

Hyphens Pharma International Ltd

Hit the refresh button

5 March 2026

BUY (Maintained)

LAST CLOSE PRICE	SGD 0.320
FORECAST DIV	SGD 0.0160
TARGET PRICE	SGD 0.400
TOTAL RETURN	30.0%

COMPANY DATA

BLOOMBERG CODE	HYP SP
O/S SHARES (MN)	309
MARKET CAP (USD mn / SGD mn)	77.4 / 98.8
52 - WK HI/LO (SGD)	0.395 / 0.260
3M Average Daily T/O (mn)	0.13

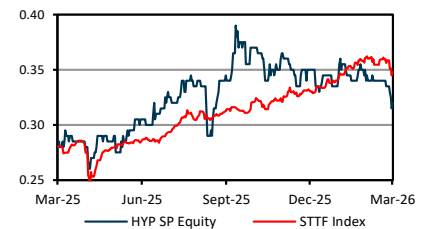
MAJOR SHAREHOLDERS

Inomed Holding Pte Ltd	47.8%
Tan Kia King	28.1%

TOTAL PERFORMANCE

	1MTH	3MTH	YTD
COMPANY	(7.4)	(10.0)	(6.0)
STTF	(2.9)	6.4	3.8

PRICE VS. STTF



KEY FINANCIALS

Y/E Dec, (\$\$mn)	FY24	FY25	FY26e	FY27e
Revenue	195.4	177.4	185.1	193.9
EBITDA	16.6	11.4	19.1	18.8
Adj. PATMI	11.0	10.9	12.2	13.1
Adj. EPS (Cents)	3.6	3.5	4.0	4.2
P/E (x)	9.0	9.0	8.1	7.6
P/B (x)	1.3	1.4	1.2	1.1
Div Yield	4.7%	4.7%	5.0%	5.0%
ROE	14.5%	7.9%	15.9%	15.4%

Source: Company Data

VALUATION METHOD

DCF @ WACC = 9.0%, g = 2.0%

Paul Chew (+65 6212 1851)
Head of Research
paulchewkl@phillip.com.sg

SINGAPORE | HEALTHCARE | 2H25 RESULTS

- FY25 revenue/adj.PATMIs were within expectations at 99%/97% of our FY25e forecast. 2H25 PATMI rebounded 27% YoY to S\$5.94mn from discontinuation of low margin products and tighter cost controls. Headline earnings declined due to FX translation losses and extraordinary provisions in inventory and debtors.
- 2H25 revenue declined 8% YoY to S\$97.8mn, led by 23% drop in revenue from Vietnam. There were several challenges in Vietnam: elevated Sterimar inventory, deprioritisation of contrast media, a weak currency, and discontinuation of several products. The ability to pass on higher-priced Euro speciality products has been a challenge. Vietnam is refreshed, with greater emphasis on better-margin products.
- We raise our FY26e PATMI by 10% to S\$12.2mn from higher gross margin estimates. Our BUY recommendation and target price of S\$0.40 are maintained. Hyphens is expanding its product reach in ASEAN and making new inroads into Europe. A milestone was reached in January with an out-license agreement of Cerapro MED (atopic dermatitis) into six European countries. Another product gaining traction is Winlevi (anti-acne) sales in Singapore and Malaysia. Hyphens trades at an attractive 8x PE, with net cash of \$26.8mn (or 27% of market cap).

Results at a glance

SGD '000	2H25	2H24	YoY	Comments
Revenue	87,821	95,772	-8.3%	
- Specialty pharma	49,640	60,540	-18.0%	VN sales down 23%.
- Proprietary brands	19,207	13,290	44.5%	Reclassification of Visiopro/Fenosup.
- Medical hypermart	18,974	21,942	-13.5%	
Gross profit	36,863	34,713	6.2%	GP margin jump 5.7% pts to 41.9%.
Distribution costs	(21,009)	(21,080)	-0.3%	
Administrative expenses	(7,662)	(7,868)	-2.6%	
EBITDA	6,848	7,434	-7.9%	Include other receivables impairment S\$0.6mn.
- Specialty pharma	7,830	7,279	7.6%	
- Proprietary brands	1,057	1,464	-27.8%	
- Medical hypermart	(890)	(708)	25.7%	
PATMI	4,162	4,778	-12.9%	
Adjusted PATMI	5,943	4,688	26.8%	Excl. FX translation and inventory allow.

Source: Company, PSR

The Positive

+ Boost in gross margins. GP margin jumped 5.7% points YoY to 41.9% in 2H25. Higher margins helped gross profit to grow despite the decline in revenue. Some of the products discontinued include Physioliac infant formula.

The Negative

- More provisions in 2H25. There were several provisions in 2H25, including S\$1mn inventory write-off (2H24: S\$0.6mn), S\$0.6mn impairment of other receivable from loan to Vietnam Hypermart, and S\$0.8mn FX translation loss (2H24: S\$0.5mn gain). The provisions were largely related to Vietnam operations.

Outlook

The large headline earnings drag in FY25 was due to Vietnam. Weak currency and sluggish demand created a decline in revenue and several provisions. We believe the worst is over for Vietnam, but any recovery will be gradual. The refresh of Vietnam's product portfolio is also leading to a realignment of operating costs. We expect the growth drivers in 2026 to include Winlevi, medical aesthetics, and Wellaway e-pharmacy.

Maintain BUY with unchanged TP of S\$0.40

Financials

Income Statement

Y/E Dec, S\$'000	FY23	FY24	FY25	FY26e	FY27e
Revenue	170,595	195,420	177,367	185,081	193,905
Cost of sales	(108,694)	(125,913)	(105,185)	(109,568)	(114,404)
Gross profit	61,901	69,507	72,182	75,513	79,501
Marketing and dist. costs	(35,891)	(39,739)	(40,854)	(43,309)	(45,568)
Administrative expenses	(14,125)	(15,232)	(15,529)	(15,917)	(16,870)
Finance costs	(278)	(565)	(520)	(237)	-
Other income and gains	735	693	386	-	-
Other losses	(2,322)	(1,705)	(7,603)	(500)	(500)
EBITDA	13,641	16,579	11,393	19,076	18,772
Profit before tax	10,565	12,959	8,062	15,551	16,564
Income tax expense	(1,985)	(2,104)	(1,945)	(2,799)	(2,981)
Minority Interest	(12)	(661)	(273)	(530)	(530)
PATMI	8,568	10,194	5,844	12,221	13,052
Adjusted PATMI	10,272	11,030	10,939	12,221	13,052

Per share data

Y/E Dec, SG cents	FY23	FY24	FY25	FY26e	FY27e
EPS, adjusted	3.32	3.57	3.54	3.96	4.23
DPS	4.46	1.50	1.50	1.60	1.60
BVPS	21.3	24.1	23.5	26.1	28.9

Cash Flows

Y/E Dec, S\$'000	FY23	FY24	FY25	FY26e	FY27e
CFO					
Profit before tax	10,565	12,959	8,062	15,551	16,564
Adjustments	1,920	3,956	4,456	3,525	2,208
Working capital changes	(4,241)	(14,487)	8,660	(5,427)	(7,480)
Operating cash flow	8,244	2,428	21,178	13,648	11,292
Taxes paid, others	(2,599)	(2,355)	(2,430)	(2,799)	(2,981)
Net operating cash flow	5,645	73	18,748	10,849	8,310
CFI					
CAPEX, net	(1,070)	(3,171)	(1,258)	(1,000)	(1,000)
Acquisition of subsidiaries	(751)	(100)	(3,415)	-	-
Others	341	150	55	-	-
Net investing cash flow	(1,480)	(3,121)	(4,618)	(1,000)	(1,000)
CFE					
Share capital	-	(85)	-	-	-
IPO expenses	-	-	-	-	-
Dividends	(14,563)	(2,656)	(5,480)	(4,633)	(4,942)
Loans, net of repayments	(2,713)	5,853	(5,234)	(237)	-
Net financing cash flow	(17,276)	3,112	(10,714)	(4,870)	(4,942)
Net change in cash	(13,111)	64	3,416	4,979	2,368
CCE, end	23,369	23,433	26,836	31,813	34,182

Source: Company, PSR Estimates

Balance Sheet

Y/E Dec, S\$'000	FY23	FY24	FY25	FY26e	FY27e
ASSETS					
Plant and equipment	4,864	4,898	3,866	3,406	3,084
Associate	-	-	-	-	-
Intangible assets	23,575	24,530	23,989	22,160	21,274
Others	172	234	145	145	145
Total non-current assets	28,611	29,662	28,000	25,711	24,503
Inventories	25,529	34,445	29,335	25,545	35,772
Trade and other receivables	41,110	45,423	34,969	41,240	44,601
Cash and cash equivalents	23,369	23,420	26,834	31,813	34,182
Others	2,146	2,800	4,457	4,457	4,457
Total current assets	92,154	106,088	95,595	103,055	119,011
Total assets	120,765	135,750	123,595	128,766	143,515
LIABILITIES					
Others	5,659	3,597	1,320	1,320	1,320
Total non-current liabilities	5,659	3,597	1,320	1,320	1,320
Trade and other payables	44,293	43,570	38,573	35,626	41,734
Others	4,951	14,117	11,134	11,134	11,134
Total current liabilities	49,244	57,687	49,707	46,760	52,868
Total liabilities	54,903	61,284	51,027	48,080	54,188
EQUITY					
Share capital	35,216	35,131	35,129	35,129	35,129
Retained earnings	37,765	45,231	43,499	51,087	59,197
Others	(7,119)	(5,896)	(6,060)	(5,530)	(5,000)
Total equity	65,862	74,466	72,568	80,686	89,326

Valuation Ratios

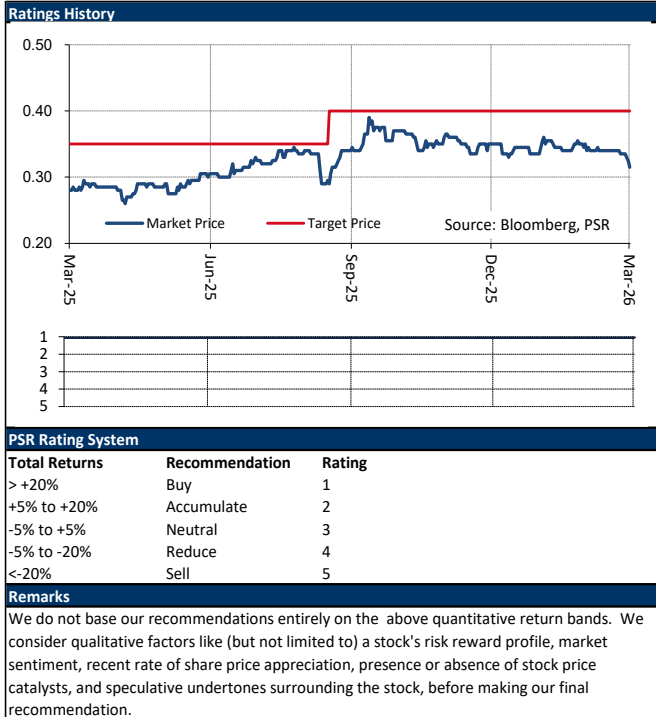
Y/E Dec	FY23	FY24	FY25	FY26e	FY27e
P/E (x) - adjusted	9.6	9.0	9.0	8.1	7.6
P/B (x)	1.5	1.3	1.4	1.2	1.1
EV/EBITDA (x)	5.5	4.5	6.3	3.5	3.4
Dividend Yield	13.9%	4.7%	4.7%	5.0%	5.0%

Growth & Margins

	FY23	FY24	FY25	FY26e	FY27e
Growth					
Revenue	5.1%	14.6%	-9.2%	4.3%	4.8%
Gross profit	-1.4%	12.3%	3.8%	4.6%	5.3%
EBITDA	-20.9%	21.5%	-31.3%	67.4%	-1.6%
Net Profit	-24.5%	19.0%	-42.7%	109.1%	6.8%
Margins					
Gross margin	36.3%	35.6%	40.7%	40.8%	41.0%
EBITDA margin	8.0%	8.5%	6.4%	10.3%	9.7%
Net Profit Margin	5.0%	5.2%	3.3%	6.6%	6.7%

Key Ratios

	FY23	FY24	FY25	FY26e	FY27e
ROE	12.6%	14.5%	7.9%	15.9%	15.4%
ROA	7.3%	7.9%	4.5%	9.7%	9.6%
Net gearing (x)	Net cash	Net cash	Net cash	Net cash	Net cash



Contact Information (Singapore Research Team)

Head of Research

Paul Chew – paulchewkl@phillip.com.sg

Research Admin

Qystina Azli - qystina@phillip.com.sg

Technical Analyst

Zane Aw – zaneawyx@phillip.com.sg

Property | REITs

Darren Chan – darrenchanrx@phillip.com.sg

Air Transportation | REITs

Hashim Osman – hashimobj@phillip.com.sg

Banking | Auto

Glenn Thum – glenthumjc@phillip.com.sg

US Tech Hardware | E-commerce | ETF

Helena Wang – helenawang@phillip.com.sg

Construction | Semiconductors

Yik Ban Chong (Ben) – chongyb@phillip.com.sg

Internet | Consumer

Serena Lim - serenalimyq@phillip.com.sg

Software | Services

Alif Fahmi - aliffahmi.shakir@phillipcapital.com.my

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd
Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631
Website: www.poems.com.sg

MALAYSIA

Phillip Capital Management Sdn Bhd
B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel +603 2162 8841
Fax +603 2166 5099
Website: www.poems.com.my

HONG KONG

Phillip Securities (HK) Ltd
11/F United Centre 95 Queensway
Hong Kong
Tel +852 2277 6600
Fax +852 2868 5307
Websites: www.phillip.com.hk

JAPAN

Phillip Securities Japan, Ltd.
4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090
Website: www.phillip.co.jp

INDONESIA

PT Phillip Securities Indonesia
ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel +62-21 5790 0800
Fax +62-21 5790 0809
Website: www.phillip.co.id

CHINA

Phillip Financial Advisory (Shanghai) Co Ltd
No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel +86-21 5169 9200
Fax +86-21 6351 2940
Website: www.phillip.com.cn

THAILAND

Phillip Securities (Thailand) Public Co. Ltd
15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999
Fax +66-2 22680921
Website www.phillip.co.th

FRANCE

King & Shaxson Capital Limited
3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel +33-1 45633100
Fax +33-1 45636017
Website: www.kingandshaxson.com

UNITED KINGDOM

King & Shaxson Capital Limited
6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel +44-20 7426 5950
Fax +44-20 7626 1757
Website: www.kingandshaxson.com

UNITED STATES

Phillip Capital Inc
141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1-312 356 9000
Fax +1-312 356 9005
Website: www.phillipusa.com

AUSTRALIA

Phillip Capital Limited
Level 10, 330 Collins Street
Melbourne, Victoria 3000, Australia
Tel +61-03 8633 9803
Fax +61-03 8633 9899
Website: www.phillipcapital.com.au

CAMBODIA

Phillip Bank Plc
Ground Floor of B-Office Centre, #61-64,
Norodom Blvd Corner Street 306,Sangkat
Boeung Keng Kang 1, Khan Chamkamorn,
Phnom Penh, Cambodia
Tel: 855 (0) 7796 6151/855 (0) 1620 0769
Website: www.phillipbank.com.kh

INDIA

PhillipCapital (India) Private Limited
No.1, 18th Floor, Urmi Estate
95, Ganpatrao Kadam Marg
Lower Parel West, Mumbai 400-013
Maharashtra, India
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969
Website: www.phillipcapital.in

TURKEY

PhillipCapital Menkul Degerler
Dr. Cemil Bengü Cad. Hak Is Merkezi
No. 2 Kat. 6A Caglayan
34403 Istanbul, Turkey
Tel: 0212 296 84 84
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr

DUBAI

Phillip Futures DMCC
Member of the Dubai Gold and
Commodities Exchange (DGEX)
Unit No 601, Plot No 58, White Crown Bldg,
Sheikh Zayed Road, P.O.Box 212291
Dubai-UAE
Tel: +971-4-3325052 / Fax: + 971-4-3328895

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