

TOP GLOVE ACHIEVES RECORD HIGH EARNINGS, TURNOVER IN 4QFY15 AND FY15

16 October 2015 / 12:10



KUCHING: Top Glove Corporation Bhd (Top Glove) achieved record earnings and turnover in the fourth quarter of financial year 2015 (4QFY15) ended August 2015.

The world's largest glove manufacturer in a filing to Bursa Malaysia yesterday said 4QFY15 net profit soared by 123 per cent year-on-year (y-o-y) to RM103.12 million while revenue increased by 23 per cent y-o-y to RM709.45 million.

Additionally, revenue in financial year 2015 (FY15) grew by 10.3 per cent y-o-y to RM2.5 billion from RM2.28 billion in FY14 and earnings advanced by 55 per cent y-o-y to RM280.15 million compared with RM180.52 million in FY14.

The group also recorded robust growth in sales volume (quantity) of eight per cent, having strengthened its presence in developed markets where nitrile glove sales increased by more than 27 per cent in FY15 versus FY14.

The exceptionally good financial performance in 4QFY15 and FY15 were attributed to continuous internal quality and cost efficiency improvements which the group had embarked on, in particular, concerted efforts in automation, research and development (R&D) and reengineering.

The group noted upgrading initiatives which have resulted in newer and more efficient production lines, as well as glove quality enhancements had also contributed to higher profit margins.

However, in line with industry norms, Top Glove said it has shared the gains with customers and also adjusted its selling price.

Meanwhile, Top Glove observed raw material prices remained soft in FY15 with average latex prices dropped by 17 per cent to RM3.94 per kg and average nitrile latex prices decreasing by 2.8 per cent to US\$1.05 per kg compared with FY14.

Top Glove's chairman Tan Sri Lim Wee Chai said, "Our fourth quarter and full year financial results represent a new historical high for Top Glove, even better than the record high we set in the third quarter."

Going forward, Top Glove said it will continue to aggressively pursue capacity expansion, building new optimised facilities that feature faster, more efficient and technologically-advanced production lines towards better profitability on the back of strong demand.

On track are expansion plans for Factory 27 in Lukut, Port Dickson (to commence production by February 2016) and Factory 6 in Thailand (to commence production by August 2016), as well as the construction of a new facility, Factory 30 (to commence production by February 2017) which will respectively bring the number of production lines and capacity

to 540 and 52.4 billion pieces of gloves per annum.

Besides that, Top Glove said the group is also keenly pursuing merger and acquisition (M&A) opportunities that synergise with its current business in similar or related industries to complement organic expansion.

In line with its commitment to enhance shareholder value, Top Glove in conjunction with the release of its 4QFY15 and FY15 financial results has proposed a final dividend of 12 sen, bringing the total proposed dividend payout to 20 sen in FY15, which was a 25 per cent increase over the same last year, subject to shareholders' approval at the upcoming annual general meeting (AGM) in January 2016.

At the same time, Top Glove said the group has also proposed to undertake a bonus issue of up to 630 million new Top Glove shares on the basis of one bonus share for every existing Top Glove share held on the entitlement date.

The Borneo Post