

**2 & 2½ STOREY SHOP OFFICES**  
22' x 75' • 3,133 sq.ft.

sendayan  
**MetroPark**

CORPORATE FROM THE EDGE

Select Language ▾

# Apex Healthcare 2Q results within expectations

Affin Hwang Capital / The Edge Financial Daily  
August 23, 2019 10:41 am +08



**The ARCUZ** RELAXA SHOP

DISCOVER MORE >>

**+603 7732 7911**  
arcuz.com.my

**EXSIM**  
NEW AGE INGENUITY  
exsim.com.my

*This article first appeared in The Edge Financial Daily, on August 23, 2019.*

**SONY** MASTER series A9G  
Be immersed in sound and vision

AMC HDR OLED X1  
android tv BRAVIA OLED



**Apex Healthcare**  
Service • Quality • Integrity

**THE EDGE Collection**  
Click here to find out more

annualreport

A

## Apex Healthcare Bhd (Aug 22, RM2)

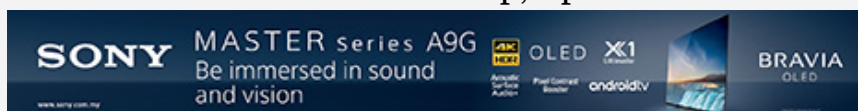
**Maintain hold with an unchanged target price (TP) of RM2.11:** Apex Healthcare Bhd's revenue grew 2% year-on-year (y-o-y) to RM159 million for the second quarter ended June 30, 2019 (2QFY19), mainly driven by its manufacturing (+2% y-o-y) and distribution segments (+2% y-o-y). Its core net profit, however, fell 6% y-o-y to RM13 million for 2QFY19, mainly due to higher operating and finance expenses arising from the Oral Solid Dosage manufacturing facility (SPP Novo) start-up.

The results came in within expectations with the six months ended June 30, 2019 core net profit accounting for 47% of street and 48% of our full-year estimates.

The weaker performance was partly offset by stronger contributions from the group's 40%-owned associate, Straits Apex Sdn Bhd, up 121% y-o-y to RM3.3 million on improved sales. The associate company has secured new customers as a result of the US-China trade spat as most of its customers are US multinational corporations.

Advertisement

To recap, Apex Healthcare had received



**SONY** MASTER series A9G  
Be immersed in sound and vision

X1  
BRAVIA OLED  
android tv

commercial  
and is currently

## An Idyllic Sanctuary Designed for Luxury Living



transferring high-volume oral solid dosage products from its existing plant to SPP Novo, with a target to transfer 30 products. While we are positive about the progress, we expect a gestation period for the new plant of at least one to two years, adversely impacting its earnings for the near term.

All in, we maintained our earnings forecasts and “hold” call on Apex Healthcare with an adjusted TP of RM2.11 from RM8.42, after adjusting for the three-for-one bonus issue, based on an unchanged earnings for 2020 target price-earnings ratio of 17 times. An upside risk is lower-than-expected start-up expenses for SPP Novo. The downside risks are higher-than-expected start-up expenses, the implementation of drug price control and a product recall risk. — *Affin Hwang Capital, Aug 22*

Subscribe to Editor's Picks  
& Mid-day email alert

We deliver news to your  
inbox daily

Email Address:

SUBSCRIBE

### RELATED NEWS

27 September 2013

Yinson's TP stays unchanged as 2Q results within expectations

3 September 2018

Banks' 2Q results within expectations

29 January 2015

Sasbadi quarterly results within expectations

27 November 2014

IHH Healthcare's 9MFY14 results within expectations



# FEATURED VIDEOS



23 Aug | 07:30am Talking Edg...  
OVERHEARD WITH... Citi's  
Gonzalo Luchetti



22 Aug | 08:08pm Evening 5, F...  
EVENING 5: AAX's net loss swells  
in 2Q



21 Aug | 07:56pm   
EVENING 5: BNM er  
RM1bil affordable h



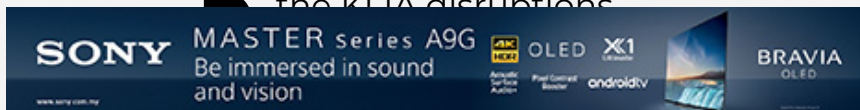
## > MOST READ

### MOST WATCHED

**1** How Najib received and spent RM606m in 19 months

**2** 'I am not a huge fan of MAHB but I won't capitalise on the IT glitch,' says Tony Fernandes

**3** 36 hours in, how bad are the KUA disruptions



**4** Putrajaya incurred added RM58b debt to address existing commitments, says Guan Eng

---

**5** Taib's son wins RM2.31m in counterclaim against interior design firm

---



**Samsung Galaxy Note10, the device for the business users**



[READ MORE](#)



Selangor

Bedrooms

Buy  Rent

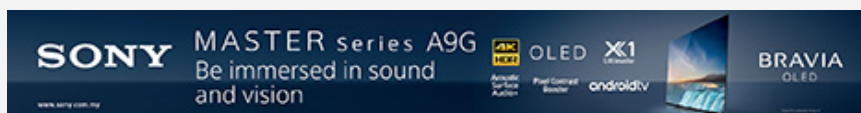



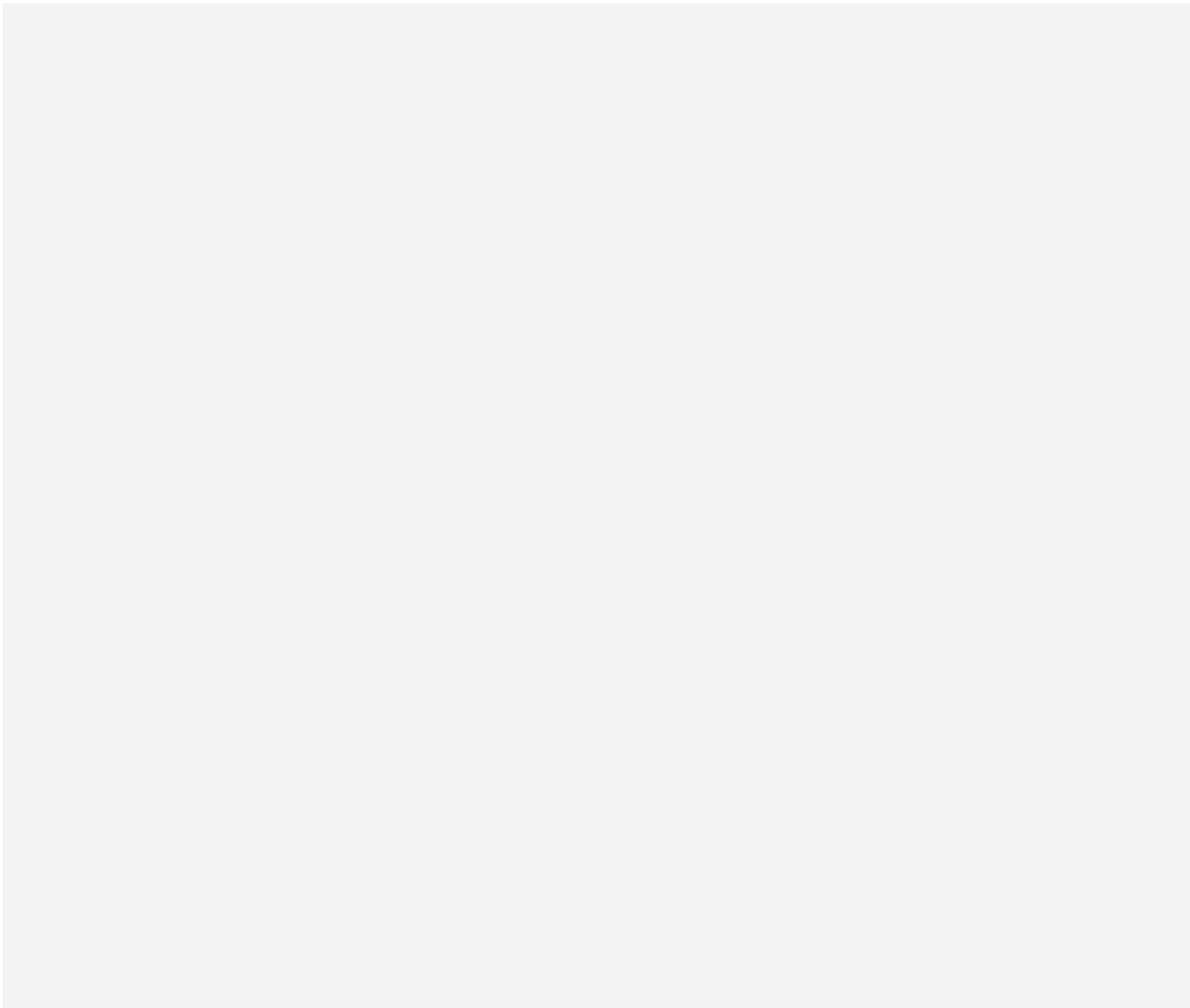

e-Paper Desktop Reader



[Home](#) | 
 [About Us](#) | 
 [Join Us](#) | 
 [Contact Us](#) | 
 [Advertise with us](#) | 
 [Subscription](#) | 
 [Sitemap](#) | 
 [Term of use](#) | 
 [PDPA](#)

© All rights reserved. 2019. The Edge Communications Sdn. Bhd.





SONY MASTER series A9G  
Be immersed in sound and vision

4K HDR  
Artistic Surface Action

OLED  
Pixel Contrast Booster

X1  
Cognitive Processor

android tv

BRAVIA  
OLED

www.sony.com.sg