



# HYPHENS PHARMA INTERNATIONAL LIMITED

Results Briefing FY2022

6 March 2023



## 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.

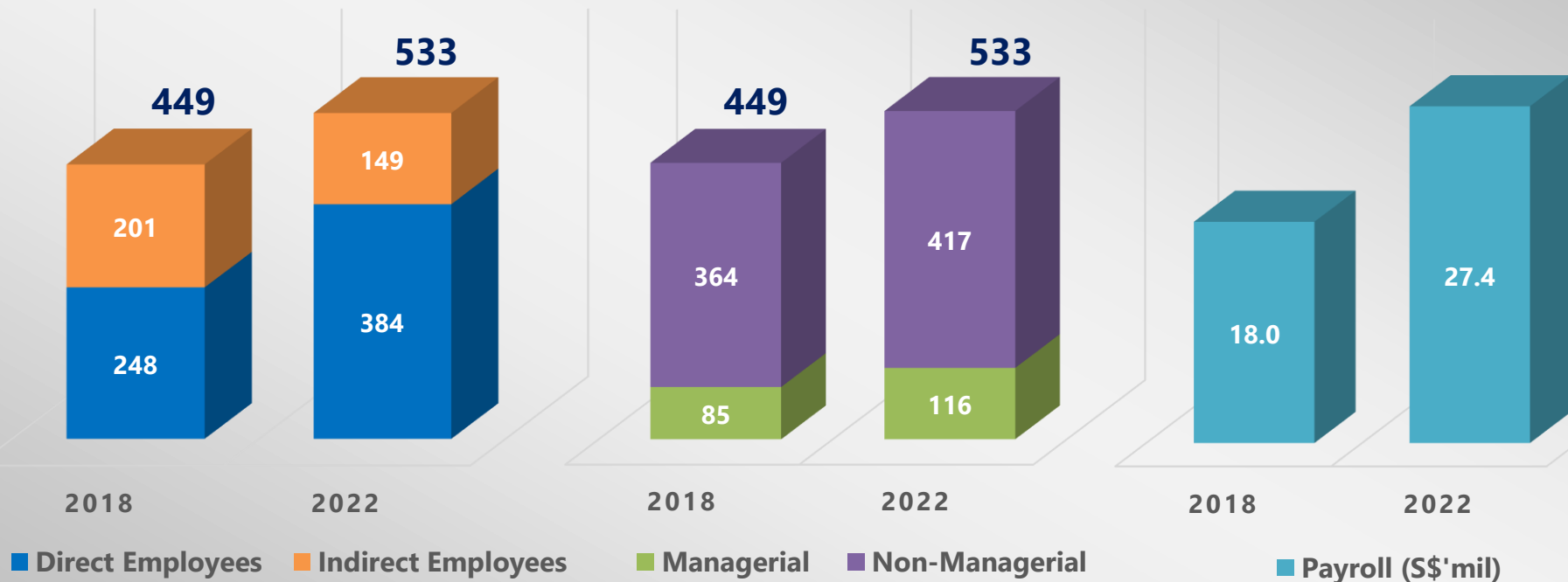
Neither this presentation nor any of its content may be used without the prior written consent of the Company and the Sponsor. Any forwarding, distribution or reproduction of the information in this presentation electronically or otherwise, in whole or in part, is unauthorised.



# HOW HAS THE BUSINESS CHANGED OVER THE PAST 5 YEARS?



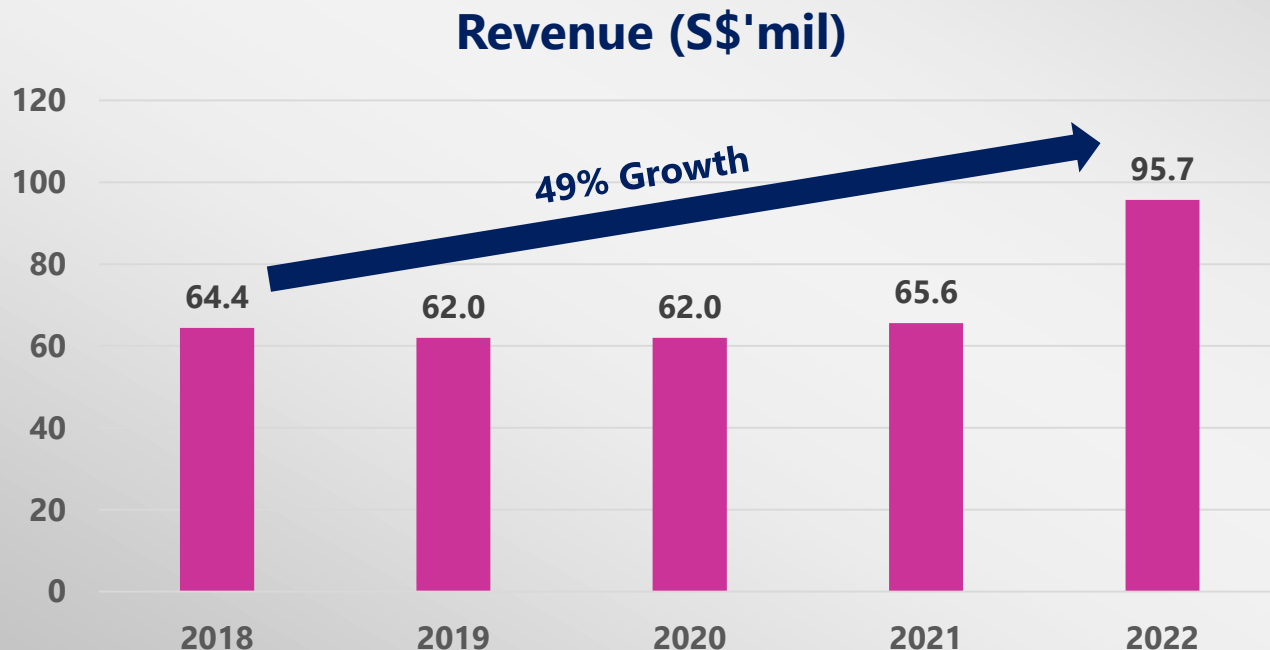
# PEOPLE – THE BEDROCK OF OUR SUCCESS



# PRODUCTS

*Growing the core; Nurturing the new, seeding the future*

How our specialty pharma products have grown (2018 – 2022)



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# PRODUCTS

*Growing the core; Nurturing the new, seeding the future*

How our proprietary products have grown (2018 – 2022)



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# SEEDING OUR FUTURE

- **Nabota:** Just approved in Singapore (Jan 2023)
- **Meradan:** Launched in Indonesia (4Q2022)
- **Pipeline products:**
  - Ustekinumab, Lederlon and Winlevi
  - Those that Novem has licensed
- Numerous new products in the **Ceradan® / Ocean Health®** stable





# HOW OUR MARKETING HAS EVOLVED

**#1:** E-commerce and digital marketing

**#2:** Consumer healthcare ("CHC") trade marketing

- Ocean Health® and Ceradan® updated look and feel
- Expanded our CHC trade marketing to Malaysia and Indonesia (*online and offline promotions – instore displays, collaborations with pharmacies, consumer roadshows, influencer marketing, social media live interactions, webinars, etc.*)





# CSR (2018 – 2022)



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# MAINTAINING DIVIDEND POLICY

## Five-Year Dividend Payout

S\$'000	FY2018	FY2019	FY2020	FY2021	FY2022 (Proposed)
<b>HPIL proposed / final dividends</b>	<b>1,650</b>	<b>3,004</b>	<b>1,863</b>	<b>2,069</b>	<b>3,427</b>
Profit to shareholders	5,410	6,530	6,163	6,846	11,351
<b>Dividend payout*</b>	<b>30.5%</b>	<b>46.0%</b>	<b>30.2%</b>	<b>30.2%</b>	<b>30.2%</b>

Number of issued shares at RD      300,000,000      300,430,400      300,430,400      308,776,200      308,776,200

**Dividend per share (in cents)**      **0.55**      **1.00**      **0.62**      **0.67**      **1.11**

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



# FY2022 HIGHLIGHTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





# CREATING NEW VALUE AS HEALTHCARE DIGITALISES



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# SUCCESSFUL IN-LICENSING OF WINLEVI® FOR 10 ASEAN COUNTRIES FROM COSMO PHARMACEUTICALS

- New type of acne prescription medication approved by the U.S. FDA in nearly 40 years
- Only topical cream that treats hormonal acne directly in the skin
- Access to all future product extension of Winlevi® for acne treatment
- Our opportunity to enter other countries where we don't have a presence, e.g., Thailand



# FINANCIAL RESULTS



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group





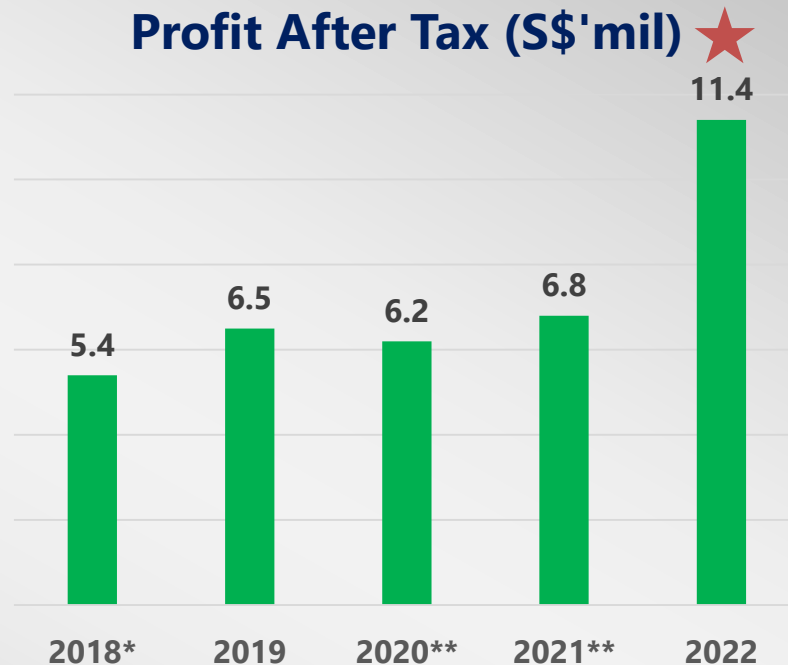
# 1.1 FINANCIAL PERFORMANCE

## Revenue (S\$'mil)



#Restated for FY2018-FY2020 to be consistent with FY2021 and FY2022

## Profit After Tax (S\$'mil)



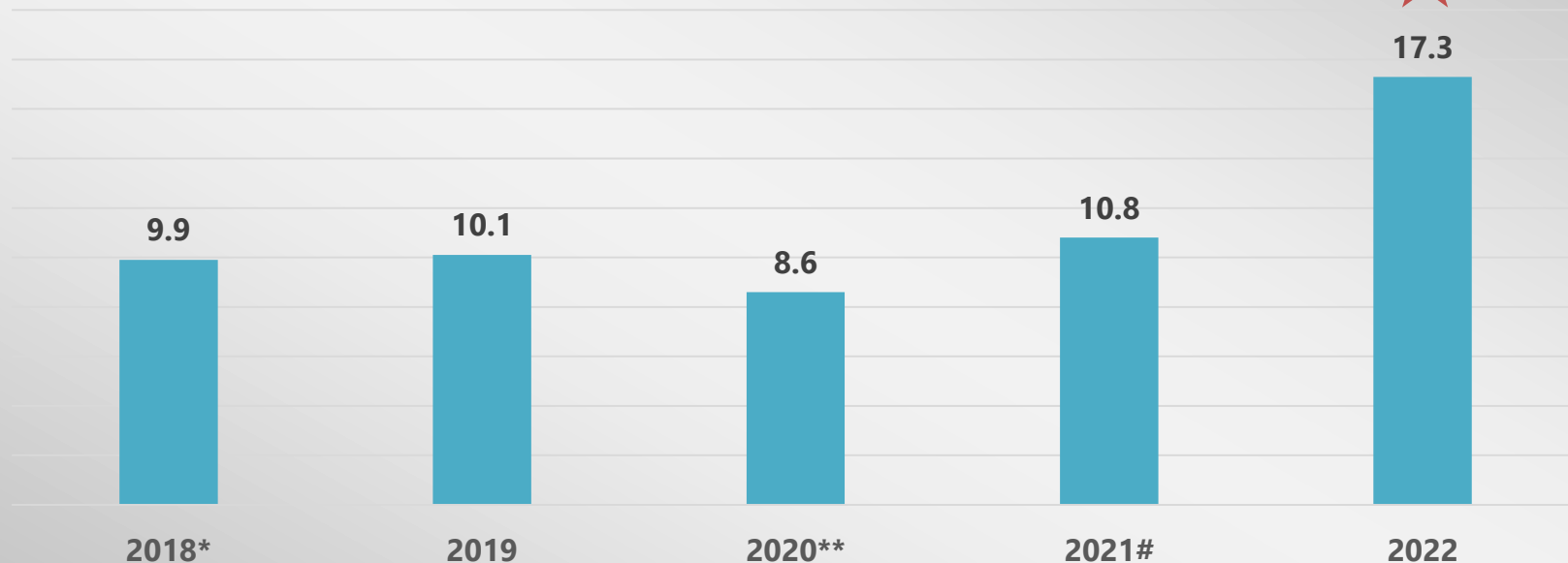
\*Incl IPO exp S\$0.9 million; \*\*Incl JSS & Covid-related stock prov





# 1.1 FINANCIAL PERFORMANCE (CONT'D)

## Recurring EBITDA (S\$'mil)



*\*excl IPO exp (S\$0.9m) \*\*excl JSS & COVID-related stock prov (S\$0.7m net gain) #excl JSS & Novem acquisition exp (S\$0.3m net exp)*



# 1.2 INCOME STATEMENT

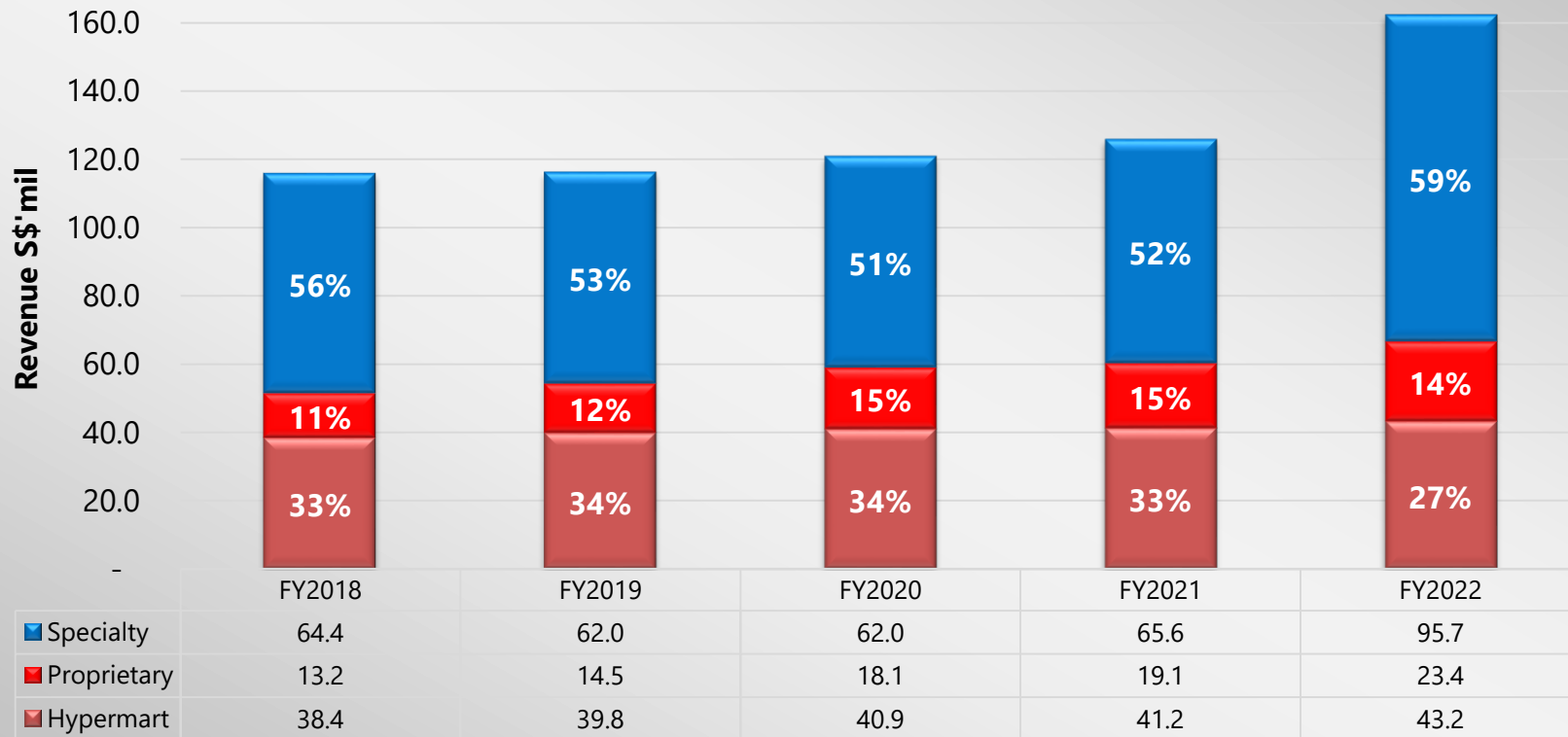
S\$'000	FY2022	FY2021	YoY
<b>Revenue</b>	<b>162,316</b>	<b>125,883</b>	<b>28.9%</b>
Gross Profit	62,809	48,083	30.6%
Other income & gains	658	964	-31.7%
Share of assoc profit	474	17	N.M.
<b><u>Operating expenses</u></b>			
Distribution costs	(33,267)	(28,394)	17.2%
Admin expenses	(14,561)	(11,639)	25.1%
Finance costs	(238)	(95)	150.5%
Other losses	(1,584)	(680)	132.9%
<b>Profit before tax</b>	<b>14,291</b>	<b>8,256</b>	<b>73.1%</b>
<b>Profit after tax</b>	<b>11,409</b>	<b>6,846</b>	<b>66.7%</b>
<b>EPS (cents)</b>	<b>3.68</b>	<b>2.27</b>	<b>62.1%</b>

## Notes

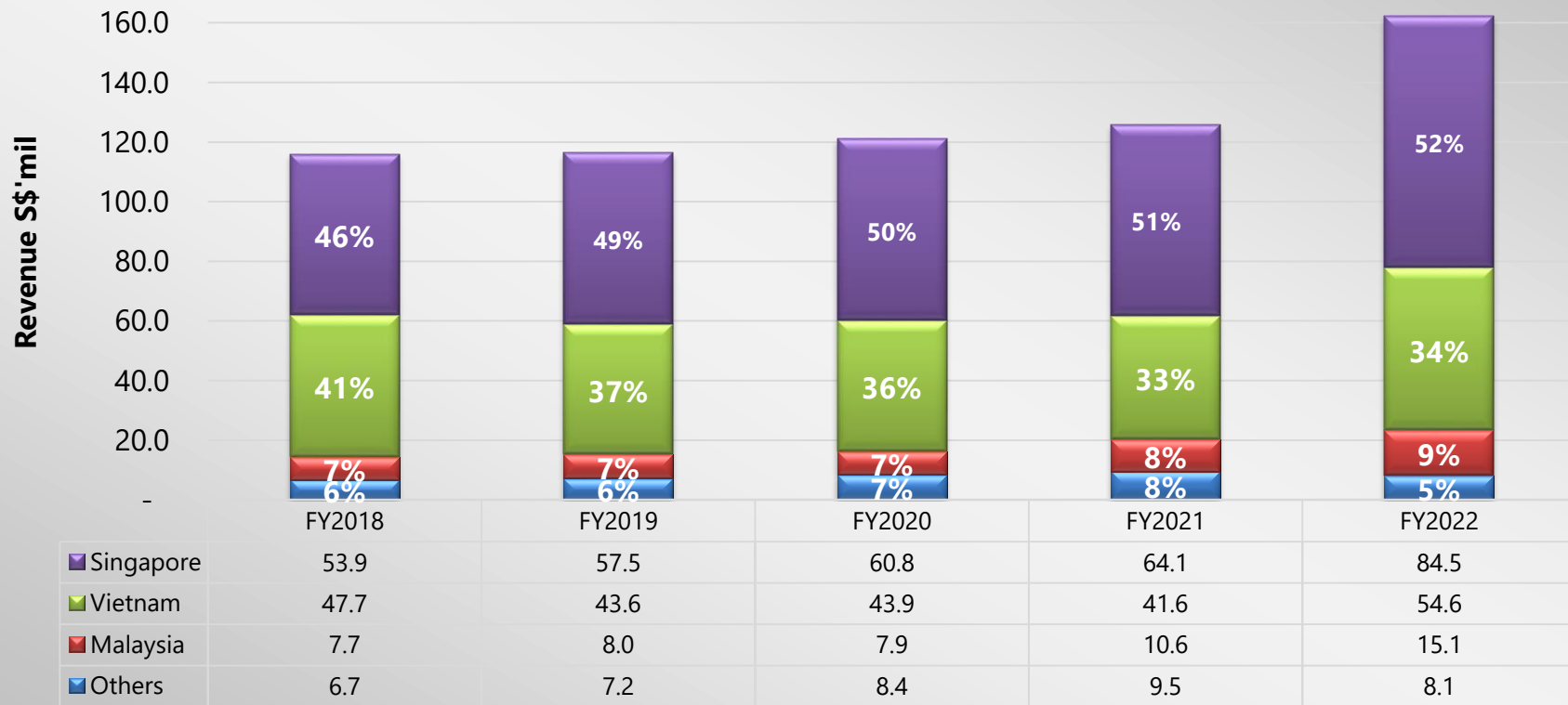
- Revenue increased across all business segments and most geographical locations
- Novem contributed S\$17m in revenue
- Decline in other income due to absence of FX gain, offset by write-back inventory allowance
- Increase in distribution costs in tandem with increased revenue
- Increase in admin exp due to higher cost base with inclusion of Novem, increased R&D and staff costs
- Increase in other losses due mainly to foreign exchange translation losses
- Share of profit of associate related to associate acquired as part of Novem acquisition



# 1.3 REVENUE BY BUSINESS SEGMENTS



# 1.4 REVENUE BY GEOGRAPHICAL SEGMENTS





## FINANCIAL POSITION

S\$'000	31 Dec 2022	31 Dec 2021*
<b>Total assets</b>	<b>114,469</b>	<b>99,191</b>
Inventories	21,260	25,290
Trade & other receivables	31,106	28,722
Cash & cash equivalents	36,480	19,461
<b>Total liabilities</b>	<b>44,197</b>	<b>44,455</b>
Trade & other payables	35,077	33,563
Bank borrowings	4,479	6,075
<b>Total equity</b>	<b>70,272</b>	<b>54,736</b>
<b>NAV per share (cents)</b>	<b>22.36</b>	<b>17.73</b>

*\*Restated due to PPA adjustments for Novem acquisition*







## CASHFLOW STATEMENT

S\$'000	FY2022	FY2021
<b><u>Cashflow from operating activities</u></b>		
Profit before tax	14,291	8,256
Adjustments for non-cash items / non-op items	2,596	2,661
Changes in working capital	2,142	(3,464)
Tax paid	(2,152)	(1,415)
<b>Cashflow from operating activities</b>	<b>16,877</b>	<b>6,038</b>
<b>Cashflow used in investing activities</b>	<b>(1,007)</b>	<b>(14,917)</b>
<b>Cashflow from financing activities</b>	<b>1,149</b>	<b>814</b>
Net cash inflow	17,019	(8,065)
Cash & equiv, beginning balance	19,461	27,526
<b>Cash &amp; equiv, ending balance</b>	<b>36,480</b>	<b>19,461</b>





## PROPOSED DIVIDEND

S\$'000	Dividend	Yield*	Div / Net Profit
FY2022 (subj to shareholders' approval)	1.11 cents	3.1%	30.2%
FY2021	0.67 cent	1.9%	30.2%
FY2020	0.62 cent	1.7%	30.2%
FY2019	1 cent	2.8%	46.0%
FY2018	0.55 cent	1.5%	30.5%

*\*Yield is computed based on total dividends declared for the financial year divided by closing price of S\$0.355 @ 1 Mar 2023.*

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



# BUSINESS OUTLOOK



Singapore's Leading Specialty Pharmaceutical and Consumer Healthcare Group



# OUR GROWTH STRATEGY

1. Investment in proprietary brands
2. Internationalisation
3. Strengthen specialty pharma portfolio
4. Going Digital
5. Acquisitions
6. Embarked on flagship growth programme

Scale-Up SG by Enterprise Singapore



# QUESTIONS & ANSWERS





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

**in | Follow us on LinkedIn**