

# Riverstone Holdings Limited

Corporate Presentation 2020



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Overview



Product Segments



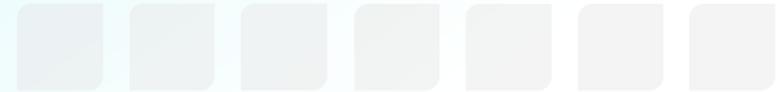
Financial Highlights



Investment Merits



# Key Milestones



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



1989

Pioneered the manufacture of nitrile cleanroom gloves in Malaysia



1994

Diversified into production of premium healthcare gloves

2009

1991

Incorporated Riverstone Resources Sdn Bhd to manufacture cleanroom gloves

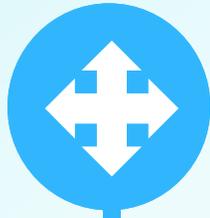


2006

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



## Key Milestones



2013

Launched five-year expansion plan to bring total production capacity to 8.6 billion (later revised in 2017 to 9.0 billion) by end FY2018

2018/ 2019

Launched phase 6 expansion plan to add another 1.4 billion pieces to 10.4 billion pieces in total annual production capacity

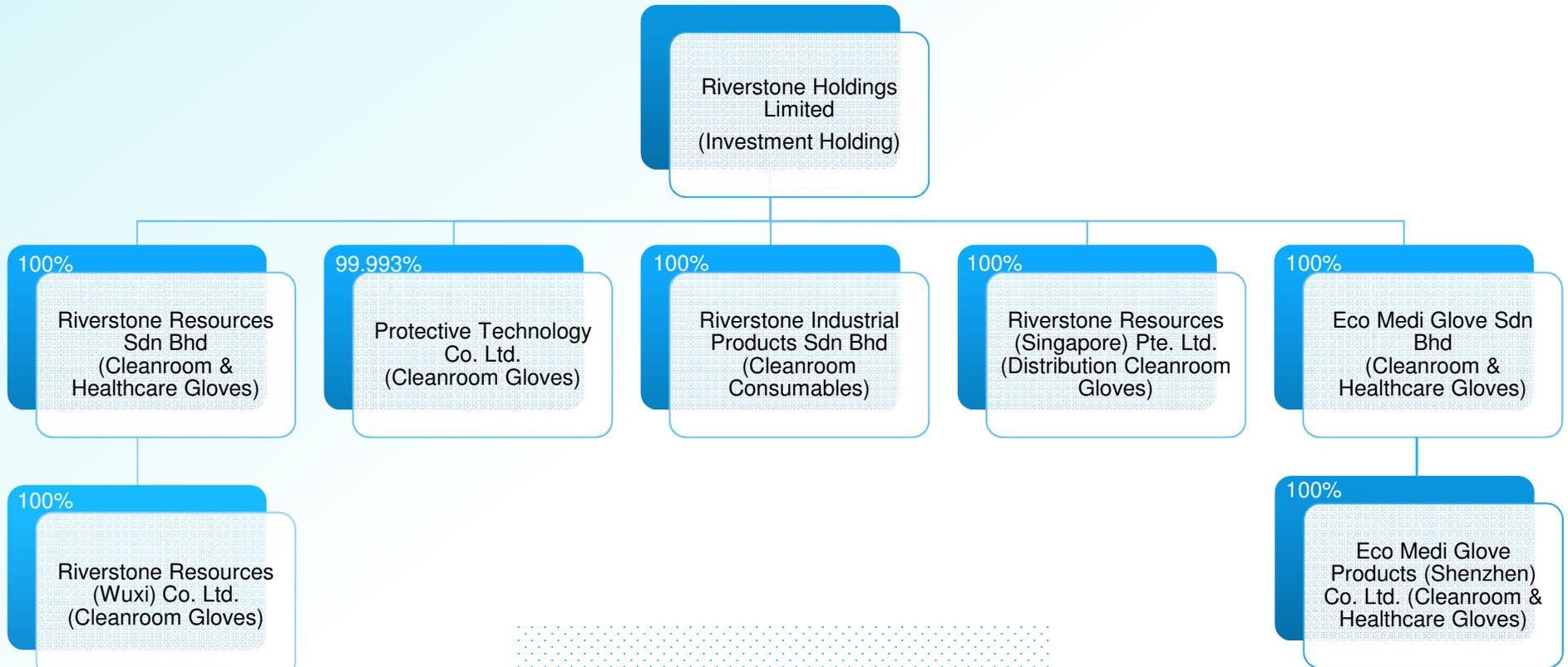
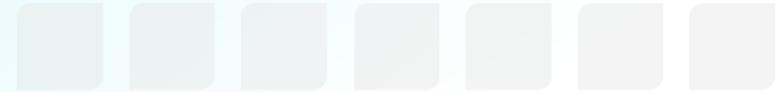
2020\*/ 2021/ 2022

Launched new three-year expansion plan at a new production site in Taiping, projected to raise capacity by up to 1.4 billion pieces of gloves per annum to bring total annual capacity to 14.0-15.0 billion pieces by FY2023



\* Delayed by 2 quarters due to Covid-19 lockdown measures

# Group Structure



Representative Sales Offices

- Riverstone Resources (U.S.A.)
- Riverstone Resources (The Philippines)



# Business Segments



## Cleanroom Business



Cleanroom Gloves

- Packaging Bags
- Face Masks
- Fingercots
- Wipers

Other Cleanroom Consumables

## Healthcare Business

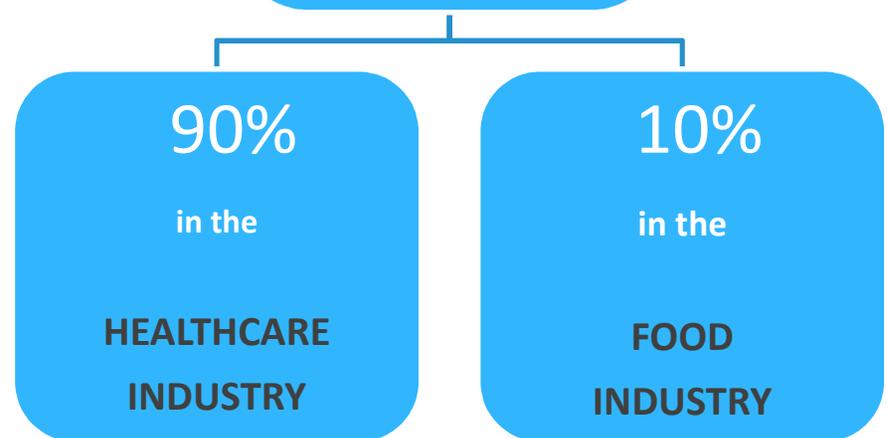
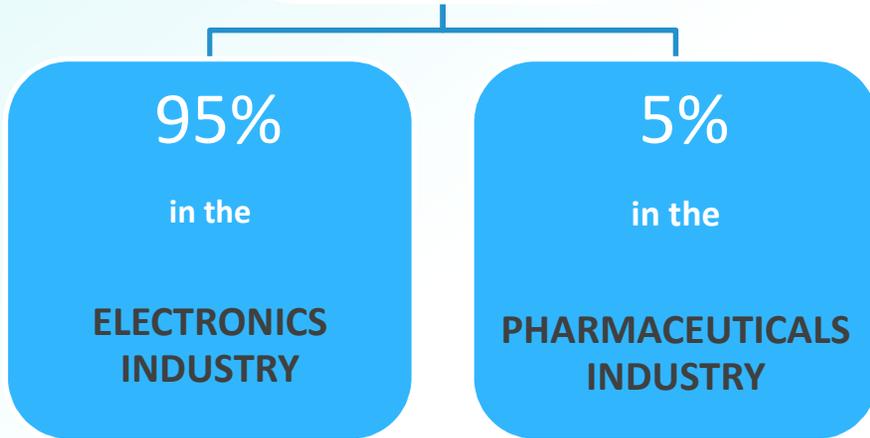


Examination Gloves



Food Grade Gloves

# Glove Market Segments



# Product Segments

## Product Suite



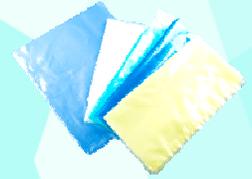
Nitrile gloves



Latex gloves



Finger cots



Packaging materials



Face masks

Other consumables, e.g. face pouches, hoods, caps, jumpsuits, shoe covers, critical task wipes, and swabs

**CLEANROOM**

## Customers

- High-tech electronics manufacturing, incl. HDD, semi-conductors, LCD, tablets and mobile devices, external storage devices, and consumer electronic devices
- Medical devices manufacturing
- Automobile
- Pharmaceutical
- Aerospace
- Laboratory and research
- Solar devices manufacturing
- Lenses
- Battery

## Business Model

- Under Riverstone's own brand
- Direct to end-user
- Highly customised solutions
- High barriers of entry
- Not over-reliant on single major customer; well spread out customer base
- Sustainable profit margin

# Product Segments

## Product Suite



Procedure gloves



High-risk gloves



Hand-specific gloves



Dental gloves



Accelerator-free gloves

HEALTHCARE  
(PPE)  
&  
FOOD GRADE

## Customers

Distribution to countries such as USA, Europe & Japan

## Business Model

- Partnership with distributors
- A mandatory product in the healthcare industry (thus resilient to economic conditions)
- Established market niche in premium healthcare gloves
- Customised solutions based on usage or end-user
- Diversified customer base without dependency on a single major customer
- Resilient to economic changes

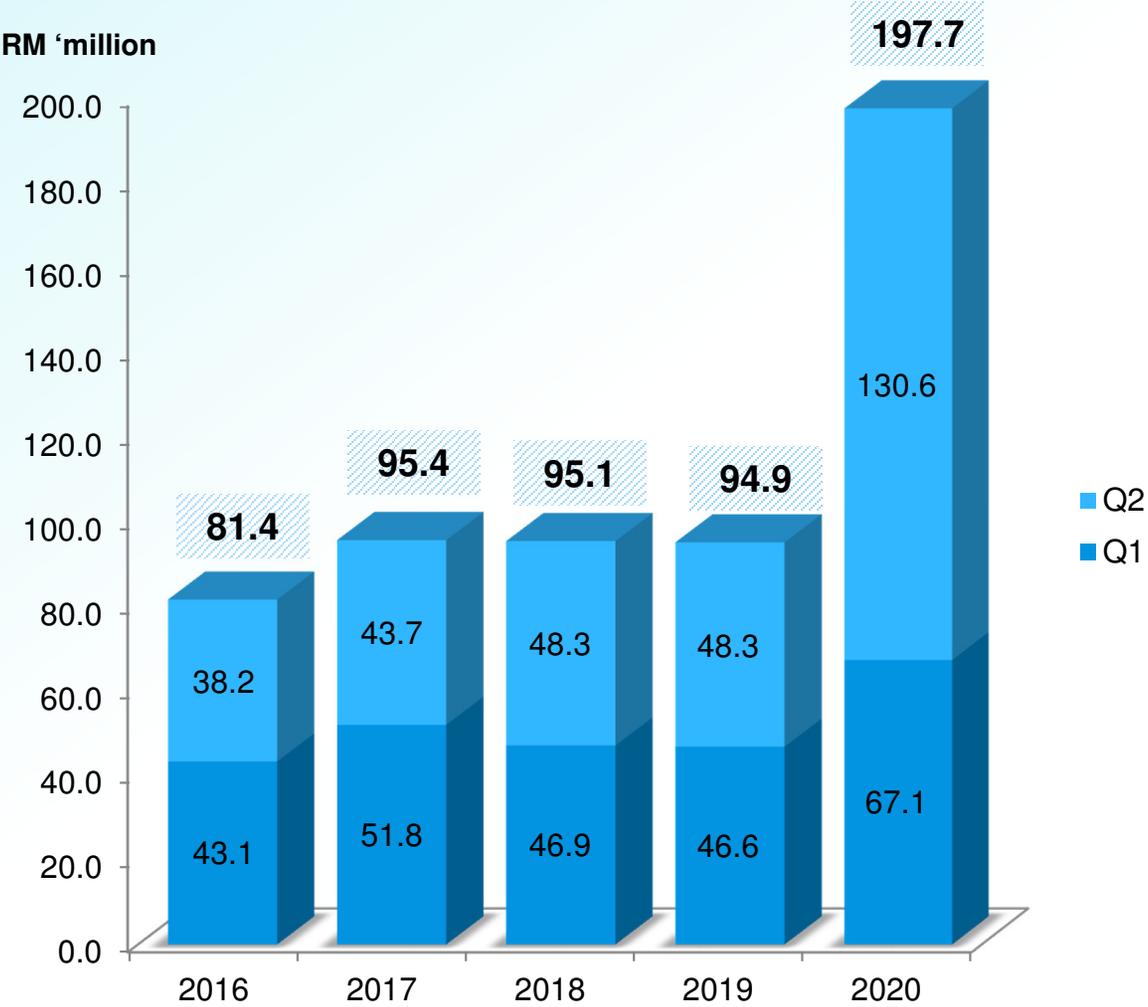
# Growing Revenues



\* Totalled figures may have some discrepancy due to rounding



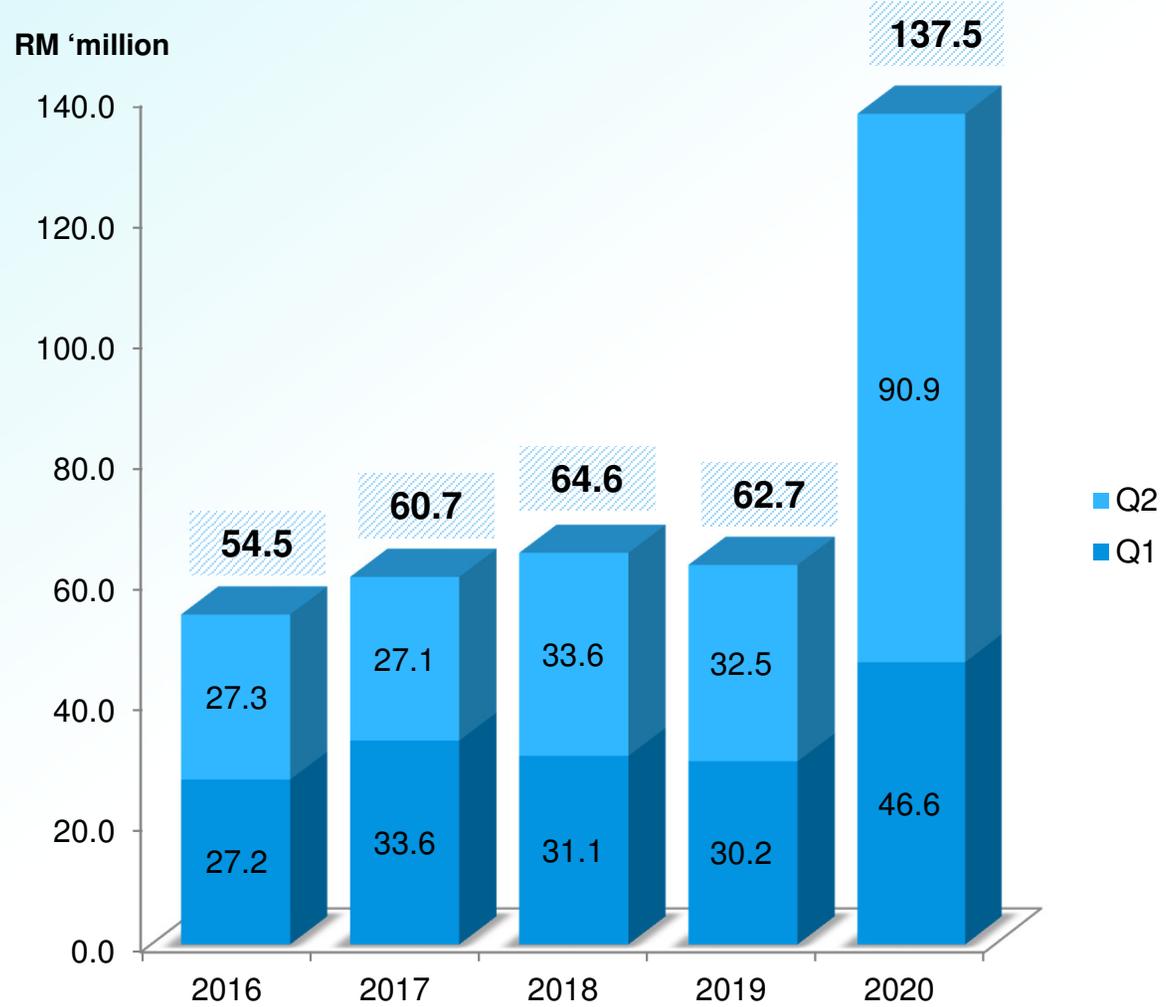
# Gross Profit



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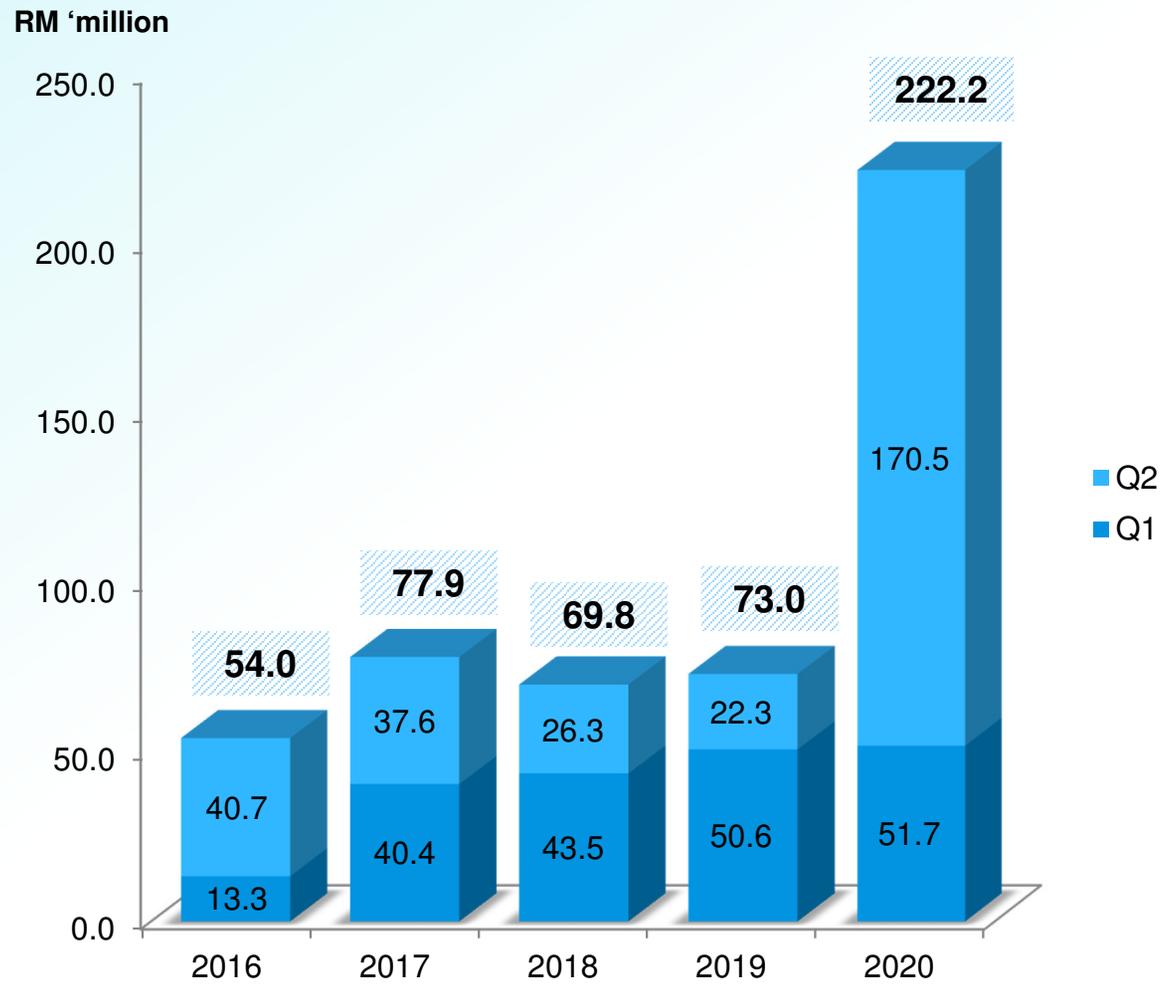
# Net Profit



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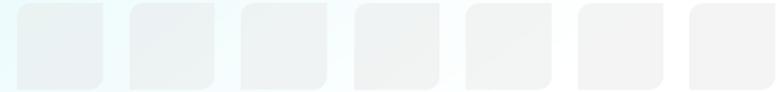


# Positive Cash Flow Generation From Operating Activities

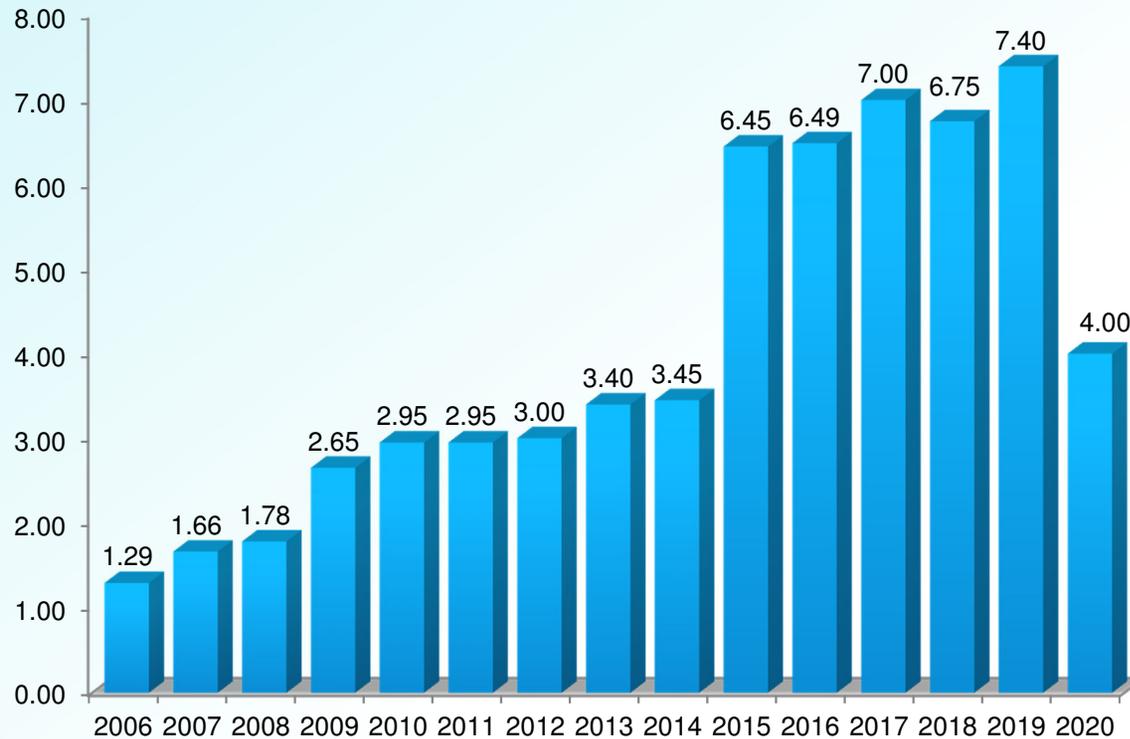


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## Consistent Dividends since IPO



**Dividends Declared (RM Sen/Share)~**



~Adjusted for the 1:1 bonus shares

**Dividend Payout Ratio**

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% <sup>^</sup>
FY2008	45.2%
FY2007	45.0%
FY2006	28.0%

<sup>^</sup> including a special 1 sen tax-exempt dividend

## Investment Merits



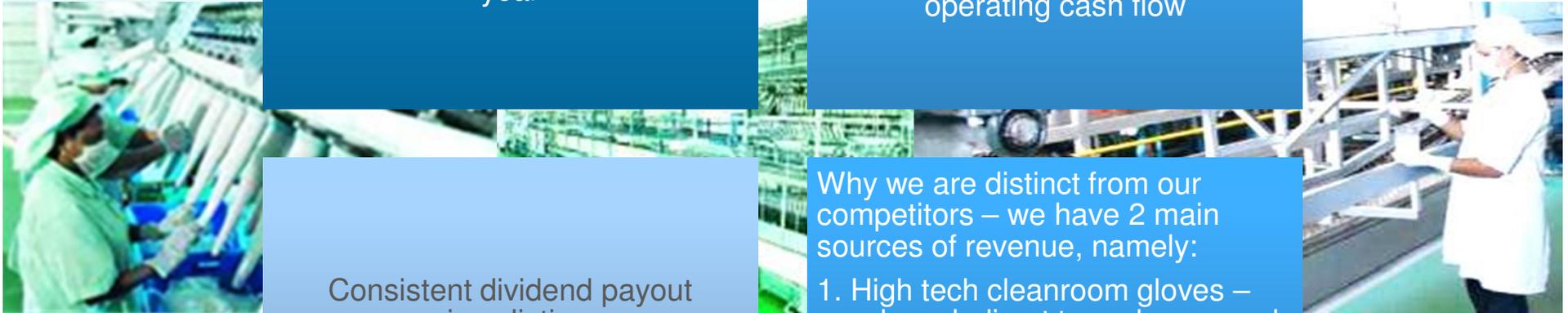
Plan to increase capacity by 1.0 ~ 1.5 billion pieces of gloves every year

Resilient balance sheet with net cash position and continued ability to generate positive operating cash flow

Consistent dividend payout since listing

Why we are distinct from our competitors – we have 2 main sources of revenue, namely:

1. High tech cleanroom gloves – own brand, direct to end-user; and
2. Healthcare gloves – consistent demand, resilient to changing market conditions





- Average selling prices of healthcare examination gloves have increased approximately 10.0% month-on-month since June 2020
- Positive impact of the price increases will be reflected in 3QFY2020 and 4QFY2020
- Cleanroom gloves growth >30.0% in 1HFY2020, with this increasing trend expected to persist through 3QFY2020 and 4QFY2020
- Overall, average selling prices of healthcare and cleanroom gloves is expected to continue trending upwards due to strong demand
- Expansion plans remain on track, with four more double lines to be commissioned each month from September 2020
- The Group will add another seven double lines in 2021, with the first line of this new phase ready in April 2021
- All of the capacity from the new seven double lines for 2021 have already been taken up by customers

Thank You!



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