HYPHENS PHARMA

BUY

Share Price:	**S$0.355**
Target Price:	**S$0.44**
Upside:	**+23.9%**

COMPANY DESCRIPTION

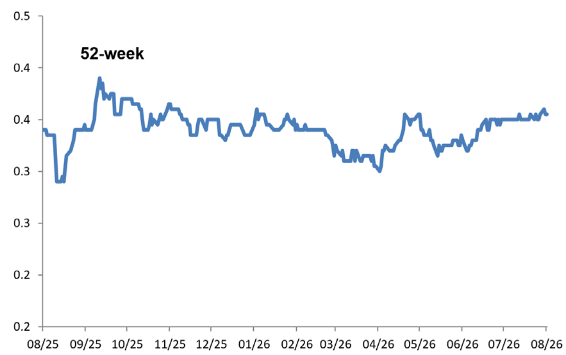
Hyphens Pharma International Limited (SGX: 1J5) is a Singapore-headquartered specialty pharmaceutical and health products group operating across ASEAN. The company runs three business segments: Medical Hypermart & Digital, Medical Aesthetics, Proprietary Brands.

Name	**Hyphens Pharma International Limited**
Bloomberg Code	**HYP SP Equity**
3M Avg Daily Trading Vol (k)	**111.1**
3M Avg Daily Trading Val (S$'000)	**37.9**
Major Shareholder / Holdings	**Mr Lim See Wah (48.2%)**
Shares Outstanding (m)	**308.8**
Market Capitalisation (S$m)	**109.6**
52 week Share Price High/Low	**0.395/0.290**

STOCK PRICE PERFORMANCE

	1M	3M	12M
Absolute Return (%)	1.5	5.9	10.6

PRICE CHART



Source: Bloomberg

ASEAN's Dermatology + Healthcare Powerhouse

Hyphens Pharma is morphing into ASEAN's leading dermatology, healthcare and pharmaceutical powerhouse. With market penetration into ASEAN's population base of close to 700mln by 2027/2028, a rapidly rising middle class and rising rates of chronic diseases, Hyphens' proprietary brands coupled with partnerships with strong pharmaceutical principals position them well to capitalize on these structural growth trends. With steady & sustainable growth rates coupled with undemanding valuations at 10x PE, 4-5% dividend yield, projected net cash of c.$22mln accounting for c.21% of its market cap and strong M&A interest (a Malaysian peer of Hyphens was bought-out last year at c.25x PE and 2.3x book value), we initiate a BUY recommendation with a target price of 44¢ (c.24% upside potential).

Proprietary Brands Within ASEAN + European Growth Optionalities

Hyphens' proprietary brands bring with it "Intellectual Property Rights", brand equity as well as multichannel reach via clinical + retail distribution channels. Hyphens out-licensed its Cerapro MED Skin Barrier Cream to Louis Widmer for 6 European countries, securing upfront fees and royalty streams, opening a new geography beyond its mainstay ASEAN markets. Winlevi, a first-in-class topical androgen receptor inhibitor for acne, was recently launched in 10 ASEAN countries under an exclusive licence with Cosmo Pharmaceuticals.

Scalable ASEAN Platform + Digital Healthcare Ecosystem

Hyphens' deep ASEAN presence in Singapore, Malaysia, Vietnam, Indonesia, Philippines, Thailand and Cambodia supported by local regulatory and commercial capabilities provides them competitive advantage to help global pharmaceutical giants bring in original drugs and products with quick time to market, a distinct first mover advantage. Hyphens' digital arm, "DocMed" runs "WellAway", Singapore's first HSA-registered e-pharmacy that is plugged into the digital healthcare ecosystem and aligned with public healthcare shift to home medication delivery.

KEY FINANCIALS

DEC YE	FY23	FY24	FY25	FY26F	FY27F
Revenue (S$mln)	170.6	195.4	177.4	183.2	193.9
EBITDA (S$mln)	13.5	16.5	12.4	14.9	15.7
EBITDA margin (%)	7.9	8.4	7.0	8.1	8.1
Net profit (S$mln)	8.6	10.2	5.8	10.0	10.5
PE (x)	12.7	10.7	19.1	11.0	10.4
PB (x)	1.4	1.2	1.5	1.3	1.2
ROE (%)	13.0	13.7	8.1	12.8	12.5
EPS (S ¢)	2.7	3.2	1.9	3.2	3.3
EPS growth (%)	-25.0	19.0	-42.7	70.4	4.9
DPS (S ¢)	4.5	1.5	1.5	1.5	1.8
Dividend yield (%)	12.6	4.2	4.2	4.2	4.9

Source: Hyphens, Lim & Tan Research

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Medical aesthetics as a new growth driver. With recent full consolidation of Ardence Pharma, the minority interest drag that they experienced in past years has been resolved. The aesthetics segment is being positioned as a sustainable growth driver alongside other existing segments, and Hyphens is now able to ride the tailwinds of the aesthetics market which is expected to grow at an 11.9% CAGR through 2033.

Improving quality of earnings via better margin and portfolio mix. Structural improvement in gross profit margins is driven by higher-value product-mix, portfolio optimisation, and pricing discipline. For example, in FY25, Hyphens moved away from specialty pharma products and focused on increasing sales of proprietary brands that have better profit margins (GP margins forecasted to improve from 36% in FY23 to 42% in FY26E).

Exhibit 1: Margin analysis

Fiscal Year	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26F	FY27F
Revenue	119.44	120.98	125.88	162.32	170.60	195.42	177.37	183.19	193.89
Gross profit	42.67	43.64	48.08	62.81	61.90	69.51	72.18	76.90	81.39
GP margin %	36%	36%	38%	39%	36%	36%	41%	42%	42%

Source: Lim & Tan Research

Consistently strong cash generation allowed Hyphens to pay 58% of their earnings in the past 8 years. Hyphens consistently generated healthy operating cashflows through disciplined working capital management, resulting in its latest net-cash position of S$17.4mln accounting for c.16% of market value. This allowed them to support an average DPR of 58% in the past 8 years.

Exhibit 2: Dividend analysis

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	Average
Dividends Paid (SGD m)	1.70	3.10	1.90	2.10	2.94	4.72	4.72	4.72	3.24
Special dividends (SGD m)	-	-	-	-	11.10	-	-	- -	
Net Income (SGD m)	6.53	6.16	6.85	11.35	8.57	10.19	5.84	9.96	8.18
Payout Ratio (Div / NI)	26%	50%	28%	19%	164%	46%	81%	47%	58%

Source: Lim & Tan Research

Recent share purchases by 3 directors signal confidence. Directors with substantial personal stakes, particularly Dr Tan Kia King (owns 28.2%), have been making repeated personal open-market purchases throughout 2025-2026, most recently 150,000 shares at S$0.33 in March 2026. Mr Chan Kiat (170,200 shares) and Mr Lim See Wah (owns 48.2%) have also been regularly purchasing Hyphens' shares in the open market, signaling their confidence that their stock price is undervalued. These 3 directors (who in total own 76.4%) had purchased 1.04mln shares in the past 2 years at an average price of 32¢.

About Hyphens Pharma

Hyphens Pharma International Limited (SGX: 1J5) is a Singapore-headquartered specialty pharmaceutical and health products group with regional roots dating to 1998 and a listing on the Catalist board of the Singapore Exchange.

HYP operates through five principal operating entities: Hyphens Pharma, Pan-Malayan, DocMed Technology, Ocean Health and Novem Healthcare, with Ardence Aesthetics now added following the completion of the Ardence Pharma acquisition. From its Singapore base, the Group has extended across Malaysia, Vietnam, Indonesia, the Philippines, Thailand and Cambodia, with further reach into Brunei, Bangladesh, Myanmar, Hong Kong and Oman. Following a segment reorganisation in FY25, the business is reported across three segments:

The **Pharmaceutical & Medical Aesthetics** segment distributes branded specialty pharmaceuticals and medical aesthetics products under exclusive licences from principals across Europe, the US and Japan, spanning dermatology, neonatal and critical care, diagnostic imaging, surgical solutions, ENT and primary care. This segment now also houses the Group's fastest-growing entity: the Ardence Aesthetics clinic and injectables network, established in 2023 the stated rationale for renaming the segment from its prior "Specialty Pharma Principals" label.

The **Proprietary Brands segment** comprises products for which Hyphens holds intellectual property rights in full or by geography. These include dermatological franchises Ceradan and TDF, the Ocean Health supplement brand and CG 210 scalp care. FY25 saw the inclusion of Winlevi and VisioPro.

The **Medical Hypermart & Digital** segment operates the POM, POMACY and VietPOM procurement platforms serving over 25,000 healthcare providers across Singapore, Malaysia and Vietnam, building on Pan-Malayan's position as Singapore's longest-established pharmaceutical wholesaler.

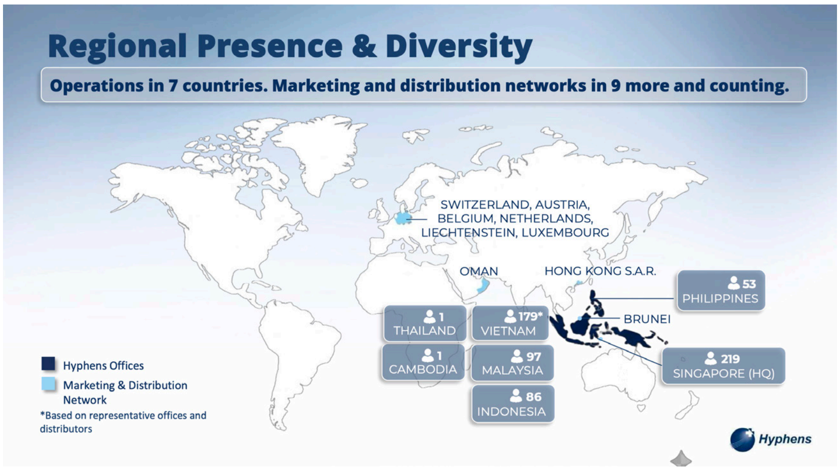
HYP's strategic direction rests on three pillars: deepening its proprietary and licensed portfolio in dermatology and aesthetics; diversifying geographically across ASEAN as it manages a structural slowdown in Vietnam; and consolidating full ownership of the Ardence aesthetics platform, its emerging third growth vector.

While the aesthetics business remains modest in scale relative to the Group's distribution and proprietary operations, it represents Hyphens' clearest avenue for margin-accretive expansion beyond its established base.

Product Portfolio and Distribution

- HYP has approximately 35 active product lines across three operating segments: Proprietary Brands, Medical Aesthetics (PMA), and Medical Hypermart & Digital. HYP has over 20 principal relationships spanning Japan, Germany, France, Italy, South Korea, Denmark, and Switzerland, alongside Hyphens' own in-house brands. The product portfolio separates into three tiers of ownership and revenue durability as laid out below.

Exhibit 3: Hyphens' Operational Map



Source: Hyphens, Lim & Tan Research

Core brands. Hyphens has the full IP/brand ownership on Ceradan, TDF, CG 210, and Ocean Health. Ceradan has been Hyphens' flagship dermatology brand since 2011, which includes a hand balm co-developed with A*STAR (patented pH-control technology). In January 2026, its Cerapro MED variant was out-licensed to Switzerland's Louis Widmer SA for six European markets. Through that, Hyphens collected an upfront fee, and will receive royalty on the product, the first outward monetisation of Hyphens' IP, instead of relying solely on inbound licensing. CG 210 rests on a patented botanical scalp-care formulation acquired in 2020. Ocean Health, a household supplements name in Singapore since the mid-2000s, has been extended into Malaysia, Indonesia, Vietnam, and the Gulf.

Importantly, these brands delivered standout FY25 results: Proprietary Brands revenue rose 33.1% YoY to S$36.7mln, though management has attributed only part of that growth to organic demand for Ceradan and Ocean Health (low-to-mid teens), with the balance coming from the reclassification of VisioPro and Fenosup into the segment rather than from underlying volume growth in the owned core itself.

Exhibit 4: Proprietary Brands

Source: Hyphens, Lim & Tan Research

Exclusive-licence. The bulk of Hyphens' product count sits in this tier, with exclusive agreements demonstrating business-development capability.

The Novem tail. Hyphens also operates a general distribution book through Novem Healthcare with over 150 products from more than 40 unnamed principals, serving over 1,000 institutional customers in Singapore's hospital, polyclinic, GP, and pharmacy channels. Although impressive at scale, we note that it is explicitly non-exclusive with institutional buying power protecting volume but not pricing power or margin. Two additional platforms deserve a separate mention. POM 5.0 is a B2B pharmaceutical procurement platform and WellAway is Singapore's first Health Sciences Authority-registered E-pharmacy. WellAway boasted "strong double-digit growth" in FY25, though the segment as a whole declined YoY (-9.8%).

Exhibit 5: Product Pipeline

Our Product Pipeline

Assets	Month signed	Therapeutic areas	Geography	Features/Benefits
Winlevi®	Dec 2022	Derma.	10 ASEAN countries	• First-in-class • New anti-acne treatment in 4 decades
Byfavo®	May 2023	G.I.*	Singapore	• Works faster and better safety profile
Wynzora®	Mar 2024	Derma.	10 ASEAN countries	• Patented technology • Unique cream formulation • Better efficacy • Better adherence
Amenalief®	Jun 2024	Derma.	10 ASEAN countries	• Significantly less dosing • Safer for renal dysfunction patients
Metoject®Pen	Mar 2025	Rheumatology and Dermatology	Singapore, Malaysia, the Philippines, and Vietnam	• Auto-injector PEN • Higher bioavailability and no inter-individual variability (vs oral MTX*) • Better tolerability- lesser GI side effects (vs oral MTX)

Source: Hyphens, Lim & Tan Research

Ardence Pharma Consolidation

Medical Aesthetics as an emerging third growth engine. On 29 April 2026, Hyphens completed Tranche 3 of its staged acquisition of Ardence Pharma Sdn Bhd, acquiring the final 18% stake for RM15.9mln (c.S$5.2 mln, paid from internal resources), bringing the group to 100% ownership. The transaction closes a three-year acquisition programme that began in November 2023, and Ardence Pharma is now a wholly-owned subsidiary.

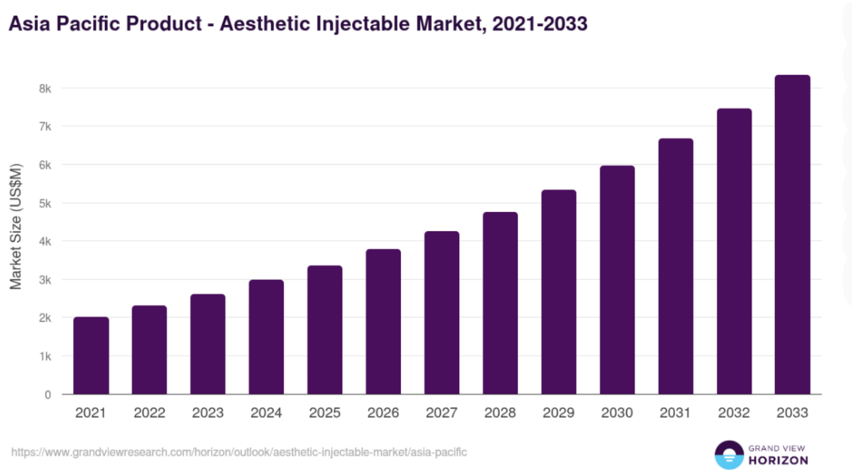
We note that this is particularly beneficial to Hyphens as they have now acquired full economic rights to a high-growth, high-margin business at a reasonable absolute cost, while retaining full operating control it has held since Tranche 1. Ardence Pharma generated S$9.4mln in revenue in FY25 (+31% YoY) and S$2.9mln in net profit (+22% YoY), implying a net margin of c.31%. Operating cash conversion was similarly strong at S$2.7mln, meaning the business is self-funding and additive to group cash flow from day one of full ownership.

Assessing pro forma metrics, the Tranche 3 acquisition would have lifted profit attributable to shareholders from S$5.8mln to S$6.4mln had it been completed on 1 January 2025, a 9.6% improvement to earnings. However, we note a dilution in NTA per share from 14.92¢ to 13.55¢, reflecting the gap between the S$5.2mln consideration paid and the S$1.0mln book value of the shares acquired, c.S$4.2mln in implicit goodwill on the final tranche. However, we must consider that Ardence's value lies in its earnings stream and not its balance sheet, the implied acquisition multiple is modest relative to the margin profile and growth trajectory.

The underlying business. Ardence Pharma is a Malaysian-incorporated boutique distributor specialising in medical aesthetics injectables and cosmeceuticals, operating across Singapore, Malaysia, Indonesia, and the Philippines. Its product portfolio centres on clinically substantiated injectables targeting aesthetic physicians and dermatology clinics. Importantly, as most of injectables require prescription or professional consultation, the segment experiences higher barriers to entry and more stable pricing than regular consumer-facing aesthetics channels.

The structural tailwind. Ardence, and now Hyphens, stands to gain from a growing market in Medical aesthetics in Southeast Asia. Three macro tailwinds point towards a growing sector: Rising disposable incomes across the ASEAN middle class, an increasing social normalisation of non-surgical aesthetic procedures, and a broadening addressable base. These put medical aesthetics and injectables among the fastest-growing sub-categories.

Exhibit 6: Injectables Market Data



Source: Grand View Research, Lim & Tan Research

As a result of the full ownership, we expect to see the residual NCI drag in prior years being eliminated moving forward (S$1.2mln in FY25), boosting reported attributable earnings and simplifying the group's capital structure. To calibrate expectations however, we would point out that Ardence only represents c.5% of group revenue. Further, in their annual report, Hyphens' internal DCF for goodwill impairment testing assumes 4% revenue growth for Ardence in FY26, a sharp de-rating from the 32% assumption used in the prior year.

Exhibit 7: Internal Ardence Projections

Ardence Pharma (Pharmaceutical and Medical Aesthetics)	2025	2024
Discounted cash flow method		
Estimated discount rates using post-tax rates that reflect current market assessments at the risks specific to the CGU	11.7%	11%
Revenue growth rates	4%	32%
Cash flow forecasts derived from most recent financial budgets and plans approved by management	5 years	5 years
Terminal growth rate	2%	2%

Source: Hyphens, Lim & Tan Research

We believe this reflects either conservative budgeting discipline or a genuine moderation in management's growth expectations for the business. Nevertheless, we still credit the quality of earnings: a c.31% NM business generating positive OCF is valuable even at current scale, and its contribution to group profitability is disproportionate to its revenue share.

Net, we view the Tranche 3 completion as a genuine addition to the investment case. While this is not a transformative re-rating event, it is a clean, capital-efficient step that removes uncertainty, improves earnings attribution, and positions the group to grow a high-margin vertical.

Director purchase analysis

Exhibit 8: Director purchases 2025-2026

Open-market share purchase 2025-2026				
Date	**Buyer**	**Shares**	**Consideration**	**Implied Price**
26-Feb-25	Dr Tan Kia King	44,000	$12,980.00	$0.30
18-Mar-25	Dr Tan Kia King	3,000	$870.00	$0.29
17-Apr-25	Dr Tan Kia King	88,000	$25,080.00	$0.29
14-May-25	Dr Tan Kia King	100,000	$28,500.00	$0.29
16-Jun-25	Dr Tan Kia King	33,600	$10,080.00	$0.30
21-Oct-25	Dr Tan Kia King	10,000	$3,550.00	$0.36
12-Dec-25	Dr Tan Kia King	40,000	$13,400.00	$0.34
2-Mar-26	Dr Tan Kia King	150,000	$49,500.00	$0.33
23-Mar-26	Mr Chan Kiat	30,000	$9,300.00	$0.31
24-Mar-26	Mr Chan Kiat	20,200	$6,262.00	$0.31
20-Apr-26	Mr Lim See Wah	40,000	$13,183.00	$0.33
18-May-26	Mr Lim See Wah	50,000	$16,351.50	$0.33
19-May-26	Mr Lim See Wah	230,000	$73,800.00	$0.32
2-Jun-26	Mr Lim See Wah	46,400	$15,080.00	$0.33
16-Jun-26	Mr Lim See Wah	150,000	$50,250.00	$0.34
Total		1,035,200	$328,186.50	
Average		69,013	$21,879.10	$0.32

Source: SGX, Lim & Tan Research

- From the beginning of 2025, three Directors made a combined fifteen open-market purchases totalling 1,035,200 shares for S$328,186 (average price S$0.32). The personal capital deployed by these individuals, when they already hold substantial stakes within the company, combined with the consistency of their transactions, is notable and validates our thesis.

Dr Tan Kia King (Non-Executive Director, Nominating Committee). With eight separate purchases from 26 February 2025 to 2 March 2026, spanning S$0.29 to S$0.36, Dr Tan's direct holding moved from roughly 58.0mln to 58.5mln shares (+468,600), a +0.81% increase against his pre-existing direct position; combined with deemed interests via nominee accounts, his total stake moved from 28.05% to roughly 28.2% of the company.

Mr Chan Kiat (Independent Director, Audit & Remuneration Committees). Two recorded purchases on 23 and 24 March 2026 totalling 50,200 shares, taking his holding from 120,000 to 170,200 shares: a +41.8% increase in his own position, the largest relative move of the three. Notably, Mr Chan Kiat is not a substantial shareholder, and has no operational role driving these purchases. We view an independent director materially increasing a small personal stake as a different kind of signal than a founder or executive topping up an already-large position. We believe that there is no compensation or empire-building angle to his purchases, making it all the more meaningful.

Mr Lim See Wah (Executive Chairman & CEO). Five recorded purchases from 20 April to 16 June 2026 totalling 516,400 shares (S$168,665). Prior to these trades, Mr Lim's entire stake of 147.7mln shares (47.8%) was held via deemed interest in Inomed Holding Pte Ltd. His most recent purchase, 150,000 shares on 16 June 2026 at S$0.34, is the most recent insider transaction in the dataset.

Through these transactions, we interpret a sustained insider confidence and increasing personal commitment across three separate insiders with three different relationships to the company, which is a broader base of conviction than just one insider buying repeatedly.

Apex Healthcare

We note a recent privatisation of Apex Healthcare as a validation of the value and attractiveness of the healthcare sector to institutional investors. Apex Healthcare Berhad (Bursa: AHEALTH) shares a similar business model to Hyphens, and was taken private earlier this year by a consortium led by Singapore-based healthcare private equity firm Quadria Capital. The vehicle, Pharmora Investment Holdings Pte Ltd, was funded by a consortium of co-investors including 65 Equity Partners, Employees Provident Fund and Silk Road Fund. The offer valued Apex at RM2.64 per share, valuing Apex's equity at c.RM1.90bln (c.S$617mln). It became unconditional in December 2025 and completed with a delisting from Bursa's Main Market in February 2026.

Acquirer rationale. Quadria framed the take-private as taking a large, cash-generating ASEAN pharmaceutical business private in order to reshape its product range and expand across the region, using Singapore as a base for further acquisitions. Notably, Hyphens sits in the same broad niche: a founder-controlled, net-cash ASEAN specialty pharma and distribution business.

Implied multiples. Apex's FY24 revenue was RM961.8mln (c.S$281mln) with PAT of RM76.5mln (c.S$22.4mln). At RM2.64, the offer valued Apex at c.24.7x its FY24 earnings, well above both its own c.14.7x three-year average and Malaysian peers nearer 12x. It also valued the company at c.2.3x book value (net assets of RM1.09 per share as at 30 September 2025). The independent adviser, Kenanga, judged the terms "fair and reasonable."

However, the premium over Apex's pre-bid share price was thin. RM2.64 was only c.0.8% above the last traded price of RM2.62, and c.16% above its average traded price over the prior year (RM2.28). In other words, buyers paid only a small step-up over the market. We note that the multiple looks high mainly because Apex's shares were already trading at a rich, thinly-traded valuation, not because the consortium paid a large mark-up.

Exhibit 9: Hyphens-Apex Comparison

Metric	Hyphens (FY25)	Apex (FY24)
Revenue (S$mln)[1]	177.4	281.0
Reported net profit (S$mln)[1]	5.8	22.4
P/B (x)[2]	1.5	2.3
P/E trailing (x)[2]	19.1	24.7
P/E forward (x)[2]	10.4	NA

[1] *revenue and reported net profit used average exchange rate for the period.*

[2] *P/B and P/E multiples derived using the period-end exchange rate.*

Source: Lim & Tan Research

We would caution against reading the precedent transaction as a clean read-through for two reasons.

1) Quadria is a private-equity buyer that aims to improve Apex and sell it on later; its price therefore says less about Apex's strategic worth to an operator than a trade sale would.

2) Apex owns its manufacturing (its Xepa generics plants) and so carries real factory assets on its balance sheet, whereas Hyphens is more asset light.

Net, the Apex take-private supports the broader case that founder-controlled ASEAN specialty-pharma businesses can be bought out at prices well above where they trade publicly, and it confirms private-equity appetite for the sub-sector. But Apex's specific multiples are shaped by a founder rollover, a prior relationship with the buyer and a heavier asset base. They should be discounted before being applied to Hyphens, and do not imply a bid is imminent.

Peer Valuation

Comparing Hyphens to its peers in the pharmaceutical space, Hyphens screens at a notable discount on multiple metrics. Forward P/E came in at 10.4x for FY27, compared to a peer average of 12.3x. Forward EV/EBITDA and P/B show similar discounts relative to peers, screening at 5.2x compared to 7.5x, and 1.2x compared to 1.7x respectively. While current dividend yields sit at c.4.2%, we note that this will likely improve in the coming years, placing Hyphens' dividend yield well above the peer group average.

Exhibit 10: Comps Table

Name	Market Cap (S$bn)	Stock Perf YTD%	PE (x)	Forward PE(x)	EPS Growth (1yr)	EPS Growth (2yr)	EV/ EBITDA fwd(x)	P/B(x)	ROE	Div Yield
HYPHENS PHARMA INTERNATIONAL	**0.1**	**3.1%**	**19.1**	**10.4**	**5%**	**6%**	**5.2**	**1.2**	**12%**	**4.2%**
MEGA LIFESCIENCES PCL	1.2	5.2%	14.9	13.4	12%	7%	8.1	2.9	20%	4.5%
DUOPHARMA BIOTECH BHD	0.4	-4.0%	12.5	11.2	18%	7%	6.9	1.5	13%	3.8%
Y.S.P.SOUTHEAST ASIA HOLDING	0.1	0.0%	12.6	NA	--	--	NA	0.7	6%	5.2%
Median	**0.4**	**0.0%**	**12.6**	**12.3**	**15%**	**7%**	**7.5**	**1.5**	**13%**	**5%**
Average	**0.5**	**0.4%**	**13.3**	**12.3**	**15%**	**7%**	**7.5**	**1.7**	**13%**	**5%**

Source: Hyphens, Lim & Tan Research

Valuation

Using a relative valuation approach, we derive a fair value of S$0.44 for Hyphens by applying peer-average blend of multiples. This FV target was triangulated across forward P/E (12.3x), EV/EBITDA (7.5x) and P/B (1.7x). The three methods cluster tightly at S$0.409, S$0.438 and S$0.456 respectively, implying 23.9% upside to the last price of S$0.355.

Our investment case rests on both the normalisation of other OpEx, and a strong, management-guided growth in their reported segments. FY25 earnings absorbed c.S$2.8mln of foreign-exchange losses and c.S$3.9mln of inventory-obsolescence provisions (Vietnam), which we treat as non-recurring. Our FY27F assumes group EBITDA rebuilds to c.S$15.7mln on low-single-digit revenue growth, and EPS recovers to c.3.32¢. However, we must caution that our peer-set is weighted primarily toward integrated manufacturers whose capital intensity and margin structure differ from Hyphens' asset-light distribution and in-licensing model. Hyphens' closest peer, Apex Healthcare, was taken private in February 2026 at a control premium and is excluded.

We thus initiate a BUY rating on Hyphens with a 12-month target price of S$0.44. We like 1) Hyphens' healthy growth and expansion into a large aesthetics market, 2) their balance sheet with low interest-bearing debt, and 3) their relative discount to comparable peers.

Exhibit 11: Valuation Table

Methodology	Peer Avg Multiple	Hyphens Metric (FY27F)	Implied Price (S$)
Forward P / E	12.3x	0.03	0.41
EV / EBITDA (fwd)	7.5x	15.72	0.44
P / B	1.7x	0.27	0.46
Average implied price			**0.44**
Current price (last)			0.355
Implied upside / (downside)			**23.9%**

Source: Hyphens, Lim & Tan Research

Financial Review

Exhibit 12: Balance Sheet Analysis and Projections

Balance Sheet Health	FY23	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	23.4	23.4	26.8	25.4	26.5	28.6
Bank debt	(3.2)	(11.0)	(7.5)	(6.4)	(4.9)	(3.8)
Lease liabilities	(3.6)	(3.1)	(1.9)	(1.9)	(1.9)	(1.9)
Gross interest-bearing debt	**(6.8)**	**(14.1)**	**(9.4)**	**(8.3)**	**(6.8)**	**(5.7)**
Net cash	**16.5**	**9.3**	**17.4**	**17.1**	**19.7**	**22.9**
Net cash ex-leases	20.1	12.4	19.3	19.0	21.6	24.8

Source: Hyphens, Lim & Tan Research

- Given Hyphens' uniquely strong balance sheet, we provide an analysis into their historical performance, as well as a brief commentary on our future projections.

Hyphens finished FY25 with a net cash position of S$17.4mln, up from S$9.3mln in FY24, and back above S$16.5mln in FY23. We note that FY24 net cash dip was primarily due to the S$9.0mln drawn on a new short-term revolving facility to fund working capital and dividend outflows.

We note also the two term loans that comprise the total loans. In FY25, Term Loan 1 (S$5.0mln SORA+2.5%) was retired in full during the year, and the revolver was cut from S$9.0mln to S$3.8mln. Against that, Hyphens drew a new Term Loan 2 of S$3.0mln (SORA+1.25%, interest only till Oct '26). Net, gross debt fell from S$14.1mln to S$9.4mln, part of that improvement is a lower-cost facility replacing a higher-cost one rather than pure deleveraging.

Moving forward, we project Hyphens' net cash balance sheet position to continue, and note that further loans will be primarily used to fund working capital.

Exhibit 13: Income Statement Analysis and Projections

Income Statement	FY23	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**170.6**	**195.4**	**177.4**	**183.2**	**193.9**	**205.4**
YoY growth		14.6%	(9.2%)	3.3%	5.8%	5.9%
Pharma & Medical Aesthetics	102.2	124.3	101.3	103.0	108.3	113.7
% of revenue	59.9%	63.6%	57.1%	56.2%	55.8%	55.4%
YoY growth		21.6%	(18.4%)	1.7%	5.1%	5.1%
Hypermart & Digital	42.8	43.6	39.4	38.5	39.3	40.1
% of revenue	25.1%	22.3%	22.2%	21.0%	20.3%	19.5%
YoY growth		2.1%	(9.8%)	(2.2%)	2.0%	2.0%
Proprietary Brands	25.7	27.6	36.7	41.6	46.4	51.6
% of revenue	15.0%	14.1%	20.7%	22.7%	23.9%	25.1%
YoY growth		7.4%	33.1%	13.6%	11.3%	11.3%
Gross Profit	**61.9**	**69.5**	**72.2**	**76.9**	**81.4**	**86.2**
GP margin	36.3%	35.6%	40.7%	42.0%	42.0%	42.0%
YoY growth		12.3%	3.8%	6.5%	5.8%	5.9%
Other operating expenses [1]	2.3	1.7	7.6	3.7	3.9	4.1
% of revenue	1.4%	0.9%	4.3%	2.0%	2.0%	2.0%
Net Profit	**8.6**	**10.2**	**5.8**	**10.0**	**10.5**	**11.1**
Net margin	5.0%	5.2%	3.3%	5.4%	5.4%	5.4%
YoY growth		19.0%	(42.7%)	70.4%	4.9%	5.8%
Adj. Net Profit (ex-Other OpEx) [2]	**10.4**	**11.6**	**11.6**	**13.0**	**13.7**	**14.5**
Adj. net margin	6.1%	5.9%	6.5%	7.1%	7.0%	7.0%

[1] *Other OpEx incl. inventory write-offs/writedowns and FX translation losses (non-recurring in nature)*

[2] *Adj. NP = Reported NP + Other OpEx net of effective tax rate; FY26F–FY28F reflect a modelled normalised level at 2% of revenue*

Source: Hyphens, Lim & Tan Research

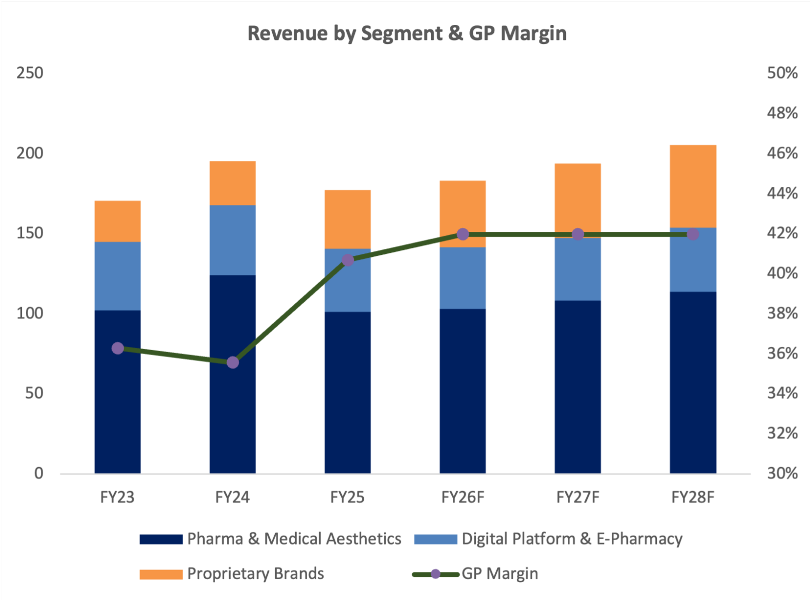
In FY25, revenue fell 9.2% to S$177.4mln driven primarily by Pharmaceutical & Medical Aesthetics (formerly Specialty Pharma Principals, the largest segment, 57.1% of revenue) dropping 18.4%. Softer Vietnam performance and the reclassification of VisioPro® and Fenosup® out of this segment and into Proprietary Brands were the main contributors to the decline.

We see healthy growth for the Proprietary Brands segment, guided by management's guidance in the annual report of low- to mid-teens organic growth in the coming future. Medical Hypermart & Digital was laggard however, down 9.8%, described in the AR as a deliberate portfolio-mix decision.

Notably, the portfolio optimisation decision is reflected in gross margins. Gross profit actually rose 3.8% to a record S$72.2mln even as revenue fell, because margin expanded 510bp to 40.7%. Proprietary Brands carry materially better margins than the distributed Specialty Pharma book, so a shrinking top line with a higher-margin mix has yielded better core margins for Hyphens.

Hyphens reported significantly weaker net profit for FY25 due to the surge in Other OpEx, from S$1.7mln (FY24) to S$7.6mln (FY25).

Exhibit 14: Revenue Analysis and Projection



Source: Hyphens, Lim & Tan Research

"Other losses increased to S$7.6 million in FY2025 from S$1.7 million in FY2024. The rise was mainly attributable to foreign exchange losses of S$2.8 million arising from a strengthened EUR coupled with weakened IDR, PHP and VND, stock provisions and write-offs of S$3.9 million largely related to excess Sterimar® inventory built up in FY2024, a provision on other receivables of S$0.6 million linked to a loan to the VietPOM business, and a fair value reduction of S$0.3 million on derivative instruments in relation to the exercise of Tranche 2 of Ardence Pharma acquisition."

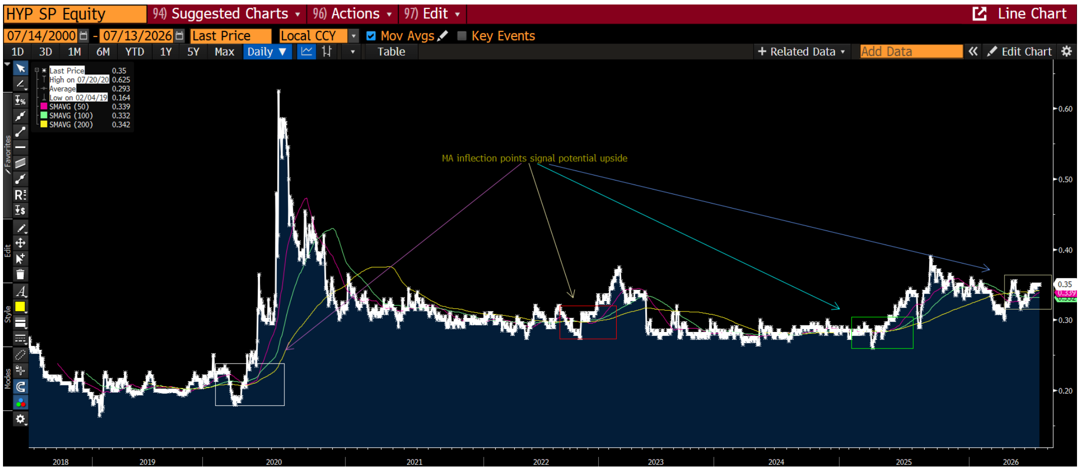
Every itemised Other OpEx was either non-cash, a cleanup of a prior-year decision, or a one-off provision tied to a specific receivable. As such, we do not view any of these as a recurring cost of doing business at current run-rate.

We forecast modest and steady growth for the near-term. With the normalisation of Other OpEx, we believe that a steady growth in the top-line will translate to a significant boost to the bottom-line.

HYPHENS PHARMA

Technical Analysis

Exhibit 15: Charting



Source: Bloomberg, Lim & Tan Research

Currently trading at S$0.355, Hyphens is above all three key moving averages, with the 50-day having recently crossed back above the 100-day to form a short-term bullish alignment. We view this as a meaningful signal for two reasons:

First, the three averages are unusually tightly bunched, within a roughly 3% band, this reflects an extended period of price consolidation. As such, a breakout above a converged cluster of moving averages of this kind tends to carry more technical significance than one occurring against widely dispersed averages, as it suggests the stock is clearing its entire recent trading range simultaneously rather than merely outrunning a single short-term measure.

Second, we regard the close above the 200-day moving average as the more consequential of the crossovers observed, given that the shorter-dated 50/100-day cross is more susceptible to weekly volatility of approximately 4%. Should price sustain a level above S$0.342 over the coming sessions, we would view this as the stronger confirmation of a genuine shift in trend rather than short-term noise.

We would nonetheless caution that Hyphens is a low-liquidity name that has traded largely within a S$0.25–0.36 range over the past four years, and a moving-average alignment of this nature can reverse quickly in the absence of volume confirmation. We would look for sustained trading above the 200-day average, ideally accompanied by higher turnover, before treating this as evidence of a durable technical regime change.

HYPHENS PHARMA

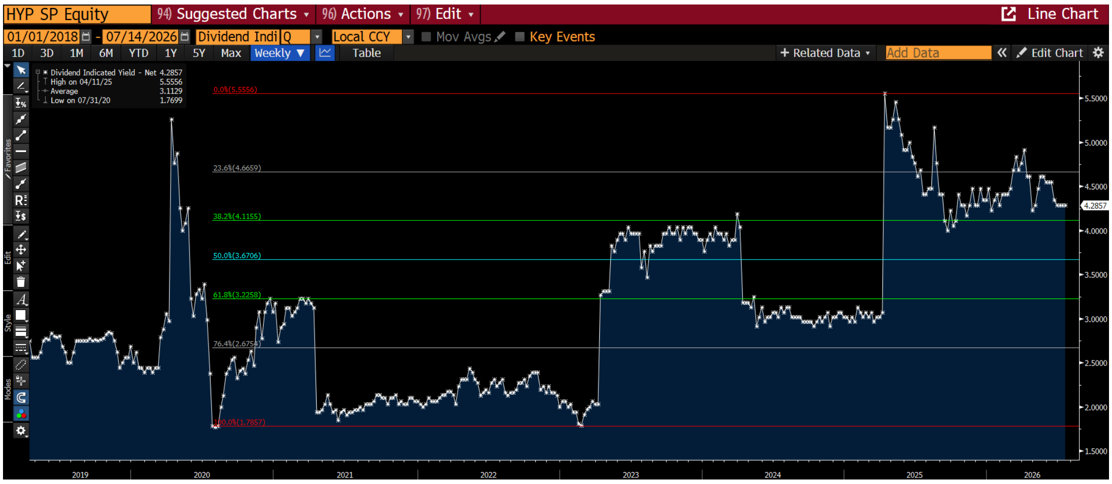
Exhibit 16: Charting

Source: Bloomberg, Lim & Tan Research

Hyphens has also spent six years compressing into a symmetrical triangle, with price action bounded by a descending trendline off the 2020 spike high and a rising trendline connecting successive higher lows since 2022. The range has narrowed from roughly S$0.60+ in 2020 to a tight S$0.30-0.355 band currently, with price now trading close to the apex of the pattern.

Pairing technical analysis with our fundamentals view of Hyphens, we believe that Hyphens is in a good position to break out of its recent trading range, supported by both fundamental improvement, and technical price consolidation.

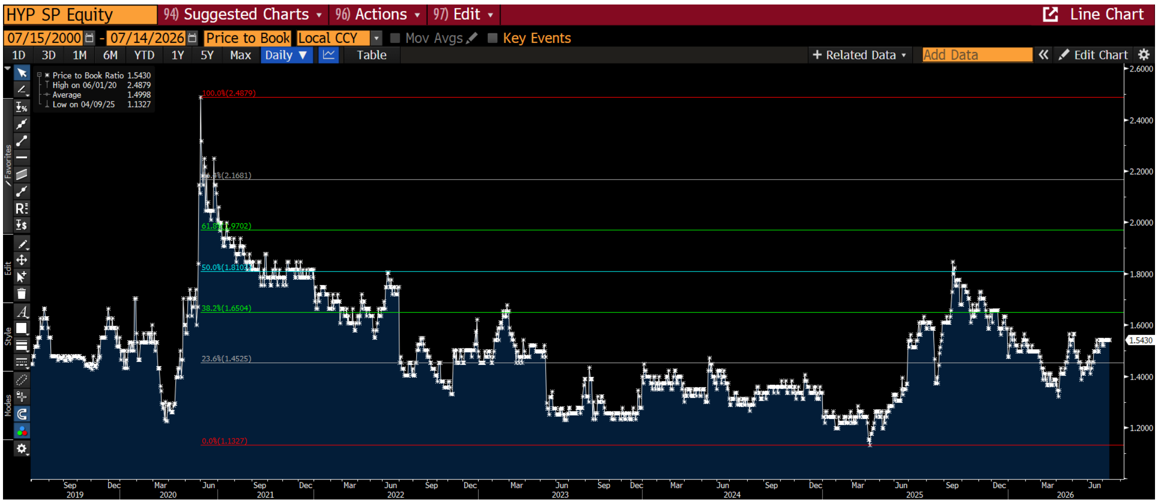
Exhibit 17: Charting



Source: Bloomberg, Lim & Tan Research

HYPHENS PHARMA

Exhibit 18: Charting



Source: Bloomberg, Lim & Tan Research

- Hyphens' current price to book of 1.5x is trading below its historical average mean of 1.8x while its dividend yield of 4.2% is above its historical mean of 3.4%. As Hyphens' underlying fundamentals show good improvements going forward, mean reversions for both price to book and dividend yield metrics could see good chances of share price appreciation of between 20-30% from current price levels of 35.5¢.

Risks

- Foreign exchange risk was a big drag on FY25 earnings. Net foreign exchange translation losses widened roughly eight-fold, from S$0.35mln in FY24 to S$2.76mln in FY25 (Note 26, AR2025), with S$2.0mln of that concentrated in the first half against S$0.8mln in 1H2024 (1H2025 results, p.24). FX risk clusters on three broad categories:

  Transaction (remeasurement exposure). Foreign-currency monetary balances such as EUR payables and borrowings are held by SGD-functional entities. Any remeasurement gains or losses are realised on settlement and revalued at the end of the period.

  Economic / operating exposure. Hyphens procures a substantial inventory from European principals in EUR while earning the bulk of revenue in local ASEAN currencies (1H2025 results, p.27). As EUR appreciates, the SGD cost of EUR-sourced product rises, compressing gross margin on affected lines. This effect, however, sits within COGS and not on the FX line.

  Translation exposure (OCI). As Hyphens has foreign subsidiaries, translating their financial statements into the SGD presentation currency produces a movement booked to the foreign currency translation reserve within OCI. This bypasses net income and EPS, and at S$0.882mln is fairly immaterial.

  Hyphens' balance sheet is exposed to FX risks as it is dominated by net EUR liabilities. In FY25, the group carried EUR financial liabilities of S$10.1mln against EUR assets of S$3.1mln, a net EUR liability of S$7.0mln, more than triple the S$2.2mln a year earlier (Note 25G, AR2025). The USD position has been de-risked to roughly flat (net S$0.03mln, from a S$5.9mln net liability in FY24).

  Most importantly, while Hyphens hedges FX risk, hedges are not perfect. We caution that while FX sensitivity was disclosed in the Notes, we observe that FY25's realised FX loss of S$2.76mln was 3.94x the S$0.70mln implied by the disclosed 10% sensitivity on Hyphens' S$7mln net EUR exposure. We believe this is due to the disclosure measuring sensitivity at a single point in time, while realised losses accumulate over flows throughout the year. Historically, however, the realised forex losses averaged around 0.93% of COGS, normalised over a 5-year period. As such, we treat this as the base case, and present our FX sensitivity table below. More granular analysis and calculations can be found in the appendix.

HYPHENS PHARMA

Exhibit 19: FX Sensitivity

EUR/SGD move	FY27E EPS (SGD cents)	Change vs base	Implied TP (S$)	Upside vs S$0.355
(10.0%)	3.60	+8.3%	0.446	+25.6%
(5.0%)	3.46	+4.1%	0.440	+24.0%
0.0%	**3.32**	**-**	**0.435**	**+22.4%**
+5.0%	3.18	(4.1%)	0.429	+20.8%
+10.0%	3.05	(8.3%)	0.423	+19.2%

Note: Headline TP rounded to 2dp

Source: Lim & Tan Research

Major Shareholders and Notable Transactions

Exhibit 20: Major Shareholders

Holder	Position	Latest Chg	File Date	% out
Inomed Holding Pte Ltd	147,656,441	160,000	21/4/26	47.803
Tan Kia King	87,104,359	150,000	10/4/26	28.2
Horizon Investment Programme	4,000,400	0	31/12/25	1.3
Lim See Wah	1,046,400	150,000	16/6/26	0.34
Chan Kiat	170,200	50,200	10/4/26	0.055

Source: Bloomberg, Lim & Tan Research

- Hyphens maintains a highly consolidated and founder-led shareholding structure, with insiders directly controlling over 76% of the company's total outstanding shares. Inomed Holdings Pte Ltd is solely owned by Mr Lim See Wah. In addition to the deemed interest through Inomed, Mr Lim has also been purchasing shares in the open market, bringing his current direct stake to 0.16% of the shares outstanding. Mr Tan Kia King has also been buying up shares, holding a significant 28.2% of the total shares outstanding. Horizon Investment Programme (Amova Asset Management) provides a small validation from institutional money.

Appendix

Exhibit 21: Forecast FX Sensitivity (FY2026E–FY2028E)

S$m	FY26E	FY27E	FY28E
Net profit	9.96	10.45	11.06
COGS	106.3	112.5	119.2
Base diluted EPS (SGD cents)	3.16	3.32	3.51
Effective EUR exposure (flow basis)	*9.9*	*10.4*	*11.1*
Disclosed EUR exposure (floor)	7.1	7.5	7.9

Source: Lim & Tan Research

Exhibit 22: Resulting Diluted EPS

EUR/SGD move	FY26E	FY27E	FY28E
(10.0%)	3.42	3.60	3.81
(5.0%)	3.29	3.46	3.66
0.0%	**3.16**	**3.32**	**3.51**
+5.0%	3.03	3.18	3.37
+10.0%	2.90	3.05	3.22
Δ EPS at +10% EUR — effective basis	*(8.2%)*	*(8.3%)*	*(8.3%)*
Δ EPS at +10% EUR — disclosed basis (floor)	(5.9%)	(5.9%)	(6.0%)

Source: Lim & Tan Research

Exhibit 23: Key Management

Key Management		
Lim See Wah	Executive Chairman & CEO	Founder of Hyphens since September 1998; initiated the acquisition of Pan-Malayan Pharmaceuticals (1998) and Hyphens (2002); led the group through its 2018 SGX listing. Appointed Executive Director 12 Dec 2017. 25+ years in pharma. BSc (Pharmacy) Hons, NUS (1992); Grad Dip Business Administration, SIM (1994); Wharton executive programme (2017); Stanford GSB Enterprise Scale-Up SG Programme (2022).
Yann Marche	COO	Oversees Specialty Pharma Principals and Proprietary Brands segments. Joined 2019 with 27+ years in global pharma (dermatology, rheumatology, aesthetics). 18 years at Galderma, rising to VP Latin America; most recently Senior COO at Laboratoires Expanscience (50+ countries, 16 subsidiaries). Doctor of Pharmacy, Université de Paris V; Wharton (2007); CEDEP-INSEAD (1996).
Flora Zhang	CFO	Runs finance, accounting, compliance, corporate governance, digital transformation. Joined 2023. Career started at PwC; 16+ years senior finance roles across Singapore, UK, Greater China, Indonesia, Thailand, Vietnam. Immediately prior: CFO, TVM Capital Healthcare Partners; before that, Finance Director, Good Doctor Technology (Ping An/Grab/SoftBank JV). BAcc, NTU; Fellow, ICAEW.
Leonard Chiu	CTO (Hyphens) / COO (DocMed)	Dual mandate: group tech strategy (CTO) and DocMed Technology day-to-day operations (COO). No disclosed prior pharma/corporate experience or join date. Background in Civil Engineering (Singapore Polytechnic). Bio leans on civic credentials — Citizens' Consultative Committee Chairman, Public Service Medal (2019), Public Service Star (2024).
Irene Hsu	CCO	Appointed Chief Commercial Officer 2 Jan 2026; leads group commercial strategy across all markets. ~23 years in global pharma commercial leadership. Immediately prior: VP & General Manager (China), Amgen (2021–24); earlier General Manager (Taiwan), Roche Pharma (2017–21); and 15 years at Janssen (2002–17), rising to VP / Disease Area Commercial Leader for rheumatoid arthritis & psoriasis.
Jason Yeo	MD, Pan-Malayan Pharmaceuticals and Novem	Joined 2002, longest-serving of the operational management team at 24 years. Rose through sales & marketing management to Regional/General Manager, Hyphens Pharma (Singapore), before current role. BSc (Hons) Business & Management Studies, University of Bradford.
Stella Ang	Head, Regulatory Affairs	Runs regulatory affairs and pharmacovigilance. Joined 1997 — longest tenure of the seven at 29 years. Previously pharmacist, Singapore General Hospital. Regulatory experience spans ASEAN across therapeutic products, medical devices, cosmetics, complementary medicine. Registered Pharmacist; BSc (Pharm), NUS.

Source: Hyphens, Lim & Tan Research

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