

TOP GLOVE Q2 NET PROFIT UP 9.3%, SEES SOLID QUARTERS AHEAD AMID VIRUS PANDEMIC

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MALAYSIA-BASED Top Glove Corporation on Thursday posted a 9.3 per cent rise in net profit to RM115.7 million (\$38 million) for its second quarter ended Feb 29, 2020, from RM105.8 million a year ago.

This came on the back of higher revenue from stronger nitrile glove sales, a slight rise in other operating income and narrowed taxation.

Earnings per share stood at 4.52 sen for the quarter, up from 4.14 sen a year ago, the glove manufacturer said in a regulatory filing.

Revenue for Q2 rose 6 per cent to RM1.23 billion from RM1.16 billion a year ago. This was due to steady sales volume growth, particularly in the nitrile glove segment.

No dividend was proposed for the quarter, unchanged from a year ago.

For the half-year ended Feb 29, net profit was up 5.2 per cent to RM227.1 million, while revenue was up 0.7 per cent to RM2.44 billion.

The group is envisioning "very solid quarters" ahead, having secured exceptionally large sales orders for the next few months due to the Covid-19 outbreak. There has been a surge in sales orders for gloves, an essential item in the medical sector.

Demand for gloves is expected to continue growing by at least 10 per cent every year as awareness and usage increase.

New users who have started using gloves during this period are expected to continue usage even after the outbreak recedes, Top Glove added.

The interplay of several other factors such as the recent plunge in oil prices also "augur well" for the group's performance for the second half of the year.

Top Glove shares were trading at S\$1.89 as at 2.37pm on Thursday, down S\$0.03 or 1.6 per cent.

The Business Times