

Duopharma Biotech Bhd

Kenneth Leong
kennethleong@msec.com.my
(603) 2201 2100

Expansion within ASEAN market

- Owns and operates 3 manufacturing plants in Klang, Bangi and Glenmarie, Selangor with a portfolio of more than 300 generic drugs.
- Aims to strengthen their presence in the overseas market, through potential merger & acquisition activities within the ASEAN market.
- Working towards the extension of approved product purchase list (APPL) contract for the next 12 months, upon expiry at end-2022.
- Technically, traders may anticipate for a potential flag-formation breakout above RM1.20, targeting the next resistances at RM1.28-1.35 with long term target at RM1.48.

DPHARMA daily: Monitor for flag-formation breakout



DUOPHARMA BIOTECH BHD

Last Price (RM)	1.15
5 Day Change (%)	-2.5
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	0.0
52Week Range Percentile (%)	7.3
Volatility 30D	44.0
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	-5.7
DMI DI+	26.6
DMI DI-	23.6
ADX	23.6
Price Skew	UP
RSI 14D	36.4
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	30.9

Bloomberg

Trading Catalyst

- Duopharma Biotech Bhd (DPHARMA) started off since 1978 and is principally involved in the manufacturing, distributing, importing and exporting of pharmaceutical products and medicines. DPHARMA owns and operates 3 manufacturing plants in Klang, Bangi and Glenmarie, Selangor with a portfolio of more than 300 generic drugs.
- Moving forward, DPHARMA aims to strengthen their presence in the overseas market, which only contributes less than 10.0% to total revenue in 1QFY22. The group aims to undertake merger & acquisition activities within the ASEAN market.
- DPHARMA is also working towards the extension of approved product purchase list (APPL) contract for the next 12 months, upon expiry at end-2022. APPL contracts which constitutes of the supply of pharmaceutical products to the government sector makes up to approximately 40.0% of total revenue in FY21.

Financial snapshot

FYE Dec	FY20	FY21	FY22
Revenue (RM m)	639.2	742.0	786.3
Net profit (RM m)	65.7	79.7	82.4
Shares (m)	952.2	952.2	952.2
EPS (sen)	7.1	8.4	8.7
DPS (sen)	2.3	4.0	4.0
P/E (x)	16.7	13.7	13.3
DY (%)	2.0	3.5	3.5
Bloomberg			

Technical Outlook

- Technically, the share price is on technical recovery mode after finding support at end-June 2022. Price has since rebounded towards the daily EMA9 before trading on a short-term consolidation. For now, traders may anticipate for a potential flag-formation breakout above RM1.20, targeting the next resistances at RM1.28-1.35 with long term target at RM1.48. Support is pegged at RM1.12 and cut loss is located at RM1.11.

Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage.
EMA9, EMA20, EMA60 Trend	If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. If RSI 14 days is greater or equal to 70, it will be stated Overbought.
RSI OB/OS	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage