

As good as it gets

- 1Q25 net profit of THB424m was rather disappointing due to the weak sales volume
- Natural rubber does not really benefit STGT in glove market yet
- Maintain BUY but revised our TP to THB9.9

As good as it gets

1Q25 net profit plunged to THB424m, down 24% q-q but up 189% y-y, due to the y-y industry demand recovery and STGT's more diversified client base. Revenue dipped to THB6.6b, down 3.4% q-q but up 8% y-y on higher ASP to offset lower sales volume. Gross profit margin improved to 13.0%, up from 8.2% in 4Q24 and 8.4% in 1Q24 while net profit margin slipped to 6.5% in 1Q25, down from 8.2% in 4Q24 but up sharply from 2.4% in 1Q24.

Weak sales volume continued

Sales volume dropped to 9,191m pieces in 1Q25, down from 10,436m in 4Q24 and 10,091m pieces in 1Q24 due to demand slowdown. Utilization rate hence dipped to 79.4% in 1Q25, down from 85.9% in 4Q24 and 87.2% in 1Q24. OEM glove revenue remained high at 83% of total revenue in 1Q25 as STGT struggled to raise revenue of its brand products.

Natural rubber glove is less lucrative than NR tire

Though STGT is the only glove producer with the highest portion of natural rubber glove at 50%-80% depending on the margins, we think STGT still struggled to grow its demand amid global industry demand weakness and the intensifying competition from the synthetic rubber. This reflects that the natural rubber glove may not have meaningful preference to customers.

Weak demand offset the lower cost impact

Despite the lower prices of natural rubber and synthetic rubber in tandem with the weaker crude oil price, STGT had gained little benefit from the lower cost as the selling prices similarly declined in line with the lower cost, indicating that global demand for gloves remained weak.

Maintain BUY and cut TP from THB14 to THB9.9

We maintain BUY but trimmed our TP from THB14, based on 25x 2025E P/E, down to THB9.9, now based on 17x 2025E P/E, as we think the outlook for glove demand is weaker than our previous forecast. We think the net profit growth is visible but not strong as the impact of US-China tariff war remains unsettled.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	9.90
VS. BB Consensus TP (%)	-4.8%
Share Price (THB)	6.65
Upside/Downside	+48.9%

Share Data

Market Cap (THB m)	19,052.91
Par (THB)	0.50
Free Float (%)	34.54
Issued shares (m shares)	2,865

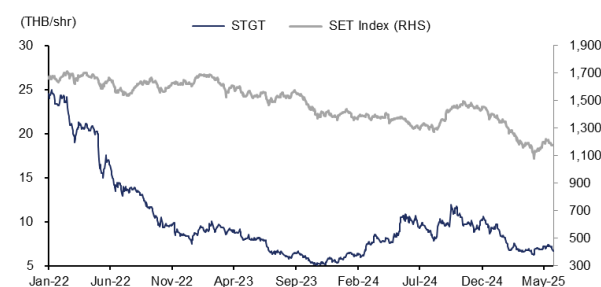
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	25,002	43,644	53,416	56,367
Net profit	995	1,665	1,728	1,780
Core net profit	995	1,665	1,728	1,780
vs Consensus (%)		28.4	24.8	23.6
Net profit growth (%)	551.9	67.3	3.8	3.0
Core net profit growth (%)	551.9	67.3	3.8	3.0
EPS (THB)	0.35	0.58	0.60	0.62
Core EPS (THB)	0.35	0.58	0.60	0.62
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.50	0.29	0.30	0.31
P/E (x)	29.36	11.44	11.02	10.71
P/BV (x)	0.76	0.49	0.48	0.47
ROE (%)	2.64	4.31	4.40	4.42
Dividend yield (%)	4.90	4.37	4.54	4.67

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	0.73	(12.66)	(30.30)	(29.95)
Market	(1.20)	(7.47)	(14.31)	(16.62)
12M High/Low (THB)				13.30 / 6.25



Major Shareholders (%) as of 3 Mar 2025

SRITRANG AGRO-INDUSTRY PCL	50.61
RUBBER LAND PRODUCTS CO.,LTD	5.42
MR. VIYAVOOD SINCHAROENKUL	4.32

Company Profile

Manufacturing and distribution of medical examination latex gloves and other industrial latex gloves. Main products include natural latex powdered gloves, natural latex powder-free gloves and nitrile gloves.

Source: SETSMART, SET

Exhibit 1: Summary of 1Q25 operations

	1Q24 (THB m)	4Q24 (THB m)	1Q25			2023 (THB m)	2024 (THB m)	chg. (y-y%)
			(THB m)	(q-q%)	(y-y%)			
Revenue	6,050	6,773	6,546	(3.4)	8.2	19,665	25,002	27.1
Operating costs	(5,510)	(6,159)	(5,534)	(10.2)	0.4	(18,059)	(22,544)	24.8
EBITDA	540	614	1,012	64.9	87.3	1,606	2,458	53.1
EBITDA margin (%)	8.9	9.1	15.5	nm		8.2	9.8	nm
Depn & amort.	(453)	(561)	(575)	2.4	26.8	(1,674)	(2,022)	20.8
EBIT	87	53	438	730.1	402.0	(68)	436	(738.6)
Interest expense	(72)	(71)	(65)	(7.7)	(9.9)	(306)	(292)	(4.8)
Interest & invt inc	92	62	52	(16.3)	na	361	311	na
Other income	26	522	52	(90.0)	97.1	195	689	253.4
Associates' contrib	-	-	-	na		-	-	na
Exceptionals	33	24	(23)	(196.8)	na	(11)	(65)	na
Pretax profit	166	589	453	(23.1)	172.9	171	1,080	532.8
Tax	(19)	(32)	(29)	(10.6)	50.2	(18)	(85)	370.4
Tax rate (%)	11.6	5.5	6.4	nm	nm	10.5	7.8	nm
Minority interests	-	-	-	na	na	-	-	na
Net profit	147	557	424	(23.8)	189.0	153	995	551.9
Non-recurring	-	-	-	na	na	-	-	na
Core net profit	147	557	424	(23.8)	189.0	153	995	551.9
EPS (THB)	0.05	0.19	0.15	(23.8)	189.0	0.05	0.35	551.9
Core EPS (THB)	0.05	0.19	0.15	(23.8)	189.0	0.05	0.35	551.9

Sources: STGT, Globlex Research

Exhibit 2: 1Q25 key performance

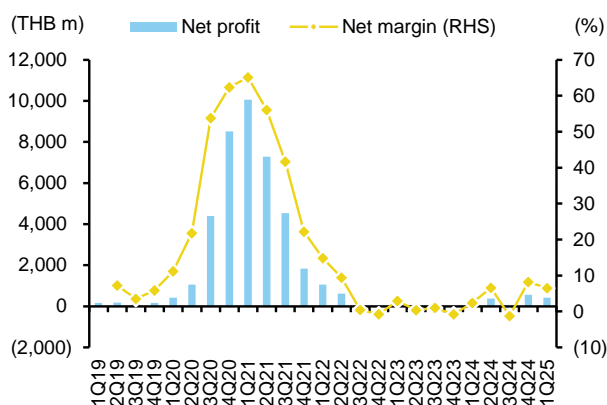
	1Q24	4Q24	1Q25	(q-q%)	(y-y%)	2023	2024	(y-y%)
Revenue by product (THB m)	6,045	6,773	6,546	(3.4)	8.3	18,979	25,002	31.7
Sales volume	10,091	10,436	9,191	(11.9)	(8.9)	31,384	38,549	22.8
ASP (THB/1,000 pieces)	599	643	705	9.6	17.7	605	643	6.3
ASP (USD/1,000 pieces)	17.11	19.00	20.87	9.8	21.9	17.46	18.58	6.4
Utilisation rate	87	86	81	(4.7)	(6.0)	64	83	18.6

	1Q24	4Q24	1Q25	(ppt)	(ppt)	2023	2024	(ppt)
Margin								
Gross margin	8.4	8.2	13.0	4.8	4.6	10.9	8.7	(2.2)
EBITDA margin	11.4	18.1	16.7	(1.4)	5.3	11.9	13.7	1.8
Net margin	2.4	8.2	6.5	(1.7)	4.1	0.8	4.0	3.2

* Note: Change in margin % is represented in ppt change

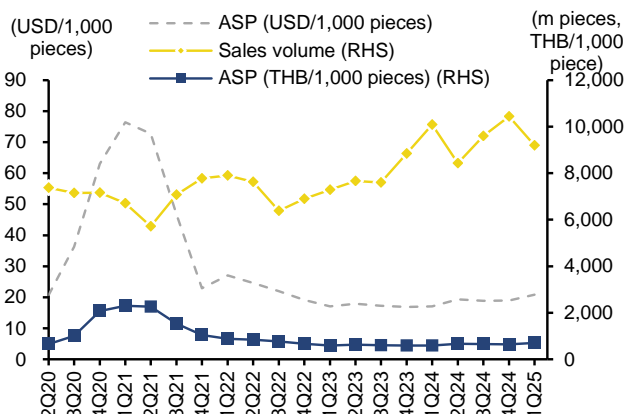
Sources: STGT, Globlex Research

Exhibit 3: Net profit vs net margin



Sources: STGT

Exhibit 4: ASP, sales volume



Sources: STGT

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E	Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets						Revenue					
Cash & ST investment	4,230	3,905	5,334	8,735	13,501		19,665	25,002	43,644	53,416	56,367
Account receivable	2,390	3,608	5,735	8,337	11,084		(15,842)	(20,811)	(38,236)	(47,128)	(48,661)
Inventories	3,840	4,762	8,749	10,784	11,135	Gross profit	3,823	4,191	5,408	6,288	7,706
Others	5,574	2,267	3,958	4,844	5,111	Operating expenses	(2,217)	(1,733)	(1,746)	(2,137)	(2,818)
Non-current assets						Operating profit	1,606	2,458	3,663	4,152	4,887
Net fixed assets	24,972	23,858	24,750	25,472	26,024	EBIT	1,606	2,458	3,663	4,152	4,887
Others	5,576	10,518	10,518	10,518	10,518	Depreciation	(1,674)	(2,022)	(2,108)	(2,278)	(2,448)
Total Assets	46,582	48,919	59,044	68,691	77,373	EBITDA	(68)	436	1,555	1,874	2,439
Current liabilities						Non-operating income					
Account payable	2,416	2,726	5,008	6,173	6,374		545	935	689	689	689
ST borrowing	1,991	4,713	4,713	4,713	4,713	Other incomes	195	689	689	689	689
Others	11	71	123	151	159	Other non-op income	350	246	0	0	0
Long-term liabilities						Non-operating expense	(306)	(292)	(363)	(611)	(1,118)
Long-term debts	5,026	2,546	10,046	17,546	25,046	Interest expense	(306)	(292)	(363)	(611)	(1,118)
Others	301	342	342	342	342	Other non-op expense	0	0	0	0	0
Total liabilities	9,745	10,397	20,232	28,925	36,634	Equity income/(loss)	0	0	0	0	0
Paid-up capital	1,433	1,433	1,433	1,433	1,433	Pre-tax Profit	171	1,080	1,881	1,952	2,010
Retained earnings	19,825	19,391	19,624	20,520	21,435	Extraordinary items					
Others	15,580	17,698	17,756	17,814	17,872	Current taxation	(18)	(85)	(216)	(224)	(231)
Minority interest	0	0	0	0	0	Minorities	0	0	0	0	0
Shareholders' equity	36,837	38,522	38,812	39,766	40,739	Net Profit	153	995	1,665	1,728	1,780
Key ratios						Core net profit					
Year ending Dec	2023	2024	2025E	2026E	2027E	EPS (THB)	0.05	0.35	0.58	0.60	0.62
Growth (y-y%)						Core EPS (THB)	0.05	0.35	0.58	0.60	0.62
Sales	(15.6)	27.1	74.6	22.4	5.5	Cash flow (THB m)					
Operating profit	(51.1)	53.1	49.0	13.4	17.7	Year ending Dec	2023	2024	2025E	2026E	2027E
EBITDA	(103.7)	738.6	256.5	20.5	30.2	Operating cash flow	(4,049)	4,458	(1,989)	(677)	606
Net profit	(90.8)	551.9	67.3	3.8	3.0	Net profit	153	995	1,665	1,728	1,780
Core net profit	(90.8)	551.9	67.3	3.8	3.0	Depre. & amortization	1,674	2,022	2,108	2,278	2,448
EPS	(90.8)	551.9	67.3	3.8	3.0	Change in working capital	(5,850)	1,537	(5,469)	(4,331)	(3,156)
Core EPS	(90.8)	551.9	67.3	3.8	3.0	Others	(25)	(96)	(292)	(352)	(466)
Profitability (%)						Investment cash flow	(3,289)	(5,775)	(3,287)	(3,483)	(3,884)
Gross margin	19.4	16.8	12.4	11.8	13.7	Net CAPEX	(515)	(908)	(3,000)	(3,000)	(3,000)
Operation margin	8.2	9.8	8.4	7.8	8.7	Change in LT investment	(3,587)	(4,902)	0	0	0
EBITDA margin	(0.3)	1.7	3.6	3.5	4.3	Change in other assets	813	34	(287)	(483)	(884)
Net margin	0.8	4.0	3.8	3.2	3.2	Free cash flow	(7,337)	(1,318)	(5,276)	(4,160)	(3,277)
ROE	0.4	2.6	4.3	4.4	4.4	Financing cash flow	7,080	1,915	6,082	5,116	16,778
ROA	0.3	2.1	3.1	2.7	2.4	Change in share capital	(0)	0	58	58	58
Stability						Net change in debt	544	2,053	0	0	0
Interest bearing debt/equity (x)	0.2	0.2	0.4	0.6	0.7	Dividend paid	(1,433)	(1,433)	(1,433)	(833)	(864)
Net debt/equity (x)	0.1	0.1	0.2	0.3	0.4	Others	7,968	1,294	7,457	5,891	17,584
Interest coverage (x)	5.2	8.4	10.1	6.8	4.4	Net cash flow	(258)	597	807	956	13,501
Interest & ST debt coverage (x)	0.7	0.5	0.7	0.8	0.8	Per share (THB)					
Cash flow interest coverage (x)	(0.4)	0.4	(0.1)	(0.0)	0.0	EPS	0.05	0.35	0.58	0.60	0.62
Current ratio (x)	3.6	1.9	2.4	3.0	3.6	Core EPS	0.05	0.35	0.58	0.60	0.62
Quick ratio (x)	1.5	1.0	1.1	1.5	2.2	CFPS	0.64	1.05	1.32	1.40	1.48
Net debt (THB m)	2,787	3,353	9,424	13,524	16,258	BVPS	12.86	13.45	13.55	13.88	14.22
Activity						Sales/share	6.86	8.73	15.23	18.64	19.67
Asset turnover (X)	0.4	0.5	0.8	0.8	0.8	EBITDA/share	(0.02)	0.15	0.54	0.65	0.85
Days receivables	41.5	43.8	39.1	48.1	62.9	DPS	0.50	0.50	0.29	0.30	0.31
Days inventory	83.0	75.4	64.5	75.6	82.2	Valuation					
Days payable	55.5	45.1	36.9	43.3	47.1	P/E (x)	125.72	29.36	11.44	11.02	10.71
Cash cycle days	69.0	74.1	66.6	80.4	98.0	P/BV (x)	0.52	0.76	0.49	0.48	0.47
						Dividend yield (%)	7.46	4.90	4.37	4.54	4.67
						Dividend payout ratio (%)	938	144	50	50	50

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause 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.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: 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: 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: 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.