

SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis Q3 2025
as of 30 September 2025 | 7 November 2025



Financial Result Overview

The Company benefited from the resume purchase orders in this quarter. As a result, sales volume increased 10.7% QoQ and 4.9% YoY, enabling the Company to generate EBITDA, excluding one-time items, of THB 556.1 million.

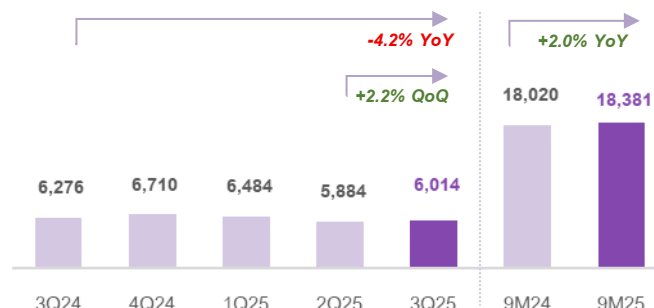
Profit and Loss Analysis

In Q3 2025, we reported a net loss of THB 106.0 million, representing a net loss margin of 1.7%, compared to a loss of THB 86.5 million in the same period last year and a decrease of 237.6% QoQ. Excluding the allowance for impairment of buildings and machinery that have ceased operations and other gains/(losses) on financial derivatives, the Company would record a pre-tax operating loss of THB 0.5 million, equivalent to a net loss margin of 0.0%. The details are as follows:

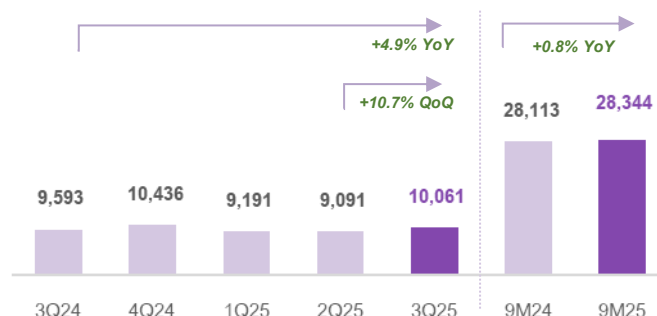
- **Sales revenue** in Q3 2025 totaled THB 6,079.5 million, increasing 1.4% QoQ but decreasing 5.6% YoY.
- **Sales volume** in Q3 2025 reached 10,061 million pieces, up 10.7% QoQ following the resume of purchase orders after clarity on the US Reciprocal Tariff measures. Compared YoY, sales volume rose 4.9%, driven by the recovery in global demand and supported by the Company's well-diversified customer base across regions, which continued to sustain sales growth amid ongoing industry competition.
- **The ASP** of all glove products in Q3 2025 was THB 598 per 1,000 pieces (USD 18.60), declining to 7.6% QoQ and 8.6% YoY due to intense competition in the industry and the appreciation of the THB by 2.5% QoQ and 7.2% YoY against the USD. As a result, ASP in THB decreased at a faster pace than the ASP in USD, which declined 5.3% QoQ and 1.5% YoY.
- **Utilization rate** in Q3 2025 was 77.3%, improving from 75.8% QoQ and 77.1% YoY.
- **Cost of goods sold (COGS)** in Q3 2025 totaled THB 5,643.4 million, increasing 3.0% QoQ due to higher raw material costs in line with increased sales volume. NR latex and NBR latex declined 7.0% QoQ and 11.3% QoQ, respectively. However, the higher utilization rate helped reduce cost per unit. Compared YoY, cost of goods sold decreased 7.7%, mainly due to lower NR latex prices, which fell 13.0% YoY, and NBR latex prices, which dropped 27.9% YoY. Higher production and sales volume also contributed to the lower cost per unit. The Company continues to focus on cost control and operational efficiency improvements to mitigate fluctuations in raw material and other costs over the long term.



Gloves' Revenue (THB million)



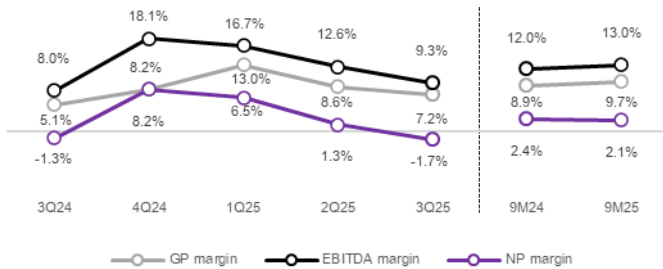
Gloves' Sales Volume (Million pieces)



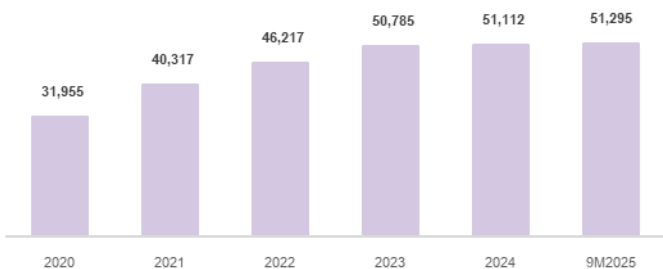
- **Gross profit** in Q3 2025 was THB 436.1 million, decreasing 15.8% QoQ as the decline in the ASP outweighed the reduction in cost of goods sold, while the appreciation of the THB also pressured profitability during the quarter. Compared YoY, gross profit increased 32.0% as Q3 2024 had been significantly affected by the sharp appreciation of the THB and lower ASP, which weakened profitability at that time. The gross profit margin in Q3 2025 stood at 7.2%, down from 8.6% in the previous quarter but higher than 5.1% in the same period last year.
- **SG&A** in Q3 2025 were THB 510.7 million, up 17.6% QoQ and 32.3% YoY. The increase mainly reflected the recognition of an impairment allowance for buildings and machinery that have ceased operations. The Company plans to replace these assets with new machinery and technologies to enhance production efficiency and reduce costs. Excluding this one-time impairment expense, SG&A would have been THB 460.1 million, representing 7.6% of sales revenue, slightly higher QoQ and YoY.
- **Finance costs** in Q3 2025 were THB 57.1 million, decreasing 11.0% QoQ and 24.1% YoY, mainly due to the repayment of short-term borrowings and lower interest expenses following the reduction of long-term debt.
- **EBITDA** in Q3 2025 totaled THB 566.5 million, down 24.8% QoQ but up 10.5% YoY. The EBITDA margin stood at 9.3%, compared with 12.6% in the previous quarter and 8.0% in the same period last year.



Margin (%)



Installed Capacity (Million pcs.)



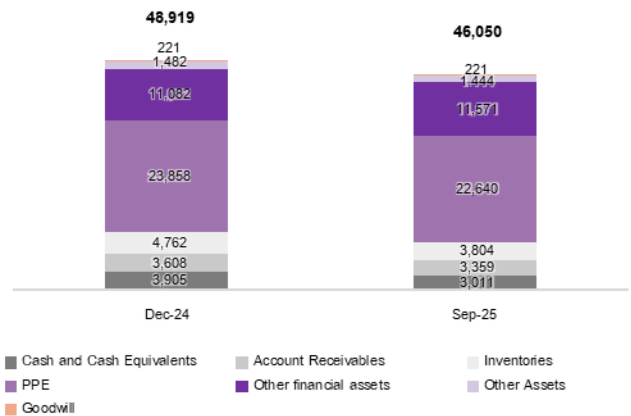
Financial Position Analysis

- As of 30 September 2025, total assets stood at THB 46,050.0 million, decreasing 5.9% from 31 December 2024, mainly due to a 19.6% decrease in current assets, driven by lower cash and cash equivalents as well as inventories. Non-current financial assets increased 13.5% from the end of 2024, while property, plant, and equipment declined following the recognition of an impairment allowance for buildings and machinery during the quarter.
- Total liabilities amounted to THB 7,998.7 million, down 23.1% from 31 December 2024, primarily due to the repayment of short-term borrowings and the redemption of green bonds.
- Total shareholders' equity was THB 38,051.4 million, decreasing 1.2% from 31 December 2024.

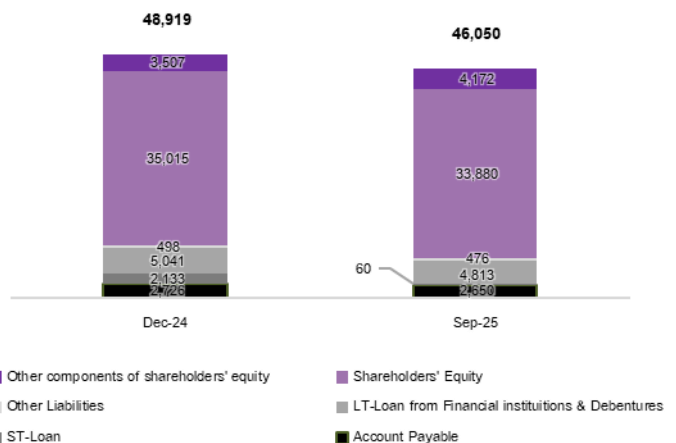
Note: The majority of STGT's loans consist of long-term borrowings under a loan support program from the Rubber Authority of Thailand (RAOT), with an interest rate subsidy of up to 3.0% per annum, to support production capacity expansion.



Asset (THB million)



Liabilities and Shareholders' Equity (THB million)



Cash Flows Analysis

For Q3 2025, net cash at the end of the period was THB 3,010.5 million, decreasing by THB 894.9 million from the beginning of the period.

- THB 3,440.2 million in cash flow from operating activities was mainly derived from profit from operations of THB 2,369.3 million, together with an increase in working capital of THB 1,099.7 million and interest income of THB 181.1 million, offset by interest expenses of THB 203.9 million and income tax payments of THB 1.4 million.
- THB 307.1 million in cash flow used in investing activities was primarily comprised of THB 799.3 million in fixed deposits with financial institutions for more than three months, classified under other current financial assets, THB 582.3 million in cash paid for the purchase of property, plant, and intangible assets, and THB 434.2 million for the purchase of other financial assets.
- THB 3,818.7 million in cash flow used in financing activities was mainly from repayment of short-term and long-term borrowings, offset by THB 1,732.8 million in new long-term loans received, THB 1,432.6 million in dividend payments, THB 550.0 million in redemption of green bonds, and THB 71.8 million in share repurchases.

Key Financial Ratios

- Interest coverage ratio in Q3 2025 was 9.92 times, down from 11.74 times in the previous quarter, mainly due to a decline in EBITDA. Nevertheless, the ratio remained at a level that reflects strong cash flow and the Company's ability to service interest payments effectively.
- Current ratio as of 30 September 2025 stood at 2.40 times, improving from 1.94 times as of 31 December 2024 and 2.07 times in the previous quarter. The improvement was primarily driven by a decrease in current liabilities, particularly short-term borrowings from financial institutions, while current assets declined at a slower pace, resulting in an overall improvement in liquidity.
- Cash conversion cycle in Q3 2025 was 50.78 days, improving from 58.38 days in the previous quarter. The improvement was mainly due to shorter Days Sales Outstanding (DSO) and Days Inventory Outstanding (DIO), while Days Payables Outstanding (DPO) increased slightly.
- Net interest-bearing debt-to-equity ratio (Net IBD to equity) as of 30 September 2025 was 0.03* times, down from 0.05* times as of 31 December 2024, primarily due to the decrease in bank borrowings and green bonds, while shareholders' equity declined at a slower rate.

**Note: The calculation includes time deposits with a maturity of over three months as part of short-term investments.*

Business Strategy

- With our unique product mix (NR/NBR), flexible production lines capable of alternating between producing NRPF and NBR gloves, and a production base in Thailand, a prime location for high-quality NR latex, we are well positioned to deliver high-quality gloves to consumers worldwide.
- We are committed to reducing production costs through the use of automation and advanced technologies to eliminate redundancies and achieve economies of scale. We are also exploring the application of Artificial Intelligence (AI) to enhance machinery efficiency to produce high-quality, competitively-priced products sustainably. These efforts will enable us to achieve profits and deliver solid returns to shareholders.

Our business strategy will focus on:

- **Maintaining our position as a leading producer and distributor of natural rubber gloves**, capitalizing on our competitive advantage over competitors in access to high-quality NR latex at lower costs and benefiting from no CESS levy on raw materials.



- **Increasing production of specialty gloves that respond to specific customer demand**, with current offers of over 85 types, including non-detectable protein gloves, surgical gloves, and diamond-textured gloves that are used in the industrial sector. This year, we have further developed and improved on our products, such as latex surgical gloves that enable medical personnel to wear double layers more comfortably.
- **Growing our customer base** from currently 175 countries to over 190 countries within the next 2 years. This approach also helps diversify revenue across multiple regions, including Asia, the United States, Europe, and Latin America.
- **Managing utilization rate and profitability** to achieve optimal profitability and provide reasonable returns in the long run as the glove industry is going through the normalization period.
- **Improving production efficiency through the use of automation and technologies including AI** to minimize costs and labor and improve product quality. Projects that are already underway include Gloves Defect Detection system, QC Digital Transformation, and Smart Energy System.
- **Building on and maintaining our ESG leadership**, by prioritizing social and environmental responsibility and good corporate governance to align with today's sustainable values. This commitment positions us to achieve sustainable growth and maintain leadership in the global glove industry.

Sustainable Business Operations (ESG)

STGT emphasizes sustainable business operations throughout the business value chain under the concept of **"Clean World Clean Gloves,"** focusing on product quality, environmentally friendly production, and creating business value for stakeholders. In Q3 / 2025, the Company undertook significant ESG activities as follows:

Environmental

- **Sri Trang Gloves (Thailand) Public Company Limited (Trang Branch) receives certification as a Climate Action Leading Organization (CALO).**



STGT (Trang Branch) has been certified as a "Climate Action Leading Organization (CALO)" by the Thailand Greenhouse Gas Management Organization (Public Organization), or TGO, in collaboration with the Thailand Carbon Neutral Network (TCNN) working group, as one of 37 organizations receiving this certification. The Company has registered its commitment to achieve the goal of Net Zero GHG Emissions in accordance with TGO's guidelines. This certification reflects the Company's commitment to sustainability operations and the transition toward a low-carbon economy.

Social

- **“Sri Trang Gloves” Advances Business Alongside Society, Wins CSR Award 2025 from the Ministry of Social Development and Human Security.**



STGT received the Certificate of Honor for Outstanding Corporate Social Responsibility Performance at the provincial level under the Corporate Social Responsibility Award Program 2025 (CSR Award 2025) from the Office of the National Social Welfare Promotion Commission. The Company presented its CSR report and performance to the subcommittee at the Office of Social Development and Human Security, Songkhla Province, and received the first prize award at the provincial level, as well as being selected as one of 61 outstanding organizations in Thailand.

Governance & Economic

- **"Sri Trang Group" receives ESG DNA Certificate from the Stock Exchange of Thailand, demonstrating commitment to embedding sustainability knowledge among employees.**



Sritrang Group received a certificate for the “ESG DNA Program” from the Stock Exchange of Thailand, reaffirming its commitment to developing employee capabilities in understanding and applying ESG principles across all business processes. This certification reflects Sritrang Group's vision and sustainability strategy to achieve balanced and stable growth alongside economic, social, and environmental development.

- **Sri Trang Gloves and Krungsri signed agreement for THB 2 billion Sustainability-Linked Loan to advance leadership in the sustainable rubber glove industry.**



STGT has secured a Sustainability-Linked Loan (SLL) valued at 2,000 million baht from Bank of Ayudhya Public Company Limited to support the advancement of sustainability goals and elevate organizational standards to international levels. The loan has a 5-year term and is linked to two key sustainability performance indicators and targets: 1) reducing greenhouse gas emissions (Scope 1 and Scope 2) per unit of production by 20% by 2030 compared to the 2024 baseline and 2) reducing non-hazardous waste from production processes disposed of by landfill per unit of production by 50% by 2030 compared to the 2024 baseline. This loan reflects the Company's commitment to conducting business that concretely integrates sustainability strategy with financial strategy.



3Q25 Key Financial Information (unit: THB million)

	3Q25	2Q25	%QoQ	3Q24	%YoY	9M2025	9M2024	%YoY
Volume (in million pcs.)	10,061.3	9,091.1	10.7%	9,593.0	4.9%	28,343.6	28,113.2	0.8%
Sales revenue	6,079.5	5,997.2	1.4%	6,443.2	-5.6%	18,622.5	18,229.2	2.2%
COGS	(5,643.4)	(5,479.2)	3.0%	(6,112.8)	-7.7%	(16,819.1)	(16,614.6)	1.2%
Gross profit	436.1	518.0	-15.8%	330.4	32.0%	1,803.4	1,614.5	11.7%
Other income	43.6	35.5	22.6%	38.4	13.4%	131.1	107.9	21.4%
SG&A	(510.7)	(434.2)	17.6%	(386.1)	32.3%	(1,356.6)	(1,231.0)	10.2%
Gain (loss) on exchange rate, net	(14.3)	(112.8)	-87.3%	(355.5)	-96.0%	(139.8)	(187.1)	-25.3%
Other gain (loss), net	(86.5)	100.9	NM	290.9	NM	4.3	158.6	NM
Operating profit (loss)	(131.8)	107.5	-222.6%	(81.9)	60.8%	442.3	463.0	-4.5%
EBITDA	566.5	752.8	-24.8%	512.8	10.5%	2,412.5	2,190.0	10.2%
EBIT	(93.0)	158.5	-158.7%	(16.5)	465.5%	583.9	711.6	-17.9%
Finance income	38.7	51.0	-24.0%	65.5	-40.8%	141.6	248.6	-43.0%
Finance costs	(57.1)	(64.1)	-11.0%	(75.2)	-24.1%	(186.4)	(220.8)	-15.6%
EBT	(150.1)	94.3	-259.1%	(91.6)	63.9%	397.5	490.7	-19.0%
Tax	44.1	(17.3)	-355.2%	5.1	766.6%	(2.2)	(52.1)	-95.7%
Net profit	(106.0)	77.1	-237.6%	(86.5)	22.6%	395.3	438.6	-9.9%
GP margin	7.2%	8.6%	-16.9%	5.1%	2.0%	9.7%	8.9%	0.8%
EBITDA margin	9.3%	12.6%	-25.8%	8.0%	1.4%	13.0%	12.0%	0.9%
Net profit margin	-1.7%	1.3%	-235.7%	-1.3%	-0.4%	2.1%	2.4%	-0.3%
Financial Ratio								
Current ratio	2.40	2.07	16.4%	2.00	20.3%	2.40	2.00	20.3%
Cash cycle (days)	50.78	58.38	-13.0%	50.27	1.0%	49.45	46.25	6.9%
Net IBD/E	0.03	0.06	-50.3%	0.05	-33.9%	0.03	0.05	-33.9%
Interest coverage ratio	9.92	11.74	-15.5%	5.90	68.1%	12.94	9.92	30.5%
ROA	-0.7%	0.6%	-202.9%	-0.7%	-6.5%	1.1%	1.2%	-9.8%
ROE	-0.8%	0.8%	-201.2%	-0.9%	-9.2%	1.4%	2.4%	-41.5%

Sri Trang Gloves (Thailand) Public Company Limited (“**STGT**”) is one of the world's largest producers of examination gloves. STGT 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 175 countries worldwide. As of 30 September 2025, STGT employed around 9,352 people in all operating units worldwide including in Thailand, USA, the PRC, Singapore, Vietnam, Indonesia, and Philippines. 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

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