

NORTH EAST RUBBER PUBLIC COMPANY LIMITED



"We are a leading quality Natural Rubber Manufacturer
for all industries **with environment-friendly.**"



NER Analyst Meeting Year End 2023

28 February 2024



NER Moving Towards a Sustainable Business

NER OVERVIEW



- **Location:** Buriram province, Northeastern Thailand
- **Land Area:** 200 Rai (32 Hectares or around 80 Acres)
- **Capacity:** 515,600 MTS/year



Ribbed Smoked Sheet (RSS)



Standard Thai Rubber (STR)



Mixture Rubber



Livestock Rubber Mat (Rubberflex)



Cert No. 60Q18751



Cert No. 22E18751



Cert No. 43O18751



TESTING No.0186



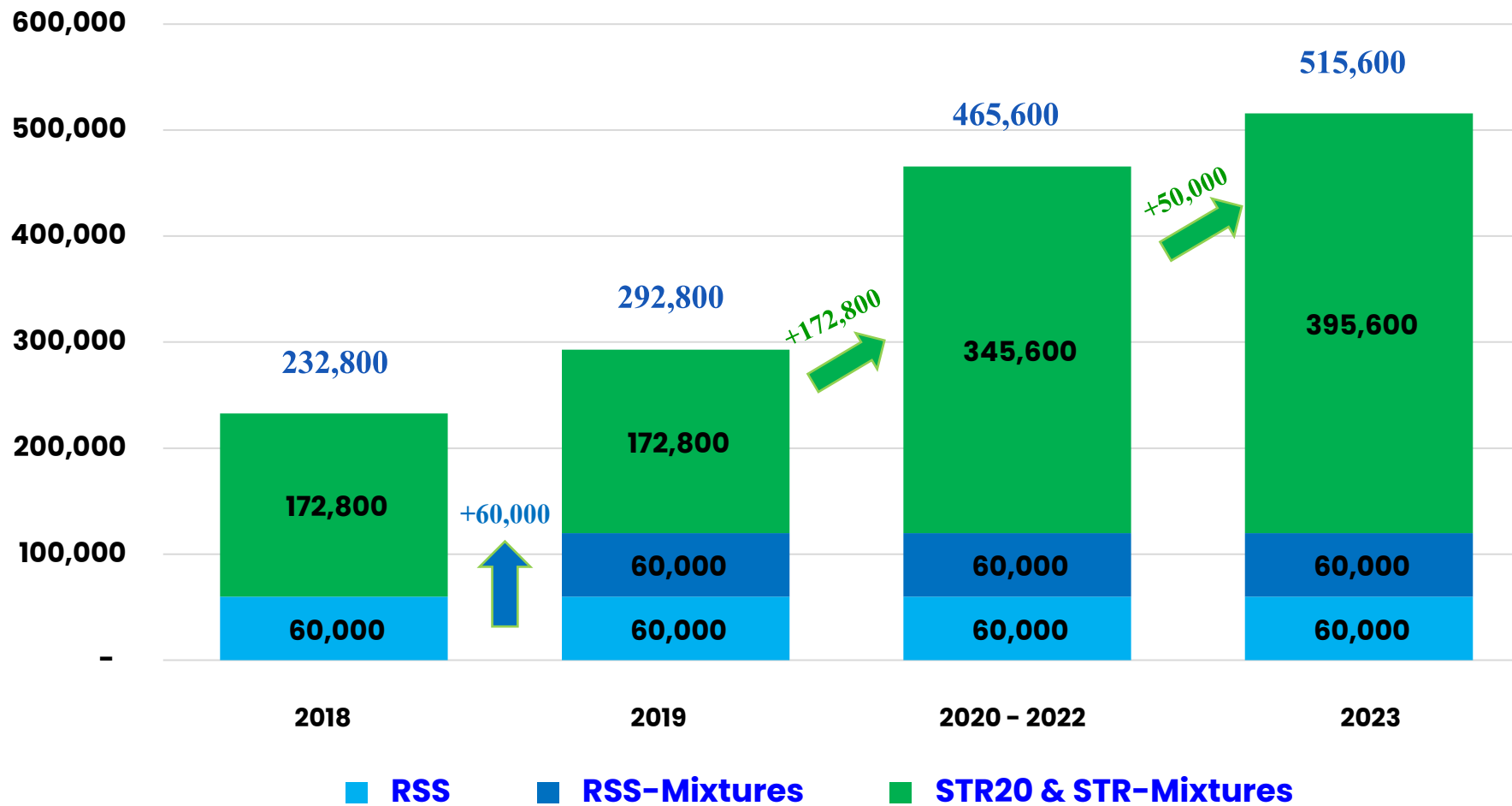
FINANCIAL PERFORMANCE



Capacity



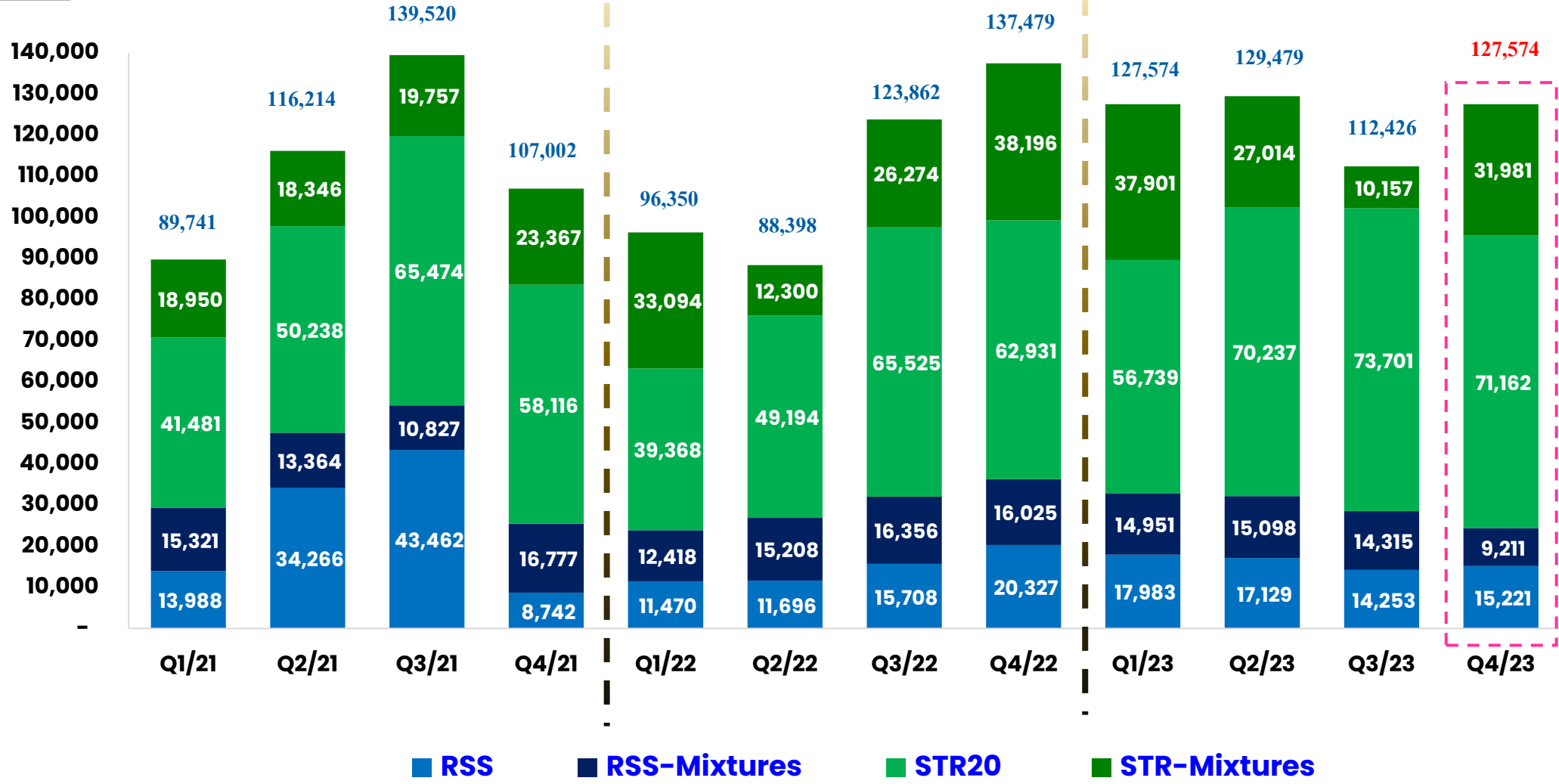
Unit: Tons



Quarterly Sales Revenue



Unit: Tons

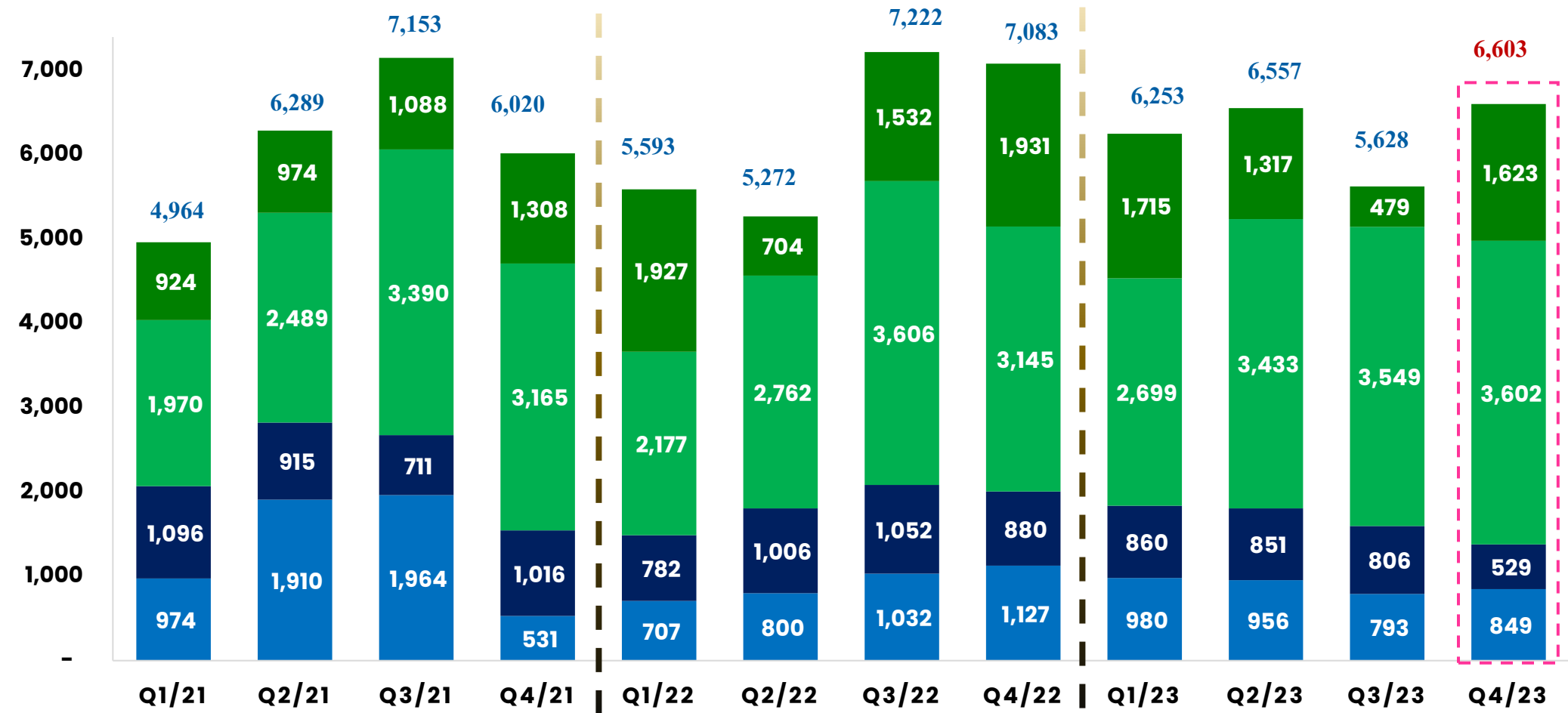


QoQ [Q4/23-Q3/23]
 ▲ +15,148 Tons.
 (+13.47%)

YoY [Q4/23-Q4/22]
 ▼ -9,905 Tons.
 (-7.20%)

Quarterly Sales Revenue

Unit : Million THB



▲ QoQ [Q4/23-Q3/23]
+975 Mb.+17.30%

▼ YoY [Q4/23-Q4/22]
-481 Mb.(-6.79%)

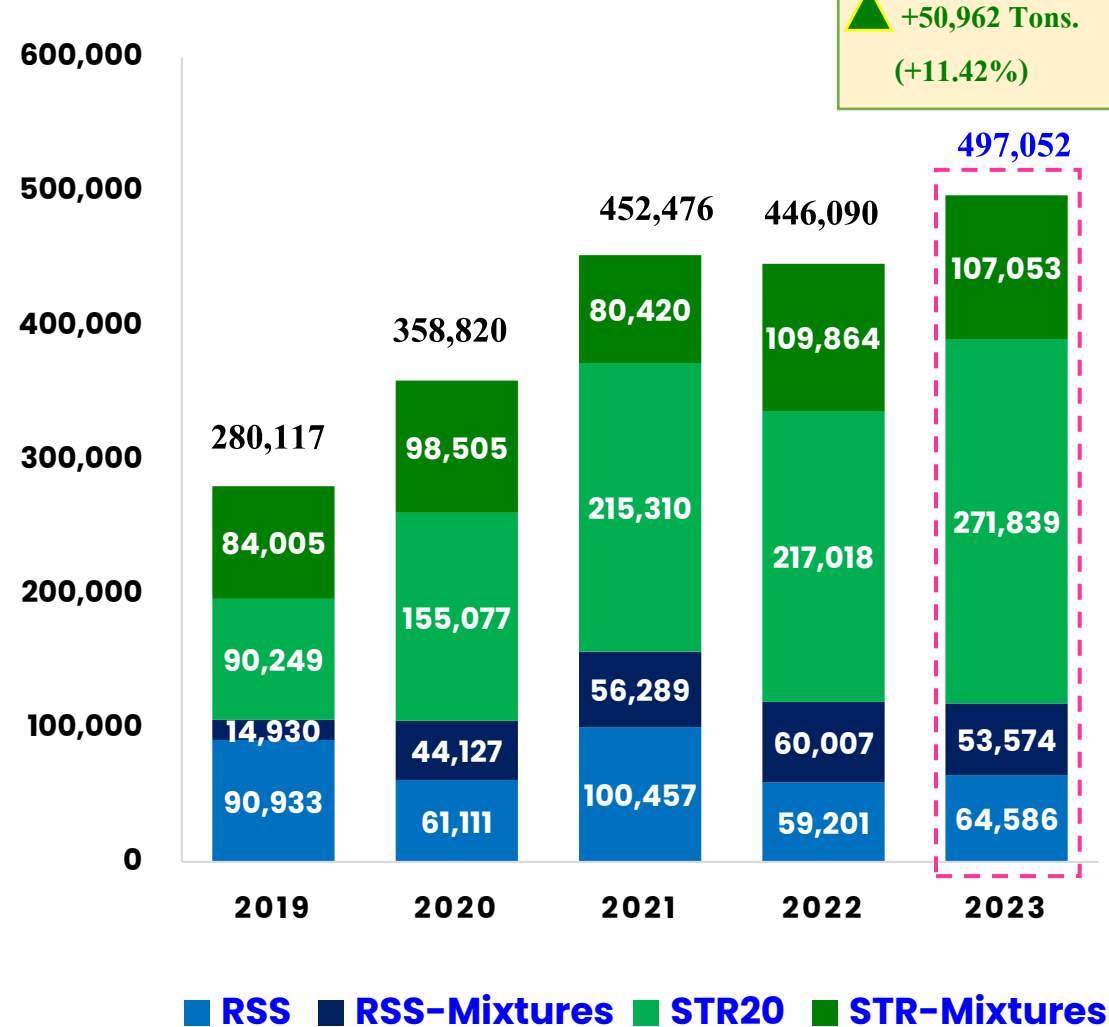
■ RSS ■ RSS-Mixtures ■ STR20 ■ STR-Mixtures



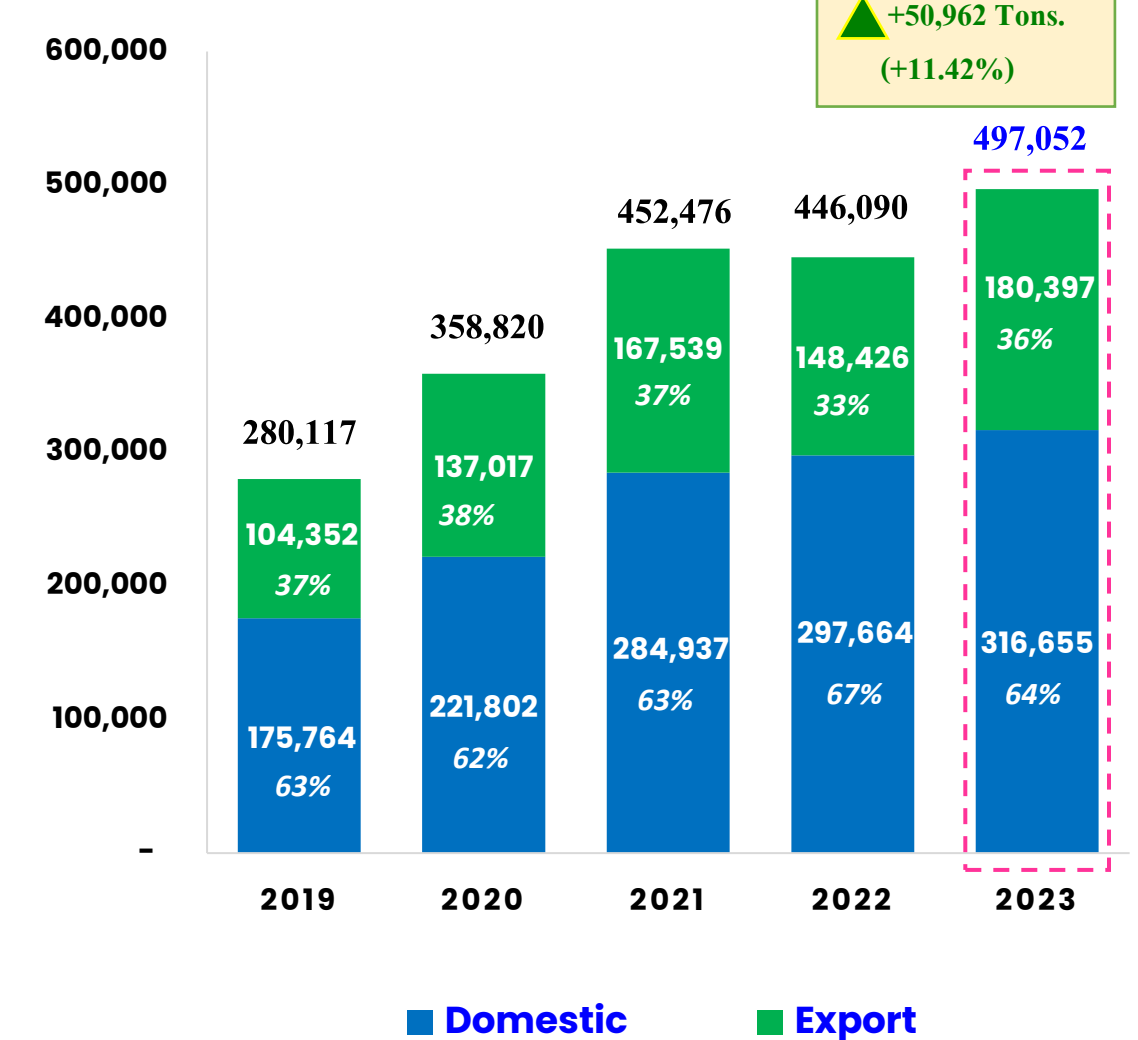
Sales Volume by Product Types & Sales Volume by Geography



Unit : Tons



Unit : Tons

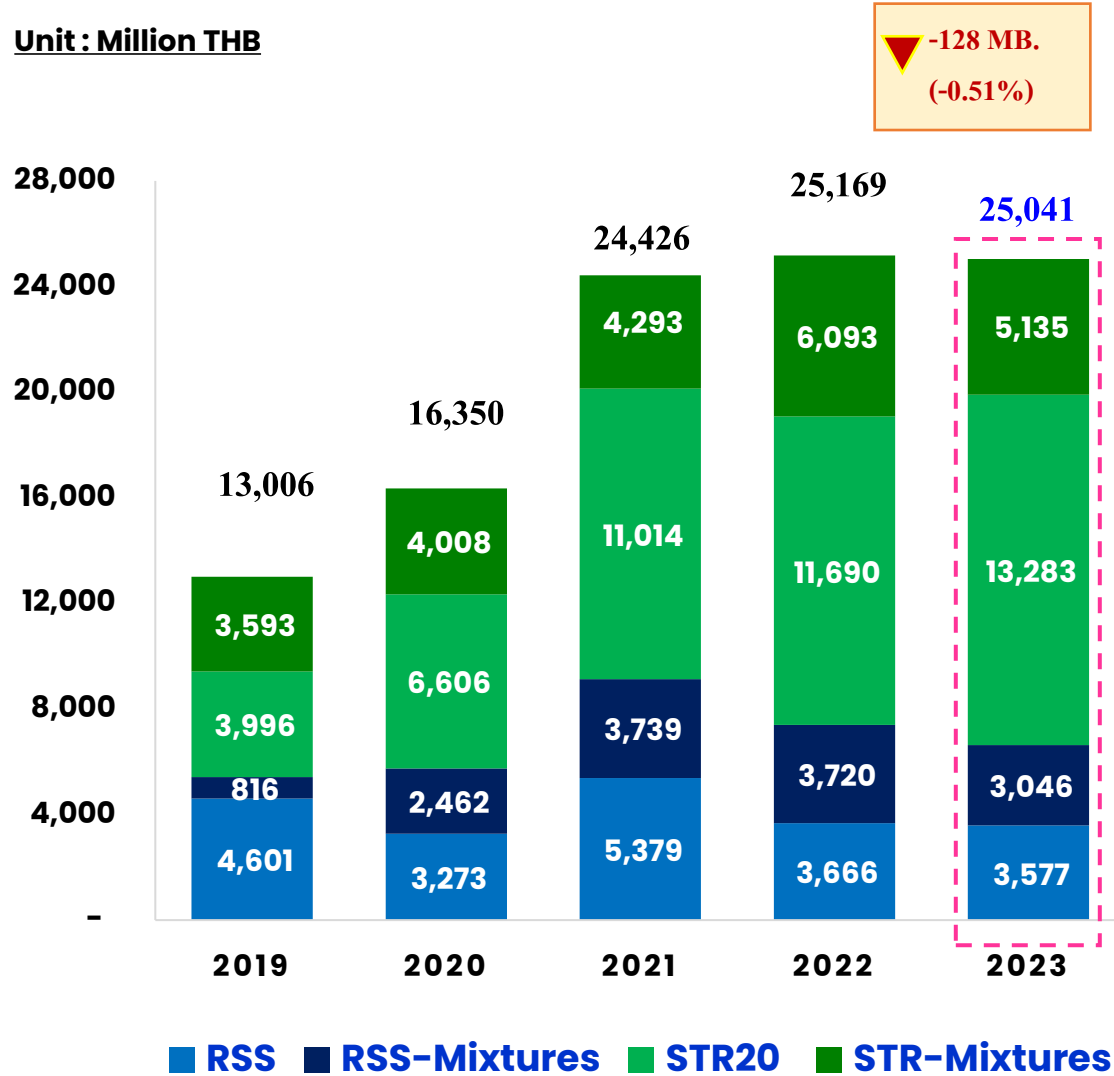




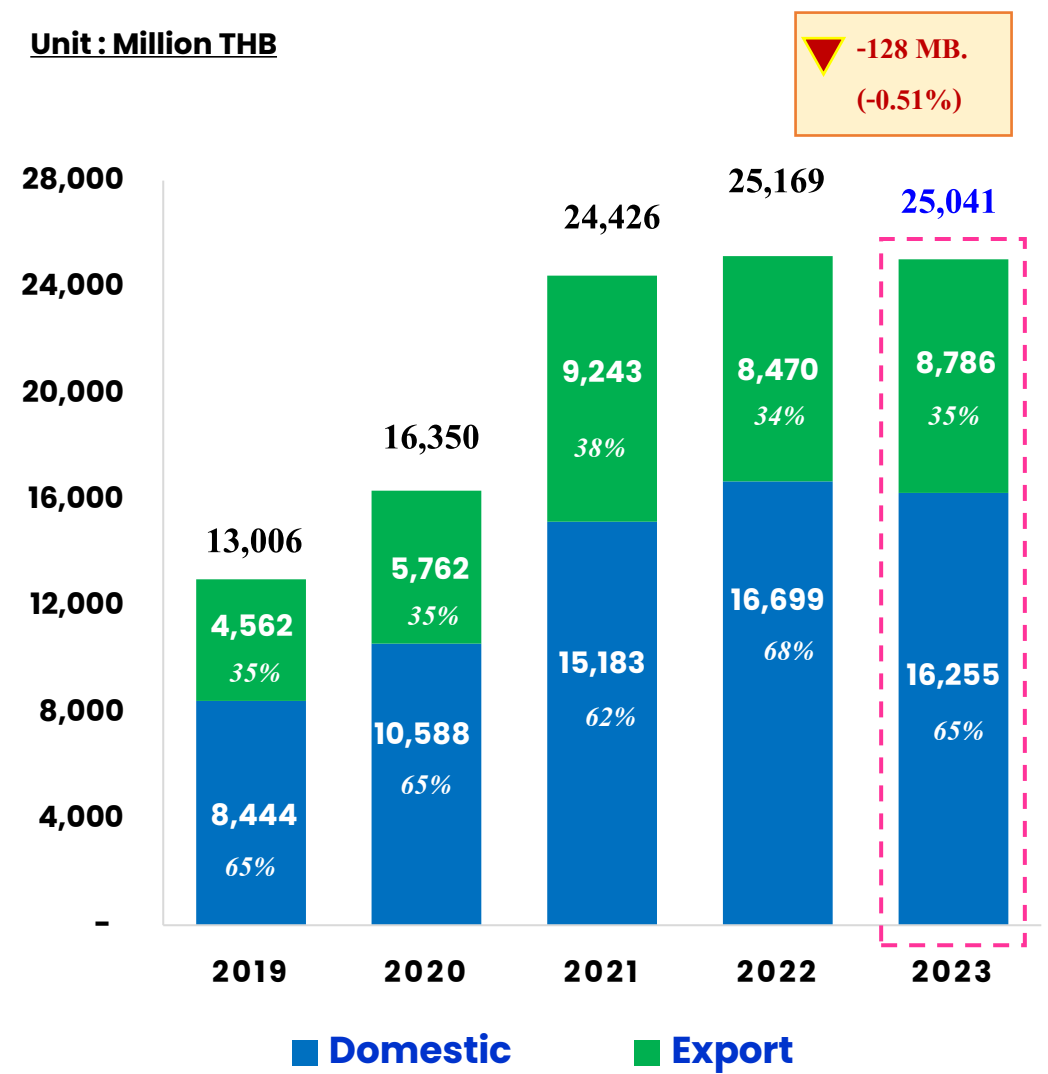
Sales Revenue by Product Types & Sales Revenue by Geography



Unit : Million THB



Unit : Million THB





Cost of Sales & Gross Profit Margin

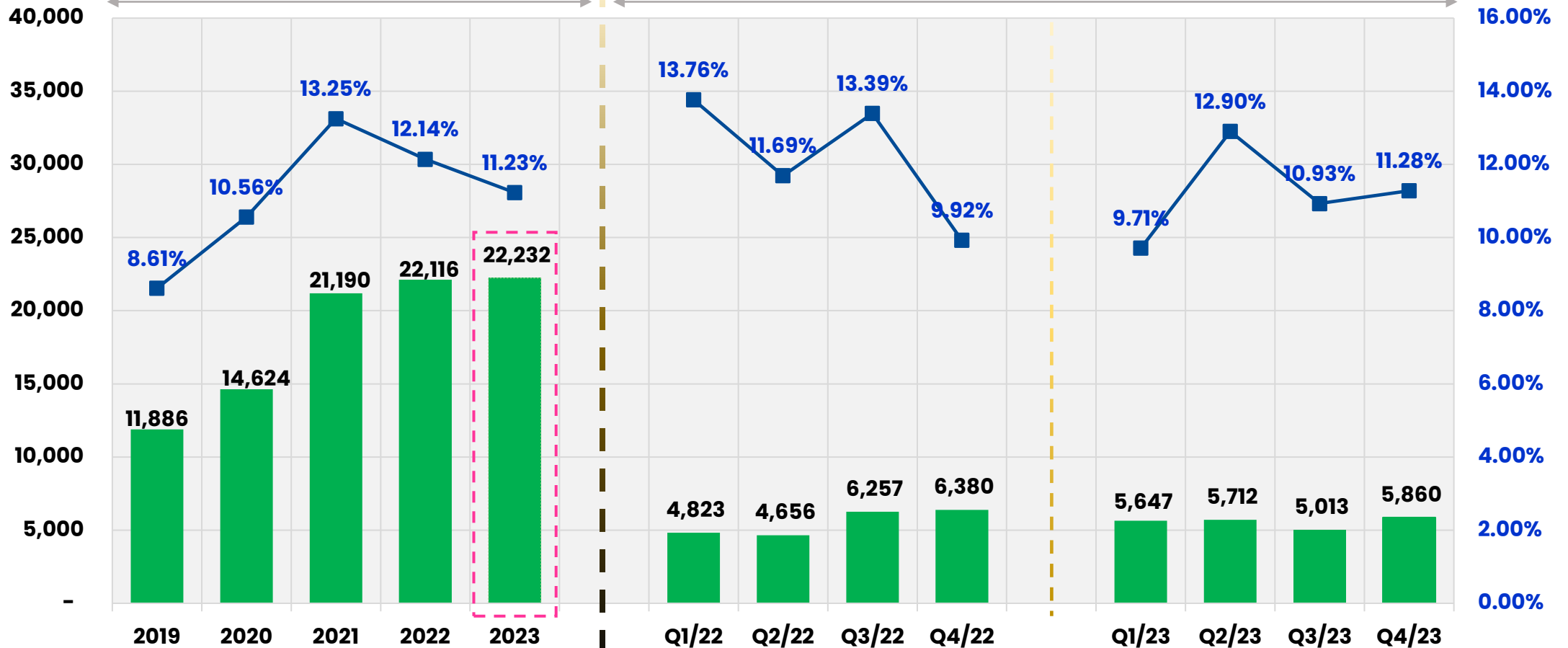


Unit : Million THB

Year

Quarter

%Gross Profit Margin



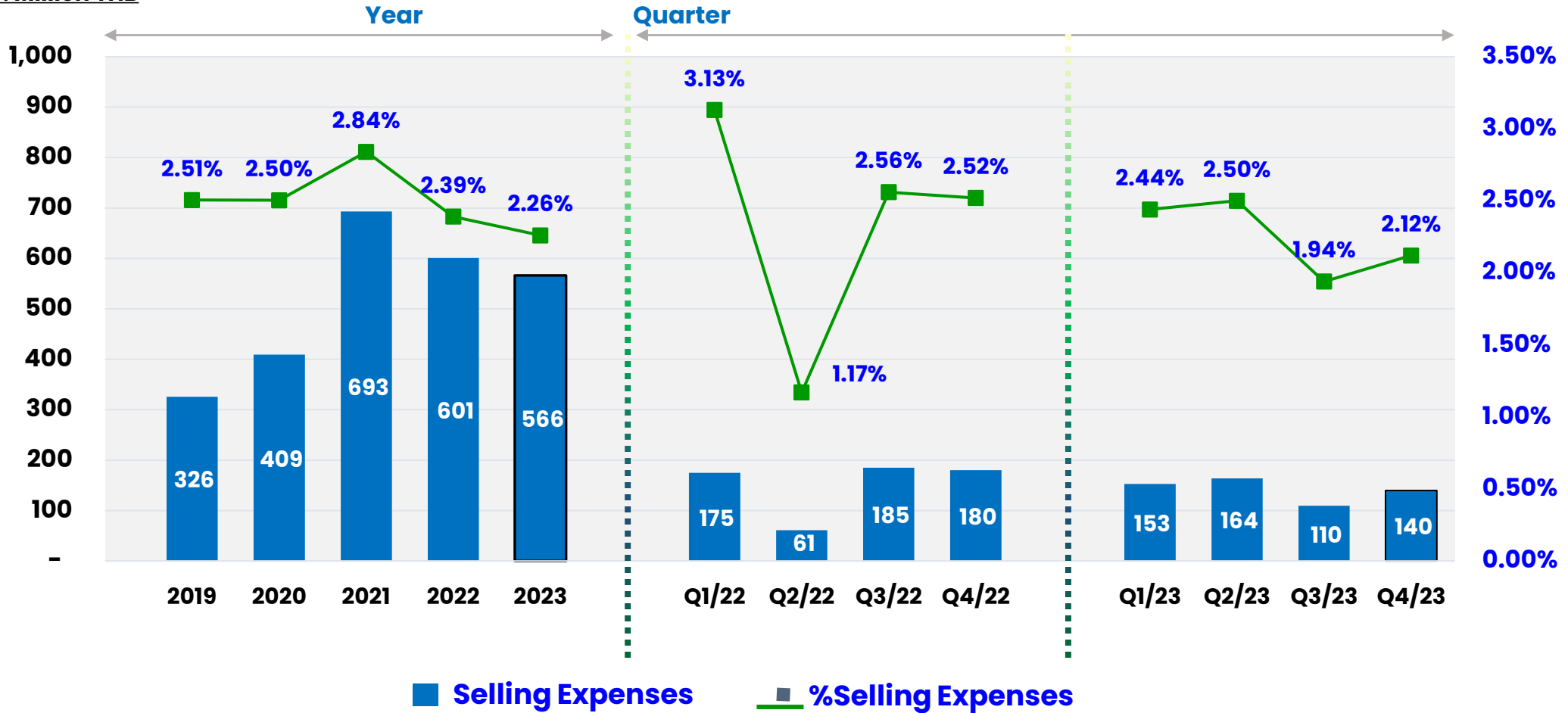
■ Cost of Sales

■ %Gross Profit Margin

Selling Expenses



Unit : Million THB

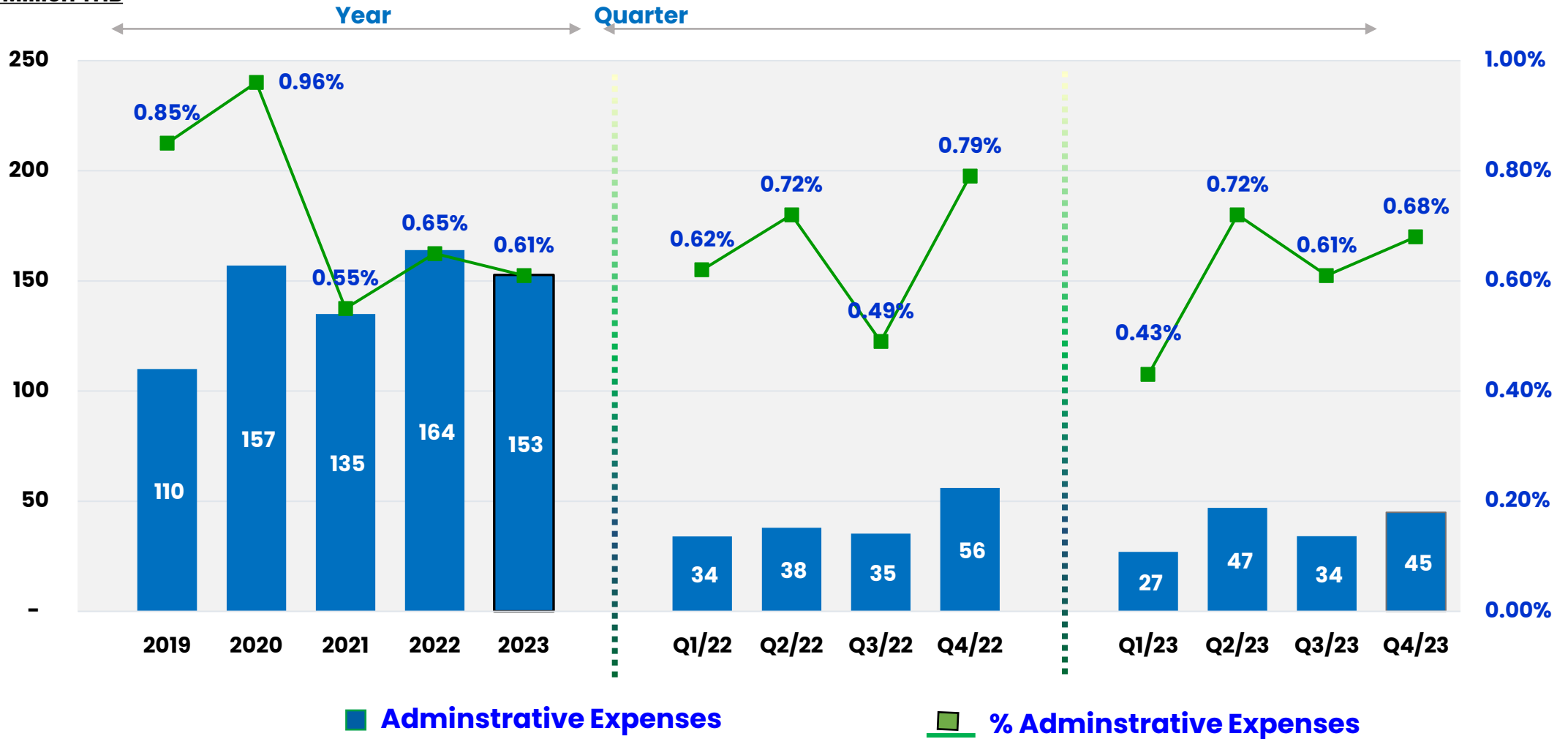




Administrative Expenses



Unit : Million THB

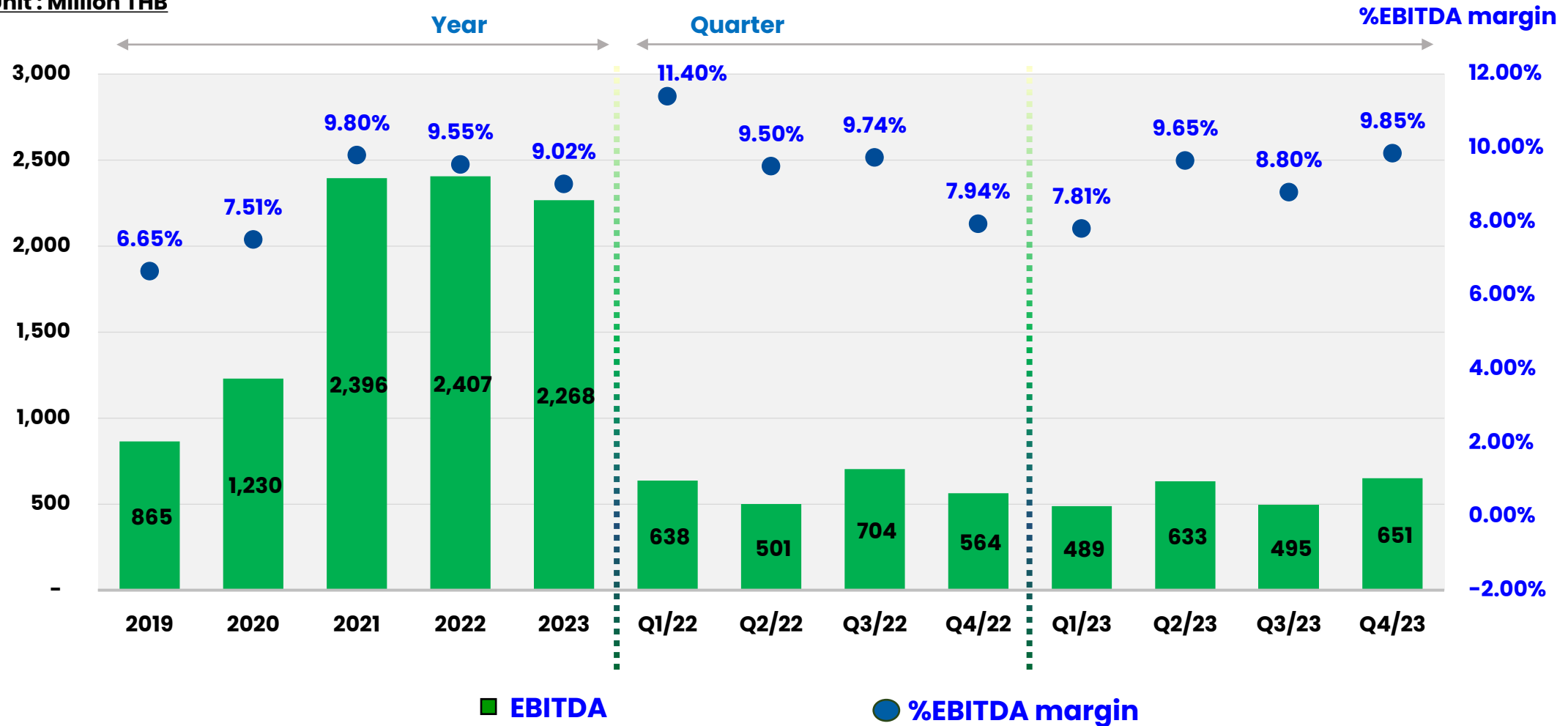




Profit from Operating Activities EBITDA



Unit : Million THB

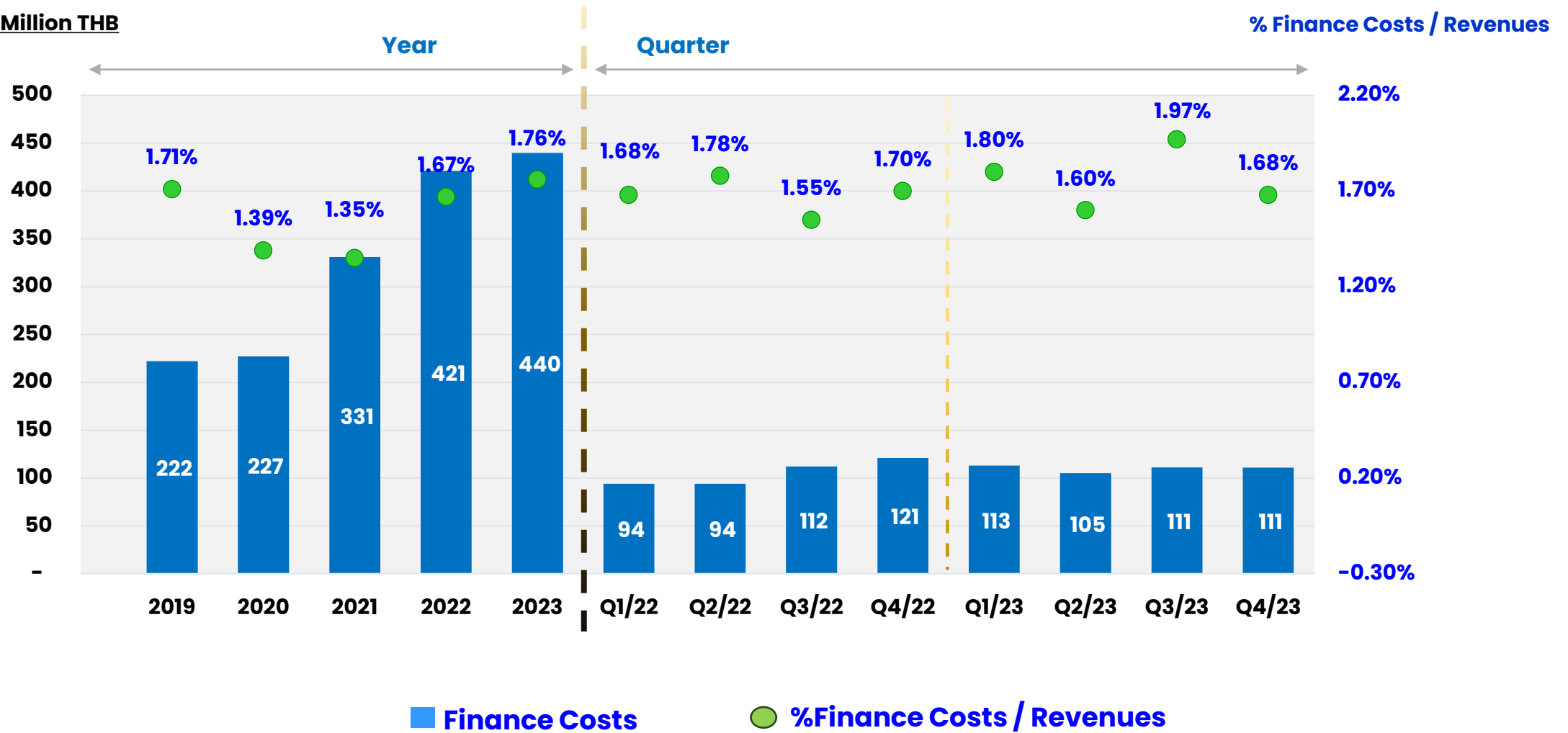




Finance Costs

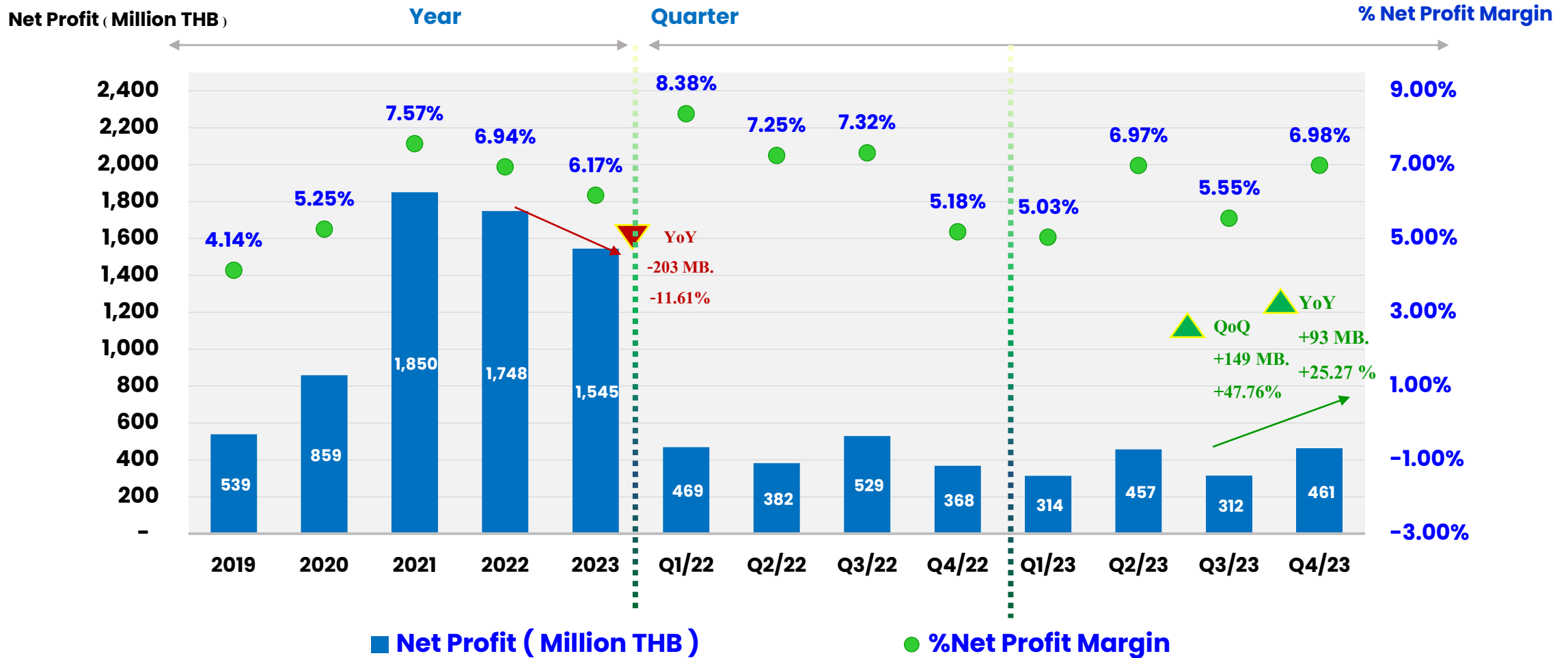


Unit : Million THB





Net Profit & Net Profit Margin





Earning per share

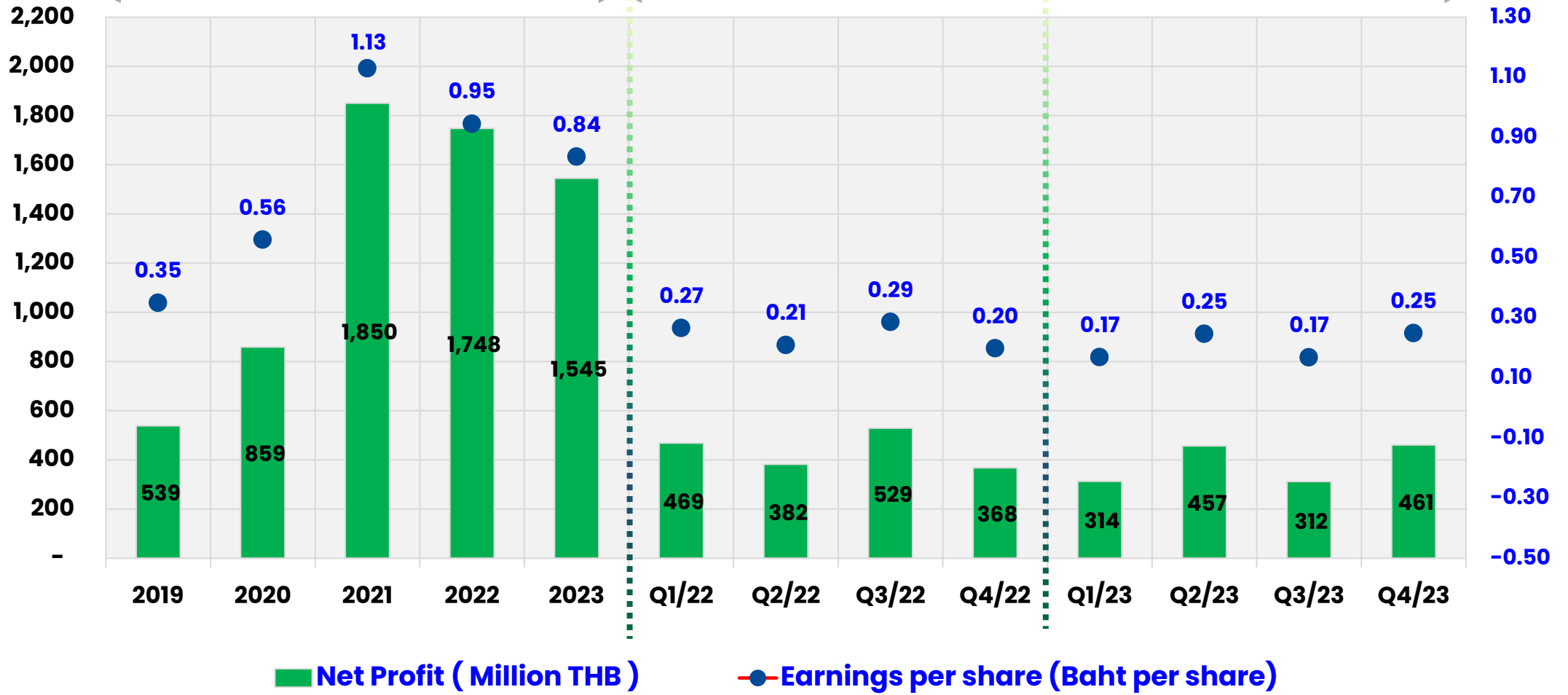


Net Profit (Million THB)

Year

Quarter

Earnings per share (Baht per share)





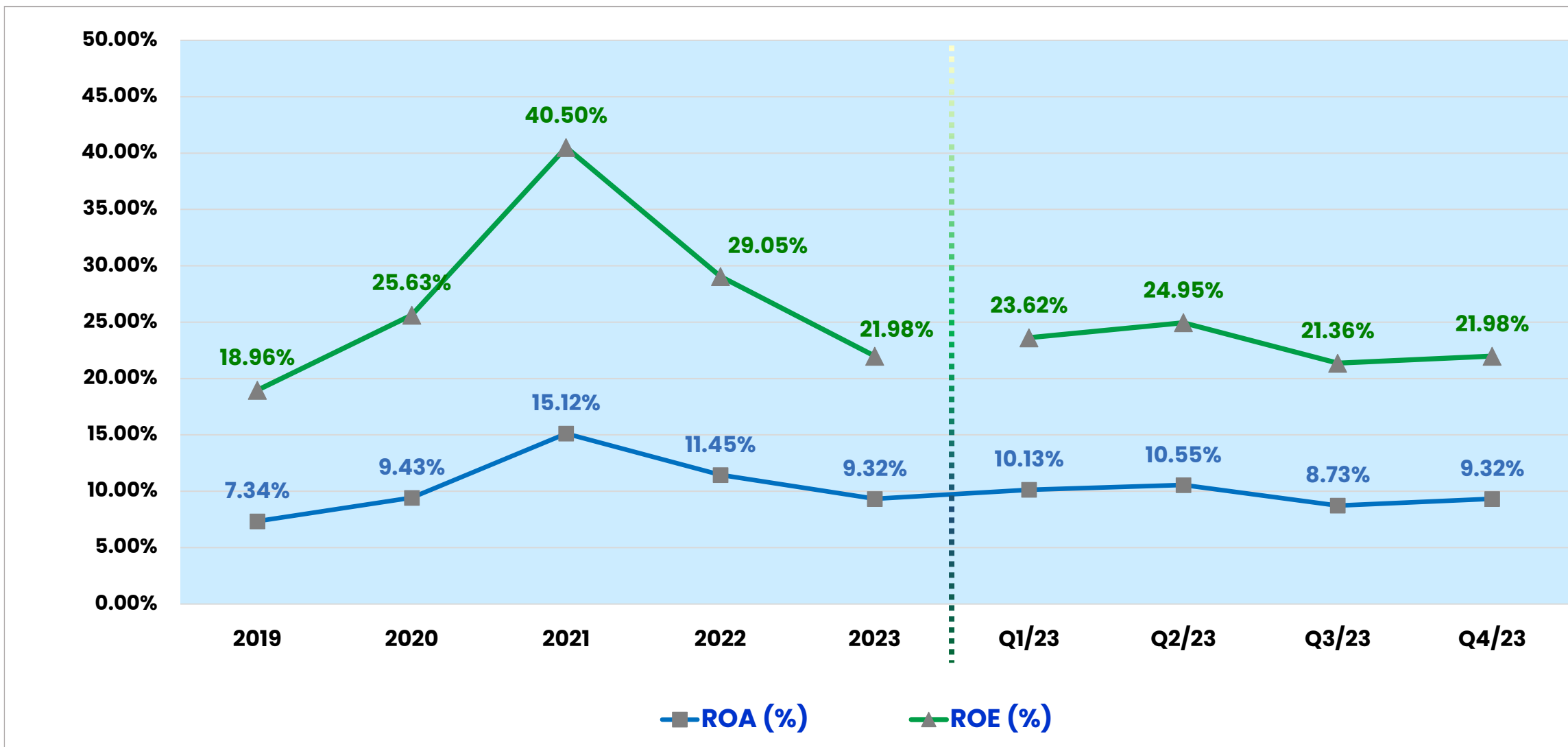
Statement of Financial Position



Unit : Million THB

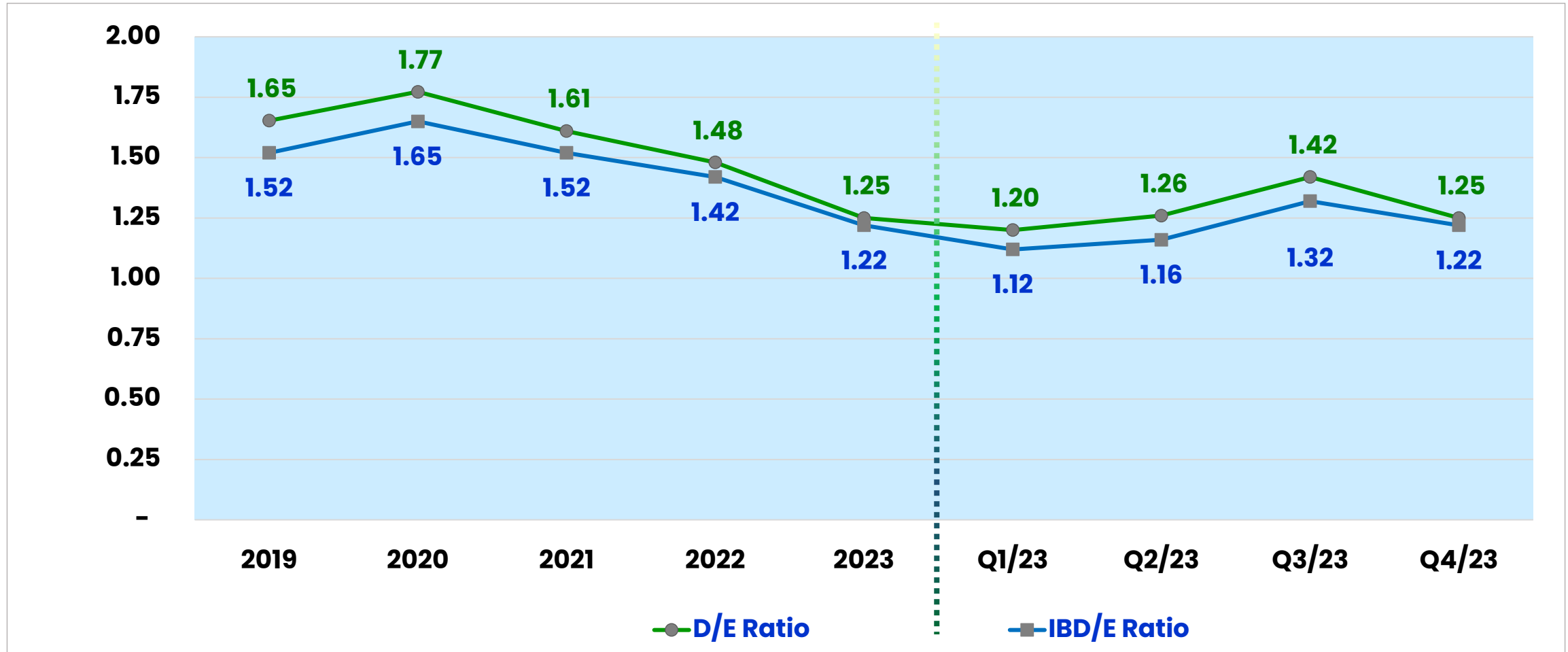
Detail	Y.2020	Y.2021	Y.2022	Y.2023
Current Assets	8,526	12,416	14,232	14,627
Non-Current Assets	1,706	1,823	2,074	2,212
Liabilities	6,541	8,793	9,718	9,371
Shareholder's Equity	3,691	5,446	6,588	7,468

Return on Assets (ROA) & Return on Equity (ROE)





Debt to Equity Ratio (D/E) & Interest Bearing Debt to Equity (IBD/E)

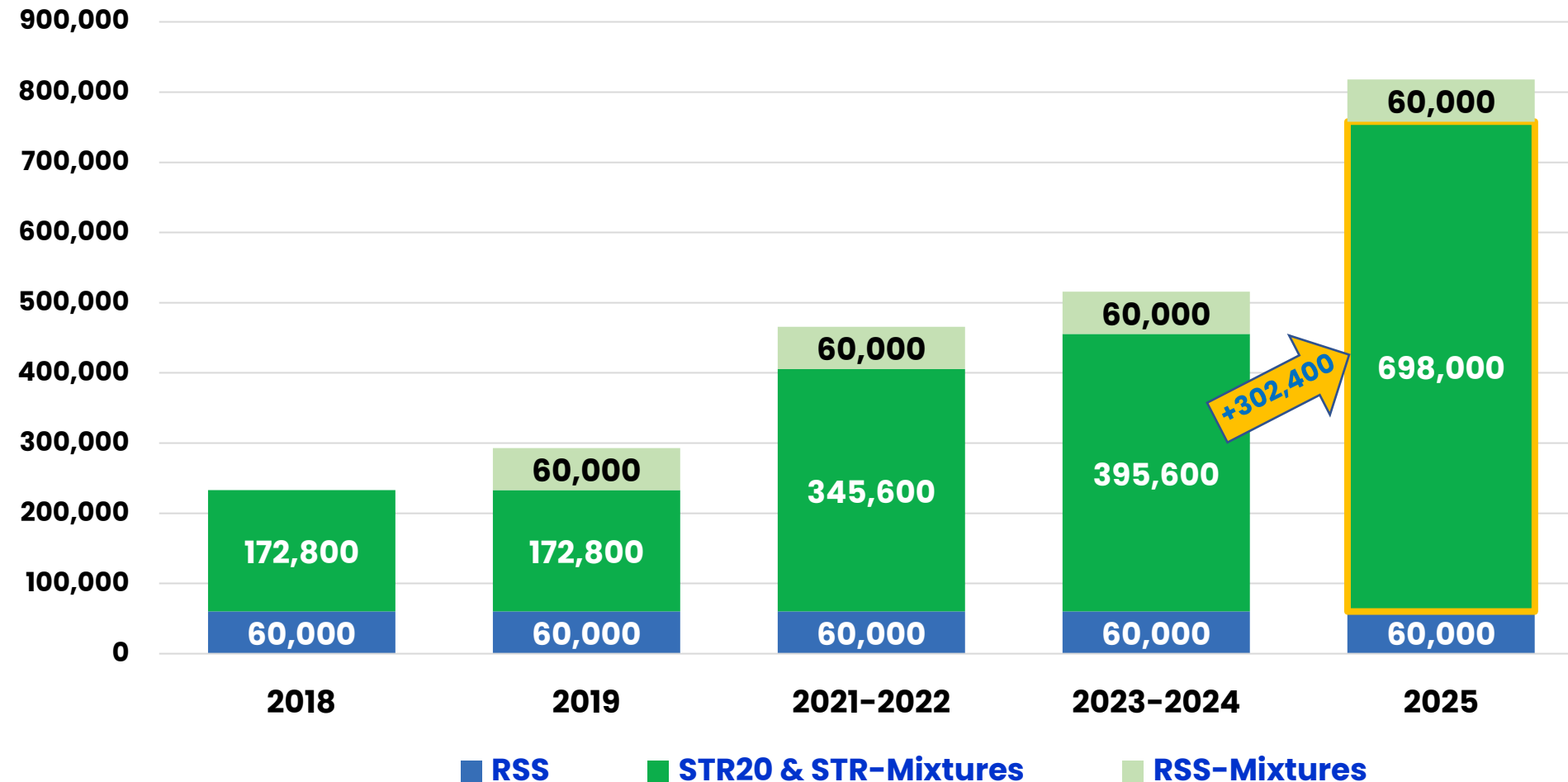




Capital Expenditure



Capacity (Tons)



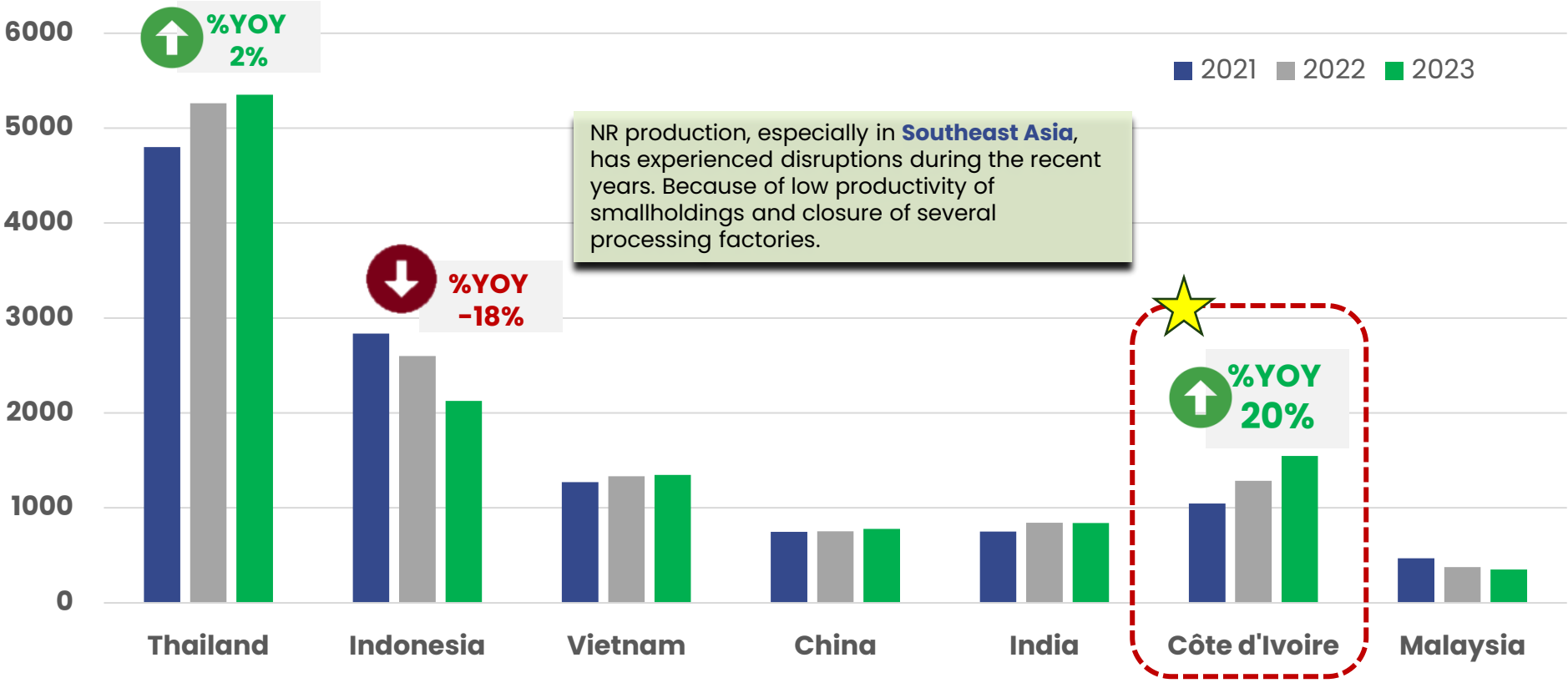
Capacity Expansion :
STR & Mixtures
302,400 Tons
 CAPEX = 1,485 MB



MARKET OUTLOOK

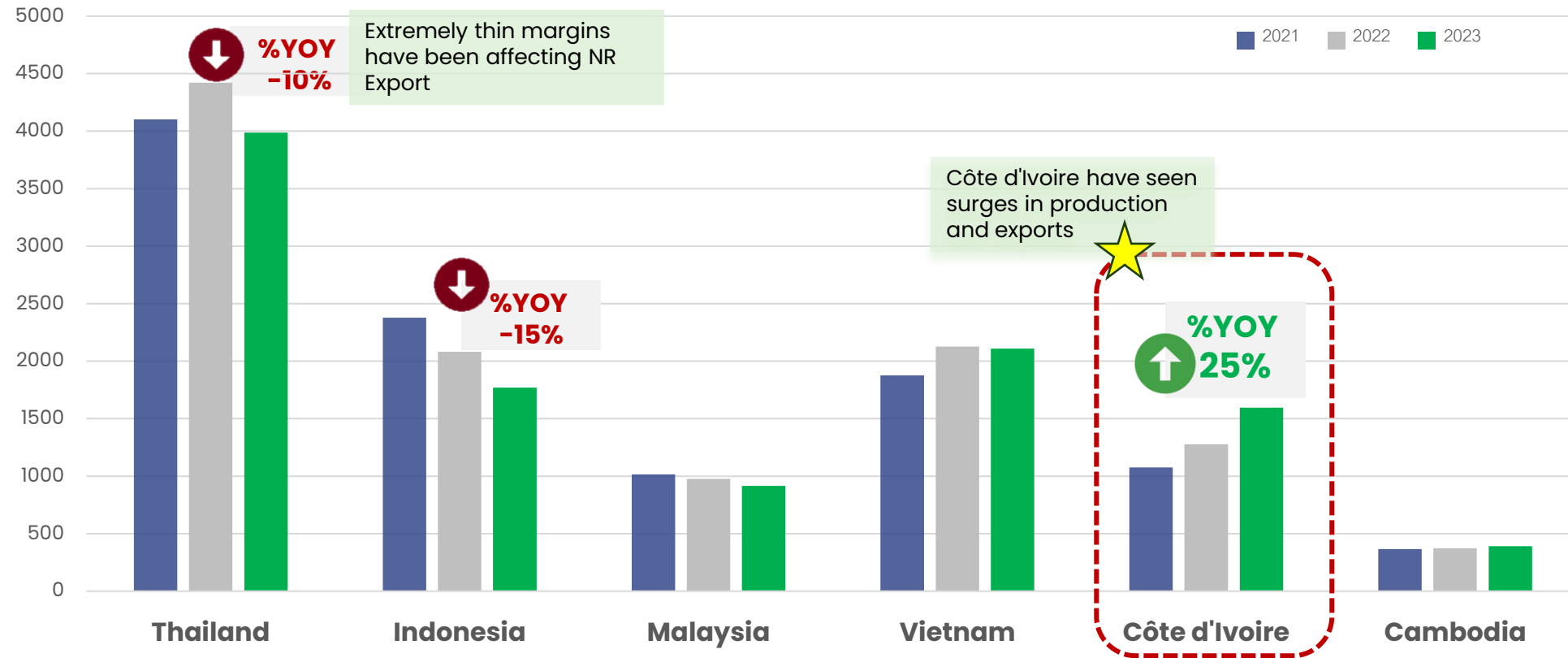
SUPPLY : Natural Rubber Production Trend

Natural Rubber Production Trend ('000 Units)



SUPPLY : Natural Rubber Export Trend

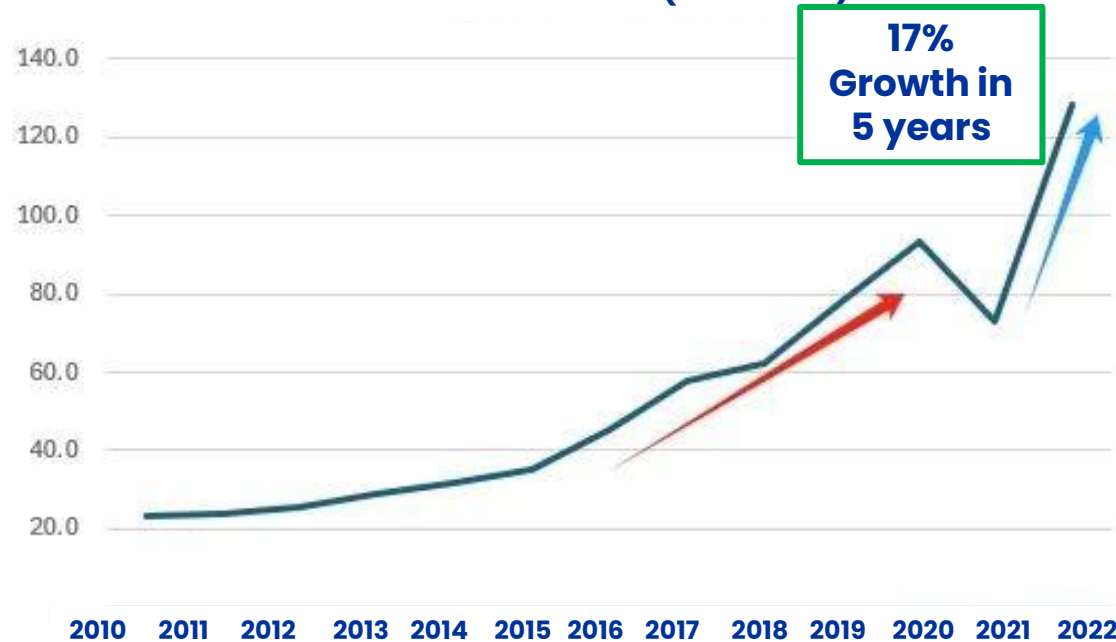
Natural Rubber Export Trend ('000 Units)



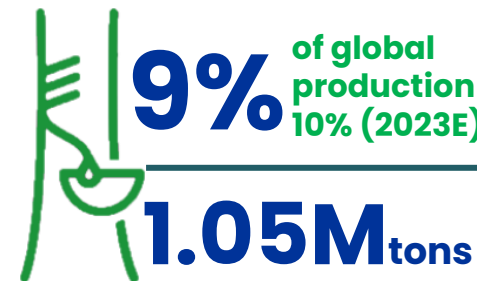
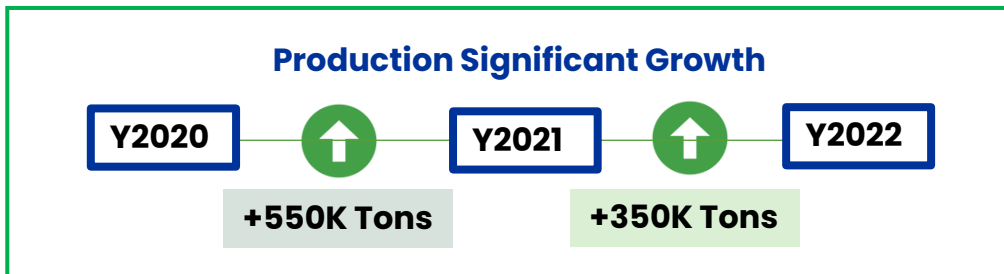
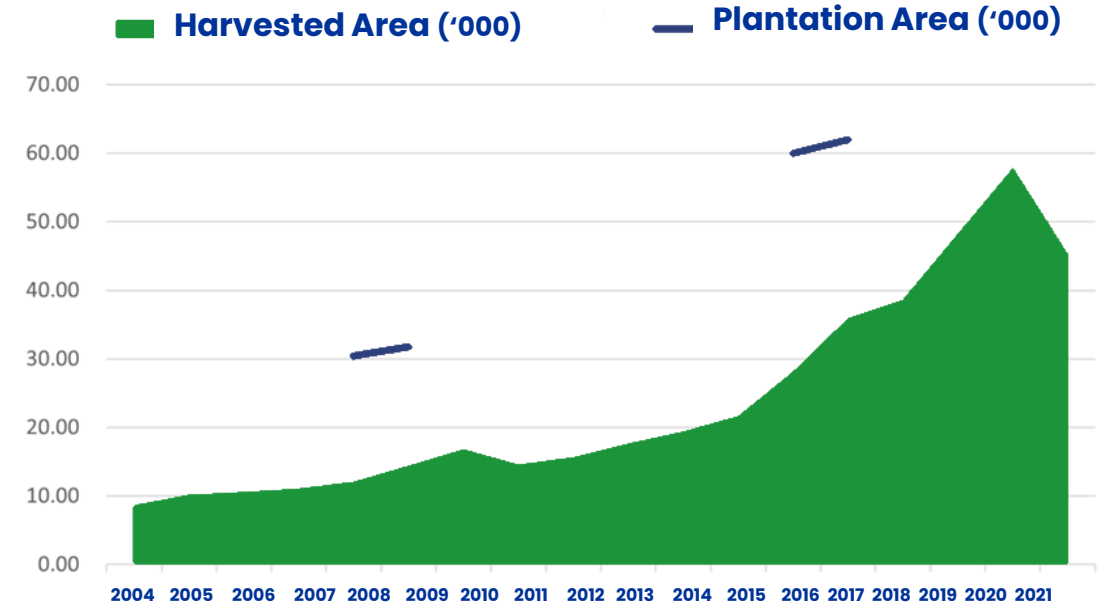
SUPPLY : Côte d'Ivoire Natural Rubber Supply Trend



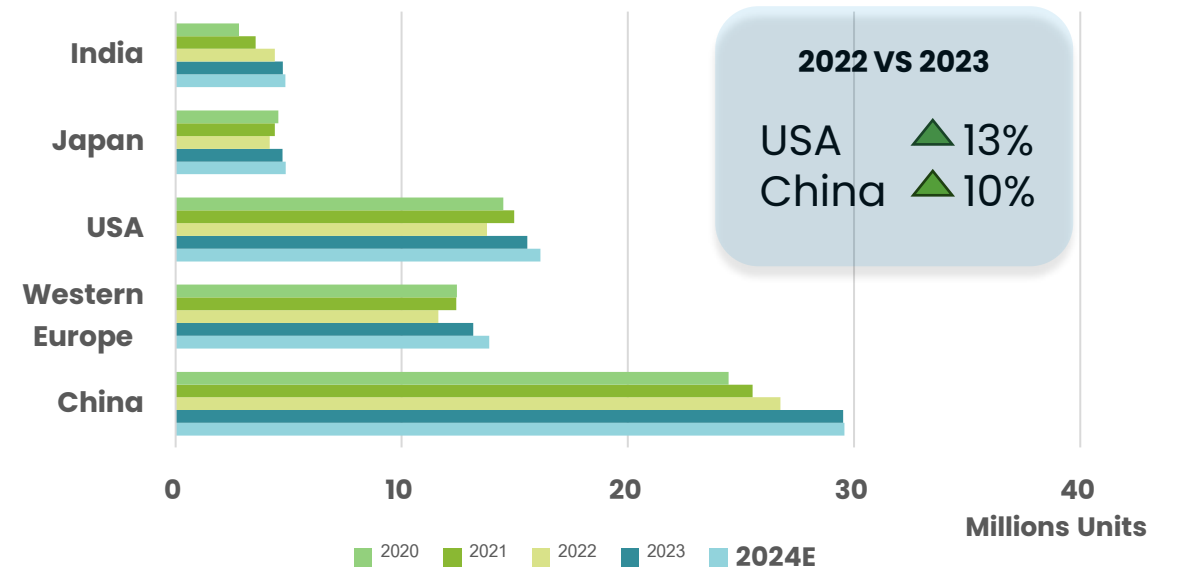
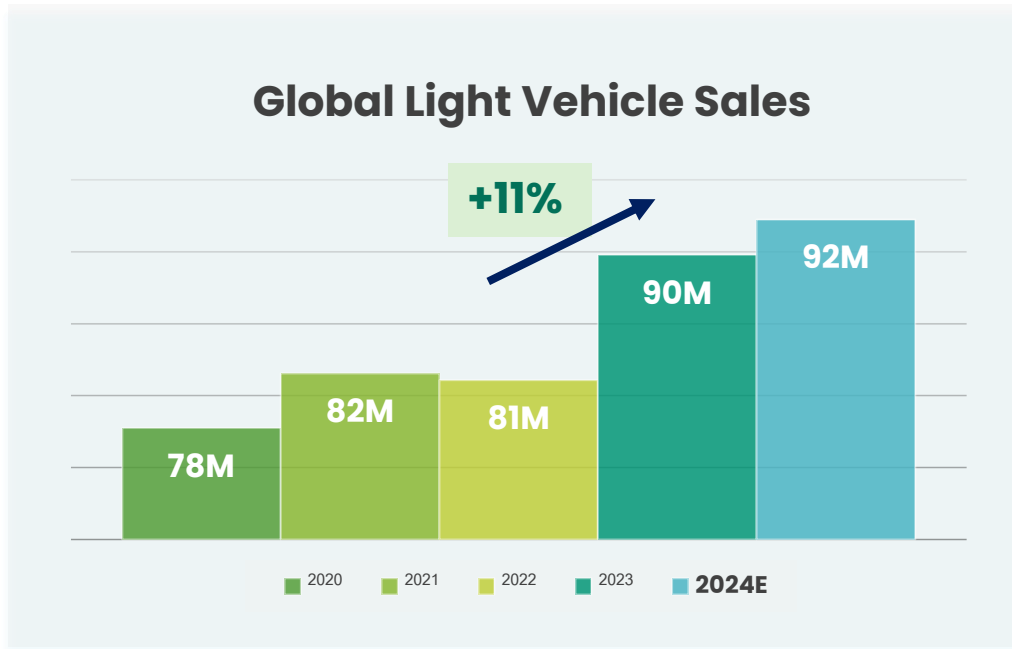
Côte d'Ivoire Natural Rubber Production Volume ('000 Tons)



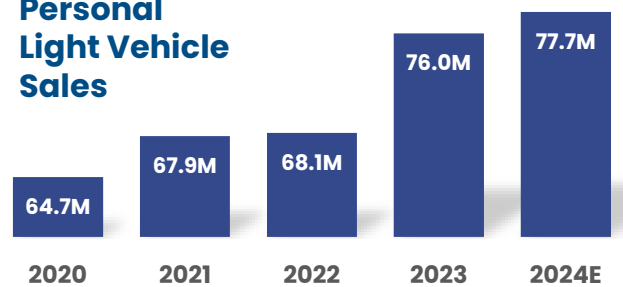
Côte d'Ivoire Rubber Plantation Area ('000 Hectares)



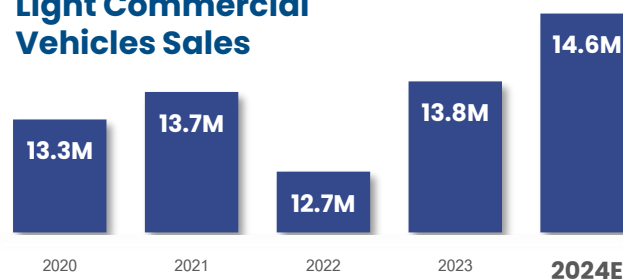
Demand : Global Light Vehicles Sales



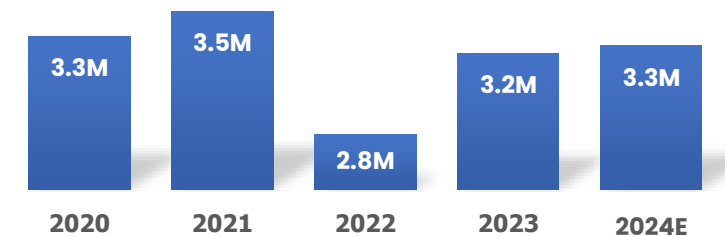
Personal Light Vehicle Sales



Light Commercial Vehicles Sales



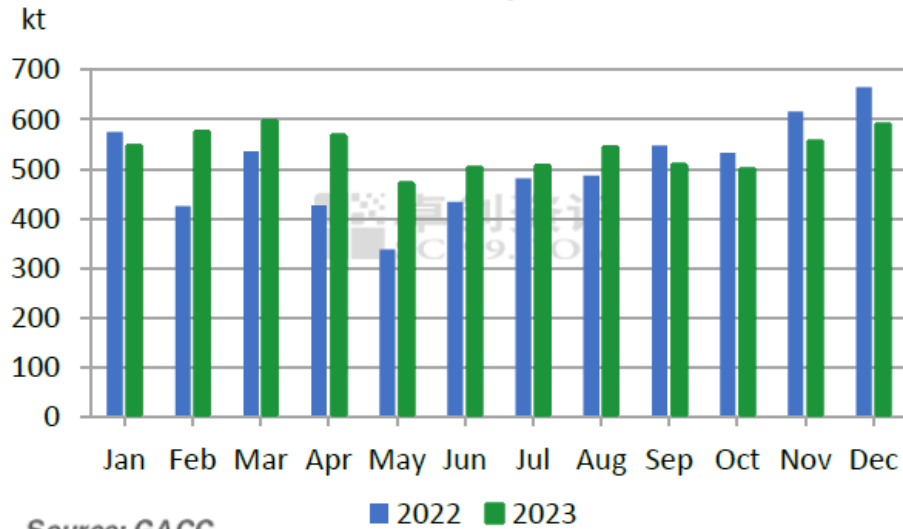
Heavy Commercial Vehicle Sales



DEMAND : China Natural Rubber Import Volume (2022 VS 2023)

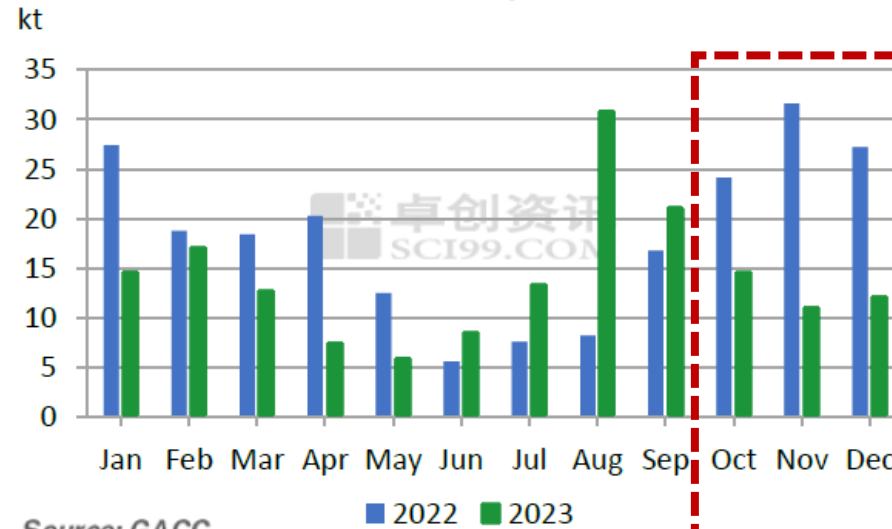


2022-2023 NR Import Volume



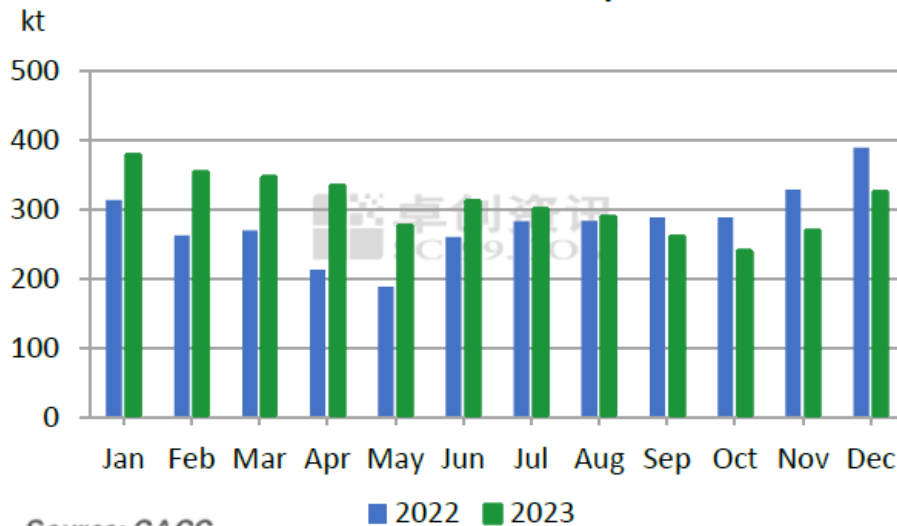
Source: GACC

2022-2023 RSS Import Volume



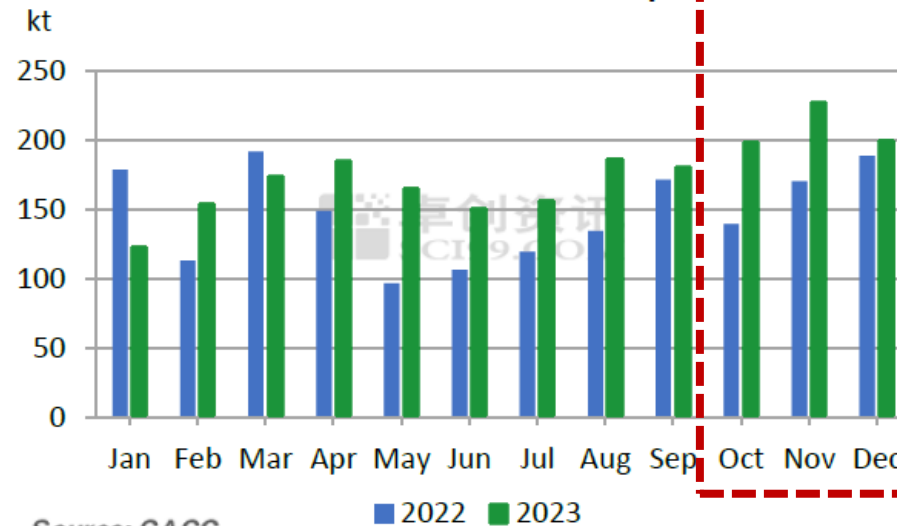
Source: GACC

2022-2023 Mixed Rubber Import Volume



Source: GACC

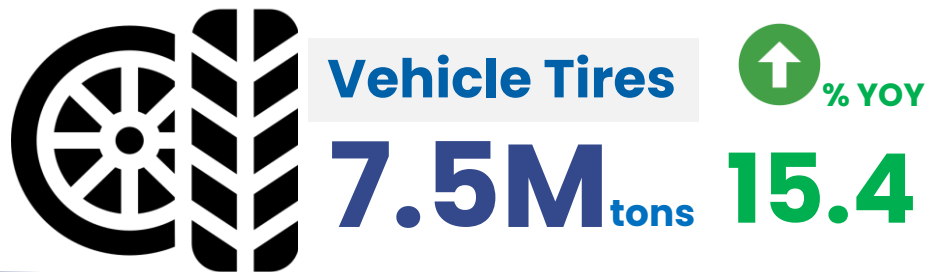
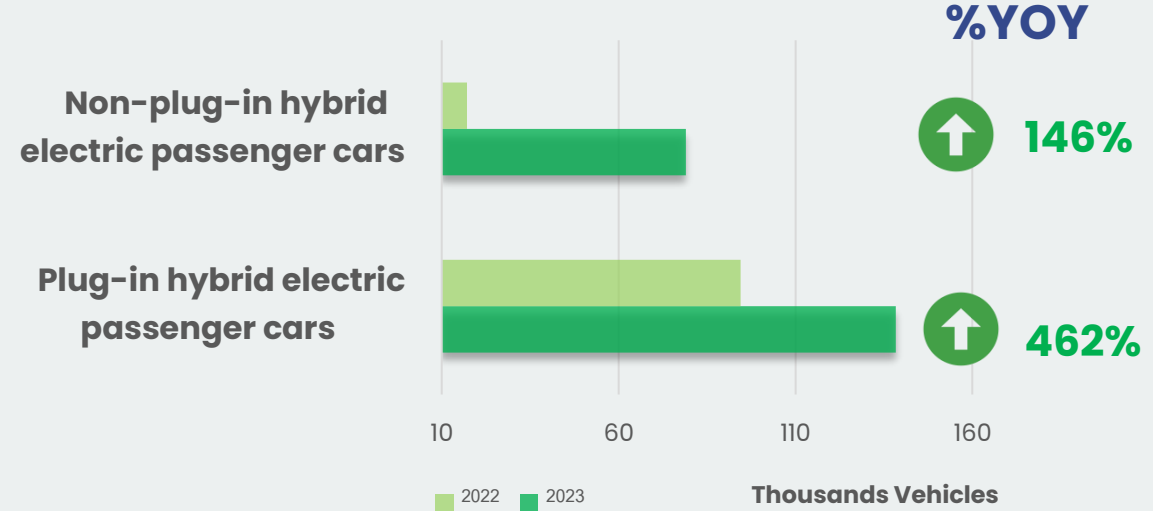
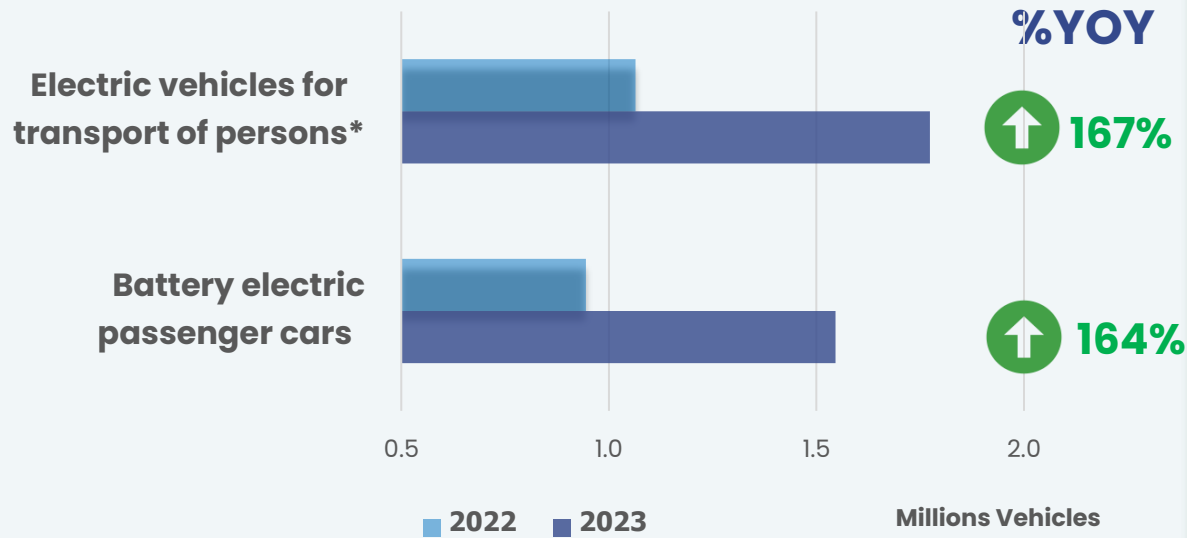
2022-2023 Standard Rubber Import Volume



Source: GACC

- The tire unit operating rate fell, RSS year-end import volume more than 50% decrease compared with 2022
- RSS price was sharply increased, the tire maker switched to use STR instead RSS for cost control

DEMAND : China Export Value of Major Commodities (2022 VS 2023)

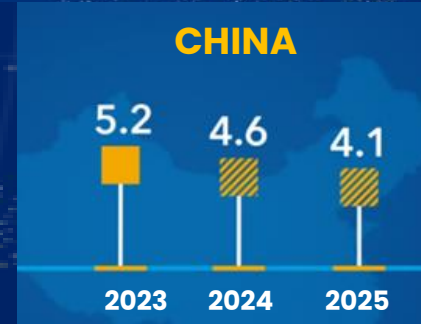
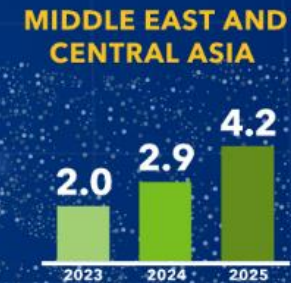
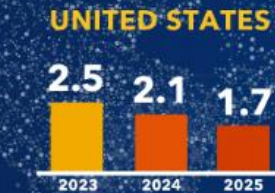


World Economic Outlook: GDP GROWTH

WORLD ECONOMIC OUTLOOK JANUARY 2024

GROWTH PROJECTIONS BY REGION

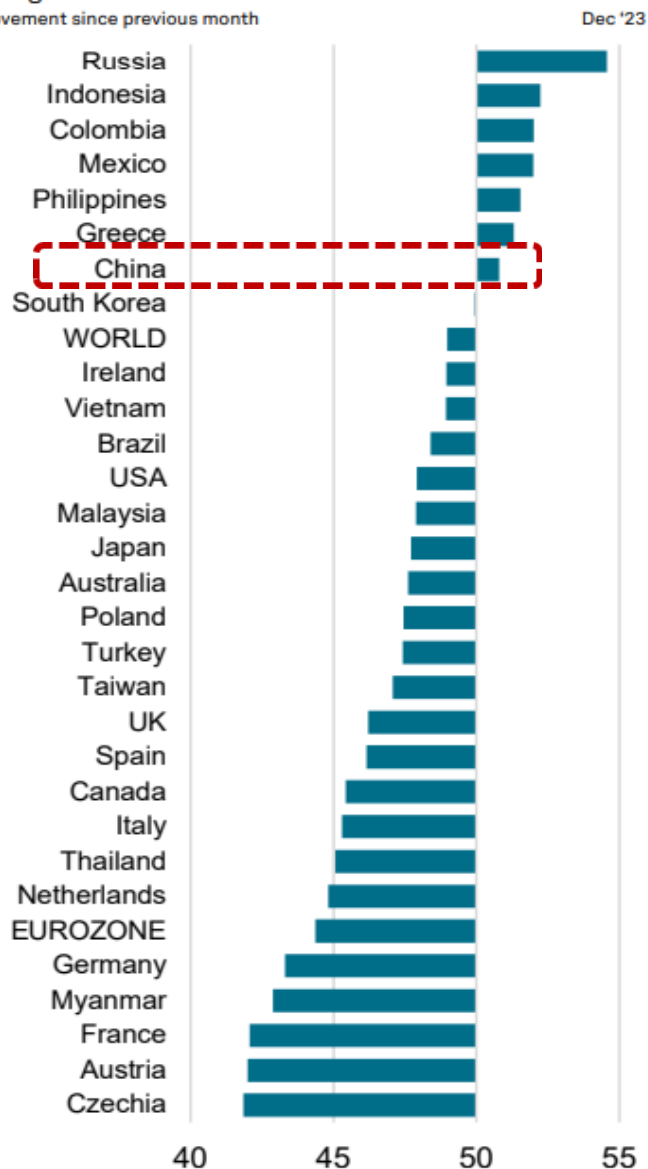
(PERCENT CHANGE)



World Economic Outlook : Global Manufacturing PMI

Manufacturing PMI

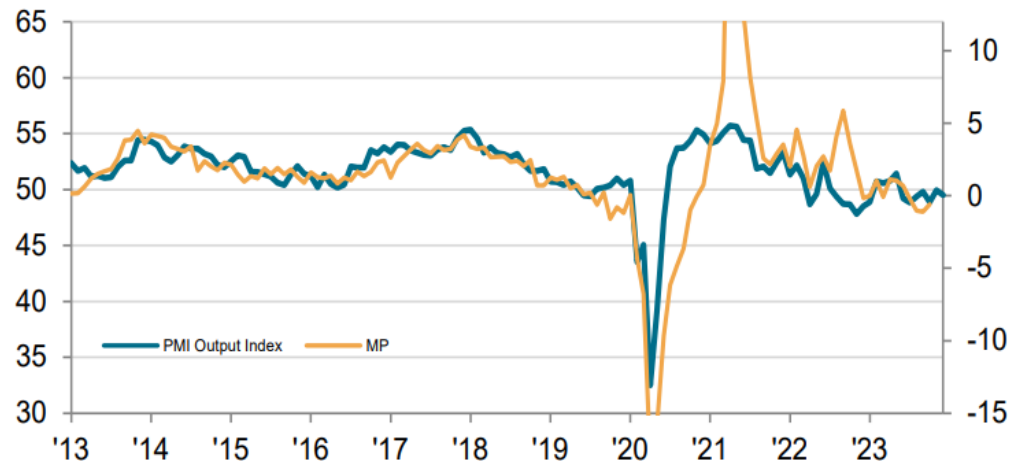
sa, >50 = improvement since previous month



Sources: J.P.Morgan, S&P Global PMI, HCOB, Unicredit Bank Austria, Caixin, Davivienda, HPI, AIB, Jibun Bank, NEVI, Istanbul Chamber of Industry.

Global Manufacturing PMI Output Index

sa, >50 = growth since previous month



Sources: J.P.Morgan, S&P Global.

Index summary

sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Nov-23	Dec-23	Interpretation
PMI	49.3	49.0	Deterioration, faster rate
Output	49.9	49.5	Decline, faster rate
New Orders	48.9	48.6	Decline, faster rate
New Export Orders	48.1	48.0	Decline, faster rate
Future Output	60.1	60.5	Growth expected, better sentiment
Employment	49.2	48.7	Decline, faster rate
Input Prices	52.1	52.4	Inflation, faster rate
Output Prices	51.0	51.5	Inflation, faster rate

- The continued weakness of both output and new orders
- Price inflationary

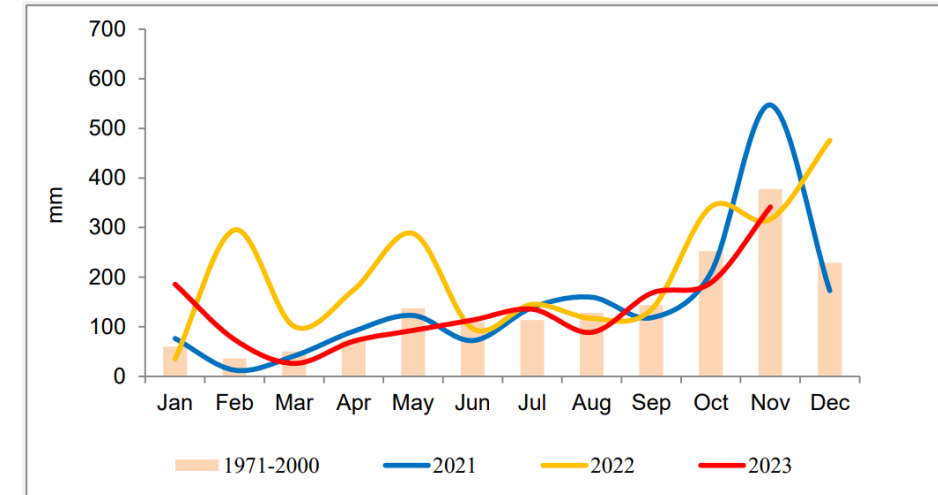
Thailand Rainfall:



Prediction of Rain (mm = millimeters), Rainy Days (days) and comparing with normal

Part	Prediction								
	January 2024			February 2024			March 2024		
	Rain (mm)	Rainy Days	Comparing with normal	Rain (mm)	Rainy Days	Comparing with normal	Rain (mm)	Rainy Days	Comparing with normal
Northern	10-20	2-3	50% Above normal	Less than 10	2-3	50% Below normal	10-20	3-5	50% Below normal
Northeastern	Less than 10	1-2	Near normal	10-20	1-2	50% Below normal	15-35	4-6	50% Below normal
Central	Less than 10	1-2	Near normal	Less than 10	1-2	50% Below normal	15-35	3-5	50% Below normal
Eastern	15-35	2-3	Near normal	10-20	2-3	50% Below normal	20-40	5-7	50% Below normal
Southern Thailand (East Coast)	100-130	7-9	Near normal	15-35	3-4	50% Below normal	40-60	6-8	50% Below normal
Southern Thailand (West Coast)	40-60	4-6	Near normal	10-20	2-3	50% Below normal	50-70	7-9	50% Below normal
Bangkok Metropolis and Vicinity	15-35	2-3	Near normal	10-20	2-3	50% Below normal	20-40	4-6	50% Below normal

Rainfall – Southern Thailand, East Coast



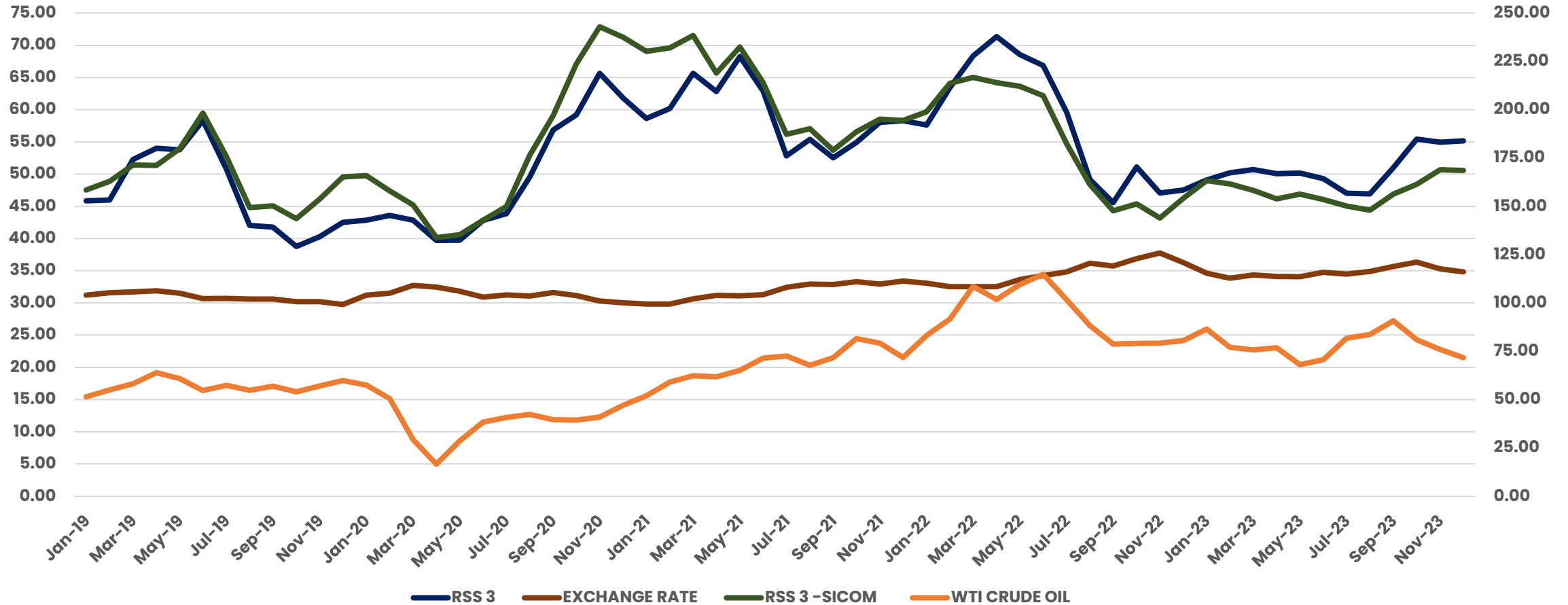
For the Southern Thailand, abundant rainfall will mostly appear during the 1st half of December, especially along the east coast. The reason is that the influential Northeast Monsoon prevails over the Southern Thailand and the Gulf of Thailand. Nevertheless, some tropical cyclones may feasibly move near or toward the Southern Thailand, specifically around the lower portion during this month.

RSS 3-Central Rubber Market, Songkla

RSS 3-Sicom, WTI Crude Oil and Exchange Rate

RSS-3 (THB/KG)
Exchange Rate (THB)

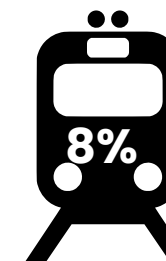
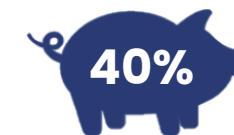
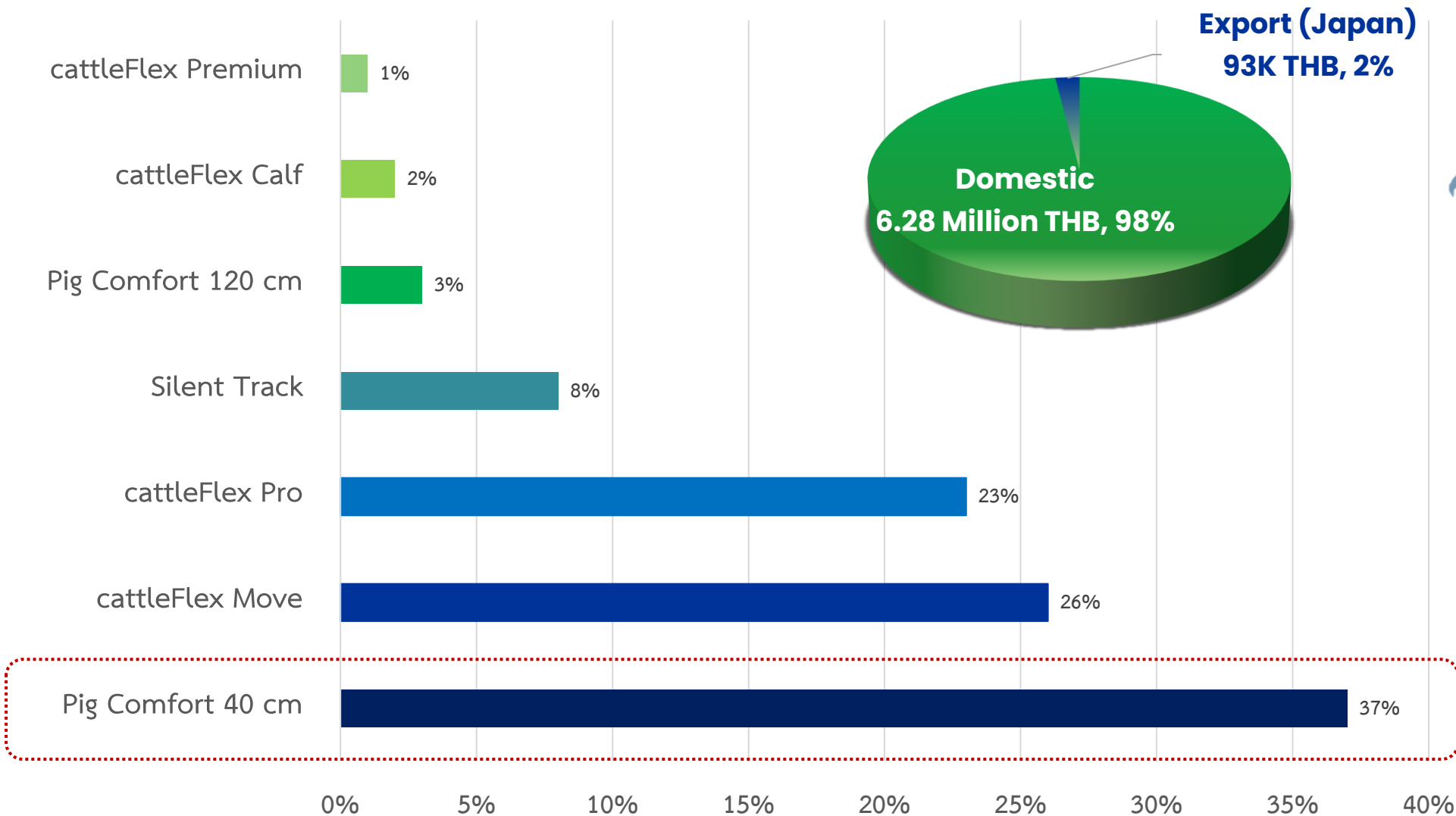
RSS-3 SICOM (US CENT/KG)
WTI CRUDE OIL (USD/BARREL)





DOWNSTREAM BUSINESS

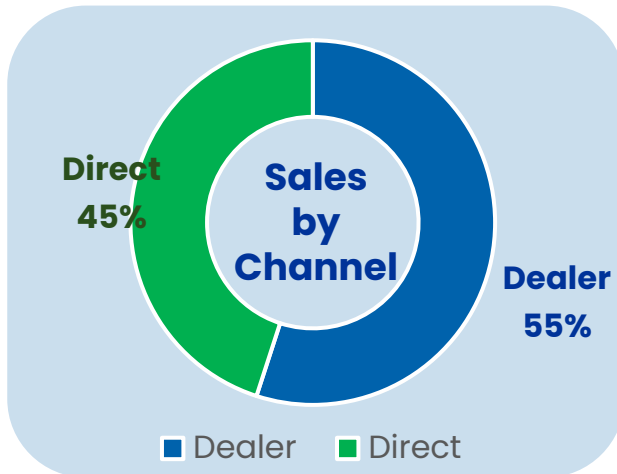
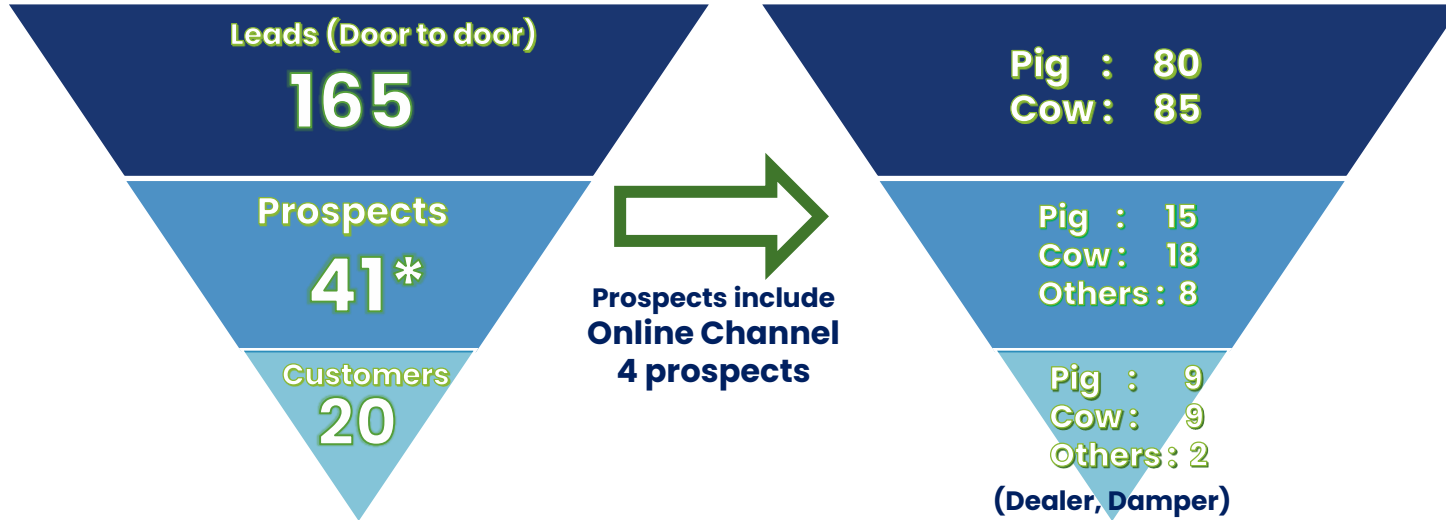
Sales summary 2023



Sales Opportunity in 2023 & Prospects in 2024



Sales Opportunity in 2023

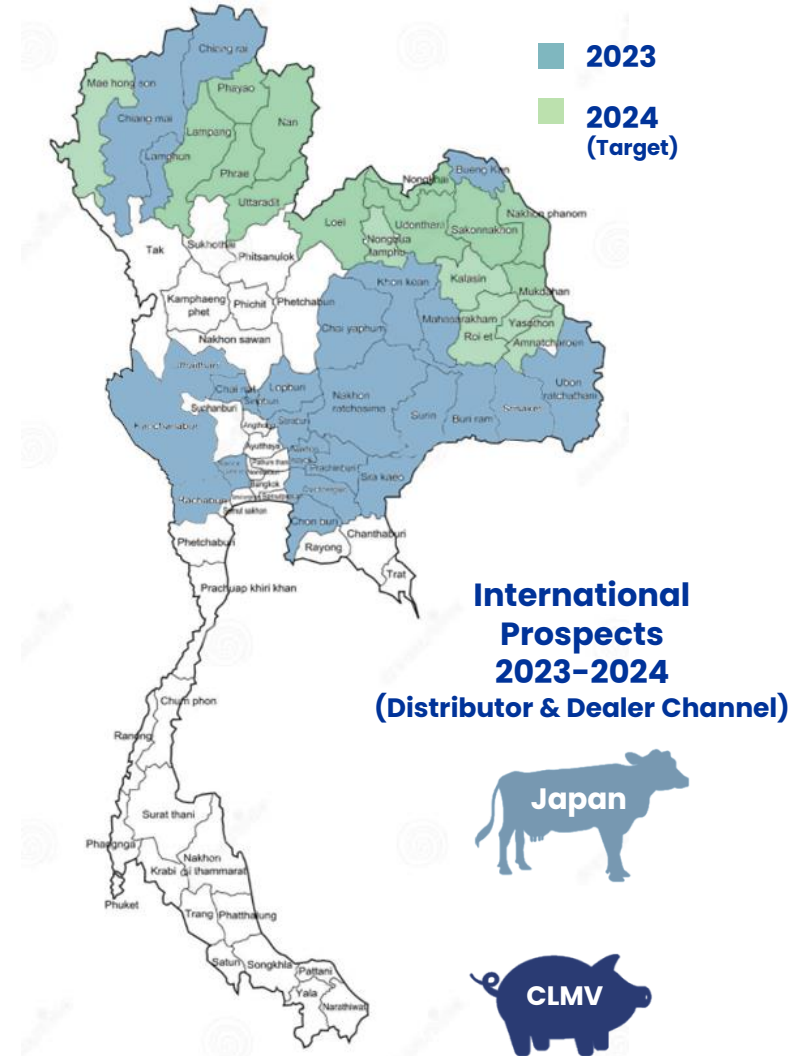


OEM Sales by 2024



20,000 Pig mats
Est. 6 Million THB

Thailand Leads by Geography





ESG

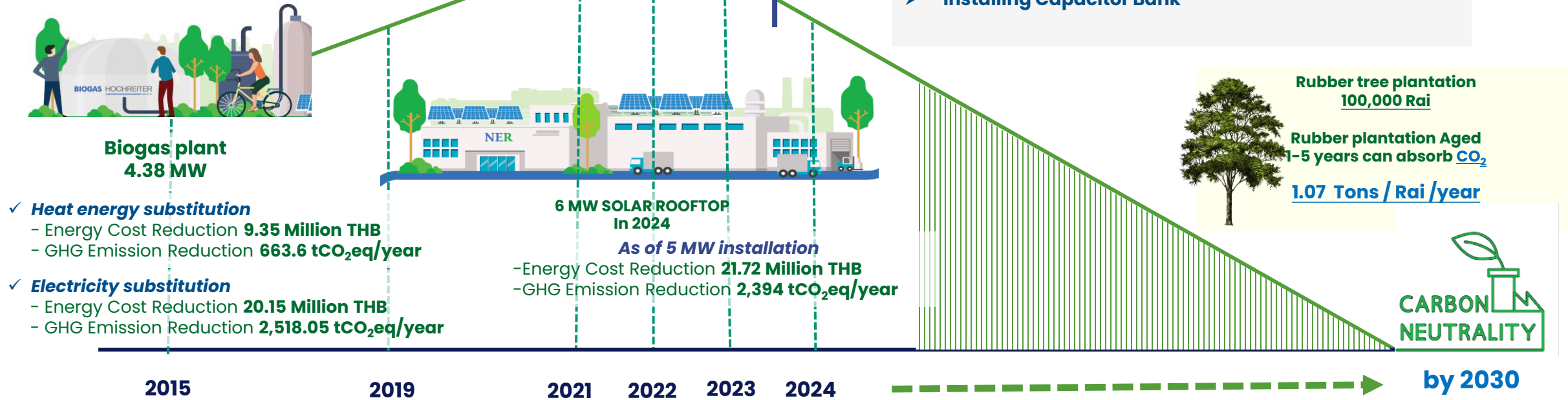


STEP TOWARD ACHIEVING CARBON NEUTRALITY 2030

Based year 2022
Carbon Footprint Organization Certified

- Scope I : 9,036 tCO₂eq/year
- Scope II : 16,814 tCO₂eq/year
- Scope III : 92,905 tCO₂eq/year



- Switching to LED Lighting
- Changing inland transport process from ROAD to RAIL
- Changing heat extractor from Chillier to Cooling Tower
- Installing Capacitor Bank



ESG PROJECT HIGHLIGHT IN 2023

E Environmental



Project	Result
<ul style="list-style-type: none"> ➤ NER Reducing plastic waste in production process 	<ul style="list-style-type: none"> ➤ 3.39% / ton of production
<ul style="list-style-type: none"> ➤ Switching to LED Lighting 	<p><u>Reduction</u></p> <ul style="list-style-type: none"> ➤ Energy Cost : 216,420 THB/year ➤ Energy Consumption : 60,116 KW/year ➤ GHG Emission : 37 tCO2eq/year
<ul style="list-style-type: none"> ➤ Changing heat extractor from Chillier to Cooling Tower 	<p><u>Reduction</u></p> <ul style="list-style-type: none"> ➤ Energy Cost : 526,851 THB/year ➤ Energy Consumption : 146,347 KW/year ➤ GHG Emission : 62 tCO2eq/year
<ul style="list-style-type: none"> ➤ Installing Capacitor Bank 	<p><u>Reduction</u></p> <ul style="list-style-type: none"> ➤ Energy Cost : 323,636 THB/year ➤ Energy Consumption : 96,034 KW/year ➤ GHG Emission : 0.83 tCO2eq/year
<ul style="list-style-type: none"> ➤ Changing inland transport process from ROAD to RAIL 	<ul style="list-style-type: none"> ➤ More than 50% GHG Emission reduction / container

ESG PROJECT HIGHLIGHT IN 2023

S Social

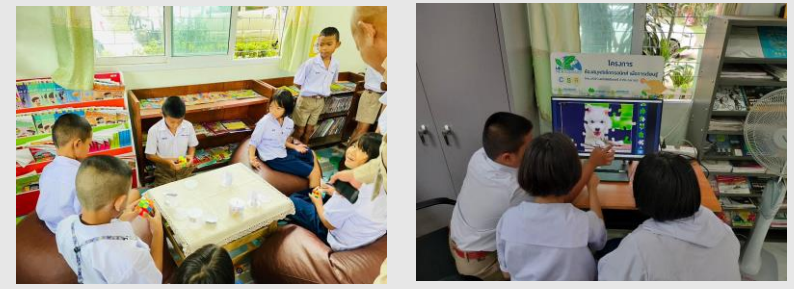


Project	Result
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➤ **NER Electronic Library 9 schools**



➤ **User 80% Growth**
➤ **New and updated Instructional media**



➤ **Health Checking Vulnerable Group in 4 Villages 5 km radius from factory**

➤ **392 attendees of target 480**
➤ **99.7% Satisfaction**

➤ **NER Green Market & Sustainable Agricultural Vegetable plant by using NER Biogas Sludge**



➤ **Farmers get more income with 38% margin**
➤ **92 % Farmers Satisfaction**



➤ **Upskill People**

➤ **Percentage of employees be trained up 190% from 2022**

ESG PROJECT HIGHLIGHT IN 2023

Governance



Project	Result
<p>➤ NER Anti - Corruption Seminar</p> 	<ul style="list-style-type: none"> ➤ <i>Educating employees, suppliers and community to concern about Anti - Corruption</i> ➤ <i>90% satisfaction</i>
<p>➤ NER Sustainable Value Chain Seminar</p> 	<ul style="list-style-type: none"> ➤ <i>Educating suppliers of Raw material to understand and improve the process of Cup Lump and RSS production</i> ➤ <i>88% satisfaction</i>

Q&A

THANK YOU



ขอบคุณ
ครับ



NER Moving Towards a Sustainable Business