

**1st Quarter FY 2025
Financial Results**



Hartalega Holdings Berhad
Analyst Briefing
6 Aug 2024



Pushing Forward



Q1 FY2025 Financial Results Overview

Growing Global
Innovation & Quality

	Q1 FY25	Q4 FY24	QoQ Change	Q1 FY24	YoY Change
Sales Volume ('bil pieces)	5.9	5.6	5%	4.3	37%
Utilisation Rate	78%*	73%*		41%	
Revenue (RM'mil)	584	530	10%	440	33%
Operating Profit (RM'mil)	35	(12)	392%	(19)	284%
<i>OP Margin</i>	6.0%	(2.3%)		(4.3%)	
PBT (RM'mil)	41	19	116%	(45)	191%
<i>PBT Margin</i>	7.0%	3.6%		(10.2%)	
PAT (RM'mil)	32	20	60%	(51)	163%
<i>PAT Margin</i>	5.5%	3.8%		(11.6%)	

* Post-decommissioning utilisation rate

Q1 FY2025 Key Financial Highlights

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1

Higher sales revenue

- Sequential volume improvement ↑ 6%
(Delayed shipments amid global shipping constraints – c.600 mil pcs)
- Higher ASP of c.4% (RM) in Q1'25

2

Operating margin recovery

- Higher utilisation ↑ production efficiency
- Operating profit recovered despite higher input costs
(Increase in both raw material & natgas prices)

3

Profitability improvement

- EBITDA ↑ 48% to RM76 million
(EBITDA margin of 13%)
- Notable improvement on bottomline profitability

4

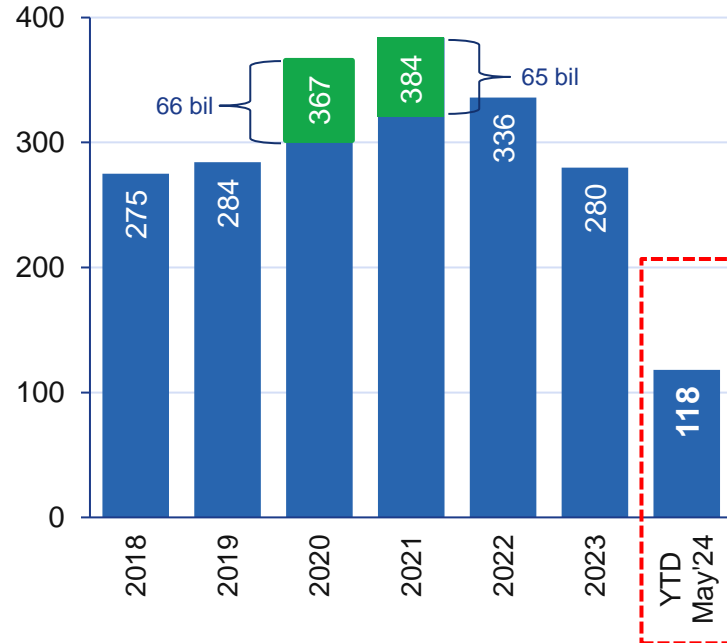
Prudent & healthy financial position

- Maintaining solid **net cash** position of **RM1.3 billion** as at Q1'25

Post-pandemic global demand

- () Global demand for gloves softened over the past two years due to overbought pandemic inventories
- () Incipient signs of **demand improvement** since early 2024 as pandemic stockpiles worldwide continues to **deplete**
- () Commencement of **restocking activities** to support demand trend
- () Recovery in market demand to **continue** into 2H'CY2024 and 1H'CY2025
- () Demand for rubber gloves is expected to see healthy CAGR **growth of 6%-8%** over the long run

Global Demand for Gloves (Billion pcs)



Source: International Trade Center (ITC), company estimates

Market outlook: *Green shoots of recovery*

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Global oversupply

- () **Capacity streamlining** and **exit of newer entrants** have alleviated some oversupply pressure

Demand recovery

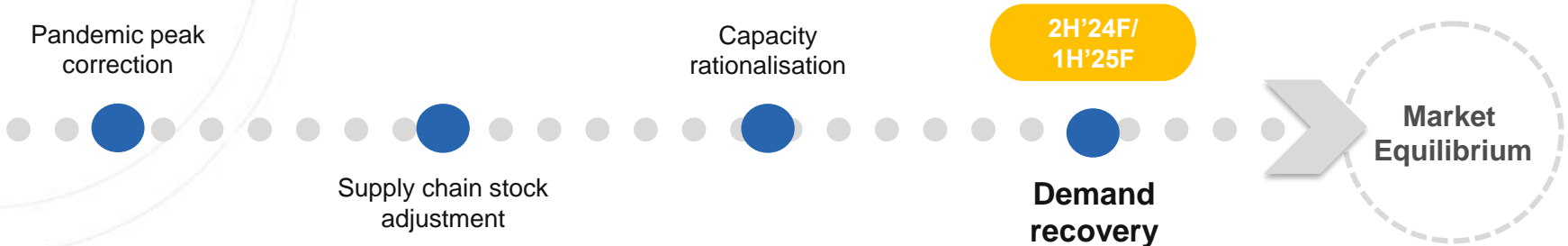
- () **Recovery trend** to continue with depletion of pandemic stockpiles and normalisation of consumption

Stabilising ASP

- () ASP has regained footing post-trough in mid-2023; partial **cost-passthrough** is possible amid rising costs

US-China trade tension

- () New and potential trade barriers likely to provide **positive impetus** for Malaysian producers



Pushing forward in the new landscape

Initiatives to *ensure long term
business sustainability &
resilience*



Post-operational streamlining and ramping up

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Completion of decommissioning exercise; ongoing ramping up of production capacity amid improving demand outlook

- () Strategic operational rationalisation consolidated all production at the more **advanced** and **efficient** NGC plants
- () Streamlined operations and harnessing newer technology to help **optimise production** and **cost efficiencies**
- () Plant-wide **production ramping up** to continue in light of more **favourable demand outlook**
- () Production capacity in NGC has been **successfully raised to above 80%** through systematic ramping up efforts



Installed capacity

Pre-decommissioning : 44 billion
Post-decommissioning : **32 billion***



* Installed capacity from existing NGC1.0 facility

Growth & Expansion

*Positioning for market recovery
& long-term growth roadmap*



NGC1.5

Ongoing Expansion: NGC1.5, Sepang

Post-streamlining expansion to align with prevailing market supply-demand dynamics

NGC1.5 (Plant 8-9)

- () Consisting of **two plants** with appx. **11 billion pcs p.a. capacity**
- () Adopting **newer technology** with **higher production efficiency** is critical amid new operating landscape
- () Production lines to commence **gradually** and attuned to prevailing **market outlook**
- () Undergoing trials to **prepare** installed lines for **operational commissioning**
- () Through NGC1.5, target to increase installed capacity to **37 billion pcs p.a.** by end-FY25



Thank You



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