



(Incorporated under the laws of the Cayman Islands with limited liability)  
 (Stock code: 2633)

## Jacobson Pharma Announces FY2020 Annual Results

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### Delivers Solid Performance Amidst Market Challenges

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### Revenue Increases +6.3%

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### Maintains Full-Year Dividend Per Share of HK4.5 Cents

(Hong Kong, 30 June 2020) **Jacobson Pharma Corporation Limited** (“**Jacobson Pharma**” or the “**Company**”; **Stock Code: 2633**), a leading company engaged in the research, development, production, marketing and sale of generic drugs and proprietary medicines, today announced its annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2020 (the “**FY2020**” or the “**Reporting Period**”).

#### Resilient Performance under Distressed Economy

Amidst the overwhelming business challenges from the distressed economy in Hong Kong, the Group delivered a solid performance by posting a modest 6.3% year-on-year growth bringing its total revenue to HK\$1,571.5 million (FY2019: HK\$1,478.1 million (restated)). Gross profit grew by 2.3% to HK\$690.0 million (FY2019: HK\$674.7 million (restated)), while profit attributable to shareholders of the Company softened by 13.9% to HK\$215.6 million (FY2019: HK\$250.6 million (restated)) mainly due to the one-off revaluation gains recognised in the previous year, along with the increase in investments and operating expenses in setting up a regional management structure plus one-off professional expenses in preparing for the separation of the Group’s consumer health business.

The Board recommends payment of a final dividend of HK2.5 cents per share (FY2019: HK3.0 cents per share). Combined with the interim dividend of HK2.0 cents per share, the full-year dividend for FY2020 remains the same as last year at HK4.5 cents per share. The Group’s EBITDA (Adjusted) increased by 3.9% to HK\$476.2 million, representing its strong capability of generating cash inflows.

#### Strong Market Position in Generics

Carrying a strong portfolio of generic drugs and a leadership position in a number of therapeutic categories in Hong Kong, the generic drugs business of the Group registered a positive growth of 3.6% in sales revenue in FY2020, amounting to HK\$1,298.7 million (FY2019: HK\$1,253.0 million), despite a decline in in-person consultation visits to medical clinics due to Covid-19 pandemic in the last quarter of the financial year.

The Group's offerings in certain therapeutic classes demonstrated strong growth, with oral anti-diabetic and anti-ulcerative products registered a robust growth of 42.3% and 34.1% respectively, which was attributed to an increased usage of these essential medicines in chronic disease management. In addition, the cardiovascular products achieved a sales growth of 28.4%, whilst the non-steroidal anti-inflammatory drugs (NSAIDs) also grew by 28.7% due to an expanded market position in the public hospital sector.

The Group launched 19 new products during the reporting period, including some difficult-to-make products such as Diltiazem Controlled Release Tablets, Dihydrocodeine Tablets, Perindopril Tablets, Atomoxetine Capsules, Mesalazine Enteric Coated Tablets 500mg and Finasteride Tablets. Besides, over 27 regulatory filings were submitted for new drug registration by the Group.

### **Tapping New Market Potentials with High Value-added Offerings**

In supplementing its R&D pipeline and portfolio offerings, the Group has signed in-license agreements with a host of multi-national companies for a total of 79 specialised drugs covering several therapeutic classes including cardiovascular, central nervous system, infectious diseases, oncology, gastrointestinal, and ophthalmology, as well as a medical device for RSV (Respiratory Syncytial Virus) and Influenza rapid diagnostics test kit. Among them, 23 items are eligible for tender bidding in the coming years, and 22 items have been launched in Hong Kong.

### **Notable Growth in Proprietary Medicines with Newly Acquired Business**

Albeit the negative sentiments prevailing in the retail sector, the Group's proprietary medicines business during the reporting period still registered a double-digit growth. With the incorporation of its newly acquired proprietary Chinese medicine business, sales revenue of the Group's proprietary medicine segment posted a 21.2% growth to HK\$272.8 million (FY2019: HK\$225.1 million).

Despite the economic distress, resilient performance has been demonstrated by proprietary brands such as Ho Chai Kung, a well-recognised heritage brand in the analgesics category, which delivered a notable growth of 10.8% over the same period of last year. Shiling Oil, a medicated oil brand of the Group, also presented a growth of 8.4% in overseas markets building on its strong tradition and recognition backed by persistent market development efforts.

### **Regional Expansion Strategy with China Focus**

On the front of business development driven by its regional strategy, the Group has been actively forging strategic collaborations with multinational partners that cover in-licensing and representation of reputable branded products in Greater China and Asia regions.

The Group has respectively entered an exclusive distribution agreement with Vemedia for marketing and distribution of the renowned medicated foot care brand Excilor in Mainland China and a joint venture agreement with Kin Fung Weisen-U Company Limited to distribute and sell certain of its products – including the well-recognised gastrointestinal OTC drug “Weisen-U” and the popular nasal spray brand “Flucur Nebuliser” – to new markets in the Asia Pacific region, as well as to explore and develop product extensions in broadening the proprietary medicine platform of the Group.

In the consumer nutrition arena, the Group has entered an in-license agreement with Smartfish from Norway in a strategic collaboration to launch its patented and clinically substantiated high dose Omega-3 health and sports nutrition drinks in Greater China.

Tapping into the potential of the fast-growing cross-border e-commerce in China, the Group has developed its self-operating flagship store in a leading cross-border e-commerce platform in China in collaboration with key strategic partners to fully exploit the demand for proprietary medicines and consumer healthcare products among Mainland consumers, especially in Southern China and the Greater Bay Area.

### **Consumer Health Spin-off to Facilitate Expansion**

By leveraging its regional commercial operations and focusing its efforts to tap into the burgeoning consumer healthcare market, the Group is also actively pursuing a spin-off of its branded consumer health business comprised of a strategically selected portfolio of branded medicines, proprietary Chinese medicines, and health and wellness products including health supplements, personal care products and diagnostic kits.

The potential spin-off is expected to facilitate the expansion of the consumer health business under a separate nimble platform from the generic drug business of the Group and groundworks have been undertaken to prepare for the spin-off plan.

**Mr. Derek Sum, Chairman and Chief Executive Officer** of Jacobson Pharma, said, “We will continue to strive for business excellence across all divisions as we pursue our goal of creating two separate and nimble platforms through a spin-off of our branded consumer health business from the Group. This separation initiative serves as a catalyst to reset capabilities and cost base, and helps deliver a value-creation opportunity for both businesses. It is also a significant step forward in terms of shaping Jacobson into a company comprising two enterprises, one being intently focused on its generic drugs business whilst the other is principally focused on consumer health products.”

**Mr. Sum** added, “The dynamic and challenging environment requires us to continually assess our market position to ensure that our business remains relevant and strategically well-aligned. Looking ahead, we remain confident that by building on our reputation, strong R&D pipeline and network resources of the Group, we are well positioned to deliver a sustainable growth and returns to our shareholders in the long term.”

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**About Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司 ; Stock Code: 2633)**

Jacobson Pharma is a leading generic drug company in Hong Kong. The Group also carries a portfolio of proprietary brands, notably being Po Chai Pills (「保濟丸」), Ho Chai Kung TjiThung San (「何濟公止痛退熱散」), Contractubex Scar Gel (「秀碧除疤膏」), Flying Eagle Woodlok Oil (「飛鷹活絡油」), Tong Tai Chung Woodlok Oil (「唐太宗活絡油」), Doan's Ointment (「兜安氏藥膏」), Saplingtan (「十靈丹」), Shiling Oil (「十靈油」) and Col-gan Tablet (「傷風克」), which have been widely recognised by the market. In the strategic expansion of its branded healthcare business platform, the Group has introduced health and wellness brands and products such as Dr. Freeman®Flu/RSV Combo (「Dr. Freeman 醫臣®流感 / 呼吸道合胞病毒家用式診斷套件」), SmartfishHealth Nutrition Products (「Smartfish 健康營養產品」), Dr.Freeman® Infection Control Product Series (「Dr. Freeman 醫臣®感染控制產品系列」) and Dr Freeman COVID-19 Rapid Test Kit (「Dr. Freeman 醫臣®COVID-19 快速測試套件」), among other reputable brands represented in overseas markets such as Excilor and Weisen-U.

The Group aims at the continued strategic enrichment of both of its generic drug and branded healthcare portfolios through the addition of high value-added products. With its corporate headquarters based in Hong Kong, the Group has also established its operating subsidiaries in China, Macau, Taiwan, Singapore and Cambodia forming a regional commercial platform to tap the market potential in the Asia Pacific and Greater China region. Jacobson Pharma has been a constituent stock of MSCI Hong Kong Micro Cap Index since 1 June 2017. For more details about Jacobson Pharma, please visit the Group's website: <http://www.jacobsonpharma.com>

**For media enquiries, please contact:**

**Strategic Financial Relations Limited**

Vicky Lee	Tel: (852) 2864 4834	Email: vicky.lee@sprg.com.hk
Stephanie Liu	Tel: (852) 2864 4852	Email: stephanie.liu@sprg.com.hk
Rachel Ko	Tel: (852) 2864 4806	Email: rachel.ko@sprg.com.hk
Fax: (852) 2527 1196		