



SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

## 2Q22 Presentation



The Stock Exchange of Thailand The Stock Exchange of Thailand

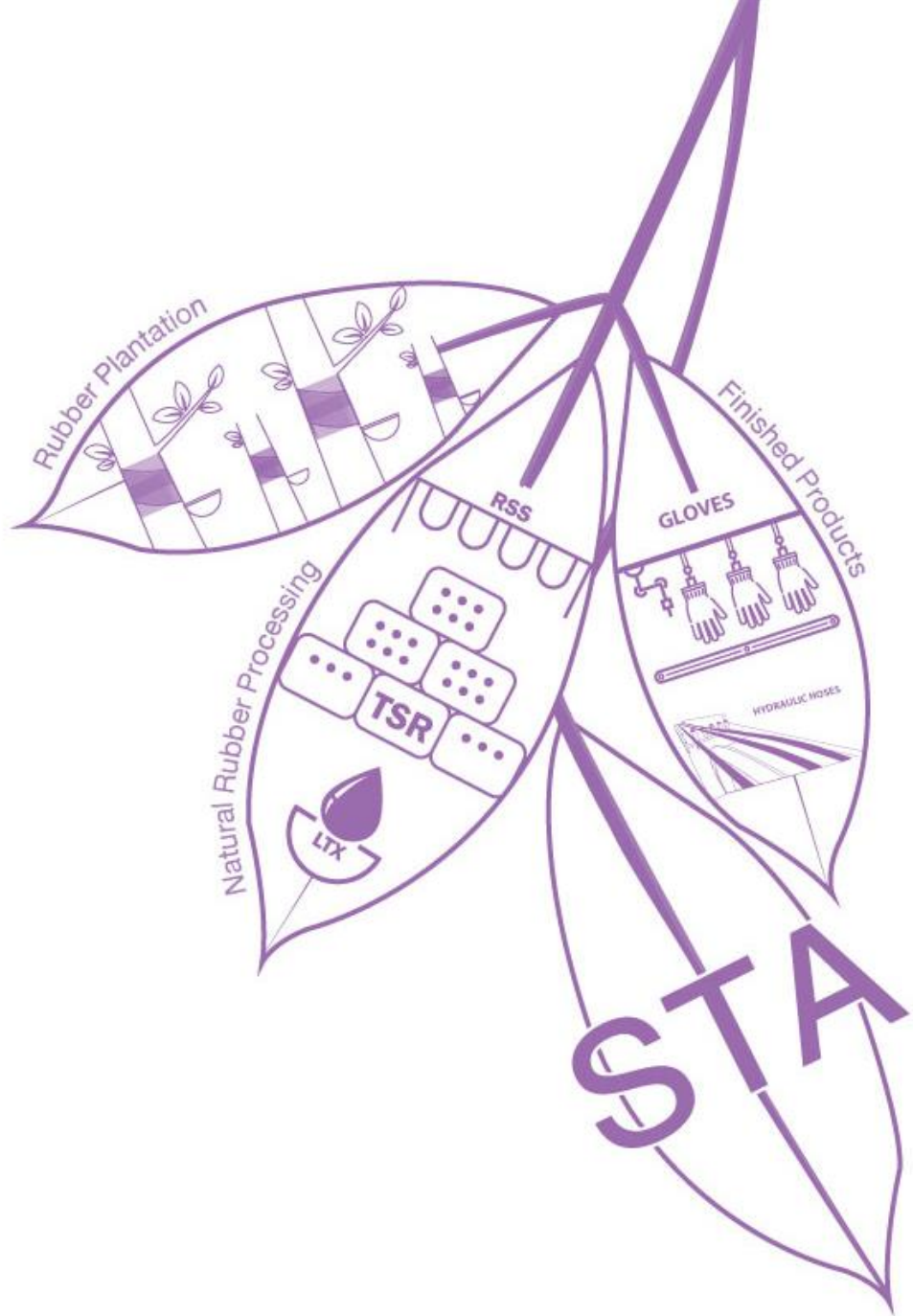
SET100 Index SETTHSI Index



Excellent  
Corporate Governance Score Appraised  
by Thai Institute of Directors



August 11, 2022



## 01 Company Overview



## 02 Financial Performance



## 03 Natural Rubber Market Situation



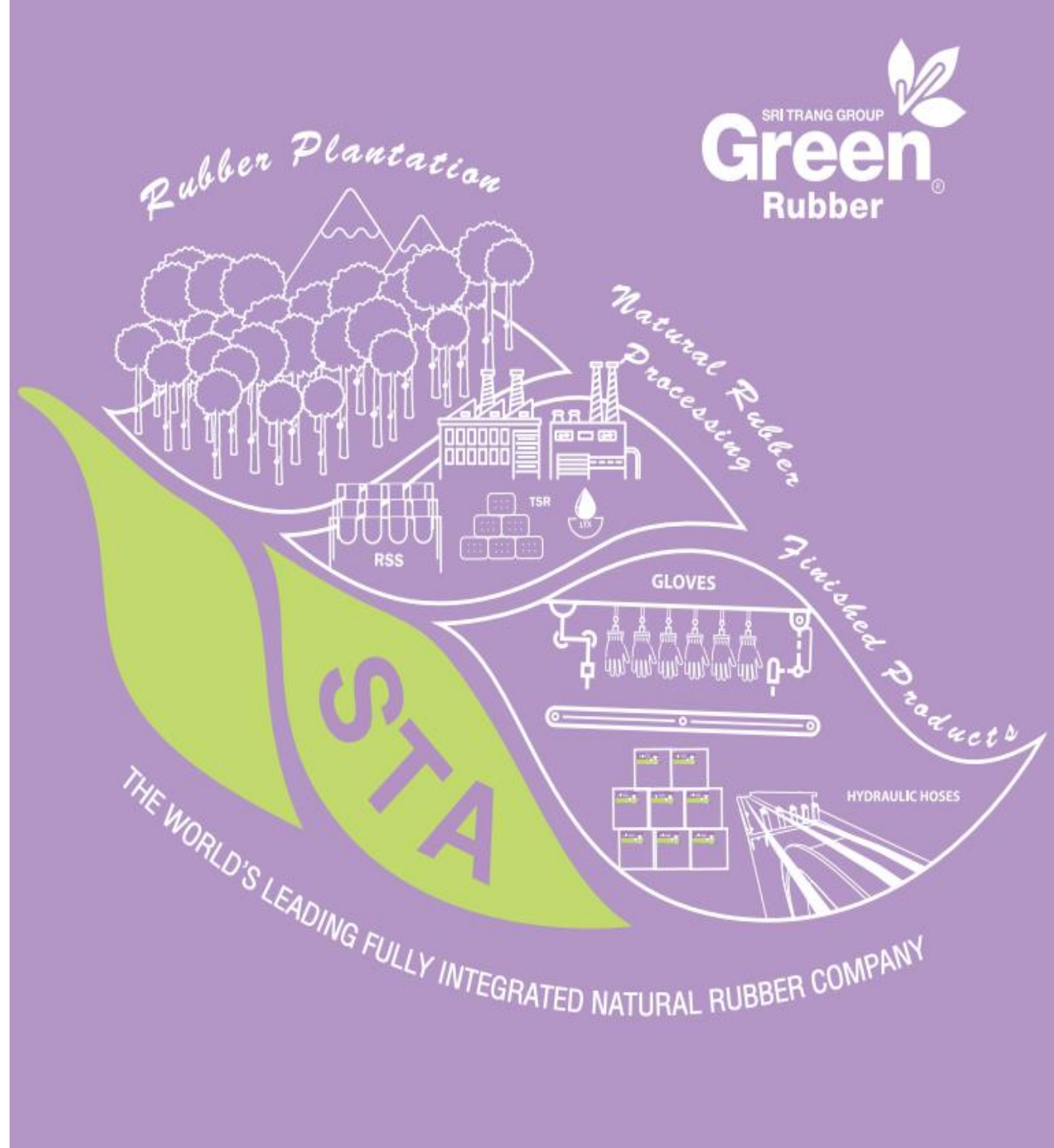
## 04 Business Highlights





# 01 Company Overview

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# The World's Leading Fully Integrated Natural Rubber Company

About STA: Established in 1987



## Upstream



### RUBBER PLANTATIONS

**45,000 rai**

(7,200 hectares) of rubber plantations and other economic crops

**32**

procurement centers

**> 7,000**

Rubber farmers and dealers being members of mobile application

"SRI TRANG Friends"

## Midstream



### RUBBER PROCESSING

**35**

NR processing plants in Thailand, Indonesia and Myanmar

**3.1**

million tons in production capacity per year

**1.3**

million tons sold in 2021

**10%**

market share of global natural rubber consumption in 2021

**32%**

market share of Thailand rubber production in 2021

## Downstream



### RUBBER GLOVES

**4**

locations of glove factories in Thailand

**49**

billion pieces of gloves in production capacity per year

**27.3**

billion pieces of gloves sold in 2021

**170+**

countries sold over the world

**SRITRANG's  
Global  
Presence**



Thailand



USA



Myanmar



Indonesia



Singapore



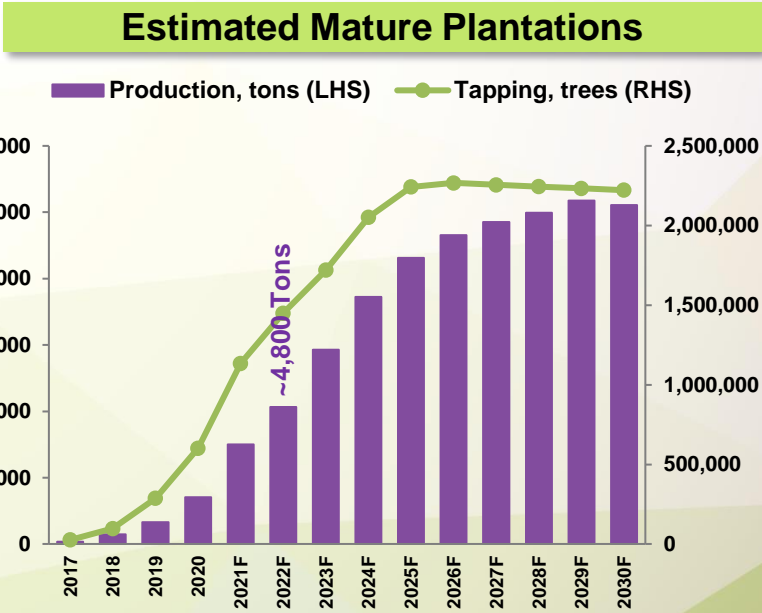
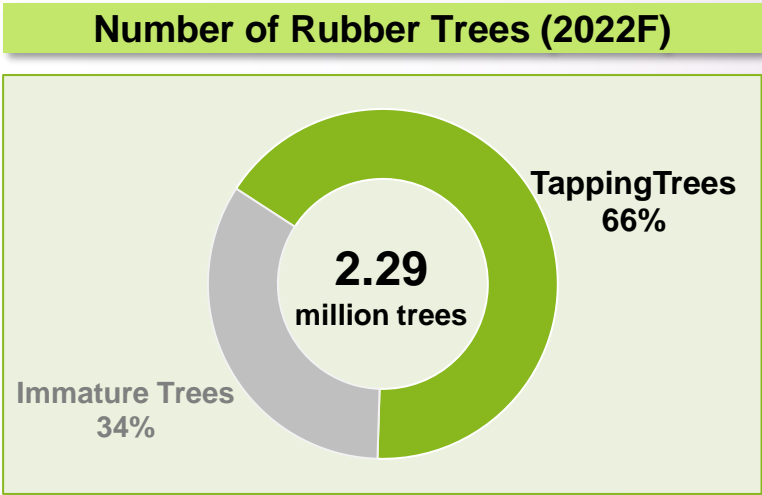
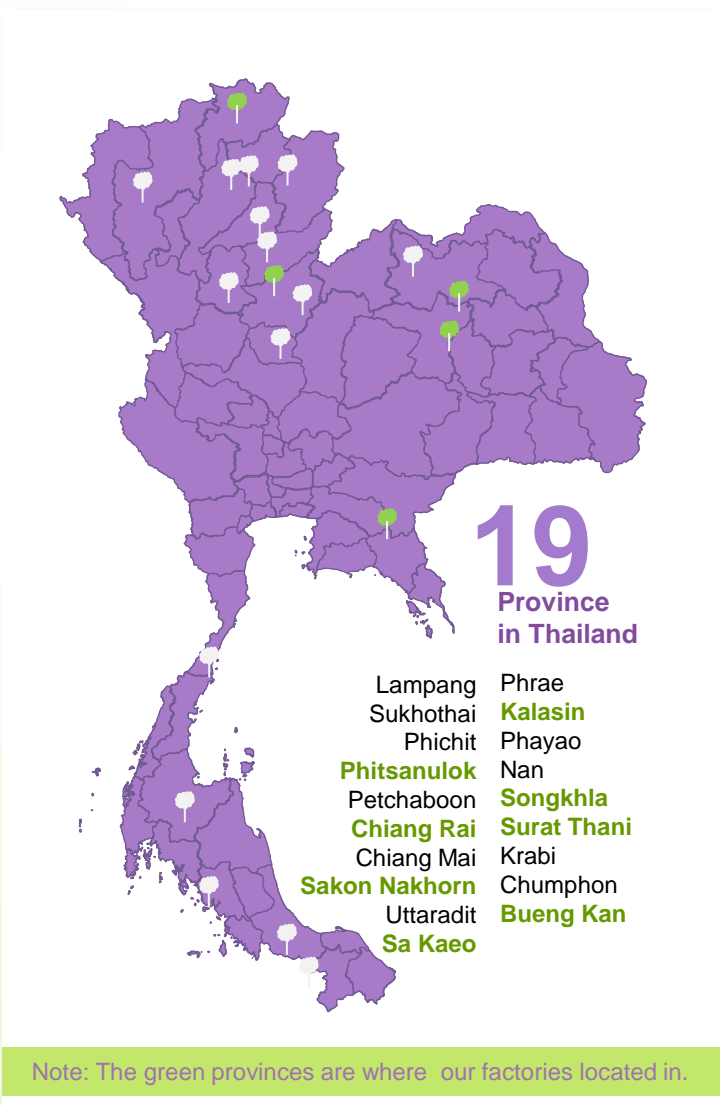
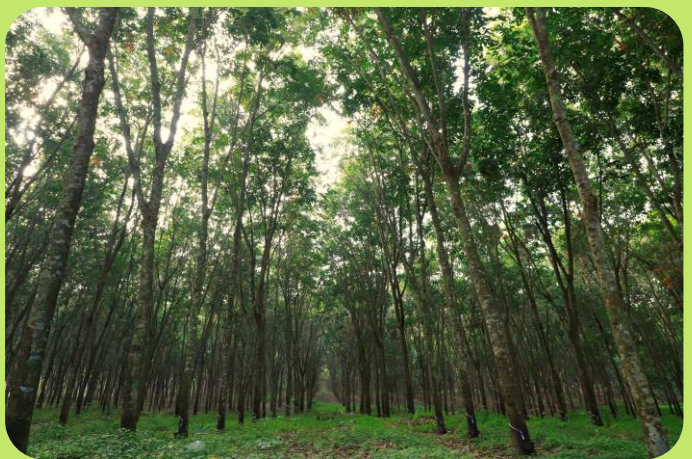
China



Vietnam

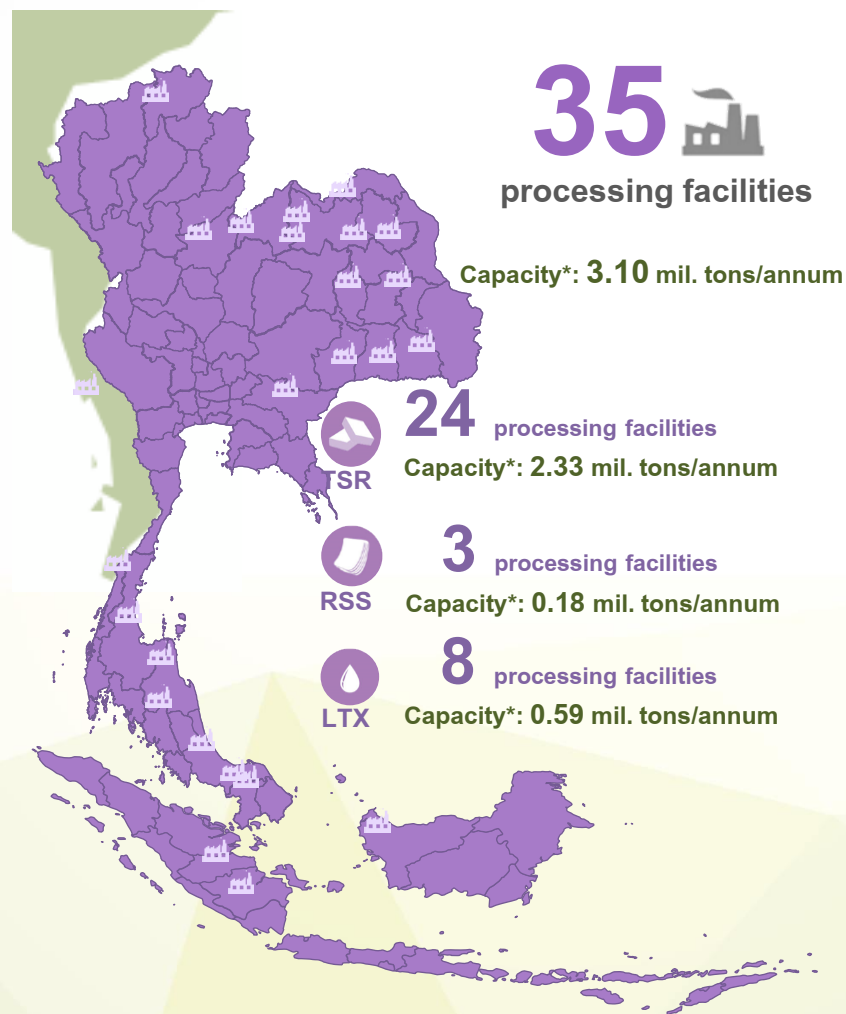
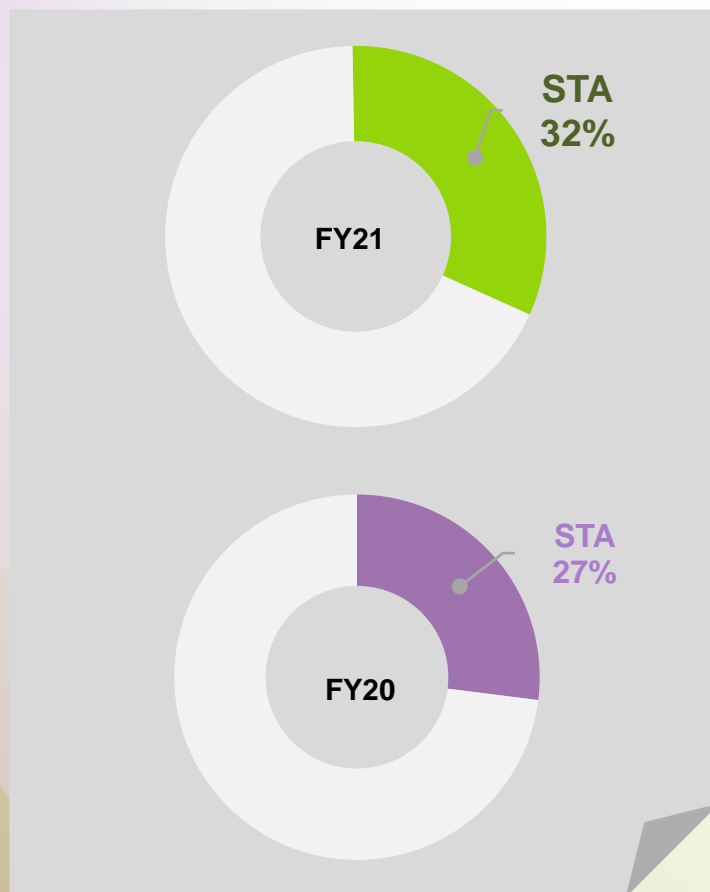


# Upstream Operations – Rubber Plantation



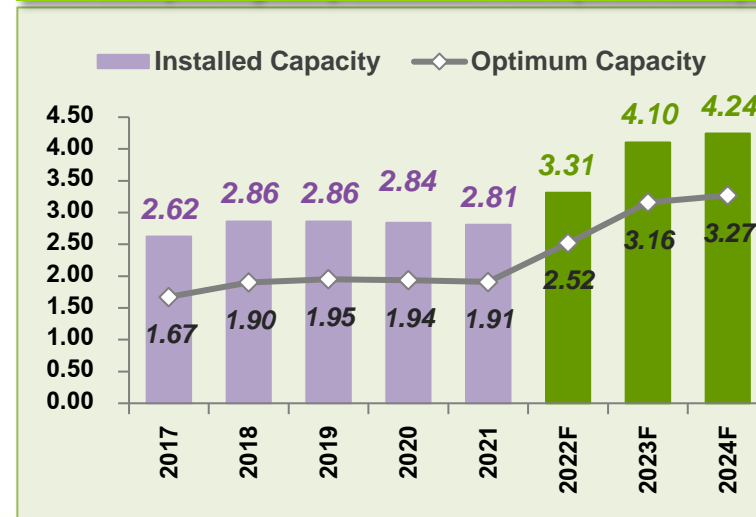
# Midstream Operations – NR Processing

## A Strong Increase in Market Share Rubber Production in Thailand

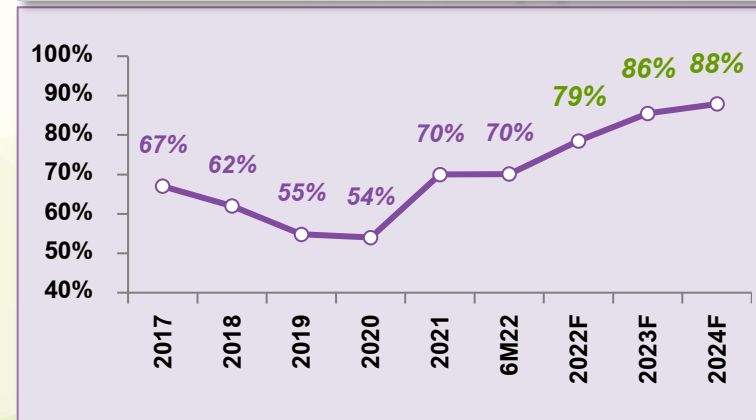


Note: \*Total engineering capacity

## NR Capacity Expansion Plan (mil. tons)



## Utilization Rate (%)



# Major Customers in Midstream Business

## GLOBAL BRANDS



## NON-CHINA

**CEAT** **apollo**



**Hankook**

**KUMHO TYRES**

## CHINA

**DEESTONE**

**THUNDERER**



**Vee Rubber**



**SENTURY**  
森麒麟轮胎

**CST**



**zc rubber**  
中策橡胶  
Hangzhou Zhongce Rubber Co., Ltd.

**GS**  
江苏通用科技股份有限公司  
Jiangsu General Science Technology Co., Ltd.

**TRIANGLE**

**MAXXIS**

**HFT**



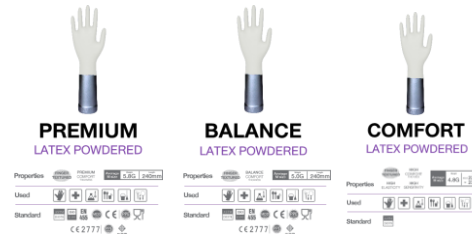
# Thailand Largest and the World's Top 5 Glove Producer Company

**About STGT:** Established in 1989



## Product Type

### 1. LATEX POWDERED: NRPD



### 2. LATEX POWDER-FREE: NRPF



### 3. NITRILE: NBR



## Competitive Advantages

1

Unique Product Mix

2

Security of Supply

3

Low Transportation and Inventory Handling Costs

4

No Burden on Import Tax (CESS) of Concentrated Latex

5

Low Energy Cost

6

Interest Subsidy

7

Tax Benefit from the Board of Investment Thailand (BOI)

8

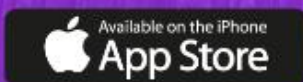
ESG Leader





SRI TRANG  
**FRIENDS**

The New Era of Rubber industry through  
**Agri-Tech Ecosystem**



# Sri Trang Friends Features are to create **ECO-SYSTEM** in the NATURAL RUBBER INDUSTRY





# **SRI TRANG** is in a **SPACESHIP!**

**KEEP MOVING OUT OF  
THE TRADITIONAL  
RUBBER BUSINESS**



**Bye...**



**Our Competitors**

# Awards in terms of ESG

## Economic (Green Company) “Sustainable Growth”



Topic	Key success
<ul style="list-style-type: none"> <li>Good Corporate Governance</li> <li>Anti-corruption</li> <li>Increased production and Expand market share</li> <li>Strengthen the customers' and Partners' trust</li> <li>Educated rubber farmer to make a good quality raw material</li> <li>Create innovation and new technology</li> </ul>	<ul style="list-style-type: none"> <li>CG and AGM score</li> <li>Member of The Private Sector Collective Action Coalition Against Corruption (CAC)</li> <li>Economic performance</li> <li>Customer satisfaction score</li> <li>Sri Trang rubber farmer project</li> <li>Benefit from Kaizen&amp; QCC activity</li> </ul>

## Social (Green Supply) “Create more happiness for internal and external society”



Topic	Key success
<ul style="list-style-type: none"> <li>Development and employees' care</li> <li>Human Rights and Fair Labor Practices</li> <li>Good health, Safety and Good working environment</li> <li>Establish responsible process to consumer care</li> <li>Engage supplier or partners' for social responsibility</li> <li>Social and Community Development</li> </ul>	<ul style="list-style-type: none"> <li>Turnover rate</li> <li>Comprehensive human rights risk assessment results.</li> <li>Accident rate</li> <li>Complaints</li> <li>No. of Suppliers who acknowledge anti-corruption policy</li> <li>Cost and project to supported and developed community</li> </ul>

## Environment (Green factory, Green product) “Focus on the effective environmental management system”



Topic	Key success
<ul style="list-style-type: none"> <li>Energy reduction and renewable energy</li> <li>Reduce CO<sub>2</sub> emission</li> <li>Efficiency resourcement and reuse material</li> <li>Oriented towards managing to reduce Impacts of the production</li> <li>Planting and increasing the green areas</li> <li>R&amp;D environmental friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption per product unit</li> <li>Carbon dioxide equivalent emissions per unit of product</li> <li>Waste to Value project</li> <li>Complaints from the community</li> <li>Carbon sequestration</li> <li>Number of projects/products that are environmentally friendly</li> </ul>







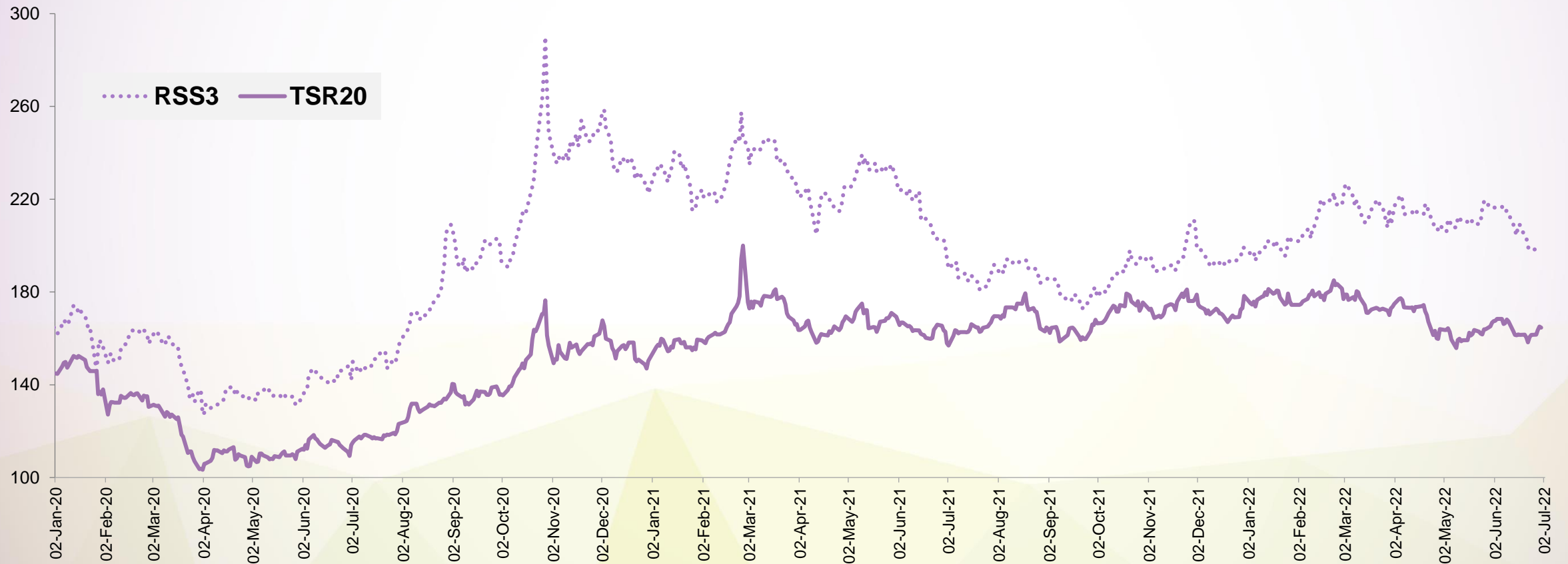
## 02 Financial Performance

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# Rubber Price Movement

## SICOM Price (US Cent/kg.)



Quarterly Average TSR20 Prices

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
133.5 (-2.5%)	110.8 (-17.0%)	128.1 (+15.6%)	154.5 (+20.6%)	167.0 (+8.1%)	165.3 (-1.0%)	166.0 (+0.4%)	172.9 (+4.2%)	176.9 (+2.3%)	165.4 (-6.5%)



# Financial Highlight



(Unit : THB million)	2Q22	2Q21	%YoY	1Q22	%YoY	6M22	6M21	%QoQ	FY21
Revenue	27,793	29,804	-6.1%	28,000	-0.1%	55,973	61,383	-8.8%	118,275
NR Sales volume (tons)	352,951	311,657	13.2%	348,971	1.1%	701,921	637,840	10.0%	1,294,724
NR Avg. selling price (USD per ton)	1,774	1,723	3.0%	1,814	-2.2%	1,794	1,674	7.1%	1,708
Gloves Sales volume (million pieces)	7,629	5,723	33.3%	7,908	17.3%	15,537	12,467	24.6%	27,304
Gloves Avg. selling price (USD per 1,000 pieces)	24	72	-66.0%	27	-9.3%	26	74	-65.3%	56
Gross profit	4,242	10,591	-61.3%	4,526	-6.3%	8,768	24,503	-64.2%	38,059
Adj. gross profit**	4,438	10,555	-58.0%	4,826	-8.0%	9,263	24,037	-61.5%	36,769
SG&A	2,595	(1,729)	50.1%	(2,386)	8.8%	(4,982)	(3,364)	48.1%	(7,927)
Gains (loss) on exchange rate, net**	86	51	69.5%	49	59.1%	135	503	-73.2%	474
Other gains (loss)*	30	(114)	-126.1%	(110)	-72.9%	139	(1,218)	-111.4%	(1,836)
Operating profit (loss)	1,859	9,255	-79.9%	2,342	-32.2%	4,201	20,579	-79.6%	29,193
Share of profit (loss) from investments in JV	81	73	11.6%	53.8	169.1%	135	106	28.3%	241
EBITDA	2,714	10,110	-73.2%	3,148	-13.8%	5,862	22,169	-73.6%	32,439
EBIT	1,940	9,328	-79.2%	2,396	-19.0%	4,336	20,684	-79.0%	29,434
Finance incomes	29	30	-4.2%	30	-5.8%	59	54	7.9%	113
Finance costs	(298)	(210)	42.0%	(222)	34.2%	(521)	(386)	34.7%	(829)
Tax Income (expense)	(261)	(951)	-72.6%	(225)	37.4%	(486)	(1,782)	-72.7%	(2,542)
Net profit	1,142	5,044	-77.4%	1,509	-24.3%	2,561	11,002	-75.9%	15,847
GP margin	15.2%	36.7%		16.2%		15.7%	39.9%		32.2%
Adj. GP margin*	15.9%	35.4%		17.2%		16.5%	39.2%		31.1%
Operating profit margin	6.6%	31.1%		8.4%		7.5%	33.5%		24.7%
EBITDA margin	9.7%	33.9%		11.2%		10.5%	36.1%		27.4%
Net profit margin	4.1%	16.9%		5.4%		4.7%	17.9%		13.4%

\*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

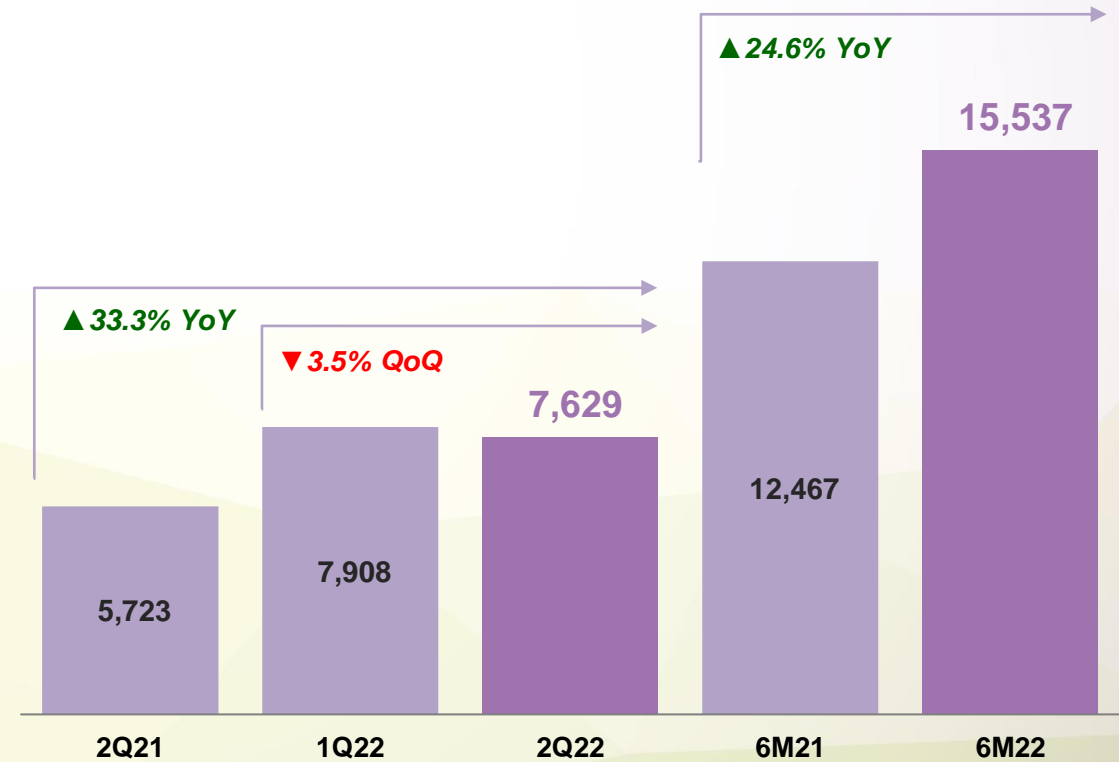
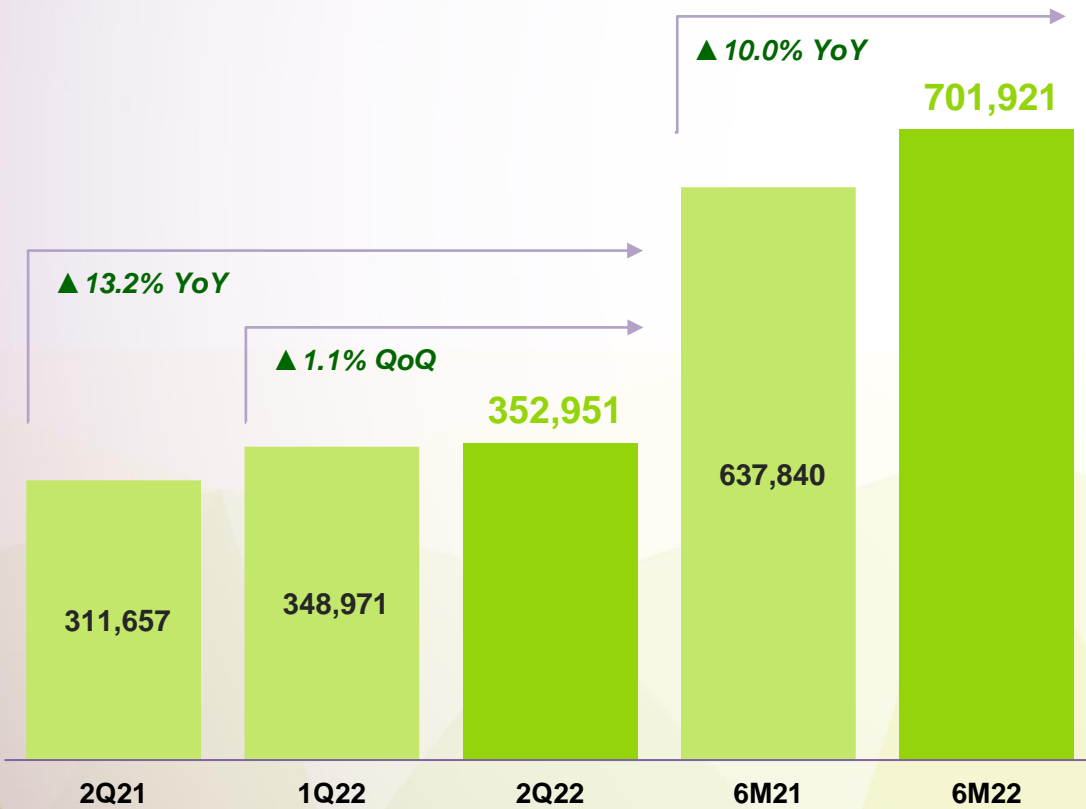
# Sales Volume



## Natural Rubber Products (tons)



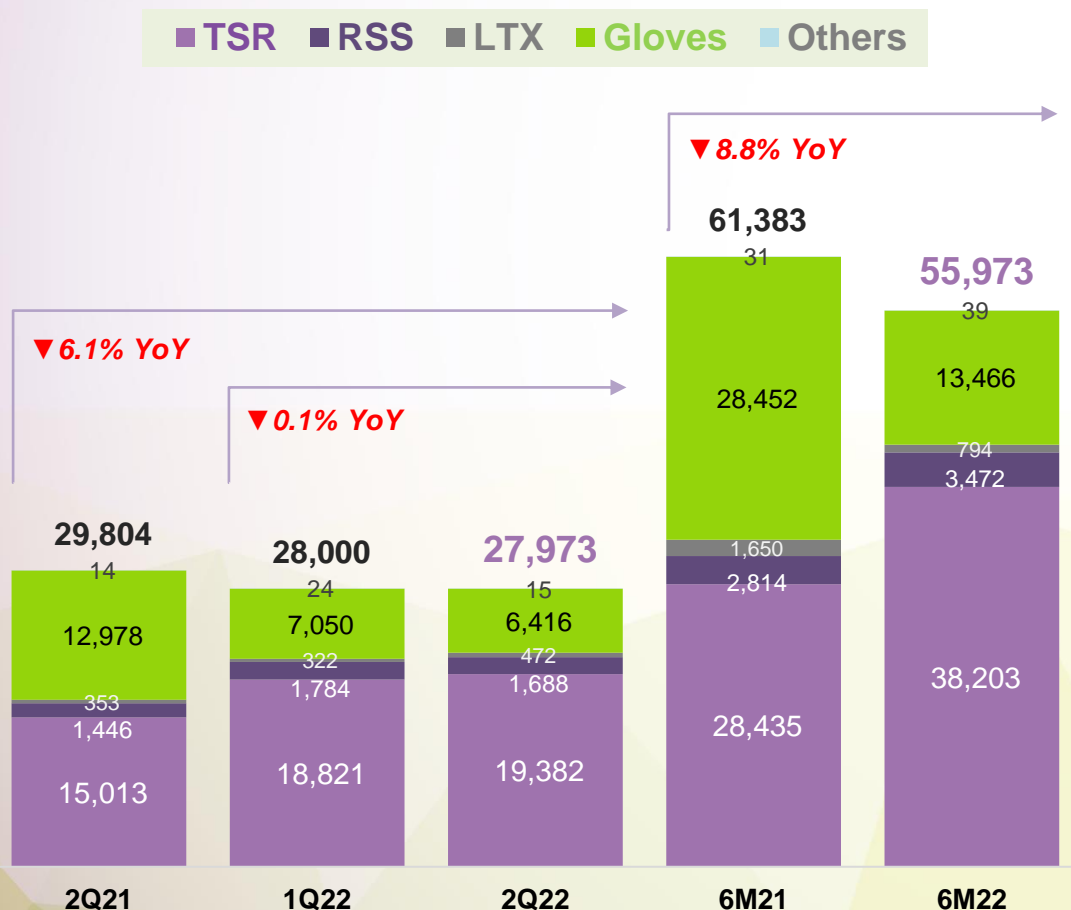
## Glove Products (million pieces)





# Sales Revenue – 77% contribution from NR business in 2Q22

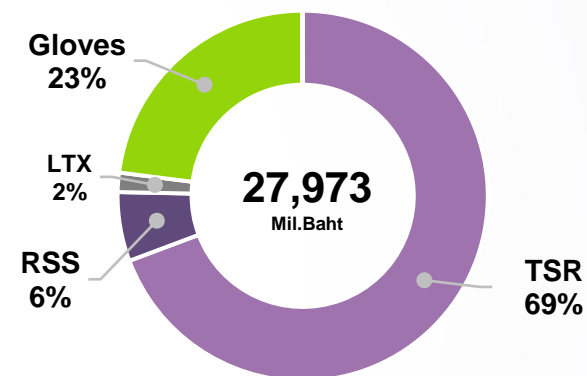
## Sales Revenue by Product (THB million)



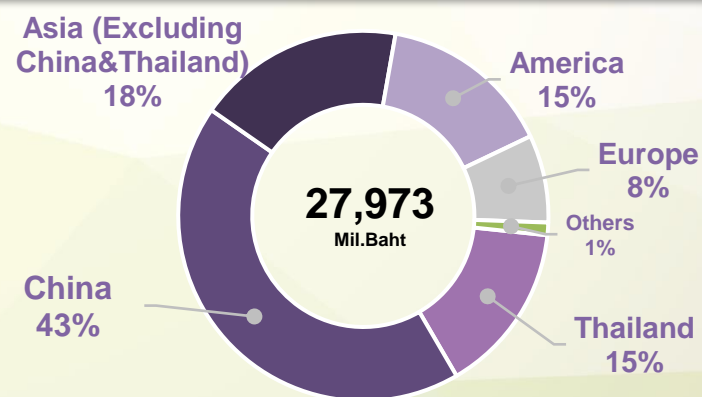
### ABBREVIATIONS

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

## Sales Breakdown by Product [2Q22]

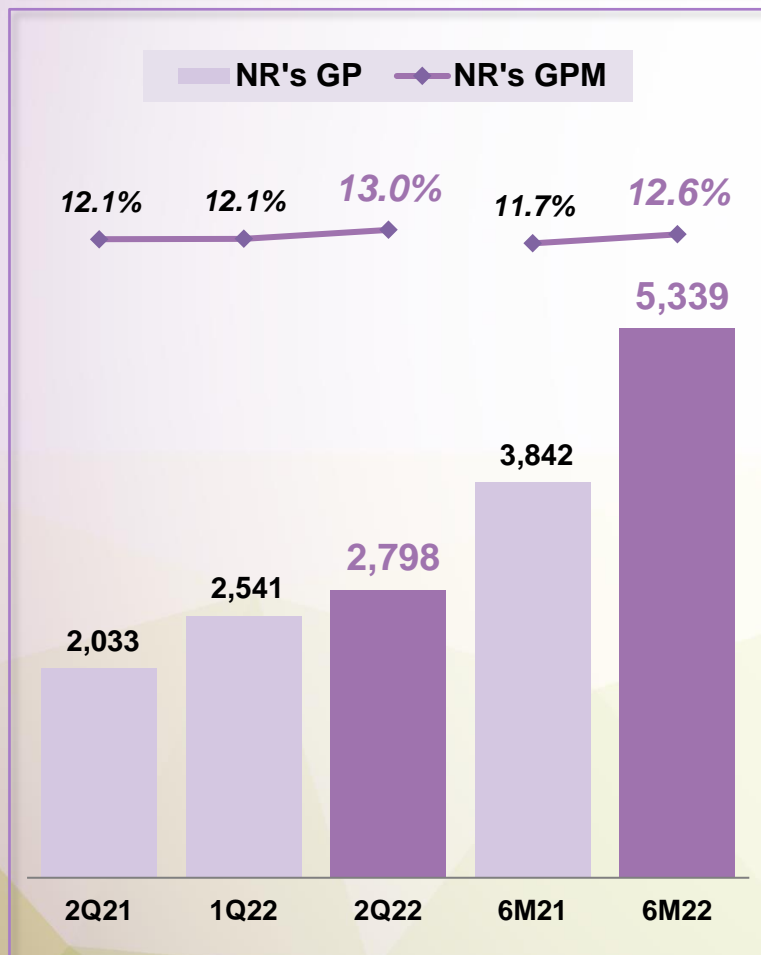


## Sales Breakdown by Region [2Q22]

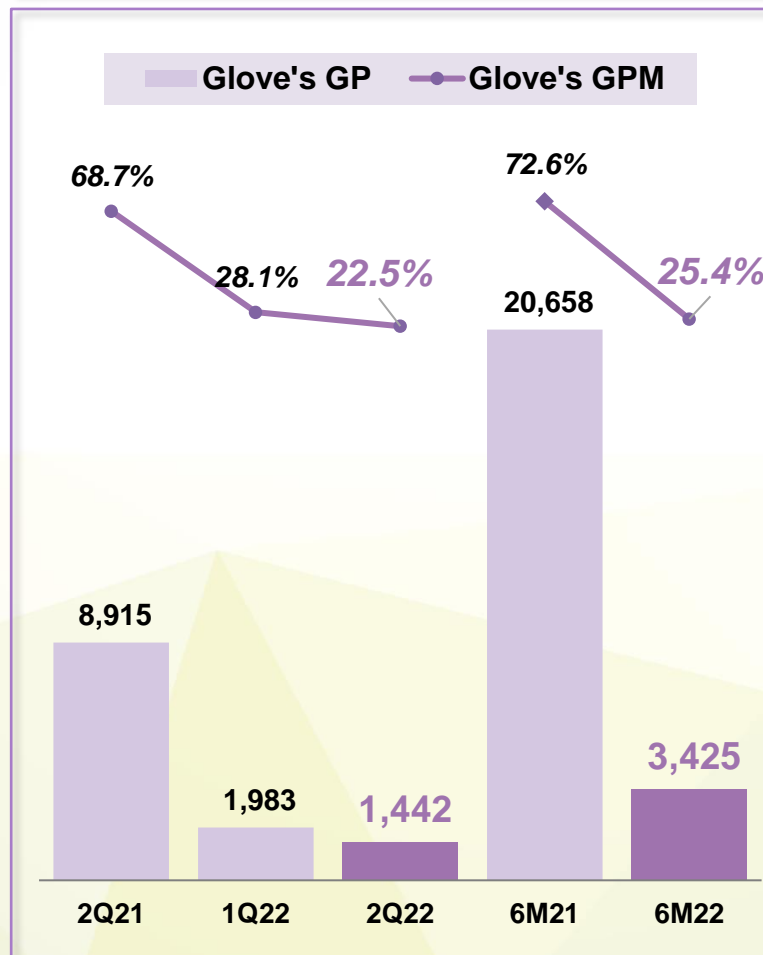


# Gross Profit

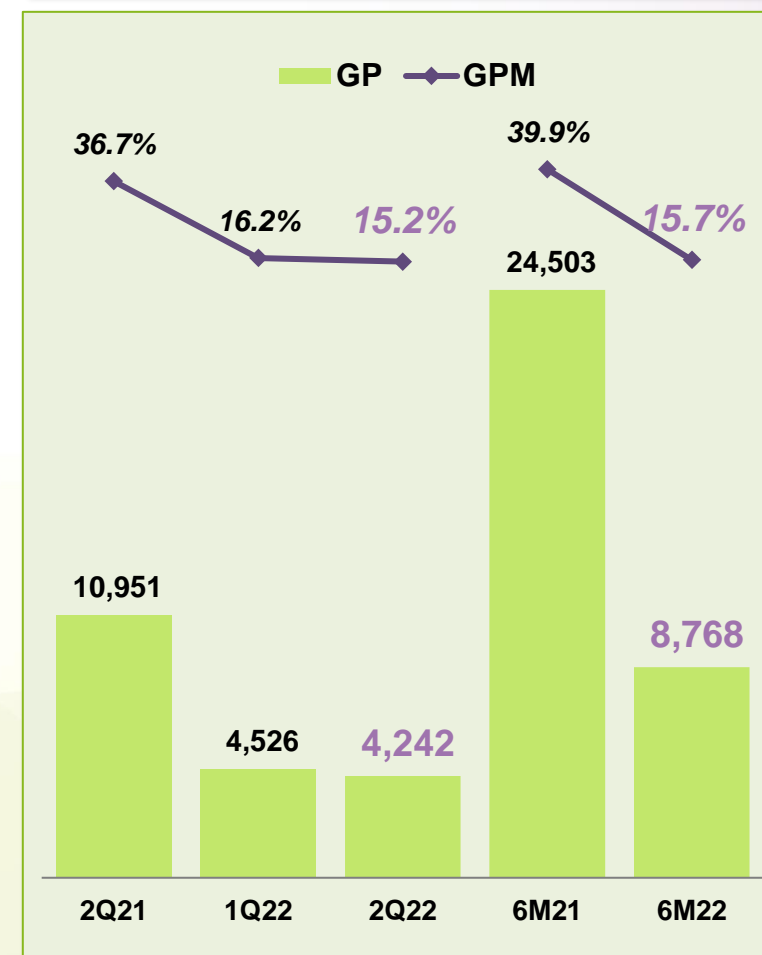
NR's Gross Profit (THB million)



Glove's Gross Profit (THB million)



Blended Gross Profit (THB million)

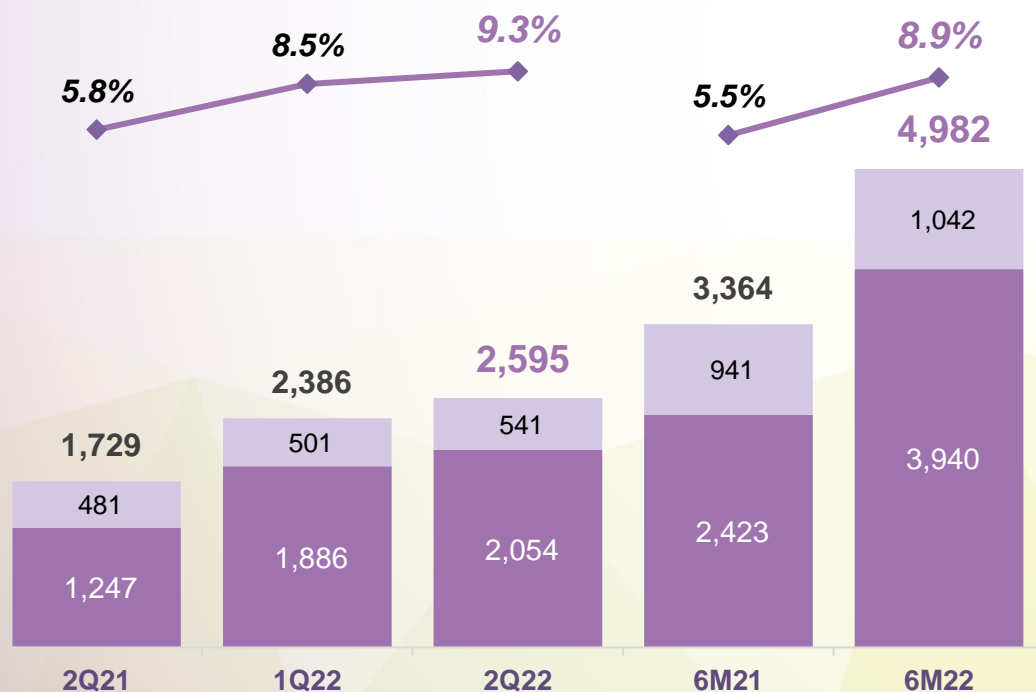




# SG&A, Gain on FX, and Other Gain

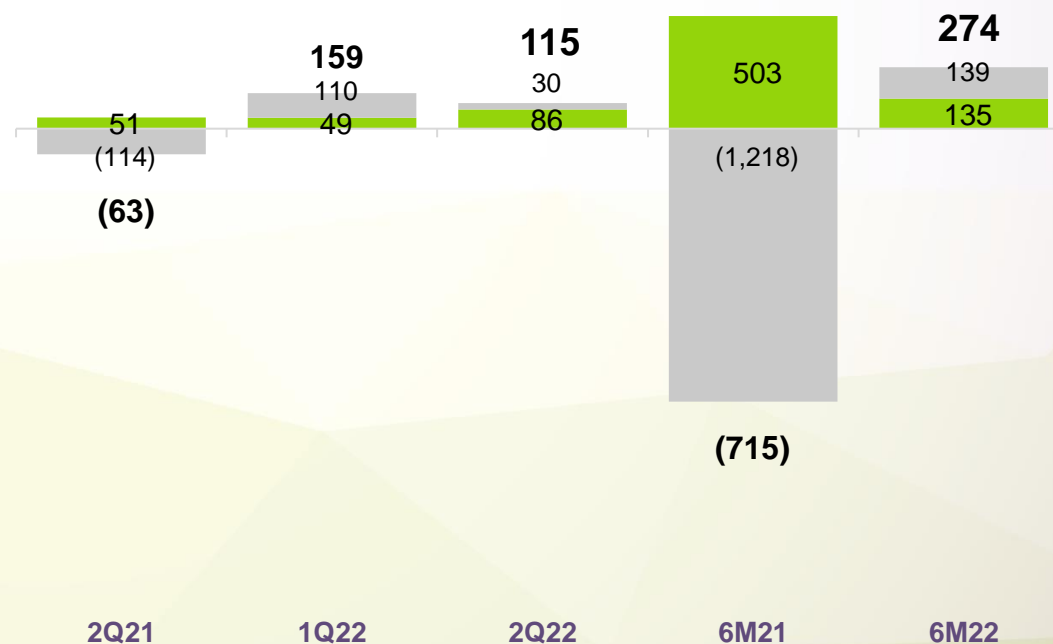
## SG&A (THB million)

■ Selling Expense    ■ Admin. Expense    ◆ %SG&A/Sales



## Gain (Loss) on FX and Other Gain (Loss) (THB million)

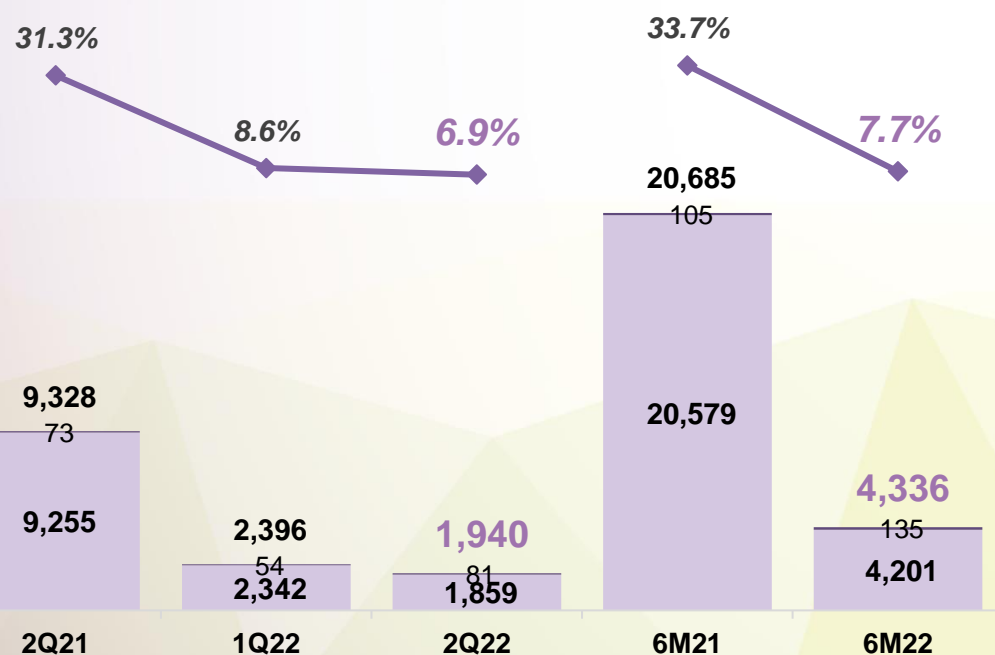
■ Gain (Loss) on FX    ■ Other Gain (Loss)



# EBIT & Net Profit

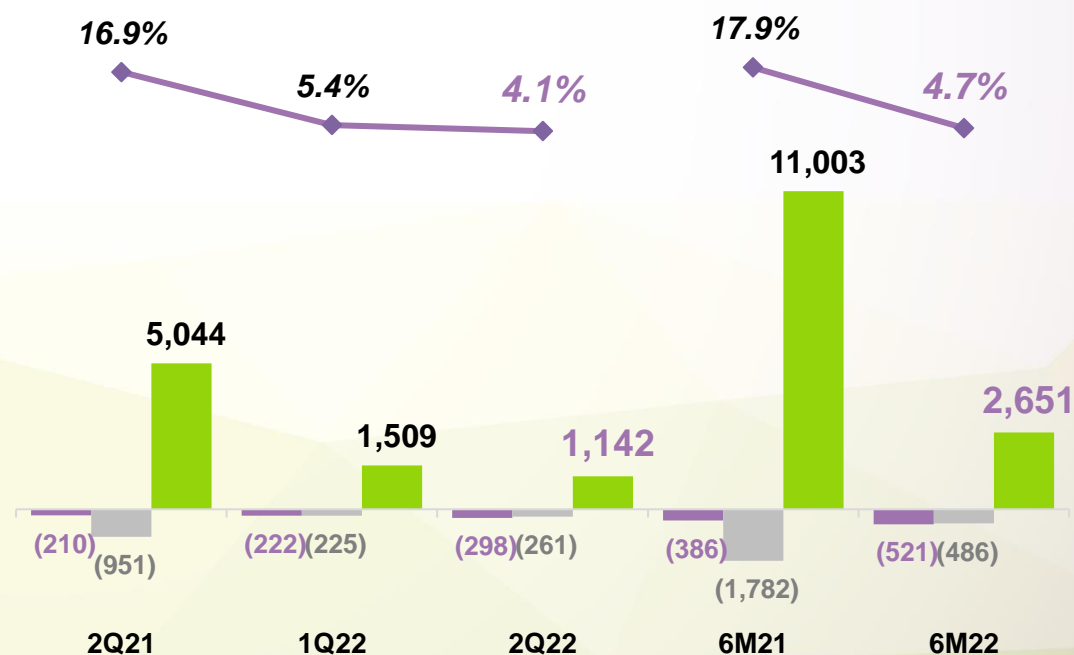
## EBIT (THB million)

■ Share of profit (loss) from investment in associates and JV  
 ■ Operating profit (loss)  
 ◆ EBIT margin (%)  
 EBIT



## Net Profit (THB million)

■ Finance costs  
 ■ Income tax expense  
 ■ Net profit (loss)  
 ◆ Net profit margin (%)





# Consistent Paying The Dividend

The Company has a dividend policy to pay dividend distributions to shareholders.

*At least **30** percent of its net profit  
based on the Company's separate financial statements*

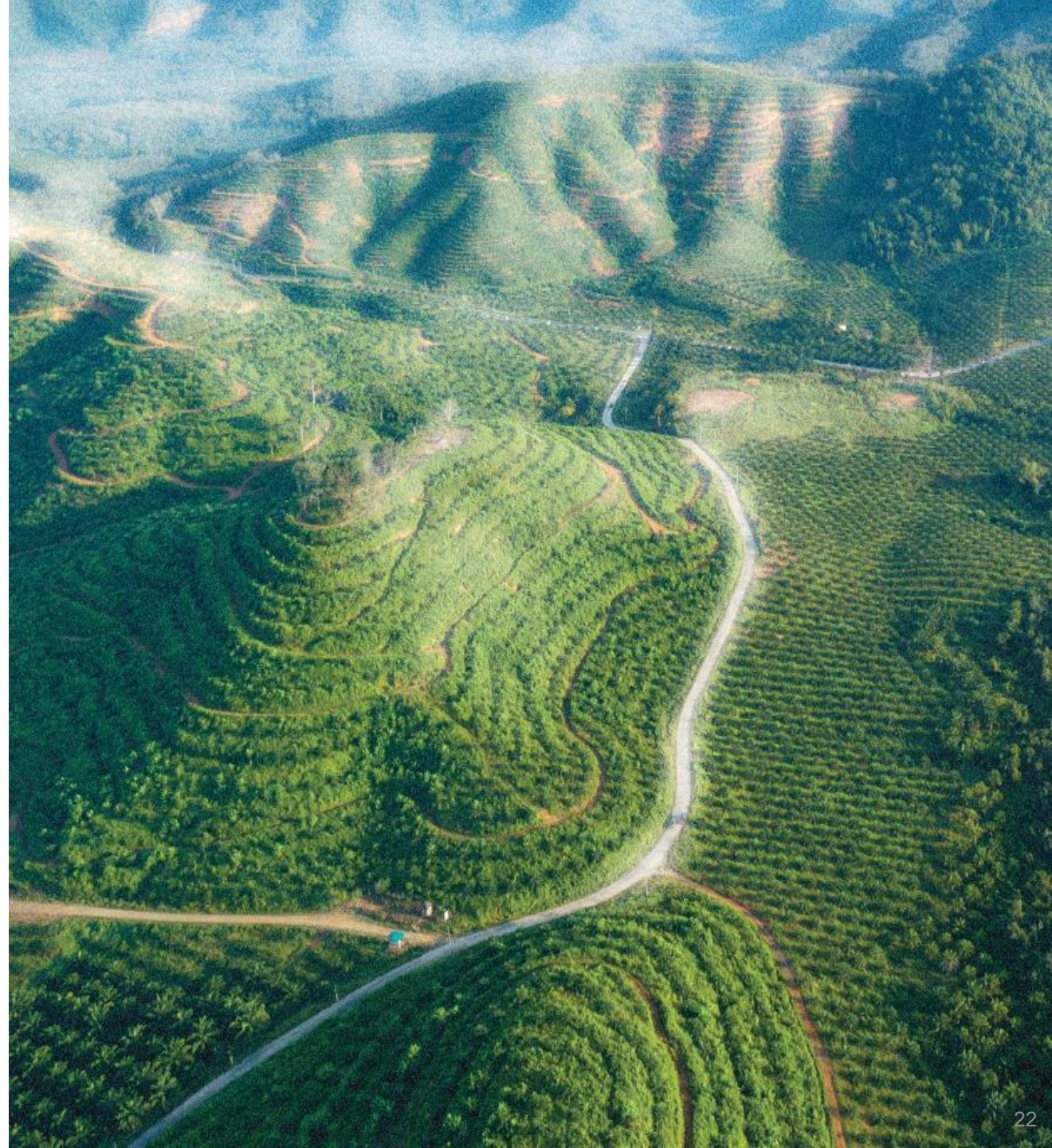


Declaration Date	Record Date	Payable Date	Amount [Baht per Share]
<b>2022</b>			
<b>Aug 10, 2022</b>	<b>Aug 24, 2022</b>	<b>Sep 8, 2022</b>	<b>1.00</b>
<b>2021</b>			
Feb 17, 2022	April 20, 2022	May 6, 2022	0.65
Nov 22, 2021	Nov 8, 2021	Dec 8, 2021	1.25
Aug, 10 2021	Aug 24, 2021	Sep 8, 2021	1.25
May 12, 2021	May 27, 2021	Jun 11, 2021	1.00
Feb 16, 2021	Apr 16, 2021	Apr 29, 2021	1.75
<b>2020</b>			
Nov 13, 2020	Nov 27, 2020	Dec 09, 2020	0.50
Mar 08, 2019	Apr 30, 2020	May 15, 2020	0.35

# 03

## Natural Rubber Market Situation

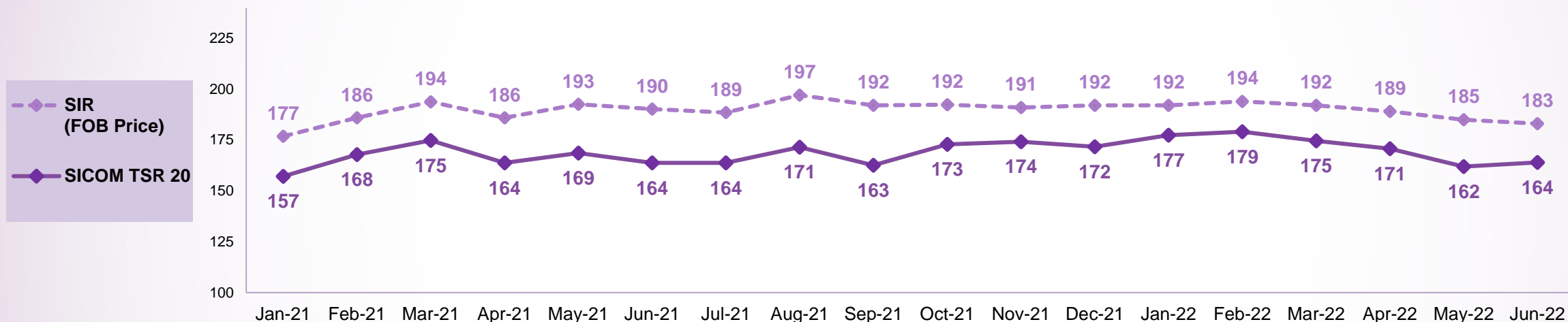
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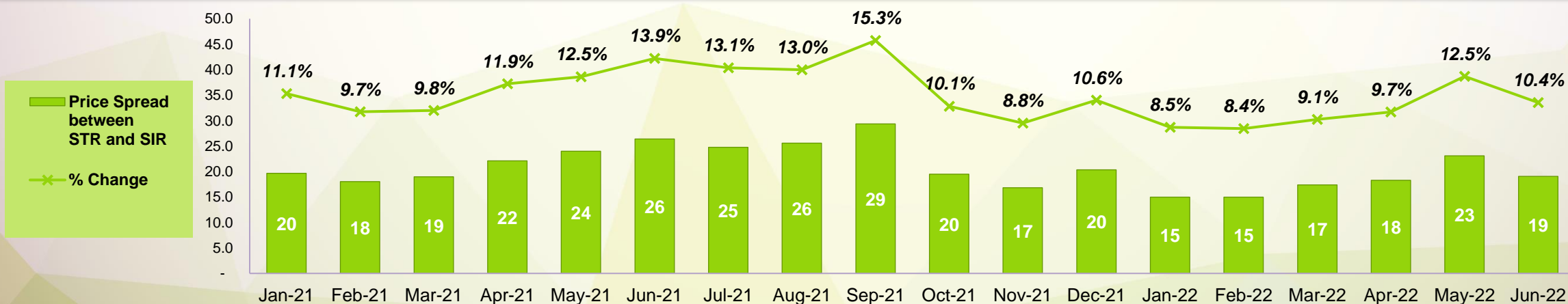


# Indonesia's Rubber Prices Are **Less Competitive!**

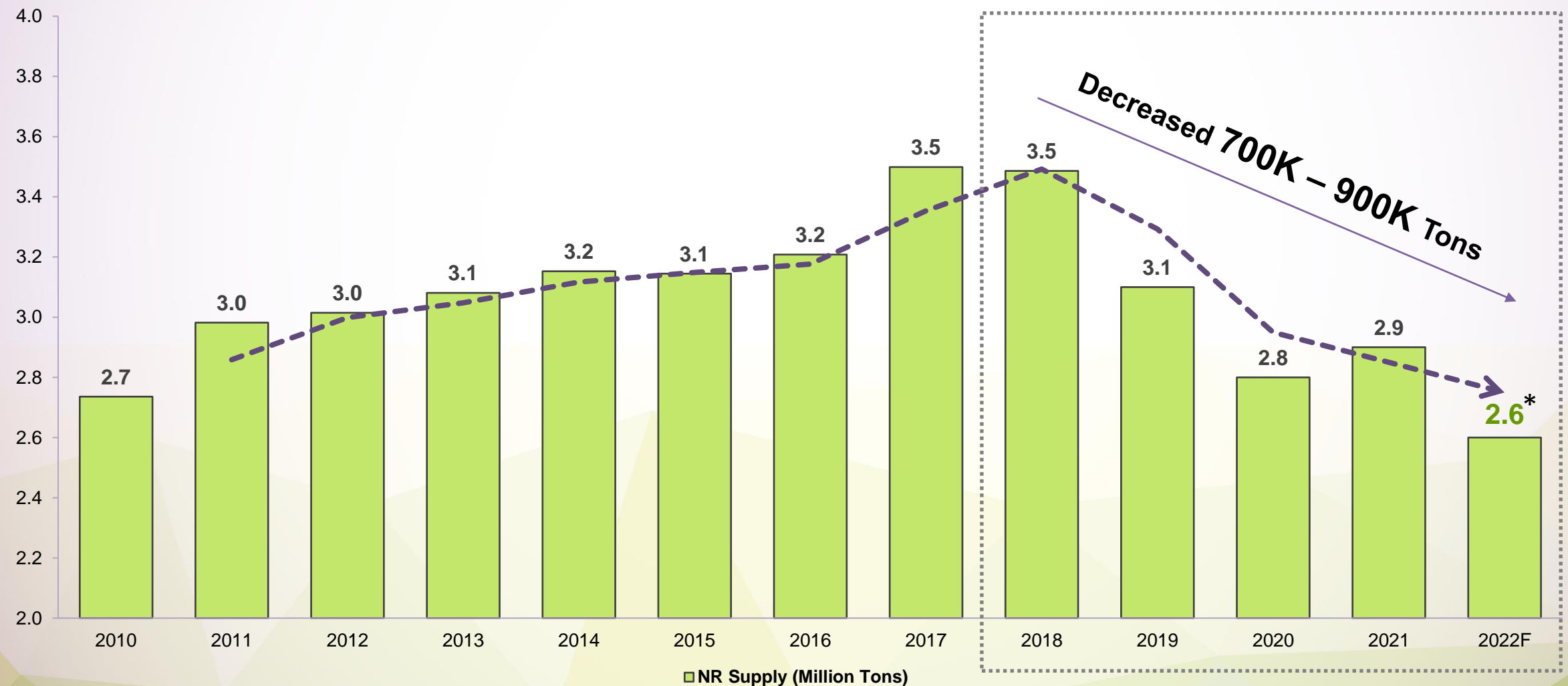
Price (US cent/kg.)



Price Spread (US cent/kg.)



# Indonesia Supply Output



\*Inhouse research

# Global NR Seasonality: Normal Peak Season in Each Region

Region	Country	January	February	March	April	May	June	July	August	September	October	November	December
East Asia	China (Yunnan)												
East Asia	China (Hainan)												
Africa	Ivory Coast												
Africa	Ghana												
SE Asia	Vietnam												
South Asia	India												
SE Asia	Thailand-Northeast												
	Thailand-South												
SE Asia	Cambodia												
SE Asia	Laos												
SE Asia	Philippine												
SE Asia	Malaysia												
SE Asia	Myanmar												
SE Asia	<b>Indonesia</b>												
Africa	Congo												

Where we are today

Note:

Peak Season

Low Season

Wintering  
Season

© Sri Trang Agro-Industry Plc.



# 2022 Global NR Seasonality: Shorter Wintering Season in Thailand & Delayed Peak Season in Indonesia

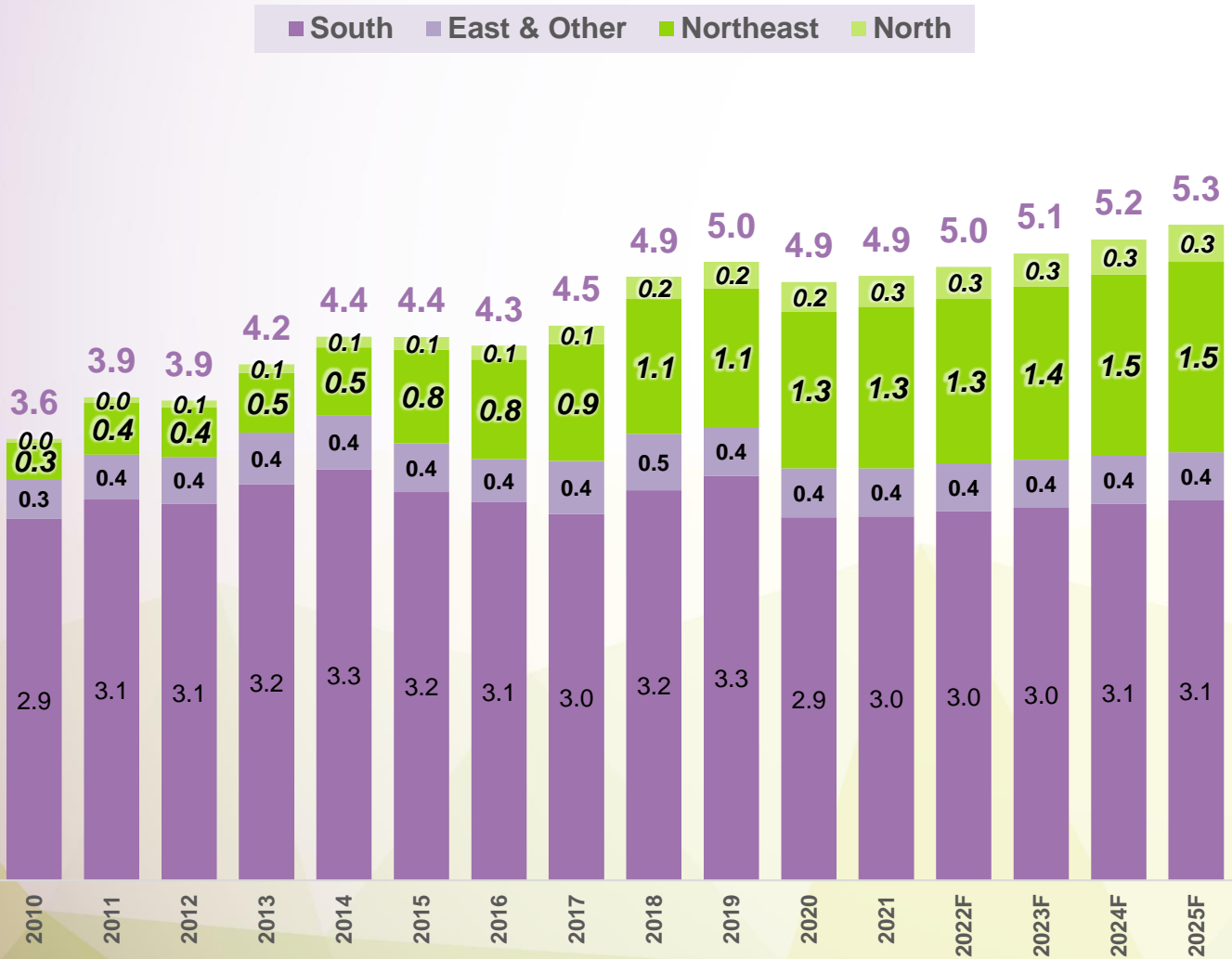
Region	Country	January	February	March	April	May	June	July	August	September	October	November	December
East Asia	China (Yunnan)				<b>China (Yunnan): Delayed Peak Season</b>								
East Asia	China (Hainan)				<b>China (Hainan):</b> Normally, Hainan LTX output should be 5,000 - 6,000 mts/day, but now only 200 mts/day								
Africa	Ivory Coast				<b>Longer Wintering Season</b>								
Africa	Ghana												
SE Asia	Vietnam												
South Asia	India												
SE Asia	Thailand - Northeast		<b>Thailand: Shorter Wintering Season</b>										
	Thailand - South												
SE Asia	Cambodia												
SE Asia	Laos												
SE Asia	Philippine												
SE Asia	Malaysia												
SE Asia	Myanmar												
SE Asia	<b>Indonesia</b>			<b>Indonesia: No Peak Season</b>									
Africa	Congo												

Where we are today

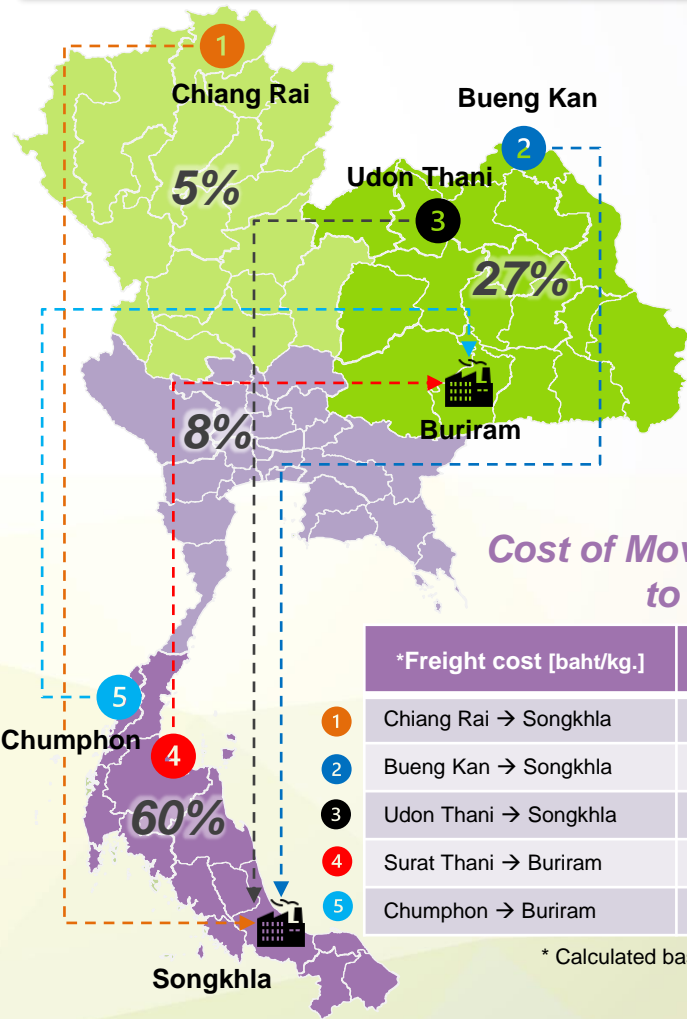
# NR's Supply from Northeast Area Plays a Crucial Role

[Unit: Million Rai]

Thailand's Natural Rubber Supply by Region



2022F Thailand's NR Supply



\* Calculated based on diesel price at 30 Baht/Litre.

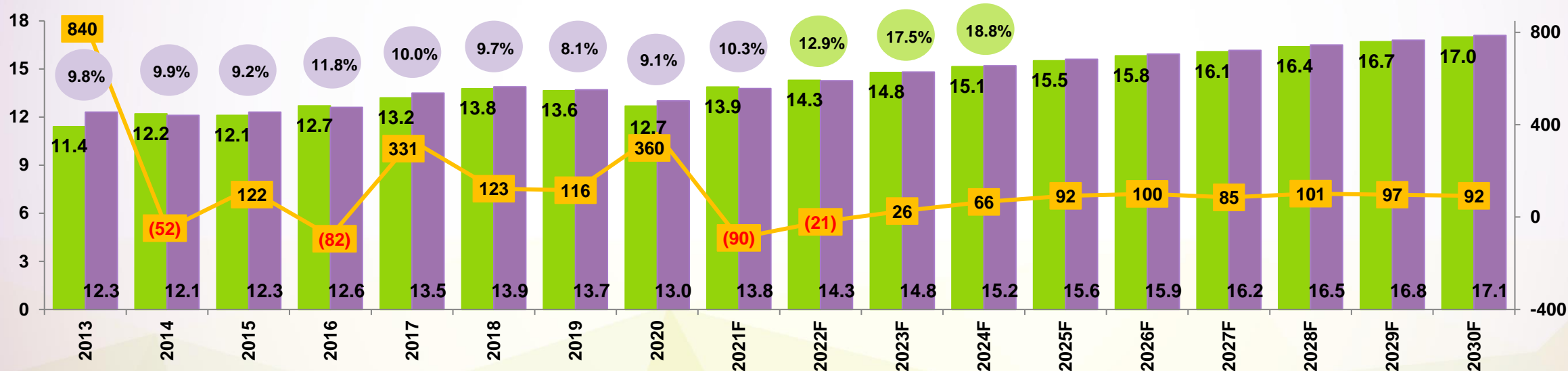
# Global NR Situation

## Natural Rubber Demand & Supply

(Unit : million tons)

■ Demand (LHS) 
 ■ Supply RHS) 
 — Surplus/ (deficit) 
 ● % STA market share

(Unit : '000 tons)



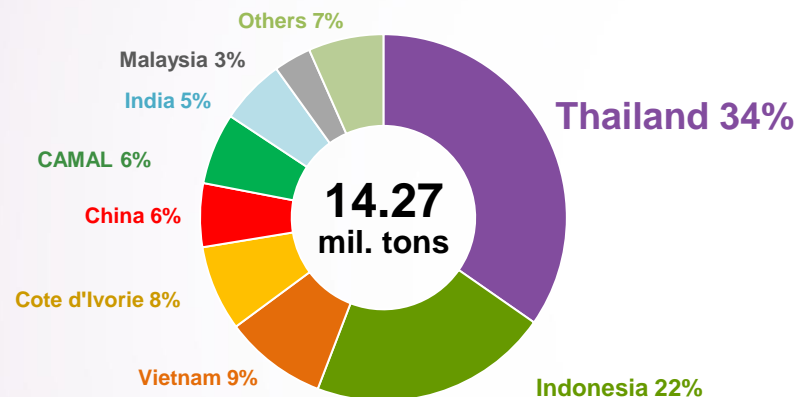
IRSG's forecast	2021 [mil.tons]	2022F [mil.tons]	% Change from 2021
<b>Demand</b>	<b>13.88</b>	<b>14.29</b>	<b>▲3.0%</b>
<b>Supply</b>	<b>13.79</b>	<b>14.27</b>	<b>▲3.5%</b>
<b>(Supply Deficit)</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>▼76.7%</b>



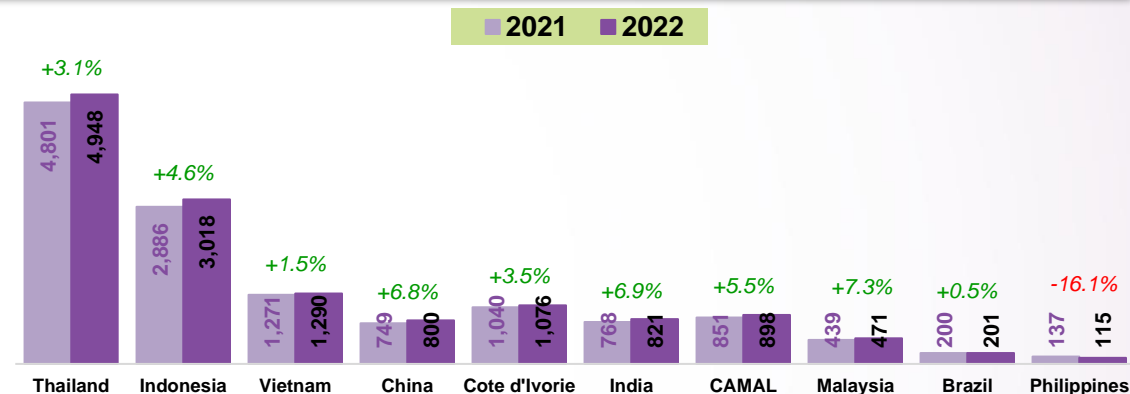
# NR Supply & Demand

## 2022F Major NR Producers

2022F global production growth = +3.5% YoY

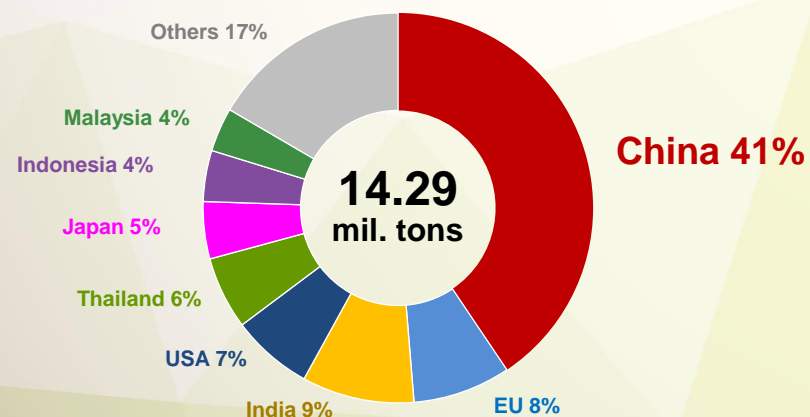


## NR Production from Top 10 Producers

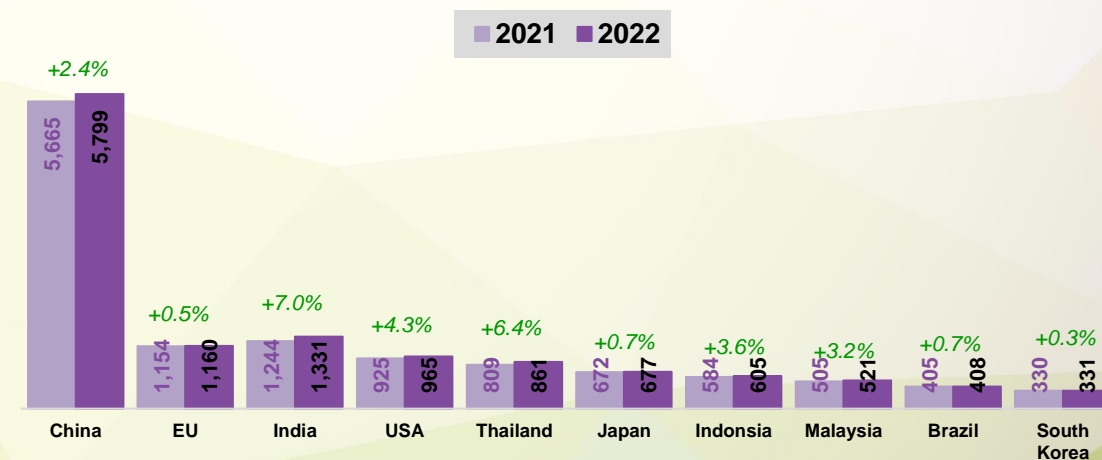


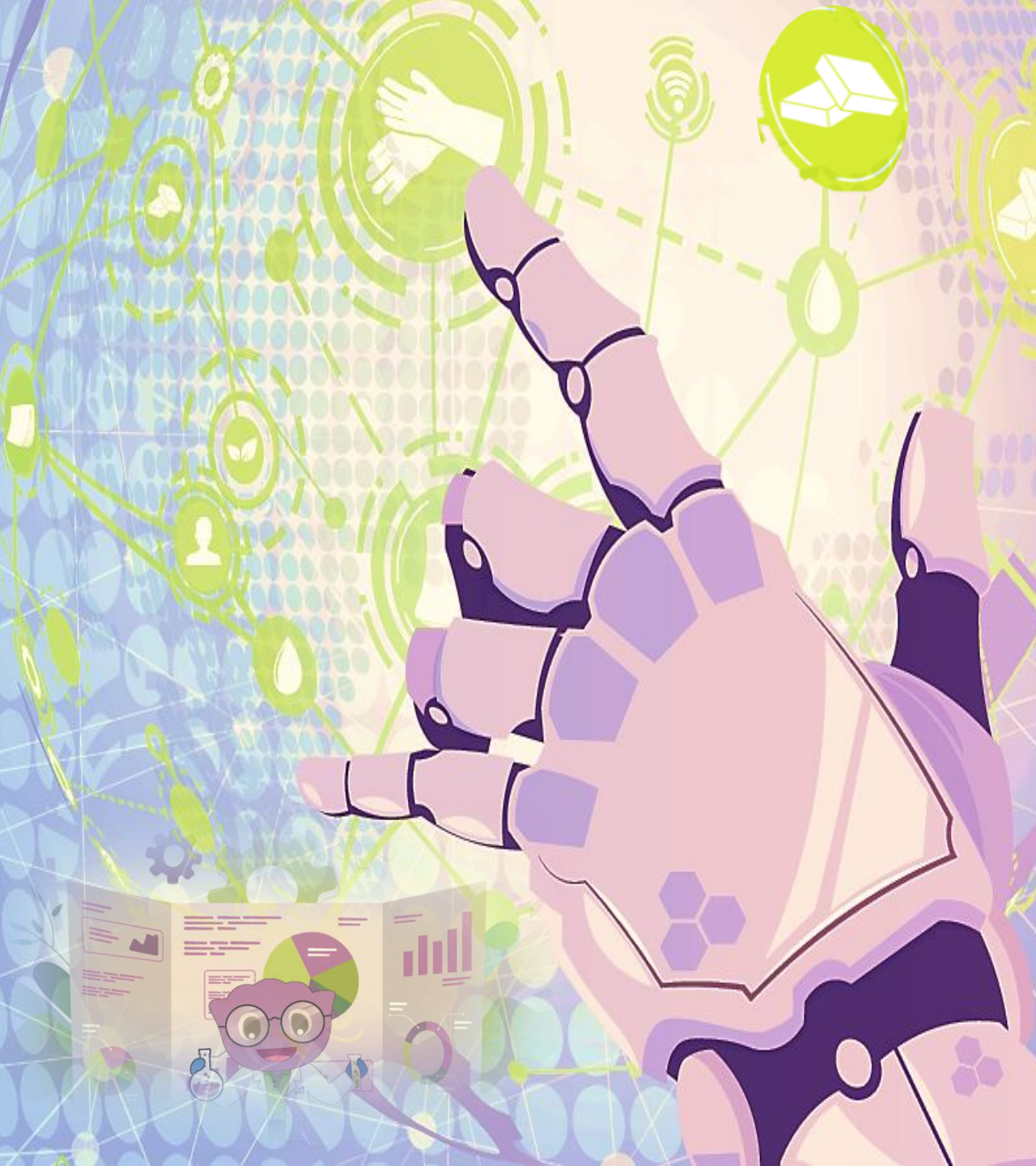
## 2022F Major NR Consumers

2022F global growth in consumption = +3.0% YoY



## NR Consumption from Top 10 Customers





## 04 Business Highlights

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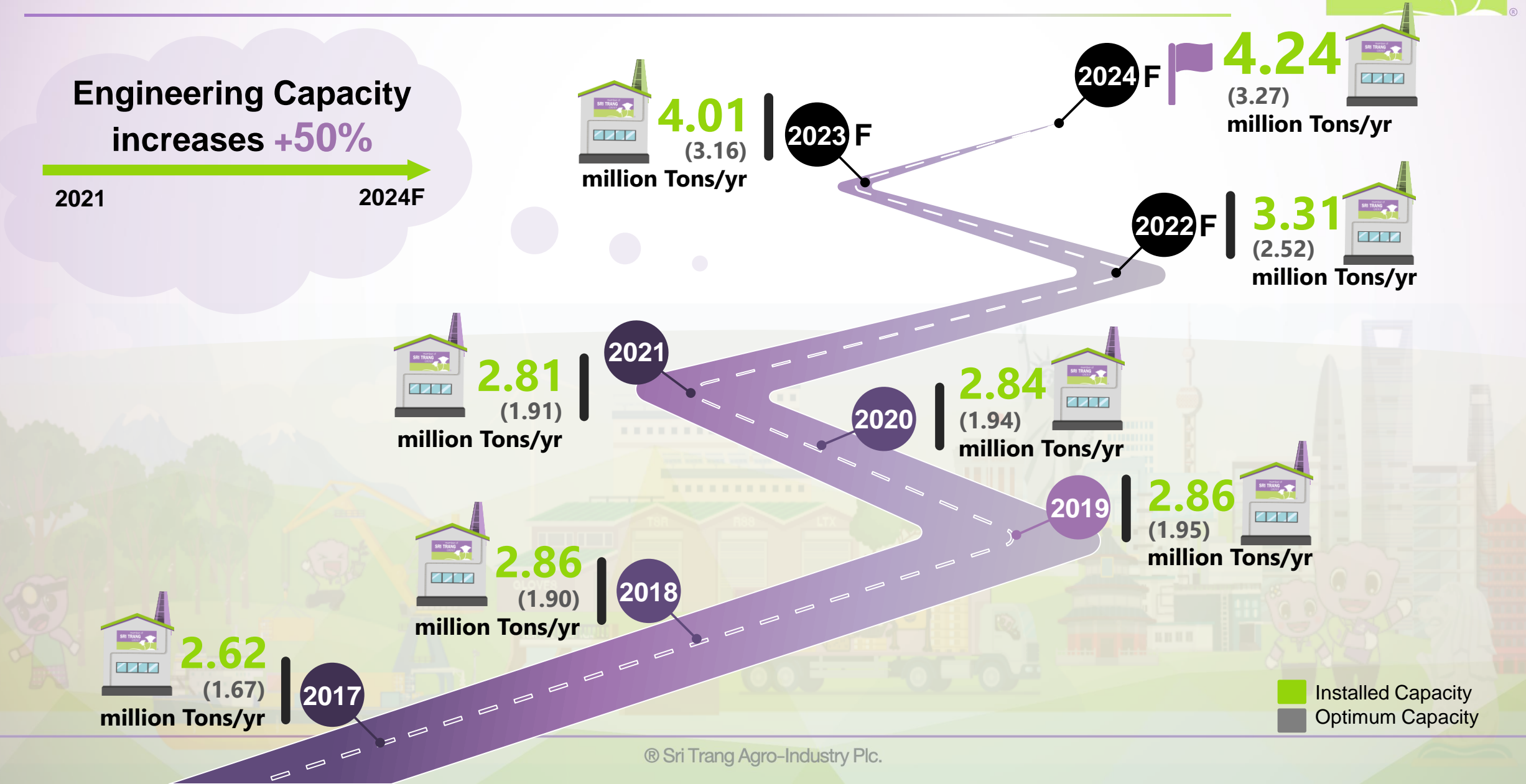


# Capacity Expansion Plan in NR Business



Engineering Capacity  
increases **+50%**

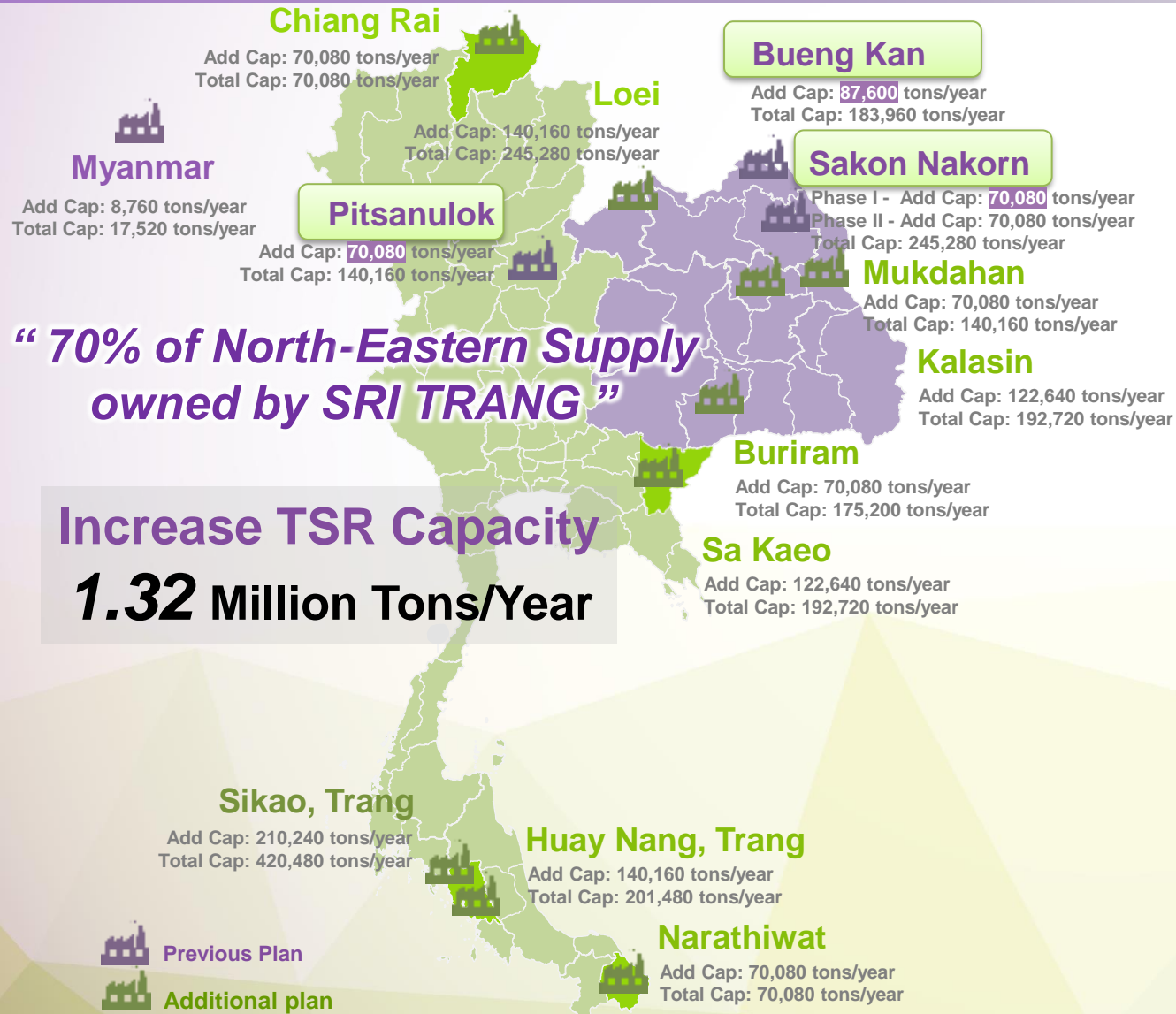
2021 → 2024F



■ Installed Capacity  
■ Optimum Capacity



# Aggressive Expansion in TSR Plants



## Investment Budget

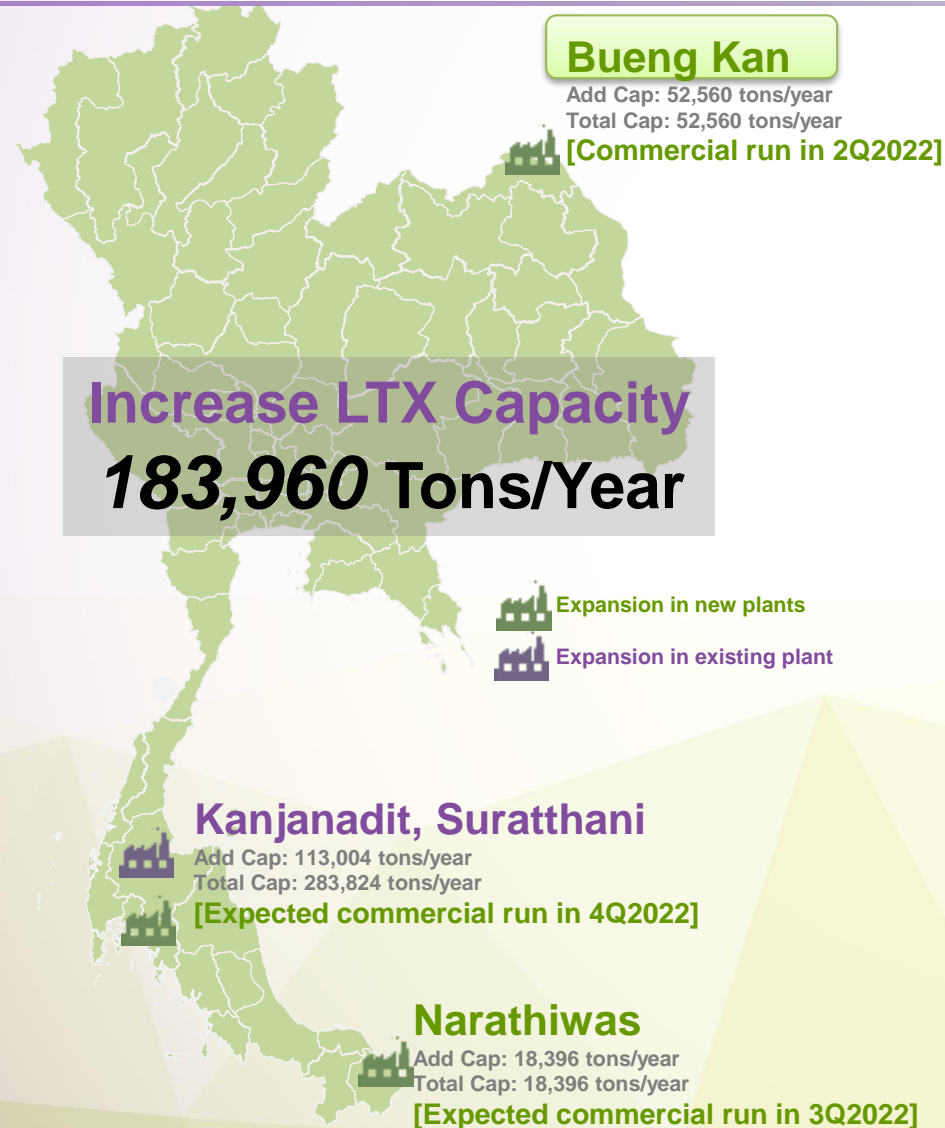
**Approx. 8,800 THB million**

### Reasons for The Expansion

- Our TSR plants, in Thailand, was utilized over than 80% in 2021.
- Our competitors rarely expand its capacity.
- Our opportunity to absorb the increase of NR's North-Eastern supply
- Our opportunity to absorb the decrease of Indonesia's NR supply

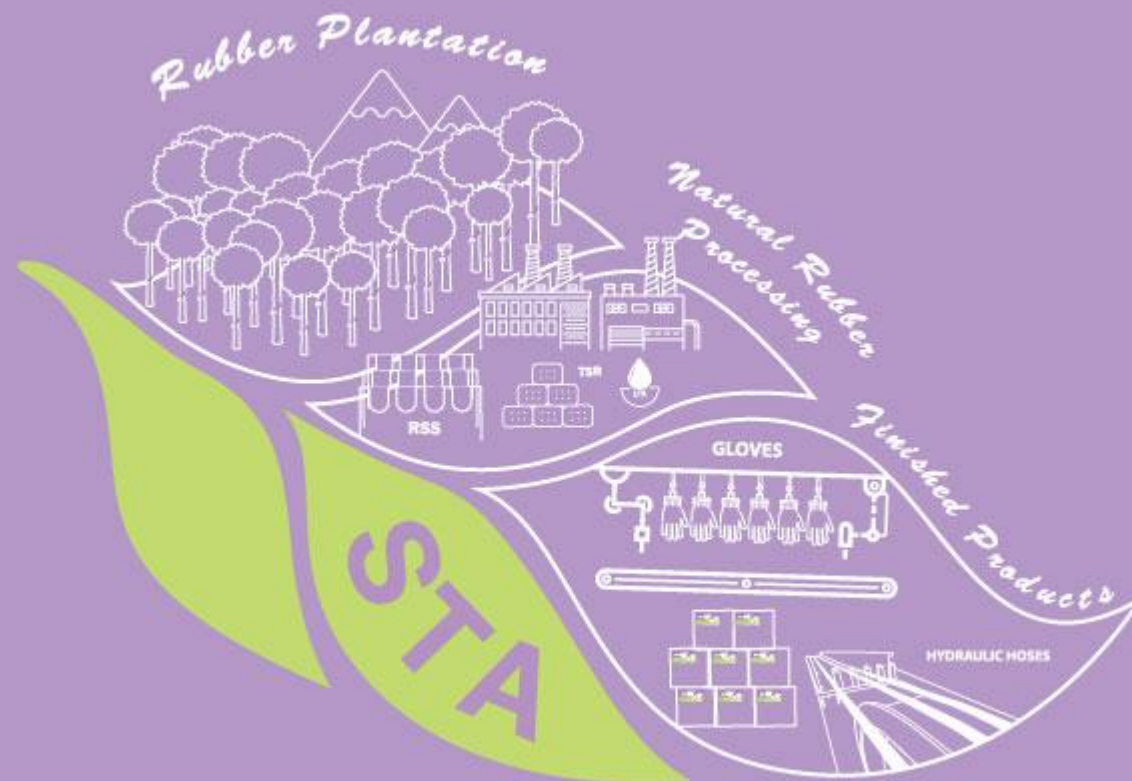


# Expansion of Concentrated Latex Plants



**Investment Budget  
950 THB million**

1H2022	+52,560 Tons/Year
	✓ Bueng Kan
2H2022	+131,400 Tons/Year
	✓ Suratthani [Kanjnadit]
	✓ Narathiwat
<b>Installed Capacity Increase 183,960 Tons/Year</b>	



# THANK YOU



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