



**SRI TRANG  
GLOVES**™

「Touch Of Life™」

## 3Q23 Presentation

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

16 November 2023



Excellent  
Corporate Governance Score Appraised by  
Thai Institute of Directors



SET ESG Index



SET 100 Index



SET HD Index



SET CLMV Index



# Agenda



**01** Company Overview

**02** Financial Performance

**03** Glove Business

**04** Business Outlook

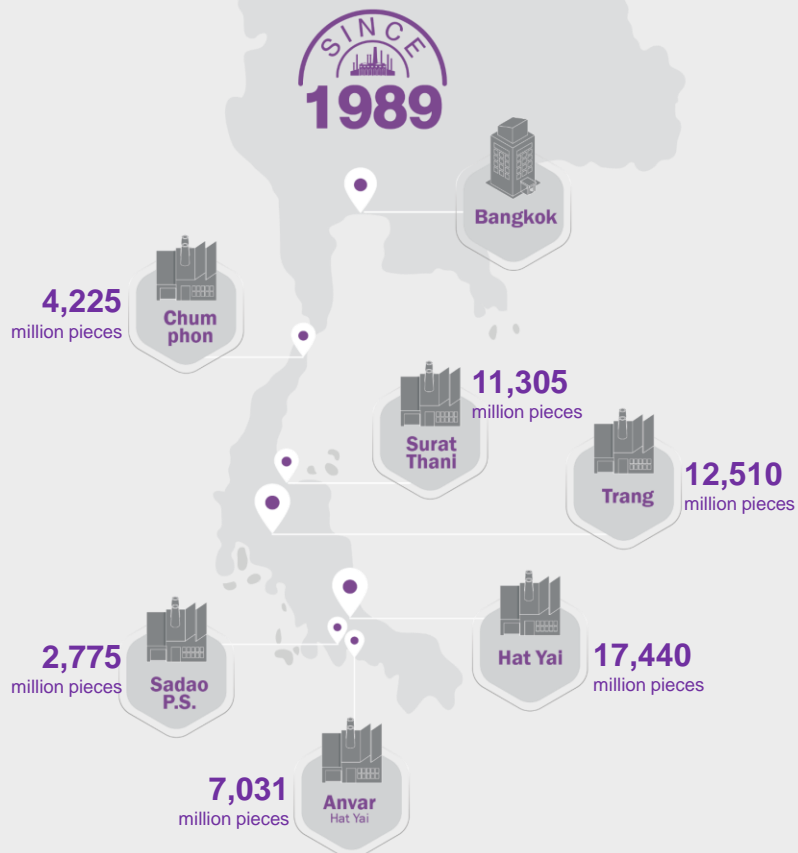


# COMPANY OVERVIEW

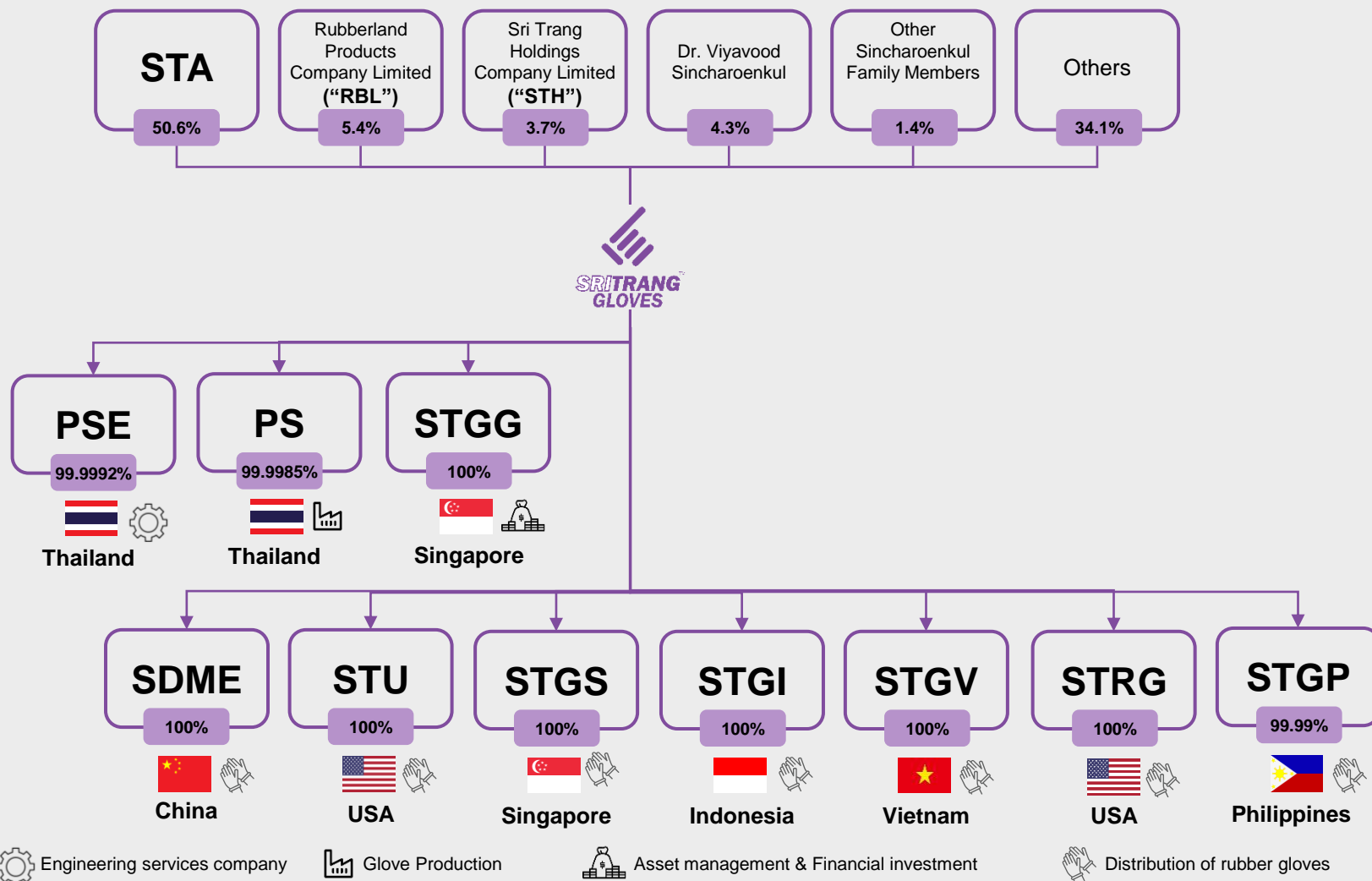
# STGT At a Glance

STGT's total annualized installed capacity approx. **55,300** million pieces per annum is considered one of the world's top rubber gloves manufacturers

Total Annualized installed capacity approx. **55,300** million pieces per annum



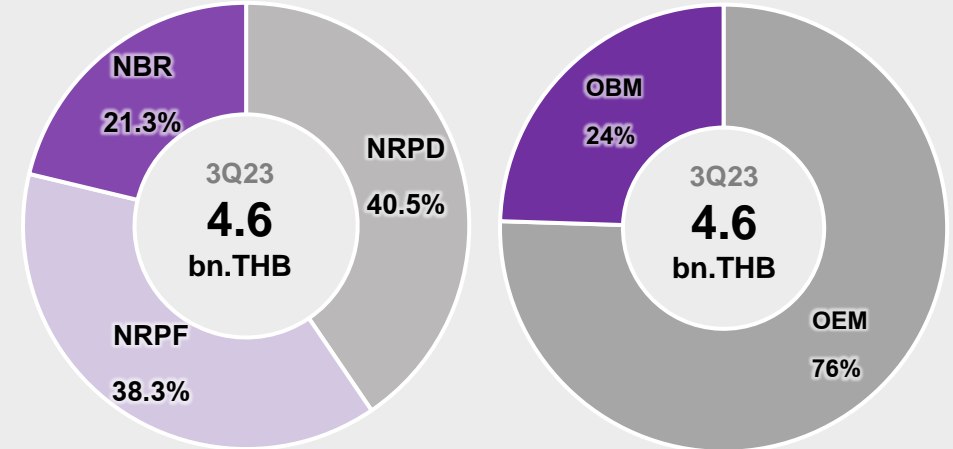
## Shareholding Structure



# STGT's Products



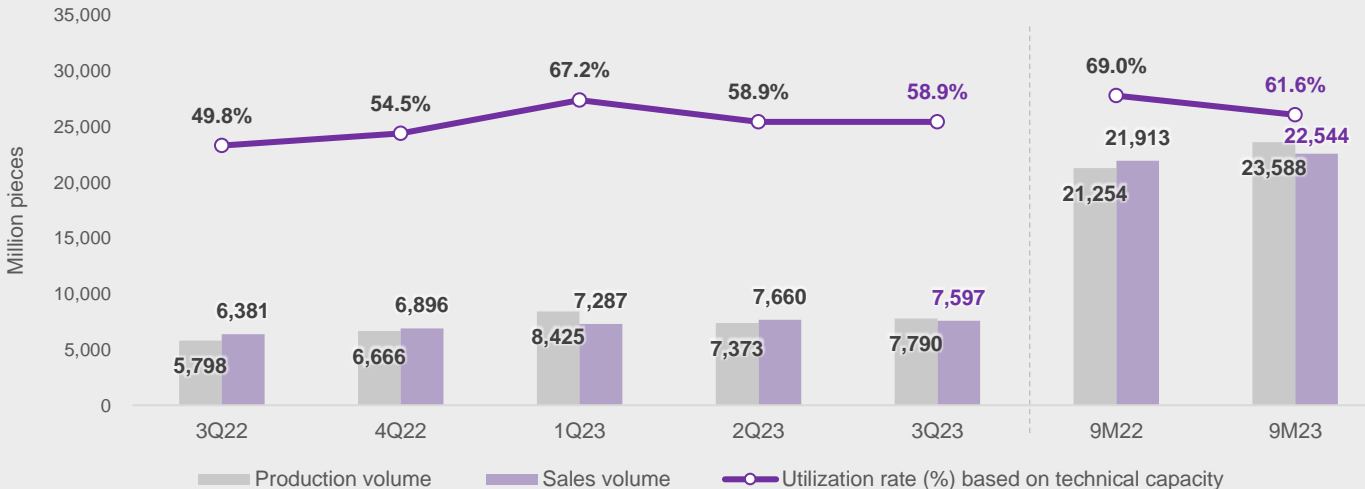
## STGT's Product Mix by Gloves Sales



\*Non-glove sales revenue is excluded of THB 161.4 million.

3-month data as of 30/09/2023

## 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.

## 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

## 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.

## 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.

## 6. Interest subsidy

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

## 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.



# FINANCIAL HIGHLIGHT



# STGT's Financial Highlights



## 3Q23:

- **Net profit increased by more than 2X QoQ**

Lower in both concentrated latex and synthetic latex price with the depreciation of THB against USD.

- **14% Higher in Gross profit**

GP margin, operating margin, and net profit improved QoQ while ASP decreased slower than latex price whilst of THB depreciation.

- **8% Lower in SG&A**

4% lower in Selling expenses and 10% lower in Admin expenses QoQ

- **Utilization rate above industry on average**

Utilization was 58.9% in 3Q23 same as 2Q23.



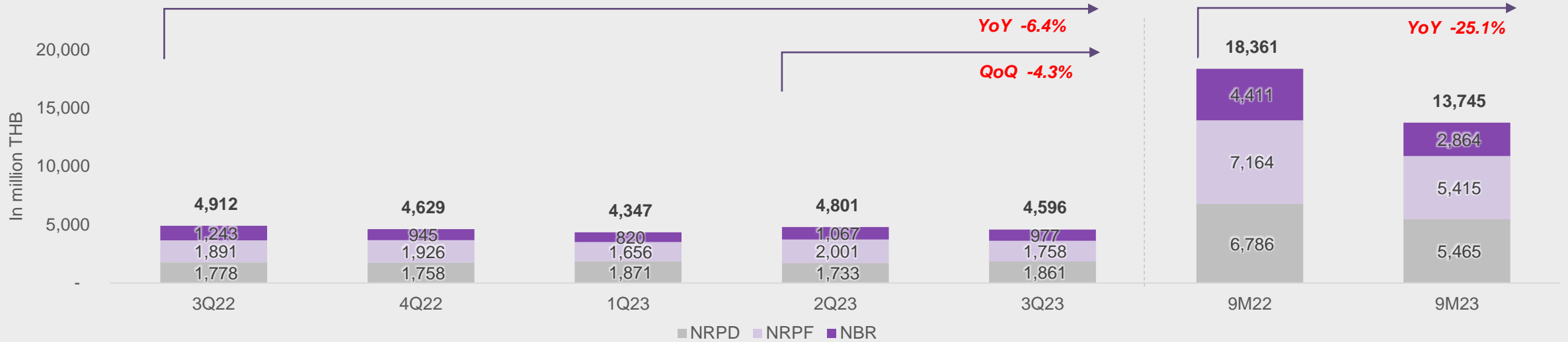
# 3Q23 Financial Highlights

(In million THB)

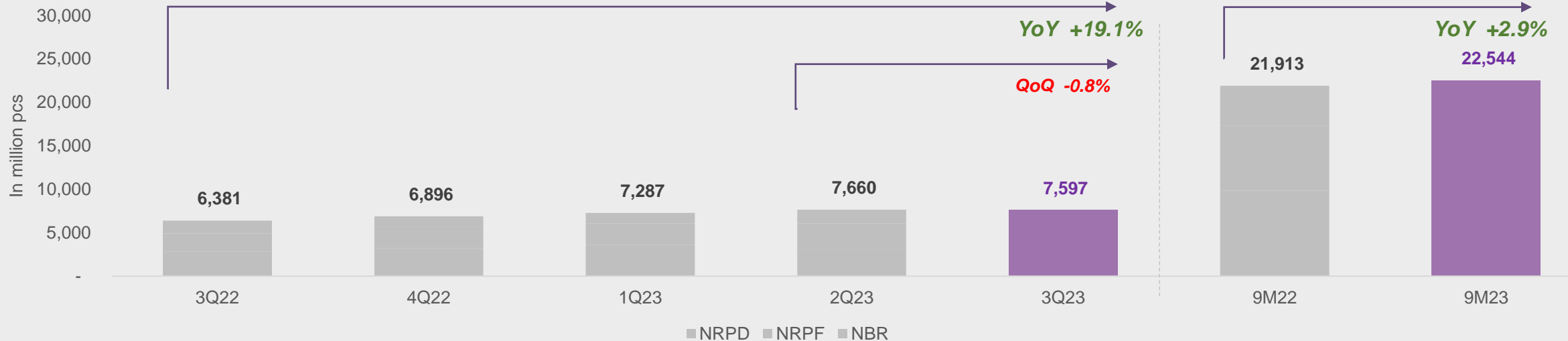
	3Q23	2Q23	%QoQ	3Q22	%YoY	9M23	9M22	%YoY
Volume (in million pcs.)	7,596.7	7,659.7	-0.8%	6,380.6	19.1%	22,543.6	21,913.2	2.9%
Sales revenue	4,740.9	5,036.9	-5.9%	4,884.0	-2.9%	14,359.0	18,544.0	-22.6%
COGS	(4,145.5)	(4,515.3)	-8.2%	(4,324.4)	-4.1%	(12,758.5)	(14,913.4)	-14.4%
Gross profit	595.4	521.7	14.1%	559.6	6.4%	1,600.4	3,630.6	-55.9%
Other income	45.1	37.2	21.5%	122.5	-63.1%	118.0	186.3	-36.6%
SG&A	(513.2)	(555.5)	-7.6%	(537.6)	-4.5%	(1,469.9)	(1,785.1)	-17.7%
Gain (loss) on exchange rate, net	57.7	84.4	-31.7%	167.9	-40.6%	128.6	301.8	-57.4%
Other gain (loss), net	(101.8)	(94.2)	8.1%	(262.5)	-53.0%	(139.5)	(399.9)	-65.1%
Operating profit (loss)	83.1	(6.5)	NM	49.9	66.7%	237.7	1,933.6	-87.7%
EBITDA	612.2	491.8	24.5%	451.8	35.5%	1,725.3	3,076.2	-43.9%
EBIT	181.4	75.8	139.2%	81.1	123.6%	485.6	2,021.2	-76.0%
Finance income	98.2	82.3	19.4%	31.2	214.5%	247.9	87.6	183.0%
Finance costs	(79.4)	(78.8)	0.7%	(45.8)	73.3%	(229.7)	(122.3)	87.8%
EBT	102.0	(3.0)	NM	35.3	188.9%	255.9	1,898.9	-86.5%
Tax	(54.6)	18.1	NM	(13.5)	303.9%	(61.0)	(208.5)	-70.7%
Net profit	47.4	15.2	212.5%	21.8	117.6%	195.0	1,690.4	-88.5%
GP margin	12.6%	10.4%	2.2%	11.5%	1.1%	11.1%	19.6%	-8.4%
EBITDA margin	12.9%	9.8%	3.2%	9.3%	3.7%	12.0%	16.6%	-4.6%
Net profit margin	1.0%	0.3%	0.7%	0.4%	0.6%	1.4%	9.1%	-7.8%
<b>Financial Ratio</b>								
Current ratio	3.86	4.10	-5.9%	4.85	-20.4%	3.86	4.85	-20.4%
Cash cycle (days)	63.34	58.21	8.8%	67.93	-6.8%	55.78	54.05	3.2%
IBD/E	0.20	0.22	-7.4%	0.25	-19.1%	0.20	0.25	-19.1%
Interest coverage ratio	8.21	3.67	123.9%	29.28	-71.9%	4.92	9.44	-47.9%
ROA	0.4%	0.1%	0.3%	0.2%	0.2%	0.5%	4.4%	-3.9%
ROE	0.5%	0.2%	0.3%	0.2%	0.3%	0.7%	5.9%	-5.2%

# Gloves' Sales Revenue and Volume

## Sales Revenue

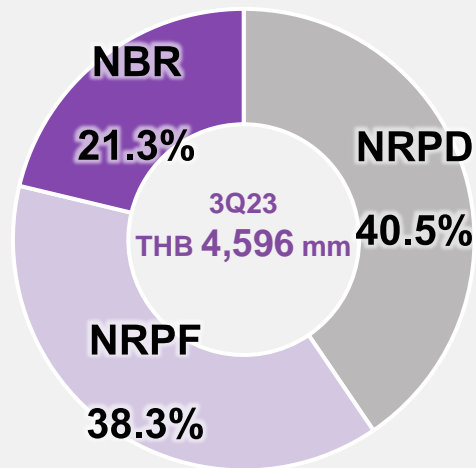
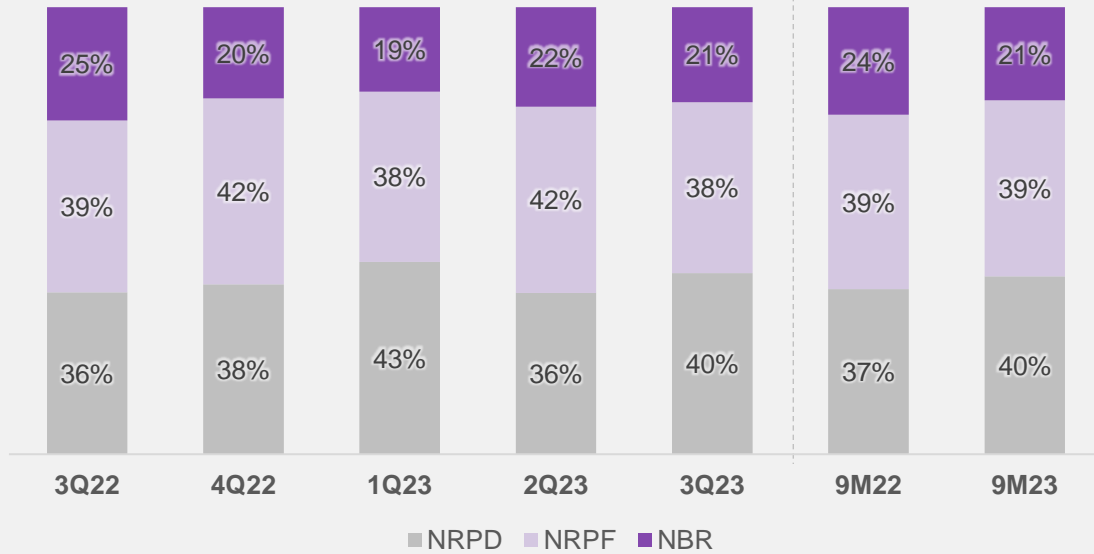


## Sales Volume

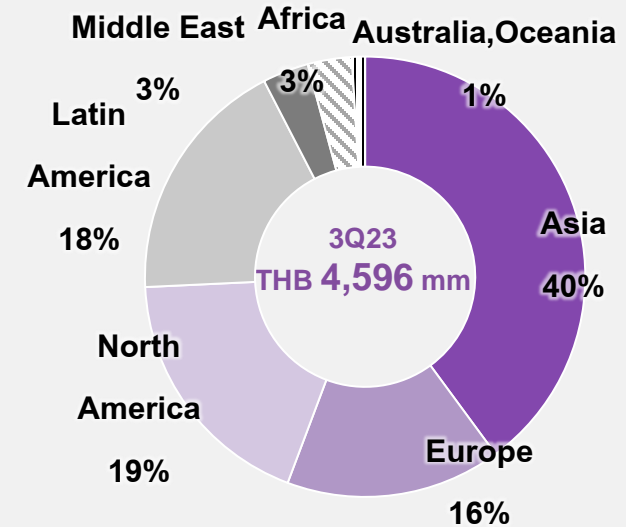
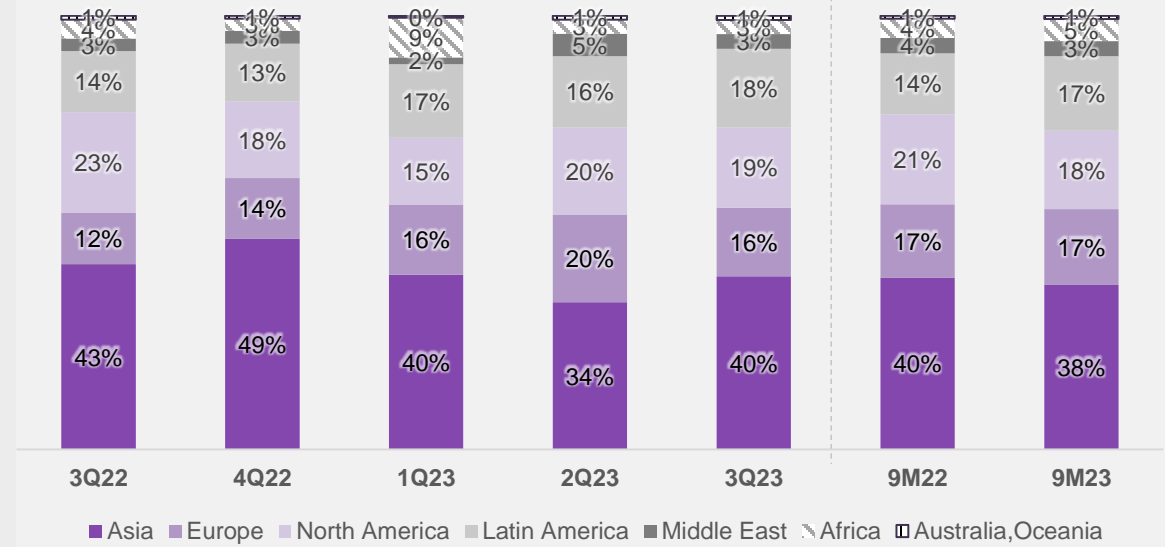


# Gloves' Sales Revenue Breakdown

## Gloves' Sales Revenue by Products

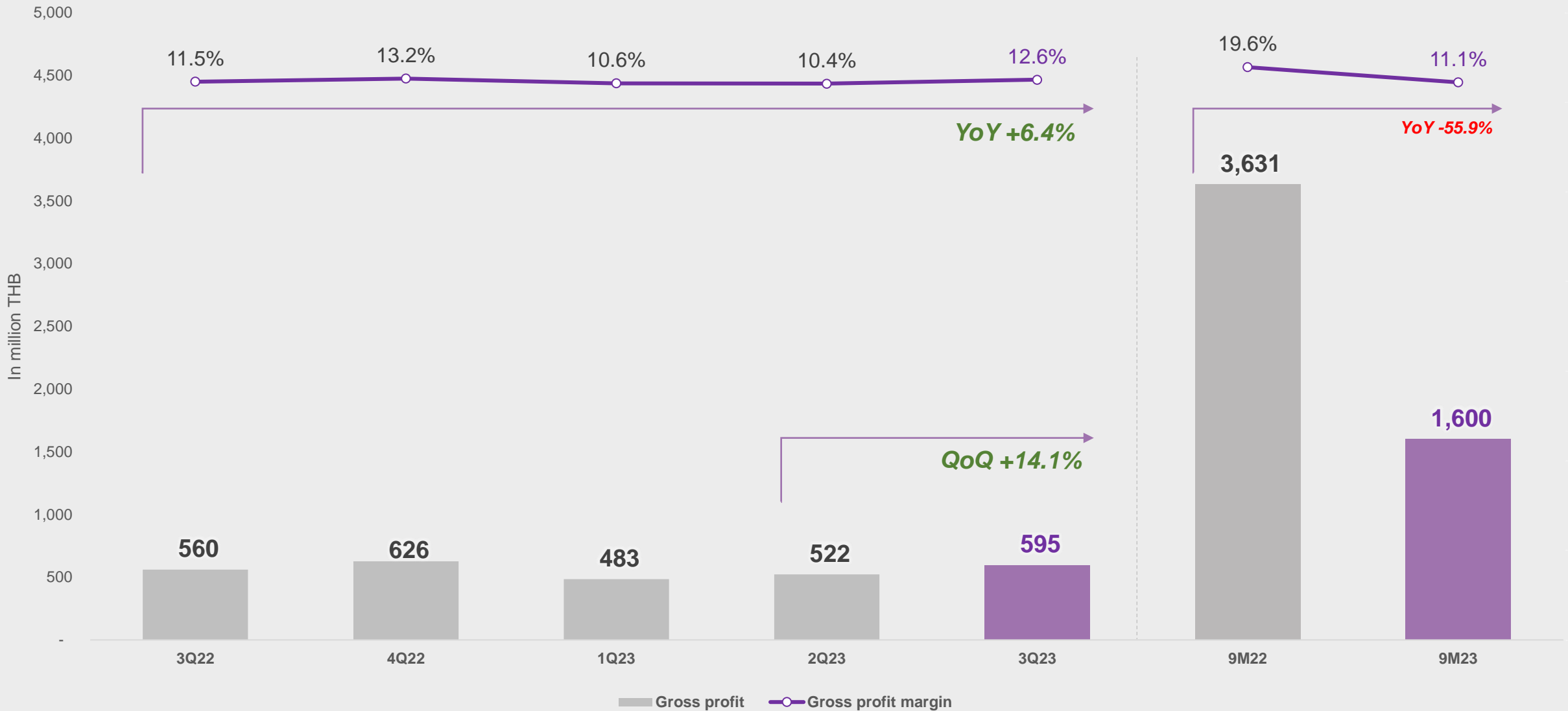


## Gloves' Sales Revenue by Geography



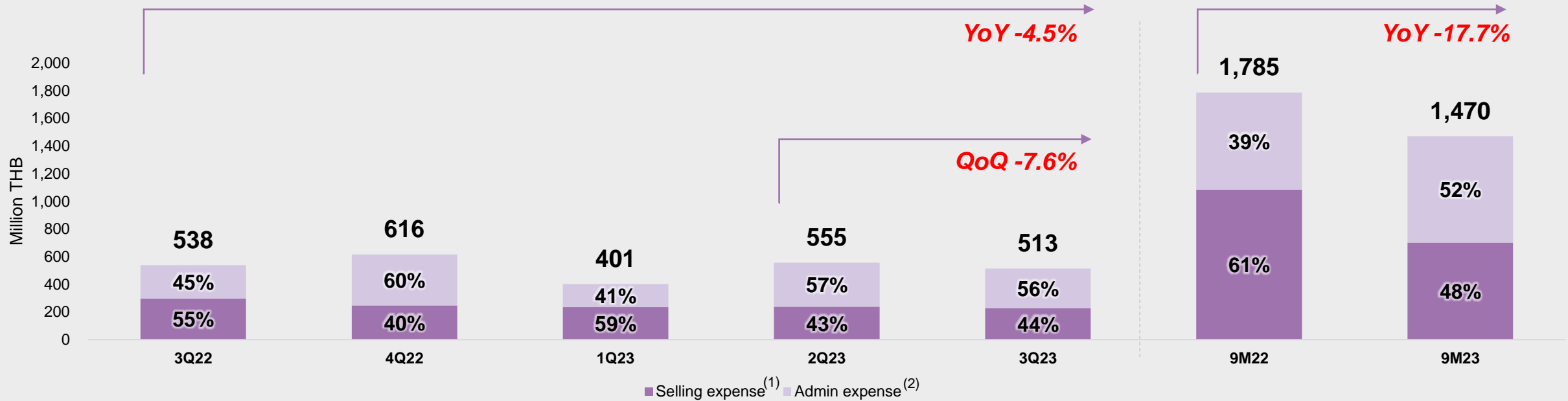
# Gross Profit Margin

Gross Profit and Gross Profit Margin

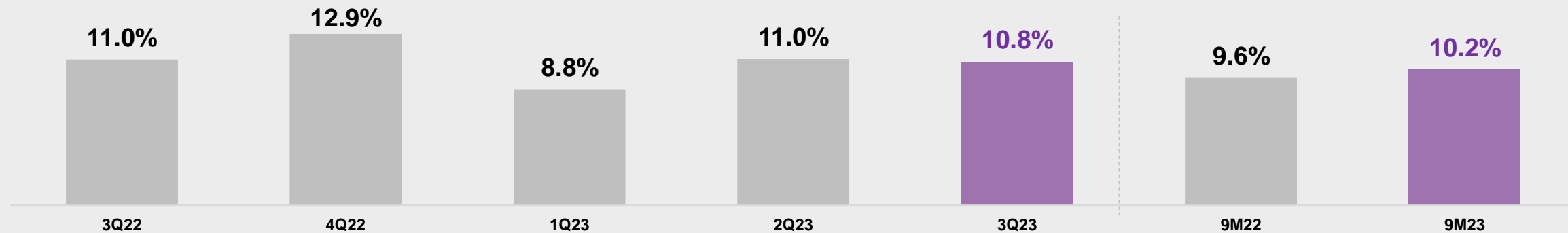


# SG&A

## SG&A Breakdown



## SG&A/Sales

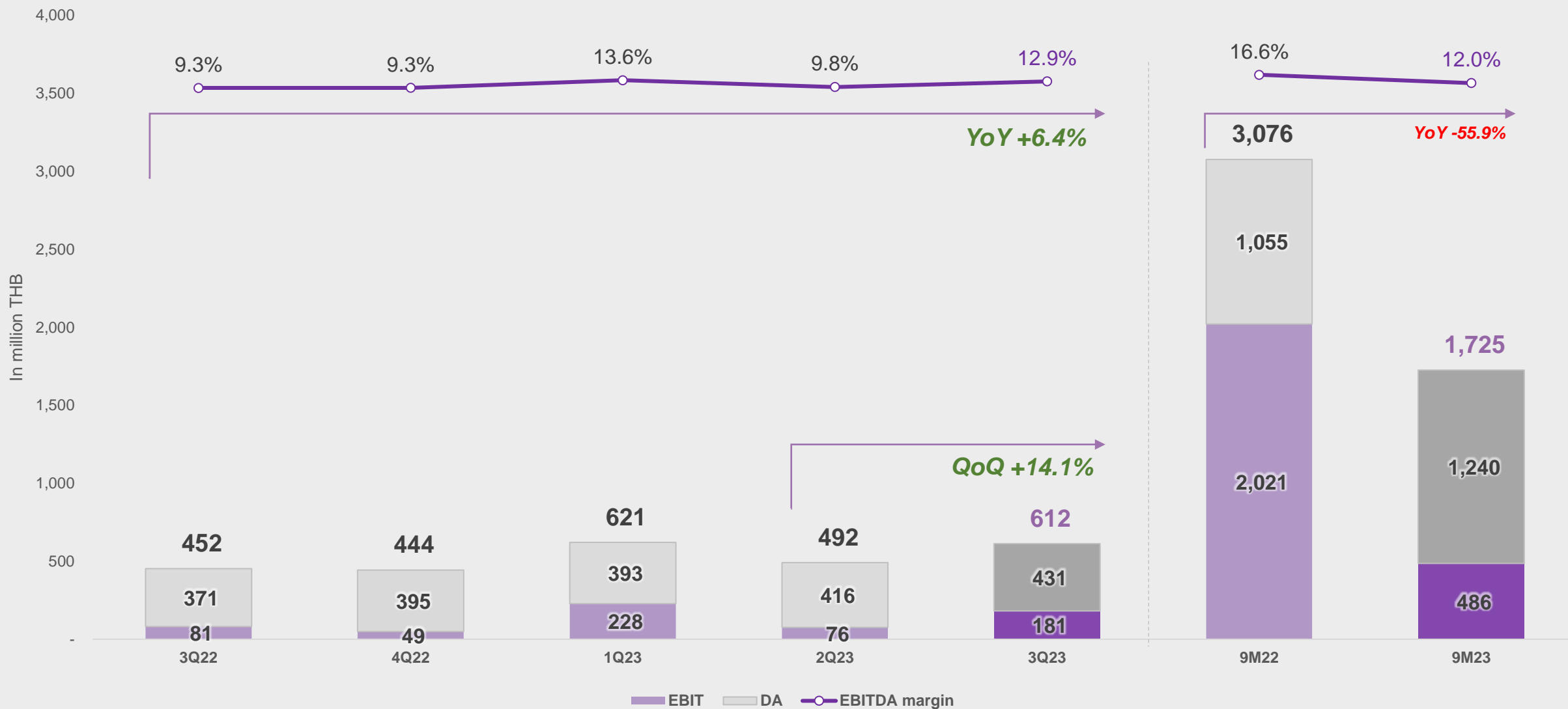


Note: (1) includes transportation, salary, commission, promotional expenses and insurance

(2) includes salary, office rental, professional fee, bank charge and allocation of depreciation from lower utilization than norm

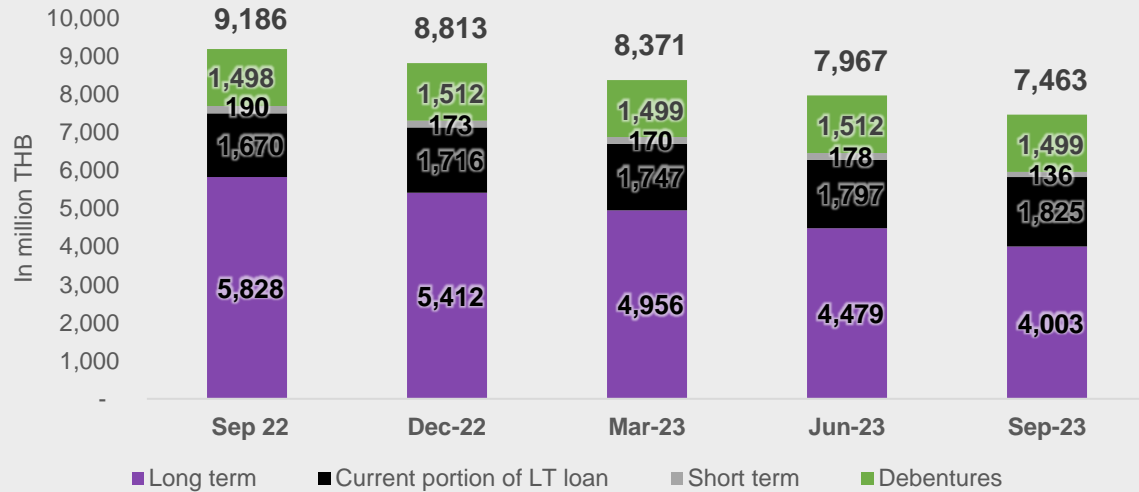
# EBITDA

## EBITDA and EBITDA Margin

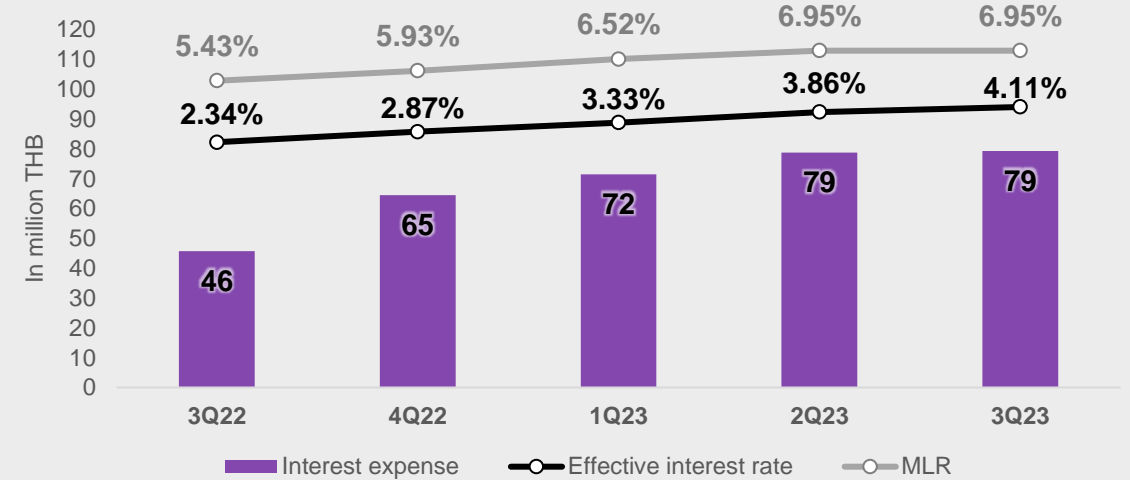


# Interest Expenses

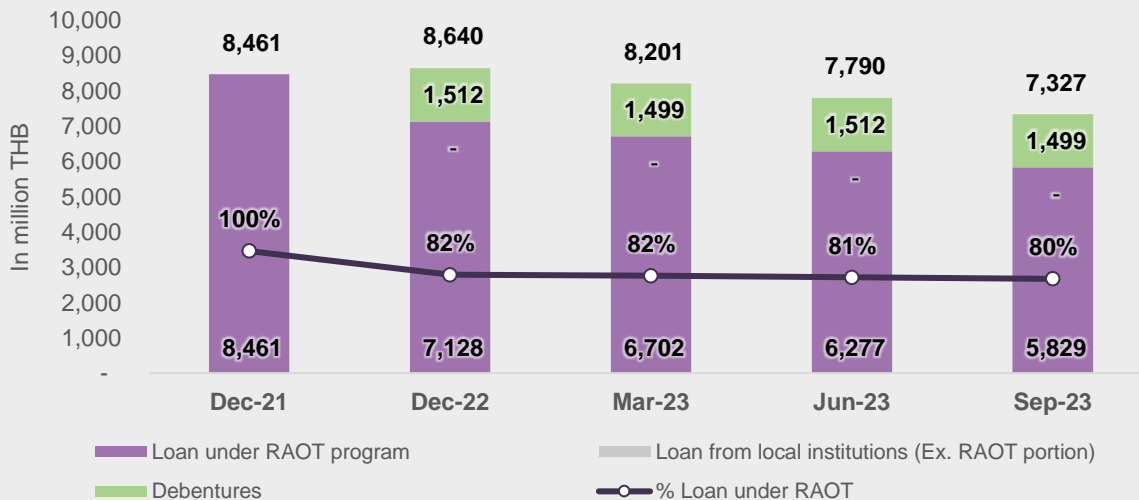
## Short Term & Long-Term Loan



## Interest Expense



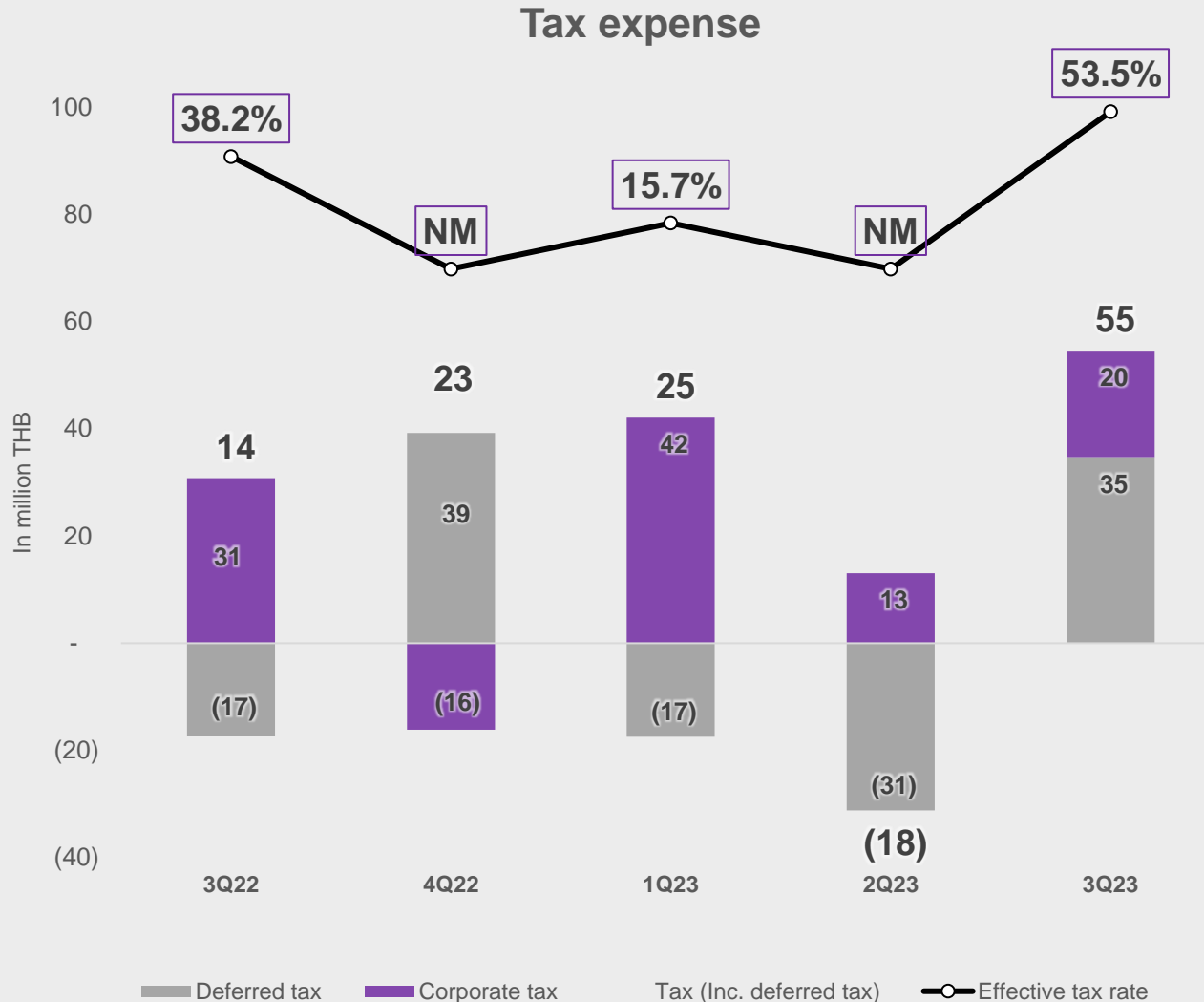
## Loan under RAOT Subsidy Scheme



- RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.
- 80% of our long-term financing is term-loan under RAOT interest subsidy scheme.

# Effective Tax Rate

## Effective Tax Rate 9M23

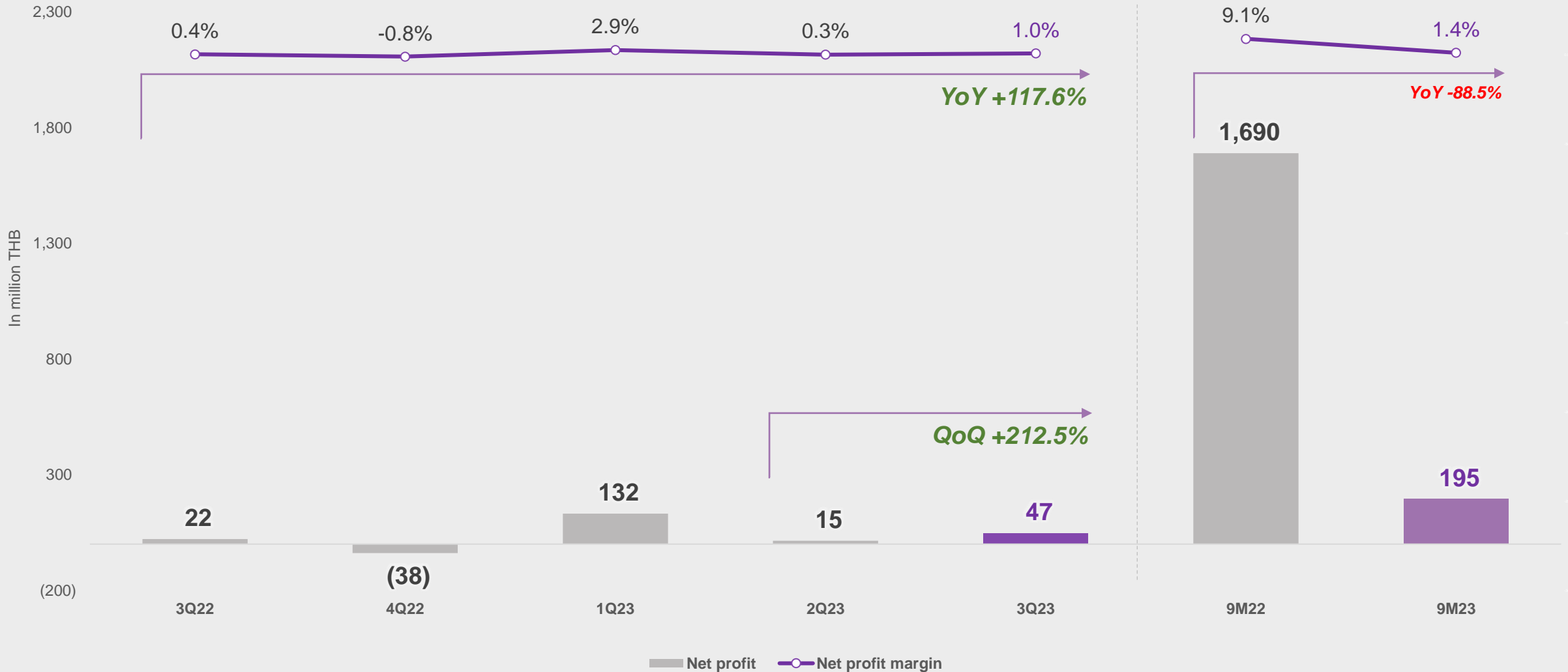


- Effective tax rate was at 23.8% for 9M23
- With tax heaven scheme from the Board of Investment in Thailand (BOI) for the 5-8 years tax free for new investment.



# Net Profit Margin

## Net profit and Net profit Margin



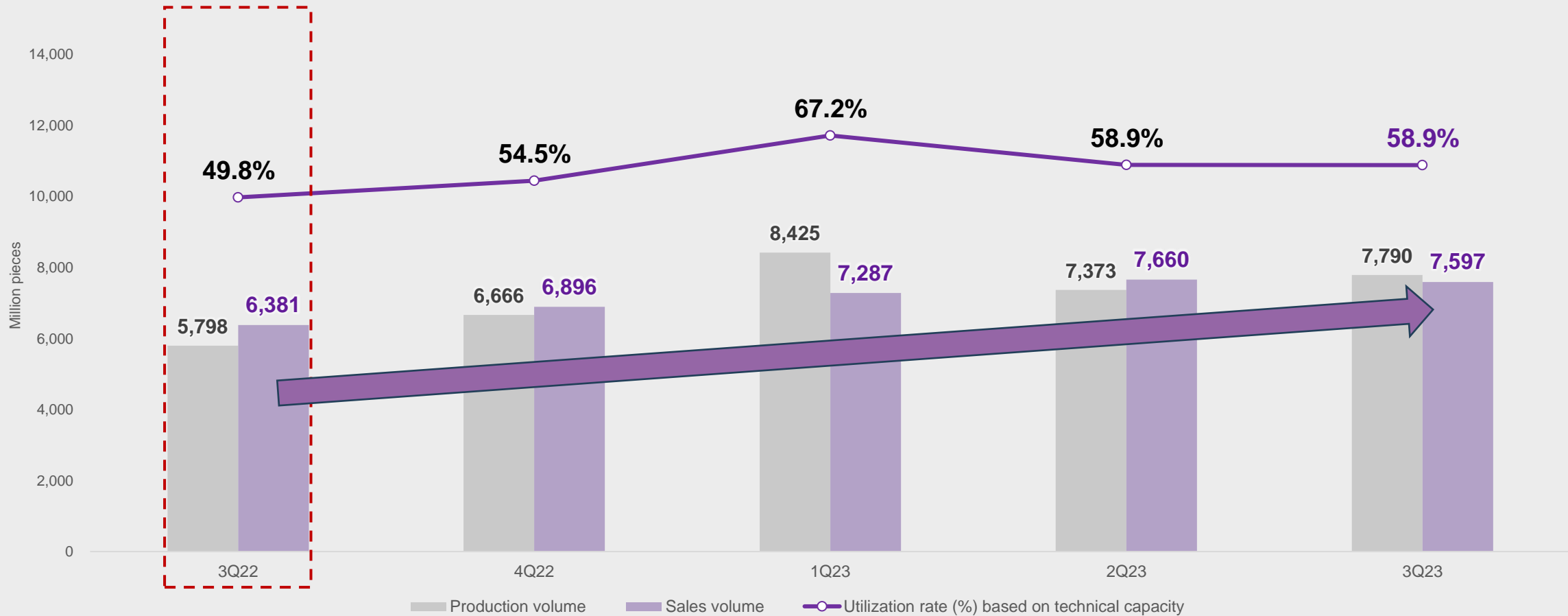


# GLOVES BUSINESS

# Sign of Recovery

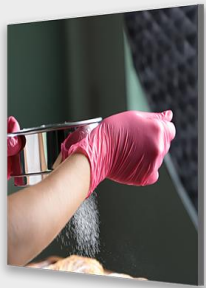
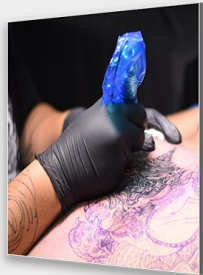
## STGT's Production & Sales Volume

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



# 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**

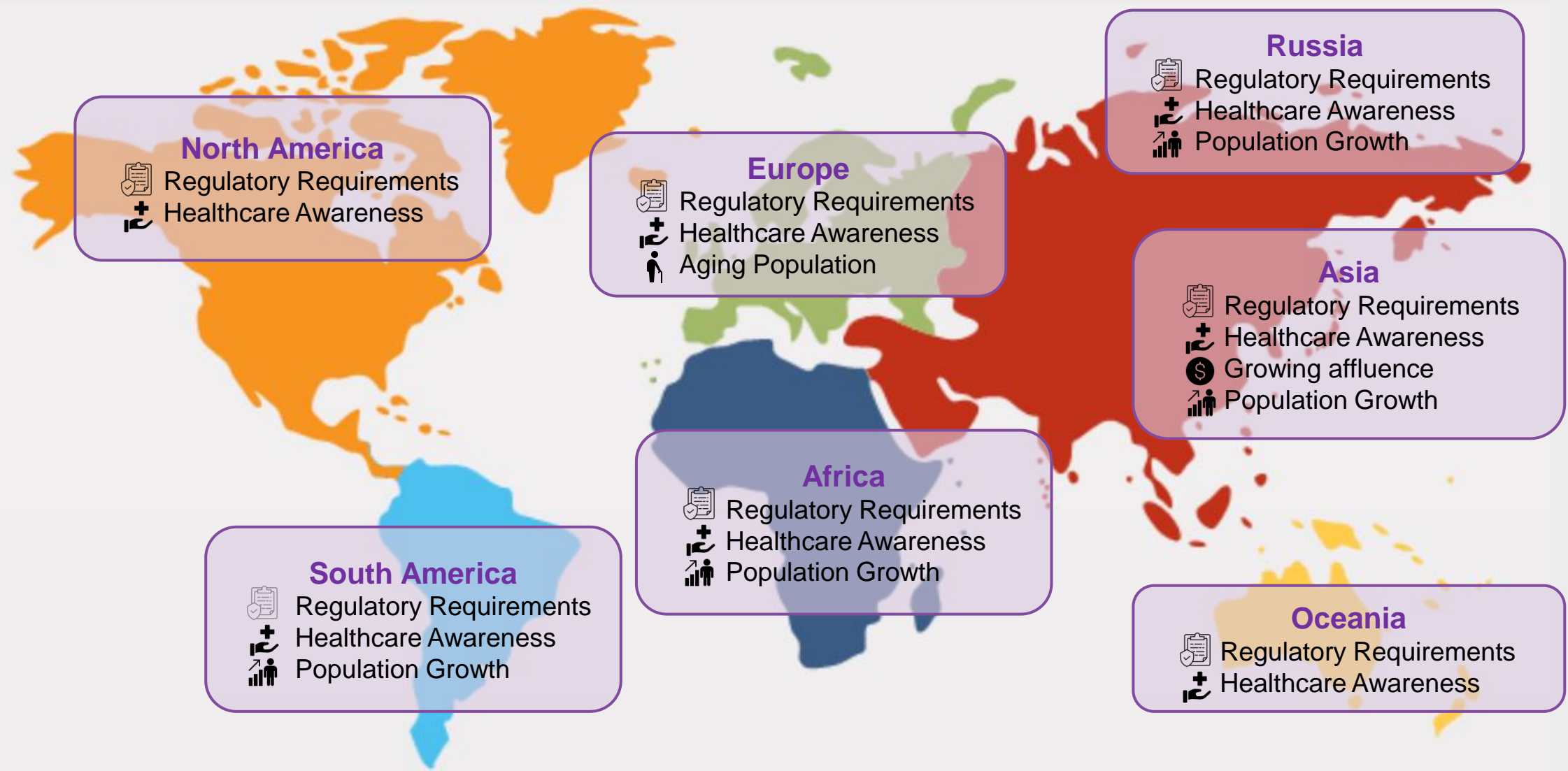
**Services & Hospitality**

**Household**

**Specialized medical applications**

# Glove Demand Expected to Grow 8-12% per Annum from Pre-Covid-19 Level

## Key Growth Drivers in Short-Term and Long-term



# BUSINESS OUTLOOKS



# Strategy for Overcoming the Challenges



## Maintain the Position as the Leader of NR Gloves

Optimize our key competitive advantage to access to raw material source



## Expand the Product Lines to Other Specialty Gloves

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



## Market Expansion to Various Countries

From 140 countries in 2020 to more than 170 countries in 2023, and **we expect to reach >190 countries in the next two years.** We have already set up subsidiaries in China, Vietnam, Singapore, Philippines, Indonesia and United State of America to support market expansion and distribution.



## Optimize the Production Capacity

During the normalization period, the production capacity needs to be strategically utilized to obtain optimal margin.



## Application of Automation and Technology moving into AI

For cost reduction and production efficiency enhancement



## Continuation and Maintenance of Leadership in ESG

To align with the current global megatrend, and drive business towards sustainable growth



NON DETECTABLE  
**PROTEIN**



**Latex**  
Powder Free



Total Extractable  
**Protein**



**Clean World  
Clean gloves**

Fully integrated sustainable supply chain



**ZERO Chlorine**  
process



Latex  
White



Ocean  
Blue

**Color**



Food contact  
compliance

240 mm length

Efficient and  
easy donning

Balanced strength  
comfort & flexibility

Superb protection  
against  
viral penetration

Single wall thickness (finger) **typical**  
value 5.5 mil (0.14 mm)

Fully micro  
textured  
superb overall grip

Ability  
to reseal

MDD  
CLASS 1

PPE CAT III  
CE 2777

PPE CAT I  
CE

**NON** Total Extractable Protein  
**DETECTABLE** Tested according to ASTM D5712-15

	Detection limit	Result
Assay Concentration	< 2.2µg/ml	b.d.
Total Protein	< 11µg/g	

b.d. - below detection limit, 2.2µg/ml.

**NON** Quantity of 4 Principal  
Allergenic Proteins  
**QUANTIFIABLE** Tested according to ASTM D7427-16

	Quantitation Limit	Result
Hev b 1	< 0.050µg/g	UQ
Hev b 3	< 0.050µg/g	UQ
Hev b 5	< 0.025µg/g	UQ
Hev b 6.02	< 0.025µg/g	UQ

UQ - unquantifiable i.e. result below the limit of quantitation.

Caution: Safe use of this glove by or on latex-sensitized individuals has not been established yet.



Reduce Chloride  
residue by **63%**

**11** Chemotherapy  
Drugs Tested according  
to ASTM D6978

**100%**  
Renewable Energy



Low Carbon  
Production



Sustainable  
Sourcing



Clean  
Optimization

**USAGE**  
(highlight)



Medical



Dental



EMS



Food





# Ultra Contact

Nitrile Powder Free

**Diamond textured**  
for exceptional grip performance

**For silicone free**  
required application

**Thicker gloves**  
for better protection and durability

**Color**  
Orange

Single wall thickness (finger) **typical value 8.7 mil (0.22 mm)**

**Dynamic hand protection** against multiple hazards

**Exceptional** dry and wet grip

**Efficient and** easy donning

**240 mm** length

**Food contact** compliance

**Raised diamond texture** superb functional grip

**Powder free**

**Silicone free**

Great chemical **resistance**

**MDR CLASS 1**

**PPE CAT III**

CE 2777

**PPE CAT I** CE



**100%**  
Renewable Energy

**Low Carbon**  
Production

**USAGE**  
(highlight)





# SHIELD PLUS

Nitrile Powder Free



**Tested for use against chemotherapy drugs**  
(acc. to ASTM D6978)



**Tested against EN 16523-1 and ASTM F739**  
for chemical resistance



**No permeation against Fentanyl up to 240 minutes**  
(acc. to ASTM D6978)



**Color**

Blue



Single wall thickness (finger) **typical value 5.1 mil (0.13 mm)**

Efficient and **easy donning**

Powerful hand protection against **multiple hazards**

**Extended cuff** for extended protection

**300 mm length**

**Food contact compliance**

**Micro textured finger** precise grip

**Powder free**

Great **chemical resistance**

**MDR CLASS 1**

**PPE CAT III**  
CE 2777 |

**PPE CAT I** CE |



**300 mm LONG CUFF**  
**EXTRA PROTECTION**

**USAGE**  
(highlight)



Hospital



Dental



Laboratory



Janitorial



Industry



Food



# VITASKIN

LATEX POWDER-FREE

## SURGICAL GLOVES



### Ergonomic design

Conforms to hand contour



**Tested against EN 16523-1 and ASTM D6978**

for chemical and chemo drugs resistance



### NATUTEX latex

our soft latex technology proprietary that comes with lower protein content



**Color**

Latex White

Single wall thickness (finger) **typical value 8.7 mil (0.22 mm)**

**Reduced hand fatigue**

**Enhanced comfort**

**300 mm length**

**Extended cuff for extended protection**

**Fully micro textured seamless grip**

**Ability to reseal**

**MDR CLASS IIa**



**PPE CAT III**  
**CE 2777**



**Superb protection against bloodborne pathogens**



**Material**  
Natural Rubber Latex

**Powder Content**  
Powder-Free

**Internal Glove Surface**  
Polymer Coated

**Freedom from Holes (Inspection level I)**  
AQL ≤ 0.65

**Product Compliances**  
ASTM D3577, EN 455, ISO 10282, TIS 538, EN ISO 21420, EN ISO 374, ASTM D6978

**Factory Compliances**  
ISO 13485, ISO 14001, ISO 9001

**Viral Penetration Test**  
ISO 16604, ASTM F1671

PRODUCT INFORMATION

**ISO 16604 and ASTM F1671** utilize bacteriophage Phi-X 174 due to its miniscule size compared to other blood borne pathogens and hence able to model viral penetration of deadly viruses like HCV and HIV.



**Salmonella**  
0.7-1.5 µm



**E. coli**  
0.25-1.0 µm



**HIV**  
120 nm



**Ebolavirus**  
80 nm



**SARS-CoV-2**  
60-140 nm



**HCV**  
55-65 nm



**Phi-X 174**  
27 nm

**100%**  
Renewable Energy



**Low Carbon**  
Production

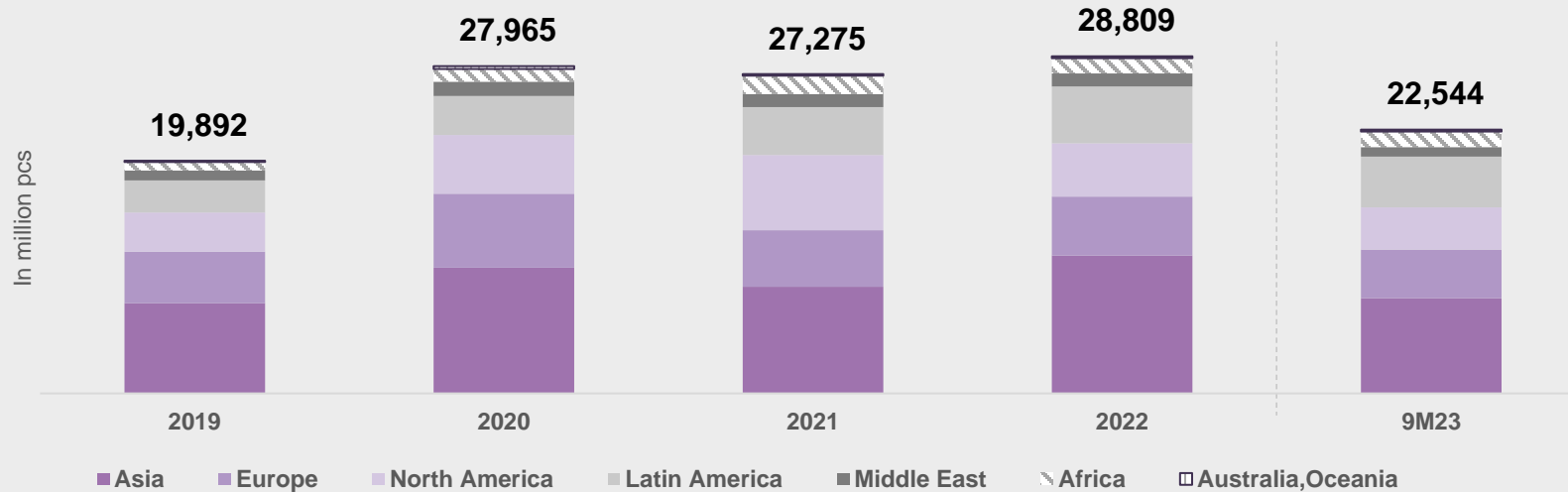


**Sustainable**  
Sourcing

To be launched in 2H23 | Capacity 20 million pairs per year

# STGT's Market Diversification

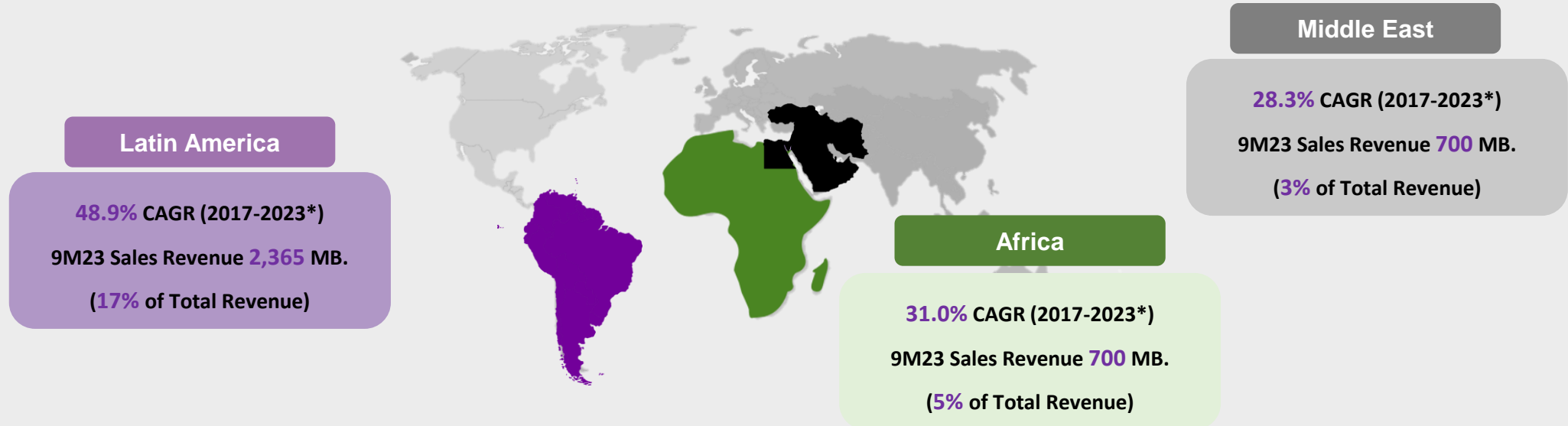
## Gloves' Sales Volume by Region



### 3Q23:

- Sales volume still increased in most region especially Asia and Latin America.

## High Growth Region (Volume)



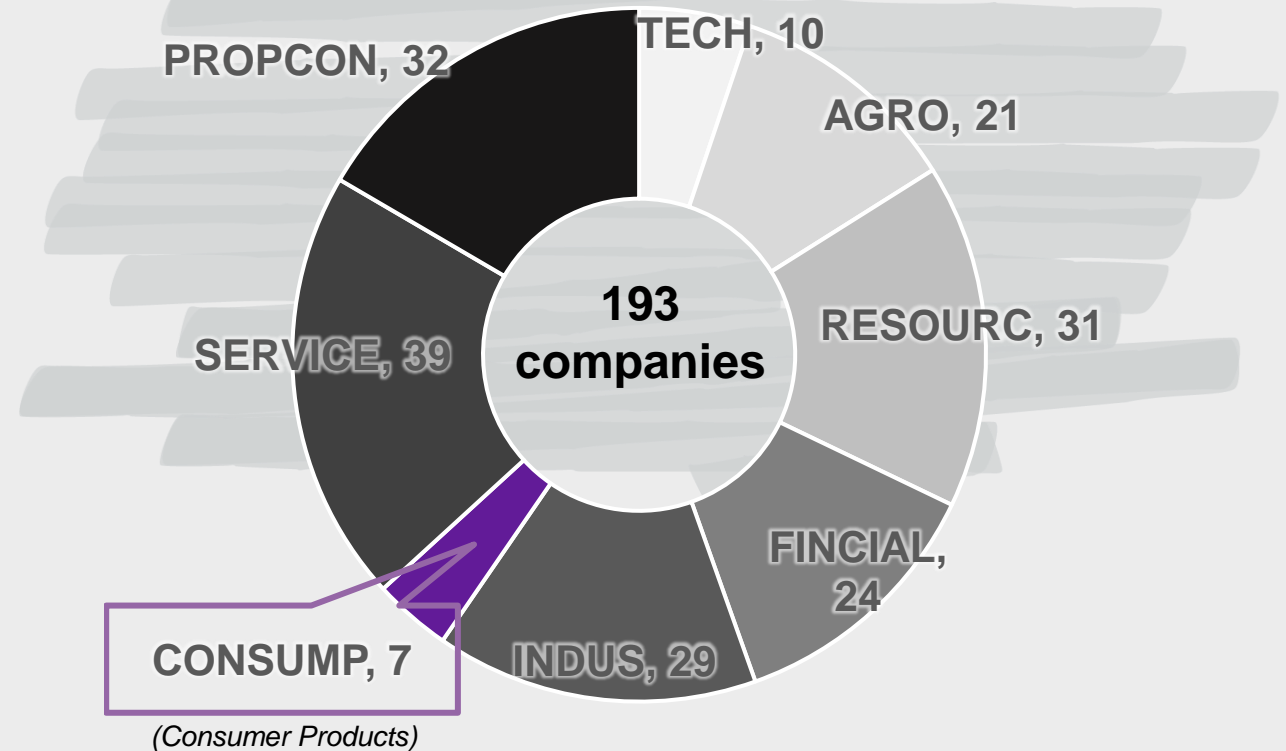
\*Annualized 6M23

# SET ESG Ratings “AAA”

“AAA” score 90-100



- **STGT received SET ESG Ratings “AAA” in 2023**  
STGT is one of 193 listed companies that passed SET ESG Ratings and one of 34 listed companies that received “AAA” ratings which is the highest ratings.



# STGT Sustainability Strategy



## “CLEAN WORLD CLEAN GLOVES”

is our brand promise to give priority to the sustainability-minded operations and production of high-quality, environmentally friendly gloves.

Sustainable sourcing

Logistic management

Environmentally-friendly manufacturing

Human dignity and social responsibility

Clean optimization

Clean natural product

### Sustainability for Supply Chain and Fair Trade



### Human Rights



### Animal Welfare



### Responsibility & Sharing



### Environmentally Friendly Technologies



- ✔ Reduce greenhouse gas emissions per product unit by 10% compared to base year 2021 by 2026
- ⊖ Carbon Neutral by 2030 and Net zero GHG emissions by 2050
- ⊖ Reduce electricity consumption per product unit by 10% from the base year 2019 by 2024.
- ⊖ Reduce water consumption per product unit by 10% compared to the base year 2019 by 2024.
- ✔ Reduce total waste per product unit by 20% from the base year 2019 by 2024.
- ⊖ Reduce the amount of nonhazardous waste from the production process that is disposed of in landfills to 0 by the year 2030.



- ✔ Training Hours Average 40 Hours/Person/Year
- ✔ The number of fatalities at work of employees and contractors is zero.
- ✔ The number of employees suffering from occupational diseases is zero.

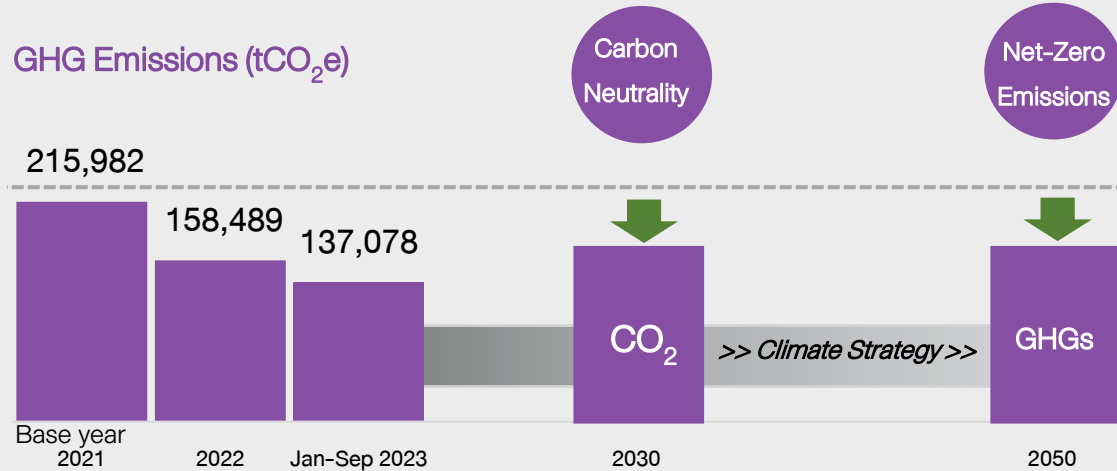
### RELATIONSHIP WITH 7 GROUP OF STAKEHOLDERS

### CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT COMMITTEE AND CORPORATE SUSTAINABILITY POLICY

# STGT's ESG Activities: Key Highlights

E

## Climate Change Ambition Pathway (Scope 1 & 2)



## Climate Strategy

### Efficiency Improvement

Maximize energy efficiency in operations and reduce GHG from significant sources

- 100% Biomass Renewable Energy
- Energy Efficiency Improvement

### Breakthrough Technology

Low-carbon technologies and fuels acquisition e.g., renewable energy projects

- Solar Rooftop
- Solar Floating
- EV Forklift
- EV Car

### Carbon Offsetting & Absorption

Carbon credits from GHG emission reduction projects (e.g., renewable energy, Agriculture, Forestry ) and carbon capture projects

- Carbon credit trading with STA Group through the T-VER project

S

## Upcycling Wood Pallets Project (CSR-DIW Continuous) For the 2<sup>nd</sup> consecutive year



## Smokeless Charcoal to Generate Income Project (CSR-DIW Continuous 2022)



G & E

## "Excellent" CG Scoring

Apprised by Thai institute of Directors



## EUDR

To ensure the absence of deforestation in the supply chain of various agricultural products, including natural rubber, before entering the EU, it is crucial to focus on robust supply chain management and traceability measures.





# Sustainability Certificates

## Social

### Environment



**ISO 14001:2015**  
Environmental Management System



**Green Industry**  
Sustainability development for Manufacturer network From Thai Ministry of Industry (STGT receive LEVEL 4)



Thailand Greenhouse Gas Management Organization (TGO) (Standard T-VER)



**ISO 45001:2018**  
Occupational Health & Safety Management



**International Labour Organization**

### International Labour Organization Audit

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

Corrective Action Plan			
Facility	Applicable Standard	Audit number	Type of audit
Sri Trang Gloves (Thailand) Public Company Limited_Hat Yai Branch	ILO Indicators of Forced Labor	TH-6-2010-01	Initial full audit
Good example			
Good example	Details of good example noted		Any relevant Evidence and Comments
No 1	The company made effort to all migrant workers e.g. annual work permits and all labor transportation cost with free of charge and no any bonded for workers and no other sign of forced labor for this effort.		Site observation, on-site review, worker and management interview.
Please sign here after the closing meeting on the audit date for the acknowledgement of this document			
Site Representative Signature:		Title: Quality System Manager	Date: 19 October 2022
Auditor Signature:		Title: Lead auditor	Date: 19 October 2022

### Governance



**Environmental Good Governance**  
Sustainable Business Certificate From Thai Ministry of Industry



**Collective Action against Corruption**  
An initiative by the private sector to take part in tackling corruption problem via collective again.



### Forest Stewardship Council™

Traces the path of products from forests through the supply chain, verifying that FSC™-certified material is identified or kept separated from non-certified material throughout the chain. (Chain-of-Custody)



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

Confirmation			
Please sign this document confirming that the above findings have been discussed with and understood by you (site management). If actual signatures are not possible in electronic version, please state the name of the signatory in applicable boxes as indicated by the signature.			
A. Site Representative Signature:		Title: Quality System Manager	Date: 21 July 2022
B. Auditor Signature:		Title: Lead auditor	Date: 21 July 2022
C. Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E if no disputes.			
D. I dispute the following numbered non-compliance:			
NI			
E. Signed:		Title: Quality System Manager	Date: 21 July 2022
F. Any other site Comments:			
NI			



**SET ESG Rating 2023 (AAA)**



**THAI FDA Quality Award**  
The Food and Drug Administration's Quality Award (Outstanding Medical Device Enterprise) 2023



**Business Social Compliance Initiative**  
Supply Chain management system international labour standards protecting workers' rights (STGT receive Rank A)



	A	B	C	D	E	None
<b>Section rating</b>						
PA1: Social Management System	A					
PA 2: Workers Involvement and Protection	A					
PA 3: The Rights of Freedom of Association and Collective Bargaining	A					
PA 4: No Discrimination	A					
PA 5: Fair Remuneration	A					
PA 6: Decent Working Hours	A					
PA 7: Occupational Health and Safety	A					
PA 8: No Child Labour	A					
PA 9: Special Protection for Young Workers	A					
PA 10: No Precarious Employment	A					
PA 11: No Bonded Labour	A					
PA 12: Protection of the Environment	A					
PA 13: Ethical Business Behaviour	A					





# Sustainability CERTIFICATES & Awards Highlight

## Awards



Thailand Sustainability Investment 2021



CSR-DIW Award 2020-2023



CSR-DIW Continuous Award 2017-2023



Environmental Governance Award 2019



Outstanding Social Activity Award 2020



Gold level plaque of honor waste water management 2019



Sustainability Disclosure recognition 2021



Disability Employment Award 2017-2021



Green Industry Award (Level 4) 2021-2022



Business Partner Award (Gold Award, Sustainability Award) 2023

## 12 TIMES WINNER Thailand FDA Quality Award





**SRITRANG**<sup>TM</sup>  
**GLOVES**

**Thank you very much**



**Contact Investor Relations Tel:** (+66)2-207-4500 Ext. 1403 and 1404 **E-Mail:** [stgt\\_ir@sritranggroup.com](mailto:stgt_ir@sritranggroup.com)