



**SRI TRANG
GLOVES**™

「Touch Of Life™」

4Q22 & FY22 Presentation

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

21 February 2023



Excellent
Corporate Governance Score Appraised
by Thai Institute of Directors



The Stock Exchange of Thailand

SET100 Index



The Stock Exchange of Thailand

SETTHSI Index



Agenda



01 Company Overview

02 Financial Performance

03 Glove Business

04 Business Outlook

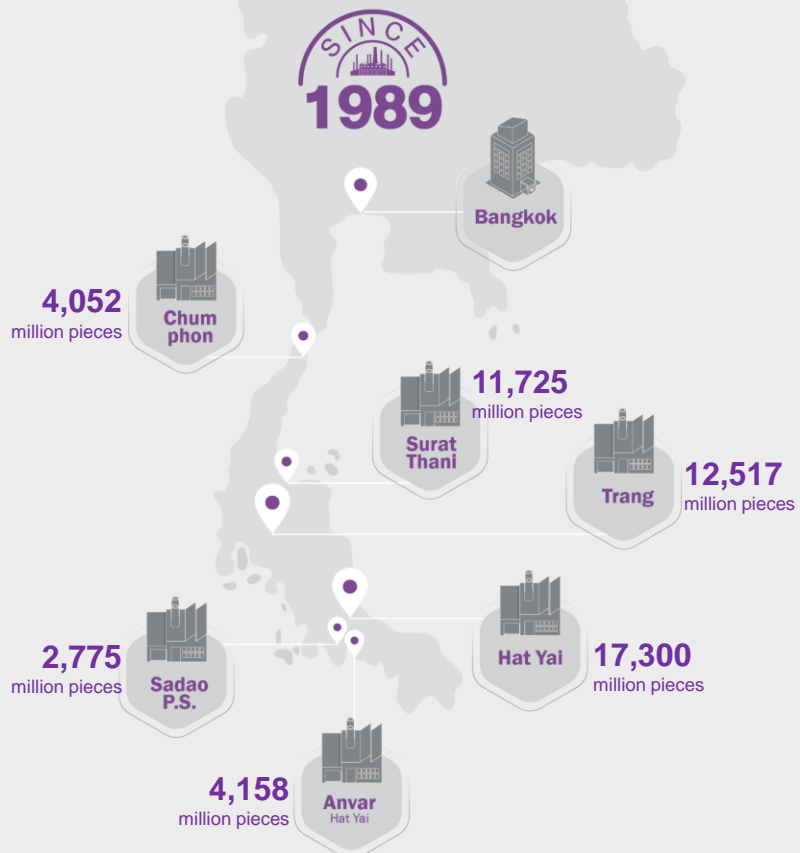


COMPANY OVERVIEW

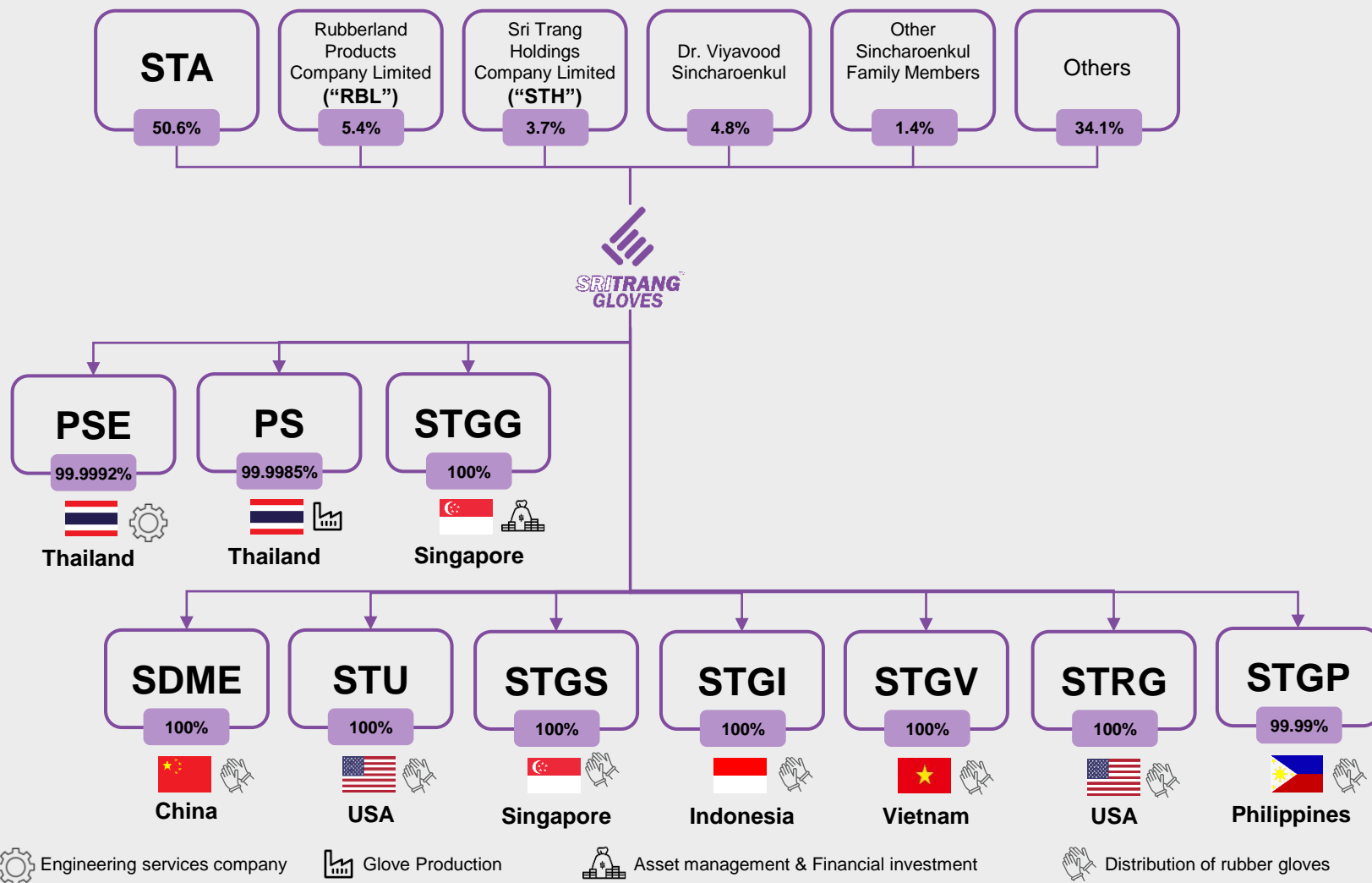
STGT At Glance

STGT's total annualized installed capacity approx. **52,500** million pieces per annum is considered one of the world's top rubber gloves manufacturers

Total Annualized installed capacity approx. **52,500** million pieces per annum



Shareholding Structure

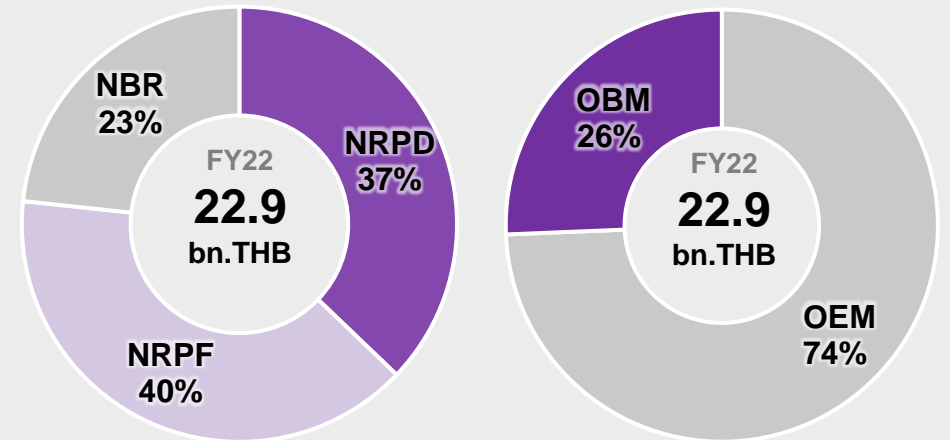


STGT's Products



Explore our 「Touch Of Life™」 product line
We offer a wide range of high-quality natural latex and nitrile examination gloves

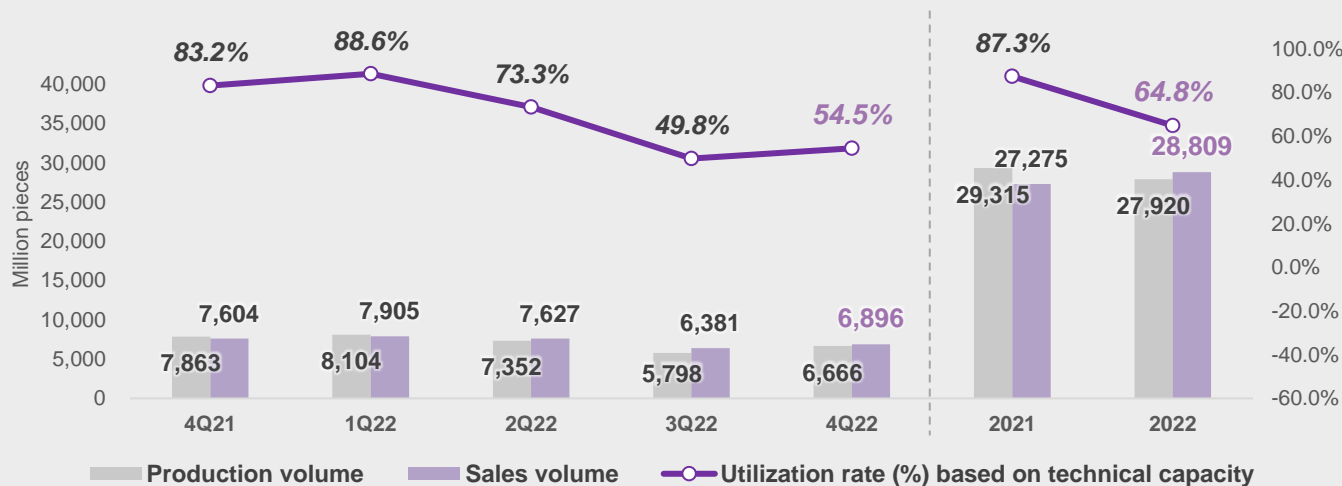
STGT's Product Mix by Gloves Sales



*Non-glove sales revenue is excluded of THB 408.5 million.

12-month data as of 31/12/2022

Sales Volume & Production



STGT's Brands



STGT's Key Competitive Advantages

1. Unique Product Mix:

Good mix of affordable NR gloves allows us to penetrate to emerging countries where double or triple digits growth is prominent, and NBR gloves balance our revenue from mature markets.

2. Security of supply:

Access to sufficient and high-quality supply of concentrated latex from STA Group. Our factories are located proximity to the main source of concentrated latex of the world.

8. ESG Leader:

- Environmentally friendly technology by using 100% of renewable energy in production
- Awarded and rated best in class in workforce treatment under highly recognized standards
- Achieved the reduction of GHGs emission greater than the target and continue to pursue more challenging goal

7. Tax benefit from the Board of Investment Thailand (BOI):

5-8 year tax holidays from capacity expansion investment enables us to have effective tax rate at a single digit.

3. Low transportation and inventory handling costs:

STGT's production facilities are located next to STA Group's concentrated latex factories and short distance to the seaports.

4. No burden on import tax (CESS) of concentrated latex:

As a domestic manufacturer, STGT's NR latex procurement is free from import tax.

6. Interest subsidy

from Thai Government for long-term loans at the maximum rate of 3% till 2026.

5. Lower energy cost:

Access to abundance of biomass woodchip as a main fuel source comparing to fossil base (natural gas) which is typically used by competitors in other countries.



FINANCIAL HIGHLIGHT



STGT's Financial Highlights



4Q22:

- **Sales volume recovered from the bottom in 3Q22**
Sales volume increased by 8.1% QoQ, showing recovery sign in terms of volume, though still down 9.3% YoY
- **ASP decreased YoY and QoQ**
Increase in new supply and ease of Covid-19 caused price competition in the market, resulting to pressured ASP which down by 11.8% QoQ and 38.2% YoY
- **Improvement in GP margin QoQ**
Due to higher utilization rate as well as a greater decrease in raw material price

FY22:

- **Continuous growth in sales volume despite various industry challenges**
Sales volume increased by 5.6% YoY
- **ASP decreased YoY**
Increase in new supply and ease of Covid-19 caused price competition in the market, resulting to pressured ASP which down by 54.3% YoY
- **Decline in margin**
Mainly due to ASP decrease with some effect of lower utilization rate

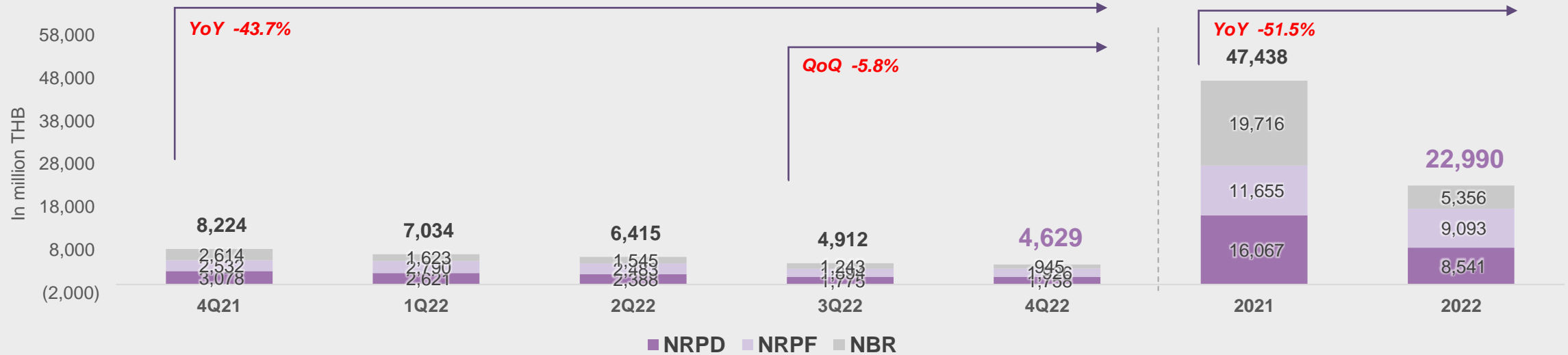
4Q22 & FY22 Financial Highlights

(In million THB)

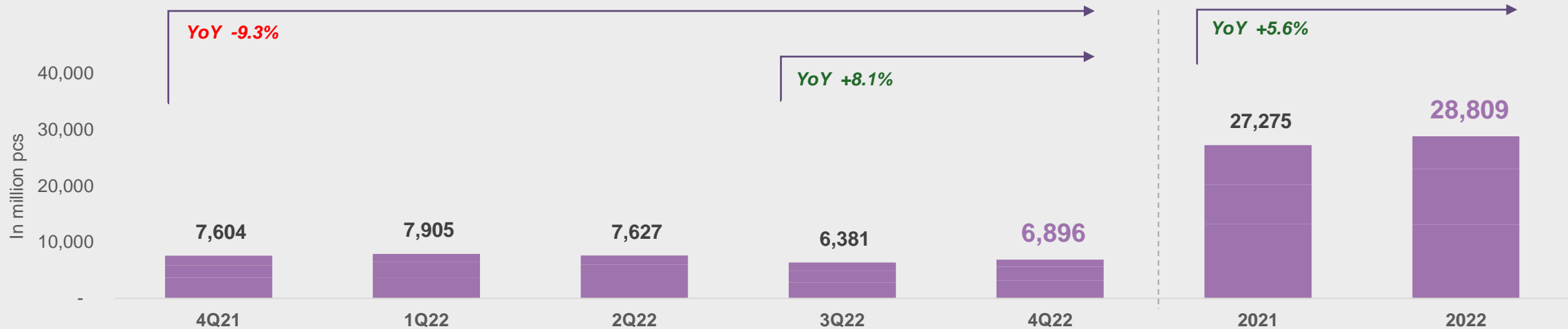
	4Q22	3Q22	%QoQ	4Q21	%YoY	2022	2021	%YoY
Volume (in million pcs.)	6,895.7	6,380.6	8.1%	7,604.1	-9.3%	28,808.9	27,275.5	5.6%
Sales revenue	4,760.8	4,884.0	-2.5%	8,285.4	-42.5%	23,304.8	47,550.8	-51.0%
COGS	(4,134.6)	(4,324.4)	-4.4%	(5,688.5)	-27.3%	(19,048.0)	(19,291.8)	-1.3%
Gross profit	626.2	559.6	11.9%	2,596.9	-75.9%	4,256.8	28,259.0	-84.9%
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 gain (loss), net	142.7	(262.5)	154.3%	127.4	12.0%	(257.2)	(1,079.4)	-76.2%
Operating profit (loss)	(24.1)	49.9	-148.4%	1,976.0	-101.2%	1,909.5	25,897.4	-92.6%
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%
Net profit	(38.4)	21.8	-276.0%	1,839.7	-102.1%	1,652.1	23,704.2	-93.0%
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%
Financial Ratio								
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%

Sales Revenue and Volume

Sales Revenue

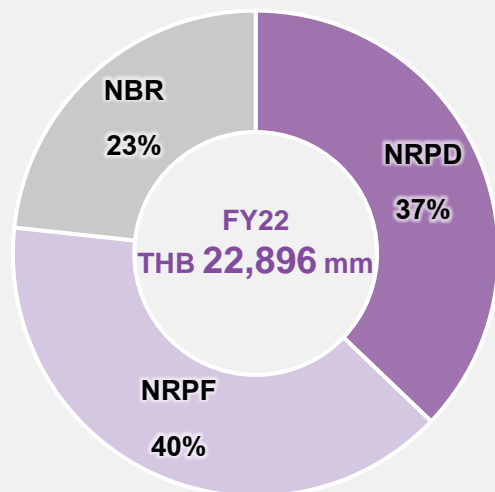
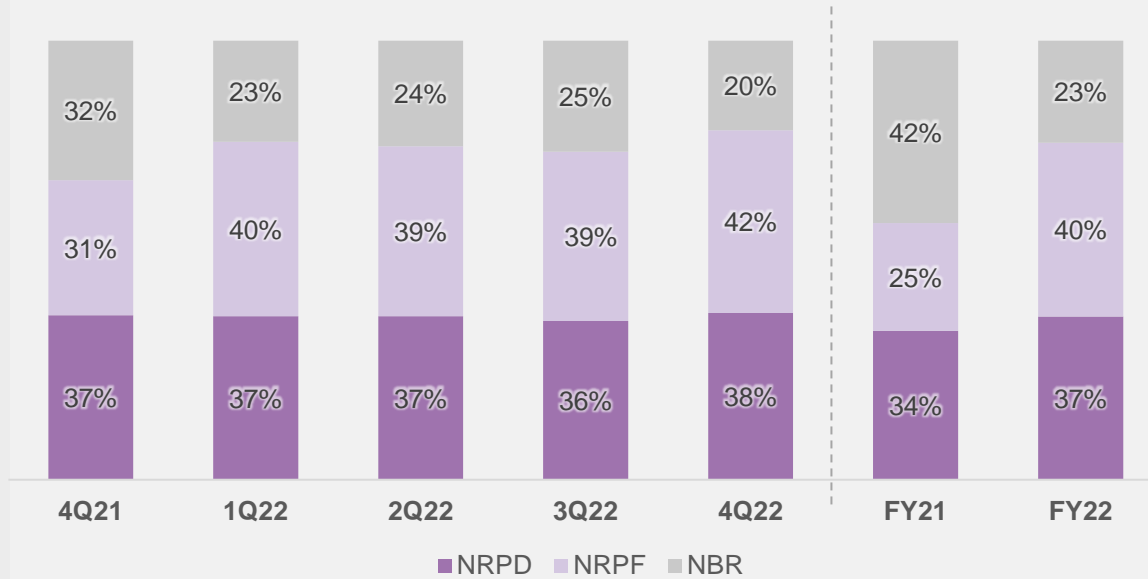


Sales Volume

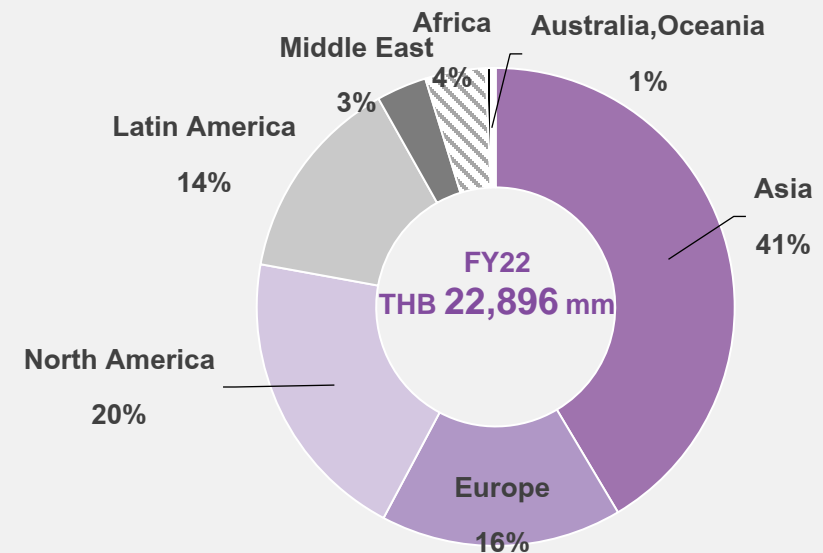
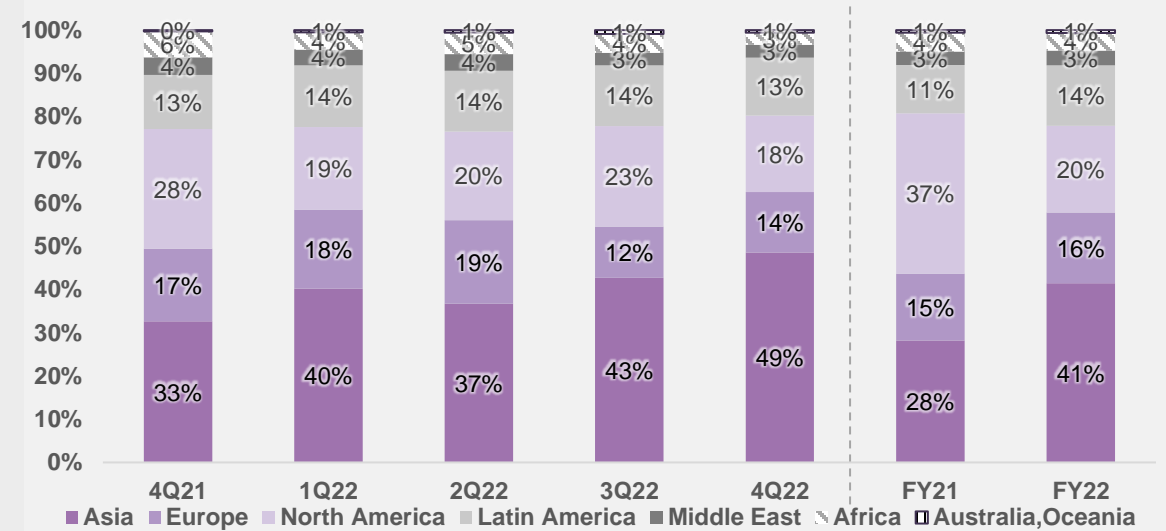


Gloves' Sales Revenue Breakdown

Sales Revenue by Products

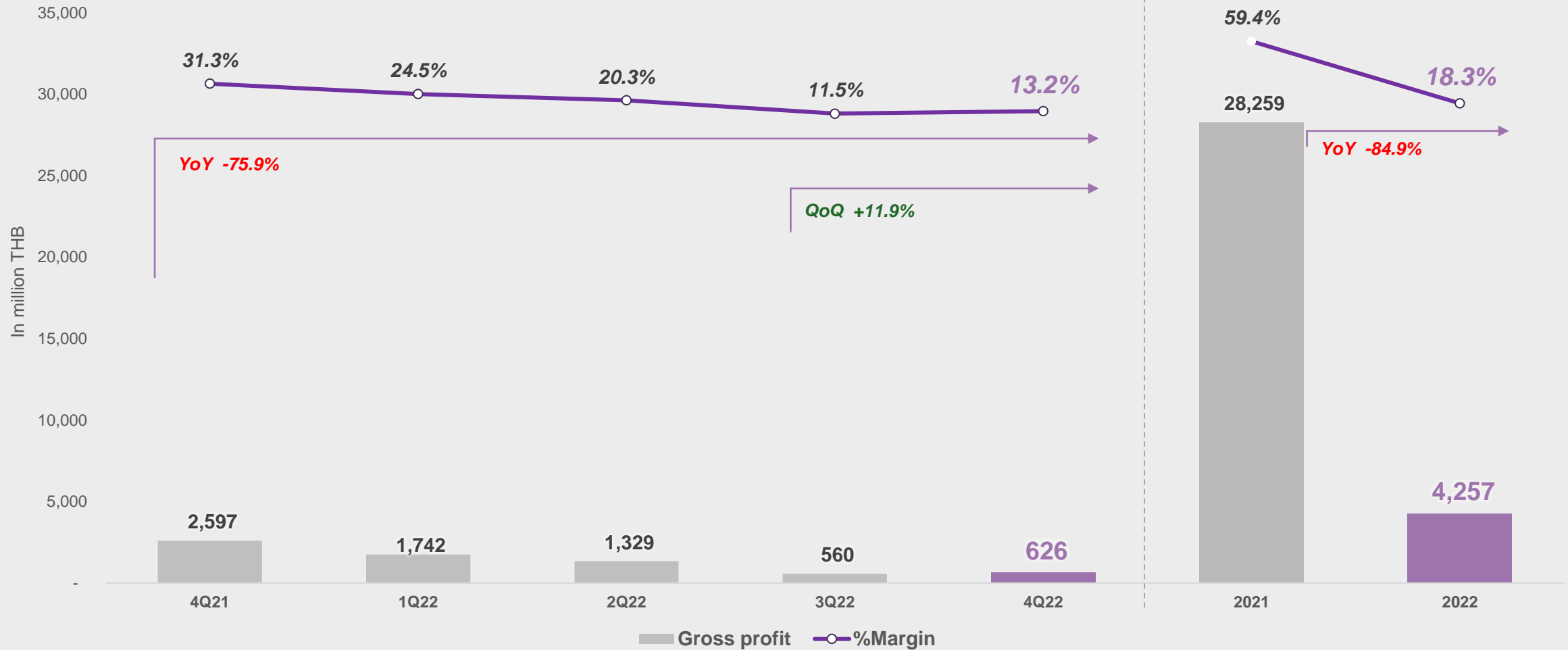


Sales Revenue by Geography



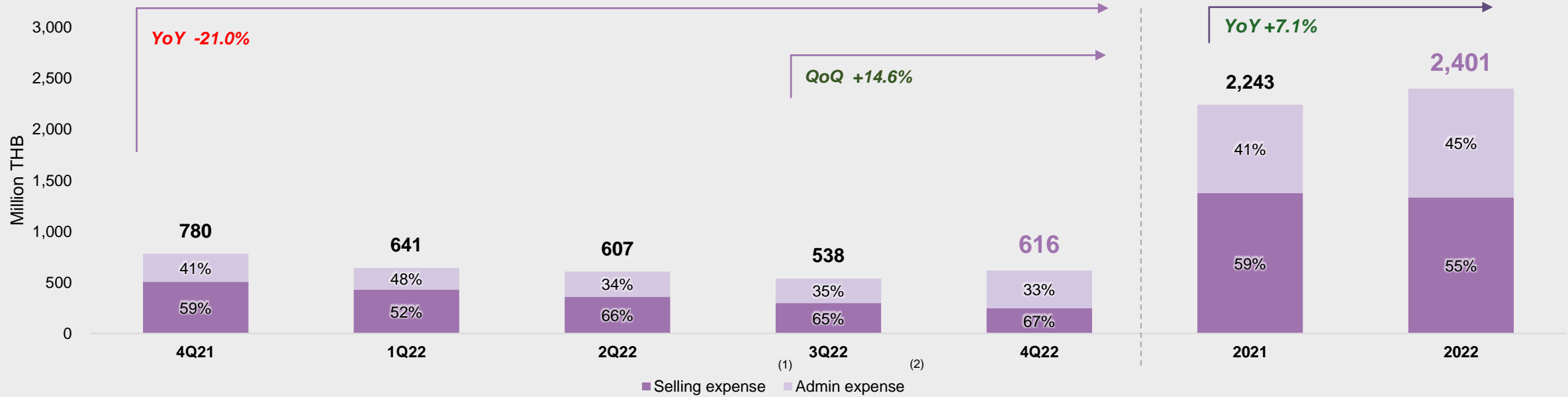
Gross Profit Margin

Gross Profit and Gross Profit Margin

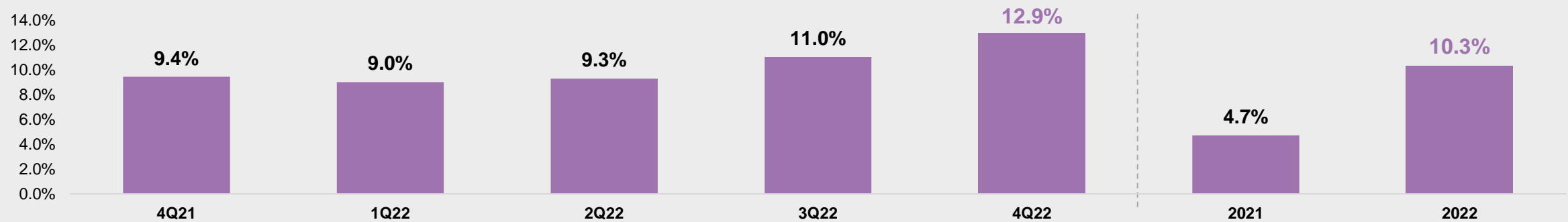


SG&A

SG&A Breakdown



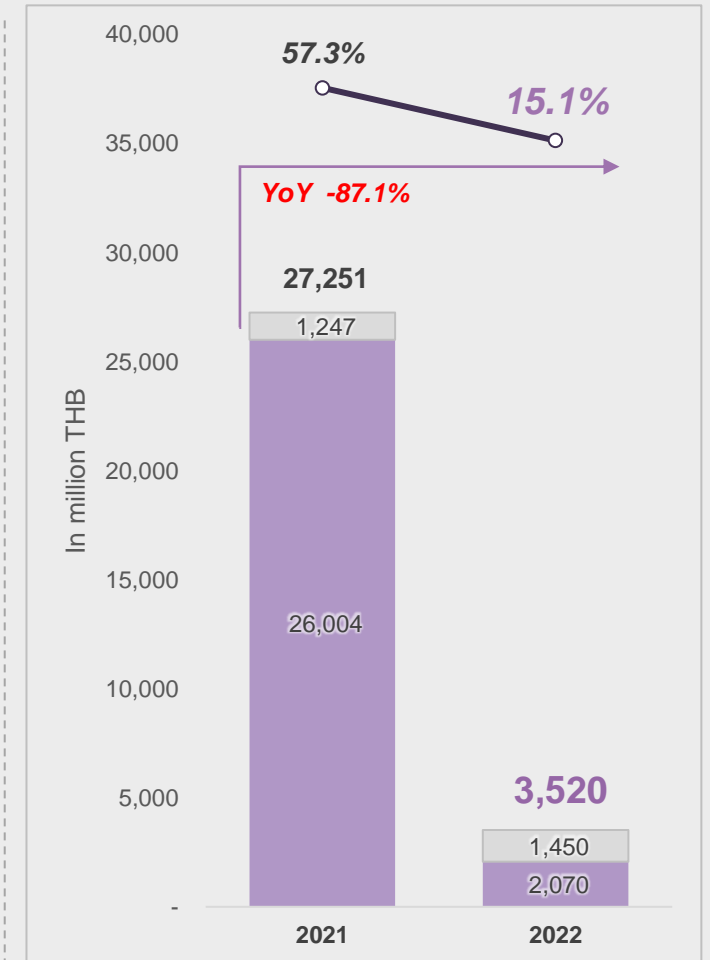
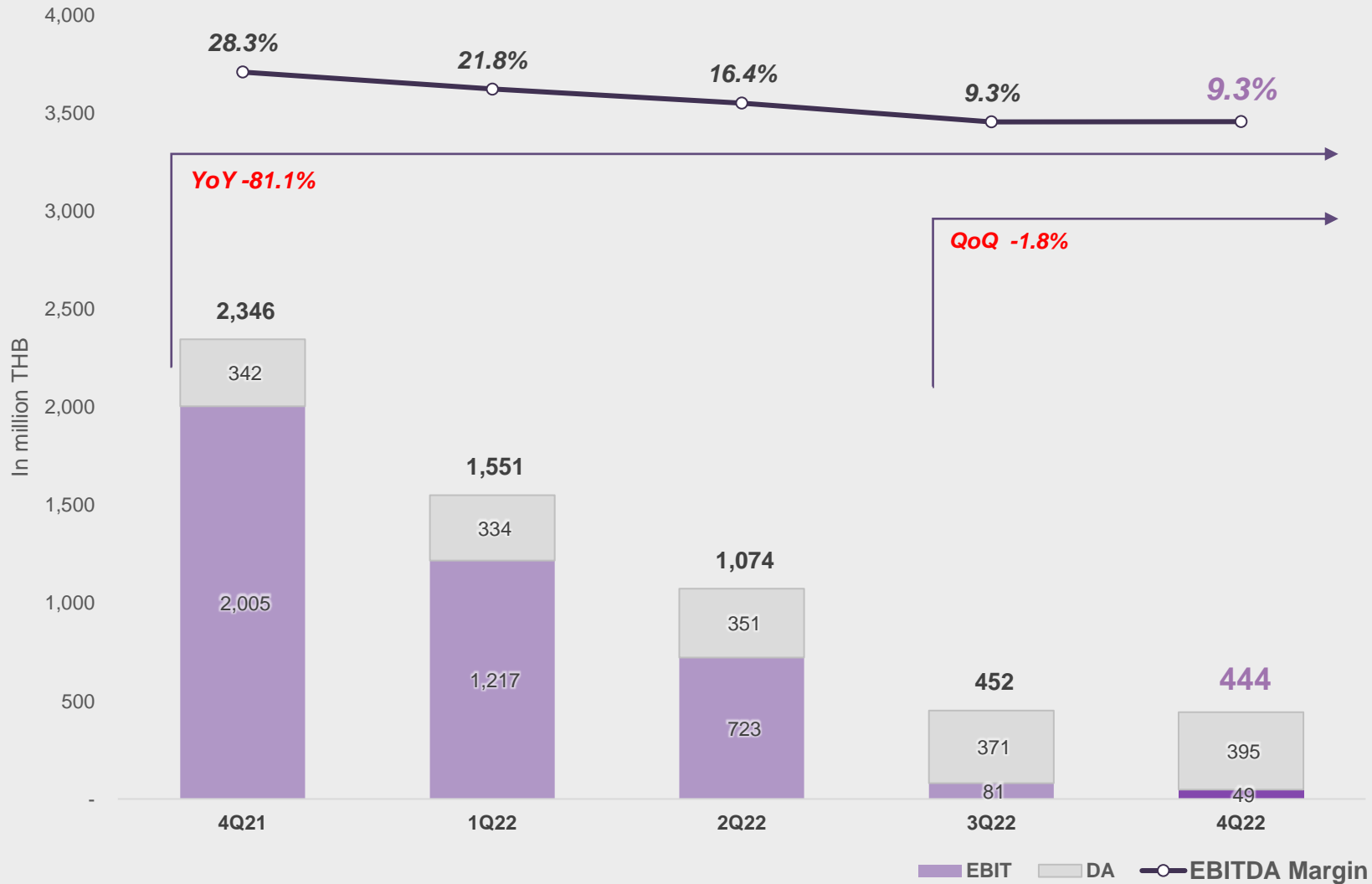
SG&A/Sales



Note: (1) includes transportation, salary, commission, promotional expenses and insurance
 (2) includes salary, office rental, professional fee and bank charge

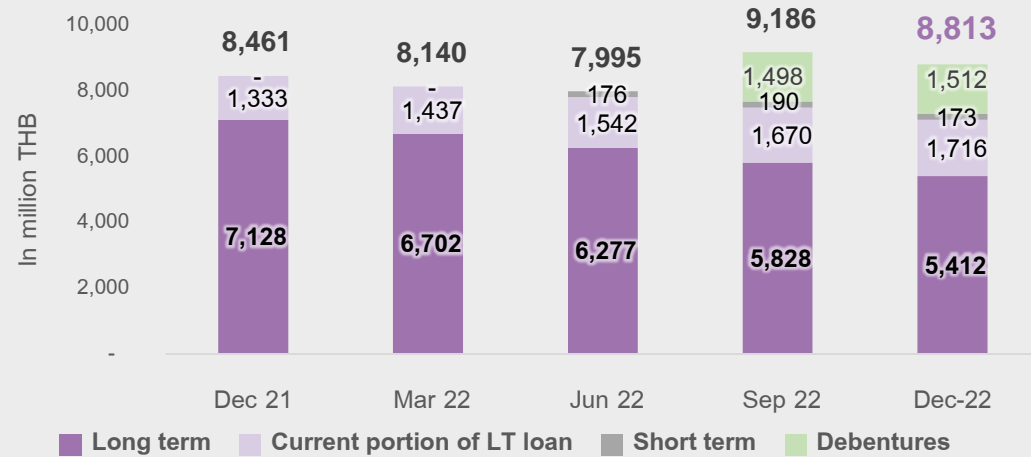
EBITDA

EBITDA and EBITDA Margin

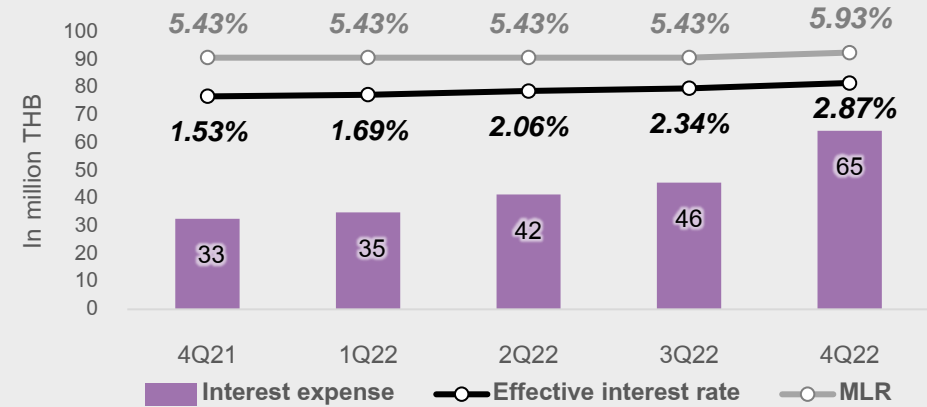


Low Interest Expenses

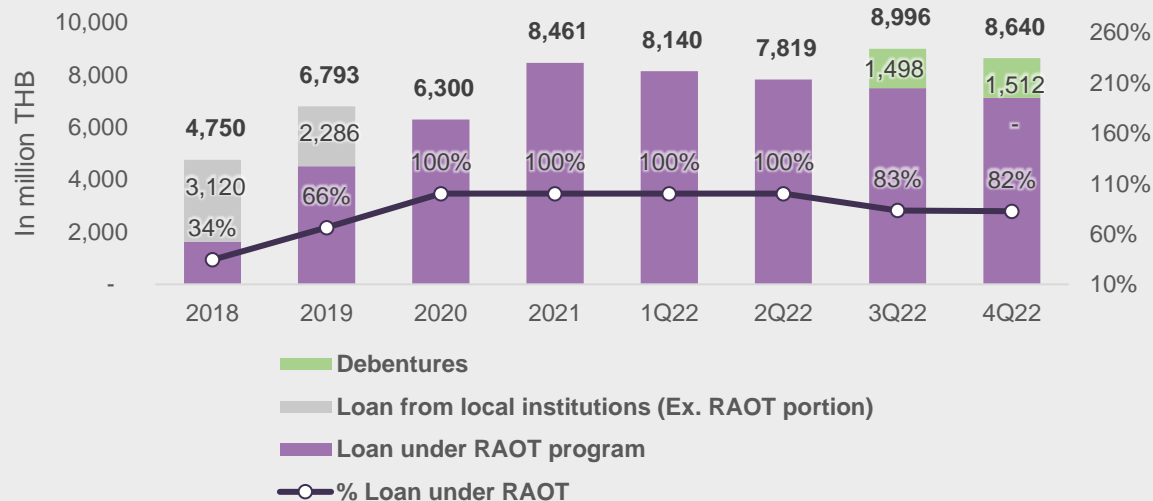
Short Term & Long-Term Loan



Interest Expense



Loan under RAOT Subsidy Scheme

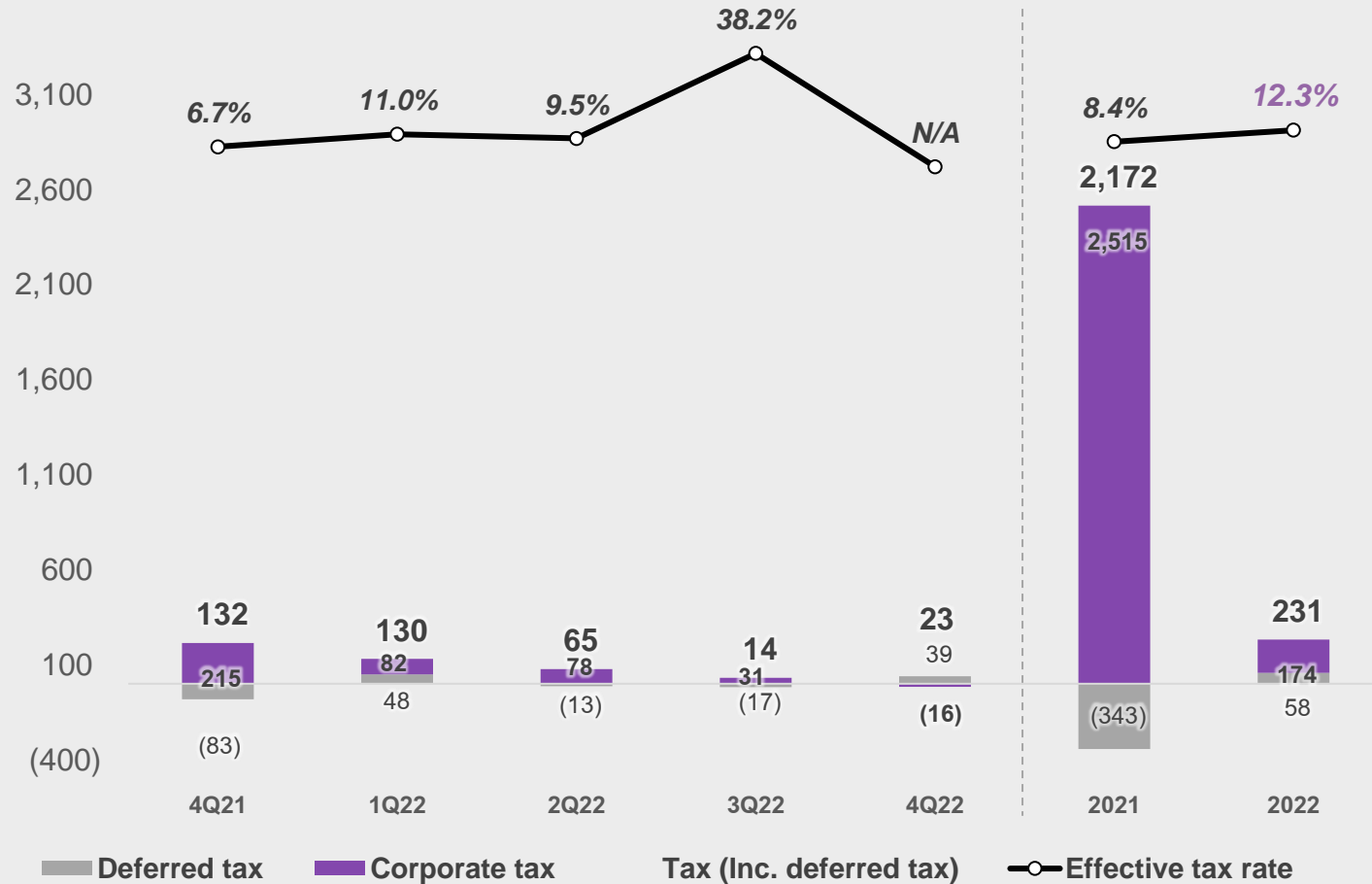


- RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.
- 82% of our term-loan is under RAOT interest subsidy scheme

Effective Tax Rate

Effective Tax Rate 2021 – 2022

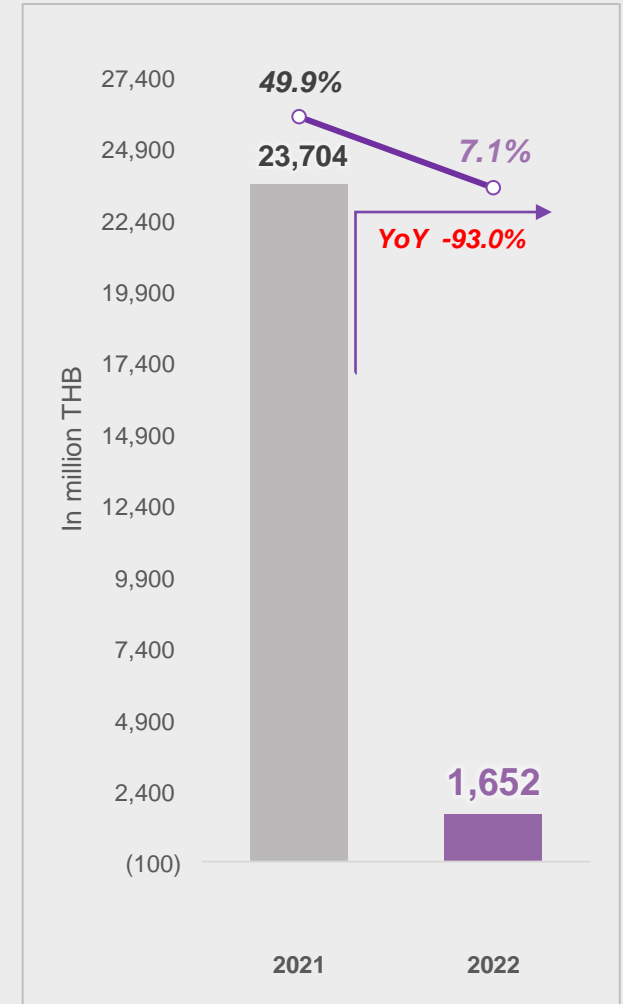
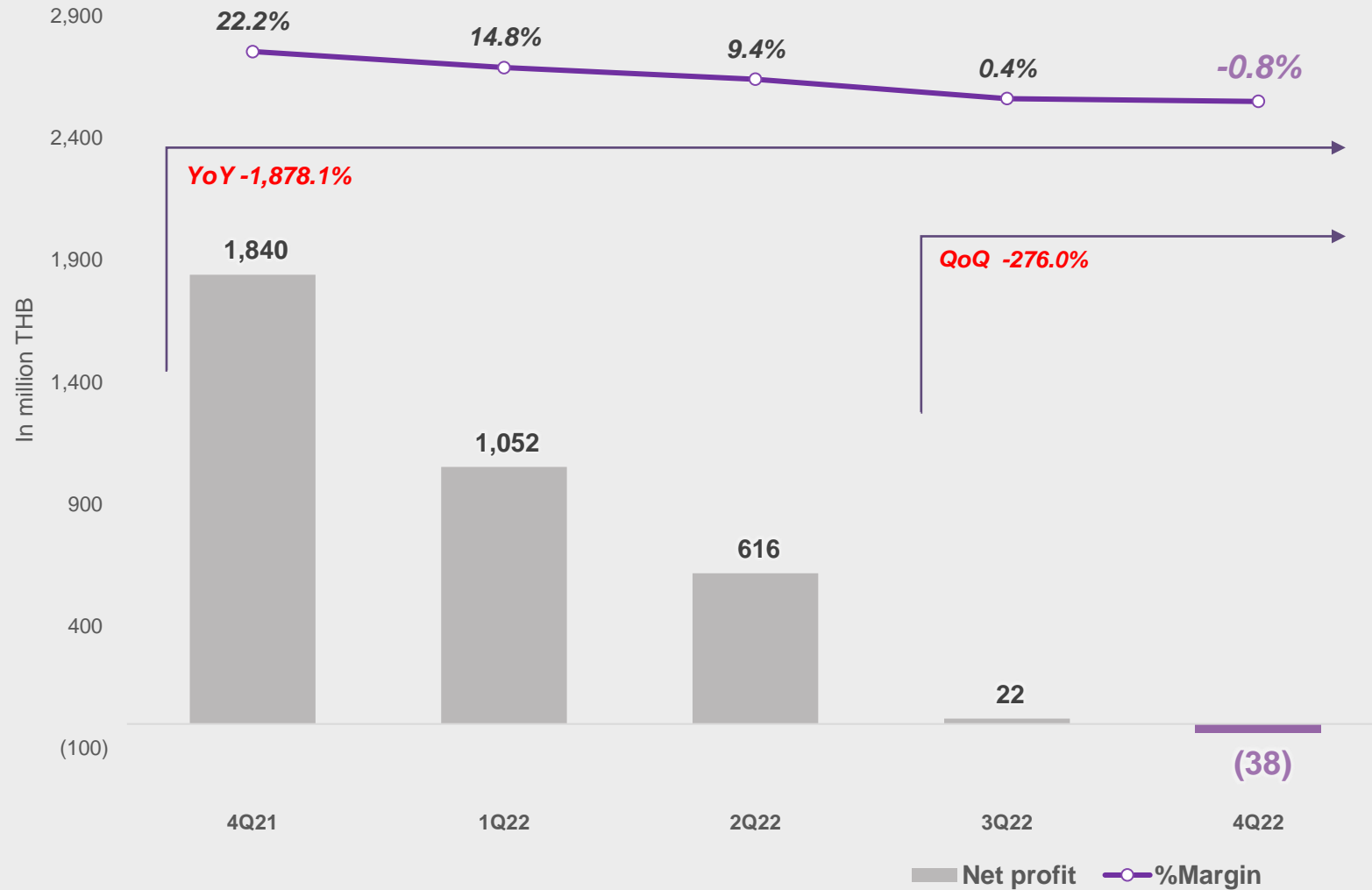
Tax expense



- Effective tax rate was at 12.3% for FY22
- With tax heaven scheme from the Board of Investment in Thailand (BOI) for the 5-8 years tax free for new investment.

Net Profit Margin

Net profit and Net profit Margin

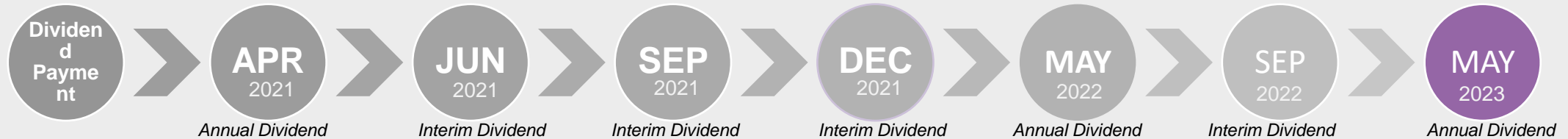


Dividend Payment

The Company has a dividend policy to pay dividend distributions to shareholders

At least **50** percent of its net profit based on the Company's separate financial statements

Moreover, the Company deemed it appropriate to determine *the annual dividend payments* for the year 2022.



Record Date	Declaration Date	Payable Date	Amount <small>[Baht per Share]</small>	% of PAT*	
2022					
Apr 20, 2023	Feb 17, 2023	May 8, 2023	0.25	} 147% [YE22]	
Aug 24, 2022	Aug 10, 2022	Sep 7, 2022	0.50		
2021					
Apr 20, 2022	Feb 17, 2022	May 5, 2022	0.65	} 55% [YE21]	
Nov 22, 2021	Nov 8, 2021	Dec 7, 2021	1.25		81% [3Q21]
Aug 24, 2021	Aug 10, 2021	Sep 7, 2021	1.25		47% [2Q21]
May 27, 2021	May 12, 2021	Jun 10, 2021	1.50		42% [1Q21]
Apr 16, 2021	Feb 16, 2021	Apr 28, 2021	2.00	} 55% [YE20]	
2020					
Nov 30, 2020	Nov 13, 2020	Dec 09, 2020	0.625	Note: *Separate Financial Statements	



GLOVES

BUSINESS

Strategy for Overcoming to Challenges



Maintain the Position as the Leader of NR Gloves

Optimize our key competitive advantage to access to raw material source



Expand the Product Lines to Other Specialty Gloves

Offer more variety of products to cover more customer's needs



Market Expansion to Various Countries

from 140 countries in 2020 to more than 170 countries in 2022, and **we expect to reach >190 countries in the next two years.** We have already set up new subsidiaries in Singapore, Vietnam, the Philippines and Indonesia to support market expansion and distribution.



Optimize the Production Capacity

during the normalization period, the production capacity needs to be strategically utilized to obtain optimal margin



Application of Automation and Technology

For cost reduction and production efficiency enhancement

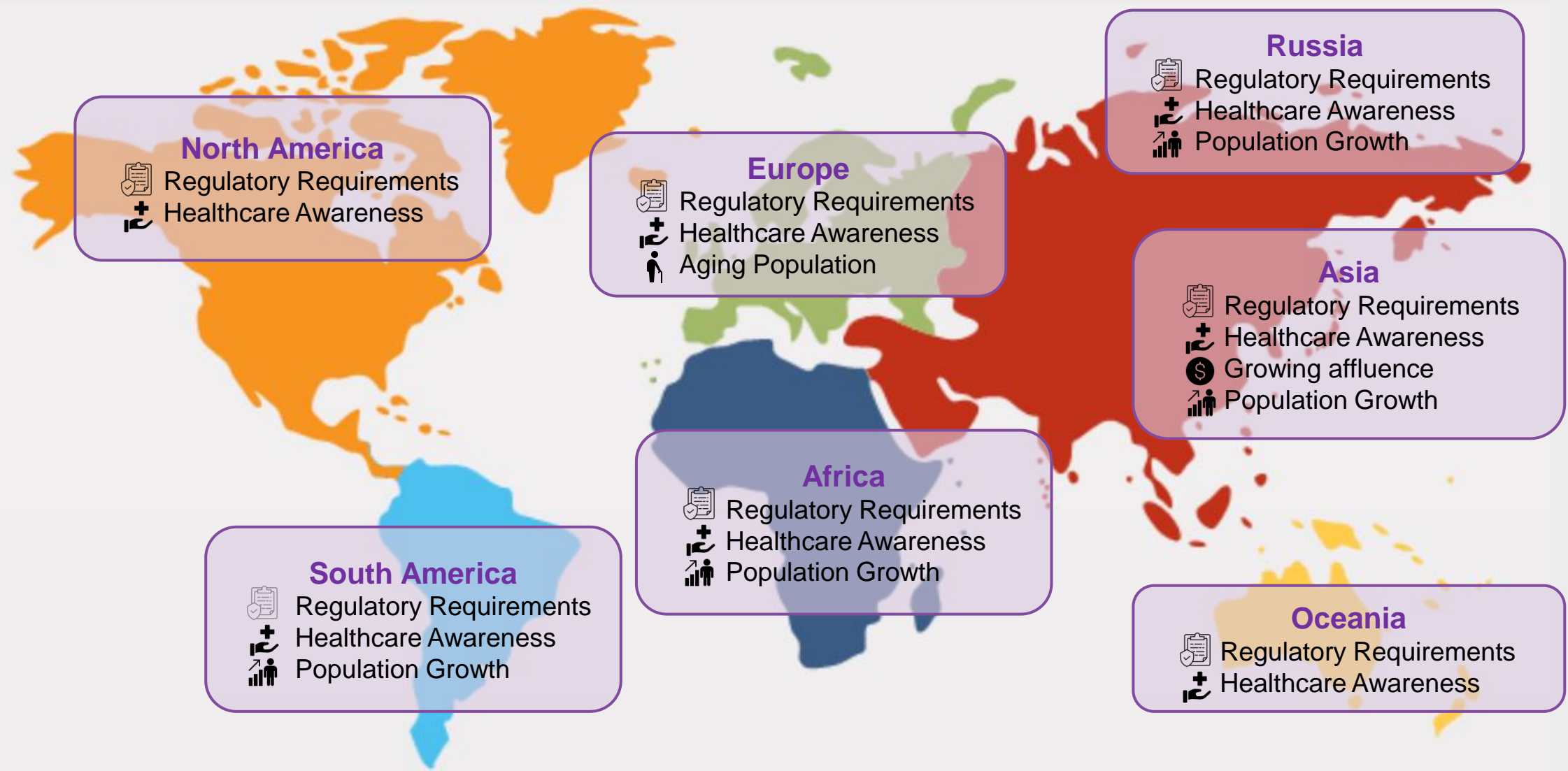


Continuation and Maintenance of Leadership in ESG

to align with the current global megatrend, and drive business towards sustainable growth

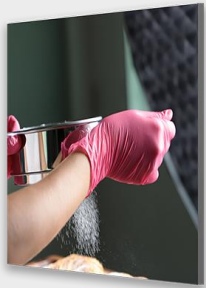
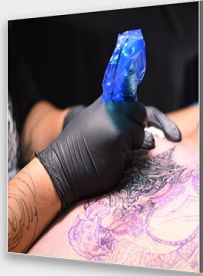
Glove Demand Expected to Grow 8-12% per Annum from Pre-Covid-19 Level

Key Growth Drivers in Short-Term and Long-term



Gloves are Necessities in Our Daily Lives & in Various Industries

Increasing Application for Rubber Gloves



Medical & Dental

Pharmaceutical & Laboratory

Food & Catering Industry

Electronics

Beauty and cosmetics

Transportation

Services & Hospitality

Household

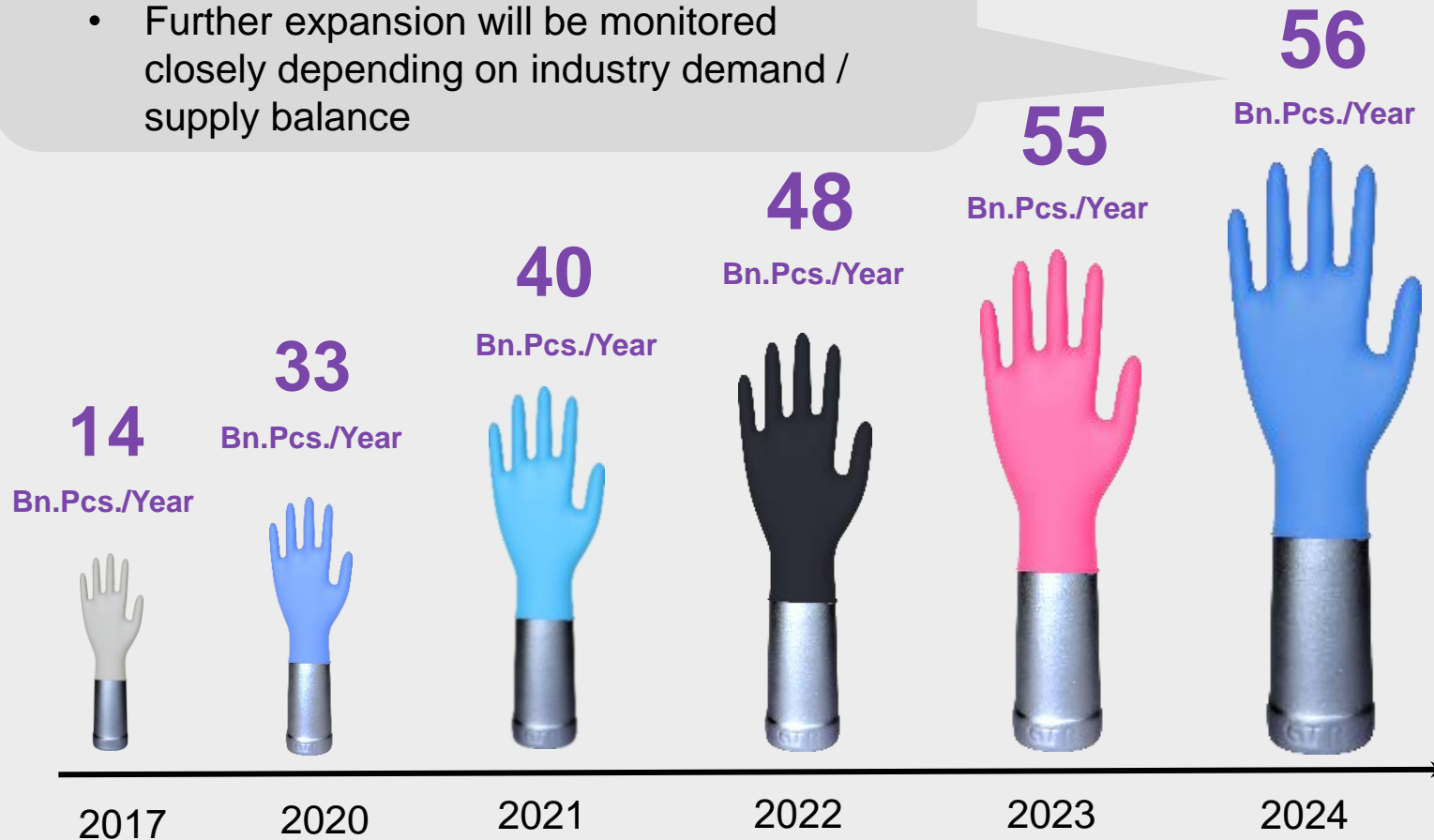
Specialized medical applications

BUSINESS OUTLOOKS

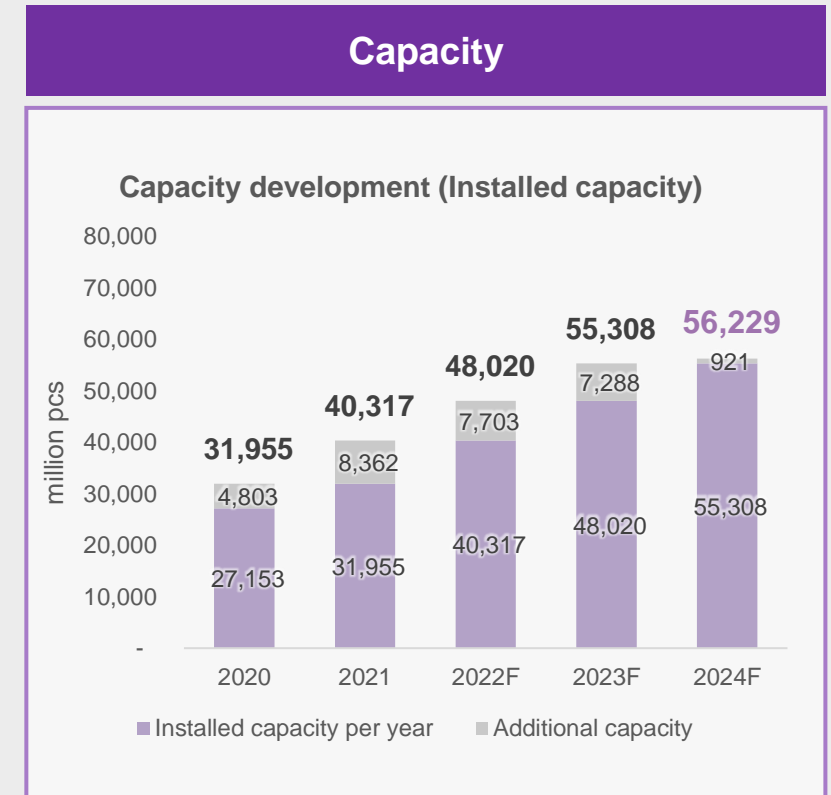


Capacity Expansion Plan

- Expansion plan is revised to achieve **56,000 million pcs.** by 2024
- Further expansion will be monitored closely depending on industry demand / supply balance



Avg. Annual Growth Rate = **12%**



NON DETECTABLE

PROTEIN



Total Extractable Protein
(tested according to ASTM D5712-15)

	Detection limit	Result
Total Extractable Protein	2.2µg/ml or 7µg/dm ²	b.d.

b.d. - below detection limit, 2.2µg/ml.

Quantity of 4 Principal Allergenic Proteins
(tested according to ASTM D7427-16)

	Quantitation Limit	Result
Hev b 1	< 0.050µg/g	UQ
Hev b 3	< 0.050µg/g	UQ
Hev b 5	< 0.025µg/g	UQ
Hev b 6.02	< 0.025µg/g	UQ

UQ - unquantifiable i.e. result below the limit of quantitation.

Caution: Safe use of this glove by or on latex-sensitized individuals has not been established yet.



Reduce Chloride residue by **63%**



Clean World Clean Gloves (CWCG)

is the concept of sustainable business operations of Sri Trang Gloves which places the great importance on responsible operations and the manufacturing of high-quality and clean glove products.



Sustainable Sourcing



Natutex Latex



Low carbon production



Renewable energy



Clean Optimization



Ultra Contact

Nitrile Powder Free

Diamond textured
for exceptional grip performance

For silicone free
required application

Thicker gloves
for better protection and durability

Color
Orange

Single wall thickness (finger) **typical value 8.7 mil (0.22 mm)**

Dynamic hand protection against multiple hazards

Exceptional dry and wet grip

Efficient and easy donning

240 mm length

Food contact compliance

Raised diamond texture superb functional grip

Powder free

Silicone free

Great chemical **resistance**

MDR CLASS 1

PPE CAT III

CE 2777

PPE CAT I CE



100%
Renewable Energy

Low Carbon
Production

USAGE
(highlight)





SHIELD PLUS

Nitrile Powder Free



Tested for use against chemotherapy drugs
(acc. to ASTM D6978)



Tested against EN 16523-1 and ASTM F739
for chemical resistance



No permeation against Fentanyl up to 240 minutes
(acc. to ASTM D6978)



Color

Blue



Single wall thickness (finger) **typical value 5.1 mil (0.13 mm)**

Efficient and **easy donning**

Powerful hand protection against **multiple hazards**

Extended cuff for extended protection

300 mm length

Food contact compliance

Micro textured finger precise grip

Powder free

Great **chemical resistance**

MDR CLASS 1

PPE CAT III
CE 2777 |

PPE CAT I CE |



300 mm LONG CUFF
EXTRA PROTECTION

USAGE
(highlight)



Hospital



Dental



Laboratory



Janitorial



Industry



Food

Our New Product: Latex Surgical Gloves



Location	STGT HY3
Target completion & Target to Launch	2H2023
Capacity	20 mil pair/year





SRITRANGTM
GLOVES

Thank you very much



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