

TOP GLOVE POSTS HIGHEST QUARTERLY NET PROFIT IN CORPORATE HISTORY AT RM2.9BIL

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KUALA LUMPUR: While hopeful for a post-pandemic economic recovery, Top Glove Corp Bhd is also confident global glove demand will remain robust and not revert to pre-pandemic levels.

In 2Q FY21, Top Glove recorded a net profit of RM2.87bil, the highest quarterly result in Malaysian corporate history and an increase of 24 times net earnings from the previous corresponding quarter.

The group reported its highest-ever quarterly sales revenue of RM5.37bil, which was 336% higher than in the previous comparative quarter, and 13% higher quarter-on-quarter.

The board of directors declared a dividend payout of 25.2 sen per share, which is the total sum of a 20% special dividend payout and 50% dividend payout policy, payable on April 6, 2021.

In a statement released in conjunction with its earnings result, it said its optimism over continued demand was due to the increased hygiene awareness as well as uncertainties surrounding the resolution of the Covid-19 pandemic.

"Moreover, having gone through this pandemic, governments are expected to continue stockpiling on gloves and other personal protective equipment (PPE) in preparation for possible future pandemics," it added.

To ensure it remains well-positioned to meet the continued strong global glove demand, the group said it will continue to pursue organic expansion, inorganic expansion and strategic investments.

It has earmarked RM10bil for capex over the next five years from FY2021 to FY2025, which will increase its current glove production capacity by about 100 billion pieces to 200 billion pieces.

Top Glove's latest quarterly performance brings the group's 1HFY21 net profit to RM5.23bil on the back of RM10.12bil revenue.

According to the group, the improved profit was owing to higher sales output, high utilisation levels which amplified production efficiency, coupled with higher average selling prices.

In 2QFY21, natural latex concentrate registered a 35% increase to an average of RM5.97/kg and nitrile latex went up 114% to an average of USD2.14/kg year-on-year, following shortages in supply.

However, average prices for nitrile latex have been on the downtrend since the start of 2021, easing by 5% from January 2021 to March 2021, as supply normalises.

“The Board of Directors is pleased with the company’s continued strong performance and the multiple remedial and improvement initiatives the group has implemented towards uplifting employee welfare.

"In both these instances, this is just the beginning for us and we aspire to do much more. We will keep putting every effort into continually improving our performance in terms of nancial results, as well as levelling up our sustainability practices so they are on par with international standards," said managing director Datuk Lee Kim Meow.