

## Financial Result Overview

**Quarterly profit of THB 4,532.8 million and dividend of THB 1.25 per share in December, with distinctive business strategy**

With continuing robust global demand and as production fully resumed at our Trang and Surat Thani plants, sales volume in 3Q21 increased to 7,076 million pieces, partially offsetting the decline in ASP. Our revenue came in at THB 10,864.0 million in 3Q21, growing 32.6% YoY but decreasing 16.2% QoQ. **We recorded a net profit THB 4,532.8 million or THB 1.58 per share, with a net profit margin of 41.7%. The Board of Directors has approved a quarterly dividend of THB 1.25 per share in 3Q21. The ex-dividend date will be 19-22 November 2021 and payment will be made on 7 December 2021.**

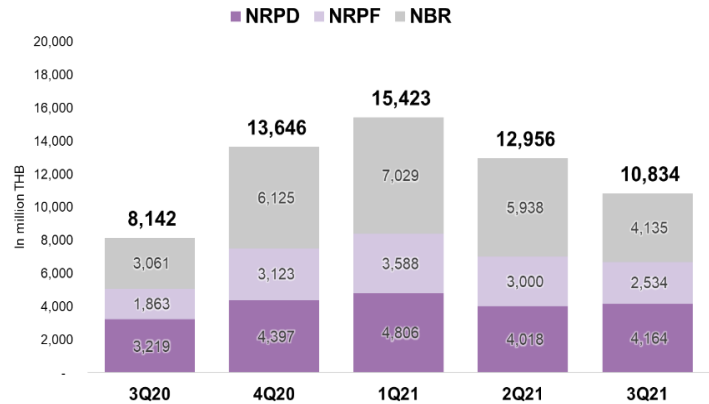
Our strategy going forward will be focused on: **1) a commitment to capacity expansion**, to reach 50 billion pieces and 80 billion pieces in installed production capacity within 2022 and 2024, respectively; **2) the flexibility of production lines** that interchangeably between latex and nitrile gloves, to maintain an optimum product mix that best responds to market demand; **3) a continuing effort to increase market share**, from currently 170 countries to over 190 countries within the next 3 years; **4) production efficiency improvement**, from currently 2.17 persons per 1 million pieces to 1.65 persons in 2024 and 1 person in 2026; and **5) the development of new types of latex gloves**, which are biodegradable, that will respond to a variety of customer demand, reinforcing our advantage in latex glove production with secure access to quality NR latex. Most recently, our "CWCG" (Clean World Clean Glove), i.e., latex powder-free gloves with no detectable protein allergen, received various test certificates from labs in Europe and the US.

**Revenue growing YoY but decreasing QoQ with higher sales volume partially offsetting lower ASP**

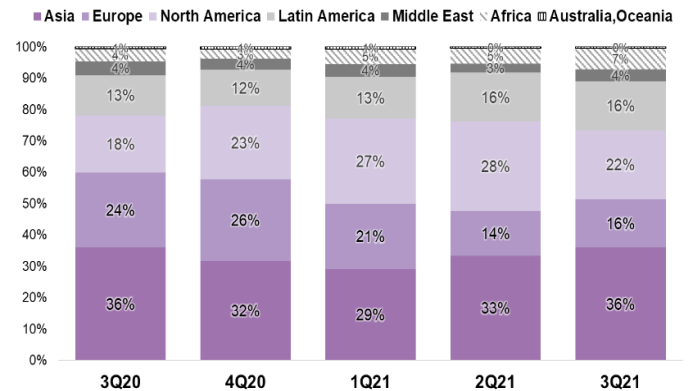
Sales revenue in 3Q21 was THB 10,864.0 million, growing 32.6% YoY but declining 16.2% QoQ. The YoY growth in revenue resulted from the ASP that increased YoY, while the QoQ decrease in revenue resulted from the ASP that went down 32.5% QoQ to THB 1,531 (USD 46.7)



Gloves' Revenues by Product (THB million)



Glove's Revenues by Geography (%)

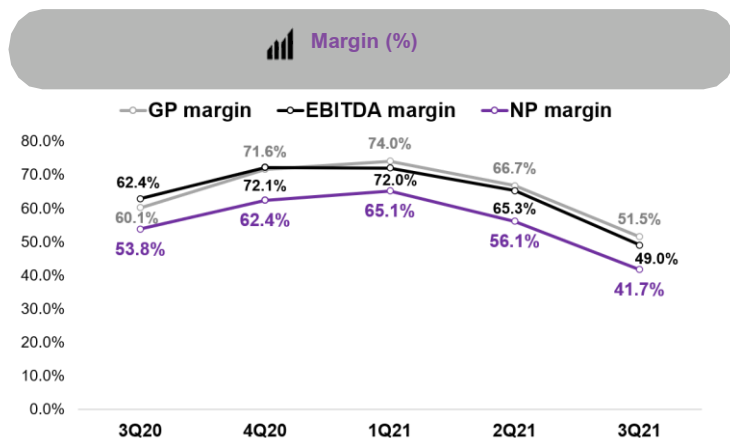


per 1,000 pieces because of increased supply in the market. Sales volume was 7,076 million pieces, down 0.9% YoY but growing 23.8% QoQ as production fully resumed at our Surat Thani and Trang plants following a temporary suspension in 2Q21 due to COVID-19. But the persisting global container shortage and shipping congestion meant that our export sales volume was still lower than target. In addition, our employees have been fully vaccinated, our utilization rate went up from 82% in 2Q21 to 90% in 3Q21.

By product, latex powdered gloves (NRPD) contributed the largest proportion of revenue at 38.4%, followed by nitrile gloves (NBR) at 38.2% of total sales revenue, while revenue from latex powder-free gloves (NRPF) accounted for 23.4% of total sales revenue. Our distinctive product mix makes us stand out from other industry peers.

### Among the high-end margin in the industry

We recorded THB 5,591.2 in gross profit, increasing 13.5% YoY because of higher ASP YoY, but decreasing 35.4% QoQ due to lower ASP QoQ as a new supply of gloves in the market increased. Although our NR latex cost went down 20.0% QoQ (our NR latex cost went up 30.4% YoY), our NBR latex cost only slightly decreased by 0.3% QoQ (our NBR latex cost went up 151.7% YoY) as were affected by the depreciation of THB. Gross profit margin was 51.5%, down from 60.1% in 3Q20 and 66.7% in 2Q21. We also recorded as income THB 149.6 million in reimbursements under the interest subsidy program of the Rubber Authority of Thailand (RAOT) and THB 50.9 million in insurance claims for the fire incident at SR2 in February.

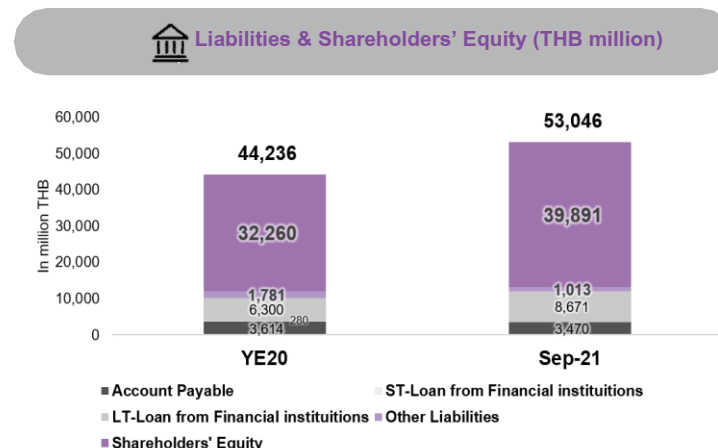
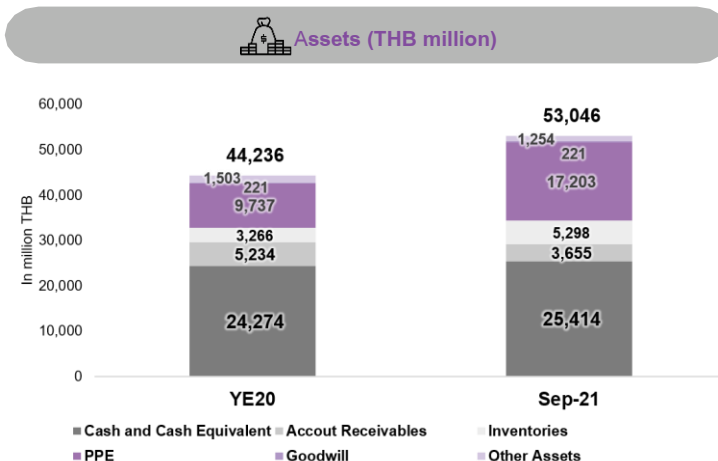


SG&A increased 135.7% YoY and 25.4% QoQ to THB 591.7 million. The increase in selling expenses was attributable to higher freight costs because of the still persisting global container shortage and shipping congestion and increased sales under the CIF incoterms. Although administrative expenses decreased, the percentage of SG&A to sales revenue increased to 5.4% in 3Q21, from 3.6% in 2Q21 and 3.1% in 3Q20. As the depreciation of THB, we recorded THB 266.6 million in net loss from currency exchange, mainly from hedging transactions. EBITDA margin was 49.0%, down from 65.3% in 2Q21 and 62.4% in 3Q20. Finance costs decreased 4.4% YoY and 1.5% QoQ to THB 31.0 million in 3Q21, nearly all of which were interest expenses that will be reimbursed by the RAOT\*. We also recorded THB 26.3 million in finance income, increasing 195.3% YoY and 7.4% QoQ, thanks to interest on the cash on hand. Tax expenses came in at THB 449.7 million and our effective tax rate was 9.0%. **Net profit in 3Q21 was THB 4,532.8 million, growing 2.9% YoY but decreasing 37.7% QoQ, with a net profit margin of 41.7%.**

\*Long-term loans for capacity expansion under the interest rate subsidy program of the Rubber Authority of Thailand (RAOT), under which up to 3% of interest rate is subsidized.

### Strong finances and lower debt

Our total assets increased by THB 8,809.7 million from the end of FY20 to THB 53,045.6 million and mainly consisted of THB 25,414.2 million in cash, which increased by THB 1,140.2 million from profits from operations, followed by property, plant and equipment, which increased in tandem with our capacity expansion, followed by inventory, which increased as the global container shortage and shipping congestion meant that orders could not be shipped out as planned, resulting in an increase in finished goods and inventory days. Cash cycle increased from 26.4 days at the end of FY20 to 48.5 days at the end of 3Q21 as a result. Interest-bearing debt (IBD) consisted of THB 8,761.4 million in outstanding short-term and long-term borrowings and leasehold obligations. Nearly all outstanding loans were taken under the interest rate subsidy program of the RAOT, for which we do not bear any interest obligations. **Our gearing IBD to equity ratio remained unchanged from 0.22 at the end of FY20.** producing NBR and NRPF gloves afford us the flexibility to adjust our product mix to suit market demand and raw material situation in any given moment.



## Strategy and capacity expansion

With our unique product mix (NR:NBR), production lines that can easily switch between producing NRPF and NBR gloves, and a production base in Thailand, a prime location for quality NR latex, we are well positioned to deliver high quality gloves to consumers worldwide at our maximum output. **We remain committed to an expansion plan to achieve 80 billion pieces in annual installed production capacity by 2024.** Following our SR2 plant in 2Q21, our SR3 and PS plants started production in 3Q21. In 4Q21, our TG3 plant will also commence production.

**By the end of 2022, our annual installed production capacity is expected to reach 50 billion pieces, representing a 54.5% growth from FY20, with the potential product mix of 50% NR gloves and 50% NBR gloves.**

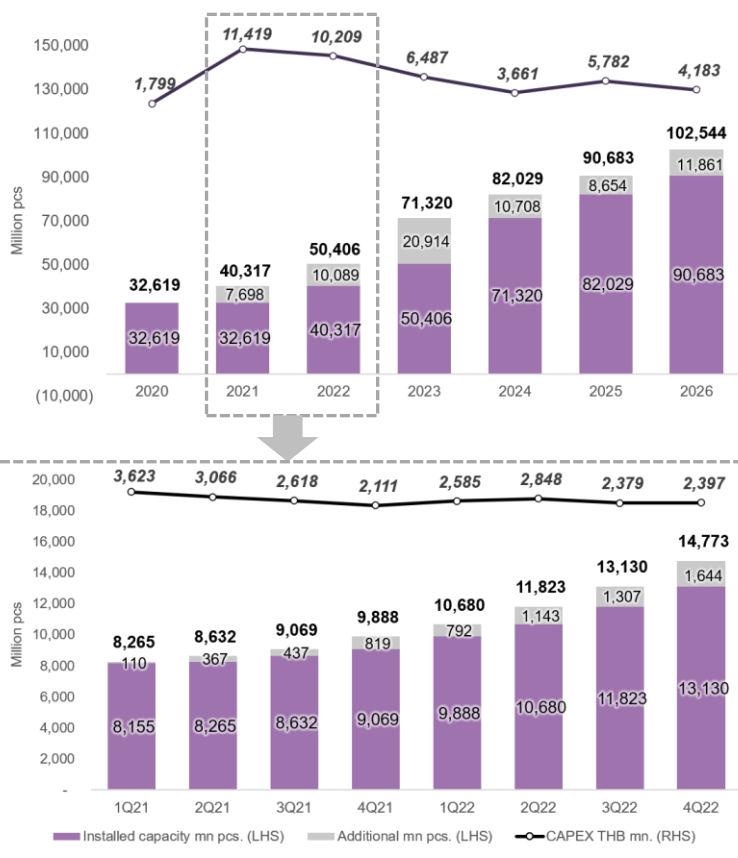
We also focus on cost-saving initiatives like production automation to improve efficiency and streamline our production process in order to optimize the economy of scale and to create good profit and return to shareholders to all shareholders.

**A strong commitment to environmental, social and governance issues (ESG)** is what our customers, shareholders and all stakeholders can count on us. On **environmental issues (E)**, we utilize woodchips, which are considered biomass and have 3 times lower the emission factor than LPG, as fuel for boilers in production. On **social issues (S)**, our labor practices are well known as the **“best-in-class workforce treatment”** and have received the top A rating in the **Business Social Compliance Initiative (BSCI) audit by Amfori**, a well-regarded trade organization in Europe, for our plants in Hat Yai and Trang. We take responsibility for visa fees and work permits for all of our foreign workers. All of our employees are provided with appropriate accommodations to ensure good living conditions. To protect the health of our employees, we have secured Sinopharm vaccines for all-local and foreign daily wage and salaried employees-who are now fully vaccinated. Additionally, we have organized the **“Sri Trang Group Sharing Love with Local Communities 2” project to provide over 4.5 million pieces of medical gloves** to various organizations in Thailand. On **governance issues (G)**, we are committed to promoting diversity, including gender, age and ethnicity diversity, among our workforce. Corruption prevention is also our focus and we already submitted a declaration form to join Thailand's Private Sector Collective Action

Coalition against Corruption and we plan to be certified within FY22. The many accolades we have received from various organizations are testament to our commitment and we have been included in the ESG100 index of the Thaipat Institute.



Installed Capacity & Estimated CAPEX (THB million)





## 3Q21 Key Financial Information (unit: million THB)

	3Q21	2Q21	%QoQ	3Q20 (Restated)	%YoY	9M21	9M20 (Restated)	%YoY
Volume (in million pcs)	7,075.9	5,713.5	23.8%	7,143.3	-0.9%	19,500.3	20,801.9	-6.3%
Sales Revenue	10,864.0	12,967.7	-16.2%	8,192.6	32.6%	39,265.4	16,867.5	132.8%
COGS	(5,272.9)	(4,317.2)	22.1%	(3,265.5)	61.5%	(13,603.3)	(9,777.5)	39.1%
<b>Gross profit</b>	<b>5,591.2</b>	<b>8,650.4</b>	<b>-35.4%</b>	<b>4,927.2</b>	<b>13.5%</b>	<b>25,662.1</b>	<b>7,090.02</b>	<b>261.9%</b>
Other income	254.4	39.9	537.9%	120.4	111.3%	288.6	165.9	73.9%
SG&A	(591.7)	(471.9)	25.4%	(251.0)	135.7%	(1,462.6)	(727.6)	101.0%
Gain (loss) on exchange rate, net	233.3	133.8	74.4%	139.3	67.5%	640.2	171.6	273.1%
Other gains, net	(499.9)	(215.7)	131.7%	(108.8)	359.4%	(1,206.8)	(154.5)	681.2%
<b>Operating profit (loss)</b>	<b>4,987.2</b>	<b>8,136.5</b>	<b>-38.7%</b>	<b>4,827.0</b>	<b>3.3%</b>	<b>23,921.4</b>	<b>6,545.5</b>	<b>265.5%</b>
EBITDA	5,321.7	8,468.0	-37.2%	5,115.5	4.0%	24,905.0	7,325.6	240.0%
EBIT	5,013.5	8,164.9	-38.6%	4,827.0	3.9%	23,999.4	6,545.5	266.7%
Finance income	26.3	28.4	-7.4%	8.9	195.3%	77.9	10.4	652.2%
Finance costs	(31.0)	(31.5)	-1.5%	(32.4)	-4.4%	(94.7)	(110.0)	-13.9%
EBT	4,982.5	8,133.4	-38.7%	4,803.5	3.7%	23,904.7	6,445.9	270.9%
Tax	(449.7)	(853.3)	-47.3%	(398.7)	12.8%	(2,040.2)	(558.1)	265.6%
<b>Net profit</b>	<b>4,532.8</b>	<b>7,280.1</b>	<b>-37.7%</b>	<b>4,404.8</b>	<b>2.9%</b>	<b>21,864.5</b>	<b>5,887.8</b>	<b>271.4%</b>
GP margin	51.5%	66.7%	-15.2%	60.1%	-8.7%	65.4%	42.0%	23.3%
EBITDA margin	49.0%	65.3%	-16.3%	62.4%	-13.5%	63.4%	43.4%	20.0%
Net profit margin	41.7%	56.1%	-14.4%	53.8%	-12.0%	55.7%	34.9%	20.8%
<b>Financial Ratio</b>								
Current ratio	6.55	5.82	12.6%	6.51	0.7%	6.55	6.51	0.7%
Cash cycle (days)	48.48	58.60	-17.3%	26.43	83.4%	34.97	40.05	-12.7%
IBD/E	0.22	0.21	4.4%	0.19	13.7%	0.22	0.19	13.7%
Interest coverage ratio	161.74	259.53	-37.7%	148.83	8.7%	253.47	59.51	326.0%
ROA	33.4%	54.9%	-21.4%	52.4%	-18.9%	54.4%	23.5%	30.8%
ROE	44.5%	74.6%	-30.1%	69.0%	-24.5%	72.3%	31.0%	41.3%

Sri Trang Gloves (Thailand) Public Company Limited ("**STGT**") is one of the world's largest producers of examination gloves. STGT has a total installed production capacity of 37.3 billion pieces per annum from production facilities 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 (NRPD) and Nitrile Butadiene Rubber (NBR) gloves that are distributed to more than 170 countries worldwide. STGT employs more than 8,400 people in all operating units worldwide including in Thailand, USA and the PRC. 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).

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