

**Riverstone Holdings Ltd**

**Results Briefing**

**FY2021**

**23<sup>rd</sup> February 2022**



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- 
- Business Overview
  - Key Milestones
  - Group Structure
  - Financial Highlights
  - Investment Merits
  - Future Outlook
  - ESG Presentation





## Manufacturing

- 1 High Tech Cleanroom Gloves
- 2 Premium Healthcare Gloves
- 3 Cleanroom Consumables





# KEY MILESTONES



Established to provide glove chlorination, laundry and packaging services to glove manufacturers in Malaysia



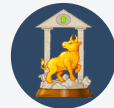
1989

1994



Pioneered the manufacture of nitrile cleanroom gloves in Malaysia

Successfully listed on the Mainboard of Singapore Exchange (SGX:AP4)



2006

2009



Diversified into production of premium healthcare gloves

Incorporated Eco Medi Glove S/B & Launched a five-year expansion plan to bring total production capacity to 8.6 billion (later revised in 2017 to 9.0 billion) by the end of FY2018



2013

2020



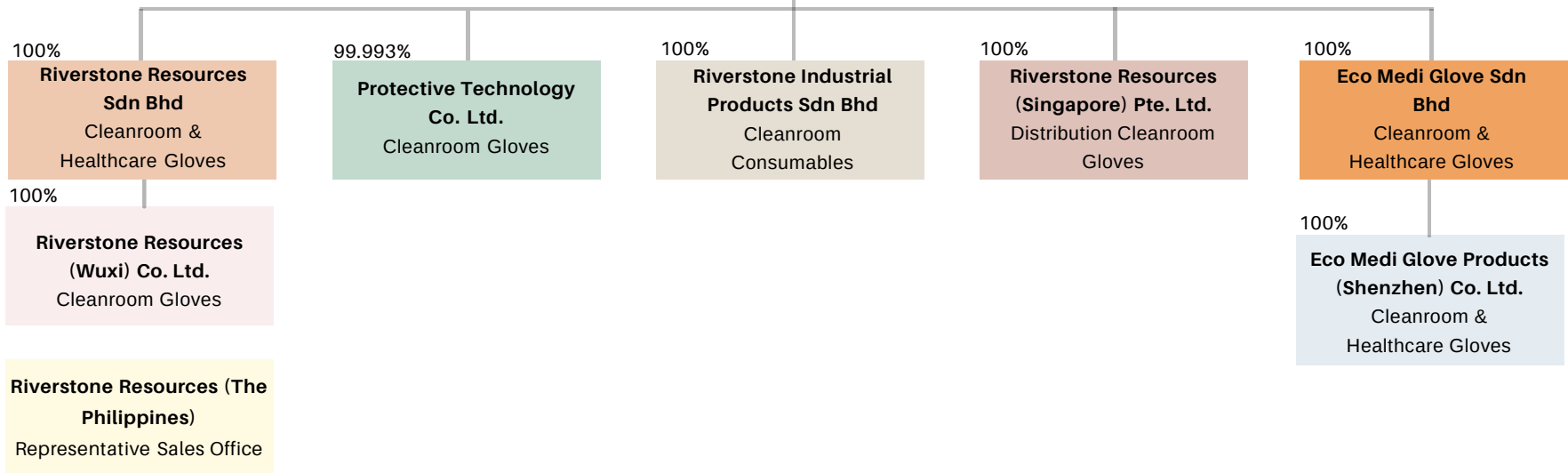
Launched phase 6 expansion plan to add another 1.5 billion pieces to 10.5 billion pieces in total annual production capacity



# GROUP STRUCTURE



**Riverstone Holdings Limited**  
(Investment Holding)









# BUSINESS SITES




 **MALAYSIA (BUKIT BERUNTUNG)**  
*RIVERSTONE RESOURCES SDN BHD*




 **MALAYSIA (TAIPING)**  
*RIVERSTONE RESOURCES SDN BHD*



 **MALAYSIA (BUKIT BERUNTUNG)**  
*RIVERSTONE INDUSTRIAL PRODUCTS SDN BHD*



 **MALAYSIA (TAIPING)**  
*ECO MEDI GLOVE SDN BHD*



# BUSINESS SITES



**CHINA**  
*RIVERSTONE RESOURCES (WUXI) COMPANY LIMITED*



**THAILAND**  
*PROTECTIVE TECHNOLOGY COMPANY LIMITED*





## 01. CLEANROOM BUSINESS



Cleanroom gloves



Cleanroom consumables

## 02. HEALTHCARE BUSINESS



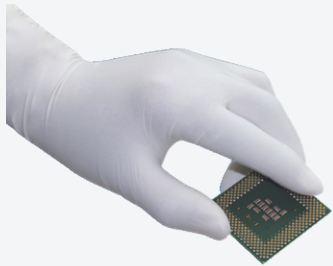
Examination gloves



Food grade gloves



Personal protective equipment



## 01 Introduction

Cleanroom gloves: **To protect semiconductor products** from contamination, corrosion & ESD.

## 02 Product Suite

- Nitrile gloves
- Latex gloves
- Finger cots
- Packaging Materials
- Face mask

## 03 Business Model

- Riverstone is an own-brand manufacturer (OBM), developing high tech cleanroom gloves that's sold directly to customers via regional offices
- Riverstone provides solutions for contamination, corrosion & ESD to customers

## 04 Market



**High end electronics & semiconductor sector**

*HDD, Mobile, Automotive, Chips, Aerospace*



**Pharmaceutical sector**



## 01 Introduction

Healthcare gloves offer users a protection barrier against biohazards whilst performing general medical practices.

## 02 Product Suite

- Procedure gloves
- High risk gloves
- Hand specific gloves
- Dental gloves
- Accelerator free gloves

## 03 Business Model

- Riverstone develops in-house & produce specialty gloves
- Riverstone is an OEM for selected customers

## 04 Market



### Healthcare sector

*Hospitals, Laboratories, Nursing homes*



### Food sector

*Manufacturers, Restaurants, Airlines, Hotels*



# FINANCIAL HIGHLIGHTS (FY2021 unaudited)

## YOY Comparison

### Result Overview

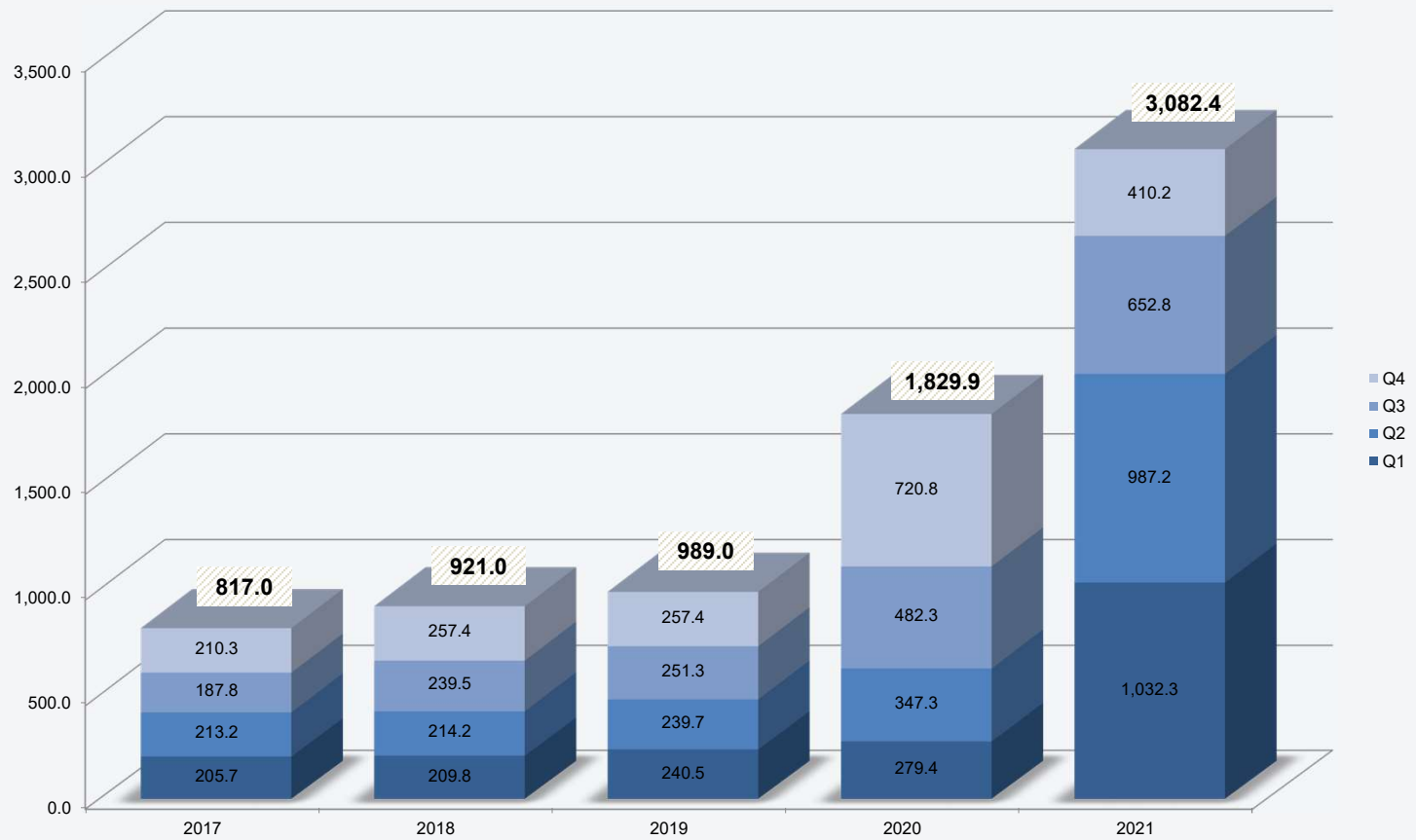
	Y2021 (RM'000)	FY2020 (RM'000)	Change (%)	4Q2021 (RM'000)	4Q2020 (RM'000)	Change (%)
Revenue	3,082,447	1,829,882	68.5	410,158	720,840	(43.1)
Gross Profit	1,906,832	897,613	112.4	154,401	448,254	(65.6)
Profit Before Tax	1,858,589	841,353	120.9	148,992	433,685	(65.6)
Net Profit	1,417,893	647,254	119.1	110,719	331,098	(66.6)

\*Totalled figures may have some discrepancy due to rounding



# FINANCIAL HIGHLIGHTS (FY2021 unaudited)

## Revenue (RM'000)

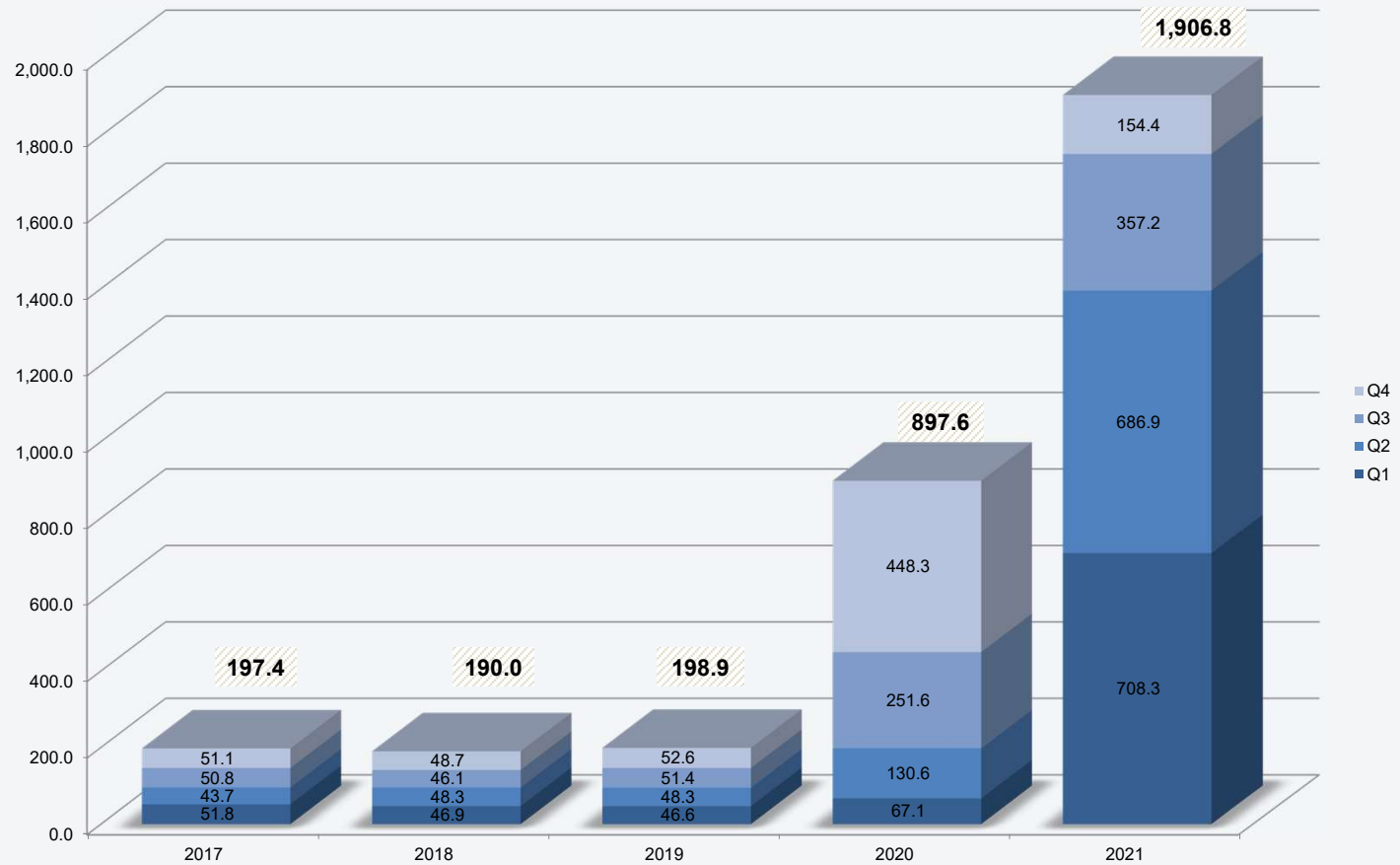


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# FINANCIAL HIGHLIGHTS (FY2021 unaudited)

## Gross Profit (RM'000)



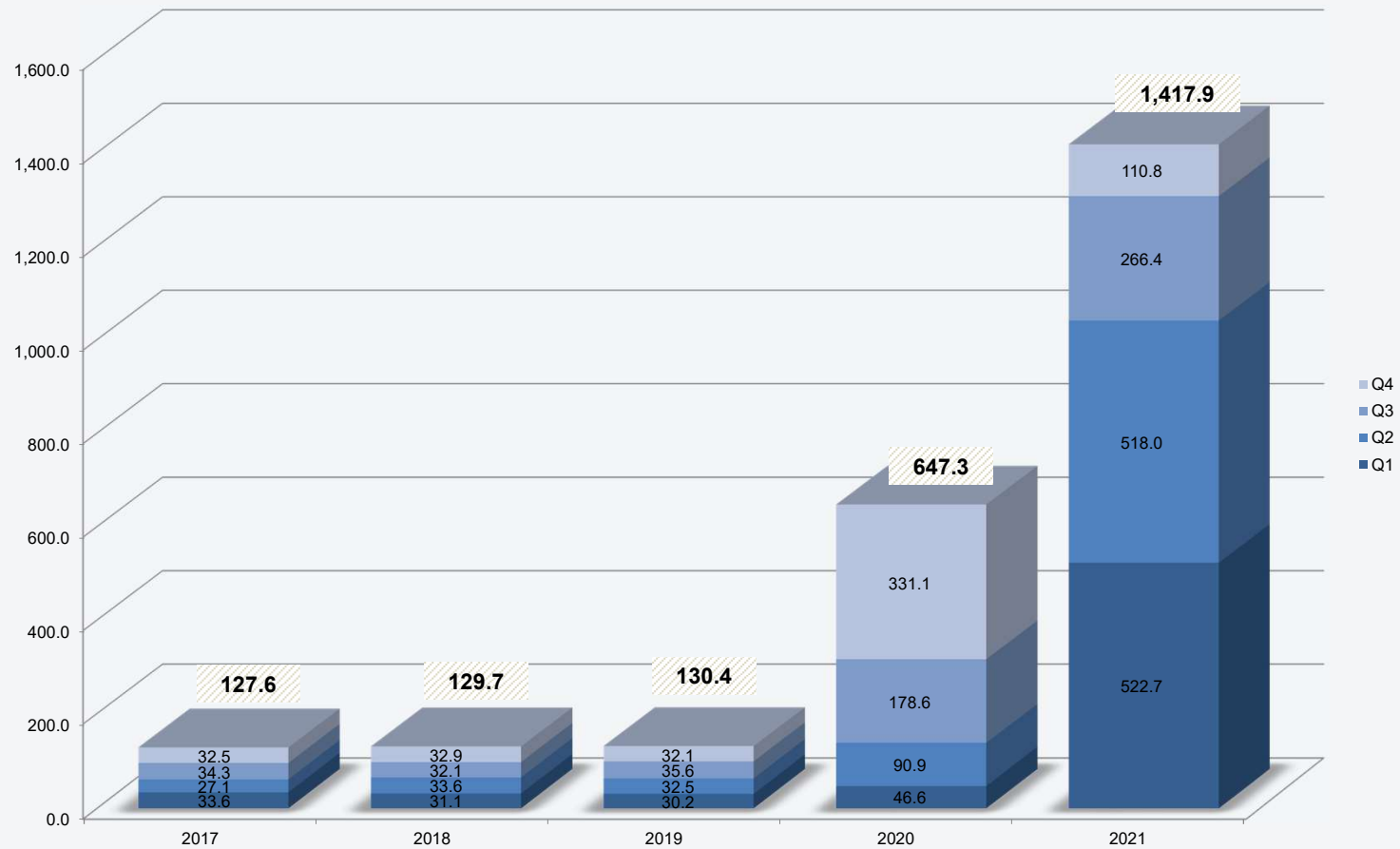
\*Totalled figures may have some discrepancy due to rounding





# FINANCIAL HIGHLIGHTS (FY2021 unaudited)

## Net Profit (RM'000)

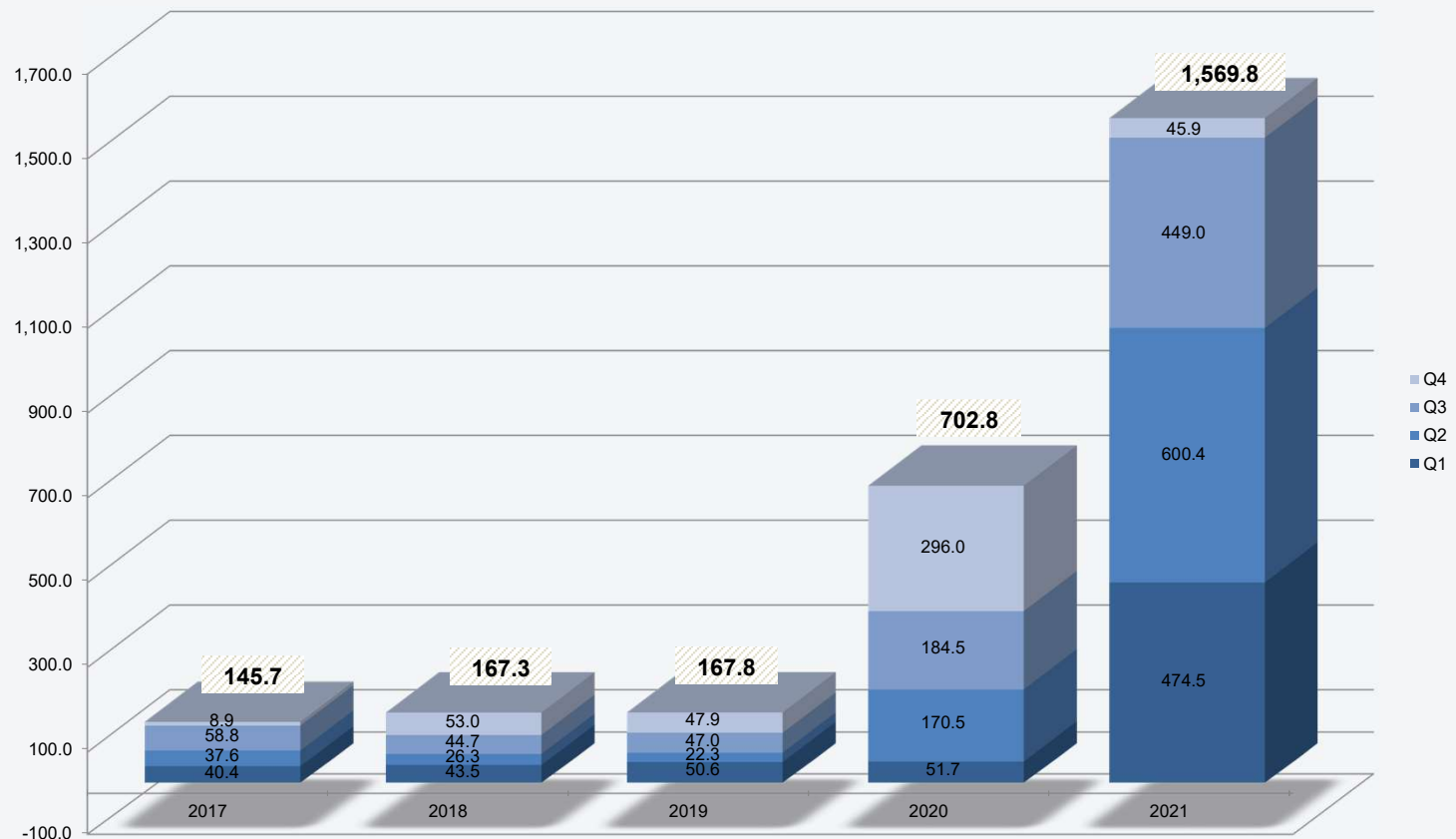


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# FINANCIAL HIGHLIGHTS (FY2021 unaudited)

## Operating Cash Flow (RM'000)



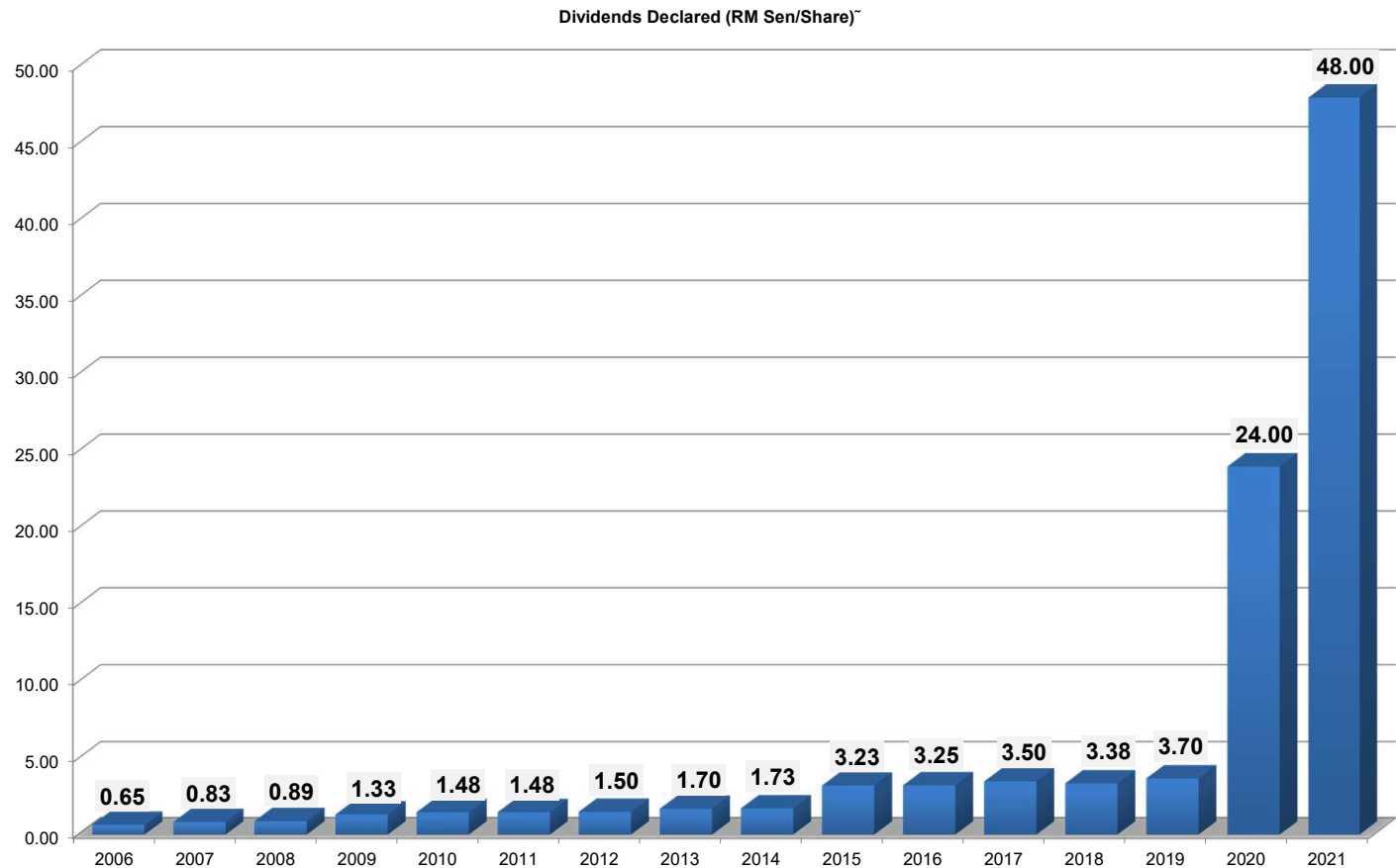
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# FINANCIAL HIGHLIGHTS (FY2021 unaudited)

## Consistent Dividend since IPO

Dividend Payout Ratio	
FY2021	50.1%
FY2020	50.4%
FY2019	42.0%
FY2018	38.6%
FY2017	40.7%
FY2016	40.0%
FY2015	37.8%
FY2014	36.0%
FY2013	42.4%
FY2012	49.3%
FY2011	48.4%
FY2010	45.5%
FY2009	55.6%
FY2008	45.2%
FY2007	45.0%





# ADVANTAGES & OPPORTUNITIES

## Competitive Advantages



Extensive R&D



Leading in-house technology  
(in terms of Electrostatic  
Discharge properties)



Partnership & collaboration with  
customers



Solutions provider



State-of-the-art product  
testing facilities



High barrier of entry for cleanroom  
gloves



# INVESTMENT MERITS

## RESILIENT BALANCE SHEET

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- Net cash position
- Sustainable positive operating cash flow

## CONSISTENT DIVIDEND PAYOUT

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- Consistent payout since listing

## DISTINCTION FROM PEERS

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- 2 sources of revenue (diversified)
- High tech cleanroom gloves
- Premium healthcare gloves

## EXTENSIVE R&D

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- Consistent product development track record
- Solutions provider to customers
- Dedicated R&D team consisting of chemists with 25+ years of experience

## FLEXIBLE PRODUCTION FACILITIES

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- Not dependent on single type of product
- Flexible to produce customisable products which provide higher value-add

## QUARTERLY BUSINESS UPDATE

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- Voluntary quarterly business update



## CAPACITY EXPANSION

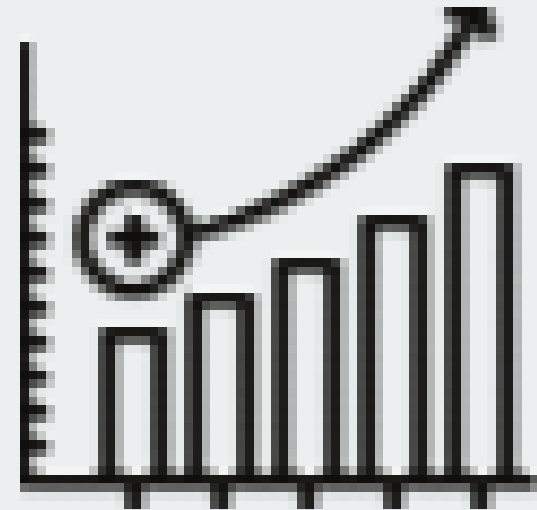
Y2021A\* - 10.5 billion pcs

Y2022E - 12.0 billion pcs

Y2023E - 13.5 billion pcs

Y2024E - 15.0 billion pcs

\*Capacity expansion delayed by 1 year due to lockdowns in Y2021





## Challenges

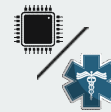


**Competition from newcomers & Chinese manufacturers**



**Increase in gas, utility and labour cost**

## Solutions



**Diversified into 2 sources  
(Cleanroom & Medical)**



**Well-established with  
greater experience/expertise  
(Customer trust)**



**Cost management (Product  
streamlining)**

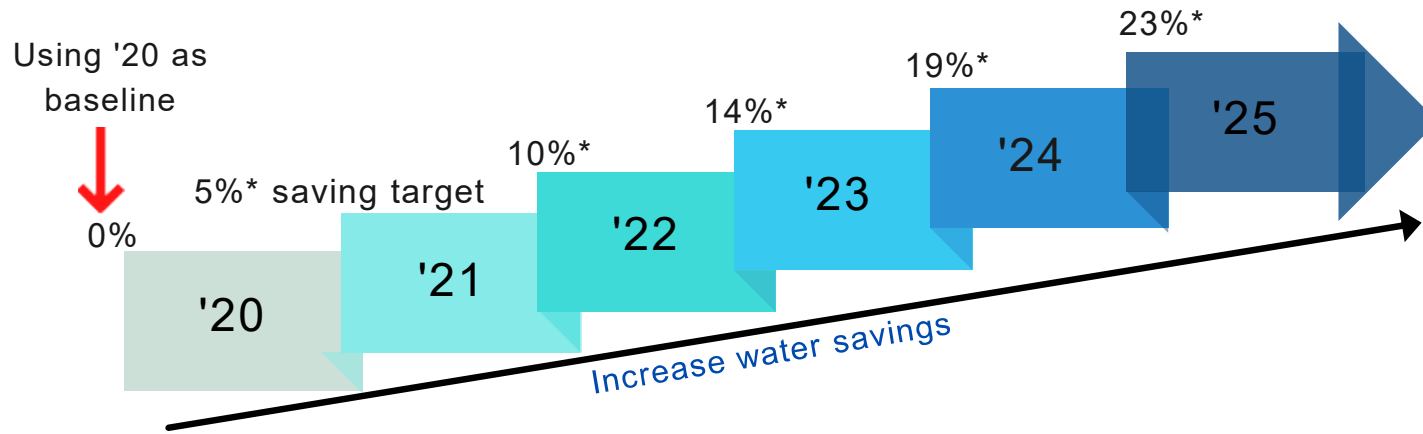


Riverstone Holdings Ltd

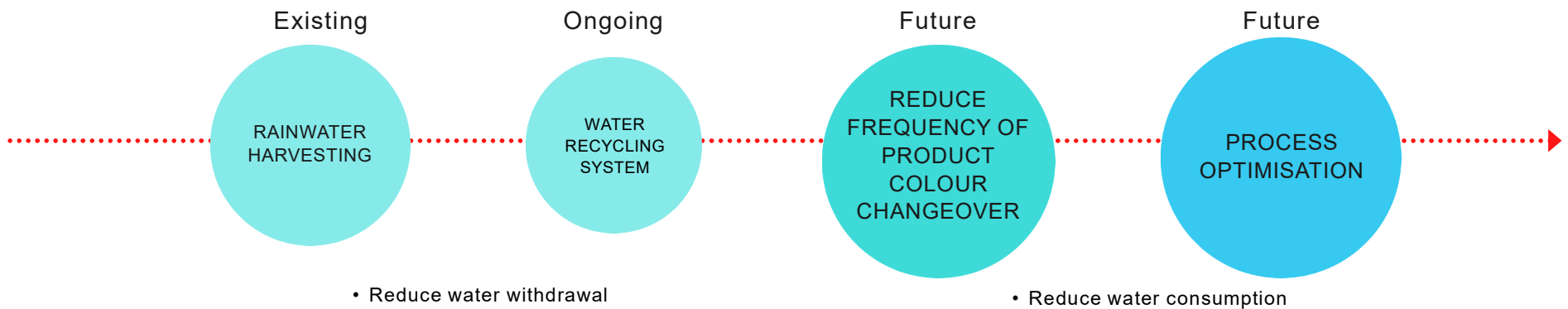
## ESG presentation 2021



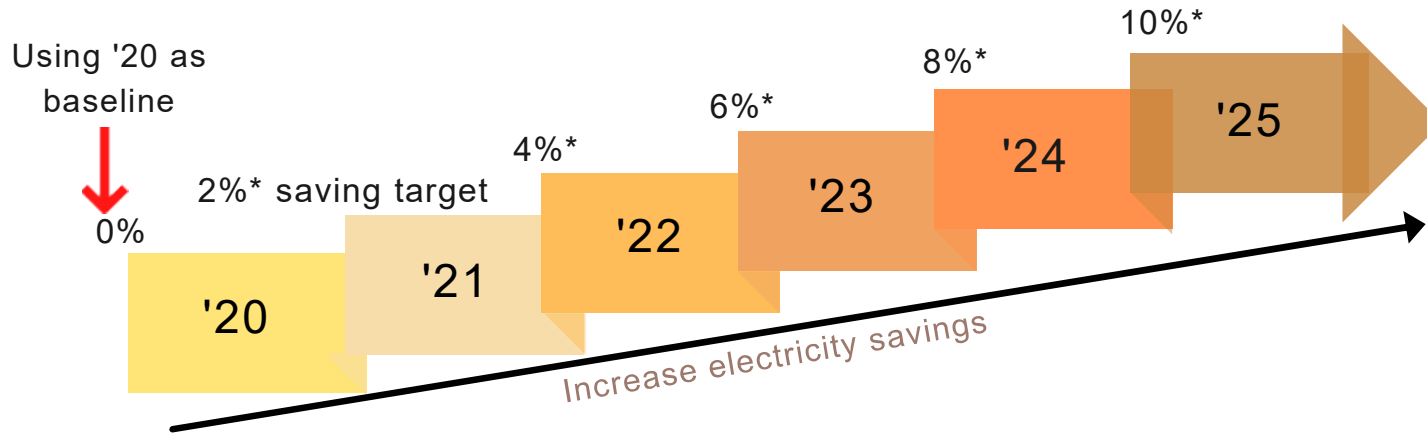
# REDUCE WATER USAGE



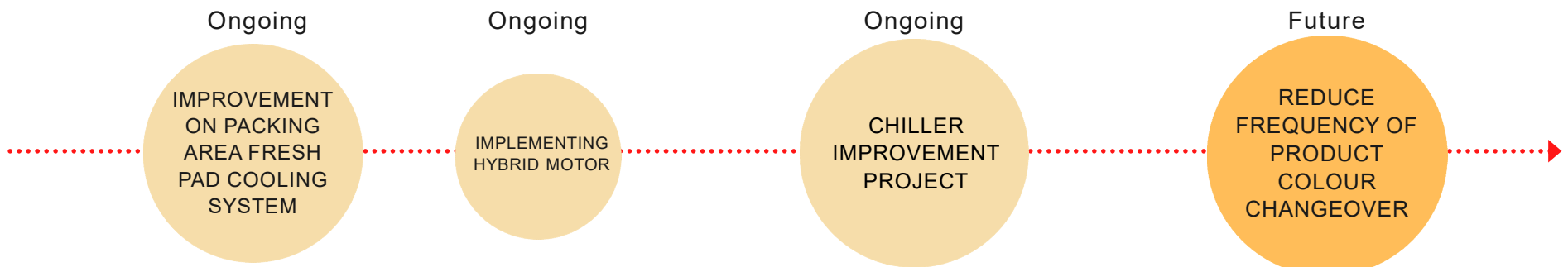
\*All % water savings are calculated by using '20 as the baseline.



# REDUCE ELECTRICITY CONSUMPTION



\*All % electricity savings are calculated by using '20 as the baseline.



• The ongoing projects conserve electricity

• Restarting equipment requires higher electricity consumption

# REDUCE WASTAGE

Reduce Frequency of Product Colour Changeover



"When different product colours are requested, WASTE is created due to PRODUCT CHANGEOVER"

Reduced Product Colour Options = Fewer Changeovers = Waste is Minimised



Objective: Sales team to encourage customers to reduce glove colour options.

## SUSTAINABLE ENERGY WITH EMISSION REDUCTION

### Solar panel



- Generates 744,000 kWh electricity from solar energy annually.



- Reduces greenhouse gas emission by approximately 516.30 tCO<sub>2</sub>e/year.

### Biomass



- Biomass is a renewable energy source from byproducts (sawdust, wood chips & palm kernels).



- Aim to install Electrostatic precipitators (ESP) to improve dust capture efficiency and reduce particle emission by '23.
- Continuous Emission Monitoring System (CEMS) will be installed to improve emission observations





- Built our own workers' hostel equipped with gymnasium, indoor sports arena, first aid room, barber shops, grocery shops, and laundry services.





## Employee Welfare

- Yearly bonus + special bonus: weekly, monthly, and three and a half months bonus in 2020 & 2021 is paid across the company.
- Special incentive: MYR 25 per day during EMCO.
- Three free meals & mobile data was provided during lockdown for all residents in company hostel.



## Development

- Provides technical and soft skills training, language classes, and local cultural adaptation classes to all local and foreign employees.
- Continue to support our employees to pursue higher education.
- Arranges customer and supplier site visits to provide different industry exposures.



- Annual budget allocated to provide our employees' children with payment assistance when school reopens.
- In the process of setting up a charitable foundation (Yayasan).





## CORPORATE GOVERNANCE

"We believe sound corporate governance practices lead to proper functioning of the company"

- 1 BOARD STRUCTURE** 
  - Comprises 3 independent directors and 2 executive directors.
- 2 COMMITTEES** 
  - Audit Committee: 3 independent directors.
  - Remuneration Committee: 3 independent directors.
  - Nominating Committee: 2 independent directors and an executive director.
- 3 Voluntary Quarterly Business Update** 
  - Consistently publish quarterly business update voluntarily despite SGX relaxation rule for PLCs to only report half-yearly results since Feb '20.

4

**MANAGEMENT DIVERSITY**

- Gender balance in management and country representatives.
- Diverse Board with wide-ranging expertise, background and knowledge.

5

**ESG COMMITTEE**

- Set up a new ESG committee with new members in 2021.
- Currently, there are representatives from 8 departments (Production, Engineering, R&D, Maintenance, QA, Health & Safety, Finance and HR) in this committee.
- Plans to appoint individual representative consists of country heads (China, Thailand and Malaysia) to the committee.
- Continuous improvement of the company's performance in ESG aspects.



# CERTIFICATIONS & COMPLIANCES





**THANK YOU**