

## Team Coverage

(603) 7890 8888 (ext 2070)

[research.dept@apexsecurities.com.my](mailto:research.dept@apexsecurities.com.my)

|                              |              |
|------------------------------|--------------|
| <b>Recommendation:</b>       | <b>BUY</b>   |
| Current Price:               | RM 0.65      |
| Previous Target Price:       | RM 0.78      |
| Target Price:                | ↑ RM 0.81    |
| Capital Upside/Downside:     | 24.6%        |
| Dividend Yield (%):          | 0.0%         |
| <b>Total Upside/Downside</b> | <b>24.6%</b> |

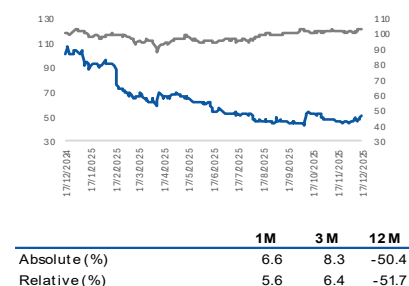
## Stock information

|                          |               |
|--------------------------|---------------|
| Board                    | MAIN          |
| Sector                   | Healthcare    |
| Bursa / Bloomberg Code   | 7113 / TOPGMK |
| Syariah Compliant        | Yes           |
| ESGRating                | ★★★           |
| Shares issued (m)        | 8,018.0       |
| Market Cap (RM' m)       | 5,211.7       |
| 52-Week Price Range (RM) | 1.43-0.57     |
| Beta (x)                 | 1.0           |
| Free float (%)           | 49.0          |
| 3M Average Volume (m)    | 23.1          |
| 3M Average Value (RM' m) | 14.7          |

## Top 3 Shareholders

|                                | (%)  |
|--------------------------------|------|
| Lim Wee Chai                   | 28.6 |
| Central Depository Pte Ltd/The | 11.3 |
| Firstway United Corp           | 6.9  |

## Share Price Performance



## Earnings Summary

| FYE Aug (RM m) | FY26F  | FY27F  | FY28F  |
|----------------|--------|--------|--------|
| Revenue        | 3973.1 | 4328.4 | 4910.7 |
| PATAMI         | 154.3  | 205.0  | 259.7  |
| CNP            | 154.3  | 205.0  | 259.7  |
| Core EPS (sen) | 1.9    | 2.6    | 3.2    |
| PE(x)          | 33.8   | 25.4   | 20.1   |

Source: Company, Apex Securities

## Top Glove Corporation Berhad

## Earnings Recovery Underway

- **1QFY26 CNP of RM39.0m (-7.2% QoQ, 1QFY25: -RM21.5m), representing 142% of our full year forecast and 25% of consensus. The overshoot was mainly due to faster-than-expected operational normalisation and stronger cost capture from lower input prices, which more than offset softer ASPs and FX headwinds.**
- **We expect TOPG's performance to trend firmer despite forex headwinds, supported by improving utilisation, gradual ASP stabilisation and ongoing cost discipline, which should underpin margin recovery.**
- **We have revamped our model and raised FY26F/FY27F earnings to RM154.3m/RM205.0m (up 461%/579%), and introduce FY28F earnings of RM259.7m.**
- **upgrade to BUY (from HOLD) recommendation with a higher TP of RM0.81 (from RM0.78), based on a higher P/B multiple of 1.3x (from 1.1x) rolled forward to FY27F BVPS of RM0.62 (from FY26F BVPS of RM0.70), and ascribed a three-star ESG rating.**

**Above expectations.** Excluding exceptional items, namely forex loss (-RM4.0m), fair value and investment-related gains (+RM2.6m), and other net adjustments (+RM1.1m), 1QFY26 core net profit (CNP) stood RM39.0m (-7.2% QoQ, 1QFY25: -RM21.5m), representing 142% of our full year forecast and 25% of consensus. The overshoot was mainly due to faster-than-expected operational normalisation and stronger cost capture from lower input prices, which more than offset softer ASPs and FX headwinds.

**Dividend.** No dividend declared.

**QoQ.** CNP declined a modest 7.2% QoQ, primarily due to a 7% QoQ contraction in revenue amid softer ASPs, particularly in non-US markets. Blended ASP fell 2.8% QoQ to USD17.5/1k pcs (vs. USD18.0/1k pcs in 4QFY25), reflecting heightened pricing competition from Chinese producers. This was partially offset by a robust 17% QoQ increase in sales volumes on the back of recovering glove demand, supported by targeted marketing initiatives. In addition, lower raw material costs with natural latex and nitrile latex prices down 4% and 5% QoQ.

**YoY.** CNP recorded a sharp earnings turnaround YoY, driven by a recovery in sales volumes, led by a 117% YoY surge in US volumes following tariff-induced order shifts away from China. The stronger volume throughput lifted utilisation to c.75% in 1QFY26 (vs c.71% in 4QFY25), enhancing fixed-cost absorption and operating efficiency. Profitability was further supported by favourable raw material cost trends, which helped cushion the impact of a softer USD and reinforced margin recovery.

**Outlook.** Global glove demand is on a gradual recovery path, with 1H2026 demand expected to grow c.4% YoY as inventory destocking concludes and healthcare usage normalises. Early signs of US order replenishment, alongside a rebound in Europe in 2QFY26 driven by recently secured orders, point to firmer demand momentum. Higher utilisation rates and the recommencement of four additional factories (adding 6bn pcs of annual capacity) should enhance cost efficiency and support further order wins. On pricing, despite currency volatility, TOPG targets ASPs of USD17–19/1k pcs in FY26, underpinned by a better product mix and tighter cost control. Latex prices are expected to ease modestly, while nitrile input costs stabilise as demand normalises, supporting earnings momentum through improved operating leverage and margin recovery.

**Earnings Revision.** Following the change in covering analyst, we have revamped our financial model and raised our FY26F and FY27F earnings forecasts to RM154.3m and RM205.0m, representing upward revisions of 461% and 579%, respectively. The upgrades primarily reflect stronger-than-expected margin recovery and higher utilisation rates, pointing to a sharper earnings inflection. In tandem, we have revised our USD/MYR assumptions for FY26–FY27F to 4.15 (from 4.30), in line with our in-house macro projections. We also introduce our FY28F CNP forecast of RM259.7m.

**Valuation.** We upgrade TOPG to **BUY** (from HOLD) with a higher target price of **RM0.81** (from RM0.78). We turn incrementally constructive on the earnings outlook and raise our valuation multiple to 1.3x P/B (from 1.1x), following the roll-forward of our valuation base year to FY27F BVPS of RM0.62 (from FY26F BVPS of RM0.70) and the assignment of a three-star ESG rating. Our applied P/B multiple of c. -0.5 SD below the 5-year forward mean reflects a conservative stance, despite improving earnings visibility and early signs of a sector recovery. We favour TOPG as profitability improvements have already begun to materialise from the previous quarter, supported by gradually firming sector sentiment. The recent share price pullback has further enhanced valuation appeal, presenting an asymmetric risk-reward profile ahead of a broader earnings recovery.

**Risk.** Increase in raw material prices, weakening of USD against MYR, policy changes such as US tariffs.

# Results Note

Thursday, 18 Dec, 2025

## Results Comparison

| FYE Aug (RM m)                    | 1QFY26       | 1QFY25        | yoy (%)      | 4QFY25       | qoq (%)      | 3MFY26       | 3MFY25        | yoy (%)      | Comments                                      |
|-----------------------------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|---|
| Revenue                           | 883.6        | 885.9         | (0.3)        | 889.6        | (0.7)        | 883.6        | 885.9         | (0.3)        | lower ASPs from softer raw material costs and |
| Operating expense (excluding D&A) | (766.3)      | (808.4)       | (5.2)        | (779.0)      | (1.6)        | (766.3)      | (808.4)       | (5.2)        | a stronger Ringgit Malaysia                   |
| Other operating income            | 10.3         | 14.0          | (26.0)       | 3.3          | 216.9        | 10.3         | 14.0          | (26.0)       |   |
| <b>EBITDA</b>                     | <b>127.7</b> | <b>91.4</b>   | <b>39.6</b>  | <b>113.9</b> | <b>12.1</b>  | <b>127.7</b> | <b>91.4</b>   | <b>39.6</b>  |   |
| Depreciation                      | (76.7)       | (73.7)        | 4.0          | (77.2)       | (0.7)        | (76.7)       | (73.7)        | 4.0          |   |
| <b>EBIT</b>                       | <b>51.0</b>  | <b>17.7</b>   | <b>188.3</b> | <b>36.6</b>  | <b>39.1</b>  | <b>40.6</b>  | <b>14.0</b>   | <b>191.1</b> |   |
| Finance income                    | 1.2          | 2.2           | (48.1)       | 21.5         | (94.6)       | 1.2          | 2.2           | (48.1)       |   |
| Finance cost                      | (8.9)        | (1.0)         | 752.8        | (9.2)        | (3.3)        | (8.9)        | (1.0)         | 752.8        |   |
| Share of JV results               | 1.9          | 0.5           | 259.8        | (1.2)        | nm           | 1.9          | 0.5           | 259.8        |   |
| <b>Pre-tax profit</b>             | <b>45.2</b>  | <b>19.4</b>   | <b>133.0</b> | <b>47.8</b>  | <b>(5.5)</b> | <b>45.2</b>  | <b>19.4</b>   | <b>133.0</b> |   |
| Tax credit/ (expenses)            | (6.4)        | (2.7)         | 138.2        | (12.2)       | (47.9)       | (6.4)        | (2.7)         | 138.2        |   |
| <b>Profit-after tax</b>           | <b>38.8</b>  | <b>16.7</b>   | <b>132.1</b> | <b>35.6</b>  | <b>9.1</b>   | <b>38.8</b>  | <b>16.7</b>   | <b>132.1</b> |   |
| (-) Minority interest             | 0.2          | 11.3          | (97.9)       | (3.0)        | nm           | 38.8         | 11.3          | 244.4        |   |
| <b>PAT-MI</b>                     | <b>38.6</b>  | <b>5.5</b>    | <b>607.4</b> | <b>38.6</b>  | <b>0.0</b>   | <b>38.6</b>  | <b>5.5</b>    | <b>607.4</b> |   |
| <b>Core net profit</b>            | <b>39.0</b>  | <b>(21.5)</b> | <b>nm</b>    | <b>42.0</b>  | <b>(7.2)</b> | <b>39.0</b>  | <b>(21.5)</b> | <b>nm</b>    |   |
| Core EPS (sen)                    | 0.5          | (0.3)         | nm           | 0.5          | (7.2)        | 0.5          | (0.3)         | nm           |   |
| DPS (sen)                         | -            | (0.0)         | (100.0)      | 0.5          | (100.0)      | -            | 0.5           | (100.0)      |   |
| EBITDA margin (%)                 | 14.4         | 10.3          |              | 12.8         |              | 14.4         | 10.3          |              |   |
| PBT margin (%)                    | 5.1          | 2.2           |              | 5.4          |              | 5.1          | 2.2           |              |   |
| Core PATMI margin (%)             | 4.4          | (2.4)         |              | 4.7          |              | 4.4          | (2.4)         |              |   |

Source: Company, Apex Securities

## Segmental Breakdown

| FYE Aug (RM m)                | 1QFY26      | 1QFY25      | yoy (%)      | 4QFY25      | qoq (%)     | 3MFY26      | 3MFY25      | yoy (%)      | Comments |
|-------------------------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|----------|
| <b>Segment profit/ (loss)</b> |             |             |              |             |             |             |             |              |          |
| Malaysia                      | 48.7        | 22.7        | 114.2        | 48.5        | 0.5         | 48.7        | 22.7        | 114.2        |          |
| Thailand                      | 1.7         | (2.0)       | nm           | (4.8)       | nm          | (12.4)      | (2.0)       | 528.9        |          |
| China                         | -           | 0.5         | (100.0)      | -           | -           |             | 0.5         | (100.0)      |          |
| Others                        | 4.8         | (1.4)       | nm           | (0.7)       | nm          | 25.7        | (1.4)       | nm           |          |
| <b>Total</b>                  | <b>55.2</b> | <b>19.9</b> | <b>177.5</b> | <b>42.9</b> | <b>28.6</b> | <b>62.0</b> | <b>19.9</b> | <b>211.5</b> |          |

Source: Company, Apex Securities

Figure 1: TOPG's 5-year Forward P/B Chart



Source: Apex Securities

# Results Note

Thursday, 18 Dec, 2025

## Financial Highlights

### Income Statement

| FYE Aug (RM m)              | FY24   | FY25   | FY26F  | FY27F  | FY28F  |
|-----------------------------|--------|--------|--------|--------|--------|
| Revenue                     | 2514.4 | 3493.4 | 3973.1 | 4328.4 | 4910.7 |
| Gross Profit                | 205.0  | 496.9  | 596.0  | 692.5  | 785.7  |
| EBITDA                      | 251.6  | 449.4  | 471.3  | 561.9  | 706.4  |
| Depreciation & Amortisation | -287.5 | -305.9 | -274.3 | -297.1 | -373.6 |
| EBIT                        | -35.9  | 143.5  | 197.0  | 264.7  | 332.8  |
| Net Finance Income/ (Cost)  | 2.8    | 6.3    | 12.5   | 6.7    | 5.5    |
| Associates & JV             | 1.7    | -1.6   | -1.6   | -1.7   | -1.8   |
| Pre-tax Profit              | -31.3  | 148.2  | 207.9  | 269.7  | 336.4  |
| Tax                         | 9.9    | -25.4  | -35.6  | -46.1  | -57.6  |
| Profit After Tax            | -21.4  | 122.8  | 172.3  | 223.6  | 278.9  |
| Minority Interest           | 43.5   | 17.5   | 18.0   | 18.6   | 19.1   |
| PATMI                       | -64.9  | 105.3  | 154.3  | 205.0  | 259.7  |
| Exceptionals                | 152.0  | 88.7   | 0.0    | 0.0    | 0.0    |
| Core Net Profit             | -216.9 | 16.6   | 154.3  | 205.0  | 259.7  |

### Key Ratios

| FYE Aug (RM m)     | FY24  | FY25  | FY26F | FY27F | FY28F |
|--------------------|-------|-------|-------|-------|-------|
| P/E (x)            | -24.0 | 313.4 | 33.8  | 25.4  | 20.1  |
| EPS                | -2.7  | 0.2   | 1.9   | 2.6   | 3.2   |
| P/B (x)            | 0.9   | 1.1   | 1.1   | 1.0   | 1.0   |
| EV/EBITDA (x)      | 25.3  | 10.5  | 10.2  | 8.8   | 7.2   |
| DPS (sen)          | 0.0   | 0.5   | 0.7   | 0.9   | 1.2   |
| Dividend Yield (%) | 0.0%  | 0.7%  | 1.1%  | 1.4%  | 1.8%  |
| EBITDA margin      | 10.0% | 12.9% | 11.9% | 13.0% | 14.4% |
| EBIT margin        | -1.4% | 4.1%  | 5.0%  | 6.1%  | 6.8%  |
| PBT margin         | -1.2% | 4.2%  | 5.2%  | 6.2%  | 6.9%  |
| PAT margin         | -0.9% | 3.5%  | 4.3%  | 5.2%  | 5.7%  |
| NP margin          | -2.6% | 3.0%  | 3.9%  | 4.7%  | 5.3%  |
| Core NP margin     | -2.6% | 3.0%  | 3.9%  | 4.7%  | 5.3%  |
| ROE                | -1.1% | 2.2%  | 3.2%  | 4.1%  | 5.0%  |
| ROA                | -0.9% | 1.7%  | 2.4%  | 3.1%  | 3.8%  |
| Net gearing        | 0.8%  | 8.8%  | 7.0%  | 7.0%  | 4.3%  |

### Key Assumptions

| FYE Aug (RM m)            | FY26F   | FY27F   | FY28F   |
|---------------------------|---------|---------|---------|
| Production lines          | 788.0   | 788.0   | 788.0   |
| Utilisation rate (%)      | 52.0%   | 55.0%   | 60.0%   |
| Production ('000)         | 49400.0 | 52250.0 | 57000.0 |
| Blended ASP (RM/'000 pcs) | 80.4    | 82.8    | 86.2    |

| Valuations              | FY27F |
|-------------------------|-------|
| Book Value/share (RM)   | 0.621 |
| Multiple (x)            | 1.3   |
| Fair Value (RM)         | 0.81  |
| ESG premium/discount    | 0.0%  |
| Implied Fair Value (RM) | 0.81  |

Source: Company, Apex Securities

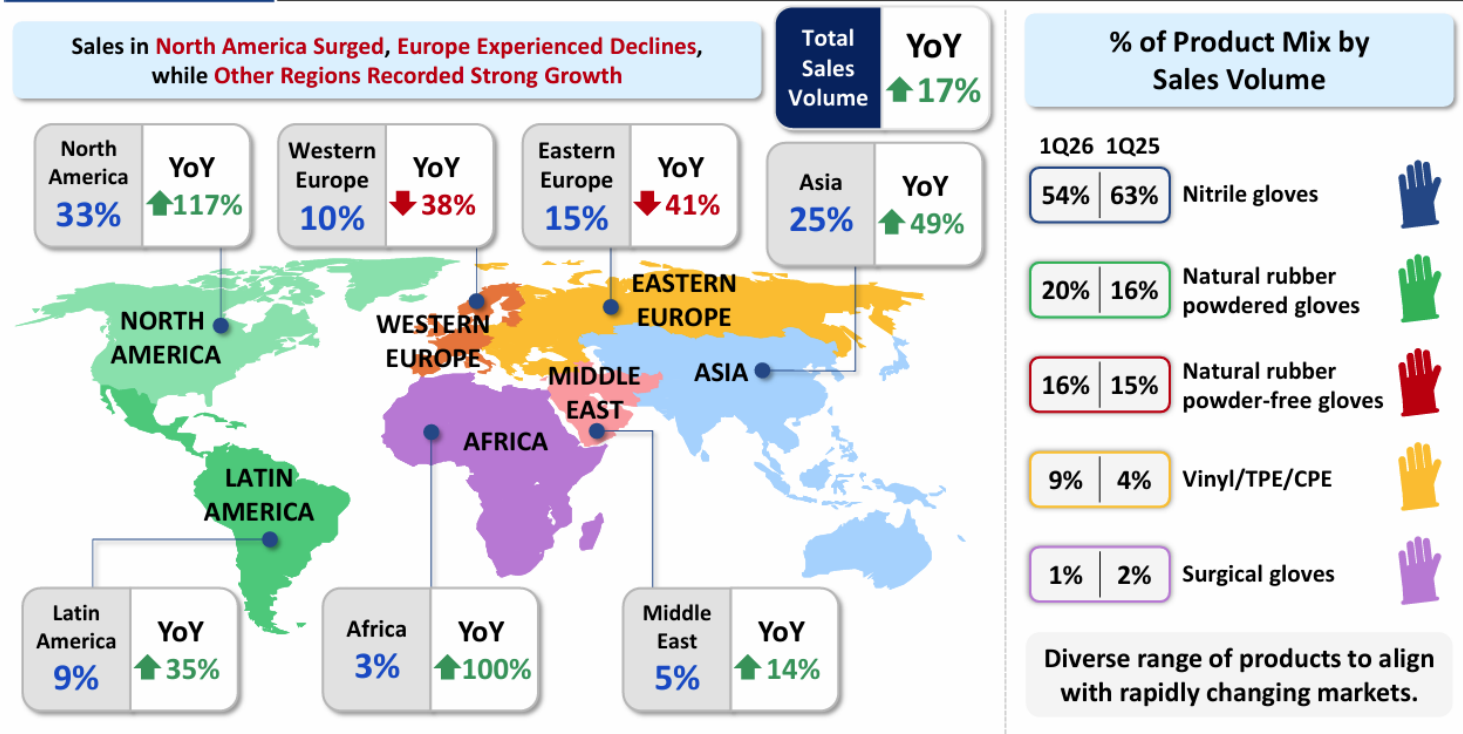
### Balance Sheet

| FYE Aug (RM m)                | FY24   | FY25   | FY26F  | FY27F  | FY28F  |
|-------------------------------|--------|--------|--------|--------|--------|
| Cash                          | 351.2  | 298.4  | 355.7  | 388.0  | 467.7  |
| Receivables                   | 359.0  | 465.9  | 468.1  | 509.9  | 592.0  |
| Inventories                   | 376.3  | 344.9  | 416.4  | 498.1  | 587.7  |
| Other current assets          | 744.9  | 345.2  | 384.7  | 395.4  | 412.8  |
| Total Current Assets          | 1831.4 | 1454.5 | 1624.8 | 1791.3 | 2060.2 |
| PPE                           | 3778.9 | 3468.7 | 3432.7 | 3416.9 | 3362.5 |
| Intangibles                   | 861.2  | 857.8  | 857.8  | 857.8  | 857.8  |
| Other non-current assets      | 486.6  | 496.4  | 496.4  | 496.4  | 496.4  |
| Total Non-current assets      | 5126.7 | 4822.9 | 4786.9 | 4771.2 | 4716.7 |
| Short-term Debt               | 398.0  | 29.4   | 62.8   | 59.4   | 55.4   |
| Payables                      | 433.0  | 401.7  | 462.6  | 508.0  | 587.7  |
| Other Current Liabilities     | 118.8  | 107.3  | 107.3  | 107.3  | 107.3  |
| Total Current Liabilities     | 949.8  | 538.3  | 632.7  | 674.6  | 750.4  |
| Long-term Debt                | 0.0    | 798.4  | 722.4  | 682.6  | 637.4  |
| Other non-current liabilities | 172.8  | 163.1  | 163.1  | 163.1  | 163.1  |
| Total Non-current Liabilities | 172.8  | 961.5  | 885.5  | 845.7  | 800.5  |
| Shareholder's equity          | 4630.0 | 4752.0 | 4849.9 | 4979.9 | 5144.7 |
| Minority interest             | 1205.5 | 25.6   | 43.6   | 62.2   | 81.3   |
| Equity                        | 5835.5 | 4777.5 | 4893.5 | 5042.1 | 5226.0 |

### Cash Flow

| FYE Aug (RM m)                      | FY24   | FY25   | FY26F  | FY27F  | FY28F  |
|-------------------------------------|--------|--------|--------|--------|--------|
| Pre-tax profit                      | -31.3  | 148.2  | 207.9  | 269.7  | 336.4  |
| Depreciation & amortisation         | 287.5  | 296.4  | 274.3  | 297.1  | 373.6  |
| Changes in working capital          | -37.7  | -73.7  | -52.1  | -88.8  | -109.5 |
| Others                              | -197.7 | -70.1  | -64.7  | -76.4  | -89.0  |
| Operating cash flow                 | 20.7   | 300.7  | 365.5  | 401.6  | 511.5  |
| Net capex                           | -142.5 | -138.5 | -238.4 | -281.3 | -319.2 |
| Others                              | 390.0  | 592.2  | 29.1   | 30.2   | 31.5   |
| Investing cash flow                 | 247.5  | 453.7  | -209.3 | -251.1 | -287.7 |
| Dividends paid                      | 0.0    | 0.0    | -56.4  | -74.9  | -94.9  |
| Others                              | -181.7 | -802.2 | -42.5  | -43.3  | -49.1  |
| Financing cash flow                 | -181.7 | -802.2 | -98.9  | -118.2 | -144.0 |
| Net cash flow                       | 86.5   | -47.7  | 57.3   | 32.3   | 79.7   |
| Forex                               | -16.9  | -5.0   | 0.0    | 0.0    | 0.0    |
| Others                              | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Beginning cash and cash equivalents | 280.0  | 349.7  | 297.0  | 354.2  | 386.5  |
| Ending cash and cash equivalent     | 349.7  | 297.0  | 354.2  | 386.5  | 466.3  |
| Fixed deposits                      | 1.5    | 1.4    | 1.4    | 1.4    | 1.4    |
| Ending cash                         | 351.2  | 298.4  | 355.7  | 388.0  | 467.7  |

Figure 2: Sales Volume by Region & Product Mix YoY Comparison 1QFY26 vs 1QFY25



Source: Company, Apex Securities

# Results Note

Thursday, 18 Dec, 2025

## ESG Matrix Framework:

### Environment

| Parameters       | Rating | Comments  |
|------------------|--------|---|
| Climate          | ★★★    | Reduce carbon emission intensity by 10% to 0.0183 tonnes/'000 pcs gloves in FY24.   |
| Waste & Effluent | ★★★    | Reduced solid waste by 64.7% to 3,575 tonnes, target to achieve in FY25.  |
| Energy           | ★★★    | Energy consumption reduced by 14% to 7.41 kWh.'000 pcs gloves.  |
| Water            | ★★★    | Water consumption reduced by 29% to 0.164 m3/'000 pcs gloves in FY24.   |
| Compliance       | ★★★    | Scored among the top 3% out of 274 companies assessed in the Health Care Equipment & Supplies Industry in the S&P Global Corporate Sustainability Assessment. |

### Social

|                                |     |  |
|--------------------------------|-----|--|
| Diversity                      | ★★★ | 55% female leadership in managerial positions (manager and above) in FY24.                                       |
| Human Rights                   | ★★★ | Conduct Human Rights Due Diligence, HRDD for 100% TG own operation.  |
| Occupational Safety and Health | ★★★ | Reduced occupational accident rate to 2.45/'000 employees and 100% contractors passed safety evaluation in FY24. |
| Labour Practices               | ★   | 2 factories audited achieved 'C' rating.   |

### Governance

|              |     |  |
|--------------|-----|--|
| CSR Strategy | ★★★ | Donation to Dinas Kehutanan team, Kelompok Tani Hutan (KTH), and Kesatuan Hutan Produksi (KPHP) in FY24. |
| Management   | ★★  | 8/9 board members age over 50, 33% female director, 5/9 Independent Directors.                           |
| Stakeholders | ★★★ | 4x analyst briefings per annum, 1x AGM per annum.  |

Overall ESG Scoring: ★★★

## Recommendation Framework:

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD:** Total returns\* are expected to be within +10% to -10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

## Sector Recommendations:

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

## ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

**Disclaimer:** The report is for internal and private circulation only and shall not be reproduced either in part or otherwise without the prior written consent of Apex Securities Berhad. The opinions and information contained herein are based on available data believed to be reliable. It is not to be construed as an offer, invitation or solicitation to buy or sell the securities covered by this report.

Opinions, estimates and projections in this report constitute the current judgment of the author. They do not necessarily reflect the opinion of Apex Securities Berhad and are subject to change without notice. Apex Securities Berhad has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Apex Securities Berhad does not warrant the accuracy of anything stated herein in any manner whatsoever and no reliance upon such statement by anyone shall give rise to any claim whatsoever against Apex Securities Berhad. Apex Securities Berhad may from time to time have an interest in the company mentioned by this report. This report may not be reproduced, copied or circulated without the prior written approval of Apex Securities Berhad.

As of Thursday, 18 Dec, 2025, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.