



**Top Glove Corporation Bhd**

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# PRESS RELEASE

For Immediate Release

## PROGRESSING WELL ON THE PATH TO RECOVERY

- *2QFY2024 Sales Volume surges 18% as orders pick up pace*
- *Positive EBITDA with significant improvements of 38% for 2QFY2024 and 140% for 1HFY2024*

**Shah Alam, Wednesday, 20 March 2024** Top Glove Corporation Bhd or “Top Glove” today announced its financial results for the Second Quarter ended 29 February 2024 (2QFY2024), delivering an improved performance as it continues to gain traction on its recovery journey.

For 2QFY2024, the Group’s Sales Revenue was RM550 million, an increase of 12% from RM493 million in the preceding quarter. Loss After Tax was RM40 million, continuing to narrow by 15% from RM47 million in the preceding quarter. Notably, the Group’s EBITDA was positive at RM29 million, a 38% improvement against 1QFY2024; while Sales Volume strengthened by 18% against the preceding quarter. During the quarter, natural rubber latex concentrate prices rose at a much faster rate, from an average of RM4.91/kg at end November 2023 to RM5.66/kg at end February 2024, a spike of 15%. This sharp increase caused a mismatch with average selling prices (ASPs), thereby affecting margins. However, the strong growth in Sales Volume helped increase utilisation, thereby improving production and cost efficiency, which mitigated the mismatch. The significant increase in Sales Volume also provides a good indication that glove demand is picking up strongly on the back of excess inventory depletion.

On a half yearly basis, the Group registered 1HFY2024 Sales Revenue of RM1.04 billion. Loss After Tax for 1HFY2024 reduced substantially to RM87 million, contracting by an impressive 72% year on year. Meanwhile, its 1HFY2024 EBITDA turned positive, improving 140% to RM50 million year on year.

The Group’s steady recovery was fuelled by stronger Sales Volume growth, as customers placed new orders following the depletion of excess inventory. The uptrend in sales orders was further spurred by the progressively narrowing price

gap which has seen Top Glove achieve parity in ASPs with its overseas peers. The uptick in orders which boosted production utilisation, resulted in enhanced production and cost efficiency, impacting the bottom line positively. Ongoing quality and cost optimisation initiatives, coupled with operational enhancements outlined in the Top Glove Turnaround Plan (T6), also underpinned the Group’s improved set of results.

Mr Lim Cheong Guan, Managing Director of Top Glove remarked, “Our improved performance demonstrates the effectiveness of our strategic initiatives in recapturing sales, enhancing quality, cost and efficiency, as well as Top Glove’s resilience amidst persistent challenges. It is also a testament to the good efforts of our employees, who have been instrumental in driving our recovery”.

Underscoring an unwavering commitment to sustainable practices and responsible corporate citizenship, Top Glove was included in the esteemed S&P Global Sustainability Yearbook 2024 for the third year in a row. This honour is accorded exclusively to companies within the top 15% of their respective industries,. Top Glove’s score was among the highest out of the 13 companies globally within the Health Care Equipment Supplies industry category in the CSA.

The Group views the 18% quarter on quarter growth in Sales Volume for 2QFY2024 as an encouraging sign of Top Glove’s continual and significant strides towards recovery. With this, the Group maintains a positive mid to long term outlook on the glove industry, as gloves remain an essential, single use item in the healthcare, industrial and F&B sectors with no viable replacement. The Group is also optimistic that the strong growth momentum will sustain, as customers continue replenishing their depleting glove stockpiles. Moreover, with increased health and hygiene awareness post pandemic, the global glove demand growth of approximately 8% per annum is expected to resume, thereby absorbing excess capacity within the industry, while manufacturers continue to halt expansion towards restoring the demand supply balance.

Mr Lim asserted, "We continue to see signs of the market rebounding and believe our business will normalise in due course as glove industry fundamentals remain robust and unchanged. We remain focused on executing our strategic initiatives to level up our quality and cost efficiency, while leveraging our strengths to capitalise on emerging opportunities. With the momentum gained over the last few quarters, we are confident of our ability to sustain the positive trajectory and return to profitability within the second half of the year".

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**About Top Glove Corporation Bhd**

Top Glove Corporation Bhd is listed on the Bursa Malaysia Stock Exchange Main Board and Singapore Exchange Mainboard. It is also one of the component stocks of the FBM Top 100 Index, FBM Emas Index, FBM Hijrah Syariah Index, FBM Emas Syariah Index and the Dow Jones Sustainability Indices (DJSI) for Emerging Markets. Top Glove has an established corporate culture and good business direction of producing consistently high quality, cost efficient gloves. Top Glove has over 2,000 customers worldwide and exports to more than 195 countries.

*Summary of key information:*

	As at 20 March 2024
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Number of Factories	<p>48 factories (41 in Malaysia, 5 in Thailand, 1 in China and 1 in Vietnam) comprising:</p> <ul style="list-style-type: none"> <li>• 37 glove factories</li> <li>• 2 latex concentrate plants</li> <li>• 3 chemical factories</li> <li>• 1 gamma sterilisation factory</li> <li>• 1 glove former factory</li> <li>• 2 packaging material factories</li> <li>• 1 dental dam factory</li> <li>• 1 face mask factory</li> </ul>
Number of Marketing Offices	7 (Malaysia, USA, Germany, Brazil, China, Thailand and Vietnam)
Number of Glove Production Lines	788
Glove Production Capacity	95 billion pieces per annum
Number of Employees	10,000