

Performance Overview

The United States' reciprocal tariff measure heightened uncertainty in the natural-rubber market, prompting buyers to take a more cautious stance.

At the same time, global rubber prices retreated by more than 20 percent, exerting downward pressure on our quarterly results.

Nevertheless, we maintained solid operating cash flow, delivering EBITDA of THB 647.6 million, a testament to our resilience in a volatile landscape. Our financial position also remained strong, with a net debt-to-equity ratio of just 0.6 times, providing a firm foundation for efficient and sustainable growth.

Profit and Loss Statement

Revenue from Sales and Services

- Sri Trang Group recorded sales and service revenue of THB 30,841.4 million in Q2 2025, down 10.3% QoQ, mainly because the average selling price declined in line with global rubber prices. Revenue rose 19.4% YoY, supported by higher average selling prices and increased sales volume.

Revenue by Product (THB million)

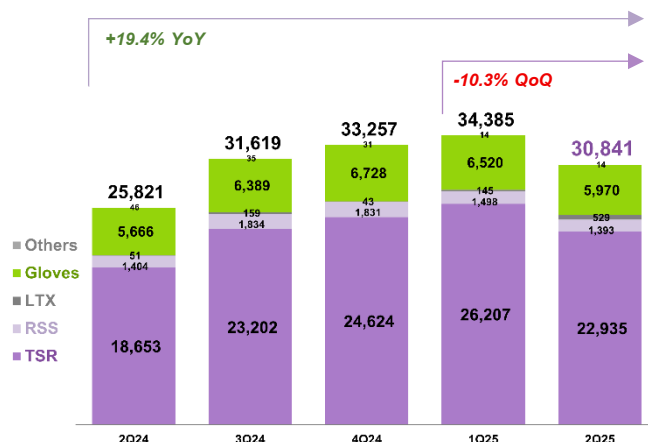
Products	2Q25	2Q24	%YoY	1Q25	%QoQ
TSR*	22,935.1	18,652.8	23.0%	26,207.4	-12.5%
%	74.4%	72.2%		76.2%	
Glove*	5,970.1	5,666.4	5.4%	6,520.1	-8.4%
%	19.4%	21.9%		19.0%	
RSS	1,392.8	1,404.2	-0.8%	1,497.9	-7.0%
%	4.5%	5.4%		4.4%	
LTX	529.5	51.5	929.1%	145.3	264.5%
%	1.7%	0.2%		0.4%	
Other**	13.9	45.6	-69.5%	14.4	-3.1%
%	0.0%	0.2%		0.0%	
Total	30,841.4	25,820.5	19.4%	34,385.1	-10.3%

Note:

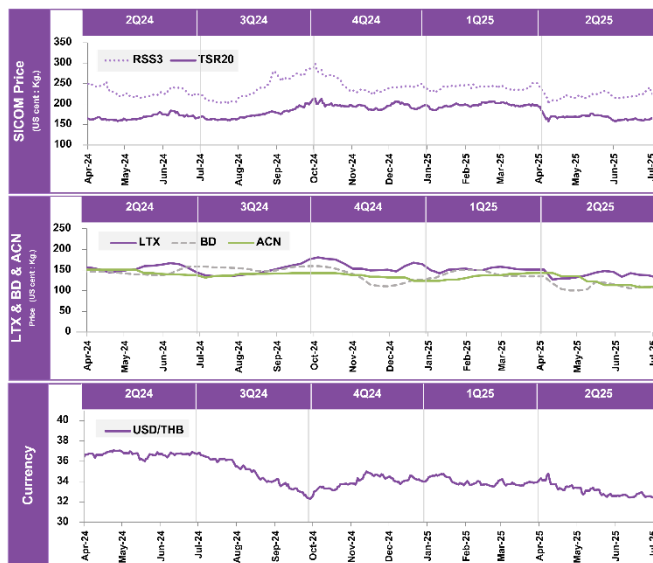
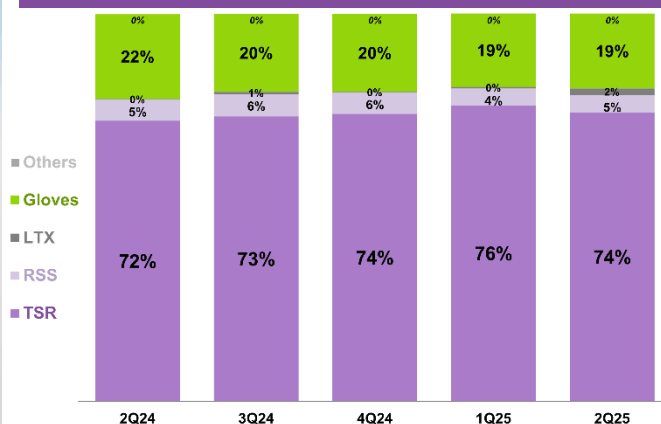
* Revenue from TSR and Gloves is net from hedge accounting.

** Comprised revenue from the provision of certain services (such as logistics research and development and information technology services) to our associates and a joint venture entity as well as other third parties. In addition, natural rubber revenue includes TSR, RSS and LTX products.

Revenue by Product (THB million)



Sales Breakdown by Product

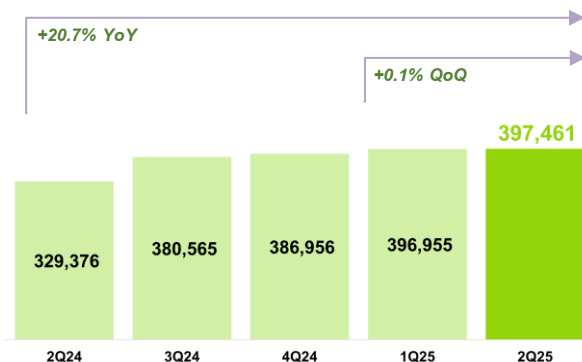


ABBREVIATIONS
RSS: 30/40 standard natural rubber
LTX: Concentrated latex
TSR: Technically specified rubber, which includes TSR and NR
BD: Breeder
ACN: Acrylonitrile



Natural Rubber

NR Sales Volume (Tons)

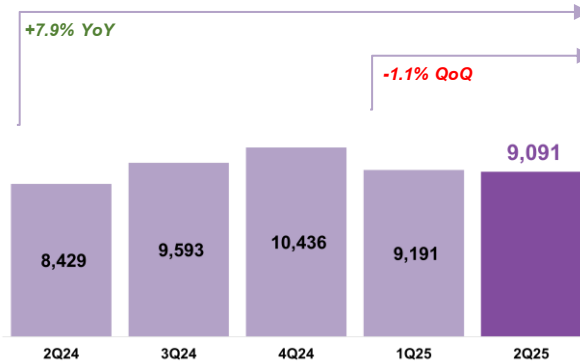


- Revenue from the natural rubber business in Q2 2025 was THB 24,857.4 million, accounting for 80.6% of total revenue. This represented a 10.7% QoQ decline, mainly due to a 10.9% drop in average selling price (ASP), in line with weaker global rubber prices driven by concerns over the US Reciprocal Tariff. On a YoY basis, revenue rose 23.6%, supported by a 2.4% increase in ASP and higher sales volume.
- Total sales volume in Q2 2025 was 397,461 tons, up 0.1% QoQ and 20.7% YoY. This marked the seventh consecutive quarter of growth. EUDR-compliant rubber sales reached 52,511 tons in the quarter, accounting for 13.2% of total volume, rising 22.5% QoQ and 3,308.4% YoY.
- In terms of revenue by geography in Q2 2025, China remained the largest market, accounting for 66.4%, followed by Thailand at 12.6%, other Asian countries (excluding China and Thailand) at 8.2%, Europe at 6.7%, the Americas at 5.7%, and other markets at 0.4%.
- The utilization rate, compared to the optimum operating level of all NR production facilities (including TSR, RSS, and latex concentrate), averaged 59.5% in H1 2025, up from 57.7% in 2024.

The Company has continued to implement its capacity expansion plan for natural rubber factories over the past two to three years, particularly for TSR production. As a result, **installed capacity increased from 2.82 million tons at the end of 2021 to 3.72 million tons as of Q2 2025, representing over 90% progress toward the target of 4.0 million tons by 2026.** This expansion is intended to support long-term demand growth. Moving forward, the Company will gradually ramp up the utilization of newly added capacity. If aligned with order levels in each period, this may help improve the utilization rate over time.

Gloves

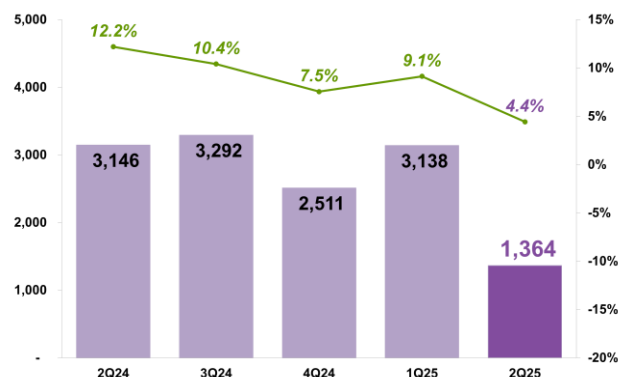
Gloves Sales Volume (Million pieces)



- Revenue from the glove business in Q2 2025 was THB 5,970.1 million, accounting for 19.4% of total revenue. This represented a decrease of 8.4% QoQ but an increase of 5.4% YoY.
- The QoQ decline was primarily due to an 8.3% drop in average selling price (ASP), which stood at THB 647 per 1,000 pieces (USD 19.64), reflecting intense industry competition. The appreciation of the Thai Baht against the US Dollar and a slight decline in sales volume by 1.1% QoQ also contributed to the revenue decrease.
- On a YoY basis, revenue increased, supported by a 7.9% rise in sales volume as global demand continued to recover.
- The utilization rate of glove production facilities averaged 75.8% in Q2 2025, down from 79.4% in the previous quarter and 81.3% in Q2 2024.



Gross Profit (THB million) and Gross Profit Margin (%)



- Gross profit in Q2 2025 was THB 1,363.6 million, down 56.5% QoQ and 56.7% YoY. This represented a gross profit margin of 4.4%, compared to 9.1% in the previous quarter and 12.2% in Q2 2024. The decline was partly due to an allowance for inventory write-down to net realizable value (NRV) of approximately THB 334.2 million. Excluding this impact, gross profit would have been THB 1,697.9 million, with a pre-NRV gross profit margin of 5.5%.
 - For natural rubber**, the gross profit margin in Q2 2025 was 3.8%, compared to 8.0% in the previous quarter and 10.8% in the same period last year. The decline was mainly attributed to the impact of the US Reciprocal Tariff announced in early Q2 2025, which caused global rubber prices to drop sharply, while the cost of goods sold declined at a slower pace.
 - For gloves**, the gross profit margin was 8.6%, down from 13.0% in the previous quarter and 13.5% in Q2 2024. The decrease was due to a sharper drop in average selling prices compared to production costs, combined with the appreciation of the Thai Baht against the US Dollar.

Other Income

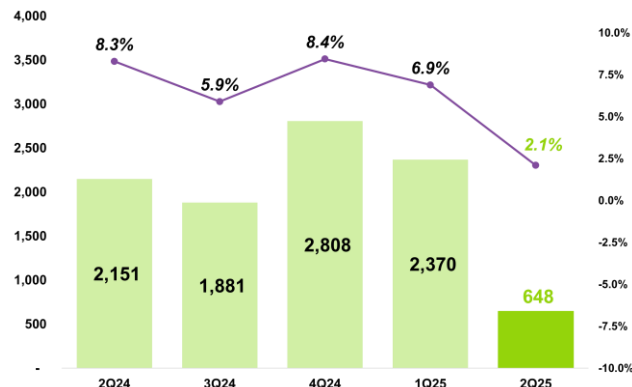
- Other income in Q2 2025 was THB 51.7 million, down 27.3% QoQ and 24.2% YoY.

Selling, General & Administrative Expenses (SG&A)

- Selling and administrative expenses (SG&A) in Q2 2025 totaled THB 2,043.6 million, up 5.0% QoQ, primarily due to higher administrative expenses. This was driven by the reallocation of overhead costs from production to SG&A in line with the lower utilization rate during

the quarter, along with an increase in other expenses and higher selling expenses from freight rates. On a YoY basis, SG&A increased slightly by 2.4%. The SG&A-to-sales ratio stood at 6.6% in Q2 2025, up from 5.7% in the previous quarter but down from 7.7% in the same period last year.

EBITDA



- EBITDA in Q2 2025 was THB 647.6 million, down 72.7% QoQ and 69.9% YoY. The EBITDA margin stood at 2.1%, compared to 6.9% in the previous quarter and 8.3% in the same period last year.

Share of Profit from Associates and Joint Ventures

- Share of profit from investments in associates and joint ventures in Q2 2025 was THB 54.8 million, up 103.2% QoQ and 12.1% YoY, driven by increased orders in the high-pressure hydraulic hose business.

Finance Costs

- Finance costs in Q2 2025 were THB 377.2 million, down 21.0% QoQ and 13.3% YoY. The decrease was mainly due to lower outstanding loan principal during the rubber wintering season, a period when the Company requires less working capital.

Net Loss

- The Company reported a net loss of THB 786.8 million in Q2 2025, representing a decline of 214.2% QoQ and 225.2% YoY. This translated to a net loss margin of 2.6%, compared to 2.0% in the previous quarter and 2.4% in the same period last year. The loss was primarily driven by the sharp decline in global rubber prices following the implementation of the US Reciprocal Tariff during the quarter, as well as an allowance for inventory write-down to net realizable value (NRV) of THB 334.2 million.



Statement of Comprehensive Income

Statement of Comprehensive Income (Unit: THB million)	2Q25	2Q24	%YoY	1Q25	%QoQ	6M25	6M24	%YoY
Revenues from sales of goods and services	30,841.4	25,820.5	19.4%	34,385.1	-10.3%	65,226.5	49,498.4	31.8%
Cost of sales and services	(29,477.8)	(22,674.8)	30.0%	(31,246.9)	-5.7%	(60,724.7)	(44,479.9)	36.5%
Gross Profit	1,363.6	3,145.7	-56.7%	3,138.1	-56.5%	4,501.8	5,018.4	-10.3%
SG&A	(2,043.6)	(1,995.8)	2.4%	(1,946.8)	5.0%	(3,990.4)	(3,784.9)	5.4%
Other income and dividend income	51.7	68.1	-24.2%	71.0	-27.3%	122.7	113.2	8.4%
Gain (loss) on exchange rates	(171.4)	21.1	-911.2%	(239.7)	-28.5%	(411.0)	233.9	-275.7%
Other gain (loss)	236.3	(118.0)	-300.2%	194.5	21.5%	430.8	(477.4)	NM
Profit from operating activities	(563.3)	1,121.1	-150.2%	1,217.2	-146.3%	653.9	1,103.2	-40.7%
Share of profit (loss) from investments in associate and JV	54.8	48.9	12.1%	27.0	103.2%	81.7	62.2	31.5%
EBITDA	647.6	2,150.7	-69.9%	2,370.1	-72.7%	3,017.8	3,065.4	-1.6%
EBIT	(508.5)	980.7	-151.9	1,244.1	-140.9%	735.6	1,165.3	-36.9%
Finance income	66.9	119.6	-44.0%	75.5	-11.3%	142.4	223.0	-36.1%
Finance cost	(377.2)	(435.1)	-13.3%	(477.2)	-21.0%	(854.4)	(826.5)	3.4%
Income tax (expense)	112.6	(92.7)	NM	(19.4)	NM	93.2	(53.2)	-275.3%
Net profit (Loss) for the period	(706.2)	761.8	-192.7%	823.0	-185.8%	116.8	508.7	-77.0%
Attributed to equities holders of the Company	(786.8)	628.4	-225.2%	688.7	-214.2%	(98.1)	298.7	-132.8%
Attributed to non-controlling interests of the subsidiaries	80.6	133.4	-39.6%	134.3	-40.0%	214.9	210.0	NM

Key Financial Ratio

Financial Ratio	2Q25	2Q24	1Q25	FY24
Gross Profit Margin	4.4%	12.2%	9.1%	9.5%
EBITDA Margin	2.1%	8.3%	6.9%	6.8%
Net Profit Margin	-2.6%	2.4%	2.0%	1.5%
Current Ratio (Times)	2.56	2.07	1.98	1.62
Net D/E Ratio (Times)	0.54	0.68	0.71	0.77
Fixed Asset Turnover (Times)*	2.58	1.89	2.71	2.21
Collection Period (Days)*	26	24	27	26
Payment Period (Days)*	5	5	5	6

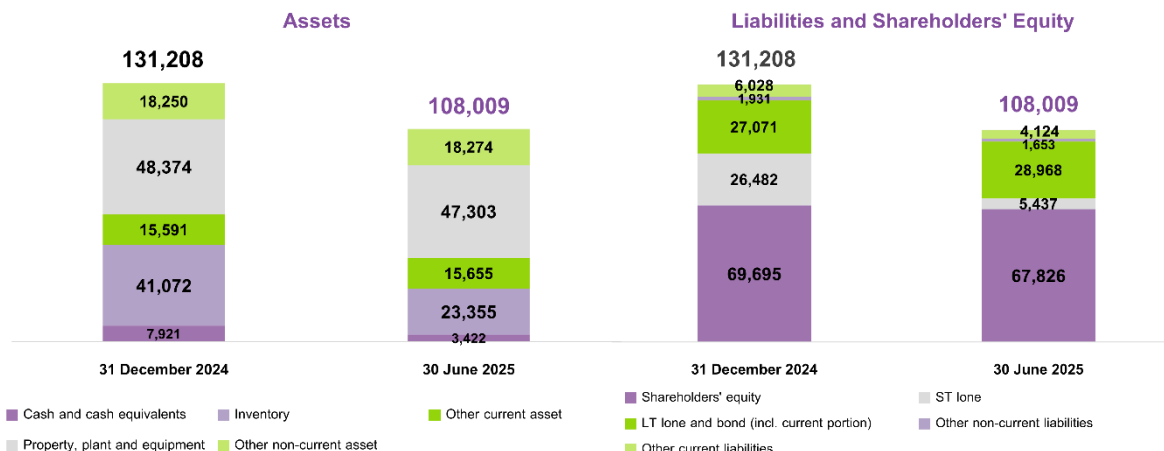
Note:

* Annualized

** Adjusting for (reversal) allowance of inventory cost and realized items from hedging



Statement of Financial Position



The Company maintained a strong financial position, as reflected in a stable asset, liability, and equity structure, along with key financial ratios that demonstrate effective liquidity management and the ability to meet financial obligations. Details are as follows:

- **Total assets** as of 30 June 2025 stood at THB 108,009.0 million, down 17.7% from year-end 2024, mainly due to a decline in inventories during the rubber wintering season, which typically begins in February. Non-current assets also declined slightly, primarily due to depreciation of property, plant, and equipment.
- **Total liabilities** as of 30 June 2025 were THB 40,182.5 million, a decrease of 34.7% from year-end 2024. The reduction was mainly due to the repayment of short-term loans from financial institutions, in line with the Company's liquidity management strategy during the off-season, as well as a decrease in trade payables.
- **Total shareholders' equity** as of 30 June 2025 was THB 67,826.5 million, a decrease of 2.7% from year-end 2024.

Key Financial Ratios

- The Company maintained healthy liquidity and a strong capital structure. As of 30 June 2025, the **current ratio** stood at 2.56 times, improving from 1.62 times at year-end 2024. This reflects the Company's strong working capital management, driven by a reduction in inventories and repayment of short-term borrowings, in line with seasonal liquidity planning during the rubber wintering period. The Company continued to maintain a high level of current assets relative to current liabilities, ensuring effective support for operations and short-term obligations.
- At the same time, the **net debt-to-equity ratio** decreased to just 0.54 times as of the end of Q2 2025, down from 0.77 times at year-end 2024, underscoring the Company's strong capital structure and stable financial position. The Company remains committed to prudent debt management to reduce financial burden and preserve its long-term growth capacity.



Sustainability Highlights for Q2 2025

Environmental

- Project to Increase the Proportion of Clean Energy Usage through Solar Power Generation.** In the 2Q2025, the company expanded its solar panel installations to three additional factories: Phitsanulok, Nam Hua, and Sikao branches. As a result, Sri Trang now has a total installed solar capacity of 42.46 megawatts. This expansion helps reduce reliance on fossil fuels and lowers greenhouse gas emissions, supporting the company's goal of achieving net-zero emissions.
- Expanded Carbon Footprint of Organization (CFO) to Cover All 3 Scopes.** The company has registered its organizational carbon footprint for Scope 1, 2, and 3 in the 2Q2025 reflecting the company's commitment to managing greenhouse gas emissions across the entire business value chain.



Social

- Sri Trang Group has announced its strategic direction to drive the organization forward through the “2025 Sri Trang Town Hall” event, under the theme “GROWTH OF THE INFINITE FUTURE.”** The event marked the declaration of key directions and policies aimed at propelling the organization into the future by integrating AI technology to enhance operations across all areas. The focus is on upskilling and reskilling employees to boost their competencies, encouraging continuous development and adaptation. This includes the systematic integration of AI technology throughout the organization, especially in manufacturing, which is moving toward an AI-Driven Manufacturing system. This effort aims to cultivate “The Versatile Leader” — adaptable leaders with a diverse skill set.
- Sri Trang Group has launched the “Sri Trang Friendly” initiative,** designed to promote a culture of warm greetings, friendly smiles, and positive relationships among colleagues within the organization as well as with external stakeholders.



Governance & Economic

- STA and the National Research Council of Thailand (NRCT), signed a Memorandum of Understanding (MoU) to foster collaboration between the public and private sectors** in advancing research, technology, and innovation in the rubber industry. The partnership aims to integrate resources and expertise to drive progress in key areas such as product development, resource management, and environmental conservation. This collaboration is expected to significantly enhance production efficiency, strengthen the competitiveness of Thailand's rubber industry across all dimensions, and support its long-term growth in a sustainable and environmentally responsible manner.



Find more details on the company's website. <https://www.sritranggroup.com/en/news-update/company-news>



NR Industry Overview

- In Q2 2025, the global natural rubber (NR) market remained cautious following the announcement of the US Reciprocal Tariff in early April. Although the market had been monitoring the development since the beginning of the year, the swift implementation of the tariff, which covered multiple countries and imposed high rates, significantly undermined market confidence. As a result, the price of TSR20 on the SICOM exchange dropped to a low of 158 cent/kg before gradually recovering and stabilizing within the range of 165 to 175 cent/kg. The average TSR20 price throughout the quarter was 167.9 cent/kg, representing a decrease of 14.9% QoQ and 0.2% YoY.

NR Supply

- Thailand, which is the world's largest producer of natural rubber, experienced a supply recovery due to favorable weather conditions and above-average rainfall. Typically, the second quarter overlaps with the wintering and tapping seasons in Thailand. However, the abundant rainfall this year provided sufficient soil moisture, resulting in healthier trees and better yields. Tapping activities resumed in mid-May in the northeastern and northern regions and in June in the southern region. This led to strong production, especially after the rains subsided.
- Indonesia, the world's second-largest producer of natural rubber, saw stable supply levels despite continued structural challenges. These challenges included the conversion of rubber plantations to other uses such as palm oil cultivation, the expansion of the mining industry, and ongoing urban development, all of which have reduced the land available for rubber cultivation. While weather conditions had no significant impact on output, the leaf fall disease that had severely affected production since 2018 showed signs of improvement over the past year. In addition, high rubber prices in the previous quarter encouraged some farmers to resume tapping rubber from previously abandoned plantations.
- In Ivory Coast, the world's third-largest producer of natural rubber, production remained strong. The country continues to demonstrate high growth potential as a key NR exporter. According to the International Rubber Study Group (IRSG), NR output in Ivory Coast grew by 15.7% in 2023 and by 3.4% in 2024. It is expected to increase by another 3.8% in 2025 as more rubber trees reach full maturity and begin yielding optimal output. Our company has established raw material procurement centers and commenced operations of a block rubber processing facility in Ivory Coast since Q2 2024.

- NR demand In Q2 2025, demand for natural rubber weakened due to the impact of the US Reciprocal Tariff. The announcement caused businesses across the value chain, including tire manufacturers, to adopt a more cautious approach. This cautiousness was reflected in more gradual ordering patterns and tighter inventory management as buyers awaited greater clarity on the final tariff rates. Additionally, the global economic slowdown and fragile market sentiment further pressured demand for natural rubber. The decline in crude oil prices during the year also contributed to downward pressure on natural rubber prices.
- NR prices Although the formal announcement of the US Reciprocal Tariff in early August helped restore some market confidence, natural rubber prices are still under pressure. The increasing supply situation coincides with ongoing uncertainties on the demand side. A key concern is the potential for transshipment, where products are routed through third countries to circumvent import duties. Furthermore, there is growing concern about the possible enforcement of Section 232 by the United States, which includes a 25 percent tariff on automobiles, auto parts, and tires. This could impact the competitive landscape of the industry. Considering the strong production outlook for 2025, natural rubber prices are expected to remain subdued in the second half of the year, with limited room for recovery.



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