

TOP GLOVE CORPORATION BHD

Investor Presentation

26th October 2020



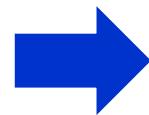
**The World's Largest Manufacturer of
Nitrile Gloves, *Natural Rubber Gloves and Surgical Gloves***



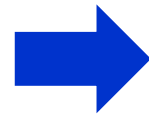
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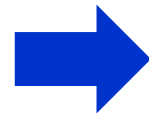
TOP GLOVE



TOP HONESTY



TOP INTEGRITY



TOP TRANSPARENCY

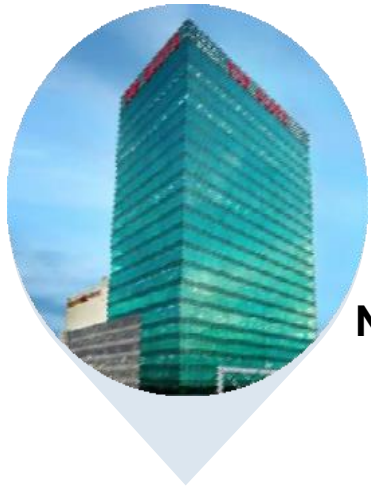


Claps, 2x 3x 2x



QUALITY ! QUALITY ! QUALITY!





World largest manufacturer of Nitrile, Natural Rubber and Surgical gloves



Current market capitalisation⁽¹⁾ of RM 70.85bn (USD 17.01bn)



FY2020 Revenue RM7.2bn (USD1.71bn) PAT RM1.9bn (USD0.45bn)



86.2 billion gloves pa 46 factories 730 production lines (As at Oct 2020)



About 2,000 customers across 195 countries



Over 21,000 employees



TOP GLOVE
TOP QUALITY, TOP EFFICIENCY

Started as a local business enterprise



- Commenced operations in **Thailand**
- **Listed** on the Second Board of Kuala Lumpur Stock Exchange (“**KLSE**”)

World Largest Manufacturer of Natural Rubber Gloves

Acquired a marketing arm in **Germany** to extend sales in **Europe**



Secondary listing on Singapore Stock Exchange (“**SGX**”)

- Revenue over **RM4bn**
- Implementation of Artificial Intelligence (AI) Empowered Vision Inspection System
- Acquisition of Aspion, Eastern Press, Duramedical.

World Largest Manufacturer of Surgical Gloves

World Largest Manufacturer of Nitrile Gloves

1991

1994

2001

2002

2004

2007

2011

2013

2016

2017

2018

2019

2020

First overseas foray and established a marketing arm in the **USA**

- Commenced operations in **China**
- Transferred to the **Main Board** of KLSE

- Revenue over **RM1bn**
- Acquisition of a majority stake in **Medi-Flex**

Established **first** dedicated **Group R&D Centre** to drive innovation

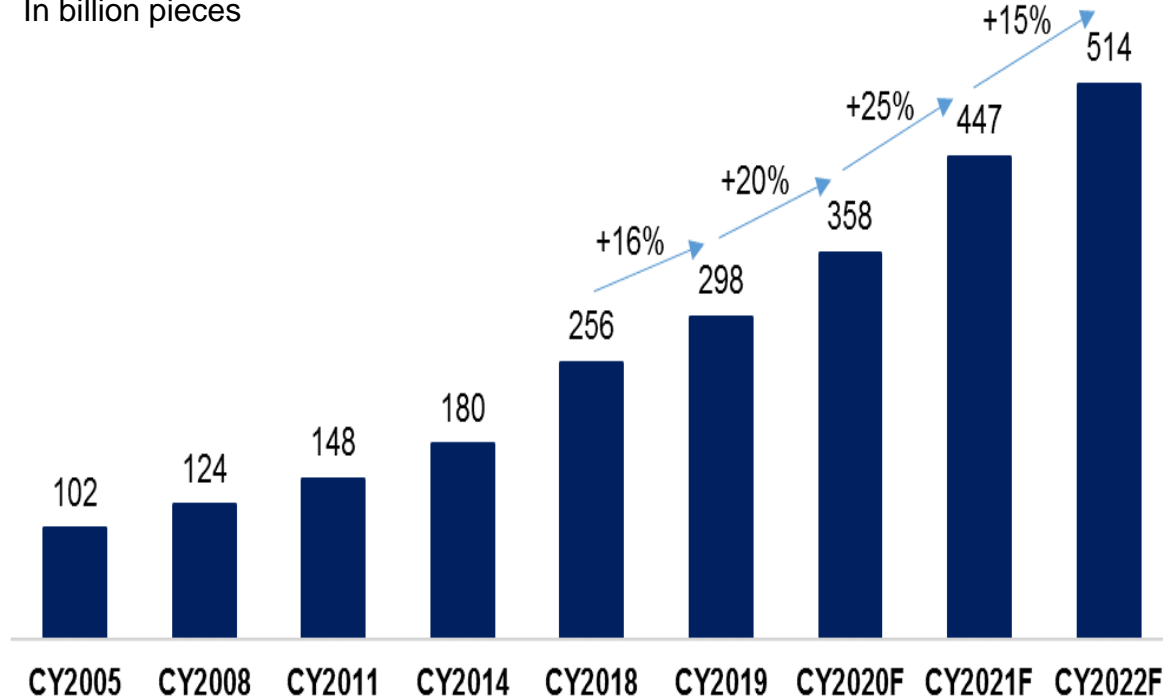


- Revenue over **RM3bn**
- Commenced condom business in **July 2018**

- Launched **BioGreen Biodegradable Gloves**
- Implemented **Manufacturing Execution System (MES)** and **Advanced Auto Packing Machine**

Steady growth in global demand for rubber gloves

In billion pieces



Source: Malaysia Rubber Gloves Manufacturer Association

Driven by strong market fundamentals across geographies

- 1) As a protective barrier for medical staff, gloves are an indispensable item in the healthcare sector, with increasing customer awareness in developing markets.
- 2) Increasing hygiene standards and healthcare awareness
 - a) Non-medical sector in developed countries
 - b) Medical sector in developing countries
- 3) A growing ageing population
 - a) With the elderly being more susceptible to higher risk diseases
- 4) Progressively stringent health regulations
 - a) Healthcare reforms in US, China
 - b) Healthcare regulations: OSHA in the US, EU-OSHA in Europe, SESI in Brazil
- 5) Emergence of new health threats
 - a) COVID-19, A(H1N1), SARS, bird flu, ebola, bio-terrorism, Anthrax

Further growth potential from emerging markets

Based on 2017 statistics

Developed countries (USA, EU28 and Japan)

Other regions

% of World Population

20%



80%



% of Global Glove Consumption

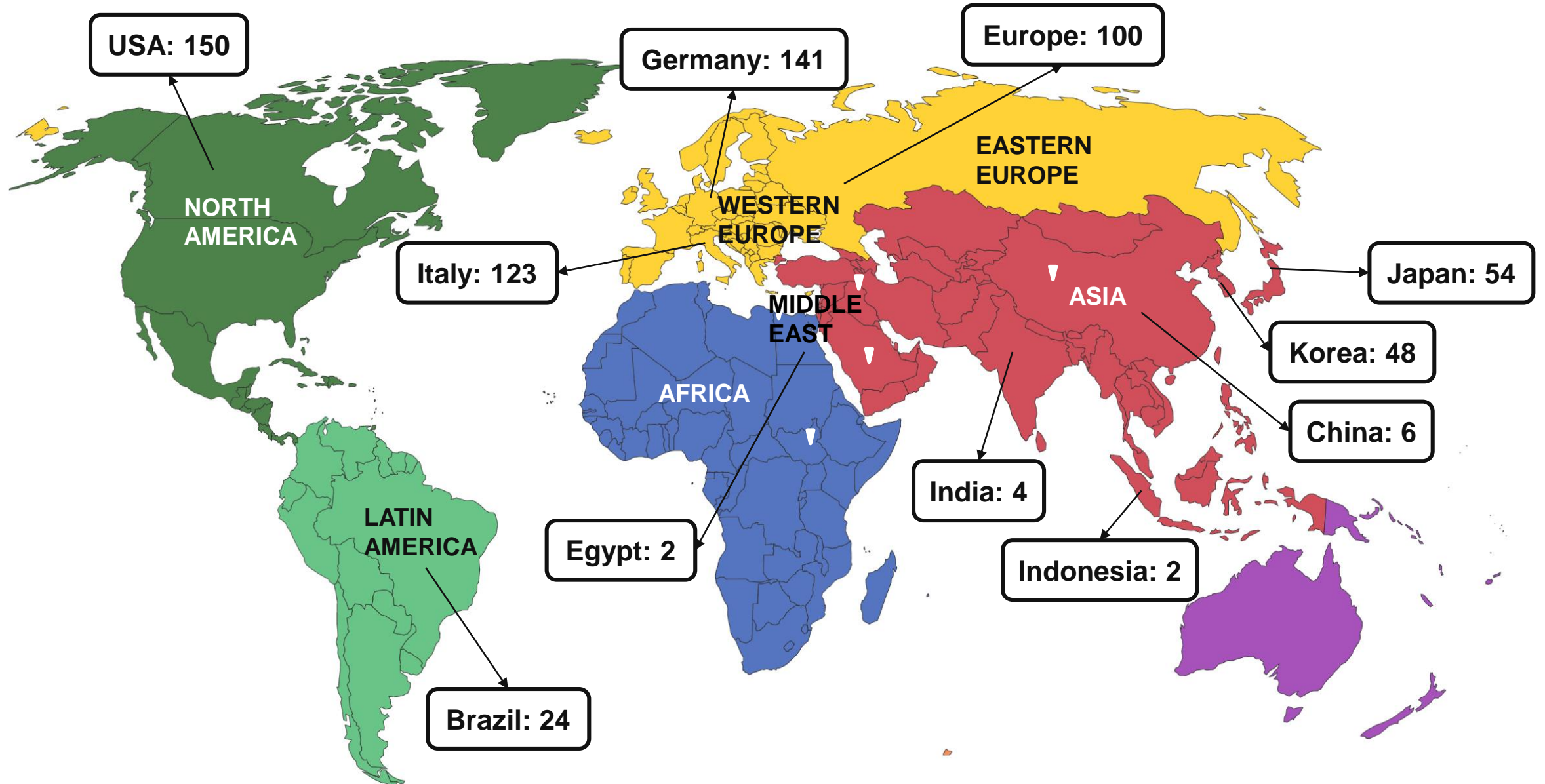
70%



30%



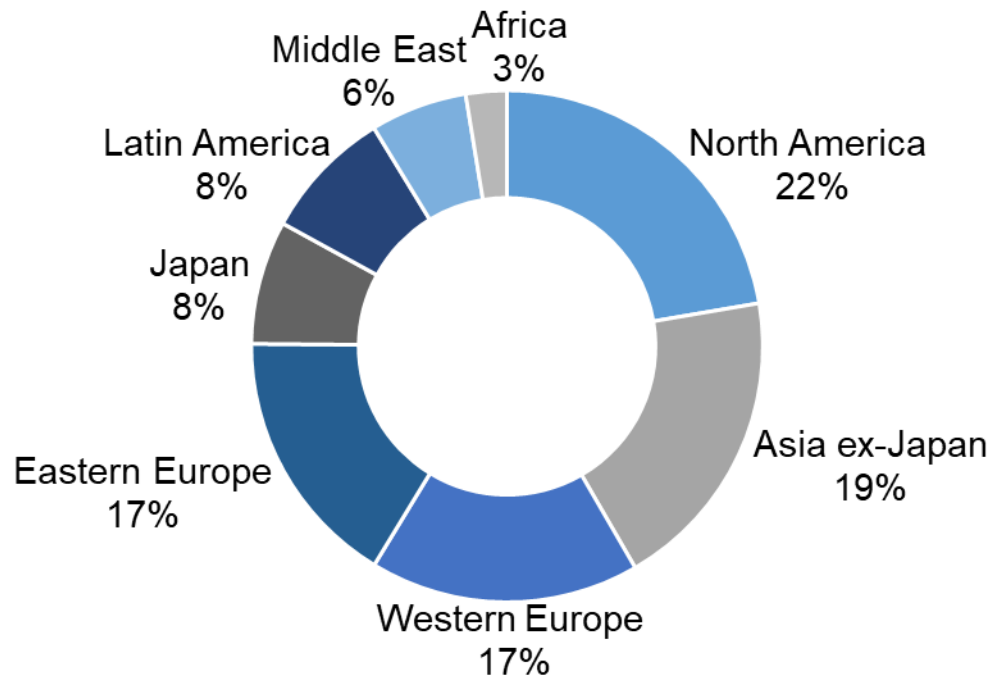
Glove Consumption Per Capita (Pieces)



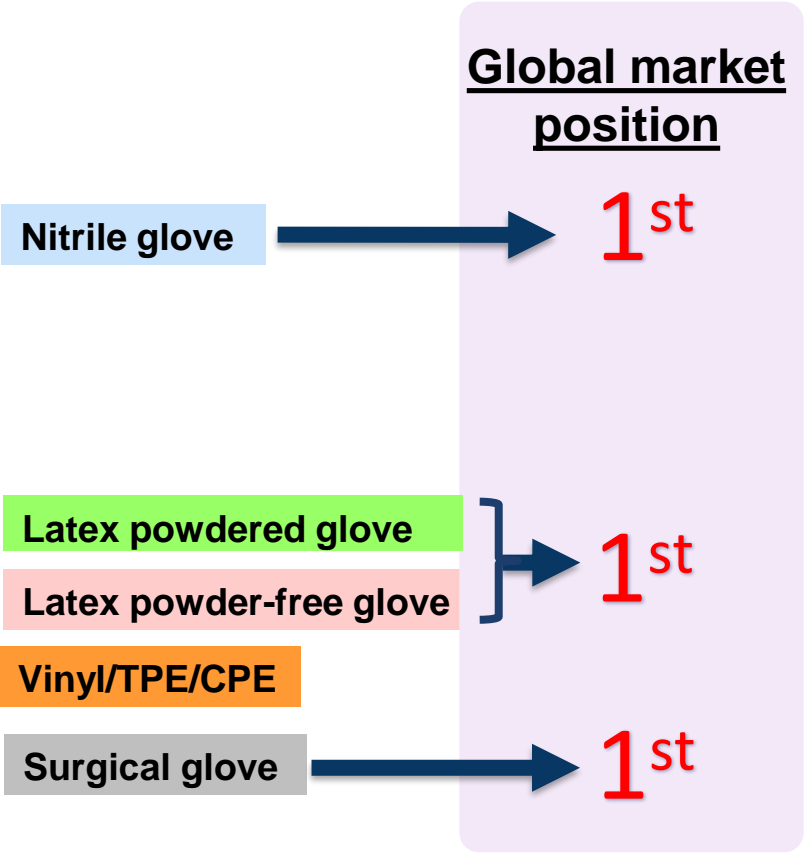
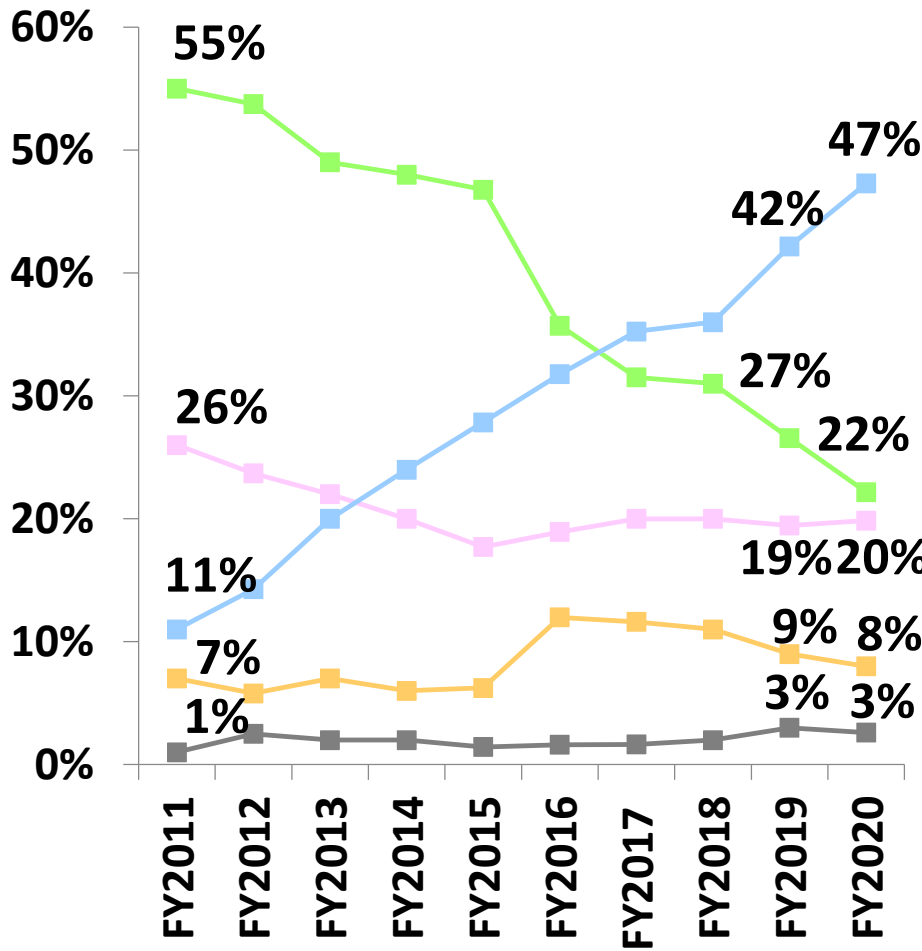
Distribution

- 6 distribution hubs globally
- Over 2,000 customers
- Comprising distributors across 195 countries
- A geographically diverse customer base
- An OEM manufacturer in every region
- Top 20 customers represent c.30% of total revenue
- No single customer contributes more than 4% of revenue

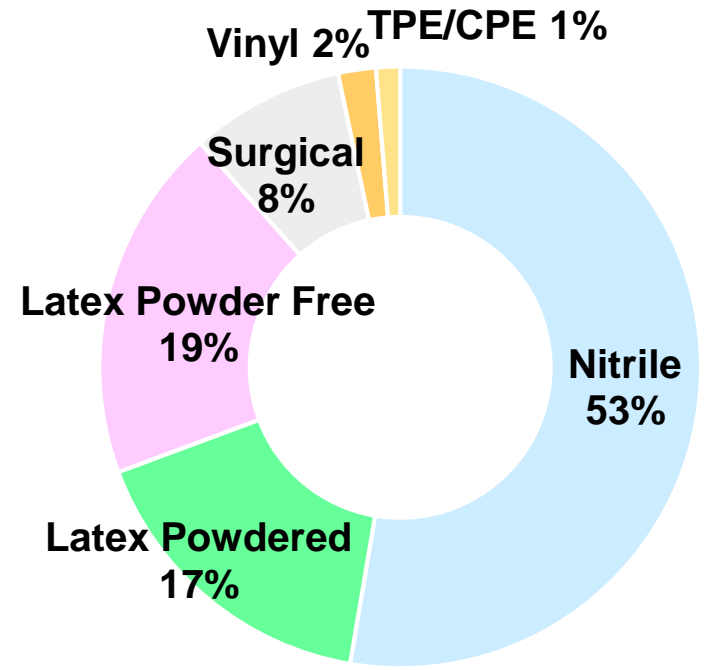
FY20 Sales Volume Breakdown



Product mix by volume from FY2011 to FY2020

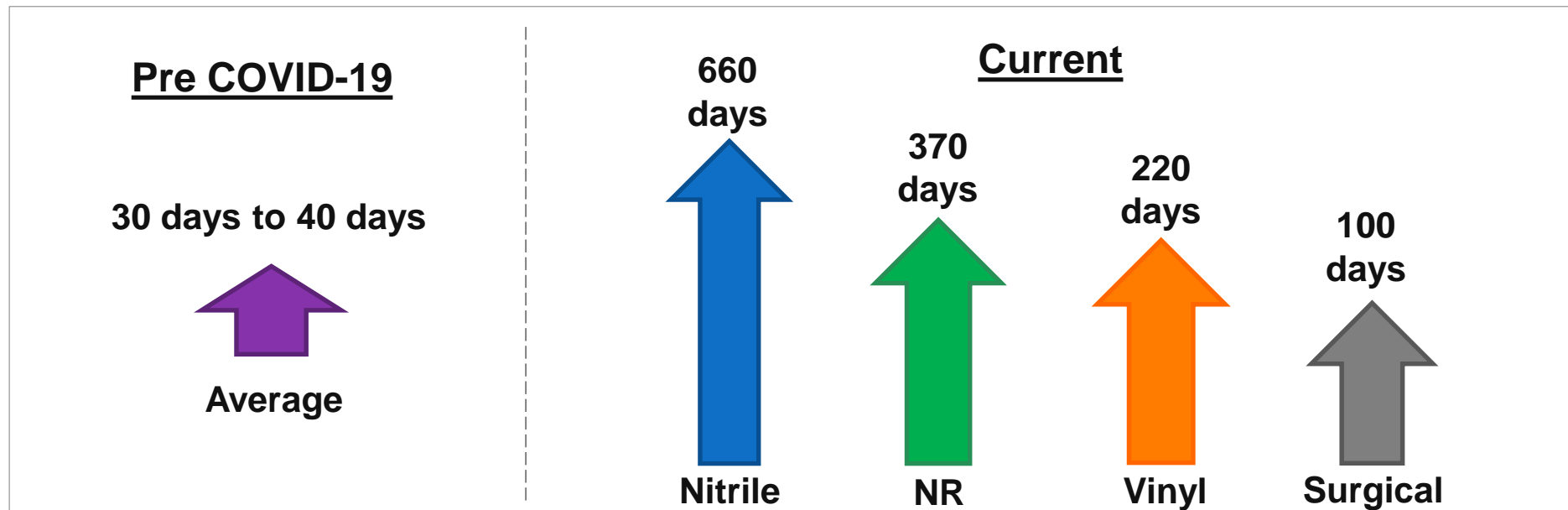


Product mix by revenue for FY2020



- 1) Gloves demand continue to be robust.
- 2) Monthly increasing trend for ASP following strong demand, as well as higher raw material and operating costs.
- 3) 30% of production capacity allocated for spot orders.
- 4) Post Covid19 with vaccine available, we expect gloves usage to be stronger than pre Covid19 era due to increase in healthcare and hygiene awareness.

Lead Time



Lead time increase significantly

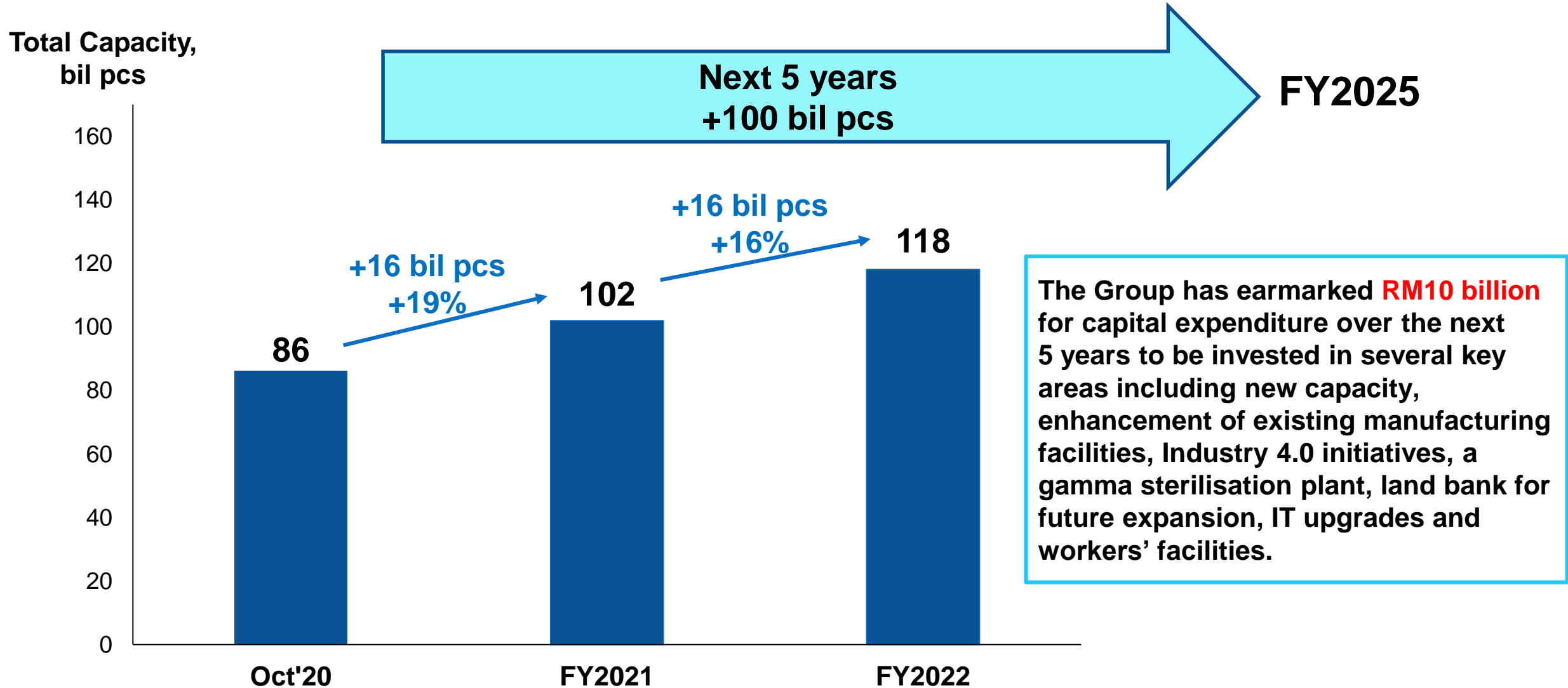


NEW HIGHS IN A NEW NORMAL

Outstanding growth like never before

		FY20 vs FY19
Revenue	RM 7,236 mil	+51%
Profit before tax	RM 2,301 mil	+443%
Profit after tax	RM 1,904 mil	+417%
Earnings per share	23.31 sen	+390%
Return on equity	30.2%	+110%
Total Dividend per share	11.8 sen	+373%
Operating Cash Flow	RM 3,171 mil	+503%

RM10 billion Capex for the next 5 years



Steady Growth Since Listing in 2001

Over 20 years since listing in 2001:

Compound Annual Growth Rate, CAGR

Revenue

23.1%

PAT

28.6%

Average PAT margin

12.2%

For FY ended 31 August

in RM'mil	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	1,529.1	2,079.4	2,053.9	2,314.5	2,313.2	2,275.4	2,510.5	2,888.5	3,409.2	4,220.7	4,801.1	7,236.3
EBITDA	287.5	364.7	196.7	297.7	310.6	301.8	441.7	524.7	489.3	694.0	687.5	2,547.1
EBITDA margin	18.8%	17.5%	9.6%	12.9%	13.4%	13.3%	17.6%	18.2%	14.4%	16.4%	14.3%	35.2%
PBT	222.0	305.0	145.5	240.7	242.2	216.3	363.5	442.2	393.4	522.8	423.6	2,301.4
PBT margin	14.5%	14.7%	7.1%	10.4%	10.5%	9.5%	14.5%	15.3%	11.5%	12.4%	8.8%	31.8%
Taxation	53.9	54.6	30.3	33.4	39.4	32.7	82.3	79.8	54.5	89.6	56.1	397.6
PAT	168.1	250.4	115.1	207.3	202.8	183.6	281.2	362.4	338.9	433.2	367.5	1,903.8
PAT margin	11.0%	12.0%	5.6%	9.0%	8.8%	8.1%	11.2%	12.5%	9.9%	10.3%	7.7%	26.3%
ROE (%)	20.5%	22.4 %	10.0%	16.2%	14.9%	13.1%	17.4%	19.9%	16.3%	18.1%	14.4%	30.2%
EPS, RM **	0.02	0.03	0.02	0.03	0.03	0.03	0.04	0.05	0.05	0.06	0.05	0.23

**Adjusted for bonus issue

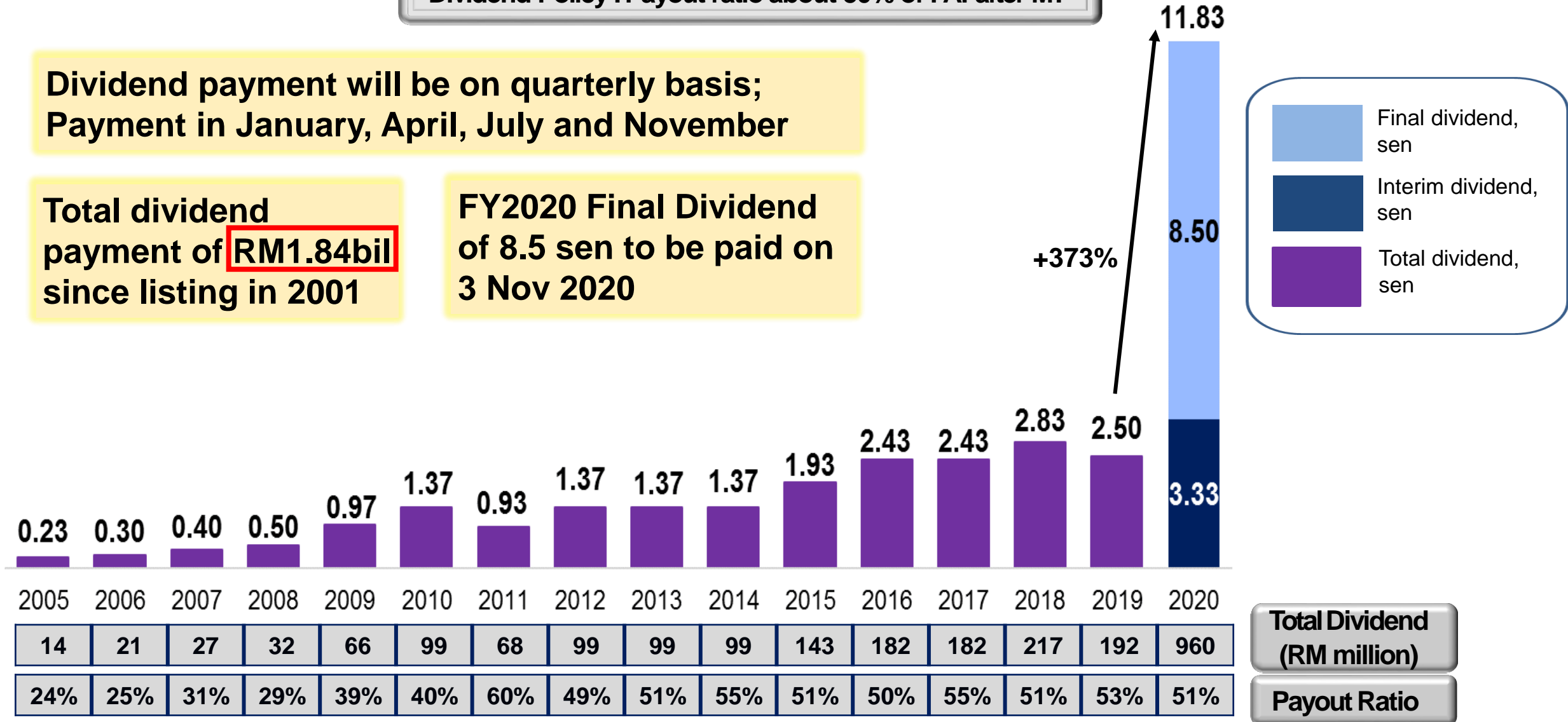
Sustainable High Dividend Payout Ratio

Dividend Policy : Payout ratio about 50% of PAT after MI

Dividend payment will be on quarterly basis;
Payment in January, April, July and November

Total dividend payment of **RM1.84bil** since listing in 2001

FY2020 Final Dividend of 8.5 sen to be paid on 3 Nov 2020



Total Dividend (RM million)
Payout Ratio

Note: Dividend per share has been adjusted with the bonus issues

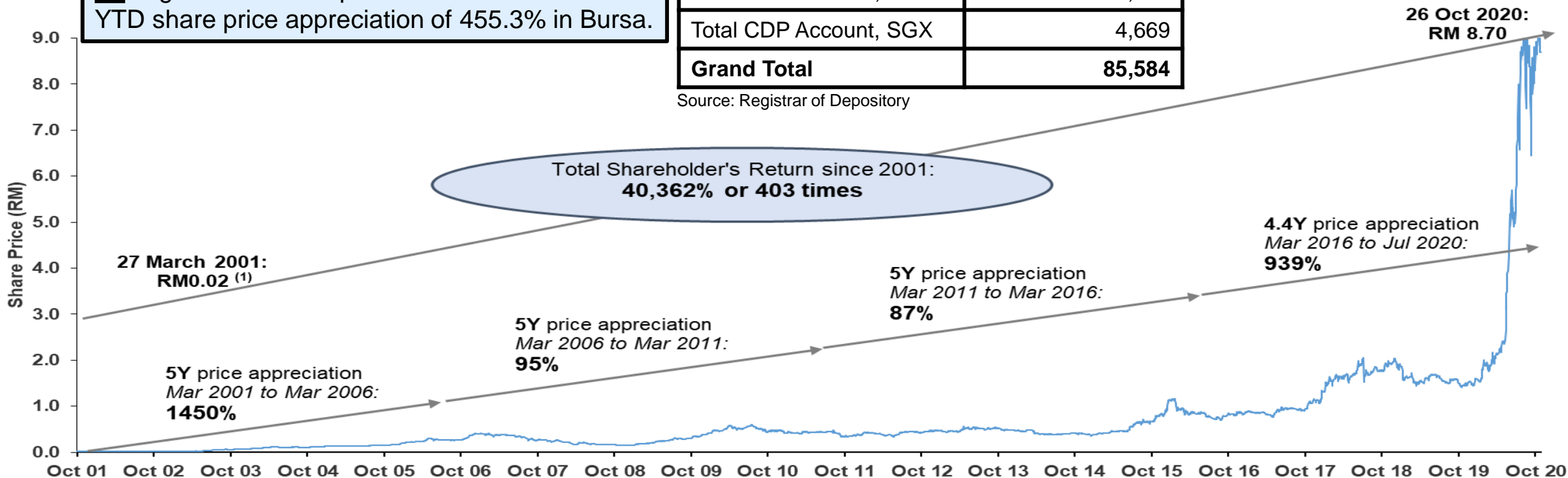
Bursa: Track Record of Delivering Shareholder Value

Total Shareholders Return of 40,362% over 20 years since listing in year 2001

As at 26/10/2020,
2nd highest market capitalization in Bursa.
9th highest market capitalization in SGX.
 YTD share price appreciation of 455.3% in Bursa.

Number of CDS and CDP account	Number of account as at 15 Oct 2020
Total CDS Account, Bursa	80,915
Total CDP Account, SGX	4,669
Grand Total	85,584

Source: Registrar of Depository



With initial investment of 1,000 shares made based on IPO price of RM2.70 on 27 March 2001, the return would be:

Number of shares held ⁽¹⁾	Market value (as at 26 Oct 2020)	Accumulated Dividends	Investment cost (as at 27 March 2001)	Capital appreciation ⁽²⁾	Total shareholder return
#	RM	RM	RM	RM	%
122,304	1,064,045	28,437	(2,700)	1,089,782	40,362%

Source: Bloomberg as of 26 Oct 2020

Notes:

(1) 1,000 shares at IPO, adjusted for bonus issue and share split since IPO

(2) Calculated based on adding market value and accumulated dividends and subtracting the investment cost

Top Glove's Medium and Long Term Objectives

Our Vision :
To be your world class partner in gloves and healthcare products

Our Mission :
Ensuring safe human protection globally supported by our values

OUR PEOPLE

**OUR PRODUCTS,
PROCESS & CUSTOMERS**

OUR FINANCIALS

Healthy workforce living 5 Wells with quality and safety mindset

Diversify to glove related and healthcare businesses

Good and Prudent Financial Discipline to achieve target financial ratios

Ensure the well being of our employees, our greatest assets

Focus on Product Innovation, Operational Excellence to achieve customer delight

Embrace Industry 4.0 digital eco-systems using the power of data

Deliver sustainable financial goals and create value for our investors and financial partners

Continue to innovate and deliver world class products with improved processes and ensure ultimate customers satisfaction

TOP GLOVE

TOP QUALITY, TOP EFFICIENCY

Q & A

Thank you



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Bursa Malaysia : 7113

SGX : BVA

Reuters : TPGC.KL

Bloomberg : TOPG MK

ADR CUSIP : 890534100



Ready, 1 2 3

→ TOP GLOVE 

→ Top Safety 



→ Top Safety 



→ Top Safety 



Claps, 2x 3x 2x

→ IMPROVE! IMPROVE! IMPROVE! 