

# STA

## 4Q20 & FY20 Presentation



THE WORLD'S LEADING FULLY INTEGRATED GREEN RUBBER COMPANY



The Stock Exchange of Thailand

**SET100 Index**



The Stock Exchange of Thailand

**SETTHSI Index**

# Agenda



## 1. Financial Performance



## 2. STA Business Highlights

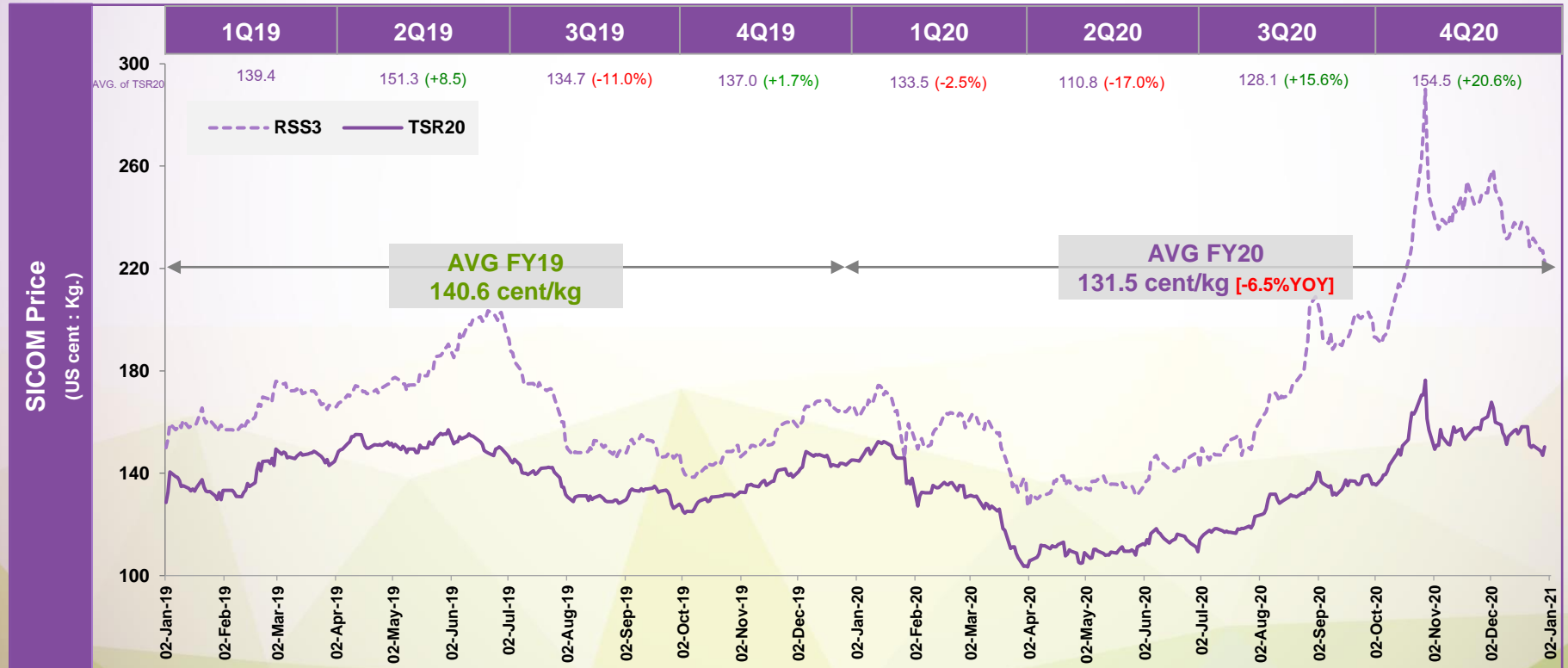


## 3. Natural Rubber Market Situation

# 1 *FINANCIAL PERFORMANCE*



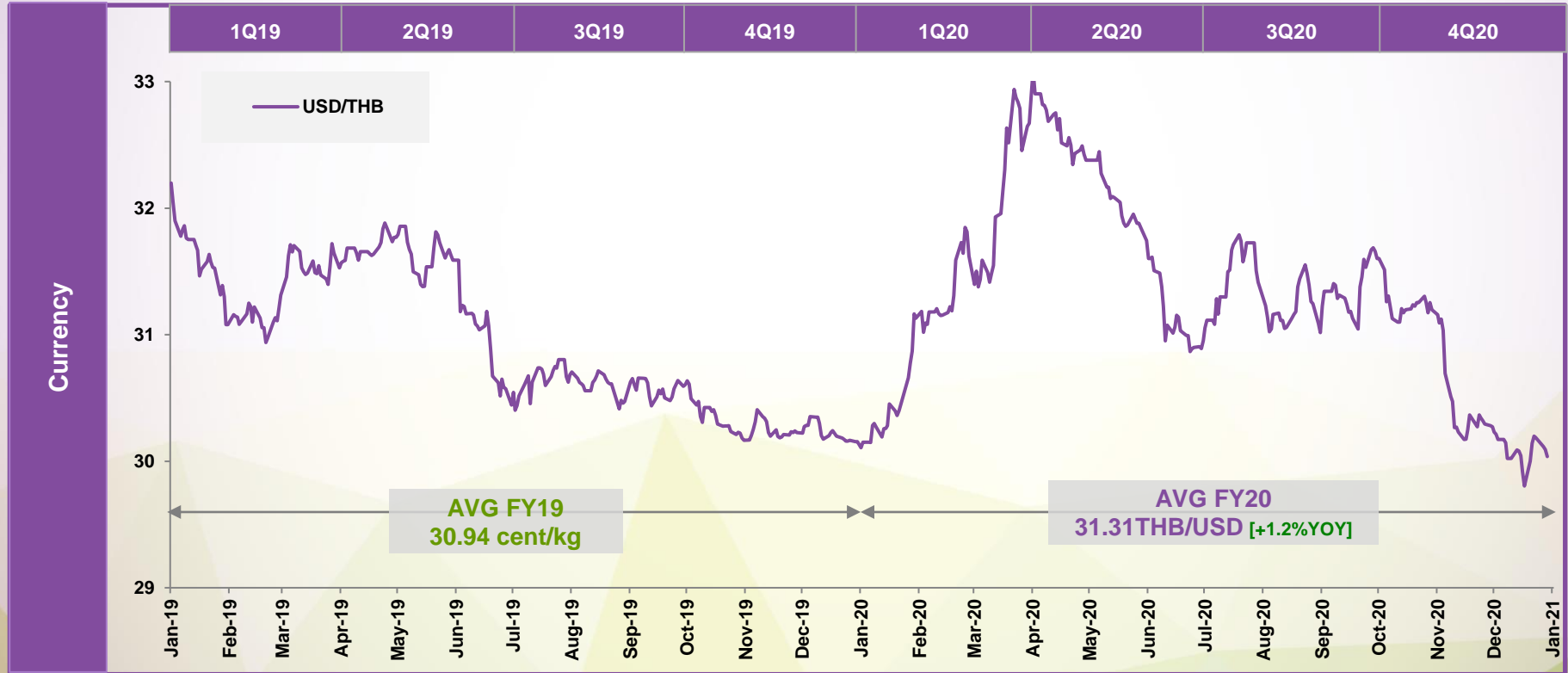
# High Volatility of Rubber Price in 2020



## ABBREVIATIONS

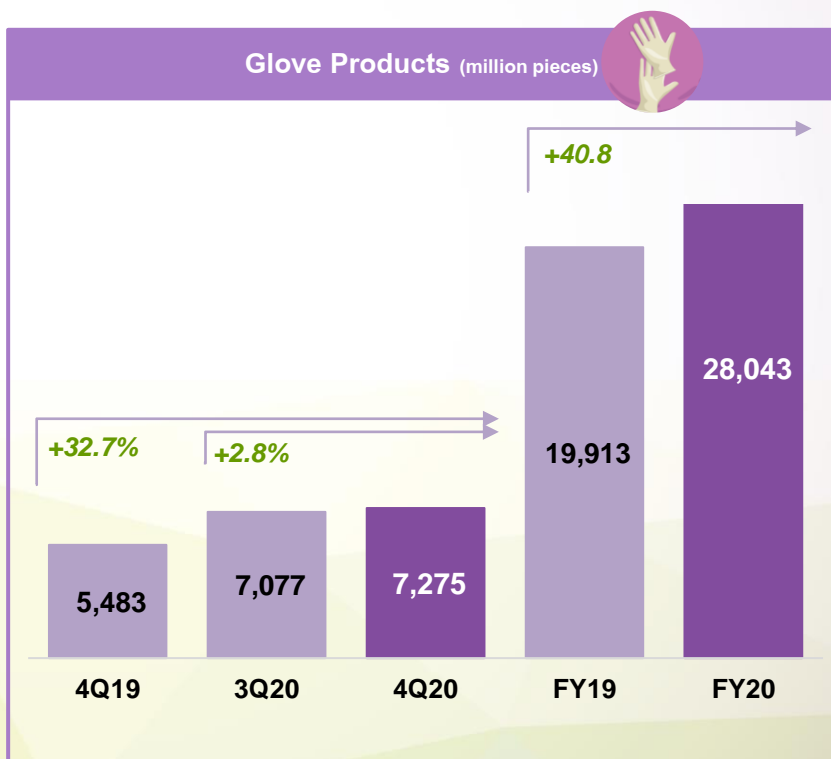
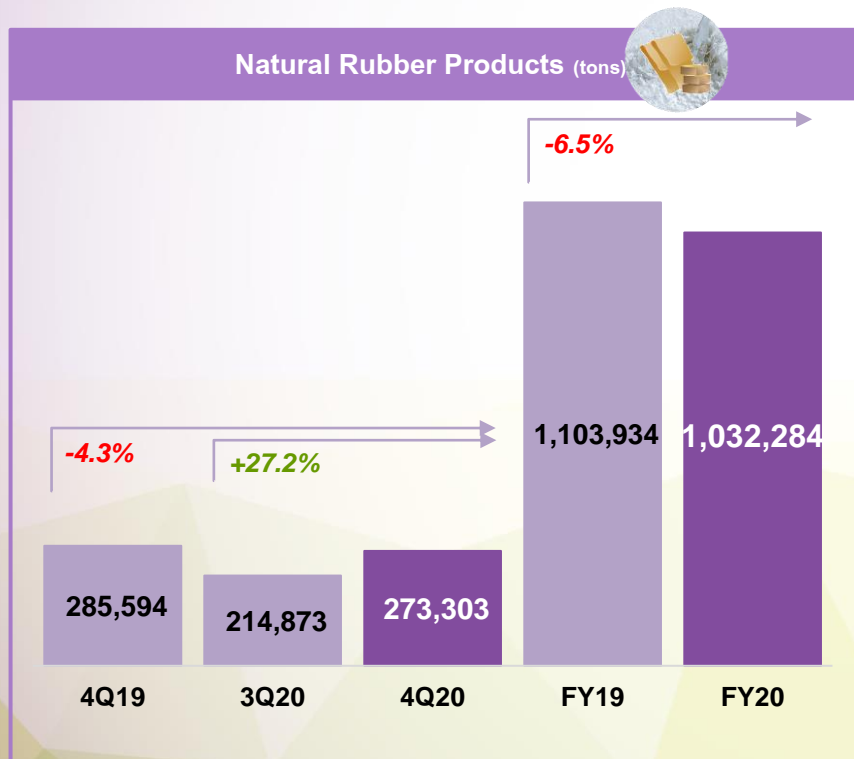
RSS : Ribbed smoked sheet  
TSR : Technically specified rubber, which includes STR and SIR

# USD/THB Movement



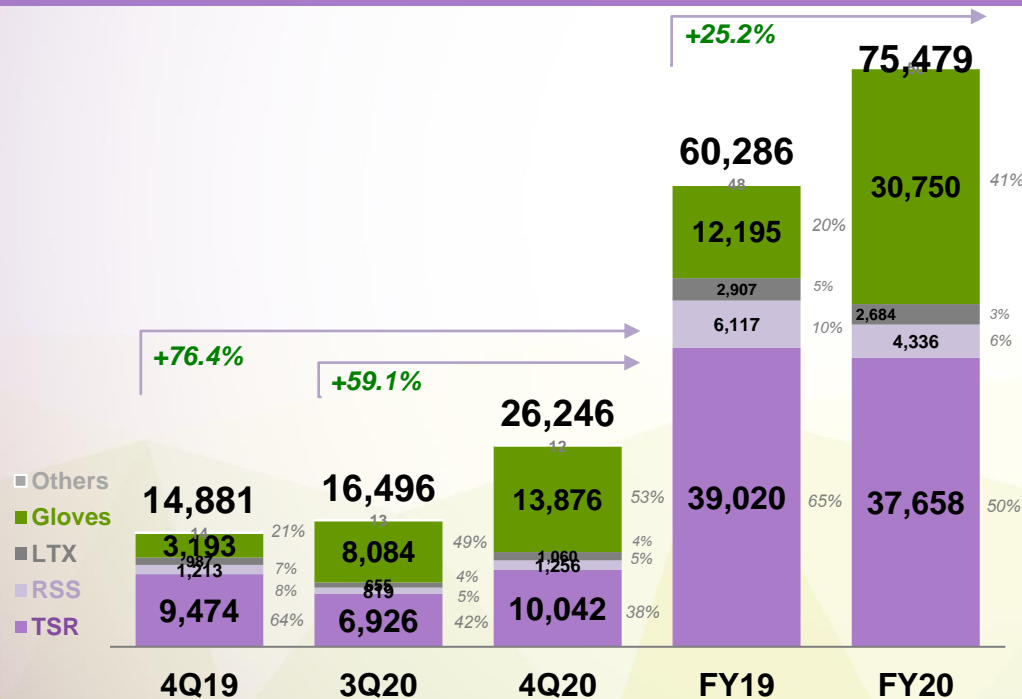
# Sales Volume

- NR's Sales Volume Stronger than Market Demand
- Glove's Sales Volume Running at Full Capacity

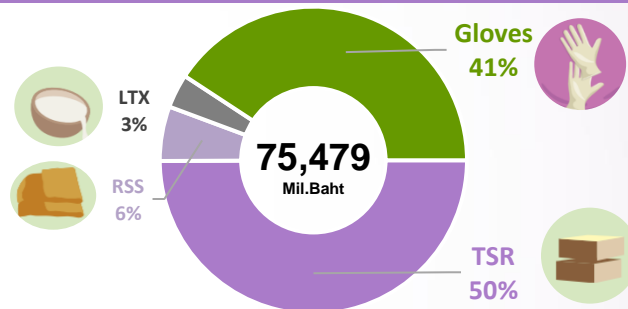


# Sales Revenue – Gloves Contributed 41% of Total Revenues

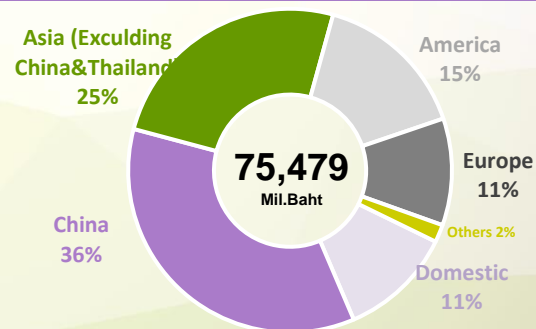
## Sales Revenue by Product (THB million)



## Sales Breakdown by Product



## Sales Breakdown by Region



### ABBREVIATIONS

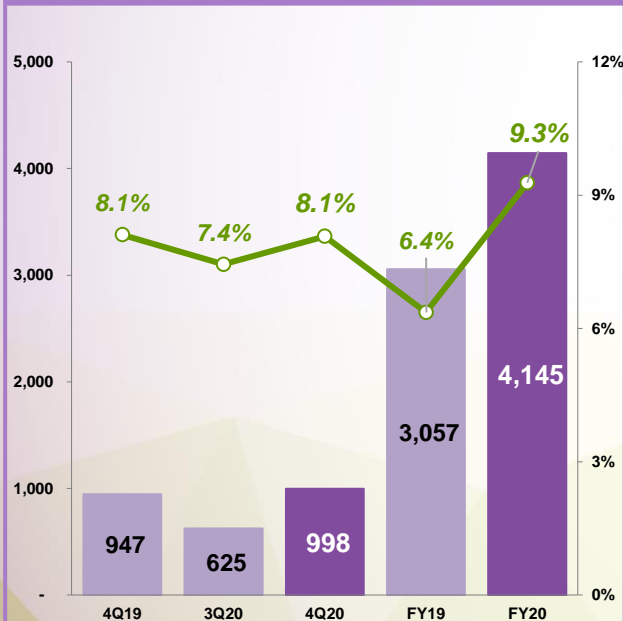
RSS : Ribbed smoked sheet  
 TSR : Technically specified rubber, which includes STR and SIR

LTX: Concentrated Latex

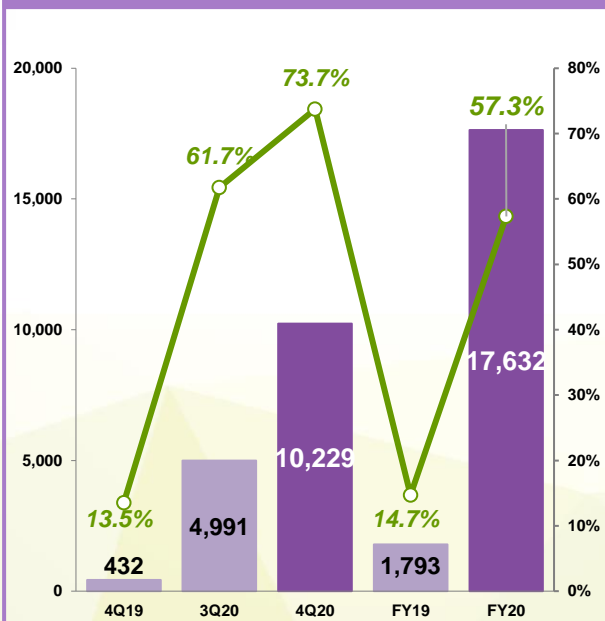
® Sri Trang Agro-Industry Plc.

# Gross Profit – Continued Breaking GPM Record

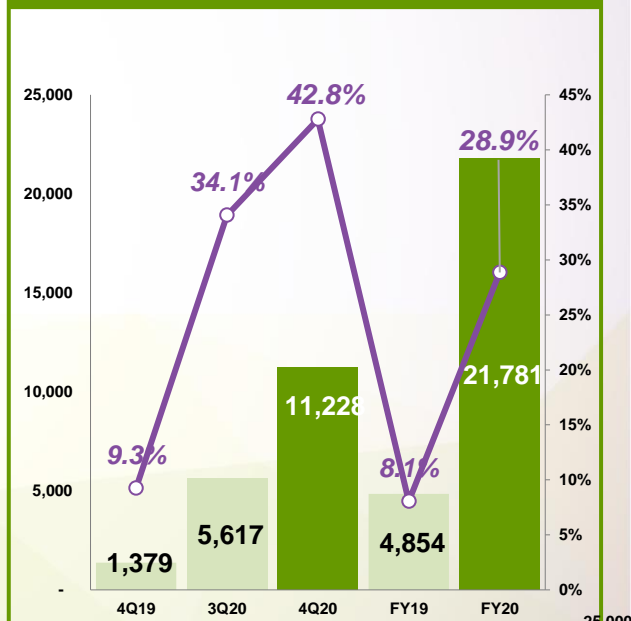
NR's Gross Profit (THB million)



Glove's Gross Profit (THB million)

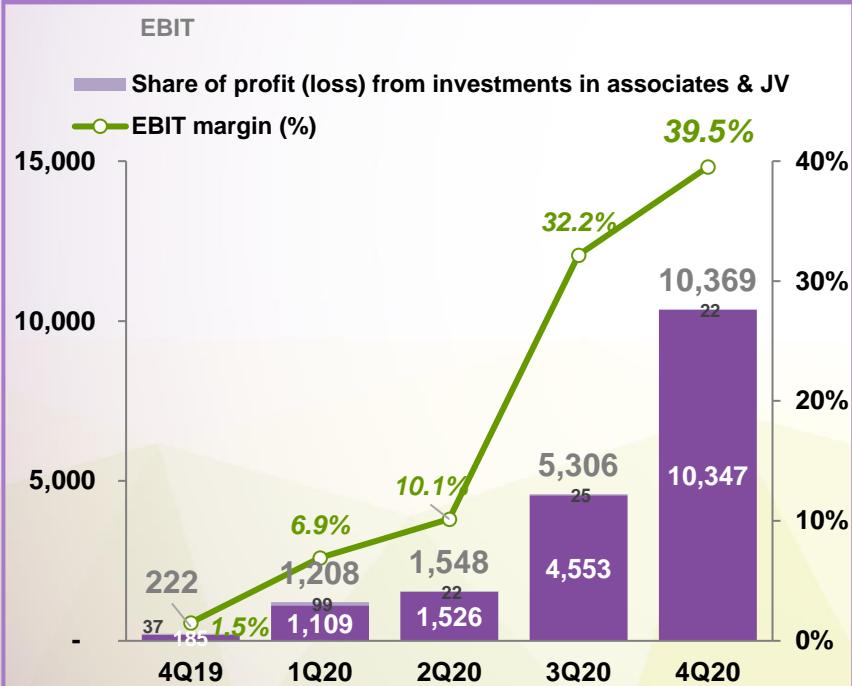


Blended Gross Profit (THB million)

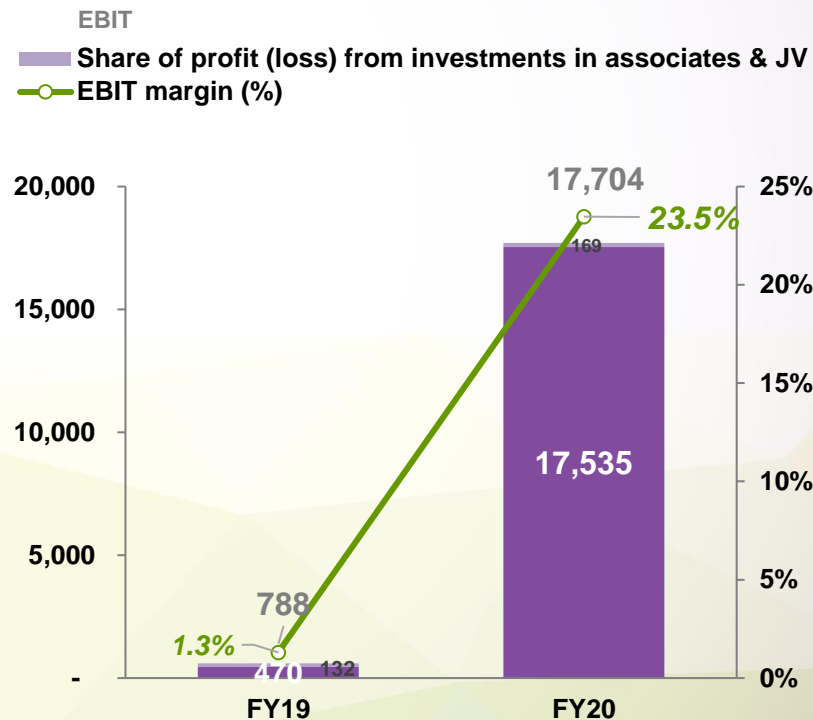


# EBIT – Growing Stronger

EBIT (THB million) - Quarterly

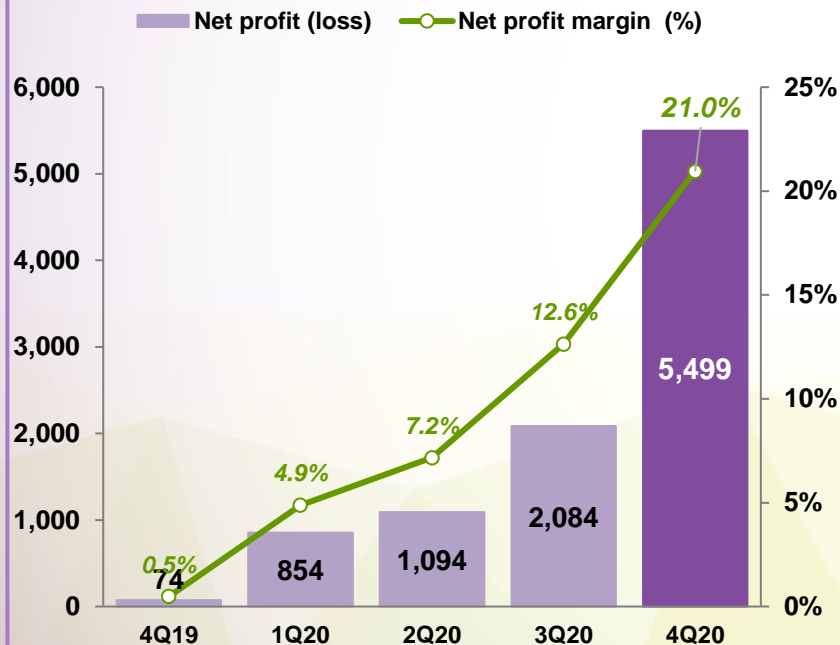


EBIT (THB million) – Yearly

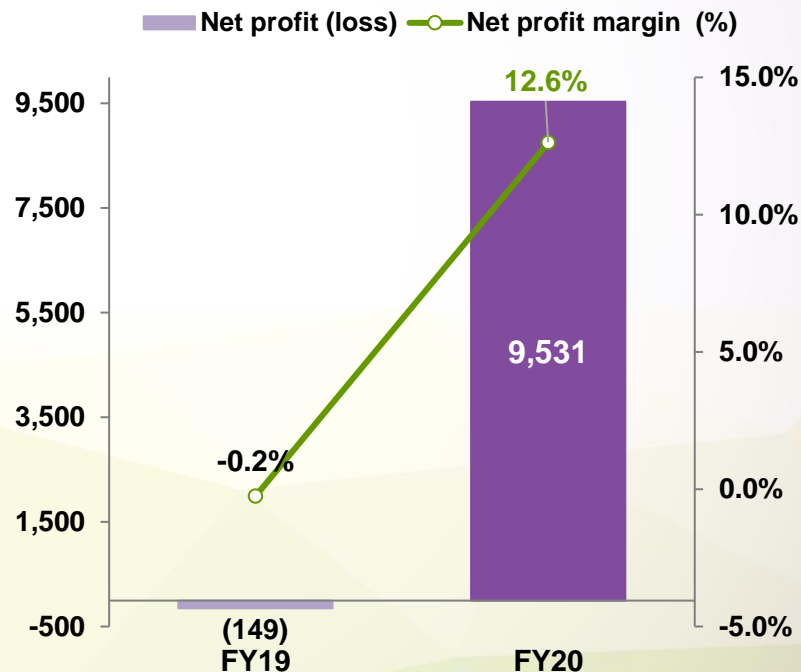


# Net Profit – New Normal of Net Profit

## Net Profit (THB million) – Quarterly



## Net Profit (THB million) – Yearly



# Financial Highlight

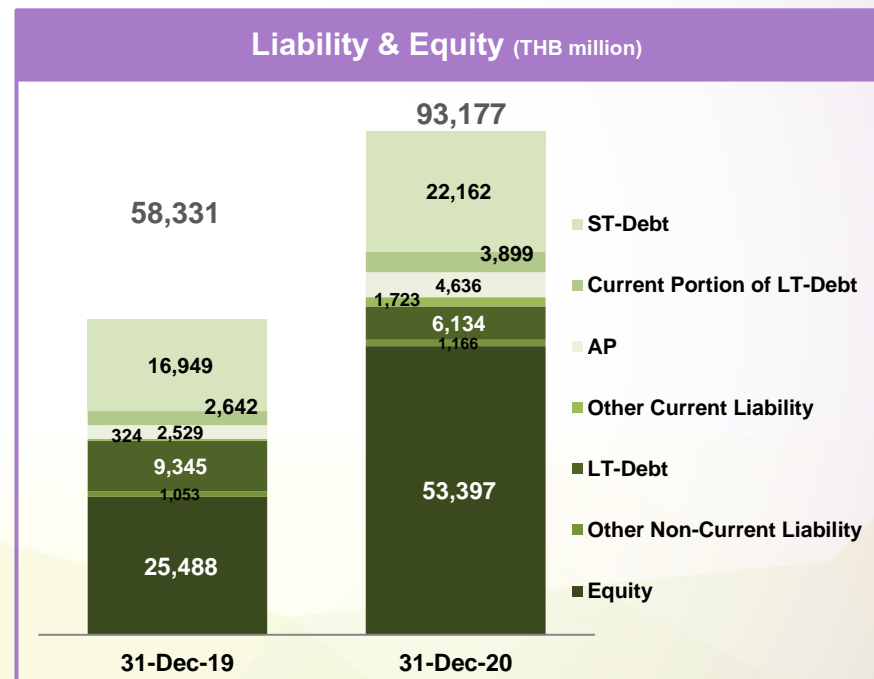
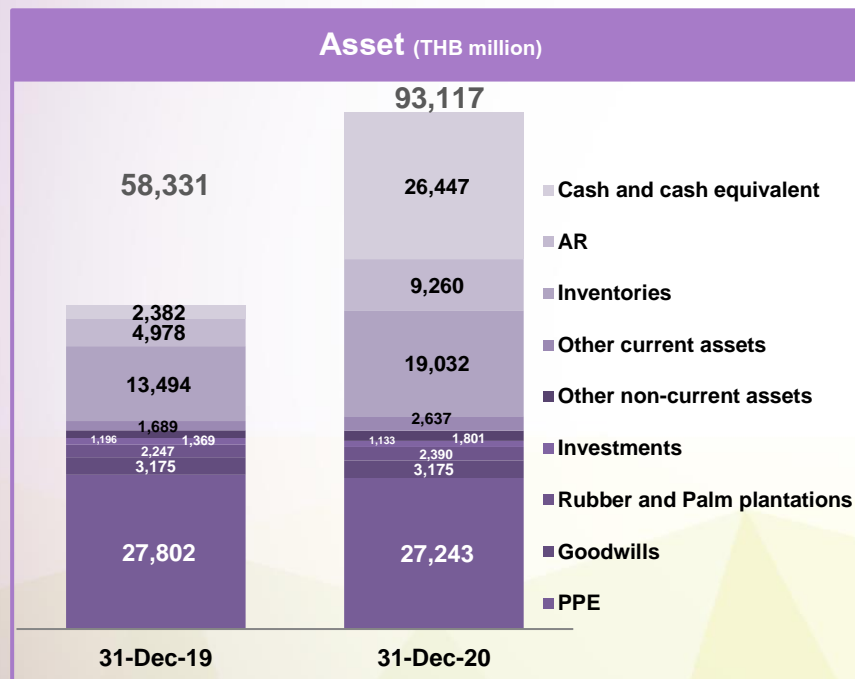
(Unit : THB million)	4Q20	4Q19	%YoY	3Q20	%QoQ	FY20	FY19	%YoY
Revenue	26,246	14,881	76.4%	16,496	59.1%	75,479	60,286	25.2%
NR Sales volume (tons)	273,303	285,594	-4.3%	214,873	27.2%	1,032,284	1,103,934	-6.5%
NR Avg. selling price (USD per ton)	1,477	1,379	18.4%	1,248	9.4%	1,383	1,402	-1.3%
Gloves Sales volume (million pieces)	7,275	5,483	32.7%	7,077	2.8%	28,043	19,913	40.8%
Gloves Avg. selling price (USD per 1,000 pieces)	62.3	19.2	223.9%	36.6	70.9%	35.0	19.7	77.6%
Gross profit	11,228	1,379	714.4%	5,384	108.5%	21,781	4,635	370.0%
Adj. gross profit**	11,288	1,279	782.6%	5,384	109.7%	22,014	4,589	379.7%
SG&A	(1,338)	(210)	536.8%	4,553	N/A	(4,783)	(4,571)	4.6%
Gains (loss) on exchange rate, net**	77	126	-38.6%	5,306	-98.5%	268	355	-24.5%
Other gains (loss)*	277	(210)	N/A	4,578	-94.0%	(81)	(261)	-69.1%
Operating profit (loss)	10,347	185	5482.3%	2,084	396.4%	17,535	656	N/A
Share of profit (loss) from investments in JV	22	37	-39.9%	25	-10.2%	169	132	27.4%
EBITDA	11,084	858	1192.5%	5,306	108.9%	20,505	3,274	526.2%
EBIT	10,369	222	4569.2%	4,578	126.5%	17,704	788	2146.7%
Finance costs, net	(166)	(195)	-14.8%	(146)	13.8%	(691)	(891)	-22.4%
Tax Income (expense)	(1,129)	76	N/A	(373)	203.1%	(1,667)	16	N/A
Net profit	5,499	74	7328.8%	2,084	163.8%	9,531	(149)	N/A
GP margin	42.8%	9.3%	335.15	32.6%	101.40	28.9%	7.7%	211.70
Adj. GP margin*	43.0%	8.6%	344.14	32.6%	103.71	29.2%	7.6%	215.54
Operating profit margin	39.4%	1.2%	381.79	12.6%	267.89	23.2%	1.1%	221.44
EBITDA margin	42.2%	5.8%	364.68	32.2%	100.67	27.2%	5.4%	217.35
Net profit margin	21.0%	0.5%	204.54	12.6%	83.16	12.6%	-0.2%	128.74

\*Adjusting for (reversal) allowance of inventory and realized gains (losses) from hedging activities

\*\*Reclassified according to TFRS 7-- Just only FX gains/ (losses) related to AP, AR, loans can be shown in this item

\*\*\*Reclassified according to TFRS related to financial instruments of currency and commodities

# Balance Sheet – Very Strong Financial Status



FY20

12.59X

24.16X

0.74X

0.25X

ROA

ROE

D/E

Net Interest Bearing

FY19

-0.25X

-0.57X

1.29X

Debt/ Equity

1.20X

# Dividend Payment

## Thanks to The Strong Financial Result

Historical Dividend Payment		
Operating Year	Dividend per Share (Baht)	Dividend Payout Ratio (%)
<b>Final Dividend 2020</b>	<b>1.75</b>	<b>36.23</b>
<b>Special Dividend 2020</b> [Payment Date 9 December 2020]	<b>0.50</b>	<b>19.0</b>
2019	0.35	N/A
2018	0.65	46.52
2017	Omitted dividend payment	
2016	0.40	N/A
2015	0.40	45.79
2014	0.40	49.34
2013	0.65	45.93
2012	0.50	46.41
2011	0.50	48.99

**Record Date**      **16 April 2021**

[last day that shareholders are  
entitled to receive the dividend is  
**9 April 2021**]

**Payment Date**      **29 April 2021**

**Total Dividend for FY2020**    **2.25 Baht per share**

**Payout Ratio**                      **36.23%**

\*Adjusting for (reversal) allowance of inventory and realized gains/(losses) from hedging activities

\*\*Reclassified according to TFRS 7-- Just only FX gains/ (losses) related to AP, AR, loans can be shown in this item

\*\*\*Reclassified according to TFRS related to financial instruments of currency and commodities

2

## ***STA Business Highlights***



# About STA: The World's Leading Fully Integrated Natural Rubber Company

Established in 1987



Upstream

## Rubber Plantations



**45,000 rai**

(7,200 hectares) of rubber plantations



**45**

procurement centers

**> 6,000**

Rubber farmers and dealers being members of mobile application "SRITRANG Friend"

Midstream

## Rubber Processing



**36**

NR processing plants in Thailand, Indonesia and Myanmar

**2.8**

million tons in production capacity per year

**1.0**

million tons sold in 2020

**8%**

market share of global natural rubber consumption in 2020

**26%**

market share of Thailand rubber production in 2020

Downstream

## Rubber Gloves



**3**

locations of glove factories in Thailand

**33**

billion pieces of gloves in production capacity per year

**28.0**

billion pieces of gloves sold in FY20

**140+**

countries sold over the world

## STA's Global Presence



Thailand



USA



Myanmar



Indonesia



Singapore



China



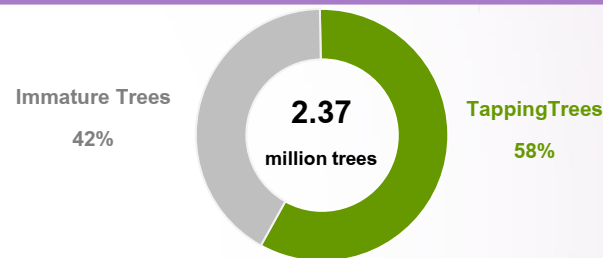
Vietnam

# Upstream Operations – Rubber Plantations

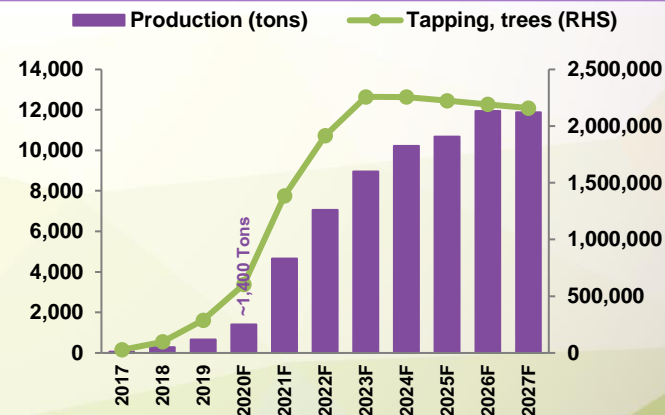


Note: The green provinces are where our factories located in.

## Number of Rubber Trees (2021F)



## Estimated Mature Plantations



# Upstream Operations – Hemp Plantation Project

**กัญชา กัญชงที่ผลิตในประเทศ**  
**ส่วนใหญ่เป็น - ไม่เป็นยาเสพติด**  
ตามประกาศ สร. เรื่อง ระบุชื่อยาเสพติดให้โทษในประเภท 5 พ.ศ. 2563

**เมล็ดกัญชา**  
**เป็นยาเสพติด**  
ใช้เป็นเมล็ดพันธุ์

**เมล็ดกัญชง**  
**น้ำมันและสารสกัด**  
**จากเมล็ดกัญชง**  
**ไม่เป็นยาเสพติด**  
ใช้เป็นเมล็ดพันธุ์/ ศักยภาพ/ ผลิตภัณฑ์ เช่น ยา อาหาร สบู่ เครื่องสำอาง

**เปลือก ลำต้น เส้นใย**  
**ไม่เป็นยาเสพติด**  
ใช้ศึกษาวิจัย/ ใช้ในอุตสาหกรรมต่าง ๆ เช่น สิ่งทอ ยานยนต์ กระดาษ

**ราก**  
**ไม่เป็นยาเสพติด**  
ใช้เพื่อประโยชน์ทางการแพทย์/ ศึกษาวิจัย/ ผลิตภัณฑ์ เช่น ยา อาหาร สบู่ เครื่องสำอาง

**ช่อดอก**  
**เป็นยาเสพติด**  
ใช้เพื่อประโยชน์ทางการแพทย์/ ศึกษาวิจัย/ ผลิตภัณฑ์

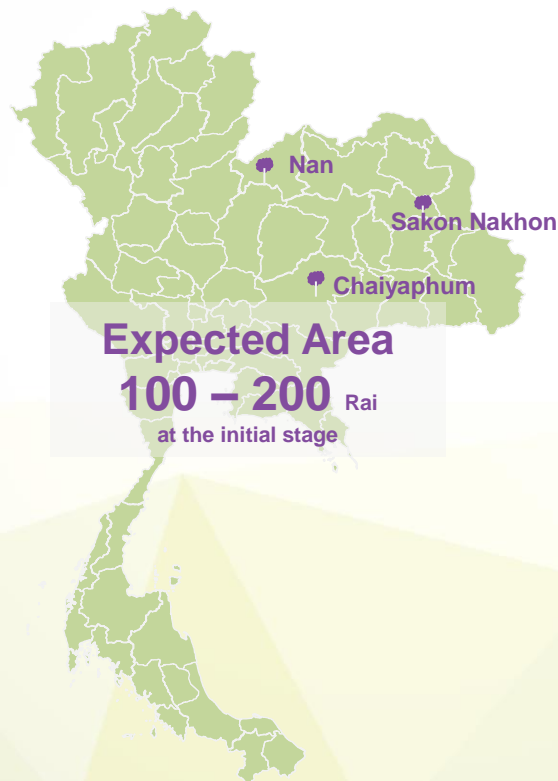
**สารสกัด CBD และต้องมี**  
**THC ไม่เกิน 0.2%**  
**ไม่เป็นยาเสพติด**  
ใช้เพื่อประโยชน์ทางการแพทย์/ ศึกษาวิจัย/ ผลิตภัณฑ์ เช่น ยา อาหาร สบู่ เครื่องสำอาง

**ใบจริง/ใบตัด**  
**ไม่เป็นยาเสพติด**  
ใช้เพื่อประโยชน์ทางการแพทย์/ ศึกษาวิจัย/ ผลิตภัณฑ์ เช่น ยา อาหาร สบู่ เครื่องสำอาง

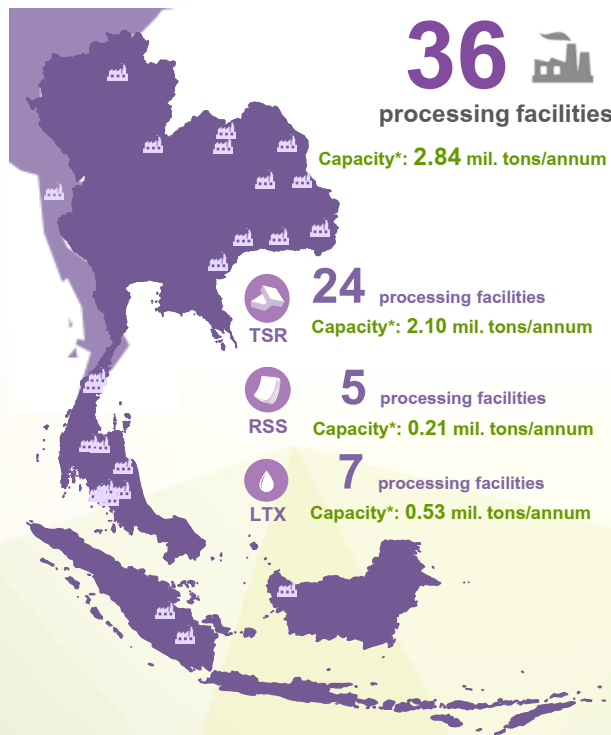
**กิ่ง ก้าน**  
**ไม่เป็นยาเสพติด**  
ใช้เพื่อประโยชน์ทางการแพทย์/ ศึกษาวิจัย/ ผลิตภัณฑ์ เช่น ยา อาหาร สบู่ เครื่องสำอาง

**กากจากการสกัด**  
**ต้องมี THC ไม่เกิน 0.2 %**  
**ไม่เป็นยาเสพติด**

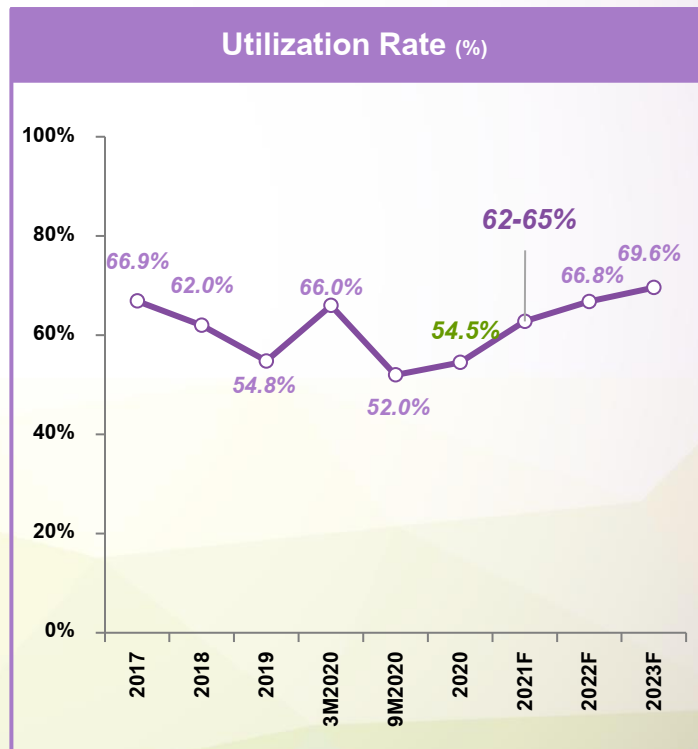
ส่วนต่าง ๆ ของกัญชา กัญชง  
ต้องได้จากการปลูกหรือผลิตโดยผู้รับอนุญาตตามกฎหมาย  
ตรวจสอบได้ที่เว็บไซต์ อ ย : <https://www.fda.moph.go.th>

# Midstream Operations – NR Processing



Note: \*Total engineering capacity



# Major Customers in Midstream Business

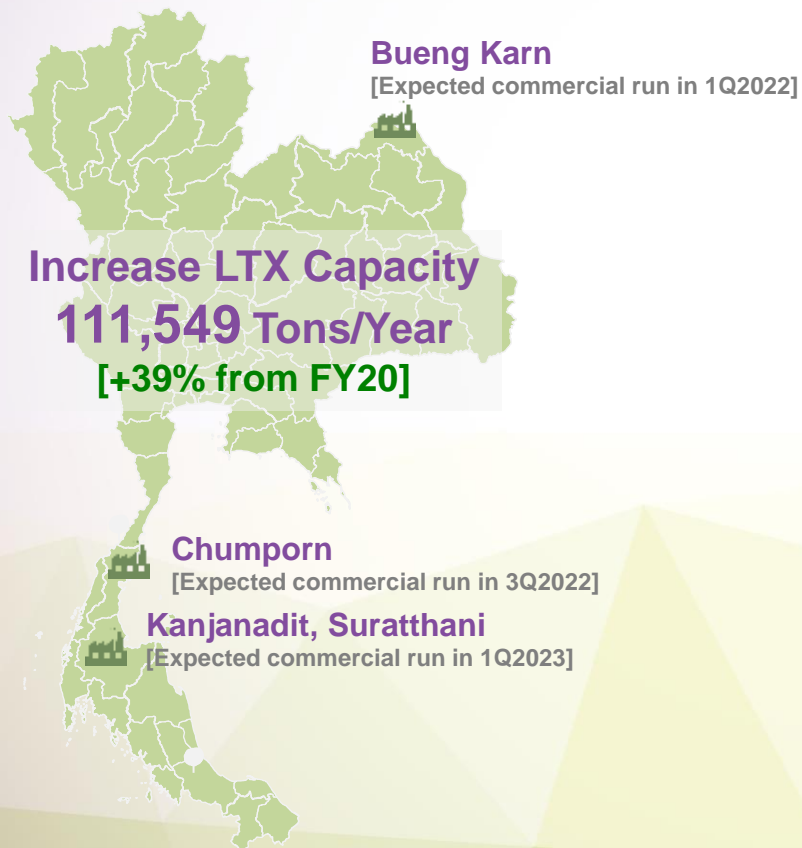
Global Brands



Firestone



# Expansion of Concentrated Latex Plants



# Strategy for Midstream Operations – NR Processing

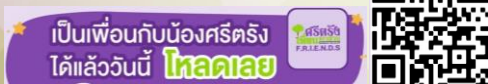
Launch mobile application

“SRITRANG FRIENDS”



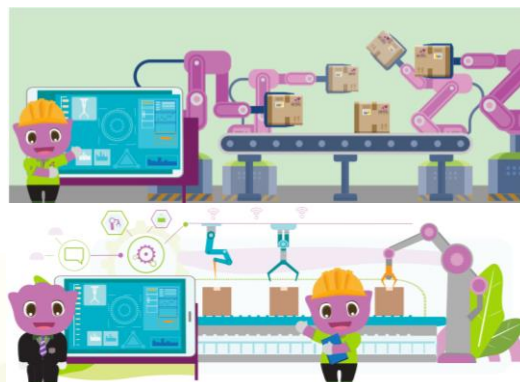
Objective: To buy raw materials from rubber farmers and dealers in Thailand anywhere and anytime

No. of Members: **> 10,000** rubber farmers & dealers in SRITRANG network



Enhance

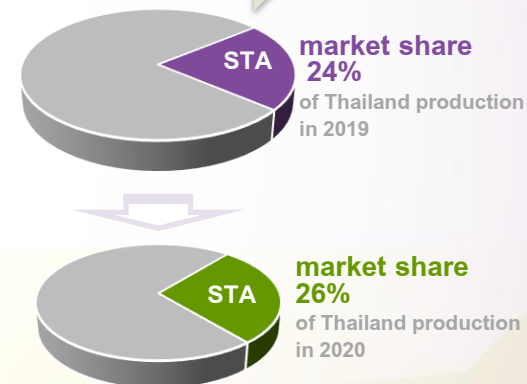
production efficiency



- Implement automation & censoring system in production process
- Reduce energy consumption e.g. adapting production process to be shorter & smarter, using more biomass and reducing the use of LPG etc.

Acquire

higher market share



- Keep our position as the reliable supplier for rubber users all over the world
- Gain more market share among ambiguous market environment

**STA ≠ Industry**

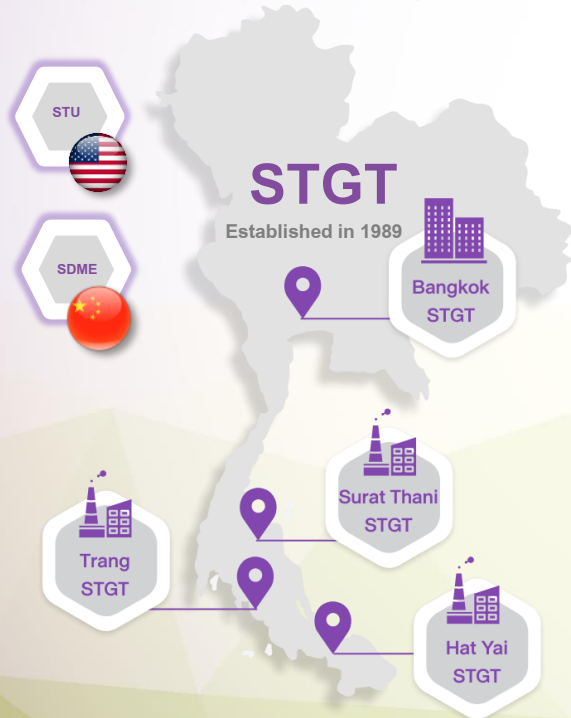
# Downstream Operations – Finished Products



**STGT**, is a **Flagship Company** of **Sri Trang Group**  
with **56% shares** owned by **STA**

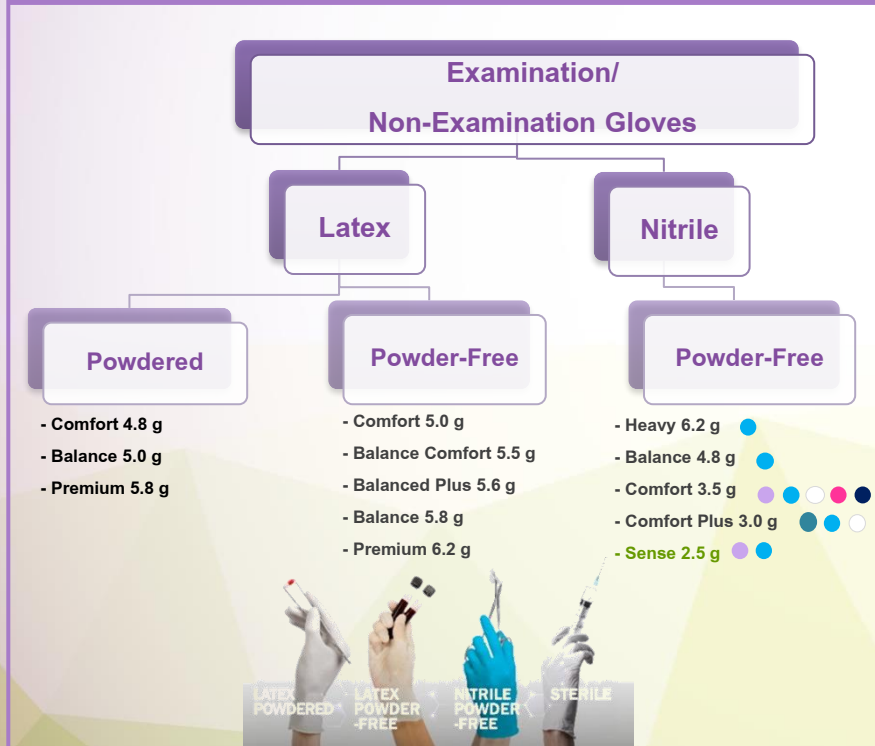


Deliver 'Touch Of Life™' On a Global Scale



# Our Gloves Products

## Product Range



## Various distribution channels



Exhibition



Selling Agent

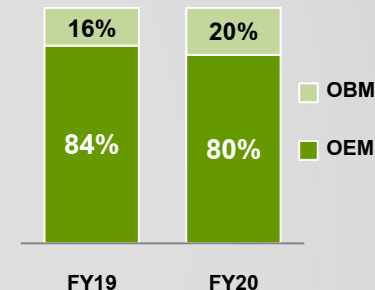


Retail Business



Online

## Revenue breakdown

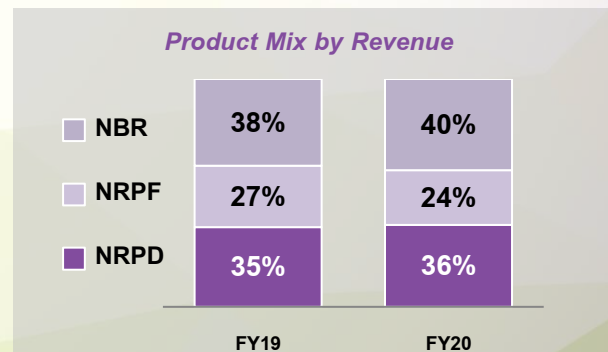
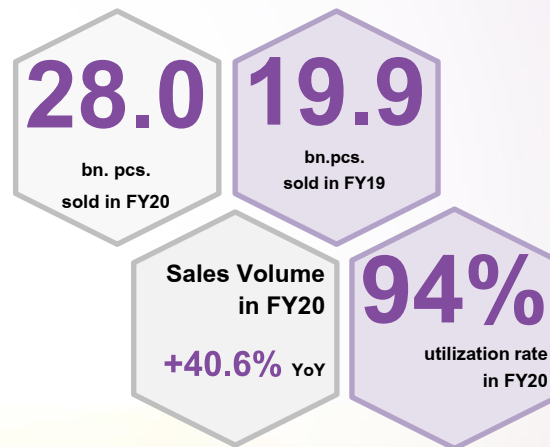


Note: There is a reclassification of OBM products.

## Our Brands [OBM]

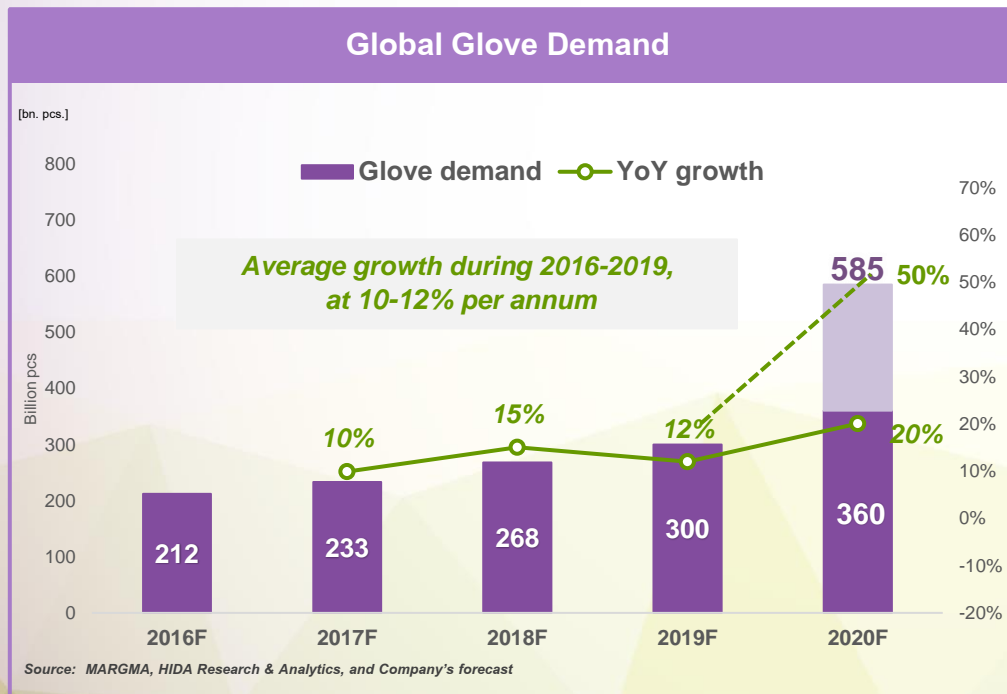


# Sales Revenue Breakdown by Region

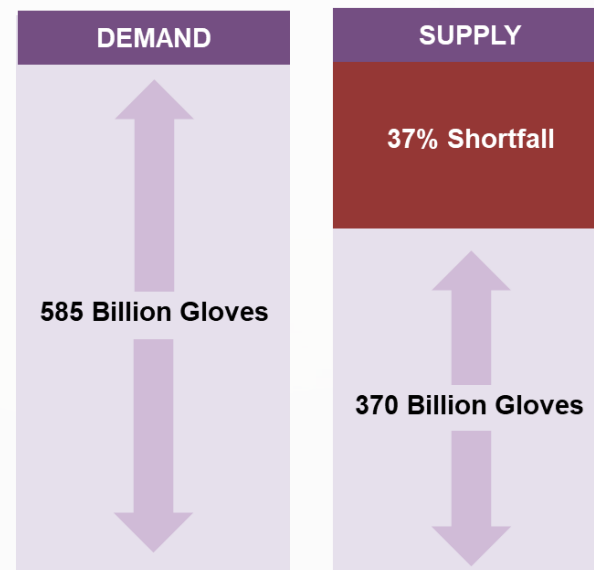


# Global Glove Market Outlook

*Global Glove Supply is Limited!*



*Global Glove Supply is Limited*



Source: 2020 Market Report HIDA Research & Analyst

# Gloves Are Necessity!

HEALTH AND SCIENCE

**Covid variant found in South Africa is worrying experts: Here's what we know so far**



PUBLISHED WED, JAN 6 2021 5:34 AM EST | UPDATED WED, JAN 6 2021 5:42 AM EST

**New COVID variant with 5 mutations identified in California**



**CIDRAP** Center for Infectious Disease Research and Policy

**New Variants of the Virus that Causes COVID-19**



**Centers for Disease Control and Prevention**

CDC 24/7: Saving Lives, Protecting People™

Updated Feb. 2, 2021

**OPEN ACCESS GOVERNMENT**

**When Will Life Return to Normal? In 7 Years at Today's Vaccine Rates**

Our new calculator shows how long it will take states and countries to vaccinate 75% of their populations

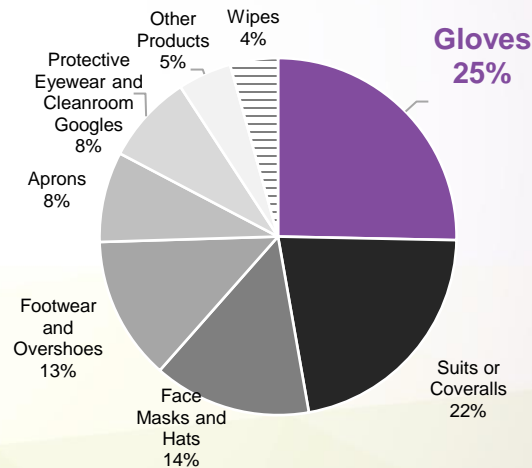
**Bloomberg**

**AstraZeneca vaccine cannot stop the South African mutation**

February 8, 2021



**Global Market Share in PPE Product in 2018**

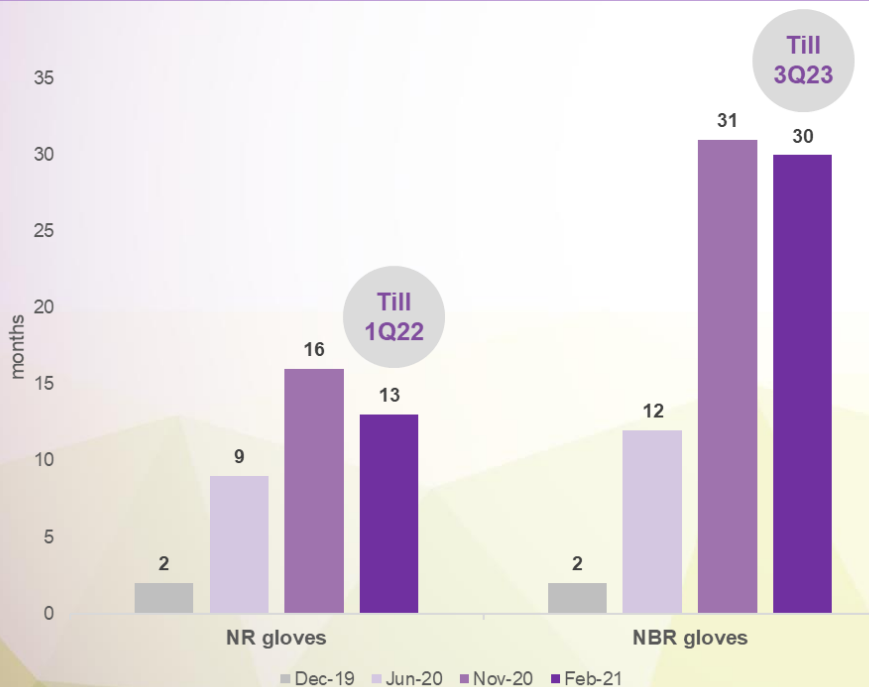


**“1/4 of PPE Spending come to Glove Sector”**

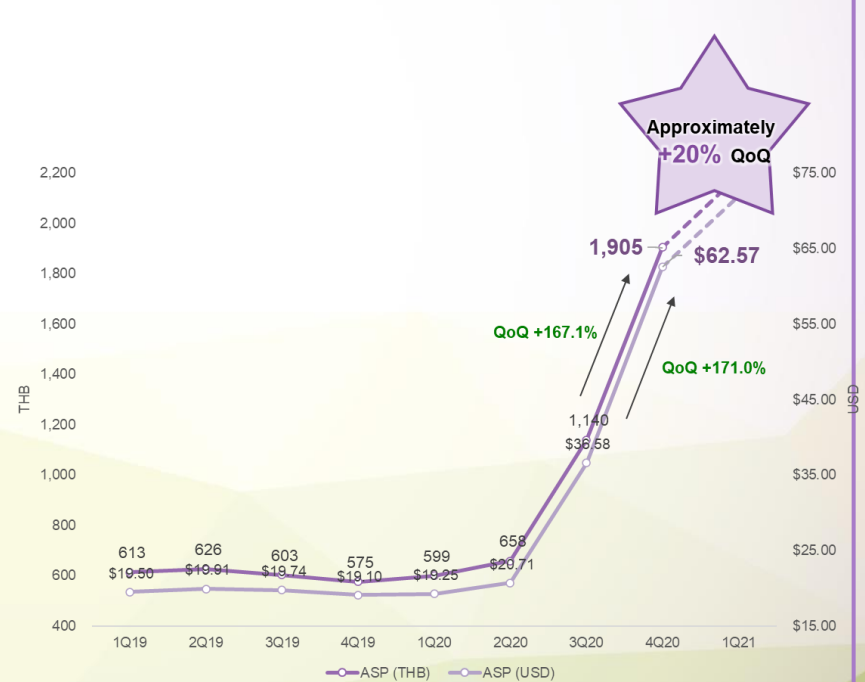
Source: Mordor Intelligence 2020, adb and Company

# Glove Prices Still Increase Even Vaccine Come Out

## Lead Time of Product Shipment



## ASP (THB, USD per 1,000 pcs)



# Strategic Location for Key Suppliers and Tax Privileges

## 3 Production Facilities Total Installed Capacity of 32,619 mm pieces per year

Chumphon  
Karnchanadit,  
Surat Thani  
Kantang, Trang  
Hat Yai, Songkhla  
Sadao, Songkhla

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

### Trang Plant

3



<b>Installed Capacity<sup>(1)</sup></b>	10,092 mm pieces per year
<b>Main Raw Material</b>	Concentrated Latex

**New**

<b>Project</b>	TG3 (4Q21)	<b>Tax exemption:</b> 5 Years
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<b>Installed Capacity</b>	3,110 mm pieces per year
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<b>Main Raw Material</b>	Concentrated Latex / Synthetic Rubber Latex
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**New**

<b>Project</b>	TG4 (3Q22)	<b>Tax exemption:</b> 5 Years
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<b>Installed Capacity</b>	7,465 mm pieces per year
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<b>Main Raw Material</b>	Concentrated Latex / Synthetic Rubber Latex
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**New**

<b>Project</b>	TG5 (1Q23)	<b>Tax exemption:</b> 5 Years
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<b>Installed Capacity</b>	6,169 mm pieces per year
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<b>Main Raw Material</b>	Concentrated Latex
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**New**

Project	PS (3Q21)	Tax exemption: 8 Years
Installed Capacity	2,903 mm pieces per year	
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex	

**New**

Project	ANV (1Q22)	Tax exemption: <b>8 Years</b>
Installed Capacity	7,258 mm pieces per year	
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex	

### 1 Surat Thani Plant



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

**New**

<b>Project</b>	SR2 (1Q21)	<b>Tax exemption:</b> 5 Years
----------------	------------	----------------------------------

<b>Installed Capacity</b>	2,177 mm pieces per year
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<b>Main Raw Material</b>	Concentrated Latex / Synthetic Rubber Latex
--------------------------	---

**New**

<b>Project</b>	SR3 (2Q21)	<b>Tax exemption:</b> 5 Years
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<b>Installed Capacity</b>	3,992 mm pieces per year
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<b>Main Raw Material</b>	Concentrated Latex / Synthetic Rubber Latex
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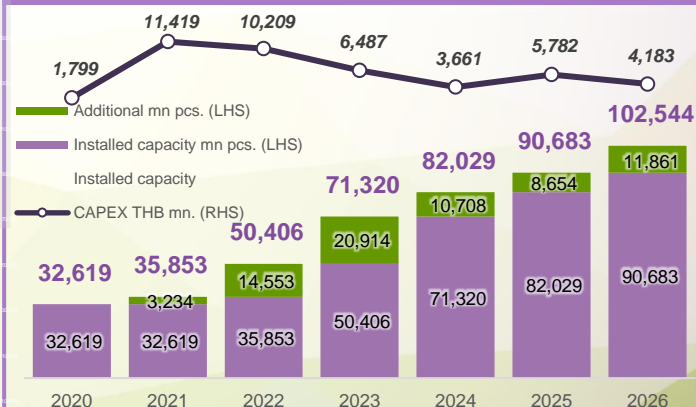
### 2 Hat Yai Plant



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

## Capacity & CAPEX



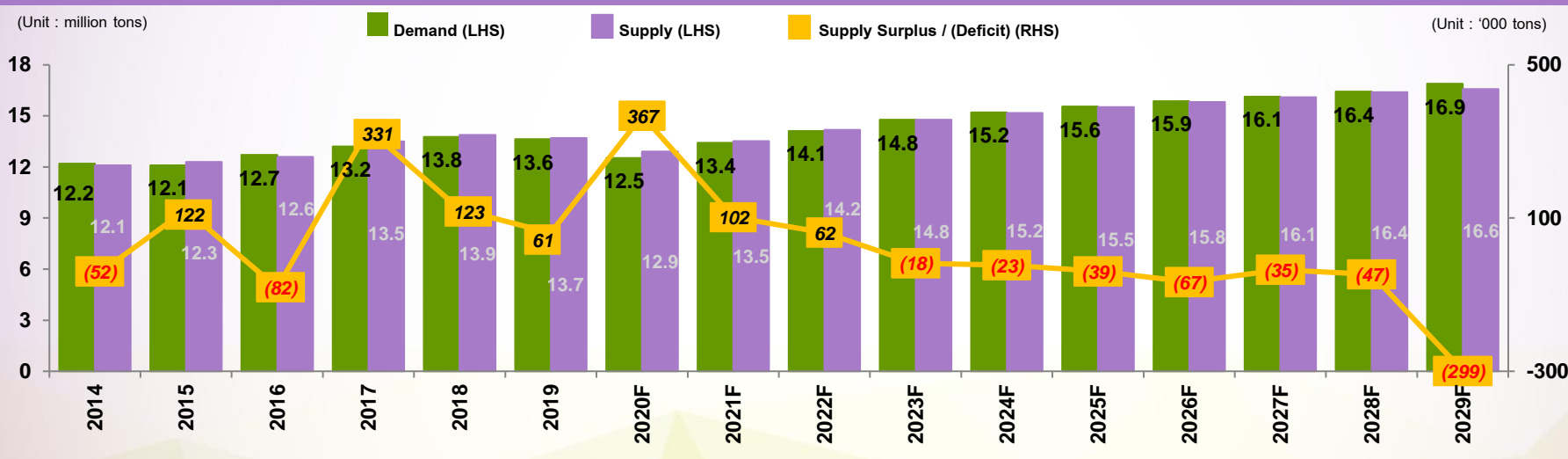
3

## ***NATURAL RUBBER MARKET SITUATION***



# Global NR Situation

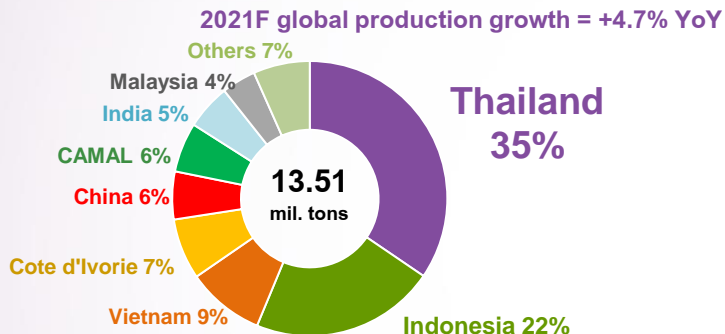
## Natural Rubber Demand & Supply



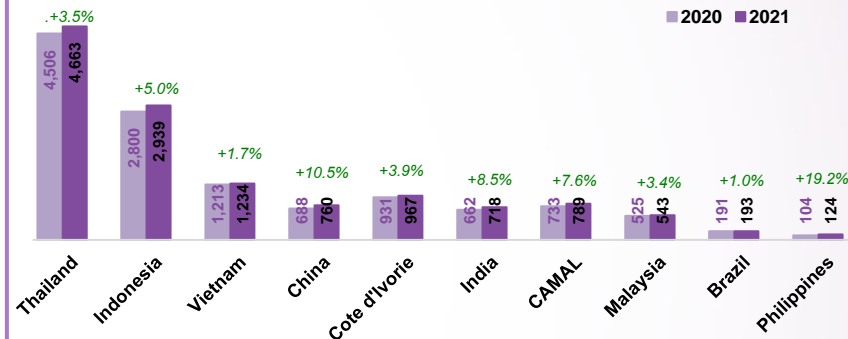
IRSG's forecast	Before COVID [mil.tons]	2020 forecast in Jul-2020 [mil.tons]	2020 forecast in Dec-2020 [mil.tons]	2021 forecast [mil.tons]	% Change
Demand	14.01	12.12	12.53	13.41	▲ 7.0%
Supply	14.05	12.98	12.90	13.51	▲ 4.7%
Oversupply	0.04	0.86	0.37	0.10	▼ 73.0%

# NR Supply & Demand

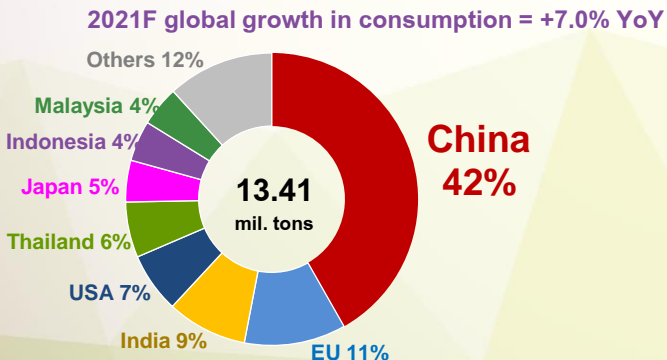
## 2021F Major NR Producers



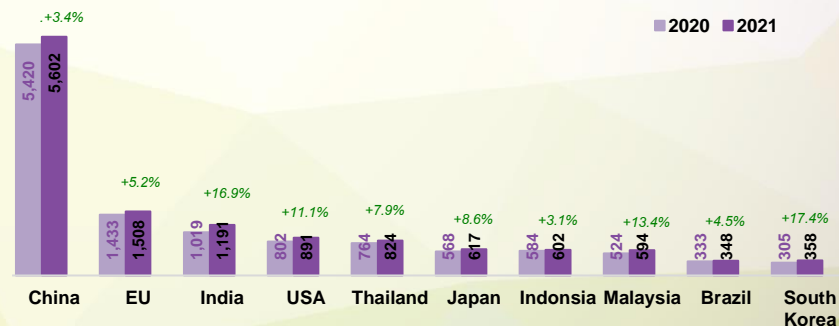
## NR Production from Top 10 Producers



## 2021F Major NR Consumers



## NR Consumption from Top 10 Customers



# News Update

## Rubber Price Guarantees for Farmers



RSS3

60 Baht/Kg.



Fresh Latex with DRC 100%

57 Baht/Kg.



Cup Lump with DRC 50%

23 Baht/Kg.

Period:

6 Months

[Oct 2020 – Mar 2021]

Condition:

20 kg./Rai/Month

for farmers registered  
with RAOT with over  
7 years of rubber  
plantation.



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

### U.S. DEPARTMENT OF COMMERCE INITIATES ANTIDUMPING DUTY AND COUNTERVAILING DUTY INVESTIGATIONS OF IMPORTS OF PASSENGER VEHICLE AND LIGHT TRUCK TIRES FROM THE REPUBLIC OF KOREA, TAIWAN, THAILAND, AND THE SOCIALIST REPUBLIC OF VIETNAM

In the AD investigations, Commerce will determine whether imports of PVLT tires from Korea, Taiwan, Thailand, and Vietnam are being dumped in the U.S. market at less than fair value. The alleged dumping margins are as follows:



Korea

42.95% – 195.20%



Thailand

106.36% – 217.50%



Taiwan

20.57% – 116.14%



Vietnam

5.48% – 22.30%

Please click here [the full version of Press Release](#)

# THE WORLD'S LEADING FULLY INTEGRATED NATURAL RUBBER PROCESSING COMPANY



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