



HYPHENS PHARMA INTERNATIONAL LIMITED

Results Briefing FY2021

2 MARCH 2022



DISCLAIMER

This presentation has been prepared by Hyphens Pharma International Limited (the "**Company**") and, together with its subsidiaries, the "**Group**").

This content in this presentation is being furnished to you on a confidential basis and solely for your information and neither this presentation nor any part thereof may be (i) used or relied upon by any other party or for any other purpose; (ii) copied, photocopied, duplicated, photographed or otherwise reproduced in any form or by any means; or (iii) redistributed, passed on or otherwise disseminated or quoted, directly or indirectly, to any person either in your organisation or elsewhere. None of the Company, SAC Capital Private Limited (the "**Sponsor**") nor any of their respective affiliates, advisors and representatives makes any representation regarding, or assumes any responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of the content in this presentation.

By attending or viewing all or part of this presentation, you:

- i. represent and warrant that you are lawfully able to receive this presentation under the laws of the jurisdiction in which you are located and all other applicable laws;
- ii. agree to be bound by the limitations and restrictions described herein; and
- iii. agree to maintain confidentiality regarding the information disclosed in this presentation and to continue to adhere to all applicable securities and insider trading rules and laws in any jurisdiction at all times.

This presentation does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities in Singapore or any other jurisdiction nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

The information in this presentation is a summary only and does not purport to contain all of the information that may be required to evaluate the Company or any potential transaction. Any potential transaction could be made available to you in accordance with applicable laws and regulations, including the distribution of any required documents for such potential transaction and such documents will supersede all prior information provided to you, herein or otherwise. Information in this presentation is qualified in its entirety by reference to an offering document for any potential transaction, if it proceeds.

None of the Company, the Sponsor, and any of their respective holding companies, subsidiaries, associated undertakings, controlling persons, affiliates, and any of their respective directors, officers, partners, employees, agents, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. It is not the intention to provide, and you may not rely on the content of this presentation as providing, a complete or comprehensive analysis of the Company's or the Group's financial or trading position or prospects. The information and opinions contained in this presentation is provided as at the date hereof (unless otherwise indicated) and are subject to change without notice. This presentation may not contain all material information concerning the Company or the Group.

The information contained in this presentation has not been independently verified. The accuracy and completeness of the information and opinions in this presentation is not guaranteed and no representation or warranty, expressed or implied, is made as to, and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness or correctness of the information, opinions or assumptions contained herein. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice. None of the Sponsor and its subsidiaries or affiliates has independently verified, approved or endorsed the material herein.

The information in this presentation includes historical information about and relevant to the Group that should not be regarded as an indication of the future performance of the Group or the value of the shares of the Company. This presentation also contains forward-looking statements that may be identified by their use of words like "plans", "expects", "will", "anticipates", "believes", "intends", "depends", "projects", "estimates" or other words of similar meaning and that involve assumptions, risks and uncertainties. All statements that address expectations or projections about the future and all statements other than statements of historical facts included in this presentation, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations of future events regarding the Group's present and future business strategies and the environment in which the Group will operate, and must be read together with those assumptions. No assurance or guarantee is given that these assumptions and expectations are accurate or will be realised. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These risks, uncertainties and assumptions include, without limitation, general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other entities, shifts in customer demand, customers and partners, changes in operating expenses including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Group. Past performance is not necessarily indicative of future performance. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view of future events. None of the Company and the Sponsor, their respective affiliates and their respective agents assumes any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Neither this presentation nor any of its content may be used without the prior written consent of the Company and the Sponsor. Any forwarding, distribution or reproduction of the information in this presentation electronically or otherwise, in whole or in part, is unauthorised.



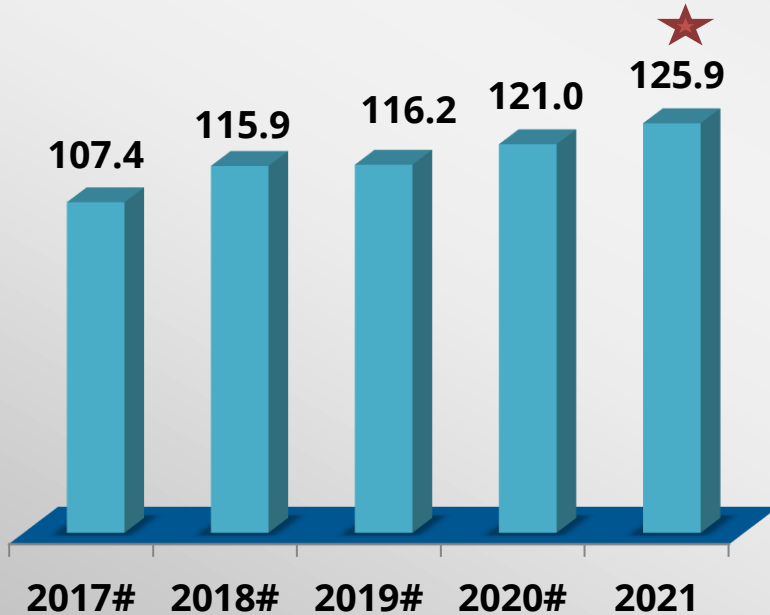
FINANCIAL RESULTS





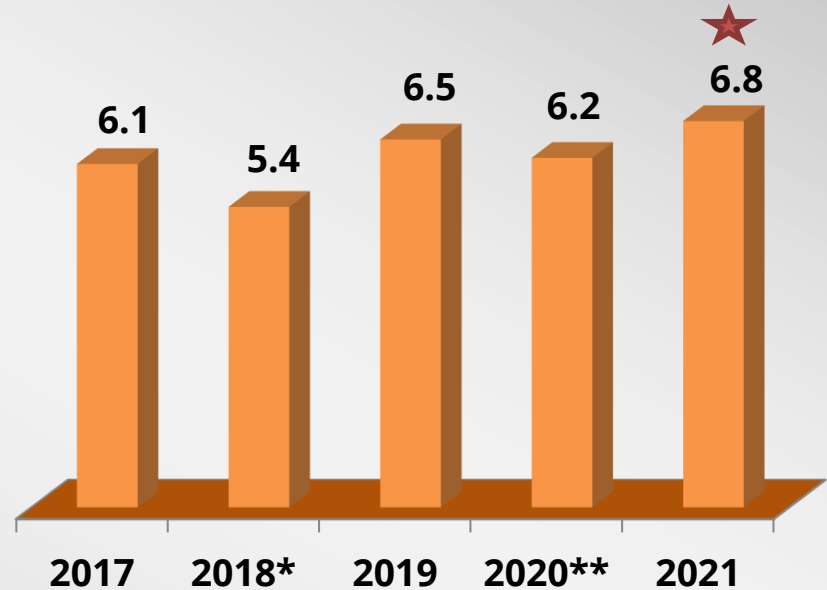
1.1 FINANCIAL PERFORMANCE

Revenue (S\$m)



Restated for prior years to be consistent with FY2021

Profit After Tax (S\$m)



* Incl IPO exp; ** Incl JSS & Covid-related stock prov



1.2 INCOME STATEMENT

Notes

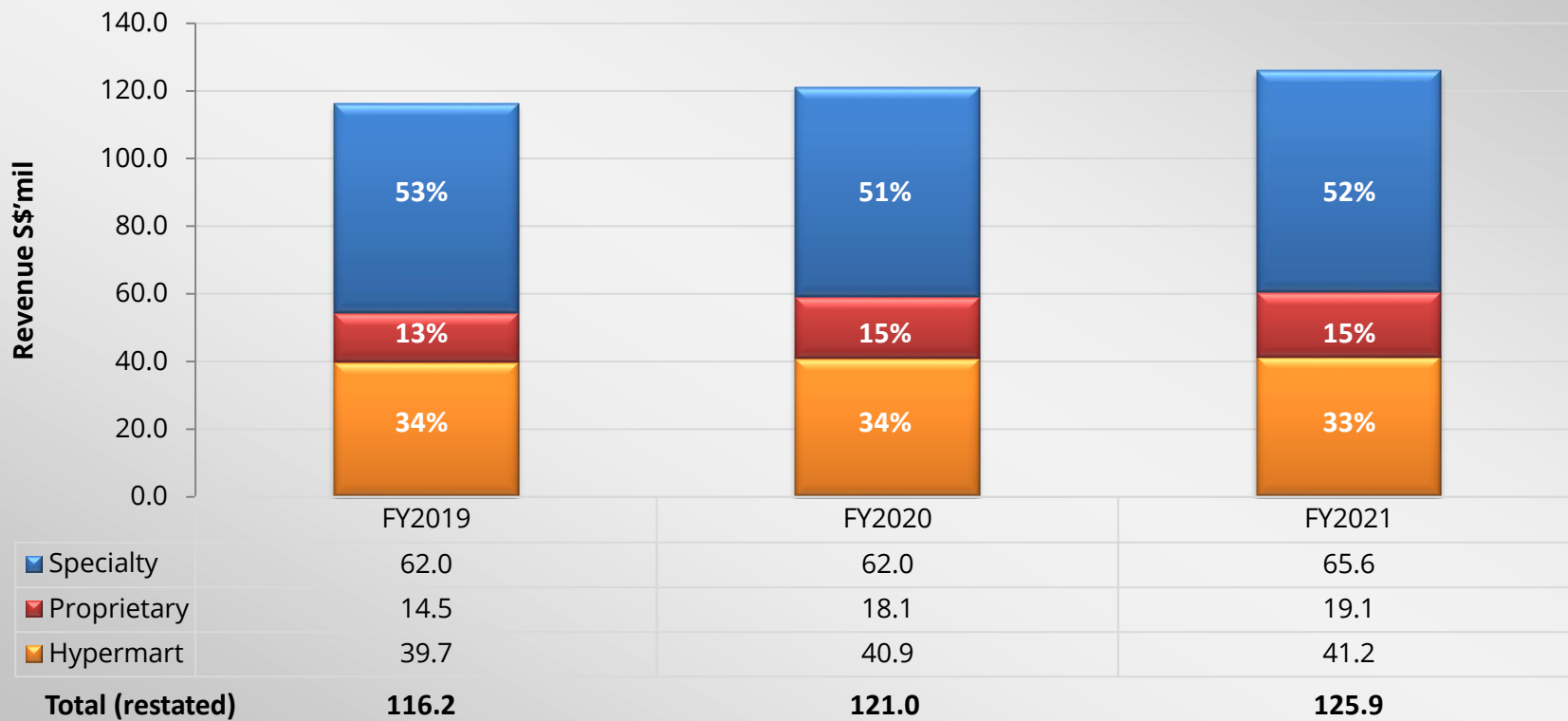
S\$'000	FY2021	FY2020	Variance
Revenue	125,883	120,977	4%
Gross profit	48,083	43,636	10%
Other income & gains	964	2,295	-58%
Share of assoc profit	17	-	-
Operating expenses			
Marketing expenses	(28,394)	(26,523)	7%
Admin expenses	(11,639)	(10,138)	15%
Finance costs	(95)	(110)	-14%
Other losses	(680)	(2,052)	-67%
Profit before tax	8,256	7,108	16%
Profit after tax	6,846	6,163	11%
EPS (cents)	2.27	2.05	11%

- Revenue increased across all business segments and most geographical locations.
- Improved GPM to 38.2% in FY2021 from 36.1% in FY2020.
- Decline in other income due to lower JSS, partially offset by higher FX gains.
- Increase in distribution & marketing exp mainly due to higher staff costs.
- Increase in admin exp partly due to Novem acq trans cost & higher R&D costs.
- Reduction in other losses from lower stock obsolescence & write-offs.
- Strong profit growth despite much lower JSS.
- About 1-mth contribution from Novem Group.



1.3

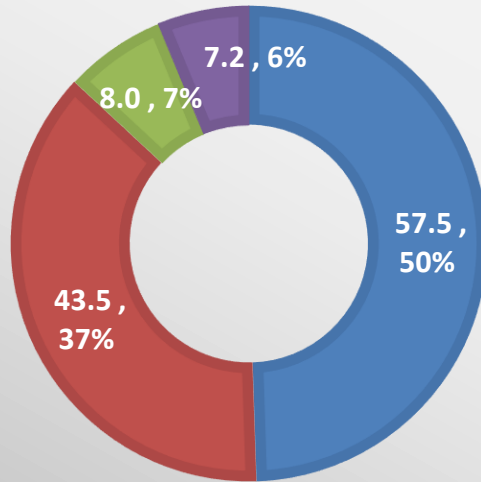
REVENUE BY BUSINESS SEGMENTS



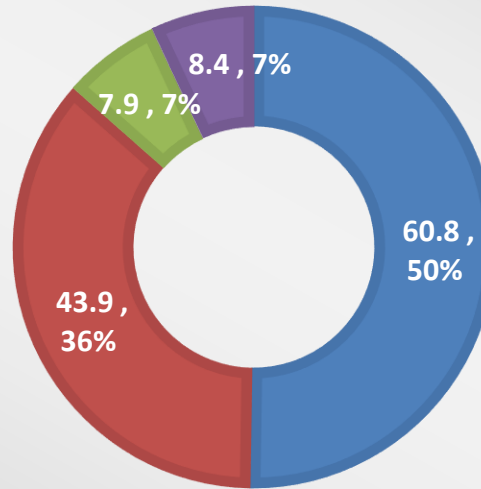
1.4

REVENUE BY GEOGRAPHICAL SEGMENTS

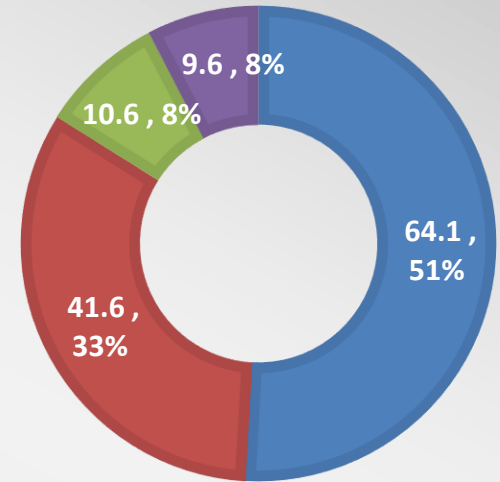
FY2019



FY2020



FY2021



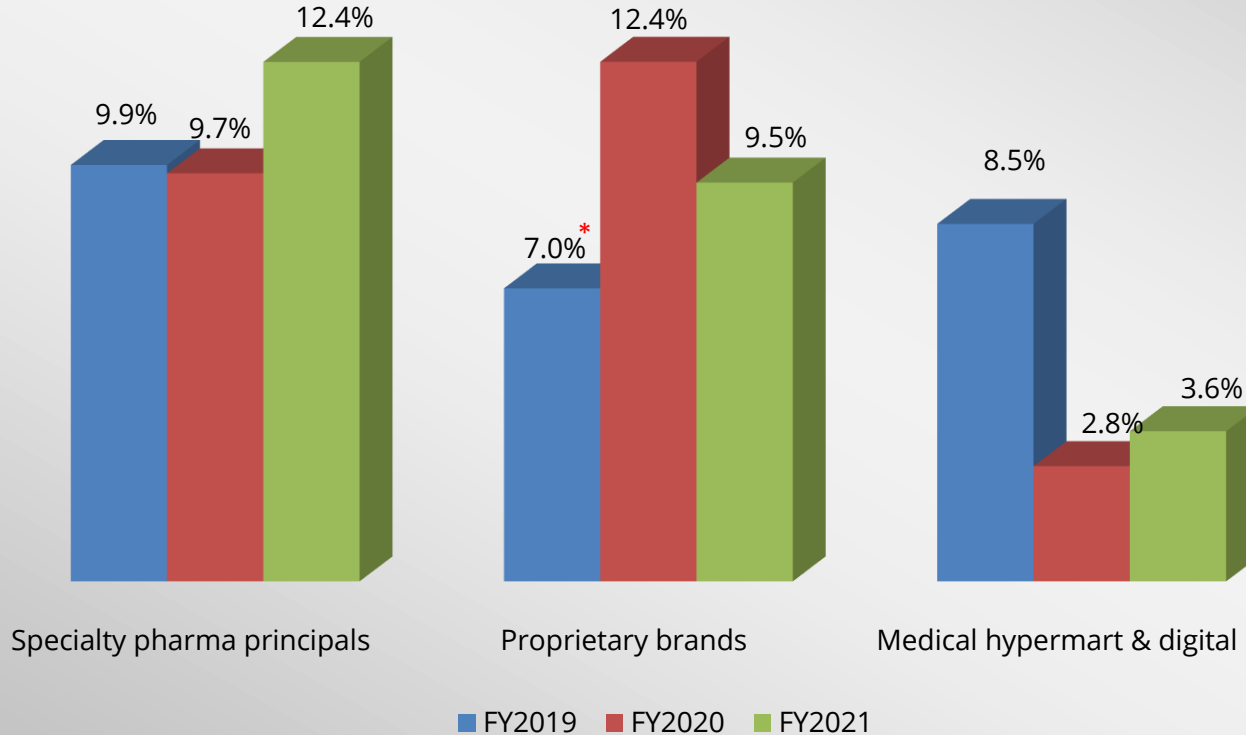
■ Singapore ■ Vietnam ■ Malaysia ■ Others

Note: Revenue in S\$'mil & restated prior years to be consistent with FY2021



1.5

EBITDA MARGIN BY BUSINESS SEGMENTS



Notes:

Due to restatement of revenue in prior years to be consistent with FY2021, prior years' EBITDA margins have been updated accordingly.

**Exclude goodwill impairment*



2

FINANCIAL POSITION

S\$'000	31 Dec 2021	31 Dec 2020
Total assets	98,412	81,458
Inventories	25,076	16,888
Trade & other receivables	28,543	23,736
Cash & cash equivalents	19,461	27,526
Total liabilities	43,779	34,283
Trade & other payable	33,563	27,555
Bank borrowings	6,075	2,396
Total equity	54,633	47,175
NAV per share (cents)	17.69	15.70



3

CASHFLOW STATEMENT

S\$'000	FY2021	FY2020
<u>Cashflow from operating activities</u>		
Profit before tax	8,256	7,108
Adjustments for non-cash/non-op items	2,661	1,893
Changes in working capital	(3,464)	(3,810)
Tax paid	(1,415)	(1,061)
Cashflow from operating activities	6,038	4,130
Cashflow used in investing activities	(14,917)	(1,013)
Cashflow used in financing activities	814	(1,756)
Net cash inflow	(8,065)	1,361
Cash & cash equiv, beg balance	27,526	26,165
Cash & cash equiv, ending balance	19,461	27,526





PROPOSED DIVIDEND

S\$'000	Dividend	Yield*	Div / Net Profit
FY2021 (subj to shareholders' approval)	0.67 cents	2.3%	30.2%
FY2020	0.62 cents	2.1%	30.2%
FY2019	1 cent	3.4%	46.0%
FY2018	0.55 cents	1.9%	30.5%

** Yield is computed based on total dividends declared for the financial year divided by closing price of S\$0.295 @ 28 February 2022.*

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



BUSINESS UPDATES





Patented
in SG,
US & UK



Ceradan[®]
ADVANCED

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



For Eczema-Prone Skin

Patent pending in 11 other countries / regions



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





BEST
SELLING
SKIN
BARRIER
CREAM

SG

THE MOST
WANTED
SKIN
BARRIER
CREAM

MY



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





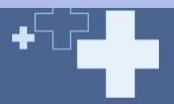
BEST SELLING MULTIVITAMIN (VEGETARIAN) SUPPLEMENT



BEST SELLING OMEGA-3 SUPPLEMENT



TRUSTED BRAND OMEGA-3 SUPPLEMENT



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



Ocean
HEALTH

Singapore's No.1
Omega-3 Brand*

BECAUSE WE CARE

LET'S DO OUR PART FOR THE ENVIRONMENT

NEW

REFILL PACK

Environment
Friendly

Ocean
HEALTH

90%
Less Plastic*

OMEGA-3
FISH OIL 1000MG

MOLECULARLY DISTILLED FOR PURITY

NOURISHES HEART,
BRAIN, EYES & JOINTS

MADE IN
NEW ZEALAND • 190 SOFT
GELS



Available at Watsons

*Best-selling fish oil (Omega-3) supplement in major retail pharmacies from 2013 to 2021. ^In comparison with our large Omega-3 Fish Oil bottle pack.

A member of
Hyphens



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group

 **Hyphens**

As featured on
THE STRAITS TIMES



**First HSA-registered
e-pharmacy in
Singapore launched**



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



Pharmaceutical Products

Nutraceutical Products

Medical Devices



NOVEM[®] > 20 YEARS OF TRACK RECORD

Innovating healthcare with excellence

MORE THAN

150

PRODUCTS

MORE THAN

1,000

CUSTOMERS

MORE THAN

40

BRAND PRINCIPALS

HOSPITALS • POLYCLINICS
SPECIALISTS • GPs



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





Hyphens Pharma International Limited (SGX: 1J5)
 16 Tai Seng Street, Level 4, Singapore 534138
www.hyphensgroup.com

in | Follow us on LinkedIn