

Apex Healthcare sees 14-fold rise in 2Q net profit, but warns of challenging 2H on slow economic growth in key markets

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Apex
Healthcare
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KUALA LUMPUR (Aug 23): Apex Healthcare Bhd posted a more than 14-fold rise in net profit to RM329.48 million for the second quarter ended June 30, 2023 (2QFY2023), from RM23.49 million a year ago. Earnings per share climbed to 46.13 sen from 3.30 sen.

Revenue rose marginally by 2.76% to RM215.03 million from RM209.25 million last year, driven by the sales of pharmaceuticals, consumer healthcare products and medical devices to both private and public sector customers.

Revenue was also driven by strong overseas demand for its Xepa product, especially in Singapore, the pharmaceutical group said in a filing to Bursa Malaysia on Wednesday (Aug 23).

The group declared an interim dividend of 2.5 sen per share, payable on Sept 19.

For the first six months of FY2023, Apex Healthcare saw a nine-fold jump in net profit to RM353.77 million, from the RM39.26 million in the same period last year, thanks to improved operating profit

posted by its subsidiaries and significantly increased net-of-tax contribution from its associated company Straits Apex Group Sdn Bhd.

Half-year revenue grew 8.39% to RM460.83 million from RM425.17 million on the back of the economic recovery and with demand for pharmaceuticals, consumer healthcare products and medical devices remaining firm.

Apex Healthcare expects the business environment to be more challenging in the second half of the year due to slow economic growth in its key markets. The group has direct operations in Malaysia, Singapore, Vietnam and Myanmar, according to its annual report.

"However, the group is confident that its proven and well-placed fundamentals, business development strategies, as well as new opportunities in consumer health, halal certification and international markets are expected to support performance," said Apex Healthcare.

The group expects to deliver a satisfactory result for FY2023 and is confident that its longer-term growth prospects will remain positive.

Apex Healthcare's share price closed down three sen or 1.17% to RM2.53 on Wednesday, bringing the group a market capitalisation of RM1.82 billion.

Edited By S Kanagaraju