

Hikma announces strong start to 2020 and reiterates full year guidance

Maximising our flexible manufacturing capabilities to ensure patients get the medicines they need during the COVID-19 crisis

London, 30 April 2020 – Hikma Pharmaceuticals PLC (Hikma, Group), the multinational pharmaceutical group, announces an update on trading in the year to date ahead of its Annual General Meeting which will be held today, and provides an update on the actions it is taking to deliver critically needed medicines to patients during the COVID-19 pandemic.

Hikma's CEO, Sigi Olafsson said: "As the COVID-19 pandemic continues to impact people and communities around the world, our top priority is the health and safety of our employees and the millions of patients across our markets who count on our medicines.

As a company, we are leveraging our well-diversified product portfolio and high-quality, flexible manufacturing facilities to respond to the needs of healthcare providers and their patients. We are prioritising the production and delivery of the medicines in highest demand, while continuing to ensure we can supply our broad range of other important medications. We have been proactively managing our inventory and stock levels and working closely with our supplier networks. I am especially proud of our employees' commitment during these unprecedented times, enabling us to keep delivering high-quality medicines to the people that need them the most.

Hikma has made a strong start to the year despite the challenging market conditions that have arisen as a result of COVID-19. This is a complex situation which we are continually monitoring, but we have confidence in the outlook for the Group and we are pleased to reiterate our full year guidance for 2020."

Injectables

Our global Injectables business is performing well. In the US and Europe, we are seeing an increase in demand across our portfolio, driven in part by the COVID-19 outbreak. Our Injectables business in MENA is also seeing strong demand, particularly for our biosimilar products.

Hikma's Injectables product portfolio includes many of the products most in need by hospitals during the current pandemic, including anaesthetics, analgesics, sedatives, neuromuscular blocking agents and anti-infectives. Our commercial and operational teams are working closely with our customers and government agencies to ensure we are able to maintain a consistent supply of these products. We are leveraging the flexibility of our global manufacturing facilities and have been able to enhance productivity to meet the increased levels of demand.

We are pleased to announce that we have received US FDA approval for the first product from our new high containment facility in Portugal, which can now begin to supply the US market. We are on track in terms of new product launches and are making significant investments in our product pipeline.

Based on performance in the year to date, we are reiterating our guidance for global Injectables revenue growth in the low to mid-single digits for 2020, driven by demand for our broad product portfolio across all our markets and new product launches. We continue to expect core operating margin to be in the range of 35% to 37%. While we are pleased with our performance in the year to date, our guidance reflects the uncertain operating environment brought about by the COVID-19 pandemic.

Generics

Our Generics business has also had a good start to the year, building upon the strong performance of this segment in 2019. We have seen good demand across our portfolio, particularly for our nasal sprays, and a better than expected contribution from new products, including the first-to-market generic launch of everolimus tablets (a generic version of Zortress®). We have also seen some additional demand related to COVID-19.



We have made good progress in strengthening our R&D pipeline since the beginning of the year. At the end of March, we successfully invalidated six US patents as asserted by Amarin for their Vascepa® capsules and continue to work to bring this product to market. In addition, we continue to advance our nasal spray portfolio, leveraging the strong technical capabilities at our Columbus facility to progress our naloxone nasal spray submission.

For the full year, we continue to expect Generics revenue in the range of \$700 million to \$750 million. Our guidance assumes that we will launch generic Advair Diskus® in the second half of the year and we have included revenue of \$20 million to \$40 million from generic Advair Diskus® in this range. We expect our core operating margin for the Generics business to be between 16% and 18% or, including the launch of generic Advair Diskus®, around 20%.

Branded

Our Branded business is also performing well. We have seen good demand across most of our markets, and particularly in our Tier 1 markets of Egypt and Saudi Arabia as well as in Algeria, where we have seen a strong recovery reflecting a more benign market environment. In some of our markets we have also seen an increase in demand related to COVID-19.

While the pandemic has impacted our promotional activities, our teams have responded quickly to the challenges posed by distancing restrictions and have found new ways to reach health care providers across the region, including detailing doctors online and hosting virtual conferences. Some of our manufacturing facilities across the region have experienced slight disruptions but our teams have managed this well and production across our facilities is normalising.

We remain confident in the outlook for the Branded business and continue to expect revenue growth in constant currency to be in the mid-single digits for the full year in 2020.

Strong balance sheet and final dividend

Subject to approval at today's Annual General Meeting, we will be paying a final dividend of 30 cents per share (approximately 23 pence per share) bringing the total dividend for the full year to 44 cents per share (approximately 34 pence per share), an increase of 16% on 2018. In the current environment, this demonstrates the strength of our balance sheet and our confidence in our ability to maintain strong cash generation and low leverage.

We will announce our interim results for the six months to 30 June 2020 on 7 August 2020.

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About Hikma

Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY) (LEI:549300BNS685UXH4JI75) (rated Ba1/stable Moody's and BB+/positive S&P)

Hikma helps put better health within reach every day for millions of people in more than 50 countries around the world. For more than 40 years, we've been creating high-quality medicines and making them accessible to the people who need them. Headquartered in the UK, we are 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 8,600 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner, 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

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