

MALAYSIA'S TOP GLOVE Q4 EARNINGS PLUNGE 48% ON SLOWER SALES

17 September 2021 / 12:09



KUALA LUMPUR (REUTERS): Malaysia's Top Glove Corp posted on Friday (Sept 17) a 48 per cent drop in its fourth-quarter earnings as the steady roll-out of Covid-19 vaccines worldwide pulled down the demand for gloves.

The world's largest medical glove maker recorded a net profit of RM607.9 million (S\$196.7 million) during June-August, compared with RM1.17 billion a year ago, lagging behind the RM8.69 billion estimate by analysts in a Refinitiv poll.

Revenue slumped 32 per cent to RM2.11 billion, a stock exchange filing showed.

"(The quarterly) results were softer on the back of normalising demand following mass vaccine roll-out, leading to lower sales volume and (prices), which were not matched by a corresponding reduction in raw material prices," the manufacturer said in a statement.

A previous ban on imports to the United States also continued to hurt sales during the period.

But the year-long ban, imposed on Top Glove for alleged forced labour abuses, was lifted last week.

Top Glove had taken a hit to reputation from the ban, which came at a time when it was making record profits as the Covid-19 pandemic boosted demand for its gloves.

The dual-listed company said on Friday that the ban removal is expected to boost sales from its Malaysia operations to the US, which accounts for 15 per cent of the group total sales, but sees a challenging and competitive business environment.

Top Glove's Singapore-listed shares were trading at 98.5 cents, down 8.5 cents, or 7.9 per cent, at 2.04pm on Friday, after its earnings announcement.