

TOP GLOVE'S Q3 NET PROFIT DOWN 13.6% TO RM62.5M

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PETALING JAYA: Top Glove Corp Bhd saw its net profit for the third quarter ended May 31, 2016 (Q3FY16) decline 13.6% to RM62.46 million from RM72.27 million previously, due to strengthening of ringgit against US dollar and significant hikes in raw material prices.

Revenue was slightly up by 1.7% to RM672.3 million, compared with RM661.2 million in the previous corresponding quarter.

In a statement yesterday, the group said there was a time lag of two months before the cost increase could be shared out with its customers, where the adverse impact of the natural gas tariff increase was also felt for the full quarter.

“Meanwhile, intensive competition in the nitrile glove segment eroded margins and bottomline,” it added.

During the quarter, natural latex prices were on the uptrend, increasing by an average of 14.2% to RM3.94 per kg, while nitrile latex prices fell slightly by 1% to US\$0.95 per kg, compared with the previous quarter.

For the first nine-month, its net profit increased 66.9% to RM295.41 million against RM177.03 million a year ago, while revenue up 20.3% to RM2.17 billion from RM1.8 billion previously.

Its executive chairman Tan Sri Lim Wee Chai said the group should perform better in the next quarter with a more stable ringgit and raw material prices.

“However, we prefer not to depend on external factors, but rather focus on internal factors which are within our control. This has enabled us to achieve volume growth even in such challenging times,” he noted.

Lim said to ensure the group is able to meet the strong global demand for rubber gloves, it will continue to expand its operations by building new optimised facilities with faster, more efficient and technologically advanced production lines.

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