

## Financial Result Overview

**Amid numerous challenges throughout the year, we recorded a profit after tax of THB 1,652.1 million and dividend of THB 0.75 per share**

In FY2022, we had THB 23,304.8 million in revenue, decreasing 51.0% YoY as the ASP continued to decline as supply in the global market has increased substantially while demand has normalized after COVID-19 has been brought under control. Sales volume was 28,809 million pieces, growing 5.6% YoY amid intense competition in the market. A focus on NR gloves and a product mix of 76.7% of NR gloves and 23.3% of NBR gloves differentiates us from peers. **In FY2022, we recorded a net profit of THB 1,652.1 million or THB 0.58 per share, with a net profit margin of 7.1%. The Board of Directors has approved a dividend payment for Y2022 at a rate of 0.75 baht per share or 147.2% of the net profit of separate financial statements. The remaining dividend of 0.25 baht per share in excess of the interim dividend paid earlier (0.50 baht per share) will be paid out upon approval at the 2023 annual general meeting of shareholders.**

We are committed to developing new products that will respond to market demand. Our "CWCG" (Clean World, Clean Glove) products, or gloves with no detectable protein allergen, have received certification from labs in various countries and positive feedback from customers. Also in our plan are specialty gloves, e.g. surgical gloves and diamond textured gloves that are used in the industrial sector, that will respond to specific demand in various markets.

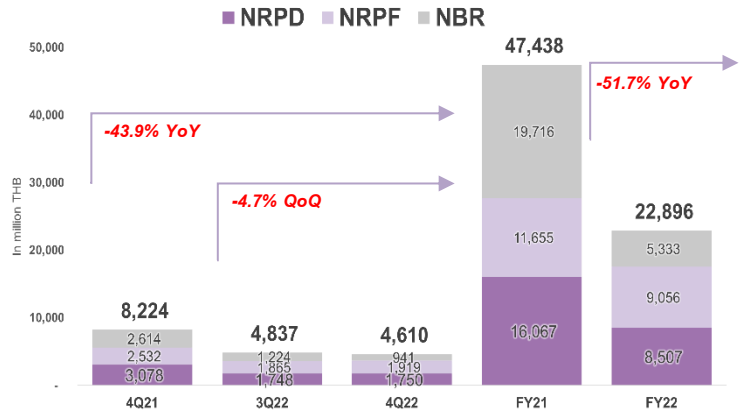
With customers in over 170 countries around the world and distribution centers in Thailand, Singapore, China, the US, Indonesia, and Vietnam, in FY2022 we further established new subsidiaries in the US and the Philippines to expand our distribution network in those regions. Additionally, we remain committed to environmental, social and governance (ESG) issues with a view toward sustainable growth.

### Revenue and ASP declined while sales volume grew amid intense competition

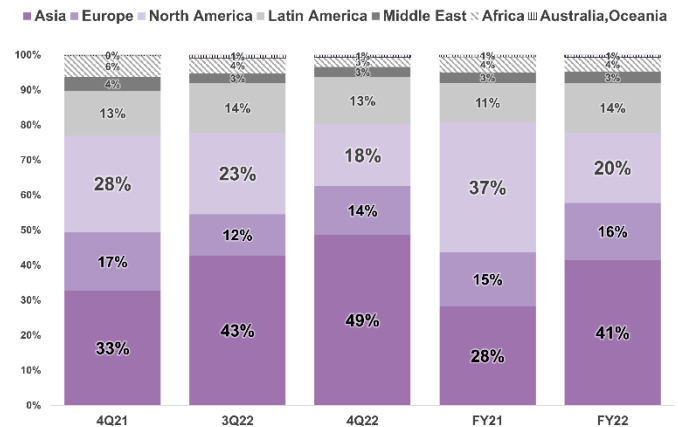
Sales revenue in FY2022 was THB 23,304.8 million, decreasing 51.0% YoY, because of the ASP that declined 54.1% YoY to THB 798 (USD 22.9) per 1,000 pieces, from THB 1,739 (USD 54.68) in FY2021. Sales volume



Gloves' Revenues by Product (THB million)



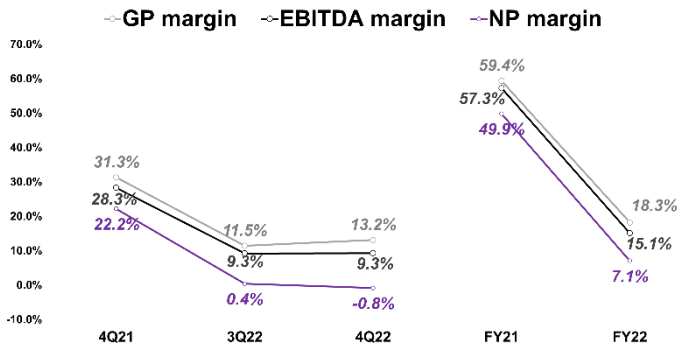
Glove's Revenues by Geography (%)



in FY2022 grew 5.6% YoY to 28,809 million pieces amid intense competition in the market and a rapid increase in global supply. Our utilization rate in FY2022 was 64.8%, down from 87.3% in FY2021.

By product, latex powder-free gloves (NRPF) contributed the largest proportion of sales revenue at 39.6%, followed by latex powdered gloves (NRPD) at 37.2% of sales revenue, while nitrile gloves (NBR) contributed 23.3% of sales revenue as we continued to keep our focus on NR gloves because of our competitive advantage in production from the access to raw material and lower transportation costs. Crucially, we can efficiently alter our production lines to adjust the proportion of NRPF and NBR gloves to ensure an optimum product mix.

## Margin (%)



### Lower profit margin because of lower ASP and utilization

We recorded THB 4,256.8 in gross profit in FY2022, decreasing 84.9% YoY because of the ASP that declined 54.1% YoY as a result of the intense competition in the market as global supply has rapidly increased, leading to an ongoing oversupply situation that will take some time to resolve. Meanwhile, sales volume grew 5.6% YoY. Raw material prices decreased 45.7% YoY for NBR latex and 10.4% for NR latex. The significant decline in ASP had an effect on our gross profit margin, which decreased from 59.4% in FY2021 to 18.3% in FY2022.

SG&A increased 7.1% to THB 2,401.1 million. The increase in selling expenses can be attributed to higher inland transportation costs as part of an attempt to ship out products from ports in more distant locations and to higher oil prices following the Russia-Ukraine war. The increase in administrative expenses can be attributed to depreciation that increased alongside production capacity while utilization rate decreased as well as an increase in debt allowance. The percentage of SG&A to sales revenue increased from 4.7% in FY2021 to 10.3% in FY2022 because of lower sales revenue.

We recorded THB 155.5 million in currency exchange loss from currency hedging transactions including forward and option contracts. EBITDA margin was 15.1%, down from 57.3% in FY2021. Finance costs increased 46.7% YoY to THB 186.8 million because of higher interest rate as well as the issuance of debenture in 3Q22. Nearly all interest expenses will be reimbursed by the RAOT\*. Finance income increased 51.0% YoY to THB 160.8 million from interests on deposits at financial institutions. Tax expenses decreased 89.3% YoY THB 231.5 million because of lower profit before tax. **Net profit in FY2022 was THB 1,652.1 million, decreasing 93.0% YoY, with a net profit margin of 7.1%.**

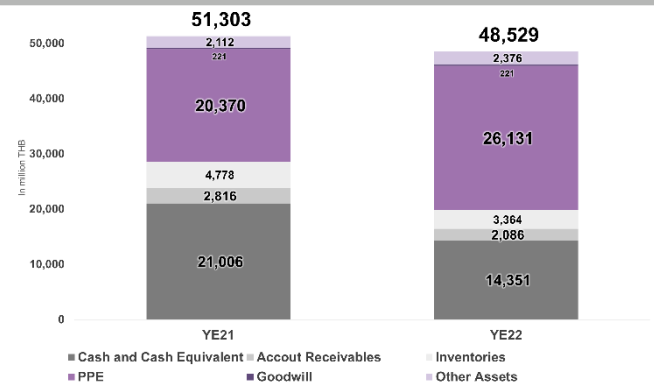
\*Long-term loans for capacity expansion under the interest rate subsidy program of the Rubber Authority of Thailand (RAOT), under which up to 3% of interest rate is subsidized.

### Strong Financial Status

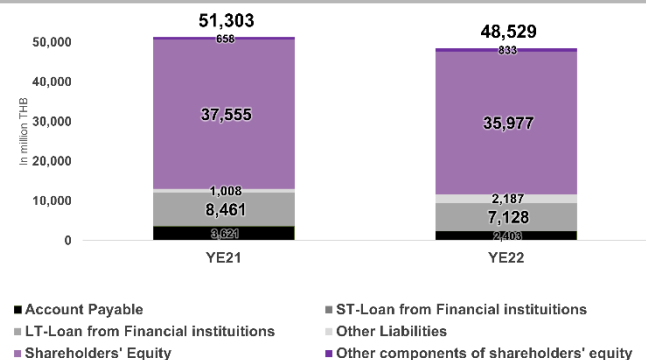
Our total assets decreased by THB 2,774.3 million from at the end of FY2021 to THB 48,528.5 million, with cash decreasing by THB 6,655.4 million to THB 14,350.7 million after loan repayment, interim dividend payment and the capacity expansion, which led our property, plant and equipment to increase by THB 5,787.0 million to THB 26,325.9 million. Interest-bearing debt (IBD) consisted of THB 8,885.8 million in outstanding short-term and long-term borrowings and leasehold obligations. Nearly all of the loans are long-term loans taken under the interest rate subsidy program of the RAOT, for which we stand receive interest reimbursements, which will be recorded as other income in 3Q-4Q of every financial year.

**Our gearing IBD to equity ratio increased to 0.24 at the end of FY2022 from 0.22 at the end of FY2021 following the issuance of THB 1,500 million in green debenture in September 2022.**

### Assets (THB million)



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



### Strategy and Expansion

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.

By the end of FY2022, our annualized installed production capacity was 52,500 million pieces, representing a 30.3% growth from FY2021.

Cost-saving initiatives as such the use of automation and technology to achieve economies of scale and improve efficiency to create higher profit and return to shareholders will continue to be in our focus.

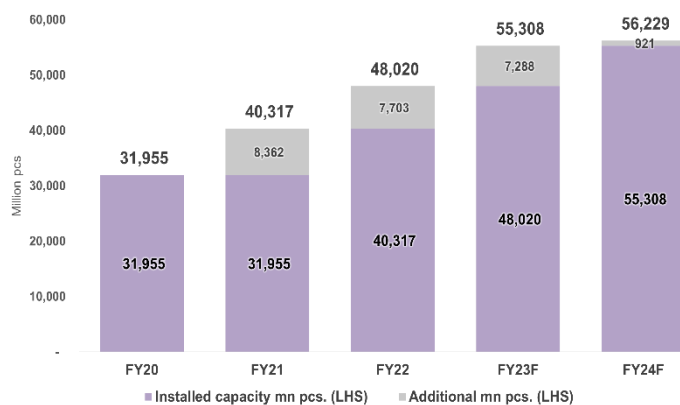
Our business strategy will focus on 1) maintaining our position as a leading producer and distributor of natural rubber gloves, which we have competitive advantage over competitors in cost, quality and access to raw materials; 2) increasing production of specialty gloves that respond to specific customer demand, e.g. non-detectable protein gloves, surgical gloves, diamond textured gloves that are used in the industrial sector; 3) growing our market share to over 190 countries, from currently 170 countries, within the next 2 years; 4) managing utilization rate and profitability to create reasonable returns in the long run while the glove industry is going through the normalization period; 5) improving efficiency with the use of automation and technology to minimize costs and labor; 6) maintaining our ESG leadership and commitment to social and environmental responsibility and corporate governance with a view to sustainability.

#### A strong commitment to environmental, social and governance issues

(ESG) is what our customers, shareholders and all stakeholders can count on us. **On environmental issues (E)**, we are committed as a low-carbon company to, within 2026, reduce our green house gas emissions by no less than 10% compared with 2021 and, within 2024, reduce our energy consumption per unit by 5.5% compared with 2019, including our electricity consumption per unit by no less than 10% compared with 2019. Presently, we utilize wood chips, which are considered biomass and have significantly lower emission factor than fossil fuels, as fuel for boilers in production and plan to increase the use of renewable and clean energy. We completed the installation of solar panels that generate electricity and help to reduce green house gas emissions by 615 carbon dioxide tons per year at our Trang facilities in June 2022. In 2022, we also reviewed the utility of the solar roof to apply for registration in Thailand Voluntary Emission Reduction program (T-VER) in January 2022. We also implement a water reclamation system, whereby wastewater gets recycled and reused in the production process, thereby reducing our consumption of water, one of the essential resources in glove production. On waste management, we have set a goal of zero waste to landfill and recently signed an MOU on environmental management under the principles of the circular economy with a third party company and have started to reuse disused ceramic glove molds, which were previously sent to landfill, as raw material to produce fire-resistant bricks. **On social issues (S)**, we have announced human rights and anti-discrimination policies and thoroughly conducted a human rights evaluation.



Installed Capacity & Estimated CAPEX (THB million)



Our labor practices are well known as the “**best-in-class workforce treatment**” and have received the top A rating in the **Business Social Compliance Initiative (BSCI) audit by Amfori** for our facilities in Hat Yai, Sadao, Trang and Surat Thani. In 2022, we have been certified under SMETA and ILO forced labor standards, e.g. no forced or slave labor or debt bondage. Additionally, we have continued to organize various CSR projects that benefit the local communities and accord with the principles of the circular economy. **On governance issues (G)**, we are committed to promoting diversity, including gender, age, and ethnicity diversity, among our workforce and conduct our business under the good governance principles with transparency and accountability. Corruption prevention is also our focus and we have been certified by Thailand’s Private Sector Collective Action Coalition against Corruption (CAC) on June 30, 2022. We encourage our suppliers to likewise declare their anti-corruption stance. We have received accolades from many organizations such as the **level 4 Green Industry Certification** from the Ministry of Industry for our facilities in Trang and Surat Thani. Moreover, we have been included on the **ESG100 index** by the Thaipat Institute for the **second consecutive year** and on the list of Thailand Sustainability Investment (THSI) and on the SETTHSI index by the Stock Exchange of Thailand.



## 4Q22 & FY22 Key Financial Information (unit: million THB)

	4Q22	3Q22	%QoQ	4Q21	%YoY	FY22	FY21	%YoY
Volume (in million pcs)	6,895.7	6,380.6	8.1%	7,604.1	-9.3%	28,808.9	27,275.5	5.6%
Sales Revenue	4,760.8	4,884.0	-2.5%	8,285.4	-42.5%	23,304.8	47,550.8	-51.0%
COGS	(4,134.6)	(4,324.4)	-4.4%	(5,688.5)	-27.3%	(19,048.0)	(19,291.8)	-1.3%
<b>Gross profit</b>	<b>626.2</b>	<b>559.6</b>	<b>11.9%</b>	<b>2,596.9</b>	<b>-75.9%</b>	<b>4,256.8</b>	<b>28,259.0</b>	<b>-84.9%</b>
Other income	23.0	122.5	-81.2%	73.9	-68.8%	209.3	362.5	-42.3%
SG&A	(616.0)	(537.6)	14.6%	(780.2)	-21.0%	(2,401.1)	(2,242.8)	7.1%
Gain (loss) on exchange rate, net	(200.1)	167.9	219.1%	(42.0)	375.9%	101.7	598.1	-83.0%
Other gains, net	142.7	(262.5)	154.3%	127.4	12.0%	(257.2)	(1,079.4)	-76.2%
<b>Operating profit (loss)</b>	<b>(24.1)</b>	<b>49.9</b>	<b>-148.4%</b>	<b>1,976.0</b>	<b>-101.2%</b>	<b>1,909.5</b>	<b>25,897.4</b>	<b>-92.6%</b>
EBITDA	443.6	451.8	-1.8%	2,346.1	-81.1%	3,519.9	27,251.1	-87.1%
EBIT	49.1	81.1	-39.4%	2,004.6	-97.5%	2,070.3	26,004.0	-92.0%
Finance income	73.2	31.2	134.5%	28.6	155.9%	160.8	106.5	51.0%
Finance costs	(64.5)	(45.8)	40.9%	(32.7)	97.4%	(186.8)	(127.4)	46.7%
EBT	(15.4)	35.3	-143.5%	1,971.9	-100.8%	1,883.5	25,876.6	-92.7%
Tax	(23.0)	(13.5)	70.4%	(132.3)	-82.6%	(231.5)	(2,172.5)	-89.3%
<b>Net profit</b>	<b>(38.4)</b>	<b>21.8</b>	<b>-276.0%</b>	<b>1,839.7</b>	<b>-102.1%</b>	<b>1,652.1</b>	<b>23,704.2</b>	<b>-93.0%</b>
GP margin	13.2%	11.5%	1.7%	31.3%	-18.2%	18.3%	59.4%	-41.2%
EBITDA margin	9.3%	9.3%	0.1%	28.3%	-19.0%	15.1%	57.3%	-42.2%
Net profit margin	-0.8%	0.4%	-1.3%	22.2%	-23.0%	7.1%	49.9%	-42.8%
<b>Financial Ratio</b>								
Current ratio	4.62	4.85	-4.7%	5.23	-11.8%	4.62	5.23	-11.8%
Cash cycle (days)	60.18	67.93	-11.4%	45.53	32.2%	49.63	35.97	38.0%
IBD/E	0.24	0.25	-2.9%	0.22	8.1%	0.24	0.22	8.1%
Interest coverage ratio	22.48	29.28	-23.2%	94.57	-76.2%	24.11	207.07	-88.4%
ROA	-0.3%	0.2%	-0.5%	13.8%	-14.1%	3.3%	49.6%	-46.3%
ROE	-0.4%	0.2%	-0.6%	18.4%	-18.8%	4.4%	67.3%	-62.9%

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 2022, STGT employed more than 8,170 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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