

## **Riverstone Holdings Limited**

4Q & FY2012 Results Briefing 27 February 2013



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#### **Overview of Riverstone**







# Riverstone is a leading manufacturer of High-Tech Cleanroom and Premium Healthcare Gloves

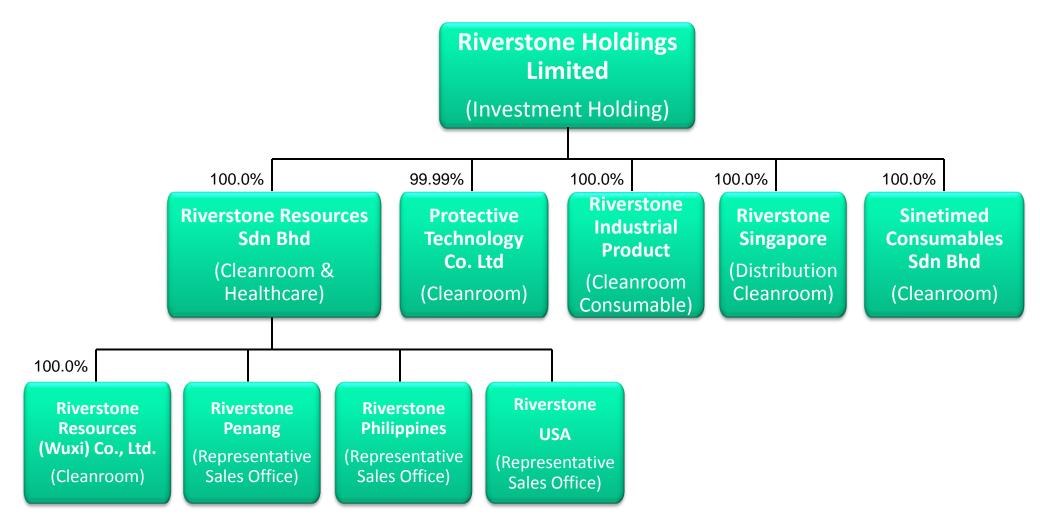
#### **OUR VISION**

We strive to be a global leader in the manufacture of Cleanroom and Healthcare Gloves



#### **Riverstone Group Structure**



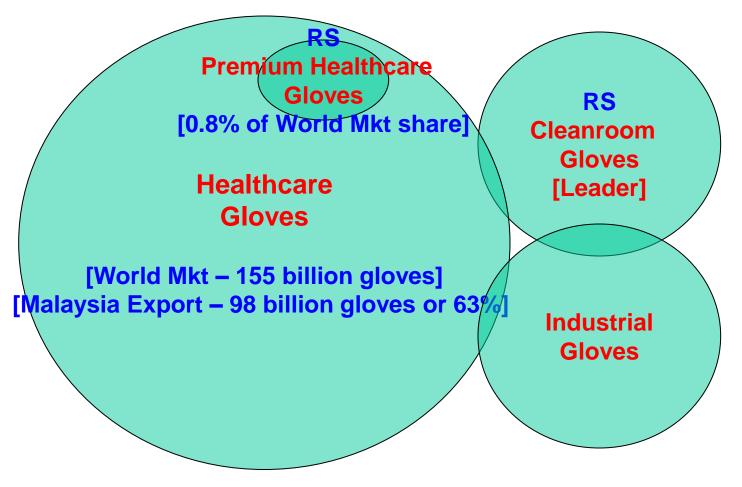






#### **Glove Markets**





Riverstone is the company that focuses on High-tech cleanroom gloves





# Riverstone– An Integrated Cleanroom Supplier -



## Manufactured Products

## Source & Market



#### **Products**

- Nitrile gloves
- Natural rubber gloves
- Other cleanroom consumables
  - Finger cots
  - Packaging materials
  - Facemasks
  - Wiper

#### **Products**

- Other cleanroom consumables
  - Face pouches
  - Hoods, Caps
  - Jumpsuits
  - Shoe covers
  - Critical task wipes
  - Swabs













#### **Our Manufacturing Facilities**



#### Integrated manufacturing operations

- Malaysia (3), Thailand (1), China (1)
- Internationally NEBB certified class 10 & class 100 cleanroom facilities
- ISO 9000, ISO 14000, ISO 13485 certification



Malaysia Plant in Bukit Beruntung, Selangor



**Thailand Plant** 

#### Annual Capacity as at 31<sup>st</sup> Dec 2012

- 3.1 billion (1.1.2012: 2.5 billion) gloves
- More than 600 million pieces of finger cots
- More than 1,500 tonnes of cleanroom packaging materials
- Over 40 million pieces of face masks



**China Plant** 





# **Our New Manufacturing Plant at Taiping, Malaysia**





**Taiping Plant** 



#### The Industries We Serve In Cleanroom



- High-Tech Electronics Manufacturing
  - Hard Disk Drives
  - Semiconductors
  - > LCD
  - External Storage Devices
  - Consumer Electronic Devices
- Medical Devices Manufacturing
- Automobile
- Pharmaceutical
- Aerospace
- Laboratory and Research





#### Riverstone's Niche In Healthcare Gloves



- Highly customised segments in the healthcare industry, for example:
  - Procedure gloves for superior barrier protection,
  - High-risk gloves for better protection in carrying out high risk, harzardous tasks,
  - Hand specific gloves for providing more comfort and better fitting,
  - Dental gloves higher priced products and
  - > Accelerator-free gloves to minimise type IV allergic reaction.













#### **We Are Different**



Riverstone	Other Gloves Manufacturers		
Cleanroom Gloves			
Highly customized	Mass Produced; Standardized Products		
Higher Barrier s of Entry •3 processes •Qualification processes take long time •Spec depends on functionality	Comparatively Lower Barrier sof Entry •1 process		
Proprietary Brand; Dealing mainly with Direct End Users	Mainly OEM		
High-Tech Value Added To Products (we provide ESD and contamination solution for our customers)			
Innovative product development to meet customers' requirements (meet customer product life cycle requirement)			
Flexible Production Lines To Meet Changing Demands			
Sterile Gloves For Cleanroom and Pharmaceutical Manufacturing Applications			
Healthcare Gloves			
Premium gloves - Accelerator-Free Gloves - Procedure Gloves - Hand Specific Gloves - Sterile product.			





#### Our products are exported worldwide







India



#### **Awards**







Selangor Industry Product Excellence Award 2003 Selangor State

Investment Centre

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Singapore 1000 Company Public Listed Companies 2011



Forbes Sellion

Best Under A Billion 2010 Forbes Asia

The 2<sup>nd</sup>
Asia Pacific International/
Malaysia Honesty
Enterprise Keris Award 2003

Jointly organised by Entrepreneur Development Association Malaysia, Yantai Investment Development Board of Shandong of PRC, Pengtai Municipal Government of Shandong of PRC and Shanghai Business Magazine 1st in Enterprise 50 Award 2006 2003/2004/2005 Small and Medium

Small and Medium Industries Development Corporation Malaysia



SMB Best Overall Award Series 2005 Small and Medium Industries Association of Malaysia



Business Excellence
Award 2006
President's Award

Malaysia Canada Business Council Business

Excellence Award 2006
President's Award





#### Recognition



#### **RECOGNITION**





ISO 13485:2003



ISO 14001:2004



ISO 9001:2008





# Financial Highlights 4Q and FY 2012





#### **Overview of FY2012**



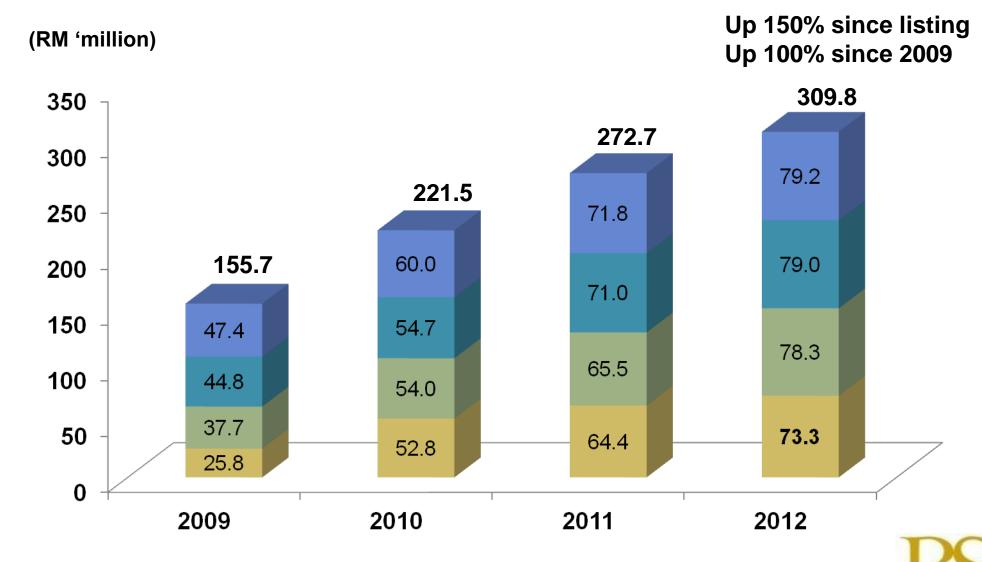
- Record Revenue of RM309.8 million, up 13.6%
- Gross Margin improved from 22.6% to 23.1%
  - Prices of raw materials stabilised during the year.
- Net Profit up 2.7% to RM39.7 million
  - due to higher taxation
- Completed expansion in production capacity in December 2012
  - Added 600 million gloves per annum
- Positive free cashflows since listing
- Declared final dividend per share of 3.8 sen, bringing total dividends per share for the year to 6.0 sen (FY2011: 5.9 sen)





#### **New Record Revenue in 2013**



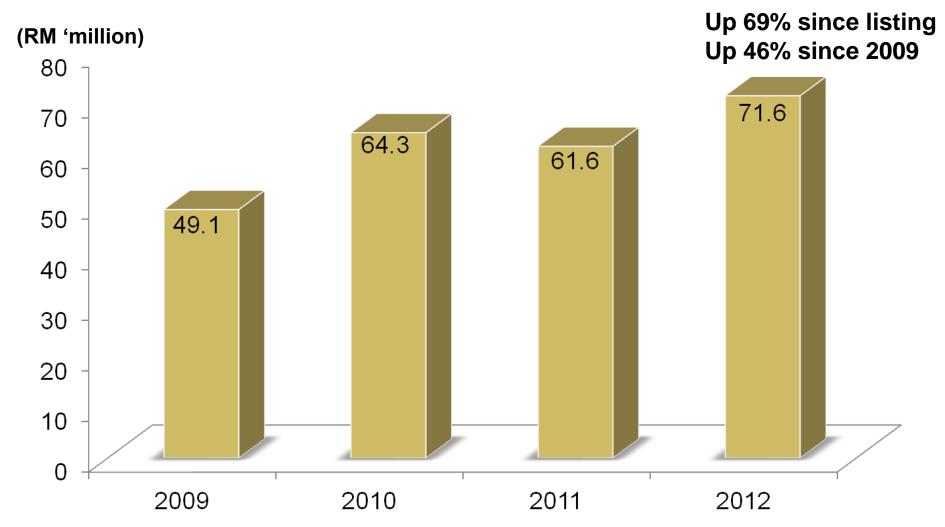


■1Q ■2Q ■3Q ■4Q



#### **Gross Profit**



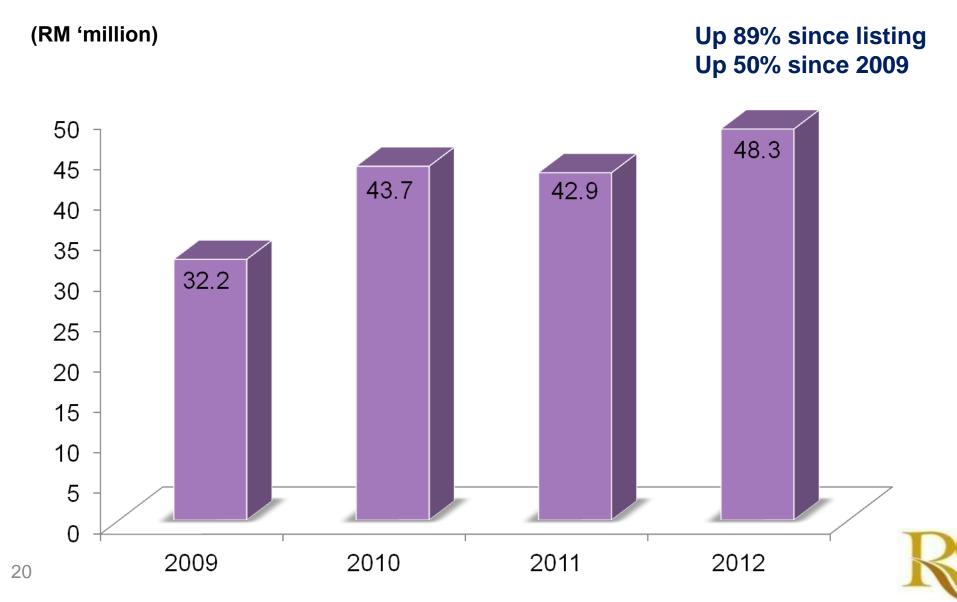






#### **Profit Before Tax**

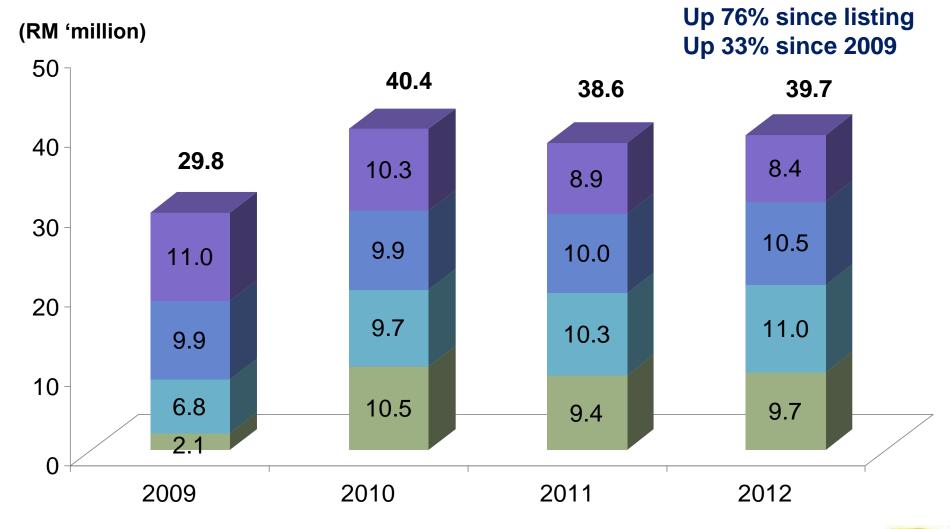






#### **Steady Net Profit**





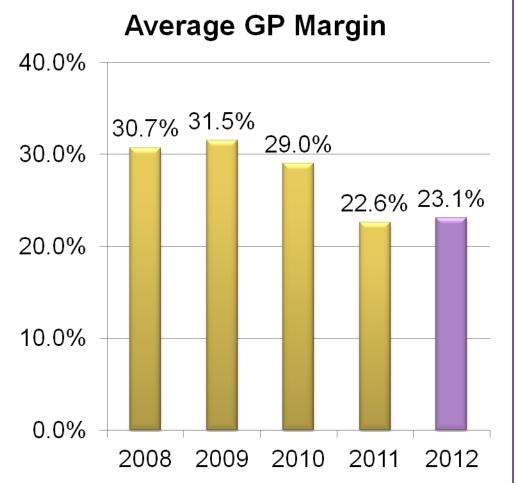
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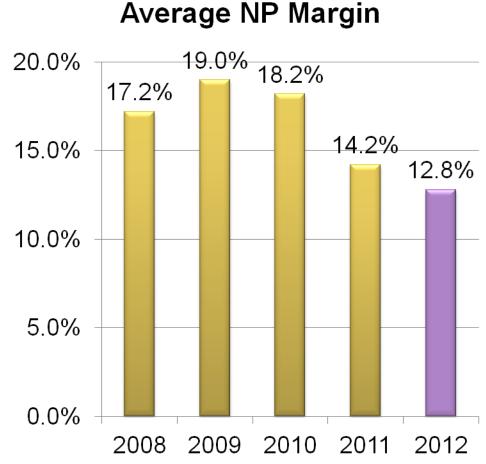




#### **Gross Margins improved in 2013**











# Strong and Healthy Balance Sheet



Year End 31 Dec	As at 31 Dec 2012 (RM'000)	As at 31 Dec 2011 (RM'000)	As at 31 Dec 2010 (RM '000)
Net cash and cash equivalents	63,987	41,570	44,149
Total borrowings	0	0	0
Net cash flow from operating activities	59,529	41,364	50,707
Shareholders equity	254,637	224,015	200,260
Net assets (Sen per share)	76.92	70.47	63.80
Return on equity (%)	15.57	17.24	20.20
Debt Equity ratio	0.00:1	0.00:1	0.00:1

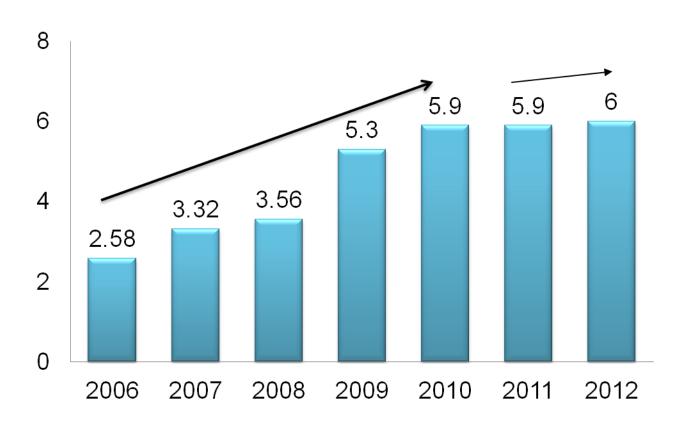




#### **Rising Dividends**



#### **Dividend Declared (RM Sen/ Share)**



#### **Dividend Payout Ratio**

FY2012: 53.9% FY2011: 49.2% FY2010: 46.4% FY2009: 53.5%<sup>^</sup> FY2008: 45.7% FY2007: 45.0%

FY2006: 35.5%

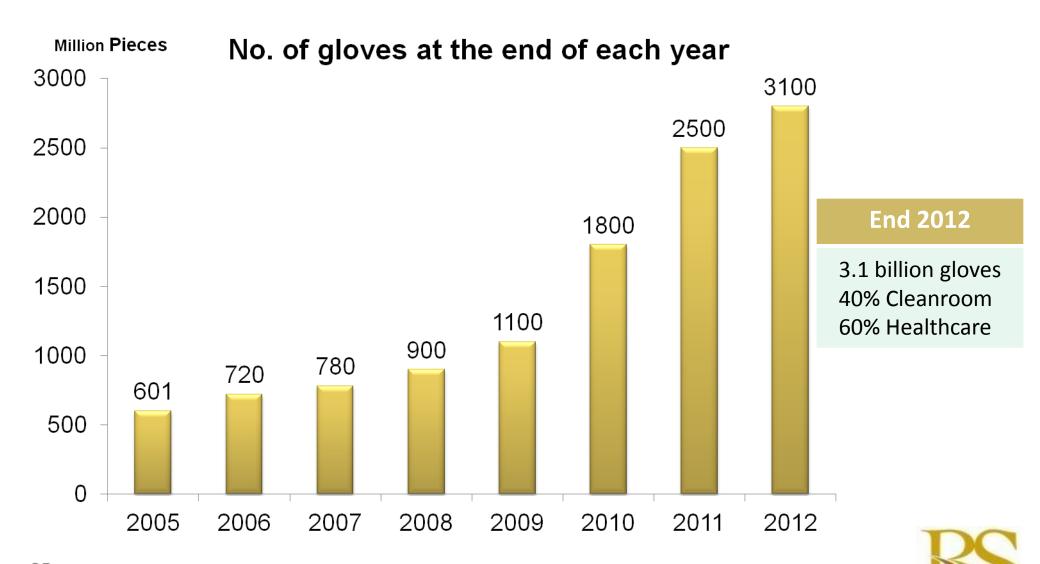
^ including a special 1 sen tax-exempt dividend

Proposed final tax exempt (one-tier) dividend of RM 3.8 sen per share, subject to shareholders' approval at AGM



#### **Production Capacity**







#### **Outlook**



#### **Positives:**

- 1) Full impact of Higher Production Volumes in 2013
- Optimum utilisation rate
- Greater economies of scale
- 2) Continued strong growth in demand for healthcare gloves
  - Looking for site to expand capacity further
- 3) New Cleanroom Product Gains momentum
  - Increased order from customer in the manufacturing of flat panel and tablet
- 4) At least 25% growth in volume





#### **Outlook**



#### **Challenges:**

- 1) Higher payroll and utilities costs
- 2) Keen competition in healthcare segment
- 3) Continuous volatility in US\$
- 4) Continuous volatility in raw material prices



# Q & A







### Thank You

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