

# SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis Q1 2025  
as of 31 March 2025 | 13 May 2025



## Financial Result Overview

*We recorded THB 424.2 million in net profit in Q1 2025, increasing by 189.0% YoY as we benefited from having a diversified customer base and enhanced efficiency amid the challenges in the industry. We will continue to make improvements in operations in anticipation of the global economic uncertainty and volatility.*

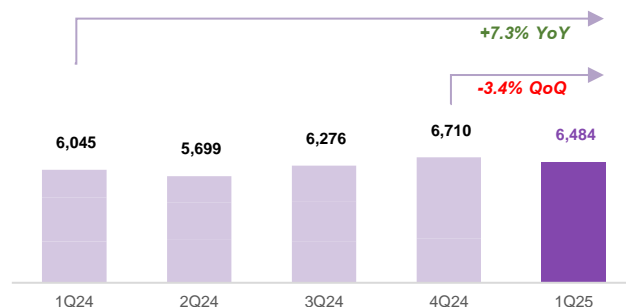
### Profit and Loss Analysis

In Q1 2025, we recorded a net profit of THB 424.2 million, increasing by 189.0% YoY, with a net profit margin of 6.5%. The increase reflected the continued recovery of the industry and our having a diversified customer base. Compared with Q4 2024, gross profit margin also increased, but net profit declined by 23.8% because of the recording of other income in Q4 2024.

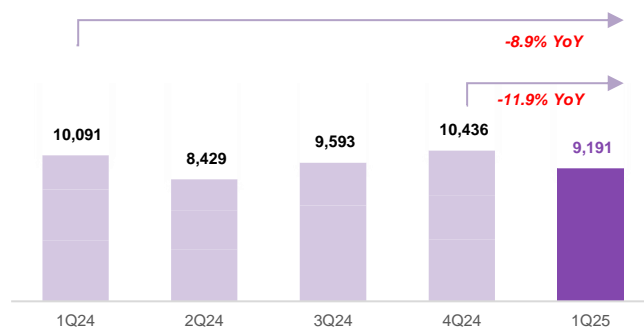
- **Sales revenue** in Q1 2025 totaled THB 6,545.8 million, decreasing by 3.4% QoQ because of lower sales volume but increasing by 8.2% YoY on the back of the higher ASP.
- **The ASP** in Q1 2025 was THB 705 per 1,000 pieces (USD 20.87), increasing by 9.7% QoQ and 17.8% YoY and representing the fifth consecutive quarter of increase in the ASP in USD. In this quarter, THB went up by 0.1% QoQ and 4.8% YoY against USD.
- **Sales volume** in Q1 2025 was 9,191 million pieces, decreasing by 11.9% QoQ and 8.9% YoY but remaining within the 9,000-10,000 range amid the continued recovery of demand. Thanks to a significant portion of our production lines can alternate between producing NRPF and NBR gloves, we were able to quickly respond to customer demand in different markets. Our diversified customer base also means we are not reliant upon any single market.



Gloves' Revenue (THB million)



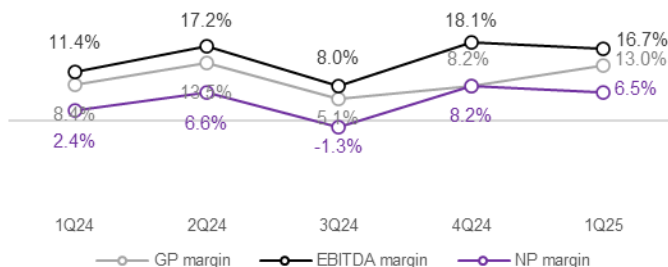
Gloves' Sales Volume (Million pieces)



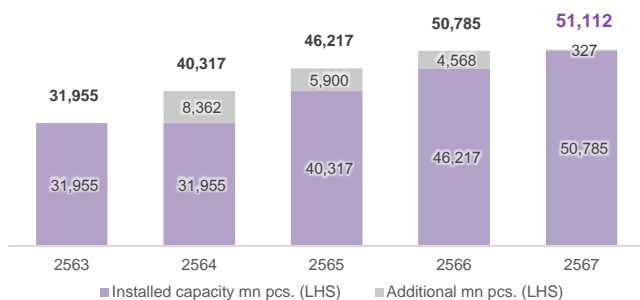
- **Utilization rate** in Q1 2025 was 81.2%, decreasing from 85.9% in Q4 2024 and 87.2% in Q1 2024.
- **Cost of goods sold (COGS)** in Q1 2025 was THB 5,696.5 million, decreasing by 8.4% QoQ as NR latex costs decreased by 0.8% QoQ and NBR latex costs by 6.5% QoQ. Energy costs also went down because of lower costs of woodchips. However, costs per 1,000 pieces were up QoQ because of lower utilization rate. COGS slightly rose by 2.8% YoY. We will continue to implement various measures to control costs and improve efficiency in anticipation of volatility in raw materials costs and other costs.
- **Gross profit** in Q1 2025 totaled THB 849.3 million, rising by 53.1% QoQ and 66.4% YoY, with a gross profit margin of 13.0%, up from 8.2% in Q4 2024 and 8.4% in Q1 2024, as we were able to adjust our selling prices to better reflect costs and adapt our production to suit market demand.
- In Q1 2025, we recorded THB 52.0 million in **other income**, decreasing by 90.1% QoQ because in Q4 2024 we received THB 483.0 in interest subsidy from the Rubber Authority of Thailand, but increasing by 74.7% YoY.

- **SG&A** in Q1 2025 totaled THB 411.8 million, down by 18.0% QoQ and 2.7% YoY. The QoQ decrease came on the back of lower allowance for doubtful debt and lower logistics costs. The percentage of SG&A to sales revenue was 6.3%, down from 7.4% in Q4 2024 and 7.0% in Q1 2024.
- **Finance costs** in Q1 2025 totaled THB 65.2 million, decreasing by 7.7% QoQ and 9.9% YoY as long-term borrowings had gradually been repaid as well as an increase in short-term borrowings.
- **EBITDA** in Q1 2025 totaled THB 1,093.2 million, decreasing by 10.9% QoQ but increasing by 58.0% YoY, with an EBITDA margin of 16.7%, slightly down from 18.1% in Q4 2024 but up from 11.4% in Q1 2024.

### Margin (%)



### Installed Capacity (Million pcs.)

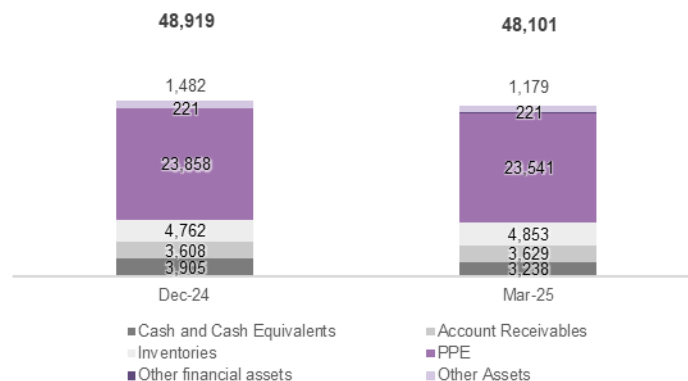


### Financial Position Analysis

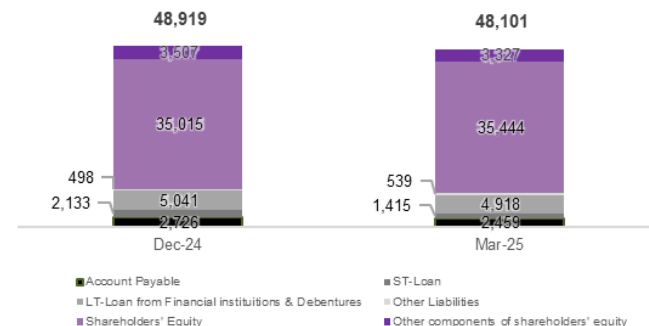
- As of March 31, 2025, total assets stood at THB 48,101.2 million, decreasing by 1.7% from December 31, 2024. The decrease resulted from lower cash and cash equivalents, primarily moved to fixed deposits of over 3 months. The value of property, plant and equipment also decreased as a result of depreciation.
- Total liabilities amounted to THB 9,330.7 million, decreasing by 10.3% from December 31, 2024 following the repayment of short-term and long-term loans from financial institutions.
- Total equity stood at THB 38,770.5 million, increasing by 0.7% from December 31, 2024.

*Note: The majority of STGT's loans consist of long-term borrowings under a loan support program from the Rubber Authority of Thailand (RAOT), with an interest rate subsidy of up to 3.0% per annum, to support production capacity expansion.*

### Asset (THB million)



### Liabilities and Shareholders' Equity (THB million)



### Cash Flows Analysis

In Q1 2025, net cash at the end of the period was THB 3,237.6 million, decreasing by THB 667.7 million from the beginning of the period.

- THB 969.0 million in cash inflow from operations consisted of THB 1,019.2 million in profit from operations in Q1 2025, net of THB 65.0 million in change in working capital, THB 32.0 million in received interest, THB 79.4 million in interest payments and THB 62.2 million in income tax.
- THB 797.6 million in cash outflow from investments consisted of THB 477.2 million in fixed deposits of over 3 months, THB 287.0 million in investments in property, plant, equipment and intangible assets and THB 39.1 million in other financial assets.
- THB 837.0 million in cash outflow from financing consisted of THB 718.3 million in repayment of short-term and long-term loans from financial institutions net of THB 109.1 million in drawdown of a new facility.

## Key Financial Ratios

- Interest Coverage Ratio in Q1 2025 was 16.76 times, down from 17.35 times in the previous quarter because of lower EBITDA. However, the ratio remained at a level that demonstrates strong finances and the ability to service interest payments.
- Current Ratio as of March 31, 2025 stood at 2.24 times, up from 1.94 times as of December 31, 2024 because of a reduction in current liabilities, mainly short-term and long-term borrowings, while current assets remained largely unchanged.
- Cash Conversion Cycle in Q1 2025 stood at 53.48 days, up from 47.95 days in the previous quarter because of an increase in Days Sales Outstanding (DSO), which resulted from lower sales, while accounts receivable remained largely unchanged. Days Inventory Outstanding (DIO) remained mostly unchanged and Days Payables Outstanding (DPO) decreased in tandem with shorter payment terms on raw material purchases.
- Net Interest-Bearing Debt to Equity Ratio (Net IBD to Equity) as of March 31, 2025 stood at 0.03 times, down from 0.05\* times as of December 31, 2024. This change primarily resulted from a decrease in short-term and long-term borrowings with repayment scheduled in 2024, while cash and cash equivalents and shareholders' equity remained relatively unchanged.

*\*Note: The calculation includes time deposits with a maturity of over three months as part of short-term investments.*

## Business Strategy

- With our unique product mix (NR/NBR), flexible production lines capable of alternating between producing NRPF and NBR gloves, and a production base in Thailand, a prime location for high-quality NR latex, we are well positioned to deliver high-quality gloves to consumers worldwide.
- We are committed to reducing production costs through the use of automation and advanced technologies to eliminate redundancies and achieve economies of scale. We are also exploring the application of Artificial Intelligence (AI) to enhance machinery efficiency to produce high-quality, competitively-priced products sustainably. These efforts will enable us to achieve profits and deliver solid returns to shareholders.

### 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 high-quality NR latex at lower costs and benefiting from no CESS levy on raw materials.
- **Increasing production of specialty gloves that respond to specific customer demand**, with current offers of over 85 types, including non-detectable protein gloves, surgical gloves, and diamond-textured gloves that are used in the industrial sector. This year, we have further developed and improved on our products, such as latex surgical gloves that enable medical personnel to wear double layers more comfortably.
- **Growing our customer base** from currently 175 countries to over 190 countries within the next 2 years. This approach also helps diversify revenue across multiple regions, including Asia, the United States, Europe, and Latin America.
- **Managing utilization rate and profitability** to achieve optimal profitability and provide reasonable returns in the long run as the glove industry is going through the normalization period.
- **Improving production efficiency through the use of automation and technologies including AI** to minimize costs and labor and improve product quality. Projects that are already underway include Gloves Defect Detection system, QC Digital Transformation, and Smart Energy System.
- **Building on and maintaining our ESG leadership**, by prioritizing social and environmental responsibility and good corporate governance to align with today's sustainable values. This commitment positions us to achieve sustainable growth and maintain leadership in the global glove industry.

## Sustainable Business Operations (ESG)

STGT emphasizes sustainable business operations throughout the business value chain under the concept of **"Clean World Clean Gloves,"** focusing on product quality, environmentally friendly production, and creating business value for stakeholders. In Q1 2025, the company undertook significant ESG activities as follows:

### Environmental

- The Company has applied to participate in the **"Project for Developing and Upgrading Industrial Establishments to Apply Circular Economy Principles in Organizations"** for the 4th year. The branches participating in the project include the Hat Yai branch and the Chumphon branch. By joining this project, the company will undergo an evaluation of the effectiveness of applying circular economy principles within the industrial establishments. This evaluation aims to identify the current status, strengths, weaknesses, and areas for improvement. Additionally, the company will receive consultation and recommendations for enhancing and upgrading the efficiency of applying circular economy principles within the organization. This will enable the establishments to improve their operations according to circular economy principles more effectively and efficiently, such as utilizing resources within the organization optimally and maximizing benefits, increasing the proportion of renewable resources, reducing the use of new resources, minimizing waste and environmental and community impacts, reducing costs, creating added value, and fostering innovation or new business models.

### Social



- **Sri Trang Group is advancing its technology policy through the "SRI TRANG AI DIRECTION 2025" project**, which is part of the company's plan to develop the organization towards sustainability. The goal is to enhance operational efficiency by systematically implementing Artificial Intelligence (AI) and digital tools. Under this project, senior management has announced the policy and communicated it to employees at all levels, both domestic and international, to foster understanding, shared goals, and drive collective adaptation towards the digital era across the entire organization. In addition to applying AI in production processes and operations to improve efficiency and accuracy, the company also focuses on continuously developing employee potential through communication activities, training, and AI workshops, as well as various

digital tools, to enhance the skills necessary for future work. Therefore, "SRI TRANG AI DIRECTION 2025" is not just about introducing innovation but also laying the foundation for a lifelong learning culture and the development of employee capabilities, which are key components of sustainable business operations.

### Governance & Economic

- **STGT has received its first re-certification of membership in the Thai Private Sector Collective Action Against Corruption (CAC).**



- STGT was awarded the certificate for its first re-certification of membership in the Thai Private Sector Collective Action Against Corruption (CAC) on May 8, 2025. In addition, the Company has applied to join the CAC Change Agent program on 26 February 2025, to expand its transparent business network to its partners by encouraging them to join the CAC in the SME certification program. The Company commits to conducting its business with transparency, fairness, and consideration for the interests of all stakeholders. Furthermore, the Company emphasizes the continuous improvement of its operational processes and the enhancement of corporate governance, effective internal control and risk management standards, all in effort to contribute to the creation of a corruption-free society. This reflects the Company's strong stance against all forms of corruption and its commitment to ensuring strict compliance among its personnel at all levels.



## 1Q25 Key Financial Information (unit: THB million)

	1Q25	4Q24	%QoQ	1Q24	%YoY
Volume (in million pcs.)	9,191.2	10,435.5	-11.9%	10,091.0	-8.9%
Sales revenue	6,545.8	6,773.0	-3.4%	6,050.4	8.2%
COGS	(5,696.5)	(6,218.1)	-8.4%	(5,539.9)	2.8%
Gross profit	849.3	554.8	53.1%	510.5	66.4%
Other income	52.0	526.4	-90.1%	29.8	74.7%
SG&A	(411.8)	(502.1)	-18.0%	(423.4)	-2.7%
Gain (loss) on exchange rate, net	(12.8)	122.4	NM	145.1	NM
Other gain (loss), net	(10.1)	(103.6)	-90.3%	(115.8)	-91.3%
Operating profit (loss)	466.6	597.9	-22.0%	146.3	219.0%
EBITDA	1,093.2	1,226.9	-10.9%	691.8	58.0%
EBIT	518.5	659.9	-21.4%	238.5	117.4%
Finance income	51.9	62.0	-16.3%	92.2	-43.7%
Finance costs	(65.2)	(70.7)	-7.7%	(72.4)	-9.9%
EBT	453.3	589.2	-23.1%	166.1	172.9%
Tax	(29.0)	(32.5)	-10.6%	(19.3)	50.2%
Net profit	424.2	556.7	-23.8%	146.8	189.0%
GP margin	13.0%	8.2%	58.4%	8.4%	4.5%
EBITDA margin	16.7%	18.1%	-7.8%	11.4%	5.3%
Net profit margin	6.5%	8.2%	-21.1%	2.4%	4.1%
Financial Ratio					
Current ratio	2.24	1.94	15.5%	3.25	-31.1%
Cash cycle (days)	53.48	47.95	11.5%	44.31	20.7%
Net IBD/E	0.03	0.05	-40.3%	(0.04)	NM
Interest coverage ratio	16.76	17.35	-3.4%	9.56	75.4%
ROA	3.5%	4.5%	-22.0%	1.2%	189.0%
ROE	4.5%	5.8%	-23.1%	1.5%	188.7%

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 175 countries worldwide. As of 31 March 2025, STGT employed around 10,368 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](http://www.sritranggloves.com)

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