

Company Name : Pharmaniaga Berhad
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Pharmaniaga Rises 4% On Vaccine Partnership With India's Serum



KUALA LUMPUR (Oct 27): Shares in Pharmaniaga Bhd rose as much as 4.06% this morning after the pharmaceutical company marked its first task in the fill-and-finish vaccine process when it signed an agreement with Serum Institute of India Pvt Ltd, the world's largest vaccine manufacturer by the number of doses produced.

The two companies signed a memorandum of agreement, it said yesterday, which will enable Pharmaniaga to purchase pneumococcal vaccines from Serum and subsequently use the technology and know-how licensed by them for the filling and finishing process. The fill-and-finish product will be marketed, distributed and sold exclusively in Malaysia by Pharmaniaga.

Pharmaniaga's counter has surged 147% this year, riding on a wave of positive momentum built up across healthcare stocks amid the ongoing Covid-19 pandemic.

The stock also climbed higher in recent months after the government announced that it, together with other selected pharmaceutical players, will be involved in the fill-and-finish process for a Covid-19 vaccine when it reaches Malaysia.

As at press time, its shares had pared some gains, rising 2.64% or 13 sen to RM5.06.

In a research note by Hong Leong Investment Bank (HLIB) Research today, analyst Farah Diyana Kamaludin said the collaboration is positive and will act as a platform for the company to further strengthen its vaccine operations.

While Pharmaniaga's management did not indicate when the process will begin, HLIB opined that it is expected to commence sometime in 2022.

HLIB maintained its "buy" call for the stock with an unchanged target price (TP) of RM5.94.

"We are positive on the news as we feel this is a good start for its fill-and-finish business as well as enhancing Pharmaniaga's vaccine operations. Furthermore, we expect the collaboration to contribute positively to Pharmaniaga's profitability in the future. We maintain our forecasts, pending more updates on the start of the process for the fill-and-finish business," said Farah Diyana.