

**GENERAL ANNOUNCEMENT::QUARTERLY BUSINESS UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

## Issuer &amp; Securities

## Issuer/ Manager

HYPHENS PHARMA INTERNATIONAL LIMITED

## Securities

HYPHENS PHARMA INTL LIMITED - SG1EE4000006 - 1J5

## Stapled Security

No

## Announcement Details

## Announcement Title

General Announcement

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## Announcement Sub Title

Quarterly Business Update For the First Quarter Ended 31 March 2022

## Announcement Reference

SG220512OTHR474O

## 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.

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

## Attachments

[Hyphens Quarterly Business Update Q1FY2022.pdf](#)

Total size = 161K MB

**HYPHENS PHARMA INTERNATIONAL LIMITED**

(Company Registration No. 201735688C)  
(Incorporated in the Republic of Singapore)

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**Quarterly Business Update  
For the First Quarter Ended 31 March 2022**


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The Group wishes to provide the investing community with quarterly business update for the first quarter ended 31 March 2022 ("1Q2022").

**Financial Highlights**

	<b>1Q2022 S\$'000</b>	<b>1Q2021 S\$'000</b>	<b>Change %</b>
<b>Revenue</b>	39,168	33,050 <sup>1</sup>	18.5
<b>Gross profit</b>	15,024	12,124	23.9
<b>Profit before tax</b>	4,183	2,619	59.7
<b>Profit, net of tax</b>	3,198	2,136	49.7

**Financial Review**

The Group's revenue increased by 18.5% or S\$6.1 million from S\$33.1 million in 1Q2021 to S\$39.2 million in 1Q2022. The newly acquired subsidiaries ("Novem") contributed S\$3.5 million in revenue.

All three business segments contributed to the revenue increase:

- Revenue from specialty pharma principals segment increased by 24.4%, with increased demand in Vietnam and Malaysia coupled with sales contribution from Novem.
- Proprietary brands segment grew by 12.8%, contributed by higher demand for Ceradan® dermatological products, Ocean Health® health supplement products and Novem® nutraceutical products.
- Revenue from medical hypermart and digital segment increased by 10.9% with additional sales contribution from Novem.

Gross profit correspondingly rose by 23.9% in 1Q2022 to S\$15.0 million (1Q2021: S\$12.1 million) with gross profit margin improving to 38.4% (1Q2021: 36.7%).

The Group's net profit after tax in 1Q2022 improved by 49.7% to S\$3.2 million. This was a result from improved revenue, partially offset by increased distribution and marketing expenses which rose in tandem with the higher sales achieved. The purchase price allocation of the acquisition of Novem is outstanding and not included in the financials of 1Q2022. The Group expects to complete the purchase price allocation exercise in FY2022.

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<sup>1</sup> S\$0.7 million was reclassified from cost of sales to net revenue for 1Q2021, to be comparable with current period's presentation. This amount pertained to variable consideration in relation to the Group's sales to Vietnam. This reclassification has no impact on the Group's net profit for the prior period.



## **Outlook**

### **Growing our Proprietary Brands**

Proprietary Brand business remains the Group's key focus. Hyphens brands, including Ocean Health®, Ceradan®, TDF® and CG 210® have enjoyed robust growth in sales and brand equity. The Group will continue to nurture these brands in markets where it already has presence, seek out new international partnership opportunities to enter new markets, and invest in innovation to develop new and improved products under the respective brands.

The Group has received a patent in Malaysia for its Ceradan® Advanced, a next generation emollient therapy which is scientifically formulated for eczema-prone skin conditions. To date, this makes four patent approvals for Ceradan® Advanced and patents pending approval in 10 countries/regions such as Vietnam, China and Europe. The Group believes that the patent approvals of Ceradan® Advanced will assist in its market entry and development by enhancing the brand's equity in those markets and leveraging on a research-based approach to reach clinicians. As part of its ongoing efforts to build the Ceradan® brand, the Group will continue its product development efforts.

The Group has also recently launched its latest CG 210® Forte Hair and Scalp Essence to promote hair growth, alleviating hair loss from alopecia conditions.

### **Going Digital**

With the official launch of WellAway e-pharmacy ("WellAway") in January 2022, the Group is accelerating its investment in digital initiatives to spearhead business expansion in its Medical Hypermart and Digital segment. Since its incorporation in 4Q2021, the Group's subsidiary, DocMed Technology Pte Ltd, is actively pursuing strategic collaboration opportunities with like-minded partners to develop an integrated digital healthtech platform, incorporating various healthtech solutions, to cater to various healthcare stakeholders in Singapore and the region.

### **Expanding through Acquisition**

Following the acquisition of Novem in December 2021, Novem had contributed positively to the Group's revenue and profits.

The Group will continue to seek out acquisition opportunities that are in alignment with its strategic goals.

### **Strengthening Specialty Pharma Portfolio**

The Group remains focused on further cementing its leadership position and deepening its presence in the ASEAN region and is actively seeking licencing opportunities and registering new products for its specialty pharma principals segment.

### **Impact from COVID-19**

The global environment remains volatile and challenging. Countries where we have operations are loosening COVID-19 related restrictions. However, supply chain disruption and inflationary pressure are gathering pace. The Group will remain agile and vigilant to respond to changing market conditions.

## **BY ORDER OF THE BOARD**

### **Lim See Wah**

Chairman and Chief Executive Officer

12 May 2022

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