

TOP GLOVE'S NET LOSS NARROWS SHARPLY IN 4Q ON HIGHER SALES, GAIN FROM LAND SALE

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KUALA LUMPUR (Oct 10): Top Glove Corporation Bhd (KL:TOPGLOV) said on Thursday that its net losses narrowed sharply as sales surged, and the world's largest glovemaker by capacity also booked gains from land sale.

The company was still in the red for the three months ended Aug 31, 2024 (4QFY2024), as operating expenses exceeded revenue. Drastic decline of the US dollar against the ringgit also resulted in both realised and paper losses for Top Glove during the quarter.

Earnings before interest, taxes, depreciation, and amortisation (Ebitda), however, was positive on a full-year basis, while volume growth remained healthy, managing director Lim Cheong Guan said in a statement.

"These are strong indicators of market resurgence and we are well positioned to ride the recovery wave," Lim said. "The group is confident [that] we are well on the path to profitability and sustainable growth."

Net losses for the three months ended Aug 31 (4QFY2024) was RM3.57 million, compared to RM461.73 million over the same period last year, Top Glove said in an exchange filing. The company said it booked RM39.35 million in gain on disposal of property, plant, and equipment during the quarter.

Revenue for the quarter rose 75% year-on-year to RM835.31 million, from RM476.06 million. The company said it has raised its selling prices in response to the depreciation of the US dollar, though the effect would only be seen from November 2024 onwards.

To ensure [that] the group is well positioned to meet the rapidly returning glove demand, installation of advanced production lines, which had been temporarily halted due to oversupply, will resume at Top Glove's newer factories," the company said.

Top Glove and other Malaysian glovemakers are bracing for a surge in orders, particularly from the US, after more foreign manufacturers' gloves ended up on the import alert list of the Food and Drug Administration.

Further, the US has also announced higher tariffs on medical gloves made in China beginning 2025, news of which has boosted the shares of Malaysian glove manufacturers.

For the full year, Top Glove shrank its net loss to RM61.81 million from RM925.22 million in FY2023, also partly boosted by the RM96.74 million gain on disposal of properties. Revenue, meanwhile, climbed 12% to RM2.52 billion, from RM2.26 billion.

The company also proposed a one-for-20 bonus issue of up to 495.96 million warrants. The warrants are exercisable anytime within five years from the date of issuance, and the price will be announced at a later date.

The company did not declare any dividend.

Shares of Top Glove turned lower on Thursday, following the results announcement. The stock was down 2% at 3pm to RM1.03, giving the company a market capitalisation of RM8.46 billion. Trading volume totalled over 53 million shares so far.

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