STA

1Q21 Presentation

member of SRI TRANG GROUP

THE WORLD'S LEADING FULLY INTEGRATED GREEN RUBBER COMPANY

SET
The Stock Exchange of Thailand
SET100 Index

CAC CERTIFIED

SET
The Stock Exchange of Thailand
SETTHSI Index

SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

12 May 2021

Agenda

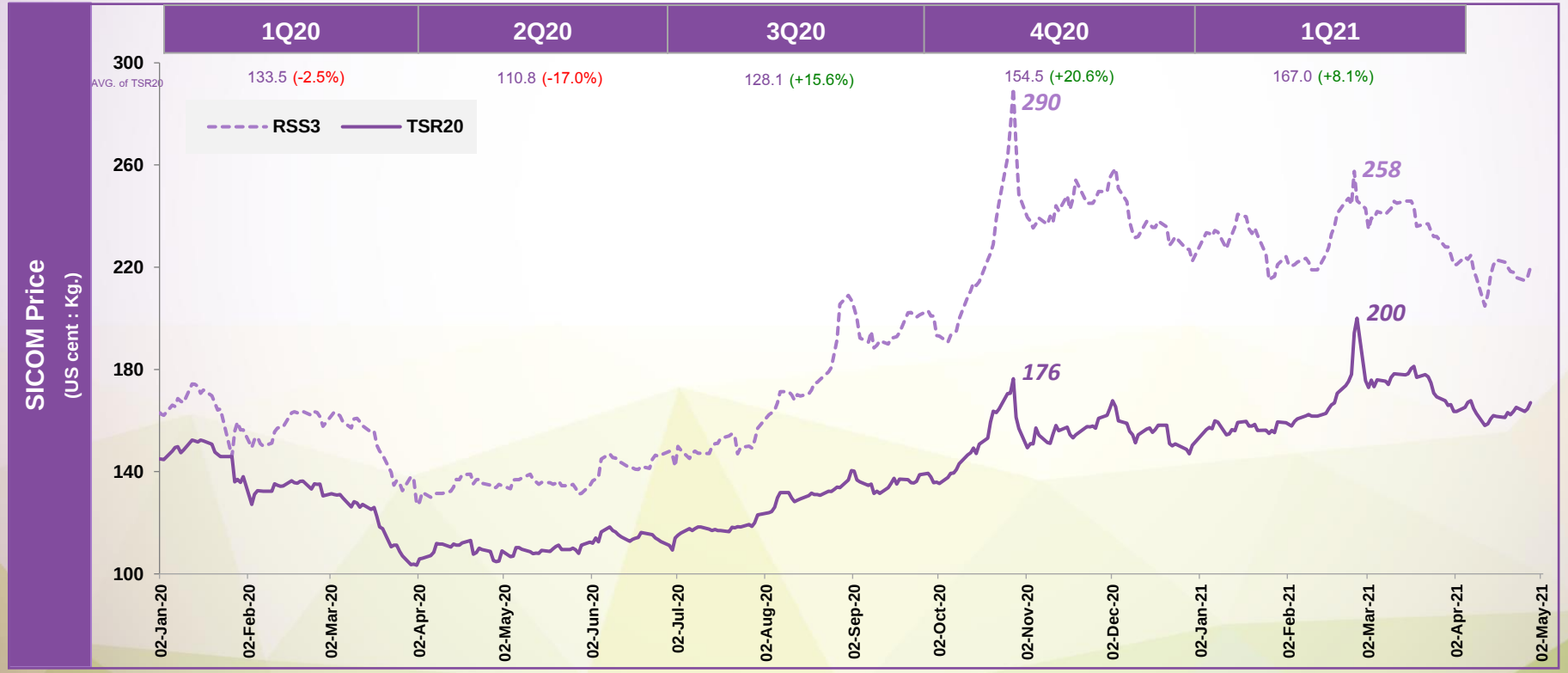


1. Financial Performance
2. STA Business Highlights
3. Natural Rubber Market Situation

1 FINANCIAL PERFORMANCE

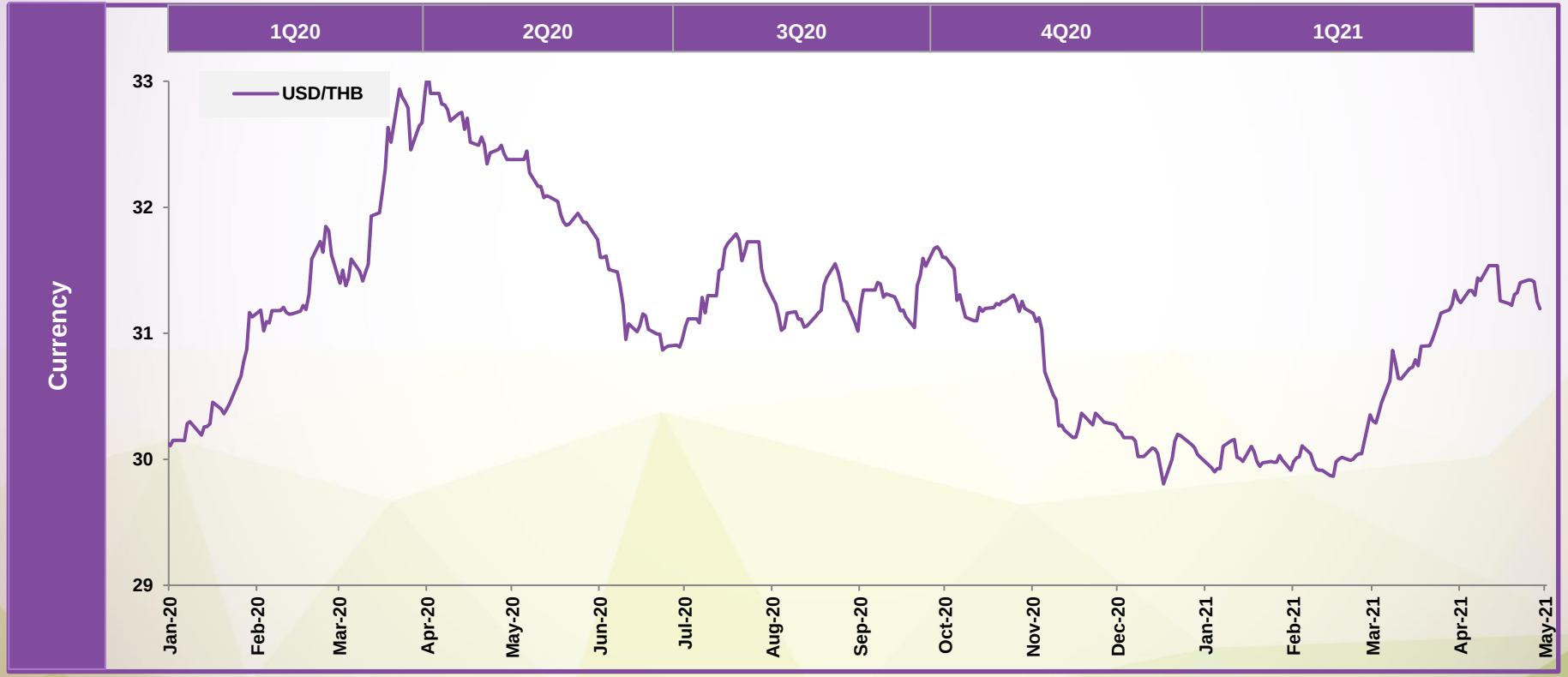


Rubber Price Movement



ABBREVIATIONS
RSS : Ribbed smoked sheet
TSR : Technically specified rubber, which includes STR and SIR

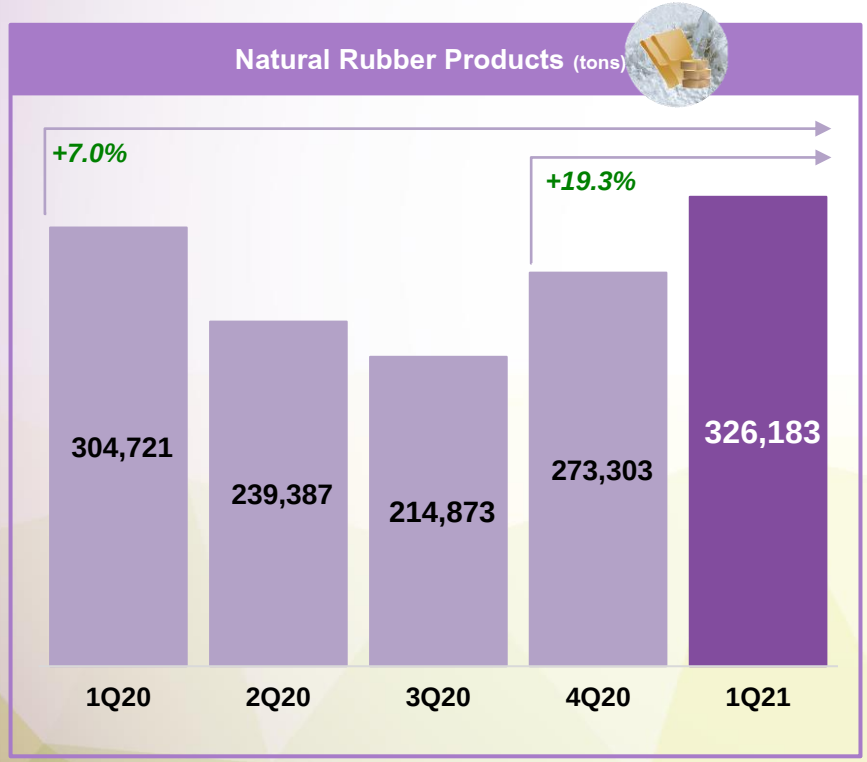
USD/THB Movement

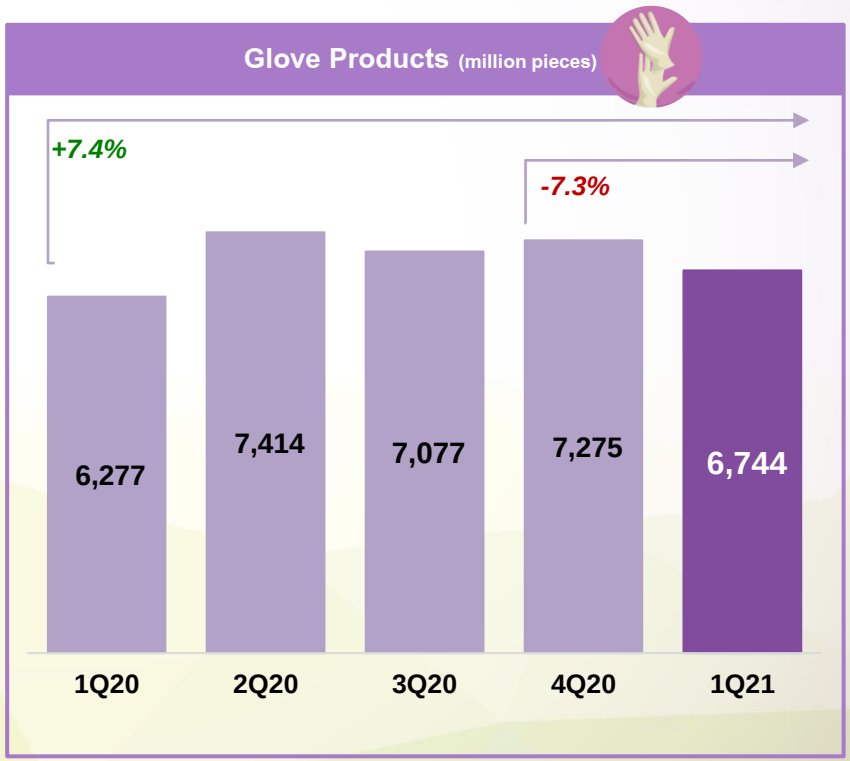


Sales Volume

– NR's Sales Volume Recovered Significantly

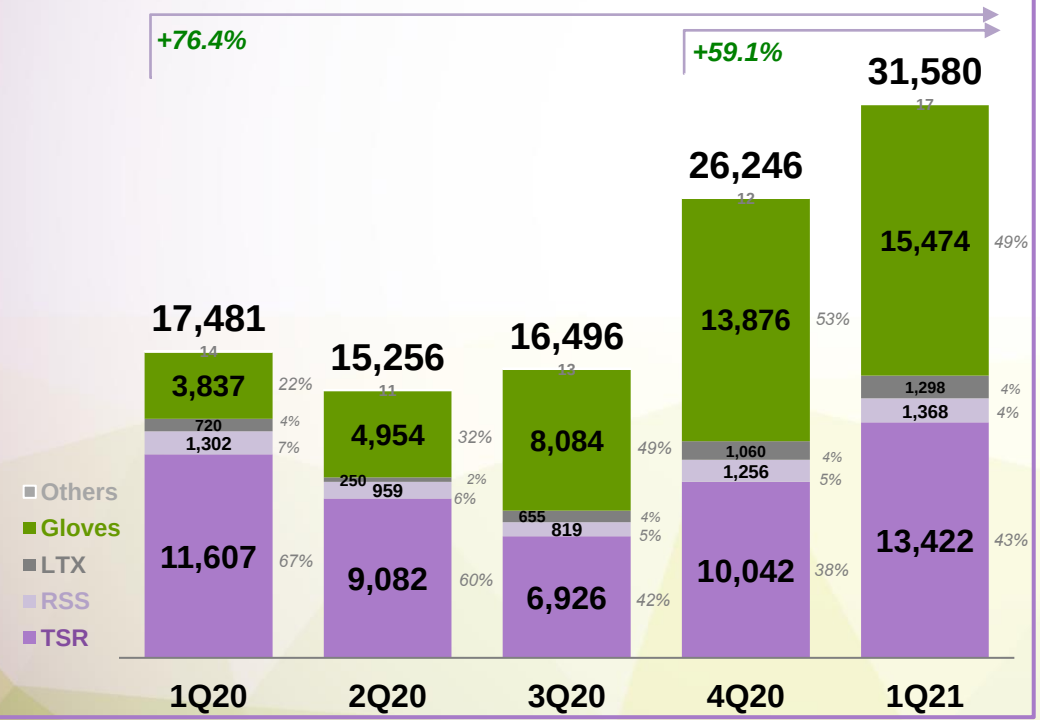
– Glove's Sales Volume Dropped due to Logistics Issue



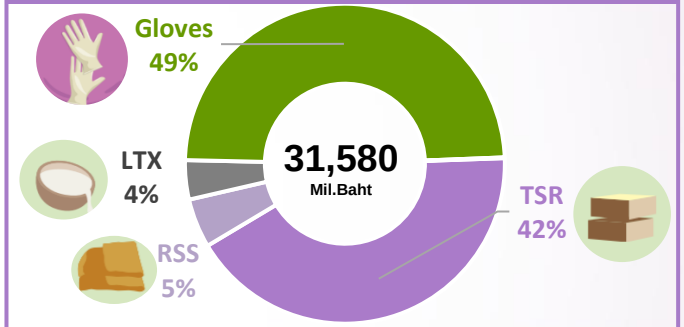


Sales Revenue – Gloves Contributed 49% of Total Revenues

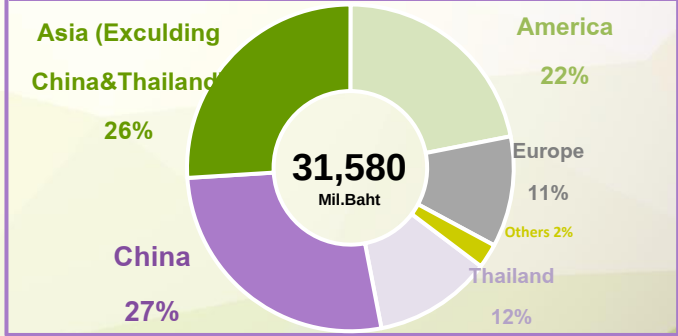
Sales Revenue by Product (THB million)



Sales Breakdown by Product



Sales Breakdown by Region

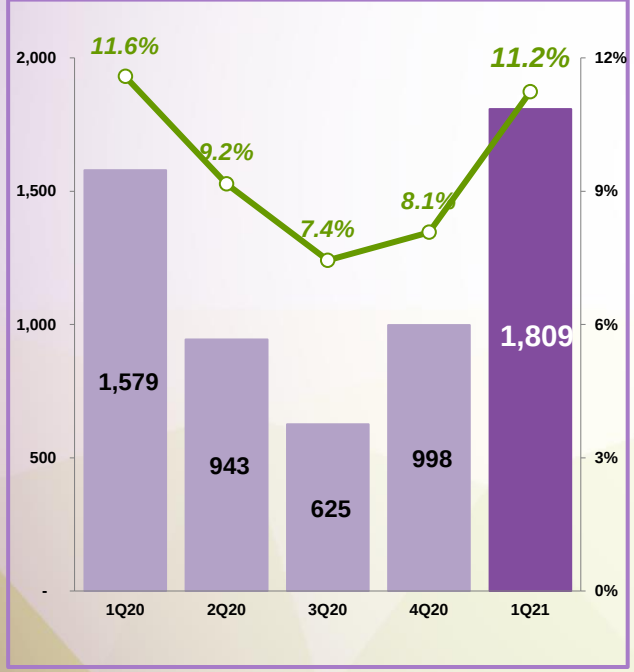


ABBREVIATIONS
RSS : Ribbed smoked sheet
TSR : Technically specified rubber, which includes STR and SIR

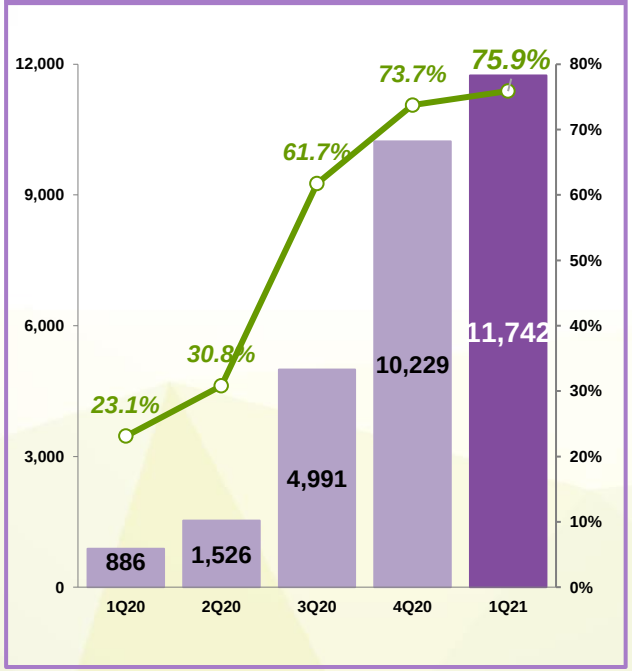
LTX: Concentrated Latex

Gross Profit – Continued Breaking GPM Record

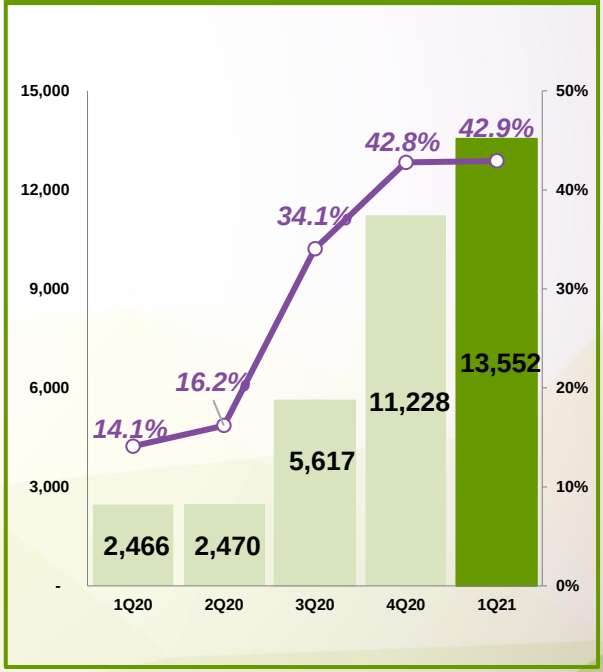
NR's Gross Profit (THB million)



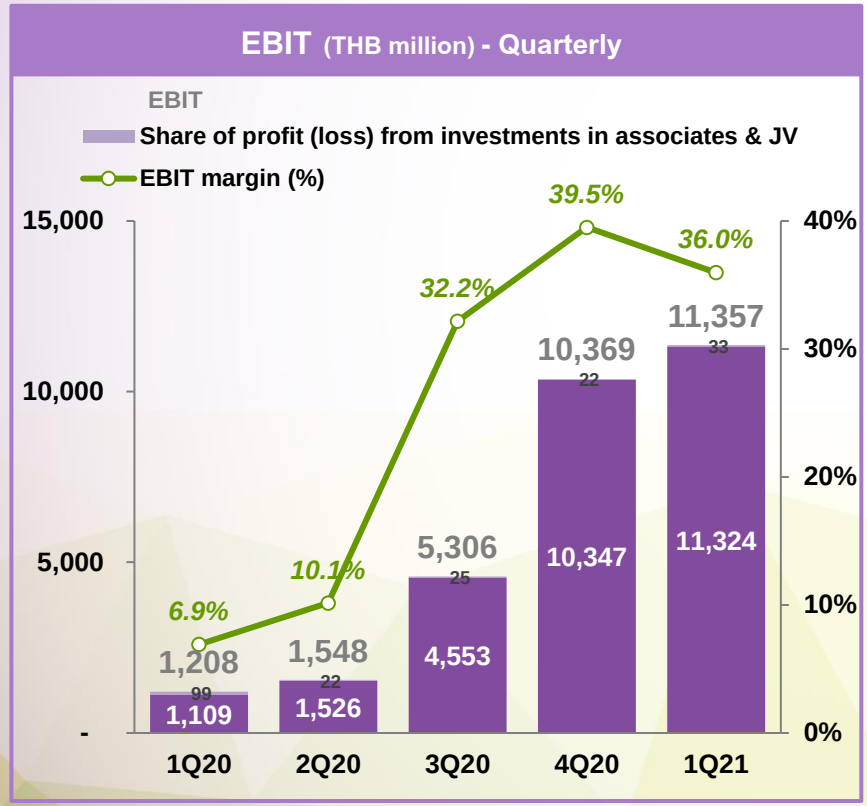
Glove's Gross Profit (THB million)

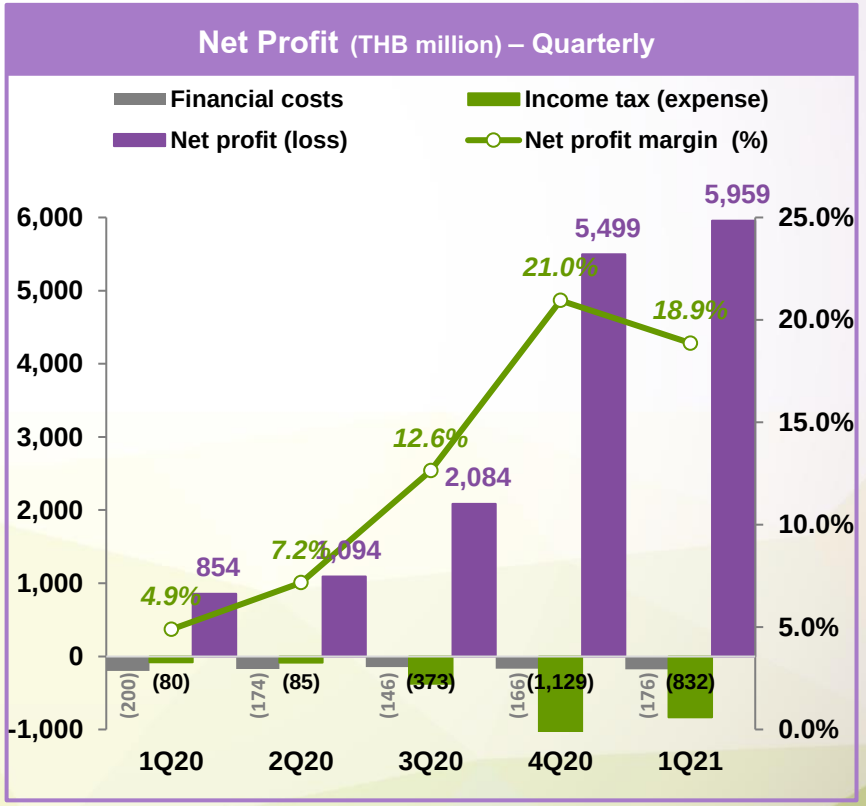


Blended Gross Profit (THB million)



EBIT & Net Profit – Growing Stronger



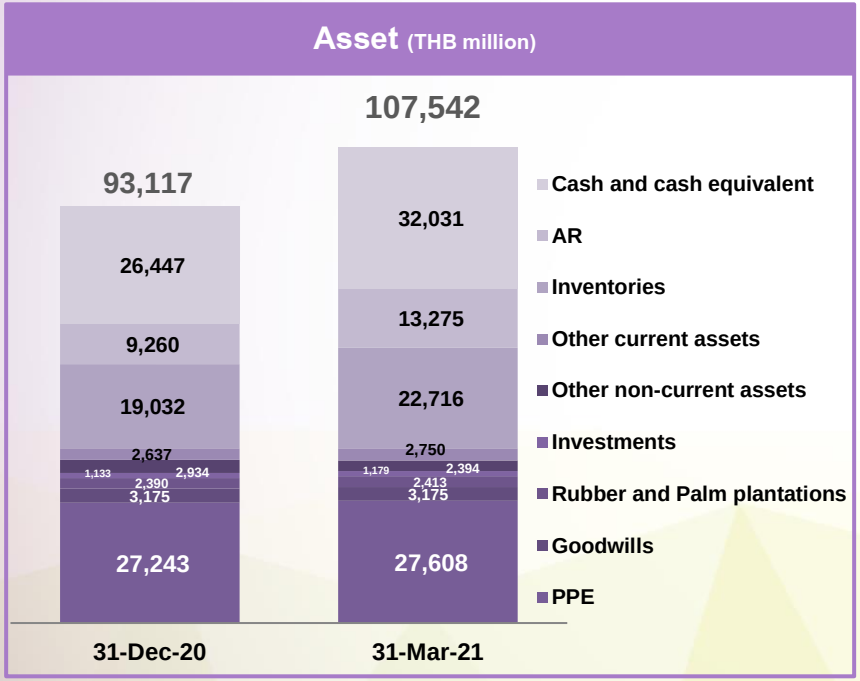


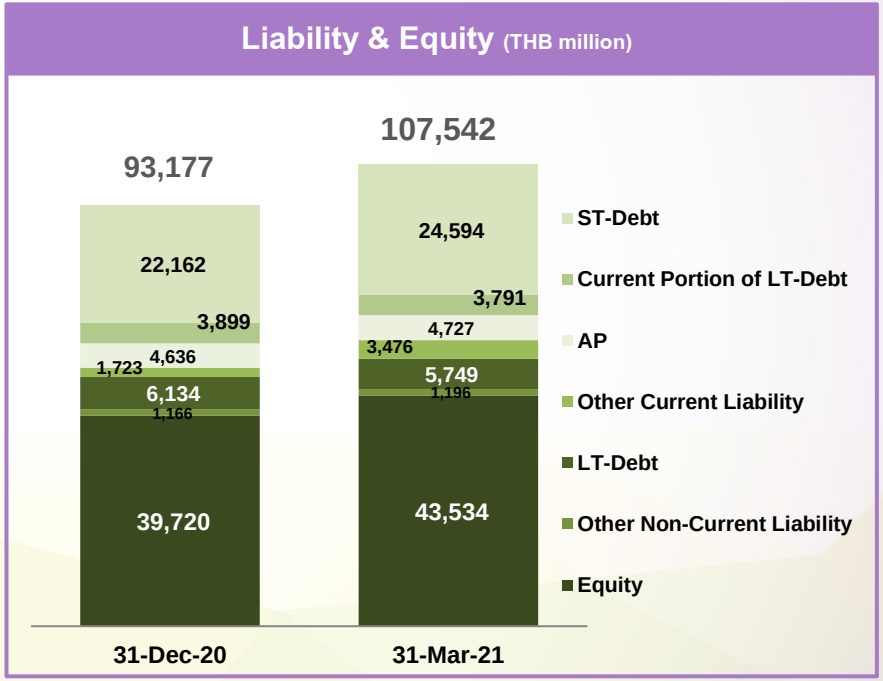
Financial Highlight

(Unit : THB million)	1Q21	1Q20	%YoY	4Q20	%QoQ	FY20
Revenue	31,580	17,481	80.6%	26,246	20.3%	75,479
NR Sales volume (tons)	326,183	304,721	7.0%	214,873	51.8%	*1,032,284*
NR Avg. selling price (USD per ton)	1,630	1,430	14.0%	1,477	10.4%	*1,383*
Gloves Sales volume (million pieces)	6,744	6,277	7.4%	7,077	-4.7%	*28,043*
Gloves Avg. selling price (USD per 1,000 pieces)	75.8	19.5	288.7%	36.6	107.1%	*35.0*
Gross profit	13,552	2,466	449.6%	11,228	20.7%	21,781
Adj. gross profit**	13,566	2,905	367.0%	11,288	20.2%	22,014
SG&A	(1,636)	(1,258)	30.1%	(1,338)	22.2%	(4,783)
Gains (loss) on exchange rate, net**	452	7	6413.6%	77	484.7%	268
Other gains (loss)*	(1,104)	(136)	710.2%	277	N/A	(81)
Operating profit (loss)	11,324	1,109	921.5%	10,347	9.4%	17,535
Share of profit (loss) from investments in JV	32	99	-67.3%	22	47.0%	169
EBITDA	12,059	1,871	544.7%	11,084	8.8%	20,505
EBIT	11,357	1,208	840.1%	10,369	9.5%	17,704
Finance costs, net	(176)	(205)	-14.0%	(166)	5.8%	(691)
Tax Income (expense)	(832)	(80)	933.5%	(1,129)	-26.3%	(1,667)
Net profit	5,959	854	597.6%	5,499	8.4%	9,531
GP margin	42.9%	14.1%	288.10	42.8%	1.35	28.9%
Adj. GP margin*	43.0%	16.6%	263.41	43.0%	-0.52	29.2%
Operating profit margin	35.9%	6.3%	295.18	39.4%	-35.65	23.2%
EBITDA margin	38.2%	10.7%	274.86	42.2%	-40.44	27.2%
Net profit margin	18.9%	4.9%	139.82	21.0%	-20.83	12.6%

*Adjusting for (reversal) allowance of inventory and realized gains /(losses) from hedging activities
**Reclassified according to TFRS 7-- Just only FX gains/ (losses) related to AP, AR, loans can be shown in this item
***Reclassified according to TFRS related to financial instruments of currency and commodities

Balance Sheet – Very Strong Financial Status





	ROA	ROE	D/E	Net Interest Bearing Debt/ Equity
3M21	23.76X	40.6X	0.68X	0.03X
FY20	12.59X	24.16X	0.74X	0.11X

2 STA Business Highlights



About STA: The World's Leading Fully Integrated Natural Rubber Company

Established in 1987

member of SRI TRANG GROUP

Upstream — Rubber Plantations



45,000 rai

(7,200 hectares) of rubber plantations

Midstream — Rubber Processing



34 NR processing plants in Thailand, Indonesia and Myanmar

2.8 million tons in production capacity per year

1.0 million tons sold in 2020

8% market share of global natural rubber consumption in 2020

26% market share of Thailand rubber production in 2020

Downstream — Rubber Gloves



3 locations of glove factories in Thailand

33 billion pieces of gloves in production capacity per year

28.0 billion pieces of gloves sold in FY20

140+ countries sold over the world



45 procurement centers

> 6,000 Rubber farmers and dealers being members of mobile application "SRITRANG Friend"

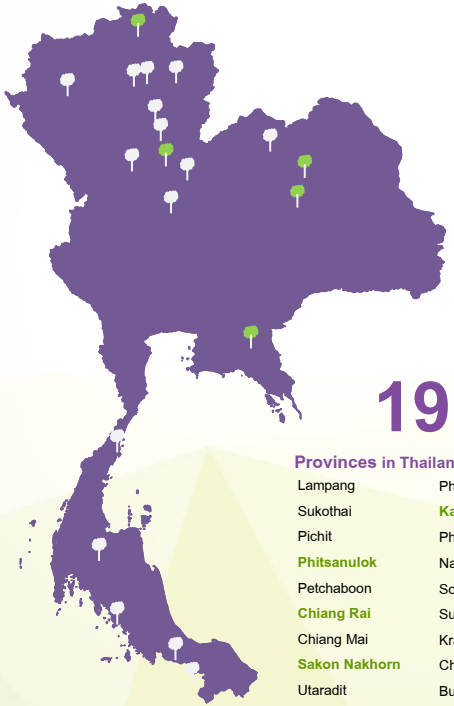
STA's Global Presence

Thailand, USA, Myanmar, Indonesia, Singapore, China, Vietnam

Upstream Operations – Rubber Plantations







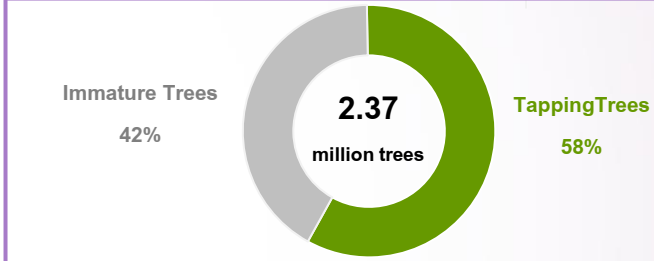
19

Provinces in Thailand

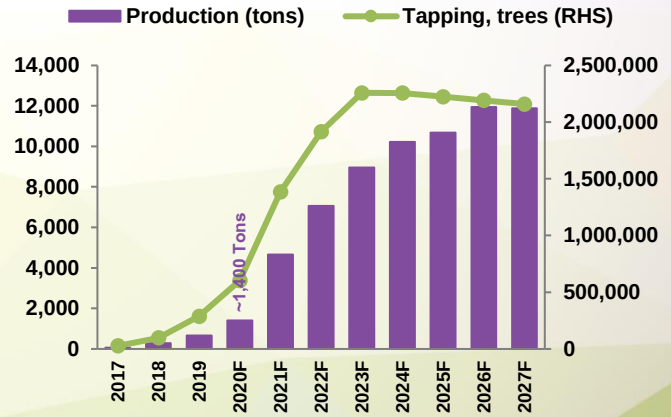
Lampang	Phrae
Sukothai	**Kalasin**
Pichit	Phayao
Phitsanulok	Nan
Petchaboon	Songkhla
Chiang Rai	Surat Thani
Chiang Mai	Krabi
Sakon Nakhorn	Chumporn
Utaradit	Bungkan
Sakaeo	

Note: The green provinces are where our factories located in.

Number of Rubber Trees (2021F)



Estimated Mature Plantations



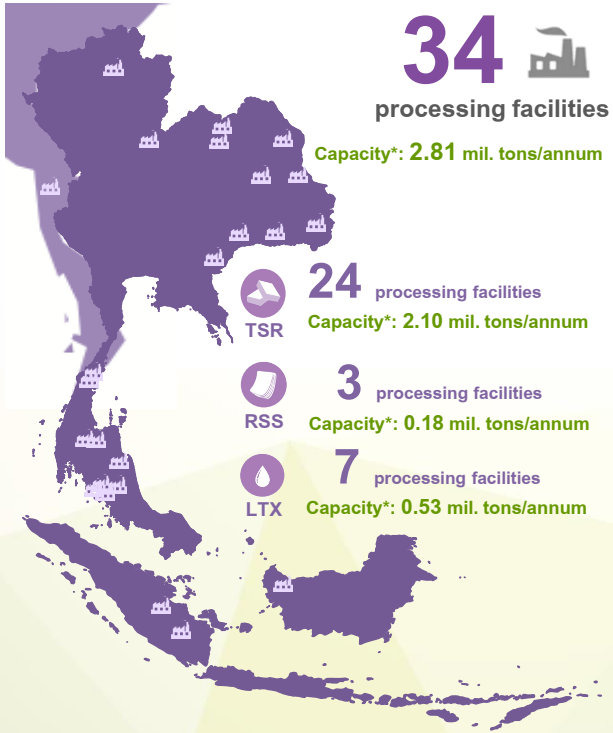
Note: Information as of 31 March 2021

Midstream Operations – NR Processing









34 processing facilities

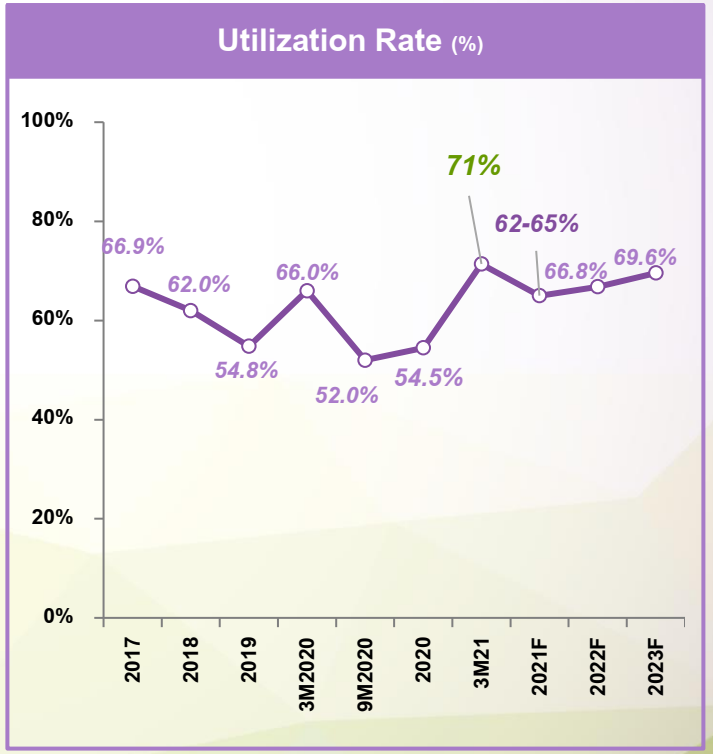
Capacity*: 2.81 mil. tons/annum

TSR: **24** processing facilities — Capacity*: 2.10 mil. tons/annum

RSS: **3** processing facilities — Capacity*: 0.18 mil. tons/annum

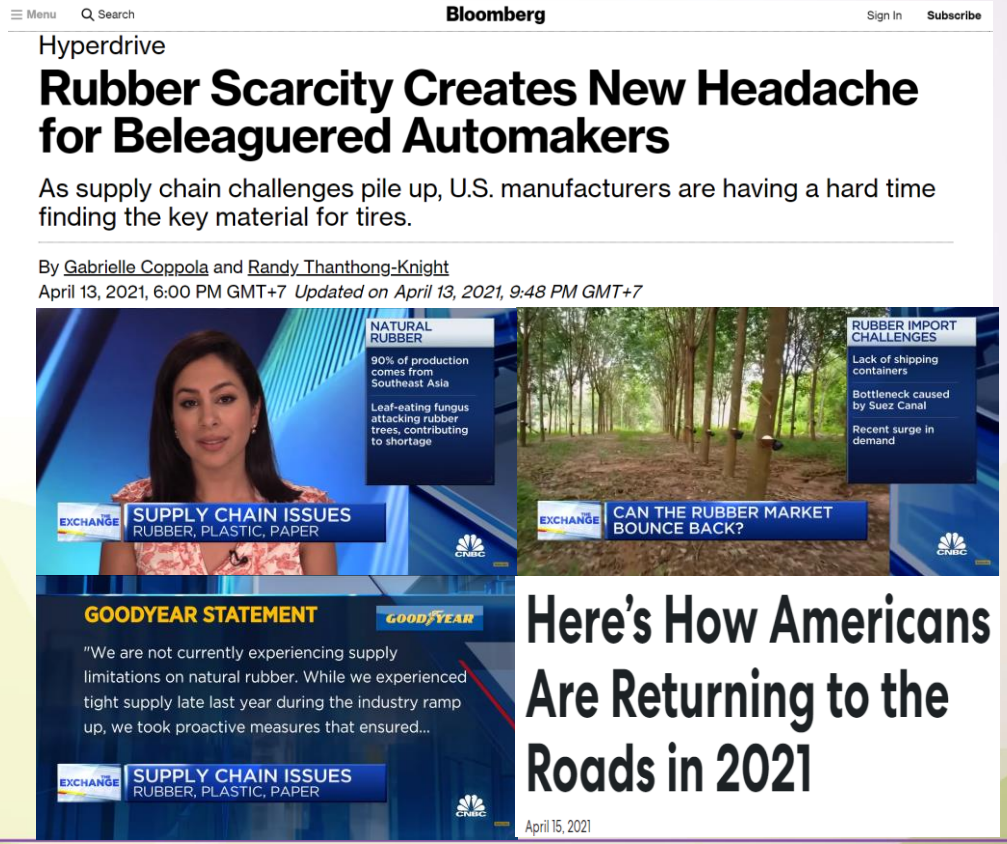
LTX: **7** processing facilities — Capacity*: 0.53 mil. tons/annum

Note: *Total engineering capacity



Demand of Tire Is Brighter

- Higher car, motorcycle, bicycle usages due to the avoidance of public transportation
- Higher demand from replacement market
- Higher demand from new cars particularly EV car
- Tire sellers have minimum buffer stocks
- Tier two & tier three tires becoming popular due to the current economic situation



Major Customers in Midstream Business

member of SRI TRANG GROUP

Global Brands

MICHELIN · BRIDGESTONE · GOODYEAR · Continental · Firestone · DUNLOP · COOPERTIRES



SUMITOMO TIRES · YOKOHAMA · TOYO TIRES · IRC TIRE

HANKOOK · KUMHO TYRES

CEAT · apollo · JK TYRE · BKT

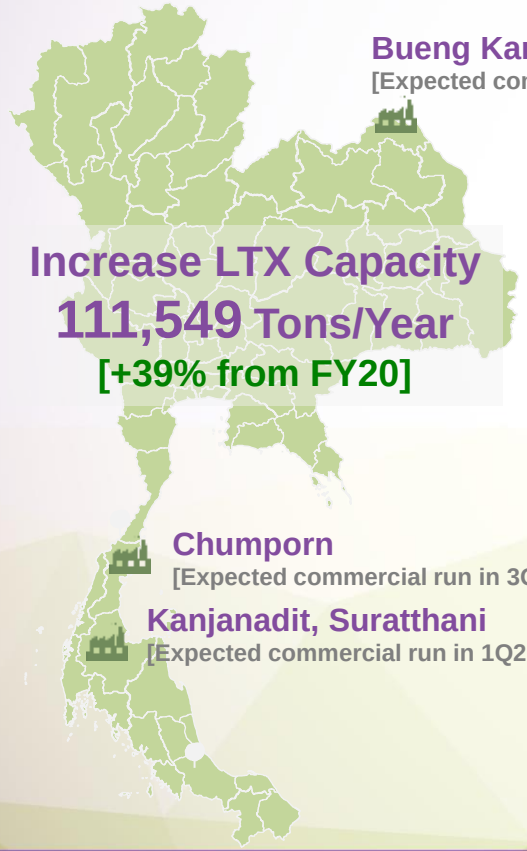
LINGLONG TIRE · SENTURY 森麒麟轮胎 · CST

DEESTONE · OTANI · CHENGSHAN · zc rubber 中策橡胶 Hangzhou Zhongce Rubber Co.,Ltd. · 江苏通用科技股份有限公司 Jiangsu General Science Technology Co.,Ltd

CAMEL · THUNDERER A Sense of your control...!! · Vee Rubber · ND RUBBER

TRIANGLE · MAXXIS · HFT

Expansion of Concentrated Latex Plants



Bueng Karn
[Expected commercial run in 1Q2022]

Increase LTX Capacity
111,549 Tons/Year
[+39% from FY20]

Chumporn
[Expected commercial run in 3Q2022]

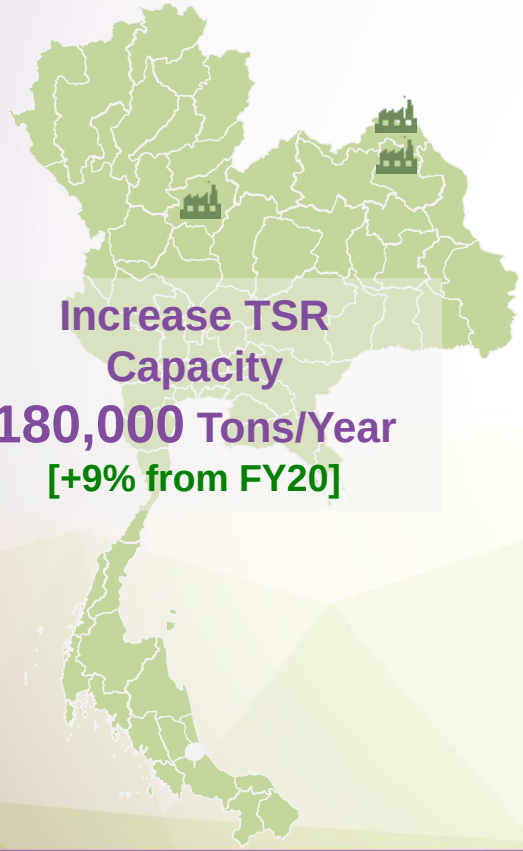
Kanjanadit, Suratthani
[Expected commercial run in 1Q2023]





Investment Budget
900 Million Bath

Expansion of TSR Plants



Increase TSR Capacity
180,000 Tons/Year
[+9% from FY20]

Bueng Karn

Adding Capacity: 6,000 tons/month
Total Cap: 12,000 tons/month

Pitsanulok

Add Cap: 4,800 tons/month
Total Cap: 9,600 tons/month

Sakon Nakorn

Add Cap: 4,200 tons/month
Total Cap: 12,600 tons/month

- **Adding Capacity in STA's Existing TSR Factories.**
- **Expanding STA's market share in raw material sourcing in the North-East of Thailand.**
- **Expected to be completed by December 2021.**

Investment Budget
1,060 Million Bath

Strategy for Midstream Operations – NR Processing

Launch mobile application
"SRITRANG FRIENDS"



Objective: To buy raw materials from rubber farmers and dealers in Thailand anywhere and anytime

No. of Members: **> 10,000** rubber farmers & dealers in SRITRANG network

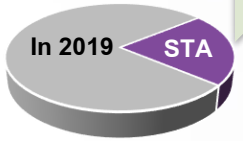


Enhance
production efficiency



- **Implement automation & censoring system** in production process
- **Reduce energy consumption** e.g. adapting production process to be shorter & smarter, using more biomass and reducing the use of LPG etc.

Acquire
higher market share



market share **24%** of Thailand production



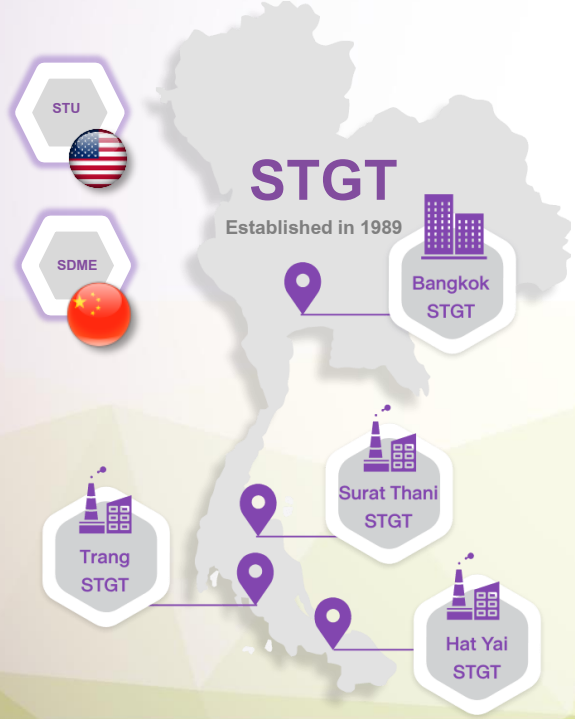
market share **26%** of Thailand production

STA aims to achieve the market share
more than 30%
of Thailand production in 2021.

- **Keep our position as the reliable supplier** for rubber users all over the world
- **Gain more market share** among ambiguous market environment

Downstream Operations – Finished Products

STGT, is a Flagship Company of Sri Trang Group with 56% shares owned by STA



Deliver 「Touch Of Life™」 On a Global Scale



ABBREVIATIONS
STU : Sri Trang USA
SDME : Shi Dong Shanghai Medical Equipment

Our Gloves Products

Product Range

Examination/ Non-Examination Gloves

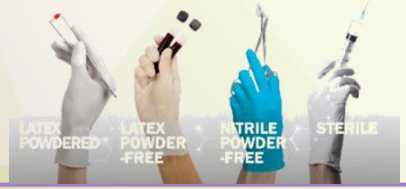
Latex

Powdered
- Comfort 4.8 g
- Balance 5.0 g
- Premium 5.8 g

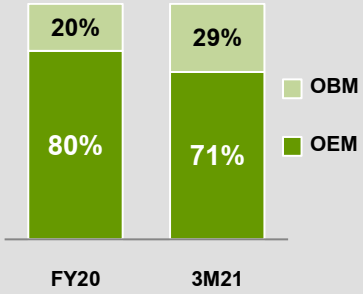
Powder-Free
- Comfort 5.0 g
- Balance Comfort 5.5 g
- Balanced Plus 5.6 g
- Balance 5.8 g
- Premium 6.2 g

Nitrile

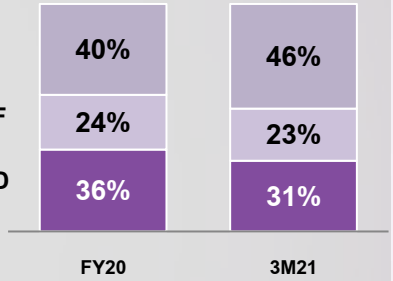
Powder-Free
- Heavy 6.2 g
- Balance 4.8 g
- Comfort 3.5 g
- Comfort Plus 3.0 g
- Sense 2.5 g



Revenue breakdown



Product Mix by Revenue



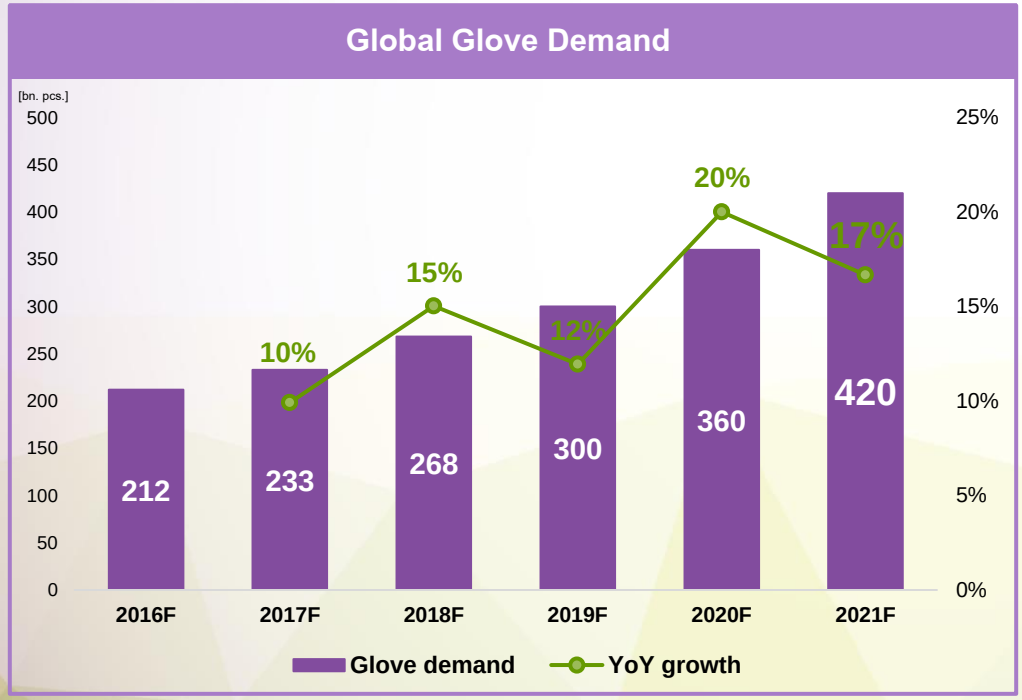
Note: There is a reclassification of OBM products.

Our Brands [OBM]

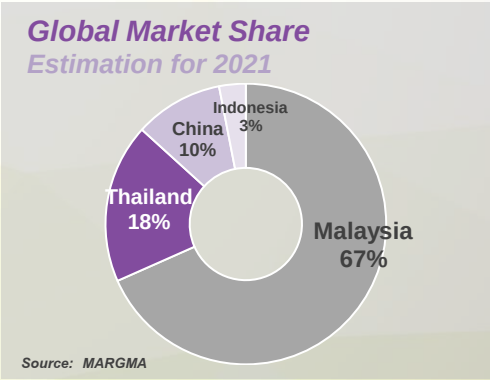
SRITRANG GLOVES
SRITRANG GLOVES SATORY
I'M GLOVE
Super Care
Super Guard
GLOVES
POLYMED
WELLGUARD
Sriex
FINNX
清曼
施睿康
SRITECH
诗瑞

Global Glove Market Outlook

Global Glove Supply is Limited!







Source: MARGMA, HIDA Research & Analytics, and Company's forecast

Insufficient Supply of Gloves

Malaysian rubber glove group says demand to oustrip supply until 2023 REUTERS

When Will Life Return to Normal? In 7 Years at Today's Vaccine Rates

Our new calculator shows how long it will take states and countries to vaccinate 75% of their populations

Bloomberg

AstraZeneca vaccine cannot stop the South African mutation

February 8, 2021

OPEN ACCESS GOVERNMENT



HEALTH AND SCIENCE

Covid variant found in South Africa is worrying experts: Here's what we know so far CNBC

PUBLISHED WED, JAN 6 2021·5:34 AM EST | UPDATED WED, JAN 6 2021·9:12 AM EST

New Variants of the Virus that Causes COVID-19

Updated Fe

CDC Centers for Disease Control and Prevention

CDC 24/7: Saving Lives, Protecting People™

Malaysian medical glove exports face more delays amid shipping container shortage

REUTERS

The claim: COVID-19 surge in India connected to rollout of vaccine

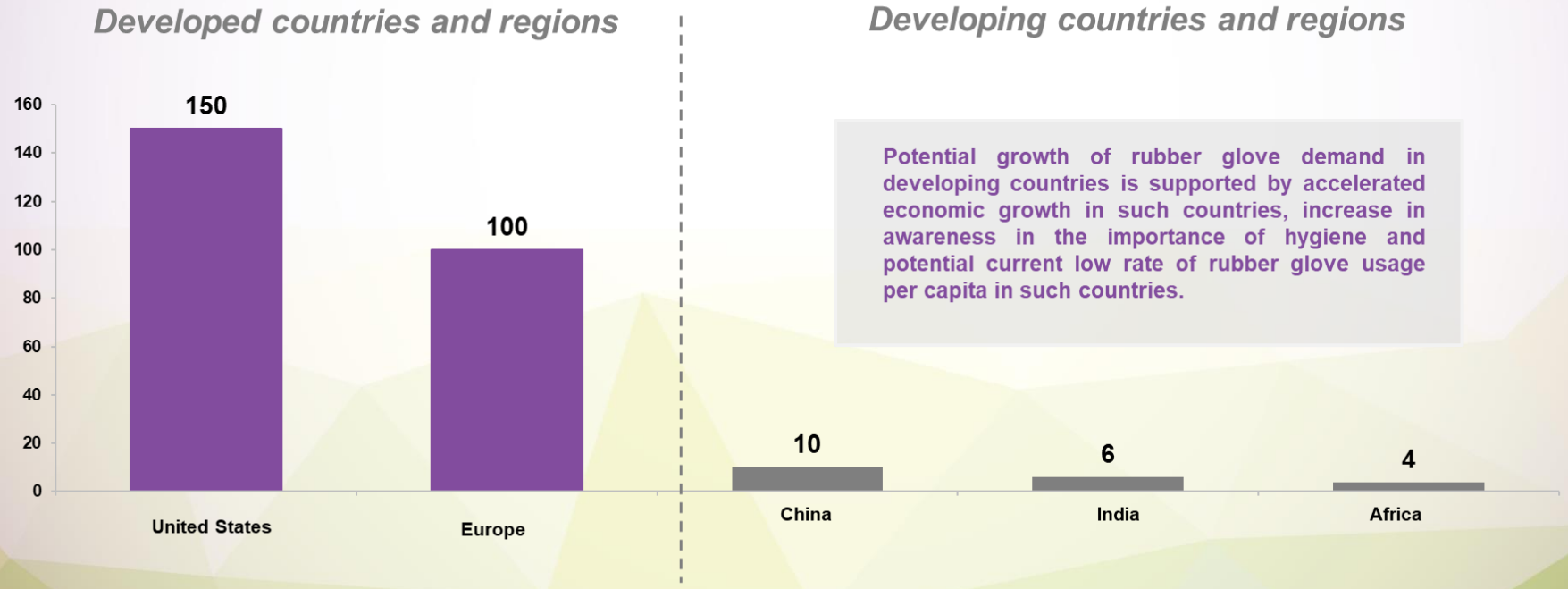
USA TODAY

Source: Reporters' Website

Low Glove Consumption per Capita in Emerging Market

Forecasted Rubber Glove Consumption per Capita

in Developed and Developing Countries in 2019

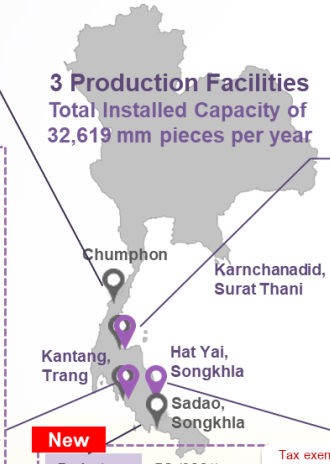


Potential growth of rubber glove demand in developing countries is supported by accelerated economic growth in such countries, increase in awareness in the importance of hygiene and potential current low rate of rubber glove usage per capita in such countries.

Source: *Mordor Intelligence 2020, adb and Company*

Strategic Location for Key Suppliers and Tax Privileges

member of SRI TRANG GROUP



Project	CP (1Q22)
Installed Capacity	13,064 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Trang Plant

3



Installed Capacity(1)	10,092 mm pieces per year
Main Raw Material	Concentrated Latex

New

Project	TG3 (4Q21)
Installed Capacity	3,110 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Tax exemption: 5 Years

New

Project	TG4 (3Q22)
Installed Capacity	7,465 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Tax exemption: 5 Years

New

Project	TG5 (1Q23)
Installed Capacity	6,169 mm pieces per year
Main Raw Material	Concentrated Latex

Tax exemption: 5 Years

New

Project	PS (3Q21)
Installed Capacity	2,903 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Tax exemption: 8 Years

New

Project	ANV (1Q22)
Installed Capacity	7,258 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Tax exemption: 8 Years

1 Surat Thani Plant



Installed Capacity(1)	5,703 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

New

Project	SR2 (1Q21)
Installed Capacity	2,177 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Tax exemption: 5 Years

New

Project	SR3 (2Q21)
Installed Capacity	3,992 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

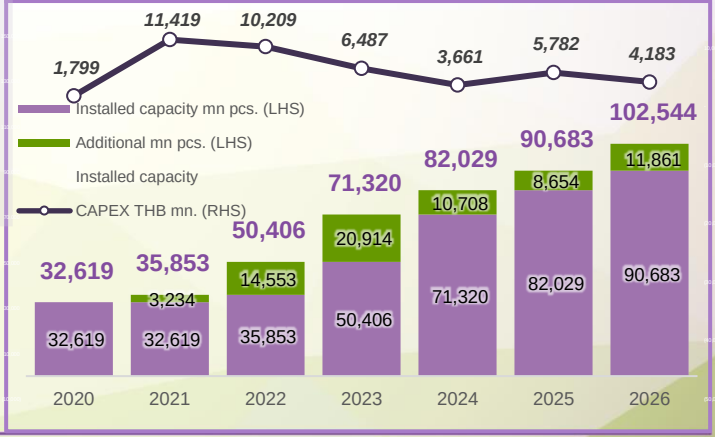
Tax exemption: 5 Years

2 Hat Yai Plant



Installed Capacity(1)	17,278 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Capacity & CAPEX



3 NATURAL RUBBER MARKET SITUATION



30 Years of Rubber Price Movement in TOCOM

member of SRI TRANG GROUP

RSS3 Historical Price Movement [1991 – March 2021] (JPY : Kg.)



Source : Bloomberg

24 Years of Rubber Price Movement in SICOM

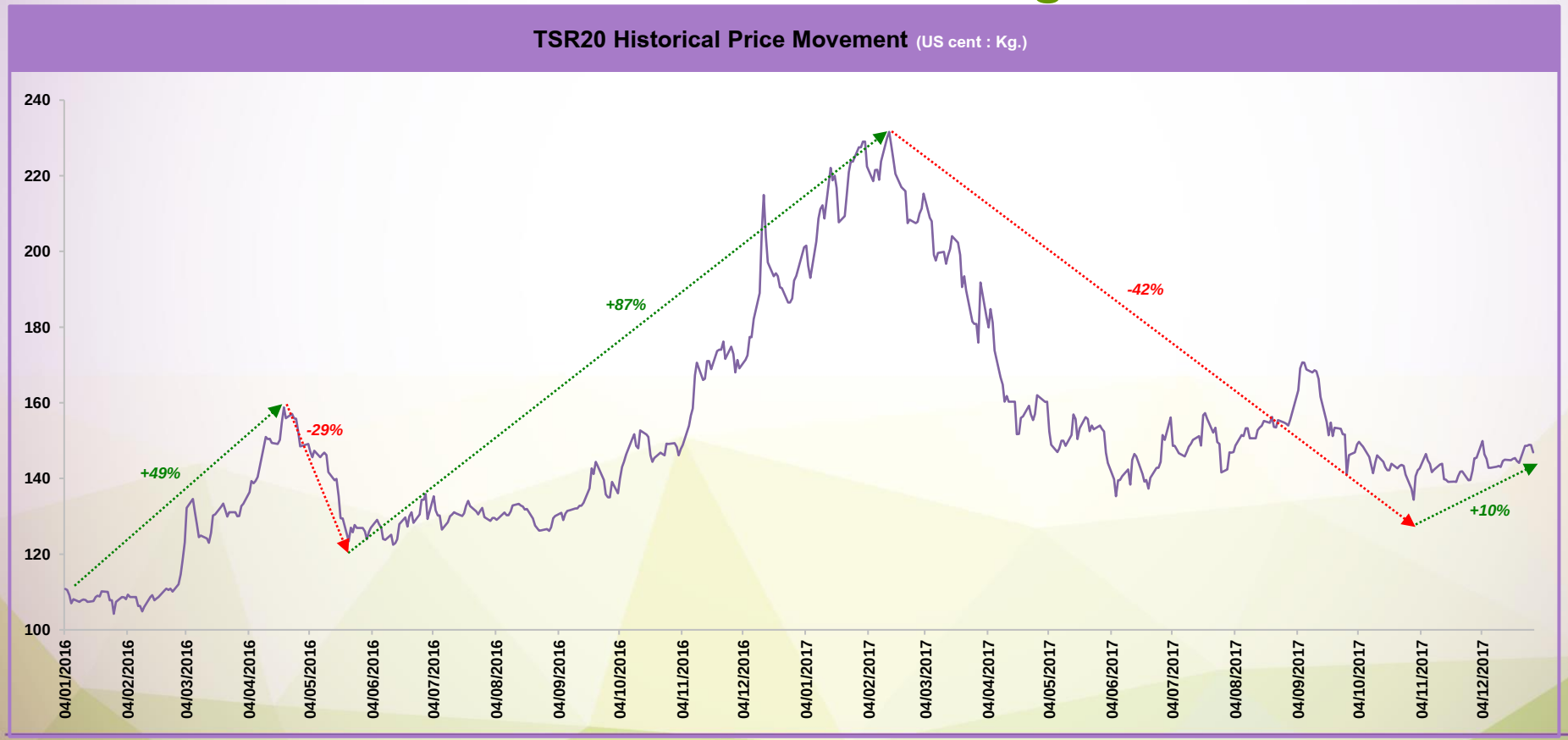
member of SRI TRANG GROUP

TSR20 Historical Price Movement [1987 – March 2021] (US cent : Kg.)



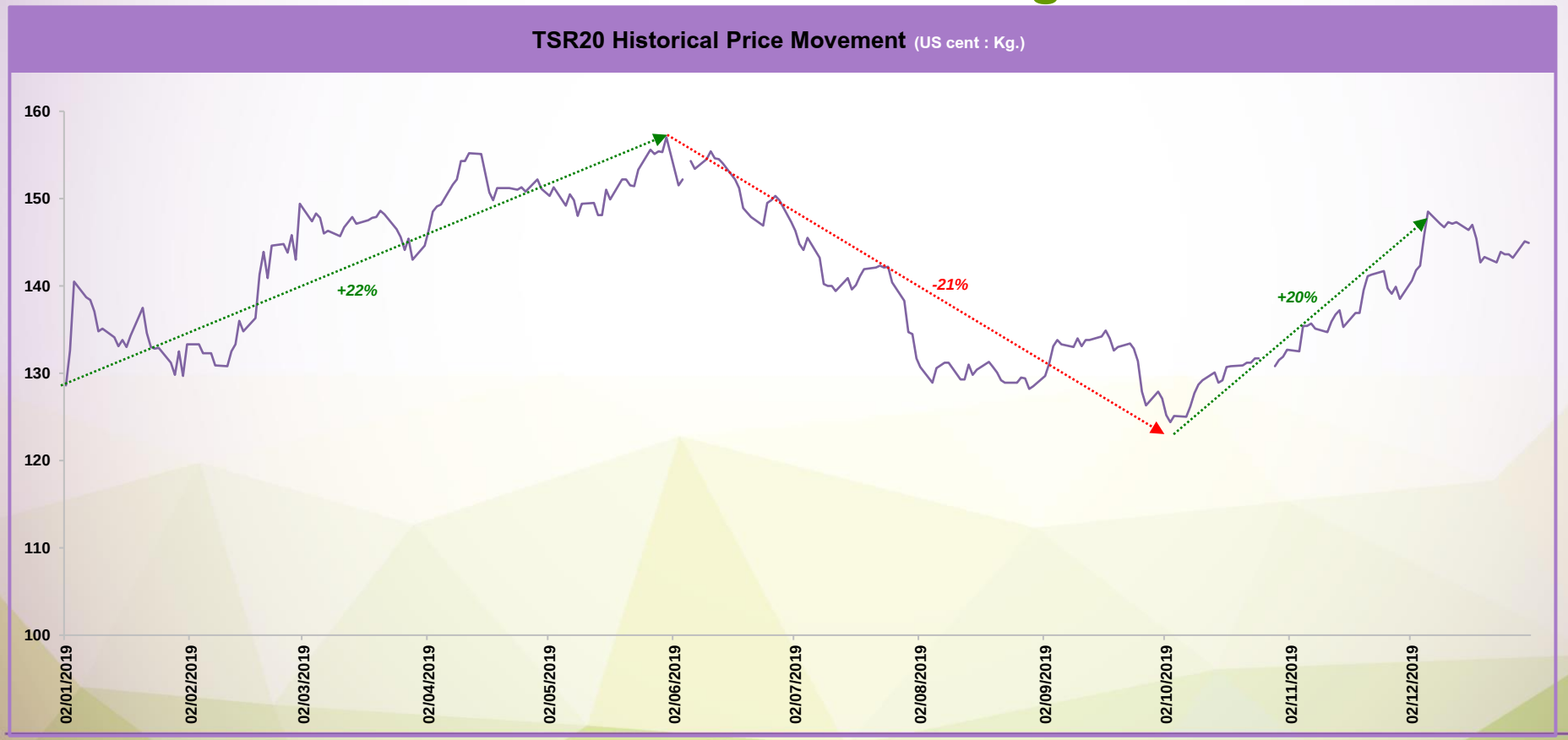
Source : Bloomberg

Rubber Price Movement in SICOM during 2016-2017



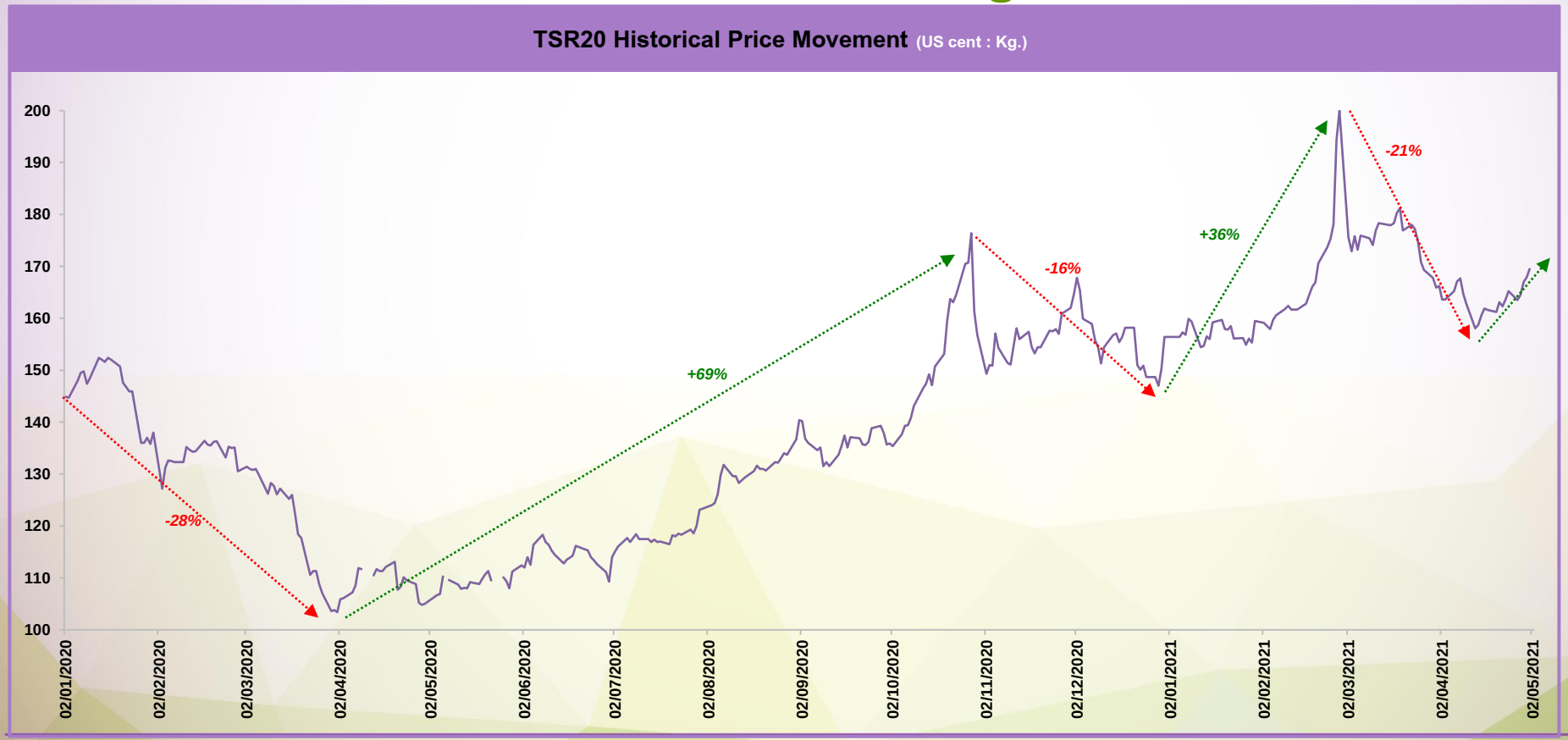
Source : Bloomberg

Rubber Price Movement in SICOM during 2019



Source : Bloomberg

Rubber Price Movement in SICOM during 2020-Present



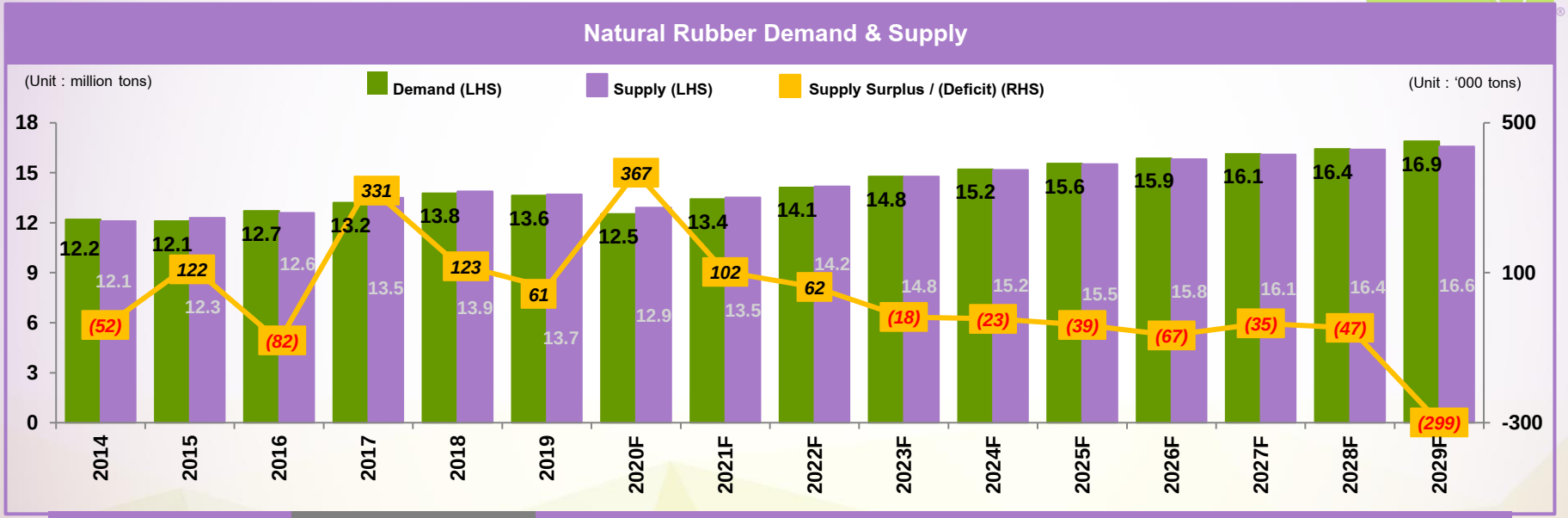
Source : Bloomberg

Global NR Purchases: Peak Season in Each Region

Region	Country	January	February	March	April	May	June	July	August	September	October	November	December
East Asia	China (Yunnan)												
East Asia	China (Hainan)												
Africa	Ivory Coast												
Africa	Ghana												
SE Asia	Vietnam												
South Asia	India												
SE Asia	Thailand												
SE Asia	Cambodia												
SE Asia	Laos												
SE Asia	Philippine												
SE Asia	Malaysia												
SE Asia	Myanmar												
SE Asia	Indonesia												
Africa	Congo												

Where we are today

Global NR Situation

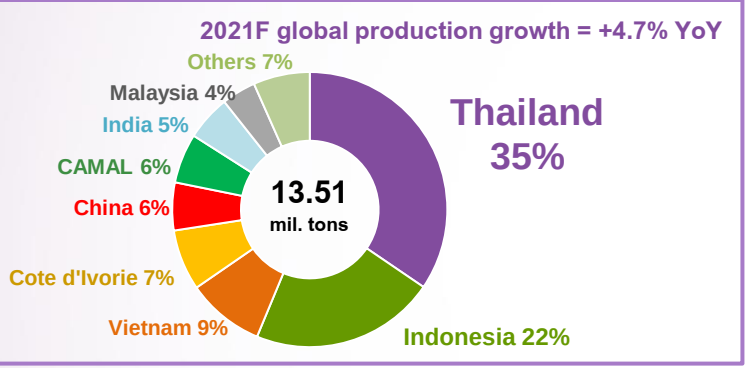


IRSG's forecast	Before COVID [mil.tons]	2020 forecast in Jul-2020 [mil.tons]	2020 forecast in Dec-2020 [mil.tons]	2021 forecast [mil.tons]	% Change
Demand	14.01	12.12	12.53	13.41	▲7.0%
Supply	14.05	12.98	12.90	13.51	▲4.7%
Oversupply	0.04	0.86	0.37	0.10	▼73.0%

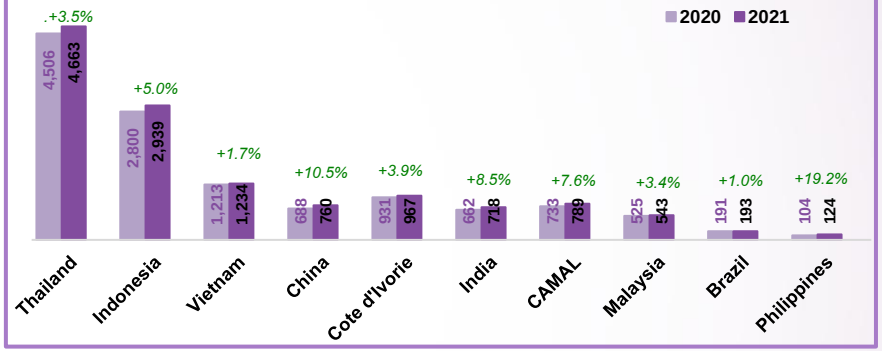
Source : IRSG, December 2020

NR Supply & Demand

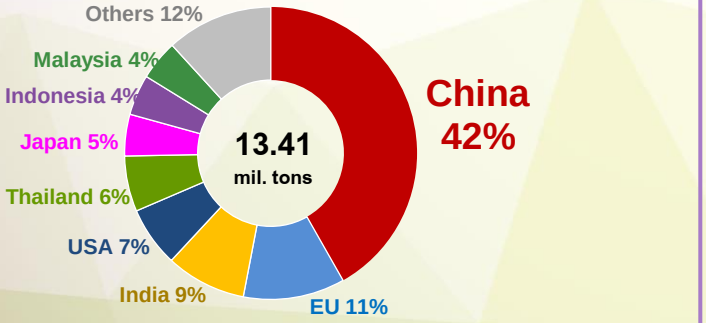
2021F Major NR Producers



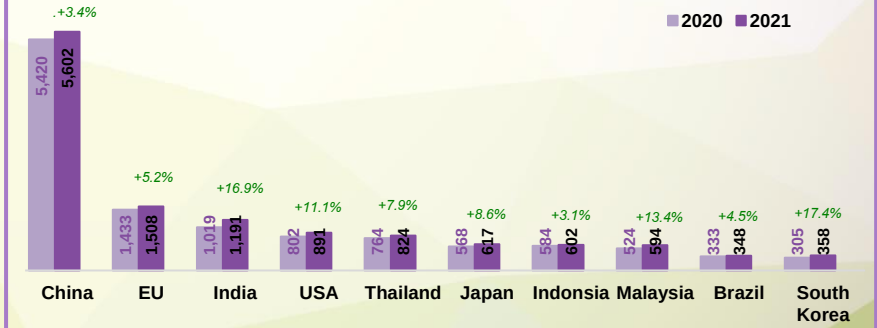
NR Production from Top 10 Producers



2021F Major NR Consumers



NR Consumption from Top 10 Customers



Source : IRSG, December 2020

THE WORLD'S LEADING FULLY INTEGRATED NATURAL RUBBER PROCESSING COMPANY



UPSTREAM SECTOR	MIDSTREAM SECTOR	DOWNSTREAM SECTOR	ANCILLARY DIVISION

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