



**SRI TRANG
GLOVES**™

「Touch Of Life™」

2Q24 Performance

Sri Trang Gloves (Thailand) Plc.

16 August 2024



SET100 Index **SETESG Index** **SETCLMV Index**

SET **AAA**
ESG Ratings 2023



Excellent
Corporate Governance Score Appraised
by Thai Institute of Directors



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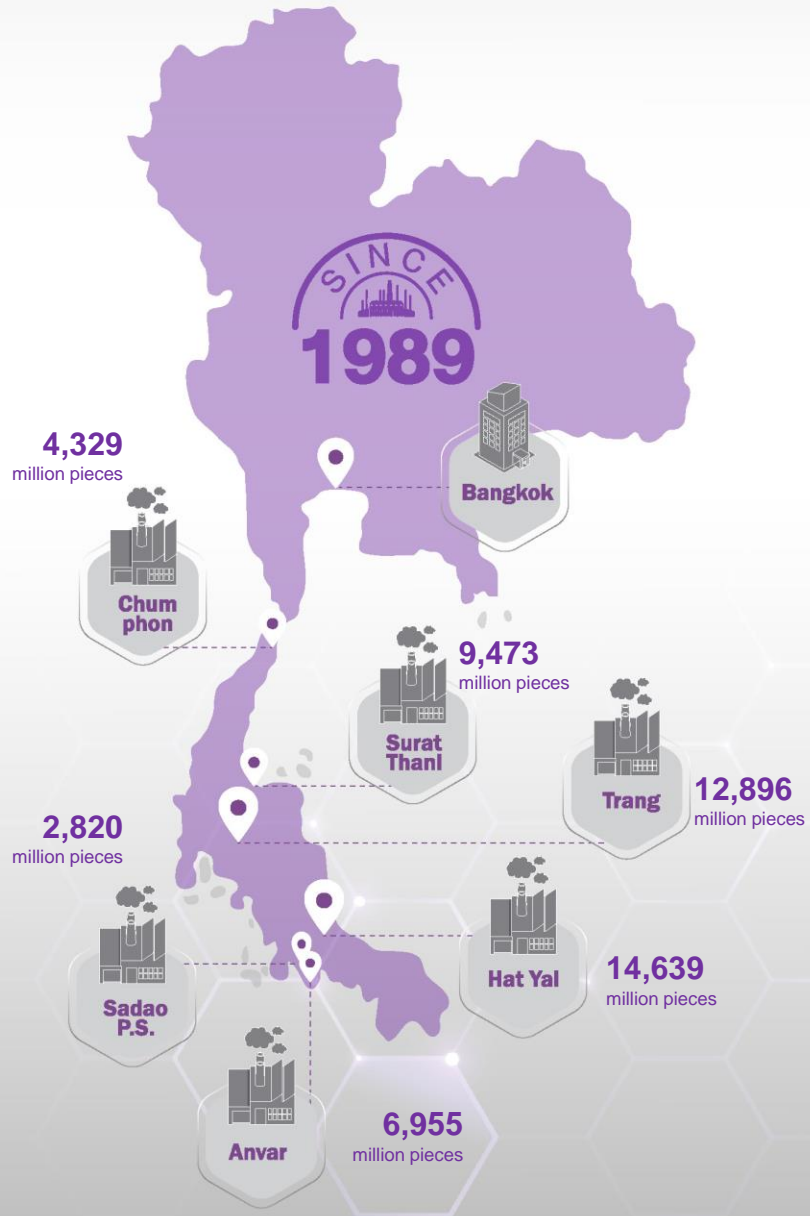
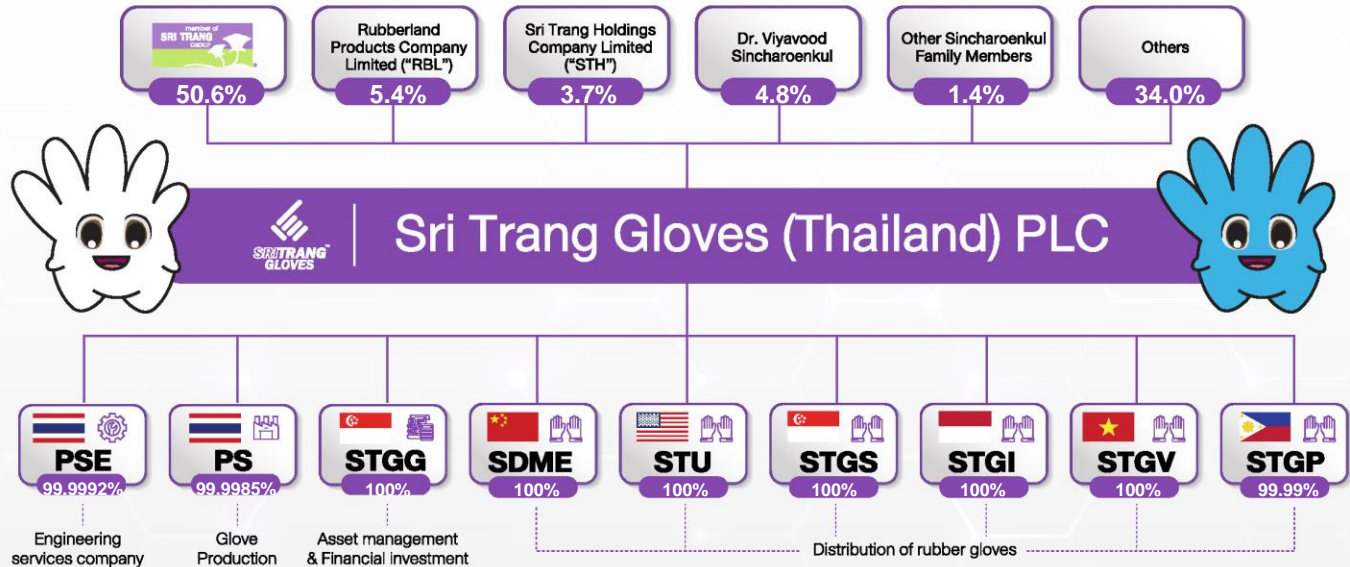
ESG Commitment

STGT At a Glance

STGT's annualized installed capacity approx. **51,112** million pieces per annum; marked as **the world's top 3** rubber gloves manufacturers



Shareholding Structure

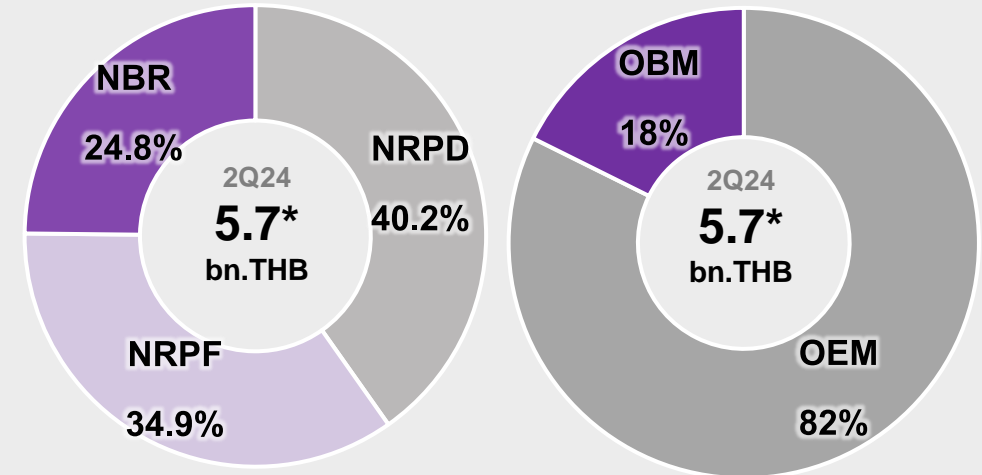


The World's Leading Sustainable Gloves Manufacturer

Supply 71 Product Types Worldwide

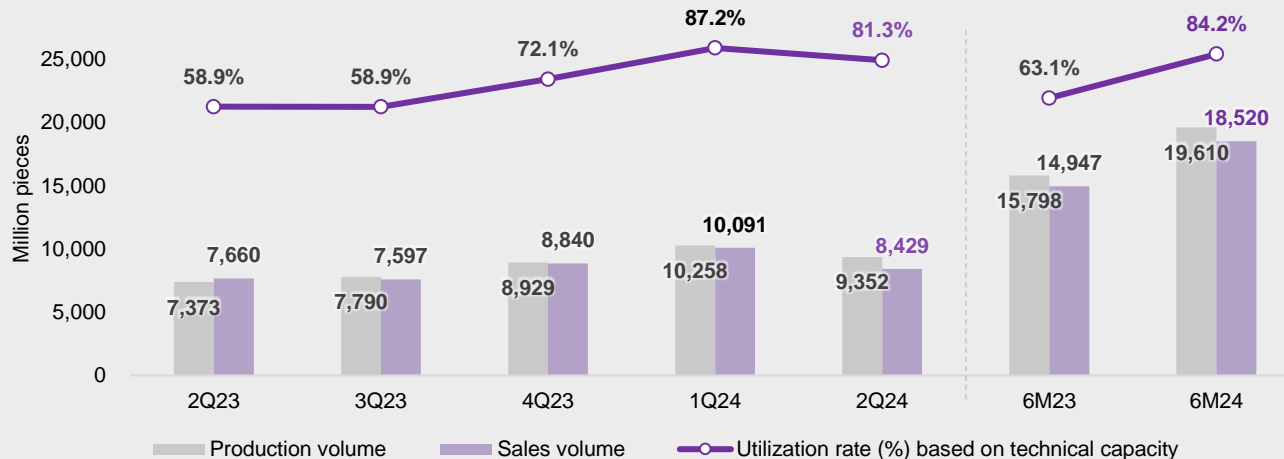


STGT's Product Mix by Gloves Sales

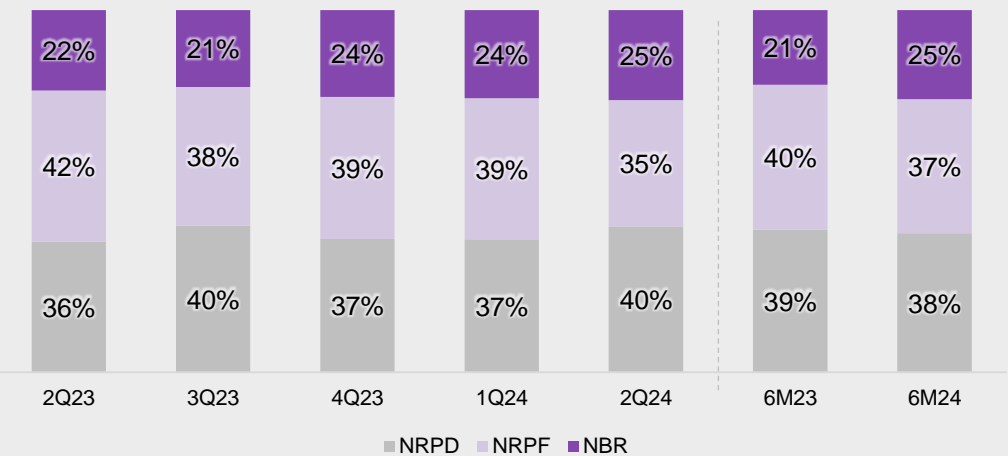


*Non-glove sales revenue is excluded of THB 69.0 million.

Sales Volume & Production



Product Mix Development



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 years tax holidays from capacity expansion investment enables us to have low effective tax rate.



8. ESG Leader:

- Environmentally friendly technology by using 100% of non-fossil based energy in production
- Awarded and rated best in class in workforce treatment under highly recognized standards
- Achieved the reduction of GHGs emission greater than the target and continue to pursue more challenging goal



"Unique" in Various Aspects



Dominant NR Glove Player

STGT is the only glove manufacturer having NR mix >50-80%



Well Diversified Geography Revenue

30-40% of STGT has revenue contribution represented by Asia, where USA, EU and Latin accounts for <20% each



No Exposure in Geopolitical Risks

Never exposed to any geopolitical conflict or trade war with any countries



Resilient Production Facilities

Most of production facilities offer interchangeable of raw material in powdered-free offline process

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STGT's Financial Highlights

2Q24:

Growth in Net Profit of more than Doubled

Net profit of the 1H24 was increase by more than 2x YoY and Net profit in 2Q24 was up by more than 1.5x QoQ.

Highest EBITDA margin from the past 2 yrs

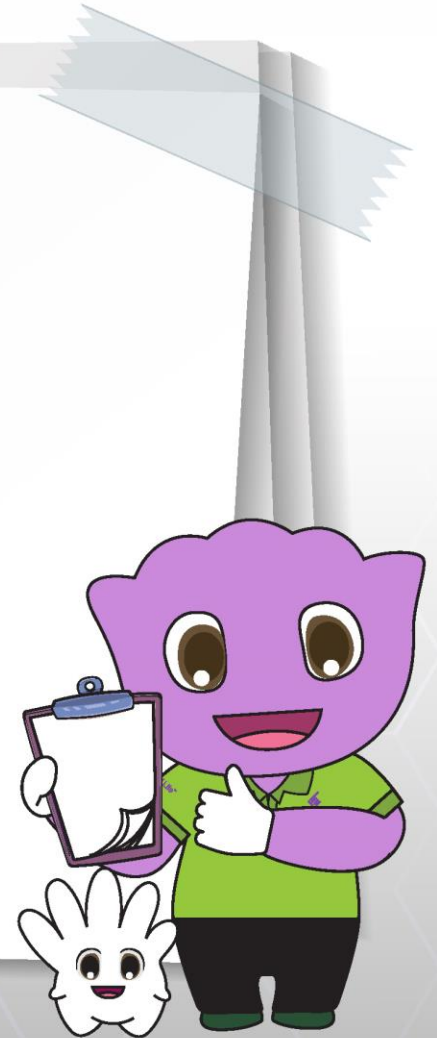
EBITDA in 2Q24 was increase 42.3% QoQ and 100.4% YoY. Highest EBITDA and EBITDA margin since 3Q22.

Highest Gross Profit margin since 3Q22

GP in 2Q24 was increase 51.5% QoQ and 48.3% YoY. Highest GP and GP margin from the past 2 years.

High Utilization rate

The second consecutive quarter that utilization rate exceeded 80% amid the oversupply of the past 2 years; utilization in 2Q24 was 81.3%.



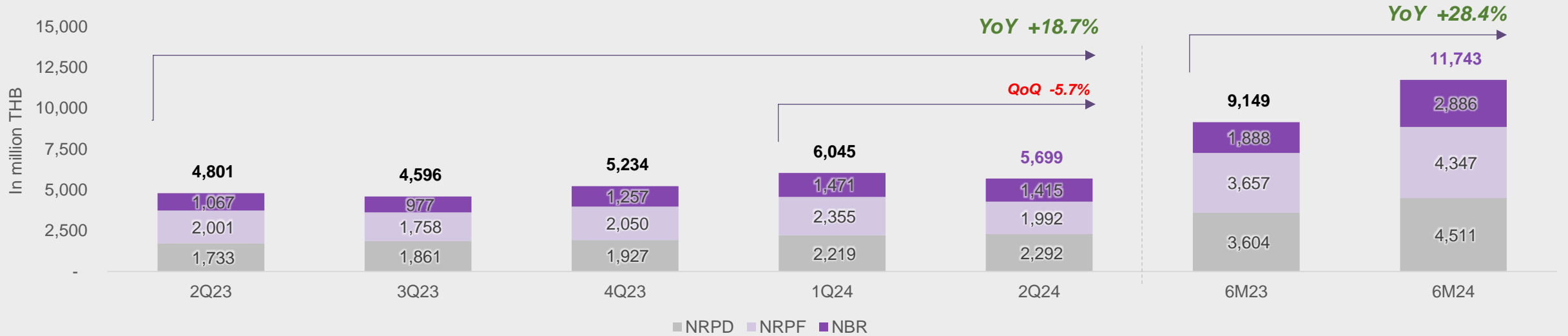
2Q24 Financial Highlights

(In million THB)

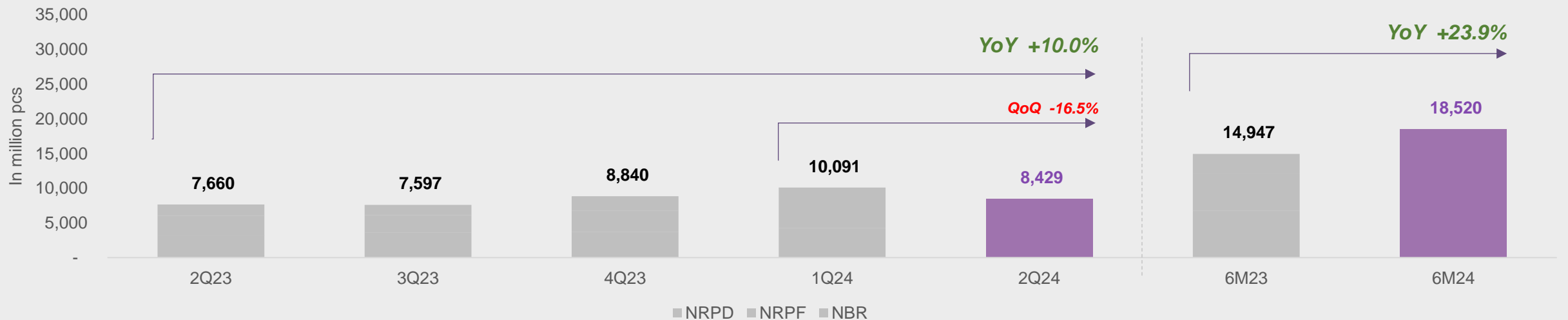
	2Q24	1Q24	%QoQ	2Q23	%YoY	6M24	6M23	%YoY
Volume (in million pcs.)	8,429.2	10,091.0	-16.5%	7,659.7	10.0%	18,520.3	14,946.8	23.9%
Sales revenue	5,735.6	6,050.4	-5.2%	5,036.9	13.9%	11,786.0	9,618.1	22.5%
COGS	(4,962.0)	(5,539.9)	-10.4%	(4,515.3)	9.9%	(10,501.9)	(8,613.0)	21.9%
Gross profit	773.6	510.5	51.5%	521.7	48.3%	1,284.1	1,005.1	27.8%
Other income	39.8	29.8	33.7%	37.2	7.0%	69.5	72.9	-4.6%
SG&A	(421.5)	(423.4)	-0.4%	(555.5)	-24.1%	(844.9)	(956.7)	-11.7%
Gain (loss) on exchange rate, net	23.3	145.1	-83.9%	84.4	-72.4%	168.4	70.9	137.5%
Other gain (loss), net	(16.5)	(115.8)	-85.7%	(94.2)	-82.5%	(132.3)	(37.7)	251.1%
Operating profit (loss)	398.7	146.3	172.6%	(6.5)	-6263.4%	544.9	154.5	252.6%
EBITDA	985.4	691.8	42.4%	491.8	100.4%	1,677.2	1,113.1	50.7%
EBIT	489.5	238.5	105.2%	75.8	545.6%	728.0	476.9	52.7%
Finance income	90.8	92.2	-1.5%	82.3	10.4%	183.1	149.7	22.3%
Finance costs	(73.3)	(72.4)	1.2%	(78.8)	-7.0%	(145.7)	(150.3)	-3.1%
EBT	416.2	166.1	150.6%	(3.0)	NM	582.3	154.0	278.3%
Tax	(37.8)	(19.3)	95.7%	18.1	NM	(57.2)	(6.4)	788.2%
Net profit	378.4	146.8	157.8%	15.2	2392.6%	525.2	147.5	256.0%
GP margin	13.5%	8.4%	5.0%	10.4%	3.1%	10.9%	10.4%	0.4%
EBITDA margin	17.2%	11.4%	5.7%	9.8%	7.4%	14.2%	11.6%	2.7%
Net profit margin	6.6%	2.4%	4.2%	0.3%	6.3%	4.5%	1.5%	2.9%
Financial Ratio								
Current ratio	2.32	3.25	-28.6%	4.10	-43.5%	2.32	4.10	-43.5%
Cash cycle (days)	54.71	44.31	23.5%	58.21	-6.0%	50.99	56.54	-9.8%
Net IBD/E	0.04	(0.04)	NM	0.22	-83.1%	0.04	(0.08)	NM
Interest coverage ratio	1.19	4.97	-76.0%	3.67	-67.5%	3.07	3.19	-3.5%
ROA	3.1%	1.2%	1.9%	0.1%	3.0%	2.2%	0.6%	1.6%
ROE	3.9%	1.5%	2.4%	0.2%	3.7%	2.8%	0.8%	2.0%

Gloves' Sales Revenue and Volume

Sales Revenue

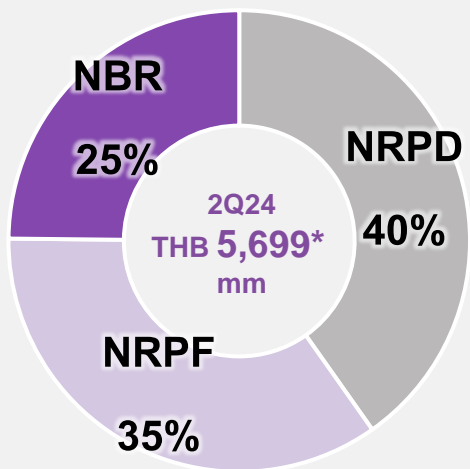
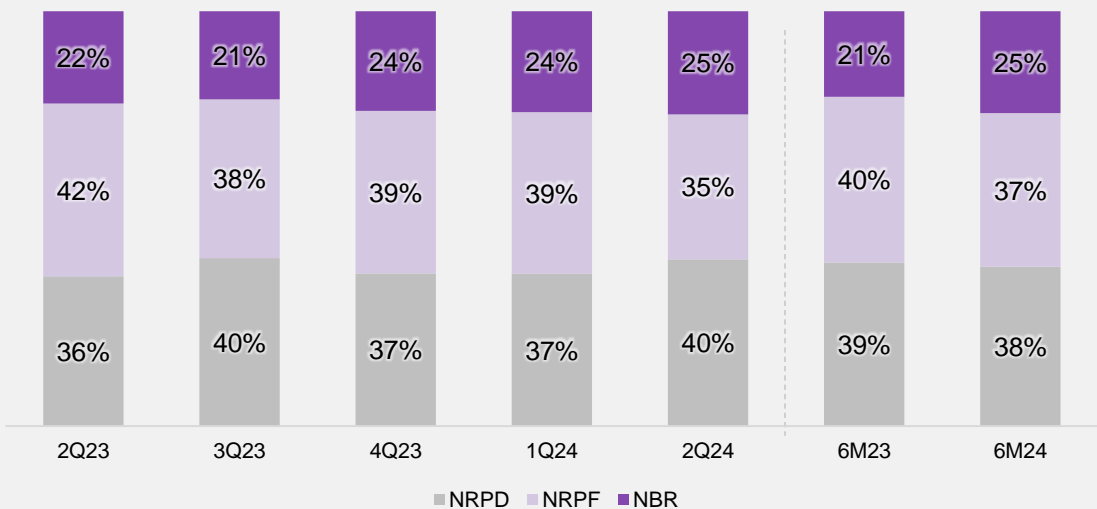


Sales Volume



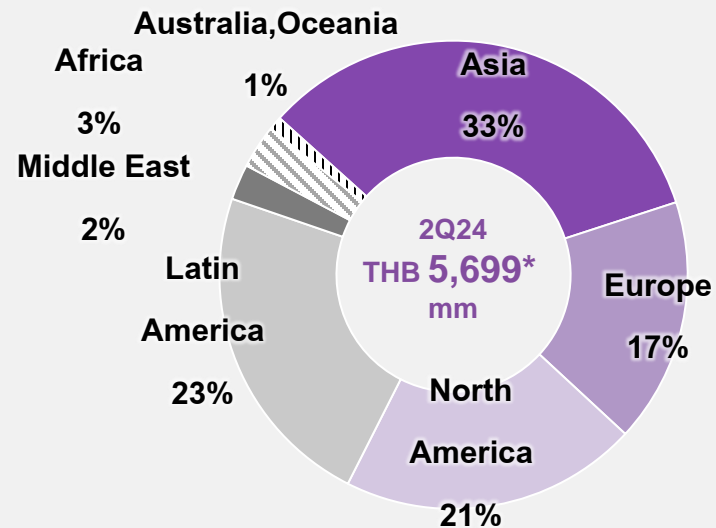
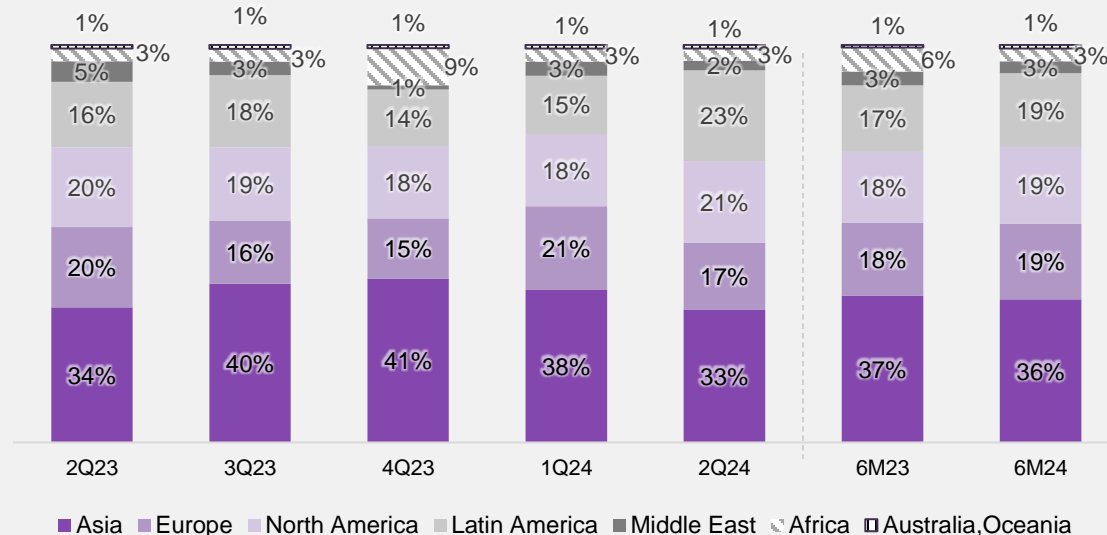
Gloves' Sales Revenue Breakdown

Gloves' Sales Revenue by Products



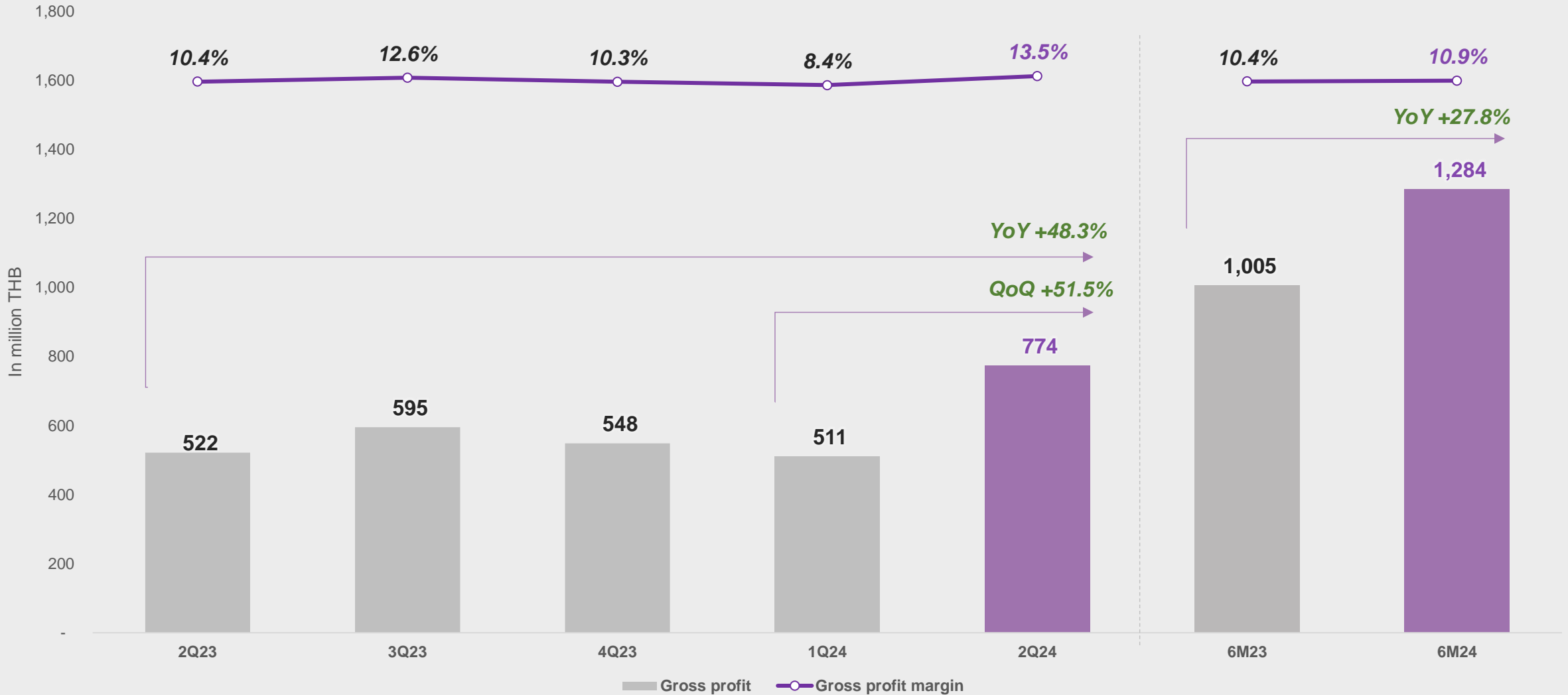
*Non-glove sales revenue is excluded of THB 69.0 million.

Gloves' Sales Revenue by Geography

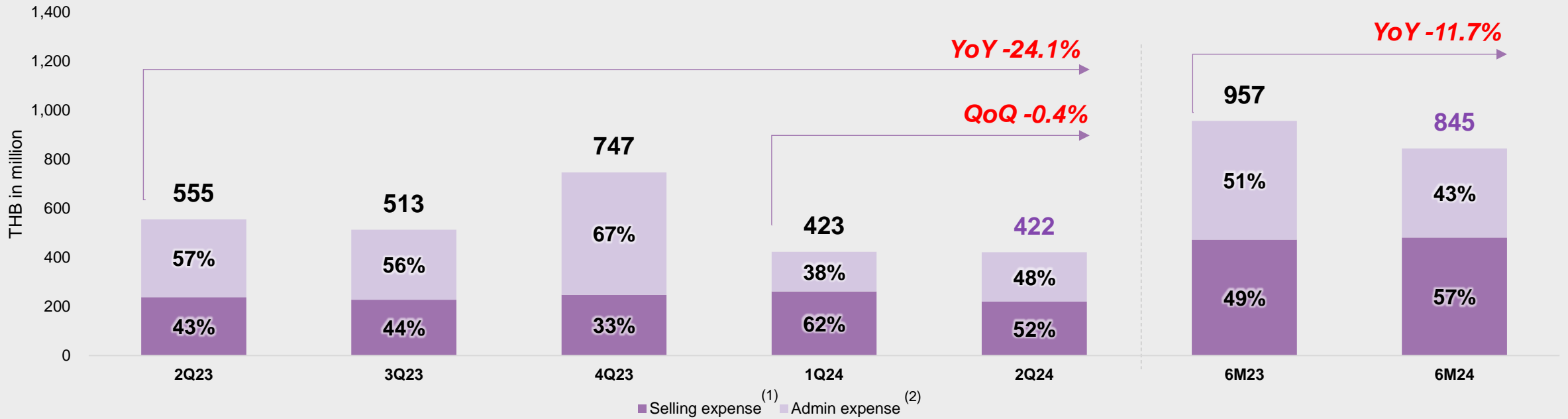


Gross Profit Margin

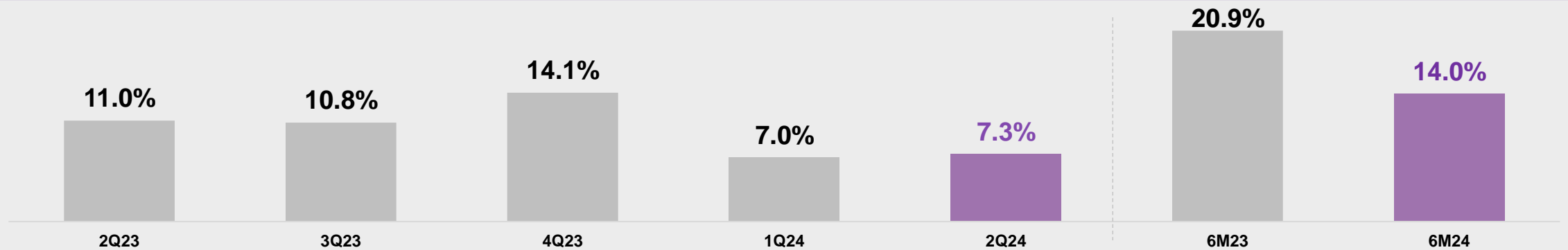
Gross Profit and Gross Profit Margin



SG&A Breakdown



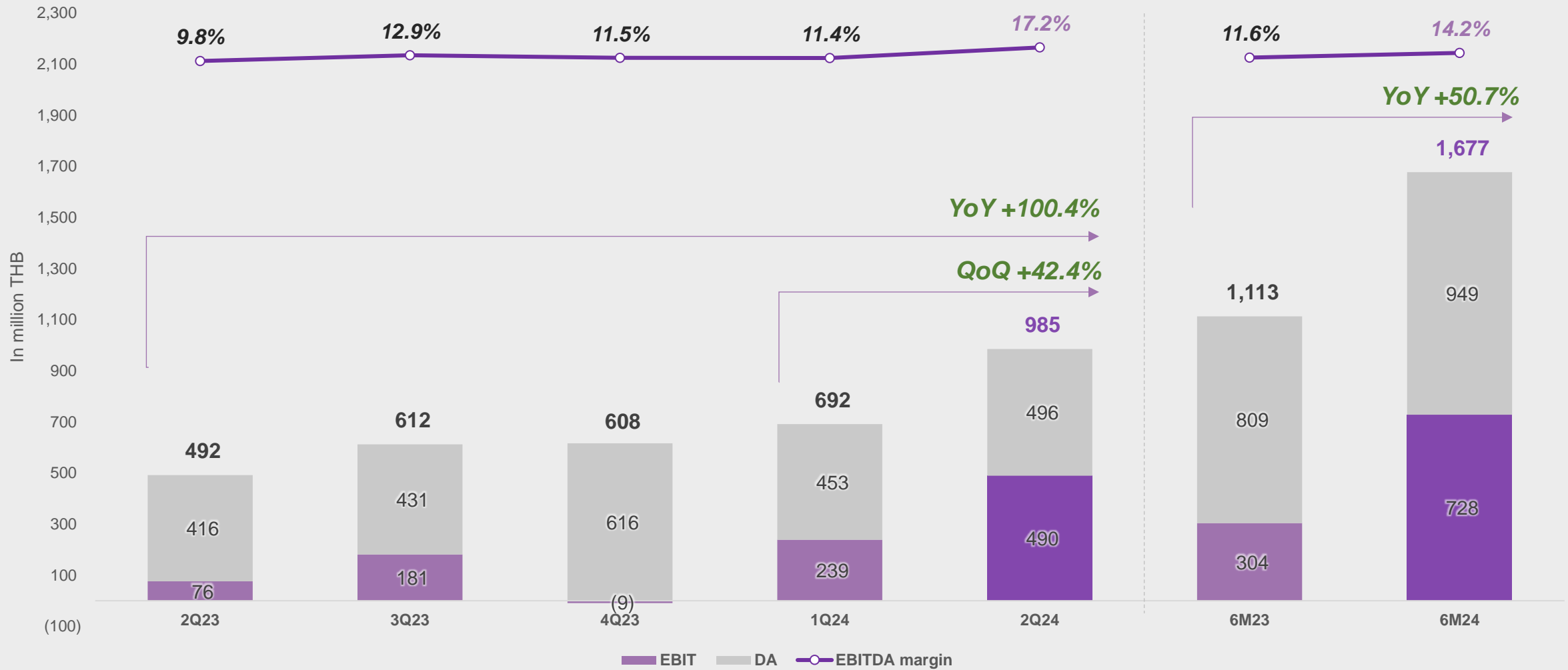
SG&A/Sales



Note: (1) includes transportation, salary, commission, promotional expenses and insurance
 (2) includes salary, office rental, professional fee, bank charge and allocation of depreciation from lower utilization than norm

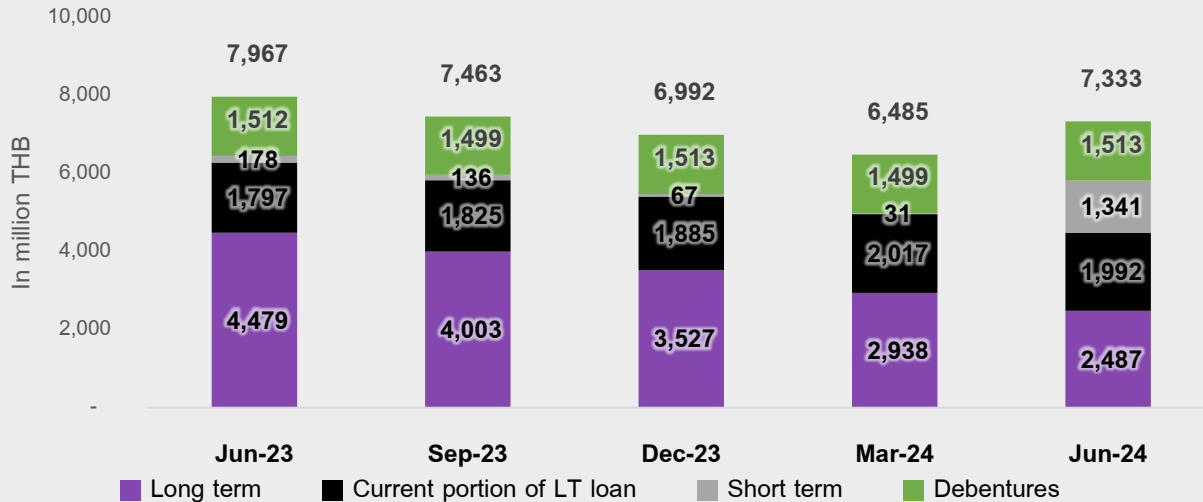
EBITDA

EBITDA and EBITDA Margin

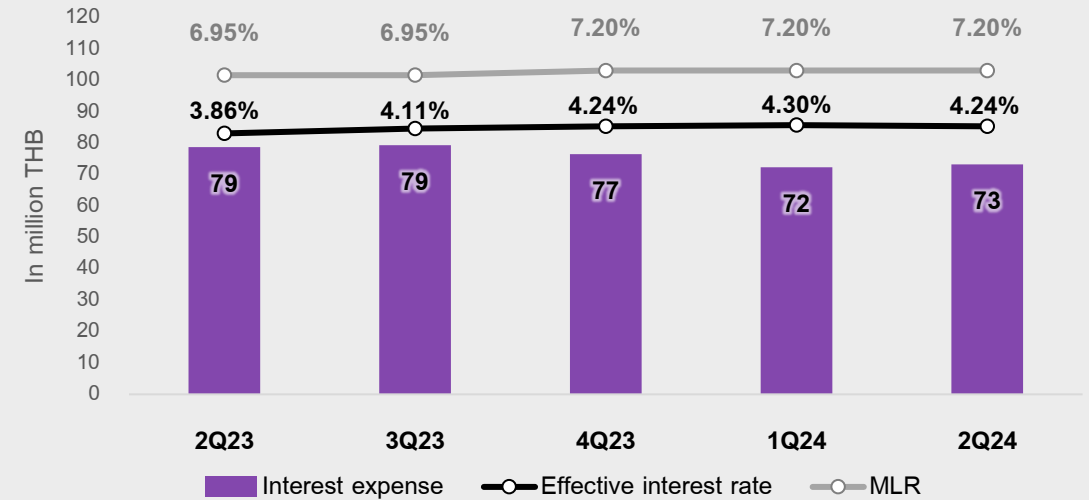


Interest Expenses

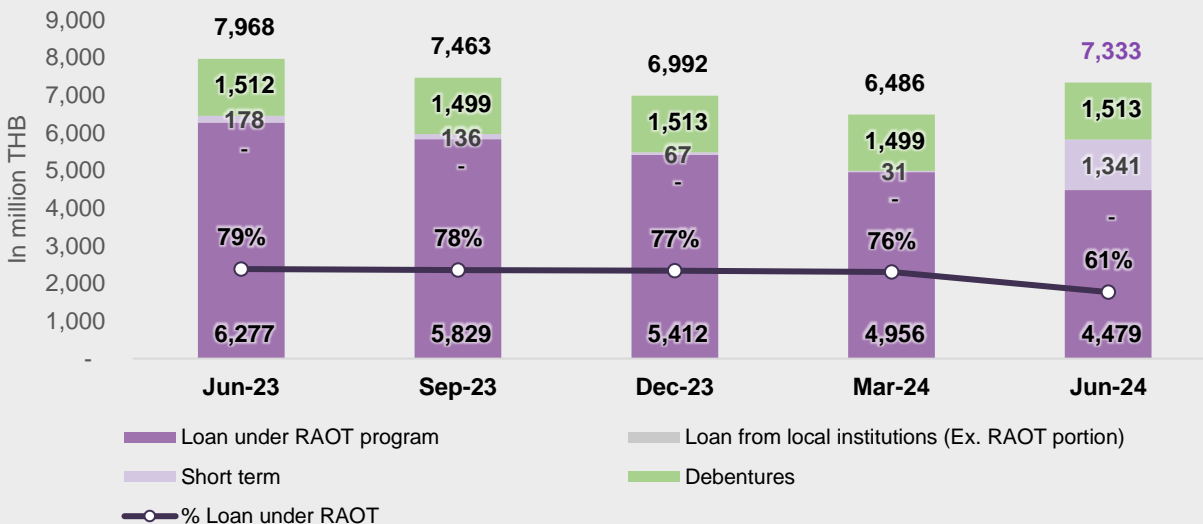
Short Term & Long-Term Loan



Interest Expense



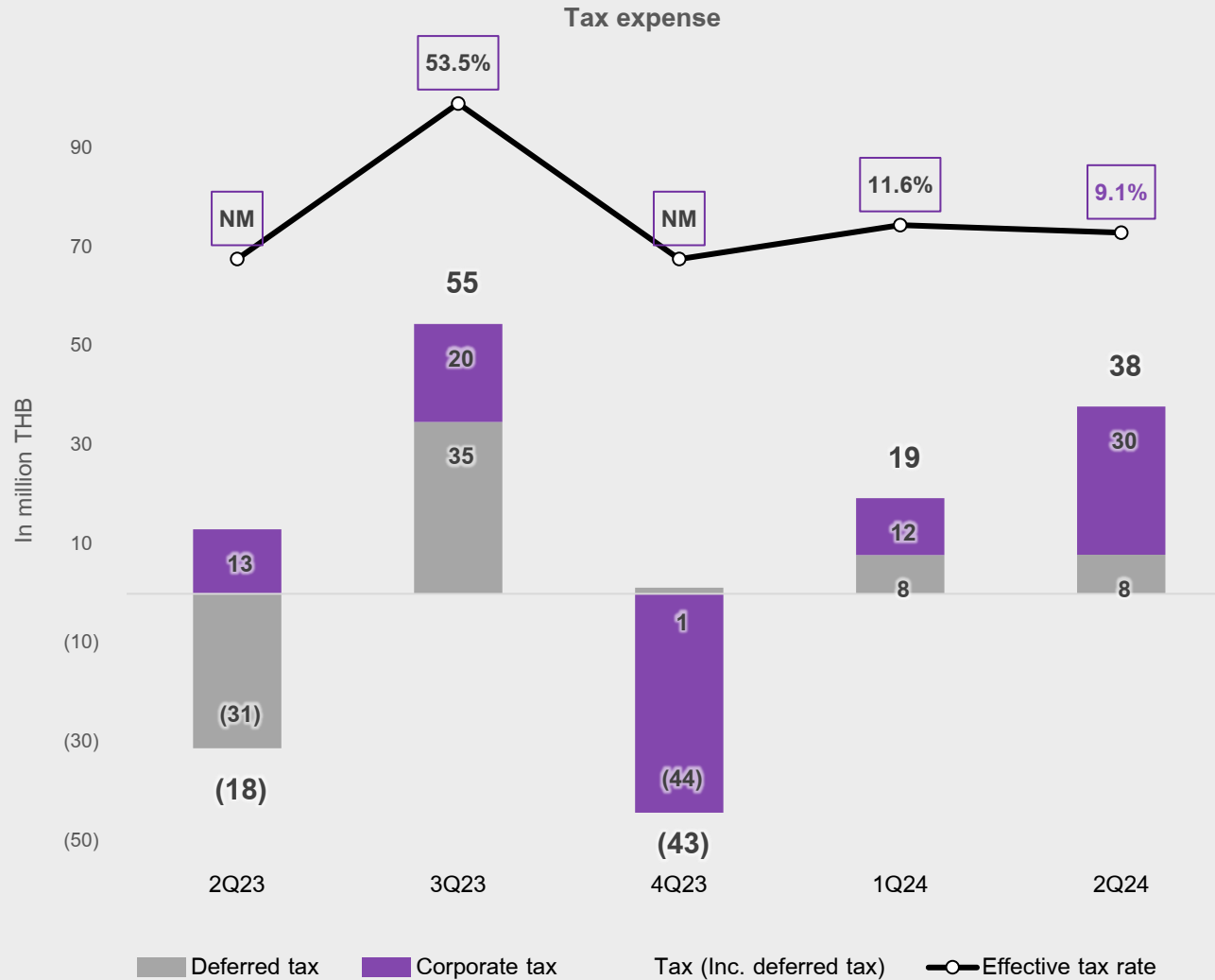
Loan under RAOT Subsidy Scheme



- RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.
- 61% of our financing is long term-loan under RAOT interest subsidy scheme.

Effective Tax Rate

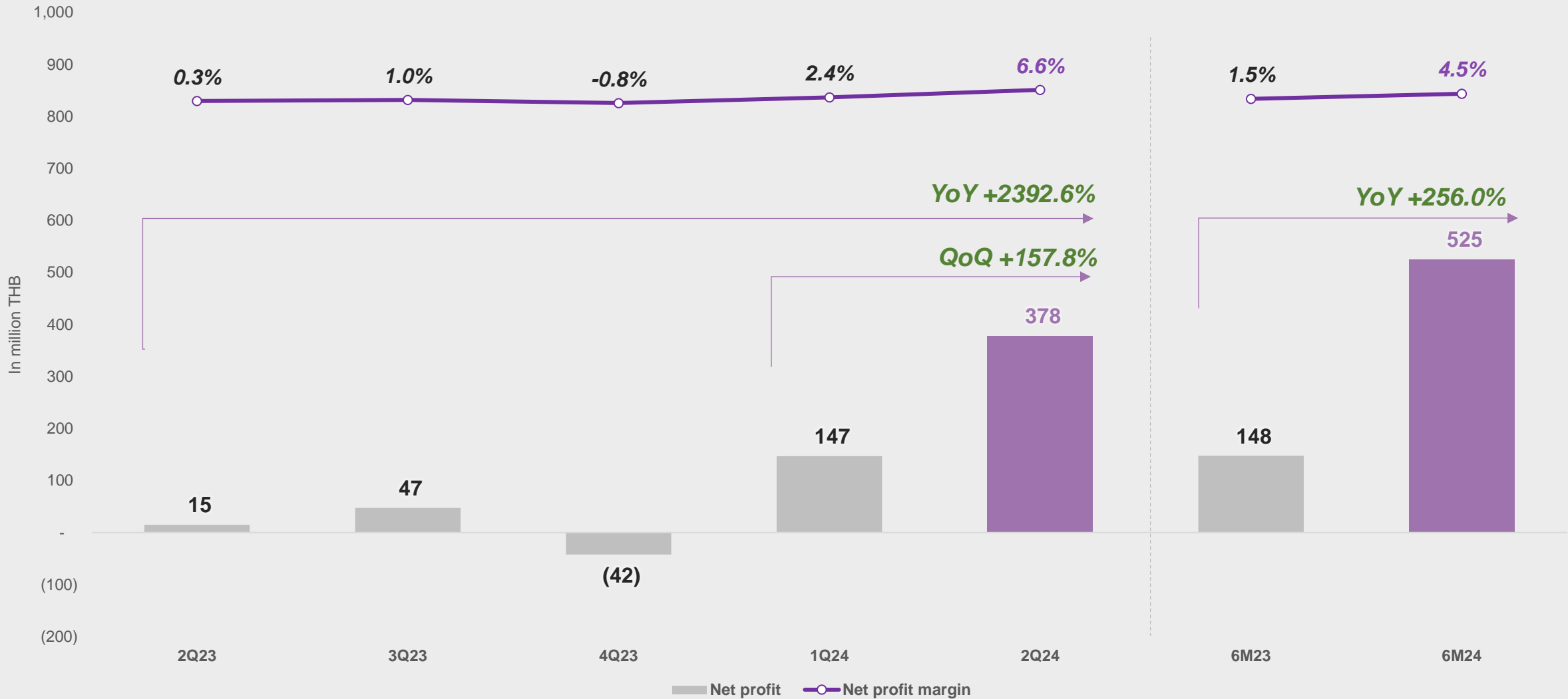
Effective Tax Rate 2Q24



- **Effective tax rate was at 9.1% in 2Q24**
- **With tax heaven scheme from the Board of Investment in Thailand (BOI) for the 5-8 years tax free for new investment.**

Net Profit Margin

Net profit and Net profit Margin



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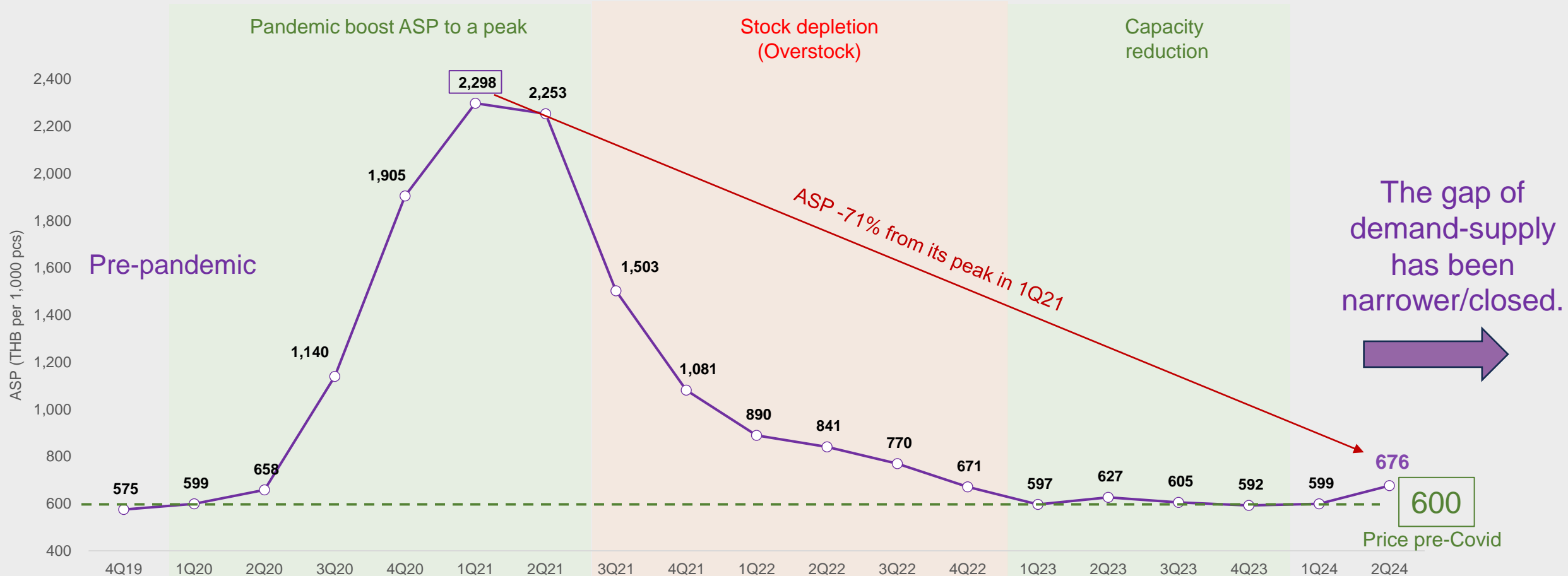
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ESG Commitment



Price Development

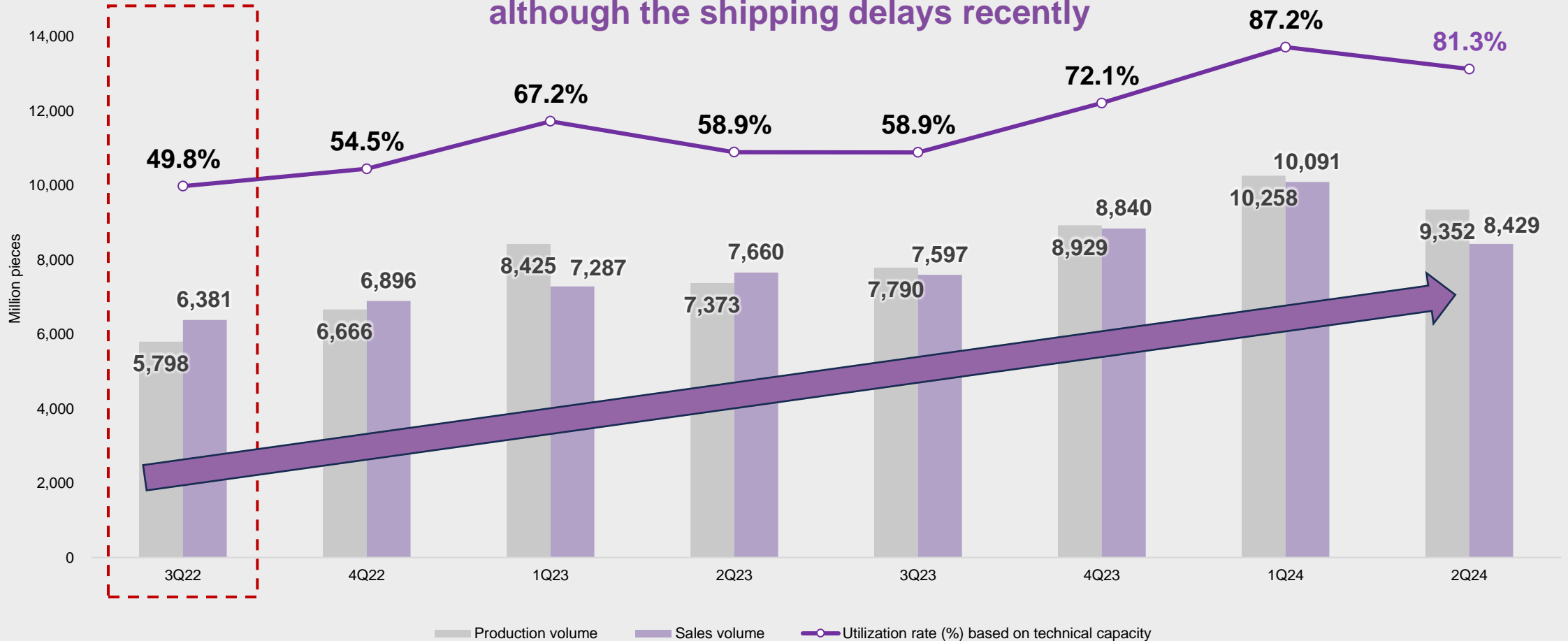
The imbalance of demand and supply during the recovery of Covid-19 resulted to price competition and the decline in ASP. Currently, market is moving into "Equilibrium".



STGT's Production & Sales Volume

STGT's sales volume was higher YoY and showed an improvement since 3Q22,

although the shipping delays recently





Leadership
Enhancement

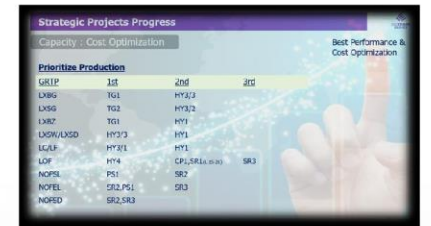
1. Expand the Product Lines to Other specialty Gloves

Offer more variety of products to cover more customer's needs.



2. Optimize the Production Capacity

Utilize facilities to maximize the profitability for each product category.

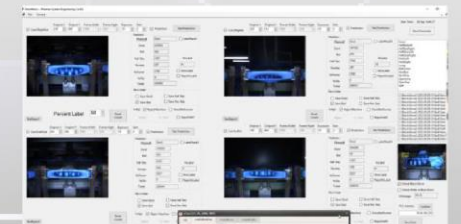


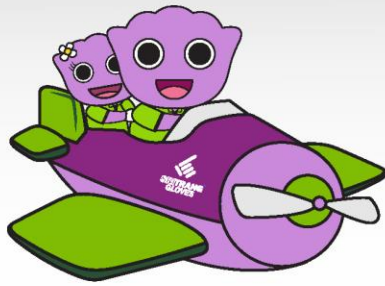
3. Market Expansion to Various Countries

In 2023, we had expanded our market by entering new countries to Haiti and Sierra Leone, marked our presence for 175 countries worldwide.

4. Application of Automation and Technology moving to AI

These boost efficiency, safety, cost reduction, and enhance product quality. These technology have adapted quickly to market demands and provided strategic insights through rapid data analysis, improving decision-making in the production process.





STGT's Market Diversification

%Sales Growth by Region

North America

11% CAGR (2019-2024*)

1H24 Sales Revenue **2,271 MB.**

(19% of total gloves' rev.)

Europe

10% CAGR (2019-2024*)

1H24 Sales Revenue **2,228 MB.**

(19% of total gloves' rev.)

Asia

13% CAGR (2019-2024*)

1H24 Sales Revenue **4,226 MB.**

(36% of total gloves' rev.)

Middle East

25% CAGR (2019-2024*)

1H24 Sales Revenue **351 MB.**

(3% of total gloves' rev.)

Australia, Oceania

18% CAGR (2019-2024*)

1H24 Sales Revenue **106 MB.**

(1% of total gloves' rev.)

Latin America

44% CAGR (2019-2024*)

1H24 Sales Revenue **2,186 MB.**

(19% of total gloves' sales rev.)

Africa

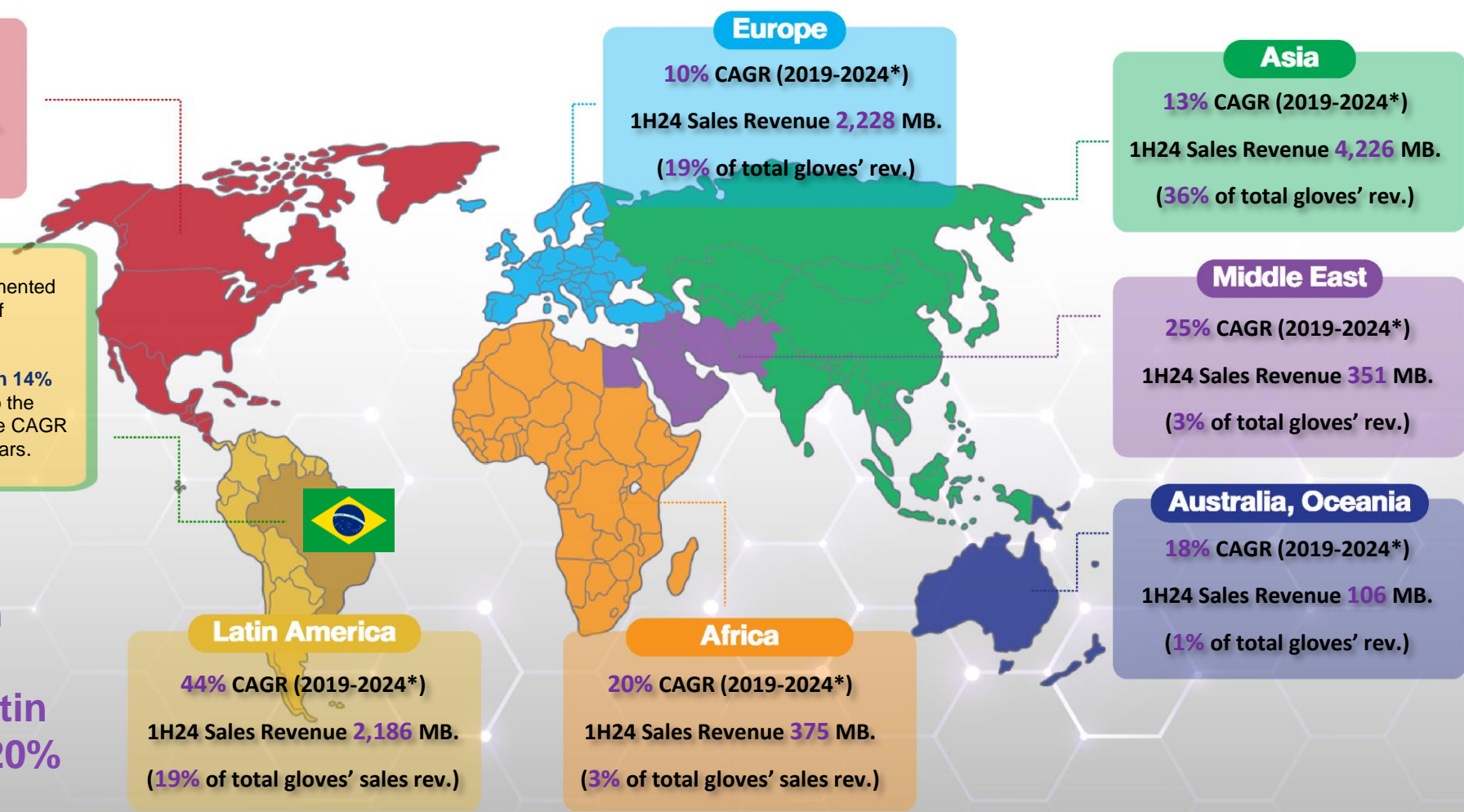
20% CAGR (2019-2024*)

1H24 Sales Revenue **375 MB.**

(3% of total gloves' sales rev.)

- Start on Feb 20th 2024, Brazil has implemented the "Antidumping Duty" for the import of examination gloves.
- STGT had exported to Brazil more than 14% in 1H24, 10% in 2023, and 7% in 2022 to the total sales revenue, behind just USA. The CAGR of this country was 37% for the past 7 years.

30-40% of STGT has revenue contribution represented by Asia, where USA, EU, and Latin accounts for less than 20% each.



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Headwinds: Our Competitors are Facing

China

Unfair trade practices and subsidies that have flooded global markets with cheap Chinese products.

The escalating trade tensions between the United States and China have reached a new height with the focus shifting to many industries.

China has been implemented 25% tariff higher than Thailand for non-Medical gloves for years. On May 14, 2024, the US announced that tariffs on Chinese medical and surgical gloves would rise from 7.5% to 25% in 2026.



Malaysia

The government's pledge to aim for a drastic reduction in foreign workers under the 13th Malaysia Plan (13MP).

Key impact is on cost and labour productivity that manufacturers need to invest in training and upskilling their local workers to address skills gaps.

The ceiling for foreign workers at 15% of the total workforce will derail the ramp-up utilization rate of glove production.



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Our ESG Awards/Achievements

Management Certificates



Green Industry Level 4



Forest Stewardship Council™
FSC™-COC (Chain-of-Custody)

Carbon Certificates



Carbon Footprint for Organization (CFO)



Carbon Footprint of Product (CFP)



Thailand Voluntary Emission Reduction Program (T-VER)

Membership & Network



Member of Thailand Carbon Neutral Network



Sustainability Disclosure Community (SDC)

ESG Ratings



2023 Awards and Recognition



ThaiFDA Quality Award 2023 in the **Best of the Best** category for outstanding establishments in the field of medical devices for the **12th consecutive year** from the Food and Drug Administration



SET AWARDS 2023

SET Awards 2023 for **Sustainability Excellence (Highly Commended Sustainability Awards)** for the first time from the Stock Exchange of Thailand



2023 Sustainability Disclosure Award 2023 for **second consecutive year** from Thaipat Institute

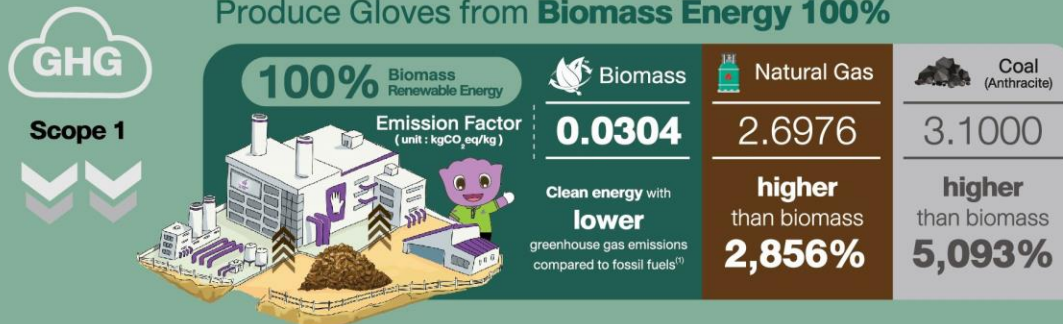


The 2023 Business Partner Award (Gold Award level) and the **special Sustainability Award** from Thai Beverage Public Company Limited

Reducing Greenhouse Gas Emissions and Energy Management



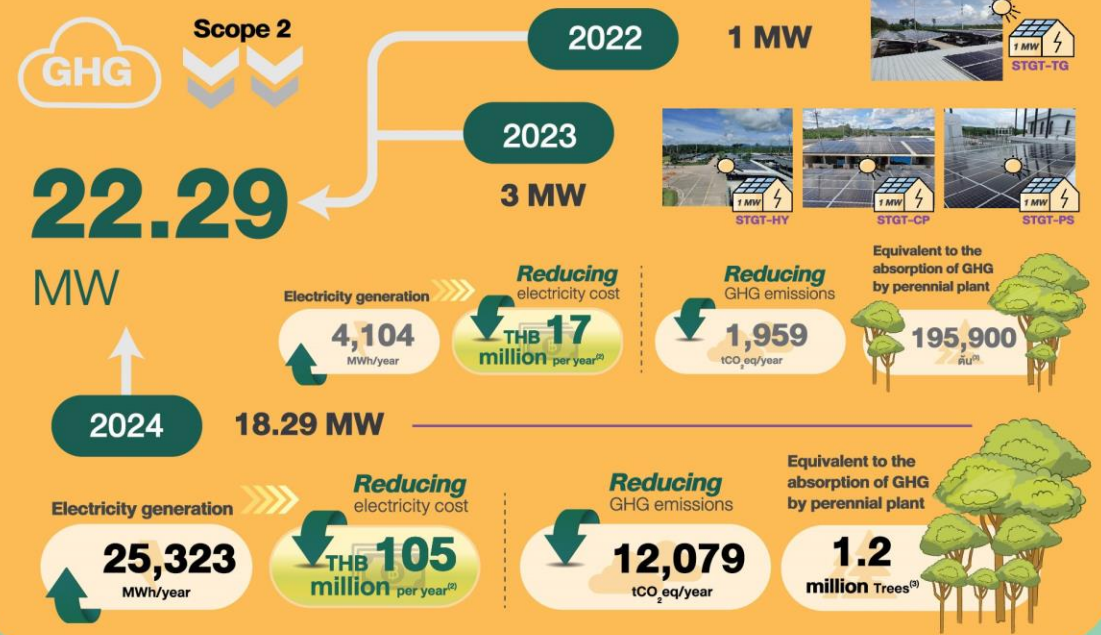
Produce Gloves from Biomass Energy 100%



Switch to Electric Forklifts



Solar Rooftop Project



Remarks: (1) Compared to the using of heating value at 1,000,000 MJ (2) Diesel price on December 29, 2023 is THB 29.94 per liter (excluding local tax). (https://www.pttor.com/th/oil_price), (3) One perennial plant can absorb, averaging 10 kgCO₂eq/year. (<https://www.thairath.co.th/futureperfect/articles/2772956>), (4) The electricity rate of 2023, averaging THB 4.1148 per kWh (excluding local tax).



Water and Effluent Management

3Rs Water Management

Reuse Reduce Recycle

Project to reuse treated water in the production process

Treated wastewater from the final pond can be reused in the production process, averaging



173,496 m³/year

Reducing water cost
THB 455,427 per year⁽⁵⁾



Management of Waste and Unused Materials

Manage waste with Circular Economy and the 3Rs principle

Waste to Value Project

reduce the amount of flying ash by **330 tons/year**

reduce the cost of sending out for disposal by **THB 131,840 per year**

increase the value of waste by **THB 32,960 per year**

Performance of Management of Waste and Unused Materials

Waste intensity



(unit : Tons/Mpcs)



Reduce from 2022
14%

Green Bond

BEST NEW GREEN BOND

Sustainable Finance

SRI Trang Gloves (Thailand) 1.5 Billion green debenture

Issued under: DRY

Sub-governance: positive, exclusion and orange - Bank of Siam

This was the company's inaugural green debenture and represented its first fund raising in the domestic debt capital markets. The proceeds will be used to finance and refinance eligible green projects, including sustainable energy, pollution prevention and control, energy efficiency, sustainable water and wastewater management and clean transport.

ASSET ASIAN AWARDS

TRIPLE A

Since issued bond 2022-2023

1,500 **248**

Total investment (THB million)

Since issued bond 2022-2023

68 **7**

Green Projects

Standard of Environmental Management System

ISO 14001 : 2015

Environmental Management System

Our factory branches received ISO 14001, representing

67% of all factory branches

Remarks: (5) The groundwater price is THB 2.625 per m3. (<https://www.dgr.go.th/th/newsAll/124/3737>)

#SRITRANG EUDR LEADER

Sri Trang is Ready for EUDR

“ Recognizing EUDR as an opportunity for both STA and Thailand. ”



Cocoa & Chocolate



Rubber & Wood



Coffee



Palm Oil



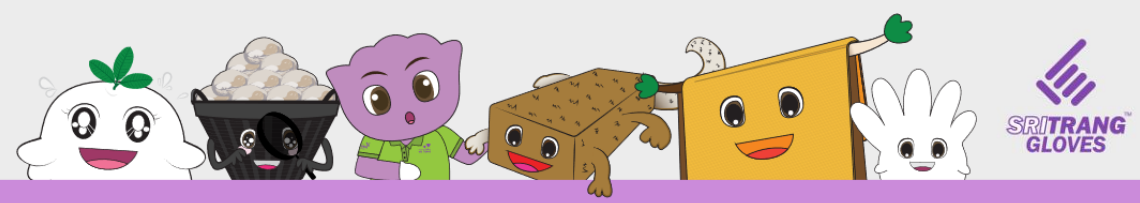
Cattle & Beef



Soy

ยางมีพิกัด (GPS)
#แฮชโลยาง #ศรีตรังเพื่อนชาวสวน

Traceable (GPS)
Natural Rubber



Effective 30 Dec 2024, EUDR requires 7 commodities and certain specified products made from them must be “deforestation-free” for export to the EU.

- Deforestation-free (cut-off date after 31 Dec 2020)
- Products must adhere to the laws of their country of origin.
- Covered by a due diligence statement



STA is ready for the new mega trend of Traceability & Sustainability. Many tire maker companies strongly require natural rubber to be traceable to source of origin as they are required proof to comply with EUDR by implementing traceability, we therefore has better chance to secure sales volume and possible premium since 2024.



EUDR's Importance and Benefits

1. All natural rubber products that export to the EU must produce EUDR-compliant rubber

2. EU demand accounts for 30% of global consumption

3. Only Thailand and Ivory Coast have the potential to comply with EUDR

4. EUDR is Cost-Plus model

5. EUDR is just the beginning; it will roll out to other regions





Human Rights, Animal Welfare, and Responsibility & Sharing



STGT is the only one rubber glove company certified by the world's leading labor standards.



International Labour Organization Audit

Comprehensive system of instruments on work and social policy, backed by a supervisory system

STGT-HY STGT-SR
STGT-TG



Business Social Compliance Initiative

Supply Chain management system international labour standards protecting workers' rights

STGT-HY STGT-SR
STGT-TG STGT-PS
STGT-CP



Ethical Trade Audit

Ethical audit methodology which encompasses all aspects of responsible business practice.

STGT-HY STGT-SR
STGT-TG STGT-PS
STGT-CP

Human Rights and Non-Discrimination

No human rights risk

Employed **80** people with disability

Employees' Caring

Employee engagement

89%
(Target 85%)

Occupational Health and Safety in the Workplace

No occupational illness No fatality as a result of worked-related injury



ISO 45001: 2018
Standard of Occupational Health & Safety Management System

Our factory branches received ISO 45001, representing

67%
of all factory branches

Customers and Consumers Responsibility

Customer satisfaction score

Target **80%** Result **86%**





Good Corporate Governance

Received the result of the Corporate Governance Assessment at

“Excellent”



Anti –Corruption

- Certified as a member of Thai Private Sector Collective Action Coalition Against Corruption (CAC)



• **1,718 suppliers**

signed the agreement to demonstrate their intention for anti-corruption

Risk Management and Business Continuity

Certified ISO 22301

Business Continuity Management System

Sustainable Management of Supply Chain

- Selected suppliers by considering sustainable aspects (ESG)
- Provided the Supplier Code of Conduct
- Analyzed and categorized key suppliers in the supply chain



Research, Development and Innovation



- Innovative latex gloves with no principal allergenic proteins and that has a low carbon footprint

Innovation Development Project in 2023

Total 78 projects*

*including 25 continuous projects from last year

a reduction of production costs by a total of **THB 79 million**



Example of New Products of 2023

The Company was able to generate sales for new products in the amount of **THB 317 million.**



**SRITRANGTM
GLOVES**

「THANK YOU VERY MUCH」



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