

member of
SRITRANG
GROUP



Second Quarter 2015 Presentation

17 August 2015

A World Leading Natural Rubber Player



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Q2 2015 Results



Financial Highlights

(THB million)	FY'13	FY'14	%YoY	Q2'14	Q2'15	%YoY	Q1'15	%QoQ
Revenue	92,185	75,530	▼ 18%	18,410	15,077	▼ 18%	14,512	▲ 4%
Sale volume (tons)	1,126,463	1,204,342	▲ 7%	284,913	269,204	▼ 6%	268,892	▲ 0.1%
Avg. selling price (Baht per ton)	79,600	60,583	▼ 24%	62,497	50,558	▼ 19%	48,265	▲ 5%
Gross profit	5,198	3,348	▼ 36%	679	1,294	▲ 91%	1,040	▲ 24%
Adj. gross profit*	6,049	4,642	▼ 23%	462	1,440	▲ 211%	1,077	▲ 34%
EBITDA	3,747	2,568	▼ 31%	551	923	▲ 68%	788	▲ 17%
Net profit	1,820	1,038	▼ 43%	167	518	▲ 211%	297	▲ 74%
Adj. GP margin*	6.6%	6.1%	▼ 50bps	2.5%	9.6%	▲ 710bps	7.4%	▲ 220bps
Net profit margin	2.0%	1.4%	▼ 60bps	0.9%	3.4%	▲ 250bps	2.0%	▲ 140bps

* Adjusting for (reversal) allowance of inventory, realised forex gains/(losses), and realised rubber futures gains/(losses)

Revenue overview

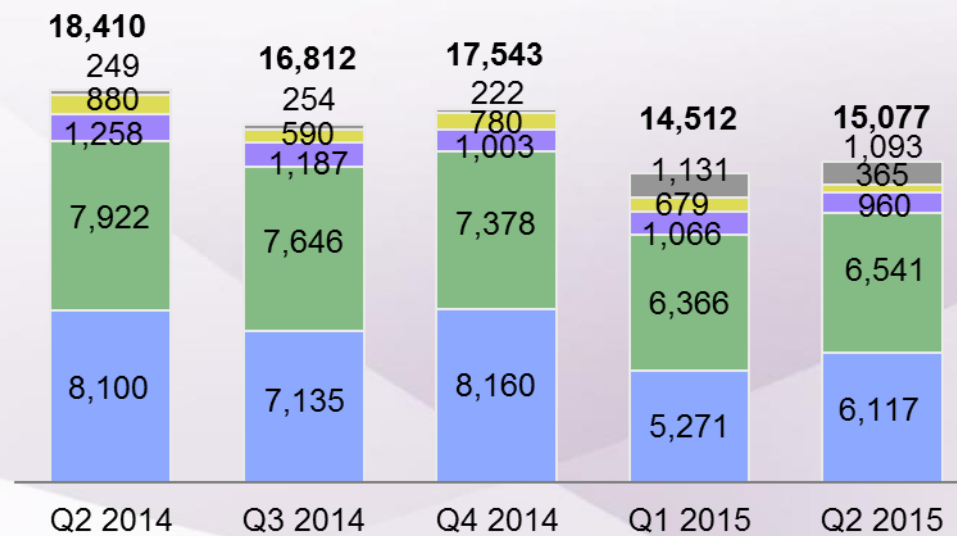
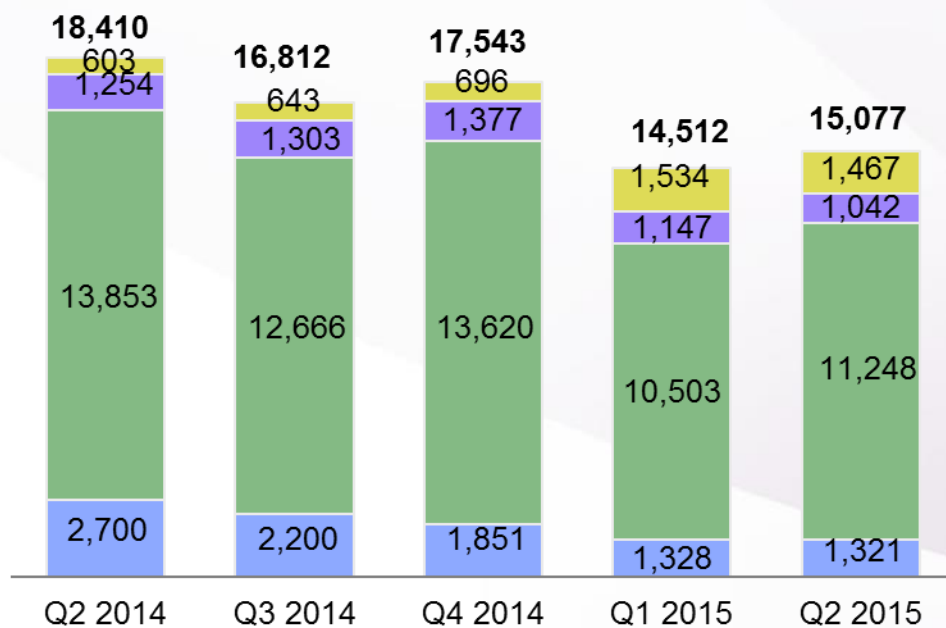
Revenue breakdown by product (THB mm)

■ RSS ■ TSR ■ Con. Latex ■ Others



Revenue breakdown by geography (THB mm)

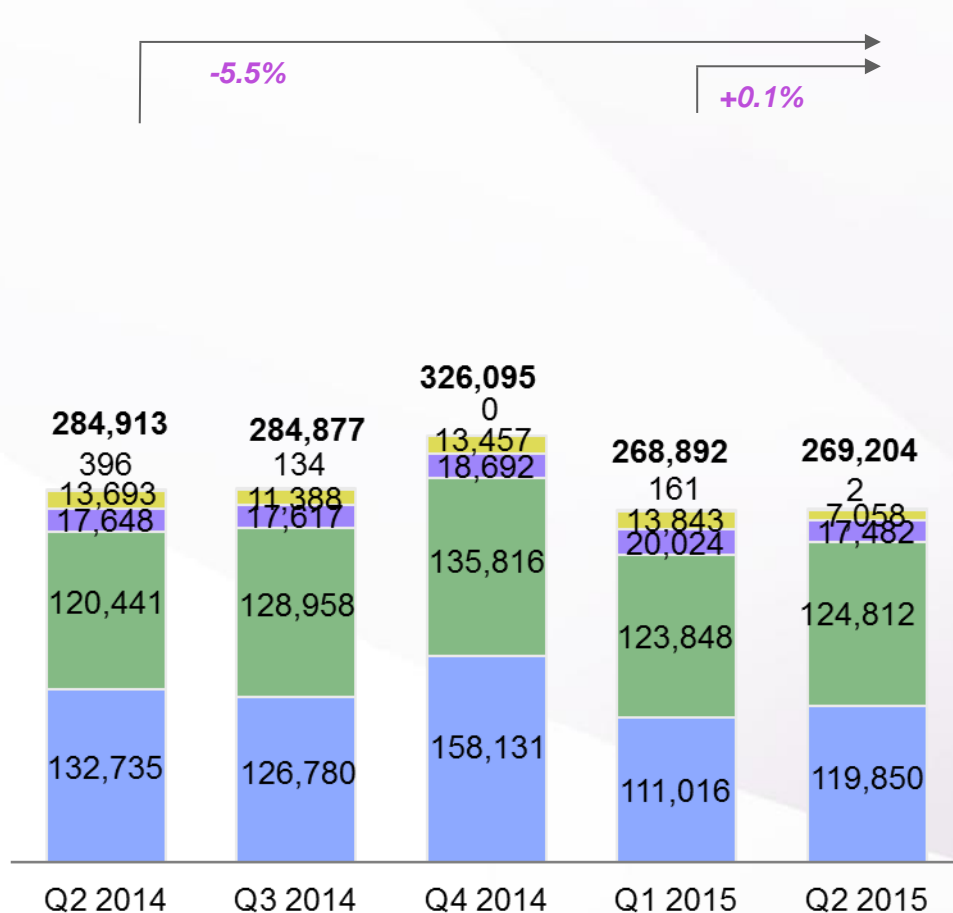
■ PRC ■ ASIA (Ex. PRC) ■ USA ■ Europe ■ Others



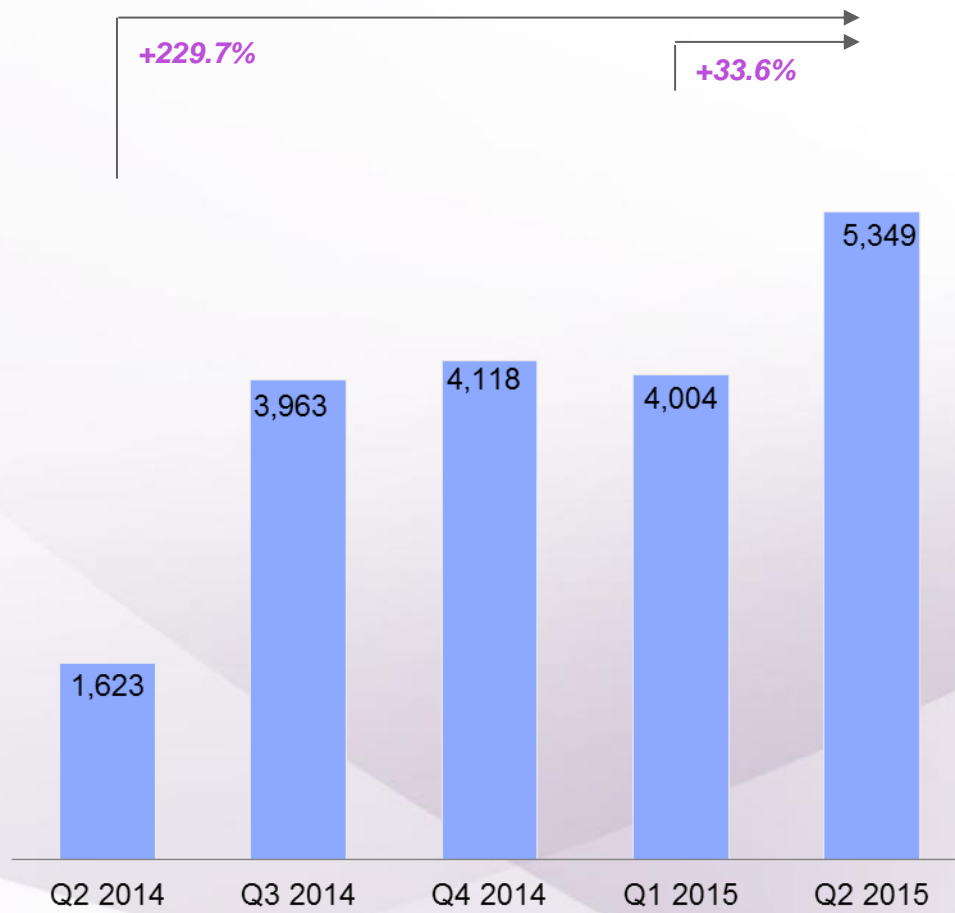
Revenue by Geography and GP per Ton

Revenue breakdown by geography (Tons)

■ PRC ■ Asia (Ex PRC) ■ USA ■ Europe ■ Others



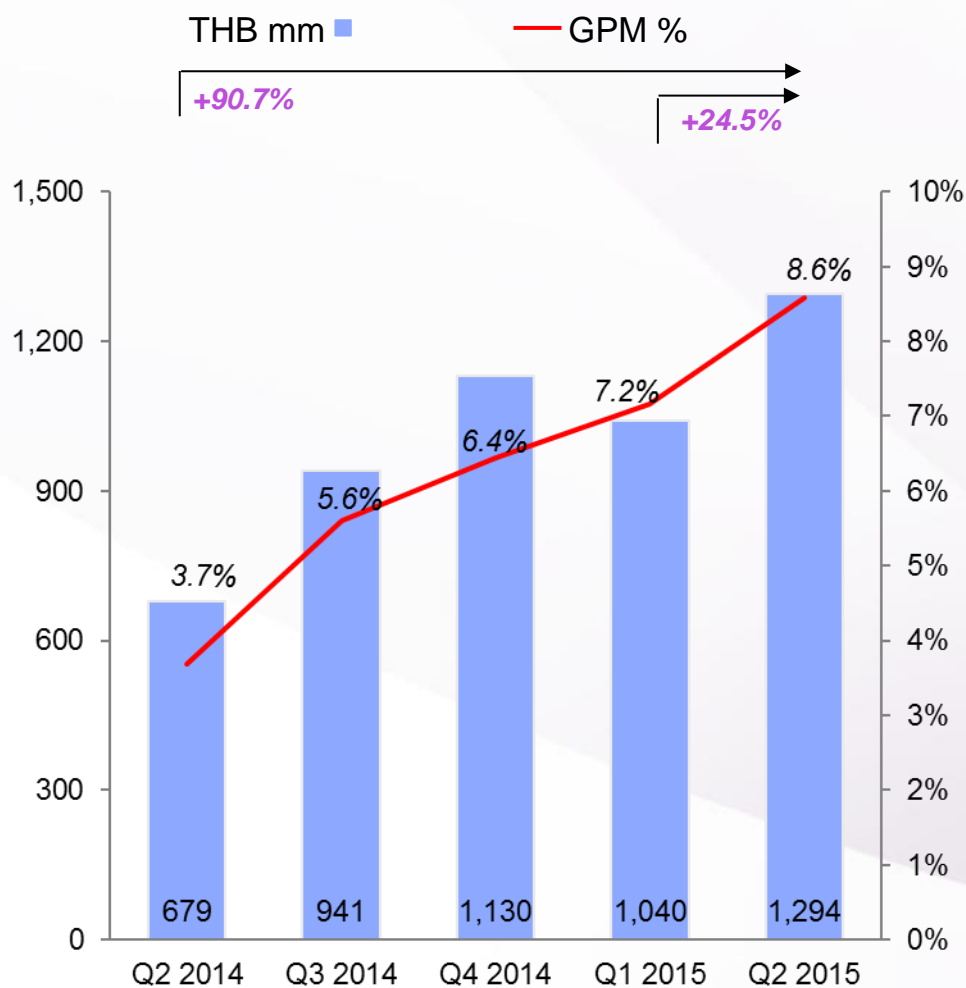
Adjusted Gross Profit* per Ton (THB)



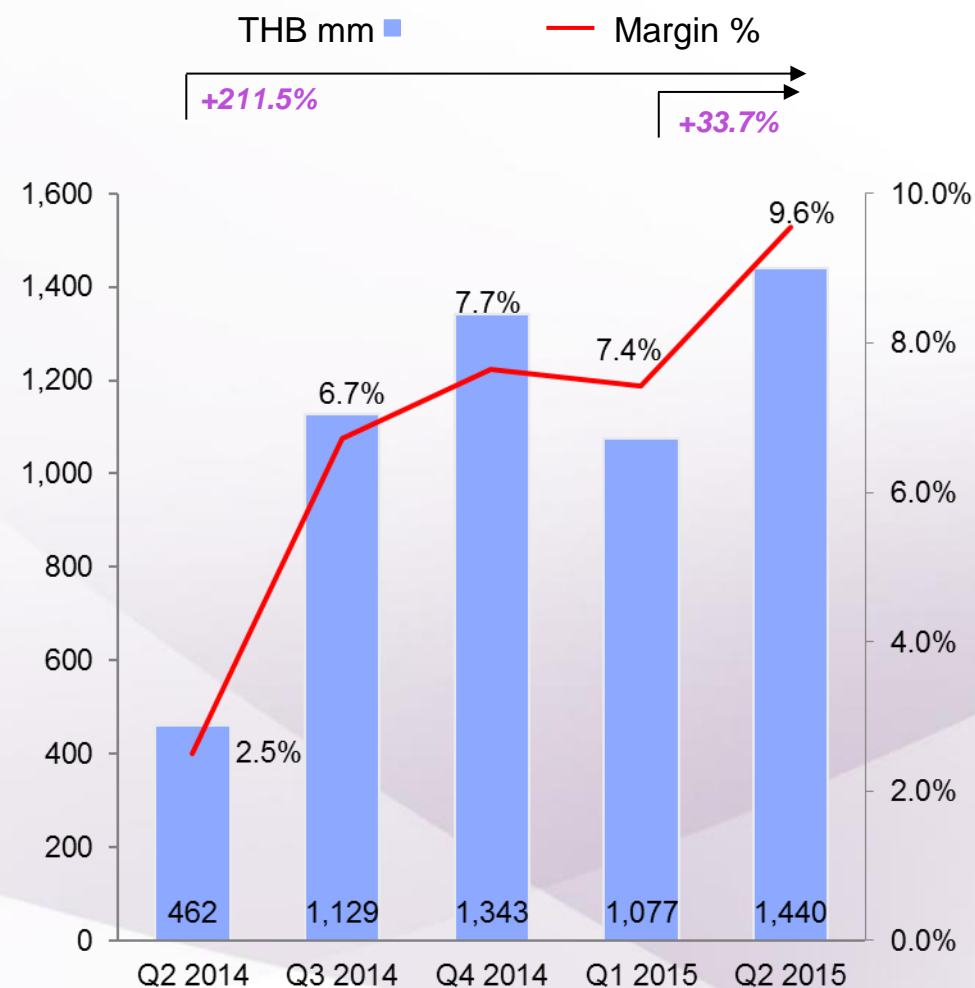
Note*: Adjusted Gross Profit = Gross Profit after adjusting for (reversal) allowance of inventory cost, realised forex gains/losses, and realised rubber futures gains/(losses)

Gross profit (“GP”) and gross profit margin (“GPM”)

Gross Profit

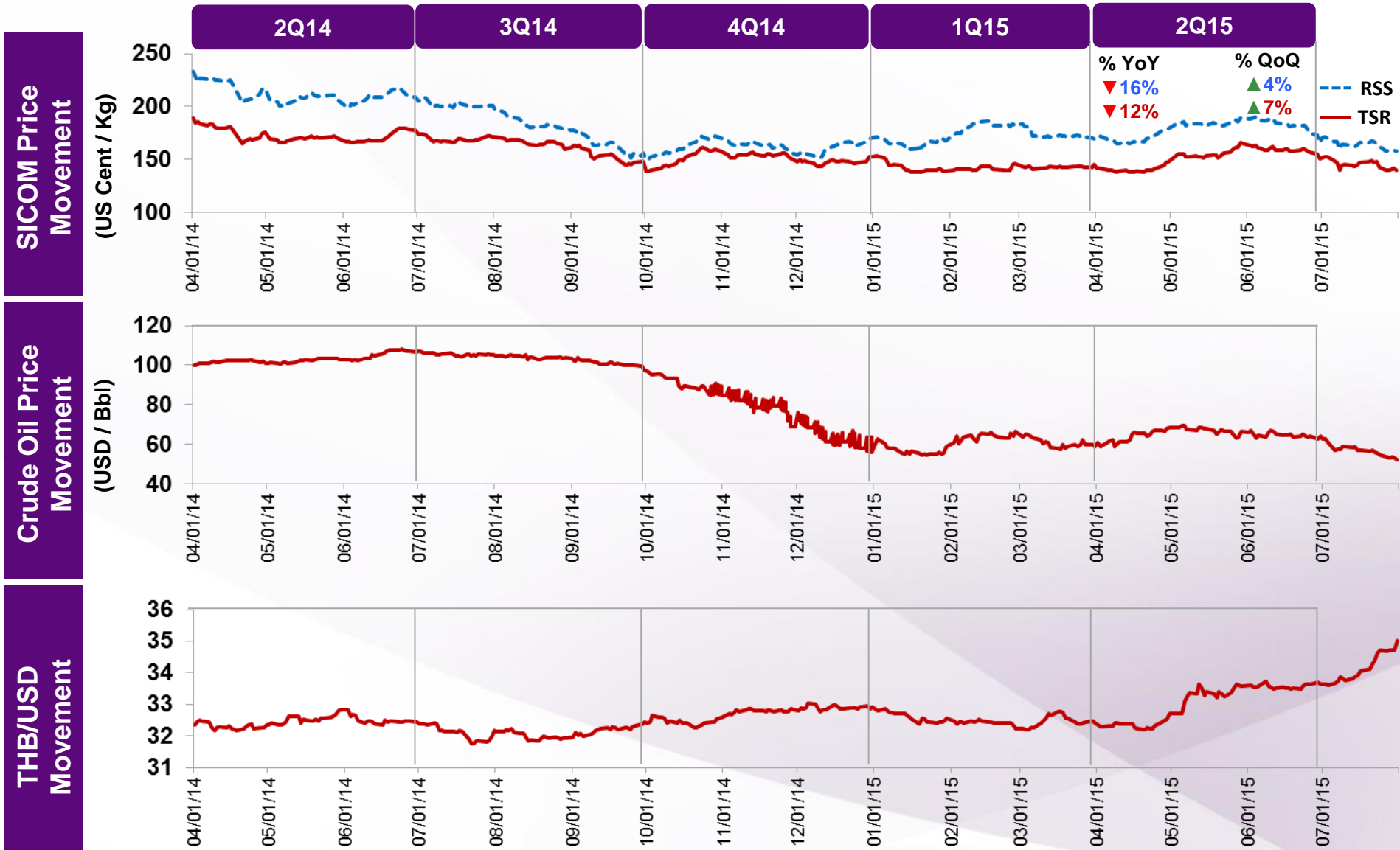


Adjusted Gross Profit*



* Adjusting for (reversal) allowance of inventory, realised forex gains/(losses), and realised rubber futures gains/(losses)

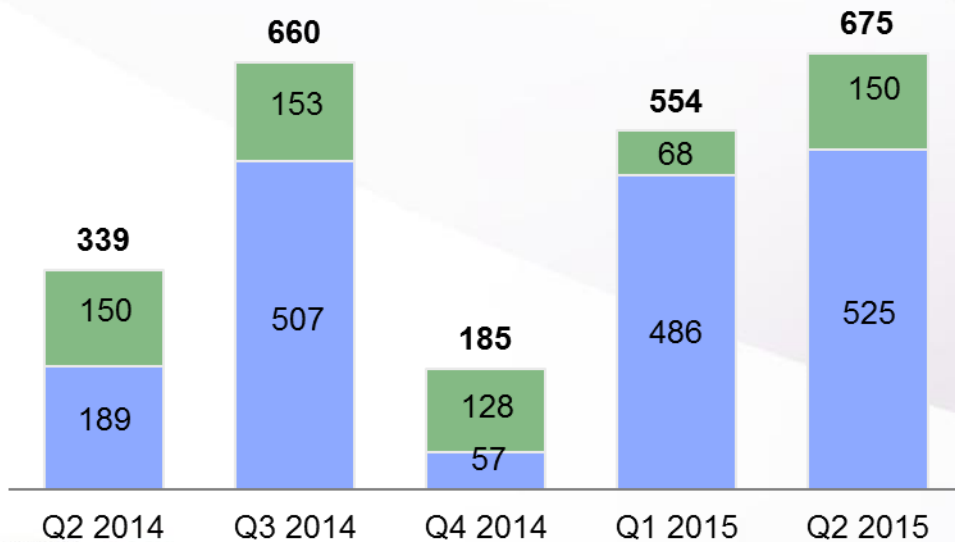
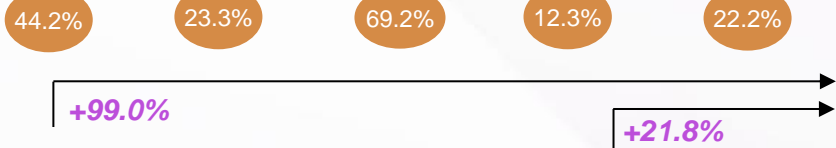
SICOM Price - F/X – Oil Price



Earning before tax, net profit and net profit margin

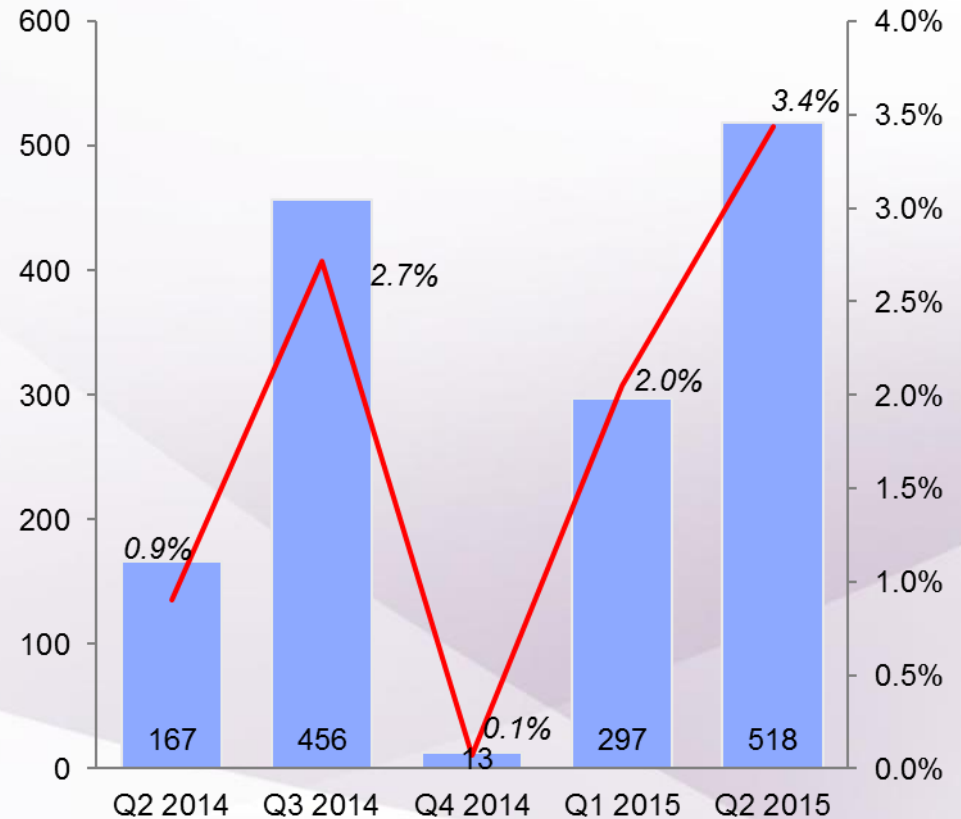
Earning before interest expense & tax (THB mm)

Share of profits from associates & a Joint Venture ■
 Operating profits ■ ● % of profits from associates & a Joint Venture to PBIT



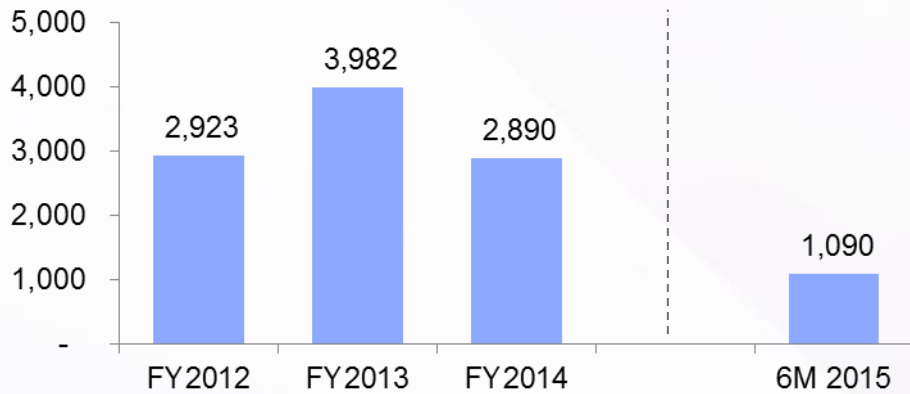
Net profit (THB mm) and net profit margin

Net profit ■ — Net profit margin %

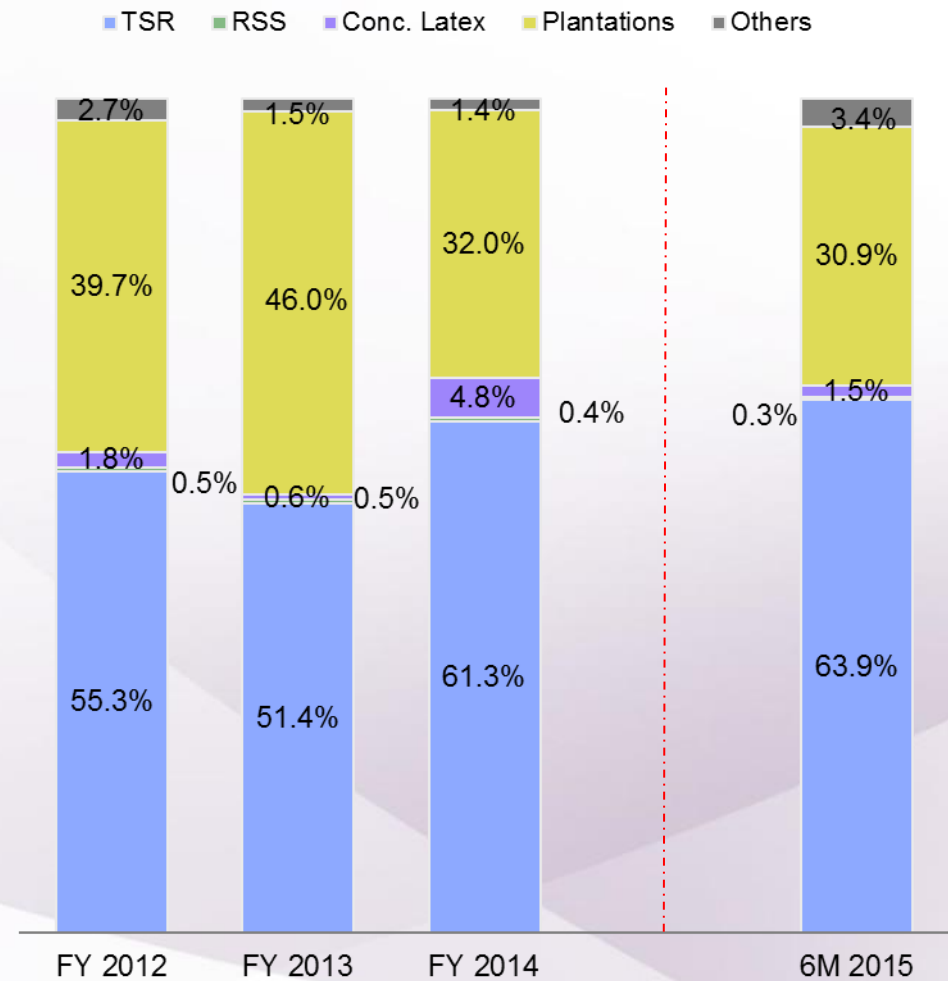


Capital expenditure

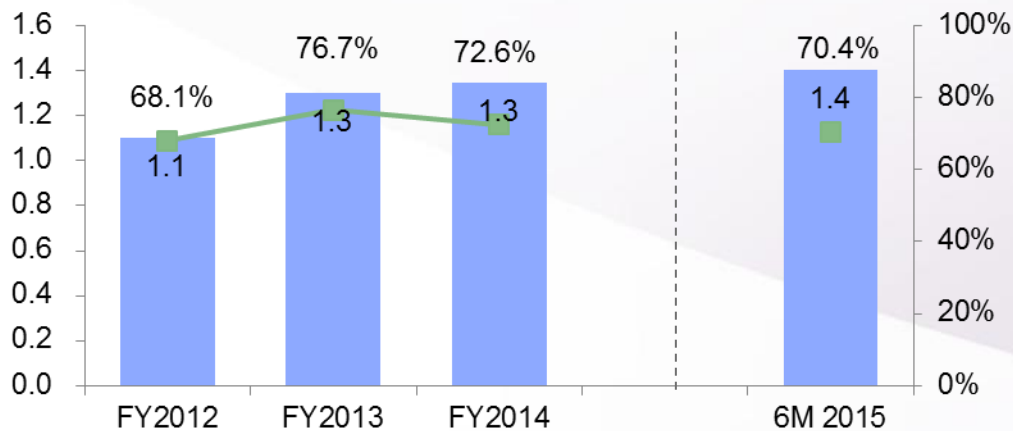
Total capital expenditure (Baht mm)



Capital expenditure by products (%)

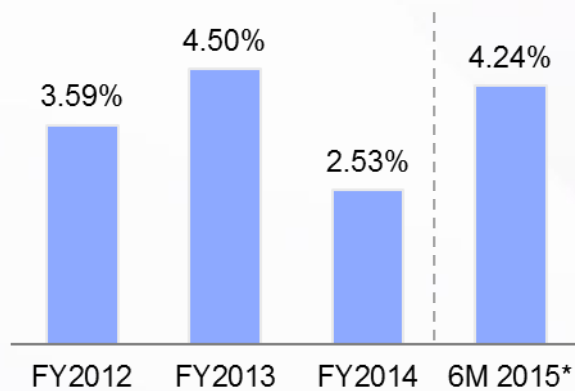


Total estimated effective production capacity (million tons) and %utilisation rate

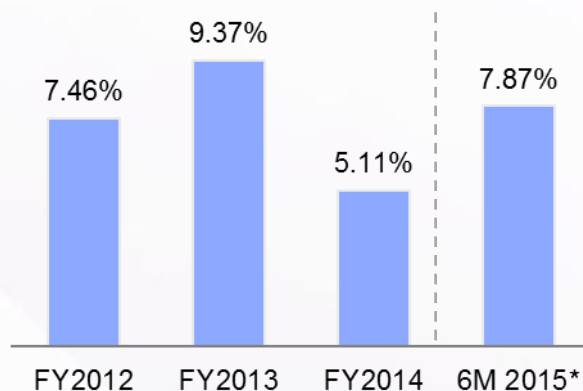


Financial ratios

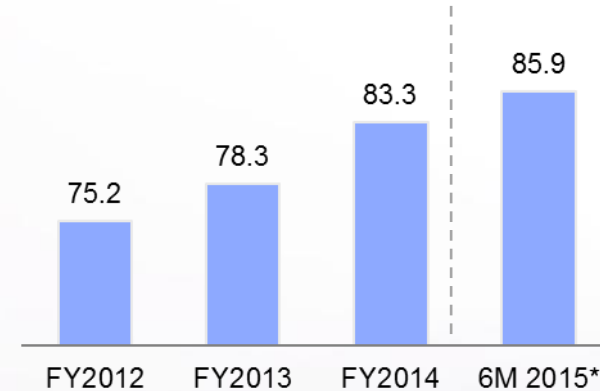
ROA



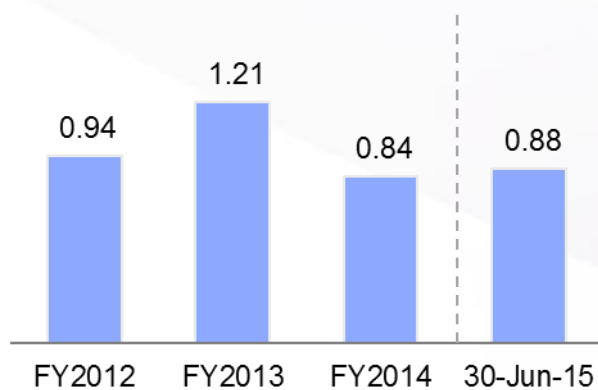
ROE



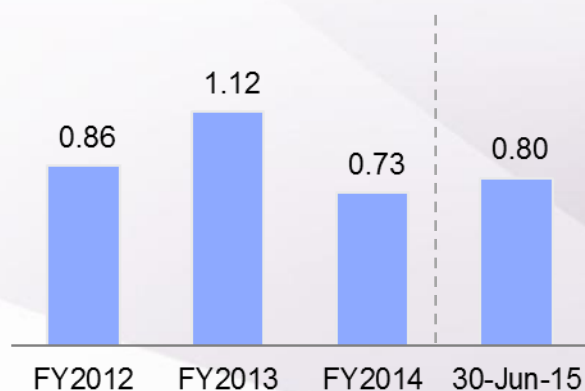
Cash Cycle



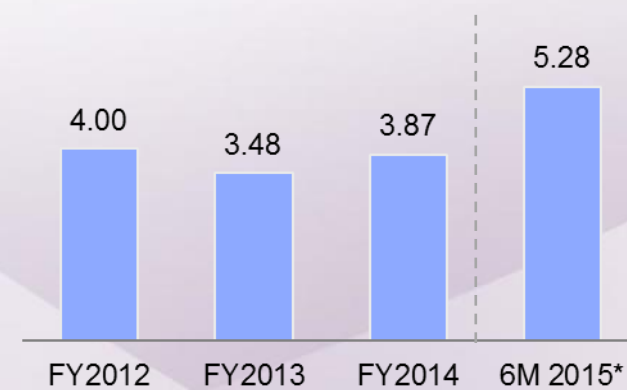
Debt / equity



Net debt / equity



Interest Coverage



*Annualised basis

Our Business & Industry Updates



Target & Capex

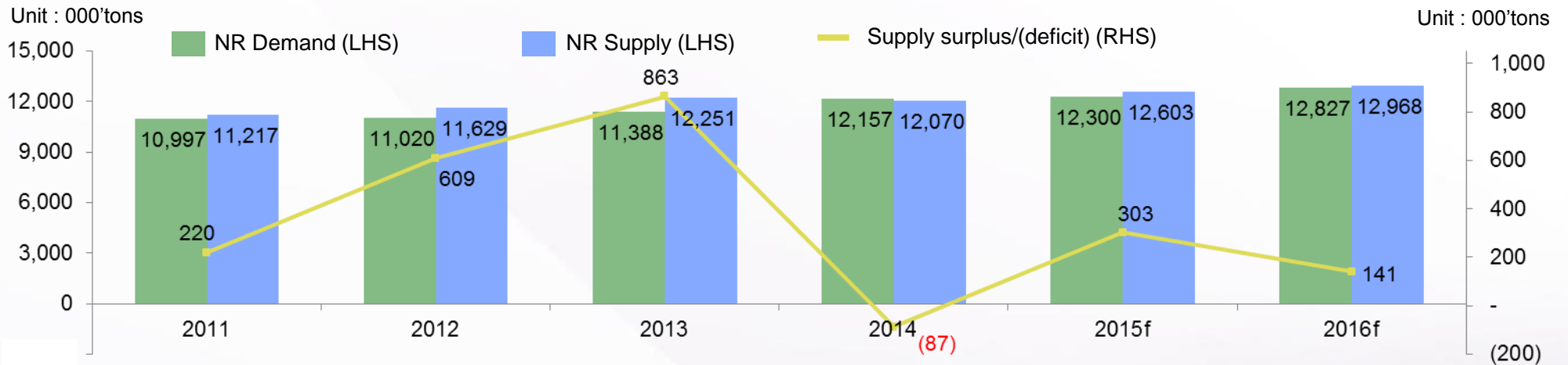
2015 Target	
Production capacity	: 1.5 mil tons
Sale volume	: 1.1 mil tons
Adj. GP margin	: 5-7%
Net profit margin	: 1.5 - 2.5%
Dividend policy	: 30% of net profit

CAPEX Plan		
CAPEX (Unit: THB mn.)	2015f	2016f
Capacity expansion	1,220	300
Plantation	480	520
Maintenance	320	235
Total CAPEX	2,020	1,055

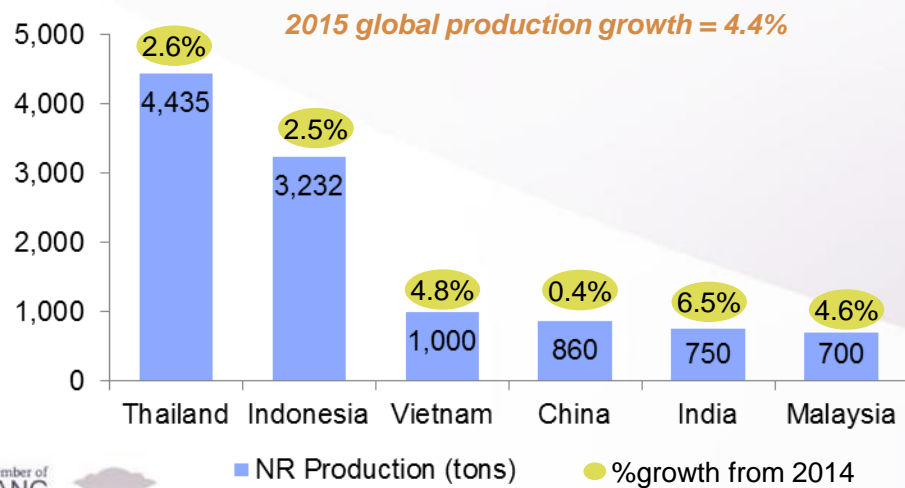


Industry Updates

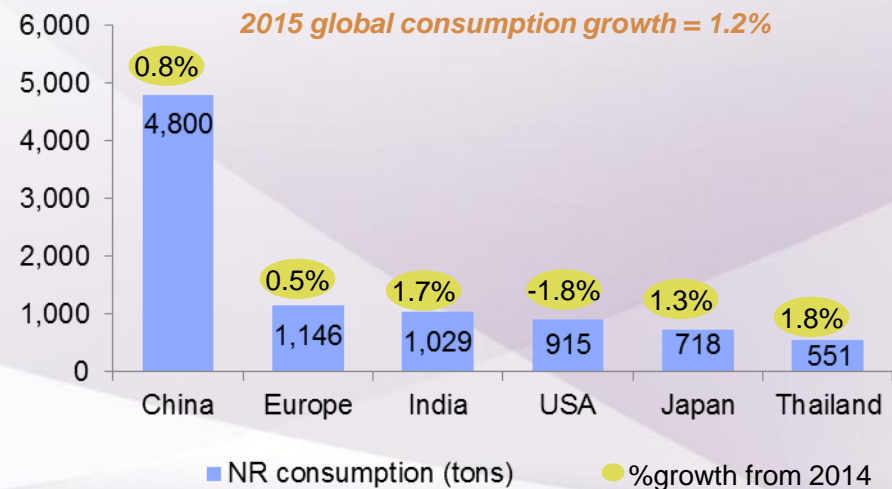
World Demand & Supply of Natural Rubber



2015 NR production forecast



2015 NR consumption forecast



Industry Updates (Cont'd)

Macro Economic Events:

- Concerns on world economy growth
- China slowdown
- Impact of strong dollar on commodities' prices

Government & Tax Policy:

- Rubber Buffer Fund of the Thai Government
- The reimposition of anti-dumping duty on Chinese passenger and light truck tires imported by the US

TSR – SICOM Price
(US Cent / Kg)



NR Demand:

- A 45-month low of NR stock at Qingdao reflects normal demand in China
- Tyremakers continue to benefit from low rubber prices

NR Supply :

- Lower NR supply from the chronically depressed NR price and recent El Niño phenomenon
- IRSG forecast NR oversupply in 2015



Q&A

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