Business and financial review

A strong 2024 performance, with growth in all three businesses, and a positive 2025 outlook.

Khalid Nabilsi
Chief Financial Officer

"Thanks to our dedicated teams, we were able to deliver another year of growth. We continue to make excellent strategic progress and are in a good position for the future."

Reported results (statutory)

	2024 $ million	2023 $ million	Change	Constant currency[1] change
Revenue	**3,127**	2,875	9%	9%
Operating profit	**612**	367	67%	71%
Profit attributable to shareholders	**359**	190	89%	98%
Cashflow from operating activities	**564**	608	(7)%	–
Basic earnings per share (cents)	**162**	86	88%	98%
Total dividend per share (cents)	**80**	72	11%	–

Core results[2] (underlying)

	2024 $ million	2023 $ million	Change	Constant currency[1] change
Core revenue	**3,156**	2,875	10%	10%
Core operating profit	**719**	707	2%	4%
Core EBITDA[2]	**824**	810	2%	4%
Core profit attributable to shareholders	**495**	492	1%	5%
Core basic earnings per share (cents)	**224**	223	0%	4%

Strong financial performance

Double-digit Group core revenue growth, ahead of expectations

- Group core revenue up 10%, including contribution from Xellia acquisition (9% organic). Reported Group revenue up 9%
- Core revenue up in all three business segments – Injectables up 10%, Branded up 8% and Generics up 11%, supported by breadth of portfolio and recent launches
- Growth in all regions, led by North America

Core Group operating profit up 2% to $719 million at a margin of 22.8% (2023: 24.6%)

- Injectables core operating profit up 5% with margin of 35.3% (2023: 36.9%). Excluding Xellia, Injectables core operating margin was 35.7%. Branded core operating profit up 11% with margin of 24.6% (2023: 23.8%)
- Generics core operating profit down 11% with margin of 16.4% (2023: 20.5%), reflecting the expected higher royalties for our authorised generic of sodium oxybate
- Group reported operating profit up 67%, reflecting an impairment reversal in our Generics business and lower operating profit in the previous year resulting from the impairment of our Sudan business and a legal settlement provision

Strong cashflow from operating activities of $564 million (2023: $608 million)

- Good operating performance slightly offset by increased trade receivables reflecting strong sales towards the end of the year

Robust balance sheet and high returns

- Leverage at 1.4x net debt[3] to core EBITDA (31 December 2023: 1.2x)
- Return on average invested capital of 16.9%[4]
- Full-year dividend of 80 cents per share, up 11%, reflecting confidence in our future prospects

Continued strategic progress to drive future growth

Invested to further expand and diversify portfolio

- Acquired Xellia Pharmaceuticals' US finished dosage form business, further strengthening the Injectables business
- Agreed to acquire 17 Takeda brands licensed to Hikma, enhancing future Branded profitability
- Strengthened R&D, manufacturing and commercial capabilities

Signed new agreements and partnerships

- Expanded our Generics contract manufacturing (CMO) business with a significant agreement with a global pharmaceutical company. Expected to start contributing meaningfully in 2027
- Entered into exclusive commercial partnership with Emergent BioSolutions in January 2025 for Kloxxado® (naloxone HCl 8mg) in the US to increase patient access to this lifesaving medicine

Strong pipeline supporting consistency of new launches

- 132 new product launches across the business
- Launched liraglutide injection in the US, the first approved ANDA for a generic GLP-1 referencing Victoza®, helping improve patient access to this class of medications

Strong 2025 Group outlook

- Group revenue growth of 4% to 6%
- Group core operating profit in the range of $730 million to $770 million, after an increase in investment in R&D of around 20% in 2025

Group

Group core revenue was up 10% reflecting strong growth across all three businesses. Excluding the Xellia acquisition, Group core revenue grew 9%, ahead of our guidance range of 6% to 8%. Group reported revenue, which is stated after a $29 million provision relating to rebate adjustments following a change in prior years estimates in the US, was up 9%.

Group core gross profit grew 3% and core gross margin was 45.9%. The expected reduction in Generics profitability relating to higher royalties on our authorised generic of sodium oxybate was more than offset by a strong performance across the broader Generics portfolio as well as Injectables and Branded.

Group reported operating expenses were $803 million (2023: $1,023 million). Group core operating expenses were $729 million (2023: $700 million).

Reported selling, general and administrative (SG&A) expenses were $671 million (2023: $767 million). This change reflects the provision taken in 2023 related to a legal settlement. Core SG&A expenses were $568 million (2023: $544 million), up 4%, reflecting higher employee benefits, legal expenses and continued investment in sales and marketing in the US.

Reported and core research and development (R&D) expenses were $141 million (2023: $149 million), representing 4.5% of Group core revenue (2023: 5.2%).

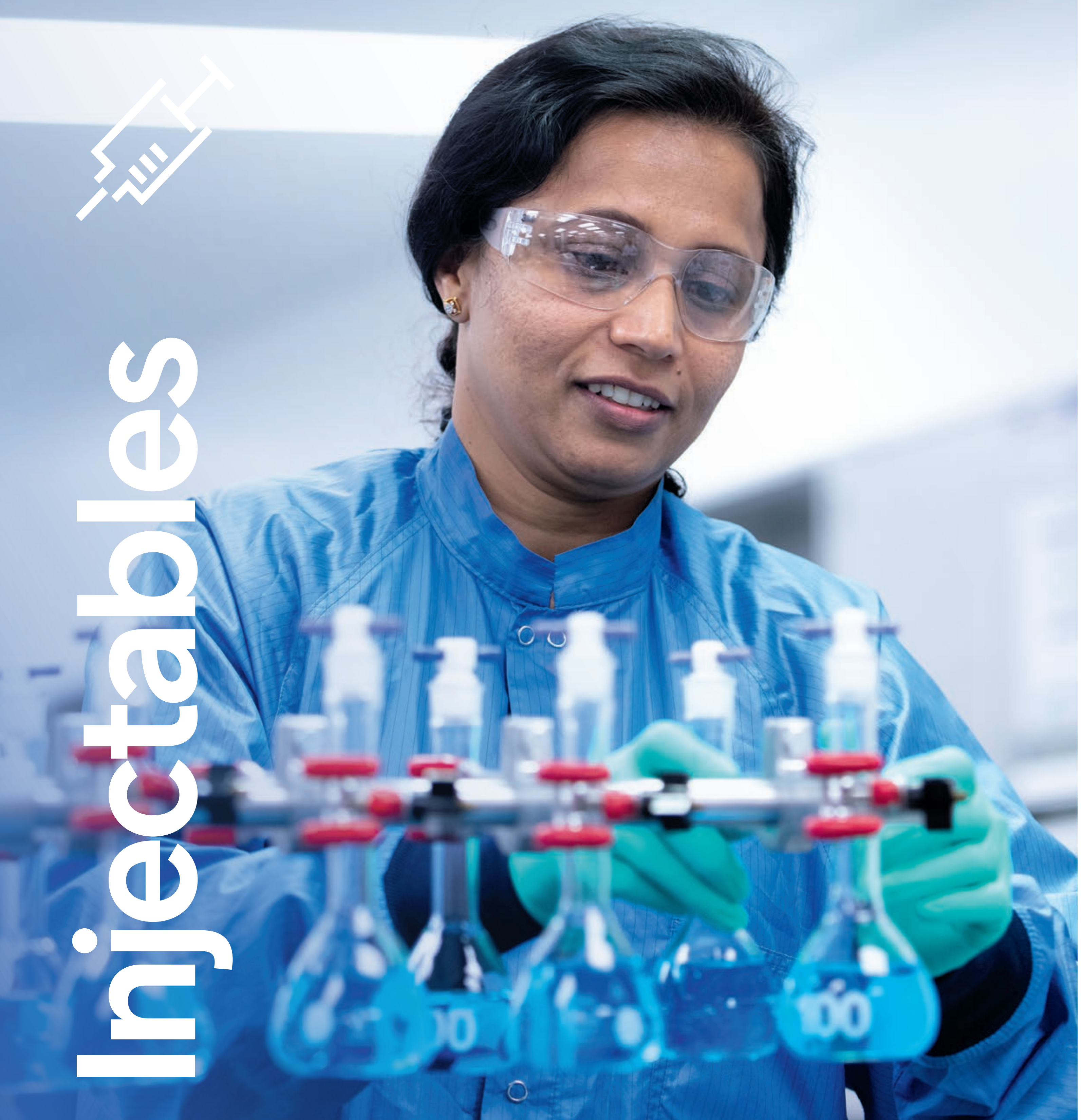
Reported other net operating income was $11 million (2023: $75 million expense). This change primarily reflects the impairment reversal related to our complex respiratory portfolio in 2024, as well as the impact in 2023 relating to the impairment charge taken on our Sudanese business. Core other net operating expenses were $18 million (2023: $4 million), primarily comprising foreign exchange-related costs in Egypt.

Group reported operating profit grew 67% and Group core operating profit increased by 2%, with a core operating margin of 22.8%.

1. Constant currency numbers in 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies
2. Core results throughout the document are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 6 of this report. Core results are a non-IFRS measure. see page 43 for a reconciliation to reported IFRS results
3. Group net debt is calculated as Group total debt less Group total cash. Group net debt is a non-IFRS measure that includes short and long-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19), if any. See page 43 for a reconciliation of Group net debt
4. Refer to page 43 for reconciliation

Business and financial review
continued

We supply hospitals across our markets with generic and specialty injectable products, supported by our manufacturing facilities in the US, Europe and MENA.



Injectables

"Double-digit core revenue growth supported by a global growing portfolio."

Injectables	**2024 $ million**	2023 $ million	Change	Constant currency change
Revenue	**1,306**	1,203	9%	9%
Core revenue	**1,324**	1,203	10%	10%
Gross profit	**668**	655	2%	2%
Gross margin	***51.1%***	*54.4%*	*(3.3)pp*	*(3.3)pp*
Core gross profit	**690**	657	5%	5%
Core gross margin	***52.1%***	*54.6%*	*(2.5)pp*	*(2.6)pp*
Operating profit	**371**	358	4%	4%
Operating margin	***28.4%***	*29.8%*	*(1.4)pp*	*(1.3)pp*
Core operating profit	**468**	444	5%	6%
Core operating margin	***35.3%***	*36.9%*	*(1.6)pp*	*(1.4)pp*

Injectables core revenue grew 10% in 2024, benefiting from our broad portfolio across the three geographies, contribution from the Xellia acquisition and recent launches, including liraglutide injection, our generic GLP-1 product in the US. Excluding the Xellia impact, organic core revenue growth was 8%, at the top end of our guidance range. Injectables reported revenue grew 9%, which is stated after an $18 million provision relating to rebate adjustments following a change in prior years estimates in the US.

In North America we benefited from good demand for our broad portfolio, recent launches and growth in Canada, supported by $24 million sales contribution from the Xellia acquisition, which closed in September.

In Europe and rest of the world (ROW) we delivered good growth across all our established and recently entered markets. Our own products grew 20%, driven by our expanding portfolio and ability to address market shortages. Our CMO business performed in line with expectations, accelerating in the second half.

In MENA we saw strong growth across most of our markets, supported by new launches and good demand across our broad portfolio.

Injectables core gross profit grew 5% and core gross margin contracted due to product mix, which includes the slightly dilutive impact of the Xellia acquisition and an increased contribution from partnered products.

Injectables reported operating profit grew 4%. Injectables core operating profit grew 5% and core operating margin was 35.3%. This reflects the change in gross profit. Excluding Xellia, Injectables core operating margin was 35.7%.

During the year, the Injectables business had 20 launches in North America, 16 in MENA and 53 in Europe and ROW. We submitted 137 filings to regulatory authorities across all markets.

Outlook for 2025

In 2025, we expect Injectables revenue to grow in the range of 7% to 9%. We expect core operating margin to be in the mid-30s.

Core revenue

2024	**$1,324m**
2023	$1,203m

Core operating margin

2024	**35.3%**
2023	36.9%

Shaping a healthier world...

...by investing for the future

We have been steadily growing our global Injectables business through a combination of strategic acquisitions, expansion of manufacturing capabilities and investment in R&D.

Hikma has grown to become a top three US supplier of generic injectable medicines.[1]

In June 2024, following discussions with management, the Board approved the acquisition of Xellia Pharmaceuticals' US finished dosage form business. This included a commercial portfolio and pipeline of differentiated products, a manufacturing facility in Bedford, Ohio, sales and marketing capabilities, and an R&D centre in Zagreb, Croatia.

Once the Bedford facility is fully operational after refurbishment, this acquisition will significantly expand our US Injectables manufacturing capacity and will add complex manufacturing technologies. In addition, it helps enrich our portfolio and pipeline as well as improves our ability to serve the growing needs of hospitals, healthcare professionals, and patients.

1 IQVIA MAT November 2024, generic injectables volume by eaches, excluding branded generics and Becton Dickinson

We supply branded generics and in-licensed patented products from our local manufacturing facilities to retail and hospital customers across the MENA region.

Branded

> Strengthened product mix is driving increasingly profitable growth."

Branded	2024 $ million	2023 $ million	Change	Constant currency change
Revenue	**769**	714	8%	9%
Core revenue	**769**	714	8%	9%
Gross profit	**402**	351	15%	15%
Gross margin	***52.3%***	*49.2%*	*3.1pp*	*2.6pp*
Core gross profit	**402**	366	10%	10%
Core gross margin	***52.3%***	*51.3%*	*1.0pp*	*0.5pp*
Operating profit	**182**	95	92%	108%
Operating margin	***23.7%***	*13.3%*	*10.4pp*	*12.1pp*
Core operating profit	**189**	170	11%	20%
Core operating margin	***24.6%***	*23.8%*	*0.8pp*	*2.4pp*

Our Branded business performed very well in 2024, with good growth across most of our markets. Revenue was up 8%, at the top of our guidance range, as we benefited from a growing and diversified portfolio of oncology products and medicines used to treat chronic illnesses.

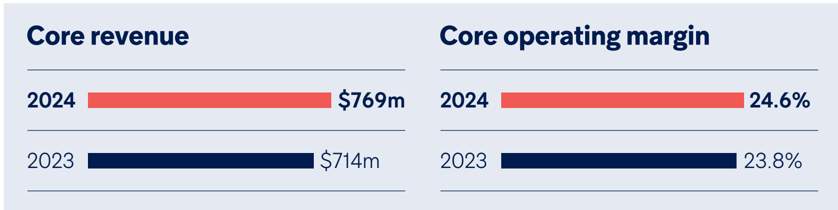
Branded reported gross profit grew 15% and core gross profit grew 10%, with core gross margin improving by a percentage point. This reflects an improving product mix driven by our shift towards higher value medicines.

Branded reported operating profit increased significantly, reflecting the impact of the $69 million impairment charge and cost in relation to halting our operations in Sudan in 2023. Core operating profit grew 11% and core operating margin expanded to 24.6%. This reflects the improvement in core gross profit, which more than offset the negative foreign exchange impact related to the currency devaluation in Egypt.

During the year, the Branded business had 36 launches and submitted 59 filings to regulatory authorities. Revenue from in-licensed products represented 27% of Branded revenue (2023: 29%).

Outlook for 2025

In 2025, we expect Branded revenue to grow in the range of 6% to 7% in constant currency. We expect core operating margin to be close to 25%.



Shaping a healthier world...

...by leveraging our role as a leading healthcare provider in MENA

When Hikma was founded in 1978, its central purpose was to fill a profound gap in access to high-quality affordable medicines across the Middle East and North Africa region. Over the years, our journey has evolved into a story of expansive growth, all aimed at improving patient access.

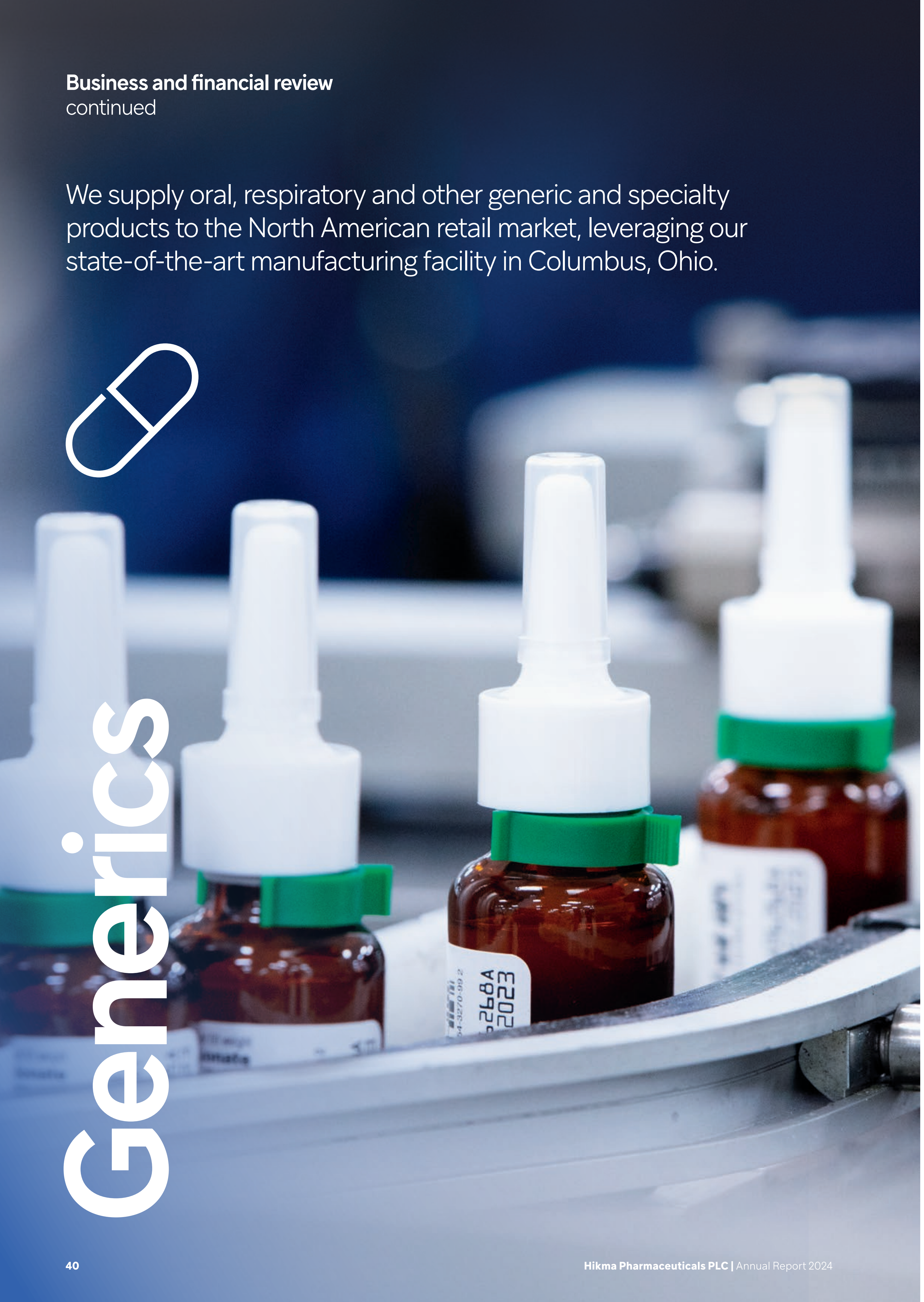
Today, Hikma is the second-largest pharmaceutical company in MENA by sales.[1] Our unique position in the region stems from our deep understanding of local healthcare landscapes, including the complex regulatory environment, combined with our global expertise. We have a commercial presence across 17 markets and 20 manufacturing plants, enabling us to meet the region's healthcare needs.

We have a long-term view to operating across our markets in MENA. This year, we celebrated our 30th anniversary of operating in the Algerian market.

We entered in 1994 and have since built strong relations with the local healthcare community and have significant investments in building new manufacturing capabilities. In 2006, we opened our first manufacturing plant in the market, followed by three others, including the first local oral oncology manufacturing plant.

As we continue to enhance our leading position in MENA, we remain focused on our duty and responsibility to bring new treatments, access, and innovative solutions into the region.

1 Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA.



We supply oral, respiratory and other generic and specialty products to the North American retail market, leveraging our state-of-the-art manufacturing facility in Columbus, Ohio.

Generics

> “Differentiated portfolio and strong operations are driving double-digit core revenue growth.”

Generics	2024 $ million	2023 $ million	Change
Revenue	**1,026**	937	9%
Core revenue	**1,037**	937	11%
Gross profit	**346**	387	(11)%
Gross margin	***33.7%***	*41.3%*	*(7.6)pp*
Core gross profit	**357**	387	(8)%
Core gross margin	***34.4%***	*41.3%*	*(6.9)pp*
Operating profit	**167**	147	14%
Operating margin	***16.3%***	*15.7%*	*0.6pp*
Core operating profit	**170**	192	(11)%
Core operating margin	***16.4%***	*20.5%*	*(4.1)pp*

Generics core revenue grew 11% in 2024, ahead of our guidance, driven by good demand across our differentiated portfolio, particularly for our respiratory products. Generics reported revenue grew 9%, which is stated after an $11 million provision relating to rebate adjustments following a change in prior years estimates.

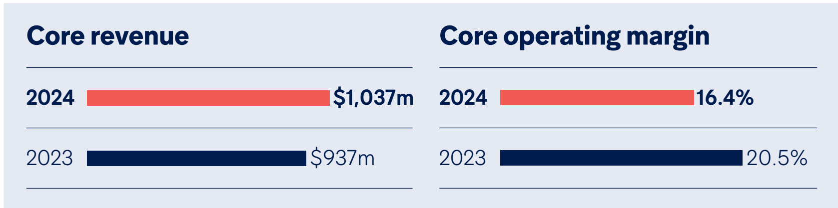
The decrease in Generics reported and core gross profit and the lower core gross margin of 34.4% was primarily due to the higher royalties on our authorised generic of sodium oxybate, when compared to last year. This was partially offset by an improvement in product mix across the base business.

Generics core operating profit decreased, reflecting the reduction in gross profit, which was partially offset by lower sales and marketing costs. Reported operating profit includes the impairment reversal related to our complex respiratory portfolio.

In 2024, the Generics business launched seven products and had a record number of product submissions, with ten filings submitted to regulatory authorities, as we continue to work on further enhancing our pipeline and building differentiation in our product portfolio.

Outlook for 2025

In 2025, we expect Generics revenue to be broadly flat. We expect core operating margin to be around 16%.



Business and financial review
continued

Other businesses

Other businesses, which includes our 503B compounding business, as well as 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 $26 million in 2024 (2023: $21 million) with an operating loss of $9 million (2023: $9 million loss). We are making good progress in growing our compounding business and continue to invest in building our manufacturing and commercial compounding capabilities.

Research and development

Our investment in R&D of $141 million and our business development activities enable us to continue expanding the Group's product portfolio. During 2024, we had 132 new launches and received 136 approvals. To ensure the continuous development of our product pipeline, we submitted 206 regulatory filings.

	2024 submissions[1]	2024 approvals[1]	2024 launches[1]
Injectables	137	86	89
North America	18	18	20
MENA	25	16	16
Europe & ROW	94	52	53
Branded	59	43	36
Generics	10	7	7
Total	**206**	**136**	**132**

Net finance expense

	2024 $ million	2023 $ million	Change	Constant currency change
Finance income	8	7	14%	14%
Finance expense	167	95	76%	73%
Net finance expense	**159**	**88**	81%	77%
Core finance income	8	7	14%	14%
Core finance expense	93	90	3%	0%
Core net finance expense	**85**	**83**	2%	(1)%

Reported net finance expense increased to $159 million primarily due to the remeasurement of contingent consideration related to business combinations. Core net finance expense increased to $85 million (2023: $83 million), reflecting borrowing to finance the Xellia acquisition.

We expect core net finance expense to be between $90 million to $95 million in 2025.[2]

Tax

The Group incurred a reported tax expense of $93 million (2023: $89 million) and a reported effective tax rate of 20.4% (2023: 31.7%). Excluding the tax impact of exceptional items and other adjustments, Group core tax expense was $138 million (2023: $131 million). The core effective tax rate was 21.7% (2023: 20.9%).

We expect the Group core effective tax rate to be around 22% in 2025.

1. Pipeline projects submitted, approved and launched by country in 2024. MENA numbers include only the five major markets (Algeria, KSA, Egypt, Morocco and Jordan)
2. Based on the composition of the Group's net debt portfolio as at 31 December 2024, a one percentage point increase/decrease in interest rates would result in a $6 million increase/decrease in net finance cost per year (2023: $3 million increase/decrease)

Profit attributable to shareholders and earnings per share

Reported profit attributable to shareholders was $359 million (2023: $190 million). Core profit attributable to shareholders was $495 million (2023: $492 million). Reported basic earnings per share was 162 cents (2023: 86 cents). Core basic earnings per share was 224 cents (2023: 223 cents).

Dividend

The Board is recommending a final dividend of 48 cents per share (2023: 47 cents per share) bringing the total dividend for the full year to 80 cents per share (2023: 72 cents per share). The proposed dividend will be paid on 1 May 2025 to eligible shareholders on the register at the close of business on 21 March 2025, subject to approval at the Annual General Meeting on 24 April 2025.

Net cash flow, working capital and net debt

The Group generated operating cash flow of $564 million (2023: $608 million). This change primarily reflects increased trade receivables reflecting strong sales towards the end of the year.

Group working capital days were 240 at 31 December 2024. Compared to the position on 31 December 2023, Group working capital days decreased by three days from 243 days.

Capital expenditure was $165 million (2023: $169 million). In the US, $49 million was spent on upgrades, new technologies and capacity expansion across our Cherry Hill and Columbus sites. In MENA, $80 million was spent strengthening and expanding our local manufacturing capabilities, including for general formulations in Tunisia and Algeria, as well as strengthening our oral oncology capabilities in Algeria. In Europe, we spent $36 million enhancing our manufacturing capabilities, including adding lyophilisation capacity in Portugal.

We expect Group capital expenditure to be in the range of $170 million to $190 million in 2025.

The Group's total debt was $1,306 million at 31 December 2024 (31 December 2023: $1,191 million).

The Group's cash balance at 31 December 2024 was $188 million (31 December 2023: $215 million).

The Group's net debt was $1,118 million at 31 December 2024 (31 December 2023: $976 million). We continue to have a healthy balance sheet, with a net debt to core EBITDA ratio of 1.4x (31 December 2023: 1.2x).

Net assets

Net assets at 31 December 2024 were $2,321 million (31 December 2023: $2,209 million). Net current assets were $285 million (31 December 2023: $761 million). This primarily reflects the reclassification of the five-year Eurobond, which matures on 9 July 2025, as short-term financial debt.

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.

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 Injectables 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 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies.

Core EBITDA

Core EBITDA is earnings before interest, tax, depreciation, amortisation, adjusted for exceptional items and other adjustments (Note 6).

	2024 $ million	2023 $ million
Reported operating profit	**612**	**367**
Depreciation and impairment charges/reversals in relation to property, plant and equipment	96	110
Impairment reversals on property, plant and equipment	(16)	–
Amortisation and impairment charges in relation to intangible assets	122	131
Impairment reversal on intangible assets	(44)	–
Depreciation and impairment charges in relation to right-of-use assets	10	18
Reorganisation costs	11	–
Pre-production set-up costs	4	–
Provision for rebates adjustment	29	–
Provision related to expected North America opioid legal settlement	–	129
Provision against inventory related to halted operations in Sudan	–	17
Impairment charge on financial assets	–	29
Impairment charge on other current assets	–	2
Cost from halted operations in Sudan	–	7
Core EBITDA	**824**	**810**

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 financial position. Group net debt includes short and long-term financial debts (Notes 24 and 28), lease liabilities (Note 17), net of cash and cash equivalents (Note 22) and restricted cash (Note 19), if any.

Group net debt	31 Dec 2024 $ million	31 Dec 2023 $ million
Short-term financial debts	(642)	(150)
Short-term leases liabilities	(11)	(11)
Long-term financial debts	(607)	(975)
Long-term leases liabilities	(46)	(55)
Total debt	**(1,306)**	**(1,191)**
Cash and cash equivalents	188	205
Restricted cash	–	10
Net debt	**(1,118)**	**(976)**

ROIC

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

ROIC $ million	2024	2023
Core operating profit	719	707
Total tax	(158)	(144)
Core operating profit after tax	**561**	**563**
Net debt	1,118	976
Equity	2,321	2,209
Invested capital (at 31 December)	**3,439**	**3,185**
Invested capital (at 1 January)	3,185	3,161
Average invested capital	**3,312**	**3,173**
ROIC	**16.9%**	**17.7%**