

Financial Result Overview

In 3Q21, we had THB 28,486.1 million in total revenue, growing 72.7% YoY but decreasing 4.4% QoQ. **Revenue from NR business**, which accounted for 62.0% of total revenue, was THB 17,665.6 million, growing 110.3% YoY on the back of higher ASP and sales volume as well as increased market share. Revenue from NR products also increased 5.3% QoQ as our ASP was higher than NR prices on the global markets. Because of our timely delivery and credibility, we were the first choice among both domestic and overseas customers and our sales volume in 3Q21 was 311,308 tons. **For 9M21, our production output accounted for 33% of Thailand's total production, up from 27% in 9M20.** Because of a pickup in NR demand and improved competitiveness, gross profit margin for NR products reached a record of 13.6%.

Thanks to the robust consumption, **revenue from gloves business** accounted for 37.9% of total revenue and totaled THB 10,801.3, growing 33.6% YoY on the back of the ASP that increased 34.1% YoY. However, the revenue decreased 16.8% QoQ because of the lower ASP QoQ. Sales volume improved to 7,051 million pieces as production fully resumed at our Surat Thani and Trang plants following a temporary suspension because of COVID infections in 2Q21. As a result, gross profit margin for gloves was 53.2%, which still ranked among the highest in the industry.

We recorded a net profit of THB 3,230.8 million or THB 2.10 per share in 3Q21, with a gross profit margin of 28.6% and a net profit margin of 11.3%. Our Board of Directors has approved an interim dividend of THB 1.25 per share and the ex-dividend date will be 18-22 November 2021.

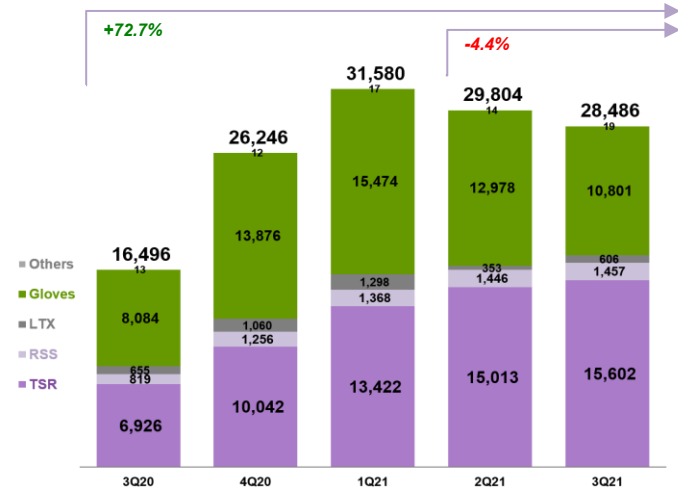
Key Financial Ratios

	3Q21	3Q20	2Q21	FY20
Gross profit margin	28.6%	34.1%	36.7%	28.9%
Adjusted gross profit margin*	26.7%	32.6%	35.4%	29.2%
EBITDA margin	23.5%	32.2%	33.9%	27.2%
Net profit margin	11.3%	12.6%	16.9%	12.6%
Current ratio (times)	2.38	1.77	2.38	1.77
Net D/E ratio (times)	0.22	0.19	0.17	0.25
Fixed asset turnover (times)	3.63	2.20	3.94	2.53
Inventory Turnover (days)	106	86	98	109
Collection Period (days)	25	28	27	32
Payment Period (days)	8	8	8	8

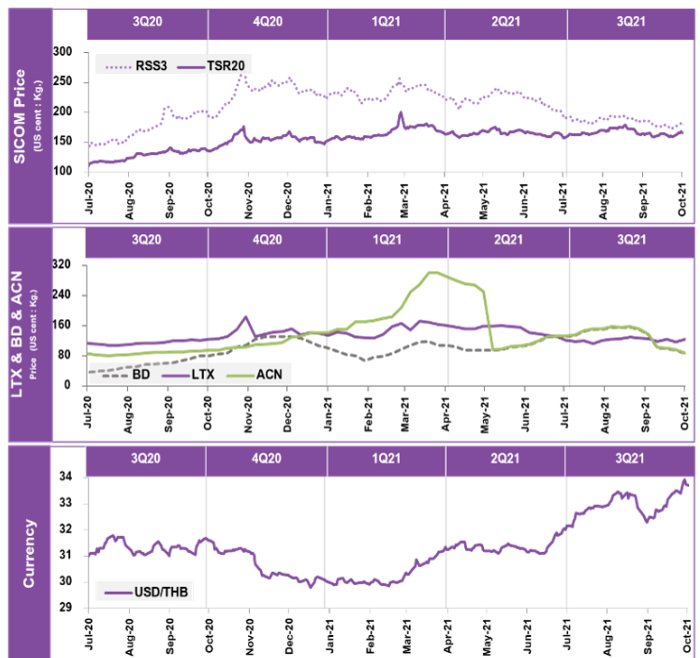
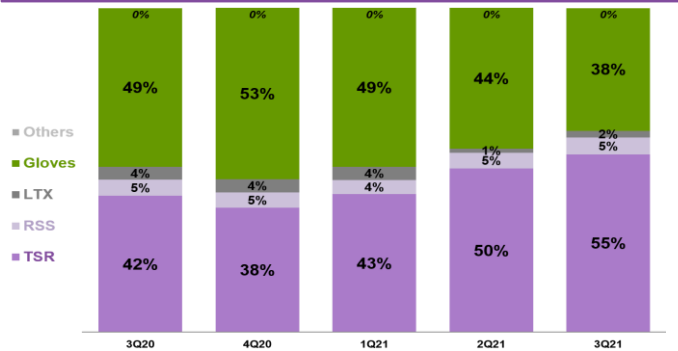
Note: *Annualised

** Adjusting for (reversal) allowance of inventory cost and realised items from hedging

Revenues by Product (THB million)



Revenues Breakdown by Product



ABBREVIATIONS
RSS - Rubber smoked sheet
LTX - Concentrated Latex
TSR - Technically specified rubber, which includes TSR and SR
BD - Butadiene
ACN - Acrylonitrile



Statements of Comprehensive Income

(Unit : THB million)	3Q21	3Q20	%YoY	2Q21	%QoQ	9M21	9M20	%YoY
Revenue from sales of goods and services	28,486.1	16,496.0	72.7%	29,803.6	-4.4%	89,869.2	49,233.2	82.5%
Cost of sales and services	(20,331.8)	(10,878.7)	86.9%	(18,852.5)	7.8%	(57,211.6)	(38,679.7)	47.9%
Gross profit (loss)	8,154.2	5,617.4	45.2%	10,951.1	-25.5%	32,657.7	10,553.5	209.5%
SG&A	(2,014.8)	(1,007.4)	100.0%	(1,728.7)	16.5%	(5,330.7)	(3,444.8)	54.7%
Other income and dividend income	259.0	174.7	48.2%	95.3	171.9%	365.7	245.9	48.7%
Gain on exchange rates	189.7	214.8	-11.7%	50.5	275.5%	692.2	190.5	263.4%
Other gain (loss)	(714.6)	(446.3)	60.1%	(113.7)	528.7%	(1,932.5)	(357.4)	440.7%
Operating profit (loss)	5,873.6	4,553.2	29.0%	9,254.5	-36.5%	26,452.4	7,187.7	268.0%
Share of profit (loss) from investments in JV	68.3	24.6	177.7%	73.0	-6.4%	173.7	146.5	18.6%
EBITDA	6,691.5	5,305.8	26.1%	10,110.1	-33.8%	28,860.9	9,421.3	206.3%
EBIT	5,941.8	4,577.8	29.8%	9,327.5	-36.3%	26,626.2	7,334.3	263.0%
Finance costs	(213.5)	(146.2)	46.0%	(210.3)	1.5%	(599.8)	(520.3)	15.3%
Income tax (expense)	(569.4)	(372.6)	52.8%	(950.6)	-40.1%	(2,351.8)	(538.3)	336.9%
Net Profit (loss) for the periods	5,187.1	4,069.8	27.5%	8,196.4	-36.7%	23,757.2	6,292.7	277.5%
Attributed to owners of the parent	3,230.8	2,084.4	55.0%	5,043.7	-35.9%	14,233.0	4,032.3	253.0%
Attributed to non-controlling interests	1,956.4	1,985.3	-1.5%	3,152.7	-37.9%	9,524.2	2,260.4	321.3%

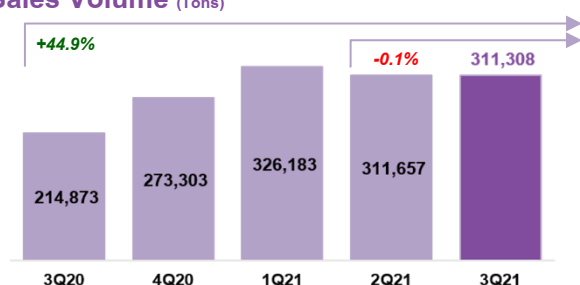
Total revenue from products and services in 3Q21 was THB 28,486.1 million, growing 72.7% YoY but decreasing 4.4% QoQ. Revenue from NR business accounted for 62.0% of total revenue and rose 110.3% YoY and 5.3% QoQ to THB 17,665.6 million. The YoY growth in revenue was driven by higher ASP and sales volume that resulted from a pickup in demand from tire manufacturers and increased market share. The QoQ growth in revenue came on the back of the higher ASP. Revenue from gloves accounted for 37.9% of total revenue and rose 33.6% YoY to THB 10,801.3 million. on the back of the higher ASP but declined 16.8% QoQ because of a drop in ASP QoQ. Revenue from other products and services came in at THB 19.1 million.

Sales volume for NR products in 3Q21 totaled 311,308 tons, growing 44.9% YoY across all geographic markets because of a pickup in demand and increased market share. Sales volume slightly declined 0.1% QoQ because of a drop in the sales volume of TSR. The demand for TSR remained strong, but our TSR's raw materials was lower following the wintering period and the operations of some domestic tire manufacturers were affected by the outbreak of COVID-19. At the same time, sales volume for RSS and LTX continued to grow. This was reflected in our utilization rate, which rose to 69% for 9M21 from 51% for 9M20.

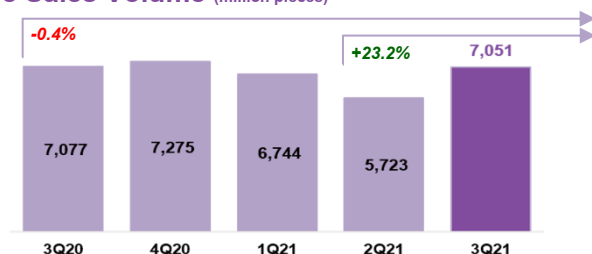
Geographically, China accounted for 50.6% of total sales volume, followed by other countries in Asia at 18.0% of total sales volume. Thailand made up 15.0% of total sales volume. The Americas and Europe constituted 10.3% and 5.8% of total sales volume, respectively. Other countries accounted for 0.3% of total sales volume.

Sales volume for gloves in 3Q21 was 7,051 million pieces, down 0.4% YoY but increasing 23.2% QoQ as production fully resumed at our Surat Thani and Trang plants following a temporary suspension because of COVID infections. However, the persisting global container shortage and shipping congestion meant that we could not achieve our targeted sales volume. Utilization rate for 9M21 was 90%. The proportion of sales revenue between latex and nitrile gloves in 3Q21 was 62:38. Geographically, North America accounted for 32.4% of total sales revenue, followed by Asia at 31.7%. Europe contributed 13.8% of total sales revenue, while Latin America, Africa and the Middle East made up 12.6%, 5.6% and 3.3% of total sales revenue, respectively. Other regions accounted for 0.6% of total sales revenue.

NR Sales Volume (Tons)



Glove Sales Volume (million pieces)



Revenue by Product (THB million)

	3Q21	3Q20	% YoY	2Q21	% QoQ
TSR*	15,602.3	6,925.8	125.3%	15,012.8	3.9%
%	54.8%	42.0%		50.4%	
Gloves	10,801.3	8,083.9	33.6%	12,978.4	-16.8%
%	37.9%	49.0%		43.5%	
RSS	1,456.9	819.1	77.9%	1,446.0	0.8%
%	5.1%	5.0%		4.9%	
LTX	606.4	654.5	-7.3%	352.6	72.0%**
%	2.1%	4.0%		1.2%	
Other***	19.1	12.7	50.2%	13.7	39.1%
%	0.1%	0.1%		0.0%	
Total	28,486.1	16,496.0	72.7%	29,803.6	-4.4%

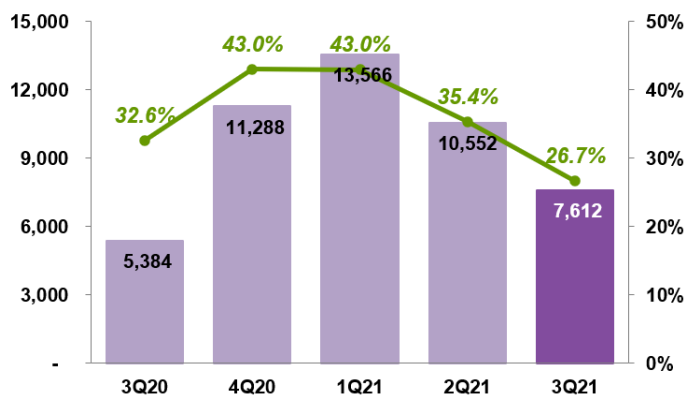
Note: *Revenue from TSR is net from hedge accounting.

**Revenue from LTX between the Sri Trang Group increased but this amount was deducted from the consolidated financial statement.

***Comprised revenue from (i) the sale of rubber wood and wood packing product and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other third parties.

Gross profit in 3Q21 was THB 8,154.2 million, growing 45.2% YoY but decreasing 25.5% QoQ. Our NR operations benefited from NR prices on the global markets that were higher and demand that continued its momentum. Crucially, we were able to effectively control costs and our ASP was higher than NR prices on the global markets. This was reflected in the gross profit margin for NR products, which rose to 13.6% in 3Q21, from 12.1% in 2Q21 and 7.4% in 3Q20. For our glove business, because of the lower ASP that resulted from the less urgent nature of demand, gross profit margin for gloves decreased to 53.2% in 3Q21, from 68.7% in 2Q21 and 61.7% in 3Q20. The overall gross profit margin in 3Q21 was 28.6%, lower than 36.7% in 2Q21 and 34.1% in 3Q20. Taking account of the reversal of inventory allowance in the amount of THB 7.7 million and realized losses from NR hedging transactions of THB 549.6 million, our adjusted gross profit margin in 3Q21 would be 26.7%, down from 35.4% in 2Q21 and from 32.6% in 3Q20.

Adjusted GP and GPM* (Unit: THB million)



Note: *Adjusting for (reversal) allowance of inventory cost and realised items from hedging activities

Operating Profit in 3Q21 was THB 5,873.6 million and operating profit margin was 20.6%, an improvement over THB 4,553.2 million in 3Q20 but down from THB 9,254.5 million in 2Q21 due to the decreased profitability of our glove business. We also recorded THB 189.7 million in currency exchange gains in the normal course

of business, partially offsetting THB 714.6 million in losses from currency hedging transactions.

SG&A came in at THB 2,014.8 million, increasing 100.0% YoY and 16.5% QoQ, largely from substantially higher freight costs. Administrative expenses dropped QoQ because in 2Q21 we recorded depreciation because of the temporary suspension of production. Administrative expenses increased YoY in tandem with capacity expansion. We recorded THB 258.5 million in other incomes, which largely consisted of THB 149.6 million in reimbursements under the interest subsidy program of the Rubber Authority of Thailand. At the end of 3Q21, we had THB 993.8 million in gains from the net realizable value of our inventory*.

*Note: Inventory of TSR, RSS and LTX is stated at lower of cost or net realizable value. Under the Thai Financial Reporting Standards, inventory gains or losses cannot be recognized until the time of actual sale. The value of inventory varies over time, until it is stated at the actual selling price at the time of sale.

Share of profits from investments in associates and joint ventures in 3Q21 was THB 68.3 million, growing 177.7% YoY on the back increased profits of both of our NR and hydraulic hoses joint ventures. But the share was 6.4% lower QoQ as the hydraulic hoses joint venture felt the impact of the shipping congestion.

Net Profit in 3Q21 was THB 3,280.8 million, growing 55.0% YoY from THB 2,084.4 million in 3Q20 but decreasing 35.9% QoQ from THB 5,043.7 million in 2Q21. Net profit margin was 11.3% in 3Q21. Even though the ASP for glove business was lower, demand continued to be robust and our expansion is going ahead as planned. Our NR operations continued to see robust growth as NR prices on the global markets were in the high range and demand continued to be strong.

The NR shortage led NR prices in Indonesia to be higher than SICOM prices, making NR from Indonesia the highest-priced for the third consecutive years. This development has led non-Chinese tire manufacturers, which traditionally preferred NR from Indonesia, to consume more NR from other countries including Thailand. To respond to this increased demand and to continue to grow our market share, we have decided to expand our TSR production capacity, with the installation of new machines at the 4 existing plants in Bungkan, Pitsanulok, Sakon nakorn and Trang, which will require THB 1,655 million in capital expenditure and is expected to be completed in 2024. The source of funding will be from profits, the issuance of debenture and long-term loans from financial institutions, to which we have access with lower interest than the market rate. Our effective interest rate was only 2.65% in 3Q21.



Business Segmentation Analysis



Technically Specified Rubber (TSR)

Revenue from TSR accounted for 54.8% of total revenue and rose 125.3% YoY and 3.9% QoQ.

The YoY growth in revenue was driven by the ASP that increased 45.2% YoY alongside NR prices on the global markets as well as sales volume that rose 54.5% YoY as a result of a pickup in demand from tire manufacturers and our increased market share.

The QoQ growth in revenue came on the back of the ASP that increased 7.5% while sales volume decreased 3.3% because our inventory was lower following the wintering period and an outbreak of COVID-19 in some domestic tire manufacturers led to a temporary slowdown in demand.

Our ASP for TSR was higher than the SICOM average of 166.0 cent/kg and there has been less competition in the industry than in recent years as many peers have faced liquidity problem and lacked resourced to purchase raw materials (midstream processors have to use cash to purchase raw materials from rubber farmers, thereby necessitating a higher proportion of short-term borrowings), and this served to strengthen our operations and credibility.

Our gross profit margin was higher than in 3Q20 and 2Q21 as a result.



Ribbed Smoked Sheet (RSS)

Revenue from RSS accounted for 5.1% of total revenue and grew 77.9% YoY and 0.8% QoQ.

The YoY growth in revenue resulted from the ASP that rose 46.6% in tandem with NR prices on the global markets and sales volume that went up 21.3%. The QoQ growth in revenue was attributable to sales volume that went up 3.9% QoQ, which could offset the 3.1% decline in ASP. Our ASP for RSS was higher than the SICOM average of 185.5 cent/kg.

Gross profit margin for RSS was substantially higher than in 2Q21 and in 3Q20.



Gloves

Revenue from gloves accounted for 37.9% of total revenue and rose 33.6% YoY but decreased 16.8% QoQ.

The YoY growth in revenue was driven by the ASP that increased 34.1% while sales volume slightly declined 0.4%.

The QoQ decrease in revenue resulted from the ASP that declined by 32.4% as a result of increased supply in the global market. Sales volume, on the other hand, increased 23.2% as production fully resumed at our Trang and Surat Thani plants following a temporary suspension of production in 2Q21.

Although prices of NR and NBR latex decreased in QoQ, the extent of the decline was less than the drop in ASP. As a result, gross profit margin for gloves was lower than in 2Q21 and in 3Q20.



Concentrated Latex (LTX)

Revenue from LTX accounted for 2.1% of total revenue and dropped 7.3% YoY but grew 72.0% QoQ.

The YoY drop in revenue was because sales volume went down 20.9% as sales to STGT increased (transactions between STA and STGT are deemed connected transactions and are not stated in the financial statements), despite a 17.1% increase in ASP. The QoQ growth in revenue resulted from sales volume that went up 108.5% following the end of the wintering period, during which we had to reserve inventory for STGT consumption. The ASP, on the other hand, dropped 17.5% QoQ, as the operations of LTX customers were affected by government's COVID control measures. For example, since June, glove producers in Malaysia have been limited to 60% headcount if the proportion of fully vaccinated employees is less than 90%.

Gross profit margin for LTX was slightly lower than in 2Q21 but was comparable to 3Q20.



Natural Rubber Industry Outlook

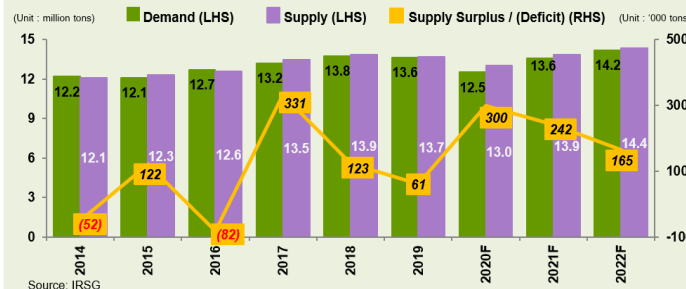
In 3Q21, the average price of TSR20 on SICOM was 166.0 cent/kg, increasing slightly by 0.4% QoQ and growing 29.6% YoY. NR prices continued to move in the same high range as in 2Q21, as global demand picked up, particularly demand from tire manufacturers, both from the replacement market and from new vehicles, with electric vehicles being a significant impetus. According to the IRSG*, NR demand from Japan, the US, Europe and Thailand increased significantly from last year as the tire industry has recovered. Demand from non-tire consumers also continued to be strong. However, although NR prices moved in the high range, it still laggard behind other commodities.

On the supply side, the beginning of 3Q21 coincided with the harvest season in Thailand (the world's largest NR producer with a share of 34% of global NR supply in 2021) and NR supply was normal despite heavy rainfall in some areas. Supply in Indonesia (the second-largest NR producer with a share of 22% of global NR supply in 2021), however, was less than expected. The harvest season in Indonesia normally lasts from March to July. This year, however, the harvest season was shortened to 3 months only. As a result, NR supply from Indonesia for 6M21 dropped 8.1% compared with 6M19, before the outbreak of COVID-19. The reduced NR supply was attributable to the fungal disease in late 2018, a period of low NR prices. The lack of maintenance by rubber farmers during the period led the fungal disease to exacerbate and had a detrimental effect on NR supply in the long run. The period from September to December also coincides with a wintering period. As a result, global NR supply could be lower in 4Q21 if the shortage in Indonesia could not be alleviated by supply from Thailand.

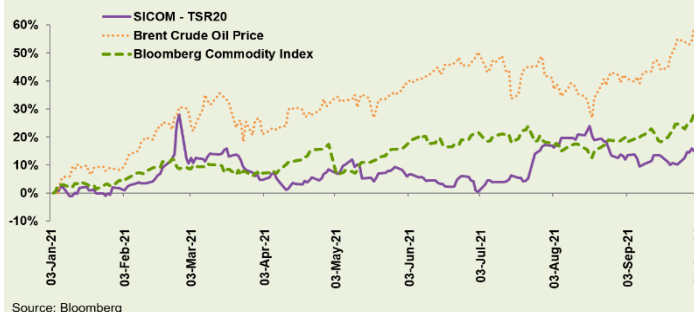
In 4Q21, aside from the above factors, the weather condition is another factor that will affect NR supply. While rubber trees yield good supply with rainfall, excessive rainfall would prevent rubber farmers from tapping the trees. We will also need to monitor the NR stock at the Shanghai Futures Exchange (SHFE), which at the end of September 2021 was at 239,000 tons, an increase from 184,000 tons at the end of June 2021, but lower than 247,000 tons at the end of September 2020.

*Source: Monthly Bulletin Report, July 2021 and Rubber Industry Report, Volume 20, No.7-9, January – March 2021

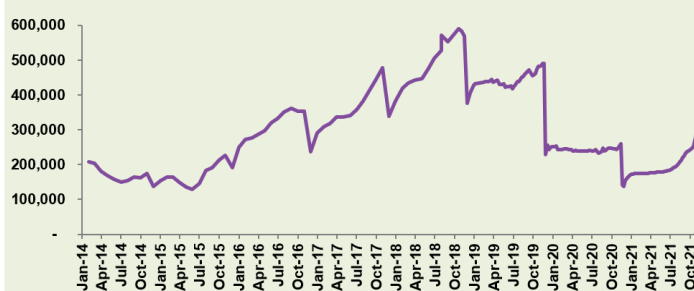
Demand and Supply of NR



Commodities Price Movement



NR Stocks at SHFE, China (tons)



Progress of Our Business Growth Plan throughout the Supply Chain

Upstream Business – approximately 7,200 hectares of rubber plantations and other economic crops

As of 30 September 2021, we had approximately 7,200 hectares of rubber plantations and other economic crops in 19 provinces of Thailand, with the majority located in the north and northeast. We estimate that in 2021, the rubber trees that can be tapped will account for around 49% of total rubber trees, up from 25% in 2020.

We have received Forest Management Certification and Chain-of-Custody Certification from the Forest Stewardship Council (FSC), making us **the world's first fully integrated NR producer to be recognized by the FSC throughout the supply chain.**

For the hemp business, in October, Sri Trang Rubber and Plantations (SRP), a subsidiary of STA, received a license for hemp cultivation in order to sell hemp seeds, leaves and roots to a customer with whom we have agreed on a partnership.



Midstream Business – maintaining profitability and moving toward “STA 20”

As of 30 September 2021, our 34 NR processing plants (30 in Thailand, 3 in Indonesia, and 1 in Myanmar) provided **2.81 million tons per annum in installed production capacity.** In 2021, STA has decided to expand our production capacity for TSR by adding 289,000 tons through the installation of additional machinery at our existing plants in Bungkarn, Pitsanulok, Sakonnakorn and Trang, a project that will require about the THB 1,655 million in CAPEX. And the expansion of LTX capacity by adding 184,000 tons through setting up new plants in Bungkarn and Narathiw as well as adding new machinery in our existing Suratthani plant, which requires about the THB 900 million in CAPEX. This will drive **STA's installed production capacity to achieve at 3.29 million tons per annum in 2022 and become 3.38 million tons per annum in 2023.**

We plan to introduce more automation to our production process in order to improve efficiency, reduce energy consumption and become more environmentally friendly. We have launched the application “**SRITRANG FRIENDS**” to facilitate raw material procurement in Thailand and to reduce operation costs as well.



Downstream Business – reaching an annual installed production capacity of 50 billion pieces by 2022 and 80 billion pieces by 2024

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), one of Sri Trang Group's flagship companies, in which STA has 56.1% in direct and indirect shareholding, engages in the production and distribution of latex and nitrile examination and industrial gloves to customers in over 170 countries around the world. STGT has offices in Thailand, China and the US. With **an annual installed production capacity of 37.3 billion pieces as of 30 September 2021,** STGT is Thailand's largest glove producer and is ranked among the world's leading producers. In 2020, STGT had a market share of 8% of global glove consumption.

STGT is committed to achieving an annual production capacity of 50 billion pieces by 2022 and 80 billion pieces by 2024, with details of the expansion as follows:

Project	Commercial Run	Installed Capacity (mill.pcs.)
I. Surat Thani (SR2)	2Q21	2,177
II. Surat Thani (SR3)	2Q21	3,992
III. Sadao, Songkhla (Sadao)	3Q21	2,903
IV. Trang (TG3)	4Q21	7,258

At the end of 2021, STGT will have 40 billion pieces in annual installed production capacity.

Investor Relations Department
Tel. +662 207 4500 ext. 1402
Email. IR@sritranggroup.com



Sri Trang Agro-Industry Public Company Limited
www.sritranggroup.com

