



HYPHENS PHARMA INTERNATIONAL LIMITED

Singapore's Leading Specialty Pharma & Consumer Healthcare Group

13 JANUARY 2022



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INTRODUCTION



COMPANY SNAPSHOT



18 MAY
2018

LISTED ON
THE SGX-CATALIST

2020 REVENUE

\$123 MILLION



5 COUNTRIES

500 PERSONNEL



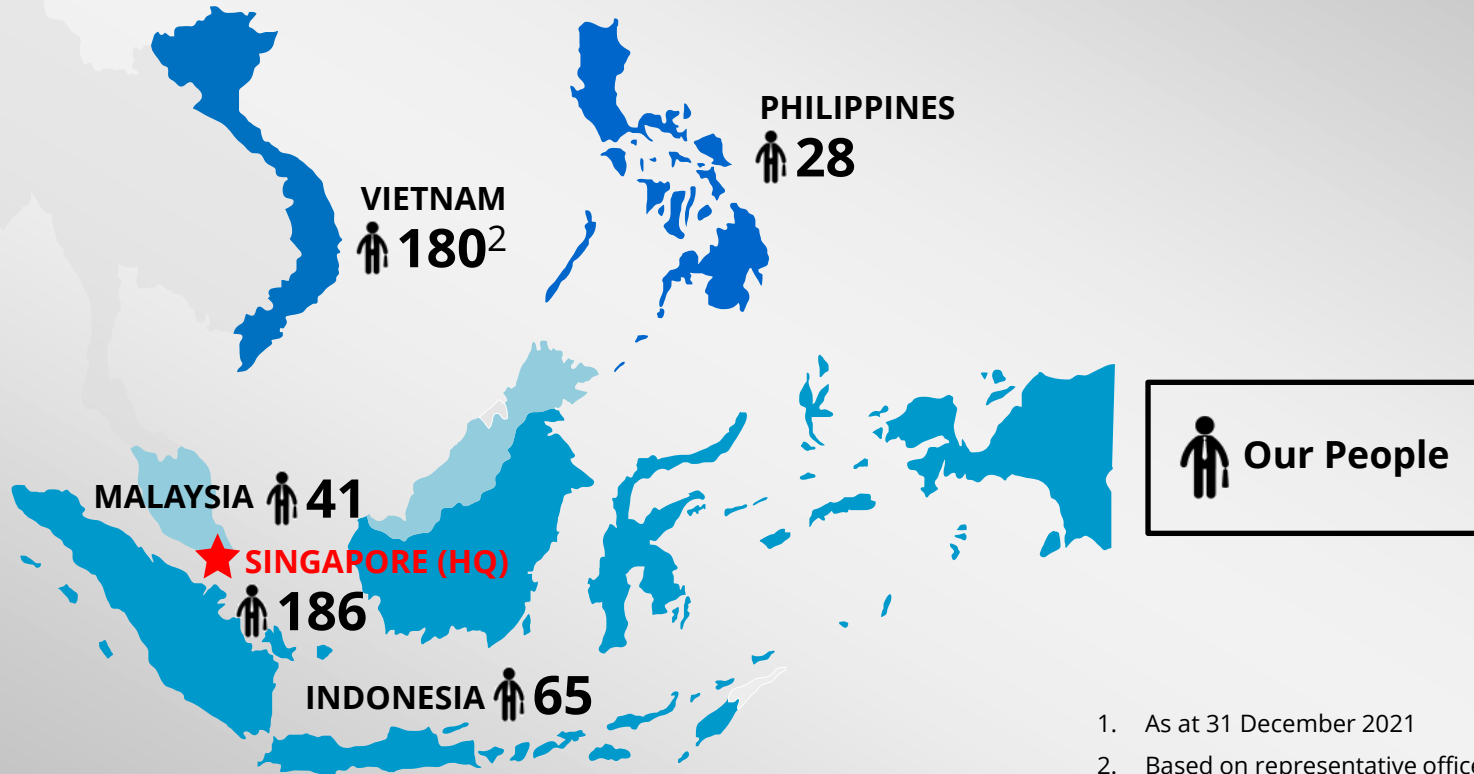
15 of Hyphens & Ocean Health products are sold *every minute!*



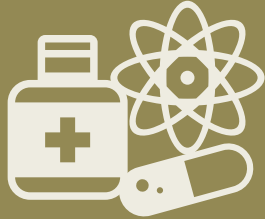
4 CORE
BUSINESSES



OUR REGIONAL FOOTPRINT



OUR STRATEGIC FOCUS



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



Long-Term Goal
**Asia's No. 1
Skin Health
Company**



OUR BUSINESS SEGMENTS



OUR BUSINESS SEGMENTS

Specialty Pharma Principals

1

Proprietary Brands

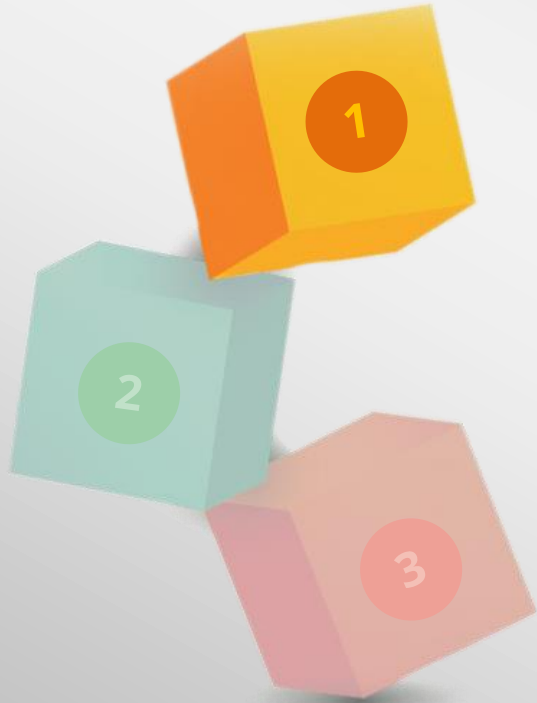
2

Medical Hypermart and Digital

3



SPECIALTY PHARMA PRINCIPALS



What We Do

1. We handle specialised products, under exclusive agreements with our principals, mainly from Europe.
2. We register and hold product licenses with local authorities.
3. We promote these products through medical representatives to specialists and GPs.



OUR SPECIALTY PHARMA PRODUCTS

Interventional Cardiology
(Biosensors Coronary Stents)

Otorhinolaryngology

Orthopaedic Surgery

Gastroenterology

Contrast Media

Ophthalmology

Family Medicine

Allergy

Rheumatology

Neuroscience & Psychiatry

Neonatology

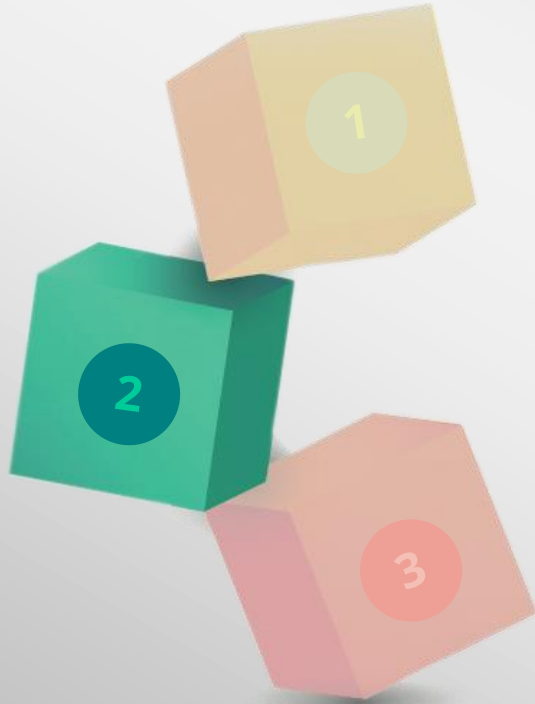
Pulmonology



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



PROPRIETARY BRANDS



What We Do

1. We are the product owner, and the world is our market.
2. We engage in product development.
3. We contract manufacture these products, which bear our trademarks.



BRANDS WE OWN



Ceradan®



tdf®
DERMA FORMULA



Ocean
HEALTH

**NO. 1
TOP OF MIND BRAND**

By Private
Dermatologists*

**CLINICALLY
PROVEN**

Photoaging
& Acne Scars

Brand that I can
TRUST#

GOOD VALUE
for money#



*IQVIA 2018 Q3 Survey on Top-of-Mind Awareness on 31 Private Dermatologists in Singapore

2018 Nielsen Survey – A Comprehensive and Holistic Understanding of the Health Supplement Market

Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



Ceradan® ATOPIC DERMATITIS RANGE



- 1 Gentle, Non-Soap Wash
- 2 Specially-Formulated Mosquito Repellent for AD
- 3 Ceramide-Dominant Therapeutic Moisturiser
- 4 Menthol Gel to Calm & Soothe Itchy Skin
- 5 Maintenance Therapy
- 6 Triple Protective Action Against Diaper Rash
- 7 Enriched with Essential Skin Lipids in a pH Balanced System
- 8 Optimal Hand Hygiene and Moisturisation
- 9 Mild & Soap-Free Cleanser





The World's **First** and **Most Advanced** Emollient Therapy



For Eczema-Prone Skin

Patent pending in 13 other countries / regions



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



CERADAN IN CHINA



China International Import Exhibition (CIIE) 5-10
 Nov 21 中国国际进口博览会
 1) presentation in Singapore-China Trade & Investment Forum (SCTIF)
 2) Ceradan booth

新加坡 皮肤科医生推荐
 皮肤屏障修护霜
 0激素 无负担
 ·新生儿/孕妇可用

Ceradan Tmall Global Official Store
 Ceradan海外旗舰店

神经酰胺为主要成分的保湿剂 治疗AD临床结果

临床观察一

在另一项研究^[5]，研究者使用神经酰胺为主要成分的保湿剂(Ceradan Cream; Hyphens Pharma Pte Ltd, Singapore)治疗了58例AD患者。结果表明所有患者均实现不同程度改善，并可防止45.5%患者的复发。

研究结果	百分比
愿意使用神经酰胺为主的保湿剂	58.20%
可能继续使用神经酰胺为主的保湿剂	27.30%
不会使用神经酰胺为主的保湿剂	3.60%

这表明含有神经酰胺的保湿剂不但对AD患者有良好的辅助治疗效果，而且患者的依从性高。

临床观察二

我们用相机完成的一个小小的临床观察。我们使用以神经酰胺为主要成分的保湿剂(Ceradan Cream; Hyphens Pharma Pte Ltd, Singapore)治疗了11例轻度AD患者。结果表明：

类别	平均分	下降率
治疗前研究者整体评分 (IGA)	2.8分 (0-6分)	
使用Ceradan保湿剂2周后的评分	1.9分 (0-6分)	32.30%
使用Ceradan保湿剂4周治疗结束后的评分	1.3分 (0-6分)	54.80%

患者自我感觉评价：

类别	治疗前	治疗后	下降率
平均干燥程度	6.8 (0-10分)	2.6	61.30%
平均瘙痒程度	6 (0-10分)	2.5	59.10%
瘙痒的影响程度	4.4 (0-10分)	1.5	64.60%
瘙痒的妨碍程度	4.7 (0-10分)	1.8	61.50%

所有医生和患者对这种含有神经酰胺的保湿剂的满意度均为100% (满意+非常满意)。

最后需要提示一点：神经酰胺是一种天然、安全的保湿成分，非常符合北方、冬季、干燥的气候以及干燥的皮肤使用。

本文作者：
 程少为 清华大学附属垂杨柳医院皮肤科主任

Collaboration with CMA 中华医学会
 Medical write-up after pilot study
 with Dermatology Branch of Chinese
 Medical Association (CMA)





FACIAL SKINCARE RANGE

- **tdf derma formula** originates from “*Therapeutic Dermatologic Formula*”
- It is a brand established by Ocean Health for more than 20 years in Singapore and the region
- TDF is widely available in Singapore through hospitals, as well as selected dermatologists’ and general practitioners’ clinics



PRODUCT PORTFOLIO EXPANSION THROUGH ACQUISITION



Hyphens has acquired the **rights, titles** and interests in the **trademarks** of CG 210[®] for Singapore & Malaysia

CG 210[®] is a globally renowned & patented topical botanical hair growth-promoting agent

New brand ownership adds to our

Proprietary Brands business segment

Inclusion of scalp care as part of our

dermatology portfolio





A WELL-REGARDED BRAND BY CONSUMERS



YOUR EVERYDAY CHOICE FOR HEALTH

Singapore's NO.1*
Omega-3 Fish Oil



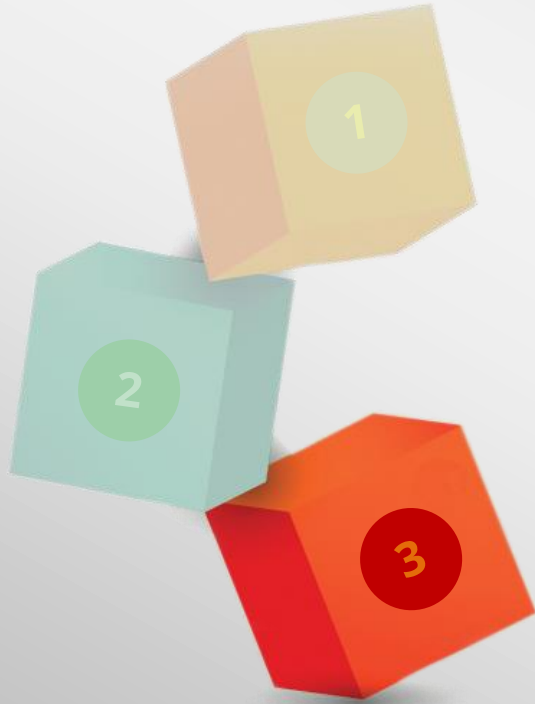
*Best-selling fish oil (Omega-3) supplement in major retail pharmacies from 2013-2018



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



MEDICAL HYPERMART AND DIGITAL



What We Do

1. We are a wholesaler of pharmaceutical products and medical supplies.
2. We cater largely to private clinics and pharmacies.
3. We have > 3,000 customers and > 4,000 items in our inventory
4. We also have a B2B e-commerce platform that facilitates 24/7 ordering.
5. Only in Singapore at this juncture.



MEDICAL HYPERMART AND DIGITAL



1st pharmaceutical wholesaler in Singapore to establish an online platform and capture new digital opportunities



Over 1,500 members on our online Medical Hypermart!



LATEST DEVELOPMENTS



1 ACQUISITION OF NOVEM

- **Singapore-based leading healthcare-focused distributor** of pharmaceutical products, nutraceutical products and medical devices
- **20-year** stable operating track record
- **>40 brand principals** mainly across Europe and Asia
- Serves **>1,000 active customers** including hospitals, polyclinics, specialists and general practitioners
- **>150 products** in its portfolio, including proprietary brand of generics and in-house developed nutraceutical products
- Current headcount is **28**, mainly sales & marketing executives with **5** pharmacists (excluding Ardence)
- Novem Sciences Private Limited, has 45% shareholding interest in Ardence Pharma Sdn Bhd, a **Malaysian wholesaler of pharmaceutical and medical goods**





RATIONALE

- Strategic opportunity to acquire a portfolio of businesses with a good management team
- Financially attractive from a revenue scale and earnings accretion perspective
- Gain access to new brand principals, products and customers to enhance and enlarge revenue and profits, and strengthen presence in the Singapore market
- Strengthen market leadership position in Singapore
- Enhances ability to deliver a variety of high quality healthcare products and services to an enlarged customer base comprising both private and public sectors
- Further strengthen proprietary brands business segment with addition of Novem's proprietary brand of products





NOVEM PRODUCTS

Novem's products cater for a variety of diseases and therapeutic areas such as musculoskeletal, cardiology, ophthalmology and general surgery.

Pharmaceuticals

- Tablet/Capsule/Injectable/Vaccines
- Proprietary Brand of Generics
- Distributed Generics & Vaccines



Evidence Based Nutraceuticals

Novem developed products



ActivQ™-50
Ubiquinol 50mg



Helio-D3™
Vitamin D3
1000 IU (25 ug)



MarineMag™
Elemental Magnesium
200 mg



RemeCur™
Bioactive Curcumin
500mg



Orthotect
Glucosamine HCl
750mg



SuperKrill2 Forte
Antarctic Krill Oil 500mg

Distributed brands



Lipesco®-E
Alpha-Lipoic Acid 600mg, Vit B1 50mg,
Vit B6 50mg, Vit B12 100mcg, Vit E 8mg



NC2
Native Collagen II 10mg



Oxithion
Sublingual L-Glutathione 100mg & 250mg oral granules





NOVEM PRODUCTS

Medical Devices

Visco-supplement



KD Intra-articular Gel 2.2% and 2.5%
Sodium Hyaluronate
Intra-articular injection 2ml and 4.8ml



HappyCross 1.6% (Malaysia Only)
Cross-Linked Hyaluronic acid 1.6% + Mannitol 3.5%
Intra-articular injection 2.2ml



HaemoCer (& H Plus)
Plant-based Haemostatic Powder
Pack of 2g/5g



Collatamp G
Gentamicin Collagen Sponge
5x5cm / 10x10cm



Guardix Sol
Anti-Adhesion Barrier
1.5g/5g Syringe



Glove Port
Single Port Laparoscopic
Surgery

Vascular, Musculoskeletal, Infectious Control



Sigvaris® Medical Compression Stockings
For chronic venous insufficiency



VEINOPLUS BACK
EMS/TENS DEVICE +
ELECTRODES 1 SET



Halyard Surgical Disposable Products
Purple Nitrile-Xtra Exam Gloves
Halyard Surgical Disposables
Fluorinated Ing-free surgical mask
The Life One Procedure Mask
Basic Impervious Full Back Gown
Wypall Quarter Fold Wipers
Sterile Surgical Sleeve

Ear, Nose, Throat



bioXtra oral care for xerostomia



NePlus
Mesh Nebulizer



Drossa-Nose®
Sal Marinum 1%
Tube of 20g



2 LICENSING DEAL OF USTEKINUMAB BIOSIMILAR

- Exclusive license and supply agreement with DKSH's subsidiary, Favorex Pte Ltd
- To commercialise in Singapore, Malaysia & the Philippines
- Proposed Ustekinumab biosimilar, which is undergoing clinical studies, is a human monoclonal antibody for the treatment of immune mediated disorders like plaque psoriasis, psoriatic arthritis and Crohn's disease
- Worldwide sales of Ustekinumab was estimated to reach US\$ 8.4 billion in 2021

Mr Lim See Wah, (“林世华”) Executive Chairman and CEO of Hyphens Pharma commented:

“Dermatology is one of our focus areas and we want to bring to market innovative medical dermatological products to meet the needs of patients suffering from various skin disorders. We were interested to add Ustekinumab to our product portfolio because of its dermatology indications, which we believe will help to enhance our dermatology product offerings for Asia.”

3



WELLAWAY
PHARMACY

1ST
IN SINGAPORE
TO BE GRANTED

E-PHARMACY
LICENSE

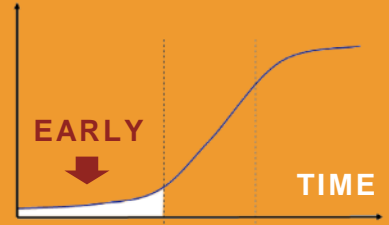
STEP 2

After your consultation, we will proceed to prepare your medications, packed and ready for delivery



BUSINESS
LIFE CYCLE

GROWTH



HOME MEDICATION
DELIVERY SERVICE

You Order, We Deliver!



STEP 1

Consult our doctor face-to-face or online



SINCE
JAN 2021

>100
CLINICS HAVE
SIGNED UP

STEP 3

Rest well and wait for your medications to arrive at your doorstep



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



BUSINESS OUTLOOK



INVESTING FOR GROWTH

1. Investment in Proprietary Brands
2. Internationalisation
3. Going Digital
4. Strengthen Specialty Pharma Portfolio
5. Acquisitions

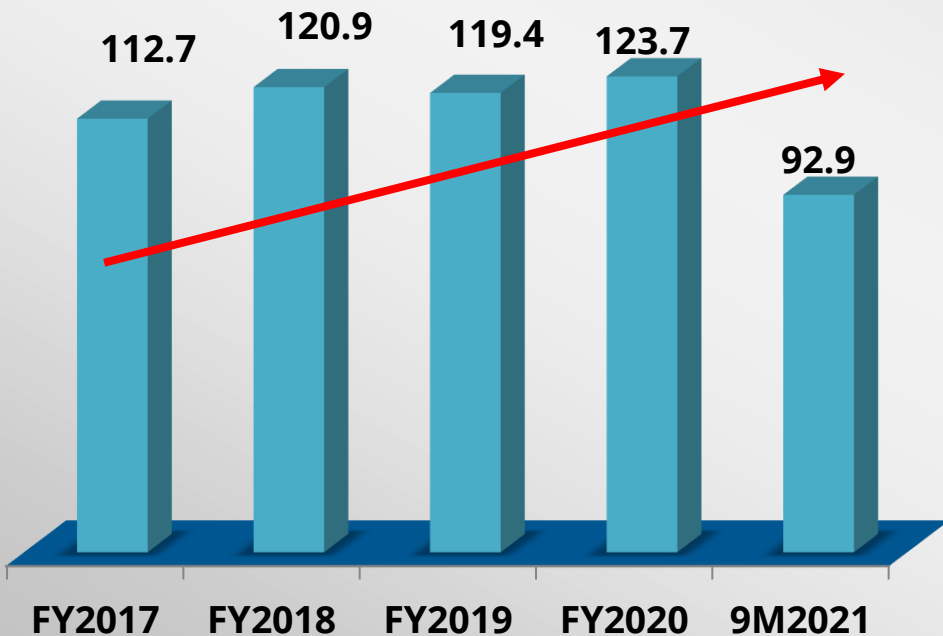
Challenges : COVID-19



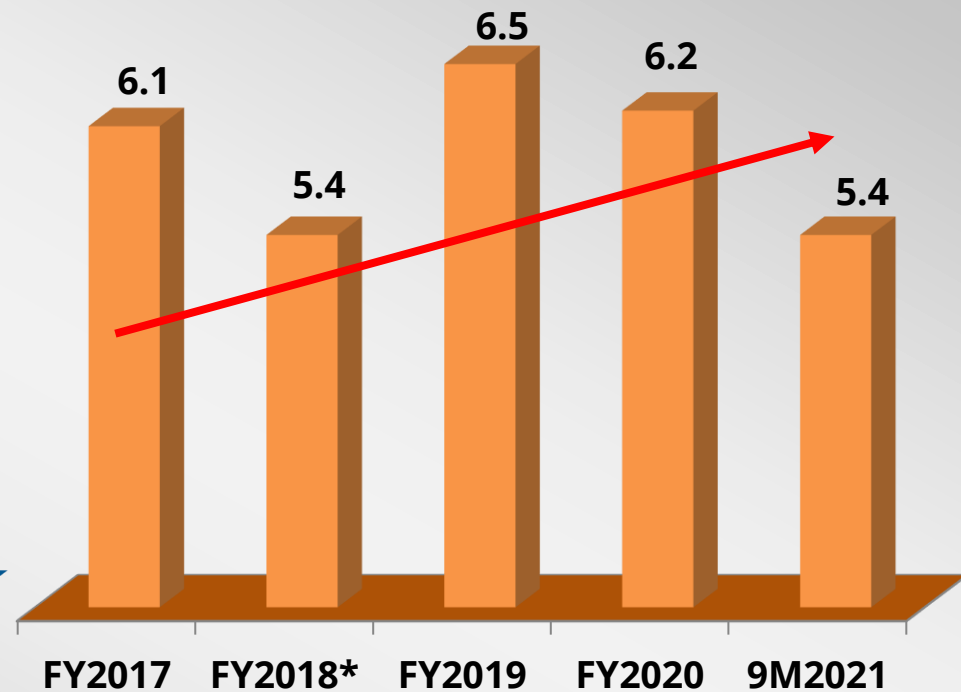
FINANCIALS



Revenue (S\$m)



Profit After Tax (S\$m)



* Incl IPO exp S\$0.9m



MAINTAINING DIVIDEND POLICY

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

S\$'000	Dividend	Yield*	Div / NP
FY2020	0.62 cents	2.1%	30.2%
FY2019	1 cent	3.3%	46.0%
FY2018	0.55 cents	1.8%	30.5%

** Yield is computed based on total dividends declared for the financial year divided by closing price of S\$0.30 @ 10 January 2022.*



RESEARCH REPORTS



Company Note



Pharmaceuticals | Singapore | January 6, 2022

Shariah Compliant

Singapore

ADD (initiation)

Consensus ratings*: Buy 3 Hold 0 Sell 0

Current price: S\$0.295

Target price: S\$0.36

Previous target: S\$

Up/downside: 22.0%

CGS-CIMB / Consensus: -3.4%

Reuters: HYPH.SI

Bloomberg: HYP SP

Market cap: S\$67.19m

SS\$91.09m

Hyphens Pharma International Ltd

On the lookout for growth

- We initiate coverage on HYP with an Add rating and a DCF-derived TP of S\$0.36 (WACC: 9.4%) post its acquisition of Novem.
- We like HYP for its resilient business model and growing product portfolio as well as sales and distribution channels that will drive future earnings growth.
- Re-rating catalysts: accretive portfolio acquisitions and positive Ceradan patent applications. Key risks: movement restrictions in medical channels.



Hyphens Pharma International Ltd

Speedbump in Vietnam

SINGAPORE | HEALTHCARE | 3Q21 Update

- Results were above expectations. 9M21 PATMI is at 88% of our FY21e forecast.
- Despite the pandemic lockdown in Vietnam, Hyphens managed to sustain earnings better than expected in 3Q21.
- The new acquisition of healthcare distributor Novem for S\$16.3mn has the potential to raise EPS by 25% to 30%.
- Maintain ACCUMULATE unchanged DCF TP (WACC 7.2%) of S\$0.345. We raise our FY21e by 6% due to the higher margins from the increased mix of proprietary products. Hyphens is undertaking a long-term investment and journey to build a leading portfolio of proprietary skin health products and brands across Asia.

22 November 2021

ACCUMULATE (MAINTAINED)

LAST CLOSE PRICE	SGD 0.300
FORECAST DIV	SGD 0.007
TARGET PRICE	SGD 0.345
TOTAL RETURN	17.2%

COMPANY DATA	
BLOOMBERG CODE	HYP SP
QS SHARES (MN)	300
MARKET CAP (USD mn / SGD mn)	66.3 / 90.1
52 - WK HI/LO (SGD)	0.375 / 0.285
3M Average Daily T/O (mn)	0.09



Hyphens Pharma International Ltd

17 Nov 2021

BUY (Maintained)

BBG	HYP SP
Market cap	S\$92.6m
Price (17 Nov 2021)	S\$0.30
52-week range	S\$0.285 – S\$0.375
Target Price	S\$0.40 (previously S\$0.37)
Shares Outstanding	308.8m

Strategic Acquisition of Novem Group

Raised our target price to S\$0.40. Hyphens announced a S\$16.3m acquisition of Novem group, S\$13.8m paid in cash and remaining in shares. We estimate this could add S\$12m to sales and S\$1.3m to net profit in FY22E. The deployment of cash on hand will lift ROE to 14.0% in FY22E. Our FY22E earnings estimates is raised by 20%, and we introduced our FY23E forecast. Our revised target price is 8.1% higher at S\$0.40 based on DCF (WACC 14.8%).

COMPANY UPDATE

Healthcare • Singapore



Hyphens Pharma Intl Ltd

(HYP SP/HYPH.SI)

A fresh start

Megan Choo / 65 6202 1190 / megan.choo@kgi.com

Tan Jiunn Chyuan (Kenny) / 65 6202 1196 / Kenny.tan@kgi.com

- 1Q21 looks promising.** Recovering from FY2020's dip of 5.6% in net profit, Hyphens delivered its highest ever quarterly sales in Q1 with profit margin hitting 6.3%, as demand in Vietnam recovered.
- Staying focused - Proprietary brands.** The group is

Outperform - Upgrade

Price as of 28 Jun 21 (SGD)	0.32	Performance (Absolute)	
12M TP (\$)	0.43	1 Month (%)	3.1
Previous TP (\$)	0.36	3 Month (%)	5.3
Upside (%)	36.7	12 Month (%)	8.6



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



CONCLUSION



KEY STRENGTHS

1

Singapore's leading specialty pharmaceutical and consumer healthcare groups with an established presence in ASEAN

2

Strong regulatory capabilities with high barriers to entry

3

Portfolio of pharmaceutical products, with strong principal relationships

4

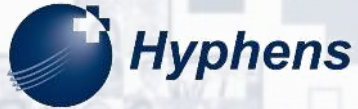
Ownership of a range of proprietary products and brands

5

Strong sales and marketing capabilities

6

Highly experienced and committed management team supported by a strong and stable employee base





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in | Follow us on LinkedIn

