

RECORD SALES JUMP DRIVES TOP GLOVE'S 2Q PROFIT UP 31%

16 March 2018 / 12:03

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KUALA LUMPUR: Top Glove Corp Bhd's net profit for the second quarter ended Feb 28, 2018 (2QFY18) rose 31% year-on-year (y-o-y) to RM109.01 million from RM83.05 million, as sales volume rose a record 21% y-o-y, mainly due to higher demand for natural rubber gloves.

Quarterly revenue grew 13% y-o-y to RM958.44 million from RM851.54 million, said Top Glove in a Bursa Malaysia filing.

In the first six months of FY18 (1H FY18), Top Glove's net profit grew 37% y-o-y to RM214.46 million from RM156.37 million, as revenue climbed 16% y-o-y to RM1.9 billion from RM1.64 billion. 1H FY18's sales volume rose 19% y-o-y, it said.

"Demand growth for natural rubber gloves stemmed from emerging markets, where healthcare awareness and hygiene standards are rising steadily, particularly

Asia (excluding Japan) and Eastern Europe which respectively saw a 60% and 40% boost in sales volume for 1H FY18, compared with 1H FY17," said Top Glove in a separate press statement.

It also attributed the improved performance to the higher utilisation rate from stronger demand, an upward revision of the average selling price, and additional natural rubber glove capacity from a factory which was acquired from A1 Glove Sdn Bhd in June 2017.

Moving forward, Top Glove said it will continue to pursue strategic expansion via organic and inorganic routes.

It also updated that the acquisition of Aspion Sdn Bhd is targeted for completion by early April 2018. This will add another three glove factories with 65 production lines — a capacity of 4.6 billion gloves

and 3,000 employees. Meanwhile, preparations for Top Glove's condom manufacturing facility have commenced, and the facility is expected to be operational by June 2018.

By early 2019, Top Glove expects to have 40 factories: 34 glove factories and six other supporting factories, with 693 glove production lines, and a glove production capacity of 64.3 billion gloves per year. As of yesterday, it had 34 factories, 550 glove production lines, and an annual glove production capacity of 51.9 billion pieces.

"While we have performed well this quarter, we will not be complacent. We are preparing ourselves for a challenging second half of the financial year. We will continue to embark on quality improvement and cost-saving projects," said Top Glove executive chairman Tan Sri Dr Lim Wee Chai.