

Hikma delivers Group revenue and profit growth and announces share buyback and leadership changes

This announcement contains inside information.

London, 26 February 2026 – Hikma Pharmaceuticals PLC ('Hikma' or 'Group'), the multinational pharmaceutical company, today reports its audited results for the year ended 31 December 2025.

Said Darwazah, Chief Executive Officer (CEO) of Hikma, said:

"Strong momentum in our Branded and Hikma Rx businesses and growth in all our geographies enabled us to deliver Group revenue and profit growth in line with guidance, and resilient margins. While our Injectables business has experienced some challenges, we are taking clear steps to address these and we are confident in the longer-term prospects for this business.

The leadership changes that we are announcing today will enable us to execute the Group strategy with more agility and greater accountability. To support this, I will relinquish my Executive Chairman responsibilities and focus fully on being CEO.

We are confident in the guidance we have set for 2026, which assumes continued strong momentum in Branded and Hikma Rx and increased investment in Injectables. Looking ahead, our focus is on delivering sustainable profit growth. I remain optimistic for the future and am committed to returning to the out-performance we and our shareholders expect. Reflecting this, and our strong cash flow generation, we have increased our total dividend by 5% and are announcing a \$250 million share buyback, which we will execute over the course of the year."

Reported results (statutory)	2025	2024		Constant currency ¹
	\$ million	\$ million	Change	change
Revenue	3,349	3,127	7%	6%
Operating profit	542	612	(11)%	(12)%
Profit attributable to shareholders	402	359	12%	13%
Cashflow from operating activities	436	564	(23)%	-
Basic earnings per share (cents)	182	162	12%	13%
Total dividend per share (cents)	84	80	5%	-

Core results² (underlying)	2025	2024		Constant currency ¹
	\$ million	\$ million	Change	change
Core revenue	3,349	3,156	6%	5%
Core operating profit	741	719	3%	3%
Core EBITDA ³	853	824	4%	3%
Core profit attributable to shareholders	503	495	2%	2%
Core basic earnings per share (cents)	228	224	2%	2%

¹ Constant currency changes are derived after reported 2025 numbers translated using 2024 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 5 of this release. Core results are a non-IFRS measure. See page 15 for a reconciliation to reported IFRS results

³ Core EBITDA is core operating profit before depreciation and software amortisation

FINANCIAL PERFORMANCE

- **Group core revenue growth of 6% to \$3,349 million**
 - Group core revenue up 6%. Reported Group revenue up 7%
 - Injectables core revenue up 7% (reported revenue up 9%), Branded core revenue up 10% (reported revenue up 10%) and Hikma Rx core revenue flat (reported revenue up 1%)
 - Growth in all three geographies - North America, MENA and Europe
- **Group core operating profit growth of 3% to \$741 million at a margin of 22.1% (2024: 22.8%)**
 - Group reported operating profit down 11%, primarily reflecting the impact of a legal settlement
 - Injectables core operating profit down 6% with margin of 31.0% (2024: 35.3%)
 - Branded core operating profit up 19% with margin of 26.4% (2024: 24.6%)
 - Hikma Rx core operating profit up 5% with margin of 17.3% (2024: 16.4%)
- **Cashflow from operating activities of \$436 million (2024: \$564 million)**
 - Excluding \$186 million⁴ in connection with one-off legal settlements, cashflow from operating activities increased by 10%
- **Robust balance sheet and high returns**
 - Leverage at 1.6x net debt⁵ to core EBITDA (31 December 2024: 1.4x)
 - Return on average invested capital of 16.0%⁶
 - Total dividend of 84 cents per share, up 5%
 - Upgraded to BBB by S&P and Fitch and successfully refinanced our \$500 million Eurobond

STRATEGIC PROGRESS

- Launched 84 products across our markets
- Launched Tyzavan[®] in the US – an IP protected, room temperature stable, ready-to-use vancomycin bag – used for critical sepsis treatment in hospitals
- Received approval for and launched our first biosimilar product in the US – ustekinumab
- Double-digit growth for Europe Injectables, driven by both established and new markets
- Continued successful roll out of palbociclib tablets and dapagliflozin tablets in MENA, enhancing our strength in oncology and diabetes treatments, respectively
- Signed 14 deals in MENA during 2025, with 43 deals signed with 29 partners since 2023
- Announced expanded partnership with Celltrion in MENA for an additional six biosimilars

BOARD & MANAGEMENT CHANGES

- Said Darwazah, who stepped back in as CEO in December 2025, will step down as Executive Chairman of the Board to focus exclusively on the CEO role for the next two years
- Victoria Hull, previously Senior Independent Director (SID), has been appointed Chair and Douglas Hurt, our Audit Committee Chair, will assume the SID role
- Mazen Darwazah will become Deputy CEO, MENA, responsible for all the Group's activities in the MENA region, including MENA Injectables. He will also maintain his role as Executive Vice Chairman of the Board
- Khalid Nabilsi, who was appointed to the Board of Directors in December 2025, will become Deputy CEO, North America and Europe and will oversee all Hikma's activities in North America and Europe. He will step down as Chief Financial Officer (CFO)
- The Board has initiated a search for a new CFO. While the search is ongoing, Areb Kurdi, currently VP, Group Financial Controller, will become Acting CFO
- Hafrun Fridriksdottir, currently President, Hikma Rx, will become President, US. She will continue to lead the Hikma Rx segment and will now take responsibility for all Injectables sales in the US, in addition to her responsibilities as Global Head of R&D

⁴ Of the \$186 million, \$111 million was placed into restricted cash at 31 December 2025 and paid in January 2026 (refer to Notes 8 and 10)

⁵ Group net debt is a non-IFRS measure that includes short- and long-term financial debts (Notes 9 and 11), lease liabilities, net of cash and cash equivalents. See page 16 for a reconciliation of Group net debt

⁶ Refer to page 16 for reconciliation

- All leadership and Board changes are effective immediately

SHARE BUYBACK

- Announcing a share buyback programme of up to \$250 million to be executed during 2026
- The buyback reflects the Group's strong cash generation, balance sheet strength and the Board's confidence in the future growth prospects of the business
- The buyback has been sized to maintain balance sheet efficiency whilst leaving significant headroom for continued investment opportunities

2026 GROUP OUTLOOK

- Group revenue growth in the range of 2% to 4%
- Group core operating profit in the range of \$720 million to \$770 million

2026 SEGMENTAL OUTLOOK

- Injectables revenue growth in the low single digits
- Injectables core operating margin in the range of 27% to 28%
- Branded revenue growth in the range of 6% to 8%
- Branded core operating margin of around 25%
- Hikma Rx revenue to be broadly flat
- Hikma Rx core operating margin close to 20%

All guidance is provided in constant currency. Further detail on the 2026 outlook is provided below.

Further information:

A pre-recorded presentation will be available at www.hikma.com at 07:00am GMT. Hikma will also hold a live Q&A webinar at 09:30am GMT, and a recording will be made available on the Company's website.

To join the webinar, please register using the following link:

<https://sparklive.lseg.com/HikmaPharmaceuticals/events/8e44521c-bdea-40c6-bffe-52aa5b6c780f>

Hikma (Investors):

Susan Ringdal +44 (0)20 7399 2760/ +44 (0)7776 477050
EVP, Strategic Planning and Global Affairs

Guy Featherstone +44 (0)20 3892 4389/ +44 (0)7795 896738
Director, Investor Relations

FTI Consulting (media):

Ciara Martin +44 (0) 7779 775 979

About Hikma:

Hikma helps put better health within reach every day for millions of people around the world. For more than 45 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 North America, 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 9,400 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

Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY)
(LEI:549300BNS685UXH4JI75) (rated BBB/stable S&P, BBB/stable Fitch)

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("**MAR**"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR.

The person responsible for the release of this announcement on behalf of Hikma is Helen Middlemist (Company Secretary).

STRATEGIC OVERVIEW

On 15 December 2025 it was announced that Said Darwazah had stepped into the CEO role. Since then, the senior management team, under Said's leadership, has undertaken a thorough review of the plans and projections for the Group, and for the Injectables business in particular. This review has been instrumental in underpinning the 2026 guidance as set out in detail at the end of this strategic overview. It has also led us to withdraw our medium-term Group guidance and the Injectables medium-term margin guidance previously set out.

We are very encouraged by the strength of our Branded business and its ability to continuously deliver strong growth and consistently high margins. At the same time, we are successfully transforming our Hikma Rx business, adding resilience and exciting new growth opportunities that will enable us to maintain attractive margins. In Injectables we are taking the necessary steps to strengthen the business, accelerating investment and adding capabilities in sales and marketing, manufacturing, R&D, supply chain and CMO. In doing this we are aiming to strike the right balance between optimising margins and pursuing sustainable profit growth.

2025 performance

Group core revenue growth of 6% (7% reported Group revenue growth) and Group core operating profit of \$741 million were in line with our guidance, which was revised in November 2025. Group reported operating profit was \$542 million, impacted primarily by the one-off legal settlement related to sodium oxybate.

During 2025, we were the seventh largest supplier of generic medicines in the US⁷, and the third largest supplier of generic injectable products by volume⁸. During 2025 we also became the largest pharmaceutical company, by sales, in MENA⁹, up from the second largest in 2024 and the fifth largest as recently as 2020. In Europe, our highest growth region, our strategy is focused on supplying critical medicines, and we now have a strong competitive position in several key critical medicines across our largest European markets.

Injectables

Our Injectables business, which manufactures and supplies generic injectable and specialty medicines to hospitals across North America, Europe and MENA, delivered a strong top-line performance, growing core revenue 7%, with a core operating margin of 31.0%.

In North America we grew 5%, reflecting a full year contribution from the Xellia acquisition and good growth in our controlled drugs, where we benefit from our US manufacturing footprint, which more than offset increased competition on our base business. In Europe, we grew 23%, with particularly strong contributions from Germany and France. In MENA, we grew 9%, benefitting from a strong performance from in-licensed biosimilar and innovative products, reflecting our position as the partner of choice in the region. As expected, we saw an acceleration in revenue from contract manufacturing in the second half of the year.

Injectables core operating profit was down 6%, impacted by both geographic mix – driven by good growth in MENA, where margins are lower – and product mix, with a higher percentage of our products produced by external partners. As we flagged through the course of the year, we saw competition on certain high value products in the US, including testosterone and calcitonin, while new revenue came from lower margin out-sourced products from the Xellia acquisition and partnered products such as liraglutide and

⁷ IQVIA MAT November 2025, includes all generic injectable and generic non-injectable products by sales

⁸ IQVIA MAT November 2025, generic injectable volumes by eaches, excluding branded generics and Becton Dickinson

⁹ Based on internal analysis 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: MAT December 2025, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved

biosimilars. Profits were also negatively affected by the strength of the Euro and by higher inventory provisions.

We continued to broaden and diversify our portfolio, with 50 injectable launches globally, including 22 in the US. With our new R&D centre in Zagreb, we are well positioned to develop more complex products, including ready-to-use formulations. Today we have 118 products in our pipeline, including 15 ready-to-use formulations, which will drive growth over the medium to long term.

Work on our Bedford plant continues at pace, and we continue to expect full commercial production and associated revenues from bag, liquid and lyophilisation lines to commence in 2028.

Branded

Our Branded business, which supplies branded generics and in-licensed IP-protected products across the MENA region, had an excellent year, with growth across most of our markets. We grew revenue 10% with a core operating margin of 26.4%.

We have a unique business in the region, leveraging our global expertise to meet local market needs. Over the past few years, we have been investing in enhancing our pipeline and portfolio to drive growth and margins, focusing on launching more complex and first-to-market products that are tailored to local needs. We continue to make great progress and are gaining market share in key therapeutic areas. During 2025 we saw noticeably strong performance from certain oncology and diabetes products, including palbociclib and dapagliflozin. We are a leader in multiple sclerosis treatments in the region, and are leveraging partnerships to bring more innovative products, such as Finjuve™ in Saudi Arabia, a novel spray in the dermatology space.

Hikma Rx

Hikma Rx, which supplies oral, respiratory and other generic and specialty products to the North American retail market, had another good year, generating over \$1 billion in core revenue, flat on 2024, as guided, with core operating margin ahead of expectations at 17.3%.

We delivered a strong performance from our more complex products, such as generic Advair Diskus® and fluticasone nasal spray, and good demand for other portfolio products including albuterol and lisdexamfetamine.

We are refocusing our efforts on R&D and submitted nine new filings during the year. We see significant potential to leverage our respiratory and nasal development and manufacturing capabilities to build an attractive pipeline for the future.

Contract manufacturing (CMO) continues to be an important part of our Hikma Rx business, and we have been making good progress readying our Columbus site for a significant upcoming contract previously messaged to the market. We will see revenues linked to this contract in 2026, with the first full year of commercial production in 2027.

Leadership changes

Following the appointment of Said Darwazah as CEO in December 2025, Said will now step down as Executive Chairman to ensure he is fully focused on the CEO role. Victoria Hull will become Chair and

Douglas Hurt will become Senior Independent Director. These changes are effective as at the date of this announcement.

Several further adjustments to the leadership team are being announced today, with the aim both to help Said in the day-to-day management of the business and to ensure that we start moving faster and more effectively.

We have created two new Deputy CEO positions. Mazen Darwazah, Executive Vice Chairman and President of MENA, has been appointed Executive Vice Chairman and Deputy CEO, MENA, with responsibility now for all of our activities in MENA, including MENA Injectables.

Khalid Nabilsi will take on the role of Deputy CEO, North America and Europe, and will oversee all Hikma's activities in North America and Europe.

Khalid will step down as CFO. The Board has initiated a search for a new CFO. While the search is ongoing, Areb Kurdi, currently VP, Finance, will become Acting CFO

Hafrun Fridriksdottir, President, Hikma Rx and Global Head of R&D, will add management of our Injectables commercial activities in the US to her responsibilities and will become President, US, in addition to her R&D role.

2026 Outlook (in constant currency)

We expect Group revenue to grow in the range of 2% to 4%. We expect Group core operating profit to be in the range of \$720 million to \$770 million.

We expect Injectables revenue to grow in the low single digits and for core operating margin to be in the range of 27% to 28%.

Injectables growth will continue to be driven in part by third party manufactured and partnered products and strong momentum in our MENA Injectables business, which will have an associated product and geographic mix impact. We are currently carrying out less high margin CMO work for partners, as they shift production from our European sites to the US. We will also be spending more on Injectables R&D and sales and marketing. All these factors combined account for lower margin guidance for this business.

We expect Branded revenue to grow 6% to 8% and core operating margin to be around 25%. This business is a market leader and we expect it to continue to build on its excellent momentum.

We expect Hikma Rx revenue to be broadly flat, with a good performance from our differentiated products and CMO offering offsetting expected competition on sodium oxybate as well as usual price erosion. We expect core operating margin to be close to 20%, as we benefit from improving product mix.

We expect corporate unallocated costs to be around \$105 million and for our 'Others' business to break even.

We expect Group core net finance expense to be between \$99 million to \$103 million. We expect the core effective tax rate to be around 23%. We expect Group capital expenditure to be in the range of \$190 million to \$210 million.

FINANCIAL OVERVIEW

The financial review set out below summarises the reported and core¹⁰ performance of the Hikma Group and our three main business segments, Injectables, Branded and Hikma Rx for the year ended 31 December 2025.

Group

	2025 \$ million	2024 \$ million	Change	Constant currency change
Revenue	3,349	3,127	7%	6%
Core revenue	3,349	3,156	6%	5%
Gross profit	1,441	1,415	2%	1%
<i>Gross margin</i>	<i>43.0%</i>	<i>45.3%</i>	<i>(2.3) pp</i>	<i>(2.3) pp</i>
Core gross profit	1,457	1,448	1%	0%
<i>Core gross margin</i>	<i>43.5%</i>	<i>45.9%</i>	<i>(2.4) pp</i>	<i>(2.5) pp</i>
Operating profit	542	612	(11)%	(12)%
<i>Operating margin</i>	<i>16.2%</i>	<i>19.6%</i>	<i>(3.4) pp</i>	<i>(3.4) pp</i>
Core operating profit	741	719	3%	3%
<i>Core operating margin</i>	<i>22.1%</i>	<i>22.8%</i>	<i>(0.7)pp</i>	<i>(0.6)pp</i>
Core EBITDA	853	824	4%	3%
<i>Core EBITDA margin</i>	<i>25.5%</i>	<i>26.1%</i>	<i>(0.6)pp</i>	<i>(0.6)pp</i>

Group core revenue was up 6% reflecting good growth in Injectables and Branded, while Hikma Rx delivered revenue in line with 2024, as expected. Group reported revenue was up 7%.

Group core gross profit grew 1% and core gross margin was 43.5% as strong margin performance in Hikma Rx and Branded was offset by the reduced Injectables margin.

Group core operating expenses were \$716 million (2024: \$729 million). Group reported operating expenses were \$899 million (2024: \$803 million).

Group core selling, general and administrative (SG&A) expenses were flat at \$566 million (2024: \$568 million), reflecting growth in the business, offset by a reduction in Hikma Rx sales and marketing spend. Reported SG&A expenses were \$743 million (2024: \$671 million).

Reported research and development (R&D) expenses were \$151 million (2024: \$141 million), representing 4.5% of Group core revenue (2024: 4.5%). Growth was lower than originally planned due to delays in project starts, particularly in Injectables. The Group has a strong focus on R&D and aspires to spend around 5% to 6% of revenue on R&D going forward.

Core other net operating income was \$2 million (2024: \$18 million expense). Reported other net operating expense was \$4 million (2024: \$11 million income). The change is in part due to reduced foreign exchange losses.

Group core operating profit increased by 3%. Group reported operating profit was down 11%, primarily

¹⁰ 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 5 of the consolidated financial statements set out in this release. Core results are a non-IFRS measure

reflecting the impact of the legal settlement related to sodium oxybate.

Group core revenue by business segment

	2025 \$ million		2024 \$ million	
Injectables	1,423	42.5%	1,324	42.0%
Branded	849	25.4%	769	24.4%
Hikma Rx	1,037	31.0%	1,037	32.9%
Others	40	1.2%	26	0.8%
Total	3,349		3,156	

Group core revenue by region

	2025 \$ million		2024 \$ million	
North America	1,976	59.0%	1,940	61.5%
MENA	1,089	32.5%	985	31.2%
Europe and ROW	284	8.5%	231	7.3%
Total	3,349		3,156	

Injectables

	2025 \$ million	2024 \$ million	Change	Constant currency change
Revenue	1,423	1,306	9%	8%
Core revenue	1,423	1,324	7%	7%
Gross profit	649	668	(3)%	(4)%
<i>Gross margin</i>	45.6%	51.1%	(5.5)pp	(5.5)pp
Core gross profit	665	690	(4)%	(4)%
<i>Core gross margin</i>	46.7%	52.1%	(5.4)pp	(5.3)pp
Operating profit	367	371	(1)%	0%
<i>Operating margin</i>	25.8%	28.4%	(2.6)pp	(2.1)pp
Core operating profit	441	468	(6)%	(5)%
<i>Core operating margin</i>	31.0%	35.3%	(4.3)pp	(3.8)pp

Injectables core revenue grew 7% in 2025, benefiting from our broad portfolio across the three geographies, contribution from the Xellia acquisition and recent launches. Injectables reported revenue grew 9%.

North America sales were up 5%. While we saw competition on certain larger products, this was more than offset by the contribution from the products acquired in the Xellia acquisition¹¹, as well as new launches.

In Europe and Rest of World (ROW) sales grew 23%. We delivered good growth across all our established and recently entered markets. Our own products grew 30%, driven by our expanding portfolio and ability to address market shortages.

In MENA, sales grew 9%, supported by the breadth of the portfolio and a strong performance from certain products in our biosimilar portfolio.

Injectables core gross profit was down 4% and core gross margin contracted to 46.7% due to product and geographic mix and increased inventory provisions. Injectables reported gross profit declined 3% with a gross margin of 45.6%. A decline in sales of certain high-value products in the US was offset by lower-margin sales of third-party manufactured products and good progress in MENA, where margins are lower.

Injectables core operating profit was down 6% and core operating margin was 31.0%. This reflects the change in gross profit and higher foreign exchange related costs due to the strength of the Euro versus the US dollar. Injectables reported operating profit was flat, with an operating margin of 25.8%. While Injectables has a global supply chain, including products imported from China to the US which are subject to tariffs, this only had a minor impact on profit in 2025 of c.\$3 million.

¹¹ Products acquired through the Xellia acquisition, which closed on 10 September 2024, contributed \$86 million of revenue to Injectables

Branded

	2025 \$ million	2024 \$ million	Change	Constant currency change
Revenue	849	769	10%	9%
Core revenue	849	769	10%	9%
Gross profit	445	402	11%	8%
<i>Gross margin</i>	52.4%	52.3%	0.1pp	(0.1)pp
Core gross profit	445	402	11%	8%
<i>Core gross margin</i>	52.4%	52.3%	0.1pp	(0.1)pp
Operating profit	227	182	25%	21%
<i>Operating margin</i>	26.7%	23.7%	3.0pp	2.8pp
Core operating profit	224	189	19%	15%
<i>Core operating margin</i>	26.4%	24.6%	1.8pp	1.5pp

Branded revenue was up 10%, as we continue to benefit from our leading market position and a growing and diversified portfolio of oncology products and medicines used to treat chronic illnesses.

Branded core and reported gross profit grew 11%, with core and reported gross margins of 52.4%. This reflects our high-quality product mix driven by our shift towards higher-value medicines.

Branded core operating profit increased 19% and reported operating profit increased 25%, reflecting the strong revenue performance and a reduction in foreign exchange related costs when compared to 2024.

Hikma Rx

	2025 \$ million	2024 \$ million	Change
Revenue	1,037	1,026	1%
Core revenue	1,037	1,037	0%
Gross profit	343	346	(1)%
<i>Gross margin</i>	33.1%	33.7%	(0.6)pp
Core gross profit	343	357	(4)%
<i>Core gross margin</i>	33.1%	34.4%	(1.3)pp
Operating profit	124	167	(26)%
<i>Operating margin</i>	12.0%	16.3%	(4.3)pp
Core operating profit	179	170	5%
<i>Core operating margin</i>	17.3%	16.4%	0.9pp

Hikma Rx core revenue was flat in 2025, reflecting expected price erosion across the base portfolio, offset by a strong performance on key in-market products. Hikma Rx reported revenue grew 1%.

Hikma Rx core gross profit reduced 4%, reflecting an increase in inventory provisions. Hikma Rx reported gross profit reduced 1%.

Hikma Rx core operating profit increased 5%, with lower sales and marketing costs more than offsetting the reduction in gross profit. The decline in sales and marketing spend was driven by a reduction in direct spend on specialty products. Hikma Rx reported operating profit declined 26% following the impairment reversal in 2024 related to our complex respiratory portfolio.

Other businesses

Other businesses, which includes our 503B compounding business, our MENA diagnostics 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 \$40 million in 2025 (2024: \$26 million) with an operating loss of \$6 million (2024: \$9 million loss).

Research and development

Our investment in R&D of \$151 million and our business development activities enable us to continue expanding the Group's product portfolio. We spent \$9 million more in R&D than in 2024, however this was an underspend versus our original ambitions, primarily driven by moving R&D activity from the US to Croatia and delays to project starts in our Injectables business. We will increase this spend and expect to reach 5% to 6% of revenue in 2026.

During 2025, we had 84 new launches and received 99 approvals. To ensure the continuous development of our product pipeline, we submitted 139 regulatory filings.

	2025 submissions ¹²	2025 approvals ¹²	2025 launches ¹²
Injectables	48	47	50
North America	10	19	26
MENA	32	10	10
Europe and ROW	6	18	14
Branded	82	45	30
Hikma Rx	9	7	4
Total	139	99	84

Net finance expense

	2025 \$ million	2024 \$ million	Change	Constant currency change
Finance income	83	8	938%	938%
Finance expense	107	167	(36)%	(38)%
Net finance expense	24	159	(85)%	(87)%
Core finance income	11	8	38%	38%
Core finance expense	106	93	14%	11%
Core net finance expense	95	85	12%	8%

Reported net finance expense was \$24 million, compared with \$159 million in 2024. Reported finance income includes \$72 million finance income which primarily resulted from the adjustment of royalty payment arrangements with certain of the Group's business partners, as well as the revaluation of liabilities associated with future contingent consideration payments.

¹² Pipeline projects submitted, approved and launched by country in 2025. MENA numbers include only the five major markets (Algeria, KSA, Egypt, Morocco and Jordan)

Core net finance expense increased to \$95 million (2024: \$85 million), primarily reflecting an increase in average borrowing and the impact of the refinancing of the previous \$500 million Eurobond.

We expect core net finance expense to be around \$99 million to \$103 million in 2026¹³.

Tax

The Group incurred a reported tax expense of \$112 million (2024: \$93 million) representing a reported effective tax rate of 21.6% (2024: 20.4%). Excluding the tax impact of exceptional items and other adjustments, Group core tax expense was \$139 million (2024: \$138 million). The core effective tax rate was 21.5% (2024: 21.7%).

We expect the Group core effective tax rate to be around 23% in 2026.

Profit attributable to shareholders and earnings per share

Core profit attributable to shareholders was \$503 million (2024: \$495 million). Reported profit attributable to shareholders was \$402 million (2024: \$359 million).

Core basic earnings per share was 228 cents (2024: 224 cents).

Reported basic earnings per share was 182 cents (2024: 162 cents).

Dividend

The Board is recommending a final dividend of 48 cents per share (2024: 48 cents per share) bringing the total dividend for the full year to 84 cents per share (2024: 80 cents per share). The proposed dividend will be paid on 30 April 2026 to eligible shareholders on the register at the close of business on 20 March 2026, subject to approval at the Annual General Meeting on 23 April 2026.

Net cash flow, working capital and net debt

The Group generated operating cash flow of \$436 million (2024: \$564 million). This change primarily reflects \$186 million in connection with one-off legal settlements. Of the \$186 million, \$111 million was placed into restricted cash at 31 December 2025 and paid in January 2026.

Group working capital days were 245 at 31 December 2025 (31 December 2024: 240 days).

Capital expenditure was \$197 million (2024: \$165 million). In North America, \$81 million was spent on capacity expansion and upgrades across our Cherry Hill, Columbus and Beford sites. In MENA, \$82 million was spent strengthening and expanding our local manufacturing capabilities, including for our new general formulation plant in Tunisia and upgrading our oral oncology plant in Algeria, as well as adding new lines in Saudi Arabia and Jordan. In Europe, we spent \$34 million adding bag capacity in Portugal and upgrading infrastructure in Germany and Italy.

We expect Group capital expenditure for 2026 to be in the range of \$190 million to \$210 million.

The Group's total debt was \$1,604 million at 31 December 2025 (31 December 2024: \$1,306 million).

The Group's cash balance at 31 December 2025 was \$217 million (31 December 2024: \$188 million).

¹³ Based on the composition of the Group's net debt portfolio as at 31 December 2025, a one percentage point increase/decrease in interest rates would result in a \$8 million increase/decrease in net finance cost per year (2024: \$6 million increase/decrease)

The Group's net debt was \$1,387 million at 31 December 2025 (31 December 2024: \$1,118 million). We continue to have a healthy balance sheet, with a net debt to core EBITDA ratio of 1.6x (31 December 2024: 1.4x).

During July 2025, the Group issued a new \$500 million five-year Eurobond with a 5.125% coupon rate to refinance the previously issued \$500 million five-year Eurobond, which had a 3.25% coupon rate and matured on 9 July 2025.

During July 2025, the Group also signed a \$250 million six-year loan agreement with International Finance Corporation (IFC), with proceeds used for general corporate purposes.

During November 2025, the Group signed a \$400 million three-year syndicated loan arrangement, with proceeds used for general corporate purposes.

Net assets

Net assets at 31 December 2025 were \$2,606 million (31 December 2024: \$2,321 million). Net current assets were \$1,190 million (31 December 2024: \$285 million). The primary reason for the increase in net current assets is due to the previous \$500 million Eurobond having been classified as a current liability in 2024.

The Board

The Board of Directors that served during the twelve-month period to 31 December 2025 and their respective responsibilities can be found on the Leadership team section of www.hikma.com.

Cautionary statement

This preliminary announcement has been prepared solely to provide additional information to the shareholders of Hikma and should not be relied on by any other party or for any other purpose.

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 5.

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 changes are derived after reported 2025 numbers are translated using 2024 exchange rates, excluding price increases in the business resulting from the devaluation of currencies.

Core EBITDA

Core EBITDA is core operating profit before depreciation and software amortisation.

	2025 \$ million	2024 \$ million
Reported operating profit	542	612
Legal settlements	72	-
Pre-operational costs	16	4
Insurance compensation in relation to the Group's losses in Sudan	(14)	-
Gain on extinguishment of financial liability	(6)	-
Reorganisation costs	5	11
Intangible assets amortisation other than software	100	92
Impairment charges on intangible assets, PPE and right-of-use assets	26	31
Impairment reversals on intangible assets and property, plant and equipment	-	(60)
Provision for rebates adjustment	-	29
Core operating profit	741	719
Depreciation of property, plant and equipment	94	87
Depreciation of right-of-use assets	10	10
Software amortisation	8	8
Core EBITDA	853	824

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 net receivable days plus Group net inventory days, less Group payable days. Group receivable days are calculated as Group net trade receivables x 365, divided by 12 months Group reported revenue. Group inventory days are calculated as Group net 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 reported 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 9 and 11), lease liabilities, net of cash and cash equivalents.

Group net debt	31 Dec 2025 \$ million	31 Dec 2024 \$ million
Short-term financial debts	(106)	(642)
Short-term leases liabilities	(8)	(11)
Long-term financial debts	(1,445)	(607)
Long-term leases liabilities	(45)	(46)
Total debt	(1,604)	(1,306)
Cash and cash equivalents	217	188
Net debt	(1,387)	(1,118)

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	2025	2024
Core operating profit	741	719
Tax on core operating profit	(145)	(158)
Core operating profit after tax	596	561
Net debt	1,387	1,118
Equity	2,606	2,321
Invested capital (at 31 December)	3,993	3,439
Invested capital (at 1 January)	3,439	3,185
Average invested capital	3,716	3,312
ROIC	16.0%	16.9%

Forward looking statements

This announcement contains certain statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature with respect to Hikma's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. All statements other than statements of historical fact may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward looking words such as "aims", "anticipates", "believes", "budget", "estimates", "expects", "forecasts", "goals", "intends", "objectives", "outlook", "plan", "project", "risks", "seek", "scheduled", "targets" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "could", "may", "might", "probably", "should", "will" or "would" be taken, occur or be achieved.

By their nature, forward looking statements are based on current expectations and projections about future events and are therefore subject to assumptions, risks and uncertainties that are beyond Hikma's ability to control or estimate precisely and which could cause actual results or events to differ materially from those expressed or implied by the forward looking statements. In particular, these include statements relating to future actions, product authorisations, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results. Where included, such statements have been made by or on behalf of Hikma in good faith based upon the knowledge and information available to the Directors on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and Hikma's shareholders are cautioned not to place undue reliance on the forward-looking statements. Forward looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Other than in accordance with its legal or regulatory obligations (including under the UK Market Abuse Regulation and the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), Hikma does not undertake to update the forward looking statements contained in this announcement to reflect any changes in events, conditions or circumstances on which any such statement is based or to correct any inaccuracies which may become apparent in such forward looking statements. Except as expressly provided in this announcement, no forward looking or other statements have been reviewed by the auditors of Hikma. Any forward looking statement above and all subsequent oral or written forward looking statements attributable to Hikma or any of its members, directors, officers or employees or any person acting on their behalf are expressly qualified in their entirety by this cautionary statement. Past share performance cannot be relied on as a guide to future performance. Nothing in this announcement should be construed as a profit forecast.

Neither the content of Hikma's website nor any other website accessible by hyperlinks from Hikma's website are incorporated in, or form part of, this announcement.

Principal risks and uncertainties

The Group faces risks from a range of sources that could have a material impact on our financial commitments and ability to trade in the future. The principal risks are determined via robust assessment considering our risk context by the Board of Directors with input from executive management. The principal risks facing the company have not materially changed over the year, and are set out in the 2025 annual report on pages 84 – 88, which will be available in March 2026. The Board recognises that certain risk factors that influence the principal risks are outside of the control of management. The Board is satisfied that the principal risks are being managed appropriately and consistently with the target risk appetite. The set of principal risks should not be considered as an exhaustive list of all the risks the Group faces.

Hikma Pharmaceuticals PLC
Consolidated income statement
For the year ended 31 December 2025

	Note	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 5) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 5) \$m	2024 Reported results \$m
Revenue	3	3,349	–	3,349	3,156	(29)	3,127
Cost of sales		(1,892)	(16)	(1,908)	(1,708)	(4)	(1,712)
Gross profit/(loss)		1,457	(16)	1,441	1,448	(33)	1,415
Selling, general and administrative expenses		(566)	(177)	(743)	(568)	(103)	(671)
Impairment loss on financial assets, net		(1)	–	(1)	(2)	–	(2)
Research and development expenses		(151)	–	(151)	(141)	–	(141)
Other operating expenses		(9)	(26)	(35)	(21)	(31)	(52)
Other operating income		11	20	31	3	60	63
Total operating expenses		(716)	(183)	(899)	(729)	(74)	(803)
Operating profit/(loss)	4	741	(199)	542	719	(107)	612
Finance income		11	72	83	8	–	8
Finance expense		(106)	(1)	(107)	(93)	(74)	(167)
Gain from investment at fair value through profit or loss (FVTPL)		1	–	1	1	–	1
Group's share of profit of joint venture		–	–	–	1	–	1
Profit/(loss) before tax		647	(128)	519	636	(181)	455
Tax		(139)	27	(112)	(138)	45	(93)
Profit/(loss) for the year		508	(101)	407	498	(136)	362
Attributable to:							
Non-controlling interests		5	–	5	3	–	3
Equity holders of the parent		503	(101)	402	495	(136)	359
Earnings per share (cents)							
Basic	6	228		182	224		162
Diluted	6	226		181	221		161

Hikma Pharmaceuticals PLC
Consolidated statement of comprehensive income
For the year ended 31 December 2025

	Note	2025 \$m	2024 \$m
Profit for the year		407	362
Other comprehensive income/(expense)			
Items that may subsequently be reclassified to the consolidated income statement:			
Currency translation movement		94	(55)
Items that will not subsequently be reclassified to the consolidated income statement:			
Change in investments at fair value through other comprehensive income (FVTOCI)		(13)	(6)
Remeasurement of post-employment benefit obligations	10	(2)	(1)
Total other comprehensive income/(expense) for the year		79	(62)
Total comprehensive income for the year		486	300
Attributable to:			
Non-controlling interests		5	3
Equity holders of the parent		481	297
		486	300

Hikma Pharmaceuticals PLC
Consolidated balance sheet
At 31 December 2025

	Note	2025 \$m	2024 \$m
Non-current assets			
Goodwill		393	382
Other intangible assets		777	774
Property, plant and equipment		1,404	1,278
Right-of-use assets		44	48
Investment in joint venture		11	11
Deferred tax assets		307	293
Other non-current assets		92	84
		3,028	2,870
Current assets			
Inventories		1,106	986
Income tax recoverable		18	24
Trade and other receivables		1,061	949
Cash and cash equivalents		217	188
Other current assets	8	241	116
		2,643	2,263
Total assets		5,671	5,133
Current liabilities			
Short-term financial debts	9	106	642
Lease liabilities		8	11
Trade and other payables		715	650
Income tax payable		74	78
Provisions	10	119	122
Other current liabilities		431	475
		1,453	1,978
Net current assets		1,190	285
Non-current liabilities			
Long-term financial debts	11	1,445	607
Lease liabilities		45	46
Deferred tax liabilities		16	18
Provisions	10	40	36
Other non-current liabilities		66	127
		1,612	834
Total liabilities		3,065	2,812
Net assets		2,606	2,321
Equity			
Share capital		40	40
Share premium		282	282
Other reserves		(285)	(374)
Retained earnings		2,556	2,362
Equity attributable to equity holders of the parent		2,593	2,310
Non-controlling interests		13	11
Total equity		2,606	2,321

Hikma Pharmaceuticals PLC
Consolidated statement of changes in equity
For the year ended 31 December 2025

	Note	Other reserves							Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
		Share capital	Share premium	Merger and revaluation reserves	Translation reserve	Capital redemption reserve	Employee benefit trust (EBT) reserve	Total other reserves				
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2024		40	282	35	(319)	2	–	(282)	2,158	2,198	11	2,209
Profit for the year		–	–	–	–	–	–	–	359	359	3	362
Change in investments at fair value through other comprehensive income (FVTOCI)		–	–	–	–	–	–	–	(6)	(6)	–	(6)
Remeasurement of post-employment benefit obligations	10	–	–	–	–	–	–	–	(1)	(1)	–	(1)
Currency translation movement		–	–	–	(55)	–	–	(55)	–	(55)	–	(55)
Total comprehensive income for the year		–	–	–	(55)	–	–	(55)	352	297	3	300
Cost of equity-settled employee share scheme		–	–	–	–	–	–	–	27	27	–	27
Deferred tax on equity-settled employee share scheme		–	–	–	–	–	–	–	1	1	–	1
Purchase of shares held in employee benefit trust (EBT)		–	–	–	–	–	–	(38)	–	(38)	–	(38)
Exercise of equity-settled employee share scheme		–	–	–	–	–	1	1	(1)	–	–	–
Dividends paid	7	–	–	–	–	–	–	–	(175)	(175)	(3)	(178)
Balance at 31 December 2024 and 1 January 2025		40	282	35	(374)	2	(37)	(374)	2,362	2,310	11	2,321
Profit for the year		–	–	–	–	–	–	–	402	402	5	407
Change in investments at fair value through other comprehensive income (FVTOCI)		–	–	–	–	–	–	–	(13)	(13)	–	(13)
Remeasurement of post-employment benefit obligations	10	–	–	–	–	–	–	–	(2)	(2)	–	(2)
Currency translation movement		–	–	–	94	–	–	94	–	94	–	94
Total comprehensive income for the year		–	–	–	94	–	–	94	387	481	5	486
Cost of equity-settled employee share scheme		–	–	–	–	–	–	–	23	23	–	23
Purchase of shares held in employee benefit trust (EBT)		–	–	–	–	–	–	(36)	–	(36)	–	(36)
Exercise of equity-settled employee share scheme		–	–	–	–	–	31	31	(31)	–	–	–
Dividends paid	7	–	–	–	–	–	–	–	(185)	(185)	(3)	(188)
Balance at 31 December 2025		40	282	35	(280)	2	(42)	(285)	2,556	2,593	13	2,606

Hikma Pharmaceuticals PLC
Consolidated cash flow statement
For the year ended 31 December 2025

	Note	2025 \$m	2024 \$m
Cash flow from operating activities			
Profit before tax		519	455
Depreciation, amortisation and impairment		238	168
Finance income and expense		24	159
Cost of equity-settled employee share scheme		23	27
Gain from investment at fair value through profit or loss (FVTPL)		(1)	(1)
Loss on disposal of property, plant and equipment		1	–
Foreign exchange loss, net		7	16
Group's share of profit of joint venture		–	(1)
Loss on sale of assets held for sale		–	1
Change in other non-current assets		(21)	–
Change in inventories		(86)	(112)
Change in trade and other receivables		(97)	(144)
Change in other current assets		(122)	4
Change in trade and other payables		38	78
Change in provisions		(3)	(1)
Change in other current liabilities		39	36
Change in other non-current liabilities		1	4
Cash generated from operations		560	689
Income taxes paid		(126)	(125)
Income taxes received		2	–
Net cash inflow from operating activities		436	564
Cash flow from investing activities			
Purchase of property, plant and equipment		(197)	(165)
Purchase of intangible assets		(120)	(70)
Additions to investments at FVTOCI		(3)	(2)
Payments of contingent consideration liabilities		(75)	(12)
Interest income received		6	8
Dividends from joint venture		1	–
Acquisition of business, net of cash acquired		–	(150)
Cash receipt related to assets held for sale		–	10
Net cash outflow from investing activities		(388)	(381)
Cash flow from financing activities			
Proceeds from issue of long-term financial debts	12	2,402	684
Repayment of long-term financial debts	12	(2,093)	(536)
Proceeds from short-term financial debts	12	349	387
Repayment of short-term financial debts	12	(357)	(411)
Repayment of lease liabilities		(11)	(21)
Dividends paid	7	(185)	(175)
Distributions to non-controlling interests		(3)	(3)
Interest and bank charges paid		(83)	(84)
Purchase of shares held in employee benefit trust (EBT)		(36)	(38)
Upfront fees and Eurobond transaction costs	12	(8)	–
Decrease in restricted cash		–	10
Payments of co-development and earnout payment agreement		–	(1)
Net cash outflow from financing activities		(25)	(188)
Net increase/(decrease) in cash and cash equivalents		23	(5)
Cash and cash equivalents at beginning of year		188	205
Foreign exchange translation movements		6	(12)
Cash and cash equivalents at end of year		217	188

Hikma Pharmaceuticals PLC

Notes to the consolidated financial statements

1. Accounting policies

General information

Hikma Pharmaceuticals PLC is a public limited liability company incorporated and domiciled in England and Wales under the Companies Act 2006

The Group's principal activities are the development, manufacture and commercialisation of a broad range of generic, specialty and branded pharmaceutical products across a range of dosage forms.

Basis of preparation

Hikma Pharmaceuticals PLC's consolidated financial statements have been prepared in accordance with:

- i. UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.
- ii. International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation to fair value of certain financial assets and liabilities.

The accounting policies included in this note have been applied consistently other than where new policies have been adopted.

The presentational currency of the Group's consolidated financial statements is the US dollar, as the majority of the Group's business is conducted in US dollars.

The financial information does not constitute the Company's statutory accounts for the years to 31 December 2025 or 2024 but is derived from those accounts. The auditors have reported on those accounts and their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for the year to 31 December 2025 or 31 December 2024.

Adoption of new and revised standards

The following amendment to accounting standard has been issued and is effective for annual periods beginning on 1 January 2025.

<i>IAS 21 (Amendments)</i>	Lack of Exchangeability
----------------------------	-------------------------

This amendment had no significant impact on the consolidated financial statements but may impact the accounting for future transactions and arrangements.

The following new accounting standards and amendments to accounting standards that had been issued but were not mandatory for annual reporting periods ending on 31 December 2025 were not early adopted:

<i>IFRS 9 and IFRS 7 (Amendments)</i> <i>Effective 1 January 2026</i>	Classification and Measurement of Financial Instruments
<i>IFRS 9 and IFRS 7 (Amendments)</i> <i>Effective 1 January 2026</i>	Contracts referencing Nature-dependent Electricity
<i>IAS 21 (Amendments)</i> <i>Effective 1 January 2027</i>	Translation to a Hyperinflationary Presentation Currency
<i>IFRS 19 (Standard)</i> <i>Effective 1 January 2027</i>	Subsidiaries without Public Accountability: Disclosures
<i>IFRS 18 (Standard) Effective 1 January 2027</i>	Presentation and Disclosure in Financial Statements
<i>Annual Improvements to IFRS Accounting Standards—Volume 11 Effective 1 January 2026</i>	<ul style="list-style-type: none"> – IFRS 1 First-time Adoption of International Financial Reporting Standards – IFRS 7 Financial Instruments: Disclosures – Guidance on implementing IFRS 7 Financial Instruments: Disclosures – IFRS 9 Financial Instruments – IFRS 10 Consolidated Financial Statements – IAS 7 Statement of Cash Flows

The Group is currently assessing the implications of applying the new standards and amendments on the Group's consolidated financial statements.

Revenue recognition

Revenue is recognised in the consolidated income statement when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

The Group has generally concluded that it acts as principal in its revenue arrangements because it typically controls the goods before the transfer to the customer.

The Group manufactures certain medicines on behalf of customers. In most cases, control is transferred to the customer over time, as these medicines have no alternative use, and the Group has an enforceable right to payment for performance completed to date. For the majority of these arrangements, progress towards satisfying the Group's performance obligations is measured based on the units of product approved by the quality control department.

Revenue represents the amounts receivable after the deduction of discounts, value added tax, other sales taxes, allowances given, provisions for chargebacks, accruals for estimated future rebates, returns and price adjustments. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in light of contractual and historical information.

The Group applies the practical expedient and does not adjust the transaction price for the effects of a significant financing component when, at contract inception, the period between the transfer of the promised goods or services to the customer and payment by the customer is expected to be one year or less. As the Group does not expect to have contracts where this period exceeds one year, transaction prices are not adjusted for the time value of money.

Variable consideration

Revenue includes variable consideration arising from chargebacks, returns, rebates, and other gross to net adjustments, which are estimated at the time of sale based on contractual terms, historical experience and current market conditions. Given the inherent uncertainty in the final settlement of these arrangements, the Group applies a constraint to the estimation of variable consideration to ensure that revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved. This is achieved through the use of appropriately prudent assumptions in estimating the expected deductions

Chargebacks

In the US, the Group sells its products directly to wholesale distributors, generic distributors, retail pharmacy chains and mail-order pharmacies. The Group also sells its products indirectly to independent pharmacies, managed care organisations, hospitals, and group purchasing organisations, collectively referred to as 'indirect customers'. The Group enters into agreements with its indirect customers to establish pricing for certain products. The indirect customers then independently select a wholesaler from which they purchase the products at agreed-upon prices. The Group will provide credit to the wholesaler for the difference between the agreed-upon price with the indirect customer and the wholesaler's invoice price. This credit is called a chargeback. The provision for chargebacks is based on historical sell-through levels by the Group's wholesale customers to the indirect customers, and anticipated future sales trends. As sales are made to large wholesale customers, the Group continually monitors the provision for chargebacks and makes adjustments when it believes that actual chargebacks may differ from estimated reserves.

Returns

The Group has a product return policy that allows customers to return the product within a specified period prior to and subsequent to the expiration date. Provisions for returns are recognised as a reduction of revenue in the period in which the underlying sales are recognised. The Group estimates its provision for returns based on historical experience, representing management's best estimate. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future returns. The Group continually monitors the provisions for returns and makes adjustments when it believes that actual product returns may differ from established reserves

Rebates

In the US, rebates are granted to wholesaler distributors and direct customers. Rebates are also granted to healthcare authorities and certain indirect customers under contractual arrangements. Products sold in the US are covered by various programmes (such as Medicaid) under which products are sold at a discount. The Group estimates its provision for rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future rebate liabilities. The Group continually monitors the provisions for rebates and makes adjustments when it believes that actual rebates may differ from established reserves.

Performance obligation

Free goods

Free goods are issued to certain customers as an alternative to discounts. These free goods give rise to a separate performance obligation, which requires management to allocate the transaction price to the original goods and the related free goods. Revenue for free goods is recognised when they are transferred to the customer and a contract liability is recognised when the free goods are due but not yet transferred to the customer.

Contract manufacturing services

Free goods are issued to certain customers as an alternative to discounts. These free goods give rise to a separate performance obligation, which requires management to allocate the transaction price to the original goods and the related free goods. Revenue for free goods is recognised when they are transferred to the customer and a contract liability is recognised when the free goods are due but not yet transferred to the customer.

Exceptional items and other adjustments

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 adjusted numbers may be calculated differently to other companies.

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

Core results

Reported results represent the Group's overall performance. However, these results can include one-off or non-cash items that mask the underlying performance of the Group. To provide a more complete picture of the Group's performance and to improve comparability of our consolidated financial statements to external audiences, alongside our reported results, we provide core results, which are a non-IFRS measure. We represent and discuss our Group and segmental financials reconciled between reported and core results. This presentation allows for full visibility and transparency of our financials so that shareholders are able to clearly assess the performance factors of the Group.

Core results mainly exclude:

- Amortisation of intangible assets other than software
- Impairment charge/reversal of intangible assets, property, plant and equipment and right-of-use assets
- Finance income and expense resulting from remeasurement and unwinding of contingent consideration and co-development earnout payment agreement financial liabilities
- Items which management believes to be exceptional in nature by virtue of their size or incidence, or have a distortive effect on current year earnings, including but not limited to costs associated with business combinations, one-off gains and losses on disposal of businesses, legal expenses, reorganisation costs and any exceptional items related to tax such as significant tax benefit/expense associated with previously unrecognised deferred tax assets/liabilities

Our core results exclude the exceptional items and other adjustments set out in Note 5.

Impairment of intangible assets and property, plant and equipment

At the same time each year, the Group carries out an impairment review for goodwill and intangible assets that are not yet ready for use as follows:

- (a) Goodwill is allocated to cash-generating units (CGUs). These CGUs are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods
- (b) Intangible assets that are not yet ready for use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired

Where applicable, the Group carries forward and uses the most recent detailed calculation of a cash-generating unit's recoverable amount made in a preceding period, provided all of the following criteria are met:

- The assets and liabilities making up the unit have not changed significantly since the last recoverable amount calculation
- The prior calculation indicated that the recoverable amount exceeded the carrying amount of the unit by a substantial margin, reflecting significant headroom
- An analysis of events and changes in circumstances since the last calculation indicates that the likelihood of the current recoverable amount being lower than the carrying amount is remote

The Group also reviews the carrying amounts of property, plant and equipment and intangible assets that are subject to depreciation and amortisation to determine whether there is any indication that those assets are impaired. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or CGU) is lower than its carrying amount, the asset (or CGU) is written down to its recoverable amount. The resulting impairment loss is recognised immediately in the consolidated income statement.

A previously recognised impairment loss is reversed only where there has been a sustained and discrete change in the assumptions and indicators associated with previous impairment losses. In such cases, the carrying amount of the asset is increased to its revised recoverable amount. The reversal is limited so that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Any reversal of impairment is recognised immediately in the consolidated income statement.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

2. Going concern

The Directors believe that the Group is well diversified due to its geographic spread, product diversity and large customer and supplier base. Taking into account the Group's current position and its principal risks for a period longer than 12 months from the date of signing the consolidated financial statements, a going concern analysis has been prepared using realistic scenarios, applying a severe but plausible downside which demonstrates that the Group would maintain sufficient liquidity headroom. Therefore, the Directors believe that the Group and its subsidiaries are adequately placed to manage their business and financing risks successfully, despite the current uncertain economic outlook. Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Where relevant, covenants on major financial debt arrangements are suspended while the Group retains its investment grade status from two rating agencies. During the year ended 31 December 2025, the Group's investment grade rating was upgraded by S&P and Fitch to BBB.

3. Revenue

Business and geographical markets

The following tables provide an analysis of the Group's reported revenue by segment and geographical market, irrespective of the origin of the goods/services:

Year ended 31 December 2025	Injectables \$m	Hikma Rx \$m	Branded \$m	Others \$m	Total \$m
North America	924	1,037	–	15	1,976
Middle East and North Africa	234	–	839	16	1,089
Europe and rest of the world	251	–	10	9	270
United Kingdom	14	–	–	–	14
	1,423	1,037	849	40	3,349

Year ended 31 December 2024	Injectables \$m	Hikma Rx \$m	Branded \$m	Others \$m	Total \$m
North America	877	1,026	–	8	1,911
Middle East and North Africa	214	–	759	12	985
Europe and rest of the world	202	–	10	6	218
United Kingdom	13	–	–	–	13
	1,306	1,026	769	26	3,127

The top selling markets are shown below:

	2025 \$m	2024 \$m
United States	1,950	1,887
Saudi Arabia	331	301
Algeria	229	213
	2,510	2,401

In 2025, included in revenue arising from the Hikma Rx and Injectables segments are sales the Group made to three wholesalers in the US, each accounting for equal to or greater than 10% of the Group's revenue, contributing to \$402 million (12%), \$391 million (12%) and \$354 million (11%). In 2024, they contributed to \$424 million (14%), \$364 million (12%) and \$307 million (10%), respectively.

The following table provides contract balances related to revenue:

	2025 \$m	2024 \$m
Net trade receivables	997	896
Deferred income	113	58
Refund liability	152	151
Indirect rebates and other allowances	188	173

4. Business segments

For management reporting purposes, the Group is organised into three principal operating divisions – Injectables, Branded and Hikma Rx. These divisions are the basis on which the Group reports its segmental information.

Core operating profit/(loss), defined as ‘segment profit/(loss)’, is the principal measure used in the decision-making and resource allocation process of the chief operating decision maker, who is the Group’s Chief Executive Officer. Information regarding the Group’s operating segments is reported below:

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 5) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 5) \$m	2024 Reported results \$m
Injectables						
Revenue	1,423	–	1,423	1,324	(18)	1,306
Cost of sales	(758)	(16)	(774)	(634)	(4)	(638)
Gross profit/(loss)	665	(16)	649	690	(22)	668
Operating expenses	(224)	(58)	(282)	(222)	(75)	(297)
Segment profit	441	(74)	367	468	(97)	371
<i>Add back: depreciation and amortisation</i>	35	52	87	34	51	85
<i>Add back: impairment charges</i>	–	9	9	–	17	17
<i>Segment profit before depreciation, amortisation and impairment</i>	<i>476</i>	<i>(13)</i>	<i>463</i>	<i>502</i>	<i>(29)</i>	<i>473</i>
Branded						
Revenue	849	–	849	769	–	769
Cost of sales	(404)	–	(404)	(367)	–	(367)
Gross profit	445	–	445	402	–	402
Operating expenses	(221)	3	(218)	(213)	(7)	(220)
Segment profit	224	3	227	189	(7)	182
<i>Add back: depreciation and amortisation</i>	34	10	44	30	6	36
<i>Add back: impairment charges</i>	–	1	1	–	1	1
<i>Segment profit before depreciation, amortisation and impairment</i>	<i>258</i>	<i>14</i>	<i>272</i>	<i>219</i>	<i>–</i>	<i>219</i>
Hikma Rx						
Revenue	1,037	–	1,037	1,037	(11)	1,026
Cost of sales	(694)	–	(694)	(680)	–	(680)
Gross profit/(loss)	343	–	343	357	(11)	346
Operating expenses	(164)	(55)	(219)	(187)	8	(179)
Segment profit	179	(55)	124	170	(3)	167
<i>Add back: depreciation and amortisation</i>	31	38	69	29	35	64
<i>Add back: impairment charges/(reversal)</i>	–	15	15	–	(47)	(47)
<i>Segment profit before depreciation, amortisation and impairment</i>	<i>210</i>	<i>(2)</i>	<i>208</i>	<i>199</i>	<i>(15)</i>	<i>184</i>
Others¹						
Revenue	40	–	40	26	–	26
Cost of sales	(36)	–	(36)	(27)	–	(27)
Gross profit/(loss)	4	–	4	(1)	–	(1)
Operating expenses	(10)	–	(10)	(8)	–	(8)
Segment loss	(6)	–	(6)	(9)	–	(9)
<i>Add back: depreciation and amortisation</i>	5	–	5	4	–	4
<i>Segment loss before depreciation, amortisation and impairment</i>	<i>(1)</i>	<i>–</i>	<i>(1)</i>	<i>(5)</i>	<i>–</i>	<i>(5)</i>

1. Includes the 503B compounding business, the MENA diagnostics 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.

Group	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 5) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 5) \$m	2024 Reported results \$m
Segments' profit/(loss)	838	(126)	712	818	(107)	711
Add back: segments' depreciation, amortisation and impairment	105	125	230	97	63	160
Segments' profit/(loss) before depreciation, amortisation and impairment	943	(1)	942	915	(44)	871
Unallocated expenses (excluding depreciation, amortisation and impairment) ¹	(90)	(72)	(162)	(91)	–	(91)
Operating profit/(loss) before depreciation, amortisation and impairment	853	(73)	780	824	(44)	780
Segments' depreciation, amortisation and impairment	(105)	(125)	(230)	(97)	(63)	(160)
Unallocated depreciation and amortisation	(7)	–	(7)	(8)	–	(8)
Unallocated impairment charges	–	(1)	(1)	–	–	–
Operating profit/(loss)	741	(199)	542	719	(107)	612
Finance income	11	72	83	8	–	8
Finance expense	(106)	(1)	(107)	(93)	(74)	(167)
Gain from investment at fair value through profit or loss (FVTPL)	1	–	1	1	–	1
Group's share of profit of joint venture	–	–	–	1	–	1
Profit/(loss) before tax	647	(128)	519	636	(181)	455
Tax	(139)	27	(112)	(138)	45	(93)
Profit/(loss) for the year	508	(101)	407	498	(136)	362
Attributable to:						
Non-controlling interests	5	–	5	3	–	3
Equity holders of the parent	503	(101)	402	495	(136)	359

1. Unallocated expenses (excluding depreciation, amortisation and impairment) primarily comprise employee costs, legal settlements (Note 5), professional fees and IT expenses. The increase compared to the prior year is mainly attributable to legal settlements (Note 5).

The following table provides an analysis of the Group's non-current assets² by geographic area:

	2025 \$m	2024 \$m
North America		
US	1,470	1,518
Canada	29	30
	1,499	1,548
Middle East and North Africa		
Jordan	336	344
Algeria	148	125
Morocco	103	92
United Arab Emirates	99	21
Saudi Arabia	87	75
Others	85	72
	858	729
Europe and rest of the world		
Portugal	180	147
Germany	48	40
Italy	33	24
Others	35	17
	296	228
United Kingdom	3	7
	2,656	2,512

2. Non-current assets exclude deferred tax assets, investments at FVTOCI and other financial assets

5. Exceptional items and other adjustments

Exceptional items and other adjustments are disclosed separately in the consolidated income statement to assist in the understanding of the Group's core performance. Exceptional items and other adjustments have been recognised in accordance with our accounting policy outlined in Note 1; the details are presented below:

		Injectables	Branded	Hikma Rx	Unallocated	Total	Tax effect	Impact on profit for the year
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
2025								
Legal settlements	SG&A	–	–	–	(72)	(72)	17	(55)
Pre-operational costs	Cost of sales	(16)	–	–	–	(16)	4	(12)
Insurance compensation in relation to the Group's losses in Sudan	Other operating income	–	14	–	–	14	(3)	11
Gain on extinguishment of financial liability	Other operating income	6	–	–	–	6	(1)	5
Reorganisation costs	SG&A	(3)	–	(2)	–	(5)	1	(4)
Intangible assets amortisation other than software	SG&A	(52)	(10)	(38)	–	(100)	20	(80)
Impairment charges on intangible assets, property, plant and equipment and right-of-use assets	Other operating expenses	(9)	(1)	(15)	(1)	(26)	6	(20)
Remeasurement of contingent consideration liabilities	Finance income	–	–	–	72	72	(17)	55
Unwinding of contingent consideration liability	Finance expense	–	–	–	(1)	(1)	–	(1)
Exceptional items and other adjustments		(74)	3	(55)	(2)	(128)	27	(101)

- Legal settlements: The Group reached an agreement to resolve all antitrust lawsuits brought against Hikma Pharmaceuticals USA Inc. by third-parties in the US who have purchased or been billed for Xyrem® (Sodium Oxybate). The agreed-upon settlement is not an admission of wrongdoing or legal liability. The Group settled a total of approximately \$72 million to cover for all related cases in July 2025. These matters have been previously disclosed as contingent liabilities
- Pre-operational costs: \$16 million related to the manufacturing plant acquired through the Xellia business combination in September 2024. These costs are incurred during the pre-operational phase and primarily relate to operational readiness, routine maintenance, and the recruitment and training of personnel. These activities are projected to conclude at the end of 2027, at which point the facility is expected to be fully operational. The estimated cost for 2026 is approximately \$18 million. Commissioning and refurbishment activities are ongoing, and costs that are directly attributable to bringing the plant to the condition necessary for its intended use are capitalised in accordance with IAS 16.
- Insurance compensation in relation to the Group's losses in Sudan of \$14 million
- Gain on extinguishment of financial liability: \$6 million resulting from a settlement agreement that reduced a financial liability related to the acquisition of a product-related intangible asset that was previously impaired
- Reorganisation costs: \$5 million of reorganisation costs related to a global restructuring program that started in 2024. This program delivers efficiencies across various Group functions, including R&D, benefitting from the integration of the Xellia business
- Intangible assets amortisation other than software of \$100 million
- Impairment charges: \$26 million of which \$15 million are related to intangible assets which mainly comprised \$13 million of product-related intangible assets following the discontinuation of pipeline products, \$10 million related to property, plant and equipment associated with discontinued projects and \$1 million related to right-of-use assets
- Remeasurement of contingent considerations liabilities: \$72 million represents finance income which primarily resulted from the adjustment of royalty payment arrangements with certain of the Group's business partners, as well as the revaluation of liabilities associated with future contingent consideration payments recognised through business combinations
- Unwinding of contingent consideration liability: \$1 million represents the finance expense resulting from the unwinding of contingent consideration liability recognised through business combinations

Tax effect

- This represents the tax effect on pre-tax exceptional items and other adjustments which is calculated based on the applicable tax rate in each applicable jurisdiction

In the previous year, exceptional items and other adjustments were related to the following:

		Injectables	Branded	Hikma Rx	Unallocated	Total	Tax effect	Impact on profit for the year
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
2024								
Provision for rebates adjustment	Revenue	(18)	–	(11)	–	(29)	7	(22)
Pre-operational costs	Cost of sales	(4)	–	–	–	(4)	1	(3)
Reorganisation costs	SG&A	(7)	–	(4)	–	(11)	2	(9)
Intangible assets amortisation other than software	SG&A	(51)	(6)	(35)	–	(92)	25	(67)
Impairment reversals on intangible assets and property, plant and equipment	Other operating income	–	–	60	–	60	(14)	46
Impairment charges on intangible assets and property, plant and equipment	Other operating expenses	(17)	(1)	(13)	–	(31)	7	(24)
Remeasurement of contingent consideration and other financial liability	Finance expense	–	–	–	(71)	(71)	16	(55)
Unwinding of contingent consideration and other financial liability	Finance expense	–	–	–	(3)	(3)	1	(2)
Exceptional items and other adjustments		(97)	(7)	(3)	(74)	(181)	45	(136)

- Provision for rebates adjustment: \$29 million represents a change in historical estimates in relation to prior years rebates
- Pre-operational costs: \$4 million of costs incurred during the pre-operational phase of the manufacturing plant acquired through the Xellia business combination.
- Reorganisation costs: \$11 million of reorganisation costs related to a global restructuring program. This program will improve efficiencies across various Group functions, including R&D activities benefitting from the integration of the Xellia business
- Intangible assets amortisation other than software of \$92 million
- Impairment reversals: \$60 million related to complex respiratory CGU, primarily driven by improved performance and sustained forecasted profitability. Of this amount, \$44 million was allocated to intangible assets and \$16 million to property, plant and equipment
- Impairment charges: \$22 million impairment on intangible assets mainly comprises \$14 million related to marketing rights following the termination of business development contracts and \$8 million related to a product-related intangible asset due to the discontinuation of a pipeline product. Additionally, there were impairment charges on property, plant and equipment of \$9 million mainly related to machinery and equipment associated with discontinued projects
- Remeasurement of contingent consideration and other financial liability: \$71 million represents the finance expense resulting from the valuation of the liabilities associated with the future contingent payments in respect of contingent consideration recognised through business combinations
- Unwinding of contingent consideration and other financial liability: \$3 million represents the finance expense resulting from the unwinding of contingent consideration recognised through business combinations

6. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Ordinary Shares in free issue during the year after deducting Treasury shares and shares held in the employee benefit trust (EBT). Treasury shares have no right to receive dividends, and the employee benefit trust (EBT) has waived its entitlement to dividends. However, while the voting rights attached to treasury shares are not exercisable, shares in the EBT retain their voting rights.

Diluted EPS is calculated after adjusting the weighted average number of Ordinary Shares used in the basic EPS calculation for the conversion of all potentially dilutive Ordinary Shares.

Core basic and diluted EPS are intended to highlight the core results of the Group before exceptional items and other adjustments.

	2025 Core results \$m	2025 Exceptional items and other adjustments (Note 5) \$m	2025 Reported results \$m	2024 Core results \$m	2024 Exceptional items and other adjustments (Note 5) \$m	2024 Reported results \$m
Profit attributable to equity holders of the parent	503	(101)	402	495	(136)	359

The weighted average number of ordinary shares in free issue used in calculating basic and diluted EPS is shown below:

	2025 Number	2024 Number
Basic EPS	220,587,683	221,333,249
Effect of potentially dilutive Ordinary Shares from share-based awards	2,096,488	2,160,072
Diluted EPS	222,684,171	223,493,321

The basic and diluted EPS are as follows:

	2025 Core Cents	2025 Reported Cents	2024 Core Cents	2024 Reported Cents
Basic EPS	228	182	224	162
Diluted EPS	226	181	221	161

7. Dividends

The amounts recognised as distributions to equity holders in the year were as follows:

	Paid in 2025 \$m	Paid in 2024 \$m
Final dividend for the year ended 31 December 2024 of 48 cents (31 December 2023: 47 cents) per share	106	104
Interim dividend during the year ended 31 December 2025 of 36 cents (31 December 2024: 32 cents) per share	79	71
	185	175

The proposed final dividend for the year ended 31 December 2025 is 48 cents (2024: 48 cents).

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 23 April 2026 and has not been included as a liability in these consolidated financial statements. Based on the number of shares in free issue at 31 December 2025 (220,106,915), the final dividend would be \$106 million.

8. Other current assets

	As at 31 December	
	2025	2024
	\$m	\$m
Restricted cash	111	–
Prepayments	87	73
Investment at FVTPL	26	25
Others	17	18
	241	116

Restricted cash represents cash held in restricted accounts for legal settlements, with a corresponding provision at 31 December 2025 (Note 10). Of this amount, a total of \$110 million was subsequently paid in January 2026.

Investment at FVTPL comprise a portfolio of debt instruments that are managed by an asset manager and which the Group designated as measured at fair value through profit or loss. These assets are classified as level 1 as they are based on quoted prices in active markets.

Others mainly represent compensation due from suppliers in relation to inventory price adjustments.

9. Short-term financial debts

	As at 31 December	
	2025	2024
	\$m	\$m
Short-term borrowings	14	21
Current portion of long-term borrowings (Note 11)	92	621
	106	642

In 2025, the weighted average interest rate incurred for short-term borrowings was 11.1% (2024: 9.1%).

In 2024, the current portion of long-term borrowings comprised the previous Eurobond, which matured and was repaid in July 2025. Subsequently, a new Eurobond was issued in July 2025 with a maturity date of July 2030. This new Eurobond is presented under long-term borrowings as at 31 December 2025 (Note 11).

10. Provisions

	Provision for end of service indemnity \$m	Provision for legal settlements \$m	Total \$m
Balance at 1 January 2024	30	129	159
Additions	3	–	3
Remeasurement of post-employment benefit obligations ¹	1	–	1
Settlements	(5)	–	(5)
Balance at 31 December 2024 and 1 January 2025	29	129	158
Additions	5	72	77
Unwinding of post-employment benefit obligations	1	–	1
Remeasurement of post-employment benefit obligations ¹	2	–	2
Settlements	(4)	(75)	(79)
Balance at 31 December 2025	33	126	159

1. The remeasurement is due to actuarial valuations and changes in actuarial assumptions and is recognised in other comprehensive expense.

	2025 \$m	2024 \$m
Due within one year	119	122
Due after more than one year	40	36
	159	158

Provisions are often subject to uncertainty regarding the timing and settlement amounts. When a settlement is reached and the uncertainty is resolved, these amounts are not classified to trade and other payables and remain classified within provisions. This is to provide more transparent disclosure of subsequent movements. The remaining balance at 31 December 2025 includes \$111 million that was placed into restricted cash, of which a total of \$110 million was agreed for settlement and subsequently paid in January 2026 (Note 8).

The addition of \$72 million in the provision for legal settlements is related to an agreement reached to settle all antitrust lawsuits brought against Hikma Pharmaceuticals USA Inc. by third-parties in the US who have purchased or been billed for Xyrem® (Sodium Oxybate). The agreed-upon settlement is not an admission of wrongdoing or legal liability the Sodium Oxybate settlement. This provision was settled during the year (Note 5).

Provision for end of service indemnity relates to employees of certain Group subsidiaries and includes immaterial amounts for defined benefit plans. This provision is calculated based on relevant laws in the countries where each Group company operates, in addition to their own policies.

11. Long-term financial debts

	As at 31 December	
	2025 \$m	2024 \$m
Long-term borrowings	1,537	1,228
Less: current portion (Note 9)	(92)	(621)
	1,445	607
Breakdown by maturity:		
Within one year	92	621
In the second year	125	118
In the third year	561	129
In the fourth year	157	117
In the fifth year	554	242
In the sixth year	48	1
	1,537	1,228
Breakdown by currency:		
US dollar	1,440	1,156
Algerian dinar	45	31
Jordanian dinar	24	7
Moroccan dirham	21	23
Tunisian dinar	6	2
Euro	1	9
	1,537	1,228

In 2025, the weighted average interest rate incurred for long-term borrowings was 5.1% (2024: 5.1%).

The financial debts are held at amortised cost. Major financial debt arrangements include:

- a) A \$1,150 million syndicated revolving credit facility that matures on 4 January 2029. At 31 December 2025, the facility had a carrying value of \$100 million (2024: \$240 million) and a fair value of \$100 million (2024: \$240 million) and an unutilised amount of \$1,050 million (2024: \$910 million). The facility can be used for general corporate purposes
- b) A new \$500 million 5.125%, five-year Eurobond with a rating of BBB (S&P & Fitch) that matures on 8 July 2030. At 31 December 2025, the facility had a carrying value of \$495 million and a fair value of \$505 million. This bond was issued to refinance the previous \$500 million, 3.25% Eurobond that matured in July 2025
- c) A new \$400 million three-year syndicated loan facility that matures on 6 November 2028. At 31 December 2025, the facility had a carrying value of \$398 million and a fair value of \$398 million. The proceeds were partially used to settle the previous \$400 million five-year syndicated loan facility, which had an outstanding balance of \$162 million at 31 December 2024, the remaining proceeds were used for general corporate purposes
- d) A new \$250 million six-year loan facility from the International Finance Corporation that matures on 15 July 2031. At 31 December 2025, the facility had a carrying value of \$247 million and a fair value of \$247 million. The proceeds were used for general corporate purposes
- e) A \$200 million eight-year loan facility from the International Finance Corporation and Managed Co-lending Portfolio program that matures on 15 September 2028. At 31 December 2025, the facility had a carrying value of \$153 million (2024: \$185 million) and a fair value of \$153 million (2024: \$185 million). The proceeds were used for general corporate purposes
- f) A \$150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 31 December 2025, the facility had a carrying value of \$43 million (2024: \$63 million) and a fair value of \$41 million (2024: \$61 million). The proceeds were used for general corporate purposes

Where relevant, covenants on major financial debt arrangements are suspended while the Group retains its investment-grade status. As of 31 December 2025, the carrying value of long-term debt subject to covenants was immaterial, and the Group was in full compliance with those respective covenants. Covenants that must be complied with after the reporting date do not affect the classification of the related borrowings as current or non-current. Accordingly, all such borrowings remain classified as non-current liabilities.

12. Reconciliation of movement in net debt

	2025 \$m	2024 \$m
<i>Interest-bearing loans and borrowings (Notes 9 and 11)</i>		
Balance at 1 January	1,249	1,125
Proceeds from issue of long-term financial debts	2,402	684
Proceeds from issue of short-term financial debts	349	387
Repayment of long-term financial debts	(2,093)	(536)
Repayment of short-term financial debts	(357)	(411)
Upfront fees and Eurobond transaction costs	(8)	–
Amortisation of upfront fees	3	3
Foreign exchange translation movements	6	(3)
Balance at 31 December	1,551	1,249
<i>Lease liabilities</i>		
Balance at 1 January	57	66
Additions	8	11
Business combination	–	2
Accretion of interest	3	3
Retirements	(1)	(1)
Repayment of lease liabilities	(14)	(24)
Balance at 31 December	53	57
Total Debt	1,604	1,306
Less: cash and cash equivalents	(217)	(188)
Net debt¹	1,387	1,118

1. Net debt includes long and short-term financial debts and lease liabilities, net of cash and cash equivalents. Net debt excludes acquired contingent liability and contingent consideration liability

13. Contingent liabilities

Standby letters of credit and letters of guarantees

A contingent liability existed at the balance sheet date in respect of standby letters of credit and letters of guarantees totalling \$42 million (2024: \$49 million) arising in the normal course of business. No provision for these liabilities has been made in these consolidated financial statements.

A contingent liability existed at the balance sheet date for standby letters of credit totalling \$10 million (2024: \$14 million) for potential stamp duty obligations that may arise from the repayment of loans by intercompany guarantors. It's not probable that any repayment will be made by the intercompany guarantors.

Legal proceedings

The Group is often involved in a number of legal proceedings in the ordinary course of its business, including litigation relating to employment matters, product liability, commercial disputes, pricing, sales and marketing practices, infringement of IP rights, the validity of certain patents and competition laws.

Most of the claims involve highly complex issues. Often these issues are subject to substantial uncertainties and, therefore, the probability of a loss being sustained and/or an estimate of the amount of any loss is impracticable to ascertain. It is the Group's policy to provide for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable.

In the proceedings noted herein, the Group currently believes it has meritorious defences and intends to vigorously defend itself. From time to time, however, the Group may settle or otherwise resolve these matters on terms and conditions that it believes to be in its best interest. Litigation outcomes and contingencies are unpredictable and excessive verdicts can occur. Any legal proceeding, regardless of the merits, might result in substantial costs to defend or settle or otherwise negatively affect our business.

- In Re Generic Pharmaceuticals Pricing Antitrust Litigation. Starting in 2016, more than 30 complaints have been filed against Group entities in the United States on behalf of putative classes of direct and indirect purchasers of generic drug products, as well as several individual direct action retailer and third-party payor plaintiffs. These complaints allege that more than forty generic pharmaceutical defendants, including the Group entities, engaged in conspiracies to fix, increase, maintain and/or stabilise the prices and market shares of certain generic drug products during the periods of approximately 2010 to 2016. The plaintiffs seek unspecified treble monetary damages, which can be imposed jointly and severally with other defendants and can be significantly higher than the profits Hikma made on the alleged drug products, and equitable injunctive relief under federal and state antitrust and consumer protection laws. The lawsuits have been consolidated in a multidistrict litigation (MDL) in the United States District Court for the Eastern District of Pennsylvania (In re Generic Pharmaceuticals Pricing Antitrust Litigation, No. 2724, (E.D. Pa.)). Hikma is one of nineteen defendants in a bellwether trial scheduled for September 2026. At this point in the proceedings, the Group does not believe sufficient evidence exists and is impracticable to make a reasonable estimate of any potential liability.
- Amarin Pharma Inc. v. Hikma Pharmaceuticals PLC. In November 2020, Amarin Pharmaceuticals filed a patent infringement lawsuit against certain Group entities in the United States District Court for the District of Delaware (No. 20-cv-1630) alleging that Hikma's sales, distribution and marketing of its generic icosapent ethyl product infringe three Amarin patents that describe certain methods of using icosapent ethyl. Amarin sought an injunction barring Hikma from selling its generic product as well as unspecified damages. Hikma's product is not approved for the alleged patented methods but rather is approved only for a different indication not covered by any valid patents. In January 2022 the district court dismissed the lawsuit, and Amarin appealed the court's ruling to the United States Court of Appeals for the Federal Circuit. On 25 June 2024, the Federal Circuit reversed the district court's decision, held that Amarin has plausibly pleaded a potential claim for induced infringement, and remanded the case for further proceedings at the district court. A trial in the district court was scheduled to begin on 8 September 2026, but on 16 January 2026, the United States Supreme Court accepted Hikma's petition to consider whether the case should have been dismissed. Accordingly, further proceedings in the trial court have been stayed pending the outcome of the Supreme Court case. At this point, the Group does not believe sufficient evidence exists and is impracticable to make a reasonable estimate of any potential liability.

14. Subsequent event

Share buyback

On 26 February 2026, Hikma announced a share buyback programme of up to \$250 million to be executed during 2026. The buyback has been sized to maintain balance sheet efficiency whilst leaving significant headroom for continued investment opportunities.