Hyphens Pharma International Ltd

Carefully building up platform and products

24 August 2026

BUY (Maintained)

LAST CLOSE PRICE	SGD 0.365
FORECAST DIV	SGD 0.0160
TARGET PRICE	SGD 0.460
TOTAL RETURN	30.4%

COMPANY DATA

BLOOMBERG CODE	HYP SP
O/S SHARES (MN) :	309
MARKET CAP (USD mn / SGD mn) :	88.8 / 112.8
52 - WK HI/LO (SGD) :	0.395 / 0.300
3M Average Daily T/O (mn) :	0.15

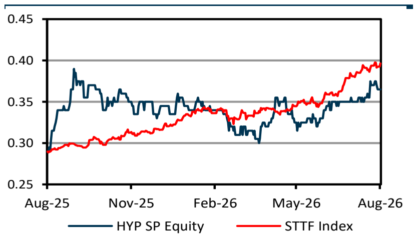
MAJOR SHAREHOLDERS

Inomed Holding Pte Ltd	47.9%
Tan Kia King	28.2%

TOTAL PERFORMANCE

	1MTH	3MTH	YTD
COMPANY	4.3	14.1	13.8
STTF	4.4	13.8	26.3

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, (S$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)	10.2	10.3	9.2	8.6
P/B (x)	1.5	1.6	1.4	1.3
Div Yield	4.1%	4.1%	4.4%	4.4%
ROE - adj.	15.7%	14.9%	15.9%	15.4%

Source: Company Data

VALUATION METHOD

DCF @ WACC = 8.7%, g =2.0%

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SINGAPORE | HEALTHCARE | 1H26 RESULTS

- 1H26 revenue/adj.PATMI were within expectations at 48%/42% of our FY26e forecast. We expect stronger 2H26 earnings. 1H26 adj. PATMI was lower by 11% YoY due to higher distribution costs driven by increased promotional and staff costs.
- 1H26 revenue was largely flat at S$89.1mn. Gross margins expanded by almost 3 percentage points from the discontinuation of lower-margin products such as Physiolac. However, higher advertising and employee expenses offset these gross profit gains.
- We maintain our FY26e forecast and BUY recommendation. We raised our target price to S$0.46 (prev. S$0.40) after lowering our DCF risk assumptions. Hyphens is building the breadth and scale of its products. However, this leads to higher upfront investments in employee, marketing and research costs. Some of the key growth products are Cerapro MED (atopic dermatitis), Winlevi (anti-acne), Ceradan (skin repair) and D-Cure (Vit. D). Hyphens trades at an attractive 9x PE, with net cash of $23mn.

Results at a glance

SGD '000	1H26	1H25	YoY	Comments
Revenue	89,065	89,546	-0.5%	
- Specialty pharma	48,906	51,688	-5.4%	Wind down Vivomixx to Visiopro (prop. Brand).
- Proprietary brands	20,590	17,458	17.9%	Growth of Visiopro, Winlevi, Ceradan.
- Medical hypermart	19,569	20,400	-4.1%	
Gross profit	37,651	35,319	6.6%	GP margin jump2.8% pts to 42.3%.
Distribution costs	(21,845)	(19,845)	10.1%	Higher A&P (+S$1.1mn) and staff cost (S$1mn).
Administrative expenses	(8,080)	(7,867)	2.7%	R&D cost of S$311k.
EBITDA	8,087	4,545	77.9%	
- Specialty pharma	7,044	3,890	81.1%	Inventory obsolescence 1H26:S$146k (1H25: S$2.1mn).
- Proprietary brands	2,223	2,614	-15.0%	
- Medical hypermart	84	227	-63.0%	
PATMI	4,353	1,682	158.8%	
Adjusted PATMI	5,171	5,824	-11.2%	Excl. FX translation and inventory allow.

Source: Company, PSR

The Positive

+ Record gross margins. GP margin improved 2.8 percentage points to a record 42.3%. This drove gross profit up 6.6% to S$37.6mn. The focus on higher-margin products supported margin expansion. The highest-margin products are prescription drugs under speciality pharma.

The Negative

- Higher operating expenses. Operating expenses climbed 8% to S$30mn (or + S$2.2mn). It offset the S$2.3mn increase in gross profit. The additional investments in marketing (S$1.1mn) and staff costs (+S$1mn) pulled down operating profit.

Outlook

We expect growth in 2H26 to be driven by key products Cerapro MED (atopic dermatitis), Winlevi (anti-acne), Ceradan (skin repair) and D-Cure (Vit. D). The near-term swing in earnings depends on the investments in people, research and marketing. There is a continuous balance between growth and investments. Winlevi is an FDA-approved drug with a unique solution for addressing all four comprehensive causes of acne. Registration in new countries such as Vietnam, the Philippines and Thailand will be an added driver of growth. Cerapro MED will be gradually rolled out across Europe to recognise royalties and commissions. Medical aesthetics in Singapore and Malaysia could face more competition.

Maintain BUY with higher TP of S$0.46 (prev. 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

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**

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	3,942	4,456	3,525	2,208
Working capital changes	(4,241)	(14,487)	8,660	(5,427)	(7,480)
Operating cash flow	8,244	2,414	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**	**59**	**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)**
CFF					
Share capital	-	(85)	(2)	-	-
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**	**(10,716)**	**(4,870)**	**(4,942)**
Net change in cash	**(13,111)**	**50**	**3,414**	**4,979**	**2,368**
CCE, end	**23,369**	**23,419**	**26,834**	**31,813**	**34,182**

Source: Company, PSR Estimates

Valuation Ratios

Y/E Dec	FY23	FY24	FY25	FY26e	FY27e
P/E (x) - adjusted	11.0	10.2	10.3	9.2	8.6
P/B (x)	1.7	1.5	1.6	1.4	1.3
EV/EBITDA (x)	6.6	5.4	7.5	4.2	4.2
Dividend Yield	12.2%	4.1%	4.1%	4.4%	4.4%

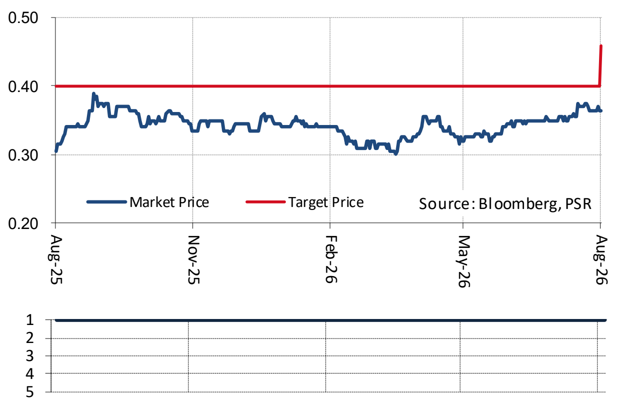
Growth & Margins

	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	15.1%	15.7%	14.9%	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

Ratings History



PSR Rating System

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
<-20%	Sell	5

Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation.

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