

TOP GLOVE'S RESILIENT PERFORMANCE

06 October 2023 / 12:10



Shah Alam, Oct 6: Top Glove Corporation Bhd (“Top Glove”) has released its financial results for the Fourth Quarter (4QFY2023) and full financial year 2023 (FY2023), ending on Aug 31. Despite facing a challenging and volatile business environment, the company demonstrated resilience as it charts a path to recovery.

In 4QFY2023, Top Glove achieved a Sales Revenue of RM476 million. However, due to a one-off impairment on goodwill, property, plant, and equipment amounting to RM389 million, a Loss After Tax of RM454 million was recorded.

Excluding this impairment, the company’s 4QFY2023 performance would have shown a narrower Loss After Tax of RM65 million.

Notably, the company’s 4QFY2023 EBITDA and cash flow from operations were positive, indicating progress in the glove industry’s recovery from a prolonged period of demand-supply imbalance.

For FY2023, Top Glove reported Sales Revenue of RM2.26 billion and a Loss After Tax of RM887 million. Excluding the impairment, the full-year Loss After Tax would have been RM498 million.

Top Glove attributed its improved 4QFY2023 performance to ongoing quality and cost optimization initiatives driven by the Top Glove Turnaround Plan. These initiatives included streamlining production facilities and focusing on securing orders, leading to better margins and positive cash flow.

Lim Cheong Guan, Managing Director of Top Glove, expressed optimism despite the ongoing

industry challenges. He noted that glove demand is expected to gradually pick up as hygiene and health awareness remain elevated post-pandemic.

The company also highlighted the issue of high heat energy costs from natural gas, making Malaysian rubber glove manufacturers less competitive. They suggested making natural gas available at a competitive price to support downstream activities, create employment opportunities, and enhance export value.

Despite challenges, Top Glove received multiple accolades during FY2023, emphasizing its commitment to delivering value. The company maintains a positive industry outlook, believing that gloves remain an essential item in healthcare, industry, and F&B sectors with no viable replacement.

Top Glove's focus in the coming quarters will be on improving its core glove business through quality enhancements and cost-effective practices. They remain confident in the glove sector's mid-to-long-term prospects and look forward to better times ahead.

About Top Glove Corporation Bhd:

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Main Board. It is one of the component stocks of the FBM Top 100 Index, FBM Emas Index, FBM Hijrah Syariah Index, FBM Emas Syariah Index, and the Dow Jones Sustainability Indices (DJSI) for Emerging Markets. As the world's largest glove manufacturer, Top Glove produces consistently high-quality, cost-efficient gloves, serving over 2,000 customers worldwide and exporting to more than 195 countries.

Summary of key information:

- **Factories:** 49 factories (42 in Malaysia, 5 in Thailand, 1 in China, and 1 in Vietnam).
- **Marketing Offices:** 7 (Malaysia, USA, Germany, Brazil, China, Thailand, and Vietnam).
- **Glove Production Lines:** 788.
- **Glove Production Capacity:** 95 billion pieces per annum.
- **Number of Employees:** 10,700.

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