

## Performance Overview

In Q1/2024, we recorded THB 23,677.8 million in total revenue, growing 9.1% QoQ, and THB 914.8 million in EBITDA, increasing 64.6% QoQ. Net loss narrowed to THB 329.7 million, improving 21.9% QoQ.

- The NR business** The NR business recorded higher revenue in Q1/2024, driven by an increase in selling prices, which were buoyed by demand from non-China tired producers that had started to recover in late 2023. Sales volume also rose QoQ. However, the rise in raw materials costs put a pressure on the gross profit margin as selling prices did not increase to the same extent.
- The glove business** For the second consecutive quarter, the glove business broke a new record in sales volume, reaching 10,091 million pieces in Q1/2024. The gross profit margin of the glove business slightly decreased to 8.4%.

Our finances remained solid with the debt-to-equity ratio at 0.7% at the end of Q1/2024.

## Special Event

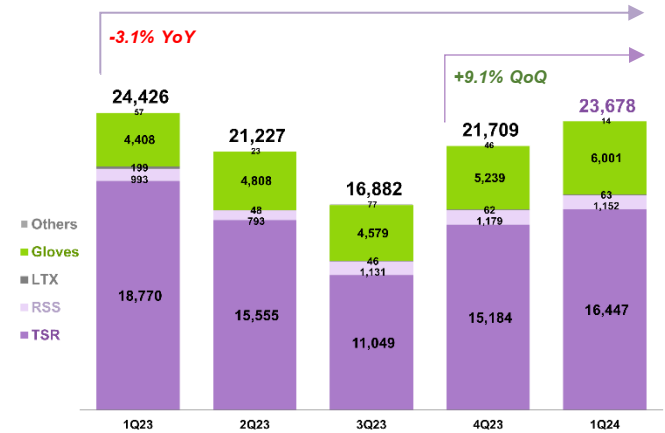
In preparation for the European Union's upcoming regulation on deforestation-free products, on 7 March 2024, STA launched "GPS Rubber" that complies with the traceability requirements of the EU Deforestation Regulation (EUDR), which will come into effect on 30 December 2024

## Key Financial Ratios

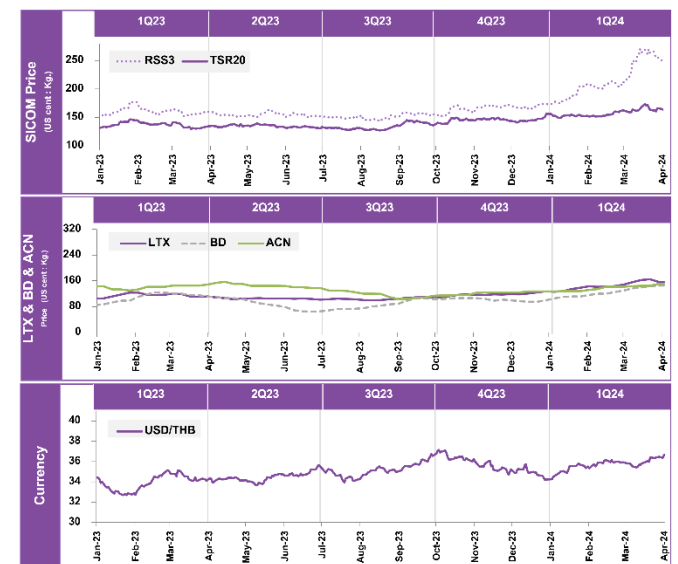
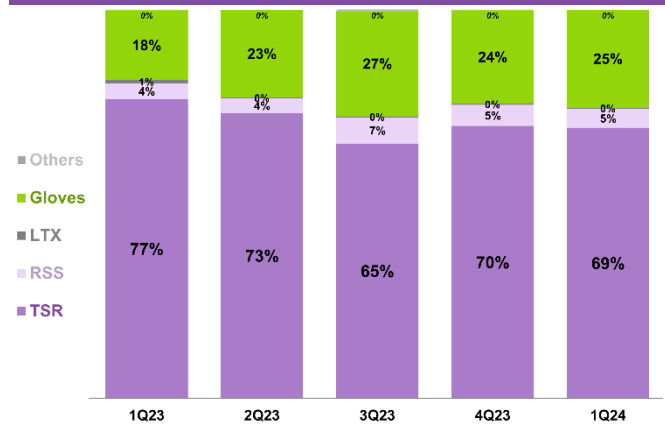
	1Q24	1Q23	4Q23	FY23
Gross Profit Margin	7.9%	11.2%	9.1%	9.7%
EBITDA Margin	3.9%	6.3%	2.6%	4.7%
Net Profit Margin	-1.4%	1.2%	-1.9%	-0.5%
Current Ratio (Times)	2.21	4.42	3.27	3.27
Net D/E Ratio (Times)	0.66	0.35	0.54	0.54
Fixed Asset Turnover (Times)*	1.81	1.90	1.63	1.63
Collection Period (Days)*	27	25	29	29
Payment Period (Days)*	6	5	7	7

Note:  
\* Annualized  
\*\* Adjusting for (reversal) allowance of inventory cost and realized items from hedging

## Revenue by Product (m THB)



## Revenue Breakdown by Product



ABBREVIATIONS  
RSS: RSS3 (smoked sheet) LTX: Commercial Latex TSR: Technically specified rubber which includes STR and SBR ACN: Acrylonitrile

## Statement of Comprehensive Income

Statement of Comprehensive Income (unit: THB million)	1Q24	1Q23	%YoY	4Q23	%QoQ
Revenues from sales of goods and services	23,677.8	24,426.3	-3.1%	21,709.1	9.1%
Cost of sales and services	(21,805.1)	(21,694.5)	-0.5%	(19,726.8)	-10.5%
<b>Gross Profit</b>	<b>1,872.7</b>	<b>2,731.8</b>	<b>-31.4%</b>	<b>1,982.4</b>	<b>-5.5%</b>
SG&A	(1,789.1)	(2,122.5)	15.7%	(2,285.2)	21.7%
Other income and dividend income	45.1	102.5	-56.0%	113.9	-60.4%
Gain (loss) on exchange rates	212.8	(182.9)	216.4%	31.2	582.0%
Other gain	(359.4)	205.7	-274.7%	(152.4)	-135.8%
<b>Profit from operating activities</b>	<b>(18.0)</b>	<b>734.7</b>	<b>-102.4%</b>	<b>(310.2)</b>	<b>94.2%</b>
Share of profit (loss) from investments in associate and JV	13.3	(36.6)	136.3%	(66.5)	120.0%
<b>EBITDA</b>	<b>914.8</b>	<b>1,547.8</b>	<b>-40.9%</b>	<b>555.9</b>	<b>64.6%</b>
<b>EBIT</b>	<b>(4.7)</b>	<b>698.1</b>	<b>-100.7%</b>	<b>(376.7)</b>	<b>98.8%</b>
Finance income	103.4	84.3	22.7%	153.5	-32.6%
Finance cost	(391.4)	(380.3)	-2.9%	(341.2)	-14.7%
Income tax (expense)	39.6	(54.8)	172.2%	71.6	-44.8%
<b>Net profit for the period</b>	<b>(253.1)</b>	<b>347.3</b>	<b>-172.9%</b>	<b>(492.7)</b>	<b>48.6%</b>
<b>Attributed to equities holders of the Company</b>	<b>(329.7)</b>	<b>287.9</b>	<b>-214.5%</b>	<b>(422.0)</b>	<b>21.9%</b>
Attributed to non-controlling interests of the subsidiaries	76.6	59.4	29.0%	(70.7)	208.3%

## Revenue by Product (THB million)

Products	1Q24	1Q23	%YoY	4Q23	%QoQ
<b>TSR*</b>	<b>16,447.3</b>	<b>18,769.8</b>	-12.4%	<b>15,183.9</b>	8.3%
%	69.5%	76.8%		69.9%	
<b>Glove*</b>	<b>6,001.4</b>	<b>4,408.1</b>	36.1%	<b>5,239.1</b>	14.5%
%	25.3%	18.0%		24.1%	
<b>RSS</b>	<b>1,151.9</b>	<b>992.6</b>	16.0%	<b>1,178.7</b>	-2.3%
%	4.9%	4.1%		5.4%	
<b>LTX</b>	<b>62.9</b>	<b>199.0</b>	-68.4%	<b>61.5</b>	2.1%
%	0.3%	0.8%		0.3%	
<b>Other**</b>	<b>14.5</b>	<b>56.8</b>	-74.5%	<b>45.9</b>	-68.5%
%	0.1%	0.2%		0.2%	
<b>Total</b>	<b>23,677.8</b>	<b>24,426.3</b>	-3.1%	<b>21,709.1</b>	9.1%

Note:

\* Revenue from TSR and Gloves is net from hedge accounting.

\*\* Comprised revenue from (i) the sale of rubber wood and wood packing product and (ii) the provision of certain services (such as logistics research and development and information technology services) to our associates and a joint venture entity as well as other third parties.

In addition, natural rubber revenue includes TSR, RSS and LTX products.

### Total Revenue from products and services

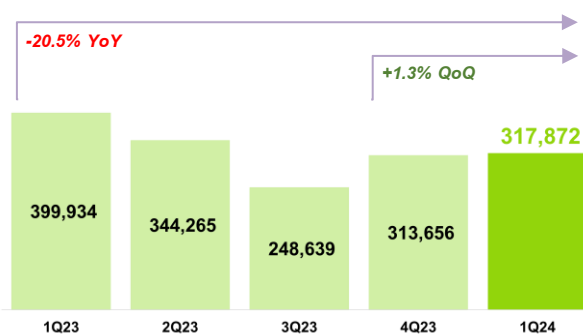
- Total revenue from products and services in Q1/2024 amounted to THB 23,677.8 million, increasing 9.1% QoQ but declining 3.1% YoY because of a decrease in revenue from NR.

#### Natural Rubber

##### Revenue from NR (THB million)

- In Q1/2024, Revenue from NR, which accounted for 74.6% of total revenue, totaled THB 17,662.0 million, growing 7.5% QoQ but decreasing 11.5% YoY.
- The QoQ increase in revenue was driven by the ASP that rose 6.3% in tandem with SICOM prices while sales volume slightly grew 1.3% as demand from non-China tire producers had started to pick up.
- The YoY decrease in revenue resulted from sales volume that dropped 20.5% while the ASP rose 15.7% as Q1/2023 was a period when non-China tire producers were reducing inventory levels.
- Geographically in Q1/2024, China contributed the largest portion of sales revenue at 54.6%, followed by Thailand at 14.3%, and North and South America at 11.5%. Other countries in Asia contributed 10.5%, while Europe and other markets accounted for 8.4% and 0.7% of sales revenue, respectively.

##### NR Sales volume (Tons)



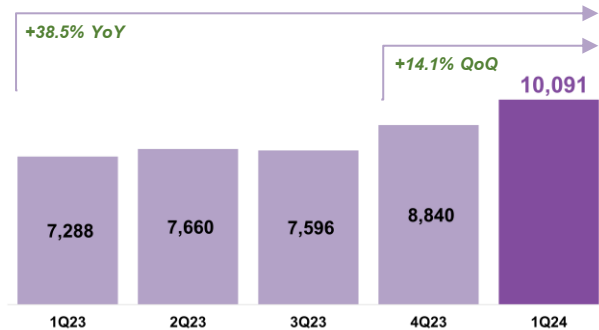
- Sales volume for NR in Q1/2024 totaled 317,872 tons, growing 1.3% QoQ but declining 20.5% YoY.
- The QoQ growth in sales volume was driven by demand from non-China tire producers that had started to pick up. This is reflected in our utilization rate that improved to 57.0% from 52.9% in Q4/2023.
- The YoY decline in sales volume can be attributed to our strategy to keep production outputs at consistent levels throughout the year.

#### Gloves

##### Revenue from gloves (THB million)

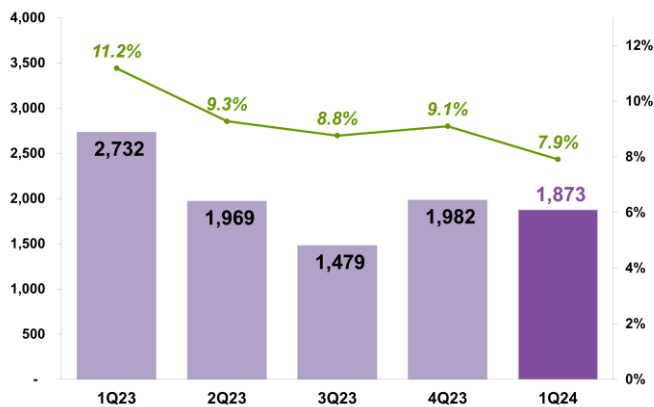
- In Q1/2024, revenue from gloves, which accounted for 25.3% of total revenue, amounted to THB 6,001.4 million, growing 14.5% QoQ and 36.1% YoY, driven by sales volume that grew 14.1% QoQ and 38.5% YoY because global demand started recover as the inventory of major distributors had returned to normal levels.
- The ASP remained stable, increasing 1.2% QoQ and 0.4% YoY as the industry is gradually shaking off the oversupply. However, price competition still remained.
- The proportion of sales revenue between NR and NBR gloves in Q1/2024 was 76:24, in line with our strategy to focus on NR gloves, for which we have a competitive advantage in the access to NR raw material.
- Geographically in Q1/2024, Asia contributed the largest portion of sales revenue at 38.5%, followed by Europe at 20.9% and North America at 18.2%. South America contributed 14.7% while the Middle East and Africa accounted for 3.5% and 3.4% of sales revenue, respectively. Australia and Oceania contributed 0.9% of sales revenue.

##### Glove sales volume (million pieces)



- Sales volume for gloves in Q1/2024 reached a new record of 10,091 million pieces, increasing 14.1% QoQ and 38.5% YoY as global demand started to recover and the inventory of major distributors had returned to normal levels. Our diversified customer base also contributed to the growth in sales volume.
- The growth in sales volume was seen across all three products and utilization rate in Q1/2024 significantly improved to 87.2%, from 72.1% in Q4/2023.

## Gross Profit (THB million) and GPM (%)



- Gross profit in Q1/2024 totaled THB 1,872.7 million, decreasing 5.5% QoQ and 31.4% YoY, with a gross profit margin of 7.9%, down from 9.1% in Q4/2023 and 11.2% in Q1/2023.
- The decrease in gross profit resulted from the lower gross profit margins of the NR business and the glove business.
- The gross profit margin of the NR business declined to 7.7% in Q1/2024, from 8.6% in Q4/2023 and 11.6% in Q1/2023, because raw material costs rose more than the increase in selling prices.
- The gross profit margin of the glove business also decreased to 8.4%, from 10.3% in Q4/2023 and 10.6% in Q1/2023, because the increase in selling prices did not match the rise in raw material costs.

## SG&A

- SG&A in Q1/2024 totaled THB 1,789.1 million, decreasing 21.7% QoQ and 15.7% YoY.
- The QoQ decrease came about because we recorded a non-recurring item and an impairment loss of our subsidiary in Q4/2023.
- The YoY decrease is attributable to lower CESS and transportation costs, which went down in tandem with exports volume.
- The percentage of SG&A to sales revenue in Q1/2024 decreased to 7.6%, from 10.5% in Q4/2023 and 8.7% in Q1/2023.

## EBITDA

- EBITDA in Q1/2024 totaled THB 914.8 million, increasing 64.6% QoQ but decreasing 40.9% YoY, with an EBITDA margin of 3.9%, up from 2.6% in Q4/2023 but down from 6.3% in Q1/2023
- The QoQ increase in EBITDA came about because of lower SG&A.
- The YoY decrease in EBITDA is attributable to the lower gross profit of the NR business.
- In Q1/2024, we recorded THB 142.5 million in unrealized loss on hedging and derivative transactions, decreasing 450.6% QoQ and 271.1% YoY from unrealized gains in Q4/2023 and Q1/2023.

## Share of Loss from Associates and Joint Ventures

- Share of profit from associates and joint ventures in Q1/2024 totaled THB 13.3 million, improving from a share of loss of THB 66.5 million in Q4/2023 and of THB 36.6 million in Q1/2023 as the NR joint venture continued to struggle while the performance of the hydraulic hose joint venture remained solid.

## Net Loss

- Net loss in Q1/2024 totaled THB 329.7 million, representing a decrease in net loss of 21.9% QoQ but declining 214.5% YoY from a net profit in Q1/2023.
- Net loss margin amounted to -1.4%, improving from -1.9% in Q4/2023 but a reversal from 1.2% in net profit margin in Q1/2023.
- The softened performance is mainly attributable to the lower profit margin of the NR business.

**Sri Trang Ecosystem is ready to comply with all traceability**



“Sri Trang Group has implemented Digitalization and Digital Transformation technologies across all its operations, aligning with its identity as a Green Rubber Company, a commitment that has been upheld for over a decade. This initiative marks the beginning of the 'Sri Trang Ecosystem,' a system that gathers and connects a wealth of data, ensuring transparency and traceability throughout the entire supply chain. **The Company emphasizes its leadership role in differentiating itself and pursuing sustainable growth, spearheading a global revolution in the natural rubber industry.**”

❖ **Commitment to Becoming Carbon Neutrality**

The Company has embarked on a 1 MW Floating Solar Project at its STR factory in Mukdahan province. Furthermore, it has initiated projects dedicated to capturing and reducing greenhouse gas emissions in teak plantations in Pua District, Nan Province, and in rubber plantations in Chiang Mai Province. All these projects have been registered under the Thailand Voluntary Emission Reduction (T-VER) program and have collectively resulted in carbon sequestration and reduction of around 155,654 tCo2e/Y and the company has piloted to certify the amount of carbon credits of the Rubber plantation,

Chiang Mai province Project period, 1 October 2022 to 11 August 2023, it has carbon sequestration and reduction equivalent to 14,450 tCo2e.

❖ **Sri Trang is ready for EUDR**

The Company is ready for the EU Deforestation-Free Regulation (EUDR), which emphasizes traceability for products related to forests, including rubber products, to ensure that these products are free from deforestation. This regulation is set to become effective in late 2024. The Company has developed the Sri Trang Friends Application, SAP system, and other tools to connect and enable full traceability within its operations. Sri Trang views the EUDR as a business opportunity.

❖ **Expanding Certification of FSC**

The company has been certified by the Forest Stewardship Council (FSC), a globally recognized standard for sustainable forest management since 2019. We have been granted FSC-FM/CoC certification for sustainable forest management in our rubber plantation business and also achieved FSC-COC certification for the sustainable management of our product supply chain the concentrated latex factory at Hat Yai branch and in 2023, FSC-COC certification was extended to the Block Rubber Factory, Phitsanulok Branch.

## ESG Activities in Q1/2024



### Environmental

- STA set the targets of achieving carbon neutrality by 2030 and the Net-Zero Emissions by 2050 compared to base year 2021 covering scope 1 and scope 2 GHG emissions through three main strategies which are energy efficiency and process improvement, low-carbon technologies and renewable energy, and carbon offsetting and sequestration.
- STA generates electricity from the Solar Floating Project, at 3 factories: Thung Song, Huai Nang, and Udon Thani branches, with a total production capacity of 5.7 megawatts.
- STA plans to collect the GHG emissions in Scope 3 data, to report carbon footprint of the organization, covering activities throughout the business chain, both upstream and downstream. A pilot factory is located at Sikao Branch, Trang Province (STA-SK) and will be expanded to other branches within 2024.



### Social

- STA has initiated projects to raise human rights and labor standards at the international level, following the guidelines of the International Labor Organization (ILO), beginning with a pilot factory in Phitsanulok Province (STA-PL).
- STA has implemented the Safety Knowledge Transfer project, transferring occupational health and safety knowledge to personnel throughout the organization to raise awareness and foster a safety culture, which has already been implemented in 4 branches.



### Governance & Economic

- STA has organized activities to educate rubber farmers about the EUDR regulations, helping them prepare for implement the EUDR regulations before compliance becomes mandatory at the end of 2024.
- STA launch the “Traceable Natural Rubber (GPS)” encompasses natural rubber products which can be identified or traced back to their exact sources and geolocation, specifying which farm originated with the requirement that they are legally registered plantations. The Traceable Natural Rubber (GPS) registration targets 100,000 farmers and rubber traders who supply rubber to Sri Trang Group to be completed by the end of 2024.
- Received SET ESG Ratings (AAA) for the year 2023 in the Agricultural and Food Industry Group (AGRO) from the Stock Exchange of Thailand. This is the 9th year that the company has been selected as Thailand Sustainability Investment or THSI which reflects conducting business responsibly towards stakeholders taking into account the environmental, social and corporate governance aspects or ESG throughout the value chain.
- Received CAC Change Agent Award 2023 from the Thai Private Sector Collective Action Against Corruption (CAC), which reinforces the company's business operations based on good governance principles. By inviting more than 20 SME partners to join in signing a declaration of intent with the CAC project to create a transparent business network as well as no corruption.

# Traceable Natural Rubber (GPS)

Creating a New Dimension Towards Sustainability  
Complying with Global Traceability Measures and  
Prepared for **EUDR Regulation**



Event Date: 7 March, 2024

'Sri Trang Group' introduce "Traceable Natural Rubber (GPS)", pioneering Sustainability Dimension on Tracing Rubber Sources in line with a Traceability Measures to Global Markets and Prepared for EU Deforestation Regulations.

## What is EUDR?

The EUDR is a law that seeks to impose strict regulations on the imports of a variety of consumer goods that are most frequently linked to **deforestation**.

## Products impacted

The law pertains to items such as soy, beef, chocolate, coffee, palm oil, rubber, wood. In addition, they have to keep in mind that the **rights of indigenous people** are also safeguarded.



## STA are ready for the new mega trend of Traceability & Sustainability.



Consolidate trusted data from across your value chain.



Provide supply chain data that is auditable.



Verify your product is deforestation free.



Track illegal harvesting and offers comprehensive risk monitoring.

## Timeline The EUDR regulation will apply to



# SRI TRANG GROUP

Our aim is to connect everyone in the rubber industry to create 100% traceability of natural rubber sourcing from farm to market.

### Sri Trang Friends Platform



Trader and Farmer sell rubber to STA via this platform

### Friends Station App



Traders purchase rubber from Farmers via this App.

### Super Driver



Driver delivers rubber from Farmer's plantation to STA

## Performance Analysis by NR Product



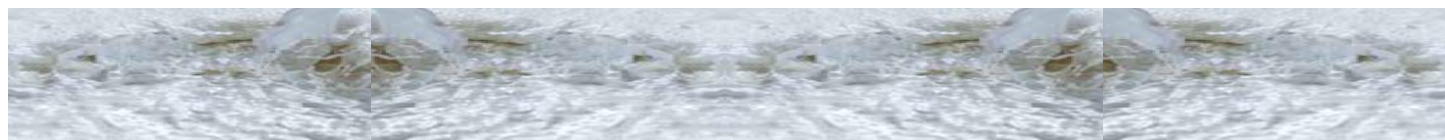
### Technically Specified Rubber (TSR)

- Revenue from TSR in Q1/2024 accounted for 69.5% of total revenue and rose 8.3% QoQ but declined 12.4% YoY.
- The QoQ growth in revenue came on the back of the ASP that rose 5.7% in tandem with SICOM prices and sales volume that increased 2.6%.
- The YoY decrease in revenue resulted from sales volume that dropped 20.6% while the ASP rose 14.9% alongside SICOM prices.
- Despite the higher ASP, gross profit margin for TSR in Q1/2024 was lower than in Q4/2023 and Q1/2023 because the costs of raw materials rose more than the increase in selling prices.



### Ribbed Smoked Sheet (RSS)

- Revenue from RSS in Q1/2024 accounted for 4.9% of total revenue and declined 2.3% QoQ but grew 16.0% YoY.
- The QoQ decline in revenue resulted from sales volume that dropped 16.0%, despite an increase of 16.4% in the ASP.
- The YoY growth in revenue was driven by the ASP that increased 20.3% alongside NR prices on the market while sales volume decreased 3.5%.
- Gross profit margin of RSS in Q1/2024 increased from Q4/2023 but was lower than in Q1/2023.



### Concentrated Latex (LTX)

- Revenue from LTX in Q1/2024 accounted for 0.3% of total revenue and increased 2.1% QoQ but declined 68.4% YoY.
- The QoQ increase in revenue was driven by the ASP that rose 14.6% in tandem with NR prices on the market while sales volume dropped 10.9%.
- The YoY decline in revenue resulted from sales volume that dropped 73.4% while the ASP rose 18.9% alongside NR prices on the market.
- The QoQ and YoY decrease in sales volume is attributable to our strategy to reserve the majority of our LTX production for STGT. Because LTX sales transactions between STA and STGT are deemed connected transactions, the revenues from such transactions are not recorded in the profit and loss statement.



## NR Industry Overview

The NR industry continued to show signs of recovery in Q1/2024 as the level of inventory of non-China tire producers had returned to normal levels.

The average price of TSR20 on SICOM was 157.3 cent/kg, up 8.2% QoQ and 14.6% YoY.

### NR supply

Q1/2024 coincided with the wintering period in Thailand, the world's largest NR producer.

The north and northeast, which had entered the peak harvest season in the third week of October 2023 (a delay of 2-3 weeks), entered the wintering period in February 2024 as per usual.

The south, which had entered the peak harvest season in January 2024 (a delay of one month), entered the wintering period in March 2024

NR supply in Indonesia, the world's second-largest NR producer, continued to decline and the situation is unlikely to improve as the populace has long since abandoned NR for palm oil and mining, and urbanization has progressively expanded. For the past two years, the country's NR supply never entered a peak harvest season.

Partially offsetting the supply reduction in Indonesia, NR supply in Ivory Coast has grown 20% during the past year and the country is showing high growth potential. In response, we have set up two procurement centers to purchase raw materials since the second half of 2023 and have set up a processing facility was commissioned in April 2024.

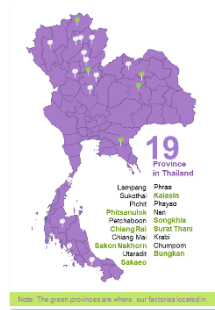
**NR Demand** continued its recovery in Q1/2024, with demand from non-China tire producers having picked up in late 2023. However, the inventory levels of NR producers in China that remain high and the economic troubles in China means that NR producers in the country still remain on the sidelines.

**NR prices** have been buoyed by demand from non-China tire producers, with the average price of TSR20 on SICOM in April 2024 at 162.7 cent/kg. However, we still need to monitor the demand from producers in China and the supply situation in Thailand after the end of the wintering period. Another crucial factor is the impact of the EU Deforestation Regulation (EUDR) on the NR industry and producers of NR products.

## Supply Chain Expansion Progress throughout the Supply Chain

### Upstream – about 7,200 hectares of rubber plantations and economic plants

- As of 31 March 2024, we had approximately 7,200 hectares of rubber plantations and other economic plants in 19 provinces of Thailand, with the majority located in the north and northeast. We estimate that, in 2024, rubber trees that can be tapped will account for around 82% of the total, up from 77% in 2023.
- We have received Forest Management Certification and Chain-of-Custody Certification from the Forest Stewardship Council (FSC), making us the world's first fully integrated NR producer to be recognized by the FSC throughout the supply chain.



we aim to increase the traceability for our products to ensure compliance with the upcoming European Union Deforestation Regulation (EUDR), and drive the natural rubber industry to the next level.



### Downstream – maintaining a leading position amid a challenging landscape

- Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), in which STA holds 56.0% in direct and indirect shareholding, is a producer and distributor of latex and nitrile examination and industrial gloves to customers in over 175 countries around the world. STGT has offices in Thailand, China, the US, Singapore, Indonesia, Vietnam and the Philippines.
- STGT is Thailand's largest glove producer and ranked among the world's leading producers.

### Midstream – maintaining profitability, gaining market share and moving toward “STA 20”

- As of 31 March 2024, our 35 NR processing plants (31 in Thailand, 3 in Indonesia, and 1 in Myanmar) provided 3.69 million tons per annum in installed production capacity.
- We have plans to expand our TSR production capacity by 1.11 million tons at our processing facilities in the northeast, north and south. Completion is expected by 2025.
- We have expanded our LTX production capacity with new facilities in Bungkarn and Narathiwat and with the installation of new machines at the Surat Thani facility.
- With the capacity expansion, our annual installed production capacity will reach 4.12 million tons by the end of 2025.
- We are committed to introducing more automation to the production process in order to improve efficiency, reduce energy consumption and become more environmentally friendly and have launched the application “Sri Trang Friends” and “Sri Trang Friends Station” to facilitate raw material procurement in Thailand and introduce traceability to our products. Additionally,



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