

# SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis 4Q24 & FY24  
as of 31 December 2024 | 17 February 2025



## Financial Result Overview

*Net profit for FY24 was THB 995.3 million, increasing 551.9% YoY in the face of intense competition in the industry. We also recorded an all-time-high sales volume of 38,549 million pieces, with growth across all products.*

*We are committed to steady growth and enhancing our competitiveness amid a changing global economic environment.*

*The Board of Directors has approved a dividend payment at THB 0.50 per share, which is to be paid out from retained earnings and subject to approval by shareholders at the annual meeting of 2025.*

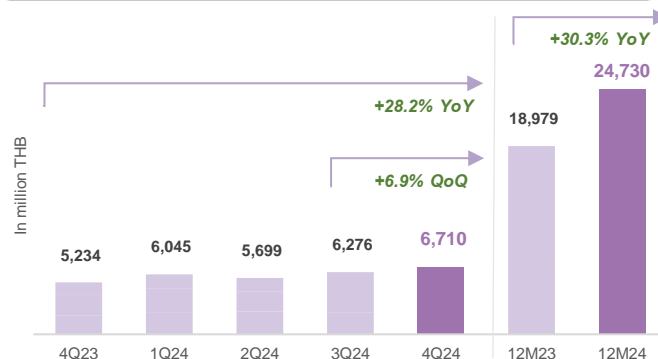
### Profit and Loss Analysis

In FY24, we recorded THB 995.3 million in net profit, increasing by 551.9% YoY, with a net profit margin of 4.0%. Net profit in Q4 2024 totaled 556.7 million, a reversal from a net loss in Q3 2024 and with a net profit margin of 8.2%.

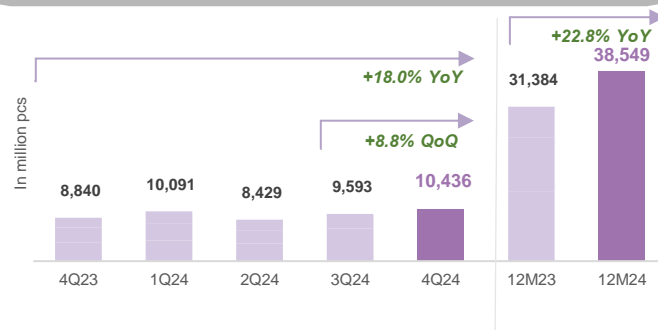
- **Sales revenue** in FY24 totaled THB 25,002.1 million, growing by 27.1% YoY. The growth was driven by an increase in both sales volume and selling prices. Revenue in Q4 2024 was THB 6,773.0 million, increasing by 5.1% QoQ on the back of higher sales volume.
- **The ASP** in FY24 was THB 642 per 1,000 pieces (USD 18.26), increasing by 6.1% YoY following an improving oversupply situation and because of an increase in NR and NBR latex prices. The ASP in Q4 2024 was THB 643 per 1,000 pieces (USD 19.00). Although our ASP in USD in Q4 2024 slightly increased by 0.6% QoQ amid intense price competition, the appreciation of THB, which went up by 2.3% QoQ against USD, meant that our ASP in THB declined by 1.7% QoQ.
- **Sales volume** in FY24 reached a record 38,549 million pieces, increasing by 22.8% YoY, with NRPD, NRPF and NBR growing by 11.9%, 11.1% and 67.3%, respectively. The growth in sales volume was driven by a pickup in global demand as inventories of major distributors and customers in many countries reverted to normal levels; the US levy of tariffs on gloves produced in China, which helped boost our competitiveness in the US, which is the world's largest NBR market; and the anti-dumping measures of Brazil, under which we received the most favorable tax rate



Gloves' Revenue (THB million)



Gloves' Sales Volume (Million pieces)



compared with producers from China and Malaysia. Sales volume in Q4 2024 reached 10,436 million pieces, growing by 8.8% QoQ across all products.

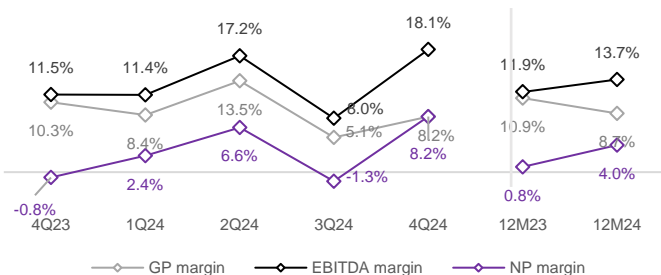
- **Utilization rate** in FY24 was 82.8%, a significant improvement from 64.2% in FY23. Utilization rate in Q4 2024 was 85.9%, increasing from 77.1% in Q3 2024.
- **Cost of goods sold (COGS)** in FY24 was THB 22,832.8 million, increasing by 30.4% YoY because of an increase in prices of NR and NBR latex, which rose 40.3% and 15.6%, respectively, and higher price of woodchips. COGS in Q4 2024 was THB 6,218.1 million, up 1.7% QoQ as NR latex price rose by 1.5% QoQ, while NBR latex price decreased by 4.8% QoQ. COGS per unit in Q4 2024 decreased from Q3 2024 following an increase in utilization rate and the reversal in net realizable value because of the depreciation of THB in comparison to end of 3Q 2024.
- **Gross profit** in FY24 totaled THB 2,169.4 million, up 1.0% YoY, with a gross profit margin of 8.7%, down from 10.9% in FY23 because of higher NR and NBR latex costs. Although we were able to raise selling prices, the increase did not match the rise in raw material costs owing to the intense price competition in the industry.

Gross profit in Q4 2024 totaled THB 554.8 million, increasing by 67.9% QoQ, and gross profit margin increased to 8.2% from 5.1% in Q3 2024 on the back of higher production and sales volume and lower COGS per unit.

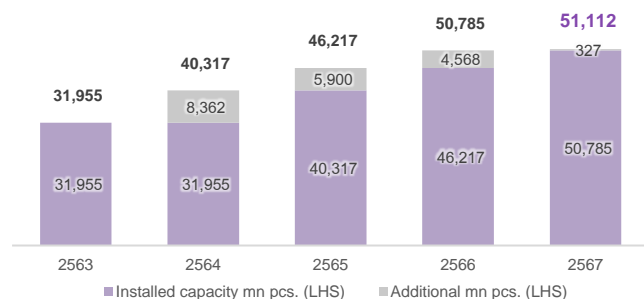
- In FY24, we recorded THB 634.3 million in other income, THB 483.0 million of which was interest subsidy for long-term loans received from the Rubber Authority of Thailand in Q4 2024.
- **SG&A** in FY24 amounted to THB 1,733.1 million, down 21.8% YoY because we incurred a non-recurring expense in FY23. Excluding such one-time expense, SG&A still came down by 3.8% YoY because the higher utilization rate in FY24 led to lower allocation of depreciation to administrative expenses. In FY24, the percentage of SG&A to sales revenue came down to 6.9% from 11.3% in FY23. SG&A in Q4 2024 totaled THB 502.1 million, increasing by 30.1% QoQ mainly from higher allowance for doubtful debts and transportation costs. The percentage of SG&A to sales revenue in Q4 2024 increased to 7.4% from 6.0% in Q3 2024.
- **Finance costs** in FY24 totaled THB 291.5 million, decreasing by 4.8% YoY. Finance costs in Q4 2024 totaled THB 70.7 million, decreasing by 5.9% QoQ as long-term borrowings had been gradually repaid in each quarter of the year.

**EBITDA** in FY24 totaled THB 3,416.9 million, increasing by 46.5% YoY, and EBITDA margin increased to 13.7% from 11.9% in FY23. EBITDA in Q4 2024 totaled THB 1,226.9 million, increasing by 139.3% QoQ, and EBITDA margin increased to 18.1% from 8.0% in Q3 2024.

### Margin (%)



### Installed Capacity (Million pcs.)

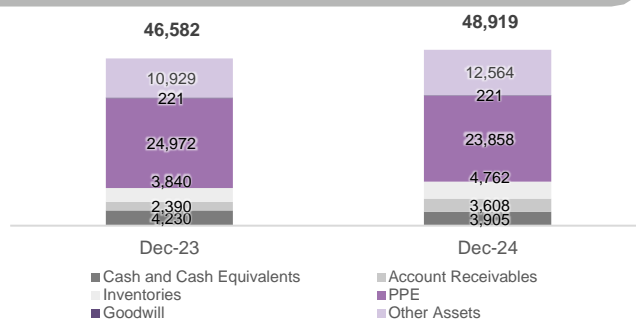


## Financial Position Analysis

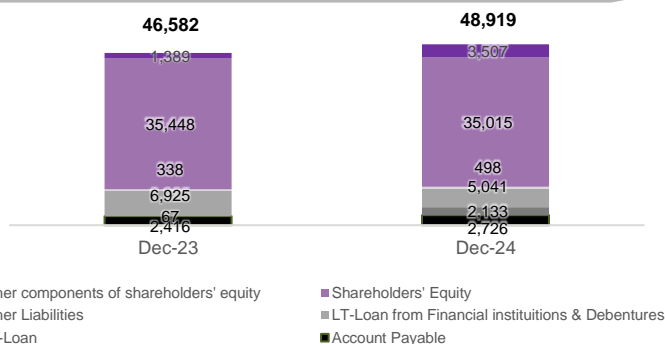
As of 31 December 2024, total assets stood at THB 48,918.9 million, increasing by 5.0% from 31 December 2023. This increase was primarily attributable to investments in financial assets and an increase in accounts receivable and inventory because of higher sales volume. But property, plant and equipment decreased as a result of depreciation. Total liabilities amounted to THB 10,397.4 million, increasing by 6.7% from 31 December 2023 because of an increase in short-term loans. Total equity stood at THB 38,521.5 million, increasing by 4.6% from 31 December 2023.

*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

Net cash at the end of FY24 was THB 3,905.3 million, decreasing by THB 324.8 million from the start of FY24.

- THB 1,221.2 million in cash flow from operations consisted of THB 3,069.7 million in operating income, minus THB 1,821.8 million in a decrease in working capital, THB 315.0 million in received interest, THB 301.2 million in interest payments and THB 40.5 million in income tax payments.
- THB 247.0 million in cash flow from investments consisted of THB 1,256.3 million in investments in property, plant, equipment and intangible assets. We received THB 962.2 million in net cash from investments in financial assets.
- THB 1,286.1 million in cash flow from financing consisted of THB 1,884.9 million in repayments of long-term loans from financial institutions, THB 1,432.5 million in dividend payments, minus THB 2,064.8 million in short-term borrowings from financial institutions.

## Key Financial Ratios

- **Interest Coverage Ratio** for FY24 was 5.48 times, down from 6.56 times in FY23. This decrease was mainly attributable to lower cash flow from operations. Although we recorded higher profits from operations, an increase in accounts receivable led to lower cash flow from operations in FY24.
- **Current Ratio** as of 31 December 2024 stood at 1.94 times, down from 3.63 times as of 31 December 2023. This decline was primarily attributable to an increase in current liabilities, particularly short-term loans, and a decrease in current assets following investments in financial assets, offset by an increase in accounts receivable, inventory and other current assets.
- **Cash Conversion Cycle** for FY24 stood at 48.25 days, down from 50.40 days in FY23 because of a decrease in Days Inventory Outstanding (DIO) following an increase in turnover. Additionally, Days Sales Outstanding (DSO) slightly increased in tandem with accounts receivables, although revenue also increased. Days Payables Outstanding (DPO) decreased as a result of a lower proportion of raw material purchases with short payment terms.
- **Net Interest-Bearing Debt to Equity Ratio (Net IBD to Equity)** as of 31 December 2024 stood at 0.05 times, up from (0.07)\* times as of 31 December 2023. This change primarily resulted from an increase in short-term borrowings and a reduction in long-term borrowings in FY24, along with a decrease in cash, while 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.

- **Expansion of margin through value-adding activities** with regard to off-grade products at our overseas subsidiaries to maximize the resources.
- **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 the fourth quarter of 2024, the company undertook significant ESG activities as follows:

### Environmental

- In the 4Q/2024, the Chumphon branch factory installed a solar roof system on the roofs of blue-collar employee residences, increasing capacity by 3.15 MW from the previous 1.0 MW, totaling 4.15 MW. The Sadao P.S. branch factory also installed a solar roof system, increasing capacity by 1.64 MW, totaling 2.64 MW. The electricity produced will be used in production processes and offices, reducing the company's Scope 2 greenhouse gas emissions.



## Social

- The Hat Yai, Trang, Sadao P.S., and Surat Thani branch factories received the CSR-DIW Continuous Award, and the Chumphon branch factory received the CSR-DIW Award for 2024 from the Ministry of Industry, reflecting a commitment to socially responsible and environmentally friendly operations and promoting sustainable community coexistence.



- STGT received the Outstanding Organization for Promoting Employment of Persons with Disabilities Award for 2024 from the Ministry of Social Development and Human Security for the third consecutive year.
- The Hat Yai branch factory received the "Disease-Free, Safe, and Happy Workplace" national award for 2024 from the Department of Disease Control, Ministry of Public Health, in the gold shield category, demonstrating high standards of disease prevention and safety, promoting employee well-being.

## Governance & Economic

- The company received the Outstanding CEO and Outstanding IR awards in the consumer goods industry group at the IAA Awards: Awards for Listed Companies 2024, organized by the Investment Analysts Association, reflecting knowledgeable and expert management, ethical governance, high-quality, timely, and comprehensive information presentation, reinforcing the company's commitment to developing its potential and effective investor relations.



- The company received the Sustainability Disclosure Award for 2024 from the Thaipat Institute for the third consecutive year for its comprehensive reporting on economic, social, environmental, and ESG (Environmental, Social, and Governance) operations and its response to the Sustainable Development Goals (SDGs).



- STGT received an "Excellent" CG Scoring for 2024 from the Thai Institute of Directors Association for the third consecutive year.



- STGT has received the SET ESG Rating of AAA for the second consecutive year, reflecting its responsible business operations towards stakeholders, considering environmental, social, and governance (ESG) aspects throughout the value chain.



- STGT was assessed with a score of 4.4/5.0 by the global sustainability index FTSE Russell for its sustainable business operations in environmental, social, and governance (ESG) aspects.





## 4Q24 & FY24 Key Financial Information (unit::THB million)

	4Q24	3Q24	%QoQ	4Q23	%YoY	FY24	FY23	%YoY
Volume (in million pcs)	10,435.5	9,593.0	8.8%	8,840.4	18.0%	38,548.8	31,384.0	22.8%
Sales Revenue	6,773.0	6,443.2	5.1%	5,306.2	27.6%	25,002.1	19,665.2	27.1%
COGS	(6,218.1)	(6,112.8)	1.7%	(4,757.8)	30.7%	(22,832.8)	(17,516.3)	30.4%
<b>Gross profit</b>	<b>554.8</b>	<b>330.4</b>	<b>67.9%</b>	<b>548.4</b>	<b>1.2%</b>	<b>2,169.4</b>	<b>2,148.8</b>	<b>1.0%</b>
Other income	526.4	38.4	1271.1%	110.2	377.5%	634.3	228.3	177.9%
SG&A	(502.1)	(386.1)	30.0%	(747.2)	-32.8%	(1,733.2)	(2,217.1)	-21.8%
Gain (loss) on exchange rate, net	122.4	(355.5)	NM	(139.5)	NM	(64.7)	(10.9)	NM
Other gains, net	(103.6)	290.9	NM	106.3	NM	55.1	(33.2)	NM
<b>Operating profit (loss)</b>	<b>597.9</b>	<b>(81.9)</b>	<b>NM</b>	<b>(121.8)</b>	<b>NM</b>	<b>1,060.9</b>	<b>115.8</b>	<b>815.7%</b>
EBITDA	1,226.9	512.8	139.3%	607.6	101.9%	3,416.9	2,333.0	46.5%
EBIT	659.9	(16.5)	NM	(8.7)	NM	1,371.4	476.9	187.6%
Finance income	62.0	65.5	-5.4%	98.2	-36.9%	310.6	361.0	-14.0%
Finance costs	(70.7)	(75.2)	-5.9%	(79.4)	-10.9%	(291.5)	(306.2)	-4.8%
EBT	589.2	(91.6)	NM	(102.9)	NM	1,079.9	170.7	532.8%
Tax	(32.5)	5.1	NM	43.0	NM	(84.6)	(18.0)	370.4%
<b>Net profit</b>	<b>556.7</b>	<b>(86.5)</b>	<b>NM</b>	<b>(59.9)</b>	<b>NM</b>	<b>995.3</b>	<b>152.7</b>	<b>551.9%</b>
GP margin	8.2%	5.1%	3.1%	10.3%	-2.1%	8.7%	10.9%	-2.3%
EBITDA margin	18.1%	8.0%	10.2%	11.5%	6.7%	13.7%	11.9%	1.8%
Net profit margin	8.2%	-1.3%	9.6%	-1.1%	9.3%	4.0%	0.8%	3.2%
<b>Financial Ratio</b>								
Current ratio	1.94	2.00	-3.1%	3.63	-46.6%	1.94	3.63	-46.6%
Cash cycle (days)	47.95	50.27	-4.6%	51.91	-7.6%	48.25	50.40	-4.3%
IBD/E	0.06	0.05	38.2%	(0.07)	NM	0.06	(0.07)	NM
Interest coverage ratio	3.45	11.99	-71.2%	(12.06)	NM	5.46	6.56	-16.7%
ROA	4.5%	-0.7%	5.3%	-0.4%	4.9%	2.1%	0.3%	1.8%
ROE	5.8%	-0.9%	6.7%	-0.4%	6.2%	2.6%	0.4%	2.2%

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 December 2024, STGT employed around 10,929 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)

**Contact Investor Relations Department:**

Email: [stgt\\_ir@sritranggroup.com](mailto:stgt_ir@sritranggroup.com)

Tel: 02 207 4500 Ext. 1404