



## **Press Release**

**For Immediate Distribution**

### **SUPERMAX ACHIEVES PROFIT BEFORE TAX OF RM1.34 BILLION IN 3Q2021, DECLARES SPECIAL DIVIDEND OF 13 SEN**

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**KUALA LUMPUR, MALAYSIA – 5<sup>th</sup> MAY 2021 - Supermax Corporation Berhad (“Supermax” or the “Group”)** has today released its third quarter results for financial year ending 30 June 2021 (“**3Q2021**”), delivering another set of remarkable earnings amid continuous robust demand.

For 3Q2021, the group registered revenue of RM1.938 billion, increasing by 333.2% as compared to the corresponding quarter a year ago. Profit Before tax (“**PBT**”) increased by 1,308.8% to RM1.342 billion and profit after tax (“**PAT**”) surged by 1,313.0% to RM1.022 billion. The Group has continued to record another strong quarter with sales revenue close to the RM2.0 billion level again while profitability at EBITDA, PBT and PAT levels all remaining well in excess of RM1.0 billion. Profit margins were maintained at near record levels achieved in the preceding quarter with EBITDA, PBT and PAT margins at 70.4%, 69.3% and 52.8%, respectively. Together with this stellar performance, Supermax declared a special dividend of 13 sen per ordinary share for the current financial year ending 30 June 2021. To-date, Supermax has declared dividends of 16.8 sen in respect of the current financial year. The Group’s cash & bank balances increased to RM3.986 billion as of 31 March 2021 as compared to RM3.699 billion as of 31 December 2020.

The Group would have recorded an even stronger performance were it not for the temporary closure at the Meru plants to do a complete sanitisation and deep-cleansing exercise following the detection of several Covid-19 cases among the foreign workers. There was loss of production output in the month of February, 2021 at the Meru Plants when workers were put into mandatory quarantine for each batch of workers at each of the respective plants. The donation or contribution of RM75 million towards the Malaysian Government’s efforts in fighting the Covid-19 pandemic was also taken up in the current quarter.

In terms of capacity expansion in Malaysia, Supermax had completed the commissioning of the remaining production lines in Block B of Plant #12 during the preceding quarter, adding 2.2 billion to the Group’s annual installed capacity. We are seeing a full quarter contribution in the quarter ending March 2021 and going forward. We are currently building 5 glove manufacturing plants concurrently and scheduled for completion progressively between now and year 2022. The new plants will add 22.25 billion new capacity bringing the Group’s total capacity to 48.42 billion gloves by end 2022. The Supermax Group would invest total capital expenditure of RM1.39 billion for the new plants.



The vulnerability of disruption of PPE supply chains and over dependence on imports is the primary concern of governments around the world. To address this major concern in countries where Supermax operates, we are reinvesting the earnings derived from our distribution centres into the respective countries where Supermax operates. The capital expenditure earmarked for the US is US\$300 million for phase #1 and US\$250 million for phase #2 making total of US\$550 million. Currently, the company is working with various government agencies in the US to identify suitable manufacturing site, negotiate with various agencies, counties & local governments for providing the full infrastructure that the Company needs for production of Medical Gloves and to provide various supports from local institutions such as on R&D, Employee Training and other support services that the company needs. We have to-date received approval from a State Government, Capital Investment Tax Credit (CITC) with Projected Capital Investment of US\$482 million. We are currently working with another State for a similar or better Capital Investment Incentives before making the final decision on the State and the Shortlisted Site where the project would be located.

The Covid-19 vaccines are being rolled out in an increasing number of countries. This is widely expected to cause glove demand and consumption to moderate. The Company believes that it will likely be gradual and not drop sharply due to the structural change in consumption, such as new consumption, new customers and greatly heightened healthcare and hygiene awareness.

In view of the surge in demand, there are more new glove players jumping into the bandwagon. In addition, the current players are increasing capacity in large scale especially from players who are public-listed companies based in China, Malaysia and in Thailand. As more new capacity is available in the market, the global glove prices have begun to decrease. The glove prices have since dropped by between 15% to 25%. Currently, the Spot market prices are lower than the contracted prices. Since the founding of Supermax, we have adopted the Own Brand Manufacturing (OBM) model whereby we manufacture the products, package and market under our In-house brands. We currently export 58% of production under our own brands via our own distribution centres and 40% through independent distributors. The remaining 2% is for OEM production. We are prepared to navigate the forthcoming intense competition globally with our business model and established distribution networks which the group built since 1989.

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#### **ABOUT SUPERMAX CORPORATION BERHAD**

Supermax Corporation Berhad is a leading international manufacturer, distributor and marketer of high-quality medical gloves. Established in 1987, its founders started a trading business to distribute latex gloves and moved on to manufacture latex gloves in 1989. The Supermax Group has twelve factories manufacturing various types of natural rubber and nitrile latex gloves. Supermax is also one of the top four glove manufacturers in Malaysia. Supermax has become Malaysia's very first home-grown contact lens manufacturing company. It successfully commissioned its manufacturing facility in Malaysia after carrying out extensive R&D activities in the UK. It has also made good progress in terms of obtaining the necessary licenses and approvals which have allowed it to build up its product presence in more countries.

For more information about Supermax, visit [www.supermax.com.my](http://www.supermax.com.my), [www.supervision.com.my](http://www.supervision.com.my), [www.aveovision.com](http://www.aveovision.com).

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