

Hyphens Pharma International Limited

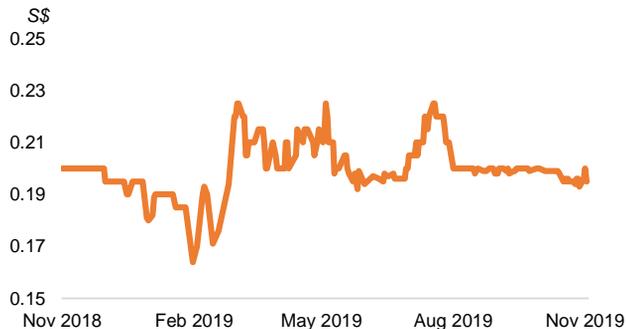
Date: 08 November 2019

BUY
(Initiating coverage)

Target price: S\$0.285
(+46%)

HYP SP

Price: S\$0.195 (as at 06 November 2019)



Share price	1M	3M	6M	1Y
Hyphens Pharma	-2.5%	-2.5%	-7.1%	-2.5%
Catalist Index	6.6%	-1.4%	-5.7%	-18.9%

Market capitalisation	S\$58.6 million
Current price	S\$0.195
Shares outstanding	300.4 million
Free Float	20.1%
Substantial shareholders	Inomed Holding Pte Ltd 65.3% Tan Chwee Choon 14.6%
Recommendation of other brokers	1 Buy

Source: Annual Report, SGX StockFacts, Bloomberg, SAC Capital

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Key Historical Financials

Year ended 31 Dec (S\$'000)	FY2017A	FY2018A	FY2019E	FY2020E	FY2021E
Revenue (S\$)	112,652	120,930	121,902	132,183	142,797
% Growth	11.6%	7.3%	0.8%	8.4%	8.0%
Gross profit (S\$)	36,968	40,805	40,988	45,470	49,999
Gross profit margin	32.8%	33.7%	33.6%	34.4%	35.0%
Profit/(loss) before tax (S\$)	7,160	7,000	7,330	7,950	9,649
Profit/(loss) before tax margin	6.4%	5.8%	6.0%	6.0%	6.8%
Profit/(loss) attributable to owners	6,088	5,410	6,018	6,527	7,922
EPS/(LPS) (Singapore cents)	2.54	1.95	2.00	2.17	2.64
P/E (x)	7.7	10.0	9.7	9.0	7.4
P/B (x)	3.1	1.5	1.4	1.3	1.1
Net Debt/Equity	Net cash				

Source: Annual Report, SAC Capital

FY2018 and FY2017 figures may not be comparable with FY2019 due to preparation under SFRS (I)

Healthy prospects in ASEAN

Hyphens Pharma International Limited (“Hyphens Pharma”, “Company”, or the “Group”) is a leading specialty pharmaceutical and consumer healthcare group with a diverse geographical footprint. The Group develops and markets proprietary dermatological and healthcare supplements, distributes pharmaceuticals and medical supplies in Singapore, and markets and sells specialty pharmaceutical products in the burgeoning ASEAN region.

Complex local drug regulatory framework and long lead time to gain acceptance are key barriers to entry.

Hyphens has a 20-year track record in building up a distribution network in Asean. Each country has its unique regulatory requirements to accept and approve the sale and consumption of drugs. The process entails specialised knowhow in medical and healthcare practices, and continuous engagements with medical practitioners to gain their acceptances of the products.

R&D efforts to add proprietary products. Hyphens is better-known in the market for its proprietary brand Ceradan’s line of dermatological products. These used to be available only via prescription, but are now available over-the-counter, further broadening the market reach. Hyphens has a R&D pipeline of several proprietary dermatological products, which could drive earnings in the long term.

Rising affluence and an ageing population. The International Monetary Fund had projected higher growth in per capita GDP for most of the countries where Hyphens has built a presence. The ageing population in developed markets such as Singapore would also fuel demand for healthcare and pharmaceuticals.

Initiating coverage with BUY and target price of S\$0.285. Our DCF-derived target price translates into FY19E P/E of 14.2x. This takes into consideration the Group’s footprint in high-growth countries in ASEAN, the sizeable target markets and growth potential for its proprietary brands.

Key risks: (i) Regulatory risk and (ii) dependence on brand principals.

Investment Highlights

Business Overview:

Hyphens Pharma International Limited is primarily engaged in the marketing, distribution and sales of specialty pharmaceutical products in countries in the ASEAN region. The Group also develops and sells a range of proprietary dermatological and health supplement products, which fall under its Proprietary Brands business segment. The Group's wholly owned subsidiary Pan-Malayan is a wholesale provider of pharmaceutical and medical supplies in Singapore.

Hyphens Pharma International Limited is a leading specialty pharmaceutical and consumer healthcare group with a diverse geographical footprint. The Group's primary business is the marketing and sale of specialty pharmaceutical products in selected ASEAN countries through exclusive distributorships or licensing and supply agreements with brand principals. The Group also develops, markets and sells its range of proprietary dermatological and health supplements under its Proprietary Brands segment. Hyphens Pharma International also engages in the wholesale of pharmaceuticals and medical supplies in Singapore under its Medical Hypermart and Digital segment.

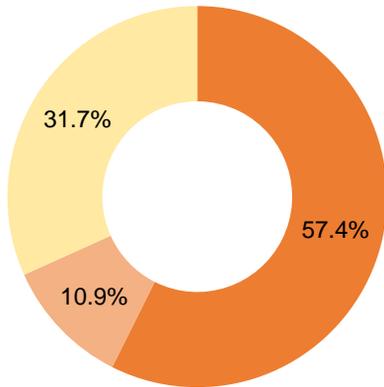
Rising regional affluence and the local ageing population are set to drive healthcare spending. Developing economies in the broader Asia-Pacific region are relatively untapped markets which exhibit more aggressive growth rates. Figures from the International Monetary Fund show higher projected growth rates in GDP per capita for many of the countries where Hyphens has a presence, compared to the global average. Data from the World Health Organization shows a strong positive correlation between GDP per capita and health spending per capita. Singapore's ageing population will also serve as a key driver behind the growth in the local healthcare industry and by extension, the pharmaceuticals industry. The proportion of the resident population who were elderly citizens (aged 65 years and above) stood at 13.7% as of 2018, and could rise to over 25% by 2030.

Sizeable target market and competitive positioning for dermatological products. Dermatological products are a key area of expertise in Hyphens Pharma's proprietary brands portfolio. In Singapore, a study found that 21 per cent of children and 11 per cent of adults have eczema, with half of eczema sufferers having the condition throughout their lives. Greater prevalence of the condition is commonly attributed to environmental factors including higher urbanisation and development levels in countries. A fully urbanised environment in Singapore and increasing urbanisation in ASEAN present a sizeable target market for the Group's Ceradan line of products. We believe that the Group's business model for Ceradan has placed it in a stronger competitive position relative to alternatives. The initial prescription-only model and positioning as a physician-approved, clinically tested product would have built a user base with greater product familiarity and brand loyalty. This would help the brand stand out amidst the numerous over-the-counter ("OTC") offerings. The Group has several proprietary dermatological products in the pipeline which should support continued growth in the segment.

Initiating coverage with a BUY with a target price of S\$0.285. Our DCF-derived target price translates into FY19E P/E of 14.2x. This takes into consideration the Group's footprint in high-growth countries in ASEAN, the sizeable target markets and growth potential for its proprietary brands.

Company Background

FY2018 Revenue



- Specialty Pharma Principals
- Proprietary Brands
- Medical Hypermart and Digital

Source: Company data, SAC Capital

Hyphens Pharma International Limited is a leading specialty pharmaceutical and consumer healthcare group with a diverse geographical footprint. The Group's primary business is the marketing and sale of specialty pharmaceutical products in selected ASEAN countries through exclusive distributorships or licensing and supply agreements with brand principals. The Group also develops, markets and sells its range of proprietary dermatological and health supplements under its Proprietary Brands segment. Hyphens also engages in the wholesale of pharmaceuticals and medical supplies in Singapore through wholly owned subsidiary Pan-Malayan Pharmaceuticals Pte Ltd, which has been operating since the late 1940s.

The Group's businesses can be categorised into 3 segments:

- a) Specialty Pharma Principals
- b) Proprietary Brands
- c) Medical Hypermart and Digital

Specialty Pharma Principals



*Selected Principals
Source: Company Data

Hyphens markets and distributes specialty pharmaceutical products in ASEAN through distributorship or licensing agreements with brand principals mainly from Europe and the United States. Its core expertise is in the field of dermatology, pediatrics and neonatology, allergy, cardiology and radiology.

Proprietary Brands

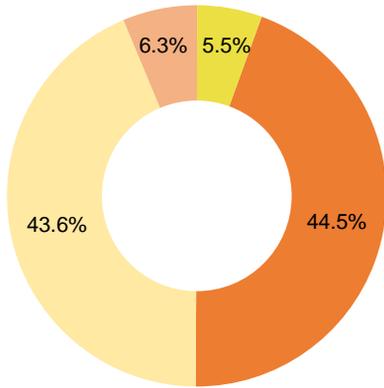


Source: Company Data

The Group's proprietary products are mainly dermatological products and health supplements. Launched in 2011, Ceradan was the first product, which is a dermatological product targeted at eczema patients. It has extended the range to include TDF, a line of dermocosmetic products, and Ocean Health for health supplements, through the acquisition of Ocean Health Singapore in 2016. In July 2019, the Group's latest proprietary product, Ceradan Advanced, was launched.

Medical Hypermart and Digital

FY2018 Revenue



- Singapore
- Vietnam
- Malaysia
- Others

Source: Company data, SAC Capital



Source: Company website

The Medical Hypermart is an online B2B platform for the wholesale of pharmaceutical and medical supplies in Singapore. It leverages on the network and industry presence of Pan-Malayan, which has been operating in this business segment since late 1940s. Users of the platform include healthcare professionals, healthcare institutions and retail pharmacies. The platform also enables brand principals to publish product information and educational material that will raise awareness and brand profile among the medical professionals.

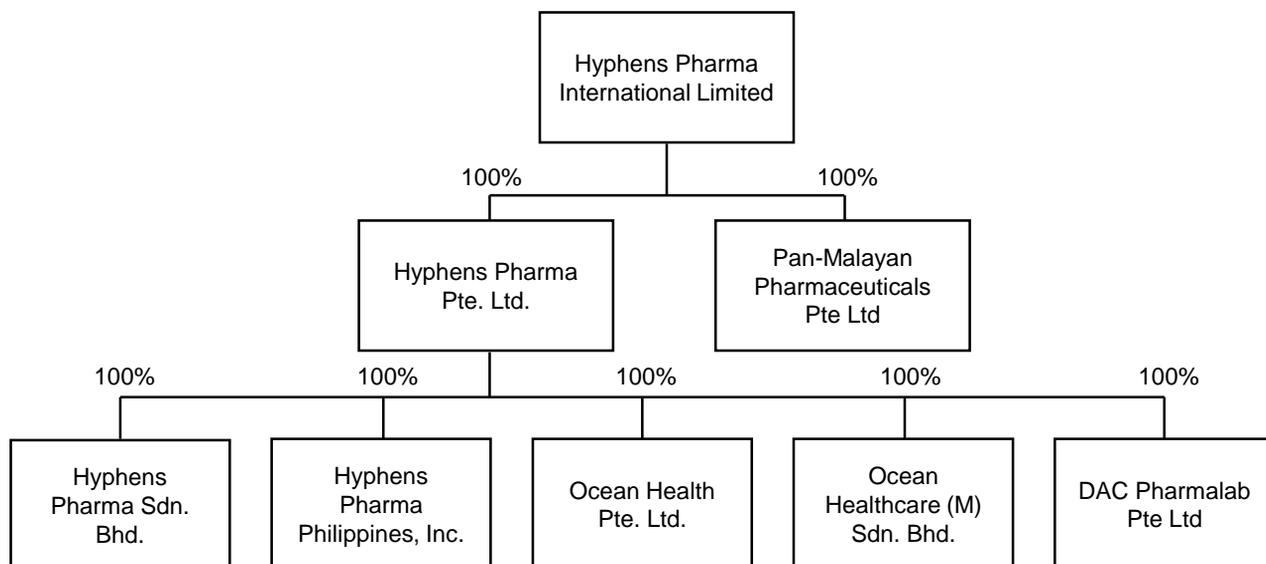
Geographical footprint



Source: Annual Report

The Group has a direct presence in Singapore, Indonesia, Malaysia, Philippines and Vietnam, as well as marketing and distribution networks in Bangladesh, Brunei, Cambodia, Hong Kong, Myanmar and Oman. The launch of Ceradan in Bangladesh and Oman marked Hiphens' first foray into the South Asian and Middle Eastern markets.

Corporate Structure



Source: Company data, SAC Capital

History

Founder Mr Lim See Wah first invested in Pan-Malayan Pharmaceuticals in 1998. It was then a traditional drug wholesaler focused on the Singapore market. In 2001, the group acquired Hyphens Pharma, and expanded into Malaysia in 2004, and the Philippines in 2007. In 2008, the Group required the remaining stakes in Pan-Malayan Pharmaceuticals from the founders. It started operations in Indonesia in 2011.

In 2011, it launched Ceradan, its first proprietary brand. In 2014, it set up an online B2B platform for medical products. This platform caters to customers looking for wholesale product offerings, and brand principals to build product awareness for their products. In 2016, Hyphens acquired Ocean Health, a home-grown health supplements company. It also entered into a MOU with A*STAR to be strategic dialogue partners in the field of Dermatology.

Hyphens was listed on the Catalist Board of the SGX in May 2018.

Management

Lim See Wah is the Chairman, CEO and an Executive Director of Hyphens Pharma International Limited. He is also the founder of the Group and currently oversees the Group's overall operations and manages its strategic direction. Mr Lim has more than 25 years of experience in the pharmaceutical industry. He graduated with a Bachelor of Science (Pharmacy) with Honours (Second Class Honours Upper Division) from the National University of Singapore and also obtained a Graduate Diploma in Business Administration from the Singapore Institute of Management.

Tan Chwee Choon is an executive director who was appointed to the Board on 12 December 2017. With over 35 years of experience in the pharmaceutical and consumer healthcare industries, he joined Hyphens Pharma in 2004 and currently manages the Group's Indochina operations. Prior to joining Hyphens, Mr Tan held leadership positions in business development and marketing and also served as President, Singapore Association of the Pharmaceutical Industry. He graduated with a Bachelor of Business (with Distinction) from Curtin University of Technology.

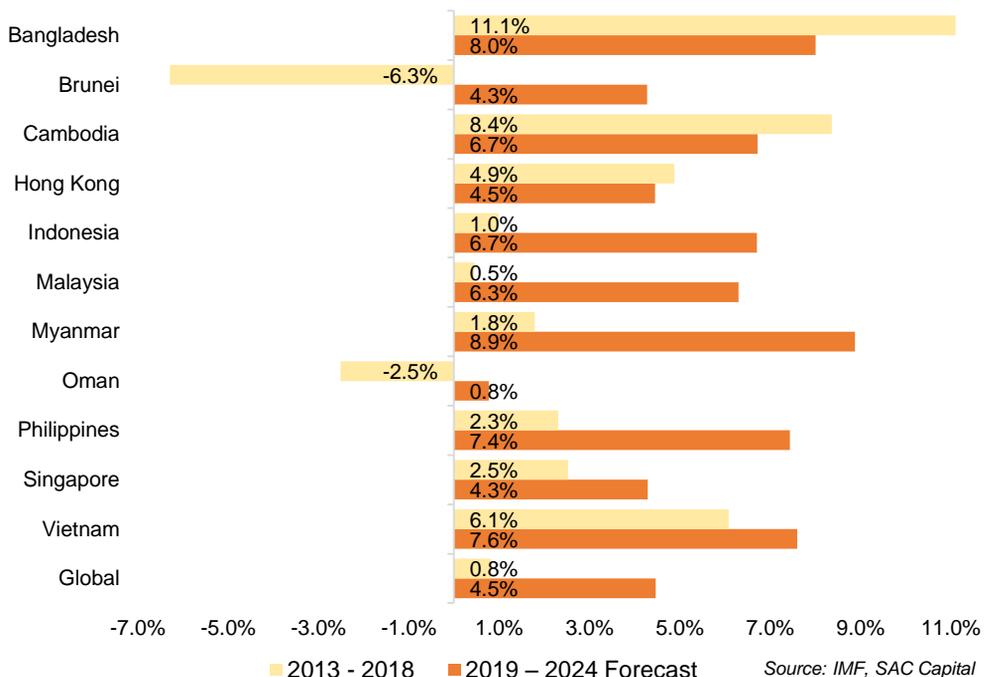
Fang Lee Wei is the Chief Financial Officer of Hyphens Pharma, and is responsible for overseeing the overall financial management of the Group. She joined the Group in 2010 and has more than 20 years of experience in audit, corporate finance and financial management. She holds a Master of Commerce in International Business from the University of New South Wales and a B.ACC (Hons) from Nanyang Technological University. Ms Fang is also a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Yann Marche is the Chief Operating Officer of the Group, and is responsible for overseeing its Specialty Pharma Principals and Proprietary Brands business segments. He has more than 27 years of experience in the global pharmaceutical industry, and joined Hyphens in 2019. Prior to joining the Group, Mr Marche served as Senior Chief Operating Officer at Laboratoires Expanscience where he managed operations and revenue growth in more than 50 countries, across 16 subsidiaries and 400 collaborators. He holds a Doctor in Pharmacy from the Université de Paris V, France.

Industry Overview

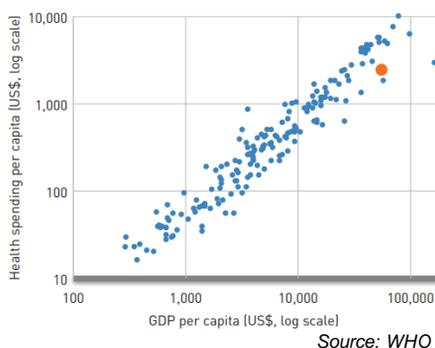
Rising regional affluence and the local ageing population are set to drive healthcare spending

GDP per capita CAGR



Values shown are calculated based on actual and projected yearly GDP per capita, using IMF data

GDP and Health Spending per capita



Footprint in high-growth economies

Developing economies in the broader Asia-Pacific region are relatively untapped markets which exhibit more aggressive growth rates. Figures from the International Monetary Fund show higher projected growth rates in GDP per capita for many of the countries where Hyphens has a presence, compared to the global average. More developed economies such as Singapore and Hong Kong are expected to grow at rates on par with global growth.

Data from the World Health Organization shows a strong positive correlation between GDP per capita and health spending per capita. Between 2013 and 2018 in Singapore, the median household income from work per household member (among resident employed households) increased from S\$2,247 to S\$2,792. In line with the increase in household income, total private consumption expenditure on health also increased from S\$8.2 billion in 2011 to S\$12.4 billion in 2017.

This increase in affluence, accompanied by greater public awareness and a shift towards health-conscious lifestyles, encourages greater spending on healthcare and related products. Hyphens' plans to internationalise its proprietary brands and launch new products under its Specialty Pharma Principals segment is well set to capture the likely increase in healthcare spending across ASEAN.

Industry Overview

Competitive strengths in an industry with high barriers to entry

The marketing and sales of pharmaceuticals is subjected to strict regulation which differs by country and jurisdiction. Product registration typically takes two to three years from the date an application is submitted to regulatory authorities, to regulatory approval. The Group has a dedicated team which possesses strong product and domain knowledge to perform the regulatory function of its business. Regulatory staff are based in Singapore, Vietnam, Malaysia, Indonesia and the Philippines, and are familiar with the local regulatory environment which enables them to effectively manage product registrations.

The company has extensive experience operating in ASEAN, with 30 years of experience in Vietnam, 15 years of experience in Malaysia, 12 years of experience in the Philippines and eight years of experience in Indonesia. The Group also has 19 years of sales and marketing experience in Singapore, which leverages on Pan-Malayan's experience operating as a wholesaler in Singapore since the 1940s.

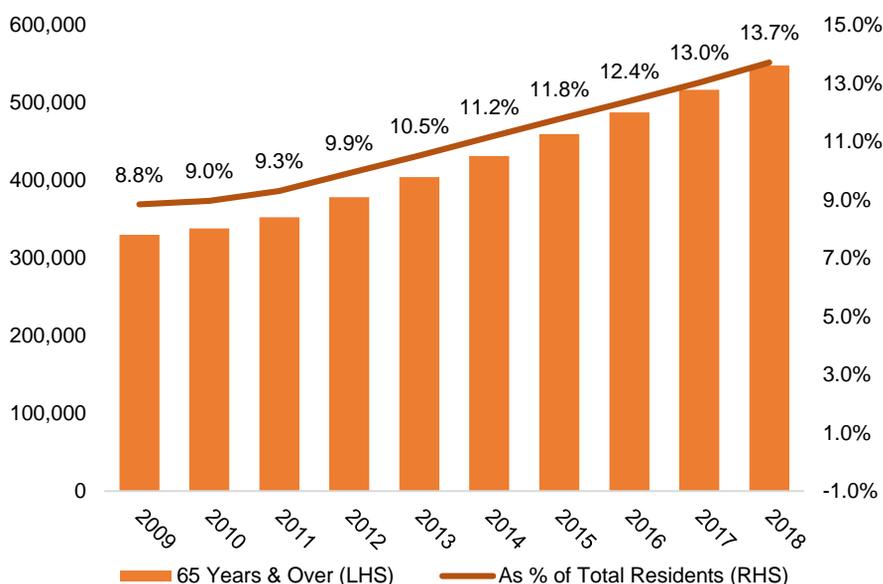
Hyphens Pharma has established and developed long-term relationships with brand principals, with some spanning over 20 years. The principals that the Group works with include leaders in their respective fields such as Bausch+Lomb (ophthalmology) and Guerbet SA (contrast media).

The Group's comprehensive domain knowledge allows it to formulate and implement marketing strategies that are tailored to the specific attributes and market dynamics of the products, which are constantly reviewed based on feedback from end customers and sales representatives – who are based in the five countries where Group has a direct presence. Marketing activities include the organisation of and participation in medical-related events that showcase its products to healthcare professionals, and inviting speakers to speak on medical conditions which the company's products treat.

Hyphens Pharma's proven operating history, extensive sales and distribution network, strong relationship with brand principals, as well as experience in navigating the complex regulatory environments in its countries of operation make it well placed to capture growth in the region.

Industry Overview

Singapore resident population aged 65 years and above



Source: Singstat, SAC Capital

Singapore's greying population

Singapore's ageing population will serve as a key driver behind the growth in the local healthcare industry and by extension, the pharmaceuticals industry. The proportion of the resident population who were elderly citizens (aged 65 years and above) stood at 13.7% as of 2018, and could rise to over 25% by 2030. According to projections from the Ministry of Finance, actual annual healthcare spending is expected to increase to S\$13 billion in 2020 from S\$9.8 billion in 2016.

Based on data from Marketline, the pharmaceuticals market in Singapore grew steadily at a CAGR of 4.9% from 2014 to 2018, to a market size of S\$1.4 billion (2018). Backed by demographic changes, this trend is expected to continue at a similar CAGR of 4.8% from 2018 to 2023. As a result, we expect stable growth in the Group's pharmaceutical and medical supply wholesale business.

Industry Overview

Sizeable target market and competitive positioning for dermatological products



OTC sales of Ceradan in pharmacies
Source: SAC Capital

Dermatological products are a key area of expertise in Hyphens Pharma’s proprietary brands portfolio.

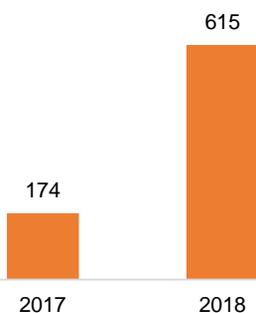
In Singapore, a study found that 21% of children and 11% of adults have eczema, with half of these patients having the condition throughout their lives. Also known as atopic dermatitis, greater prevalence of the condition is commonly attributed to environmental factors including higher urbanisation and development levels in countries. With a fully urbanised environment in Singapore and increasing urbanisation in ASEAN, the target market for the Group’s Ceradan line of products is set to grow.

Originally only available through prescription, Ceradan products were made available over-the-counter (“OTC”) in Singapore in July 2019. We believe that the Group’s business model for Ceradan has placed it in a stronger competitive position relative to alternatives. The initial prescription-only model, and positioning as a physician-approved, clinically tested product have built a user base with greater product familiarity and brand loyalty that would help the brand stand out amidst the numerous OTC offerings. Management has indicated a healthy take-up rate in OTC sales of Ceradan products since its launch in retail pharmacies.

Ceradan’s OTC availability was in conjunction with the launch of Ceradan Advanced, the Group’s latest iteration of the product which replaces the original Ceradan as the primarily clinician-prescribed dermatological product. A potential growth catalyst is the OTC rollout of Ceradan in other ASEAN countries.

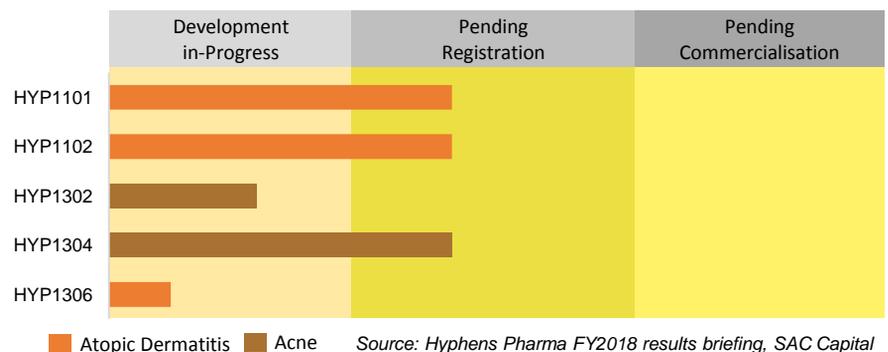
Research and Development to support proprietary product pipeline

Research and Development Expense (S\$’000)



Source: Company data, SAC Capital

Product Pipeline

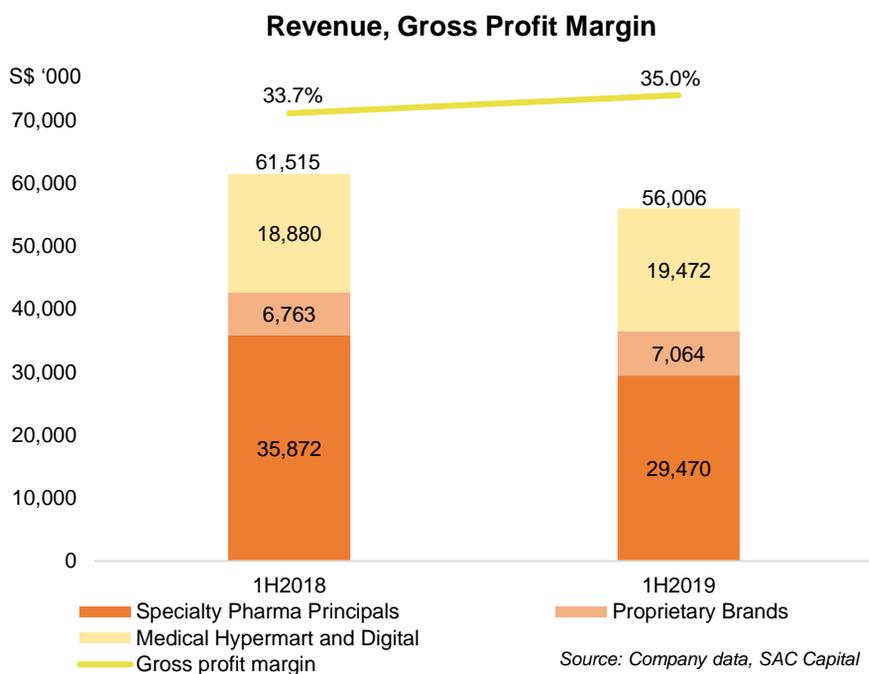


Source: Hyphens Pharma FY2018 results briefing, SAC Capital

Hyphens launched two proprietary products, *TDF Fairence T-Complex* and *Ceradan Advanced* in the current year, and has several products in the R&D pipeline undergoing development or pending registration. We expect proprietary products to grow its revenue share as more products are added to the family.

Financial Summary

1H2019 Update



Group revenue of S\$56.0m in 1H2019 was 9.0% lower YoY. This was due to lower revenue from the Specialty Pharma Principals segment, which fell by S\$6.4m owing to higher demand in 1H2018 ahead of products licensing renewal in Vietnam. Nonetheless, the segment showed signs of stabilisation, with 2Q2019 revenue registering a 13.0% increase over 1Q2019.

The decline in 1H2019 Group revenue was partially made up by higher sales of Ceradan products under the Proprietary Brands segment, which grew by 4.5%, as well as a 3.1% increase in revenue from the Medical Hypermart and Digital segment.

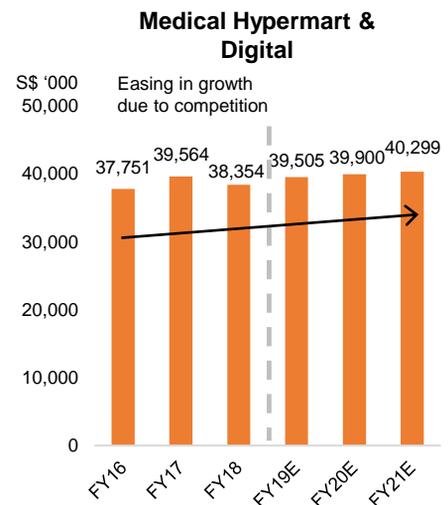
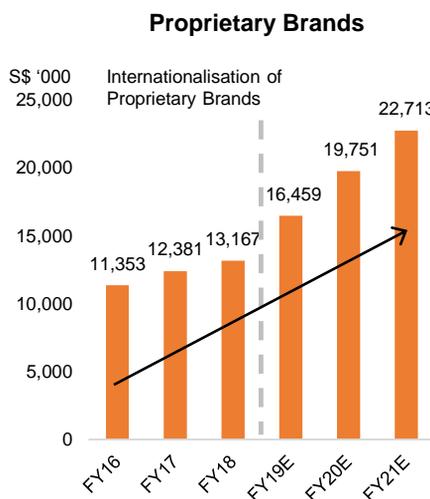
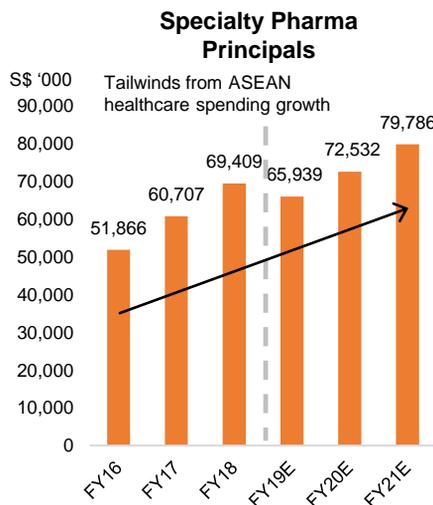
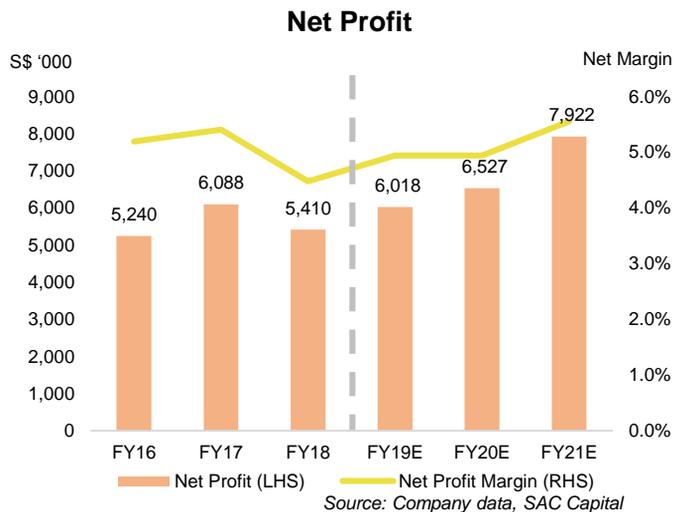
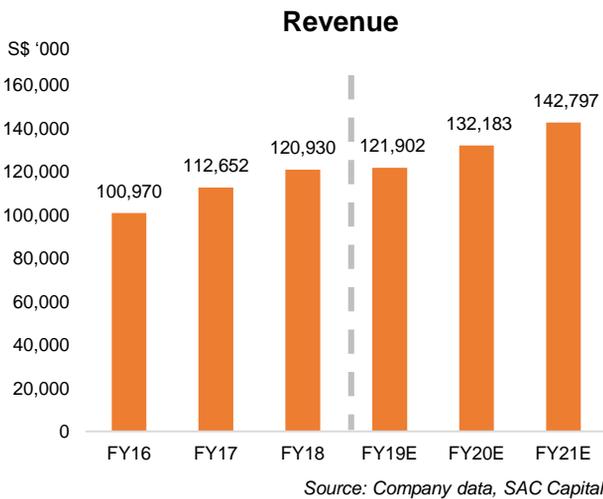
Gross profit for 1H2019 decreased in line with lower revenue, but gross margins rose by 1.3% to 35.0% in 1H2019, as margins from Vietnam sales are generally lower. We estimate FY19E gross margins to be at ~33.6%, as revenue from the Specialty Pharma Principals segment stabilises.

Financial Summary

Revenue expected to grow in the next 3 years

Hyphens' revenue rose at a steady rate in the last 3 years. We expect the growth to be sustained as demand for pharmaceuticals is resilient.

In FY2018, it increased by 7.3% to S\$120.1m, led by a 14.3% increase in sales from the Specialty Pharma Principals segment and a 6.3% growth in Proprietary Brands. This was partially offset by the Medical Hypermart and Digital segment which saw a 3.1% YoY decline as a result of increased competition. Net profit fell by 11.1% YoY or S\$0.7m, mainly due to one-off IPO expenses of S\$0.9m and goodwill impairment of S\$1.0m.



Source: Company data, SAC Capital

We expect FY19E revenue to increase marginally from FY18, with the projected growth in the Proprietary Brands (two product launches year to date and OTC availability of Ceradan from 2H19) and Medical Hypermart & Digital segments, offset by lower revenue from the distribution of Specialty Pharma products.

Financial Summary

Moving forward, we expect stable revenue growth for the Group. We estimate stronger growth from the Specialty Pharma Principals and Proprietary Brands segments, which should benefit from an expected growth in GDP per capita in ASEAN. Tailwinds from the regions tie in with the Group's plans to deepen its presence in ASEAN and internationalise its proprietary brands. We expect increasing competition in the digital sales segment from potential new market entrants. The impact on the bottomline is less significant as margins from online sales are typically lower.

In late 2018, Hyphens entered into a non-binding MOU with Doctor Anywhere Operations Pte. Ltd. ("DAO") to become the supplier for pharmaceuticals and medical supplies to them and their affiliated clinics. DAO provides video consultation services by Singapore-registered general practitioners. The tie-up, if materialises, would potential add a new wing of growth for its specialty pharma operations.

Revenue Breakdown	FY2016	FY2017	FY2018	FY2019E	FY2020E	FY2021E
Specialty pharma principals	51.4%	53.9%	57.4%	54.1%	54.9%	55.9%
Proprietary brands	11.2%	11.0%	10.9%	13.5%	14.9%	15.9%
Medical hypermart and digital	37.4%	35.1%	31.7%	32.4%	30.2%	28.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, SAC Capital

Dividend Policy

The Group does not fix a dividend policy. However, the Board intends to distribute dividends of at least 30% of the Group's net profit for FY2019. FY2018's dividend of S\$0.0055 a share represents a 2.8% yield on last close.

Recommendation

DCF Assumptions	
Cost of Capital	7.7%
Liquidity and Risk discount	3.0%
Adjusted Cost of Capital	10.7%
EV/EBITDA exit multiple	4.5x

Source: SAC Capital

We initiate coverage on Hyphens Pharma International with a BUY at a target price of S\$0.285. Our DCF-backed target price translates to 14.2x FY19E P/E, which we believe is warranted by the Group's footprint in high-growth countries in ASEAN, in addition to the sizeable target market and growth potential for its Proprietary Brands.

To obtain our target price, we applied an additional 3% discount to our cost of capital. This encompasses a liquidity discount as well as a discount that accounts for the Group's exposure to countries in the region with higher market risks than Singapore. We used a conservative EV/EBITDA exit multiple of 4.5x, in line with current EV/EBITDA of approximately 5.0x. Our target price of S\$0.285 represents a 46% upside to the last closing price of S\$0.195.

Key Risks

Regulatory risks and dependence on brand principals

The Group's business activities and the products it distributes are regulated by various healthcare laws and regulations. If the company is unable to obtain or renew the permits, licenses or certificates required, it could disrupt regular business operations and affect the performance of the company adversely. The company's dedicated regulatory function, which has staff based in its countries of operation who are familiar with the local regulatory environment, could mitigate this risk.

Hyphens Pharma relies on its brand principals for the supply of and the rights to market and distribute their specialty pharmaceutical products. The distributorship agreements are generally for fixed terms and there is no guarantee of renewals upon expiry of the initial agreements. The company reduces this risk by establishing strong relationships with its local distributors (in countries other than Singapore), pharmacies and clinicians that carry the products. This reduces the likelihood that brand principals would switch to other distributors or conduct the sales independently, due to the time and costs associated with establishing new working relationships with these business partners.

Income Statement

(\$'000)	Fiscal Year Ended 31 Dec				
	FY 2017A	FY 2018A	FY 2019E	FY 2020E	FY 2021E
Revenue	112,652	120,930	121,902	132,183	142,797
Cost of sales	(75,684)	(80,125)	(80,914)	(86,712)	(92,798)
Gross profit	36,968	40,805	40,988	45,470	49,999
Interest Income	9	54	54	54	54
Other income and gains	259	225	220	220	220
Distribution costs	(20,402)	(21,736)	(23,762)	(25,765)	(27,835)
Administrative expenses	(8,472)	(10,422)	(9,369)	(11,226)	(11,988)
Finance costs	(206)	(129)	-	-	-
Other losses	(996)	(1,797)	(802)	(802)	(802)
Profit before tax from continuing operations	7,160	7,000	7,330	7,950	9,649
Income tax expense	(1,072)	(1,590)	(1,312)	(1,423)	(1,727)
Profit, net of tax	6,088	5,410	6,018	6,527	7,922
Earnings per share (cents)					
Basic and Diluted	2.54	1.95	2.00	2.17	2.64

Cash Flow Statement

(\$'000)	Fiscal Year Ended 31 Dec				
	FY 2017A	FY 2018A	FY 2019E	FY 2020E	FY 2021E
Profit before tax	7,160	7,000	7,330	7,950	9,649
Amortisation of intangible assets	406	392	393	393	393
Depreciation of plant and equipment	341	439	690	787	884
Changes in working capital	(3,250)	(1,256)	597	(1,045)	(1,058)
Others	(39)	961	(1,377)	(1,461)	(1,765)
Net cash flows from operating activities	4,618	7,536	7,633	6,624	8,103
Purchase of plant and equipment	(130)	(3,334)	(1,083)	(1,083)	(1,083)
Purchase of intangible assets	(41)	(44)	(64)	(64)	(64)
Interest received	9	54	54	54	54
Net cash flows used in investing activities	(162)	(3,324)	(1,093)	(1,093)	(1,093)
Gross proceeds from issuance of new shares pursuant to incorporation and IPO		15,605			
Dividends paid to equity owners	(1,000)	(7,000)	(1,650)	(1,805)	(1,958)
Repayment of borrowings	(4,092)	(4,383)	(3,000)	-	-
Proceeds from borrowings	822	3,425	-	-	-
Others	(516)	(1,799)	86	0	0
Net cash flows from (used in) financing activities	(4,786)	5,848	(4,564)	(1,805)	(1,958)

Balance Sheet

(\$'000)	Fiscal Year Ended 31 Dec				
	FY 2017A	FY 2018A	FY 2019E	FY 2020E	FY 2021E
Plant and equipment	630	3,464	3,841	4,121	4,303
Intangible assets	9,105	7,764	7,435	7,105	6,776
Deferred tax assets	315	210	210	210	210
Total non-current assets	10,050	11,438	11,486	11,436	11,289
Inventories	13,178	10,863	12,139	13,009	13,922
Trade and other receivables	23,775	29,833	27,019	29,298	31,651
Prepayments	245	492	215	215	215
Cash and cash equivalents	12,293	22,353	24,329	28,056	33,108
Total current assets	49,491	63,541	63,703	70,578	78,896
Total assets	59,541	74,979	75,188	82,014	90,185
Share capital	1,521	32,555	32,641	32,641	32,641
Retained earnings	17,191	21,587	24,149	28,719	34,264
Other reserves	118	(14,980)	(15,007)	(15,007)	(15,007)
Total equity	18,830	39,162	41,783	46,353	51,898
Deferred tax liabilities	560	502	502	502	502
Other financial liabilities, non-current	1,588	-	-	-	-
Total non-current liabilities	2,148	502	502	502	502
Income tax payable	1,092	1,480	1,480	1,480	1,480
Trade and other payables	35,101	30,835	31,423	33,679	36,305
Other financial liabilities, current	2,370	3,000	-	-	-
Total current liabilities	38,563	35,315	32,903	35,159	37,785
Total equity and liabilities	59,541	74,979	75,188	82,014	90,185

Ratios

	Fiscal Year Ended 31 Dec				
	FY 2017A	FY 2018A	FY 2019E	FY 2020E	FY 2021E
Profitability (%)					
Gross profit/(loss) margin	32.8%	33.7%	33.6%	34.4%	35.0%
Profit/(loss) before tax margin	6.4%	5.8%	6.0%	6.0%	6.8%
Liquidity (x)					
Current ratio	1.3	1.8	1.9	2.0	2.1
Quick ratio	0.9	1.5	1.6	1.6	1.7
Interest coverage ratio	35.8	55.3	n.m.	n.m.	n.m.
Net Debt to Equity	Net cash	Net cash	Net cash	Net cash	Net cash
Valuation (x)					
P/S	0.5	0.5	0.5	0.4	0.4
P/E	7.7	10.0	9.7	9.0	7.4
Core P/E at target price	11.2	14.6	14.2	13.1	10.8
P/B	3.1	1.5	1.4	1.3	1.1
P/NTA	6.0	1.9	1.7	1.5	1.3
Cash Conversion Cycle					
Trade receivable days	71	81	81	81	81
Inventory days	54	55	55	55	55
Trade payable days	123	132	132	132	132
CCC days	2	3	3	3	3

n.m. denotes not meaningful

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