



**SRI TRANG
GLOVES**™

「Touch Of Life™」

2Q23 Presentation

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

22 August 2023



Excellent
Corporate Governance Score Appraised by
Thai Institute of Directors



The Stock Exchange of Thailand

SET100 Index



The Stock Exchange of Thailand

SETTHSI Index



The Stock Exchange of Thailand

SETHD Index



The Stock Exchange of Thailand

SETCLMV Index



Agenda



01 Company Overview

02 Financial Performance

03 Glove Business

04 Business Outlook

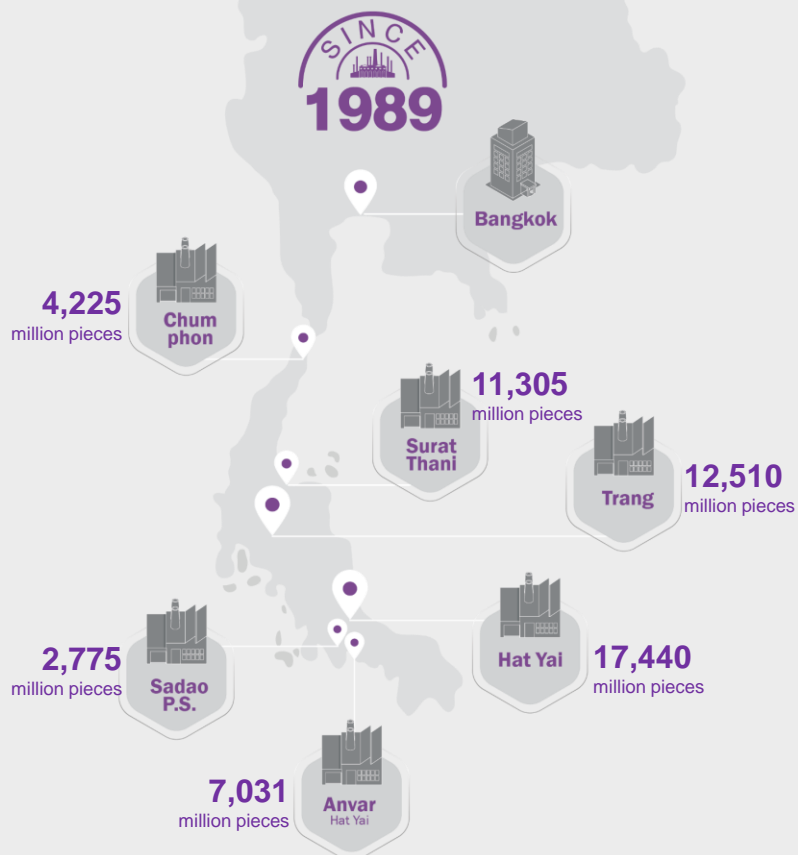


COMPANY OVERVIEW

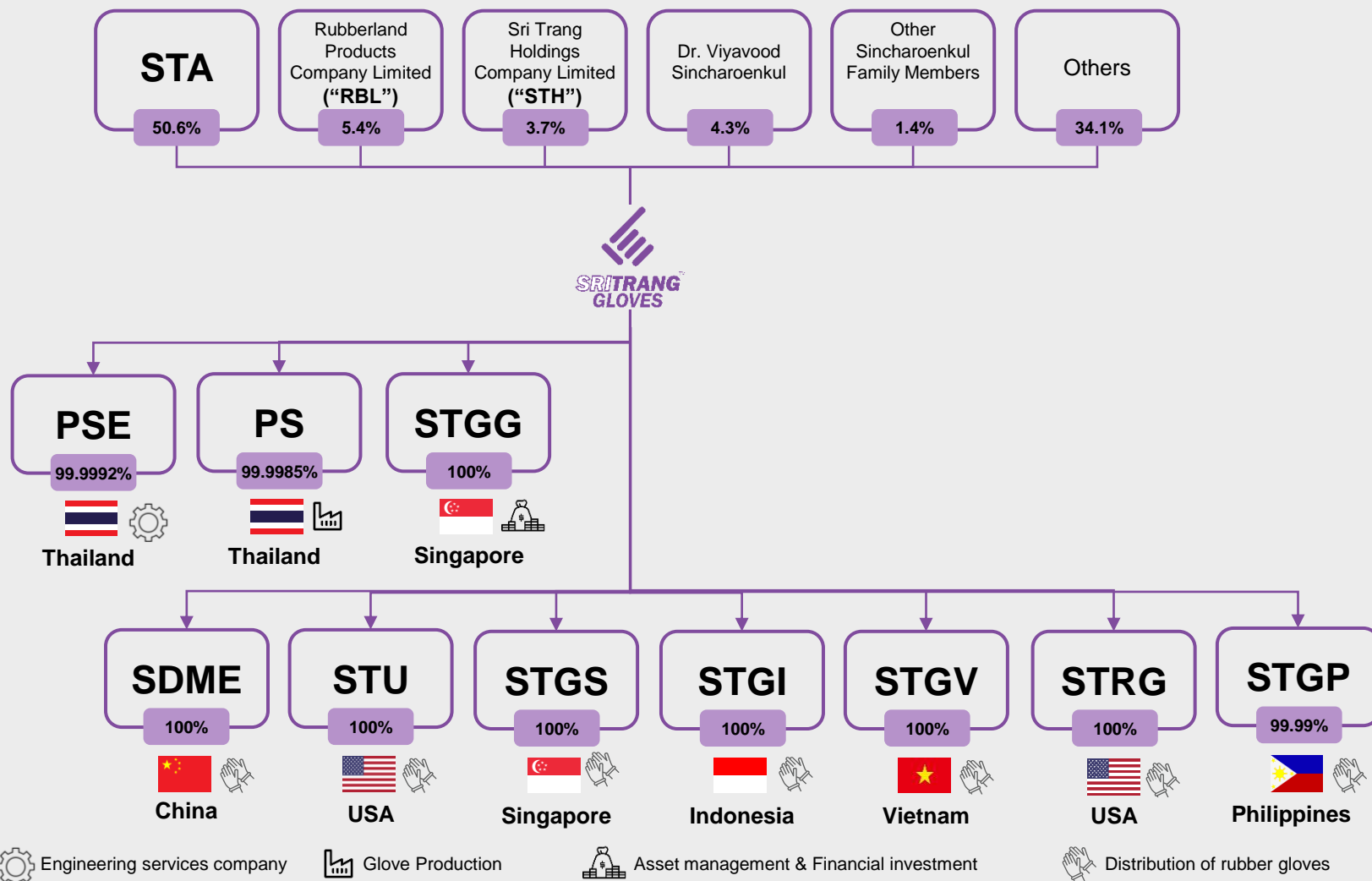
STGT At a Glance

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



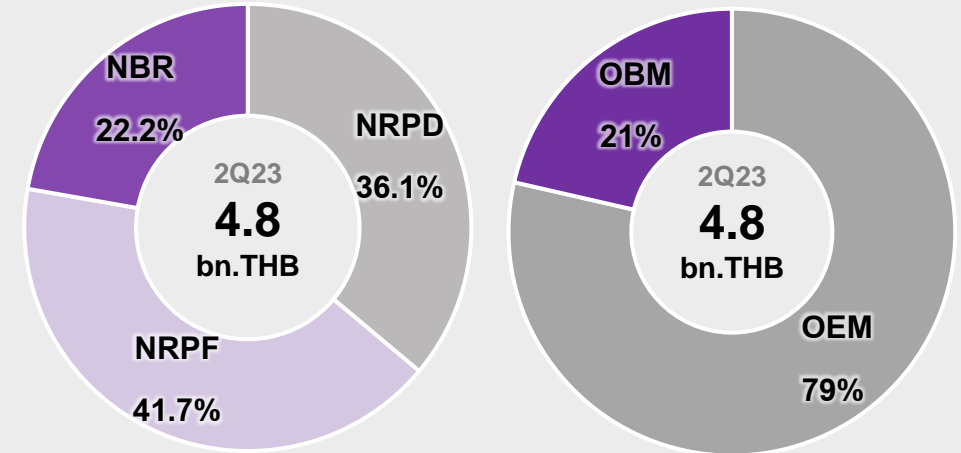
Shareholding Structure



STGT's Products



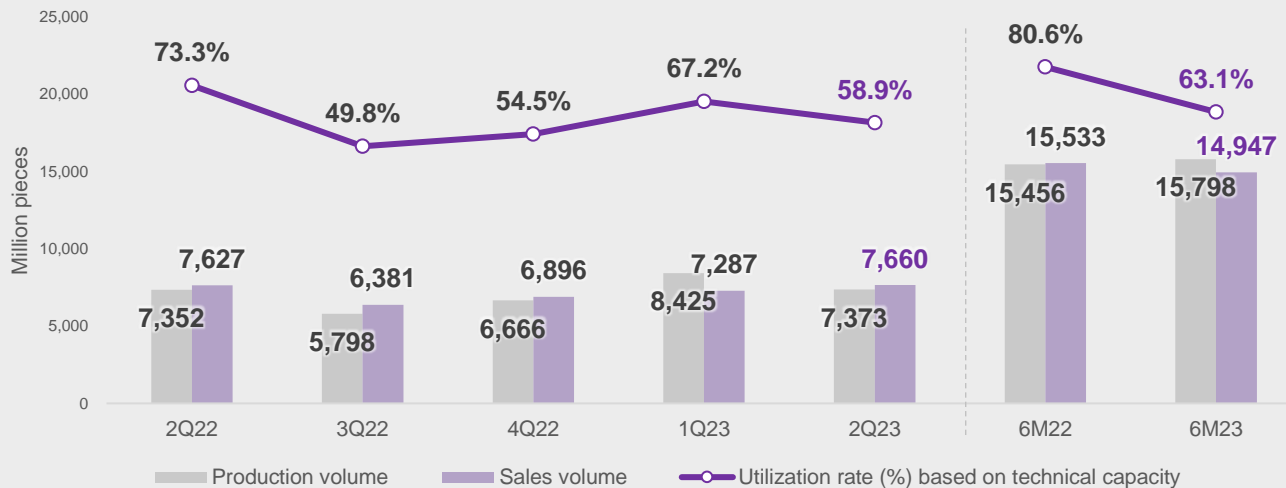
STGT's Product Mix by Gloves Sales



*Non-glove sales revenue is excluded of THB 228.4 million.

3-month data as of 30/06/2023

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



2Q23:

- **Continuous growth in sales volume for 3 consecutive quarters with greater growth in NR gloves**
Sales volume still increased 5.1% QoQ, showing the recovery sign in terms of volume since 3Q22.
- **First increase in ASP since 1Q21**
ASP increased 5.1% QoQ but oversupply still persisting.
- **Utilization rate above industry on average**
Utilization was 58.9% in 2Q23 with higher sales volume than production volume.
- **8% Higher in Gross profit**
Higher in Sales revenue as a result of an increase in both ASP and sales volume.

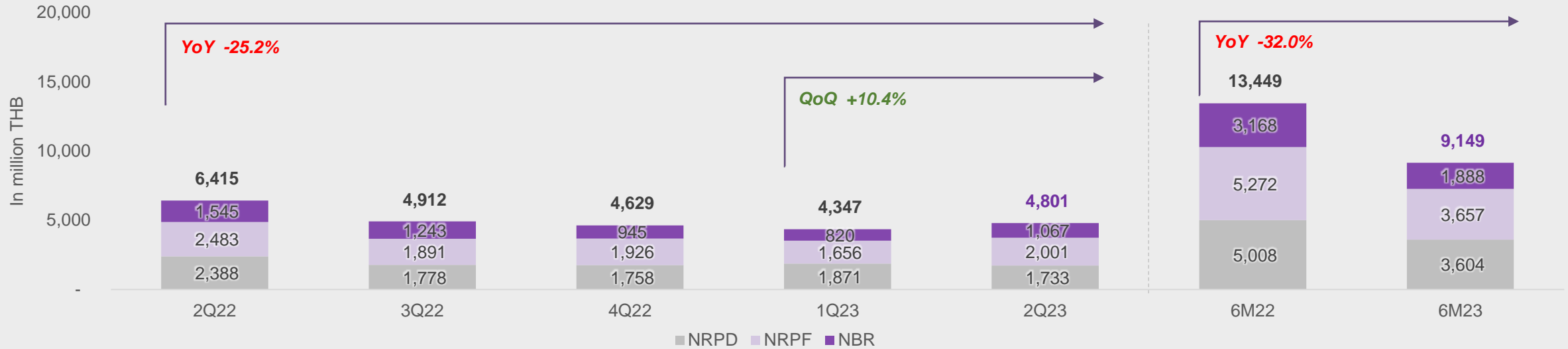
2Q23 Financial Highlights

(In million THB)

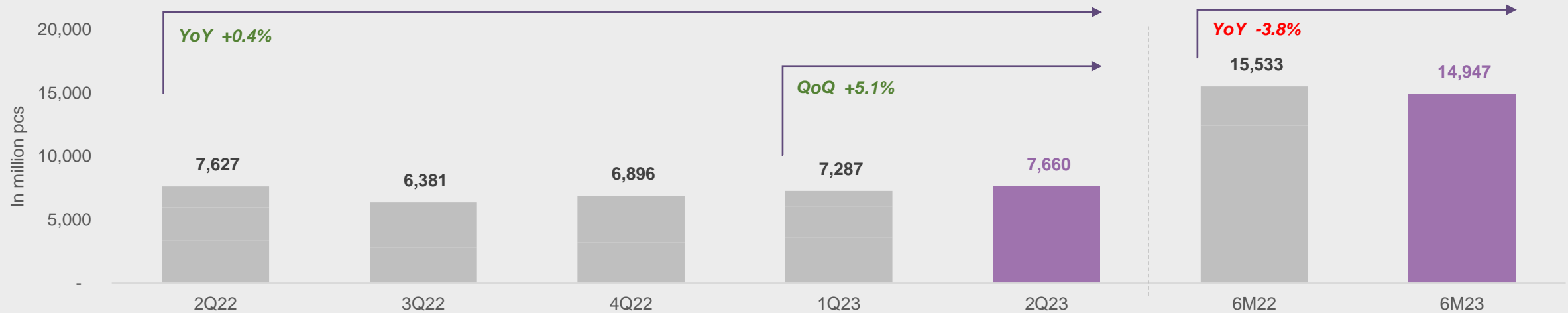
	2Q23	1Q23	%QoQ	2Q22	%YoY	6M23	6M22	%YoY
Volume (in million pcs.)	7,659.7	7,287.1	5.1%	7,627.5	0.4%	14,946.8	15,532.6	-3.8%
Sales revenue	5,036.9	4,581.1	10.0%	6,541.5	-23.0%	9,618.1	13,660.0	-29.6%
COGS	(4,515.3)	(4,097.7)	10.2%	(5,212.9)	-13.4%	(8,613.0)	(10,589.0)	-18.7%
Gross profit	521.7	483.4	7.9%	1,328.7	-60.7%	1,005.1	3,071.0	-67.3%
Other income	37.2	35.7	4.0%	31.8	16.7%	72.9	63.8	14.3%
SG&A	(555.5)	(401.2)	38.4%	(606.9)	-8.5%	(956.7)	(1,247.5)	-23.3%
Gain (loss) on exchange rate, net	84.4	(13.5)	NM	142.1	-40.6%	70.9	133.8	-47.0%
Other gain (loss), net	(94.2)	56.5	266.6%	(200.5)	-53.0%	(37.7)	(137.4)	-72.6%
Operating profit (loss)	(6.5)	161.0	-104.0%	695.2	-100.9%	154.5	1,883.7	-91.8%
EBITDA	491.8	621.3	-20.8%	1,073.7	-54.2%	1,113.1	2,624.4	-57.6%
EBIT	75.8	228.4	-66.8%	723.0	-89.5%	304.2	1,940.1	-84.3%
Finance income	82.3	67.4	22.0%	27.7	196.6%	149.7	56.4	165.6%
Finance costs	(78.8)	(71.5)	10.2%	(41.5)	89.7%	(150.3)	(76.5)	96.4%
EBT	(3.0)	156.9	-101.9%	681.5	-100.4%	154.0	1,863.6	-91.7%
Tax	18.1	(24.6)	-173.8%	(65.0)	-127.9%	(6.4)	(195.0)	-96.7%
Net profit	15.2	132.3	-88.5%	616.5	-97.5%	147.5	1,668.6	-91.2%
GP margin	10.4%	10.6%	-0.2%	20.3%	-10.0%	10.4%	22.5%	-12.0%
EBITDA margin	9.8%	13.6%	-3.8%	16.4%	-6.7%	11.6%	19.2%	-7.6%
Net profit margin	0.3%	2.9%	-2.6%	9.4%	-9.1%	1.5%	12.2%	-10.7%
Financial Ratio								
Current ratio	4.10	4.10	0.1%	4.80	-14.6%	4.10	4.80	-14.6%
Cash cycle (days)	58.21	57.08	2.0%	50.02	16.4%	56.54	49.20	14.9%
IBD/E	0.22	0.23	-4.7%	0.21	2.3%	0.22	0.21	2.3%
Interest coverage ratio	3.67	2.65	38.3%	15.12	-75.7%	3.19	22.39	-85.8%
ROA	0.1%	1.1%	-1.0%	4.8%	-4.7%	0.6%	6.6%	-6.0%
ROE	0.2%	1.4%	-1.3%	6.3%	-6.2%	0.8%	8.7%	-7.9%

Sales Revenue and Volume

Sales Revenue

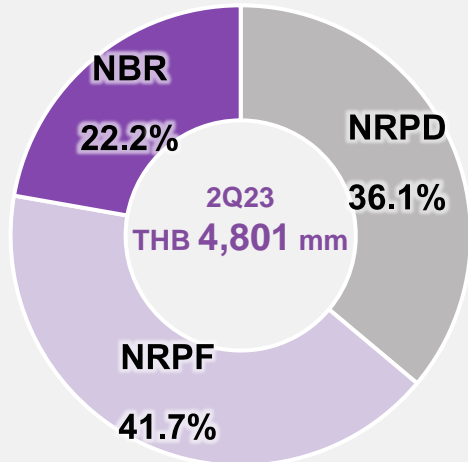
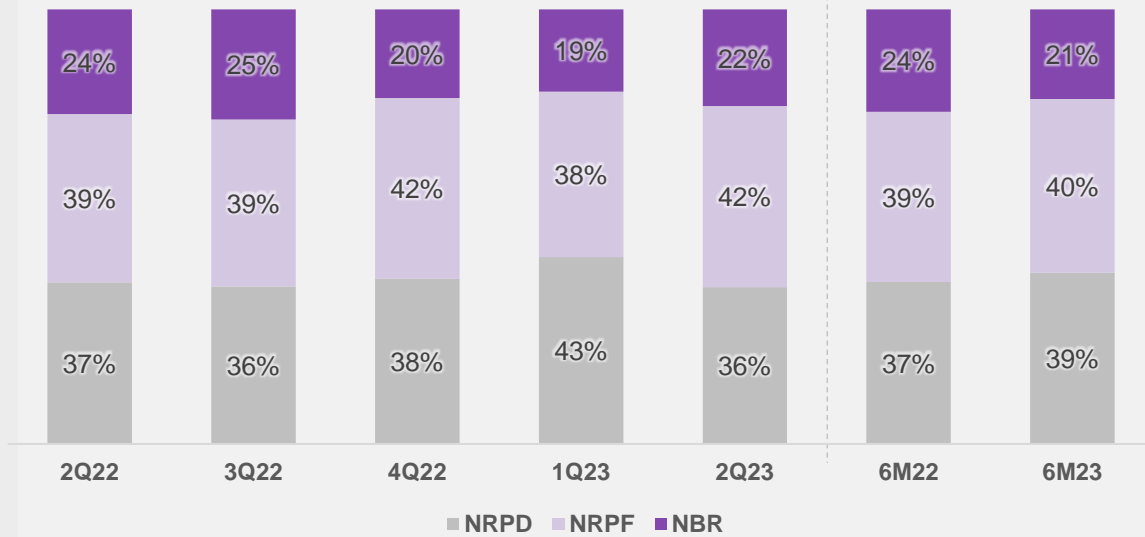


Sales Volume

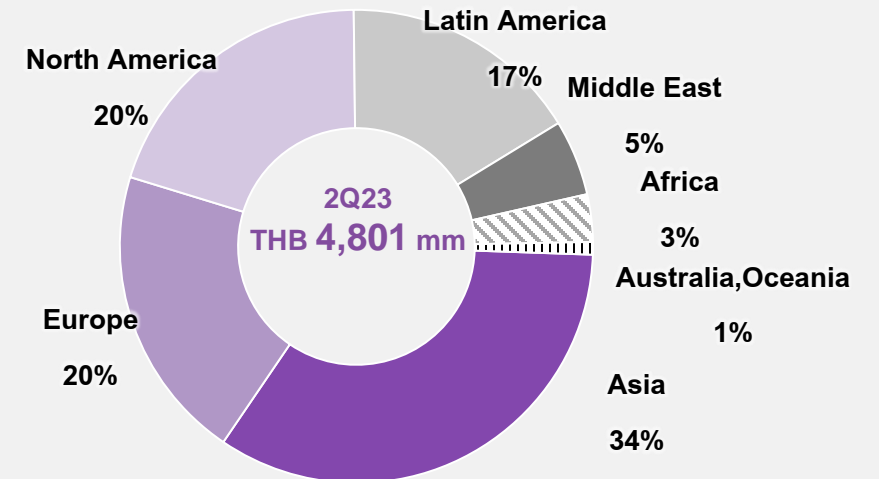
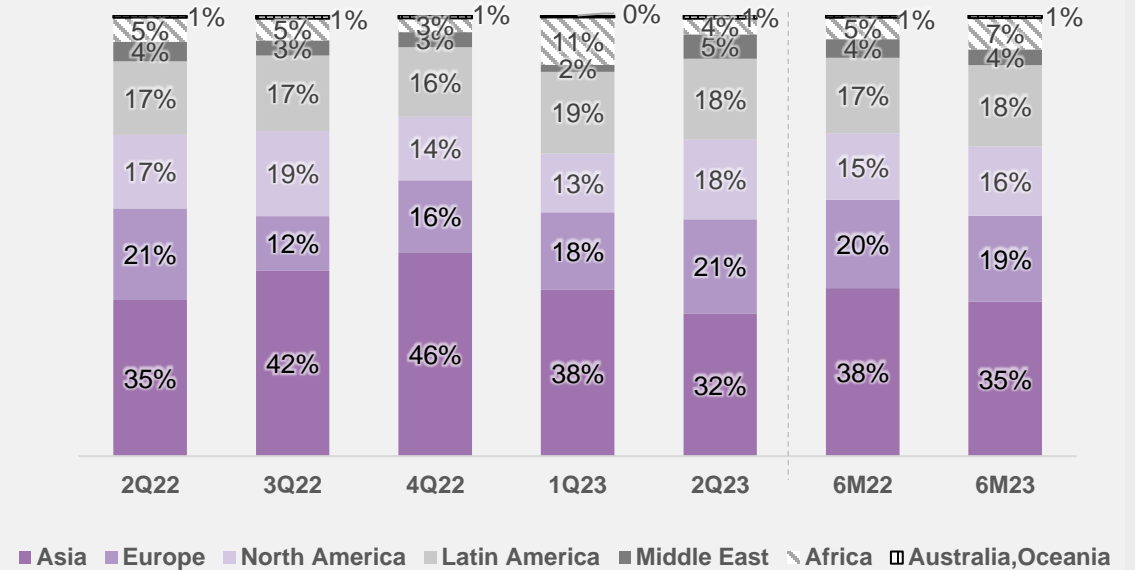


Gloves' Sales Revenue Breakdown

Gloves' Sales Revenue by Products

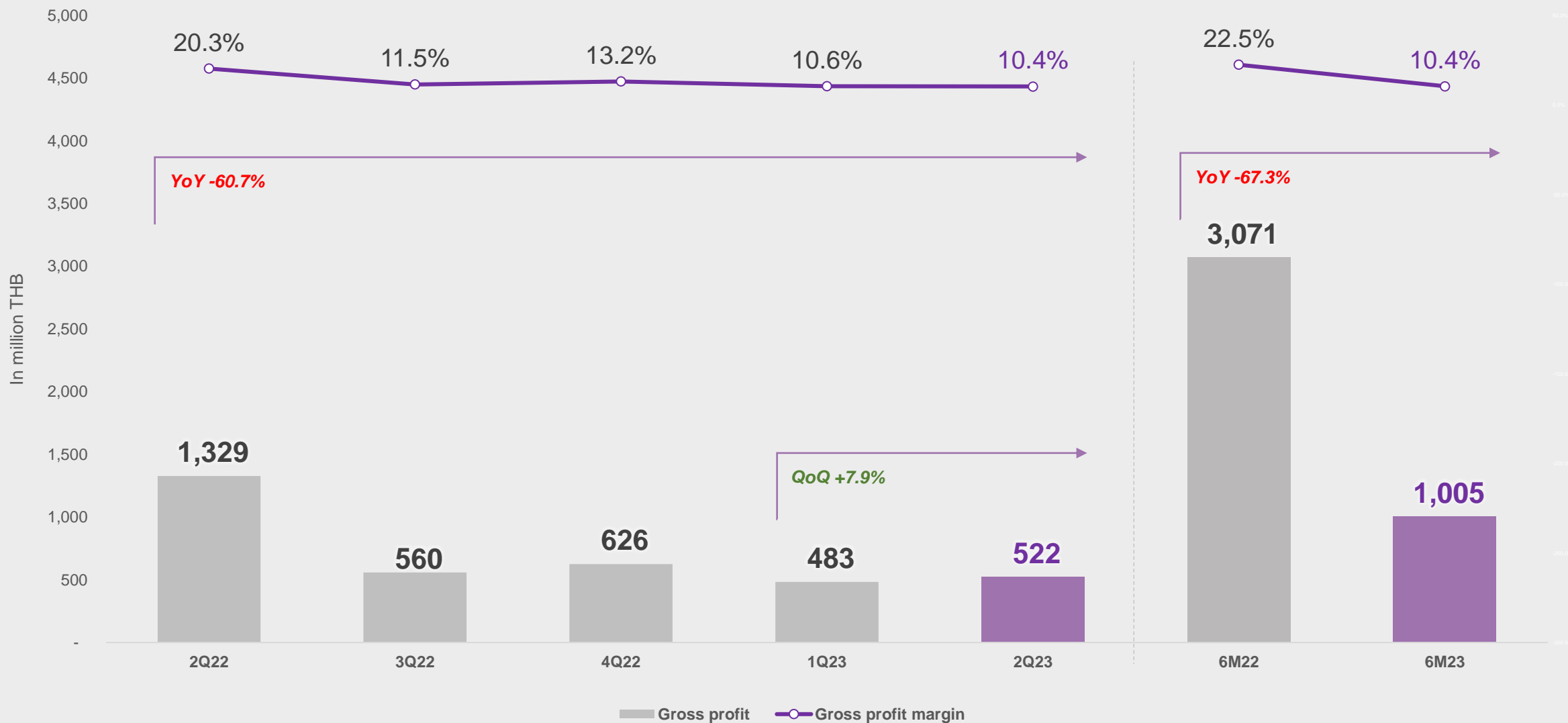


Gloves' Sales Revenue by Geography



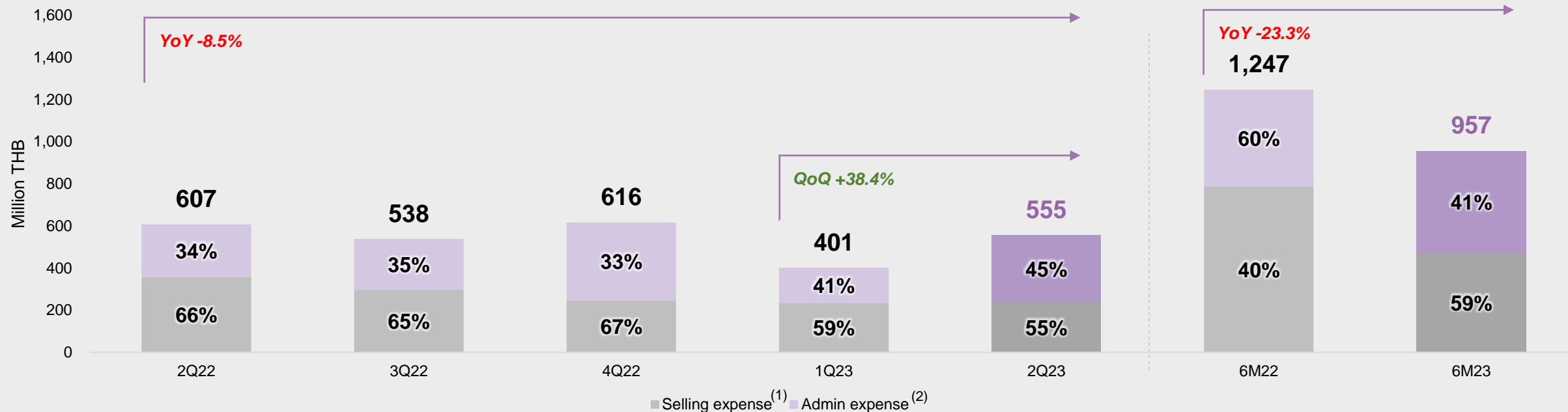
Gross Profit Margin

Gross Profit and Gross Profit Margin

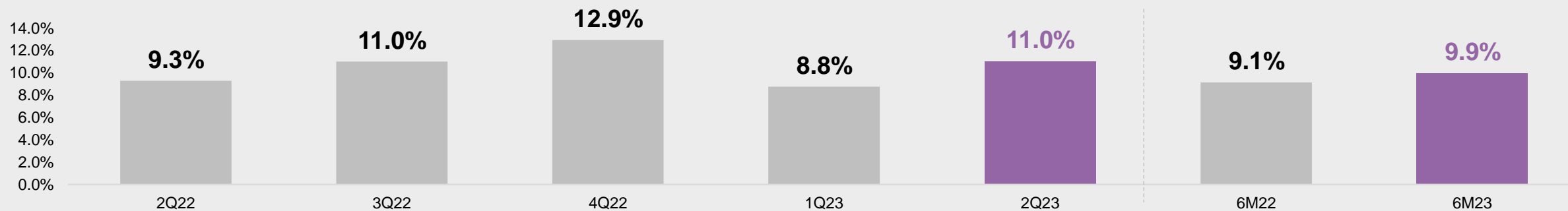


SG&A

SG&A Breakdown



SG&A/Sales

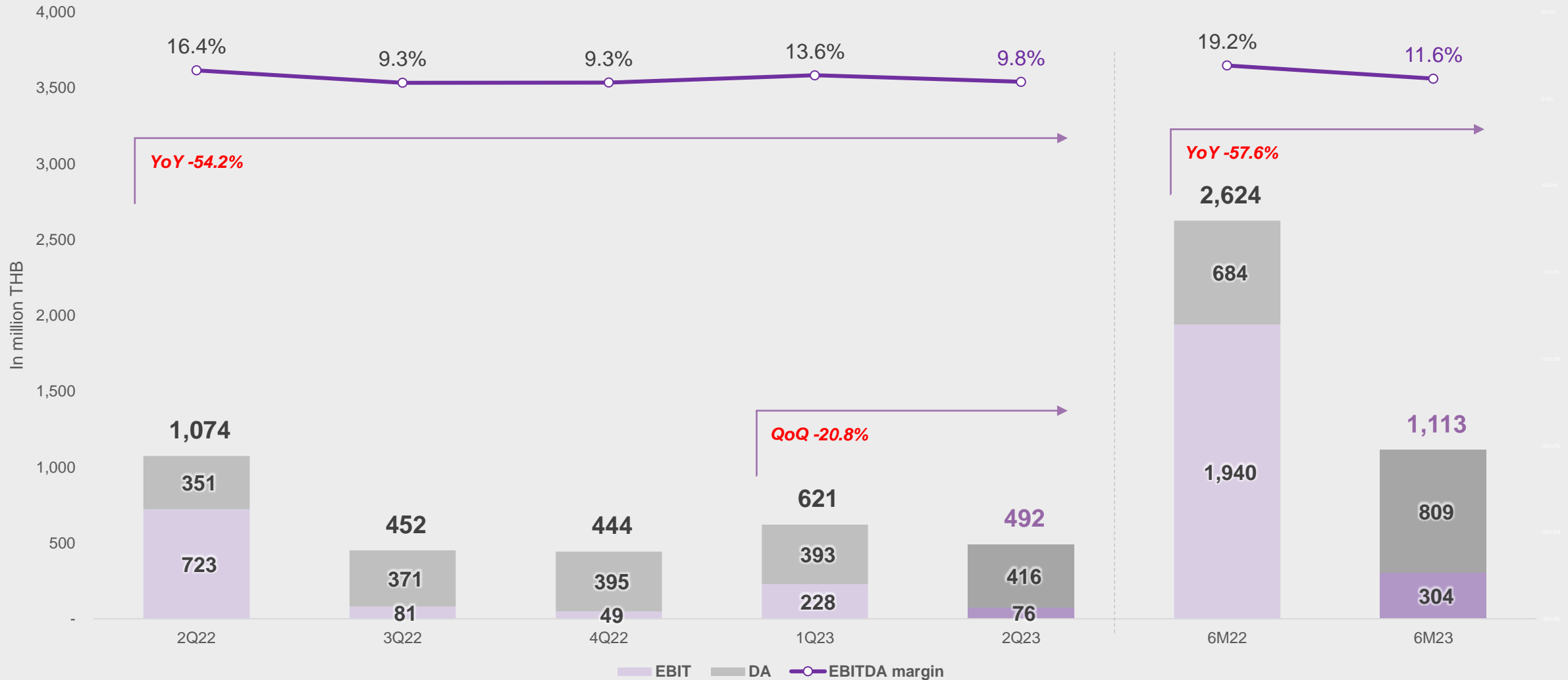


Note: (1) includes transportation, salary, commission, promotional expenses and insurance

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

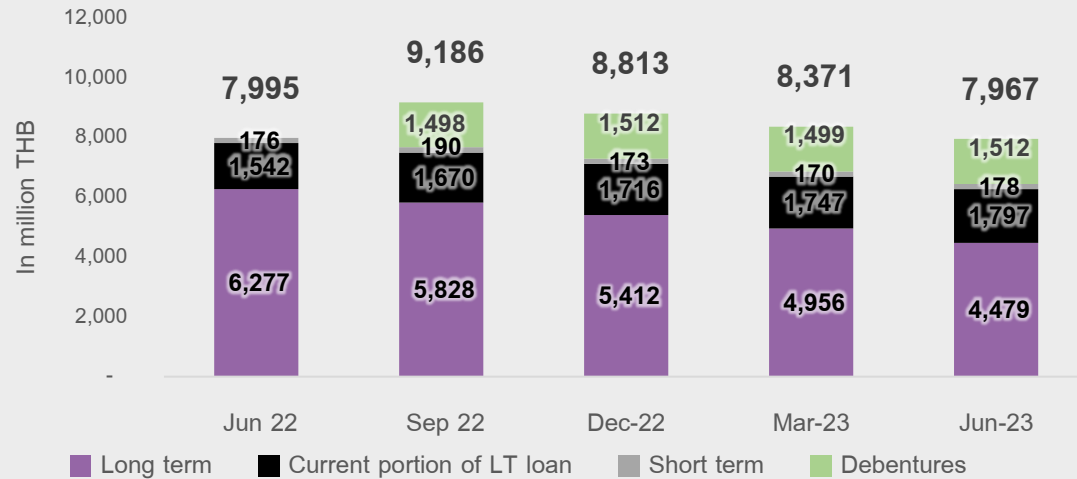
EBITDA

EBITDA and EBITDA Margin

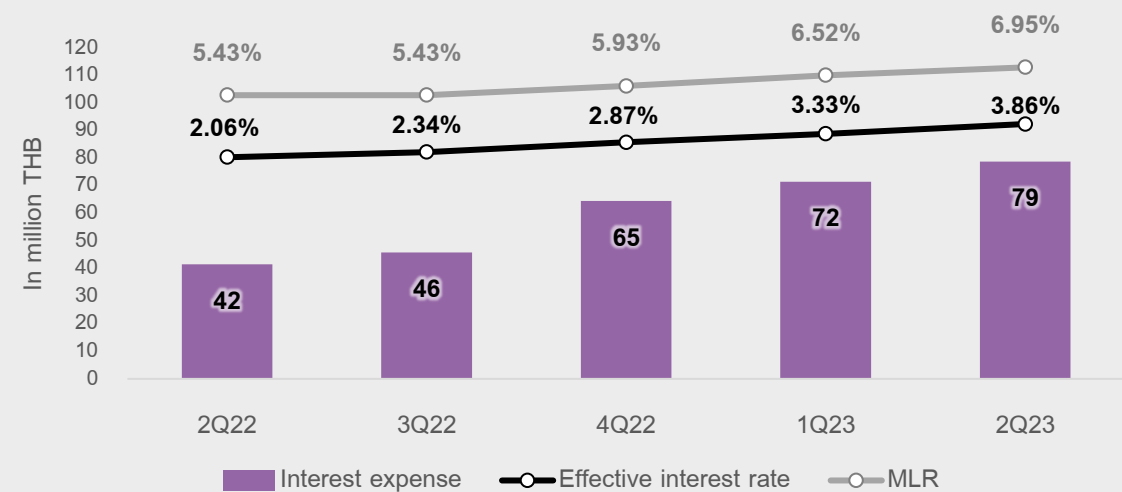


Interest Expenses

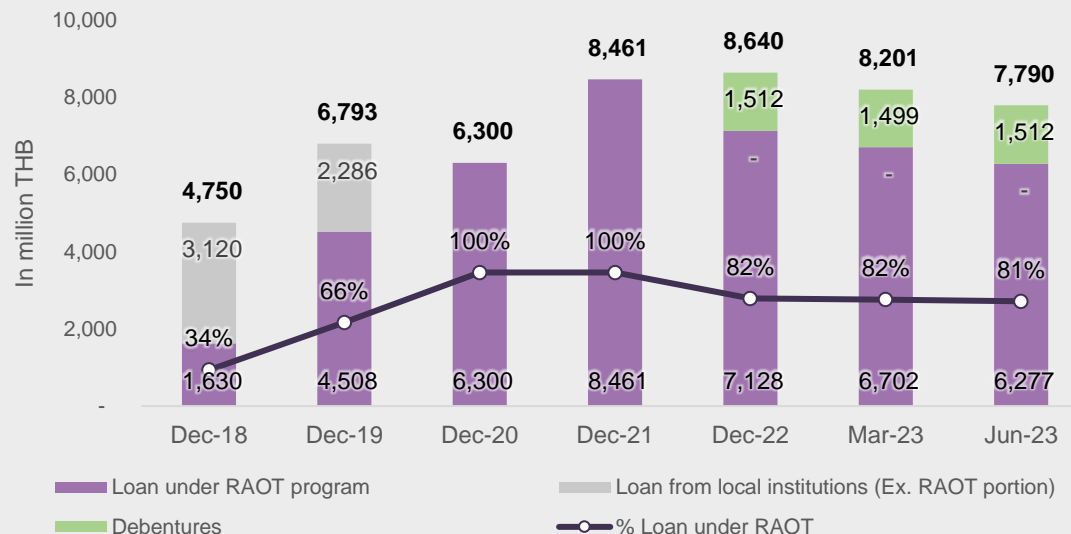
Short Term & Long-Term Loan



Interest Expense



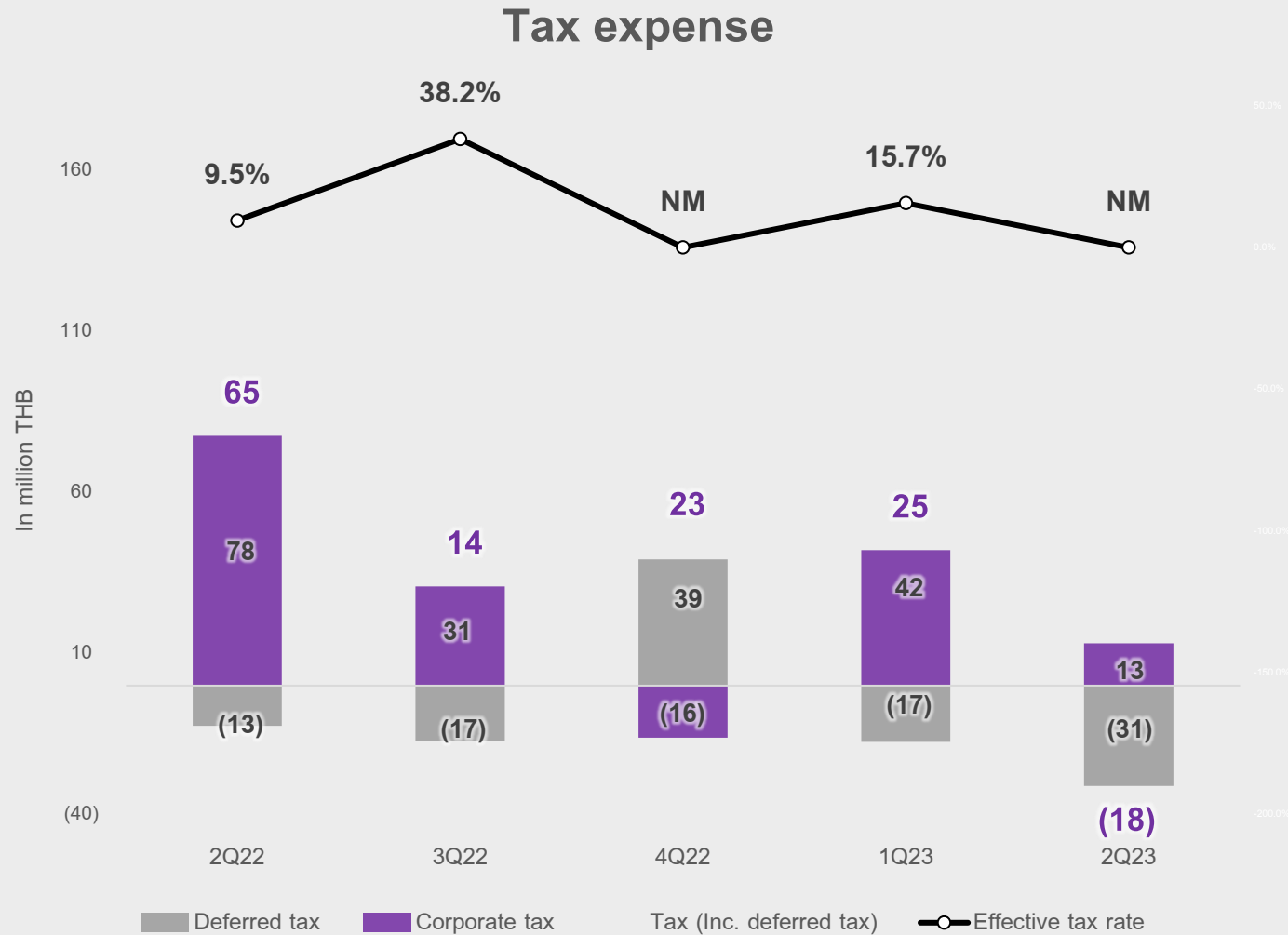
Loan under RAOT Subsidy Scheme



- RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.
- 81% of our long-term financing is term-loan under RAOT interest subsidy scheme.

Effective Tax Rate

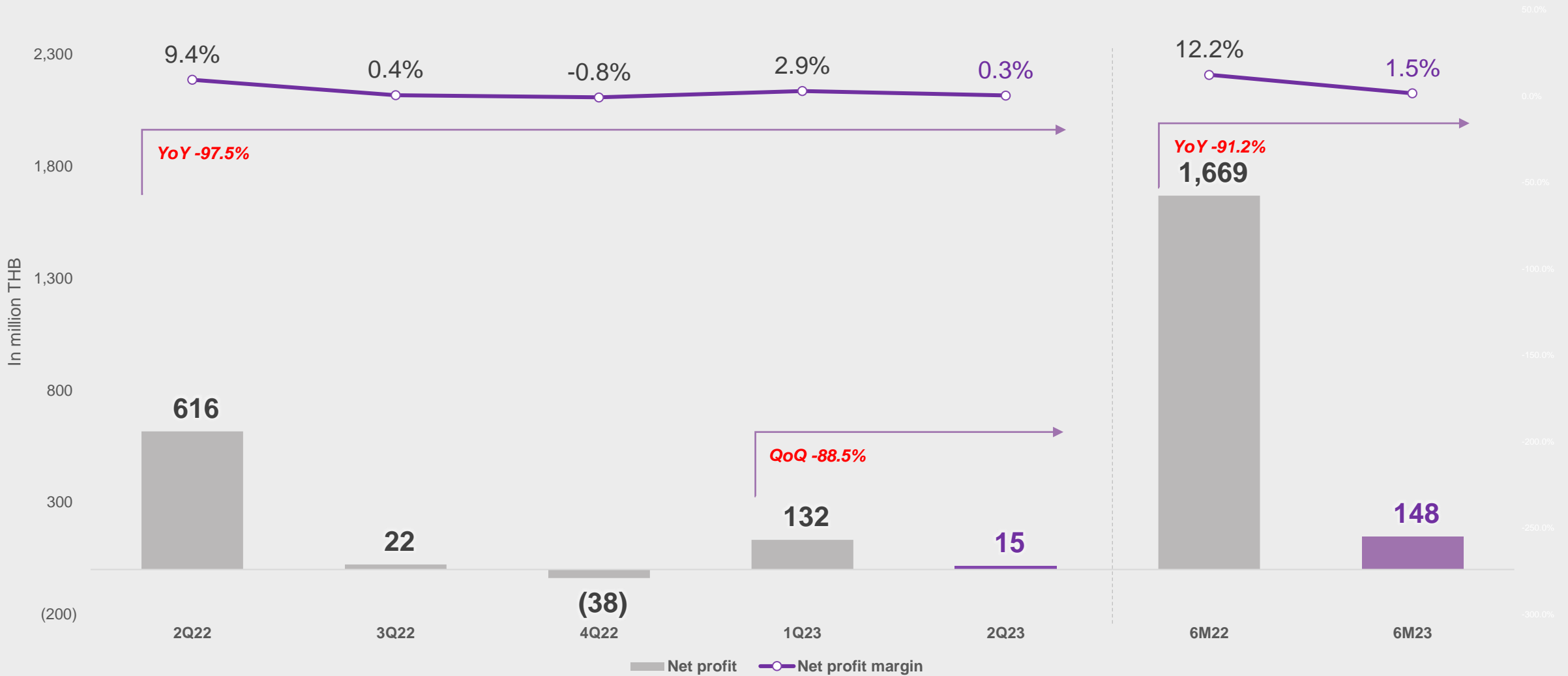
Effective Tax Rate 1H23



- **Effective tax rate was at 4.2% for 1H23**
- **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





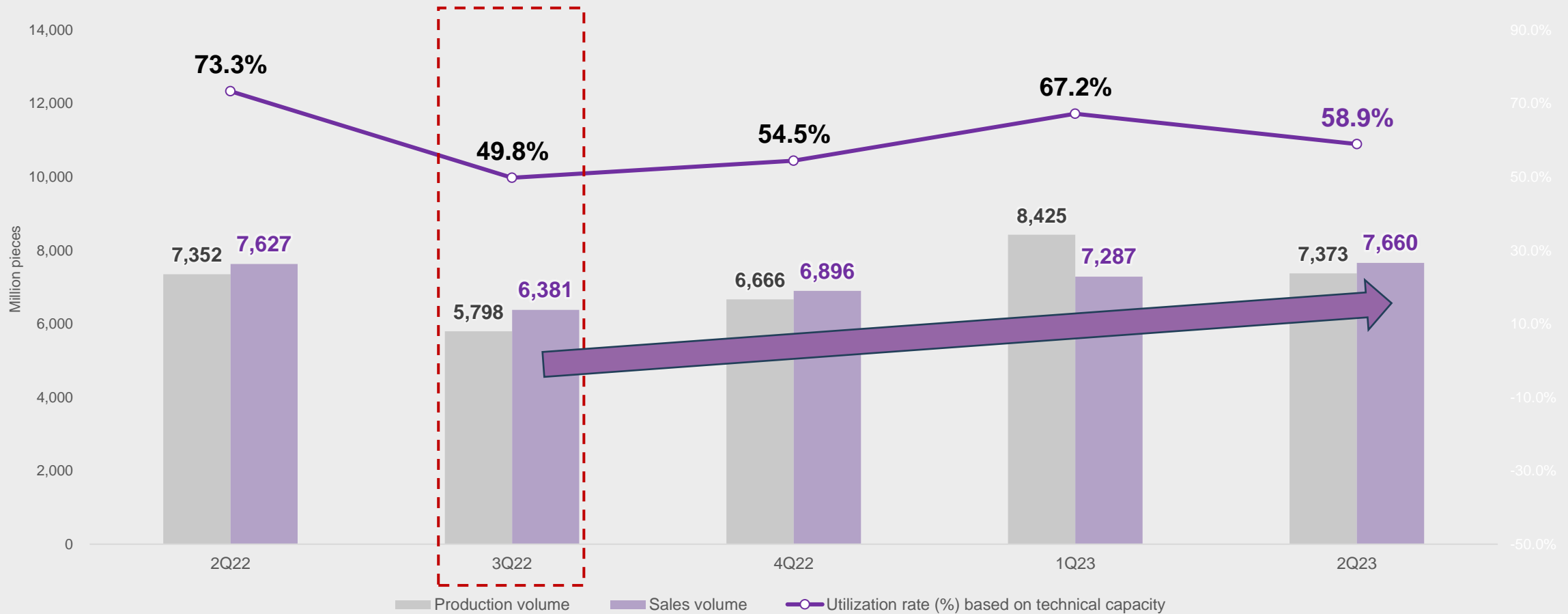
GLOVES

BUSINESS

Sign of Recovery

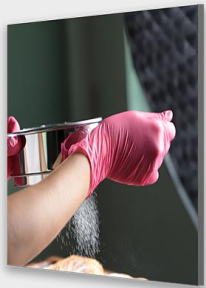
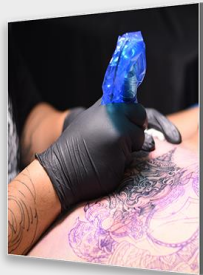
STGT's Production & Sales Volume

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

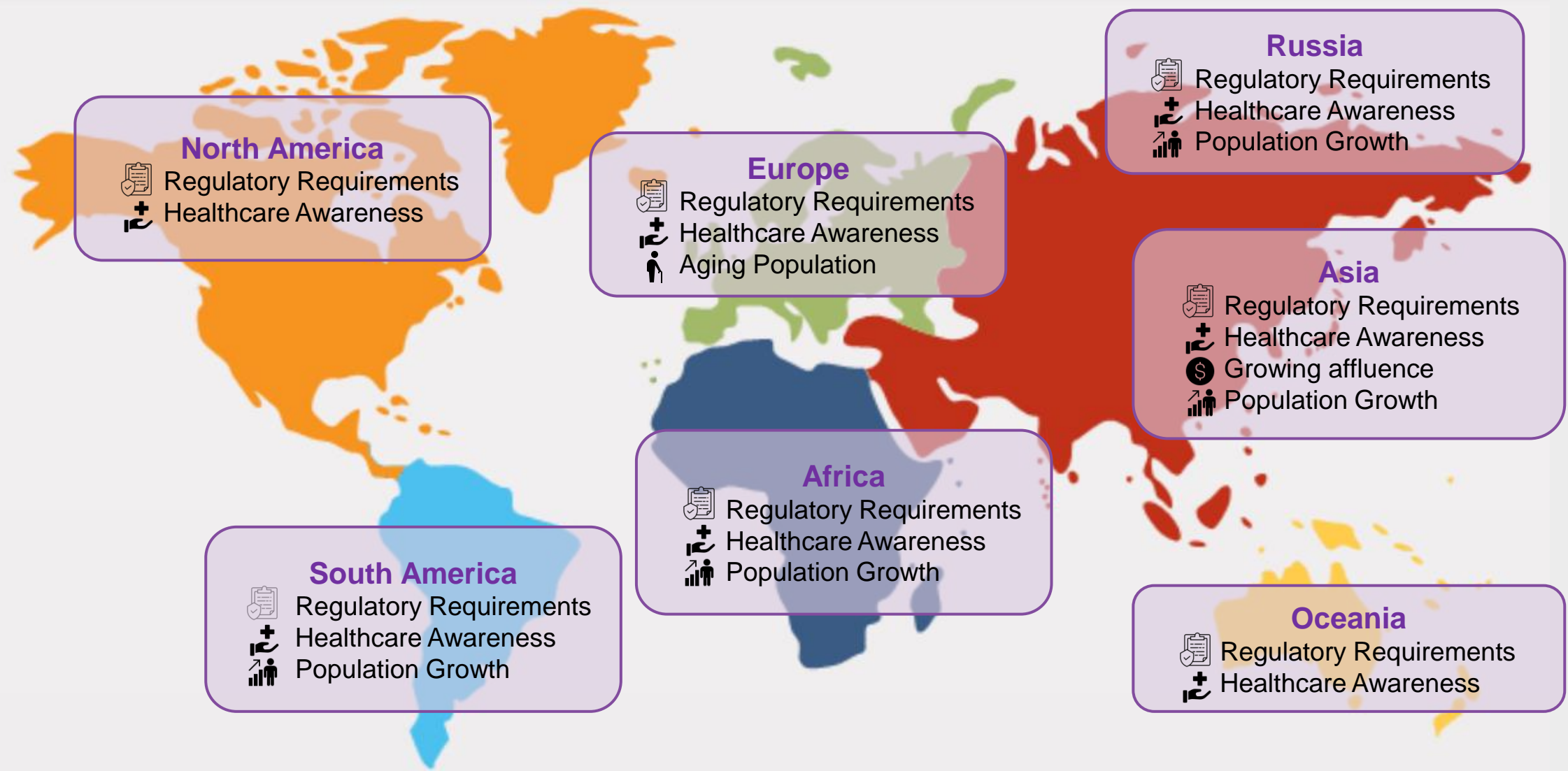
Services & Hospitality

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 new subsidiaries in China, Vietnam, Singapore, Philippines and Indonesia 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

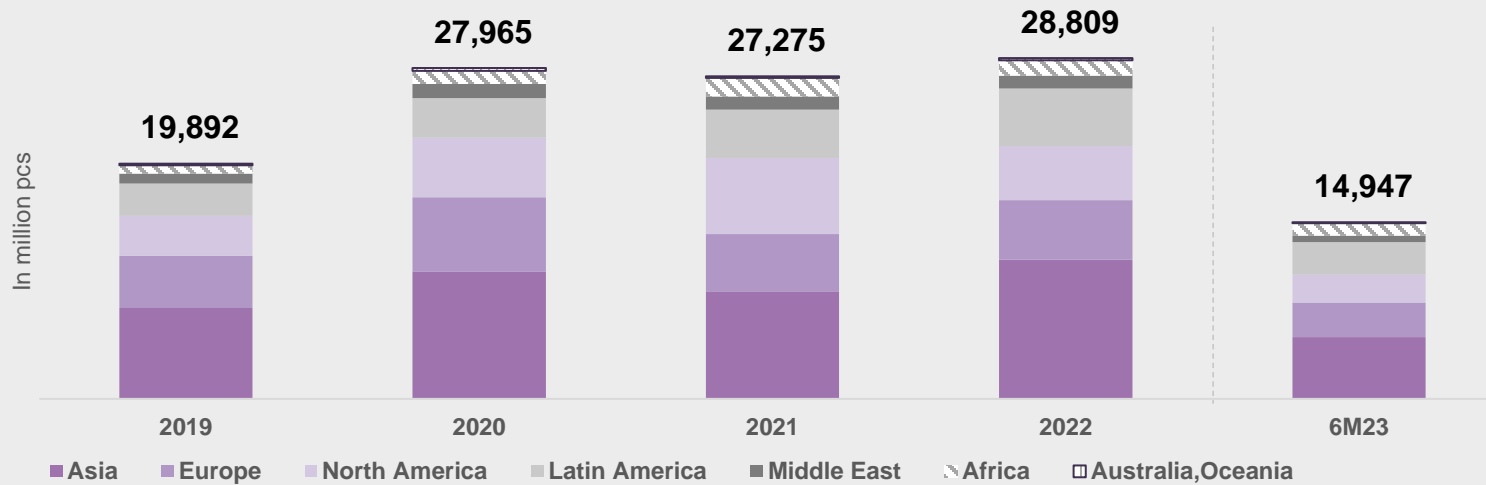


Sustainable
Sourcing

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

STGT's Market Diversification

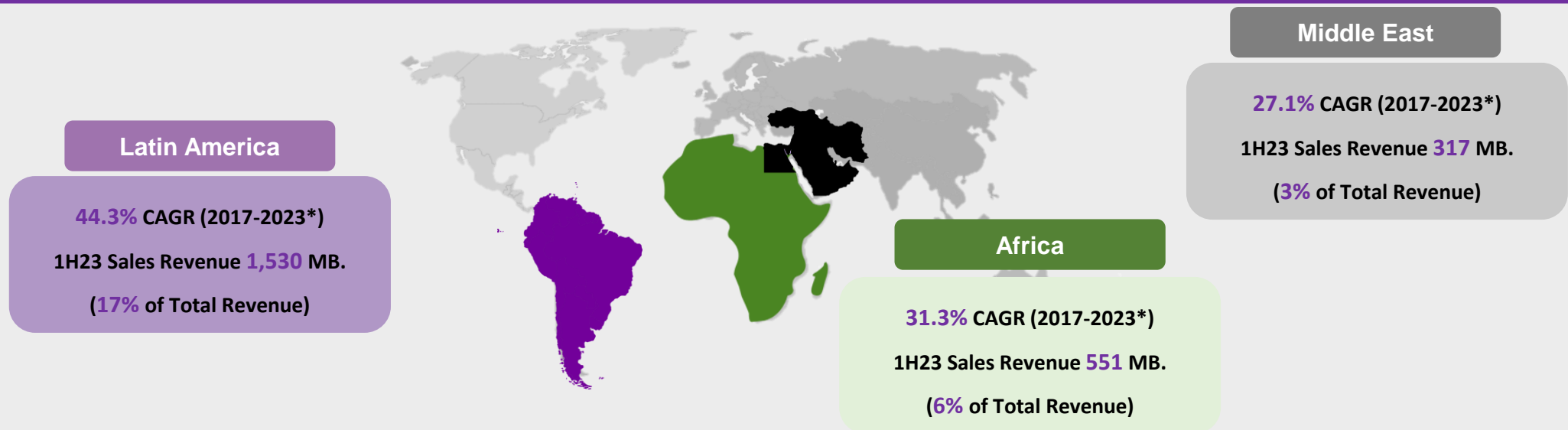
Gloves' Sales Volume by Region



2Q23:

- Sales volume still increased in most region especially Africa with some recovery from the overstock situation.

High Growth Region (Volume)



*Annualized 6M23

Sustainability Certificates

Environment



ISO 14001:2015
Environmental
Management System



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

Governance



Environmental
Good Governance
Sustainable Business Certificate
From Thai Ministry of Industry



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



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

Social



ISO 45001:2018
Occupational Health & Safety
Management



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



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

STGT-HY | STGT-SR | STGT-TG | STGT-PS



International Labour
Organization Audit
comprehensive system of
instruments on work and social
policy, backed by a supervisory
system

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 indicating the signature.

A: Site Representative Signature:	Sineenat Utaipun	Title: Quality System Manager
		Date: 21 July 2022
B: Auditor Signature:	Arunaree Tosasongkh	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: dispute the following numbered non-compliances:		
Nil		
E: signed, if any entry in box D, please complete a signature on this line:	Sineenat Utaipun	Title: Quality System Manager
		Date: 21 July 2022
F: Any other site Comments:		
Nil		

STGT-HY STGT-TG



	A	B	C	D	E	None
Section rating						
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					

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	THS-22010-01	Initial full audit

Good example	Details of good example noted	Any relevant Evidence and Comments
No. 1	The company provided effort to all migrant workers e.g. renewal work permits and all relevant transportation cost with free of charge and no any bonded for workers and no other sign of forced labor for this effort.	Site observation, document 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:	Sineenat Utaipun	Title : Quality System Manager
		Date: 19 October 2022
Auditor Signature:	Kesom Eurtakanwatt	Title : Lead auditor
		Date: 19 October 2022

STGT-HY





Sustainability CERTIFICATES & Awards Highlight

Awards



Thailand Sustainability Investment
2021



CSR-DIW Award
2020-2021



CSR-DIW Continuous Award
2017-2021



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

11 TIMES WINNER Thailand FDA Quality Award





SRITRANGTM
GLOVES

Thank you very much



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