

Company Name : Pharmaniaga Berhad
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Pharmaniaga Rebounds To Profitability With RM133.8 Million PAT In FY2024



SHAH ALAM: Pharmaniaga Berhad has sustained its growth momentum, delivering positive financial results for the financial year ended Dec 31, 2024 (FY2024).

The Group achieved a Profit After Zakat and Taxation (PAT) of RM133.8 million, marking a significant turnaround from a Loss After Zakat and Taxation (LAT) of RM78.7 million in the previous year.

Pharmaniaga recorded RM3.8 billion revenue for FY2024, a 10.4% increase from RM3.4 billion in FY2023. This was predominantly driven by increased demand in the concession segment, boosted by the addition of new products to the Approved Products Purchase List (APPL), price adjustments under the new concession cycle, and expansion in the Indonesia segment, particularly with the opening of three new branches.

Additionally, the RM124.9 million concession penalty reversal contributed to the improved performance. Earnings Before Interest, Taxation, Depreciation, and Amortisation (EBITDA) grew more than twelve-fold to RM305.3 million compared to RM23.9 million in FY2023. Profit Before Zakat And Taxation (PBT) surged to RM194.2 million, rebounding from a Loss Before Zakat And Taxation (LBT) of RM78.2 million.

The significant earnings improvement reflects Management's successful transformation, driven by higher revenue and stronger financial discipline. Strategic enhancements, including streamlined inventory and realigned priorities, have boosted efficiency.

Meanwhile, during the quarter ended Dec 31, 2024 (Q4FY2024), the Group recorded RM926.4 million in revenue, a 17.3% increase from RM789.8 million in Q4FY2023. Additionally, EBITDA rebounded to RM41.3 million from a Loss Before Interest, Taxation, Depreciation, and Amortisation (LBITDA) of RM9.1 million from the corresponding quarter, demonstrating a strong recovery in the Group's financial performance. Similarly, the quarter saw a turnaround from a LBT of RM37.4 million to a PBT of RM13.3 million.

Pharmaniaga managing director Zulkifli Jafar stated, "The encouraging results reinforce our Group's upward momentum on our financial rejuvenation journey. They have strengthened our commitment to expanding the business by advancing key initiatives in biopharmaceuticals, particularly our human insulin and vaccine products. These innovations are poised to significantly enhance healthcare access while solidifying our market position."

"Additionally, government-backed grants for two key vaccine developments during the year further support our mission of enhancing preventive healthcare and achieving self-sufficiency in vaccine production. Meanwhile our pharmaceutical division is expanding its reach, securing registration approval for 12 SKUs in key therapeutic areas with high demand," he said.

Encouraged by the Malaysian government's RM45.3 billion healthcare allocation under Budget 2025, Zulkifli is optimistic about opportunities to expand the Group's APPL portfolio, optimise operations, and unlock new growth avenues, as the Ministry of Health is forecasted to spend RM2 billion on APPL products in 2025.

“Under the concession agreement with Ministry of Health, the Group is committed to expand the APPL from 815 to over 1,200 products to enhance our role in public healthcare, improve access to essential medicines, and drive long-term growth. This strengthens our domestic and regional presence, allowing us to better address evolving healthcare needs,” he added.

In Indonesia, Pharmaniaga’s operations are integral to its international strategy, significantly driving regional growth and market expansion. Despite the challenges posed by a highly competitive economic landscape, the Group remains committed to strengthening its foothold by enhancing operational efficiency, streamlining warehouse processes through targeted improvements, and strategically managing relationships with its product principals.

Confident that Pharmaniaga’s financial revitalisation is on track, Boustead Holdings Berhad Group CEO Izaddeen Daud said, “Pharmaniaga has obtained Bursa Malaysia’s approval for its revised Regularisation Plan, marking a key milestone towards exiting Practice Note 17 status. The proposed capital-raising exercises, including a rights issue, raising proceeds up to RM353.5 million and private placement of up to RM300.0 million, with a minimum of RM215.0 million, will support expansion and strengthen its financial position, going forward.”

Meanwhile Pharmaniaga chairman Datuk Seri Abdul Razak Jaafar commented, “These results reflect the success of our strategic realignment and the strength of our core business as per our Vision 525 by strengthening our public-sector business, building biopharmaceutical capabilities, aggressively optimising costs, expanding the private market, and reinventing our approach in the Indonesian market. We have successfully returned to profitability and built a stronger foundation for long-term value creation and sustainable performance.”