

Media Release

Hyphens Pharma recorded FY2018 net profit of S\$5.4 million

Highlights:

- FY2018 revenue up 7.3% to S\$120.9 million and cash flow from operating activities rose by 63.2% to S\$7.5 million
- Dividend of 0.55 Singapore cents per share declared for FY2018
- Continued growth through new product launches, new geographical footprints and digital technologies that are synergistic to our business

Singapore, 28 February 2019 – Hyphens Pharma International Limited (“凯帆药剂国际有限公司”, “Hyphens Pharma”, or the “Company”, and together with its subsidiaries, the “Group”), one of Singapore’s leading specialty pharmaceutical and consumer healthcare groups, is pleased to announce its fourth quarter (“4Q2018”) and full-year (“FY2018”) results ended 31 December 2018.

Financial Highlights

The Group’s revenue for 4Q2018 increased by 12.8% or S\$3.4 million to S\$30.0 million from S\$26.6 million in the fourth quarter ended 31 December 2017 (“4Q2017”). The increase was mainly attributable to an increase in sales of the Group’s specialty pharma principals segment which was driven by a higher demand for coronary stents and radiology products, and of Hyphens’ dermatological proprietary brands’ products.

Gross profit increased by 11.1% or S\$1.1 million in 4Q2018 to S\$10.6 million (4Q2017: S\$9.5 million), while gross profit margin remained stable at approximately 35.4% (4Q2017: 35.9%). The increase in gross profit was mainly due to the increased contribution from the specialty pharma principals segment.

S\$'mil	4Q2018	4Q2017	% Change	FY2018	FY2017	% Change
Revenue	30.0	26.6	12.8	120.9	112.7	7.3
Gross Profit	10.6	9.5	11.1	40.8	37.0	10.4
Profit before tax	1.2	0.6	97.2	7.0	7.2	(2.2)
Profit after tax	0.8	0.6	31.9	5.4	6.1	(11.1)

There was an increase of 7.3% or S\$8.2 million in the Group's FY2018 revenue, from S\$112.7 million in 2017 to S\$120.9 million in FY2018. This increase in revenue was mainly due to an increase in sales from the specialty pharma principals segment, as well as improved sales in the proprietary brands segment mainly from the Group's dermatological products.

Gross profit for FY2018 increased by 10.4% or S\$3.8 million as compared to FY2017. Gross profit margin improved from 32.8% in FY2017 to 33.7% in FY2018 and this was largely attributable to the increased contribution from the specialty pharma principals and proprietary brands segments, which have comparatively higher margins than the medical hypermart and digital segment.

Net profit after tax for FY2018 decreased by 11.1% from S\$6.1 million in FY2017 to S\$5.4 million in FY2018, mainly due to the Group's one-off IPO expenses amounting to approximately S\$0.9 million and impairment loss on goodwill of approximately S\$1.0 million in FY2018 (FY2017: S\$0.3 million and \$nil respectively). Excluding these expenses, the Group would have recorded a net profit after tax of S\$7.3 million in FY2018 and S\$6.4 million in FY2017.

The Group's operating activities in FY2018 generated a net cash of approximately S\$7.5 million while financing activities generated net cash of approximately S\$5.8 million, mostly attributable to proceeds raised from the Group's IPO.

The Group has proposed a final dividend of 0.55 Singapore cents per share for FY2018 which is subject to shareholders' approval at the upcoming AGM.

Executive Chairman and CEO, Mr Lim See Wah, (“林世华”) commented: “2018 was a milestone year for us. We successfully listed on the SGX-Catalist and launched several new products in both specialty pharma principal and proprietary brands segments. The new product launches have boosted our top-line with Ceradan® products registering double-digit growth. These new products and impending new launches are expected to uplift our future revenue growth. We have also expanded our international footprint through the appointment of distributors for our proprietary brands in the Middle East and South Asia, and we will continue to expand to new countries while deepening our roots in existing markets. Furthermore, we are currently considering a few collaborations in the digital health business, which we are excited to share more about in the near future. In furtherance of our ambition, we are enhancing our manpower capital to drive business growth.”

Future Growth

Hyphens Pharma remains focused on further cementing its leadership position in Singapore and deepening its presence in ASEAN. With its established footprint, the Group expects its business momentum to continue. Following the launches of new dermatological products in 2018, more launches are planned for this year, including products with patented or patent pending technologies, and thus the skin health business is anticipated to grow.

The Group will continue to enhance its product offerings through licensing and research collaborations and plans to strengthen its manpower capital to support its expansion plans towards establishing an international footprint and enhancing its marketing development in countries that it is currently operating in. In addition, the Group will continue to explore further potential opportunities within the digital business segment.

End.

About Hyphens Pharma International Limited (<https://www.hyphens.com.sg/>)

Hyphens Pharma International Limited and its subsidiaries (the "**Group**") is one of Singapore's leading specialty pharmaceutical and consumer healthcare groups leveraging on its diverse footprint in ASEAN countries. The Group has a direct presence in Singapore, Vietnam, Malaysia, Indonesia and the Philippines, and is supplemented by a marketing and distribution network covering six additional jurisdictions, namely, Hong Kong, Myanmar, Brunei, Cambodia, Oman and Bangladesh.

Singapore is the Group's regional headquarters, where its strategic planning, finance, regulatory affairs, research and development, legal, business development and logistics operations are based. The Group's core business comprises the following segments: Specialty Pharma Principals, Proprietary Brands, and Medical Hypermart and Digital. Besides marketing and selling a range of specialty pharmaceutical products in selected ASEAN countries through exclusive distributorship or licensing and supply agreements with brand principals mainly from Europe and the United States, the Group also develops, markets and sells its own proprietary range of dermatological products and health supplement products. In addition, the Group operates a medical hypermart for healthcare professionals, healthcare institutions and retail pharmacies, to supply pharmaceutical products and medical supplies.

Issued on behalf of the Company by Cogent Communications Pte Ltd.
For enquiries, please contact:

Ms Melissa Sim, Tel: (65) 6704-9287, Mob: (65) 9380-2938
Email: melissasim@cogentcomms.com

Mr Gerald Woon, Tel: (65) 6704-9268, Mob: (65) 9694-8364
Email: woon@cogentcomms.com

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not independently verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

The contact persons for the Sponsor are Ms Heng Mui Mui, Managing Director, and Mr Kelvin Wong, Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone: +65 6878 8888.