



SRI TRANG
GLOVES THAILAND

「Touch Of Life™」

STGT

Opportunity Day:
4Q20 and FY20 Presentation

8 March 2021

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Section 1: Company Overview

A small, stylized white icon of a person holding a graduation cap, located in the bottom right corner of the purple header bar.

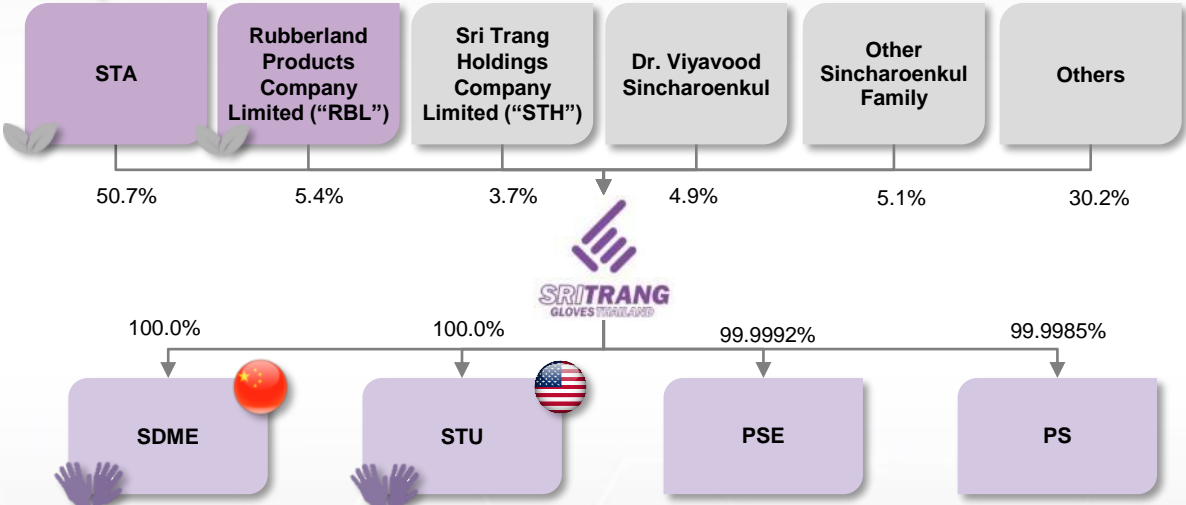
STGT At Glance

STGT's total installed capacity approx. 33,000 million pieces per annum is considered world's #3 rubber gloves manufacturer

Variation of Products

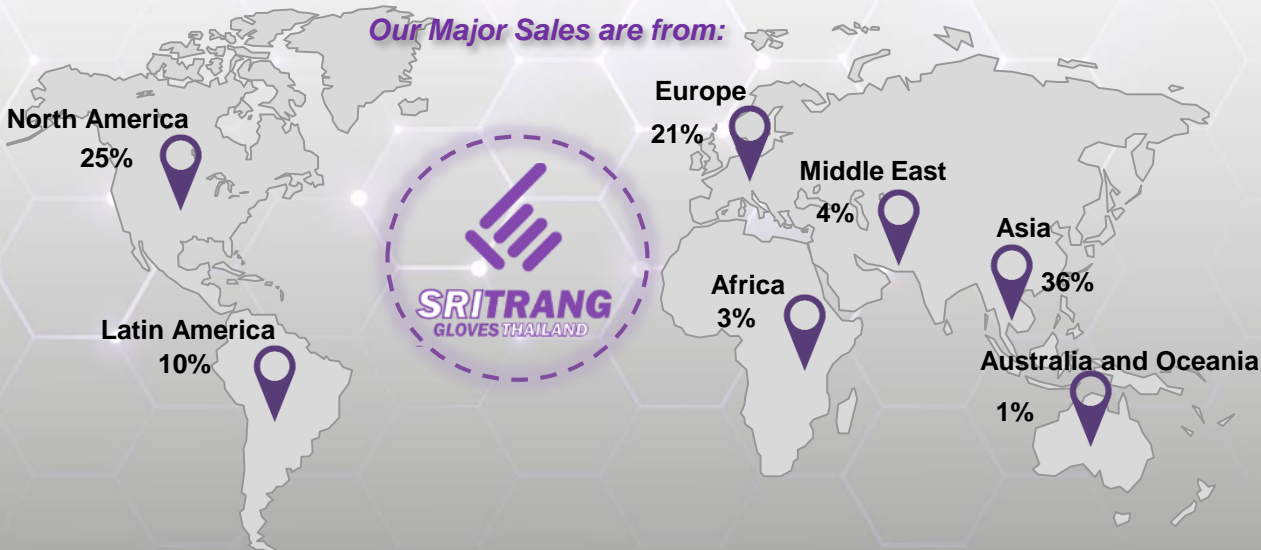


Group Structure



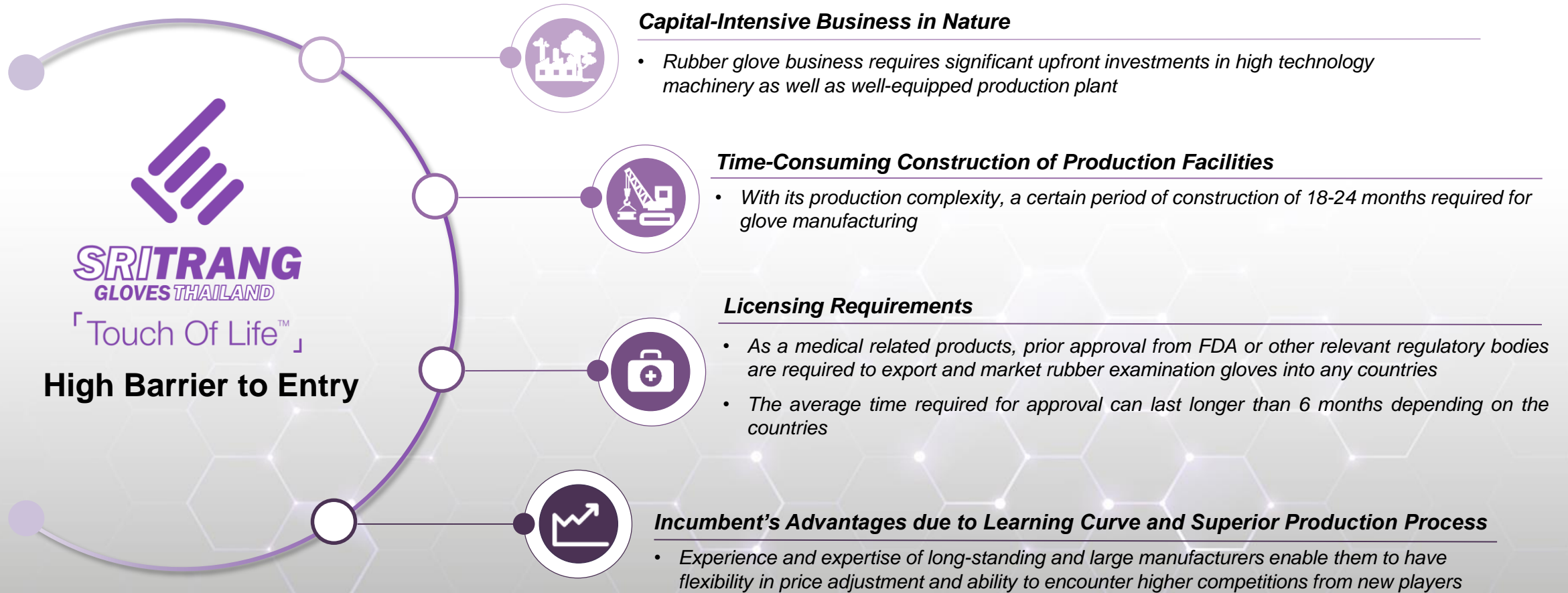
STGT's Touch of Life Product Presence: More than 140 Countries in Every Continents since the Establishment until Present

Our Major Sales are from:



Key Investment Highlights (cont'd)

Advantage from High Barrier to Entry



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Section 2: Financial Highlights

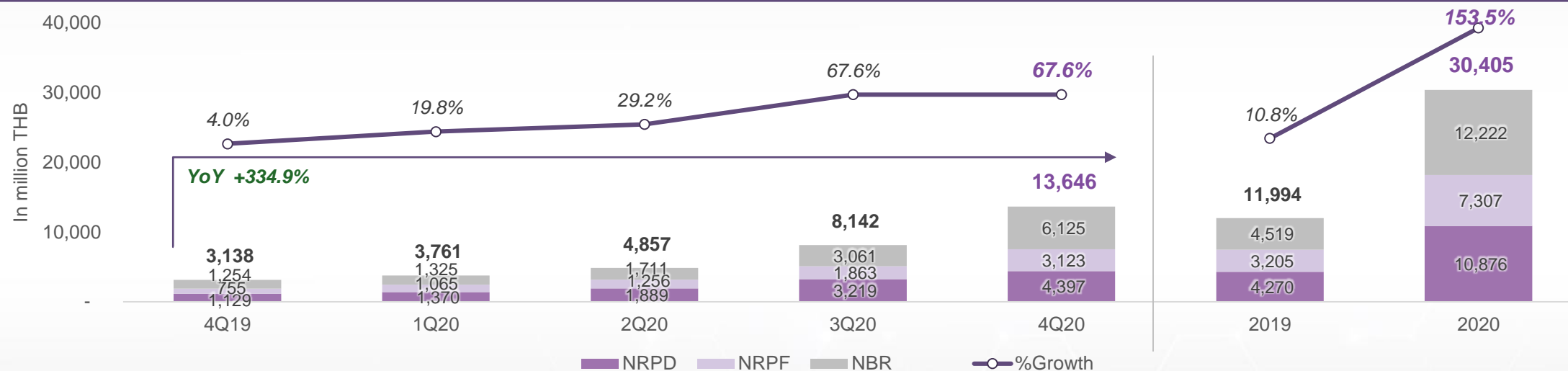
A small, stylized white icon of a plant or tree is located in the bottom right corner of the purple header bar.

STGT's Financial Highlights

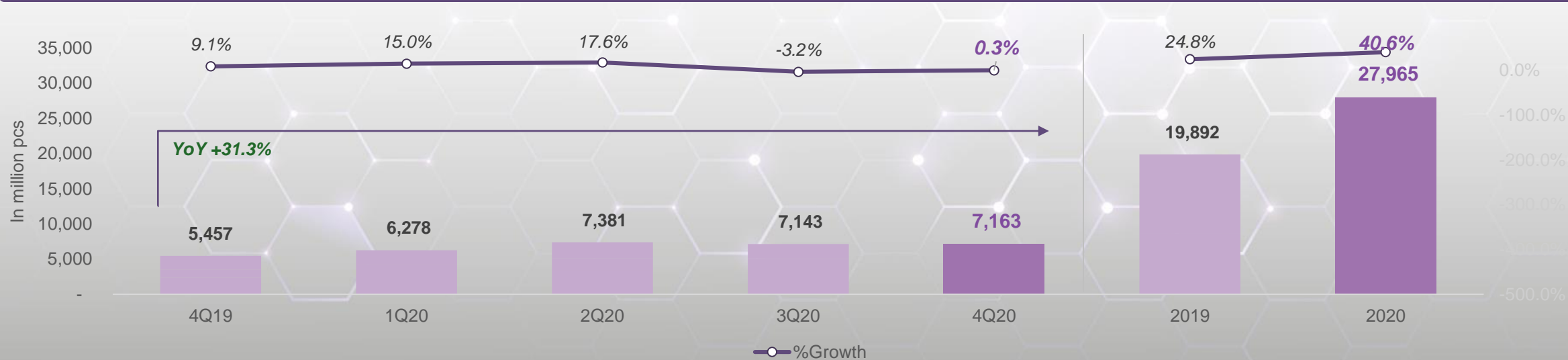


All Time High Sales Revenue

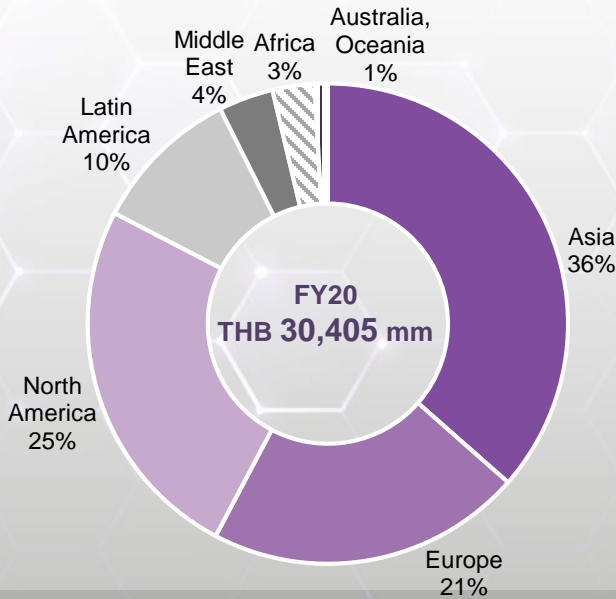
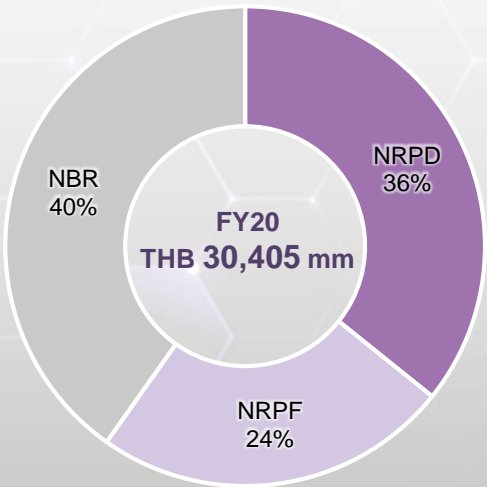
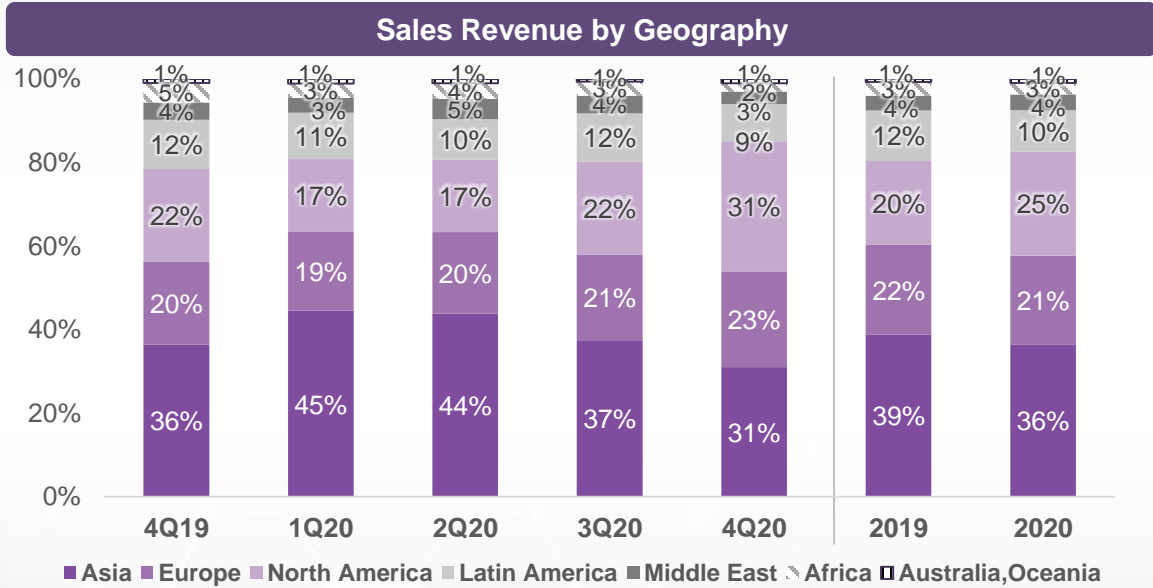
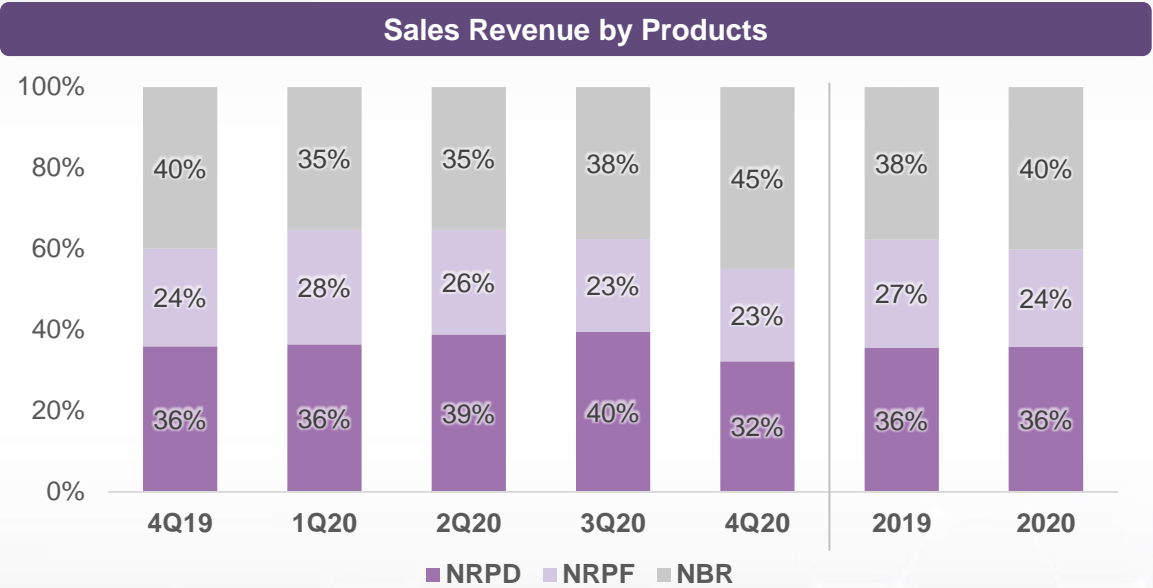
Sales Revenue and Sales Growth



Sales Volume and Volume Growth

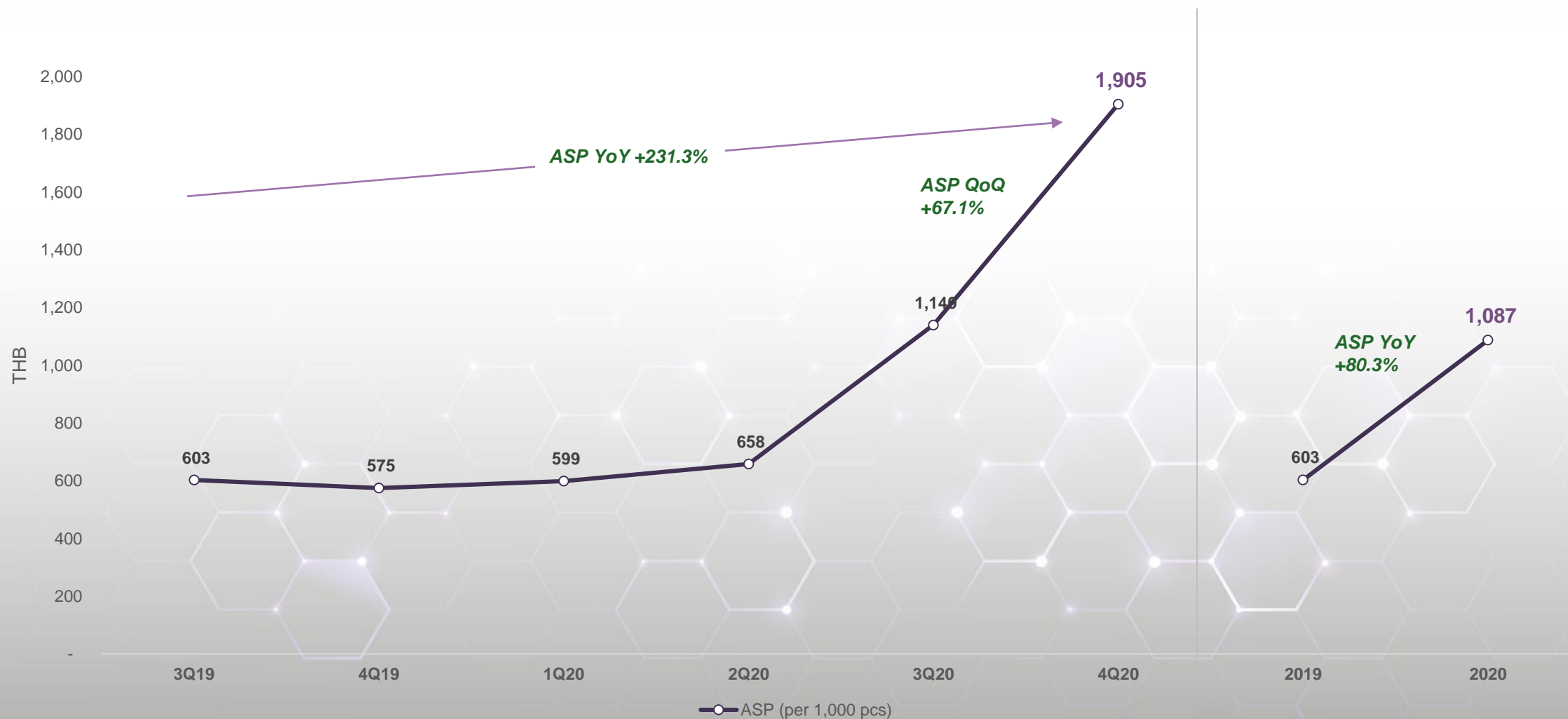


Sales Revenue Breakdown



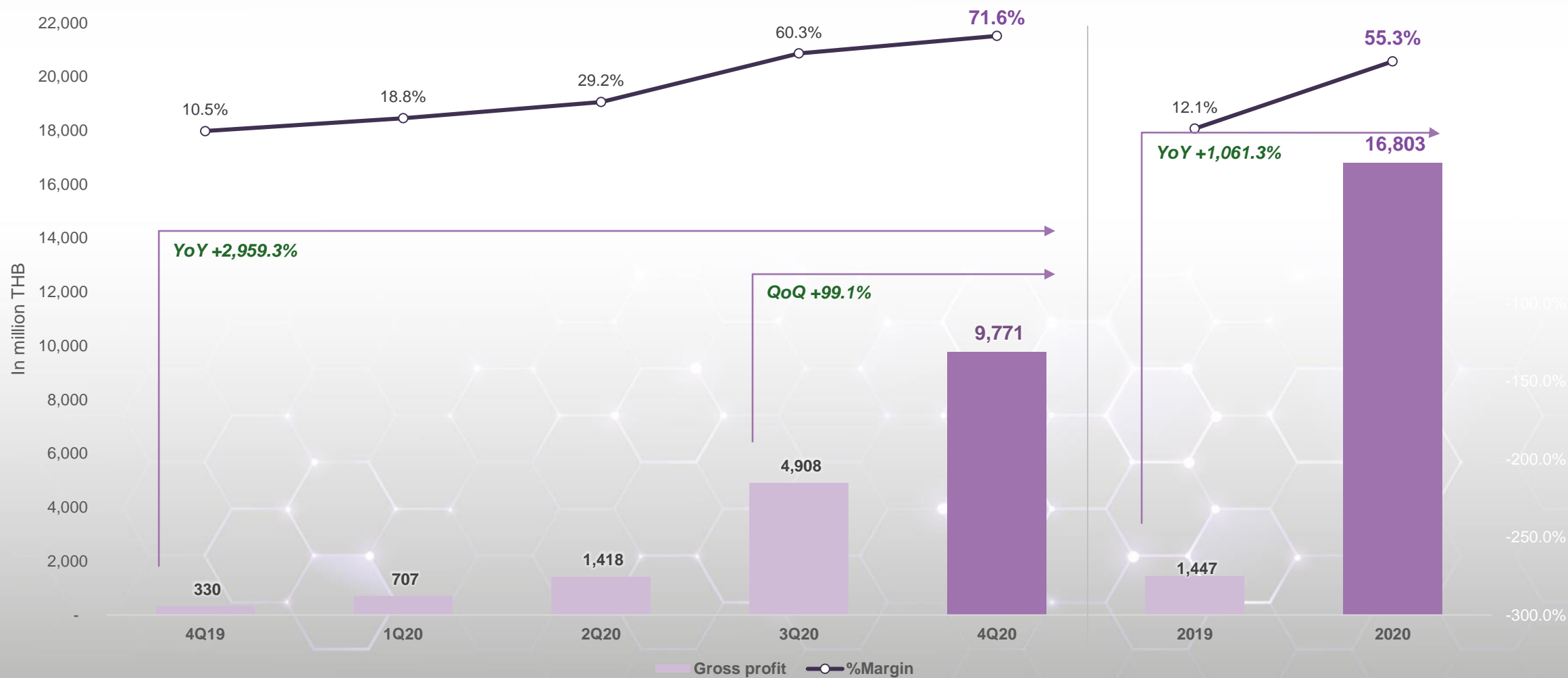
Continued Increase in ASP

Average Selling Price and Costs per 1,000 Pieces



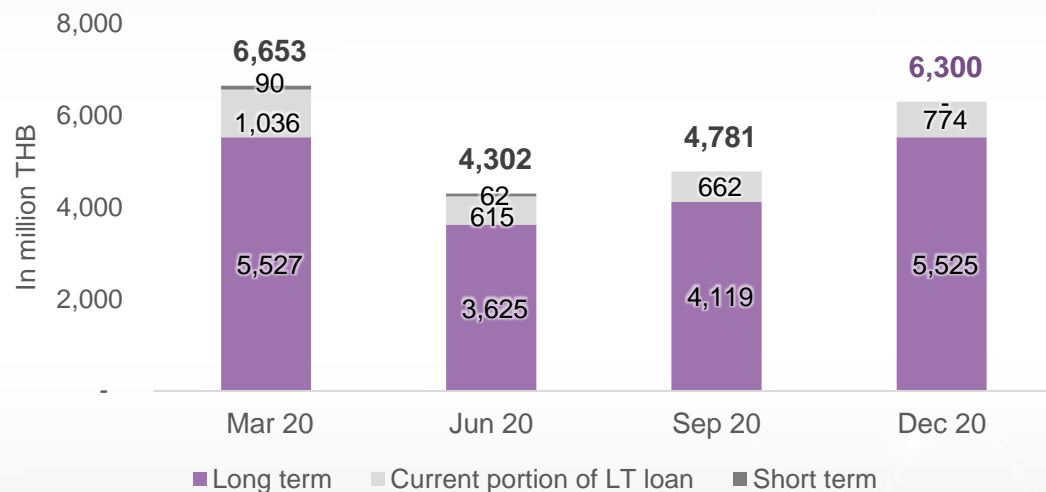
1,061% Growth in Gross Profit

Gross Profit and Gross Profit Margin

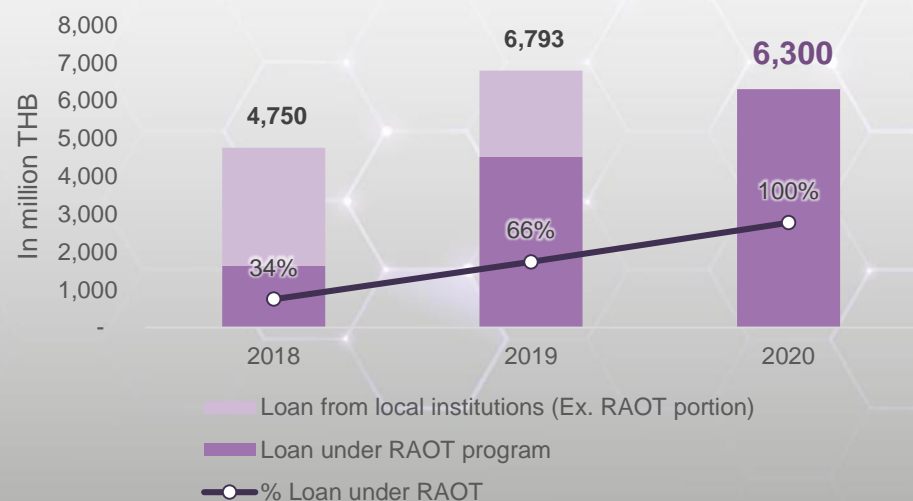


Low Interest Expenses

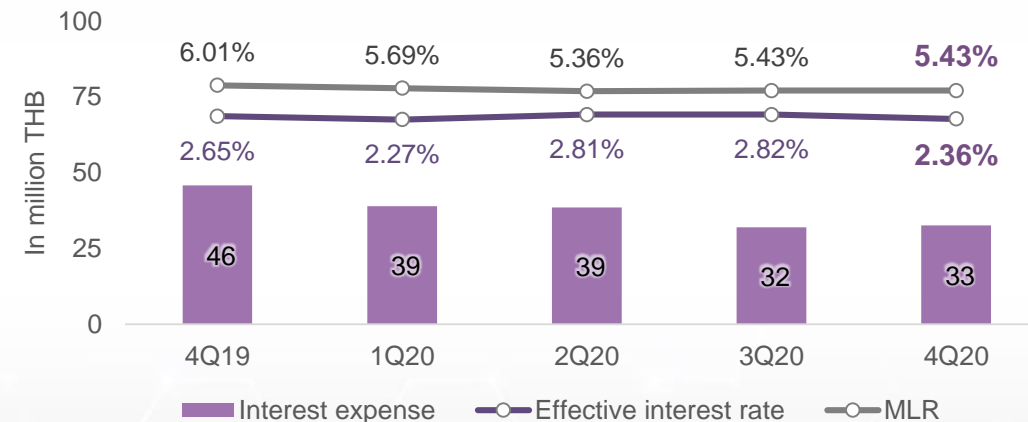
Short Term & Long Term Loan



Loan under RAOT Subsidy Scheme



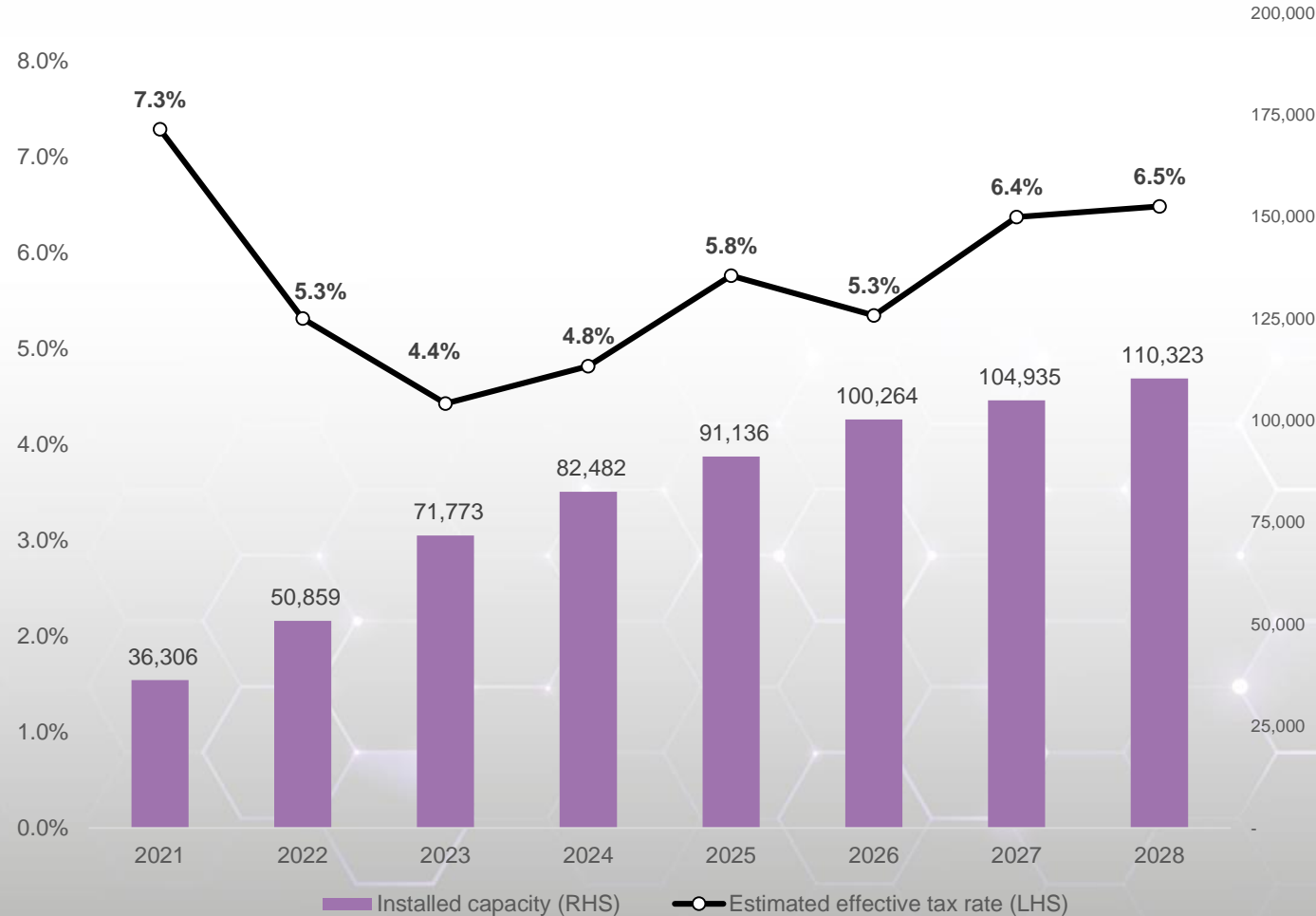
Interest Expense



- **We have benefited from RAOT subsidy scheme for the interest paid to the banks at the rate of 3% which will last till 2026.**
- **In 3Q20, we received the subsidy refund for an amount of THB 78.6 million.**
- **Ultimately, our expansion is financed by *interest-free loans*.**
- **Going forward, 100% of our term-loan will be under RAOT interest subsidy scheme.**

Estimated Effective Tax Rate

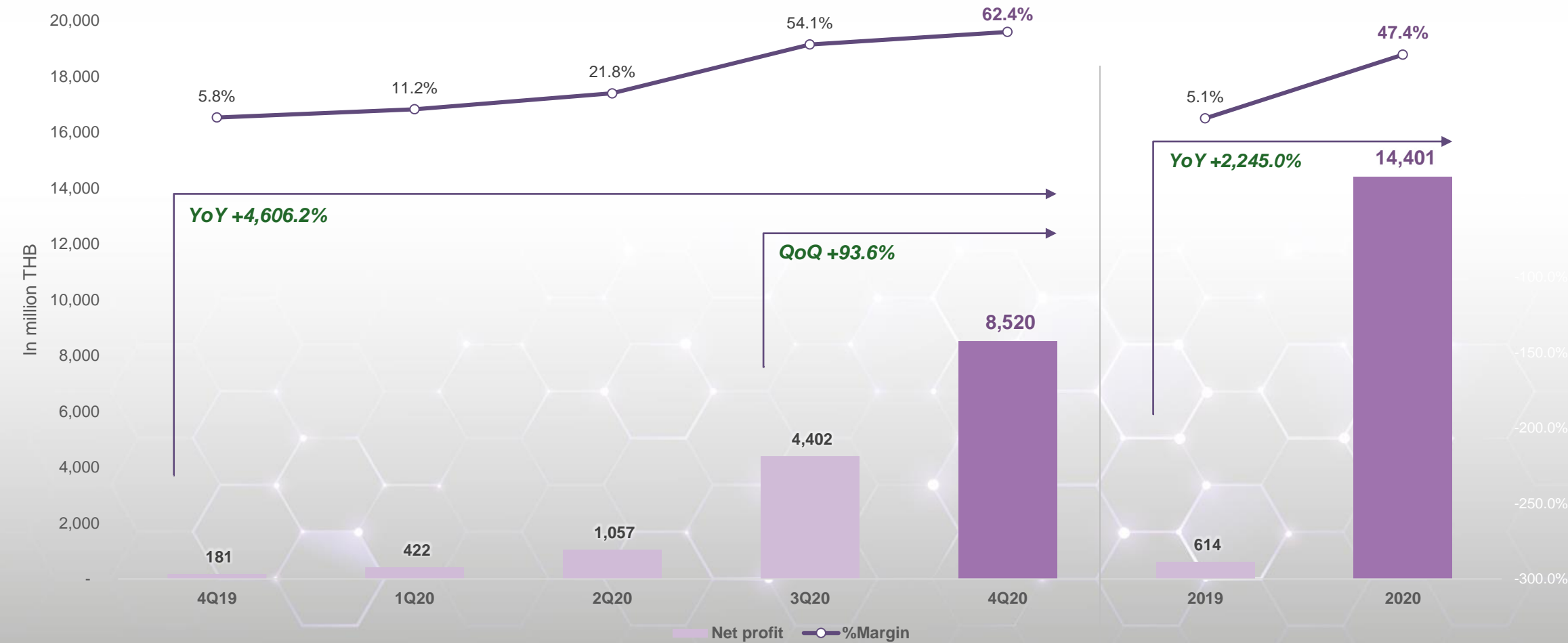
Estimated Effective Tax Rate 2021 - 2026



- **Effective tax rate in 2020 was 9.7%.**
- **With new committed investment in the future, our effective tax rate will remain at single digit.**
- **Thanks to tax heaven scheme from the Board of Investment in Thailand (BOI) for the 5-8 years tax free for new investment.**

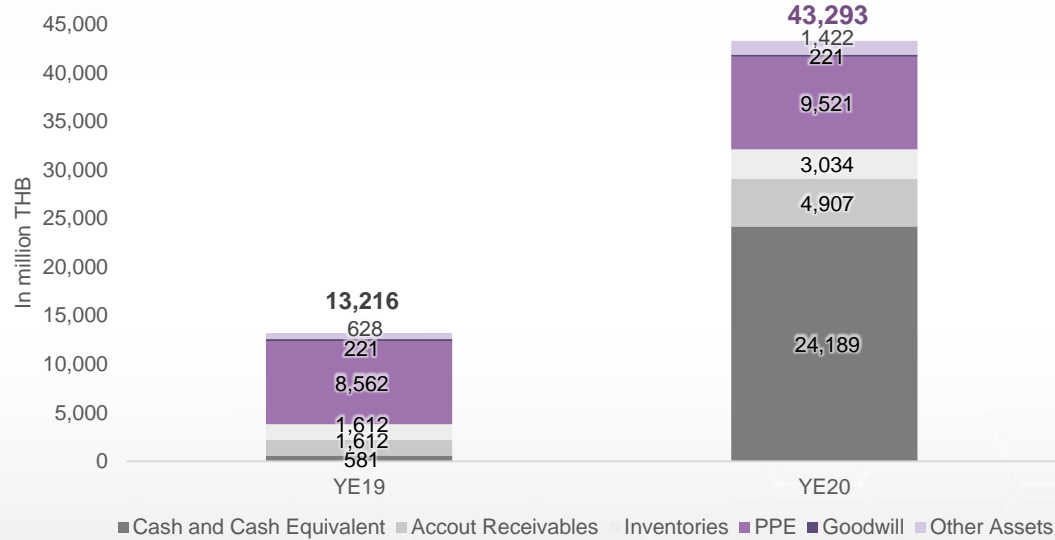
Record Breaking of Net Profit with 2,245% Growth

Net profit and Net profit Margin

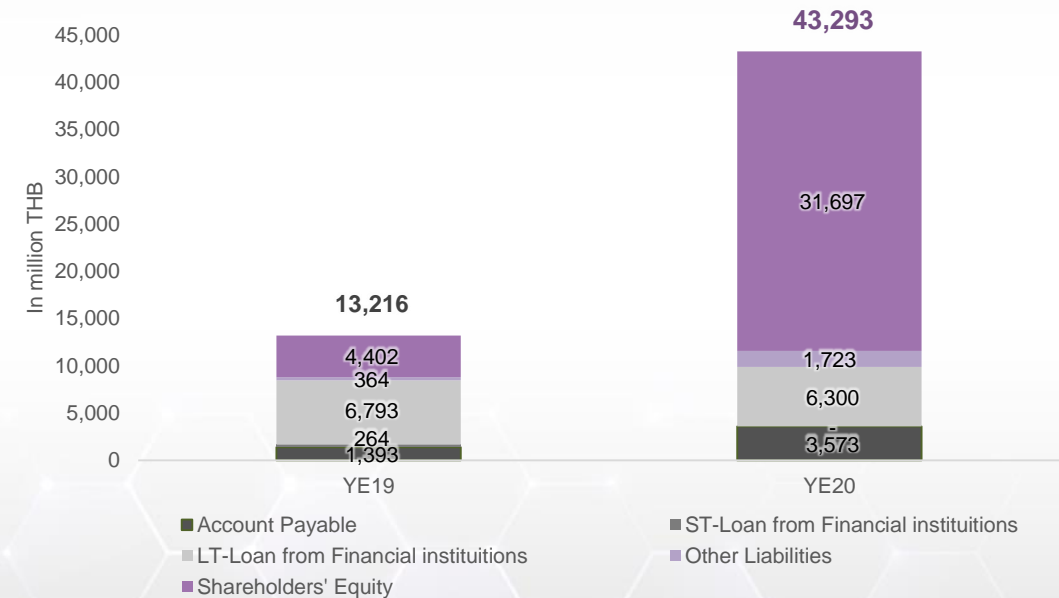


Strongest Ever Balance Sheets

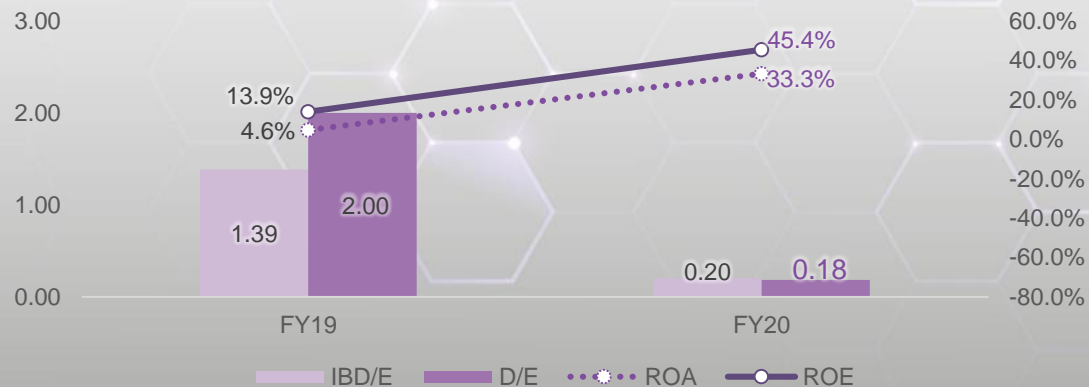
Asset



Liabilities and Shareholders' Equity



Key Financial Ratios



- **Strong balance sheet from shorter cash cycles and lower debt leverage**
- **IBD/E Ratio was 0.20x in 2020 significantly decrease from 1.39x in 2019 due to prepayment of the loan, the increase in funds from IPO and escalated net profit.**

FY2020 Financial Highlights

(In million THB)	4Q20	4Q19	%YoY	3Q20	%QoQ	FY20	FY19	%YoY
Volume (in million pcs)	7,162.9	5,457.4	31.3%	7,143.3	0.3%	27,964.8	19,891.9	40.6%
Sales Revenue	13,645.7	3,137.8	334.9%	8,142.1	67.6%	30,405.1	11,994.1	153.5%
COGS	(3,874.5)	(2,807.6)	38.0%	(3,234.6)	19.8%	(13,602.3)	(10,555.5)	28.9%
Gross profit	9,771.2	330.2	2859.3%	4,907.5	99.1%	16,802.8	1,438.7	1067.9%
Other income	80.2	83.7	-4.1%	120.7	-33.5%	248.1	140.3	76.9%
SG&A	(420.1)	(201.8)	108.2%	(235.9)	78.1%	(1,100.3)	(725.4)	51.7%
Gain (loss) on exchange rate, net	(10.4)	28.5	N/A	139.2	N/A	161.3	48.0	236.0%
Other gains, net	92.1	10.8	751.8%	(108.8)	N/A	(62.4)	5.3	N/A
Operating profit (loss)	9,512.9	251.3	3684.9%	4,822.8	97.3%	16,049.4	906.8	1669.8%
EBITDA	9,833.8	458.6	2044.2%	5,120.2	92.1%	17,160.4	1,707.7	904.9%
EBIT	9,542.1	254.1	3655.7%	4,831.7	97.5%	16,088.6	912.1	1663.9%
Finance income	29.2	2.7	968.0%	8.9	227.7%	39.2	5.3	640.2%
Finance costs	(32.6)	(45.9)	-28.9%	(32.0)	1.9%	(142.2)	(194.3)	-26.8%
EBT	9,509.4	208.2	4467.2%	4,799.6	98.1%	15,946.5	717.9	2121.4%
Tax	(989.2)	(27.2)	3541.2%	(397.7)	148.7%	(1,545.6)	(103.9)	1386.9%
Net profit	8,520.3	181.0	4606.2%	4,401.9	93.6%	14,400.9	613.9	2,245.8%
GP margin	71.6%	10.5%	61.1%	60.3%	11.3%	55.3%	12.0%	43.3%
EBITDA margin	72.1%	14.6%	57.4%	62.9%	9.2%	56.4%	14.2%	42.2%
Net profit margin	62.4%	5.8%	56.7%	54.1%	8.4%	47.4%	5.1%	42.2%
Financial Ratio								
Current ratio	5.7	1.6	265.8%	6.01	-5.4%	5.7	1.6	265.8%
Cash cycle (days)	27.5	41.5	-33.8%	26.4	4.0%	34.6	40.6	-14.8%
IBD/E	0.2	1.6	-87.6%	0.2	3.6%	0.2	1.6	-87.6%
Interest coverage ratio	292.5	5.5	5178.7%	150.9	93.8%	113.2	4.7	2,310.5%
ROA	78.1%	5.4%	72.6%	53.1%	25.0%	33.3%	4.6%	28.6%
ROE	106.6%	16.3%	90.3%	69.9%	36.7%	45.4%	13.9%	31.5%

Change in Dividend Policy

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

Previous	Current
At least 30 percent of its net profit based on the Company's separate financial statements	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 interim dividend payments** for the year 2021.*



2 Baht/Share

Record Date	16 April 2021 [last day that shareholders are entitled to receive the dividend is 9 April 2021]
Payment Date	28 April 2021

The Secondary Listing on the Singapore Stock Exchange (SGX)



Introduction

- 1 STGT is planning to do a secondary listing on Singapore Stock Exchange (“SGX”) without any offering of new shares and fund raising on the SGX.
- 2 Maintain its primary listing on the SET and secondary listing on the SGX. Shares of STGT will be able to transferred cross border between two markets



Benefits

- 1 Access to a Wide Pool of Global Investors and Asian Wealth
- 2 Easy Access to Another Pool of Investors in Capital Markets
- 3 Raise Company’s Profile and Visibility

Targeted to be completed by April 2021

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Section 3: Market Situations



Examination Gloves Are Needed for Vaccine Injection

HEALTH AND SCIENCE

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



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

New COVID variant with 5 mutations identified in California



CIDRAP Center for Infectious Disease Research and Policy

New Variants of the Virus that Causes COVID-19

Updated Feb. 2, 2021



Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™



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

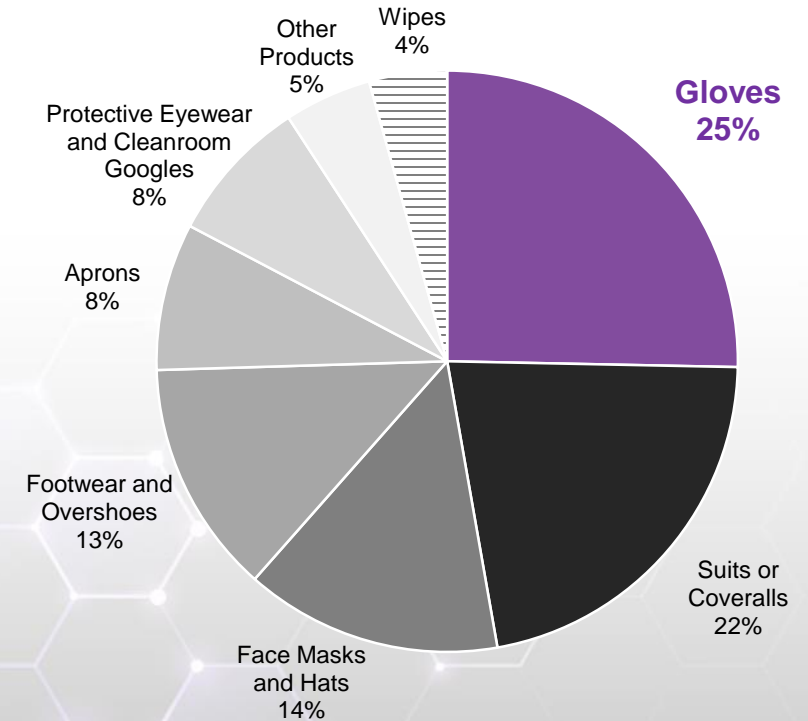
Bloomberg

AstraZeneca vaccine cannot stop the South African mutation

February 8, 2021



Global Market Share in PPE Product in 2018



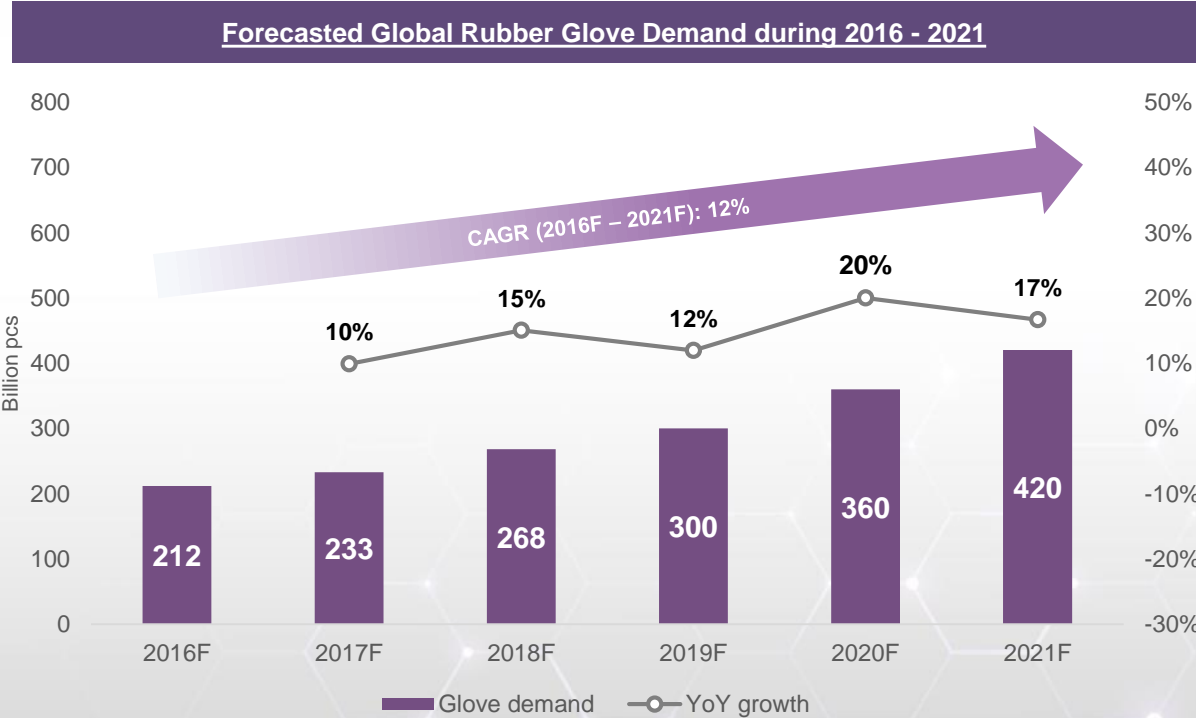
“1/4 of PPE Spending come to Glove Sector”

Source: Mordor Intelligence 2020, adb and Company

Gloves are Necessities in Our Daily Lives & in Various Industries



Global Rubber Glove Demand

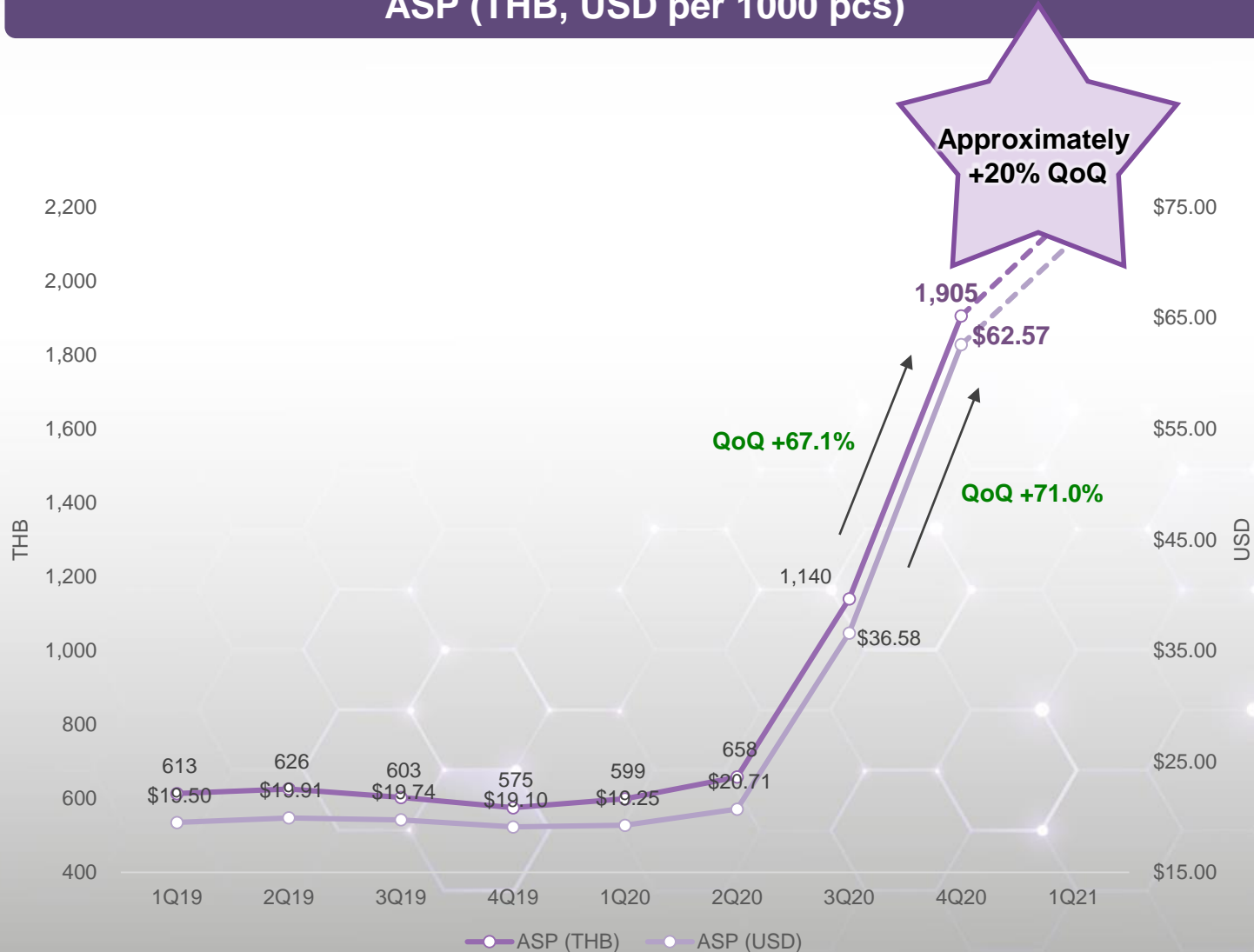


Global Glove Supply is Limited



Demand Remains Solid and Prices Adjustment Continues

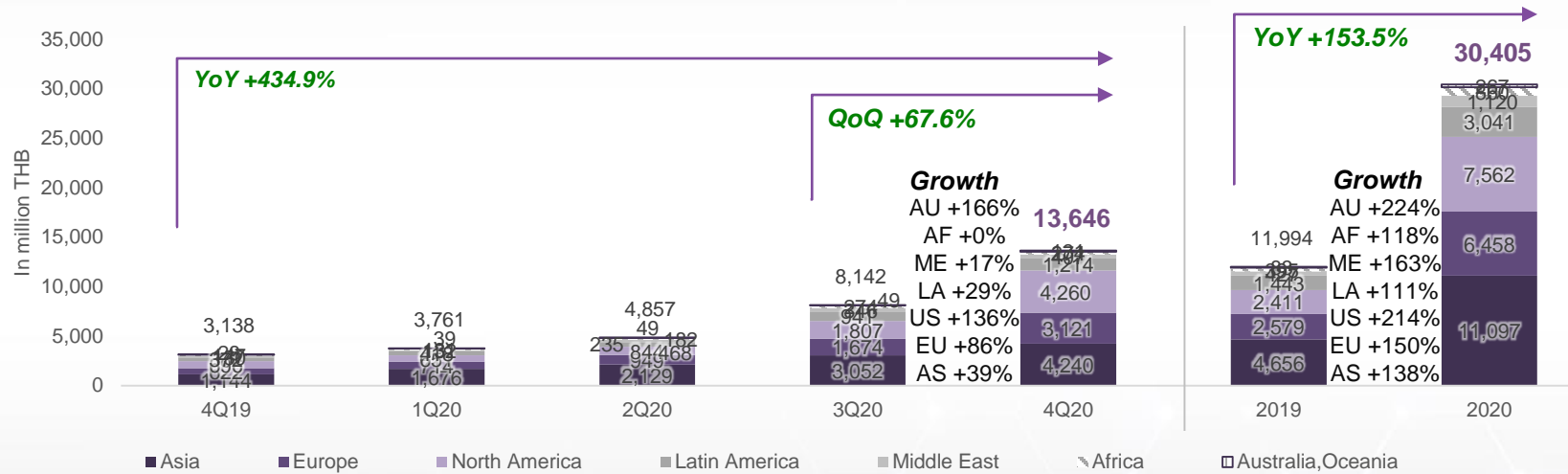
ASP (THB, USD per 1000 pcs)



- **Negligible gap of spot price and normal selling.**
- **ASP is in a reflection of strong demand and continual price increase.**
- **Price adjustment across product type remain intact. 4Q20 ASP grew at 67.1% QoQ was smoothly delivered. Further prices increase remains at least till 2021**

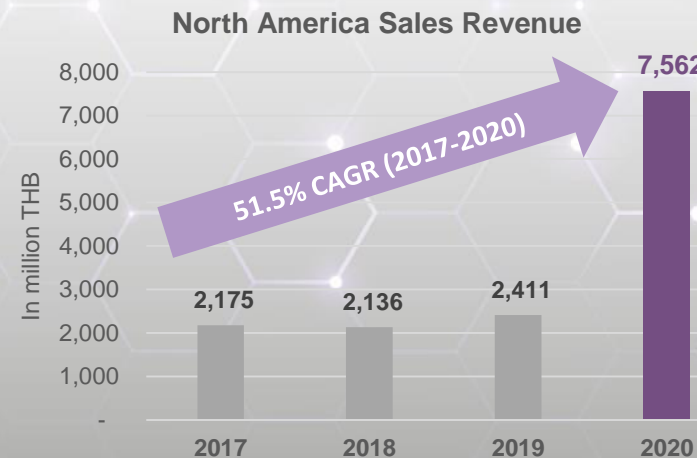
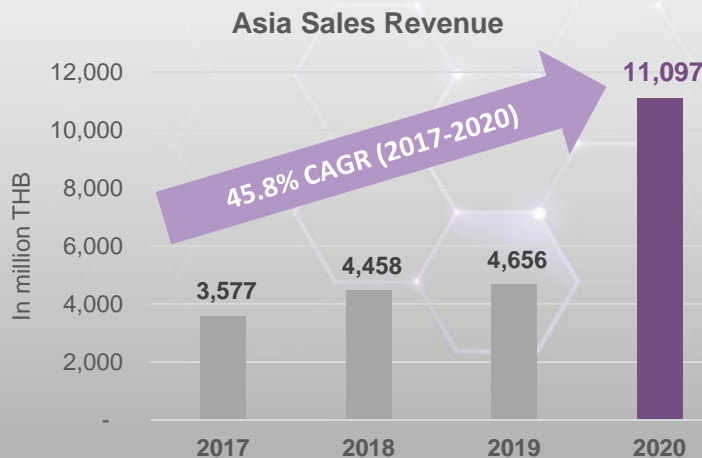
Key Investment Highlights

Sales Revenue by Region



- **QoQ sales growth is intensified with hotspot regions of Covid-19.**
- **Higher % of geography breakdown to US and EU (where the gloves are in deep shortage).**
- **Prices increased and continue to increase across all types of gloves.**

High Growth Region



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Section 4: Business Update

A small, stylized icon of a graduation cap (mortarboard) with a tassel, located in the bottom right corner of the slide.

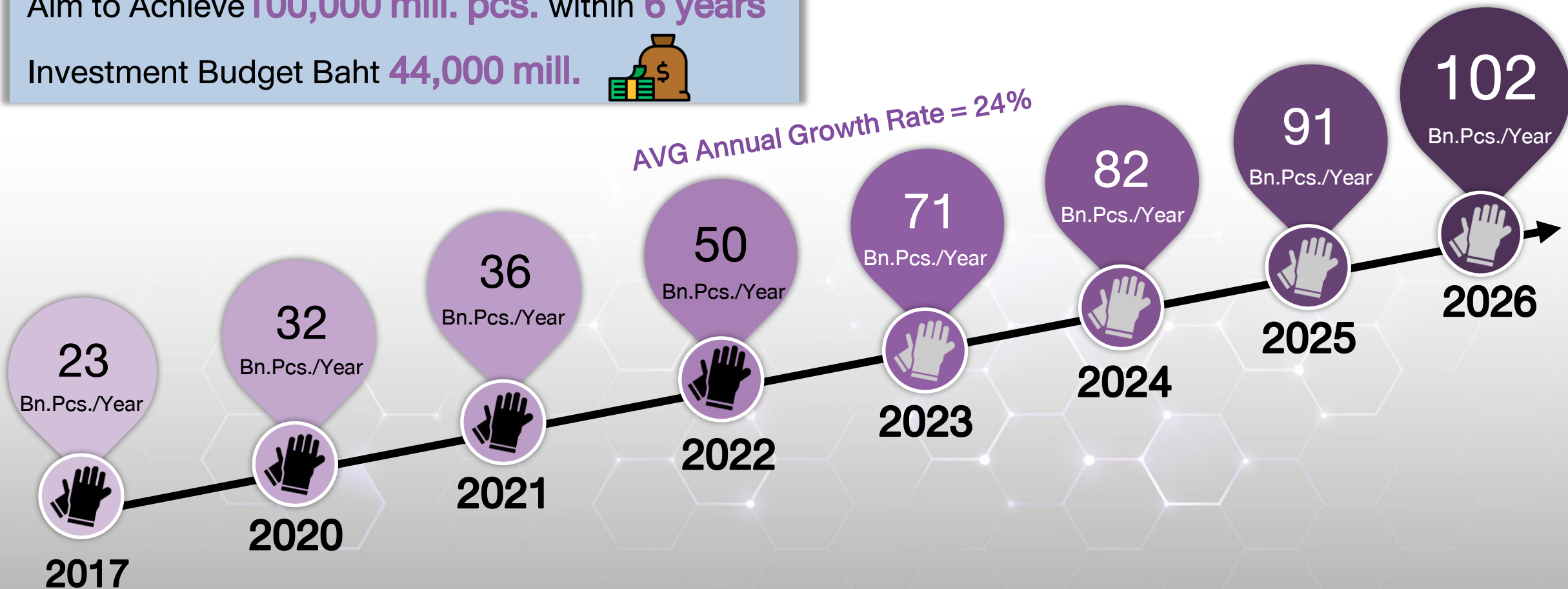
Aggressive Capacity Expansion Plan

from more than 30 years in rubber glove industry

Target to Expand **3 Times** of Installed Capacity

Aim to Achieve **100,000 mill. pcs.** within **6 years**

Investment Budget Baht **44,000 mill.**



Strategic Location for Key Suppliers and Tax Privileges

Strategic Location for Key Suppliers and Tax Privileges

New

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

Tax exemption:
5 Years

Trang Plant

3



Installed Capacity ⁽¹⁾	9,953 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

3 Production Facilities
Total Installed Capacity of
32,619 mm pieces per year



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⁾	5,625 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⁾	17,041 mm pieces per year
Main Raw Material	Concentrated Latex / Synthetic Rubber Latex

Total Installed Capacity of
50 bn pieces annum in 2022








Total Installed Capacity of
80 bn pieces annum in 2024



Total Installed Capacity of
100 bn pieces annum in 2026

Note: (1) Installed capacity as of 31 December 2020

Updated the Fire Incident at Surat Thani Plant 2

-  **Impacted area:** extension lines of Surat Thani Plant 2
-  **Expected loss:** 50 -100 million THB (which is fully covered by insurance)
-  **Impacted production volumes:** 200 million pieces per year
-  **Recovery period:** in the next 2-3 months
-  **This fire incident does not affect the expansion projects at any other locations.**

In 2021, there will be additional 4 plants starting commercial run as below:

Surat Thani Plant 2		Surat Thani Plant 3		Sadao PS Plant		Trang Plant 3	
Expected Commercial Run	1Q21	Expected Commercial Run	2Q21	Expected Commercial Run	3Q21	Expected Commercial Run	4Q21
Installed Capacity	2,177 mm pieces/year	Installed Capacity	3,992 mm pieces /year	Installed Capacity	2,903 mm pieces/ year	Installed Capacity	3,110 mm pieces/ year

Launching New Products by 2H2021

Opportunity of Latex Glove **is Back!**

Before 2010

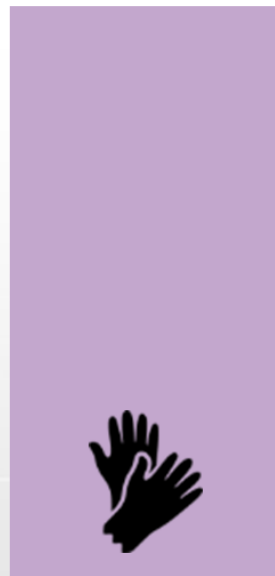
After 2010



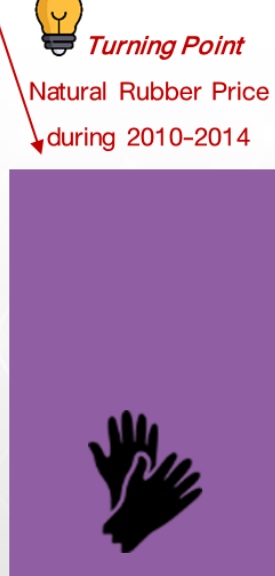
Nitrile Glove



Latex Glove



Nitrile Glove



Latex Glove



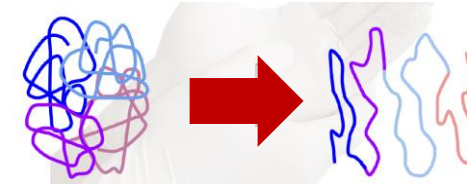
Turning Point

Natural Rubber Price
during 2010-2014



STGT's New Product = **Game Changer**

Change in molecule of the protein in natural rubber



- + Latex Glove **with no protein allergy**
- + Latex Glove is biodegradable faster than Nitrile Glove **100 times**
- + Latex Glove is **low carbon product** as it's made from natural based raw material comparing to Nitrile Glove which is petroleum based raw material.
- + Latex Glove made from natural raw material causing **lower pollution**
- + Latex Glove is **cheaper comparing to Nitrile Glove**.
- + Latex Glove helps **increase the rubber consumption in Thailand** encouraging income distribution to Thai rubber farmers.



Best in Class Workforce Treatment

BSCI Rating as of July 2020



Audit Details

Audit Range :	<input checked="" type="checkbox"/> Full Audit	<input type="checkbox"/> Follow-up Audit	
Audit Scope :	<input checked="" type="checkbox"/> Main Auditee	<input type="checkbox"/> Main Auditee & Farms	
Audit Environment :	<input checked="" type="checkbox"/> Industrial	<input type="checkbox"/> Agricultural	<input type="checkbox"/> Small Producer
Audit Announcement :	<input checked="" type="checkbox"/> Fully-Announced	<input type="checkbox"/> Fully-Unannounced	<input type="checkbox"/> Semi-Announced
Random Unannounced Check (RUC) :	No		
Audit extent (if applicable) :	none		
Audit interferences or contingencies (if applicable) :	none		
Overall rating :	A		
Need of follow-up :		If YES, by :	

Rating per Performance Area (PA)

PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
A	A	A	A	A	A	A	A	A	A	A	A	A

TG: Most updated rating done in Oct 2020 as overall “A” rating

HY: Most updated rating done in Jul 2020 as overall “A” rating

SR: Most updated rating done in Jul 2019 as overall “B” rating

- ***We have been scored and ranked by highly reputable accredited social auditing “BSCI” as a highest rating of “A” in all aspects.***
- ***Our workforce is well balanced at local:foreign workers 55:45***
- ***We have treated our workforce with full compliance with laws and regulations.***
- ***We have never experienced having a forced labor issue with any regulators or customers worldwide.***

Our Pride of Awards and Industry Recognition

Prime Minister
Industry award 2018, 2020

THAI FDA
Quality award 2020
(Best of the Best)



Environmental
law on waste water (Gold level)

**Empowering Persons
with Disabilities**
and Ensuring Inclusiveness and
Equality Award, 2017, 2018, 2019, 2020

Prime Minister
Best Exporter award 2018

**CSR-DIW
Continuous**
Award 2018, 2019

CSR-DIW
Award 2016, 2020

FSC™
CoC

Outstanding
social activities Year 2020

THAI FDA
Quality award
2019, 2018, 2017, 2016,
2014, 2011, 2010, 2009





***S*RITRANG**
GLOVES THAILAND

「Thank you very much」

Investor Relation

Call: +66 2207 4500 Ext. 1404 | **Email:** stgt_ir@sritranggroup.com | **Website:** www.sritranggloves.com