

TOP GLOVE NET LOSS WIDENS TO RM463MIL IN 4Q

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KUALA LUMPUR: Top Glove Corp Bhd has maintained a positive industry outlook as gloves are an essential, single-use item in the healthcare, industrial and F&B sectors with no viable replacement, a strong indication of continual demand growth for gloves.

The glove manufacturer also noted an encouraging uptrend in glove demand.

“Over the quarters ahead, the group’s focus will be on improving the performance of its core glove business, particularly through quality and cost enhancement initiatives as well as innovation, to better meet the evolving needs of its customers,” Top Glove said in a statement.

Managing director Lim Cheong Guan believed that the mid to long term prospects for the glove sector remain promising.

“We are already seeing an uptick in sales volume month to month which indicates our customers’ glove inventory is close to being depleted. As the oversupply situation also continues to ease, we look forward to seeing global glove demand resuming its projected 8% to 10% growth per annum eventually and better times ahead”.

“Top Glove remains wholly committed to delivering high quality products at an efficient cost to our customers while implementing sustainable business practices. The group will continue to improve and innovate; and we are confident of getting through this challenging period, as we move forward onto recovery and beyond,” Lim said.

In the fourth quarter ended Aug 31, Top Glove posted a wider net loss of RM463.14mil, or loss per share of 5.78 sen compared with RM63mil, or 0.79 sen a year earlier.

Revenue for the quarter tumbled 51.9% to RM475.8mil from RM989.9mil in the same period last year.

For the full financial year, Top Glove posted a net loss of RM926.6mil against a net profit of RM225.5mil a year prior while revenue more than halved to RM2.26bil from RM5.6bil a year earlier.

“Looking ahead, the group believes that inventory build up from the pandemic is very close to bottoming out following lower glove demand over the past two years.

“Conversely, glove consumption has increased post-pandemic on the back of elevated levels of hygiene and health awareness. With this, we believe that glove demand will pick up gradually going forward,” Lim said.

Top Glove also highlighted challenges faced in relation to the high cost of heat energy from natural gas, rendering Malaysian rubber glove manufacturers less competitive than other rubber glove-producing countries which have lower energy costs.

In light of this, the group suggests that rather than exporting this natural resource, it would be more beneficial to make natural gas available at a competitive price to Malaysian manufacturers.

It said this would serve to encourage the growth of downstream activities, creating employment opportunities and business growth for supporting industries, while enhancing export value and increasing the inflow of foreign income.

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