

TOP GLOVE Q2 PROFIT UP 9.3%, EXPECTS STRONG QUARTERS AHEAD

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PETALING JAYA: Top Glove Corp Bhd's net profit rose 9.3% to RM115.68 million for the second quarter ended February 29, 2020 compared to RM105.79 million reported in the corresponding quarter of the previous year, attributed to tax incentives and sales volume growth despite a surge in natural rubber latex concentrate prices.

Revenue for the period stood at RM1.23 billion, a 6% growth from RM1.16 billion previously.

For the cumulative six-month period, its net profit came in at RM227.11 million, a 5.2% increase from RM215.85 million in the same period of the previous year. Revenue for the period stood at RM2.44 billion, 0.7% higher than the RM2.42 billion registered previously.

Top Glove told Bursa Malaysia that it will continue to expand its operations in line with the growing glove demand globally, particularly in view of the ongoing Covid-19 outbreak.

The group sees solid quarters ahead as it has already secured exceptionally large sales orders for the next few months.

“With current utilisation levels above 90%, Top Glove is able to further ramp up production close to 100%, to meet the surge in demand,” said executive chairman Tan Sri Dr Lim Wee Chai.

Moreover, Top Glove has new capacity coming onstream with F2B and F5A having commenced operations, which will add a total of 24 lines and a capacity 3.2 billion pieces of gloves per annum, when fully operational.

Overall, the group’s expansion is expected to reach a production capacity of 91.1 billion pieces of gloves per year across 39 gloves factories by December 2021.

It also noted that the recent oil price drop augurs well for the second-half performance, while demand for gloves is also expected to continue to grow by at least 10% every year.

“New users who have started using gloves during this period are expected to continue usage even after the outbreak recedes, having gained an appreciation of their importance in protecting lives, as was the case with past outbreaks such as H1N1.”

At 2.40pm, Top Glove’s share price was trading 3 sen lower at RM5.71 on 6.32 million shares done.

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