



Hyphens Pharma International Limited

Results Briefing 2Q2020

SGX: 1J5, Bloomberg: HYP:SP



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BUSINESS HIGHLIGHTS



INVESTING FOR GROWTH

1

Establishing a broader geographical footprint



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



PARTNERSHIP WITH SUTL HK

- + Appointment of SUTL HK as exclusive distributor of Ocean Health® supplements.
- + In Hong Kong, Macau and Duty-Free Channels in China



INVESTING FOR GROWTH

2

Investment in proprietary brands



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



ACQUISITION OF CG210®



- + CG 210® is a globally renowned & patented topical botanical hair growth-promoting agent
- + Hyphens has acquired the **rights, titles** and interests in the **trademarks** of CG 210® for Singapore & Malaysia
- + New brand ownership adds to our **Proprietary Brands** business segment
- + Inclusion of scalp care as part of our **dermatology** portfolio



ACQUISITION OF CG210®

Hyphens will be promoting to medical professionals in Singapore & Malaysia, as well as in retail outlets in Malaysia

- + CG 210® Women Lotion,
- + CG 210® Men Lotion,
- + CG 210® Forte Lotion, and
- + CG4S Shampoo

Manufactured in France

**More than
2 million units
have been sold
worldwide**

Clinically Proven





An advanced
emollient with
pH balanced
formulation with

~~~~~

Patent pending in  
13 other  
countries/ region



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# NEW CERADAN LAUNCHES

Ceradan®  
Hand Lotion Sanitiser

Ceradan®  
Gentle Cleanser



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# NEW OCEAN HEALTH LAUNCHES



Omega-3 + Vitamin D



Omega-3 Liquid



Iron Powder



# CSR ACTIVITIES



**Ceradan® National Day + HCP Gratitude CSR Campaign**



**HAND IN HAND  
TOGETHER WITH YOU**



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



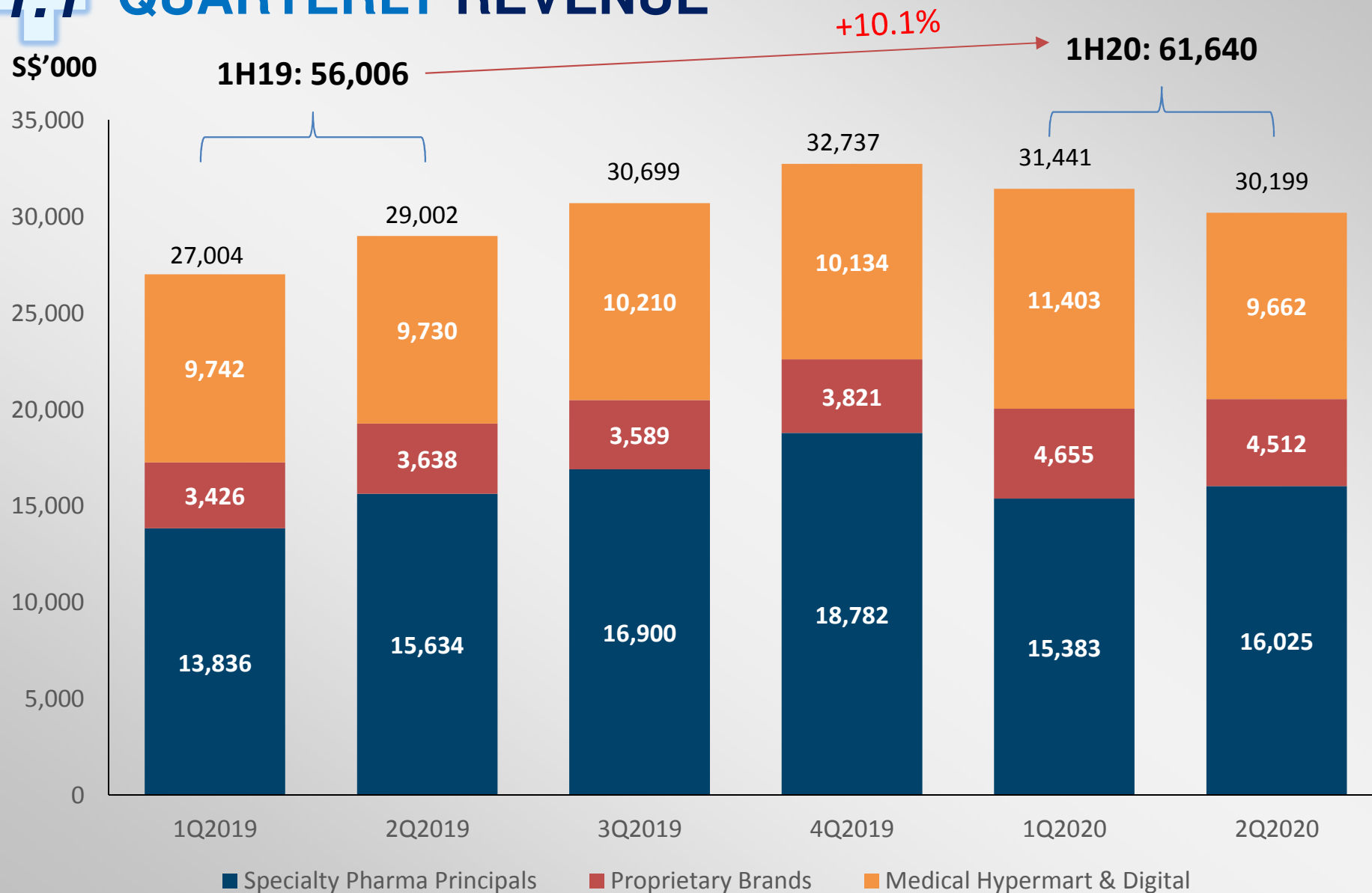
# FINANCIAL HIGHLIGHTS





# 1.1 QUARTERLY REVENUE

S\$'000

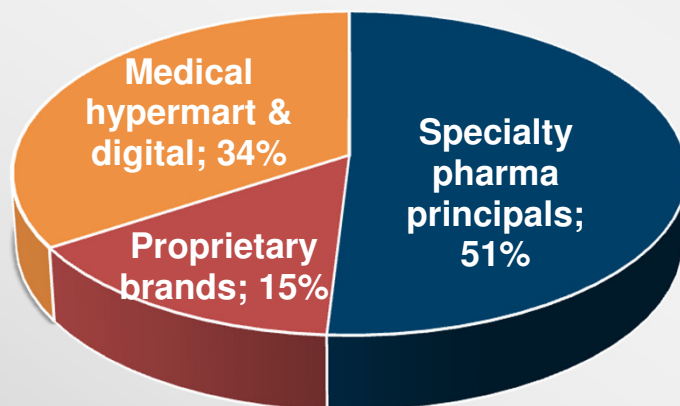


Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

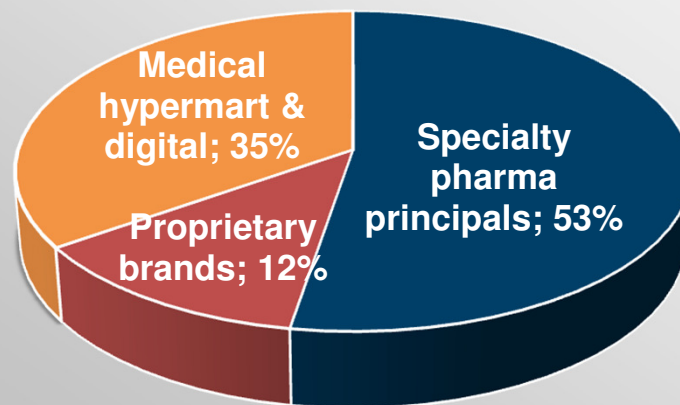


## 1.2 SEGMENT REVENUE

### Business Segments

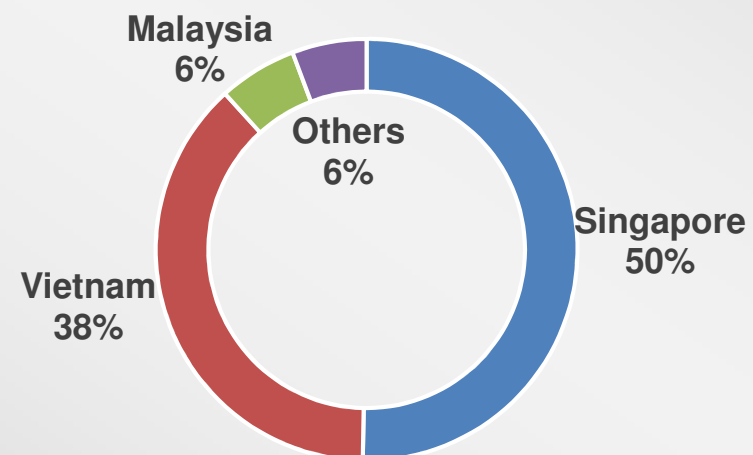
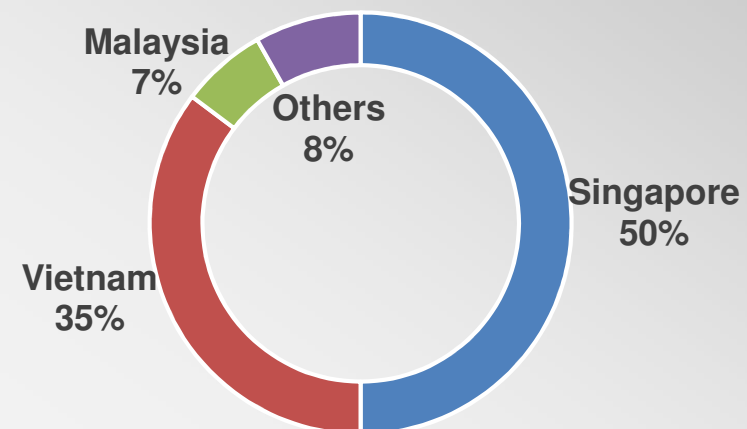


1H2020



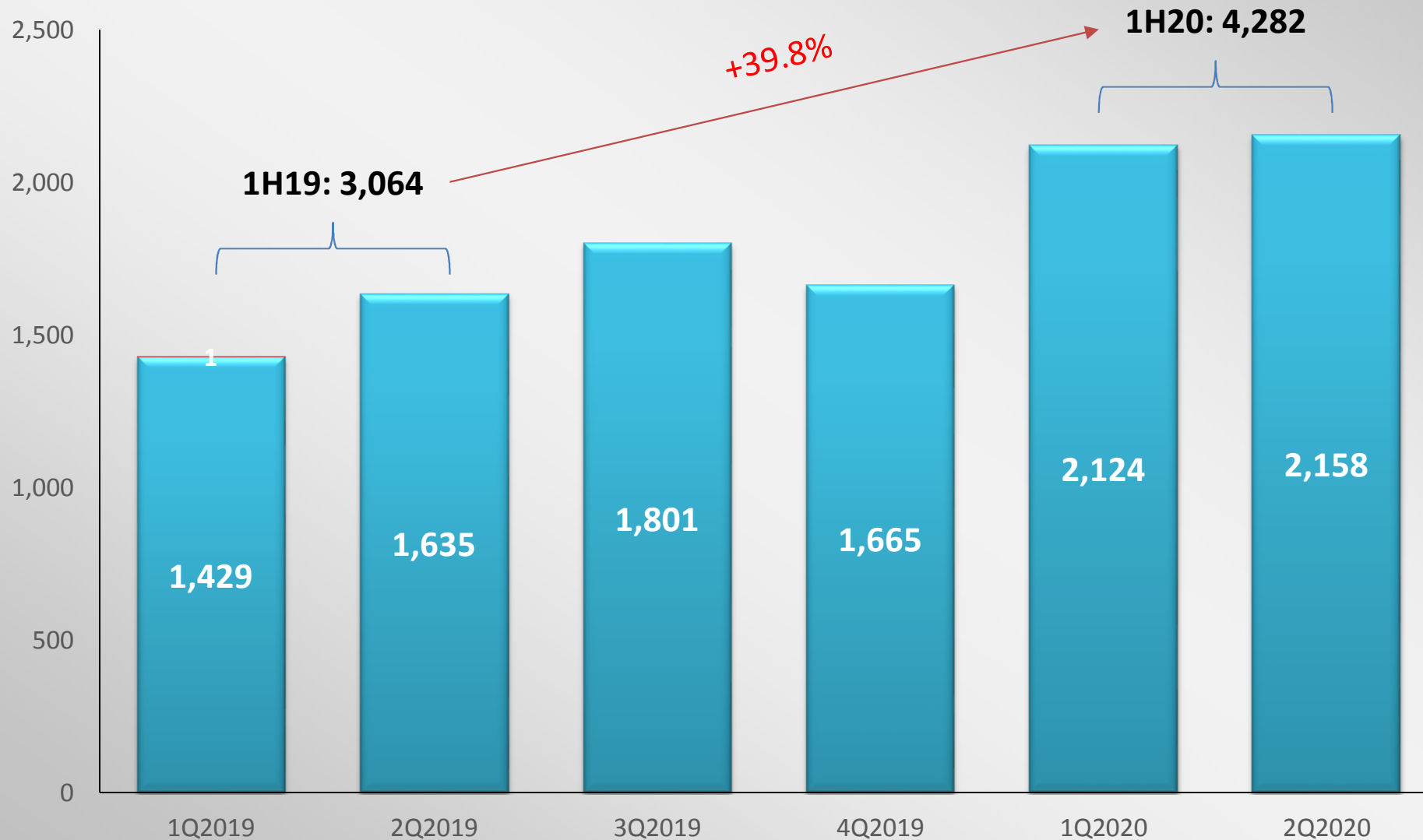
1H2019

### Geography

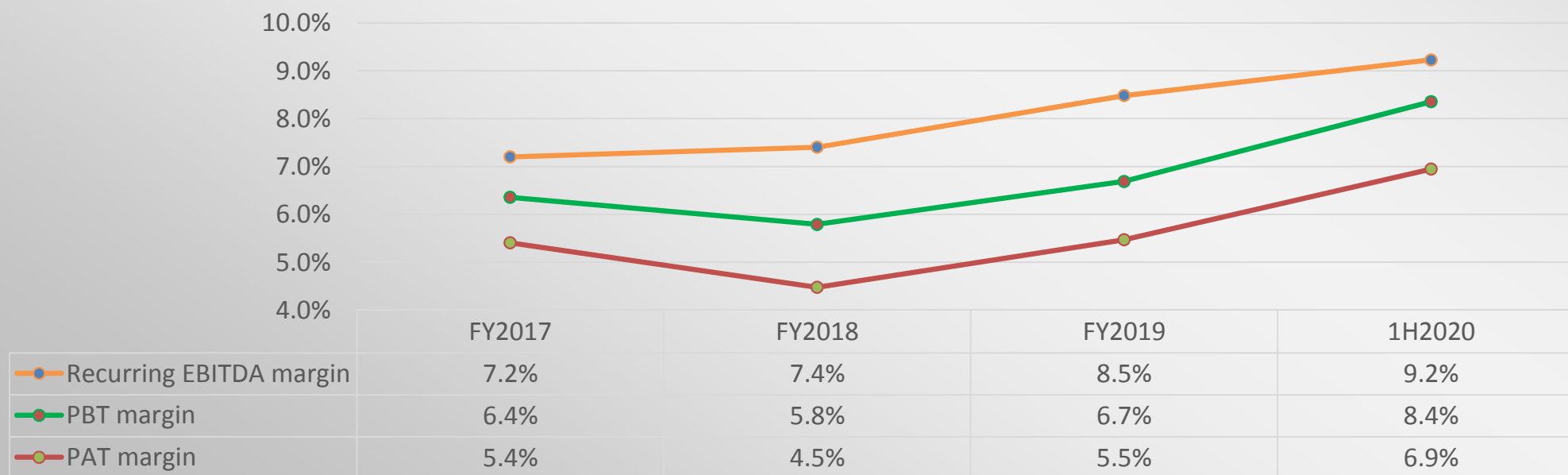
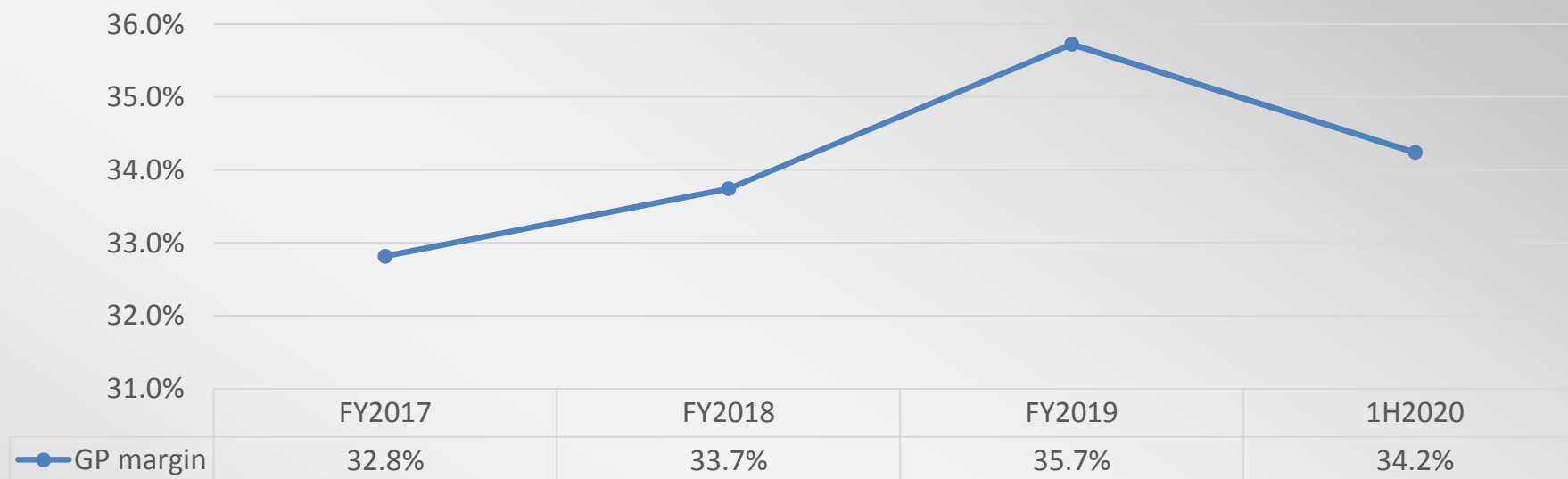


## 2.1 QUARTERLY PROFIT AFTER TAX

S\$'000



## 2.2 PROFIT MARGINS



# 3 FINANCIAL POSITION & CASH FLOW

| S\$'000                      | 30 Jun 2020   | 31 Dec 2019   |
|------------------------------|---------------|---------------|
| Total assets                 | 86,481        | 80,131        |
| Cash & cash equivalents      | <b>26,088</b> | <b>26,165</b> |
| Total liabilities            | 38,735        | 36,055        |
| Financial liabilities        | 818           | 300           |
| Total equity                 | 45,268        | 44,076        |
| <b>NAV per share (cents)</b> | <b>15.07</b>  | <b>14.67</b>  |

| S\$'000                               | 1H2020  | 1H2019  |
|---------------------------------------|---------|---------|
| Cashflow from operating activities    | 3,641   | 5,980   |
| Cashflow used in investing activities | (828)   | (71)    |
| Cashflow used in financing activities | (2,890) | (4,616) |
| Net cash (outflow)/ inflow            | (77)    | 1,293   |



# 4 INTANGIBLE ASSETS

## Current State: Intangible Asset Overview

The diagram below sets out the relative contribution of different intangible assets currently supporting the company's competitive advantages.

### Data

- Hyphens has data from the regional market and from the local medical professions via the Pan-Malayan Hypermart. These can be harnessed for market insights.

### Product Registrations

- Hyphens owns the product registrations in key regional markets which can be difficult to obtain and may contribute to renewal of distribution rights with principals.

### Patents

- Hyphens has a pending patent in several countries - "Skin Barrier Composition".

### Trade Secrets & Know-how

Hyphens has accrued significant trade secrets and know-how including:

- Market related knowledge
- Regulatory compliance specific to the countries it operates in
- New product pipelines, formulations and manufacturing processes
- Systems and processes for logistics efficiency.

### Copyright

- Copyright resides in Hyphens' websites, videos, publicity materials and product information.

### Branding and Reputation

- Reputation as a B2B distributor of medically endorsed pharmaceutical products with wide network in the region covering 5 countries and 32 cities.
- Achieved good standing with medical professionals where many of its products are launched through them.
- Secured trade mark registrations and domain names for the various products it represents in the markets and for proprietary brands.
- B2C branding through proprietary products which are sold in retail stores.

### Networks and Relationships

- Hyphens has built networks and relationships across the different parts of its value chain including principals, downstream distributors, and end users amongst the medical profession.



Source: Intangible Assets Stocktake Report 2020 for Hyphens by IPOS International and EverEdge Global under the IDEAS Programme



## **4** INTANGIBLE ASSETS

- + Intangible assets (“IA”) are more than registrable intellectual property (“IP”) like trademarks & patents
- + Also includes trade secrets, know-hows, copyrights and even about the value of the data we have accumulated over the years
- + Often overlooked by investors as these are either not on the balance sheet or income statement, or are stated at cost instead of its value
- + IA provides competitive advantages and are main value drivers for Hyphens’ long-term sustainable growth

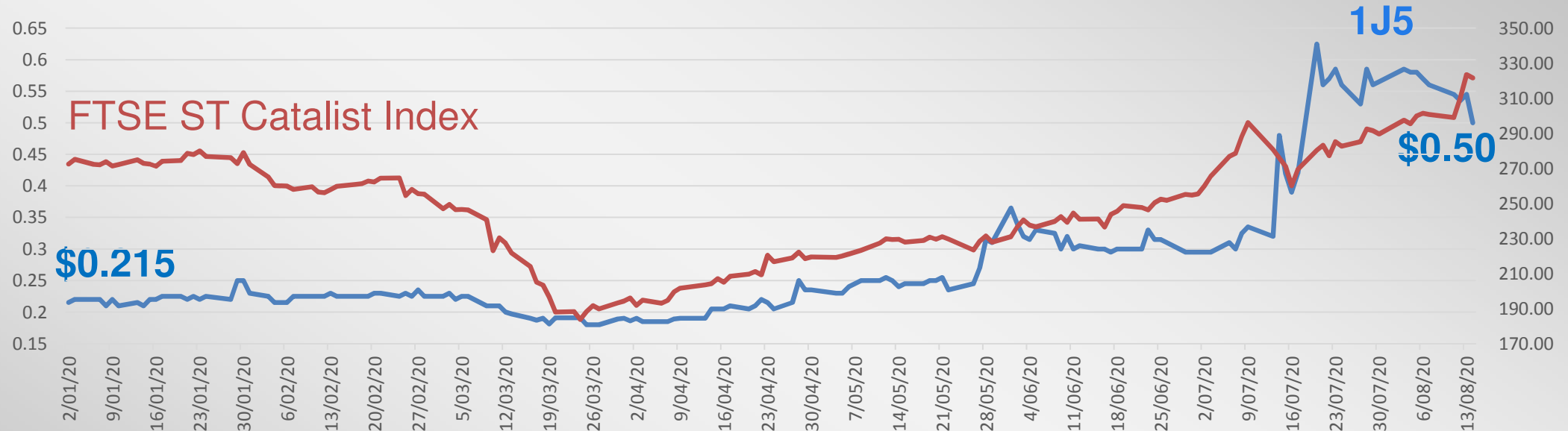


# SHARE PERFORMANCE



# SHARE PRICE & VOLUME

Trending 1 Jan 2020 - 14 Aug 2020



Volume 1 Jan 2020 - 14 Aug 2020



# LATEST RESEARCH REPORT



StocksBnB.com

## Hyphens Pharma International Ltd

Building channels to establish business longevity

SINGAPORE | HEALTHCARE | INITIATION

- Exclusive distributorship of Specialty Pharmaceutical products confers high margins and strong customer loyalty.
- Expansion into both online and offline retail sales channel such as Watson's, Guardian, Lazada and RedMart will spur growth across product portfolio.
- Hyphens Pharma continues to establish its presence within the region with expansion of product portfolio through new product launches and footprint into various sales channels.
- Initiate coverage with ACCUMULATE rating and a target price of S\$0.435.

### Company Background

Hyphens Pharma International Limited ("Hyphens Pharma") was founded in September 1998 by Chairman, Executive Director and CEO Mr. Lim See Wah when the Group made an investment in Pan-Malayan Pharmaceuticals ("Pan-Malayan"). Its principal business activities include the sales, marketing and distribution of pharmaceutical and healthcare-related products on behalf of its proprietary brands and renowned pharmaceutical principals such as Sofibel and Guerbet.

Today, Hyphens Pharma has expanded its business to include both B2B and B2C channels

20 July 2020

### ACCUMULATE (INITIATION)

|                  |           |
|------------------|-----------|
| LAST CLOSE PRICE | SGD 0.420 |
| FORECAST DIV     | SGD 0.010 |
| TARGET PRICE     | SGD 0.435 |
| TOTAL RETURN     | 6.0%      |

#### COMPANY DATA

|                               |              |
|-------------------------------|--------------|
| BLOOMBERG CODE                | HYP SP       |
| O/S SHARES (MN):              | 300          |
| MARKET CAP (USD mn / SGD mn): | 90.7 / 126.2 |
| 52 - WK HI/LO (SGD):          | 0.56 / 0.18  |
| 3M Average Daily T/O (mn):    | 5.65         |

#### MAJOR SHAREHOLDERS (%)

|                        |       |
|------------------------|-------|
| INOMED HOLDING PTE LTD | 65.3% |
| TAN CHWEE CHOON        | 14.6% |

#### PRICE PERFORMANCE (%)

|            | 1MTH  | 3MTH | 1YR    |
|------------|-------|------|--------|
| COMPANY    | 30.0  | 98.3 | 84.8   |
| STI RETURN | (1.4) | 2.4  | (18.4) |

#### PRICE VS. STI





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