



**SRI TRANG  
GLOVES**™

「Touch Of Life™」

# 3Q24 Performance

Sri Trang Gloves (Thailand) Plc.

19 November 2024



**SET100 Index** **SETESG Index** **SETCLMV Index**



**Excellent**  
Corporate Governance Score Appraised  
by Thai Institute of Directors



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**Gloves Business**

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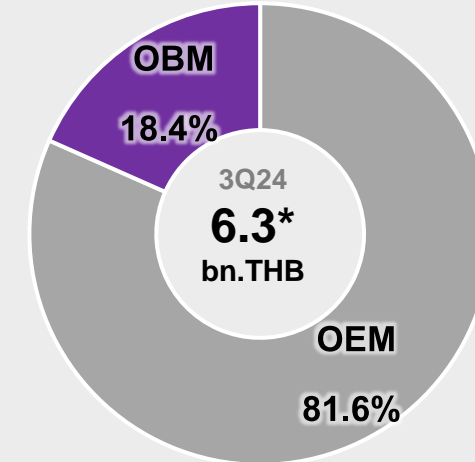
**ESG Commitment**

# The World's Leading Sustainable Gloves Manufacturer

## Supply 71 Product Types Worldwide

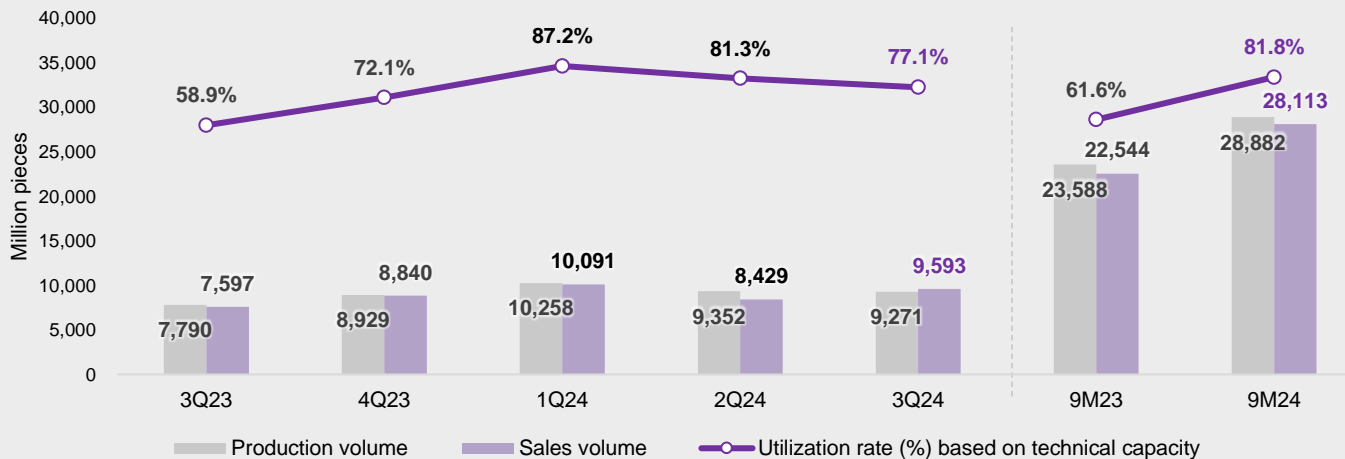


## STGT's Product Mix by Gloves Sales

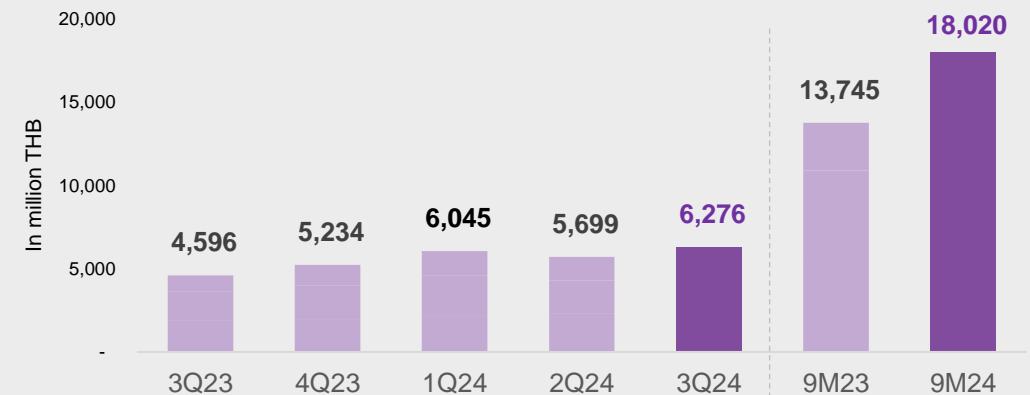


\*Non-glove sales revenue is excluded of THB 53.8 million.

## Sales Volume & Production



## Gloves' Sales Revenue



# 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.



## 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.



## 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.



## 6. Interest subsidy:

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



## 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.



## 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



# "Unique" in Various Aspects



## Dominant NR Glove Player

STGT is the only glove manufacturer having NR mix >50-80%



## Well Diversified Geography Revenue

30-40% of STGT has revenue contribution represented by Asia, where USA, EU and Latin accounts for <20% each



## No Exposure in Geopolitical Risks

Never exposed to any geopolitical conflict or trade war with any countries



## Resilient Production Facilities

Most of production facilities offer interchangeable of raw material in powdered-free offline process

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# STGT's Financial Highlights

## 3Q24:

### Revenue growth driven by sales volume

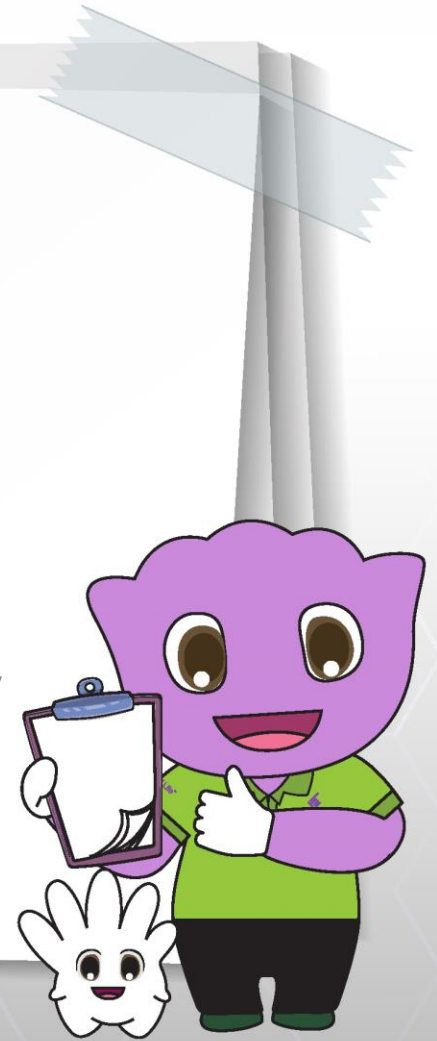
- Pent-up volume from freight logistics shipped in Q3 drove 13.8% increase in sale volume QoQ to 9,593 mm pcs.
- Strong appreciation of THB lowered ASP (THB) to 3.2% QoQ despite ASP(\$)<sup>1</sup> increased 2.1%

### Cost increase due to feedstock and lower U-rate

- Passthrough NBR feedstock costs in ASP was under transition period before the new US tariff
- Cost per unit increased due to lower U-rate from 81% to 77% (lower leverage of fixed costs) as well as increase of price of woodchip
- Better control in SG&A to sales from 7.3% to 6% despite freight and lorry rates increase

### Debt leverage remains at a low level

- Net IBD/equity ratio stood at 0.04x, EBITDA THB513 mm and positive cashflow from operation of THB 1,076 million





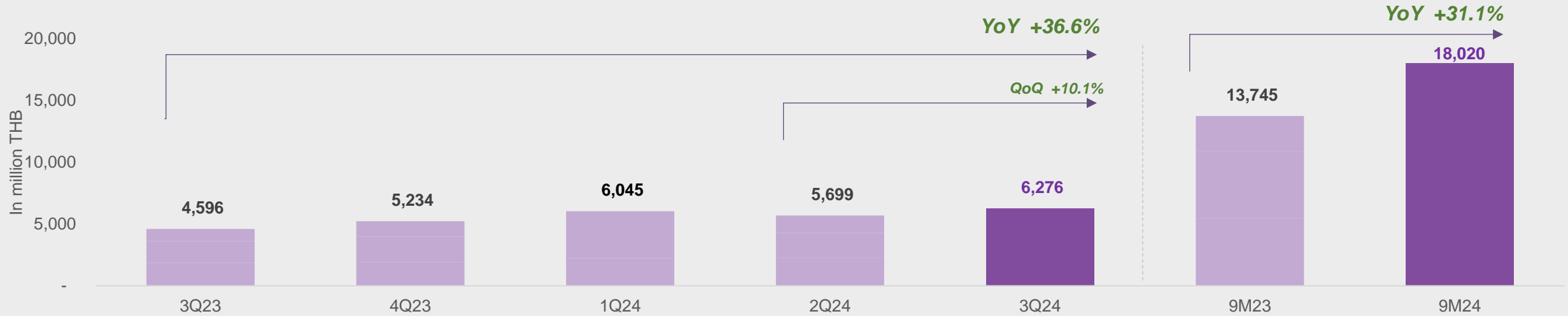
# 3Q24 Financial Highlights

(In million THB)

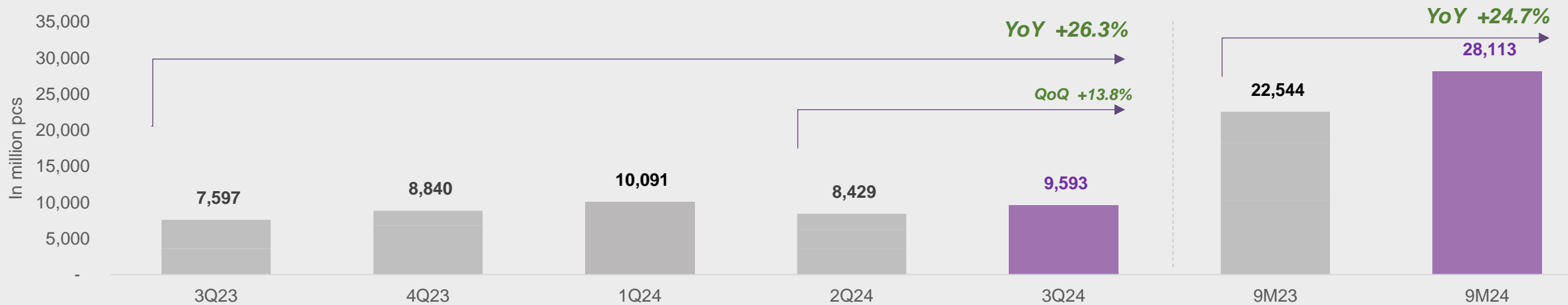
	3Q24	2Q24	%QoQ	3Q23	%YoY	9M24	9M23	%YoY
Volume (in million pcs.)	9,593.0	8,429.2	13.8%	7,596.7	26.3%	28,113.2	22,543.6	24.7%
Sales revenue	6,443.2	5,735.6	12.3%	4,740.9	35.9%	18,229.2	14,359.0	27.0%
COGS	(6,112.8)	(4,962.0)	23.2%	(4,145.5)	47.5%	(16,614.6)	(12,758.5)	30.2%
Gross profit	330.4	773.6	-57.3%	595.4	-44.5%	1,614.5	1,600.4	0.9%
Other income	38.4	39.8	-3.5%	45.1	-15.0%	107.9	118.0	-8.6%
SG&A	(386.1)	(421.5)	-8.4%	(513.2)	-24.8%	(1,231.0)	(1,469.9)	-16.3%
Gain (loss) on exchange rate, net	(355.5)	23.3	NM	57.7	NM	(187.1)	128.6	NM
Other gain (loss), net	290.9	(16.5)	NM	(101.8)	NM	158.6	(139.5)	NM
Operating profit (loss)	(81.9)	398.7	NM	83.1	NM	463.0	237.7	94.8%
EBITDA	512.8	985.4	-48.0%	607.6	-15.6%	2,190.0	1,725.3	26.9%
EBIT	(16.5)	489.5	NM	(8.7)	88.5%	711.6	485.6	46.5%
Finance income	65.5	90.8	-27.9%	98.2	-33.3%	248.6	247.9	0.3%
Finance costs	(75.2)	(73.3)	2.6%	(79.4)	-5.3%	(220.8)	(229.7)	-3.8%
EBT	(91.6)	416.2	NM	102.0	NM	490.7	255.9	91.7%
Tax	5.1	(37.8)	NM	(54.6)	NM	(52.1)	(61.0)	-14.6%
Net profit	(86.5)	378.4	NM	47.4	NM	438.6	195.0	125.0%
GP margin	5.1%	13.5%	-8.4%	12.6%	-7.4%	8.9%	11.1%	-2.3%
EBITDA margin	8.0%	17.2%	-9.2%	12.8%	-4.9%	12.0%	12.0%	0.0%
Net profit margin	-1.3%	6.6%	-7.9%	1.0%	-2.3%	2.4%	1.4%	1.0%
<b>Financial Ratio</b>								
Current ratio	2.00	2.32	-13.8%	3.86	-48.3%	2.00	3.86	-48.3%
Cash cycle (days)	50.27	54.71	-8.1%	63.34	-20.6%	46.25	55.78	-17.1%
Net IBD/E	0.04	0.04	25.5%	0.22	-79.5%	0.04	0.20	-77.9%
Interest coverage ratio	11.99	1.19	906.0%	8.21	46.0%	(4.22)	4.92	NM
ROA	-0.7%	3.1%	-122.9%	0.4%	-281.7%	1.2%	0.5%	0.7%
ROE	-0.9%	3.9%	-4.8%	0.5%	-1.4%	2.4%	0.7%	1.7%

# Gloves' Sales Revenue and Volume

## Sales Revenue

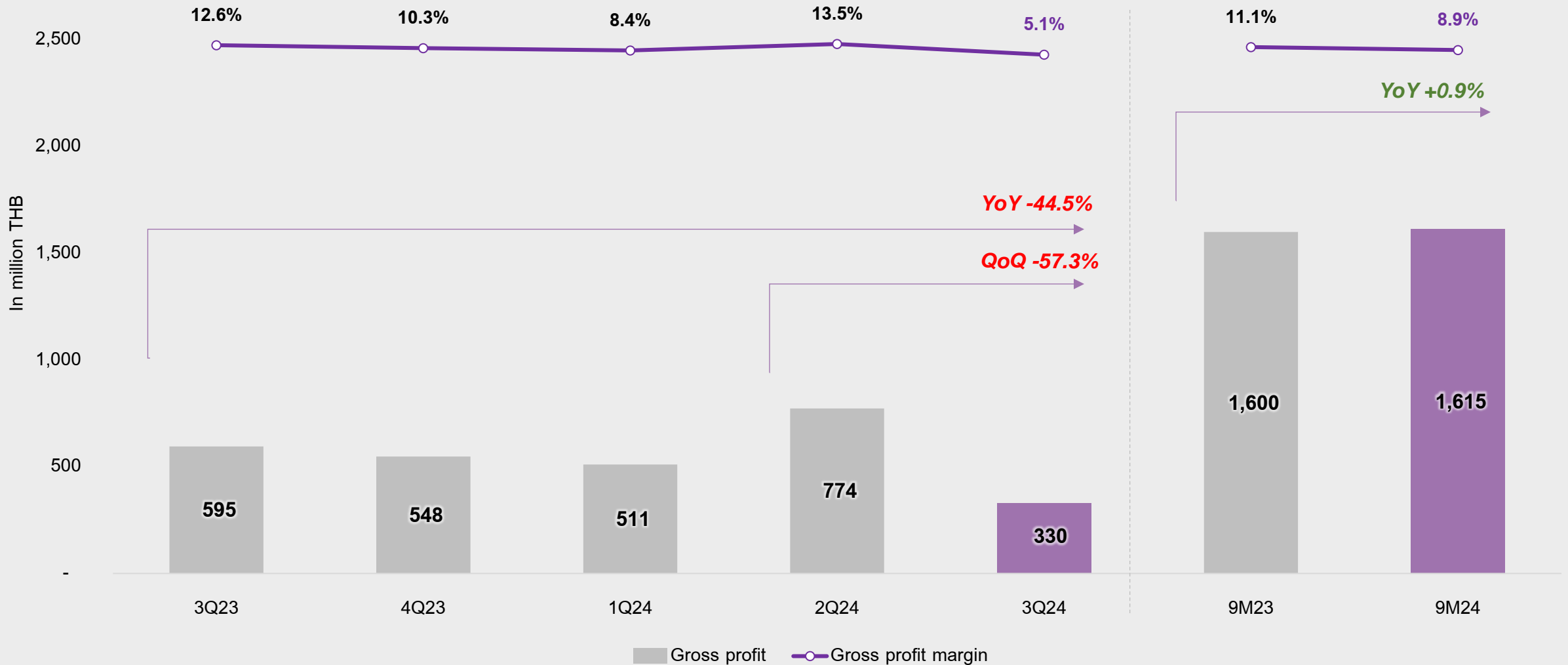


## Sales Volume

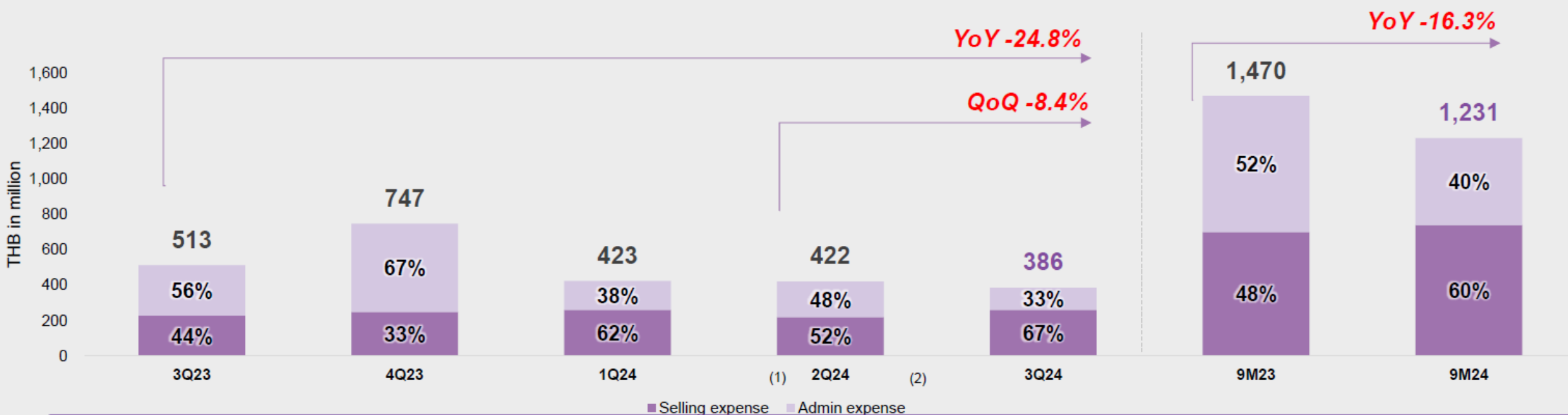


# Gross Profit Margin

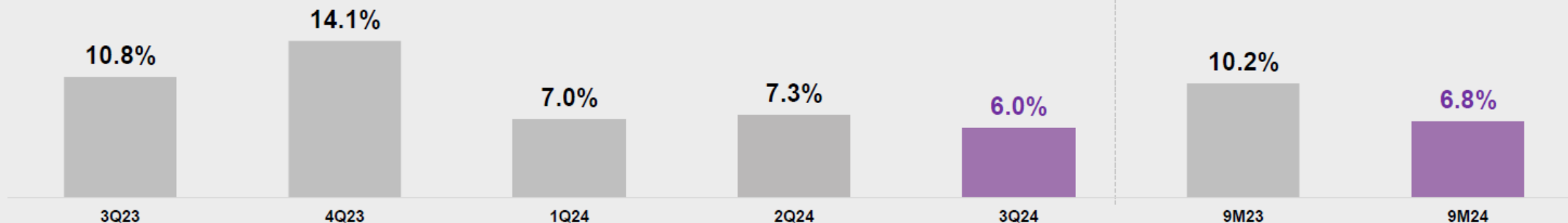
## Gross Profit and Gross Profit Margin



## SG&A Breakdown



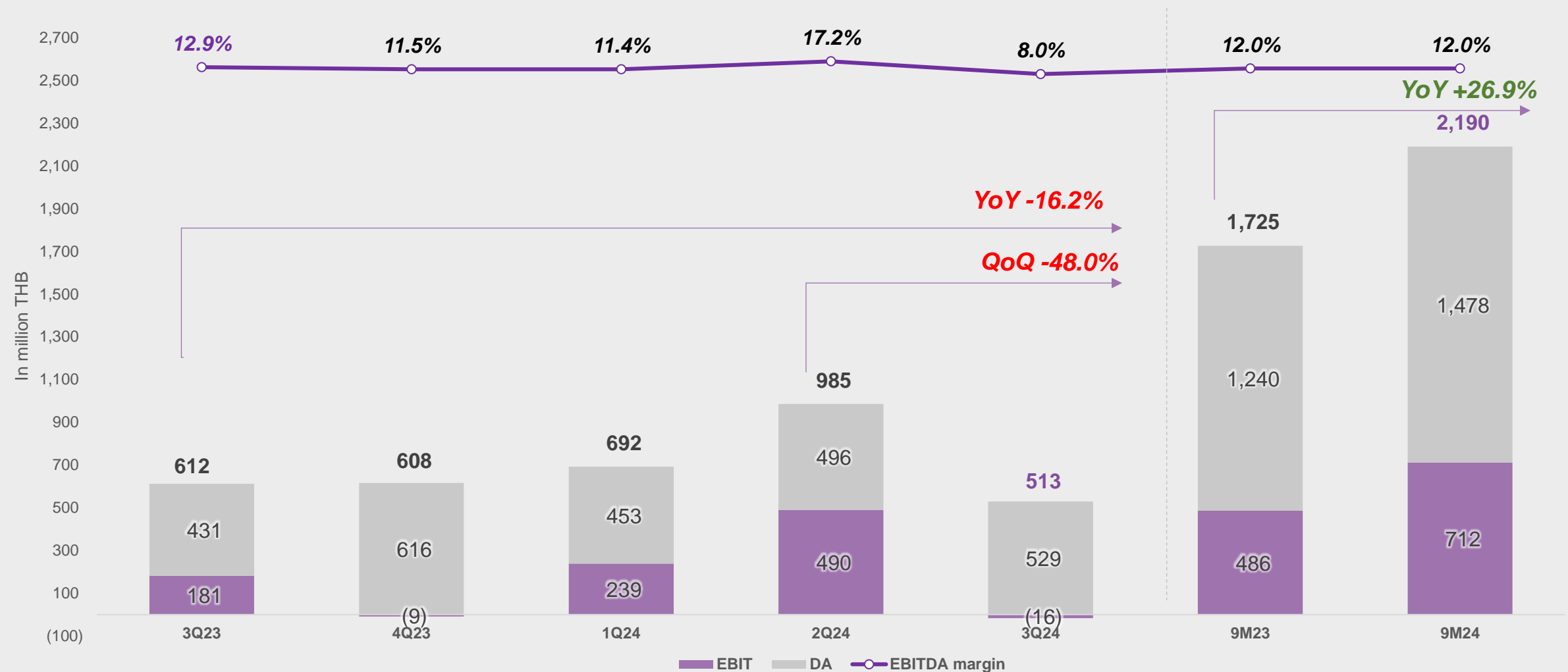
## SG&A/Sales



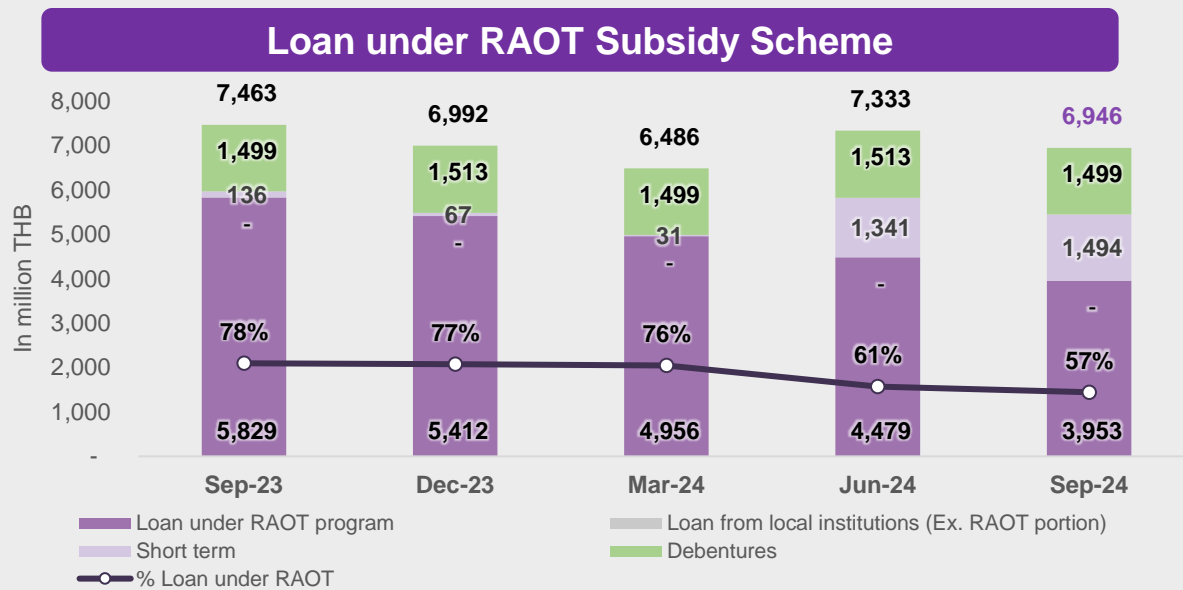
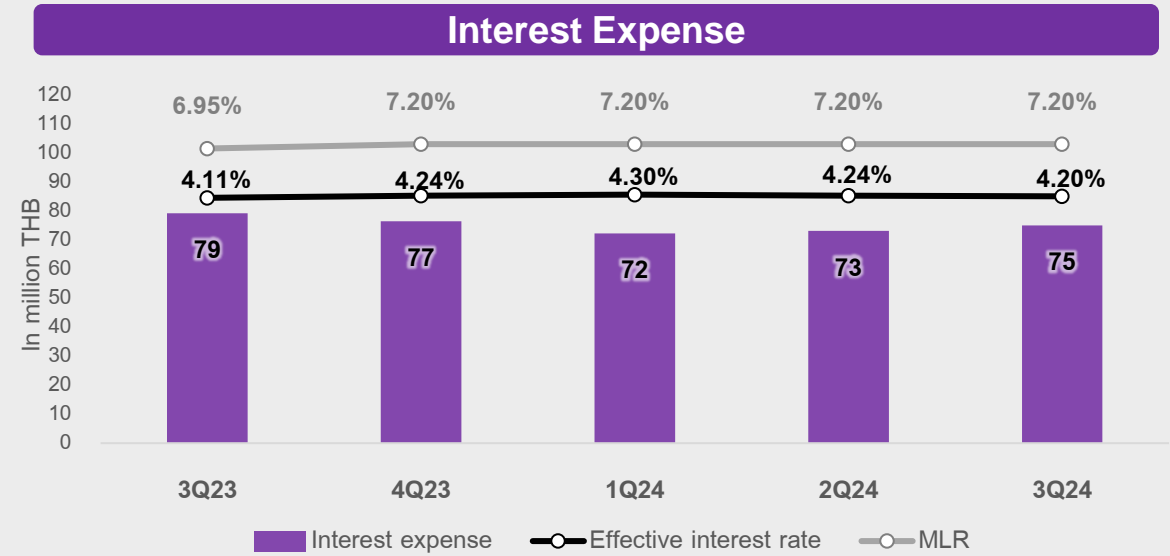
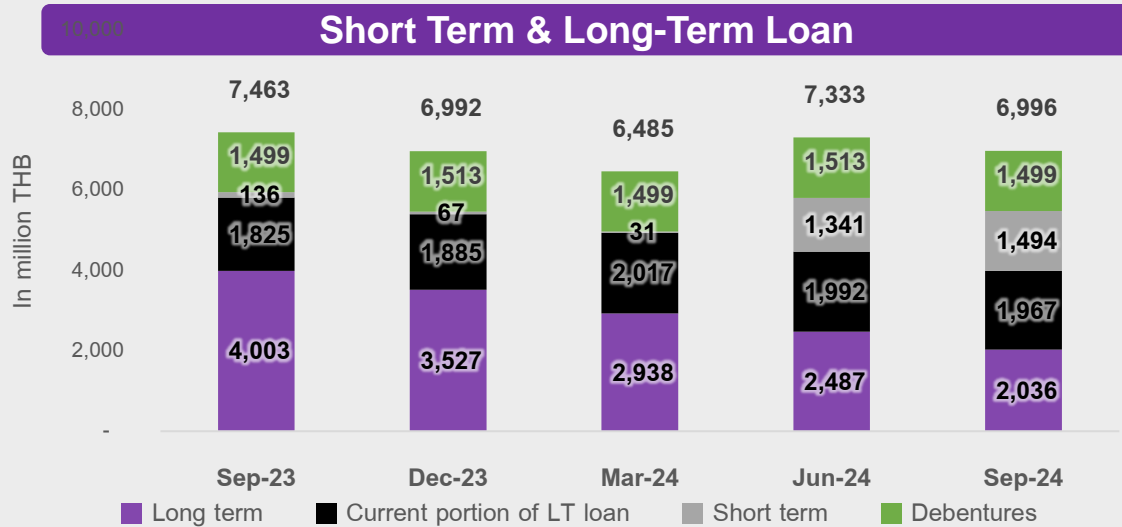
Note: (1) includes transportation, salary, commission, promotional expenses and insurance  
 (2) includes salary, office rental, professional fee, bank charge and allocation of depreciation from lower utilization than norm

# EBITDA

## EBITDA and EBITDA Margin



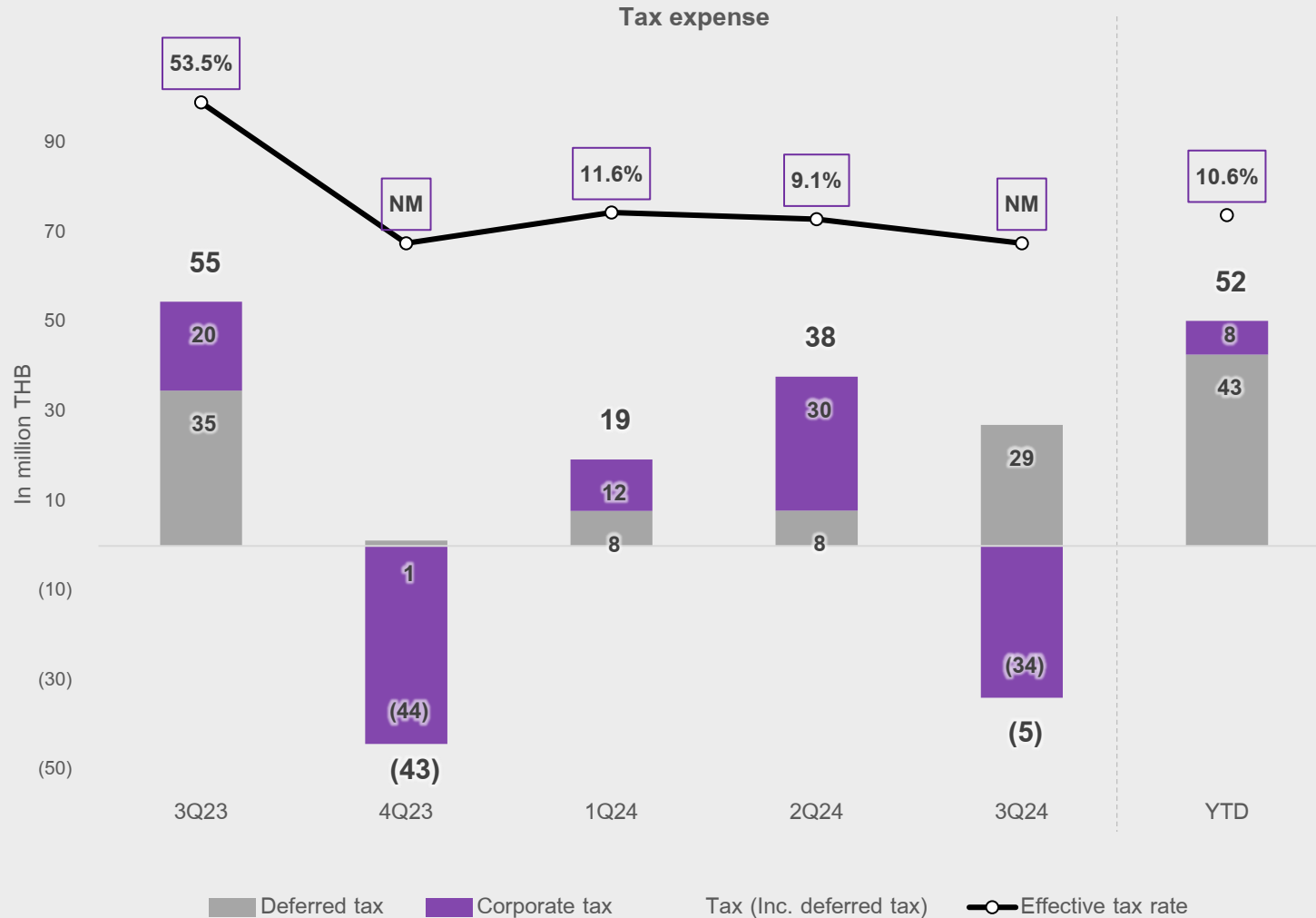
# Interest Expenses



- RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.
- 57% of our financing is long term-loan under RAOT interest subsidy scheme.

# Effective Tax Rate

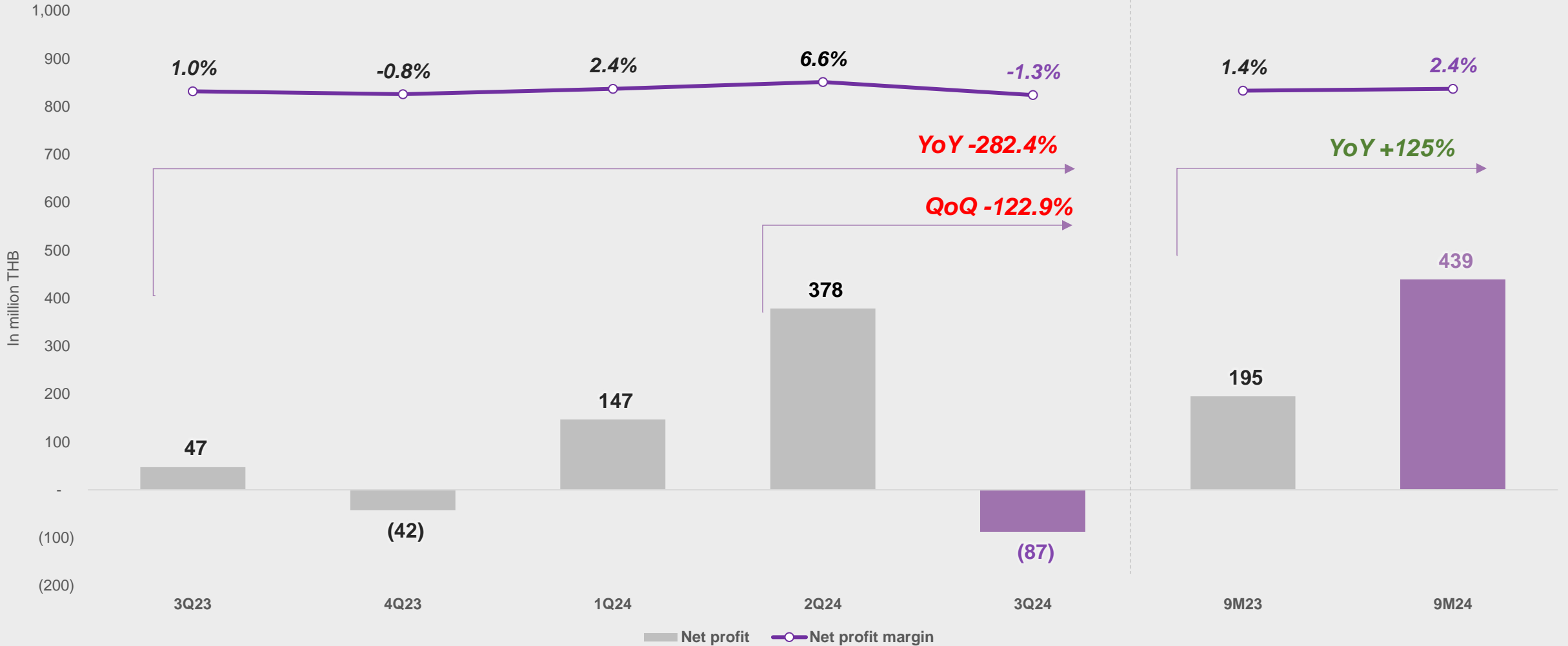
## Effective Tax Rate 3Q24



- Effective tax rate was at 10.6% in 9M24
- 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





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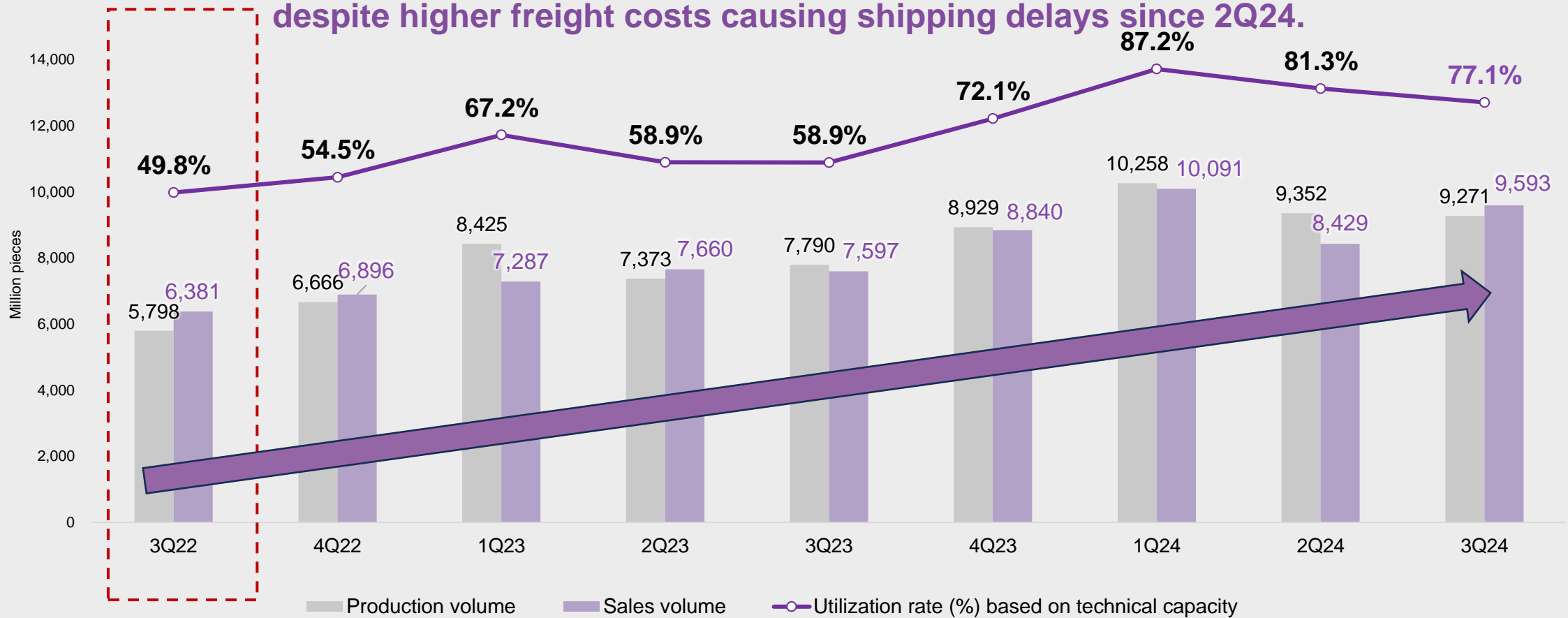
ESG Commitment



# Sign of Recovery

## STGT's Production & Sales Volume

STGT's sales volume was higher YoY and showed an improvement since 3Q22, despite higher freight costs causing shipping delays since 2Q24.





**Leadership**  
Enhancement

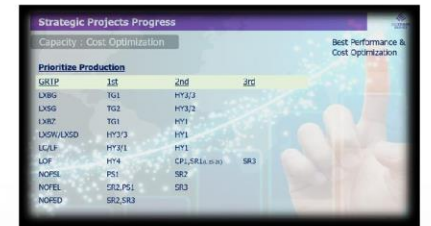
## 1. Expand the Product Lines to Other specialty Gloves

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



## 2. Optimize the Production Capacity

Utilize facilities to maximize the profitability for each product category.

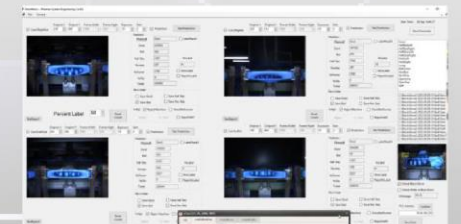


## 3. Market Expansion to Various Countries

In 2023, we had expanded our market by entering new countries to Haiti and Sierra Leone, marked our presence for 175 countries worldwide.

## 4. Application of Automation and Technology moving to AI

These boost efficiency, safety, cost reduction, and enhance product quality. These technology have adapted quickly to market demands and provided strategic insights through rapid data analysis, improving decision-making in the production process.



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# Headwinds: Our Competitors are Facing

## China

Unfair trade practices and subsidies that have flooded global markets with cheap Chinese products.

The escalating trade tensions between the United States and China have reached a new height with the focus shifting to many industries.

On Sep 13, 2024, the US announced that tariffs on Chinese medical and surgical gloves would rise from 7.5% to 50% in 2025 and further increase to 100% in 2026. Higher and faster than the announcement in May 2024. However, for non-medical gloves, China has been exposed for 25% higher tariff than Thailand.



## Malaysia

The government's pledge to aim for a drastic reduction in foreign workers under the 13th Malaysia Plan (13MP).

Key impact is on cost and labour productivity that manufacturers need to invest in training and upskilling their local workers to address skills gaps.

The ceiling for foreign workers at 15% of the total workforce will derail the ramp-up utilization rate of glove production.



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# Our ESG Awards/Achievements

## Management Certificates



Green Industry Level 4



Forest Stewardship Council™  
FSC™-COC (Chain-of-Custody)

## Carbon Certificates



Carbon Footprint for Organization (CFO)



Carbon Footprint of Product (CFP)



Thailand Voluntary Emission Reduction Program (T-VER)

## Membership & Network



Member of Thailand Carbon Neutral Network



Sustainability Disclosure Community (SDC)

## ESG Ratings



## 2024 Awards and Recognition



**Set Awards 2024 for Sustainability Excellence (Highly Commended Awards)** for the second consecutive year from the Stock Exchange of Thailand.



**SX TSCN Sustainability Award** at the SX Partnerships for the Goals: TSCN Business Partner Conference 2024

**Business Partners Platinum Awards 2024 : the Platinum level** at the ThaiBev Business Partner Award.



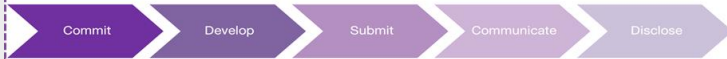
**Green Industry Award, Level 4: Green Culture** from the Ministry of Industry



**Science Based Target method (SBTi) and Climate Action Leading Organization (CALO)**

# Climate Change Ambition Pathway (Scope 1&2): How Are We Doing

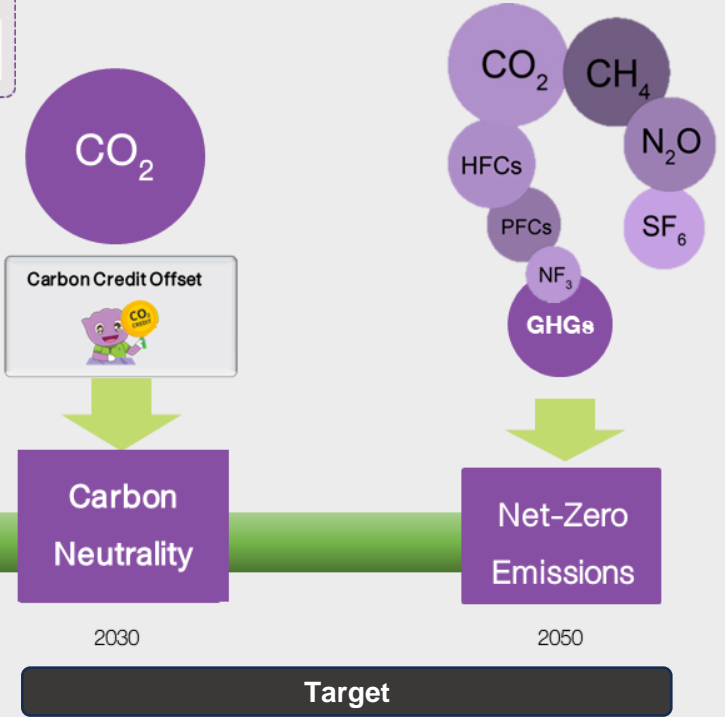
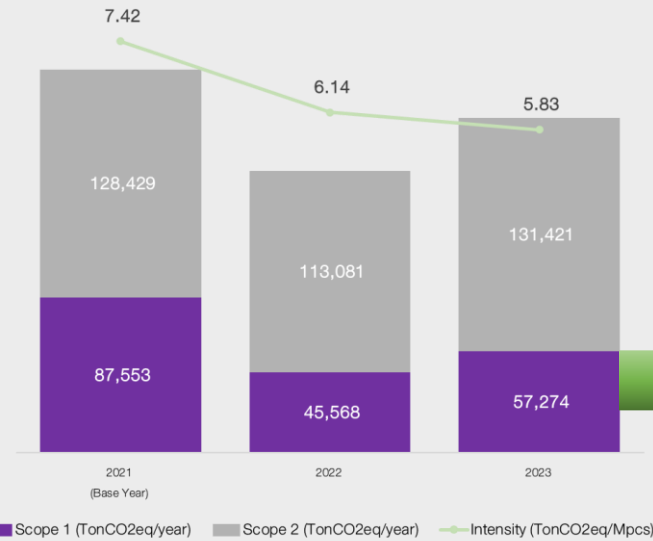
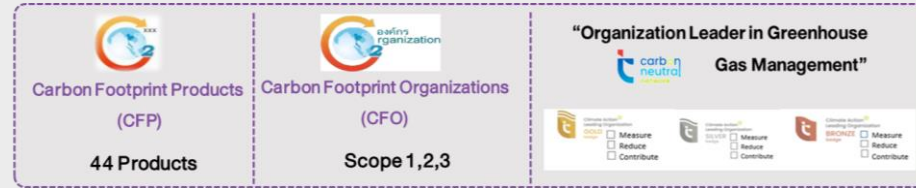
The project to promote the setting of industrial sector greenhouse gas emission targets towards Net Zero using the SBTi



- Commit**: Complete and submit relevant commitment letter
- Develop**: Develop your target(s) in line with our science-based criteria
- Submit**: Submit your target for validation
- Communicate**: Announce your target and inform your stakeholders
- Disclose**: Disclose your progress



The CEO's announcement of commitment to achieve Net Zero on 06 June 2024



## Climate Strategy



### Efficiency Improvement

Maximize energy efficiency in operations and reduce GHG from significant sources

- Biomass Renewable Energy
- Energy Efficiency Improvement

### Breakthrough technology

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

**Solar Project**  
(Solar Roof / Solar Floating / Solar Farm)

EV Forklift EV Car

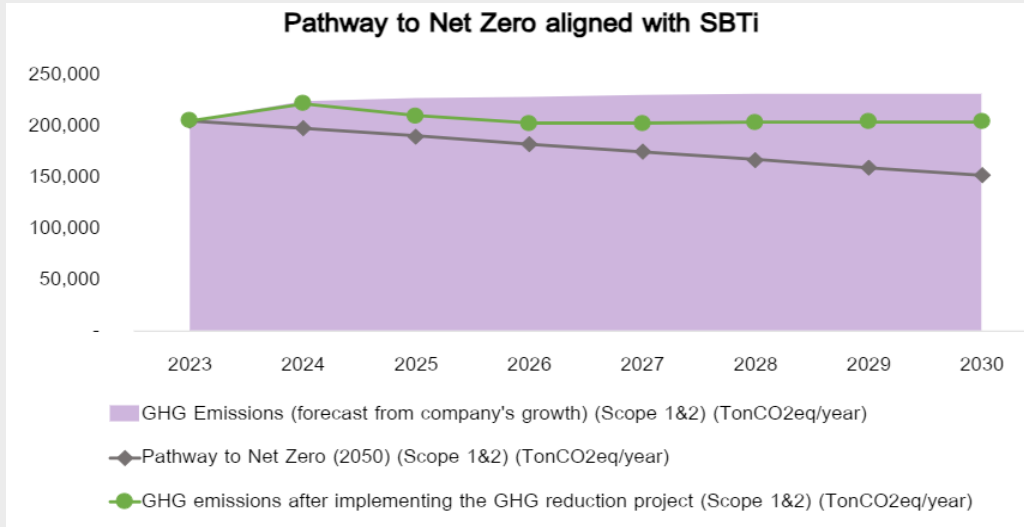
### Sri Trang Carbon offsetting and absorption

Sri Trang Group Carbon Credit  
T-VER plantation registration

CARBON CREDIT CCS/CCUS  
Carbon Capture, Utilization and Storage



# Net Zero Pathway: New Target aligned with SBTi



## Carbon Neutrality Roadmap

	Jan-Sep 2024 (Actual)	2024	2025	2026	2027	2028	2029	2030
<b>Target</b>	6.15%	3.70%	7.41%	11.11%	14.81%	18.52%	22.22%	25.93%
<b>Scope 1</b>								
• Auto blow: 2			• Auto blow: 5					
• EV Forklift: 12			• Absorption Chiller: 1	Co-generation: 1				
<b>Scope 2</b>								
• Solar rooftop 2.997 MWp.			• EV WL: 4			EV Forklift: 7	EV Forklift: 2	EV Forklift: 2
• Solar floating 6.762 MWp.			• EV Forklift: 11					
			• Solar rooftop 9.722 MWp.			Solar rooftop 2.200 MWp.		
			• Solar floating 6.762 MWp.					
<b>Total Reduction (TonCO<sub>2</sub>e<sub>q</sub>)</b>		<b>2,545</b>	<b>16,492</b>	<b>25,246</b>	<b>27,171</b>	<b>27,102</b>	<b>27,035</b>	<b>26,795</b>
								<b>Carbon Credit Offset</b>
								<b>Carbon Neutrality</b>

**Target**

Reducing greenhouse gas emissions (scope 1&2) per product unit by 25.93% within 2030 compared to 2023 (base year)





# EUDR Shipment



## Shipment

- 1<sup>st</sup> order shipment on 16/08/2024
- Continue order until October 2024



## Volume

- Total volume of EUDR products since August - October 2024 = **103,167,700 pcs**



STGT delivered rubber gloves that comply with the **EU Deforestation Regulation (EUDR)** to European customers, with traceable raw materials through STA's Sri Trang Friends application and GPS Rubber system. This traceability supports global standards and reinforces STGT's market adaptability amid rapidly changing global dynamics, providing a competitive edge.



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

「THANK YOU VERY MUCH」



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