

**Media Release**

**Hyphens Pharma FY2022 net profit rose 66.7% Y-O-Y to S\$11.4 million**

- Achieved a record revenue of S\$162.3 million for FY2022
- Proposes first and final dividend of 1.11 Singapore cents for FY2022

Singapore, 28 February 2023 – Hyphens Pharma International Limited (“**Hyphens Pharma**”, “**凯帆药剂国际有限公司**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”), Singapore’s leading specialty pharmaceutical and consumer healthcare group, is pleased to announce the results for the financial year ended 31 December 2022 (“**FY2022**”), which saw its net profit increase by 66.7% to S\$11.4 million on the back of a 28.9% increase in revenue to S\$162.3 million.

<b>Financial Highlights</b>			
<b>S\$ million</b>	<b>FY2022</b>	<b>FY2021</b>	<b>Change (%)</b>
<b>Revenue</b>	162.3	125.9	28.9
<b>Gross Profit (“GP”)</b>	62.8	48.1	30.6
<b>GP Margin (%)</b>	38.7	38.2	0.5pts
<b>Profit Before Tax</b>	14.3	8.3	73.1
<b>Profit After Tax (“PAT”)</b>	11.4	6.8	66.7
<b>PAT Margin (%)</b>	7.0	5.4	1.6pts

Mr Lim See Wah (林世华), Executive Chairman and CEO of Hyphens Pharma remarked: “We have seen normalisation of business activities in those countries where we have presence as COVID-19 restrictions were lifted. At the same time, our strategy of organic and inorganic growth has borne fruit. Hence, we have been able to achieve significant revenue and profit growth in FY2022 and we are rewarding our

*shareholders for their confidence and trust with a dividend of 1.11 Singapore cents. Despite COVID-19 restrictions easing, the aftershocks of the pandemic continue to ripple. Thus, we will remain vigilant and agile in dealing with the challenges, while continuing to be steadfast in executing our plans and strategies so as to progress towards our vision of becoming ASEAN’s leading specialty pharmaceutical and consumer healthcare group.”*

## **Dividend**

After considering the Company’s FY2022 results performance, outlook, cashflows and capital expenditure needs, the Board of Hyphens Pharma proposes a first and final dividend of 1.11 Singapore cents (FY2021: 0.67 Singapore cents) which is subject to shareholder approval at the upcoming annual general meeting. The dividend amount is approximately 30.2% of the net profit after tax for FY2022.

## **Financial Review**

In FY2022, the Group’s revenue increased by 28.9% to S\$162.3 million from S\$125.9 million in the financial year ended 31 December 2021 (“**FY2021**”). All three business segments contributed to the revenue increase and the Group’s new acquired subsidiaries<sup>1</sup> (“**Novem**”) contributed S\$17.0 million or approximately 10.5% of revenue.

<b>Segmental Revenue</b>			
<b>S\$ million</b>	<b>FY2022</b>	<b>FY2021</b>	<b>Change (%)</b>
<b>Specialty Pharma Principals</b>	95.7	65.6	45.8
<b>Proprietary Brands</b>	23.4	19.1	22.9
<b>Medical Hypermart and Digital</b>	43.2	41.2	4.9
<b>Total</b>	162.3	125.9	28.9

The Specialty Pharma Principals segment led the growth with a 45.8% increase in revenue, with increased demand in Singapore, Vietnam and Malaysia coupled with the sales contribution from Novem. The Proprietary Brands segment also saw strong growth of 22.9%, due to higher demand for Ceradan® and

<sup>1</sup> Comprising Novem Healthcare Pte Ltd, Novem Pharma Private Limited and Novem Sciences Private Limited.

TDF® dermatological products, Ocean Health® health supplement products, and Novem® nutraceutical products. The revenue from the Medical Hypermart and Digital segment remained stable and saw a moderate increase of 4.9%.

The Group's profit after tax increased by 66.7% from S\$6.8 million in FY2021 to S\$11.4 million in FY2022, mainly attributable to higher revenue and gross profit, partially offset by higher operating expenses. This translated to a basic earnings per share of 3.68 Singapore cents.

## **Business Outlook**

### Growing Proprietary Brands

The Group's Proprietary Brand business continues to be its key focus. These Proprietary Brands, which include Ocean Health®, Ceradan®, TDF® and CG 210® are enjoying robust growth in sales and brand equity. Hyphens Pharma will continue its strategy to nurture these brands in markets where it already has presence, seek out new international partnership opportunities to enter new markets, and invest in innovation in order to develop new and improved products under the respective brands.

As part of its continuing efforts to expand and strengthen its Proprietary Brand business, the Group has launched Meradan® cream in Indonesia. Meradan® is a steroid cream formulation developed in collaboration with Singapore's Agency for Science, Technology and Research (A\*STAR). The Group plans to introduce Meradan® progressively in the countries it operates in.

Adding to its product pipeline, the Group has entered into exclusive licence and supply agreements to develop and commercialise Winlevi® cream, the only topical cream to treat hormonal acne directly on the skin, in 10 countries across Southeast Asia. Winlevi® will be the Group's first innovative therapeutics product and will help to deepen its dermatology product pipeline.

### Going Digital

In May 2022, the Group has completed its internal restructuring to consolidate all digital assets of the Group under DocMed to develop an integrated digital healthtech platform. Subsequently in June 2022, DocMed has completed its share subscription to Metro ARC Investments Pte. Ltd. ("Investor"), a wholly-owned subsidiary of Metro Holdings Limited, which resulted in capital injection of S\$6 million in DocMed.

The expected runway for the new capital injection approximates 24 months. DocMed has since strengthened its human capital to accelerate its investments in digital initiatives to spearhead business expansion in its Medical Hypermart and Digital segment. This fund injection will be utilised to further its growth which includes developing an integrated healthtech platform, incorporating various healthtech solutions to cater to healthcare stakeholders in Singapore and the Asia-Pacific region, as well as for working capital purposes.

#### Expanding Through Acquisitions

Since its acquisition by the Group in December 2021, Novem has contributed positively to the Group's revenue and profits. Furthermore, the acquisition has cemented the Group's market leadership position in Singapore and enhanced its ability to deliver high quality healthcare products and services to an enlarged customer base that comprises both the private and public sectors. Novem contributed incremental revenue of S\$15.7 million in FY2022, against FY2021. As part of its long-term growth strategy, the Group will continue to seek out acquisition opportunities that are in alignment with its strategic goals.

#### Strengthening Specialty Pharma Portfolio

The distributorship agreement with principal Biosensors Interventional Technologies Pte. Ltd., with Vietnam as the only territory, has lapsed by mutual and amicable decision upon maturity of the agreement on 31 December 2022. Revenue from this portfolio accounted for 3% of the Group's total revenue for FY2022.

To further cement its leadership position and deepen its presence in the ASEAN region, the Group remains focused on actively seeking licencing opportunities and registering new products for its Specialty Pharma Principals segment. The Group has entered into an exclusive agreement to handle distribution and sales of Nabota<sup>®</sup>, a premium high-purity botulinum toxin (commonly referred to as botox). Nabota<sup>®</sup> has been successfully registered in Singapore in January 2023.

#### Impact from COVID-19

The global environment remains volatile and challenging due to ongoing supply chain challenges and inflationary pressure. The Group will continue to remain agile and vigilant so to respond to changing market conditions.

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**Note: This media release is to be read in conjunction with the SGXNET announcement issued on the same day.**

**About Hyphens Pharma International Limited (www.hyphensgroup.com)**

Hyphens Pharma International Limited and its subsidiaries (the "Group") is Singapore's leading specialty pharmaceutical and consumer healthcare group, 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 10 other markets – Bangladesh, Brunei, Cambodia, China, Hong Kong S.A.R., Macau S.A.R., Myanmar, Oman, South Korea and Sri Lanka.

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 & 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 and an online pharmacy for doctors to prescribe and have medications delivered to their patients' homes.

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