

THE BUSINESS TIMES_TOP GLOVE POSTS RECORD-HIGH QUARTERLY PROFIT AND REVENUE

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MALAYSIA's glove maker Top Glove has had a banner quarter that ended May 31, with its financial performance hitting record highs. After-tax profit jumped 365 per cent to RM350 million (S\$114.1 million), while revenue rose 42 per cent to RM1.69 billion.

The dual-listed company in Singapore and Malaysia attributed the most outstanding performance in its 29-year history to "unparalleled growth in sales volume, on the back of the global Covid-19 pandemic".

In its filing to the Singapore Exchange on Thursday, the world's largest glove maker said: "Monthly sales orders went up by some 180 per cent, resulting in long lead times, which went up from 40 days to around 400 days, whereby orders placed now would only be delivered over a year later."

The company has announced an interim dividend of 10 sen (S\$0.03) per share, an 186 per cent increase year on year, payable on July 9.

Top Glove will continue to expand its capacity to ensure it is able to fulfil global glove demand. It expects demand to grow from a pre-Covid level of 8 per cent to 10 per cent per annum, to 12 per cent to 15 per cent per annum post-Covid, on the back of increased usage in both the medical and non-medical sectors, as well as heightened hygiene awareness.

Hence, the company has earmarked RM3 billion for capital expenditure to build 450 new lines, creating new capacity of 60 billion pieces of gloves from 2020 to 2026. It was in a net cash position of RM279 million as at May 31, compared with net borrowings for the second quarter. This has enabled Top Glove to fund capex requirements, the statement said.

The shares were trading at S\$5.87 or 2.27 per cent higher at 1.46pm, after a trading halt was lifted following the release of the financial results.