



HYPHENS PHARMA INTERNATIONAL LIMITED

Results Briefing FY2020



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AGENDA

1. Financial Results
2. Business Achievements
3. Business Outlook



FINANCIAL RESULTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





FINANCIAL STATEMENT

	FY2018	FY2019	FY2020	3Y CAGR
	S\$'000	S\$'000	S\$'000	%
Revenue	120,930	119,442	123,698	1.1%
Cost of sales	(80,125)	(76,773)	(79,939)	-0.1%
Gross profit	40,805	42,669	43,759	3.6%
Other income and gains	279	546	2,248	183.9%
Distribution costs	(21,736)	(24,837)	(26,523)	10.5%
Administrative expenses	(10,422)	(9,772)	(10,138)	-1.4%
Finance costs	(129)	(138)	(110)	-7.7%
Other losses	(1,797)	(481)	(2,128)	8.8%
Profit before tax	7,000	7,987	7,108	0.8%
Income tax expense	(1,590)	(1,457)	(945)	-22.9%
Profit, net of tax	5,410	6,530	6,163	6.7%

Major items in FY2020

- Other income incl:
JSS S\$1.8m
- Other losses incl:
Stock allowance
S\$1.6m



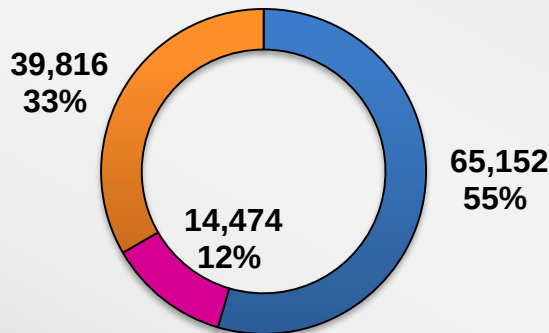


FULL-YEAR REVENUE BY SEGMENTS (S\$'000)

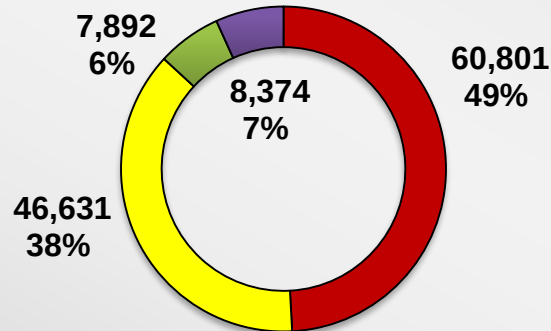
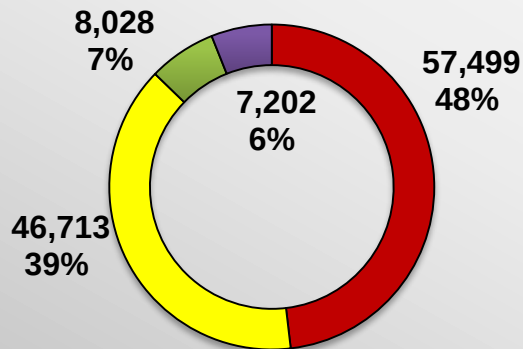
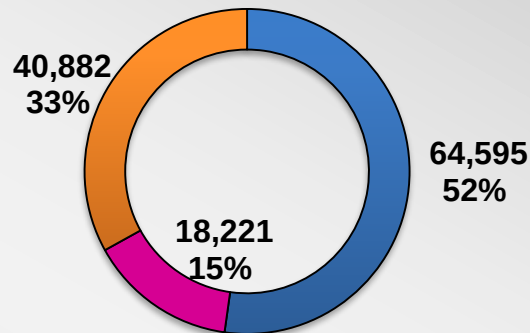
Business Segments

Geography

FY2019



FY2020



- Specialty pharma principals
- Proprietary brands
- Medical hypermart & digital

- Singapore
- Vietnam
- Malaysia
- Others





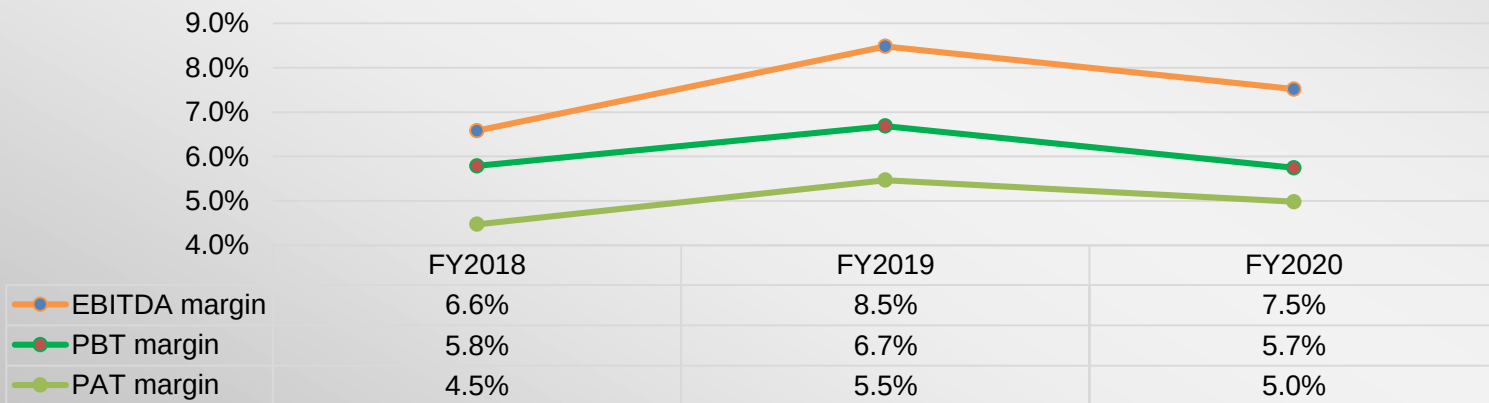
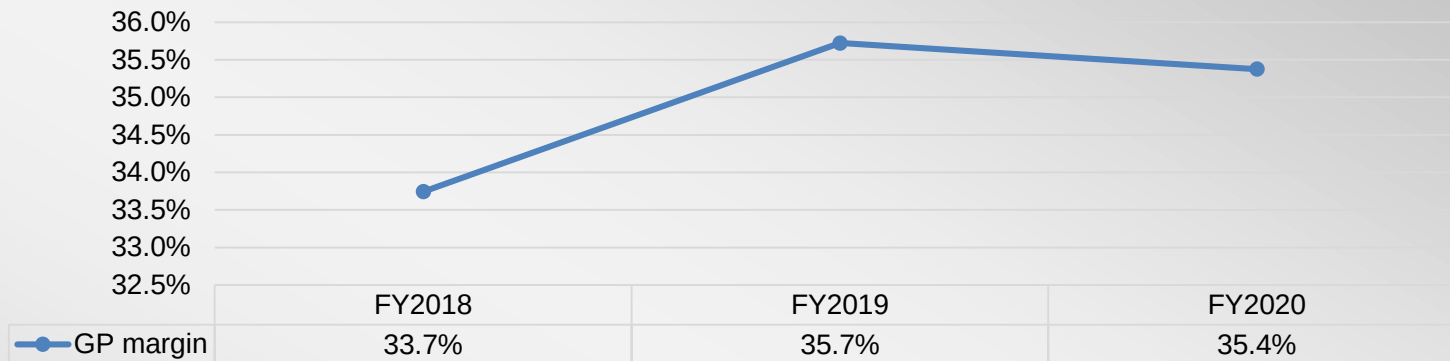
OPERATING EXPENSES

- + Distribution costs: Increase primarily due to higher A&P and staff costs
- + Admin expenses: Increase primarily due to higher R&D costs and higher provisions recorded for unutilised leave by employees
- + Other losses: Mainly comprise allowance for inventories obsolescence
 - COVID-19 test kits S\$0.5m (fully provided for)
 - NRV write-down on personal protective equipment (“PPE”) S\$0.6m
 - Hypermart stocks S\$0.2m
 - Specialty pharma stocks S\$0.3m

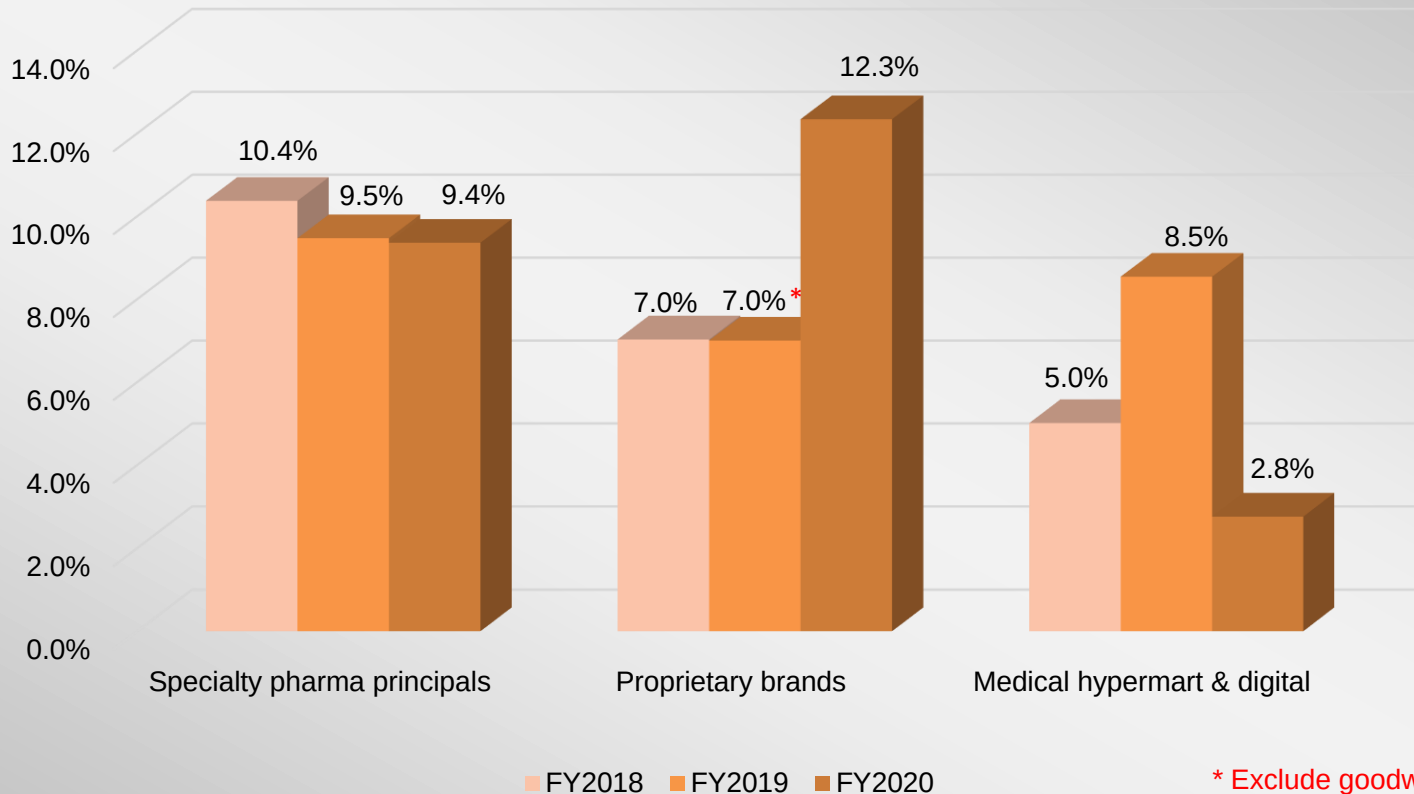




PROFIT MARGINS



EBITDA MARGIN BY BUSINESS SEGMENTS



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FINANCIAL POSITION

S\$'000	31 Dec 2020	31 Dec 2019
Total assets	87,143	80,131
Inventories	16,888	11,431
Trade & other receivables	29,421	28,654
Cash & cash equivalents	27,526	26,165
Total liabilities	39,968	36,055
Trade & other payables	33,240	30,628
Bank borrowings	2,396	300
Total equity	47,175	44,076
NAV per share (cents)	15.70	14.67





CASHFLOW STATEMENT

S\$'000	FY2020	FY2019
<u>Cashflow from operating activities</u>		
Profit before tax	7,108	7,987
Adjustments for non-cash/non-op items	1,892	1,937
Changes in working capital	(3,810)	935
Tax paid	(1,061)	(1,406)
Cashflow from operating activities	4,129	9,453
Cashflow used in investing activities	(1,013)	(449)
Cashflow used in financing activities	(1,755)	(5,192)
Net cash inflow	1,361	3,812
Cash & cash equiv, beg balance	26,165	22,353
Cash & cash equiv, ending balance	27,526	26,165





DIVIDENDS

S\$'000	Dividend	Yield ^(a)	Div / NP ^(b)
FY2020 (subj to shareholders' approval)	0.62 cents	2.0%	30.2%
FY2019	1 cent	3.2%	46.0%
FY2018	0.55 cents	1.8%	30.5%

(a) Yield is computed based on total dividends declared for the financial year divided by closing price of S\$0.31 @ 2 Mar 2021.

(b) Dividend policy: to pay at least 30% of its net profits attributable to shareholders, subject to the Board's approval.



BUSINESS ACHIEVEMENTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



1

Establishing a broader geographical footprint

- + Appointment of **SUTL HK** as exclusive distributor of Ocean Health® supplements in Hong Kong, Macau and Duty-Free Channels in China
- + Appointment of **Healthguard Pharmacy Limited** as exclusive distributor of Ocean Health® in Sri Lanka
- + Appointment of **Shanghai Good Luck 上海古腊国际贸易有限公司** as exclusive distributor of Ceradan® in Mainland China
- + Appointment of **JSPharma** as exclusive distributor of Fairence® T-Complex in South Korea



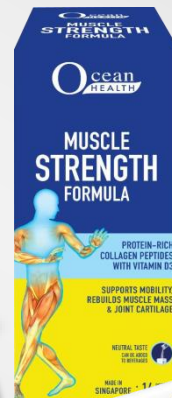
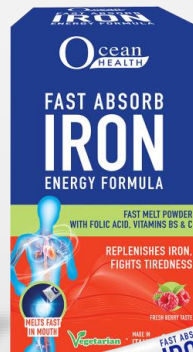
Investment in proprietary brands

- + Patent for Ceradan® Advanced technology in UK.
- + Patent pending in 13 other countries/ region.
- + New product launches:
- + Ceradan® facelift:



Investment in proprietary brands

+ New product launches:



Strengthening specialty pharma portfolio

ERDOMED®

**New Chemical Entity
(NCE)**

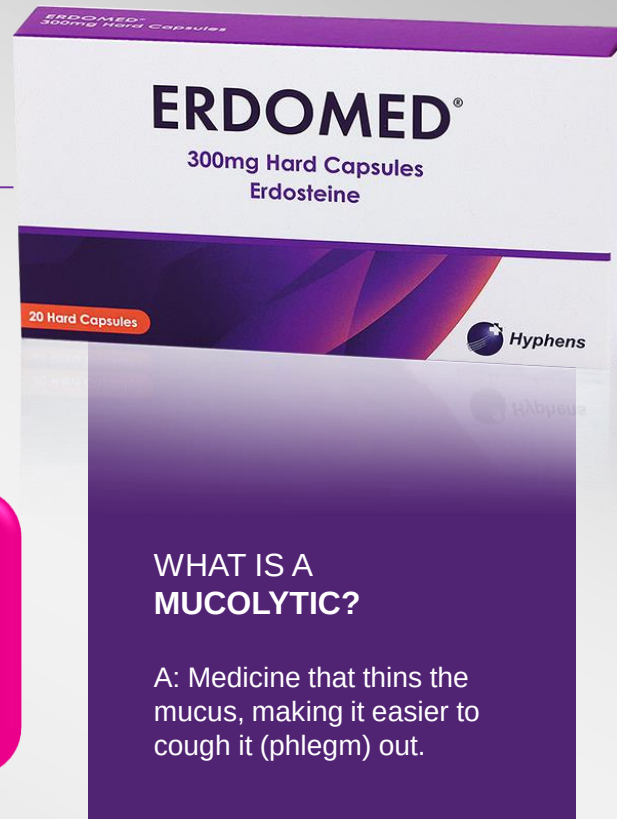
**THE MUCOLYTIC OF CHOICE
FOR ALL RESPIRATORY DISORDERS**



**Respiratory Tract
Infections**

**Chronic
Obstructive
Pulmonary
Disease (COPD)**

**Other Mucus-
Related Disorders**



Reinforcing medical hypermart and digital segment

- + New talents who have joined us to lead new digital initiatives.
- + Awarded e-pharmacy licence for WellAway Pharmacy.



WELLAWAY
PHARMACY





- + 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



BUSINESS OUTLOOK



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



INVESTING FOR GROWTH

1. Investment in Proprietary Brands
2. Internationalisation
3. Going Digital
4. Strengthen Specialty Pharma portfolio
5. Acquisitions
6. Challenges – COVID-19





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