

SRI TRANG AGRO INDUSTRY

THAILAND / AGRIBUSINESS

STA TB

HOLD

UNCHANGED

TARGET PRICE	THB16.00
CLOSE	THB12.70
UP/DOWNSIDE	+26.0%
PRIOR TP	THB17.00
CHANGE IN TP	-5.9%
TP vs CONSENSUS	-0.5%

Uninspiring Outlook

- Cut 2025E profit to THB670m (-60% y-y), reflecting a 2Q25 loss and uninspiring outlook.
- Key risks: rising competition, weak global economy, a stronger THB, and delayed rubber purchases due to EUDR uncertainty.
- We maintain a trading buy call on rubber prices.

Gloves may recover in 3Q25, but competition remains high

STGT (56% owned by STA) revised down its 2025 sales volume target to 39–40 billion pieces (from 42 billion pieces), reflecting weaker-than-expected 2Q25 results as U.S. customers slowed orders. However, now that tariff clarity has improved, orders from U.S. customers have picked up. Sales volumes may recover in 3Q–4Q25, which should support higher utilization rates. As a result, we expect 3Q25 profit to improve q-q. Nevertheless, the forward outlook remains challenging, given intense competition. In particular, U.S. markets face pricing pressure from Malaysian competitors, while non-U.S. markets must contend with rising competition from China, which has shifted to non-U.S. markets due to steep U.S. tariffs.

Natural rubber remains weak

Management guided that 3Q25 natural rubber sales volumes would not recover, as customers remain in a destocking phase. The market is also awaiting clarity on whether the EU will postpone the EUDR enforcement beyond the current effective date on Dec 31, 2025. If the EUDR is not postponed further, orders are expected to recover in 4Q25. Management only targets flat sales volumes in 2025 compared with 2024 at 1.41 million tonnes (vs FSSIA's current forecasts 1.49m tonnes, +5.6% y-y).

Earnings estimate revised down

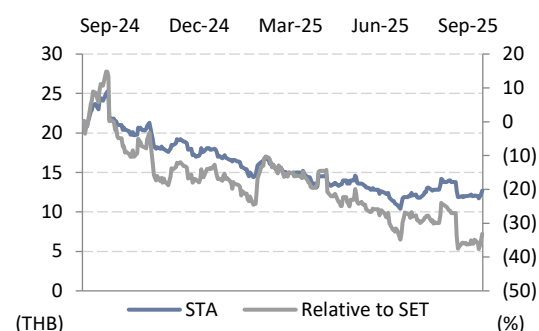
Following a loss in 2Q25 and the unclear recovery outlook in 2H25, we revised down our 2025E profit to THB670m (-60% y-y), driven by a lower gross margin assumption of 7.6% (from 9.4%). This reflects weaker margins in both natural rubber and gloves, pressured by a stronger THB, lower utilization rates, and higher competition. Neither STA nor STGT plans to expand production capacity next year. Although STGT's utilization rate is around 80%, global glove supply remains sufficient for the next 2–3 years.

Uninspiring outlook; rubber prices play only

We roll forward to 2026 TP at THB16 (based on target PBV 0.5x). The share price decline already reflects poor operational recovery. However, in the near term, external risks remain. For instance, order recovery may be slower than expected due to intense glove competition and possible EUDR enforcement delays. Tire customers are also pressured by a weak global economy. However, SICOM TSR20 rubber prices rose in Sep to USD1.75/kg (+3.3% m-m), bringing 3QTD average prices to USD1.69/kg (+1% q-q), a positive catalyst for the stock. Thus, we recommend only short-term trading (based on rubber prices).

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	114,374	130,452	134,911	140,613
Net profit	1,670	670	1,758	1,909
EPS (THB)	1.09	0.44	1.14	1.24
vs Consensus (%)	-	(51.4)	4.2	(6.6)
EBITDA	7,421	6,602	8,100	8,400
Recurring net profit	1,670	670	1,758	1,909
Core EPS (THB)	1.09	0.44	1.14	1.24
Chg. In EPS est. (%)	-	(62.6)	(11.5)	(8.6)
EPS growth (%)	nm	(59.9)	162.4	8.6
Core P/E (x)	11.7	29.1	11.1	10.2
Dividend yield (%)	7.9	2.1	5.4	5.9
EV/EBITDA (x)	11.2	13.7	11.1	10.9
Price/book (x)	0.4	0.4	0.4	0.4
Net debt/Equity (%)	64.1	74.1	71.0	71.2
ROE (%)	3.3	1.3	3.4	3.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.6)	0.8	(40.9)
Relative to country (%)	(9.0)	(9.4)	(33.3)
Mkt cap (USD m)	608		
3m avg. daily turnover (USD m)	2.0		
Free float (%)	29		
Major shareholder	Sri Trang Holdings (22%)		
12m high/low (THB)	25.75/10.30		
Issued shares (m)	1,536.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

The share price decline in 2025 YTD already reflects poor operational recovery. However, in the near term, external risks remain. For rubber, the forward outlook remains challenging, given intense competition. For example, U.S. markets face pricing pressure from Malaysian competitors, while non-U.S. markets must contend with rising competition from China. Management guided that 3Q25 natural rubber sales volumes would not recover, as customers remain in a destocking phase. The market is also awaiting clarity on whether the EU will postpone the EUDR enforcement. Therefore, we recommend only short-term trading (based on rubber prices).

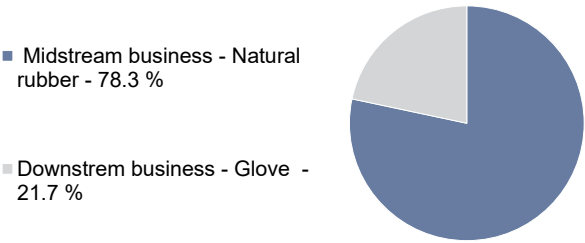
Key issues to monitor include: 1) the U.S. tariff situation; 2) global economic conditions; and 3) the risk of a further delay in the enforcement of the EUDR, currently scheduled to take effect at the end of the year, as announced by the EU.

Company profile

Established in 1987, STA has expanded its business and grown to become the world’s leading fully integrated rubber company. In 2024, revenue from the midstream business accounted for 78.3% of total revenue, while 21.7% came from the glove business, which is operated through STGT TB (STA holds a 56% stake).

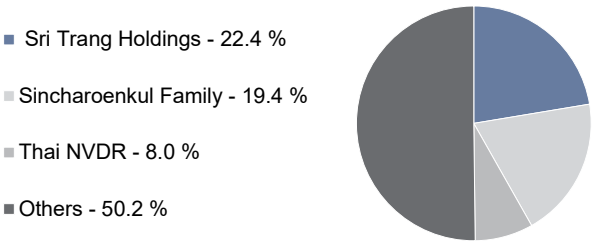
www.sritranggroup.com

Principal activities (revenue, 2024)



Source: Sri Trang Agro Industry

Major shareholders



Source: Sri Trang Agro Industry

Catalysts

Potential catalysts for STA’s earnings growth in 2026 are 1) revenue growth, driven by demand from China and an automotive industry recovery; 2) declining raw material costs; 3) higher-than-expected demand for rubber under the EUDR; and 4) a higher EUDR rubber price than non-EUDR rubber.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected automotive and glove industry recovery; 2) the high or low volatility of selling and raw material prices; 3) higher or lower competition; and 4) a stronger or weaker-than-expected THB.

Event calendar

Date	Event
November 2025	3Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Natural rubber sale volumes (1,000 tonnes)	1,494	1,625	1,724
Natural rubber asp (US/tonne)	1,800	1,800	1,800
Glove sale volumes (m pieces)	38,000	40,660	42,693
Glove asp (USD/1,000 pieces)	19.5	19.5	19.5
Overall gross margin (%)	7.6	9.4	9.6

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in sales volume, we estimate 2026 net profit to rise by 2.8%, and vice versa, all else being equal.
- For every 1% increase in ASP, we estimate 2026 net profit to rise by 2.7%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2026 net profit to rise by 4%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2026 net profit to fall by 3.2%, and vice versa, all else being equal.

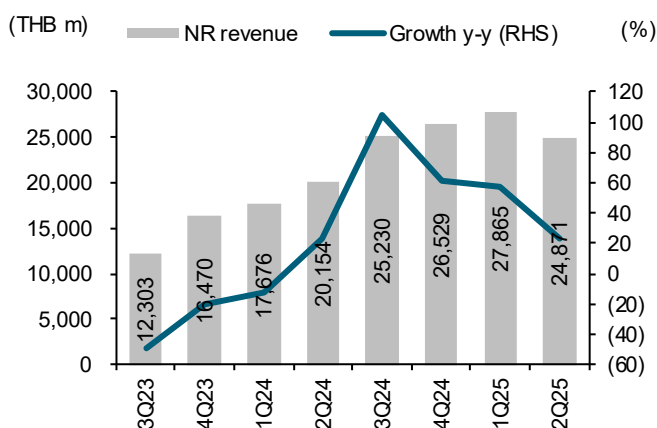
Source: FSSIA estimates

Exhibit 1: STA – 2Q25 results summary

	2Q24	3Q24	4Q24	1Q25	2Q25	----- Change -----		1H24	1H25	Change	2024	2025E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	25,821	31,619	33,257	34,385	30,841	(10.3)	19.4	49,498	65,226	31.8	114,374	130,452	14.1
Cost of sales	22,675	28,327	30,746	31,247	29,478	(5.7)	30.0	44,480	60,725	36.5	103,552	120,571	16.4
Gross profit	3,146	3,292	2,511	3,138	1,364	(56.5)	(56.7)	5,018	4,502	(10.3)	10,821	9,881	(8.7)
SG&A	1,996	2,047	2,141	1,947	2,044	5.0	2.4	3,785	3,990	5.4	7,973	7,827	(1.8)
Operating profit	1,218	1,308	900	1,262	(628)	nm	nm	1,347	634	(52.9)	3,554	2,576	(27.5)
Interest expense	435	452	443	477	377	(21.0)	(13.3)	826	854	3.4	1,721	1,749	1.6
Tax expense	93	18	92	19	(113)	nm	nm	53	(93)	nm	163	121	(25.6)
Reported net profit	628	517	854	689	(787)	nm	nm	299	(98)	nm	1,670	670	(59.9)
Core profit	725	995	130	734	(518)	nm	nm	542	216	(60.1)	1,667	805	(51.7)
Key Ratios (%)													
Gross margin	12.2	10.4	7.5	9.1	4.4	(4.7)	(7.8)	10.1	6.9	(3.2)	9.5	7.6	(0.1)
SG&A to Sales	7.7	6.5	6.4	5.7	6.6	1.0	(1.1)	7.6	6.1	(1.5)	7.0	6.0	(1.0)
Operating margin	4.7	4.1	2.7	3.7	(2.0)	(5.7)	(6.8)	2.7	1.0	(1.7)	3.1	2.0	(1.1)
Net margin	2.4	1.6	2.6	2.0	(2.6)	(4.6)	(5.0)	0.6	(0.2)	(0.8)	1.5	0.5	(0.9)
Core margin	2.8	3.1	0.4	2.1	(1.7)	(3.8)	(4.5)	1.1	0.3	(0.8)	1.5	0.6	(0.8)
Operating Statistics													
Revenue from TSR	18,653	23,202	24,624	26,207	22,935	(12.5)	23.0	35,100	49,142	40.0	82,926	98,285	18.5
Revenue from RSS	1,404	1,834	1,831	1,498	1,393	(7.0)	(0.8)	2,556	2,891	13.1	6,221	5,781	(7.1)
Revenue from gloves	5,666	6,389	6,728	6,520	5,970	(8.4)	5.4	11,667	12,490	7.1	24,784	24,980	0.8
Revenue from LTX	51	159	43	145	529	264.1	937.3	114	674	491.5	316	1,349	327.2
Natural rubber													
Sales volumes (tonnes)	329,376	380,565	386,956	396,955	397,461	0.1	20.7	647,248	794,416	22.7	1,414,769	1,494,416	5.6
Non-EUDR	327,835	317,810	318,089	354,079	344,950	(2.6)	5.2	645,707	699,029	8.3	1,281,606	1,303,642	1.7
EUDR	1,541	62,755	68,867	42,876	52,511	22.5	3307.6	1,541	95,387	nm	133,163	190,774	nm
ASP (USD/tonne)	1,692	1,862	1,966	2,066	1,889	(8.6)	11.6	1,622.0	1,977.7	21.9	1,774	1,800	1.5
SICOM TSR20 (US cents/kg)	168.3	175.4	196.2	197.2	167.8	(14.9)	(0.3)	162.8	182.5	12.1	174.3	180.0	3.3
Gloves													
Sales volumes (m pieces)	8,429	9,593	10,436	9,191	9,091	(1.1)	7.9	18,520	18,282	(1.3)	38,549	38,000	22.8
ASP (USD/1,000 pieces)	18.5	18.9	19.0	20.9	19.6	(6.0)	6.2	17.7	20.3	14.5	18.3	19.5	4.3
GM - Natural rubber (%)	10.8	11.8	7.3	8.0	3.8	(4.2)	(7.0)	9.3	5.9	(3.4)	9.5	7.0	0.1
GM - Gloves (%)	13.5	5.0	8.2	13.7	7.1	(6.6)	(6.4)	15.4	10.4	(5.0)	9.5	10.0	(1.0)

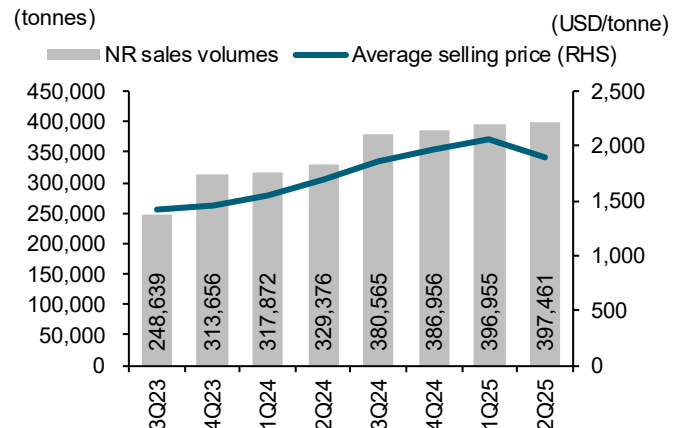
Sources: STA, FSSIA's compilation

Exhibit 2: Revenue from natural rubber and growth

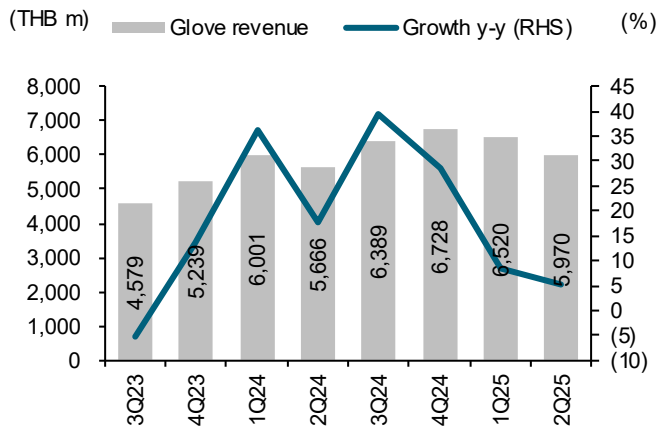


Sources: STA, FSSIA's compilation

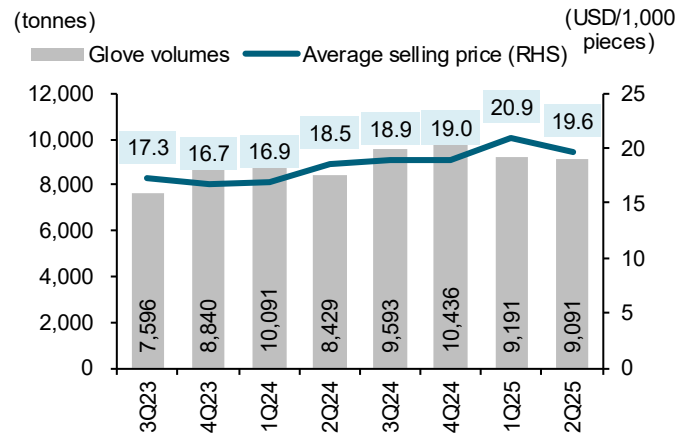
Exhibit 3: Natural rubber – sales volume and selling price



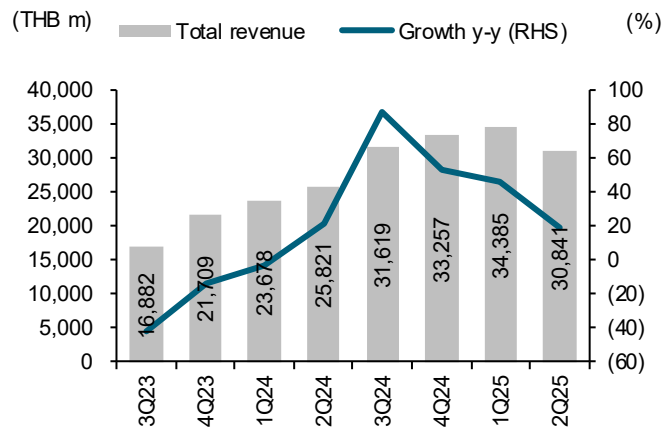
Sources: STA, FSSIA's compilation

Exhibit 4: Revenue from glove business and growth

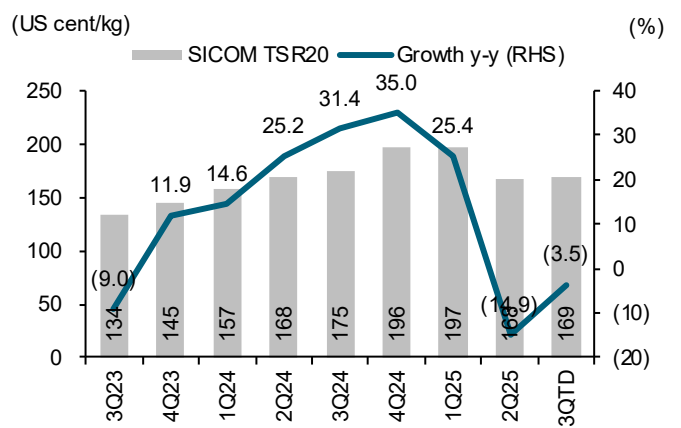
Sources: STA, FSSIA's compilation

Exhibit 5: Gloves – sales volume and selling price

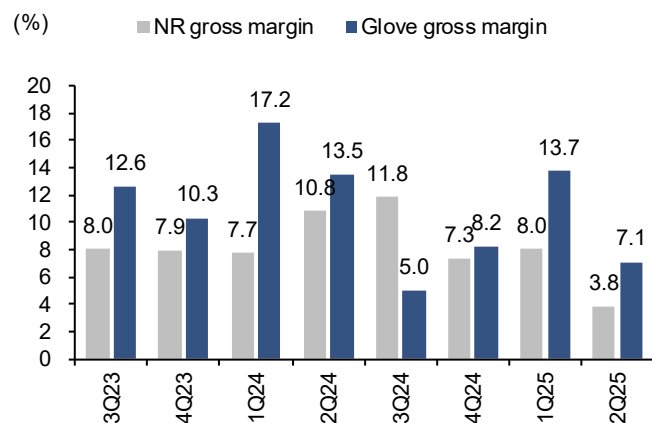
Sources: STA, FSSIA's compilation

Exhibit 6: Total revenue and growth

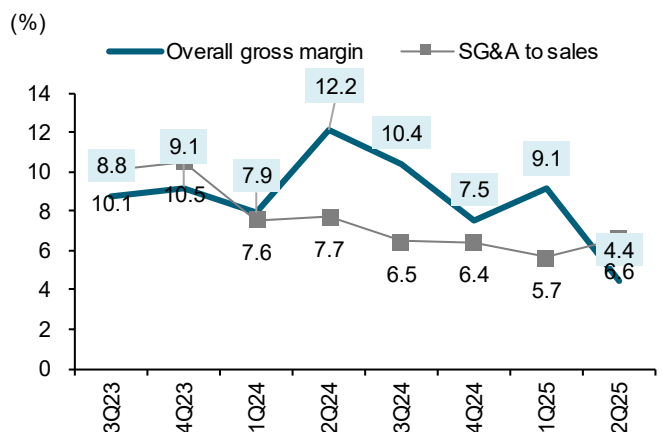
Sources: STA, FSSIA's compilation

Exhibit 7: SICOM Quarterly TSR20 rubber price

Sources: STA, FSSIA's compilation

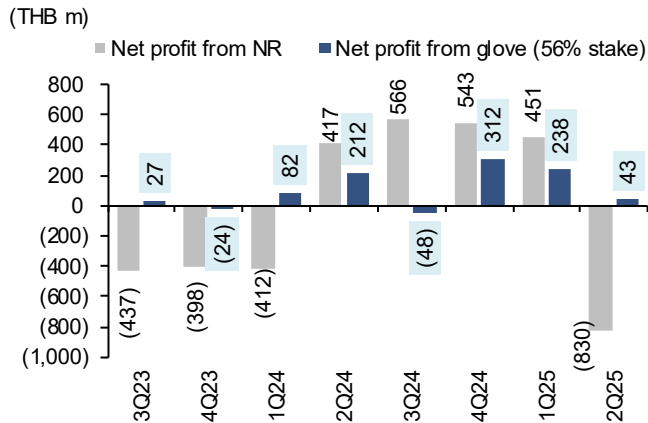
Exhibit 8: Gross margin breakdown by type of business

Sources: STA, FSSIA's compilation

Exhibit 9: Overall gross margin and SG&A to sales

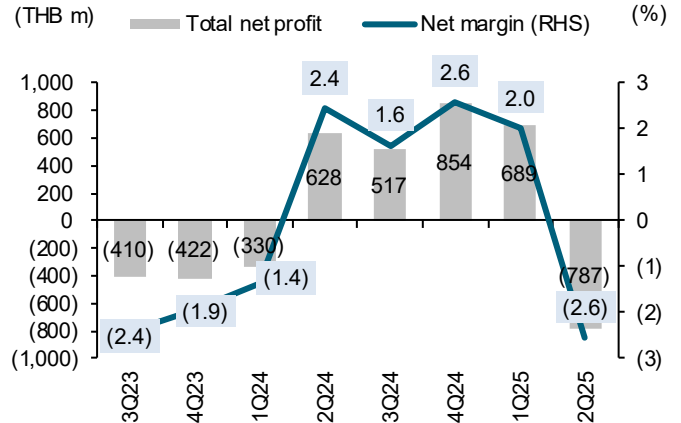
Sources: STA, FSSIA's compilation

Exhibit 10: Net profit breakdown by type of business



Sources: STA, FSSIA estimates

Exhibit 11: Total net profit and net margin

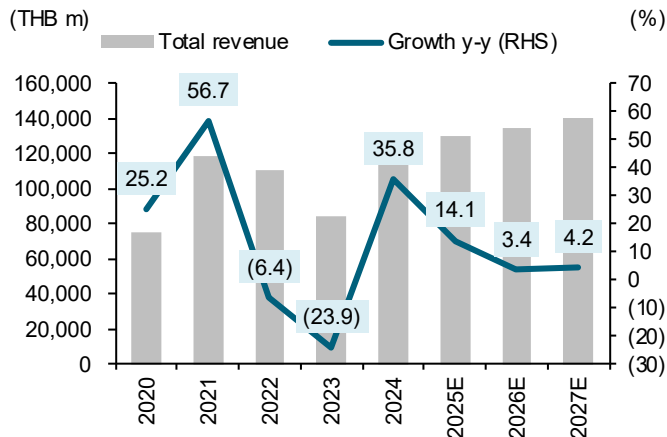


Sources: STA, FSSIA's compilation

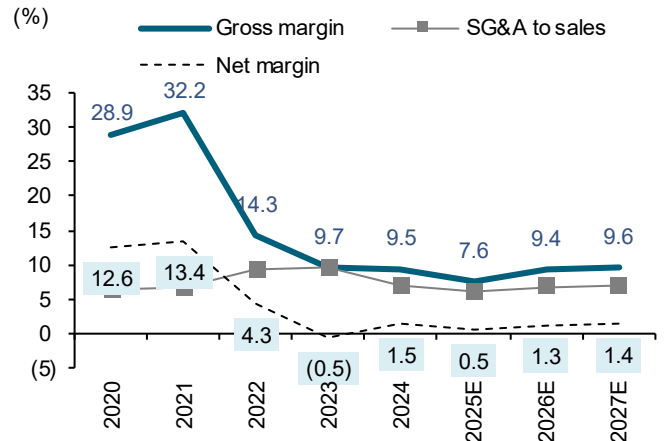
Exhibit 12: Changes in key assumptions for STA

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	130,452	134,911	140,613	119,992	126,059	131,432	8.7	7.0	7.0
Costs	120,571	122,246	127,069	108,667	114,161	118,511	11.0	7.1	7.2
Gross profit	9,881	12,665	13,544	11,326	11,898	12,921	(12.8)	6.4	4.8
SG&A expense	7,827	9,174	9,843	7,800	8,068	8,937	0.4	13.7	10.1
Interest expense	1,749	1,783	1,797	1,749	1,783	1,797	0.0	0.0	0.0
Profit sharing	170	135	141	120	126	131	41.3	7.0	7.0
Reported net profit	670	1,758	1,909	1,789	1,986	2,088	(62.6)	(11.5)	(8.6)
Core profit	805	1,758	1,909	1,789	1,986	2,088	(55.0)	(11.5)	(8.6)
Key ratios (%)									
Total revenue growth	14.1	3.4	4.2	4.9	5.1	4.3			
Net profit growth	-59.9	162.4	8.6	7.1	11.0	5.1			
Core profit growth	-51.7	118.4	8.6	7.3	11.0	5.1			
Gross margin	7.6	9.4	9.6	9.4	9.4	9.8	(1.9)	(0.1)	(0.2)
SG&A to sales	6.0	6.8	7.0	6.5	6.4	6.8	(0.5)	0.4	0.2
Net margin	0.5	1.3	1.4	1.5	1.6	1.6	(1.0)	(0.3)	(0.2)
Core margin	0.6	1.3	1.4	1.5	1.6	1.6	(0.9)	(0.3)	(0.2)
Operating statistics (THB m)									
Revenue from TSR	98,285	101,234	105,283	86,339	90,742	94,372	13.8	11.6	11.6
Revenue from RSS	5,781	6,012	6,253	6,501	6,761	7,031	(11.1)	(11.1)	(11.1)
Revenue from gloves	24,980	26,165	27,473	26,318	27,634	29,016	(5.1)	(5.3)	(5.3)
Revenue from LTX	1,349	1,433	1,521	635	683	725	112.4	109.9	109.9
Natural rubber									
Sales volumes (tonnes)	1,494,416	1,624,503	1,723,962	1,546,083	1,624,503	1,723,962	(3.3)	0.0	0.0
Non-EUDR									
EUDR									
ASP (USD/tonne)	1,800	1,800	1,800	1,800	1,800	1,800	0.0	0.0	0.0
SICOM TSR20 (US cents/kg)	180.0	180.0	180.0	180.0	180.0	180.0	0.0	0.0	0.0
Gloves									
Sales volumes (mn pieces)	38,000	40,660	42,693	42,404	44,524	46,750	(10.4)	(8.7)	(8.7)
ASP (USD/1,000 pieces)	19.5	19.5	19.5	18.8	18.8	18.8	3.7	3.7	3.7
GM - Natural rubber (%)	7.0	9.0	9.3	9.0	9.0	9.5	(2.0)	0.0	(0.2)
GM - Gloves (%)	10.0	11.0	11.0	11.0	11.0	11.0	(1.0)	0.0	0.0

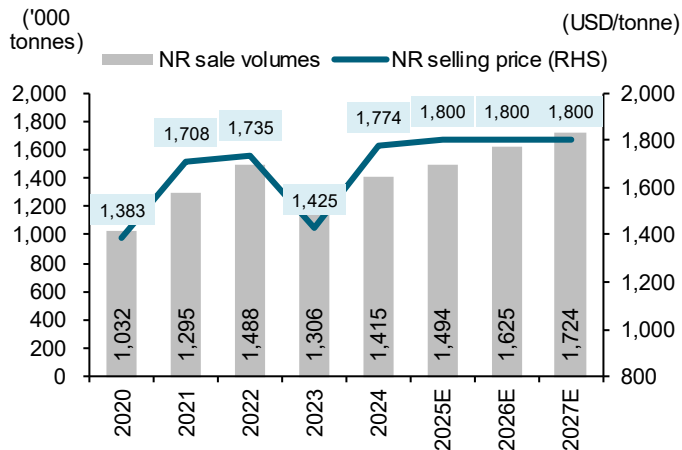
Source: FSSIA estimates

Exhibit 13: Total revenue and growth

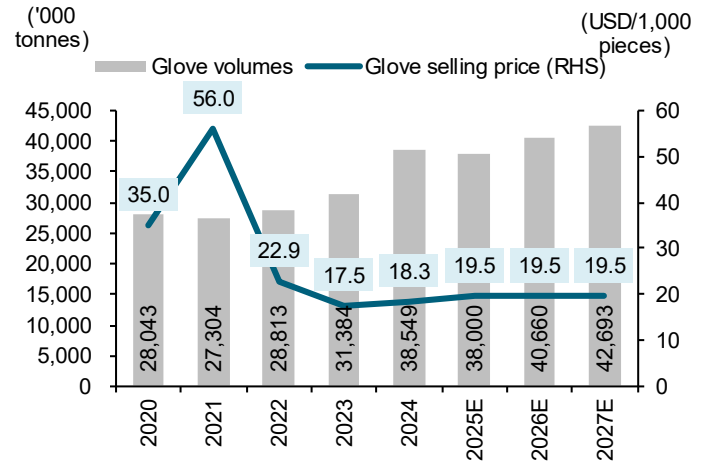
Sources: STA; FSSIA estimates

Exhibit 14: Gross margin and net margin

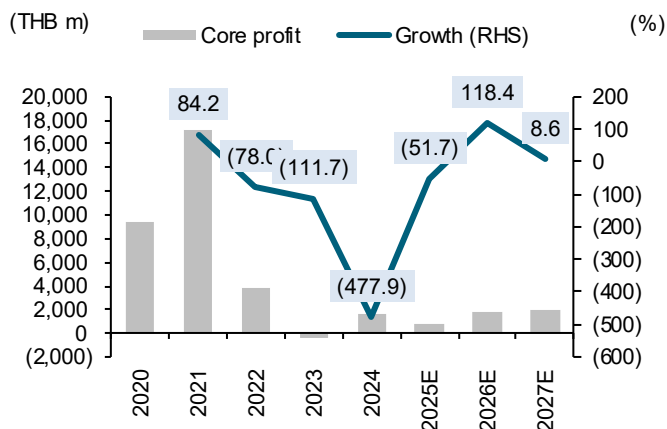
Sources: STA; FSSIA estimates

Exhibit 15: Sales volume and selling price – natural rubber

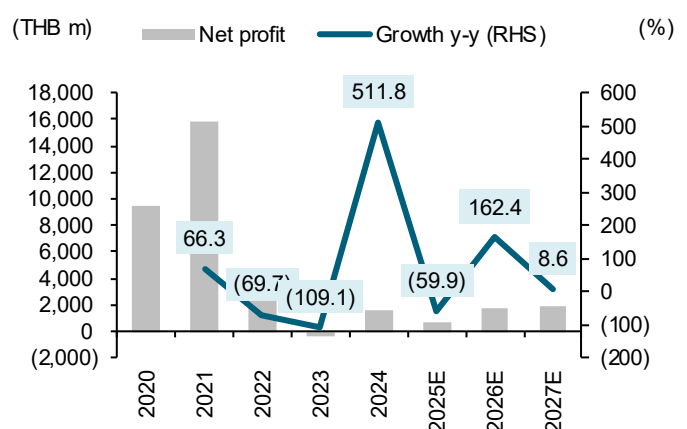
Sources: STA; FSSIA estimates

Exhibit 16: Sales volume and selling price – gloves

Sources: STA; FSSIA estimates

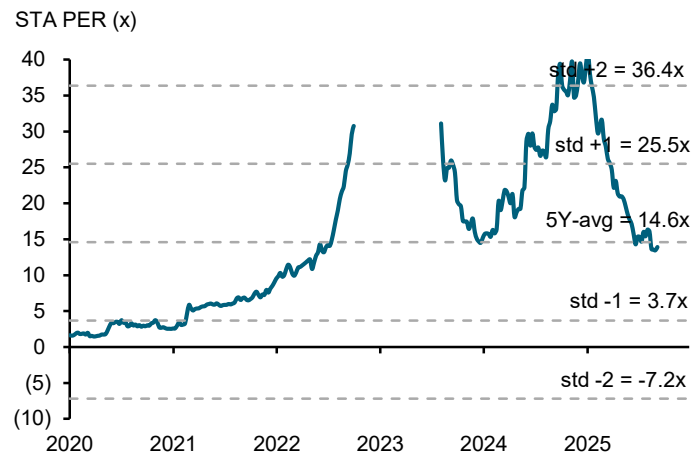
Exhibit 17: Core profit and growth

Sources: STA; FSSIA estimates

Exhibit 18: Net profit and growth

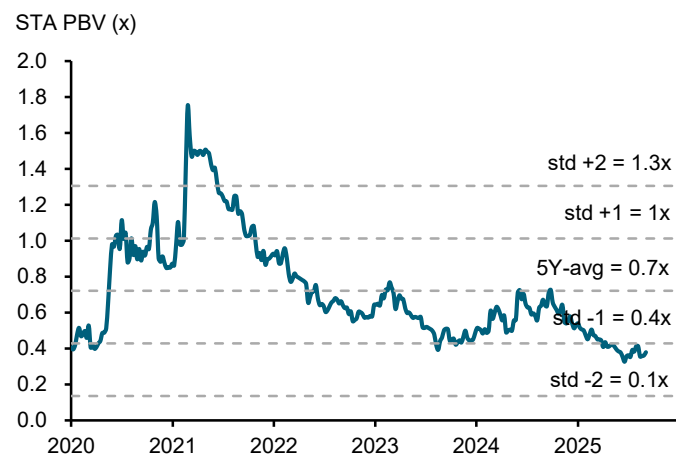
Sources: STA; FSSIA estimates

Exhibit 19: STA – historical P/E band



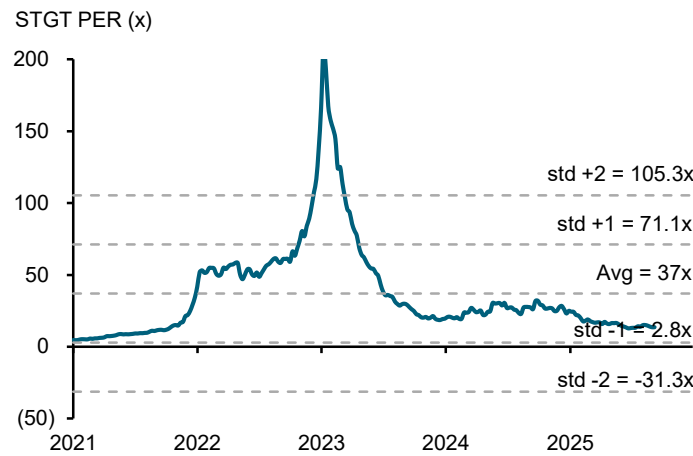
Sources: Bloomberg; FSSIA estimates

Exhibit 20: STA – historical P/BV band



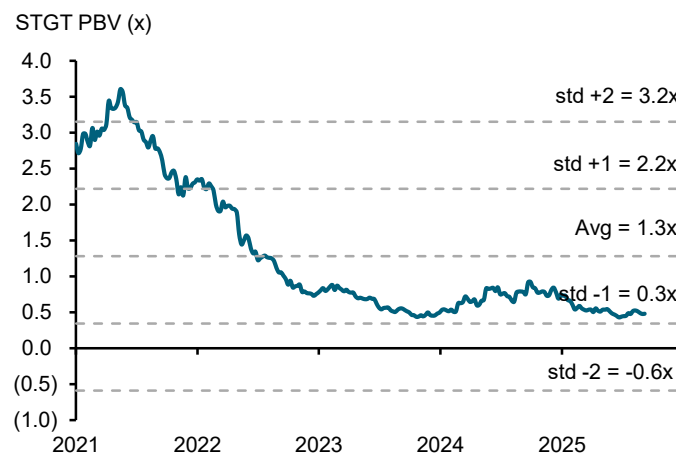
Sources: Bloomberg; FSSIA estimates

Exhibit 21: STGT – historical P/E band



Source: Bloomberg

Exhibit 22: STGT – historical P/BV band



Source: Bloomberg

Financial Statements

Sri Trang Agro Industry

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	84,245	114,374	130,452	134,911	140,613
Cost of goods sold	(76,082)	(103,552)	(120,571)	(122,246)	(127,069)
Gross profit	8,163	10,821	9,881	12,665	13,544
Other operating income	370	706	522	432	422
Operating costs	(8,063)	(7,973)	(7,827)	(9,174)	(9,843)
Operating EBITDA	4,086	7,421	6,602	8,100	8,400
Depreciation	(3,617)	(3,867)	(4,027)	(4,177)	(4,277)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	469	3,554	2,576	3,923	4,123
Net financing costs	(896)	(1,314)	(1,362)	(1,389)	(1,394)
Associates	(107)	99	170	135	141
Recurring non-operating income	(107)	99	170	135	141
Non-recurring items	7	3	(135)	0	0
Profit before tax	(527)	2,343	1,248	2,669	2,869
Tax	71	(163)	(121)	(304)	(327)
Profit after tax	(456)	2,180	1,127	2,365	2,542
Minority interests	22	(510)	(457)	(607)	(633)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(434)	1,670	670	1,758	1,909
Non-recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	(434)	1,670	670	1,758	1,909
Per share (THB)					
Recurring EPS *	(0.28)	1.09	0.44	1.14	1.24
Reported EPS	(0.28)	1.09	0.44	1.14	1.24
DPS	1.00	1.00	0.26	0.69	0.75
Diluted shares (used to calculate per share data)	1,536	1,536	1,536	1,536	1,536
Growth					
Revenue (%)	(23.9)	35.8	14.1	3.4	4.2
Operating EBITDA (%)	(58.1)	81.6	(11.0)	22.7	3.7
Operating EBIT (%)	(92.0)	657.3	(27.5)	52.3	5.1
Recurring EPS (%)	nm	nm	(59.9)	162.4	8.6
Reported EPS (%)	nm	nm	(59.9)	162.4	8.6
Operating performance					
Gross margin inc. depreciation (%)	9.7	9.5	7.6	9.4	9.6
Gross margin exc. depreciation (%)	14.0	12.8	10.7	12.5	12.7
Operating EBITDA margin (%)	4.9	6.5	5.1	6.0	6.0
Operating EBIT margin (%)	0.6	3.1	2.0	2.9	2.9
Net margin (%)	(0.5)	1.5	0.5	1.3	1.4
Effective tax rate (%)	13.5	7.0	9.7	11.4	11.4
Dividend payout on recurring profit (%)	(353.6)	92.0	60.0	60.0	60.0
Interest cover (X)	0.4	2.8	2.0	2.9	3.1
Inventory days	131.5	124.5	136.7	138.8	129.4
Debtor days	36.4	32.8	37.6	39.3	39.2
Creditor days	22.8	16.5	17.7	19.5	19.3
Operating ROIC (%)	0.4	3.1	1.9	2.7	2.9
ROIC (%)	0.3	2.8	1.8	2.6	2.7
ROE (%)	(0.9)	3.3	1.3	3.4	3.7
ROA (%)	0.2	2.7	1.7	2.6	2.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Midstream business - Natural rubber	65,210	89,589	105,472	108,747	113,140
Downstream business - Glove	19,035	24,784	24,980	26,165	27,473

Sources: Sri Trang Agro Industry; FSSIA estimates

Financial Statements

Sri Trang Agro Industry

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(434)	1,670	670	1,758	1,909
Depreciation	3,617	3,867	4,027	4,177	4,277
Associates & minorities	-	-	-	-	-
Other non-cash items	1	799	648	665	349
Change in working capital	(447)	(17,671)	(5,815)	2,274	(391)
Cash flow from operations	2,737	(11,336)	(470)	8,874	6,144
Capex - maintenance	(5,155)	(1,819)	(11,762)	(6,697)	(5,957)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(3,259)	(4,542)	6,088	(36)	(46)
Cash flow from investing	(8,414)	(6,362)	(5,674)	(6,732)	(6,002)
Dividends paid	(1,314)	(1,379)	(402)	(1,055)	(1,146)
Equity finance	0	0	0	0	0
Debt finance	(3,102)	16,373	(1,906)	1,027	410
Other financing cash flows	(207)	(65)	180	62	80
Cash flow from financing	(4,623)	14,929	(2,128)	35	(656)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(10,301)	(2,768)	(8,272)	2,176	(514)
Free cash flow to firm (FCFF)	(4,255.89)	(15,976.14)	(4,395.23)	3,924.84	1,938.73
Free cash flow to equity (FCFE)	(8,987.50)	(1,389.26)	(7,870.29)	3,231.00	631.75
Per share (THB)					
FCFF per share	(2.77)	(10.40)	(2.86)	2.56	1.26
FCFE per share	(5.85)	(0.90)	(5.12)	2.10	0.41
Recurring cash flow per share	2.07	4.12	3.48	4.30	4.25
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	69,385	70,236	73,596	76,746	78,846
Less: Accumulated depreciation	(16,197)	(18,639)	(14,719)	(15,349)	(15,769)
Tangible fixed assets (net)	53,188	51,597	58,877	61,397	63,077
Intangible fixed assets (net)	3,601	3,551	3,600	3,600	3,600
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	5,726	10,591	5,000	5,000	5,000
Cash & equivalents	12,199	9,431	1,159	3,335	2,821
A/C receivable	7,941	12,609	14,296	14,785	15,410
Inventories	26,959	41,072	46,246	43,540	43,517
Other current assets	1,253	1,472	1,696	1,754	1,828
Current assets	48,353	64,584	63,397	63,413	63,575
Other assets	869	884	1,044	1,079	1,125
Total assets	111,737	131,208	131,917	134,489	136,377
Common equity	50,340	51,087	50,900	51,603	52,366
Minorities etc.	17,806	18,608	19,121	19,786	20,135
Total shareholders' equity	68,146	69,695	70,021	71,389	72,501
Long term debt	27,115	20,106	20,663	21,172	21,676
Other long-term liabilities	1,711	1,646	1,826	1,889	1,969
Long-term liabilities	28,825	21,752	22,489	23,061	23,645
A/C payable	3,979	5,014	6,276	6,363	6,615
Short term debt	10,305	33,971	32,349	32,867	32,773
Other current liabilities	482	775	783	809	844
Current liabilities	14,766	39,760	39,408	40,040	40,231
Total liabilities and shareholders' equity	111,737	131,208	131,917	134,489	136,377
Net working capital	31,693	49,364	55,179	52,905	53,296
Invested capital	95,077	115,988	123,700	123,981	126,098
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	32.77	33.26	33.14	33.60	34.09
Tangible book value per share	30.43	30.95	30.79	31.25	31.75
Financial strength					
Net debt/equity (%)	37.0	64.1	74.1	71.0	71.2
Net debt/total assets (%)	22.6	34.0	39.3	37.7	37.9
Current ratio (x)	3.3	1.6	1.6	1.6	1.6
CF interest cover (x)	(9.0)	(0.1)	(4.8)	3.3	1.5
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	(44.9)	11.7	29.1	11.1	10.2
Recurring P/E @ target price (x) *	(56.6)	14.7	36.7	14.0	12.9
Reported P/E (x)	(44.9)	11.7	29.1	11.1	10.2
Dividend yield (%)	7.9	7.9	2.1	5.4	5.9
Price/book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x) **	15.3	11.2	13.7	11.1	10.9
EV/EBITDA @ target price (x) **	16.5	11.8	14.5	11.7	11.5
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Sri Trang Agro Industry; FSSIA estimates

Sri Trang-Agro Industry PCL (STA TB)

FSSIA ESG rating



Exhibit 23: FSSIA ESG score implication

60.94 /100

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 24: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJISI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
NER	30.00	--	Y	A	5.00	5.00	Certified	--	--	--	--	--	--	--	--
STA	60.94	--	Y	AAA	5.00	4.00	Certified	Low	57.05	--	--	64.49	54.00	--	--
STGT	68.21	--	Y	AAA	5.00	4.00	Certified	Low	69.14	BBB	--	79.76	59.00	--	64.37
TEGH	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
TRUBB	14.00	--	--	--	5.00	4.00	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 25: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.92	2.11	3.10	3.31	3.49	3.65	4.29	—
BESG environmental pillar score	0.00	0.00	1.42	2.64	2.87	2.83	3.49	—
BESG social pillar score	3.37	4.12	4.65	3.49	3.56	4.11	5.18	—
BESG governance pillar score	4.16	4.21	4.29	4.08	4.30	4.38	4.54	—
ESG disclosure score	42.46	45.44	48.45	59.04	59.79	63.64	72.92	—
Environmental disclosure score	18.21	26.06	25.82	55.06	57.32	61.01	68.65	—
Social disclosure score	27.93	29.02	35.79	38.36	38.36	39.93	60.19	—
Governance disclosure score	81.10	81.10	83.59	83.59	83.59	89.86	89.86	—
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	Yes	Yes
GHG scope 1	—	—	—	35	15	33	44	30
GHG scope 2 location-based	—	—	—	200	82	109	125	120
GHG Scope 3	—	—	—	—	—	—	—	—
Carbon per unit of production	—	—	—	0	0	0	0	0
Biodiversity policy	No	No	No	No	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	404	450	602	706	627
Renewable energy use	—	—	—	200	210	299	354	305
Electricity used	—	—	57	159	175	217	250	241
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 26: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	2	3	0	0	0	0	0
Total waste	—	4	7	4	5	8	15	10
Waste recycled	—	1	—	0	1	1	2	1
Waste sent to landfills	—	2	3	0	0	0	1	1
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	2,300	2,090	2,090	1,830	1,350
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	Yes	No
Pct women in workforce	—	34	32	43	32	33	34	44
Pct disabled in workforce	—	0	1	1	1	0	0	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	1	—	—	—	—	—	—	1
Total recordable incident rate - employees	2	—	—	—	—	1	0	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	12,413	13,482	14,047	15,073	15,052	16,730	15,287	15,852
Employee turnover pct	—	6	3	2	2	3	3	—
Total hours spent by firm - employee training	265,886	519,192	51,974	55,016	210,728	204,980	535,045	713,340
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Governance								
Board size	12	12	12	12	12	13	12	12
No. of independent directors (ID)	4	4	4	4	4	5	4	4
No. of women on board	0	1	1	1	1	1	2	2
No. of non-executive directors on board	4	4	4	4	4	5	4	4
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	7	7	9	7	9	8	8	7
Board meeting attendance pct	99	98	95	99	95	99	99	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	32	33	34	35	34	35	36	37
Age of the oldest director	78	79	80	81	82	83	71	72
No. of executives / company managers	8	16	16	13	11	12	12	9
No. of female executives	3	3	3	1	1	2	1	1
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	8	10	8	8	8	8	8	8
Audit meeting attendance %	96	97	100	100	100	100	100	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	3	3	3	3	3	3	3	3
No. of compensation committee meetings	2	2	2	2	2	2	2	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	2	2	2	2	2	2	2	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	No	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																		
AA	7.143-8.570																				
A	5.714-7.142																				
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
BB	2.857-4.285																				
B	1.429-2.856																				
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

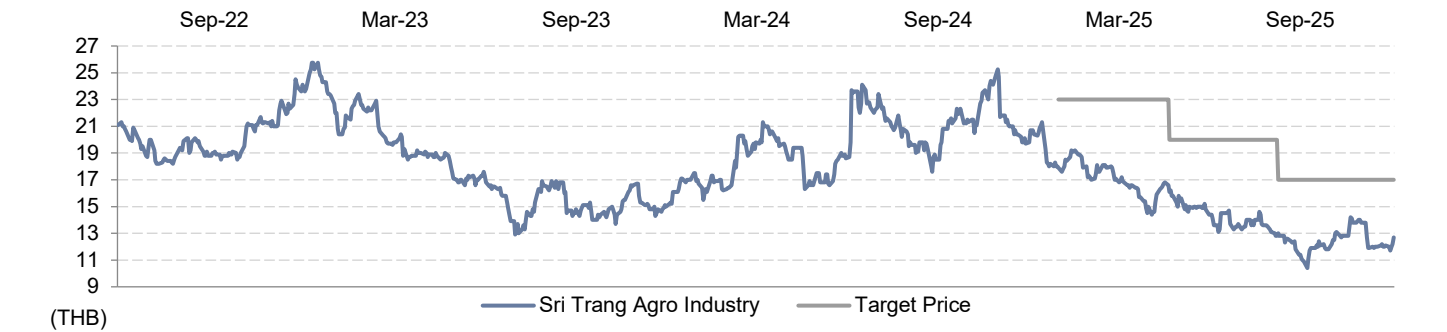
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Sri Trang Agro Industry (STA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Nov-2024	BUY	23.00	24-Feb-2025	BUY	20.00	28-May-2025	HOLD	17.00

Sureeporn Teewasuwet started covering this stock from 21-Nov-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sri Trang Agro Industry	STA TB	THB 12.70	HOLD	Downside risks to our P/E-based TP include 1) a slower-than-expected automotive and glove industry recovery; 2) the high volatility of selling and raw material prices; 3) a higher competition; and 4) a stronger-than-expected THB.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 05-Sep-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.