

PRESS RELEASE

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**PHARMANIAGA CONTINUES ITS RECOVERY,
POSTS RM30.0 MILLION PROFIT AFTER TAX IN 1H FY2024**

Key highlights:

First Half FY2024

- *PAT increases from RM5.1 million to RM30.0 million, and PBT up from RM15.5 million to RM42.4 million compared with 1H FY2023*
- *EBITDA jumps 53.5% to RM97.8 million and revenue improves by 4.3% to RM1.8 billion against the same half last year*

Second Quarter FY2024

- *PAT up by 65.5% to RM3.8 million compared with Q2 FY2023*

SHAH ALAM, 21 August 2024 – Pharmaniaga Berhad's (Pharmaniaga) strategic plan and initiatives placed the Group on the right track of recovery as it delivered robust financial results for the first half ended 30 June 2024 (1H FY2024) with Profit After Tax (PAT) rising to RM30.0 million, up from RM5.1 million in the same period last year.

During the first half of FY2024, Pharmaniaga posted a 4.3% increase in revenue to RM1.8 billion compared with RM1.7 billion in the preceding year's corresponding period, due to improved customer demand in the concession and Indonesia segments. The Earnings Before Interest, Taxation, Depreciation And Amortisation (EBITDA) was RM97.8 million, up by 53.5% against the same half last year of RM63.7 million, while Profit Before Zakat and Taxation (PBT) soared by 172.8% to RM42.4 million from RM15.5 million.

These commendable results were driven primarily by the Group's cost optimisation initiatives that have contributed to the reduction of operating expenses by 11.1% during the first half year, against the same period in 2023.

For the second quarter of FY2024, Pharmaniaga posted RM3.8 million PAT higher by 65.5% compared with RM2.3 million in the same quarter last year. Meanwhile, the Group recorded a lower PBT of RM3.3 million, against RM6.3 million in the corresponding quarter of 2023, mainly due to higher finance cost resulting from increased borrowings. The Group also registered RM838.3 million in revenue, 1.2% lower compared with RM848.7 million in the same quarter last year, while EBITDA recorded a 0.2% increase to RM31.3 million, from RM31.2 million.

The performances of the Group's Divisions for the first half year are as follows:

Logistics & Distribution Division

- PAT surged by 224.8% to RM18.8 million in the first half period, compared with RM5.8 million in the previous year.
- Strong results were primarily driven by increased sales from the concession due to the introduction of new products to the Approved Products Purchase List (APPL) as well as improved operational efficiency.

Manufacturing Division

- PAT increased by 148.4% from RM2.7 million to RM6.8 million as the Group started supplying products under the APPL contracts with an estimated 3-year contract value of approximately RM684.5 million.
- Enhancement of manufacturing capabilities primarily in refining its Operational Equipment Efficiencies measures contributed to the improved performance.

Indonesia Division

- Recorded PAT of RM4.4 million, a 283.6% increase from the same period of previous year's RM1.2 million.
- The significant growth was supported by the higher revenue from products of existing principals and additional sales from the two newly opened branches in Purwakarta & Mataram.

Commenting on the results, Pharmaniaga Executive Director Zulkifli Jafar said, "We are encouraged by these financial results, which underscore our ability to navigate and thrive in a dynamic industry environment. Our enhanced operational efficiency and cost management strategies have been instrumental in driving this positive trajectory, and they are part of the Group's Vision 525 which are based on our 5 strategic pillars - strengthening public sector business; building biopharmaceutical capability; optimising cost aggressively; growing the private market, and reinventing Indonesia business."

He added, "As we move forward, our focus remains on strengthening our market presence, particularly in Indonesia, where we have seen significant growth of 23.8% in revenue from the first half of 2024. The opening of new branches and our ongoing efforts to acquire more high-margin principals are expected to sustain this momentum. We are also in the midst of getting the necessary approvals to start operating our 36th branch in Permatang Siantar by the fourth quarter of 2024."

Addressing the Group's biopharmaceutical advancements, Zulkifli said, "The construction of our Biopharma plant is now completed and currently undergoing process simulation to prepare for the manufacturing of validation batches. In the area of vaccine product readiness, significant progress is being made. Agreements for technology transfer and antigen procurement for the proposed vaccines are progressing well, and on track to receive registration approvals by the regulators as per our projected timeline."

Pharmaniaga Chairman Izaddeen Daud highlighted that the Group is steadily progressing toward its objectives through actionable and measurable strategies which are designed to rejuvenate and transform the company under the current leadership.

He said, “The leadership's focus on well-planned execution is key in driving the Group towards continued success under the strategic roadmap and to achieve its long-term goals, ensuring sustainable growth as well as operational excellence.”

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About Pharmaniaga Berhad

Pharmaniaga is the pharmaceutical arm of Boustead Holdings Berhad Group of Companies, which together with the Armed Forces Fund Board, are the substantial shareholders of the Company. 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. With a vision to be the premier Malaysian pharmaceutical company, its operations are strengthened by six manufacturing plants, as well as extensive logistics and distribution network in Malaysia and Indonesia. Pharmaniaga Group is positioned to be a regional player in the international pharmaceutical industry. For more information, please visit <https://pharmaniaga.com/>

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