

TOP GLOVE NET PROFIT FOR Q1 2022 DROPS TO RM185.72M

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KUALA LUMPUR: Top Glove Corporation Bhd's net profit for the first quarter ended Nov 30, 2021 (Q1 2022) dropped to RM185.72 million from RM2.36 billion recorded in the same quarter last year.

Revenue fell to RM1.58 billion from RM4.76 billion a year ago.

In a filing with Bursa Malaysia, the group said the softer performance was mainly attributed to normalising average selling prices (ASPs) and glove demand following mass vaccine rollout on a global scale, while customers remained cautious on replenishing orders.

In addition, it said raw material costs also reduced at a much slower pace in comparison to glove ASPs, thereby impacting profit.

Top Glove said customers have also taken a cautious stance and placed restocking activity on hold in anticipation of a further tapering in glove prices.

“However, with the group gradually regaining its exports from Malaysia to the United States (US), sales volume is expected to improve in the

quarters to come, it said adding that customers are expected to gradually replenish their stocks in view of normalising ASPs,” it said.

On another note, the company said raw material prices have shown an increase compared to Q1 2021, with average natural latex concentrate prices slightly higher by one per cent to RM5.09 per kilogramme (kg), while nitrile latex prices increased by 10 per cent to US\$1.79 per kg.

Nevertheless, raw material prices are expected to show a declining trend going forward, it shared.

“Notwithstanding this, in keeping with its commitment to create value for the company’s approximately 138,000 public shareholders, Top Glove has declared a dividend payment of 1.2 sen per ordinary share, amounting to a total payout of RM96 million in line with the company’s dividend policy,” it said.

Managing director Datuk Lee Kim Meow commented that the team’s efforts to deliver these results against a challenging environment with headwinds are commendable.

“Having been in the glove industry for 30 years, we know this is part of the business cycle and have prepared for it. We have built up our reserves over the last two years which will enable us to go through leaner times and leverage any merger and acquisition opportunities which may arise.

“While times may be tough now, we are confident good times will come again. We believe even in the hardest of times, there is also opportunity, as long as we continue to stay healthy and maintain a positive expectation of the future,” he added.