

# Top Glove's Second-Quarter Net Profit Plunged on Weaker Product Prices

09 March 2022 / 12:03



Top Glove Corp. Bhd.'s second-quarter earnings slid to their lowest level since the Covid-19 pandemic began, amid weaker glove prices as the impact of the pandemic gradually abated.

Net profit for the three months ended Feb. 28 plunged nearly 97% to 87.5 million ringgit (\$20.9 million) from the year-earlier quarter, while revenue dropped 73% to MYR1.45 billion, the world's largest glove maker said Wednesday.

Glove prices are moving closer to pre-pandemic levels, with new supply causing pricing pressure in light of the global Covid-19 vaccine rollout, the company said.

Although raw material prices were generally on a downward trend, they have been falling at a slower pace than glove prices, which resulted in margin compression, Top Glove said.

The company also faced increases in other operating costs including utilities, manpower and chemical costs.

Top Glove, which is scaling back on its expansion plans and has decided to postpone a new listing in Hong Kong, said it remains confident that the long-term industry outlook is promising.

"Glove demand will still continue to grow steadily, albeit not at the accelerated but unsustainable pace during the pandemic," said Managing Director Lee Kim Meow.

The current challenging conditions are likely temporary and the company will continue to focus on maintaining a strong foundation by staying financially healthy, he added.

*Business Hala*