

TOP GLOVE ENDS FY18 ON STRONG NOTE, PROPOSES 10 SEN DIVIDEND

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Lim says Top Glove is also looking to expand its operations to Vietnam.

Photo by Haris Hassan

KUALA LUMPUR: Top Glove Corp Bhd's net profit grew 7.5% to RM101.59 million in the fourth quarter ended Aug 31, 2018 (4QFY18) from RM94.49 million a year ago, on higher sales volume.

This resulted in higher earnings per share of 7.95 sen for 4QFY18 compared with 7.54 sen for 4QFY17.

Quarterly revenue hit a record RM1.22 billion, up 34.8% from RM902.42 million a year ago.

The group is proposing a final dividend of 10 sen per share for FY18, subject to shareholders' approval at the forthcoming annual general meeting. This would bring the total dividend payout for the financial year to 17 sen per share.

For the full financial year ended Aug 31, 2018 (FY18), Top Glove posted a record net profit of RM433.62 million, a 32% increase from RM328.57

million in the previous financial year, while revenue grew 23.6% to RM4.21 billion, also a record, in FY18 from RM3.41 billion in FY17.

Top Glove attributed the strong performance to its continuous pursuit of internal improvements.

“The application of advanced technology has enabled quality and efficiency to be improved considerably, while also contributing to a reduction in manpower requirements.

“Additionally, the strong demand growth also accounted for the higher revenue, with the resulting higher utilisation rate also leading to better pre-tax profit, as well as earnings before interest, taxes, depreciation and amortisation (Ebitda) and margins for FY18,” it said yesterday in a statement.

Natural rubber latex prices averaged at RM4.51 per kg in FY18, down 21.7% against FY17, while the average nitrile latex price was US\$1.13 (RM4.70) per kg, up 2.7% compared with the previous financial year.

On prospects, Top Glove said it remains highly optimistic of prospects moving forward, given the steady global glove demand which is set to grow at about 10% per year.

In a separate statement, Top Glove executive chairman Tan Sri Dr Lim Wee Chai said the group’s newest factory, F8A in Thailand, is scheduled to be operational in early 2020.

“This will boost the group’s total number of production lines by an additional 98 lines and production capacity by 9.8 billion gloves per year. By 2020, Top Glove is projected to have 746 production lines and a production capacity of 69.1 billion gloves per year,” he added.

Lim said Top Glove is also looking to expand its operations to Vietnam and has entered into an agreement to acquire a piece of land for a factory which is expected to commence operations within the next two years.

“In support of its ambitious growth agenda, Top Glove will also continue to explore inorganic expansion via mergers and acquisitions, as well as new set-ups in related industries in order to grow faster and more efficiently,” he said.

Top Glove shares closed up 20 sen or 1.91% at RM10.70 yesterday, bringing a market capitalisation of RM13.68 billion.

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