

## 22.7.2021\_NST\_MOSTI\_TA securities reiterates “sell” on Duopharma

RM2.82 TARGET PRICE

### TA Securities reiterates ‘sell’ on Duopharma

**KUALA LUMPUR:** Duopharma Biotech Bhd will only see marginal earnings contribution in the short run following the government’s approval for the company to import and market the Sinopharm vaccine in Malaysia.

TA Securities Holdings Bhd, in a note, said although the Sinopharm vaccine would be a new earnings stream for the company, the demand from the private sector or Malaysian citizens was highly uncertain.

“We believe individuals and companies would purchase the Sinopharm vaccine from the pri-

vate sector if small and medium enterprises register and pay for their employees, especially undocumented workers.

“Secondly, it will be beneficial if fully vaccinated people require additional boosters and thirdly, if the government does not provide free vaccines to children under 12 in the future.

“This is because the Sinopharm vaccine is safe for those below 12 years old,” TA Securities said.

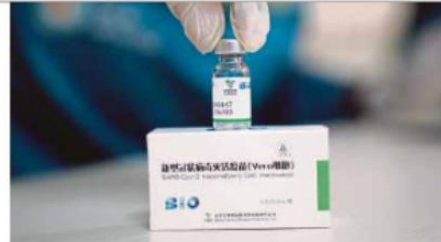
To recap, Duopharma was granted conditional registration approval by the Drug Control Authority for the Sinopharm Covid-19 vaccine developed by China

National Biotec Group Co Ltd.

National Covid-19 Immunisation Programme (NIP) coordinating minister Khairy Jamaluddin said the Sinopharm vaccine was “only for the private market for now”.

However, Khairy mentioned that the government could also procure Sinopharm vaccines from Duopharma if Malaysia lacked the supply for the NIP.

“There is no clarity on these issues at this juncture. However, assuming Duopharma sells one million doses to the private sector at RM150 each, this will boost our financial year 2021 revenue pro-



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jection by RM150 million.

“In terms of profit, we expect the potential earnings contribution to be around RM7.5 million for this year,” it noted, adding that under the Selangor Vaccination Programme, the cost for two doses

per person is RM350.”

TA Securities increased its target price for Duopharma to RM2.82 from RM2.60 to factor in the potential contribution from the Sinopharm vaccine.

“We reiterate a ‘sell’ on the stock due to pricey valuations.”