

Financial Result Overview

In 4Q/2023, sales volume reached a record 8,840 million pieces, leading to a high record 31,384 million pieces in sales volume in FY2023. Excluding non-recurring items in 4Q/2023, pre-tax net profit would be THB 220 million in 4Q/2023 and THB 477 million in FY2023.

Because the production lines at our new plants yield higher efficiency with lower production costs, we have decided to decommission some production lines at our Hat Yai and Surat Thani plants that together accounted for approximately 4,500 million pieces in installed capacity, resulting in an impairment loss in 4Q/2023.

The Board of Directors of STGT has resolved to declare a dividend at THB 0.50 per share. The payment will come from retained earnings and the proposal will be put to the vote at the annual general meeting of shareholders in 2024.

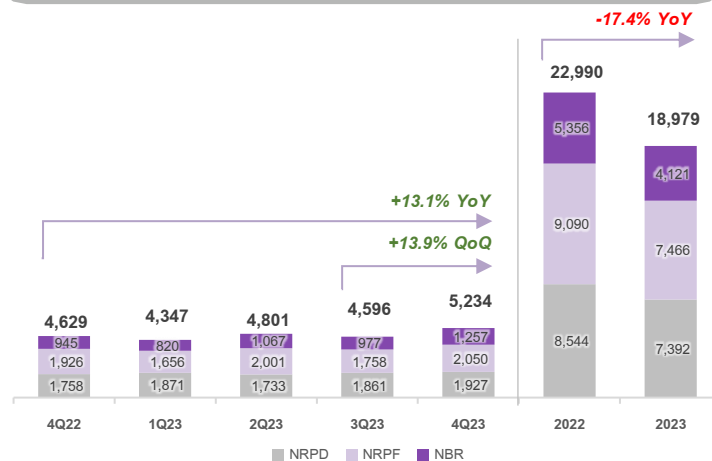
Profit & Loss Analysis

In FY2023, STGT recorded a net profit of THB 152.7 million, down 90.8% YoY, with a net profit margin of 0.8%.

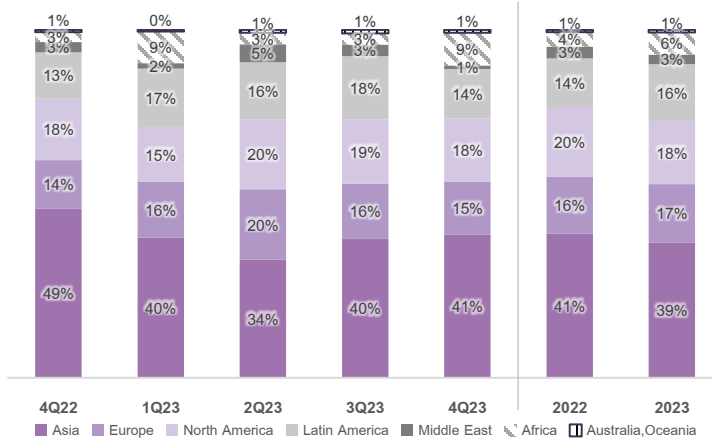
- Total revenue in FY2023 amounted to THB 19,665.2 million, decreasing THB 3,639.6 million or 15.6% YOY. Revenue in 4Q/2023 totaled THB 5,306.2 million, increasing 11.9% QoQ. In FY2023, 39% of sales revenue came from latex powdered gloves (NRPD), 39% from latex powder-free gloves (NRPF) and 22% from nitrile gloves (NBR), similar to FY2022.
- The ASP in FY2023 was THB 605 (USD 17.46) per 1,000 pieces, declining 24.2% YoY because of the ongoing oversupply situation. The ASP in 4Q/2023 was THB 592 (USD 16.68) per 1,000 pieces, decreasing 2.1% QoQ, despite depreciation in THB of 1.4% QoQ against USD.
- Sales volume in FY2023 totaled 31,384 million pieces, growing 8.9% YoY across all products, with NRPD growing at 7.8%, NRPF at 10.6% and NBR at 8.6%. Sale volume in 4Q/2023 totaled 8,840 million pieces, growing 16.4% QoQ. The growth in sales volume was driven by our diversified customer base and strong presence in Asia, Africa and South America, where there is strong consumption growth and a preference for latex gloves, of which we have competitive advantages in production efficiency, costs and quality.
- We were able to maintain our utilization rate in FY2023 at 64.2%, compared with 64.8% in FY2022. Our utilization rate in 4Q/2023 significantly improved to 72.1% from 58.9% in 3Q/2023.



Gloves' Revenues by Product (THB million)



Glove's Revenues by Geography (%)

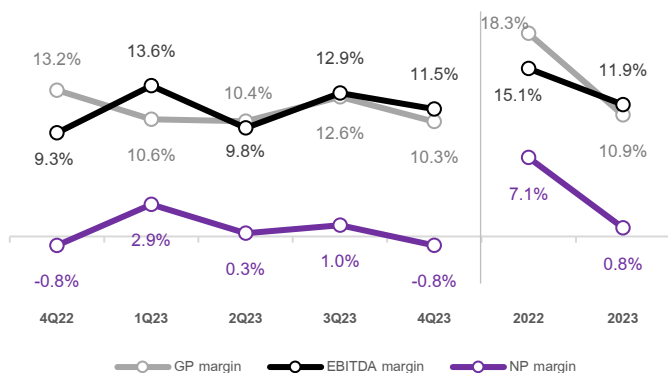


- COGS in FY2023 totaled THB 17,516.3 million, decreasing 8.0% YoY following a 17.6% decline in NR latex costs and a 25.6% decline in NBR latex costs. COGS in 4Q/2023 totaled THB 4,757.8 million, increasing 14.8% QoQ mainly from an increase of 10.2% in NR latex costs and 5.9% in NBR latex costs while other costs went down on the back of increased efficiency and higher utilization rate.
- Gross profit in FY2023 totaled THB 2,148.8 million, decreasing 49.5% YoY, with a gross profit margin of 10.9%, down by 7.3% from the previous year. Gross profit in 4Q/2023 totaled THB 548.4 million, decreasing 47.0% QoQ, with a gross profit margin of 10.3%, down from 12.6% in 3Q/2023.
- SG&A in FY2023 totaled THB 2,217.1 million, decreasing 7.7% YoY. Excluding non-recurring items in 4Q/2023, SG&A in FY2023 would amount to THB 1,911.2 million, decreasing 20.4% YoY because of lower (1) freight rates and improved logistical management in the transport of products to ports leading to lower transportation costs; (2) lower staff expenses as a result of a restructuring; (3) decreased account receivables; and (4) lower brokerage fees as a result of lower selling prices, despite

an increase in professional fees and depreciation. In FY2024, excluding non-recurring items in 4Q/2023, the percentage of SG&A to sales revenue would be 9.7% down from 10.3% in FY2022. SG&A in 4Q/2023 would amount to THB 441.3 million and the percentage of SG&A to sales revenue would be 8.3%, down from 10.8% in 3Q/2023.

- In FY2023, we recorded THB 44.1 million in net currency exchange loss, narrowing 71.6% YoY. In 4Q/2023, we had THB 33.2 million in net currency exchange loss, decreasing 24.8% QoQ.
- Finance costs in FY2023 totaled THB 306.2 million, increasing 63.9% YoY because of higher interest rates from financial institutions following the benchmark rate increase and full-year interest payments on debentures in 2023. Finance costs in 4Q/2023 totaled THB 76.6 million, decreasing 3.5% following loan repayment.
- Tax expenses in FY2023 totaled THB 18.0 million, decreasing THB 213.5 million because of lower pre-tax profit. The effective tax rate in FY2023 was 10.5%, compared with 12.3% in FY2022.
- EBITDA for FY2023 totaled THB 2,333.0 million, decreasing 33.7% YoY. EBITDA margin was 11.9%, down from 15.1% in FY2022 because of lower operating profit.

Margin (%)



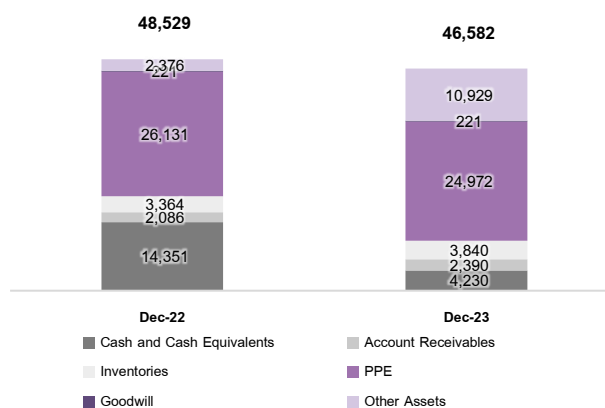
Financial Positions Analysis

- As of 31 December 2023, total assets stood at THB 46,582.1 million, decreasing 4.0% from 31 December 2022, and chiefly consisted of THB 4,230.1 million in cash, THB 5,213.1 million in current financial assets (fixed deposits of over 3 months), THB 2,390.1 million in accounts receivable, THB 3,840.2 million in inventory, THB 4,686.2 in non-current financial assets and THB 24,971.6 million in PPE.
- The decrease in total assets is attributable to loan repayment, dividend payment and depreciation in PPE and non-tangible assets.
- Total liabilities stood at THB 9,745.2 million, decreasing 16.8% from 31 December 2022, and mainly consisted of THB 2,415.6 million in accounts payable, THB 67.1 million in short-term loans, THB 5,412.0 million in long-term loans under the interest rate subsidy program of the RAOT* and THB 1,512.7 million in debentures.
- Total equity stood at THB 36,837.0 million, increasing 0.1% from 31 December 2022 from net profit and profit from investments in financial assets which are recorded in other comprehensive income (OCI).

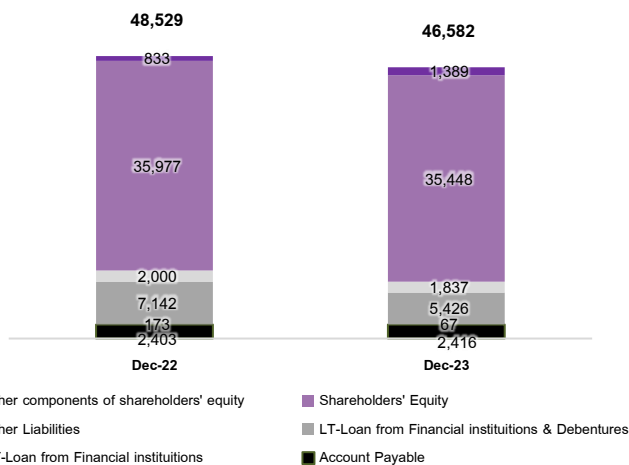
*Long-term loans for capacity expansion under the interest rate subsidy program of the Rubber Authority of Thailand (RAOT), under which up to 3% of interest rate is subsidized.



Assets (THB million)



Liabilities & Shareholders' Equity (THB million)



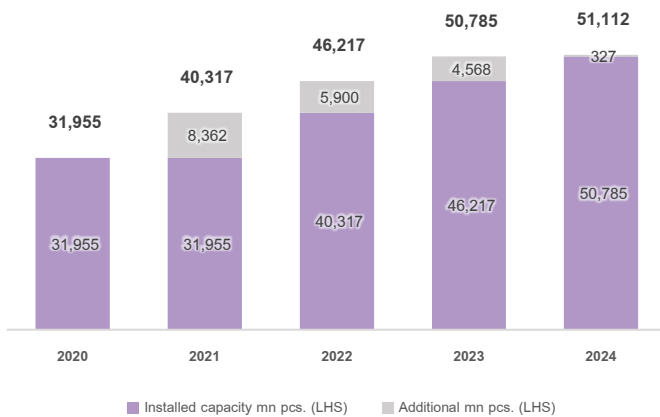
Cash Flows Analysis

For FY2023, our cash flows consisted of:

- THB 1,683.6 million in cash flow from operations, mainly from THB 2,173.1 million in operating income, an increase of THB 143.9 million in operating liabilities, THB 334.8 million in received interests, minus THB 594.9 million in an increase in operating assets, THB 343.3 million in interest payments and THB 117.2 million in tax expenses.
- THB 9,145.9 million in cash flow from investments, which consisted of THB 8,108.1 million in investments in financial assets and THB 1,075.7 million in investments in PPE and non-tangible assets; and
- THB 2,586.9 million in cash flow from financing, for THB 1,822.9 million in short-term and long-term loan repayment and THB 716.3 million in dividend payment. As a result, cash and cash equivalents as of 31 December 2023 stood at THB 4,230.1 million.



Installed Capacity (Million pcs.)



Key Financial Ratios

Interest Coverage Ratio in FY2023 stood at 6.56, decreasing from 24.11 in FY2022 because of a decrease in cash flow from operations, coupled with higher interest expenses following the benchmark rate increase and full-year interest payments on debentures in 2023.

Current Ratio as of 31 December 2023 stood at 3.63, decreasing from 4.62 as of 31 December 2022, 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.

Cash Conversion Cycle in FY2023 stood at 50.40 days, increasing from 49.63 days in FY2022 because days sales outstanding (DSO) increased in tandem with accounts receivable and extension of credit terms to high-quality customers. Days inventory outstanding (DIO) decreased following lower inventory, while days payables outstanding (DPO) slightly 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 December 2023 was (0.07)*, increased from (0.15)* as of 31 December 2022, mainly because of a decrease in short-term and long-term loans which were payable in FY2023 less than a decrease in cash following investments in financial and fixed assets while equity increased 0.1%.

*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.
- **Growing our customer base** from currently 170 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 3Q/2023, STGT had significant ESG operations as the following.

Environmental

- STGT set the targets of achieving carbon neutrality by 2030 and the Net-Zero Emissions by 2050 compared to base year 2021 covering scope 1 and scope 2 greenhouse gas (GHG) emissions through three main strategies which are energy efficiency and process improvement, low-carbon technologies and renewable energy, and carbon offsetting and sequestration.
- STGT assessed and registered Carbon Footprint of Products (CFP) for its 13 additional glove product groups of latex and nitrile gloves. Until now, the Company has had its 18 glove product groups in total which have been registered for CFP with Thailand Greenhouse Gas Management Organization (Public Organization) or TGO.

- STGT has installed solar power generation projects with a production capacity of 1 megawatt-hour (MWh) at Trang Branch which completed in 2023 and expanded to 3 branches at Hat Yai, Sadao P.S. and Chumphon. These projects will enable STGT to generate total electricity from solar energy with 5,472.6 megawatt-hours per year (MWh/year) by April, 2024.
- STGT has implemented Circular Economy projects in collaboration with leading private companies as follows: 1) SRIC under SCG Group for the second consecutive year, by sending expired STGT ceramic glove molds as substituted raw materials for SRIC's fire-resistant cement production. The company's waste materials sent in 2023 reduced waste to landfill by 1,140.45 tons per year and decreased disposal costs by 2,030,000 Baht per year. 2) Saint-Gobain Weber Co., Ltd. purchased fly ashes which is a waste product from steam production processes at the Trang Branch, to use as a component in Saint-Gobain Weber's products. This allowed the company to reduce fly ashes by 330 tons per year, decreased disposal costs by 131,840 Baht per year and adding value to the waste by 32,960 Baht per year. 3) SCleco collaborated with STGT to jointly investigate the advantageous repurposing of waste materials by analyzing the calorific value of rubber sludge from wastewater passing through Filter Press at various moisture levels. This enables mixing with refuse derived fuel (RDF) for use as fuel combustion in cement plant kilns. This project has driven towards the STGT's goal to achieve Zero Waste to Landfill.

Social

- STGT's Chumphon branch factory has been amfori BSCI certified with A grade. The Chumphon branch factory is the 5th glove factory of the Company that received such standard. **As a result, STGT still maintains A grade of amfori BSCI standard certification for every factory receiving amfori BSCI audits reflecting the international standards of labor and safety of the Company.**
- STGT has 4 factories that have been certified with ISO 45001: 2018, namely Hat Yai Branch, Trang Branch, Surat Thani Branch and Sadao PS Branch and will expand the results of the application for certification in all branches. Thus, in 2024, the Chumphon Branch and Anvar Branch will be certified.
- STGT places importance on community and social development by supporting academic and management systems to establish a care system through the 'Miracle of the First 1,000 Days' project. This aims to develop and enhance the potential of pregnant women and newborns up to six years old for collaborative learning, leading to continuous development of children and families.
- STGT conducts community and social development projects continuously. Our Trang Branch factory has implemented the Upcycling Wood Pallets Project which uses the unused wood pallets in the factory for producing wood furniture in order to promote job creation and revenue for communities. Furthermore, our Surat Thani Branch factory has implemented the project of "STGT-SR's Upcycling Wood Pallets" in collaboration with the Sports Association Disabled by bring unused wood pallets in the factory for producing tables, chairs, shelves, etc. to create value added for unused material, promote community job and encourage participation between the Company and communities.
- STGT received an award (at excellent level) for outstanding organization of 2023, for the second consecutive year, that promotes employment of people with disability from the Ministry of Social Development and Human Security.

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.



4Q23 Key Financial Information (unit: million THB)

	4Q23	3Q23	%QoQ	4Q22	%YoY	2023	2022	%YoY
Volume (in million pcs)	8,840.4	7,596.7	16.4%	6,895.7	28.2%	31,384.0	28,808.9	8.9%
Sales Revenue	5,306.2	4,740.9	11.9%	4,760.8	11.5%	19,665.2	23,304.8	-15.6%
COGS	(4,757.8)	(4,145.5)	14.8%	(4,134.6)	15.1%	(17,516.3)	(19,048.0)	-8.0%
Gross profit	548.4	595.4	-7.9%	626.2	-12.4%	2,148.8	4,256.8	-49.5%
Other income	110.2	45.1	144.1%	23.0	378.7%	228.3	209.3	9.1%
SG&A	(747.2)	(513.2)	45.6%	(616.0)	21.3%	(2,217.1)	(2,401.1)	-7.7%
Gain (loss) on exchange rate, net	(139.5)	57.7	NM	(200.1)	-30.3%	(10.9)	101.7	-110.7%
Other gains, net	106.3	(101.8)	NM	142.7	-25.5%	(33.2)	(257.2)	-87.1%
Operating profit (loss)	(121.8)	83.1	NM	(24.1)	405.3%	115.8	1,909.5	-93.9%
EBITDA	607.6	612.2	-0.8%	443.6	37.0%	2,333.0	3,519.9	-33.7%
EBIT	(8.7)	181.4	-104.8%	49.1	-117.8%	476.9	2,070.3	-77.0%
Finance income	113.1	98.2	15.1%	73.2	54.4%	361.0	160.8	124.5%
Finance costs	(76.6)	(79.4)	-3.5%	(64.5)	18.7%	(306.2)	(186.8)	63.9%
EBT	(85.3)	102.0	NM	(15.4)	455.1%	170.7	1,883.5	-90.9%
Tax	43.0	(54.6)	NM	(23.0)	-286.9%	(18.0)	(231.5)	-92.2%
Net profit	(42.3)	47.4	-189.1%	(38.4)	10.1%	152.7	1,652.1	-90.8%
GP margin	10.3%	12.6%	-2.2%	13.2%	-2.8%	10.9%	18.3%	-7.3%
EBITDA margin	11.5%	12.9%	-1.5%	9.3%	2.1%	11.9%	15.1%	-3.2%
Net profit margin	-0.8%	1.0%	-1.8%	-0.8%	0.0%	0.8%	7.1%	-6.3%
Financial Ratio								
Current ratio	3.63	3.86	-6.0%	4.62	-21.4%	3.63	4.62	-21.4%
Cash cycle (days)	51.91	63.34	-18.1%	60.18	-13.7%	50.40	49.63	1.6%
IBD/E	0.19	0.20	-5.0%	0.24	-20.9%	0.19	0.24	-20.9%
Interest coverage ratio	11.46	8.21	39.5%	22.48	-49.0%	6.56	24.11	-72.8%
ROA	-0.4%	0.4%	-0.7%	-0.3%	0.0%	0.3%	3.3%	-3.0%
ROE	-0.4%	0.5%	-0.9%	-0.4%	0.0%	0.4%	4.4%	-4.0%

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 more than 170 countries worldwide. As of 31 December 2023, STGT employed more than 9,300 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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