

Financial Result Overview

In 1Q/2024, sales volume grew across all products to break a previous record, reaching 10,091 million pieces. The ASP also increased as demand started to recover and revert to the normal industry growth rate.

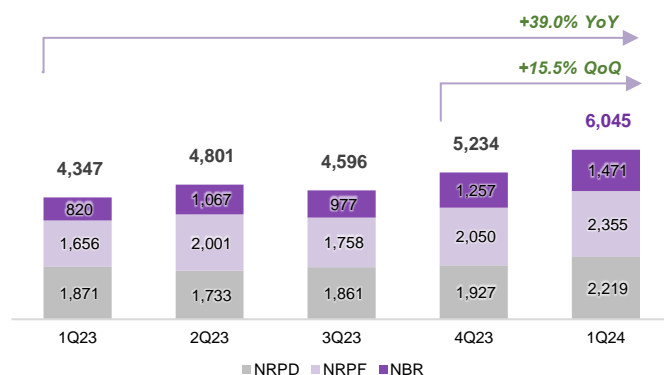
Profit & Loss Analysis

In 1Q/2024, STGT recorded a net profit of THB 146.8 million, up 10.9% YoY, with a net profit margin of 2.4%.

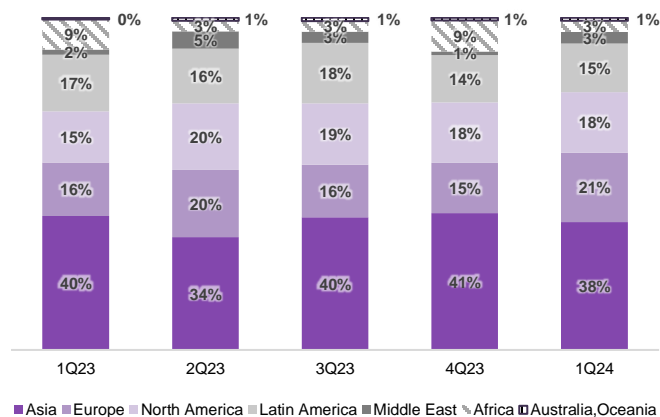
- Total revenue in 1Q/2024 amounted to THB 6,050.4 million, growing 14.0% QoQ and 32.1% YoY. The 1Q/2024, 37% of gloves sales revenue came from latex powdered gloves (NRPD), 39% from latex powder-free gloves (NRPF), and 24% from nitrile gloves (NBR).
- The ASP in 1Q/2024 was THB 599 (USD 16.87) per 1,000 pieces, increasing 1.2% QoQ and 0.4% YoY alongside raw materials costs. However, price competition remained as the global glove industry is gradually shaking off the oversupply. In 1Q/2024, THB depreciated 0.02% QoQ against USD.
- Sales volume in 1Q/2024 totaled 10,091 million pieces, growing 14.1% QoQ and 38.5% YoY across all products, with NRPD growing at 13.1% QoQ and 17.5% YoY, NRPF at 14.4% QoQ and 42.3% YoY, and NBR at 15.7 QoQ and 92.2% YoY. The growth in sales volume came on the back of global demand that started to recover and revert to the normal industry growth rate as the inventory of major distributors had returned to normal levels. Our diversified customer base also contributed to the growth in sales volume, which was seen in nearly all the regions.
- Following the decommissioning of some production lines in late 2023, our utilization rate significantly increased from 72.1% in 4Q/2023 to 87.2% in 1Q/2024 in tandem with higher sales volume.
- COGS in 1Q/2024 totaled THB 5,539.9 million, increasing 16.4% QoQ and 35.2% YoY as NR latex costs increased 14.8% QoQ and 22.5% YoY, while NBR latex costs increased 6.5% QoQ but declined 4.6% YoY.
- Gross profit in 1Q/2024 totaled THB 510.5 million, declining 6.9% QoQ but increasing 5.6% YoY, with a gross profit margin of 8.4%, down from 10.3% in 4Q/2023 as selling prices did not increase to the same extent as the rise in raw material costs.
- SG&A in 1Q/2024 totaled THB 423.2 million, decreasing 43.4% QoQ. Excluding the non-recurring items in 4Q/2023, SG&A in 1Q/2024 would decrease 4.1% QoQ as we derived economies of scale from the higher utilization rate, despite an increase in sea freight rate on some routes because of the disruption in the Red Sea. In 1Q/2024, the percentage of SG&A to sales revenue decreased to 7.0% from 14.1%. Excluding the non-recurring items in 4Q/2023, the percentage of SG&A to sales revenue would decrease by 1.3% from 8.3% in 4Q/2023.



Gloves' Revenues by Product (THB million)

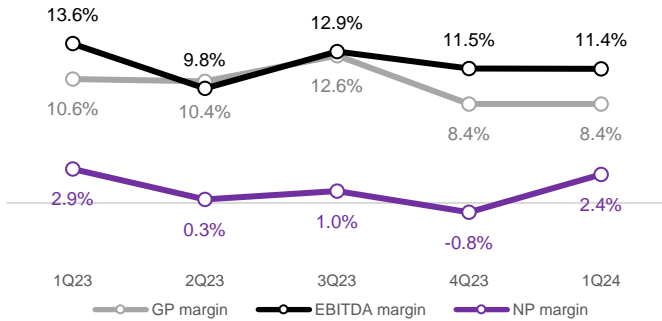


Glove's Revenues by Geography (%)

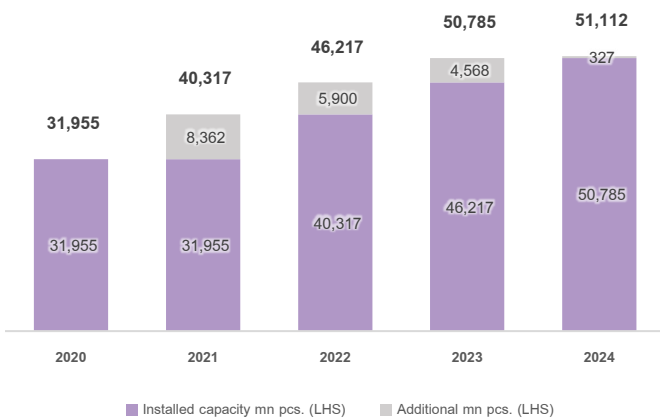


- In 1Q/2024, we recorded THB 29.4 million in gains on currency exchange, increasing THB 62.6 million QoQ compared with THB 33.2 million in losses on currency exchange in 4Q/2023.
- Finance costs in 1Q/2024 totaled THB 72.4 million, lowering 5.4% QoQ because of lower loan amount following repayment. But finance costs increased 1.2% YoY because of higher interest rates from financial institutions following the benchmark rate increase.
- Tax expenses in 1Q/2024 totaled THB 19.3 million, increasing because we incurred a loss in 4Q/2023. The effective tax rate in 1Q/2024 was 11.6%, compared with 15.7% in 1Q/2023.
- EBITDA in 1Q/2024 totaled THB 691.8 million, increasing 13.9% QoQ and 11.3% YoY. EBITDA margin was 11.4%, down from 11.5% in 4Q/2023 and 13.6% in 1Q/2023.

Margin (%)



Installed Capacity (Million pcs.)



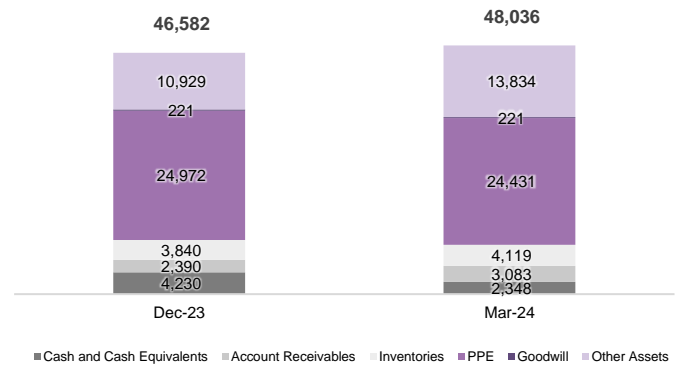
Financial Positions Analysis

- As of 31 March 2023, total assets stood at THB 48,036.2 million, increasing 3.1% from 31 December 2023, and chiefly consisted of THB 2,348.3 million in cash, THB 5,798.9 million in current financial assets (fixed deposits of over 3 months), THB 4,118.7 million in inventory, THB 3,082.9 million in accounts receivable, THB 7,014.2 million in non-current financial assets and THB 24,431.4 million in PPE.
- The increase in total assets is attributable to an increase in non-current financial assets. Accounts receivable and inventory also increased in tandem with higher sales revenue.
- Total liabilities stood at THB 9,568.2 million, decreasing 1.8% from 31 December 2023, and mainly consisted of THB 2,680.1 million in accounts payable, THB 30.9 million in short-term loans, THB 4,955.7 million in long-term loans under the interest rate subsidy program of the RAOT* and THB 1,499.0 million in debentures.
- Total equity stood at THB 38,468.0 million, increasing 4.4% from 31 December 2023 from net profit, the difference in the conversion of financial statements denominated in foreign currencies and profit from investments in financial assets which are recorded in other comprehensive income (OCI).

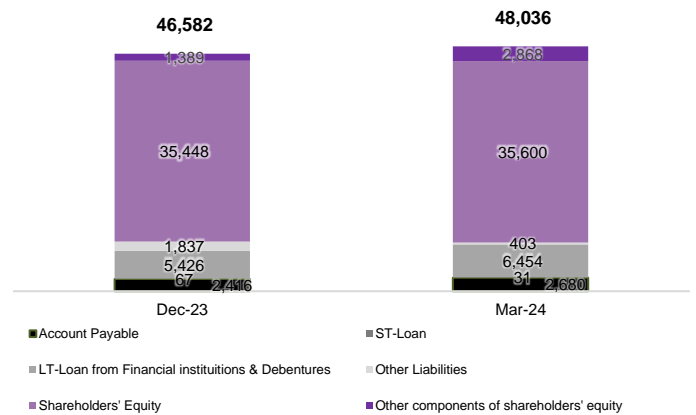
*Long-term loans for capacity expansion under the interest rate subsidy program of the Rubber Authority of Thailand (RAOT), under which up to 3% of interest rate is subsidized.



Assets (THB million)



Liabilities & Shareholders' Equity (THB million)



Cash Flows Analysis

In 1Q/2024, our cash flows consisted of:

- THB 268.4 million in cash flow from operations, mainly from THB 238.5 million in operating income, an increase of THB 368.7 million in operating liabilities, THB 49.5 million in received interests, minus THB 611.3 million in an increase in operating assets, THB 91.7 million in interest payments and THB 5.1 million in tax expenses.
- THB 2,062.3 million in cash flow from investments, which consisted of THB 1,818.8 million in investments in financial assets and THB 255.3 million in investments in PPE and non-tangible assets; and
- THB 503.3 million in cash flow from financing, for THB 495.9 million in short-term and long-term loan repayment. As a result, cash and cash equivalents as of 31 March 2024 stood at THB 2,348.3 million.

Key Financial Ratios

Interest Coverage Ratio in 1Q/2024 stood at 4.97, decreasing from 11.46 in 4Q/2023 because of a decrease in cash flow from operations.

Current Ratio as of 31 March 2024 stood at 3.25, decreasing from 3.63 as of 31 December 2023, because of a decrease in current assets, which went down because of a decrease in cash following investments in financial assets. Current liabilities, on the other hand, increased in tandem with an increase in accounts payable and derivatives.

Cash Conversion Cycle in 1Q/2024 stood at 44.31 days, decreasing from 51.91 days in 4Q/2024 because days inventory outstanding (DIO) decreased from lower inventory compared with the previous quarter, higher COGS and days sales outstanding (DSO) that slightly decreased because of higher revenue. Days payables outstanding (DPO) increased in tandem with the proportion of raw materials with long payment terms.

Net Interest Bearing Debt to Equity "IBD" Ratio to Equity as of 31 March 2024 was (0.04)*, improving from (0.07)* as of 31 December 2023, largely because a decrease in short-term and long-term loans which were payable in 1Q/2024 was less than a decrease in cash following investments in financial and fixed assets while equity increased by 4.4%.

*Including other current financial assets of fixed deposits over than 3 months that included as short-term investment.

Business strategy

- With our unique product mix (NR/NBR), production lines that can efficiently alternate between producing NRPF and NBR gloves, and a production base in Thailand, a prime location for quality NR latex, we are well positioned to deliver high quality gloves to consumers worldwide.
- Cost-saving initiatives as such the use of automation and technology and artificial intelligence (AI) to achieve economies of scale and improve efficiency to create higher profit and return to shareholders will continue to be in our focus.

Our business strategy will focus on:

- **Maintaining our position as a leading producer and distributor of natural rubber gloves**, capitalizing on our competitive advantage over competitors in access to quality NR latex at lower costs.
- **Increasing production of specialty gloves that respond to specific customer demand**, e.g., non-detectable protein gloves, surgical gloves, diamond-textured gloves that are used in the industrial sector.
- **Expansion of margin through value-adding activities** with regard to off-grade products at our overseas subsidiaries to maximize the benefit.
- **Growing our customer base** from currently 175 countries to over 190 countries within the next 2 years.
- **Managing utilization rate and profitability** to create reasonable returns in the long run while the glove industry is going through the normalization period.
- **Improving efficiency with the use of automation and technology including AI** to minimize costs and labor.
- **Maintaining our ESG leadership** and commitment to social and environmental responsibility and corporate governance with a view to long-term growth.

We are strongly committed to environmental, social and governance issues (ESG)

STGT gives the importance to sustainable business operations throughout the business value chain with the concept of **"Clean World Clean Gloves"** which focuses on product quality, taking ESG into consideration and dealing with

business and emerging risks, and determine to create business values and trust for customers, consumers, and stakeholders. STGT operates its sustainable business through **"SHARE"** Approach which is comprised of 1) Sustainability for supply chain and fair trade 2) Human rights 3) Animal welfare 4) Responsibility & sharing touch of love and 5) Environmentally friendly technologies. For 1Q/2024, STGT had significant ESG operations as the following.

Environmental

- STGT has consistently installed solar power generation projects with a production capacity of 1 megawatt (MW) at branch factories namely, Hat Yai, Chumphon and Sadao P.S. Hat Yai and Chumphon has 100 percent installation providing electricity generation with 2,736 megawatt-hours per year (MWh/year) and reducing greenhouse gas emissions with 1,306 tCO₂eq/year. And Sadao P.S. is currently under operation, it is expected that the installation will be completed 100 percent by the 2Q/2024.
- STGT participated in the project that aimed to promote the establishment of greenhouse gas emissions targets for the industrial sector to achieve Net Zero, utilizing the SBTi method. This initiative was conducted in collaboration with the Greenhouse Gas Management Organization (TGO) and the Center of Excellence in Eco-Energy (ECEE) at Thammasat University, Faculty of Engineering. The purpose of this project is to develop potential and share knowledge to the industrial sector in setting greenhouse gas emissions targets for the Net Zero by establishing the SBTi method and supporting business organizations in managing opportunities and risks, thereby increasing business competitiveness.

Social

- STGT has launched initiative community and social development projects under the Department of Industrial Works for FY2024 CSR-DIW projects. These projects are implemented through dialogue with the community. Moreover, the projects operate in line with the principles of the circular economy by repurposing the company's unused materials to maximize benefits which include 1) The Eco-Community Market Project "Lard Ban Lob Mum Community" of Hat Yai branch factory, 2) The project to promote economic insect farming "Beehive from Pallet Wood" of Sadao P.S. branch factory, 3) The "Samrak Pallet Wood" project of Surat Thani branch factory for the fourth consecutive year and 4) The "Chair Pad Cushions from Unused Employee Shirts" project of Trang branch factory.

Governance & Economic

- STGT received SET ESG Ratings ("**AAA**") (THSI; third consecutive year) for the year 2023 in the Consumer Products business and the SET Awards 2023 for **Sustainability Excellence (Highly Commended Sustainability Awards)** for the first time from the Stock Exchange of Thailand, a testament to our equal commitment to business growth and community engagement and the environment under the principles of good corporate governance.
- STGT received the 2023 Business Partner Award (Gold Award level) and the special Sustainability Award from Thai Beverage Public Company Limited at the SX Partnerships for the Goals: TSCN Business Partner Conference 2023. This is an honor given to partners with excellent performance in terms of product quality, price, delivery, service, innovation, and operations that focus on sustainability awareness. It is an award that reflects the confidence and acceptance of business partners, as

well as the collaboration to deliver value to consumers and enhance sustainability of the industry.

- STGT received the Quality Award (in the category of medical devices) from the Food and Drug Administration in 2023 for the 12th consecutive year.
- STGT obtained CSR-DIW Continuous Award and CSR-DIW Award 2023 from the Department of Industrial Works. This award reflects our determination of social responsibility and environmentally friendly operations and our encouragement of sustainable living with the community.



1Q24 Key Financial Information (unit: million THB)

	1Q24	4Q23	%QoQ	1Q23	%YoY
Volume (in million pcs)	10,091.0	8,840.4	14.1%	7,287.1	38.5%
Sales Revenue	6,050.4	5,306.2	14.0%	4,581.1	32.1%
COGS	(5,539.9)	(4,757.8)	16.4%	(4,097.7)	35.2%
Gross profit	510.5	548.4	-6.9%	483.4	5.6%
Other income	29.8	110.2	-73.0%	35.7	-16.7%
SG&A	(423.4)	(747.2)	-43.3%	(401.2)	5.5%
Gain (loss) on exchange rate, net	145.1	(139.5)	NM	(13.5)	NM
Other gains, net	(115.8)	106.3	NM	56.5	NM
Operating profit (loss)	146.3	(121.8)	NM	161.0	-9.1%
EBITDA	691.8	607.6	13.9%	621.3	11.3%
EBIT	238.5	(8.7)	NM	228.4	4.4%
Finance income	92.2	113.1	-18.4%	67.4	36.8%
Finance costs	(72.4)	(76.6)	-5.4%	(71.5)	1.2%
EBT	166.1	(85.3)	NM	156.9	5.9%
Tax	(19.3)	43.0	NM	(24.6)	-21.3%
Net profit	146.8	(42.3)	-447.2%	132.3	10.9%
GP margin	8.4%	10.3%	-1.9%	10.6%	-2.1%
EBITDA margin	11.4%	11.5%	0.0%	13.6%	-2.1%
Net profit margin	2.4%	-0.8%	3.2%	2.9%	-0.5%
Financial Ratio					
Current ratio	3.25	3.63	-10.6%	4.10	-20.8%
Cash cycle (days)	44.31	51.91	-14.6%	57.08	-22.4%
IBD/E	(0.04)	(0.07)	54.8%	(0.10)	126.1%
Interest coverage ratio	4.97	11.46	-56.6%	2.65	87.5%
ROA	1.2%	-0.4%	1.6%	1.1%	0.1%
ROE	1.5%	-0.4%	2.0%	1.4%	0.1%

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”) is one of the world’s largest producers of examination gloves. STGT located in strategic raw material locations in Thailand. STGT offers a wide range of high-quality examination gloves for medical and non-medical purposes including Natural Rubber Powdered (NRPD), Natural Rubber Powdered-Free (NRPF) and Nitrile Butadiene Rubber (NBR) gloves that are distributed to 175 countries worldwide. As of 31 March 2024, STGT employed more than 10,150 people in all operating units worldwide including in Thailand, USA, the PRC, Singapore, Vietnam, Indonesia, and Philippines. STGT is listed on the Stock Exchange of Thailand under Consumer Products/Personal Products & Pharmaceuticals sector and on the Singapore Exchange under healthcare services and medical equipment, supplies & distribution sector. For more information, please visit www.sritranggloves.com

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