

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis for Q4 2025 & FY 2025
as of 31 December 2025 | 19 February 2026

Performance Overview

Despite the challenges throughout 2025, the Company reported total revenue of THB 23,890.3 million, with sales volume of 37,102 million pieces. EBITDA excluding non-recurring items amounted to THB 3,426.5 million.

The Board of Directors resolved to propose a dividend payment of THB 0.50 per share from retained earnings, which will be proposed for approval at the Company's Annual General Meeting of Shareholders in 2026.

Key Factors and Industry Challenges in 2025

In 2025, the rubber glove industry continued to face volatility from external factors, particularly the impact of the US Reciprocal Tariff measures and additional capacity expansion by manufacturers. These factors intensified price competition across the industry. Furthermore, the appreciation of the Thai Baht and fluctuations in raw material prices remained key challenges for glove manufacturers.

However, the Company maintained operational flexibility, supported by its production capability across both natural rubber (NR) gloves and nitrile butadiene rubber (NBR) gloves, enabling the Company to respond effectively to a wide range of customer demand. In addition, the Company continues to benefit from its diversified sales markets across multiple regions worldwide, which helps mitigate the risk of overreliance on any single market.

In Q4 2025, the Company was impacted by flooding in surrounding areas of Hat Yai District, Songkhla Province, where some of the Company's factories are located. As a result, the Company recognized damages from such flooding as one-time expenses in 2025. Although the affected factories are covered under insurance policies, the Company expects to receive insurance compensation in 2026, while almost all damages were recognized in Q4 2025. In addition, the Company recorded an allowance for impairment of older factories with low production efficiency, as well as an allowance for the impairment of construction in progress related to factories whose expansion plans had been previously postponed.

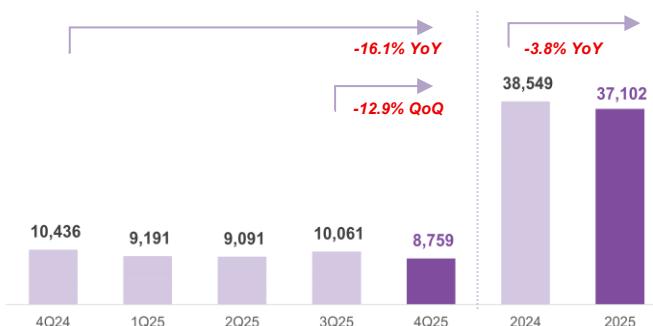
The Company continues to enhance operational efficiency and cost control through continuous expansion of automation systems, along with the initial adoption of Artificial Intelligence (AI) technologies to strengthen competitiveness under an increasingly competitive industry environment.



Gloves' Revenue (THB million)



Gloves' Sales Volume (Million pieces)



Profit and Loss Analysis

For 2025, the Company reported a net loss of THB 108.6 million, representing a net loss margin of 0.5%, mainly due to the recognition of one-time expenses during the second half of the year. In Q4 2025, the Company recorded a net loss of THB 503.8 million, compared to a net loss of THB 106.0 million in the previous quarter, also due to the recognition of one-time expenses.

Excluding such items, the Company would record a pre-tax profit for 2025 of THB 549.1 million, representing a profit margin of 2.3%, while Q4 2025 would record a pre-tax profit of THB 1.1 million. The details are as follows:

- **Sales revenue** in 2025 totaled THB 23,890.3 million, decreasing 4.4% YoY, mainly due to a slight decline in sales volume and the impact of Thai Baht appreciation. In Q4 2025, sales revenue amounted to THB 5,267.7 million, decreasing 13.4% QoQ, primarily due to lower sales volume following production suspension during the flooding incident in Hat Yai area in late 2025.

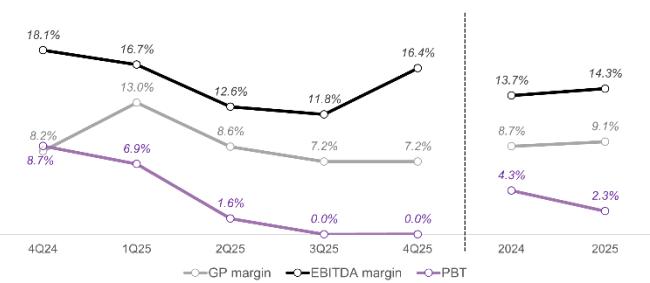
- **Sales volume** in 2025 reached 37,102 million pieces, decreasing slightly by 3.8% YoY, despite ongoing intense price competition. In Q4 2025, sales volume declined 12.9% QoQ, mainly due to the flooding incident mentioned above.
- **The ASP** of all glove products in 2025, in USD terms, improved 6.5% YoY to USD 19.44 per 1,000 pieces. However, due to the appreciation of the Thai Baht by 6.9% YoY, ASP in THB declined 0.8% YoY to THB 636 per 1,000 pieces. In Q4 2025, ASP in USD terms was USD 18.63 per 1,000 pieces, increasing slightly by 0.1% QoQ, while ASP in THB decreased 0.3% QoQ to THB 596 per 1,000 pieces, due to the Thai Baht appreciation of 0.4% QoQ.
- **Utilization rate** in 2025 was 77.7%, declining from 82.8% in the previous year. In Q4 2025, utilization rate stood at 78.2%, increasing from 77.3% in the previous quarter.
- **Cost of goods sold (COGS)** in 2025 totaled THB 21,709.7 million, decreasing 4.9% YoY, in line with lower sales volume, together with lower NR latex and NBR latex prices, which declined 4.4% YoY and 15.4% YoY, respectively. In Q4 2025, COGS amounted to THB 4,890.5 million, decreasing 13.3% QoQ, while NR latex and NBR latex prices declined 0.6% QoQ and 4.1% QoQ, respectively.
- **Gross profit** in 2025 was THB 2,180.6 million, increasing slightly by 0.5% YoY, representing a gross profit margin of 9.1%, improving from 8.7% in the previous year. This was mainly due to COGS declining at a faster pace than sales revenue, supported by lower raw material costs. In Q4 2025, gross profit amounted to THB 377.2 million, decreasing 13.5% QoQ in line with lower sales revenue, while gross profit margin remained relatively stable at 7.2%, close to the previous quarter.
- **Other income** in 2025 was THB 259.7 million, decreasing 59.1% YoY, mainly due to lower interest subsidy under the Rubber Authority of Thailand (RAOT) support program, compared to the previous year. In 2024, the Company recognized such income at an unusually high level, including capitalised interest during the construction, totaling THB 483 million. In Q4 2025, other income amounted to THB 128.6 million, increasing 195.3% QoQ, mainly due to interest subsidy from RAOT for 2025 totaling THB 89 million, which was recognized in this quarter.
- **SG&A** in 2025 amounted to THB 2,472.5 million, increasing 42.7% YoY, representing SG&A to sales ratio of 10.3%. In Q4 2025, SG&A totaled THB 1,115.8 million, increasing 118.5% QoQ, representing SG&A to sales ratio of 21.2%. The increase was mainly due to higher administrative expenses from non-recurring expenses recognized in Q4 2025 totaling THB 634.0 million, including: (1) one-time flooding-related expenses, (2) allowance for impairment of old buildings and machinery that have ceased operations as part of the Company's transition to new machinery and technologies to improve long-term efficiency and cost structure, and (3) allowance for impairment of construction in progress related to factories whose expansion plans had been previously postponed.

Excluding all one-time items, SG&A in 2025 would decrease to THB 1,786.3 million, representing SG&A to sales ratio of 7.5%, close to the previous year at 6.9%. For Q4 2025, SG&A would decrease to

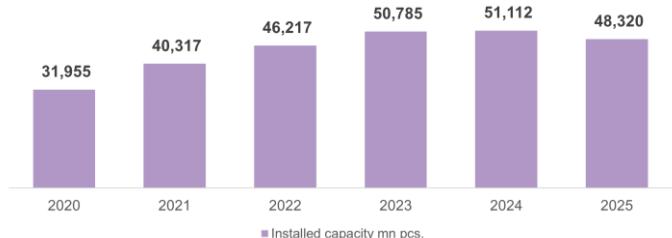
THB 481.9 million, representing SG&A to sales ratio of 9.1%, increasing from 7.5% in the previous quarter.

- **Net FX loss and other gain/(loss)** in 2025 amounted to a loss of THB 134.2 million, compared to a loss of THB 9.6 million in the previous year. In Q4 2025, the Company recorded a gain of THB 1.3 million, improving from a loss of THB 100.8 million in the previous quarter, mainly due to lower losses from financial derivatives.
- **Finance costs** in 2025 amounted to THB 235.4 million, decreasing 19.2% YoY, while finance costs in Q4 2025 were THB 49.0 million, decreasing 14.2% QoQ, mainly due to the repayment of short-term borrowings, debentures, and long-term loans, resulting in lower interest expenses both YoY and QoQ.
- **EBITDA excluding one-time items** in 2025 amounted to THB 3,425.6 million, decreasing slightly by 0.3% YoY, representing an EBITDA margin of 14.3%, compared to 13.7% in the previous year. In Q4 2025, EBITDA excluding one-time items totaled THB 861.8 million, increasing 20.1% QoQ, with an EBITDA margin of 16.4%, improving from 11.8% in the previous quarter.

Margin (%) (excluding. non-recurring items)



Installed Capacity (Million pcs.)



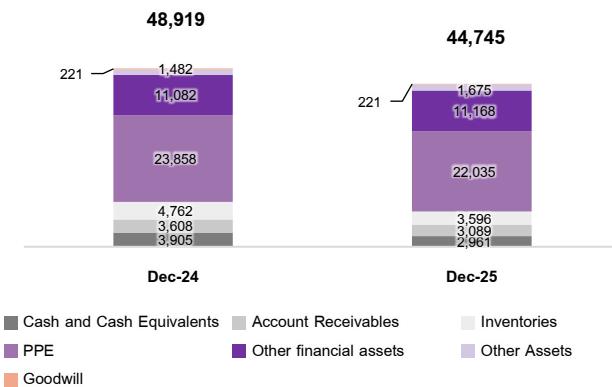
Financial Position Analysis

As of 31 December 2025, total assets amounted to THB 44,745.4 million, decreasing 8.5% from 31 December 2024. The decrease was mainly due to a decline in property, plant, and equipment from depreciation and impairment allowance for buildings and machinery, as well as lower inventories and trade receivables, in line with the decrease in raw material prices and selling prices, including inventory damaged from the flooding incident.

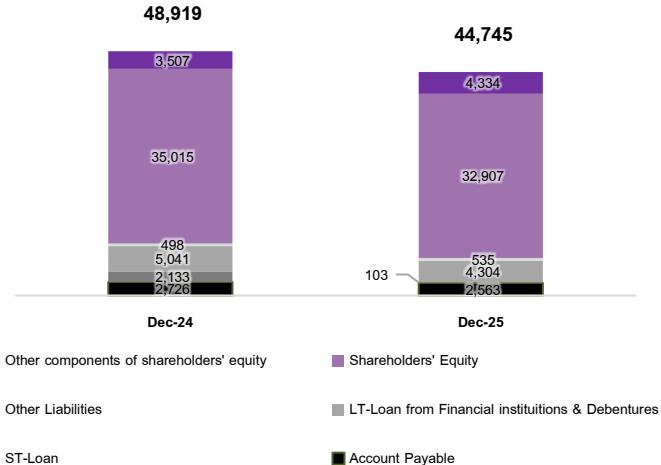
Other current financial assets decreased due to higher investments in non-current financial assets. Total liabilities amounted to THB 7,504.5 million, decreasing 27.8% from 31 December 2024, mainly due to the repayment of short-term borrowings, long-term borrowings, and debentures. Total shareholders' equity amounted to THB 37,241.0 million, decreasing 3.3% from 31 December 2024.

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

For 2025, net cash at the end of the period amounted to THB 2,960.7 million, decreasing by THB 944.6 million, mainly due to the use of cash for repayment of short-term and long-term debt, share repurchases, and dividend payments.

- Net cash provided by operating activities amounted to THB 3,994.6 million, mainly derived from profit from operations of THB 2,940.6 million, together with net working capital improvement of THB 1,084.1 million and interest income of THB 215.6 million, offset by interest expenses of THB 242.4 million and net income tax payments of THB 6.0 million.
- Net cash used in investing activities amounted to THB 91.9 million, mainly from a decrease in other current financial assets of THB 1,510.3 million, offset by cash paid for the purchase of other financial assets of THB 580.3 million, net cash paid for the purchase of property, plant and equipment of THB 861.2 million, and dividend income of THB 23.1 million.
- Net cash used in financing activities amounted to THB 4,784.8 million, mainly due to net repayment of short-term and long-term borrowings of THB 2,208.2 million, dividend payments of THB 1,432.6 million, redemption of debentures of THB 550.0 million, and share repurchases of THB 551.1 million.

Key Financial Ratios

- Interest coverage ratio for 2025 was 11.21 times, slightly decreasing from 11.72 times in the previous year, mainly due to lower EBITDA. Nevertheless, the ratio remained at a high level, reflecting the Company's strong cash flow position and sufficient ability to service interest obligations.
- Current ratio as of 31 December 2025 stood at 2.17 times, improving from 1.94 times as of 31 December 2024. The improvement was mainly due to a decrease in current liabilities at a faster pace than current assets, particularly from lower short-term borrowings, resulting in an overall improvement in liquidity.
- Cash conversion cycle for 2025 was 49.75 days, increasing from 47.74 days in the previous year, mainly due to longer Days Sales Outstanding (DSO) and Days Inventory Outstanding (DIO), despite a longer Days Payables Outstanding (DPO) as well.
- Net interest-bearing debt-to-equity ratio (Net IBD to equity) as of 31 December 2025 was 0.04 times, decreasing from 0.05* times as of 31 December 2024, mainly due to lower short-term borrowings and debentures.

**Note: The calculation includes time deposits with a maturity of over three months as part of short-term investments.*

Business Strategy

- The Company remains committed to continuously reducing production costs by integrating various technologies to enhance manufacturing efficiency and eliminate redundancies, thereby achieving Economies of Scale. Furthermore, the Company is exploring the feasibility of implementing Artificial Intelligence (AI) to optimize machinery performance. This ensures the delivery of high-quality products at sustainable, competitive prices, ultimately generating profits for the Company and strong returns for our shareholders.
- Our unique product mix of NR and NBR, together with our manufacturing flexibility, allows us to seamlessly switch production between Natural Rubber Powder-Free (NRPF) gloves and Nitrile (NBR) gloves. With our strategic plant locations in Thailand, a global hub for premium concentrated latex, the Company is well-positioned to produce high-quality rubber gloves that meet diverse global demand.

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.
- **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 reduce costs and minimize labor dependency throughout the entire production chain, the Company has implemented automation covering raw material preparation, auto-stripping and stacking, and automated packaging, extending to our Smart Warehouse systems. This includes the deployment of SAM (Sri Trang AI Machine) and AI Vision Cameras for quality inspection to enhance precision in quality control, reduce waste, and strengthen our long-term competitive advantage.
- **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 Q4/ 2025, the Company undertook significant ESG activities as follows:

Environmental

- **STGT Promotes "Waste to Value" Concept to Create Social and Economic Impact at the 4th Annual Forum on "Advancing Organizations Toward a Circular Economy for Sustainability.**



STGT shared insights on the Waste to Value and Upcycling approach at a Circular Economy seminar organized by the Department of Primary Industries and Mines in collaboration with the Management System Certification Institute. STGT highlighted its Waste to Value Project, which upcycles used gloves and production residues into practical items for donation, supporting youth development while reducing greenhouse gas emissions.

- **STGT Receives 3 Prestigious National Awards at TSCN Business Partner Conference 2025 and ThaiBev Business Partner Award Ceremony 2025**



The Company has received the SX TSCN Sustainability Award 2025, Business Partners Award (Platinum Level) for the second consecutive year, and the Business Partner of the Year 2025 award, being one of only three companies to receive this award this year, from the TSCN Business Partner Conference 2025 and ThaiBev Business Partner Award Ceremony 2025. Additionally, the Company was invited as a speaker to support and encourage other companies to apply for the program. The awards received reflect the Company's commitment to sustainable business operations covering Environmental, Social, Governance, and Economic (ESG) dimensions, which strengthens the confidence of customers and stakeholders.

Social

- **Sri Trang Group Continues the Commitment to Southern Thailand with a THB 3.5 Million Donation to Hat Yai Hospital, the Thai Red Cross Society, and the Songklanagarind Hospital Foundation**



Sri Trang Group, comprising Sri Trang Agro-Industry Public Company Limited (STA) and Sri Trang Gloves (Thailand) Public Company Limited (STGT), mobilized to assist flood victims in Southern Thailand from November 22-30, 2025, through the following initiatives:

- Donated a total of 3.5 million Baht to Hat Yai Hospital, the Thai Red Cross Society, and the Prince of Songkla University Hospital Foundation.
- Distributed relief bags containing essential consumer goods and daily necessities, such as drinking water and multi-purpose rubber gloves.
- Deployed over 200 employee volunteers and fire trucks to clean up communities, schools, and hospitals across more than 25 locations.
- Established "Sri Trang Kitchen for Victims" and emergency shelters within the Group's facilities for affected employees, providing food, safe accommodation, adequate electricity and sanitation systems, and 24-hour nursing care.

The total value of this short-term assistance exceeds several million Baht, reflecting Sri Trang Group's commitment to caring for its employees and the community as part of the "Sri Trang Family."

Governance & Economic

- **Sri Trang Group' Achieves Excellent CGR Rating, Reflecting Strong Corporate Governance Standards**



Sri Trang Group has been assessed with an "Excellent" (5-star) rating for Corporate Governance by the Thai Institute of Directors (Thai IOD), in collaboration with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). STA has achieved the "Excellent" rating for the 7th consecutive year, while STGT has maintained this top-tier rating for the 4th consecutive year.

- **Sri Trang Group' Receives CAC Change Agent Award Reaffirming Strong Governance, Transparency, and Collaborative Anti-Corruption Commitment**



Sri Trang Group received the "CAC Change Agent Award 2025" from the Thai Private Sector Collective Action Against Corruption (CAC) at the CAC Certification Ceremony. The award is presented to private companies that demonstrate a strong commitment to good governance, transparency, and anti-corruption practices. It also recognizes companies that actively promote integrity within their supply chain by encouraging SME business partners to adopt anti-corruption standards. In particular, the award acknowledges companies that successfully encourage more than 10 partners to sign the anti-corruption declaration within one year. This year marks the third consecutive year that STA has received the award, while STGT received it for the first time.

- STGT Wins “Best Sustainability Awards” at SET Awards 2025

Reaffirming Its Leadership in Advancing Thai Rubber Gloves Toward Global Sustainability Standards



The Company has received the Best Sustainability Awards at the SET Awards 2025 for the first time from the Stock Exchange of Thailand, marking a significant one-level upgrade from the previous year. Furthermore, the Company has achieved the highest 'AAA' rating in the SET ESG Ratings 2025 within the Consumer Products category for the 3rd consecutive year. These achievements reinforce our position as a listed company committed to sustainable business operations, integrating environmental stewardship, social responsibility, and good corporate governance (ESG) practices.



4Q25 & FY25 Key Financial Information (unit: THB million)

	4Q25	3Q25	%QoQ	4Q24	%YoY	2025	2024	%YoY
Volume (in million pcs.)	8,758.6	10,061.3	-12.9%	10,435.5	-16.1%	37,102.2	38,548.8	-3.8%
Sales revenue	5,267.7	6,079.5	-13.4%	6,773.0	-22.2%	23,890.3	25,002.1	-4.4%
COGS	(4,890.5)	(5,643.4)	-13.3%	(6,218.1)	-21.4%	(21,709.7)	(22,832.8)	-4.9%
Gross profit	377.2	436.1	-13.5%	554.8	-32.0%	2,180.6	2,169.4	0.5%
Other income	128.6	43.6	195.3%	526.4	-75.6%	259.7	634.3	-59.1%
SG&A	(1,115.8)	(510.7)	118.5%	(502.1)	122.2%	(2,472.5)	(1,733.2)	42.7%
Gain (loss) on exchange rate, net	(54.5)	(14.3)	281.7%	122.4	NM	(194.3)	(64.7)	200.4%
Other gain (loss), net	55.8	(86.5)	NM	(103.6)	NM	60.1	55.1	NM
Operating profit (loss)	(608.7)	(131.8)	361.9%	597.9	NM	(166.4)	1,060.9	NM
EBITDA	227.8	566.5	-59.8%	1,226.9	-81.4%	2,640.3	3,416.9	-22.7%
EBIT	(583.9)	(93.0)	527.6%	659.9	NM	0.1	1,371.4	-100.0%
Finance income	24.8	38.7	-36.0%	62.0	-60.0%	166.4	310.6	-46.4%
Finance costs	(49.0)	(57.1)	-14.2%	(70.7)	-30.7%	(235.4)	(291.5)	-19.2%
EBT	(632.9)	(150.1)	321.6%	589.2	NM	(235.4)	1,079.9	NM
Tax	129.0	44.1	192.8%	(32.5)	NM	126.8	(84.6)	NM
Net profit/ (Loss)	(503.8)	(106.0)	375.1%	556.7	NM	(108.6)	995.3	NM
GP margin	7.2%	7.2%	-0.2%	8.2%	-1.0%	9.1%	8.7%	0.5%
EBITDA margin	4.3%	9.3%	-53.6%	18.1%	-13.8%	11.1%	13.7%	-2.6%
Net profit margin	-9.6%	-1.7%	448.4%	8.2%	-17.8%	-0.5%	4.0%	-4.4%
Financial Ratio								
Current ratio	2.17	2.40	-9.6%	1.94	12.3%	2.17	1.94	12.3%
Cash cycle (days)	50.56	50.78	-0.4%	47.95	5.5%	49.75	47.74	4.2%
Net IBD/E	0.04	0.03	28.4%	0.05	-18.8%	0.04	0.05	-15.1%
Interest coverage ratio	4.65	9.92	-53.1%	8.59	-45.9%	11.21	11.72	-4.3%
ROA	-4.4%	-0.9%	392.5%	4.5%	-195.9%	-0.2%	2.1%	-111.1%
ROE	-5.4%	-1.1%	390.9%	5.8%	-193.1%	-0.3%	2.6%	-110.9%

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 175 countries worldwide. As of 31 December 2025, STGT employed around 8,955 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

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