

### Media Release

## Hyphens Pharma's 3Q2022 net profit soared 270.8% Y-O-Y to S\$4.0 million

- 3Q2022 revenue grew 46.7% Y-O-Y to S\$42.8 million, with contribution from all business segments
- 9M2022 profit rose 90.3% Y-O-Y to S\$10.3 million

Singapore, 9 November 2022 – 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 in its quarterly business update that its financial result for the three months ended 30 September 2022 (“**3Q2022**”), saw an almost three-fold jump in profit after tax to S\$4.0 million. With strong 3Q2022 revenue and profits, the Group achieved 32.8% increase in revenue and 90.3% growth in profit after tax to S\$10.3 million for the nine months ended 30 September 2022 (“**9M2022**”).

### Financial Highlights

| S\$ million                     | 3Q2022 | 3Q2021 | Change % | 9M2022 | 9M2021 | Change % |
|---------------------------------|--------|--------|----------|--------|--------|----------|
| <b>Revenue</b>                  | 42.8   | 29.1   | 46.7     | 123.5  | 92.9   | 32.8     |
| <b>Gross Profit (“GP”)</b>      | 17.2   | 10.6   | 61.7     | 48.3   | 35.4   | 36.4     |
| <b>GP Margin (%)</b>            | 40.2   | 36.5   | +3.7 pts | 39.1   | 38.1   | +1 pt    |
| <b>Profit After Tax (“PAT”)</b> | 4.0    | 1.1    | 270.8    | 10.3   | 5.4    | 90.3     |
| <b>PAT Margin (%)</b>           | 9.3    | 3.7    | +5.6 pts | 8.3    | 5.8    | +2.5 pts |

Commenting on the 3Q2022 results, **Mr Lim See Wah**, (“**林世华**”) **Executive Chairman and CEO of Hyphens Pharma** said: “We delivered a strong financial performance in 3Q2022 amidst a volatile and

*uncertain macro environment, as our markets have resumed normal economic activities with a trailing COVID-19 pandemic. However, the current challenges of inflationary pressures, supply chain disruptions, and currency fluctuations remain and affect us all, even as we do our best to mitigate them at the operational level. Regardless of these challenges, Hyphens Pharma will continue to remain focused on executing our business strategy to carefully drive the long-term growth of all our business segments, both organically and inorganically, which will ultimately further enhance shareholder value.”*

## **Financial Review**

In 3Q2022, the Group’s revenue increased by 46.7% to S\$42.8 million from S\$29.1 million in the three months ended 30 September 2021 (“**3Q2021**”) with all three business segments contributing to the revenue increase and the Group’s newly acquired Novem group of companies (“**Novem**”) contributing S\$3.8 million in revenue.

The Group’s Specialty Pharma Principals segment led the growth with a 77.1% increase in revenue with increased demand in Singapore, Vietnam and Malaysia, and with sales contribution from Novem. The Proprietary Brands segment grew by 51.4% with higher demand for Ceradan® and TDF® dermatological products, Ocean Health® health supplement products and Novem® nutraceutical products. Revenue from the Medical Hypermart and Digital segment continued to remain stable and grew slightly by 2.6%.

Group gross profit correspondingly rose by 61.7% to S\$17.2 million in 3Q2022 from S\$10.6 million in 3Q2021, with gross profit margin improving from 36.5% in 3Q2021 to 40.2% in 3Q2022. Net profit after tax in 3Q2022 rose by 270.8% to S\$4.0 million due to the higher revenue, which was partially offset by increased distribution costs which rose in tandem with the higher sales achieved, and increased R&D spending in the quarter.

## **Business Outlook**

### Internationalisation and Investment in Proprietary Brands

The Group’s Proprietary Brand business remains its key focus and Hyphens’ brands, including Ocean Health®, Ceradan®, TDF® and CG 210® have enjoyed robust growth in sales and brand equity. The Group will continue to nurture these brands in markets where it already has presence, while seeking out new

international partnership opportunities to enter new markets. The Group will also continue to invest in innovation to develop new and improved products under the respective brands.

As part of its efforts to continue developing and delivering innovative and high-quality health supplements, the Group has recently launched its Ocean Health Skin Moist Omega-3 Formula, which was developed with natural Omega-3 fish oil from deep sea small fish and a patented Phytoceramides complex to help promote a healthy skin barrier function, and relieve dry and itchy skin, while maintaining skin moisture.

#### Going Digital

The Group is accelerating its investment in digital initiatives to spearhead business expansion in its Medical Hypermart and Digital segment, which includes developing an integrated healthtech platform, that will incorporate various healthtech solutions to cater to healthcare stakeholders in Singapore and the Asia-Pacific region.

#### Expanding through Acquisition

Following its acquisition by the Group in December 2021, Novem has contributed positively to the Group's revenue and profits. The Group will continue to seek out acquisition opportunities that are in alignment with its strategic goals and advance its position as a leading pharmaceutical and consumer healthcare company in Asia.

#### Strengthening Specialty Pharma Portfolio

The Group remains focused on further cementing its leadership position and deepening its presence in the ASEAN region and continues to actively seek licencing opportunities with new principals and registering new products for its specialty pharma segment.

#### Impact from Post COVID-19 Challenges

The global environment continues to remain volatile and challenging, even as all the countries that the Group is operating in have resumed normal economic activities. However, there is demand volatility that makes it difficult to forecast demand, and supply chains have also been disrupted for some products.

Additionally, inflationary pressures are expected to lead to an increase in supply prices and operating expenditure, which the Group is unlikely able to pass the full impact of such cost increases to the market.

Furthermore, the volatility of local currencies in the markets where the Group is operating in, versus the USD and EURO, which are the Group's major purchase currencies, will also lead to fluctuations in exchange gain or loss.

The Group will continue to remain vigilant, diligent, and agile in navigating the challenges of a volatile operating environment that impacts all market participants. Importantly, the Group's sound financial position will put it in good stead to seize any opportunities that may arise and are relevant to its business strategy.

End.

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

**About Hyphens Pharma International Limited (<https://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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Issued on behalf of : **Hyphens Pharma International Limited**

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