

## Hikma updates on current trading and raises 2018 guidance

**London, 8 November 2018** – Hikma Pharmaceuticals PLC (Hikma, Group) (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY) (rated Ba1 Moody's / BB+ S&P, both stable), the multinational pharmaceutical group, is today updating the market on its current trading.

Siggi Olafsson, Hikma's CEO, said: "I am very pleased with the continued strong performance of the Group this year. Today we are raising our full year guidance, as we are delivering revenue growth and, more importantly, improving profitability ahead of our expectations in both our Generics and Injectables businesses. In the MENA, our Branded business is continuing to grow steadily and we remain on track to meet our full year guidance. Across the Group, we are benefiting from our large and well-diversified portfolios, new product launches and our high-quality, flexible manufacturing facilities.

Today we will host an Investor Day in London. Senior managers from across the Group will provide updates on our business, our markets, the growth opportunities we see for the future and our plans to capture them. After nine months at Hikma, I am looking forward to setting out my key strategic priorities. These include focusing on strengthening the foundation of the Group through cost reduction and driving efficiencies, building a pipeline that can deliver sustainable growth and using partnerships and M&A to fill pipeline gaps, enhance our position in key markets and enter new product areas."

### **Injectables**

Our global Injectables business is continuing to deliver strong growth this year. We have been able to offset increased competition in the US through the breadth and resilience of our growing portfolio, good demand for recent launches and our ability to leverage our scale and flexibility to respond to market shortages. In Europe, we are benefiting from good demand for some recently acquired products and in the MENA, we are delivering good growth in Saudi Arabia and in biosimilar sales.

We are raising our 2018 guidance and now expect Injectables revenue to be in the range of \$825 million to \$850 million and core Injectables operating margin to be between 39% and 40%.

### **Generics**

The Generics business continues to perform ahead of our expectations this year. While the US retail market remains challenging, with continued price erosion, the recent commercial and operational improvements we have made to our business are enabling us to deliver strong growth from our more differentiated portfolio. We have also benefited from recent launches, including a first-to-file Paragraph IV product with market exclusivity.

We have made good progress with our cost reduction initiatives, including the consolidation of our manufacturing and distribution facilities, and this is supporting the strong improvement in the profitability of our Generics business this year. We now expect full year Generics revenue to be in the range of \$675 million to \$700 million and core Generics operating margin to be in the low teens.

### **Branded**

Our Branded business is continuing to deliver steady growth this year. We are seeing good growth in the GCC, Egypt and Jordan benefiting from new product launches, including recently licensed products. We continue to expect Branded revenue growth for the full year to be in the mid-single digits in constant currency.



## Partnerships

Today we are announcing further progress in expanding our respiratory pipeline. We have signed an agreement with Vectura to develop and commercialise their Open, Inhale, Close (OIC) dry product inhaler (DPI) platform, including generic versions of GSK's five Ellipta® DPI products. The generic respiratory market is a key area of focus for Hikma. This agreement leverages the investment we have made and the experience we are gaining through our generic Advair Diskus® development programme. By strengthening and expanding our partnership with Vectura, we are building a pipeline of complex respiratory products that will enable us to deliver sustainable long-term growth. See separate announcement for more details.

## Investor Day

Today's Investor Day will commence at 13:30 UK time. All presentations will be available on our website [www.hikma.com](http://www.hikma.com) and will be webcast on: [http://webcast.openbriefing.com/hikma\\_id18/](http://webcast.openbriefing.com/hikma_id18/). The contents of the website do not form part of this trading update announcement.

We will announce our results for the year ended 31 December 2018 on 13 March 2019.

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## Enquiries

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## About Hikma

Hikma helps put better health within reach every day for millions of people in more than 50 countries around the world. For 40 years, we've been creating high-quality medicines and making them accessible to the people who need them. We're a global company with a local presence across the United States (US), the Middle East and North Africa (MENA) and Europe, and we use our unique insight and expertise to transform cutting-edge science into innovative solutions that transform people's lives. We're committed to our customers, and the people they care for, and by thinking creatively and acting practically, we provide them with a broad range of branded and non-branded generic medicines. Together, our 8,500 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner in the MENA region, and through our venture capital arm, are helping bring innovative health technologies to people around the world. For more information, please visit [www.hikma.com](http://www.hikma.com).