

TOP GLOVE EARNINGS UP 51% ON RECORD QUARTERLY REVENUE

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PETALING JAYA: Top Glove Corp Bhd's net profit jumped 51.3% to RM117.57 million for the third quarter ended May 31, 2018 against RM77.71 million in the previous corresponding period, underpinned by increased demand for gloves.

It also achieved the highest ever quarterly revenue of RM1.1 billion, 26.6% higher than the RM869.64 million made in the same quarter a year ago.

Top Glove has proposed to declare an interim dividend of 7 sen per share for the quarter under review, payable on July 17.

It said in a filing with Bursa Malaysia that the stronger glove demand led to better cost efficiencies resulting from a higher utilisation rate, thereby contributing to the group's good performance.

"Top Glove's focus on continuous quality and cost improvement initiatives, and harnessing technological advances to address business challenges also accounted for the improved profitability."

Nonetheless, it said this was offset by a marked increase in the natural gas tariff, while the upward trend in nitrile latex prices compared with Q2 also caused some pricing pressure. Raw material prices were mixed against Q2, with the average nitrile latex price rising 8.5% to US\$1.15/kg, while the average natural rubber latex price eased 0.5% to RM4.38/kg. Top Glove said it will continue to expand its manufacturing capabilities, organically as well as through mergers and acquisitions and joint ventures.

The construction of Factory 31 (operational by July 2018) and Factory 32 (operational by early 2019) is underway. Upon completion, it will increase the group's total number of production lines by an additional 74 lines and production capacity by 7.4 billion gloves per annum.

Its condom manufacturing facility is also expected to be operational by the end of this month.

While the US dollar shows signs of strengthening, Top Glove executive chairman Tan Sri Lim Wee Chai opined that the operating environment continues to be challenging, but he remains upbeat on the group's outlook.

"As we continue to undertake quality improvement and cost-saving projects, and leverage advanced technology, I am confident we will be able to conclude our financial year on a healthy and positive note."

The group's nine-month net profit soared 41.8% to RM332.03 million from RM234.08 million on the back of a 19.6% increase in revenue to RM3 billion from RM2.51 billion.

On Bursa Malaysia today, Top Glove shed eight sen or 0.7% to RM11.32 on volume of 7.44 million shares.

The Sun Daily