

**Company Name** : Pharmaniaga Berhad  
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## **Pharmaniaga Expected To Be Covid-19 Vaccine Main Distributor — AmInvest**

KUALA LUMPUR (Jan 6): AmInvestment Bank Bhd (AmInvest) believes that Pharmaniaga Bhd would be the main distributor of the Covid-19 vaccine to local hospitals, and may appoint other companies to help distribute the vaccine nationwide.

"In this space, we believe that Apex Healthcare Bhd would benefit due to its solid distribution network and excellent past track record of distributing vaccines and other pharmaceutical products," it said in a research note today.

In terms of fill-finish companies, AmInvest said while a deal concerning Covid-19 vaccine's fill-finish process has yet to materialise, the government seems to favour Duopharma Biotech Bhd and Pharmaniaga to undertake these processes.

So far, Pharmaniaga has signed an agreement with Serum Institute of India Pte Ltd to perform the fill-finish processes for pneumococcal vaccines, it added.

The investment bank also believes that KPJ Healthcare Bhd and IHH Healthcare Bhd as well as other private healthcare providers would play a role in the vaccination programme.

"We opine that private hospitals and clinics would help in Malaysia's Covid-19 vaccination programme due to the cold chain facility, logistical, and manpower limitations of the public sector.

"We think that private healthcare providers may receive a fixed fee from the government in return for their service, though we doubt that the operating profit margins would be high due to this being a national service," it said.

While noting that Covid-19 vaccines will be deployed only after they obtain the National Pharmaceutical Regulatory Agency's (NPRA) approval, the investment bank believes the first batch of vaccine will be administered in the second quarter (2Q) or 3Q of 2021.

"The NPRA is responsible in ensuring all products are evaluated and tested properly before being registered for the Malaysian market.

"Given the need for speed, the priority review will most likely be used for quicker approval of Covid-19 vaccines," it said.

Overall, the investment bank maintains its "overweight" call on the Malaysian private healthcare sector.

"Although a recovery in inpatient volume is only expected to be modest in 2021 forecast, earnings prospects for the sector are positive.

"This is due to the potential public-private collaborations, improved margins as a result of cost-cutting measures, and a focus on low capital expenditure and gestational period projects," it said.

In the long run, AmlInvest expects the recovery in medical tourism, improved public health awareness, and an ageing population would drive the next level of growth in the healthcare sector.