

Financial Result Overview

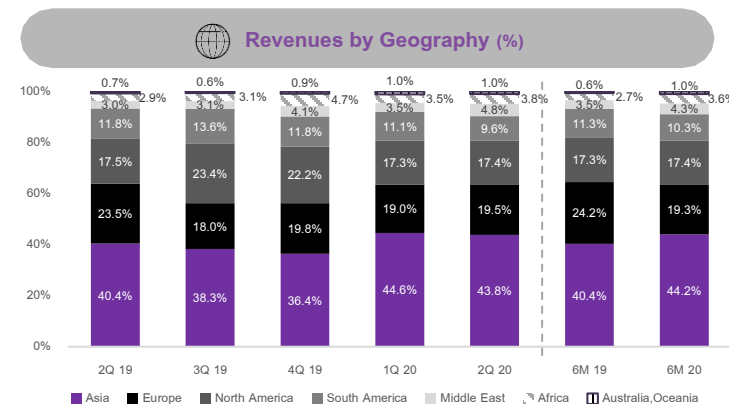
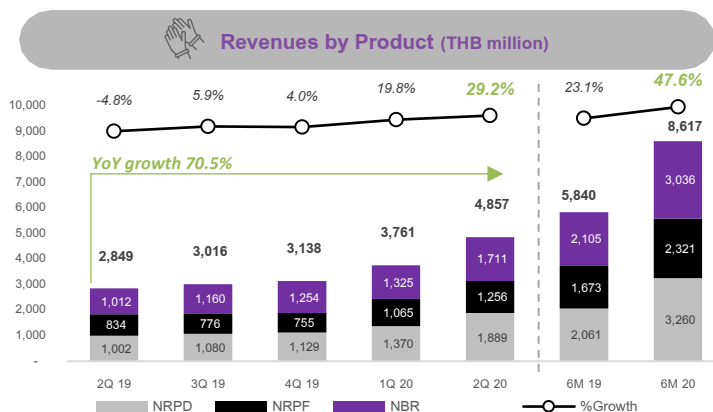
RECORD-BREAKING QUARTERLY PROFIT OF STGT

The robust global demand for gloves, which is still continuing, drove a 29.2% QoQ and 70.5% YoY increase in our revenue to a record high of THB 4,856.8 million in 2Q/20. Likewise, we recorded an all-time-high quarterly profit after tax of THB 1,056.8 million, increasing 150.5% QoQ and 487.7% YoY. Our profit margins across all product types increased approximately to the same degree. We ramped up our utilization rate to 95% to maximize output with the product mix of 65% NR gloves and 35% NBR gloves in 2Q/20. This level of utilization and product mix will be maintained until the new capacity of NBR gloves from the new Surat Thani plant (SR2) comes out in 1Q/21.

The proceeds of THB 14.6 billion (net of expenses) from the IPO in July 2020 have served to further strengthen our capital structure and provide support to our growth strategy and expansion plan to achieve 70 billion pieces in annual production capacity earlier than initially planned in 2026 (from previously in 2028). Interest-bearing debt (IBD) to equity ratio came down from 1.39 times in 1Q/20 to 0.21 times in 2Q/20. Our order backlog remains full until 4Q/21 for NR gloves and 2Q/22 for NBR gloves. We expect the Covid-19 pandemic to not only drive unprecedented growth in demand in the foreseeable term, but to also lead to a more widespread usage of gloves beyond the pandemic, with demand coming from both the medical to non-medical sectors, as the global population adjusts to the so-called "new normal."

Continuing to Deliver Higher Sales and Profit

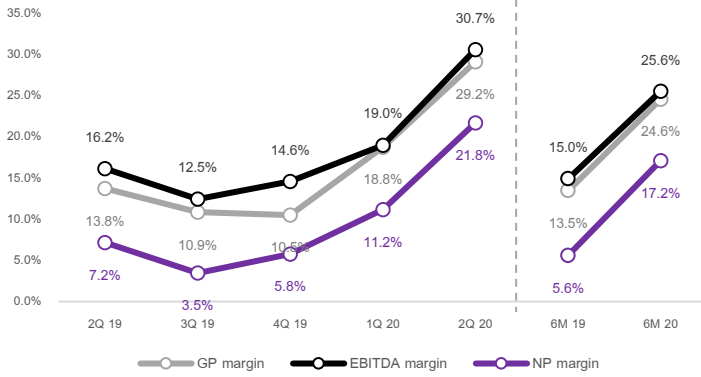
Total revenue from sales in 2Q/20 was THB 4,856.8 million, growing 29.2% QoQ and 70.5% YoY. This can be attributed to: 1) **An increase in sales volume of 17.6% QoQ and 62.1% YoY** to 7,380.6 million pieces in 2Q/20. The incremental volume came from the new capacity from our Hat Yai and Trang plants, which were fully commissioned in February 2020. Thanks to our one-of-a-kind switchable powder-free production lines, we were able to increase our NBR glove output to serve the surge in demand for NBR gloves, particularly from the developed markets. In 2Q/20, our NRPF sales volume increased 6.7% QoQ while NBR sales volume increased 16.6% QoQ; 2) **An increase in ASP 9.9% QoQ and 5.2% YoY** to 658 THB per 1,000 pcs (\$20.71). The ASPs of both NR and NBR gloves increased approximately to the same degree during 2Q/20.



Raw material prices continued to decline QoQ and YoY. The percentage of cost of sales to revenue decreased from 81.2% in Q1/20 to 70.8% in Q2/20. The decline in raw material prices, which dropped 0.7% QoQ and 9.1% YoY for NR latex, and 7.8% QoQ and 19.4% YoY for NBR latex, and the economy of scale derived from the additional production volume, drove a significant increase in gross profit margin from 18.8% in 1Q/20 to 29.2% in 2Q/20. **EBITDA margin also improved markedly from 19.0% in 1Q/20 to 30.7% in 2Q/20.** There were extraordinary expenses, which mostly related to the IPO, in the amount of THB 14.1 million (which are not share premium-deductible) as share-based expenses from the subscription of Employee Stock Option Program (ESOP) at a discount to IPO price. Setting aside such extraordinary expenses, our SG&A increased marginally by 3.1% QoQ and 20.6% YoY due to the higher proportion of CIF incoterm.

Despite unchanged finance costs and increased tax expense, mainly as a result of higher profit before tax, and deferred tax in relation to IPO expenses, **our net profit margin increased from 11.2% in 1Q/20 to 21.8% in 2Q/20.** We expect our finance costs to be lower in the coming quarters as we have paid off a portion of our long-term borrowings in the amount of THB 2,093.0 million at the end of 2Q/20, representing approximately 32.5% of our total IBD in 2Q/20 (before prepayment).

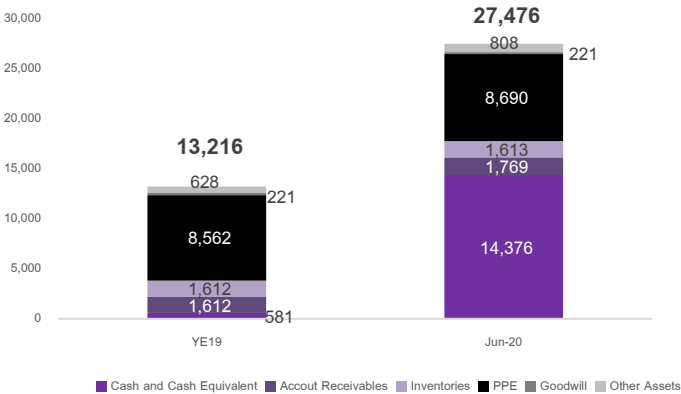
Margin (%)



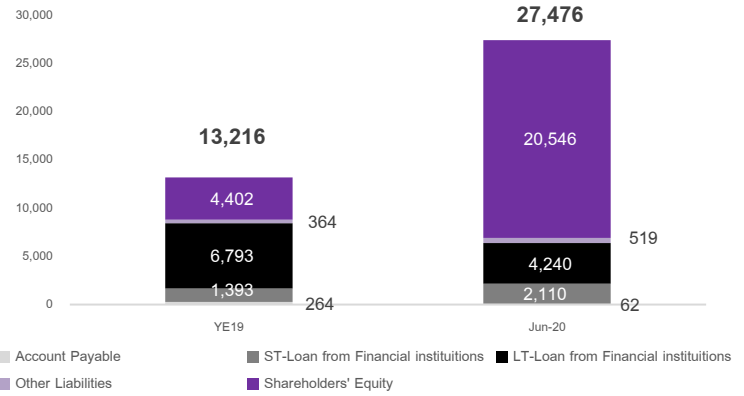
Strong Financial Position with Lower Debt Leverage following the IPO

Our total assets of THB 27,476.3 million mainly consisted of cash received from the IPO, followed by property, plant and equipment and working capital. **Our cash cycle markedly improved from 56.6 days in YE19 to 23.4 days in 2Q/20**, aided by more stringent debt collection and credit control as well as the depletion of finished goods thanks to the global shortage of glove supply. **Our gearing IBD to equity ratio decreased to 0.21 times from 1.39 times in 1Q/20**. All of our outstanding long-term borrowings, totaling THB 4,240.3 million, were taken under the 3% interest subsidy scheme of the Rubber Authority of Thailand (RAOT). We expect to receive the subsidy reimbursement for the year 2019/2020 of THB 78.6 million from the RAOT in 3Q/20.

Assets (THB million)



Liabilities & Shareholders' Equity (THB million)



Strategies & Expansion

We will continue to deliver high quality hand protection to users worldwide at our maximum output. The utilization rate of 95% will be maintained and we have streamlined our product mix and production process to ensure that we will achieve the highest production volume to save lives during the pandemic. **We are committed to our expansion plan to achieve 70 billion pieces in annual installed production capacity 2 years earlier than the initial plan**. The new capacity will start to come out from SR2 by 1Q/21, followed by SR3 in 2Q/21. **By the end of 2022, our capacity will reach 45.8 billion pieces per annum, representing a 40.5% growth from 2020, with the potential product mix of 50% NR gloves and 50% NBR gloves**. Further cost-saving initiatives to achieve an even higher profit and return to shareholders are in our focus. Our highest standard of good governance to all stakeholders, particularly our workers and staff, known as **"best in class workforce treatment,"** will continue to be our pride and practice.

Installed Capacity & Estimated CAPEX (THB million)





2Q/20 Key Financial Information

(In million THB)

	2Q 20	1Q 20	%QoQ	2Q 19	
				(Restated)	%YoY
Volume (in million pcs)	7,380.6	6,278.0	17.6%	4,552.7	62.1%
Sales Revenue	4,856.8	3,760.6	29.2%	2,848.7	70.5%
COGS	(3,439.3)	(3,053.9)	12.6%	(2,456.0)	40.0%
Gross profit	1,417.5	706.6	100.6%	392.7	261.0%
Other income	28.7	18.5	55.4%	27.5	4.4%
SG&A	(232.5)	(211.8)	9.8%	(181.2)	28.3%
Gain (loss) on exchange rate, net	(76.6)	94.1	-181.4%	(20.4)	276.0%
Other gains, net	85.6	(116.4)	NM	44.7	91.4%
Operating profit (loss)	1,222.8	491.0	149.1%	263.4	364.2%
EBITDA	1,490.3	716.2	108.1%	460.3	223.8%
EBIT	1,223.8	491.1	149.2%	264.7	362.3%
Finance income	1.0	0.2	471.3%	1.3	-24.5%
Finance costs	(38.5)	(39.0)	-1.1%	(50.5)	-23.7%
EBT	1,185.2	452.2	162.1%	214.2	453.4%
Tax	(128.4)	(30.3)	324.2%	(34.4)	273.9%
Net profit	1,056.8	421.9	150.5%	179.8	487.7%
GP margin	29.2%	18.8%	10.4%	13.8%	15.4%
EBITDA margin	30.7%	19.0%	11.6%	16.2%	14.5%
Net profit margin	21.8%	11.2%	10.5%	6.3%	15.4%
Financial Ratio					
Current ratio	6.01	1.45	314.1%	1.92	212.8%
Cash cycle (days)	23.42	45.64	-48.7%	67.06	-65.1%
IBD/E	0.21	1.39	-84.8%	1.35	-84.4%
Interest coverage ratio	31.75	12.60	151.9%	5.24	505.8%
ROA	15.4%	12.3%	3.2%	6.2%	9.3%
ROE	20.6%	35.0%	-14.4%	17.0%	3.6%

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 7,500 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

Email: stgt_ir@sritranggroup.com

Tel: 02 207 4500 Ext. 1404

