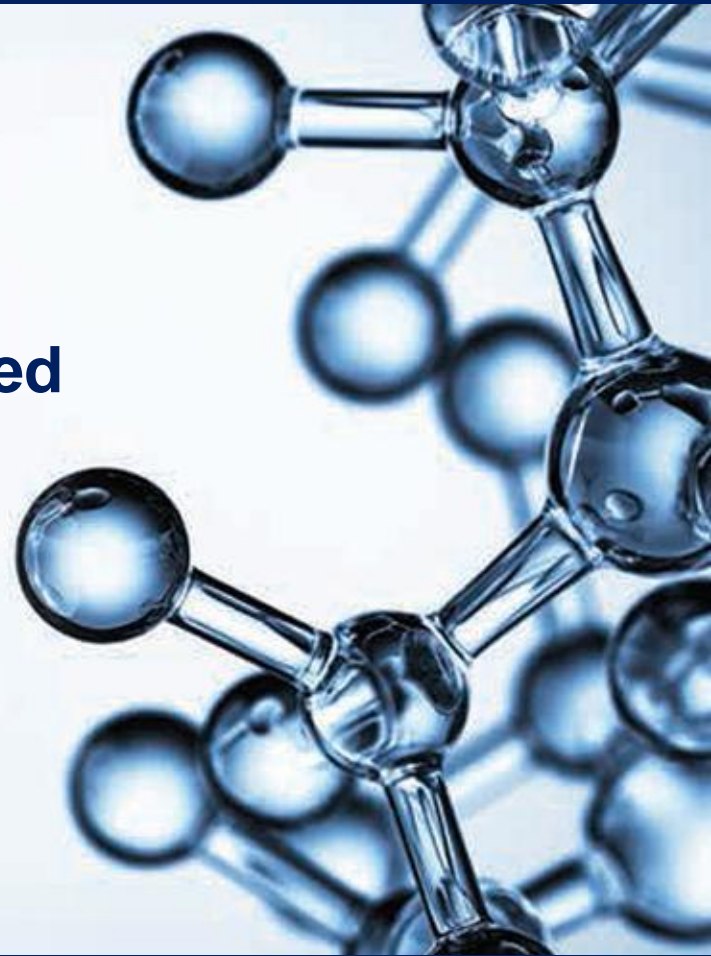




**Hyphens Pharma International Limited**

**Results Briefing 2Q2019**



**HYPHENS PHARMA INTL LTD (SGX: 1J5)**

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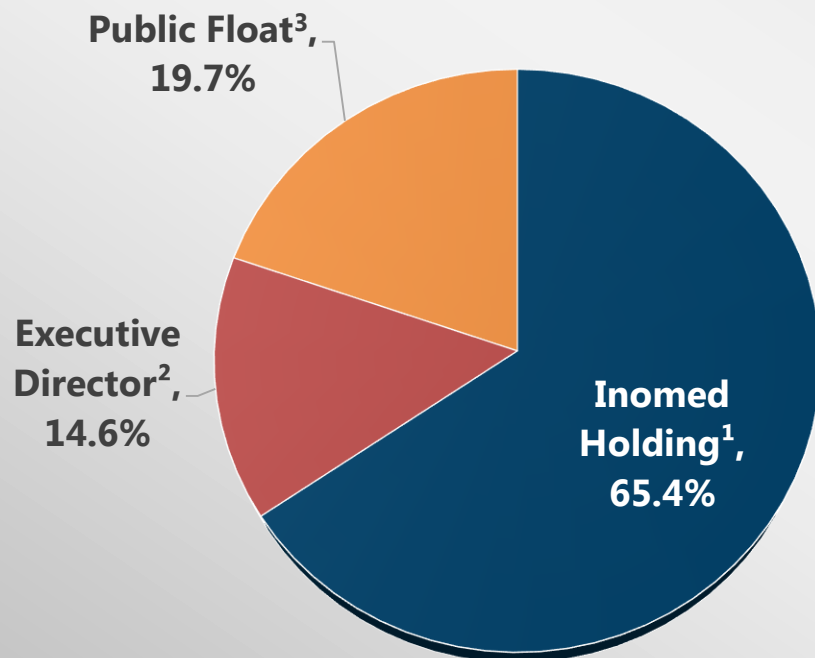
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# CORPORATE INFORMATION

## Shareholding



<sup>1</sup> Owned by Mr. Lim See Wah, CEO and Dr. Tan Kia King, Non-Executive Director

<sup>2</sup> Mr. Tan Chwee Choon, Executive Director

<sup>3</sup> As at 12 Mar 2019

Bloomberg Code	<b>HYP:SP</b>
Reuters Code	<b>1J5.SI</b>
ISIN Code	<b>1J5</b>
Issued Shares (M)	<b>300.43</b>
Market Cap (SG\$M) (16 Aug 2019)	<b>60.1</b>
Share Price (SG\$) (16 Aug 2019)	<b>0.20</b>
Average volume 3-mth ('000)	<b>200.8</b>
52 wk range (SG\$) (16 Aug 2019)	<b>0.16 - 0.21</b>

**At least 30% of Net Profits Attributable to Shareholders in FY2018 and FY2019 intended to be distributed as dividends**



# KEY DEVELOPMENTS

2Q2019



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# OCEAN HEALTH REVAMPED

*New Look  
Same Goodness*

The homegrown everyday choice since 1994 for you and your family's wellbeing. Always your guardian of health empowering you to live life fully.



Ocean HEALTH

CELEBRATING  
**25**  
YEARS



# OCEAN HEALTH REVAMPED (CONT'D)



# Ceradan® ATOPIC DERMATITIS RANGE

**Enriched with Essential Skin Lipids in a pH Balanced System**

**Gentle Non-Soap Wash**

**Maintenance Therapy**

**NEW!**

**DERMATOLOGIST**  
Ceradan  
**#1**  
**TOP-OF-MIND BRAND IN SINGAPORE\***

**Ceramoz** Mosquito Repellent Cream  
Protect and Moisturise

**Ceradan** Moisturising Skin Barrier Cream  
Enriched with essential skin lipids in a pH balanced system

**Ceradan** Diaper Cream  
Triple Protective Action

**Ceradan** Soothing Gel  
Calm and Soothe

**Ceradan** Hydra Hydrating Moisturiser Enriched with Ceramide

**Ceradan** wash Soap-free Moisturising Body Wash WITH CERAMIDE

**Ceradan** wash Soap-free Moisturising Body Wash WITH CERAMIDE

**Ceradan** wash Soap-free Moisturising Body Wash WITH CERAMIDE

**Ceradan** Ceramide-Dominant Skin Barrier Repair Cream

**Ceradan** Ceramide-Dominant Skin Barrier Repair Cream

**Specially-Formulated Mosquito Repellent For AD**

**Triple Protective Action Against Diaper Rash**

**Menthol Gel to Calm & Soothe Itchy Skin**

**Ceramide-Dominant Therapeutic Moisturiser**

\*IQVIA 2018 Q3 Survey on Top-of-Mind Awareness on 31 Private Dermatologists in Singapore



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



LAUNCHED THIS YEAR!



PATENT  
PENDING

Ceradan®  
ADVANCED

An advanced  
emollient with  
*pH balanced*  
system with a  
patent  
pending  
formulation



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





LAUNCHED THIS YEAR!



**XCELAREV®**  
**Skin**  
**Lightening<sup>2</sup>**

**LIGHTENS**  
**DARK SPOTS IN** **3**  
**MONTHS<sup>1</sup>**

**XCELAREV®**  
**A PATENTED**  
**DELIVERY SYSTEM<sup>2</sup>**

**WELL TOLERATED**  
**WITH LONG-TERM**  
**USE<sup>1</sup>**

<sup>1</sup> Based on data on file

<sup>2</sup> Patent No.: UK GB 2549418

# CERADAN OTC DRIVE

## Media PR Launch Event



The 3:1:1 Ceradan Experience – Media Luncheon



Suitable for newborns onwards



The 3:1:1 Ceradan Experience – Media Luncheon



REBUILDS



Skin Barrier



Clinically proven to prevent 1 in 2 eczema flares in SG children



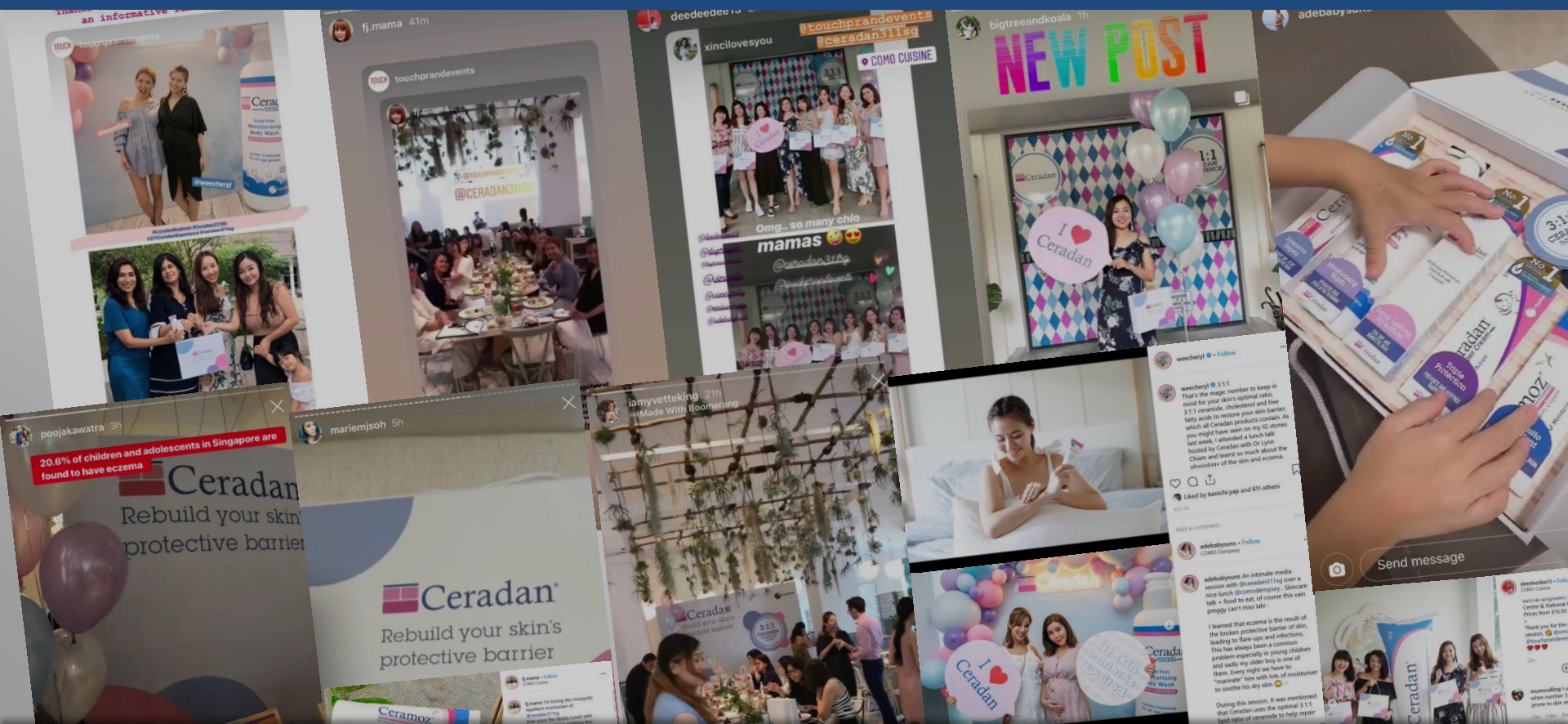
ATTENDEES from  
Media Representatives, Influencers & Buyers



To view more photos,  
please visit our LinkedIn page  
[rebrand.ly/hyphens](https://rebrand.ly/hyphens)

# CERADAN OTC DRIVE (CONT'D)

## Media PR Launch Event



### Some of the Mummy Influencers:

@weecheryl • @fj.mama • @deedeede13 • @adebabysuns • @bigtreeandkoala • @poojakawatra • @iamyvetteking and more!



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# CERADAN OTC DRIVE (CONT'D)

## Retail Activities



### OTC Shelf Displays

Rebuild your skin's protective barrier

**3:1:1 CERAMIDE DOMINANT RATIO**

BY PRIVATE DERMATOLOGISTS

**No. 1**

**Ceradan**

Ceramide-dominant skin barrier repair cream

Delivers physiological fluids in optimal ratio of 3:1:1

Hydrating Moisturiser Enriched with Ceramide

Intensive Repair

LONG-LASTING HYDRATION FOR DRY AND SENSITIVE SKIN

Moisturising Wash

HYDRATE SKIN EVEN AFTER WASHING

85% Prefers Ceradan

Clinically proven To prevent 1st & 2nd degree rashes in 90 children

### Exclusive Trade Packs

**No. 1**

BY PRIVATE DERMATOLOGISTS

**Ceradan**

**Double Relief**

Cream + Wash

Moisturising Body Wash

Intensive Repair

Gentle Cleansing for all age groups

3:1:1 CERAMIDE DOMINANT RATIO

**No. 1**

BY PRIVATE DERMATOLOGISTS

**Ceradan**

**Double Relief**

HYDRA + Wash

Hydrating Moisturiser Enriched with Ceramide

Long Lasting Hydration

Moisturising Body Wash

3:1:1 CERAMIDE DOMINANT RATIO



Roadshows @ Guardian

# NEW SPECIALTY PHARMA PRINCIPALS

Exclusive  
Distribution  
Agreement

Vietnam

Central  
Nervous  
System

## Lundbeck

Renowned Global  
Pharmaceutical  
Company

Specialises in  
Brain Diseases  
Treatments

Exclusive  
Distributor

Vietnam

## Syntellix



Manufactures  
**MAGNEZIX®** for Quicker  
& Safer Bone Recovery

**MAGNEZIX®** is a  
magnesium alloy metallic  
implant that can be  
reabsorbed by the body



# SGX PUBLICATIONS



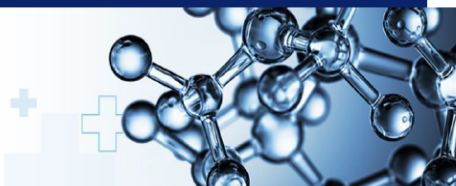
28 March 2019

## 10 in 10 – Hyphens Pharma International (SGX Code: 1J5)

10 Questions in 10 Minutes with SGX-listed companies



SINGAPORE'S LEADING  
SPECIALTY PHARMACEUTICAL AND  
CONSUMER HEALTHCARE GROUP



### 10 Questions for Hyphens Pharma International

#### Company Overview

Hyphens Pharma International is a Singapore-based specialty pharmaceutical and consumer healthcare group with a strong presence across 5 ASEAN countries and distribution networks in Asia and Middle East. It has 3 core businesses – 1) Specialty Pharma Principals, 2) Proprietary Brands and 3) Medical Hypermart & Digital.

[Link to StockFacts company page.](#)

[Link to Hyphens Pharma's IPO Market Update](#)

SGX Code: 1J5	BBG: HYP SP	RIC: HYPH.SI
Market cap on 27 Mar (S\$m)	60.0	
Price on 27 Mar (S\$)	0.20	
52 wk high/low	0.305 - 0.160	
ADTV (S\$) (since IPO)	73,960	
Shares Outstanding (m)	300	
Float	20.0%	
P/E (LTM)	11.1	
P/B (LTM)	1.5	
Dividend Yield (proposed)	2.8%	

Source: Bloomberg & StockFacts (27 Mar 2019)

#### 1. What are some notable developments that Hyphens Pharma's shareholders can look forward to?

- We intend to grow our portfolio of proprietary products and have identified opportunities in the skin health market. We see the recent MOU signed with A\*ccelerate of A\*STAR as a step forward to further strengthen our skin health portfolio. With a pipeline of new product introductions and further geographical expansion, we are aiming for accelerated growth for the Group, which we believe will be rewarding to our shareholders.
- To support our growth strategy, we have also strengthened our manpower capital with experienced hires for the positions of Business Director for Hyphens Dermatology, Business Development Director to spearhead our Group's internationalisation, Associate Marketing Director to drive the growth of the consumer healthcare business and Vice-President for the Philippines market.

#### 2. What are some of Hyphens Pharma's main business segments and their growth drivers?

- Specialty Pharma Principals (c.57% of FY18 revenue)** – Marketing and sales of a range of specialty pharmaceutical products in selected ASEAN countries through exclusive distributorship or licensing

## Hyphens Flies Asian Flag in Pharma Industry

26 Apr 2019 | Category: [Market Dialogues](#)



#### Hyphens Pharma International

SGX Code	1J5
Mkt Cap S\$M	64.5
Last Price (S\$)	0.215
% Price Change vs IPO	-17.3
% Price Chg Div Adj [YTD]	10.3
% Chg vs 12M High	-29.5
% Chg vs 12M Low	34.4
12M High Date	18/5/2018
12M Low Date	2/4/2019
% Div Yld	NA
P/E (x)	11.9
% ROE	18.7

Source: SGX StockFacts (24 April 2019)

Healthcare veteran Lim See Wah's rejection from medical school more than three decades ago turned out to be a significant pivot in his entrepreneurial journey.

Settling instead for a place in the Department of Pharmacy at the National University of Singapore's Faculty of Science, Lim discovered a passion for pharmaceuticals in the ensuing years.

"I grew up wanting to be a doctor. But pharmacy turned out to be an exciting and inspiring discipline," he recalled.

"I realised that without drugs, medicine would not be what it is today. The advancement in pharmaceuticals is a true companion to the advancement of healthcare," he noted.

"For example, for a successful surgery, you need both skilled surgeons and drugs - without the anaesthetic, you can't carry out the procedure."

After graduating with a Bachelor of Science in Pharmacy with Honours, the aspiring drug innovator began his career as a regional product manager in French-owned pharmaceuticals firm Hyphens Pharma in Singapore.



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# RHB RESEARCH REPORTS

INVESTMENT BANKING  
Top Singapore Small Cap Companies

## 20 Jewels 2019 Edition

Together We Progress

**RHB**



## Singapore Initiating Coverage

3 July 2019

### Hyphens Pharma (HYP SP)

Undervalued And Under-Covered; Initiate BUY

Healthcare | Pharmaceuticals

**Buy**

Target Price (Return)	SGD0.25 (+28%)
Price:	SGD0.196
Market Cap:	USD43.5m
Avg Daily Turnover (USD/SGD) ('000)	2695

#### Analysts

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#### Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	0.5	(1.5)	(6.7)	0.5	(12.9)
Relative	(9.1)	(9.4)	(9.3)	(10.2)	(16.8)
52-wk Price low/high (SGD)	0.16 - 0.24				

Hyphens Pharma (HYP SP)



#### Source: Bloomberg

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Key Risks	7
Industry Overview	8
Company Background	10
Peer Analysis	14
Business Analysis	15

- **Initiating coverage with a BUY and DCF-backed SGD0.25 TP (9% WACC, 0% TG), 28% upside, implying 12.2x FY19F P/E) plus 2.8% yield.** Hyphens Pharma is one of Singapore's leading specialty pharmaceutical (pharma) and consumer healthcare groups with an ASEAN presence. It is trading at 9.6x FY19F P/E (industry average: 17.8x). We believe the specialty pharma principals and proprietary brands segments are equipped for growth in the near term. We forecast revenue and NPAT CAGRs of 7% and 19% for FY18-21.

- **Specialty pharma principals' revenue CAGR of 20% in FY15-18.** Hyphens' saw an increase in revenue across most of the products in this division, particularly in Vietnam. We expect the growth momentum to continue in the near term, as it continuously reaches out to existing and prospective buyers.

To keep the momentum going, Hyphens is exploring opportunities with new principals and distributing existing products in other markets. We estimate the Vietnam market to grow 5-8% in the next three years.

- **Expanding and strengthening the proprietary brands product range.** The group launched five products in 2018, and has a few more in the pipeline for 2019. Two dermatological products – Ceradan Advanced and TDF Fairness T-Complex – are pending commercialisation. We think the introduction of the former is something to look forward to this year. Upon their launch, some existing Ceradan brand products may be marketed through retail pharmacies, making them easier for consumers to reach. These products are currently sold through hospitals and clinics.

Coupled with other new launches and its business expansion pipeline, we expect sales of Hyphens' proprietary brands segment to hit SGD0.4m by FY21, from SGD13m in FY18 (+23% CAGR).

- **The valuation catch-up play.** We believe the market is currently undervaluing the group's potential. The stock is trading at 9.6x FY19F P/E and offers a decent yield of 2.8%. We like Hyphens, as it is a fundamentally well-run company helmed by an experienced management team with growth opportunities, is specialty pharma principals and proprietary brands. Management is also mindful of rewarding its shareholders.

- **Key risks include** unsuccessful product registrations, reliance on relationships with brand principals, and FX fluctuations.



# INVESTOR-ONE STOCK PITCH CHALLENGE

**INVESTOR-ONE**  
Discover Growing Companies

Editorial Performance Quick Facts Social

 Editorial

Investor-One Challenge: Visit to Hyphens Pharma Tue, Jul 9, 1:21 PM

 Company Features

INVESTINGNOTE'S SIGNAL BLOG

## [EVENT RECAP] EXCLUSIVE CORPORATE VISIT TO HYPHENS PHARMA (SGX:1J5)

July 8, 2019 Admin

Last Saturday, we just had an exclusive corporate visit to Hyphens Pharma International Limited and the turn-out was great!

We were given the opportunity to have the C-Suite management, Mr Lim See Wah (CEO) and Ms Fang Lee Wei (CFO) of Hyphens Group to showcase the company to our community members.

The visit started off with an opening speech by Hyphens Group CEO, Mr Lim See Wah, included a brief introduction of the company.

**SMALLCAPASIA**

Blog Stock Ideas

## Hyphens Pharma: 10 things I learnt from the Corporate Visit



The image shows an aerial view of the Singapore skyline, featuring the Marina Bay Sands hotel and the Esplanade - Theatres on the Bay. A large blue sphere with a white cross, representing the Hyphens logo, is overlaid on the image. The word "Hyphens" is written in a large, blue, sans-serif font across the bottom of the image.

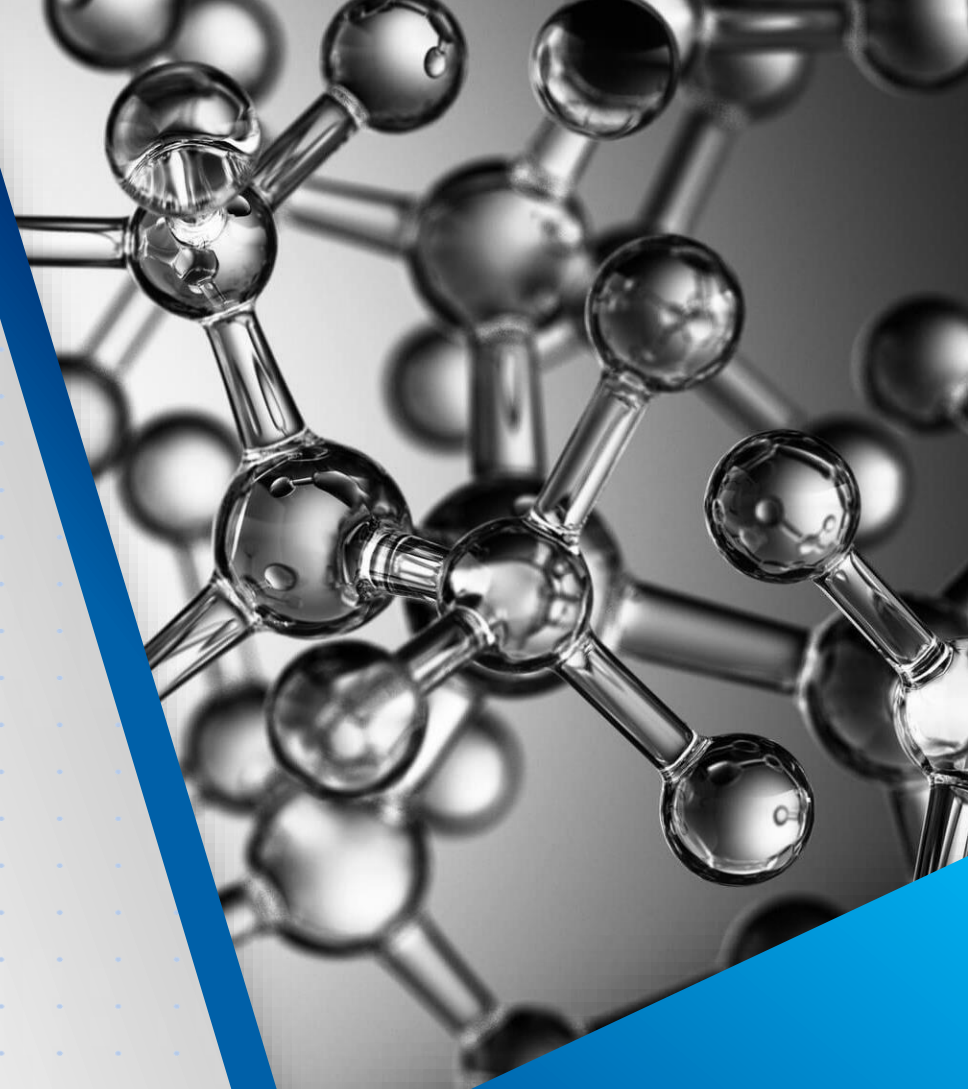


Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





# FINANCIAL HIGHLIGHTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# INCOME STATEMENT

S\$'000	2Q2019	1Q2019	Change %	1H2019	1H2018	Change %
Revenue	29,002	27,004	7.4%	56,006	61,515	-9.0%
Gross profit	10,149	9,475	7.1%	19,624	20,710	-5.2%
Opex	8,259	7,923	4.2%	16,236	16,504	-1.6%
EBITDA	2,526	2,186	15.6%	4,712	4,814	-2.1%
Profit before tax	2,040	1,675	21.8%	3,715	4,384	-15.3%
Profit, net of tax	1,635	1,429	14.4%	3,064	3,407	-10.1%
<b>Earnings per share</b>	<b>0.54 cents</b>	<b>0.48 cents</b>	<b>12.5%</b>	<b>1.02 cents</b>	<b>1.34 cents</b>	<b>-23.9%</b>

	2Q2019	1Q2019	Change	1H2019	1H2018	Change
GP margin	35.0%	35.1%	-0.1 ppt	35.0%	33.7%	1.3 ppt
EBITDA margin	8.7%	8.1%	0.6 ppt	8.4%	7.8%	0.6 ppt
PBT margin	7.0%	6.2%	0.8 ppt	6.6%	7.1%	-0.5 ppt
PAT margin	5.6%	5.3%	0.3 ppt	5.5%	5.5%	-



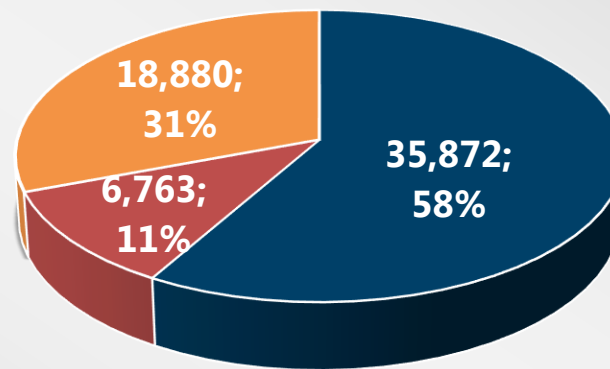
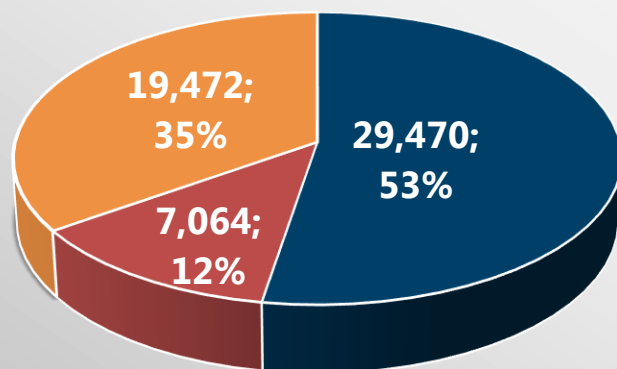
# SEGMENT REVENUE

1H2019

1H2018



**Medical Hypermart  
& Digital**



**Proprietary  
Brands**



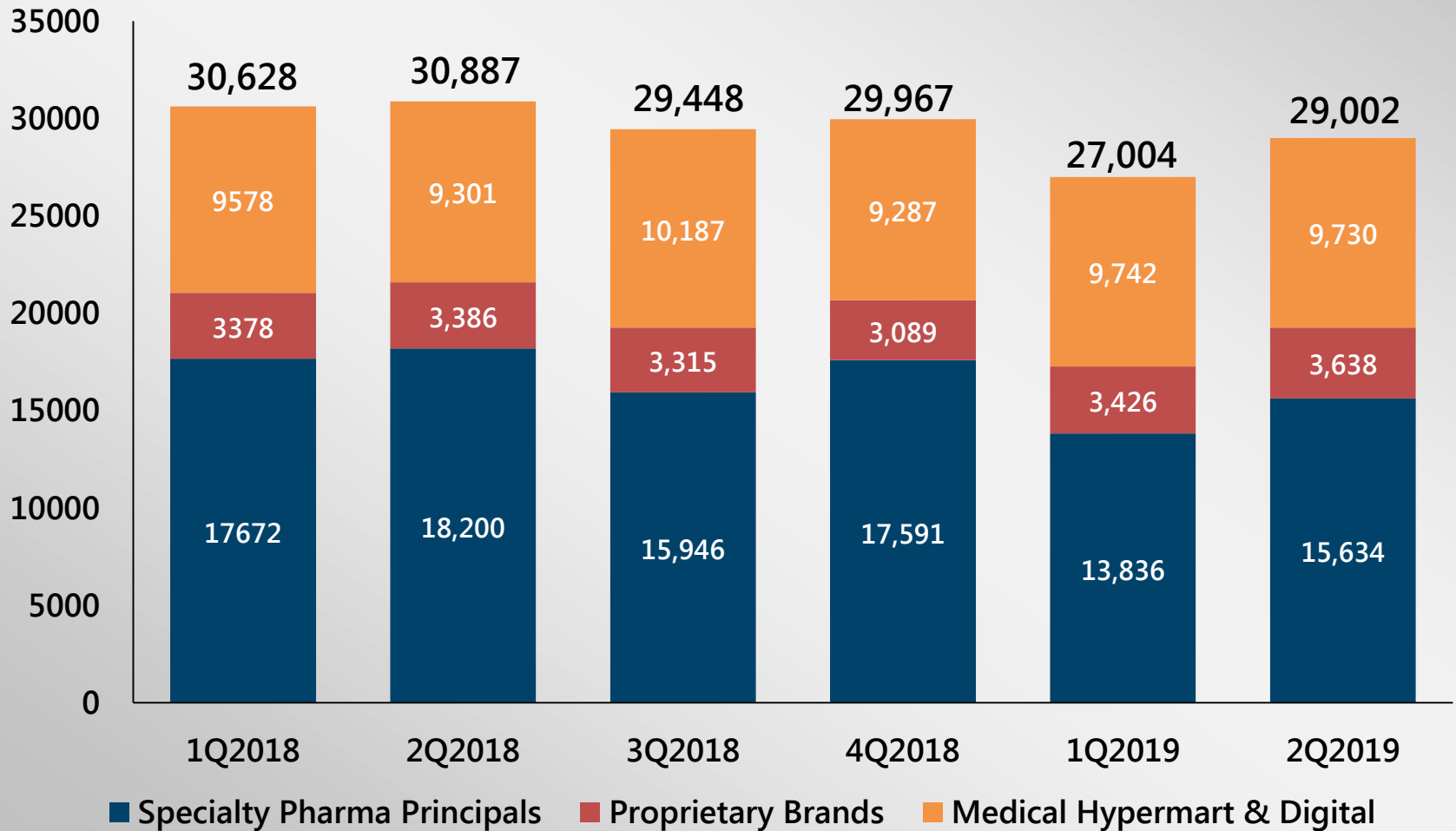
**Specialty Pharma  
Principals**

Figs in S\$'000



# QUARTER-ON-QUARTER REVENUE

S\$'000



# FINANCIAL POSITION & CASH FLOW

S\$'000	As at 30 Jun 2019	As at 31 Dec 2018
Total assets	74,585	74,979
Cash & cash equivalents	23,646	22,353
Total liabilities	33,950	35,817
Financial liabilities	458	3,000
Total equity	40,635	39,162
<b>NAV per share (cents)</b>	<b>13.53</b>	<b>13.05</b>

S\$'000	2Q2019	2Q2018	1H2019	1H2018
Cashflow from operating activities	3,878	3,317	5,980	1,884
Cashflow from/(used in) investing activities	25	(796)	(71)	(868)
Cashflow (used in)/from financing activities	(2,400)	13,939	(4,616)	12,701
Net cash inflow	1,503	16,460	1,293	13,717



# FINANCIAL RATIOS

	As at 30 Jun 2019	As at 31 Dec 2018
Current ratio	1.96	1.80
Debt-to-Equity ratio	0.84	0.91
ROE	12.5% <sup>(1)</sup>	13.8%
EV/EBITDA	7.5 <sup>(1)(2)</sup>	7.4 <sup>(2)</sup>
PE ratio	11.6 <sup>(1)(2)</sup>	10.8 <sup>(2)</sup>
PB ratio	1.45 <sup>(1)(2)</sup>	1.49 <sup>(2)</sup>

(1) Based on 12-month trailing PAT & EBITDA

(2) Based on closing share prices of S\$0.196 on 30 Jun 2019 and S\$0.195 on 31 Dec 2018.



# FUTURE GROWTH



## Establishing a Broader Geographical Footprint

- Cementing leadership position in Singapore and deepening ASEAN presence
- Internationalisation of proprietary brands



## New Product Launches

- Continue to enhance product offerings through licensing and research collaborations
- Launching new specialty pharma products in regional markets



## Driven by Enhanced Human Capital

Investing in manpower to support expansion plans





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