

TOP GLOVE Q2 EARNINGS UP 33.3% TO RM56M

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KUALA LUMPUR: Top Glove Corporation Bhd's earnings climbed 33.3% to RM56.07mil in the second quarter ended Feb 28, 2015 from RM41.55mil a year ago, boosted by strong demand, firmer US dollar and lower cost of materials.

The world's biggest glove maker reported on Wednesday its pre-tax profit rose 17.8% to RM69.58mil from RM50.11mil. Its revenue increased by 4.3% to RM572.25mil from RM548.27mil. Earnings per share were 9.09 sen compared with 6.7 sen.

In the first half, its earnings rose 14% to RM104.75mil from RM91.83mil in the previous corresponding period. Its revenue increased by just 1.5% to RM1.139bil from RM1.122bil.

“Contributing to more robust revenue figures was growth in sales quantity of 5.3% vis-à-vis 2QFY14 and 4.5% against 1HFY14, attributable to higher sales volume stemming from more natural rubber and nitrile glove sales,” it said.

Top Glove said demand for natural rubber gloves from emerging markets, with exports to 200 countries worldwide, in particular continued to grow steadily.

“Also accounting for the improved performance were Top Glove’s on-going internal improvements in terms of quality, efficiency and cost control measures.

“Better margins arising from newer and more efficient glove machineries and factories, also served to bolster profitability. In addition, following a post-consolidation turnaround, its China operations delivered a positive contribution to total group profit.

“A stronger US dollar also positively impacted revenue and performance, and coupled with lower raw material prices, helped offset last year’s tariff increases, part of which Top Glove was unable to pass on to customers,” it said

Top Glove said raw material prices continued to trend downward compared with 2QFY14, with natural latex prices dropping by 24.8% to an average of RM3.63 a kg, and nitrile latex prices dropping by 5.3% to an average of US\$1.03/kg.