

Financial Result Overview

In FY2020, we had a record revenue of THB 30,405.1 million, growing 153.5% YoY, and recorded an all-time-high net profit of THB 14,400.9 million, increasing 2,245.8 YoY and representing a net profit of THB 5.94 per share.

“Gloves” as Essential Products in the New Normal

The outbreak of COVID-19 has led to a surge in demand for gloves globally. During 2017-2019, global glove demand was growing 10-12% annually. But demand in 2020 has been estimated to grow by as much as 20-50% to 360-585 billion pieces per year*. As the world’s third largest glove producer by annual production capacity, we had a record sales volume of 27,965 million pieces in FY2020 with customers in over 140 countries around the world.

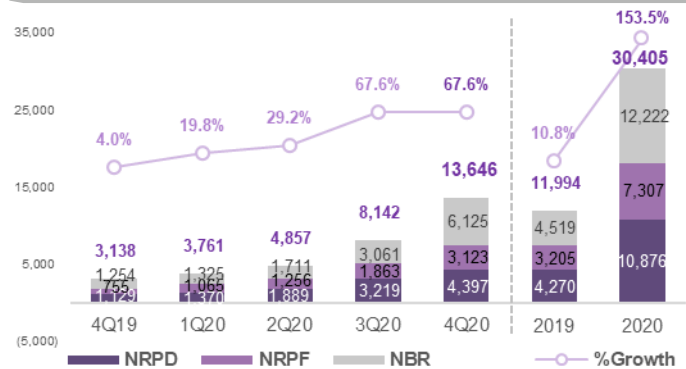
While demand keeps growing, glove supply continues to be limited as glove production is an undertaking that requires advanced production technology and large capital investment in constructing a production facility of the size that would lead to economies of scale. The construction itself takes time to complete. Additionally, medical gloves need to have certificates from various regulatory bodies of the countries in which they are to be marketed. These factors all serve as barriers to entry for new industry entrants. A robust growth in demand combined with the limited production capacity and scarcity of raw materials to drive selling prices up. Our order backlog currently extends to 13 months for NR gloves and 30 months for NBR gloves, even though we are on track to have an additional capacity in every quarter of 2021.

On the back of a substantial growth in sales volume and ASP, we had a record revenue of THB 30,405.1 million in 2020, growing 153.5% YoY, and recorded an all-time-high profit after tax of THB 14,400.9 million, increasing 2,245.8% YoY, representing a net profit of THB 5.94 per share. **With over 30 years of experience in the global glove industry and having been through the outbreak of SARS, H5N1 and MERS, all of which served as a key driver of glove consumption, we believe that the current COVID-19 pandemic has led to a structural shift in consumption of gloves, which have become essential in the so-called “New Normal.” Amid the current climate of limited supply and demand that continues to grow, we are committed to our capacity expansion plan, utilizing cutting-edge technology that will lead to optimum efficiency.**

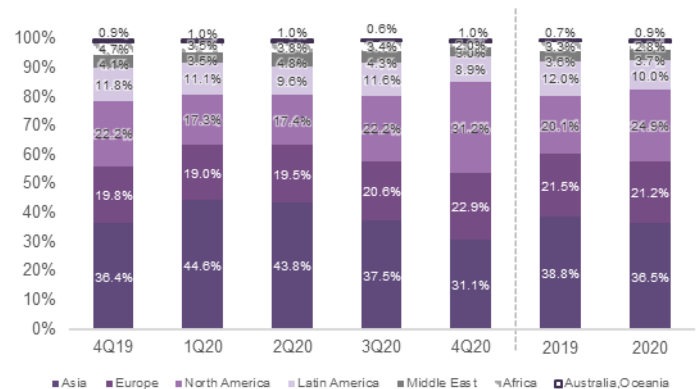
Source: *Malaysian Rubber Glove Manufacturers Association “MARGMA” and 2020 Market Report by HIDA Research & Analytics



Revenues by Product (THB million)



Revenues by Geography (%)



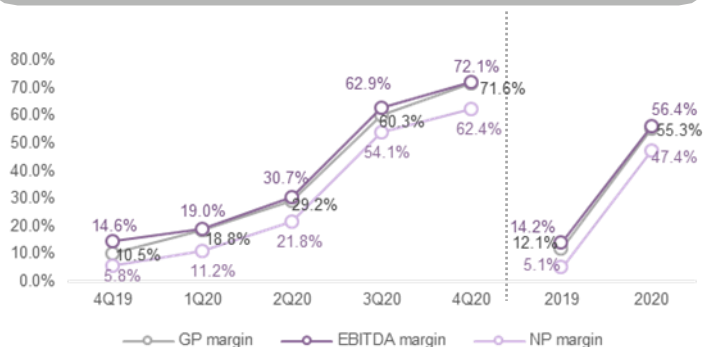
Record Revenue Driven by ASP and Sales Volume

Sales revenue in FY2020 was THB 30,405.1 million, growing 153.5% YoY, driven by the ASP that increased in every quarter. **The ASP in FY2020 rose 80.3% YoY to THB 1,087 (USD 34.93) per 1,000 pieces**, driven by a surging demand globally, as gloves have become an essential personal protective equipment (PPE) not only in the healthcare and industrial sectors but also for other, new users following the outbreak of COVID-19. **Sales volume in FY2020 grew 40.6% YoY to 27,965 million pieces** on the back of the strong demand and additional capacity from February 2020 onwards from our existing plants in Songkla and Trang. Toward the end of 2020, we had to deal with a shortage of containers, which means some orders could not be delivered to customers, but our production facilities were running at full capacity with the utilization rate of 94% throughout the year.

By product, revenue from nitrile gloves (NBR) accounted for 40.2% of total sales revenue, followed by revenue from latex powdered gloves (NRPD),

which accounted for 35.8% of total sales revenue, while revenue from latex powder-free gloves (NRPF) made up 24.0% of total sales revenue. Our one-of-a-kind switchable production lines afford us the flexibility to adjust our product mix and increase the production of NBR gloves during a period of high demand. Throughout the year, NBR gloves saw the highest increase in ASP, followed by NRPD and NRPF gloves.

Margin (%)



Among the Highest Profit Margins of All Leading Glove Producers

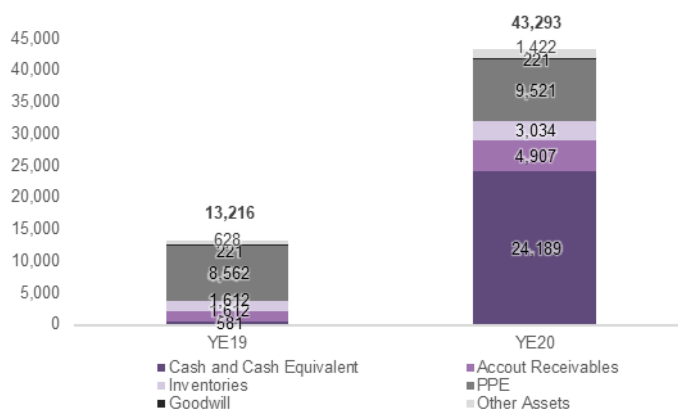
We recorded THB 16,802.8 in gross profit in FY2020, increasing 1,067.9% YoY, on the back of an increase in ASP across all product types and the economies of scale that resulted from our production facilities operating at full capacity. Gross profit margin increased to a new high in every quarter.

For FY2020, our gross profit margin was 55.3%, despite an increase in raw material prices, which rose 16.6% YoY for NR latex and 1.3% for NBR latex. We had THB 248.1 million in other income, THB 78.6 million of which was received from the Rubber Authority of Thailand (RAOT) as part of the interest rate subsidy program to support our capacity expansion.

SG&A increased 51.7% YoY, mainly from IPO expenses and higher freight costs due to container shortage toward the end of the year (for products sold under the CIF incoterm, we bear the freight costs, which are completely passed on to customers in the selling prices.), as well as from increased personnel expenses, which corresponded to the growth in operations. We also recorded THB 98.9 million in currency exchange gains. EBITDA margin significantly increased from 14.2% in FY2019 to 56.4% in FY2020. Our finance costs were lower after we had prepaid THB 2,093.0 of long-term borrowings at the end of 2Q20 with the IPO proceeds. Although tax expenses increased in tandem with net profit, our effective tax rate declined to 9.7% as our capacity expansion received BOI benefits. We achieved a record net profit of THB 14,400.9 million, increasing 2,245.8% YoY, with a net profit margin of 47.4%.



Asset (THB million)

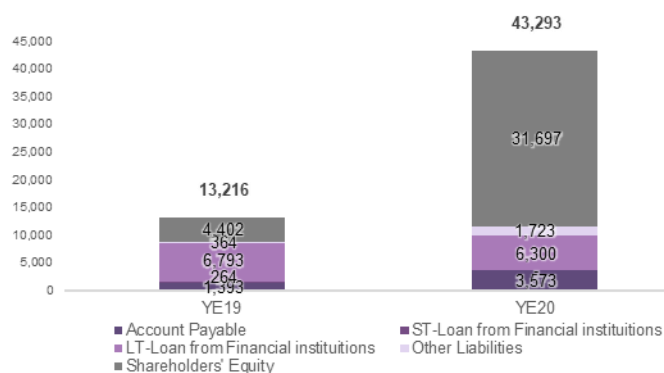


Strong Financial Position and Shorter Cash Cycle

Our total assets of THB 43,293.4 million mainly consisted of cash from the IPO and net profit, followed by property, plant and equipment and accounts receivable and other receivables. Account receivable turnover decreased from 45.8 days in FY2019 to 37.1 days in FY2020 as a result of strict credit risk management and an increase in deposit from customers, although inventory turnover increased because of container shortage at the end of the year. Our cash cycle improved from 40.6 days in FY2019 to 34.6 days in FY2020. Interest-bearing debt (IBD) consisted of THB 6,328.3 million in outstanding long-term borrowings and leasehold obligations. Our gearing IBD to equity ratio decreased from 1.61 in FY2019 to 0.20 in FY2020. All outstanding long-term borrowings that have remained are under the interest rate subsidy program of the RAOT, whereby we will receive a 3% interest rate subsidy until 2026 or until repayment.



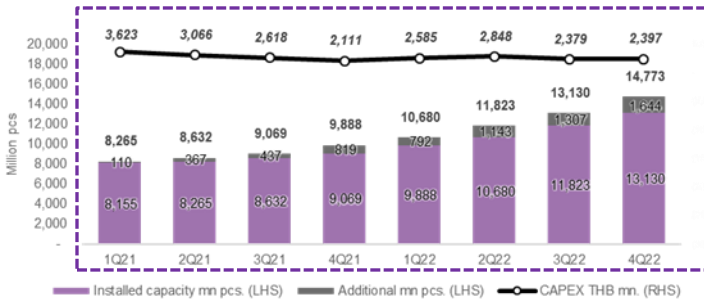
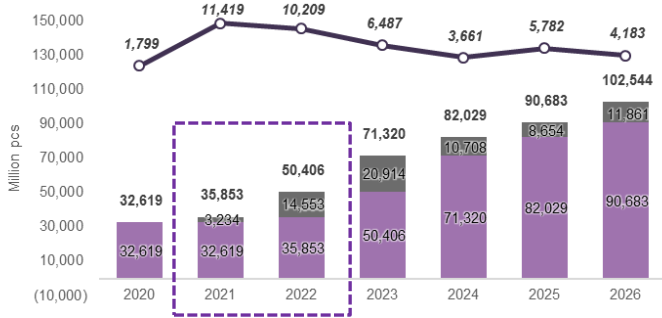
Liabilities & Shareholders' Equity (THB million)



in-class workforce treatment” and have received the top A rating in the Amfori Business Social Compliance Initiative (BSCI) audit, will continue to be our pride and practice.



Installed Capacity & Estimated CAPEX (THB million)



Strategy and Expansion

With our unique product mix (NR:NBR), production lines that can switch between producing NRPF and NBR gloves, and a production base in Thailand, the prime location of 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, a project which has already commenced and will be completed 2 years earlier than the last updated plan. In 2021 we will have an additional capacity from our Surat Thani plant 2 in 1Q21, from our Surat Thani plant 3 in 2Q21, and from our new plant in Hat Yai, Songkla in 3Q21. By the end of 2022, our annual production capacity will reach 50 billion pieces, representing a 54.5% growth from 2020, with the potential product mix of 60% NR gloves and 40% NBR gloves. We have fastened our construction of new factories in corresponding to robust demand with our historical record construction period for first dipping of only 7 months at SR2. We are confident that the incoming new factories will be on board under shorter timeframe than our historical achievement. Further cost-saving initiatives to achieve an even higher profit margin and return for shareholders continue to be in our focus. Commitment to the highest standards of good governance that benefit all stakeholders, particularly labor practices that are well known as the “best-



4Q20 and FY2020 Key Financial Information

(unit: million THB)

	4Q20	3Q20	%QoQ	4Q19	%YoY	FY2020	FY2019	%YoY
Volume (in million pcs)	7,162.9	7,143.3	0.3%	5,457.4	31.3%	27,964.8	19,891.9	40.6%
Sales Revenue	13,645.7	8,142.1	67.6%	3,137.8	334.9%	30,405.1	11,994.1	153.5%
COGS	(3,874.5)	(3,234.6)	19.8%	(2,807.6)	38.0%	(13,602.3)	(10,555.5)	28.9%
Gross profit	9,771.1	4,907.5	99.1%	330.2	2859.3%	16,802.8	1,438.7	1067.9%
Other income	80.2	120.7	-33.5%	83.7	-4.1%	248.1	140.3	76.9%
SG&A	(420.1)	(235.9)	78.1%	(201.8)	108.2%	(1,100.3)	(725.4)	51.7%
Gain (loss) on exchange rate, net	(10.4)	139.2	N/A	28.5	N/A	161.3	48.0	236.0%
Other gains, net	92.1	(108.8)	N/A	10.8	751.8%	(62.4)	5.3	N/A
Operating profit (loss)	9,512.9	4,822.8	97.3%	251.3	3684.9%	16,049.4	906.8	1669.8%
EBITDA	9,833.8	5,120.2	92.1%	458.6	2044.2%	17,160.4	1,707.7	904.9%
EBIT	9,542.1	4,831.7	97.5%	254.1	3655.7%	16,088.6	912.1	1663.9%
Finance income	29.2	8.9	227.7%	2.7	968.0%	39.2	5.3	640.2%
Finance costs	(32.6)	(32.0)	1.9%	(45.9)	-28.9%	(142.2)	(194.3)	-26.8%
EBT	9,509.4	4,799.6	98.1%	208.2	4467.2%	15,946.5	717.9	2121.4%
Tax	(989.2)	(397.7)	148.7%	(27.2)	3541.2%	(1,545.6)	(103.9)	1386.9%
Net profit	8,520.3	4,401.9	93.6%	181.0	4606.2%	14,400.9	613.9	2245.8%
GP margin	71.6%	60.3%	11.3%	10.5%	61.1%	55.3%	12.0%	43.3%
EBITDA margin	72.1%	62.9%	9.2%	14.6%	57.4%	56.4%	14.2%	42.2%
Net profit margin	62.4%	54.1%	8.4%	5.8%	56.7%	47.4%	5.1%	42.2%
Financial Ratio								
Current ratio	5.7	6.0	-5.4%	1.6	265.8%	5.7	1.6	265.8%
Cash cycle (days)	27.5	26.4	4.0%	41.5	-33.8%	34.6	40.6	-14.8%
IBD/E	0.2	0.2	3.6%	1.6	-87.6%	0.2	1.6	-87.6%
Interest coverage ratio	292.5	150.9	93.8%	5.5	5178.7%	113.2	4.7	2310.5%
ROA	78.1%	53.1%	25.0%	5.4%	72.6%	33.3%	4.6%	28.6%
ROE	106.6%	69.9%	36.7%	16.3%	90.3%	45.4%	13.9%	31.5%

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 33 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 (NRPF) and Nitrile Butadiene Rubber (NBR) gloves that are distributed to more than 140 countries worldwide. STGT employs more than 7,700 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. For more information, please visit www.sritranggloves.com

Contact Investor Relations Department:

Email: stgt_ir@sritranggroup.com

Tel: 02 207 4500 Ext. 1404