

# NORTH EAST RUBBER PUBLIC COMPANY LIMITED

## NER Analyst Meeting Q1/2024



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



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

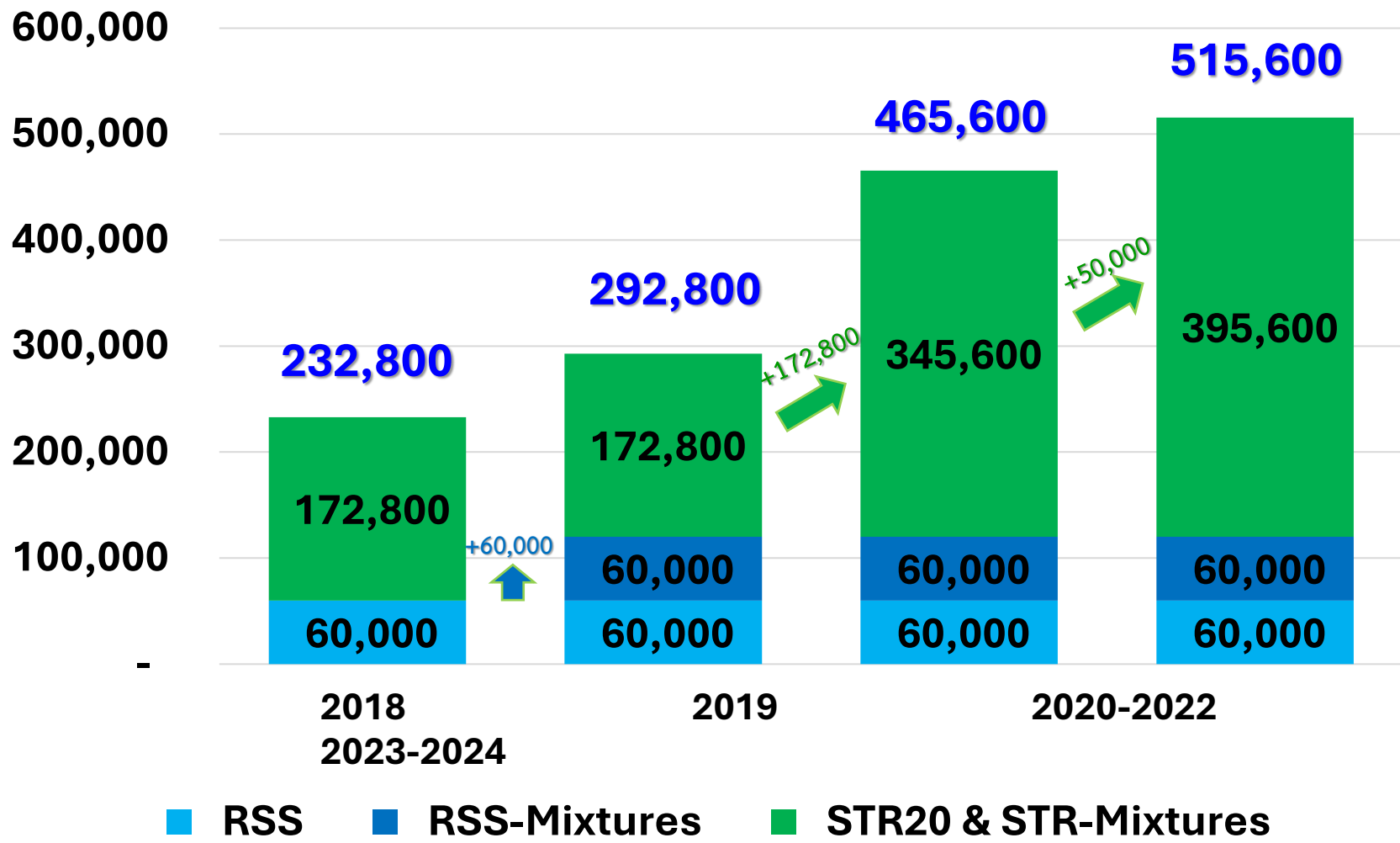


# FINANCIAL PERFORMANCE



# Capacity

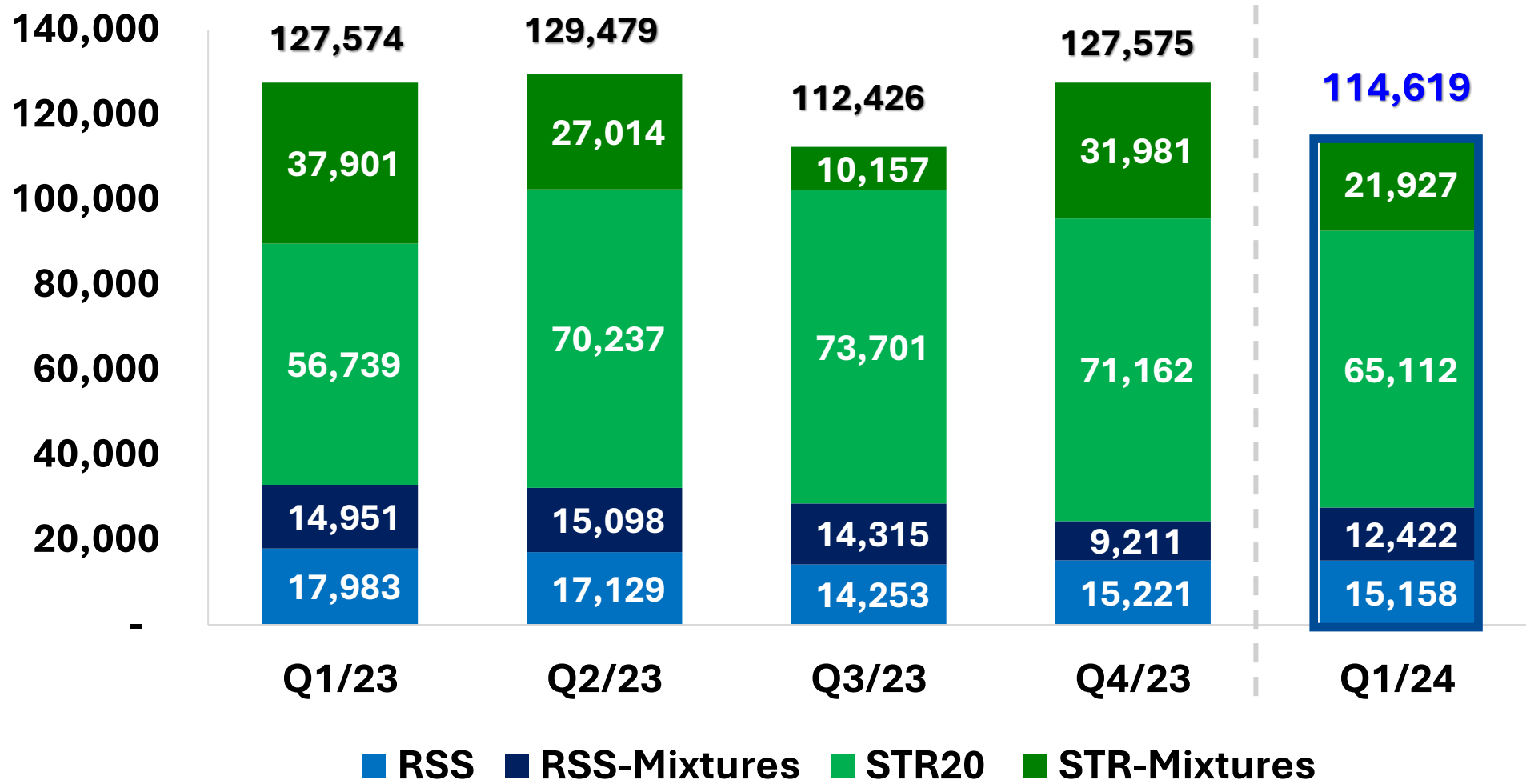
Unit : Tons





# Quarterly Sales Volume by Product

Unit : Tons



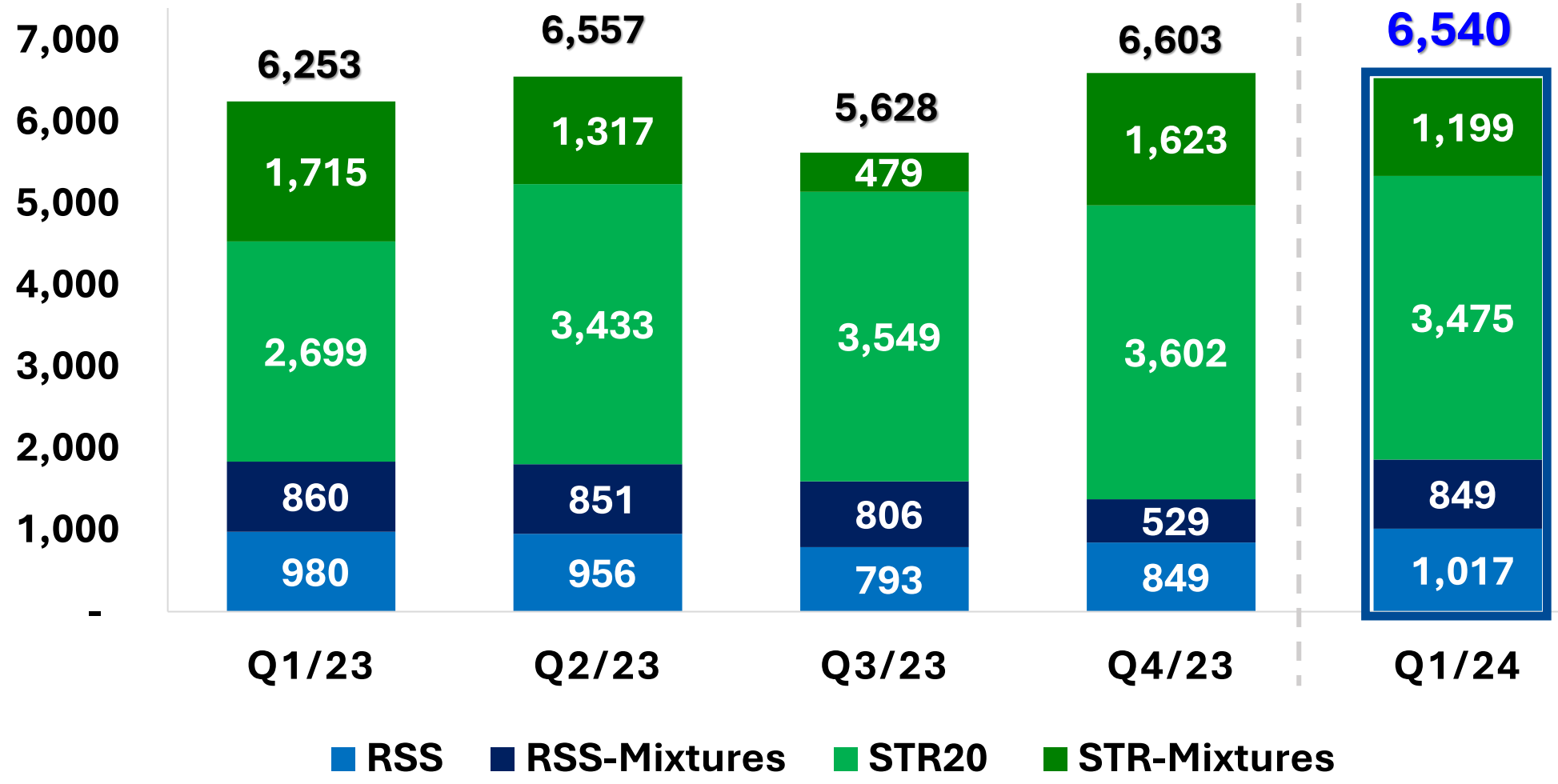
▼ QoQ [Q1/67-Q4/66]  
-12,956Tons (-10.15%)

▼ YoY [Q1/67-Q1/66]  
-12,955Tons (-10.15%)



# Quarterly Sales Revenues by Product

Unit : Million



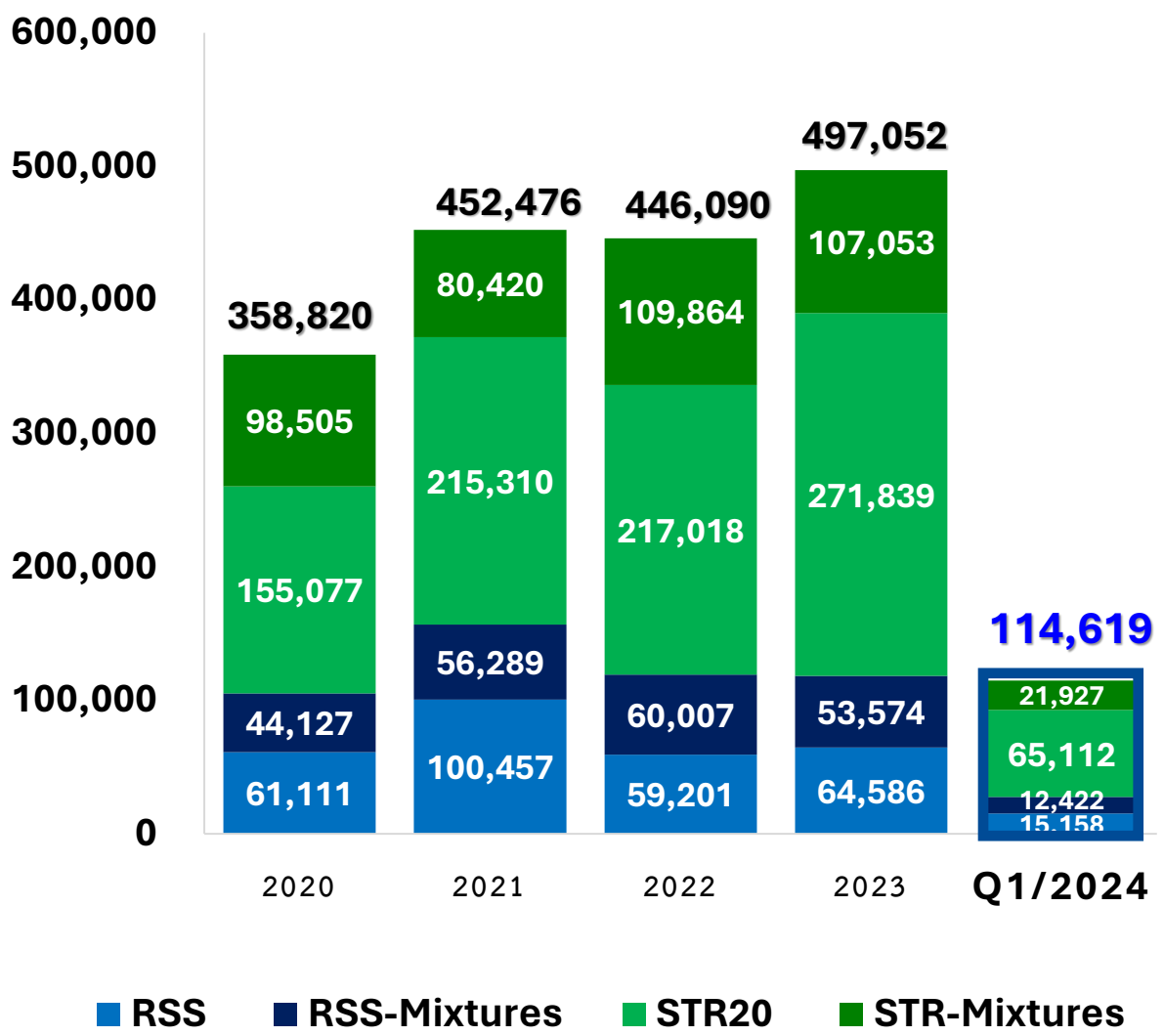
▼ QoQ [Q1/67-Q4/66]  
-63MB (-0.95%)

▲ YoY [Q1/67-Q1/66]  
+287Tons (+4.59%)

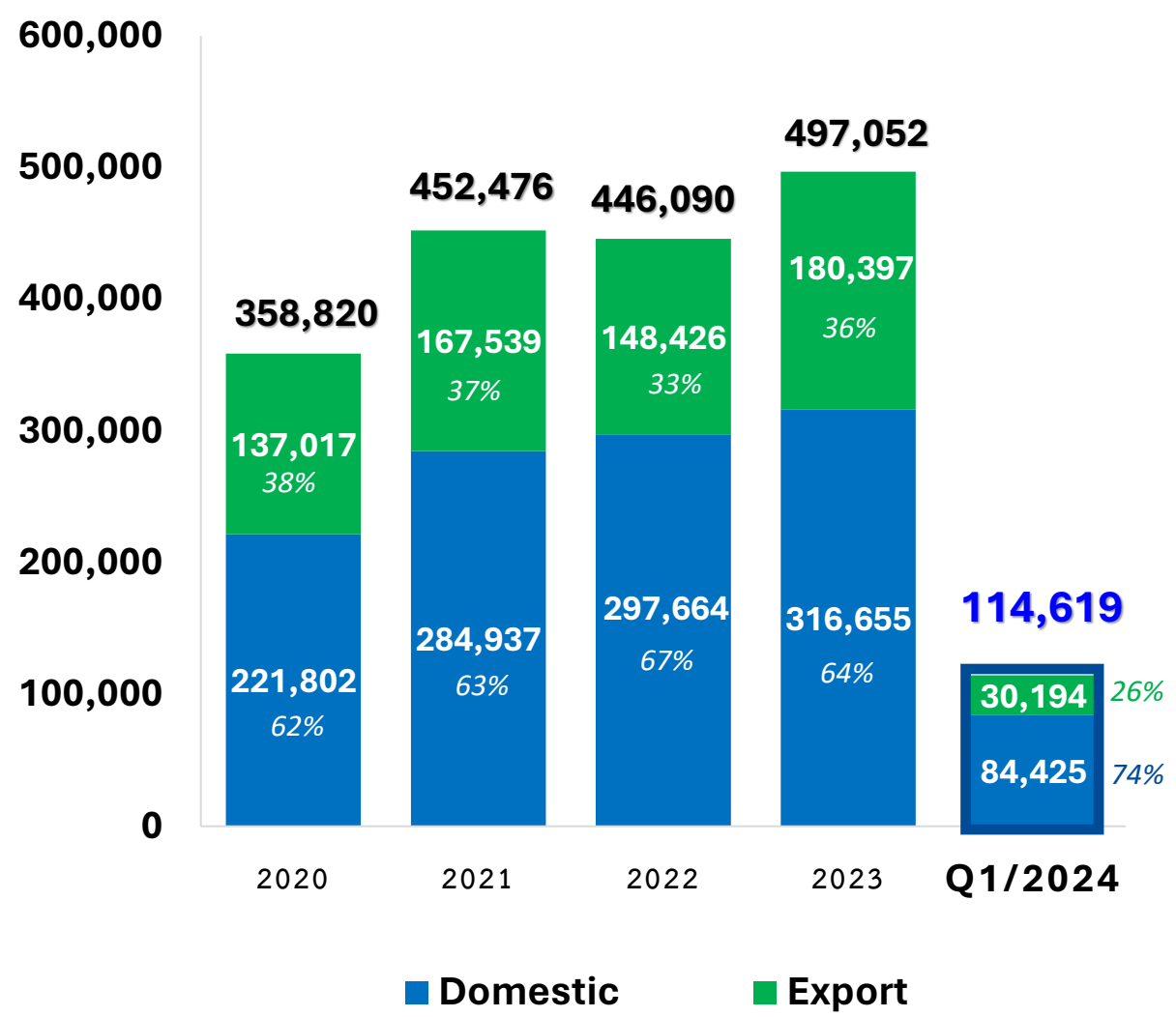


# Annually Sales Volume by Product and Geography

Unit : Tons



Unit : Tons

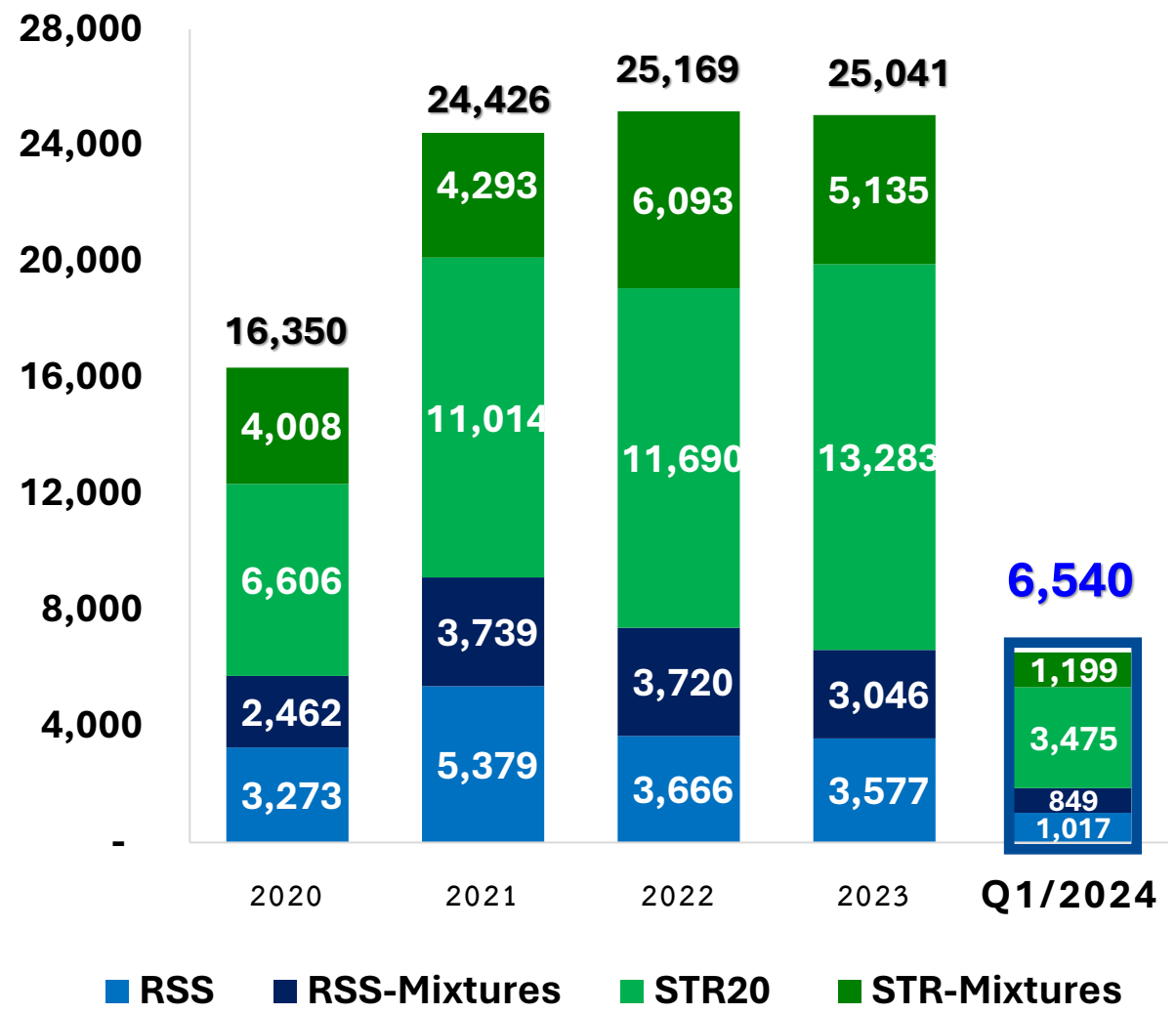




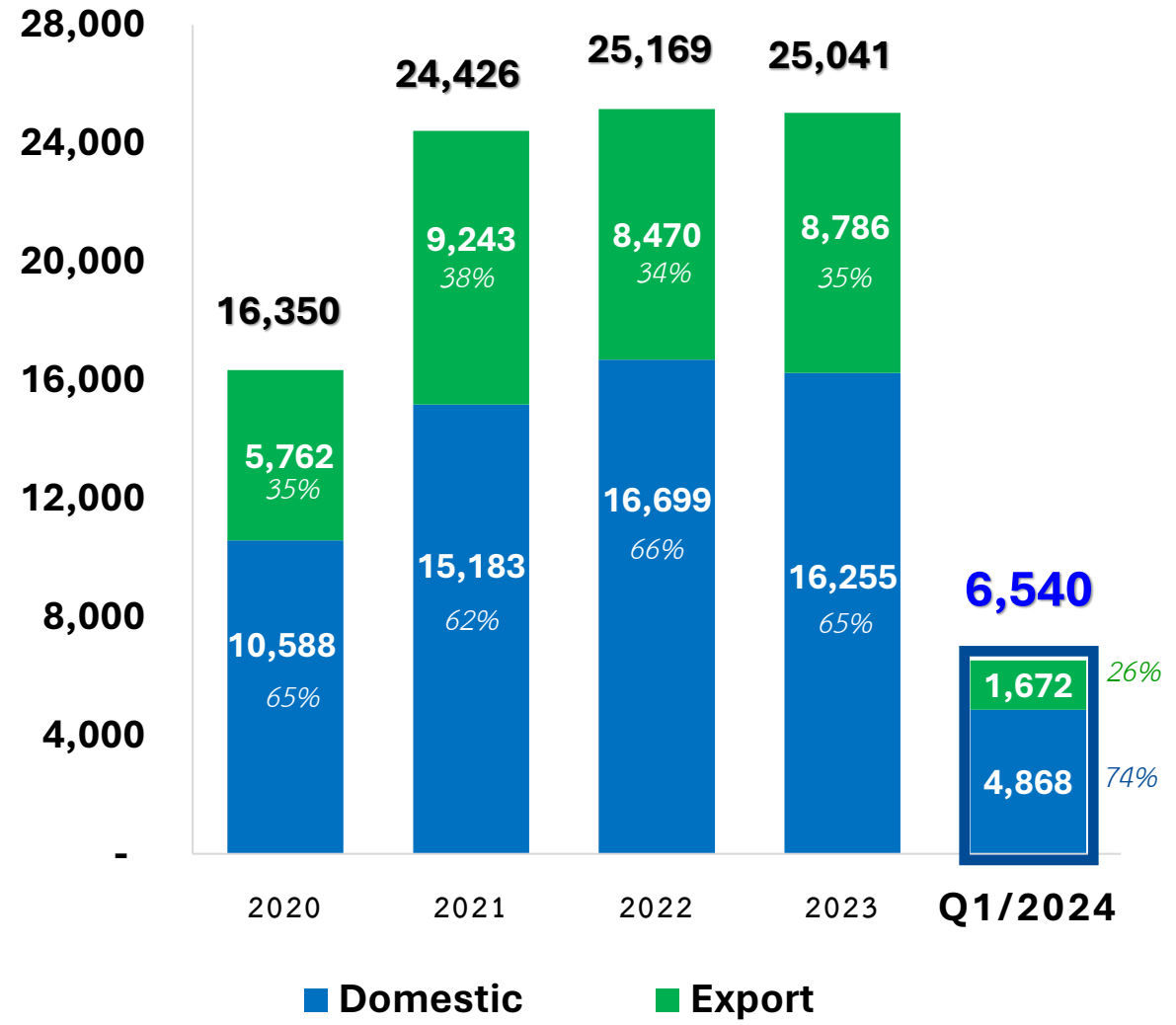


# Annually Sales Revenues by Product and Geography

Unit : Million baht



Unit : Million baht



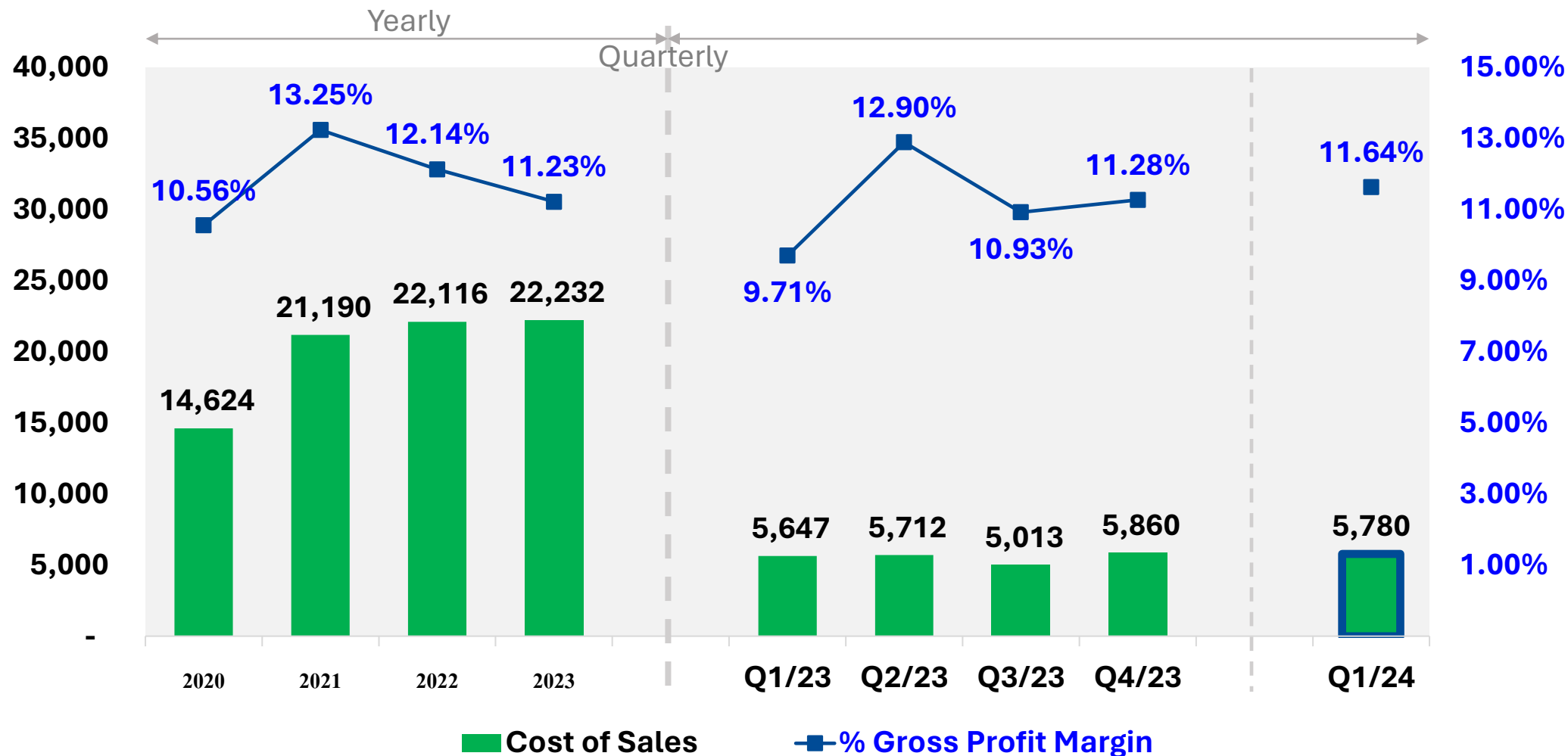




# Cost of Sales & Gross Profit Margin

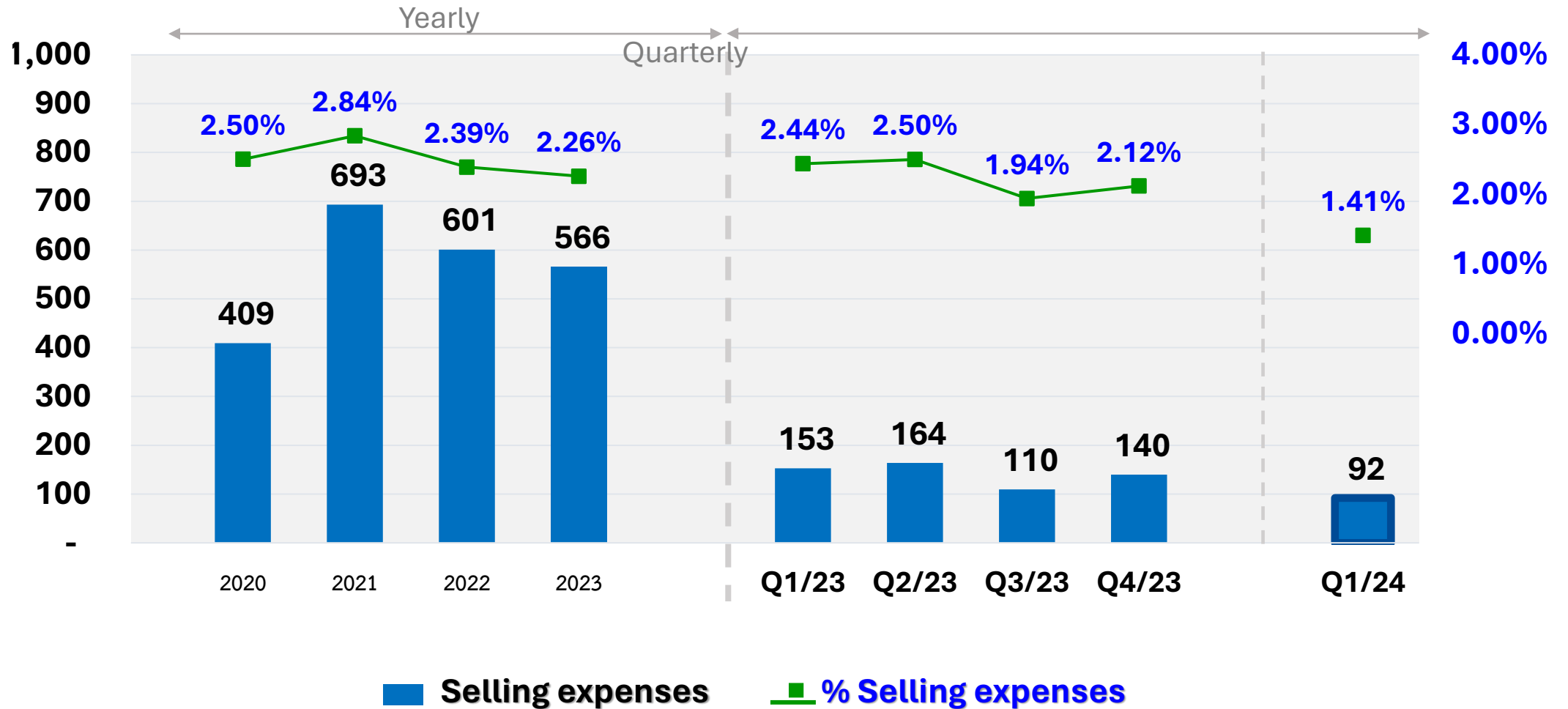
Cost of Sales (Million Baht)

Gross Profit Margin (%)



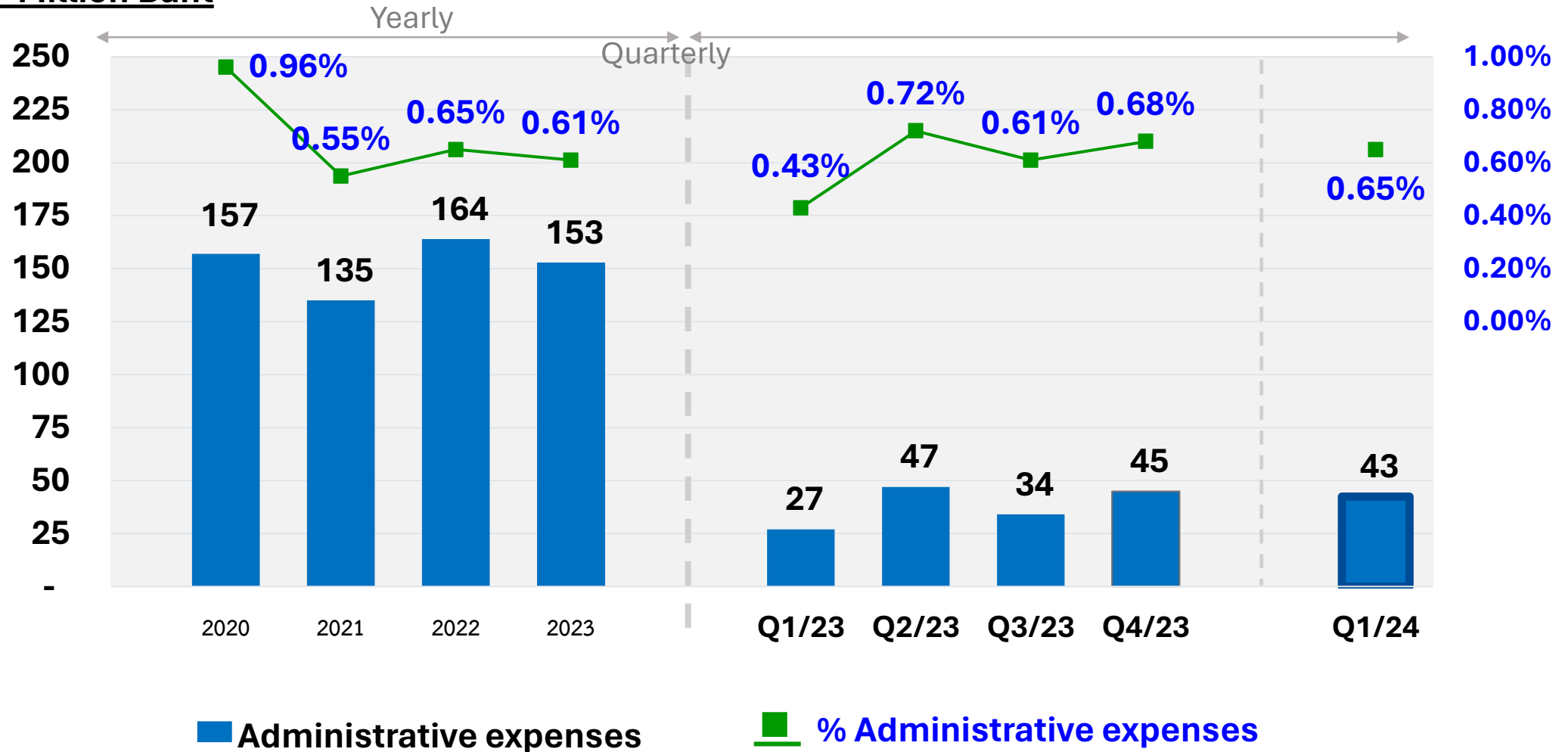
# Selling Expenses

**Unit : Million Baht**



# Administrative Expenses

Unit : Million Baht

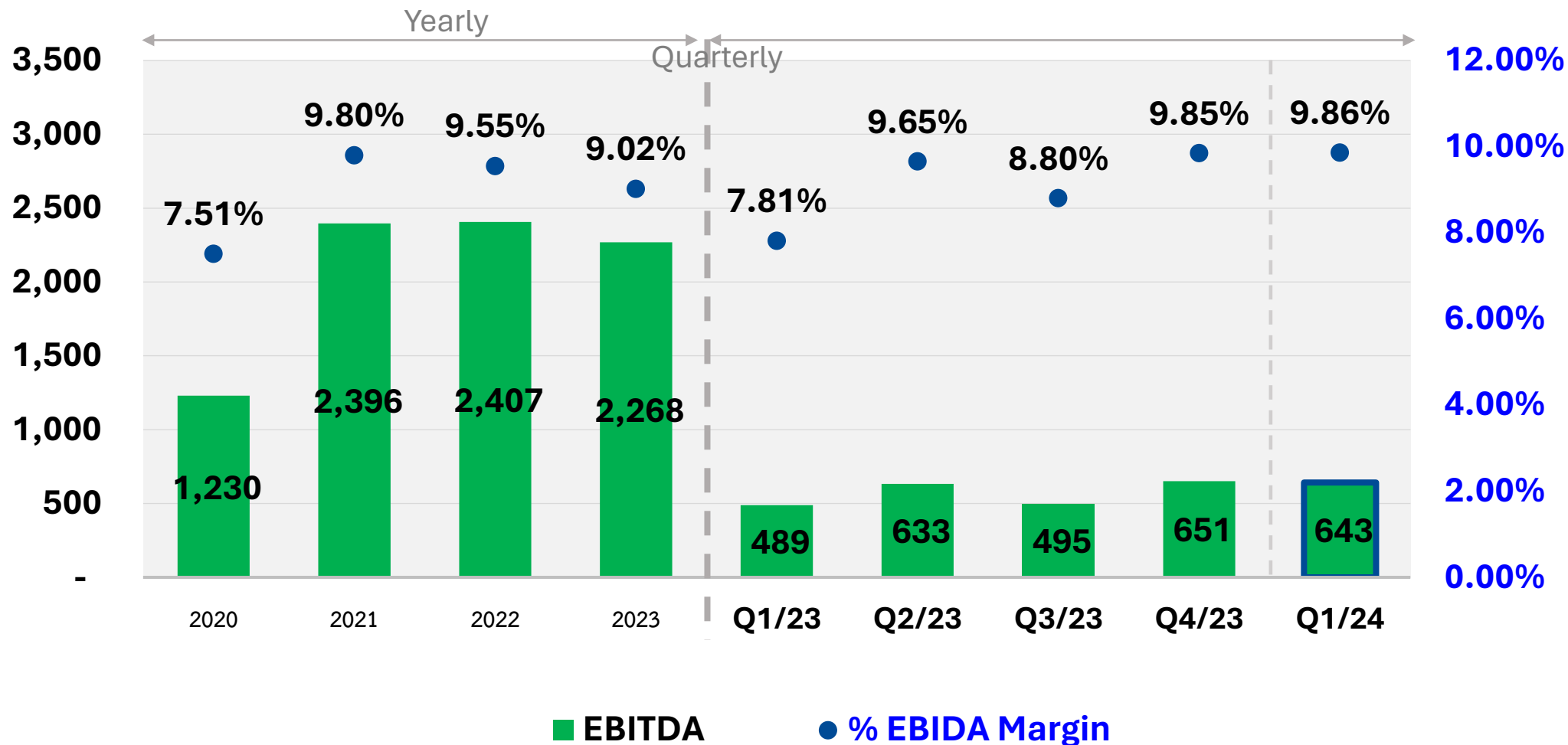




# Profit from Operating Activities : EBITDA

Unit : Million Baht

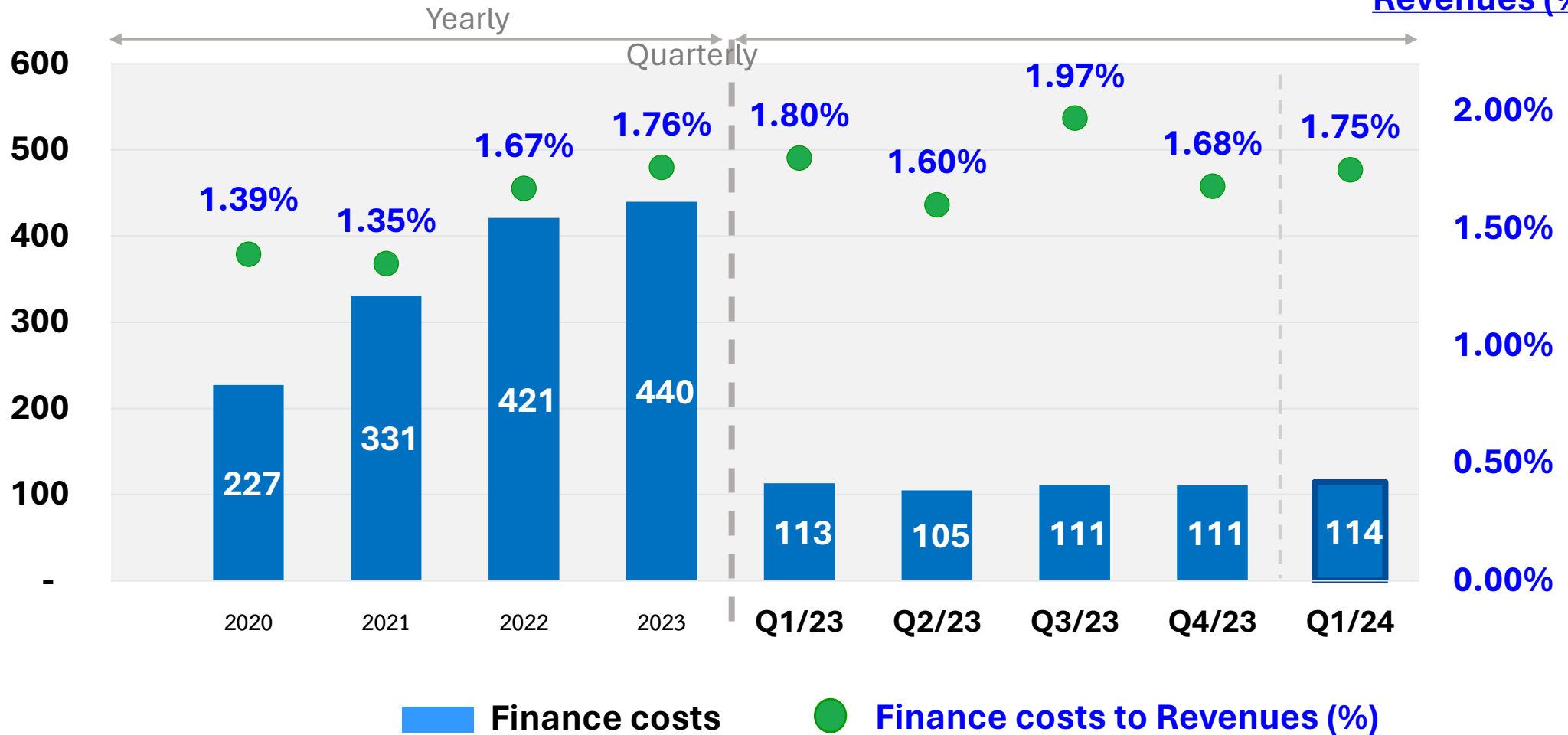
% EBITDA



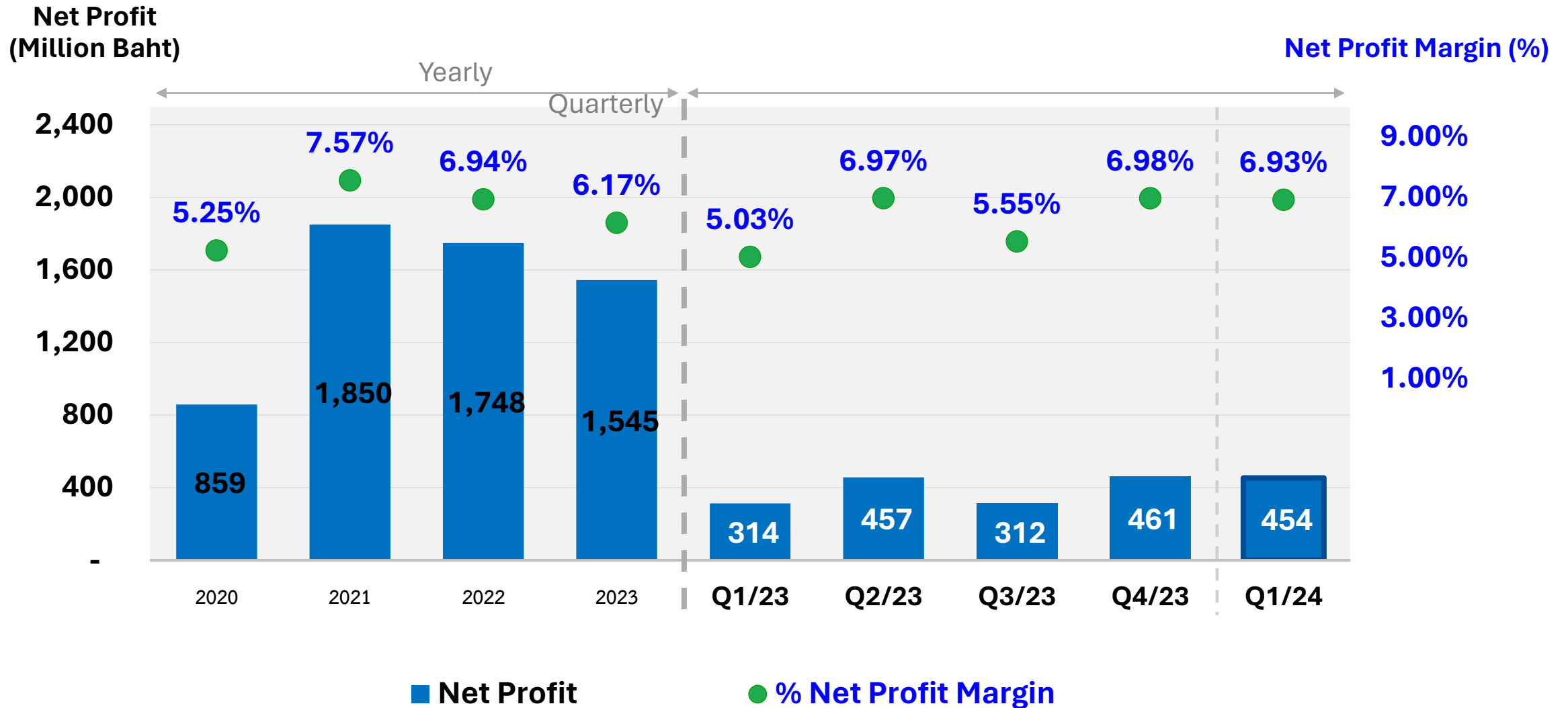
# Finance Costs

**Unit : Million Baht**

**Finance costs to Revenues (%)**



# Net Profit & Net Profit Margin

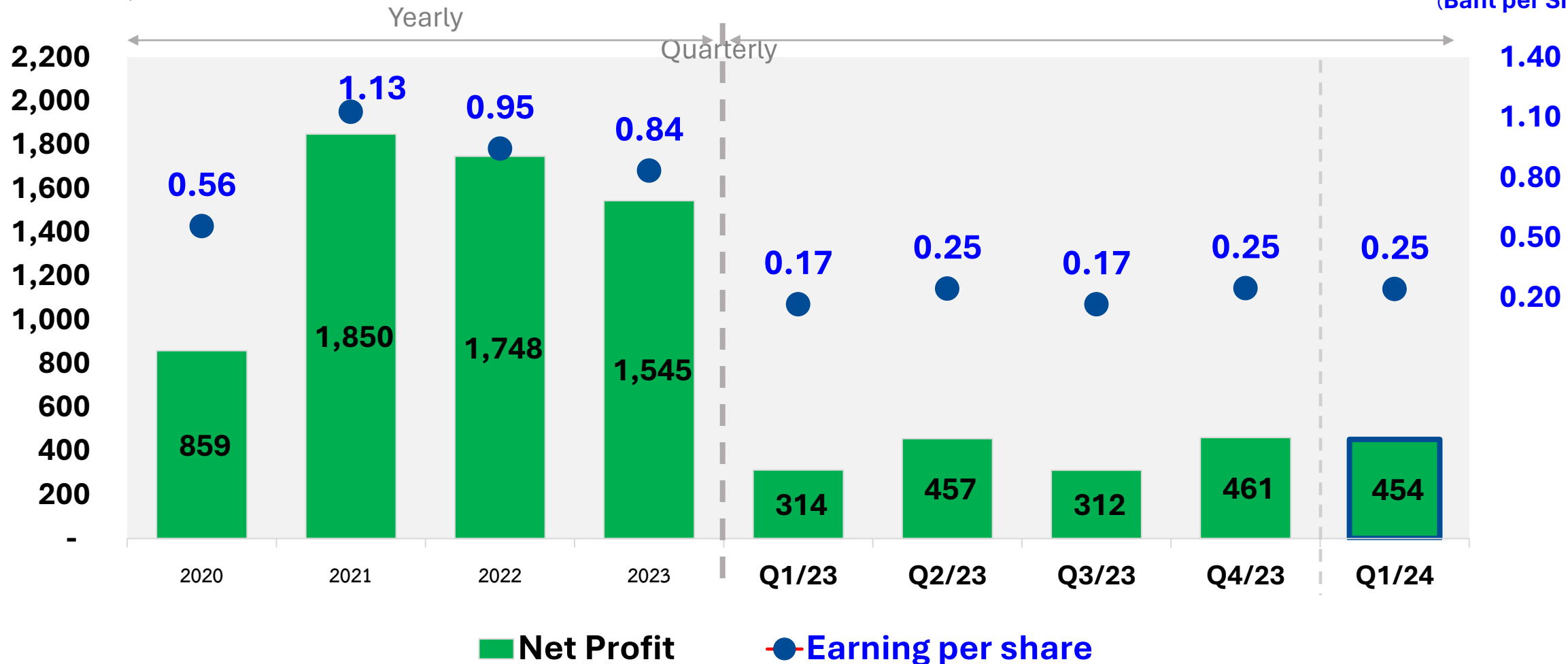




# Earning per share

Net Profit  
(Million Baht)

Earning per share  
(Baht per Share)





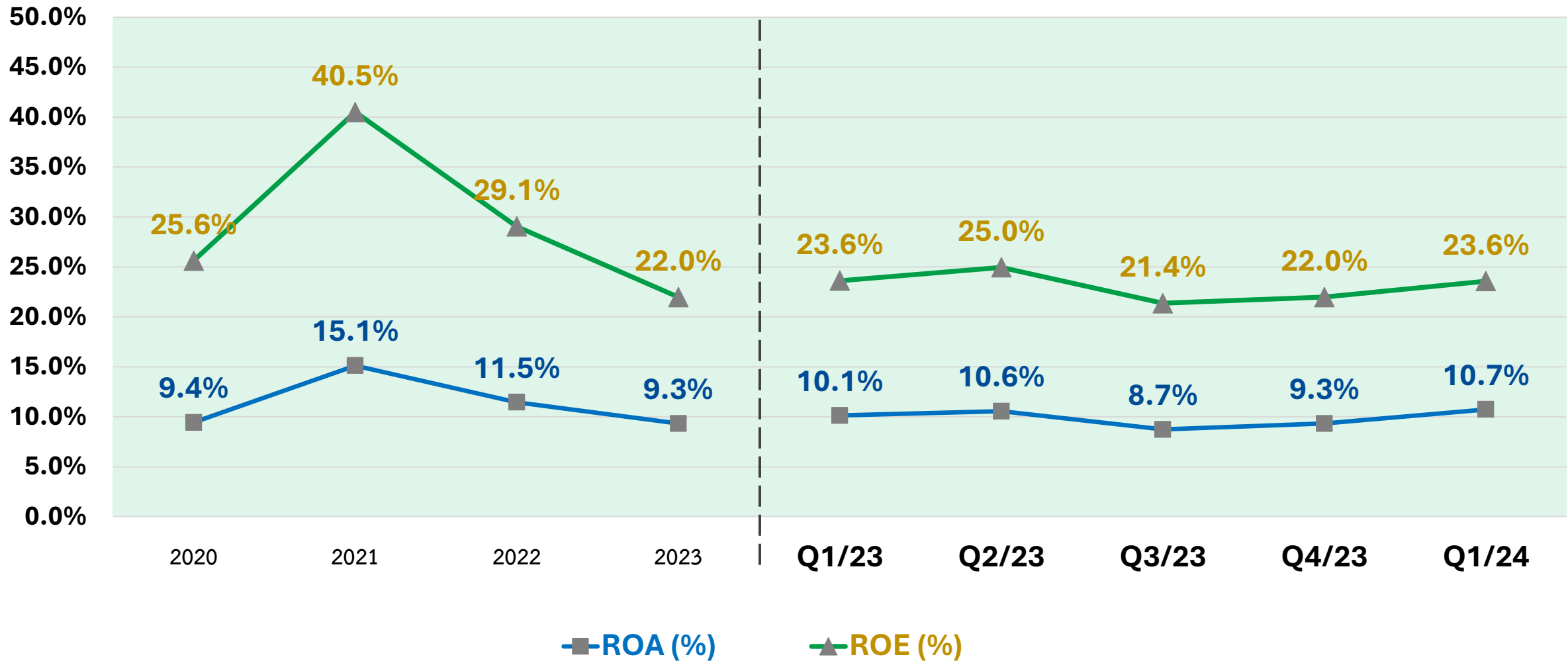
# Statement of Financial Position

Unit : Million Baht

Detail	Y.2021	Y.2022	Y.2023	Q1/24
<b>Current Assets</b>	<b>12,416</b>	<b>14,232</b>	<b>14,627</b>	<b>14,748</b>
<b>Non-Current Assets</b>	<b>1,823</b>	<b>2,074</b>	<b>2,212</b>	<b>2,242</b>
<b>Liabilities</b>	<b>8,793</b>	<b>9,718</b>	<b>9,371</b>	<b>9,068</b>
<b>Shareholder's Equity</b>	<b>5,446</b>	<b>6,588</b>	<b>7,468</b>	<b>7,922</b>

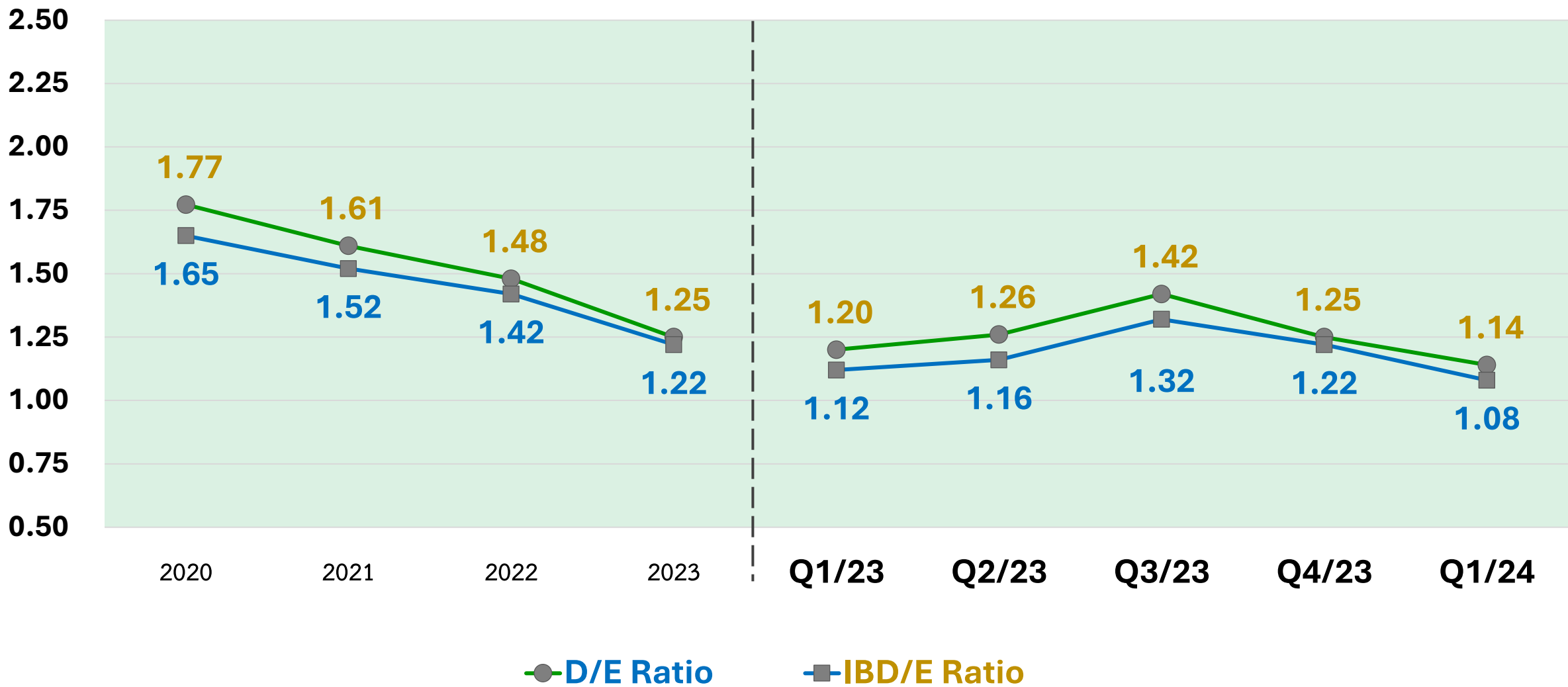


# Return on Assets (ROA) & Return on Equity (ROE)





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

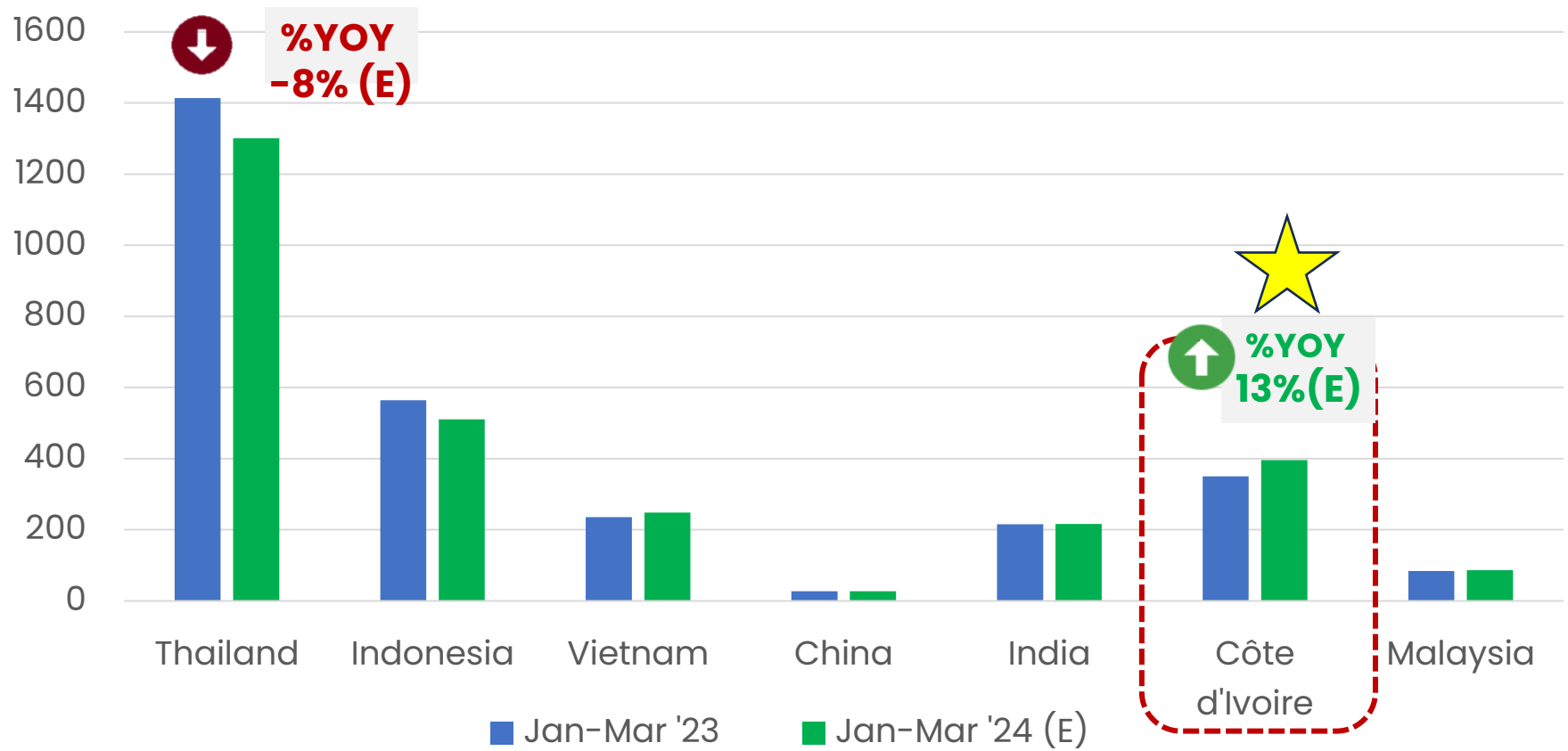




# MARKET OUTLOOK

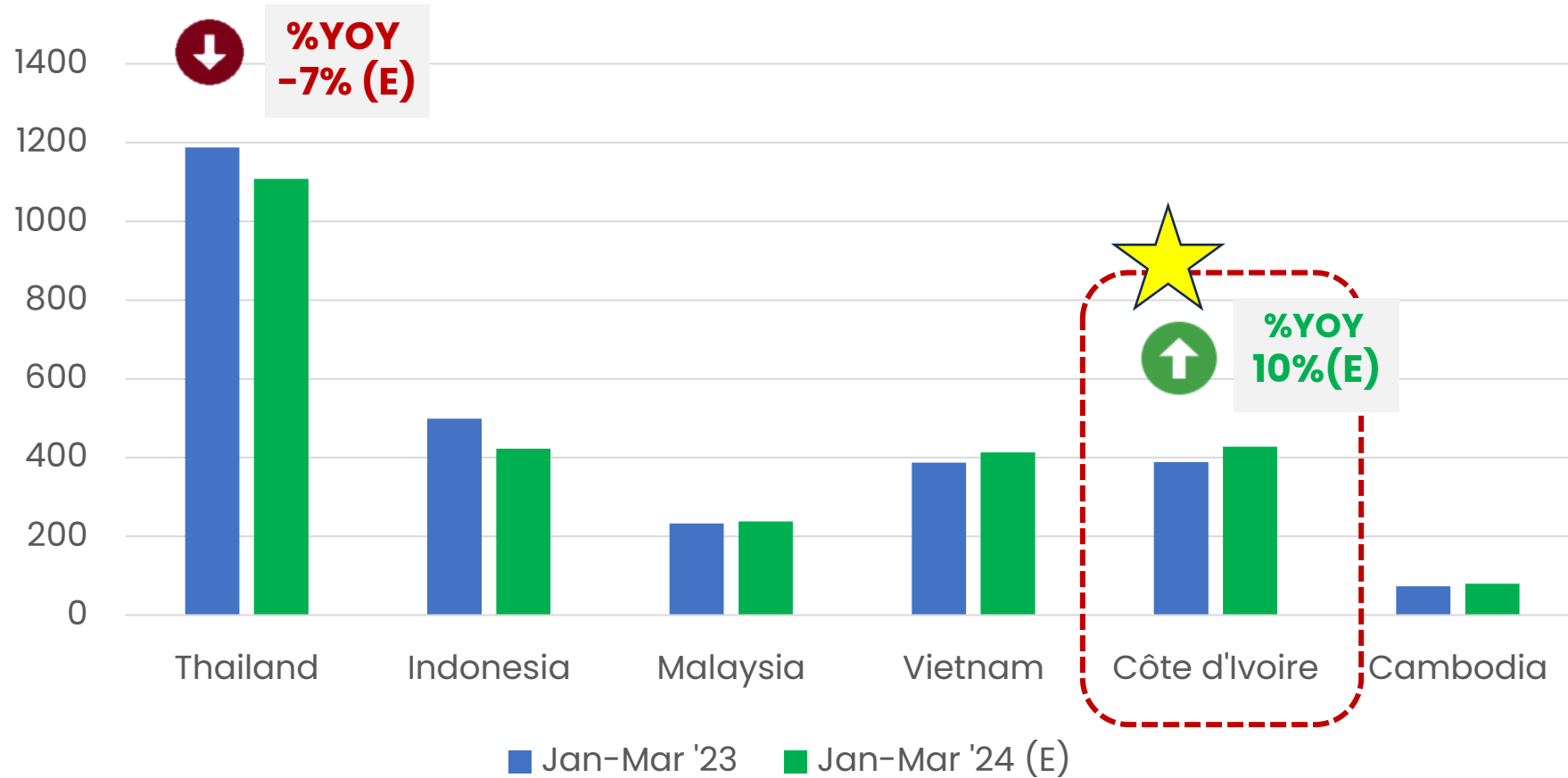
# SUPPLY : Natural Rubber Production Trend

## Natural Rubber Production Trend ('000 Units)



# SUPPLY : Natural Rubber Export Trend

## Natural Rubber Export Trend ('000 Units)



## SUPPLY : NER Rubber Plantation for EUDR



**Total size** ≈ 3,200 Hectares (20,000 Rai)  
≈ 5,000 Tons

**Location :** 4 districts in Buriram

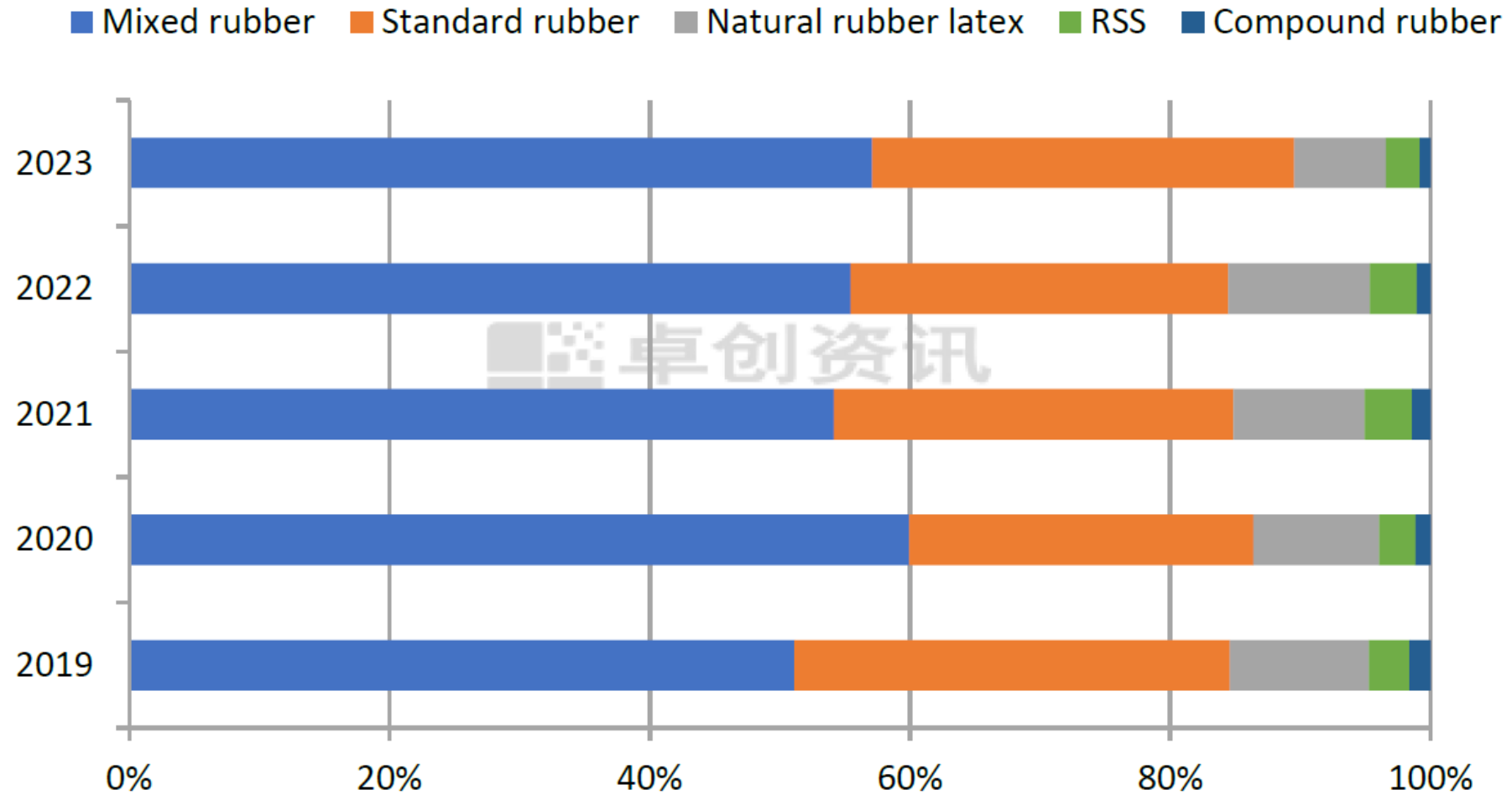
- Nong Ki (≈ 70 Km from factory)
- Non Suwan (≈ 70 Km from factory)
- Lahan Sai (≈ 50 Km from factory)
- Ban Kruat (≈ 30 Km from factory)

**Total Farmers :** 40-50 Farmers  
(Approximate Polygon)

**Period** : 4 Months (May – Aug 2024)

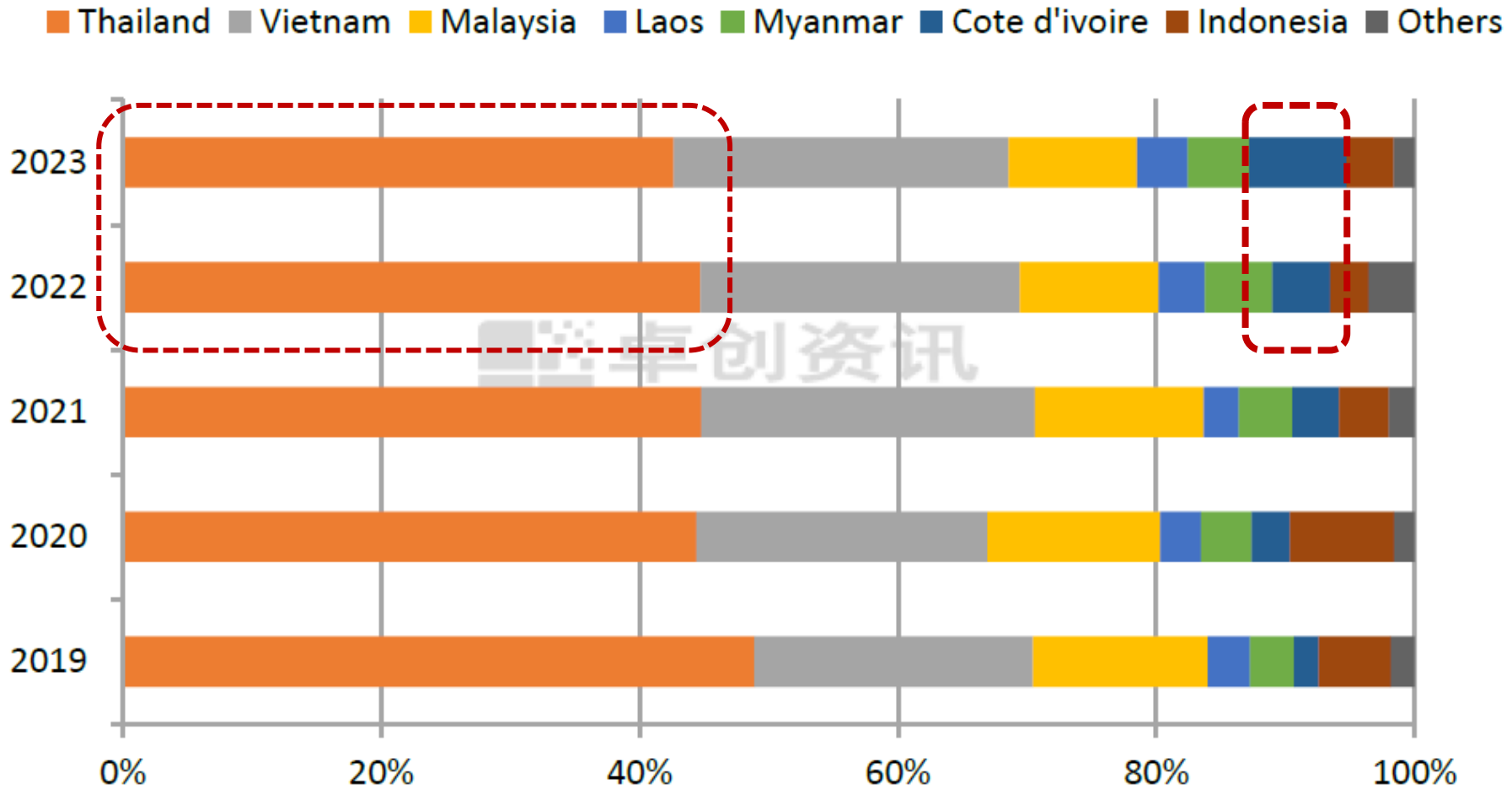


# DEMAND : 2019–2023 China Natural Rubber Import by Rubber Grade



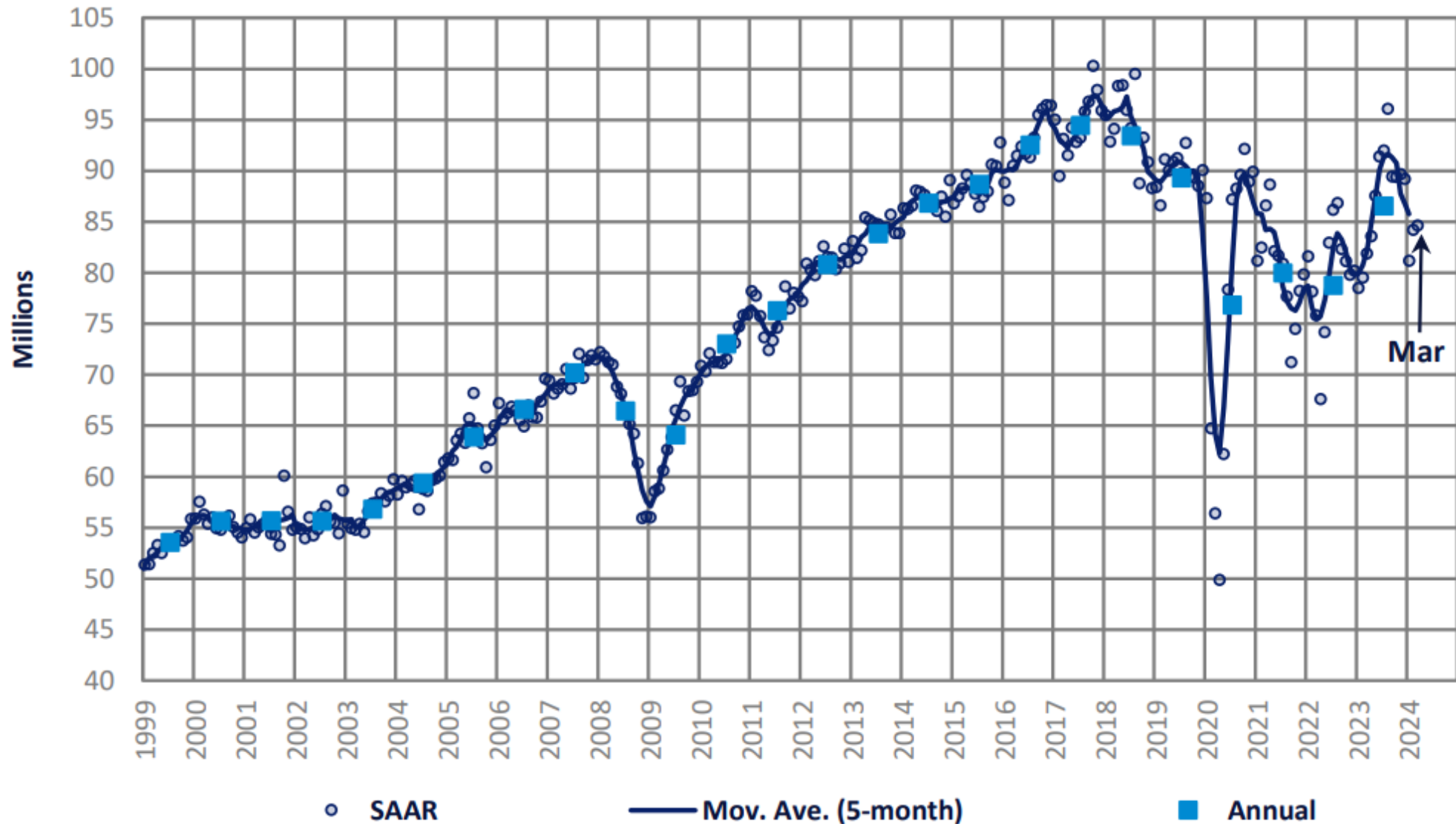
Source: GACC

# DEMAND : 2019–2023 China Natural Rubber Import by Origin



Source: GACC

# DEMAND :Global Light Vehicles Sales





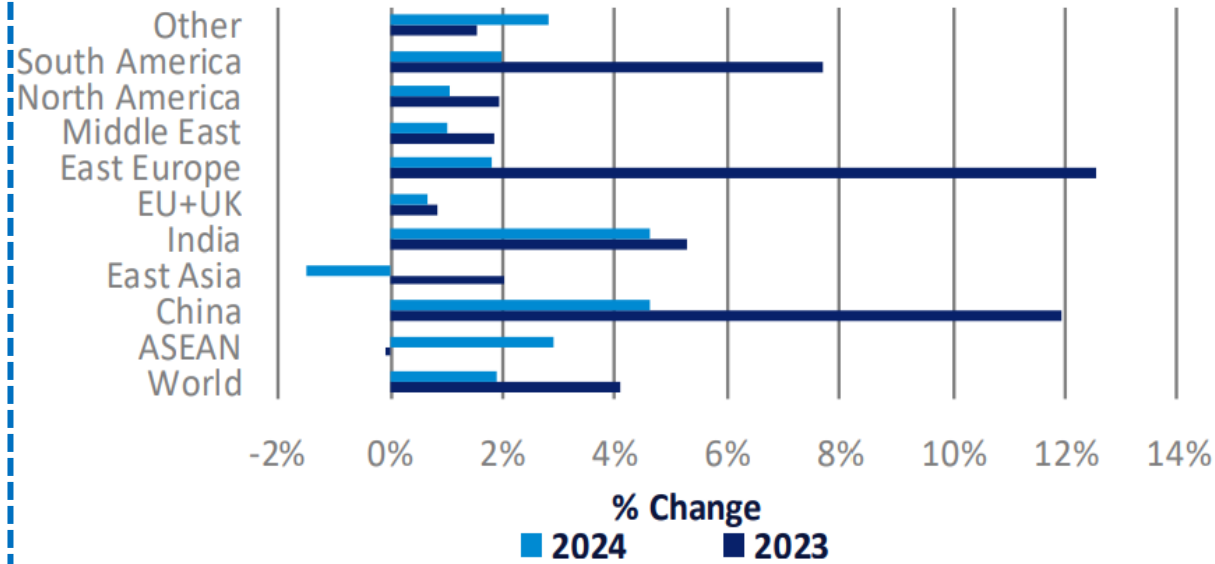
# DEMAND :Global Light Vehicles Sales by Country

	Sales (units)						Selling rate (Units/year)			
	Mar 2024	Mar 2023	Percent change	Year to date 2024	Year to date 2023	Percent change	Mar 2024	Year to date 2024	Year 2023	Percent change
WORLD	8,025,698	7,878,594	1.9%	20,762,040	19,895,025	4.4%	84,631,357	83,334,732	86,577,895	-3.7%
USA	1,436,882	1,361,524	5.5%	3,746,081	3,563,929	5.1%	15,460,599	15,353,066	15,552,300	-1.3%
CANADA	158,822	148,208	7.2%	391,456	356,885	9.7%	1,714,052	1,883,958	1,691,271	11.4%
WESTERN EUROPE	1,453,764	1,469,052	-1.0%	3,514,861	3,323,241	5.8%	13,063,036	13,714,172	13,265,481	3.4%
EASTERN EUROPE	404,818	334,569	21.0%	1,049,377	823,123	27.5%	4,653,693	5,073,836	4,017,109	26.3%
JAPAN	448,020	567,466	-21.0%	1,122,613	1,371,260	-18.1%	3,424,367	3,744,224	4,744,288	-21.1%
KOREA	143,442	163,245	-12.1%	372,125	424,185	-12.3%	1,683,929	1,577,697	1,712,593	-7.9%
CHINA	2,154,103	2,047,152	5.2%	5,341,496	5,052,617	5.7%	24,122,178	21,330,051	25,230,209	-15.5%
BRAZIL / ARGENTINA	199,999	223,991	-10.7%	563,269	550,785	2.3%	2,389,596	2,460,522	2,602,618	-5.5%
OTHER	1,625,848	1,563,386	4.0%	4,660,762	4,429,001	5.2%	18,119,906	18,197,206	17,762,027	2.5%
Notes:	<p>The percentage change in the final column compares the average selling rate in the year-to-date with the last full year.                      Late reporting countries and estimates are included in "Other".                      Eastern Europe includes Turkey.                      China includes estimate of light vehicle imports.</p>									

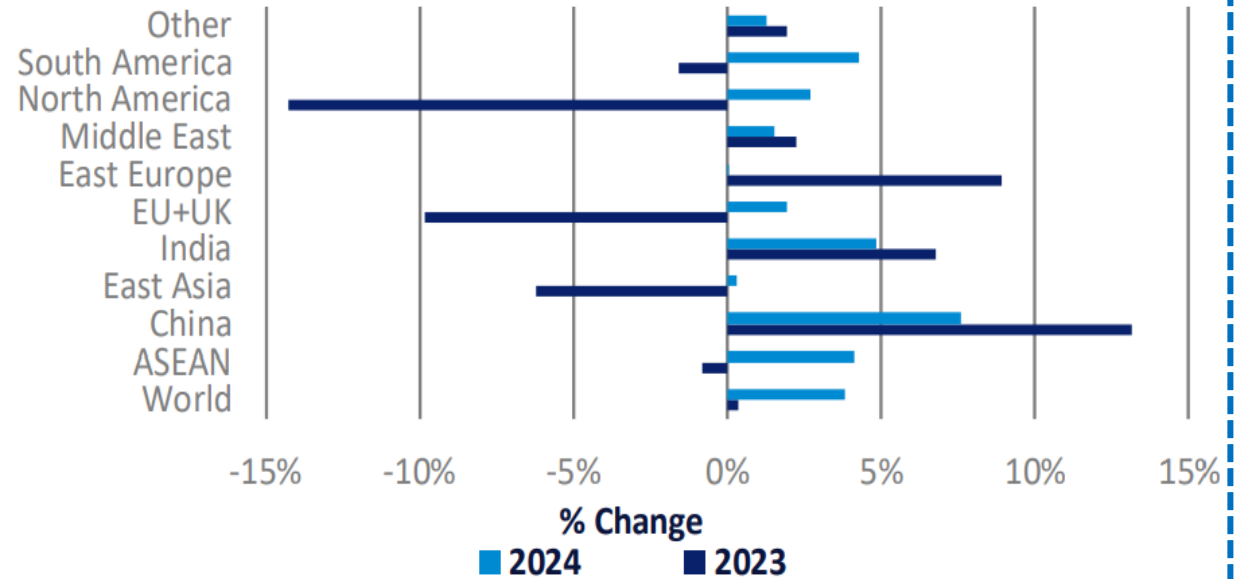
# DEMAND : Global Tyre Forecasting Sales

## Overview

Change in total light vehicle tyre sales



Change in total MHCV tyre sales





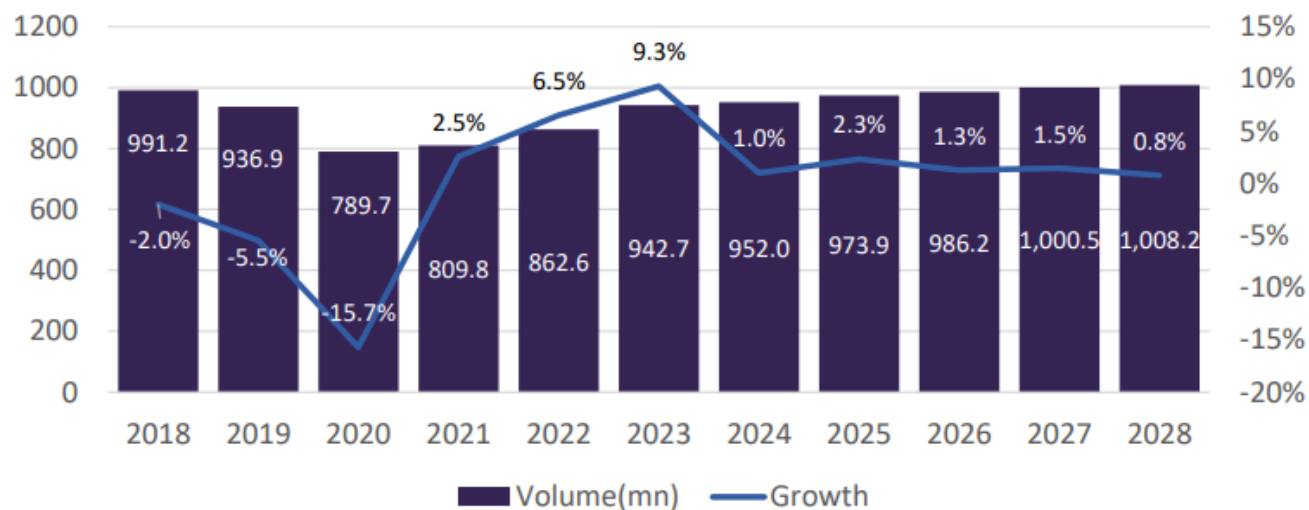
# DEMAND : Global Tyres and Wheels Forecasting Volumes

The global volume of tyres and wheels market is anticipated to increase over the forecast period

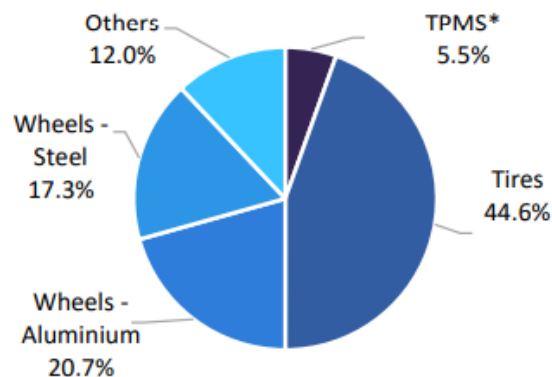
The global tyres and wheels market was at 942.7 mn units in 2023, recording a substantial annual growth of 9.3%. However, the sector posted a negative CAGR of 1.0% during 2018–23. Over the forecast period, the sector is expected to record a CAGR of 1.4% to reach 1.0 bn units by 2028.

Tyres garnered a share of 43.8% in 2023 and are expected to account for 43.9% by 2028 while wheels aluminum accounted for 22.7% in 2023 and is expected to account for 25.1% by 2028. Wheels steel accounted for 15.9% in 2023 and is expected to decline to 14.6% by 2028 while TPMS accounted for 6.9% in 2023 and is expected to account for 7.4% by 2028.

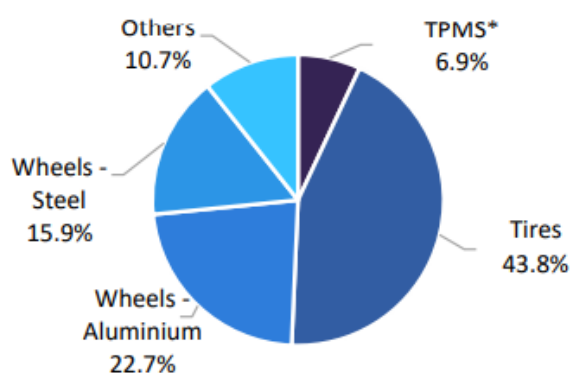
Tyres and Wheels market size (units) and growth, 2018–28



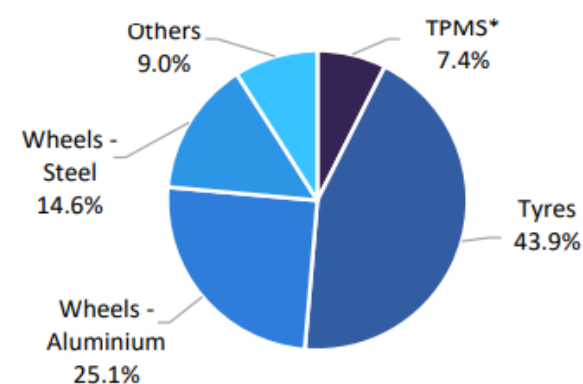
Share in 2018



Share in 2023



Share in 2028



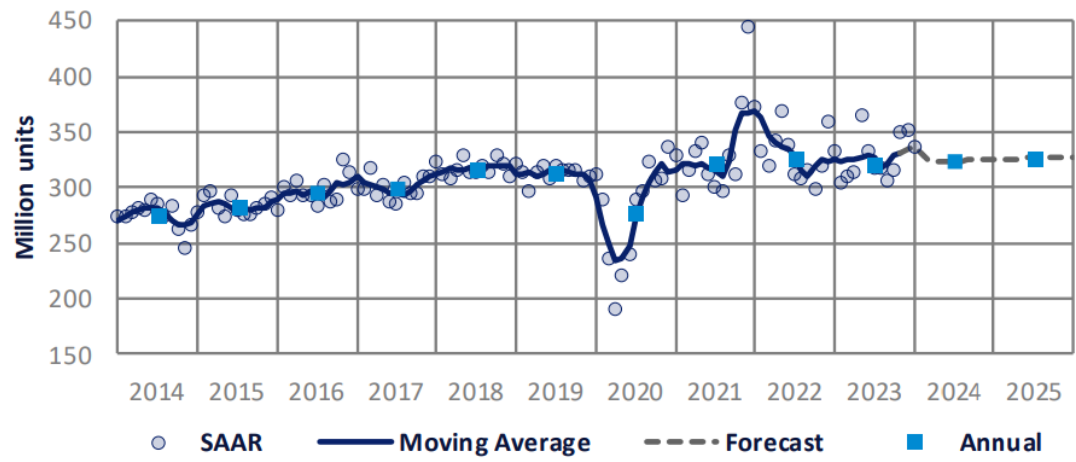




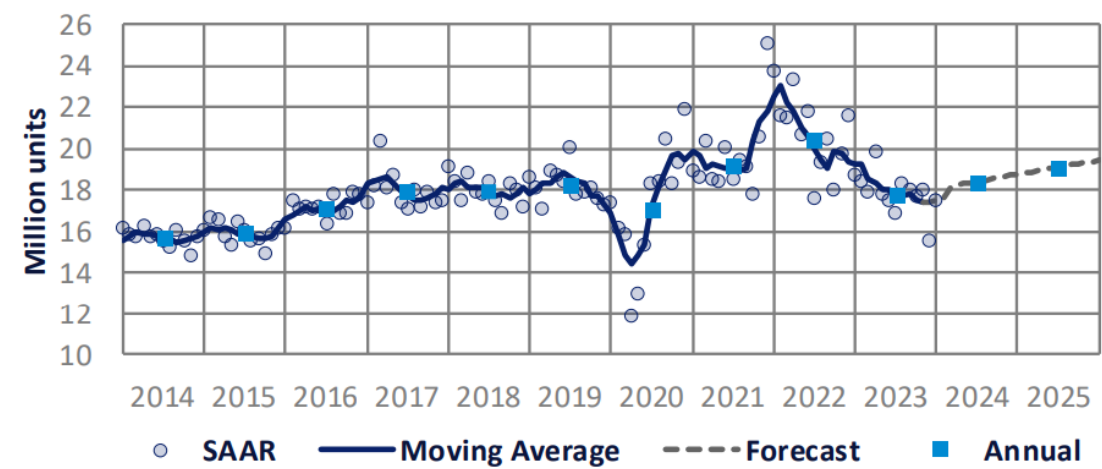
# DEMAND : Replacement Tyre Forecasting Sales

## Europe

### Light vehicle replacement tyre sales

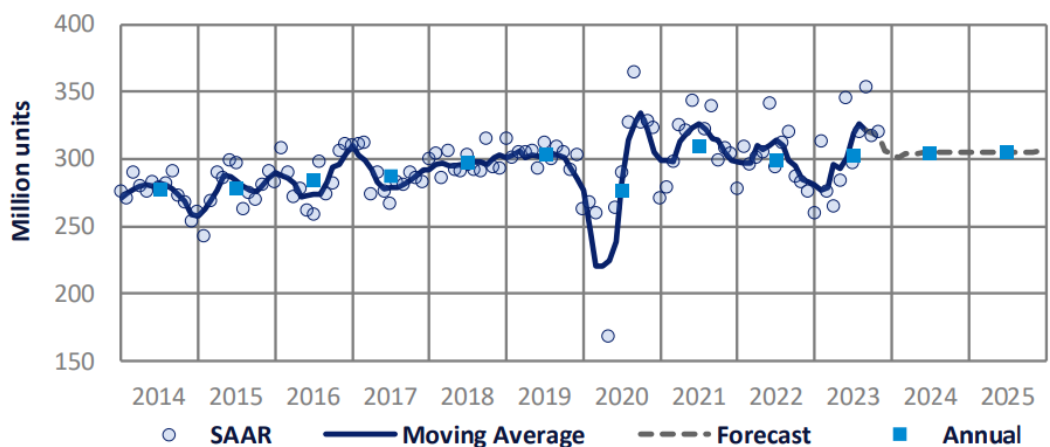


### MHCV replacement tyre sales

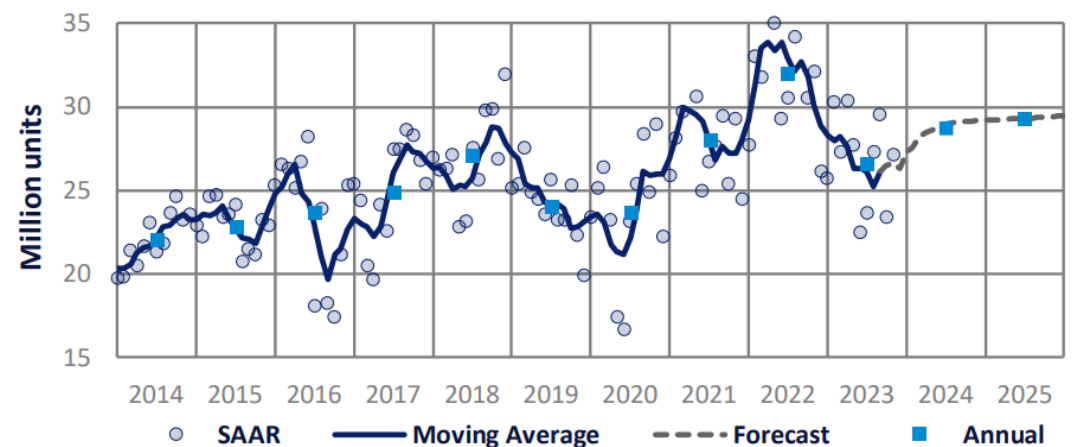


## NAFTA

### Light vehicle replacement tyre sales



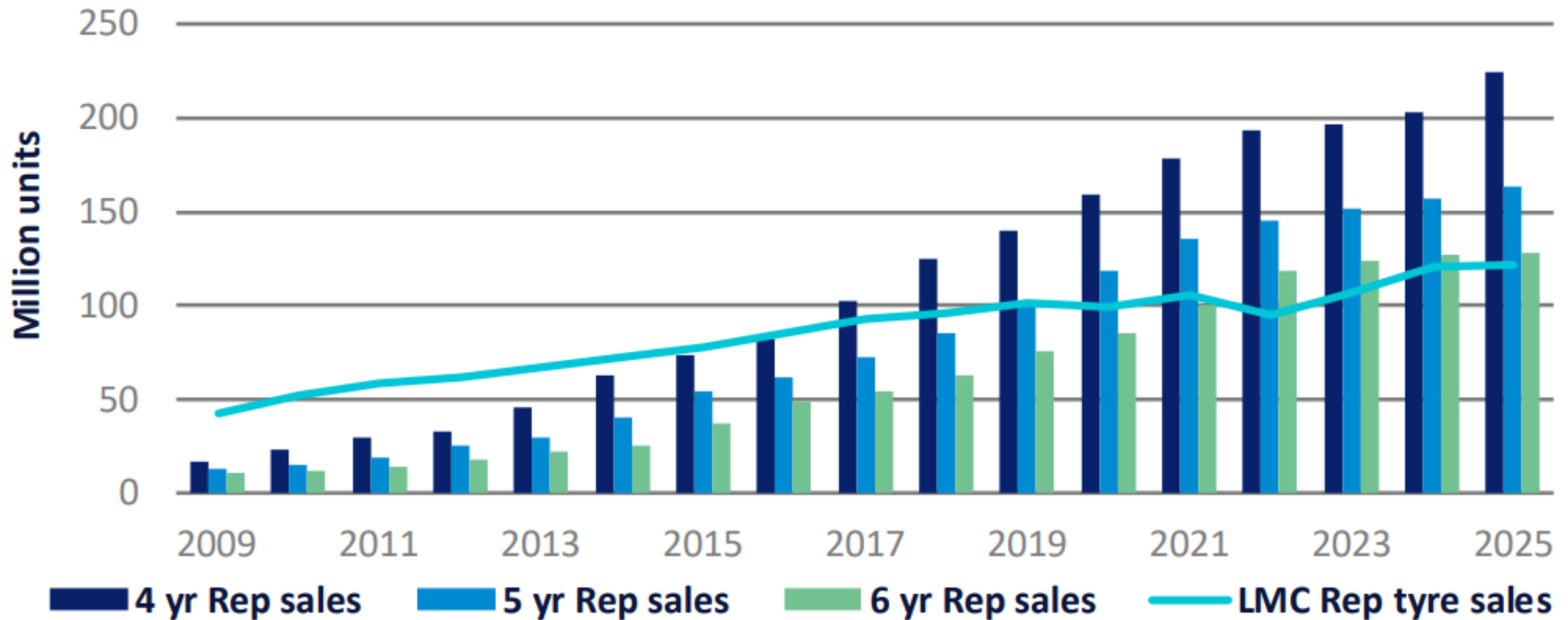
### MHCV replacement tyre sales





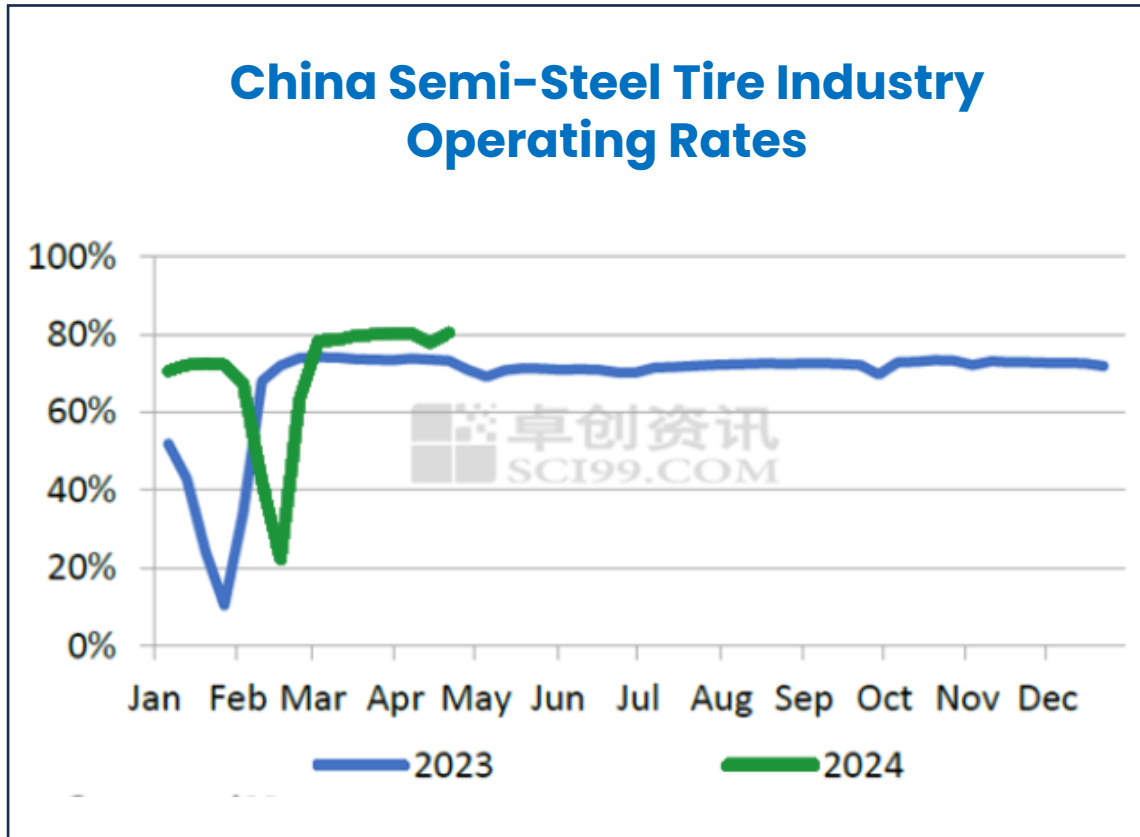
# DEMAND : China Replacement Tyre Sales Forecasting

## Replacement tyre sales growth



# DEMAND : 2023-2024

## China Semi-Steel & All Steel Tire Industry Operating Rates



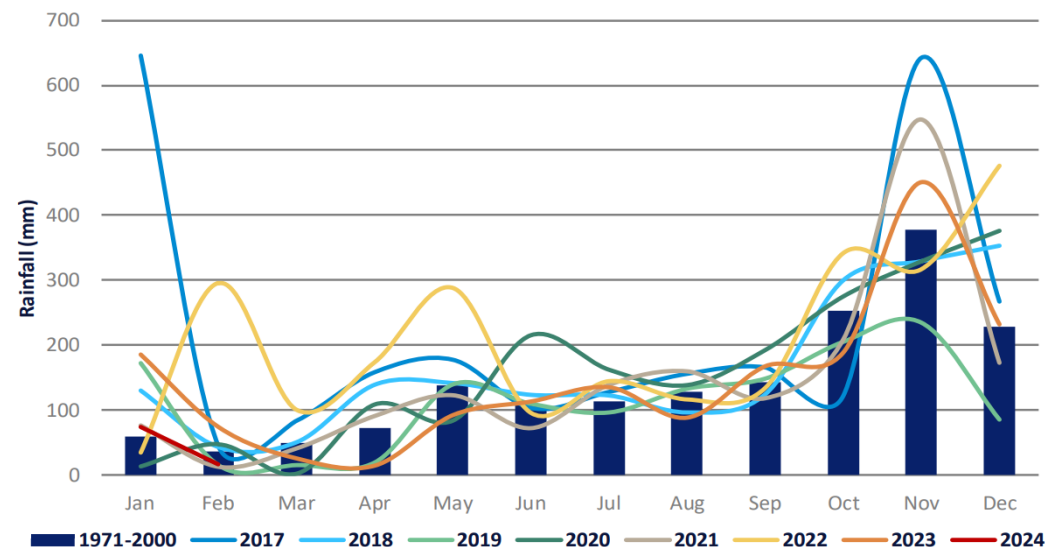


# Thailand Rainfall:

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

Part	Prediction								
	April 2024			May 2024			June 2024		
	Rain (mm)	Rainy Days	Comparing with normal	Rain (mm)	Rainy Days	Comparing with normal	Rain (mm)	Rainy Days	Comparing with normal
Northern	40-60	5-7	30% Below normal	100-140	13-15	30% Below normal	120-160	12-15	Near normal
Northeastern	50-80	7-9	30% Below normal	130-170	13-15	20% Below normal	130-170	12-15	Near normal
Central	40-60	5-7	30% Below normal	90-120	12-14	30% Below normal	100-140	11-14	10 % Above normal
Eastern	60-90	7-9	30% Below normal	120-160	13-15	30% Below normal	140-180	12-15	10 % Above normal
Southern Thailand (East Coast)	50-80	5-7	30% Below normal	100-140	12-14	10% Below normal	100-140	10-13	10 % Above normal
Southern Thailand (West Coast)	90-120	12-14	30% Below normal	280-320	18-20	Near normal	290-340	17-20	10 % Above normal
Bangkok Metropolis and Vicinity	50-80	5-7	30% Below normal	120-160	13-15	30% Below normal	150-190	12-15	10 % Above normal

### Rainfall – Southern Thailand, East Coast



The average rainfall in Southeast Thailand again fell to 59% below normal in February and continue falling to 30% below normal in April

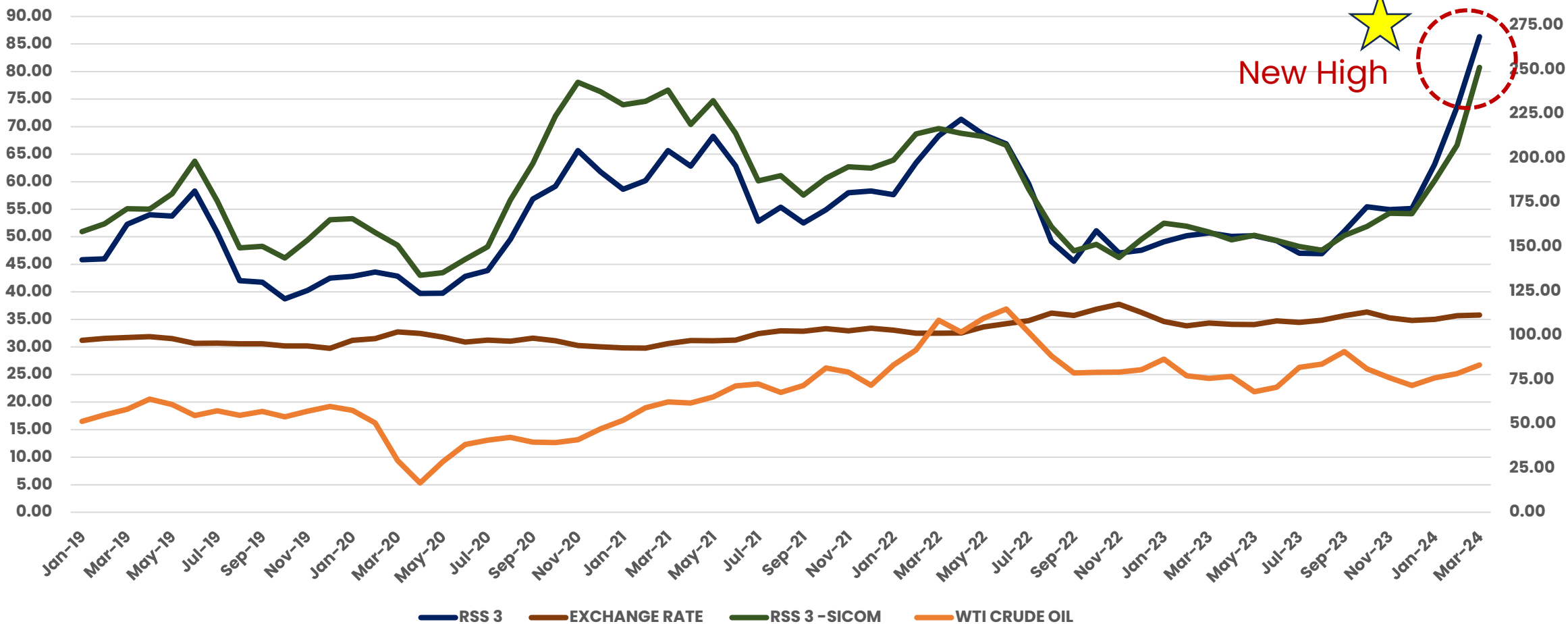


# RSS 3-Central Rubber Market, Songkla

## 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)





# ESG

# STEP TOWARD ACHIEVING CARBON NEUTRALITY 2030



Based year 2022  
Carbon Footprint Organization Certified

- Scope I : 9,036 tCO<sub>2</sub>eq/year
- Scope II : 16,814 tCO<sub>2</sub>eq/year
- Scope III : 92,905 tCO<sub>2</sub>eq/year

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



**Biogas plant**  
4.38 MW

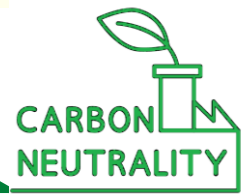
- ✓ **Heat energy substitution**
  - Energy Cost Reduction **9.35 Million THB**
  - GHG Emission Reduction **663.6 tCO<sub>2</sub>eq/year**
- ✓ **Electricity substitution**
  - Energy Cost Reduction **20.15 Million THB**
  - GHG Emission Reduction **2,518.05 tCO<sub>2</sub>eq/year**



**6 MW SOLAR ROOFTOP**  
In 2024  
*As of 5 MW installation*  
- Energy Cost Reduction **21.72 Million THB**  
- GHG Emission Reduction **2,394 tCO<sub>2</sub>eq/year**



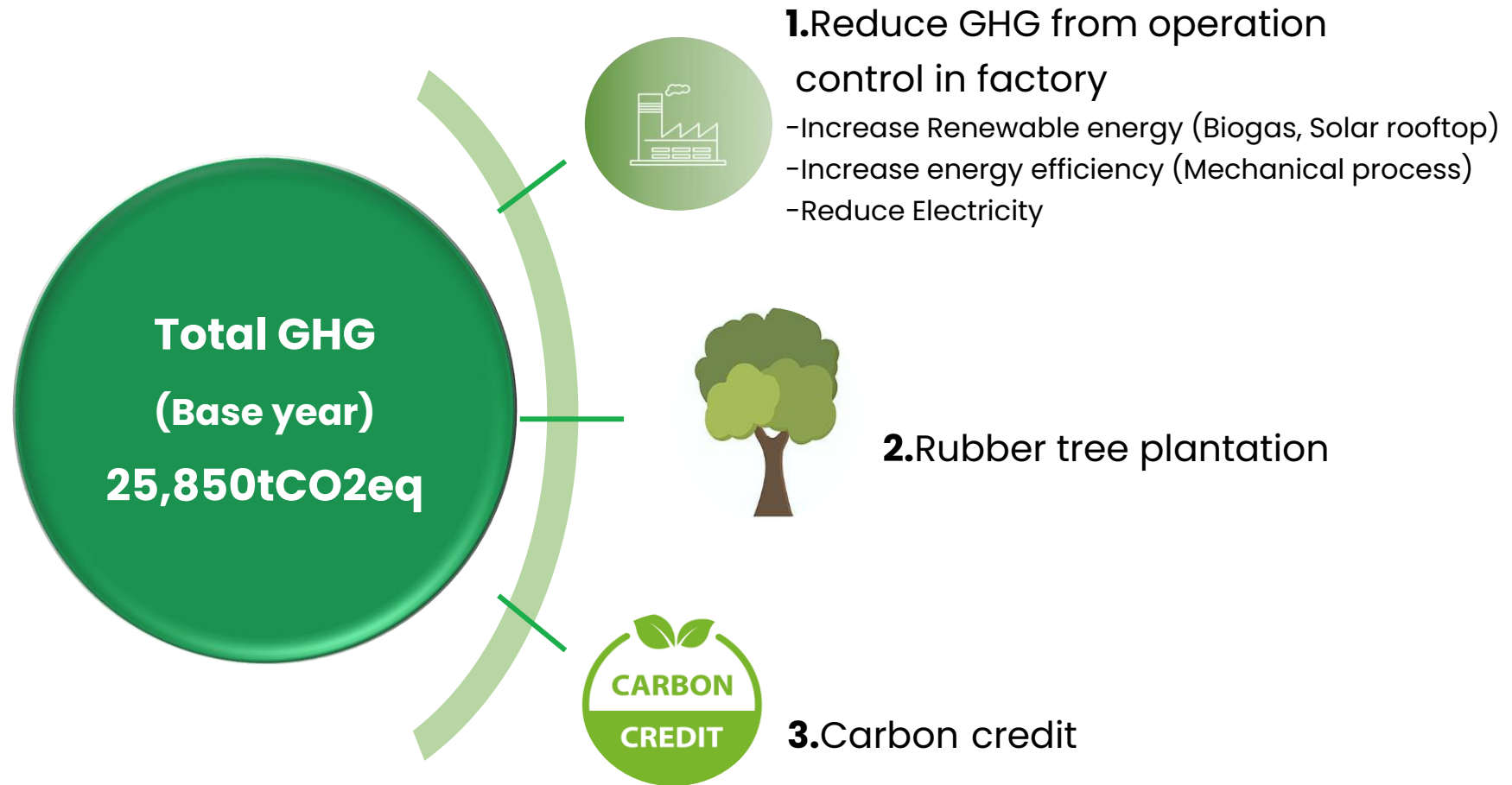
**Rubber tree plantation**  
100,000 Rai  
Rubber plantation Aged 1-5 years can absorb CO<sub>2</sub>  
1.07 Tons / Rai / year



**CARBON NEUTRALITY**

2015                      2019                      2021    2022    2023    2024                      ----->>> **by 2030**

# Pathway to Carbon Neutrality 2030





# ESG Project conclusion Q1 2024

SDGs	Project	Result (Jan-Mar 2024)
<p><b>Environmental</b></p>   	<ul style="list-style-type: none"> <li>➤ NER Reducing plastic waste in production process</li> <li>➤ Changing heat extractor from Chillier to Cooling Tower (Finish Installation on May2024)</li> <li>➤ Installing Capacitor Bank</li> <li>➤ Collaborating with the value chain to do LESS (LESS: Low Emission Support Scheme)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Plastic decreased by <b>2.91%</b> compared to March 2023.</li> <li>➤ Saving Cost : <b>526,851 THB/year</b></li> <li>➤ Energy Consumption : <b>146,347 KW/year</b></li> <li>➤ GHG Emission : <b>62 tCO2eq/year</b></li> <li>➤ Saving Cost : <b>146,398 THB/year</b></li> <li>➤ Energy Consumption : <b>96,034 KW/year</b></li> <li>➤ GHG Emission : <b>17 tCO2eq/year</b></li> <li>➤ Expectation is that <b>19% of suppliers will receive certification from TGO. (Supplier 37 from total 194)</b></li> </ul>
<p><b>Social</b></p>     	<ul style="list-style-type: none"> <li>➤ NER Green Market &amp; Sustainable Agricultural Vegetable plant by using NER Biogas Sludge</li> <li>➤ NER cultivate student (Chiang Mai University) about agricultural products</li> </ul>	<ul style="list-style-type: none"> <li>➤ Farmers get more income with <b>41% margin (Mar.2024)</b></li> <li>➤ <b>90.70 % Farmers Satisfaction</b></li> <li>➤ <b>94.80 % Student Satisfaction</b></li> </ul>
<p><b>Governance</b></p>   	<ul style="list-style-type: none"> <li>➤ NER Anti - Corruption Seminar</li> <li>➤ NER Sustainable Value Chain Seminar</li> </ul>	<ul style="list-style-type: none"> <li>➤ Project continues to CAC  (Thai Private Sector Collective Action Against Corruption)</li> <li>➤ This project start on June 2024, focusing on suppliers in Buriram (Approximately 80 Persons)</li> </ul>



# Q&A



# THANK YOU



NER Moving Towards a Sustainable Business