

SALES GROWTH BOOSTS TOP GLOVE'S Q2 PRE-TAX PROFIT TO RM69.59 MLN

18 March 2015 / 12:03



KUALA LUMPUR: Top Glove Corporation Bhd's pre-tax profit for the second quarter ended Feb 28 surged 17.8 per cent to RM69.59 million from RM50.11 million in the corresponding quarter a year ago - thanks to higher sales growth.

The world's largest rubber glove manufacturer's revenue increased to RM572.25 million from RM548.27 million in the corresponding period last year.

During the quarter, sales grew 5.3 per cent year-on-year on the back of higher sales volume stemming from more natural rubber and nitrile glove sales.

The better performance was also attributed to Top Glove's ongoing internal improvements in terms of quality, efficiency, cost-control measures, as well as, positive contribution from China's operations.

"Better margins arising from newer and more efficient glove machineries and factories also bolstered profitability," the company said in a statement

Wednesday.

Top Glove said the stronger US dollar has positively affected its revenue while the lower raw material prices helped offset last year's tariff increases that it partly unable to pass on to customers.

The company's net cash remained positive at RM142.8 million with a healthy balance sheet.

Going forward, Top Glove said its business environment might be challenging in view of the intensification of competition in the nitrile glove segment and the Goods and Services Tax-induced inflation.

"However, in view of the continuing uptrend in glove usage in both developed and emerging markets, given the industry's resilience to economic uncertainty, our prospects remain promising," it added.