

member of
SRITRANG
GROUP



Investor Day Presentation

18 May 2015

A World Leading Natural Rubber Player



Disclaimer

Certain forward looking statements may be made in the course of the presentation. These forward-looking statements generally can be identified by use of statements that include words or phrases such as STA or We or our management “believe”, “expect”, “anticipate”, “intend”, “plan”, “foresee”, “project”, “may”, “will”, “shall”, or other similar words or phrases. Similarly, statements that describe STA’s objectives, plans or goals also are forward-looking statements. These statements involve known and unknown uncertainties and risks that could differ materially from actual results, performance or events.

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Our Directors Present for the Investor Day 2015

Dr. Viyavood Sincharoenkul
Chairman & Managing Director



- ❑ Founding member of Sri Trang and appointed as Chairman in 2010
- ❑ 28 years of experience in the natural rubber industry

Kitichai Sincharoenkul
Executive Director



- ❑ Joined Sri Trang in 1988 and has served as a Director since 1995
- ❑ 25 years of experience in the natural rubber industry

Paul Sumade Lee
Executive Director



- ❑ Joined Sri Trang in 2004 and appointed as a Director in 2010
- ❑ 10 years of experience in the natural rubber industry

Prakob Visitkitjakarn
Chairman of Audit Committee



- ❑ Appointed as an independent director since 1993

Neo Ah Chap
Independent Director



- ❑ Appointed as an independent director since 2010

Veerasith Sinchareonkul
Chairman of Risk Management Committee



- ❑ Appointed as a Director since 2010

AGENDA

- I. Sri Trang Business Highlights
- II. Natural Rubber Industry Snapshot
- III. Financial Highlights

Fully Integrated and Globally Natural Rubber Supply Chain

Rubber Plantation	Processing	Sales & Distribution	Finished Products
<ul style="list-style-type: none">• Having our own rubber plantation in Thailand	<ul style="list-style-type: none">• World leading capacity at 1.35 million tons per annum in Thailand and Indonesia• Cover full range of products from RSS, TSR and Concentrated Latex	<ul style="list-style-type: none">• Having trading and distribution centers in key strategic countries	<ul style="list-style-type: none">• Largest glove manufacturer in Thailand• Produce both latex and nitrile examination gloves



Note: Information as of 31 March 2015

Sri Trang's Strengths

1

Fully-integrated NR supply chain business model



Plantation

- ✓ Gain direct access to supply information
- ✓ Ability to control the quality of supply



Processing

- ✓ Be flexible to any market conditions and able to manage production and position efficiently



Sales & Distribution

- ✓ First-hand understanding of customer requirements
- ✓ Quick access to reliable market information

Cost efficiency

High quality product

Well-managed operation

High productivity

High performance

Enhance profitability

Sri Trang's Strengths (cont'd)

2

A world largest NR processing Company (10% market share)



TSR



RSS



Con. Latex

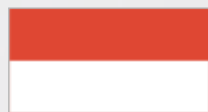
- Capture all possible market segments with full range of Natural Rubber products
- Benefit from economies of scale
- Balance the bargaining power with suppliers and customers
- Enhance accessibility to different sources of fund to support operation and expansion

3

Having production base in major NR producing countries



Thailand



Indonesia

- Excellent diversification
- Advantage in secure raw material as Thailand and Indonesia collectively contributed about 60% of global production
- Well-balanced seasonal management

Sri Trang's Strengths (cont'd)

4 Well-balanced portfolio for coverage of sales and distribution

- Cover all class of customers to serve all demand from every corner of the world
- Good risk diversification as no single customer accounts more than 8% of our total sale volume
- Get direct access to end-users to gain demand flow and market sentiment



5 Continually expand business to the new territories

- A newly established company in Vietnam will enable us to expand market coverage in Indochina and gain direct access to Vietnam, the world's third largest Natural Rubber producer
- Having a block rubber factory in Myanmar will create a business opportunity in highly growing country for Natural Rubber



6 Expand upstream to rubber plantation business

- Emphasize on cost leading position
- Enhance profitability and reduce volatility in earning
- Pinpoint strategic locations for midstream factories in the future



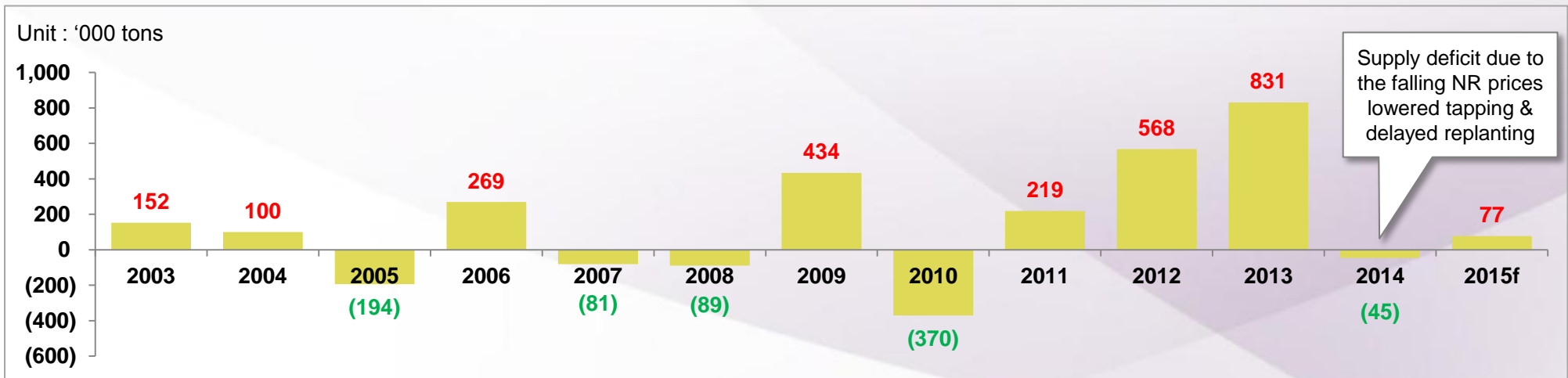
7 Captained by highly experienced managements

- Led by a group of seasoned managements with almost 3-decade of experience in natural rubber industry

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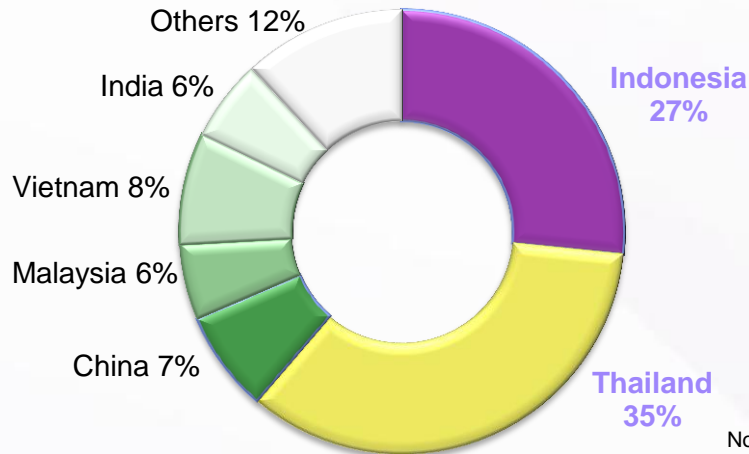
World Natural Rubber Balance



World Major NR Producing and Consuming Countries

Major suppliers of Natural Rubber

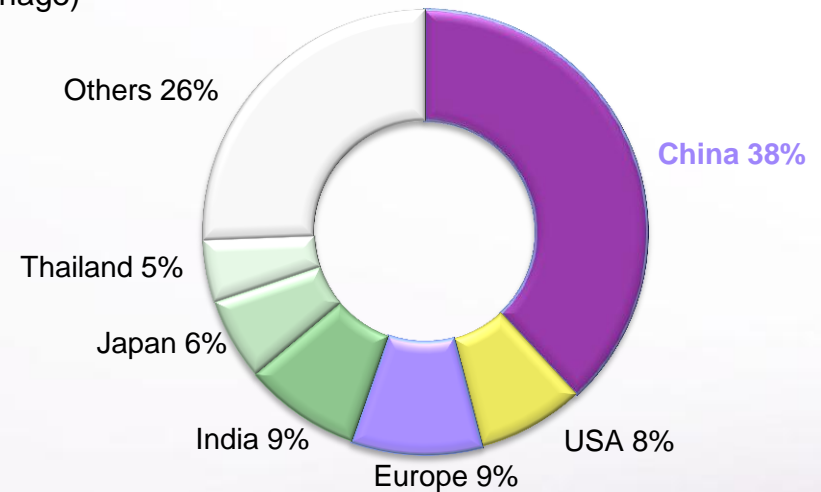
(by tonnage)



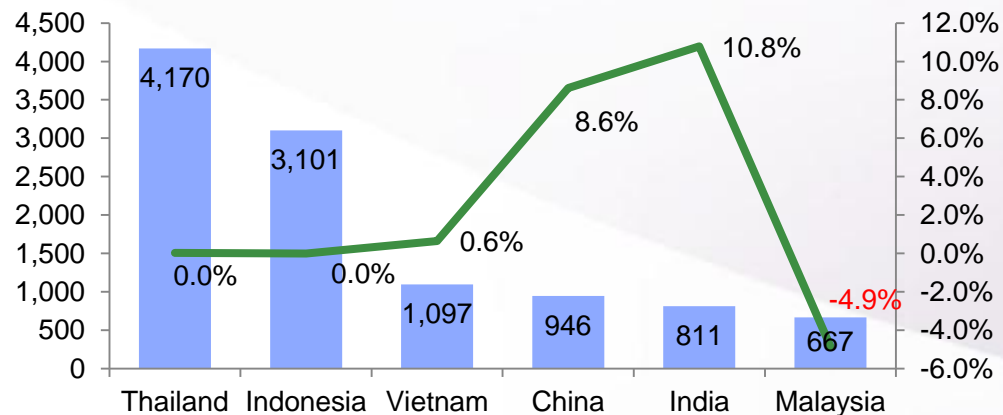
Note: Information of year 2014

Major consumers of Natural Rubber

(by tonnage)

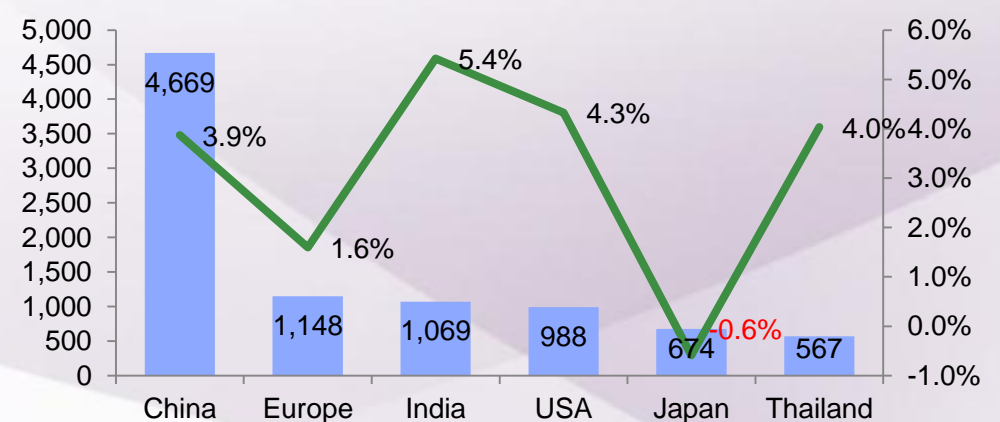


2015 NR production forecast



■ NR Production (tons) — %growth from 2014

2015 NR consumption forecast



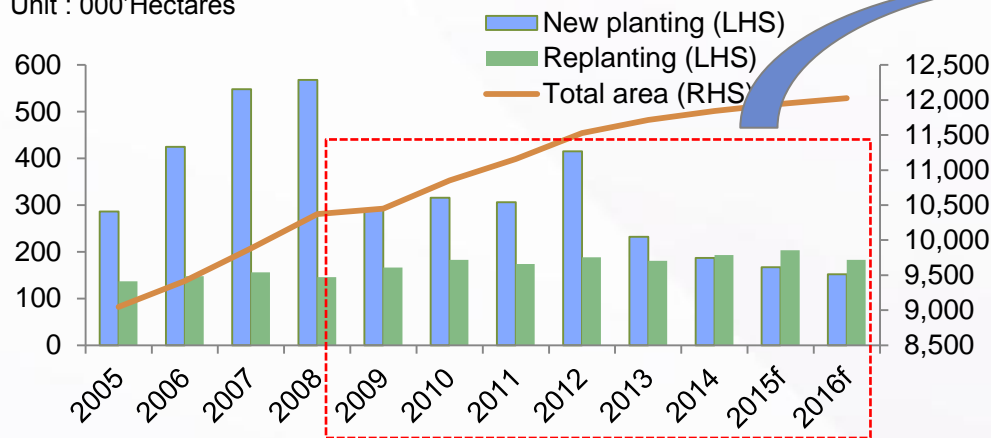
■ NR consumption (tons) — %growth from 2014

Source: IRSG,

Lower Supply Surplus

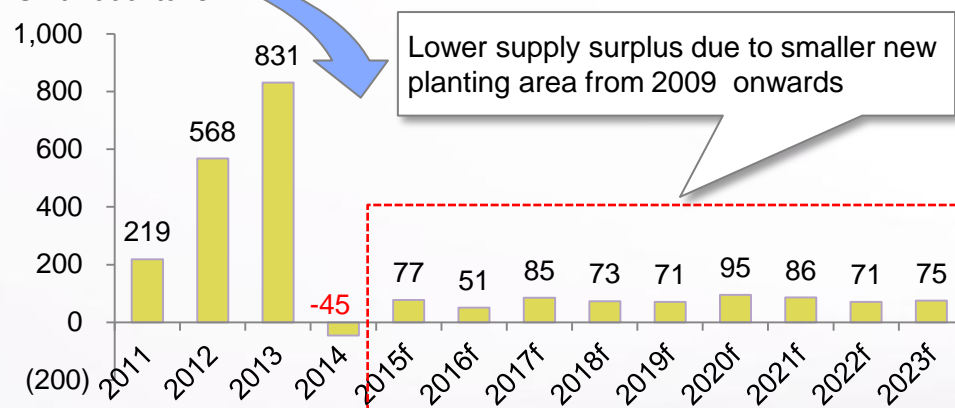
NR planting area of main producers

Unit : 000' Hectares

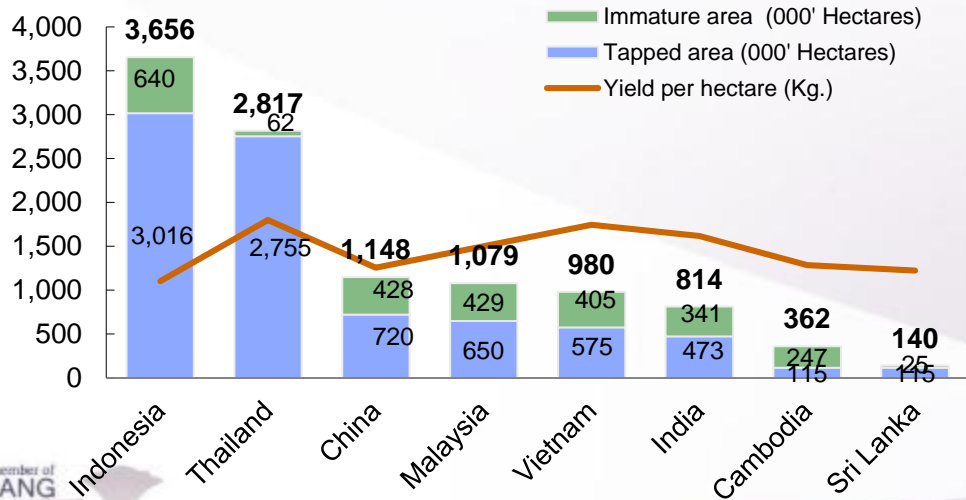


Significant drop in supply surplus

Unit : 000' tons

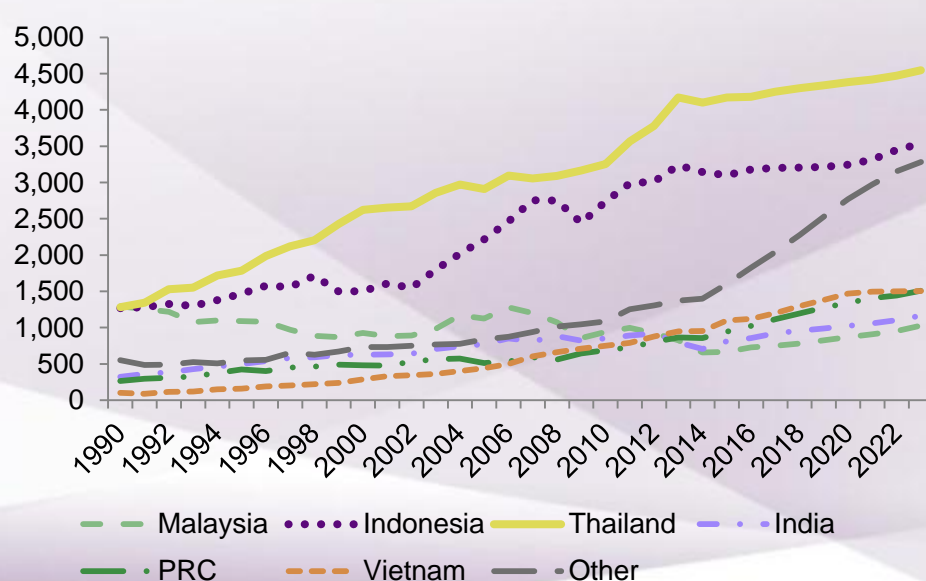


Area for rubber plantation



Global natural rubber production by country

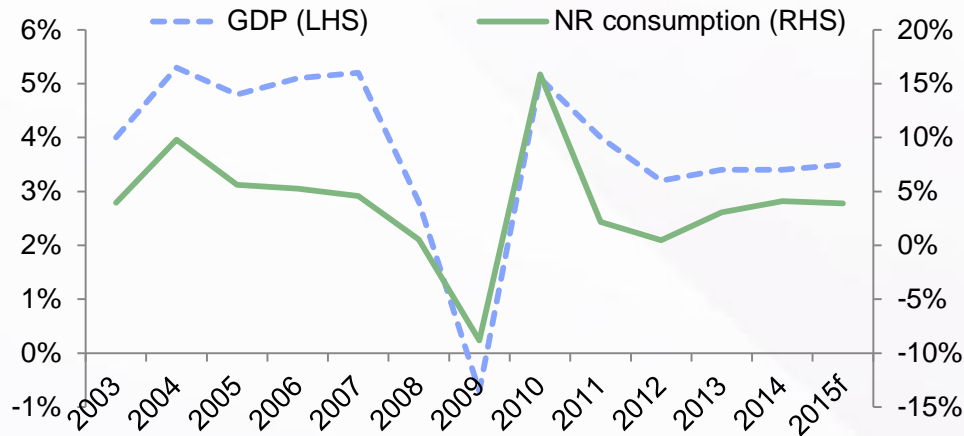
Unit : '000 tons



Source: IRSG, ANRPC,

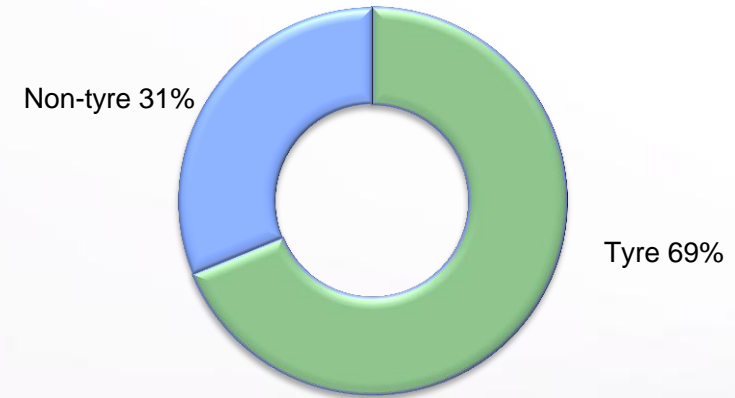
NR Demand Driven by Tyre Industry

NR demand mainly driven by world activities

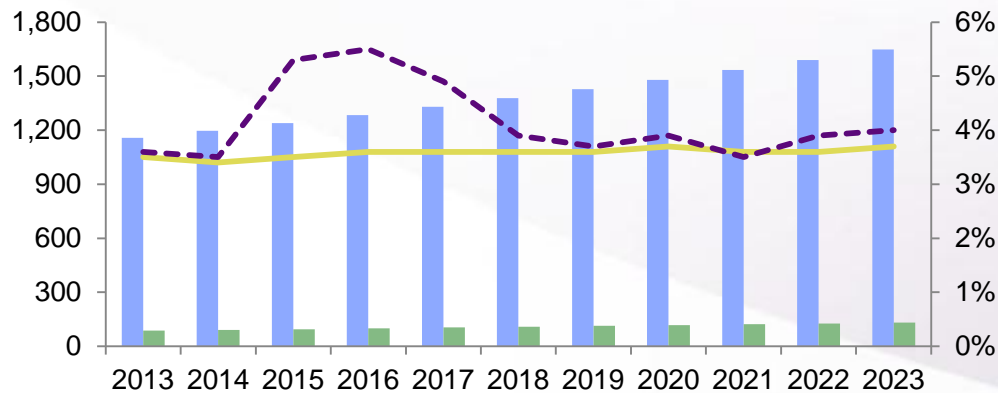


NR mainly used in tyre industry

(by tonnage)

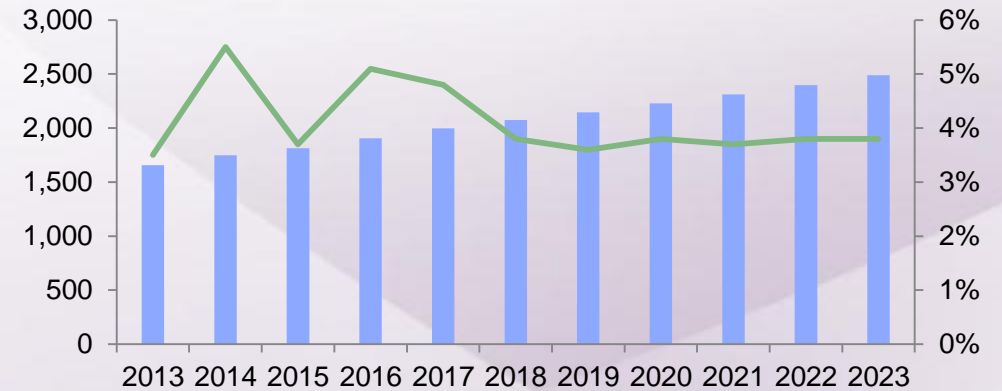


Global vehicle trend (Million units)



- Vehicles in use (LHS)
- Vehicles production (LHS)
- %Growth vehicles in use (RHS)
- - - %Growth vehicles production (RHS)

Global tyre production trend (Million units)

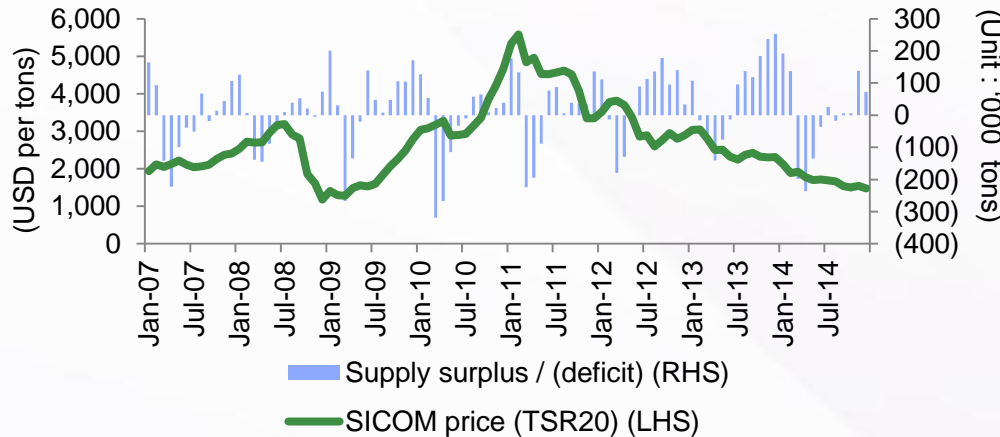


- Tyre production (LHS)
- %Growth (RHS)

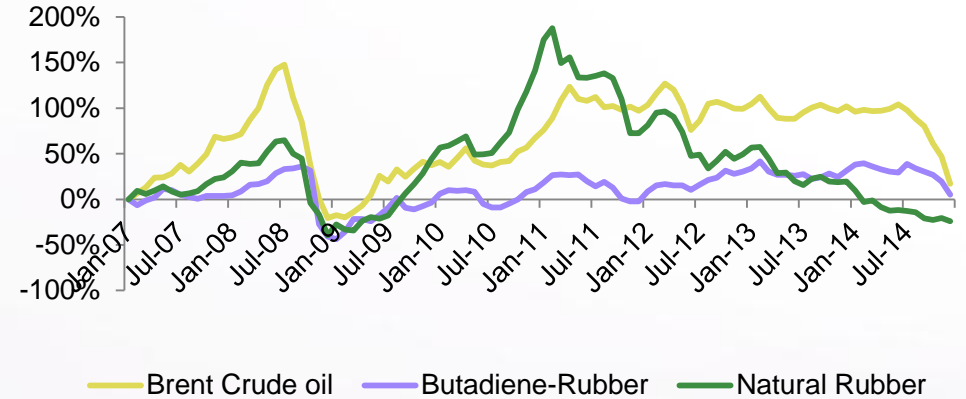
Source: IRSG, IMF

Natural Rubber Price Interaction

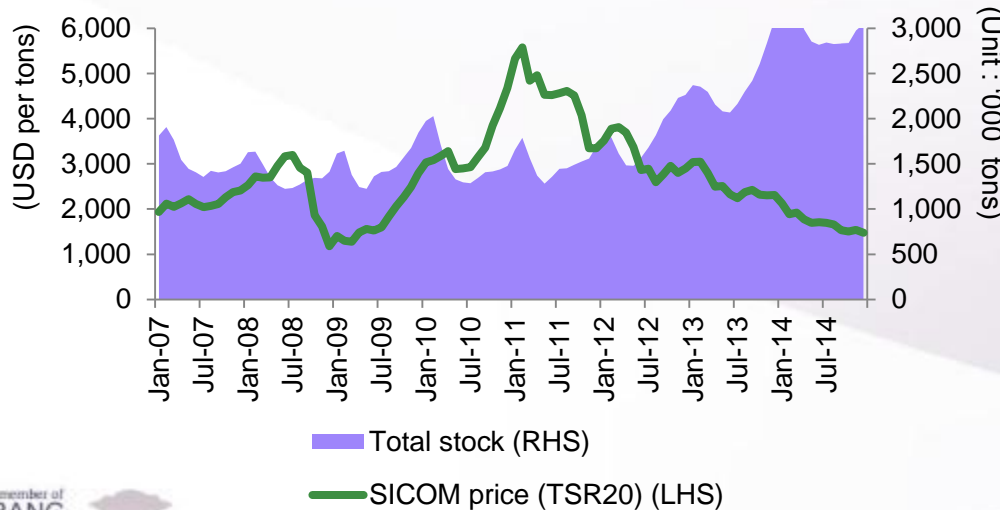
NR price VS. fundamental demand/supply



NR price VS. Oil price



NR price VS. global stock



Key Factors Affected NR Prices

- World economic conditions as it is directly affected automobile industry and tyre industry
- The magnitude of demand and supply
- Exchange rate fluctuation especially US dollar, Japanese Yen, and natural rubber exporting currencies such as Thai Baht and Indonesian Rupiah as natural rubber is mainly traded in US Dollars
- Oil price since natural rubber and synthetic rubber, which is derivatives of crude oil, are substitute products

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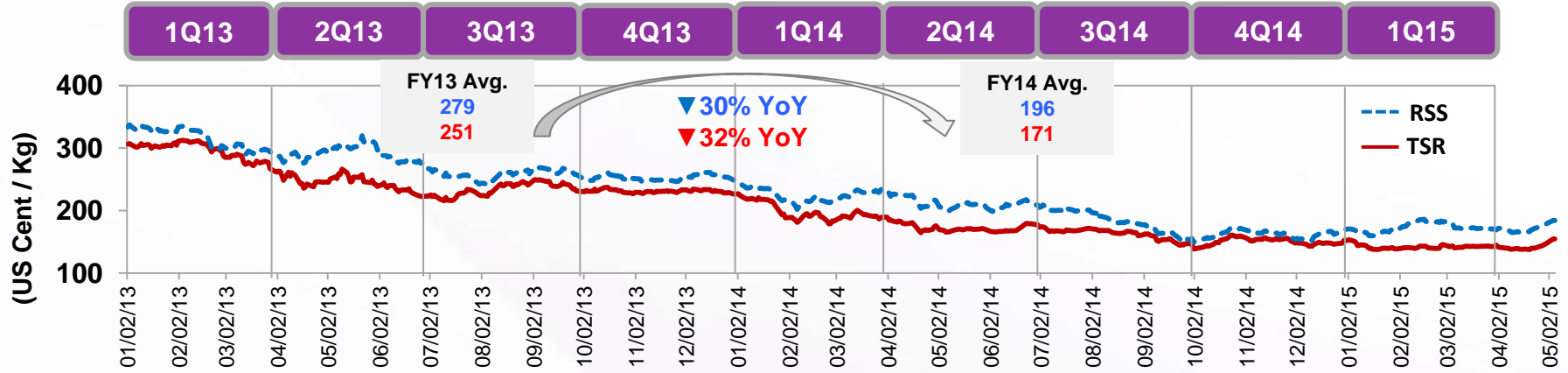
Financial Highlights

(THB million)	FY'13	FY'14	%YoY	Q1'14	Q1'15	%YoY	Q4'14	%QoQ
Revenue	92,185	75,530	▼ 18%	22,765	14,512	▼ 36%	17,543	▼ 17%
Sale volume (tons)	1,126,463	1,204,342	▲ 7%	308,456	268,892	▼ 13%	326,095	▼ 18%
Avg. selling price (Baht per ton)	79,600	60,583	▼ 24%	71,777	48,265	▼ 33%	51,665	▼ 7%
Gross profit	5,198	3,348	▼ 36%	599	1,040	▲ 74%	1,130	▼ 8%
Adj. gross profit*	6,049	4,642	▼ 23%	1,708	1,077	▼ 37%	1,343	▼ 20%
EBITDA	3,747	2,568	▼ 31%	708	788	▲ 11%	413	▲ 91%
Net profit	1,820	1,038	▼ 43%	402	297	▼ 26%	13	▲ 2228%
Adj. GP margin*	6.6%	6.1%	▼ 50bps	7.5%	7.4%	▼ 10bps	7.7%	▼ 30bps
Net profit margin	2.0%	1.4%	▼ 60bps	1.8%	2.0%	▲ 20bps	0.1%	▲ 190bps

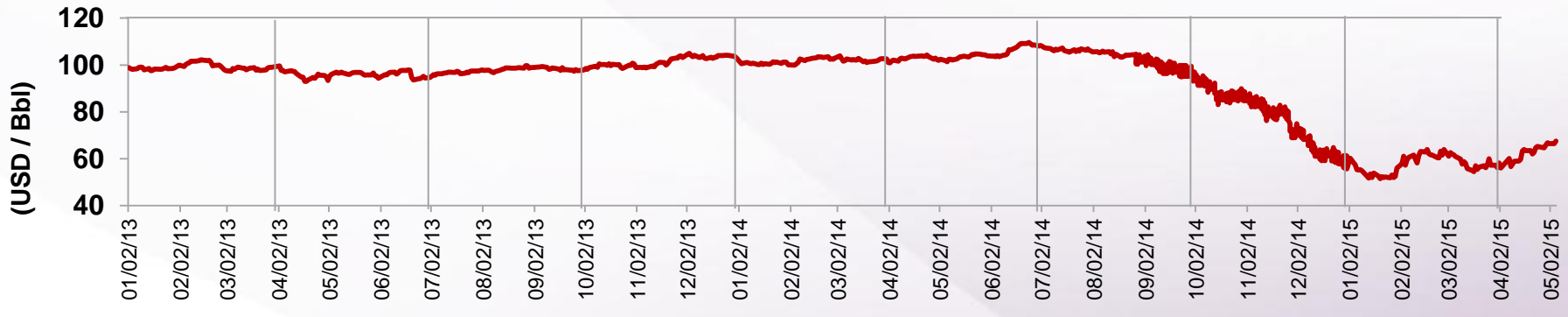
* Adjusting for (reversal) allowance of inventory, realised forex gains/(losses), and realised rubber futures gains/(losses)

SICOM - Oil Prices - FX

SICOM Price Movement



Crude Oil Price Movement

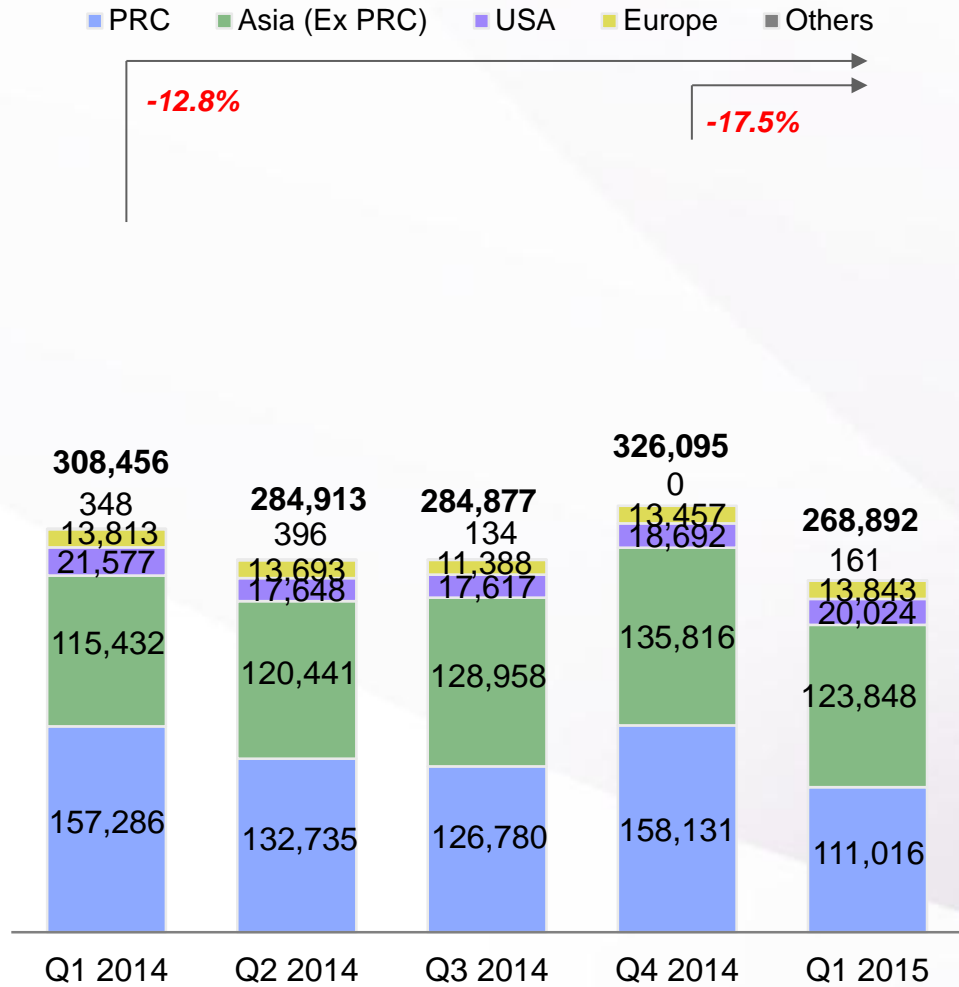


THB/USD Movement

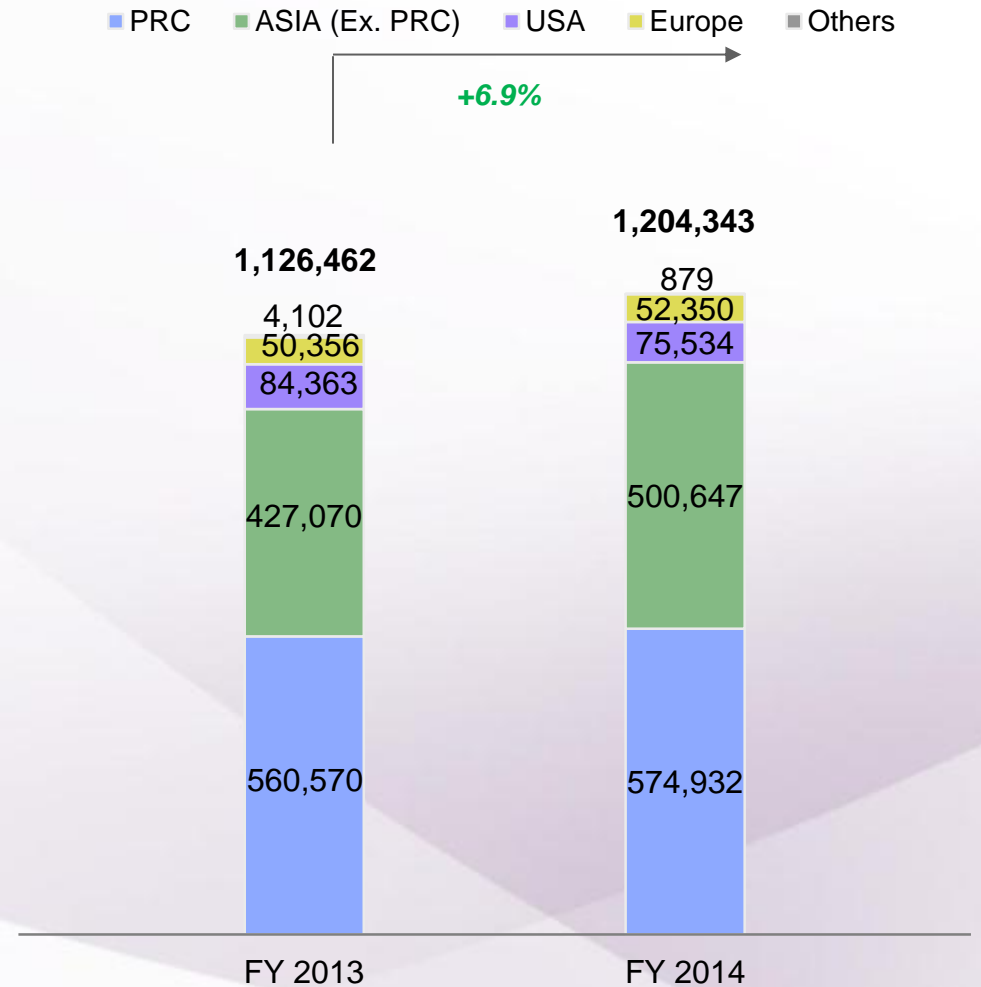


Sale Volume Breakdown by Geography (Tons)

Sales Volume – Quarterly (tons)

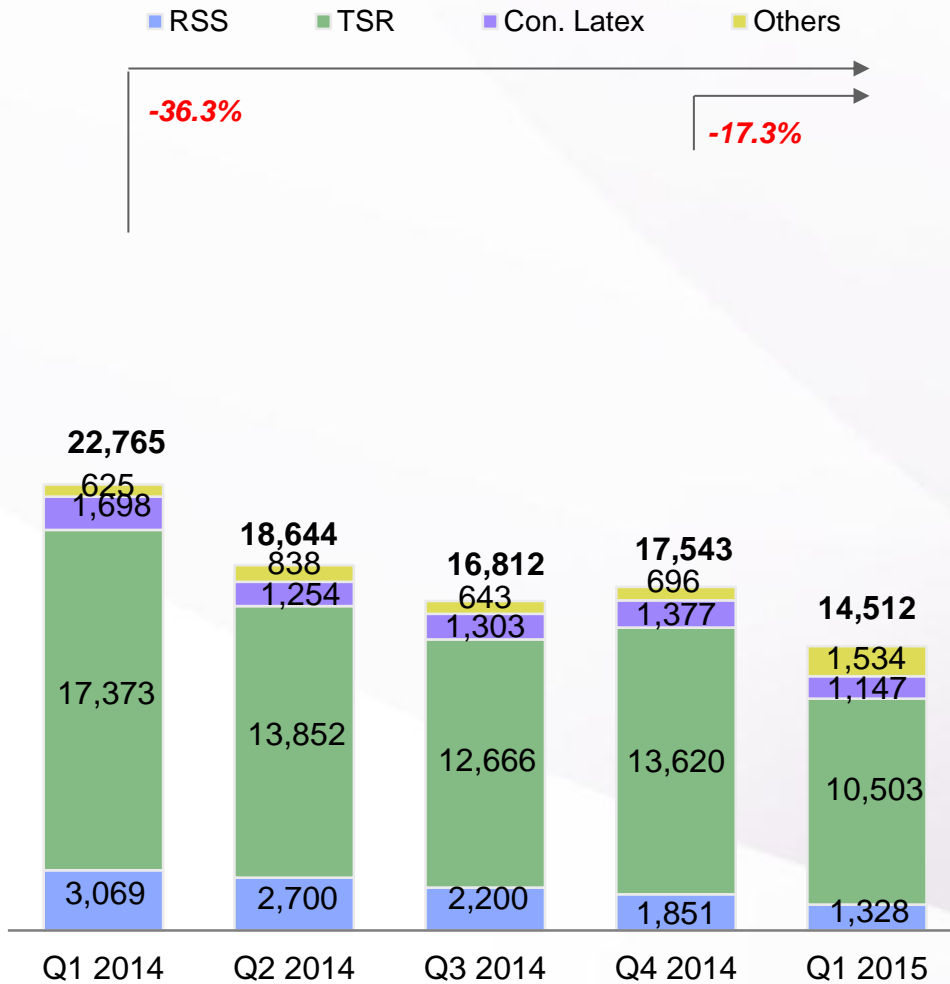


Sales Volume – Yearly (tons)

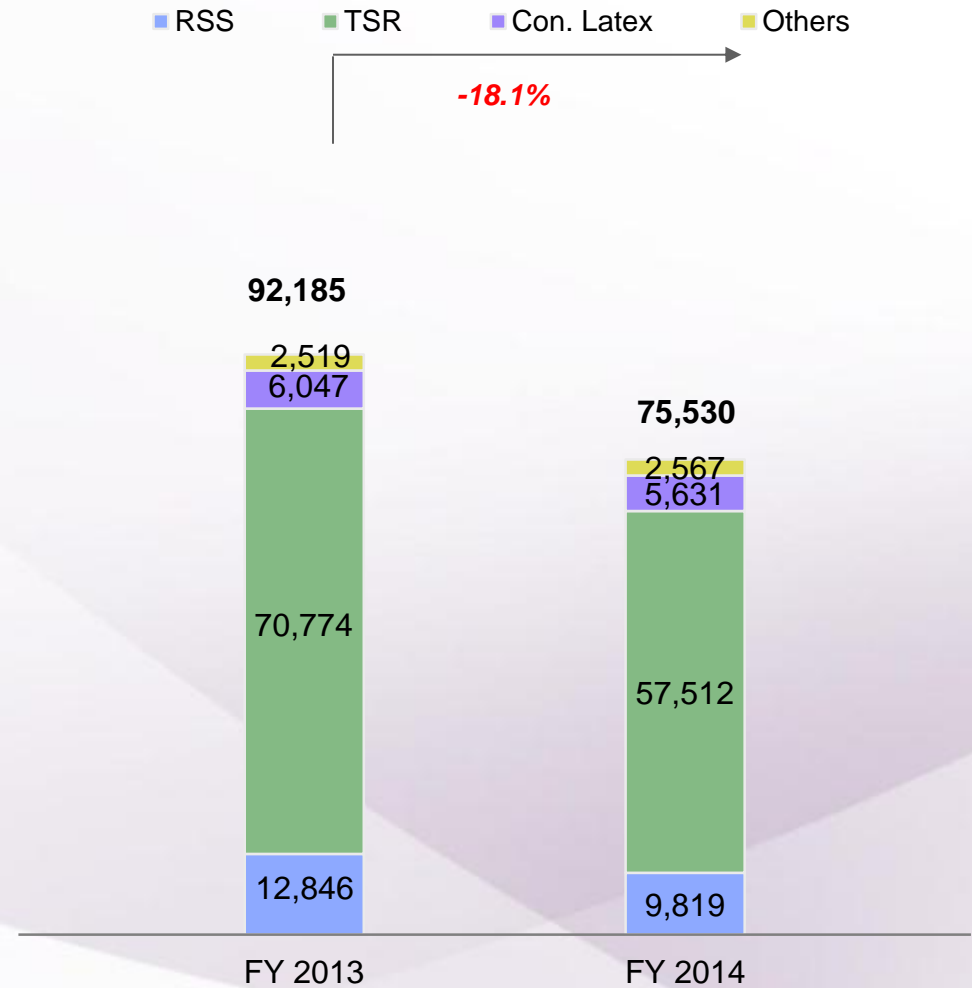


Revenue Breakdown by Product

Revenue – Quarterly (THB mm)

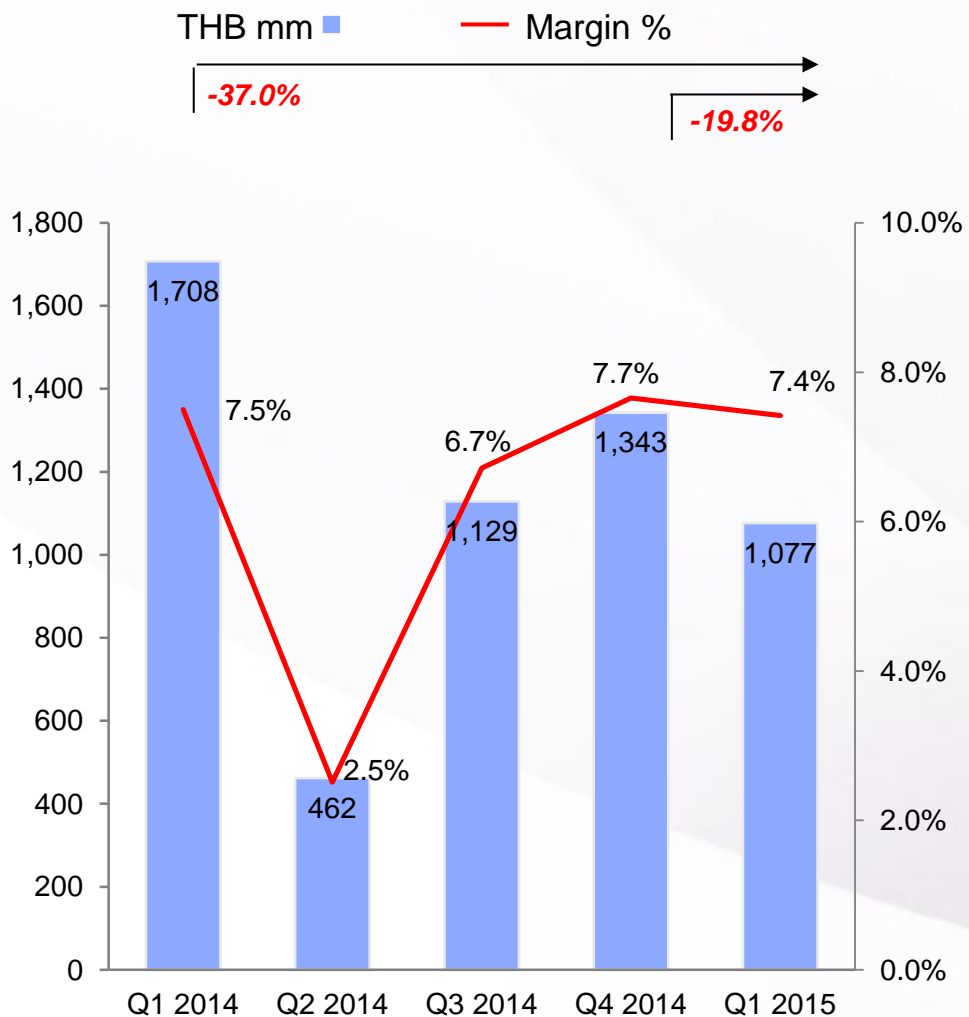


Revenue – Yearly (THB mm)

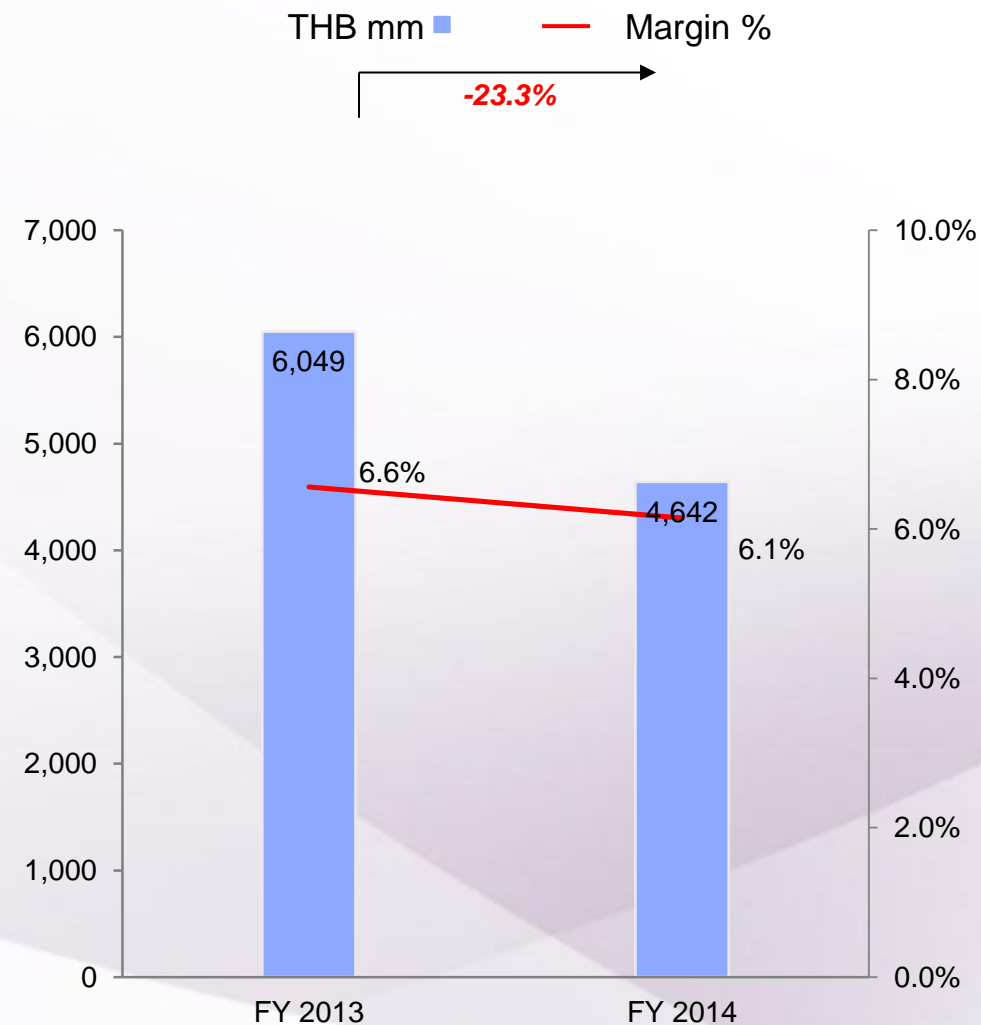


Adjusted GP and GPM*

Adjusted Gross Profit – Quarterly (THB mm)



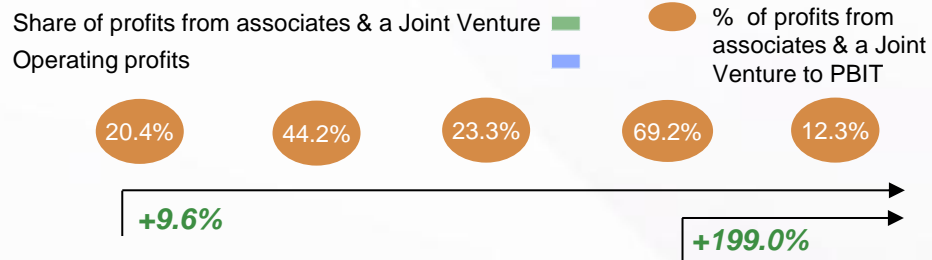
Adjusted Gross Profit – Yearly (THB mm)



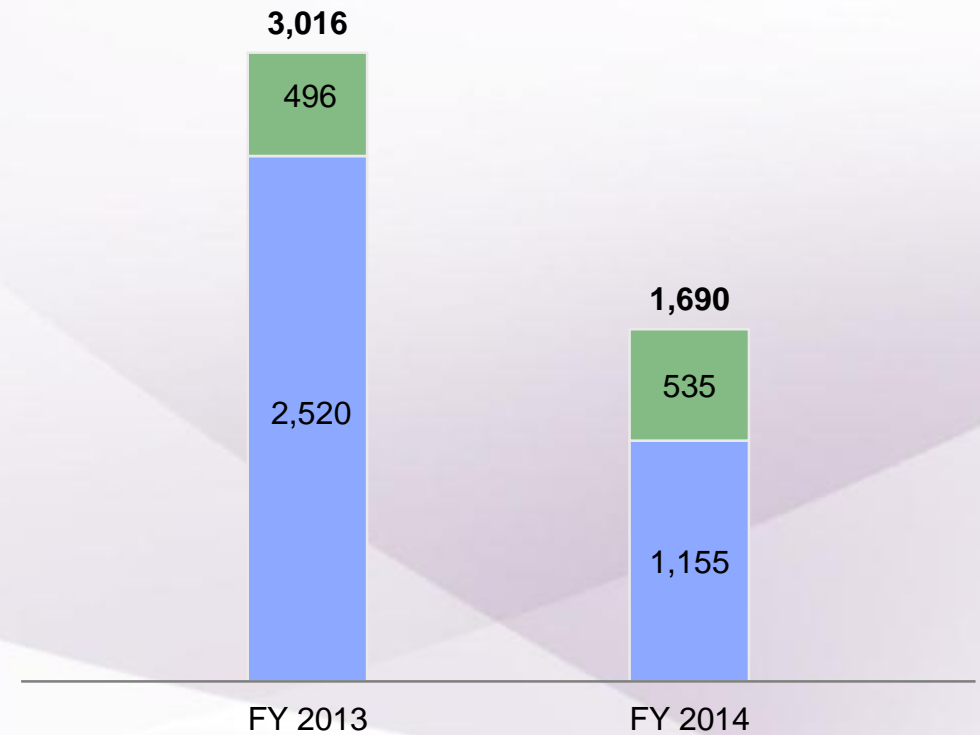
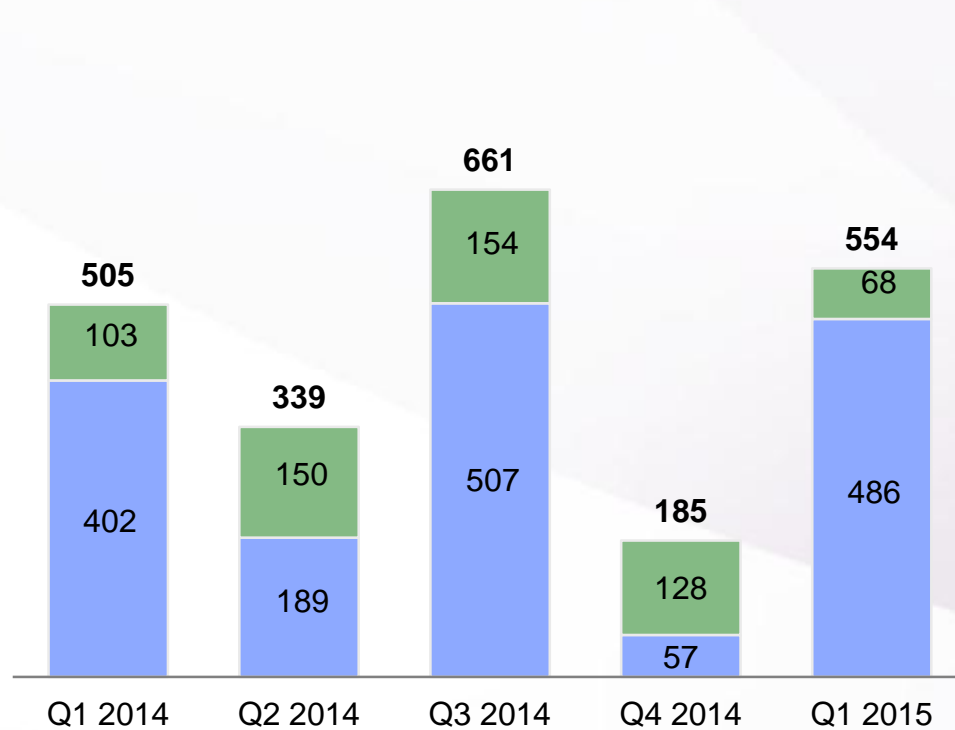
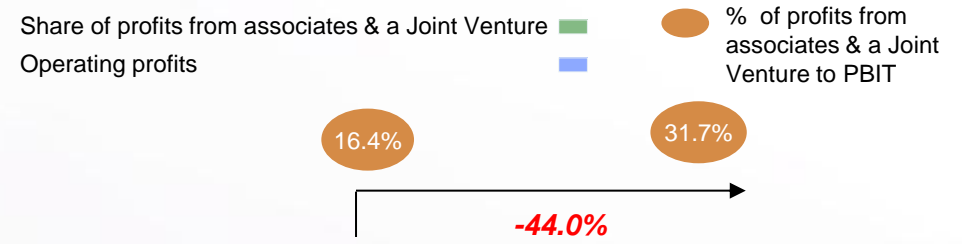
* Adjusting for (reversal) allowance of inventory, realised forex gains/(losses), and realised rubber futures gains/(losses)

EBIT

EBIT – Quarterly (THB mm)

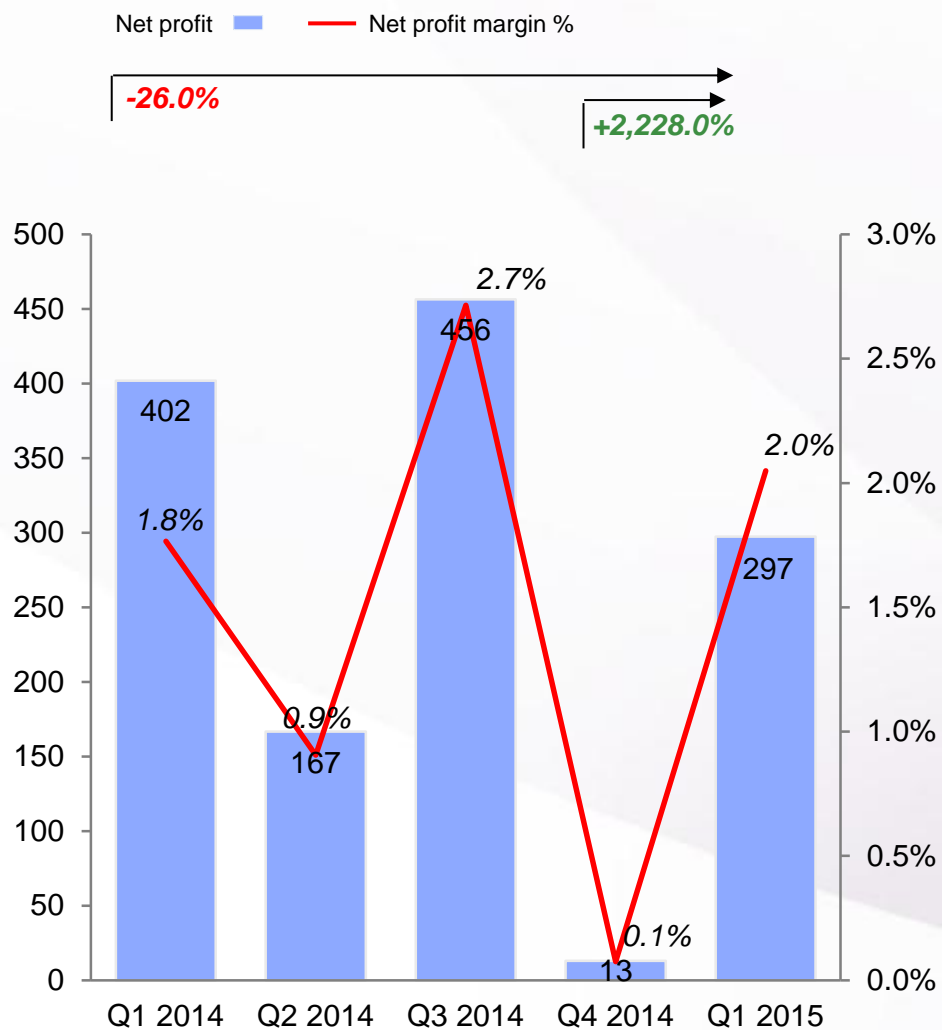


EBIT – Yearly (THB mm)

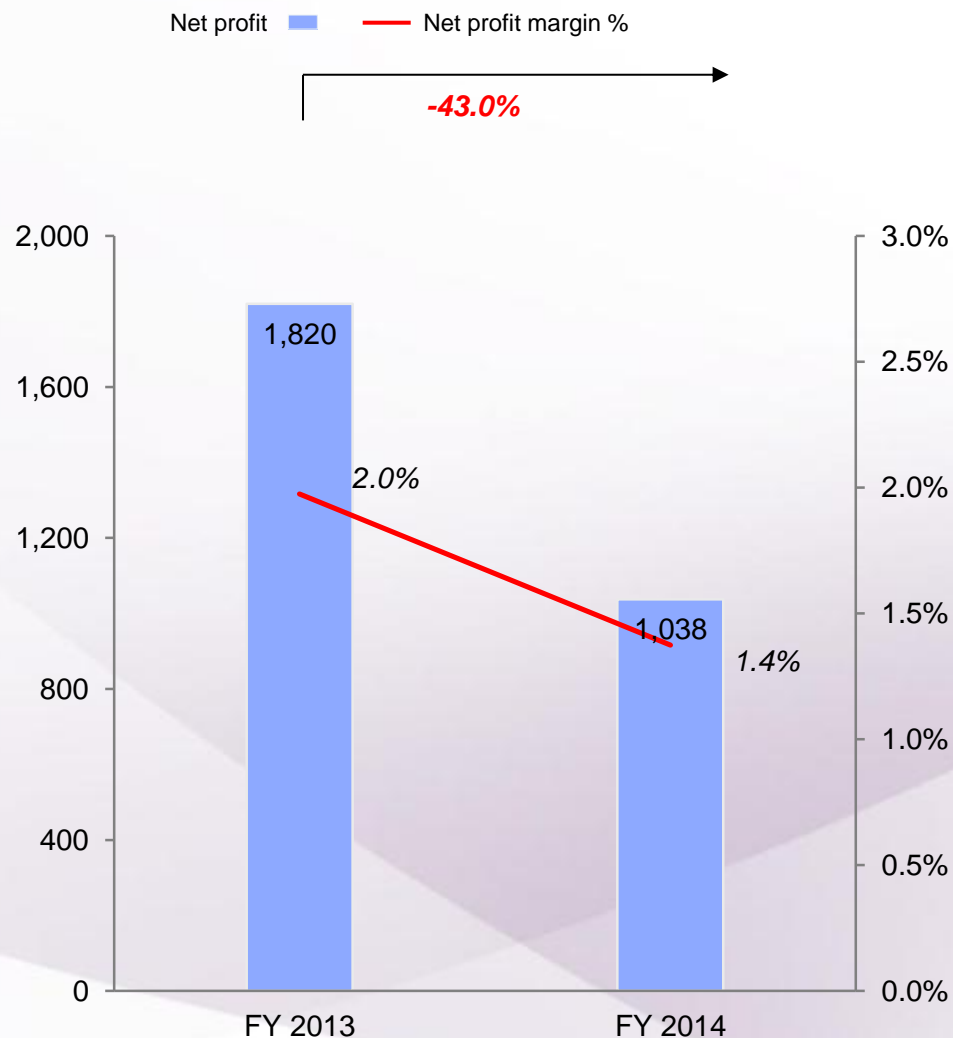


Net profit and Net profit margin

Net Profit – Quarterly (THB mm)

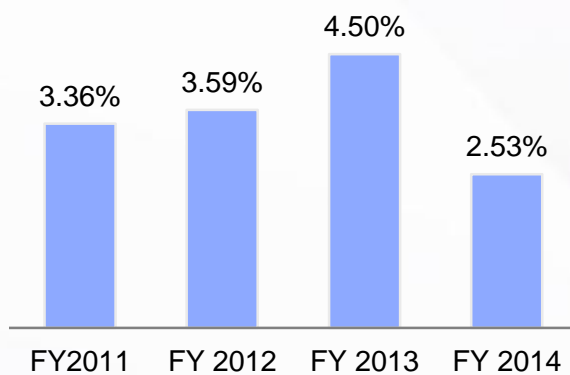


Net Profit – Yearly (THB mm)

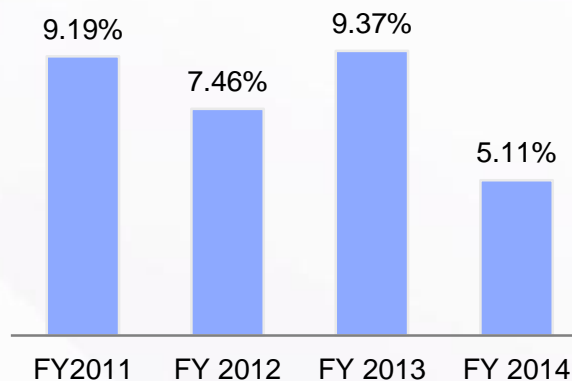


Financial Ratios

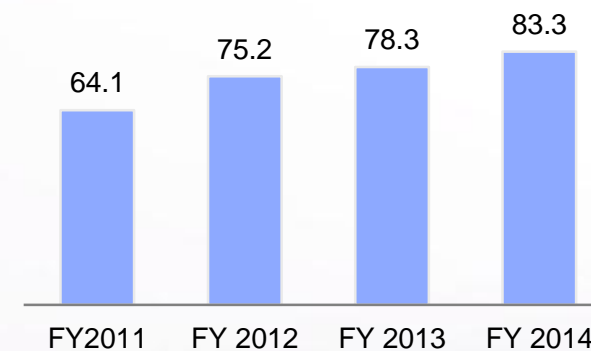
ROA



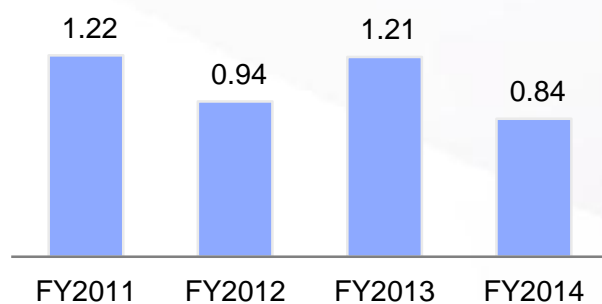
ROE



Cash Cycle



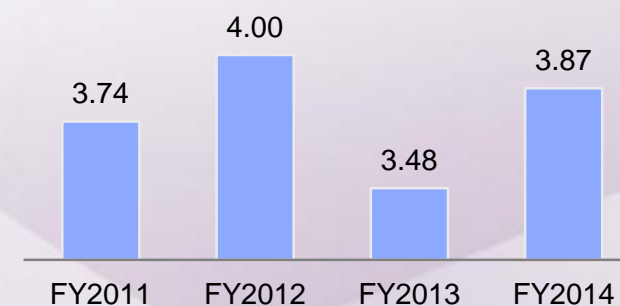
Debt / equity



Net debt / equity



Interest Coverage



Q&A

