



SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

# 3Q22 Presentation



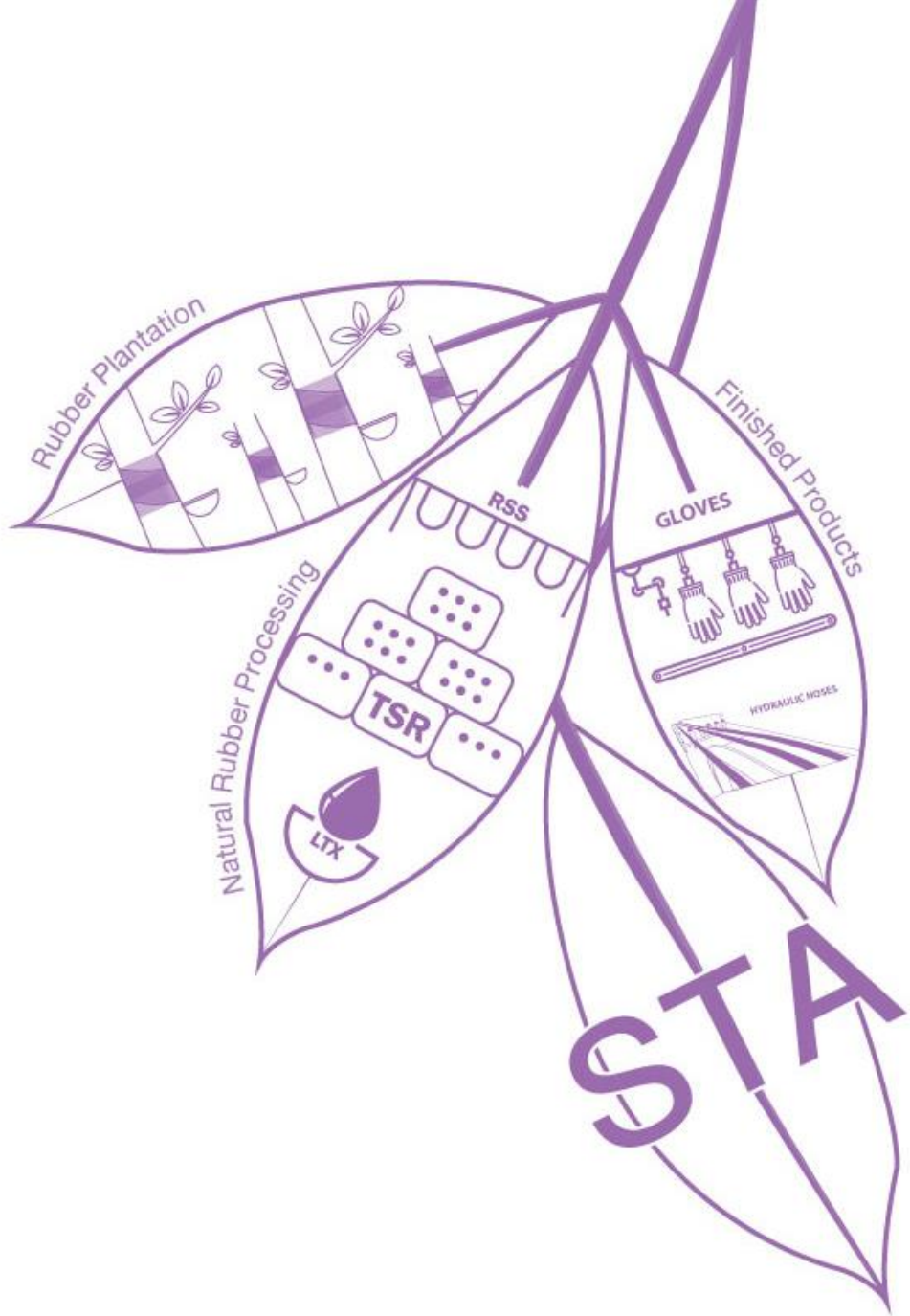
The Stock Exchange of Thailand The Stock Exchange of Thailand

SET100 Index SETTHSI Index



Excellent Corporate Governance Score Appraised by Thai Institute of Directors





## 01 Company Overview



## 02 Financial Performance



## 03 Natural Rubber Market Situation

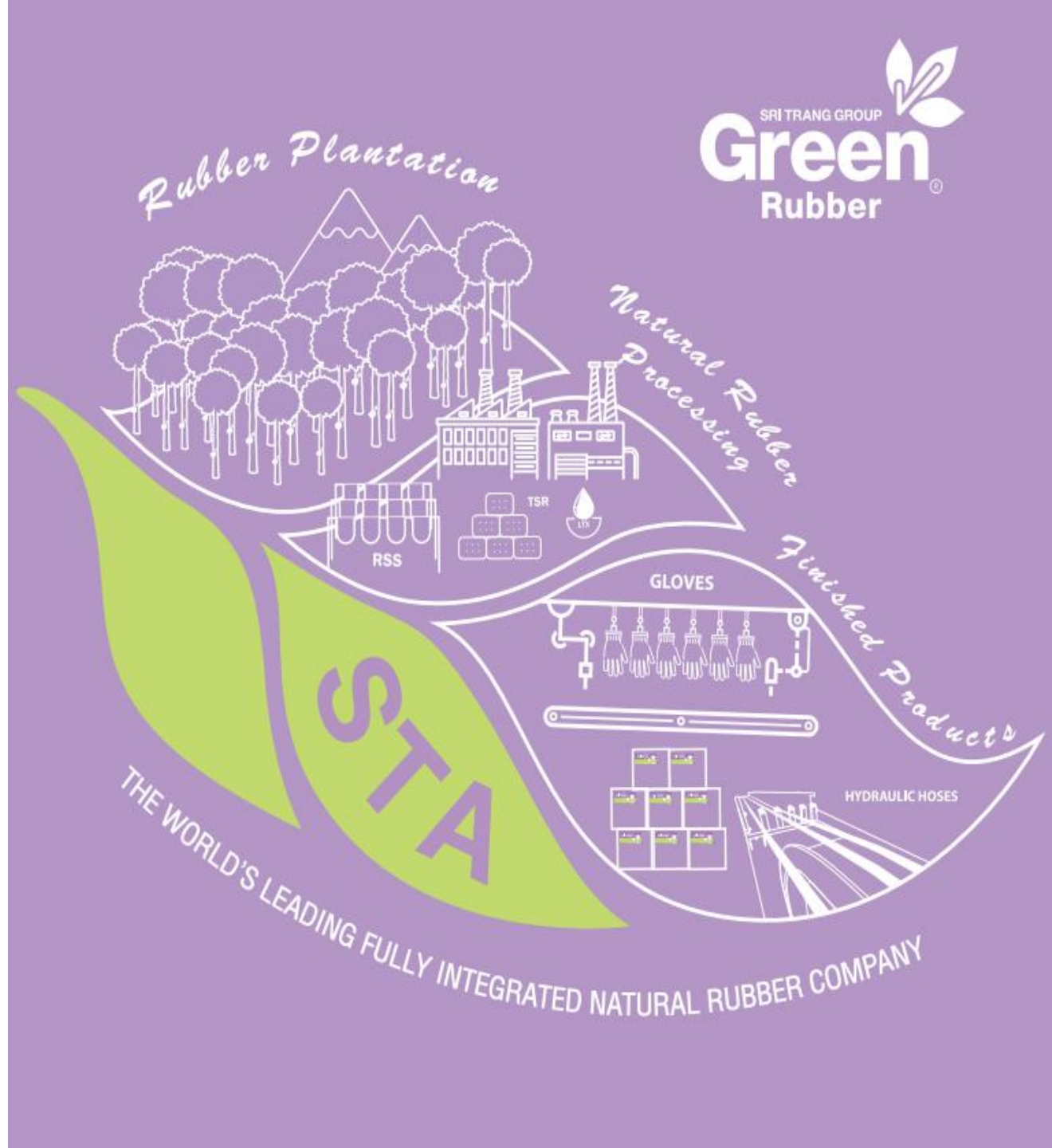


## 04 Business Highlights



# 01 Company Overview

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# The World's Leading Fully Integrated Natural Rubber Company

About STA: Established in 1987



## Upstream



### RUBBER PLANTATIONS

**45,000** rai

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

**32** procurement centers

**> 7,000**

Rubber farmers and dealers being members of mobile application

"SRI TRANG Friends"



## Midstream



### RUBBER PROCESSING

**35** NR processing plants in Thailand, Indonesia and Myanmar

**3.2** million tons in production capacity per year

**1.3** million tons sold in 2021

**10%** market share of global natural rubber consumption in 2021

**32%** market share of Thailand rubber production in 2021

## Downstream



### RUBBER GLOVES

**4** locations of glove factories in Thailand

**48** billion pieces of gloves in production capacity per year

**27.3** billion pieces of gloves sold in 2021

**170+** countries sold over the world

SRITRANG's  
Global  
Presence



Thailand



USA



Myanmar



Indonesia



Singapore

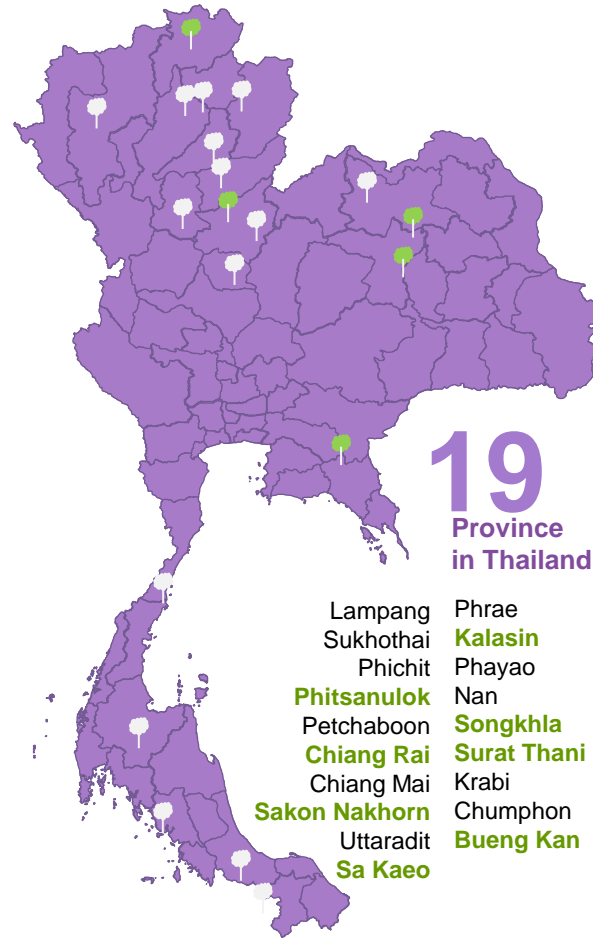


China



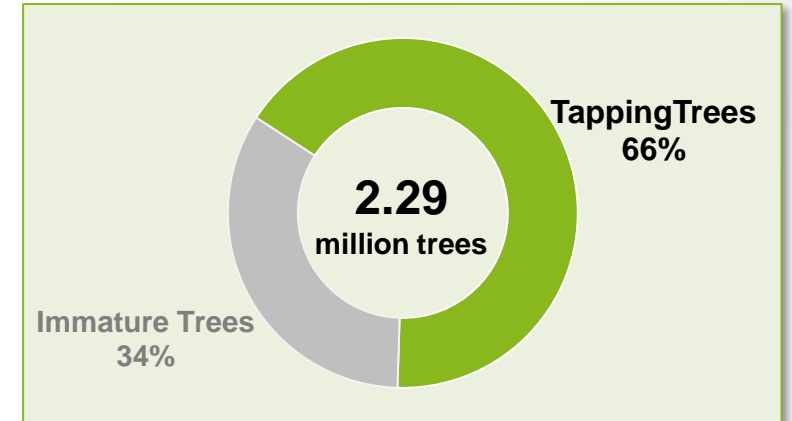
Vietnam

# Upstream Operations – Rubber Plantation

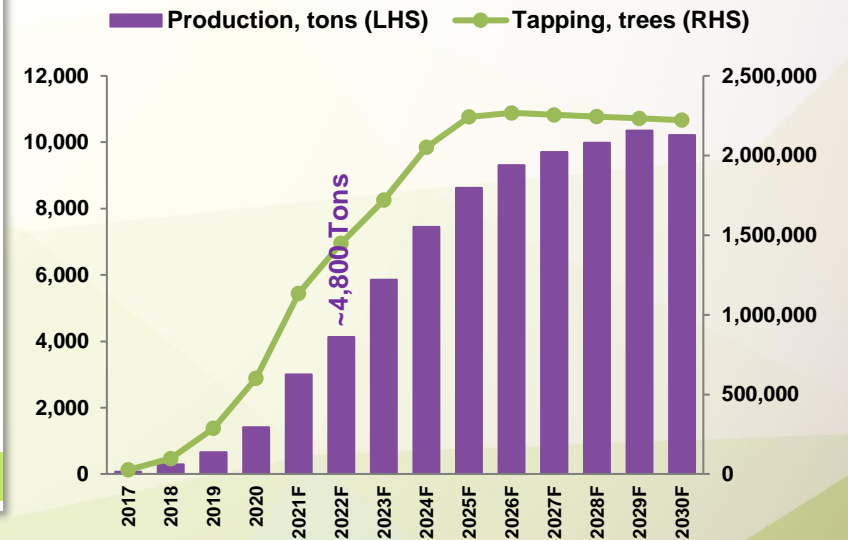


Note: The green provinces are where our factories located in.

## Number of Rubber Trees (2022F)



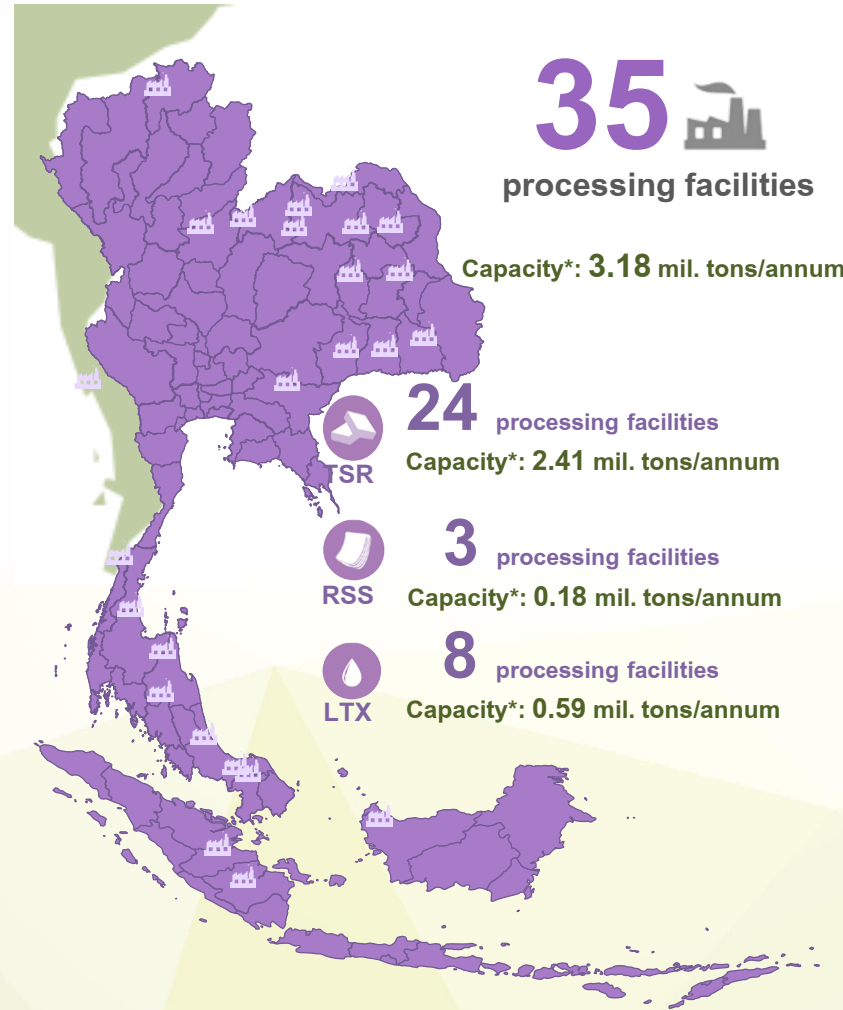
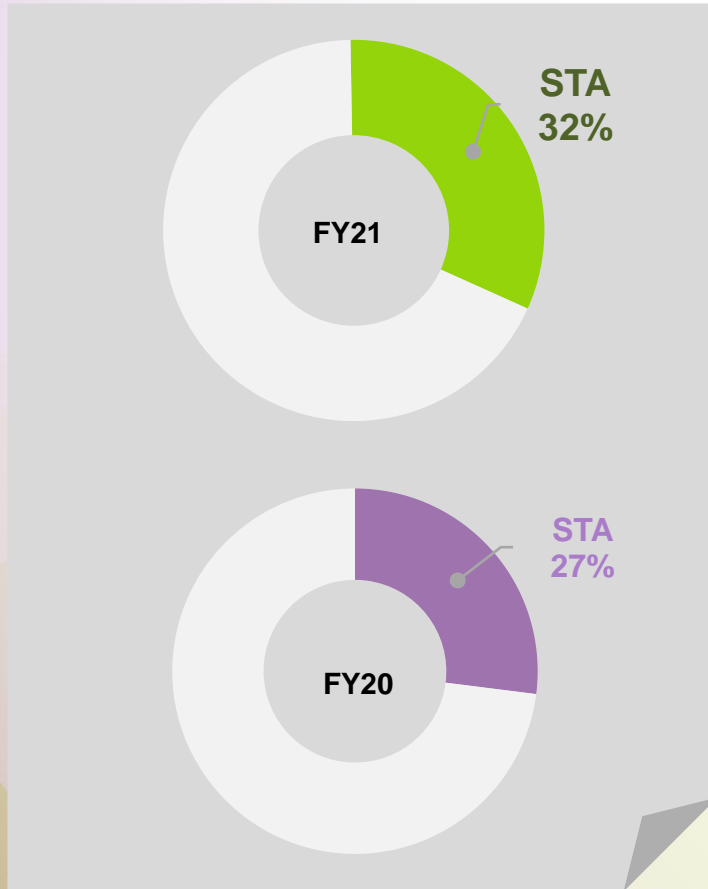
## Estimated Mature Plantations



Note: Information as of 30 June 2022

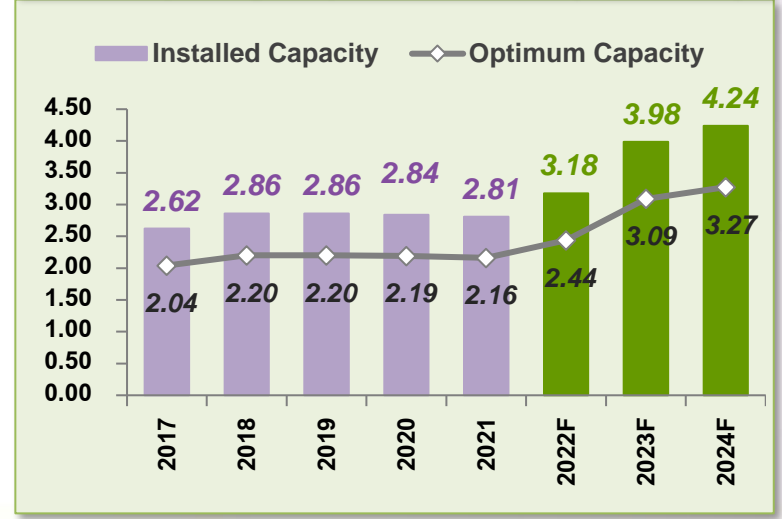
# Midstream Operations – NR Processing

## A Strong Increase in Market Share Rubber Production in Thailand

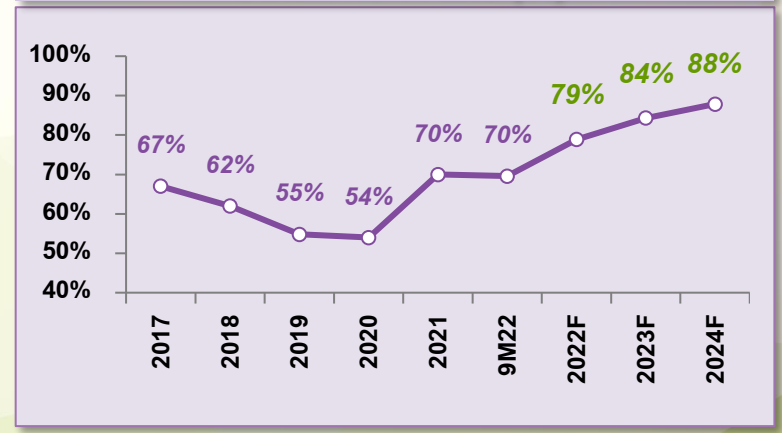


Note: \*Total engineering capacity

## NR Capacity Expansion Plan (mil. tons)



## Utilization Rate (%)



# Major Customers in Midstream Business

## GLOBAL BRANDS



## NON-CHINA



## CHINA



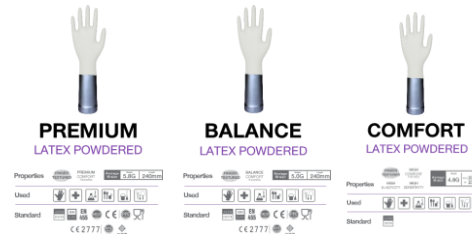
# Thailand Largest and the World's Top 5 Glove Producer Company

About **STGT**: Established in 1989



## Product Type

### 1. LATEX POWDERED: NRPD



### 2. LATEX POWDER-FREE: NRPF



### 3. NITRILE: NBR



## Competitive Advantages

- 1 Unique Product Mix
- 2 Security of Supply
- 3 Low Transportation and Inventory Handling Costs
- 4 No Burden on Import Tax (CESS) of Concentrated Latex
- 5 Low Energy Cost
- 6 Interest Subsidy
- 7 Tax Benefit from the Board of Investment Thailand (BOI)
- 8 ESG Leader





SRI TRANG  
**FRIENDS**

The New Era of Rubber industry through  
**Agri-Tech Ecosystem**



# Sri Trang Friends Features are to create **ECO-SYSTEM** in the NATURAL RUBBER INDUSTRY



# SRI TRANG is in a SPACESHIP!

KEEP MOVING OUT OF  
THE TRADITIONAL  
RUBBER BUSINESS



Bye...



Our Competitors

# Awards in terms of ESG

## Economic (Green Company) "Sustainable Growth"



Topic
<ul style="list-style-type: none"> <li>• Good Corporate Governance</li> <li>• Anti-corruption</li> <li>• Increased production and Expand market share</li> <li>• Strengthen the customers' and Partners' trust</li> <li>• Educated rubber farmer to make a good quality raw material</li> <li>• Create innovation and new technology</li> </ul>

Key success
<ul style="list-style-type: none"> <li>• CG and AGM score</li> <li>• Member of The Private Sector Collective Action Coalition Against Corruption (CAC)</li> <li>• Economic performance</li> <li>• Customer satisfaction score</li> <li>• Sri Trang rubber farmer project</li> <li>• Benefit from Kaizen&amp; QCC activity</li> </ul>

## Social (Green Supply) "Create more happiness for internal and external society"



Topic
<ul style="list-style-type: none"> <li>• Development and employees' care</li> <li>• Human Rights and Fair Labor Practices</li> <li>• Good health, Safety and Good working environment</li> <li>• Establish responsible process to consumer care</li> <li>• Engage supplier or partners' for social responsibility</li> <li>• Social and Community Development</li> </ul>

Key success
<ul style="list-style-type: none"> <li>• Turnover rate</li> <li>• Comprehensive human rights risk assessment results.</li> <li>• Accident rate</li> <li>• Complaints</li> <li>• No. of Suppliers who acknowledge anti-corruption policy</li> <li>• Cost and project to supported and developed community</li> </ul>

## Environment (Green factory, Green product) "Focus on the effective environmental management system"



Topic
<ul style="list-style-type: none"> <li>• Energy reduction and renewable energy</li> <li>• Reduce CO<sub>2</sub> emission</li> <li>• Efficiency resourcement and reuse material</li> <li>• Oriented towards managing to reduce Impacts of the production</li> <li>• Planting and increasing the green areas</li> <li>• R&amp;D environmental friendly products</li> </ul>

Key success
<ul style="list-style-type: none"> <li>• Energy consumption per product unit</li> <li>• Carbon dioxide equivalent emissions per unit of product</li> <li>• Waste to Value project</li> <li>• Complaints from the community</li> <li>• Carbon sequestration</li> <li>• Number of projects/products that are environmentally friendly</li> </ul>





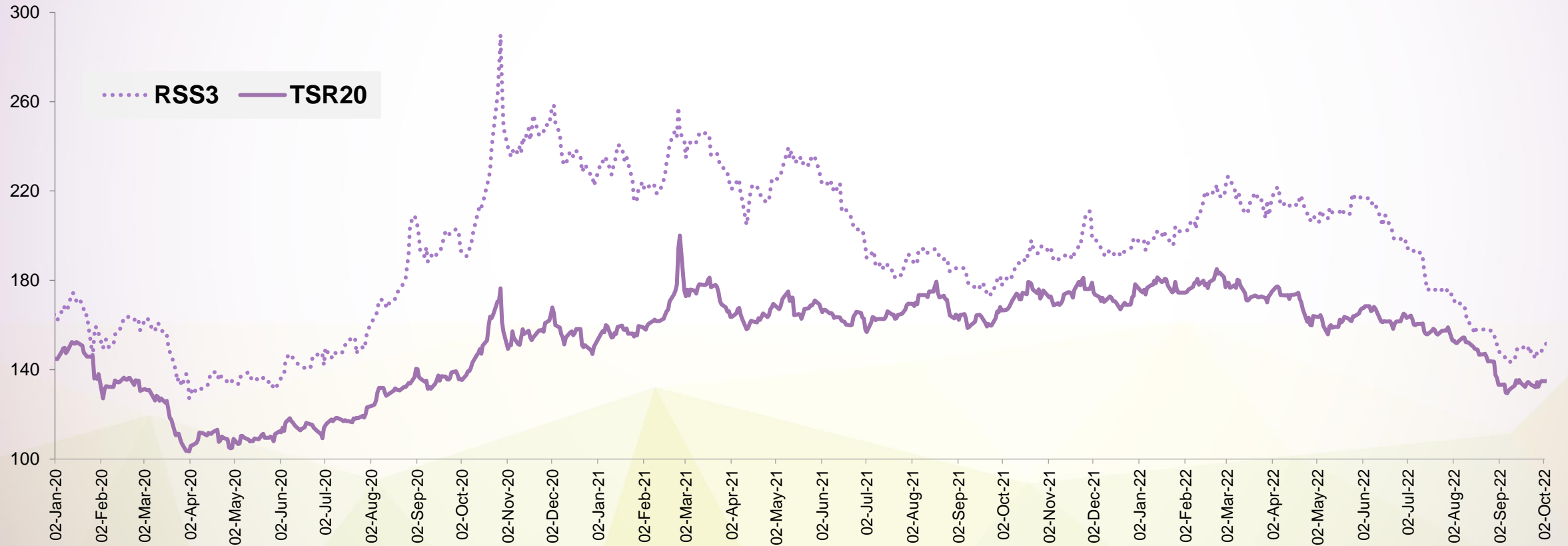
## 02 Financial Performance

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# Rubber Price Movement

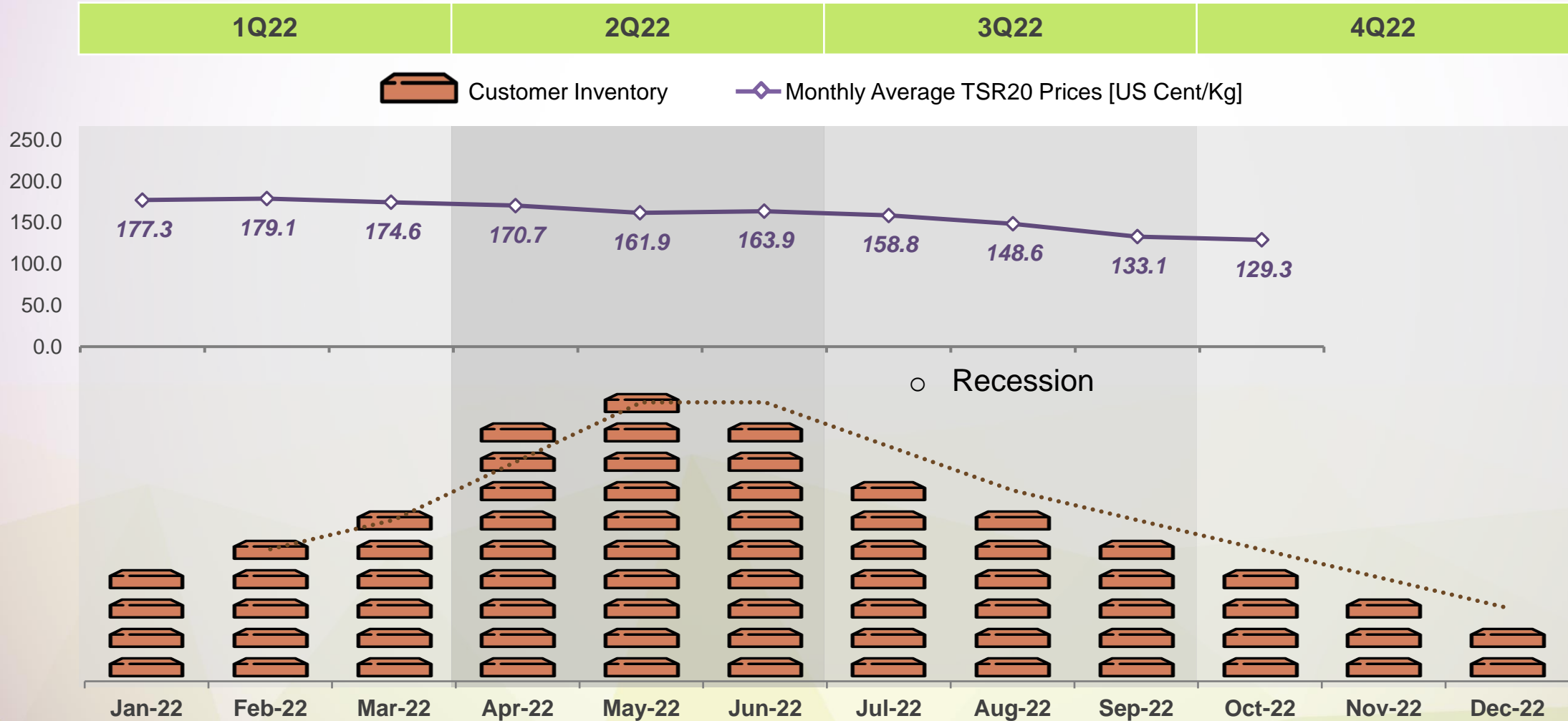
## SICOM Price (US Cent/kg.)



### Quarterly Average TSR20 Prices

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
133.5	110.8	128.1	154.5	167.0	165.3	166.0	172.9	176.9	165.4	146.7
(-2.5%)	(-17.0%)	(+15.6%)	(+20.6%)	(+8.1%)	(-1.0%)	(+0.4%)	(+4.2%)	(+2.3%)	(-6.5%)	(-11.3%)

# Customer's Rubber Inventory Build-Up Diagram



# Financial Highlight



(Unit : THB million)	3Q22	3Q21	%YoY	2Q22	%QoQ	9M22	9M21	%YoY	FY21
Revenue	29,359	28,486	3.1%	27,973	5.0%	85,332	89,869	-5.0%	118,275
NR Sales volume (tons)	400,131	311,308	28.5%	352,951	13.4%	1,102,053	949,149	16.1%	1,294,724
NR Avg. selling price (USD per ton)	1,799	1,729	4.0%	1,842	-2.4%	2,003	1,704	17.5%	1,708
Gloves Sales volume (million pieces)	6,381	7,051	-9.5%	7,629	-16.4%	21,918	19,518	12.3%	27,304
Gloves Avg. selling price (USD per 1,000 pieces)	21	47	-54.6%	24	-13.6%	24	64	-62.3%	56
Gross profit	3,893	8,154	-52.3%	4,242	-8.2%	12,661	32,658	-61.6%	38,059
Adj. gross profit**	4,595	7,612	-39.6%	4,438	10.2%	13,859	31,650	-56.2%	36,769
SG&A	(2,780)	(2,015)	38.0%	(2,595)	7.1%	(7,762)	(5,331)	45.6%	(7,927)
Other income and dividend income	131	259	-49.3%	96	36.1%	272	366	-25.7%	422
Gains (loss) on exchange rate, net**	257	190	35.2%	86	199.4%	391	692	-43.5%	474
Other gains (loss)*	21	(715)	-102.9%	30	-30.5%	160	(1,932)	-108.3%	(1,836)
Operating profit (loss)	1,521	5,874	-74.1%	1,859	-18.1%	5,722	26,452	-78.4%	29,193
Share of profit (loss) from investments in JV	85	68	25.1%	81	4.9%	221	174	27.0%	241
EBITDA	2,419	6,692	-63.8%	2,714	-10.9%	8,281	28,861	-71.3%	32,439
EBIT	1,607	5,942	-73.0%	1,940	-17.2%	5,943	26,626	-77.7%	29,434
Finance income	37	28	30.8%	29	29.4%	96	83	15.7%	113
Finance cost	(343)	(214)	60.6%	(298)	15.0%	(864)	(600)	44.0%	(829)
Tax Income (expense)	(154)	(569)	-73.0%	(261)	41.0%	(640)	(2,352)	-72.8%	(2,542)
Net profit	1,156	3,231	-64.2%	1,142	1.2%	3,807	14,233	-73.3%	15,847
GP margin	13.3%	28.6%		15.2%		14.8%	36.3%		32.2%
Adj. GP margin*	15.7%	26.7%		15.9%		16.2%	35.2%		31.1%
Operating profit margin	5.2%	20.6%		6.6%		6.7%	29.4%		24.7%
EBITDA margin	8.2%	23.5%		9.7%		9.7%	32.1%		27.4%
Net profit margin	3.9%	11.3%		4.1%		4.5%	15.8%		13.4%

\*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 related to financial instruments of currency and commodities



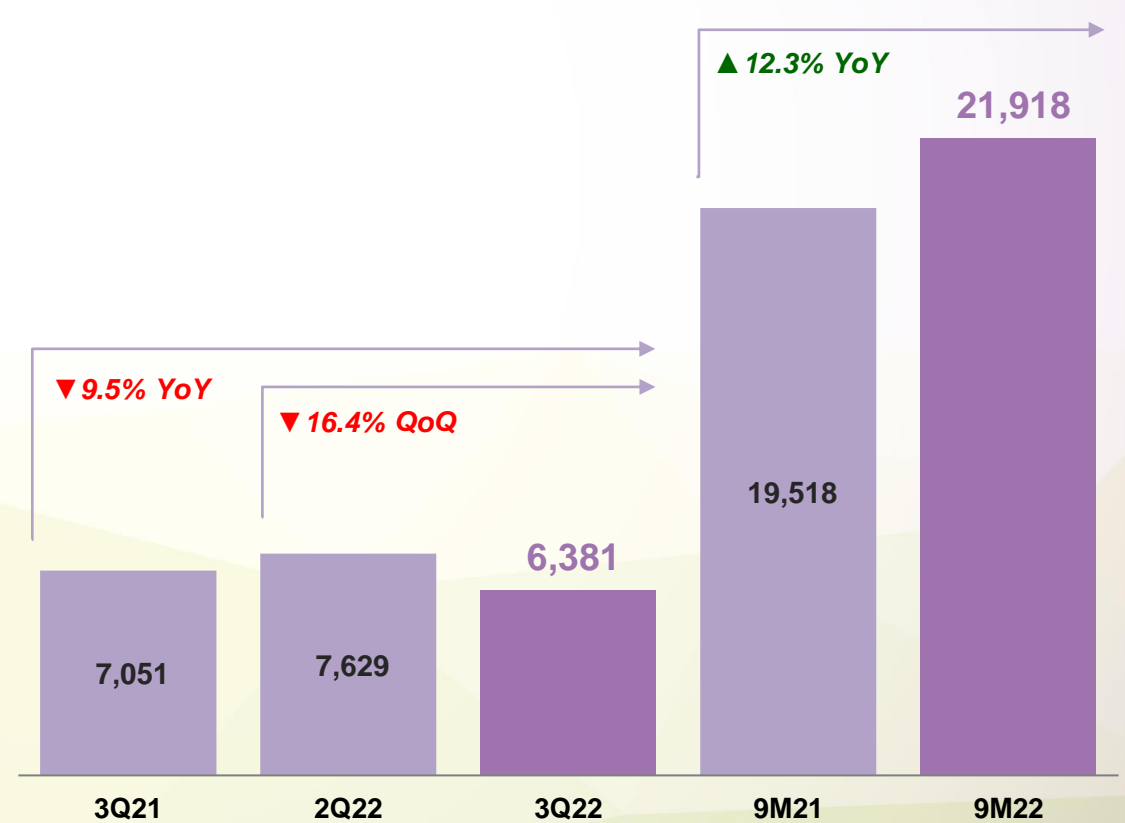
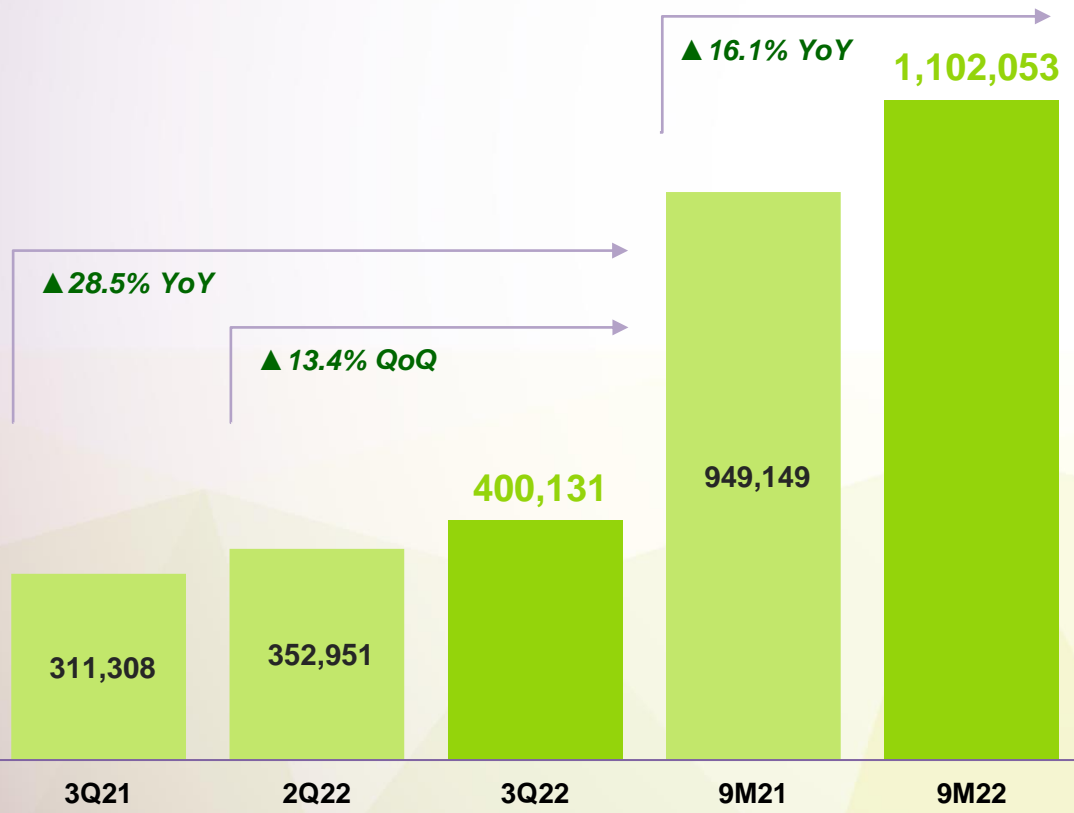
# Sales Volume



## Natural Rubber Products (tons)



## Glove Products (million pieces)

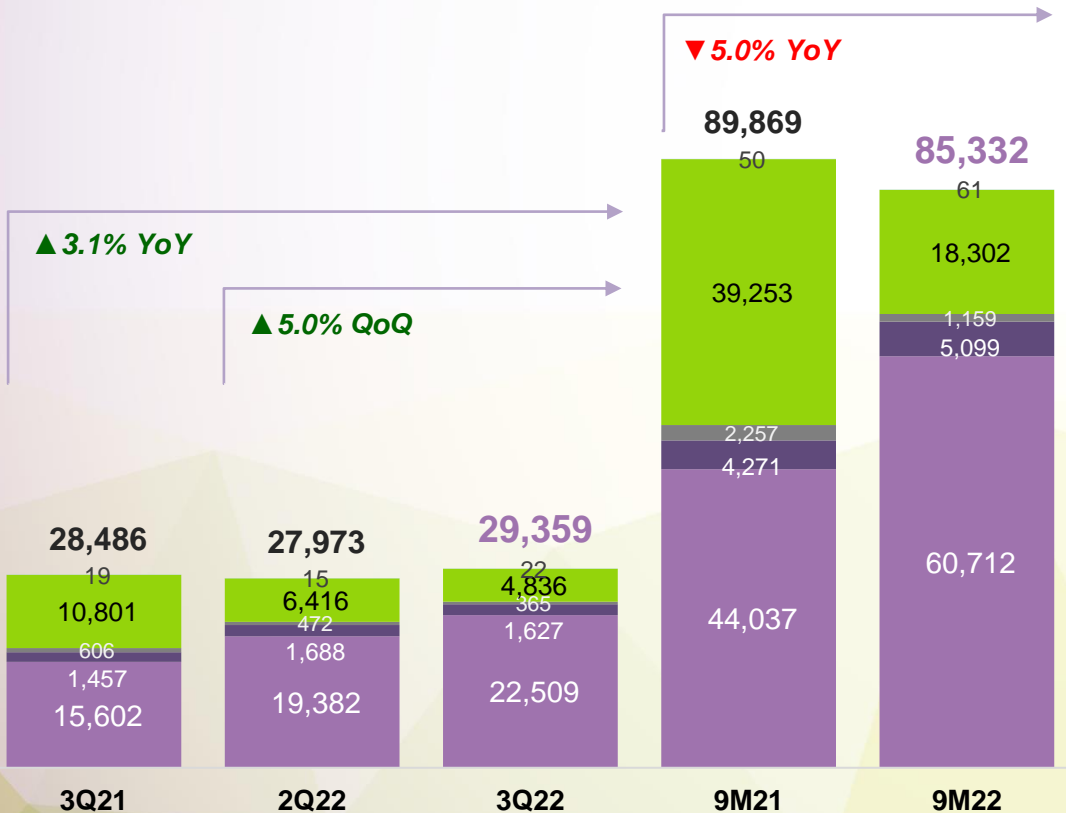


# Sales Revenue – 83% contribution from NR business in 3Q22

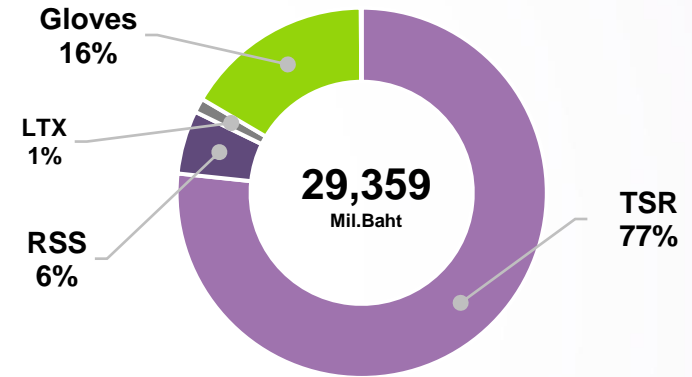


## Sales Revenue by Product (THB million)

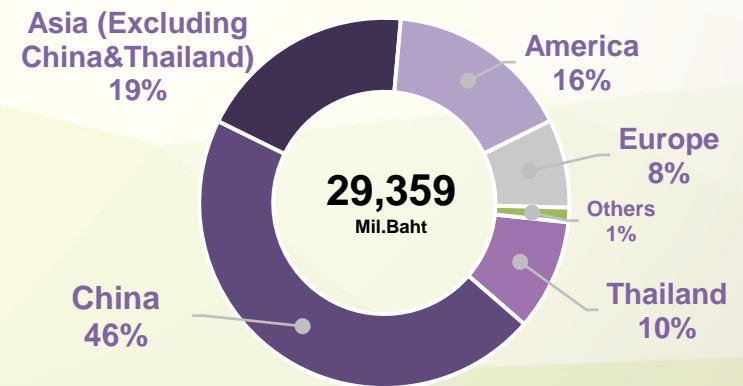
■ TSR ■ RSS ■ LTX ■ Gloves ■ Others



## Sales Breakdown by Product [3Q22]



## Sales Breakdown by Region [3Q22]

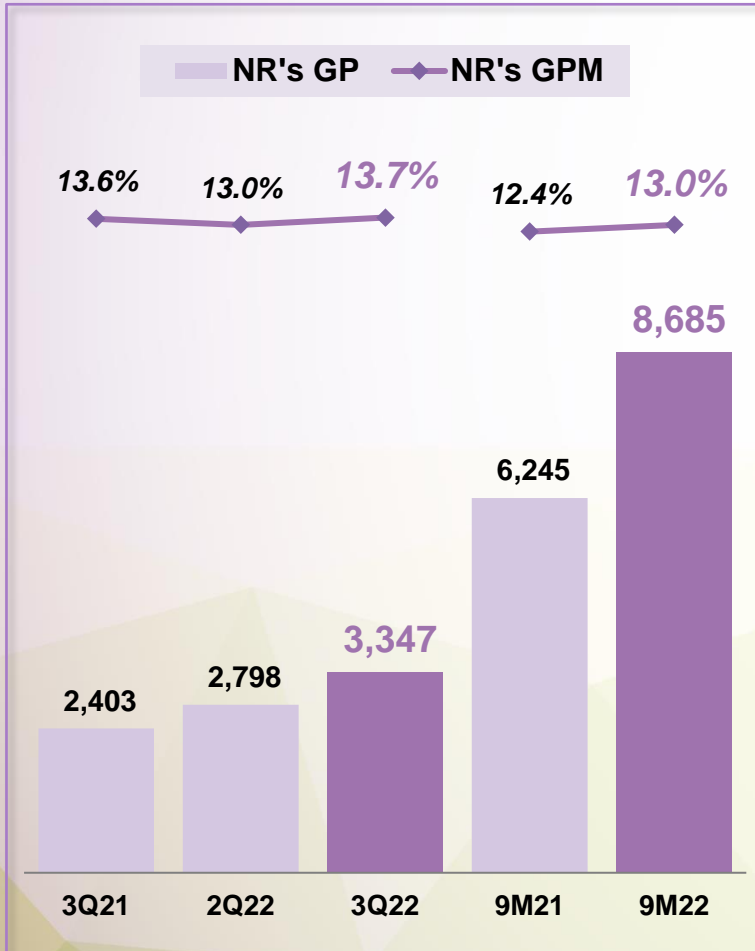


### ABBREVIATIONS

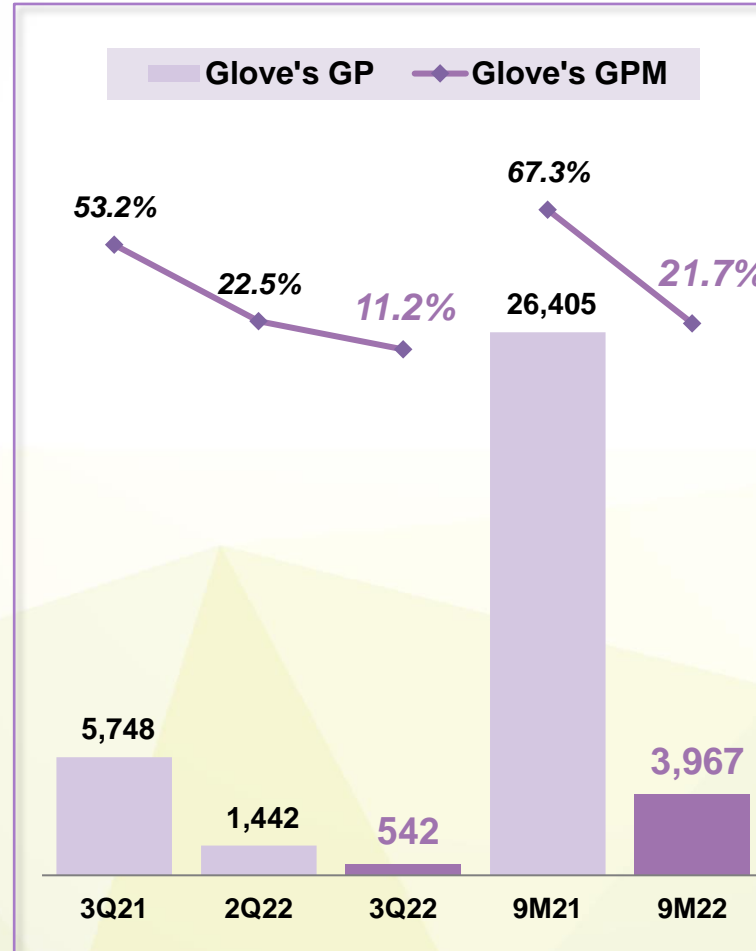
RSS : Ribbed smoked sheet    TSR : Technically specified rubber, which includes STR and SIR    LTX: Concentrated Latex

# Gross Profit

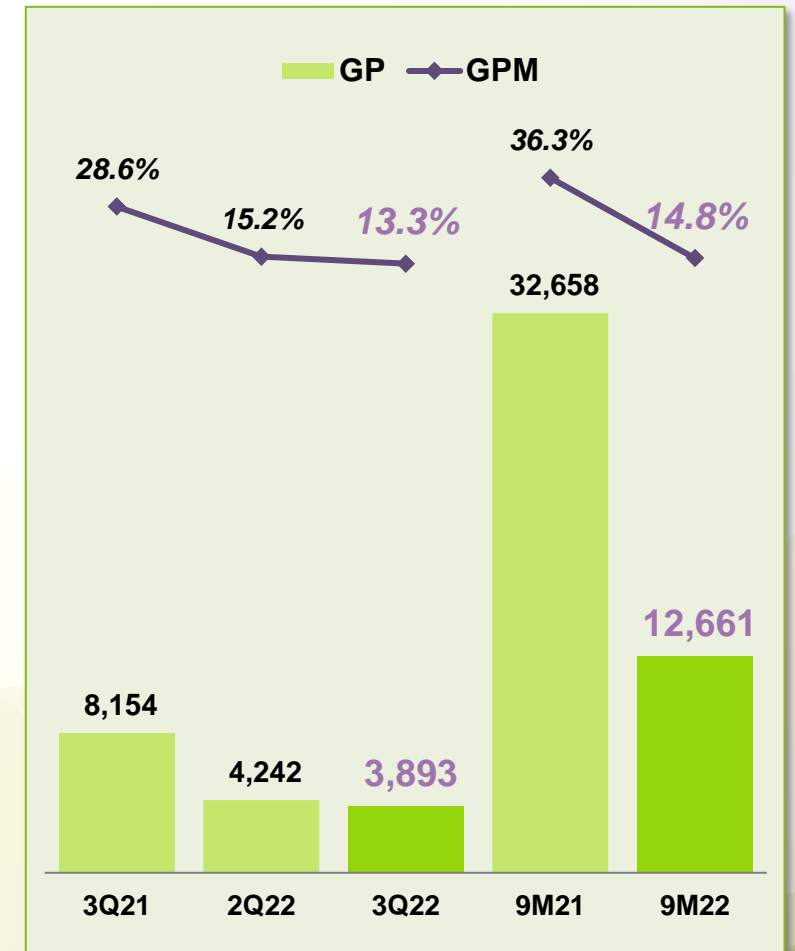
NR's Gross Profit (THB million)



Glove's Gross Profit (THB million)



Blended Gross Profit (THB million)



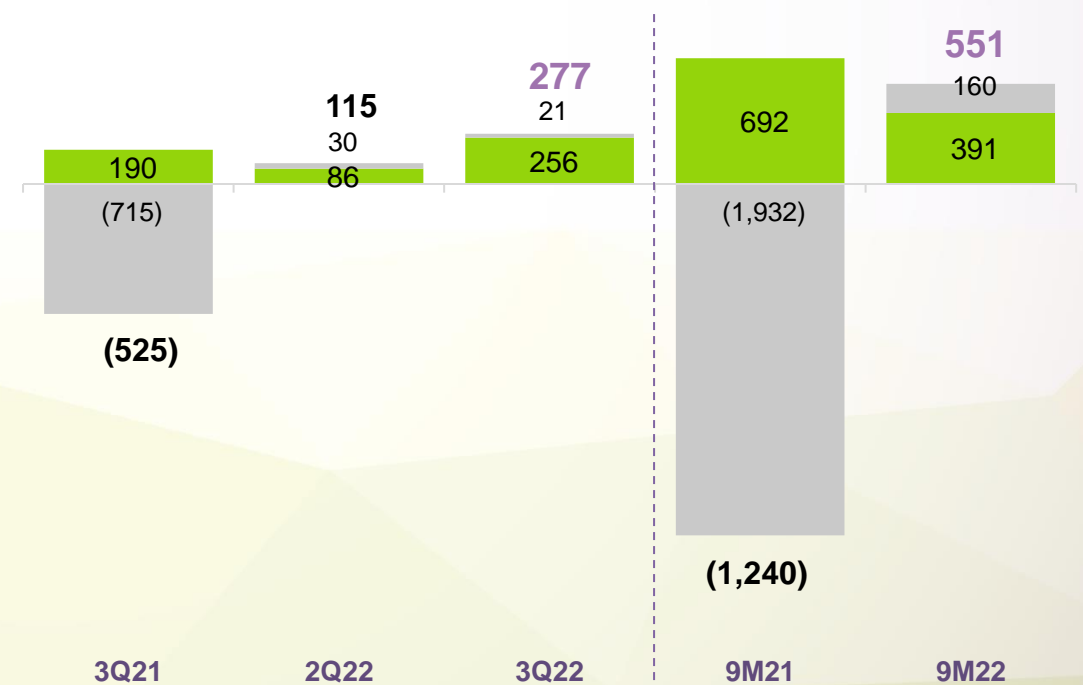
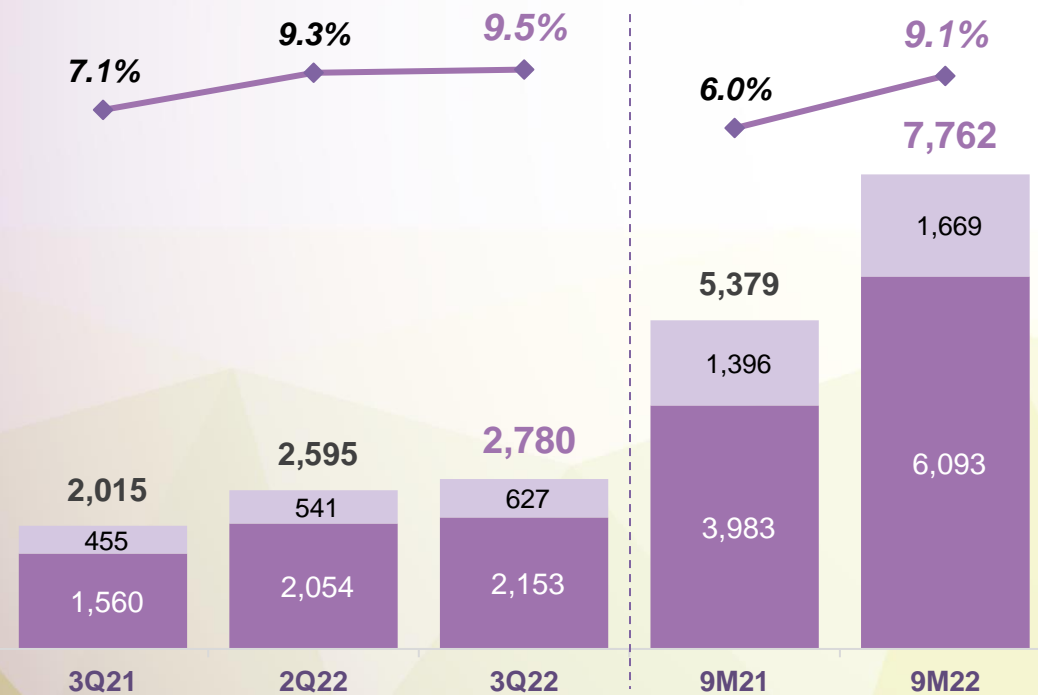
# SG&A, Gain on FX, and Other Gain

## SG&A (THB million)

## Gain (Loss) on FX and Other Gain (Loss) (THB million)

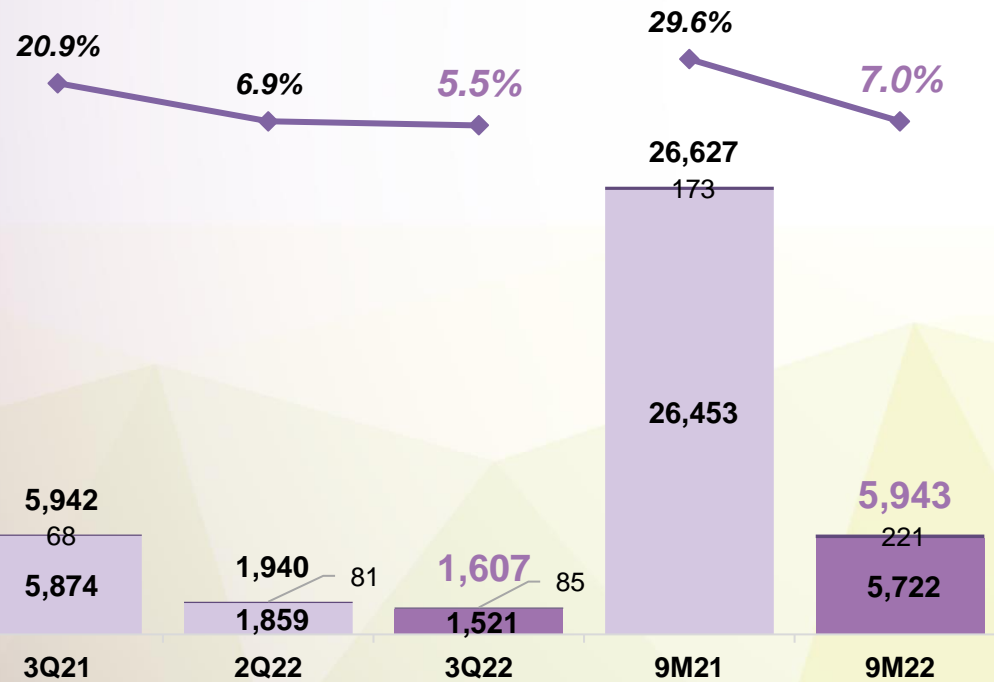
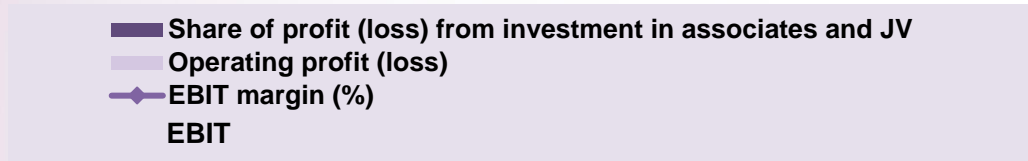
■ Selling Expense   ■ Admin. Expense   ◆ %SG&A/Sales

■ Gain (Loss) on FX   ■ Other Gain (Loss)

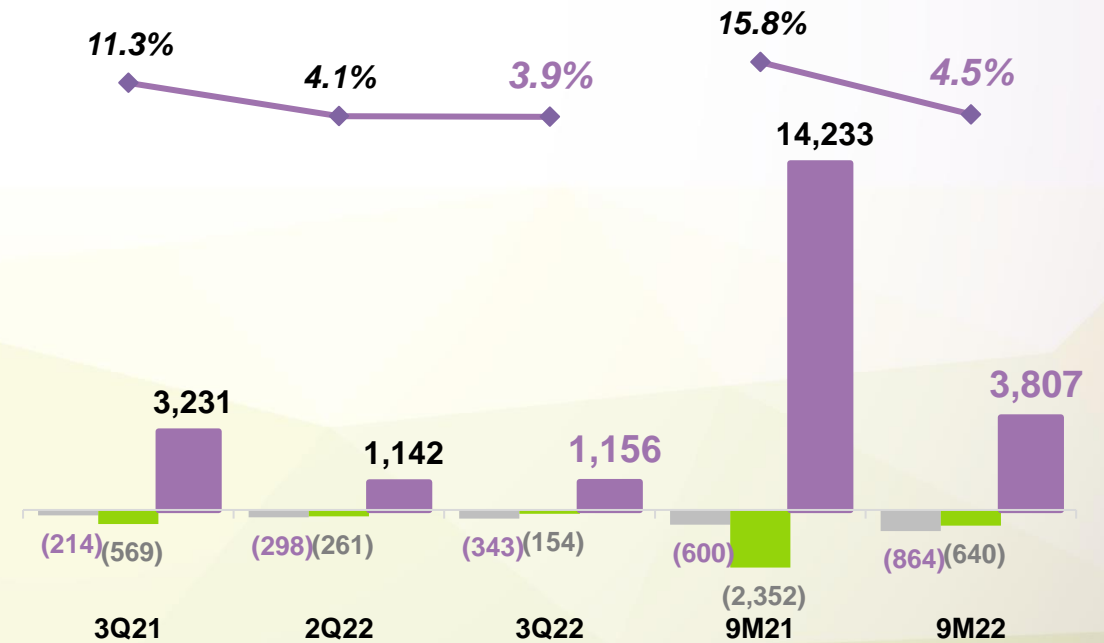
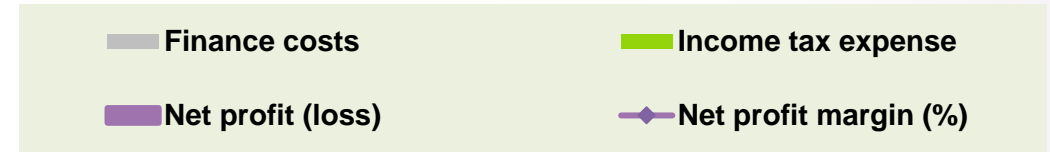


# EBIT & Net Profit

## EBIT (THB million)



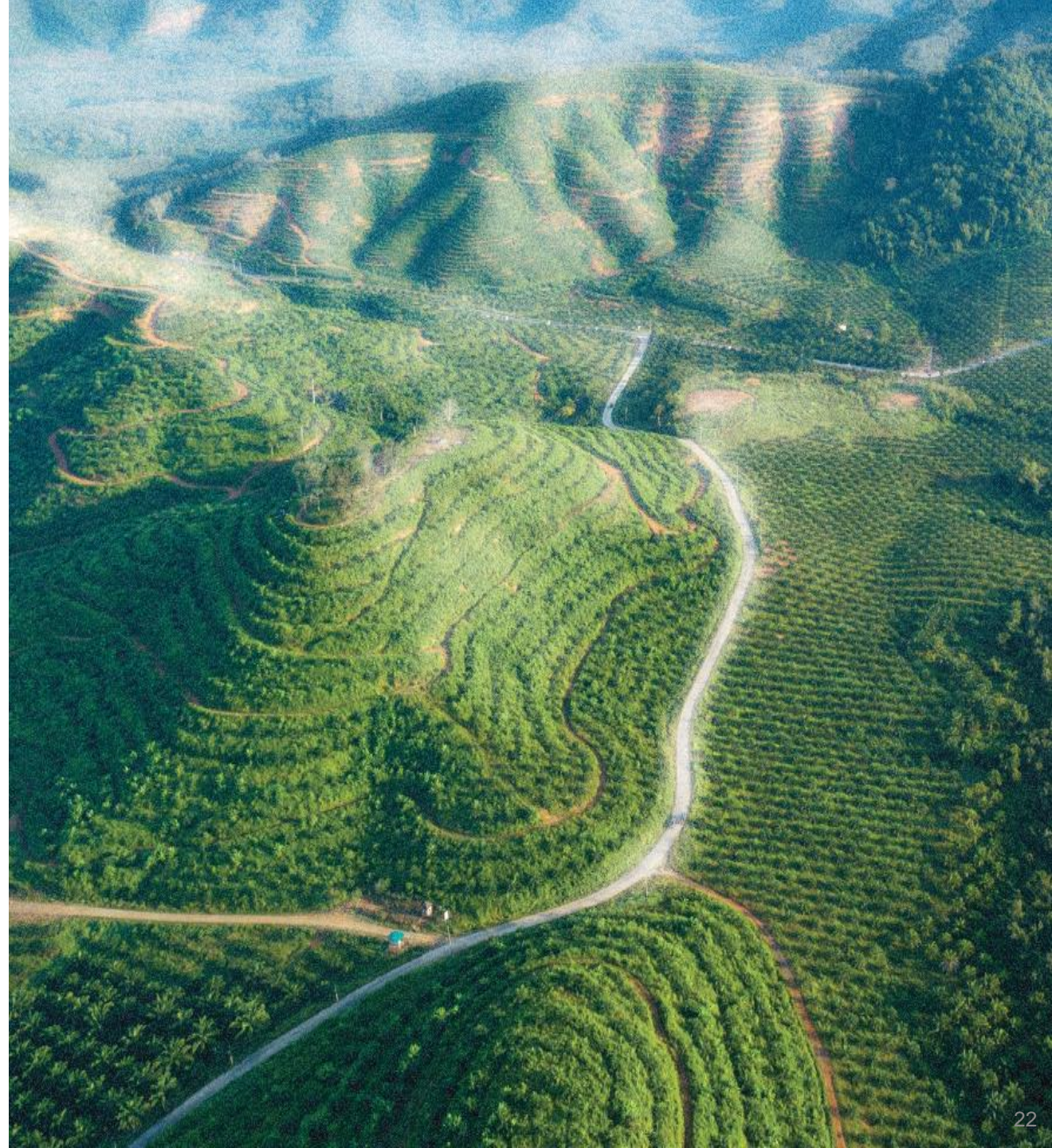
## Net Profit (THB million)



# 03

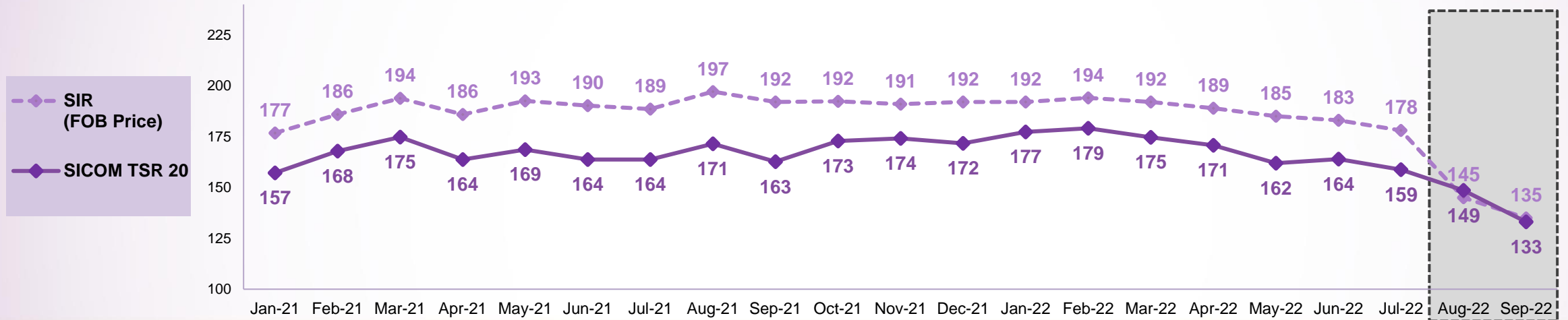
## Natural Rubber Market Situation

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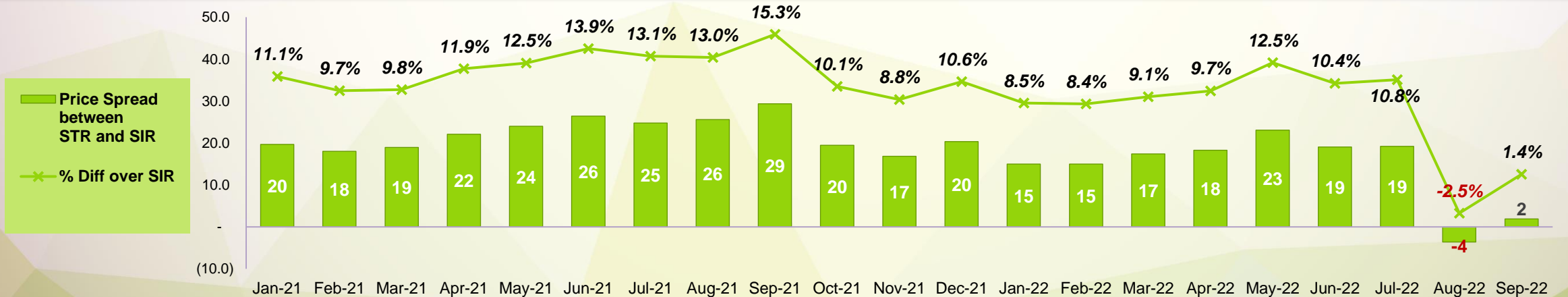


# Indonesia Rubber Price Situation

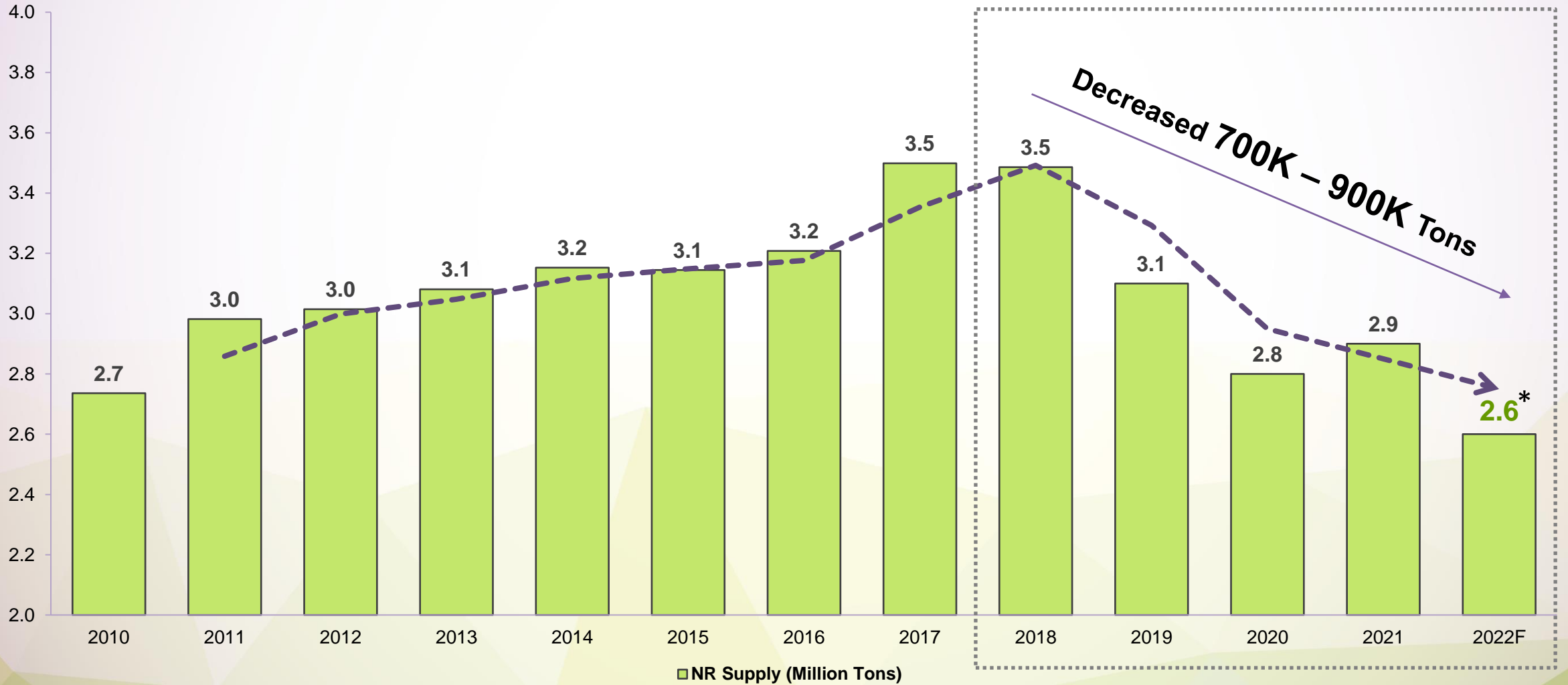
## Price (US cent/kg.)



## Price Spread (US cent/kg.)



# Indonesia Supply Output





# Global NR Seasonality: Normal Peak Season in Each Region

Region	Country	January	February	March	April	May	June	July	August	September	October	November	December
East Asia	China (Yunnan)	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Low	Low
East Asia	China (Hainan)	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Low	Low
Africa	Ivory Coast	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
Africa	Ghana	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
SE Asia	Vietnam	Peak	Low	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak
South Asia	India	Peak	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak
SE Asia	Thailand-Northeast	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak
	Thailand-South	Peak	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak
SE Asia	Cambodia	Peak	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak
SE Asia	Laos	Peak	Peak	Low	Low	Low	Peak	Peak	Peak	Peak	Peak	Peak	Peak
SE Asia	Philippine	Peak	Peak	Peak	Low	Low	Low	Low	Peak	Peak	Peak	Peak	Peak
SE Asia	Malaysia	Peak	Peak	Peak	Low	Low	Low	Low	Peak	Peak	Peak	Peak	Peak
SE Asia	Myanmar	Peak	Peak	Peak	Peak	Peak	Low	Low	Low	Low	Peak	Peak	Peak
SE Asia	<b>Indonesia</b>	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Low	Low	Low	Low	Low
Africa	Congo	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Peak	Low	Low	Low	Low



Where we are today

Note: **Peak Season**

Low Season

Wintering Season

# 2022 Global NR Seasonality: Shorter Wintering Season in Thailand & Delayed Peak Season in Indonesia



Region	Country	January	February	March	April	May	June	July	August	September	October	November	December
East Asia	China (Yunnan)				<b>China (Yunnan): Delayed Peak Season</b>								
East Asia	China (Hainan)				<b>China (Hainan):</b> Normally, Hainan LTX output should be 5,000 – 6,000 mts/day, but now only 200 mts/day								
Africa	Ivory Coast				<b>Longer Wintering Season</b>								
Africa	Ghana												
SE Asia	Vietnam												
South Asia	India												
SE Asia	<b>Thailand - Northeast</b>		<b>Thailand: Shorter Wintering Season</b>										
	<b>Thailand - South</b>		<b>Thailand: Shorter Wintering Season</b>										
SE Asia	Cambodia												
SE Asia	Laos												
SE Asia	Philippine												
SE Asia	Malaysia												
SE Asia	Myanmar												
SE Asia	<b>Indonesia</b>			<b>Indonesia: No Peak Season</b>									
Africa	Congo												



Where we are today

Note: **Peak Season**

Low Season

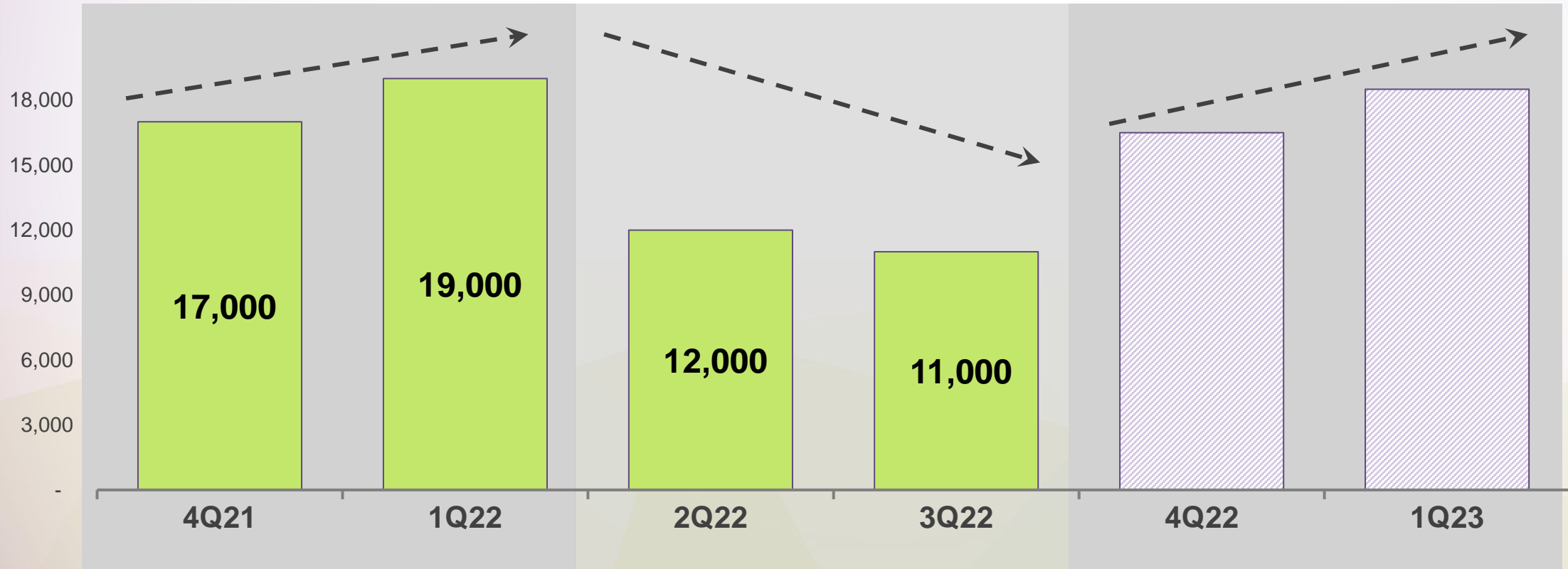
Wintering Season

© Sri Trang Agro-Industry Plc.

# STA's Natural Rubber Inventory (Separate)

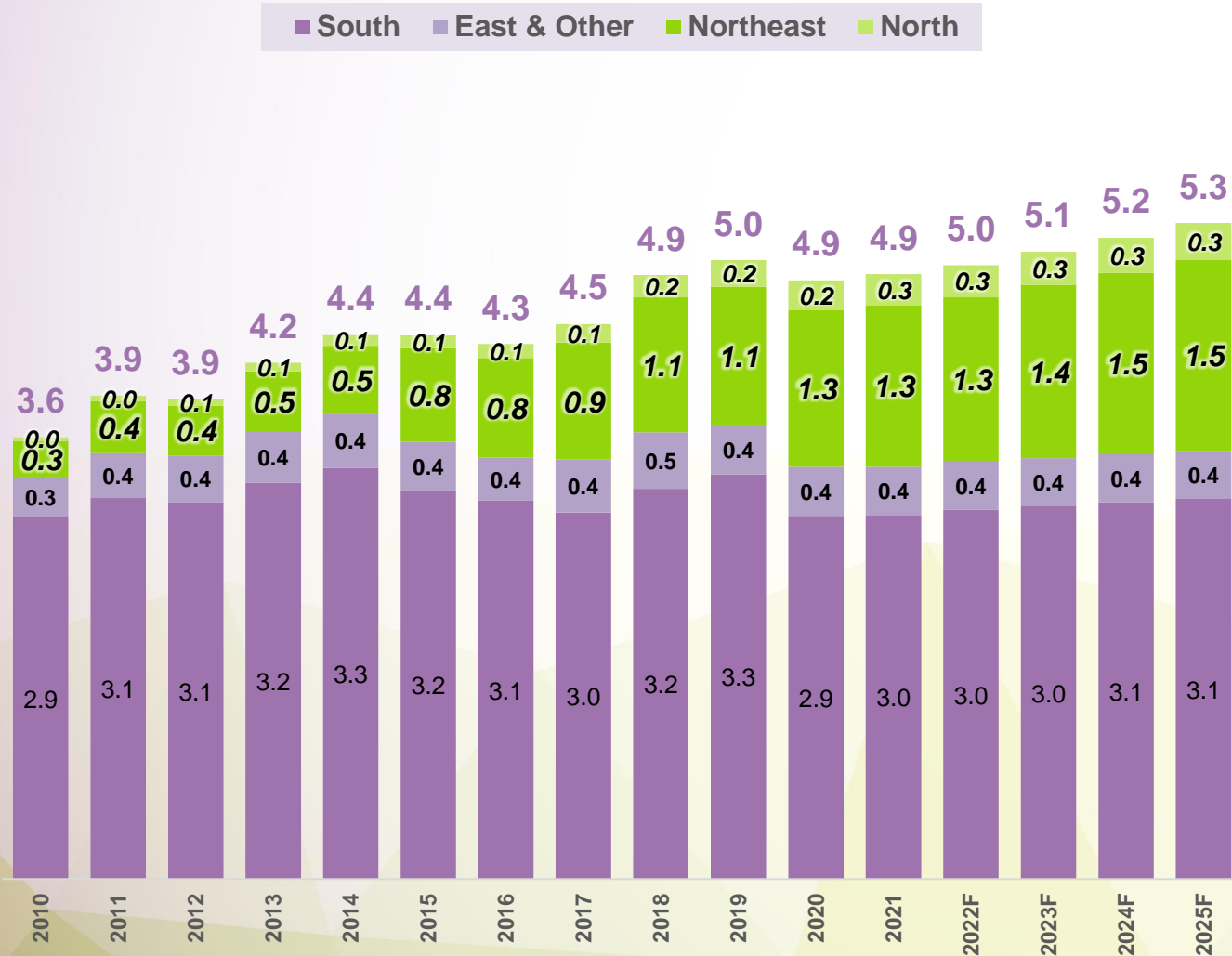
## ❖ STA's natural rubber inventory cycle

[Unit: Million Baht]

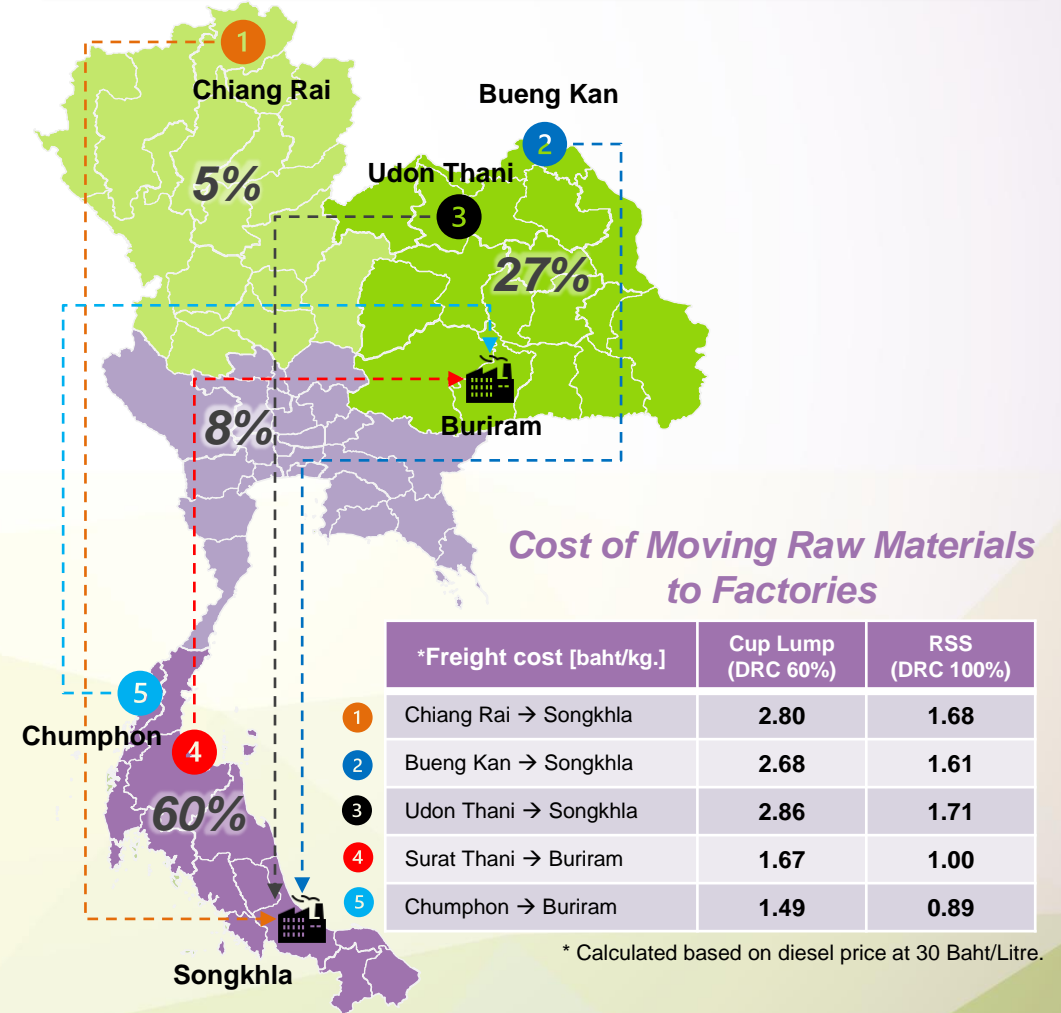


# NR's Supply from Northeast Area Plays a Crucial Role

[Unit: Million Tons] Thailand's Natural Rubber Supply by Region



2022F Thailand's NR Supply



# Comparing 2022F Global NR Supply and Demand



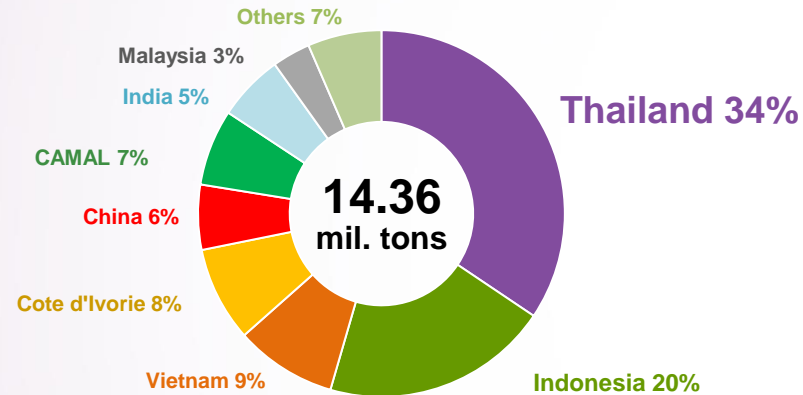
	IRSG: Supply Surplus		ANRPC: Supply Deficit	
(Million Tons)	2022F	% Annual Growth Rate	2022F	% Annual Growth Rate
Demand	14.34	+1.9%	14.79	+2.6%
Supply	14.36	+4.3%	14.38	+2.3%
<b>Supply Surplus/ (Deficit)</b>	<b>0.02</b>	NM	<b>(0.41)</b>	NM

Reference: 1) IRSG report August 2022  
2) ANRPC report August & September 2022

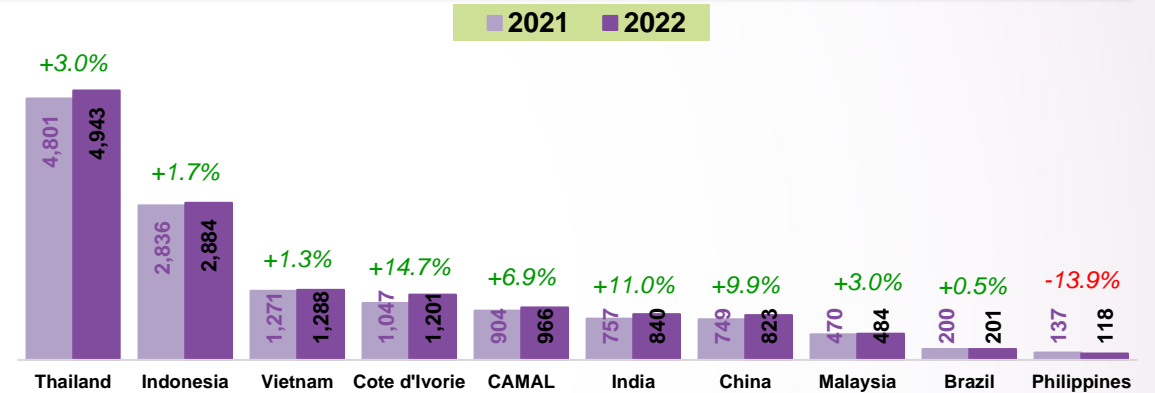
# NR Supply & Demand

## 2022F Major NR Producers

2022F global production growth = +4.3% YoY

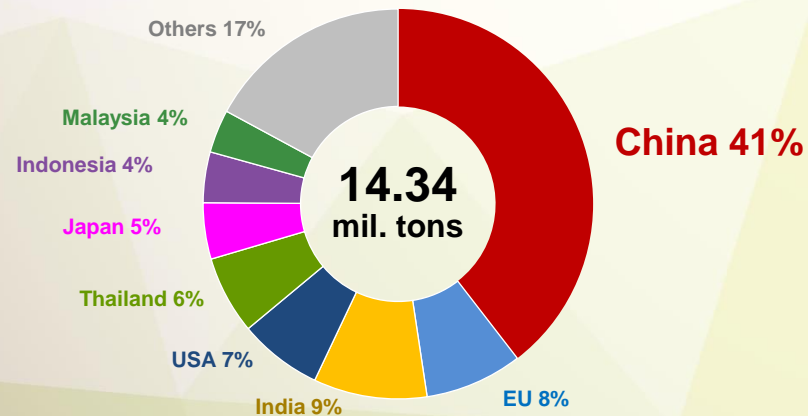


## NR Production from Top 10 Producers

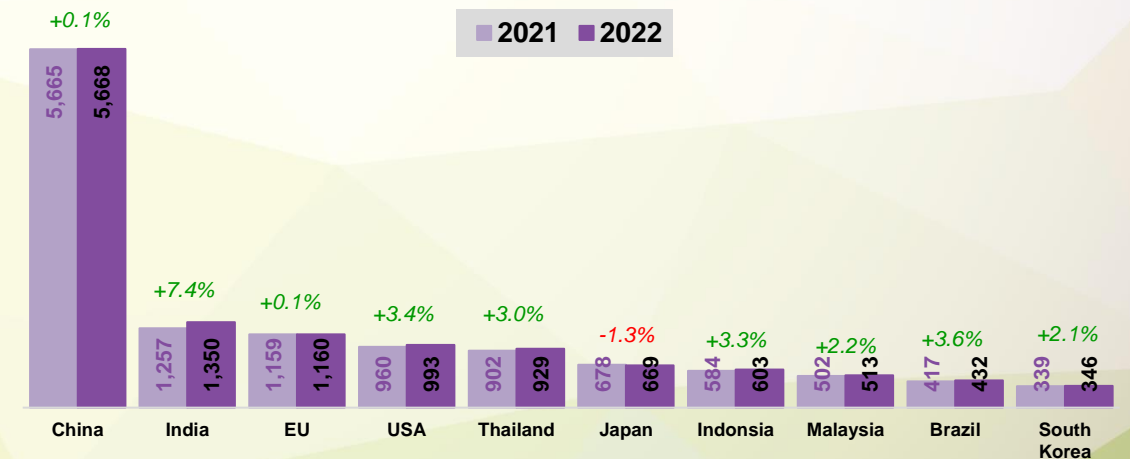


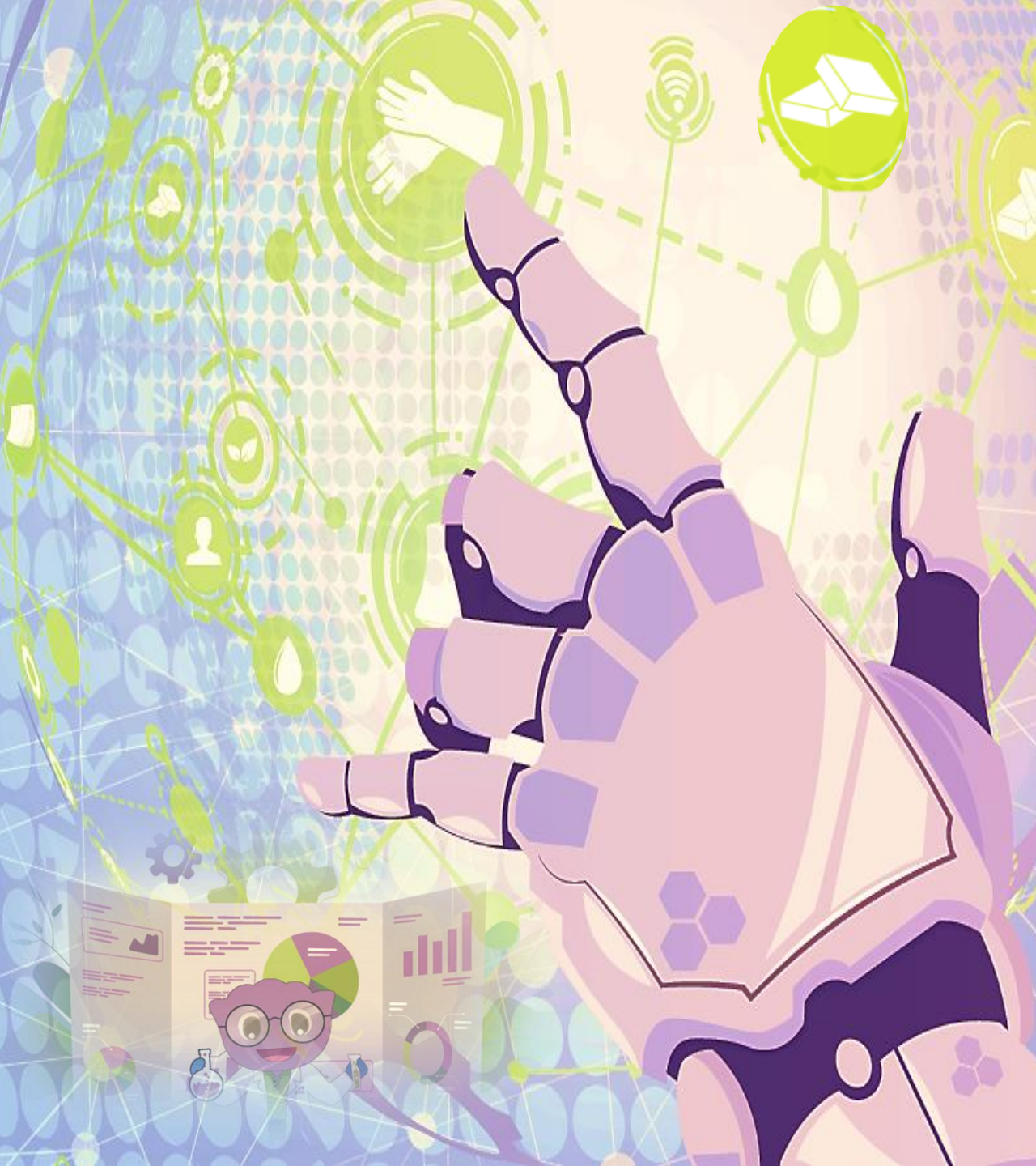
## 2022F Major NR Consumers

2022F global growth in consumption = +1.9% YoY



## NR Consumption from Top 10 Customers





# 04 Business Highlights

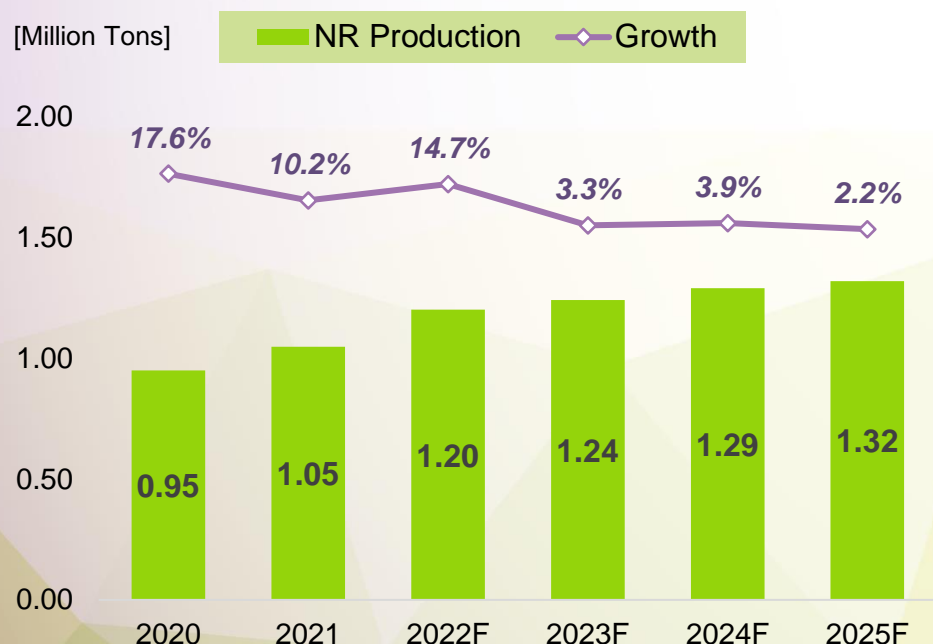
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# Established a New Subsidiary in Côte d'Ivoire



## Côte d'Ivoire's total NR production



- Côte d'Ivoire is the 4<sup>th</sup> largest NR producing country in the world and continues to be the 3<sup>rd</sup> in 2026.
- In 2022F, the amount of Côte d'Ivoire's total NR production is around 1.2 million tons which increased by 14.7% from 2021.

## SRI TRANG AFRICA SA.

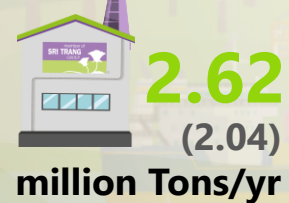
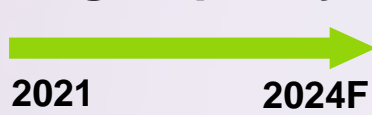
<b>Nature of Business</b>	Conducting the trading, sale and purchase of natural rubber, crumb rubber, cup lump, an/or other semi-raw material or raw material arising from rubber or finished product, exporting of rubber or rubber products to oversea.
<b>Initial Registers Capital and Paid-up Capital</b>	F.CFA 10,000,000 (around THB 571,000)
<b>Par Value</b>	F.CFA 10,000 (around THB 571)
<b>Shareholder</b>	STA (100% ownership)
<b>Source of Fund</b>	Cash from operation of the Company



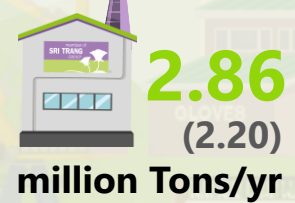
# Capacity Expansion Plan in NR Business



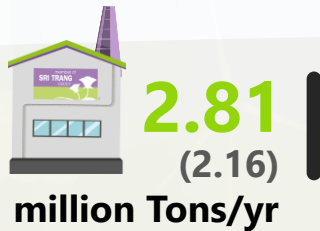
Engineering Capacity  
increases  
**+50%**



2017



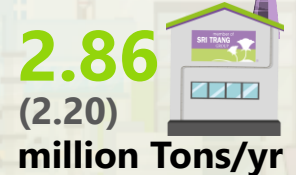
2018



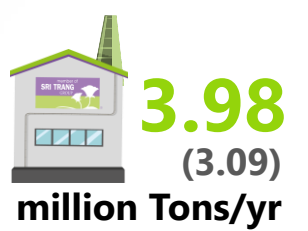
2021



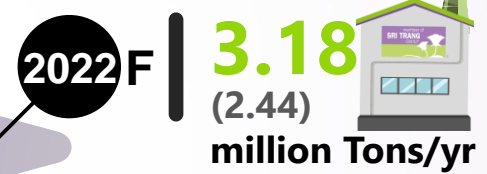
2020



2019

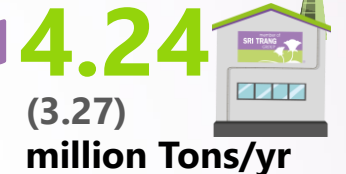


2023 F



2022 F

2024 F



■ Installed Capacity  
■ Optimum Capacity

# Aggressive Expansion in TSR Plants



**THB 9,100 million** - Our Investment Budget for TSR Capacity Expansion

## Completed

Commercial Run	Location Plant	Capacity (Tons)
1H2022	Pitsanulok	70,080
	Sakon Nakorn	70,080
	Bueng Kan	87,600
2H2022	Sikao, Trang	70,080
	Myanmar	8,760
<b>Total</b>		<b>306,600</b>

❖ **Total Current TSR Engineering Capacity 2.41 Million Tons**

- Completed 5 expansion projects in 2022 with total additional capacity of 306,600 tons



## Expansion Plan

Commercial Run	Location Plant	Capacity (Tons)
FY2023	Sa Keao	122,640
	Kalasin	122,640
	Loei	122,640
	Sikao, Trang	140,160
	Pitsanulok	70,080
	Buriram	70,080
	Mukdahan	140,160
FY2024	Chiang Rai	70,080
	Surat Thani	70,080
<b>Total</b>		<b>928,560</b>

❖ **Total TSR Engineering Capacity will be 3.34 Million Tons**

- Expanding the capacity of 9 plants in 2023 - 2024 with total additional capacity of 928,560 tons

# Expansion in LTX Plants



**THB 950 million** - Our Investment Budget for LTX Capacity Expansion

## Complete

Commercial Run	Location Plant	Capacity (Tons)
1H2022	Bueng Kan	52,560

- ❖ **Total Current LTX Engineering Capacity 0.59 Million Tons**
- Already finished Bueng Kan projects in 2022 with the total capacity of 52,560 tons

## Expansion Plan

Commercial Run	Location Plant	Capacity (Tons)
FY2023	Narathiwat	18,396
FY2024	Kanjanadit, Surat Thani	113,004
<b>Total</b>		<b>131,400</b>

- ❖ **Total LTX Engineering Capacity will be 0.72 Million Tons**
- Expanding 2 projects in the next two years with the total capacity of 131,400 tons



# THANK YOU



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