

2018

**ANALYST
PRESENTATION**

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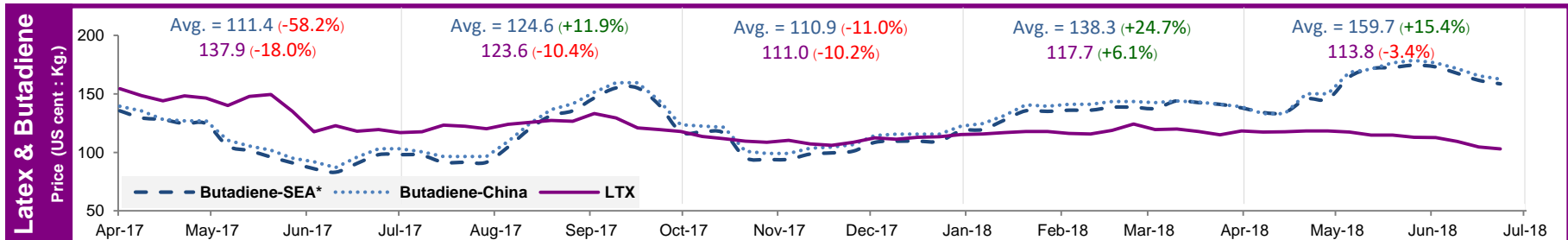
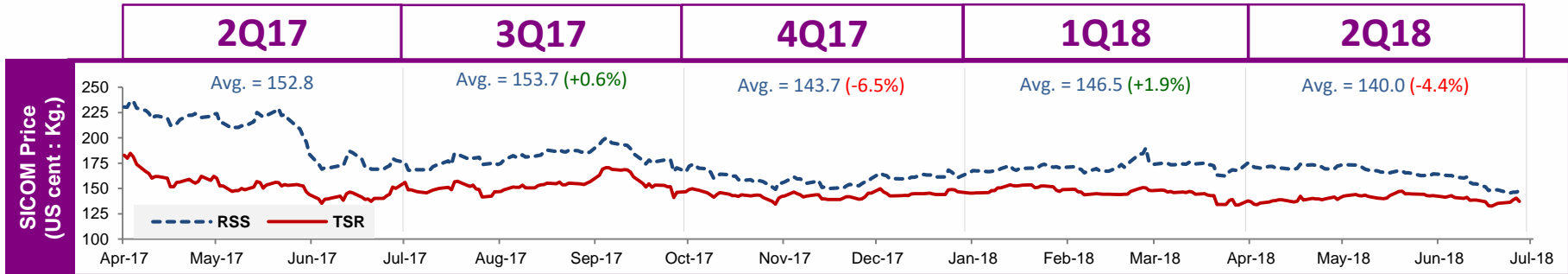


3. Market Situation & Industry Outlook

1. 2Q18 RESULTS

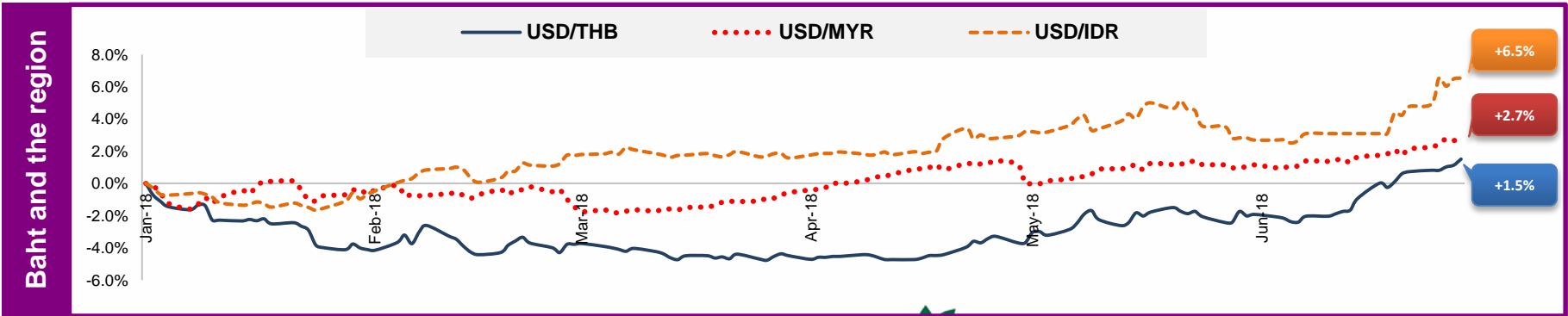
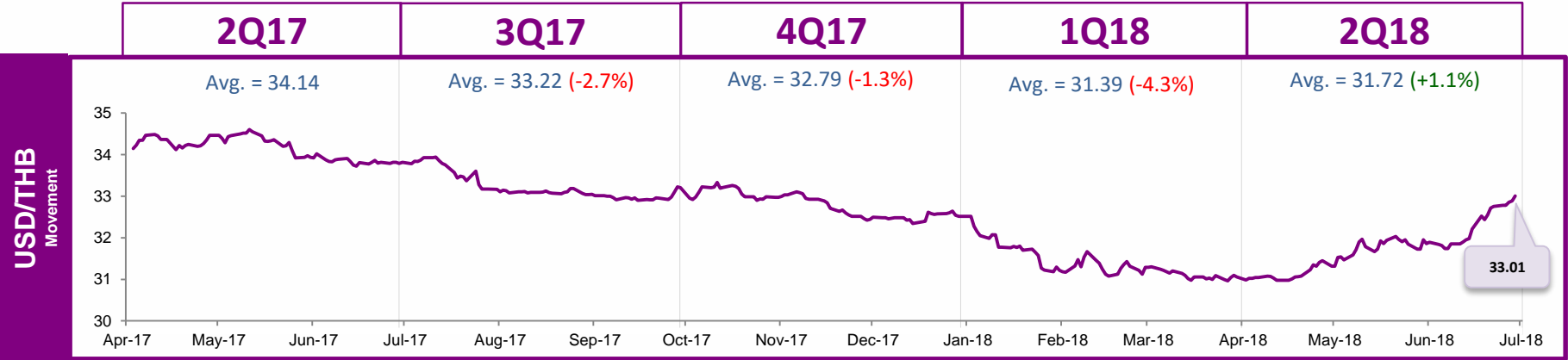


SICOM – Oil Price - Butadiene



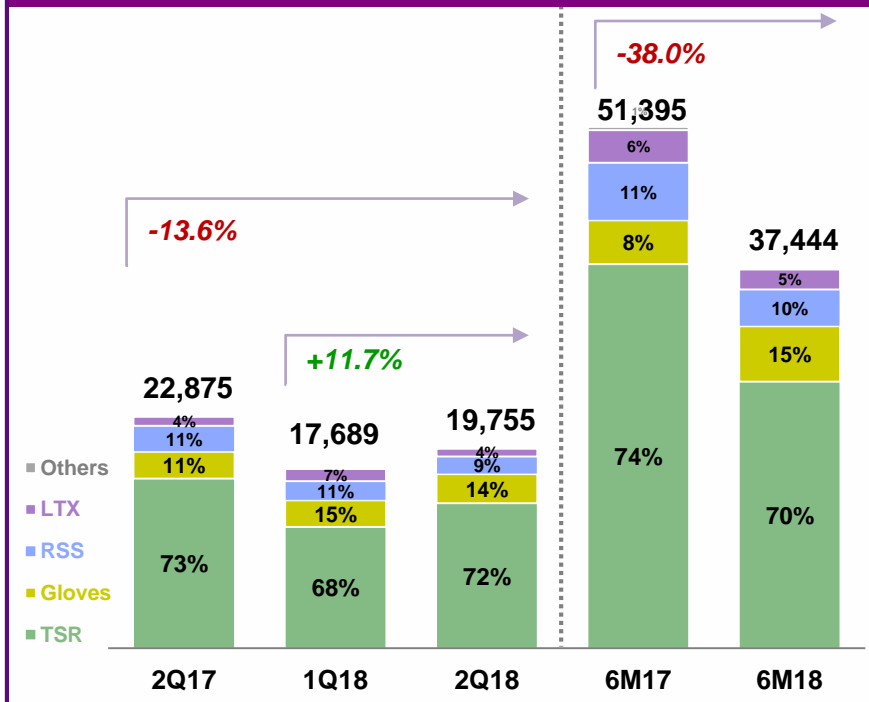
Note: *SEA stands for South East Asia

Forex

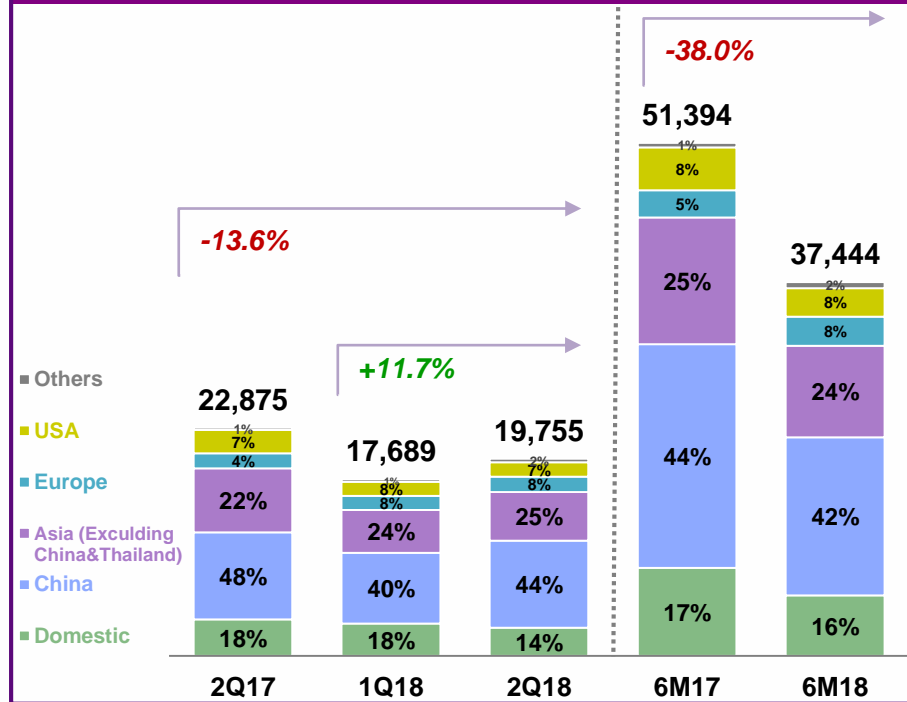


Sales Revenue

Sales Revenue by Product (THB million)

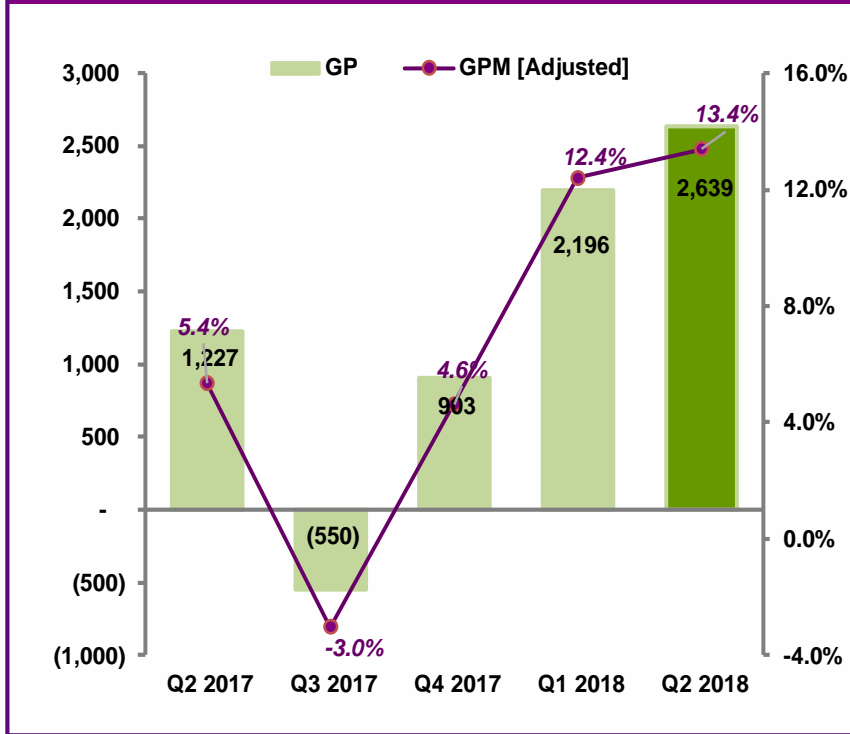


Sales Revenue by Geography (THB million)

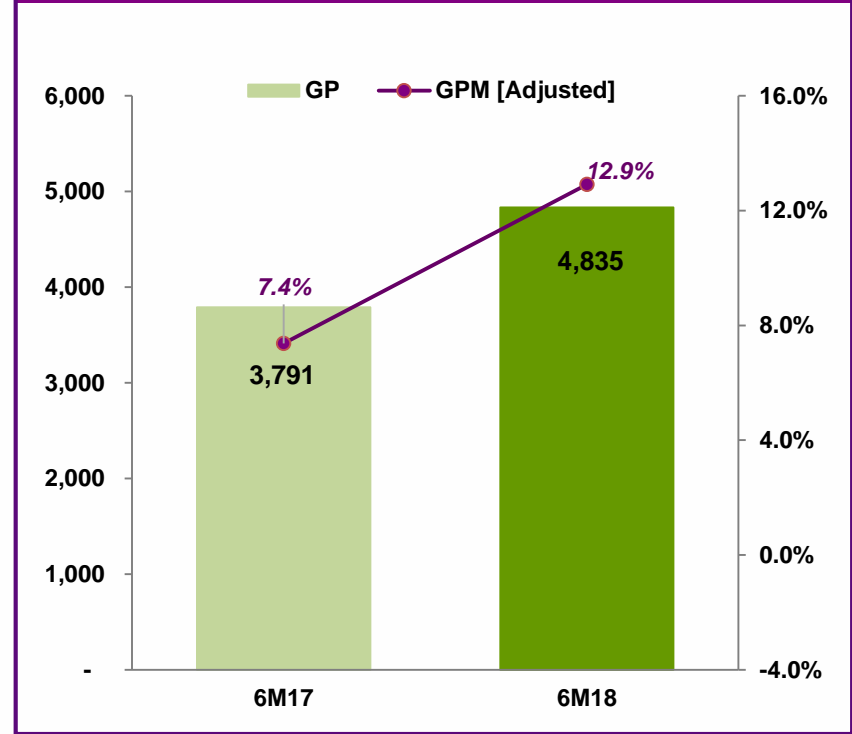


Adjusted Gross Profit

Adjusted Gross Profit (THB million) - 2Q18



Adjusted Gross Profit (THB million) - 6M18



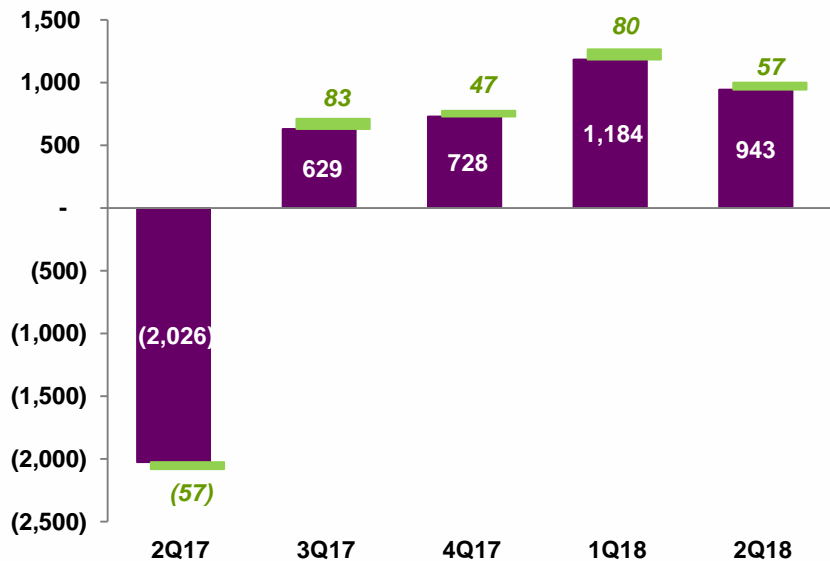
*Adjusting for (reversal) allowance of inventory and realised gains /(losses) from hedging activities



EBIT

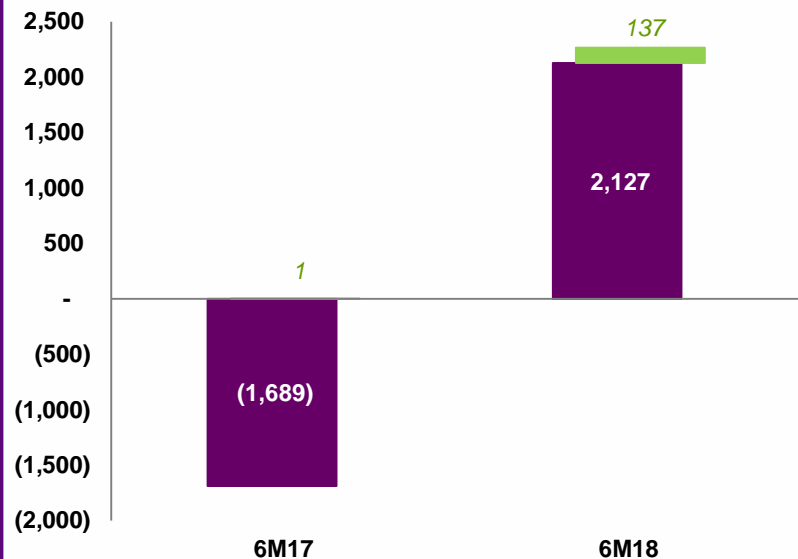
EBIT (THB million) - 2Q18

- Share of profit (loss) from investments in associates and joint ventures
- Operating profit (loss)



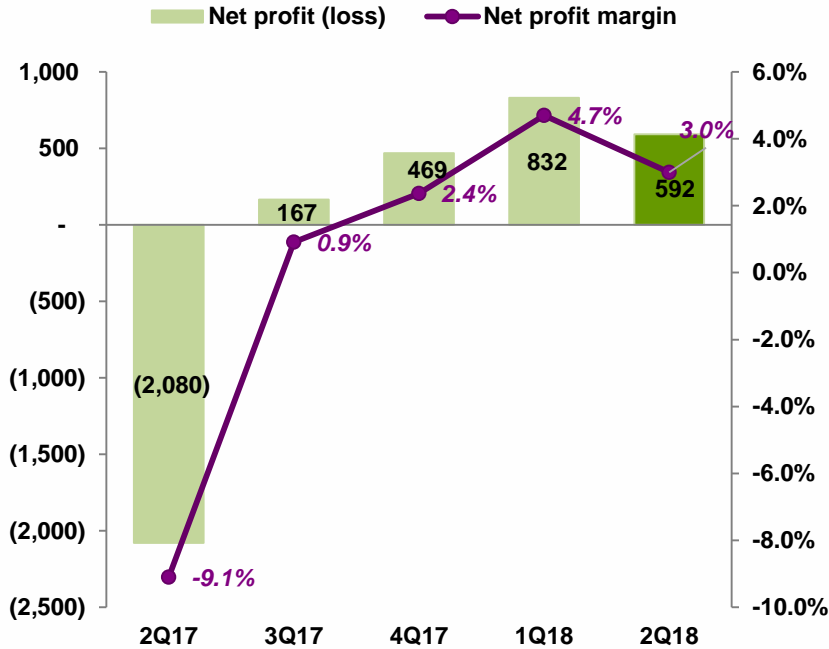
EBIT (THB million) - 6M18

- Share of profit (loss) from investments in associates and joint ventures
- Operating profit (loss)

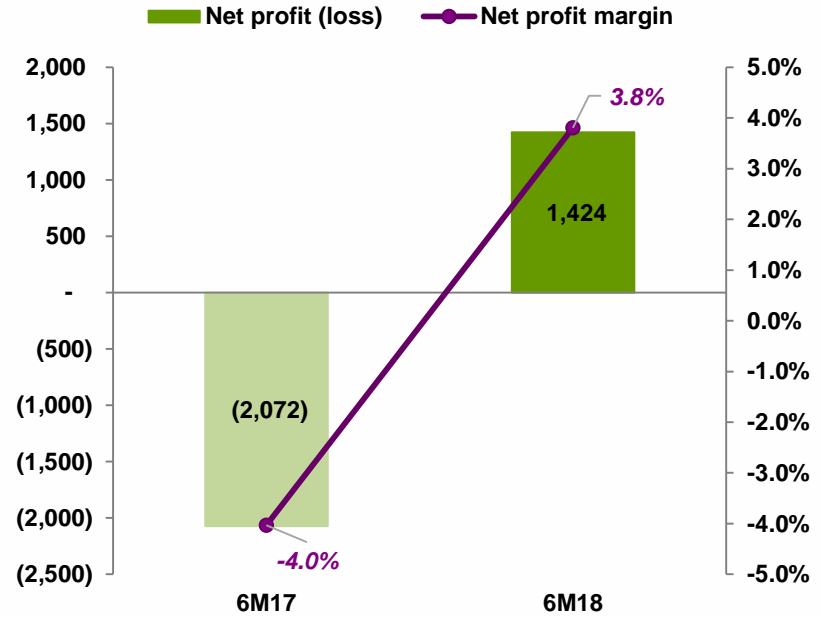


Net Profit

Net Profit (THB million) - 2Q18



Net Profit (THB million) - 6M18



Financial Highlights

(THB million)	2Q18	2Q17	%YoY	1Q18	%QoQ	6M18	6M17	%YoY	FY17
Revenue	19,755	22,875	-14%	17,689	12%	37,444	51,394	-27%	89,387
Sales volume (tons)	353,773	297,824	19%	321,698	10%	675,471	686,118	-2%	1,323,873
Avg. selling price (Baht per ton)	47,622	67,886	-30%	46,772	2%	47,217	68,123	-31%	59,765
Gross profit	2,261	(811)	N/A	1,510	50%	3,771	1,088	247%	3,776
Adj. gross profit*	2,639	1,227	115%	2,172	21%	4,811	3,790	27%	4,322
EBITDA	1,581	(1,627)	N/A	1,811	-13%	3,392	(895)	N/A	1,650
EBIT	1,000	(2,083)	N/A	1,264	-21%	2,264	(1,689)	N/A	(202)
Net profit	592	(2,080)	N/A	832	-29%	1,424	(2,072)	N/A	(1,437)
GP margin	11.4%	-3.5%	1,490bps	8.5%	290bps	10.1%	2.1%	795bps	4.2%
Adj. GP margin*	13.4%	5.4%	799bps	12.3%	108bps	12.8%	7.4%	547bps	4.8%
Net profit margin	3.0%	-9.1%	1,210bps	4.7%	-171bps	3.8%	-1.7%	554bps	-1.6%

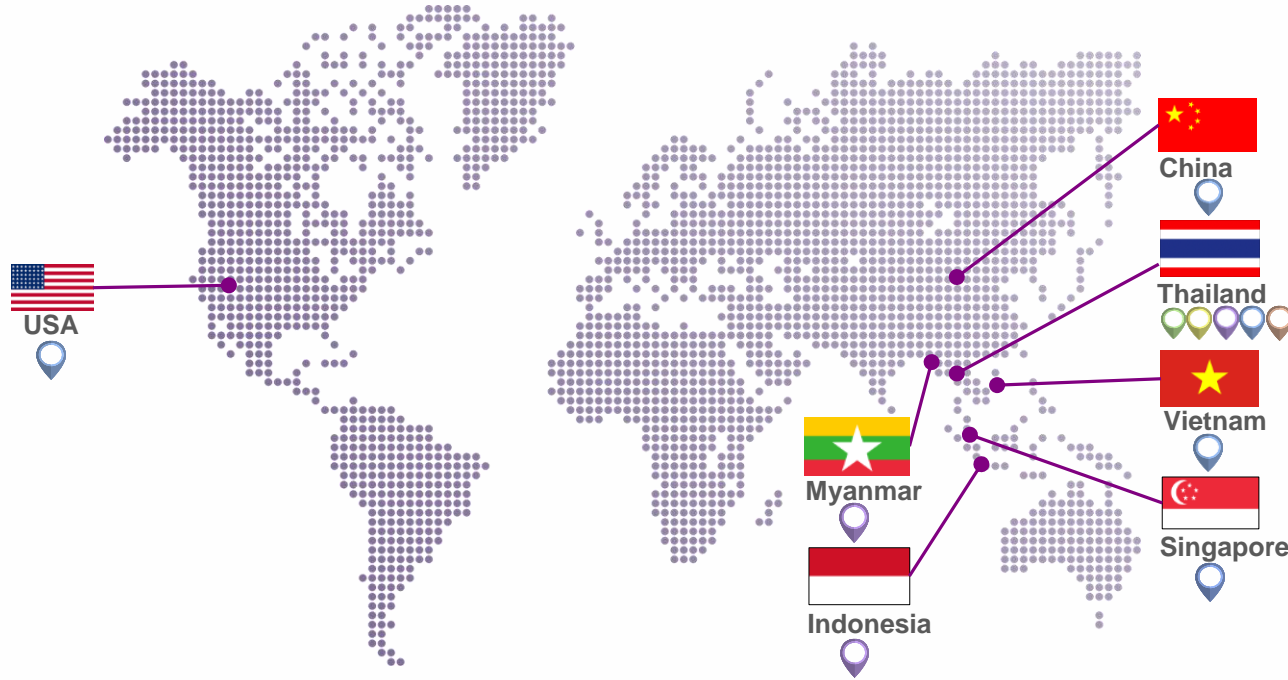
*Adjusting for (reversal) allowance of inventory and realised gains /(losses) from hedging activities



2. STA BUSINESS HIGHLIGHTS



Our Global Presence



45,000
rai of rubber plantations

59
procurement centers

36
processing plants

6
sale & distribution hubs

4
Gloves production facilities
in Thailand

353,773 tons
sales volume in 2Q18

675,471 tons
sales volume in 6M18

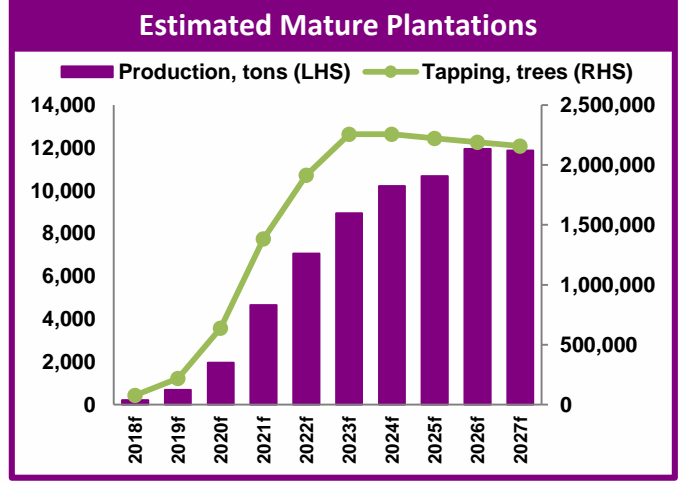
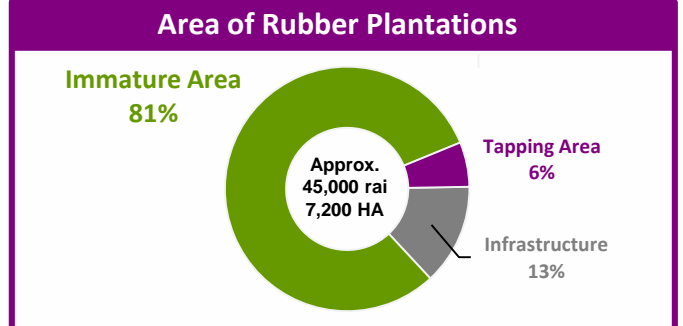
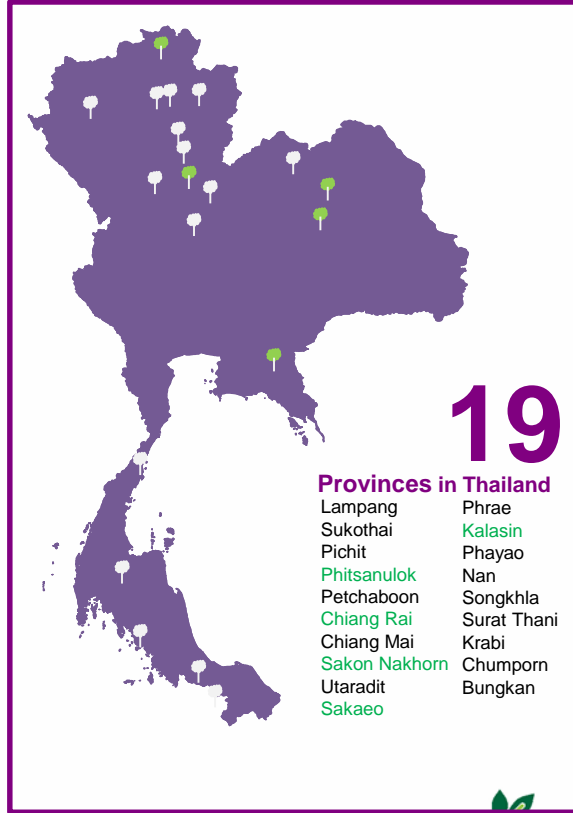
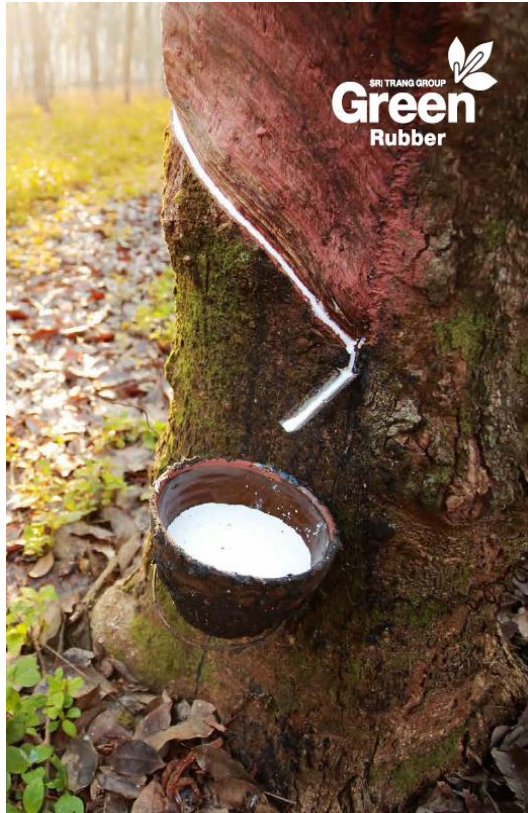
31% share of Thailand
production in 6M18

10% share of global
consumption in FY17

8% share of Glove
Consumption in FY17



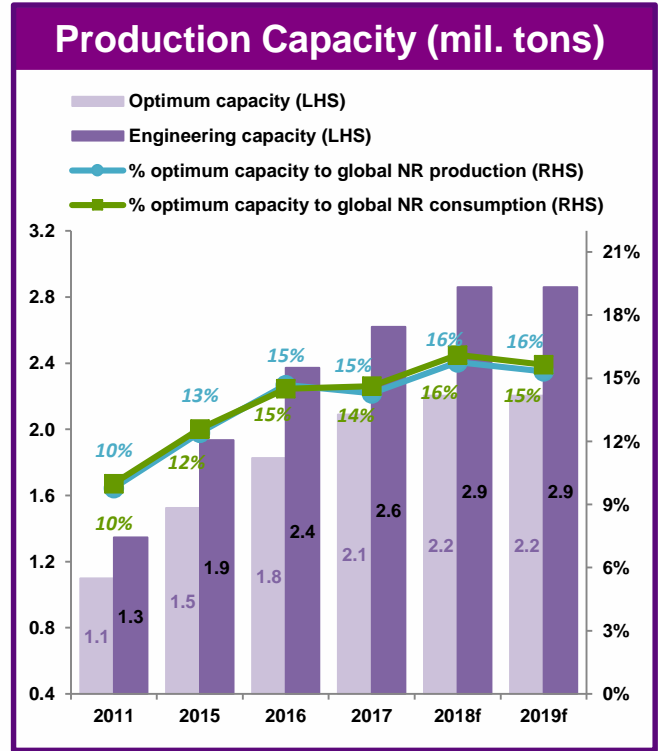
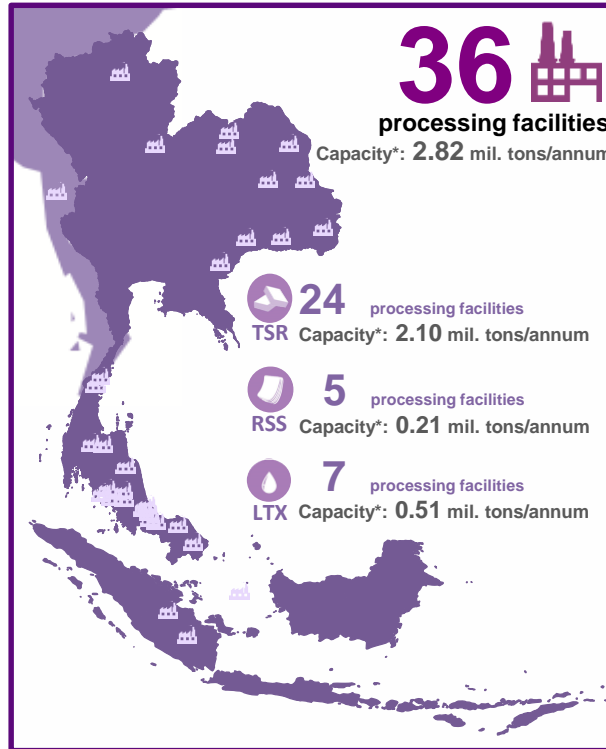
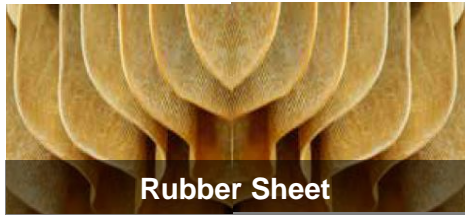
Upstream Operations - Rubber Plantations



Note: Information as of 30 June 2018



Midstream Operations – NR Processing



Note: *Total engineering capacity

[Information as at 30 June 2018]



Downstream Operations – Finished Products



「Touch Of Life™」



STGT

aiming to be among **the world's top three glove producers**



30 year of establishment,
since 1989, STGT takes attention to detail at every production step;
from the careful selection of raw materials to the constant R&D.



4 glove production facilities in Thailand,
the world's largest source of concentrated latex



16.3 billion pieces of gloves
sold in 2017



15.7 billion pieces per annum
in production capacity as at June 2018



8% market share
of global gloves consumption in 2017

Product Diversity

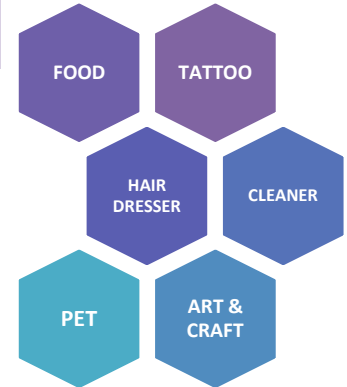
Medical Purpose

- Powdered Latex Examination Glove
- Powder Free Latex Examination Glove
- Powder Free Nitrile Examination Glove



Other Purposes

- Powdered Latex Disposable Glove
- Powder Free Latex Disposable Glove
- Powder Free Nitrile Disposable Glove

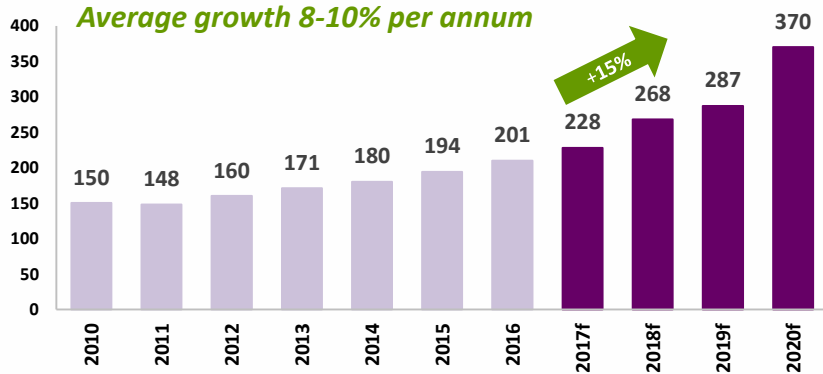


NO.1
MEDICAL GLOVES PRODUCER

wh. 1054-2554

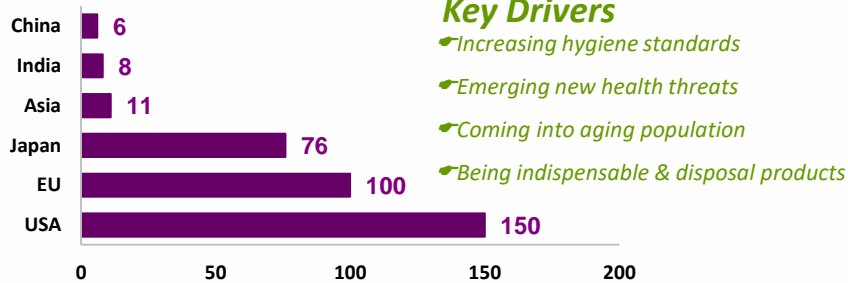
Global Gloves Consumption & STA's Markets

Global Gloves Demand [bn pcs.]

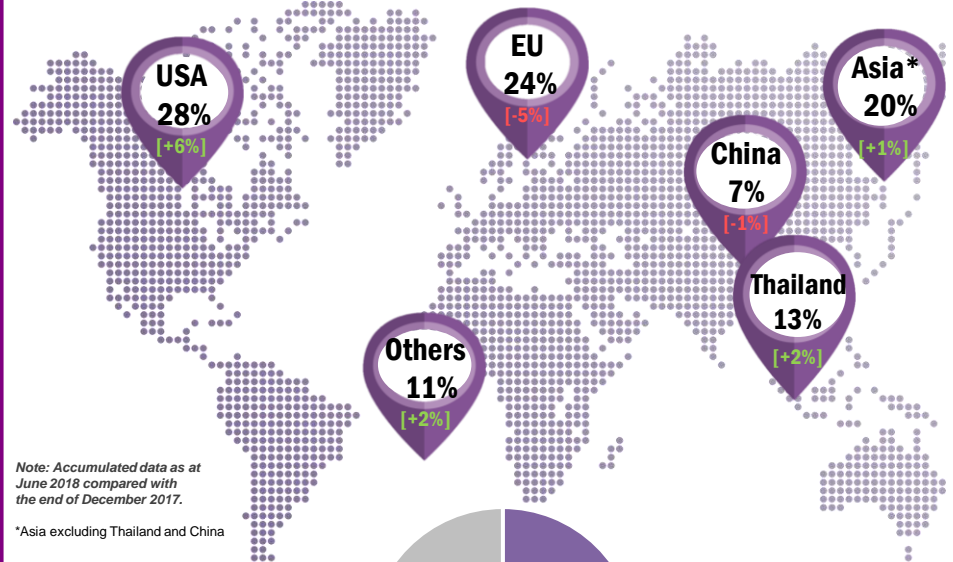


Source: MARGMA Industry Brief 2018 on the Rubber Glove Industry

Gloves Consumption Per Capita [2017]



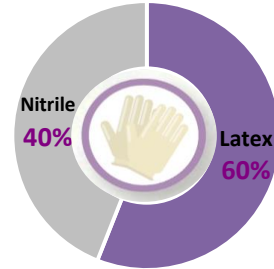
STA Sales Volumes by Market



Note: Accumulated data as at June 2018 compared with the end of December 2017.

*Asia excluding Thailand and China

Product Mix



Note: 6-month data as of 30 June 2018



Capacities Expansion of Top Five Glove Makers

Strong demand growth

provides opportunities for large manufacturers to expand.

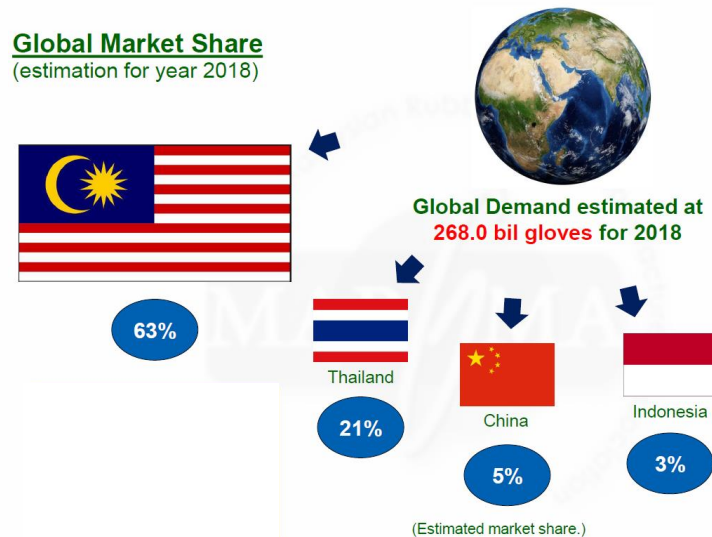
Company	Capacity in 2017 [bn. pcs.]	Capacity expansion in 2018F [bn. pcs.]
Top Glove	51.9	8.6
Hartalega	28	4.7
Supermax	23.4	2.0
Kossan	22	4.5
Sri Trang Gloves	14	3.0
Total	139.4	22.8

Note: Information as disclosed by each company

Global Market Share

[estimation for year 2018]

Global Market Share (estimation for year 2018)

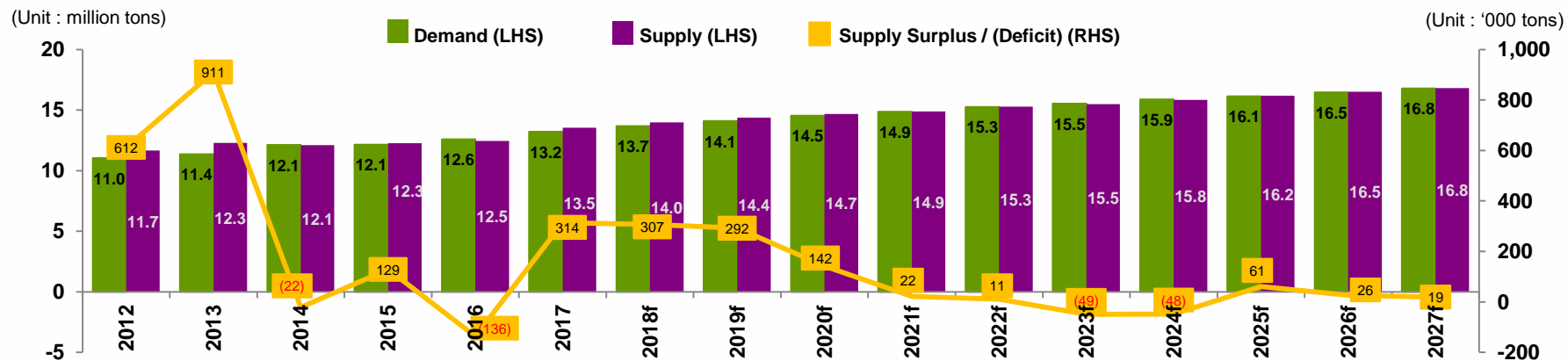


3. MARKET SITUATION & INDUSTRY OUTLOOK



NR World Balance

Natural Rubber Demand & Supply



Supply

Global NR supply is expected at 14.0 million tons, +3.3% in 2018 and average +2.1% in the next 3 years.

Short-term impact

- Increase in tapping frequency to maintain the same level of income
- Increase in untapped mature trees
- Lack of good agro-management
- Skilled labour shortages [shifting from rubber farming to other jobs]

Long-term impact

- Discourage new-planting
- Delay replanting schedule
- Uprooting of rubber trees & replanting with other crops

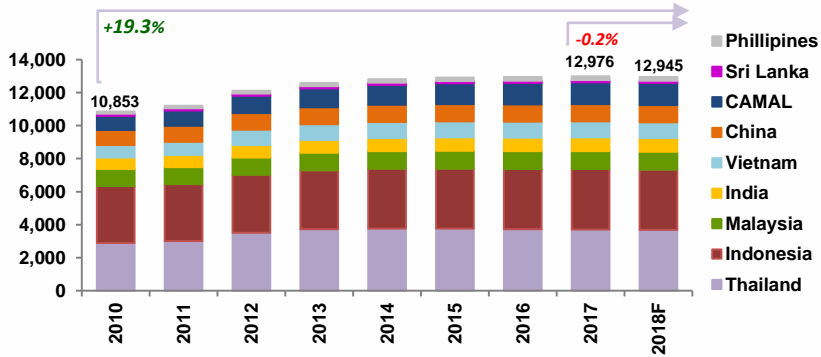
Demand

Global NR demand is expected at 13.7 million tons, +3.5% in 2018 and average +2.8% in the next 3 years

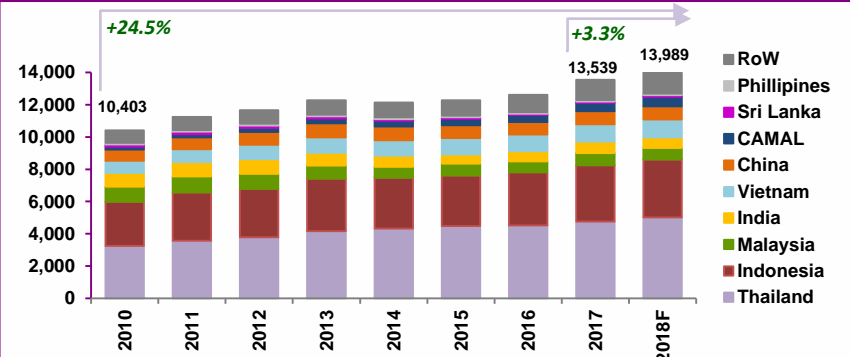
- 71% of NR consumption driven by tyre sector expected to grow by 4.0% in 2018 in line with the global tyre production.
- 29% of NR consumption resulting from non-tyre products expected to increase sharply by 5.2%, driven by the higher consumption of gloves producers.
- Some of SR consumption is expected to be substituted by NR during the low NR prices.

NR Supply

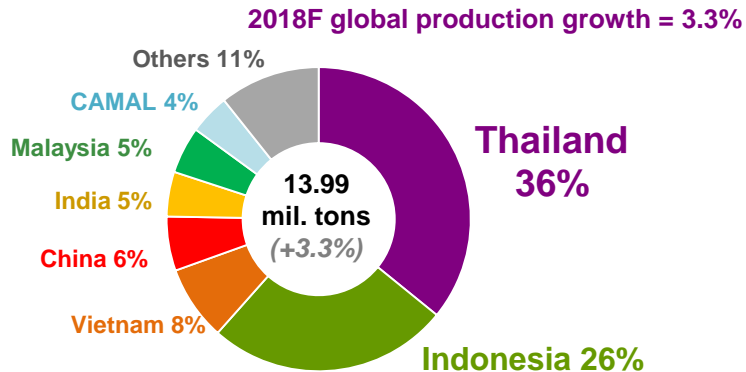
NR Plantation Area, in 11 countries ['000 HA]



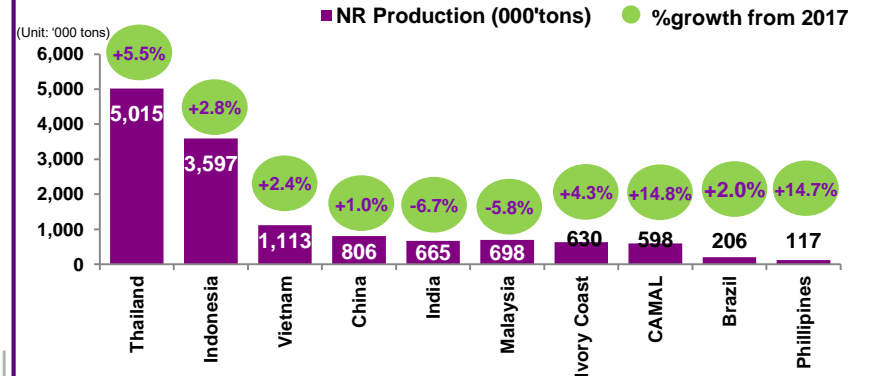
NR Production [mil. tons]



2018f Major Producers by Country



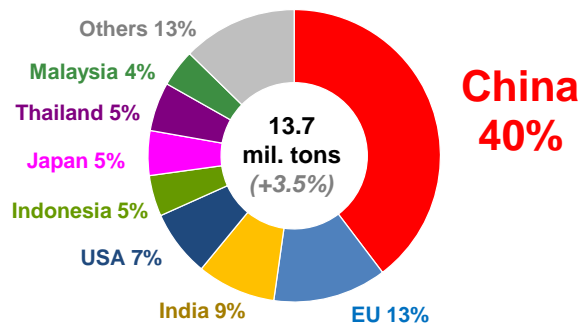
2018f NR Production



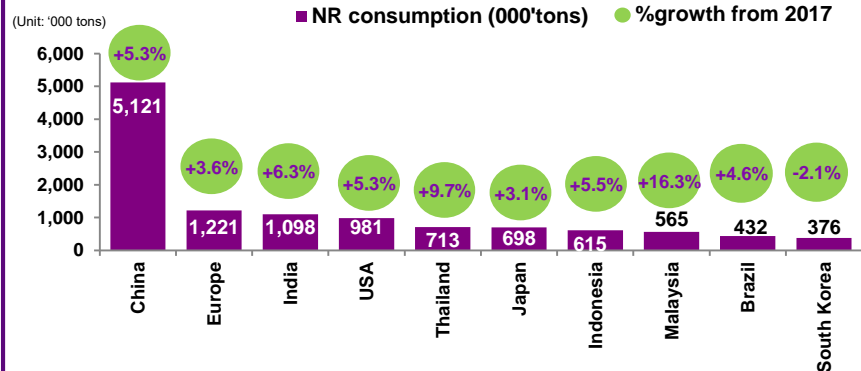
NR Demand

2018f Major Consumers of Natural Rubber

2018F global consumption growth = 3.5%

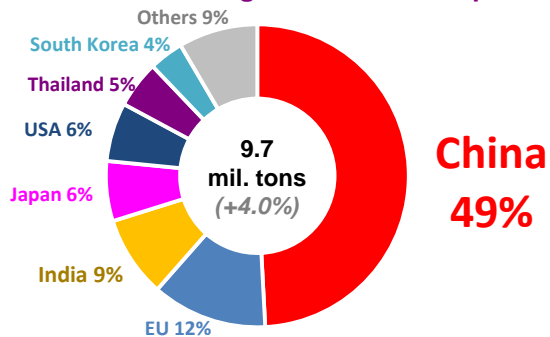


2018f NR Consumption



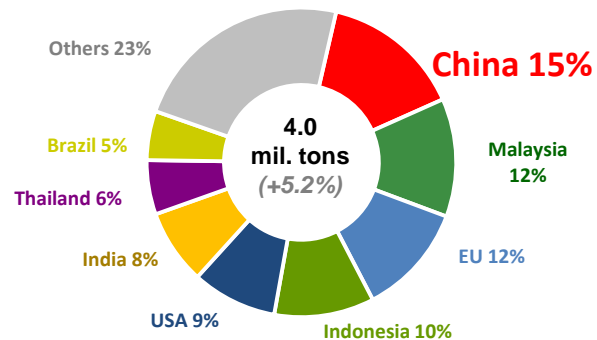
2018f NR Consumption in Tyre Industry

71% of global NR consumption in 2018F



2018f NR Consumption in Non-Tyre Industry

29% of global NR consumption in 2018F



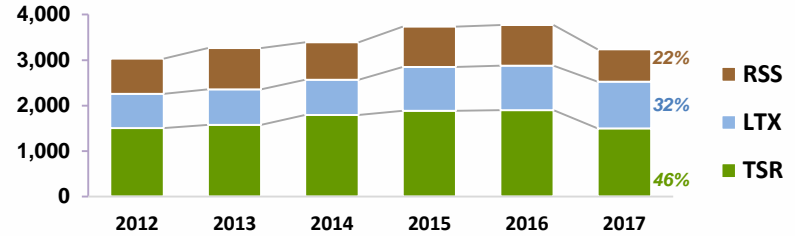
Situation of NR in Thailand in 2018F



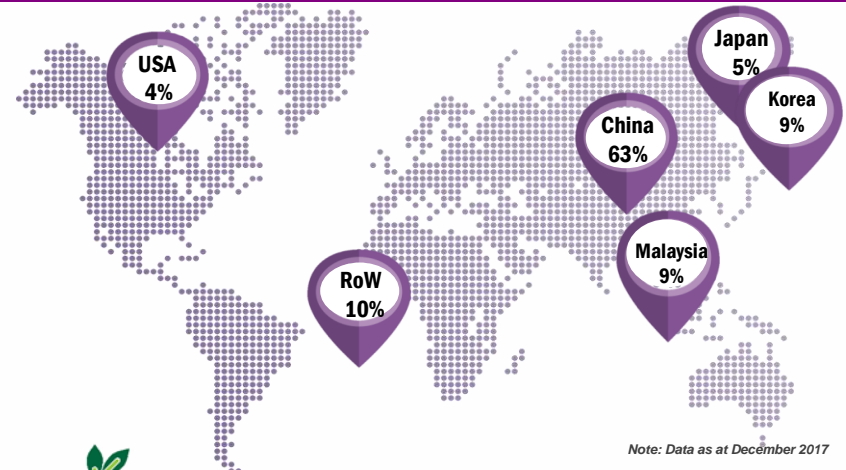
-  **22** mil. rai of plantation area
-  **28%** of global plantation
-  **36%** of global production
-  **5.0** mil. tons in production
-  **0.74** mil. tons in consumption

Tyre Consumption, 66%	Non-Tyre Consumption, 34%
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Thailand NR Production by Type



Thailand Major Market Destination

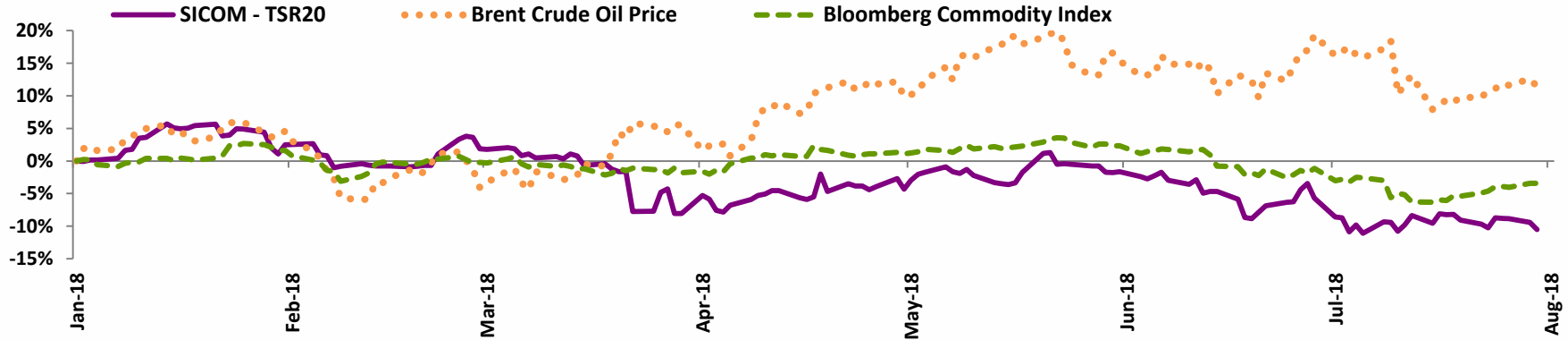


Note: Data as at December 2017

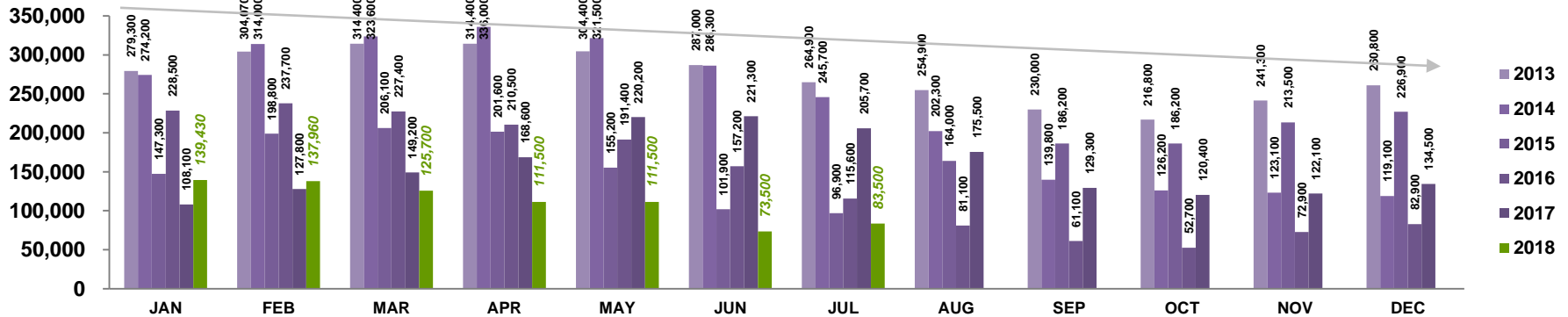


Commodity Price Movement & Qingdao Stocks

Commodity Price Movement



Natural Rubber & Compound Rubber Stocks at Qingdao [tons]



2018 Natural Rubber Industry Outlook

Supportive

- Strong economic growth in the US, China and Europe
- Rigid environmental policies in China
- Stable growth in NR consumption

- Government policy
- Currency movement

Concern

- Supply surplus situation
- Trade war
- Turkish debt crisis



SRI TRANG GROUP
Green
Rubber

Move Forward to the Green Rubber Company with over 30 years of our extensive experience and our commitment to sustainably developing natural rubber industry, we have initiated the concept of “The Green Rubber Company”



Thank you



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