

Company Name : Pharmaniaga Berhad
Date : 24 April 2019
Source : The Star

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PETALING JAYA: Pharmaniaga Bhd has earmarked RM174mil in capital expenditure this year for product innovation and new manufacturing plants for oncology and vaccine related products.

Managing director Datuk Farshila Emran said the medical group is planning to introduce 250 products in the next five years ranging from oncology and vaccine to phytomedicine.

"The manufacturing plants for oncology and vaccine products are expected to be completed in 2021.

"This is part of our five-year plan to grow our consumer healthcare business. At the moment it is still at its infancy stage contributing about RM20mil to our topline," she told reporters after Pharmaniaga's AGM yesterday.

Farshila expects the group to post a better financial performance this year on the back of its Indonesian operations, new product

Pharmaniaga to spend RM174mil capex this year

Medical group to introduce 250 products in next five years

launches as well as improvement in its collection.

Last year, Pharmaniaga incurred higher financing costs, which had impacted its profitability due to slower collection from government hospitals in Malaysia and Indonesia.

Farshila was quick to point out that the issue of collection had been resolved.

"Moving forward, we are working to pare down our gearing level and 2019 will be a better year for the company," she said.

For the fourth quarter ended Dec 31, Pharmaniaga's net profit dropped 80% to RM4.44mil from RM21.7mil a year earlier due to lower revenue coupled with higher finance costs. Revenue for the quarter fell to RM596.64mil compared to RM613.16mil.

For its Indonesia operations, Farshila said Pharmaniaga is targeting to introduce 20 products and to open up more branches this year.

At the moment, Indonesia contributes

about 20% to 28% to its revenue.

Meanwhile, on Pharmaniaga's concession to supply medicine to the government, which will expire this November, Farshila said the company was confident of getting the extension.

On the recent news about Pharmaniaga having a monopolistic position in the public sector's pharmaceutical sector, Farshila said there were other vendors supplying to the Health Ministry.