

# Apex Healthcare closes FY2023 on record high earnings, announces special dividend

By Syafiqah Salim / theedgemaalaysia.com

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KUALA LUMPUR (Feb 21): Pharmaceutical company Apex Healthcare Bhd said Wednesday its net profit fell 42.41% in the fourth quarter from a year earlier but declared a special dividend following a record year thanks to a disposal gain.

Net profit for the three months ended Dec 31, 2023 was RM20.06 million from RM34.84 million largely due to lower share of earnings from associates, Apex Healthcare said in an exchange filing. Revenue for the quarter however rose 8.85% year-on-year to RM240 million from RM220.49 million.

This year, the company said it plans to apply to authorities for the construction of warehousing and liquid production facilities in Melaka. The initiative will allow its subsidiary XEPA to consolidate its operations and increase capacity. Earnings would only come in beyond 2025, it noted.

In the nearer term, Apex Healthcare said its 40% associate company, Straits Apex Group Sdn Bhd (SAG) will start receiving rental income from the lease of its 237,147-sq-ft campus. The share of

recurring earnings from SAG however will not experience significant growth in 2024 due to a key divestment.

In 2023, the company announced the partial stake disposal of Straits Apex Sdn Bhd by SAG, which lowered Apex Healthcare's effective equity in Straits Apex to 16%.

The company booked a one-off gain of RM321.7 million from the sale, boosting the company's net profit for 2023 over three-fold to a record high of RM397.99 million compared with RM100.98 million in 2022 while full-year revenue rose 6.66% to RM936.17 million against RM877.74 million in FY2022.

Apex Healthcare declared a final dividend of 2.5 sen per share, along with a special dividend of 20 sen per share — both to be paid on May 29 — bringing the total dividend per share for FY2023 to 25 sen. In comparison, it paid 8.5 sen in FY2022 and 11.5 sen in FY2021.

Shares of Apex Healthcare closed down six sen or 1.95% at RM3.01 on Wednesday, giving it a market capitalisation of RM2.16 billion. Year to date, the counter has risen over 20%.

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Edited By Jason Ng