

member of
SRITRANG
GROUP



Third Quarter 2015 Presentation

25 November 2015

A World Leading Natural Rubber Player



Disclaimer

Certain forward looking statements may be made in the course of the presentation. These forward-looking statements generally can be identified by use of statements that include words or phrases such as STA or We or our management “believe”, “expect”, “anticipate”, “intend”, “plan”, “foresee”, “project”, “may”, “will”, “shall”, or other similar words or phrases. Similarly, statements that describe STA’s objective, plans or goals also are forward-looking statements. These statements involve known and unknown uncertainties and risks that could differ materially from actual results, performance or events.

The forward-looking statements contained in the slides are not and should not be constructed as representations of the future performance of STA and that such statements are an expression of the Company’s reviews based on its current view and certain assumptions including, but not limited to, prevailing economic and market conditions and currently available information. The reader or the listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

Q3 2015 Results



Financial Highlights

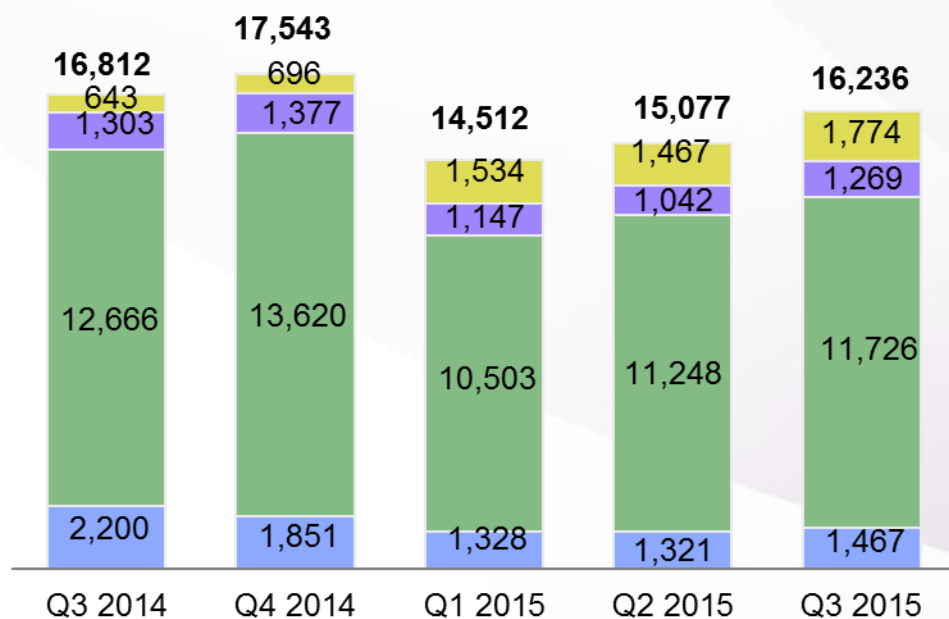
(THB million)	FY'13	FY'14	%YoY	Q3'14	Q3'15	%YoY	Q2'15	%QoQ
Revenue	92,185	75,530	▼ 18%	16,812	16,236	▼ 3%	15,077	▲ 8%
Sale volume (tons)	1,126,463	1,204,342	▲ 7%	284,877	278,908	▼ 2%	269,204	▲ 4%
Avg. selling price (Baht per ton)	79,600	60,583	▼ 24%	56,756	51,852	▼ 9%	50,558	▲ 3%
Gross profit	5,198	3,348	▼ 36%	941	570	▼ 39%	1,294	▼ 56%
Adj. gross profit*	6,049	4,642	▼ 23%	1,129	1,405	▲ 24%	1,440	▼ 2%
EBITDA	3,747	2,568	▼ 31%	895	983	▲ 10%	923	▲ 6%
Net profit	1,820	1,038	▼ 43%	456	350	▼ 23%	518	▼ 32%
Adj. GP margin*	6.6%	6.1%	▼ 50bps	6.7%	8.7%	▲ 200bps	9.6%	▼ 90bps
Net profit margin	2.0%	1.4%	▼ 60bps	2.7%	2.2%	▼ 50bps	3.4%	▼ 120bps

* Adjusting for (reversal) allowance of inventory and realised gains /(losses) from hedging activities

Revenue overview

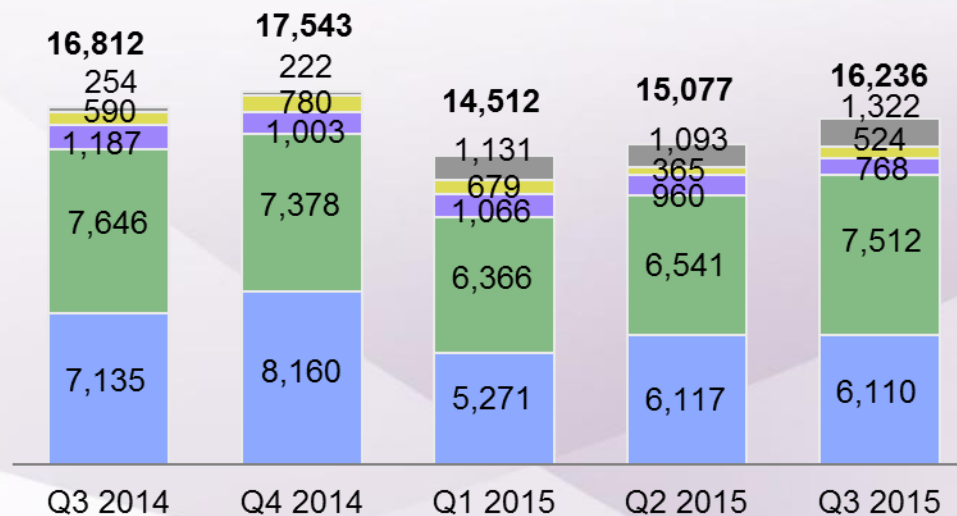
Revenue breakdown by product (THB mm)

■ RSS ■ TSR ■ Con. Latex ■ Others



Revenue breakdown by geography (THB mm)

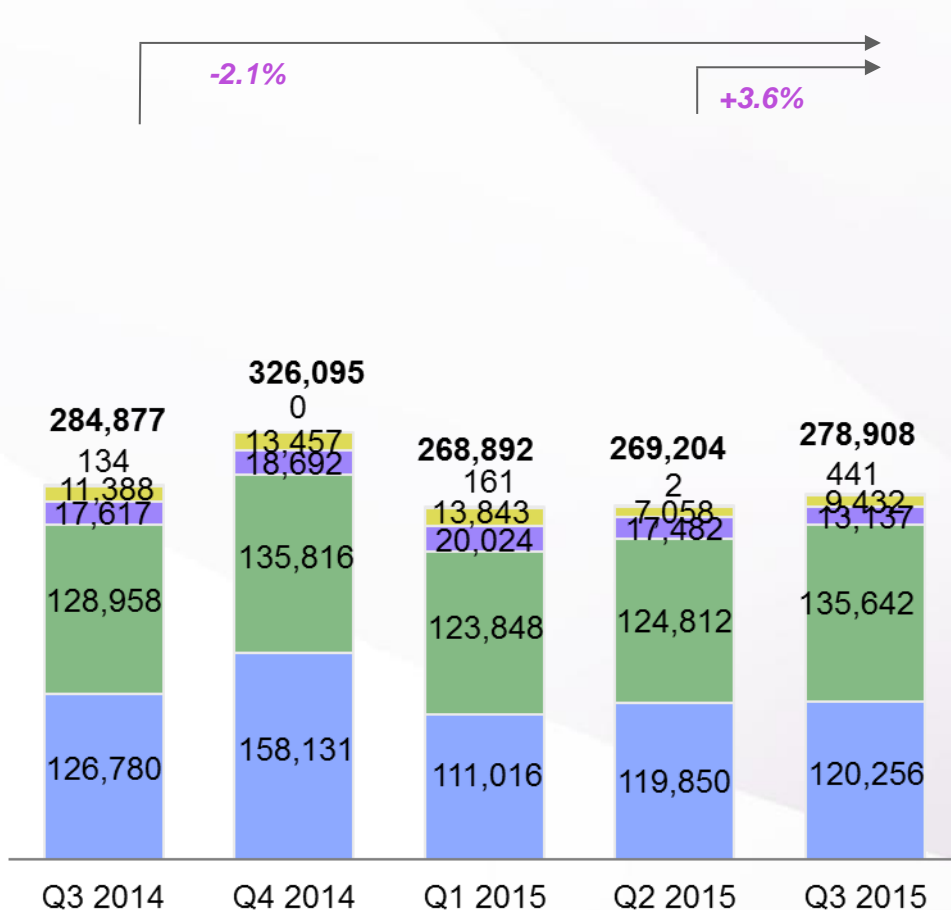
■ PRC ■ ASIA (Ex. PRC) ■ USA ■ Europe ■ Others



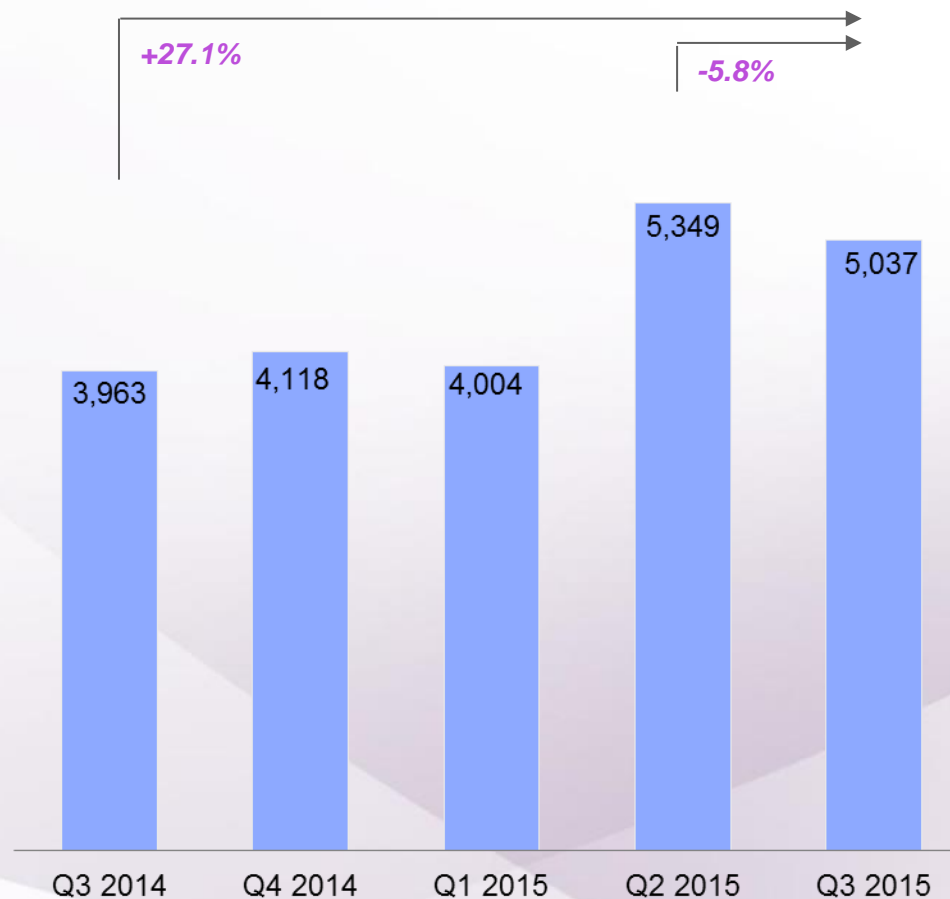
Revenue by Geography and GP per Ton

Revenue breakdown by geography (Tons)

■ PRC ■ Asia (Ex PRC) ■ USA ■ Europe ■ Others



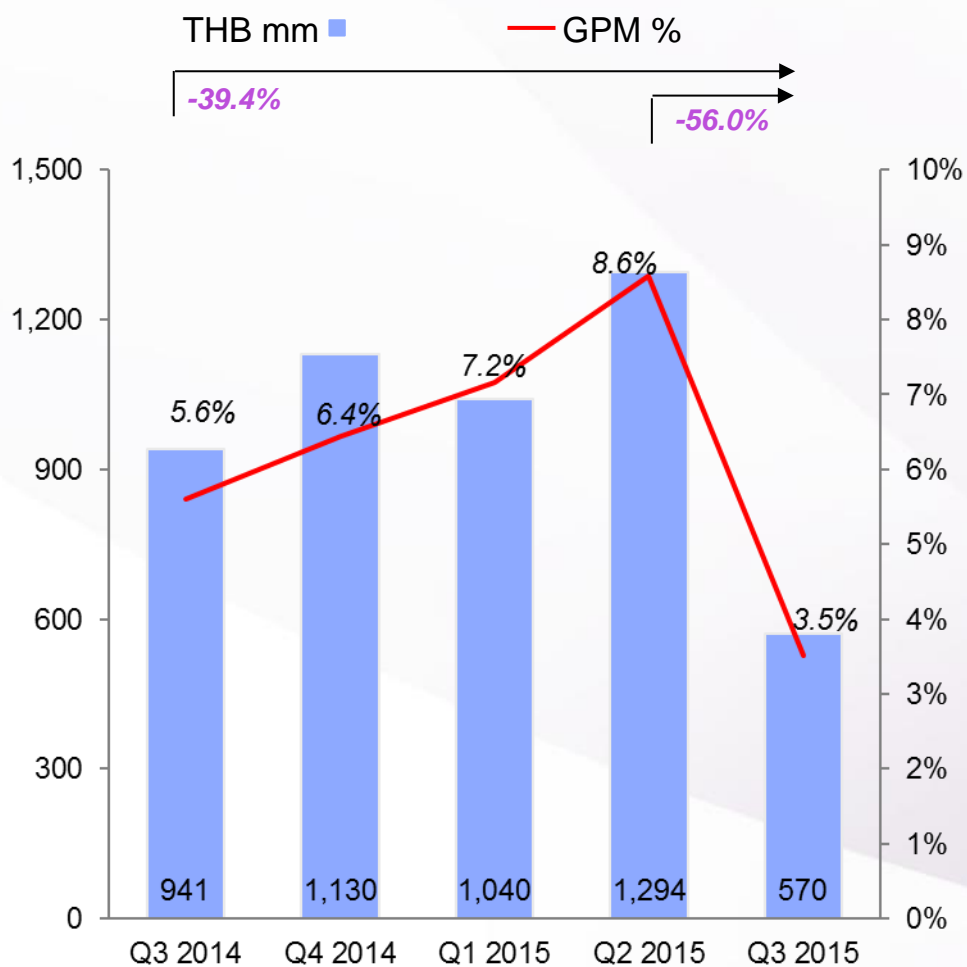
Adjusted Gross Profit* per Ton (THB)



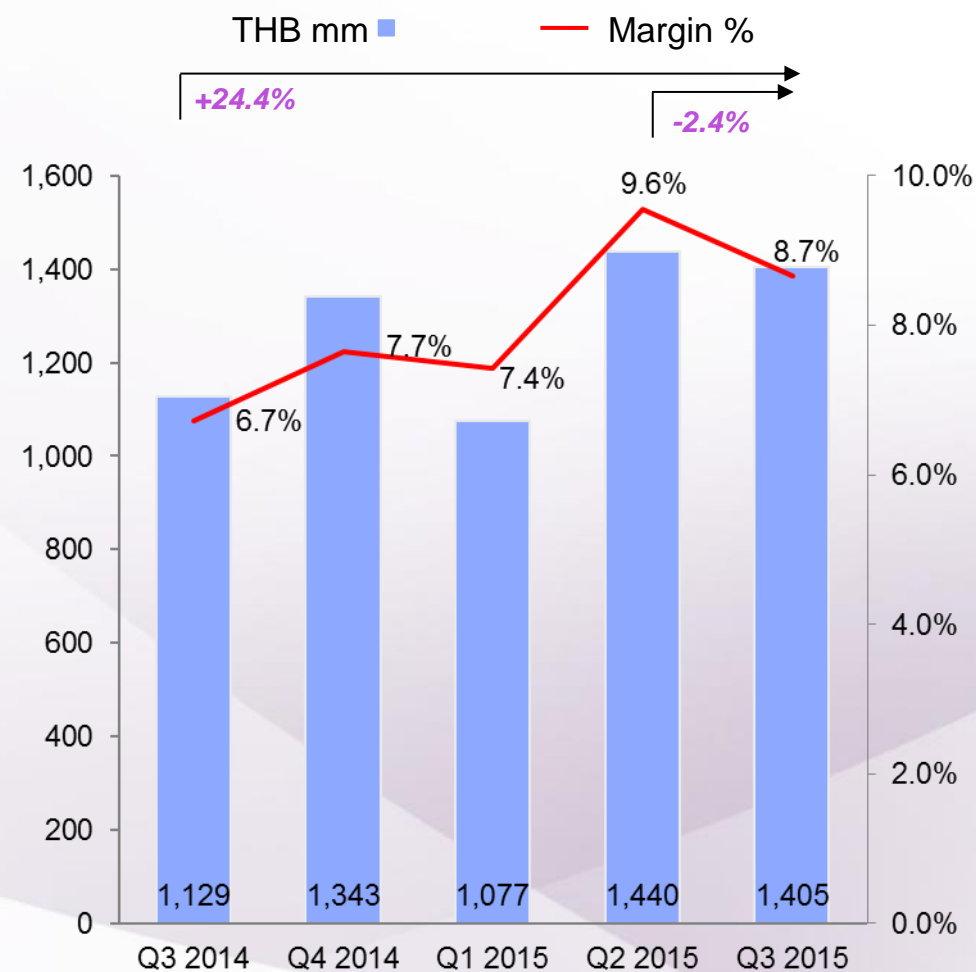
Note*: Adjusted Gross Profit = Gross Profit after adjusting for (reversal) allowance of inventory cost and realised gain (loss) from hedging activities

Gross profit (“GP”) and gross profit margin (“GPM”)

Gross Profit

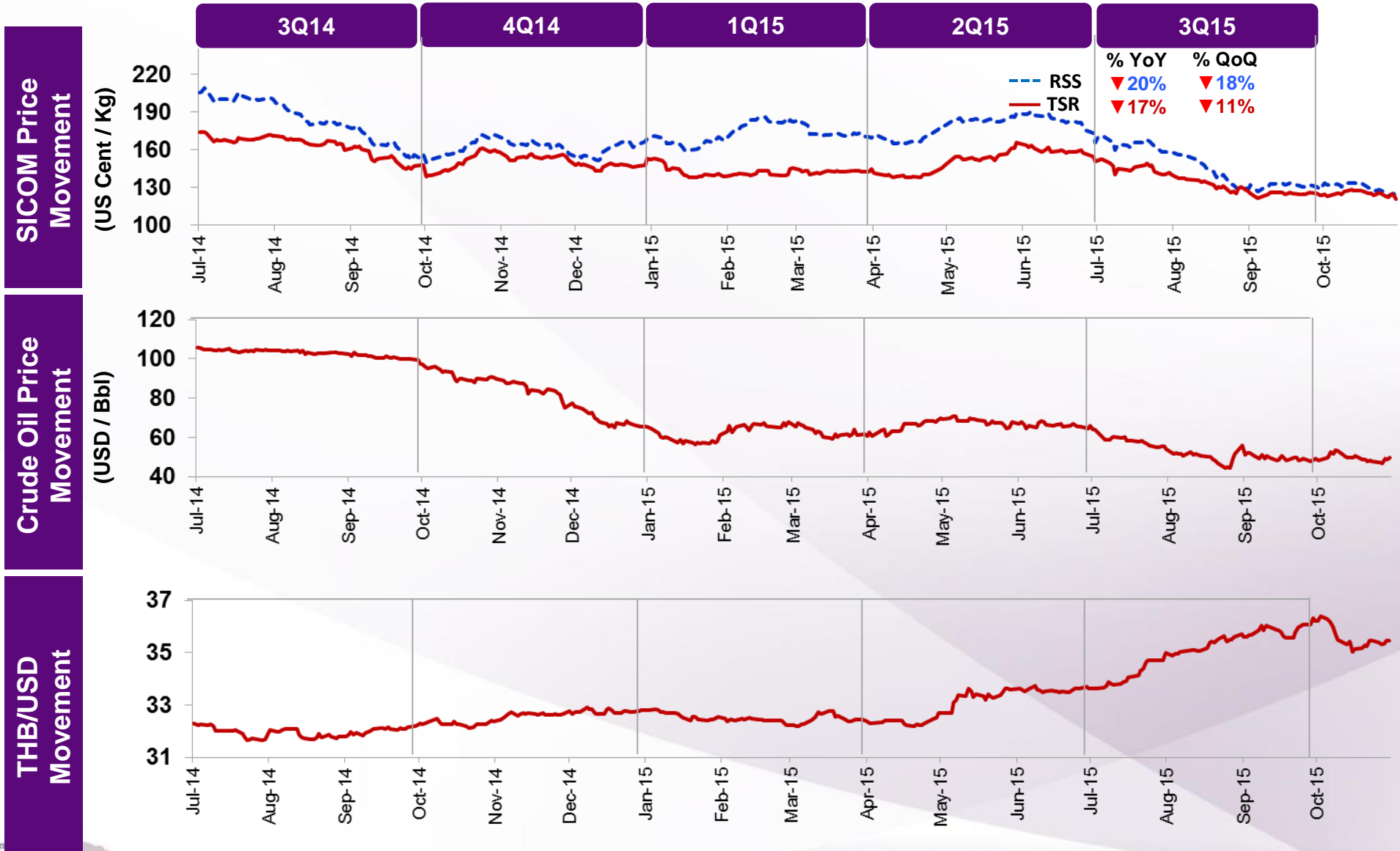


Adjusted Gross Profit*



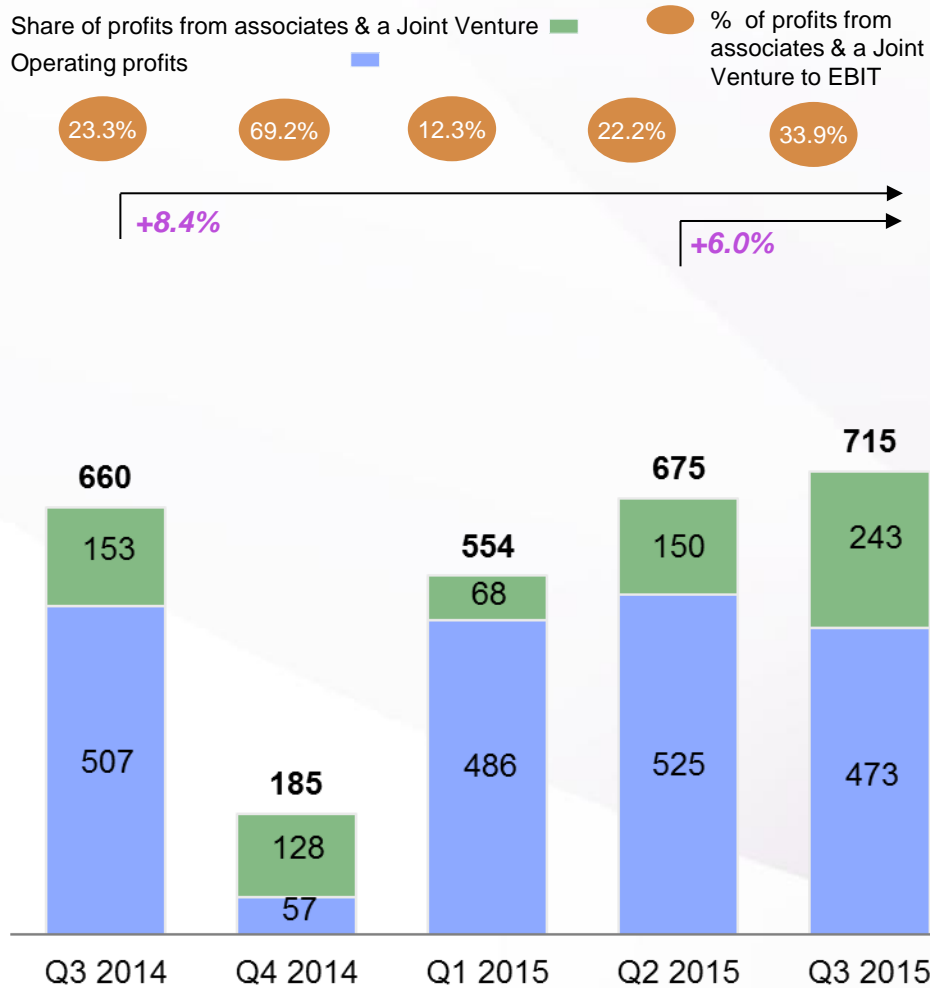
* Adjusting for (reversal) allowance of inventory and realised gains /(losses) from hedging activities

SICOM Price - F/X – Oil Price

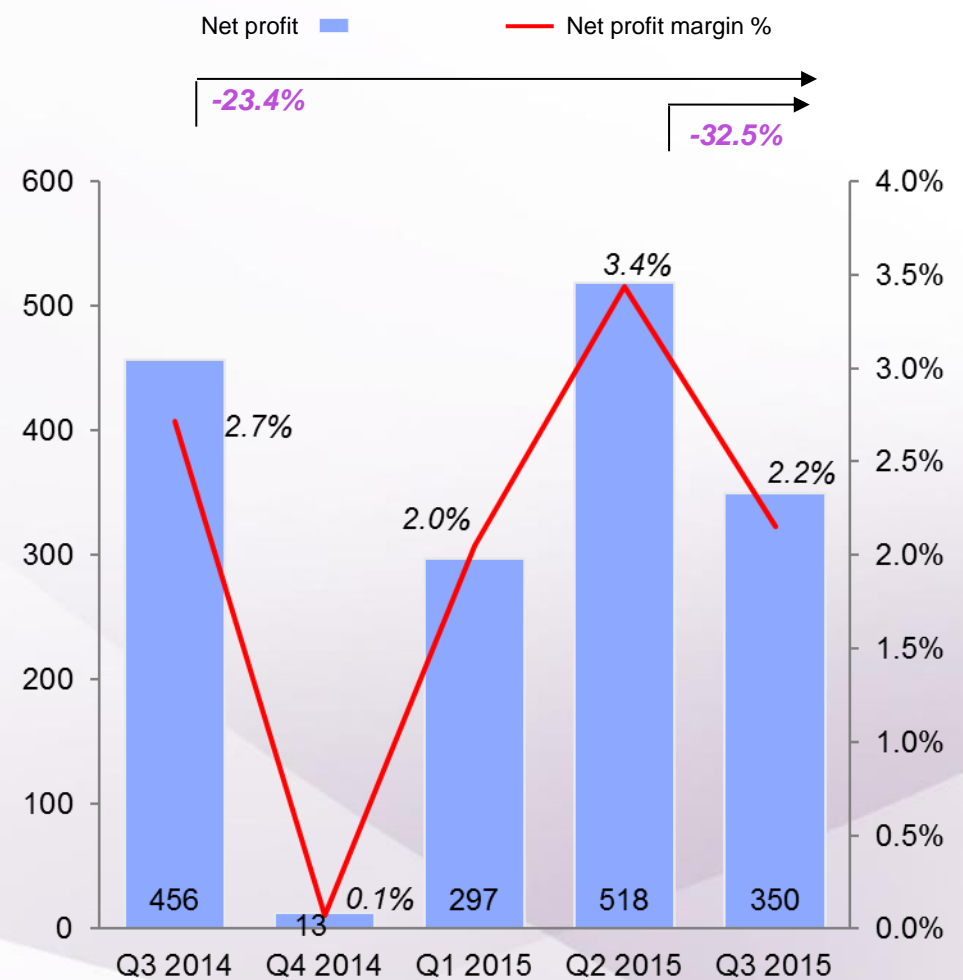


Earning before tax, net profit and net profit margin

Earning before interest expense & tax (THB mm)

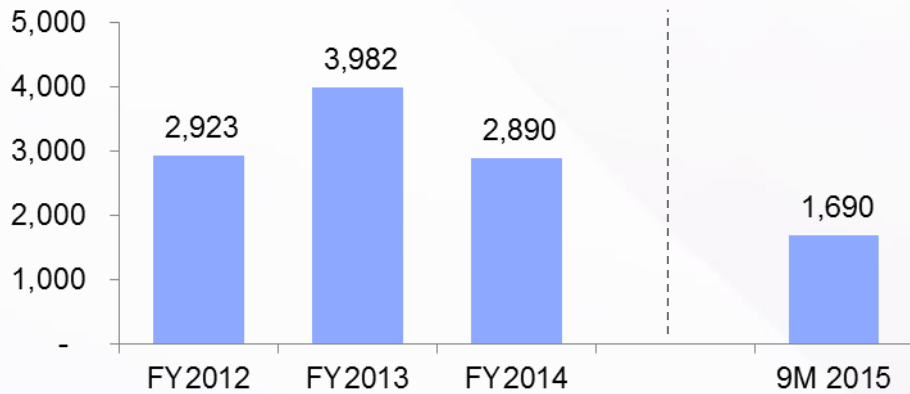


Net profit (THB mm) and net profit margin

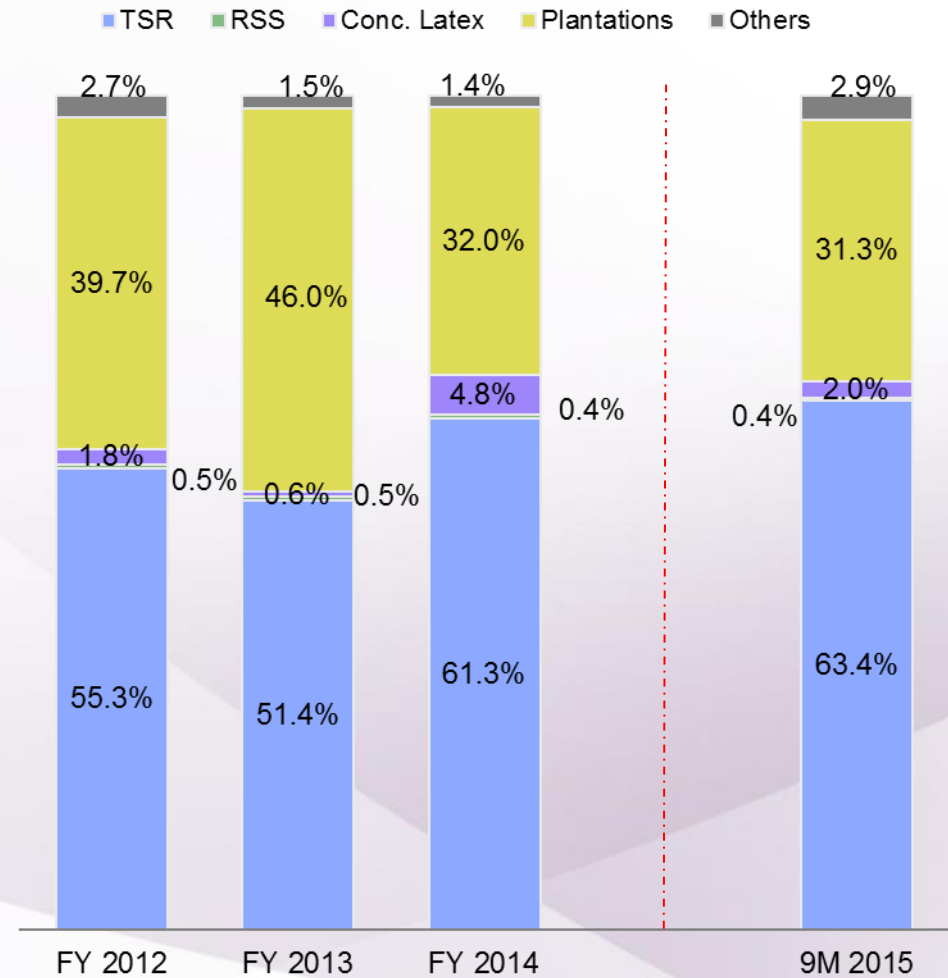


Capital expenditure

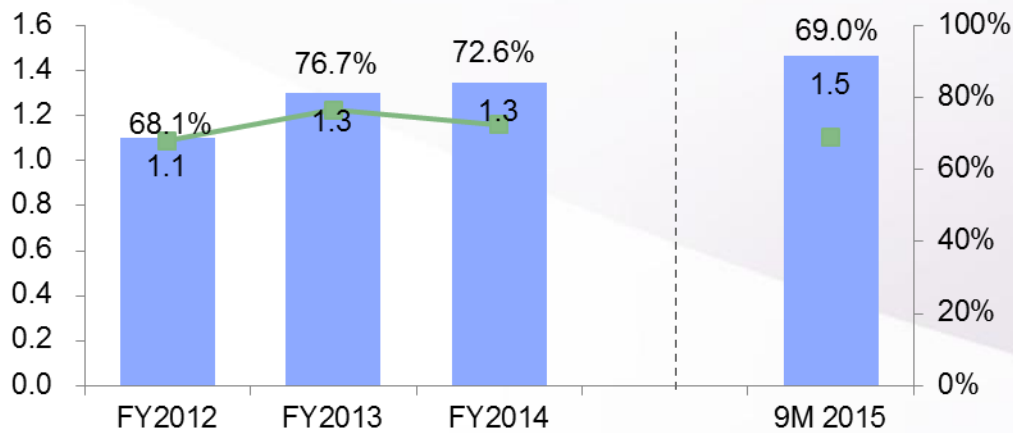
Total capital expenditure (Baht mm)



Capital expenditure by products (%)

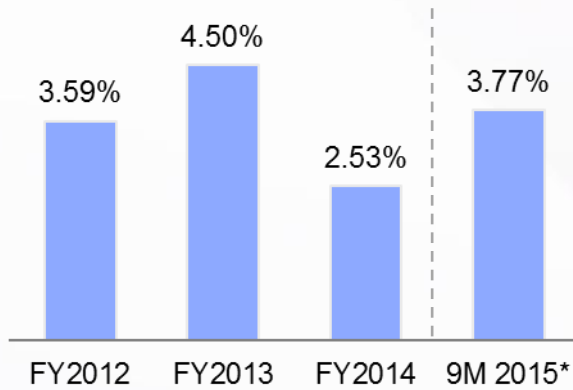


Total estimated effective production capacity (million tons) and %utilisation rate

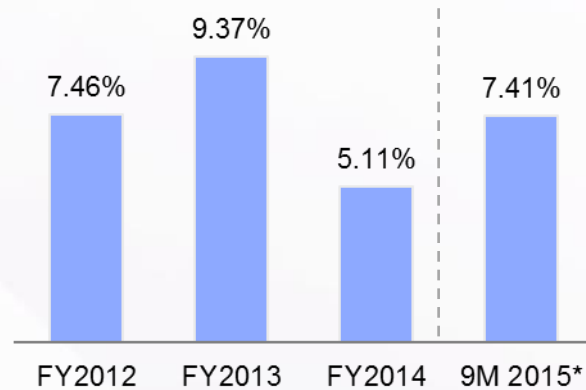


Financial ratios

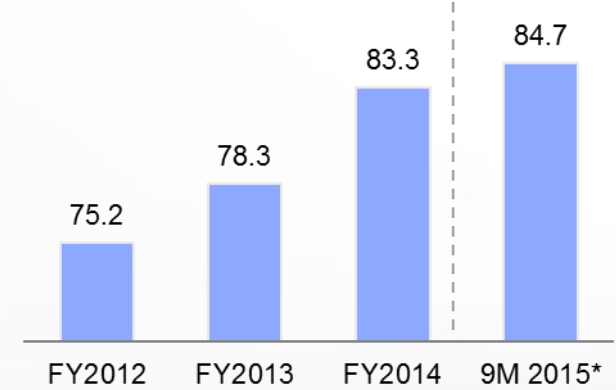
ROA



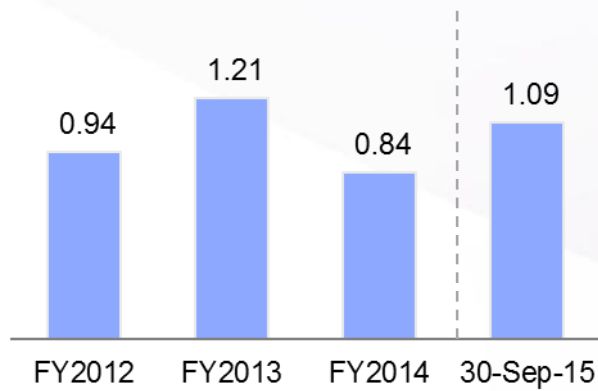
ROE



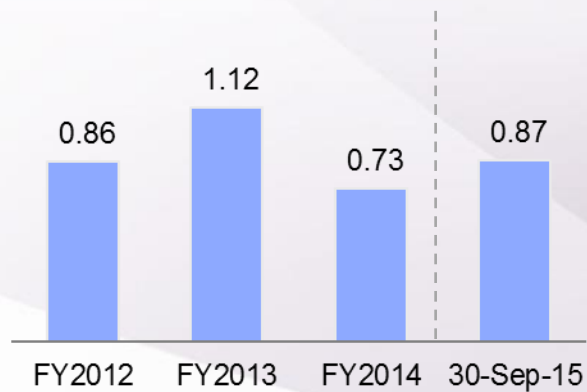
Cash Cycle



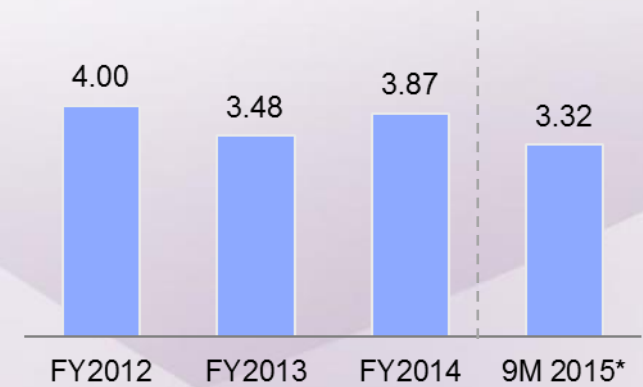
Debt / equity



Net debt / equity



Interest Coverage



*Annualised basis

Our Business & Industry Updates



New TSR Plants in 2015

Sa Kaew, Thailand



- Capacity 60,000 tons per annum
- Start production in March 2015

Kalasin, Thailand



- Capacity 60,000 tons per annum
- Start production in June 2015

Mudon, Myanmar



- Capacity 4,800 tons per annum
- Start production in July 2015

Jumbi, Indonesia

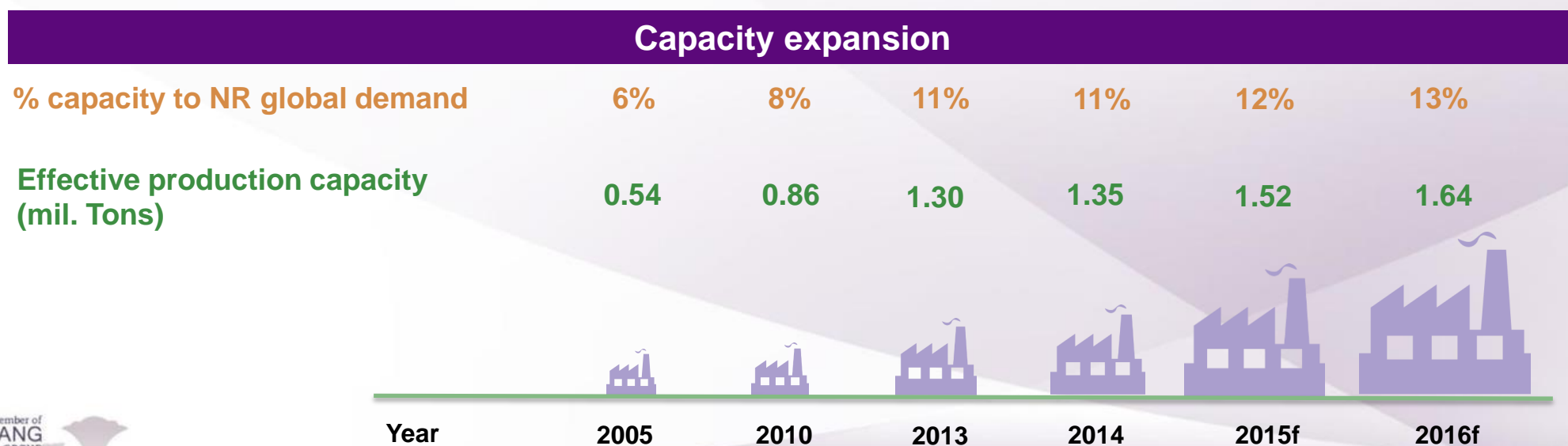


- Capacity 60,000 tons per annum
- Start to produce semi-product in September 2015

Target & Capex

2015 Target	
Production capacity	: 1.5 mil tons
Sale volume	: 1.1 mil tons
Adj. GP margin	: 6-8%
Net profit margin	: 1.5 - 2.5%
Dividend policy	: 30% of net profit

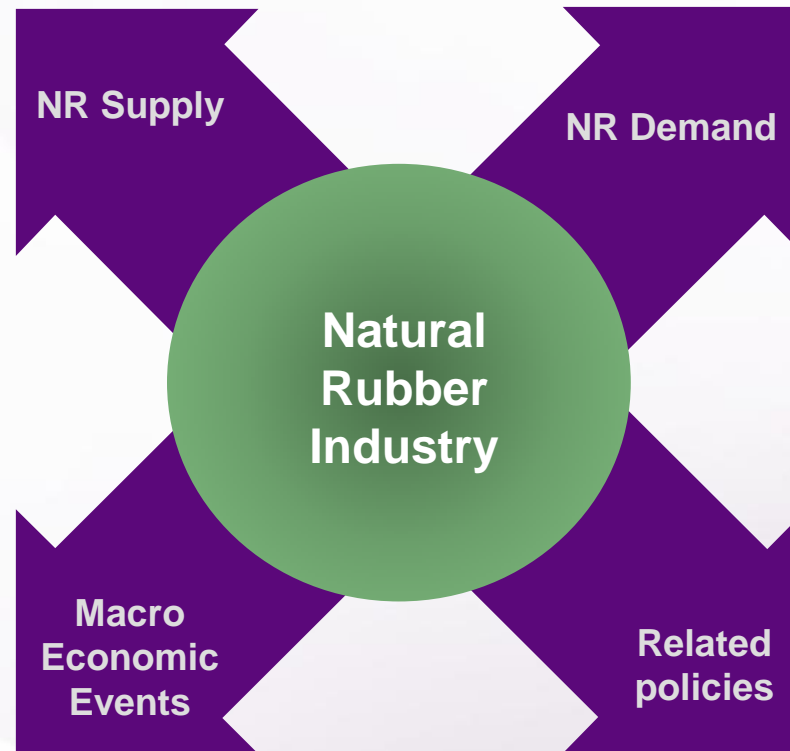
CAPEX Plan		
CAPEX (Unit: THB mn.)	2015f	2016f
Capacity expansion	1,220	300
Plantation	480	520
Maintenance	420	365
Total CAPEX	2,120	1,185



Industry Updates

- Normal supply situation after El Niño phenomenon in second quarter
- NR stockpile of Thai Government continues to pressure NR industry

- Gloomy global economic growth
- Concerns over China's economic health
- Impact of strong dollar on commodities' prices



- Slower demand growth from reducing NR stock throughout the supply chain
- Tyremakers continue to benefit from low rubber prices

- China's small car purchase tax cut, effective 1 Oct 2015
- Subsidy program for rubber farmers by the Thai and Malaysia government



Q&A

Investor Relations Department

Tel: +662 207 4500

Fax: +662 108 2244

Email: IR@sritranggroup.com

