

TOP GLOVE NARROWS NET LOSS IN 2Q, CONFIDENT OF MARKET REBOUND

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KUALA LUMPUR: Optimistic over growing sales momentum, Top Glove Corp Bhd says there are signs of a rebound in the glove market and guides for a return to profitability in the second half of the year.

During the second quarter ended Feb 29, 2024, the glove maker reported a narrower net loss of RM51.2mil as compared to a net loss of RM164.67mil in the previous corresponding quarter.

In a statement, the group said its sales volume jumped 18% from the preceding quarter, owing to the depletion of excess inventory and the narrowing price gap, which has seen Top Glove achieve parity in average selling price (ASP) with its overseas peers.

The improved performance helped to mitigate a spike in natural rubber latex concentrate prices from an average of RM4.91/kg at end-November 2023 to RM5.66/kg at end-February 2024, which impacted margins, it said.

"The uptick in orders which boosted production utilisation, resulted in enhanced production and cost efficiency, impacting the bottom line positively."

It also attributed the improved results to ongoing quality and cost optimisation initiatives, coupled with operational enhancements outlined in the Top Glove Turnaround Plan (T6).

During the quarter under review, the group's basic loss per share narrowed to 0.64 sen from 2.06

sen in 2QFY23.

Meanwhile, Top Glove recorded revenue of RM550.33mil, which was lower than RM618.01mil in the year-ago quarter.

Over the six months period, Top Glove's net loss was RM108.91mil compared to RM332.9mil in 1HFY23, while revenue was RM1.04bil against RM1.25bil in the comparative period.

Managing director Lim Cheong Guan said the improved performance demonstrates the effectiveness of the group's strategic initiatives in recapturing sales, enhancing quality, cost and efficiency, as well as Top Glove's resilience amid persistent challenges.

"We continue to see signs of the market rebounding and believe our business will normalise in due course as glove industry fundamentals remain robust and unchanged.

"We remain focused on executing our strategic initiatives to level up our quality and cost efficiency, while leveraging our strengths to capitalise on emerging opportunities," he said.

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