

ON THE ROAD TO STEADY RECOVERY

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Shah Alam — Top Glove Corporation Bhd or “Top Glove” today announced its financial results for the First Quarter (1QFY2024) ended 30 November 2023, as it gathers momentum on its journey to recovery.

Despite persistent challenges in the operating landscape, Top Glove delivered a commendable performance in 1QFY2024, attaining Sales Revenue of RM493 million, an increase of 4% quarter on quarter, while Loss from Operations continued to narrow by 39% to RM60 million compared with the previous quarter.

The Group also saw an improvement in its 1QFY2024 Loss After Tax of RM47 million, representing a 90% reduction from its 4QFY2023 Loss After Tax, which included a one-off impairment of RM392 million.

Meanwhile, Top Glove recorded positive EBITDA of RM21 million, an increase of 320% against the previous quarter and total positive cash inflow from operations of RM17 million, which are areas of priority for the Group. Sales Volume also showed growth versus 4QFY2023.

Driving the Group’s improved results were its ongoing operational, quality and cost optimisation efforts which helped offset the increase in raw material prices. Additionally, the uptick in Sales Volume which led to increased utilisation and efficiencies, also had a positive effect on the bottom

line.

Lim Cheong Guan, Managing Director of Top Glove remarked, “We are encouraged by the continual improvement in our results from quarter to quarter. This is testament to the effectiveness of our ongoing quality and cost optimisation, and operations enhancement measures outlined in the Top Glove Turnaround Plan.

With glove orders resuming, we believe this is also indicative of the market rebounding, and we are hopeful of making a sustained recovery in the coming quarters.”

As Top Glove progresses on the road to recovery, it continues to focus on ESG. The Group is pleased to have earned the EcoVadis Sustainability Bronze Medal, having secured its placement in the upper segment amongst all evaluated companies and industries in 2023.

The recognition underscores the effectiveness of Top Glove’s robust management system in meeting sustainability criteria which includes environmental impact, labour and human rights, ethics and sustainable procurement, based on the methodology employed by EcoVadis, the world’s largest provider of business sustainability ratings based in Paris with a global network of more than 100,000 rated companies.

The Group is also working closely with stakeholders to ensure it meets new obligations under the European Union Deforestation Regulation (EUDR), which will apply starting 30 December 2024.

Under this regulation, companies trading in commodities such as natural rubber and products derived from natural rubber, are required to conduct due diligence on their supply chain to ensure the goods do not result from recent deforestation, forest degradation or breaches of local environmental and social laws.

Looking ahead, the Group maintains a positive mid to long term outlook on the glove industry, as gloves are an essential, single use item in the healthcare, industrial and F&B sectors with no viable replacement.

The Group is also optimistic that global glove demand growth of approximately 8% will resume in time to come, along with glove consumption; driven by customers’ replenishment of depleting glove stockpiles as well as robust industry fundamentals, and further spurred by increased health and hygiene awareness post pandemic.

“We are pleased to have commenced the new financial year 2024 on a stronger note. Going forward, our focus will remain on bolstering our core glove business, through quality and cost enhancement initiatives, so we are well positioned to maintain the upswing in our performance and expedite our recovery”, Lim concluded.

About Top Glove Corporation Bhd

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Mainboard. It is also 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. Top Glove is currently the world’s largest manufacturer of gloves with an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has over 2,000 customers worldwide and exports to more than 195 countries.

Summary of key information:

	As at 20 December 2023
Number of Factories	48 factories (41 in Malaysia, 5 in Thailand, 1 in China and 1 in Vietnam) comprising: <ul style="list-style-type: none"> · 37 glove factories · 2 latex concentrate plants · 3 chemical factories · 1 gamma sterilisation factory · 1 glove former factory · 2 packaging material factories · 1 dental dam factory · 1 face mask factory
Number of Marketing Offices	7 (Malaysia, USA, Germany, Brazil, China, Thailand and Vietnam)
Number of Glove Production Lines	788
Glove Production Capacity	95 billion pieces per annum

Number of Employees

10,700

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