

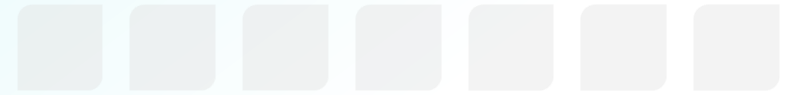


# Riverstone Holdings Limited

3QFY2018 Corporate Presentation



# Disclaimer



This presentation may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these presentation and the information contain therein, which are based on current view of management on future events.

Without prejudice to or derogating from the generality of the foregoing, no representation or assurance is given by Riverstone that this presentation contain all information that an investor may require. To the extent permitted by applicable law, Riverstone or its related persons (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) arising from the reliance or use of the information contain in this presentation.

Investors are advised to make their own independent evaluation from this presentation, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as the legal, business, financial, tax and other aspects as investors may regard as relevant.

# Agenda



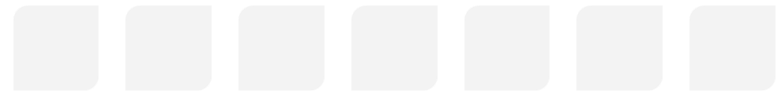
Group  
Financial  
Highlights for  
3QFY2018

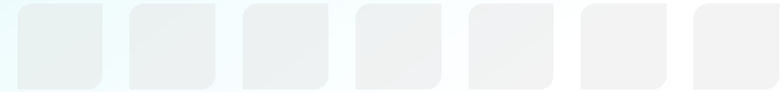
The image shows a person in a white lab coat working in a laboratory or industrial setting, with large white tanks and equipment visible in the background.



Outlook & Key  
Challenges

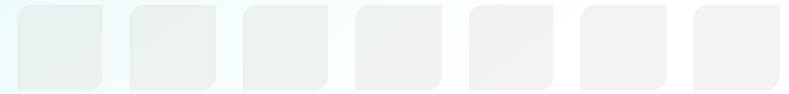
The image shows a person in a white lab coat standing in a laboratory or industrial setting, with various pieces of equipment and a control panel visible in the background.



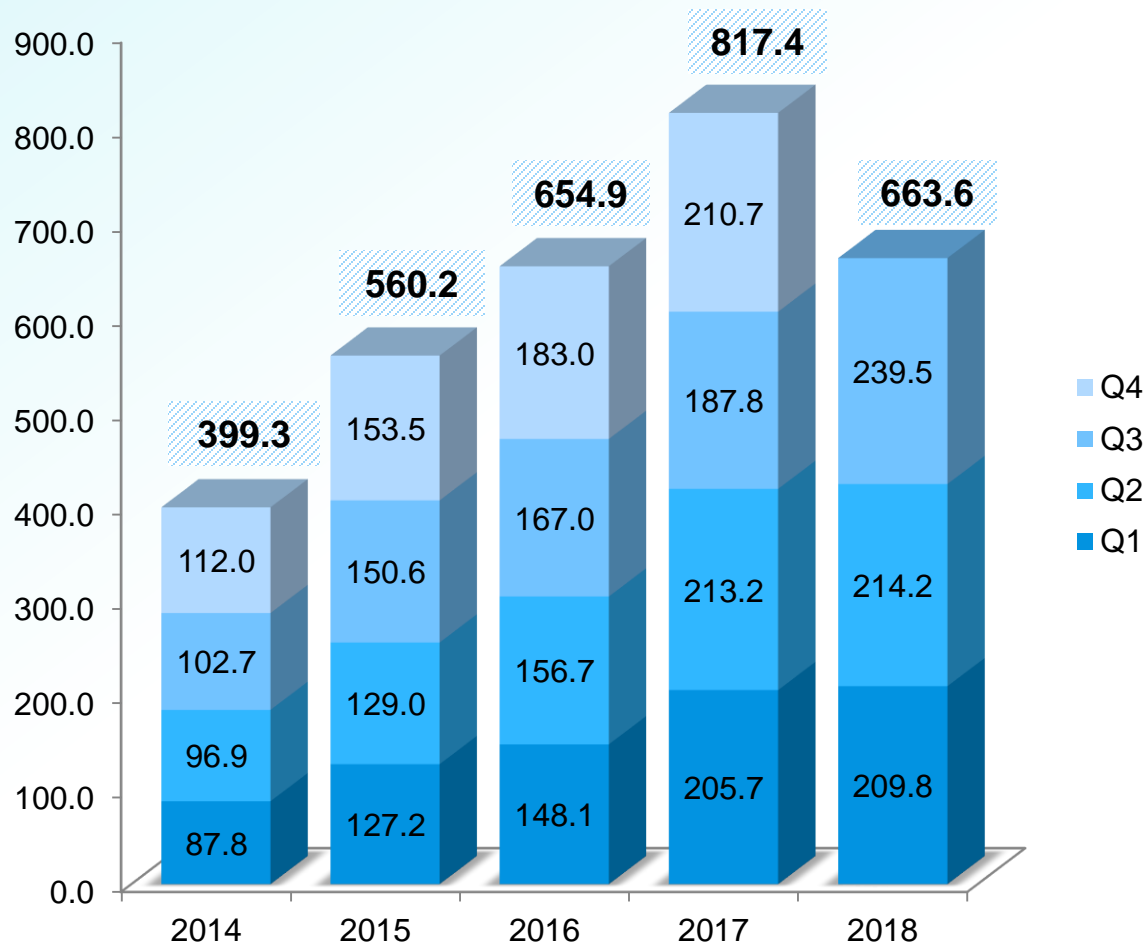


- Revenue increased 27.5% yoy from RM187.8 million for 3QFY2017 to **RM239.5 million** for 3QFY2018
- Net profit decreased 6.5% yoy from RM34.3 million for 3QFY2017 to **RM32.1 million** for 3QFY2018
- Continues to generate positive operating free cash flow of **RM44.7 million** for 3QFY2018
- Net cash position of **RM85.7 million**

# Growing Revenues

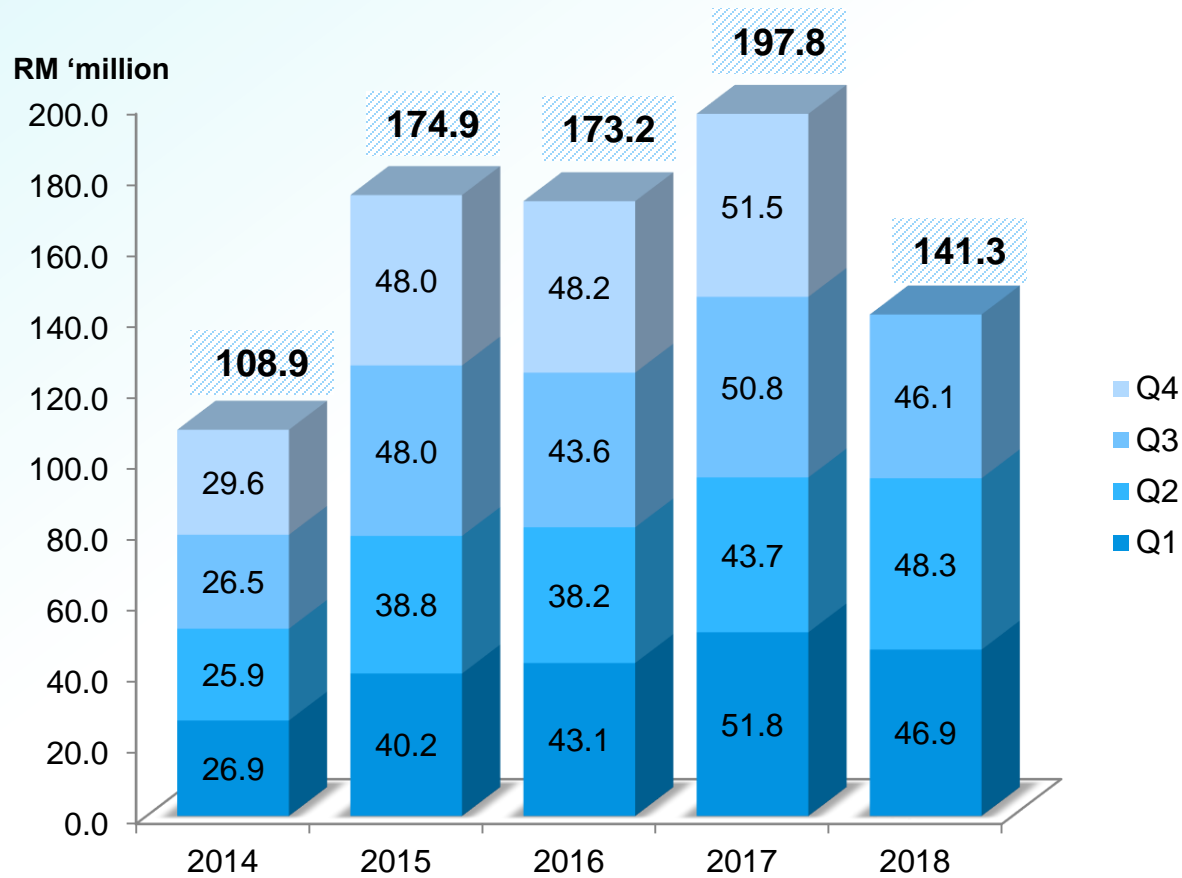
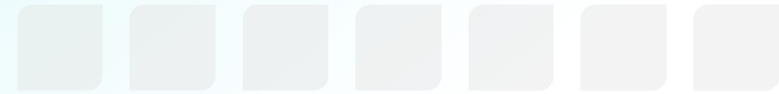


RM 'million



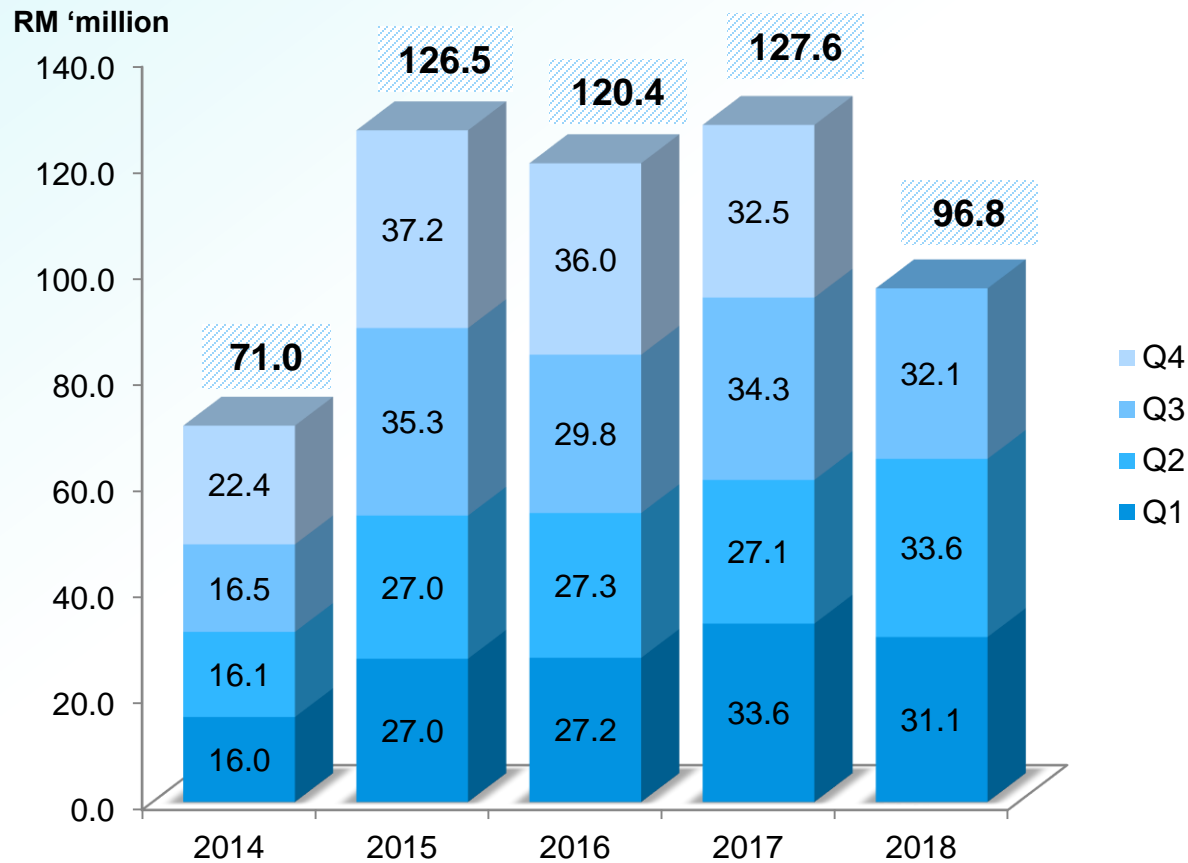
\* Annual figures may have some discrepancy due to rounding

# Gross Profit



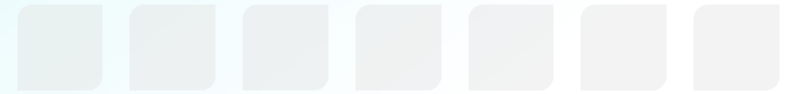
\* Annual figures may have some discrepancy due to rounding

# Net Profit

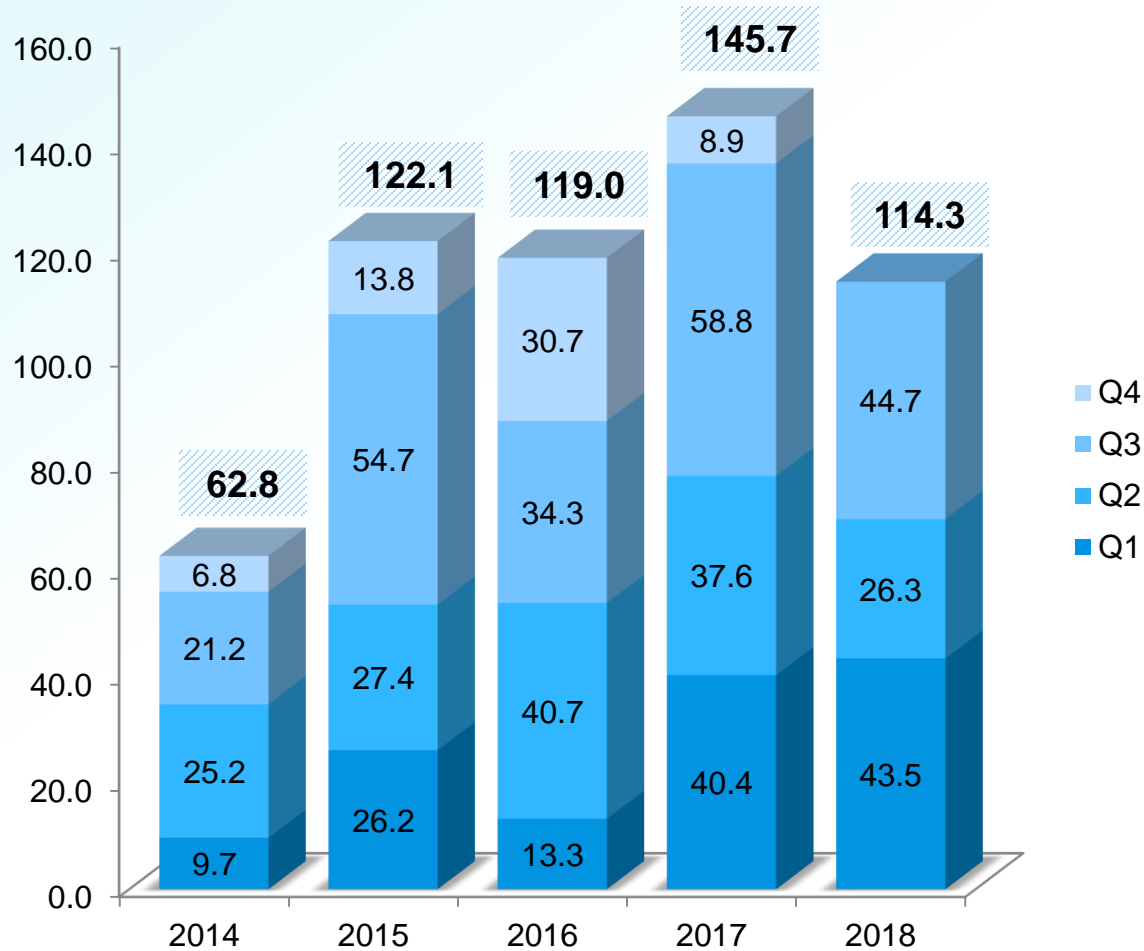


\* Annual figures may have some discrepancy due to rounding

# Positive Cash Flow Generation From Operating Activities

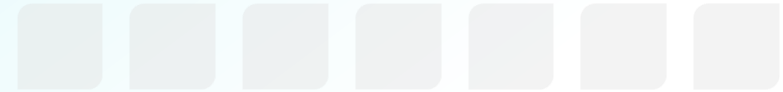


RM 'million



\* Annual figures may have some discrepancy due to rounding

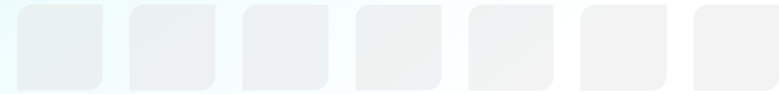




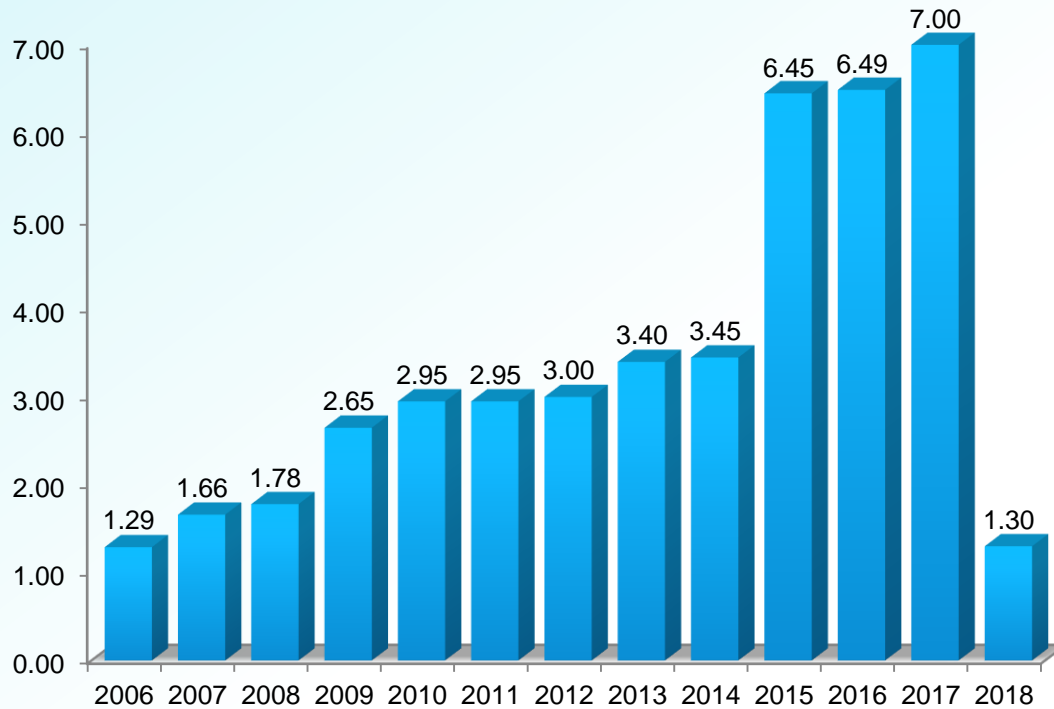
Year End 31 Dec	As at 31 Dec 2017 (RM'000)	As at 30 Sep 2018 (RM'000)
Net cash and cash equivalents	114,250	106,176
Total borrowings	25,000	20,500
Shareholders equity	632,616	686,394
Net assets (RM Sen per share) <sup>1</sup>	85.36	92.62
Return on equity ("ROE") <sup>2</sup>	20.7% (3QFY2017)	18.8% (3QFY2018)

<sup>1</sup>Based on 741.1 million shares in issue excluding treasury shares as at 30 September 2018 and 31 December 2017 respectively

<sup>2</sup>Calculated on an annualised basis



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



~Adjusted for the 1:1 bonus shares

**Dividend Payout Ratio**

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%
FY2006	28.0%

^including a special 1 sen tax-exempt dividend

# Agenda



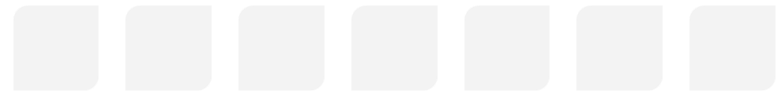
Group  
Financial  
Highlights for  
3QFY2018

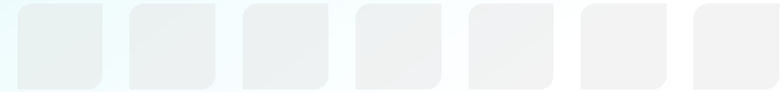
The image shows a person in a white lab coat working in a laboratory or industrial setting, with large white tanks and equipment visible in the background.



Outlook & Key  
Challenges

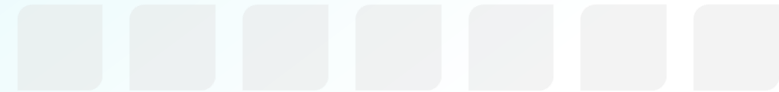
The image shows a person in a white lab coat standing in a laboratory or industrial setting, with various pieces of equipment and a control panel visible in the background.





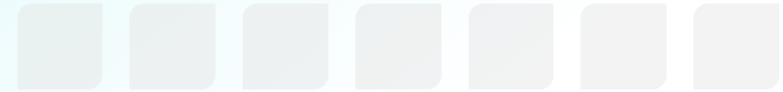
- Phase 5 expansion is on track with an additional 1.4 billion pieces to ramp up total annual production capacity to 9.0 billion pieces by end FY2018
- Phase 6 expansion to add another 1.4 billion pieces by end FY2019 to 10.4 billion pieces in total annual production capacity
- Both cleanroom and healthcare markets as well as US and Japan markets are growing and continue to gain traction
- Continue to develop new products to tap on cleanroom and healthcare markets

# Key Challenges



Challenges	Actions
Competition	<ul style="list-style-type: none"><li>• Cleanroom: Continue to target new markets and customers</li><li>• Healthcare: Focus on customised and premium products</li></ul>
Increase in costs such as raw material, labor, and fuel	<ul style="list-style-type: none"><li>• Automation</li><li>• Improve productivity using Lean Six Sigma</li><li>• Reduce changeover time by installing an additional line</li></ul>

## 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

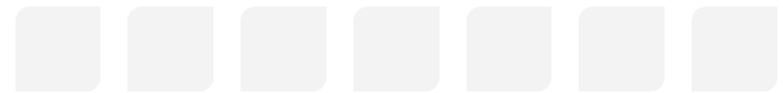
Consistent dividend payout since listing

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

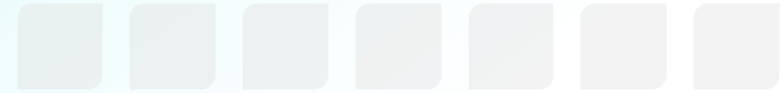
1. High tech cleanroom gloves – own brand, direct to end-user; and
2. Healthcare gloves – consistent demand, resistant to changing market conditions

# Q & A

Q & A



Thank You!



*Media & IR Contacts:*

**Kamal Samuel**  
Managing Director

**James Bywater**  
Senior Consultant

**Jonathan Wee**  
Associate

[riverstone@financialpr.com.sg](mailto:riverstone@financialpr.com.sg)

Tel: (65) 6438 2990

Fax: (65) 6438 0064