

TOP GLOVE CORE NET PROFIT BEATS FORECAST

18 June 2015 / 12:06



KUALA LUMPUR: CIMB Equities Research is maintaining an Add on Top Glove, with strong demand and a stronger US dollar to the ringgit as the potential re-rating catalysts.

It said on Thursday Top Glove's 9MFY8/15 core net profit beat both its and consensus expectations as it met 87% of its full-year forecast and 86% of consensus numbers.

“The outperformance came from higher interest income, higher utilisation and a stronger US\$/RM.

“We lift our FY15-17 EPS forecasts, which raises our target price (16.8 times CY16 P/E or 20% discount to Hartalega),” it said.

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Top Glove's 9MFY15 revenue increased 6.2%, mainly due to a 6% rise in sales volume for latex powdered, nitrile and surgical gloves which offset a

drop in selling prices.

The higher sales volume was largely driven by higher utilisation of its existing production facilities and to a lesser extent, additional capacity.