

TOP GLOVE 2QFY15 EARNINGS INCREASE 35 PER CENT

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KUCHING: Top Glove Corporation Bhd's (Top Glove) net profit for the second quarter of financial year 2015 (2QFY15) rose 35 per cent year-on-year (y-o-y) to RM56.07 million.

The company in a filing to Bursa Malaysia yesterday said its turnover for 2QFY15 grew 4.37 per cent y-o-y to RM572.25 million.

For the first half of financial year 2015 (1HFY15), Top Glove's revenue inched up 11.6 per cent y-o-y to RM1.14 billion while earnings increased 14.1 per cent y-o-y to RM104.75 million.

Meanwhile, the group in a statement said its profit before tax (PBT) for 2QFY15 registered growth of 17.8 per cent quarter-on-quarter (q-o-q) and 38.9 per cent y-o-y to RM69.6 million.

For 1HFY15, its PBT increased by 14.9 per cent y-o-y to RM128.6 million. Its revenue gained 0.8 per cent q-o-q to RM572.25 million compared to RM567.63 million in 1QFY15.

Contributing to more robust revenue figures in 20FY15 was growth in sales quantity of 5.3 per cent y-o-y, it said, attributed to higher sales volume stemming from more natural rubber and nitrite glove sales.

"The demand for natural rubber gloves from emerging markets continued to grow steadily." it affirmed.

Top Glove noted better margins arising from newer and more efficient glove machineries and factories, also served to bolster its profitability.

In addition, following a post-consolidation turnaround, its China operations delivered a positive contribution to the group's total profit.

Raw material prices continued to trend downward during 2QFY15 ended February with natural latex prices dropping by 24.8 per cent to an average of RM3.63 per kg and nitrile latex prices dropping by 5.3 per cent to an average of US\$1.03 per kg.

Commenting on these results, Top Glove chairman Tan Sri Lim Wee Chai said, "Our vastly improved results reflect the effectiveness of our internal improvement initiatives and aggressive sales promotion activities.

"On a broader level, they are also indicative of the industry's resilience even in the face of global economic uncertainty," he said.

On another note, he said Top Glove's expansion plans are very much on track.

Lim disclosed that the company's newest production facility, Factory 29, came onstream in February, boosting the total number of production lines to 484 and increasing its production capacity to 44.6 billion pieces of gloves per annum.

Factory 29 also comes fitted with faster and technologically-advanced machinery, which will enable it to operate more efficiently and profitably.

He further added that in the pipeline is the expansion of Factory 27 in Lukut, Port Dickson (to be completed by December 2015) and Factory 6 in Thailand (to be completed by July 2016), as well as the construction of a new facility, Factory 30 (to be completed by September 2016).

These will respectively bring the number of production lines and capacity to 538 and 52.2 billion pieces of gloves per annum by September 2016.

Given the size of its operations, Lim said Top Glove is also keen on the lookout for merger and acquisition (M&A) opportunities both in similar and related industries, with a view to further expanding the scope of its business.

On top of that, in conjunction with the 2QFY15 financial results announcement yesterday, Top Glove said it has appointed two new female directors, Datuk Noripah Kamso and Sharmila Sekarajasekaran, in line with its commitment to bring diversity in terms of gender, age and ethnicity to its boardroom.

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