

NORTH EAST RUBBER PUBLIC COMPANY LIMITED



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



NER OPPORTUNITY DAY YEAR END 2023

29 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



Midstream

Product

Downstream



Ribbed Smoked Sheet (RSS)



Standard Thai Rubber (STR)



Mixture Rubber



Livestock Rubber Mat (Rubberflex)

Certified Factory



Cert No. 60Q18751



Cert No. 22E18751



Cert No. 43O18751



TESTING No.0186



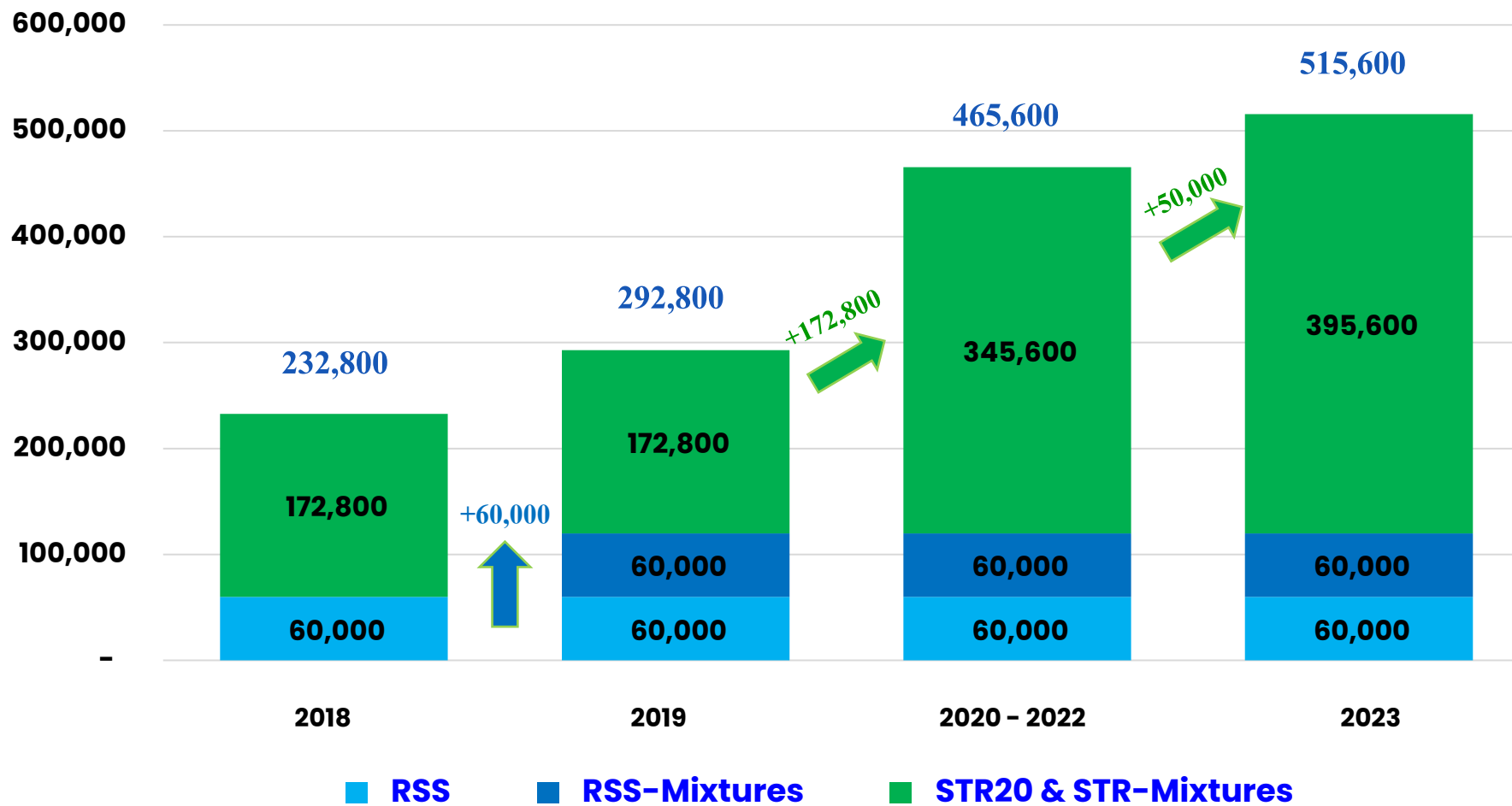
FINANCIAL PERFORMANCE



Capacity



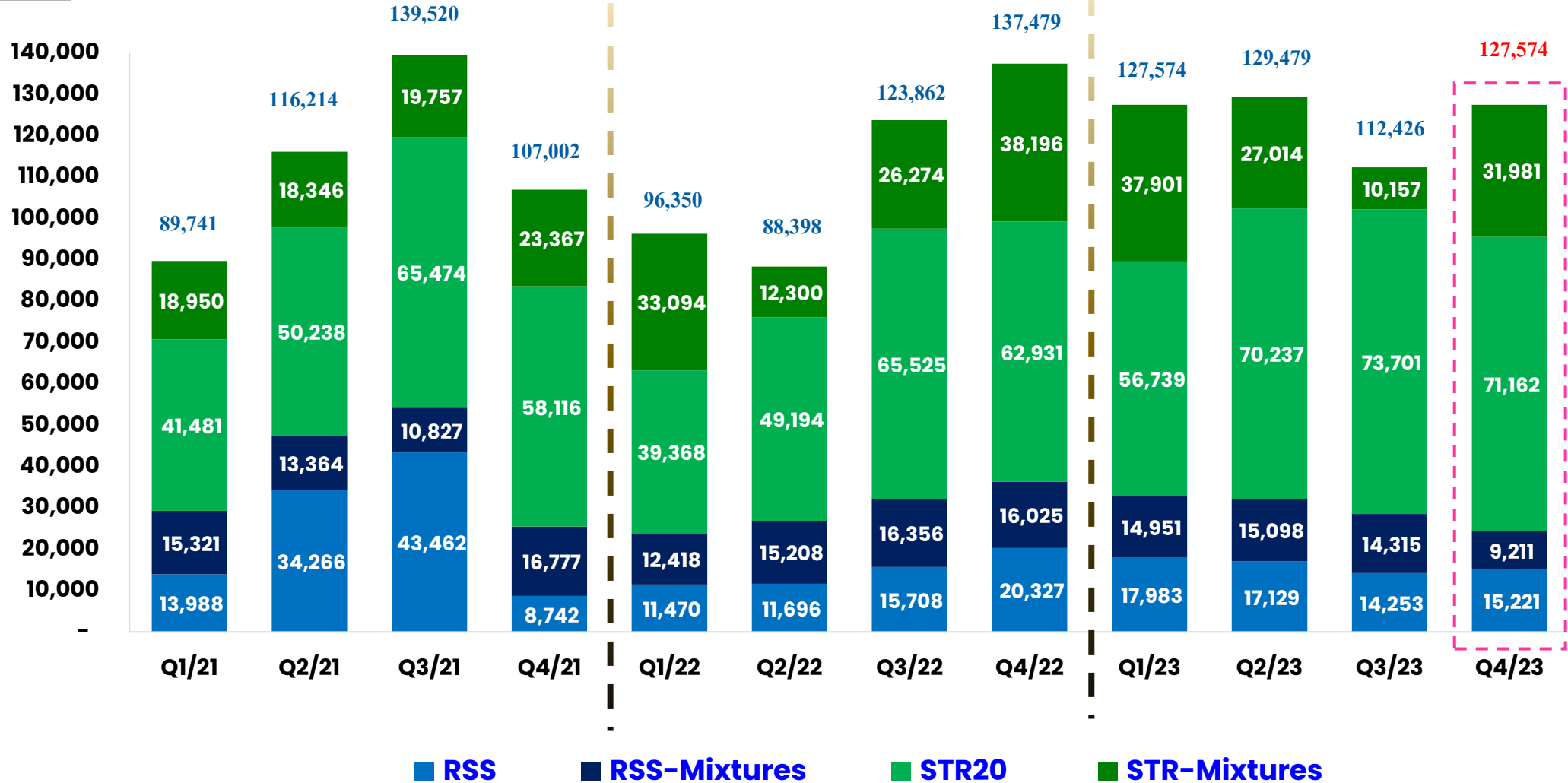
Unit: Tons



Quarterly Sales Revenue



Unit: Tons

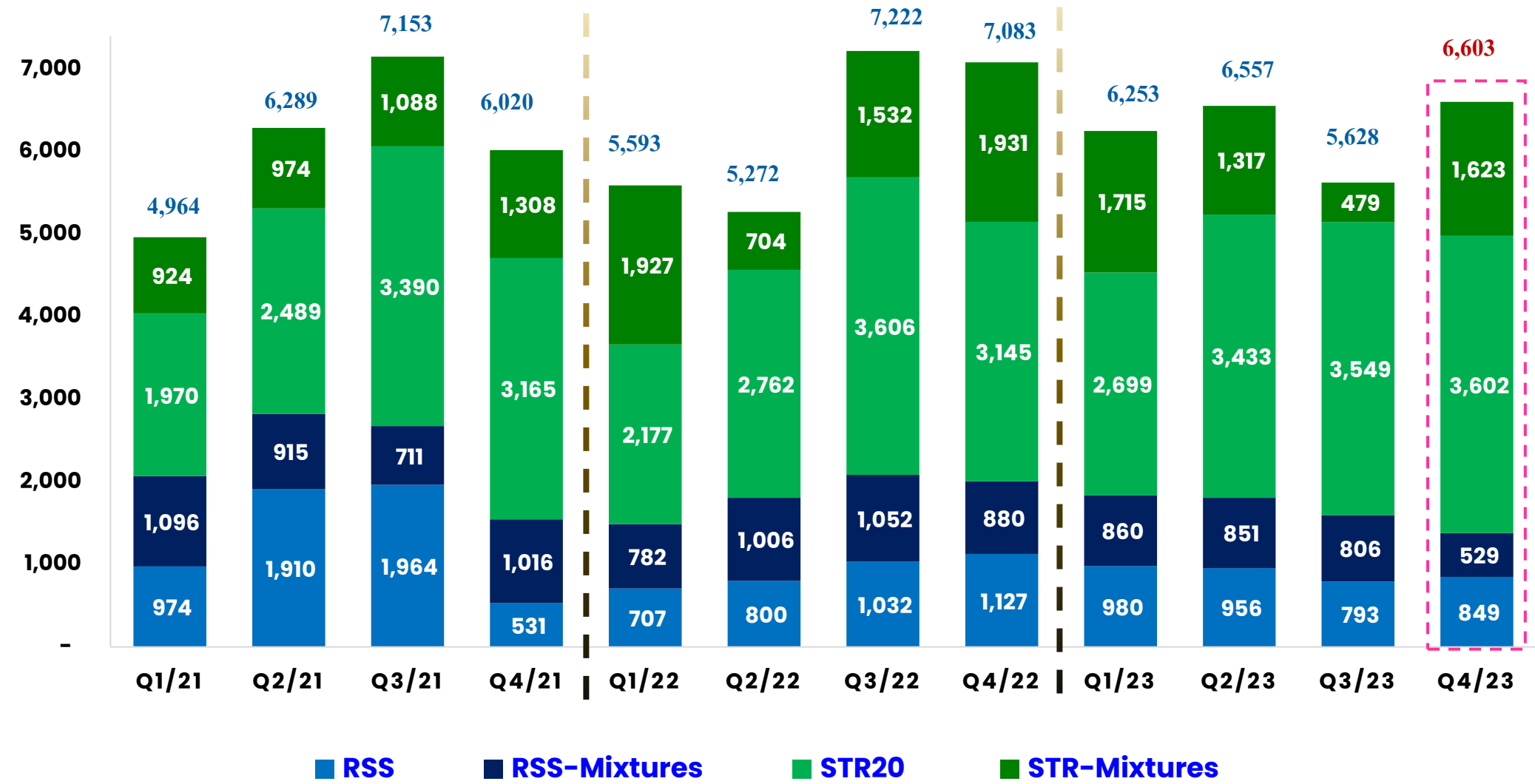


QoQ [Q4/23-Q3/23]
 +15,148 Tons.
 (+13.47%)

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%

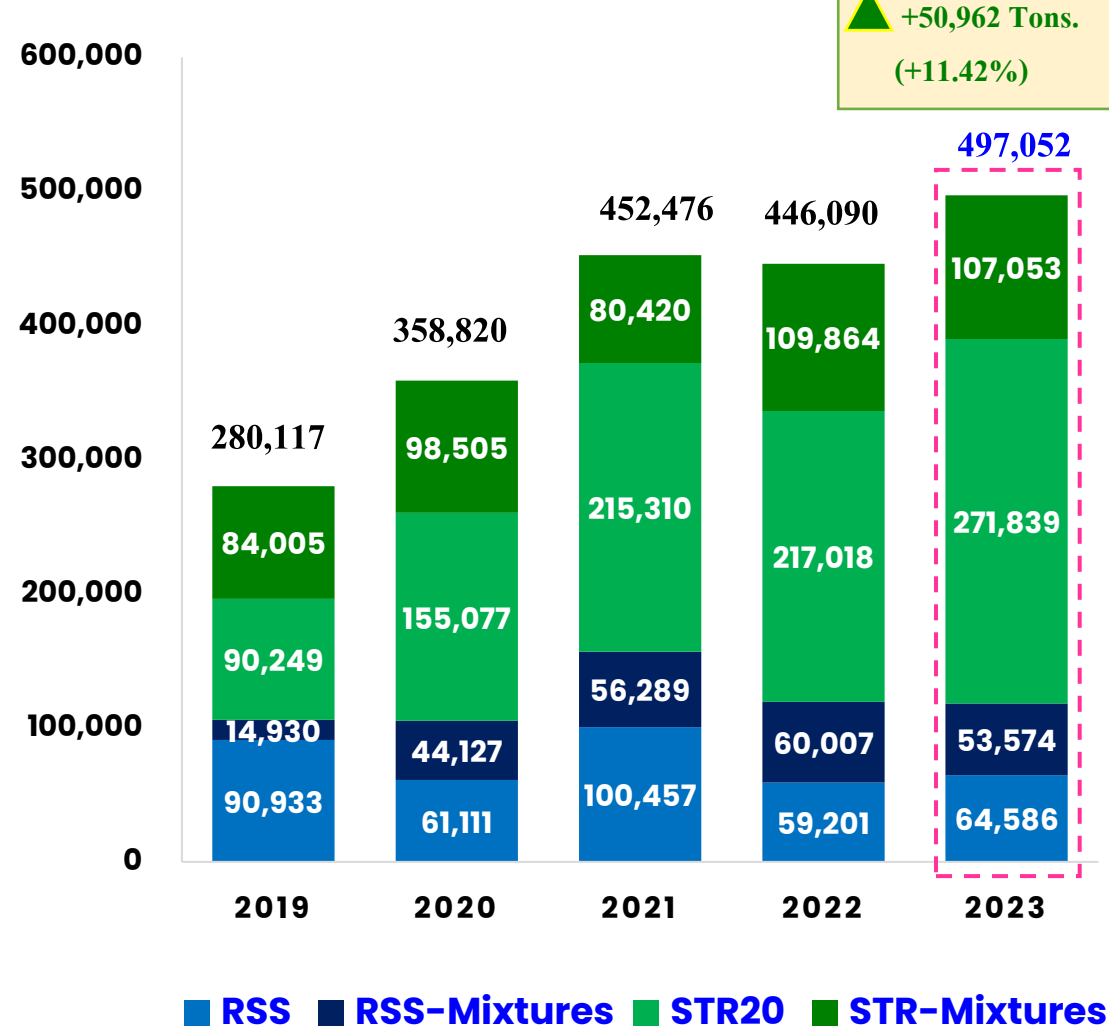
▼ YoY [Q4/23-Q4/22]
-481 Mb.(-6.79%)



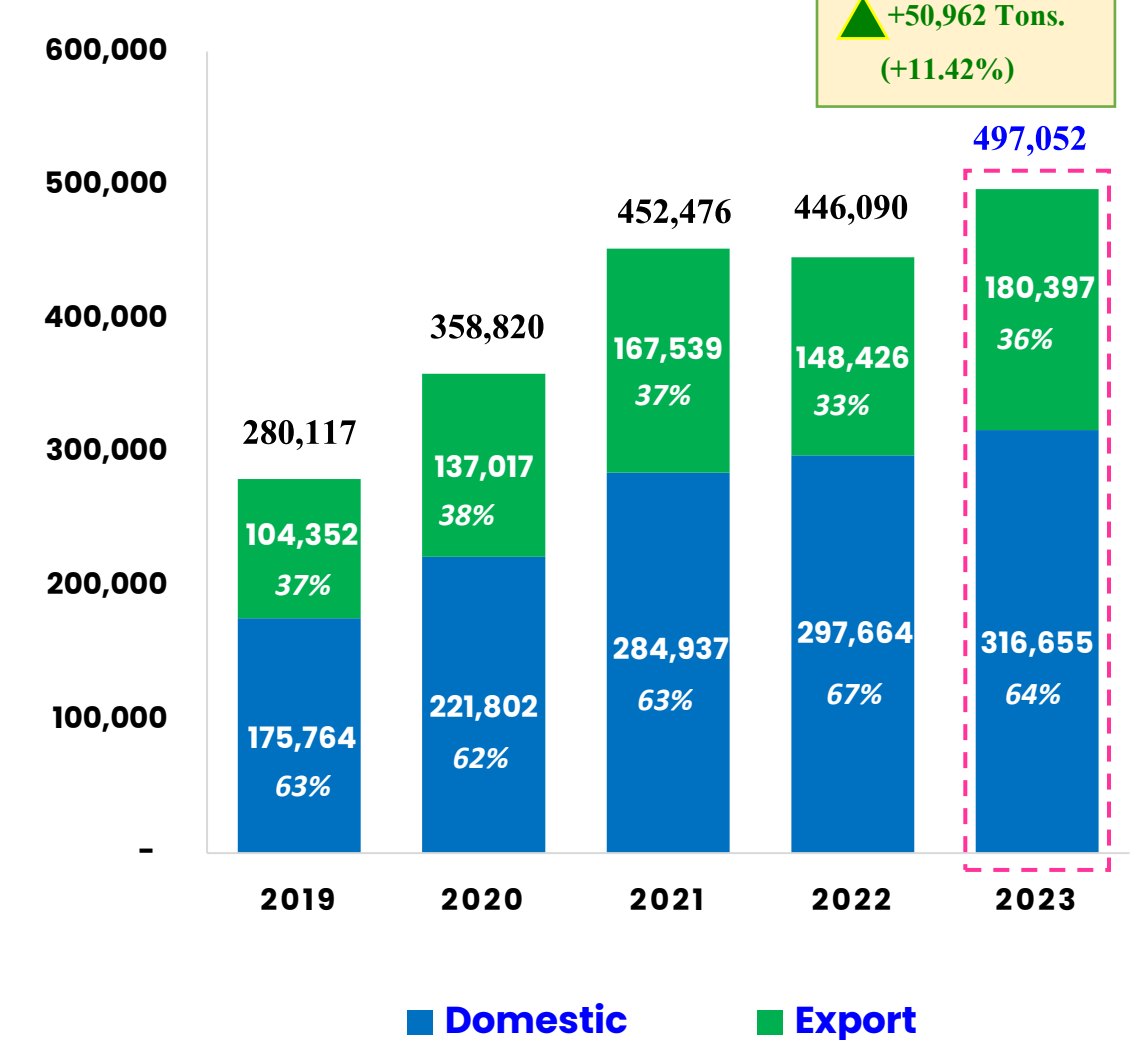
Sales Volume by Product Types & Sales Volume by Geography



Unit : Tons



Unit : Tons

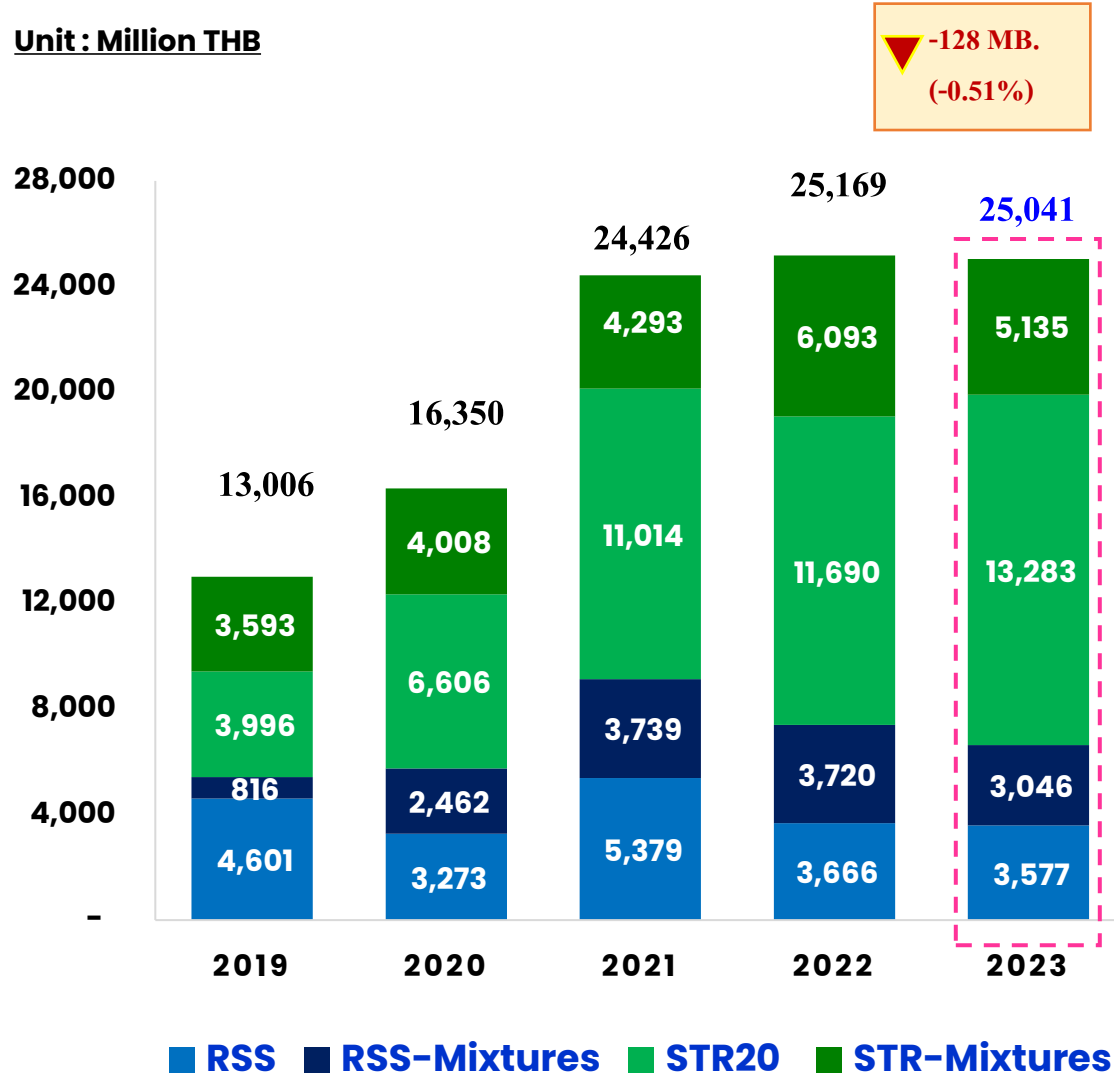




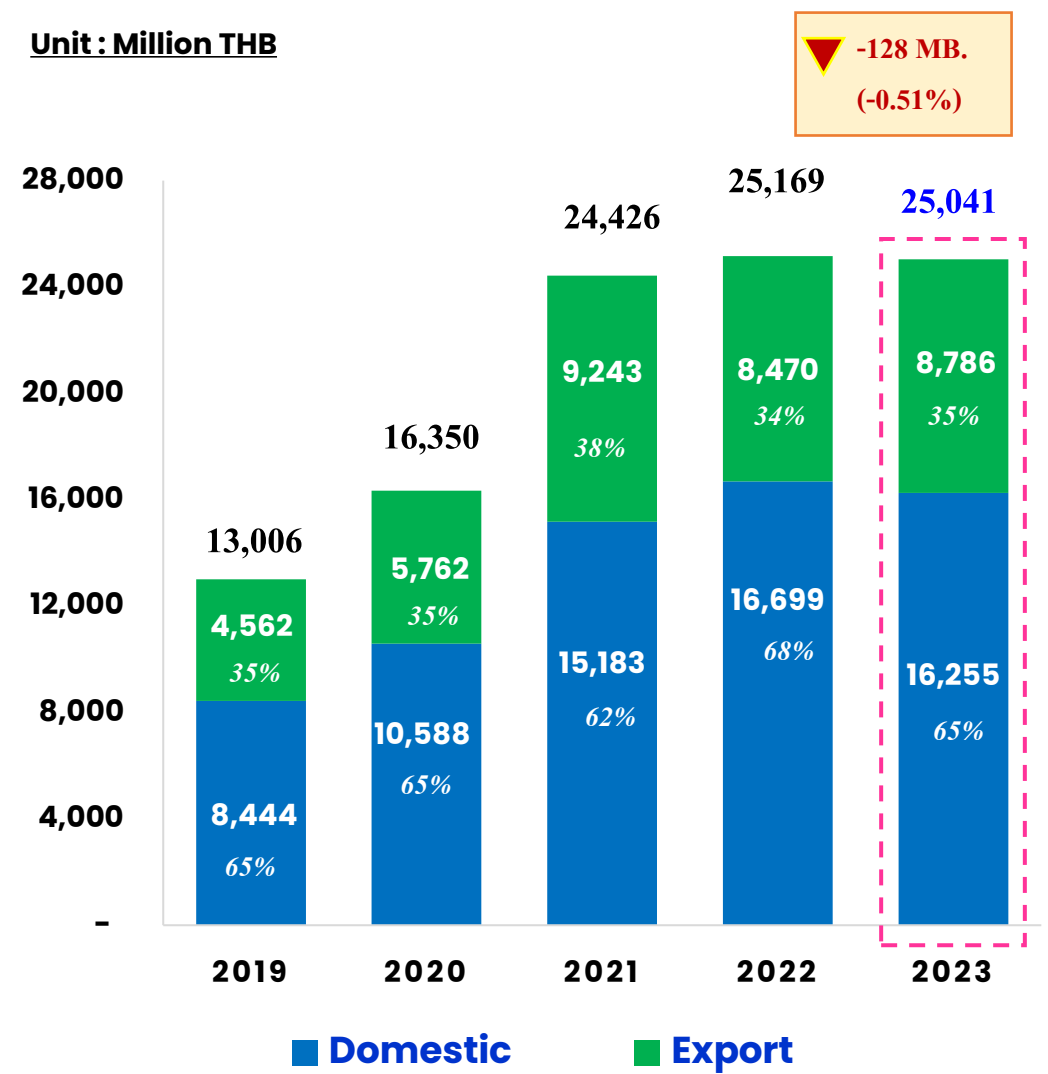
Sales Revenue by Product Types & Sales Revenue by Geography



Unit : Million THB



Unit : Million THB





Cost of Sales & Gross Profit Margin

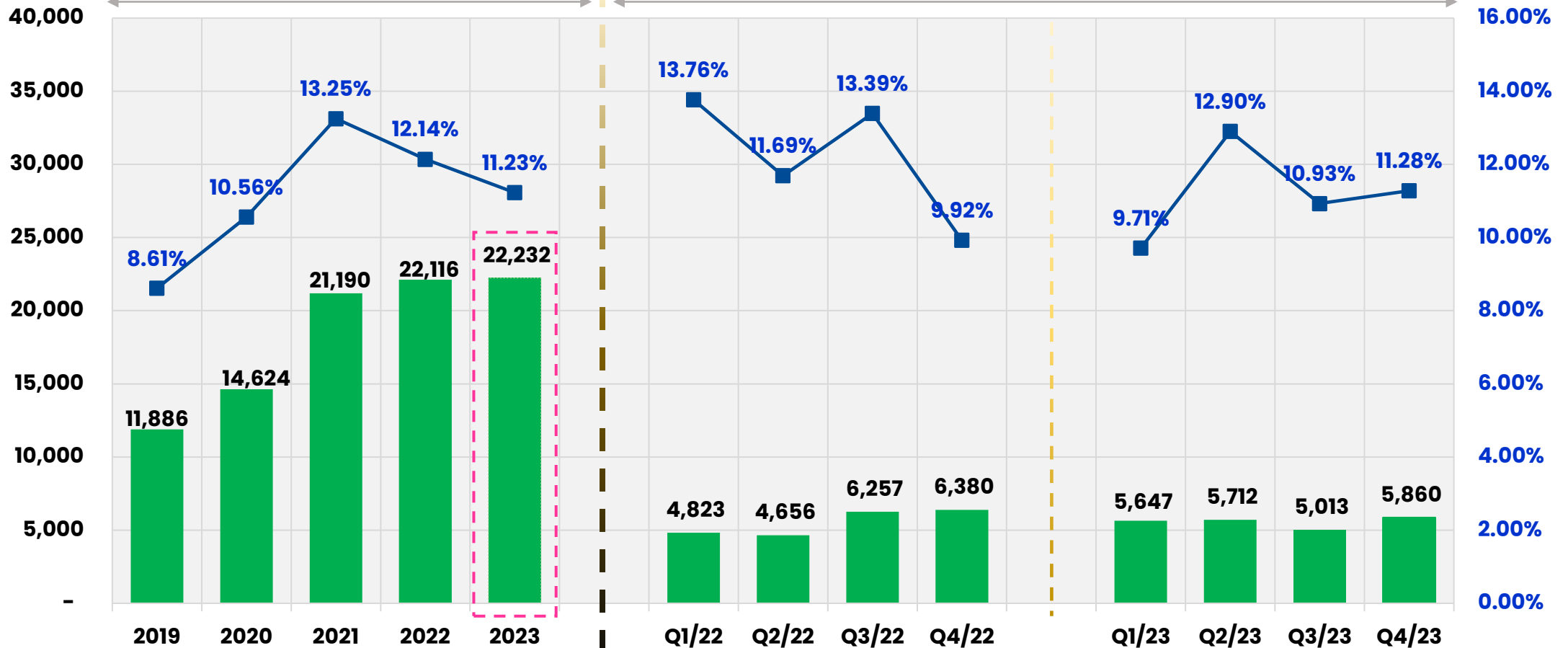


Unit : Million THB

Year

Quarter

%Gross Profit Margin



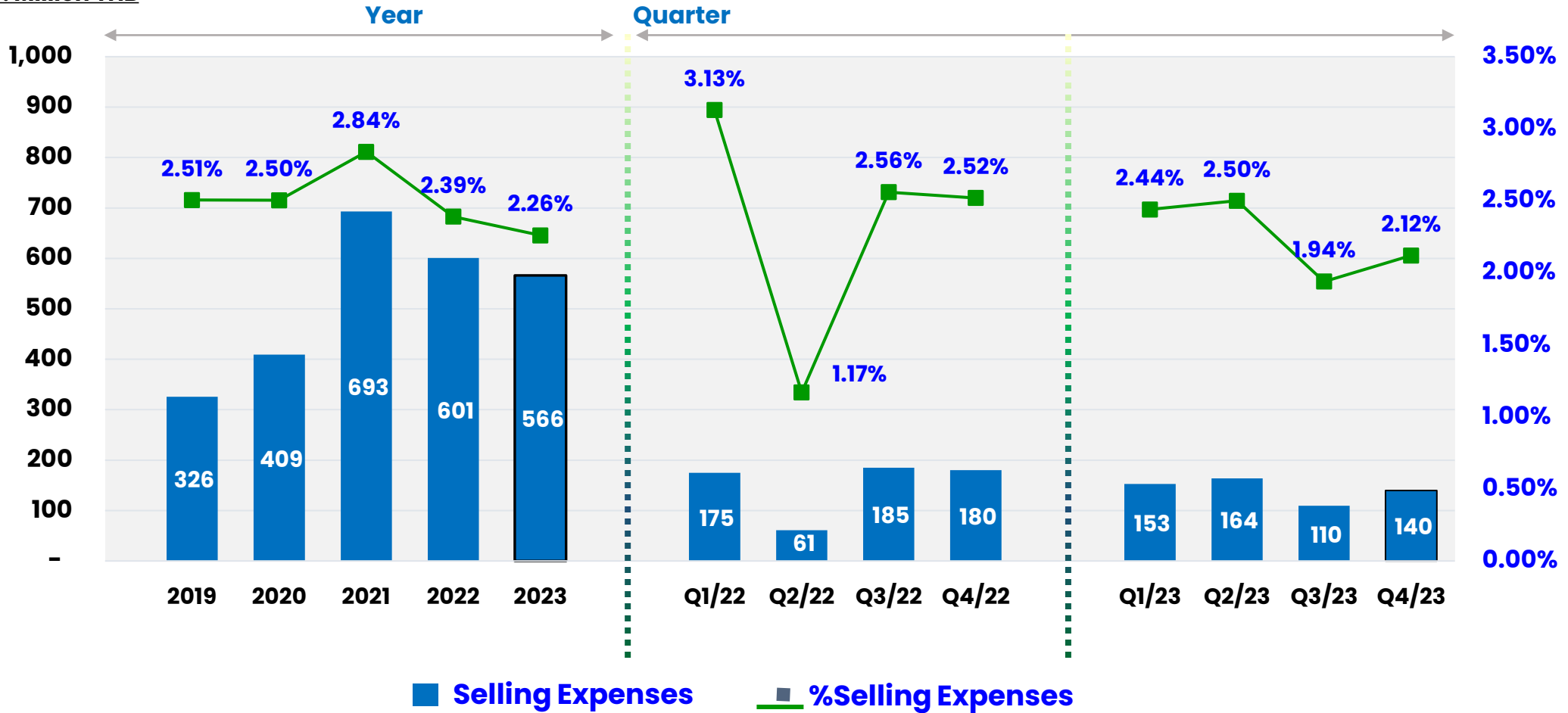
■ Cost of Sales

■ %Gross Profit Margin

Selling Expenses



Unit : Million THB

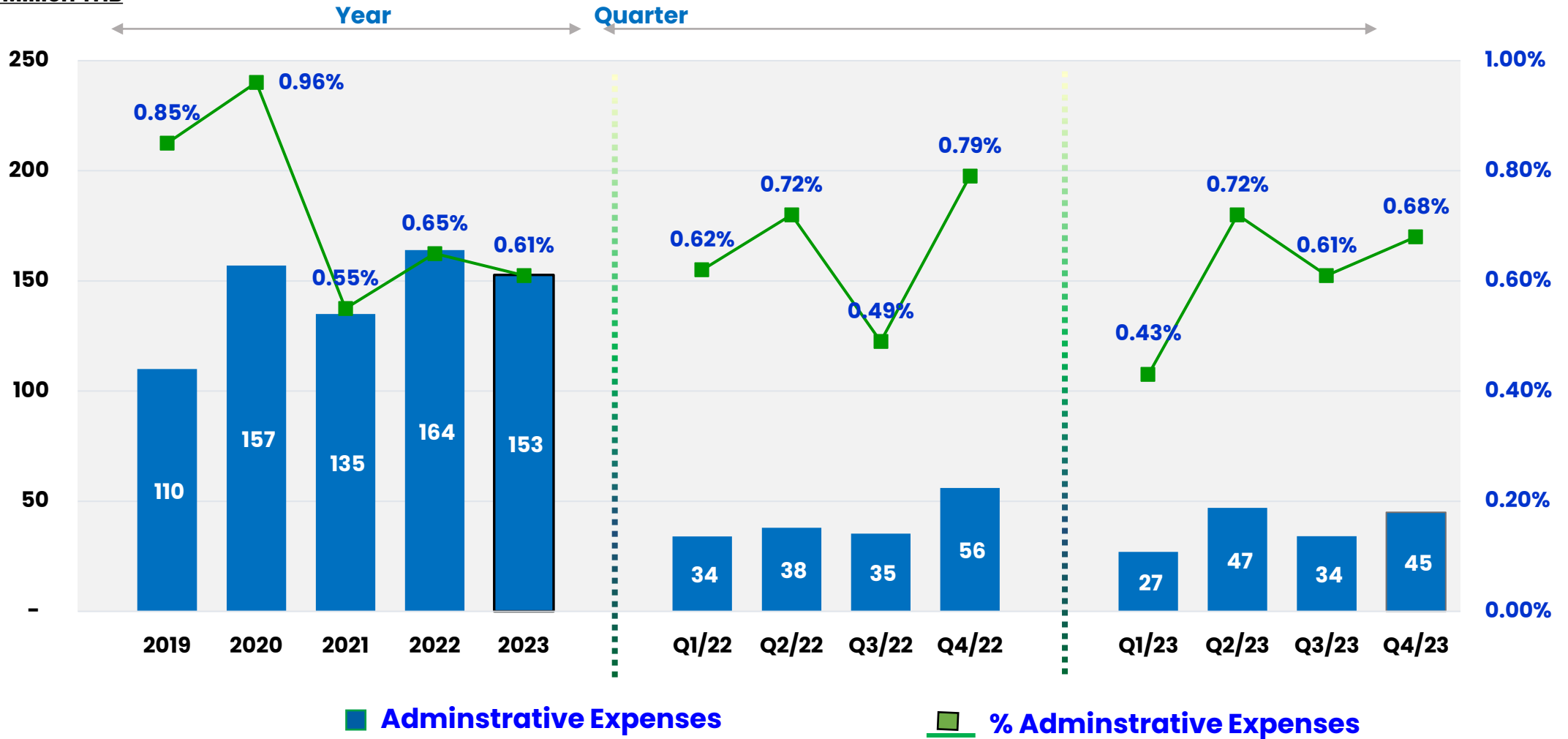




Administrative Expenses



Unit : Million THB

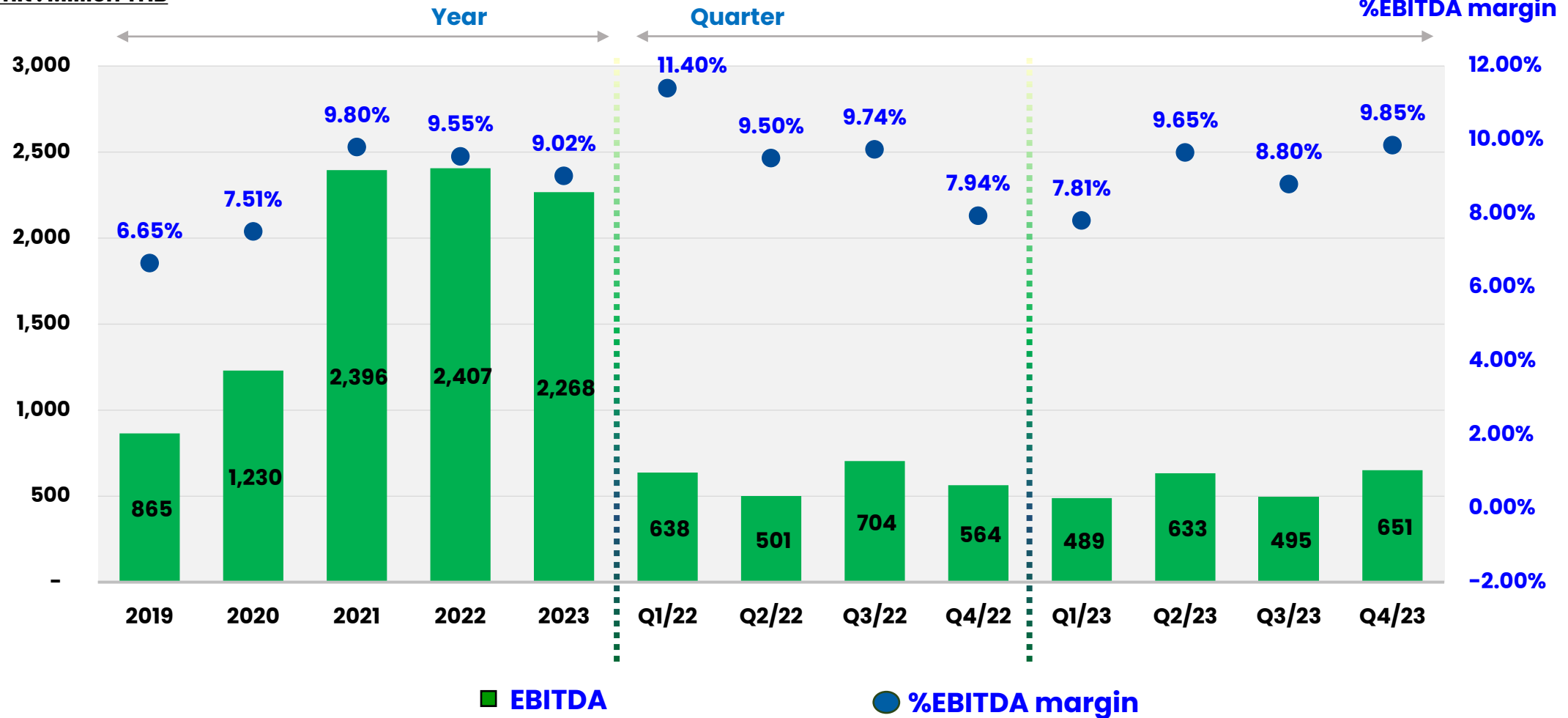




Profit from Operating Activities EBITDA



Unit : Million THB



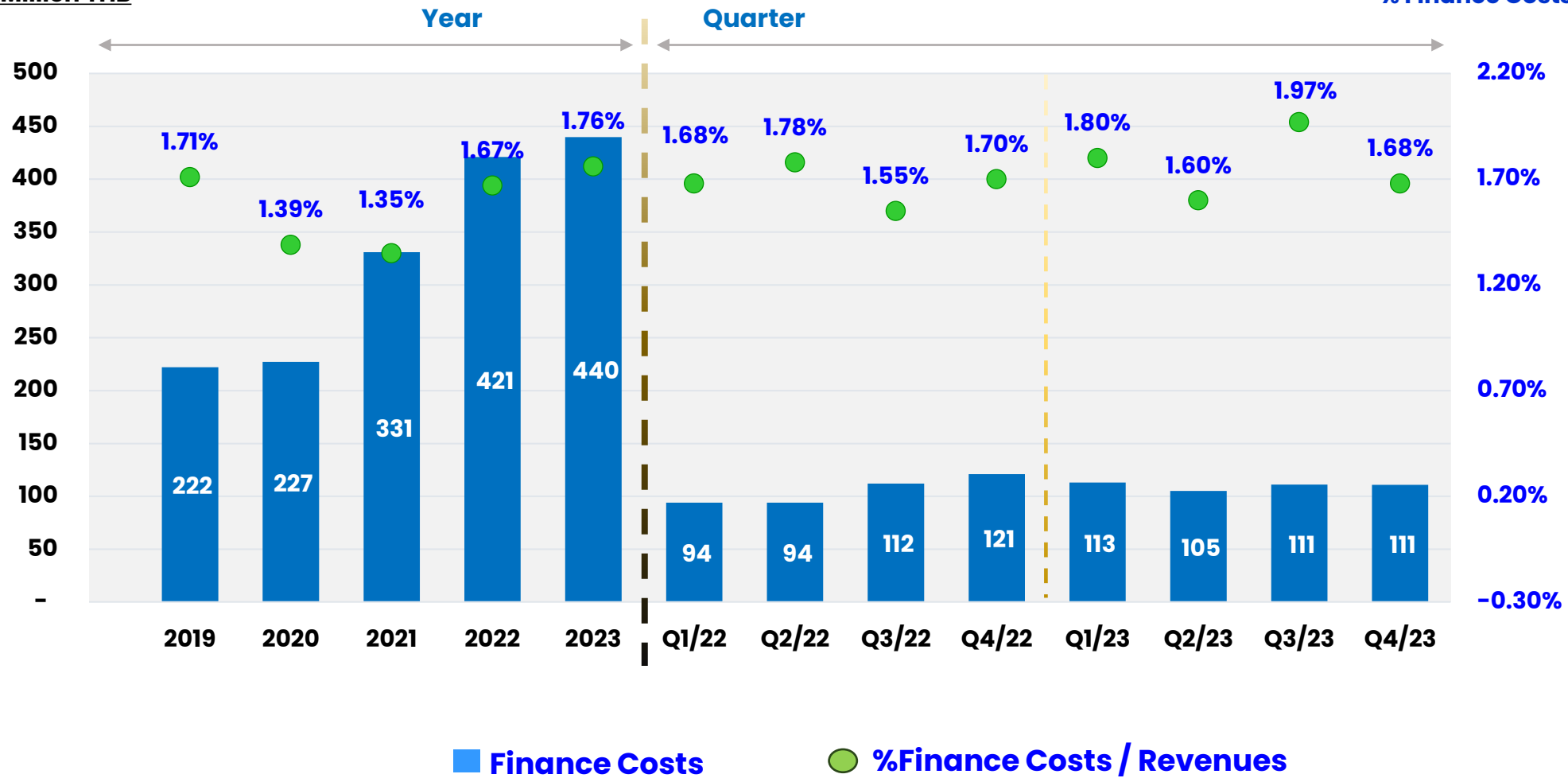


Finance Costs



Unit : Million THB

% Finance Costs / Revenues





Net Profit & Net Profit Margin

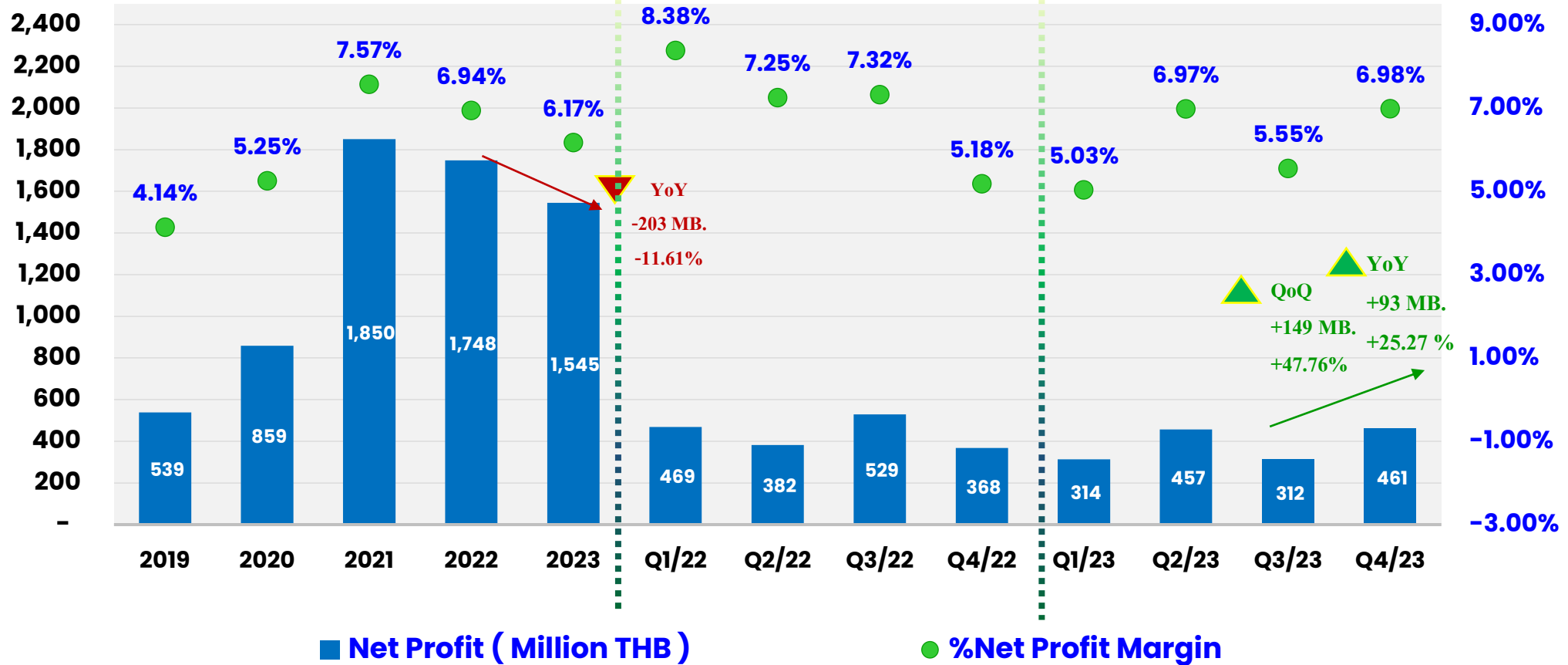


Net Profit (Million THB)

Year

Quarter

% Net Profit Margin





Earning per share

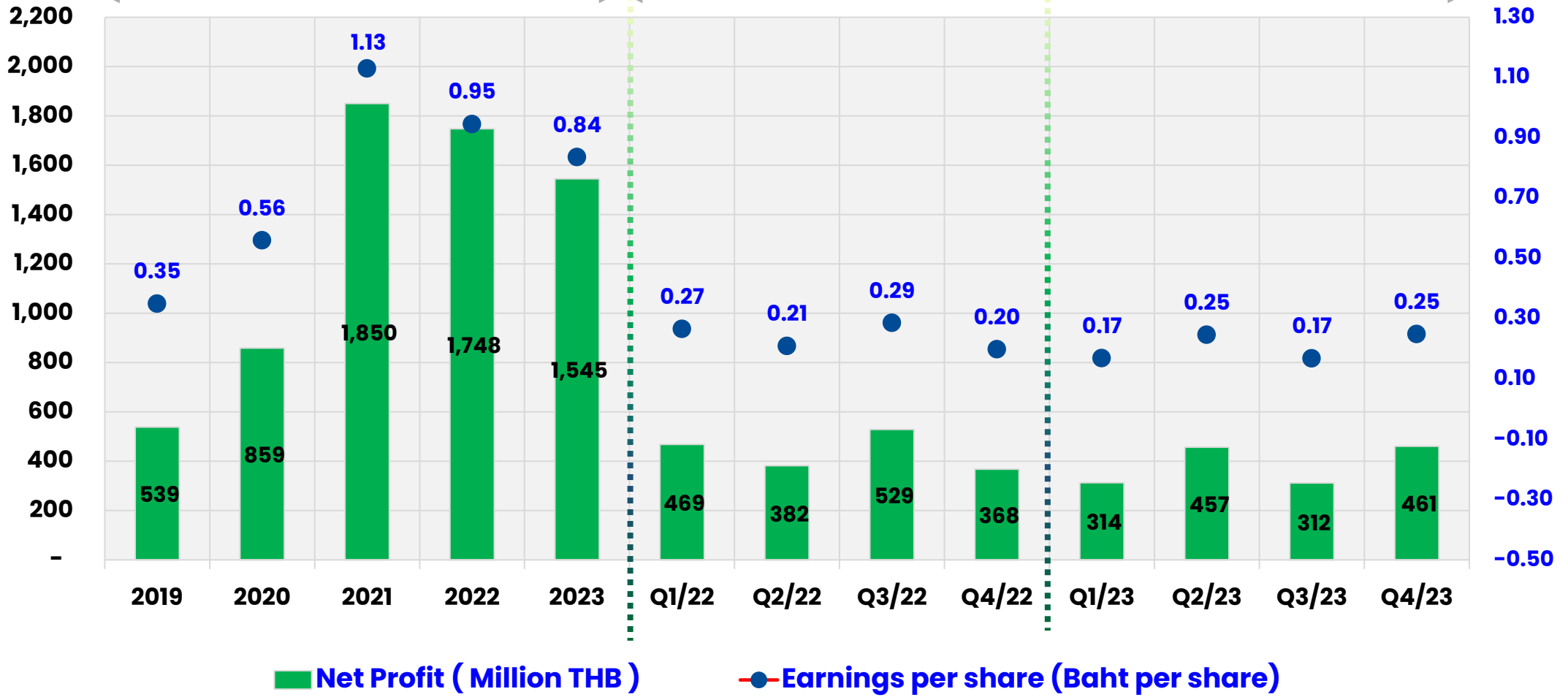


Net Profit (Million THB)

Year

Quarter

Earnings per share (Baht per share)





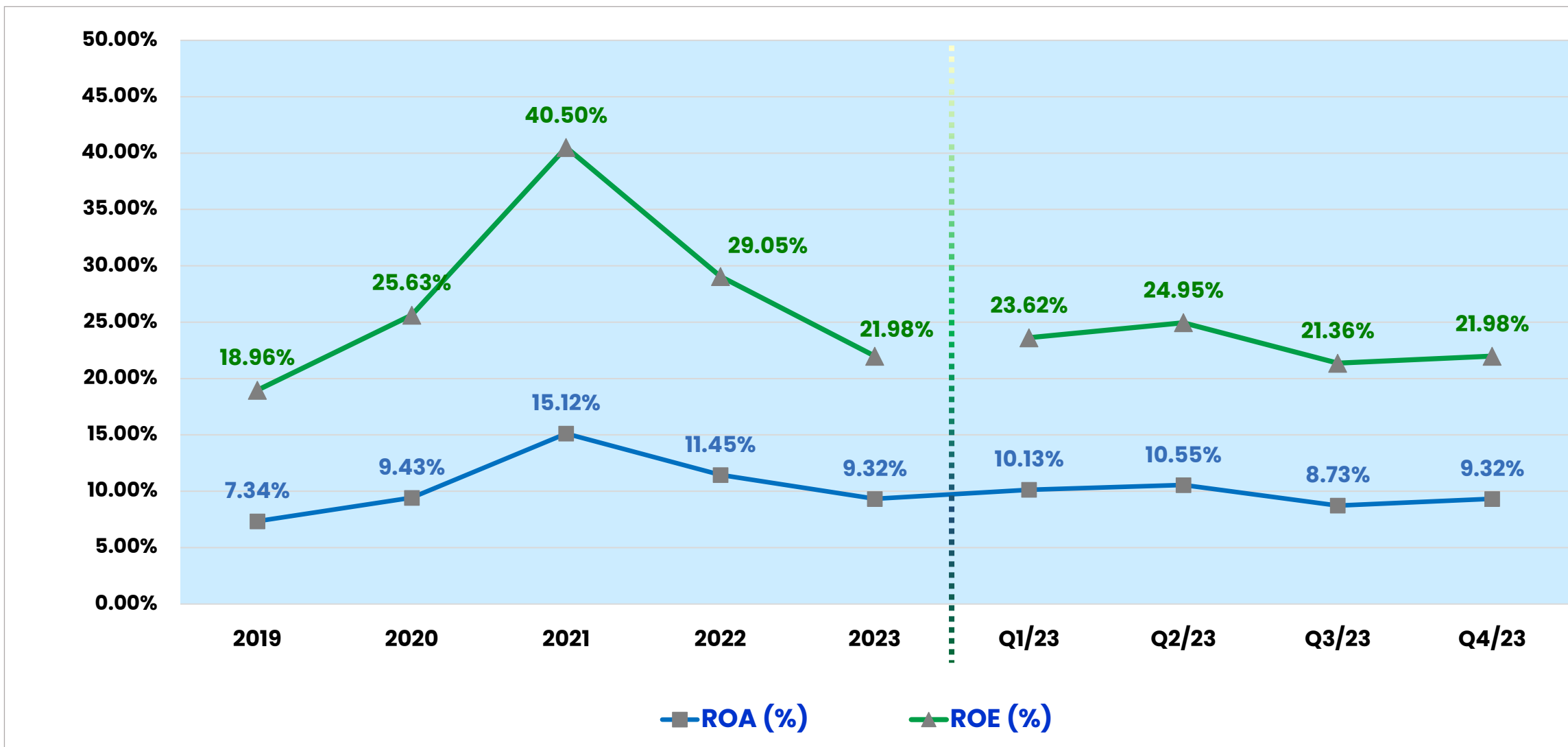
Statement of Financial Position



Unit : Million THB

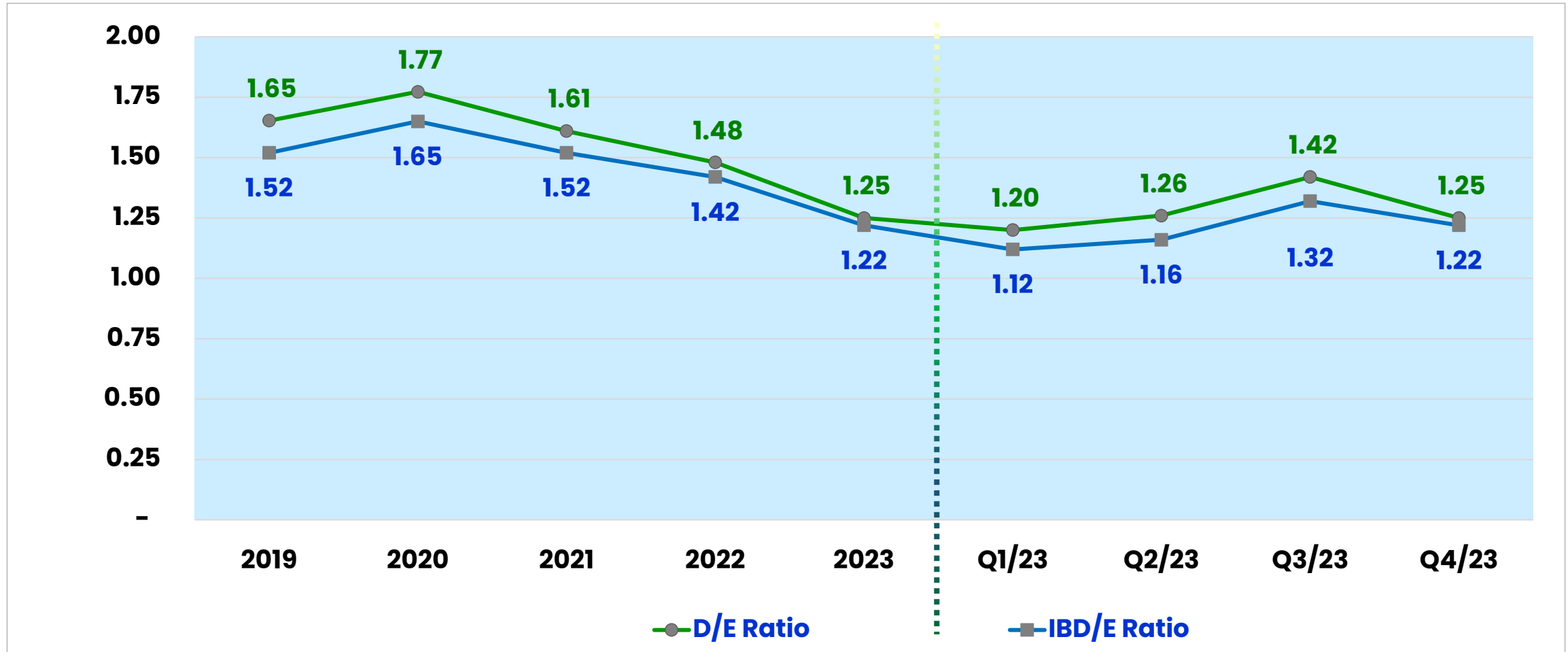
| Detail | Y.2020 | Y.2021 | Y.2022 | Y.2023 |
|-----------------------------|--------------|---------------|---------------|---------------|
| Current Assets | 8,526 | 12,416 | 14,232 | 14,627 |
| Non-Current Assets | 1,706 | 1,823 | 2,074 | 2,212 |
| Liabilities | 6,541 | 8,793 | 9,718 | 9,371 |
| 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)

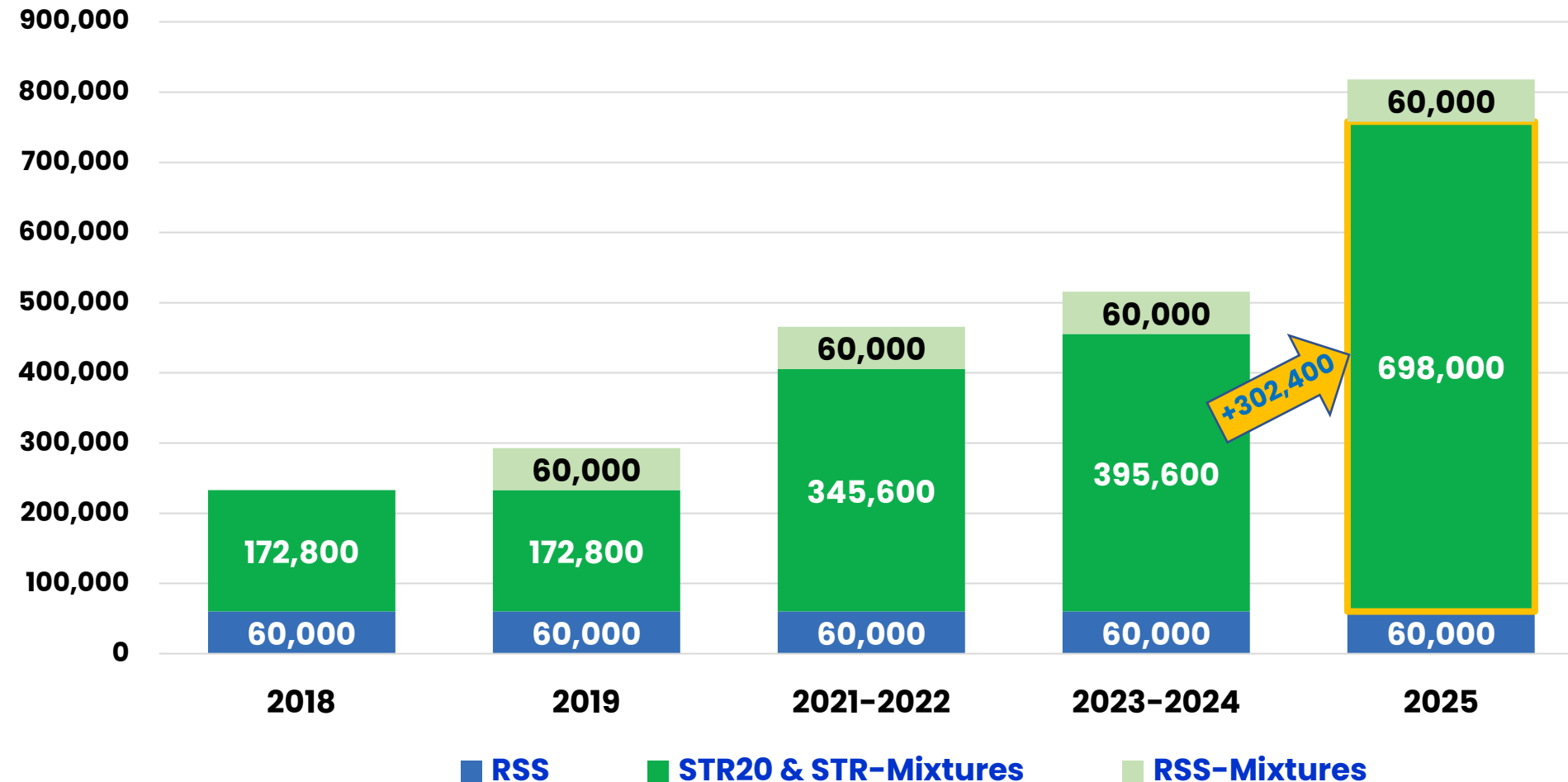




Capital Expenditure



Capacity (Tons)



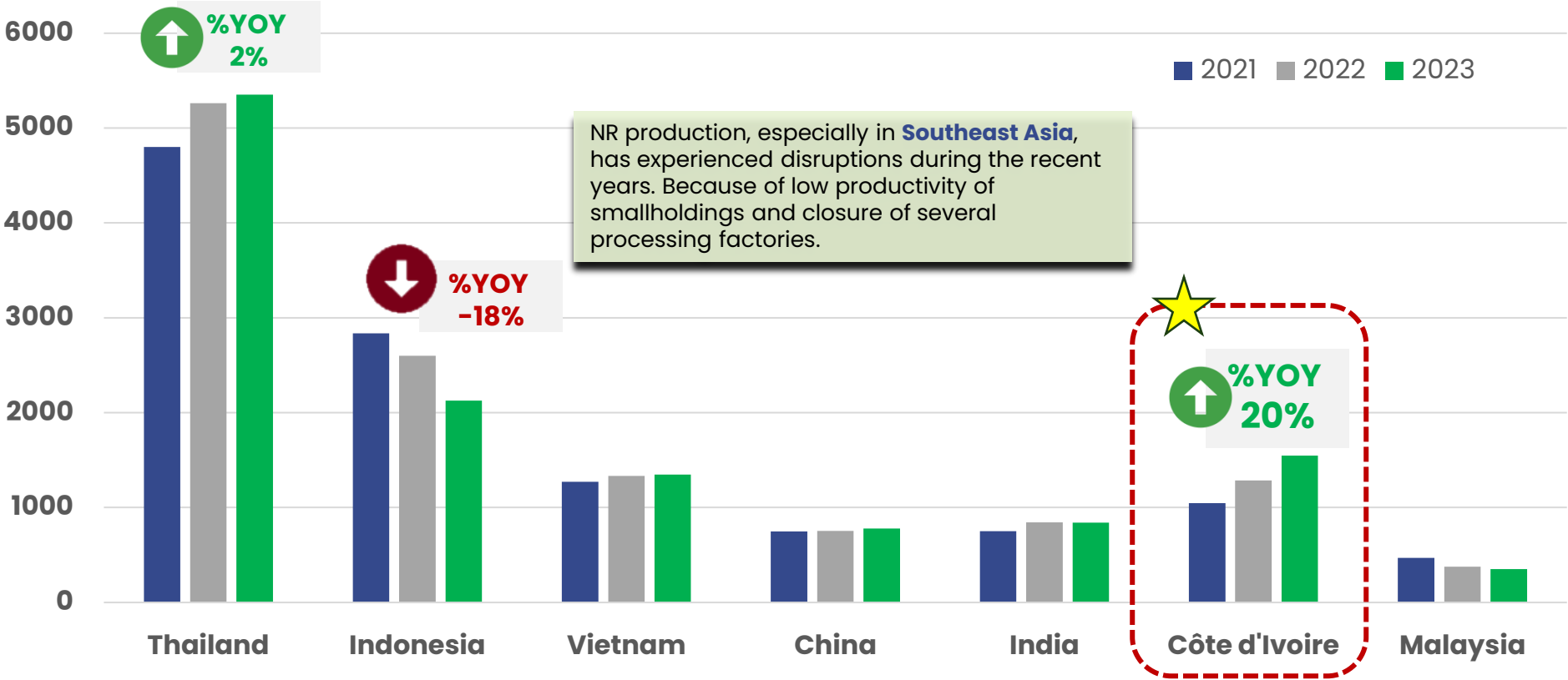
Capacity Expansion :
STR & Mixtures
302,400 Tons
 CAPEX = 1,485 MB



MARKET OUTLOOK

SUPPLY : Natural Rubber Production Trend

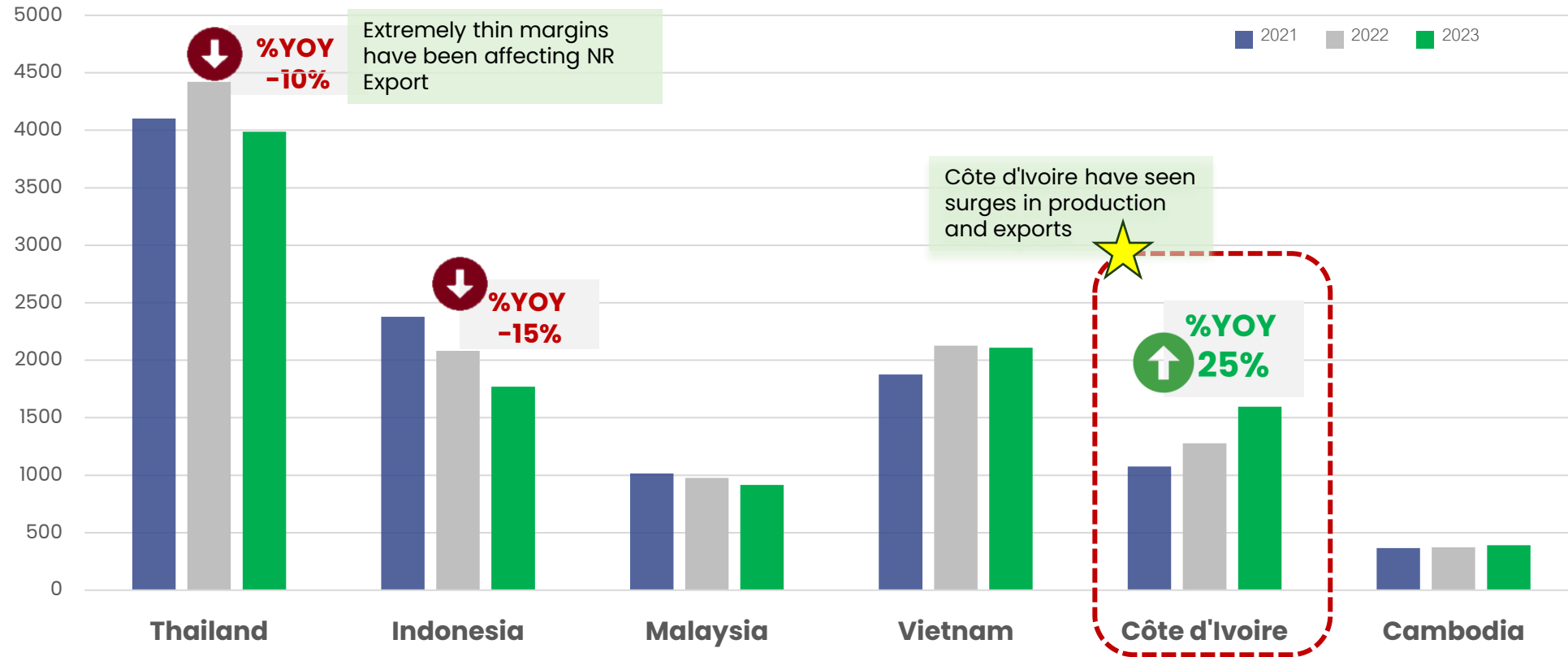
Natural Rubber Production Trend ('000 Units)



SUPPLY : Natural Rubber Export Trend



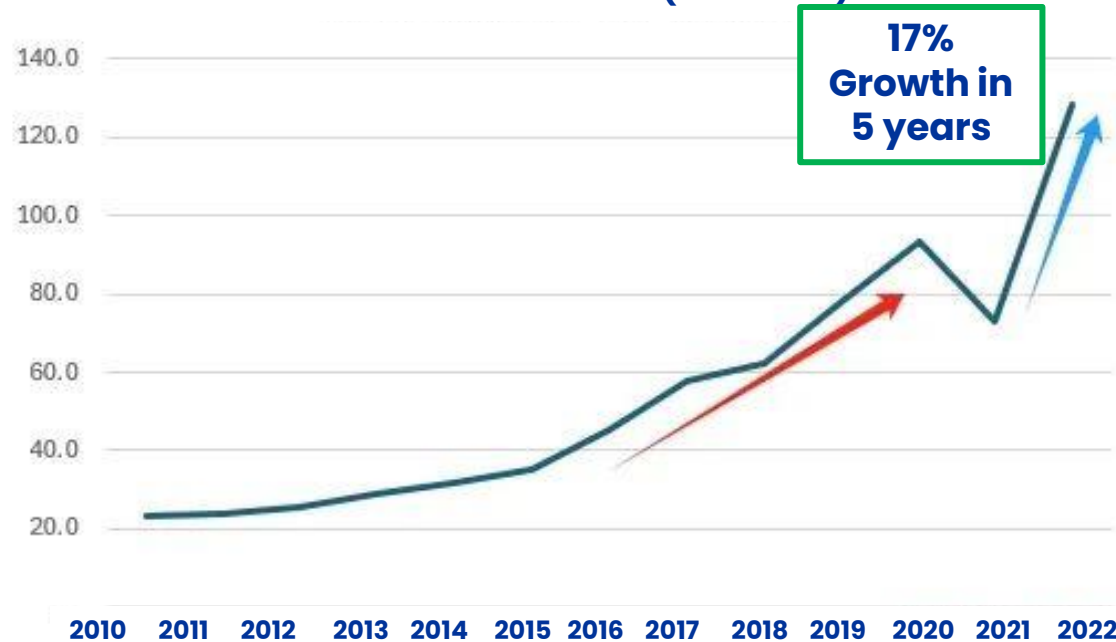
Natural Rubber Export Trend ('000 Units)



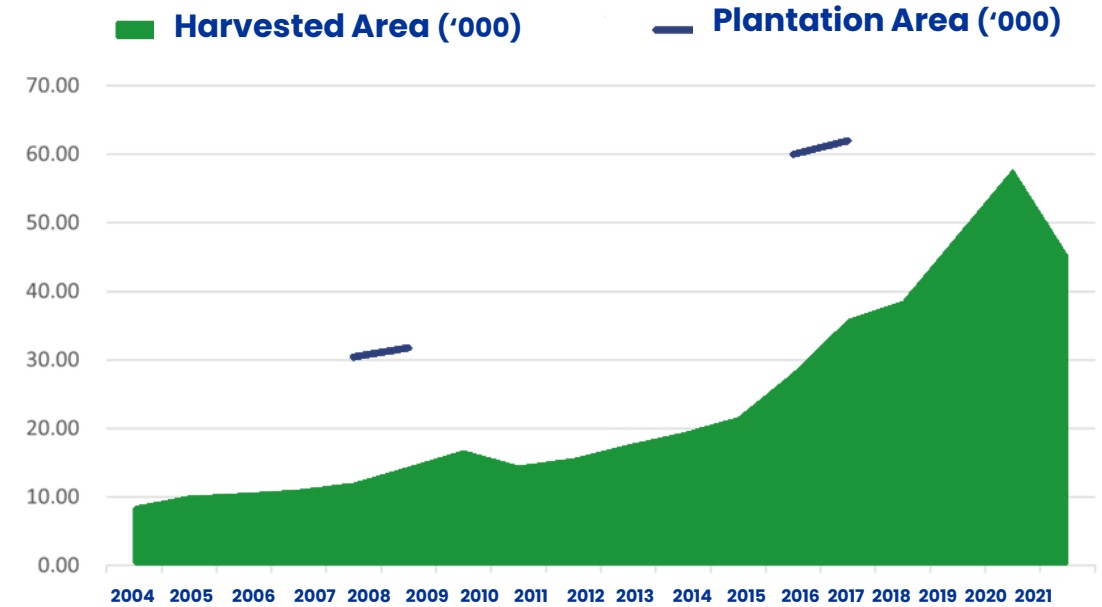
SUPPLY : Côte d'Ivoire Natural Rubber Supply Trend



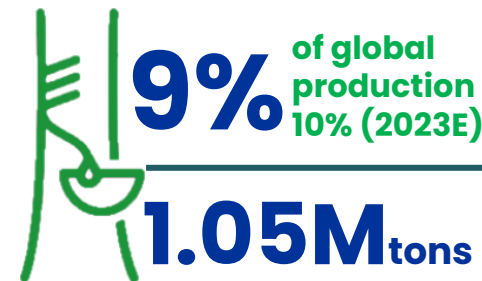
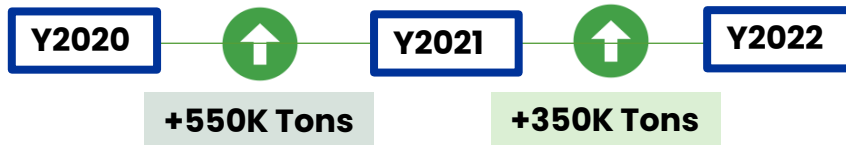
Côte d'Ivoire Natural Rubber Production Volume ('000 Tons)



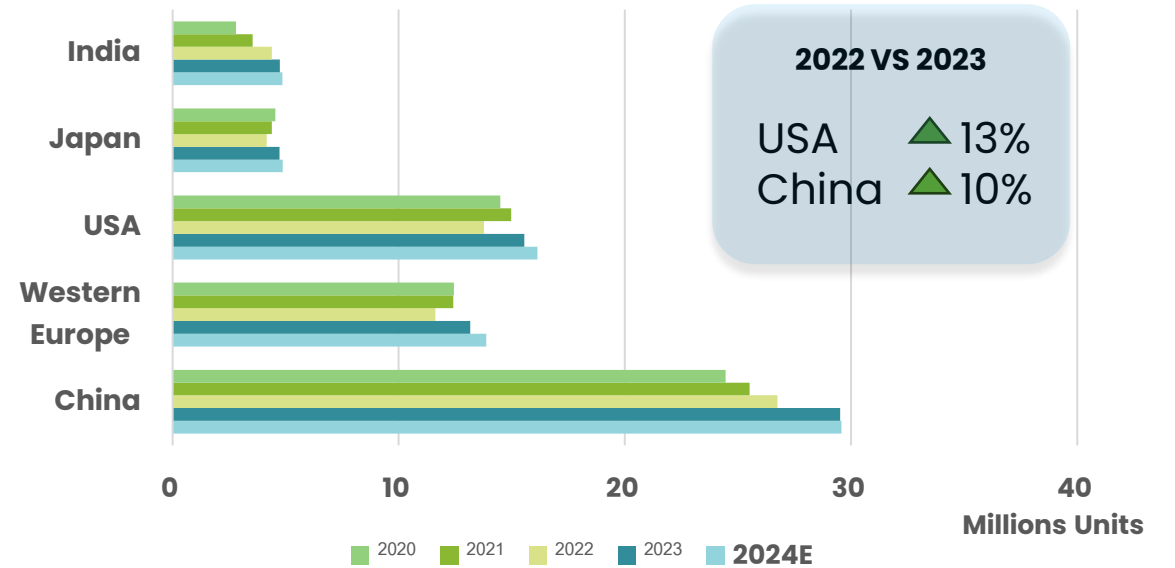
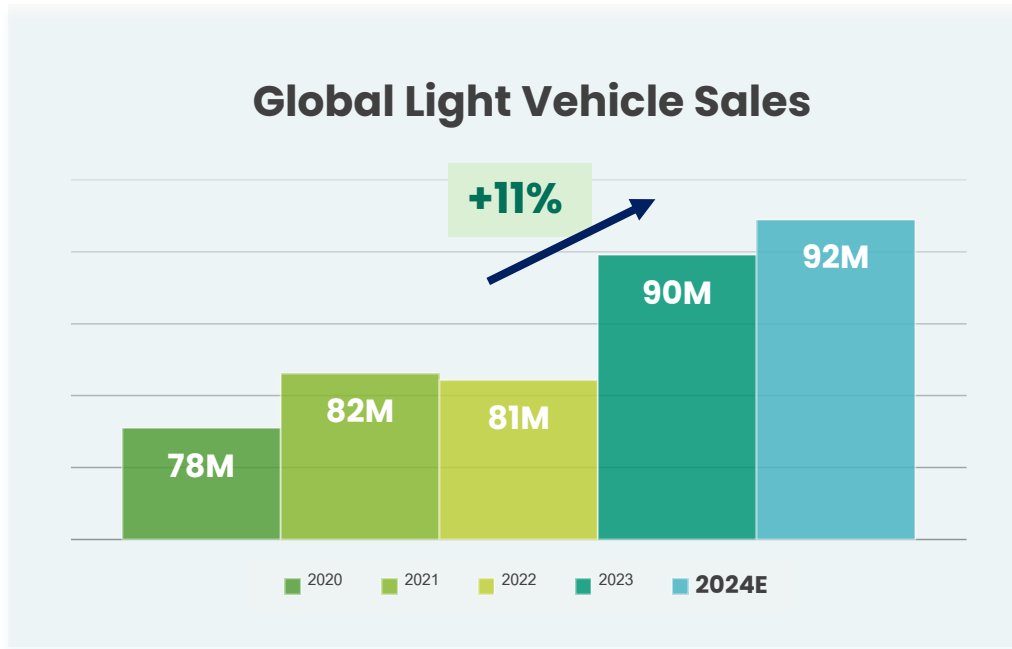
Côte d'Ivoire Rubber Plantation Area ('000 Hectares)



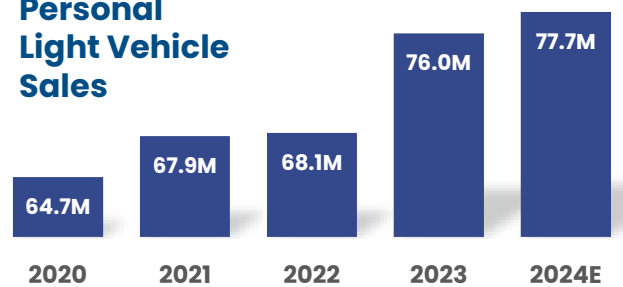
Production Significant Growth



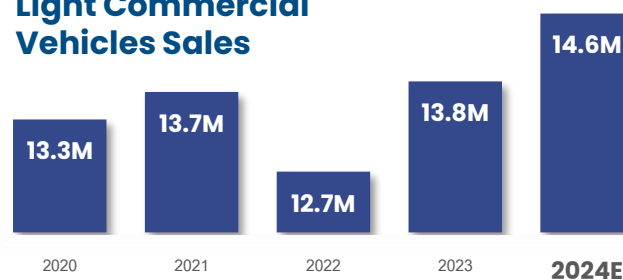
Demand : Global Light Vehicles Sales



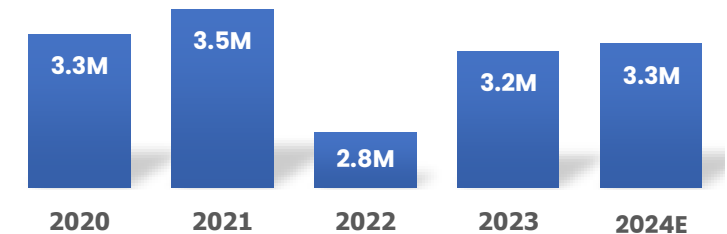
Personal Light Vehicle Sales



Light Commercial Vehicles Sales



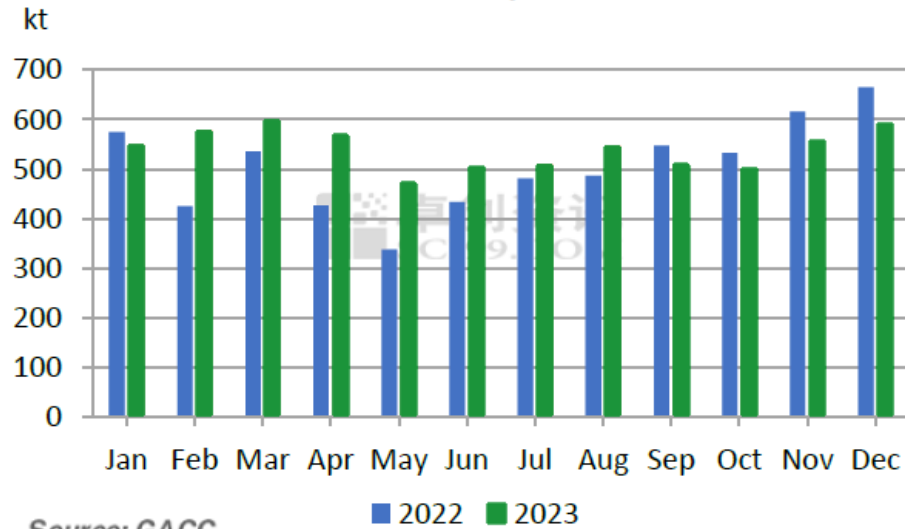
Heavy Commercial Vehicle Sales



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

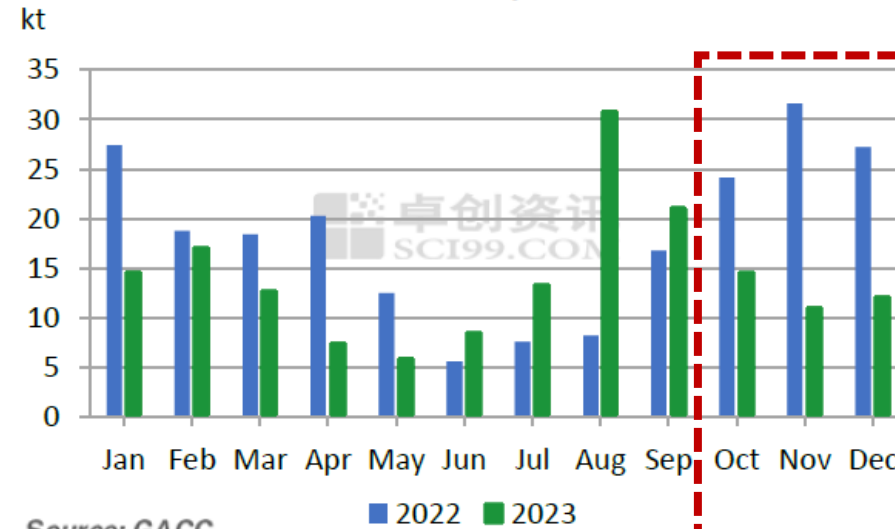


2022-2023 NR Import Volume



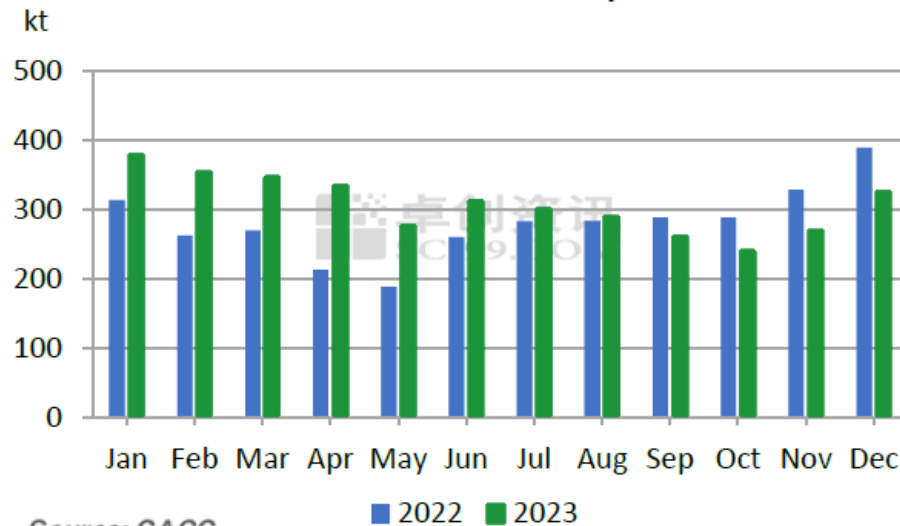
Source: GACC

2022-2023 RSS Import Volume



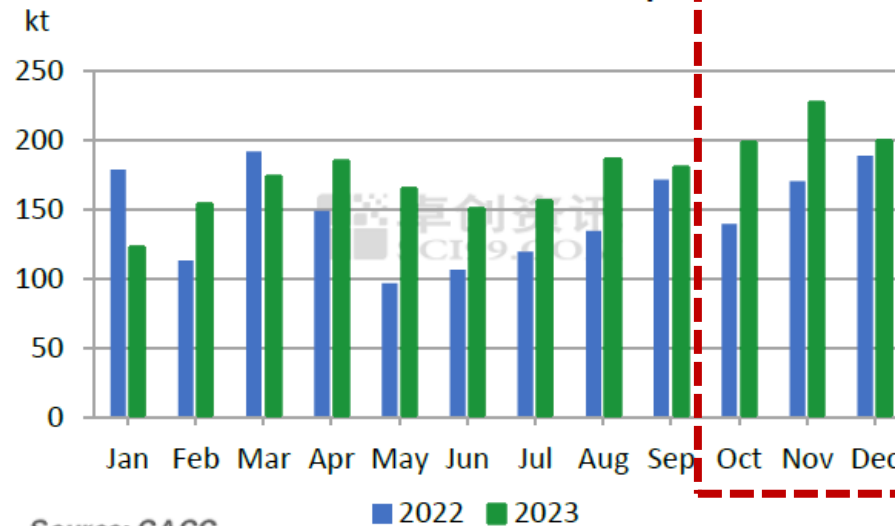
Source: GACC

2022-2023 Mixed Rubber Import Volume



Source: GACC

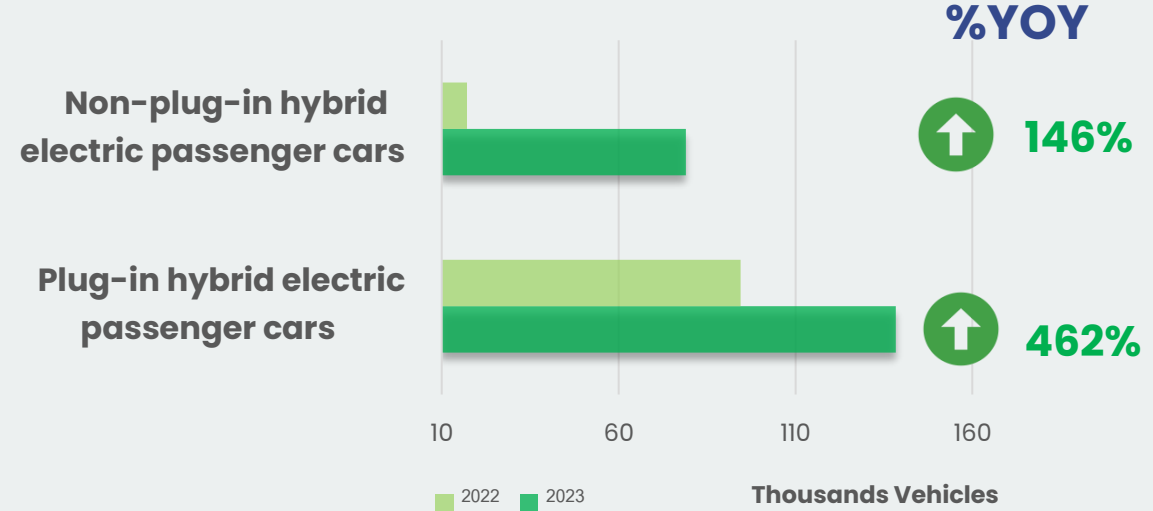
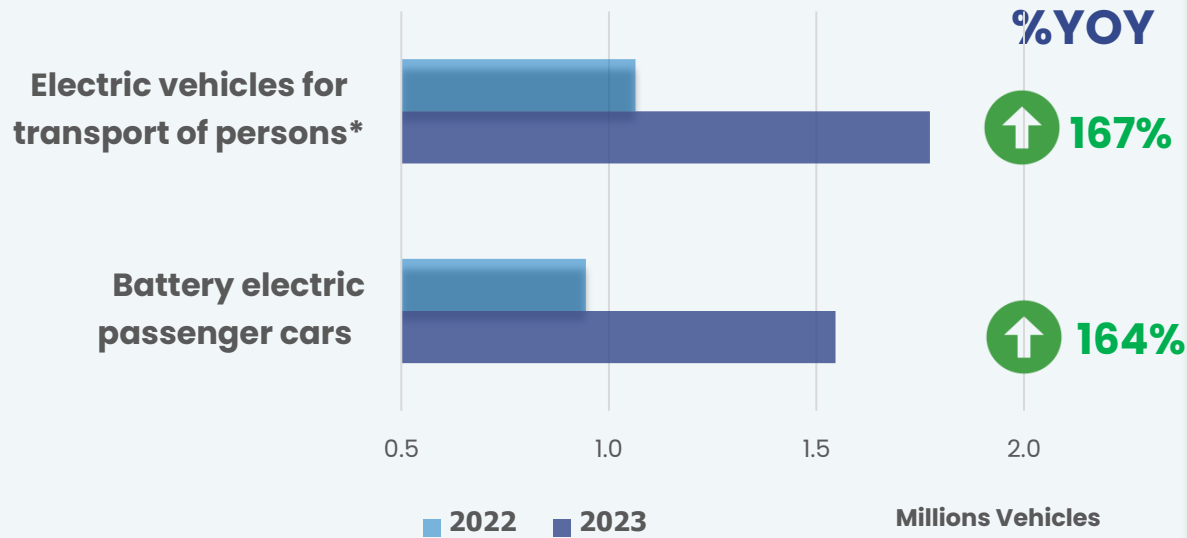
2022-2023 Standard Rubber Import Volume



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)



Vehicle Tires

↑ %YOY

7.5M tons

15.4

Battery Electric Bus

(10 seats & More)

9,677 Vehicles %YOY+ 142%

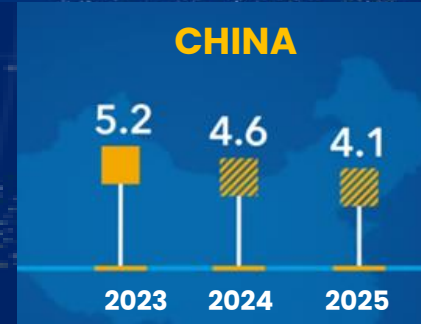
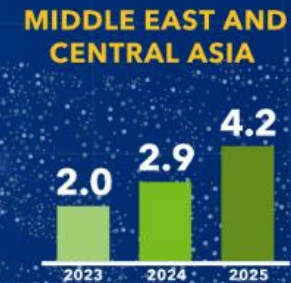
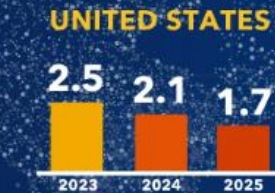


World Economic Outlook: GDP GROWTH

WORLD ECONOMIC OUTLOOK JANUARY 2024

GROWTH PROJECTIONS BY REGION

(PERCENT CHANGE)



World Economic Outlook : Global Manufacturing PMI

Manufacturing PMI

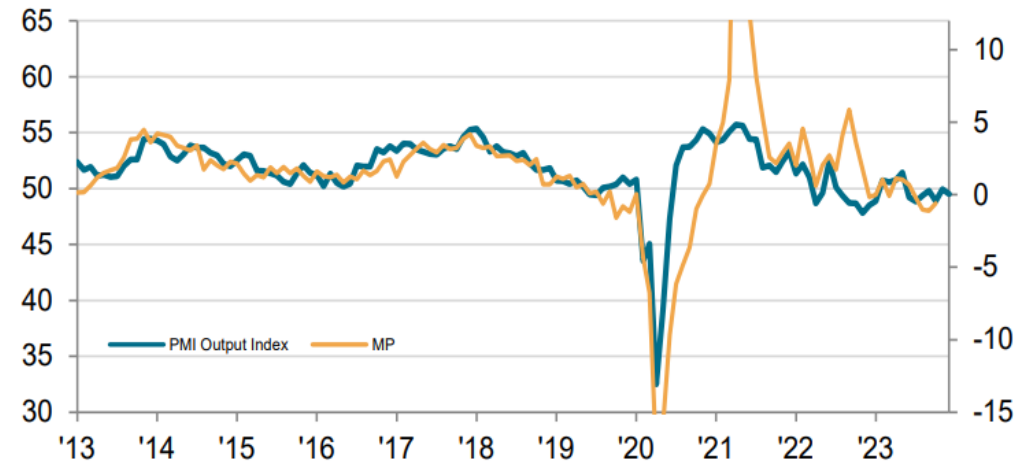
sa, >50 = improvement since previous month



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

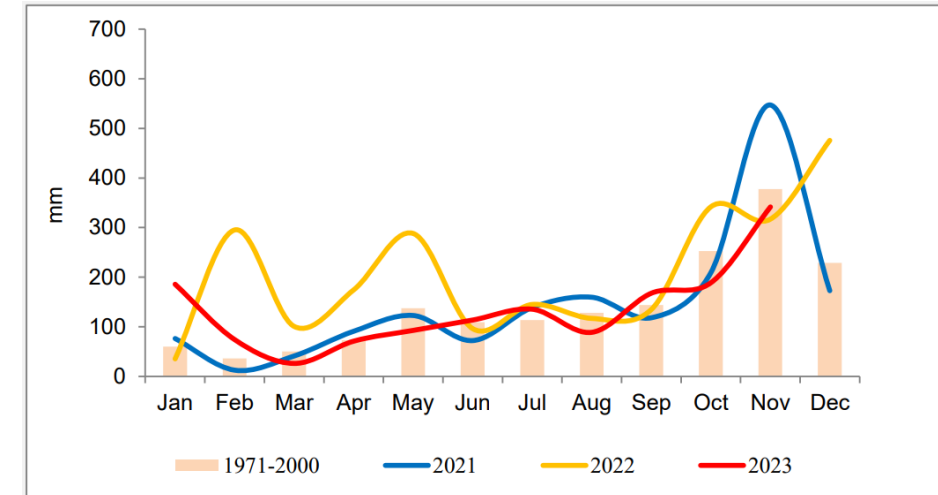
Thailand Rainfall:



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



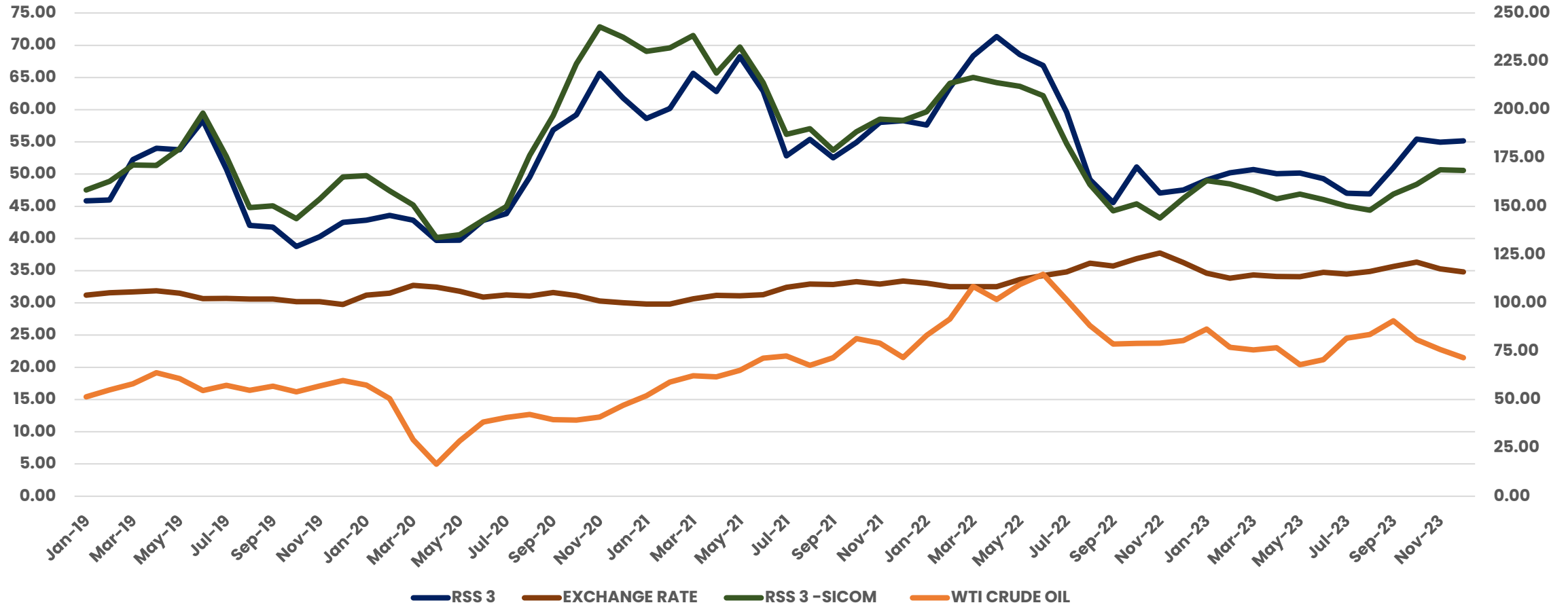
For the Southern Thailand, abundant rainfall will mostly appear during the 1st half of December, especially along the east coast. The reason is that the influential Northeast Monsoon prevails over the Southern Thailand and the Gulf of Thailand. Nevertheless, some tropical cyclones may feasibly move near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

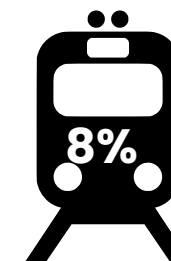
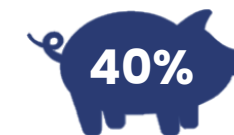
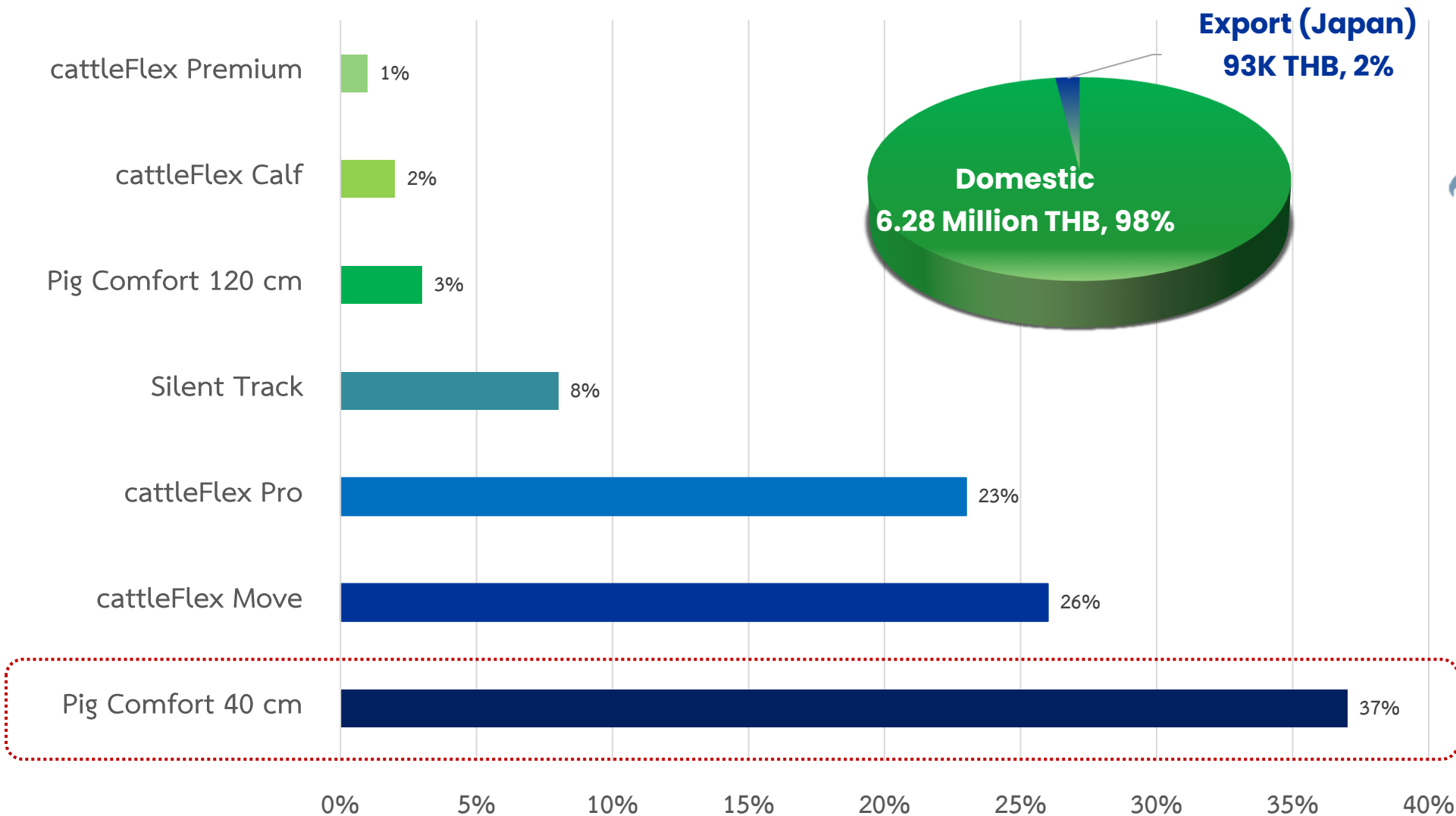
RSS-3 SICOM (US CENT/KG)
WTI CRUDE OIL (USD/BARREL)





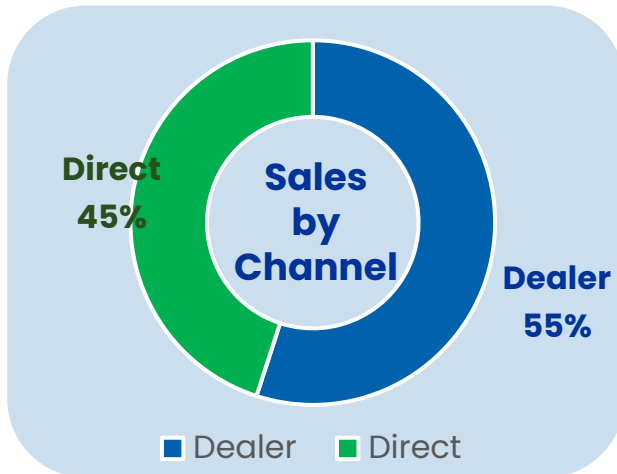
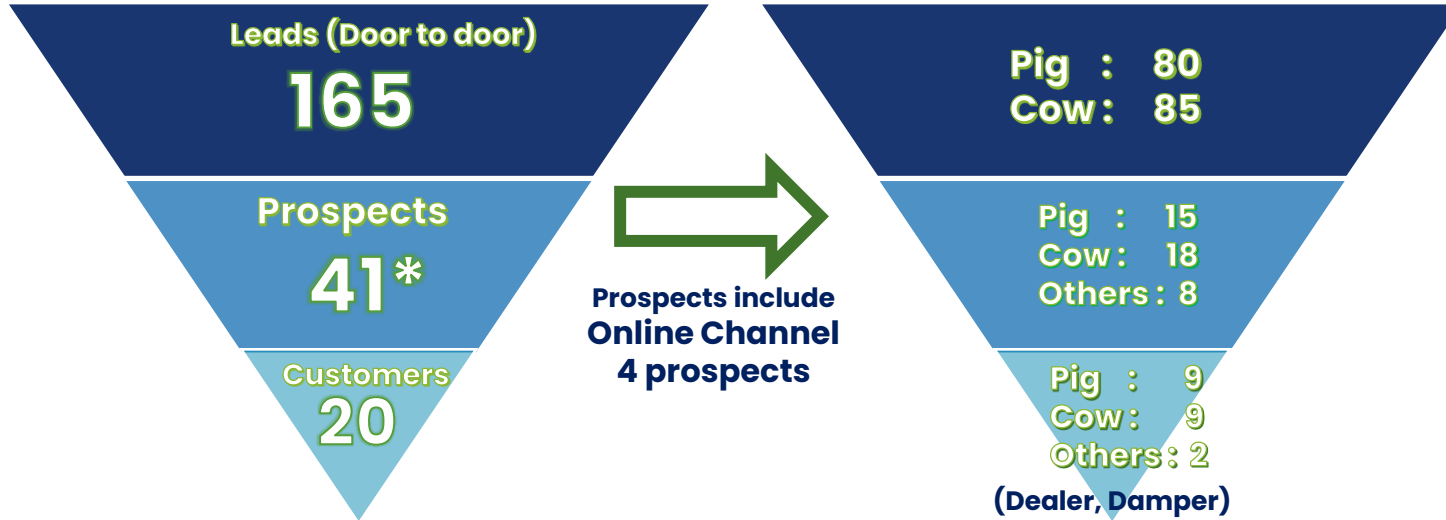
DOWNSTREAM BUSINESS

Sales summary 2023



Sales Opportunity in 2023 & Prospects in 2024

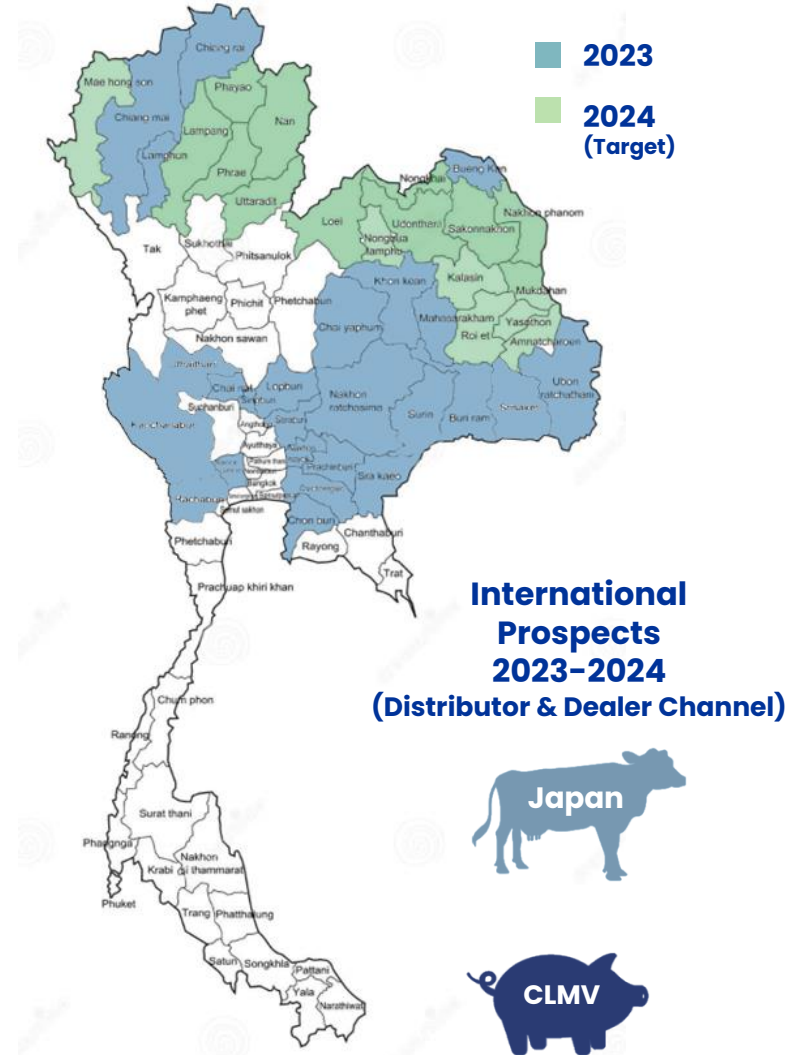
Sales Opportunity in 2023



OEM Sales by 2024

20,000 Pig mats
Est. 6 Million THB

Thailand Leads by Geography





ESG

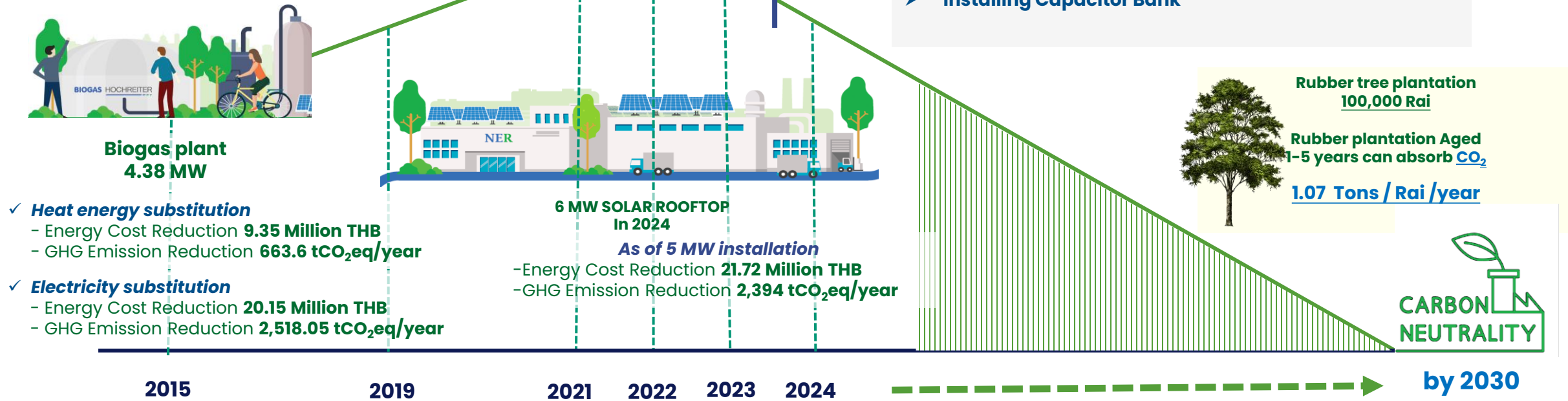


STEP TOWARD ACHIEVING CARBON NEUTRALITY 2030

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

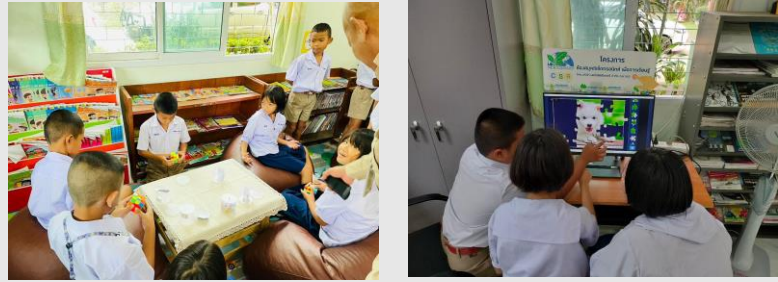
| | |
|----------------------------|--|
| <p>2 ZERO HUNGER</p> | <p>3 GOOD HEALTH AND WELL-BEING</p> |
| <p>4 QUALITY EDUCATION</p> | <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> |

| Project | Result |
|---------|--------|
|---------|--------|

➤ **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



NER Moving Towards a Sustainable Business