



Healthcare stocks under check now post the Coronavirus outbreak- COH, CSL, HCT, ZNO

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Latest data from global health authorities revealed that



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amid recent outbreak of the novel **coronavirus** (2019-nCoV) in China, more than 45,000 people globally have been infected with the death toll in mainland China soared past 1100, leaving healthcare providers to a challenging situation of coming up with a cure to this deadly virus. The fast spreading illness has now been given an official name; COVID-19 by WHO.

While prolonged disruption of factories and businesses creating a chaos within the world's **second-largest economy**, Australian market was pushed higher and have seen a bright start on Wednesday, 12 February 2020 morning with S&P/ASX 200 edging by 32.9 points or 0.5% to end the day's session at 7088.2, rising up by 0.5 from its last close.

S&P/ASX 200 Health Care (Sector) also ended in green zone, up 188.8 points or 0.4% reaching 47,272.9 points. ASX-listed healthcare stocks have also seen an improvement with companies responding differently to the challenging situation.

Let's have a deeper look at four ASX-Listed healthcare stocks.

Cochlear Limited (ASX:COH)

Cochlear Limited (**ASX:COH**), global leader in **implantable hearing solutions**, has recently reduced its earning guidance outlook for FY2020 from \$290-300 million, reflecting a 9-13% increase on underlying net profit for FY2019 to \$270-290 million, a 2-9% increase on FY2019, due to an anticipated impact from the novel virus, as hospitals across Greater China including Hong Kong and Taiwan are currently adjourning surgeries, including cochlear implants, to limit the risk of infection from the coronavirus.

The company deems no material disruption to the supply chain, including the importation of components from China, a top 5 market for Cochlear. Believing in the long-term potential of the market, Cochlear continues to invest in growing its market presence & developing a manufacturing footprint in China.

With a market capitalisation standing at \$13.68 billion and ~57.83 million shares outstanding, COH last traded at \$232.870, down 1.522% from its last close, as on 12 February 2020.

CSL Limited (ASX: CSL)

Biotech giant with a dynamic and robust portfolio of life-saving medicines, to treat haemophilia and immune deficiencies, including vaccines to prevent influenza that recently marked its entry as one of the top three most valuable companies in the world, CSL Limited (ASX: CSL) has joined the bandwagon to fight COVID-19.

Queensland University so far has been the only Australian horse declared in the race to date and is developing vaccine for the deadly virus, post receiving funding from CEPI (Coalition for Epidemic Preparedness Innovations).

CSL recently released a media statement announcing that the company has joined Queensland University's COVID-19 vaccine development program to contribute to the global effort in fighting the deadly illness, despite the fact that Coronavirus is not a core area of focus for CSL or Seqirus as it is quite different from influenza virus.

Further it was notified that CSL will be offering its technical expertise along with a donation of its patented adjuvant technology- Seqirus' MF59, contributing to the vaccine development program.

It is worth noting that adjuvants are used to speed up vaccine production as well as output and also for a stronger immune response. CSL's adjuvant will be used by the University for testing the viral protein that is currently under developmental phase with their molecular clamp technology.

In addition, in support of attempts to fight the outbreak, CSL has also pledged to donate 1 million RMB to the China Red Cross.

CSL reported strong earnings growth with revenue up 11% and net profit after tax up 11% during the first half year of 2020. The company also upgraded its guidance for FY2020 growth expecting a 10-13% increase amounting to \$US2,110-\$US2,170 million on a constant currency basis.

With a market capitalisation standing at \$147.84 billion and ~453.88 million shares outstanding, CSL last traded at \$328.25, up 0.774% compared to its previous close, as on 12 February 2020.

Holista Colltech Limited (ASX: HCT)

Perth headquartered, research-driven biotech company **Holista Colltech Limited (ASX: HCT)** is another company that seems to have benefited following the virus outbreak with its shares generated a return of 112.50% in the last one month.

Holista confirmed that it had sold out all NatShield™ Sanitizer in its inventory, since mid-January 2020. Later, Holista announced that it has accelerated the development of its nasal balm version of the NatShield™ Sanitiser.

Recently, on 10 February 2020, the company updated the market that it would further shipped 90,000 units of NatShield™ sanitisers as a fresh orders from Malaysia, Australia and other parts of Asia has been received just days after the 1st 60,000 units were sold out amidst rising concerns of the spread of the deadly coronavirus.

With a market capitalisation standing at \$39.85 million and around 234.42 million shares outstanding, HCT last traded at \$0.155, declining by 8.824% from its previous close, as on 2 February 2020.

Zoono Group (ASX: ZNO)

Global biotech company focused on developing, manufacturing and distribution of scientifically proven, long-lasting & environmentally-friendly antimicrobial solutions Zoono Group (**ASX: ZNO**) has also been under the spotlight post the coronavirus outbreak.

The company deems that it is extremely well positioned to offer solutions to both coronavirus and other new virus threat with its surface and hand sanitiser products and believes that both products could be effective in combatting the spread of coronavirus.

As soon as coronavirus threat emerged, **Zoono** group has ramped up the production of its key active ingredients and its Surface Sanitiser (Z71 Microbe Shield) and Hand Sanitiser (GermFree24) finished goods. Both products have recently been sent to a German laboratory for testing against 2019-nCoV with results anticipated in the next 4-6 weeks.

In the last two weeks of January, the company has received product orders in surplus of NZ\$1 million, mainly from China and Hong Kong. In addition, the online consumer sales went up significantly with a record day recently of \$49,000 in just a day.

Earlier in 2014, Zoono's Z71 Microbe Shield Surface Sanitiser was successfully tested against bovine coronavirus which is a substitute recognised by the WHO for other members of the coronaviridae family with the test results confirming a 99.99% efficacy within 5 minutes.

Recently, Zoono also announced an exclusive agreement inked with Beijing Youmeng Technology and Development for the distribution of its products in childcare and hotel sectors in China.

Zoono's stock has already been increasing dramatically in the last six months with an astonishing return of 1444.30% and following the coronavirus outbreak the share prices have almost doubled in the last month.

With a market capitalisation standing at \$199.24 million and around 163.31 million shares outstanding ZNO ended the day's trade at \$1.480, **skyrocketing by 21.31%**, as on 12 February 2020.