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Press Release

PharmaZen pre-tax profit jumps 134% to \$1.83 million for the half year.

It has taken biotechnology company PharmaZen Limited just six months to surpass its record full year result of 2018.

Sales for the six months to June 30, jumped 50% to \$8.312m from the prior year figure of \$5.561m and pre-tax profit increased 134% from \$785,000 to \$1.839m.

The full year 2018 result was a pre-tax profit of \$1.792m on turnover of \$12.573m.

Based in Christchurch, PharmaZen is an innovative developer, manufacturer and marketer of science-based, natural, nutritional ingredients. Shares in PharmaZen are traded through the Unlisted securities trading platform.

Managing Director Craig McIntosh described the result as being exceptionally pleasing.

“Our 2018 result gave shareholders a glimpse of the business’s potential as our long-term investments started to come on stream. The first six months of 2019 reinforces that performance but also starts to add some magnitude to the potential,” he said.

The full year pre-tax profit for the company was forecast at the company’s AGM to be \$2.8m on turnover of \$14.5m. McIntosh advised that the board of directors has since signed off an upgraded full year forecast of \$3.9m pre-tax profit on \$16.5m turnover.

“While we tend to err on the conservative side, the first six months have been well beyond expectations and it is an absolute credit to the staff and management that they have been able to accommodate such an increase.

“Not only has the company benefited from the strong demand, but it has also had a six-month run without any major disruption with capital projects.”

McIntosh believes this is a combination of timing and experience gained from prior projects; however, is quick to emphasise it doesn’t mean things are slowing down in terms of expansion.

“We have the resin column plant all onsite and ready for installation and the building fitout for our finished product range is largely complete. The equipment for the facility will arrive over the next two months and will enable us to produce a complete range of finished products – soft gel oils through to hard shell capsules.”

PharmaZen has also commenced design work for a 1,200 sqm building on their adjacent Nuttall Drive properties.

McIntosh was reluctant to divulge what the building would be housing but confirmed it would complete the full-site development.

“There are a couple of gaps left in our technology portfolio that we would like to have on the current site and we are looking to move our research and development department into a purpose-built facility. This will reinforce the site as our centre of excellence while at the same time allowing expansion in other geographically advantageous locations,” he said.

The management team has also been strengthened with the appointment of Katherine Reardon to head Sales and Marketing for consumer brands.

“Katherine comes to us with extensive industry background and is the ideal person to assist us launch our ranges domestically and internationally.”

The company is in the final stages of strengthening its product development function with further appointments.

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