

PRESS RELEASE
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PHARMANIAGA DEMONSTRATES RESILIENCE WITH POSITIVE RESULTS IN Q1 FY2023

KUALA LUMPUR, 18 May 2023 – The recent Practice Note 17 (PN17) status did not deter Pharmaniaga Berhad (Pharmaniaga) from demonstrating resilience and strategic agility in navigating challenging market conditions as it registered Profit After Taxation and Zakat (PAT) of RM2.8 million in first quarter financial period ended 31 March 2023 (Q1 FY2023), rebounding from the Loss After Taxation and Zakat (LAT) of RM644.2 million in the Q4 FY2022.

The Group's Profit Before Taxation and Zakat (PBT) of RM9.2 million for the Q1 FY2023 represented an upswing from the Loss Before Taxation and Zakat (LBT) of RM638.4 million recorded in Q4 FY2022. Revenue stood at RM880.5 million, registering a 2.1% increase from the previous quarter.

These favourable results have set a renewed momentum that paves a promising path for the Group's performance in the upcoming quarters of 2023.

The Logistics and Distribution Division recorded a PBT of RM8.8 million during the review period. This was attributed to the normalisation in concession sales which previously saw a surge following the resumption of standard business activities post-pandemic, while demand has since normalised in 2023.

Meanwhile, the Manufacturing Division reported PBT of RM1.1 million, with its long-term outlook remains positive fuelled by the ongoing expansion of the biopharmaceutical manufacturing business and the sustained demand for its products.

On the overseas front, the Group's Indonesian Division recorded a PBT of RM1.9 million for the review period. The Division has enhanced its operational efficiency through ongoing stock optimisation and assertive payment collection efforts, which bodes well for its performance moving forward.

Pharmaniaga Chairman Izaddeen Daud said, "The encouraging performance of Q1 FY2023 demonstrates our resilient and ability to overcome adversity. The recent challenges have only strengthened Pharmaniaga's resolve and indeed, we are confident that our strategic initiatives will drive us towards a more prosperous future.

"Importantly, the Group is on track to conclude the concession renewal by the end of 30 June 2023. We remain committed to providing uninterrupted logistics and distribution services to our clients especially the Ministry of Health (MoH) as well as the private sector, underlining our steadfast dedication to healthcare service excellence.

“The Group remains cautious with the challenges posed by the reclassification to PN17 status as well as the recent 25 basis points increase in the Overnight Policy Rate (OPR). However, we are undeterred and confident that the upcoming Regularisation Plan will improve our shareholders’ equity and liquidity through prudent debt management and strategic capital allocation.

“Our regularisation efforts will be transformative, and we believe in our ability to strengthen the Group’s financials. Thus, we foresee that the Group will complete the implementation of the Regularisation Plan by the first quarter of 2024,” he concluded.

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About Pharmaniaga Berhad

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 the Company. Listed on the Main Board of Bursa Malaysia, MoH

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 is 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 Group 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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