

GENERAL ANNOUNCEMENT::RESULTS BRIEFING 3Q2020

Issuer & Securities

Issuer/ Manager

HYPHENS PHARMA INTERNATIONAL LIMITED

Securities

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RESULTS BRIEFING 3Q2020

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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 Results Briefing - 3Q2020_161120.pdf](#)

Total size = 2248K MB



HYPHENS PHARMA INTERNATIONAL LIMITED

Results Briefing 3Q2020



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Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





AGENDA

1. Financial Results
2. Business Update



FINANCIAL RESULTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





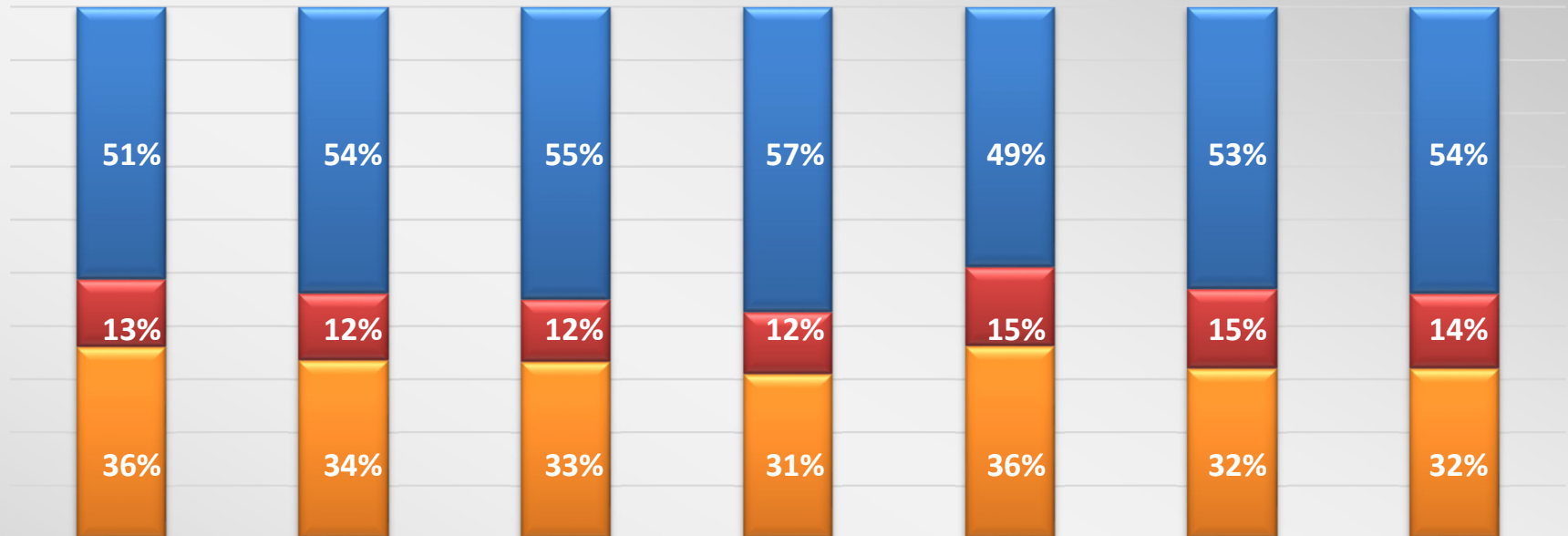
FINANCIAL STATEMENT

	1Q2020	2Q2020	3Q2020	3Q2019	9M2020	9M2019	Change
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	%
Revenue	31,441	30,199	31,436	30,699	93,076	86,705	7.3%
Cost of sales	(20,539)	(19,996)	(21,089)	(19,826)	(61,624)	(56,208)	9.6%
Gross profit	10,902	10,203	10,347	10,873	31,452	30,497	3.1%
Other income and gains	81	1,159	459	246	1,699	341	398.2%
Distribution costs	(6,238)	(6,135)	(6,325)	(6,190)	(18,698)	(17,258)	8.3%
Administrative expenses	(2,227)	(2,489)	(2,537)	(2,395)	(7,253)	(7,245)	0.1%
Finance costs	(23)	(28)	(26)	(32)	(77)	(106)	-27.4%
Other losses	94	(150)	(865)	(293)	(921)	(305)	202.0%
Profit before tax	2,589	2,560	1,053	2,209	6,202	5,924	4.7%
Income tax expense	(465)	(402)	(206)	(408)	(1,073)	(1,059)	1.3%
Profit, net of tax	2,124	2,158	847	1,801	5,129	4,865	5.4%



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REVENUE BY BUSINESS SEGMENT



	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020	2Q2020	3Q2020
Specialty	13,836	15,634	16,900	18,782	15,383	16,025	16,956
Proprietary	3,426	3,638	3,589	3,821	4,655	4,512	4,411
Hypermart	9,742	9,730	10,210	10,134	11,403	9,662	10,069
Total	27,004	29,002	30,699	32,737	31,441	30,199	31,436



3 GROSS PROFIT

S\$'000	1Q2020	2Q2020	3Q2020	3Q2019	9M2020	9M2019
Gross profit	10,902	10,203	10,347	10,873	31,452	30,497
Addback: PPE NRV adjmt	-	330	80	-	410	-
Normalised gross profit	10,902	10,533	10,427	10,873	31,862	30,497
<i>Normalised GPM</i>	34.7%	34.9%	↓ 33.2%	35.4%	34.2%	35.2%

Higher Proprietary Brands Contribution

Hypermart had higher GPM in 2019



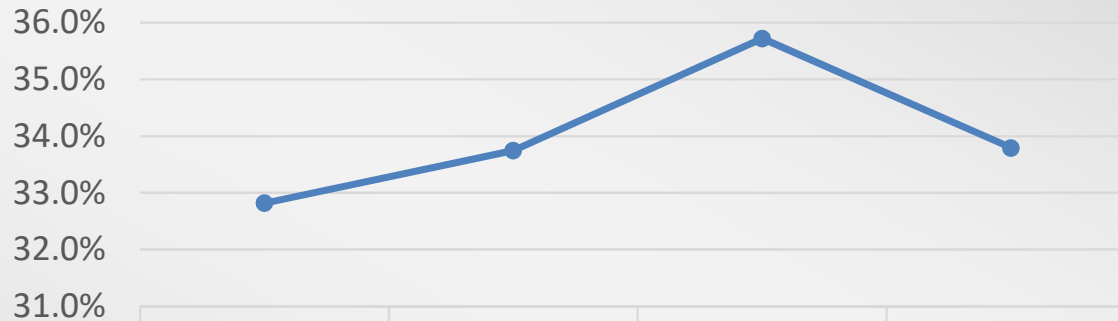
3 OPERATING EXPENSES

- + Distribution costs: consistent at approx. 20% of revenue
- + Admin expenses: higher in 3Q2020 due to higher R&D costs
- + Other losses in 3Q2020 were mainly:
 - + FX losses S\$217k, due to strengthening of EUR vs SGD and weakening of local currencies like IDR vs SGD
 - + Prov for stock obsolescence S\$565k, comprising
 - + COVID-19 test kits S\$0.3m (Note: S\$0.2m balance in prepayments)
 - + Hypermart stocks S\$0.2m
 - + Philippines stocks S\$0.1m

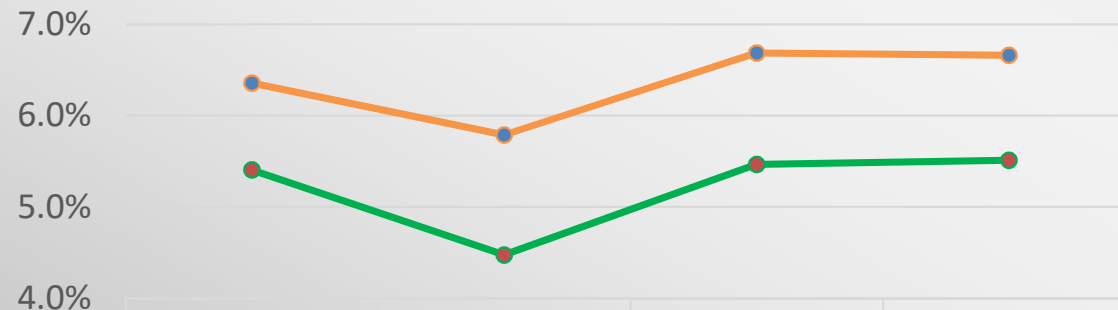




4 PROFIT MARGINS



GP margin



PBT margin

PAT margin

Negative impact from COVID-19 in 9M2020

- NRV w/d on PPE -S\$0.4m
- Prov for test kits -S\$0.3m
- Prov on other stocks due to lower demand -S\$0.3m
- Total = -S\$1.0m



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FINANCIAL POSITION

S\$'000	30 Sep 2020	31 Dec 2019
Total assets	88,509	80,131
Inventories	19,273	11,431
Trade & other receivables	32,979	28,654
Cash & cash equivalents	22,505	26,165
Total liabilities	42,388	36,055
Trade & other payables	37,093	30,628
Bank borrowings	410	300
Total equity	46,121	44,076
NAV per share (cents)	15.35	14.67



BUSINESS UPDATE



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



NEW DISTRIBUTOR FOR CERADAN®

- + Appointment of Shanghai Good Luck 上海古腊国际贸易有限公司 as exclusive distributor of Ceradan® in Mainland China



Virtual signing ceremony
on 12 Nov 2020



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



NEW DISTRIBUTORS FOR OCEAN HEALTH®

- + Appointment of **Healthguard Pharmacy Limited** as exclusive distributor of Ocean Health® in Sri Lanka
- + Appointment of **SUTL HK** as exclusive distributor of Ocean Health® supplements in Hong Kong, Macau and Duty-Free Channels in China



CERADAN FACELIFT



OCEAN HEALTH NEW LAUNCH



JUST KEEP MOVING

Drink up for muscle strength!

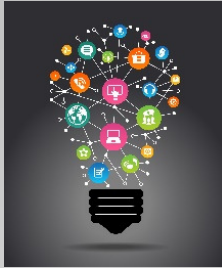
-  **High-Quality Protein with Vit D**
Rapidly absorbed to rebuild muscle
-  **Neutral Taste**
Can be added to beverages
-  **Convenient Powder Sachet**



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



DIGITAL BUSINESS



New talents who have joined us to lead new digital initiatives:

- + Senior Manager, Digital Transformation, Hyphens
- + Business Development Manager, Pan-Malayan
- + Associate Business Development Manager & Pharmacist, Pan-Malayan

Stay Tuned...



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QUESTIONS & ANSWERS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





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