

Company Name : Pharmaniaga Berhad

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Pharmaniaga upbeat on rebound in net profit

KUALA LUMPUR: Pharmaniaga Bhd expects a rebound in its net profit with higher revenue contribution from the private sector business.

The firm sees stronger demand from the segment for its oncoming products over the next three years.

Managing director Datuk Farshila Emran said the revenue breakdown could see 60:40 split between private sector and government concession by 2019.

"We will see growth in the two segments but the private sector's growth would be faster. We could almost see a balanced rev-

enue breakdown from the two segments last year.

"For 2017, we expect only slight growth, but from next year, we are confident of achieving more with more than 250 products to be launched by our domestic and international plants.

"For that, we are allocating a RM60 million capital expenditure this year, via internally-generated funds as well as partially through borrowing," she said after the company's annual general meeting, here, yesterday.

Farshila said Pharmaniaga's growth would also be supported by its Indonesian operations.

"With 12 product applications targeted for approval this year in Indonesia, we will be able to penetrate Indonesia's lucrative government and private hospitals segments."

Last year, the pharmaceutical company registered the lowest net profit over the last five financial years due to tough economic conditions.

MIDF Research said the manufacturing segment would be Pharmaniaga's future earnings driver.

"Pharmaniaga's earnings in the manufacturing segment rely on the development and launch of

new products.

"There is high growth potential due to better-quality high-margin pharmaceutical products, capacity expansion and about 200 new products in the pipeline for the next 10 years."

On its government concession business, Farshila said the company had submitted 227 bids for the 2017-2019 tender exercise.

"We expect the outcome of the tender exercise to be announced in the third quarter.

"We are hoping to improve our success rate. The past success rate was above 50 per cent," she added. **Amir Hisyam Rasid**