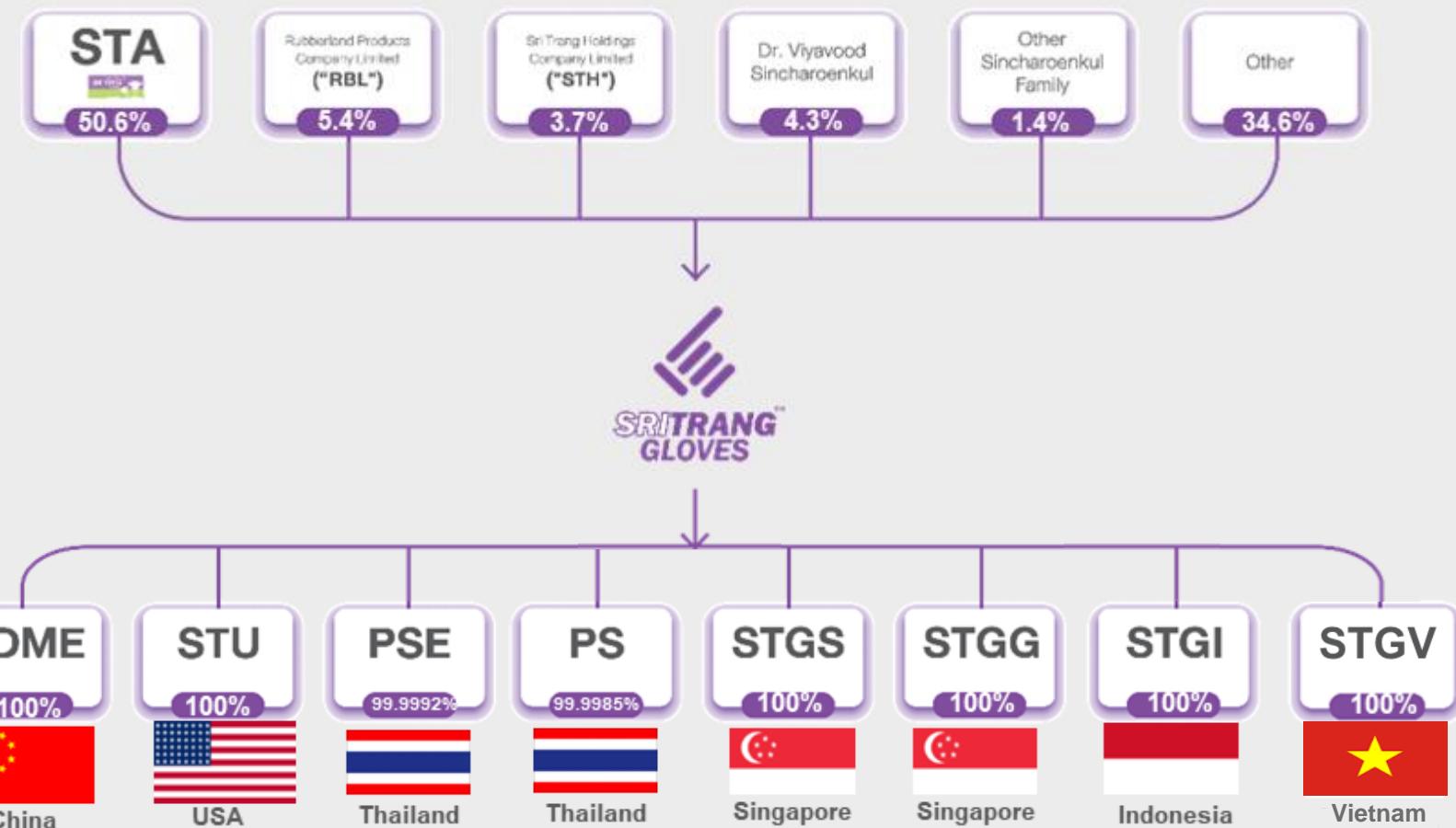
STGT's total installed capacity approx. 41,500 million pieces per annum  
is considered world's #3 rubber gloves manufacturer

Total installed capacity approx.

**41,500** million pieces per annum



## Group Structure



# STGT's Products

## LATEX POWDERED: NRPD



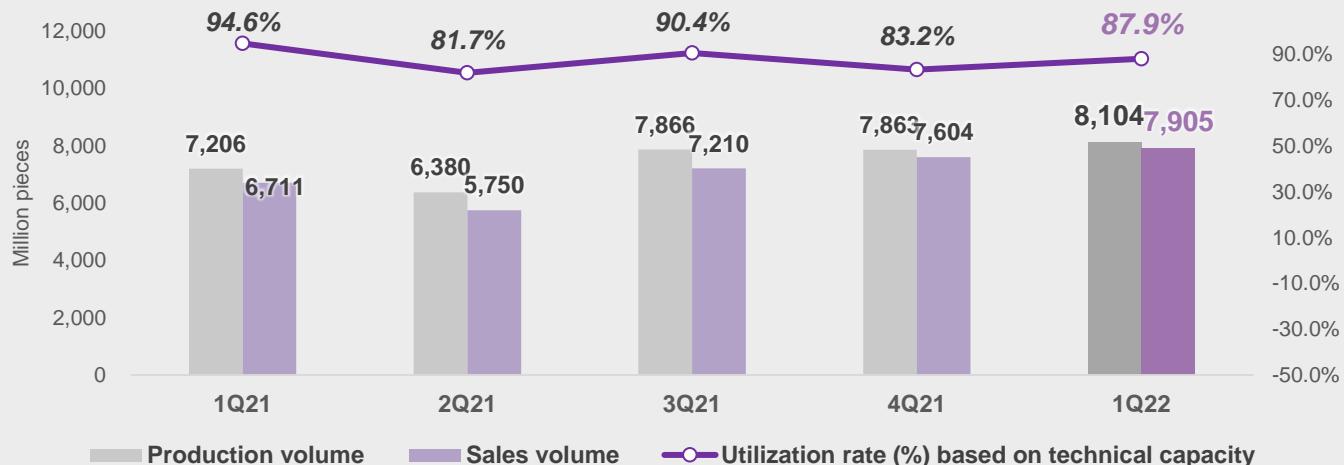
## LATEX POWDER-FREE: NRPF



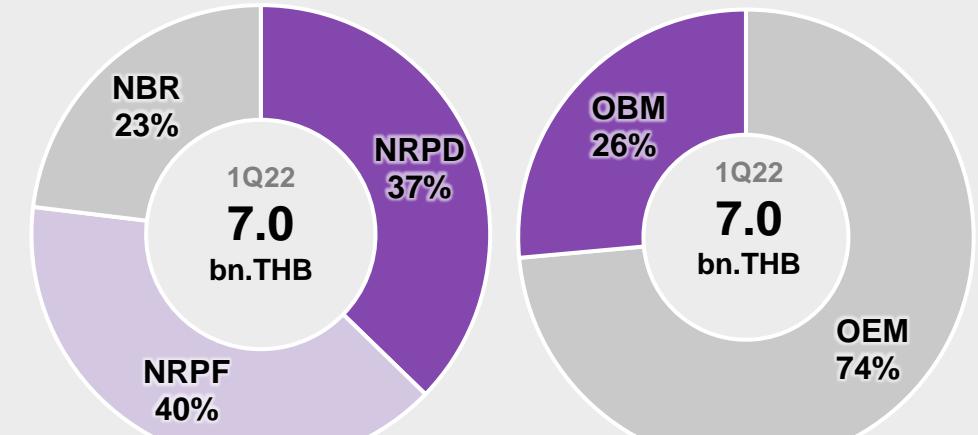
## NITRILE: NBR



## Sales Volume & Production



## STGT's Product Mix by Gloves Sales



\*Non-glove sales revenue is excluded of THB 113.2 million.

12-month data as of 31/12/2021

## STGT's Brands



# 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.

## 8. ESG Leader:

- Environmentally friendly technology by using 100% of renewable energy in production
- Human dignity and social responsibility in promoting workforce diversity, local hiring, human rights
- Protecting our planet by reducing GHGs emission & energy consumption

## 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.

## 6. Interest subsidy

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

## 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.



# 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 2021, 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 **2.18** workers/ a million piece of gloves in 2021 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

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.

# FINANCIAL HIGHLIGHT



# STGT's Financial Highlights



1Q22:

- **Sales volume increased & hit the highest level of our history**  
Due to the capacity expansion & the improved situation of containers and ocean vessel space shortage.
- **ASP decreased**  
Due to the increased in new supply caused price competition in the market.
- **Decline in margin**  
Mainly due to ASP pressure

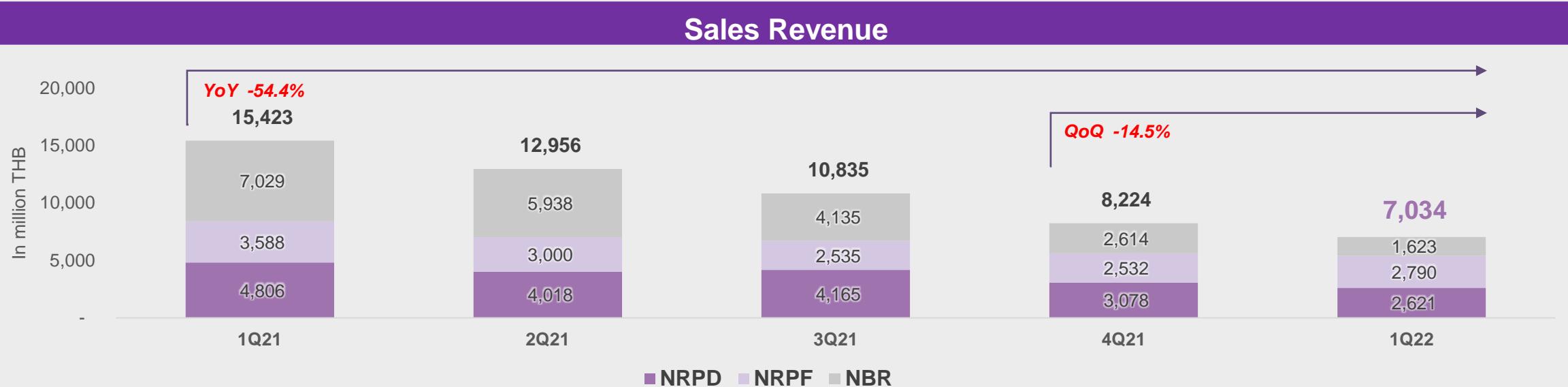
# 1Q22 Financial Highlights



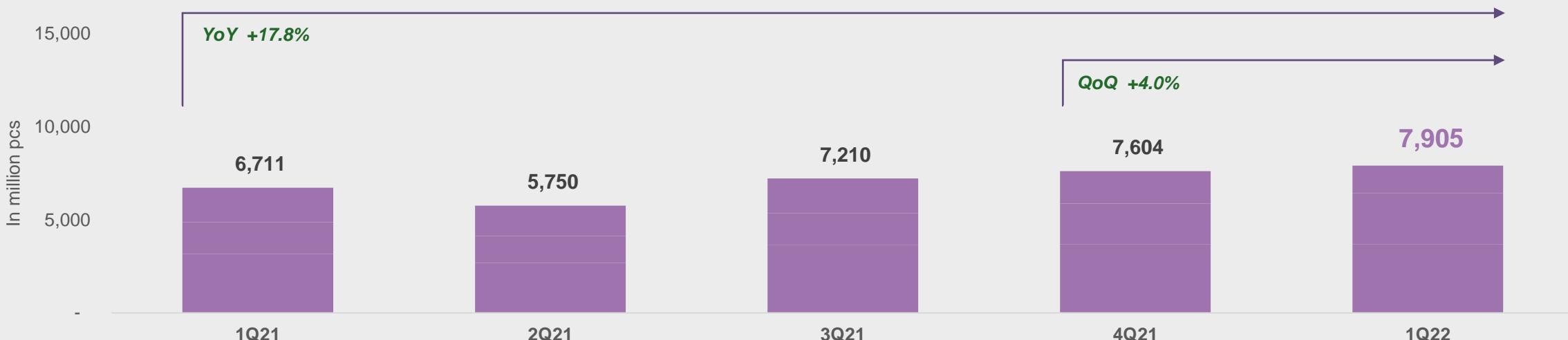
(In million THB)

	1Q22	4Q21	%QoQ	1Q21	%YoY	FY2021
Volume (in million pcs.)	7,905.1	7,604.1	4.0%	6,710.9	17.8%	27,275.5
Sales revenue	7,118.5	8,285.4	-14.1%	15,433.7	-53.9%	47,550.8
COGS	(5,376.2)	(5,688.5)	-5.5%	(4,013.2)	34.0%	(19,291.8)
<b>Gross profit</b>	<b>1,742.3</b>	<b>2,596.9</b>	<b>-32.9%</b>	<b>11,420.5</b>	<b>-84.7%</b>	<b>28,259.01</b>
Other income	32.0	73.9	-56.7%	42.9	-25.5%	362.5
SG&A	(640.6)	(780.2)	-17.9%	(447.5)	43.1%	(2,242.8)
Gain (loss) on exchange rate, net	(8.3)	(42.0)	-80.3%	273.1	-103.0%	598.1
Other gains, net	63.2	127.4	-50.4%	(491.2)	N/A	(1,079.4)
<b>Operating profit (loss)</b>	<b>1,188.5</b>	<b>1,976.0</b>	<b>-39.9%</b>	<b>10,797.7</b>	<b>-89.0%</b>	<b>25,897.4</b>
EBITDA	1,550.7	2,317.5	-33.9%	11,115.3	-86.0%	27,222.5
EBIT	1,217.1	1,976.0	-39.3%	10,821.0	-88.8%	25,975.4
Finance income	28.6	28.6	0.0%	23.3	22.9%	106.5
Finance costs	(35.0)	(32.7)	7.1%	(32.2)	8.6%	(127.4)
EBT	1,182.1	1,971.9	-40.1%	10,788.8	-89.0%	25,876.6
Tax	(130.0)	(132.3)	-1.7%	(737.2)	-82.4%	(2,172.5)
<b>Net profit</b>	<b>1,052.2</b>	<b>1,839.7</b>	<b>-42.8%</b>	<b>10,051.6</b>	<b>-89.5%</b>	<b>23,704.2</b>
GP margin	24.5%	31.3%	-6.9%	74.0%	-49.5%	59.4%
EBITDA margin	21.8%	28.0%	-6.5%	72.0%	-50.2%	57.2%
Net profit margin	14.8%	22.2%	-7.4%	65.1%	-50.3%	49.9%
<b>Financial Ratio</b>						
Current ratio	5.00	5.23	-4.5%	5.82	-14.1%	5.23
Cash cycle (days)	45.22	45.53	-0.7%	41.82	8.1%	35.97
IBD/E	0.21	0.22	-6.2%	0.16	34.5%	0.22
Interest coverage ratio	31.01	60.48	-67.2%	272.30	-88.6%	203.96
ROA	8.2%	14.0%	-5.6%	81.7%	-73.5%	46.2%
ROE	10.9%	18.8%	-7.6%	109.4%	-98.5%	62.0%

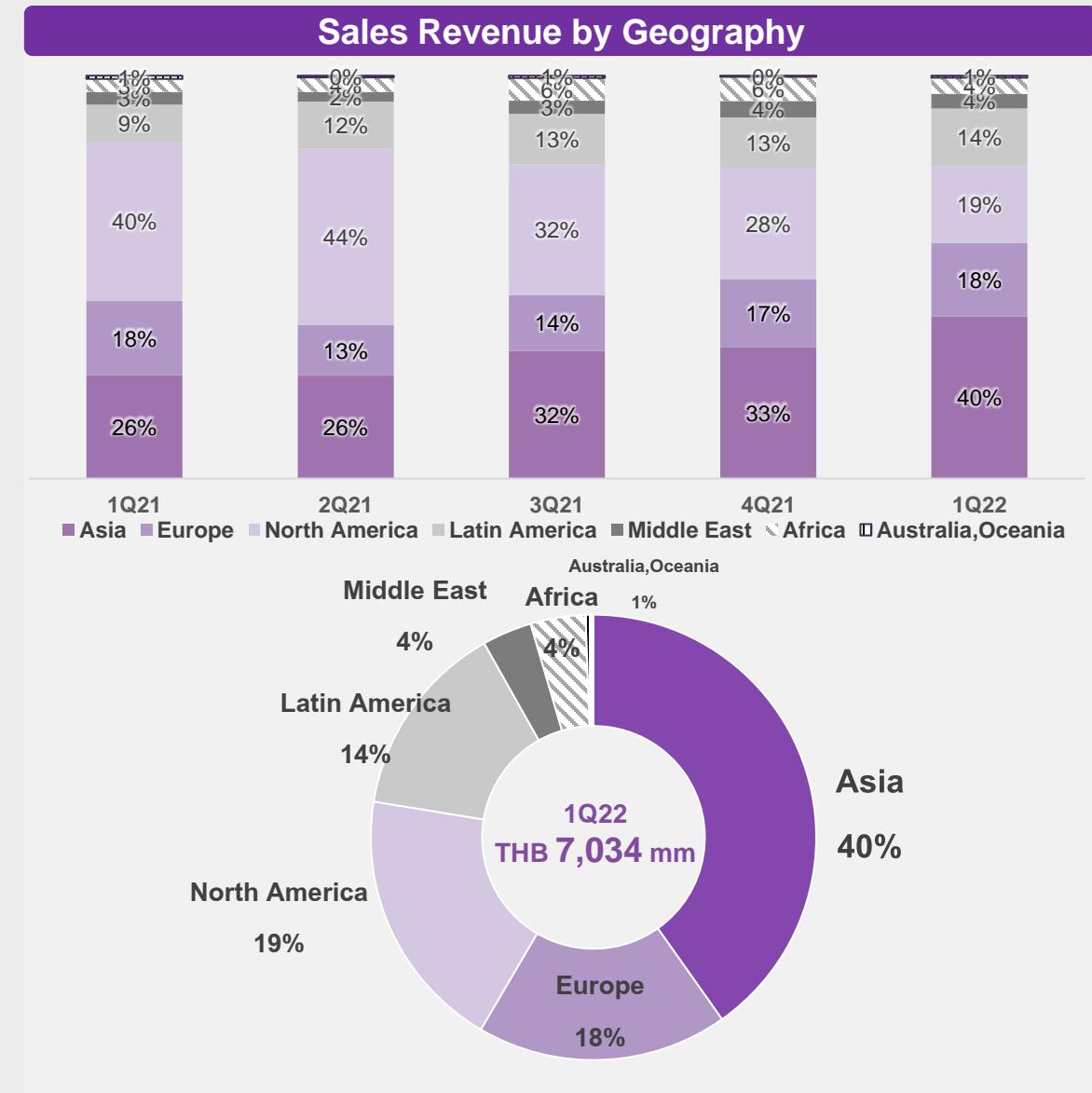
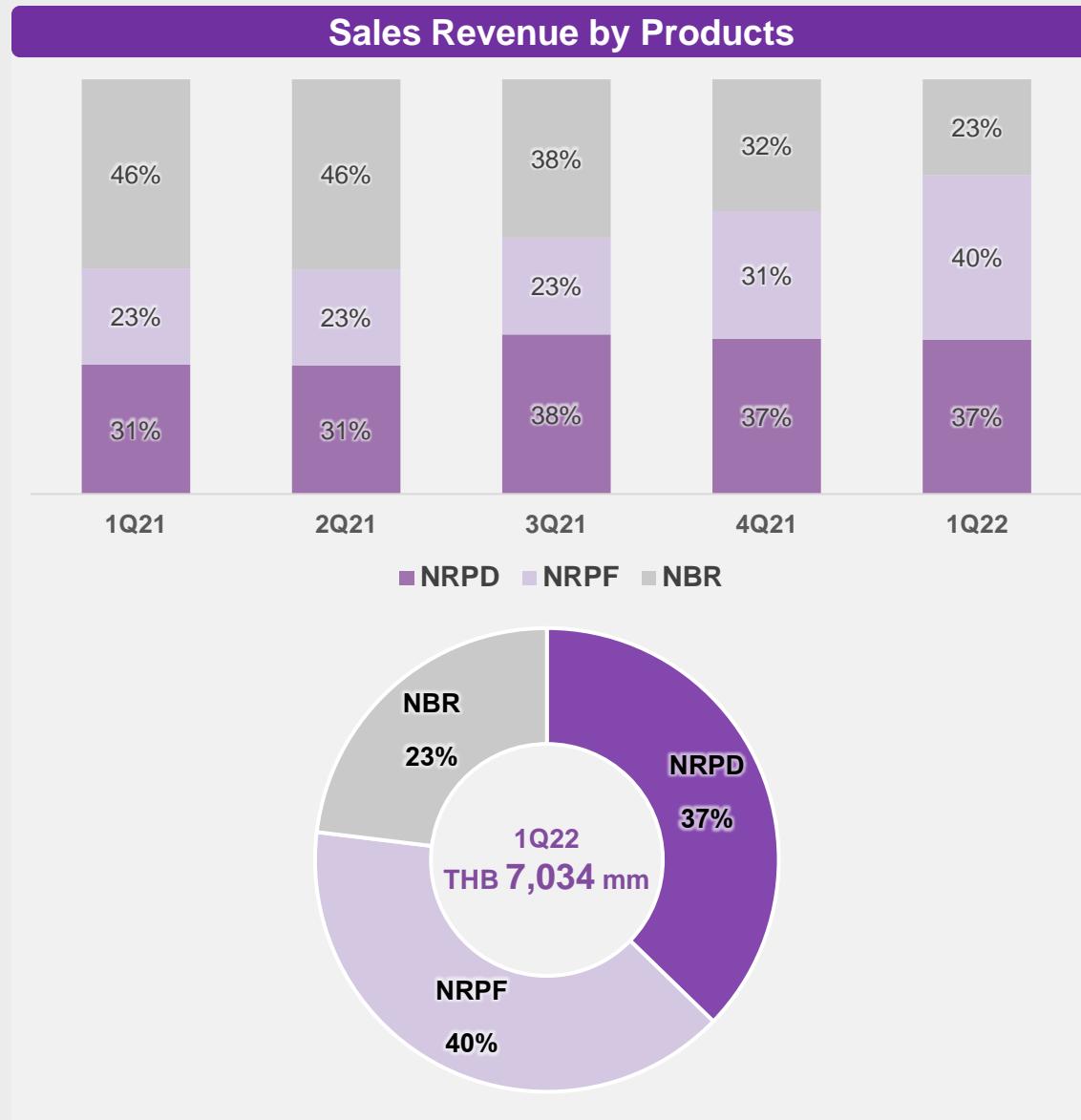
# Sales Revenue



# Sales Volume

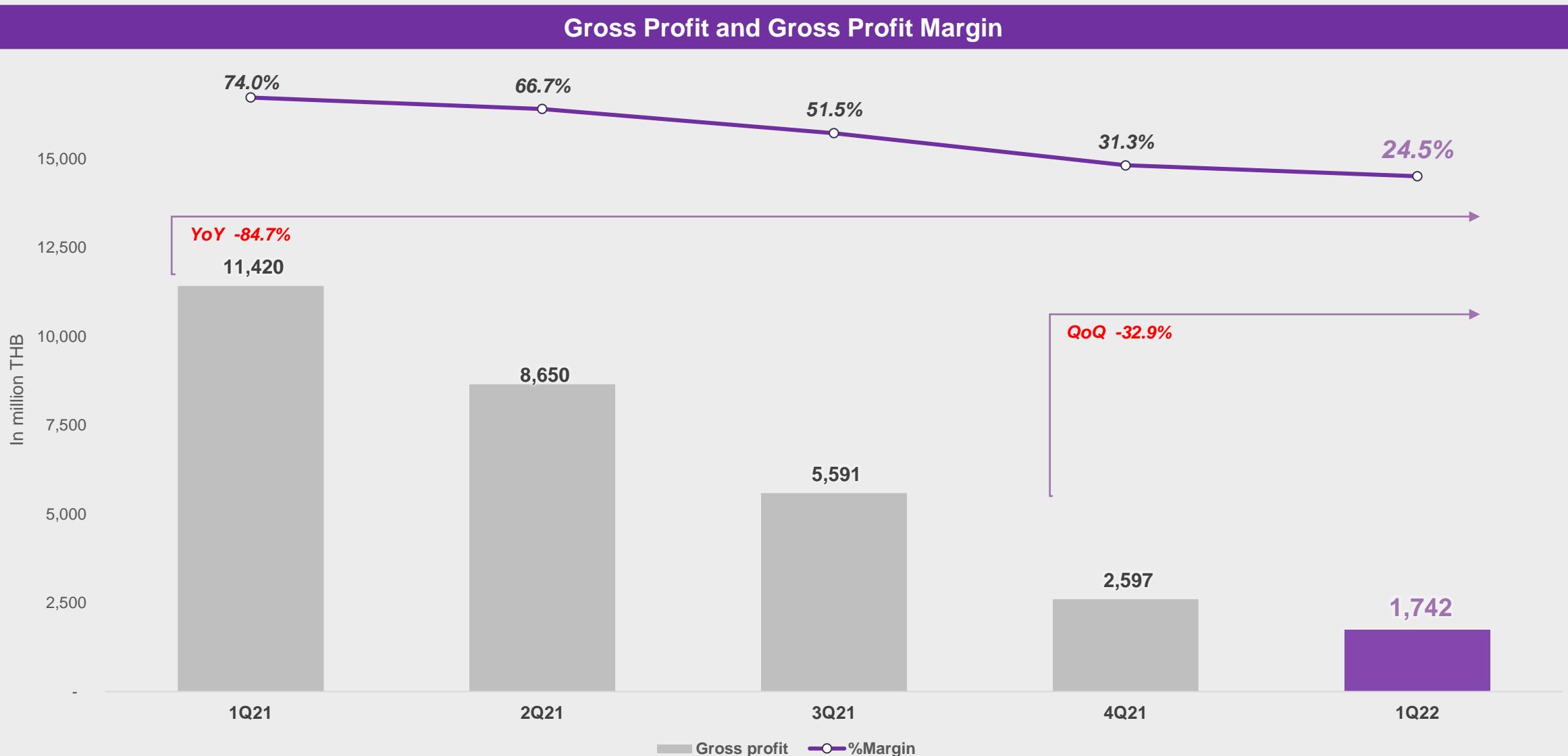


# Sales Revenue Breakdown



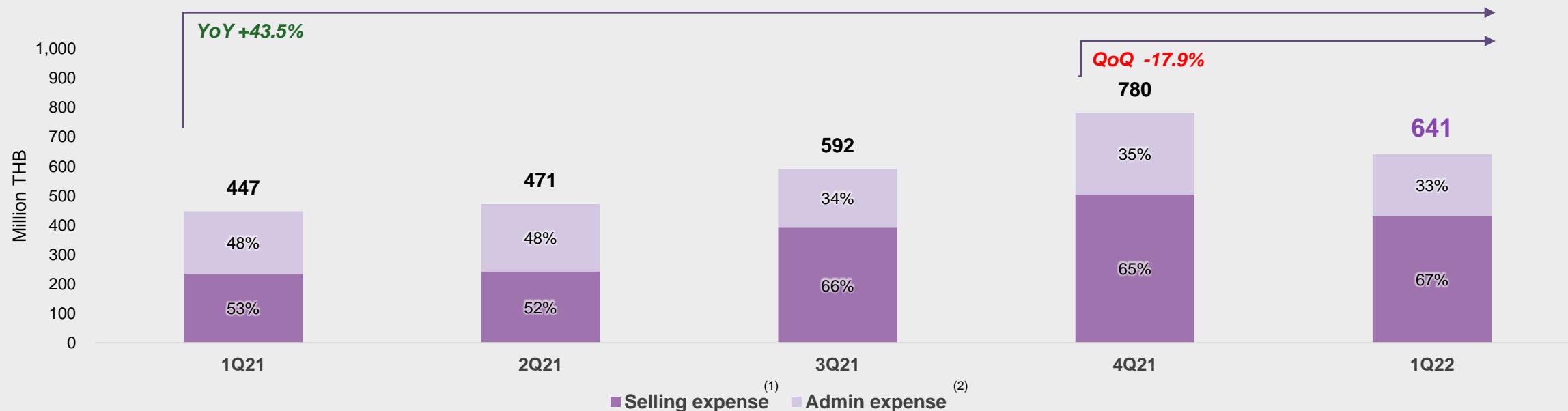
# Gross Profit Margin

## Gross Profit and Gross Profit Margin

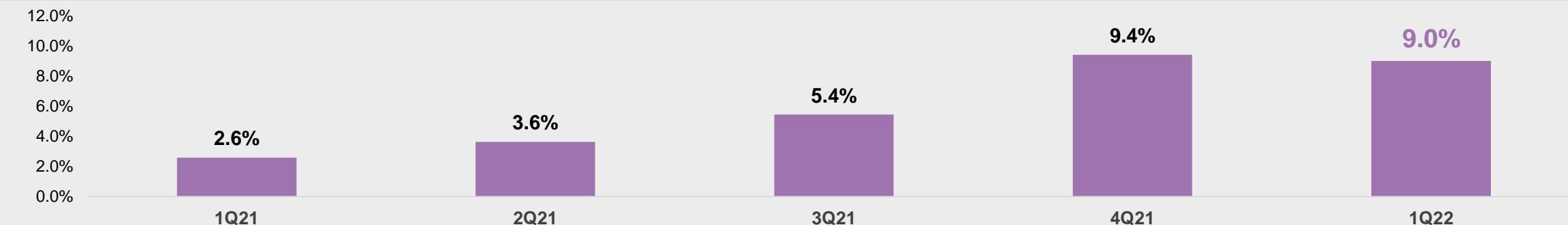


# SG&A

## SG&A Breakdown



## SG&A/Sales

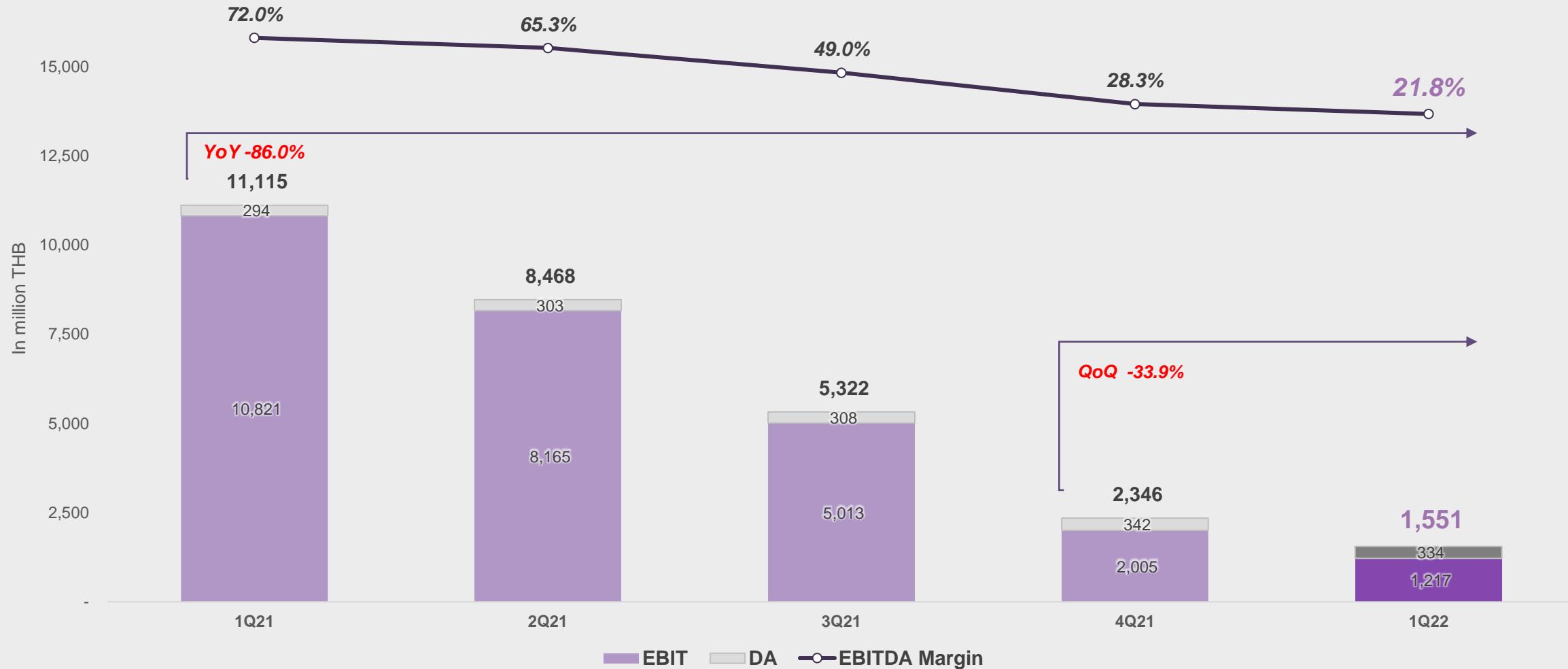


Note: (1) includes transportation, salary, commission, promotional expenses and insurance

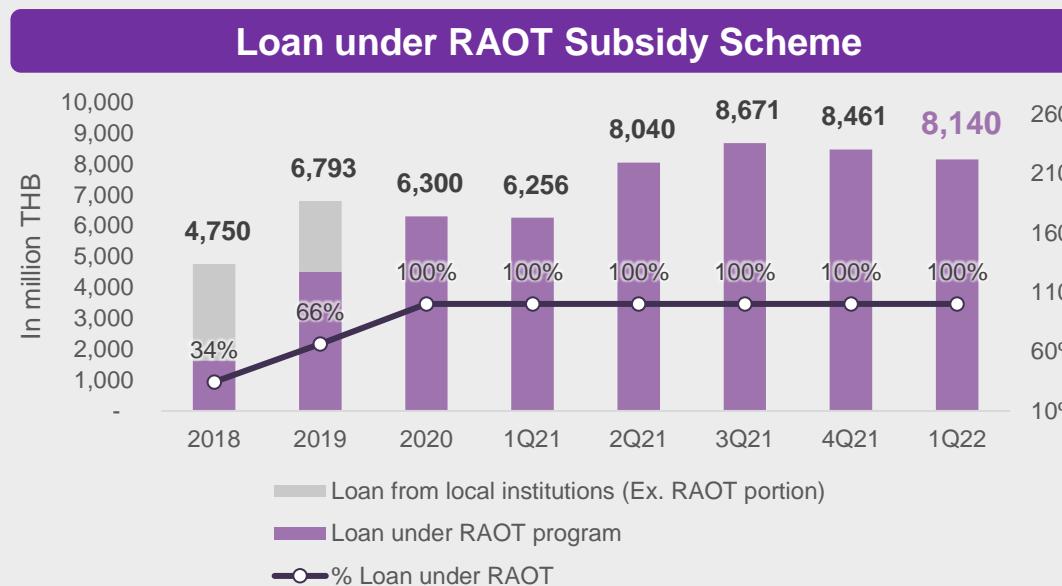
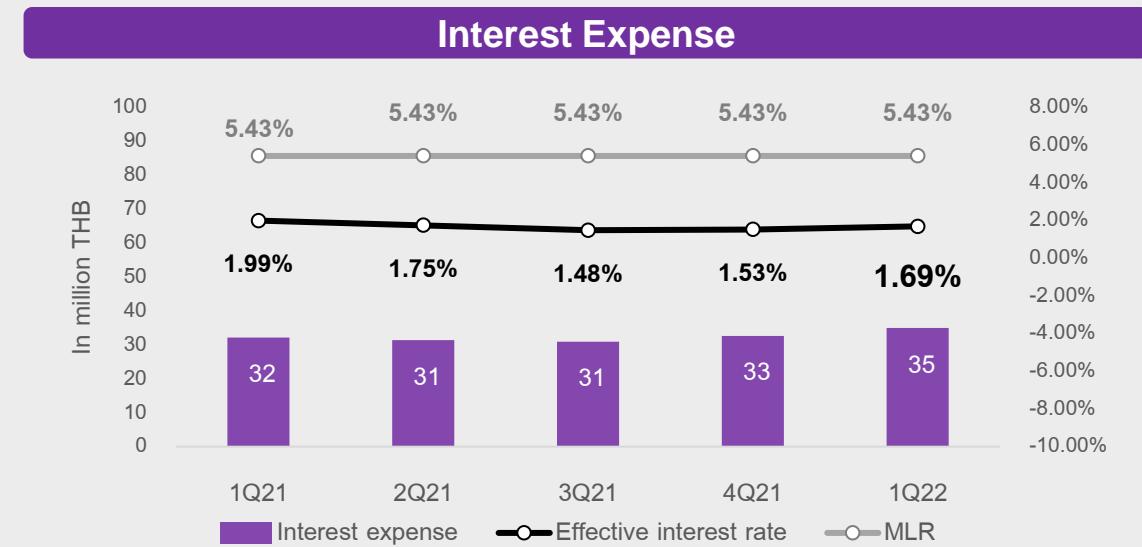
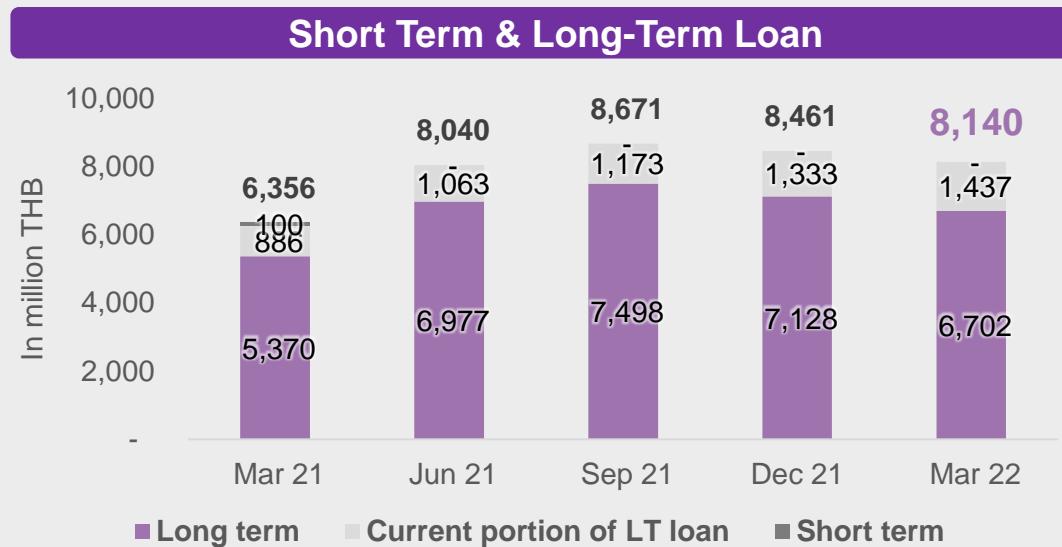
(2) includes salary, office rental, professional fee and bank charge

# EBITDA

## EBITDA and EBITDA Margin



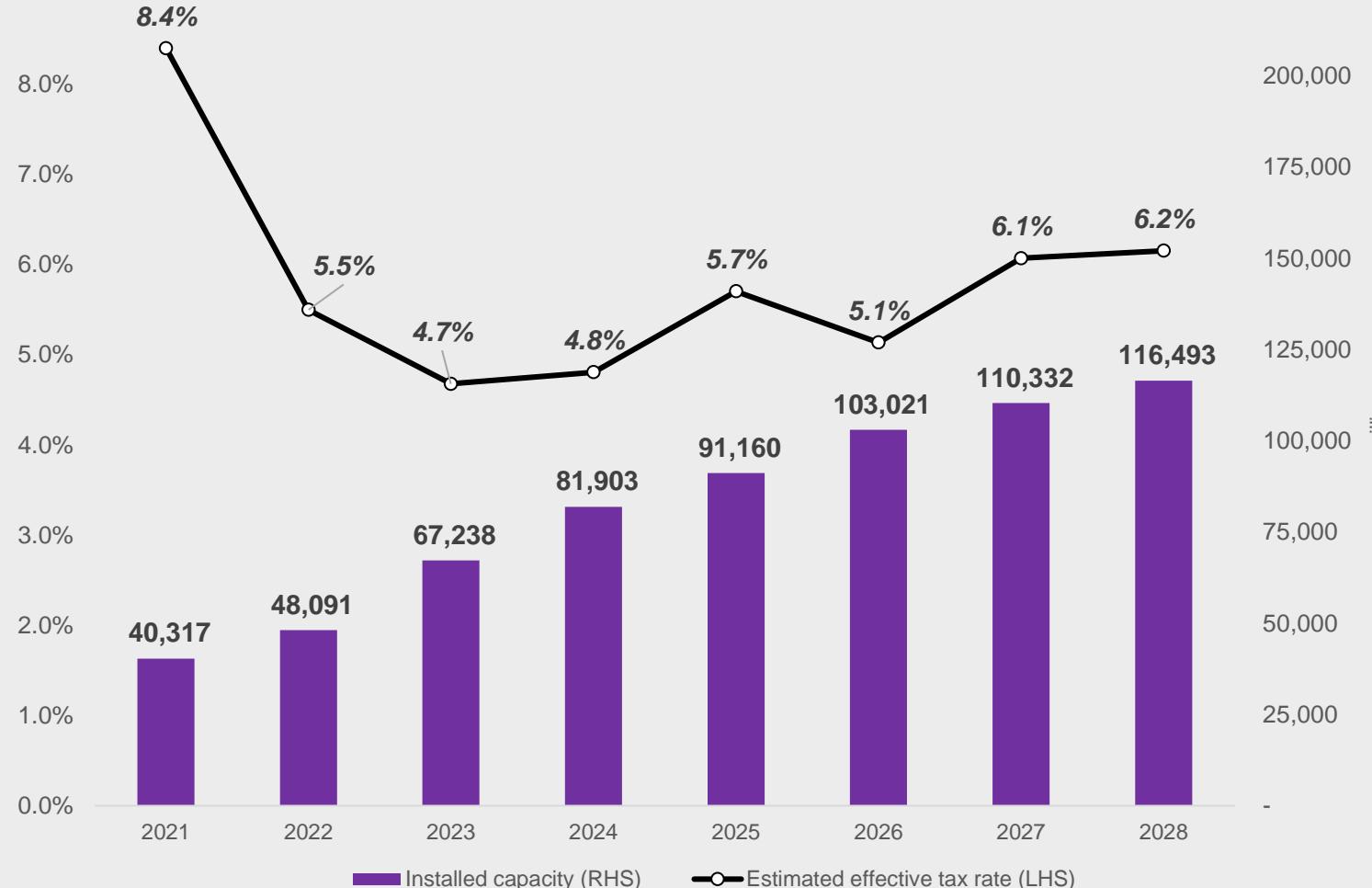
# Low Interest Expenses



- **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**
- **During 3Q-4Q each year, STGT will receive the interest refund booked in other incomes item.**

# Effective Tax Rate Estimated in Single Digit

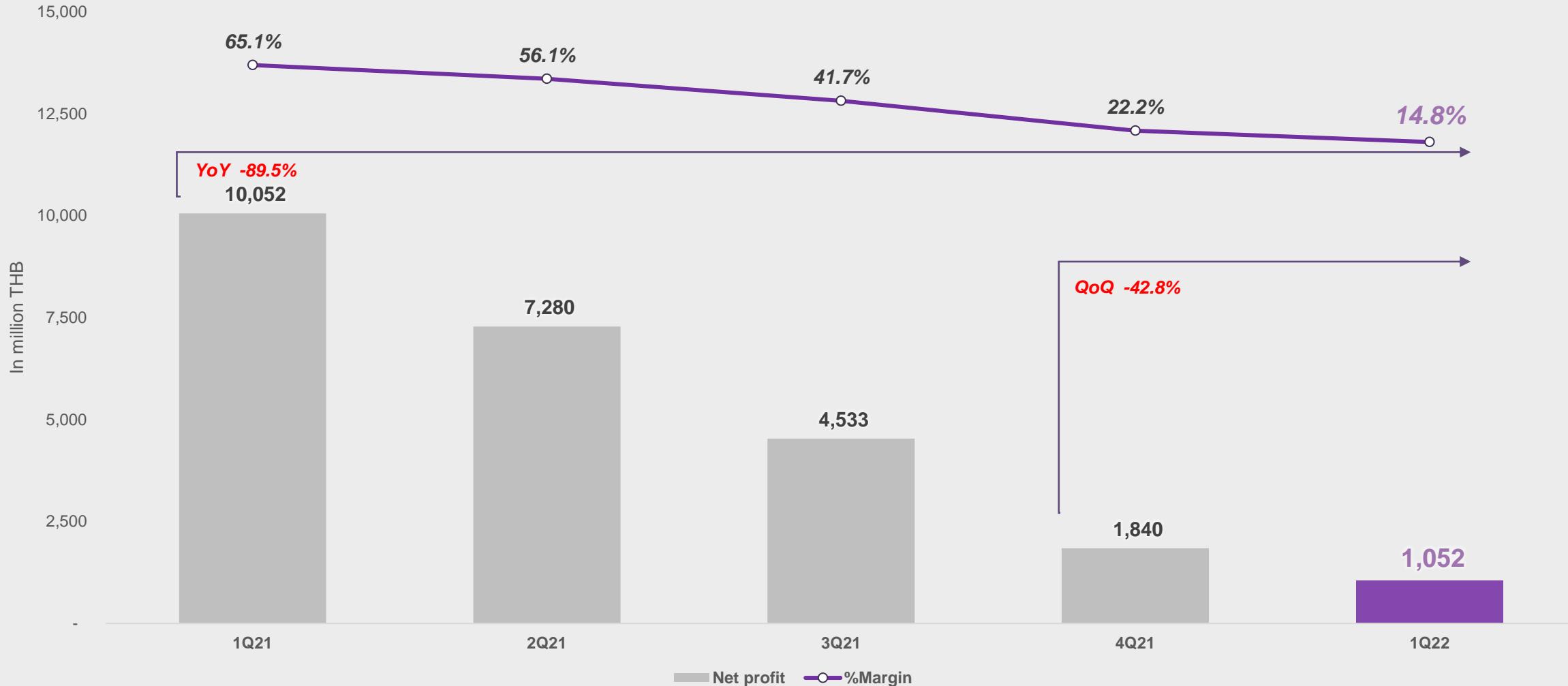
## Estimated Effective Tax Rate 2021 - 2028



- In 1Q22, our effective tax rate was at 11.0%, which rose from the normal period due to an increase in net profit of our oversea subsidiaries.
- 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.

# Net Profit

## Net Profit and Net Profit Margin

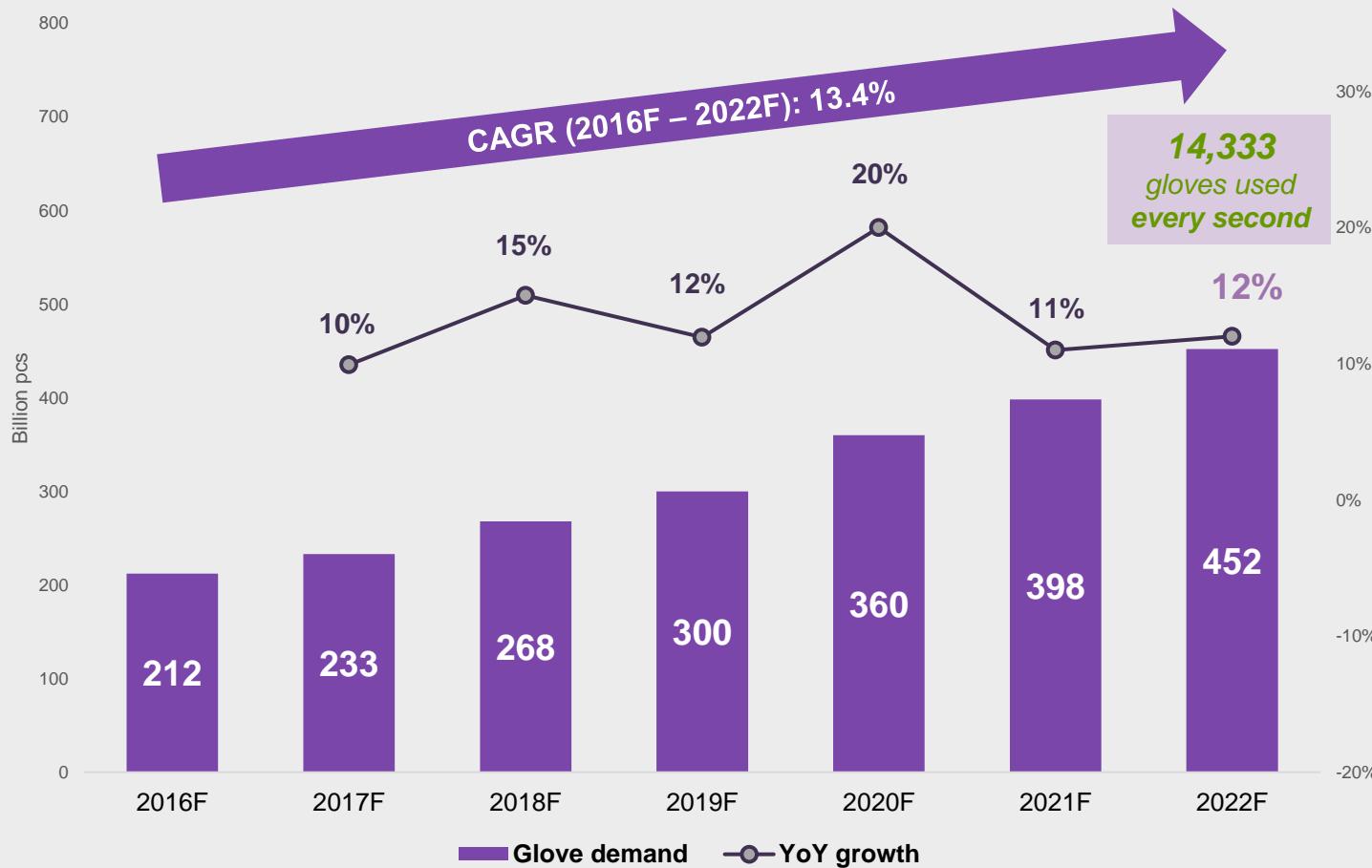




# GLOVES BUSINESS

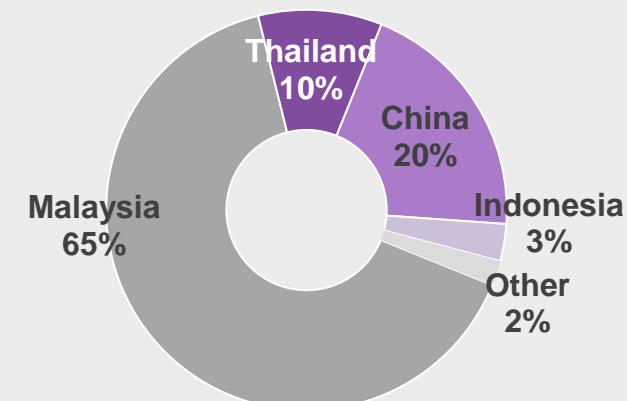
# Double Digit Growth for Long-Term Global Glove Demand

## Forecasted Global Rubber Glove Demand during 2016 - 2022

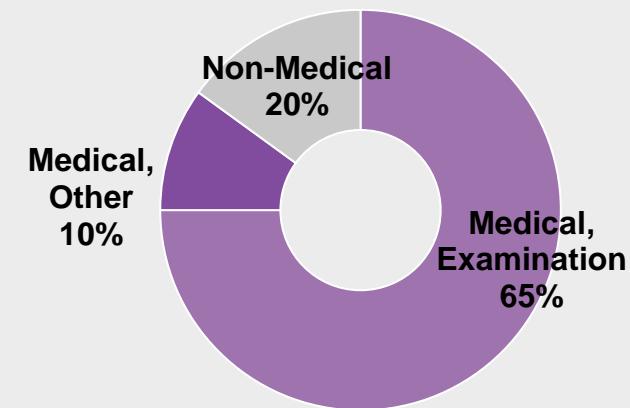


## Global Market Share

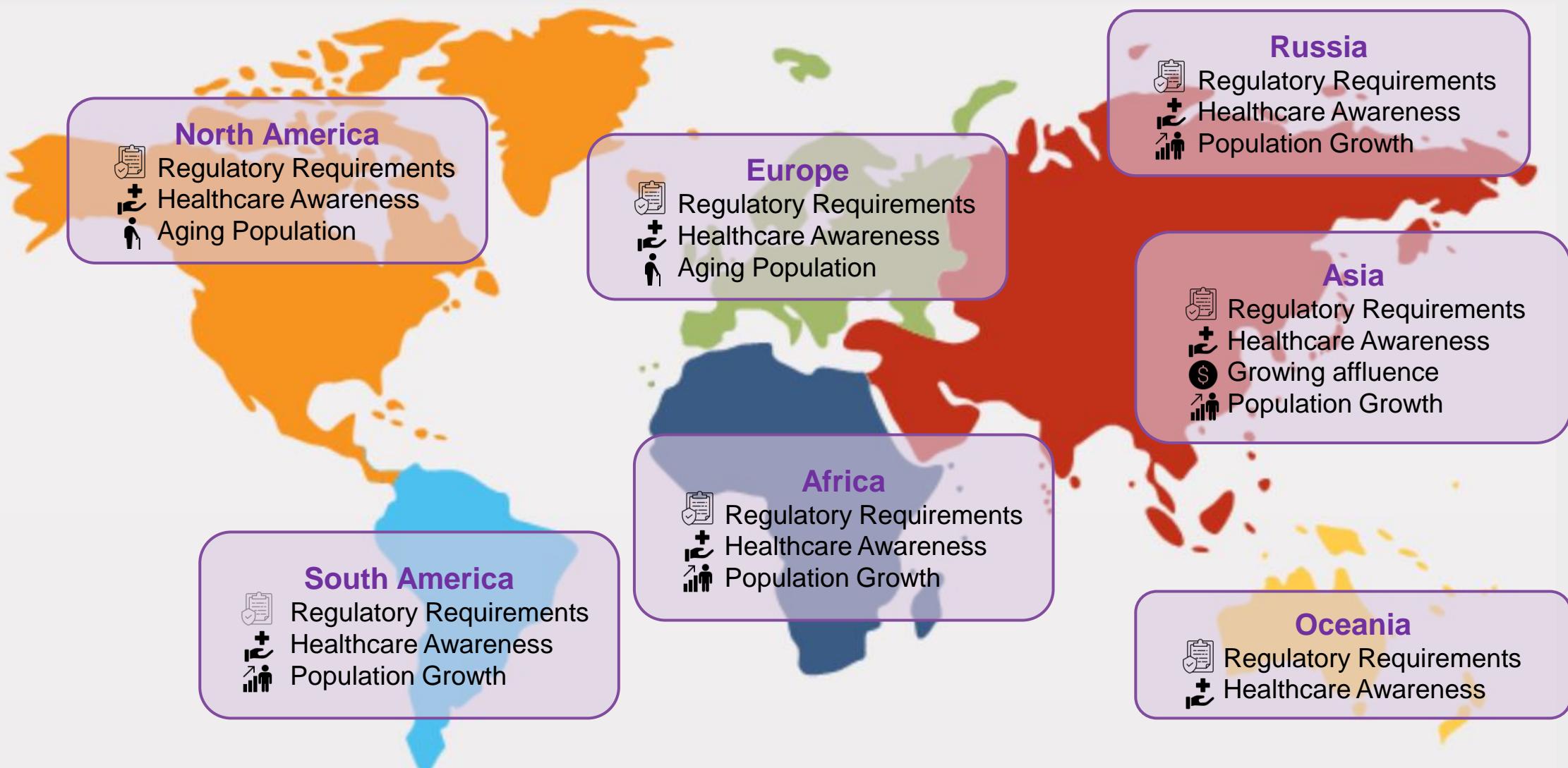
Estimation for 2022



## Category by application



# Key Growth Drivers in Short-Term and Long-term



# 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

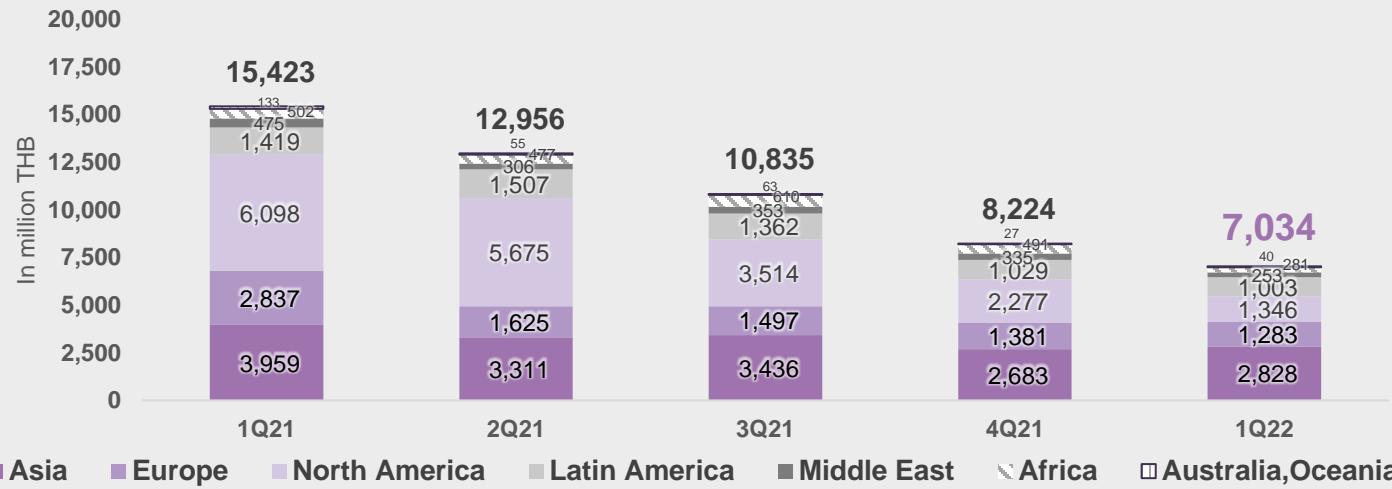
Services & Hospitality

Household

Specialized medical applications

# STGT's Market Diversification

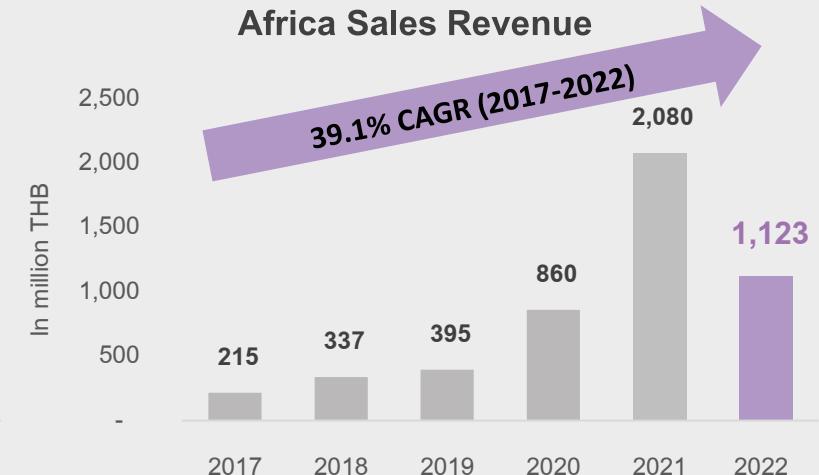
## Gloves' Sales Revenue by Region



## 1Q22:

- Even the ASP decreased QoQ, the rise of sales volume in ASIA was able to fully offset. So the sales volume in Asia could grow QoQ.
- In others markets like North America and Latin America, we could maintain positive momentum thanks to our highly diversifies products comparing to peers.

## High Growth Region

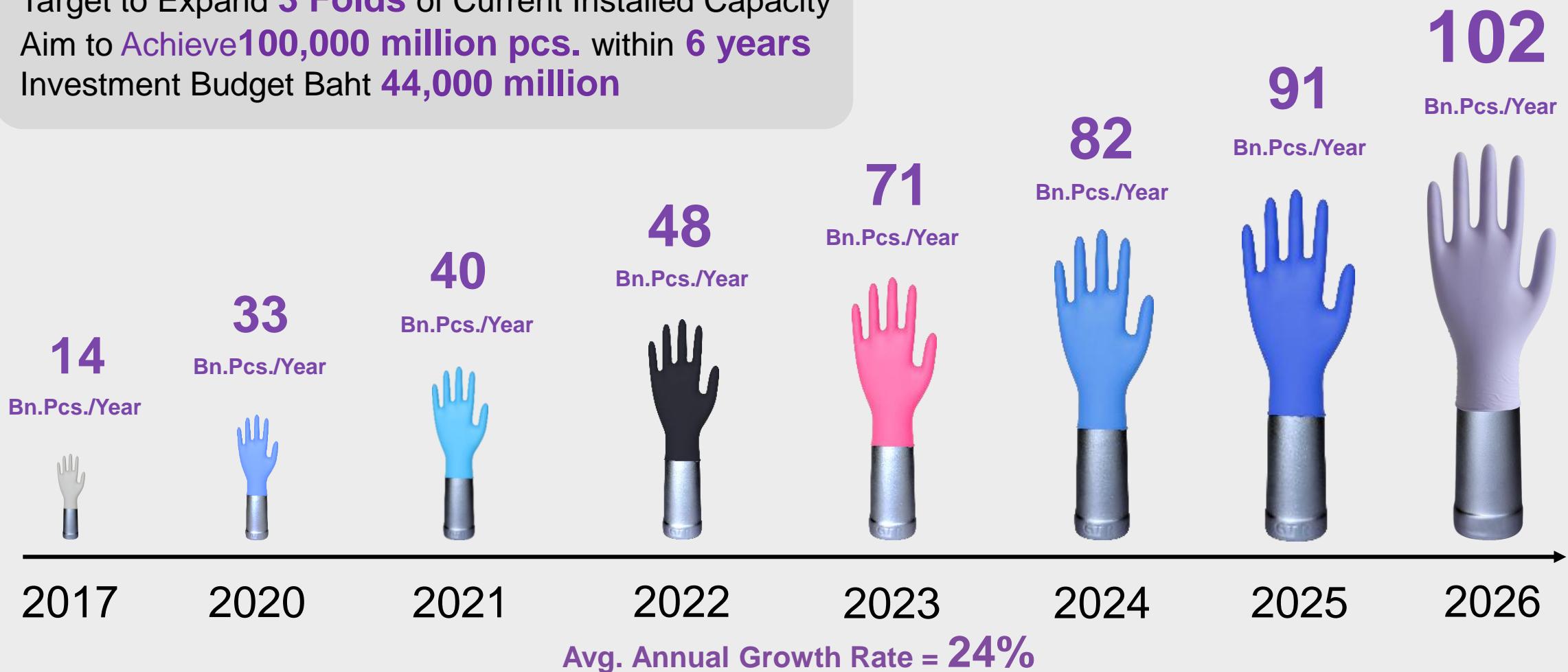


# BUSINESS OUTLOOKS



# 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**



# STGT's Capacity Expansion Plan

## Strategic Location for Key Suppliers and Tax Privileges

Completed	
Project	CP (1Q22)
Installed Capacity	13,064 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex
<b>Trang Plant</b> 	
3	
Installed Capacity <sup>(1)</sup>	10,092 mm pieces per year
Main Raw Material	Concentrated Latex
<b>Completed</b> Project TG3 (1Q22) Tax exemption: 5 Years	
Installed Capacity	3,110 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex
<b>New</b> Project TG4 (1Q23). Tax exemption: 5 Years	
Installed Capacity	7,465 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex
<b>New</b> Project TG5 (1Q23) Tax exemption: 5 Years	
Installed Capacity	6,169 mm pieces per year
Main Raw Material	Concentrated Latex



**1 Surat Thani Plant**  


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

**2 Hat Yai Plant**  

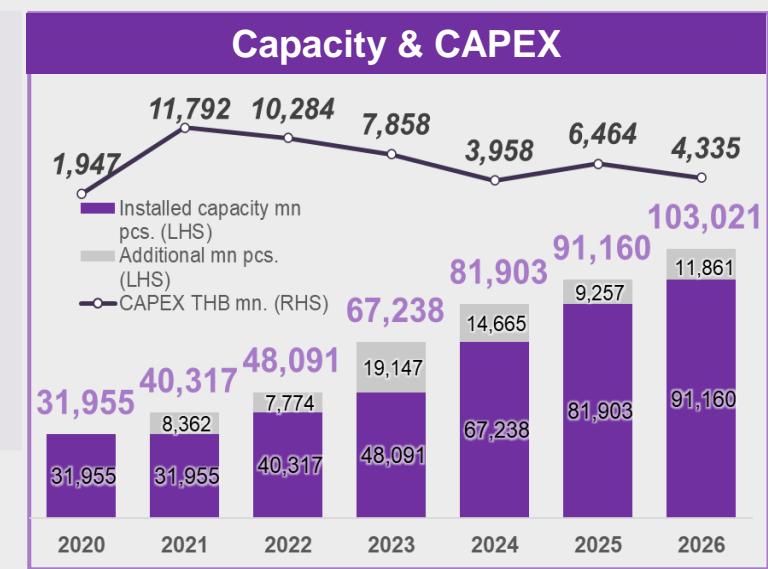

Project	SR3 (2Q21)
Installed Capacity	3,992 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

**Completed**  
Project SR2 (1Q21)  
Tax exemption: 5 Years

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

**Completed**  
Project SR3 (2Q21)  
Tax exemption: 5 Years

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



# Commercial Run in 2022

## TG3 Plant in Trang

*Commercial Run: February 2022 & Installed Capacity: 3.1 bn.pcs./year*



## ANV Plant in Songkhla

*Commercial Run: March 2022 & Installed Capacity: 7.3 bn.pcs./year*



## CP Plant in Chumphon

*Commercial Run in March 2022  
Installed Capacity: 13.1 bn.pcs./year*



NON DETECTABLE  
**PROTEIN**



## Clean World Clean Gloves (CWCG)

is the concept of sustainable business operations of Sri Trang Gloves which places the great importance on responsible operations and the manufacturing of high-quality and clean glove products.



Sustainable  
Sourcing

**NATUTEX**<sup>™</sup>

Natutex  
Latex



Low carbon  
production



Renewable  
energy



Clean  
Optimization

**SRI TRANG**  
GLOVES

**Total Extracatable Protein**  
(tested according to ASTM D5712-15)

	Detection limit	Result
<b>Total Extractable Protein</b>	2.2µg/ml or 7µg/dm <sup>2</sup>	b.d.

b.d. - below detection limit, 2.2µg/ml.

**Quantity of 4 Principal Allergenic Proteins**  
(tested according to ASTM D7427-16)

	Quantitation Limit	Result
<b>Hev b 1</b>	< 0.050µg/g	UQ
<b>Hev b 3</b>	< 0.050µg/g	UQ
<b>Hev b 5</b>	< 0.025µg/g	UQ
<b>Hev b 6.02</b>	< 0.025µg/g	UQ

UQ - unquantifiable i.e. result below the limit of quantitation.

**Caution: Safe use of this glove by or on latex-sensitized individuals has not been established yet.**



Reduce Chloride residue by **63%**

# Our New Product: Latex Surgical Gloves



***Project Budget: 30 Million Baht***

Location	STGT HY3
Target completion & Target to Launch	4Q2022
Capacity	1.7 mil pair/month or 20 mil pair/year
Market Potential (Domestic Market)	20 mil pair/year





**SRI TRANG™  
GLOVES**

**「THANK YOU VERY MUCH」**



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