

CCM Duopharma inks deal with govt for sale of insulin products

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The deal enables CCM to supply and deliver human insulin products to all government clinics and hospitals for three years



Malaysia's biotech major, CCM Duopharma Biotech Bhd announced that its wholly-owned unit CCM Pharmaceuticals Sdn Bhd has inked an agreement to supply and deliver human insulin products to all government clinics and hospitals for three years. CCM Pharmaceutical is the reseller of the human insulin, which is manufactured by Biocon Sdn Bhd in Nusajaya, Johor.

The RM300 million contract, the company said, was secured from the government about eight months ago. CCM Pharmaceutical commenced distribution of the products from Dec 2, 2016. The company had earlier inked a deal with India's Biocon giving CCMP the exclusive licence and distribution rights to market, sell and distribute a range of insulin products in Malaysia, Singapore and Brunei.

Though Malaysia is the company's principal market CCM Duopharma also sells its products in Singapore, Vietnam, Indonesia, Mauritius, Maldives and the Philippines. To further expand its business, the company is actively looking for M&A targets over the last three to four years, the edge Malaysia reported.

The leading weekly also said that CCM Duopharma Biotech Bhd has identified two potential merger and acquisition (M&A) targets in Indonesia . CEO Leonard Ariff Abdul Shatar says evaluations are ongoing but nothing has been decided yet. "The regulations are designed in such a way that if you want to access the Indonesian market effectively, you should be manufacturing domestically. In the longer term, we will definitely have to grow our exports business. We have to rebalance the portfolio." quoted the weekly.

The company has set its sights on the overseas market as part of a larger drive to increase the sales contribution from exports. In the financial year ended Dec 31, 2016 (FY2016), it recorded sales of RM36.66 million from its exports segment, which made up 11.7% of total turnover.

For FY2016, CCM Duopharma saw its revenue rise 16% year on year to RM312.94 million but net profit fell 23.9% y-o-y to RM27.12 million. It is noteworthy that government sales, which made up 55% of sales, fell by a quarter.