

STA

1Q20 Presentation



THE WORLD'S LEADING FULLY INTEGRATED GREEN RUBBER COMPANY



SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

Opportunity Day

5 June 2020

Agenda



1. STA Business Highlights



2. Financial Performance



3. Natural Rubber Market Situation



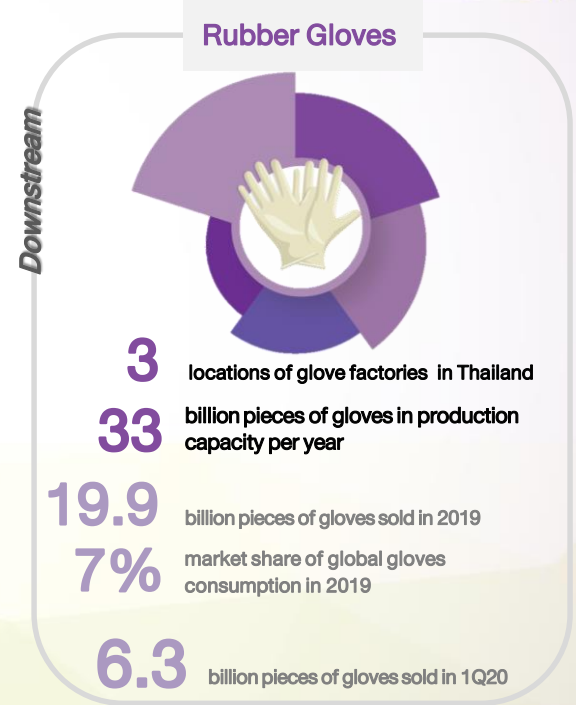
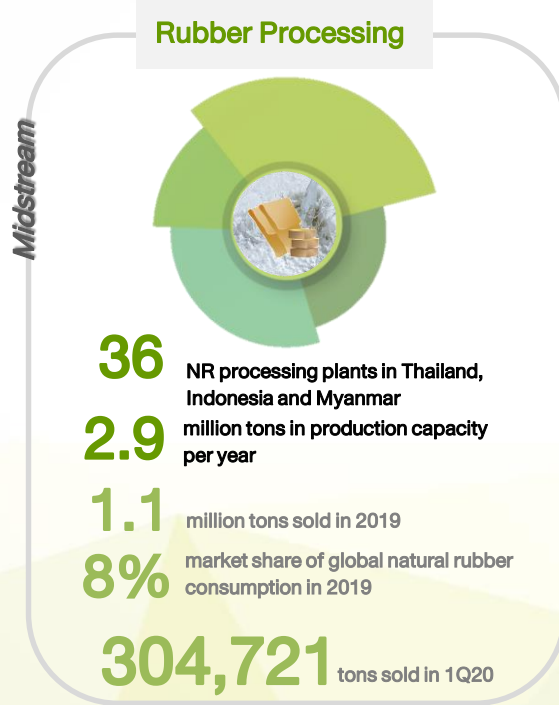
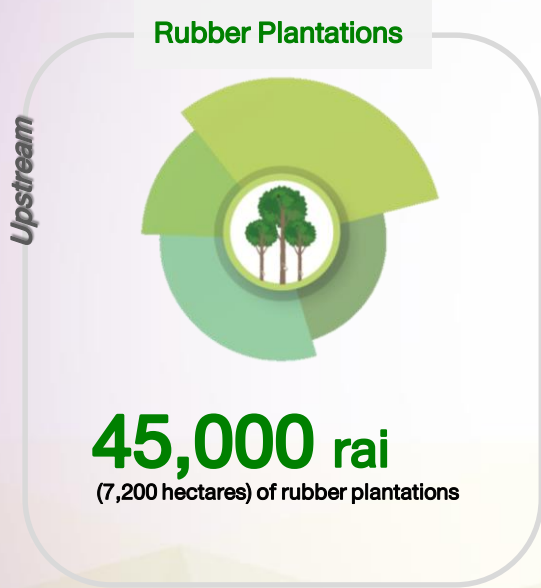
4. Business Outlook

1 *STA Business Highlights*



About STA: The World's Leading Fully Integrated Natural Rubber Company

Established in 1987



45
procurement centers

> 3,000
Rubber farmers and dealers
being members of STA Friend
mobile application

STA's Global Presence



Thailand



USA



Myanmar



Indonesia



Singapore



China

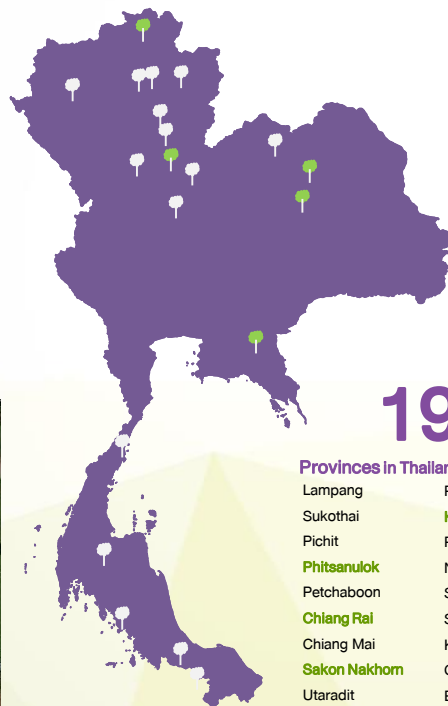


Vietnam

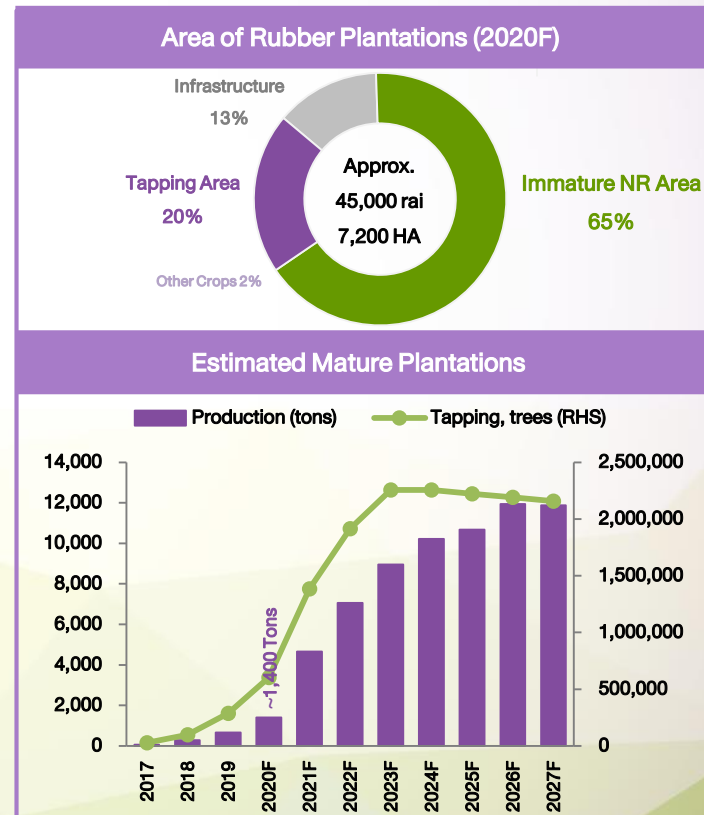
Upstream Operations – Rubber Plantations



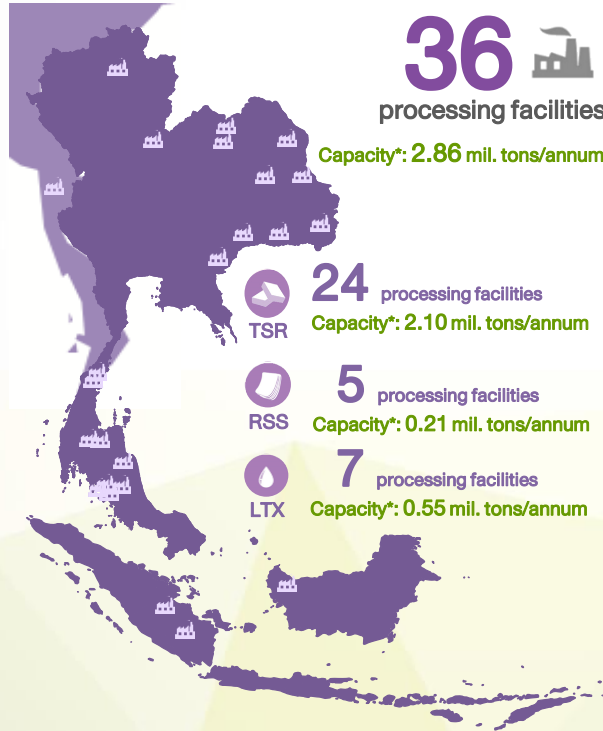
Increase number of tapping area from 4,400 rai in 2019 to 9,300 rai in 2020 [+193%]



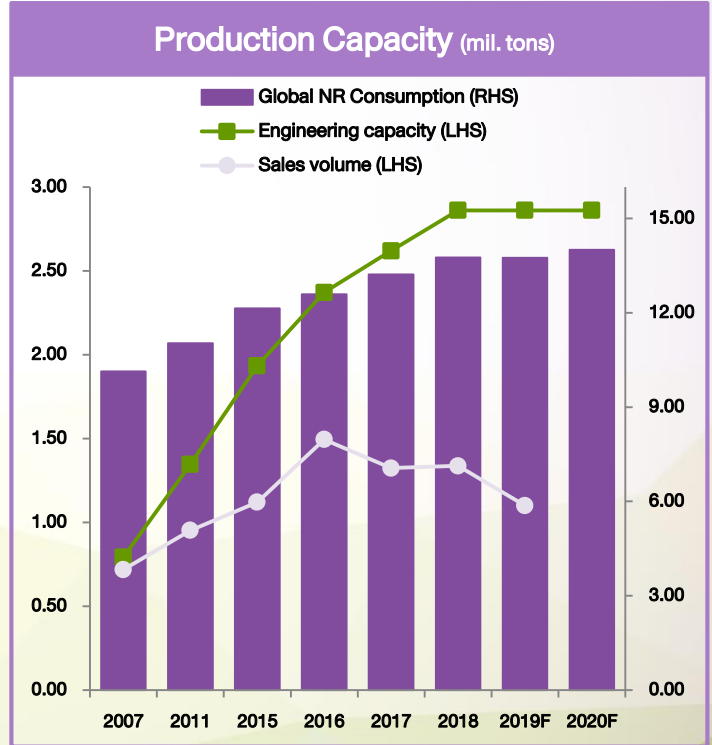
Note: The green provinces are where our factories located in.



Midstream Operations – NR Processing



Note: *Total engineering capacity



Major Customers in Midstream Business

Global Brands



KUMHO TYRES



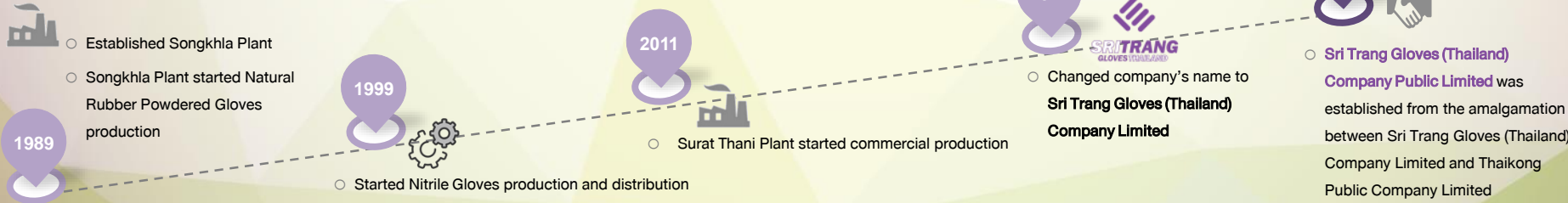
Downstream Operations – Finished Products



SRITRANG GLOVES THAILAND

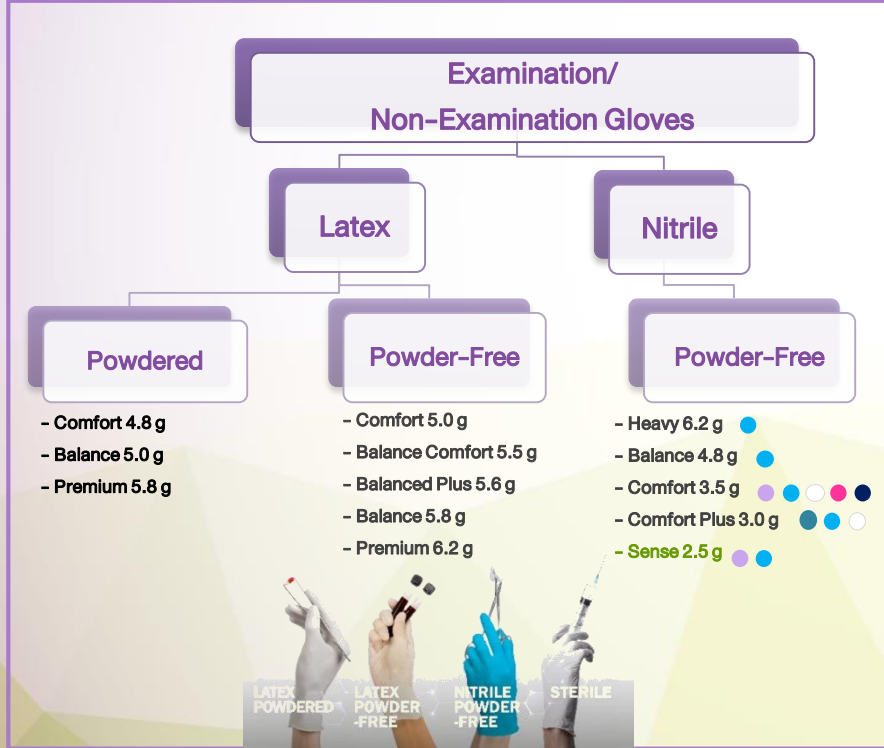
Touch Of Life™

STGT Targeting to achieve an annual installed capacity of **50 bn. pcs. by 2024 & 70 bn. pcs. by 2028**



Our Gloves Products

Product Range



Various distribution channels to reach all target customers



Exhibition



Selling Agent

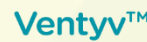


Retail Business



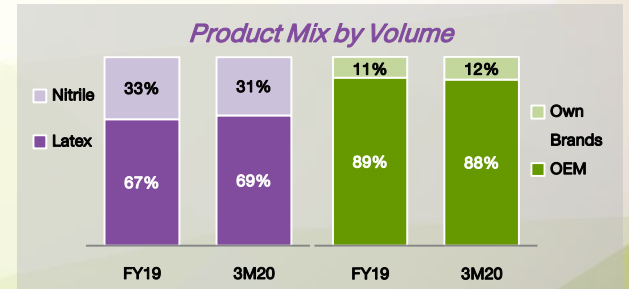
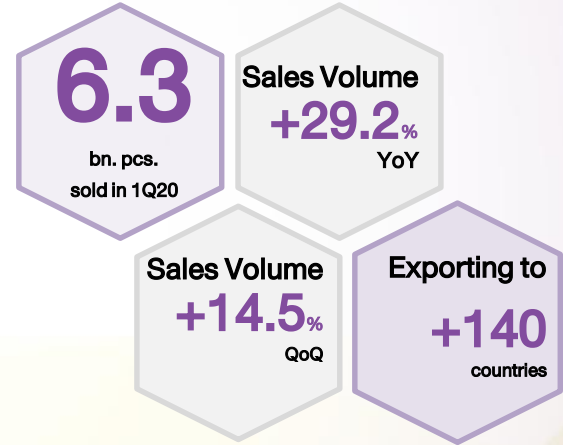
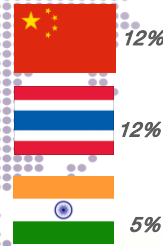
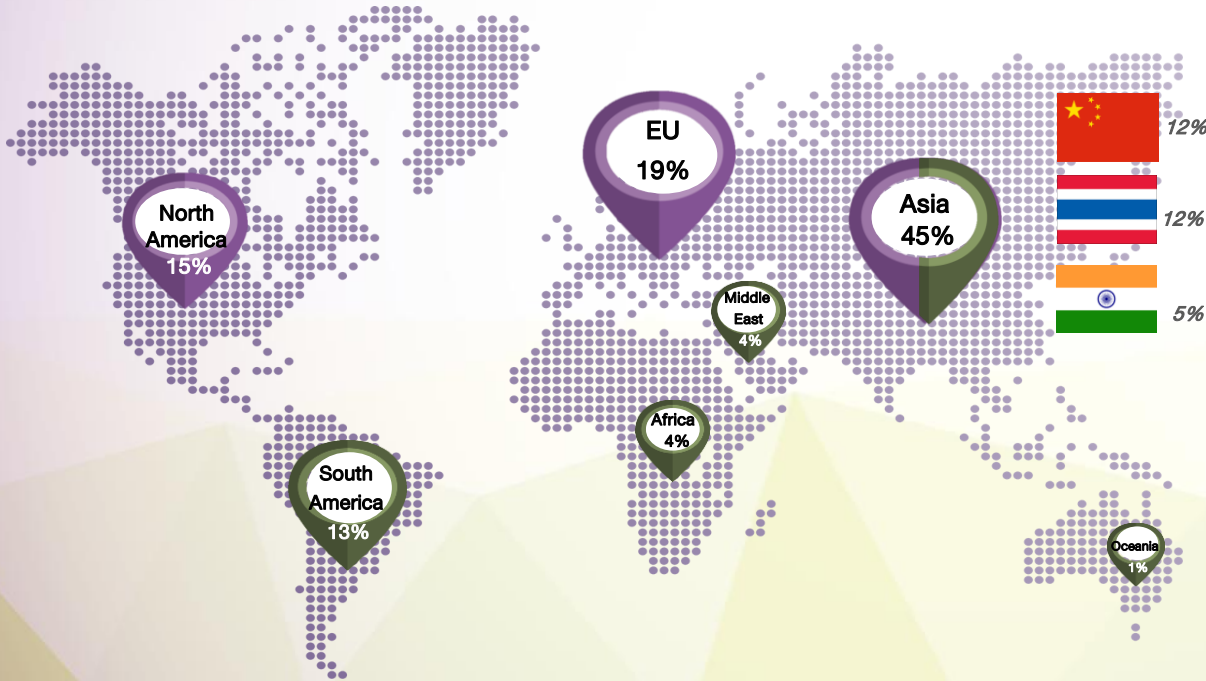
Online

Our Brands



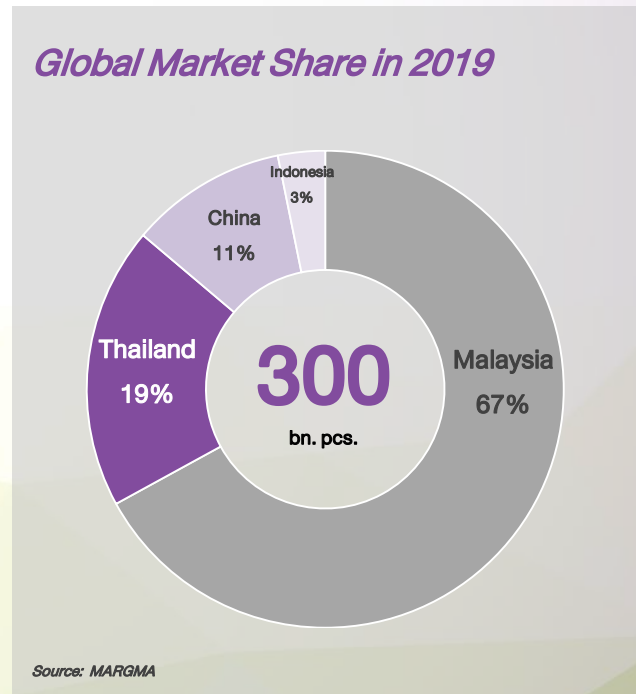
Sales Volume Breakdown by Region

*Maintain our market share in developed markets & **Aggressively expand to high growth countries***



Global Glove Market Outlook

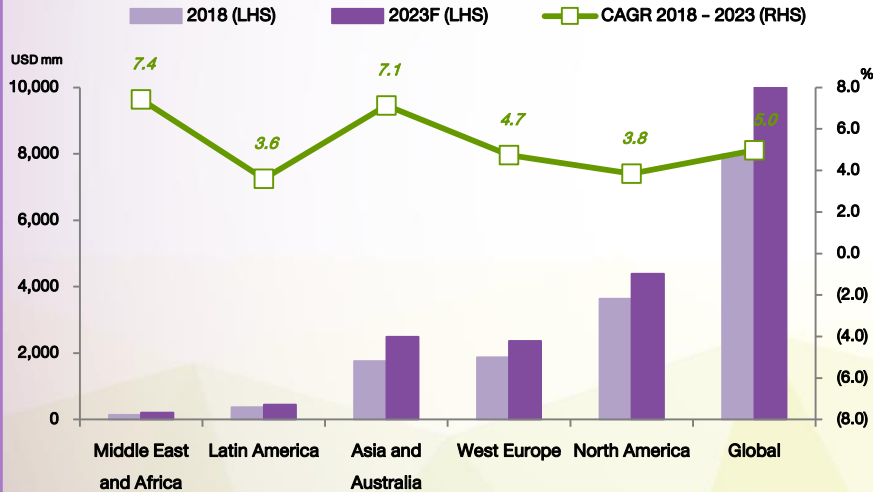
Demand Keeps Growing & Hidden Consumption in Emerging Markets



Key Drivers in Rubber Glove Consumption

Growth in Healthcare Industry around the World

Healthcare Spending in Each Region in 2018 and 2023



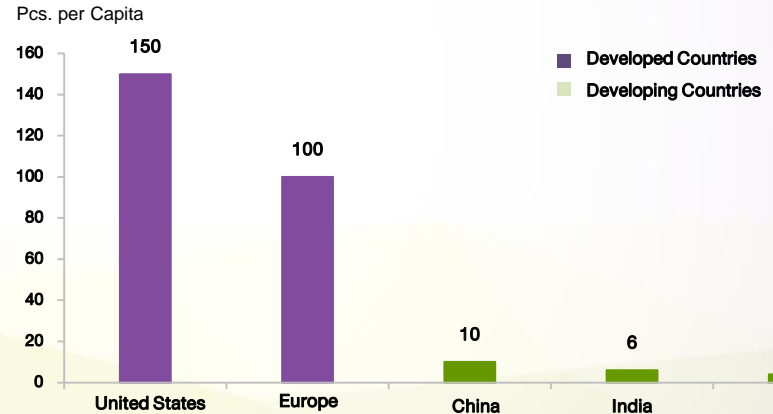
Key Drivers:

- (1) Increase in aging population
- (2) Supportive government policies and access to medical services
- (3) Increase in Non-communicable Diseases

Source: The Economist Intelligence Unit as of September 2019

Increasing Usage of Hygienic Products in Developing Countries

Forecasted Rubber Glove Consumption per Capita in Developed and Developing Countries in 2019



Potential growth of rubber glove demand in developing countries is supported by accelerated economic growth in such countries, increase in awareness in the importance of hygiene and potential current low rate of rubber glove usage per capita in such countries

Source: MARGMA Industry Brief 2019 on the Rubber Glove Industry

Gloves are the **NEW NORMAL**



2

FINANCIAL PERFORMANCE



STA is the **TRUE SURVIVOR**

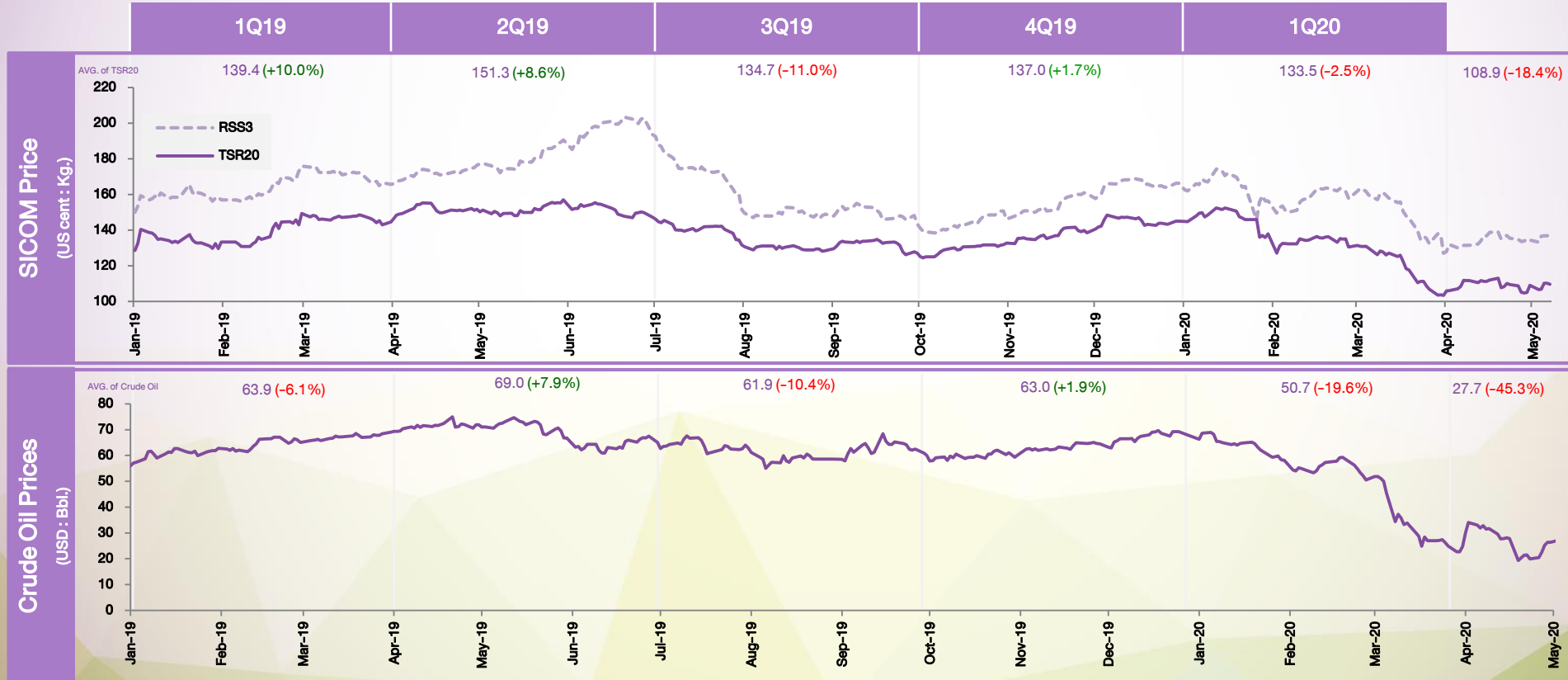


with the lowest D/E ratio in the rubber industry at 1.27 times

TSR20 Historical Price Movement [2004 – May 2020] (US cent : Kg.)



SICOM – Oil Prices



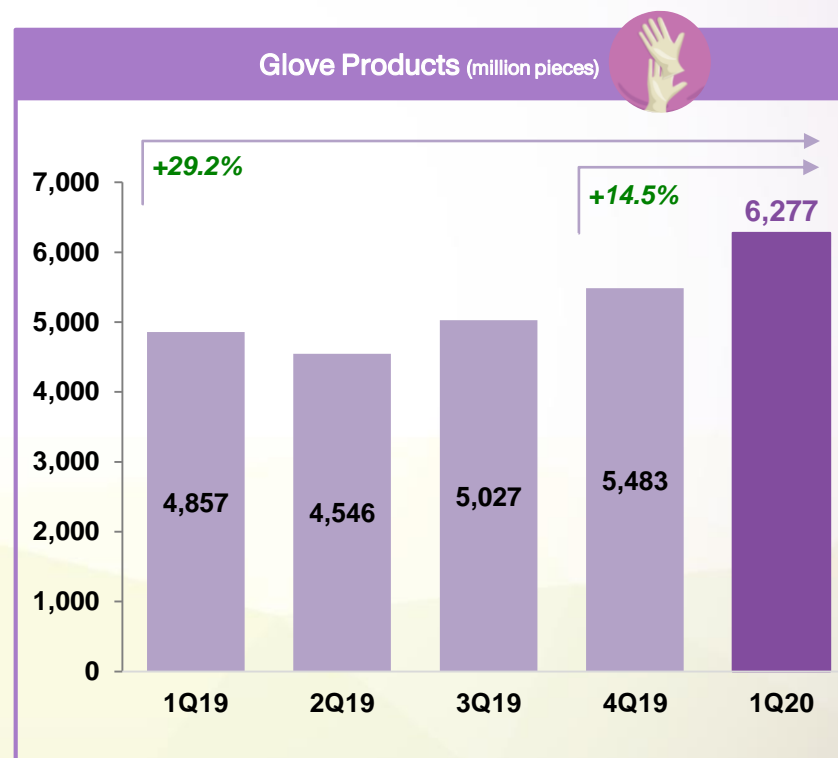
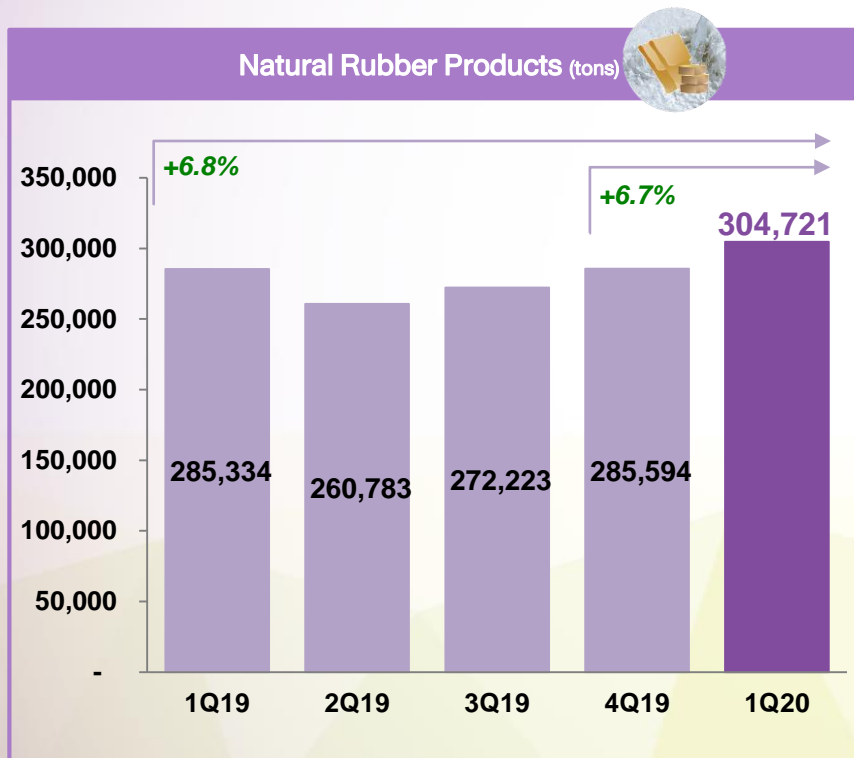
ABBREVIATIONS

RSS : Ribbed smoked sheet
 TSR : Technically specified rubber, which includes STR and SIR

LTX: Concentrated Latex

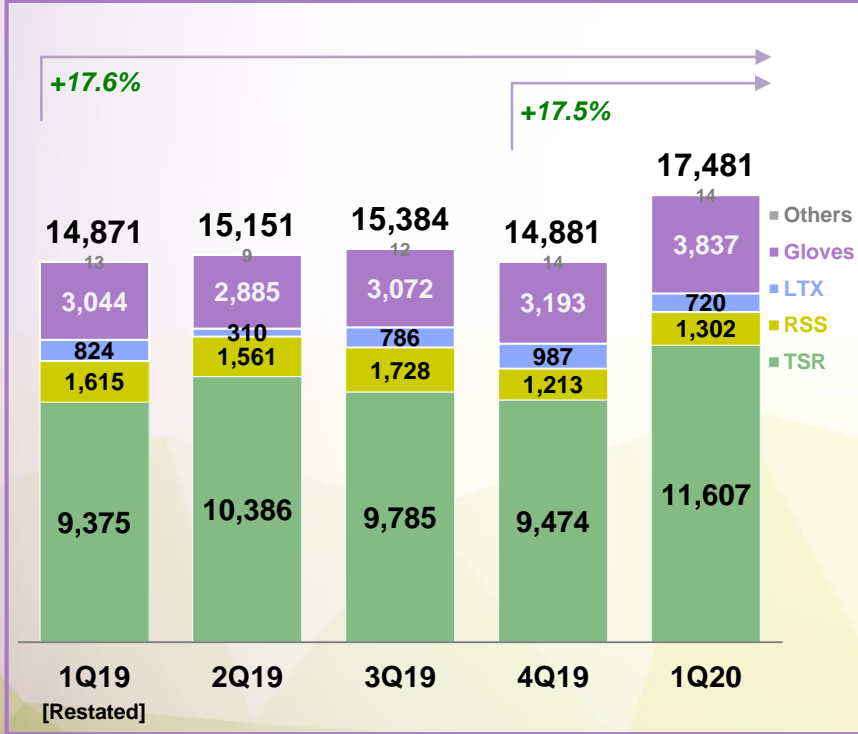
® Sri Trang Agro-Industry Plc.

Sales Volume

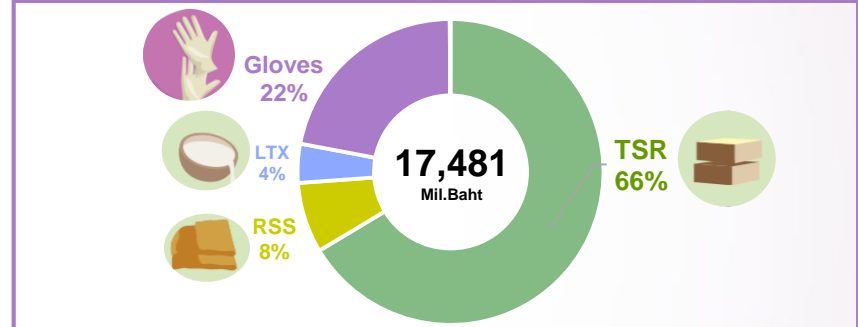


Sales Revenue

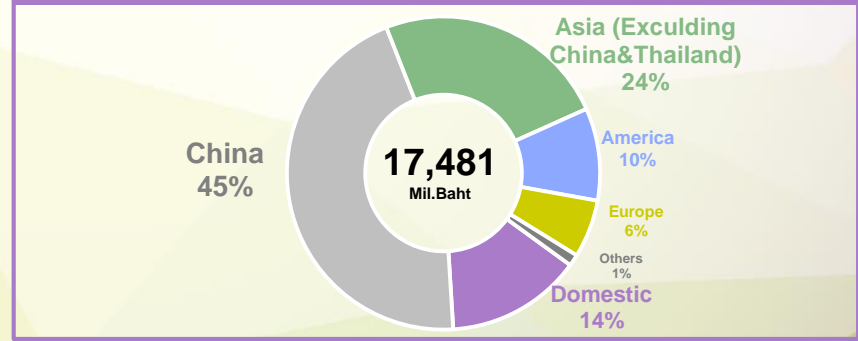
Sales Revenue by Product (THB million)



Sales Breakdown by Product



Sales Breakdown by Region

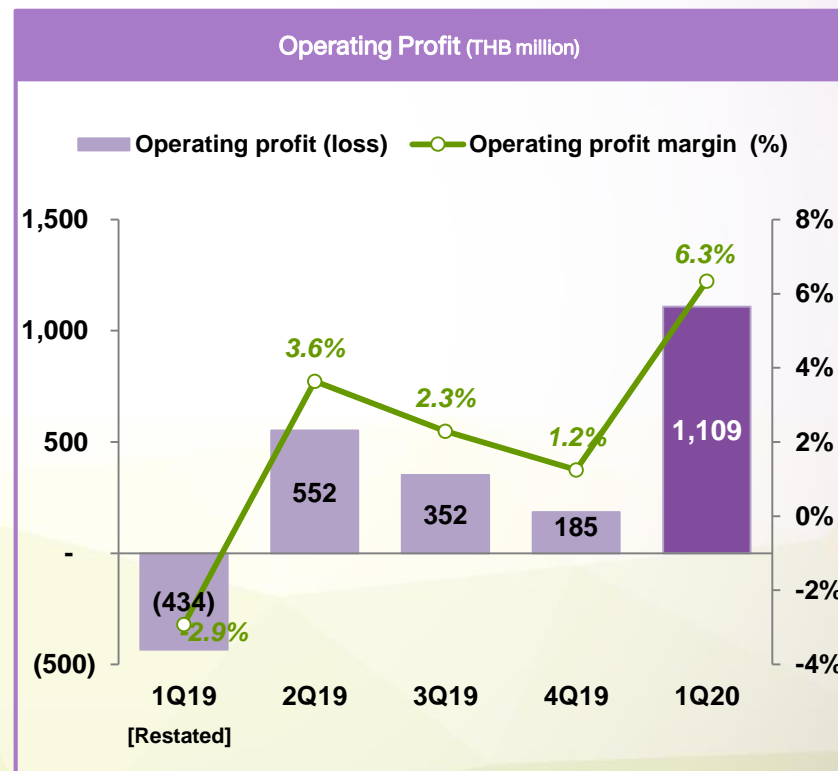
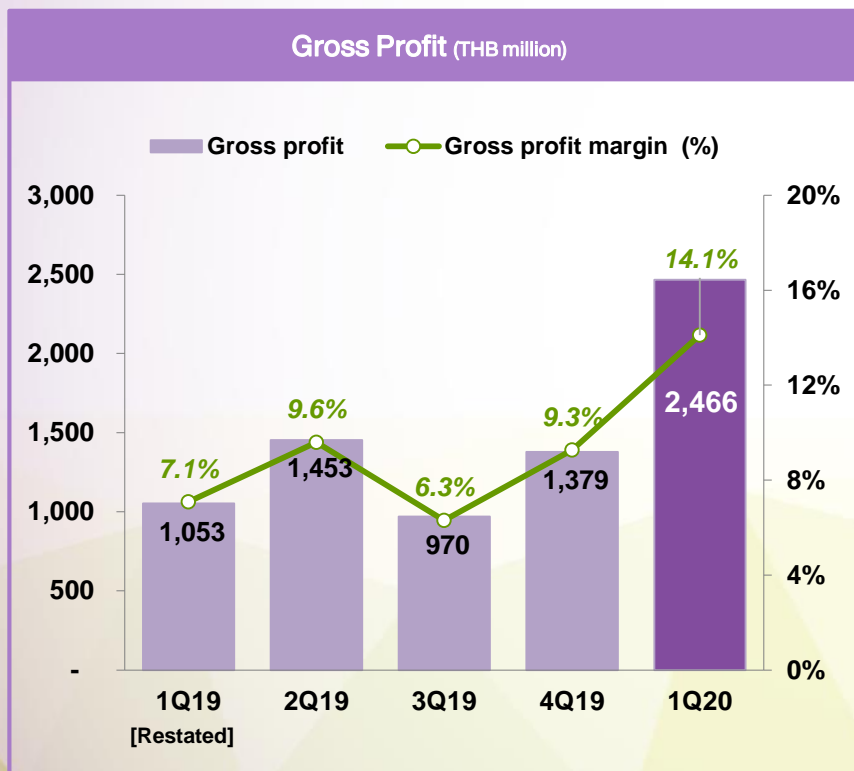


ABBREVIATIONS

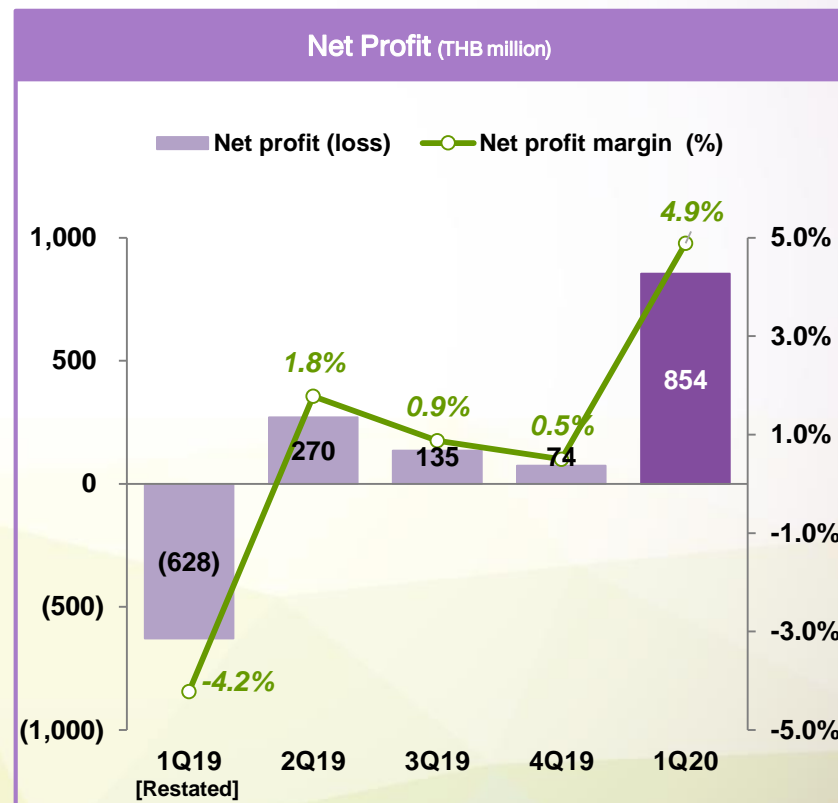
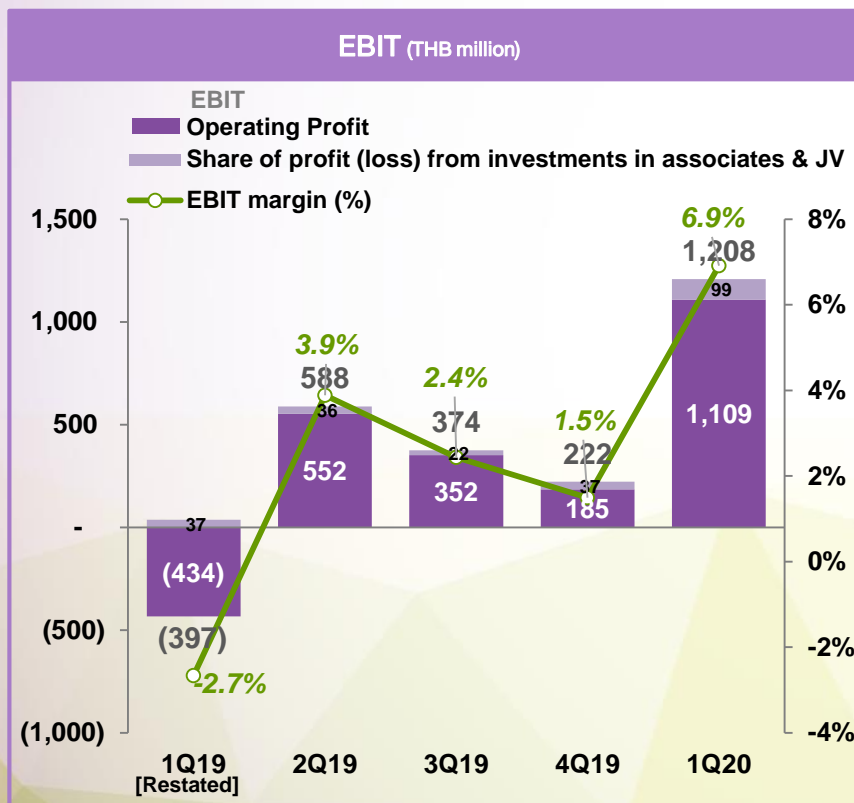
RSS : Ribbed smoked sheet
TSR : Technically specified rubber, which includes STR and SIR

LTX: Concentrated Latex

Gross Profit & Operating Profit



EBIT & Net profit



Financial Highlight



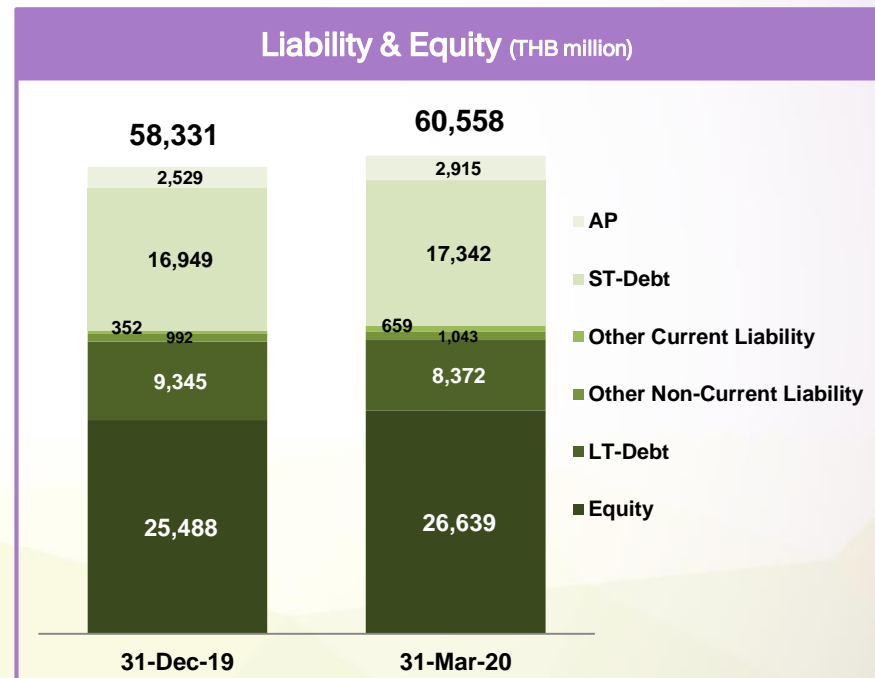
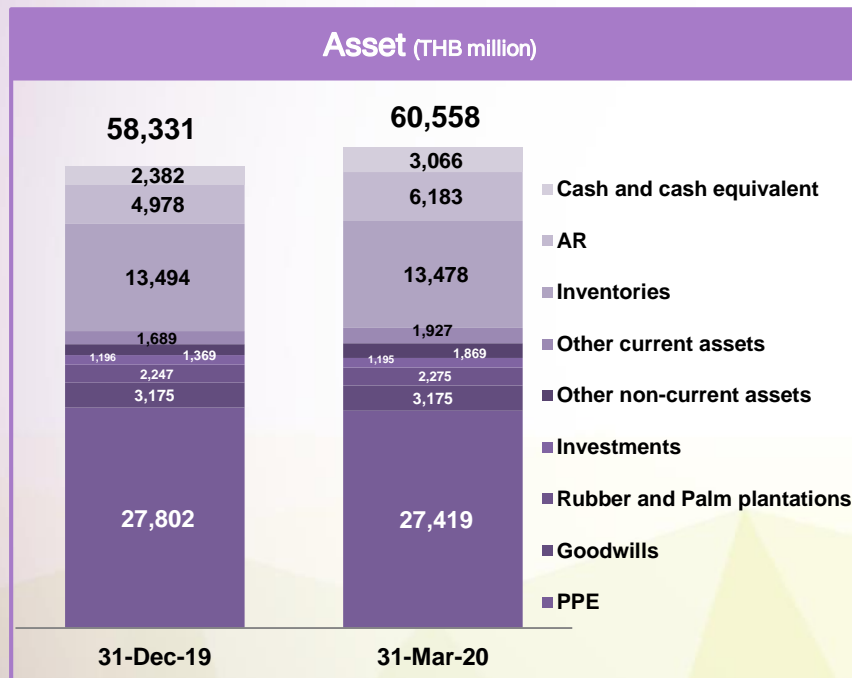
(Unit : THB million)	1Q20	1Q19 [Restated]	%YoY	4Q19	%QoQ	FY19
Revenue	17,481	14,871	17.6%	14,881	17.5%	60,286
<i>Sales volume (tons)</i>	<i>304,721</i>	<i>285,334</i>	6.8%	<i>285,594</i>	6.7%	<i>1,103,934</i>
<i>Avg. selling price (USD per ton)</i>	<i>1,430</i>	<i>1,310</i>	9.2%	<i>1,350</i>	5.9%	<i>1,402</i>
Gross profit	2,466	1,053	134.2%	1,379	78.8%	4,854
Adj. gross profit*	2,861	622	360.3%	1,307	118.8%	4,635
SG&A	(1,258)	(1,165)	-19.3%	(1,205)	4.4%	(4,571)
Gains (loss) on exchange rate, net**	(37)	132	N/A	185	N/A	569
Other gains (loss)***	(92)	(482.7)	N/A	(247)	-62.6%	(478)
Operating profit (loss)	1,109	(434)	N/A	185	498.1%	656
Share of profit (loss) from investments in JV	99	37	167.5%	37	171.1%	132
EBITDA	1,871	180	940.4%	857	118.2%	3,274
EBIT	1,208	(397)	-404.6%	222	444.0%	788
Finance costs, net	(200)	(228)	-12.0%	(188)	6.3%	(856)
Tax Income (expense)	(80)	10	N/A	76	N/A	16
Net profit	854	(628)	N/A	74	1053.9%	(149)
GP margin	14.1%	7.1%	702.5	9.3%	484.0	8.1%
Adj. GP margin*	16.4%	4.2%	1,218.6	8.8%	758.0	7.7%
Operating profit margin	6.3%	-2.9%	925.9	1.2%	510.0	1.1%
EBITDA margin	10.7%	1.2%	949.2	5.8%	494.0	5.4%
Net profit margin	4.9%	-4.2%	910.7	0.5%	438.9	-0.2%

*Adjusting for (reversal) allowance of inventory and realized gains /(losses) from hedging activities

**Reclassified according to TFRS 7-- Just only FX gains/ (losses) related to AP, AR, loans can be shown in this item

***Reclassified according to TFRS related to financial instruments of currency and commodities

Balance Sheet



1Q20

5.75X

13.11X

1.27X

1.16X

ROA

ROE

D/E

Net Interest Bearing

FY19

-0.25X

--0.57X

1.29X

Debt/ Equity

1.20X

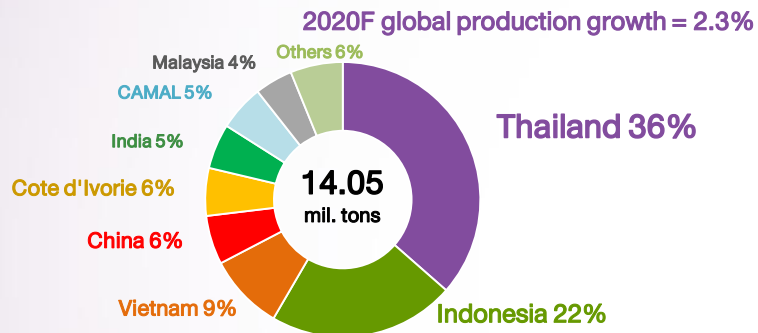
3

NATURAL RUBBER MARKET SITUATION

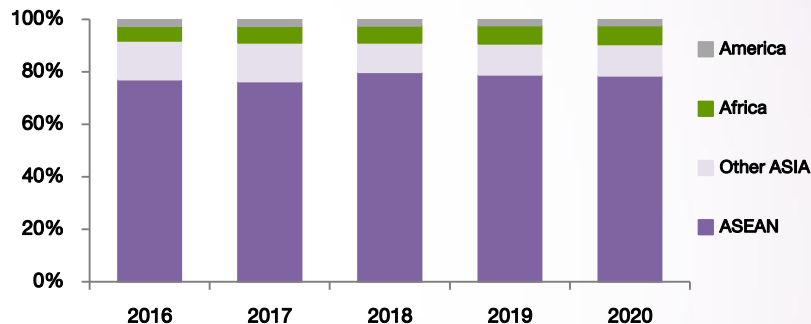


NR Supply [Before COVID-19]

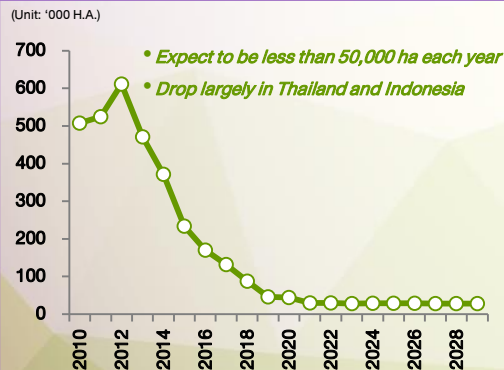
2020F Major Producers



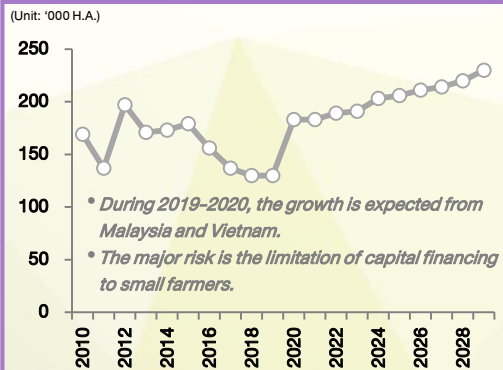
~80% of NR output came from ASEAN



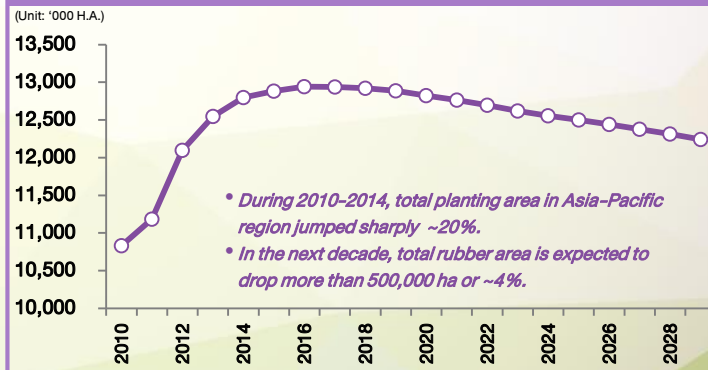
New Planting Area



Re-Planting Area

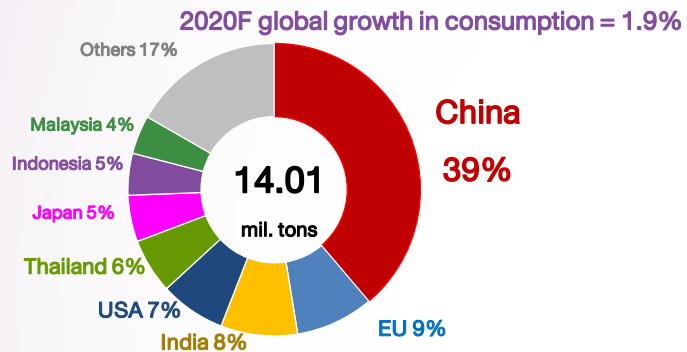


Total Area

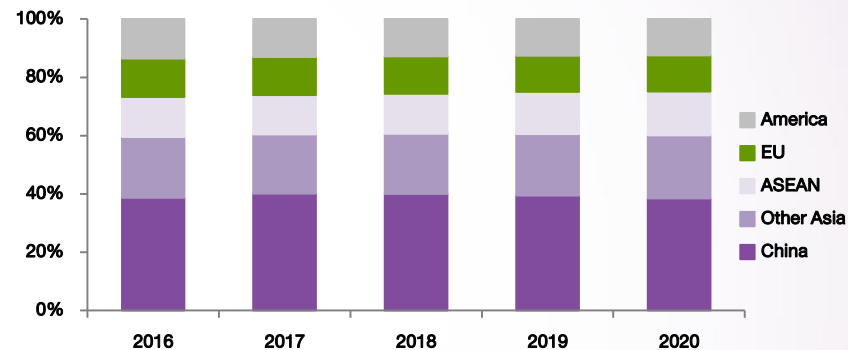


NR Demand [Before COVID-19]

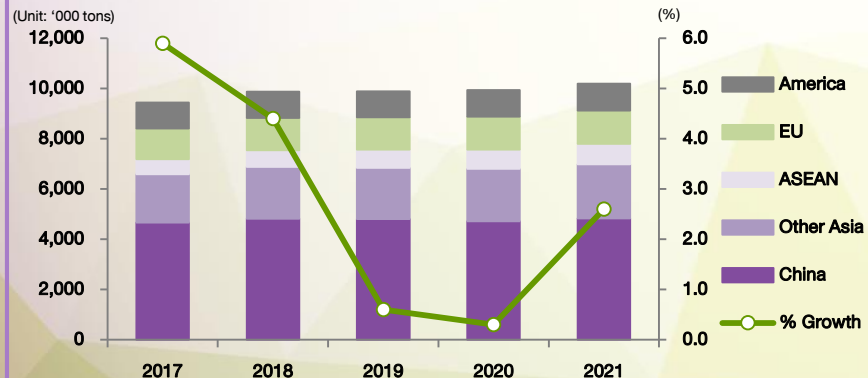
2020F Major NR Consumers



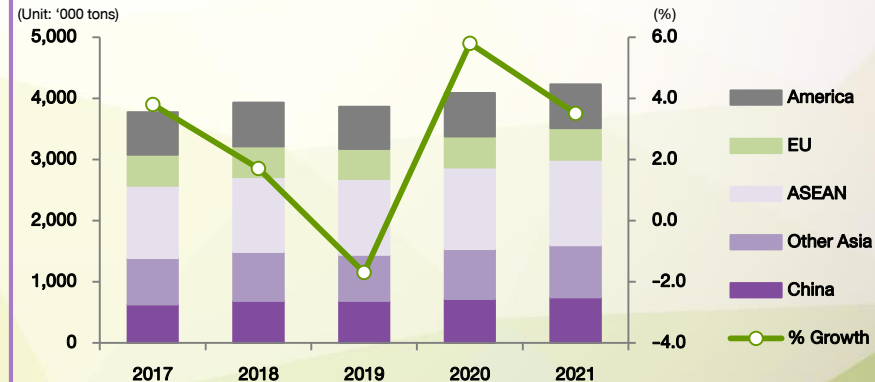
NR Consumption Diversification



NR Consumption in Tire Industry



NR Consumption in Non-Tire Industry

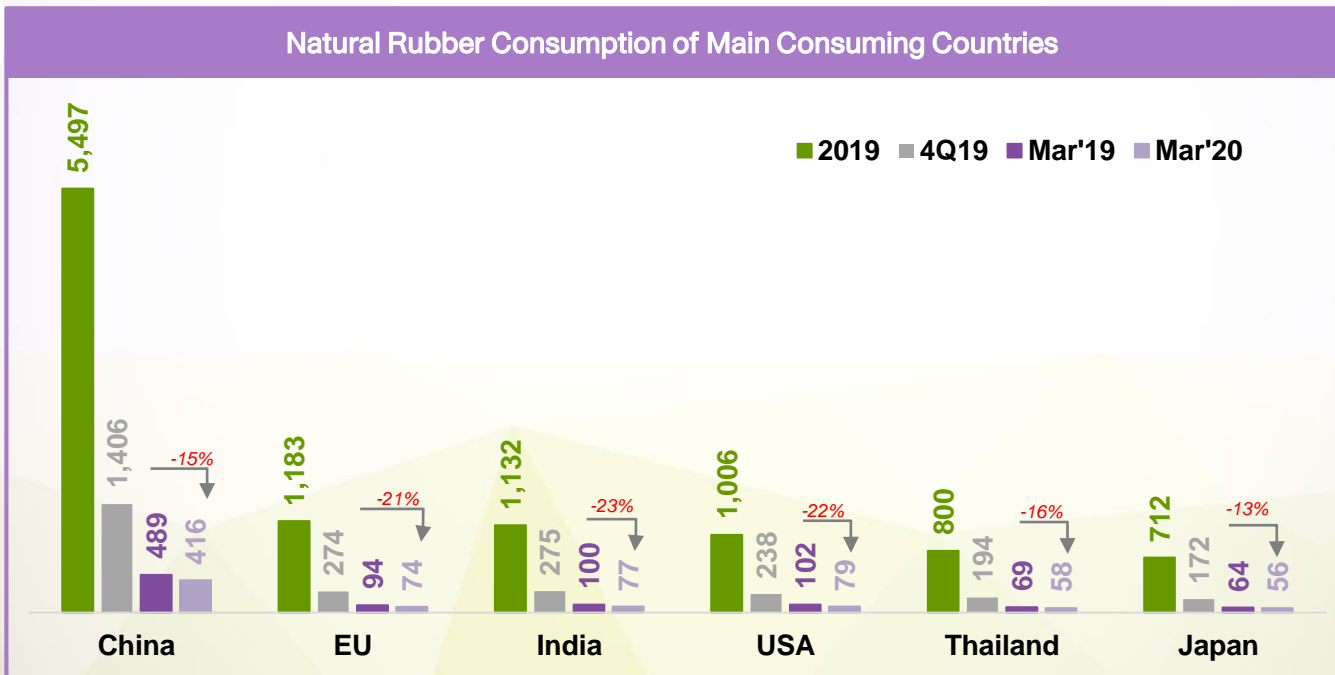


Drop in the global NR consumption



International Rubber Study Group

Natural Rubber Consumption of Main Consuming Countries



The Difficult Times

TSR20 Price Movement [2016– May 2020] (US cent : Kg.)



4 ***BUSINESS OUTLOOK***



Strategy for Midstream Operations – NR Processing

Launch mobile application
“STA FRIENDS”



Objective: To buy raw materials from rubber farmers and dealers in Thailand anywhere and anytime

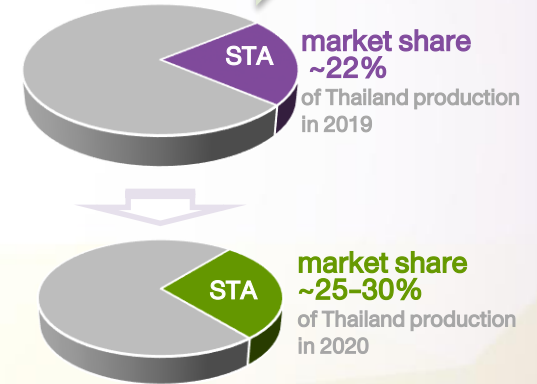
No. of Members: > **3,000** rubber farmers & dealers in STA network

Enhance
production efficiency



- Implement automation & censing system in production process
- Reduce energy consumption e.g. adapting production process to be shorter & smarter, using more biomass and reducing the use of LPG etc.

Acquire
higher market share



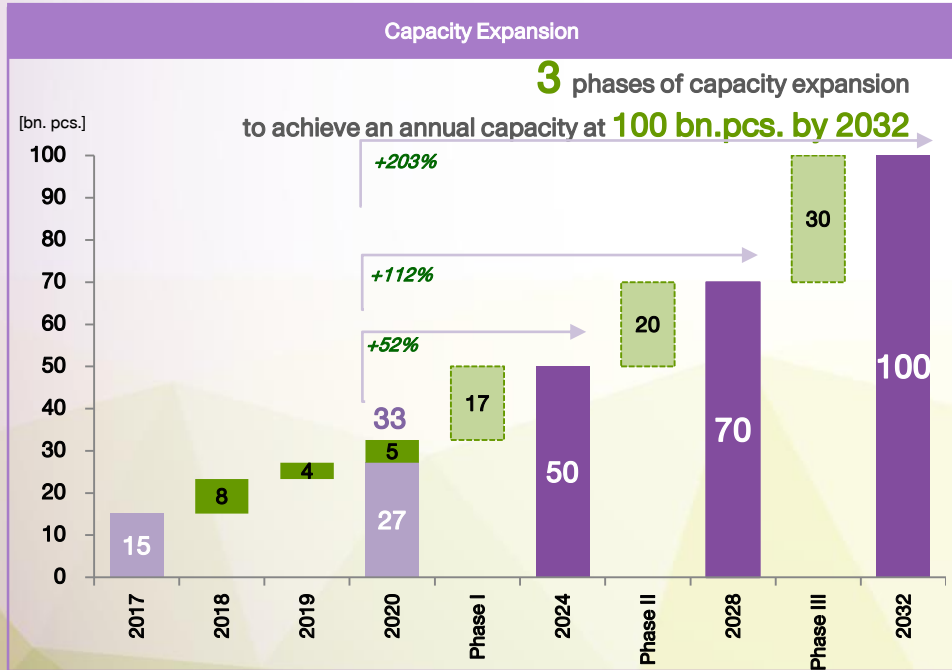
- Keep our position as the reliable supplier for rubber users all over the world
- Gain more market share among ambiguous market environment

STA ≠ Industry

Strategy for Downstream Operations – Glove Business

High Demand & High Growth

Expand to Capture Market Demand



3 Existing Production Facilities



1 6 bn. pcs. per annum



2 17 bn. pcs. per annum



3 10 bn. pcs. per annum



Chumpom

Surat Thani I
Surat Thani II

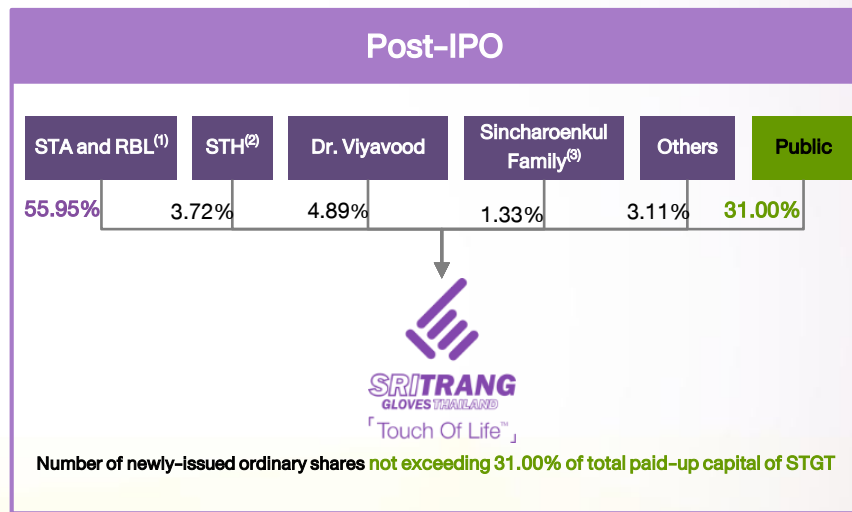
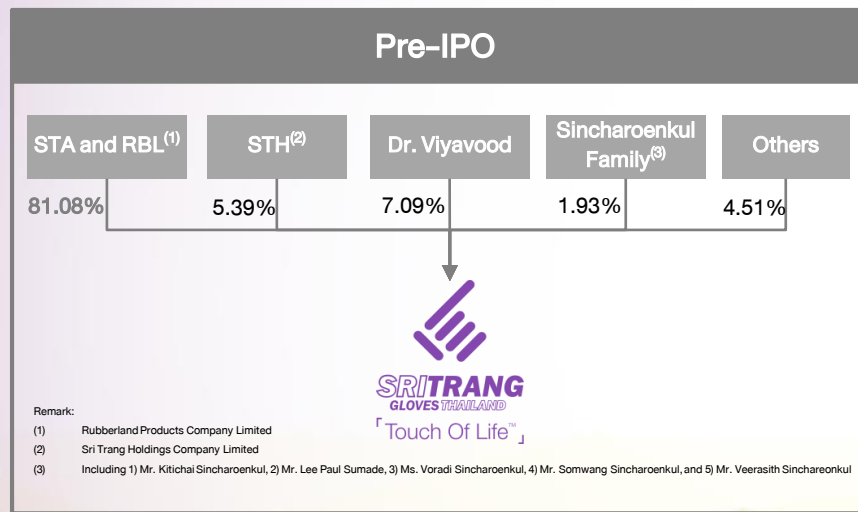
Trang I
Trang II

Had Yai, Songkhla
Sadao, Songkhla

Existing

Expansion plan

STGT's IPO Plan



Type of Business	Manufacturing and marketing business of natural rubber gloves and nitrile gloves
Secondary Market	The Stock Exchange of Thailand (SET)
Industry Group / Sector	Consumer Products / Personal products & Pharmaceuticals
Status	Approved
No. of IPO	<p>No more than 444,780,000 newly issued shares divided into</p> <p>(1) 432,780,000 newly issued shares to general public, institutional investors and sponsors</p> <p>(2) 2,000,000 newly issued shares to directors, executives and employees of Sri Trang Agro-Industry PCL and its subsidiaries</p> <p>(3) STGT's ESOP Program separated to 4,000,000 newly issued shares offered to directors, executives and employees of STGT and its subsidiaries on the IPO date, the other 6,000,000 newly issued shares will be offered 1-2 years after IPO</p>
Financial Advisor	Finansa Securities Limited

APPENDIX

ESG Policy

GREEN RUBBER COMPANY

For over 30 years, Sri Trang Group has been operating in a socially and environmentally responsible manner and the symbol "Green" signifies our commitment to sustainability and transparency.

"Taking a Step Forward as the Green Rubber Company"



SRI TRANG GROUP
Green
Rubber

Green Company

In every aspect of our operations, we are guided by the belief that transparency is key to building trust and achieving long-term success. We also seek to make a positive difference to the local communities and foster long-lasting relationships through various forms of community engagement.

Green Procurement

We source raw materials from ethical suppliers with sustainable practices and strive to guide rubber farmers toward the sustainable management of rubber plantations.



Green Process

The production process for every one of our products is based on the concept of sustainability and energy efficiency. Our production facilities do not generate hazardous substances that cause adverse impact on the environment and the neighboring communities.







Green Products

We produce high-quality products that are free of chemical substances that detrimentally affect the health and safety of end-users.

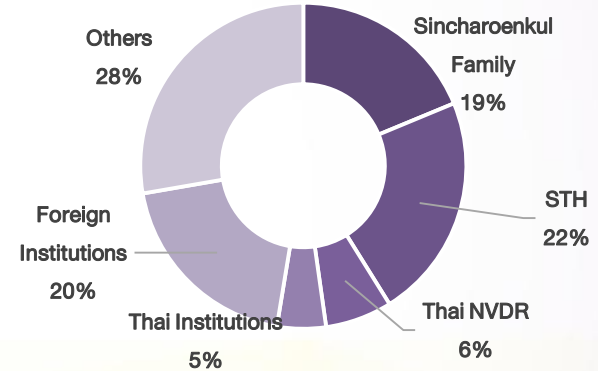


Profile



Symbol	 STA  NC12
2017 CG Score	 Excellence
Anti-Corruption	 Certified by Thai CAC
Closing Price	Baht 17.70 per share [15/05/2020]
52-Week High/Low	Baht 17.90 per share Baht 9.45 per share
Outstanding Shares	1,535,999,998 shares @ 1 Baht per share
Market Capitalization	Baht 27.19 billion [15/05/2020]
P/E [times]	20.39 [15/05/2020]
% Free Float	55.06% [Total shareholders : 11,014 Shareholders as of [28/02/2020]
Dividend Policy	Approximately 30% of net profit in a financial year but not in excess of retained earnings (with additional conditions)

Shareholding Structure

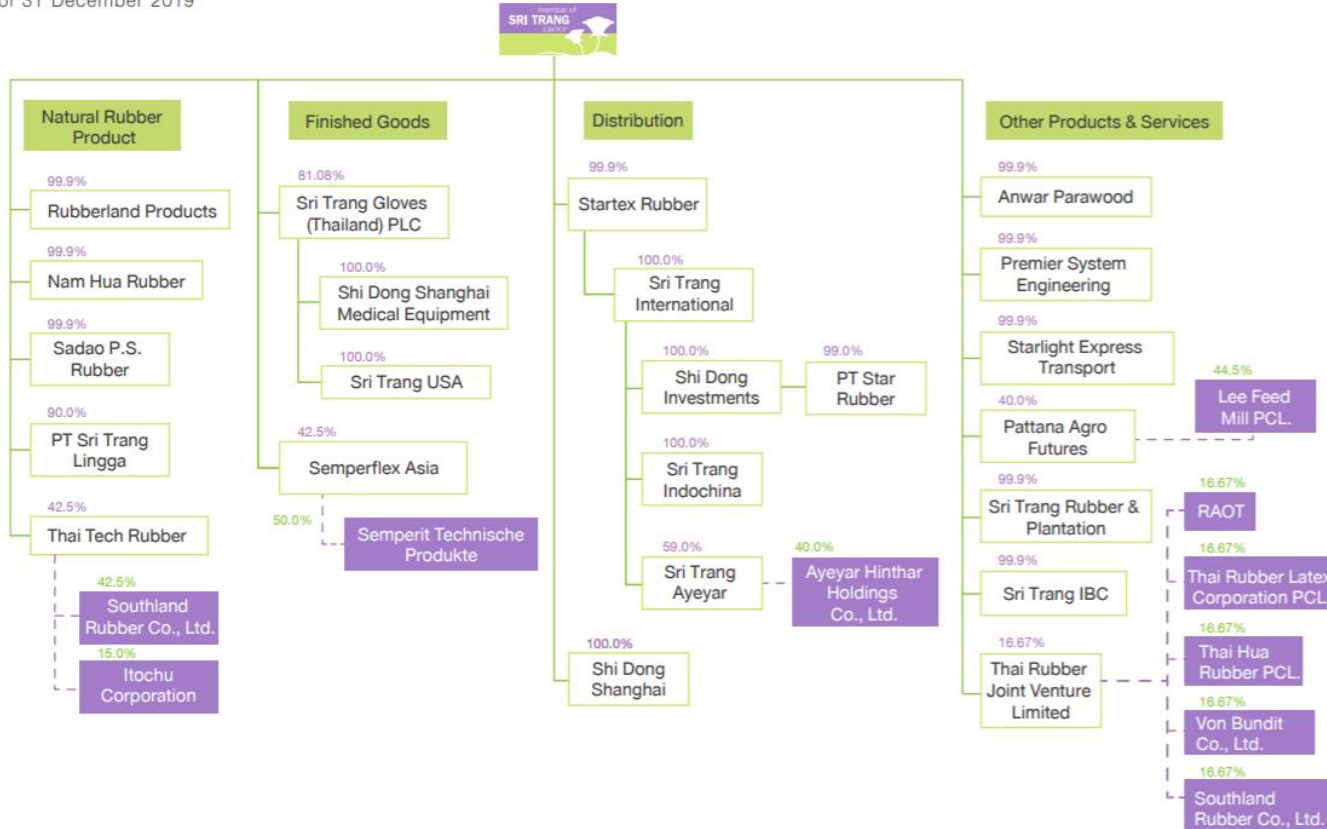


Top 10 Shareholders [as at 28/02/2020]

		%
1	Sri Trang Holding ("STH")	22.38
2	Sincharoenkul family	18.75
3	Thai NVDR Co., Ltd	6.63
4	Mrs. Promsuk Sinchareonkul	2.93
5	CITIBANK NOMS SPORE PTE LTD	2.63
6	Thai R.T.N. Holding Co., Ltd.	2.46
7	CITIGROUP GLOBAL MARKETS LIMITED-PB CLIENT-NRBS COLLATERAL	1.72
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	1.62
9	UOB KAY HIAN PRIVATE LIMITED	1.47
10	BANK JULIUS BAER & CO. LTD, SINGAPORE	1.21

Group Structure

As of 31 December 2019



Awards in terms of ESG



The Guideline and Frame work to support the 4 GREEN strategy and UN SDGs Goal

Dimension	Topic	Key Success
Economic (Green Company) "Sustainable Growth" 	<ul style="list-style-type: none"> • Good Corporate Governance • Anti-corruption • Increased production and Expand market share • Strengthen the customers' and Partners' trust • Focused on quality of products to satisfy customers • Educated rubber farmer/supplier to make a good quality raw material • Create innovation and new technology 	<ul style="list-style-type: none"> • CG score • AGM assessment • Member of The Private Sector Collective Action Coalition Against Corruption (CAC) • Economic Performance • Customer Satisfaction • Sri Trang rubber farmer project • R&D and Innovation project • Benefit from Kaizen& QCC activity
Social (Green Supply) "Create more happiness for internal and external society" 	<ul style="list-style-type: none"> • Development and employees' care • Human Rights and Fair Labor Practices • Establish responsible process to consumer care • Engage supplier or partners' for social responsibility • Social and Community Development • Good health, Safety and Good working environment 	<ul style="list-style-type: none"> • Turnover rate • Disabled persons employment • Accident rate • Consumer complaints • No. of Suppliers who acknowledge anti-corruption policy • Cost and project to supported and developed community
Environment (Green factory, Green product) "Focus on the effective environmental management system" 	<ul style="list-style-type: none"> • Energy reduction and renewable energy • Reduce CO₂ emission • Efficiency resourcement and reuse material • Oriented towards managing to reduce Impacts of the production. • Develop and share innovation of environmental responsibility • Planting and increasing the green areas • R&D environmental friendly products 	<ul style="list-style-type: none"> • Energy Conservation Project • Waste to value Project • % of rubber transportation vehicle of "the Bun Tuk Yang Tid Rang Srang Roi Yim" project • Test kit on sulfate content in raw material • Quality of treated water • Air emission result



THE WORLD'S LEADING FULLY INTEGRATED NATURAL RUBBER PROCESSING COMPANY



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