

# VIP Gloves Ltd

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## World's largest glove maker plans 100 billion pieces by end-2021 due to overwhelming demand

COVID-19 has spread so far and so fast that glove manufacturers around the world are scrambling to meet growing demand now seen as far exceeding last year's 290 billion pieces.

To meet this strong demand, the world's largest glove manufacturer, Top Glove Corporation Berhad (KLSE:TOPGLOV), has an aggressive expansion plan to increase its capacity to 100.2 billion gloves by end-2021 from its current capacity of 78.7 billion gloves per annum.

Buyers are now paying 50% down payment when they confirm orders and lead time for orders has increased almost 10 times for Top Glove, from 30-40 days to nearly 300 days.

The industry is also seeing substantial monthly growth in average selling price (ASP), with Top Glove raising its ASP by 15% in June and July and a further 30% in August.

### Other players

The orders are coming in thick and fast for other players in the industry as well, including VIP Gloves Ltd (ASX:VIP).

VIP manufacturers nitrile gloves, which according to Macquarie Bank, are Type-1 allergy-free, puncture-resistant, have good barrier protection against infection and contamination and are suitable in medical and high-risk tasks.

The company said sales orders had been filled through to the second quarter of 2021, with recent orders at higher sale prices which vary, depending on the specifications and volume.

According to Macquarie, VIP looks set to benefit from strong glove market fundamentals with glove demand expected to remain robust driven by COVID-19.

The resurgence of COVID-19 in Victoria and NSW is an example of the need to maintain all the hygiene fundamentals for many years to come.

**Price:** 0.078

**Market Cap:** \$58.16 m

### 1 Year Share Price Graph



### Share Information

**Code:** VIP

**Listing:** ASX

**52 week High Low**  
0.36 0.029

**Sector:** Pharma & Biotech

**Website:** [www.vipglove.com.my](http://www.vipglove.com.my)

### Company Synopsis:

VIP Gloves Ltd's (ASX:VIP) Malaysian subsidiary companies manufacture nitrile disposable gloves from a plant located in Selangor, Malaysia. Nitrile gloves can be used in the medical, health, dental and numerous other industrial and commercial sectors.

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