



บริษัท ไทยรับเบอร์ลาเท็กซ์กรุ๊ป จำกัด (มหาชน)

THAI RUBBER LATEX GROUP PUBLIC COMPANY LIMITED

สำนักงานใหญ่ : เลขที่ 99/1-3 หมู่ที่ 13 ถนนบางนา-ตราด กม.ที่ 7 ตำบลบางแก้ว อำเภอบางพลี จังหวัดสมุทรปราการ 10540

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March 3, 2025

Re : Management Explanation and Analysis of Operating Results for Fiscal Year 2024,  
ended December 31, 2024

To : The President of the Stock Exchange of Thailand

### **Business Overview, Economic and Industry Conditions**

The Group Company has comprehensive rubber businesses, covering the whole value chain of rubber and latex products, which are the rubber plantation in Thailand, The producer of latex concentrate and latex rubber, latex rubber thread, rubber gloves and latex bedding.

In 2024, Thailand's rubber industry faces economic volatility, particularly due to global market uncertainties caused by the economic slowdown in major trading partners such as China, the United States, and the European Union. Additionally, the industry is affected by unpredictable weather conditions resulting from the El Niño phenomenon during the first half of the year, combined with the outbreak of rubber tree leaf fall disease, which has resulted in a decrease in latex production and a decline in latex quality. Furthermore, the La Niña phenomenon in the second half of the year directly impacts rubber output.

Under these circumstances, the company has focused on enhancing production efficiency and cost management to ensure sustainable competitiveness in the market. Additionally, the company has consistently improved product quality and developed environmentally friendly production processes consistently.

The Company also collaborates closely with rubber farmers through initiatives that provide knowledge support, training, and on-site visits. These efforts aim to enhance the farmers' capacity to produce high-quality rubber, increase their income and strengthen the stability of the supply chain, effectively meeting the demands of both domestic and international markets.

## **Business performance**

- The company and its subsidiaries (“the Group Company”) reported that for the financial statements for the year ended December 31, 2024, the group of companies reported a gross profit of baht 424.63 million. Operational loss of baht 76.82 million and the net loss before tax of baht 321.32 million. The net loss after tax amounted to baht 286.24 million. which is from the owners of the parent, which incurred a loss of baht 219.95 million. The group of companies has decreased its losses due to increased income compared to the same period in 2023. Due to the increase in the average selling price when comparing the average price of natural rubber in 2023 and 2024, the price was increase from baht 46.99 per kilogram in 2023 to baht 70.74 per kilogram in 2024, the increase of 50.54% (Source: Website Rubber Authority of Thailand). This aligns with the upward trend in global rubber prices (SICOM, TOCOM), driven by several factors, including the decline in rubber stocks both in domestic and global market, as well as rising demand from the automotive and auto parts industries. Domestically, positive factors include government investments, the export of goods and services, private consumption, and accelerated growth in agricultural industry production during the end of the year.

- In Q4/2024, we delivered 2,810.05 tons of EUDR rubber to customers, including natural concentrated latex, skim rubber, and pre vulcanized latex. Made the total EUDR rubber deliveries for 2024 to 3,244.58 tons. Deliveries began in Q2/2024. This delivery reflects the demand for rubber that complies with the EU deforestation-free regulations, in preparation for full implementation. Furthermore, we focus on maintaining the quality of the rubber to meet standards, build customer confidence, and support the growth of orders in the future.

- In Q4/2024 a company and a subsidiary have agreed the restructuring debt with a local bank for the amount of Baht 539 million, In order to maintain liquidity and manage the financial position and operation.

## Financial ratio

	YEAR 2024	YEAR 2023	YEAR 2024 (compare) YoY%
Current Ratio	0.61	0.58	5.55%
Average Collection Period	43	46	-5.95%
Average Inventory Period	59	60	-1.72%
Average Payment Period	11	13	-18.05%
Cash Cycle	93	92	1.09%
Gross Profit Margin	5.55%	3.50%	58.85%
Operating Profit Margin	-0.99%	-3.43%	-71.02%
Net Profit Margin	-3.70%	-6.84%	-45.87%
ROE	-7.47%	-10.99%	-32.07%
ROA	-0.87%	-2.56%	-65.91%
Debt to Equity Ratio	1.59	1.44	10.32%
DSCR	0.68	0.19	268.30%

- For the year ended December 31, 2024, the Group Company had revenues from sales of baht 7,647.62 million compared to the previous year, which was baht 6,604.48 million, the increase of baht 1,043.14 million or 15.79% YoY. For the cost of sales in 2024 and 2023, it was baht 7,222.99 million and baht 6,373.62 million, respectively, and increase of baht 849.36 million or 13.33% YoY. And distribution cost and administrative expenses amounted to baht 488.38 million, showing a decrease of baht 11.34 million compared to baht 499.72 million in 2023 or 2.27% YoY. In 2024, the Group experienced a reduced net loss due to higher selling prices, which led to increased gross profit, and rising demand for concentrated latex as

a raw material, particularly for rubber gloves. This reflects the growth in demand from the medical rubber industry both domestically and globally. Additionally, the Group benefited from the expansion of rubber product exports toward the end of 2024, partly driven by accelerated imports due to concerns over the potential intensification of new trade barriers that could disrupt future supply chains.

Thai rubber product exports in the Q4/2024 increased by 24.8% YoY and in 2024 increased by 7.6% YoY (Source: SCB Economic Intelligence Center). This growth aligns with the rising global demand driven by a positive global economic outlook. However, businesses continue to face challenges from rising key material costs, trade barriers, and exchange rate volatility, which remain significant risks to export performance.

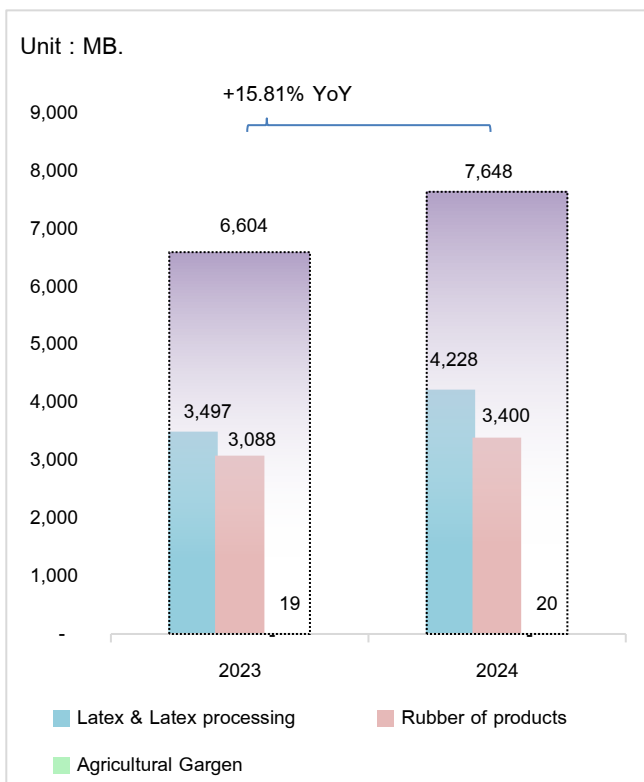
The Group of Companies is prepared to address these challenges by focusing on enhancing and improving production processes for greater efficiency and managing costs effectively. Additionally, the

Group emphasizes sustainable business practices, prioritizing environmental management and creating long-term value to maintain competitiveness amid rapidly changing economic conditions.

The company and its subsidiary companies had financial operating results as follows:

**Revenue by operation segment**

1. The consolidated financial statements incurred a profit before tax of baht 19 million for the fiscal year 2024, compared to the previous year which was profit loss tax of baht 97 million. This improvement was driven by increased sales prices and rising global demand. Additionally, both concentrated latex and processed latex under the EUDR segment continue to receive steady orders and inquiries. This is a result of the Company's focus on aligning product standards with the European Union's deforestation-free regulations, ensuring competitiveness and supporting sustainable growth in line with international standards.



2. The Product Manufacturing Business Group, reported a loss before tax of 324 million baht in 2024, an increase from the 284 million baht loss before tax in 2023. This was partly due to the challenge of rising rubber product prices compared to the previous year, along with pricing pressure from major producing countries, which were key factors affecting the slowdown in orders from partners.

3. The Agricultural Garden business group, reported a loss before tax of 16 million baht in 2024, a decrease from the previous year's loss of 44 million baht in 2023. This trend of reduced losses is attributed to higher sales prices compared to the same period last year, while production costs have decreased in relation to revenue. Despite a decline in market output due to flooding conditions at the end of the year.

## Sustainability MD&A (ESG)

### Environmental Undertakings

In 2024, the Company remains committed to implementing its established environmental policies and practices, with environmental performance categorized to align with the sustainable development policy, as follows:

- Energy Management : TRUBB has established guidelines for all employees to participate in energy conservation efforts within the organization. As a result, in 2024, the Company reduced electricity consumption (KWh) by 14.11% compared to the base year and decreased oil and fuel consumption by 6.66% compared to the base year. Additionally, the Company implemented a solar energy project to replace conventional electricity with solar power.
- Water Resource Management : The Company has established sustainable water management guidelines based on the 3Rs principle (Reduce, Reuse, Recycle) to ensure the efficient use of water resources and to implement effective measures for prevention and impact reduction. As a result, in 2024, the Company reduced total water consumption (cubic meters) by 9.12% compared to the base year.
- Garbage and waste management : The Company has continued the "Ting To Trash" project for the second year, following the environmental management policy organized by the Listed Companies Association and Kidkid Company Limited, to raise awareness and foster a sense of responsibility for waste management among employees. This initiative starts with waste sorting, adhering to the 3Rs principles to minimize waste. Sorted waste is then utilized to its maximum potential. The Company has implemented a system for collecting data on waste volumes, categorized by type, with staff recording the data monthly for statistical tracking. This information is used to analyze and plan activities aimed at waste reduction, working towards Zero Waste to Landfill.
- Greenhouse Gas Management : The Company has been seeking carbon footprint certification from the Research Unit for Energy Economic & Ecological Management at Chiang Mai University since 2023.
- Air Emissions Reduction Management : In the production process of concentrated latex and skim rubber, the use of heat and the mixing of chemicals are steps within the manufacturing process. TRUBB prioritizes air quality released into the public and controls the odor of chemicals to prevent

any impact on surrounding communities. The company focuses on managing and controlling air quality both inside and outside the factory, as well as regularly monitoring and measuring air quality. As a result of the 2024 operations, TRUBB ensures that its product manufacturing does not cause pollution that impacts society and meets the quality standards set by regulations.

### **Social Undertakings**

- The Company has planned to conduct annual community surveys starting from 2023. According to the 2024 survey on the impacts, concerns, expectations, and additional suggestions from communities surrounding five factories, it was found that the majority were not affected.
- The Company conducted field visits to the rubber plantations of key partners to promote and invite farmers to participate in the EUDR traceability program. Currently, more than 1,500 farmers have joined the program.
- The Company has provided support in the form of rubber tree fertilizers and latex collection cups to the rubber plantations of Ban Mae Lak Nuen Thong School and Ban Tub Kuman Thong School, which have been affected by weather fluctuations.
- In 2024, the Company carried out 39 CSR activities, providing financial support, equipment, and manpower for various local/district/provincial festivals.

### **Governance & Economic Undertakings**

- The Company has participated in the SET ESG Rating 2024 survey and was given 58 points compared to 70 points of last year, In the next year the company improvement plan which has been devised to align with the sustainable investment growth market trends.
- The Company received a 5-star rating (Excellent) in the Corporate Governance Report for Thai Listed Companies (CGR) from the Thai Institute of Directors (IOD).
- Tuesday, September 3, 2024, at Sukree Kaewcharoen Auditorium, Stock Exchange of Thailand, Mr.Pattapol Wongsasuthikul, Chief Executive Officer of Thai Rubber Latex Group Public Company Limited, received a certificate of honor and achievement from the ESG DNA project from Dr. Soraphol Tulyasathian, Deputy Managing Director of the Stock Exchange of Thailand.

Please be informed accordingly,

Yours faithfully,

(Mr.Pattarapol Wongsasuthikul)

Managing Director