



Hartalega Holdings Berhad
12th Annual General Meeting
2018





About us

Growing Global



The **LARGEST**
nitrile glove manufacturer

30

BILLION
pieces of gloves per year



The world's **FASTEST &**
most **EFFICIENT**
production lines

Can produce up to **45,000** pieces of gloves per hour



INDEX
Constituents

FTSE Bursa Malaysia KLCI
For being one of the 30 largest companies in Malaysia by market capitalisation.

MSCI Malaysia Index Financial Performance
For our momentum, value, size, growth, fundamentals and financials.

FTSE4 Good Bursa Malaysia Index
For our notable performance in environmental protection, social responsibility and corporate governance (ESG).

FTSE Bursa Malaysia Hijrah Shariah Index
For our strict compliance with Shariah practices.



WINNER
of numerous global awards

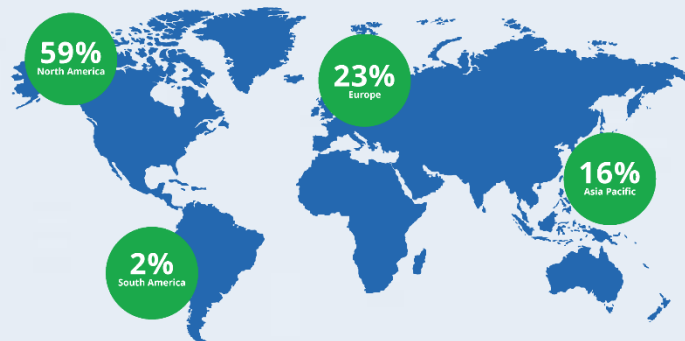
Forbes Asia Best Under a Billion
(2010, 2011, 2012, 2013)

Asiamoney Best Managed Company
(2010, 2012, 2014)

Asiamoney Corporate Governance Award
(2015)

M100 Graduate Employer Award (2015)

HR Asia Best Employers to Work for in Asia
(2013, 2014)



WIDE MARKET REACH

Exporting to more than **50** countries

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Antimicrobial Gloves (AMG)



Financial Performance

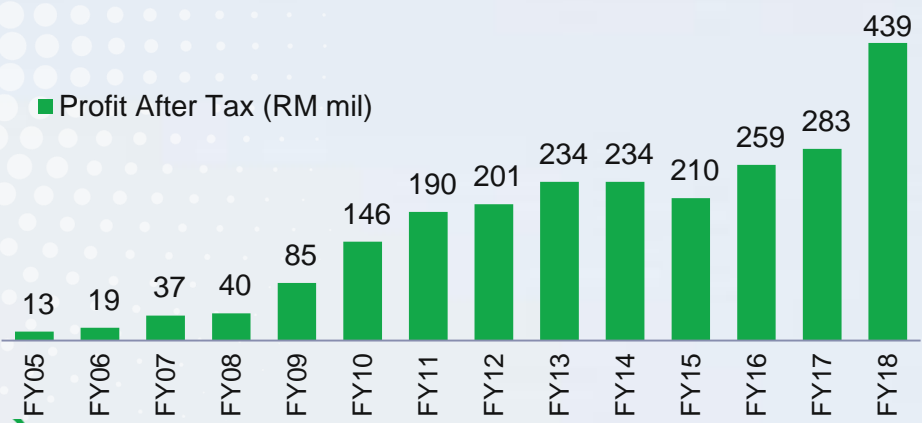
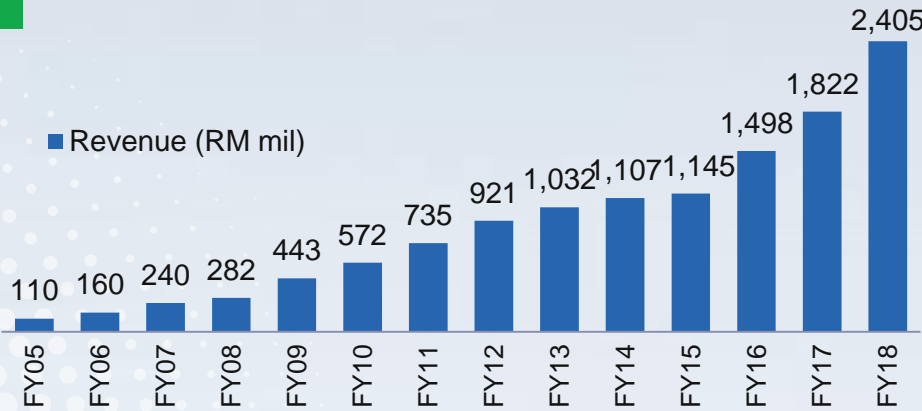
High growth glove company





Sales Revenue & Profit

Growing Global



Revenue
32.0%
 YoY Increase

Revenue CAGR
26.7%
 FY05-FY18

Profit After Tax
55.2%
 YoY Increase

PAT CAGR
31.0%
 FY05-FY18

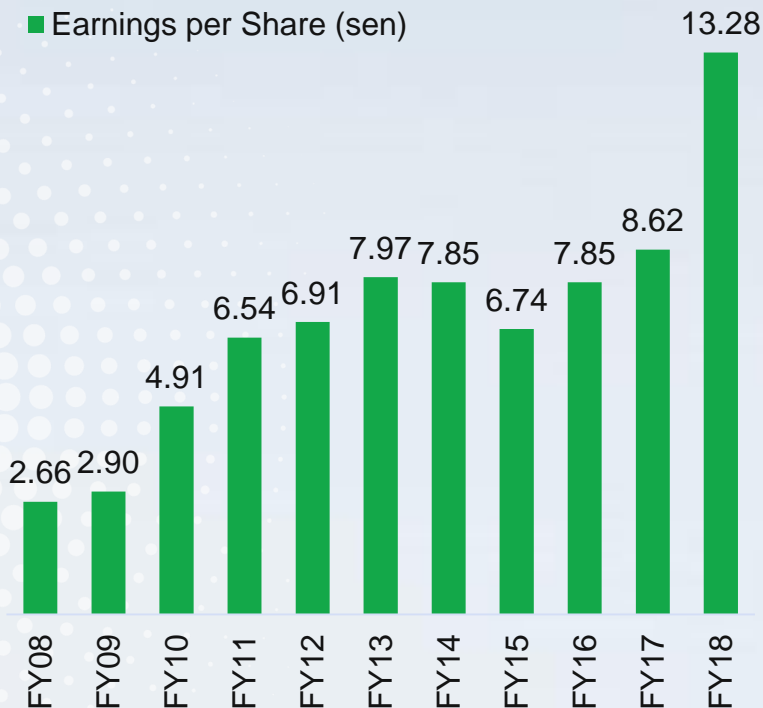
FY18 Net Profit Margin
18.2%



EPS Growth

Growing Global

■ Earnings per Share (sen)



EPS
54.0%
YoY Increase

EPS CAGR
17.4%
FY08-FY18

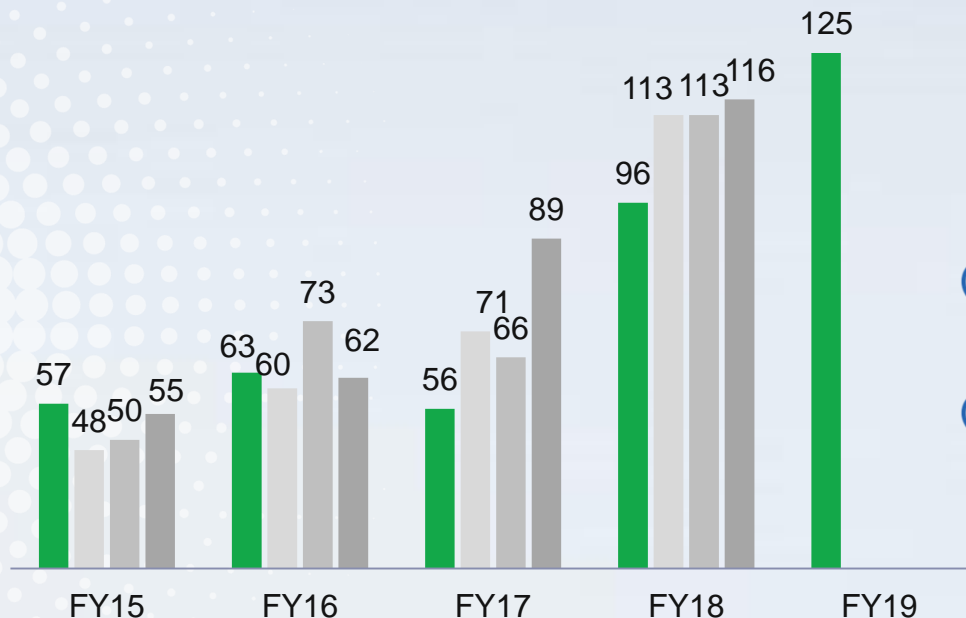
- () Net Earnings grew from RM40m (2008) to RM439m (2018) or 10.9 times in 10 years
- () Number of shares grew from 243m shares (2008) to 3,311m shares (2018) as a result of bonus issue of 1 for 2 in 2010, bonus issue of 1 for 1 in 2012, bonus issue of 1 for 1 in 2015 & bonus issue of 1 for 1 in March 2018 which not hinder EPS from growing
- () Focus on sustaining EPS via combination of economies of scale and stable margins



Quarterly Profit & Corporate Exercise

Growing Global

■ Q1 ■ Q2 ■ Q3 ■ Q4



1Q19
vs 1Q18 PAT

29.7%

YoY Increase

1Q19
vs 4Q18 PAT

7.4%

QoQ Increase

- () Increase in Q1 due to higher revenues from higher ASP and capacity utilization rates.
- () We are currently commissioning lines in NGC Plant 5. These lines will contribute to our Q2-Q4 growth.

Dividend & Share Price Performance

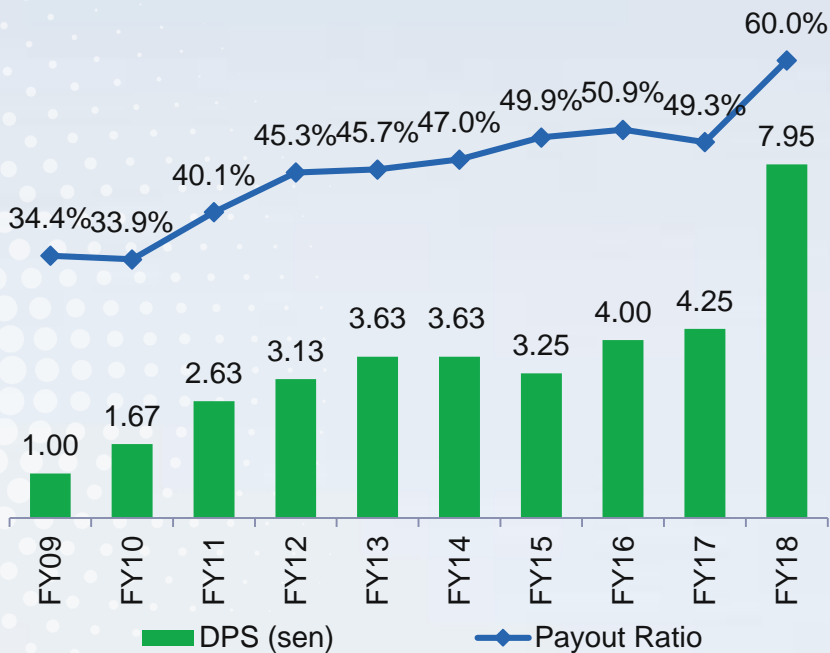
Good growth prospects





Hartalega's Dividend Growth

Growing Global



Dividend per share is stated post-bonus issue*

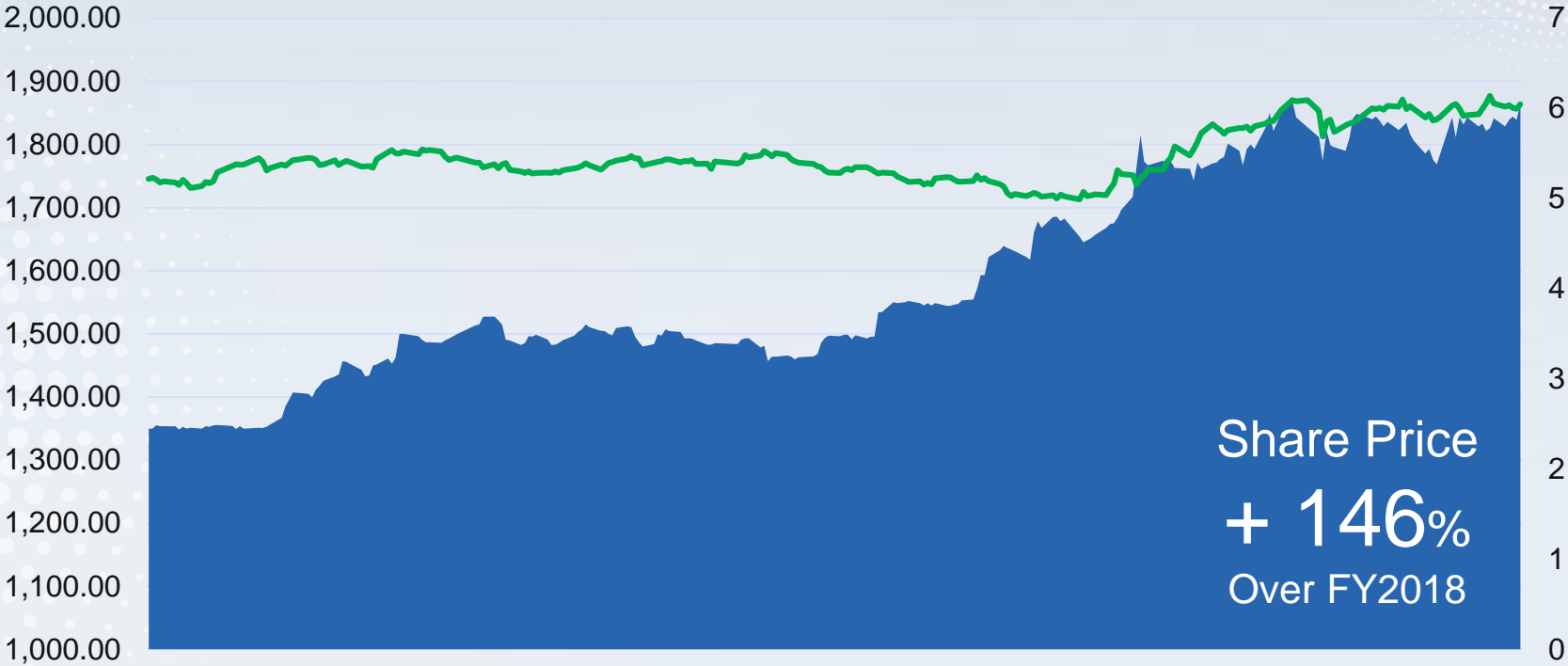
Dividend
Per Share
7.95sen
For FY2018

Dividend
Payout Ratio
60.0%
From FY2018 onwards

- () Pay-out Policy of minimum 60% instituted from FY2018 onwards
- () Although number of shares have grown, DPS has grown to 7.95 sen to date



Hartalega Share Price Performance - FY2018



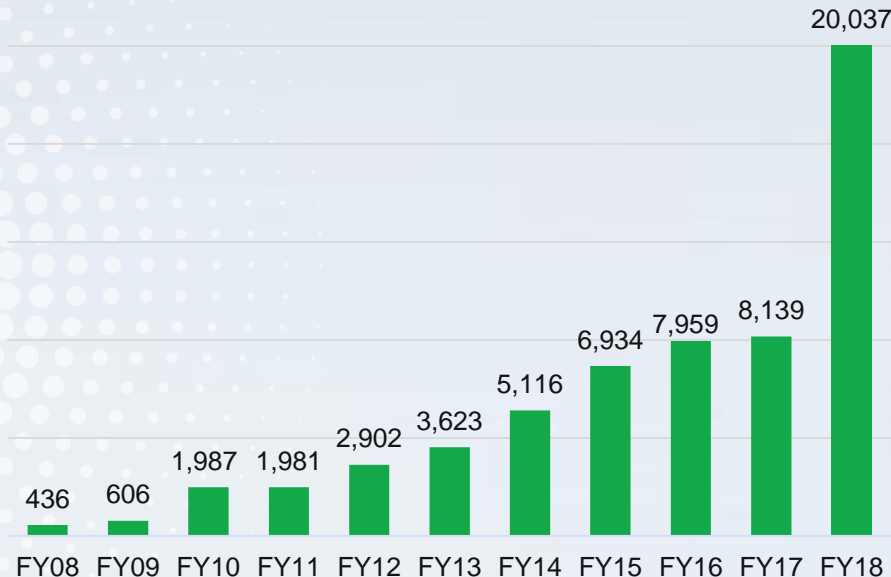
Hartalega (RHS) FBMKLCI (LHS)



Most valuable glove manufacturer

Market capitalization exceeding RM20 billion

Market capitalisation (RM mil)



- () Most valuable glove company with market capitalisation of RM20 billion as of 30th Mar 2018
- () Market cap appreciated by approx. 46 times from RM436 million (IPO of RM1.80 adjusted for bonus issues) to current market cap of RM20 billion (as of 30th Mar 2018)
- () Hartalega commands a premium for its healthy financials, sales growth, innovation and productivity

Industry Outlook

Healthy growth in 2019/2020





Market outlook

Consistent growth in global consumption

■ Global consumption of rubber gloves (bil pcs)

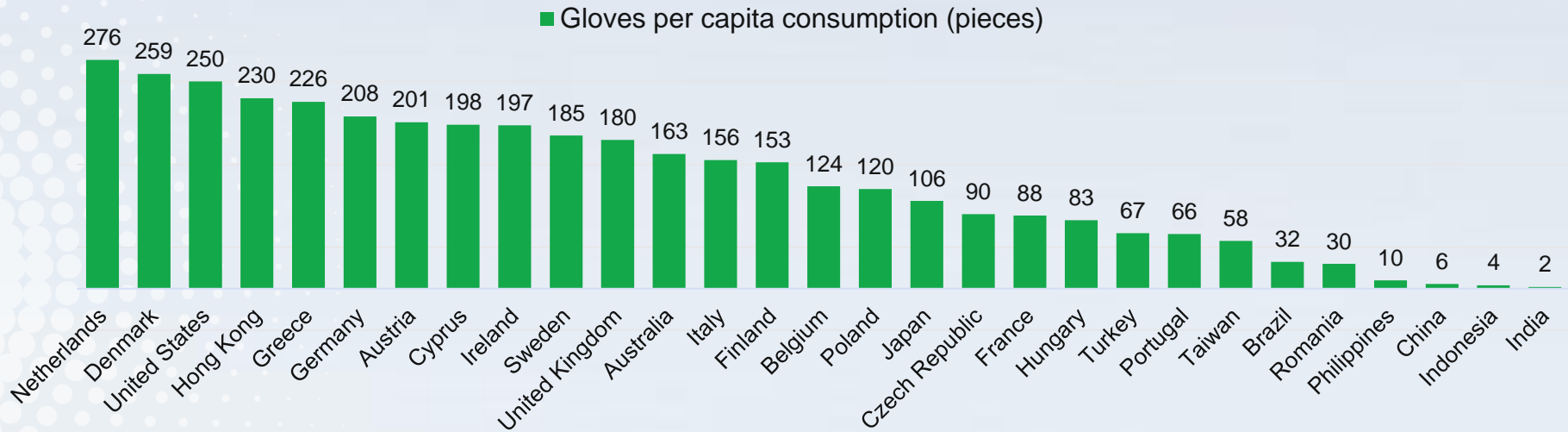


- () World demand for rubber gloves grow at an average of 6% to 8% per annum
- () Malaysia is the largest supplier of rubber gloves to the world – 63% market share
- () Demand for glove is inelastic, a basic necessity in healthcare and other sectors that require hand protection
- () Global consumption growth will continue stemming from increase from developing nations where existing per capita consumption is significantly lower than developed countries



Market outlook

Attractive opportunities in high growth and highly populated developing countries

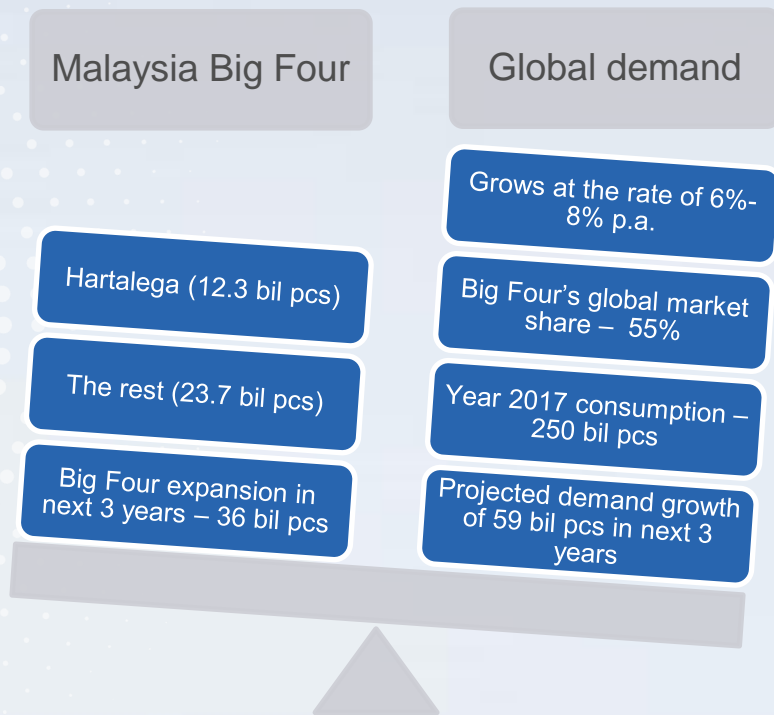


- () Market statistics show big disparity in per capita consumption between developed and developing nations
- () Countries with low per capita consumption of gloves that have huge population and high GDP growth indicate big opportunities for demand growth for gloves



Market outlook

Supply and demand remains healthy

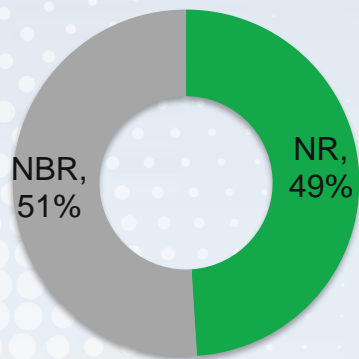


- () Global consumption projected to grow more than industry's capacity expansion
- () Malaysia competitiveness relative to China in glove production has improved due to China's government clamp down on environmental compliance
- () Rubber glove expected to take market share from PVC glove
- () PVC glove market size is about equal to rubber glove

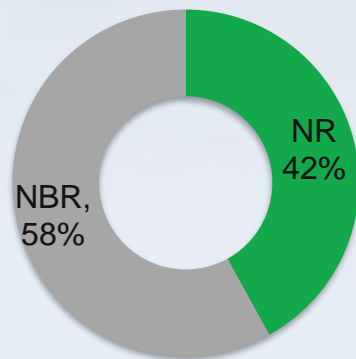


Market outlook

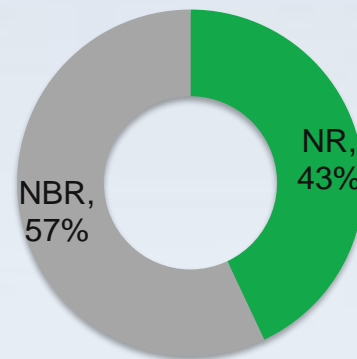
Nitrile glove export in Malaysia continues to grow



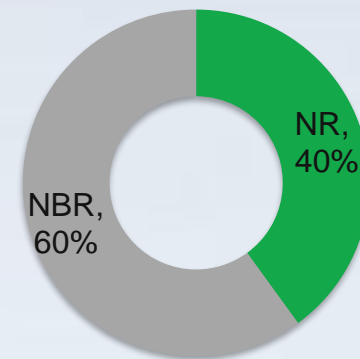
Year 2014



Year 2015



Year 2016



Year 2017

Malaysia's Export of Rubber Gloves (source MREPC)

Hartalega NGC Status

Next generation integrated
manufacturing complex



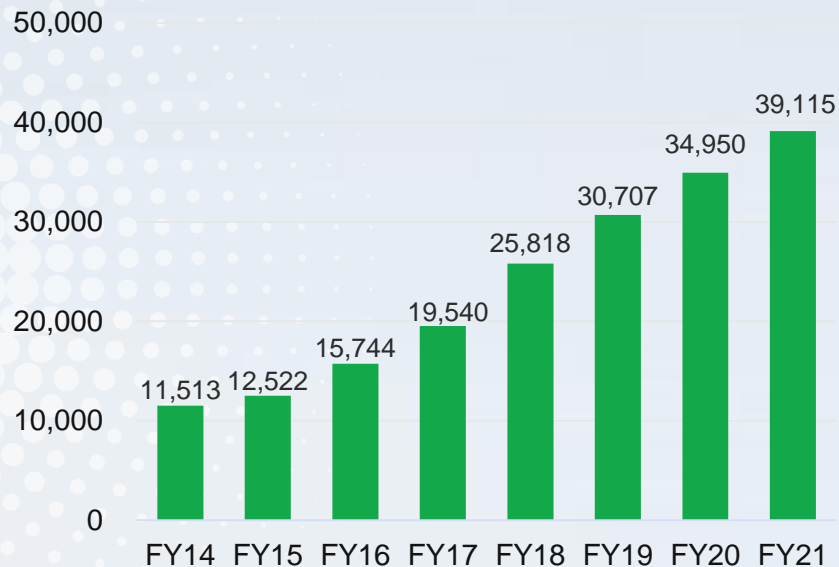
NGC



Our strategy

15% p.a. growth via capacity expansion

Production output projection



Plant 5
1st line
commissioned
in August

Plant 6
Target to start
operations in
1H 2019

Plant 7
Target to start
operations in
2H 2019

- () Growth via addition of new capacity through construction of new production lines
- () To date, 49 production lines are running at NGC. 4 out of 6 plants at NGC are in full operation
- () Construction of NGC plant 6 has commenced

Antimicrobial Gloves

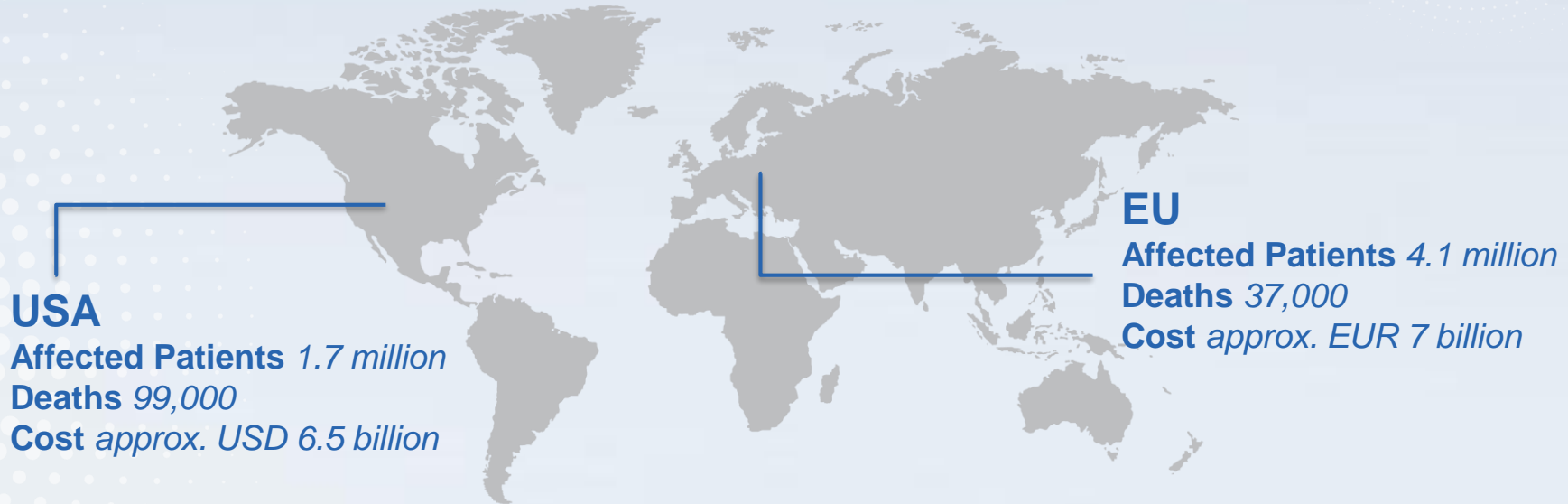
World's First Non-Leaching
Antimicrobial Gloves





World's first non-leaching antimicrobial gloves

What is Healthcare Associated Infections (HAIs)?



Source: Adapted from World Health Organization, Healthcare-Associated Infections Fact Sheet.

- () Healthcare Associated Infections (HAI) are infections that patients get while receiving treatment for medical or surgical conditions



World's first non-leaching antimicrobial gloves

The role of medical gloves

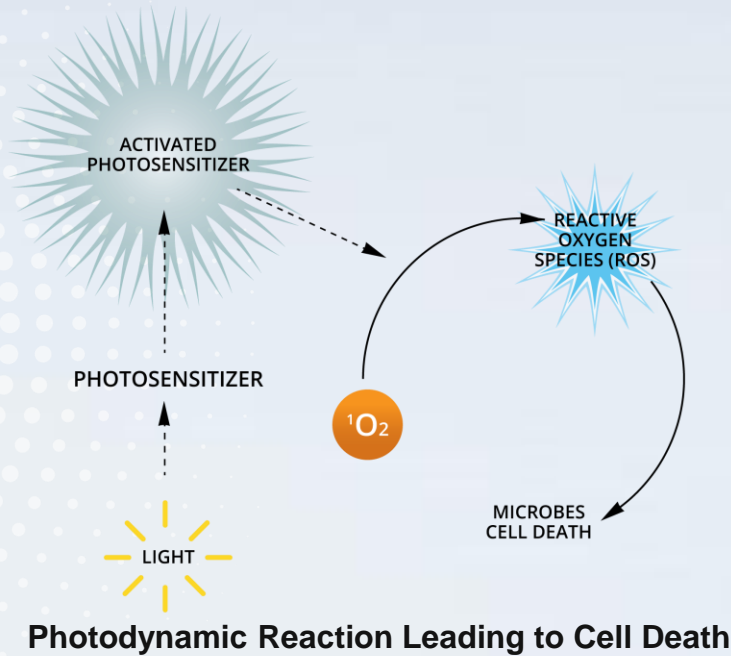


- () Centre of Disease Control and Prevention (CDC) and World Health Organization (WHO) recommends wearing medical gloves to reduce risk of:
 - () Blood and body fluid contamination of healthcare workers' hands
 - () Microbial dissemination in the environment, microbial transmission from healthcare workers to patients and vice versa, as well as among patients.
- () Gloves at current however is a passive barrier protection against HAIs



World's first non-leaching antimicrobial gloves

Antimicrobial Glove (AMG): An active approach in preventing HAIs

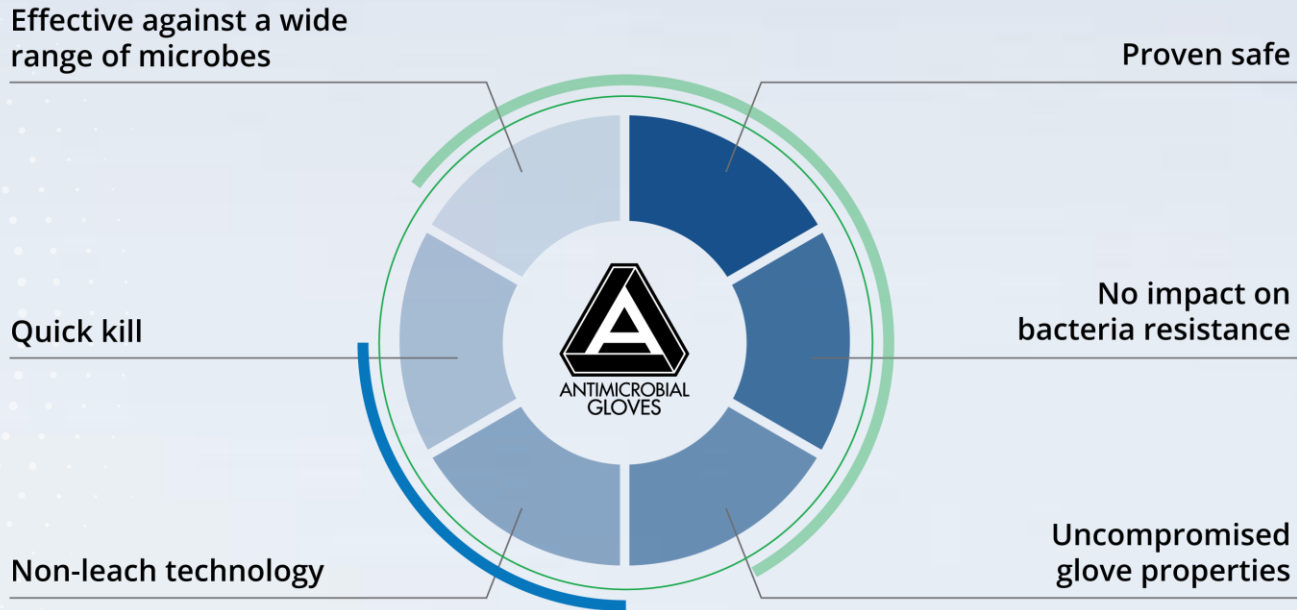


- () Contrary to conventional gloves, AMG antimicrobial gloves can play an active role in reducing spread of infections
- () Designed to kill microorganisms on the external side of the glove quickly upon contact.
- () Active ingredient on the glove is a photosensitizer which generates singlet oxygen when exposed to light.
- () This singlet oxygen oxidizes bacteria's protein and lipid, thus leading to death of microbes.



World's first non-leaching antimicrobial gloves

The benefits of AMG





World's first non-leaching antimicrobial gloves

Bactericidal efficacy of AMG

Microbe	Type	Average % Bacteria Killed			
		5 mins	10 mins	15 mins	20 mins
Enterococcus faecalis (VRE)	Gram-positive	99.982	99.996	-	99.968
Enterococcus faecium	Gram-positive	99.991	99.991	99.996	-
MRSA	Gram-positive	99.988	99.998	99.999	99.997
Staphylococcus aureus**	Gram-positive	99.999	99.993	-	99.994
Streptococcus pyogenes	Gram-positive	99.946	99.970	99.988	99.996
Escherichia coli	Gram-negative	-	-	99.030	-
Klebsiella pneumoniae	Gram-negative	-	96.471	-	97.747

** Further testing was conducted on *Staphylococcus aureus* at shorter contact time.

Bacteria kill rate (%) results recorded: 99.989% (1 min), 99.998% (2 mins) & 99.999% (5 mins)



Hartalega

Antimicrobial Gloves Video

https://www.youtube.com/watch?v=6_WsUHXFnr4

Do you have
any question?

