

STA

2Q21 Presentation



THE WORLD'S LEADING FULLY INTEGRATED GREEN RUBBER COMPANY



The Stock Exchange of Thailand

SET50 Index



The Stock Exchange of Thailand

SETTHSI Index

Agenda



1. Financial Performance



2. STA Business Highlights

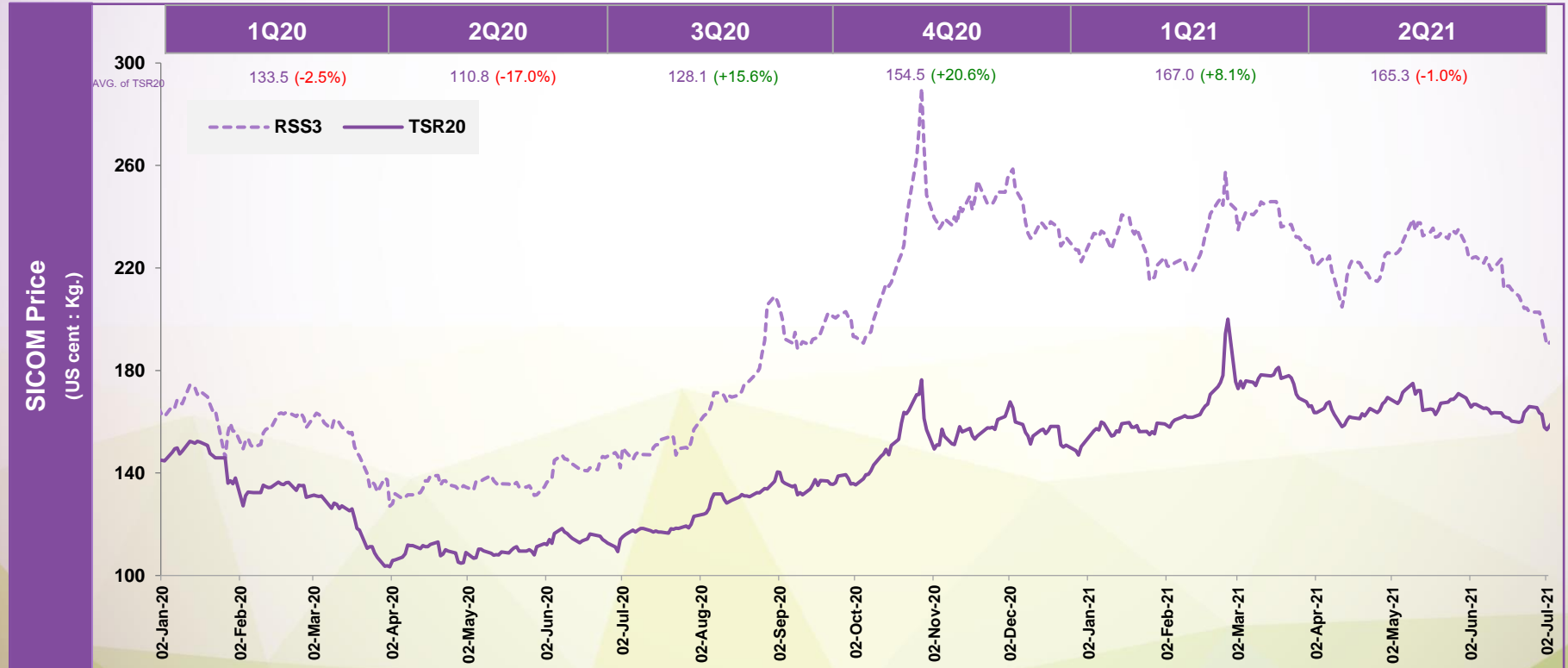


3. Natural Rubber Market Situation

1 *FINANCIAL PERFORMANCE*



Rubber Price Movement



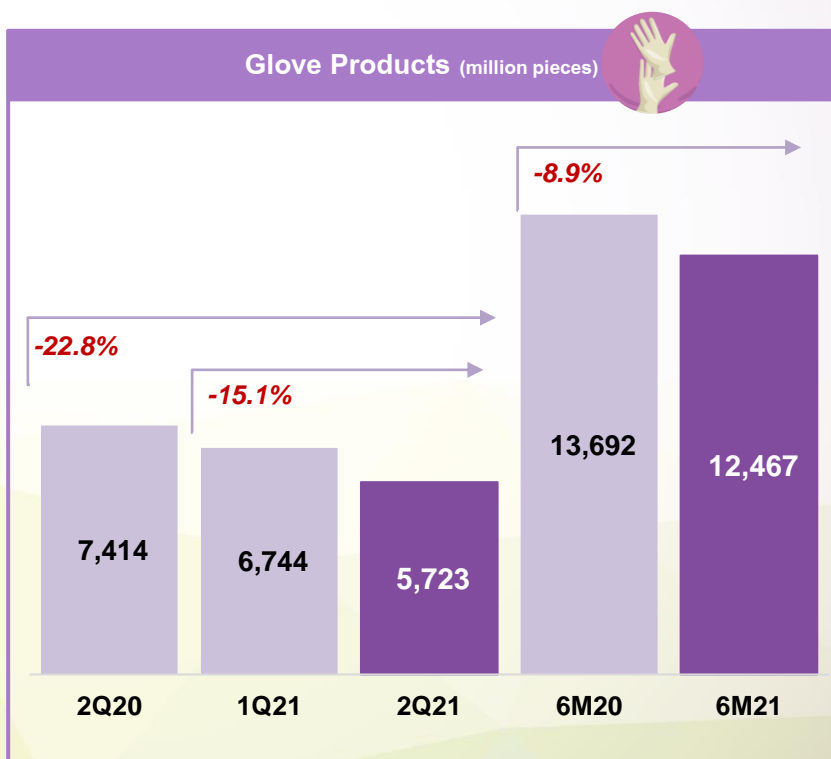
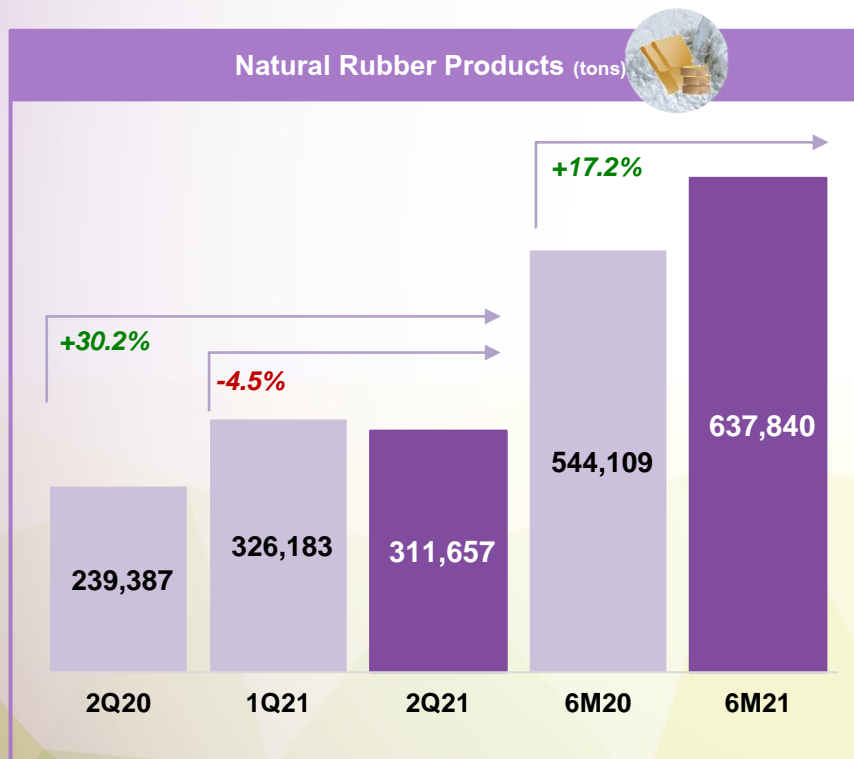
ABBREVIATIONS

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

Sales Volume

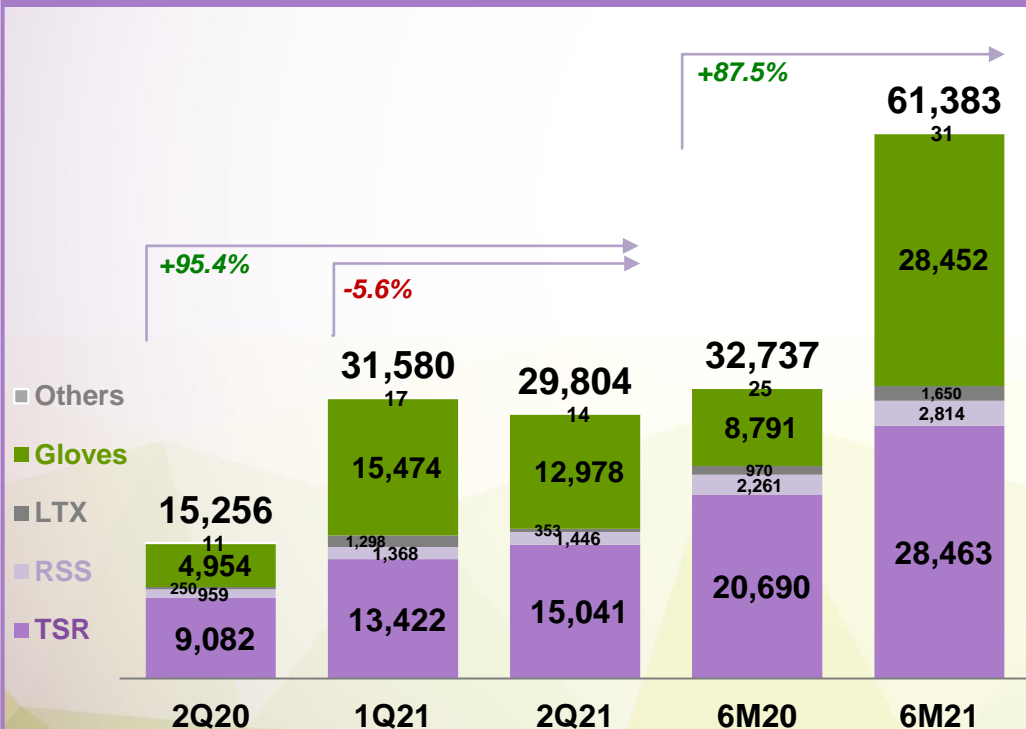
– NR's Sales Volume Maintained Growth Momentum

– Glove's Sales Volume Dropped due to COVID Cases in Factories and Logistics Issue

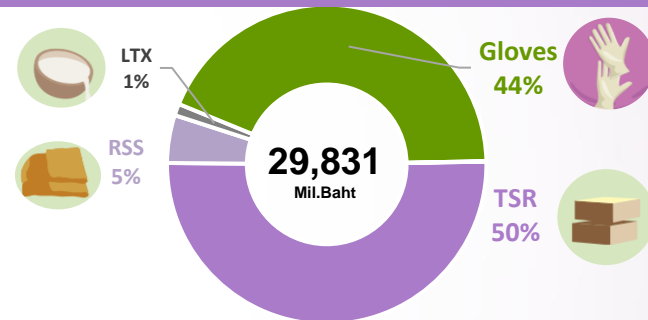


Sales Revenue – Natural Rubber Contributed 56% of Total Revenues

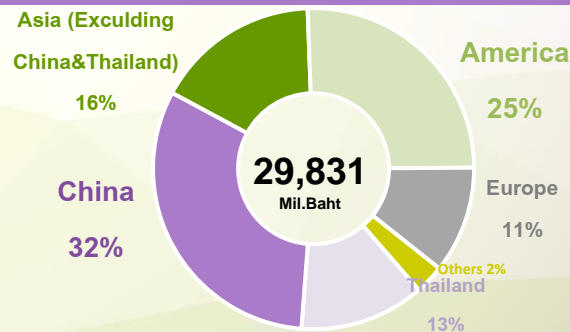
Sales Revenue by Product (THB million)



Sales Breakdown by Product [2Q21]



Sales Breakdown by Region [2Q21]



ABBREVIATIONS

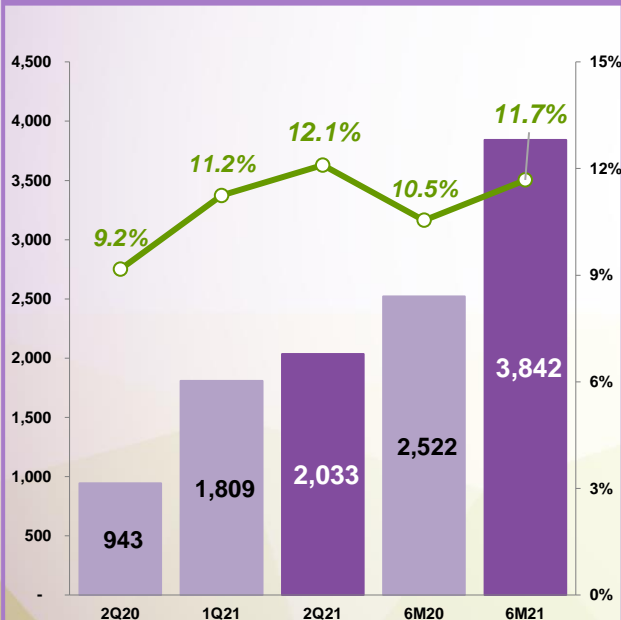
RSS : Ribbed smoked sheet
TSR : Technically specified rubber, which includes STR and SIR

LTX: Concentrated Latex

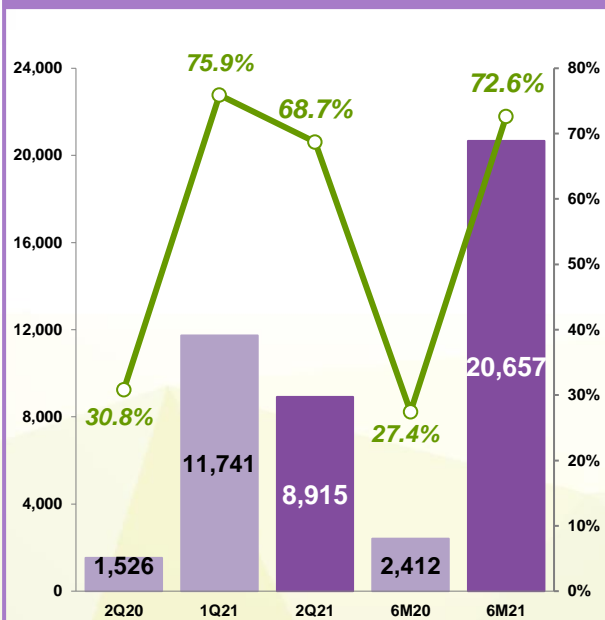
® Sri Trang Agro-Industry Plc.

Gross Profit – Robust GPM

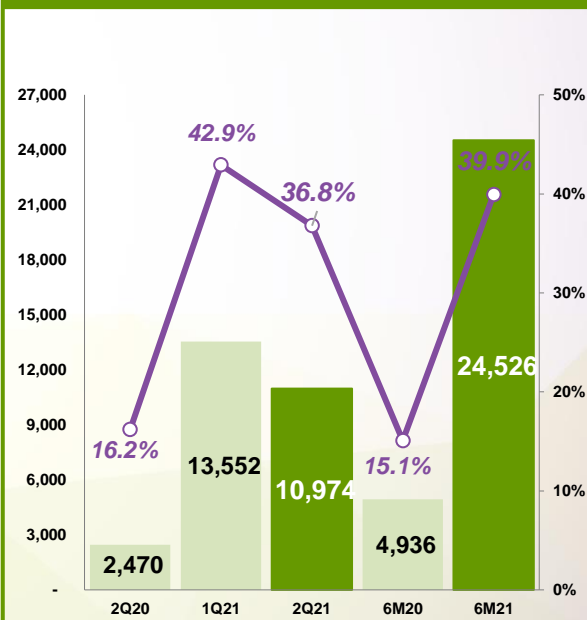
NR's Gross Profit (THB million)



Glove's Gross Profit (THB million)

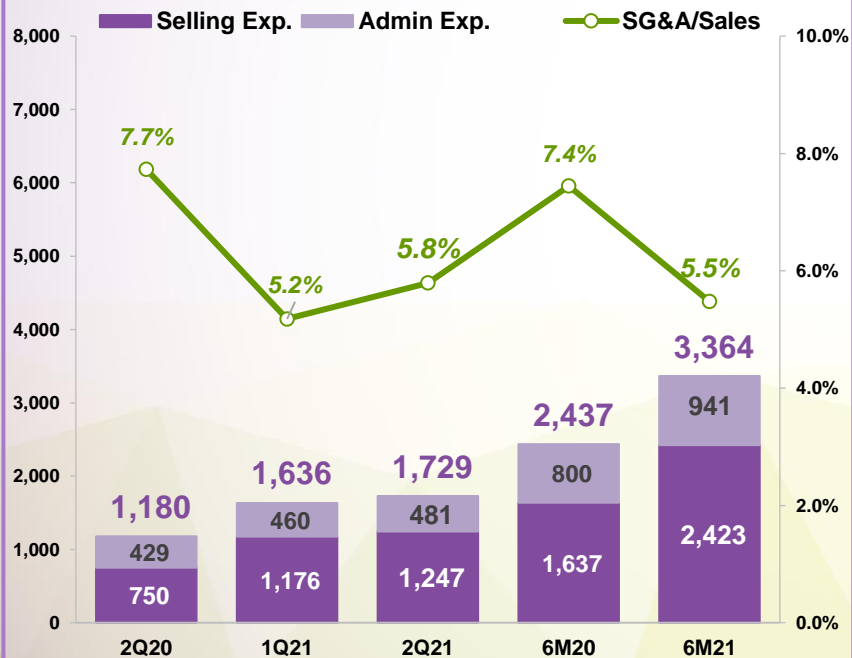


Blended Gross Profit (THB million)

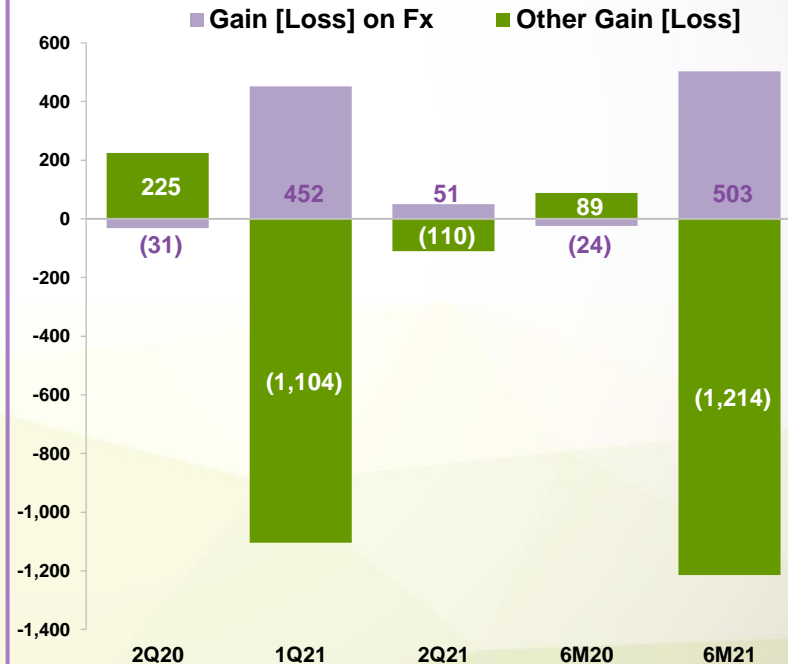


SG&A, Gain on FX, and Other Gain

SG&A (THB million)

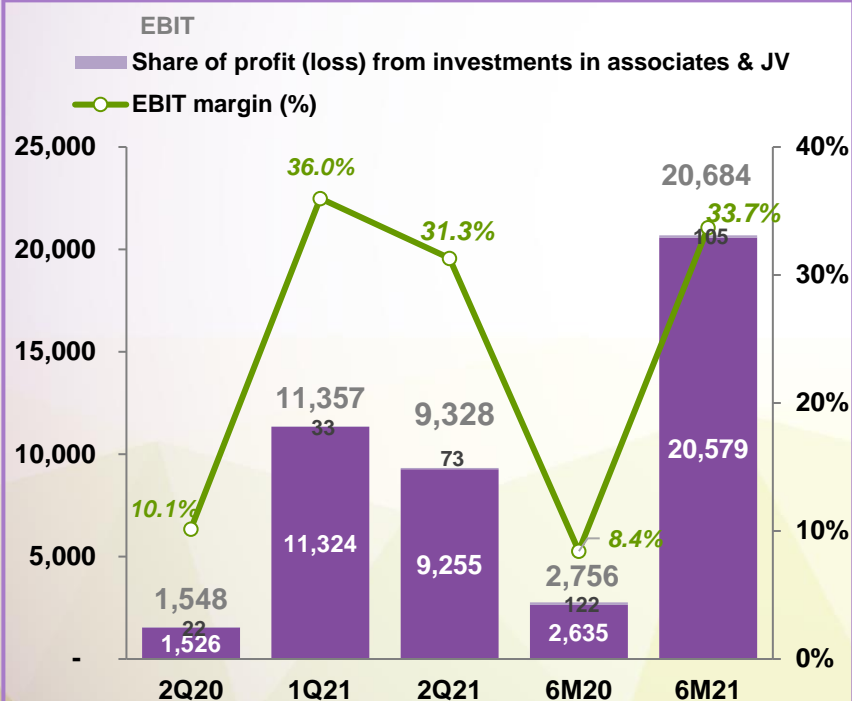


Gain on FX from AP & AR, and Other Gain (THB million)

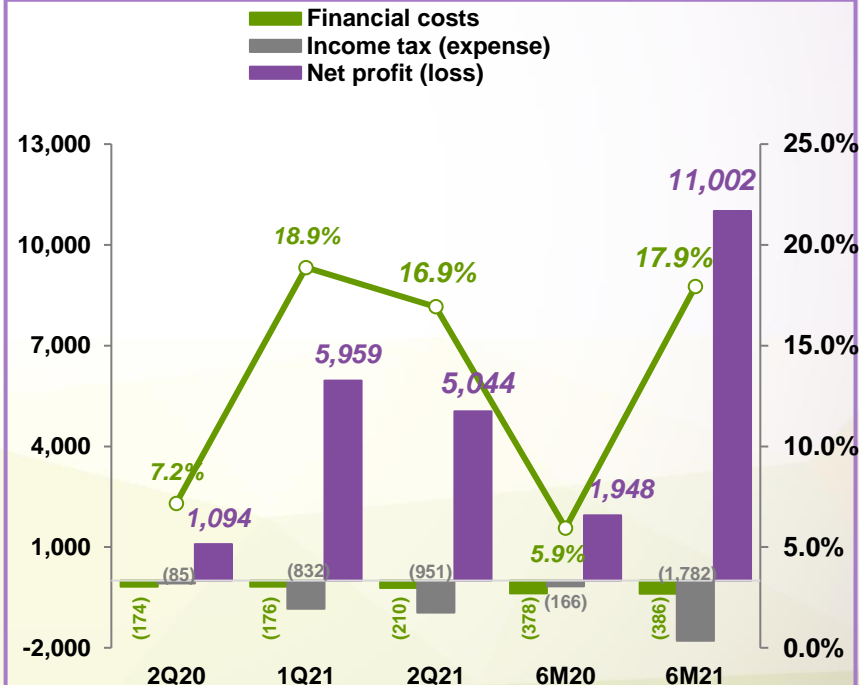


EBIT & Net Profit

EBIT (THB million) - Quarterly



Net Profit (THB million) – Quarterly



Financial Highlight

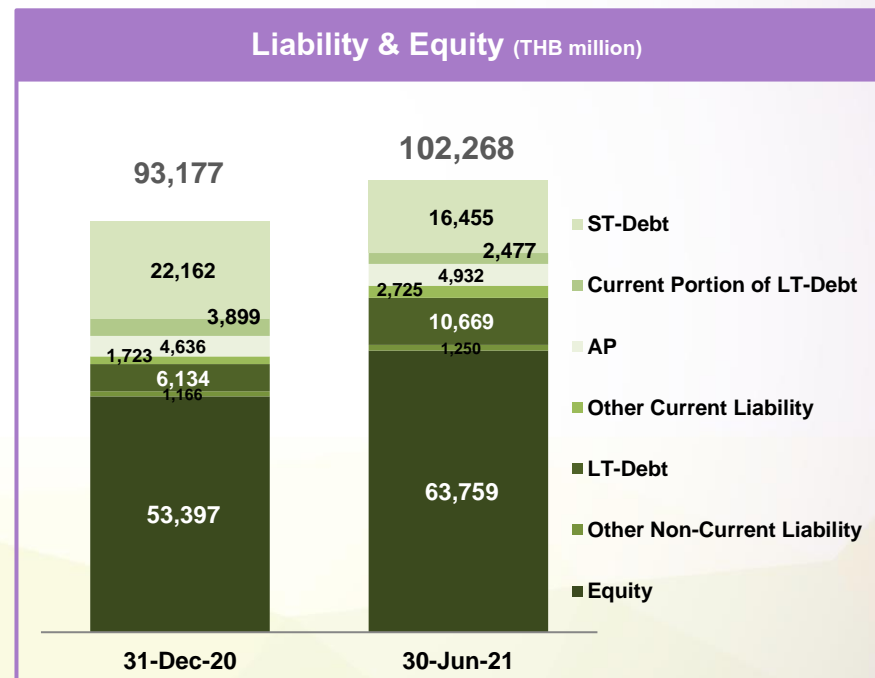
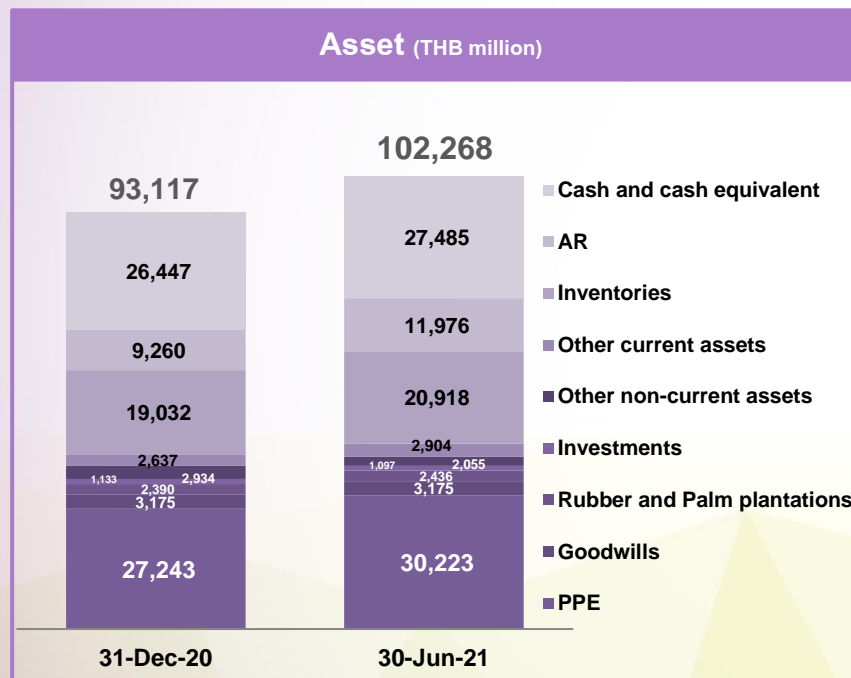
(Unit : THB million)	2Q21	2Q20	%YoY	1Q21	%QoQ	6M21	6M20	%YoY	FY20
Revenue	29,804	15,256	95.4%	31,580	-5.6%	61,383	32,737	87.5%	75,479
NR Sales volume (tons)	311,657	239,387	30.2%	326,183	-4.5%	637,840	544,109	17.2%	1,032,284
NR Avg. selling price (USD per ton)	1,723	1,346	28.1%	1,630	5.7%	1,676	1,391	20.4%	1,383
Gloves Sales volume (million pieces)	5,723	6,277	-8.8%	6,744	-15.1%	12,467	13,692	-8.9%	28,043
Gloves Avg. selling price (USD per 1,000 pieces)	72	76	-4.6%	21	245.8%	74	20	264.6%	35
Gross profit	10,951	2,470	343.3%	13,552	-19.2%	24,503	4,936	396.4%	21,781
Adj. gross profit**	10,555	2,364	346.6%	13,566	-22.2%	24,121	5,269	357.8%	22,014
SG&A	(1,729)	(1,180)	46.5%	(1,636)	0.0%	(3,364)	(2,437)	38.0%	(4,783)
Gains (loss) on exchange rate, net**	51	(31)	N/A	452	-88.8%	503	(68)	N/A	268
Other gains (loss)*	(114)	225	N/A	(1,104)	N/A	(1,218)	133	N/A	-81
Operating profit (loss)	9,255	1,526	506.5%	11,324	-18.3%	20,579	2,635	681.1%	17,535
Share of profit (loss) from investments in JV	73	22	225.4%	33	124.6%	105	122	-13.5%	169
EBITDA	10,110	2,245	350.4%	12,059	-16.2%	22,169	4,116	438.7%	20,505
EBIT	9,328	1,548	502.4%	11,357	-17.9%	20,684	2,756	650.4%	17,704
Finance costs, net	(210)	(174)	21.1%	(176)	19.5%	(386)	(378)	2.1%	(691)
Tax Income (expense)	(951)	(85)	1015.5%	(832)	14.3%	(1,782)	(166)	975.7%	(1,667)
Net profit	5,044	1,094	361.2%	5,959	-15.4%	11,002	1,948	464.8%	9,531
GP margin	36.7%	16.2%		42.9%		39.9%	15.1%		28.90%
Adj. GP margin*	35.4%	15.5%		43.0%		39.3%	16.1%		29.20%
Operating profit margin	31.1%	10.0%		35.9%		33.5%	8.0%		23.20%
EBITDA margin	33.9%	14.7%		38.2%		36.1%	12.6%		27.20%
Net profit margin	16.9%	7.2%		18.9%		17.9%	5.9%		12.60%

*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 9 related to financial instruments of currency and commodities

Balance Sheet – Very Strong Financial Status



6M21

22.5X

37.6X

0.60X

0.05X

ROA

ROE

D/E

Net Interest Bearing

FY20

12.59X

24.16X

0.74X

Debt/ Equity

0.11X

Growth Opportunity with Good Dividend Payment

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]
------------------	-------------	--------------	----------------------------

2021

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

2020

Nov 13, 2020	Nov 27, 2020	Dec 09, 2020	0.50
Mar 08, 2019	Apr 30, 2020	May 15, 2020	0.35

2

STA Business Highlights



About STA: The World's Leading Fully Integrated Natural Rubber Company

Established in 1987



Upstream

Rubber Plantations



45,000 rai

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



33

procurement centers

> 7,000

Rubber farmers and dealers being members of mobile application "SRITRANG Friends"

Midstream

Rubber Processing



34

NR processing plants in Thailand, Indonesia and Myanmar

2.8

million tons in production capacity per year

1.0

million tons sold in 2020

8%

market share of global natural rubber consumption in 2020

26%

market share of Thailand rubber production in 2020

Downstream

Rubber Gloves



3

locations of glove factories in Thailand

33

billion pieces of gloves in production capacity per year

28.0

billion pieces of gloves sold in FY20

160+

countries sold over the world

SRITRANG's
Global
Presence



Thailand



USA



Myanmar



Indonesia



Singapore

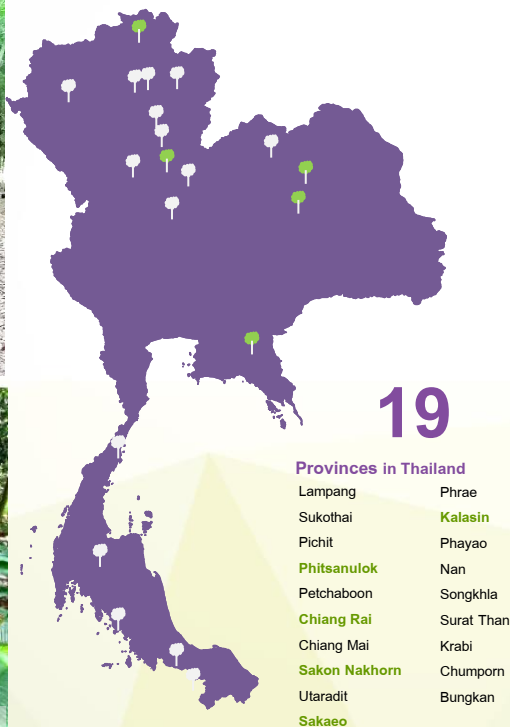


China

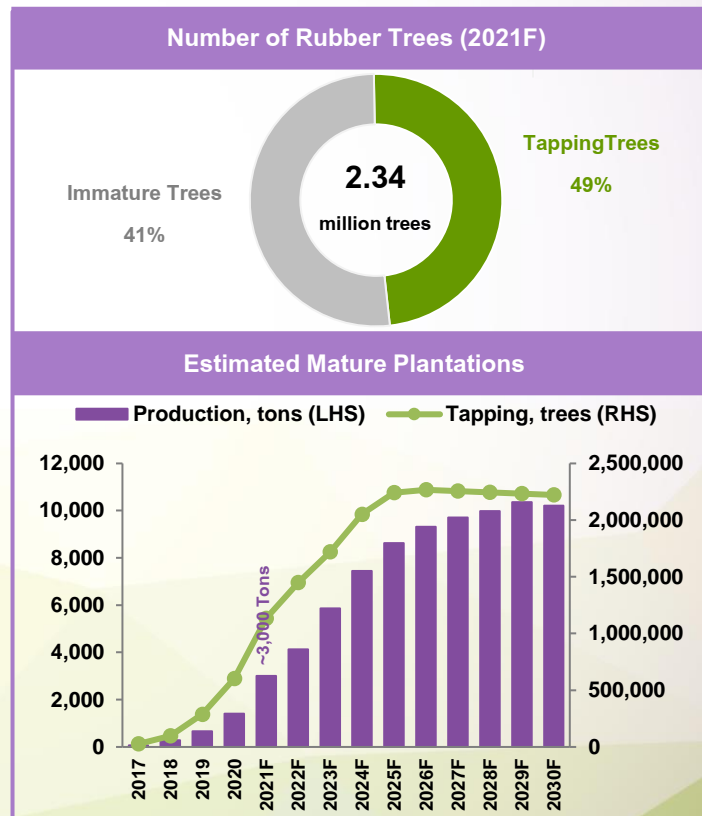


Vietnam

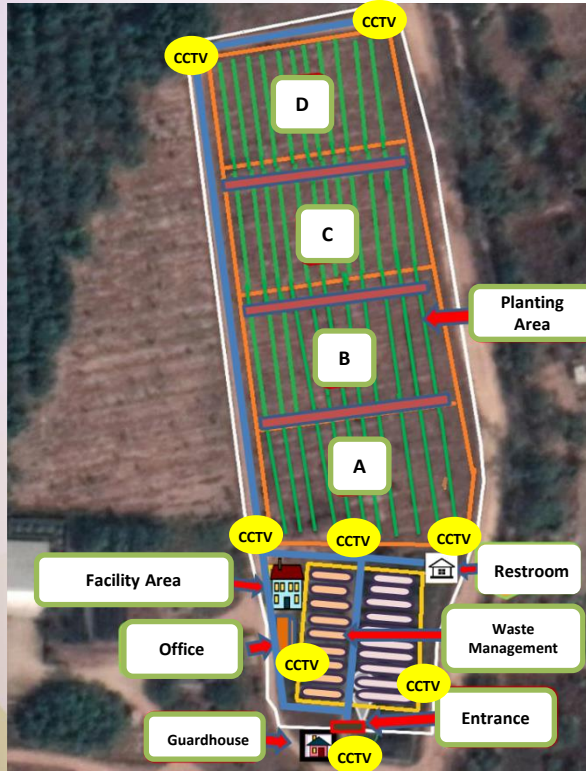
Upstream Operations – Rubber Plantation



Note: The green provinces are where our factories located in.



Upstream Operations – Hemp Plantation



Already submitted the Application for the initial project



Location: Thoen, Lampang, Thailand



Total Area: 5 Rais



Soil testing: To confirm no contamination of Arsenic, Cadmium, Lead, and Mercury

Adding Uniqueness by Providing 'Digital Traceability' to Srirang's Hemp Product

We currently supply



Hemp's seeds



Hemp's leaves



Hemp's roots

to our contracted customers



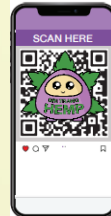
Srirang's hemp products are
traceability to create
more value for
our **sustainable farming**.

Digital Traceability is our uniqueness



Scaling up the
plantation following
consumers' demand

"Digital Traceability"



Origins



Sativa seeds



Learn more

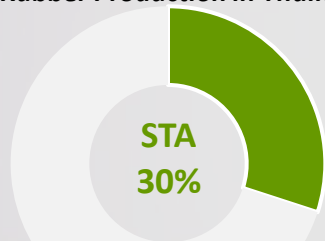
Our Farm



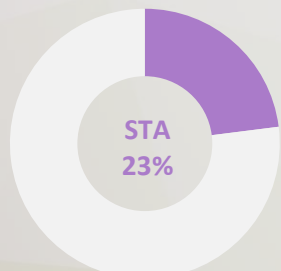
Watch Live

Midstream Operations – NR Processing

**A strong Increase
in Market Share**
Rubber Production in Thailand



6M21

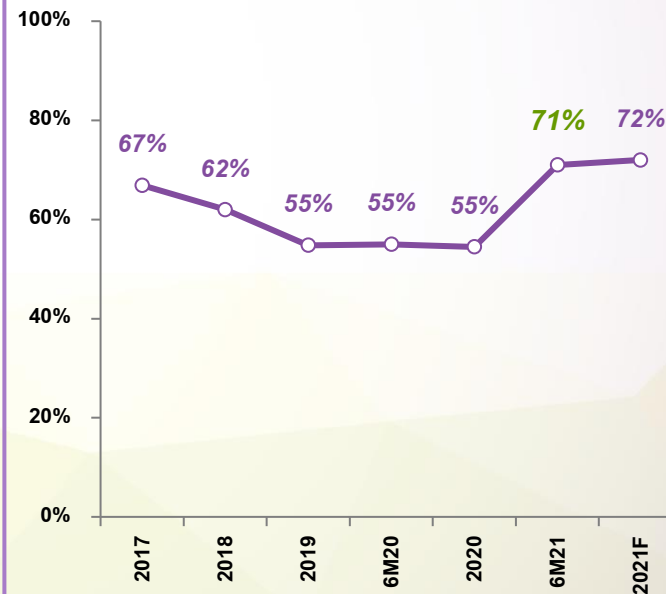


6M20



Note: *Total engineering capacity

Utilization Rate (%)



Major Customers in Midstream Business

Global Brands



CEAT **apollo**



Hankook



KUMHO TYRES



DEESTONE



THUNDERER
A sense of your control...



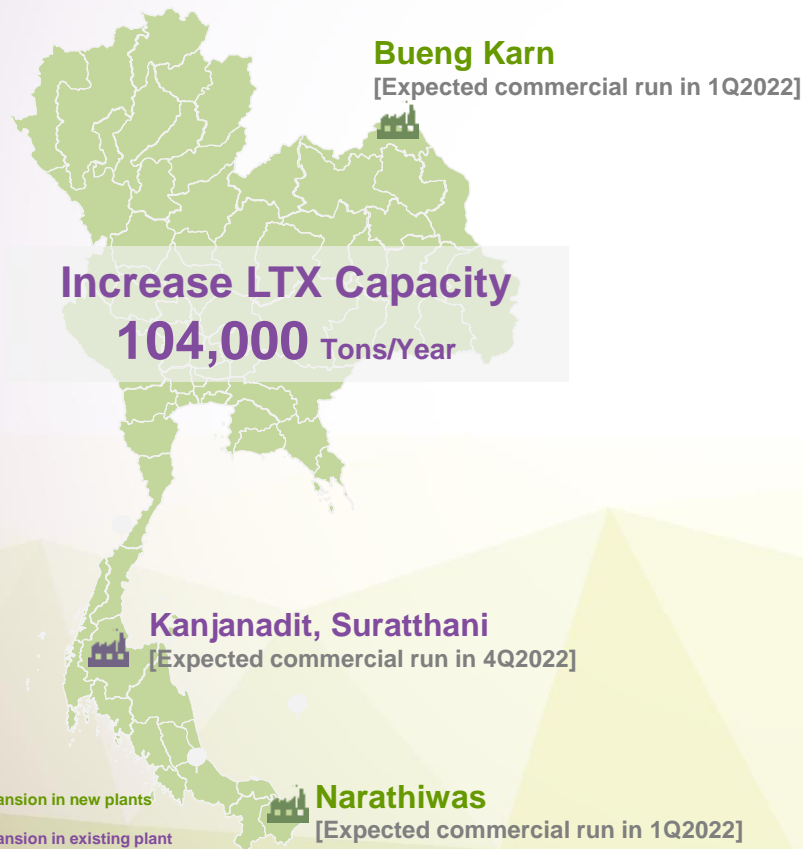
Vee Rubber



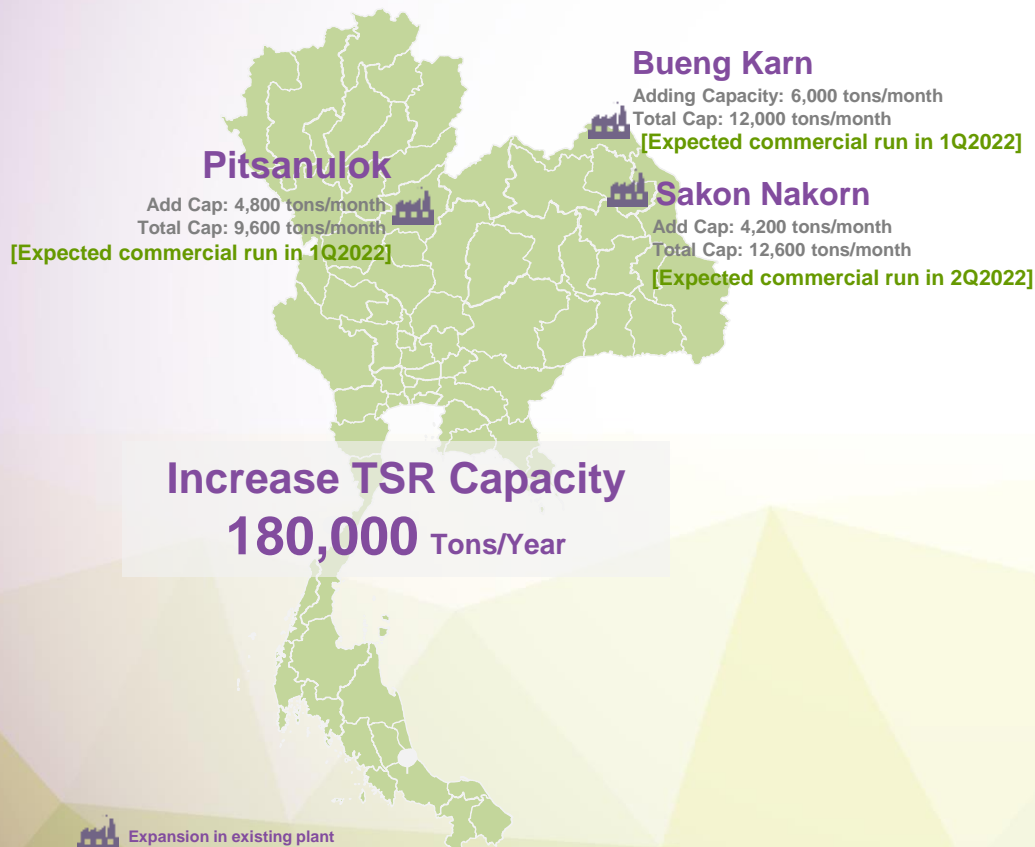
TRIANGLE

MAXXIS **HFT**

Expansion of Concentrated Latex Plants



Expansion of Technically Specified Rubber [TSR] Plants



➤ **Adding Capacity** in STA's Existing TSR Factories.

➤ **Expanding STA's market share** in raw material sourcing in the North-East of Thailand.

**Investment Budget
1,150 Million Bath**



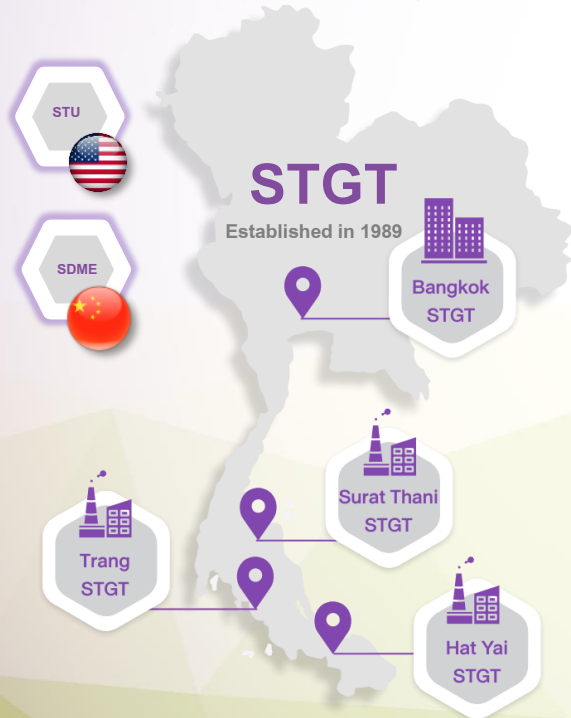
Downstream Operations – Finished Products



STGT, is a **Flagship Company** of **Sri Trang Group**
with **56% shares** owned by **STA**

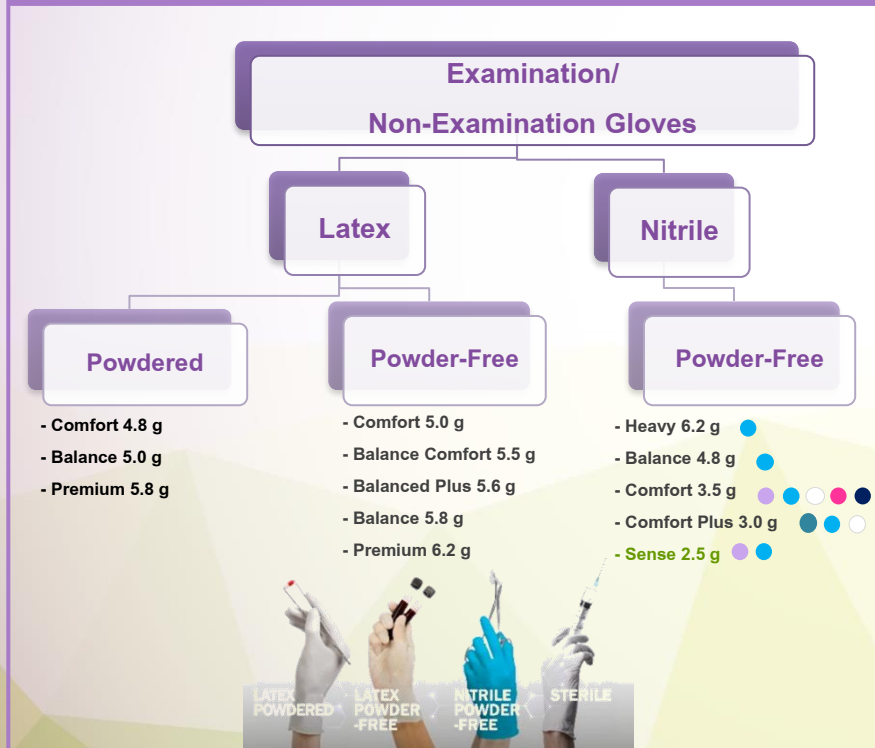


Deliver 'Touch Of Life™' On a Global Scale

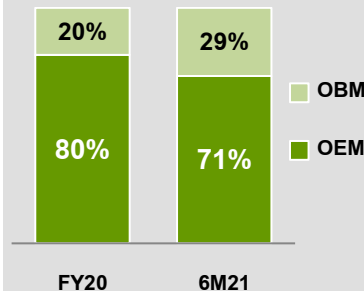


Our Gloves Products

Product Range

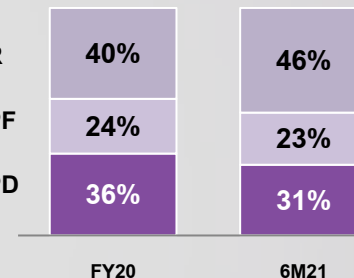


Revenue breakdown



Product Mix by Revenue

■ NBR
■ NRPF
■ NRPD



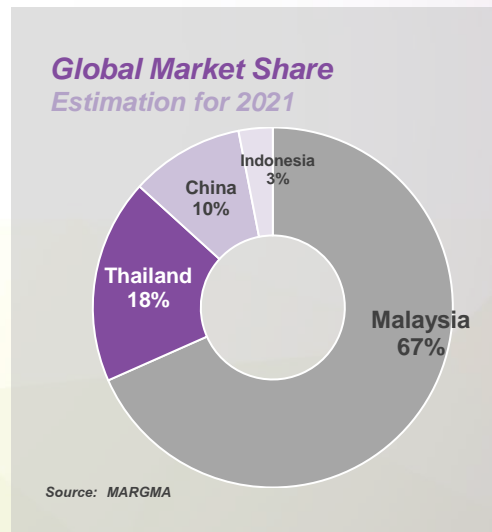
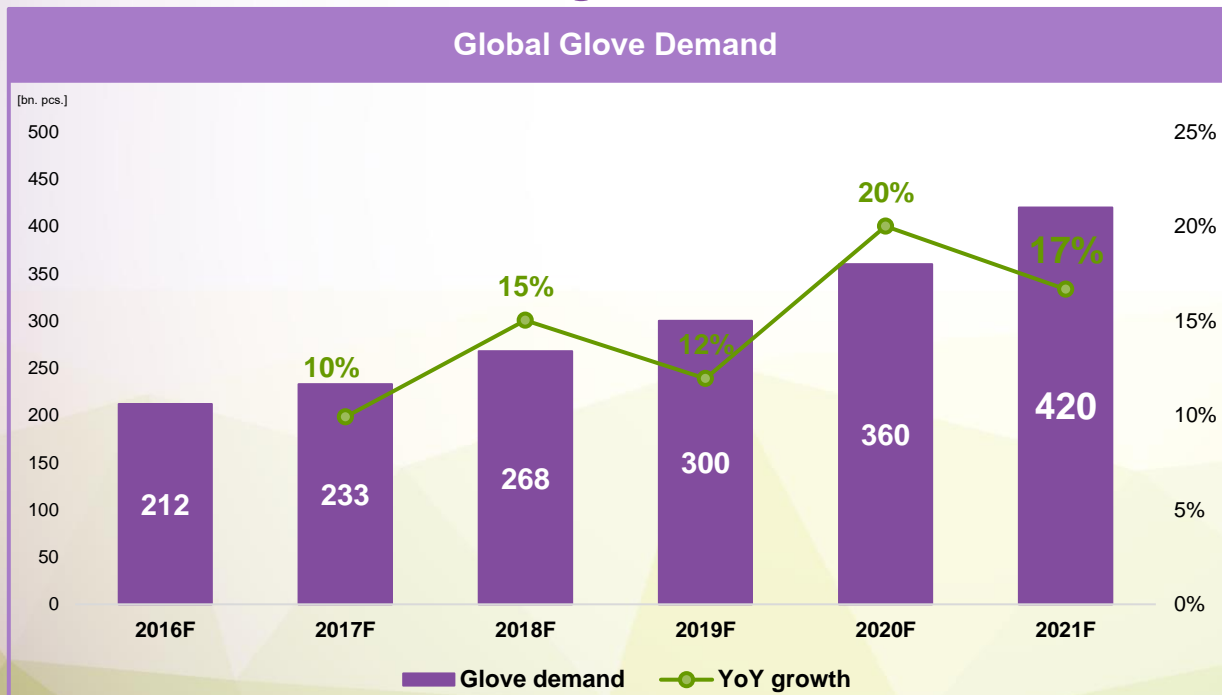
Note: There is a reclassification of OBM products.

Our Brands [OBM]



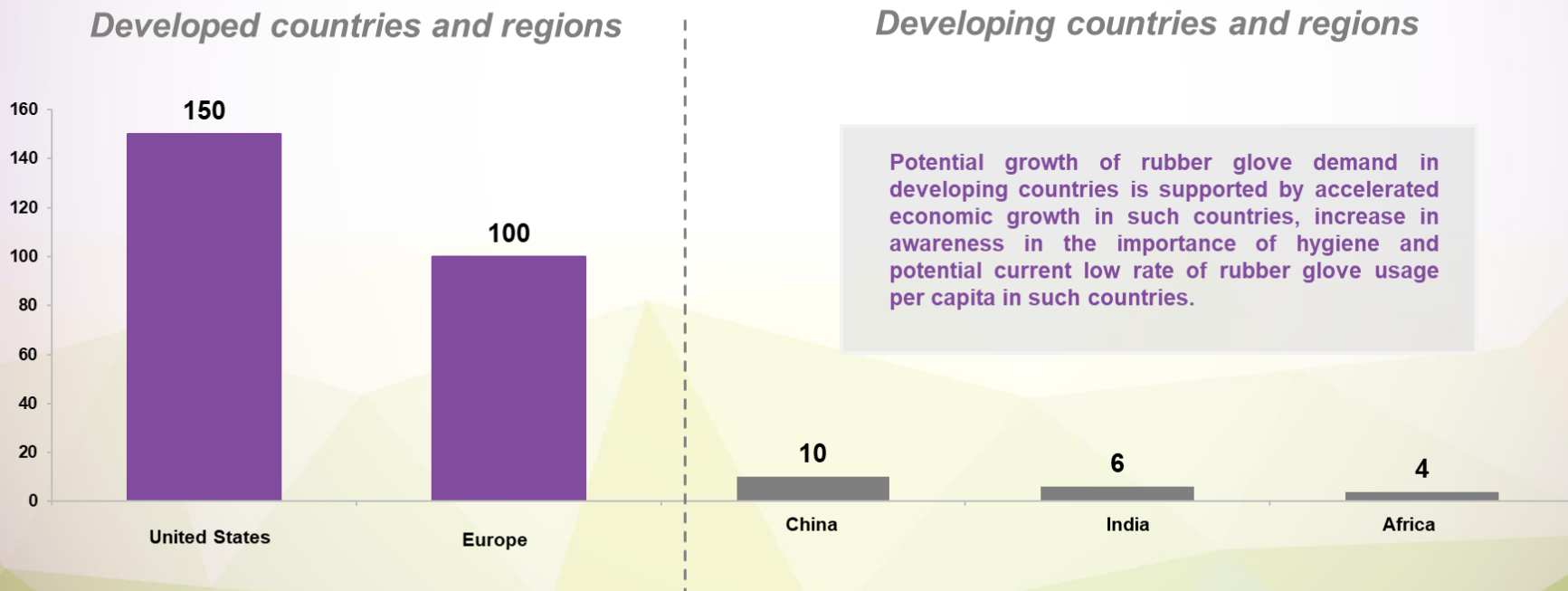
Global Glove Market Outlook

Double Digit Growth for Long-Term Global Glove Demand



Low Glove Consumption per Capita in Emerging Market

*Forecasted Rubber Glove Consumption per Capita
in Developed and Developing Countries in 2019*



Strategic Location for Key Suppliers and Tax Privileges

3 Production Facilities Total Installed Capacity of 32,619 mm pieces per year

Chumphon
Karnchanadit,
Surat Thani
Kantang, Trang
Hat Yai, Songkhla
Sadao, Songkhla

Project	CP (1Q22)
Installed Capacity	13,064 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Trang Plant

3



Installed Capacity⁽¹⁾	10,092 mm pieces per year
Main Raw Material	Concentrated Latex

New

Project	TG3 (4Q21)	Tax exemption: 5 Years
----------------	------------	----------------------------------

Installed Capacity	3,110 mm pieces per year
---------------------------	--------------------------

Main Raw Material	Concentrated Latex / Synthetic Rubber Latex
--------------------------	---

New

Project	TG4 (3Q22)	Tax exemption: 5 Years
----------------	------------	----------------------------------

Installed Capacity	7,465 mm pieces per year
---------------------------	--------------------------

Main Raw Material	Concentrated Latex / Synthetic Rubber Latex
--------------------------	---

New

Project	TG5 (1Q23)	Tax exemption: 5 Years
----------------	------------	----------------------------------

Installed Capacity	6,169 mm pieces per year
---------------------------	--------------------------

Main Raw Material	Concentrated Latex
--------------------------	--------------------

New

Project	PS (3Q21)	Tax exemption: 8 Years
Installed Capacity	2,903 mm pieces per year	
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex	

New

Project	ANV (1Q22)	Main Mat
Installed Capacity	7,258 mm pieces per year	
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex	

Tax exemption:
8 Years

1 Surat Thani Plant



Installed Capacity⁽¹⁾	5,703 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New

Project	SR2 (1Q21)
Installed Capacity	2,177 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New

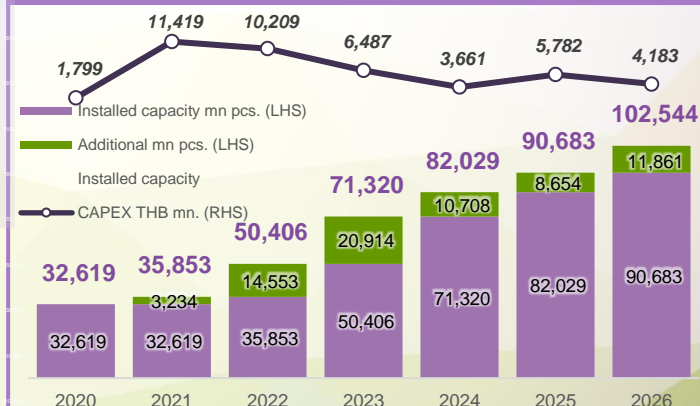
Project	SR3 (2Q21)
Installed Capacity	3,992 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

2 Hat Yai Plant



Installed Capacity⁽¹⁾	17,278 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Capacity & CAPEX

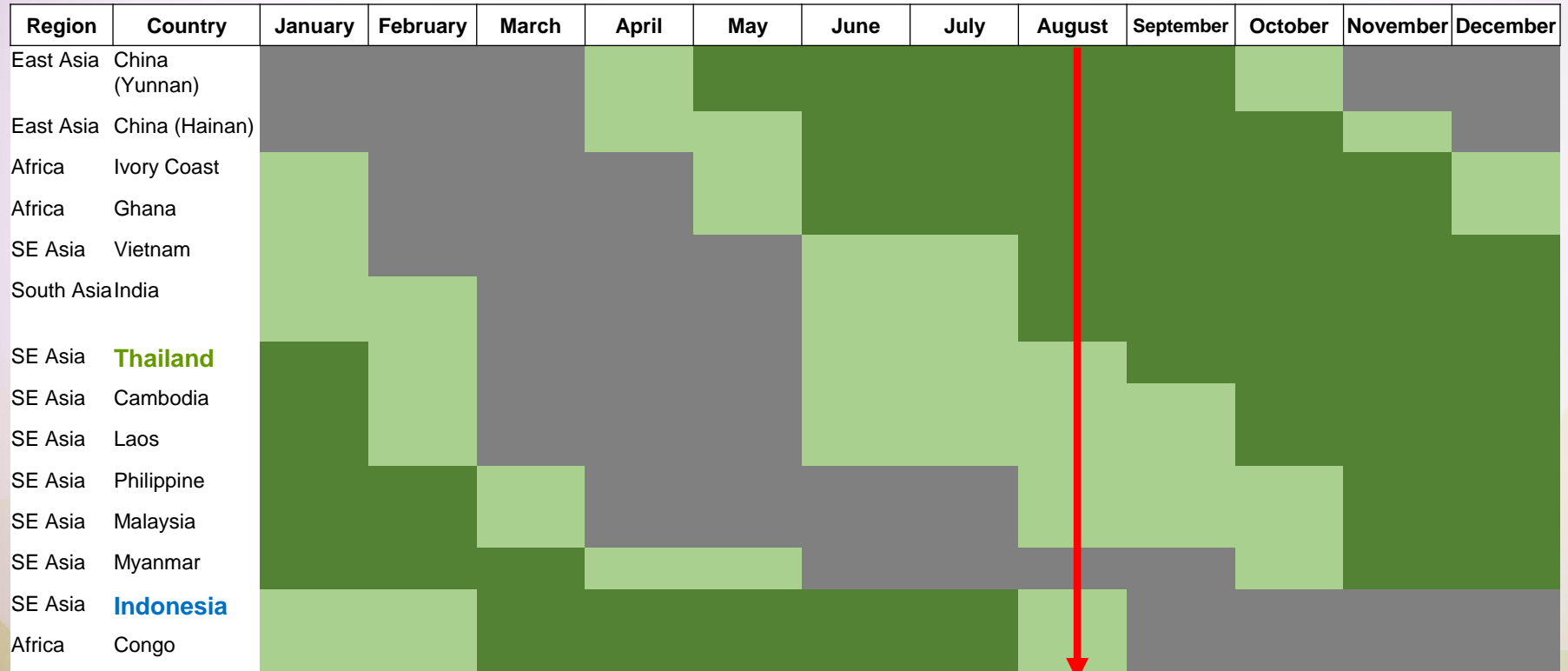


3

NATURAL RUBBER MARKET SITUATION



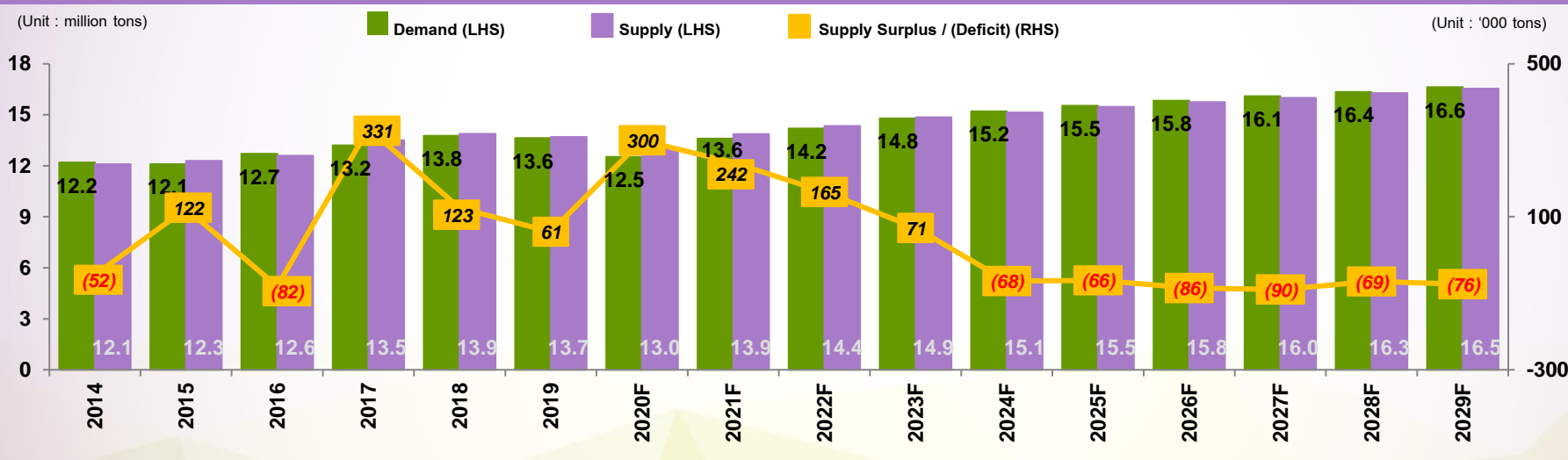
Global NR Purchases: Peak Season in Each Region



Where we are today

Global NR Situation

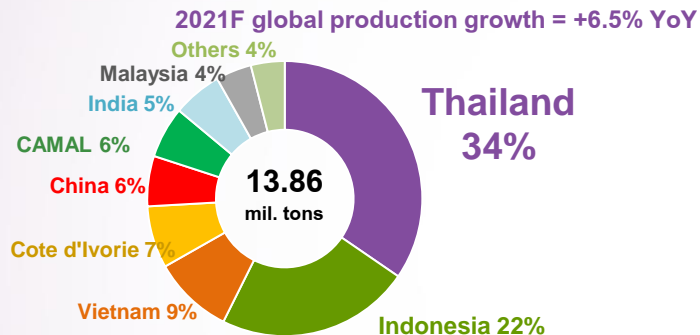
Natural Rubber Demand & Supply



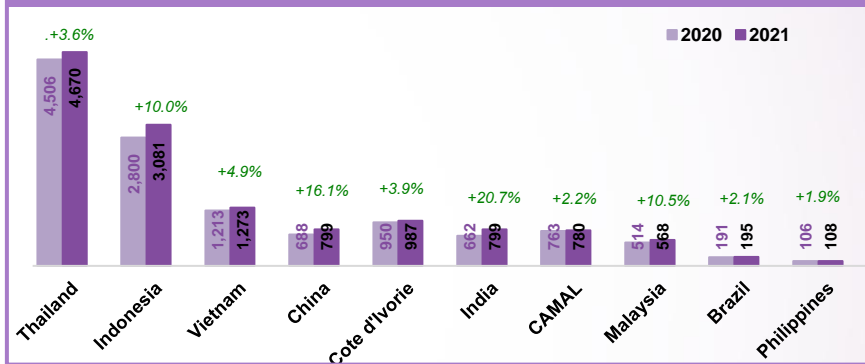
IRSG's forecast	2021 forecast in Dec-2020 [mil.tons]	2021 forecast in Jul-2021 [mil.tons]	% Change from 2020
Demand	13.41	13.62	▲ 7.1%
Supply	13.51	13.86	▲ 6.5%
Oversupply	0.10	0.24	▼ 19.3%

NR Supply & Demand

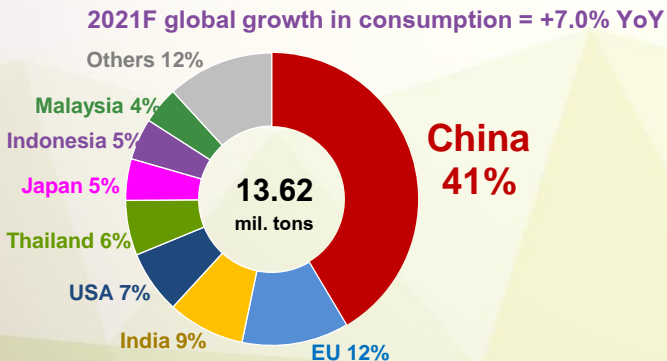
2021F Major NR Producers



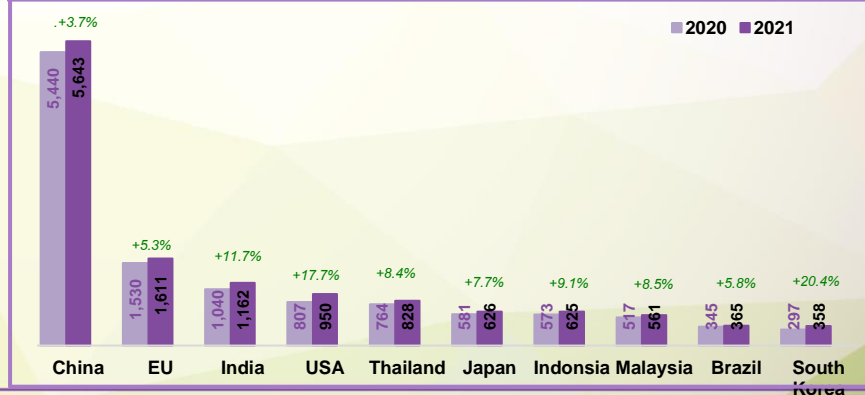
NR Production from Top 10 Producers



2021F Major NR Consumers

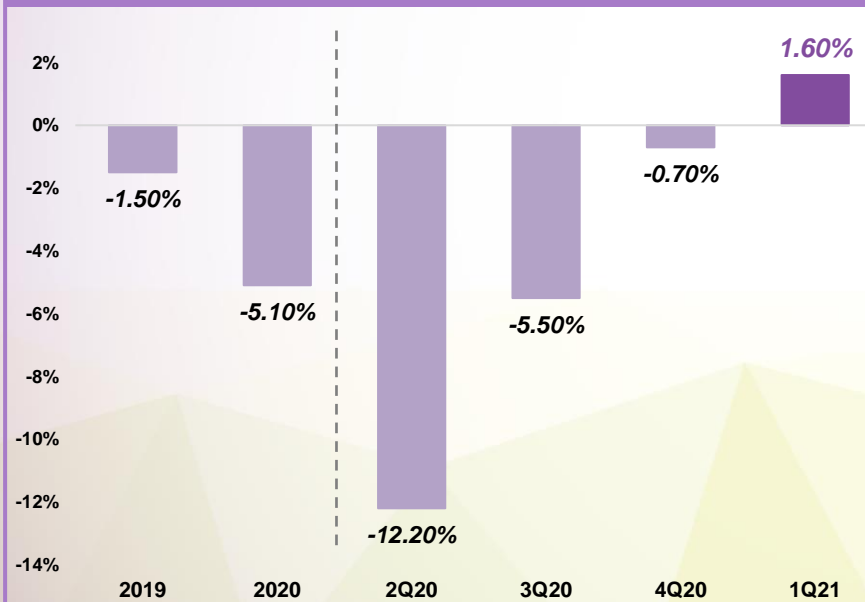


NR Consumption from Top 10 Customers

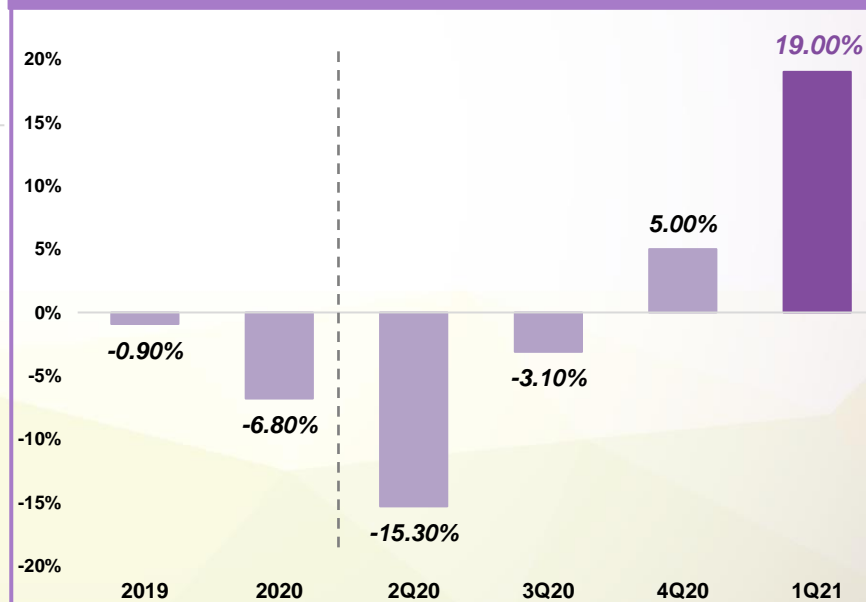


Snapshot of World Rubber Statistics

Global NR Production Trend



Global NR Consumption Trend



News Update: Anti- Dumping Duty



U.S. DEPARTMENT OF COMMERCE INITIATES **ANTIDUMPING DUTY** AND COUNTERVAILING DUTY INVESTIGATIONS OF **IMPORTS OF PASSENGER VEHICLE AND LIGHT TRUCK TIRES FROM THE REPUBLIC OF KOREA, TAIWAN, THAILAND, AND THE SOCIALIST REPUBLIC OF VIETNAM**

In the AD investigations, Commerce will determine whether imports of PVLT tires from Korea, Taiwan, Thailand, and Vietnam are being dumped in the U.S. market at less than fair value. The alleged dumping margins are as follows:



21.74%

Excepting for:

- Hankook Tire & Technology Co. Ltd.: 27.05%
- Nexen Tire Corp: 14.72%



84.74%

Excepting for:

- Cheng Shin Rubber Ind. Co. Ltd.: 20.04%
- Nankang Rubber Tire Corp. Ltd.: 101.84%



17.08%

Excepting for:

- Sumitomo Rubber (Thailand) Co. Ltd.: 14.62%
- LLIT (Thailand) Co. Ltd.: 21.09%



22.30%

Excepting for:

- Kenda Rubber (Vietnam) Co. Ltd.: 0%
- Sailun Group (Hong Kong) Co. Ltd./
Sailun Tire Americas Inc.: 0%
- Bridgestone Corp: 0%
- Bridgestone Tire Manufacturing Vietnam LLC: 0%
- Kumho Tire (Vietnam): 0%
- Yokohama Rubber Co. Ltd.: 0%

Awards in terms of ESG



1 Economic (Green Company)



"Sustainable Growth"

TOPIC

- Good Corporate Governance
- Anti-corruption
- Increased production and Expand market share
- Strengthen the customers' and Partners' trust
- Manufacturing quality products according to customer requirements.
- Educated rubber farmer to make a good quality raw material
- Create innovation and new technology

KEY SUCCESS

- CG and AGM score
- Member of The Private Sector Collective Action Coalition Against Corruption (CAC)
- Economic performance
- Customer satisfaction
- Customer complaint
- Sri Trang rubber farmer project
- R&D and innovation project
- Benefit from Kaizen& QCC activity

2 Social (Green Supply)



"Create more happiness for internal and external society"

TOPIC

- Development and employees' care
- Human Rights and Fair Labor Practices
- Good health, Safety and Good working environment
- Establish responsible process to consumer care
- Engage supplier or partners' for social responsibility
- Social and Community Development

KEY SUCCESS

- Turnover rate
- Disabled persons employment
- Accident rate
- Consumer complaints
- No. of Suppliers who acknowledge anti-corruption policy
- Cost and project to supported and developed community



3 Environment (Green factory, Green product)



"Focus on the effective environmental management system"

TOPIC

- Energy reduction and renewable energy
- Reduce CO₂ emission
- Efficiency resourcement and reuse material
- Oriented towards managing to reduce Impacts of the production
- Develop and share innovation of environmental responsibility
- Planting and increasing the green areas
- R&D environmental friendly products

KEY SUCCESS

- Energy Conservation Project
- STA champion project
- Reduce waste "Green Company" project
- % of rubber transportation vehicle of "the Bun Tuk Yang Tid Rang Srang Roi Yim" project
- Test kit on sulfate content in raw material
- Green Industry up to level3

THE WORLD'S LEADING FULLY INTEGRATED NATURAL RUBBER PROCESSING COMPANY



Contact Investor Relations

Tel: (+66)2-207-4500 Ext. 1402

E-Mail: IR@sritranggroup.com