

TOP GLOVE'S 1Q NET LOSS NARROWS TO RM57.71 MIL ON HIGHER ORDERS, COST CONTROL

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KUALA LUMPUR (Dec 20): Top Glove Corp Bhd net loss for the first quarter ended Nov 30, 2023 (1QFY2024) narrowed to RM57.71 million from a net loss RM157.62 million a year earlier (1QFY2023), on the back of improved operational, quality and cost optimisation efforts.

In a bourse filing on Wednesday, the world's largest glove maker said revenue for the quarter dipped to RM493.56 million, from RM632.53 million.

On a quarter-on-quarter basis, the company said it also saw an improvement in its 1QFY2024 net loss of RM47 million, representing a 90% reduction from its 4QFY2023 net loss, which included a one-off impairment of RM392 million.

Loss per share was 0.72 sen compared to loss per share of 2.10 sen previously.

Top Glove did not declare any dividend.

Reviewing its performance, Top Glove said the uptick in sales volume, which led to increased utilisation and efficiencies, also had a positive effect on the bottom line.

Top Glove managing director Lim Cheong Guan said the first quarter result was testament to the effectiveness of Top Glove's ongoing quality and cost optimisation, and operations enhancement measures in its turnaround plan.

"With glove orders resuming, we believe this is also indicative of the market rebounding, and we are hopeful of making a sustained recovery in the coming quarters," he said.

Top Glove said it is also working closely with stakeholders to ensure it meets new obligations under the European Union Deforestation Regulation (EUDR), which will apply starting Dec 30,

2024.

It said that under this regulation, companies trading in commodities such as natural rubber and products derived from natural rubber, are required to conduct due diligence on their supply chain to ensure the goods do not result from recent deforestation, forest degradation, or breaches of local environmental and social laws.

On its outlook, Lim said that going forward, Top Glove's focus will remain on bolstering its core glove business, through quality and cost enhancement initiatives, to be well positioned to maintain the upswing in performance and expedite recovery.

At midday break on Wednesday, Top Glove added 0.53% or 0.5 sen to 94.5 sen, with 55.29 million shares done.

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