

PRESS RELEASE**FOR IMMEDIATE RELEASE****PHARMANIAGA MAINTAINS MOMENTUM IN STRONG RECOVERY***Achieves RM101.3 million in Q3 Profit After Tax***Key takeaways:**

- Revenue at RM1.03 bil in Q3 FY2024, an increase of 16.3% compared to RM885.5 mil in Q3 FY2023.
- PBT rose to RM138.5 mil, marking a substantial improvement from LBT of RM56.3 mil in Q3 FY2023.
- Significant rebound in EBITDA to RM166.2 mil, compared to a loss of RM30.7 mil in Q3 FY2023.

SHAH ALAM, 26 November 2024 – Demonstrating further progress in its strong recovery, Pharmaniaga Berhad (Pharmaniaga) today reported improved results for its third quarter ended 30 September 2024 (Q3 FY2024), with Profit After Tax (PAT) reaching RM101.3 million compared with a loss of RM49.0 million in the same quarter last year (Q3 FY2023).

Profit Before Zakat and Taxation (PBT) also saw substantial improvement to RM138.5 million, compared to a Loss Before Zakat and Taxation (LBT) of RM56.3 million in Q3 FY2023. Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) for Q3 FY2024 increased to RM166.2 million, reflecting a strong rebound from a loss of RM30.7 million in the same quarter last year.

For the cumulative nine months ended 30 September 2024 (9M FY2024), Pharmaniaga posted revenue of RM2.8 billion, up 8.4% from RM2.6 billion in the corresponding period last year. This was driven by higher demand in the concession segment, heightened by new products added to the Approved Product Price List (APPL) and price adjustments under the new concession cycle, as well as growth in the Indonesia segment.

EBITDA surged by seven-fold from RM33.0 million to RM264.0 million in the period under review. Notably, the Group's PBT was RM180.9 million in contrast to a LBT of RM40.7 million. Similarly, PAT was RM131.3 million against the preceding period's Loss After Tax (LAT) of RM44.0 million.

The review of the Group's respective divisions' performances for 9M FY2024 is as follows:

Logistics and Distribution Division

- Achieved a higher PBT of RM153.8 million for the period under review, compared to a LBT of RM34.2 million in the same period last year.
- This improvement was primarily due to higher concession sales alongside the introduction of new products to the APPL, price revisions under the new concession cycle and cost-optimisation strategies undertaken by the Group as well as the reversal of government penalties.

Manufacturing Division

- Recorded a PBT of RM23.2 million, a significant improvement compared with a LBT of RM6.3 million in the same period last year.
- The increase was driven by higher revenue resulting from price adjustments under the new APPL tender cycle. In addition, there were one-off expenses associated to the cessation of non-core businesses in the corresponding period last year.

Indonesia Division

- EBITDA increased to RM27.0 million for the quarter under review, up from RM26.2 million in the corresponding period last year.
- This was fuelled by increased sales from products of existing principals and additional sales generated from two new branches opened in February 2024.

Pharmaniaga Managing Director Zulkifli Jafar expresses satisfaction with the Group's ongoing recovery and robust financial performance during the quarter. "We are pleased to maintain our positive trajectory, which underscores the effectiveness of our strategic initiatives.

Operational Milestones

"During the quarter, Pharmaniaga has achieved a significant milestone with the launch of Malaysia's first locally-owned insulin and vaccine manufacturing facility, Pharmaniaga LifeScience Sdn Bhd, in Puchong, Selangor. Officially opened on 19 September 2024, this facility is set to reduce reliance on imports for critical products like insulin and vaccines, enhancing national healthcare resilience."

In addition, Pharmaniaga's flagship recombinant human insulin product received regulatory approval from the National Pharmaceutical Regulatory Agency (NPRA) in November 2024. "We expect to begin supplying these products to government hospitals by the first quarter of 2025, reaffirming our commitment to improving healthcare accessibility," Zulkifli added.

"These achievements represent a turning point for Malaysia's healthcare industry, ensuring greater access to essential medicines while strengthening the local pharmaceutical ecosystem."

Pharmaniaga also secured strategic funding from the National Institutes of Biotechnology Malaysia under the Ministry of Science, Technology, and Innovation (MOSTI). The funding, through the National Vaccine Production Development and Strengthening Fund (DPVN) Scheme, will enhance its research and development capabilities in biopharmaceuticals.

"Meanwhile, our Indonesian expansion continues to drive profitability. The opening of our 36th branch in Pematang Siantar on 1 October 2024 reflects our commitment to strengthening our regional presence," Zulkifli noted.

Outlook

Zulkifli said, “The Group remains optimistic about its future growth trajectory, underpinned by the Malaysian government’s RM45.3 billion healthcare allocation under Budget 2025. This presents opportunities for Pharmaniaga to further support the nation’s healthcare agenda.

"Despite the commendable performance, we remain cautious about Q4 2024, recognising that Government’s spending in the concession business often tapers off toward the end of the year before picking up in the first quarter of the following year. Accordingly, we will maintain our focus on non-concession businesses, and prudent expense management through the ongoing cost optimisation initiatives,” he said.

Meanwhile, Boustead Holdings Berhad Group Chief Executive Officer Izaddeen Daud stated, “We are optimistic about the positive developments in the Regularisation Plan (RP), which is taking shape and paving the way for sustainable growth while keeping us on the right track to achieving our strategic goals. The strong recovery we are witnessing across Pharmaniaga reflects Boustead Group's dedication in ensuring a robust financial foundation that supports Pharmaniaga’s commitment to delivering value to stakeholders.”

The Group remains committed to achieving our objectives through clear, actionable, and measurable strategies aimed at rejuvenating and transforming the company under the current leadership. This Vision focuses on five key pillars – strengthening our public-sector business, building biopharmaceutical capabilities, aggressively optimising costs, expanding the private market, and reinventing our approach in the Indonesian market.

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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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