SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED

Management Discussion and Analysis Q2 2026
as of 30 June 2026 I 14 August 2026

Performance Overview

In 2Q/2026, the Company delivered strong operating performance, recording its highest net profit in 4 years at THB 566.5 million, increasing 47.5% QoQ and 635.0% YoY, supported by higher selling prices across all products, which significantly boosted profitability.

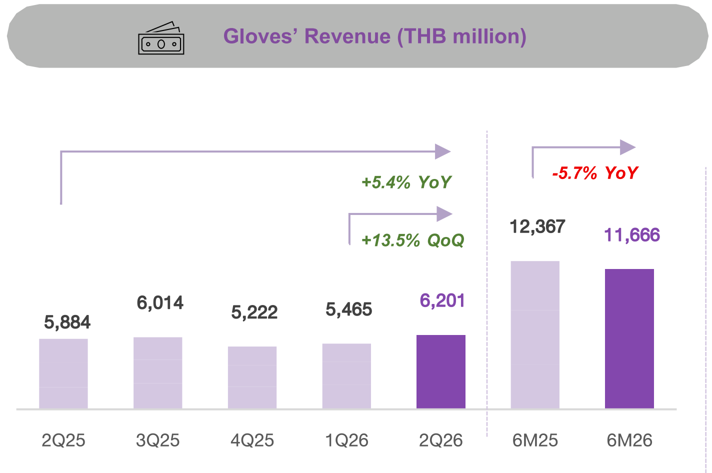
For 6M/2026, the Company reported a net profit of THB 950.6 million, increasing 89.6% YoY.

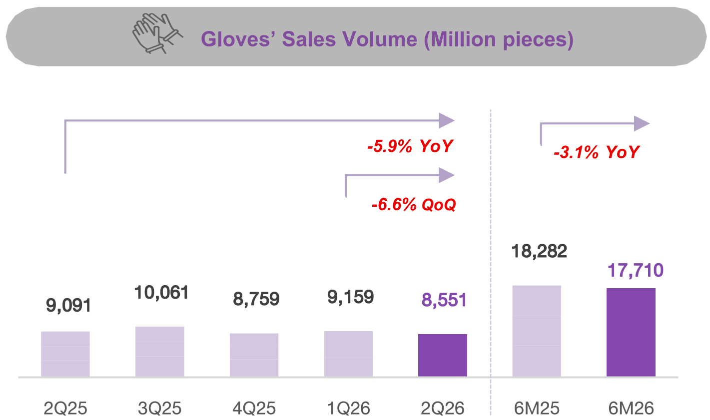
The Board of Directors approved an interim dividend payment of THB 0.25 per share, scheduled to be paid on 11 September 2026.

Profit and Loss Analysis

The Company reported a net profit of THB 566.5 million in 2Q/2026, representing a net profit margin of 9.3%, improving from 7.0% in the previous quarter and 1.3% in the same period last year. The improvement was primarily driven by higher selling prices to reflect increased costs arising from geopolitical tensions in the Middle East, particularly around the Strait of Hormuz, which intensified from late February 2026. As a result, the Company's profitability continued to improve. Details are as follows:

- **Sales revenue** in 2Q/2026 amounted to THB 6,114.0 million, increasing 11.5% QoQ and 1.9% YoY, driven by higher average selling prices.
    - **The ASP** of all glove products in 2Q/2026 increased as the Company was able to appropriately adjust selling prices to pass through higher costs, particularly NBR latex, freight and other related costs, which were pressured by the surge in global oil and petrochemical prices following the aforementioned geopolitical tensions, as well as higher NR latex costs. ASP in USD terms increased 17.8% QoQ to USD 22.36 per 1,000 pieces. Combined with the depreciation of the Thai Baht by 3.1% QoQ, ASP in THB terms increased 21.5% QoQ. Compared to the same period last year, ASP increased 13.8% YoY in USD terms and 12.0% YoY in THB terms.
    - **Sales volume** in 2Q/2026 amounted to 8,551 million pieces, decreasing 6.6% QoQ and 5.9% YoY, as some customers delayed orders while awaiting greater clarity on price trends.

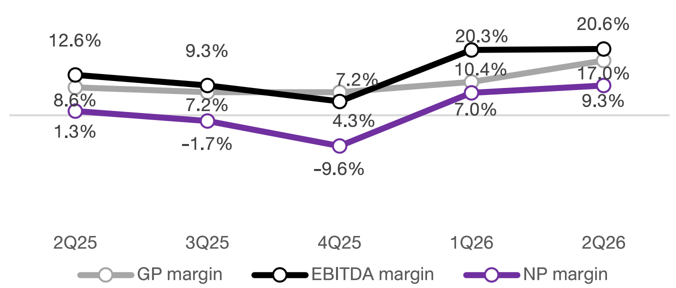




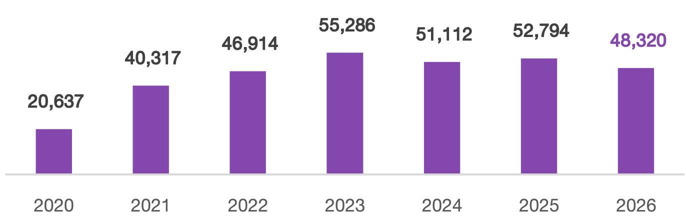
- **Utilization rate** in 2Q/2026 decreased to 77.6% from 84.2% in the previous quarter, but increased from 75.8% in the same period last year.
- **Cost of goods sold (COGS)** in 2Q/2026 amounted to THB 5,073.1 million, increasing slightly by 3.2% QoQ due to higher raw material costs. Compared to the same period last year, COGS decreased 7.4% YoY in line with lower sales volume. The Company continues to focus on cost management and enhancing production efficiency, while leveraging automation and AI technologies to strengthen its competitiveness amid cost volatility and evolving industry conditions.
- **Gross profit** in 2Q/2026 amounted to THB 1,040.9 million, increasing 83.1% QoQ and 100.9% YoY. Gross profit margin improved to 17.0%, from 10.4% in the previous quarter and 8.6% in the same period last year.
- **Other income** in 2Q/2026 amounted to THB 53.8 million, decreasing 83.7% QoQ, as the previous quarter included partial insurance compensation related to the flood incident in late 4Q/2025. Compared to the same period last year, other income increased 51.4% YoY, mainly due to additional insurance compensation received for the flood incident.

- **SG&A** in 2Q/2026 amounted to THB 478.7 million, increasing 14.4% QoQ and 10.3% YoY, mainly due to the reallocation of certain machinery depreciation expenses from COGS to SG&A following the lower utilization rate during the quarter, as well as higher transportation and freight costs. SG&A/sales stood at 7.8%, compared with 7.6% in the previous quarter and 7.2% in the same period last year.
- **Finance costs** in 2Q/2026 amounted to THB 42.5 million, increasing slightly by 3.2% QoQ but decreasing 33.7% YoY, mainly due to lower interest expenses compared with the same period last year following the gradual repayment of debentures and borrowings.
- **EBITDA** in 2Q/2026 amounted to THB 1,261.2 million, increasing 13.2% QoQ. EBITDA margin stood at 20.6%, improving from 20.3% in the previous quarter and 12.6% in the same period last year.

Margin (%)



Installed Capacity (Million pcs.)

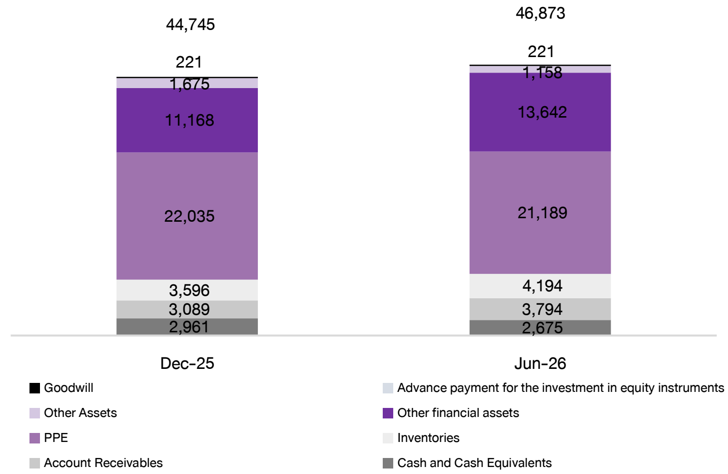


Financial Position Analysis

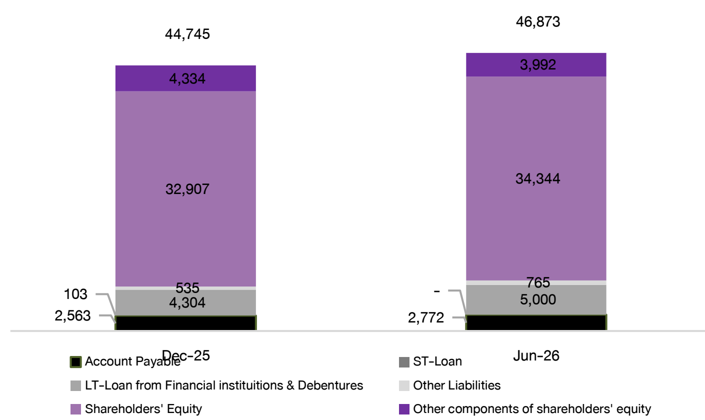
As of 30 June 2026, the Company had total assets of THB 46,872.7 million, increasing 4.8% from 31 December 2025, mainly due to a 22.1% increase in other non-current financial assets, in line with the higher value of investment assets. Total liabilities amounted to THB 8,536.5 million, increasing 13.8% from 31 December 2025, mainly due to a 76.0% increase in long-term borrowings from financial institutions. Total shareholders' equity amounted to THB 38,336.2 million, increasing 2.9% from 31 December 2025.

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 2Q/2026, the Company reported ending cash of THB 2,674.8 million, decreasing by THB 286.0 million.

- **Net cash generated from operating activities** amounted to THB 1,663.4 million, comprising operating profit of THB 2,220.6 million, net of a THB 478.9 million increase in operating assets, resulting in cash generated from operations of THB 1,741.7 million. This was combined with interest received of THB 31.8 million, interest paid of THB 85.0 million, and income tax paid of THB 25.0 million.
- **Net cash used in investing activities** amounted to THB 807.9 million, mainly from cash payments of THB 450.3 million for purchases of other financial assets and THB 362.9 million for net purchases of property, plant and equipment and intangible assets, partially offset by dividend income of THB 5.3 million.

- **Net cash used in financing activities** amounted to THB 1,124.2 million, mainly from dividend payments of THB 1,382.5 million, share repurchases of THB 307.6 million, repayments of short-term borrowings of THB 103.0 million, and lease liability repayments of THB 26.0 million. These outflows were partially offset by net cash inflows of THB 694.9 million from long-term borrowings from financial institutions.

Key Financial Ratios

- **Interest coverage ratio** in 2Q/2026 was 29.66 times, increasing from 27.05 times in the previous quarter, mainly due to higher profit during the quarter. The ratio reflects the Company's strong cash flow position and sufficient capacity to meet its interest obligations.
- **Current ratio** as of 30 June 2026 was 2.30 times, increasing from 2.19 times in the previous quarter, as current liabilities decreased at a greater rate than current assets.
- **Cash conversion cycle** in 2Q/2026 was 49.09 days, increasing slightly from 48.76 days in the previous quarter, mainly due to an increase in Days Inventory Outstanding (DIO). Meanwhile, Days Sales Outstanding (DSO) decreased slightly, while Days Payables Outstanding (DPO) increased, partially offsetting the impact of the higher DIO.
- **Net interest-bearing debt-to-equity ratio (Net IBD to equity)** as of 30 June 2026 was 0.06 times, increasing by 0.02 times from the previous quarter.

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

Business Strategy

- The Company remains committed to continuously reducing production costs by integrating various technologies to enhance manufacturing efficiency and eliminate redundancies, thereby achieving Economies of Scale. Furthermore, the Company is exploring the feasibility of implementing Artificial Intelligence (AI) to optimize machinery performance. This ensures the delivery of high-quality products at sustainable, competitive prices, ultimately generating profits for the Company and strong returns for our shareholders.
- Our unique Product Mix (NR:NBR) and manufacturing flexibility allow us to seamlessly switch production between Natural Rubber Powder-Free (NRPF) gloves and Nitrile (NBR) gloves. Combined with our strategic plant locations in Thailand, a global hub for premium concentrated latex, the Company is well-positioned to produce high-quality rubber gloves that meet diverse global demands.

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 88 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. 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 reduce costs and minimize labor dependency throughout the entire production chain, the Company has implemented automation covering raw material preparation, auto-stripping and stacking, and automated packaging, extending to our Smart Warehouse systems. This includes the deployment of SAM (Sri Trang AI Machine) and AI Vision Cameras for quality inspection to enhance precision in quality control, reduce waste, and strengthen our long-term competitive advantage.
- **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 Q2/2026, the Company undertook significant ESG activities as follows:

Environmental

- **Sri Trang Group led by STA and STGT, launches the second year of its “Sri Trang go green” initiative advancing blue carbon restoration to strengthen marine ecosystems and support sustainable communities.**

Sri Trang Group continues to focus on harnessing the potential of “Blue Carbon,” or carbon stored in marine and coastal ecosystems. These ecosystems can sequester carbon at rates up to four times higher than terrestrial forests. The main objective is to drive tangible conservation results through three key activities: restoring seagrass beds, promoting ecological balance through the release of aquatic species and monitoring and evaluating project outcomes through continuous assessment of seagrass growth to support data-driven conservation management and long-term sustainability.

Social

- **STGT pays it forward donating medical rubber gloves to support the Thai Red Cross Society's blood donation.**

The Company donated medical rubber gloves to the Thai Red Cross Society's Mobile Blood Donation Unit in support of a blood donation campaign held at Park Ventures Ecoplex, Bangkok. This initiative aims to drive social corporate goodness and support the National Blood Centre of The Thai Red Cross Society in securing a sufficient and safe blood supply. The donated blood will be distributed to hospitals nationwide to aid critical patients in urgent need of medical treatment.

- **STGT fosters medical learning and community development through the contribution of gloves for social responsibility programs.**

The Company is committed to driving hygiene initiatives in society by delivering internationally standardized, high-quality products that protect every touchpoint for workers, beneficiaries, and communities. Furthermore, we actively support students and educational institutions, the driving force and future of the nation in contributing to society. Key initiatives included the Volunteer Veterinary Camp by the Faculty of Veterinary Science and the Community Development Volunteer Camp by the Faculty of Dentistry, both at Chulalongkorn University.

Governance & Economic

- **STGT wins international sustainable finance award “best sustainability-linked loan – manufacturing” at the asset triple a sustainable finance awards 2026.**

The Company receives the Best Sustainability-Linked Loan – Manufacturing award from The Asset, a leading financial publication in Asia that recognizes outstanding excellence in sustainable finance across the region. The award acknowledges our THB 2 billion Sustainability-Linked Loan (SLL). On this occasion, the Company was honored to be joined at the award ceremony by Bank of Ayudhya Public Company Limited (BAY), our key financial partner in this transaction. This milestone reflects our continued efforts to integrate financial strategy with sustainability strategy, building on the success of our Green Bond issuance, which received the Best New Green Bond award from the same platform in 2023.

- **STGT reinforces ESG leadership with 3rd consecutive year in S&P Global sustainability yearbook 2026.**

The Company has been named a Sustainability Yearbook Member for the third consecutive year in the Healthcare Equipment & Supplies category, showcasing strengths in the Social Dimension, including human rights and non-discrimination, occupational health and safety, and employee development planning. In the Environmental Dimension, STGT has committed to achieving Net Zero greenhouse gas emissions by 2050 and has set a short-term target to reduce greenhouse gas emissions per unit of product by 20% compared to the 2024 baseline by 2030.

2Q26 Key Financial Information *(unit: THB million)*

	2Q26	1Q26	%QoQ	2Q25	%YoY	6M2026	6M2025	%YoY
Volume (in million pcs.)	8,550.7	9,158.8	-6.6%	9,091.1	-5.9%	17,709.5	18,282.3	-3.1%
Sales revenue	6,114.0	5,485.1	11.5%	5,997.2	1.9%	11,599.1	12,543.0	-7.5%
COGS	(5,073.1)	(4,916.7)	3.2%	(5,479.2)	-7.4%	(9,989.8)	(11,175.7)	-10.6%
Gross profit	1,040.9	568.4	83.1%	518.0	100.9%	1,609.3	1,367.3	17.7%
Other income	53.8	330.5	-83.7%	35.5	51.4%	384.3	87.5	339.2%
SG&A	(478.7)	(418.4)	14.4%	(434.2)	10.3%	(897.1)	(845.9)	6.0%
Gain (loss) on exchange rate, net	75.4	92.0	-18.0%	(112.8)	-166.9%	167.4	(125.6)	-233.3%
Other gain (loss), net	(60.3)	(89.3)	-32.5%	100.9	-159.7%	(149.5)	90.8	-264.7%
Operating profit (loss)	631.1	483.3	30.6%	107.5	487.2%	1,114.4	574.1	94.1%
EBITDA	1,261.2	1,114.0	13.2%	752.8	67.5%	2,375.2	1,846.0	28.7%
EBIT	642.3	502.1	27.9%	158.5	305.3%	1,144.4	677.0	69.0%
Finance income	11.2	18.8	-40.7%	51.0	-78.1%	30.0	102.9	-70.8%
Finance costs	(42.5)	(41.2)	3.2%	(64.1)	-33.7%	(83.7)	(129.4)	-35.3%
EBT	599.7	460.9	30.1%	94.3	535.8%	1,060.7	547.6	93.7%
Tax	(33.3)	(76.9)	-56.7%	(17.3)	92.6%	(110.1)	(46.3)	137.8%
Net profit	566.5	384.1	47.5%	77.1	635.0%	950.6	501.3	89.6%
GP margin	17.0%	10.4%	64.3%	8.6%	97.1%	13.9%	10.9%	27.3%
EBITDA margin	20.6%	20.3%	1.6%	12.6%	64.3%	20.5%	14.7%	39.1%
Net profit margin	9.3%	7.0%	32.3%	1.3%	621.0%	8.2%	4.0%	105.0%
Financial Ratio								
Current ratio	2.30	2.19	4.9%	2.07	11.5%	2.30	2.07	11.5%
Cash cycle (days)	49.09	48.76	0.7%	58.38	-15.9%	48.82	53.93	-9.5%
Net IBD/E	0.06	0.04	37.0%	0.03	112.0%	0.06	0.06	-0.5%
Interest coverage ratio	29.66	27.05	9.7%	11.74	152.7%	28.38	14.27	98.9%
ROA	5.0%	3.4%	45.6%	0.6%	678.9%	4.2%	2.1%	99.8%
ROE	6.1%	4.2%	46.1%	0.8%	648.7%	5.1%	2.7%	92.1%

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 June 2026, STGT employed around 8,471 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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