Hikma Pharmaceuticals

Interim Results 2026

Presentation Transcript – 6 August 2026

Said Darwazah – CEO

Good morning, everyone and thank you for joining us to discuss our results for the first half of 2026.

Today, I am pleased to report that our first half performance was in line with our expectations and demonstrates that we are delivering against the commitments we have made.

Over the last six months, the management team has spent considerable time meeting colleagues across our sites globally. What we have seen is a business with tremendous talent and growing momentum.

Through the actions we are taking, we are returning to being a more agile organisation, with faster decision-making, clearer accountability and greater empowerment, helping us make good progress against our strategic priorities while maintaining the stability and resilience that underpin the business.

Our renewed focus on strategy execution is delivering tangible results

H1 in line with expectations, with disciplined execution and reinvestment driving long term growth

There are five key messages I would like you to take away from today's results.

First, we have delivered strong financial results, in line with expectations.

Second, we have delivered these results while increasing investment across the Group. In particular, R&D spend is up considerably, reflecting our commitment to strengthening the business for the future.

Third, we continue to broaden and enhance our pipeline and portfolio through a strong cadence of launches and a continued focus on strategic partnerships across our markets.

Fourth, we are optimising the business and enhancing employee engagement. We have focused on improving plant efficiency while strengthening supply chain resilience, improving customer service levels and deepening collaboration across our teams.

And finally, our first-half performance gives us confidence in the outlook for the remainder of the year. As a result, we are reiterating our full-year guidance today.

Before I discuss how we are executing against those priorities, let's briefly look at the numbers.

Group financial highlights – H1 2026

Areb will cover the financials in more detail but let me briefly highlight our Group performance for the first half.

We delivered a solid set of results that were in-line with our expectations, with growth in revenue, operating profit, EBITDA and core earnings per share.

Our balance sheet remains strong, cash generation was healthy, and we continue to maintain the financial flexibility needed to invest in the business, continuing to deliver attractive returns to shareholders.

It is important to note that these results reflect deliberate actions we have taken across the Group over the last six months. Let me now share some examples of how we are translating our strategy into action.

Turning strategy into action

We have been working hard across the Group to empower our people, strengthen the business and position it for long-term growth. Our global operating model is helping us share capabilities, leverage expertise across markets and execute more effectively as one organisation.

Starting with commercial momentum, demand remains robust across our portfolio and markets. Our in-line portfolio is performing very well across the Group and we are adding more products all the time. In the first half, we launched 43 products across the Group and signed 10 new partnerships in MENA, while continuing to advance important strategic initiatives such as our generic Ellipta programme.

We continued to invest for growth. R&D expenditure increased by 18% in the first half, while investment in sales and marketing in Injectables increased by about 10% as we strengthened our commercial capabilities in the US to support future specialty launches. We also continued to invest in our manufacturing network, including Bedford, CMO expansion in Columbus and capacity projects across MENA and Europe.

We also made good progress in optimising the business at a more operational level, focusing on building a more agile organisation. By simplifying decision-making, increasing accountability, empowering teams and bringing them closer to the customer, we are creating an organisation that can respond more quickly to opportunities and changing market dynamics.

During the first half, we improved service levels and strengthened supply-chain resilience through improved processes, stronger inventory policies and new tools. These actions have helped our performance in the first half and will help to ensure we remain on track to deliver our full-year expectations.

With that, let me hand over to Areb to take you through the financials in more detail.

Areb Kurdi – Acting CFO

Solid financial performance with continued investment in growth

Thank you, Said, and good morning everyone.

As Said has highlighted, we delivered a solid first-half performance, with growth in both revenue and profitability while continuing to increase investment across several strategic priorities.

I'll begin with the key drivers of our P&L performance before moving on to the businesses, cash flow and capital allocation.

Core revenue grew 4% in the first half, primarily driven by the strong performance of our Branded business.

Core gross profit increased 7%, with the expanded core gross margin reflecting favourable business mix in Branded and Hikma Rx.

We also continued to invest in the future of the business. R&D expenditure increased 18% and we are investing more in commercial capabilities, particularly within Injectables. We expect both R&D and sales and marketing investment to increase further during the second half of the year.

Despite this increased investment, core operating profit grew 9% to $405 million and core EBITDA increased 8% to $463 million.

Below the operating profit line, core net finance expense increased to $49 million, reflecting higher debt levels and the refinancing of our Eurobond in 2025. The effective tax rate was 21.6%, compared with 19.5% in the prior period.

As a result, while core EBITDA grew 8%, core EPS increased 5%, our share buyback programme partially offset the impact of higher financing costs and tax.

Three high-quality businesses: Branded

Now looking at each of our businesses…

Branded continued to deliver excellent results. Revenue increased15% to $502 million and core operating profit increased 23% to $163 million. Core operating margin expanded 210 basis points to 32.5%.

Performance was driven by continued strong demand across the portfolio, particularly in chronic therapies. We also benefited from contributions from recent launches and partnerships. As is the case most years, tender timings are weighted to the first half which will impact the phasing in the year.

It's also worth noting that the geopolitical environment influenced activity in the region during the first half, which will also impact phasing. We saw some increased government purchasing as countries sought to strengthen medicine inventories, while several of our usual promotional and healthcare activities were delayed, and are now expected to take place in the second half.

Looking to the full year, both revenue and core EBIT will be significantly H1 weighted, but the strong H1 performance means we are now guiding to the top end of our previously announced guidance range.

Three high-quality businesses: Hikma Rx

Hikma Rx delivered performance in-line with our expectations, with revenue broadly flat at $520 million. Core operating profit increased 16% to $107 million and core operating margin expanded 300 basis points to 20.6%.

This performance reflects improving portfolio mix - continued growth of our higher-margin contract manufacturing business, improved economics from sodium oxybate and contributions from more differentiated products across the portfolio. These factors more than offset the modest price erosion we continue to see in the base business.

We expect competition in sodium oxybate to increase through the second half and beyond. However, we are focused on protecting market share and profitability. We are also continuing to grow our contract manufacturing business and progress our differentiated pipeline. We still expect revenue to remain broadly flat for the full year, with core operating margin close to 20%.

Three high-quality businesses: Injectables

Finally, Injectables delivered revenue of $685 million, broadly in line with the previous year. Core operating profit was $189 million, with a core operating margin of 27.6%, an expected decline from the previous year.

Performance reflects strong growth in Europe and Rest of World, with notably strong performances in Germany, Italy and Canada, together with continued growth in MENA. These gains offset lower US revenue. While we saw a steady performance from the base business, the timing of the transition from Vanco Ready to Tyzavan impacted revenue growth. Sales in the second half are now growing in line with market demand, which we expect to accelerate over the course of the year.

Core gross margin was impacted by supply disruptions experienced by one of our in-licensing partners in MENA, while operating profit also reflected our planned increase in investment across the business. Both R&D and sales and marketing grew double digits during the first half as we continued to strengthen our commercial platform and future pipeline.

2026 is a transition year for Injectables. We continue to expect revenue growth in the low single digits for the full year, with both revenue and operating profit weighted towards the second half as Tyzavan continues to build momentum and CMO revenues pick up. And we continue to expect a core operating margin in the range of 27% to 28%.

Cash flow, capex, and balance sheet

Moving to cash and the balance sheet. We generated operating cash flow of $214 million dollars in the first half.

Capital expenditure was higher in the period as we continued to invest across our manufacturing network and advanced several strategic projects. This included continued investment in Bedford, as well as expansion and enhancement projects across the footprint. Importantly, $39 million of first-half capital expenditure is related to a contract manufacturing project that is being reimbursed by our partner, although the assets will remain on Hikma's balance sheet.

As a result of this increased investment activity, together with the ongoing share buyback program, net debt increased during the first half of 2026, with net debt to core EBITDA ending the period at 1.9 times.

Despite this increase, our balance sheet remains strong, we maintain investment-grade credit ratings, and we have substantial financial flexibility to support both investment and shareholder returns.

Our strong balance sheet and cash generation provide the flexibility to continue investing in future growth, while maintaining our dividend and share buyback programme.

Capital allocation

This slide sets out our capital allocation priorities. We take a disciplined approach to balancing investment for future growth with attractive shareholder returns.

Capital expenditure is an ongoing priority, to expand and enhance our high quality and unique manufacturing footprint. We spend 5% to 6% of revenue on capex on average each year.

We will continue to increase our R&D investments, reinforcing our commitment to build a broader, more differentiated and increasingly complex pipeline. As Said discussed earlier, we are deliberately allocating capital to the areas where we believe we have the strongest competitive advantages and the greatest long-term opportunities.

Alongside these investments, we remain committed to a progressive dividend policy and continue to execute on our $250 million dollar share buyback program, which is well progressed.

This disciplined approach allows us to continue investing in the future of the business, pursuing business development opportunities, while maintaining a strong balance sheet and delivering attractive returns to shareholders.

With that, I'll hand back to Said to take you through the business review.

Said Darwazah – CEO

Executing our strategy, building momentum: Branded

Thank you, Areb.

I'd like to spend a few minutes highlighting how each of our businesses is executing against its strategy.

Let me start with Branded, which continues to deliver excellent results while reinforcing its leadership position in MENA.

Once again, growth was driven by strong demand across our chronic portfolio, particularly in diabetes, while we continued to build our positions in strategic therapy areas including immunology, gastro-intestinal, rheumatology and multiple sclerosis.

We also continued to broaden our future growth platforms through both launches and partnerships. The successful launch of our finasteride spray, Finjuve, is a combination of both. Through this in-licensing partnership, we are expanding into an attractive new therapy area, creating a new dermatology platform across MENA.

During the first half, we continued to work on expanding our manufacturing network, progressing our Saudi oncology facility. Local manufacturing remains a significant competitive advantage in the MENA, allowing us to respond quickly to market demand, support launches and maintain our leadership position across the region.

Overall, Branded continues to demonstrate the strength of its business model, combining market leadership, a growing portfolio, strong local manufacturing capabilities and attractive long-term demand drivers across the region.

Executing our strategy, building momentum: Hikma Rx

For Hikma Rx, our strategy is focused on maximizing the base portfolio, strengthening operational performance, developing a differentiated pipeline and scaling our contract manufacturing business.

We are executing on all fronts.

We are successfully defending our positions in key respiratory and nasal products, including fluticasone and generic Advair. While the US generics market remains competitive, the strength of our portfolio, combined with improving supply and strong customer relationships, continues to support a resilient performance.

Sodium oxybate also delivered a strong first half, supported by improved economics, an active defensive strategy following the entry of generic competition and solid commercial execution. Looking ahead, we expect the impact of competition to increase in the second half and beyond. Our focus remains on disciplined commercial execution to protect both market share and profitability in what will continue to be a competitive market.

Operationally, we made meaningful progress in strengthening the business by improving supply reliability, removing bottlenecks and enhancing service levels. These actions are increasing agility, improving reliability and helping us respond more effectively to customer needs.

R&D spending increased as we advanced our respiratory pipeline, including our generic Ellipta program, while continuing to build our differentiated nasal and respiratory capabilities.

Finally, we continue to make good progress in contract manufacturing, which remains an important strategic growth driver for the business. We are making continued progress toward our target of generating approximately 20% of Hikma Rx revenue from CMO by 2030. This momentum is being driven by both established large CMO contracts as well as a growing pipeline of new customer opportunities.

Executing our strategy, building momentum: Injectables

Lastly, our focus in Injectables remains on developing a differentiated and complex portfolio, strengthening our commercial platform, expanding capacity and further diversifying the business geographically.

A good example of this strategy in action is Tyzavan, a specialty product which reflects the type of differentiated, higher-value product we want to bring to market.

Approximately 80% of eligible Vanco Ready customers have now fully or partially transitioned to Tyzavan, demonstrating encouraging adoption and validating both the product proposition and our broader ready-to-use strategy. While the transition creates some near-term disruption, we remain confident in the long-term opportunity.

In the first half we had a double digit increase in our Injectables R&D spend as we work to strengthen our pipeline. We also increased our Sales & Marketing spend in part to ensure we can support our current and future specialty launches.

Our European markets are performing extremely well and we are now the fourth largest injectable player in our EU markets, with more share to go for.

And in MENA, we continued to see healthy underlying demand across both our legacy portfolio and biosimilars franchise. Strong execution by the team successfully more than offset lost revenues resulting from the supply challenges of one of our in-licensing partners.

Finally, our Bedford facility remains on track for commercial production in 2028, and our continued investments across the broader manufacturing network are improving flexibility, supporting future growth and creating additional opportunities in contract manufacturing.

Overall, we are building a stronger and more diversified Injectables business by investing today to support sustainable growth, improved competitiveness and long-term value creation.

Building an industry leading R&D organisation by strengthening capabilities and accelerating execution

We have been talking a lot about R&D, and this slide is a reminder of our approach. We are focused on building a leading R&D organisation by strengthening capabilities and accelerating execution.

We remain focused on maintaining a balanced portfolio, investing in differentiated and complex platforms, leveraging our manufacturing capabilities and improving execution.

And these priorities are already impacting the range and strength of our pipeline across the business.

A strong pipeline across our three businesses

Today, Hikma has more than 330 products in development across our three businesses, targeting markets with a current value of more than $100 billion.

Importantly, this is a balanced pipeline. Around half of our opportunities are in development, with a significant number already filed or approved, providing good visibility into future launches.

We also continue to maintain a healthy mix of near-term and longer-term opportunities, supporting both near-term execution and sustainable growth over time.

Our focus remains on areas where we see attractive demand and where we can differentiate ourselves, including ready-to-use injectables, inhalation products, nasal therapies, and drug-device combinations.

During the first half alone, we added more than 30 new products to the pipeline, demonstrating the continued productivity of our R&D organisation and our commitment to investing for future growth.

Given the importance of R&D to Hikma's future growth, we will be hosting a series of R&D spotlight events for investors and analysts in the fourth quarter, where we will provide a deeper look at the pipeline, our development priorities and the opportunities we see across the business.

2026 Full year guidance reiterated

Given the solid first-half performance and our expectations for the balance of the year, we are pleased to be reiterating our full-year guidance.

Finally, I would like to thank our colleagues across Hikma for their hard work, commitment and execution during the first half. The progress we have discussed today is the result of thousands of people across our organisation working together to serve patients every day.

While there is still work to do, I believe Hikma is becoming a more agile organisation, as we have historically been. One that is making decisions faster, empowering its people and focusing its resources on the areas where we see the greatest opportunities to create value.

I have great confidence in the underlying fundamentals of this business. We are executing against our strategic priorities, investing for future growth and delivering results. I am excited to keep you updated on our progress.

Thank you for your continued support and interest in Hikma.