

# TOP GLOVE Q3 NET PROFIT JUMPS AS REVENUE TOPS RM1B

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**KUALA LUMPUR:** Top Glove Corporation Bhd released a strong set of financial results for its third quarter ended May 31, 2018 as its revenue crossed RM1bil mark, the best within a single quarter.

The world's biggest glove maker announced on Tuesday net profit rose by 51.3% to RM117.57mil from RM77.71mil a year ago. It declared an interim dividend of seven sen a share.

Its revenue rose by 26.6% to RM1.10bil from RM869.64mil while earnings per share were 9.36 sen compared with 6.20 sen.

It said its sales volume (quantity sold) rose by a record high of 37% compared with a year ago.

Top Glove's net profit for the nine months ended May 31, 2018 rose by 41.8% to RM332.02mil from RM234.08mil in the previous corresponding period. Its revenue rose by 19.6% to RM2.997bil from RM2.506bil.

"The group also demonstrated positive growth in comparison with 2QFY18. Sales Revenue increased by 14.8%, while profit before tax and profit after tax grew by 7.8% and 8.5% respectively. Sales volume also improved by 8% quarter-on-quarter," it said.

Top Glove said the excellent set of numbers followed increased glove demand, which Top Glove's balanced product mix is well positioned to cater for.

It pointed out that stronger demand growth stemmed particularly from Asia (where demand growth from India, China and Vietnam exceeded 100% on a nine-month basis), as well as Eastern Europe, Middle East and Latin America.

The stronger glove demand also led to better cost efficiencies resulting from a higher utilisation rate, thereby contributing to the group's good performance.

Top Glove's reported strong profit due to its focus on continuous quality and cost improvement initiatives.

However, this was offset by a marked increase in the natural gas tariff, while the upward trend in nitrile latex prices compared with 2QFY18 also caused some pricing pressure.

Raw material prices were mixed compared with 2QFY18, with the average nitrile latex price up 8.5% to US\$1.15/kg, while the average natural rubber latex price was on the downtrend, easing 0.5% to RM4.38/kg.

Executive chairman Tan Sri Lim Wee Chai said: "Our continuously strong results are attributed to increased glove demand and also a testament to the effectiveness of our ongoing internal improvement initiatives, which enable us to keep driving down costs, whilst still delivering the high quality gloves our customers have come to expect of us".

Top Glove will continue to expand its manufacturing capabilities, organically as well as through M&As and joint ventures.

The construction of Factory 31 (operational by July 2018) and Factory 32 (operational by early 2019) is underway, which upon completion, 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.

Top Glove's condom manufacturing plant is expected to be operational by end June 2018.

It also completed its acquisition of Aspion Sdn Bhd on April 5, 2018 and integration of the two businesses is in progress.