

TOP GLOVE EXPECTS TO MAINTAIN 10% PROFIT MARGIN

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KUALA LUMPUR: Top Glove Corp Bhd is confident of maintaining an average profit margin of 10%, backed by global growth in the glove market and an increase in the group's capacity.

Its founder and executive chairman, Tan Sri Lim Wee Chai, said the group also expects to maintain its compounded annual growth rate of some 20% for revenue annually, especially on the back of an expected 33% in capacity for its gloves over the next two years.

"The industry is growing at about 10% a year, and the next 10 years also will grow at about the same rate," he told reporters at the Invest Malaysia 2019 forum.

He added that new demand is coming from all over the world, as the increase in life expectancy, standard of living and standard of hygiene will boost demand in the medical and food and beverage industries.

On the subject of latex prices, Lim said that a price of between RM4.80 and RM5 is “reasonable”.

“We hope the raw material price [remains] in the medium range. It cannot be too low, like below RM4 last year. It is not sustainable,” he said.

Lim also said Top Glove intends to secure the certification for its condom factory and production by next month, which will enable the group to begin commercial sales immediately after.

The group began the production of its own condom range in July 2.

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