

Hikma Pharmaceuticals
2025 Full Year Results
Presentation Transcript – 26 February 2026

Said Darwazah - CEO

A differentiated global pharmaceutical business

Good morning everyone. I am very pleased to be speaking with you today – it feels great to be back in the CEO role again.

I want to kick off by focusing on four key things:

The first is stability. I am laser-focused on getting the Group onto a stronger and more stable footing. I want to reassure our people, our investors and all our stakeholders that we have a very strong business and many exciting opportunities ahead.

The second is agility. I want to re-build a culture of quick decision making, flexibility and responsiveness. Over the past few years we have lost a bit of the entrepreneurial culture that the company was founded on. I want to empower our leaders to take decisions and drive accountability.

The Third is investment. We need to accelerate investment in the business. In talent, in technology, in our facilities and, more importantly, in R&D. Investments fuel growth and we need to make sure that we are investing exactly where we need to for the long-term.

And finally of course, long-term growth. This is our priority. Stepping in as CEO, I am ensuring that we are focused on striking a better balance between optimising margin and pursuing sustainable profit growth.

To deliver the first two – stability and agility – we've refined our management structure, and I will walk you through how we plan to run the business for the next couple of years.

We'll then present our 2025 full year results and walk you through both the highs and the lows of the year so that you have a very clear picture of where we stand today.

And finally, we'll explain where we go from here: what we will be focusing on in 2026 - and in the coming years – where we will be investing and how we will drive sustainable growth.

Hikma is a great company – with 3 impressive, diverse businesses. And despite the challenges we've faced this year, we have so much confidence in our future. We've taken action in the past two months - and will continue to take action in the months ahead to set things straight, so that we can continue on our clear path to growth.

Leadership and presenting team

One of the most important things we have done is mobilise and energise our teams. We have great talent at Hikma – many of our very capable and experienced leaders have been with us for a long time, and other more recent joiners have brought great industry experience and excellent track records. They are embracing the changes and moving the business forward.

To help me 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, who is currently Vice Chairman and President of MENA, has been appointed Vice Chairman and Deputy CEO, MENA, with responsibility now for all our activities in MENA. What's new is that MENA Injectables will now report directly to him and his team.

Khalid will take on the role of Deputy CEO, North America and EU. He will oversee all Hikma's activities in North America and Europe, and will be accountable for delivering both the Hikma Rx and Injectables North America and Europe results.

Khalid will step down from the role of CFO. The Board has initiated a search for a new CFO and, in the interim, Areb Kurdi, currently VP, Finance, will become Interim CFO until a permanent CFO is appointed.

Hafrun, currently Global Head of R&D and President, Hikma Rx, 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.

And at the board level – I will relinquish my Executive Chairman responsibilities to fully focus on being CEO. Victoria Hull, our Senior Independent Director, will step into the Chair role, and Douglas Hurt, our Audit Committee Chair, will assume the Senior Independent Director role.

We have also identified some talent gaps – and we are actively recruiting new talent where appropriate, or promoting from within.

I feel that we've put together an organizational structure that is practical and leverages the strong talent that we have across the business. The changes will enable us to address our challenges and execute the Group strategy with more agility and greater accountability.

Group financial highlights – Full year 2025

Moving on to our 2025 results.

We have delivered a solid Group performance in line with our guidance.

Thanks to strong momentum in our Branded and Hikma Rx businesses and growth in all our geographies, we grew Group revenue by 6% and core operating profit by 3% and maintained resilient margins – our EBITDA margin was a very healthy 25.5%.

As we flagged over the course of 2025, Injectables profitability was impacted by our product and geographic mix and it is clear that further focus on, and investment in, this business is now needed to ensure a stronger growth trajectory going forward.

Our cash generation remains very strong, and I am very proud that our Return on Invested Capital remains in the mid-teens – we have an excellent track record of consistently delivering high returns and I am committed to maintaining them around this level.

Now let me hand over to Khalid, who will take us through the 2025 performance in more detail.

Khalid Nabilsa – Deputy CEO, North America and Europe

Three high quality business

Thanks, Said. Let me start with Branded:

Branded

The Branded business had an excellent year. Revenue increased 10%, with a core operating margin of 26.4%. We grew double digit in both of our largest markets, Algeria and Saudi Arabia, and saw good growth in most other markets across the MENA region.

This growth reflects our focus on launching more complex and higher-value products, where we continue to make good progress and gain market share in key therapeutic areas.

We saw a particularly strong performance from certain diabetes and oncology products.

IQVIA data shows that our diabetes portfolio grew by nearly 40% during the year, outpacing the market growth of 17%. In oncology, over the past five years, our CAGR is 35%, versus the market growth of around 10%.

We are also leveraging partnerships to bring more innovative products to our markets across a variety of therapeutic areas.

We are now the largest pharmaceutical company by sales in MENA, an achievement we are hugely proud of, and we expect the business to continue to build on this strong momentum.

Hikma Rx

Now turning to Hikma Rx.

This business had another good year, generating over \$1 billion in revenue, which was in line with our expectations.

The base business performed extremely well during the year, with good demand for our more differentiated products like generic Advair and fluticasone nasal spray.

Price erosion was mid-single digit, which was in line with our expectations.

Core operating margin was ahead of expectations at 17.3%, driven by reduced sales and marketing costs following the outsourcing of KLOXXADO™.

Contract Manufacturing remains an important contributor to this business, and there has been good progress in preparing our Columbus site for a significant upcoming CMO contract, and we expect to see revenues linked to this contract in 2026.

Injectables

The Injectables business delivered a strong topline performance, growing 7%, which is in line with the guidance we set at the beginning of the year.

In North America, sales grew 5%. This reflects a full year contribution from the Xellia acquisition and recent launches, which more than offset increased competition on certain products in our base business, which we flagged over the course of the year.

In Europe, we grew 23%, reflecting strong performance across both our established and recently entered markets – in particular Germany and France.

In MENA, we grew 9%, supported by a strong performance from in-licensed biosimilar and innovative products.

Core operating profit was down 6%, and Core operating margin declined from 35% to 31%.

I'd like to drill down a bit into the margin decline in Injectables – so that it is very clear why the margin is coming down and what we expect in terms of margin going forward.

Evolution of Injectables operating profit margin

In 2024, our Injectables operating margin was around 35%.

Over the course of 2025, a few things happened that put pressure on margin:

First – we saw competition on two of our highest margin products – testosterone and calcitonin.

Second - we were able to offset this lost revenue with growth in Europe and MENA, but MENA sales, in particular, come at a lower margin.

Third – Partnered and third-party manufactured products also helped to drive top line growth, but these products have a lower margin due to royalty and profit share arrangements.

Fourth – We were impacted by the strength of the Euro.

Finally – at year end, we had to write down some inventory – namely liraglutide (after the price dropped significantly) and some Vanco Ready (as we transition to Tyzavan®) – and this accounts for the slight miss to our margin guidance, which came in at 31% versus our guidance range of 32% to 33%.

So all-in-all, 2025 was a tough year for Injectables profitability.

In November, we guided to a 30% floor in margin for this business. We are today guiding lower than this for 2026. So what's changed?

Since November we've had a management change and have done a deep dive into our projections:

Firstly, we are increasing our expectations for R&D spend – this is perhaps one of the most significant drags on margin. A priority for 2026 will be to accelerate and execute on R&D projects that were put on hold in 2025.

Secondly, we have lowered our expectations for our CMO business – some of our customers now require domestic US production, which we are not yet able to offer.

Thirdly, we have identified gaps in our Sales & Marketing teams which we are filling

And finally, we have had to reflect delays in the timing of some product launches

With all of these factors at play, at least for a few years, we expect margins to be closer to 27% or 28%. But we don't want to be held to a strict margin target.

As we have been reviewing our business in the past few months, we can see that we have been leaving a lot of opportunities on the table, due to their sub-30% margin profile.

From 2027, we are expecting a return to growth in absolute profit, but we aim to strike a better balance between optimising margin and pursuing sustainable profit growth.

Importantly, at a Group level, we do not expect Injectables to be a drag to margins, given the strong ongoing performance of Hikma Rx and Branded.

Cash flow, capex and balance sheet

Turning to cashflow and balance sheet.

We continue to have a healthy balance sheet.

We ended the year with a net debt to core EBITDA ratio of 1.6x. This is up slightly from last year – our total debt went up around \$300 million, due to legal settlements, capex increases

and product acquisitions. We were pleased to be upgraded to a BBB credit rating from both S&P and Fitch during the year.

We are continuing to invest in capacity expansions and upgrades to our sites across North America, MENA and Europe, which is reflected in our increased capex in 2025 of close to \$200 million.

Operating cash flow excluding the one-off legal settlements grew by 10%.

That wraps up 2025. Now Said will take look at the growth drivers for 2026 and beyond for each of our businesses

Said Darwazah – CEO

Injectables – Multiple levers to drive growth over the medium term, with investment required to ensure success

Thank you, Khalid. Let's start with Injectables.

I am very optimistic about the potential of this business. The opportunities are there – we just need to focus our efforts and make sure we are investing as much as we can in the right products and capacity.

The way we will be managing the business from today will enable us to sharpen our focus on each of our markets. In North America, Hafrun will oversee our commercial efforts. She will be supported by Jon Kafer, VP, Commercial for US Injectables, who has more than 30 years of experience in the US hospital market. The MENA Injectables team are local experts with a track record of signing partnerships and bringing exciting products to the region. This team will be reporting into Mazen going forward as part of his broader MENA role. Finally, in Europe, Khalid will be overseeing the team as we continue to pursue the rapid growth we have delivered in recent years.

Looking at some select drivers of growth, one of our largest near-term opportunities is Tyzavan® – our vancomycin ready-to-use bags. We launched the product in December 2025 and we expect steady growth over 2026 and beyond, as we look to take market share from other 'less optimal' presentations. We are also exploring launching this product in Europe and MENA through our own commercial teams and out-licensing to partners.

Our expansion in Europe has only just begun and, as you could see from the strong growth in 2025, there is strong demand for our products in the EU market and we have some good launches planned for the coming years.

And in MENA, we have continued to strengthen our biosimilar leadership position as we have added six new biosimilars to our pipeline. Around one third of MENA Injectables revenue comes from our portfolio of biosimilars.

As we have stated already, we will be accelerating our investments in Injectables. R&D is a priority and you will see a big step up in R&D spend in Injectables in 2026 and 2027 to bring the level of spend up to where it should be – around 5-6% of revenue. We will be focusing on adding differentiated and more complex products to our portfolio. There is more to come on this in a few minutes from Hafrun.

We are also investing in capacity across our network. Work on the Bedford site continues – the timelines are in line with the update we gave in November - which means the site will come online in 2028. Bedford will support our growing pipeline of RTU products and add capacity to build a stronger CMO business.

Hikma Rx – Leveraging breadth of portfolio, complex products and manufacturing strength

The outlook for the Hikma Rx business is very encouraging. We are ramping up readiness for our large CMO contract, are winning new CMO mandates and expect to see a good contribution from CMO in 2026.

This will help to offset expected erosion of the top line from generic competition on sodium oxybate. At the operating profit level, the contribution from sodium oxybate will be neutral to positive.

Other important products in this division include generic Advair, which we expect will continue to do well, and fluticasone nasal spray, where we also have a strong market share and manufacturing expertise.

What is truly impressive about this business is that we have been able to gradually improve the margin while also making a significant increase in R&D spend. We are now guiding for close to 20% operating margin in 2026, which is after an expected significant increase in R&D spend.

This increase in R&D spend is essential for driving growth in this division over the medium term. Again, Hafrun will cover our R&D priorities in the coming slides.

Branded – Reinforcing our leading market position and track record

We have reached an impressive milestone in the Branded business this year – we are now the #1 pharma company by revenue in MENA. We are seriously proud of this!

In this business, our success comes from experienced commercial teams, an increasingly complex product portfolio, local manufacturing and strong partnerships. We have been signing over a partnership a month across the last few years, and you can see a selection of our partners on this slide.

We are focused on therapeutic areas where we see good demand and value, and have built a market leading position in oncology, for example. We have a strong pipeline of products that will launch in the coming years, reflecting our focus on first to market or first generic treatments for chronic illnesses.

R&D

As with any pharma company, ensuring we have the right pipeline for the future is critical. And we need to make sure that every dollar we spend on R&D counts – so we have streamlined our approach and are focusing on the most promising opportunities.

I want to pass things over now to Hafrun. In 2025, Hafrun began the transformation of our R&D organisation. As a reminder, she has extensive experience leading R&D teams and has delivered many many product launches over the course of her career.

She'll tell you more.

Hafrun Fridriksdottir – President, US and Global Head of R&D

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

Thanks, Said.

We made a lot of progress in the transformation of the R&D function when we established the Global R&D organisation last year. We streamlined the number of projects under development, re-organised the R&D teams into specific focus areas and we have established clear KPIs for the future.

The first priority – portfolio balance – is key. We must make sure we are working on the right mix of simple and complex formulations to support the three business units, with a steady flow of new revenues to compensate for price erosion and support the growth of the business.

Adding complexity is about creating longer-term opportunities through a focus on complex and differentiated platforms. We are working to build and strengthen our in-house development capabilities in areas like ready to use and inhalation formulations.

The third priority is manufacturing-driven differentiation. Our manufacturing strength is a real differentiation for us, and we can leverage this to unlock technically challenging products, accelerate development and improve scalability.

And finally – speed. We need to shorten the development timelines and improve first-cycle approval rates to enhance speed-to-market, capital efficiency, and return on R&D investment.

To deliver this, we have an excellent management team leading our three technology platforms. Two of these leaders were recently hired and bring 20-30 years of experience in R&D.

A strong pipeline across our three businesses

Currently, we are developing a range of products aimed at advancing all three business areas. In the US and Europe alone, these products have an addressable market size of about \$90 billion, presenting a significant growth opportunity.

I feel we have a good balance across the various stages of development, with 55% either filed, approved or tentatively approved, and 45% under development.

And 80% of our pipeline should get approved before 2030, so we have many opportunities coming in the next few years.

Healthy mid-term launch plan across platforms and geographies

This slide gives you a bit of a better picture of the types of products we will launch – and where and when.

From now to 2029, we expect to launch over 250 products, with a good balance across simple and complex formulations and across regions.

While the number of launches looks to drop off, the complexity increases, as we begin to add respiratory and ready to use products in the US.

Expecting complex and differentiated US launches over the mid-term

In 2026, we are targeting 26 launches in the US for products with a current market size of \$6.7 billion – including nine oral solids and 12 injectables, including two complex long-acting injectables.

In 2027, we will launch a further three long-acting injectables and one peptide formulation in addition to simple and complex solid oral products.

We expect that 2028 will be a big year for launching nasal products – this is when we expect to launch epinephrine nasal spray in the US and 2 other nasal products.

This should also be a good year for our Injectable ready-to-use pipeline, with 3 ready-to-use bag products to be launched.

Adding differentiation through our strategic focus on ready-to-use products

Let's take a closer look at our ready to use plans.

Our ready-to-use pipeline has an addressable market of around \$1.3 billion. The majority will be submitted via the 505(b)(2) pathway, which adds differentiation through product innovation and creates competitive barriers beyond standard generics.

The 15 ready-to-use products represent medium- to long-term value creation opportunities, with initial launches anticipated from 2028 onward.

Our expertise in ready-to-use comes from Xellia and the R&D Centre in Zagreb which was acquired through that acquisition. And Tyzavan is a great example of the type of ready-to-use products that the Zagreb team can develop.

Expanding our pipeline of complex inhalation therapies

Another focus area is Respiratory, Nasal, Semi-Solid and Liquids. Here, we have 20 products in our pipeline with an addressable market of \$18 billion in the US alone. 13 are complex respiratory and nasal drug-device combinations with significant potential.

This is an area where we already have a strong market position as the largest supplier of nasal sprays in the US market. I mentioned epinephrine before – this is an important upcoming launch for us in the US in 2028. In addition, we submitted the product in the UK last year and will be submitting in Europe this year.

We've had proven success in difficult to develop and manufacture inhalation products – our generic Advair being the main one.

Today, our inhalation pipeline covers around two thirds of the US respiratory market – and includes blockbuster products like GSK's Elipta products, Low Global Warming potential pMDIs, and the generic Respimat platform. We are developing these products through our in-house R&D team and strategic partners.

Like the nasals, we also see potential in expanding our respiratory franchise beyond the US.

Improving the quality and complexity of our solid oral pipeline

Our solid oral pipeline is critical for growth in both the Hikma Rx and Branded businesses. We have 146 products in this category, with an addressable market of \$29 billion in the US alone. We have the capability to develop all kinds of solid oral formulations internally, both simple and complex.

These three products are great examples of how we have been able to improve the quality of the products in this part of our pipeline.

So as you can see, we're really excited about R&D and investing more now to ensure future growth. We have a strong pipeline and great teams across the businesses and we look forward to keeping you updated.

I'll now hand back to Said.

Said Darwazah – CEO

2026 Full year guidance

Thank you, Hafrun.

Hopefully we've been able to provide you with a better picture of the strong potential of the opportunities we are going after.

Clearly there's a lot of work still to do, but I am confident that we have the right team in place to deliver it, with a high level of energy and commitment.

So, what does this mean for 2026?

We've taken a hard look at the business in the past couple of months and I believe our guidance reflects a realistic picture of what we can achieve this year, taking into account all of the investments that we plan to make:

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

We expect Injectables revenue growth in the low single digits with core operating margin in the range of 27% to 28% and Branded revenue to grow 6% to 8% in constant currency with core operating margin of around 25%.

We expect Hikma Rx revenue to be broadly flat with core operating margin close to 20%.

A growth business with industry leading margins and high returns

As we wrap up, I want to remind you of our track record of delivering attractive revenue and profit growth and high returns.

In the past few years, we have delivered mid to high single digit top line growth and mid single digit profit growth, while maintaining returns on capital in the mid to high teens.

Now that I am CEO again full-time, I am confident that we can maintain, and even exceed, this level of growth and returns in the coming years. I have conviction in our strategy, the clear opportunities we see for the company and the team that will deliver it.