

TOP GLOVE QUARTERLY SALES HIT RECORD RM1.26BIL

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KUALA LUMPUR: Top Glove Corp Bhd reported its best ever quarterly revenue, but earnings growth was muted due to the high cost of buying surgical glove Aspion Sdn Bhd and aggressive factory expansion.

Net profit in the first quarter ended Nov 30 rose 4% to RM110mil, as sales soared to RM1.26bil.

Total volume sold increased 19%, the company said in a statement on Monday.

“Additional capacity available from newly completed factories coupled with higher utilisation, as well as ongoing operational improvements, resulted in better efficiency,” the company said.

Meanwhile, lower average raw material prices also boosted margins and its profitability, with Ebitda margins improving to 16.3% from 16.1% in 1QFY18.

“However, higher interest costs from the funding for M&As and organic expansion, and a lower contribution from the vinyl glove segment following intensifying competition in the vinyl glove segment as supply from China normalised, resulted in a softer profit before tax margin for this quarter,” it said.

Top Glove has 40 factories and the capacity to produce 60.5 billion pieces a year. By the end of 2020, Top Glove is projected to have 796 production lines and a production capacity of 75.3 billion gloves per annum.

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