



Hyphens

Hyphens Pharma International Limited

Results Briefing 1Q2020



HYPHENS PHARMA INTL LTD (SGX: 1J5)

DISCLAIMER

This presentation has been prepared by Hyphens Pharma International Limited (the "**Company**") and, together with its subsidiaries, the "**Group**").

This content in this presentation is being furnished to you on a confidential basis and solely for your information and neither this presentation nor any part thereof may be (i) used or relied upon by any other party or for any other purpose; (ii) copied, photocopied, duplicated, photographed or otherwise reproduced in any form or by any means; or (iii) redistributed, passed on or otherwise disseminated or quoted, directly or indirectly, to any person either in your organisation or elsewhere.

None of the Company, DBS Bank Ltd. (the "**Sponsor**") nor any of their respective affiliates, advisors and representatives makes any representation regarding, or assumes any responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of the content in this presentation.

By attending or viewing all or part of this presentation, you:

- represent and warrant that you are lawfully able to receive this presentation under the laws of the jurisdiction in which you are located and all other applicable laws;
- agree to be bound by the limitations and restrictions described herein; and
- agree to maintain confidentiality regarding the information disclosed in this presentation and to continue to adhere to all applicable securities and insider trading rules and laws in any jurisdiction at all times.

This presentation does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities in Singapore or any other jurisdiction nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

The information in this presentation is a summary only and does not purport to contain all of the information that may be required to evaluate the Company or any potential transaction. Any potential transaction could be made available to you in accordance with applicable laws and regulations, including the distribution of any required documents for such potential transaction and such documents will supersede all prior information provided to you, herein or otherwise. Information in this presentation is qualified in its entirety by reference to an offering document for any potential transaction, if it proceeds.

None of the Company, the Sponsor, and any of their respective holding companies, subsidiaries, associated undertakings, controlling persons, affiliates, and any of their respective directors, officers, partners, employees, agents, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. It is not the intention to provide, and you may not rely on the content of this presentation as providing, a complete or comprehensive analysis of the Company's or the Group's financial or trading position or prospects. The information and opinions contained in this presentation is provided as at the date hereof (unless otherwise indicated) and are subject to change without notice. This presentation may not contain all material information concerning the Company or the Group.

The information contained in this presentation has not been independently verified. The accuracy and completeness of the information and opinions in this presentation is not guaranteed and no representation or warranty, expressed or implied, is made as to, and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness or correctness of the information, opinions or assumptions contained herein. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice. None of the Sponsor and its subsidiaries or affiliates has independently verified, approved or endorsed the material herein.

The information in this presentation includes: historical information about and relevant to the Group that should not be regarded as an indication of the future performance of the Group or the value of the shares of the Company. This presentation also contains forward-looking statements that may be identified by their use of words like "plans", "expects", "will", "anticipates", "believes", "intends", "depends", "projects", "estimates" or other words of similar meaning and that involve assumptions, risks and uncertainties. All statements that address expectations or projections about the future and all statements other than statements of historical facts included in this presentation, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations of future events regarding the Group's present and future business strategies and the environment in which the Group will operate, and must be read together with those assumptions. No assurance or guarantee is given that these assumptions and expectations are accurate or will be realised. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These risks, uncertainties and assumptions include, without limitation, general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other entities, shifts in customer demand, customers and partners, changes in operating expenses including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Group. Past performance is not necessarily indicative of future performance. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view of future events. None of the Company and the Sponsor, their respective affiliates and their respective agents assumes any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Neither this presentation nor any of its content may be used without the prior written consent of the Company and the Sponsor. Any forwarding, distribution or reproduction of the information in this presentation electronically or otherwise, in whole or in part, is unauthorised.



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





BUSINESS HIGHLIGHTS

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

Hyphens

This slide features a dark blue header with the text "BUSINESS HIGHLIGHTS" in white. To the right of the text is a cluster of white and dark blue plus signs of varying sizes. The background is a light gray gradient. At the bottom, there is a dark blue footer containing a white plus sign icon, the text "Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group", and the "Hyphens" logo.



OUR STRATEGIC FOCUS

**ASEAN's Leading Pharmaceuticals
& Consumer Healthcare Group**

**Long-term goal:
Asia's No. 1 Skin Health Company**

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

Hyphens

This slide has a light gray gradient background. At the top left, it says "OUR STRATEGIC FOCUS" in blue. Below this, there are two colored boxes: a light blue box containing the text "ASEAN's Leading Pharmaceuticals & Consumer Healthcare Group" and a light green box containing the text "Long-term goal: Asia's No. 1 Skin Health Company". The bottom of the slide features a dark blue footer with a white plus sign icon, the text "Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group", and the "Hyphens" logo.

IMPACT FROM COVID-19

- **Impact on operations**
 - Continued to operate as part of essential services
 - Increase in supply lead time and freight costs
- **Impact on financial position**
 - Strong cash position and operating cash inflow
 - Good position to seize opportunities
- **Pledging support**
 - Committing S\$150k to support frontline healthcare professionals & donations to marginalised communities affected by COVID-19 pandemic

“ COVID-19 has created a challenging operating environment. We will remain agile and to adapt to a different operating environment...”



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



GOING DIGITAL

 Ceradan®



are now available on









Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



GOING DIGITAL

Well liked by consumers

Ceradan SG Official Store
Active 18 minutes ago
Followers 37 | Following 2

☆ Rating: **5.0 out of 5** (16 Ratings)

Chat performance: **94%**

Sterimar Official Store
Active 5 minutes ago
Followers 183 | Following 2

☆ Rating: **4.8 out of 5** (40 Ratings)

Chat performance: **82%**

Ceradan uses a skin-equivalent ratio of ceramide to rebuild your skin's protection. [See More](#)

STÉRIMAR unblocks your baby's stuffy nose.

Welcome to Sterimar Official Store on Shopee! We are the exclusive and authorized distributor for Sterimar. Only make your purchase from our official store so as to get proper product guarantee and return/exchange policy.

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

GOING DIGITAL

Engaging medical professionals

MATHS PUZZLE

CAN YOU SOLVE THE PUZZLE?

$3 \text{ Ceradan products} = 9000$
 $2 \text{ Ceradan products} + 1 \text{ virus} = 3400$
 $1 \text{ Ceradan product} + 2 \text{ viruses} = 286$
 $1 \text{ Ceradan product} - 1 \text{ virus} = ?$

Ceradan
Hyphens Malaysia

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

4

GOING DIGITAL

Introducing brand new Ceradan website www.ceradan.com

Ceradan® Range
Rebuild Your Skin's Protective Barrier
3:1:1 CERAMIDE CHOLESTEROL NIACINAMIDE
More Details >

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group
Hyphens

GOING DIGITAL

Revamped Virtual Hypermart www.pom.com.sg

Pan-Malayan The Medical Hypermart
Sign In

Welcome to Pan-Malayan
The Medical Hypermart
Log In

KEEN TO JOIN?

SIGN UP FOR VIEWING ACCOUNT
SIGN UP NOW

SIGN UP FOR BUYING ACCOUNT
SIGN UP NOW

LOGIN FOR EXISTING USERS
Username:
Password:
LOG IN Forgot Password?

Restricted Access
This is a restricted website available for registered customers and healthcare professionals only.
Maintenance Hours
The website is unavailable from 12:00 a.m. to 6:00 a.m. daily.

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group
Hyphens

INVESTING FOR GROWTH

- 1 **Establishing a broader geographical footprint**
 - Cementing leadership position in Singapore and deepening presence in ASEAN
 - Expanding international footprint in Asia, Middle East and Africa
- 2 **Investment in proprietary brands**
 - Driving growth of skin health portfolio through Ceradan® and TDF® brands
 - Nurturing Ocean Health® as a leading nutritional supplement brand of Singapore
 - R&D for new products, improve formulation & generate scientific validation



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



INVESTING FOR GROWTH

- 3 **Strengthening specialty pharma portfolio**
 - Launching new specialty pharma products in regional markets
 - Seeking licensing opportunities for new products
- 4 **Reinforcing medical hypermart and digital segment**
 - Continue to leverage its broad network in the Singapore market
 - Exploring new digital business initiatives
- 5 **Acquisitions**
 - Continue to source for synergistic opportunities



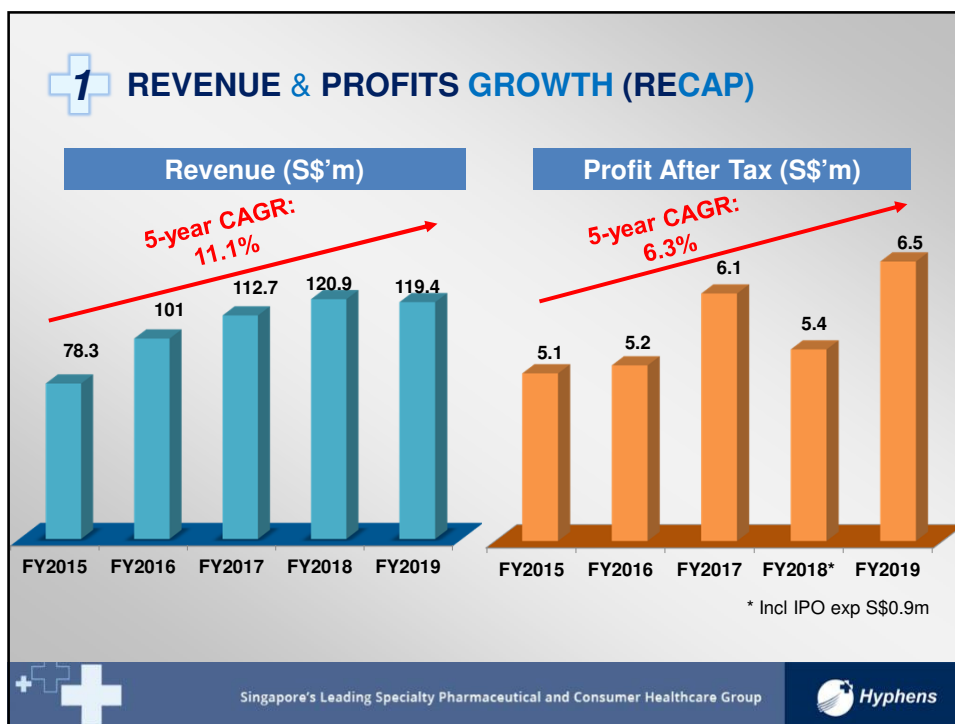
Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



FINANCIAL HIGHLIGHTS



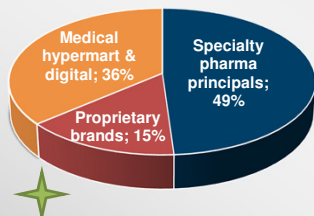
Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

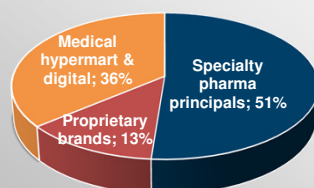


1.2 SEGMENT REVENUE

Business Segments

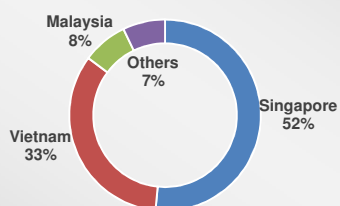
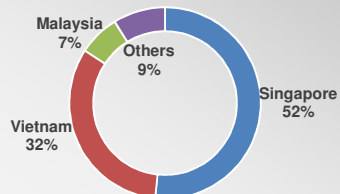


1Q2020



1Q2019

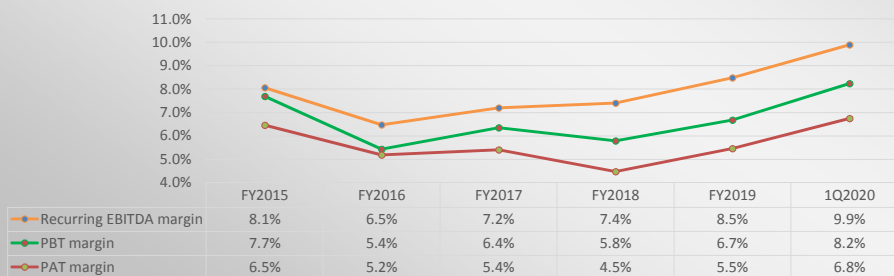
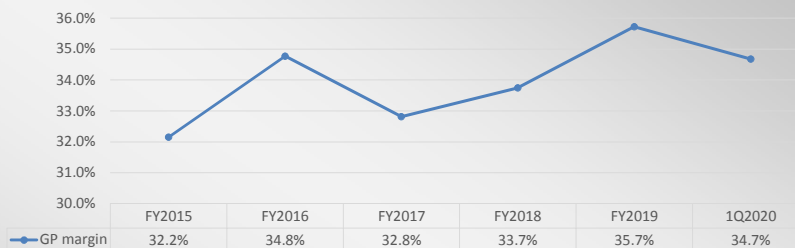
Geography



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



2 IMPROVING MARGINS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



3 STRONG FINANCIAL POSITION & CASH FLOW

S\$'000	31 Mar 2020	31 Dec 2019
Total assets	84,031	80,131
Cash & cash equivalents	27,799	26,165
Total liabilities	37,894	36,055
Financial liabilities	720	300
Total equity	46,137	44,076
NAV per share (cents)	15.36	14.67

S\$'000	1Q2020	1Q2019
Cashflow from operating activities	2,025	2,293
Cashflow used in investing activities	(600)	(287)
Cashflow used in financing activities	209	(2,216)
Net cash inflow	1,634	(210)



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



4 MAINTAINING DIVIDEND POLICY

S\$'000	Dividend	Yield ^(a)	Div / NP ^(b)
FY2019 ^(c)	1 cent	4.0%	46.0%
FY2018	0.55 cents	2.2%	30.5%

- (a) Yield is computed based on total dividends declared for the financial year divided by closing price of S\$0.25 @ 13 May 2020.
- (b) At least 30% of Net Profits Attributable to Shareholders in FY2018 & FY2019 intended to be distributed as dividends (IPO prospectus).
- (c) Reclass Final Dividends to Interim Dividends to facilitate earlier payment on 8 June 2020.

Commitment to maintain dividend policy to pay at least 30% of its net profits attributable to shareholders, subject to the Board's approval.



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



