

TOP GLOVE'S NET PROFIT FALLS TO RM370.56M IN FY19

26 September 2019 / 12:09



Top Glove Corporation Bhd's net profit for the full year ended August 31, 2019 fell to RM370.56 million from RM424.36 million in 2018. — Picture courtesy of Top Glove Corporation

KUALA LUMPUR, Sept 26: Top Glove Corporation Bhd's net profit for the full year ended August 31, 2019 (FY19) fell to RM370.56 million from RM424.36 million in 2018.

Revenue, however, was 13.8 per cent better at RM4.8 billion from RM4.22 billion previously, amid a challenging operating environment and following rising raw material costs and intense market competition.

Sales volume also rose 10 per cent compared with the previous year, contributed mainly by the nitrile glove and surgical glove segments, which recorded a surge of about 30 per cent and 46 per cent respectively.

Meanwhile, sales volume growth for natural rubber gloves was flattish, while vinyl gloves declined 29 per cent, according to a filing by Top Glove

with Bursa Malaysia today.

As for the fourth quarter, net profit stood at RM80.1 million, lower compared to RM92.33 million in the same period period of 2018. Revenue, however, fell to RM1.19 billion from RM1.22 billion.

“While demand in emerging markets continued to trend upward, the percentage of increase in demand recorded in FY19 was lower compared with FY18, during which the group experienced its strongest growth in many years.

“In addition, losses from the vinyl glove segment and an increase in interest expense also contributed to the decline in profit for FY19,” Top Glove said.

In addition, raw material prices for FY19 remained mixed in comparison with FY2018 (RM4.51 per kg), with average prices having increased and peaked at RM5.11 per kg on April 9 this year, before falling to RM4.38 per kg as at today.

Meanwhile, the average nitrile latex price decreased slightly by 1.8 per cent from US\$1.13 per kg in FY18 to US\$1.11 per kg in FY19.

In a statement, executive chairman Tan Sri Dr Lim Wee Chai said the group is confident of attaining even greater heights in the coming quarters.

“The group will continue to expand organically to meet an increase in global glove demand which is set to grow by 10 per cent yearly,” he added.

Top Glove is also aggressively expanding its blueprint with various stages of glove plant developments.

By 2020, it will have a total of 178 lines producing 18.2 billion pieces of gloves per annum. — *Bernama*

