

Flexidynamic Sees Significant Turnaround in PBT by 277.62% for Q2 FY2024, Better Prospects Ahead

KUALA LUMPUR, MALAYSIA, August 31, 2024 /EINPresswire.com/ -- [Flexidynamic Holdings Berhad](#) ("Flexidynamic" or the "Company"), an established solutions provider for the rubber glove manufacturing industry, is pleased to announce its financial results for the second quarter ended 30 June 2024 ("Q2 FY2024").



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*Mr. Tan Kong Leong,
Managing Director of
Flexidynamic*

The Group recorded revenue of RM7.76 million for Q2 FY2024, reflecting a strategic shift as the Company capitalised on emerging opportunities in the recovering glove industry. While revenue showed a decline from RM13.30 million in the corresponding quarter of the previous year ("Q2 FY2023"), primarily due to the completion of significant overseas projects in the prior year. Flexidynamic saw a robust increase in demand for repair and maintenance services, system upgrades, and equipment enhancements from its existing customers. This signals a positive market sentiment and the beginning

of a rebound in the glove manufacturing sector.

Profit before taxation ("PBT") for Q2 FY2024 was RM0.91 million, slightly lower than the RM0.93 million recorded in Q2 FY2023. However, the Company's continued focus on cost management and operational efficiency has ensured sustained profitability. Notably, Profit After Tax ("PAT") soared to RM0.98 million, a significant improvement compared to a Loss After Tax ("LAT") of RM0.55 million in the same quarter last year, driven by the recognition of deferred tax assets from customer downpayments.

The comparison with the immediate preceding quarter ("Q1 FY2024") further highlights Flexidynamic's positive trajectory. Revenue surged from RM4.75 million in Q1 FY2024 to RM7.76 million in Q2 FY2024, while PBT experienced a remarkable 501.32% increase, rising from RM0.15 million to RM0.91 million. This strong performance underscores the Company's ability to navigate a challenging environment and capitalise on the recovery in the glove industry.

Mr. Tan Kong Leong, Managing Director of Flexidynamic, commented on the results: "The second

quarter of FY2024 marks a significant period of recovery for Flexidynamic as the glove industry shows early signs of resurgence. While the global oversupply of gloves persists, particularly due to the excessive capacity expansion during the Covid-19 pandemic, we are optimistic about the long-term prospects of the industry. Increased hygiene awareness, especially in emerging markets with low glove consumption, is expected to drive demand. Our strategic focus on operational efficiency and cost management has allowed us to effectively leverage this recovery, leading to a substantial increase in profitability.”

He added, “In addition to our core operations, we are pleased to announce our recent venture into gamma radiation sterilisation services in collaboration with Gammatech. This initiative not only serves our existing customers in the glove industry but also opens up new opportunities in sectors such as pharmaceuticals, food processing, and packaging. By offering these services, we are poised to expand our market reach and deliver even greater value to our shareholders.”

Since its inception in 2012, Flexidynamic has firmly established itself in the rubber glove manufacturing industry. The strategic acquisition of Flexidynamic Engineering Co. Ltd. in Thailand in 2018 has expanded its presence across Southeast Asia, supported by operational offices in Malaysia and Thailand and a manufacturing facility in Banting, Malaysia. The Group has also diversified into infrastructure projects, including a recent RM12.4 million contract for the water treatment plant and water intake at Loji Rawatan Air Chupak, Jajahan Gua Musang, Kelantan, which is expected to contribute positively to earnings. Furthermore, with the Group’s planned provision of sterilisation services using gamma radiation through Gammatech, its 51%-owned subsidiary, Flexidynamic is set to serve not only its existing glove industry customers but also expand into pharmaceuticals, food processing, and packaging sectors, leveraging its expertise to drive sustained growth and diversification.

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