

MERCATOR

The global disposable gloves market size was estimated at USD 6.71 billion in 2019 and was expected to expand at CAGR of 11.2% from 2020 to 2027 without COVID-19 impact.

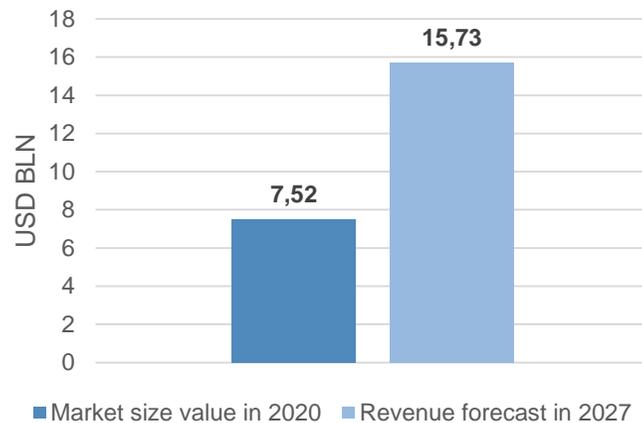
Nowadays market prices are strong above 2019.

Growing product demand in medical & healthcare, pharmaceutical, automotive finishing, chemical, and oil & gas industries has been a major factor driving market growth.¹

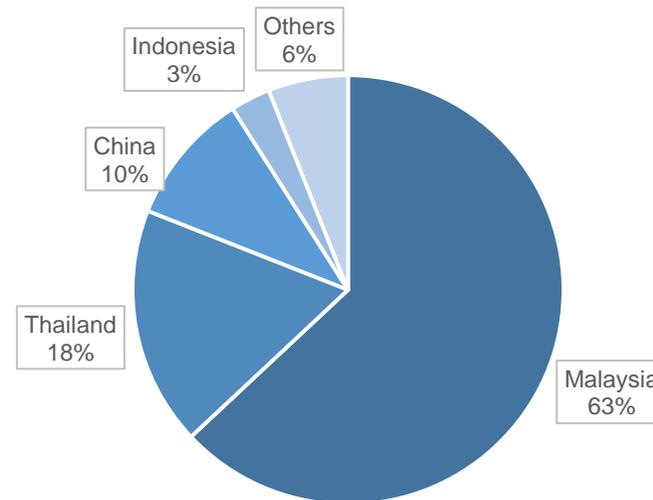
Growth factors:

- **consistent market growth supported by the lack of direct substitutes for disposable medical gloves**
- **expected further growth driven by an increase in the number of medical treatments, increased social awareness, tighter regulations and the global COVID-19 pandemic**
- **consequences of the growing problem of infectious diseases:**
 - increase in the number of cases of hepatitis B and C, HIV and other infectious diseases
 - increase in the number of infectious diseases and infections in hospitals
 - the trend of 'double gloving'
- **growth of the medical industry:**
 - health system reforms, the aging society and the development of advanced technologies
 - increasing health care standards and tightening regulations
 - expected increase in health care expenditure due to the convergence of emerging markets to developed countries and the growing demand for health care

Projected market size value without COVID-19 impact¹



Manufacturers²



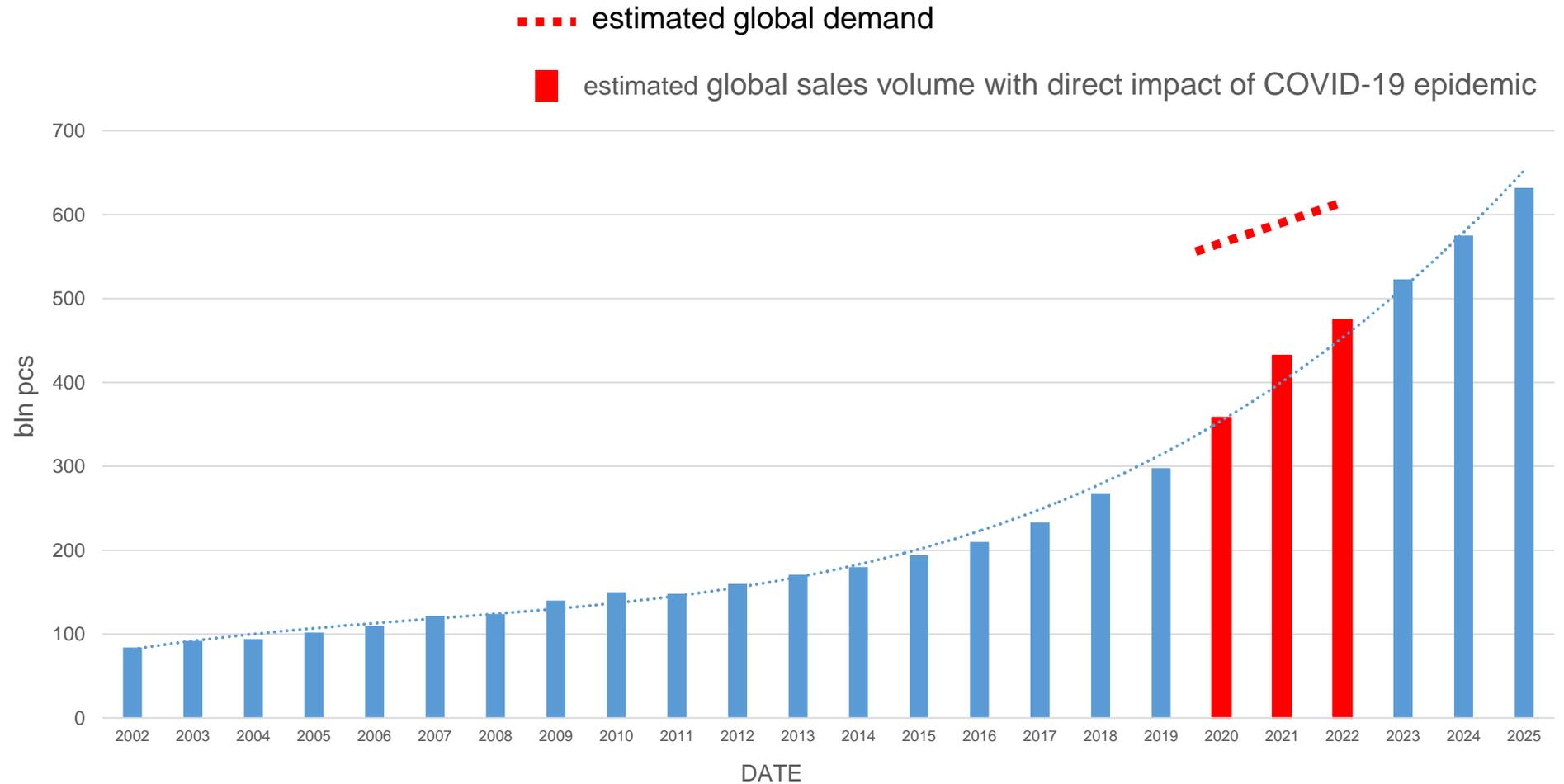
¹ 'Grand View Research Disposable Gloves Market Size, Share & Trends Analysis Report By Material (Natural Rubber, Nitrile, Neoprene, Polyethylene), By Product (Powdered, Powder Free), By End Use (Medical, Non-medical), And Segment Forecasts, 2020 – 2027', <https://www.grandviewresearch.com/industry-analysis/disposable-gloves-market>

² 'MARGMA Industry Brief 2019 on the Rubber Glove Industry' Prospectus

2020

**Estimated
global sales
volume:
360,000,000,000
(360 bln gloves)**

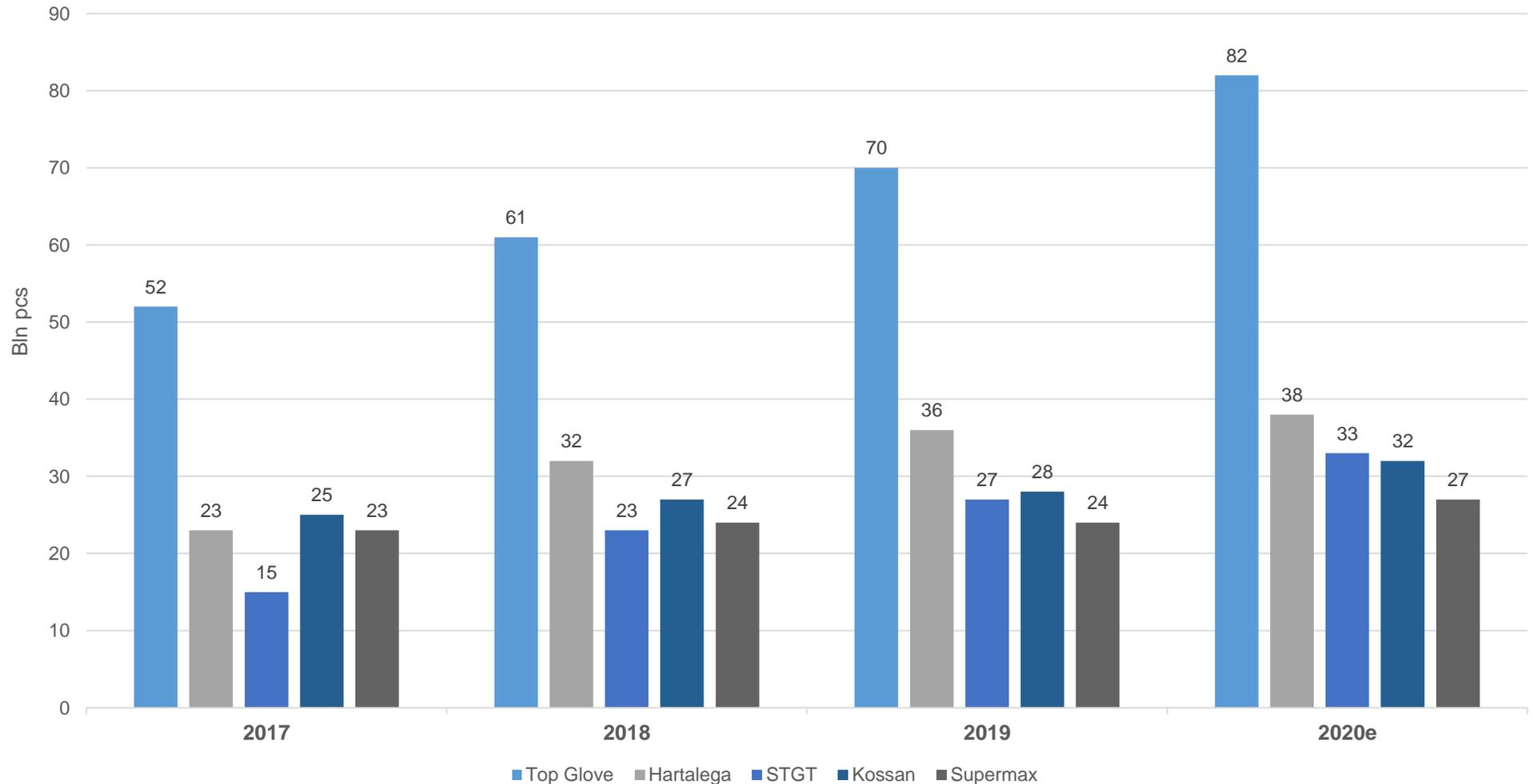
**Expected annual
growth:
20% yoy**



LARGELY INELASTIC GLOBAL SUPPLY OF GLOVES



Rubber glove capacity forecasts for 2020 of the top 5 producers



source: Company data, KS Research

MESSAGE FROM THE MANUFACTURER #1: „The best is yet to come – new peaks ahead”

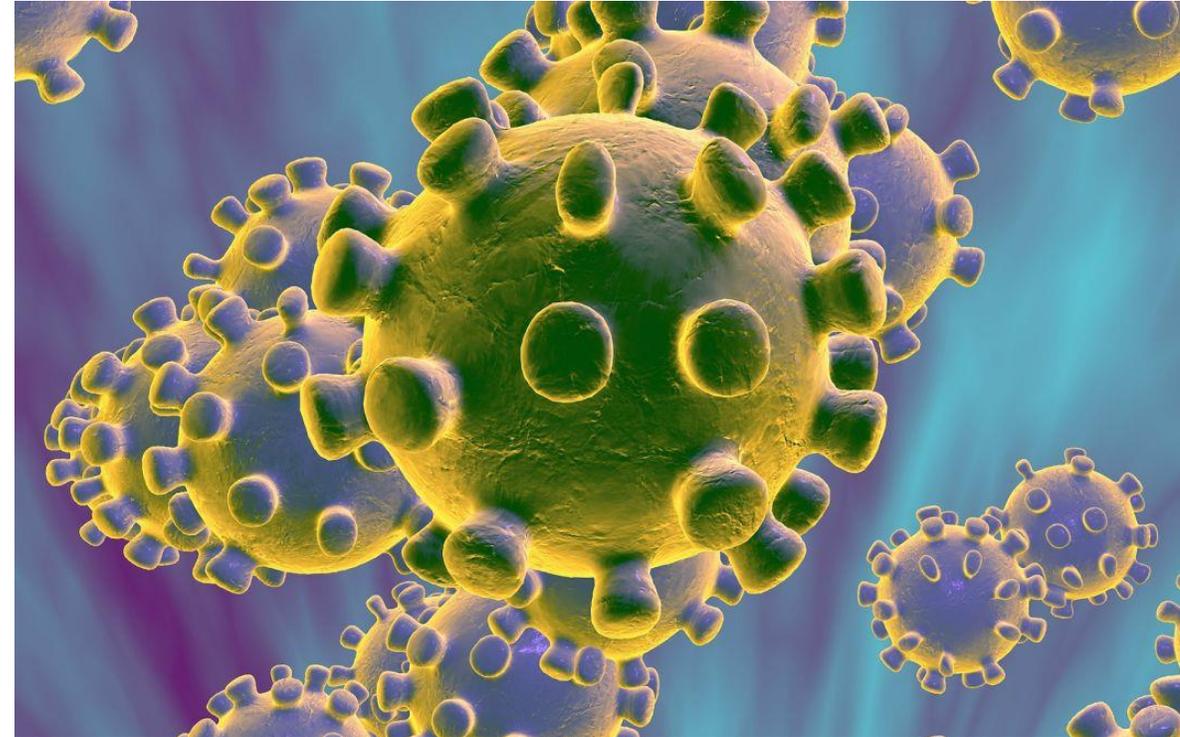
Top Glove Corporation said:

1) Surge in global demand will continue for at least next 2 years:

- Estimated strong global demand - starting 282 bn pcs in 2019, +55 bn pcs, +20% in 2020, +85 bn pcs, +25% in 2021, +63 bn pcs, +15% in 2022)
- Surge in global demand of 200 bn pcs from 2020 to 2022 will outstrip the estimated new supply from major manufacturers in Malaysia, Thailand and China
- New entrants will take up to 2 years to start production and not competitive due to small scale and unable to access raw material
- Vaccine will take years to be available for everyone globally [and there is a need to use gloves as well]
- Post pandemic growth will be higher than pre-pandemic due to heightened awareness in medical and non-medical sectors

2) ASP (avg. sales price) will continue to rise:

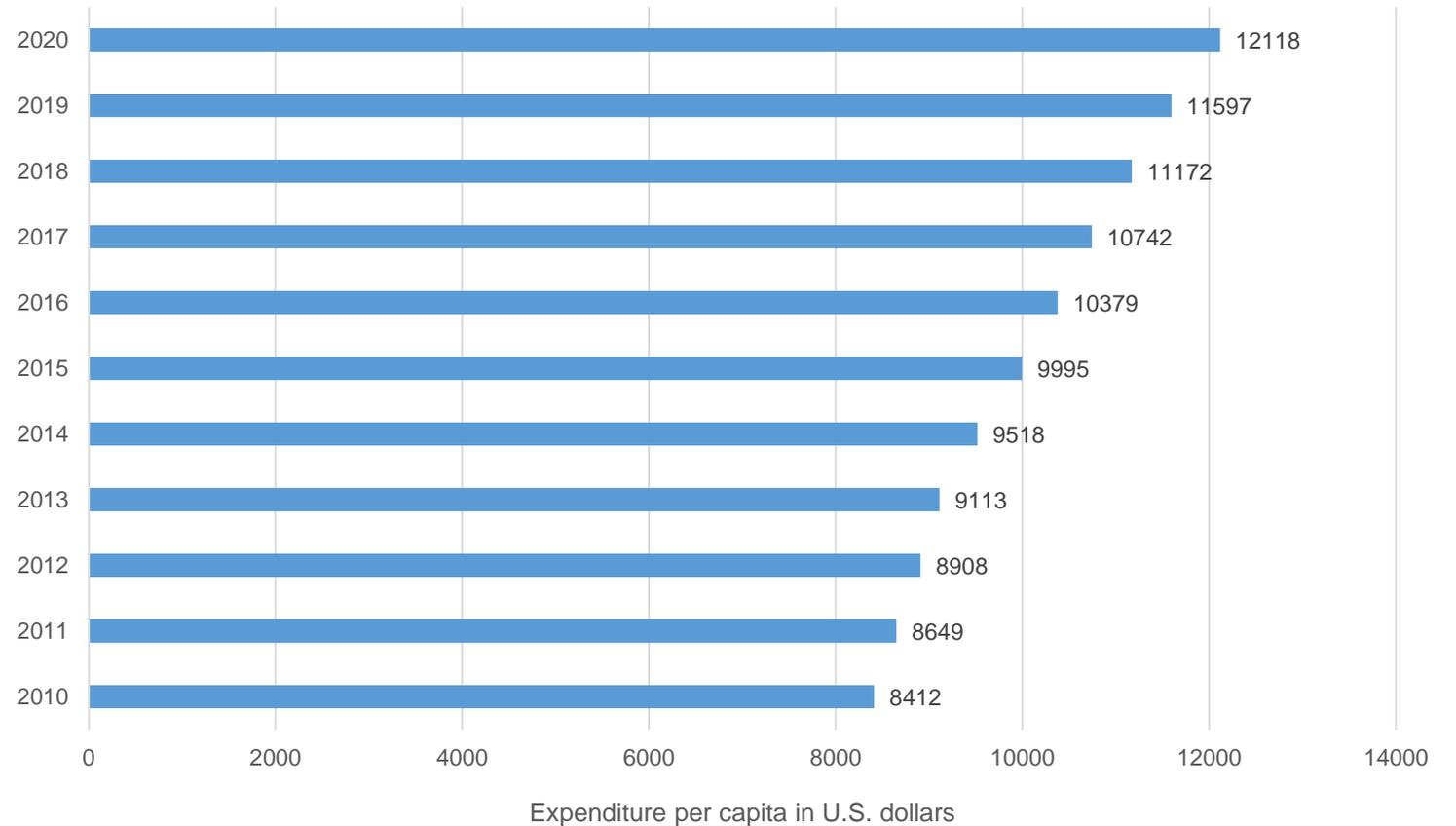
- Lead time is increasing every month – Top Glove sales order book for nitrile gloves: pre-pandemic period – from 30 to 40 days, June 2020 – 540 days, July 2020 590 days, October 2020 – 660 days,
- Nitrile raw material supply is constraint
- ASP is going up in Q4 2020 at about +30%
- Quarantine for Top Glove workers



**National per capita health expenditure
in the United States from 2010 to 2020 ²**

North America is anticipated to register a CAGR of 11.4% over the forecast period (2020-2027). Factors including rising healthcare expenditure coupled with increasing elderly population and growing awareness pertaining to healthcare-acquired infections among healthcare workers are anticipated to have a positive impact on market growth. ¹

Data without COVID-19 impact



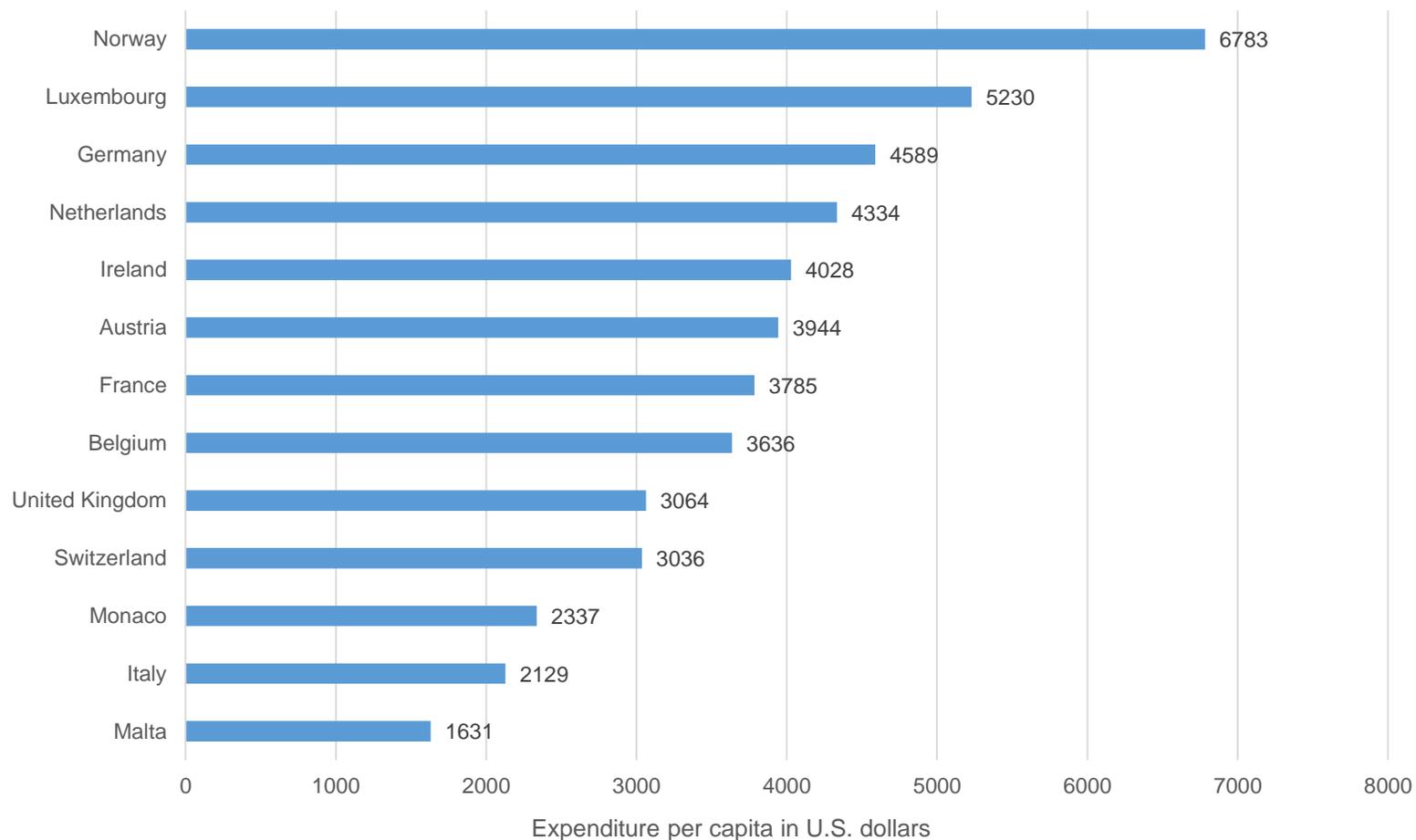
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² <https://www.statista.com/statistics/184955/us-national-health-expenditures-per-capita-since-1960/>

Europe was the largest regional segment, accounting for over 28.8% of the total market revenue in 2019 and is expected to witness moderate growth over the forecast period (2020-2027). An increasing number of occupational injuries coupled with growing requirements for highly effective protective gloves in majority of core industries such as food and beverage, oil and gas, automotive, and chemical is expected to augment the regional product demand.¹

Data without COVID-19 impact

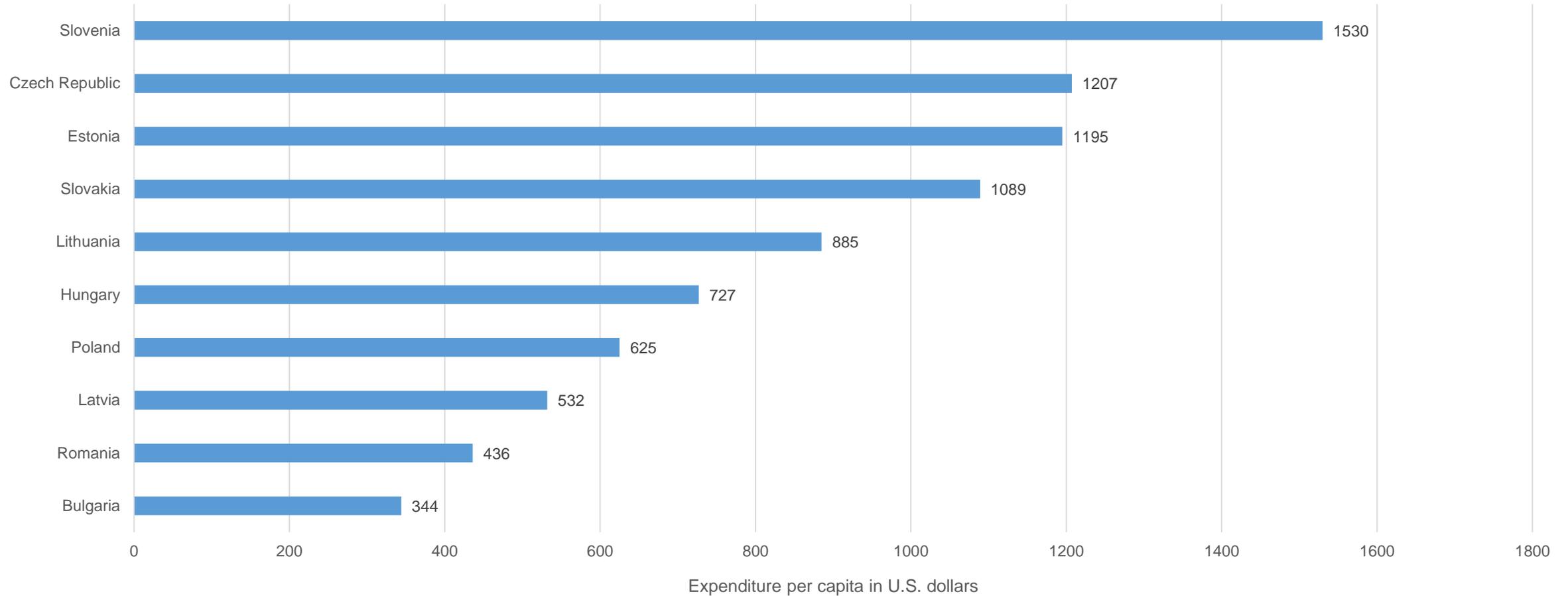
WE Healthcare spending Per Capita (USD) ²



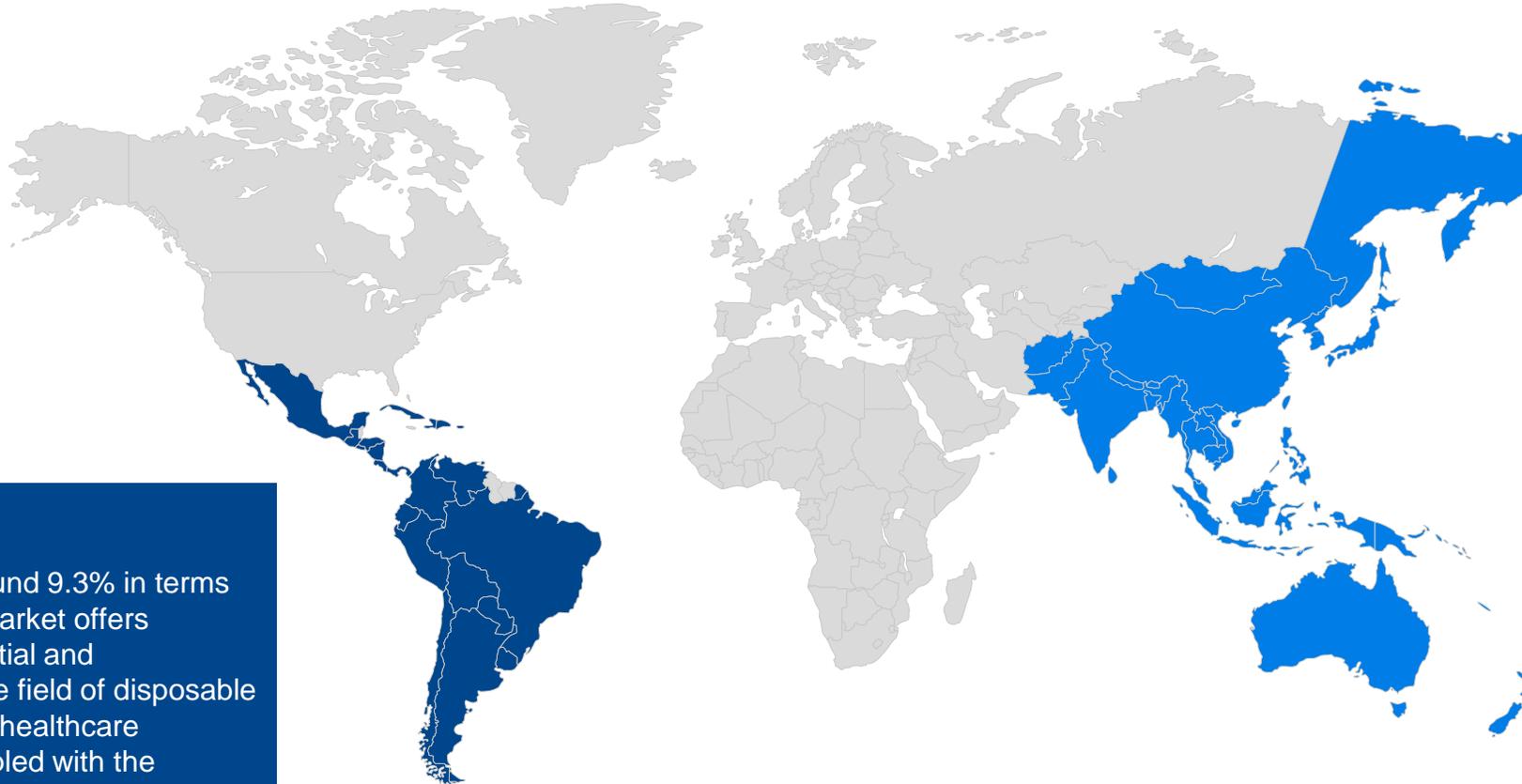
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² <https://countryeconomy.com/government/expenditure/health>

CEE Healthcare spending Per Capita (USD)



source: countryeconomy.com/government/expenditure/health



Latin America

accounted for around 9.3% in terms of revenue. The market offers tremendous potential and opportunities in the field of disposable gloves. Improving healthcare infrastructure coupled with the expanding healthcare industry is expected to benefit the regional growth over the forecast period (2020-2027).

Asia Pacific

is expected to increase owing to expanding healthcare infrastructure including hospitals and clinics coupled with an increasing number of people opting for home care facilities and rising medical tourism in the region. In addition, the rapid spread of coronavirus across various countries including India, Japan, and Indonesia is further anticipated to augment the regional demand.

E-commerce role

E-commerce acts as a key factor driving the sale of disposable gloves and entering new markets, and expanding service offerings. Suppliers have been focusing on customer needs such as technical support and services. With the evolution of e-commerce, suppliers are able to source and supply products with reduced lead-time and faster delivery.

COMPANY OVERVIEW

**1 of 2
in Europe**

and one of the few production conglomerates in the world producing in Asia and distributing medical gloves globally.

The gloves are sold in over 60 countries, with a 2% share on the global market

>7,0 bln

possible gloves – in production and distribution in 2020.



is successful on the global market of medical gloves dominated by Asian companies.

MISSION

Long-lasting, profitable, innovative work aiming to prevent infections and contamination.

VISION

Mercator Medical as a global concern, aiming to prevent infections and contamination.

	2010	2020
SALES	\$20M	\$450M (ANALYST ESTIMATES)
EMPLOYMENT	~300	1 254

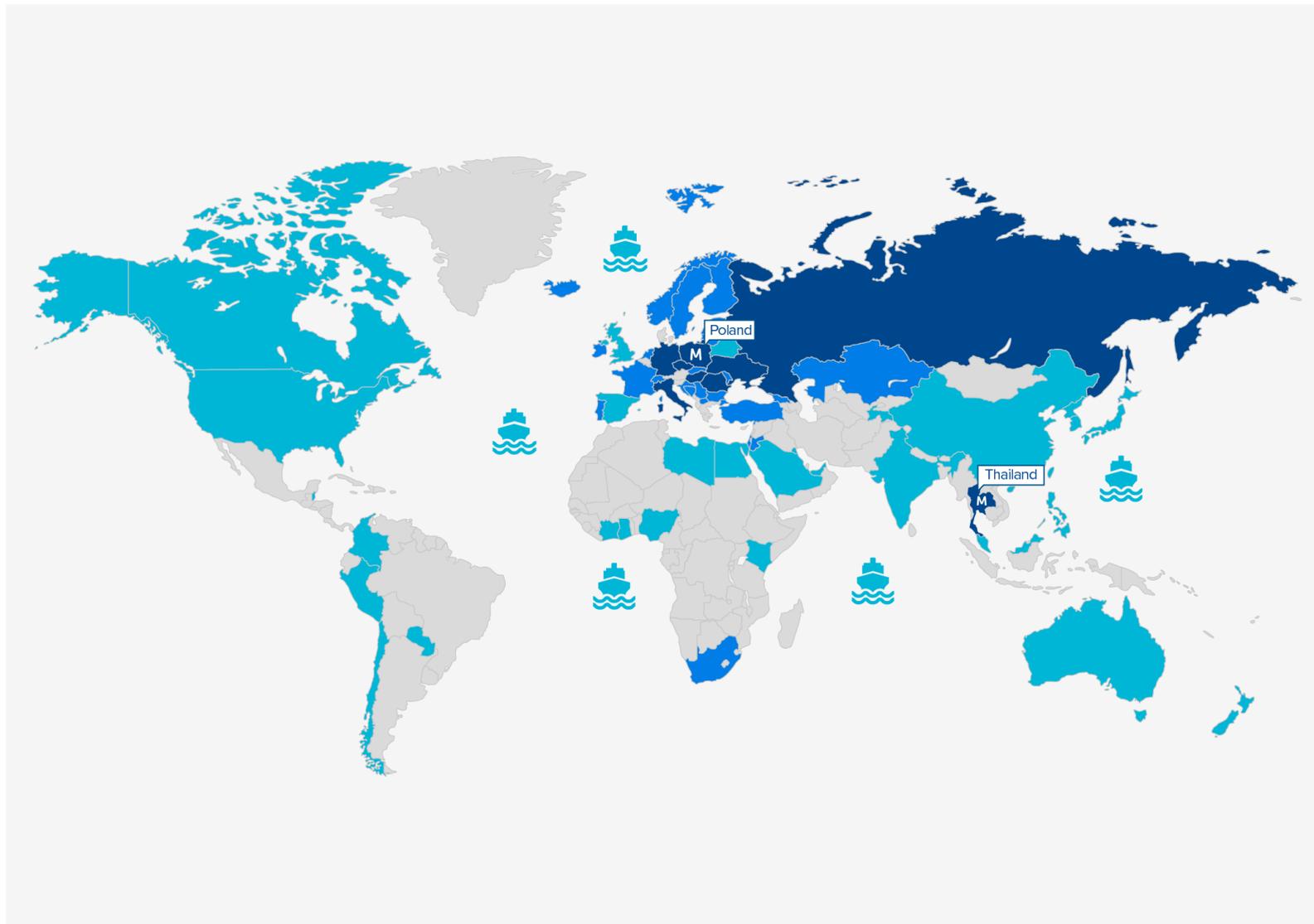
Most important values:
Health of all the people, European style of business making, Asian sensibility, Polish conservatism, Cracowian tradition.

Producer and distributor of non-woven, distributor of medical dressings in the CEE



The Polish parent company is present on the Stock Exchange Market

FIELD OF ACTIVITY



The companies of Mercator Medical Group are present in the following countries

- | | | |
|--------|----------|---------|
| Poland | Thailand | Hungary |
| Czech | Romania | Italy |
| Russia | Ukraine | Germany |

Sales:

- covered by the distribution of the Group branches
- covered by the factory in Thailand

2 

3bn annual production capacity

1063 today's number of employees

2006 established year

 **main product**
examination and industrial nitrile gloves

 located in the **prime rubber production area** of the Rattapum district, Songkhla province in southern Thailand





CONVENIENT LOCATION OF THE FACTORY NEAR 2 PORTS:

- SONGKHLA THAILAND,
- PENANG MALAYSIA

95% OF PRODUCTION CAPACITY IS SOLD UNDER OEM

CUSTOMISATION OF CONTAINER FREIGHT SUPPLIES



in the scope of the mix of products, appearance, packaging size and quality and the manner of container loading.

Euro-Thai management system, work methodology, sale methods and manner of establishing relationships.



ISO QUALITY MANAGEMENT SYSTEMS IN THE FACTORIES IN THAILAND

International Organization for Standardization
ISO9001 / ISO 13485
CE Certification for examination gloves
Good Manufacturing Practices (GMP)
FDA 510(K) registration
Thai FDA



SOLAR PANELS

7000 m² of surface area

-25% of energy costs

Dedicated computer software managing energy at the establishment



WASTE WATER TREATMENT PLANT

2000 m³
of water suitable for the production process a day

-74% of water costs

The total cost of treatment of 1 m³ water is 1,3 PLN/m³



SUPPORTING COVID-19 PREVENTION

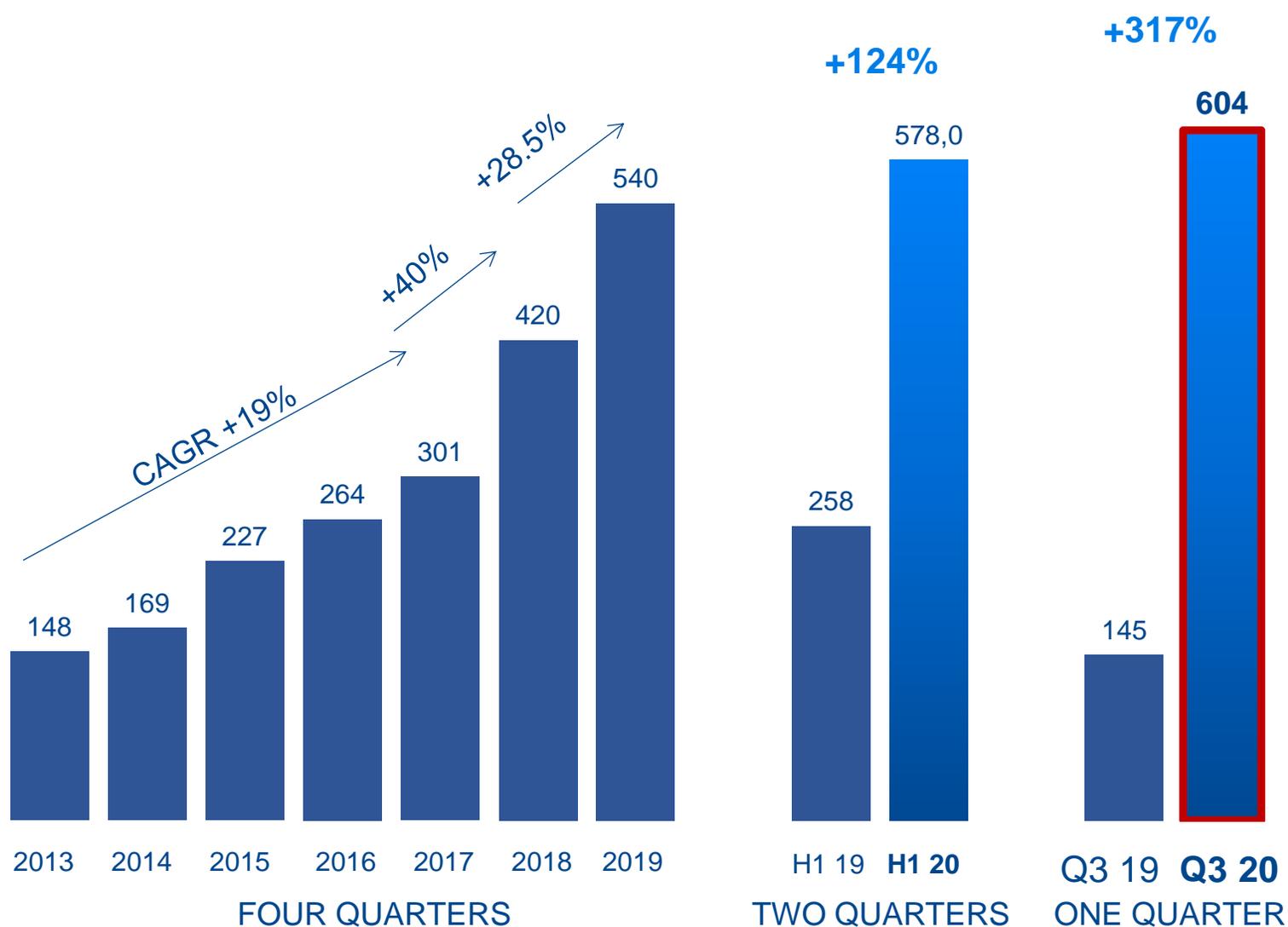
Donations of **50 thousand** masks and **1,6 million** gloves for medical entities and governmental institutions



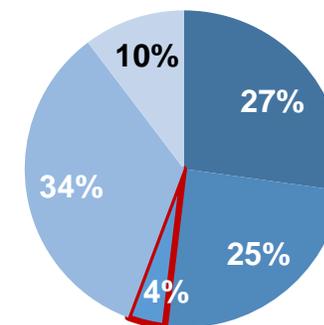
FINANCIAL AND OPERATING RESULTS

DYNAMIC GROWTH OF SALES

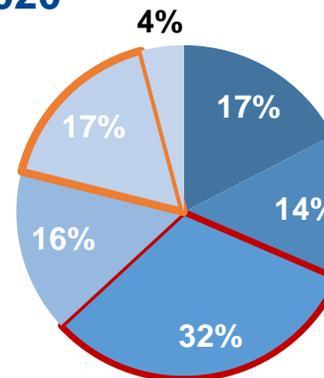
Sales revenues (mln PLN)



Q3 2019



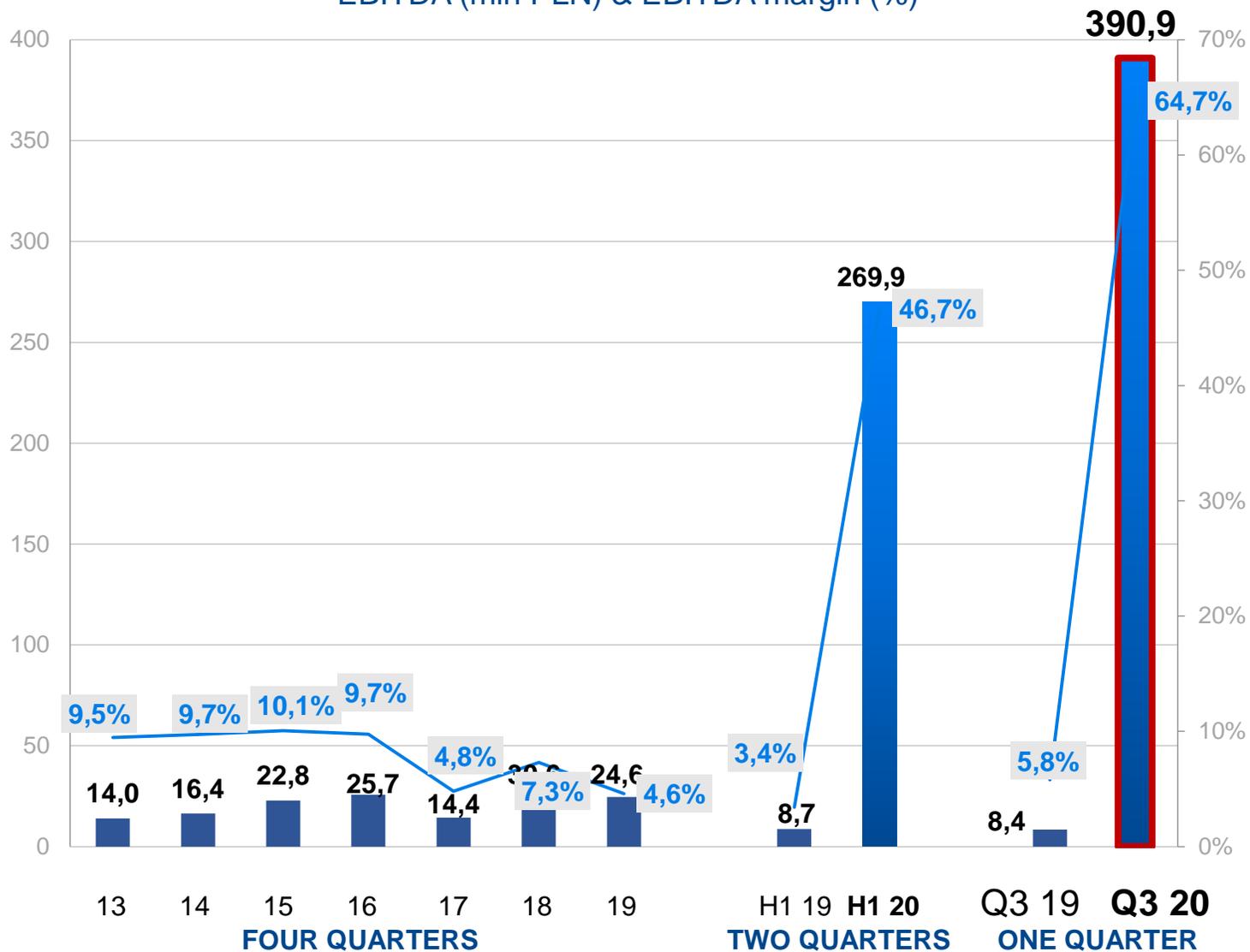
Q3 2020



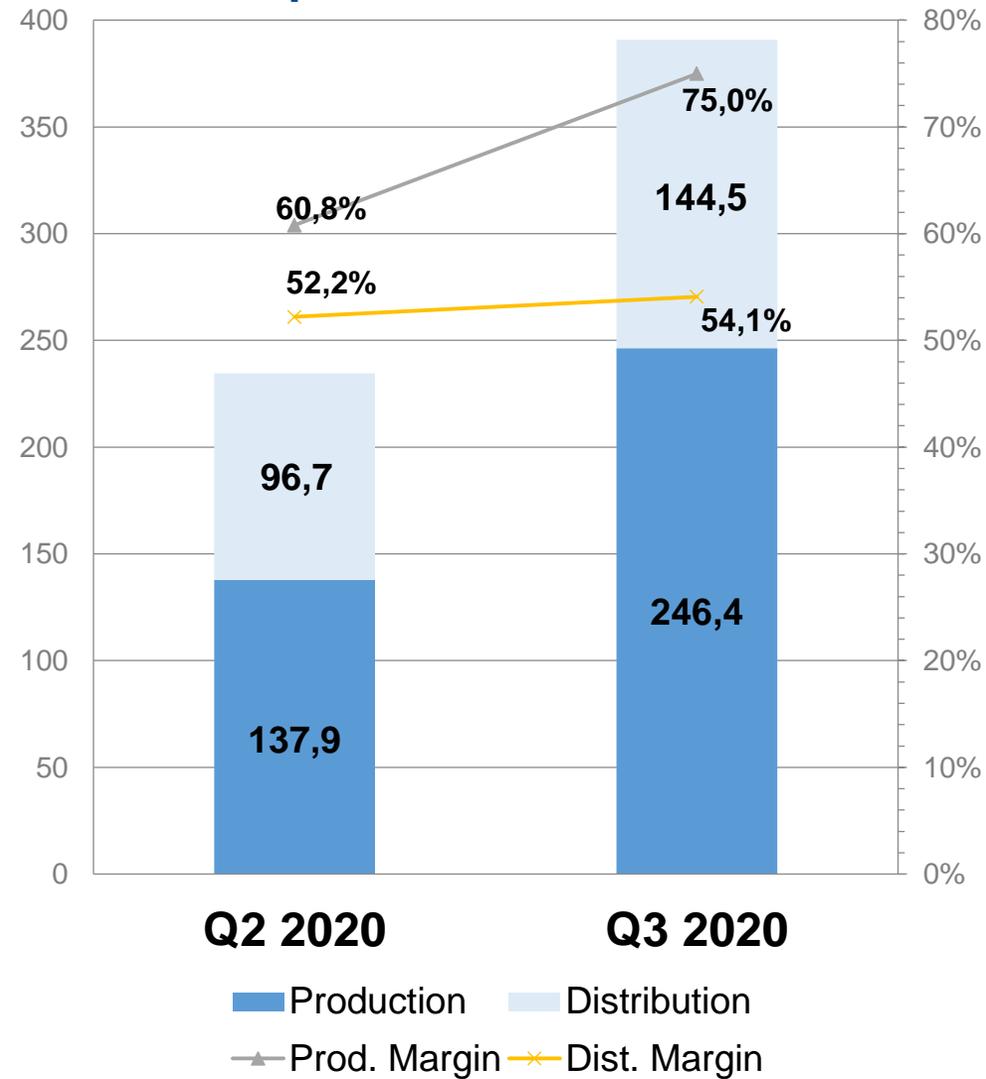
- Poland
- CEE w/o PL
- W.Europe
- N.America
- Australia
- Others

EBITDA – record values from 2020

EBITDA (mln PLN) & EBITDA margin (%)

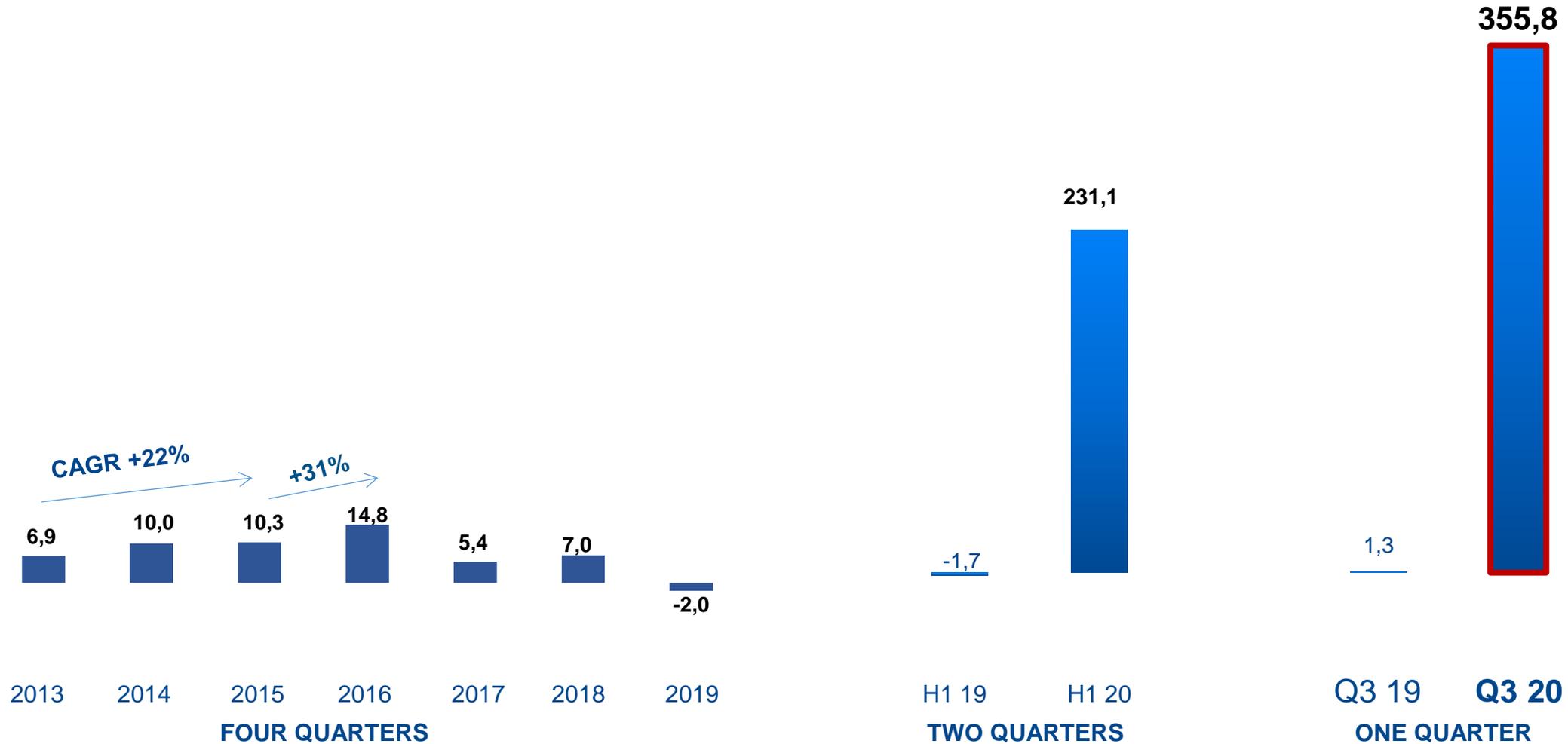


Decomposition of EBITDA



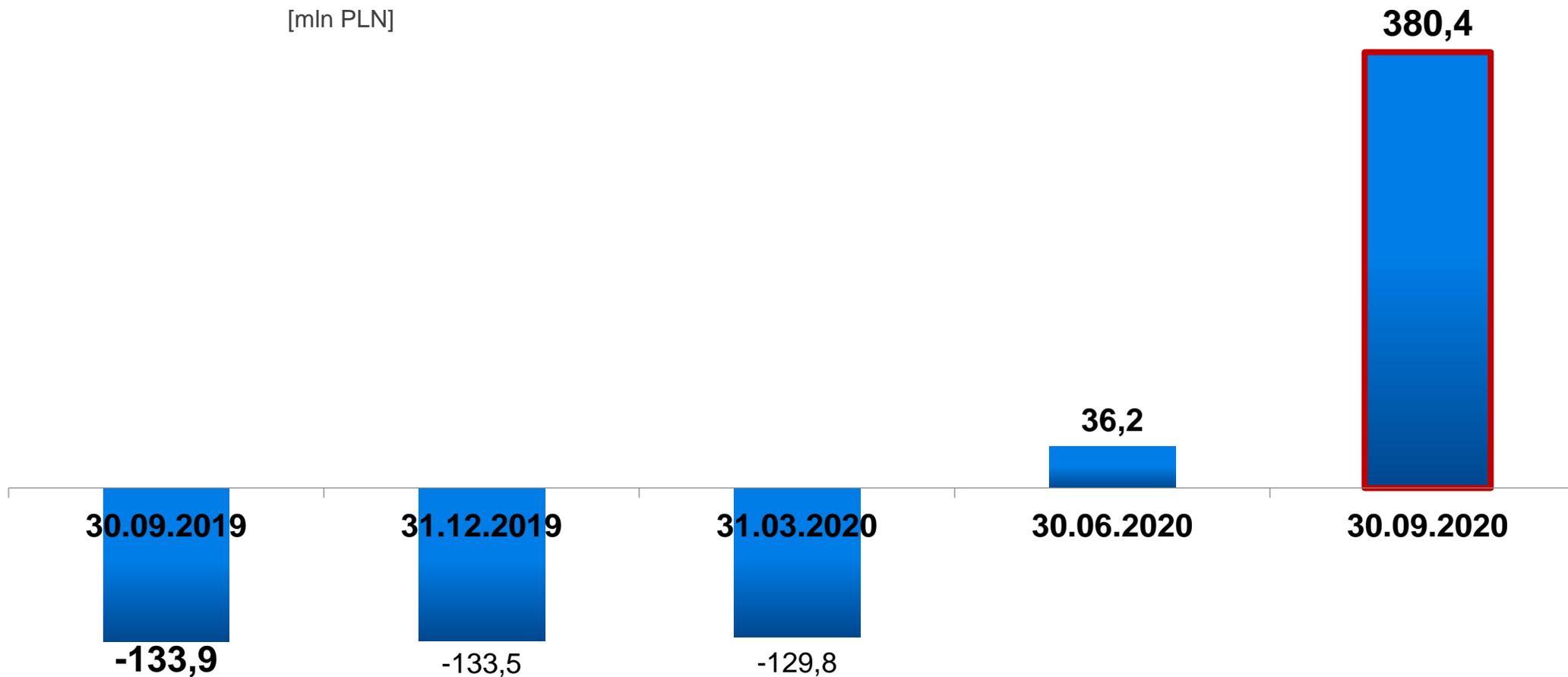
NET RESULT – record values from 2020

Net profit (mln PLN)



Net cash

[mIn PLN]



What next?

- Q1/Q2 2021 – publication of the 2021+ strategy (principles: dividend and smart investments); **high profits, good prospects and a healthy balance sheet with no investment debt (repaid loans in Q3 2020) are a favorable basis for developing a strategy of increasing value for shareholders in the coming years**
- Jan 2021 – possible publication of preliminary, estimated financial results for Q4 2020



MERCATOR

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