

TOP GLOVE'S NET PROFIT SLIDES 36.5% TO RM74.67M

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Top Glove founder and executive chairman Tan Sri Dr Lim Wee Chai briefing Human Resources Minister M. Kulasegaran (right) and Klang MP Charles Santiago at the factory in Klang, Selangor, on Dec 10, 2018, following allegations of its mistreatment of migration workers.

KUALA LUMPUR: Top Glove Corp Bhd 's net prot fell 36.5% year-on-year (y-o-y) to RM74.67mil in the third quarter ended May 31, 2019, amid rising natural rubber latex prices and strong competition.

This came despite sales revenue growth of 8.1% to RM1.19bil on the back of a 9% increase in sales volume.

"We will continue to focus our resources on improving our product quality, cost structures and process efficiency, through the adoption of A.I., digitalisation, advanced technology and R&D, rather than external factors which are not within our control," said Tan Sri Lim Wee Chai in a statement.

"As our product is closely linked with a commodity, short-term volatility is to be expected, which may affect our margins during certain nancial

quarters.

"However, this is only in the interim. In our business, we expect to perform better in the following quarter and over the longer term" he added.

The board of directors declared an interim dividend of 3.5 sen per share, payable on July 16, 2019.

According to the statement, raw material prices were mixed in 3Q with natural rubber latex price rising 22% to RM4.42 per kg and hitting a peak of RM5.105 on April 9, 2019.

The average nitrile latex price decreased 3.1% to US\$1.05 per kg.

As a result of the rising cost, Top Glove has increased the average selling prices of its products, the impact of which will be reected in Q4 due to a time lag in the cost pass-through mechanism.

For the nine months to May 31, the group recorded a net prot of RM290.51mil, 12.5% lower than in the same period in 2018, while revenue rose 20.5% to RM3.61bil from RM3bil in the comparative period.

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