

TOP GLOVE POSTS RECORD REVENUE, DECLARES DIVIDEND

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PETALING JAYA: Top Glove, which saw its net profit rising 7.51% to RM101.59mil in the fourth quarter ended Aug 31, has declared a final dividend of 10 sen per share.

The glove maker said the latest dividend would bring the total financial year ended Aug 31, 2018 (FY18) dividend payout to 17 sen per share, an increase of 2.5 sen or 17% over FY17, representing a net profit payout ratio of 50%. It added that the dividend would be subject to shareholders' approval at the upcoming AGM in January.

In the fourth quarter, Top Glove's revenue rose 34.8% to RM1.21bil – its highest ever revenue attained within a single quarter, compared with RM902.41mil in the same quarter last year.

For FY18, Top Glove clocked a record-breaking revenue of RM4.21bil, surpassing the RM4bil threshold and representing a 23.6% growth from FY17. Its profit before tax was also at an all-time high of RM522.7mil, an exceptional increase of 36.4% compared with FY17, while the sales volume (quantity sold) reached its peak, surging 26% year-on-year.

The group attributed its financial performance to its continuous pursuit of internal improvements. In particular, the application of advanced technology enabled quality and efficiency to be improved considerably, whilst also contributing to a reduction in manpower requirements.

Additionally, the strong demand growth also accounted for the higher sales revenue, with the resulting higher utilisation rate also leading to a better profit before tax as well as Ebitda and margins for FY18.

Raw material prices for FY18 were mixed. Natural rubber latex prices averaged at RM4.51 per kg, down 21.7% from FY17, while the average nitrile latex price was US\$1.13 per kg, up 2.7% compared with the previous financial year.

“We are very pleased to have achieved another historical high with our best full-year performance yet, especially given the challenging operating environment. Our record results underline the effectiveness of our ongoing technology-driven improvement initiatives, which focus on quality and cost-efficiency.

“We also credit our robust results to our high-performing team who are committed to delivering excellence in all they do,” executive chairman Tan Sri Lim Wee Chai said in a statement.

The group said it would continue to pursue strategic expansion to ensure it is well-positioned to meet the robust global demand for gloves.

“In progress is the expansion of several existing facilities: F32 (phases one and two to be completed early and end-2019, respectively), F33 (to be completed early 2019) and F5A (to be completed at end-2019).

Meanwhile, its newest factory F8A in Thailand is scheduled to be operational in early 2020,” Top Glove said.

The expansion would boost the group’s total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per annum.

It has also proposed to undertake a bonus issue of 1.28 billion new ordinary shares in Top Glove on the basis of one bonus share for every existing share held on the entitlement date, which was approved at the EGM held on Wednesday.

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