



**SRI TRANG
GLOVES**

「Touch Of Life™」

Company Presentation | 4Q21 & FY21

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

18 February 2022



FTSE SET50 Index



The Stock Exchange of Thailand

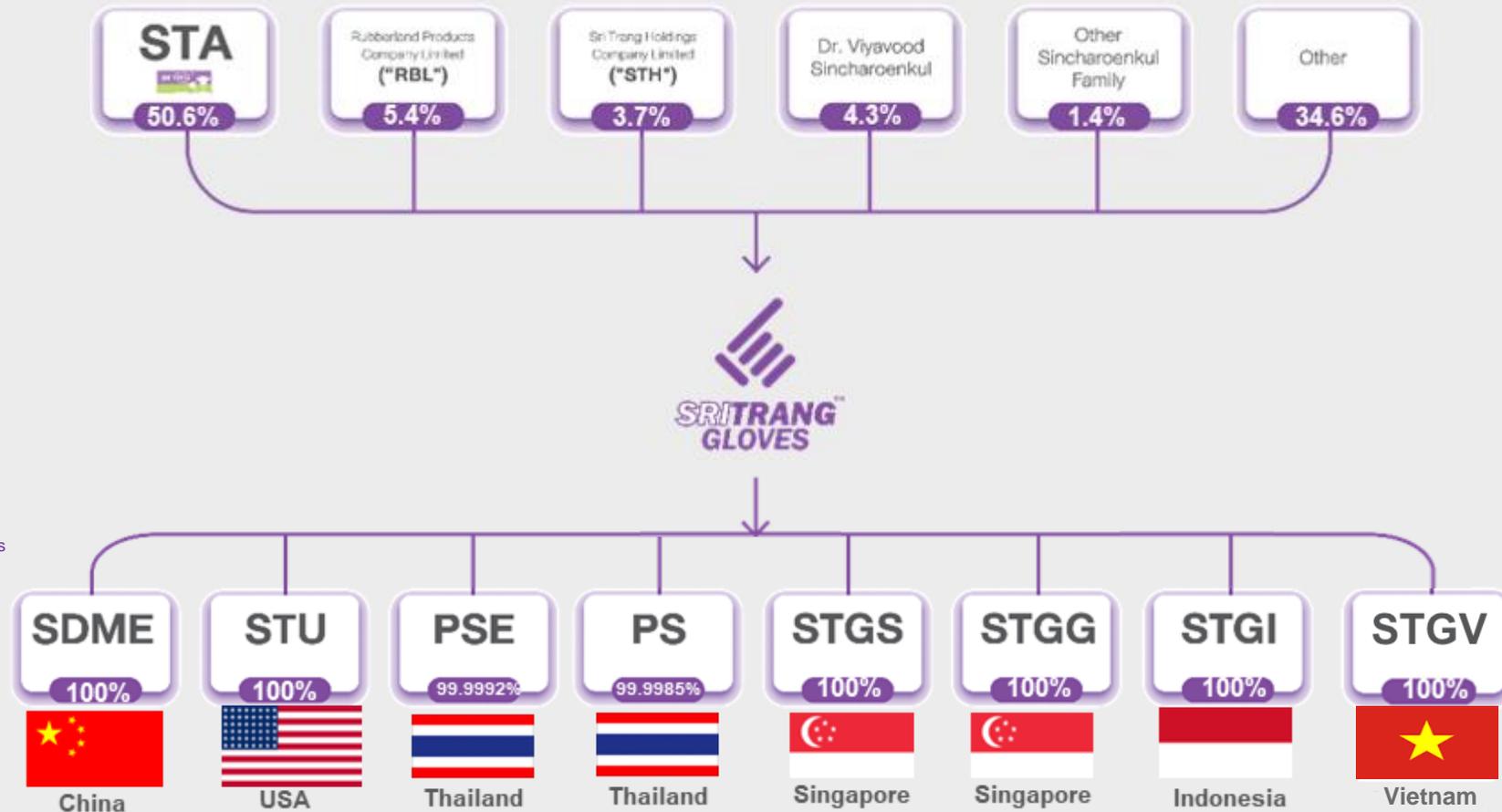
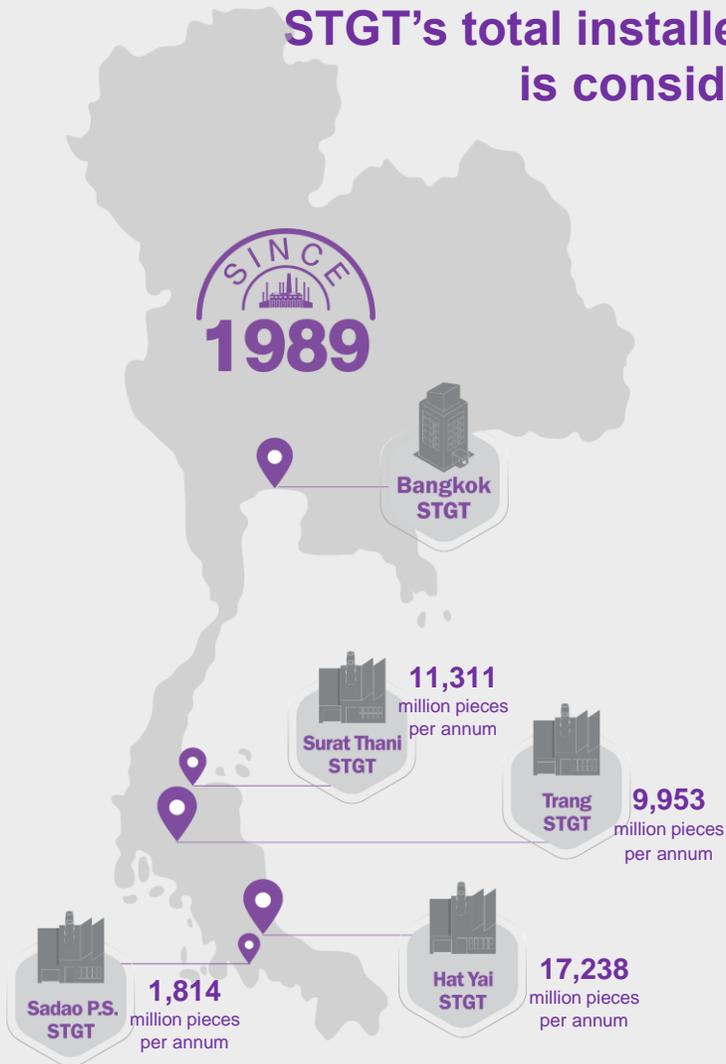


COMPANY OVERVIEW

STGT At Glance FY2021

STGT's total installed capacity approx. **40,300** million pieces per annum is considered world's #3 rubber gloves manufacturer

Group Structure



STGT's Products

LATEX POWDERED: NRPD



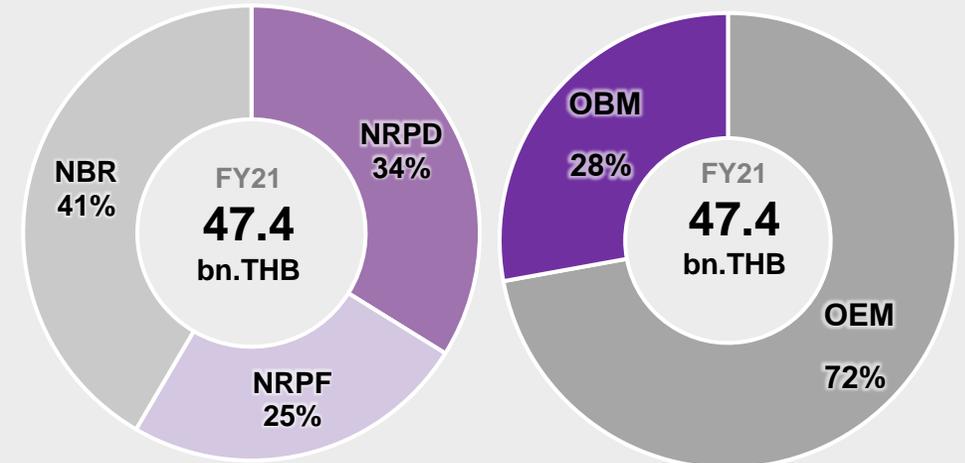
LATEX POWDER-FREE: NRPF



NITRILE: NBR



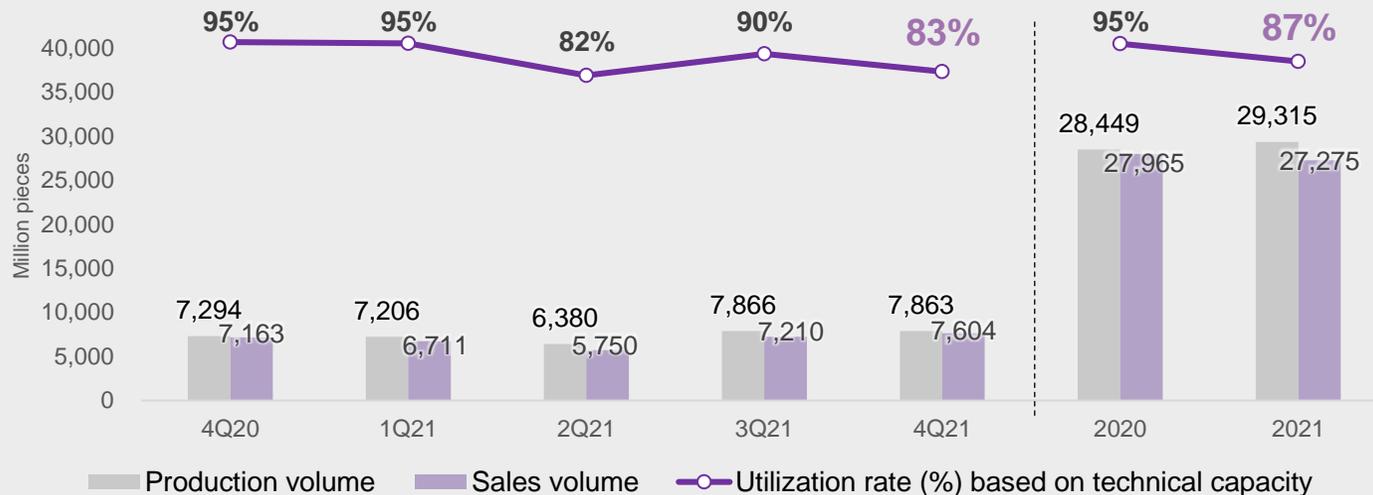
STGT's Product Mix by Gloves Sales



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

12-month data as of 31/12/2021

Sales Volume & Production



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.

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.

6. Interest subsidy

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

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.



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 of NR Gloves

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



4Q21:

- **Sales volume increased QoQ**
Thanks to the improved situation of containers & ocean vessel space shortage, yet less than expected.
- **ASP decreased QoQ**
The increase in new supply caused price competition in the market.
- **Decline in margins**
 - Lower utilization rate (83%) due to global logistic problem, ASP pressure, and slower decrease of latex prices compared to ASP.
 - Continued increase of freight affected lower net profit margin

FY21:

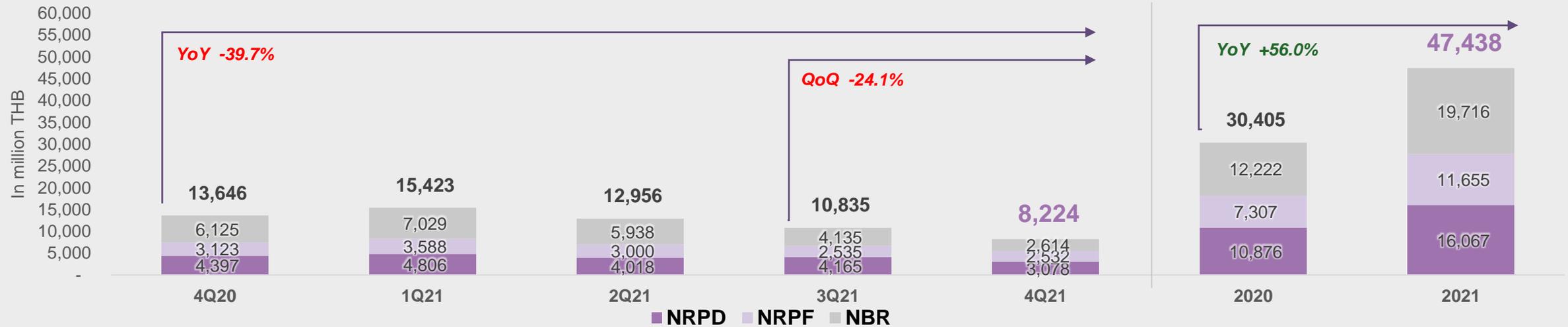
- **Sales volume decreased marginally YoY**
Due to the containers & ocean vessel space shortage & COVID-19 cases in our facilities in 2Q21.
- **ASP rose YoY**
Due to strong market demand despite new supply came out throughout the year.
- **Top end profitability margin**
among international and local peers
- **Continued dividend payment**
> 50% payout for two consecutive years.

4Q21 & FY21 Financial Highlights

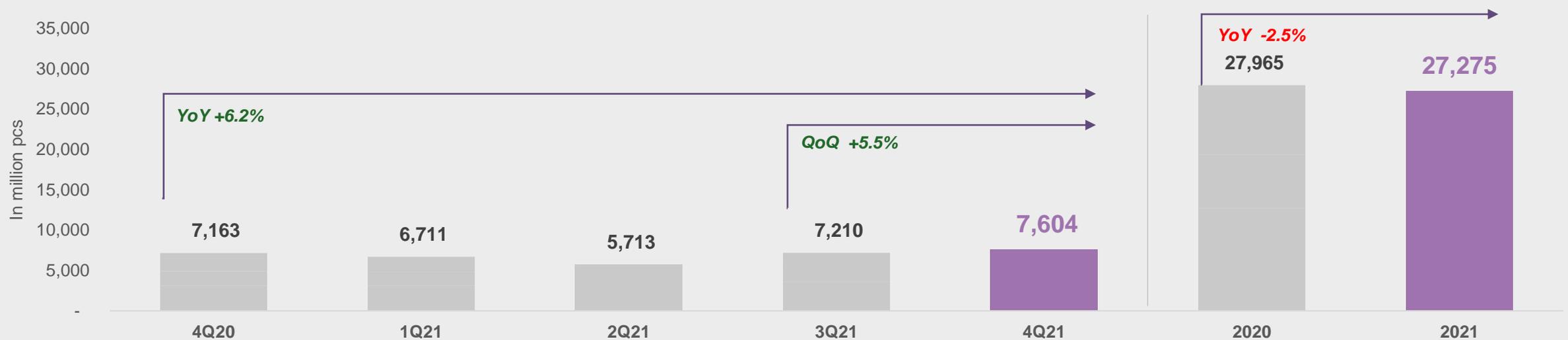
(In million THB)				Restate				Restate
	4Q21	3Q21	%QoQ	4Q20	%YoY	FY2021	FY2020	%YoY
Volume (in million pcs.)	7,604.1	7,210.1	5.5%	7,162.9	6.2%	27,275.5	27,964.8	-2.5%
Sales revenue	8,285.4	10,864.0	-23.7%	13,684.8	-39.5%	47,550.8	30,552.4	55.6%
COGS	(5,688.5)	(5,272.9)	7.9%	(3,887.9)	46.3%	(19,291.8)	(13,665.4)	41.2%
Gross profit	2,596.91	5,591.16	-53.6%	9,797.00	-73.5%	28,259.01	16,887.02	67.3%
Other income	73.9	254.4	-71.0%	81.1	-8.9%	362.5	247.1	46.7%
SG&A	(780.2)	(591.7)	31.9%	(437.4)	78.4%	(2,242.8)	(1,164.9)	92.5%
Gain (loss) on exchange rate, net	(42.0)	233.3	118.0%	(10.3)	307.3%	598.1	161.3	270.9%
Other gains, net	127.4	(499.9)	125.5%	92.1	38.4%	(1,079.4)	(62.4)	1630.3%
Operating profit (loss)	1,976.0	4,987.2	-60.4%	9,522.5	-79.2%	25,897.4	16,068.0	61.2%
EBITDA	2,317.5	5,321.7	-56.5%	9,819.0	-76.4%	27,222.5	17,160.5	58.6%
EBIT	1,976.0	5,013.5	-60.6%	9,522.5	-79.2%	25,975.4	16,068.0	61.7%
Finance income	28.6	26.3	8.9%	29.2	-2.1%	106.5	39.6	169.1%
Finance costs	(32.7)	(31.0)	5.4%	(33.2)	-1.6%	(127.4)	(143.2)	-11.1%
EBT	1,971.9	4,982.5	-60.4%	9,518.6	-79.3%	25,876.6	15,964.4	62.1%
Tax	(132.3)	(449.7)	-70.6%	(990.6)	-86.6%	(2,172.5)	(1,548.7)	40.3%
Net profit	1,839.7	4,532.8	-59.4%	8,528.0	-78.4%	23,704.2	14,415.7	64.4%
GP margin	31.3%	51.5%	-20.1%	71.6%	-40.2%	59.4%	55.3%	4.2%
EBITDA margin	28.0%	49.0%	-21.0%	71.8%	-43.8%	57.2%	56.2%	1.1%
Net profit margin	22.2%	41.7%	-19.5%	62.3%	-40.1%	49.9%	47.2%	2.7%
Financial Ratio								
Current ratio	5.23	6.55	-20.1%	5.50	-4.8%	5.23	5.50	-4.8%
Cash cycle (days)	45.53	48.48	-6.1%	27.04	68.4%	35.97	34.02	5.7%
IBD/E	0.22	0.22	1.9%	0.21	7.0%	0.22	0.21	7.0%
Interest coverage ratio	60.48	161.74	-62.6%	286.71	-78.9%	203.96	112.20	81.8%
ROA	14.0%	33.4%	-19.4%	75.4%	-61.4%	46.2%	32.6%	13.6%
ROE	18.8%	44.5%	-25.6%	105.3%	-86.4%	62.0%	45.5%	16.6%

Sales Revenue

Sales Revenue and Sales Growth

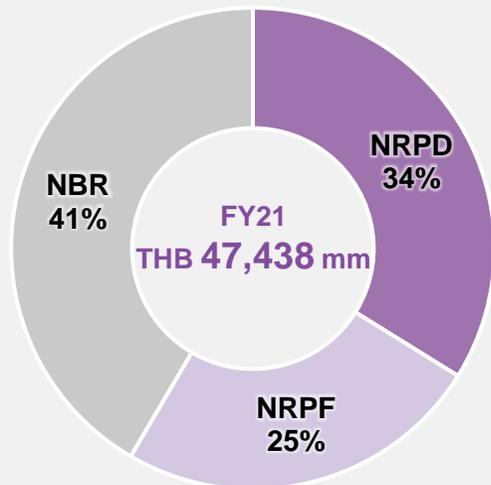
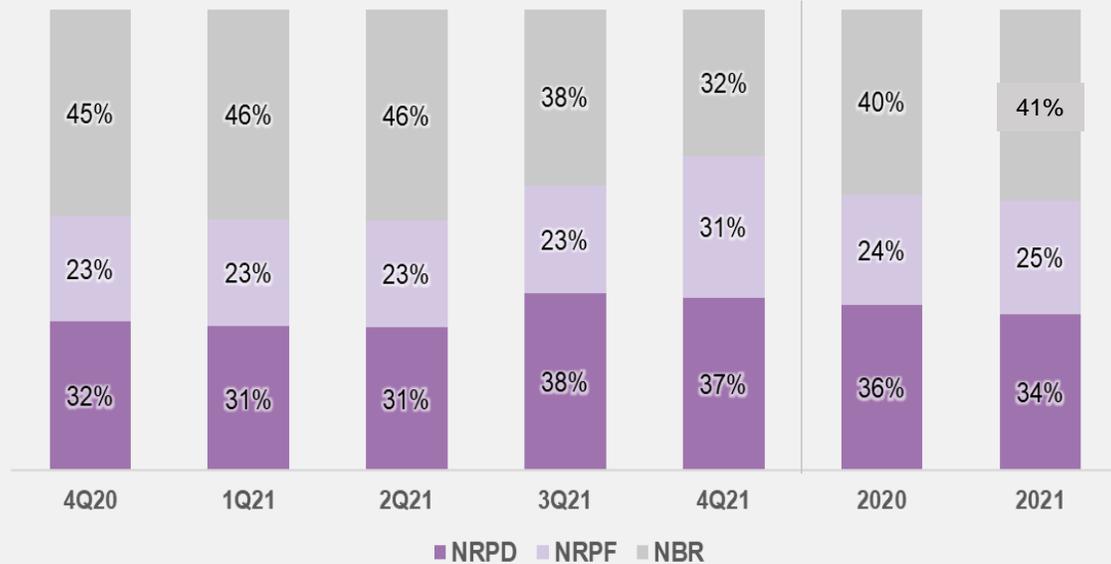


Sales Volume and Volume Growth

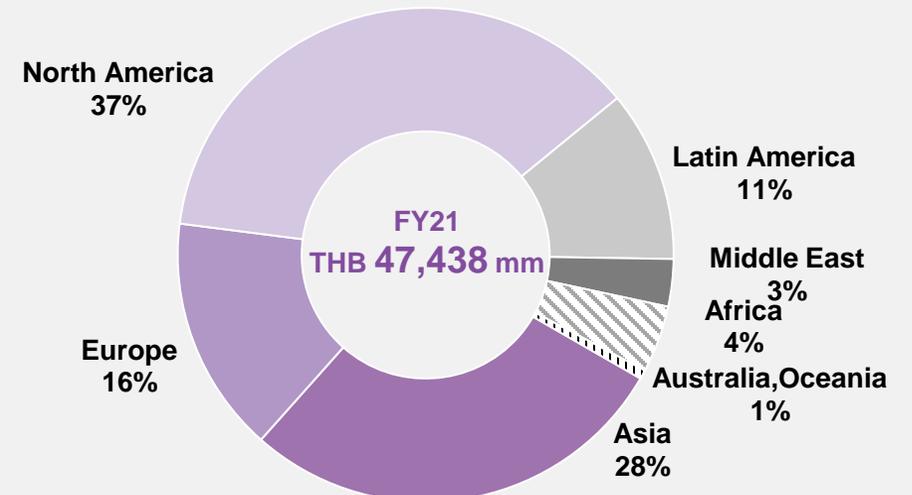
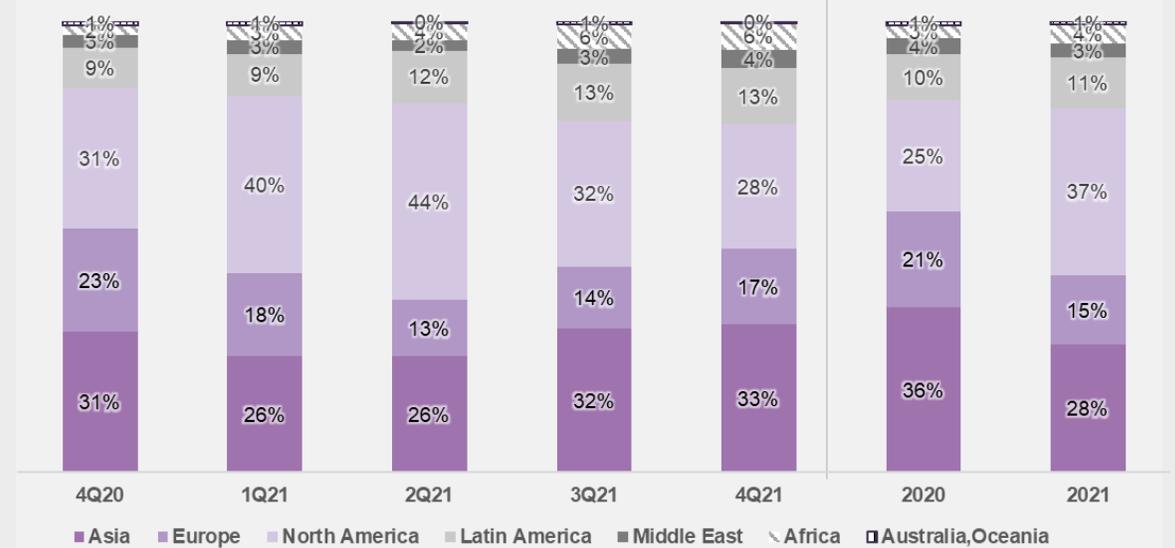


Gloves' Sales Revenue Breakdown

Sales Revenue by Products



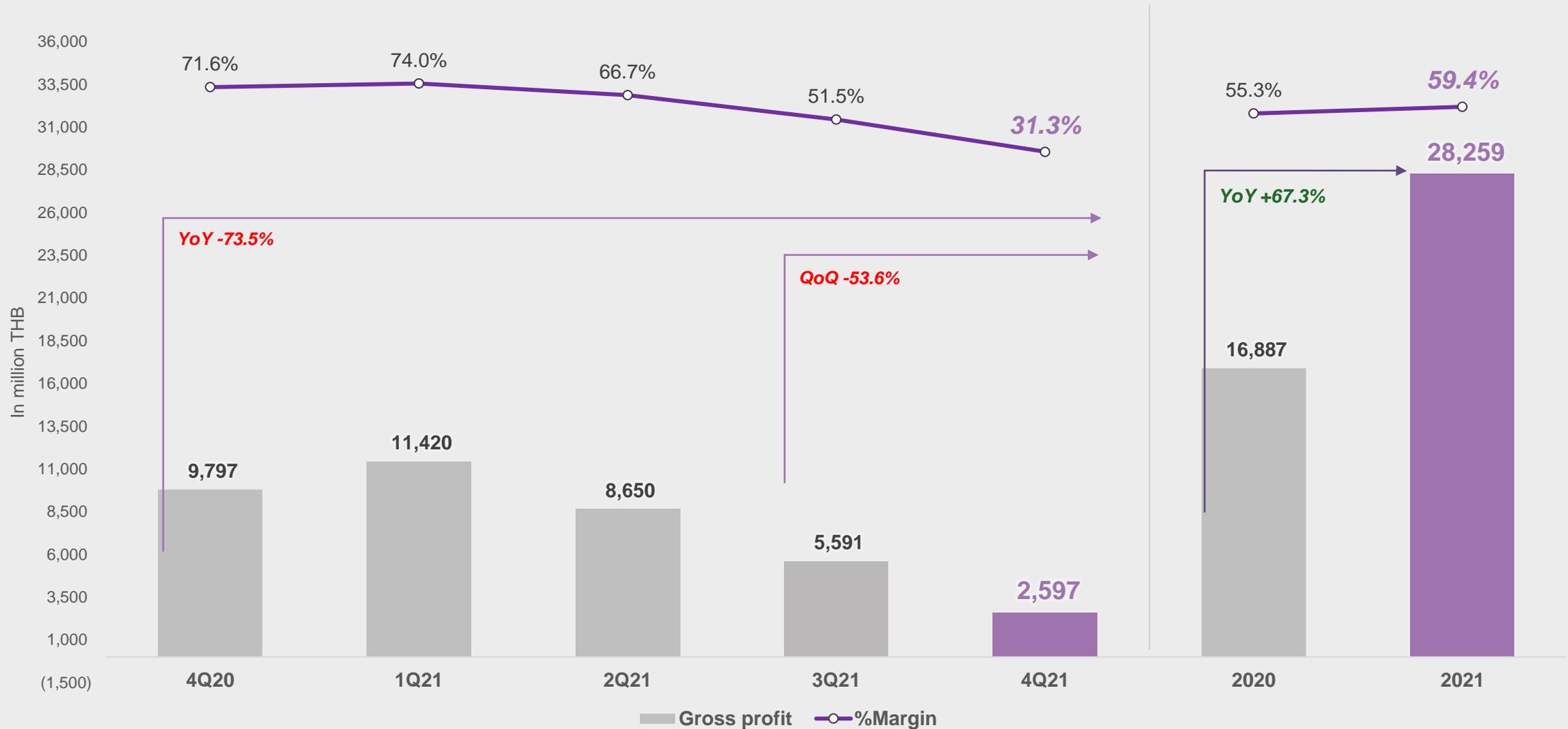
Sales Revenue by Geography



Gross Profit Margin

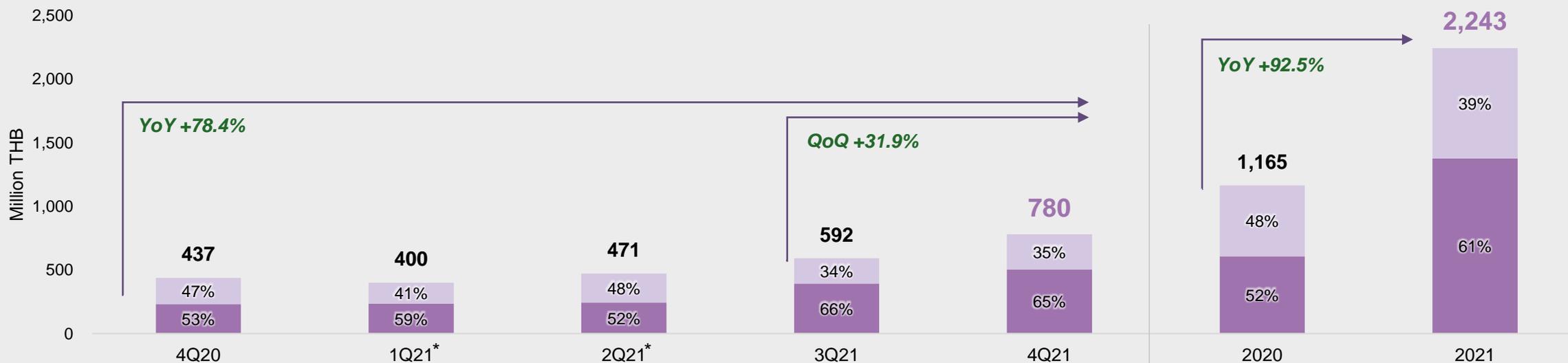
Raw Materials Decreased Slower than ASP

Gross Profit and Gross Profit Margin



SG&A Increased due to Logistic Costs

SG&A Breakdown



Note: * Admin expenses which related to the fire incident at SR3 in 1Q21 (THB 47.99 million) & 2Q21 (THB 0.51 million) has shown in other income.
 ■ Selling expense ⁽¹⁾ ■ Admin expense ⁽²⁾

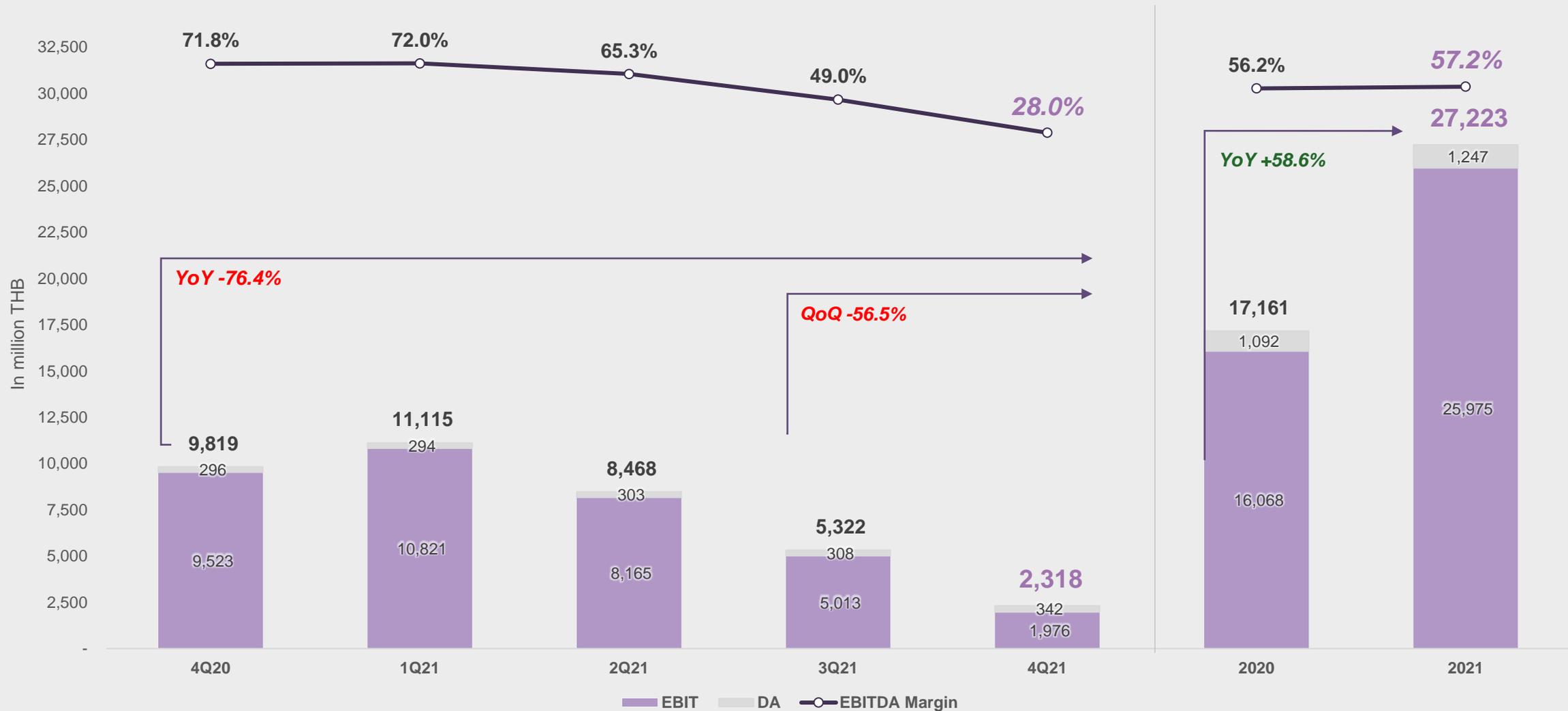
SG&A/Sales



Note: (1) includes transportation, salary, commission, promotional expenses and insurance
 (2) includes salary, office rental, professional fee and bank charge

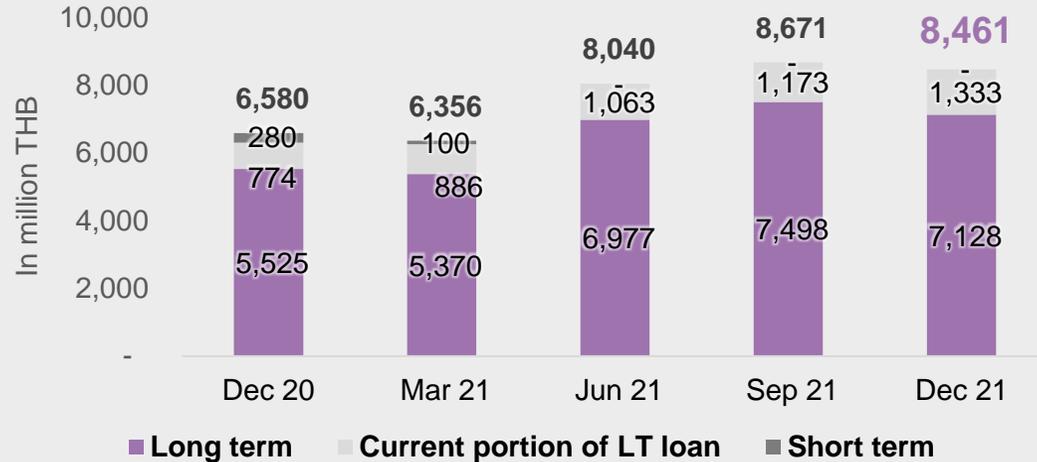
EBITDA Margin Declined in line with Gross Profit Margin

EBITDA and EBITDA Margin

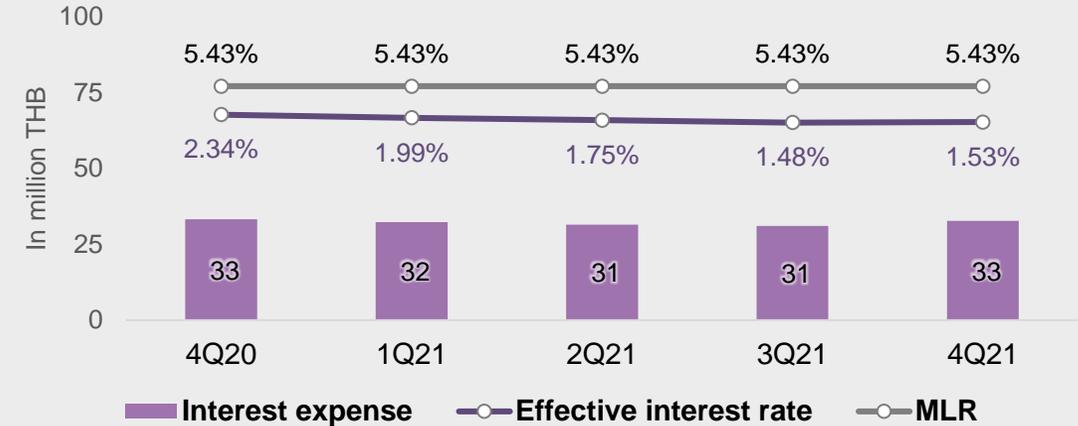


Low Interest Expenses

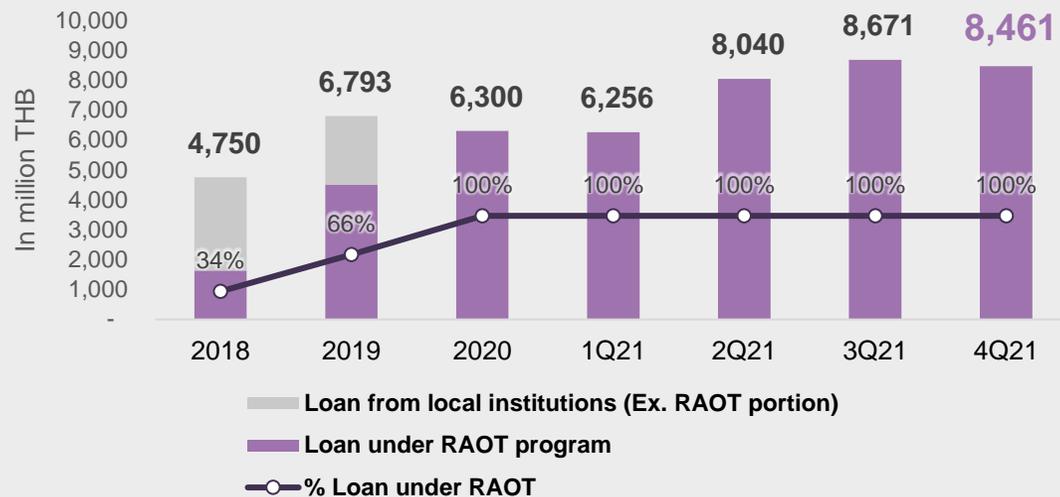
Short Term & Long-Term Loan



Interest Expense



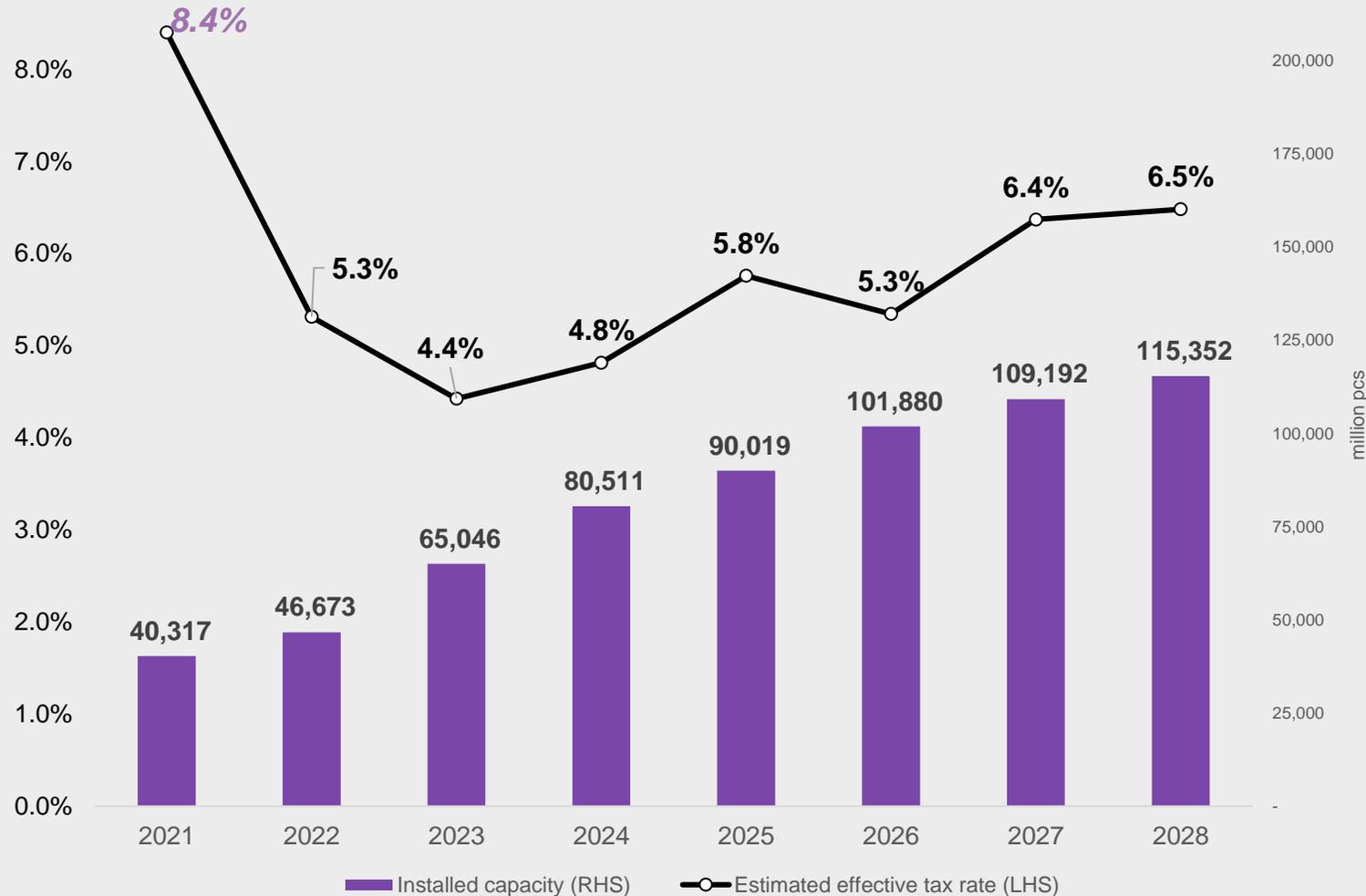
Loan under RAOT Subsidy Scheme



- RAOB 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 RAOB interest subsidy scheme
- In 3Q21, STGT received the interest refund in the amount of THB 150 million from RAOB.

Effective Tax Rate Estimated in Single Digit

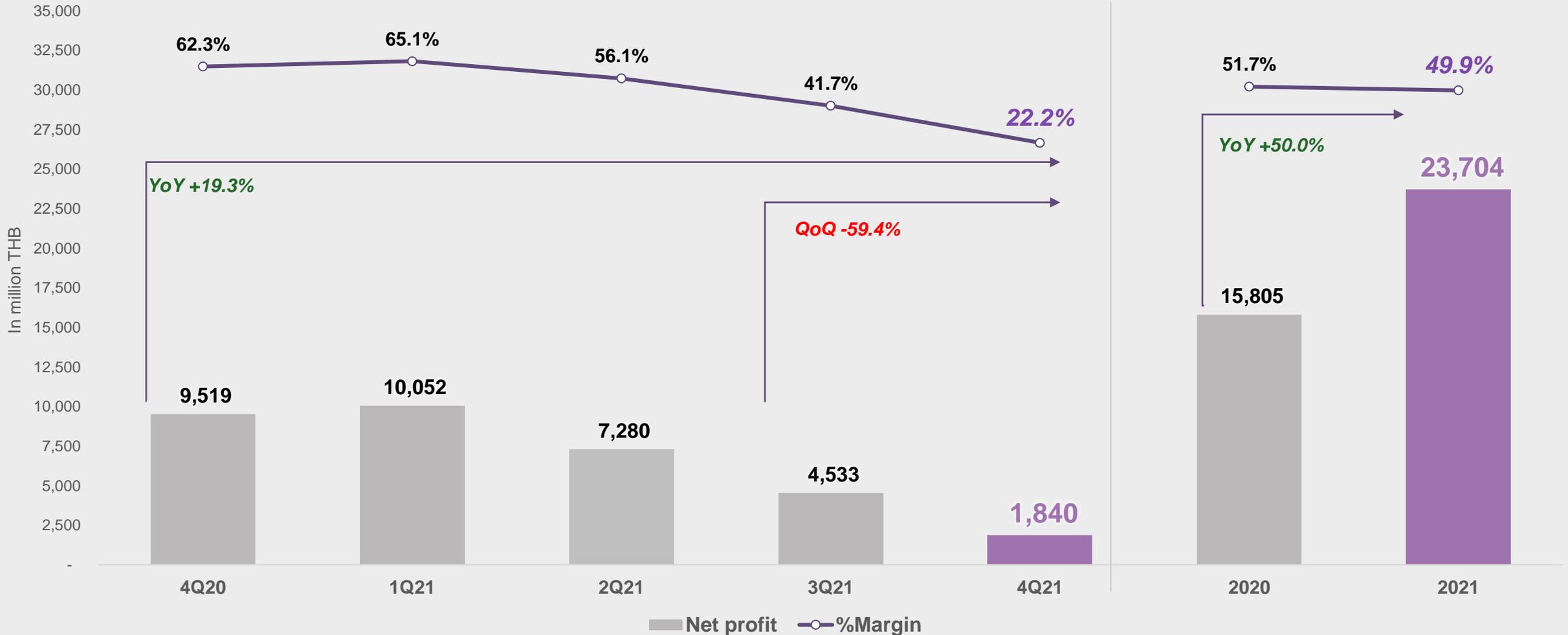
Estimated Effective Tax Rate 2021 - 2028



- **Effective tax rate was at 6.7% in 4Q21 and was at 8.4% in FY21.**
- **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 Margin Remained in The Top End of Glove Industry

Net profit and Net profit Margin



Remarkable Dividend Payment

The Company has a dividend policy to pay dividend distributions to shareholders

At least **50** percent of its net profit
based on the Company's separate financial statements

Moreover, the Company deemed it appropriate to determine *the interim dividend payments* for the year 2021.



Record Date	Declaration Date	Payable Date	Amount [Baht per Share]	% of PAT*
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2021

 Apr 20, 2022	Feb 17, 2022	May 5, 2022	0.65	93% [4Q21]	} 55% [YE21]
Nov 22, 2021	Nov 8, 2021	Dec 7, 2021	1.25	81% [3Q21]	
Aug 24, 2021	Aug 10, 2021	Sep 7, 2021	1.25	47% [2Q21]	
May 27, 2021	May 12, 2021	Jun 10, 2021	1.50	42% [1Q21]	
Apr 16, 2021	Feb 16, 2021	Apr 28, 2021	2.00		} 55% [YE20]
2020					
Nov 30, 2020	Nov 13, 2020	Dec 09, 2020	0.625		

Note: *Separate Financial Statements

Share Repurchase Program

Details

Maximum amount	not exceeding THB 3,600 million
Maximum shares	not exceeding 120 million shares of 4.2% of total issued shares
Channel	The Stock Exchange of Thailand (SET)
Timing	7 MAR – 6 SEP, 2022
Pricing	<p>The repurchase price shall not exceed 115% of the average closing price of 5 consecutive business days prior to each repurchase date.</p> <p>In this regard, the average share price for the last 30 consecutive business days from 5 January 2022, to 15 February 2022, was THB 29.54 per share. *</p>

Reasons for the share repurchase

- 1. To maximize the efficiency and benefit of the Company's management of excess liquidity.**
- 2. The share repurchase will enhance the ratios of the shareholders' returns such as Return on Equity (ROE) and the Earning Per Share (EPS).**
- 3. The Company believes in its potential to operate the business and can generate the revenue in the future.**

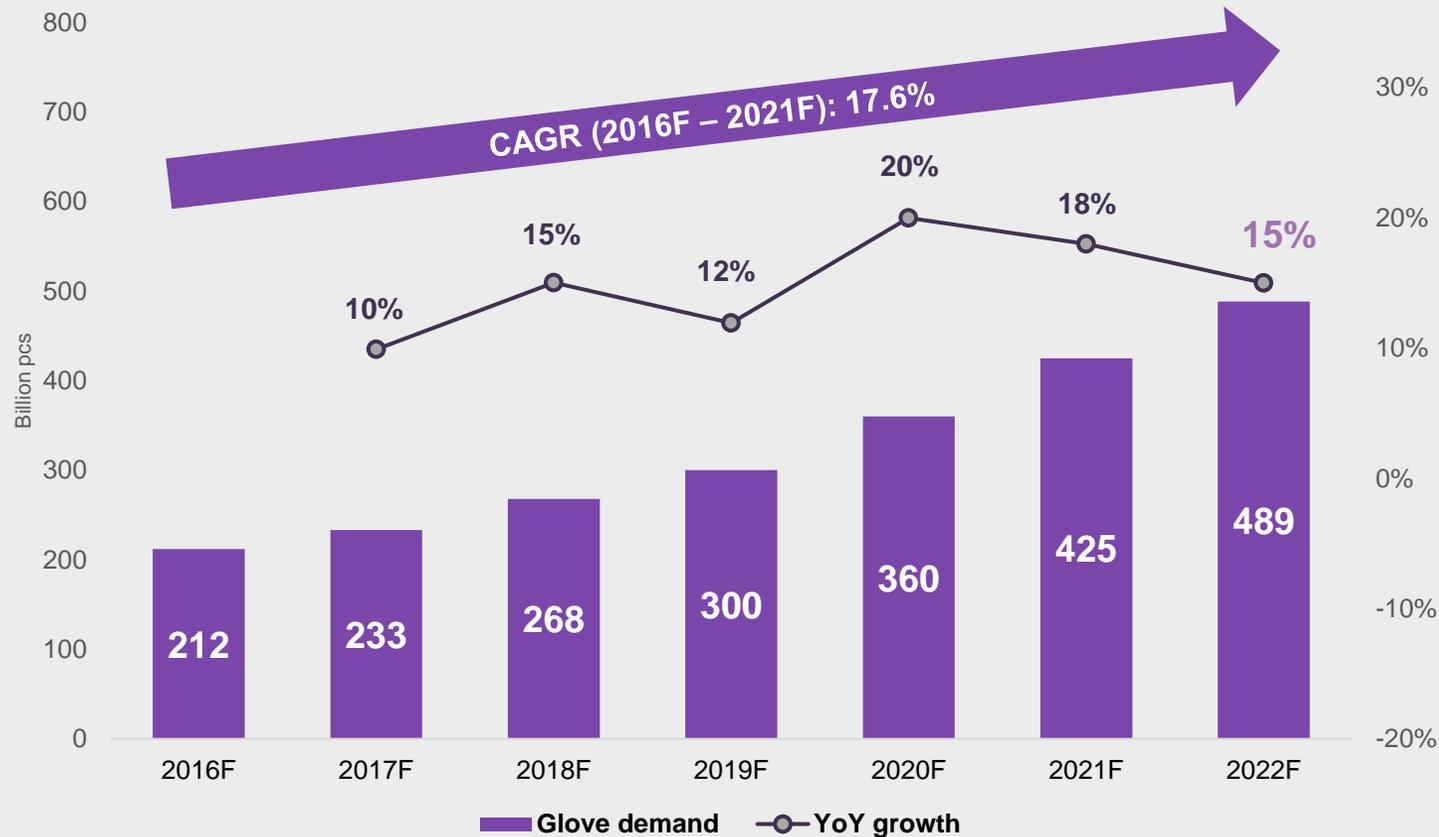
Note: *The principle used to determine the repurchase price must take into account the average market price during the last 30 days prior to the date on which the Company discloses the information of share repurchase.



GLOVES BUSINESS

Double Digit Growth for Long-Term Global Glove Demand

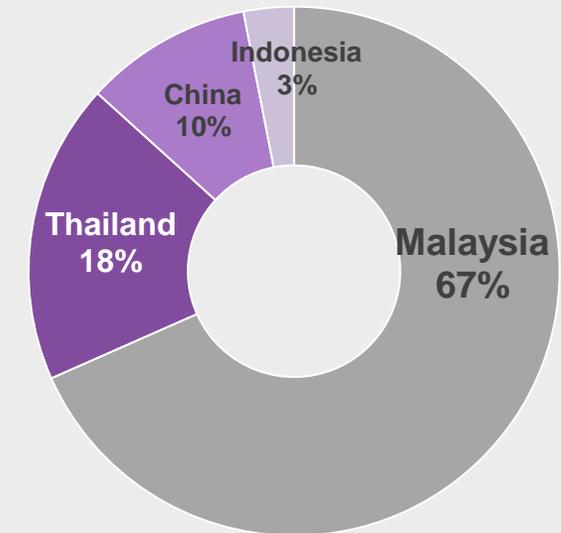
Forecasted Global Rubber Glove Demand during 2016 - 2022



Global Market Share

Estimation for 2021

Source: MARGMA



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

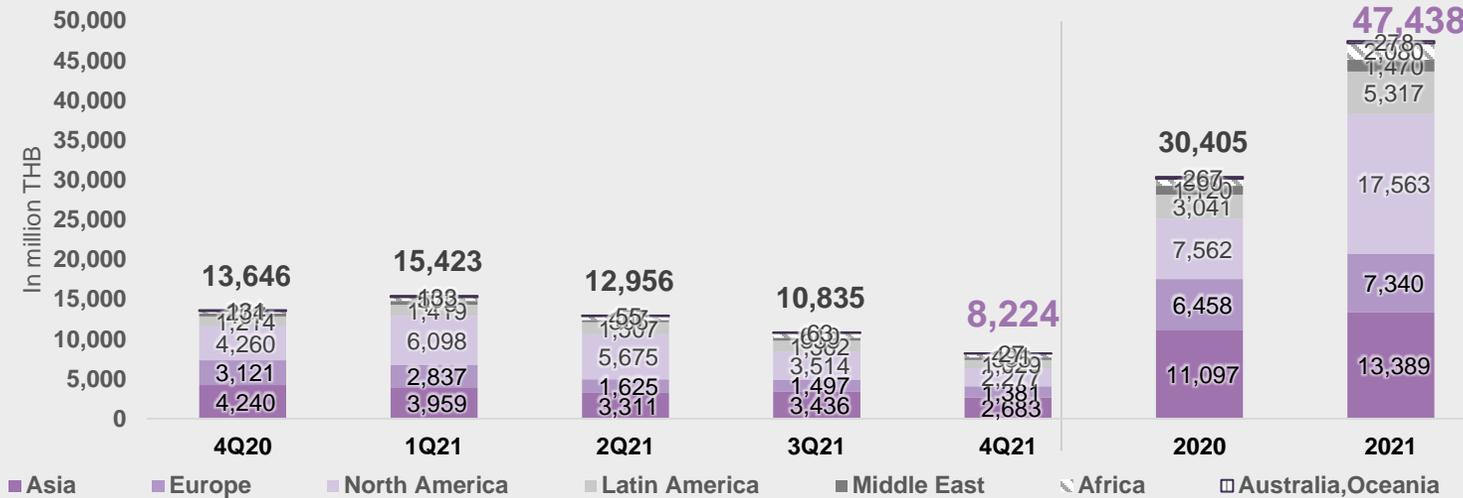
Services & Hospitality

Household

Specialized medical applications

STGT's Market Diversification

Gloves' Sales Revenue by Region



4Q21:

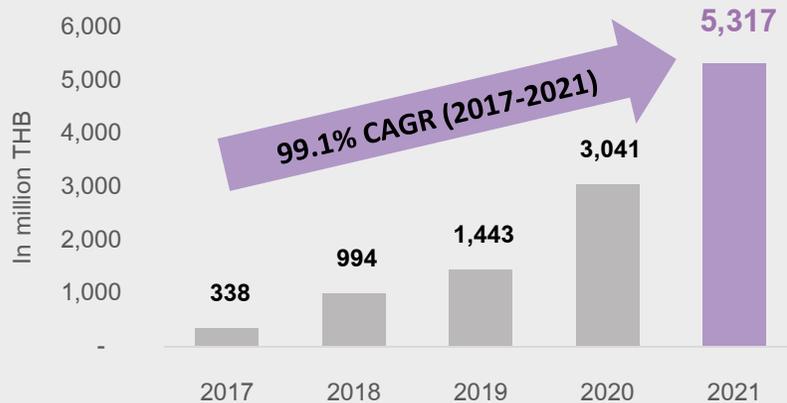
- Sales revenue decreased in every region following a decrease in ASP; however, sales volume in Europe, Latin America, Middle-East, and Africa markets increased QoQ driven by latex glove demand.

FY21:

- Sales revenue increased thanks to higher ASP in 1H21 & our markets were highly diversified comparing to peers.

High Growth Region

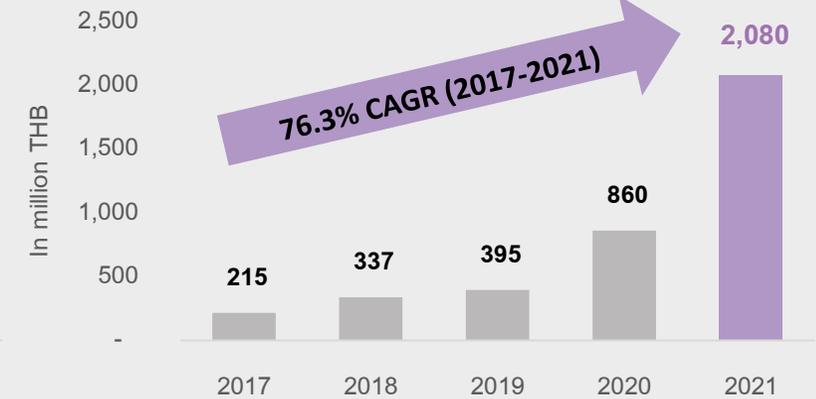
Latin America Sales Revenue



Middle East Sales Revenue



Africa Sales Revenue

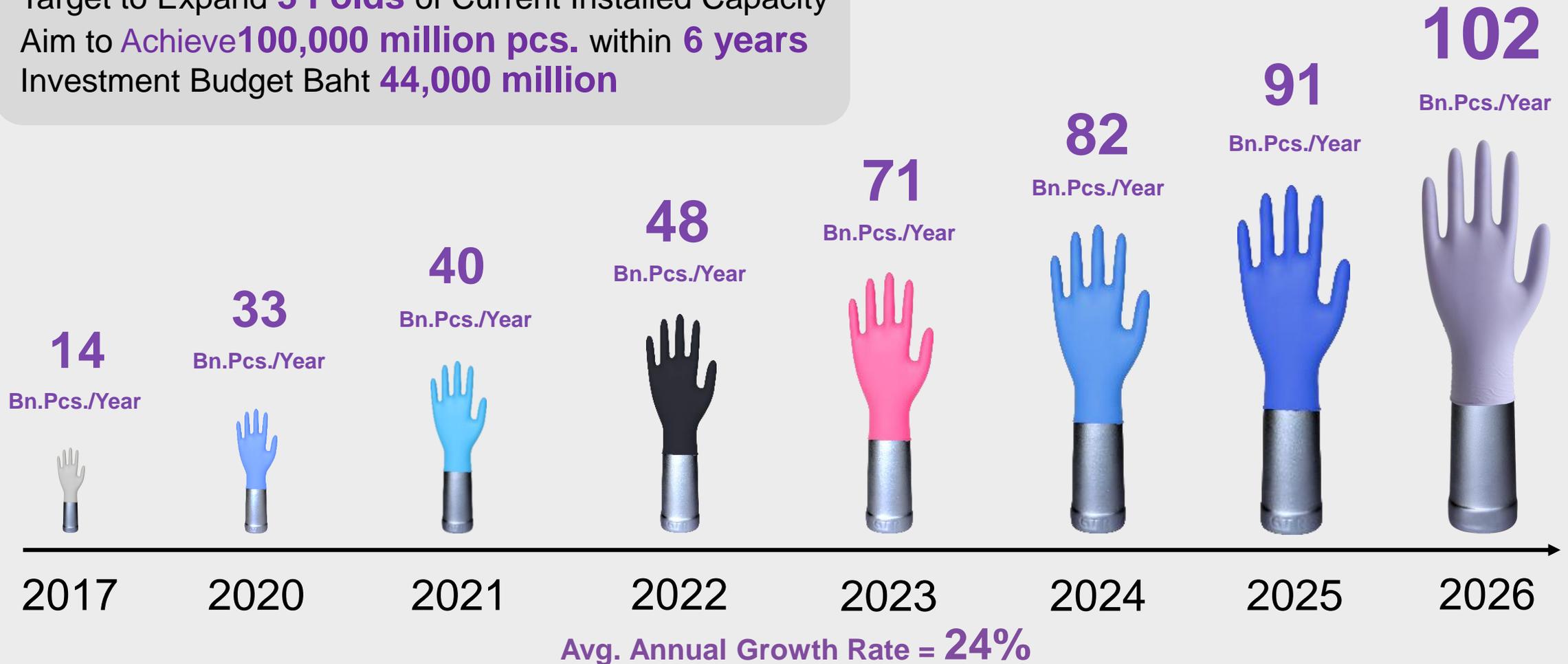


BUSINESS OUTLOOKS



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

New

Project	CP (1Q22)
Installed Capacity	13,064 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

4 Locations of Production Facilities
Total Installed Capacity of
40,300 mn. pcs. per year

1 Surat Thani Plant



Installed Capacity ⁽¹⁾	5,703 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Completed

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

Tax exemption:
5 Years

Completed

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

Tax exemption:
5 Years

Trang Plant

3



Installed Capacity ⁽¹⁾	10,092 mm pieces per year
Main Raw Material	Concentrated Latex

Completed

Tax exemption:
5 Years

Project	TG3 (4Q21)
Installed Capacity	3,110 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New

Tax exemption:
5 Years

Project	TG4 (1Q23)
Installed Capacity	7,465 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New

Tax exemption:
5 Years

Project	TG5 (1Q23)
Installed Capacity	6,169 mm pieces per year
Main Raw Material	Concentrated Latex

Kantang, Trang
Hat Yai, Songkhla
Sadao, Songkhla

Completed

Tax exemption:
8 Years

Project	PS (3Q21)
Installed Capacity	2,903 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New

Project	ANV (1Q22)
Installed Capacity	7,258 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

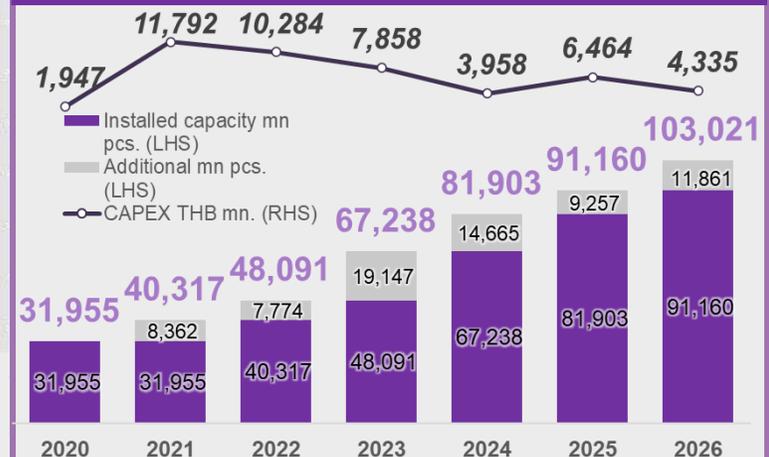
Tax exemption:
8 Years

2 Hat Yai Plant



Installed Capacity ⁽¹⁾	17,278 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Capacity & CAPEX



Completed Projects in 2021



**Commercial Run: June 2021
Installed Capacity: 2.2 bn.pcs./year**



SR2 Plant in Surat Thani



Commercial Run: July 2021 & Installed Capacity: 4.0 bn.pcs./year

SR3 Plant in Surat Thani



PS Plant in Songkhla

Commercial Run: 3Q21 & Installed Capacity: 2.9 bn.pcs./year



TG3 Plant in Trang

Installed Capacity: 3.1 bn.pcs./year



On-Going Projects

To start the commercial run in 1Q2022

ANV Plant in Songkhla

Installed Capacity: 7.3 bn.pcs./year



CP Plant in Chumphon

Installed Capacity: 13.1 bn.pcs./year



Latex Gloves with Non-Detectable Protein

Opportunity of Latex Glove **is Back!**

Laboratory Result in

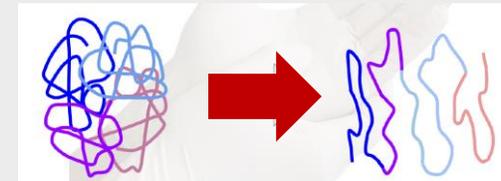


IC S AGEN
CELL FACTORY

Already Certified
Our Product

STGT's New Product = **Game Changer**

Change in molecule of the protein in natural rubber



- + Latex Glove **with no protein allergy**
- + Latex Glove is biodegradable faster than Nitrile Glove **100 times**
- + Latex Glove is **low carbon product** as it's made from natural based raw material comparing to Nitrile Glove which is petroleum based raw material.
- + Latex Glove made from natural raw material causing **lower pollution.**
- + Latex Glove is **cheaper comparing to Nitrile Glove.**
- + Latex Glove helps **increase the rubber consumption in Thailand** encouraging income distribution to Thai rubber farmers.

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





SRITRANGTM
GLOVES

「THANK YOU VERY MUCH」



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