

# Hyphens Pharma International Limited

10 Mar 2025

## BUY (Maintained)

<b>BBG</b>	HYP SP
<b>Market cap</b>	S\$88.0m
<b>Share price</b>	S\$0.285
<b>52-week range</b>	S\$0.26 – S\$0.30
<b>Target Price</b>	S\$0.46
<b>Previous Price</b>	S\$0.38
<b>Shares Outstanding</b>	308.9M
<b>Free Float</b>	24.1%
<b>Major Shareholder</b>	Inomed Holding Pte Ltd 47.8%
	Tan Kia King 8.1%

Source: Company data, Bloomberg, SAC Capital

## FY2024 – Strong Growth Momentum

**FY2024 Performance** – Results came in within our expectations. Revenue and net profit were 4.2% and 6.9% higher than our forecast, respectively. Revenue was up 14.6% yoy to S\$195.4m, with the specialty pharma principals segment being the primary growth driver with a 21.6% yoy increase. Gross profit increased by 12.3% yoy to S\$69.5m in line with the growth in revenue. Gross profit margin fell marginally from 36.3% in FY2023 to 35.6% in FY2024 with increase in cost from suppliers. Net profit increased by 26.5% yoy to S\$10.9 million. The Group has proposed a final dividend of S1.50 cents per share for FY2024, reflecting a payout of 45.4% of the net profits attributable to shareholders.

**Business Highlights** - In FY2024, Hyphens Pharma expanded its Ocean Health® brand into Malaysia, Indonesia, and Vietnam, contributing to 7.4% yoy growth in the Proprietary Brands segment to S\$27.6 million. The Specialty Pharma segment, which saw the strongest performance, grew 21.6% yoy to S\$124.2 million, supported by exclusive licensing agreements for Wyzora® Cream and Amenalief® in ASEAN. The Medical Aesthetics segment gained traction with the launch of Plinest® in Indonesia, the Philippines, and Thailand, and NCTF® in Singapore and Malaysia. The Medical Hypermart & Digital segment posted 2.1% yoy growth to S\$43.6 million, driven by increasing adoption of DocMed's POM B2B platform and WellAway e-pharmacy, which surpassed 100,000 e-prescriptions. Additionally, the Ardence Pharma acquisition contributed S\$7.2 million to revenue, validating Hyphens' inorganic growth strategy.

**Outlook** - Hyphens Pharma aims to deepen its market presence by expanding proprietary brands like Ceradan®, Ocean Health®, and TDF® across ASEAN. The Specialty Pharma segment, already accounting for 63.6% of total revenue, is expected to sustain its strong trajectory through new licensing deals and medical aesthetics expansion. The Plinest® rollout in Indonesia, the Philippines, and Thailand, coupled with the continued adoption of NCTF® in Singapore and Malaysia is expected to drive growth in the aesthetics segment. While supply chain disruptions and forex exchange volatility pose risks, management remains focused on optimising gross margins and improving operating efficiencies to sustain profitability growth.

**Reiterate BUY** – We maintain our BUY rating with revised TP of S\$0.46, utilising a blended approach of DCF and Comparable Companies valuation. The upward revision is primarily driven by higher P/E multiples of comparable companies, reflecting stronger market confidence in the sector.

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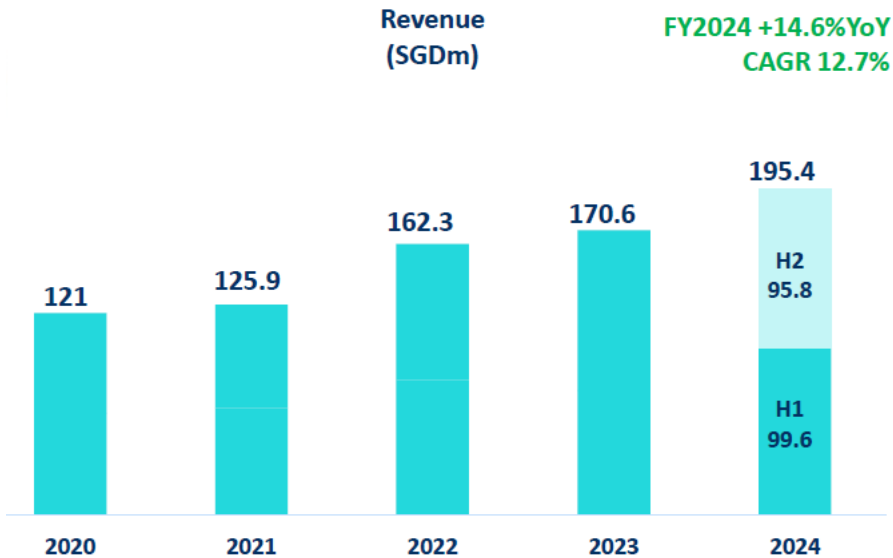
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## KEY FINANCIAL HIGHLIGHTS

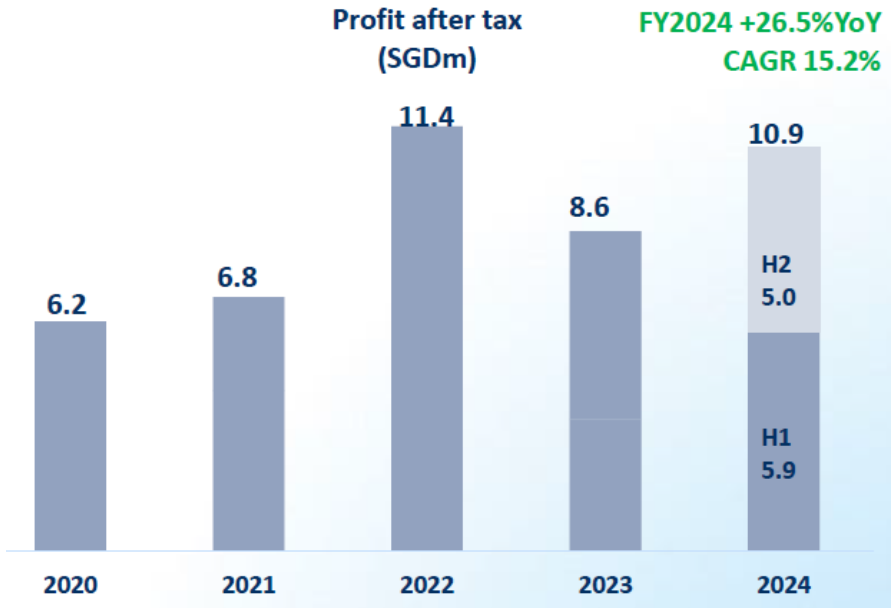
Year ended Dec (S\$m)	FY22	FY23	FY24	FY25E	FY26E
Revenue	162.3	170.6	195.4	205.4	215.9
EBIT	14.5	10.8	13.4	15.0	15.7
Net profit	11.4	8.6	10.9	12.1	12.9
EPS (S\$ cents)	3.7	2.8	3.5	3.9	4.2
Dividend per share (S\$ cents)	1.1	4.5	1.5	1.7	1.8
<b>Valuation</b>					
Gross profit margin (%)	38.7%	36.3%	35.6%	35.9%	35.9%
Net profit margin (%)	7.0%	5.0%	5.6%	5.9%	6.0%
EV/EBITDA (x)	3.3	5.0	4.6	3.8	3.3
P/E (x)	7.8	10.3	8.1	7.3	6.8
P/B (x)	1.3	1.4	1.2	1.1	1.0
Dividend yield (%)	3.4%	15.8%*	5.4%	5.9%	6.3%

\*includes special interim dividend of 3.6 Singapore cents as part of 5<sup>th</sup> anniversary celebration since IPO

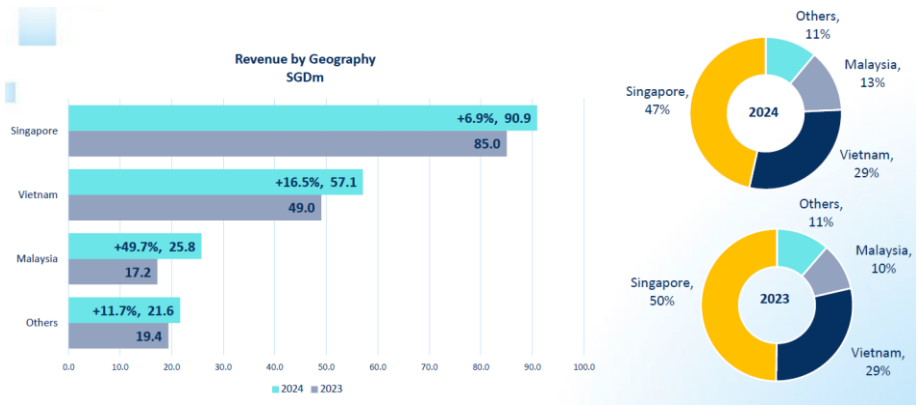
Revenue  
Performance



Profit After Tax  
Performance



Performance by  
Geography



## Income Statement

FYE Dec (\$S'm)	FY22	FY23	FY24	FY25E	FY26E
<b>Revenue</b>	<b>162.3</b>	<b>170.6</b>	<b>195.4</b>	<b>205.4</b>	<b>215.9</b>
Cost of Sales	(99.5)	(108.7)	(125.9)	(131.6)	(138.3)
<b>Gross Profit</b>	<b>62.8</b>	<b>61.9</b>	<b>69.5</b>	<b>73.8</b>	<b>77.6</b>
Other income and gains	0.7	0.7	0.7	0.7	0.8
Distribution costs	(33.3)	(35.9)	(39.7)	(41.8)	(43.9)
Administrative expenses	(14.6)	(14.1)	(15.2)	(16.0)	(16.8)
Other losses	(1.6)	(2.3)	(1.7)	(1.8)	(1.9)
Share of profit from an equity-accounted associate	0.5	0.5	0.0	0.0	0.0
Finance costs	(0.2)	(0.3)	(0.6)	(0.5)	(0.3)
<b>Profit before tax</b>	<b>14.3</b>	<b>10.6</b>	<b>13.0</b>	<b>14.5</b>	<b>15.5</b>
Income tax	(2.9)	(2.0)	(2.1)	(2.4)	(2.5)
<b>Net profit</b>	<b>11.4</b>	<b>8.6</b>	<b>10.9</b>	<b>12.1</b>	<b>12.9</b>

## Balance Sheet

FYE Dec (\$S'm)	FY22	FY23	FY24	FY25E	FY26E
<b>Assets</b>					
Cash and cash equivalents	36.5	23.4	23.4	31.0	33.3
Inventories	21.3	25.5	34.4	33.9	35.7
Trade and other receivables	31.1	41.1	45.4	49.5	52.0
Prepayments	0.8	2.1	2.5	2.5	2.6
Other financial assets	-	0.1	0.3	0.3	0.3
<b>Total current assets</b>	<b>89.7</b>	<b>92.2</b>	<b>106.1</b>	<b>117.2</b>	<b>123.8</b>
Plant and equipment	3.0	4.9	4.9	4.4	4.0
Intangible assets	19.1	23.6	24.5	24.5	24.4
Investment in an associate	2.7	-	-	-	-
Deferred tax assets	0.1	0.2	0.2	0.2	0.2
<b>Total non-current assets</b>	<b>24.8</b>	<b>28.6</b>	<b>29.7</b>	<b>29.2</b>	<b>28.6</b>
<b>Total Assets</b>	<b>114.5</b>	<b>120.8</b>	<b>135.7</b>	<b>146.4</b>	<b>152.5</b>
<b>Liabilities</b>					
Income tax payable	2.7	2.5	2.6	2.6	2.6
Trade and other payables	35.1	44.3	43.6	52.3	54.9
Other financial liabilities, current	2.3	2.4	11.5	6.5	2.5
<b>Total current liabilities</b>	<b>40.1</b>	<b>49.2</b>	<b>57.7</b>	<b>61.4</b>	<b>60.0</b>
Non-current liabilities					
Deferred tax liabilities	0.8	1.3	1.0	1.0	1.0
Other financial liabilities, non-current	3.3	4.4	2.6	2.6	2.6
<b>Total non-current liabilities</b>	<b>4.1</b>	<b>5.7</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>
<b>Total liabilities</b>	<b>44.2</b>	<b>54.9</b>	<b>61.3</b>	<b>65.0</b>	<b>63.6</b>
<b>Equity</b>					
Share capital	35.1	35.2	35.1	35.1	35.1
Retained earnings	43.8	37.8	45.2	52.2	59.6
Other reserves	(9.8)	(10.0)	(9.5)	(9.5)	(9.5)
<b>Equity attributable to owners of the Company</b>	<b>69.0</b>	<b>63.0</b>	<b>70.898</b>	<b>77.8</b>	<b>85.3</b>
<b>Non-controlling interests</b>	<b>1.2</b>	<b>2.9</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>
<b>Total equity</b>	<b>70.3</b>	<b>65.9</b>	<b>74.5</b>	<b>81.4</b>	<b>88.8</b>

## Cash Flow Statement

FYE Dec (\$S'm)	FY22	FY23	FY24	FY25E	FY26E
<b>Profit before tax</b>	<b>14.3</b>	<b>10.6</b>	<b>13.0</b>	<b>14.5</b>	<b>15.5</b>
Adjustments for:					
Amortisation of intangible assets	0.7	0.7	1.0	0.8	0.8
Depreciation of plant and equipment	2.1	2.1	2.0	0.8	0.9
Interest income	(0.0)	(0.3)	(0.2)	0.0	0.0
Interest expense	0.2	0.3	0.6	0.5	0.3
Others	(0.3)	(0.8)	0.5	0.0	0.0
Operating cash flows before changes in working capital	16.9	12.5	16.9	16.6	17.4
Changes in working capital	2.1	(4.2)	(14.5)	5.2	(1.7)
Net cash flows from operations	19.0	8.2	2.5	21.7	15.7
<b>Income taxes paid</b>	<b>(2.2)</b>	<b>(2.6)</b>	<b>(2.4)</b>	<b>(2.4)</b>	<b>(2.5)</b>
<b>Net cash flows from operating activities</b>	<b>16.9</b>	<b>5.6</b>	<b>0.1</b>	<b>19.4</b>	<b>13.2</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	0.0	(0.8)	0.0	0.0	0.0
Dividend received from an associate	0.1	0.1	0.0	0.0	0.0
Consideration adjustment for acquisition of subsidiaries	0.2	0.0	0.0	0.0	0.0
Down-payment for plant and equipment	0.0	0.0	0.0	0.0	0.0
Purchase of plant and equipment	(0.6)	(0.3)	(1.2)	(0.4)	(0.4)
Purchase of intangible assets	(0.8)	(0.9)	(2.0)	(0.8)	(0.8)
Proceed from sale of plant and equipment	0.0	0.0	0.0	0.0	0.0
Interest received	0.0	0.3	0.2	0.0	0.0
<b>Net cash flows used in investing activities</b>	<b>(1.0)</b>	<b>(1.5)</b>	<b>(3.0)</b>	<b>(1.1)</b>	<b>(1.2)</b>
<b>Cash flows from financing activities</b>					
Dividends paid to equity owners	(2.1)	(14.6)	(2.7)	(5.2)	(5.5)
Payment of principal portion of lease liabilities	(1.0)	(1.2)	(1.3)	0.0	0.0
Interest paid	(0.2)	(0.3)	(0.6)	(0.5)	(0.3)
Proceeds from borrowings	5.0	0.0	9.0	0.0	0.0
Repayment of borrowings	(6.6)	(1.3)	(1.3)	(5.0)	(4.0)
Issue of shares to non-controlling interests of a subsidiary	6.1	0.0	(0.1)	0.0	0.0
Treasury shares acquired	0.0	0.0	(0.1)	0.0	0.0
<b>Net cash flows from financing activities</b>	<b>1.1</b>	<b>(17.3)</b>	<b>3.0</b>	<b>(10.7)</b>	<b>(9.8)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17.0</b>	<b>(13.1)</b>	<b>0.1</b>	<b>7.6</b>	<b>2.2</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>19.5</b>	<b>36.5</b>	<b>23.4</b>	<b>23.4</b>	<b>31.0</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>36.5</b>	<b>23.4</b>	<b>23.4</b>	<b>31.0</b>	<b>33.3</b>

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