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PHARMANIAGA GEARS UP IN DELIVERING BUSINESS STRATEGIES GROWTH

FY2021 PAT leapt over sixfold to RM172 million

SHAH ALAM, 17 FEBRUARY 2022 – Malaysia’s leading pharmaceutical company, Pharmaniaga Berhad (Pharmaniaga) is all geared up for business expansion bolstered by its strong performance in the financial year ended 31 December 2021 (FY2021).

The solid performance has opened up more opportunities for the Group to capture new markets both locally and regionally, while remain focused on expanding its offerings as well as diversifying its portfolio to generate new revenue streams for the business.

For FY2021, the Group today announced that it has posted its highest ever profit after taxation (PAT) of RM172 million, increasing by over sixfold from RM26 million in the preceding year. The improved bottom line came on the back of a 77% surge in revenue to RM4.8 billion from RM2.7 billion previously. The surge was largely due to the supply Sinovac COVID-19 vaccine to the Ministry of Health (MOH) and the private sector, followed by higher contributions from the Group’s concession, non-concession and Indonesian operations.

For the quarter ended 31 December 2021 (Q4FY21), revenue increased by 12% to RM712 million from RM635 million in the previous corresponding quarter. The higher revenue was mainly due to the growth across the concession, non-concession and Indonesian businesses. In tandem with the stronger top line, the Group’s PAT increased to RM85 million, a significant turnaround from the net loss of RM7 million a year ago.

Datuk Zulkarnain Md Eusope, Pharmaniaga Group Managing Director said, “In 2021, we were entrusted by the Government to conduct fill and finish manufacturing Sinovac COVID-19 vaccine and supply the vaccine and also finished vaccine to the National COVID-19 Immunisation Programme (NIP). With the strong support by MOH, we have successfully fulfilled the contract 4.5 months earlier than schedule, and to date we have supplied a total of 20.4 million doses to NIP and approximately 2.5 million doses to the private sector”.

He is also optimistic that the demand for the COVID-19 vaccines will remain high going forward as now children are allowed to be vaccinated. Datuk Zulkarnain said “With the current capabilities that we have, we intend to supply the vaccine to countries in this region. Myanmar was the first country that we have supplied 30,000 doses, en route to other ASEAN countries”.

“Apart from that, we will continue to place emphasis on the research and development of biopharmaceuticals, vaccines and insulins to bolster our product portfolio. We have a



large and capable R&D team to formulate our own generic pharmaceutical products, allowing Pharmaniaga to capture new markets.

“Besides that, we have inked a Memorandum of Collaboration with Malaysia Healthcare Travel Council in November last year to supply and distribute Hepatitis C drug to the designated hospitals and clinics, which will provide another source of recurring income,” he said, and added that the 10-year logistics and distribution concession business with MOH is currently being finalised.

Moving forward, Pharmaniaga will enhance its commitment to embrace ESG (Economic, Social and Governance) values which will drive all its business dealings and operations.

“We will increase the use of technology to improve efficiency, including exploring the use of drone in delivering medical supplies to remote areas. We have conducted two trials, first was in Pangkor Island and the latest one was during the flood in Kuala Langat.

“We are also exploring the use of green energy for our fleet of vehicles in the logistics and distribution division. Currently we are in discussion with several parties for a trial using our vans and also motorcycles,” he said.

Speaking on Indonesian division, Datuk Zulkarnain said, “We have reorganised the division in 2021 to enhance our operational efficiency, including appointment of a local as President Commissioner to strategise our logistics arm in Jakarta and a local President Director for our manufacturing arm in Bandung.

“We have been in Indonesia since 2004 and with the new strategies in place, which includes opening another 5-10 distribution centres to the existing 33 throughout the country, we believe the venture will register significant growth in 3-5 years.

“Pharmaniaga will continue efforts to expand our presence in ASEAN countries of almost 700 million population, with our products. Our Regulatory Affairs team will engage with the regulatory bodies of these countries as part of our mission to register more of our products there,” he added.

Datuk Zulkarnain said the Group will establish Biopharma Division to focus on the development, production and distribution of biopharmaceutical products to the regional, MENA (Middle East & Northern African) and African countries.

“We will need about three years to strengthen all our business segments before we will see significant yields and results from these international market expansion plans. All these will be shaped and guided by analysing data from our operations and market feedback, to promote and market our products and services on various digital platforms,” he said.

The Group declared a fourth interim dividend of 5.0 sen per share, which will be paid on 5 April 2022 to shareholders on the register as at 8 March 2022. After adjusting for the four-for-one bonus issue completed in July 2021, the total dividend per share in respect of FY2021 amounted to 9.3 sen. This gives a dividend yield of 13%, based on the closing price of RM0.74 as at 31 December 2021.

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About Pharmaniaga Berhad (“Pharmaniaga”)

Pharmaniaga is the leading pharmaceutical company of Boustead Holdings Berhad Group of Companies, which together with the Armed Forces Fund Board, are the major shareholders of Pharmaniaga. Listed on the Main Market of Bursa Malaysia Securities Berhad, Pharmaniaga’s core businesses are generic pharmaceuticals manufacturing; research and development; marketing and sales; warehousing and distribution of pharmaceutical and medical products; supply, trading and installation of medical and hospital equipment as well as community pharmacy.

With a vision to be the premier Malaysian pharmaceutical company, Pharmaniaga is guided by its philosophy of ‘Do It Right Always’ and empowered by its motto of Passion for Patients. Strengthened by nine manufacturing plants, nationwide logistics and distribution in Malaysia and Indonesia as well as products registered in 15 countries, Pharmaniaga is positioned to be a regional player in the international pharmaceutical arena.

For more information, please log on to <https://pharmaniaga.com/>.

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