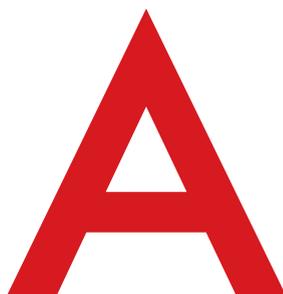


Healthy Start

Setting a new milestone amid the pandemic, Pyridam Farma aims to boost innovation in Indonesia's pharmaceutical industry



While many industrial sectors in Indonesia have been negatively impacted due to the COVID-19 pandemic, some have gained momentum and contributed positively to the overall economy. According to figures from the Ministry of Industry, the chemical, pharmaceutical and traditional medicines sector recorded a 9.39% YoY growth in 2020. Not only was this higher than its 8.48% growth in 2019, it was also the highest among the various industrial sectors reported, many of which were badly impacted by the effects of the pandemic on trade and consumption particularly.

The pandemic has encouraged people to think about their health and to strengthen their immune systems, thus leading to an increase in the consumption of health products including vitamins and supplements. Masks and medical equipment, like COVID-19 test kits and screening tools, were increasingly sought after as well. PT Pyridam Farma is among the pharmaceutical companies that has had its performance positively driven by the growth in demand in these areas.

Pyridam recorded a 48.6% YoY increase in total net sales to Rp 117.4 billion in the first quarter of 2021 and a 147.7% YoY increase in net income to Rp 10.9 billion. Whilst pharmaceutical products, contributing Rp 84 billion, still dominate the

"The healthcare industry develops rapidly, and we have to continue to stay ahead of it. But, automatically, in terms of numbers, I think we'll be able to achieve them through the initiatives in our pipeline."

company's revenue mix and around Rp 5.9 billion was contributed by toll manufacturing, its medical equipment sales grew by 585% YoY, to Rp 27.5 billion, due to the high demand related to COVID-19 seen since the second half of last year.

Overall, this year Pyridam targets a 50% increase in revenue as the company has prepared some strategies to capitalize on this shift in demand. One of Pyridam's first moves was entering the consumer-health market, aiming to stay relevant to the public's need, particularly in this challenging time. In response to people's greater attention to be fitter by consuming vitamins and supplements, Pyridam created a consumer health division under its pharmaceutical products operations early this year. It has launched several products, including recently a D3-1000 Vitamin, which is highly sought after nowadays.

Last August, Pyridam developed an online platform, Pyfa Health, where consumers can purchase from the website and so now it is selling directly its over-the-counter (OTC) drugs through entering both the modern trade and online sales channels. This is a significant move, as previously, Pyridam's products could only be attained with a prescription, in a segment which it says made up around 80% of its revenue last year. Beyond that, in line with its aim to improve its position in the healthcare and pharmaceutical industry, Pyridam plans to dive into segments which are largely untapped presently in Indonesia.

"For the future, following the direction of healthcare generally, we should also be exploring degenerative diseases such as those related to cardiovascular and metabolism illnesses, diabetes and kidneys, as well as oncology. Although so far we are still focusing on generic products, we don't rule out the possibility of also doing biotech products," says dr. Widjanarko Brotosaputro, director of PT Pyridam Farma.

Another plan that stands out is developing and

From left:
dr. Widjanarko Brotosaputro, Lee Yan Gwan,
and Yenfrino Gunadi.



FAMILY ROOT

Pyridam Farma was founded by Sarkri Kosasih and his spouse Rani Tjandra in November 1976 as PT Pyridam, at the time as a veterinary product manufacturer. In 1985, it diversified by manufacturing human medicines and marketing health equipment from overseas principals in Indonesia, with these latter segments becoming its main focus today.

Sarkri was president director before he became the president commissioner in 2000, while Rani was a commissioner. Their daughters, Indrawati and Lindia Kosasih, also joined the company. Lindia succeeded Rani's position after she passed away in 2013, while Indrawati, who had joined in 1996, became the president commissioner in 2017. The family held the ownership of PT Pyridam International, the major shareholder of Pyridam Farma. (The name was changed to PT Pyridam Farma when it listed on the Indonesia Stock Exchange in 2001.)

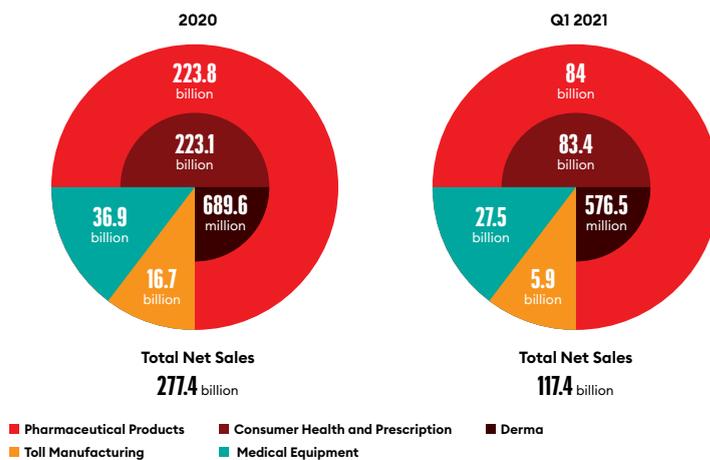
A few months after Sarkri passed away in January 2020, Indrawati and Lindia sold all their shares and ultimately pulled out of the industry after 44 years of the company being run by the family, according to the new management. Most of the shares went to Singapore-based Rejuve Global Investment Pte Ltd, which was established in June 2020. Within the last year, the company has welcomed several new investors, both local and foreign.

A new board of commissioners and directors was appointed to lead the company. Since August 2020, Lee Yan Gwan more familiarly known as Gunawan, has led Pyridam as the president director together with Yenfrino Gunadi as a director, and dr. Widjanarko Brotosaputro who has been an independent director at Pyridam since 2019.

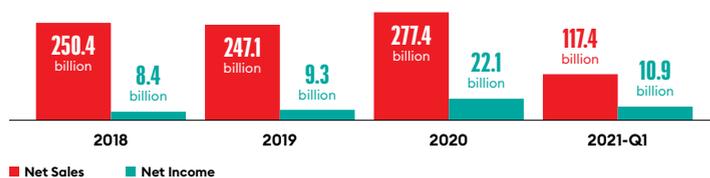
Despite onboarding the management amid the pandemic, the new team has been agile in executing new strategies. As a result, Pyridam has grown significantly in less than a year. The company rebranded itself and established five subsidiaries along the way to focus its different business lines. As a result, it has achieved a better financial performance and has added more products and partners to expand its markets.

"As the new management, we are expected by our shareholders to work harder and strengthen the company, maintain what we do best and fix what we still lack, so we can keep growing each day. We have to continue improving and making the company one of the larger pharmaceutical companies in Indonesia," says Gunawan.

REVENUE FROM PYRIDAM FARMA'S BUSINESS SEGMENT (IN RUPIAH)



FINANCIAL PERFORMANCE 2018 - 2021Q1



bringing innovator or biosimilar products to Indonesia through external corporate collaborations, which the management feels can differentiate Pyridam from its peers. "At least in Southeast Asia, Indonesia has the lowest number of innovator products. That's why we see a lot of opportunities and that we shouldn't explore only generic products. Although generic products still dominate the market, we should make our move. We can develop or work with foreign pharmaceutical companies to bring these innovator products with more advanced technologies to Indonesia," adds Yenfrino Gunadi, director at PT Pyridam Farma.

Pyridam seems to have made a smooth start in exploring these newer segments. One of its newly established subsidiaries, PYFA Health Singapore, engages in research and experimental development on biotechnology, life and medical science. Furthermore, through PT Pyfa Investama Medika, Pyridam acquired minority shares in Fullerton Health Indonesia Group, an integrated healthcare company that is part of Singapore-based Fullerton Healthcare. South Korea-based LG international Corp has also become one of Pyridam's shareholders since April, which allows both sides to cooperate on healthcare-related opportunities.

Within the very fragmented pharmaceutical industry in Indonesia, Pyridam aspires to be one of the giant players in the future. It plans to keep growing by providing more relevant products to the market, pursuing innovator products and advanced technology along the way.

"The healthcare industry develops rapidly, and we have to continue to stay ahead of it. But, in terms of our target numbers, I think we'll be able to achieve them through the initiatives in our pipeline," Yenfrino says. **F**