

GENERAL ANNOUNCEMENT::CORPORATE PRESENTATION**Issuer & Securities****Issuer/ Manager**

HYPHENS PHARMA INTERNATIONAL LIMITED

Securities

HYPHENS PHARMA INTL LIMITED - SG1EE4000006 - 1J5

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No

Announcement Details**Announcement Title**

General Announcement

Date & Time of Broadcast

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Announcement Sub Title

CORPORATE PRESENTATION

Announcement Reference

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Submitted By (Co./ Ind. Name)

Lim See Wah

Designation

Executive Chairman and Chief Executive Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached.

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Attachments[Hyphens%20Presentation%20Deck_Sep2020.pdf](#)

Total size = 3447K MB



HYPHENS PHARMA INTERNATIONAL LIMITED

Singapore's Leading Specialty Pharma
& Consumer Healthcare Group

3 Sep 2020



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INTRODUCTION



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



COMPANY SNAPSHOT



18 MAY
2018

LISTED ON
THE SGX-CATALIST

2019 REVENUE

\$119 MILLION



5 COUNTRIES

250 EMPLOYEES



15

of Hyphens & Ocean Health
products are sold *every minute!*



**3 CORE
BUSINESSES**

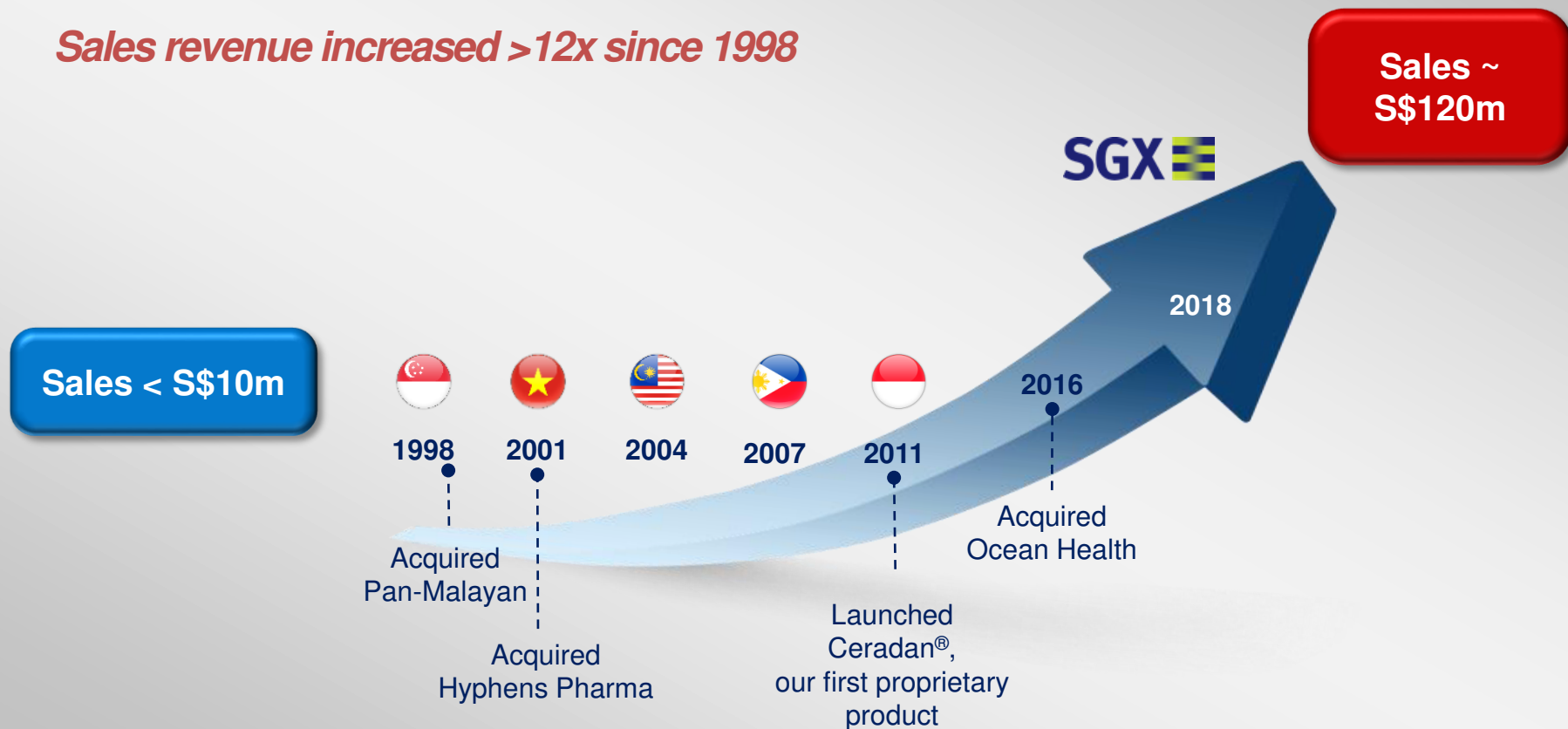


Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



20 YEARS OF EXCEPTIONAL GROWTH

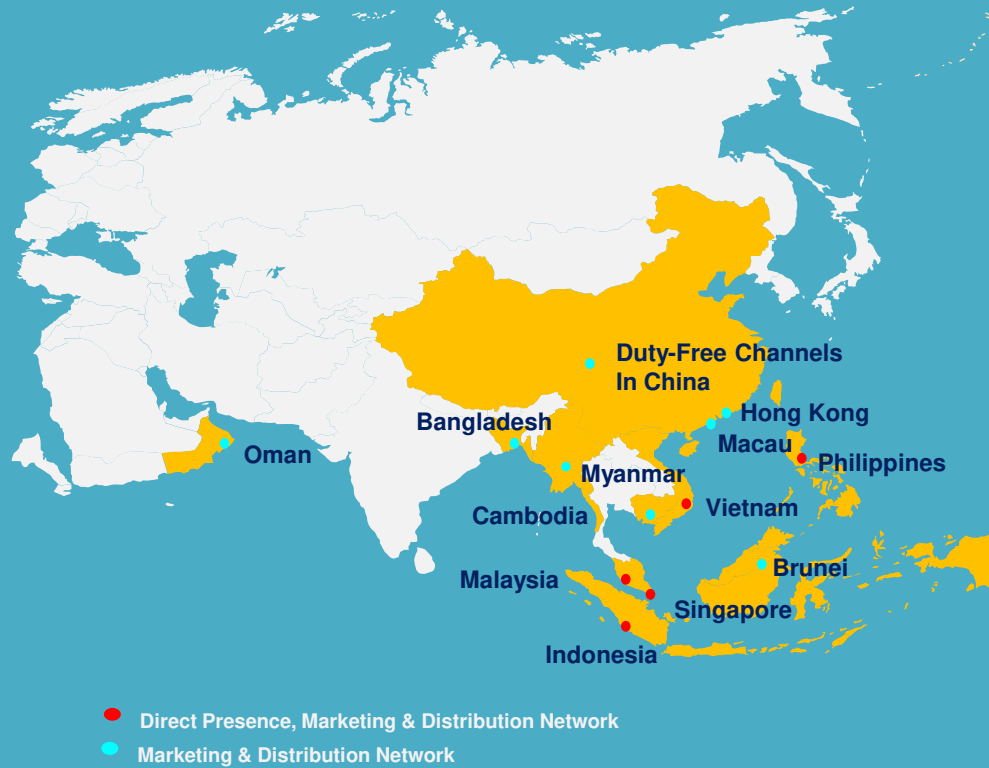
Sales revenue increased >12x since 1998



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



OUR REGIONAL PRESENCE



SINGAPORE

50.0%



VIETNAM

35.2%



MALAYSIA

6.6%

OTHERS

8.2%

Based on 1H2020 revenue



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



OUR BUSINESS SEGMENTS



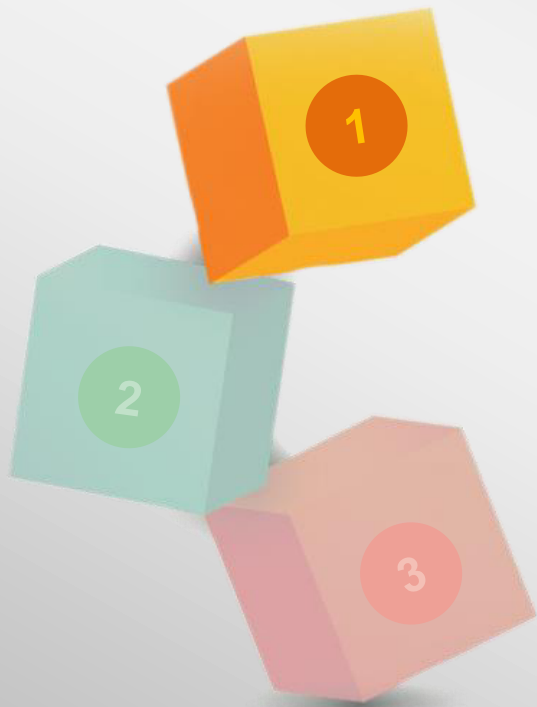
Based on 1H2020 revenue



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



SPECIALTY PHARMA PRINCIPALS



What We Do

1. We handle specialised products, under exclusive agreements with our principals, mainly from Europe.
2. We register and hold product licenses with local authorities.
3. We promote these products through medical representatives to specialists and GPs.



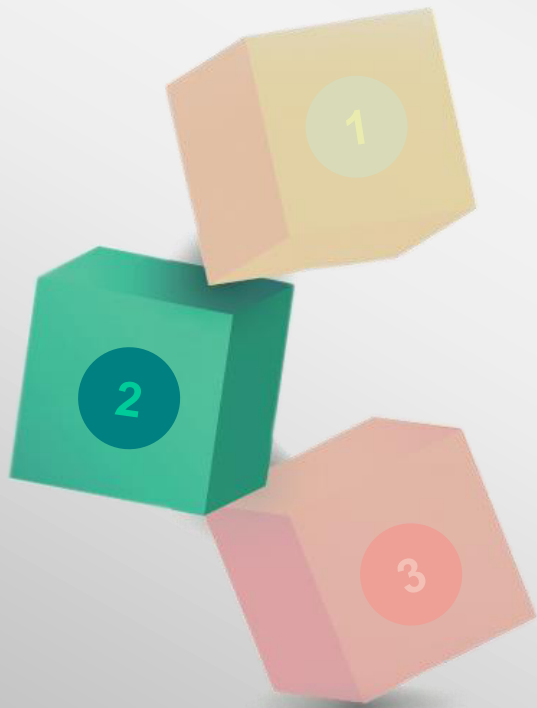
OUR SPECIALTY PHARMA PRODUCTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



PROPRIETARY BRANDS



What We Do

1. We are the product owner, and the world is our market.
2. We engage in product development.
3. We contract manufacture these products, which bear our trademarks.



BRANDS WE OWN



**NO. 1
TOP OF MIND BRAND**

By Private
Dermatologists*



**CLINICALLY
PROVEN**

Photoaging
& Acne Scars



WINNER

Superbrands
Status
since 2004



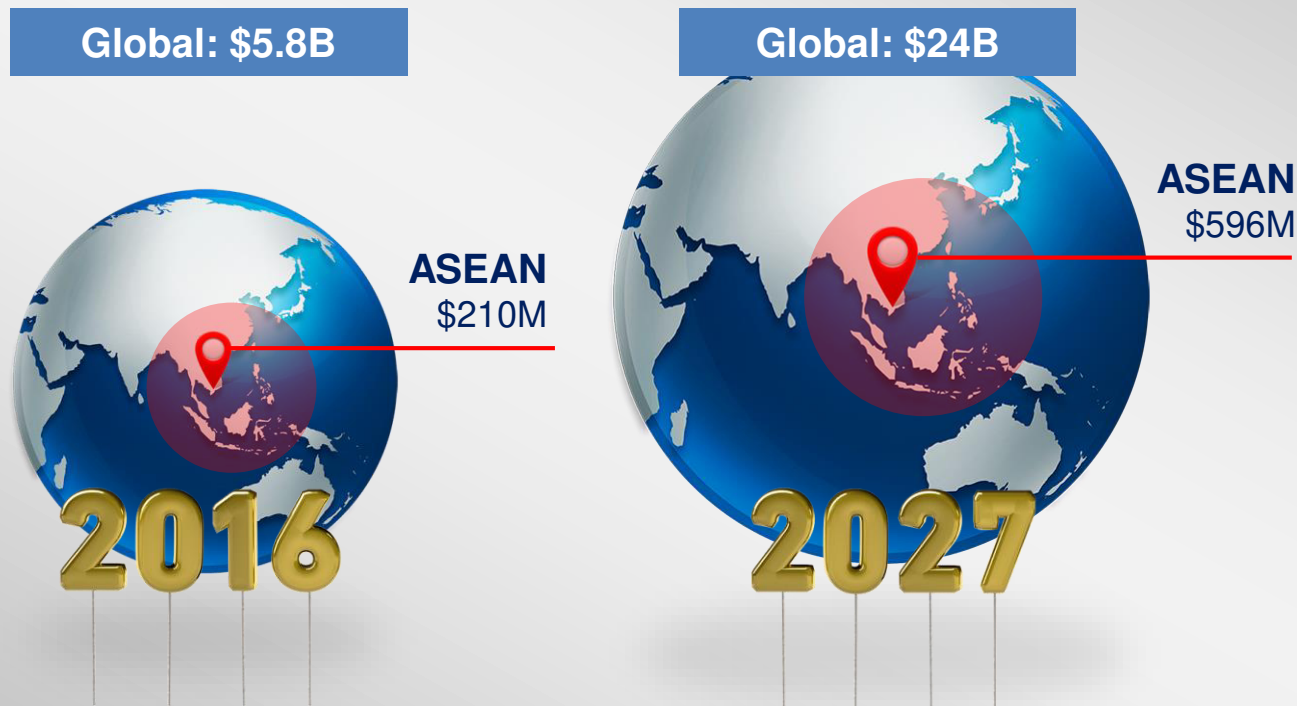
*IQVIA 2018 Q3 Survey on Top-of-Mind Awareness on 31 Private Dermatologists in Singapore

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



ATOPIC DERMATITIS TREATMENT MARKET SIZE (USD)

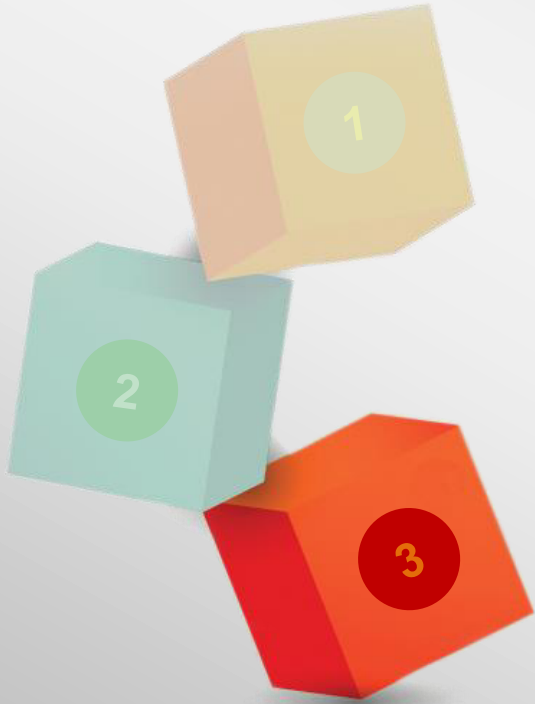
Market Report from Future Market Insights, 2017



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



MEDICAL HYPERMART AND DIGITAL

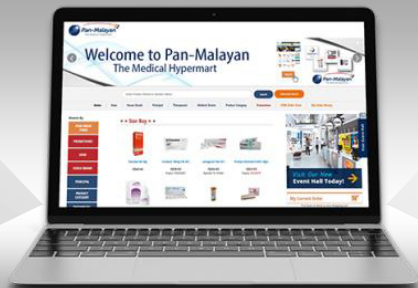


What We Do

1. We are a wholesaler of pharmaceutical products and medical supplies.
2. We cater largely to private clinics and pharmacies.
3. We have > 3,000 customers and > 4,000 items in our inventory
4. We also have a B2B e-commerce platform that facilitates 24/7 ordering.
5. Only in Singapore at this juncture.



MEDICAL HYPERMART AND DIGITAL



1st pharmaceutical wholesaler in Singapore to establish an online platform and capture new digital opportunities



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



BUSINESS UPDATE FOR 1H2020



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



PARTNERSHIP WITH SUTL HK

- + Appointment of SUTL HK as exclusive distributor of Ocean Health® supplements
- + In Hong Kong, Macau and Duty-Free Channels in China
- + SUTL is a well-known FMCG distributor of globally renowned brands across 14 markets in Asia



ACQUISITION OF CG210®



- + CG 210® is a globally renowned & patented topical botanical hair growth-promoting agent
- + Hyphens has acquired the **rights, titles** and interests in the **trademarks** of CG 210® for Singapore & Malaysia
- + New brand ownership adds to our **Proprietary Brands** business segment
- + Inclusion of scalp care as part of our **dermatology** portfolio



ACQUISITION OF CG210®

Hyphens will be promoting to medical professionals in Singapore & Malaysia, as well as in retail outlets in Malaysia

- + CG 210® Women lotion,
- + CG 210® Men lotion,
- + CG 210® Forte Lotion, and
- + CG4S Shampoo

Manufactured in France

More than
2 million units
have been sold
worldwide

Clinically Proven



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





Ceradan[®]
ADVANCED

The World's **First** and **Most** Advanced Emollient Therapy



For Eczema-Prone Skin

Patent pending in 13 other countries / regions



Hyphens

Asean's Specialty Pharma Company



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



NEW CERADAN LAUNCHES



Ceradan® Hand Lotion Sanitiser



Ceradan®
Ceramide
Hand Lotion Sanitiser
2-in-1 hand lotion with ceramide-dominant formulation in optimal 3:1:1 ratio.
• Provides optimal skin hygiene and moisturisation
• Contains alcohol to kill 99.9% of germs



Ceradan®
Ceramide
Gentle Cleanser
Mild and SOAP-FREE cleanser in a ceramide-dominant formulation in optimal 3:1:1 ratio.
• Skin pH balanced
• Suitable for all skin types
• Hypoallergenic



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• Hypoallergenic

Ceradan® Gentle Cleanser



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



NEW OCEAN HEALTH LAUNCHES



Omega-3 + Vitamin D



Omega-3 Liquid



Iron Powder



GOING DIGITAL



are now available on



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



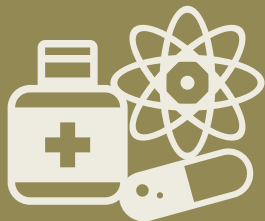
BUSINESS OUTLOOK



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



OUR STRATEGIC FOCUS



ASEAN's Leading
Pharmaceuticals &
Consumer Healthcare
Group



Long-Term Goal
Asia's No. 1
Skin Health
Company



INVESTING FOR GROWTH

1

Establishing a broader geographical footprint

- Cementing leadership position in Singapore and deepening presence in ASEAN
- Expanding international footprint in Asia, Middle East and Africa

2

Investment in proprietary brands

- Driving growth of skin health portfolio through Ceradan® and TDF® brands
- Nurturing Ocean Health® as a leading nutritional supplement brand of Singapore
- R&D for new products, improve formulation & generate scientific validation



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



INVESTING FOR GROWTH

3

Strengthening specialty pharma portfolio

- Launching new specialty pharma products in regional markets
- Seeking licensing opportunities for new products

4

Reinforcing medical hypermart and digital segment

- Continue to leverage its broad network in the Singapore market
- Exploring new digital business initiatives

5

Acquisitions

- Continue to source for synergistic opportunities



FINANCIAL HIGHLIGHTS



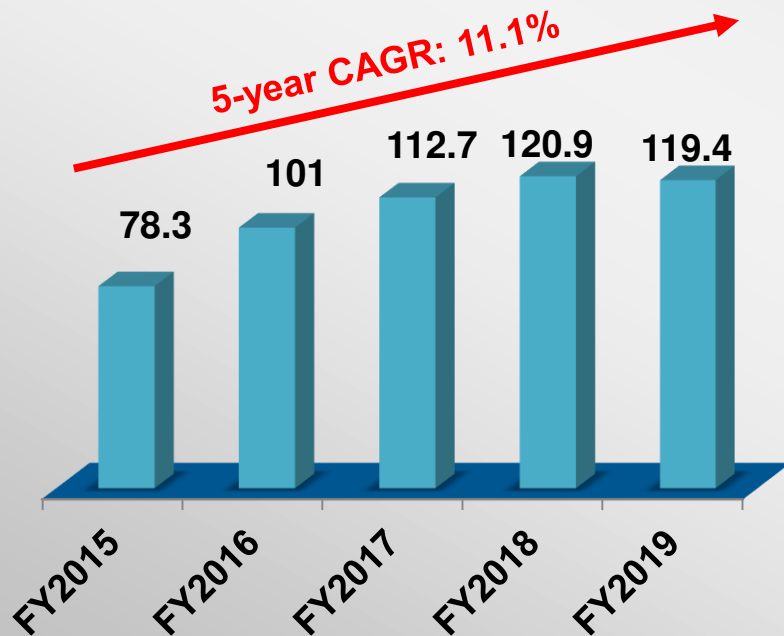
Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



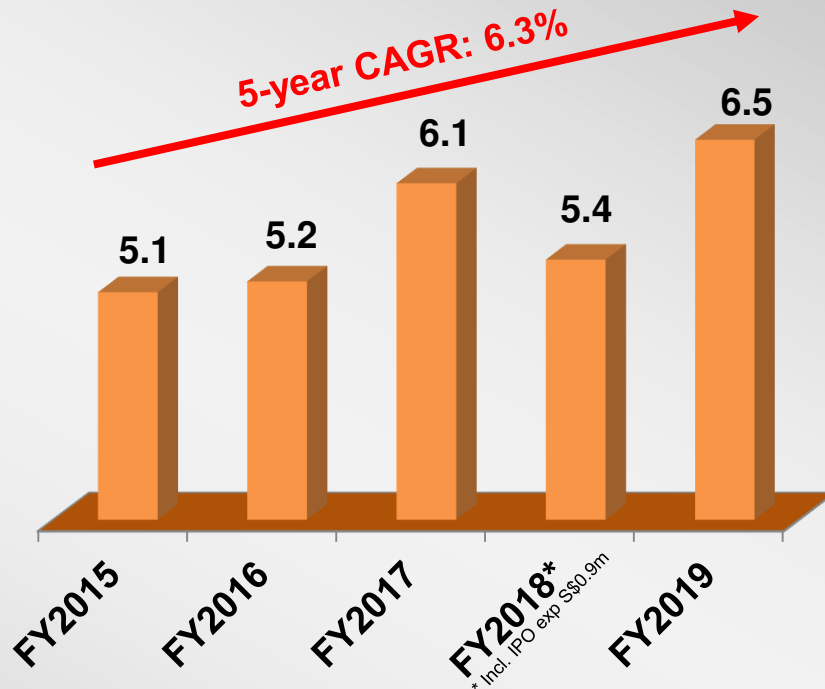


FINANCIAL PERFORMANCE

Revenue (S\$'m)



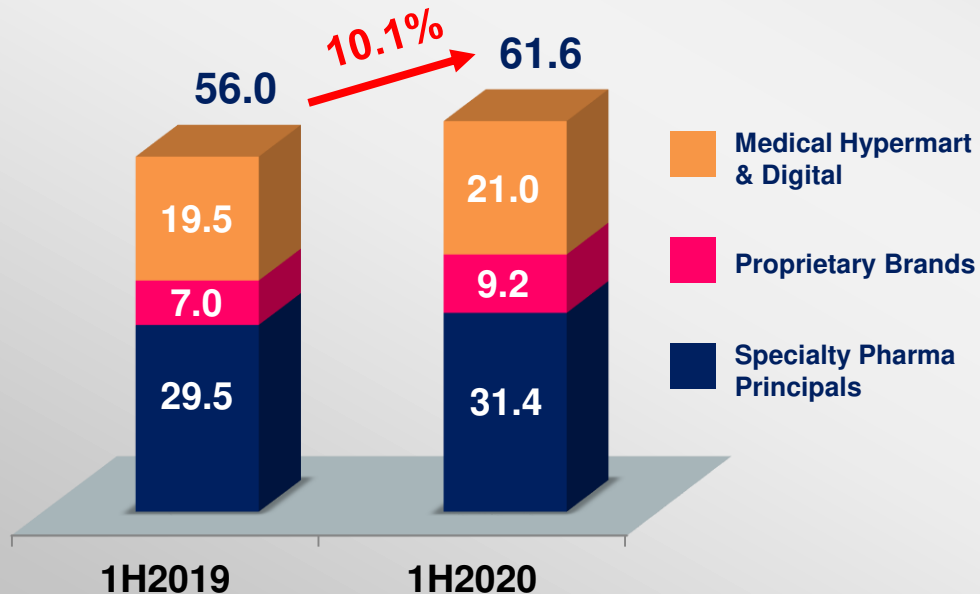
Profit After Tax (S\$'m)



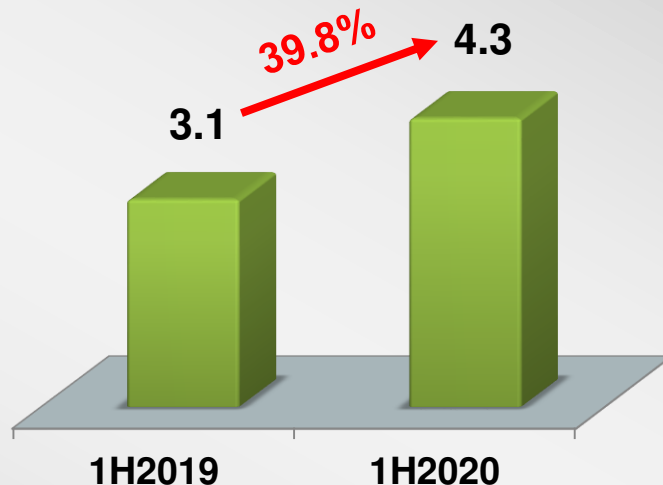


1.1 RESULTS IN 1H2020

Revenue (S\$'m)

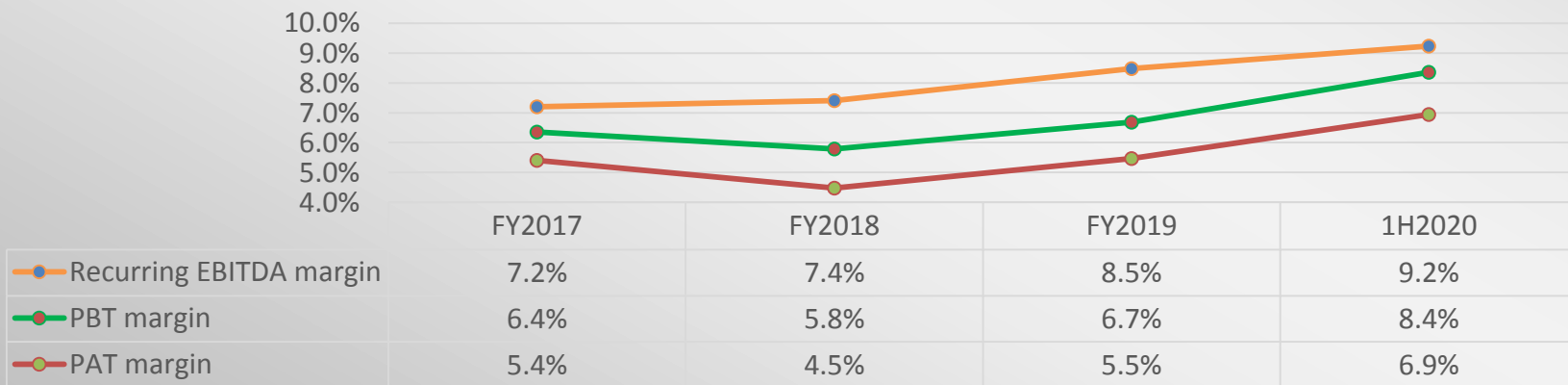
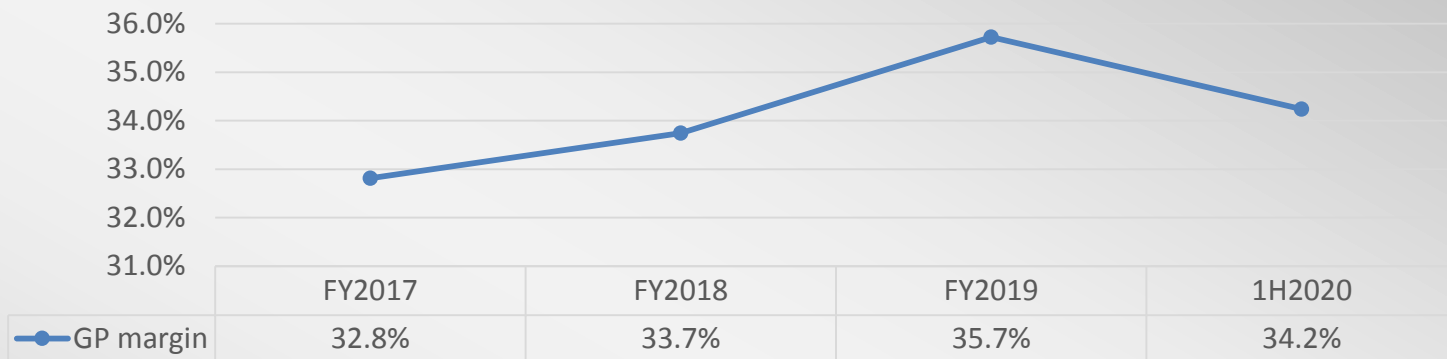


Profit After Tax (S\$'m)





PROFIT MARGINS



3

FINANCIAL POSITION & CASH FLOW

S\$'000	30 Jun 2020	31 Dec 2019
Total assets	86,481	80,131
Cash & cash equivalents	26,088	26,165
Total liabilities	38,735	36,055
Financial liabilities	818	300
Total equity	45,268	44,076
NAV per share (cents)	15.07	14.67

S\$'000	1H2020	1H2019
Cashflow from operating activities	3,641	5,980
Cashflow used in investing activities	(828)	(71)
Cashflow used in financing activities	(2,890)	(4,616)
Net cash (outflow)/ inflow	(77)	1,293





MAINTAINING DIVIDEND POLICY

S\$'000	Dividend	Yield ^(a)	Div / NP ^(b)
FY2019	1 cent	2.4%	46.0%
FY2018	0.55 cents	1.3%	30.5%

(a) Yield is computed based on total dividends declared for the financial year divided by closing price of S\$0.415 @ 31 Aug 2020.

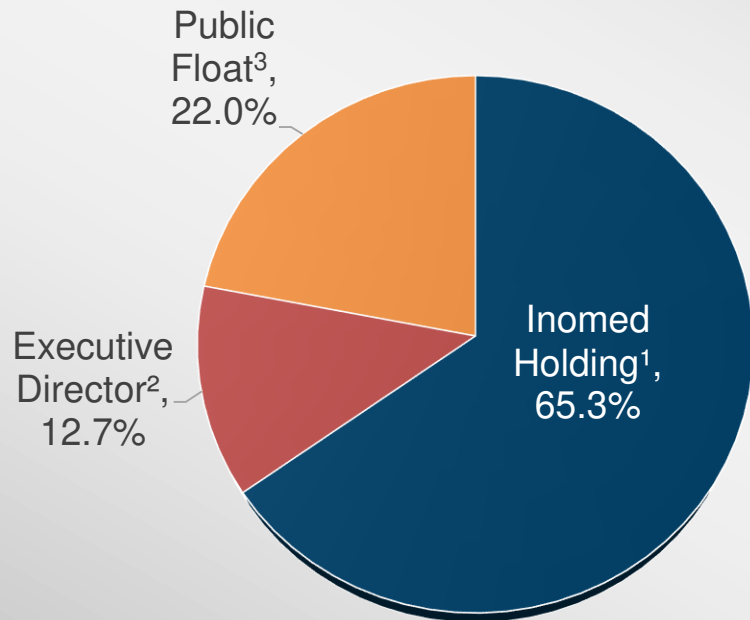
(b) At least 30% of Net Profits Attributable to Shareholders in FY2018 & FY2019 intended to be distributed as dividends (IPO prospectus).

Commitment to maintain dividend policy to pay at least 30% of its net profits attributable to shareholders, subject to the Board's approval.





MANAGEMENT OWNERSHIP



¹ Owned by Mr. Lim See Wah, CEO and Dr. Tan Kia King, Non-Executive Director

² Mr. Tan Chwee Choon, Executive Director

³ As at 31 Aug 2020



RESEARCH COVERAGE

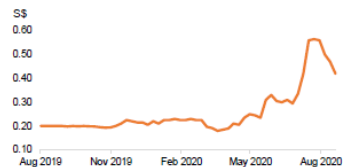


Hyphens Pharma International Limited

Date: 31 August 2020

BUY
(Maintained) **Target Price: S\$0.540**
(+28.6%)

HYP SP
Price: S\$0.420 (as at 26 August 2020)



Share price	1M	3M	6M	1Y
Hyphens Pharma	-25.7%	+35.5%	+86.7%	+110.0%
Catalist Index	+13.8%	+42.6%	+33.4%	+23.2%

Market Capitalisation	S\$126.2 million
Current Price	S\$0.420
Shares Outstanding	300.4 million
Free Float	22.0%
Major Shareholder	Innomed Holding Pte Ltd 65.3%
Recommendation of other brokers	1 Buy 1 Accumulate

Source: Company data, Bloomberg, SAC Capital

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lamwk@saccapital.com.sg

Broadening product range and footprints

Increased demand for healthcare products fuelled by COVID-19 drove higher 1HFY20 earnings. Revenue increased 10.1% yoy to S\$61.6 million. Proprietary brands segment in particular led with 29.8% increase in revenue due to higher demand for healthcare supplements during COVID-19. Net profit increased a larger 39.8% yoy to S\$4.3 million, also lifted by job support scheme, of which about half (or S\$0.5m) was recognized.

Secured UK patent for flagship Ceradan® Advanced. Hyphens has secured a patent for Ceradan® Advanced, a medical skincare and pharmaceutical product, in the UK. Patent is pending in another 13 regions, including Singapore, Malaysia, Vietnam, China, Europe and the United States. A patent strengthens the product's market position and enhances brand recognition.

Extending footprints into North Asia. Hyphens announced the appointment of SUTL HK as an exclusive distributor of Ocean Health® healthcare supplements in HK, Macau and duty-free channels in China. The partnership extends the group's presence into North Asia. Hyphens also expanded proprietary brands portfolio with the procurement of CG210® hair-growth product series for Singapore and Malaysia.

Maintain BUY rating and raise fair value to S\$0.540 (from S\$0.285). Our DCF-derived target price translates into a FY21E P/E of 23.7x. While we expect the net margin to fall back to previous levels in the absence of government grants, with the increase in demand for healthcare and supplements and the new partnership with SUTL HK and acquisition of CG210®, we believe the Group's strategy will drive earnings going forward. Our target price implies a 28.6% upside.

Key Risks: High geographical concentration risk in Singapore and Vietnam markets and the ability to differentiate itself from competitors.



15 May 2020

Hyphens
Numbers Imp

- Maintain BUY, D yield. Hyphens P higher revenue of proprietary brands in its business, w 2Q20 due to th cautious on how th
- 1Q20 revenue at forecasts. 1Q20 : previous estimate: Ceradan® brand p of Ceradan® Adv. proprietary brands Nutritional supplie as consumers bc COVID-19. Similar medical. hvocemar

A hair-rai

Tan Jiunn Chys

- Hyphens Ph sales are +10
- Hyphens' ex COVID-19, w United Kingd proprietary j the partial a brand.
- Stronger ou portfolio sh will depend and whether

Hyphens Phari leading specia groups, whom pharmaceutical



Singapore Company Update

RESULTS UPDATE

Medical • Singapore

Hyphens Pharma Intl Ltd
(HYP SP/HYPH.SI)



Hyphens Pharma International Ltd

Shaking off COVID-19 woes with expanded portfolio

SINGAPORE | HEALTHCARE | 1H20 Results

- Earnings of S\$4.28mn make up 64% of our FY20e estimates.
- Revenue growth of 10% YoY in 1H20 was held up by an all-around stronger 1Q20 result as well as a 24% growth YoY in revenue from proprietary brands in 2Q20.
- Cash flow for 1H20 was down S\$1.7mn as inventory levels were elevated in anticipation of disruptions arising from product license renewals in Vietnam.
- Group continues to invest into building its proprietary brands portfolio with acquisition of haircare product CG 210® and new product launches across its Ceradan® and Ocean Health® brand portfolio.
- Maintain ACCUMULATE with upward revision in TP to S\$0.495 (prev S\$0.435). We revise FY20e earnings upwards by 25% to reflect strong revenue growth and income recognised from Job Support Scheme in 2H20.

Results at a glance

S\$D '000	1H20	1H19	YoY	Comments
Specialty pharma principals	31,408	29,470	7%	Steady growth was achieved across both 1Q20 and 2Q20 (+11% YoY and +3% YoY) despite slower business momentum in 2Q20.
Proprietary brands	9,167	7,064	30%	Strong demand for products under Ceradan® and Ocean Health® brand portfolio which benefited from moving to online sales channels. Stellar 1Q20 sales (+17% YoY) within segment weighed down in 2Q20 when Singapore entered Circuit Breaker period. Revenue for the segment
Medical hypermart and digital	21,065	19,472	8%	

20 August 2020

ACCUMULATE (MAINTAINED)

LAST CLOSE PRICE	S\$0.4350
FORECAST DIV	S\$0.0310
TARGET PRICE	S\$0.495
TOTAL RETURN	12.2%

COMPANY DATA	HYIP SP
RECORDED CLOSING	
Q1/20 SHARES (Mn)	300
MARKET CAP (USD Mn) / S\$D Mn (H)	121.3 / 138.2
52 - WK HIGH (USD)	0.625 / 0.380
52 - WK LOW (USD)	0.25
MAJOR SHAREHOLDERS (%)	
INNOVISED HOLDING PTE LTD	65.3%
TAN CHIEWEE CHIOON	12.7%

PRICE PERFORMANCE (%)	1M	3M	1Y
COMPANY	13.1	102.1	147.8
Q1/20 RETURN	0.0	3.1	104.0



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





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