Business and financial review

Strong financial performance

- Core Group revenue up 6%, reflecting growth in all three businesses
- Core operating profit up 11%, driven by strong growth in profit of Generics and Injectables
- Strong cashflow from operating activities of $464 million, whilst maintaining higher inventory levels to ensure continuity of supply during the COVID-19 pandemic
- Continued investment in R&D of 6% of revenue, with growing pipeline of complex products
- Healthy balance sheet, with net debt[1] of $605 million and low leverage at 0.9x net debt to core EBITDA[2]
- Full year dividend of 50 cents per share, up from 44 cents per share in 2019

Ongoing strategic progress

- Leveraged our strong foundation to meet increased demand for essential medicines used in the treatment of COVID-19, whilst continuing to maintain supply across our broader portfolio
- Continued to expand our portfolio of differentiated products – launched 154 new products across our markets, including icosapent ethyl capsules
- Received US FDA approval for generic Advair Diskus® and expect to resume launch as soon as the US FDA completes their priority review of the outstanding Prior Approval Supplement (PAS)
- Focused on building a culture of progress and belonging that engages and enables our employees

Continued momentum, with growth in all three businesses

- Injectables: Achieved double digit core operating profit growth reflecting the breadth of our product portfolio and the quality and flexibility of our manufacturing facilities
- Generics: Delivered significant improvement in core operating margin, driven by the strength of new launches, a good performance from in-market products, process efficiencies and our enhanced focus on customer service levels
- Branded: Achieved good growth in revenue, with a strong recovery in Algeria, while core operating profit declined due to the negative impact of foreign exchange

Summary financial results

Core results[3] (underlying)	2020 $ million	2019 $ million	Change	Constant currency[4] change
Core revenue	**2,341**	2,203	6%	6%
Core operating profit	**566**	508	11%	17%
Core profit attributable to shareholders	**408**	364	12%	20%
Core basic earnings per share (cents)[5]	**172.9**	150.4	15%	23%

Reported results (statutory)	2020 $ million	2019 $ million	Change	Constant currency[4] change
Revenue	**2,341**	2,207	6%	6%
Operating profit	**579**	493	17%	23%
Profit attributable to shareholders	**431**	486	(11)%	(5)%
Cashflow from operating activities	**464**	472	(2)%	–
Basic earnings per share (cents)[5]	**182.6**	200.8	(9)%	(3)%
Total dividend per share (cents)[5]	**50.0**	44.0	14%	–

1. Group net debt is calculated as Group total debt less Group total cash, including restricted cash. Group net debt is a non-IFRS measure. See page 36 for a reconciliation of Group net debt to reported IFRS figures
2. Core EBITDA is earnings before interest, tax, depreciation, amortisation and impairment charges/reversals. EBITDA is a non-IFRS measure, see page 36 for a reconciliation to reported IFRS results
3. Core results throughout the document are presented to show the underlying performance of the Group, excluding the exceptional items and other adjustments set out in Note 6 of the Group consolidated financial statements. Core results are a non-IFRS measure and a reconciliation to reported IFRS measures is provided on page 35
4. Constant currency numbers in 2020 represent reported 2020 numbers translated using 2019 exchange rates, excluding price increases in the business resulting from the devaluation of currencies and excluding the impact from hyperinflation accounting. In 2020 Lebanon and Sudan were considered hyperinflationary economies, therefore the spot exchange rate as at 31 December 2020 was used to translate the results of these operations into US dollars
5. In June 2020, Hikma purchased 12.8 million ordinary shares from Boehringer Ingelheim, which are being held in treasury. Earnings per share is calculated using the weighted average number of shares outstanding during the period. Dividend per share is calculated using the number of shares in issue at 31 December 2020

We performed well in 2020 and I am pleased with the growth in each of our businesses. The broad portfolio has played an important role, and our pipeline is delivering growth.

Khalid Nabilsi
Chief Financial Officer

Group revenue was $2,341 million in 2020. Group core revenue grew 6% to $2,341 million (2019: $2,203 million), reflecting growth in each of our three businesses. Group core gross profit[1] grew 11% to $1,213 million (2019: $1,095 million), as a result of the growth in revenue across all business segments and particularly the strong performance in Generics and Injectables. Group core gross margin was 51.8% (2019: 49.7%).

Group operating expenses were $622 million (2019: $595 million). Excluding adjustments related to the amortisation of intangible assets (other than software) of $42 million (2019: $34 million) and net income from exceptional items of $67 million (2019: $26 million), Group core operating expenses were $647 million (2019: $587 million).

Selling, general and administrative (SG&A) expenses were $509 million (2019: $494 million). Excluding the amortisation of intangible assets (other than software) and exceptional items, core SG&A expenses were $464 million (2019: $453 million), up 2%. The increase was primarily due to higher employee benefits. The impact of COVID-19 on SG&A expenses was broadly neutral with related increases in employee benefits offset by lower marketing and travel costs.

Research and development (R&D) expenses were $137 million (2019: $150 million). Excluding exceptional items, core R&D expenses were $137 million (2019: $126 million). This reflects increased investment in our Injectables R&D programme, as we build our pipeline of complex products. Core R&D was 6% of Group core revenue.

Other net operating income[1] was $26 million (2019: $49 million income). Excluding exceptional items[2], core other net operating expenses were $44 million (2019: $8 million expense), primarily due to foreign exchange losses of $30 million as a result of significant foreign exchange movements in Sudan in the second half of the year, and $10 million of IT-related impairments.

The Group reported operating profit of $579 million (2019: $493 million). Excluding the impact of amortisation (other than software) and exceptional items, core operating profit increased by 11% to $566 million (2019: $508 million) and core operating margin was 24.2% (2019: 23.1%).

1. Beginning in 2020, inventory related provisions are reported under the cost of sales line item for both 2020 and 2019 comparatives. In the 2019 audited financial statements, inventory related provisions were included in other operating income/(expenses). The reason for reclassification is to be in line with industry practice. The effect of the adjustment on the operating profit is shown in Note 2 of the Group consolidated financial statements
2. In 2020, exceptional items comprised a $62 million net impairment reversal of product related intangibles related to the Generics business, proceeds from an insurance claim related to a warehouse fire at one of our facilities in Jordan of $11 million and $3 million related to PPE impairment on our generic Advair Diskus®. Refer to Note 6 of the Group consolidated financial statements for further information

Injectables

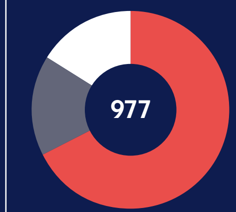
Our Injectables business develops and manufactures generic injectable products, which are sold globally and primarily used in hospitals.

Core revenue ($m)

Core operating margin (%)

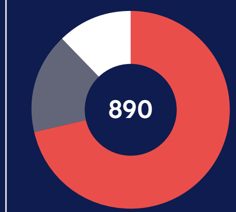
Injectables core revenue by region ($m)

2020



US	662 (67.7%)
MENA	160 (16.4%)
Europe and ROW	155 (15.9%)

2019



US	636 (71.4%)
MENA	146 (16.4%)
Europe and ROW	108 (12.2%)

Outlook for 2021
We expect Injectables revenue grow in the mid-single digits. We expect core operating margin to be in the range of 37% to 38%.

While we saw considerable variability in demand for our injectable products over the course of 2020 due to the COVID-19 pandemic, we were able to leverage our broad product portfolio, new launches and the flexibility of our manufacturing operations to meet changing customer needs and drive growth in Injectables revenue and profitability.

Injectables core revenue increased by 10% to $977 million (2019: $890 million). In constant currency, Injectables core revenue grew by 9%.

US Injectables core revenue grew 4% to $662 million (2019: $636 million), reflecting good demand for certain products used in the treatment of COVID-19, which, along with the strength of the broader portfolio and new product launches, more than offset the impact of a decline in elective surgeries.

MENA Injectables core revenue was $160 million, up 10% on both a reported and constant currency basis (2019: $146 million). This growth reflects an increase in demand for COVID-19 related products and continued growth of our biosimilar products as we increase our market share and continue to launch into new markets.

European Injectables core revenue was $155 million, up 44% (2019: $108 million). In constant currency, European Injectables revenue increased by 41%. This reflects a strong performance from our broad portfolio and new launches, particularly in Italy and Germany, as well as good demand for contract manufacturing, including our supply agreement with Gilead to manufacture remdesivir for injection.

Injectables core gross profit increased by 11% to $563 million (2019: $505 million) and core gross margin increased to 57.6% (2019: 56.7%), primarily reflecting revenue growth across all regions and an improvement in product mix in Europe and MENA.

Injectables core operating profit, which excludes the amortisation of intangible assets (other than software)[1] was $377 million (2019: $338 million). Core operating margin was 38.6% (2019: 38.0%), reflecting the improvement in gross profit, slightly offset by an increase in R&D investment and the impact of adverse foreign exchange movements of around $9 million, primarily related to the Sudanese pound. In constant currency, Injectables core operating profit grew 14%, and core operating margin expanded by 1.6 percentage points.

During the year, the Injectables business launched 10 products in the US, 34 in MENA and 33 in Europe. We submitted 230 filings to regulatory authorities across all markets. This primarily reflects our efforts to expand our European portfolio and register products in new European markets. We also signed new licensing deals, including an agreement with Sun Pharmaceuticals for ILUMYA™ and with Sesen Bio for Vicineum™.

In 2021, we expect Injectables revenue to grow in the mid-single digits, reflecting continued demand for COVID-19 related products, particularly in the first half, and a gradual return of elective surgeries over the course of the year. We expect core operating margin to be in the range of 37% to 38%.

Financial highlights

$ million	2020	2019	Change	Constant currency change
Revenue	**977**	894	9%	9%
Core revenue	**977**	890	10%	9%
Gross profit	**563**	509	11%	10%
Core gross profit	**563**	505	11%	11%
Core gross margin	***57.6%***	*56.7%*	*0.9pp*	*1.1pp*
Operating profit	**354**	320	11%	13%
Core operating profit	**377**	338	12%	14%
Core operating margin	***38.6%***	*38.0%*	*0.6pp*	*1.6 pp*

1. Amortisation of intangible assets (other than software) was $23 million. Refer to Note 6 of the Group consolidated financial statements for further information

Revenue
$977m
+9%

Generics

Our Generics business develops and manufactures oral and other non-injectable generic products. Our products are sold in the US retail market.

Core revenue ($m)

Core operating margin (%)

Outlook for 2021

We expect Generics revenue to be in the range of $770 million to $810 million and core operating margin to be around 20%.

Our Generics business grew revenue and expanded profitability in 2020, supported by a strong contribution from new launches and good demand for our differentiated portfolio. We saw a slight increase in demand during the first half and then again towards the end of the year for certain COVID-19 related products. Throughout the year, our teams worked hard to ensure we maintained a high level of service for our customers.

Generics revenue grew 3% to $744 million (2019: $719 million). A better than expected contribution from new launches, as well as the strength of our differentiated portfolio more than offset an acceleration of price erosion in the second half of the year.

Generics core gross profit grew 14% to $341 million (2019: $300 million) and core gross margin increased to 45.8% (2019: 41.7%). This primarily reflected an improvement in the product mix as a result of both good demand for certain in-market products as well as the performance from new launches.

Generics core operating profit, which excludes the amortisation of intangible assets (other than software) and exceptional items[1], increased by 30% to $161 million (2019: $124 million). Core operating margin increased to 21.6% (2019: 17.2%). This significant improvement in profitability reflects the increase in core gross profit combined with process efficiencies.

In 2020, the Generics business launched six products and submitted six files to regulatory authorities. Launches included rufinamide, generic Afinitor® and generic Zortress®, for which we remain the sole generic in the market. During the year, we demonstrated our ability to challenge patents and obtain approvals for complex products. We received US FDA approval for icosapent ethyl capsules in May and following a successful court ruling, we launched the product in November. Our ability to supply the market with this product is constrained at the moment due to limited availability of the active pharmaceutical ingredient and we are working hard to improve supply quantities over the course of 2021.

In December, we received US FDA approval for our generic Advair Diskus® and initiated launch. In January 2021, we temporarily paused the launch of this product in order to process an amendment to our Abbreviated New Drug Application (ANDA). This is classified as a Prior Approval Supplement (PAS) and needs to be reviewed by the FDA before we can introduce our product to the market. The PAS reflects enhanced packaging controls to meet new industry standards adopted since the initial submission of the ANDA application and does not affect the approved status of our ANDA. The FDA has granted this supplement priority status.

In 2021, we expect Generics revenue to be in the range of $770 million to $810 million. We expect core operating margin to be around 20%, reflecting increasing sales and marketing espenses, as we build our branded portfolio, and higher R&D costs.

Financial highlights

$ million	2020	2019	Change
Revenue	**744**	719	3%
Gross profit	**329**	295	12%
Core gross profit	**341**	300	14%
Core gross margin	***45.8%***	*41.7%*	*4.1pp*
Operating profit	**203**	151	34%
Core operating profit	**161**	124	30%
Core operating margin	***21.6%***	*17.2%*	*4.4pp*

1. Exceptional items comprised a $62 million net impairment reversal of product related intangibles related to the Generics business, $15 million related to inventory related provision write down and PPE impairment for generic Advair Diskus® and $4 million related to proceeds from an insurance claim related to a warehouse fire at one of our facilities in Jordan. Amortisation of intangible assets (other than software) was $9 million. Refer to Note 6 of the Group consolidated financial statements for further information

Revenue
$744m
+3%

Branded

Our Branded business develops and manufactures branded generics and markets and sells in-licensed patented products in MENA. Our products are sold in the retail and hospital markets

Core revenue ($m)

Core operating margin (%)

Outlook for 2021

We expect Branded revenue to grow in the mid-single digits in constant currency in 2021.

Our Branded business had another good year. We overcame challenges posed by COVID-19, quickly switching our sales and marketing teams onto virtual platforms and ensuring that our plants across the region could continue to operate safely. Our approach of tiering our markets continued to deliver success, with our Tier 1 countries – Algeria, Saudi Arabia and Egypt – all performing well, especially Algeria, which recovered strongly following a more challenging 2019. We saw a reduction in demand for certain products, including anti-infectives, resulting from the pandemic, which was more than offset by a growth in sales in our broader portfolio.

Branded revenue was $613 million (2019: $583 million), up 5% on both a reported and constant currency basis.

Branded core gross profit was $307 million, up 7% (2019: $287 million) and core gross margin was 50.1% (2019: 49.2%). In constant currency, core gross profit increased by 6%. The improvement in gross margin reflects an improvement in the product mix.

Core operating profit, which excludes the amortisation of intangibles (other than software) and exceptional items[1], was $126 million, down 2% (2019: $129 million), and core operating margin was 20.6% (2019: 22.1%). The decline reflects an increased expense of $22 million resulting from significant foreign exchange movements, primarily in Sudan. In constant currency, core operating profit grew 11% and core operating margin expanded by 1.2 percentage points. The significant margin expansion in constant currency primarily reflects the improvement in gross profit and good control of costs.

During the year, the Branded business launched 71 products and submitted 141 filings to regulatory authorities. Revenue from in-licensed products represented 37% of Branded revenue (2019: 37%).

We expect Branded revenue to grow in the mid-single digits in constant currency in 2021.

Financial highlights

$ million	2020	2019	Change	Constant currency change
Revenue	**613**	583	5%	5%
Gross profit	**307**	281	9%	8%
Core gross profit	**307**	287	7%	6%
Core gross margin	***50.1%***	*49.2%*	*0.9pp*	*0.1pp*
Operating profit	**120**	105	14%	30%
Core operating profit	**126**	129	(2)%	11%
Core operating margin	***20.6%***	*22.1%*	*(1.5)pp*	*1.2pp*

1. In 2020, exceptional items comprised proceeds from an insurance claim related to a warehouse fire at one of our facilities in Jordan of $7 million and $3 million of severance and restructuring costs. Amortisation of intangible assets (other than software) was $10 million. Refer to Note 6 of the Group consolidated financial statements for further information

Revenue
$613m
+5%

Other businesses

Other businesses, which primarily comprises Arab Medical Containers (AMC), a manufacturer of plastic specialised medicinal sterile containers and International Pharmaceuticals Research Centre (IPRC), which conducts bio-equivalency studies, contributed revenue of $7 million in 2020 (2019: $11 million) with an operating profit of zero (2019: zero). This reduction in revenue is due to disruptions at IPRC in the first half of the year as a result of the COVID-19 pandemic.

Research and development

Our investment in R&D and business development enables us to continue expanding the Group's product portfolio. During 2020, we had 154 new launches and received 201 approvals.

To ensure the continuous development of our product pipeline, we submitted 377 regulatory filings.

	2020 submissions[1]	2020 approvals[1]	2020 launches[1]
Injectables			
US	15	16	10
MENA	55	41	34
Europe	160	25	33
Generics	6	8	6
Branded	141	111	71
Total	**377**	**201**	**154**

Net finance expense

Core net finance expense was $45 million (2019: $45 million). On a reported basis, net finance expense was $22 million (2019: zero), which reflects non-cash net income of $23 million resulting from the remeasurement of the contingent consideration related to the Generics business.

We expect core net finance expense to be around $50 million in 2021.

Profit before tax

Core profit before tax was $522 million (2019: $465 million), up 12%, reflecting the strong performance of our three business segments. Reported profit before tax was $558 million (2019: $491 million).

Tax

The Group incurred a reported tax expense of $128 million (2019: $4 million) and an effective tax rate of 22.9% (2019: 0.8%). This follows the utilisation in 2019 of previously unrecognised tax losses and deferred tax benefits recognised upon the internal reorganisation of intangible assets. Excluding exceptional items, Group core tax expense was $115 million (2019: $100 million). The core effective tax rate increased slightly to 22.0% (2019: 21.5%), primarily due to a change in the earnings mix.

We expect the Group core effective tax rate to be in the range of 22% to 23% in 2021.

Profit attributable to shareholders

Profit attributable to shareholders was $431 million (2019: $486 million). The decline reflects the utilisation in 2019 of previously unrecognised tax losses and deferred tax benefits. Core profit attributable to shareholders increased by 12% to $408 million (2019: $364 million).

Earnings per share

Basic earnings per share was 182.6 cents (2019: 200.8 cents). Core basic earnings per share increased by 15% to 172.9 cents (2019: 150.4 cents) and core diluted earnings per share increased by 14% to 171.4 cents (2019: 149.8 cents).

Dividend

The Board is recommending a final dividend of 34 cents per share (approximately 24 pence per share) (2019: 30 cents per share) bringing the total dividend for the full year to 50 cents per share (approximately 36 pence per share) (2019: 44 cents per share). The proposed dividend will be paid on 26 April 2021 to eligible shareholders on the register at the close of business on 19 March 2021, subject to approval at the Annual General Meeting on 23 April 2021.

1. New products submitted, approved and launched by country in 2020

Net cash flow, working capital and net debt

The Group generated strong operating cash flow of $464 million (2019: $472 million). The slight decline versus 2019 reflects higher Group working capital days – up 62 days to 264 days – as a result of a strategic decision to maintain higher inventory levels to ensure continuity of supply for customers during the pandemic.

Capital expenditure was $172 million (2019: $119 million), ahead of expectations. As the market outlook improved through the second half of the year, we proceeded with several projects to expand and enhance our capabilities. In the US, $89 million was spent upgrading equipment and adding new technologies for our Generics and Injectables businesses. In MENA, $67 million was spent on strengthening and expanding manufacturing capabilities. In Europe, we spent $16 million on strengthening our capabilities, including finalising our new high containment facility. We expect Group capital expenditure to be in the range of $140 million to $160 million in 2021.

The Group's total debt increased to $932 million at 31 December 2020 (31 December 2019: $685 million). This increase primarily reflects the full utilisation of the Group's $150 million 2017 International Finance Corporation (IFC) facility. During the year, the Group signed a new $200 million IFC loan facility which, along with the Group's revolving credit facility, was undrawn at year end.

The Group cemented its strength in the debt capital markets, with the raising of a new 3.25% coupon $500 million Eurobond in July, following the repayment of our previous bond in April. During the year, we also achieved investment grade status, an accomplishment which demonstrates the quality of the business.

The Group's cash balance at 31 December 2020 was $327 million (2019: $443 million). This decrease is primarily related to the purchase of 12.8 million ordinary shares from Boehringer Ingelheim (BI) for $375 million, in connection with BI's disposal of its 16% stake in Hikma, which was settled through a combination of cash and existing facilities.

The Group's net debt (excluding co-development agreements and contingent liabilities) was $605 million at 31 December 2020 (31 December 2019: $242 million). This increase primarily reflects the purchase of shares from BI, as outlined above. We have maintained a comfortable level of leverage with a net debt to core EBITDA ratio of 0.9x.

Balance sheet

Net assets at 31 December 2020 were $2,148 million (31 December 2019: $2,129 million). Net current assets were $894 million (31 December 2019: $377 million) primarily due to a change in the debt maturity profile as a result of the repayment of the Eurobond during the period and an increase in inventory levels.

Legal proceedings

In October 2020, Hikma received a voluntary request for information from the US Federal Trade Commission requesting information related to its investigation into whether Amarin Pharma, Inc. has engaged in, or is engaging in, anticompetitive practices or unfair methods of competition relating to the drug Vascepa®. Hikma has also received a subpoena duces tecum from the State of New York, Office of the Attorney General, seeking information relevant and material to an investigation related to Amarin Pharma, Inc. We are cooperating with all such demands.

Definitions

We use a number of non-IFRS measures to report and monitor the performance of our business. Management uses these adjusted numbers internally to measure our progress and for setting performance targets. We also present these numbers, alongside our reported results, to external audiences to help them understand the underlying performance of our business. Our core numbers may be calculated differently to other companies.

Adjusted measures are not substitutable for IFRS results and should not be considered superior to results presented in accordance with IFRS.

Core results

Reported results represent the Group's overall performance. However, these results can include one-off or non-cash items which are excluded when assessing the underlying performance of the Group. To provide a more complete picture of the Group's performance to external audiences, we provide, alongside our reported results, core results, which are a non-IFRS measure. Our core results exclude the exceptional items and other adjustments set out in Note 6 of the Group consolidated financial statements.

Group operating profit $ million	2020	2019
Core operating profit	**566**	**508**
R&D costs	–	(24)
Jordan warehouse fire incident	11	(13)
Proceeds from legal claim	–	32
Contingent consideration adjustment	–	7
MENA severance and restructuring costs	(3)	(7)
Integration costs	–	4
Net impairment reversal of product related intangibles	62	20
Intangible assets amortisation other than software	(42)	(34)
Assets write off	(15)	–
Reported operating profit	**579**	**493**

Constant currency
As the majority of our business is conducted in the US, we present our results in US dollars. For both our Branded and Injectable businesses, a proportion of their sales are denominated in a currency other than the US dollar. In order to illustrate the underlying performance of these businesses, we include information on our results in constant currency.

Constant currency numbers in 2020 represent reported 2020 numbers translated using 2019 exchange rates, excluding price increases in the business resulting from the devaluation of currencies and excluding the impact from hyperinflation accounting. In 2020 Lebanon and Sudan were considered hyperinflationary economies, therefore the spot exchange rate as at 31 December 2020 was used to translate the results of these operations into US dollars.

EBITDA
EBITDA is earnings before interest, tax, depreciation, amortisation and impairment charges/reversals.

EBITDA $ million	2020	2019
Reported operating profit	**579**	**493**
Depreciation, amortisation and impairment charges/reversals	91	99
Reported EBITDA	**670**	**592**
Exceptional items:		
R&D costs	–	24
Jordan warehouse fire incident	(11)	13
Assets write off	12	–
Proceeds from legal claim	–	(32)
Contingent consideration adjustment	–	(7)
MENA severance and restructuring costs	3	7
Integration costs	–	(4)
Core EBITDA	**674**	**593**

Working capital days
We believe Group working capital days provides a useful measure of the Group's working capital management and liquidity. Group working capital days are calculated as Group receivable days plus Group inventory days, less Group payable days. Group receivable days are calculated as Group trade receivables x 365, divided by 12 months Group revenue. Group inventory days are calculated as Group inventory x 365 divided by 12 months Group cost of sales. Group payable days are calculated as Group trade payables x 365, divided by 12 months Group cost of sales.

Group net debt
We believe Group net debt is a useful measure of the strength of the Group's financing position. Group net debt is calculated as Group total debt less Group total cash. Group total debt excludes co-development agreements and contingent liabilities.

Group net debt $ million	Dec-20	Dec-19
Short-term financial debts	(158)	(569)
Short-term leases liabilities	(10)	(9)
Long-term financial debts	(692)	(48)
Long-term leases liabilities	(72)	(59)
Total debt	**(932)**	**(685)**
Cash, cash equivalents and restricted cash	327	443
Net debt	**(605)**	**(242)**

ROIC
ROIC is calculated as core net operating profit after tax (NOPAT) divided by invested capital (calculated as total equity plus net debt). This measures our efficiency in allocating capital to profitable investments.

ROIC $ million	2020	2019
Core operating profit	566	508
Tax	(121)	(104)
Core NOPAT	**445**	**404**
Net debt	605	242
Equity	2,148	2,129
Invested capital	**2,753**	**2,371**
ROIC	**16.2%**	**17.0%**

Outlook for 2021

Group
We expect to benefit from our continued investment in R&D across our businesses and we will look to fill pipeline gaps through business development

Injectables
We expect Injectables revenue to grow in the mid-single digits. We expect core operating margin to be in the range of 37% to 38%.

Generics
We expect Generics revenue to be in the range of $770 million to $810 million and core operating margin to be around 20%.

Branded
We expect Branded revenue to grow in the mid-single digits in constant currency.

Net finance expense, tax and capital expenditure
We expect Group net finance expense to be around $50 million and the core effective tax rate to be in the range of 22% to 23%. We expect Group capital expenditure to be in the range of $140 million to $160 million.