



Top Glove Corporation Bhd

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PRESS RELEASE

For Immediate Release

CREATING VALUE, SHARING SUCCESS

Top Glove delivers strong full year performance amidst a challenging operating environment to reward stakeholders

Shah Alam, Friday, 17 September 2021 Top Glove Corporation Bhd or “Top Glove” today announced its financial results for the Fourth Quarter ended 31 August 2021 (4QFY2021) and full financial year 2021 (FY2021), overcoming a challenging operating environment to achieve its most robust performance yet, while focusing on long term value creation for stakeholders.

Financial Performance

For financial year 2021 (FY2021), Top Glove’s Sales Revenue amounted to RM16.4 billion, soaring 127% from FY2020. Profit After Tax also grew to RM7.98 billion, a 346% jump compared with the previous financial year. Meanwhile, the Group’s net cash position as at 31 August 2021 remained healthy at RM2.05 billion.

Sales Revenue for 4QFY2021 amounted to RM2.12 billion, softer by 32% versus 4QFY2020, while Profit After Tax came in at RM631 million, easing 48% compared to the corresponding period in the previous year. Sales Volume was also 33% lower year on year. The Group’s commendable yearly financial performance was attributed to strong glove demand coupled with elevated average selling prices (ASPs) driven by the ongoing pandemic. Meanwhile, its 4QFY2021 results were softer on the back of normalising demand, following mass vaccine rollout on a global scale, leading to lower Sales Volume and ASPs, which were not matched by a corresponding

reduction in raw material prices. This was further affected by the Finding imposed by the U.S. Customs and Border Protection (CBP), impacting Sales Volume and Profit.

Performance was also affected by the Enhanced Movement Control Order (EMCO) during which the glove industry in the state of Selangor was not allowed to operate for 10 days, which involved 50% of Top Glove's factories; as well as a subsequent round of the Movement Control Order during which the affected facilities were only permitted to operate at 60%. The reduced output adversely impacted utilisation, driving costs upward.

Notwithstanding this, in line with Top Glove's commitment to reward its approximately 136,000 public shareholders, the total dividend payout for 4QFY2021 is 71%, comprising a special dividend payout of 21% plus 50% in line with the Company's dividend policy. This amounts to a total dividend of 5.4 sen per share, comprising a final dividend of 3.8 sen per share and a special dividend of 1.6 sen per share. The ex date for the dividend is 1 October 2021, while the payment date is 15 October 2021. The total dividend declared for FY2021 amounts to approximately RM5.21 billion or 65.1 sen per share, which represents a 452% increase from the full year dividend for FY2020 of 11.8 sen per share.

Dato' Lee Kim Meow, Managing Director of Top Glove said, "We are pleased to deliver such strong results in spite of several challenges throughout the year. We attribute this to our committed and capable employees, who have partnered with us to weather the tough times and worked tirelessly with a sharpened focus on adhering to SOPs, to ensure we met the urgent need for gloves globally, particularly for frontliners."

"Our good performance has allowed us to continue delivering value to our many stakeholders. We are able to reward our loyal shareholders and investors for their continued support. It also positions us to continue creating gainful employment and fulfilling our tax obligations, while supporting worthy causes as well as communities. In addition, it enables us to create reserves to insulate our business and ensure we remain fit and future ready", added Dato' Lee.

Corporate Developments

The Group is pleased that following the Modification of the Finding by the U. S. CBP, Top Glove's Malaysia operations have been allowed to resume exporting and selling gloves to U.S.A effective 10 September 2021, indicating the Group has addressed all indicators of forced labour identified at its Malaysian facilities. This positive development is expected to boost sales from Top Glove's Malaysia operations to U.S.A, which accounts for 15% of the Group's total sales.

With the health and safety of its employees as a foremost priority, Top Glove has on 19 July 2021, commenced its participation in Program Imunisasi Industri COVID-19 Kerjasama Awam Swasta (PIKAS), a partnership between the public and private sector aimed at accelerating the immunisation of its employees. To date, the Group has seen 96% of its employees worldwide receiving their first dose of the COVID-19 vaccine, while 87% have already been fully vaccinated with their second dose.

Top Glove is also honoured to have garnered several awards at the prestigious Edge Singapore Billion Dollar Club 2021 (BDC). Under the Healthcare Services & Pharmaceutical sector, it won 3 awards namely Best Performing Stock, Fastest Growing Company and Best in Sector and to top it all, was also named Overall Winner for 2021 amongst 90 other companies in the BDC this year.

The year 2021 has been a meaningful and fruitful "Year of ESG (Environmental, Social and Governance)" for the Group, and marks the start of greater efforts to come. Top Glove is presently exploring science based target setting towards crystallising a net zero carbon emissions roadmap with an external consultant, pending which the Group is working towards medium term

sustainability targets by FY2025.

Further details of these and Top Glove's multiple initiatives in the ESG space may be found here: <https://www.topglove.com/sustainability/>

Outlook

Notwithstanding the accelerating vaccination rate, which has sped up the moderating glove demand and tapering of ASPs, Top Glove remains upbeat about industry prospects.

"We are confident that demand for gloves as an essential item in the healthcare sector will continue its upward trend, all the more with the emergence of new virus strains", Dato' Lee observed.

"While the business environment ahead is expected to be challenging and competitive, we believe Top Glove is well positioned to overcome, just as we have in the past. To ensure we maintain our growth momentum, our best efforts will be channelled towards not just meeting but exceeding our stakeholders' expectations; as we improve our quality and efficiency through R&D, enhancement programs and advanced technology, as well as level up our sustainability initiatives. Most importantly, we will ensure we remain healthy mentally, physically and financially, which is the firm foundation of our business", Dato' Lee concluded.